An investor’s guide to purchasing mutual funds and 529 plans through Ameriprise Financial

For more than 60 years, mutual funds have been one of the best ways for individual investors to participate in the growth of financial markets and the global economy. Mutual funds offer investors professional money management, the potential for broad diversification and the opportunity to manage risk in their investment portfolios.

To be an informed mutual fund investor, you need to understand the costs involved in purchasing and owning a mutual fund. You also need to understand the factors that may influence what mutual funds your Ameriprise financial advisor recommends to you. This guide is designed to help you understand these issues. However, it is not intended to take the place of the mutual fund prospectus, Statement of Additional Information (SAI), your brokerage client agreement, periodic statements and confirmations. You should read these documents carefully before and after investing.

Ameriprise Financial Services, Inc. (“Ameriprise”) sells mutual funds from nearly 300 fund families representing more than 3,500 mutual funds. Our financial advisors’ primary goal is to help you select suitable investments that help you to achieve your financial goals.

At Ameriprise, clients may purchase mutual funds in their Ameriprise® Brokerage or Ameriprise® Managed Account(s). In addition, clients may purchase 529 plans through Ameriprise. These tax-advantaged college savings accounts invest in mutual funds and are designed to help pay for qualified higher education expenses. Important information relating to the purchase of mutual funds and 529 plans through Ameriprise and factors that can influence the mutual funds your financial advisor may recommend are described below.

**Understanding mutual funds**

With all the choices available in the mutual fund marketplace, it is important to understand how to select the mutual funds that are most suitable for you. That is where a financial advisor can help. Your financial advisor can help you understand the investment objectives, past performance and other key elements that differentiate one mutual fund from another.

At Ameriprise, we have a long tradition of providing knowledgeable guidance to our clients. One of the ways we do this is by providing clients with the information they need to make informed decisions about their investments.
All types of mutual funds share a few basic characteristics that determine how you pay for them. It is important to have a general understanding of these characteristics. If you buy mutual funds through Ameriprise, you should also understand how your financial advisor and the firm are compensated, and how that might influence your financial advisor’s recommendations.

Costs of investing in mutual funds
There are two primary costs associated with mutual funds:

- **Sales charges**
- **Operating expenses and other costs**

**Sales charges.** Sales charges (also called loads) are commissions you may pay when you purchase or sell mutual fund shares. Sales charges can be paid in several ways depending on the “class” of mutual fund shares you buy (see below for an explanation of different share classes). Sales charges are designed to compensate Ameriprise and Ameriprise financial advisors for the support and assistance they provide in helping you select appropriate mutual funds.

**Operating expenses and other costs.** Operating expenses are costs associated with operating a mutual fund and are deducted from the value of a mutual fund’s shares, rather than being paid directly by the investor. This means that operating expenses reduce the investment performance of a mutual fund. Operating expenses typically vary from mutual fund to mutual fund and by type of mutual fund (e.g., equity vs. fixed income). Operating expenses generally differ for each of a mutual fund’s share classes, thus accounting for the variations in performance between different share classes of the same mutual fund.

Operating expenses are required to be disclosed whenever performance is shown and will also be disclosed in the prospectus as a percentage of a mutual fund’s assets. The total of the expense categories described on page 3 is commonly referred to as the “expense ratio” and can be used to compare the expenses of mutual funds and share classes from one mutual fund to another.

In addition, mutual fund share prices are affected by **portfolio transaction costs,** including trading commissions the mutual fund pays to brokers for trading portfolio securities. The level of these costs depends, in part, on the amount of trading the mutual fund does and the types of securities the mutual fund owns. Some mutual funds impose charges to prevent frequent trading/market timing and to administer small account balances.

Ameriprise may impose charges for wire transfers or other personal services you may request in connection with your account.

**Share classes**
A mutual fund may offer more than one class of shares to investors, the most common being Class A, B or C shares. The different classes provide a choice of when and how you pay for the services your financial advisor and Ameriprise provide when recommending a mutual fund investment. Regardless of share class, you hold an investment in the same mutual fund.

There are important differences among share classes including:

- Sales charge and operating expenses you pay for the share class
- When you pay those fees
- Commission your financial advisor receives

You should carefully review all sales charges and operating expenses associated with any share class you are considering for purchase.

**Class A shares.** Class A shares typically have a “front-end” sales charge, meaning that the sales charge is deducted from the amount you invest at the time of your investment. Distribution (12b-1) fees are charged as ongoing expenses and are generally lower for Class A shares than for Class B or C shares. Generally, the majority of the sales charge and the 12b-1 fees paid to the firm are paid to your financial advisor.

**Breakpoints.** A mutual fund may offer discounts on Class A share purchases, called breakpoints, that reduce the front-end sales charge if the investor:

- Makes a large purchase; and/or
- Already holds other mutual funds offered by the same fund family
- Commits to regularly purchasing the mutual fund’s shares

The extent of the discount depends upon the size of the purchase and typically begins at the $50,000 level, but may start as low as $25,000. Generally, as the amount of the purchase increases, the percentage used to determine the sales load decreases. In fact, the entire sales charge may be waived for investors who make very large purchases ($500,000 or $1,000,000) of Class A shares.
The chart below illustrates typical breakpoint investment amounts and the corresponding sales charges for the Columbia Threadneedle Investments family of funds including Threadneedle Funds, excluding money market funds.

<table>
<thead>
<tr>
<th>Your investment amount</th>
<th>Your sales load (as a % of the total investment) (equity/bond funds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $49,999</td>
<td>5.75%/4.75%</td>
</tr>
<tr>
<td>$50,000 – $99,999</td>
<td>4.75%/4.25%</td>
</tr>
<tr>
<td>$100,000 – $249,999</td>
<td>3.50%</td>
</tr>
<tr>
<td>$250,000 – $499,999</td>
<td>2.50%</td>
</tr>
<tr>
<td>$500,000 – $999,999</td>
<td>2.00%</td>
</tr>
<tr>
<td>$1,000,000 or more</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

Note: This is an illustration only, using the charges and breakpoint rules for the Columbia Threadneedle Investments family of funds as disclosed in each fund's prospectus. Consult the prospectus for the specific fund in which you are investing for charges and breakpoint rules applicable to your specific investment.

Rights of Accumulation (ROA). You may also qualify for breakpoint discounts through Rights of Accumulation (ROA), which allow you to reach a breakpoint by combining current and previous mutual fund purchases in the same mutual fund or mutual fund family. ROA generally applies to all shares you own in a mutual fund family, even if you purchase them through different companies, within a systematic purchase or redemption plan, or hold them in different types of accounts, such as an IRA. However, depending upon the mutual fund family, certain shares purchased without a front-end sales charge (e.g., shares held in 401(k) plans, fee-based accounts or shares of money market funds) may not be included in determining breakpoint eligibility.

ROA may also allow you to count purchases of mutual funds in the same mutual fund family made by certain family members for the purpose of determining breakpoint eligibility. This is referred to as a mutual fund company's householding rules.

Therefore, if you or your family members have accounts at other broker-dealers and you wish to take advantage of the balances in these accounts to qualify for a breakpoint discount, including in some instances fee-based accounts, you must inform your financial advisor about those balances. You may need to provide documentation about the holdings at other firms to your financial advisor if you wish to include those balances in your ROA calculation.

You should also note that mutual funds often follow different rules to determine the value of existing holdings. Some mutual funds use the current net asset value (NAV) of existing investments in determining whether an investor qualifies for a breakpoint discount. NAV of a stock is the price at which one share was sold to the public as of the previous business day's market close. The NAV of a mutual fund is determined by adding the value of all the securities in the fund's portfolio, subtracting debts and expenses, and dividing the result by the total number of shares outstanding.

Operating expenses
Management fees
These fees are paid to the mutual fund's investment manager for services such as: research, portfolio manager and trader compensation, technology and related administrative services. Management fees are the same for each class of shares of a mutual fund.

Distribution and shareholder service (12b-1) fees
The 12b-1 fee is for sales-related expenses including marketing and ongoing service provided by the firm and its financial advisors. These fees vary by share class.

Other expenses
These include fees for: shareholder recordkeeping, portfolio accounting, regulatory reporting, audit, legal and other non-investment expenses necessary to operate the mutual fund.
A small number of funds use the “historical cost,” which is the cost of the initial purchase, to determine eligibility for breakpoint discounts. If the mutual fund uses historical costs, you may need to provide account records, such as confirmation statements or monthly statements, to qualify for a breakpoint discount based upon previous purchases. Consult with your financial advisor and review the mutual fund’s prospectus to determine whether the mutual fund uses either NAV or historical costs to determine breakpoint eligibility.

**Letter of Intent (LOI).** By signing a Letter of Intent (LOI), you agree to invest future amounts that would, usually within the next 13 months, accumulate to a breakpoint. You then receive a discount on all of those purchases as if you were making all the investments at once. If you fail to invest the full amount stated in the LOI by the specified date, you will be charged the higher load. Many mutual fund families allow purchases made up to 90 days prior to the date that you sign the LOI to count toward reaching the breakpoint.

Discounts on sales charges vary from mutual fund family to mutual fund family. As you consider investing in one or more mutual funds from a given family of mutual funds, be sure to discuss with your financial advisor the discounts that may be available to you.

**Class B shares.** Class B shares typically have a “back-end” sales charge, called a contingent deferred sales charge (CDSC), and have no front-end sales charge. You pay a sales charge on Class B shares when you sell the shares, rather than when you buy them. This sales charge declines over time until it is eliminated and eventually the shares convert to Class A. This usually occurs after you own the shares for a specified period of time, ranging from six to 10 years.

Since Class B shares do not impose a front-end sales charge, all of your dollars are invested at the time of purchase. However, your overall expenses, as measured by the total expense ratio, can reduce the return on your investment. Class B shares have higher 12b-1 fees to cover the costs of “advancing” commissions to financial advisors, who are paid at the time of sale. Once Class B shares convert to Class A, the lower Class A expense ratio applies to the shares. Depending on the amount invested, your time horizon and other factors, Class B shares may be more costly over time than Class A shares.

Some mutual fund families may waive the CDSC on certain redemptions (such as redemptions following the investor’s death or disability, or required minimum distributions). Your financial advisor can help you determine whether your redemptions might be eligible for a CDSC waiver.

**Class C shares.** Class C shares, in most cases, are similar to Class B in that they have higher 12b-1 fees and impose a back-end rather than a front-end sales charge. Also, like Class B, if there is no front-end sales charge, all of your dollars are invested at the time of purchase. The back-end charge on Class C shares is generally smaller than on Class B and is typically eliminated after 12 months (rather than six to 10 years). However, Class C shares rarely convert to Class A shares. This means the higher annual 12b-1 fees usually are in effect for as long as you own the fund, which can make owning Class C shares more costly over time. Generally, Class C shares are most appropriate for short-term objectives (three to six years at most). Like Class B shares, the annual 12b-1 fees for Class C shares cover the costs of advancing commissions to financial advisors who are paid at the time of sale.

**No-load shares.** “No-load” mutual funds do not have sales charges so all of your dollars are invested at the time of purchase. Operating expenses (i.e., management fees, 12b-1 fees and other expenses) vary among funds. Expenses are typically lower for no-load funds than for load funds, but be aware of managerial or custodial fees. Talk with your financial advisor, examine the fund’s prospectus or review the Mutual Fund & ETF Expense Analyzer at the Financial Industry Regulatory Authority (FINRA) website [http://apps.finra.org/fundanalyzer/1/fa.aspx](http://apps.finra.org/fundanalyzer/1/fa.aspx) to help you determine the share class you may be eligible for and want to purchase.

Some mutual fund families offer load funds; others offer no-load funds. If a fund family offers the same fund in both load and no-load fund versions, Ameriprise financial advisors are only authorized to sell the load funds.

**Institutional share class.** Ameriprise may offer institutional share class funds. Institutional share class funds are typically sold without a sales charge, offer lower annual costs and management expenses than Class A, B or C shares and do not impose 12b-1 fees. As a result of these lower costs and expenses, institutional share classes generally require a much higher investment minimum than other share classes.

**Other classes of shares.** While we have described the most common mutual fund share classes above, other classes of mutual funds shares and variations on the share classes previously described are available.
to shareholders, each with different fees, terms and expenses and thus, different operating results and costs to investors. Not all share classes are available through Ameriprise and you may not qualify for all share classes. Read the prospectus and SAI for more information. Your financial advisor can help you decide which purchase option is best for you.

To further assist you in your decision whether to buy Class A, B, C or no-load shares, or any other share class offered, you should know that FINRA offers a mutual fund expense analyzer on its website for comparing the expenses of different fund classes. Using FINRA’s analyzer, with or without your financial advisor, you can run actual comparisons of: (1) the amount you plan to invest; (2) how long you plan to keep the mutual fund; and (3) the mutual fund’s sales load and expenses per share class. The mutual fund analyzer can be found at http://apps.finra.org/fundanalyzer/1/fa.aspx.

Other ways to reduce mutual fund sales charges

In addition to taking advantage of breakpoints (described on page 2), there are other ways to invest in mutual funds that offer the ability to reduce or eliminate sales charges.

**Exchanges.** When you sell shares in a mutual fund and use the proceeds to buy shares of another fund, you may be entitled to a reduction or complete waiver of the sales charge on the new mutual fund. Ameriprise typically offers this option only for funds in the same mutual fund family, but there are circumstances in which another broker might offer this option for funds in different families.

**529 plan investments.** If you are making purchases into 529 plans that invest in mutual funds, you may be eligible for a waiver of the immediate sales load if the new purchase is: (1) from a rollover of another 529 plan on which you paid a sales charge; or (2) the redemption of another mutual fund on which you previously paid a sales charge. In order to receive the waiver, you must notify your financial advisor that you meet the conditions and qualify for the waiver. If you fail to notify your financial advisor as required, you will not receive the waiver. The mutual fund company may require that you provide evidence that you qualify for the waiver.

**No-load options.** If you purchase a no-load fund, there will be no sales charge and typically the expenses are considerably lower than for load funds. You may be assessed a transaction fee at the time of purchase or sale to cover the cost of offering the mutual fund to you. No-load funds and no-load classes of shares are not available through our financial advisors but may be available online through the Ameriprise Brokerage Platform, through other brokers and directly from mutual fund companies.

Understanding the availability of breakpoint discounts and load waivers is important because it may enable you to purchase Class A shares at a lower price or otherwise affect your decision regarding the appropriate share class in which to invest. You should discuss the availability of breakpoint discounts with your financial advisor and carefully review the mutual fund prospectus and its SAI, which your financial advisor can provide, when choosing among the share classes offered by a mutual fund. If you wish to learn more about mutual fund share classes or mutual fund breakpoints, review the investor alerts available on the FINRA website.
For more information, see http://www.finra.org/InvestorInformation/InvestorAlerts/MutualFunds/UnderstandingMutualFundClasses/p006022, http://www.finra.org/Investors/ProtectYourself/InvestorAlerts/MutualFunds/P005964 and http://www.finra.org/Investors/ProtectYourself/InvestorAlerts/MutualFunds/P006008 or visit the many mutual fund websites available to the public.

**Purchasing mutual funds and 529 plans through Ameriprise**

Ameriprise has agreements with nearly 300 mutual fund firms, which allows us to offer clients a broad range of more than 3,500 mutual funds. The financial advisor's goal is to select suitable investments that help clients achieve their financial goals. The following sections describe important information relating to the availability of mutual funds offered through Ameriprise and factors that may influence the mutual funds financial advisors recommend.

**Payments from product companies**

Ameriprise receives a variety of payments for selling the products of proprietary and non-proprietary product companies. These include payments for marketing support, recordkeeping and other client account services, startup costs, technology and related expenses, conferences and client events. The most significant payments are marketing support payments.

**Mutual fund and 529 plan marketing support payments**

Mutual fund and 529 plan marketing and sales support payments are received from certain mutual fund firms (described below as “Full” and “Limited” Participation firms) within the nearly 300 mutual fund firms (“firms”) Ameriprise offers.

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

- Marketing payments to support the cost of distribution
- Financial strength of the firm
- Product breadth and strong performing funds
- Ability to provide wholesaling and training to our financial advisors
- Tax benefits offered by individual states (specific to 529 plans)
- Overall quality of the 529 plan (specific to 529 plans)

Financial advisors may offer, and clients are free to choose, mutual funds from nearly 300 mutual fund firms. However, certain aspects of the Mutual Fund Program (“Program”) may create a conflict of interest or incentive if Ameriprise promotes, or financial advisors recommend, the mutual funds offered by a firm participating in the Program vs. mutual funds offered by nonparticipating firms. In addition, among firms participating in the Program, financial advisors generally have a greater incentive to offer mutual funds from Full Participation firms than mutual funds from Limited Participation firms. As further described below, these conflicts and incentives may arise from the marketing and sales support provided to our financial advisors by, as well as the payments Ameriprise receives from, firms participating in the Program, and with other relationships with firms, including our affiliation with Columbia Threadneedle and the Columbia-branded mutual funds, in addition to other fund brands (the “Affiliated Columbia Funds”) – see the section titled “Affiliated mutual funds” on page 9.

**Marketing and sales support**

The firms in the Program that are Full Participation firms provide education, training, marketing and sales support to financial advisors. These firms may reimburse Ameriprise or financial advisors for client/prospect education events and financial advisor sales meetings, seminars and training events consistent with Ameriprise policies; Ameriprise Financial Services may also receive nominal non-cash benefits from time to time. Limited Participation firms pay marketing support at a lower level than Full Participation firms; therefore, Limited Participation firms may not provide some services, or the same level of services, to financial advisors. As a result, financial advisors may have a greater familiarity with Full Participation firms and an incentive to sell funds and 529 plans of Full Participation firms.

**Marketing support payments**

To be included in the Program, firms have agreed to pay Ameriprise a portion of the revenue generated from the sale and/or management of mutual fund shares. Full Participation firms pay marketing support at a higher level than Limited Participation firms. Each year a client holds shares of a particular mutual fund, the mutual fund’s financial advisor or distributor may pay to Ameriprise an amount based on the value of the collective mutual fund shares held in clients’ accounts (asset-based payment). In addition, a mutual fund’s financial advisor or distributor may pay a fee...
to Ameriprise for the mutual fund shares purchased during a given period (sales-based payment). As of December 2015, Ameriprise received an asset-based payment (up to 0.25% per year for mutual funds and 0.16% per year for 529 plans) on some or all of clients’ assets managed by the participating firms and a sales-based payment (up to 0.25% for mutual funds and 0.20% for 529 plans) on some or all of the participating firms’ gross sales made through Ameriprise.

Limited Participation firms generally limit by prospectus the amount of marketing support their affiliates may pay on mutual funds.

Ameriprise receives up to 0.62% of money fund deposits for its money market fund sweep program. The amount that Ameriprise receives may be reduced based on fee waivers that are imposed by the money market fund firm.

Specific marketing support payments are detailed in this guide (beginning on page 9). These arrangements vary between firms and may be subject to change or renegotiation at any time. If a firm ceases to pay marketing support or other fees, Ameriprise may remove the firm from the Program and may cease to offer that firm’s mutual fund shares and/or 529 plan(s).

**Full Participation firms**

Twenty-nine firms fully participate in the Program. These firms include: Allianz Global Investors, American Century Investments, BlackRock Funds, Calvert Investments, Columbia Threadneedle Investments, Delaware Investments, Deutsche Asset & Wealth Management, Dreyfus, Eaton Vance, Federated, Fidelity Investments, Goldman Sachs & Co., Invesco, Ivy Funds, Janus Capital Group, John Hancock Investments, JP Morgan Asset Management, Legg Mason, Lord Abbett, MainStay Investments, MFS Investment Management, Neuberger Berman, Nuveen Investments, OppenheimerFunds, Principal Funds, Prudential Investments, Putnam Investments, Virtus Investment Partners and Wells Fargo Advantage Funds. These firms are referred to as “Full Participation firms.”

We offer 529 plans from 23 firms. Of those 23 firms, 14 are Full Participation firms. These fund firms include: Allianz Global Investors, American Century Investments, BlackRock Funds, Calvert Investments, Columbia Threadneedle Investments, Deutsche Asset & Wealth Management, Fidelity Investments, Ivy Funds, JP Morgan Asset Management, John Hancock Investments, Legg Mason, MFS Investment Management, OppenheimerFunds and Putnam Investments. Each of these firms is referred to as a Full Participation firm.

**Limited Participation firms**

Three firms participate in the Program at a limited level. These firms include: AB, Franklin Templeton Investments and PIMCO Investments. These firms are Limited Participation firms.

529 plan Limited Participation firms include: AB and Franklin Templeton Investments.

**Mutual Fund List**

Ameriprise financial advisors may make mutual fund recommendations based on a group of funds that appear on an Ameriprise Financial Services mutual fund list (the “List”). The List is developed by the Ameriprise Investment Research Group (IRG). Approximately 1,600 mutual funds are eligible for inclusion on the List, which includes only mutual funds from Full Participation Firms in the Ameriprise Financial Services Mutual Fund Program described above.

In developing the List, the IRG applies a quantitative and qualitative evaluation process that includes an analysis of a fund’s returns, risk and expenses; the tenure of its portfolio managers; and the consistency of its performance and style. Certain mutual funds that would have otherwise been included on the List were excluded due to their high investment minimums. Client suitability must be considered when trading mutual funds, including breakpoint discount eligibility and NAV transfer availability. The funds on the List are subject to change periodically; however, changes to the List should not be the sole reason to prompt trading.

This List is developed by evaluating the characteristics of each fund’s A share class. As a result, clients for whom another share class may be more advantageous may be unable to purchase a fund on the List if that fund does not offer that particular share class. In addition, the List was developed using those funds currently available through SPS Advantage, SPS Advisor or the Ameriprise Brokerage Platform. As a result, clients may not be able to purchase a fund on the List if that fund is not available through the service in which the client invests.

Ameriprise Financial Services receives payments for the services we provide to the Full Participation firms (including Columbia Threadneedle Investments) and to other funds available for sale at Ameriprise Financial Services. The amount of fees Ameriprise Financial Services receives from funds eligible for inclusion on the List is not considered in the selection process.
for inclusion on the List, and no fund pays Ameriprise Financial Services to be on the List. Clients may choose to follow the recommendations provided by the Ameriprise financial advisor or may select from any of the other funds offered through Ameriprise Financial Services, regardless of whether that fund appears on the List.

Distribution support relationships
Ameriprise also has arrangements with firms for distribution support services. These firms make payments of up to 0.18% on sales and 0.10% on assets to Ameriprise for these services, which support the distribution of the fund’s shares and 529 plans by making them available on one or more Ameriprise platforms, commonly known as “shelf space.” These mutual fund firms do not provide marketing and sales support to financial advisors and do not participate in the Mutual Fund List (as described in the next section).

Ameriprise sells 529 plans from three firms that neither have wholesaling access to Ameriprise financial advisors nor pay marketing or distribution support. Moreover, plans offered by these firms are available for sale to in-state residents only. These firms are: American Funds, Ascensus, First National Bank of Omaha, Northstar Financial and Union Bank & Trust. Certain 529 plans may pay Ameriprise financial advisors a fee of up to 1% of assets for NAV rollovers.

The total amount received from all distribution support firms in 2015 was $11,199,679. The firms that paid more than $500,000 were:

- First Eagle Funds ($2,611,846)
- AMG Funds ($877,830)
- Natixis Global Asset Management ($969,132)
- Gabelli Funds ($600,457)
- THORNBURG Funds ($611,836)

The remaining firms paid amounts ranging from $1 to $457,897.

Other financial relationships
In addition to sales charges, 12b-1 fees and marketing support payments Ameriprise receives, the mutual fund’s financial advisor, distributor or affiliate may also make other payments to Ameriprise for client services and other account maintenance activities provided. All of the mutual funds sold by Ameriprise pay Ameriprise networking and/or omnibus services fees for operational support. In addition, some mutual fund firms may pay Ameriprise to participate in a conference or may reimburse permitted expenses of Ameriprise financial advisors. Information about these charges and fees may be viewed in this guide or in the mutual fund prospectus. Ameriprise receives up to 0.40% per year on some, or all, of Ameriprise clients’ assets managed by participating mutual fund firms.

Ameriprise provides clients with access to other firms through its relationship with Charles Schwab & Co., Inc. (“Schwab”) and Schwab’s mutual fund program. Schwab passes to Ameriprise certain payments it receives from firms accessed through its program.

American Enterprise Investment Services, Inc., an affiliate of Ameriprise Financial and its clearing firm, receives payments from some firms for client and other account services. American Enterprise Investment Services, Inc. shares a portion of that fee with Ameriprise for providing distribution support services, which is sometimes referred to as shareholder support services.

Ameriprise Financial, Inc. and its affiliates may have other relationships with firms whose mutual funds Ameriprise offers. For example, these firms or their affiliates may act as subadviser to an Ameriprise-affiliated asset manager or vice versa. These firms or their affiliates may manage an investment portfolio within an Ameriprise or affiliated product, such as a RiverSource(R) variable annuity, or they may use products managed by an Ameriprise affiliate (including Columbia Threadneedle Investments) as underlying investment options in their own products.

Ameriprise has marketing support agreements with BlackRock Advisors, LLC and Fidelity Investments, with respect to mutual fund positions held by Ameriprise Financial customers. BlackRock, Inc. and Fidelity Investments each own more than 5% of the outstanding shares of Ameriprise Financial, Inc. stock.

Transaction charges
Ameriprise financial advisors pay charges on mutual fund sales, purchases and exchanges (“transaction charges”). Transaction charges are determined using a variety of factors such as: the type of transaction, processing methodology (e.g., online, telephone, systematic arrangements), account type (fee-based SPS Advantage account/transaction-based brokerage account), and, in one case, the firm. Financial advisors pay the same mutual fund transaction rate for all mutual fund firms except American Funds. Financial advisors pay significantly higher transaction charges (up to $85 per transaction) on mutual fund purchases of American Funds. This higher transaction charge may
be a disincentive for financial advisors to recommend American Funds. Additionally, American Funds does not pay Ameriprise Financial Services for either marketing support or distribution support.

**Affiliated mutual funds**

Mutual funds marketed under the brand Columbia Threadneedle Investments, including Columbia, Wanger, Columbia Acorn, and Threadneedle funds, are affiliated with Ameriprise Financial, Inc.

The affiliates of Ameriprise provide certain administrative, and transfer agent services to these mutual funds.

**Summaries of 2015 mutual fund firms’ marketing support follow, segmented by mutual fund or 529 plan products**

**Mutual fund marketing support arrangements by fund firm (Jan. 1, 2015 to Dec. 31, 2015)**

<table>
<thead>
<tr>
<th>Fund firm</th>
<th>Marketing support payments from fund firms in 2015</th>
<th>Source of payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB (Alliance Bernstein)</td>
<td>$854,980.91</td>
<td>Alliance Bernstein Investment Research and Management, Inc.</td>
</tr>
<tr>
<td>Allianz</td>
<td>$1,629,418.39</td>
<td>Allianz Global Investors Distributors, LLC</td>
</tr>
<tr>
<td>American Century</td>
<td>$4,579,828.53</td>
<td>American Century Investment Services, Inc.</td>
</tr>
<tr>
<td>Blackrock</td>
<td>$15,391,587.94</td>
<td>BlackRock Advisors, LLC</td>
</tr>
<tr>
<td>Calvert</td>
<td>$1,665,464.80</td>
<td>Calvert Distributors, Inc.</td>
</tr>
<tr>
<td>Columbia</td>
<td>$57,972,177.13</td>
<td>Columbia Management Distributors, Inc.</td>
</tr>
<tr>
<td>Delaware</td>
<td>$2,085,243.56</td>
<td>Delaware Investments</td>
</tr>
<tr>
<td>Deutsche Asset and Wealth Management</td>
<td>$5,630,191.71</td>
<td>DeAWM Distributors, Inc.</td>
</tr>
<tr>
<td>Dreyfus</td>
<td>$3,678,342.62</td>
<td>The Dreyfus Corporation and/or Dreyfus Service Corporation</td>
</tr>
<tr>
<td>Eaton Vance</td>
<td>$6,901,204.22</td>
<td>Eaton Vance Distributors, Inc.</td>
</tr>
<tr>
<td>Federated Investors</td>
<td>$3,394,184.72</td>
<td>Federated Securities Corp.</td>
</tr>
<tr>
<td>Fidelity Investments</td>
<td>$13,047,783.38</td>
<td>Fidelity Distributors Corporation</td>
</tr>
<tr>
<td>Franklin Templeton</td>
<td>$5,293,726.35</td>
<td>Franklin Templeton Distributors, Inc.</td>
</tr>
<tr>
<td>Goldman Sachs</td>
<td>$7,182,130.59</td>
<td>Goldman, Sachs &amp; Co.</td>
</tr>
<tr>
<td>Invesco</td>
<td>$8,994,921.39</td>
<td>Invesco Distributors, Inc.</td>
</tr>
<tr>
<td>IVY Funds</td>
<td>$6,182,101.35</td>
<td>IVY Funds Distributor, Inc.</td>
</tr>
<tr>
<td>Janus Advisor</td>
<td>$3,806,710.01</td>
<td>Janus Capital Management, LLC</td>
</tr>
<tr>
<td>John Hancock</td>
<td>$10,065,499.55</td>
<td>John Hancock Funds, LLC</td>
</tr>
<tr>
<td>JP Morgan</td>
<td>$10,627,726.38</td>
<td>J.P. Morgan Distribution Services, Inc.</td>
</tr>
<tr>
<td>Legg Mason</td>
<td>$5,532,795.60</td>
<td>Legg Mason &amp; Co., LLC</td>
</tr>
<tr>
<td>Lord Abbett</td>
<td>$2,845,718.05</td>
<td>Lord Abbett Distributor LLC</td>
</tr>
<tr>
<td>Mainstay</td>
<td>$2,677,366.06</td>
<td>New York Life Investment Management, LLC</td>
</tr>
<tr>
<td>MFS</td>
<td>$22,183,565.02</td>
<td>MFS Fund Distributors, Inc.</td>
</tr>
<tr>
<td>Neuberger Berman</td>
<td>$824,870.64</td>
<td>Neuberger Berman LLC</td>
</tr>
<tr>
<td>Nuveen</td>
<td>$3,527,847.9</td>
<td>Nuveen Investments</td>
</tr>
<tr>
<td>Oppenheimer</td>
<td>$16,049,277.29</td>
<td>Oppenheimer Funds Distributor, Inc.</td>
</tr>
<tr>
<td>PIMCO</td>
<td>$1,922,710.70</td>
<td>PIMCO Investments, LLC</td>
</tr>
</tbody>
</table>
### 529 plan marketing support arrangements by fund firms (Jan. 1, 2015 to Dec. 31, 2015)

Summaries of 2015 mutual fund firms’ marketing support follow, segmented by mutual fund or 529 plan products:

<table>
<thead>
<tr>
<th>Fund firm</th>
<th>Marketing support payments from fund firms in 2015(^4)</th>
<th>Source of payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB (AllianceBernstein)</td>
<td>$62,135.70</td>
<td>AllianceBernstein Investment Research and Management, Inc.</td>
</tr>
<tr>
<td>Allianz</td>
<td>$10,117.64</td>
<td>Allianz Global Investors Distributors, LLC</td>
</tr>
<tr>
<td>American Century</td>
<td>$86,156.53</td>
<td>American Century Investment Services, Inc.</td>
</tr>
<tr>
<td>Blackrock(^5)</td>
<td>$50,000</td>
<td>BlackRock Advisors, LLC</td>
</tr>
<tr>
<td>Calvert</td>
<td>$3,711.56</td>
<td>Calvert Distributors, Inc.</td>
</tr>
<tr>
<td>Columbia</td>
<td>$258,738.85</td>
<td>Columbia Management Distributors, Inc.</td>
</tr>
<tr>
<td>Fidelity Investments</td>
<td>$883,574.53</td>
<td>Fidelity Distributors Corporation</td>
</tr>
<tr>
<td>Franklin Templeton</td>
<td>$37,716.78</td>
<td>Franklin Templeton Distributors, Inc.</td>
</tr>
<tr>
<td>Hartford</td>
<td>$29,635.55</td>
<td>Hartford Securities Distribution Co. Inc.</td>
</tr>
<tr>
<td>IVY Funds</td>
<td>$7,632.14</td>
<td>Ivy Funds Distributor, Inc.</td>
</tr>
<tr>
<td>John Hancock</td>
<td>$379,784.93</td>
<td>John Hancock Funds, LLC</td>
</tr>
<tr>
<td>Legg Mason</td>
<td>$109,816.30</td>
<td>Legg Mason &amp; Co., LLC</td>
</tr>
<tr>
<td>MFS</td>
<td>$130,121.10</td>
<td>MFS Fund Distributors, Inc.</td>
</tr>
<tr>
<td>Oppenheimer</td>
<td>$323,947.90</td>
<td>Oppenheimer Funds Distributor, Inc.</td>
</tr>
<tr>
<td>Putnam</td>
<td>$41,694.81</td>
<td>Putnam Retail Management Limited Partnership</td>
</tr>
<tr>
<td>Voya</td>
<td>$13,742,290.95</td>
<td>Voya Investment Distributors, LLC</td>
</tr>
</tbody>
</table>

Total Marketing Support Payments from 2015 Mutual Fund Firms in 2015\(^1\): $258,183,262.15

Total Marketing Support Payments from 529 Plan Firms in 2015\(^2\): $3,050,643.21

\(^1\) “Total Marketing Support Payments” represents the amount recognized as revenue by Ameriprise Financial Services, Inc. for the billing period from Jan. 1, 2015 through Dec. 31, 2015 on retail mutual fund sales and assets. These figures also include amounts pertaining to firms’ participation in Ameriprise-organized conferences.

\(^2\) Neuberger Berman was added to the program from a Distribution Support relationship on August 1, 2015.

\(^3\) Principal was added to the program from a Distribution Support relationship on February 1, 2015.

\(^4\) “Total Marketing Support Payments” represent amounts recognized as revenue by Ameriprise Financial Services, Inc. for the billing period from Jan. 1, 2015 through Dec. 31, 2015 on 529 Plan assets. These figures also include amounts pertaining to firms’ participation in Ameriprise-organized conferences.

\(^5\) A flat-fee amount paid in lieu of sales-or asset-based marketing support.
mutual funds. Ameriprise and its affiliates generally receive more revenue from sales of affiliated mutual funds than from sales of other mutual funds. Employee compensation and operating goals at all levels of the company are tied to the company’s success. Certain employees may receive higher compensation and other benefits based, in part, on assets invested in affiliated mutual funds.

**Financial planning tools**
Ameriprise has developed a variety of tools and resources to help its financial advisors make recommendations and serve you better. Some, but not all, financial planning software tools available for use by your financial advisor were developed by Ameriprise or unaffiliated third-parties and may make it more convenient for your financial advisor to select proprietary products.

**Compensation for the firm and its financial advisors**
Both Ameriprise and your individual Ameriprise financial advisor are compensated when you buy a mutual fund through Ameriprise. Generally, your financial advisor receives a substantial portion of the sales charge and 12b-1 fees paid to the firm in connection with your purchase for as long as you own your fund shares. Sales charges and 12b-1 fees vary from mutual fund to mutual fund and from share class to share class. Ameriprise and the financial advisor receive more compensation on fund or share classes that pay higher fees.

Ameriprise and the financial advisor generally receive less compensation when the sales charge and/or 12b-1 fee is reduced, waived completely or where there is no sales charge. Therefore, there is an incentive for Ameriprise financial advisors to sell a fund from a load fund family or a fund that pays a 12b-1 fee over one that does not.

Ameriprise receives more revenue from the sale of some mutual funds, particularly mutual funds sold under Columbia Threadneedle Investments or other affiliated brands, than for the sale of other mutual funds. Ameriprise generally also receives more revenue for mutual funds sold in a fee-based account than for those sold with only a sales charge. Higher revenue generally results in greater profitability for the firm. Employee compensation (including management and field leader compensation) and operating goals at all levels of the company are tied to the company’s success. Management, sales leaders and other employees generally spend more of their time and resources promoting Ameriprise products and services, such as Columbia Threadneedle Investments and RiverSource® products and services.

Ameriprise also offers financial planning services for a fee. The resulting written financial plan may recommend financial products and services that the client may purchase through Ameriprise, although the client is not obligated to do so. The advice is portable and can be used

---

**Disclosure for persons without a financial advisor**
Mutual funds can be purchased through Ameriprise without the aid of a financial advisor through the company’s online brokerage site or other channels. If you do not work with a financial advisor, some of the statements in this document may not apply to you. If you do not work with a financial advisor, Ameriprise keeps the full amount of any sales charges and 12b-1 fees paid to Ameriprise in connection with your transaction.
elsewhere. The fees paid for financial planning services are separate from, and in addition to, fees paid for any financial products purchased through Ameriprise. For further information on financial advisory services, ask your financial advisor for the Ameriprise Financial Form ADV Part II Disclosure Brochure for the services purchased.

**For more information**

Additional detailed information on mutual fund fees, expenses and other important information is available in the mutual fund’s prospectus, SAI and annual report. For general information on mutual funds, you may visit educational websites of the Securities and Exchange Commission (sec.gov), the Financial Industry Regulatory Authority (finra.org), the Securities Industry Association (siaonline.org) and the Investment Company Institute (ici.org).

Your Ameriprise financial advisor can provide you with additional information and help you better understand the topics covered in this document. You can also call 1.800.862.7919 with your questions.