



## NYLIFE Securities LLC Customer Relationship Guide

Effective March 4, 2026

Welcome to NYLIFE Securities

Thank you for considering NYLIFE Securities LLC to help you meet your investment goals. We are pleased to offer you (or “customer” or “investor”) a wide variety of investment and insurance solutions that can help meet your individual needs and are aligned with your best interest.

NYLIFE Securities LLC (“NYLIFE Securities”, “we”, “our”, or the “Company”) is a licensed insurance agency, registered broker-dealer, member of the Financial Industry Regulatory Authority (“FINRA”), and a wholly owned indirect subsidiary of New York Life Insurance Company (“New York Life”).

We encourage you to use this guide as a helpful resource. Some of the important information in this guide includes descriptions of the following:

- Services and investment solutions we provide
- Scope and terms of our relationship with you
- Fees and charges associated with our services
- Compensation paid to your financial professional
- Conflicts of interest related to recommendations by financial professionals
- Policies and practices for supervising and training financial professionals

If you have questions about the information in this guide, please contact your financial professional. You can also review our Customer Relationship Summary, also known as Form CRS, at [newyorklife.com/nylife-crs](http://newyorklife.com/nylife-crs).<sup>1</sup>

### The Value of Working with a NYLIFE Securities Financial Professional

Serving communities across all 50 states and the District of Columbia, our financial professionals are knowledgeable about the various investment and insurance solutions offered by NYLIFE Securities including variable life insurance, variable annuities, mutual funds, alternative investments, Health Savings Accounts (“HSA”), and 529 Plans.

Our financial professionals provide guidance to help you make financial decisions that are in the best interest of you and your family. While you are the ultimate decision-maker, our financial

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<sup>1</sup> Any document that is linked to this disclosure can be made available in paper-format, upon request.

professionals offer significant value by taking the time to help you understand the choices you can make and the options you have to achieve your goals.

As part of our commitment to giving you the information and guidance you need to make informed decisions, our financial professionals will provide you with a “Charting the Course to Your Future” brochure that summarizes the advantages and disadvantages of the various insurance and investment solutions we offer. While this brochure is intended to make our offered solutions easier to understand, these decisions can be complex and involve many considerations. Please take the time to carefully read this important brochure and review your options. Write down your questions and share them with your financial professional. You can be confident that together with your financial professional, we are committed to helping you determine the right solutions to help you meet your goals. Make sure to ask your financial professional for a copy of the brochure.

Before recommending any securities transaction or investment solution, our financial professionals will discuss and take into account your individual investment profile, including your age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance and other factors relating to your specific situation.

Our financial professionals have the knowledge and training to explain the features of various life insurance, annuity, and investment products, including the appropriateness of different products for customers and the features of life and annuity products with insurance guarantees.

Financial professionals can provide these services, in part, because they have the compliance and operational support of a major financial institution behind them. Neither NYLIFE Securities nor its financial professionals provide tax, accounting, or legal advice, and customers should seek independent tax, accounting, and/or legal advice as needed.

”Retirement Accounts” include Individual Retirement Accounts and Individual Retirement Annuities (“IRAs”), solo 401(k)s, Savings Incentive Match Plan for Employees (SIMPLE) IRAs, Simplified Employee Pension (SEPs) and 403(b) individual annuities subject to ERISA and HSA accounts (in each case, other than unsolicited securities transactions on which you act on your own). For Retirement Accounts, NYLIFE Securities and your financial professional act as fiduciary to Retirement Investors under Section II(a)(1) of Department of Labor Prohibited Transaction Exemption 2020-02 (PTE 2020-02). “Retirement Investors” include (1) a participant or beneficiary of a Retirement Account who has the authority to direct the investment of assets in his or her account or to take a distribution; (2) the beneficial owner of an IRA or HSA acting on behalf of the IRA or HSA; or (3) a fiduciary of an IRA. This means that we comply with Impartial Conduct Standards<sup>2</sup>, including a best interest standard, when providing fiduciary investment advice to you as a Retirement Investor for your Retirement Account. Our advice is, at the time provided, in your best interest, and based on your investment objectives, risk tolerance, financial

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<sup>2</sup> “Impartial Conduct Standards” is as defined under PTE 2020-20.

circumstances and needs. We place your interests ahead of New York Life, NYLIFE Securities, and the financial professional.

### Introduction and Overview of NYLIFE Securities

New York Life, founded in 1845, is one of the nation's largest mutual life insurance companies.<sup>3</sup> As a mutual company, New York Life has no stockholders and instead is managed for the benefit of its participating policyholders. New York Life and its subsidiaries provide life insurance, annuity and investment products to millions of individuals and families.

All financial professionals associated with NYLIFE Securities are also agents of New York Life and its affiliated insurance companies. As such, they can offer long term care insurance, individual disability insurance, fixed and variable life insurance and annuity products issued by an affiliate, New York Life Insurance and Annuity Corporation (NYLIAC, a wholly owned subsidiary of New York Life) as well as certain mutual funds, alternative investments, HSAs, and Section 529 education savings plans made available by NYLIFE Securities.

NYLIFE Securities' two principal insurance company affiliates, New York Life and NYLIAC, have the highest financial strength ratings currently awarded to any U.S. life insurer from all four of the major credit rating agencies.<sup>4</sup> A key priority of these insurers is to help customers protect loved ones and enjoy a comfortable and financially secure retirement, knowing that the insurance guarantees contained in the life and annuity products purchased from them are backed by their financial strength and more than 175 years of meeting promises.

Another New York Life subsidiary and NYLIFE Securities affiliate, Eagle Strategies LLC ("Eagle"), is registered with the Securities and Exchange Commission as an investment adviser. Eagle's primary investment advisory business is to provide financial planning and investment management services to retail customers through its investment adviser representatives (IARs), who are also registered representatives of NYLIFE Securities and agents of New York Life and its affiliated insurance companies. Brokerage and investment advisory services and fees differ. It is important for you to understand the differences. Not all Registered Representatives are Eagle IARs. For more detailed information about Eagle's services, including account and investment minimums and other program limitations, please review Eagle's Form ADV brochures available at [www.eaglestrategies.com/disclosures/](http://www.eaglestrategies.com/disclosures/)

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<sup>3</sup> New York Life is the Largest Mutual Insurer in the U.S.: Based on revenue as reported by "Fortune 500 ranked within Industries, Insurance: Life, Health (Mutual)," Fortune magazine, 6/4/24 For methodology, see <https://fortune.com/franchise-list-page/fortune-500methodology-2024/>

<sup>4</sup> A.M. Best (A++), Fitch (AAA), Moody's Investors Service (Aaa), Standard & Poor's & (AA+). Source: Individual independent rating agency commentary as of November 17, 2023. The financial strength and ratings do not apply to assets in the investment products which are subject to market risks and will fluctuate in value.

As an introducing broker-dealer and licensed insurance agency, NYLIFE Securities and its financial professionals provide securities brokerage and insurance services to customers. NYLIFE Securities has engaged National Financial Services LLC (“NFS”), a clearing broker-dealer, to provide custody, clearing and administrative services for brokerage accounts. NYLIFE Securities’ financial professionals also provide investment guidance limited to recommendations in the course of its primary business as a broker-dealer, for which no special compensation is received.

Any commission-based securities recommendations made by our financial professionals are made in their capacity as broker-dealer representatives unless expressly stated otherwise at the time of the recommendation. Any such statement will be made orally. Not all NYLIFE Securities financial professionals are eligible to recommend all of the products, account types, and services offered by NYLIFE Securities and Eagle. Financial professionals will disclose, where appropriate, any limitation to what they can recommend and may provide a referral to another New York Life-affiliated financial professional who is appropriately trained and licensed to offer additional products, account types, and services.

While we take reasonable care in developing and making recommendations to our customers, securities investments involve risk, and customers may lose money when they invest. There is no guarantee that any customer will meet his or her investment goals, or that any product or recommended investment strategy will perform as anticipated. Customers are encouraged to carefully review the prospectus or other offering documents for any security we recommend. The prospectus or other offering documents will include a detailed discussion of the risks and expenses associated with the product.

## Services Provided

### Recommended Product Offerings:

NYLIFE Securities firmly believes in the value of its affiliates’ insurance and annuity products, particularly given that New York Life and NYLIAC’s financial strength stands behind the insurance guarantees contained in these products.<sup>5</sup>

### Variable Life:

The only variable life insurance products offered by our financial professionals are variable universal life (“VUL”) products issued by NYLIAC. VUL products are more complex than traditional life insurance products such as whole life insurance or term life insurance, and significant training, evaluation and assessment is needed to ensure a thorough understanding of these products, how they fit into customers’ overall financial situations and whether they are in a particular customer’s best interest. Furthermore, other product issuers offer many different compensation options for these products, which may make it difficult for a broker-dealer and/or

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<sup>5</sup> A.M. Best (A++), Fitch (AAA), Moody’s Investors Service (Aaa), Standard & Poor’s & (AA+). Source: Individual independent rating agency commentary as of October 18, 2022. The financial strength and ratings do not apply to assets in the investment products which are subject to market risks and will fluctuate in value.

financial professional to ensure their interests are not put ahead of those of customers.<sup>6</sup> Finally, our view is that important aspects of variable life products are the death benefit and insurance guarantees they offer, which make NYLIAC's top rating one of the most important factors when determining whether a given product could be in the retail customers' best interests.

More detailed information about variable life is set forth in the variable life prospectus.

#### Variable Annuities:

When recommending variable annuity products, our financial professionals can recommend only variable annuity products issued by NYLIAC. We believe this aligns with our commitment to act in customers' best interest and is designed to ensure that NYLIFE Securities financial professionals have a developed understanding and ability to explain the variable annuity products we offer and the financial strength of the guarantees that NYLIAC offers in connection with such products.

Variable annuities are complex products, and it often takes significant time and attention for a financial professional to ensure that these annuities are thoroughly understood and are in a particular customer's best interest. Furthermore, other annuity product issuers offer many different compensation options, which can make it difficult for a firm and its financial professionals to ensure that recommendations are not conflicted based on compensation differentials.

The IndexFlex Variable Annuity offers variable, fixed indexed, and fixed investment options. The fixed indexed option credits annual interest based on the performance of a securities-based index, subject to a Cap Rate or a Flat Rate. If index performance is negative, no interest is credited, but you do not lose money.

An important aspect of variable annuities is the insurance guarantees they offer. An issuer's credit rating is an important factor to consider when determining that a given product is in a particular customer's best interest. Prior to recommending a variable annuity to a retail customer, our financial professionals must first evaluate the features including the risks, rewards and costs of each annuity and have a reasonable basis to believe that the retail customer will benefit from certain features of the deferred variable annuity selected, such as tax-deferred growth, annuitization, or a living benefit or death benefit. More detailed information about a variable annuity is set forth in the variable annuity prospectus.

Eagle IARs can also offer the New York Life Premier Advisory Variable Annuity, a policy with ongoing, investment advisory services. An upfront commission is not paid for advisory services; instead, Eagle charges you a fee that is a percentage of your assets in the product. Eagle IARs must evaluate the features of each annuity and the desire of customers to have ongoing advice in determining what type of variable annuity is in their customer's best interest. Customers should

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<sup>6</sup> See the section on "Compensation on Life Products" and the links to product prospectuses for additional information on costs and compensation for particular VUL products.

refer to Eagle's ADV Part 2 and the New York Life Premier Advisory Variable Annuity prospectus for details regarding the annuity and the advisory services provided.

#### Fixed Annuities:

Fixed annuities can be sold by New York Life insurance agents who do or who do not hold a securities license. After their first few years as an insurance agent, our financial professionals can recommend fixed annuity products issued by NYLIC, NYLIAC as well as by other insurers. Agents who are receiving training allowance can generally only sell New York Life fixed annuities. When selling outside fixed insurance products, our established agents act as brokers for that insurer, and New York Life does not supervise those activities. New York Life and its subsidiaries offer a fixed indexed investment option through the IndexFlex Variable Annuity. Our agents cannot sell fixed indexed annuities issued by other companies.

New York Life and NYLIAC offer a variety of fixed annuity solutions for your retirement needs. For retirement income, we offer lifetime income annuities (immediate income annuities and deferred income annuities), a guaranteed period income annuity, and fixed deferred annuities with lifetime income. We also offer a fixed deferred annuity that can be used for retirement savings. Immediate income, guaranteed period income, and deferred income annuities are irrevocable. They have no cash surrender value. Income payments are guaranteed for at least as long as the annuitant is living, provided the annuitant is alive on the designated income start date.<sup>7</sup>

An immediate income annuity provides you with a stream of guaranteed income during retirement, starting now and lasting for life. You can also choose to cover a spouse or sometimes a child or grandchild by purchasing a joint-life annuity, which will continue to pay as long as one of you is living. You can also select from a variety of payment options that can potentially provide a death benefit. New York Life offers two versions of the lifetime income annuity – a dividend eligible and a non-dividend eligible version. Each offers a solid foundation of lifetime guaranteed income. The non-dividend eligible version offers a higher initial guaranteed income amount than the dividend eligible version. The dividend eligible version offers lower guaranteed income but provides the opportunity for more total income through non-guaranteed dividends. Lifetime income annuities are designed to provide income over a long period of time, therefore, they cannot be cancelled or surrendered. Consider a lifetime income annuity for immediate income needs, a stream of guaranteed income, with an option for dividends, and the flexibility to design a customized income stream.

A guaranteed period income annuity guarantees an income stream for a set period. Payments can begin immediately or be deferred up to twelve months. Guaranteed period income annuities are designed to provide income over a specific period of time; therefore, they are irrevocable, have no cash value and cannot be cancelled or surrendered. Additional premiums are not allowed. Consider

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<sup>7</sup> Contracts in which a Life Only payout option is selected do not provide a death benefit either prior to, or after, the designated start date.

guaranteed period income annuities to help provide you with the flexibility to design a customized income stream.

A deferred income annuity provides you with a stream of guaranteed income during retirement, starting no earlier than two years after the policy is issued, and lasting for life. You can also choose to cover a spouse by purchasing a joint-life guaranteed income, which will continue to pay as long as one of you is living. New York Life offers two versions of deferred income annuities – a dividend eligible and a non-dividend eligible version. Each generates a stream of income for as long as you live. The non-dividend eligible version offers a higher initial guaranteed income amount than the dividend eligible version. The dividend eligible version offers lower guaranteed income but provides the opportunity for more total income through non-guaranteed dividends. During the deferral period, you can make additional premium payments to purchase more guaranteed income. Deferred income annuities are designed to provide income over long time periods; therefore, they are irrevocable, have no cash value, and cannot be cancelled or surrendered. Consider deferred income annuities for future income needs, a stream of guaranteed income, with an option for dividends, and the flexibility to design a customized income stream. With deferred income annuities, no withdrawals are permitted prior to the income start date. After the income start date, withdrawals are permitted only under certain limited circumstances.

Fixed deferred annuities are long-term contracts. They earn a guaranteed, fixed rate of interest. You do not pay taxes on your earnings until you make a withdrawal from your policy. Withdrawal provisions offer access to some or all of your money and the choice of a variety of guaranteed interest/surrender periods. If you want to make a withdrawal from a fixed deferred annuity, you will have to pay a surrender charge if the withdrawal takes place within the surrender charge period for the product you have chosen. You can choose among products that offer an optional return of premium guarantee that can be effective immediately at policy issue or on the policy's second anniversary. A market value adjustment ("MVA") feature to maximize the crediting rate in exchange for bearing some of the interest rate risk is also available. Fixed deferred annuities are suitable for people who are looking for a long-term, low-risk retirement solution that historically offered higher crediting/interest rates than many other fixed interest options. Consider fixed deferred annuities for retirement savings.

The Clear Income Advantage annuity is a fixed deferred annuity with a guaranteed lifetime withdrawal benefit ("GLWB"). It provides the opportunity for income for life, through the GLWB, along with access to your money through a one-time "early access" withdrawal from the policy's accumulation value. You can start taking lifetime income any time after age 59 ½ without incurring any charges. Both early access and lifetime withdrawals will reduce the policy's Accumulation Value. You will be charged an annual GLWB fee of 0.95% of the Accumulation Value. The fee will be deducted quarterly and will cease when the Accumulation Value is reduced to \$0. Non-lifetime withdrawals and excess lifetime withdrawals on fixed deferred annuities with guaranteed lifetime income benefits may be subject to surrender charges and a market value adjustment, during the first seven years of the policy. Withdrawals from non-qualified Clear Income Advantage policies, including GLWB payments, are taxed on a last in first out ("LIFO") basis (i.e., gains are withdrawn and taxed first, premium is withdrawn after gains have been exhausted). Once the Accumulation

Value is fully exhausted due to allowable (nonexcess) lifetime withdrawals, all subsequent GLWB payments will be treated as annuity payments (instead of withdrawals).

New York Life<sup>8</sup> and your financial professional act as your fiduciary under Section II(a)(1) of PTE 2020-02 when recommending a fixed or variable annuity for your IRA account. This means that we comply with Impartial Conduct Standards, including a best interest standard, when providing fiduciary investment advice to you as a Retirement Investor. Our advice is, at the time provided, in your best interest, and based on your objectives, risk tolerance, financial circumstances and needs. We do not place the interests of New York Life or the agent ahead of yours or subordinate your interests to ours.

In evaluating a rollover of assets from an employer plan or IRA account to a New York Life annuity, your agent makes diligent and prudent efforts to obtain information regarding your account and your interest in it, or, to the extent this information is not available, your agent makes a reasonable estimation of expenses, asset values, risk and crediting rate for the purposes of determining that the rollover is in your best interest.

#### Life Products Available With Employer Welfare Plans:

New York Life agents can sell life insurance as part of Employer Welfare Plans, such as 162-Bonus Plans and certain Collateral Assignment Split Dollar Plans between employers and employees. Financial professionals can sell Whole Life or Universal Life products for these plans. Financial professionals that can sell securities can also sell Variable Life products, described above, into these plans. Financial professionals who have their health license can also sell Asset Flex, described below, into these plans.

Whole life is permanent life insurance, designed for the long-term, with steady cash value growth. Whole Life can be a versatile tool to help meet several needs. The death benefit provides cash to your beneficiaries when you pass away, plus you get potentially tax-free access to your cash value while you are alive by using policy loans and surrendering paid up additional insurance up to the cost basis of the policy if it is not a Modified Endowment Contract. Accessing cash value will reduce death benefit and available cash surrender value. Whole life has fixed, level premiums that are locked in at the time of purchase.

New York Life offers different versions of whole life, one of which requires premium payments until the insured is 100 and another of which allows you to select the premium paying period from a set of options. As a policy owner, you automatically become eligible to receive non-guaranteed dividends, which you can keep or use to purchase additional paid-up insurance to grow your policy. New York Life offers single life and joint life versions of whole life, where single life policies insure one person and pay a death benefit upon the death of the insured and joint life policies insure two people and pay a death benefit after the death of the last surviving insured.

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<sup>8</sup> Depending on the fixed annuity product being recommended, either New York Life or its subsidiary NYLIAC will act as fiduciary along with the registered representative.

Universal Life offers a combination of long-term coverage and the ability to accumulate cash value with interest. However, changes in interest crediting rates and policy charges or costs affect your cash value accumulation, and consequently the premiums you need to pay to maintain the policy, therefore you need to monitor a universal life policy closely. With universal life insurance, you have the potential to keep your coverage as long as you want: to age 80, 90, 100, or even up to age 121. Universal life generally provides more death benefit protection for the dollar than whole life, but it does not have as many guarantees. Universal Life is generally a flexible premium policy that allows you the ability to pay as often and as much as you want, within certain limits, provided you maintain sufficient cash value. This flexibility can introduce more risk, however, so you need to monitor your policy regularly to ensure it continues to meet your goals. New York Life offers different versions of single life universal life products that differ in guarantees and product features. New York Life also offers a joint life universal life product that pays a death benefit after the death of the last surviving insured.

#### Asset Flex:

An Asset Flex policy offers long-term care and life insurance protection in one policy. An Asset Flex policy allows you to draw down all of the life insurance death benefit to reimburse you for eligible long-term care costs. Asset Flex is also typically purchased with a long-term care extension of benefit rider that provides additional long-term care protection up to 2 times the policies face amount. As long as all premiums are paid, this policy allows you to get your money back in the event you change your mind or have a liquidity need.

You can use distributions from tax-qualified accounts, like an individual retirement account or individual retirement annuity (IRA), to pay the premium of an Asset Flex under certain circumstances where it is suitable and meets your needs.

An Asset Flex policy can be funded as a single pay or can be funded as a recurring or multi-pay policy. You have some options if you want to use a distribution from a tax qualified account (like an IRA) to pay the premium on an Asset Flex policy. You could take single, lump-sum distribution from the tax-qualified account to pay the premium on a single pay Asset Flex. As an alternative, you may be able to spread out your tax liability, by:

- Taking periodic distributions from the tax-qualified account to pay the recurring premiums on a multi-pay Asset Flex policy; or
- Withdrawing from a tax qualified account to pay the premium on a Guaranteed Period Certain Annuity (“GPIA”) and using distributions from the GPIA to pay the recurring premiums on a multi-pay Asset Flex policy.

Below are details of how qualified assets can be used to fund an Asset Flex policy:

	Asset Flex Funded by withdrawals from a GPIA where the GPIA is funded with a rollover from your existing IRA	Asset Flex Funded by a distribution from your existing IRA
Premium Payment Periods	Payments over a period of time “multi-pay”: <ul style="list-style-type: none"> <li>• 5 Years (60-75)</li> <li>• 10 Years (only available for issue ages 60-70)</li> <li>• 15 Years (only available for issue ages 60-65)</li> </ul>	<input type="checkbox"/> Single Premium
Payment Modes	<ul style="list-style-type: none"> <li>• Annual</li> <li>• Semi-annual</li> <li>• Quarterly</li> <li>• Monthly</li> </ul>	<input type="checkbox"/> Single Premium

NYLIFE Securities and your financial professional act as your fiduciary under Section II(a)(1) of PTE 2020-02 when they recommend that you take a distribution from your employer retirement plan or sell securities in your IRA in order to fund a purchase of Asset Flex. New York Life and your financial professional act as your fiduciary under Section II(a)(1) of PTE 2020-02 when they recommend that you take a distribution from non securities assets in your IRA in order to fund a purchase of Asset Flex.

#### Mutual Funds:

Generally, mutual funds are not intended for short-term investing (excluding money market funds). Potential investors should have at least three to six months of liquid assets to meet day-to-day living expenses, other major anticipated obligations, and emergencies in addition to the amount invested. As with any type of investment, there are many factors to consider before deciding to invest in mutual funds, including but not limited to your:

- financial situation (income, net worth, liquid net worth, tax status, and liquidity needs)
- investment time horizon
- investment experience
- risk tolerance and investment objective
- other security holdings
- amount of money you are investing (for possible sales charge discounts or waivers (“breakpoints”))

Mutual fund companies, for single mutual fund, usually offer different pricing arrangements or “classes” of its shares. Each share class represents investments in the same mutual fund portfolio, but how the distribution costs are paid – and some cases, operating expenses -- differs with each class. Mutual funds may be sold either with or without a sales charge. Mutual funds sold without a sales charge are called no-load funds. NYLIFE Securities LLC does not make no load shares available for purchase. Mutual funds are offered in multiple share classes and each share class has different fees and expenses, which affect the overall rate of return.

Our financial professionals may recommend New York Life Investment (“NYLI”) mutual funds that are managed by our affiliate, New York Life Investment Management LLC (“NYLIM”), known as “proprietary funds” and non-proprietary mutual funds. Our financial professionals will typically have greater familiarity with the NYLI funds because NYLI sponsors educational meetings for our financial professionals.

Financial professionals can recommend investing in mutual fund A, R and S share classes. Class A shares are available to retail customers and retirement accounts in employer-sponsored retirement plans opened on our brokerage platform or through a Direct Mutual Fund account by October 1, 2024. Class R and S shares are available to employer-sponsored retirement plans. Class A share mutual funds charge an upfront load. A customer pays a percentage of the purchase amount every time they buy shares. There are also ongoing annual shareholder servicing fees that are typically lower than those of mutual fund class B and C shares. Class R share mutual funds are considered a retirement share class. The R share class mutual funds are generally available through an employer-sponsored retirement plans (such as 401(k) plans) and in certain cases for SEP IRAs. R share mutual funds do not have a load, but they do have 12b-1 fees. Non-NYLI SIMPLE IRA plans established as of August 31, 2020, must utilize Class R shares at or near a 0.50% 12b-1 fee. NYLI SIMPLE IRA plans established as of August 31, 2020, must utilize Class SI shares at or near a 0.50% 12b-1 fee.

Financial professionals can only recommend Class C shares, in HSAs and 529 plans. For all other account types, customers who already own Class C shares can add to their existing investments without any recommendation from a financial professional. This share class is not otherwise available to customers. This class of funds charges no upfront fee, but typically assesses a back-end charge if the shares are sold within a specified period (e.g., 12 to 18 months) after purchase. Class C shares also assess an ongoing shareholder servicing fee, usually 1.00%, for as long as a customer holds the fund. The higher ongoing expenses associated with Class C shares reduce investor returns relative to lower expense share classes such as Class A shares. Most mutual fund families, to reduce ongoing expenses for shareholders, offer automatic conversions of Class C shares after a designated holding period (typically between 8 to 10 years). NYLIFE Securities only makes Class C shares available in HSAs if the fund has this automatic conversion feature. In addition, NYLIFE Securities periodically reviews Class C share positions on its brokerage platform and facilitates conversions to more cost-effective share classes of the same fund if such an option is available to us.

NYLI Fund Investor Class (“Investor Class”) shares are available only to existing shareholders of Investor Class shares directly with New York Life Investments, in accounts with identical registrations, and existing SIMPLE IRA plans offered through NYLI. Like Class A shares, Investor Class shares assess an upfront sales charge in the form of a percentage deduction from each purchase amount. Investor Class shares generally have higher ongoing expenses than Class A shares and will convert to Class A shares once the fund balance within an account reaches \$15,000 as of date that NYLI assesses all fund conversions. NYLI SIMPLE IRA plans established as of August 31, 2020, are available only in Class S shares. After 10 years, Class S shares will convert to Class A Shares or to Investor Class if the fund and balance does not meet Class A eligibility. For NYLI SIMPLE IRA plans established prior to August 31, 2020, Investor shares will convert to A shares after minimums are met.

Once converted from Investor Class shares, Class A shares will not convert back to Investor Class shares regardless of the fund account balance.

Please refer to the mutual fund prospectus for more details on fees, including breakpoints for a specific fund.

NYLIFE Securities screens the fund families that we make available on our platform. Screening helps to ensure that NYLIFE Securities offers products managed by established, high-quality investment managers that have provided consistency through market cycles and have breadth and depth in their investment lineup to address a range of customer needs and investment objectives over time. We believe it is important for customers to achieve breakpoint discounts where applicable, either on individual sales or through rights of accumulation or letters of intent that can help customers achieve their financial goals with lower front-end costs.

In selecting the approved list of mutual funds, we evaluate the universe of mutual fund families and screen them based on the following criteria:

- Established fund families: Fund families must have assets under management (“AUM”) above \$10 billion.
- Long track records: We review the average of the inception dates for the different funds within a fund family and seek to offer fund families with an average of 10 years of history or more among the funds they offer.
- Long manager tenure at firm: We review the average manager tenure and seek to offer fund families with an average manager tenure of 3 years or more.
- Diversification of offerings at firm: We seek to offer fund families that offer funds in at least 20 distinct Morningstar categories.
- Morningstar Star Rating: We seek to offer fund families with at least 40% of their funds with a Star Rating of 3 or better.
- For passively managed index funds, we provide the following additional screens: First, the fund will be included in the peer group for the common index tracked. Second, the fund’s front-end load and total fund expenses will be evaluated to ensure that they are in line with its respective peer group.

NYLIFE Securities offers two pathways for customers to purchase mutual funds:

1. Direct platform – customers purchase mutual funds held directly with the fund companies. Financial professionals provide guidance on funds within the fund families that we make available through our screen list.
2. Brokerage account – customers purchase from our screened list of mutual funds in a brokerage account. Financial professionals provide guidance on funds that we make available through our screen list.

	Brokerage Account	Direct Mutual Funds
Investment Strategy and Guidance	<ul style="list-style-type: none"> <li>Occasional point-in-time recommendations regarding mutual fund investments</li> <li>Ideal for holding particular investment products long term</li> <li>Investors may also have the opportunity to decide for themselves, and without our recommendation, which stocks, bonds, exchange traded funds, and other securities to buy, sell, or hold</li> </ul>	<ul style="list-style-type: none"> <li>Occasional point-in-time recommendations regarding mutual fund investments</li> <li>Ideal for long-term mutual fund investors</li> <li>Ideal if investing in one or perhaps two available fund families</li> </ul>
Fees	<ul style="list-style-type: none"> <li>Fees are transaction-based, including sales charges and trading commissions</li> <li>You will pay additional fund expenses (e.g., management fees and shareholder servicing fees) and miscellaneous fees (e.g., wire transfers, service fees)</li> </ul>	<ul style="list-style-type: none"> <li>Fees are transaction-based, including sales charges in mutual funds</li> <li>You will pay additional fund expenses (e.g., management fees and shareholder servicing fees) and miscellaneous fees (e.g., wire transfers, service fees)</li> </ul>
Additional Services and Features (vary by eligible registration)	<ul style="list-style-type: none"> <li><input type="checkbox"/> Mobile check deposit, check writing privileges, debit card, margin trading and additional services</li> </ul>	<ul style="list-style-type: none"> <li>Vary by mutual fund company, but typically include enhanced performance reporting and services</li> <li>Additional flexibility and control over holdings with a specific mutual fund company, such as reinvestment options and default instructions</li> </ul>
Account Minimums	<input type="checkbox"/> Varies by mutual funds selected	<input type="checkbox"/> Varies by mutual funds selected
Account Registration Types	Certain account types such as Section 529 Plans and Individual 403(b) Plans are only available via direct accounts with the product issuer	

Currently throughout the securities industry, broker-dealers involved in selling mutual funds, including NYLIFE Securities, generally receive higher compensation on the sale of equity-based funds than fixed income funds, and any such differential is passed through to financial

professionals. NYLIFE Securities maintains robust sales standards designed to ensure that customers' recommended allocation to funds classified as high risk and exposure to investment volatility are consistent with the upward limit of their stated risk tolerance and investment objective.

To the extent investment holdings change significantly from the allocation thresholds appropriate to a customer's indicated investment objective to more aggressive positions, NYLIFE Securities may notify the customer. At which point, the customer will have the opportunity to make an informed decision by consulting with a financial professional and reallocating investments, and/or updating their investment profile details as appropriate. NYLIFE Securities performs account reviews voluntarily and does not do so pursuant to a specific customer request to provide account monitoring services. Customers do not incur additional costs specific to this voluntary review, and NYLIFE Securities makes no agreement to provide continuous account monitoring. NYLIFE Securities has no obligation to monitor accounts, and the voluntary reviews described above do not constitute its assuming a duty to perform them.

### Alternative Investments

Our financial professionals may recommend alternative investments ("alternative(s)" or "alternative fund(s)"), for certain registration types, within a NYLIFE Securities Brokerage account. A financial professional can only recommend alternatives that NYLIFE Securities has made available to customers. A financial professional may not recommend an alternative that is not approved by, and on, NYLIFE Securities' available list. Customer thresholds to invest in alternatives depend on the alternative fund's requirements as well as NYLIFE Securities' policies.

Alternatives may have commission-based fees and sales charges, placement fees and other expenses that are paid by the customer. If the alternative fund includes a front-end sales charge, the charge is deducted from the funds you provide at the time of purchase and is calculated as a percentage of the total purchase amount. For example, if your initial investment is \$100,000 and the front-end sales charge is 3%, \$97,000 of your funds will be invested in the alternative. A placement fee is an additional amount added to the amount of your alternative fund investment at the time of purchase. For example, if your initial investment in the fund is \$100,000 and your placement fee is 3%, your payment to invest is \$103,000. Similar to many mutual funds, alternative funds also provide ongoing payments (also referred to as "trails" and described below in the Fees from Mutual Fund Companies and Alternatives (12b-1 or Trails) section) to NYLIFE Securities, which are shared with the financial professional. These trails vary by alternative fund and can be up to 1.00%.

Alternatives generally have higher internal expenses covering charges like administration, marketing and distribution ("expense ratios") than traditional mutual funds. A higher expense ratio can reduce customer returns over time.

Customers in alternative funds should review the Offering Memorandum, the Subscription Agreement, and the prospectus to understand the expense ratio for the alternative fund in which they are investing.

Please see the Account Fees, Charges, and Minimums section below and refer to the alternative fund's prospectus or offering documents for more information on expense ratios, fees and payments in connection with the investments in alternatives.

Alternative investments are less liquid than traditional investments, meaning you may not be able to sell your investment as quickly as you might sell other investment products. This could result in holding the investment for an extended period, potentially until maturity or liquidation by the alternative fund. There may be no secondary market for the alternative fund purchased and you may be restricted on transferring interests in the investment. Alternative funds typically limit opportunities to redeem (quarterly or annually) and could impose a 'lock-up' period of several years which may prevent redemption. You may need to provide advanced notice of redemption and may not receive the entire redemption request when desired. In addition, in certain circumstances, alternative funds may suspend redemptions or charge a fee prior to redemption of interests in the alternative fund.

There are additional risks, costs, and complexities associated with alternatives. A manager of an alternative fund may invest in derivatives, commodities or investments that are not publicly traded, use complex partnership structures, use short selling and hold concentrated positions to increase potential returns, which could also increase potential losses. Alternatives are speculative in nature and could lose all or substantially all of their value. Therefore, alternative investments may not be appropriate for all customers. In addition, not all alternatives are registered and thus may be subject to less regulation depending on how they are organized. Their investment managers might not be registered as investment advisers with the SEC or under state law. Alternatives are not FDIC-insured and carry more risk than many other types of securities. The alternative fund might not give you all the information you want, as alternative funds consider some information confidential, so it may be difficult to assess the investment risk.

Alternative investments are offered by third party fund companies and the final determination of whether or not purchase or sale instructions and investment funding have been accepted will be made by those alternative fund companies. You will need to have the necessary liquid assets (in cash or cash equivalents) for a period of time while these alternative fund companies consider the information you have provided. If you liquidate securities to purchase alternative investments and are in cash or cash equivalents for a certain period of time, you could potentially miss any market gains on the investments sold to fund an alternative. If you liquidate investments to purchase alternative investments and are later declined, any loss on the sale may be disallowed under the wash sale rule if you purchase the same or substantially identical investments within 30 days before or after the date of sale.

Individual alternative funds will have specific risks that may vary by alternative fund. Customers interested in alternatives should review the Offering Memorandum, the Subscription Agreement,

and any other applicable disclosures for risks and potential conflicts of interest prior to making an investment decision.

Terms and conditions governing alternatives are contained in the applicable offering documents, which also include information regarding the liquidity of such investments. Customers in alternative funds should review the Offering Memorandum, the Subscription Agreement, and any other applicable disclosures for risks and potential conflicts of interest prior to making an investment decision.

Alternative investments may have complex tax structures and tax reporting requirements and there could be delays in tax reporting. Customers should seek advice from a qualified tax professional before deciding to invest in alternatives.

NYLIFE Securities screens the alternatives made available on the platform. In selecting the approved list of alternatives and share classes, we evaluate the universe of funds and screen them based on the following criteria:

- The fund is available on our custodian's platform
- The fund is available on our alternatives provider's platform
- The upfront sales load is within a reasonable range
- The fund's 12b-1 fee or trails are consistent with the other selected fund menu share classes
- The share has an acceptable minimum initial investment (and follow-on contributions) that aligns with NYLIFE Securities expected average investor account size
- Service, performance, and fees across the product shelf will also factor in the share class selection

Alternative funds offer different share classes that can have different expenses, eligibility and other features. As described above, NYLIFE Securities considers a number of factors when selecting the alternative fund and appropriate share class for the program. NYLIFE Securities offers only one share class for each alternative fund available for its customers. This share class might not be the lowest cost share class available from the alternative investment fund company. NYLIFE Securities has a conflict of interest in selecting the alternative funds and the share classes to offer because it has an incentive to select or recommend those that provide additional revenue to NYLIFE Securities or its affiliates. NYLIFE Securities shares some of this revenue with your financial professional (See the Fees from Mutual Fund Companies and Alternatives (12b-1 or Trails) section). NYLIFE Securities takes steps to address this conflict by considering the above factors in its internal due diligence process and disclosing the conflict to you. (For additional information on conflicts and mitigation, see the Supervision and Monitoring of Financial Professionals and Overview of Addressing Conflicts of Interest sections below). As alternative investment fund companies offer new or different share classes, NYLIFE Securities may change the share classes available to its customers in accordance with its internal review process.

NYLIFE Securities maintains robust sales standards designed to ensure that customers' recommended allocation to alternative funds classified as high risk and exposure to investment volatility are consistent with the upward limit of their stated risk tolerance and investment

objective. This includes specific thresholds and requirements for customers investing in alternatives.

To the extent investment holdings change significantly from the customer's indicated allocation thresholds and investment objective to more aggressive positions, NYLIFE Securities may notify the customer. At that point, the customer will have the opportunity to make an informed decision by speaking to their financial professional and reallocating investments (subject to the alternatives liquidity constraints), and/or updating their investment profile details as appropriate. NYLIFE Securities performs account reviews voluntarily and does not do so pursuant to a specific customer request to provide account monitoring services. Customers do not incur additional costs specific to this voluntary review, and NYLIFE Securities makes no agreement to provide continuous account monitoring. NYLIFE Securities has no obligation to monitor accounts, and the voluntary reviews described above should not imply that it is assuming a duty to perform these services.

### Health Savings Accounts

Our financial professionals offer HSAs, which are specifically designed to pay for or provide reimbursement for qualified medical expenses. NYLIFE Securities requires its financial professionals to complete training on HSAs prior to any recommendation of this product. This ensures our financial professionals have a developed understanding of the HSA product we offer. HSAs are only available to you if you are enrolled in a high deductible health plan (HDHP), are not enrolled in Medicare, cannot be claimed as a dependent on someone else's tax return, and do not have any other health coverage that is not a HDHP (with certain exceptions for plans providing preventive care and limited types of permitted insurance and permitted coverage).

For federal tax purposes, eligible contributions to an HSA are tax-deductible. These contributions are subject to annual limits. Earnings grow tax-deferred, and withdrawals are tax-free when used for qualified medical expenses. If you withdraw money from an HSA that is not used for qualified medical expenses, you may be subject to income tax and an additional 20% tax penalty. The additional tax penalty does not apply if you are age 65 or over, are disabled or upon your death.

The mutual fund share class available under the HSA depends on your investment time horizon. For additional information regarding the available mutual funds, their 12b-1 fees, CDSC's, fund operating expenses and conversion features, please refer to the Mutual Funds section above and each individual mutual fund's prospectus.

NYLIFE Securities and your financial professional act as your fiduciary under Section II(a)(1) of PTE 2020-02 when recommending an HSA and mutual fund investments for the HSA or recommending that you fund your HSA by rolling over funds from another HSA or Archer Medical Savings Account or by taking a distribution or selling securities in your IRA. This means that we comply with Impartial Conduct Standards, including a best interest standard, when providing fiduciary investment advice to you as a Retirement Investor. Our advice is, at the time provided, in your best interest, and is based on your objectives, risk tolerance, financial circumstances and needs. We place your interests ahead of New York Life, NYLIFE Securities and your financial

professional. For additional information regarding the Premiere Select HSA offered by NYLIFE Securities, please contact your financial professional. For general information regarding HSAs, you may also refer to IRS Publications 969 (Health Savings Accounts and Other Tax-Favored Health Plans) and 502 (Medical and Dental Expenses). Please consult your tax adviser for specific considerations on tax benefits and requirements of HSAs.

### 529 Plans - Educational Savings

NYLIFE Securities financial professionals offer state-sponsored 529 Plans designed specifically for educational savings. 529 plans are tax-advantaged and named after the section of the Internal Revenue Code that authorized them. Although every state offers at least one 529 plan, NYLIFE Securities financial professionals are limited to offering 529 Plans in certain states that are known as “Broker-Sold Plans”.

Many states offer 529 plans that may be purchased directly from the issuer (“Direct Plans”). Such 529 plans may have lower fees and expenses than Broker-Sold Plans sold by NYLIFE Securities. While some states may offer both Direct Plans and Broker-Sold Plans, some states only offer Direct Plans. NYLIFE Securities does not sell such Direct Plans.

For federal tax purposes, earnings on a 529 Plan grow tax-deferred and withdrawals are tax-free when used for qualified educational expenses. If you withdraw money from a 529 Plan that is not used for qualified educational expenses, you may be subject to income tax and an additional 10% penalty on earnings.

Each 529 Plan is sponsored by an individual state, and individual treatment and benefits for 529 Plan investors may vary from state to state. Although most plans allow investors from out-of-state to participate, investors who participate in plans offered by their state of residence may benefit from state tax deductions, state tax credits, matching grants, scholarship opportunities, and certain exemptions from state financial aid calculations. If you are investing in a 529 Plan that is not sponsored by your state of residence, you may be forgoing favorable tax treatment and other benefits that would be available if you invested in a 529 Plan that is sponsored by your state of residence.

For additional details regarding the 529 plans that NYLIFE Securities offers including the NYLIFE Securities 529 Plan Application, Plan Description and Participation Agreements please contact your financial professionals. You may also compare available plans and related tax treatment and benefits through the College Savings Plan Network website at [www.collegesavings.org/](http://www.collegesavings.org/). Please consult your tax adviser for specific considerations on tax benefits of 529 Plans.

### Unsolicited Securities Transactions

Financial professionals cannot offer or recommend the purchase, sale, or hold of investments not approved and offered by NYLIFE Securities as described in this document. Most general securities products (e.g., stocks, bonds, exchange-traded funds, unit investment trusts, options and other

general securities products made available through NFS) are not approved for financial professionals to recommend in their capacity as a registered representative of NYLIFE Securities. Customers have the ability to trade these products on their own initiative, without our recommendation. Neither NYLIFE Securities nor its financial professionals will provide any type of advice on an unapproved security. Neither NYLIFE Securities nor its financial professionals' duty to act as your fiduciary under the standards of Section II(a)(1) of PTE 2020-02 with respect to certain transactions in Retirement Accounts extends to these transactions or any other transactions which you undertake to act on your own without the advice of NYLIFE Securities or its financial professionals. For additional information regarding the scope and terms of trading these securities through NFS, including receiving trade confirmations, trading on margin, check writing and debit cards, see

<https://www.newyorklife.com/assets/docs/pdfs/nyl-internet/file-types/guide-to-yourbrokerage-account.pdf>. NYLIFE Securities does not offer other financial products such as commodities and futures, and outside positions in these products cannot be transferred into or held in a NYLIFE Securities account.

Except for New York Life employee accounts, conversions from an Eagle account upon the termination of an advisory agreement, and beneficiary distribution accounts, NYLIFE Securities does not open brokerage accounts without the assistance of our financial professionals.

#### Customers' Pre-existing Mutual Funds and Variable Products

Under certain circumstances, and subject to the Company's discretion, financial professionals may assist customers in transferring mutual fund positions or variable insurance policies not offered by nor sold through NYLIFE Securities or its affiliates. This may occur if a customer purchased the investment through another broker-dealer and wishes to transfer it to NYLIFE Securities. For direct mutual fund, 529 plan, and variable products, NYLIFE Securities can only be designated as the broker-dealer of record if we have an active selling agreement with the fund company, 529 plan provider, or insurance carrier administering the product. When customers choose to have NYLIFE Securities as the broker-dealer of record on outside investment products, they acknowledge that (1) neither NYLIFE Securities nor its financial professionals have provided any advice or recommended the customer to buy or hold the investment product and that (2) any review of the investment product by or for the customer is not a review of the substance, merits or suitability of the investment product. NYLIFE Securities considers any activities in these products, including additional investments, to be on an unsolicited basis and self directed by the customer. NYLIFE Securities and its financial professionals can assist customers with service-related issues and may receive ongoing compensation, including applicable trails and 12b-1 payments, in connection with the servicing of these products.

## Securities-Based Lending Program

NYLIFE Securities makes the Securities-Based Lending Program available to eligible customers through referral arrangements with one or more lenders unaffiliated with NYLIFE Securities (“Program Lenders”). Alternatively, you may propose another lender (“Non-Program Lender”).

You may apply to the lender for a flexible line of credit (i.e., cash loan) secured by certain assets held in eligible NYLIFE Securities and Eagle accounts. This line of credit is known as a securities-based line of credit or “SBLOC.” NYLIFE Securities may accept or reject the collateralization of NYLIFE Securities accounts. You cannot use your SBLOC to buy securities, to buy products of New York Life or its affiliates, or for any other purpose prohibited under your loan agreement with the lender.

We do not extend credit to customers. We offer this program via third party lenders as an accommodation to interested customers. NYLIFE Securities and its financial professionals do not determine whether a loan is in your best interest, nor do they recommend any specific lender or loan. You are responsible for determining whether a proposed SBLOC is in your best interest. You should consider if there are better alternatives, such as different lenders, other types of loans, or using available cash or proceeds from selling securities or other assets instead. Being eligible for a SBLOC doesn’t mean this particular loan or another type of loan, is necessarily appropriate for you.

SBLOCs are subject to risks. For example, the lender may require payment at any time. If you do not meet a “maintenance call” by quickly depositing funds or extra collateral, the lender may sell your securities. The collateral for your credit line is subject to market risk. For more information on risks, please see our “Securities-Based Lending – Important Disclosures” document, which the lender will give you when you apply for the loan, and the other documents provided by the lender.

## Deposit Products

NYLIFE refers clients to non-securities deposit products, such as savings accounts, offered by unaffiliated financial institutions. These products are used to hold cash and are separate from your investments through NYLIFE or its affiliates. The unaffiliated financial institutions determine the terms of the deposit products, including the interest rates you receive on your deposits and any fees or charges you pay to that institution.

You do not need to use these deposit products. Whether or not you do so does not affect the other services we provide to you or the fees you pay for those services. In referring you to such deposit products, we are not acting as an investment adviser or a fiduciary. We do not advise you on whether a savings account is in your best interest, nor about any specific savings account.

Consider whether there are better alternatives available, such as a savings account or another deposit product with better terms at the same financial institution or somewhere else.

## Account Fees, Charges, and Minimums

### NYLIFE Securities Accounts and Affiliate Products:

NYLIFE Securities does not impose account minimums or investment minimums on our brokerage account platform. Individual mutual funds and alternatives will have investment minimums on the brokerage platform for both initial and additional investments set by the mutual fund family or alternative fund and not NYLIFE Securities. There are no minimums for cash sweeping to our Core Account Investment Vehicles. For stocks and exchange traded funds, the required investment amounts must be equivalent to at least one share plus commission costs of the trades. For these accounts, there are minimum commission charges for trades in securities like stocks, bonds and options, applicable for each transaction. Retirement Accounts, including HSAs, are subject to NFS maintenance fees. In addition, Retirement Accounts (excluding HSAs) below certain dollar value thresholds on the brokerage platform are subject to an additional NYLIFE Securities fee. HSAs are subject to the additional NYLIFE Securities fee regardless of account value. Please refer to the NYLIFE Securities Fee Schedule for charges and waiver provisions here: <https://www.newyorklife.com/assets/docs/pdfs/nyl-internet/file-types/nylife-securitiesfee-schedule.pdf>. The description of the types of fees and charges that can be assessed on a NYLIFE Securities brokerage account are below; the current fee amounts can be found on the fee schedule:

Fee Type	Description
Mailgram	Notification of a margin debit mail/email to investor
Trade Extension	Notification of a margin debit mail/email to investor
Legal Transfer of Stock	Removal or holding of restricted stock with legal legend
Stop Payment- Check writing	Assessed for each stop payment request made on checks written against money market balance.
Stop Payment - NFS/NYLIFE Check	Assessed for each stop payment request made on checks that NYLIFE Securities issued to investor and/or on the investor's behalf from investor account.
Check copy	Assessed for each check copy request made on checks written against money market balance.
Annual Custody and Recordkeeping/Inactive Account Fee	This fee will be assessed each January to an account that contains cash and/or securities if it was inactive for the prior 12 months. Investors may avoid this fee by buying or selling an equity or mutual fund, making a mutual fund exchange, establishing a PIP or SWP, or accruing margin interest on their debit balance within that 12-month period.
Transfer of entire account to another broker-dealer	Assessed when all holdings in a retail account are transferred to another financial institution

Physical Reorganization	Charged when a stock certificate is deposited after the action date for a mandatory reorganization item involving the issuer
Legal Return Item	Charged when a stock certificate is returned to a investor due to Not in Good Order status exceeding 45 days or at investor's request
Outgoing wire charge	Fee for a wire out of funds
IRA Termination Fee	Close-out fee for IRA
Sell-Out Processing Fee	Assessed if NYLIFE Securities is required to sell securities due to margin calls or cash debits resulting from trade activity and/or the assessment of any account fees set forth on the Fee Schedule. Sell-out fees are assessed in addition to any applicable brokerage commissions and sales charges associated with related transactions.
Limited Partnerships and Alternative Investments	Fees on Alternatives are applicable in two scenarios: 1. the transfer interests in Alternative Investments out or reregister them with NFS as custodian
(such as Private Placements and REITs)	2. An Annual Registered Alternative Investment Custody and Valuation Fee
Annual IRA Custodial Fee	An annual fee assessed by NFS and NYLIFE Securities for accounts open on the platform.

A list of typical account fees and charges for commission-based Variable Annuities is attached. <https://www.newyorklife.com/assets/docs/pdfs/nyl-internet/file-types/reg-biva.pdf>.

A list of typical account fees and charges for Variable Universal Life policies is attached. <https://www.newyorklife.com/assets/docs/pdfs/nyl-internet/file-types/reg-bi-vul.pdf>.

### Alternatives

Alternatives usually have higher fees, including multiple layers of fees and higher expense ratios, compared to other investments, and this makes the alternative investments more costly for the customer. The cost for purchasing alternative investments may include commission-based fees and sales charges, placement fees, and other expenses that are paid by the customer. Alternatives generally include a front-end sales charge or a placement fee. If the fund includes a front-end sales charge, the charge is deducted from an alternative investment fund at the time of purchase and is calculated as a percentage of the total purchase. A placement fee is deducted from an alternative investment fund investment at time of purchase and is an additional amount needed to invest in the fund.

These fees and expenses may vary across the offerings and share classes available through NYLIFE Securities and could be more expensive than the costs of purchasing mutual funds or

other more traditional investments. A customer, prior to any purchase, should review the conflicts noted in the Compensation of Financial Professionals section below and the sales charges and expenses associated with an alternative investment in the prospectus and other offering documents to understand how the expenses and other costs can impact investment returns.

### Fixed Products

A set of surrender charge schedules and rider fees for fixed annuities is attached: <https://www.newyorklife.com/fa-rates>

For Asset Flex, surrender charges apply to the first seven policy years and vary depending on whether the policy is issued as a single pay or recurring pay. Other charges include a monthly insurance charge and monthly per \$1,000 of face amount charge. These charges vary based on the insured's age, gender, and risk class.

### Other Account Fees, Charges, and Minimums:

For investments placed directly with mutual fund companies, the fund families, at their own discretion, set initial and subsequent investment minimums that are described in the applicable prospectus. Mutual fund companies may also set minimum funding or asset thresholds below which small account charges will apply. Please review the appropriate mutual fund prospectus for more details, including their account fees and charges. Fund prospectuses for NYLI Funds can be accessed at: <https://dfinview.com/NYLIM> You can access the prospectuses of available funds within the approved fund families through the embedded website links here: <https://www.newyorklife.com/assets/docs/pdfs/nyl-internet/file-types/fund-familylinks.pdf>

In the Securities-Based Lending Program, you do not pay any fees or charges to NYLIFE Securities for your loan, but you pay interest, fees and costs to the lender extending the line of credit to you. Before entering into a loan agreement with a lender through the Securities-Based Lending Program, please read the lender's documents carefully for details on the interest, fees and charges you will pay to the lender.

For Deposit Products, you do not pay any fees or charges to NYLIFE Securities, but you will, as applicable, pay fees charged by the financial institution. Before opening an account, please carefully review the documents and agreement with the financial institution to understand the terms of your account.

## Compensation of Financial Professionals

The brokerage model of compensation is a potentially cost-effective option for customers. Although it creates some inherent conflicts, this compensation model may be appropriate in light of the time and effort necessary to understand investments and the value financial professionals provide to our customers.

NYLIFE Securities registered representatives do not receive a salary from us. They earn a living by helping you understand your financial options and recommending investment and insurance products that align with your goals. Their compensation is based in part on commissions and various incentive programs tied to the products you purchase. These programs may include sales credit eligibility, such as Council Credits, as well as enhanced payout grids and access to recognition events or business meetings with educational components. See *Council Level and Council Business Meetings* for further details.

Fixed annuities do not make ongoing payments, often referred to as trails or 12b-1 fees, like mutual funds and alternatives do, as noted above. In addition, fixed deferred annuities pay commissions that are at least a full percentage point of premium lower than guaranteed income annuities (i.e., lifetime income annuities, deferred income annuities, and guaranteed period income annuities), clear income annuities, and variable annuities. Fixed deferred annuities and variable annuities are both accumulation vehicles, but variable annuities require more training to sell and greater time to service. Dividend eligible guaranteed income annuities also require more training to sell and greater time to service than fixed deferred annuities. However, the different commission rates still constitute a conflict of interest. This conflict of interest is managed through initial and confirmatory disclosure, evaluation of a customer's risk tolerance, time-horizon, and goals, as well as through affirmations from the agent.

Sales of proprietary products and non-proprietary mutual funds and alternatives determine a financial professional's eligibility for retirement benefits, medical and life insurance benefits, as well as participation in business meetings that include educational, development and recognition components. Qualification to attend New York Life's sponsored educational, training, and development business meetings is based on NYLIFE Securities financial professionals' sales of investment products based in part on commissions the financial professional earns on the sale of our affiliates' insurance products. For additional information, please see the discussion of New York Life's Council Program below. Direct and indirect compensation paid by NYLIFE Securities and its affiliates to financial professionals may change over time due to business, legal or regulatory considerations.

While we recognize and disclose potential conflicts of interest, we also take a number of steps to make sure that we and our financial professionals place our customers' interests ahead of ours. As part of our efforts to reduce the potential effect such conflicts may have on a recommendation given to a customer, we provide a robust and extensive training program for our financial professionals. We also mitigate conflicts by using monitoring and trade surveillance tools to help detect and prevent sales that are not in your best interest.

#### Commissions and Payout Grid:

When you buy mutual funds, alternatives and 529 Plans, or receive trails on these products, our financial professionals are primarily compensated by commissions based on a payout grid. Payouts

range from 35% to 93% of the amount we receive and is based on the financial professionals' overall sales production of insurance and investment products offered by us and our affiliates over a 12-month period typically running from July through June.

We use two production considerations to determine an individual financial professional's payout rate. The first consideration is the total commission based on certain investment sales and trail commissions generated in the previous sales year. The second consideration is based on the overall mix of product sales to determine the second component or "council level" of our payout grid. Sales of mutual funds, alternatives, and 529 Plans credits are applied based in part on commissions the financial professional earns on the sale of our affiliates' insurance products.

As of July 1, 2020, service duration of a financial professional also impacts the payout rate. Financial professionals with 10 or more years of service with New York Life, based on their New York Life agent contract date, are eligible to receive a higher payout rate within the same range of 35%-93%.

NYLIFE Securities retains the difference between the amount we receive from the product provider and the amount paid out to the financial professional. This applies to both upfront sales loads/placement fees and any 12b-1/trail payments.

#### Compensation on Life Products

Our life insurance compensation practices are governed by New York Insurance Law. New York law limits agent cash and non-cash compensation on life insurance sales. The law permits the payment of training allowances to new agents and expense allowance to more established agents that are based on a percentage of life insurance commissions.

Agents and NYLIFE Securities financial professionals receive different forms and amounts of compensation on sales of life insurance policies depending on the New York Life agent contract that the financial professional signed. In general, the compensation includes a first-year commission, expense allowance or training allowance, renewal commissions, and other forms of compensation to reward agents for servicing the policies and ensuring the policies' continuity. This compensation structure is consistent with customers' best interest, because one should only purchase a life insurance policy with the intent to keep it over the long term.

For Asset Flex products, financial professionals are paid first year commission based on the premium paying period you select, the issue age of the insured, and overall production of the financial professional. They are also paid renewal commissions.

For more information about costs and compensation, you can use the links below.

<https://dfinview.com/NewYorkLife/TAHD/accumulatorii>

<http://dfinview.com/NewYorkLife/TAHD/cevulplus>

<https://www.newyorklife.com/assets/docs/pdfs/nyl-internet/nylifesecurities/WLCharges.pdf>

<https://www.newyorklife.com/assets/docs/pdfs/nyl-internet/nylifesecurities/ULCharges.pdf>  
<https://dfinview.com/NewYorkLife/TAHD/marketwealthplus>  
<https://www.newyorklife.com/assets/docs/pdfs/nyl-internet/file-types/assetflexcharges.pdf>

## Compensation on Variable Annuity Products

Our variable annuity compensation practices are governed by New York Insurance Law, which limits financial professional cash and non-cash sales compensation. New York Insurance Law allows the payment of training allowances to new agents and expense allowance to more established agents that are based on a percentage of annuity commissions.

Financial professionals generally earn more overall compensation for variable annuity sales than for Brokerage and Direct Mutual Fund sales, including eligibility for training and/or expense allowances. This is because variable annuities are more complex products that require additional training of our financial professionals to sell and service. Variable annuities have a variety of features and benefits that must be thoroughly understood by each financial professional. Not only must financial professionals be familiar with the underlying investment sub-account options available within the annuities, but they must also understand the differences among the various products offered, the different riders, the index-linked strategies, and other benefits available with each product, and any associated fees or expenses. Explaining this information requires substantial financial professional effort and time during the sales process to ensure that customers fully understand the product features, costs and benefits prior to purchase. Variable annuities generally are also longer-term investments that require a greater time commitment by financial professionals to service them. Training allowances, payable to new agents, and expense allowances, generally payable to established agents,<sup>9</sup> are paid on variable annuities and not mutual funds and alternatives, based on a recognition of the additional time and effort required to educate both agents and customers on annuity features.

The amount and type of cash compensation payable to financial professionals on the sale of variable annuities is consistent<sup>10</sup> across all products except for the New York Life IndexFlex Variable annuity and the New York Life Premier Advisory Variable Annuity sold through Eagle IARs. Except for these two products, financial professionals earn the same commission and allowances regardless of which variable annuity product is purchased. First-Year Commission and allowances for the New York Life IndexFlex Variable Annuity are the same as for other variable annuities we offer, but we do not pay any trail commission on this product, consistent with the lack of trail commissions for sales of fixed deferred annuity products. Financial professionals who are IARs affiliated with Eagle can also offer the New York Life Premier Advisory Variable Annuity, a policy with ongoing investment advisory services. Advisory services do not pay an upfront commission; instead, an asset under management fee is periodically charged. Eagle IARs must

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<sup>9</sup> Expense allowance is not credited on variable annuity contracts managed by Eagle.

<sup>10</sup> There are proprietary sub-accounts within our variable annuity contracts, and some sub-accounts provide revenue sharing payments to NYLIFE Securities. Financial professionals do not have an incentive to place customers' funds into these sub-accounts over others, as commissions do not vary. All sub-accounts are subject to a due diligence process to ensure that they are competitive and could be in retail customers' best interests.

evaluate the features of each annuity and customers' preference for proactive service and ongoing guidance to determine which type of Variable Annuity is in their customer's best interest. Customers should refer to Eagle's ADV Part 2A and the New York Life Premier Advisory Variable Annuity prospectus for details regarding the annuity and the advisory services provided.

For more information about costs and compensation, you can access the prospectuses of available variable annuities using the link below.

<https://www.newyorklife.com/products/fund-value-and-prospectuses>

### Compensation on Fixed Annuity Products

Our fixed annuity compensation practices are also governed by New York Insurance Law, which limits financial professional cash and non-cash sales compensation. New York Insurance Law allows the payment of training allowances to new agents and expense allowance to more established agents that are based on a percentage of annuity commissions.

While we recognize and disclose certain potential conflicts of interest that may exist, we also take a number of steps to make sure that we and our financial professionals place our customers' interest ahead of ours. As part of our efforts to reduce the potential effect such conflicts may have on a recommendation given to a customer, we provide a robust and extensive training program for our financial professionals. We also mitigate conflicts by using monitoring and trade surveillance tools to help detect and prevent sales that are not in your best interest. Fixed annuities do not pay ongoing trails. In addition, fixed deferred annuities pay commissions that are at least a full percentage point of premium lower than commissions on guaranteed income annuities, Clear Income annuities, and variable annuities. Fixed deferred annuities and variable annuities are both accumulation vehicles, but variable annuities require more training to sell and greater time servicing. Dividend eligible guaranteed income annuities and Clear Income Advantage annuities also require more training to sell and greater time to service than fixed deferred annuities. However, the different commission rates still constitute a conflict of interest. This conflict of interest is managed through initial and confirmatory disclosure, evaluation of a customer's risk tolerance, time-horizon, and goals, as well as through affirmations from the agent.

### Compensation on Mutual Fund Products

For mutual funds, although the fund's prospectus determines the rate of the commission paid to NYLIFE Securities on the sale of a fund, NYLIFE Securities has capped commissions so that the maximum potential commission paid to our financial professionals is the same across all mutual fund families. NYLIFE Securities caps payment on equity, asset allocation, and balanced funds at 4.75% and caps payment on fixed income funds at 4.00%. Financial professionals are not paid commissions on sales of mutual funds not offered on our platform, whether direct or through the brokerage account; however, financial professionals may receive trail payments based on these holdings. Expense and training allowances are not paid on the sale of mutual funds.

For more information about costs and compensation, you can access the prospectuses of available funds within the approved fund families through the embedded website link below. Once the link opens, you can choose the fund family link and then search for the fund you wish to learn more about.

<https://www.newyorklife.com/assets/docs/pdfs/nyl-internet/file-types/fund-familylinks.pdf>.

#### Compensation on Alternative Investments

The alternative funds may have a sales load or a placement fee that is payable when customers purchase alternatives. The sales load is a percentage of your investment set by the fund that is paid to NYLIFE Securities. A placement fee is also a percentage paid to the firm based on the investment amount, but this fee is set by NYLIFE Securities. To help minimize potential conflicts, the maximum sales load or placement fee your financial professional could receive on alternatives is 4.75% (subject to the payout schedule discussed in the Commissions and Payout Grid section above) regardless of which alternative you purchase even if the actual fee you pay is higher. Additionally, expense and training allowances are not paid to financial professionals on the sale of alternatives. Financial professionals are not paid commissions on sales of alternatives not offered on our platform.

In addition, approved alternative funds pay NYLIFE Securities trails or 12b-1 fees and these are shared with your financial professional subject to the payout schedule discussed in the Commissions and Payout Grid section above. For additional information, please refer to Fees from Mutual Fund Companies and Alternatives (12b-1 or Trails) section.

For more information about costs and compensation, refer to the alternative fund's prospectus or other offering documents for more information.

#### Compensation on Securities-Based Lending Program

We do not share with your financial professional any referral fees we receive when you borrow money from a Program Lender through the Securities-Based Lending Program.

#### Compensation on Deposit Products

The participating financial institutions make ongoing referral payments to NYLIFE or its affiliates based in part on the amount of client deposits. These referral payments do not affect the interest rates, fees, or charges for your deposits. The referral payments create a conflict of interest, because NYLIFE has an incentive to refer you to products offered by institutions paying referral fees. Your financial professional does not receive any of the referral fees. If you want the referral fee payments to end, please contact the financial institution directly.

#### Council Level and Council Business Meetings:

New York Life's Council Program recognizes financial professionals based on their overall level of production including the sale of life insurance, fixed annuities, and securities products by inviting eligible financial professionals to attend business meetings with educational and recognition components. Chairman's Council is the highest recognition level, while Quality Council is the lowest recognition level.

New York Life's business meetings with educational and recognition components ensure that those of its financial professionals who are most active in the marketplace, typically in excess of 4,000 financial professionals each year, receive enhanced training about the features and benefits of our proprietary products. Additionally, New York Life's business meetings are a key forum for educating New York Life financial professionals about regulatory and compliance requirements. Financial professionals attend at least a half day of training and business meetings each day. New York Life pays only airfare and expenses for its financial professionals – and not for family members or other guests. The business meetings are designed to comply with FINRA Rules and New York State Insurance Law and to help train, develop, and educate New York Life agents, as well as to motivate and reward them for meeting the holistic needs of their customers.

Eligibility for Council is based on First Year Commissions ("FYC") on all eligible New York Life products, proprietary and non-proprietary mutual funds,<sup>11</sup> and other eligible product sales. For mutual funds and alternatives, all proprietary and non-proprietary mutual funds receive equal credit for purposes of the Council Program.

The Council status of New York Life financial professionals affects both their compensation and their eligibility for business meetings with educational and recognition components. Each year, New York Life sets the Council Credits needed to achieve various levels of recognition.

Financial professionals are also generally eligible for additional cash compensation, including a higher payout percentage for securities sales and a higher expense allowance by achieving Council Status. Generally, the higher Council level that a financial professional attains, the higher the payout percentage he or she will receive. The additional expense allowance ranges from 2% to 10% based on Council level.

Council Credits, which are earned through the sale of different investment and insurance products, can affect a financial professional's overall compensation, benefits eligibility, and career progression. Financial professionals are required to meet certain thresholds to qualify for benefits and recognition programs. These thresholds may include production standards necessary to offer specific products or remain eligible for incentive programs.

The Council Program creates incentives and conflicts including:

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<sup>11</sup> Where state securities law requires, sales of mutual funds are excluded from the Council program.

- Financial professionals must meet a minimum amount of Council Credits from the sale of insurance and income annuities products to achieve the various council levels.
- The amount of Council Credits a financial professional can earn through NYLIFE Securities and Eagle is capped based on how many Council Credits they earn from insurance and annuity products (not including the Advisory Variable Annuity offered through Eagle). In other words, to qualify for credit from investment-based sales, a financial professional must generate an equal or greater amount of credit from insurance and annuity sales.
- Council Credits are awarded according to different formulas, depending on the product or service selected. For example, when you purchase a mutual fund, depending on the sales load, the amount of your purchase and other factors, the amount of council credits the financial professional receives will vary.
- The Council Credit rules create conflicts of interest because financial professionals have an incentive to recommend some programs or products over others, including with respect to rollovers. For example, NYLIFE Securities investments may generate more or fewer Council Credits than investments through Eagle.
- Since Council Credits are generated by overall sales activity, your financial professional has an incentive to encourage you to purchase multiple products.

NYLIFE Securities discloses these differences so you can understand that your financial professional has financial incentives related to the product or program they recommend that creates potential conflicts of interest. While all recommendations must be in your best interest, it is important to understand that these incentives exist. For further details on how we address conflicts see *Overview of Addressing Conflicts of Interest*.

#### Health and Welfare Benefits:

Both new and established financial professionals are eligible for health and welfare benefits, such as health insurance, group life, dental, and disability insurance, as well as 401(k) and other pension benefits. Sales of all mutual funds, alternatives, all Eagle asset under management programs, all sales of life insurance, long-term care insurance, individual disability insurance, and all affiliate-issued fixed and variable annuities count toward eligibility for these benefits.

#### Third Party Payments and Revenue Sharing

##### Fees from Mutual Fund Companies and Alternatives (12b-1 or Trails)

In addition to the compensation received from mutual fund companies and alternative funds, as described above, NYLIFE Securities receives a fee, known as a 12b-1 fee in mutual funds or a trail in alternatives for providing ongoing shareholder and distribution services. This fee is charged as a percentage of the fund's total assets attributable to a given share class, generally ranging from 0% to 1.0% annually. NYLIFE Securities pays these ongoing amounts to financial professionals that is based on the same payout grid as is applied to first-year commissions and described above in the Commissions and Payout Grid section. The mutual funds and alternatives that our financial professionals may recommend to you pay 12b-1 fees or trails to NYLIFE Securities. You should

ask your financial professional or review the fund prospectus for details regarding the amount of any 12b-1 or trail the investment pays to NYLIFE Securities.

In limited circumstances, customers are allowed to hold positions in fund families that pay 12b-1 fees or trails but that are not recommended by our financial professionals (including external holdings transferred to NYLIFE Securities and fund families that NYLIFE Securities used to recommend but no longer does so). In these instances, customers may add to their positions within these funds or alternatives on an unsolicited basis which increases the 12b-1 fees or trails the Company and financial professional receive.

#### Revenue Sharing Payments from the Clearing Firm

NYLIFE Securities has a revenue sharing agreement with its clearing firm, NFS. For certain No Transaction Fee (“NTF”) mutual funds and the Fidelity Money Market Sweep funds, NFS pays a fee to NYLIFE Securities.

Under the NTF program, revenue sharing payments are based on payments that NFS receives from some fund companies. NYLIFE Securities receives 0.31% of the value of customer assets invested in these NTF funds in all non-qualified NYLIFE Securities InvestorOne and Mutual Fund Advantage brokerage accounts and Eagle accounts. No such payments are made for fund families without such arrangements with NFS. When a fund pays NFS for a fund share class to be placed on NFS’ platform, the internal expenses (subject to any expense cap) of that fund share class are typically higher than those of mutual funds that do not make such payments. Higher expenses negatively impact customers’ investment returns. Mutual fund companies may offer other share classes on other platforms that have lower expense ratios. See each mutual fund’s prospectus for details of share classes available and their expense ratios. If NFS does not receive a payment from a fund company, NFS will not pay a fee to NYLIFE Securities.

The revenue on Fidelity Money Market Sweep funds depends on the fund providing a payment, varies and is up to 0.50%.

Class A shares carry a sales charge and are, therefore, excluded from revenue sharing between NFS and NYLIFE Securities. Class R Shares as well as the No Transaction Fee fund share classes made available to Eagle accounts can generate revenue share payments from NFS to NYLIFE Securities. Fund companies’ revenue sharing arrangements with NFS creates a conflict of interest because it gives NYLIFE Securities a financial incentive to recommend mutual funds, including particular share classes, that pay additional revenue. Financial professionals do not have an incentive to recommend products on the basis of this revenue sharing agreement as their commission remains the same. NYLIFE Securities does not disclose to its financial professionals which funds make payments to NFS that then in turn are paid to NYLIFE Securities through the revenue sharing agreement.

NYLIFE Securities retains fees it receives under the revenue sharing arrangement and agreement. These payments also create a conflict because they give NYLIFE Securities an incentive to continue to retain NFS as the provider of custody, clearing and administrative services.

#### Compensation related to Variable Products

New York Life, NYLIFE Securities, and NYLIAC receive compensation in the form of (i) fixed dollar payments, (ii) revenue share payments in amounts up to 0.35%, and (iii) 12b1 fees in amounts up to 0.25% annually of the aggregate net asset value of the shares of some of the portfolios held by the investment divisions from the advisers and sub-advisers available through NYLIAC variable annuity and variable life insurance products offered for sale through NYLIFE Securities. NYLIAC may also receive revenue share payments and 12b-1 fees in connection with administration, distribution, and other services NYLIAC provides with respect to the investment divisions. Fixed dollar payments are made to compensate New York Life and its affiliates, including NYLIFE Securities for marketing and education support services and for the participation of the adviser and subadviser in training and educational meetings conducted by New York Life and its affiliates. Attending such meetings provides advisers and sub-advisers with opportunities to discuss and promote their funds.

The amounts we receive may be substantial, may vary by portfolio, and may depend on how much policy value is invested in the particular portfolio or Fund. NYLIAC and its affiliates may profit from these payments.

For more information about compensation, you can review the prospectuses of available variable products.

#### Payments from Lenders in the Securities-Based Lending Program

When you borrow money from a Program Lender through the Securities-Based Lending Program, NYLIFE Securities receives referral payments from the Program Lender, as described in more detail, including the amount of these payments, in our “Securities Based Lending – Important Disclosures” document that the lender will give you when you apply for the loan. The amount of each referral payment depends on the average daily principal amount of your SBLOC each month. We do not receive referral payments from Non-Program Lenders. Referral payments from Program Lenders give NYLIFE Securities an incentive to refer you to a Program Lender and create a conflict of interest. Alternative financing methods may be available to you that do not result in referral payments to NYLIFE Securities.

#### Core Account Investment Vehicles for Brokerage Accounts (“Cash Sweep”)

NYLIFE Securities brokerage accounts include a cash sweep feature required for all accounts. The Cash Sweep is where uninvested cash balances in the account, such as from securities transactions, dividends, interest payments, or deposits, are swept into a designated interest-bearing account or

investment option daily. The Cash Sweep is intended as a short-term vehicle, which allows customers to earn interest or returns on this cash prior to its investment in other securities. The cash sweep feature should not be considered an investment strategy. Cash remains in the Cash Sweep until you request to invest it in other securities or withdraw it. This request can be made to your financial professional, entered online, or through an established periodic investment program (“PIP”).

When opening a brokerage account with NYLIFE Securities, you designate either the NFS Bank Deposit Sweep Program (“BDSP”) or Fidelity Treasury Money Market Fund Capital Reserves (“FSRXX”) government money market fund as the Cash Sweep option for your account. Per our current arrangement with NFS, the clearing firm and custodian for your account, certain account types are not eligible to participate in the BDSP. Ask your financial professional to confirm your eligibility for the BDSP if you are interested in selecting it. For the registrations ineligible for BDSP, FSRXX will be the available Cash Sweep option. If you do not elect a Cash Sweep option on your brokerage account application, by submitting your application, you will be considered as having selected the BDSP if eligible, otherwise FSRXX will be designated as your Cash Sweep option.

NFS provides the Cash Sweep options available for your account. Interest rates for the BDSP Cash Sweep option take into account a variety of factors including economic and business conditions and are determined by a number of parties including the third-party banks that NFS has contracted with, NFS, Fidelity and their affiliates, and NYLIFE Securities. The interest rate for FSRXX is determined by the money market fund sponsor, Fidelity. Customers should understand that the interest rates for each option are subject to change. For information on current interest rates or to get more information or discuss possible changes, customers should contact their financial professional. The Cash Sweep obligations are direct obligations of the relevant bank or money market fund sponsor; NYLIFE Securities does not guarantee these products.

BDSP - Cash deposited in the BDSP is placed in a Federal Deposit Insurance Corporation (“FDIC”) insured account and earns a yield calculated as an annual interest rate. The interest rate paid to you is not the interest rate offered by the third-party bank but is instead determined by a rate NYLIFE Securities selects for you from a choice of rate schedules set by NFS and on the amount you have deposited in the BDSP. Customers currently in the BDSP should review their monthly statements for information on the interest rate that is currently being paid for your account, which varies based on the amount you have deposited in the BDSP.

At any time, you may select another available Cash Sweep option such as a non-FDIC insured government money market fund. Non-FDIC insured government money market funds generally pay a higher yield than the FDIC-insured BDSP option. For further information on the BDSP, you should review the Bank Deposit Sweep Program Disclosure Document. This document was provided to you as part of account opening if you selected or defaulted into the BDSP. It can also be provided to you by your financial professional upon request. If you are seeking higher yields on your cash and are not interested in the FDIC protection offered in the BDSP, then consider the

alternate available Cash Sweep or other investments. Please contact your financial professional to discuss these options and to make changes.

The BDSP creates financial benefits for NYLIFE Securities as we receive a portion of the interest on amounts customers have invested in the BDSP in the form of payments from NFS, who received interest payment from the participating bank(s). The fees paid for BDSP to NYLIFE Securities are: (i) higher when the amount customers have in the BDSP increases; (ii) higher if interest rates rise; (iii) greater than the interest rate received by customers on their BDSP deposit as NYLIFE Securities chooses the interest rate payable to customers from a schedule provided by NFS; and (iv) depending on the interest rates, generally higher than the payments received by NYLIFE Securities from money market fund sponsors. These payments NYLIFE Securities receives create a conflict of interest and incentive for NYLIFE Securities to offer the BDSP as the Cash Sweep option. However, NYLIFE Securities' financial professionals do not receive any portion of these payments and have no incentive to recommend these Cash Sweep options to you.

In addition, these BDSP payments create a conflict of interest and incentive for NYLIFE Securities to continue its relationship with NFS as its clearing firm and custodian for brokerage accounts. As there are other Cash Sweep options available in the marketplace, designating the BDSP as the Cash Sweep option is a material limitation placed on brokerage accounts offered through NYLIFE Securities. This material limitation, and NYLIFE Securities' potential receipt of a portion of the interest on the BDSP, creates a conflict of interest and incentive for NYLIFE Securities in offering the BDSP over other available Cash Sweep options. NYLIFE Securities addresses these conflicts by disclosing them to you and not sharing any portion of these payments with your financial professional.

FSRXX - FSRXX is a money market fund and is not FDIC-insured. Although the fund seeks to preserve its value, it is possible to lose money by investing in the fund. Customers can get information on the interest rate or the fund from the Fidelity Treasury Fund Capital Reserves prospectus or by asking their financial professional.

NYLIFE Securities has chosen to offer customers the Fidelity Treasury Fund Capital Reserves (FSRXX) government money market fund from the Cash Sweep options NFS makes available. NYLIFE Securities, or its affiliates, receive payments from the sponsor of available money market fund Cash Sweep options (such as Fidelity). These payments are a conflict of interest and incentive for NYLIFE Securities to designate or make available a particular money market fund as a Cash Sweep option over other available investment options. NYLIFE Securities addresses these conflicts by disclosing them to you and not sharing any portion of these payments with your financial professional.

#### Supervision and Monitoring of Financial Professionals

Financial professionals receive extensive training, support, and supervision from NYLIFE Securities. We expect and train our financial professionals to adhere to a professional standard of care in making investment recommendations that are in a customer's best interest. Financial

professionals are trained to place customers' interests ahead of their own when making product recommendations.

NYLIFE Securities has developed a comprehensive internal system ("SmartMatch") to monitor and supervise financial professionals' recommendations and evaluate the potential benefits of the proposed transaction. Particular attention is given to recommendations associated with higher compensation and recommendations at key customer liquidity events. Our SmartMatch process applies specific criteria for investment recommendations that are based on customer types that would reasonably be expected to benefit from a proposed investment strategy. SmartMatch seeks to identify imprudent recommendations and focuses on how much money a prudent investor would invest in particular classes of products or products with certain features. Back-end monitoring seeks to identify behavioral red flags and mitigate conflicts arising from the payment of transaction-based fees.

The SmartMatch system is a rules-based, semi-automated system designed to ensure that recommended transactions meet corporate standards and regulatory requirements. SmartMatch applies a series of product and transaction-specific tests, based on a customer's age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance and other customer-specific information provided by the customer in the relevant product application and investor profile. As part of the SmartMatch process, a financial professional also needs to affirm why a product sale is in a customer's best interest based on the customer's individual investment profile and stated investment goals. If the information provided by the customer falls within the Company's established guidelines, the application passes the SmartMatch process and is approved by a NYLIFE Securities registered principal. However, if the information is inconsistent with these guidelines, the suitability of the transaction must be further reviewed before a final determination is made by a registered principal as to whether to accept or decline it.

All SmartMatch reviewers and registered principals are part of a dedicated and centralized staff with expertise in applying those standards for customer transactions. NYLIFE Securities believes there is significant value in establishing uniform rules that are applied by an automated system and reviewed and approved by a team whose members are outside of the sales chain of command and solely devoted to a best interest review.

NYLIFE Securities also performs periodic account reviews and back-end monitoring to determine, among other things, that a customer's investment allocation is consistent with the investment profile information on file and is reasonably diversified to mitigate potential overconcentration of assets. NYLIFE Securities may choose to voluntarily notify customers in certain instances where: (1) their investment allocation represents a potential overconcentration in a single mutual fund position or variable product investment division; (2) their current investment holdings exceed a certain percentage of their liquid net worth; (3) their current holdings do not appear to be consistent with their stated investment objective – such as an aggressive allocation held in a conservative account. NYLIFE Securities and its financial professionals provide the above reviews voluntarily and without compensation; we do not monitor customer accounts on an ongoing basis. These

voluntary account reviews should not be construed as an agreement to provide account monitoring in the future or the assumption of a continuing obligation to do so.

Following new account openings, NYLIFE Securities reviews subsequent transactions meeting specific criteria including but not limited to transaction amounts and allocations relative to the customer's current risk tolerance and investment objective.

On a post-sale basis, we review and analyze sales data to identify potential sales practice issues including potential conflicts of interest. The sales practice issues flagged for review include potentially inappropriate replacement, switching, or churning activity. Where appropriate, flagged exceptions are escalated, and if sales practice violations are identified, NYLIFE Securities may take disciplinary action against the financial professional who has breached its sales practice standards.

Additionally, as required by law, at least once every three years or within 30 days of a change to a retail customer's investor profile record, NYLIFE Securities furnishes investor profile information to each retail customer and requests any necessary updates and/or corrections. NYLIFE Securities asks customers to review both general account information as well investment profile information. To ensure the accuracy of a retail customer's personal and investment profile information and that the customer's insurance and investment needs are being addressed, customers and financial professionals are encouraged to meet regularly to review the customer's investment holdings, investment objectives, and any changes to the customer's financial situation or needs. This voluntary review of accounts is not a service or an undertaking to provide account monitoring.

Every NYLIFE Securities financial professional is subject to a periodic Supervisory Interview and Inspection. The review, among other things, requires the financial professional to certify as to his or her compliance with various rules.

NYLIFE Securities takes customer complaints seriously. Complaints may include valuable information about our products and services and provide opportunities to acknowledge and correct potential issues. NYLIFE Securities seeks to handle and resolve complaints in a fair and equitable manner. We also seek to identify and resolve any general or systemic problems that could lead to other adverse customer experiences. Complaint reports based on statistical data and analysis are compiled periodically and provided to NYLIFE Securities' senior management team, including the Chief Executive Officer, Chief Compliance Officer, and Board of Managers.

NYLIFE Securities has adopted a disciplinary process to protect the company, its customers, and its financial professionals by providing a foundation that supports ethical behavior. A strong disciplinary process reflects NYLIFE Securities' commitment to high standards of business conduct and is consistent with industry best practices and regulatory expectations. This process seeks to ensure that a financial professional is: (a) aware of the rule or procedure that his or her actions violated; (b) knowledgeable about the appropriate approach to similar circumstances in the future; and (c) less likely to repeat the behavior. Four levels of action are included in NYLIFE Securities' process ranging from lowest to highest: Letter of Caution, Reprimand, Severe

Reprimand, and Termination. These actions may also include various levels of sanctions, including but not limited to, loss of privileges, restitution, and/or fines.

### Overview of Addressing Conflicts of Interest

NYLIFE Securities has adopted written policies and procedures designed to ensure that the Company and its financial professionals achieve compliance with regulatory standards. NYLIFE Securities has specifically identified and documented its conflicts of interest and has adopted measures designed to prevent these conflicts of interest from causing violations of securities regulations.

NYLIFE Securities' policies and procedures are designed to promote the best interest standard by ensuring alignment of financial professionals' incentives with the interests of the customers they serve and by ensuring appropriate monitoring and supervision of individual financial professionals' conduct. NYLIFE Securities will periodically review, and revise as necessary, its policies and procedures to ensure that it and its financial professionals are engaging in proper conduct.

NYLIFE Securities believes that securities transaction-based compensation can be more cost effective for customers who do not trade frequently and have purchased an investment product to address long-term needs.

Compensation across proprietary annuity products may differ to allow for higher compensation for more complex products on the basis that more time and effort are required for an agent to learn, understand, and support a customer purchasing the product. While cash compensation is generally greater on the sale of a variable annuity than a mutual fund, this is a function of neutral factors, including the time and effort needed to both train financial professionals and educate their customers on the features and benefits of an annuity product, and the increased time and effort needed to service these products.

NYLIAC receives compensation from the advisors or sponsors of certain variable annuity or variable universal life investment divisions for providing administrative services. This compensation creates a conflict of interest because NYLIAC has an incentive to select products that make such payments. However, this potential conflict of interest does not extend to NYLIFE Securities financial professionals because their compensation does not vary based on which investment division customers choose within their variable annuity or variable universal life policies, and financial professionals receive no part of any payment made to NYLIAC.

Mutual fund companies and alternative fund companies have different fees charged to customers based on the share class selected. These funds also pay different compensation in the form of sales charges, placement fees and ongoing payments (trails or 12b-1 fees) to broker-dealers like NYLIFE Securities. Additionally, given their complexity, investments in alternatives could be more expensive for customers as they could involve higher sales charges, placement fees, expense ratios and trails than investments in mutual funds. Commissions paid to financial professionals may also

vary based on the mutual fund family or alternative fund in which customer invests. NYLIFE Securities has a conflict of interest because it has an incentive to select mutual funds and alternative funds (or share classes for those funds) that pay NYLIFE Securities and its financial professionals more revenue than other funds or more traditional investments. Similarly, different products and programs generate different amounts of Council Credits, which influences financial professionals' compensation, benefits eligibility, and standing within New York Life's recognition programs. To address this conflict for mutual funds and alternatives, NYLIFE Securities has capped commissions (including sales loads and placement fees) as described in the Compensation on Mutual Fund Products and Compensation on Alternatives above. To further address this conflict, financial professionals do not receive an expense or training allowance for the sale of mutual funds or alternatives. NYLIFE Securities also addresses this conflict by performing checks to ensure that the investments are appropriate for you in light of your investment objectives and financial circumstances, among other factors. (See Supervision and Monitoring of Financial Professionals).

NYLIFE Securities has another incentive for you to invest in alternative investments offered and recommended by NYLIFE Securities. NYLIFE Securities pays fees to a third-party provider for access to a platform to facilitate customer investments in such securities. The third-party provider discounts NYLIFE Securities' fees based on the amount invested in such alternative investments by customers of either NYLIFE Securities or its affiliate, Eagle Strategies LLC. We address this conflict by disclosing it to you and not sharing this benefit with financial professionals.

Additionally, NYLIFE Securities' affiliate, NYLIM receives revenue when you invest in a mutual fund or an investment division that NYLIM manages for variable annuity or life products (e.g., one of the NYLI Funds or NYLI VP funds) rather than in a non-proprietary offering. However, these potential conflicts of interest do not extend to NYLIFE Securities financial professionals because their compensation does not vary based on which mutual fund or investment division customers choose, and they receive no part of any management fees paid to NYLIM.

New York Life Insurance Company offers the New York Life Guaranteed Interest Account ("GIA") for certain 529 Plan portfolios offered through NYLIFE Securities' financial professionals including the LoneStar 529 Plan and the CollegeChoice Advisor 529 Savings Plan. The GIA invests in a stable value investment option with a guarantee of principal and accumulated interest provided by New York Life Insurance Company. Although there are no investment expenses associated with the GIA, the yield of the GIA within the applicable 529 Plan investment portfolios is lowered by a certain percentage to compensate New York Life for operating, administrative, and marketing costs. This will reduce the return of the investment portfolios that invest in the GIA. However, these potential conflicts of interest do not extend to NYLIFE Securities or its financial professionals because their compensation does not vary based on which 529 Plan or investment portfolios customers choose, and they receive no part of any compensation paid to New York Life Insurance Company.

For conflicts relating to cash sweep options, see the Core Account Investment Vehicles for Brokerage Account section above.

When you borrow money from a Program Lender through the Securities-Based Lending Program, NYLIFE Securities receives referral payments from the Program Lender. While this creates a conflict of interest for NYLIFE Securities, this conflict of interest does not extend to your financial professional, because NYLIFE Securities does not share these referral payments with financial professionals. If you borrow money under the Securities Based Lending Program instead of selling securities in your NYLIFE Securities accounts to raise the money you need, NYLIFE Securities may earn more or less total commissions for those assets, depending on how often you trade securities in your account. Therefore, NYLIFE Securities and your financial professional may have a conflict of interest due to the incentive to permit your accounts to be pledged as collateral for an SBLOC. NYLIFE Securities addresses these conflicts of interest by disclosing them to you.

Neither NYLIFE Securities, Eagle, NYLIAC, nor any affiliate or related entity employ any sales contests, sales quotas, bonuses, and non-cash compensation that are based on the sale of specific securities or specific types of securities within a limited period of time. NYLIFE Securities has also established a supervisory structure reasonably and prudently designed to ensure the financial professionals will adhere to a best interest standard.

While NYLIFE Securities believes that we have eliminated or mitigated conflicts of interest, we recognize that certain conflicts of interest remain, and we have disclosed the material facts relating to those conflicts that are associated with recommendations.

Customers are encouraged to tell us about any issues or concerns they have and can contact us at 1-800-695-4785.