

## Mutual of Omaha Investor Services, Inc.

# Important Disclosure Information regarding Investments, Fees and Compensation

Securities and advisory services offered through Mutual of Omaha Investor Services, Inc., Member [FINRA \(www.finra.org\)](http://www.finra.org)/[SIPC \(www.sipc.org\)](http://www.sipc.org). Home Office: Mutual of Omaha Plaza, Omaha, NE 68175-1020.

As a Mutual of Omaha Investor Services, Inc. (“MOIS”) customer, there are many financial products and services that our financial advisors and representatives can make available to help you achieve your financial goals and objectives. Whether you have or will invest in products such as mutual funds, variable annuities or life insurance, 529 college savings plans, unit investment trusts (UITs), or third party asset management programs, it is important that you understand such products, the fees and costs associated with investing in these products, as well as how MOIS and your financial advisor are compensated in the sale of these products.

### Your Obligation as a Customer and Investor

- Read the prospectus sales literature and other offering documents before making an investment; pay particular attention to the costs, fees and risk factors of the investment.
- Provide your financial advisor with complete and accurate information regarding your financial situation, including; income, net worth, investment objectives, time horizon and risk tolerance.
- Update your financial advisor promptly when there are changes in your financial situation including, but not limited to; income, net worth, investment objectives or liquidity needs.
- Review and retain all investment information that you receive from product sponsors, or the clearing firm that has custody of your assets, such as prospectuses, new account agreements, disclosure forms, account statements, and contracts.
- Bring any discrepancies, concerns or questions to the attention of your financial advisor or MOIS immediately.
- Consult an attorney or tax advisor for any legal or tax advice.

#### **Investment and Insurance Products:**

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

## Important Product Disclosures

### MUTUAL FUNDS

A mutual fund pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments or other securities. In return, investors receive shares of the Mutual funds which are valued based on the value of the underlying investments. Mutual funds have a portfolio manager or a team that selects the investments for the fund in accordance with the fund's general or specific objectives and risk tolerance. There are many types of mutual funds including but not limited to index funds, stock funds, bond funds, international and money market funds, and more. Each fund type may have a different investment objective and strategy and a different investment portfolio. Different mutual funds may also be subject to different levels of risk, volatility, and fees and expenses.

Subject to market fluctuation and can lose money.

Accordingly, you should carefully consider the disclosures within each mutual fund's prospectus before investing. The prospectus provides important information about the mutual fund, including, but not limited to, objectives, costs, and the levels of investment risk associated with the mutual fund.

While it is common for investors to diversify their mutual fund holdings among several mutual fund families, you should carefully evaluate the benefits and the costs of doing so. For example, investing in mutual funds offered by multiple mutual fund families may preclude you from being able to take advantage of breakpoints that would otherwise be available had you invested through a single mutual fund family. Prior to making any mutual fund investment, you should always carefully review the sales charges associated with that transaction and evaluate how those charges will be affected by mutual fund investments you have previously made or that you intend to make in the future.

#### *Available Multi Class Pricing Options for Mutual Funds*

A single mutual fund, with one portfolio, may offer more than one "class" of shares to investors. Each class represents a similar interest in the mutual fund's portfolio, but each class has different fees and expenses. Accordingly, you must consider a variety of factors including the projected holding period of your investment and the possibilities of early redemption when considering what class of shares to purchase.

Your mutual fund prospectus will specifically detail the different classes of shares that are available for your mutual fund, including fees and expenses. While the specific disclosure within your mutual fund's prospectus must be considered, the following is a general summary of the types of class shares typically available:

#### *A Shares/Front-End Load*

Class A shares typically charge a front-end sales charge. When you buy Class A shares with a front-end sales charge, a portion of the dollars you pay is not invested. Class A shares may

impose an asset-based operating expense, but it is generally lower than the asset-based operating expense imposed by the other classes.

A mutual fund may offer you a discount on the front-end sales charge if you:

- Make a large purchase and reach a “breakpoint” threshold as set forth within your mutual fund’s prospectus;
- Already own other mutual funds, either with our firm or another firm, offered by the same fund family, thereby triggering application of a “breakpoint” threshold known as “Rights of Accumulation;” or
- Commit to regularly purchasing the mutual fund’s shares to reach a “breakpoint” threshold within a given period of time, also known as “Letter of Intent.”

### *B Shares/Back-End Load*

Class B shares typically do not charge a front-end sales charge at the time of purchase. Therefore, unlike Class A purchases, all of your dollars would be immediately invested. However, Class B shares impose ongoing asset-based operating expenses that are typically higher than you would incur if you purchased Class A shares. Class B shares also normally impose a contingent deferred sales charge (CDSC), which you pay when you sell your shares. For this reason, these should not be referred to as “no-load” shares.

The CDSC normally declines and eventually is eliminated the longer you hold your shares. Once the CDSC is eliminated, Class B shares often then “convert” into Class A shares. When Class B shares convert, they generally will begin to charge the same asset-based operating expense as the Class A shares.

### *C Shares/Level Load*

Class C shares usually do not impose a front-end sales charge on their purchase, so the full dollar amount that you pay is immediately invested. Often Class C shares impose a small contingent deferred sales charge if you sell your shares within a short time of purchase, usually one year. Class C shares typically impose higher ongoing asset-based operating expenses than Class A shares, and since their shares generally do not convert into Class A shares, their ongoing asset-based operating expense will not be reduced. In most cases, your operating expenses would be higher than Class A shares or Class B shares if you hold for a long time.

### *Other Share Classes*

While the previously discussed share classes are the most commonly sold, additional variations of share classes exist, which may utilize a front-end load, back-end load or level load sales charge structure. For particular share class information, please refer to the product prospectus.

To compare expenses by share class, you may wish to review FINRA’s Expense Analyzer at:

[http://apps.finra.org/Investor\\_Information/ea/1/mfettf.aspx](http://apps.finra.org/Investor_Information/ea/1/mfettf.aspx).

## *Operating Expenses*

Operating expenses are deducted from the mutual fund's total assets, so they reduce investment returns. Annual fund operating expenses include management fees, so-called "12b-1 fees," the cost of shareholder mailings and other expenses. 12b-1 fees are payments made by a mutual fund in connection with marketing and distribution expenses, which may include compensating financial advisors. Depending on share class, so called 12b-1 fees typically range between 25 basis points to 100 basis points annually. The fund's prospectus includes the fund's expense ratio, which helps you compare annual expenses of different funds.

## **INSURANCE PRODUCTS**

### Variable Annuities

A variable annuity is a contract between you and an insurance company in which the insurer agrees to make periodic payments to you in an amount that will be linked to the performance of the underlying investments in the variable annuity either beginning immediately or at some future date. You can purchase a variable annuity by either making a single purchase payment or a series of purchase payments.

A variable annuity offers a range of investment options, typically referred to as "sub-accounts." These subaccounts offer a variety of stocks, bonds, and money market based investments. The value of your investment as a variable annuity owner will vary depending on the performance of the sub-accounts you choose.

Subject to market fluctuation and can lose money.

Many variable annuities offer, at an additional cost, a variety of riders and guarantees which may include enhanced income or a death benefit.

Your financial advisor will provide you with a prospectus prior to an investment in a variable annuity. As the structure of each variable annuity may be different, it is important that you thoroughly review the prospectus as it will contain a full explanation of the variable annuity you may invest in. Further, the prospectus will detail the risks to which your investment may be subject to, as well as, the fees and expenses associated with the variable annuity.

### *The Two Distinct Phases of Tax Deferred Variable Annuities*

Tax deferred variable annuities have two distinct phases referred to as the accumulation phase and payout phase.

During the accumulation phase, you allocate your purchase payments to one or more of the offered investment options. For example, you could allocate 20% to an equity fund, 40% to an international stock fund, and 40% to a bond fund. As noted above, your investment is subject to market fluctuation, and the money you invest will increase or decrease depending on the fund's market performance. During this phase, you can generally transfer your money from one investment option to another without paying tax on your investment income and gains.

Note, however, that if you withdraw money from your annuity during the early years of the accumulation phase you may pay “surrender charges,” discussed below. Additionally, you may have to pay a 10% federal tax penalty if you withdraw money before you turn 59 ½ years old.

In the payout phase, you are generally offered several payment options for money accumulated in the contract. You may choose to receive your purchase payments plus investment income and gains, if any, in either a lump sum, or periodic payments as desired, or you may annuitize the contract and receive a stream of payments at regular intervals (such as monthly or quarterly). If annuitization is chosen, you generally will be provided choices regarding how long you would like the payments to extend. Lastly, note that some variable annuities are established as immediate annuities. This means there is no accumulation phase and you begin receiving annuity payments on a regular basis after your purchase.

### *Tax Deferred Variable Annuity Features*

There are several unique features of a tax deferred variable annuity which distinguish it from other investments.

You should consider your individual need for each of these features in making your investment decision because variable annuities also carry certain costs and fees for these features. Among the primary features of a variable annuity are the following:

- Variable annuities can allow you to receive periodic payments for the rest of your life (or the life of your spouse or other person that you designate).
- Variable annuities may have a death benefit. If you as the owner, or in some contracts, the annuitant die, a person you select as a beneficiary (such as your spouse or child) may receive the greater of: (i) all the money in your account, or (ii) some guaranteed minimum (such as all purchase payments adjusted for withdrawals).
- Variable annuities are tax-deferred. This means that you pay no taxes on the income and investment gains from your annuity until you withdraw your money. However, when your money is eventually withdrawn from your variable annuity, you will be taxed at ordinary income tax rates rather than potentially lower capital gains rates. There are no additional tax benefits from purchasing a variable annuity within a qualified account, such as an IRA. However, other features of a variable annuity may still make it an attractive investment in a qualified account.
- Certain variable annuities may offer, for an additional fee, optional riders. These riders may provide for an enhanced death or income benefit. You should carefully review the optional riders, how they work and whether they are appropriate for you prior to selecting a rider.

### *Sales and Surrender Charges*

Variable annuities may charge a front-end sales charge or a back end sales/surrender charge. They may also impose asset-based sales charges. The surrender charge is usually a

percentage of the amount withdrawn or of the account value within a certain period of time after a purchase payment is made to the contract.

Some annuities, however, do not have these surrender charges. Make sure that you understand the surrender charges for your specific variable annuity investment. Surrender charges are set forth in the prospectus.

### *Fees and Expenses*

You will pay various fees and expenses when you invest in a variable annuity. These charges will reduce the value of your contract. They may include the following:

- Mortality and Expense Risk Charge (M&E). This charge compensates the insurance company for various risks it assumes under the annuity contract.
- Administrative fees. These fees cover administrative costs associated with servicing your annuity, including the recordkeeping and other administrative expenses.
- Underlying Fund Expenses on Sub-accounts. This ongoing fee covers two aspects of the sub-accounts of the annuity — management fees and fund expenses. Management fees cover the costs of managing the portfolio of securities within the sub-account. Fund expenses include the cost of buying and selling the funds or securities as well as administering trades.

Contracts may include special features, such as an enhanced death benefit or living benefit rider, which may incur additional fees and expenses.

### *Front-end load Sales Charge*

Ongoing fees may be lower in contracts carrying a front-end sales charge.

Features specific to your variable annuity investment are set forth in detail in the prospectus.

### Variable Life Insurance

A life insurance contract can serve many purposes. It can provide a source of income for your family in the event of your death, facilitate an efficient transfer of wealth from one generation to the next, or make funds available to ensure the continuation of your business. In addition to assessing your individual needs, it is important to determine which type of policy is best suited to meet those needs.

There are two basic types of life insurance: term insurance, which provides a specific amount of death benefit coverage if you die within the period of the contract; and, permanent insurance, which provides death benefit protection, but also gives you the ability to accumulate cash value.

Variable life insurance is a flexible type of permanent insurance. It provides a traditional death benefit, but at the same time allows you to participate in the variety of investment options (“sub-accounts”) such as stock, money market or bond funds to attempt to grow your cash value. It is important to note that the cash value of a variable life insurance policy is not guaranteed. The cash value varies with the investment experience of the underlying sub-accounts.

Subject to market fluctuation and you can lose money.

#### *Premium Payments/Potential For Lapse and Forfeiture of Benefits*

Generally, premium payments for variable universal life (VUL) insurance are flexible, while premium payments for variable life (VL) insurance are fixed. The amount and timing of the payments are generally determined by the policyholder.

With many policies, the insurance costs and the policy fees and expenses are deducted directly from the cash value rather than through premium payments. Insurance costs can be significant, and purchasers of variable life insurance must carefully consider the insurance costs over the projected life of their entire contract. For insurance coverage to remain intact, all costs must be paid as they become due. If the cash value under a variable life insurance policy is depleted and the purchaser cannot otherwise satisfy the ongoing premium expenses, the policy may lapse and the purchaser or his/her beneficiaries will forfeit any right to receive a death benefit.

#### *Variable Life Insurance Features*

- The death benefit and/or cash value of the policy will fluctuate according to the investment experience of the sub-account options you elect. You assume the risk of good or poor investment performance as a variable life policy contains no guarantees of investment earnings or cash values.
- Premiums can be either fixed or flexible, depending on the policy you choose. Scheduled premium variable life insurance has premium payments that are fixed for duration and amount. Flexible premium variable life insurance has premium payments that allow changes in the duration and amount paid.
- Variable life insurance can be purchased with a single payment or with multiple payments.
- An additional benefit of variable life insurance is tax-deferral. There is no tax on earnings until money is withdrawn. When you make withdrawals from your variable life insurance policy, you may incur a tax on the earnings at ordinary income tax rates rather than lower capital gains tax rates.
- You will pay various fees and charges when you purchase a variable life insurance policy, which may include front-end sales loads, surrender charges, administrative charges, cost of insurance charges, also known as mortality and expense risk charges (M&E), and various fees associated with the underlying sub-account options. Further, there are costs associated with optional policy features.
- Charges for the cost of insurance can vary significantly depending on individual circumstances, such as age, sex, health, smoker/non-smoker, face amount of policy, and so forth.

- If a policy is terminated before the end of the surrender period, surrender charges may be significant. These surrender charges are generally highest in the early years of a policy, and decline over a period of time, usually from seven to fifteen years.

A prospectus is provided when the variable life insurance product is recommended. It is important that you thoroughly review the prospectus as it will contain a full explanation of your specific policy. Further, the prospectus will detail the risks to which your policy may be subject. You should also receive an insurance contract from the insurance company which sets forth the terms of your contract with the issuer.

### **529 COLLEGE SAVINGS PLANS**

A 529 college savings plan ("529 Plan") is a tax-advantaged investment program designed to help parents and others pay for qualified higher education costs. The 529 plan offers families the opportunity to obtain growth and distribution of earnings that are free from federal taxes.

#### *State Tax Considerations/State Plan Consideration*

- Depending on your state of residence, an investment in a particular 529 plan may or may not afford you state tax benefits. State tax treatment can be an important consideration in deciding which plan to select.
- Some states offer favorable tax treatment to their residents only if they invest in a 529 plan offered by that state. Please note that if you invest in an "out-of-state" plan you may be foregoing potential tax benefits.
- You should consult with your tax adviser about any state or local tax implications before selecting a specific 529 plan.
- Before investing in an out-of-state plan, you should carefully consider and consult your tax adviser concerning:
  - The plan's expenses compared to the plan(s) sponsored by your home state;
  - The investment options available compared to those available within the plan(s) sponsored by your home state;
  - Any tax benefits and/or penalties that may exist compared to those that may exist under the plan(s) sponsored by your home state;
  - Any contribution limits that may exist compared to those that may exist under the plan(s) sponsored by your home state.

### *Available Multi Class Pricing Options for 529 Plans*

A single 529 plan, with one portfolio, may offer more than one “class” of shares to investors. Each class represents a similar interest in the 529 plan’s portfolio, but has different fees and expenses. Accordingly, you must consider a variety of factors including the projected holding period of your investment and the possibilities of early redemption when considering what class of shares to purchase. Your 529 plan’s prospectus/program disclosure will specifically detail the different classes of shares that are available for your 529 plan, including costs and fees.

## **UNIT INVESTMENT TRUSTS**

A unit investment trust (UIT) consists of Investment Company securities that invest in a fixed portfolio of securities, including corporate, municipal, government bonds, mortgage-backed securities, common or preferred stock, or other Investment Company shares. The securities are purchased and held in a trust, usually until a dissolution date that is established when the trust is created. Investors in the UIT own a fractional, divided interest in all the securities held by the trust and the distribution coming from the trust.

Traditional and distinguishing characteristics of UITs:

A UIT typically will make a one-time “public offering” of only a specific, fixed number of units (like closed-end funds). A UIT usually issues redeemable securities (or “units”), like a mutual fund, which means that the UIT will buy back an investor’s “units,” at the investor’s request, at their approximate net asset value (or NAV). Generally, UIT securities are monitored but not actively managed.

A UIT will have a termination date (a date when the UIT will terminate and dissolve) that is established when the UIT is created. In the case of a UIT investing in bonds, for example, the termination date may be determined by the maturity date of the bond investments. When a UIT terminates, any remaining investment portfolio securities are sold and the proceeds are paid on a pro-rata basis to the investors.

A UIT does not actively trade its investment portfolio. The UIT buys a relatively fixed portfolio of securities (for example, five, ten, or twenty specific stocks or bonds), and holds them with little or no change for the life of the UIT. If the securities in a UIT portfolio are called, mature, or are otherwise redeemed, the resulting principal is distributed among investors and that distribution can affect the yield the customer will receive. You will find the portfolio of securities held in the UIT listed in its prospectus.

### *Fees and Expenses*

UITs charge an annual fee that is deducted from either the value of the portfolio or the distributions from the portfolio, and pay an initial sales commission to the financial advisor. The sales charges, annual expenses and fees for your UIT are detailed in the product’s prospectus.

### *Volume Discounts*

As in the case of mutual fund shares, UIT investors may be eligible for discounts based on the amount of a single transaction. You should be aware that some limited rights of accumulation, depending on the terms and conditions set forth in the prospectus, may exist with UITs.

### **THIRD PARTY ASSET MANAGEMENT PROGRAMS**

Our financial advisors may assist you by bringing to your attention third party money managers (“Managers”) who manage customer assets, including, but not limited to: asset rebalancing, performance reporting, and billing. A Manager is engaged only with your prior consent and subject to a separate agreement between you and the Manager. Please note that prior to investing, you will be provided, and should carefully review, the Form ADV disclosure brochure for MOIS, the Form ADV disclosure brochure for the Manager and the Form ADV Part 2B disclosure specific to your financial advisor.

## **EXPENSE, FEE AND REVENUE DISCLOSURE PRACTICES**

### *MOIS' Revenue Sharing Disclosure for Mutual Funds*

MOIS offers thousands of different mutual funds to investors. We believe it is important that our financial advisors evaluate these funds and assist investors in selecting the funds that best meet their needs. We currently offer mutual funds sponsored by many companies, however, we focus on a select group of mutual fund families providing them greater access to our financial advisors to provide training, education presentations and product information.

In return for these increased services, these sponsors compensate MOIS in the form of revenue sharing payments. The following sponsors currently participate in these revenue sharing arrangements: Pacific Life and Pioneer.

Participants in revenue sharing arrangements may change from time to time. Consult this website for any changes.

In addition to the sales commissions paid in connection with sales of mutual funds, including money market funds, these product sponsors make payments to MOIS to participate in the revenue sharing program, which includes up to 20 basis points from new sales and up to 5 basis points for assets under management.

These payments are not deducted from fund assets or customers' accounts. Financial advisors of MOIS do not receive additional compensation in connection with sales of the certain mutual funds compared to other mutual funds.

MOIS offers clients a broad selection of mutual funds through its clearing firm, Pershing, which provides ongoing servicing to these accounts. These services may include shareholder support and account maintenance associated with the clearing firm holding these accounts. Certain mutual fund sponsors reimburse the clearing firm for a portion of these expenses. The clearing firm and the mutual fund sponsor enter into certain agreements that set forth the services to be performed and reimbursement terms.

MOIS assists the clearing firm with this ongoing account servicing. As a result, MOIS and the clearing firm have entered into an expense reimbursement program whereby MOIS may receive a portion of the compensation that the clearing firm receives from the mutual fund sponsor. This compensation serves to reimburse MOIS for its expenses associated with these ongoing services. Not all mutual fund sponsors offer reimbursement for ongoing account servicing.

Additional information about a fund's payment with respect to this compensation may be found in that fund's prospectus. Please note this compensation is separate and apart from commissions earned through mutual fund sales, annual operating expenses (such as 12b-1 fees), and other such fees and expenses disclosed in the fund's prospectus.

Importantly, this compensation is not shared with your financial advisor. However, it may impact the overall profitability of MOIS.

### *How MOIS and Your Financial Advisor are Compensated When You Buy Mutual Funds*

MOIS and your financial advisor are paid in different ways for helping you choose mutual funds, depending on the type of fund, amount invested, share class purchased and fund family purchased.

As mentioned above, MOIS is paid by the fund family based on the commissions you pay. Then, a portion of that payment goes to your financial advisor. In addition, 12b-1 fees (also known as trails) are paid to MOIS and a portion of that payment is paid to your financial advisor.

The compensation formula to determine the amount of payment for your financial advisor is the same regardless of which mutual fund you purchase. However, some funds may carry higher sales charges and/or higher dealer concession charges than others (as explained above), which may create an incentive for financial advisors to sell such funds. You should compare fund sales charges and concession charges by looking at the fund prospectus or asking your financial advisor.

In other types of accounts (such as fee-based accounts), compensation is based on a percentage of the total assets held in the account, rather than concessions or trails.

You should understand how your financial advisor is compensated for any mutual fund transaction and how that compensation may compare with another mutual fund selection.

### *Variable Annuities and Variable Life Insurance*

We focus on a select group of variable annuity and variable life sponsors which offer a broad array of products and options. These sponsors have greater access to our financial advisors to provide education and training opportunities. In return for increased exposure, these sponsors compensate the firm in the form of revenue sharing. The sponsors that participate in our revenue sharing program include the following companies: TransAmerica and Pacific Life.

Participating sponsors may change from time to time and will be reflected on this website.

In addition to the commissions paid in connection with sales of these variable products, the product sponsors make payments to MOIS to participate in the revenue sharing program, which includes up to 20 basis points on new sales.

### *How MOIS and Your Financial Advisor are Compensated When You Buy Annuity and Life Insurance Products*

MOIS and your financial advisor are paid in different ways depending on the type of insurance product, amount invested, share class purchased and the age of the client.

The compensation formula to determine the amount of payment for your financial advisor is generally the same regardless of which insurance product you purchase. The actual commission rate will depend on the specific product.

In addition, ongoing payments (known as trails) on annuities and life insurance products that are held in your account for more than one year are set by the insurance company and generally paid to MOIS. MOIS then pays your financial advisor based on its compensation formula.

MOIS financial advisors do not receive a greater or lesser commission in connection with sales of annuities or life insurance contracts by the above-listed insurance companies as compared to other insurance companies.

You should feel free to ask your financial advisor how he or she will be compensated for any annuity and life insurance transaction and how that compensation may compare with compensation from another annuity or life insurance transactions.

### *529 Plans*

MOIS and your financial advisor are paid in the following ways when you purchase a 529 plan:

- MOIS is paid by the fund family or distributor based on the fees you pay. Then, a portion of that payment goes to your financial advisor.
- The compensation formula to determine the amount of payment for your financial advisor is the same regardless of which 529 plan you purchase.
- In addition, ongoing payments (known as trails) on mutual funds that are held in your account are paid to MOIS. MOIS then pays your financial advisor based on its compensation formula.

### **THIRD PARTY MONEY MANAGERS**

Managers that participate in our revenue sharing program are provided greater access to our financial advisors to provide training and other educational presentations and product information.

You are charged ordinary management fees by the Manager (as negotiated between you and the Manager) in connection with managing your account. The Manager may pay a portion of the management fees to MOIS who may in turn share a portion of such fees with its financial advisors.

Set forth below is a listing of third party money managers that participate in our revenue sharing program: Assetmark and Brinker.

Participating sponsors may change from time to time and will be reflected on this website.

In addition to the solicitor fees paid in connection with sales of these managed accounts, the product sponsors make payments to MOIS to participate in the revenue sharing program, including up to 5 basis points for total assets under management and up to 4 basis points for gross contributions.

It is important to note, the compensation formula to determine the payment for your financial advisor is the same regardless of which third party money manager is used. Our financial advisors do not receive a greater or lesser fee in connection with sales of certain products when a third party money manager is used.

### **PRODUCT SPONSOR EXPENSE REIMBURSEMENTS**

MOIS and your financial advisor may be reimbursed by product sponsors and third party money managers for expenses incurred for various promotional activities including, but not limited to, sales meetings, conferences and seminars held in the ordinary course of business. MOIS may receive a flat fee for such reimbursements.

Product sponsors may also reimburse a financial advisor for expenses incurred in conjunction with sales and marketing efforts, provided the expenses are reasonable, are adequately documented, and are not preconditioned on the achievement of a sales target. Although product sponsors make an independent determination of what they will spend on such items, some sponsors may allocate their promotional budgets based on prior sales and asset levels.

### **CLEARING FIRM FEES AND REVENUE SHARING**

MOIS offers a number of investment options through its relationship with clearing firm, Pershing LLC. ("Pershing"). Please refer to the two links on this website (e.g., Standard Commission Charges for MOIS Accounts Clearing Through Pershing LLC and Fee Schedule for MOIS Accounts Clearing Through Pershing LLC) for information regarding the standard commissions charges and fee schedule for transactions processed through Pershing. MOIS shares in the revenue with Pershing on commissions and for certain fees noted in the fee schedule.

### **MOIS COMPENATION STRUCTURE**

MOIS Registered Representatives, based upon their level of production, may receive a higher payout, expense reduction and qualify for Mutual of Omaha Insurance Company sales incentives and trips.

## **BUSINESS CONTINUITY PLAN DISCLOSURE**

Mutual of Omaha Investor Services ("MOIS") has developed a plan to quickly recover and resume business operations following a significant business disruption. Our disaster recovery plan is designed to allow MOIS to quickly recover and resume business operations, and assure our customers prompt access to their funds and securities. In the event of a disruption, we plan to transfer operations to a local remote site and resume business within 24 to 96 hours. If the disruption affects a larger area such as our city or region, we plan to move operations to a location outside the affected area. In addition to MOIS, you should have received business continuity plan contact information from the Investment Company that holds your account, or from our clearing firm, Pershing LLC. In the event of a significant business disruption, an update will be available by calling our toll-free number 800-228-2499. A more detailed version of our Business Continuity Plan is available upon written request.

## **SECURITIES INVESTOR PROTECTION CORPORATION DISCLOSURE**

Information regarding the Securities Investor Protection Corporation (SIPC®), including a SIPC brochure, may be obtained by contacting SIPC via its web site at [www.sipc.org](http://www.sipc.org) or by telephone at (202) 371-8300.

## **INVESTOR EDUCATION AND PROTECTION DISCLOSURE**

The FINRA BrokerCheck system provides professional background information of current and former financial advisors and Firms. To access the FINRA BrokerCheck system please visit the FINRA website at [www.finra.org](http://www.finra.org).

The information in this disclosure document is as of March 24, 2015.