

# Investment Disclosure Form



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**GWN Securities would like you to be fully aware of potential risks and liabilities.  
Please read the information contained in this disclosure before signing.**

- A fully completed disclosure form must be signed by the client(s), Registered Representative(s), and Supervising Principal
- **Separate disclosure information is required for each transaction**

## Section 1: Customer Information (Must be completed in all cases)

Owner Name \_\_\_\_\_ SSN/Tax ID \_\_\_\_\_

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Owner Name \_\_\_\_\_ SSN/Tax ID \_\_\_\_\_

Account Type:  Non-Qual  403(b)  529 Plan  IRA \_\_\_\_\_  Other \_\_\_\_\_  
(Complete Section 4) (Roth, SEP, etc)

Name of Product Being Purchased Today \_\_\_\_\_

Type of Product:  Variable Annuity (Complete Sections 2 and 7)  Mutual Fund (Complete Sections 3 and 7)

Source(s) to fund investment: \_\_\_\_\_  
(i.e. Check, SRA, Transfer/Rollover) If transferring or exchanging one product for another, complete Sections 6.

## Section 2: Variable Annuities (To be completed for all VA Purchases)

Sales Charge on New Product: \_\_\_\_\_ Fees (i.e. M&E Expenses): \_\_\_\_\_ Free Look Period: \_\_\_\_\_

I will incur a surrender charge on my new variable annuity contract starting at \_\_\_\_\_ % and decreasing over \_\_\_\_\_ years. The contract charges for my new variable contract are disclosed in the prospectus, which I have received.

Riders or Special Features: \_\_\_\_\_

Feature	Cost
_____	_____
Feature	Cost
_____	_____

**X** \_\_\_\_\_ (CLIENT INITIALS) I understand that the features/enhanced riders listed above have additional costs as noted above. In addition, I believe that the benefits of these features are needed based on my situation and best suits my objectives and circumstances.

Describe the intended use of this variable annuity: \_\_\_\_\_

What is the investment time horizon for this product? \_\_\_\_\_ (years)

What are your total investment assets? \$ \_\_\_\_\_ Total Life Insurance? \$ \_\_\_\_\_

Will there be any liquidity needs taking into account your health, age, income, net worth, number of dependents, etc. during the life of this contract? (Example of liquidity needs might be income, purchasing a home, medical or educational expenses.)  Yes  No

If yes, please describe the need and how this contract can accommodate the need for liquidity. \_\_\_\_\_

**X** \_\_\_\_\_ (CLIENT INITIALS) I understand that the purchase of a variable annuity is a long term investment product that lacks liquidity and will have penalties for early withdrawal.

**X** \_\_\_\_\_ (CLIENT INITIALS) Annual income range, net worth (exclusive of farm, home, furnishings, etc.) investment objectives, tax bracket are as indicated on the GWN Customer Agreement.

### Replacements

Is this product replacing an existing annuity or life insurance contract?  Yes  No

**X** \_\_\_\_\_ (CLIENT INITIALS) If yes, I affirm that my representative and I have thoroughly discussed replacing my existing annuity or life insurance contract including whether I will incur a surrender charge, be subject to the commencement of a new surrender charge, lose existing benefits, and/or be subject to increased fees or charges. I understand the nature of this annuity or life insurance contract, believe it meets my objectives, and can afford it based on the financial information I have disclosed to my representative. In making this decision, I have considered product enhancements, cost structures, and surrender charges.

**Section 2 continued: Variable Annuities** (To be completed for all VA Purchases)

**Replacements**

My existing contract has the following benefits, features or special riders: \_\_\_\_\_

My existing contract has a death benefit of \$\_\_\_\_\_, Interest Rate Guarantee of \_\_\_\_\_, and Expenses/Charges/Fees of \_\_\_\_\_. I am replacing my existing contract for the following reason(s): \_\_\_\_\_

Have any of your annuity contracts been the subject of an exchange/transfer within the preceding 36 months?  Yes  No

**Variable Contracts Held In Tax-Qualified Plans** Will this product be held in a tax-qualified plan?  Yes  No

**X** \_\_\_\_\_ (CLIENT INITIALS) If yes, I am aware that my qualified plan allows for the tax-deferred accrual of earnings and, therefore, the tax-deferred accrual feature of the variable contract provides no additional tax benefits. The recommendation of this product for my plan was supported by benefits other than the tax-accrual feature of the variable product. If I am purchasing a Section 403(b) annuity I understand amounts may only be paid when I reach 59 1/2, upon severance from employment, or upon death or disability. I am aware that, if I am (or will be) subject to Required Minimum Distributions, surrender charges may be applicable to these distributions.

**Bonus Products** Will this investment include a bonus feature?  Yes  No

**X** \_\_\_\_\_ (CLIENT INITIALS) If yes, I affirm that my representative and I have thoroughly discussed the bonus features of this product. I understand that bonus annuities may carry higher expenses, longer holding periods and higher surrender charges that can potentially outweigh the benefit of the bonus credit earned. I understand the nature of this bonus annuity, believe it meets my objectives, and can afford it based on the financial information I have disclosed to my representative. In making this decision, I have considered product enhancements, cost structures, and surrender charges.

**Variable Life Insurance Financing** Are you obtaining the money to purchase this variable LIFE policy from a loan or cash value of another insurance policy?  Yes  No

**X** \_\_\_\_\_ (CLIENT INITIALS) If yes, I understand there are substantial risks in taking money from an existing policy to finance a new policy. If the investment portion of the existing policy does not perform well, I may not have the money from the original policy to make the payment for my new policy. If this occurs, I could lose both policies through an inability to make the payment on the new policy and the inability to repay my loan on the original policy.

**Section 3: Mutual Funds** (To be completed for all mutual fund purchases)

I have chosen to purchase **A shares**. This decision was made after my investment representative explained the charges I will pay and that some investment companies will offer reduced sales charges through volume purchases. **I have completed the Breakpoint Worksheet and have disclosed all current investment holdings that would allow me to obtain a breakpoint sales charge discount as defined within the mutual fund prospectus.**

**I have chosen to purchase B shares.** My investment representative explained the contingent deferred sales charge and showed me the applicable schedule in the mutual fund prospectus. I further understand that the Class B shares may ultimately incur greater total fees than Class A shares. I know that if I withdraw my investment before the end of the CDSC holding period, I am aware that I will incur a deferred sales charge that may be as high as 6% and the sales charge declines throughout the holding period eventually reaching zero. I understand that although 100% of my funds are invested when I purchase Class B shares, in the long term, the additional fees charged each year during the contingent deferred sales charge holding period may cause my long-term total return to be lower than if I had purchased comparable Class A shares.

I have chosen to purchase **C shares**. My investment representative has explained that mutual fund investment is typically a long-term investment strategy and that the fees associated with C shares are generally higher than investing in shares of A or B. I understand that C Shares are more expensive the longer they are held. I am purchasing C shares for the following reason:  
\_\_\_\_\_

I have chosen to purchase a **Fund to Fund Plan** with a Transaction Based Fee. I have completed the **Breakpoint Worksheet and have disclosed all current investment holdings that would allow me to obtain a breakpoint sales charge discount as defined within the prospectus.**

I have chosen to purchase \_\_\_\_\_ (**other than A, B or C shares**). My investment representative has explained that mutual fund investment is typically a long-term investment strategy and that the fees associated with these shares are generally higher than investing in shares of A or B. I have read the mutual fund prospectus and my investment representative has reviewed the costs associated with these shares versus A, B, and C shares.

**X** \_\_\_\_\_ (CLIENT INITIALS) I understand that a mutual fund purchase is designed to help meet long-term investment goals. Mutual Fund Companies may impose and retain a short-term trading fee on shares that are sold or exchanged within a pre-determined "holding period" after the date of purchase. Liquidating my shares may result in a balance that is more or less than my original investment. Investment products are re-priced daily, and therefore the value will fluctuate daily. Neither the investment principal amount nor the investment earnings are guaranteed.

I will incur a \_\_\_\_\_% front-end sales charge/fee and/or a \_\_\_\_\_% back-end sales charge, declining to 0% over \_\_\_\_\_ years on my Class \_\_\_\_\_ share mutual fund purchase.

**Section 3 continued: Mutual Funds**

**Mutual Fund Breakpoint Worksheet** (must be completed for ALL Class of Share purchases)

**1. Your Total Holdings through GWN** (must complete – indicate “none” if client does not have any assets with GWN)

Fund Name / Acct #	Acct Type	Holdings in Acct - Cash Value or Cost		Fund Name / Acct #	Acct Type	Holdings in Acct - Cash Value or Cost

(Please attach additional sheet if there are more applicable accounts than space provided)

**2. Your Total Holdings Outside of GWN**

\_\_\_\_\_ (CLIENT INITIALS) **I Decline to Provide**

Fund Name / Acct #	Acct Type	Holdings in Acct - Cash Value or Cost		Fund Name / Acct #	Acct Type	Holdings in Acct - Cash Value or Cost

(Please attach additional sheet if there are more applicable accounts than space provided)

**3. Total Holdings of Related Parties** (i.e. Family) (as defined by the mutual fund prospectus) both through GWN and outside GWN

\_\_\_\_\_ (CLIENT INITIALS) **I Decline to Provide**

Fund Name / Acct #	Acct Type	Holdings in Acct - Cash Value or Cost		Fund Name / Acct #	Acct Type	Holdings in Acct - Cash Value or Cost

(Please attach additional sheet if there are more applicable accounts than space provided)

Today's Purchase Amount \$ \_\_\_\_\_ PLUS Total Holdings (1, 2, and 3) \$ \_\_\_\_\_ = \$ \_\_\_\_\_

Will the TOTAL of today's purchase PLUS total holdings qualify for a breakpoint discount? (Do not consider where holdings are currently invested)  Yes  No

Do you have a letter of intent on file that would entitle today's purchase to a further breakpoint? (Refer to the Mutual Fund Prospectus for more information)  Yes  No

Record the highest breakpoint associated with today's purchase. \_\_\_\_\_%

Based on all holdings listed above and disregarding the class of shares are you allocating your investments across multiple mutual fund companies?  Yes  No

**If yes:**

**X** \_\_\_\_\_ (CLIENT INITIALS) **I understand that by allocating my investments across multiple mutual fund companies, I may not qualify for a reduced sales charge (breakpoint) that I would have otherwise received had I allocated all of my investments in to breakpoint available shares within one mutual fund company. I understand that the dollar amount of investments used to determine the breakpoint for which I may qualify is with GWN or other outside investment firms or mutual fund companies. Additionally, I understand that by purchasing Class A shares of one mutual fund company at the available breakpoint, the total cost of the shares would be less than the total cost of purchasing shares within multiple mutual fund families.**

**Section 4: 529 Plans** (Complete if account being established is a 529 Plan)

Depending upon the laws of the home state of the customer or designated beneficiary, favorable state-based benefits offered by the state in connection with investing in 529 plans may be available only if the customer invests in a 529 plan offered by the home state. State-based benefits offered with respect to a particular 529 plan should be considered as one of many appropriately weighted factors that should be considered by the customer in making his or her investment decision. The customer should consult with their tax adviser and/or home state department to learn more about how such home state features (including limitations) may apply to the customer's specific circumstances. **Additional information concerning 529 Plans and in-State benefits can be found at [www.collegesavings.org](http://www.collegesavings.org). If you do not have access to the internet please request the information from your representative.**

Is realizing state-based benefits an important factor in the customer's investment decision?  Yes  No

Indicate the state-based benefits/limitations \_\_\_\_\_

Other factors that should be considered \_\_\_\_\_

**X** \_\_\_\_\_ (CLIENT INITIALS) I have received the \_\_\_\_\_ State (home state) 529 Plan information. Based on the facts and circumstances presented, I have determined that the \_\_\_\_\_ 529 Plan best suits my objectives and circumstances.

**Section 5: Managed Investment Account** (If applicable)

Will there be an Investment Advisory Agreement added to the Mutual Fund or Variable Annuity Product being purchased today?  Yes  No

If Yes, I will incur an asset based advisory fee of \$ \_\_\_\_\_ or \_\_\_\_\_ % on this Managed Investment Account.

(select one)  Annual  Semi-Annual  Quarterly  Monthly

**Section 6: Switch/Exchange/Transfers** (If no Switches/Exchanges/Transfers proceed to Section 7)

**Type of Switch/Exchange/Transfer**

- |  |   |
|--|---|
| <input type="checkbox"/> Mutual Fund to Mutual Fund (different fund family) or Variable Annuity/Life | <input type="checkbox"/> Managed Investment Account to Mutual Fund or Variable Annuity/Life |
| <input type="checkbox"/> Variable Annuity/Life to Variable Annuity/Life or Mutual Fund               | <input type="checkbox"/> Managed Investment Account to Managed Investment Account           |
| <input type="checkbox"/> Fixed Product to Mutual Fund or Variable Annuity/Life                       | <input type="checkbox"/> Other _____  |
| <input type="checkbox"/> Mutual Fund or Variable Annuity/Life to Managed Investment Account          | to _____  |

**For Retirement Plan Distribution/Rollover:** (select one)

- Employer Required  Client's Choice

**Product Being Liquidated**

I am liquidating the following products:

Company Name	MF or VA	Product Name	Share Class	Full or Partial	Amount Liquidated	Date of Original Purchase	Surrender Charge/Fees Sales Charges

**Risks**

I understand there may be risk associated with this investment exchange/switch. However, I believe a change is warranted. I see: (select all that apply)

- |   |   |
|---|---|
| <input type="checkbox"/> A more aggressive asset category which may have more potential for capital appreciation.                                 | <input type="checkbox"/> Potentially higher returns within an asset category.   |
| <input type="checkbox"/> A more conservative asset category which may be subject to less short-term risk.   | <input type="checkbox"/> Potentially lower volatility within an asset category.   |
| <input type="checkbox"/> A different asset allocation category which may help meet my portfolio diversification needs.                            | <input type="checkbox"/> Potentially lower internal operating expenses.   |
| <input type="checkbox"/> An investment that is managed to produce potentially higher interest/dividends which may help meet current income needs. | <input type="checkbox"/> An investment that is managed to realize potentially lower current interest/dividends which may be more tax-efficient. |
| <input type="checkbox"/> Other: _____   |   |

**Disclosures**

**X** \_\_\_\_\_ (CLIENT INITIALS) I understand there may be risk associated with this investment exchange/switch. However, I believe a change is warranted. I acknowledge:

The products surrendered are meant to be long-term investments. Investments are subject to market fluctuation, investment risk and possible loss of principal. The representative may receive a commission from the investment purchase – and/or – an asset-based fee for ongoing investment advisory services.

**Please consider the following points when making an exchange or switch decision:**

There may be an appropriate fund within the same fund family into which you can exchange to achieve your new investment objective. By exchanging within the same fund family, you will not incur any new sales charges or contingent deferred sales charge (CDSC) periods. (Note: A transaction charge may be assessed by certain fund families.) Switching from one product to another based on poor past performance may not be appropriate. Past performance is no guarantee of future results, and you may actually be moving out of a fund that will perform better in the future than the new fund performs. Switching from a mutual fund, variable annuity or unit investment trust into a variable annuity or variable life insurance product, or from a variable insurance product into a mutual fund or unit investment trust, may subject you to contingent deferred sales charges (CDSC) and tax consequences.

**For Partial 1035 Exchanges** – I certify that I am not entering into this transaction for the purpose of reducing or avoiding taxes or early withdrawal penalties. I also understand that there may be adverse tax consequences for withdrawals taken within 24 months of a partial exchange. GWN Securities assumes no responsibility or liability for the validity or tax treatment of a partial exchange under IRC Section 1035(a) or other regulations. I have been directed to consult my tax or legal adviser before proceeding.

**Section 7: Client/Representative Acknowledgement**

**(CLIENT INITIALS Type of Investment being purchased)**

**X** (CLIENT INITIALS) **Mutual Funds**

I acknowledge receipt and my responsibility to read the prospectus for the mutual fund(s) I am about to purchase in addition to the Mutual Fund Disclosure Statement located on Page 5 of this Form. I understand these investments offer both front-end sales charge and contingent deferred sales charge classes of shares. In addition, my investment representative explained that based upon the dollar amount of my investment, I may qualify for a reduced front end sales charge as defined in the mutual fund prospectus. I understand that the dollar amount of investments used to determine the breakpoint for which I may qualify is based on any positions that I hold within GWN Securities, as well as any related accounts held with outside firms. I have disclosed or specifically declined (as evidenced by my initials) to my investment representative any mutual fund positions that may assist me in qualifying for a reduced sales charge on this purchase.

By signing below, I believe, based on my review of the prospectus, the **Mutual Fund Disclosure statement located on Page 6** of this form, my conversations with my investment representative, my prior experience, and my financial situation, that this mutual fund purchase meets my investment objectives.

**X** (CLIENT INITIALS) **Variable Annuities**

I acknowledge receipt and my responsibility to read the prospectus for this variable annuity or life insurance policy I am about to purchase. My representative has also answered my questions about this investment.

**Important Information about Insurance Products** - You are purchasing an insurance product with an investment component. The following affirmations apply to both characteristics of this product.

I understand this is a long-term investment and this is consistent with my investment objectives.  
If I elect to withdraw funds from this annuity/life contract, I understand I may pay a surrender charge, in addition to federal and state taxes. Furthermore, if I withdraw funds prior to age 59 1/2, I understand I may also have to pay a 10% IRS tax penalty.  
I understand this investment is subject to fluctuations in the market, which will affect the value of my investment. I accept this risk and understand that past performance is not indicative of future results.  
Prior to making this investment, my registered representative advised me of the fees associated with this investment, including bonuses and commissions.  
Prior to making this investment, my registered representative advised me of the features of this particular product, including, but not limited to, the following, where applicable: the free-look period, sub account investment options, withdrawal and loan privilege, policy premium lapse periods, product enhancements, death benefit, contingent deferred sales charges, mortality and expense charges, and loan processing fees. I understand all charges, including those which may not be listed above, are fully described in the prospectus provided to me.

By signing below, I believe, based on my review of the prospectus, the information completed in **Section 2** concerning this Variable Annuity, my conversations with my representative, my prior experience, and my financial situation, that this annuity or life insurance contract meets my investment objectives.

**I/We hereby acknowledge my/our understanding of the statements in this disclosure and attest that the contents have been explained to my/our satisfaction.**

**X**

Owner Name (please print) Owner Signature Date (mm/dd/yy)

**X**

Owner Name (please print) Owner Signature Date (mm/dd/yy)

**I/We have appropriately acted on behalf of my/our client(s) by reviewing all the points in this disclosure. I/We believe that the information provided is true and accurate to the best of my/our knowledge. (If more than one Registered Representative, each must sign, date, and legibly print name.)**

**X**

Representative Name (please print) RR# Representative Signature Date (mm/dd/yy)

**X**

Representative Name (please print) RR# Representative Signature Date (mm/dd/yy)

Principal Signature Date (mm/dd/yy) Home Office Principal Signature Date (mm/dd/yy)

**Mutual Fund Breakpoint Disclosure Statement on the Next Page**

## **BREAKPOINT DISCLOSURE STATEMENT**

Before investing in mutual funds, it is important that you understand the sales charges, expenses, and management fees that you will be charged, as well as the breakpoint discounts to which you may be entitled. Sales charges, expenses, management fees, and breakpoint discounts vary from mutual fund to mutual fund. Understanding the availability of breakpoint discounts is important because it may allow you to purchase Class A shares at a lower price. The availability of breakpoint discounts may save you money and may also affect your decision regarding the appropriate share class in which to invest. You should discuss the availability of breakpoint discounts with your investment representative and carefully review the mutual fund prospectus and its statement of additional information, when deciding among the share classes offered by a mutual fund.

### **Sales Charges**

Most mutual funds offer different share classes. Although each share class represents a similar interest in the mutual fund's portfolio, the mutual fund will charge you different fees and expenses depending upon your choice of share class. Class A shares carry a "front-end" sales charge or "load" that is deducted from your investment at the time you buy fund shares. This sales charge is a percentage of your total purchase. Many mutual funds offer volume discounts, which are called "breakpoint discounts." In contrast, Class B and C shares usually do not carry any front-end sales charges. Instead, investors that purchase Class B or C shares pay asset-based fees, which may be higher than the charges associated with Class A shares over the length of the investment. Investors that purchase Class B and C shares may also be required to pay a contingent deferred sales charge when shares are sold.

### **Breakpoint Discounts**

Investors have a variety of ways to qualify for breakpoint discounts on the sales charge associated with the purchase of Class A shares. Most mutual funds provide breakpoint discounts to investors who make large purchases. Mutual fund prospectuses illustrate the available breakpoint discounts and the investment levels at which breakpoint discounts apply. Additionally, most mutual funds allow investors to qualify for breakpoint discounts based on current holdings from prior purchases through "*Rights of Accumulation*," and future purchases, based on "*Letters of Intent*."

*Rights of Accumulation* – Many mutual funds allow investors to consolidate the value of previous purchases of the same fund, or another fund within the same fund family, with the value of the current purchase to qualify for breakpoint discounts. If you have accounts at other broker-dealers and wish to take advantage of the balances in these accounts to qualify for a breakpoint discount, you must advise your investment representative about those balances. You may need to provide documentation establishing the holdings in those other accounts to your investment representative, if you wish to rely upon balances in accounts at another firm. In addition, many mutual funds allow investors to consolidate the value of holdings in accounts of certain related parties, such as spouses or children, to qualify for breakpoint discounts. Each mutual fund has different rules that govern when relatives may rely upon each other's holdings to qualify for breakpoint discounts.

*Letters of Intent* – Most mutual funds allow investors to qualify for breakpoint discounts by signing a Letter of Intent, which commits the investor to purchasing a specified amount of Class A shares within a defined period of time, usually 13 months. For example, if an investor plans to purchase \$50,000 worth of Class A shares over a period of 13 months, but each individual purchase would not qualify for a breakpoint discount, the investor could sign a Letter of Intent at the time of the first purchase and receive the breakpoint discount associated with \$50,000 investments on the first and all subsequent purchases. However, if an investor fails to invest the amount required by the Letter of Intent during the specified time period, the fund will retroactively deduct the correct sales charges based upon the amount that the investor actually invested.