

## ADDITIONAL INFORMATION YOU SHOULD KNOW ABOUT OUR COMPENSATION

The information below is provided for the convenient reference of customers and prospective customers of BBVA Compass Investment Solutions (“**BCIS**”), a division of BBVA Securities Inc., and BBVA Compass Insurance Agency, Inc. (“**BCIA**”). Such information supplements the terms and conditions of the applicable customer agreement, fee schedules and other documentation governing the relationship between BCIS and/or BCIA, as applicable, and their customers.

BCIS and BCIA (“**Compass**”) work together to offer customers access to a wide array of securities and other financial products, including (under restrictions and conditions established by Compass) various stocks, bonds, options, mutual funds, annuities, insurance products and municipal fund securities (e.g., 529 college savings plans) (“**Financial Products**”).

### *General Information Concerning Compass’ Compensation*

Compass and its representatives (“**Representatives**”) routinely receive compensation in various forms in connection with the sale of Financial Products. Typically, Compass receives loads, commissions, markups, markdowns, premiums, sales charges and/or other forms of transaction-based compensation in connection with each transaction, and its Representatives receive a portion of the compensation earned by Compass or based upon the compensation received by Compass. To learn more about the types of fees and charges applicable to particular transactions, please consult your Compass customer agreement, the Compass fee schedule applicable to your account, and the information appearing below.

*Note: Compass’ fee schedules may be changed by Compass from time to time in its discretion without notice. For up-to-date information, contact Compass by telephone at 800-239-1930, option 1.*

### *Information Regarding Additional Compensation Received by Compass in Connection with Mutual Funds, Insurance Products and Municipal Fund Securities*

In the case of most mutual funds, insurance products and municipal fund securities (for example, 529 Plans) (collectively referred to below as “**Fund/Insurance Products**”), Compass has a written agreement with the distributor or provider (collectively, the “**Product Providers**” or “**Providers**”) that establishes the amount and type of compensation that will be paid to Compass for the sale of the Provider’s Fund/Insurance Products. Compass and its Representatives are paid in different ways and in varying amounts depending on the type of Fund/Insurance Product involved, the amount invested, and, in the case of mutual funds, municipal fund securities and certain other Fund/Insurance Products, the share class purchased. Typically, Compass and its Representatives receive loads, sales charges, premiums and/or commissions based on each transaction, and may receive additional types of fees and charges set forth on the applicable Compass fee schedule. In the case of mutual funds and municipal fund securities, and certain types of insurance products, the prospectus for the Fund/Insurance Product will contain information regarding the fees and charges investors pay, including loads/sales charges and annual operating expenses

In the case of some Fund/Insurance Products, Compass and its Representatives may receive additional compensation (“**Supplemental Compensation and Benefits**”), such as in the following circumstances:

- Some Product Providers also pay 12b-1 fees, administrative services fees, shareholder service fees and similar fees or compensation for services provided by Compass. Not all Product Providers pay such fees and compensation. In the case of those that do, the amount of the fees and other compensation may vary depending on the Fund/Insurance Product and, in the case of mutual funds, municipal fund securities and certain other Fund/Insurance Products, the share class purchased. Generally, 12b-1 fees, administrative services fees, shareholder service fees and similar fees are paid from the assets of the mutual funds, municipal fund securities or other Fund/Insurance Products and, therefore, directly impact the investment return investors receive.
- Some mutual fund families, annuity providers and municipal fund security distributors pay Compass a periodic “trailer” commission during the period you hold their Fund/Insurance Product in recognition of certain client services and account maintenance activities performed by Compass. Not all Product Providers pay trailers. In the case of those that do, the amount of the trailers may vary depending on the Fund/Insurance Product and, in the case of mutual funds, municipal fund securities and certain other Fund/Insurance Products, the share class purchased.
- As further described below, certain Product Providers also pay Compass additional revenue-sharing, marketing support, marketing assistance and similar compensation and provide benefits to Compass and its Representatives in the form of education, training, marketing and sales support or reimbursement to Compass or its Representatives of expenses related to such matters.

Compass has designated an approved group of mutual funds, annuities and municipal fund securities (the “**Approved Products**”) that our Representatives may recommend to clients. In identifying the Approved Products, Compass has considered many factors, including the Product Provider’s longevity and stability, product variety,

name recognition, marketing, wholesaling and training support, as well as the revenue-sharing and other compensation that may be received by Compass. In addition, Compass has established special relationships with certain Providers of Approved Products based on an increased level of marketing, wholesaling and training support provided to Compass (“**Marketing Support**”), including through various forms of payments to Compass from the Product Provider (“**Marketing Support Payments**”) and occasional cash assistance from fund providers for training, client events, regional sales meetings and similar functions and various marketing initiatives (“**Marketing Assistance**”). Product Providers provide Marketing Support, in part, in order to be eligible for varying levels of enhanced access to Compass’ Representatives, including at sales and training events and conferences and during periodic conference calls, presentation of the Product Provider’s advertising and marketing materials, and similar benefits (“**Provider Benefits**”). The level of Provider Benefits available to a particular Provider varies depending on the level of Marketing Support the Provider agrees to provide. All Providers of Approved Products are eligible to participate in the Marketing Support/Provider Benefits program, at the level selected by the Product Provider, but participation in the program is not required in order for a Provider’s products to be included on the list of Approved Products.

The level and type of Marketing Support Payments Compass receives will vary from Provider to Provider and will vary from Product to Product. Most, but not all, Providers will make Marketing Support Payments to Compass. Currently, the Marketing Support Payments we receive are “sales-based” (calculated at predetermined rates based on the level of sales by Compass of the Provider’s Products), except that in 2017 a few Providers will make a Marketing Support Payment at a flat amount in addition to sales-based payments. The Marketing Support Payments and similar compensation received by Compass typically is greater in the case of annuities than in the case of mutual funds and municipal fund securities and greater in the case of variable annuities than in the case of fixed annuities.

*Conflicts of interest arise from the marketing, wholesaling and sales support and revenue-sharing, cost-sharing, sales-based, asset-based and similar payments provided to Compass by Product Providers. Product Providers providing such payments and other forms of marketing, wholesaling and other support may be motivated, in part, by an expectation of increased sales of their products to Compass’ clients. Compass does not guarantee Product Providers any particular level of sales of the Product Provider’s products. However, the marketing, wholesaling, sales and other forms of support provided and compensation arrangements provided by some Product Providers, and the increased exposure of Compass’ Representatives to some Product Providers, may influence the recommendations made by our Representatives.*

Compass’ Representatives do not receive any additional compensation based on the revenue-sharing, marketing support, cost-sharing or similar payments received by Compass described above. In some instances, Representatives may receive direct and indirect non-cash benefits from the marketing, wholesaling and sales support and cost-sharing payments provided by Product Providers and other forms of nominal non-cash benefits from Product Providers. These benefits received by Representatives will vary by Product Provider and will tend to be more significant in the case of Product Providers providing lump-sum, revenue-sharing and cost-sharing payments and other forms of marketing and wholesaling support to Compass.

#### How to Obtain Additional Information Regarding Applicable Supplemental Compensation and Benefit Arrangements

**Customers Maintaining Self-Directed Online Accounts:** See Special Note below.

**Other Customers:** You should refer to your BCIS/BCIA Customer Agreement or contact Compass by telephone at 800-239-1930, option 1.

#### Special Note Regarding Self-Directed Online Accounts/Customers Engaging in “Unsolicited” Transactions

Customers maintaining Self-Directed Online Accounts and other customers who are trading on an “unsolicited basis” (i.e., without the benefit of a Representative’s recommendation) have access to and are free to choose from various mutual funds that are not Approved Products, including funds with no (or reduced) loads/sales charges and/or which do not provide Compass with Supplemental Compensation and Benefits. If, however, a customer maintaining a Self-Directed Online Account or otherwise trading on an unsolicited basis, chooses a mutual fund or other product that imposes a load/sales charge and/or provides Compass with Supplemental Compensation and Benefits, Compass will be entitled to receive the applicable load/sales charge and Supplemental Compensation and Benefits in addition to all other applicable fees, charges and compensation. Customers who seek additional information regarding the loads/sales charges and Supplemental Compensation and Benefits associated with particular mutual funds or other products available through Compass may contact Compass by telephone at 800-239-1930, option 1.

*BBVA SECURITIES INC. AND BBVA COMPASS INSURANCE AGENCY, INC. ARE AFFILIATES OF COMPASS BANK. SECURITIES PRODUCTS ARE MADE AVAILABLE THROUGH BBVA SECURITIES INC. (INCLUDING THROUGH ITS BBVA COMPASS INVESTMENT SOLUTIONS DIVISION), MEMBER FINRA AND SIPC, AND NOT THROUGH COMPASS BANK. INSURANCE PRODUCTS ARE MADE AVAILABLE THROUGH BBVA COMPASS INSURANCE AGENCY, INC., AND NOT THROUGH COMPASS BANK.*

**SECURITIES AND INSURANCE PRODUCTS:**

- **NOT A DEPOSIT**
- **NOT FDIC-INSURED**
- **NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY**
- **NOT GUARANTEED BY THE BANK**
- **MAY LOSE VALUE**