

Regulation Best Interest Disclosure  
for  
Securian Financial Services, Inc. &  
CRI Securities, LLC

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**Introduction**

Securian Financial Services, Inc. (“Securian”) and CRI Securities, LLC (“CRI,”) are registered with the Securities and Exchange Commission (“SEC”) as both broker-dealers and investment advisers (Securian and CRI are collectively referred to as “we,” “our,” “us,” or the “Firms”). Brokerage and investment advisory services and fees differ, and it is important for retail customers (“you” or “your”) to understand these differences. Free and simple tools are available for you to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.

Depending on your needs and your investment objectives, we may assist you with brokerage services, investment advisory services, or both. There are important differences between brokerage and advisory services, including their costs, the services we provide, and the rules that govern them. You should carefully consider these differences when deciding which type, or combination of types, of services and accounts are right for you.

The financial professionals associated with Securian and CRI (“Financial Professional,” “FP” or “they”) are authorized to act as registered representatives, and may also be authorized to act as investment advisor representatives.

**I. Material Facts Relating to the Scope and Terms of the Relationship with the Retail Customer**

Financial Professionals interact with prospects and clients in different capacities, and each capacity allows Financial Professionals to provide different products and services. A Financial Professional cannot sell products or services if the Financial Professional does not have the appropriate registrations to provide the products and services. A Financial Professional’s obligations to you will differ depending on the role of the Financial Professional and the capacity in which the Financial Professional is acting.

## **A. Financial Professional Status**

### **1. Registered Representatives**

When Financial Professionals provide the following products and services to you, they are acting in their capacity as registered representatives of Securian or CRI as a broker-dealer. Life insurance or annuity products are only available through Securian, not CRI:

- Brokerage accounts;
- Direct mutual funds (e.g., an account held directly at a mutual fund company);
- 529 plans
- Variable annuity and life insurance products;
- Indexed annuity and life insurance products\*<sup>\*</sup>; and
- Fixed annuity products\*<sup>\*</sup>.

<sup>\*</sup>Note, these are non-registered products sold and supervised through Securian as a broker-dealer.

For the last three bullets in the list above, Financial Professionals also act as insurance agents of Securian.

### **2. Insurance Agents**

When Financial Professionals provide the following products to you, they are acting as insurance agents in relation to various insurance manufacturers and insurance agencies:

- Fixed life insurance
- Term insurance
- Disability insurance
- Long term care insurance

Financial Professionals may sell the above products directly to clients without direct involvement of Securian, in that case, you should look to those product providers for information similar to that which is provided in this Regulation Best Interest Disclosure (“Disclosure”). Life insurance and annuity products are not sold through CRI.

### **3. Investment Advisor Representatives**

When Financial Professionals provide the following products and services to you, they are acting as investment advisor representatives of Securian’s or CRI’s capacity as a registered investment adviser:

- Investment management programs, including turnkey investment management programs, and advisor directed asset management programs;
- Financial planning services for individuals and businesses; and
- Fiduciary and non-fiduciary services to retirement plans.\*

<sup>\*</sup>Plan Services only available through Securian

#### **4. Limitations on Financial Professionals**

Not all of our Financial Professionals can offer the full range of investments and services we offer. For instance, some of our Financial Professionals are licensed to offer broker-dealer products and services only, whereas some of our other Financial Professionals are licensed to offer both broker-dealer and advisory services. In addition, some of our Financial Professionals are licensed to offer only certain types of investments, such as mutual funds, and are unable to offer the full range of investments we make available. If your Financial Professional is limited to offering broker dealer products and services only, or only certain types of investments, he or she will disclose this limitation at the outset of your relationship with us, and before making a recommendation to you. In such circumstances, this is a material limitation on the securities or investment strategies that your Financial Professional may recommend to you, and you should discuss any such limitations with your Financial Professional. In addition, you may research your Financial Professional's experience and licenses on FINRA's BrokerCheck website at <https://brokercheck.finra.org/>.

##### ***B. Services, Fees, and Costs of each Capacity***

###### **1. Registered Representative of Securian or CRI as a Broker-Dealer**

Services. When acting as registered representatives of Securian or CRI, Financial Professionals analyze your individual circumstances, specifically considering your investment objective, risk tolerance, time horizon, and other pertinent financial characteristics to determine which of the products we make available meet your financial needs. While we offer a wide range of investments, *we limit the investment, life insurance, annuity, and retirement products available to clients.* For instance, we do not offer all mutual funds from every single mutual fund company issuer, or every type of ETF. We also do not offer every type of insurance product or college savings plan. This means that our Financial Professionals are limited to recommending only those investments that we have chosen to offer. This is a limitation on the securities or investment strategies that our Financial Professionals may recommend to you.

Products available to registered representatives, including those manufactured by affiliates, are subject to a due diligence process that reviews the costs, benefits, and client segment, ensuring all products available meet our standards. *As with any investment in securities, performance will fluctuate and are subject to risk of loss. Insurance guarantees are backed by the claims paying abilities of the manufacturing insurance company.*

In their registered representative capacity, Financial Professionals are authorized to provide and sell securities products and to provide related brokerage services, including using financial tools intended to provide guidance with respect to a transaction or the allocation of funds or securities. Depending on the securities registrations of your Financial Professional, the Financial Professional is *limited in* the types of securities that the Financial Professional may recommend. Financial Professionals may also offer incidental investment advice (but not financial planning or other investment advisory services) with regard to recommendations to purchase or sell such securities products. No additional fee is charged for incidental advice nor do Financial Professionals receive any special compensation for providing such advice.

*The securities products sold to you by registered representatives are NOT subject to any ongoing monitoring.*

Limitations on Products and Services. Given the wide range of our broker dealer products and services, we do not have many material limitations on the type and scope of our services. For instance, we do not limit our investment offerings to specific asset classes, or to only those investments with third-party arrangements such as revenue sharing payments or mutual fund shareholder servicing fees. In addition, we do not limit our investment offerings to a select group of issuers. Within each product type, we offer products from a variety of issuers. There are no minimum account sizes (although some of the investments you can purchase through us have minimum investment requirements) or requirements to maintain an account.

We are a full-service brokerage firm, and are not a “discount” brokerage firm. Given the wide range of broker dealer products and services we and our Financial Professionals offer you as a full-service brokerage firm, we do not offer discounted brokerage commissions. This is a limitation on our services.

## **2. Fees and Costs of Accounts, Transactions and Holdings for Broker-Dealer Accounts**

This section provides information about the material fees and costs associated with your broker-dealer account, transactions, and holdings. Because our fees vary depending on the specific transaction or service provided, the information below provides a general description of the fees and costs associated with your account, and then the fees and costs associated with transactions and investment holdings that our Financial Professionals may recommend in their Registered Representative capacity. The specific details related to the fees and costs of the accounts and transactions can be found on the website linked at the end of this document and are also disclosed within the account opening paperwork. With respect to the specific details of the fees and costs of your holdings, that information can be found in the applicable offering documents/prospectuses that are linked to below.

Accounts. You must first open an account with us to use our broker-dealer services. We offer an array of account types with different features and benefits that are intended to address different needs and objectives of our retail customers. When opening an account with us, you may choose between many different options or account types for your broker-dealer or commission-based account, including: accounts held with our clearing firm or directly held accounts, such as education accounts (e.g., college savings plans); retirement accounts (e.g., IRA accounts); and certain specialty accounts (e.g., margin accounts). You may also choose life insurance or annuities available through Securian only.

Depending on the type of account you open, you will pay certain fees and costs associated with your account and holdings. The fees associated with your account and holdings are typically paid annually, although some account-based fees are associated with specific transactions. In some cases, the fees and costs associated with your account and holdings are assessed indirectly by third-parties, such as custodial firms or clearing firms, and then we pass along a portion of these fees to you. These fees do not change the compensation to either us or your Financial Professional.

Highlighted below are types of administrative fees and costs charged by clearing firms associated with commission-based brokerage accounts:

*Account Maintenance Fees* – Annual fee charged for maintaining a brokerage account with us. This account maintenance fee compensates us for certain maintenance services that we provide to brokerage accounts and reimburses us for certain operational expenses that we incur in maintaining these accounts with us.

*Account Transfer Fees* – A one-time fee to reimburse us for the costs associated with transferring an account to another broker-dealer. The account transfer fee includes fees associated with the Automated Customer Account Transfer System, commonly referred to as the ACAT fee.

*Account Termination Fees* – A one-time fee to reimburse us for the costs associated with terminating an account with us.

*Margin Fees* – Fees charged for our margin services, where our clearing firm extends credit (a loan) to a customer for the purpose of buying securities. Margin fees, which are typically the interest associated with the margin loan, compensates our clearing firm and us for the cost and risk of lending money to customers.

*Wire Transfer Fee* – A one-time fee charged to wire cash from a client account to another account held outside our firm.

*More Information* – More information about the fees and costs associated with your brokerage account and described generally above is available in the schedule of fees and costs in your brokerage agreement with us.

Transactions. If you purchase securities from us through a brokerage account, we will charge you commissions or sales loads related to those securities transactions, including markups applicable to certain securities, and will pay Financial Professionals a portion of those commissions or sales loads, or markups. For brokerage accounts, any transactions fees will be deducted from your account as they are incurred.

If you purchase any insurance product from Securian, the insurance company will pay the Financial Professional a commission and/or other fees. Insurance products are subject to lapse and surrender if premium payments are inadequate. Insurance products are also subject to restrictions such as surrender periods and investment option limitations depending on the product and/or riders selected. Life insurance products contain fees, such as mortality and expense charges which will be deducted from the policy on a monthly basis.

Whether as a registered representatives or insurance agents, Financial Professionals are eligible for marketing assistance and other cash and noncash benefits as discussed in the Description of Conflicts of Interest section below based on the implementation of the recommendations provided to you. Additional information regarding these conflicts can be found on Securian's website, <https://www.securian.com/about-us/affiliates/securian-financial-services/strategic-partners-program.html>.

Holdings. Investments that are interests in investment funds, such as mutual funds and unit investment trusts, or products, such as college savings plans and variable insurance products, bear ongoing fees and expenses that are embedded into the cost of the investment holding. You pay these ongoing fees and expenses indirectly because they are factored into the cost of the investment. More information about ongoing fees and expenses associated with investment funds and products is available in the fund or product prospectus.

The fees and costs vary among the investment funds and products. The fees and costs section in the investment's prospectus section contains the fee and cost information regarding the types of transactions and investment holdings generally purchased or traded by our retail customers.

Please see the referenced linked materials for an example of the impact of fees over time.

### **3. Insurance Agent of Various Insurance Agencies**

Financial professionals are state licensed insurance agents appointed with various insurance companies. (Your Financial Professional can identify which states they are licensed in and describe which insurance companies they are appointed with.) When acting as an insurance agent, Financial Professionals analyze your individual circumstances, specifically considering your insurable needs or desire for guaranteed income to determine which of the insurance products your financial professional is licensed to provide meets your insurance need. CRI does not sell life insurance or annuity products.

Insurance Agent Scope of Services. For recommendations of fixed annuities<sup>1</sup>, indexed life<sup>1</sup>, indexed annuities<sup>1</sup>, variable life, and variable annuities, your financial professional acts as both an insurance agent and a Registered Representative of Securian. For these specific products, please refer to the section above entitled "Registered Representative of Securian or CRI as a Broker-Dealer."

Financial professionals may also use analytical tools designed to help you determine your insurance needs.

*The insurance products sold to you by financial professionals acting in their capacity as an insurance agent are NOT subject to any ongoing monitoring.*

In their capacity as an insurance agent, financial professionals are eligible for marketing assistance and other cash and noncash benefits as discussed in the Description of Material Conflicts of Interest section above based on the implementations of the recommendations that the financial professional provides to you. Additional information regarding these conflicts can be found on Securian's website, <https://www.securian.com/about-us/affiliates/securian-financial-services/strategic-partners-program.html>.

Basis for Insurance Recommendations. As an insurance agent, financial professionals will analyze your individual circumstances to determine which of the products that Securian makes available to its financial professional meets your insurance needs, considering any applicable state insurance suitability or best interest laws. *Securian limits the insurance products available to clients.* Securian only makes products available, including some manufactured by affiliates, that pass a due diligence process that reviews the costs, benefits, and client segment, ensuring all products available meet Securian's standards.

*Insurance guarantees are back by the claims paying abilities of the manufacturing insurance company.*

Costs. *If you purchase any insurance product from your Financial Professional, the insurance company will pay them a commission and/or other fees. Insurance products are subject to lapse and surrender if premium payments are inadequate. These costs are illustrated in the insurance illustrations for the product(s) that you are considering*

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<sup>1</sup> Note, these are non-registered products sold and supervised through Securian as a broker-dealer.

#### **4. Investment Advisor Representative of Securian or CRI as a Registered Investment Adviser**

When acting as an investment advisor representative of Securian or CRI, Financial Professionals analyze your individual circumstances, specifically considering investment objective, risk tolerance, time horizon, and other pertinent financial characteristics to determine which of the investment advisory products we make available may meet your investment advisory needs. Investment recommendations made by our Investment Advisor Representatives for use in investment advisory programs are subject to due diligence process described in our brochures prepared in accordance with Form ADV Part 2A and Form ADV Part 2A, appendix 1. We limit the use of third party sponsored investment advisory programs made available to clients. Allowed third party sponsored investment advisory programs pass a due diligence process that reviews the investment analysis, compliance, and operational review to help ensure that these programs are consistent with our fiduciary duty to clients.

As with any investment in securities, performance will fluctuate and is subject to risk of loss.

Investment Management Services. In the case of investment management services, depending on the program you select, Financial Professionals help you select model portfolios, third party money managers or specific securities *limited to* equities, corporate bonds, U.S. government bonds, mutual funds, exchange traded funds, closed-end funds, municipal securities and liquid securities. Recommendations to purchase securities within investment advisory accounts are based upon due diligence and principles of modern portfolio theory, including asset allocation and diversification.

For investment advisory accounts sponsored by us, you must open a brokerage account through us in order to participate in those investment advisory programs. Financial Professionals monitor the investments held in this brokerage account, which is established to support our own advisory programs, on an ongoing basis as part of our advisory services. The frequency and limitations of this account monitoring depend on the advisory program that you select and on your financial needs.

We also make available accounts held and managed by third party asset managers. Financial Professionals will help you select models and/or managers used by these third party asset managers. Financial Professionals monitor these programs on an ongoing basis.

We do not monitor any other accounts (besides your advisory account) as part of our advisory services.

Costs of Investment Management Services. For investment management services, you will be charged fees for services in accordance with the fee schedules described in the client disclosure document (Form ADV Part 2A and Form ADV Part 2A, Appendix 1, as applicable), and we will then use a portion of those fees to compensate Financial Professionals. These fees are typically deducted from your account on a quarterly basis unless you have made separate arrangements to pay this fee.

Investment Advisor Representative will qualify for certain additional marketing assistance and other cash and noncash benefits as discussed in the Description of Conflicts of Interest section above based on the implementations of the recommendations that your Securian or CRI Financial Professional has provided you. These conflicts of interests are disclosed in greater detail in the Conflict of Interest Section of the Brochure and or Firm Brochure.

For more information, please see the brochures that we prepare in accordance with Form ADV Part 2A and Form ADV Part 2A, appendix 1.

Financial Planning Services. We provide financial planning services primarily to individuals. Individual financial planning involves a variety of services, regarding the management of financial resources based upon your needs and objectives. Your Financial Professional will (i) conduct an initial interview to determine your concerns and planning needs, (ii) assist you in selecting the specific financial planning services needed, (iii) negotiate an appropriate fee for such services, (iv) schedule additional consultations to discuss your needs and objectives, (v) gather, review and analyze relevant information and (vi) summarize your situation and make general written recommendations to address your concerns and objectives. You may elect to receive either “comprehensive” or “specialized” planning services. The analyses and recommendations prepared in connection with the comprehensive financial planning program will seek to address the following: financial position, investment planning, tax strategies, protection planning, retirement planning, and estate planning. With specialized planning services, you elect which of the previously described services you wish to receive. Your Financial Professional will work with you to determine which services best meet your needs.

In the case of financial planning services, our investment advisory relationship with you terminates with the delivery of the financial plan, as do the fiduciary duties that we and the Financial Professional owe you in such a relationship. For ongoing financial planning services, the services continue until either party terminates the relationship. Financial plans delivered through us include various recommendations and planning strategies for your assets, including allocations among generic product or account types, but they do not include recommendations to buy or invest in specific products or accounts.

Costs of Financial Planning Services. Individual financial planning or business financial planning services are generally provided in exchange for an hourly fee not to exceed \$500 per hour or a fixed fee. Retirement account portfolio monitoring and allocation recommendation services (provided as a separate individual financial planning service) may in some cases be provided in exchange for a payment equal to a percentage of the assets held in the client’s retirement plan account for which such services are provided (client must provide client’s financial professional with a copy of official account statement within seven days of receipt by client). In each case, fees are negotiable, and they may vary from client to client based upon the complexity of the client’s financial position as well as the client’s financial objectives.

A portion of the fee is generally paid in advance, though fees for retirement account portfolio monitoring services are payable either in advance or arrears as negotiated between you and your Financial Professional. The actual amount of any fee paid in advance is negotiated between you and your Financial Professional, subject to limitations imposed by us. In no event, however, are fees of more than \$1,200 required to be paid six months or more in advance of performance of services by us.

If your planning services agreement is terminated prior to the delivery of your final financial or business plan, our fees will be prorated based upon the degree to which your Financial Professional has completed your financial or business planning services as of the termination date.

For more information, please see the brochures that we prepare in accordance with Form ADV Part 2A.



## II. Conflicts of Interest

We want you to be aware of our compensation arrangements and the potential for those arrangements to create conflicts of interest related to your investment account(s). A “Conflict of Interest” arises when an economic benefit exists which could cause either us or a Financial Professional to put our interests and/or the interests of the Financial Professional ahead of your interest. As required under Regulation Best Interest, we have policies and procedures in place to mitigate the influence of these conflicts.

Some of these conflicts exist between retail customers and both us and our Financial Professionals, while others exist between retail customers and us alone or between retail customers and Financial Professionals alone. The section below discloses material facts relating to these conflicts so that you are able to make an informed decision regarding any recommendation a Financial Professional provides you. Set forth below is a description of our Conflicts of Interest that exist with all investors utilizing our accounts:

### *Conflicts for Our Firm and Our Financial Professionals*

- **New Client and New Funding Conflicts:** Securian, CRI and Financial Professionals only receive compensation when you open or make subsequent payments to your account. Securian, CRI and Financial Professionals, therefore, have a conflict of interest and will earn no money if you do not open or make payments to your account. For example, if you decide to retain investments in an existing securities or other account not offered through us and do not open or make payments into one of our accounts, Securian, CRI and the Financial Professional will receive no compensation.
- **Limited Products and Services Conflicts.** Securian, CRI and Financial Professionals can only offer you certain types of investments or insurance products and services related to your account.
- **Differential Compensation Conflicts.** Securian, CRI and Financial Professionals also receive different types and amounts of compensation depending on which product or service you choose for your account. Securian, CRI and Financial Professionals will receive higher compensation on some products than on others. Products and advisory services costing more result from additional training, expertise and time required to offer those products and services. In addition, the amount of compensation paid to Financial Professionals by us varies based on each Financial Professional’s total revenue during the preceding twelve months.

Depending on the product or service recommended, Securian, CRI and Financial Professionals may also have one or more of the following conflicts of interest:

- **Proprietary Products.** Certain products or services recommended by Securian, CRI and Financial Professionals are issued, sponsored or managed by Securian and CRI’s affiliates or related entities, including Minnesota Life Insurance Company (Minnesota Life), Securian Life Insurance Company, Securian Asset Management, Inc. and Securian Trust Company. In addition to the compensation received by Securian, CRI and Financial Professionals when these products are recommended to and purchased by clients, these affiliated entities will receive separate fees and compensation in their role as product provider, sponsor or manager.
- **12b-1 Fees.** Certain mutual fund share classes recommended by Securian, CRI and Financial Professionals pay what are called 12b-1 fees. These 12b-1 fees are an expense of the fund,

borne by the fund's investors. Securian, CRI and Financial Professionals receive 12b-1 fee compensation from some fund transactions and not others, depending on the type of account and share class used. Except for accounts in the Signature and Select/Select Advantage investment advisory programs (where 12b-1 fees are retained by Securian, not financial professionals), 12b-1 fees received in connection with investment advisory accounts are credited back to clients' accounts. In connection with Minnesota Life group variable annuity contracts ("Contracts") recommended by Securian and its advisors, any 12b-1 fees separately received by Minnesota Life are credited by Minnesota Life against Contract charges. Other manufacturers of group variable annuities may treat 12b-1 fees differently, and clients may speak with their Financial Professional for more information.

- **Non-Cash Compensation Incentives.** Securian, CRI and Minnesota Life jointly sponsor a variety of programs that provide non-cash benefits to Securian's qualifying Financial Professionals based on sales of both proprietary and non-proprietary products and services. These non-cash benefits include travel and accommodations at training conferences and recognition conventions. Qualification is based on the Financial Professional's total sales or the Financial Professional's total revenue during the qualification period, which in either case is equally weighted within particular product categories established by us (e.g., mutual funds, variable annuities) regardless of the product issuer or manufacturer. In addition, Minnesota Life provides retirement, medical and other employee benefits to qualifying Securian Financial Professionals.
- **Share Classes.** For investments with multi-share class structures, such as mutual funds, college savings plans, and variable annuities, we may earn higher commissions, ongoing payments and/or other compensation depending on the share class in which you are invested. Where issuers have multi-share class structures, the lowest-cost share classes may not be available or appropriate to retail investors, due to high minimum investment amounts or account type requirements (e.g., a retirement account or an advisory account), or individual investor consideration (i.e., time horizon).

If a higher cost share class product is recommended by your Financial Professional, it is important that you understand the benefits of the higher cost share class product that is recommended by your Financial Professional. You can find more information about the compensation paid on different share classes in the prospectus for the investment, or by asking your Financial Professional.

- **Rollover Transactions.** When we recommend that you rollover assets from your workplace retirement plan into an IRA account we and your Financial Professional will receive compensation. This compensation creates an incentive to recommend an IRA rollover.
- **Account Types.** We offer a variety of account type arrangements, such as a brokerage account, an account directly-held with the issuer of the investment (or its transfer agent), or an advisory account. Depending on factors such as the type and level of services you require as well as the frequency of trading in your account, one of these account types may be more cost-effective for you than the others. Certain account types will have a higher cost to you over time and will result in higher compensation paid to us and your Financial Professional.

### *Conflicts for Securian and CRI Alone*

- **Revenue Sharing.** Certain mutual funds, insurance companies, and third-party sponsors of investment advisory programs our Financial Professionals recommend periodically pay us based on the total amount of sales we make of their investments or the total amount of customer assets we direct to them. These payments are sometimes called “revenue sharing” payments. The companies providing these payments, which we may also call “strategic partners,” are also given the opportunity to participate in client and advisor events, educational meetings and conventions, and in return they provide revenue sharing or other marketing support payments that are in addition to compensation for Financial Professionals. We receive payments from some product providers and not from others; these payments are not used to compensate Financial Professionals. We benefit when you purchase a product from a product provider with whom we have a revenue sharing arrangement. In connection with Minnesota Life Contracts recommended by Securian and Financial Professionals, any revenue sharing payments separately received by Minnesota Life are credited by Minnesota Life against Contract charges. Additional information regarding this revenue can be found on Securian’s website, <https://www.securian.com/about-us/affiliates/securian-financial-services/strategic-partners-program.html>.
- **Clearing Firm Payments.** Our clearing firm also makes revenue sharing payments to us. Our clearing firm makes periodic payments to us based on the amount of our total customer assets invested in certain investments as of certain dates. Please refer to the additional disclosure regarding the FundVest Funds on our website, <https://www.securian.com/about-us/affiliates/securian-financial-services/strategic-partners-program.html>. More information regarding the specific issuers whose investments entail payments from our clearing firm can be found on their website, <https://www.pershing.com/global-assets/pdf/disclosures/per-mutual-fund-money-fund-and-bank-deposit-program-disclosures.pdf>.
- **Execution Costs.** We have an incentive to minimize our own execution costs. Some securities transactions and investment strategies may be easier and less costly for us to execute than others. These differential execution costs may create an incentive for us to sell investments with execution costs that are lower for us, even if they are not necessarily in your best interest.

### *Conflicts for Financial Professionals Alone*

- **Sales Goals.** Firm-paid cash and non-cash compensation, incentives, contests, quotas (minimum production requirements), and bonuses for Financial Professionals are tied to factors including asset accumulation or growth, total sales, and appraisals or performance reviews. These arrangements create an incentive for your Financial Professional to encourage the purchase of additional investments that result in your Financial Professional meeting his or her sales targets. This conflict is especially acute as your Financial Professional approaches the deadline for meeting recognition qualification targets, which is typically at the end of the calendar year.
- **Impact of Your Financial Professional’s Sales Volume.** The amount of compensation we share with your Financial Professional is dependent on the investments recommended to you and your Financial Professional’s sales volume. The percentage of commissions, fees, transaction-based payments, ongoing payments, and other forms of compensation we share with Financial Professionals is dictated by a compensation grid. Our compensation grid is not investment neutral, meaning that the percentage of the compensation for any given transaction that your

Financial Professional receives varies based on the investment recommended. This could incentivize a financial professional to recommend an investment with a higher payout to the financial professional. In addition, our compensation grid has thresholds or bands that enable your Financial Professional to increase his or her compensation through an incremental increase in sales. Moreover, your Financial Professional's payout percentage can be adjusted annually depending on your Financial Professional's total sales and overall performance. These thresholds, bands and payout percentage incentivizes your Financial Professional to encourage the purchase of additional investments that result in your Financial Professional meeting certain sales targets and other metrics. This conflict is especially acute as your Financial Professional approaches a sales threshold or the deadline for meeting recognition qualification targets, which is typically at the end of the calendar year.

- **Managers and Supervisors.** Managers and supervisors are paid based on the performance of the branches or regions they supervise. Our managers and supervisors oversee the sales and marketing activities of our firm. The compensation of our managers and supervisors is tied to the production levels of branches or regions over which they have managerial or supervisory responsibility. The tying of managers' and supervisors' compensation to the production of the branches or regions they supervise creates an incentive for them to spend more time on increasing production levels in a given branch or region.
- **Recruiting Bonuses.** Some of the Financial Professionals that are new recruits to us are provided with forgivable loans or back-end bonuses that are tied to total production by a milestone date. If your Financial Professional has received one of these loans or is eligible for one of these bonuses, there is an incentive for your Financial Professional to encourage the purchase of additional investments that result in your Financial Professional meeting production targets so that his or her loan will be forgiven by the firm or so that his or her back-end bonus will be paid by the firm. This conflict is especially acute as your Financial Professional approaches his or her milestone date.
- **Additional Training and Support.** Certain issuers and their affiliates provide some of our Financial Professionals with more training and administrative support services than others. If your Financial Professional receives this additional training and support, his or her use of these issuers' higher level of training and administrative support services creates an incentive for your Financial Professional to recommend investments issued by issuers that provide such training and services over issuers that do not.
- **Wholesaler Reimbursements.** Some of our Financial Professionals receive reimbursements or direct payments from the wholesalers of certain investments for marketing expenses they incur in connection with the distribution of wholesalers' and others' investments. If your Financial Professional receives these wholesaler reimbursements or direct payments, it creates an incentive for your Financial Professional to recommend investments that entail these wholesaler reimbursements or payments over investments that do not.

You may find referenced materials on our Form CRS and Regulation Best Interest resource page, at <https://www.securian.com/crs-disclosure-sfs-cri>.

Alternatively, please contact us toll free at 833-365-0321 to request a copy of the referenced materials.