EQUITABLE ADVISORS

Principles of investing

Investing is essentially putting your money to work for you.

While there are many different ways to invest, the purpose remains the same: growing and/or protecting your assets. The Equitable Advisors Principles of Investing Guide is designed to help you better understand the investments offered by Equitable Advisors and its financial professionals. It does so by explaining common investments and strategies along with their risks and potential conflicts.

Your Equitable Advisors Financial Professional is ready to answer any questions you may have and help you make suitable investment decisions based on your unique goals, time horizon and risk tolerance.

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Why invest?

Equitable Advisors believes that investments based on sound principles can help address financial goals, such as saving for retirement or major purchases, managing risk through diversification, tax efficiency, education funding, business planning and/or financial independence.

Before investing, please note, market-based investments also involve risks that vary by type and degree, depending on the product. So, when considering the purchase of any market-based investment, it's important to keep in mind this simple rule: If you do not understand why you should own an investment, along with its risks, costs and how it may be expected to perform in different market scenarios, do not buy it.

Before funding any new purchases with proceeds from existing investments, it's important to keep in mind there may be tax consequences, you may have paid an advisory fee or sales load on the original investments, or that the assets may incur a surrender charge upon redemption.

You should fully discuss the rationale and all material implications (e.g., the loss of any guaranteed living or death benefits) with your financial professional.

Equitable Advisors believes education is a key step toward addressing your financial goals, and we have designed this material to serve as an informational and educational resource. Accordingly, this material does not offer or constitute investment advice, and does not make any direct or indirect recommendation of any particular product or of the appropriateness of any particular investment-related option. Your needs, goals and circumstances are unique, and they require the individualized attention of your financial professional.

Tax-deferred investing

If a financially secure retirement is your goal, an important consideration is tax-deferred investing, such as through an employer-sponsored 401(k), 403(b) or 457 plan. Such tax-deferred plans allow you to make pretax contributions within limits that have the potential to grow tax-deferred until withdrawn in retirement, when you are presumably in a lower tax bracket.

If such a plan is not offered by your employer, you should consider a traditional IRA or Roth IRA account.

With traditional IRAs, certain eligibility requirements apply, and taxable withdrawals made before age 59½ are generally subject to a 10% tax penalty (with limited exceptions). If you fund a traditional IRA and do not have access to an employer-sponsored retirement plan, you may be able to deduct all or part of your contribution on your income taxes (depending on your income level and age), or be eligible for a tax credit. If you or your spouse is an active participant in an employer-sponsored retirement plan, you may still be able to deduct all or part of your contribution on your income taxes, depending on your income level. Nondeductible contributions to a Roth IRA can also provide tax deferral and potentially income tax-free treatment when held for a qualifying period of time, and until age 59½ or later. Again, limits on contributions and income apply.

For self-employed individuals, there are similar tax-deferred investing options with similar advantages that are specially designed for small-to medium-sized businesses and owners. For more information on these and any other tax-deferred investment options, such as annuities, please ask your financial professional.

What products may be right for me?

The answer to this question depends on how you answer the following:

What are my financial goals?

Investing to cover current retirement living expenses will be very different than investing for a child's college education. So, it is important to first prioritize your financial goals and make sure your investment choices support the goal you have in mind.

What other investments do I already have that support my goal?

If you already have other investments for your goal, you should consider how adding new investments may further benefit your portfolio through added growth potential and diversification. See **Benefits of diversification** (p. 7).

What is my goal's investment objective?

Your investment choices should reflect your underlying objective. For example, if you need a current income stream for retirement, the majority of your investments should be in income-producing products, such as bonds or bond funds, annuities, dividend-yielding stocks, etc. But if your objective is growth through long-term market appreciation, you should lean more toward stocks and stock funds. Regardless of your objective, an appropriate combination of stock, bond or cash investments that can help reduce portfolio volatility. See **Benefits of diversification** (p. 7).

What is my risk profile?

Finding the right risk/reward balance that makes sense for you is an important factor in making good investment decisions. Essentially, your risk profile is a function of how much risk you are willing to take on (your aversion to risk or risk tolerance) and when

you actually need the money (your investment time horizon).

Generally, the longer your time horizon, the more likely your portfolio can withstand market ups and downs (also known as volatility), thereby allowing you to be more aggressive in your investment product choices. Conversely, the shorter your investment time horizon, the more conservative or stable your choices should be in order to minimize the impact of market volatility. Your Equitable Advisors Financial Professional can help you determine your risk profile using the firm's Risk Tolerance Questionnaire.

How much should I invest?

You have probably heard, "You should not invest what you cannot afford to lose." And, so, as a practical matter, you should always ensure your immediate and short-term household liquidity needs are met along with a cautionary 3 months' "rainy day" fund before investing in market-based products.

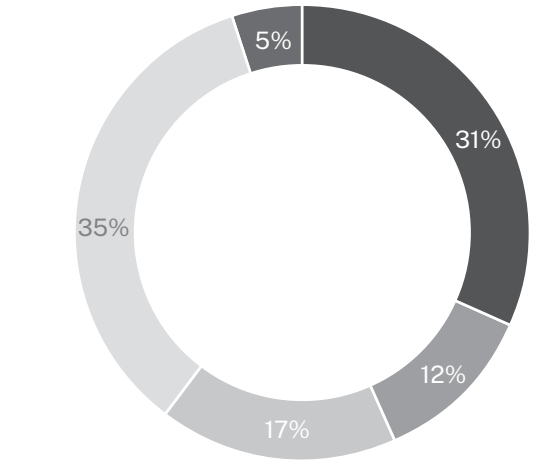
Before making a final decision, did I compare other suitable product choices along with their returns, risks and expenses?

All investment products vary in historical performance (which is not a guarantee of future results), underlying risks (type and degree), costs and fees. So before deciding on which investment(s) may be right for you, ask your financial professional to explain other options that may also fit your goal, time horizon and risk tolerance.

Benefits of diversification

You have probably heard the expression, "Do not put all your eggs in one basket." One of the best ways to reduce your portfolio's risk is through diversification, a proven technique that mixes a variety of asset classes like stocks, bonds and cash into one balanced portfolio that combines investments with varying risks. If one asset class falls in value, it may be mitigated by another's rise. This concept of asset class diversification is an important part of modern portfolio asset allocation. Of course, it is important to note that, while diversification may be used in an effort to manage risk, it does not guarantee a profit or protection against investment loss.

To illustrate, here's a typical asset allocation for a Moderate Risk investor:



Common investment products

Here are the most common investment products, or securities, offered by Equitable Advisors, along with a brief description:

Stocks
Stocks, also known as equities, are investments signifying partial ownership or equity interest in a publicly traded company, such as IBM. Investors primarily benefit from equity-based investments through capital appreciation of the underlying market value. A stock's price is determined on the open market by how much investors are willing to pay for it, so that price may rise and fall, depending on market forces and the economic principles of supply and demand. Many equity investments also pay periodic dividends. Unless you buy stocks in an advisory account that has an annual fee based on your assets under management, you can typically trade stocks in a brokerage account, paying commissions only when purchasing or selling the stocks in the account. Common risks affecting stocks include: market risk, capitalization risk, inflation risk, legislative or regulatory risk, and if investing overseas, currency exchange risk and foreign risk. See **Common investment risks explained** (p. 13).

Bonds
Bonds are debt investments whereby investors essentially lend money to governments or businesses for a specific term (duration) at a specific coupon rate or return. For this reason, bonds are also known as fixed-income investments. For newly issued bonds, investors usually receive their money back at the end of the term. Governments and businesses use the proceeds from the sale of bonds to finance a variety of projects. Unless you buy in an advisory account that has an annual fee based on your assets under management, you can typically trade bonds in a brokerage account for one-time commissions on an agency basis or via a price mark-up/mark-down principal basis. Note that one-time commissions refer to each transaction — future sales or purchases will also incur a commission. Common bond risks include: market risk, credit risk, interest rate risk, inflation risk, legislative or regulatory risk, liquidity risk, and if investing overseas, currency exchange risk and foreign risk.

Money market funds

Money market funds are pools of short-term fixed income investments. These investments offer capital preservation and regular, but variable, dividends from interest generated on their portfolios. They are not typically insured and can lose value even though they seek to maintain a stable net asset value of $1. Money market funds are commonly referred to as cash investments in asset allocation models. Their benefits are that they can be quickly converted to cash without penalty and can add stability to portfolios. Common risks include inflation risk and legislative or regulatory risk. Investing too heavily in money market funds can hurt your potential for long-term growth as they tend to not keep pace with inflation before taking taxes into account.

> Please note that you could lose money by investing in a money market fund. Although the portfolio seeks to preserve the value of your investment at $1 per share, it cannot guarantee it will do so. An investment in the portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The portfolio's sponsor has no legal obligation to provide financial support to the portfolio, and you should not expect that the sponsor will provide financial support to the portfolio at any time.

Mutual funds

Mutual funds and Section 529 College Savings Plans (collectively, mutual funds for the purpose of this guide) are professionally managed investment pools made up of assets collected from many investors with the same investment objective and risk profile. A primary benefit of mutual funds is that they allow investors with small amounts of money access to professionally managed, diversified portfolios that would otherwise be out of reach for individual investors. Each shareholder participates proportionally in the mutual fund's gains or losses. Shares

can be bought in brokerage accounts or directly with the mutual fund company and often have sales charges or loads, or they may be purchased in advisory accounts with no-load or load-waived mutual funds (the sales charge is waived for investors in advisory accounts). As explained in the mutual fund's prospectus, fund management fees and other expenses apply. For a discussion on breakpoint opportunities, see **Mutual fund share classes** (p. 16).
In addition to the aforementioned stock and bond risks, as applicable, mutual funds may also have liquidity, concentration, and alternative strategy or sector risks.

529 plans

Section 529 College Savings Plans (529 plans) are individually state-sponsored, tax-favored investments specifically designed to save for a designated beneficiary's college education. In certain situations, 529 plans can be used for a designated beneficiary's private school kindergarten through grade 12 education. Similar to mutual funds in design, costs, risks and certain benefits as described above, 529 plans are professionally managed and distributed by mutual fund companies. Some of their unique benefits include:

- You maintain control of the assets even when the beneficiary turns age 18;
- Investment earnings are tax-deferred and distributions used to pay for tuition, fees, textbooks, equipment and certain room and board are free from federal income tax; and
- Some states provide tax incentives or other benefits, such as: (1) contributions may be tax-deductible on your state income taxes; (2) withdrawals may be exempt from your state income taxes if used for qualified higher education costs; (3) a potential for scholarships to state colleges, matching grants, reduced or waived fees, etc.

> Before investing, you should consult your tax professional and carefully consider your home state's 529 plan(s), tax advantages and other benefits, if available, as you typically may not be able to take advantage of them if investing in another state's 529 plan.

Contribution to a 529 plan will be treated as a gift to the named beneficiary for gift tax and generation-skipping transfer tax purposes. This is particularly important if you make other financial gifts to the beneficiary during the same tax year.

Information about a 529 plan's specific features, benefits, caveats and contribution limitations can be found in its program description. And while states may authorize the establishment of 529 plans, and state trusts or other instrumentalities actually issue the securities, states do not back or otherwise guarantee your investment.

ETFs

Exchange-traded funds (ETFs) are pooled investment vehicles that commonly track indices, commodities, currencies or a basket of assets, such as stocks or bonds. ETFs can be passively or actively managed, and offer additional portfolio transparency due to their unique structure. Like individual stocks, ETFs can be bought and sold throughout the day on the major stock exchanges at the market-determined price. ETFs can be purchased in an advisory account that has an annual fee based on your assets under management or in a brokerage account based on a commission schedule.

ETFs do have risks associated with them, including, but not limited to, complexity and economic risks. For additional risks, see the mutual funds section above.

Annuities

Annuities are contracts between investors and insurance companies. The most common is the variable deferred annuity that allows your assets to potentially grow tax-deferred until you decide to annuitize them to receive a series of guaranteed payments for retirement. Through the investment options within variable annuities, you can invest your assets in stock funds, bond funds or other options, as available. And often, you can also purchase optional income guarantees that help protect your retirement income against certain market-based risks. Keep in mind that for annuities that offer downside

protection features, there is a risk of a substantial loss of principal and previously credited interest because the contract holder agrees to absorb all losses to the extent they exceed the downside protection provided. Be sure to learn about the rules and potential risk before you invest.

These types of income guarantees cost money, however, and are usually subject to restrictions and limitations and do not guarantee a cash value. Most annuities can also pay a death benefit. Unless you buy in an advisory account that has an annual fee based on your assets under management, you can buy annuities from your financial professional on a commission basis. In addition to the aforementioned stock and bond risks, as applicable, annuities may also have concentration and alternative strategy or sector risks, and the contract guarantees are only as good as the creditworthiness of the issuing insurance company.

Please consider the charges, risks, expenses and investment objectives carefully before purchasing a mutual fund or variable annuity. For a prospectus containing this and other information, please contact a financial professional. Read it carefully before you invest or send money.

Withdrawals of taxable amounts are subject to ordinary income tax and, if taken prior to age 59½, a 10% federal tax penalty may apply. Early withdrawals may also be subject to a withdrawal charge. An investment in a variable annuity involves investment risk, including the possible loss of principal. The contract, when redeemed, may be worth more or less than the total amount invested. Variable annuities are subject to insurance-related charges, including mortality and expense charges, administrative fees and the expenses associated with the underlying funds.

Common investment risks explained

While all investments offer the potential for returns, as a rule, they also carry risks that must be carefully considered before purchase. Here, the most common investment risks mentioned above are briefly explained.

Market risk
Due to the volatile nature of a market-based system, securities cannot guarantee the safety of principal invested or a certain rate of return. In regards to limiting exposure to market risk, professionally managed funds tend to be more successful than index funds. Past performance is no guarantee of future results. Market-based investments are not FDIC insured and may lose value.

Capitalization risk
Investing in stocks involves, to one degree or another, a certain amount of capitalization risk, as the common shares of small- or mid-capitalized companies are generally more vulnerable to adverse business or economic conditions than larger companies having more available resources.

Credit risk
With certain investments, you assume the credit risk of the issuer. For example, high-yielding bond investments typically have a greater default, or credit risk, and are therefore riskier than investment-grade bonds. U.S. government-issued bonds, or treasuries, are considered safe bond investments, as the risk of default is very low.

Equitable Advisors does not guarantee, in any way, the financial condition of an issuer, and an issuer's guarantee is essentially only as good as its published credit rating.

Liquidity risk
Stocks, bonds and ETFs typically transact throughout a trading day in open markets while other securities, such as mutual funds and variable deferred annuity contract investment options, are priced and transacted only after the individual securities markets have closed.

Some products have restrictions on when redemptions may be accepted, often allowing only monthly or quarterly liquidations. It is also important for investors to know that during volatile market periods, especially in times of great price declines, markets may be temporarily closed in order to restore trading equilibrium.

Concentration risk
This risk results from an imbalance in your portfolio caused by an over concentration in a particular asset class, sector, industry, region or product.

Interest rate risk
Bond investments are generally subject to interest rate risks as interest rates increase and decrease, depending on federal and market factors. Typically, the underlying market value of a fixed-income product will decrease when overall interest rates increase and vice versa. Some stocks may also be sensitive to interest rate fluctuations.

Inflation (or purchasing power) risk
Even when a security's rate of return is positive, investors can still lose purchasing power if returns are less than the inflation rate.

Legislative or regulatory risk
There is always a risk that a change in federal or state tax law or regulation will have significant consequences on certain securities and previously favorable tax treatments and rates.

Currency exchange risks
Foreign investments that are non-U.S. dollar-based, such as international mutual funds and ADRs, will have fluctuations in currency exchange rates that will impact their U.S. dollar value.

Foreign risk
Foreign investments also have added risks, depending on the political, social and economic conditions abroad. Consequently, risks are generally greater in emerging market countries than in developed countries.

Alternative strategy or sector risks

To help achieve their objectives, some funds may invest significantly in nontraditional, or alternative, investment strategies and/or instruments that, for example, leverage returns through options, futures and other derivatives. It must be noted that these funds include more risks than traditional investments, and only experienced investors should consider their purchase. Risks can include some illiquidity disproportionate increases or losses significantly impacting your portfolio and others. Sector funds, also known as specialty funds, comprise investments concentrated on a specific sector or industry, allowing investors to avoid the risk of investing in a single stock. Due to their composition, however, they may be more susceptible to a single economic, regulatory or market occurrence than a more diversified fund. Generally speaking, investments in alternative strategy or sector funds should constitute a smaller portion of your overall portfolio.

Please refer to product prospectuses or offering materials for details on discrete risks and other important considerations before purchasing.

Mutual fund share classes

It is important to understand the fees and charges you pay when purchasing and owning a mutual fund will vary from share class to share class, mutual fund to mutual fund and fund company to fund company. Slight changes in fees and expenses can make a big difference in the value of your investment over time. Information on mutual fund expenses, including policies regarding the selection of brokerage firms for order execution services, is provided in the prospectus and/or statement of additional information (SAI), both of which you may request from your financial professional or mutual fund company or find online.

It is also very important to understand that you often have a choice in mutual fund share class. Share class pricing and structures vary widely, and it is important for you to select the share class that's most appropriate for you in view of your investment amount, expected holding period and personal preferences.

The following sections provide information regarding the three most common retail share classes: A, B and C. Although each share class represents an interest in the same portfolio of securities, they charge different fees and expenses.

Class A shares

Class A shares impose a sales charge (load) at the time of purchase. This charge is deducted from your purchase, reducing the amount initially invested. The front-end load becomes lower for larger investments and these discounts are commonly referred to as breakpoint discounts. Breakpoint discounts usually start at investment levels as low as $25,000, and typically grow as the investment amount increases. Generally, Class A shares levy no sales charge on purchases over $1,000,000.

In addition, fund families often have discount opportunities that reduce or eliminate Class A share front-end loads, such as:

- Letter of intent (LOI) — If you cannot immediately invest the amount necessary to reach a desired breakpoint discount threshold, and you plan to make additional purchases in the near future (typically up to 13 months), you can often sign an LOI to get the reduced front-end sales charge on all of your purchases within the designated period. Many fund companies also allow you to backdate LOIs (often up to 90 days) to obtain reduced sales charges on prior Class A share purchases. If you fail to fulfill your LOI pledge or redeem shares, your account will be retroactively charged.
- Rights of accumulation (ROA) — ROAs allow investors to aggregate prior purchases or existing balances (often regardless of share class) within the same fund family, including 529 plans, with those of related household accounts to qualify for breakpoint discounts. Holdings at other broker-dealers may be subject to documentary verification.
- NAV purchase — Some fund families allow investors to purchase Class A shares without paying a sales load (i.e., at Net Asset Value (NAV) if the purchase is $1,000,000 or more or is part of a qualified plan investing in a specific fund or funds with a fund family). In some instances, mutual fund and 529 plan sponsors may waive the sales charge for investments made with proceeds from a loaded mutual fund at another fund family if made within a specific period following redemption. If available, this would be discussed within the prospectus or SAI for the particular fund. Purchases in advisory accounts are also generally made at NAV, as noted earlier. In some instances, this may even be available with rollover assets from a 401(k) or similar plan.
- Reinstatements — Most fund families offer NAV pricing to investors who previously owned funds within their family and who seek to reinvest within a short period, such as 90 to 180 days or even longer. Each fund family sets the terms for the reinstatement privilege, which will be detailed within the fund's prospectus.

Class B shares

Class B shares impose no front-end load but do have a Contingent Deferred Sales Charge (CDSC) if you redeem shares within a specified period after purchase, which may be higher than the sales charge incurred on Class A shares. Class B shares should not be considered or referred to as no-load shares. Typically, the CDSC on Class B shares is reduced over time and eventually eliminated. So, the longer you hold the fund, the lower the charge on redemption, depending on the fund. CDSC periods generally range between 3 and 7 years. It is also important to know that the ongoing fees and expenses in Class B shares are higher than those in Class A shares, and you are more likely over time to pay higher overall fees in Class B shares. Most Class B shares, however, convert to Class A shares when the CDSC period ends. As a result of the higher ongoing fees and expenses, as well as the nonavailability of breakpoints, many mutual fund families have stopped offering Class B shares and many broker-dealers have capped individual and aggregate Class B share purchases at or around $50,000.

Class B shares should be considered only by investors who have a long-term investment horizon, want all of their money invested immediately, do not qualify for significant breakpoint discounts (which are available only in Class A shares), are not comfortable paying front-end sales charges, and/or may want to withdraw significant assets while taking advantage of available CDSC waiver provisions, such as required minimum distributions from IRAs.

Class C shares

Class C shares usually do not impose a front-end sales charge on purchases, so the full dollar amount is immediately invested. Often Class C shares impose a small CDSC of 1% if you sell your shares within 12 to 18 months. As with Class B shares, Class C shares have higher ongoing operating expenses than Class A shares, but do not convert to Class A shares over time. While Class C shares offer investors flexibility by allowing access to their funds without paying a sizable sales charge, they can be more expensive than other share classes if held for extended periods.

Class C shares should be considered only by investors who have a short-term investment horizon (e.g., 3 years

or less), want all or most of their money invested immediately and/or want the flexibility to redeem shares with minimal charges. If purchasing Class C shares in a 529 plan account, strong consideration should be given to the beneficiary's age and anticipated time horizon to use.

Advisory shares

Advisory shares generally do not charge sales loads and, in some instances, may not even assess certain annual fees or charges. Equitable Advisors offers advisory shares within many of its investment advisory accounts for which you pay an annual fee based on the assets under management.

> The Financial Industry Regulatory Authority (FINRA), a securities industry regulator, has developed a mutual fund expense calculator to help investors compare share class costs over time. This calculator is located on their website, finra.org.

Brokerage or investment advisory account?

As a registered broker-dealer and a registered investment adviser, Equitable Advisors offers both retail brokerage and investment advisory service accounts for most investments.

With brokerage accounts, you typically pay transaction commissions that vary by investment type. For example, mutual funds typically charge upfront sales loads that are percentages taken directly from the investment amount (see mutual fund share classes), whereas stock, ETF and bond transactions charge commissions based on the firm's published schedule and are added to the investment amount. As a broker-dealer, Equitable Advisors may also receive other types of brokerage-related compensation, such as trail payments (12b-1 fees) and markups.

With investment advisory accounts, Equitable Advisors and its financial professionals are obliged to act solely in your best interest, as well as make full and fair disclosures of all material conflicts of interest. Among others, services may include mutual fund asset allocation programs as well as wrap programs involving multiple investment products, both of which are managed to your investment profile. With an investment advisory account, your financial professional will also oversee your investments and provide ongoing investment advice. For these services, you will pay a quarterly all-in assets under management fee percentage that is, in part, negotiated between you and your financial professional.

Some important considerations when deciding between brokerage and investment advisory services include:

1) Do you want your financial professional to provide ongoing financial advice?

If so, you would consider a fee-based advisory relationship. But if you are only seeking general investment products and services from your financial professional, a brokerage relationship may be the appropriate choice.

2) Do you plan to hold more than a few investments and frequently transact and/or rebalance your portfolio?

If so, an advisory relationship would be appropriate. But if you plan to buy and hold investments over a long period, a brokerage relationship would apply.

From a dollars-and-cents perspective, some advisory relationships may cost you more over time than brokerage relationships, and vice versa. Consequently, it is very important that you first determine the type of investor you are and the level of service you need before deciding which cost structure makes the most sense for you. Keep in mind, however, that your needs may change over time, as well as how you interact with your financial professional.

Complex and alternative investments

While there is no clear industry definition for complex and alternative investments, they are generally viewed as difficult for average investors to understand (complex) or investments that use, in whole or in part, nontraditional (alternative) strategies or instruments to achieve their objectives.

While most of these products have historically been purchased by institutional and high-net-worth investors, many investors today look to add them to their portfolios because, depending on the product, they can offer:

- potentially higher market returns
- partial downside protection
- additional portfolio diversification
- potential tax benefits or similar advantages

It must be stated, however, that these products on the whole, are difficult for most investors to fully understand, are often speculative, expensive, carry higher or unique risks (e.g., valuation risk, commodity risk and lack of liquidity) and require additional investor experience when compared to traditional investments. So, before you purchase a complex or alternative investment, we recommend you discuss it with your Equitable Advisors Financial Professional and carefully read its offering memoranda or prospectus and supplements.

Here are the most common complex investments offered by Equitable Advisors:

Structured products
Structured products include a variety of investments that can generally be grouped into either debt securities or bank certificates of deposit (CDs). They are obligations of the issuers who create them. While the specific risk and return profile can vary with each unique product, structured products generally offer returns linked to the performance of a reference asset or basket of assets that can include stocks, exchange-traded funds, commodities, interest rates, foreign exchange rates, indices and strategies. Structured

products use derivatives to package those reference assets with various features
that provide unique outcomes that may otherwise be difficult to access. Depending on the terms of the specific product, there may be some level of principal protection balanced with some level of upside potential. Greater upside potential typically involves more and/or greater downside risk(s). Certain product features, such as callability, return caps, contingent protection or income, and upside or downside multipliers are often packaged in the structure to further customize the outcome.

Equitable Advisors lays out its structured products offerings with consideration for certain characteristics related to principal protection, dividing them into the following categories: market-linked certificates of deposit (CDs), principal-protected notes (PPNs) and non-principal-protected notes (buffered notes and barrier notes).

Market-linked CDs — Market-linked CDs can potentially provide investors with capital appreciation or income that depends on the performance of a reference asset, while protecting the invested principal. When held to maturity, these CDs are principal-protected, even if the reference asset declines in value, and they are FDIC insured up to the statutory limits. Return of principal and any amounts payable are subject to the CDs being held to maturity and subject to the credit-worthiness of the issuer.

Principally protected notes — Principal-protected notes can also offer potential growth or income based on the performance of a reference asset and provide full return of principal, subject to the note being held to maturity, even if the reference asset declines in value. However, these products are not FDIC insured, are subject to the creditworthiness of the issuer and offer no other insurance protection.

Buffered notes and barrier notes — Buffered notes and barrier notes can also offer potential growth or income based on the performance of a reference asset. In addition to not being FDIC insured, they typically provide limited principal protection, even when held to maturity. Depending on the terms of the specific note, investors could potentially lose their entire invested principal when the reference asset declines in value. While certain notes may have enhanced

growth or income potential, they may include features that increase the probability and/or amount of potential loss. You should read and understand a product's offering terms prior to investing. Additionally, your financial professional can help you understand the maximum loss potential (subject to creditworthiness of the issuer) and other characteristics, based on the offering details.

Structured products are complex offerings that are not suitable for all investors or circumstances. An investor's investment objective, time horizon, liquidity needs and investment experience should all be carefully considered before investing. Structured products involve a number of risks, including, but not limited to, market risk, credit risk, liquidity risk, diversification risk and possible loss of principal.

Financial professionals are required to accurately and fairly communicate how these types of securities operate and should be careful not to overstate either the level of protection offered or the investment's potential for growth. Furthermore, financial professionals must be particularly cautious when considering these products for senior clients, who may have greater liquidity needs and a low sensitivity to market, credit or inflation risks.

Please be advised that portfolio management, operations and other fees are embedded into the terms of structured products. And while these products offer returns based on an underlying asset, their overall returns typically exclude any dividends that may be paid if investing directly in the particular asset or in a mutual fund based on the same asset, such as an index.

Leveraged/inverse ETFs

Leveraged and/or inverse ETFs generally seek to deliver multiples of the daily performance of the index or benchmark the ETF tracks. An inverse ETF generally seeks to deliver the opposite of the daily performance of the index or benchmark it tracks. Both are commonly marketed as ways to profit from or hedge exposure to market fluctuations using investment strategies that can include swaps, futures and other derivative-type instruments. Consequently, most leveraged and/or inverse products reset each day, meaning they are primarily designed to achieve their stated objectives only on a daily basis. With the effects of compounding over longer time frames, their return results can differ significantly from their stated objectives. Consequently, leveraged and/or inverse products are appropriate only for experienced short-term investors.

Target outcome buffer ETFs

Target outcome buffer ETFs are exchange-traded products that, by using complex options strategies, seek to produce predetermined investment outcomes based on the performance of an underlying benchmark. The funds provide upside exposure to the price returns of the underlying index or ETF, excluding dividends, up to a cap along with targeted levels of downside protection when the fund is held throughout the target outcome period. While there's no guarantee that the fund will achieve its objective or targeted outcome, these products offer an alternative approach that seeks to deliver some benefits of upside from equities with reduced downside risk, allowing investors to stay invested.

Interval funds

An interval fund is a type of Investment Company Act of 1940 closed-end fund, that unlike a traditional closed-end fund, does not trade on an exchange. Interval funds continuously offer new shares for sale and offer repurchases of existing shares during specific periods (intervals). Though they sometimes transact with a ticker like a traditional closed-end fund or mutual fund, investors must rely on the fund for potential liquidity and pricing. Note, interval fund rules require such funds to offer periodic repurchases and to maintain liquid investments for redeeming a minimum amount of shares. However, these strategies are subject to market conditions, which could and, in some cases, have prevented funds from successfully executing their repurchase programs. In any

case, redemptions typically only occur infrequently, such as once per quarter, and
will be limited in the aggregate, such that an investor may not be able to receive the full amount requested for repurchase.

Like many traditional closed-end fund strategies, these investments often make use of leverage. Many interval funds also take advantage of flexibility in allocating to illiquid investments and can provide individual investors with access to alternative investments that are typically limited to institutional investors, such as private market investment interests. But interval funds come with their own set of risks, including lack of liquidity, and the risks inherent with these more complex underlying investments. Interval fund fees and expenses also tend to be higher than other closed-end funds and mutual funds.

Alternative investments

Alternative investments offered by Equitable Advisors include, but are not limited to, public investments, such as non-traded REITs, non-traded business development companies and certain non-traded closed-end interval funds and tender-offer funds, as well as certain privately-offered investments. In general, alternative investments are complex investments with enhanced suitability requirements and additional risks, typically including liquidity risk. They typically involve non-traditional investments, including unregistered investments, or non-traditional strategies, some of which may involve complex regulations or tax laws. See the **Alternative Investments Guide** posted on equitable.com for more information or ask your financial professional. Qualification requirements apply.

Interest rate-sensitive securities

Interest rate and duration risks are important factors when considering long-term investments, such as individual bonds, preferred securities, bond funds or other securities that are sensitive to interest rates. Discussions with your financial professional regarding these risks and other features will help you understand potential changes in the market value of your investments, and/or impacts to investment income during fluctuating, and more importantly, rising interest rate periods.

Interest rate risk

Interest rate risk occurs when rising interest rates cause the market value of individual bonds, bond funds or other interest rate-sensitive securities to fall. This decline in market value can be greater or less based on factors such as the product's duration.

Duration risk

Duration is a sensitivity measure of the market value of fixed-income investments during periods of fluctuating interest rates; duration is expressed in the form of years. An individual bond's duration is determined by a calculation involving its years to maturity, coupon or interest rate and yield. In the case of a bond mutual fund, duration is calculated on the average maturity of all bonds held within the portfolio. A bond fund's duration calculation may fluctuate.

Interest rate and duration risks are important factors when considering long-term investments, such as individual bonds, preferred securities, bond funds or other securities that are sensitive to interest rates. Discussions with your financial professional regarding these risks and other features will help you understand potential changes in the market value of your investments, and/or impacts to investment income during fluctuating, and more importantly, rising interest rate periods.

> It is important to understand that the greater the duration, the greater the impact rising interest rates will have on the security's decline in market value. Other risks may include, but are not limited to, credit, default, liquidity, call provision and reinvestment risks.

Retirement plan rollover options

For many investors at or near retirement, an important decision is what to do with retirement plan assets. Typically, there are four options, each with important advantages and disadvantages that should be carefully considered:

a) Rollover to an IRA

The advantages of doing so may include receiving financial professional advice, possible access to a broader range of investment options and guaranteed products, more control over the assets, more favorable distribution options at death, continued tax-deferred growth, avoidance of early withdrawal penalties, an ability to convert to a Roth after-tax account, if applicable, and the ability to consolidate assets.

Disadvantages, however, may include an inability to borrow against the plan if an active employee, possible loss of net unrealized appreciation (NUA) treatment, less protection from creditors, certain distribution advantages may be lost and the fees, charges and/or commissions may be higher.

b) Remain in plan

The advantages of doing so may include continued tax-deferred growth, being able to borrow against the plan if still an active employee, protection from creditors, avoidance of early withdrawal penalties in certain circumstances and possible lower fees and charges.

Disadvantages, however, may include limited guidance and investment options, the plan may change providers and/or investment options without participant consent, non-employees are unable to make additional contributions, unlikely able to borrow against the plan, and participants are subject to plan restrictions and limitations.

c) Rollover to another plan

The advantages of doing so may include continued tax-deferred growth, protection from creditors, avoidance of early withdrawal penalties in certain circumstances, being able to borrow against the plan and possible lower fees and charges.

Disadvantages, however, may include limited guidance and investment options, changing providers and/or investment options without participant consent, having to wait to switch jobs or retire before moving assets again, and participants may be subject to applicable plan restrictions and limitations.

d) Cash distribution

The advantage is having access to money now while the disadvantages may be possible federal, state and local taxes, a 10% federal withdrawal and possible state penalty if funds are accessed before you are 59½ years old, and a possible mandatory 20% withholding tax in anticipation of federal taxes owed.

Compensation to Equitable Advisors and your financial professional

Should you purchase individual stocks, bonds (on an agency basis) and ETFs, you will pay sales commissions to Equitable Advisors consistent with the disclosed schedule. From these commission payments, Equitable Advisors will pay a percentage to your financial professional.

If you purchase mutual funds directly from the fund company or through a brokerage account, you will pay a sales concession to Equitable Advisors consistent with the disclosed amount in the prospectus. From these concessions, Equitable Advisors will pay a percentage to your financial professional. Since some products have higher sales concessions than others for the same amount invested, actual dollar amounts you pay may vary. As a result, Equitable Advisors and your financial professional may receive more compensation for selling some products as opposed to others, thereby creating a potential conflict of interest.

Compared to mutual fund sales concessions, annuity sales concessions are very similar, often higher and may also represent a potential conflict of interest for Equitable Advisors and your financial professional.

In addition, mutual fund and annuity sponsors pay annual service commissions, generally referred to as 12b-1s or trails, for as long as you hold the investment. These fees generally range between 0.25% and 1% and are paid out of the sponsor's management or other expenses on a monthly or quarterly basis. Trails received by Equitable Advisors will be used to pay your financial professional. Details on sales concessions, trailer fees and other charges are described in the product's prospectus. Note that the portion of a trail or a commission paid to a financial professional may vary based on a number of criteria.

Instead of sales concessions, some mutual fund and annuity sponsors allow purchases in investment advisory accounts. Investors in such accounts pay an annual fee based on a general percentage of account value that is usually negotiated and payable quarterly in advance to LPL Financial, Equitable Advisors' unaffiliated clearing firm, for services such as order execution, custody and clearing, if applicable. A percentage of these annual advisory fees are also paid to Equitable Advisors for supervisory and administrative services from which your financial professional will be paid a percentage. Advisory account fees may be higher than sales concessions over time. LPL Financial and Equitable Advisors may also receive trails and similar service or administration fees from sponsors. Trails, however, do not apply to IRA and qualified plan advisory accounts.

Lastly, some financial professionals engage in outside business activities and/or the Equitable Agents Reinsurance Co. (EARC), which may present a unique conflict of interest. Ask your financial professional if either applies.

Marketing support and potential conflicts of interest

Equitable Advisors diligently works to develop, monitor and maintain an appropriate array of product and service offerings, as well as provide financial professionals with the tools, skills and knowledge they need to serve their clients. While we offer investment products and services from many different companies (sponsors), we also work closely with certain partner sponsors having employees who can train, educate and help our financial professionals better understand their products and services.

Partner sponsors

In such arrangements, Equitable Advisors provides enhanced marketing and support opportunities to these partner sponsors, and in return, they pay additional amounts to compensate us for these opportunities, such as access to dedicated relationship management, national meetings, branch offices and the Equitable Advisors Sales Desk, national/regional speaking opportunities and quarterly sales reports. Equitable Advisors uses these payments for education, training, due diligence and other distribution-related services, although Equitable Advisors may retain some of them for any valid corporate purpose, and these payments may contribute to the overall profits of Equitable Advisors. Additionally, in the case of client accounts held directly with a mutual fund sponsor, the sponsor may pay networking fees in order to link accounts with the mutual fund sponsor and accounts at Equitable Advisors.

Your financial professional indirectly benefits from partner payments made to Equitable Advisors when this money is used to support costs related to program marketing or training.

Consistent with industry regulations and firm guidelines, your financial professional may also receive non-cash compensation from sponsors or other vendors, such as gifts of nominal value, an occasional dinner or ticket to a sporting event, reimbursement in connection with educational meetings, or marketing or advertising meetings. These payments may create a conflict of interest for your financial professional, and they do not change your financial professional's obligation to act in your best interest when making a product recommendation.

Details regarding payments made to Equitable Advisors for investment advisory accounts are provided in Equitable Advisors' Form ADV, Part 2A, a copy of which is provided if you open an advisory account and is also available for review at equitable/CRS.

Marketing support paid to Equitable Advisors by partners and certain non-partner sponsors varies but does not exceed 0.20% of program sales ($20 on a $10,000 transaction). Some sponsors may also pay Equitable Advisors a small fee for assets held for more than 1 year. This payment typically is no greater than 0.10% annually of assets ($10 on a $10,000 holding). Additionally, some sponsors pay an annual flat fee payment (up to $2,000,000) irrespective of assets placed by Equitable Advisors into their program. A sponsor's compensation policies can be found in the prospectus or SAI. Sponsors are required to provide financial support payments only from their own assets and not from any invested program assets. These payments do not affect the sales concessions or fees you pay, the cash compensation paid to your financial professional or the amount of your investment.

Financial professionals and their managers may receive higher levels of cash compensation or other incentives for selling products issued by Equitable Advisors and/or its affiliates (proprietary products) rather than products issued by nonaffiliated companies. Among other things, they may qualify for certain benefits, such as health and retirement benefits, based solely on sales of these proprietary products. Certain components of the compensation of financial professionals who are managers may be based on the sale of proprietary products.

For more information regarding the firm, products and services offered and additional information concerning conflicts of interest, a **Relationship Summary for Retail Investors and a General Conflicts of Interest** disclosure can be found at equitable.com/CRS.

In addition to commissions, financial professionals and their managers may receive other compensation related to the sales of proprietary products. For example, they may receive, among other things, equity and equity-based awards from the firm's parent company, Equitable Holdings, Inc. (EQH) and/or stock appreciation rights, allowances and other assistance with marketing and related activities, training and education, trips, prizes, entertainment, awards and other merchandise.

Accepting compensation in connection with the sale of securities or other investment products, including financial support payments and asset-based charges or fees from the sale of mutual funds, may present a conflict of interest in that there is an incentive to recommend investment products based on the compensation received, rather than on a client's needs. We disclose potential conflicts of interest to clients through documents, such as this disclosure document, the prospectus and other materials discussing the products and services offered.

Equitable Advisors and its affiliates may have other relationships with some of the mutual fund sponsors whose mutual funds we sell. These may include the mutual fund's advisor acting as a subadvisor to a mutual fund sponsored or distributed by Equitable Advisors, or an affiliate managing an investment portfolio within a product offered by advisors, such as a variable annuity or investment advisory account. These relationships, the payments made by the mutual fund sponsors and your financial professional's greater familiarity with the mutual funds of these firms may influence your financial professional's recommendations.

> You should consider these matters carefully prior to investing in any product or service offered through Equitable Advisors. Additionally, you are encouraged to ask your financial professional for any potential conflict information that may be specific to them.

Equitable Advisors' clearing firm

Brokerage accounts through Equitable Advisors are held at LPL Financial, which is an unaffiliated clearing firm. LPL Financial also provides research services regarding investment products (including mutual funds) to Equitable Advisors and its financial professionals. As a clearing firm, LPL Financial has various economic relationships with mutual fund companies that affect the costs it incurs, and which consequently may impact the availability of certain mutual funds and the charges associated with your mutual fund transactions. In some cases, such as on many of the mutual funds available in Equitable Advisors' brokerage accounts and certain non-load funds available in advisory accounts, LPL Financial receives financial support from mutual fund companies based on sales and/or assets.

Equitable Advisors also offers certain investment advisory products sponsored by LPL Financial. In these accounts, compensation is received by LPL Financial, Equitable Advisors and the financial professional, and in some instances, other vendors and service providers. LPL generally acts as the exclusive broker-dealer and custodian under the LPL advisory programs. For more information, please review the Form ADV Part 2A of Equitable Advisors and the program brochures of LPL Financial, as well as Equitable Advisors general conflicts of interest disclosures and third-party compensation and conflicts of interest disclosure. All of the foregoing information and documents are available at equitable.com/CRS. LPL Financial also provides customers access to its insured cash account sweep program. For more information regarding this program, please consult the disclosure statement available from LPL Financial.

Equitable Advisors' commitment to you

Equitable Advisors is committed to delivering superior investment assistance and service. The foundation of this commitment rests on providing the information you need to make an informed decision about what may be best for your particular circumstances. If you have any questions regarding any other Equitable Advisors form or document, please ask your financial professional.

As stated at the outset, the purpose of this investing guide is to inform you of the fundamental principles of investing, common risks and potential conflicts associated with products offered by Equitable Advisors and its financial professionals. This investing guide is in no way intended to recommend a specific investment and is subject to change. As always, you should carefully read all offering memoranda or prospectuses and supplements prior to investing.

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GE-8929613.1 (6/26) (Exp. 6/30) | G3562750 | Cat. #153583 (6/26)



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