



Alternative Investment and Variable Annuity Order Efficiency Tips

ALTERNATIVE INVESTMENTS

Prospectus Date (page 1)

Client must have most current prospectus on date of signature.

Source of Funds (page 1)

Ensure sources of funds are marked accurately on page 1.
May have multiple sources for a purchase.

Financial Information (page 3)

Books and records in BranchNet must be current and consistent with the information on the AI1 (page 3 and page 5).

- Liquid Net Worth (existing alternatives must be excluded)
- Net Worth (existing alternatives must be included)
- Annual Income

All Alternative Investments currently held by client(s) must be listed in 7h and the holding being purchased on AI1 is not included in 7h total.

- All financials on the AI1 should be updated from any previous AI1 submissions. Same financials will create questions.

Review financial profile of the account.

- Investment Objective (account holdings must be suitable)
- Liquidity Needs from the Account (this investment is illiquid)

Financial Investment Breakdown (% breakdown by asset class).

If client has 20% of investments in real estate then that should be reflected in net worth value on AI1.

Suitability Questionnaire (page 5)

Question 9ad is asset class specific (owning BDC does not qualify for REITs, etc.). Review Previous AI1s for client(s). If financials have changed more than 20% in either direction within the past two years this must be acknowledged in Suitability Question 9ag on page 5 and in Suitability Rationale on page 6. If account objective has changed within the past two years this must be acknowledged in Suitability Question 9ah on page 5 and in Suitability Rationale on page 6, particularly if this objective change allows for the sale to fall within the grid guidelines.

Suitability Rationale 9b (page 6)

The suitability rationale should address these issues:

- Why this specific product
- For this specific client
- At this specific time

The rationale should also include acknowledging the client understands the risks of illiquidity of the investment, the distributions not being guaranteed and the specific investment risks of the program such as industry concentration, non-originated loans, opportunistic strategies, etc.

VARIABLE ANNUITIES

Make Sure to Adhere to the Following:

1. Satisfy all training programs for the product.
2. For exchanges, complete and upload a PAG variable annuity exchange worksheet and the latest client statement into account documents before submitting the order.
3. Ensure financials in BranchNet and on the order are consistent.
4. Ensure all subaccounts on the order are suitable for investment objective.
5. Provide the client with an illustration and upload into account documents.
6. Provide customized "why" statements in the notes section of the order:
 - Client's specific financial situation and needs information.
 - Client's understanding of and willingness to take on risk.
 - Client's understanding of the difference between account value and living benefit base.
 - Is the client fully aware of all the fees and additional costs, including CDSC charges?
 - Why were this specific carrier, benefits and features selected?
 - How does the transaction meet the client's financial goals?