AMERICAN ENTERPRISE INVESTMENT SERVICES, INC.

Statement of Financial Condition

(unaudited)

June 30, 2009

The Statement of Financial Condition of American Enterprise Investment Services, Inc. is provided to customers as required by Rule 17a-5 of the Securities Exchange Act of 1934.

American Enterprise Investment Services, Inc.
Statement of Financial Condition (unaudited)
June 30, 2009
(In thousands, except share data)

Assets		
Cash and cash equivalents	$	32,042
Cash and investments segregated under federal and other regulations		1,061,012
Receivables:		
Customers		222,164
Brokers, dealers and clearing organizations		6,931
Affiliates		9,618
Other (net of allowance of $12,602)		48,734
Securities borrowed		100,969
Accrued interest and dividends receivable		130
Furniture, equipment, capitalized software and leasehold improvements (net of accumulated depreciation and amortization of $8,379)		3,963
Deposits with clearing organizations		2,164
Securities owned, at fair value		457
Other assets		8,325
Total assets	$	1,496,509
Liabilities and Stockholder's Equity		
Liabilities:		
Payables:		
Customers	$	1,134,674
Brokers, dealers and clearing organizations		13,531
Affiliates		20,021
Bank overdrafts		71,695
Other		4,609
Securities loaned		111,546
Accrued interest and dividends payable		2,512
Accrued expenses		3,396
Securities sold, not yet purchased, at fair value		382
Total liabilities		1,362,366
Stockholder's equity:		
Common stock, $1 par value:		
Authorized, issued and outstanding shares - 100		–
Additional paid-in capital		88,009
Retained earnings		46,134
Total stockholder's equity		134,143
Total liabilities and stockholder's equity	$	1,496,509

See accompanying Notes to Statement of Financial Condition.

American Enterprise Investment Services, Inc.
Notes to Statement of Financial Condition (unaudited)
June 30, 2009
(In thousands)

1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies
Organization

American Enterprise Investment Services, Inc. (the Company) is a wholly-owned subsidiary of Ameriprise Financial, Inc. (the Parent). The Company executes and clears trades for accounts introduced by Ameriprise Financial Services, Inc. (AFSI), an affiliated company. The Company also executes trades for the RiverSource Funds and other affiliates. The Company is a broker/dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

Basis of Presentation

The preparation of the statement of financial condition in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the statement of financial condition and accompanying notes. Management believes that the estimates utilized in preparing its statement of financial condition are reasonable and prudent. Actual results could differ from those estimates.

Significant Accounting Policies

Collateralized Financing Agreements and Securities Borrowed and Loaned

Securities purchased under agreements to resell (resale agreements), which are included in cash and investments segregated under federal and other regulations, are recorded at the amount at which the securities will be subsequently resold. These financial instruments are collateralized by U.S. government-backed securities. The Company purchased certain securities under agreements to resell; however, based on the nature of the resale agreements, an independent third party takes possession of the securities on behalf of the Company. The Company's agreements with third parties specify the Company's right to request additional collateral if the fair value of the underlying security, including accrued interest, decreases in comparison to the related receivable. Collateral is valued daily, and additional collateral is obtained from counterparties when necessary.

Securities borrowed and loaned result from transactions with other brokers and dealers or financial institutions and are recorded at the amount of cash collateral advanced or received. Securities borrowed transactions require the Company to deposit cash or other collateral with the lender. Securities loaned transactions require the borrower to deposit cash or other collateral with the Company. The Company monitors the market value of securities borrowed and loaned on a daily basis, with additional collateral obtained or refunded as necessary.

Interest is accrued on resale contract amounts and is included in accrued interest and dividends receivable on the statement of financial condition.

Fixed Assets

Furniture, equipment, capitalized software and leasehold improvements are recorded at cost. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of three to ten years.

Cash and Cash Equivalents

The Company defines cash equivalents as liquid or readily marketable investments with original maturities of 90 days or less.

Deposits with Clearing Organizations

Deposits with clearing organizations are carried at cost which approximates fair value.

Income Taxes

The Company's provision for income taxes represents the net amount of income taxes that the Company expects to pay or to receive from various taxing jurisdictions in connection with its operations. The Company provides for income taxes based on amounts that the Company believes it will ultimately owe taking into account the recognition and measurement for uncertain tax positions. Inherent in the provision for income taxes are estimates and judgments regarding the tax treatment of certain items.

2. Recent Accounting Pronouncements

In April 2009, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") FAS 157-4 "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" ("FSP 157-4"). FSP 157-4 provides guidance on estimating the fair value of a financial asset or liability when the volume and level of activity for the asset or liability has significantly decreased. FSP 157-4 requires entities to disclose in interim and annual periods the inputs and valuation techniques used to measure fair value and any changes in valuation inputs or techniques. In addition, debt and equity securities as defined by Statement of Financial Accounting Standards ("SFAS") No. 115 "Accounting for Certain Investments in Debt and Equity Securities" shall be disclosed by major category. This FSP is effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009, and is to be applied prospectively. The Company adopted FSP 157-4 in the first quarter of 2009. The adoption did not have a material effect on the Company's financial condition.

In April 2009, the FASB issued FSP FAS 115-2 and FAS 124-2 "Recognition and Presentation of Other-Than-Temporary Impairments" ("FSP 115-2"). FSP 115-2 amends existing guidance on other-than-temporary impairments for debt securities and requires that the credit portion of other-than-temporary impairments be recorded in earnings and the noncredit portion of losses be recorded in other comprehensive income. FSP 115-2 requires presentation of both the credit and noncredit portions of other-than-temporary impairments on the financial statements and additional disclosures in interim and annual periods. This FSP is effective for interim and annual reporting

2. Recent Accounting Pronouncements (continued)

periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. At the date of adoption, the portion of previously recognized other-than-temporary impairments that represent the noncredit related loss component shall be recognized as a cumulative effect of adoption with an adjustment to the opening balance of accumulated deficit with a corresponding adjustment to accumulated other comprehensive loss. The Company adopted FSP 115-2 in the first quarter of 2009. The adoption did not have a material effect on the Company's financial condition.

In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1 "Interim Disclosures about Fair Value of Financial Instruments" ("FSP 107-1"). FSP 107-1 requires interim disclosure on the fair value of financial instruments within the scope of SFAS No. 107 "Disclosures about Fair Value of Financial Instruments." This FSP is effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The Company applied the disclosure requirements of FSP 107-1 in the first quarter of 2009. See Note 4 for disclosures required by this FSP.

In accordance with FSP FAS 157-2, "Effective Date of FASB Statement No. 157" ("FSP 157-2"), the Company will defer the adoption of SFAS 157 until January 1, 2009 for all nonfinancial assets and nonfinancial liabilities, except for those that are recognized or disclosed at fair value in the financial statements on a recurring basis. See Note 4 for additional information regarding the fair value of the Company's assets and liabilities.

In June 2009, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 168 "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles a replacement of FASB Statement No. 162" ("SFAS 168"). SFAS 168 will supersede existing non-SEC accounting and reporting standards. The codification will not change GAAP but will rather organize it into a new hierarchy with two levels: authoritative and non-authoritative. All authoritative GAAP will carry equal weight and be organized in a topical structure. SFAS 168 is effective for interim and annual reporting periods ending after September 15, 2009. The adoption of SFAS 168 will not have a material effect on the Company's financial condition.

In June 2009, the FASB issued SFAS No. 166 "Accounting for Transfers of Financial Assets — an amendment of FASB Statement No. 140" ("SFAS 166"). SFAS 166 improves the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. SFAS 166 is effective for interim and annual reporting periods beginning after November 15, 2009, with early adoption prohibited, and must be applied to transfers of financial assets occurring on or after the effective date. The adoption of SFAS 166 is not expected to have a material effect on the Company's financial condition.

In May 2009, the FASB issued SFAS No. 165 "Subsequent Events" ("SFAS 165"). SFAS 165 provides guidance on the recognition of subsequent events and requires additional disclosures on the time period evaluated for such events. SFAS 165 is effective for interim and annual reporting periods ending after June 15, 2009, and shall be applied prospectively. The Company adopted

2. Recent Accounting Pronouncements (continued)

SFAS 165 in the second quarter of 2009. The adoption did not have a material effect on the Company's financial condition.

3. Cash and Investments Segregated Under Federal and Other Regulations

Cash and investments segregated under federal and other regulations, primarily resale agreements, of $1,061,012 have been segregated in the special reserve bank account for the benefit of customers under Rule 15c3-3 of the SEC. Resale agreements, which are with two national bank counterparties, are accounted for as collateralized financing transactions and are recorded at the contractual amounts, which approximate fair value. The collateral consists of U.S. government-backed securities allowed under Rule 15c3-3.

4. Fair Values of Assets and Liabilities

Effective January 1, 2008, the Company adopted SFAS 157, which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; that is, an exit price. The exit price assumes the asset or liability is not exchanged subject to a forced liquidation or distressed sale.

Valuation Hierarchy

Under SFAS 157, the Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Level 2 – Prices or valuation based on observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Determination of Fair Value

The Company uses valuation techniques consistent with the market and income approaches to measure the fair value of its assets and liabilities. The Company's market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The Company's income approach, when applicable, uses valuation techniques to convert future projected cash flows to a single discounted present value amount. When applying either approach, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs.

4. Fair Values of Assets and Liabilities (continued)

The following is a description of the valuation techniques used to measure fair value and the general classification of these instruments pursuant to the fair value hierarchy.

Assets

Cash Equivalents

Cash equivalents include actively traded money market funds that are measured at their net asset value ("NAV") at the measurement date and classified as Level 1.

Securities owned

When available, the fair value of securities is based on quoted prices in active markets. If quoted prices are not available, fair values are obtained from nationally-recognized pricing services, or other model-based valuation techniques such as the present value of cash flows. Level 1 securities include U.S. Treasuries and seed money in funds traded in active markets. Level 2 securities include agency mortgage-backed securities; and certain non-agency mortgage-backed securities, asset-backed securities, municipal and corporate bonds, U.S. and foreign government and agency securities, and seed money and other investments in certain hedge funds.

Other Assets

Included in other assets is the Company's investment in Reserve Primary Fund (the "Fund"). The fair value of the Fund classified in other assets is determined by the NAV of the Fund. The NAV represents the exit price for the fund. Other assets are classified as Level 2 as they are traded in principal-to-principal markets with little publicly released pricing information.

Liabilities

Securities sold, not yet purchased

When available, the fair value of securities is based on quoted prices in active markets. If quoted prices are not available, fair values are obtained from nationally-recognized pricing services, or other model-based valuation techniques such as the present value of cash flows. Level 1 securities include U.S. Treasuries and seed money in funds traded in active markets. Level 2 securities include agency mortgage-backed securities; and certain non-agency mortgage-backed securities, asset-backed securities, municipal and corporate bonds, U.S. and foreign government and agency securities, and seed money and other investments in certain hedge funds.

4. Fair Values of Assets and Liabilities (continued)

The following table presents the balances of assets and liabilities measured at fair value on a recurring basis:

	June 30, 2009			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Assets				
Cash equivalents	$ 24,000	$ —	$ —	$ 24,000
Securities owned	392	65	—	457
Other Assets	—	7,000	—	7,000
Total assets at fair value	24,392	7,065	—	31,457
Liabilities				
Securities sold, not yet purchased	$ (281)	$ (101)	$ —	$ (382)
Total liabilities at fair value	$ (281)	$ (101)	$ —	$ (382)

As of June 30, 2009, there were no assets or liabilities measured at fair value on a nonrecurring basis.

5. Related-Party Transactions

The Company provides various services to the Parent and certain other affiliates. The Company is compensated for these services pursuant to various agreements with the Parent and the affiliates to which services are provided. The most significant activity includes the execution and clearing of trades for accounts introduced by AFSI and other affiliates.

The Company maintains a revolving line of credit with the Parent of up to $250 million. At June 30, 2009, the Company had not drawn on this line of credit. This line of credit bears an interest rate of LIBOR plus 28 basis points.

The Company provides banking services to clients through a partnership with an affiliate, Ameriprise Bank, FSB (Ameriprise Bank). Banking services include checking, debit card, savings and similar deposit products.

The Company participates in the Parent's Retirement Plan (the Plan), which covers all permanent employees age 21 and over who have met certain employment requirements. The Plan includes a cash balance formula and a lump sum distribution option. Pension benefit contributions to the Plan are based on participants' age, years of service and total compensation for the year. Funding of retirement costs for the Plan complies with the applicable minimum funding requirements specified by the Employee Retirement Income Security Act (ERISA).

The Company also participates in defined contribution pension plans of the Parent that cover all employees who have met certain employment requirements. The Company's contributions to the

(In thousands)

5. Related-Party Transactions (continued)

plans are a percentage of either each employee's eligible compensation or basic contributions.

The Company participates in defined benefit health care plans of the Parent that provide health care and life insurance benefits to retired employees and retired financial advisors. The plans include participant contributions and service related eligibility requirements.

The Company participates in the Parent's Ameriprise Financial 2005 Incentive Compensation Plan (incentive awards). Employees are eligible to receive incentive awards including stock options, restricted stock awards, performance shares and similar awards designed to comply with the applicable federal regulations and laws of jurisdiction. Restricted stock awards are paid by the Company to the Parent when granted creating a prepaid expense asset. The prepaid expense asset is amortized as the awards vest.

6. Customer Receivables and Payables

Customer receivables include amounts due in cash and margin transactions. Customer receivables are primarily collateralized by securities with market values in excess of the amounts due. At June 30, 2009, less than 5% of receivables from customers are unsecured. The Company establishes allowances for any potential losses based upon an evaluation of customer accounts.

In addition, appropriate deductions are made in the Company's net capital computation. It is the policy of the Company to monitor the market value of the collateral and to request additional collateral when necessary. Such collateral is not reflected in the accompanying statement of financial condition.

Customer payables represent free credit balances, funds deposited by customers and funds accruing to customers as a result of trades or contracts.

7. Receivables From and Payables to Brokers, Dealers and Clearing Organizations

The components of receivables from and payables to brokers, dealers and clearing organizations as of June 30, 2009, are as follows:

Receivables:	
Securities failed to deliver	$ 2,547
Funds due from clearing organizations and other financial institutions	4,384
	$ 6,931
Payables:	
Securities failed to receive	$ 10,335
Funds due to other financial institutions	3,196
	$ 13,531

Broker receivables and payables arise primarily from securities transactions executed by the Company for its customers. Broker receivables are generally collected within 30 days and are collateralized by securities in physical possession, on deposit, or receivable from customers or other brokers.

7. Receivables From and Payables to Brokers, Dealers and Clearing Organizations (continued)

Broker payables represent amounts due upon the receipt of securities. Should the broker or clearing organization fail to deliver the securities to the Company, the Company may be required to purchase identical securities on the open market. The value of such securities at June 30, 2009, approximates the amounts owed.

The Company monitors the credit standing of each broker or clearing organization with which it conducts business. In addition, the Company monitors the market value of collateral held. It is the policy of the Company to request and receive additional collateral when required.

8. Other Receivables

Included in Other Receivables is a $12,550 receivable from The Reserve Fund for past due marketing support payments, against which there is a $12,550 allowance.

9. Securities Owned and Securities Sold, Not Yet Purchased

As of June 30, 2009, securities owned by the Company and securities sold, not yet purchased by the Company were $457 and $382, respectively. Securities sold, not yet purchased represent obligations of the Company to deliver the specified security at the contracted price and, thereby, create a liability to purchase the security in the market at prevailing prices. Accordingly, these transactions result in off-balance sheet risk, as the Company's ultimate obligation to satisfy the sale of securities sold, not yet purchased may exceed the amount reflected in the statement of financial condition. Securities owned and securities sold, not yet purchased are the result of temporary holdings based on adjustments made for client trading. Most holdings are equity and mutual fund positions.

10. Financial Instruments

Financial instruments recorded at fair value on the Company's statement of financial condition include cash equivalents and securities owned and securities sold, not yet purchased. Other financial instruments are recorded by the Company at contract amounts and include receivables from and payables to brokers, dealers and clearing organizations; securities purchased under agreements to resell; securities borrowed; securities loaned; deposits with clearing organizations; and amount receivable from and payable to affiliates and customers. Financial instruments carried at contract amounts, which approximate fair value, either have short-term maturities (one year or less), are repriced frequently or bear market interest rates and, accordingly, are carried at amounts which are a reasonable estimate of fair value.

The Company's customer activities involve the execution, settlement and financing of various securities transactions. These activities are transacted on either a cash or margin basis. In margin transactions, the Company extends credit to the customer, subject to various regulatory and internal margin requirements, collateralized by cash and securities in the customer's account. Such transactions may expose the Company to off-balance sheet risk in the event that margin requirements are not sufficient to cover losses that customers incur, or contra brokers are unable to meet the terms of the contracted obligations.

10. Financial Instruments (continued)

In the event a customer or broker fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the customer's obligations. The Company seeks to control the risk associated with its customer activities by requiring customers to maintain collateral in compliance with various regulatory and internal guidelines. The Company monitors required margin levels daily and, pursuant to such guidelines, requires customers to deposit additional collateral, or reduce positions, when necessary.

The Company enters into resale agreements and securities borrowing transactions that may result in credit exposure in the event the counterparty to the transaction is unable to fulfill its contractual obligations. The Company minimizes credit risk associated with these activities by monitoring counterparty credit exposure and collateral values on a daily basis and requiring additional collateral to be deposited with or returned by the Company when deemed necessary.

In the normal course of business, the Company obtains securities under resale, securities borrowed and custody agreements on terms which permit it to pledge or resell the securities to others. At June 30, 2009, the Company obtained securities with a fair value of approximately $324,008 on such terms, for which $158,310 have been either pledged or otherwise transferred to others in connection with the Company's financing activities.

11. Net Capital Provisions

As a registered broker/dealer, the Company is subject to the SEC's net capital rule (Rule 15c3-1). The Company computes its net capital requirements under the alternative method provided for in Rule 15c3-1, which requires the Company to maintain net capital equal to 2% of aggregate customer-related debit items, as defined (or $250, if greater).

At June 30, 2009, the Company's net capital was $87,644, or 45%, of aggregate debit balances, and $83,785 in excess of required net capital. Advances to affiliates, dividend payments and other equity withdrawals are subject to certain notification and other provisions of the net capital rule of the SEC and other regulatory bodies.

12. Income Taxes

The Company is included in the consolidated income tax returns filed by the Parent. The provision for current income taxes is determined on a separate entity basis, except that any benefit for losses is recognized only to the extent that it can be utilized in the consolidated return. It is the policy of the Parent to reimburse subsidiaries for any current tax benefits recognized. Deferred taxes are recorded to reflect the tax consequences on future years of temporary differences between the tax bases of assets and liabilities and their financial reporting amounts. State taxes are allocated to subsidiaries based on the Company's proportionate state liability.

The Company had a payable to the Parent for federal income taxes of $2,534 as of June 30, 2009.

12. Income Taxes (continued)

As of June 30, 2009, the Company held net deferred tax assets of $397. The Company is required to establish a valuation allowance for any portion of the deferred tax assets that management believes will not be realized. In the opinion of management, it is more likely than not that the Company will realize the benefit of the deferred tax assets, and, therefore, no such valuation allowance has been established.

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of the income tax provision. There were no interest or penalties accrued for unrecognized tax benefits as of June 30, 2009.

13. Commitments and Contingencies

From time to time in the normal course of business, the Company is named as a defendant in lawsuits, arbitration and administrative claims. There are currently no matters that management believes could have a material adverse impact on the financial condition of the Company. In the normal course of business, the Company provides guarantees to securities clearinghouses and exchanges. These guarantees are generally required under the standard membership agreements such that members are required to guarantee the performance of other members. To mitigate these performance risks, the exchanges and clearinghouses often require members to post collateral. The Company's obligation under such guarantees could exceed the collateral amounts posted; however, any reserves related to these guarantees are not estimable, and the potential for the Company to be required to make payments under such guarantees is deemed remote. Accordingly, no reserves have been recorded in relation to these guarantees.

American Enterprise Investment Services, Inc. has filed a Statement of Financial Condition pursuant to Rule 17a-5 of the Securities Exchange Act of 1934, with the Chicago regional office of the Securities and Exchange Commission. This Statement is also available for inspection at the principal office of the Company.

Ameriprise Financial

American Enterprise Investment Services, Inc.
Member, Securities Investor Protection Corporation (SIPC)
5199 Ameriprise Financial Center Minneapolis, MN 55474
ameriprise.com/aeisfinancialstatement

8218 AF (2/06)