

# ERISA 408(b)(2) fee disclosure guide for retirement plan clients

## Direct at fund and platform provider version

This document describes information about fees and other compensation Ameriprise Financial Services, Inc. (“Ameriprise Financial,” “us” or “we”), our affiliates, financial advisors and subcontractors, reasonably expect to receive in connection with services provided to your plan. 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>. This information is being provided to you in your role as the plan fiduciary responsible for selecting service providers for your plan. The Regulation requires us to provide information to plans subject to ERISA. However, because it is difficult for us to determine if a particular plan is subject to ERISA, we are providing this disclosure to all employer-sponsored retirement plans that we think could be subject to the Regulation<sup>2</sup>.

How we are compensated varies depending on whether our financial advisors work with your plan through a platform provider we have directly contracted with or whether our advisors act as broker of record through our selling agreements with our Full Participation and Available for Sale mutual fund families. For more information on the meaning of “Full Participation” and “Available for Sale” funds, please refer to the section titled Mutual fund and 529 Marketing and Sales Support Payments in the Ameriprise® Managed Accounts Client Disclosure Brochure available at: [https://www.ameriprise.com/content/files/AMP\\_413021.PDF](https://www.ameriprise.com/content/files/AMP_413021.PDF). In the latter case, we do not have a direct contractual relationship with your recordkeeper or custodian. Instead, we have a direct contractual relationship with the distributor for the mutual fund, and the distributor has a direct contractual relationship with your recordkeeper or custodian. We generally refer to this type of arrangement as “Direct at Fund” because we are paid directly from the mutual fund families rather than the platform provider. In the arrangements with our platform providers, we are directly paid by the provider. If you are not sure if you have established a platform or Direct at Fund arrangement with us, contact your advisor.

Regardless of whether your plan is part of a platform provider relationship or a Direct at Fund relationship, our fees will vary depending on a number of factors outside of our control such as the amount of contributions you make to the plan, the duration you retain our services, the investments you select within the plan, your investment performance and any special services you require. Below is a summary of the various services we may provide to your plan as well as related fees that we receive either directly from your account or indirectly in connection with the investments that you purchase in your account. The summary 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 your investment and reflected in

the net value of the investment. For Direct at Fund relationships, further descriptions of the services we provide and compensation we receive may be found in 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:

- Investor’s Guide to Purchasing Mutual Funds: [https://ameriprise.com/content/files/AMP\\_200757.PDF](https://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> or 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 (“SAI”)) 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) or request one from your advisor. You may also email us or contact your financial advisor 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 qualified plans serviced by Ameriprise financial advisors

Your financial advisor may provide you with the following services related to your plan: (i) Investment Monitoring and Support and (ii) Employee Education and Enrollment, as described in detail below. Your financial advisor can offer these services in whole or in part.

#### Investment Monitoring and Support

Your financial advisor may:

- assist the plan fiduciary in preparing an Investment Policy Statement (“IPS”) reflecting the plan’s investment objectives and constraints;
- provide on-going monitoring of the plan’s core investment options to help ensure that they are consistent with objective criteria specified in the plan’s IPS;

<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.

- provide the plan fiduciary with reports describing the performance of the plan's core investments compared to peers and benchmarks, risk and return analysis, style drift and investment costs;
- provide the plan fiduciary with nondiscretionary investment recommendations related to the Plan's investments.

You will have sole responsibility for communicating instructions to the plan's recordkeeper, custodian and/or third party administrator. Your financial advisor will not be responsible for monitoring, and will not make any recommendations to retain or remove, employer stock or non-core investment options such as mutual fund or brokerage windows.

### Employee Education and Enrollment

Your financial advisor will work with the plan to conduct periodic group enrollment and education meetings with plan employees designed to increase plan participation among employees and help plan participants make informed decisions about contribution amounts, investment allocations and distribution options in the plan.

Your financial advisor will not provide investment advice, as that term is defined in ERISA, concerning the appropriateness of any individual investment option for a particular participant or beneficiary under the plan when providing Employee Education and Enrollment services. However, if a particular plan participant has a separate advisory relationship with Ameriprise Financial, then the financial advisor may provide recommendations and investment advice to that particular plan participant through those services.

### II. Payments received by Ameriprise Financial for plans held through platform provider relationships

Ameriprise Financial may receive a commission at the time of sale based on new assets invested. We will also receive an ongoing commission based on existing assets. These commissions are collected by your retirement plan provider and are disclosed in the plan set-up documents you received when you transitioned your plan to the service provider. These commissions are paid to Ameriprise Financial and passed on to your advisor subject to the payout grid described in Section VII. A. below. If you are uncertain about the amount of trail commissions you are paying, please consult with your financial advisor or contact us at the email address listed above with questions.

Ameriprise Enterprise Investment Services, Inc. ("AEIS"), an affiliate of Ameriprise Financial, receives an annual platform payment of up to \$150,000 from each retirement plan provider available for sale by our financial advisors. This payment is not related to the sale of any particular retirement plan and is used in part to help us develop and maintain a training and educational support system for our financial advisors. In addition, AEIS may receive payments of up to \$100,000 annually from retirement plan providers for Ameriprise Financial-sponsored advisor conferences, which are typically educational in nature. These payments are not passed through to your advisor.

**Group Tax-Sheltered Annuities:** Ameriprise financial advisors receive a commission when a participant purchases an annuity contract for his or her Tax-Sheltered Annuity ("TSA") or adds additional funds to the contract. For annuities, detailed information related to your advisor's compensation can be 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 types of annuities described 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. Keep in mind that the funds available through a variable annuity product are not publicly traded retail mutual funds.

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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 Insurance Company and RiverSource Life Insurance Co. of New York.

**Fixed Annuities:** Fixed annuities are designed to meet long-term retirement and other long-range goals. In return for making one or more contributions, a 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 of time. 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.

### III. Compensation received by Ameriprise Financial and your financial advisor for plans held through Direct at Fund relationships

Ameriprise Financial and your financial advisor are compensated from the mutual fund investments held within your plan. Ameriprise Financial receives two types of compensation from mutual funds — 12b-1 fees and marketing support payments. In addition, if your plan holds mutual funds from Columbia Management Investment Distributors, Inc. ("Columbia Management Investment Distributors"), our affiliated entities receive compensation for the services they provide to these funds. Of these fees, your financial advisor generally receives a portion of the 12b-1 fees. Each of these compensation arrangements are described in more detail below.

## 12b-1 fees

Please consult the prospectuses applicable to each fund in your account to determine whether the fund (or one or more of its share classes) pays 12b-1 fees. To the extent the prospectus states that a 12b-1 fee is paid, such fund generally pays that amount to us and such amount is charged directly against the plan's investment in the fund and reflected in the net value of such investment. 12b-1 fees are generally passed through to your advisor subject to a payout grid described in Section VII. A. For certain mutual fund share classes, the 12b-1 fees that are passed through to financial advisors are capped at 0.25%.

## Marketing support payments

AEIS may receive indirect compensation in the form of marketing support, which may include an asset-based and/or a sales-based payment, and payments for start-up costs, conferences and client events. The amount of marketing support payments we receive vary by fund family and type of mutual fund (equity funds may pay more than bond funds). Full Participation fund families make payments to us based on the amount of fund assets Ameriprise Financial clients have bought and continue to hold, and can be up to 0.22% for asset-based payments.

In addition, AEIS may receive payments between \$20,000 to \$200,000 annually from Full Participation firms for Ameriprise sponsored advisor conferences which are typically educational in nature. The total dollar amounts we receive from each Full Participation fund family can be found in our Investor's Guide to Purchasing Mutual Funds found at the website identified above. Marketing support is not passed through to your advisor.

Ameriprise Financial has cost-reimbursement arrangements with 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 payments such as those provided by Full Participation firms to Ameriprise financial advisors. In addition, these mutual fund firms do not receive the same level of access to advisors.

## IV. Potential indirect compensation applicable to all retirement plan clients

Regardless of whether your plan is held through a platform provider or through a Direct at Fund arrangement, we may receive indirect compensation if your plan selects one of our affiliated mutual funds as an investment option and/or through gifts and entertainment that our financial advisors or home office employees may receive.

### Indirect compensation from affiliated mutual funds

In connection with the services described above, if your plan holds one or more mutual funds from Columbia Management Investment Distributors ("Columbia Funds"), our affiliates may receive compensation related to the services they provide directly to the mutual funds. Columbia Management Investment Advisers, LLC, ("CMIA"), Columbia Wanger Asset Management, LLC ("Columbia Wanger Asset Management") and Threadneedle International Limited provide investment management services and/or administrative services to the Columbia Funds; Columbia Management Investment Distributors, provides distribution services for the Columbia Funds and Columbia Management Investment Services Corp. provides transfer agency services to the Columbia Funds. CMIA and Columbia Wanger Asset Management also receive certain products and services (commonly referred to as soft dollar services) in connection with brokerage services provided the Funds or accounts as described below.

**Soft Dollars:** CMIA, Columbia Wanger Asset Management and third party subadvisers 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 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 <https://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 mid/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 counterparty 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 sub-advisers, the sub-advisers may receive proprietary and/or third party research pursuant to similar arrangements.

It is possible that CMIA or an investment subadvisor subject to the recent revisions to the EU's Markets in Financial Instruments Directive will cause a fund to pay for research services with soft dollars in circumstances where it may not use soft dollars with respect to other advised/managed funds or accounts, although those other advised/managed funds or accounts might nonetheless benefit from those research services

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

### Gifts and entertainment

Our employees, affiliates' employees and financial advisors are subject to specific gifts and entertainment policies that prohibit them from receiving gifts and 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 mutual fund 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 \$2500 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.

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

Ameriprise Financial does not charge a termination fee for our services.

#### **VI. Recordkeeping services**

Ameriprise Financial does not provide recordkeeping services for your plan.

#### **VII. Related party compensation**

##### **A. Amounts paid to your 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 registered representatives of Ameriprise Financial Services, Inc.
- 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 fees.** A portion of the 12b-1 fees is paid to your financial advisor for the services provided to you. The remaining portion of the 12b-1 fees goes to AEIS for the supervisory, technical, administrative and other support that is provided to all financial advisors. The amount paid to your financial advisor depends on the payout rate your financial advisor qualifies for and the amount of fees you pay. Other fees we receive like marketing support payments 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 advisor may receive a bonus.
- For additional information related to how our advisors are paid, please refer to the Client Relationship Guide available at [ameriprise.com/disclosures](http://ameriprise.com/disclosures).

##### **B. Referral fees**

Some of our financial advisors participate in alliance programs with accountants and other professionals. In those circumstances, you will receive a disclosure from your financial advisor notifying you of the referral fee arrangement. Financial advisors may pay referral fees on a fixed dollar basis generally between \$200 and \$500 per referral or as a percentage of your financial advisor's commissions generally between 10% and 35%.

Some of our financial advisors may participate in a referral arrangement 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 between 10% and 30%.

#### **VIII. 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.

As a sponsor and fiduciary of a retirement plan, you are responsible, and retain discretionary authority and control, for selecting the retirement plan program and investment options for your plan. Although you are responsible for choosing the retirement plan program and its investment options, your financial advisor may recommend certain programs and investment options in presentations and proposals.

Ameriprise Financial and your financial advisor shall be fiduciaries under Section 3(21) of ERISA solely with respect to recommendations made to you in your role as plan fiduciary related to plan-level investments.

Please review the Ameriprise Managed Accounts Client Disclosure Brochure for a full description of services offered, including fees and expenses.

Investment products offered through Columbia Management Investment Distributors, Inc., member FINRA. Advisory services provided by Columbia Management Investment Advisers, LLC. Columbia Management is affiliated with Ameriprise Financial.

Issued by RiverSource Life Insurance Company, Minneapolis, Minnesota, and in New York only, by RiverSource Life Insurance Co. of New York, Albany, New York. Affiliated with Ameriprise Financial Services, Inc.

Investment advisory products and services are made available through Ameriprise Financial Services, Inc., a registered investment adviser.

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