



**ENVOY** FINANCIAL

TRUSTED ADVICE ALONG THE WAY

# Investor Handbook

This document is intended to provide you, the investor, with important information regarding your agreement to terms and policies established by Envoy Advisory, Inc., as Registered Investment Advisor and Envoy TPA and Recordkeeping, Inc., providing Third Party Administration and Recordkeeping Services as well as those required by other regulatory bodies. Please read this information carefully as it pertains to your current investments, and may also be relevant to future investments. Retain this document for your records.

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# ENVOY INVESTOR HANDBOOK

## *Investor Agreement and Disclosure Handbook*

The services provided to you for the administration of your retirement and individual investments are provided by separate companies. It is important to understand both the services and the separate entities that provide the services. These entities each operate on their own behalf and are individually responsible for their services, activities and results. In this document, these companies will be referred to as “Envoy” collectively, with the understanding that the contextual service is referring to the corresponding company. Below is a description of the entities providing services to you:

<b>Company</b>	<b>Service</b>
Envoy TPA and Recordkeeping, Inc. ....	<i>Third Party Administration</i>
Envoy TPA and Recordkeeping, Inc. ....	<i>Recordkeeping Services</i>
Envoy Advisory, Inc. ....	<i>Registered Investment Advisor</i>
Envoy Financial, Inc. ....	<i>Education, Sales and Marketing</i>

Contact information for each company:

8415 Explorer Drive, Suite 115  
Colorado Springs, Colorado 80920  
[www.EnvoyFinancial.com](http://www.EnvoyFinancial.com)

This document is intended to provide you, the investor, with important information regarding your agreement to terms and policies established by Envoy Securities, Inc., as Broker/Dealer, Envoy Advisory, Inc., as Registered Investment Advisor and Envoy TPA and Recordkeeping, Inc., providing Third Party Administration and Recordkeeping Services as well as those required by other regulatory bodies. Please read this information carefully as it pertains to your current investments, and may also be relevant to future investments. Retain this document for your records.

Where noted, additional details about a policy are available at: [www.EnvoyFinancial.com](http://www.EnvoyFinancial.com).

If you have any questions regarding the information found within this document, please contact Envoy.

Information contained in this guide supersedes prior disclosures or Handbooks you may have received.

The following outlines various terms and conditions, provides disclosures and offers a general education that is designed to help you, the investor, understand the products and services available to you. All references to "you" include individual investors, joint investors and/or any entity.

## Terms and Conditions

### I. Envoy Pre-Dispute Arbitration Agreement

You hereby agree that any and all controversies that may arise between you and Envoy shall be determined and settled by using the arbitration forum provided by the Financial Industry Regulatory Authority (FINRA) and in accordance with their rules then in effect. By signing the Confidential Investor Profile, New Account Application, and/or any of the Envoy Choice applications, you have agreed to the following:

- A. All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- B. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- C. The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- D. The arbitrators do not have to explain the reason(s) for their award.
- E. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- F. The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- G. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action, or who is a member of a putative class action who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

### II. Schwab Pre-Dispute Arbitration Agreement

Envoy introduces brokerage accounts to Charles Schwab, Inc. (Schwab). If you choose to open an account with Schwab, you will also be subject to the following Pre-Dispute Arbitration Agreement as well as Schwab's other terms and conditions as indicated in the disclosures given to you.

You hereby agree that any and all controversies that may arise between you and Envoy shall be determined and settled by using the arbitration forum provided by FINRA, and in accordance with their rules then in effect. By signing the New Account Application, you have agreed to the following:

- A. All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- B. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- C. The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- D. The arbitrators do not have to explain the reason(s) for their award.
- E. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- F. The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- G. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who initiated in court a putative class action; or who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until (i) the class certification is denied; (ii) the class is decertified, or (iii) the customer is excluded from the class by the

court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein. The laws of the state of New York govern.

### III. Customers of Financial Institutions

As a customer of a financial institution (e.g. bank, credit union), the following important notices are applicable, as well as Envoy's other terms and conditions stated later in this handbook:

- A. Investment products are not insured by the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Share Insurance Fund (NCUSIF), or any other government agency;
- B. Investment products are not deposits or other obligations of the financial institution, are not guaranteed by the financial institution and or any affiliated entity; and
- C. Investment products are subject to investment risks, including possible loss of principal investment.

This disclosure statement contains important information related to our relationship with you, including potential conflicts of interest that may exist in offering these services to you.

### IV. Consent to Electronic Delivery

Envoy's ability to offer the delivery of certain information and documents to you via the Internet rather than U.S. Mail. E-delivery:

- Simplifies and helps organize your financial life
- Saves valuable resources and time
- Provides you with quick, easy access to your account information
- Eliminates the need for storing (or losing) documents in paper form
- Eliminates the often large packet of investment prospectuses

For those who consent to electronic delivery when signing your Confidential Investor Profile, any of the Envoy Choice applications, the New Account Application, and/or the Consent for E-Delivery form, you are consenting to electronic delivery of any and all documents which Envoy has the ability to deliver electronically and will discontinue sending paper communications to you, unless or until you withdraw your consent as described below. Documents to be electronically delivered include, but are not limited to: all legal and regulatory disclosures and communications associated with the account or the products or services available through Envoy, which may include prospectuses; annual reports; proxy notices; required annual disclosures; privacy policy and notices; notices or disclosures about a change in the terms of your account(s); quarterly, monthly or other periodic notifications of PMA fees, trade confirmations or account statements for your account(s); or such other communications that we may include from time to time in the electronic delivery. **If necessary, Envoy will deliver all personal information through a secure website.**

**Right to Revoke.** You maintain the right to revoke this consent at any time and receive some or all covered documents in paper format. To revoke, please log on to our secure website, [www.EnvoyFinancial.com](http://www.EnvoyFinancial.com), and update your delivery notification preferences; or send an e-mail to: [ParticipantService@EnvoyFinancial.com](mailto:ParticipantService@EnvoyFinancial.com) or send a letter to: Envoy Financial, Inc., 8415 Explorer Drive, Suite 115, Colorado Springs, CO 80920, Attn: Electronic Delivery; or call in your request at (888) 879-1376.

For technical assistance regarding electronic document delivery, please contact Envoy at (888) 879-1376, between 8:00 and 5:00 MST Monday thru Thursday and between 8:00 and 11:00 on Fridays.

**Requesting Paper Copy.** You can obtain a paper copy of an electronic communication by printing it yourself or by requesting that we mail you a paper copy. To request a paper copy, contact Envoy at [ParticipantService@EnvoyFinancial.com](mailto:ParticipantService@EnvoyFinancial.com).

**Delivery Media.** Envoy intends to deliver documents to you via Envoy's secure website. We will notify you via e-mail when documents are available for viewing. The e-mail will include an Internet address (URL) where the document(s) can be accessed, viewed and printed. We may also use a CD-ROM to facilitate the delivery of a large document file, if necessary.

**Consent to Electronic Delivery.** In addition, documents may be delivered in a Portable Document Format (PDF) format, which requires special software in order to access and read.

**Hardware and Software Requirements.** The system requirements necessary for accessing, viewing and retaining electronic documents that we make available to you are: Hardware and Software Requirements. The system requirements necessary for accessing, viewing and retaining electronic documents that we make available to you are:

- A personal computer (PC) connected to the Internet via an Internet Service Provider (ISP)
- A valid e-mail address
- Sufficient electronic storage capacity on your computer's hard drive or other data storage unit
- Adobe Acrobat Reader software to read files in PDF (Acrobat Reader is available for free at <http://www.adobe.com>)
- Internet Explorer 7.0 or greater

**Costs.** You may incur printing costs and/or charges from your ISP for time spent online.

**Maintaining a Current E-mail Address.** If your e-mail address should become invalid, please contact Envoy to provide a valid email address.

**Joint and/or Multiple Owner Accounts.** You may only designate one e-mail address associated with a joint or multiple owner account as "the email address of record." The e-mail address of record must be that of the primary account holder, who is defined as the account holder whose tax identification number is associated with the account. This is the only e-mail address that electronic notification will be sent to when documents are available for viewing.

**Schwab Statements and Confirmations.** Schwab requires a signed Schwab E-delivery Request Form to deliver statements and confirmations electronically to you. You will be asked to sign this document upon the establishment of your account.

## **V. Error Notification, Correction Policy & Indemnification**

Envoy makes every effort to ensure the integrity of the personal and financial information we maintain on your behalf. You and Envoy share this responsibility equally. While Envoy agrees to maintain a consistent and accurate level of quality in the processing of your transactions, you have a separate responsibility to ensure that all instructions have been carried out properly. Should you discover an error, omission, exception or you fail to receive a confirmation following an anticipated or requested transaction, you must notify Envoy immediately and re-confirm any oral communication in writing. Envoy will assume that your confirmations and statements are correct, unless you notify us within ninety (90) calendar days of the transaction date. Envoy will not assume financial liability if an error is not reported to us within 90 calendar days of the transaction date. After 90 calendar days, Envoy will correct the error, but Envoy cannot accept responsibility for market fluctuations or other related expenses incurred due to the error.

You agree that Envoy, its officers, directors, employees and successors shall be fully released and discharged from all claims, liabilities, losses, costs and expenses (including attorneys' fees) that it may incur as a result of carrying out your instructions, or acting with respect to your account in accordance with the rules or customs of any exchange, investment company or insurance company where your transactions are executed, or in accordance with applicable law or regulation.

## **VI. Anti-Money Laundering**

To help the government fight the funding of terrorism and money laundering, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. Therefore, Envoy will verify your personal financial information, such as name, address, date of birth and other information for identification purposes, with an independent consumer reporting agency. Envoy may refuse or restrict transactions or request further information or evidentiary documentation during the verification process.

## **VII. Fund Closings/Fund Replacements**

If you are making ongoing periodic contributions to your account and a specific fund or share class is no longer available, Envoy will automatically map your current contributions and/or positions to a suitable share class or money market fund. In the case where a particular share class may no longer be offered, Envoy will typically default to the no load share. In the case where a particular fund is closed, Envoy will request that you provide new investment instructions, or Envoy will default to an appropriate money market fund.

## VIII. Administrative Fees

Authorization to deduct Recordkeeping fees: Envoy TPA & Recordkeeping, Inc., on behalf of Envoy Advisory, Inc., may deduct Recordkeeping fees from your account. These fees are deemed reasonable in light of the services provided. This authorization is in effect for the duration of time that this account is held through Envoy. Any fees deducted will appear on your statement.

## IX. Complaints

Almost all investor complaints are resolved quickly as a result of discussions with Envoy personnel. However, experience indicates that some misunderstandings can and will occur. Your first communication should be directed to Envoy. If you are still dissatisfied, please contact Envoy's Compliance Department at 8415 Explorer Drive, Suite 115, Colorado Springs, CO 80920, (888) 879-1376.

## X. Schwab

For those investors who open a brokerage account with Schwab, in addition to Schwab's Pre-Dispute Arbitration Clause found on page two of this handbook, the following additional terms and conditions apply.

**Provisions in the Event of Failure to Pay or Deliver.** Whenever the investor does not, on or before the settlement date, pay in full for any security purchased for his/her account, or deliver any security sold for such account, Schwab is authorized (subject to the provisions of any applicable statute, rule, or regulation): (A) until payment or delivery is made in full, to pledge, repledge, hypothecate, or rehypothecate, without notice, any or all securities which Schwab may hold for the Investor (either individually or jointly with others), separately or in common with other securities or commodities or any other property, for the sum then due or for a greater or lesser sum and without retaining in your possession and control for delivery a like amount of similar securities. (B) to sell any or all securities which Schwab may hold for the investor (either individually or jointly with others), to buy in any or all securities required to make delivery for investor, or to cancel any or all outstanding orders or commitments for the investor's account.

**Cancellation Provisions.** Schwab is authorized, at its discretion, should you die or for other reasons deemed necessary for our protection, without notice, to cancel any outstanding orders in order to close out investor's accounts, in whole or in part, or to close out any of the commitments made on the investor's behalf.

**General Provisions.** Any sale, purchase, or cancellation authorized hereby may be made according to Schwab's judgment and at Schwab's discretion on the exchange or other market where such business is then usually transacted, at public auction, or at private sale without advertising the same and without any notice, prior to tender, demand, or call. Schwab may purchase the whole or any part of such securities free from any right of redemption, and shall remain liable for any deficiency. It is further understood that any notice, prior to tender, demand, or call, from Schwab shall not be considered a waiver of any provision of this agreement. Investor shall include any person executing this agreement.

**Successors.** This agreement and its provisions shall be continuous, and shall inure to the benefit of Schwab and any successor organization or assigns, and shall be binding upon investor, and/or the estate, executors, administrators, and assigns of the investor.

**Age.** Owner and joint owner is of legal age in the state in which the investor resides and is authorized to enter into this agreement.

**Interest in Account.** No one except the investor has an interest the account, unless such interest is revealed in the title of such account.

**Orders and Statements.** Reports of the execution of orders and statements of the investor's clearing account shall be conclusive if not objected to in writing, the former within two days and the latter within ten days, after investor receipt by mail or methods of delivery.

**Extraordinary Events.** Schwab shall not be liable for loss or delay caused directly or indirectly by war, natural disasters, government restrictions, exchange, or market rulings, or other conditions beyond your control.

**Fees and Charges.** You agree to the fees and charges on the fee schedule received from Envoy and/or Schwab may change the fee schedule from time to time.

**Joint Accounts.** If this is a joint account, unless you notify Envoy otherwise and provide such documentation as required, the brokerage account(s) shall be held by us jointly with rights of survivorship (payable to either or the survivor). Each joint tenant irrevocably appoints the other as attorney-in-fact to take all action on his or her behalf and to represent him or her in all respects in connection with this agreement. You shall be fully protected in acting, but shall not be required to act upon the instructions of either. Each of us shall be liable, jointly and individually, for any amounts due to you pursuant to this agreement, whether incurred by either or both of us.

**Address.** Communications will be sent to your current address which is on file at Schwab, or at such other address you, the investor can provide in writing. All communications so sent, whether by mail, telegraph, messenger, or otherwise, shall be deemed given to me personally, whether actually received or not.

**Recording Conversations.** You understand and agree that for our mutual protection Envoy and or Schwab may electronically record any telephone conversations.

## Disclosures

### I. Envoy Privacy Policy

**What We Collect.** Envoy and its affiliates are committed to safeguarding customer personal and financial information in the strictest confidence. In order to provide you with individualized service, we collect certain public and nonpublic personal information about you that you provide on applications or other forms, whether in writing, in person, by telephone, electronically or by any other means, as well as information about your account. This may include your name, address, phone number, date of birth, Social Security number, assets, income, purchases, sales and account balances.

**How Your Personal Information Will Be Handled.** We collect this data to continually offer you the products and services you need to help meet your investment objectives and to effect, administer or enforce transactions you authorize. We do not sell your information to anyone.

To better serve you, we may disclose your information to:

- Our independent contractor representatives, their affiliated businesses, clearing firms, insurance companies, mutual funds, third-party administrators, broker/dealers and investment advisors that provide services to you on our behalf.
- Subsidiary affiliates that have been organized to assist in the conduct of our business, and as otherwise permitted by law.
- Companies that perform administrative or marketing services on our behalf, such as transfer agents or printers. These companies will use this data only for the services for which we hired them and are not permitted to share or use this information for any other purpose.
- Your employer with respect to employer-retirement plan assets only, as applicable.

**How We Safeguard Your Information.** With regard to our internal security procedures, we restrict access to your personal and account information to those employees who need to know. We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information.

**How We Protect You Online.** Our concern for the privacy of our investors also extends to those who utilize our website. Envoy is the sole owner of the information collected on this site. We will not sell, share or rent this information to others in ways not disclosed in this statement.

**What You Can Do.** For your protection, we recommend that you do not provide your account information to anyone. If you become aware of any suspicious activity relating to your account, please contact us immediately. **If you have questions about our policy or require additional copies of this notice, please call Envoy. You can also print a copy of this privacy notice from our website at [www.EnvoyFinancial.com](http://www.EnvoyFinancial.com).**



## II. MG Trust Company, LLC, Privacy Policy

At MG Trust Company, LLC, protecting your privacy and the confidentiality of your personal information is important to us. We value your business and the trust you put in us. To offer you trust products and services you seek, we collect, maintain and use information about you. To help you better understand how your personal information is protected at MG Trust Company, LLC, we are providing you with the following statement describing our practices and policies with respect to the privacy of your customer information. In the event you terminate your customer relationship with us, or become an inactive customer, we will continue to adhere to the policies and practices described in this notice.

**Information We Collect About You.** As your trust institution, we collect, retain and use nonpublic personal information about individual current and former customers to provide products and services to our customers. We may collect the following categories of nonpublic personal information about you:

- Information we receive from you and your agents, through applications you complete for our products or services or other forms;
- Information about your transactions with us, our affiliates or with nonaffiliated third parties; and
- Information we receive from your agent or from consumer reporting agencies.

**Information We Disclose About You and To Whom.** We do not disclose any nonpublic personal information about our customers or former customers to non-affiliated third parties, except as permitted or required by law.

**Information We Share To Provide You with Better Products and Services.** From time-to-time, we may disclose nonpublic personal information about you to companies that perform services on our behalf or to other financial institutions with which we have a joint service agreement. In the instances where MG Trust utilizes the assistance of these companies, we will require them to be contractually obligated to protect the confidentiality of your non-public personal information. The nonpublic personal information we may provide to these companies includes:

- Information we receive from you on applications or other forms, such as name, address, social security number and assets or securities we may hold for you;
- Information about your transactions with us, our affiliates or with nonaffiliated third parties, such as your account balance, payment history, parties with whom you engage in financial transactions, and credit usage; and
- Information we receive from consumer reporting agencies or governmental agencies.

**We Protect Your Information.** The protection of your nonpublic personal information is of utmost importance to us. That is why MG Trust Company, LLC maintains strict practices and procedures to safeguard your privacy in accordance with this privacy policy. We restrict employee access to customer information to only those who have a business reason to know such information, and we educate our employees about the importance of confidentiality and customer privacy.

We appreciate the opportunity to serve your trust services needs. We pledge to follow the policies, safeguards and guidelines as described in this notice, and to protect the confidentiality of your information. Your relationship is very important to us, and we will take great care to honor these commitments to you. Thank you for choosing MG Trust Company, LLC.

This notice applies only to nonpublic personal information about individuals who obtain trust products or services primarily for personal, family or household purposes.

This notice shall be effective December 1, 2009.

The Matrix Financial Solutions, Inc. group of companies includes:

- MG Trust Company, LLC
- Matrix Settlement & Clearance Services, LLC
- MG Advisory Services, LLC
- MSCS Financial Services, LLC
- Optech Systems, Inc.

**For More Information.** If you have any questions regarding our Personal Information Privacy Protection Policy, please visit our Internet site at [www.mgtrustronline.com](http://www.mgtrustronline.com).

### III. Business Continuity Planning

Envoy has established emergency preparedness plans and procedures that address the possibility of a significant business disruption that could result from power outages, natural disasters and other events. This business continuity plan is reviewed, updated and tested on a regular basis and provides for continuation of investor services in the event of a disruption. A few examples of what might occur if Envoy were to experience a business disruption of varying magnitudes includes, but is not limited to (i) If telephone service became unavailable, Envoy would re-route calls to an alternate company office for the duration of the outage; (ii) If utility electric power were to be lost to Envoy's home office, a backup power generator is in place to support all critical investor services, and would be operational within seconds of the power loss; (iii) In the event Envoy's home office facilities became unavailable, Envoy would continue to provide critical investor services by relocating personnel and resources to another company office.

While no contingency plan can eliminate all risk of service interruption or temporarily impede account access, Envoy will assess and update the firm's plans to mitigate all reasonable risk. Envoy's business continuity plan is subject to modification. Any modifications to this disclosure will be promptly posted to Envoy's website ([www.EnvoyFinancial.com](http://www.EnvoyFinancial.com)). Investors may at any time request an updated written copy by mail.

### IV. Designation of Representative by IRA Client

The individual identified below ("Client") desires to establish an individual retirement account ("Account") by adoption and execution of an IRA Custodial Agreement with MG Trust Company, LLC as Custodian ("Custodian"). The purpose of this document is for the Client to acknowledge and agree to Envoy Advisory, Inc., a Colorado corporation, serving as the Client's "Designated Representative", performing certain duties and assuming certain responsibilities of the Custodian and generally facilitating the administration of the IRA on behalf of the Client and the Custodian. By signing this document, Client authorizes the Designated Representative to give the Custodian directions as described in this document.

1. Client hereby designates and authorizes the Designated Representative to provide instructions to the Custodian on behalf of the Client, including placing orders for the purchase and sale of mutual funds, and authorizes the Custodian to disburse funds from the Account on behalf of the Client upon instruction from such Designated Representative. Client hereby also authorizes and directs the Custodian to pay for mutual fund share purchases from the Account and receive payment from the sale of mutual fund shares into the Account arising out of instructions of the Designated Representative. Designation of a Designated Representative is subject to the following provisions:
  - a. Client agrees that the Custodian may rely on instructions from the Designated Representative, and Client agrees that the Custodian shall be under no duty to make an investigation with respect to any instructions received from the Designated Representative. However, each direction is contingent upon the determination by the Custodian that the instruction can be administered by the Custodian;
  - b. Client is solely responsible for managing the investment of the Account and for directing of the Designated Representative in that regard. All instructions, directions, and/or confirmations received by the Custodian from the Designated Representative shall be deemed to have been authorized by the Client;
  - c. Client agrees that the Designated Representative is not an agent of the Custodian; and
  - d. Client may remove the Designated Representative and designate a new representative at any time by written notice to the Custodian in a form satisfactory to the Custodian. The Client will give the Custodian prompt written notice of any change in the identity or authority of any Designated Representative. Removal of a Designated Representative will

not have the effect of canceling any instruction that has been received by the Custodian from the Designated Representative prior to the date that notice of removal is received by the Custodian. Until written notice of such change is received, the Custodian may conclusively rely upon and be protected in acting on the latest identification provided to it without further inquiry or verification. If the Designated Representative is changed, or removed and not replaced, Client understands the Custodian may resign as Custodian of the IRA, effective as of the removal of the Designated Representative. In that event, Client will be responsible for locating and designating a new custodian for the Client's IRA.

2. No investment transaction for the Account to be processed by the Custodian at the direction of the Client or the Designated Representative will be processed until the Custodian receives the instruction in proper form. Investment transactions will be processed either as soon as administratively practicable thereafter or, if later, on the scheduled date for processing. The Custodian may rely conclusively on all instructions given by the Designated Representative that the Custodian believes to be genuine. The Custodian's records of a transaction will be conclusive as to the content of any instructions. Unless otherwise agreed, instructions shall generally be taken from the Designated Representative. In addition, the Custodian will accept non-written instructions from the Client or Designated Representative subject to immediate confirmation of such instructions by email or in writing by the Designated Representative. In the absence of proper investment instructions, the Custodian will not be liable for interest, market gains or losses in the IRA. The Custodian is not a guarantor of timely processing with respect to the Client or Designated Representative.
3. The Custodian may delay the processing of any investment transaction due to a Force Majeure, government or National Security Clearing Corporation ("NSCC") restrictions or changes, exchange, market or NSCC rulings, strikes, interruptions of communications or data processing services, or disruptions in orderly trading on any exchange or market. "Force Majeure" means a cause or event outside the reasonable control of the parties or that could not be avoided by the exercise of due care, such as an act of God or any mechanical, electronic or communications failure.
4. The Client acknowledges receipt and review of the fees charged by the Custodian for the IRA, a copy of which is attached hereto. The Client understands and acknowledges that some mutual funds (their managers, servicing agents, advisors, distributors or other affiliates) which may be held in the IRA may pay, directly or indirectly, as administrative expenses of the mutual fund, pursuant to a written plan described in Securities and Exchange Commission Rule 12b-1, or in another manner, fees or other compensation to the Custodian or the Designated Representative in recognition of shareholder services and recordkeeping services for the mutual funds provided by the Custodian or Designated Representative. Client acknowledges such fees or other compensation are described in the fee schedule, prospectus or other disclosure materials provided to the Client. These fees and other compensation range from approximately 0.08% to 1.0% of amounts invested by the Client in the mutual funds. The Client may request additional information about which fund paid fees and an estimate of the amount paid during a particular time period by contacting the Designated Representative.
5. Client hereby agrees to indemnify, defend and hold the Custodian and any parent, subsidiary, related corporation, or affiliates of the Custodian, including their respective directors, managers, officers, employees and agents, harmless from and against any and all loss, costs, damages, liability, expenses or claims of any nature whatsoever, including but not limited to legal expenses, court costs, legal fees, and costs of investigation, including appeals thereof, arising, directly or indirectly thereof resulting from their reliance upon and any action that it takes in good faith in accordance with any certificate, notice, confirmation, or instruction, purporting to have been delivered by the Designated Representative or Client. Client waives any and all claims of any nature it now has or may have against the Custodian and its affiliates, parent company and their respective directors, managers, officers, employees, agents and other representatives, which arise, directly or indirectly, from any action that it takes in good faith in accordance with any certificate, notice, confirmation, or instruction from the Designated Representative or Client. Client also hereby agrees to indemnify, defend and hold the Custodian and any parent, subsidiary, related corporation, or affiliates of the Custodian, including their respective directors,

managers, officers, employees and agents, harmless from and against any and all loss, costs, damages, liability, expenses or claims of any nature whatsoever, including but not limited to legal expenses, court costs, legal fees, and costs of investigation, including appeals thereof, arising, directly or indirectly, out of any loss or diminution of any mutual fund or other investment of the Account resulting from changes in the market value; reliance, or action taken in reliance, on instructions from Client or a Designated Representative; any exercise or failure to exercise investment direction authority by Client or by a Designated Representative; the Custodian's refusal on advice of counsel to act in accordance with any investment direction by Client or a Designated Representative; any other act or failure to act by Client or a Designated Representative; any prohibited transaction due to any actions taken or not taken by the Custodian in reliance on instructions from the Client or the Designated Representative; or any other act the Custodian takes in good faith hereunder.

Without limiting the generality of the foregoing, the Custodian shall not be liable for any losses arising from its compliance with instructions from the Client or a Designated Representative; or executing, failing to execute, failing to timely execute or for any mistake in the execution of any instructions, unless such action or inaction is by reason of the willful misconduct of the Custodian.

This provision shall survive the termination of the Custodial Agreement.

6. Client understands and agrees the Custodian will hold only those mutual funds agreed to between the Client and the Custodian.
7. The Client understands and authorizes that investment elections, changes or transfers, withdrawal decisions, and any other decision or election by the Client may be communicated to the Designated Representative by electronic or telephonic means, which includes, but is not limited to, the Internet and which are not otherwise prohibited by law and which are in accordance with procedures and/or systems approved or arranged by the Custodian and the Designated Representative.
8. Upon termination of the agreement between MG Trust and the Designated Representative for any reason, the Client understands and acknowledges that MG Trust may immediately resign as Custodian. Client also understands and agrees that MG Trust is under no obligation to assume the responsibilities of the Designated Representative or to continue to serve as Custodian for any length of time or under any circumstances, and may resign at any time for any reason. In the event the Custodian resigns, Client will be required to designate a new custodian for the IRA.
9. The Custodian is authorized to contract or make arrangements with any affiliate or third party for the provision of necessary Services to the IRA. The Custodian is specifically authorized to place securities orders, settle securities trades, hold securities in custody and perform related activities on behalf of the IRA through MSCS, an affiliate of the Custodian.

## **V. FINRA Brokercheck Program**

FINRA BrokerCheck provides investors with an easy, free way to learn about the professional background, registration/license statuses and conduct of FINRA registered firms and their brokers. To request information under this program visit the FINRA website at [www.finra.org](http://www.finra.org) or call (800) 289-9999. A brochure that includes information describing the BrokerCheck Program may be obtained.

## **VI. SIPC Information**

The primary role of the Securities Investor Protection Corporation (SIPC) is to return funds and securities to investors if the broker/dealer holding these assets becomes insolvent. SIPC provides \$500,000 of net equity protection, including a maximum of \$100,000 for cash positions. This account protection applies when a SIPC member firm fails financially and is unable to meet obligations of securities customers, but does not protect against the losses from the rise and fall in market values of investments. Information, including the SIPC brochure, may be obtained by contacting SIPC at [www.sipc.org](http://www.sipc.org) or at (202) 371-8300.

## VII. Account Investment Objective

The investment objective you select is the primary objective for each account tax type. This objective, along with other factors, will help determine a suitable investment strategy. If your account is a retirement account [such as an IRA, 403(b), 457, 401(k)], Envoy shall assume your primary investment objective is Retirement Accumulation (RA). If your account is a 529 College Savings Plan or Coverdell Education Savings Account, Envoy shall assume your primary investment objective is Educational Savings (ES). If at any time you would like to revise your account's investment objective, please contact Envoy. The objectives are defined as follows:

**Retirement Accumulation (RA).** Seeking account appreciation to satisfy your retirement needs.

**Educational Savings (ES).** Seeking account appreciation to satisfy educational needs for your children or other family members.

**Current Income (CI).** Seeking a stream of current income for immediate financial needs.

**Asset Accumulation (AA).** Seeking account appreciation to add wealth.

**Speculation (SP).** Seeking to maximize account appreciation and are willing to accept above-average market volatility and losses.

## VIII. Tax and Legal Advice

Envoy does not provide tax or legal advice services and no one associated with Envoy is authorized to render such advice as a service provided through Envoy. Investors are encouraged to consult their tax and/or legal advisor to determine the appropriate tax treatment of their transactions.

## Education

### Dollar Cost Averaging

Dollar cost averaging is an investment strategy designed to help reduce volatility in which securities are purchased in fixed-dollar amounts at regular intervals, regardless of the direction in which the market is moving. Thus, as prices of securities rise, fewer shares/units are bought, and as prices fall, more share/units are bought. A plan of regular investing does not assure a profit or protect against loss in a declining market. You should consider your financial ability to continue your purchase through periods of fluctuating price levels.

### Diversification

Diversification is a portfolio strategy designed to help reduce exposure to market risk by combining a variety of investments which are unlikely to all move in the same direction. Diversification helps reduce both the upside and downside swings within the portfolio and allows for more consistent performance under a wide range of economic conditions. In an effort to meet diversification needs and goals, you may not qualify for breakpoint- sales-charge reductions that may otherwise be available. Furthermore, you should understand that there is no assurance that a diversified portfolio will produce better returns than an undiversified portfolio, nor does diversification assure against market loss.

### Share Values Fluctuate

Shares, when redeemed, may be worth more or less than the total invested, depending on the market value of the securities in the investment at that time. While redemptions may be made at any time, because of the costs and charges, mutual funds may not be considered appropriate for short-term needs. Yields and returns change and are not guaranteed. These securities are not FDIC insured.

This information is intended to educate you as to the material differences between mutual fund share classes. You should consider this information whenever you make mutual fund purchases. Envoy can assist you in understanding this information and will answer any of your questions.

### Treasury Bills/Notes

Treasury bills/notes are negotiable debt obligations issued by the U.S. government and backed by its full faith and credit. Treasury bills have a maturity of one year or less; treasury notes have a maturity between 1 and 10 years. If not held to maturity, principal will fluctuate and may be worth more or less.

Guarantee applies only to the timely payment of principal and interest and does not pertain to the portfolio, mutual fund, or variable annuity holding such securities.

## **Municipal Bonds**

A municipal bond is a bond issued by a city or other local government, or their agencies. Potential issuers of municipal bonds include cities, counties, redevelopment agencies, special-purpose districts, school districts, public utility districts, publicly owned airports and seaports, and any other governmental entity (or group of governments) below the state level. Municipal bonds may be general obligations of the issuer or secured by specified revenues. Interest income received by holders of municipal bonds is often exempt from the federal income tax and from the income tax of the state in which they are issued, although municipal bonds issued for certain purposes may not be tax exempt. Key information about new issues of municipal bonds (including, among other things, the security pledged for repayment of the bonds, the terms of payment of interest and principal of the bonds, the tax-exempt status of the bonds, and material financial and operating information about the issuer of the bonds) typically is found in the issuer's official statement. Official statements generally are available, at no charge, from the Electronic Municipal Market Access system (EMMA) at [www.emma.msrb.org](http://www.emma.msrb.org) operated by the Municipal Securities Rulemaking Board (MSRB), the municipal bond market regulator. For most municipal bonds issued in recent years, the issuer is also obligated to provide continuing disclosure to the marketplace, including annual financial information and notices of the occurrence of certain material events (including notices of defaults, rating downgrades, events of taxability, etc.). Continuing disclosures also are available for free from the EMMA continuing disclosure service.

## **Bond Funds**

A bond fund is comprised of debt securities issued by governments and government agencies, corporations and municipalities. Bond fund investments are essentially lending money (principal) to that entity (issuer) for a certain period of time (term). In exchange, the issuer promises to repay the principal on the maturity date and in exchange you receive interest on your investment. Bond funds market value may rise or fall depending on economic conditions. Although bond funds may pay higher yields than other fixed income investments (sometimes due to the fact that they may contain a high proportion of less-than-investment grade bonds [so called junk bonds]), it does not negate the fact that the market value of all bonds fluctuates. Their net asset values are sensitive to interest rate movements (a rise in interest rates can result in a decline in value of the investment) and other factors. Therefore, upon redemption, your share value may be worth more or less than your original investment.

## **Small and Mid-Cap Funds**

Small and mid-cap funds are classified by the underlying company's market capitalization (the "cap" in small and mid-cap), but generally can be defined by a company's annual revenue. Small and mid-cap funds may be subject to a higher degree of risk than larger, more established companies, including higher risk of failure and higher volatility. The illiquidity of the small and mid-cap markets may adversely affect the value of these investments so those shares, when redeemed, may be worth more or less than their original cost.

## **Sector Funds**

A sector fund is a mutual fund which invests entirely or predominantly in the securities of a single sector, or broad industry group, to which it belongs (for example: communication services, energy, health care and technology). Investing in a particular sector means you are concentrating your investments in one specific area of the market. An investment concentrated in sectors and certain industries may involve greater risk and volatility than a more diversified investment.

## **International Investing**

International investing includes stocks and bonds of companies outside the U.S. International investing involves special risks including, but not limited to, the possibility of substantial volatility due to currency fluctuation and political uncertainties.

## Money Market Funds

A money market fund is an open-end mutual fund. These funds invest in short term (one day to one year) debt obligations such as treasury bills, certificates of deposit, and commercial paper. The main goal is preservation of principal, accompanied by modest dividends. The fund's net asset value strives to remain a constant \$1.00 per share to simplify accounting, but the interest rate does fluctuate. Money market funds are very liquid investments. An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

## Section 529 College Savings Plans

529 College Savings Plans (529 Plans) allow you to contribute to an investment account set up specifically to pay your beneficiary's qualified higher education expenses, such as tuition, fees, books supplies, and room and board. Participation in a 529 Plan does not guarantee that contributions and investment return, if any, will be adequate to cover future tuition and other higher education expenses or that a beneficiary will be admitted to or permitted to continue to attend an institution of higher education. Contributors to the program assume all investment risk, including potential loss of principal and liability for penalties such as those levied for non-educational withdrawals. Depending upon the laws of the home state of the contributor or designated beneficiary, favorable state tax treatment or other benefits offered by such home state for investing in 529 Plans may be available only if the contributor invests in the home state's 529 Plan. Any state-based benefit offered with respect to a particular 529 Plan should be one of many appropriately weighted factors to be considered in making an investment decision.

Assets in a 529 Plan can potentially reduce the beneficiary's ability to qualify for some forms of college financial aid. You should consult with your financial, tax or other adviser to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances and you also may wish to contact your home state or any other 529 Plan to learn more about the features, benefits and limitations of your state's 529 Plan.

Information about the designated beneficiary selected for the 529 Plan, including (among other things) information regarding the age of the beneficiary and the number of years until funds will be needed to pay qualified higher education expenses of the beneficiary, are important to consider. In many cases, the same investment options in a 529 Plan are available with different commission structures. For example, an A share may have a front-end load, a B share may have a contingent deferred sales charge or back-end load that reduces in amount depending upon the number of years that the investment is held, and a C share may have an annual asset-based charge. Therefore, the account's investment objective - particularly, the number of years until withdrawals are expected to be made - can be a significant factor in determining which share class would be suitable for this investment. In addition, breakpoint discounts on A share purchases are often available and should be an additional consideration when determining the appropriate share class.

Although, on the surface, it may appear that a transfer from a Uniform Gifts to Minors Act (UGMA) or Uniform Transfers to Minors Act (UTMA) account to a 529 Plan could only be a "win-win" situation (e.g., no longer need to pay current taxes on earnings; higher contribution limits, etc.), there are significant tax and legal considerations that you should review before making this type of transfer.

- Because the custodian of a UGMA/UTMA must first sell the assets in the UGMA/UTMA account, the sale of the UGMA/UTMA assets will be taxable.
- When the custodian invests the proceeds of a UGMA/UTMA, the beneficiary of the 529 Plan account must be the same as the beneficiary of the UGMA/UTMA account and cannot be changed.
- Upon receipt of notification that the beneficiary has reached the age of majority (18 or 21 in most states), the beneficiary of the 529 Plan will become the account owner. Be aware that financial aid may be impacted due to the fact that this becomes an asset of the beneficiary.

Complete information, including a description of fees, expenses and risks, is found in the issuer's official offering statement or program description. These official disclosure statements generally are available, at no charge, from the Electronic Municipal Market Access system (EMMA) at

[www.emma.msrb.org](http://www.emma.msrb.org) operated by the Municipal Securities Rulemaking Board (MSRB), the municipal fund securities market regulator. Continuing disclosures also are available for free from the EMMA continuing disclosure service.

We also encourage you to go to the College Savings Plan Network website at [www.collegesavings.org](http://www.collegesavings.org) to view information on all fifty states' college savings plans, including links to each state's 529 Plan issuer's website. Consider the place of various education planning vehicles in the context of the overall financial plan with the appropriate professional(s).

## Variable Annuities

Before you invest in a variable annuity, it is important that you understand the following material features: (i) the surrender period; (ii) potential surrender charge; (iii) potential tax penalty if you sell or redeem the variable annuity before you reach the age of 59½; (iv) mortality and expense fees; (v) asset management fees; (vi) charges for and features of enhanced riders, if any; (vii) the insurance and investment components of the variable annuity; and (viii) market risk. Understanding these issues will assist you in identifying whether or not a variable annuity and/or a particular type of variable annuity is right for your particular needs.

The information below is intended to give you general background information about various variable annuity features; however, these features will vary from variable annuity to variable annuity. Therefore, you should discuss these issues with Envoy and review each variable annuity's prospectus and statement of additional information regarding the specific costs and conditions associated with a particular variable annuity.

## Variable Annuity Features

A variable annuity is a contract that offers the following basic features not commonly found in mutual funds:

- Annuity payout options that can provide guaranteed income for life (annuitization).
- Guaranteed death benefit (may not be available on all contracts or after a certain age).
- Tax deferred treatment of earnings. If your annuity is a tax-qualified retirement plan (e.g., 403(b), IRA, etc.), this tax-deferred accrual feature is already provided by the tax-qualified retirement plan; therefore, is not a benefit of the annuity.
- Many, but not all, insurance companies provide for limited withdrawals that are free of surrender penalties. Please be aware that these withdrawals will reduce the contract value and the value of any income and death benefit. Withdrawals may be included in taxable income and subject to a 10% federal tax penalty.
- Additional features, including living benefit guarantees, differ by product.
- Free-look period whereby you may terminate the contract without surrender charge. This free-look period begins the day you receive your contract; the period varies by insurance company and state, but generally the average is 10 days.

## Comparison to Mutual Fund Investing

- Sub-accounts, found on all variable products, are a series of investment choices similar, but not the same as, mutual funds.
- Costs of annuities are typically higher than those of mutual funds; and therefore, will have an impact on the long-term performance of your investment.
- While a sub-account may have a name similar to a mutual fund, it is not the same pool of funds and may experience different performance than the mutual fund of the same or similar name.

## Non-Qualified Account Issues

- Annuity withdrawals (earnings but not principal) are taxed at ordinary income rates, rather than the lower capital gain rates.
- Earnings withdrawn prior to age 59½ are subject to 10% tax penalty.
- Most variable annuities do not receive a "step-up" in cost basis when the owner dies.
- Residents of certain states are subject to state premium tax (e.g., CA, FL, ME, NV, PA, SD, WV, WY).

## Insurance Company Financial Ratings

- Insurance company guarantees are subject to the claims-paying ability of the issuing insurance company; therefore, the ongoing financial strength of the insurance company plays an important role in your investment. The financial ratings of the issuing insurance company do not apply to



any non-guaranteed sub-accounts that will fluctuate in response to market conditions and other factors.

### Long Term Investment/Illiquidity

- Variable annuities are considered illiquid and are generally designed to be a long-term investment. You should ensure that you have sufficient funds from other sources to meet your liquidity needs in excess of the unrestricted withdrawals offered by the contract.
- Withdrawals, in excess of any free withdrawals, may subject you to charges.
- Earnings withdrawn prior to age 59½ may be subject to a 10% tax penalty.
- Early withdrawals (including liquidations free of withdrawal charges) may affect your guaranteed benefits.

### Replacing Investments

- It is not the policy of Envoy to recommend replacing investments unless, having considered all fees involved, you believe that your investment or personal objectives will be better served. Be sure you have been informed about the costs that may be involved with replacing investments. Be sure to review the investment options of both the current and the proposed investment and understand that an exchange within the existing variable annuity into a different sub-account may be completed without incurring the costs involved in a replacement.

### Risk of Investing--Unit Value of Sub-Accounts Fluctuate

- Investments in sub-accounts are subject to market risk. Please ensure that the sub-accounts you have selected are in alignment with your risk tolerance. When you redeem, you may receive more or less than the amount you invested, depending on the market value less any withdrawal charges at that time. Yields and returns fluctuate and are not guaranteed; therefore, subaccount values will also fluctuate accordingly and are not guaranteed.

### Special Benefits (Living Benefits, Enhanced Death Benefits, Bonus Benefits, etc.)

- The availability and conditions of these benefits may be different with each variable annuity contract. With some contracts, the features are optional, while with others, the features are not available or are built into the basic costs. **All require that certain conditions are met prior to receiving the benefit (e.g., require annuitization, only payable as a death benefit, available after investment is held for a specified period, payout required over a specified period, etc.).** Please review the prospectus for the specific conditions and costs of each feature.
- Variable annuities with bonus credits generally carry higher expenses and surrender charges, and typically have longer surrender-charge periods, which may outweigh the benefit of the bonus credit offered. A bonus may only apply to the initial premium payment, or to premium payments you make within the first year of the annuity contract. Further, under certain circumstances, some annuity contracts may reduce or eliminate bonus payments made to you.
- The long-term advantage of the optional benefits will vary due to the investment performance and length of time the annuity is held.

### Fixed Account Option

- Most insurance companies hold the assets deposited in the fixed-account option in a general account. The guaranteed return is backed by the financial strength of the insurance company. The ability for the insurance company to meet this guarantee depends on its continued financial strength.

### Equity Indexed Annuities

An equity-indexed annuity (EIA), also referred to as a fixed-income annuity, is an insurance contract between you and an insurance company that combines the features of traditional insurance products (guaranteed minimum return) and traditional securities (return linked to equity markets). Returns vary more than a fixed annuity, but not as much as a variable annuity. Therefore, EIAs impart more risk (but more potential return) than a fixed annuity, but less risk (and less potential return) than a variable annuity. Depending on the features offered, an EIA may or may not be a security. During the accumulation period, you may make either a lump-sum payment or a series of payments to fund your annuity. The insurance company credits you with a return that is based on changes in an equity market index, such as the S&P 500 Composite Stock Price Index. The insurance company typically guarantees a minimum return regardless of the performance of the index. The guaranteed minimum

return usually ranges between 1.5% to 3% and in most contracts is applied to 90% of the initial premium deposit. It is possible to lose money in an EIA if there is not a gain in the index and/or the policy is surrendered before its maturity.

### Features used to compute an EIA's interest rate:

- The participation rate is the percentage of growth in a particular index that the owner of the investment gets to benefit from. For example, if the participation rate is 80% and the index increases 10%, the return credited to your account would be 8%.
- Interest rate caps set a maximum rate of interest that the EIA can earn. If a contract has an upper limit, or cap, of 7% and the index linked to the annuity gained 7.2%, only 7% would be credited to the annuity.
- Margin/spread/administrative fee is determined by subtracting a percentage from any gain in the index. In the case of an EIA with a "spread" of 3%, if the index gained 9%, the return credited to the EIA would be 6% ( $9\% - 3\% = 6\%$ ).

Another feature that can have a dramatic impact on an EIA's return is its indexing method (or how the amount of change in the relevant index is determined).

**Consideration:** One interest-crediting method is not necessarily better than another, and results will vary under different market conditions. Consider how the EIA's crediting methodology works in various market conditions. The index-crediting method is the way in which the EIA calculates the contract's index-linked interest. Methods used to measure index performance vary from company to company and from product to product.

Some common indexing calculation methods include:

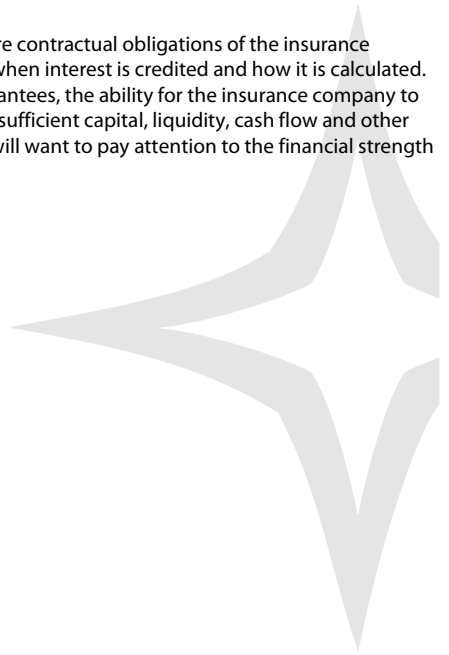
- **Annual Reset (or Ratchet).** This method credits index-linked interest annually based on any change in the index value from anniversary date to anniversary date, each year.
- **Point-to-Point.** This method credits index-linked interest based on any increase in index value from the start to the end of the selected term.
- **High Water Mark.** This method credits index-linked interest based on any increase in index value from the index level at the beginning of the contract's term to the highest index value at various points during the contract's term, often annual anniversaries of the purchase date of the annuity.
- **Averaging.** This method is used to protect the EIA owner from sharp increases or decreases in earnings caused by index volatility. Instead of using the index value on a single date, the ending value is determined by using an average of daily, weekly or monthly values over a period of time, such as one year.

Before investing in an EIA, you should ask how the interest rate is calculated and what indexing method is used. The issuing insurance company reserves the right to change the participation rates, interest rate caps, and margin/spread/administrative fee after the first contract year. Guarantees are subject to the claims-paying ability of the issuing insurance company. Therefore, financial ratings of the issuing insurance company are a critical factor when choosing an EIA. EIAs are not suitable for all individuals and are considered long-term illiquid investments. Withdrawals in excess of the free withdrawal privilege may incur surrender penalties and may negatively affect the way interest is credited to your contract. There may be a potential tax penalty if you redeem or withdraw from your annuity before you reach age 59½. Interest on many EIAs is credited retroactively depending on the index-calculation method. Death prior to an upcoming index-calculation date may result in a payout equal only to the value on the previous index-calculation date. Death benefits vary depending on the issuing insurance company; however, the insurance company will usually pay the full accumulation value to the beneficiary upon the death of the owner or annuitant. EIAs do not participate in dividends distributed from stocks of their respective index. You should discuss these issues with Envoy and review each EIA to decide which meets your specific needs. Past performance of the index is no guarantee of future changes in the index or of future indexed earnings.

### Fixed Annuities

Fixed deferred annuities are not securities. Instead, a fixed deferred annuity is an insurance contract between you and an insurance company in which you pay a sum of money, either in a lump sum or through periodic contributions. Fixed deferred annuities pay a fixed rate of interest for a certain

period, usually one to five years. Interest payments are contractual obligations of the insurance company. Refer to the policy for specifics regarding when interest is credited and how it is calculated. In reference to general account obligations and guarantees, the ability for the insurance company to meet these obligations to policyholders is subject to sufficient capital, liquidity, cash flow and other resources of the insurance company. Therefore you will want to pay attention to the financial strength of the insurance company.





**ENVOY** FINANCIAL

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