



## 408(b)(2) Disclosures

### Commission –definitions – Group Annuity

**Asset Based** – Compensation is paid on total assets in the plan, multiply total plan assets by commission rate, annualized

**Deposit Based** – Compensation is paid based on each deposit made into the plan, multiply deposit by commission rate

**Transfer Based** – Compensation is paid on any amounts transferred into the plan from other qualified plans or retirement accounts, multiply transferred amount by commission rate

### Basis Points - bps

A unit that is equal to 1/100th of 1%. For example, a fee of 50 basis points would equal \$50 compensation per \$10,000 of plan assets; 50 bps would equal .50% or .0050

### Revenue Sharing

Investment fund companies are permitted to rebate some of their fees to other plan service providers through transactions that are referred to as revenue sharing. For example, many fund companies contract the job of tracking individual account activity to other providers. In turn, fund companies may compensate these providers for their services by way of 12(b)-1 or sub-transfer agent fees.

### 12(b)-1 Fees

Mutual fund companies are legally permitted to charge mutual fund investors 0.25 percent to 1.00 percent of fund assets annually for sales, promotion, and marketing expenses. These 12(b)-1 fees, which are a part of a mutual fund's expense ratio are payable to sales associates and service providers.

### Sub-transfer agent fees

Trust companies, banks and mutual funds, acting in the capacity of fund transfer agents, frequently subcontract with other entities to track buy and sell orders and credit them to the appropriate participant accounts. These sub-transfer agents are compensated by investment fund companies through revenue sharing sub-transfer agent fees.

### Non-Monetary Compensation and Other Support

Various vendors, product providers, distributors and others may provide Sigma Financial Corporation with non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. Additionally, Sigma Financial Corporation might receive payments to us to subsidize our own training programs.

#### Mutual of Omaha

Amounts received by Sigma Financial Corporation from each provider are between \$5,000 & \$10,000. Certain vendors may invite Sigma Financial Corporation to participate in conferences, on-line training or provide us publications that may further our skills and knowledge. Some may occasionally provide Sigma Financial Corporation with gifts, meals and entertainment of reasonable value consistent with industry rules and regulations.