

1. INTRODUCTION

VALIC Financial Advisors, Inc. ("VFA") is registered with the Securities and Exchange Commission as both a broker-dealer and an investment adviser and is a member of FINRA and the Securities Investor Protection Corporation. VFA is a wholly owned subsidiary of The Variable Annuity Life Insurance Company ("VALIC"). VFA and VALIC, together with additional AIG companies, are commonly referred to as and comprise AIG Retirement Services, our brand name.

Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

2. WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

We offer both brokerage services and investment advisory services to retail investors, including retirement plan participants. Our VFA financial professionals provide various services, including enrollment, education, plan-related services and customer service, for retirement plans and participants and, where offered, for health reimbursement arrangements ("HRAs"). If you are a participant in a retirement plan, the specific services available to you (including advisory services) are determined by your plan sponsor. Outside of retirement plans, your financial professional may offer you brokerage products, investment advisory services or both. When VFA offers products such as mutual funds, 529 Plan accounts and variable annuity and life products, the firm acts as a broker-dealer. When VFA offers the investment advisory services described below (including within an annuity or a retirement plan), the firm acts as an investment adviser.

Brokerage Services

As a broker-dealer, we offer an array of investment products and services to help meet your investment needs. Our services include the buying and selling of securities (mutual funds, exchange-traded funds, closed-end funds, individual equities, fixed income securities, variable annuity and variable life products). However, there are material limitations on the products we may recommend in retail brokerage accounts. VFA conducts due diligence on, and will only recommend, mutual funds and annuity products. We do not make recommendations regarding stocks, bonds or ETFs, although you may purchase these securities on your own. With respect to variable annuities, we recommend primarily annuity products issued by VALIC and other insurance company affiliates of VALIC and VFA. Finally, if you are a plan participant, the product or investment platform from which you may choose investments will be selected or authorized (and therefore limited by) by your plan sponsor.

When we provide brokerage services, including when we make brokerage recommendations, we do not have discretionary authority to make trades or take any other action on your behalf. You make the ultimate decision regarding the purchase or sale of securities. In addition, we do not undertake to monitor the investments in your brokerage account. Any recommendation is limited to the time of the transaction and we have no obligation to advise you if our opinion of the investment changes in the future. There is no minimum amount required to open or maintain a VFA brokerage account. However, products such as variable annuities, 529 Plans, and mutual funds may establish a minimum investment amount. For information on applicable minimums, please consult the specific product's offering documents.

We also provide financial planning services. When we provide a financial plan, it is based on the information provided by the client at that point in time, and does not involve any on-going monitoring of the client's financial circumstances or the markets. The financial plan will identify whether we are acting as broker-dealer or investment adviser.

More detailed information about the brokerage services we offer is available at www.aigrs.com/vfa_guide_to_brokerage_services.

Investment Advisory Services

As an investment adviser, we provide wrap fee programs to retail investors and asset allocation services to annuity holders and retirement plan participants. When we act as your investment adviser, you will pay us an ongoing fee based on the amount of assets under management. A fee paid in our wrap program (outside retirement plans) covers the cost of investment advice, custody and administrative services, and most investment transactions in your account. Asset allocation fees (retirement plans and annuities) cover only investment advice and, if applicable, account rebalancing services. Certain advisory programs are discretionary, meaning that VFA has the authority to make trades and take certain other actions on your behalf, and monitors your investments within the advisory account on an on-going basis. For retirement plan participants, we also provide a non-discretionary advice program, meaning that we make asset allocation recommendations, but you will make the ultimate decision regarding the purchase or sale of investments. Our retail wrap program and underlying investment options have minimum investment requirements. Please refer to the applicable Advisory Brochure for more details.

In addition to these programs, when we provide a **financial plan**, it is a one-time recommendation, which may be in connection with a recommended advisory program. The financial plan will identify the capacity in which it is provided. We also may act as a solicitor for third-party advisors and receive compensation for that service.

Information regarding your investment and more information about the investment advisory services we offer is available in our Form ADV brochures available at www.aigrs.com/prospectus-and-reports/vfa-form-adv-materials.

Conversation Starters. Ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Should I choose brokerage services? Should I choose both types of services? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

3. WHAT FEES WILL I PAY?

For employer-sponsored retirement plan services, which generally include brokerage services and may include advisory services, VFA earns fees for providing plan administration and recordkeeping services. Plan fees are either (i) paid by the plan sponsor, and/or (ii) assessed to participant accounts by the plan sponsor or a recordkeeper or other service provider selected by the plan sponsor, and generally will be reflected as withdrawals from your plan account. Underlying investment options such as mutual funds and variable annuities are subject to additional fees and expenses, described in more detail below.

Brokerage Fees

Outside of the retirement plan context, when we act as your broker, you will pay us for each individual transaction executed on your behalf. The more you trade, the more you will be charged and VFA therefore has an incentive to encourage you to trade often. Many mutual fund families make a variety of share classes available. Certain share classes (A shares) include a front-end sales charge but usually have lower ongoing 12b-1 fees. Other share classes (C shares) are not subject to a front-end sales charge but include a contingent deferred sales charge when mutual fund shares are redeemed after a short time and are subject to higher ongoing 12b-1 fees. All fees will reduce your investment returns. The purchase of an annuity also triggers front-end sales charges and include a variety of internal expenses, including ongoing distribution fees that are paid to us. Products such as funds and annuities that pay us ongoing distribution fees based on the size of the investment ("trails") create an incentive to recommend the purchase of, and additional investment in, such products because we can make more money over time.

You will not be charged any fees for our non-advisory financial planning services.

More information regarding product specific fees and conflicts of interest is available at www.aigrs.com/brokeragefees and www.aigrs.com/vfa_guide_to_brokerage_services for information regarding your investment.

Investment Advisory Fees

When we act as your investment adviser, you will pay us an ongoing fee based on the assets under management in your investment account(s). Our retail wrap program fee covers the cost of advice as well as the cost of most transaction and custody expenses associated with your account. Our fee for discretionary asset allocation services (in annuities and retirement plans) covers ongoing account allocation and rebalancing services. The more assets there are in your discretionary advisory account(s), the more you will pay in fees, and VFA therefore has an incentive to encourage you to increase the assets in these accounts.

You will not be charged any fees for our non-discretionary advice program.

We will charge a fixed fee for certain advisory financial planning services.

For specific information on the fees associated with the investment advisory services you have selected, please consult the applicable brochure(s) available at www.aigrs.com/prospectus-and-reports/vfa-form-adv-materials.

For both brokerage and retail advisory accounts, you will pay additional fees, including but not limited to, custodial and administration fees. You will also pay fees related to the expenses of mutual funds and/or variable annuity products, minimum account balance and maintenance fees, and/or other transactional fees, as applicable. Variable annuity products, including proprietary products offered by VFA's affiliates, charge fees which typically include an administrative expense charge for allocating premiums and administering the contract's accumulation value; separate account charge (e.g. mortality & expense), net portfolio operating expenses, fees and expenses of the underlying mutual funds, and other categories of fees, including an annual contract maintenance fee, premium, tax, transfer, surrender, and optional rider charges. Mutual funds offer a variety of share classes, which hold the same portfolio securities but differ in total cost to you due to the imposition of various fees that support the sale and distribution of such share classes (including 12b-1 fees, sales loads, commissions, and deferred sales loads). A higher cost share class of a particular mutual fund will result in lower investment performance compared to a lower cost share class of the same fund. Mutual funds also charge internal advisory and administrative fees. All fees will reduce your investment returns. Before you invest, be sure to read the fund or annuity's prospectus. The prospectus contains important information regarding the product's investment objectives, strategies, risks, charges, expenses and other matters significant to your investment choice.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investment over time. Please make sure you understand the fees and costs you are paying. For more detailed information about the fees and costs you will pay, please see the applicable Advisory Brochure available at www.aigrs.com/prospectus-and-reports/vfa-form-adv-materials and/or the VFA Guide to Brokerage Services available at www.aigrs.com/vfa_guide_to_brokerage_services.

Conversation Starters. Ask your financial professional:

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

**4. WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN PROVIDING RECOMMENDATIONS AS MY BROKER-DEALER OR WHEN ACTING AS MY INVESTMENT ADVISER?
HOW ELSE DOES YOUR FIRM MAKE MONEY, AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?**

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you.

Here are some examples to help you understand what this means:

- Proprietary Products: In both our advisory and brokerage programs, we recommend products managed or sponsored by affiliates of VFA. Because VFA affiliates (and the firm as a whole) make more money from proprietary products, this creates an incentive for us to recommend such products.
- Revenue Sharing and other Third-Party payments: When VFA acts as broker, we receive additional compensation from our clearing broker and the distributors of mutual funds and annuity products we offer. These payments compensate us for distribution, marketing support and/or administrative services we provide and are based on the amounts our clients invest in those mutual funds and/or annuities. Our brokerage platform includes only mutual funds and annuity products that pay revenue sharing. This is a conflict for us because products that do not share revenue with us (directly or through our clearing broker) will not be offered. Moreover, not all funds pay the same amount of revenue sharing, which creates an incentive to sell funds that pay higher levels of revenue sharing.

Conversation Starter. Ask your financial professional:

- How might your conflicts of interest affect me, and how will you address them?

For additional information related to our conflicts of interest, please review our brochures and guide available at www.aigrs.com/prospectus-and-reports/vfa-form-adv-materials and www.aigrs.com/vfa_guide_to_brokerage_services.

5. HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

VFA compensates its financial professionals for most, but not all, of their activity through the use of a compensation grid. Under this grid, financial professionals whose overall sales activities exceed certain grid thresholds are entitled to receive increasing amounts of compensation. In other words, financial professionals increase their compensation when they generate more revenue for VFA (but not for VFA's affiliates). When acting as either your investment adviser or broker-dealer, financial professionals are compensated based on factors such as the amount of client assets they service; the time and complexity required to meet a client's needs; the products sold; product sales commissions; and revenue the firm earns from the financial professional's advisory services or recommendations. Because loads and certain ongoing fees vary across products, VFA and its financial professionals have an incentive to promote and recommend products that generate more revenue for VFA. Additionally, since not all activity is applied to the grid, this distinction creates an incentive for the financial professional to recommend a transaction that is applied to the grid, effectively disincentivizing transactions in securities that are not applied to the grid.

Brokerage - Compensation

When VFA acts as your broker-dealer, our financial professionals are compensated with a portion of the transaction-based fee charged to you and a portion of ongoing trails. This creates a conflict of interest because our financial professionals can earn more compensation when they recommend more transactions to you. Similarly, financial professionals earn more compensation by recommending some products that charge you higher fees, such as variable annuities, because of the time and complexity required to sell such products. This is a conflict of interest because it creates an incentive for financial professionals to recommend these types of products to you as opposed to other, less expensive products for which they receive less compensation.

Whether financial professionals act in a broker-dealer or investment adviser capacity, they participate in incentive programs that reward cash and/or non-cash compensation, such as bonuses, training symposiums and recognition trips. Incentive programs may be based on attracting new assets and clients, referring business to our affiliates, promoting investment advisory services, participating in advanced training and for improving client service. These programs may be partly subsidized by a third-party - or affiliated - mutual fund companies, insurance carriers or money managers. Our financial professionals have a financial incentive to recommend the programs and services included in these incentive programs over other available products and services that we offer.

Investment Advisory - Compensation

When VFA acts as your investment adviser, our financial professionals are compensated with a portion of the annual fee charged to your account. This creates a conflict of interest because our financial professionals have an incentive to increase the amount of client funds invested in advisory accounts.

6. DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

Yes. Visit www.investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starter. Ask your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

7. ADDITIONAL INFORMATION

For additional information about VFA or our services, please see our Guide to Brokerage Services or the applicable Advisory Brochure for our advisory programs. If you have additional questions or would like information about obtaining a copy of this Client Relationship Summary, please visit our website at www.aigrs.com/client-relationship-summary or call us at 1-800-448-2542 or 1-800-248-2542 for the hearing impaired.

Conversation Starter. Ask your financial professional:

- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

VALIC Financial Advisors, Inc.

GUIDE TO BROKERAGE SERVICES

**2929 Allen Parkway L7-20, Houston, TX 77019
Telephone: (866) 544-4968
www.aigrs.com/vfa_guide_to_brokerage_services**

Effective July 16, 2021

This guide may be requested by contacting VFA at 866-544-4968 or it is also available free of charge on our website at www.aigrs.com.

Item 2 - Table of Contents

Item 1 – Cover Page 1

Item 2 – Table of Contents 2

Item 3 – Introduction 3

Item 4 – Services 3

Item 5 – Standard of Conduct 4

Item 6 – Brokerage Recommendations 4

Item 7 – Products Available For Brokerage Accounts 4

Item 8 – Conflicts of Interest 7

Item 9 – Sponsorship Activities 10

Item 10 – Other Disclosures 11

Item 3 - Introduction

The VFA Guide to Brokerage Services ("Guide") provides important information about the products and services offered by VALIC Financial Advisors, Inc. ("VFA," "the Firm," "we," "our") through its financial professionals, so that you can choose the services that work best for you. This guide also provides important information about the standards of conduct, compensation received by the Firm and its financial professionals, conflicts of interests, and other disclosures that you may find important to consider in deciding whether to do business with us.

VFA is registered with the Securities and Exchange Commission ("SEC") as both a broker-dealer and an investment adviser and is a member FINRA and the Securities Investor Protection Corporation ("SIPC"). VFA is a wholly owned subsidiary of The Variable Annuity Life Insurance Company ("VALIC"), which is an indirect wholly owned subsidiary of American International Group, Inc. ("AIG"). VFA and VALIC, together with additional AIG companies, are commonly referred to as and comprise AIG Retirement Services, our brand name.

Item 4 - Services

VFA provides brokerage services to retail customers in a number of ways, depending on their individual circumstances and how they prefer to engage with us. VFA and its financial professionals primarily provide services to participants within employer-sponsored retirement plans, and to retail customers (collectively "clients"). Outside of employer-sponsored plans, client accounts can include individual accounts, joint accounts, trust accounts, IRAs, ROTH accounts, Solo 401(k), SEPP, SIMPLE, 529 plan accounts, UTMA, UGMA and Health Reimbursement Arrangements ("HRAs"). We offer the following services:

- Broker-dealer services, such as recommendations of securities and insurance products, as well as recommendations of investment strategies (including the opening of different types of accounts), and trade execution; and
- Investment advisory services, consisting of one-time advice in the form of a financial or asset allocation plan, or of an advisory program providing ongoing management of your assets ("advisory services").

Please read further for more information about the firm's broker-dealer services and plan services. For more information about the VFA's advisory services, please see the Firm's Form ADV available at www.aigr.com/prospectus-and-reports/vfa-form-adv-materials.

Broker-dealer Services

Broker-dealer services offered by VFA and its financial professionals include buying and selling securities and other products on a non-discretionary basis within an account. "Non-discretionary" means that clients must make the decision to buy or sell any investment, open an account, or take other action, because we will have no discretionary authority to do so. In exchange for our brokerage services, you pay a commission or other charge for each transaction.¹ You will be charged more (and we receive more revenue) when there are more trades in your account, and the firm therefore has an incentive to encourage you to trade often in a brokerage account. Other fees and expenses will apply to your brokerage account. For more information regarding VFA account fees please visit www.aigr.com/client-relationship-summary/vfa-fee-schedules and your brokerage account agreement.

Brokerage services also include the preparation of financial plans in connection with or in relation to securities transaction recommendations for which VFA and its financial professionals receive transaction-based compensation as described above. A financial plan document will specify whether it is provided as a broker-dealer service or an advisory service.

Account Minimums. There is no minimum amount required to open or maintain a VFA brokerage account. However, product issuers may establish a minimum investment threshold. For example, variable annuities, 529 Plans, and mutual funds may impose minimum investment amounts. For information on applicable minimums, please consult the specific product's offering documents.

Monitoring Transactions. When VFA and its financial professionals make recommendations to you in a broker-dealer capacity, we evaluate your needs based on the information you provide to us and recommend products that are in your best interest. Once an initial recommendation is made, neither VFA nor its financial professionals monitor your investment nor offer monitoring as part of the firm's brokerage services. If you seek ongoing monitoring of your investments, please speak to your financial professional about investment advisory products and services. If your financial professional is not licensed to sell investment advisory products, he or she may refer you to another financial professional who is licensed to sell investment advisory products to you through VFA.

Plan Services

Plan services offered by VFA and its financial professionals include administrative and educational assistance with plan enrollment and contributions, distributions, loans, beneficiary designations, required distributions, and other plan-related activities. For some employers, plan services can include assistance with HRAs. We provide plan services in conjunction with other services provided by our affiliates VALIC, VALIC Retirement Services Company ("VRSCO"), and/or AIG Federal Savings Bank, either on a proprietary plan recordkeeping platform, or on a third-party's product or recordkeeping platform. As part of these plan services, VFA financial professionals may provide educational information to plan participants about their plans, including available investment alternatives, and assist plan participants with plan-related matters such as navigating plan and account procedures, answering general and specific plan account questions, and helping with the completion of administrative forms relating to their plans. Plan participants also can become VFA clients and receive recommendations, inside or outside of the plan.

Item 5 - Standard of Conduct

You should be aware of key differences between broker-dealer and investment adviser standards of conduct. For example, investment advisers are subject to a fiduciary duty and generally obligated to provide ongoing advice and monitoring, while broker-dealers are subject to no such duty under federal securities laws. Instead, broker-dealers must act in your best interest at the time a recommendation is made under the SEC's Regulation Best Interest (Reg BI), and are not required to monitor your account or transactions on an ongoing basis they have agreed to do so.

Capacity: When our financial professionals provide recommendations to you for your brokerage account, they are acting in the capacity as a broker-dealer with regard to the recommendation and are subject to Reg BI. Conversely, when they make recommendations for your advisory account, they are acting in the capacity of an adviser and are not subject to Reg BI.

Additional Standards: When making securities and other recommendations, or providing plan services, VFA and its financial professionals may be subject to fiduciary or other standards imposed by other laws or requirements, such as federal laws applicable to certain retirement plans and IRAs (for example, the Employee Income Retirement Security Act of 1974 (ERISA) and the Internal Revenue Code), and state securities and insurance laws. Whether these standards apply will depend on the particular facts and circumstances. **Please ask your financial professional if you have any questions regarding these standards or the capacity in which your financial professional is acting.**

Item 6 - Brokerage Recommendations

VFA financial professionals may recommend specific brokerage account types (e.g., brokerage, a 529 Plan, or other account types, as well as recommendations to rollover or transfer assets from one account to another), the purchase, sale or retention of securities, and/or recommendations of certain investment strategies. Some securities and other products that we offer, such as mutual funds, HRAs, 529 Plans and variable annuities, and variable life are held in accounts/contracts at the product sponsor rather than in a VFA brokerage account.

VFA financial professionals will use a variety of factors in assessing what products or services are in your best interest such as your age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, and risk tolerance. It is your responsibility to furnish your financial professional with complete and current information regarding your personal and financial situation. Your financial professional will review the features and benefits of available products including performance, costs and risks among other factors to determine that they are recommending a product in your best interest.

Item 7 - Products Available For Brokerage Accounts

This section is intended to provide you with a general description of the various products recommended for brokerage accounts. Before making any investment, you should evaluate whether the product is suitable for your needs and financial situation, and your ability to take on risks.

As a reminder, while we will take appropriate care in developing and making recommendations to you, securities and investment products involve risk, and you may lose money. There is no guarantee that you will meet your investment goals, or that our recommended investment strategy will perform as anticipated. Please consult any offering documents for any security we recommend for a discussion of risks associated with the product.

A. Mutual Funds

A mutual fund is a product that pools assets from many investors and invests the money in stocks, bonds, and other securities or assets in some combination. The holdings of the mutual fund are its “portfolio.” Each share of the mutual fund represents an investor’s proportionate ownership of the fund’s portfolio holdings and the income those holdings may generate.

There is a wide variety of mutual funds, covering a range of strategies and risks, including stock, fixed income, balanced, multi-asset, and index funds. All mutual funds carry risk. Your investment will fluctuate in value. You can lose some or all of your money.

Before you invest, be sure to read the mutual fund’s prospectus to learn about the product you’re considering. The prospectus contains important information regarding the product’s investment objectives, strategies, risks, charges, expenses and other matters significant to your investment choice. By clearly understanding the investment you’re considering, you’ll be better prepared to make a sound investment decision.

Fees & Costs: You should be aware that all mutual funds have internal costs that lower your investment returns. Many mutual fund families make a variety of share classes available. Different share classes of the same fund represent the same underlying investments, but are subject to different fees, including fees that support the sale and distribution of such share classes (including 12b-1 fees, front-end sales loads, and deferred sales loads). Different share classes are also subject to different eligibility criteria (such as minimum investment amount or account type).

The following is a summary of share classes and fees associated with mutual fund purchases in a VFA brokerage account.

- **Class A Shares – Front-End Sales Charge** Class A Shares generally include a front-end sales charge (or load) that’s included in the purchase price of the shares and is determined by the amount you invest. These loads generally range from 0% to 5.75% and are disclosed in the prospectus. The more you invest, the lower your purchase cost as a percentage of your investment. Many mutual fund families offer volume discounts known as “breakpoints,” based on the amount of investment. Information regarding a mutual fund’s breakpoints may be found in the prospectus. Class A shares usually have lower 12b-1 fees (annual marketing or distribution fees) than Class C shares offered by the fund and therefore may be the less costly method to purchase mutual funds for long-term investors. In addition, certain investors may be entitled to a sales charge or load waiver based, for example the investor’s account type.
- **Class C Shares – Contingent Deferred Sales Charge** Contingent deferred sales charges are sales charges that are applied when mutual fund shares are redeemed within a specified number of years (varies by prospectus). These charges generally range up to 1% for C shares. Contingent deferred sales charges can be reduced or eliminated based on how long the shares are held and as described in the prospectus. Class C shares include up to a 1% upfront commission and are subject to higher 12b-1 fees. Certain fund complexes allow for the exchange of C shares into lower cost A shares after a certain number of years, but others do not. Check the prospectus of the relevant fund for this information or ask your financial professional.

It is important to read the prospectus and work with your financial professional to learn how a particular fund establishes eligibility for mutual fund sales charge reductions and waivers. A mutual fund’s breakpoint schedule and waiver eligibility rules can be found in the fund’s prospectus or Statement of Additional Information (SAI). If you believe you are eligible for a front-end sales charge waiver, please notify your financial professional.

A portion of the up-front commission as well as the ongoing trails (described above) is paid to your financial professional.²

Before you invest, be sure to read the fund’s prospectus. The prospectus contains important information regarding the product’s investment objectives, strategies, risks, charges, expenses and other matters significant to your investment choice. By clearly understanding the investment you’re considering, you’ll be better prepared to make a sound investment decision. Mutual funds also charge investment management, shareholder servicing, fund accounting, and administration fees, all of which reduce investment performance. More information about these fees and expenses can be found in the fund’s prospectus.

Material Limitations: The mutual funds available through VFA are limited and will change from time to time. The VFA mutual fund family list was developed after a qualitative review of mutual funds available and offered on the existing VFA platform. VFA seeks to include mutual funds and investment managers that provide a wide range of core and specialty investment categories to meet investor needs and engages a third-party service to assist in its selection process. The team also considered investment managers familiar to participants invested in the Firm’s group retirement plans. The resulting mutual fund family list represents a

universe of industry leading investment managers that provide a wide range of investment products — including certain funds that are managed by a VFA affiliate. Financial professionals can use the mutual fund family list to construct diversified portfolios that align with a spectrum of investor objectives and risk tolerance levels.

B. Variable Universal Life (“VUL”) Insurance Policies

VFA offers variable life insurance policies that include a range of underlying investment options held by the insurer in subaccounts. The value of a variable life policy at any given time depends on the performance of the options chosen within the subaccounts.

Fees & Costs: The expenses you pay for variable life insurance policies are described in the policy and, if applicable, prospectus. Common charges include state premium taxes, upfront sales loads to cover acquisition costs, surrender charges to recoup amortized expenses, cost of insurance charges, monthly administrative charges for policy maintenance, recordkeeping and accounting, and mortality and expense risk charges to offset unexpected mortality. Additionally, periodic fees such as loan interest charges, underlying fund investment management charges, transfer charges and optional rider charges may apply where applicable. All of these costs will lower your investment return. VFA receives an upfront commission rate of 90% of the first-year premium. A portion of the commission and trails received by VFA is paid to the financial professional (if applicable).³

You will also pay for expenses associated with the investment options within the policy. Before you invest, be sure to read the product’s offering documents. The offering documents contain important information regarding the product’s investment objectives, strategies, risks, charges, expenses and other matters significant to your investment choice. By clearly understanding the investment you’re considering, you’ll be better prepared to make a sound investment decision.

We primarily recommend insurance products issued by other insurance companies that are not affiliates of VALIC and VFA.

Material Limitations: VFA works through an affiliate to identify the limited VUL products it offers. VFA only offers products that meet its affiliate’s criteria. Only VULs from issuers that make on-going payments for distribution to our affiliate, are included in the VULs we offer.

C. Variable Annuities

Variable annuities accumulate funds or distribute income based on the performance of the underlying investment options chosen by the contract owner. Some of the features variable annuities may provide include guaranteed lifetime income, standard or enhanced guaranteed minimum death benefits, and/or tax deferral. A variable annuity offers a range of investment options. The investment options for a variable annuity are typically investment subaccounts of funds that invest in stocks, bonds, money market instruments or some combination of the three. The value of your variable annuity will depend on the performance of the investment options you choose.

Fees & Costs: Variable annuity product fees are collected by the insurance carrier. Common charges, which are deducted on a daily basis, include an administrative expense charge for allocating premiums and administering the contract’s accumulation value; net portfolio operating expenses, which are subject to change and can be found in the prospectus, other categories of fees, including an annual maintenance fee, premium, tax charges, transfer charges, surrender charges, and optional rider charges. You will also pay for expenses associated with the investment options within the annuity contract. These fees and the purposes for which they are imposed are described in the prospectus for each product. All of these expenses will reduce your investment return.

VFA receives upfront commissions ranging from 2% to 7%, depending on the contract and contract version; some contracts also pay an ongoing trail. A portion of the commission and trails received by VFA is applied to the compensation grid (see Item 8 – Differences in Compensation Amount or Structure) and paid to the financial professional (if applicable). Before you invest, be sure to read the product’s prospectus. The prospectus contains important information regarding the product’s investment objectives, strategies, risks, charges, expenses and other matters significant to your investment choice. By clearly understanding the investment you’re considering, you’ll be better prepared to make a sound investment decision.

Material Limitations: We primarily recommend annuity products issued by VALIC and other insurance company affiliates of VALIC and VFA. However, VFA will recommend third-party products from our product shelf if there are no proprietary products that meet your stated needs and objectives and it is in your best interest. For retirement plans that offer VALIC variable annuities, the plan sponsor and/or fiduciary, and not VFA, selects the investment options made available to participants.

D. Securities Available for Purchase on an Unsolicited Basis

Financial Professionals will not recommend the purchase of common stocks, bonds, and exchange traded products (“ETPs”), though VFA generally will accommodate clients who wish to include these securities in a brokerage account at VFA. However, in order to make other investment choices it is possible that a VFA financial professional will recommend that a client sell common stocks, bonds and exchange traded products. You will pay us a transaction fee for each purchase or sale of these securities. Your financial professional is not compensated for the purchase or sale of individual stocks, bonds and ETPs, although the Firm does receive such compensation. Information about the costs to affect these unsolicited transactions are available at www.aigrs.com/client-relationship-summary/vfa-fee-schedules.

E. Non-Securities Insurance Products

The Firm may also recommend certain non-securities products such as fixed annuities and life insurance. Fees and costs associated with these products are as follows:

- Immediate and deferred fixed annuities, and fixed indexed annuities, with upfront commission rates ranging from 0.5% to 5% depending on specific type; some contracts also pay an on-going trail. A portion of the commission as well as the ongoing trail is paid to the financial professional.
- Term and whole life insurance, and universal life (“UL”) insurance, with associated upfront commission rates in an amount ranging from 28% to 105% of 1st year premium depending on specific type⁴, as well as commissions on renewals and commissions payable for excess insurance premiums. A portion of the commission and trails received by VFA is paid to the financial professional (if applicable).

For more information regarding non-securities insurance products, please carefully review your policy documentation.

Item 8 - Conflicts of Interest

Generally, conflicts of interest occur when there is a financial incentive that favors one recommendation over another, such as when greater compensation can be received for recommending a particular security or type of security or investment strategy, and recommendations to rollover or transfer assets.

How We Address These Conflicts

We maintain policies and procedures designed to identify conflicts of interest and to ensure that VFA financial professionals make recommendations that are in your best interest in the context of the products and services offered by the Firm and your specific investment needs and objectives. As a part of these procedures, all product sale recommendations, including variable annuities, VUL, and those involving a transfer, rollover, or tax-free transfers between “like-kind” annuity and insurance products, are reviewed by our Supervision department, the members of which do not receive any variable product-based compensation. Additionally, VFA maintains robust programs for the review of these policies and procedures via internal auditing procedures, other compliance related review and surveillance activities, and from time to time engages outside consultants to review, evaluate, and recommend changes to existing policies and procedures.

The following are some specific conflicts that VFA has identified and that are addressed in VFA’s ongoing sales, compliance, supervision, and related procedures.

Recommendations of Proprietary Products

A variety of VFA’s affiliates offer proprietary products that financial professionals can recommend to you. Although the level of compensation your financial professional receives will depend on the specific products or services you purchase (as discussed in more detail above), your financial professional does not receive greater compensation for the sale of a proprietary as opposed to a third-party product. **AIG as a whole, however, will receive greater compensation when you purchase proprietary products, as VFA affiliates collect a variety of fees from such proprietary products.** These include fees for investment management, shareholder servicing, fund accounting, administration, and distribution. This creates an incentive for VFA as an organization, to encourage our financial professionals to recommend proprietary products. Also, as explained above, VFA generally limits the sale of annuities to proprietary products and has an incentive to do so. Proprietary mutual funds managed by a VFA affiliate are included in the package of investment options offered to plan sponsors for inclusion in their retirement plans.

Examples of proprietary products and services include:

- When providing services to employer-sponsored retirement plans or HRAs, VFA can offer services associated with recordkeeping platforms from VALIC and VRSCO, and annuities and mutual funds sponsored and/or managed by affiliates, which are then selected by the plan sponsor.
- When providing services to retail accounts, VFA recommends proprietary mutual funds and annuities.
- In certain types of products, such as variable annuities, your financial professional may, in addition to recommending the product itself, also recommend the allocation to different investment portfolios within the product. In many variable annuities, VFA affiliates offer or manage at least some of the underlying investment options, which further increases compensation to VFA affiliates.

Wholesaler Support VFA engages wholesalers, employed by VALIC, who help financial professionals understand the products they offer and sell to you. These wholesalers receive separate compensation on the sale of these products. This compensation is not paid by you the client, but rather by the product issuer which are primarily affiliates of VFA. These wholesalers are generally more accessible to our financial professionals than are wholesalers of third-party products, which may result in more frequent recommendations of proprietary products than third-party products.

Differences in compensation amount or structure

VFA compensates its financial professionals for much, but not all, of their activity through the use of a compensation grid. Under this grid, financial professionals whose overall sales activities exceed certain grid thresholds are entitled to receive increasing amounts of compensation. In other words, financial professionals increase their compensation when they generate more revenue for VFA (but not for VFA's affiliates) Additionally, your fees do not increase as a result of any changes in compensation resulting from the different levels of the grid. Since not all activity is applied to the grid, this distinction creates an incentive for the financial professional to make a recommendation and sale that is applied to the grid, effectively disincentivizing transactions in securities that are not applied to the grid.

The amount of compensation your financial professional receives will vary depending on the products or services you receive, and the amount you invest. This creates incentives to recommend some products over others, and generally to recommend that you invest greater amounts of your assets. For example, your financial professional will typically receive a greater commission on the sale of a variable annuity than on the sale of a mutual fund, which creates an incentive for your financial professional to recommend a variable annuity to you over a mutual fund.

Different types of products may also have different commission schedules, resulting in different commission rates payable to your financial professional over time. Depending on whether your financial professional is interested in immediate compensation (a higher initial commission) or a stable long-term compensation (stronger residual compensation), these different payment schedules create a conflict because a financial professional recommending one product over another could receive higher initial commissions in the current year or higher earnings and trailing commissions in futures years.

Examples of specific factors that may affect your financial professional's compensation include:

- Salaries, bonuses, service-related compensation, solicitor compensation, compensation for referrals, types of in-plan compensation;
- Commissions for in-plan or out-of-plan annuities, and out-of-plan mutual funds, including both initial and trail commissions;
- Asset-based compensation for investment advisory programs and/or to support ongoing servicing.
- Differences in compensation chargebacks if the annuity is surrendered early.
- Establishing a new account, including an account for a new client, often results in greater compensation to the financial professional than if the client instead added amounts to an existing account, especially if the financial professional receives little or no compensation from the existing account. Rollovers out of plans and into IRAs, and product replacements, are two common examples of this, as is the establishment of an advisory service or account.

Certain factors may also reduce compensation paid to financial professionals. As described above, many mutual fund families offer volume discounts known as "breakpoints," which reduce the fees you pay to invest. Your financial professional's commission will be lower if you take advantage of such breakpoints, and so your financial professional has an incentive to recommend that

you spread your investment across multiple mutual funds, even though spreading your assets in this way will result in your paying greater sales loads, which will lower investment performance. Information on available breakpoints for a mutual fund is available in its prospectus.

Financial professionals generally earn more commissions on investments in new variable annuities or VUL products than they would on additional investments to your existing annuities or VULs. This creates a conflict of interest because you will pay less fees when investing additional money through your current annuities or VULs than you would purchasing a new one.

Financial professionals also have an incentive to recommend that clients surrender legacy annuity products with higher guaranteed minimum interest rates ("GMIR") for new products with lower GMIR. This creates a conflict of interest because a higher guaranteed minimum interest rate increases the minimum interest paid to you on your annuity. However, your financial professional receives greater compensation for selling annuity products with lower guaranteed minimum interest rates.

In addition to being paid a commission when he or she sells products and services to you, your financial professional is eligible, based on sales activity, to receive bonuses, expense reimbursement, and recognition awards and to attend conferences. VFA maintains a program under which certain financial professionals are eligible to attend an annual education conference based on their achievement of certain levels of aggregate compensation from the sale of securities, insurance products, and from advisory fees received from advisory accounts. Certain of the Firm's top earning financial professionals are designated as President's or Platinum President's Cabinet members and receive additional financial and non-financial benefits.

Qualification for the Advisor Leadership Conference or the President's or Platinum President's Cabinet is based on total compensation as described above and is not based on any specific product or category of products. However, because eligibility for the conference and the President's or Platinum President's Cabinet is based on the financial professional's total compensation, financial professionals benefit more when clients purchase products or transfer assets to services or products that earn higher levels of compensation for the financial professional.

These bonuses and recognitions are not tied to the recommendation or sale of specific securities or specific types of securities and some states may prohibit or restrict your financial professional from receiving all or some of these benefits.

To see how we address these conflicts please see **How We Address These Conflicts**.

12b-1 fees, Share class selection, Revenue sharing

Retail Accounts

VFA has an incentive to limit its mutual fund share classes to those that pay VFA and its financial professionals commissions and 12b-1 fees, even though cheaper share classes of the mutual funds may be available. You should understand that a higher cost share class of a mutual fund will result in lower investment performance compared to a lower cost share class of the same fund.

Certain of the fees associated with different share classes, such as sales loads and 12b-1 fees, are paid to VFA and shared with your financial professional. This creates an incentive for your financial professional to recommend to you a share class that results in higher payments to him or her, even if a cheaper share classes is available to you. VFA seeks to address this conflict by capping the compensation paid to the financial professional at the point of sale.

VFA caps the compensation applied and paid to the financial professional's compensation grid and paid for the sale of retail mutual funds in order to help mitigate the incentive to recommend one product over another. In those cases, VFA retains the remainder of any compensation over and above the cap. This creates a Firm conflict of interest. Moreover, different funds pay different amounts of revenue sharing and servicing fees, which provides an incentive for the Firm to recommend to retail clients funds that generate higher payments than other funds on the platform.

Conference Payments

Additionally, in certain cases, VFA and/or one or more of its affiliates will receive payments from fund sponsors, annuity providers including affiliate(s), and service providers that choose to participate in, and that are designed to defray the costs associated with, Firm-sponsored or VALIC-sponsored conferences, seminars, training or other educational events where such funds or other related services are discussed and that are attended by our employees and/or plan sponsors and plan consultants.

In-plan Accounts

Certain mutual funds (and sometimes their investment advisers) pay fees such as 12b-1, revenue sharing and shareholder servicing and sub-accounting fees. For most in-plan platforms, these payments effectively are offset against the cost of the annuity contract (e.g., Portfolio Director) or of the plan fees (mutual fund platform) or are credited to the plan or back to participant accounts. Where applicable, we address these conflicts by retaining all such payments at the Firm level to be distributed and credited as mentioned above and such payments are not shared with the financial professionals who are making the actual recommendations.

To see how we address these conflicts please see **How We Address These Conflicts**.

Loads and Ongoing Fees

Loads and certain ongoing fees (e.g., sub accounting fees) paid to VFA vary from product to product. This differential compensation creates a conflict of interest because VFA has an incentive to promote and recommend products that generate more revenue for the Firm. VFA seeks to address this conflict by capping the compensation paid to the financial professional at the point of sale.

Support Payments

VFA will receive marketing support, meeting support and/or wholesaling support payments (“Support Payments”) from affiliated and third-party issuers/sponsors of variable annuity products and mutual funds in consideration of certain services provided by VFA, including, without limitation, access to VFA financial professionals. These payments will be made periodically and are based on the amount of VFA client assets invested with the issuer/sponsor. Additionally, issuers/sponsors will make periodic payments based on new sales of the issuer’s products in exchange for VFA providing certain wholesaling support services to VFA’s financial professionals. These wholesaling services include, without limitation, product training, case consultation and product illustrations. The Support Payments received by VFA are paid by the issuer/sponsor and are not part of the fees paid by clients who invest in the product. Your financial professional may be more knowledgeable and more likely to recommend to you products whose issuers/sponsors pay VFA Support Payments. While these payments provide an incentive for VFA to recommend certain products over others, we address this conflict by ensuring that financial professionals do not receive any portion of the Support Payments.

Selection of NFS as Clearing and Custody Broker

For your brokerage account with VFA, VFA acts as the introducing broker and National Financial Services LLC (“NFS”) acts as the clearing firm and custodian for your account. Although VFA is not affiliated with NFS, the firm receives certain benefits from its relationship with NFS. These benefits include receipt of revenue sharing payments from NFS, and receipt of a portion of fees paid for ancillary services incurred by client actions and all net profits on trade errors.

VFA receives regular revenue sharing payments from NFS that derives from certain types of account transactions, positions, and assets in client accounts held at NFS. The receipt of such compensation from NFS creates a conflict of interest for VFA because VFA has an economic incentive to use NFS as its clearing firm for trade execution and custody over other firms that do not or would not share such revenue with VFA, even if such other firms are otherwise more beneficial to customers.

Licensing

The range of products available to be recommended by a VFA financial professional depends on that individual’s licenses. For example, some VFA financial professionals may be unable to recommend insurance products, individual securities or provide investment advisory services. Your financial professional may refer you to (or partner with) another financial professional to make available products that are in your best interest but that he or she is not able to offer.

Item 9 - Sponsorship Activities

The Firm and its affiliates from time to time enter into agreements with, and pay compensation to, various organizations and associations, including trade associations, unions, and other industry groups, that provide various services to plan sponsors and/or plan participants. These organizations may sponsor and invite the Firm and/or its affiliates to participate in, educational conferences and seminars for retirement plan participants. In some instances, these organizations may endorse and/or promote the Firm and/or its affiliates’ products and/or services, and otherwise provide the Firm and/or its affiliates with marketing opportunities. Compensation paid by VFA or its affiliates to these organizations for marketing and advertising opportunities provide an incentive for the organizations to promote the Firm’s and/or its affiliates’ services and products and may result in the sale of additional annuity sales and advisory programs to plan participants.

To see how we address these conflicts please see **How We Address These Conflicts**.

Item 10 - Other Disclosures

Other disclosures that you may find important are included in other documents that we provide, including the following:

- Our Client Relationship Summary ("Form CRS"), which contains certain SEC-required information about us and our services;
- Our Form ADV Brochure, which contains SEC-required information about our investment advisory services;
- Our Broker-Dealer Account Agreement that governs your brokerage relationship with us;
- The Investment Advisory Agreement that governs your investment advisory relationship with us;
- Prospectuses, other offering documents, and related materials provided in connection with purchases of securities and other investments; and
- Trade confirmations you will receive in connection with purchases and sales of securities.

Additionally, free and simple tools are available to research firms and financial professionals at www.Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Please click on the available links above or call (866) 544-4968 to obtain a copy of the materials available to you.

¹Additional trail commissions or commissions for subsequent deposits will apply for certain products. Also, see Differences in compensation amount or structure in Item 8 in order to understand how these payments to financial professionals affect the compensation grid.

²The portion of any upfront load paid to your financial professional is capped at 4.25%. VFA retains any compensation above the 4.25% cap.

³VFA gets paid based on the premium you pay for this product for years 1-10.

⁴Term life compensation is 28% to 105% of 1st year premium with renewals, whole life compensation is 80% to 85% of 1st year premiums (including any excess premium payments) with renewals, UL compensation is 90-75% of 1st year premiums (including any excess premium payments) with renewals.