ACI ROLLOVER RECOMMENDATIONS UNDER REGULATION BEST INTEREST (REG BL)

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The purpose of this document is to help you in understanding how ACI works with clients like you.

You can use this material to decide whether to proceed with a rollover without a recommendation from ACI. If you do want a recommendation, your ACI financial professional will discuss the advantage of doing a rollover vs. leaving your assets in your retirement plan and will make a recommendation based on your best interest.

Conflict of Interest in IRA Rollover Recommendation: There is an inherent conflict of interest in the recommendation to rollover retirement plan assets into an IRA managed by ACI. ACI will make money on your assets in the form of a management and/or performance fee if you choose to roll your retirement plan into an ACI managed IRA. If you do not rollover your retirement plan, ACI will not make any money for managing your assets.

ACI Independent Advisor Representatives ("IAR") have the same conflict.

To help determine whether a rollover recommendation is in your best interest, please consider the following:

Roll over your 401k into an IRA:

Advantages

- Your investments will remain tax-deferred until you withdraw them
- You will have access to a wide range of investments, including mutual funds, ETFs, stocks, bonds, options and more
- You will have access to a wide range of tools, resources, and services
- You may have the flexibility to convert to a Roth IRA
- You may benefit from the advice of your investment advisor, including risk management, income & retirement strategies
- Potential for custom investment portfolios built around you.

Disadvantages

- You will not be able to take a loan against your account
- Any loan balances would need to be repaid prior to rolling over or you may incur income taxes and potentially a 10% tax penalty
- Your investments may incur trading-related costs.
- You are unlikely to have access to the exact same investments in an IRA that you had in your plan.
- The level of protection from creditors for assets in an IRA is lower than in a company retirement plan
- If you hold appreciated employer stock in your former employer's plan account, there may be tax consequences. You should consult a tax advisor

Leave your assets in your old employer’s plan:

Advantages

- Your investment plan choices may include low-cost, institutional-class products
- Your total costs may be lower than other alternatives
- Your investments will remain tax-deferred until you withdraw them
- You may be able to take loans against your account
- You may not have to take any action or complete additional paperwork
- You may be able to take penalty-free withdrawals if you left your old employer between age 55 and 59
- Your retirement plan balances may be better protected from creditors and legal judgements under

Leave the assets in your old employer’s plan

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- You would still have access to any investor education, guidance and planning provided to plan participants
- The investment choices on your plan menu were selected by a plan fiduciary

Disadvantages

- Your investment choices would be limited what is available in the plan
- Your former employer may pass certain plan administration or recordkeeping fees through to you
- You would not be able to contribute any new funds
- Managing your investments among multiple accounts can be a lot of work
- You may not be able to access professional advice specific to your situation
- You may need to manage your risk directly

Roll your assets into a new employer's plan

Advantages

- Your costs may be lower than other alternatives
- Your investments will remain tax-deferred until you withdraw them
- You may be able to take loans against your account
- You may be able to take penalty-free withdrawals if you leave your new employer between age 55 and 59
- Your retirement plan balances may be better protected from creditors and legal judgements under federal law
- Your plan investment choices may include low-cost, institutional-class products
- You may have access to investor education, guidance and planning that your new employer provides to plan participants
- The investment choices on your plan menu were selected by a plan fiduciary
- If you roll over to a new employer's plan you may not have to take required minimum distributions (RMDs) if you decide to keep working

Disadvantages

- Your investment choices would be limited to those in the plan
- Your new employer may pass certain plan administration or recordkeeping fees through to you
- If you hold appreciated employer stock in your former employer's plan account, there may be tax consequences. You should consult with a tax advisor.

Take a cash distribution from your retirement plan:

Advantages

- Your money (after any taxes and applicable penalties) will be immediately available to you

Disadvantages

- Your retirement savings will be depleted
- The amount that you cash out will be subject to mandatory 20% withholding for federal taxes if under age 59½
- Your distribution will be subject to applicable federal, state and local taxes
- You may be subject to a 10% penalty if you under the age 59½
- You may lose the compounding advantages of tax deferred investments