

# ERISA 408(b)(2) fee disclosure guide for 403(b) retirement plan clients holding accounts at Ameriprise Financial

This guide describes information about fees and other compensation Ameriprise Financial Services, Inc. (“Ameriprise Financial,” “our,” “us” or “we”), our affiliates, financial advisors and subcontractors, reasonably expect to receive in connection with services provided to your plan participants. This information is intended to be sufficient to comply with the Department of Labor regulation on reasonable contracts or arrangements (“the “Regulation”) under section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).<sup>1</sup>

The Regulation requires us to provide information to plans subject to ERISA. Although our information indicates that your plan may not be subject to ERISA, we are providing this disclosure to employer sponsored retirement plans that could be subject to the Regulation now or at some time in the future.<sup>2</sup>

While there is no charge to you for us to be an approved provider for your plan, our compensation related to your participants’ 403(b) custodial account or annuity (collectively referred to as their “account”) will vary depending on a number of factors outside of our control such as the amount of contributions your participants make to the account, the duration your participants keep the account with us, the investments your participants select within the account, the frequency at which they trade within the account, investment performance and any special services the participant may require. Below is a summary of the various services we may provide to your plan participants as well as related fees that we receive either directly from participant accounts or indirectly in connection with the investments that your participants purchase in their

accounts. It also shows you the indirect fees we pay to our financial advisors, affiliates and subcontractors where those fees are either paid on a transaction basis or are charged directly against any investment selected and reflected in the net value of the investment.

Additional descriptions of the services we provide may be found in the Client Relationship Guide, the Managed Accounts Client Disclosure Brochure, Ameriprise Financial Schedule of Account and Service Fees and the Investor’s Guide to Purchasing Mutual Funds through Ameriprise Financial, which can be accessed on our website and are incorporated by reference into this guide:

- Client Relationship Guide and Managed Accounts Client Disclosure Brochure: These documents are available at [ameriprise.com/disclosures](http://ameriprise.com/disclosures)
- Investor’s Guide to Purchasing Mutual Funds: [ameriprise.com/content/files/AMP\\_200757.PDF](http://ameriprise.com/content/files/AMP_200757.PDF).
- Information related to individual mutual funds can be found on our secure site. Login or register at: <https://my.ameriprise.com/access/authreg/research?reqPage=News&reqTab=newsHeader> go to morningstar.com (use ticker to find prospectus and other SEC documents).

If you would like a paper copy of any of these documents (including a mutual fund prospectus or Statement of Additional Information) or need help navigating our website to obtain your own copy, email us at [Ameriprise.Retirement.Plan.Products@ampf.com](mailto:Ameriprise.Retirement.Plan.Products@ampf.com). You may

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<sup>1</sup> This document may also be used to satisfy the disclosure requirements of one or more exemptions from the prohibited transaction restrictions of ERISA, including, but not limited to, Prohibited Transaction Exemption 84-24, 49 Fed. Reg. 13208 (Apr. 3, 1984), as amended at 71 Fed. Reg. 5887 (Feb. 3, 2006) and as amended at 81 Fed. Reg. 21147 (June 7, 2016).

<sup>2</sup> Even if your plan is not subject to ERISA, you may still find this information helpful. However, some of the information contained herein relates only to ERISA plans. For example, if your plan is not subject to ERISA we will not and cannot act as an ERISA fiduciary.

also email us at this address if you have additional disclosure questions.

Please note, your plan may be subject to fees paid to other service providers such as third party administrators not affiliated with Ameriprise Financial. For a complete list of such fees charged to your plan, please contact all plan service providers with whom you contract or may contract and request fee information with respect to their services.

### **I. General description of services provided to participants of 403(b) accounts**

Ameriprise Financial makes a broad range of products and services available to clients including clients who sponsor 403(b) retirement plans. A 403(b) retirement plan account can be invested in either a tax sheltered annuity (TSA) or a tax sheltered custodial account (TSCA). A tax-sheltered custodial account can only be invested in registered investment companies such as mutual funds.

For TSAs, Ameriprise Financial primarily offers individual annuity contracts through RiverSource Life Insurance Company or RiverSource Life Insurance Co. of New York for participants located in New York.

For TSCAs, Ameriprise Trust Company serves as custodian of the participant's 403(b) account.

TSCAs at Ameriprise Financial can hold mutual funds in advisory fee based accounts or in brokerage accounts. TSCAs can also hold a portfolio of exchange traded funds ("ETFs") in *Active Portfolios*<sup>®</sup> accounts.

Ameriprise Financial, through its affiliated entities, provides tax reporting and tax withholding services for both TSAs and TSCAs held at Ameriprise Financial. In addition, Ameriprise Financial provides TSCA and TSA participants with account statements and transaction confirmations. Ameriprise Financial also maintains account beneficiary information and facilitates the deposit of payroll deferrals through our payroll processing capabilities.

Our financial advisors also provide services to 403(b) participants. Ameriprise financial advisors may provide one or more services to you and your plan participants:

- Helping keep you up to date on the changing 403(b) marketplace
- Attend benefits fairs and tabling events
- Help employees with the 403(b) enrollment process

- Design a seminar series to educate your employees on all aspects of their financial lives
- Deliver personal financial planning and on-site education

In addition, Ameriprise financial advisors may provide advisory fee based services to TSCA plan participants who choose this level of service.

### **II. Products and services offered to 403(b) plan participants**

Most of the compensation we receive is related to the products and services that participants purchase within their accounts. Participants who invest at Ameriprise Financial through their 403(b) plan have access to a broad range of investment products and services, each of which are subject to different fee structures, and which are described in the Client Relationship Guide, Managed Account Client Disclosure Brochure and Investor's Guide to Purchasing Mutual Funds as applicable. As a general rule, 403(b) participants pay the same fees and receive the same services as other individuals who invest at Ameriprise Financial that do not have a 403(b) account.

#### **A. Managed Accounts**

*Ameriprise*<sup>®</sup> Managed Accounts provide an asset-based fee structure that allows a participant to receive guidance and implement his or her personalized investment strategy without incurring individual trading costs at the time of purchase or sale. Although participants will not incur trading costs, participants will pay an agreed upon annual asset-based advisory wrap fee. For example, if a participant negotiates a 2.0% annual advisory wrap fee, the participant would pay \$200 for each \$10,000 of advisory assets held in the participant's Managed Account. Further information on the advisory wrap fees applicable to Managed Accounts may be found in the Managed Accounts Client Disclosure Brochure, available at the website noted above. The advisory wrap fee specific to a particular participant's account may be found in the participant's account agreement. A portion of that advisory fee will be paid to the participant's financial advisor subject to the payout rate described in Section V. A. Information on how the advisory wrap fees paid in connection with each Managed Account will be allocated among Ameriprise Financial, the financial advisor and, if applicable, the investment manager of the Managed Account detailed in the "Allocation of Wrap Fees" section of the Managed Accounts Client Disclosure Brochure.

The advisory wrap fee, however, does not include fees and charges such as:

- Brokerage commissions resulting from transactions effected through or with a broker-dealer other than our affiliated clearing broker dealer American Enterprise Investment Services, Inc. ("AEIS");
- Transaction fees relating to any foreign securities other than American Depository Receipts;
- The entire public offering price, including underwriting commissions or discounts, on securities purchased from an underwriter or dealer involved in a distribution of securities; and
- Other costs or charges imposed by third parties, including American Depository Receipts issuance fees and annual depository fees, voluntary reorganization fees, odd-lot differentials, transfer taxes, exchange fees and other fees or taxes required by law.

Participants will also be subject to product- specific fees if they invest in mutual funds or other investment products that contain embedded fees. These embedded fees can include investment management fees paid to a mutual fund adviser, 12b-1 fees paid for mutual fund distribution and shareholder services, and other fees detailed in the sections below relating to each specific product.

Furthermore, AEIS will receive indirect compensation from those product providers in the form of marketing support payments, sub-transfer agent fees, 12b-1 fees and other compensation as described in the following sections of this guide.

For detailed information related to the Managed Account programs including a description of the services provided and the compensation we receive, please review the Managed Accounts Client Disclosure Brochure.

## **B. Mutual funds**

Participants may purchase mutual funds either on a loaded basis through a limited purpose brokerage account or on a no load basis through a Managed Account.

Mutual funds purchased on a loaded basis may offer more than one class of shares, but typically they will be either Class A, B or C shares, and the selection of any such class can determine when and how a participant pays for services related to a mutual fund investment. At the time of purchase, there can be a front-end load, and at the time of sale (or "redemption") there can be a back-end load (or "contingent deferred sales charge"). For Class A shares purchased through a transaction- based brokerage account, there may be a front-end load of up to 5.75%. For

share classes that have a contingent deferred sales charge, the mutual fund's distributor may pay an upfront commission to Ameriprise Financial and then recoup the commission by retaining a portion of the fund's 12b-1 fee and collecting a contingent deferred sales charge if a participant sells his or her shares within a specific period of time. Front-end loads and commissions are generally passed through to the advisor subject to the payout grid described in Section V. A. below.

Additional information related to services provided to participants in connection with mutual fund investments within 403(b) accounts and how Ameriprise Financial and its affiliates receive compensation related to mutual funds purchased in a participant's account can be found in the Investor's Guide to Purchasing Mutual Funds at Ameriprise Financial, located at [https://www.ameriprise.com/content/files/AMP\\_200757.PDF](https://www.ameriprise.com/content/files/AMP_200757.PDF).

As described in the Investor's Guide, Ameriprise Financial may receive indirect compensation in the form of marketing support, which may include an asset-based and/or a sales-based payment, and payment for startup costs, conferences and client events. The amount of marketing support payments we receive vary by fund family and type of mutual fund (e.g., equity funds may pay more than bond funds). Full Participation fund families make payments to AEIS based on the amount of fund assets Ameriprise Financial clients have bought and continue to hold, and can be up to 0.20% asset-based payments.

Ameriprise Financial has cost-reimbursement arrangements with Available for Sale firms for distribution support services. These firms make cost-reimbursement payments to AEIS of up to 0.10% on assets for these services, which support the distribution of the fund's shares by making them available on one or more of Ameriprise Financial's platforms. These mutual fund firms do not provide marketing and sales support such as those provided by Full Participation firms to Ameriprise financial advisors. For mutual funds sold on a load- waived basis through our distribution agreement with Charles Schwab & Co. ("Schwab"), instead of receiving the marketing support fee described above, Schwab receives 12b-1 fees, marketing support and other payments from the mutual funds and passes through an asset-based fee of up to 0.40% to AEIS. In addition, AEIS may receive payments between \$20,000 and \$200,000 annually from full participation firms for Ameriprise Financial-sponsored advisor conferences which are typically educational in nature. The total dollar amounts received from each Full Participation fund family can be found at the end of the Investor's Guide and the Client Relationship Guide and on

the Ameriprise Financial website. Marketing support is not passed through to the financial advisor.

In addition, AEIS receives payments from some mutual fund firms for client and other account services. These fees may also be referred to as “administrative fees”, “sub transfer agency fees” or “networking fees”. The fees paid to AEIS vary depending on the fund family and on whether the mutual fund keeps a separate record of each account (“networked accounts”) or not (an “omnibus” account). Compensation for networked accounts ranges from \$6 to \$12 per position annually.

Compensation for omnibus accounts can be paid on a per position basis of between \$16 and \$19 annually or on an asset basis of between 0.10% and 0.25% annually. This compensation is not passed through to the participant’s advisor.

Please consult the prospectuses applicable to each fund available to your participants to determine whether any such fund pays 12b-1 fees. You should assume that we receive any such 12b-1 fees described in the prospectuses. To the extent the prospectus states that a 12b-1 fee is paid, such fund pays that amount to us and such amount is charged directly against the participant’s investment in the fund and reflected in the net value of such investment. 12b-1 fees are generally passed through to the participant’s advisor subject to the payout grid described in Section V. A. below. For certain mutual fund share classes, the 12b-1 fees that are passed through to financial advisors are capped at 0.25%.

In connection with the services described above, Ameriprise Financial may receive compensation related to your participant’s mutual fund holdings indirectly through compensation received by affiliated entities such as Columbia Management Investment Advisers, LLC, (“CMIA”), Columbia Wanger Asset Management, LLC (“Columbia Wanger Asset Management”) and Threadneedle International Limited which provide investment management services and administrative services to the Columbia Funds, Columbia Management Investment Distributors, Inc. (“Columbia Management Investment Distributors”) which provides distribution services for the Columbia Funds, and Columbia Management Investment Services Corp. which provides transfer agency services to the Columbia Funds.

CMIA also receives soft dollar income — see Section V. C. of this document for more information on soft dollar income, and see the Client Relationship Guide and/ or the product offering documents for a description of the various revenues earned by our affiliates.

### **C. Brokerage sweep accounts**

Money held in brokerage sweep accounts for your participants generates revenue for us and our affiliates. We may receive marketing support payments of up to 0.42% of the money fund deposits held in participants’ money market mutual fund sweep accounts.

### **D. Unit Investment Trusts (UIT)**

A unit investment trust is a pooled investment vehicle in which a portfolio of stocks, bonds or other securities is selected by the sponsor and deposited into the trust. UITs can be purchased on a load basis through a brokerage account or on a load-waived basis through a Managed Account. UIT trades made through a brokerage account are subject to a \$6 order handling fee. This fee is not passed through to your advisor.

AEIS receives compensation in various forms including dealer concessions, volume concessions and cost reimbursement payments from UIT sponsors whose products are distributed through Ameriprise Financial advisor channels. Dealer concessions can vary by trust and are paid on each sale in accordance with the UIT prospectus up to 3.00% of each sale. Consult the UIT’s prospectus for fund-specific information. Dealer concessions are generally passed through to your advisor subject to the payout grid described in Section V.A. below.

As specified in the prospectus, all broker dealers receive volume concession based on a total sales formula which range from 0.09% to 0.115%. In addition, AEIS has cost reimbursement agreements in place with some UIT firms for the purpose of wholesaling and approved marketing material. These agreements produce annual payments between 0.058 to 0.084% on a flat fee based on projected UIT sales and an assumed growth rate over a 3-year life of the agreement.

Marketing support payments may vary by UIT sponsor as agreed to by Ameriprise Financial and each UIT sponsor in a marketing support agreement.

### **E. Annuities**

Ameriprise financial advisors receive a commission when a participant purchases an annuity contract for his or her TSA or adds additional funds to the contract. Detailed information related to the advisor’s compensation can be found in the document titled “ERISA Disclosure for RiverSource Life Insurance Company Products” available upon request. For annuities issued by other companies that are linked to your Ameriprise Financial brokerage account, detailed information related to your advisor’s compensation can be found in the 84-24 notice obtained from the insurance company or by requesting this information from your advisor. Below is a general summary of the costs and

features of annuity products. For each of the annuity products listed below, please refer to the product contract for specific information related to the fees charged and to the prospectus or offering materials for the fees and other investment information related to the variable subaccounts, if applicable.

**Variable Annuities:** Variable annuities offer lifetime income options, death benefit guarantees and optional living benefits. All guarantees are based on the continued claims-paying ability of the issuing company and do not apply to the performance of the variable subaccounts, which will vary with market conditions. Money a participant allocates to the variable subaccounts will fluctuate in value, depending on the investment performance of the underlying funds.

Participants may pay a surrender (i.e., withdrawal) charge on a full or partial surrender of an annuity contract. Each contribution a participant makes to a contract generally has a surrender charge that decreases over a specified period. Each contract may have a withdrawal provision that allows the participant to take out a portion of his or her money free of surrender charges.

Mortality, expense, administration and distribution fees may be charged daily against the unit values of the subaccounts and are intended to cover the mortality and expense risks that the insurance company assumes.

Contract administrative charges may be assessed annually or upon surrender against contracts with less than a stated value and are intended to cover costs associated with establishing and maintaining the contract.

Variable annuities provide optional features or benefits, called "riders," that are available for an extra charge. Fees for these riders are generally deducted from the contract value annually.

Participants indirectly pay the fees and expenses charged by the underlying mutual fund when they choose subaccounts that invest in underlying mutual funds. A description of the fees and expenses associated with the underlying funds can be found in the fund's prospectus. Furthermore, mutual funds that are part of the Columbia Funds pay fees to our affiliates as described in Subsection C above. Keep in mind that the funds available through a variable annuity product are not publicly traded retail mutual funds.

In addition, RiverSource Life Insurance Company and RiverSource Life Insurance Co. of New York (collectively referred to as "RiverSource Life") may receive compensation from mutual fund assets, assets of the fund's

subadviser or an affiliate of either; and assets of the fund's distributor or an affiliate. This compensation currently ranges up to 0.60% of the average daily net assets invested in the fund through the variable annuity. Furthermore, mutual funds that are part of the Columbia Funds pay fees to our affiliates as described in Subsection B above.

We may also receive payments for "marketing support" of up to 1.00% on sales and up to 0.15% on assets under management for annuity products issued by insurance companies other than RiverSource Life.

**Fixed Annuities:** Fixed annuities are designed to meet long-term retirement and other long-range goals. In return for making one or more contributions, the participant earns a fixed rate of return, which is guaranteed by the insurance company. All guarantees are based on the continued claims-paying ability of the issuing company.

Participants may pay a surrender (i.e., withdrawal) charge on a full or partial surrender of an annuity contract. Each contribution made to a contract generally has a surrender charge that decreases over a specified period. Each contract may have a withdrawal provision that allows the participant to take out a portion of his or her money free of surrender charges.

#### **F. Other Fees and Compensation**

**Gifts and Entertainment:** Our employees, our affiliates' employees and financial advisors are subject to specific gifts and entertainment policies that prohibit them from receiving gifts that could influence their business judgment. Ameriprise Financial expects that such gifts and entertainment will be received in connection with our overall business relationship with such product wholesalers, and not specifically in connection with business conducted with one or more ERISA-covered plans. The guidelines on receipt of non-cash gifts prohibit such individuals from receiving gifts exceeding regulatory limits (currently \$100 per year) from any product sponsor. In addition, advisors are prohibited from receiving cash gifts of any amount from product sponsors. Advisors are prohibited from receiving entertainment in excess of \$2,500 per year from any product sponsor and no more than \$750 per event, including the value of any client-appreciation events. Advisors are not permitted to receive gifts or entertainment from any product sponsor if the gift or entertainment relates to ERISA-covered retirement plan clients. Employees of Ameriprise Financial and its affiliates are subject to the Ameriprise Financial Code of Conduct which prohibits employees from receiving gifts or entertainment that could influence the employee's business judgment.

Some employees are subject to additional policies that further limit the receipt of gifts or entertainment.

**Cash Float:** AEIS may retain as compensation for services an account's proportionate share of any interest earned on aggregate cash balances held in its bank account with respect to (1) assets awaiting investment or (2) assets pending distribution from plan accounts. Such interest retained by AEIS is generally at short-term investment rates.

**Assets Awaiting Investment:** Assets awaiting investment or deposit include (1) amounts deposited into your plan accounts; and (2) any other uninvested assets held by your plan accounts caused by an authorized instruction to Ameriprise Financial to purchase or sell securities or other products (which may, after the period described below, automatically be swept into your plan's sweep account). With respect to such assets awaiting investment or deposit (i) where such assets are received by AEIS on a business day and before deposit cutoff time, AEIS will earn interest on such amounts through the beginning of the following business day; or (ii) where such assets are received on a day that is not a business day, or where such assets are received after deposit cutoff time, such interest may be earned through deposit cutoff time, AEIS will earn interest on such amounts through the beginning of the following business day; or (ii) where such assets are received on a day that is not a business day, or where such assets are received after deposit cutoff time, such interest may be earned through the beginning of the second following business day. A business day is defined as any day that the New York Stock Exchange and the Federal Reserve Bank of New York are open.

**Assets Pending Distribution:** On the same day that the processing is completed, the amount of the distribution will be debited from the plan account. The distribution check will generally be written and mailed on the same business day. AEIS will earn interest beginning on the date the account is debited and ending on the date the check is presented for payment, the timing of which is beyond AEIS's control. Upon request, AEIS will provide a verbal update to determine the status of the outstanding distribution checks.

If an in-kind transfer is requested to another firm, AEIS will liquidate any amount held in your plan's cash sweep account and AEIS may earn interest from the period of liquidation until the transfer is completed, typically within a few business days after the date of liquidation.

If an account's cash sweep account changes, the cash held in the account may be uninvested for a short time,

generally one business day during which time AEIS may earn interest.

**Trade Error Compensation:** When it is brought to our attention that a trade error falls within the scope of our services to the plan, Ameriprise Financial will correct the error as soon as possible after the error has been identified, with the goal of putting the plan account into the same position that would have resulted if the error had not occurred. If the error is the result of our breach of responsibilities to the plan, we will make the plan account "whole" for any losses that may have resulted from the error. Nevertheless, under some circumstances, our correction of an error could result in a gain. If there is such a gain, AEIS will retain the amount of the gain, which may constitute part of its compensation for services rendered to the plan. Generally, if related trade errors result in both gains and losses, they may be netted. AEIS will correct advisor trade errors, consistent with the advisor's instructions and this policy. In general, the net gain or loss amount is calculated based on the difference in cost between the original incorrect trade(s) and the cost of the corrective transaction(s) needed to place the account in the position it would have been had there been no error.

### **III. Compensation for termination of contract or arrangement**

A participant's account with AEIS may be terminated at any time, subject to one or more of the following fees. For TSAs, surrender charges vary by contract and are not waived for withdrawals other than those that constitute required minimum distributions. Please refer to each annuity contract for specific information related to surrender charges.

### **IV. Recordkeeping services and investment disclosures**

Ameriprise Financial provides monthly or quarterly statements of account holdings to plan participants. We keep track of beneficiary information and provide information to your record keeper necessary to prepare Form 5500. For TSAs, RiverSource Life may charge an annual \$30 contract charge to cover these services. For TSCAs held in Columbia mutual fund accounts, Ameriprise Trust Company may charge an annual \$19 custodial fee for these services.

### **V. Related party compensation**

#### **A. Amounts paid to the participant's advisor:**

Our financial advisors are compensated differently depending on their affiliation with our firm.

- More than half of our financial advisors are independent contractor franchisees — they are not employed by Ameriprise Financial and they do

not receive a salary from us. They are licensed registered representatives of Ameriprise Financial.

- Many of our financial advisors are employee financial advisors who are employed by and are registered representatives of Ameriprise Financial.
- We also have associate financial advisors. These financial advisors are employed by or contract with the independent contractor franchisees and are licensed registered representatives of Ameriprise Financial.
- Additionally, some of our financial advisors may be under different compensation programs than others, depending on, among other factors, the advisor's industry experience and tenure with Ameriprise Financial and whether they work in the Ameriprise Advisor Center.

**Salary.** Employee financial advisors and associate financial advisors receive a salary or flat fee, in addition to the fees described below, from Ameriprise Financial or the independent contractor franchisee advisor, respectively.

#### **Commissions and advisory service fees.**

A portion of the advisory service fees is paid to the participant's financial advisor. The remaining portion of the fees goes to AEIS for the supervisory, technical, administrative and other support that is provided to all financial advisors. Additionally, sales charges the participant pays on the products and services he or she purchases are paid to their financial advisor in the form of commissions. The amount paid to the financial advisor depends on the payout rate the financial advisor qualifies for and the amount of fees he or she pays. Other fees we receive like marketing support payments and networking fees are not shared with our advisors.

- Independent contractor franchisees generally receive 72% to 91% and employee financial advisors generally receive up to 57% of the advisory service fees and product commissions AEIS receives. The payout percentage varies depending on how much advisory service fees and product commissions the advisor generates each year and (for franchisee advisors only) the size of the advisor's book of business.
- In general, commission and referral fees generated by an associate financial advisor are paid to the employing or contracting financial advisor. At the discretion of the employing or

contracting financial advisor, the associate financial advisor may receive a bonus.

- For additional information related to how our advisors are paid, please refer to the Client Relationship Guide.

#### **B. Transaction based payments**

Section II above describes all of the fees participants pay when they purchase products and services at Ameriprise Financial. This section describes transaction-based fees we pay to our affiliated clearing broker-dealer and also transaction-based fees we charge to our franchisee financial advisors when your participant purchases a security. None of the fees described below are paid by 403(b) participants.

For mutual fund transactions occurring within an SPS *Advantage* or SPS Advisor account, AEIS charges us a fee of up to \$4 per trade depending on trade volume.

Ameriprise Financial does not assess online ticket charges in Managed Accounts to financial advisors. Franchisee financial advisors are assessed a ticket charge if entering an order by phone for SPS *Advantage* or SPS Advisor accounts. For employee financial advisors, this ticket charge is assessed to the employee's branch. In addition, we charge franchisee advisors a \$.02 per share transaction fee for most equity trades.

#### **C. Compensation paid to our other affiliates**

When a participant purchases products created or maintained by one of our affiliates, those affiliates may earn investment spread revenue, management fees or other service fees. See the Client Relationship Guide and/or the product offering documents for a description of the various revenues earned by our affiliates.

**Soft Dollars:** CMIA and Columbia Wanger Asset Management may receive proprietary and/or third party research services from broker dealers through which they execute transactions on behalf of client accounts held in the Columbia Funds or in separately managed accounts. Section 28(e) of the Securities Exchange Act of 1934, along with related SEC interpretations, provides a "safe harbor" from certain federal and state laws enacted prior to June 4, 1975 (including ERISA) for investment advisers to obtain research used in investment decision-making and brokerage services with client commissions. CMIA and Columbia Wanger Asset Management have adopted policies and procedures designed to ensure that the use of client commissions falls within the safe harbor and other applicable regulatory requirements, while permitting client accounts to benefit from our investment professionals' use of other firms' research and related investment decision-

making tools. The value of these proprietary and third party research services may be considered indirect compensation to CMIA and Columbia Wanger Asset Management. A more complete description of CMIA and Columbia Wanger Asset Management client commission practices is available in each of their respective Forms ADV Part 2A, available online through the Investment Adviser Public Disclosure website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

In addition, it should be noted that some broker-dealers with whom CMIA's fixed income department executes trades provide the fixed income department with proprietary research products and services, though the fixed income department does not put in place any client commission arrangements with such broker-dealers. However, such research may be considered by the fixed income department when determining which broker-dealers to include on the approved broker-dealer list. It is CMIA's policy not to execute a fixed-income trade with a broker-dealer at a lower bid/higher offer than that provided by another broker-dealer in consideration of the value of research products and services received by the fixed income department. CMIA may also receive proprietary research products and services from derivatives counterparties with which they have not established a client commission arrangement, similar to the approach taken with fixed-income broker-dealers described above. In these situations, CMIA may take the research into account in determining whether to add the derivatives counter party to its approved list, but CMIA does not consider the value of the research products and services provided on a trade-by-trade basis.

For Columbia Funds utilizing one or more subadvisers, the subadvisers may receive proprietary and/or third party research pursuant to similar arrangements.

For more information regarding these payments, please refer to the fund's SAI.

#### **D. Referral fees**

Some of our financial advisors participate in alliance programs with accountants and other professionals. In those circumstances, 403(b) participants will receive a disclosure form from their financial advisor notifying them of the referral fee arrangement.

Financial advisors may pay referral fees on a fixed dollar basis generally between \$200 to \$500 per referral or as a percentage of your participant's financial advisor's commissions, generally less than 30%.

Some of our financial advisors may participate in an alliance with one or more financial institutions. The financial advisor may pay rent to the financial institution to use office

space at a particular branch office or share a percentage of commissions, generally less than 30%.

#### **VI. Fiduciary status**

Pursuant to the Regulation, we are required to let you know if we will provide, or reasonably expect to provide, services to your plan in an ERISA fiduciary capacity or as an investment adviser registered under the Investment Advisers Act of 1940 (the "Advisers Act") or any State law. We expect to provide services to Managed Accounts as a sponsor of the wrap fee program and an investment adviser registered under the Advisers Act. In addition, both Ameriprise Financial and our affiliate, CMIA act as both an investment adviser registered under the Advisers Act and as an ERISA fiduciary when providing discretionary asset management services with respect to our Active Portfolios program and, CMIA also acts as an ERISA fiduciary and a fiduciary under the Advisers Act with respect to Select Separate Account strategies it manages. For the fiduciary status under specific Managed Account products, see the chart in Appendix A below. To the extent that Ameriprise Financial or your financial advisor makes a recommendation, as defined under ERISA, both parties may be providing services as a fiduciary to the plan or participant under ERISA.



**Appendix A: Fiduciary chart for  
Managed Accounts**

	<b>SPS Advantage</b>	<b>Active Portfolios*</b>	<b>SPS Advisor</b>
Ameriprise financial advisor	'40 Act ERISA-2	'40 Act ERISA-2	'40 Act, ERISA-1
Ameriprise Financial as program sponsor*	'40 Act ERISA-2	'40 Act ERISA-2	'40 Act
Ameriprise Financial as portfolio manager*	N/A	'40 Act, ERISA-1	N/A
Columbia Management as portfolio manager*	N/A	'40 Act, ERISA-1	N/A
Third-party Portfolio Manager	N/A	N/A	N/A
Mutual Fund Manager**	No	No	No
AEIS as custodian and/or clearing broker-dealer	No	No	No
Ameriprise Trust Company as custodian	No	No	No

- “40 Act” means the service provider is providing services as a fiduciary to the plan under the Investment Advisers Act of 1940. “ERISA” means the service provider is providing services as a fiduciary to the plan under the Employee Retirement Income Security Act of 1974.
- ERISA-1 means the service provider is providing services as a fiduciary to the plan under the Employee Retirement Income Security Act of 1974, as amended.
- ERISA-2 means that to the extent that Ameriprise Financial or your financial advisor makes a Recommendation, as defined under ERISA, both parties will be providing services as a fiduciary to the plan or participant under ERISA.
- “N/A” means the entity is not provided services for the program.
- “No” means the entity is providing services on a non-fiduciary basis to the plan.

\* *Active Portfolios* investments: Ameriprise Financial is the investment manager for the following investments: *Active Opportunity ETF Portfolios*<sup>®</sup>. Columbia Management is the investment manager for *Active Accumulation Portfolios*<sup>®</sup> and *Active Risk Allocation Portfolios*.

\*\* Mutual fund managers, including CMIA with respect to the Columbia Funds, are '40 Act fiduciaries to the mutual fund company only.

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