

VALIC Financial Advisors, Inc.

WRAP FEE PROGRAM BROCHURE

Part 2A Appendix 1 of Form ADV

**Guided Portfolio Services Program
and
Guided Portfolio Advantage Program**

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

VFA is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training. Additional information about VFA also is available on the SEC’s website at www.adviserinfo.sec.gov.

Our brochure may be requested by contacting VFA at 866-544-4968 or it is also available free of charge on our website at www.aigrs.com/prospectus-and-reports/vfa-form-adv-materials.

Item 2 — Material Changes

Since our update to the VFA Wrap Fee Program Brochure (the “Wrap Brochure”) dated March 31, 2021, there have been no material changes.

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Item 4 - Services, Fees and Compensation

The Firm

VFA is registered with the SEC as an investment adviser. As an investment adviser, VFA provides to its clients the investment advisory products and services described in this Wrap Brochure, and certain other advisory programs described in other Firm brochures. The Firm offers its investment advisory services through its online portal and its investment adviser representatives (“IARs”) located throughout the United States. The Firm is also registered with the SEC as a broker-dealer and is a member firm of FINRA. As a broker-dealer, the Firm makes available securities such as stocks and bonds, mutual funds, exchange-traded funds (“ETFs”), variable annuity and variable life insurance products, and municipal securities. Broker-dealer services are not covered by this Wrap Brochure, are not part of our advisory relationship with you, and are not subject to regulation under the Investment Advisers Act of 1940. For more information regarding these brokerage services please see the VFA Guide to Brokerage Services available at www.aigrs.com/client-relationship-summary/vfa-broker-dealer-brochure. All IARs are also engaged in the Firm’s brokerage business and are registered with the Firm as registered representatives.

VFA was incorporated in Texas in 1996 and is headquartered in Houston, Texas with additional branches throughout the United States. VFA is a wholly owned subsidiary of The Variable Annuity Life Insurance Company (“VALIC”), doing business under the AIG Retirement Services brand name; VFA and VALIC are members of American International Group, Inc. (“AIG”). On November 2, 2021, Argon Holdco LLC, a wholly owned subsidiary of Blackstone Inc. (together, “Blackstone”), acquired 9.9% of the total voting shares of VFA’s indirect parent company SAFG Retirement Services, Inc. (“SAFG”). AIG continues to own the remaining 90.1% of SAFG’s total voting shares.

As of December 31, 2020, VFA managed approximately \$23 billion on a discretionary basis.

This Wrap Brochure describes the services, fees and other necessary information you should consider prior to enrolling in the **Guided Portfolio Services (“GPS”) Program** or **Guided Portfolio Advantage (“GPA”) Program**. The Firm also offers one other wrap fee program: the **Managed Investment Program (“MIP”)**. You can obtain a brochure for MIP free of charge at www.aigrs.com/prospectus-and-reports/vfa-form-adv-materials or by contacting us at 866-544-4968. For a description of the other services offered by VFA, please refer to the Firm’s Form ADV Part 2A (the “Firm Brochure”).

(1) GPS Program (*Retirement Plans*)

Description: VFA offers the GPS Program, which is an advice and asset management program offered to individuals in connection with their participation in certain employer-sponsored retirement plans. This advisory program is available to participants in retirement plan accounts where the plan service provider is either VALIC or VALIC Retirement Services Company (“VRSCO”), each an affiliate of VFA. Your retirement account may be invested in a VALIC Portfolio Director (“PD”) variable annuity or in a mutual fund platform through which VRSCO provides recordkeeping, compliance and administrative services to the plan and plan participants.

There are two services under the GPS Program that may be available in your retirement plan. The two services are:

GPS Portfolio Advisor	GPS Portfolio Manager
<p>This service is an online program that enables you to obtain retirement income forecasts, contribution rate and retirement age recommendations, asset allocation models and investment advice through Morningstar Investment Management LLC (“Morningstar”), an independent financial expert, free of charge. Once you have submitted the necessary inputs to the GPS Client Profile (defined below), you will receive a point-in-time recommendation for the allocation of your account value, and future contributions, among the fixed and variable investment options in your VALIC variable annuity or among the investment options available in your mutual fund platform account. It is then your decision whether to implement the investment advice in whole, in part, or not at all, as VFA only provides non-discretionary investment advice with this service and does not engage in any account management or ongoing or periodic monitoring of assets for this service. You are also solely responsible for reviewing and updating the information you input in the program with respect to the completeness, accuracy, and timeliness of the information. You should review your retirement account(s) periodically to monitor changes in the market and the value of your investments and subsequent contributions because a failure to review and update account information through this program may materially affect the content and value of the service.</p>	<p>This service is a discretionary investment advice program that enables you to obtain retirement income forecasts, contribution rate and retirement age recommendations, asset allocation models and investment advice through Morningstar, the independent financial expert, along with ongoing automated asset management services including automatic implementation of the investment advice, periodic portfolio rebalancing, automatically generated annual updates to advice and annual retirement income forecasts for your review, portfolio monitoring and special investment advice statements.</p> <p>GPS Portfolio Manager applies asset allocations provided by Morningstar without modifications (although application of such asset allocations may be subject to limitations imposed by one or more plan investment options), to manage your investments exclusively in accordance with the retirement objectives and resource you indicated as part of your GPS Client Profile.</p> <p>Additionally, you may also receive personalized service from VFA IARs in person, online or by telephone.</p> <p>In this program you will be granting VFA discretionary investment authority over the account.</p>

Consistent with the Department of Labor Advisory Opinion 2001-09A, also known as the SunAmerica Opinion, Morningstar is the “independent financial expert” to the GPS Program, and provides the advice methodologies that are used to produce the investment recommendations to, or that are implemented on behalf of, participants in the GPS Program.

Account Management (GPS Portfolio Manager only): As part of your enrollment process in GPS Portfolio Manager, you will provide information to complete a GPS Client Profile. The GPS Client Profile is designed to help you think about your retirement income goal and time horizon, as well as allow you to disclose your risk preferences, and provide information about the assets, benefits, and retirement savings contributions that you intend to use to fund your retirement. GPS Portfolio Manager uses this information to develop an Investment Policy Statement (“IPS”), which will include a risk-based portfolio assignment and will determine how your assets should be allocated among the underlying mutual funds available within the portfolio assigned for your account. There are seven portfolio assignments, ranging from Very Conservative to Very Aggressive. The asset classes and specific investment vehicles used in these portfolios depends on the investment vehicles available in the plan’s lineup, which is determined by the plan sponsor, not by VFA or VALIC.

GPS Portfolio Manager applies asset allocations provided by Morningstar without modifications (although application of such asset allocations may be subject to limitations imposed by one or more plan investment options), to manage your investments exclusively in accordance with the retirement objectives and resources you indicated as part of your GPS Client Profile. Depending on availability, your GPS Client Profile will include responses to a series of risk preference questions that will be considered when determining your portfolio assignment. The investment advice and recommendations you receive will be based solely on the information disclosed to VFA in your GPS Client Profile, and on the balances/allocations of assets you have in your VALIC plans(s)/accounts(s). The advice delivered by the GPS Program will not consider any investment objectives, risk

profiles/preferences beyond those captured in your GPS Client Profile, or other information you may have provided or disclosed previously or in relation to other, separate products, securities, or services.

GPS Portfolio Manager is an asset allocation investment advisory program designed for investors who prefer to pay an annual fee based on total assets under management that covers advice and asset management. In addition to your GPS Portfolio Manager enrollment, your IAR can assist you with all phases of your retirement planning. This includes the retirement planning phases of accumulation, transition, and distribution. Before electing to enroll in GPS Portfolio Manager, you should consider, among other things: The costs and potential benefits of participating in an asset allocation advisory program that charges an ongoing fee; the need and desire for professional money management service; whether you are comfortable with granting investment discretion to an investment adviser; your retirement goals, investment objectives, and time horizon for your assets managed through GPS Portfolio Manager; and your financial circumstances. You should consider these factors, among others, when deciding whether to participate or continue to participate in GPS Portfolio Manager.

The portfolio assigned to your GPS Portfolio Manager account (your “GPS portfolio assignment”) is aimed at better diversifying your total retirement portfolio. Thus, it is important for you to disclose as much information as possible about the other components of your total retirement portfolio and non-retirement assets when completing your GPS Client Profile form. Furthermore, because GPS Portfolio Manager, through Morningstar, will manage your investments in accordance with the retirement objectives indicated in your GPS Client Profile form, and because the GPS portfolio assignment is aimed at better diversifying your total retirement portfolio (which includes retirement assets and income streams outside the accounts managed under GPS), the GPS portfolio may involve/require more or less risk than you were previously accustomed to taking. If applicable to your account, the risk preferences you indicated in your GPS Client Profile will not override this portfolio assignment methodology, and thus may cause Morningstar’s portfolio assignment to shift to a more aggressive or more conservative model portfolio than what would have been otherwise assigned. Note that Morningstar’s model portfolio assignment is based on all the client household assets that a participant included in their GPS Client Profile (including assets outside the GPS Portfolio Manager). Neither diversification nor asset allocation ensure a profit or guarantee against a loss.

The advised asset allocation and investment selections for the existing balances in, and future contributions to your retirement plan account(s) that are enrolled in GPS Portfolio Manager, will be automatically implemented as indicated in the Disclosures section of the IPS unless you request otherwise. You will have ten (10) calendar days after the Firm generates your initial IPS to cancel the GPS Portfolio Manager program at no cost to you. Upon review of your IPS, you may contact the Client Care Center at (800) 448-2542 to make any necessary changes to your GPS Client Profile information, and have the advice regenerated accordingly.

Generally, on a quarterly basis, Morningstar reviews your account and, if needed, automatically rebalances it back to the target allocations of your assigned portfolio (applying any changes that Morningstar may have made to the investment allocations of your assigned portfolio accordingly). Additionally, Morningstar will automatically regenerate your advice, and issue the corresponding IPS, at least once per year while you are enrolled in GPS Portfolio Manager. These subsequent advice outputs may include any updates to your GPS portfolio assignment that are deemed appropriate by the discretionary investment advice program.

It is important to review your IPS and make any updates to your GPS Client Profile information should your retirement objectives, needs or investment circumstances change. It is your responsibility to have your GPS Client Profile information updated accordingly by contacting your IAR, contacting the Asset Management Center, or accessing your GPS Client Profile online by logging on to your VALIC account from AIGRS.com, then clicking on “See My Personal Advice.”

Fees and Charges: While you are enrolled in the GPS Program, you pay the advisory fees for the management of your account(s) and other fees and expenses of the product, underlying investment(s) and/or platform in which you are invested.

Advisory Fee. The advisory fee rates charged for the GPS Programs are as follows:

- * **GPS Portfolio Advisor.** There is no fee for the use of this service.
- * **GPS Portfolio Manager.** Participants in the GPS Portfolio Manager Program pay an advisory fee based on the combined account(s) value at each calendar quarter-end as shown below. Effective on or about April 1, 2021, if the combined value in your GPS Portfolio Manager account(s) at calendar quarter-end is

less than \$5,000, advisory fees will not be calculated or assessed for that quarter. If you have multiple accounts enrolled in the GPS Portfolio Manager Program, the quarter-end account values for all of your enrolled accounts are combined for determining the advisory fee. This may result in an advisory fee charged on an account with a quarter-end balance below \$5,000 if the combined quarter-end account balance of all your enrolled accounts is at least \$5,000. Your account values enrolled in the program will be aggregated across all plans. The fee is calculated as follows:

Combined Account Value	Standard Annual Advisory Fee Schedule
First \$100,000	0.60%
Next \$150,000	0.50%
Over \$250,000	0.45%

Your advisory fee is based on the proration of assets for your account(s) as noted in the tiered fee schedule above. Under a tiered fee schedule, the advisory fee will vary for different segments of participant assets, gradually decreasing as the account balance increases. Use of a tiered fee schedule will result in a blended advisory fee rate across all your GPS Portfolio Manager accounts. If your plan has a negotiated advisory fee the standard tiered fee schedule may not apply.

The advisory fee rate may be negotiated by the plan sponsor. This fee is not negotiable with plan participants. The rate applicable to your account is included in the Fee Schedule which accompanies your Advisory Agreement.

In accordance with the SEC order referenced in Item 9, VFA is required to cap (and has capped) the advisory fee for the GPS Program at 45 basis points (0.45%) for participants currently enrolled in this program in 403(b) and 457(b) plans offered by Florida K-12 schools, and to also offer this rate to any 403(b) and 457(b) participants offered by Florida K-12 schools who enroll in the GPS Program through the PD annuity within five years from the SEC order date (July 28, 2020). This capped rate will remain in effect for such participants for the duration of enrollment in the GPS Program. More information is provided in Item 9 of this Brochure. Other participants are subject to the fee schedule described above.

The Firm typically enters into a GPS plan services agreement with your employer that permits the Firm to offer the GPS Program services to you and other plan participants.

Calculation of the Advisory Fee. The GPS Portfolio Manager advisory fee is calculated at each calendar quarter-end. The Firm uses your account value, as reflected on VALIC/VRSCO's record keeping system, as of the last day of the calendar quarter to calculate the advisory fees you owe for the quarter.

The Firm works with VALIC/VRSCO to calculate the advisory fee owed on your account(s). Once calculated, VALIC/VRSCO, on behalf of the Firm, deducts the advisory fee from your account(s) generally within fifteen (15) calendar days of the calendar quarter-end. If you enrolled in the GPS Portfolio Manager Program during the quarter, you will pay an advisory fee only for those days in which you were enrolled in the advisory program. We will assess advisory fees from the date that Morningstar first generates your advice, which is the date displayed on your initial IPS (subject to your right to cancel your participation in the Program within 10 calendar days of such date). Your asset allocation plan will be implemented on the business day following the 10th day after the date displayed on your IPS. If you make updates to your GPS Client Profile information and have the advice regenerated during this initial 10-day period, this will become the new date for your initial advice generation, as well as the date from which advisory fees are first assessed.

In determining the advisory fee, the Firm excludes certain assets from the account value in its calculation. For GPS Portfolio Manager accounts invested in the VALIC PD variable annuity, amounts invested in the Multi-Year Enhanced Option at the quarter-end are excluded. If you have retirement plan assets invested in a brokerage account (e.g., Schwab Personal Choice Retirement Account), assets in the brokerage account are excluded from the calculation of your advisory fee. Other than the exclusions noted in this paragraph, the VALIC variable annuities where GPS is available do not exclude any other assets from the advisory fee calculation.

If prior to a quarter-end, you or the Firm terminates the advisory service, you transfer the entire account value out of your account or your plan sponsor terminates the advisory program, the Firm will not charge an advisory fee for that quarter.

Combining of Accounts for Fee Calculations. If you have multiple retirement plan accounts enrolled in the GPS Portfolio Manager Program, the Firm will combine the account values to calculate your advisory fees. Accounts are

aggregated for fee calculation purposes based on your social security number. The Firm does not combine the account values of your family members' accounts with your account value for the purpose of calculating your advisory fees. Additionally, in calculating the applicable fees for the GPS Portfolio Manager Program, the Firm does not include the account values of your accounts, if any, held in the Firm's GPA Program and/or Managed Investment Program.

A portion of the advisory fee collected by the Firm is paid to Morningstar as compensation for the services it provides under the program.

Other Fees and Expenses. The VALIC PD variable annuity contract in which your retirement plan invests includes various fees and expenses including, but not limited to, separate account charges, account maintenance fees, surrender charges and the fees and expenses of the underlying mutual funds available in the contract. Certain of the underlying funds available in the PD variable annuity contract pay 12b-1 fees to VALIC. VALIC uses those fees to directly reduce the separate account charges applicable to the corresponding fund options in the contract. Please review the VALIC PD variable annuity prospectus and the mutual fund prospectuses for details regarding their respective fees and expenses. Separately, if your plan invests directly in mutual funds, you bear the fees and expenses of the mutual funds available in the program and plan-related fees and expenses, such as recordkeeping fees. If your plan sponsor has selected a mutual fund that charges a 12b-1 fee, VRSCO, as the plan service provider, reduces or offsets the recordkeeping fees you or your plan sponsor pay, or offsets other plan expenses. An offset of fees to the plan can be direct, reducing the fee that is actually charged, or indirect, as a credit to your plan account which offsets some or all of the fees charged to the account. Please review the mutual funds' prospectuses for information about the fees and expenses of the mutual funds available within your plan and contact your retirement plan provider for information about recordkeeping/administrative services fees you pay as part of your retirement plan account.

Compensation to VFA and IARs. VFA receives the advisory fee as compensation for your participation in the GPS Portfolio Manager Program. VFA pays your IAR compensation which generally is calculated on a portion of these advisory fees, plus other eligible non-advisory fees for plan and/or account services as discussed below. If you enroll in the GPS Portfolio Advisor Program, there is no annual fee and the IAR does not receive any compensation for that advisory service.

If you are enrolled in the GPS Program within a VALIC PD variable annuity contract or within a mutual fund platform, your VFA IAR typically will receive other compensation for non-advisory plan and account services you receive outside of the GPS program, which can include, among other things, assistance with plan enrollment and/or assistance with transfers or rollovers into your plan account. Such non-advisory compensation can include commissions on deposits into your account(s), a combination of salary/fixed payments, and/or bonus/enrollment payments. This compensation is in addition to any advisory fees VFA generally pays to your IAR for services relating to your participation in the GPS Portfolio Manager Program, and thus generally will be paid regardless of whether you enroll in the GPS Program. The advisory and non-advisory compensation that your IAR receives creates a financial incentive for her/him to recommend and/or assist you with additional investments into your plan account, and/or to recommend your enrollment in the GPS Portfolio Manager Program.

(2) GPA Program (Individual Annuities)

Description: The Firm also offers the GPA Program, which is an asset management program offered exclusively to clients of VALIC who (1) purchased the VALIC Portfolio Director Advantage fixed and variable annuity contract ("PD Advantage") or (2) purchase the VALIC Portfolio Director Freedom Advisor fixed and variable annuity contracts ("PD Freedom Advisor"). The PD Advantage and PD Freedom Advisor contracts are issued by VALIC, VFA's parent company.

On January 29, 2018, existing PD Advantage contract owners who had not enrolled in the GPA Program were no longer permitted to enroll in the GPA Program. Existing PD Advantage contract owners enrolled in the GPA Program may continue to make subsequent deposits into the contract under certain circumstances, which deposits will be managed under the program. The Firm offers the PD Freedom Advisor contract to individuals who desire to purchase an annuity and enroll in the GPA Program.

Using objective investment advice from Morningstar, the GPA Program manages assets to a strategy that is based upon your investment/retirement goals, risk tolerance, time horizon and liquidity needs. For PD Advantage contract owners who elected the IncomeLOCK or IncomeLOCK Plus living benefit within the contract, the investment allocations made in the GPA Program within your contract will be constrained by the investment

requirements of the living benefit. In this program you will be granting VFA discretionary investment authority over the account. Similar to the GPS Program, Morningstar is the independent financial expert to the GPA Program.

Account Management: Before enrolling in the GPA Program, you must first complete a GPA Client Profile and Risk Tolerance Questionnaire (“GPA Client Profile”). The GPA Client Profile will help you to determine your risk tolerance and time horizon. This will help to determine an Asset Allocation Policy and portfolio assignment, which determines how your account will be invested.

In its role as independent financial expert, Morningstar uses a tactical asset management program that develops a set of diversified model portfolios beginning with strategic asset allocations that are typically reviewed annually and updated if necessary. Then, as frequently as monthly, Morningstar analyzes the performance trends of all the asset classes included in their model portfolios and adjusts allocations to asset classes in order to take advantage of these trends. However, to keep the tactical asset allocation targets consistent with each model portfolio’s intended investment objectives, Morningstar limits how much the tactical allocations can deviate from their corresponding strategic allocations. After establishing tactical asset allocation targets, Morningstar completes construction of the GPA model portfolios using a mix of the underlying investment options in the variable annuity that allows them to meet their tactical asset allocation targets. When updates to the model portfolios are implemented, the investment allocations of accounts managed by the GPA Program are reviewed and reallocated to the new targets as necessary.

Should your investment/retirement objectives or investment circumstances change, it is your responsibility to have your GPA Client Profile information updated accordingly by contacting your IAR and submitting a GPA Client Profile and Risk Tolerance Questionnaire Update Form.

Fees and Charges: The GPA Program is only available to individuals who have purchased a PD Advantage or PD Freedom Advisor fixed and variable annuity contract. If you are enrolled in the GPA Program, you pay the advisory fees for the management of your account and other fees and expenses of the product or platform in which you are invested.

Advisory Fee. Clients in the GPA Program pay an advisory fee based on the account value of their PD Advantage or PD Freedom Advisor account at the calendar quarter-end. The annual advisory fee rates that may be charged are as follows:

- **PD Advantage.** For the services rendered in connection with the PD Advantage contract, you pay an annual rate of 1.00% of your account value.
- **PD Freedom Advisor.** For services rendered in connection with the PD Freedom Advisor contract, you pay the following annual advisory fee rate:

Assets Under Management (AUM)	Annual Advisory Fee Rate (Paid by Client)
First \$250,000	1.12%
Next \$250,000	0.97%
Next \$500,000	0.87%
Next \$1 million	0.77%
Next \$3 million	0.67%
Over \$5 million	0.57%

The GPA Program advisory fee rate may not be negotiated. The rate applicable to your account is included in your Advisory Agreement.

Calculation of the Advisory Fee. The GPA Program advisory fee is generally calculated at each calendar quarter-end. Fees are pro-rated for the quarter in which the termination or surrender occurs; please see next paragraph for more details. The Firm uses the account value of your annuity contract, as reflected on VALIC’s recordkeeping system, as of the last day of the calendar quarter to calculate the advisory fees owed for the quarter. The Firm works with VALIC to calculate the advisory fee owed on your account. Once calculated, VALIC, on behalf of the Firm, deducts the advisory fee from your annuity account within fifteen (15) calendar days of the quarter-end. If you enrolled in the GPA Program during the quarter, you pay an advisory fee only for those days in which you were enrolled in the program. The Firm will assess an advisory fee from the day in which investment advice was

first generated for your account. The Firm does not exclude any portion of your quarter-end account value when calculating your advisory fee.

If you own the PD Freedom Advisor variable annuity and you terminate the GPA Program or you surrender the annuity, the Firm will assess an advisory fee on a pro rata basis for that portion of the quarter in which you were enrolled in the advisory program, as provided in the terms of your Advisory Agreement. For the calculation of the advisory fee upon termination/surrender, the Firm uses the account value as of the termination date of the program or the amount surrendered. If you own the PD Advantage variable annuity and you terminate the GPA Program or you surrender the annuity, the Firm will not assess an advisory fee for that quarter.

If you have multiple accounts in which you are enrolled in the GPA Program, the Firm does not combine the account values for the purpose of calculating your advisory fee. The Firm also does not combine with your account value the account values of your family members' GPA accounts for the purpose of calculating your advisory fees. Additionally, in calculating the applicable fees for the GPA Program, the Firm does not include the account values of your accounts, if any, held in the Firm's GPS Portfolio Manager Program and/or Managed Investment Program.

Other Fees and Expenses.

As a contract owner in either PD Advantage (accounts established prior to January 2018) or PD Freedom Advisor (accounts established beginning in January 2018), you bear the fees and expenses of the annuity contract, including, but not limited to, separate account charges, account maintenance fees, surrender charges, if applicable, and the fees and expenses of the underlying mutual funds available in the applicable contract. The PD Advantage contract and the PD Freedom Advisor contracts include mutual funds in which they, or their affiliates, have an agreement with VALIC to pay for administrative, recordkeeping and/or distribution and shareholder services that VALIC or its affiliates provide to the underlying mutual fund(s) in these products. Currently, the payments VALIC receives from these mutual funds or their affiliates for the PD Advantage contract range from 0.00% to 0.40%, and for the PD Freedom Advisor contract from 0.00% to .025%, based on the market value of the assets invested in the underlying mutual fund(s) as of a certain date, usually paid at the end of each calendar quarter. VALIC may, in its discretion, apply some or all of these payments to reduce the separate account charges applicable to the corresponding fund options in these contracts. **However, it is not obligated to do so.** At this time, the PD Advantage and PD Freedom Advisor contracts include VALIC Company II mutual funds ("VALIC II") which pay up to 0.25% for various administrative services. VALIC reduces the separate account charge by the amount of the payment that it receives from the VALIC II funds.

Please review your variable annuity product prospectus for details regarding annuity product fees and the underlying investment option (mutual fund) offerings and the mutual fund prospectuses for details regarding their respective fees and expenses.

Compensation to VFA and IARs. IARs are compensated by VFA from the advisory fees paid on assets in the GPA Program in your PD Advantage or PD Freedom Advisor contracts, up to 0.90% annually based on the value of assets in the account. The advisory fees charged by VFA may be higher than the fees charged by other investment advisers. The compensation received may or may not be more than what would be received if you paid us separately for investment advice, brokerage and other services. If the amount would be more than what an IAR would receive if you participated in other programs we offer or paid separately for investment advice, brokerage and other services, the IAR will have a financial incentive to recommend this program over other programs or services.

(3) Termination of the Advisory Relationship

When you enroll in the GPS Program or GPA Program, you are required to complete the GPS Client Profile or the GPA Client Profile, as applicable, and sign an investment advisory services agreement between the Firm and you ("Advisory Agreement"). At any time thereafter, both you and the Firm may terminate the Advisory Agreement for any reason. You may do so by providing written notice to VFA. Termination by VFA will be effective upon written notice as set forth in the Advisory Agreement, unless a later date is stated in the notice. Please see "Fees and Charges" sections under the descriptions of the GPS and GPA Programs for a discussion of whether an advisory fee may be assessed if the advisory program is terminated prior to a quarter-end.

Upon termination of either the GPS Portfolio Manager Program or GPA Program, you will no longer be charged advisory fees and your account will no longer be managed. As a result of your account being unmanaged, your account will no longer undergo asset allocation reviews or adjustments, and you will be responsible for managing

the assets in your account(s). You will have the ability to make allocation and investment option changes to your account, usually two (2) business days following termination of either the GPS Portfolio Manager Program or the GPA Program. Accordingly, your asset allocation will remain the same in your GPS Portfolio Manager Program or GPA Program unless and until you affirmatively change your asset allocation after termination of the GPS Portfolio Manager Program or the GPA Program.

Effective April 2021, VFA reserves the right to terminate the GPS Portfolio Manager service for participants with less than \$5,000 in aggregate assets under management in the GPS Program if they have no deposits to any of their GPS accounts for at least 12 consecutive months.

(4) Availability of GPS/GPA Programs in Affiliated Products; Revenues Received by Affiliates.

The GPS Program and GPA Program are offered in connection with a VALIC PD variable annuity. As noted above, VALIC receives various fees under those contracts, including separate account charges, maintenance fees, withdrawal charges, living benefit fees and other fees and charges. Note that the VALIC PD variable annuity and the retirement plan mutual fund platform includes underlying mutual funds for which VALIC serves as investment adviser and Firm affiliates provide sub-advisory, transfer agent, administrative and shareholder services ("Affiliated Funds"). As a result, when investments are allocated to Affiliated Funds, the Firm's affiliates earn additional fees. This compensation is in addition to the advisory fee that you pay for participation in the GPS or GPA Programs.

The GPS Program is also available in employer-sponsored retirement plans in which VRSCO and VFA provide various plan-related services to the plan and plan participants and VRSCO and VFA receive fees for such services. Plan sponsors select the plan's line-up of available investment options, which include mutual funds that are available on (or capable of being added to) the investment platform. The plan sponsors may make these selections themselves, or with the assistance of an investment advisor that is independent of VFA and its affiliates. Neither VFA nor its affiliates make or provide advice regarding these selections. Plan sponsors may include in the plan one or more Affiliated Funds. As a result, VFA affiliates, such as VALIC and SunAmerica Asset Management LLC ("SAAMCo"), will earn various fees referenced in the paragraph above.

As noted in the above paragraphs, Affiliated Funds may be present in either a VALIC PD variable annuity or in the retirement plan mutual fund platform, and to the extent that account assets are allocated to the Affiliated Funds, the Firm and its affiliates will receive higher compensation. However, under the GPS Program and GPA Program, neither VFA nor VALIC has the ability to direct the allocation of your investments to any of the investment options in your plan whether invested in a VALIC PD variable annuity or in the mutual fund platform. Instead, Morningstar, as the independent financial expert, is responsible for creating the investment models used in the GPS Program and GPA Programs and establishing the target allocations to each investment option for each model/Program independent of VFA, VALIC and its affiliates.

Item 5 - Account Requirements and Types of Clients

GPS Program. New enrollments into the GPS Program are currently only available to individuals in employer-sponsored retirement plans, typically where the employer has elected to make the program available to its plan participants. In certain retirement plans, the employer may not be required to elect the service in order for it to be available in the retirement plan.

An individual who desires to enroll in the GPS Program must have first established an account in their employer-sponsored retirement plan with VALIC or VRSCO. To establish this service with an existing retirement plan account, you need to complete a GPS Client Profile. There is no minimum account balance to enroll an account in the GPS Portfolio Manager. There is no minimum account balance to enroll an account in the GPS Portfolio Manager and account balances of less than \$5,000 will not be charged an advisory fee (unless aggregation with an individual's other GPS Portfolio Manager accounts results in a combined balance of at least \$5,000). Effective April 2021, VFA reserves the right to terminate GPS Portfolio Manager services for participants with less than \$5,000 in aggregate assets under management in the GPS Program if they have no deposits to any of their GPS accounts for at least 12 consecutive months.

GPA Program. This service is available to individuals, trusts and other business entities. To enroll in this program, you must purchase a PD Freedom Advisor annuity contract. To establish this service with a PD Freedom Advisor contract, you must complete a GPA Client Profile form. The PD Freedom Advisor contract has a minimum initial premium payment of \$25,000. Existing PD Advantage contract owners who have previously

enrolled in the GPA Program may make subsequent deposits into the contract, which will be managed under the program.

Item 6 - Portfolio Manager Selection and Evaluation

There are no portfolio managers for either program. The GPS Program and GPA Program each consist of (i) advisory services involving portfolio allocations across investment options and (ii) the execution of client transactions, which means the implementation of the advised allocations. These services are provided in conjunction with Morningstar as the independent financial expert.

Item 7 - Client Information Provided to Portfolio Managers

Morningstar is responsible for developing the investment models and determining investment advice delivered by the GPS and GPA Programs. As Morningstar is responsible for the methodologies used, but not for the operation of either program, they do not possess knowledge of your individual information (investment goals or objectives), and do not have a direct relationship with you. However, it is important to periodically review your GPS IPS and make any applicable updates to your GPS Client Profile information should your retirement objectives, attitude toward risk, or investment circumstances change. Updates can be provided by contacting the Asset Management Center or accessing your GPS Client Profile online by logging on to your VALIC account from VALIC.com, then clicking on "See My Personal Advice." For GPS Portfolio Manager clients, you can also provide updates by contacting your IAR. These updates will assist your IAR with your retirement planning as part of your GPS Portfolio Manager enrollment. This includes the retirement planning phases of accumulation, transition, and distribution. Similarly, for GPA clients, it is important that you periodically review the responses to your GPA Client Profile, and if needed update those responses by contacting your IAR and submitting a GPA Client Profile and Risk Tolerance Questionnaire Update Form.

Item 8 – Client Contact with Portfolio Managers

Individuals utilizing the GPS Program or the GPA Program do not have contact with Morningstar. If you have questions regarding your account(s) or the advisory services, you should contact VFA or your IAR.

Item 9 – Additional Information

Disciplinary Information

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

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

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

On July 28, 2020, the SEC issued an order regarding certain VFA mutual fund and mutual fund share class selection practices. Specifically, the SEC found that the Firm had not appropriately disclosed certain conflicts of interest due to its receipt of revenue sharing, avoidance of transaction fees, and receipt of 12b-1 fees, in violation of Section

206(2) of the Advisers Act. The SEC also found that VFA did not adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund share class selection practices, in violation of Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. VFA neither admitted nor denied the SEC's findings.

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

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

Solely for the purpose of settling the proceeding, VFA consented to a cease-and-desist order, a censure, and to pay a civil monetary penalty of \$20 million. VFA also agreed to cap the management fee for the GPS Program at 45 basis points (0.45%) for participants currently enrolled in this program in 403(b) and 457(b) plans offered by Florida K-12 schools, and to also offer this rate to any 403(b) and 457(b) participants offered by Florida K-12 schools who enroll in the GPS Program through the Portfolio Director annuity within the next five years. This capped rate will remain in effect for such participants for the duration of enrollment in the GPS Program. VFA also agreed to comply with certain other related undertakings as well.

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

Other Financial Industry Activities and Affiliations

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

- AIG Capital Services ("ACS") is an indirect, majority owned subsidiary of AIG and an affiliate of the Firm. In its capacity as a registered broker-dealer, ACS acts as principal underwriter for the offer, sales and distribution of the variable annuity contracts issued by VALIC and its affiliates and as distributor of registered investment companies advised by VALIC and SAAMCo.
- SAAMCo is an indirect, majority owned subsidiary of AIG and an affiliate of the Firm. SAAMCo is the investment adviser for AIG mutual funds and the AIG mutual funds available within VFA's MIP Managed Investor Account ("MIA") AIG Plus Portfolio. It also serves as an administrator and investment sub-adviser to certain registered investment companies advised by VALIC.
- AIG Federal Savings Bank, an affiliate of the Firm, acts as custodian/trustee for employer-sponsored retirement plans for which the Firm provides enrollment, education and offers the GPS Program.

- VRSCO is a wholly owned subsidiary of VALIC and an SEC-registered transfer agent for registered investment companies advised by VALIC and SAAMCo. VRSCO is also a record keeper and service provider to certain retirement plans for which the Firm provides enrollment, education and advisory services.
- VALIC Company I/VALIC Company II (the “VALIC Funds”) are registered investment companies advised by VALIC and, with respect to certain funds, sub-advised by SAAMCo. The VALIC Funds are offered as underlying investment options within VALIC-issued variable annuity contracts and as mutual funds in employer-sponsored retirement plans for which VFA offers the GPS Program and GPA Programs, as applicable. For these funds, SAAMCo is the administrator and, for certain funds, an investment sub-adviser, ACS is the distributor, and VRSCO is the transfer agent. Additionally, with respect to the VALIC Company II funds, VALIC provides shareholder services to shareholders invested in the funds.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading: The Firm has adopted a Code of Ethics (“Code”) which it periodically reviews and updates. VFA will provide a copy of its current Code to clients and prospective clients upon request by contacting us at (866) 544-4968.

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

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

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

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

Privacy Policy: Protecting customers’ private information is important to the Firm. Therefore, the Firm has instituted policies and procedures to keep customer information confidential and secure. The Firm does not disclose any non-public personal information about its customers or former customers to any non-affiliated third parties except as required by or permitted by law. In the course of servicing a client account, the Firm may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and attorneys. The Firm will deliver a copy of the current privacy policy to prospective clients prior to establishing a client relationship with VFA and to all VFA clients annually, thereafter.

Review of Accounts and Reports:

1. GPS Program

GPS Portfolio Advisor Program. The GPS Portfolio Advisor program does not include any ongoing monitoring or periodic review of accounts. It is a one point-in-time recommendation for the allocation of your account assets and subsequent contributions among the fixed and variable investment options in your VALIC PD variable annuity or among the mutual funds in your mutual fund platform. Clients in the GPS Portfolio Advisor program do not receive written reports. This program offers online advice enabling an individual to make investment decisions.

GPS Portfolio Manager Program. With respect to the GPS Portfolio Manager program, at the end of each calendar quarter (approximately), the investor profile information used to generate your retirement income forecasts and investment advice and to perform asset management, is sent to you for review in the form of a Quarterly Advice Statement (“QAS”). Further, in the quarter prior to the annual update to your GPS Portfolio Manager retirement income forecast and investment advice, VFA will contact you with a reminder to update your GPS Client Profile information as required.

When advice is generated for the account(s) that are managed under the GPS Portfolio Manager program (the initial advice, the automatic annual advice, and any ad hoc advice that you may request), the account(s) will be reviewed to determine whether transactions are required to allocate your assets per the target allocations of the model portfolio to which your account is being managed (whether target allocations have changed in your assigned portfolio, or if market movements have changed your account to deviate from the target allocation). If any transactions are required, they will be implemented. The accounts you have managed under the GPS Portfolio Manager are rebalanced as necessary to bring the allocations back in line with the target allocations of the model portfolio. Rebalancing occurs approximately every 91 days beginning with your enrollment date. The rebalancing schedule does not change even if you request ad hoc investment advice.

In addition to the regular VALIC quarterly statement that shows transactions for the prior quarter, fees imposed during that prior quarter, and current asset allocation, clients participating in the GPS Portfolio Manager program will also receive a QAS and Investment Policy Statement as described below.

QAS: This is a reminder of your most recent retirement income forecast, recommendations, and the investment advice used to manage your assets. It is also a reminder of the GPS Client Profile information and your VALIC account balance information that were used as inputs to generate your most recent advice, and it shows the fees for the calendar quarter just ended. You will usually get the QAS during the month following calendar quarter end. You will receive a QAS for each plan that you have managed under GPS Portfolio Manager as of the calendar quarter that just ended.

IPS: Any time your advice is regenerated – whether as part of the automatic annual regeneration, or as requested by you such as, for example, when you have updated your GPS Client Profile information, a new IPS will be generated to reflect the retirement income forecast, recommendations, and investment advice to which your assets will be managed. The IPS will also show the GPS Client Profile information and your VALIC account balances that were used as inputs for generating this advice.

2. GPA Program

As frequently as monthly, Morningstar analyzes the performance trends of all the asset classes included in their model portfolios. When updates to the model portfolios are implemented, the investment allocations within the GPA Program are reviewed and reallocated to the new target allocations, as necessary.

GPA Program clients receive a quarterly VALIC account statement that shows details about their PD Advantage or PD Freedom Advisors account(s), including transactions for the prior quarter, fees imposed during that prior quarter, and current asset allocation. The quarterly statement issued by VALIC will also show you which model portfolio those assets were being managed to at that time. You will periodically receive confirmation statements from VALIC that reflect the transactions during the period and the model portfolio asset allocation targets associated with your GPA Program account(s).

Other Compensation. VFA maintains a program under which eligible IARs are able to attend an annual conference (Advisor Leadership Conference) and other conferences sponsored by AIG and/or VALIC which are based on their achievement of certain levels of aggregate compensation from the sale of securities, insurance products, and advisory fees received from advisory accounts. Certain of these top-earning IARs are designated as President’s or Platinum President’s Cabinet members and receive additional compensation and benefits. Qualification for the

annual conference, the President's Cabinet or Platinum President's Cabinet is based on total compensation as described above and is not based on any specific product or category of products. However, because eligibility for the annual conference, the President's Cabinet and the Platinum President's Cabinet is based on the IAR's total compensation, IARs are incentivized to have clients purchase additional products and services and add assets to existing products and services, and to transfer assets to products and services that generate higher levels of compensation for the IAR.

In addition, the Firm may implement programs under which IARs may be eligible to win non-cash awards, trips and other non-cash benefits offered by the firm for certain sales efforts relating to enrollments in employer-sponsored retirement plan accounts, among other factors. Similar to other sales-based programs, such non-cash awards are not based on the sale of any specific product or category of products. These programs will not change the fees that you pay for advisory services.

With respect to each of the Firm's advisory programs, a portion of the advisory or program fees you pay to the Firm is paid to the IAR. Generally, the percentage of fees that the Firm pays to your IAR from the GPA Program or MIP increases based on a rolling 52-week period as their aggregate compensation from both the sale of securities/insurance products and the receipt of advisory fees reaches certain thresholds during that rolling time period. This increase in compensation to the IAR will not increase the advisory or program fee you pay to the Firm but does trigger the same conflict described herein.

The Firm and/or its affiliates receive payments from fund sponsors and service providers that voluntarily choose to participate in, and that are designed to defray the costs associated with, Firm-sponsored or VALIC-sponsored conferences, seminars, training or other educational events where such funds or other related services are discussed and that are attended by our employees or employees of our affiliates and/or plan sponsors and plan consultants.

Client Referrals. The Firm does not engage solicitors or pay related or non-related persons for referring potential advisory clients. Retirement plan sponsors that have selected the Firm to make its advisory services available to plan participants may disseminate disclosures about the Firm. Depending on the circumstances, such disclosures may be deemed to include endorsements of the Firm. The Firm does not compensate plan sponsors for endorsements of its advisory services or products. An affiliate of the Firm may provide administrative services to retirement plans and will receive compensation from such retirement plans for these administrative services; however, the receipt of such compensation is not contingent upon or otherwise related to the provision of advisory services by the Firm to plan participants.

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

Referrals to Third Parties. For certain plan sponsor clients of VALIC, VFA has authorized its representatives to solicit, refer, and market the services of certain third-party registered investment advisors ("Third-Party Advisors") to the plan sponsors' participants in accordance with Rule 206(4)-3 under the Advisers Act. VFA and VFA's representatives receive referral fees from the Third-Party Advisors based on these solicitations and marketing activities. The compensation is paid as an ongoing cash payment calculated as a percentage of the advisory fees charged by the Third-Party Advisor for the participants' enrollment in the advisory program offered by the Third-Party Advisor. Because VFA is engaged by and paid by a Third-Party Advisor for the referral, any recommendation regarding such Third-Party Advisor presents a conflict of interest. VFA is required to provide a disclosure to all referred clients regarding the role of VFA and the representative as a referral agent, the compensation to VFA, and other terms of the relationship between VFA and the Third-Party Advisor, which helps mitigate this conflict.

Charitable Donations. VALIC, VFA, its Affiliates and/or its Supervised Persons from time to time make cash or non-cash donations to charitable organizations or societies organized as 501(c)(3) charities, including charitable

organizations associated with potential and/or actual clients of VFA and/or VALIC. These charitable donations are provided in support of non-profit causes identified by that organization, and disbursements of such donations are done under the direction of the charitable organization, and not VFA or VALIC. VFA and VALIC have procedures to identify, address and mitigate potential conflicts associated with these payments.

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