VARIABLE ANNUITIES
INVESTMENT DISCLOSURE

CUSTOMER NAME / ACCOUNT REGISTRATION (*print clearly*): ________________________________

Investment Amount $___________ Investment(s) Company and Product Purchased: ____

Investment Profile

Investment Objective (check no more than two – these should conform to your Account Information Form)

- ❑ Capital Preservation – Seeks modest income and preservation of capital.
- ❑ Income – Seeks current or periodic income and will tolerate only limited swings in annual returns.
- ❑ Balance Growth – Seeks growth with relatively stable capital appreciation.
- ❑ Capital Growth – Seeks high potential growth and willing to accept above average risk.
- ❑ Aggressive Growth – Seeks to build significant wealth over time and willing to accept greater risk to do so.
- ❑ Speculative – Seeks returns above general market rates and may experience dramatic swings in value and a higher rate of return.

Are sub-account choices match investment objectives indicated on the Account Information Form? ☐ Yes ☐ No

Financial Information (at time of investment)

Years of Investment Experience ___________________________ Years Known ___________

Current Tax Bracket**:** ☐ 10% ☐12% ☐ 22% ☐ 24% ☐ 32% ☐ 35% ☐ 37%

Estimated Net Worth (Exclusive of home) ________________ Estimated Liquid Net Worth ____________

Approximate Annual Income ________________ Estimated Annual Expenses ____________

*KCD Financial, Inc. Account Information Form should reflect this information; if different the Account Information Form is required to be updated.

Investment Access

I have other sources of funds to access, besides this investment, if a liquidity need arises: ☐ Yes ☐ No

Current Liquidity Needs $____________________________

Time Horizon for Investment: ☐ 0 - 5 years ☐ 5 - 10 years ☐ 10 - 15 years ☐ 15 + years

I anticipate that I will access this investment during the surrender charge period:

☐ Free withdrawal amount ☐ RMD ☐ Pre 59 1/2 (IRS Penalty may apply) ☐ Other

There is a surrender charge on this product of ______ % in year one, decreasing to zero % in year _______.

Reason for Purchase/Replacement/Exchange

Has the client had another deferred variable annuity exchange during the last 60 months: ☐ Yes ☐ No

(If yes, provide detail)

Company name and product type replaced/exchanged ______________________________________

Years of replacement/exchange ______________________________________

Reason for replacement/exchange ______________________________________

Reason of purchase/replacement/exchange (benefits) of this VA :

- ☐ Death Benefit Feature
- ☐ Change of Investment Objective
- ☐ Living Benefits
- ☐ Potential for greater returns
- ☐ Multiple Fund managers
- ☐ Current Credit Rating
- ☐ Other ____
- ☐ Specific fund selections
- ☐ Guaranteed withdrawal benefits
- ☐ Bonus feature
- ☐ Tax deferred treatment of earnings
- ☐ Principal Protection
- ☐ Lower internal costs than the previous VA

Source of Funds (Check the appropriate box)

When changing investment vehicles, there may be various charges involved both in liquidating the current investment and entering the new investment. **Some liquidations may also be taxable events.**

- ☐ Check/Cash, Savings, Matured CD
- ☐ Legal Settlement
- ☐ Inheritance/Gift
- ☐ Loan(s) (explain) _________________
- ☐ Retirement Plan distribution/rollover (401k, 403b, etc.)*
- ☐ Other _____________________

- ☐ Mutual Fund Liquidation*: *When selling mutual funds, you may incur charges to close current account(s).*
- ☐ Full or partial sale of an Insurance Product*: *You understand you may incur a surrender charge of $ ________. You also understand once liquidated, your investment in an insurance or annuity contract, the liquidated contract's death benefits, living benefits, or any other benefits of the liquidated policy cannot be reinstated.*
- ☐ CD Prior to maturity*: *When selling CD's prior to maturity, you may incur a penalty to close current account(s).*
- ☐ Sales of Stock/Bonds*: *When selling stocks/bonds, you may incur fees/commissions to close current positions.*

* Complete the following for these sources of funds:

☐Yes ☐No I am replacing a previously owned investment or insurance product. I have been advised of the differences between the new and existing products, and feel that the differences, including any fees or additional charges, are sufficient to warrant the change to the new product.

☐Yes ☐No I understand that I may be subject to capital gain/loss or other tax consequences for any replacement transactions.

☐Yes ☐No The product being exchanged was sold to me by the same representative selling me this contract.

☐Yes ☐No ☐N/A This retirement plan distribution/rollover is employer required.
☐Yes ☐No ☐N/A This retirement plan distribution/rollover is my choice (not required by my employer)

I have liquidated or will liquidate the following products/investments for this annuity purchase.

Company Name	**Product Type**	**Full or Partial Withdrawal**	**Amount Liquidated**	**Original Purchase Date**	**Surrender Charges or Fees**	**Surrender Period Remaining**
1.		☐ Full ☐ Partial	**$**			
2.		☐ Full ☐ Partial	**$**			

Costs: List costs for each component/rider of the new VA to be purchased. If exchanging from an existing VA, provide the costs associated with the existing VA for comparison.

Product Comparison	New Annuity	Replaces Product #1	Replaces Product #2
Product Name			
CDSC % Year by Year (e.g. 5, 4, 3, 2, 1%)			
Guaranteed Minimum Death Benefit	$	$	$
Expenses – M & E	bps	bps	bps
Expenses - RIDERS	bps	bps	bps
Expenses - SUB - ACCOUNT	bps	bps	bps
TOTAL FEES *	bps	bps	bps
Estimated Annual Cost based on Current Value			
Selected Riders and features	☐ Bonus ☐ Specific fund selections ☐ Guaranteed Minimum Withdrawal ☐ Guaranteed Withdrawal Benefits ☐ Guaranteed Minimum Income ☐ Bonus feature ☐ Guaranteed Minimum Accumulation	☐ Bonus ☐ Specific fund selections ☐ Guaranteed Minimum Withdrawal ☐ Guaranteed Withdrawal Benefits ☐ Guaranteed Minimum Income ☐ Bonus feature ☐ Guaranteed Minimum Accumulation	☐ Bonus ☐ Specific fund selections ☐ Guaranteed Minimum Withdrawal ☐ Guaranteed Withdrawal Benefits ☐ Guaranteed Minimum Income ☐ Bonus feature ☐ Guaranteed Minimum Accumulation

*** Every attempt to disclose accurate fees is made. However, please review the prospectus for a complete list of fees.**

Share Class_________________________ This share class is in the client's best interest because:
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Client Affirmations

Initials

	☐ N/A	I understand the value of the account will fluctuate and may be worth more or less than the original amount when liquidated. The "guarantee" features apply only in case of death or, in certain contracts, as a "living benefit" by a cash payout or a series of payments.
		I understand a withdrawal prior to age 59 ½ may result in a 10% IRS penalty on any gains plus ordinary tax.
	☐ N/A	I understand any "living benefits" paid will be deducted from my account and that any deduction over chosen levels may result in a significant decline in the living benefit payment from the date of the excess withdrawal forward.
	☐ N/A	I understand that the subaccounts chosen will differ in risk and volatility and the choices are mine to make and that changes made will be effective as of the close of the market. There is no assurance that guidance received from my KCD representative (if any) or a company administered program will result in market gains.

		I understand that, under current tax code, that upon death, a “stepped-up” cost basis is not available and the gain is subject to ordinary income tax.
	☐ N/A	I understand that by purchasing this product in my IRA or qualified account (including a 403(b) and/or 457(b)) that there are no additional tax advantages from which I will benefit. In such a case, I also understand that tax deferral should not be the basis for my purchase of this annuity.
	☐ N/A	I understand that if there is a “guaranteed fixed interest account” available under this contract, that transfer of funds between the fixed and variable subaccounts may be limited by time and/or amount.
	☐ N/A	I understand there may be a “Market Value Adjustment” (MVA) on this policy, which may reduce the amount received in case of early liquidation. This reduction would be in addition to any surrender charges.
	☐ N/A	I understand that, in times of low interest, the return on the “money market” subaccount may be lower than the annual fees charged, resulting in total return that is negative.
	☐ N/A	To earn a bonus credit on my initial deposit into this contract, I understand that internal fees, including mortality and expense charges, surrender charges and surrender periods, will be higher and longer than other products that may be available without this bonus credit. I understand that I am paying these additional charges in exchange for the bonus credit.
	☐ N/A	I understand that my KCD Financial, Inc. representative also offers other investment choices, e.g., mutual funds (w/lower fees). I have considered these alternatives and after discussion and after due consideration, I consider this variable annuity policy to be a more suitable product for my financial needs and objectives.
	☐ N/A	I understand there is a “free look” period after the delivery of the contract (length of time varies by state).
	☐ N/A	Based on my current financial status, investment objectives, age, risk tolerance, lack of need for income or liquidity, and investment knowledge, I do verify that a variable annuity is suitable for the portion of money invested in this and other contracts. It is understood that this is a long term investment.
		I understand the items listed in this disclosure may not include all features of the variable annuity selected.
	☐ N/A	My representative has provided me a copy of FINRA’s “Should You Exchange Your Variable Annuity”.
		My representative has reviewed with me the M&E fees, subaccount fees, surrender fees and schedule. As well as, other policy charges. **I have received and reviewed the proper prospectus.**

Client Statement (TO BE COMPLETED BY CLIENT) – Add additional pages if necessary

Please identify the specific benefits, product enhancements, and/or product improvements that you will receive in processing this transaction. Also describe how you will benefit from these features:

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Representative Statement (TO BE COMPLETED BY THE REPRESENTATIVE) – Include the reason(s) this investment is in client’s best interest and at least two alternative solutions considered and why rejected

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Pros	Cons
______________________	______________________
______________________	______________________
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______________________	______________________
______________________	______________________

This Investment was: ☐ Recommended by my Representative ☐ Not recommended by my Representative

Disclosures and Signatures

- If I have previously agreed to a pre-dispute arbitration clause with KCD Financial, Inc., my signature reflects my acknowledgement that this application and the accounts and transaction contemplated are subject to such arbitration clause.
- By signing the form, I certify that I received, read, and agree to the terms of the Prospectus or Offering Document for the product(s) I am investing.
- By my signature below, I confirm that the information provided in this document is complete and accurate to the best of my knowledge as of the date indicated below.
- I feel this is investment is in my best interest for my particular situation.
- I understand the nature of this investment and still wish to invest.

Owner's Signature Date Print Name

Co-owner's Signature Date Print Name

I have appropriately acted on behalf of my client by reviewing all points in the above disclosure and supporting information provided in the prospectus. I believe the information provided is complete and accurate to the best of my knowledge and that this transaction is in the client's best interest.

Representative's Signature Date Print Name Rep #

By signing below the Principal acknowledges that he/she has reviewed the recommended transaction.

Principal's Signature Date

☐ Prospectus Fee Sheet/Morningstar report
☐ Surrender Charges/Fees Verified

Updated 12/2020