

UnionBanc Investment Services and its Financial Advisors are compensated in different ways when you purchase or sell a mutual fund or an annuity contract or Unit Investment Trust (UIT) depending on the type of investment involved, amount invested and share class purchased. Most mutual funds and UITs require that you pay a sales commission plus an annual fee associated with operating the mutual fund/UIT. These expenses affect the return on your investment. UnionBanc Investment Services utilizes a single uniform method to calculate commission compensation to its Financial Advisors for sales of all mutual funds/UITs and variable annuity contracts. This method is the same regardless of which mutual fund, UIT or annuity contract you purchase, and does not provide the Financial Advisors additional incentives either to sell mutual funds sub-advised by an affiliate or to sell any other particular mutual fund or annuity.

We want you to also know that, because there are thousands of mutual funds and it is not possible to evaluate and monitor them all on an ongoing basis, UnionBanc Investment Services has a few relationships with a select group of mutual fund, UIT and annuity companies. These companies reflect a variety of performances and styles in a broad spectrum of investment products and services. UnionBanc Investment Services has chosen to work with these companies because of the array of investment products and services these companies offer in order to address the varied needs of our client base, and because of their size, marketing and operational sophistication, and history of investing and performance statistics. These relationships bring additional compensation to UnionBanc Investment Services and the Financial Advisors, but the greater access allowed to these companies to work with our Financial Advisors provides the Financial Advisors additional training, educational presentations and other support so that they can ultimately work more effectively with and for you.

UnionBanc Investment Services may receive cash payments of up to 0.30 percent (30 basis points) of the total purchase amount from sponsors of mutual funds, UITs and annuity contracts that UnionBanc Investment Services has placed on its product sponsor list for its brokers to recommend to clients. UnionBanc Investment Services negotiated these payments from these product sponsors in order to defray the costs of promotional and marketing activities. These revenue sharing payments are in addition to other payments such as commissions, 12b-1 fees, and shareholder servicing fees. *Information about a mutual fund's, UIT's or variable annuity's fees and expenses may be found in the fee table located in the product prospectus.* These revenue sharing payments are not made directly by the customer, but are paid by a fund's distributor, investment adviser or other related entity. UnionBanc Investment Services evaluates sponsors and their investment products for inclusion on their product sponsor list using criteria that includes investment performance and style, wholesaling, marketing and operational support, and the amount of assets under management. UnionBanc Investment Services does not consider the receipt of fund portfolio brokerage commissions as a factor in the selection of product sponsors. Also, UnionBanc Investment Services does not receive directed brokerage compensation or offer any differential cash compensation from any mutual fund, UIT or annuity company.

For a current list of the mutual fund and annuity sponsors that UnionBanc Investment Services includes on their product list (product sponsors), please visit our website www.usbank.com/unionbanc-investment-services/terms, contact your UnionBanc Investment Services Registered Representative or call 800-634-1100.

UnionBanc Investment Services and its affiliates have an economic interest in facilitating the retention of additional services for its clients to the extent its client's brokerage accounts may identify or substantiate the need for the purchase of products and services that are available from UnionBanc Investment Services or its affiliates. UnionBanc Investment Services or its affiliates will receive commissions or other types of remuneration for those products and services. Please know that comparable products and services recommended by UnionBanc Investment Services or its affiliates may be available at higher or lower fees from other independent service providers not affiliated with UnionBanc Investment Services.

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