

# **Associated Investment Services, Inc.**

## **Disclosure Concerning Fees, Charges, and Other Compensation**

### **Important information about**

How we are paid by you

Payments we receive from third parties

How your financial professional is compensated

Conflicts of interest resulting from our compensation structures

**March 28, 2023**

We reserve the right to change our programs, fees and payment(s) (or payment structures) at any time.  
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### 1. Services Provided

We and your Financial Professional will from time to time provide recommendations to you concerning one or more of the following matters: (a) the purchase, sale, exchange or holding of investments for your account; (b) rollovers, distributions, or transfers to or from your account; (c) investment policies, strategies, or portfolio composition; (d) other persons to provide investment advisory or investment management services; and (e) the selection of investment account arrangements (e.g., brokerage or advisory account arrangements).<sup>1</sup>

All recommendations regarding your brokerage account will be made in a broker-dealer capacity, and all recommendations regarding your advisory account will be in an advisory capacity. When one of our Financial Professionals makes a recommendation to you, they will expressly tell you orally which account they are discussing.

### 2. Overview of Our Fees, Charges, and Other Compensation

When you purchase a good or service from us, we are compensated, either directly by you or by a third party. That revenue is then credited to your Financial Professional's commission grid. The amount of the credit will vary depending on the type of product or service. Our goal is to inform you about the costs of the various investment products and services that we offer, which is why we publish this overview of our fees and how we generate revenue. Current information can be accessed via the Associated Bank web site, [www.associatedbank.com](http://www.associatedbank.com), or you may call us at (800) 595-7722.

#### A. Brokerage and Advisory Services

As an AIS client, you benefit from the broad scope of services and resources of a leading financial services firm, whether we serve you as a broker-dealer, investment advisor, or both. While there are similarities between the brokerage and advisory services we provide, there are important differences, including the pricing structures for these services.

##### i. Brokerage relationships generate transaction-based compensation

In a brokerage relationship, you pay transaction-based fees in connection with the products and services you receive, such as buying and selling stocks, bonds, mutual funds, annuity contracts and other investment products. These include commissions, transaction fees, loads, and sales charges. Our compensation includes commissions, sales concessions, transaction fees, sales charges, or expenses that are embedded in the purchase price, as well as compensation from third parties in some cases.

##### ii. Advisory relationships have fee-based compensation

In an advisory relationship, you pay a fee based on a percentage of the assets in your account according to an investment advisory program agreement. In some circumstances, we, our Financial Professionals, and our affiliates receive additional compensation from third parties in connection with the assets in your advisory accounts. This compensation is in addition to the fee that you pay for investment advisory services.

#### B. Pricing of Products and Services

You may purchase many of our products and services in either transaction-based or fee-based accounts or a combination of both. It is difficult to compare transaction-based and fee-based options solely on the basis of price. You may pay more or less in a fee-based program than you would pay if you purchased the products and services separately in a transaction-based account. The costs of either type of account depend on a number of factors, including: product and service preferences, size and value of your account(s), mix of products you hold, frequency with which you trade, administrative or management fees associated with the products or services you purchase. Please consider the costs and services associated with each option carefully and speak with your Financial Professional about which approach is most appropriate for you.

#### C. Sources of Compensation

We receive compensation from our clients, from our affiliates, and for some products and services, from third parties, including our clearing firm, product vendors, underwriters, and investment managers whose products and services we recommend.

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<sup>1</sup> References in this disclosure to "you" refer to the beneficial owner of an account. References to "us," "our" or "we" refer to Associated Investment Services, Inc. ("AIS" or "Financial Institution"), and references to your "Financial Professional" refer to the individual currently assigned to your account, any other individual who we may from time to time assign to your account, and any other authorized representative of AIS that provides investment advice to you regarding your account.

**i. Compensation received from clients**

In general, we receive compensation from clients in the following ways:

- Commissions charged to clients in connection with the purchase or sale of investment products.
- Asset-based and other fees for our investment advisory programs and services.
- Interest on margin and other loans.
- Administrative fees such as account maintenance, sell out processing, and closing fees.
- Up-front fees, commissions, or fees for various financial products, such as mutual funds, insurance, and annuities.

**ii. Compensation from third parties (including affiliates)**

In addition to compensation that we receive from you, we receive compensation from third parties and affiliates in the following ways:

- AIS has selected National Financial Services LLC (NFS) as the sole firm to provide clearing and custody services for its clients' brokerage and managed accounts. The pricing AIS has negotiated with NFS for clearing and custody services is based on AIS maintaining certain asset levels in certain types of accounts and trading volumes on the NFS platform, including but not limited to, margin debit and money market fund balances. In return, NFS currently provides financial assistance to AIS in the form of a monthly correspondent clearing credit.
- Some mutual fund companies pay recordkeeping and account servicing fees to NFS based on our total sales of and/or total client assets in their products, and in turn, NFS shares some of that revenue with us.
- Some companies that issue investment products (e.g., mutual funds, exchange traded funds (ETFs), insurance companies, investment advisers) and other third parties pay for marketing support, educational programs, and seminars for us, our employees, and our clients.

**iii. Affiliates**

When you conduct business with us, our affiliates—including Associated Bank, Associated Trust Company and Kellogg Asset Management ("KAM")—may earn compensation through activities in your account, including management fees earned through investments in an advisory program managed by KAM.

Our affiliates typically pay us for referring or introducing clients or investors to them. Likewise, we typically pay our affiliates for referring certain clients and business opportunities to our Financial Professionals. Subject to regulatory requirements, referral payments can be nominal, one-time payments, or based on a percentage of the revenue received by the affiliate, or as otherwise agreed between the affiliates. Depending on the type of referral, payments can be made over several years.

**iv. Correcting trading and other errors**

We have procedures for resolving trading and other errors that occur from time to time. We maintain one or more error accounts to facilitate handling trading and other errors. Gains attributable to trading errors will be offset by losses attributable to other errors in these error accounts.

**D. Financial Professional Compensation**

In general, we pay our Financial Professionals cash compensation consisting of two components: a guaranteed monthly minimum draw and a production payout if it exceeds the monthly minimum draw. The production payout is a percentage (called a payout or grid rate) of the product-related revenue (called production) that each Financial Professional generates during that month with respect to the clients he or she serves, minus certain adjustments that are specified by our incentive compensation plan for our Financial Professionals. The payout rate or grid rate is generally based on production levels and ranges from 20% – 45%. Financial Professionals working as part of a team that meets minimum production requirements can qualify for a higher grid rate (but not above 45%) than they would receive working as an individual. Under certain circumstances (e.g., acquisitions and recruitment or particular programs or designations such as Guidance Center Financial Consultant), some Financial Professionals are compensated differently.

We reserve the right, at our discretion and without prior notice, to change the methods by which we compensate our Financial Professionals and employees, including reducing and/or denying production payout and/or awards at our discretion for any reason.

Our compensation structure creates financial incentives for Financial Professionals to encourage clients to purchase multiple products and services and to recommend products and services that generate greater compensation. Financial Professionals are also eligible to receive certain additional compensation based on exceeding their production goals.

**i. Compensation from the purchase and sale of investment products**

In general, our Financial Professionals receive a portion of the revenue they generate from the following sources: (1) commissions charged to clients in connection with the purchase or sale of ETFs, equities, fixed income products, and other investments; (2) advisory account program fees; (3) up-front sales charges, commissions, and marketing and distribution fees (sometimes called “12b-1 fees”) for various financial products such as mutual funds, insurance, and annuities; and (4) fees and/or production credits for referrals to our affiliates and other employees. In addition, our Financial Professionals are eligible to receive bonus compensation that generally (and sometimes solely) is based on the revenue generated by the Financial Professional in excess of a set goal. Some goals also take referrals to affiliates into consideration.

**ii. Noncash compensation**

We receive (and your Financial Professional may also receive) non-cash compensation from our clearing firm and from sponsors of products that we offer. It may include occasional gifts up to \$100 per vendor per year; occasional meals, tickets or other entertainment; sponsorship support of educational or training events (including events we arrange for clients and prospects) and seminars and/or payment of expenses related to training and education of employees, which can (and often do) include recreational activities; marketing support and, in certain limited circumstances, the development of tools used by us for training or recordkeeping purposes.

**iii. Recognition programs**

Financial Professionals generally are eligible to qualify for our recognition programs. They are the Pinnacle Club, the President's Club, and the Leader's Club. Membership is based on a Financial Professional's production during the calendar year exceeding a set threshold. We invite the qualifying Financial Professionals to an annual recognition event that sometimes involves travel, lodging, and a meal for the Financial Professional and a guest paid for by us.

**E. Guidance Center Compensation**

**i. Outbound Team**

Financial Professionals on the Outbound Team receive a fixed hourly rate, are eligible to receive an annual discretionary award that considers the Financial Professional's individual performance and the overall performance of AIS and its affiliates, and can earn quarterly incentive compensation awards. To qualify for the quarterly award, the Financial Professional must generate production credits that exceed a pre-set threshold. The payment amount increases as the production credits generated by the Financial Professional during the quarter exceeds the minimum threshold.

**ii. Inbound Team**

Financial Professionals on the Inbound Team receive a fixed hourly rate, and they are eligible to receive an annual discretionary award that considers the Financial Professional's individual performance and the overall performance of AIS and its affiliates. They, however, do not receive incentive compensation awards.

**3. Conflicts of Interest**

We and your Financial Professional have conflicts of interest when we make investment recommendations to you. Conflicts of interest arise as a consequence of our interests and our relationships with multiple clients, other financial services firms, and vendors with whom we conduct business. A conflict of interest associated with a recommendation exists when there is an interest that might incline us or your Financial Professional—consciously or unconsciously—to make a recommendation that is not disinterested. Examples of conflicts of interest that arise as a result of our compensation structures are described below.

**A. Financial Professional Compensation**

The receipt of cash and non-cash compensation from sources other than clients, and the differences in the way we compensate Financial Professionals for the products we offer, create an incentive for Financial Professionals to recommend certain products over others. We address these conflicts of interest by maintaining policies and procedures on the suitability and supervision of the products and services we offer to you and by disclosing these conflicts so that you can make a fully informed decision.

**i. Differential Compensation**

We receive different rates of compensation from different product providers within a product category. As a result, we earn more from the sale of products from those product providers that provide the highest payout rates. In order to address this conflict, we use a proxy credit system within several product categories. Under this system, Advisors' sales are credited at a uniform, preset payout rate based on product category. This eliminates the incentive for an Advisor to choose one product over another within

the same product category due to different payout rates. There is, however, an economic incentive for an Advisor to recommend one product category over another due to different payout rates among the different product categories.

### **ii. Incentive Compensation**

Your Financial Professional can earn additional compensation if the amount of revenue they generate during a review period (regardless of product) exceeds the target level assigned to them. The target levels vary among the Financial Professionals, but the primary (and sometimes the only) factor taken into consideration is whether a Financial Professional has generated revenue in excess of their target level. The percentage earned by your Financial Professional increases as the amount of revenue they generated exceeds their target level. We mitigate this conflict by capping your Financial Professional's incentive compensation so it does not represent a material amount of their overall compensation.

### **B. Approved Product List**

The Product Committee at AIS reviews, evaluates, and determines the products to be offered to our clients. In the product selection process, multiple factors are considered. These include product usage in the financial services industry, performance characteristics, suitability aspects, the sponsors of the products and their histories for delivering well-respected investments to the public, the likely appeal of the products to our clients, and the capabilities of the product sponsors to support our Financial Professionals. Accordingly, your Financial Professional is not permitted to recommend products that have not been reviewed and approved by the AIS Product Committee.

### **C. Revenue sharing**

When we, directly or indirectly, receive revenue sharing compensation or distribution support from distributors or advisors of mutual funds, annuity products, and other products we offer, it presents a conflict of interest between our interests and your interests. Because these payments are not shared with your Financial Professional, it is a conflict only at the firm level, but it can create incentives for us to promote products for which we receive revenue sharing payments.

### **D. Rollovers from an Employer-Sponsored Retirement Plan**

We (including your Financial Professional) receive compensation if you roll over (i.e., transfer) assets of an employer-sponsored retirement plan (such as a 401(k), 403(b), 457(b), profit sharing or defined benefit pension plan) into an IRA account at AIS. Therefore, we (including your Financial Professional) have a financial incentive to recommend you do so. On the other hand, if we or an Affiliate currently receives compensation for providing services to one or more of your retirement plans, we or the Affiliate has a financial incentive to recommend you not take a distribution or rollover from that retirement plan or plans. You ultimately are responsible for evaluating the investment and noninvestment considerations for moving such assets and deciding whether to continue to hold them in your employer-sponsored retirement plan or to roll them over into an IRA at AIS.

### **E. Referrals Among Affiliates**

As a member of a full-service financial services institution, we work together with our affiliates to identify those products and services that best fit your financial needs. In order to encourage this collaboration, incentive compensation for many of our Financial Professionals is based, in part, on whether a Financial Professional's number of qualified referrals exceeds the target assigned to the Financial Professional. Moreover, Financial Professionals receive additional compensation for certain types of referrals (e.g., trust company and advanced planning) in the form of a percentage of the revenue generated from your purchase of a product or service from the affiliate. Accordingly, we (and your Financial Professional) have a financial incentive to introduce you to our affiliates, and our affiliates have a financial incentive to introduce you to us. You, however, are under no obligation to purchase a product or service from an affiliate.

### **F. Proprietary Products**

We offer proprietary products in connection with the investments we recommend. A proprietary product is a product or service that is managed, issued, or sponsored by us or any of our affiliates. We do not offer your Financial Professional additional compensation or financial incentives to cause your them to give proprietary products preferential treatment over comparable products offered by unaffiliated third parties; however, our corporate parent, Associated Banc-Corp, earns more when you purchase a proprietary product or service and that can create incentives for us to promote such products and services.

### **G. Non-Cash Compensation**

When vendors decide to contribute toward training and educational programs, the contributions per vendor (as well as the aggregate received from all vendors) in some instances are significant. Financial Professionals do not receive a portion of these payments; however, Financial Professionals' receipt of non-cash compensation such as occasional gifts, meals or entertainment and/or their attendance and participation in educational or training forums, and the increased exposure to vendors who sponsor

these events, may lead Financial Professionals to recommend the products and services of those vendors as compared to those vendors that do not provide non-cash compensation or sponsor such events.

### **H. Strategic Partners**

We utilize an approved product list, and each product provider is considered a strategic partner. Strategic partners are provided the opportunity to supply our Financial Professionals with training, education, marketing and promotional items and product information that will facilitate recommendations of their products. From time to time, a Strategic partner will provide us with an expense reimbursement payment. Such payments vary in amount and are used to defray costs of management meetings and seminars, training, and educational events at which our Financial Professionals learn more about the products and services we offer. This compensation may not be disclosed in detail in a product's prospectus, contract language, or other disclosure document. Strategic partners independently decide the amounts they will spend on such activities, and their business decisions may be based on prior sales through us. We have no control over such decisions and allocations by product sponsors or the criteria they employ in their decision making.

### **I. Clearing Firm Payment**

We have selected NFS as the sole firm to provide clearing and custody services for our clients' brokerage and managed accounts. The pricing we have negotiated with NFS for clearing and custody services is based on AIS maintaining certain asset levels in certain types of accounts and trading volumes on the NFS platform, including but not limited to, assets under management, margin debit, and money market fund balances. In return, NFS currently provides financial assistance to AIS in the form of a monthly clearing firm payment. The clearing firm payment creates a financial incentive for us to continue to exclusively use NFS to provide clearing and custody services for our clients' accounts. As a result, our selection and ongoing evaluation of NFS is based, in part, on the benefit provided to us by the clearing firm payment. We have determined the nature, cost, and quality of custody and brokerage services provided by NFS continues to be appropriate for our clients, notwithstanding the associated conflicts of interest.

### **J. Annuity Exchange Transactions**

The insurance company that issues your contract pays commissions directly to us and recoups the marketing and distribution expenses, including commissions, over time from your annuity contract expenses. It is important to note that we earn more money if you purchase a new annuity/execute a 1035 Exchange transaction or add new features to your existing annuity versus reallocating funds within your existing annuity or if you renew an annuity.

## **4. Available Advisory Programs and Services**

Managed accounts offer a number of benefits to investors, including asset allocation, liquidity, and rebalancing. If, however, you prefer to buy and hold a product, switching to a managed account likely will cause your ongoing expenses, as well as the revenue we earn, to increase. A general description of our investment advisory programs and applicable required minimum investments is provided below.

The program fee is calculated as a percentage of the assets invested in your advisory account according to the fee schedule in your advisory agreement with us. This means the more assets you invest in your account, the more you will pay in fees. Your Financial Professional receives a portion of the fee that you pay us based on his or her payout rate. Therefore, we and your Financial Professional have an incentive to encourage you to increase your advisory account assets. Also, if you have more than one advisory account, you may be able to link them so the total of your eligible assets is considered when determining the appropriate fee. This could result in lower fees for you. Please contact your Financial Professional for details. Finally, the program fee includes most transaction costs and fees paid to a broker-dealer or bank that has custody of your assets and, therefore, is typically higher than a typical asset-based advisory fee that does not include transaction costs and fees.

### **A. Fund Strategist Portfolios**

Fund Strategist Portfolios are investment models, usually made up of some combination mutual funds and/or ETFs, provided by various third-party investment managers and administered by Envestnet Asset Management, Inc. We offer models developed by BlackRock Investment Management, LLC or one of its affiliates (collectively, "BlackRock"), Envestnet Asset Management, Inc. or one of its affiliates (collectively, "Envestnet"), Fidelity Institutional Wealth Adviser LLC or one of its affiliates (collectively, "Fidelity"), Innealta Capital, LLC (Innealta), Kellogg Asset Management LLC® ("KAM"), Pacific Investment Management Company LLC ("Pimco"), Russell Investment Management Company, Vanguard Advisers, Inc., and Wilshire Associates Incorporated.



KAM is an affiliate of AIS, and it manages the Associated Select Advisor Portfolio (“ASAP”) program. We do not offer your Financial Professional additional compensation to recommend the ASAP program, but because it is a proprietary product, our parent corporation benefits more when you choose the ASAP program, as opposed to the other advisory programs we offer.

The minimum investment for most Fund Strategist Portfolio programs generally is \$50,000; however, some programs have lower or higher minimums. Please ask your Financial Professional or see our Form ADV, Part 2 for more specific information.

### **B. Manager Select**

The Manager Select Program is a separately managed account program. Unlike a mutual fund, where the investors' funds are commingled, a separately managed account is a portfolio of individually owned securities that can be tailored to fit your investing preferences. The Manager Select program offers you access to a broad spectrum of respected investment management organizations (each a “sub-manager”). We will provide you with the applicable Form ADV disclosure for each sub-manager you select. It provides detailed information regarding the investment management organization, fees, personnel, other business activities, and conflicts between their interests and your interests. There generally is a \$100,000 account minimum for the Manager Select Program, and each sub-manager has a minimum as well, some of which are much higher. Please ask your Financial Professional or see our Form ADV, Part 2 for more specific information.

### **C. Mutual Fund Share Classes Available in Advisory Programs**

Institutional and/or advisory share classes are the primary share class utilized by the third-party program managers in our programs. They sometimes use other share classes for funds that do not offer institutional or advisory share classes or that declined to make those share classes available in the programs.

Some of the funds utilized pay a shareholder servicing fee, commonly referred to as a 12b-1 fee, out of fund assets. We sometimes receive such marketing and distribution fees as are passed through to us from the funds through the advisory programs. We, however, rebate such 12b-1 fees to you, and your Financial Professional does not receive credit for those marketing and distribution fees.

### **D. Additional Information**

The Form ADV disclosure, which is provided to you at account opening and is available online from [adviserinfo.sec.gov](http://adviserinfo.sec.gov), provides detailed information regarding each of these programs, our fees and billing practices, our personnel, our other business activities and financial industry affiliations, and conflicts between our interests and your interests. The fees you pay will be the amount agreed between you and AIS. The applicable Form ADV disclosure and Advisory Agreement and Program Application includes information regarding compensation we receive directly from you and the indirect compensation we receive from third parties in these programs. If you would like a copy of the Agreement, Application and/or our Form ADV disclosure document, please contact your Financial Professional.

## **5. About Our Fees, Charges and Other Compensation by Product**

The sections that follow offer an overview of the compensation AIS receives for the wide variety of products and services that our clients typically purchase in a brokerage account with AIS. Some of this compensation is paid to AIS by clients and other compensation is paid to AIS by third parties. We provide specific fees or ranges depending on the product. If you believe that a product or service we provide is not covered in this guide, please contact your Financial Professional.

Financial Professionals receive compensation in the form of direct payouts and credits toward bonuses and/or recognition program status in connection with the products described below except where otherwise noted.

### **A. Fixed, Fixed Indexed, and Single Premium Immediate Annuities**

#### Description

- Fixed annuities are contracts issued by insurance companies that guarantee a fixed interest rate for a specified period of time
- Fixed indexed annuities are contracts issued by insurance companies where the returns are based upon the performance of a market index, such as the S&P 500. Your initial investment is protected from losses in down markets, subject to the solvency of the issuer, while gains add to the annuity's returns
- Single premium immediate annuities are contracts issued by insurance companies that are purchased by the client with a single investment for which income payments begin within one year of the contract date

### Fees and charges paid directly by you

Typically, fixed, indexed, and immediate annuities do not have upfront sales loads or ongoing expenses. The insurance company's costs are built into the interest rate paid on the contract; however, depending on the terms of the annuity, you can pay additional annual fees, including premium taxes and fees for any optional riders selected. Optional riders are provisions that can be added to an annuity contract to increase or limit benefits the contract otherwise provides. Annual fees are generally deducted from the annuity contract value. If the annuity is surrendered before a designated period of time, you will generally have to pay the insurance company a surrender fee specified in the contract (the amount is reduced over time and generally lasts 5 – 10 years). All amounts payable to the insurance company are disclosed in the annuity contract.

### Compensation AIS receives from third parties

We receive commissions for the sale of an annuity from the insurance company issuing the annuity. You do not pay us directly.

Insurance companies pay AIS:

- A commission in the first year
- Depending on the product, trailing (ongoing) commissions for each year you own the contract.
- We often do not receive a commission if you renew your contract with the insurance company. Thus, we earn more if you invest in a new product instead.
- The amount of compensation we receive can vary depending upon, among other factors: (i) the duration of the annuity; (ii) your age; (iii) the amount invested in the annuity; (iv) the chosen share class; and/or (v) the commission option selected. Insurance companies allow us to choose among various commission structures, which generally provide that when there is a higher first-year commission, there will be a lower or \$0 trail commission (and vice versa).
- For fixed annuities, the first-year commission is usually between 0.50% – 4.00% of the initial amount invested, and some products pay an annual trailing commission of up to 0.25% of the total value of the annuity assets.
- For fixed indexed annuities, the first-year commission is usually between 1.875% – 5.75% of the initial amount invested, with an annual trailing commission of up to 0.25% of the total value of the annuity assets.
- For immediate annuities, the first-year commission is usually between 3.00% – 4.50% of the initial investment and usually has no annual trailing commission.

### Financial Professional compensation

Financial Professionals receive a portion of the commissions paid to AIS by the insurance companies based on the grid rate applicable to them.

### Additional disclosures

For more information, please refer to the applicable annuity contract.

## **B. Registered Index-Linked Annuities**

### Description

A registered index-linked annuity (RILA) is a contract between an investor and an insurance company whereby the insurance company promises to provide returns linked to the performance of a market index. You make one or more payments to the insurance company and allocate those payments to one or more indexed investment options. Typical options allow you to choose a floor or a buffer for losses. The insurance company credits or debits your account with a return that is based on the indexed investment option's return over the course of a specified period.

### Fees and charges paid directly by you

You purchase the annuity and, depending on the terms of the annuity, pay additional fees as follows:

#### *Contract fee*

- The insurance company deducts a fee on a daily basis, and it compounds to an effective annual rate of 0.50% to 1.00%, depending on the annuity.

#### *Early withdrawal charge (or "Contingent Deferred Sales Charge" or "CDSC" or "surrender" charge)*

- If you withdraw money from a RILA within a certain period after a purchase payment (typically within seven years), the insurance company usually will assess an early withdrawal charge, which is a type of sales charge.
- Generally, the early withdrawal charge is a percentage of the amount withdrawn, and declines gradually over a period of several years, known as the "surrender period."

- The surrender period typically starts when you make an investment (this can be the initial investment or any additional payments you make to the contract).

### Compensation AIS receives from third parties

We receive commissions for the sale of an annuity from the insurance company issuing the annuity. You do not pay us directly.

#### *Insurance companies pay AIS:*

- A commission in the first year and generally \$0 trailing (ongoing) commissions for each year you own the contract.
- The commission to us is usually between 4.25% to 6.00% of the amount you invest.
- The amount of compensation we receive varies depending on, among other factors: (i) the duration of the RILA; (ii) the amount you invest in the annuity; and/or (iii) the commission option selected. Insurance companies allow us to choose among various commission structures, which generally provide that when there is a higher first-year commission, there will be a lower or \$0 trail commission (and vice versa).
- The RILAs we offer do not require you to pay an upfront fee at the time the annuity is purchased.

### Financial Professional compensation

Financial Professionals receive a portion of the commissions paid to AIS by the insurance companies based on the grid rate applicable to them.

### Additional disclosures

For more information, please refer to the applicable RILA contract and prospectus.

## **C. Variable Annuities**

### Description

Variable annuities are contracts issued by insurance companies into which you make a lump-sum payment or series of payments. In return, the insurer agrees to make periodic payments to you beginning immediately or at some future date. Your premiums are paid to the issuing insurance company.

At your direction, the insurer allocates your premium payments to investment options, such as sub-accounts (which are similar to mutual funds) or directly into the general account of the insurance company that manages the portfolios. The value of the account during the accumulation phase and the payments after annuitization vary, depending on the performance of the investment options chosen.

### Fees and charges paid directly by you

You purchase the annuity and, depending on the terms and share class of the annuity, pay additional annual fees as follows:

#### *Mortality risk and expense charge ("M&E")<sup>2</sup>*

- This is a yearly charge that compensates the insurance company for insurance risks it assumes under the annuity contract. The charge typically ranges from 0.90% to 1.30% of the annual total account value.

#### *Administrative fee and annual maintenance fee<sup>2</sup>*

- This yearly charge covers recordkeeping and other administrative expenses. This may be charged as a flat account maintenance fee (typically ranging from \$30 to \$50 per year) or as a percentage of the account value (typically in the range of 0.10% to 0.25% per year).
- Annual maintenance fees are not generally charged when the contract value reaches a specified level of value, such as \$50,000 or \$100,000. Some annuities charge both types of fees.

#### *Investment management fees and expenses*

- These fees and expenses are paid to the firm that manages the investment portfolios and may include affiliates of the insurance company.
- These vary depending on which investment portfolios you choose.

#### *Optional riders*

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<sup>2</sup> Some carriers combine the Mortality Risk and Expense Charge with the Administrative Fee and Annual Maintenance Fee and refer to it as a "Core Contract Charge."

- Optional riders are provisions you may add to an annuity contract to increase or limit benefits the contract otherwise provides.
- You will be charged additional fees if you select optional contract features, such as a stepped-up death benefit or a living benefit.
- The fees for some benefits continue after the optional feature ceases to provide a benefit.

### *Contingent Deferred Sales Charge ("CDSC" or "surrender charge")*

- If you withdraw money from a variable annuity within a certain period after a purchase payment (typically within seven years), the insurance company usually will assess a surrender charge, which is a type of sales charge.
- Generally, the surrender charge is a percentage of the amount withdrawn, and declines gradually over a period of several years, known as the "surrender period."
- The surrender period typically starts when you make an investment (this can be the initial investment or any additional payments you make to the contract).

### Compensation AIS receives from third parties

We receive commissions for the sale of an annuity from the insurance company issuing the annuity. You do not pay us directly.

#### *Insurance companies pay AIS:*

- A commission in the first year, and
- Generally trailing (ongoing) commissions for each year you own the contract.
- The amount of compensation we receive can vary depending upon, among other factors: (i) the duration of the annuity; (ii) your age; (iii) the amount invested in the annuity; (iv) the chosen share class and/or; (v) the commission option selected. Insurance companies allow us to choose among various commission structures, which generally provide that when there is a higher first-year commission, there will be a lower or \$0 trail commission (and vice versa).
- We offer one variable annuity share class (B), and it does not require you to pay an upfront fee at the time the annuity is purchased.
- For Class B shares, the first-year commission to us is usually between 1.25% to 5.50% of your initial investment, with an annual trailing commission of up to 1.00% of the total value of the annuity assets.

### Financial Professional compensation

Financial Professionals receive a portion of the commissions paid to AIS by the insurance companies based on the grid rate applicable to them.

### Additional disclosures

For more information, please refer to the applicable variable annuity contract and prospectus.

## **D. Life Insurance**

### Description

- Insurance companies issue disability income, life, and long-term care insurance policies to cover the risk of loss due to disability, death or the need for long-term care.

### Fees and charges paid directly by you

- The amount of the premium that you pay depends on a variety of factors, including the level of coverage, your age, health, and the optional riders selected (*i.e.*, provisions that may be added to an insurance policy to increase or limit the benefits that the policy otherwise provides).
- Depending on the type of life insurance policy, you are subject to a surrender charge if the policy is surrendered (either partially or in full) during the surrender period or the policy lapses and is not reinstated within the allowable timeframe. Surrender charges are based on a variety of factors, including the number of years a policy has been in force, its cash value, and death benefits.
- It is very important that you review the applicable insurance policy for a detailed description of the fees and charges.

### Compensation AIS receives from third parties

- We receive commissions for the sale of an insurance product directly from the insurance company issuing the policy. You do not pay AIS directly.

- The amount of the initial sales commission, or first-year commission, paid to us varies. It is based upon the product, policy structure, and the terms of the contract.
- We also receive renewals, commissions and/or asset-based cash accumulation values or a combination of both. Renewal commissions start in year two and generally last between 2 years and 10 years, depending on the product.
- We do not receive revenue sharing on disability, life, and long-term care insurance policies

### Financial Professional compensation

Financial Professionals receive a portion of the amount AIS receives based on the grid rate applicable to them.

### Additional disclosures

For very important and detailed information regarding fees and expenses, please refer to the applicable insurance policy.

## **E. Margin Loans**

### Description

Margin loans use securities in client accounts as collateral and may be used to purchase, trade, or carry securities.

### Fees and charges paid directly by you

You repay the principal balance and interest on outstanding balances to NFS and have the option to repay the principal at any time without prepayment fees.

### Compensation AIS receives from third parties

When you have a margin account, NFS, as permitted by law, uses certain securities in your account for, among other things, settling short sales and lending securities for short sales. If you maintain a debit in your margin account, we receive a portion of the margin interest you are charged.

### Financial Professional compensation

Financial Professionals do not receive compensation based on margin loans.

### Additional disclosures

For more information, please read the "Disclosure of Credit Terms on Transactions," as well as the "Margin Account Agreement" and the "Margin Disclosure Statement" that accompany the "Margin Account Privileges Supplemental Application for NFS."

## **F. Sweep Programs for Brokerage and Advisory Accounts**

### Description

A sweep program is a service whereby free cash balances in eligible securities accounts are automatically deposited into interest-bearing bank deposit accounts or invested in money market mutual funds or other sweep options, based on your eligibility and sweep election.

### Fees and charges paid directly by you

You are not charged an additional fee for this service.

### Compensation AIS receives from third parties

#### *Fidelity Money Market Sweep Funds*

We earn a monthly distribution fee on all Fidelity Money Market Sweep Fund balances at an annualized rate of the net assets of our customers beneficially owning shares in the following Fidelity Money Market Sweep Fund portfolios: Prime Fund, Tax-Exempt Fund, and Treasury Fund.

#### *Credit Interest*

If you do not elect a sweep option, your account will be eligible for credit interest on cash balances. NFS shares with us a portion of the credit interest earned by such cash balances.

### Financial Professional compensation

Financial Professionals are not compensated based on the assets in the sweep programs.

### Additional disclosures

See the applicable prospectus.

## **G. Equity Securities**

### Description

Equity securities include common stock and American Depositary Receipts (ADRs).

### Fees and charges paid directly by you

You pay a commission based on the quantity of shares purchased or sold and their corresponding stock prices.

### Compensation AIS receives from third parties

AIS routes all of its equity order flow to its clearing firm, NFS. Except where prohibited by law, NFS may act as principal when executing equity trades (buying or selling from its own inventory) and, depending on movements in the equity market, such transactions may result in a profit or loss for NFS.

### Financial Professional compensation

Financial Professionals receive a portion of the commission AIS receives based on the grid rate applicable to them.

### Additional disclosures

Please see our fee and commission schedule and the "Payment for Order Flow & Order Routing Policies Disclosure."

## **H. Municipal Securities**

### Description

Municipal securities are bonds issued by states, cities, counties, and other governmental entities to raise money, typically for general governmental needs or special projects.

### Fees and charges paid directly by you

For new issues, you pay the initial offering price disclosed in the applicable offering document and not a commission. The offering price includes underwriting discounts paid to underwriters and distributors. For municipal securities purchased or sold in the secondary market, you pay a commission.

### Compensation AIS receives from third parties

For new issues only, we receive an underwriting discount from the issuer that is bringing the security to market or a share of the underwriting discount from a provider, such as another broker-dealer. This fee is built into the initial offering price paid by the client and generally is disclosed in the final offering document.

### Financial Professional compensation

For new issues, Financial Professionals receive a portion of the underwriting discount that we receive based on the grid rate applicable to them. For secondary market-traded municipal securities, Financial Professionals receive a portion of the commission paid by you based on the Financial Professional's grid rate.

### Additional disclosures

For more information, please refer to the applicable offering document.

## **I. Options**

### Description

Options, which include puts and calls, are securities transactions tied to the stocks, commodities, currencies, or indexes that give the holder the right to buy or sell the same within a specified timeframe for a defined price.

### Fees and charges paid directly by you

You pay a commission to buy or sell an option based on the number of contracts and the principal amount of the trade.

### Compensation AIS receives from third parties

Not applicable.

### Financial Professional compensation

Financial Professionals receive a portion of the commission paid by you based on the grid rate applicable to them.

### Additional disclosures

For more information, please review the booklet entitled, "Characteristics and Risks of Standardized Options," which is available upon request from your Financial Professional and from <https://www.theocc.com/about/publications/character-risks.jsp>.

## **J. Taxable Fixed Income**

### Description

Taxable fixed income securities include: corporate bonds, US Treasuries, federal agency bonds, mortgage-backed securities, zero-coupon bonds, high-yield and emerging market securities, convertible securities, brokered Certificates of Deposits (CDs), and preferred securities.

### Fees and charges paid directly by you

For taxable fixed income securities purchased or sold, you pay us a commission.

### Compensation AIS receives from third parties

Not applicable.

### Financial Professional compensation

Financial Professionals receive a portion of the commission you paid us based on the grid rate applicable to them.

### Additional disclosures

For more information, please refer to the applicable offering document.

## **K. Mutual Funds**

### Description

Mutual funds are open-end investment vehicles designed to invest in a group of assets in accordance with stated investment objectives. All mutual funds have management fees and ongoing expenses, which are used to pay for the fund's continuing operation, including paying the fund's portfolio manager, accounting expenses and recordkeeping costs. Many funds also have sales charges, which are partially used to compensate your Financial Professional for providing financial advice and service. These sales charges may be charged when you buy a mutual fund (known as a "front-end sales charge"), when you sell/redeem a mutual fund (known as a "back-end sales charge"), and/or annually in the form of "12b-1" fees or service fees.

Many mutual funds offer several classes of shares that represent an interest in the same portfolio of securities. The principal difference among the classes is the fees and expenses charged by the mutual fund. Fees and expenses in a mutual fund reduce the net asset value of the fund and the investment return. Additionally, not all share classes are available for all account types and/or programs. For a further explanation of mutual fund share classes and their related fees, please visit the Financial Industry Regulatory Authority web site at [www.finra.org](http://www.finra.org).

Finally, it is important to note that we earn more money if you purchase a new mutual fund with a different mutual fund family than if you reallocate your investments within your existing mutual fund family.

### Fees and charges paid directly by you

#### *Upfront sales charge*

Upfront sales charges can range from 0.00% – 5.75% and are described in the prospectus. Many mutual funds allow for a reduction or waiver of the upfront sales charge based upon, among other things, the amount of your total investments in the particular mutual fund family, investor type, as well as the type of account in which the assets are invested. Requirements for a reduction or waiver of upfront sales charges are detailed in the prospectus.

#### *Back-end sales charge*

These are sales charges that are applied upon redemption/sale of mutual fund shares within a specified number of years (varies by prospectus). These sales charges are also referred to as a Contingent Deferred Sales Charge or CDSC. These charges typically are 1% for C shares. These charges can be reduced or eliminated based on how long the shares are held and as described in the prospectus.

### *No load fund charge*

"No load" mutual fund share classes are subject to a per transaction commission as set forth in our commission schedule.

### *Processing and handling fee*

NFS charges a processing and handling fee on the purchase and sale of most mutual fund shares in brokerage accounts to defray transaction processing costs. It ranges from \$2 to \$12. No part of this fee is paid to your Financial Professional.

### *Redemption fee*

Some mutual funds charge a redemption fee, typically between 0.25% – 2%, on shares redeemed/sold shortly after purchase. We do not receive any portion of that fee. Details can be found in the fund prospectus.

### Compensation AIS receives from third parties

#### *12b-1 fees*

Many mutual funds pay a 12b-1 fee to us directly from the fund's assets. These are used for overall for a fund's marketing expenses and also to compensate us for activities or expenses related to distribution and/or retention of fund shares, such as compensation paid to your Financial Professional, as well as advertising, salaries, and other expenses of AIS relating to sales or servicing efforts.

Like other fees and expenses in a mutual fund, 12b-1 fees will reduce investment returns. The exact amount varies among funds and share classes, but it is disclosed in the applicable fund prospectus. The typical ranges of 12b-1 fees in mutual funds we offer are as follows:

- A shares: 0.00% – 0.30% (most frequently 0.25%)
- B shares: 0.00% – 1.00% (most frequently 1.00%)
- C shares: 0.25% – 1.00% (most frequently 1.00%)
- No Load Funds: 0.00% - 1.25% (most frequently 0.00%)

### *Revenue sharing*

AIS receives a monthly distribution fee on all Fidelity Money Market Sweep Fund balances based on the net assets of our clients beneficially owning shares in one of those portfolios. This creates an incentive to promote products where we receive revenue sharing over other products where we do not receive revenue sharing or those where we receive less revenue sharing.

### Financial Professional compensation

Depending on the type of mutual fund and share class you buy, as well as account type, Financial Professionals receive a portion of commissions, sales charges, and 12b-1 fees paid to us by mutual fund companies based on the grid rate applicable to them.

### Additional disclosures

For more information, please refer to the applicable mutual fund prospectus.

## **L. Exchange Traded Funds (ETFs)**

### Description

An ETF is an interest in a pooled investment fund that can be bought and sold in the open market. These funds typically hold portfolios of securities that correspond to the price and yield performance of a particular broad market index or basket of securities for a particular industry, sector or geographic region, minus annual fees and expenses. For more information, please refer to the prospectus.

### Fees and charges paid directly by you

You will pay us a commission in connection with the purchase or sale of an ETF.

### Compensation AIS receives from third parties

Not applicable.

### Financial Professional compensation

Financial Professionals receive a portion of the commission you pay us based on the grid rate applicable to them.

### Additional disclosures



For more information, please refer to the applicable offering document.

## 6. Fees

Fees are subject to change at any time, and we reserve the right to implement new fees and charges for account features in the future without prior notice to you. Unless otherwise stated in your account documentation, we will automatically deduct fees and charges from your account. Fees and charges normally associated with account maintenance are listed below. In order to offset some of our costs for servicing your account, some of the fees listed below are higher than what we are charged by our clearing broker. Investment advisory accounts are exempt from several of the fees listed below. Your Financial Professional is not paid any portion of the fees set forth below and such fees do not contribute toward calculating your Financial Professional's payout rate schedule.

If you have any questions about fees, please contact your Financial Professional. Alternatively, current information can be accessed via the Associated Bank web site, [www.associatedbank.com](http://www.associatedbank.com), or you may call us at (800) 595-7722.

Description	Fee	Notes & Definitions
<i>Non-Qualified/Taxable Accounts</i>		
Annual custody & recordkeeping fee	\$25	This fee is applied if there is no trading activity during the previous calendar year and securities are held in your account.
Outgoing transfer fee	\$95	Per account.
Federal fund wire transfer fee (applies to US Dollar wire transfers)	\$20	Per event.
<i>Qualified Accounts</i>		
Annual maintenance fee (Traditional IRA, Roth IRA, SEP IRA, and Simple IRA accounts)	\$35	Accounts where NFS is appointed as custodian. Per account.
Annual maintenance fee (Profit Sharing, Money Purchase accounts)	\$35	Per account.
Account termination fee	\$125	Per account. The fee is applied when you close your account. It is in addition to the annual maintenance fee and any other fees due.
Federal fund wire transfer fee (applies to US Dollar wire transfers)	\$15	Per event.
<i>Check Processing</i>		
Returned check deposit fee (per item)	\$25	This fee is charged when a check deposited into your account is returned for insufficient funds.
Stop payment	\$15	Per event.
<i>Dividend Reinvestment</i>		
Full and fractional shares	\$1	Per event.
<i>Late Fees &amp; Late Payments</i>		
Margin and trade extension fee	\$12	Per event.
Mailgram	\$5	A mailgram is automatically sent if funds or securities are not available to settle a transaction in your account.
Liquidation processing fee (per transaction)	\$20	This fee is charged whenever AIS initiates a transaction to sell assets to cover debits in your account. It is in addition to any other applicable fees or commissions for such transactions.
<i>Reorganization Fees</i>		
Physical reorganization	\$150	This fee is charged when corporations take certain actions, such as voluntary tender offers, and new physical certificates are issued.
<i>Stock or Bond Transfers/Deliveries</i>		
Legal transfer	\$150	Per transfer. This fee is charged for processing a change of registration of a security in certificate form due to certain events (such as death of original owner or a minor reaching the age of majority).
Legal transfer return	\$75	Per item.

## Fee & Compensation Disclosure

Description	Fee	Notes & Definitions
Transfer & ship (DRS eligible)	\$10	Per event. The Direct Registration System enables investors to elect to hold their assets in book entry form directly with the issuer.
Transfer & Ship (non-DRS eligible)	\$500	Per event.
Foreign securities and precious metals transfers may be subject to additional fees		
<i>Safekeeping</i>		
Customer name safekeeping	\$10	Per account, per certificate, per month. This is a fee for storing stock certificates or other physical securities on your behalf.
Foreign securities safekeeping may be subject to an additional fee		
<i>Limited Partnerships, Private Placements &amp; Other Special Products</i>		
Redemption fee	\$50	Per position.
Re-registration fee	\$50	Per position.
Annual administration fee – Registered Position	\$35	Per position.
Annual administration fee – Non-registered Position	\$125	Per position.
IRS Form 990-T service fee	\$75	Per event.
<i>Additional Charges</i>		
Mutual fund surcharge fee	\$10	This fee is applied to each transaction (buy, sell, exchange) in a fund that does not provide NFS with shareholder support payments to offset the costs associated with providing those services.
Miscellaneous/service fee	\$2	This fee is applied on trade confirmations for each purchase and sale transaction. It does not apply to advisory accounts or account numbers that begin with MKL.
Foreign exchange executed through NFS	\$15	
Foreign settlement fee	\$26	
Account research and record searches	\$30/hour 1 hour minimum	This fee is applied when you request an account statement, trade confirmation, tax statement, or cost basis information that is more than 12 months old. An additional handling fee applies if you request the information to be mailed via overnight courier.