Mutual Fund Share Classes and CGMI Compensation

The following is from the "Important New Account Information" section ("INAI") contained in your Welcome Book or other disclosures provided to you in connection with your account.

Mutual Fund Share Classes and CGMI Compensation

As a mutual fund investor, you have many funds to choose from when it comes to investing your money. Each of these choices involves certain costs. Once you choose a fund, you may also need to choose among the fund's different classes, each of which involves a different cost structure. It's important to understand how mutual fund fees and expenses, your choice of share class, and the breakpoint discounts to which you may be entitled affect your investment and return. Of course, you also need to consider the fund's investment objectives and policies, and its risks. With that in mind, we've summarized below some important information about mutual fund share classes and the types of fees and expenses you may be required to pay depending upon the share class you select, as well as the breakpoint discounts to which you may be entitled. We also explain how CGMI, the Clearing Firm and your advisor are compensated when you invest in mutual funds. Please also refer to Form CRS and the Regulation Best Interest Disclosure Statement for additional information regarding mutual funds. You can also visit the websites sponsored by the US Securities and Exchange Commission (www.SEC.gov), the Financial Industry Regulatory Authority (www.FINRA.org), the Securities Industry and Financial Markets Association (www.sifma.org) and the Investment Company Institute (www.ICI.org) to obtain additional educational information about mutual funds.

The following information pertains to mutual fund sales transacted through commission-based CGMI brokerage accounts. Most mutual funds transacted through CGMI are registered with the U.S. Securities and Exchange Commission and are referred to herein as registered mutual funds. CGMI also offers certain mutual funds that are not registered with the U.S. Securities and Exchange Commission but are registered (if required) in other applicable jurisdictions and which are available for sale only to qualifying clients located outside the United States. Those funds are referred to as offshore mutual funds. Please note, certain of the share class information summarized herein for registered mutual funds may not relate to offshore mutual funds because offshore mutual funds use different naming conventions for their share classes. For example, share classes with front-end sales charges are called Class A shares for registered mutual funds, however, such share classes may be referred to with different names for offshore mutual funds. Please refer to the offshore mutual fund's prospectus and, where applicable, it's SAI for complete information.

For more information on fees and expenses related to CGMI fee-based advisory account programs, please refer to our advisory program disclosure documents. You should consider all the available methods for purchasing and holding mutual fund shares discussed in this booklet and in your program documents.

Note: Before buying any mutual fund, request a fund's prospectus and, where applicable, its Statement of Additional Information or SAI, from your advisor and read it carefully. The prospectus and SAI contain important information on fees, charges, breakpoint discounts and investment objectives which should be considered carefully before investing.

Each Mutual Fund Is Different

Mutual funds are securities that are offered for sale through a prospectus. First and foremost, before investing in a mutual fund, you should read the fund's prospectus carefully. You should request a copy of the fund's Statement of Additional Information" where applicable, for additional details.

All funds charge investment management fees and ongoing expenses for operating the fund that you will pay as long as you are invested. Investment features, as well as expenses, vary from fund to fund. A fund's prospectus and SAI describe, among other things, the fund's investment objectives and principal strategy, the types of securities in which the fund invests, risks, share classes and expenses. The prospectus and SAI also describe how sales charges and expenses vary by share class, and how investors can qualify for sales-charge reductions based upon the amount of their investments or other circumstances. Of course, in choosing a mutual fund investment, you should consider the fund's investment objectives and policies, and its risks – not just the costs and expenses of investing in a particular fund and share class-- to determine if they match your own goals. Your advisor can provide assistance if you have questions.

Fund-Transfer Restrictions

Certain mutual funds may not be transferable from an account at one brokerage firm to an account at other brokerage firms. A common factor limiting transferability is when a fund or its primary underwriter does not have a selling or other agreement in place with the receiving firm. If a particular fund family's funds are not transferable to a given firm, you may have the following options: leave the position in an account at the original brokerage firm; or have the position reregistered in your name on the books and records of the fund company or its transfer agent. As an alternative, you may liquidate the position and transfer the proceeds; if you choose to liquidate, you should consider whether you will incur sales charges and/ or tax consequences. For further information regarding the transferability of a particular fund's shares, please refer to the fund's Prospectus and Statement of Additional Information, or call your advisor.

The Basics of Mutual Fund Share Classes

A single mutual fund usually offers more than one "class" of its shares to investors. The most common mutual fund share classes — A, B and C — are described below. Each share class represents investments in the same mutual fund portfolio but offers investors a choice of how and when to pay for fund distribution costs as well as what ongoing fees and expenses you pay in connection with your investment in the fund.

Fund families may also offer specialized share classes such as Class R shares designed for retirement plan accounts. In addition, many funds utilize "no-load" share classes — typically offered with no front-end or back-end sales charges — but these share classes are generally only available in CGMI's fee-based advisory account programs. Please refer to the advisory program documents for more information on fees and expenses for these accounts.

The key distinctions among share classes are the sales charges and ongoing fees and expenses you pay in connection with your investment in the fund. The compensation received by your advisor for selling you shares of the fund also will be directly affected by the share class you purchase.

Your advisor is available to help you decide which class of shares is generally the most economical for you. CGMI also employs share class limits and other tools to assist with the share class selection process. You may also refer to the information provided below. The principal considerations are the size of your investment and the anticipated holding period.

Investors generally should purchase Class A shares (the initial sales charge alternative) or Class B shares (the deferred sales charge alternative) if they expect to hold the investment over the long term (typically, five years or more). Class C shares (the level sales charge alternative) are generally appropriate for shorter-term holding periods. Investors anticipating large purchases should consider Class A rather than Class B shares since the former typically offer sales-charge discounts ("breakpoints") beginning at $25,000 that increase as the size of your investment increases. Shorter-term investors anticipating very large purchases (typically $500,000 and above) should also consider Class A rather than Class C shares due to the significant breakpoint discounts available at those investment levels. When deciding which fund and which share class within a fund makes the most economic sense for you, in addition to referring to the information provided below, you should ask your advisor about the effect of a number of factors on your costs, including:

How long you plan to hold the fund;

- The size of your investment;
- Whether you will be adding to the investment in the future;
- The expenses you'll pay for each class;
- Whether the amount of your initial or intended investment, together with other eligible fund investments, qualifies you for any sales-charge discounts (that is, whether you should execute a Letter of Intent, whether you are entitled to a Right of Accumulation, or whether you are entitled to a breakpoint discount); and
- Whether you will be selling other mutual fund shares to fund your investment (that is, whether you might qualify for a load-waived transfer or repurchase).

12b-1 Fees and Other Trailing Compensation

Fees (sometimes called trails or trailer fees) are charged against your mutual fund assets on a continuing basis for as long as you continue to own your shares and hold them in your CGMI account or directly at the fund if CGMI acts as your "broker of record". The fees are for marketing, distribution, shareholder support services and similar service and support. For registered mutual funds, these fees are known as 12b-1 fees and take their name from the Securities and Exchange Commission rule that created them. Offshore mutual funds are charged fees that are akin to 12b-1 fees, although offshore mutual funds are not subject to that rule. Calculation of these fees may differ between registered mutual funds and offshore mutual funds.

For registered mutual funds, the amount of the 12b-1 fee is charged as a percentage of the fund's total assets attributable to the share class. For offshore mutual funds, your mutual fund's investment manager, distributor and/or other service providers may pay CGMI or an affiliate (i) a portion of the management fee, and where, applicable, (ii) all or a portion of the distribution fee, fees related to shareholder servicing or similar fees, or (iii) a portion of these combined fees, to financial firms (such as CGMI) on an ongoing basis for marketing, distribution, and shareholder support servicing and similar service and support. The prospectus descriptions of the types of, and reasons for, these ongoing fees that are paid to firms such as CGMI vary from fun to fund and for different share classes of the same fund. For offshore mutual funds that are not being charged in the same manner as registered mutual funds, CGMI is currently charging fund families fees of :(1) up to 70% of the management fee with respect to the assets of clients of CGMI invested in the applicable fund and (2) where applicable, up to 100% of the applicable fees related to the distribution and servicing of clients. A fund also deducts certain other ongoing fees from its assets to pay firms that provide various services to the fund, such as the fund's investment advisor, transfer agent, custodian and administrator. 12b-1 fees, other trailing compensation, investment management fees and other ongoing expenses are described in the mutual fund's prospectus or, where applicable, it's SAI Fee Table. These fees will vary from fund to fund and for different share classes of the same fund. CGMI pays a portion of these trailing fees and compensation to your advisor.

Class A Shares

Purchasers of Class A shares are typically charged a front-end sales charge or commission (sales charges on mutual funds are also referred to as "loads") that is included in the price of the fund shares. When you buy shares with a front-end sales charge, a portion of the money you send to the fund for investment actually is used to pay the sales charge. For example, if you invest $10,000 in a fund and the front-end load is 5 percent, you would be charged $500, and the remaining $9,500 would be invested in the chosen fund. Class A share 12b-1 fees (generally 0.25% or $25 per $10,000.00 of fund assets per year) typically are lower than those of Class B or C shares. Funds may offer purchasers of Class A shares volume discounts — also called breakpoint discounts — on the front-end sales charge if the investor:

- Makes a large purchase;
- Holds other mutual funds offered by the same fund family;
- Commits to purchase additional shares of the fund; or
- Has family members (or others with whom they may link purchases according to the prospectus) who hold funds in the same fund family.

Breakpoints, and requirements for receiving a breakpoint discount, are discussed further below.

How Breakpoints Work

When you purchase Class A shares at or above a "breakpoint," you are entitled to pay a reduced front-end sales charge. For example, suppose the prospectus says that a breakpoint occurs when you purchase $50,000 or more of Class A shares. If you buy less than $50,000 worth of shares, the sales charge is 5.75%. If you buy $50,000 or more worth of shares, the sales charge is 4.50%. Now, suppose you buy $49,500 worth of Class A shares. You would pay $2,846.25 in sales charges. If you buy $50,000 of shares, you would pay only $2,250. In this example, by choosing to invest an additional $500 you would actually pay $596.25 less in the front-end sales charge, and those savings would increase your net investment in the fund.

Mutual funds typically offer multiple breakpoints, each at increasingly higher investment levels. Increasing your investment size, if you are able and willing to do so, can allow you to take advantage of higher breakpoints and further reduce the sales charges you pay. It is important that you understand how breakpoints work so that, consistent with your investment objectives, you can take advantage of the lowest possible front-end sales charge.

Below is a sample breakpoint discount schedule showing the front-end sales load applicable to a purchase of Class A shares at different levels of investment. Please note that different funds and fund families may have different breakpoint schedules so the following is just an example and you should check the fund prospectus to the see the actual breakpoints.

Sample Breakpoint Schedule

Class A Shares (Front-End Sales Load)

Investment Amount	Sales Load
Less than $25,000	5.0%
$25,00 or more but less than $50,000	4.25%
$50,000 or more but less than $100,000	3.75%
$100,000 or more but less than $250,000	3.25%
$250,000 or more but less than $500,000	2.75%
$500,000 or more but less than $1 million	2.0%
$1 million or more	0.0%

Rights of Accumulation and Letters of Intent

If you can't immediately invest the amount necessary to reach a breakpoint, you still might be able to qualify for a breakpoint discount based on two different opportunities — called "rights of accumulation" and "letters of intent."

Rights of Accumulation

A right of accumulation ("ROA") permits you to accumulate or combine your existing Class A holdings with other Class A holdings for the purpose of qualifying for breakpoints and associated discounts. (Many fund families allow you to aggregate other share classes or other investments.) For example, if you are investing $10,000 in Class A shares of a fund today, and you already own $40,000 in Class A shares of that fund family, the fund may allow you to combine those investments to reach a $50,000 breakpoint, entitling you to a lower sales load on your $10,000 purchase today. Please refer to the fund prospectus for details as rules may vary from fund family to fund family.

Letters of Intent

A letter of intent ("LOI") is an agreement that expresses your intention to invest an amount equal to or greater than a breakpoint within a given period of time, generally 13 months after the LOI period begins. Many fund companies permit you to include purchases completed within 90 days before the LOI is initiated for the purpose of obtaining a breakpoint discount. If you expect to make additional investments during the next 13 months in a fund with a front-end sales load, it's worth finding out if an LOI can help you qualify for a breakpoint discount to reduce your front-end sales charge.

Important Note: If you do not invest the amount stated in your LOI during the 13 month period, the fund can redeem a portion of the shares that you hold to retroactively collect the higher sales charge that would have applied to your purchase without the LOI.

Family and Related Account Discounts

Fund families typically permit you to aggregate fund family holdings in other accounts that you and your family may own, including fund assets held at other brokerage firms, for the purpose of achieving a breakpoint discount. For example, a fund may allow you to qualify for a breakpoint discount by combining your fund purchases with those of your spouse or minor children. You also may be able to aggregate mutual fund transactions in certain retirement accounts, educational savings accounts or any accounts you maintain at other brokerage firms. In some instances, employer-sponsored retirement or savings-plan accounts may be aggregated. These features vary among fund families.

Clients who currently hold accounts through CGMI may be eligible to aggregate their mutual fund and 529 Plan investments offered by the same fund company or sponsor to qualify for breakpoints on new purchases. When making any new mutual fund or 529 Plan purchase, please inform your advisor of any mutual fund or 529 Plan purchases or holdings in the same fund family. If you have any questions about the availability of sales charge discounts on any mutual fund or 529 Plan purchases, please ask your advisor.

How these discounts are applied may vary from fund to fund so you should refer to the prospectus for more details.

Class B Shares

Investments in Class B shares typically are not subject to a front-end sales charge, but purchasers normally are required to pay a contingent deferred sales charge ("CDSC") on shares sold during a specified time period (typically six years). In addition, Class B shares are subject to higher 12b-1 fees (generally 1.00% or $100 per $10,000.00 of fund assets per year), which result in higher ongoing expenses than Class A shares. The portion of the 12b-1 fee that is used for distribution expenses is effectively an asset-based sales charge paid over time rather than a front-end sale charge applicable to Class A share purchases. These charges allow the fund's distributor to recover its costs of distributing the fund. Part of these costs include compensation, also known as "dealer concession," paid by the fund's distributor to CGMI advisors. Dealer concessions on equity funds are typically 4.5% of the purchase price regardless of the size of the investment since unlike Class A shares, there are no breakpoint discounts applicable to Class B shares.

The CDSC associated with an investment in Class B shares declines over time, and in most funds is eventually avoided entirely following the expiration of a designated holding period. Upon the expiration of that holding period, or shortly thereafter, Class B shares typically "convert" into Class A shares, at which point the investment will begin to be charged the Class A shares' lower 12b-1 fees. For these reasons, even though they carry no front-end load, Class B shares are not, and should not be viewed as, "no-load" shares.

It is important to bear in mind that the CDSCs and higher 12b-1 fees charged on Class B shares can cost you more than the Class A front-end sales charges, especially on purchases that are eligible for breakpoint discounts. This can make Class B shares more expensive to you and have an impact on the economic performance as compared to Class A shares depending upon the fund, the amount invested in the fund, and the holding period. If you are considering investing in Class B shares, you should discuss with your advisor whether an investment in Class A shares might be preferable for you, considering the availability of breakpoint discounts on the front-end sales charge and the generally lower 12b-1 fees of Class A shares. Some fund companies and brokerage firms (including CGMI) limit the amount of Class B shares you can purchase in a fund.

Class C Shares

Investments in Class C shares usually are not subject to front-end sales charges. However, purchasers of Class C shares are typically required to pay a CDSC if the shares are sold within a short time of purchase, usually one year. The 12b-1 fees associated with Class C shares are typically higher than those of Class A shares. Similar to Class B shares, the portion of the 12b-1 fee that is used for distribution expenses, typically 0.75% per year of the fund's assets, is effectively an asset-based sales charge paid over time rather than a front-end sales charge applicable to Class A share purchases. These charges allow the fund's distributor to recover its costs of distributing the fund (including compensation payable to CGMI advisors). However, unlike Class B shares these fees continue indefinitely, because in most cases the Class C shares do not convert into Class A shares as Class B shares typically do. It's important to refer to the Fund's prospectus for complete information.

In most cases, owning Class C shares over longer holding periods will be more expensive than owning Class A shares or Class B shares. Remember that higher expenses will mean reduced investment performance. Class C shares are often purchased by investors who have a shorter-term investment horizon, because during those first years they will generally be cheaper to buy and sell than Class A or Class B shares.

Single Share Class Funds

Certain fund families may offer only one share class for investors through traditional commission-based investment accounts. These single share class funds are generally similar to the Class C shares offered by other fund families. Typically, the 12b-1 fees associated with these shares are higher than those of Class A shares and they continue

indefinitely. In addition, these single share class funds do not typically offer breakpoints on large individual or cumulative purchases. Because breakpoints can be significant, especially at investment levels of $500,000 or more, investors should consider all factors when making such an investment, including the impact that the share class fees can have on performance and the fact that other fund families offer breakpoints. Speak with an advisor for more information.

Retirement Shares

Many mutual fund families offer one or more share classes specifically for use by employer-sponsored retirement plans as investment options for plan participants ("Retirement Shares"). Some fund companies offer Class A shares with the front-end sales load waived, while others offer a share class that is dedicated solely to employer-sponsored retirement plans and does not charge a front-end or back-end sales load (e.g., "R shares"). In either case, the mutual fund families generally have specific eligibility criteria and/or plan asset size or participant number requirements for purchasing the shares.

Advisory Account (No-Load/Institutional) Shares

No-load shares do not have front-end or back-end sales charges, and their expenses are typically the lowest of any share class. CGMI may offer these shares in many of its fee-based advisory programs. These accounts charge fees for the advice and services provided to clients based upon a percentage of billable assets held in the account. Please refer to the advisory program documents for more information on the fees and expenses for these accounts.

Reducing or Eliminating Sales Charges

Fund families typically offer options to reduce or eliminate sales charges in certain instances. The most common options available to investors are within fund family exchange privileges and fund transfer and repurchase fee waiver programs.

Exchanges Between Funds Within the Same Fund Family

Exchanges between the same share classes of funds within the same fund family typically may be made without sales charges. Funds often limit the number and frequency of transfers that can be made during a certain period of time. Certain funds may impose short-term exchange or redemption fees based on your holding period. Because these time parameters and the amount of any fees vary among mutual fund companies, please check the mutual fund prospectus for more information or speak to your advisor. Mutual funds are generally designed to be long-term investments. As such, fund companies as well as CGMI monitor activity for short-term trading, late trading and market timing.

Waivers on Fund Transfers and Repurchases

Several funds allow investors who have redeemed shares from a fund within the same family to either purchase Class A shares without a sales load, or purchase Class B shares and recoup any CDSC paid on the redeemed shares, while resetting the redemption fee clock (or CDSC period) to the period applicable to the original Class B share purchase. For example, if an investor redeemed Class B shares after their CDSC period had expired, then that investor could, within a specified time period (ranging from 60 days to up to one year), purchase shares in the same fund family in an amount up to the dollar value of the redeemed shares without the new shares being subject to a new CDSC. The new shares would also convert to Class A shares according to the original schedule applicable to the redeemed shares (less any time lapse between redemption and repurchase). Since each fund or fund family sets its own conditions for these load-waiver programs, you should refer to the fund prospectus and also consult your advisor for specific program conditions.

Multiple Fund Families

Sometimes investors may choose to invest in multiple fund families. These investors perceive benefits that may include diversification, the ability to select those funds that they believe will have the best opportunity for outperforming other funds in specific fund categories, or the ability to invest in unique funds that may not be available in a single fund family. However, it is important to bear in mind this investment strategy reduces the opportunities to qualify for breakpoint discounts and can, as a result, increase the cost of investing in the funds selected. Also, there is no guarantee that a multifamily investment strategy will provide significant diversification or outperform a single-family strategy.

Understand the Facts About Your Fee Structure

When it comes to front-end sales charges, breakpoint discounts, CDSCs (including whether, and over what time period, they decline), 12b-1 fees, other trailing fees, and other share-class and pricing terms, each mutual fund follows its own policies, which are described in the fund's prospectus or SAI. Here are some things to keep in mind when making a mutual fund investment.

Understand how breakpoints work. Read the mutual fund prospectus. Consult the fund's SAI, check the fund's website or ask your advisor for additional information about the sales charges and other costs of owning the fund's different share classes.

Review your mutual fund holdings. Before making a mutual fund purchase, review your account statements and those of qualifying family members to identify opportunities to achieve a breakpoint discount. Don't limit your review to accounts at a single brokerage firm. You may have related mutual fund holdings in multiple accounts at different brokerage firms, or with the mutual fund company itself, that can be aggregated for the purpose of achieving a breakpoint discount.

Keep Your Advisor Informed

Be sure to tell your advisor about your mutual fund holdings and those of your family, including holdings at other brokerage firms or with the mutual fund company itself. Also, discuss any plans you may have for making any additional purchases in the future. Discuss your expected investment horizons with your advisor. With this information, your advisor can help you select a share class that minimizes the fees that you will pay over the life of your investment.

CGMI's Relationship with Mutual Fund Families

CGMI offers clients a large selection of mutual funds. We review and evaluate each fund family whose mutual funds we offer based upon various factors, including but not limited to:

- number and variety of funds offered;
- length of track record and historical appeal to our customers and Registered Representatives;
- short- and long-term performance of the funds offered;
- size of assets under management;
- ability to support our advisors and clients through training, education and sales literature; and
- level of interest and demand among our clients and advisors.

Evaluating the fund families in this manner allows us to focus our marketing and sales support resources on the fund families of greatest interest to our clients and their advisors. Our advisors are not permitted to execute investments in funds that we have not reviewed and evaluated.

The selection of mutual funds offered by CGMI may change from time to time. If a fund is no longer offered, you may not be permitted to make additional purchases of the discontinued fund through your CGMI account. Your advisor will be able to assist you in determining whether a fund is available for purchase through CGMI.

How CGMI and Your Advisor Are Compensated for Mutual Fund Sales

Brokerage Accounts — Sales Charges

Each time you purchase a mutual fund in a commission-based brokerage account, the fund family pays CGMI based upon the amount of your investment and the share class you have selected. CGMI, in turn, may pay a portion of these payments to your advisor. A fund's dealer-compensation practices are described in its prospectus and, where applicable, it's SAI. Typically, for front-end sales charge share classes that have a front-end sales charge (''front loaded shares''), the fund families pay CGMI most of the initial sales charge you pay. For share classes that have a back-end sales charge (and for very large share purchases of front-end loaded shares that qualify for a complete waiver of their front-end sales charge), the fund distribution company pays CGMI a selling fee at a rate set by the fund family.

As described in the prior section, CGMI also receives payments for distribution and shareholder servicing (sometimes called trails) as long as you continue to hold the shares in your CGMI account or directly at the fund if CGMI acts as your "broker of record." These payments are generally made by the fund's principal distributor from 12b-1 fee revenues (or similar fee revenues for offshore mutual funds) charged against fund assets. Your advisor receives a portion of each of these payments.

The portion of these payments that may go to your advisor is based upon CGMI standard compensation formulas, which are the same regardless of which fund you purchase. However, some funds may impose higher sales charges than others, which can affect the amount paid to your advisor. In addition, because funds' sales charges are different for their different share classes, the choice of share class can significantly affect the compensation your advisor receives.

Feel free to ask your advisor how he or she will be compensated for any mutual fund transaction.

Brokerage Accounts — Revenue-Sharing

From fund families whose registered mutual funds we offer, we seek to collect a mutual fund support fee, or what has come to be called a revenue-sharing payment from the fund family sponsor or affiliate. Currently, for registered mutual funds and for some offshore funds, CGMI is charging and receiving from fund families revenue-sharing fees up to a maximum per fund family 0.12% per year ($12 per $10,000) on mutual fund assets held by clients in brokerage accounts (excluding ERISA plan and retirement account assets), subject to a minimum charge of up to $50,000 per fund family, per year. Because these payment are based on aggregate client holdings in brokerage accounts for all the funds of a fund company, the amount CGMI and its affiliates receive can vary significantly from fund company to fund company. The mutual fund support fee is subject to certain discounting, including volume discounting which means that, as the amount of assets increases, the basis point charge for those assets will decrease.

Mutual fund support fee payments are paid out of the investment advisor's or other fund affiliate's revenues or profits and not from the fund's assets. However, the investment advisor or fund affiliate revenues or profits may be derived from fees earned for services provided to, and paid for, by the fund. No portion of these revenue-sharing payments to CGMI is made by means of brokerage commissions generated by the fund. CGMI does not pay additional compensation to your advisor as a result of these revenue-sharing payments.

Citi's revenue-sharing arrangements and other compensation arrangements with fund families may change from time to time. For the most current information, as well as a list of revenue-sharing fund families organized by size of payment, visit our website at the address noted in the "For More Information" section below.

Advisory Accounts — Program Fees

Mutual funds offered in our advisory account programs are not subject to front-end or ongoing transactional sales charges. Rather, advisory customers are charged fees for the advice and services they are provided based upon a percentage of all eligible assets held in the account. Please refer to the advisory program disclosure documents for more information on the fees and expenses for these accounts.

Expense Reimbursements and Advisor Access

CGMI and other Citi affiliates receive expense reimbursements, which are more fully described below. These reimbursements may be viewed as a form of revenue-sharing but are not included in the data provided above. We may be reimbursed by funds or their affiliates or other service providers for the expenses we incur for various sales meetings, seminars, training programs and conferences held in the normal course of business. Funds or their affiliated service provider may pay vendors directly for these services on our behalf. Although fund companies independently decide what they will spend on these activities, some fund companies may make decisions on how they allocate their promotional budgets based upon prior sales and asset levels and that they work with our branch offices or advisors to plan promotional and educational activities on the basis of such budgets. We do not control fund companies' determinations of how to allocate their promotional budgets or their spending decisions in this regard. CGMI or other Citi affiliates may coordinate with fund families in developing marketing, training and educational plans and programs, and this coordination might be greater with some fund companies than others, depending on relative size, quality and breadth of fund offerings, client interest, and other relevant factors.

Representatives of approved providers — whether they remit revenue-sharing payments or not —are typically provided access to our branch offices and advisors for educational, marketing and other promotional efforts subject to the discretion of our managers. Although all approved providers are provided with such access, some providers devote more staff and resources to these activities and therefore may have enhanced opportunities to promote their products to our advisors. These enhanced opportunities could, in turn, lead our advisors to focus on those funds when recommending mutual fund investments to customers instead of on funds from those fund families that do not commit similar resources to educational, marketing and other promotional efforts.

Compensation Citi Receives from Funds

CGMI and other Citi affiliates also receive from certain funds compensation in the form of commissions and other fees for providing traditional brokerage services, including related research and advisory support, and for purchases and sales of securities for fund portfolios. CGMI and other Citi affiliates also receive other compensation from certain funds for financial services performed for the benefit of such funds. We prohibit linking the determination of the amount of brokerage commissions and service fees charged to a fund to the aggregate values of our overall fund-share sales, client holdings of the fund or to offset the revenue-sharing or expense-reimbursement and administrative fees, Such commissions or other service fees are not paid to, or shared with, CGMI's or its affiliates' retail mutual fund distribution business units.

The Clearing Firm receives and, in some cases, collects on CGMI's behalf, certain revenues associated with the sale of mutual funds. Please see the section entitled **Sales Charges**, **Breakpoints, Fees and Revenue Sharing Relating to Mutual Funds**, **FDIC-Insured Bank Products and Annuities** in the Pershing Disclosure Statement section for more information.

For More Information

For additional information on a particular fund's payment and compensation practices, please refer to the fund's Prospectus and, where available, Statement of Additional Information. The various elements and terms of your mutual fund compensation arrangements with fund companies or distributors might change from time to time. The most current information regarding revenue-sharing, the fund fees and expenses borne by you and how CGMI and your advisor are compensated when you purchase and hold mutual fund shares is available at: www.citi.com/investorinfo or by calling your advisor.

Important Note

Some of the information in this disclosure has been adapted in part from information available on FINRA's website. We invite you to examine the wealth of information provided on FINRA's website (www.FINRA.org) and the SEC's website (www.SEC.gov). In particular, you can find calculators on both websites to assist in determining which share class in a fund family offers the least expensive fee structure. FINRA's "Fund Analyzer" is located at: https://tools.finra.org/fund_analyzer/ and the SEC's "Mutual Fund Cost Calculator" is located at https://www.sec.gov/investor/tools/mfcc/mfcc-intsec.htm.

Equity funds are subject generally to market, market sector, market liquidity, issuer and investment style risks, among other factors, to varying degrees. Bond mutual funds are subject generally to interest rate, credit liquidity and market risks to varying degrees. These risks are more fully described in the fund's prospectus.