



**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.

Do 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 Monthly 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.		<input type="checkbox"/> Full <input type="checkbox"/> Partial	\$			
2.		<input type="checkbox"/> Full <input type="checkbox"/> 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
<b>TOTAL FEES *</b>	bps	bps	bps
Estimated Annual Cost based on Current Value			
Selected Riders and features	<input type="checkbox"/> Bonus <input type="checkbox"/> Specific fund selections <input type="checkbox"/> Guaranteed Minimum Withdrawal <input type="checkbox"/> Guaranteed Withdrawal Benefits <input type="checkbox"/> Guaranteed Minimum Income <input type="checkbox"/> Bonus feature <input type="checkbox"/> Guaranteed Minimum Accumulation	<input type="checkbox"/> Bonus <input type="checkbox"/> Specific fund selections <input type="checkbox"/> Guaranteed Minimum Withdrawal <input type="checkbox"/> Guaranteed Withdrawal Benefits <input type="checkbox"/> Guaranteed Minimum Income <input type="checkbox"/> Bonus feature <input type="checkbox"/> Guaranteed Minimum Accumulation	<input type="checkbox"/> Bonus <input type="checkbox"/> Specific fund selections <input type="checkbox"/> Guaranteed Minimum Withdrawal <input type="checkbox"/> Guaranteed Withdrawal Benefits <input type="checkbox"/> Guaranteed Minimum Income <input type="checkbox"/> Bonus feature <input type="checkbox"/> 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:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Client Affirmations**

**Initials**

<input type="checkbox"/> 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.
<input type="checkbox"/> 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.
<input type="checkbox"/> 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.
<input type="checkbox"/> 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.
<input type="checkbox"/> 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.



## Disclosures and Signatures

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

- 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