

## Investing in Annuities, Life Insurance, Mutual Funds, and Unit Investment Trusts

### A Guide from SunTrust Investment Services, Inc.

#### Investing in Annuities

This brief guide is designed to help you make informed decisions about your investment planning, and in particular, your decision as to whether an annuity is the right investment for you. You should read this guide carefully and in conjunction with the policy documents, disclosure materials, and/or prospectus of any annuity you are considering. You should also talk with your SunTrust Financial Professional, who can help you fully evaluate your options.

Whenever you choose an investment – including an annuity – you should carefully consider your investment objectives, risk tolerance, and time horizon and evaluate that investment in light of its attributes, performance, fees, and expense structure. Investing in an annuity within a tax-deferred account such as an Individual Retirement Account (IRA) will provide no additional tax savings. This guide will help you by discussing the fees, expenses and tax implications associated with annuities, as well as the compensation paid to SunTrust Investment Services, Inc.

This guide seeks to be broadly informative, but it cannot address completely the features and benefits of any particular annuity contract. Thus, with respect to any specific annuity you may consider, please remember that the policy contract, disclosure materials, and/or prospectus of the annuity itself are always the governing documents. It is important that you read these documents carefully before you invest.

Our Financial Professionals look forward to serving your financial needs. They are licensed to sell annuity products and can present a variety of fixed and variable annuities to help you meet your investment goals. Our representatives can also present other investment and insurance products and services designed to meet your investment needs. Please contact your SunTrust Financial Professional with any questions you may have about annuities or other investments.

#### About Annuities

An annuity is a contract issued by a life insurance company that provides one or more investment choices and allows your money to grow tax deferred until it is withdrawn. In return for the premiums you pay, the issuing insurance company pledges to return your funds in the future – including earnings if occurred\* – or to make a series of guaranteed periodic payments (called annuitization) to you or anyone else you specify. Annuities may be purchased by making a single payment or by making a series of payments over time. Guarantees, including interest rates and subsequent income payouts are backed by the claims-paying ability of the issuing company.

Annuity contracts are generally designed for long-term retirement savings and should not be considered a short-term investment option. Before investing in an annuity, it is usually advisable to take full advantage of investing in other pre-tax options such as IRAs and any 401(k) and/or 403(b) plans that may be available to you. In addition, we encourage you to carefully consider other investment options, before you decide on an annuity.

You can access the money you invest in an annuity by (a) surrendering your contract, (b) making one or more partial withdrawals, or (c) electing to receive periodic income payments (annuitization). Since annuities are a tax-deferred investment, withdrawing funds will generally have tax consequences. Withdrawals from annuities are taxed as ordinary income, which may be a higher rate than other investment products, and surrenders or withdrawals prior to age 59½ may incur a 10% IRS tax penalty in addition to federal income tax and possible state and local government income taxes. In addition, most annuity contracts include surrender charges for early withdrawals (see Surrender Charges below).

If you purchase an annuity within a tax-qualified retirement plan such as an IRA or 401(k), the tax-deferral feature of the annuity has no effect because the IRA or qualified plan already provides tax deferral. Therefore, the decision to purchase an annuity within a tax-qualified plan should be made on the basis of features and benefits other than tax deferral, such as

\* Annuities can have either fixed or variable features. Variable annuities are subject to investment risk, which means the value of your investment could decrease below or increase above the initial investment amount. See Variable Annuity Features for more information.

the policy's death benefit protection or the opportunity for lifetime income payments, including annuitization. If these features are not needed, you should consider whether your annuity purchase would be more appropriate in a non-tax qualified account. You should also evaluate whether the other features and benefits of the annuity and the associated costs justify the purchase within a tax-qualified plan.

Annuity features may vary from state to state, so ask your SunTrust Financial Professional about the products and features that are available in your state.

## **Annuity Fees and Expenses**

Like most investments, there are certain charges and expenses associated with annuities. The policy documents, disclosure materials, and/or prospectus of each annuity will describe the charges you pay, including annual operating expenses. Be sure you understand these expenses before you invest.

## **Surrender Charges**

Annuity contracts are designed for long-term investment and generally assess a surrender charge for early withdrawals. If you withdraw money or surrender the contract within a specified period of time after investing, the insurance company may assess a surrender charge. When you purchase an annuity from a SunTrust Financial Professional, your surrender charges, if any, will be specifically discussed with you and disclosed in a written document. Some annuities do not have a surrender charge period or surrender charges.

Surrender charges are usually calculated as a percentage of the purchase payment withdrawn and decline gradually over the surrender charge period. For example, a 7% charge might apply in the first year after investing, 6% in the second year, 5% in the third year, and so on, until the surrender charge no longer applies. Additional purchase payments usually begin a new surrender charge period applicable to those payments, so new purchase payments may extend the surrender charge period on your investments beyond the original surrender charge period established at the purchase date. Many annuities allow you to withdraw part of your account value each year without paying a surrender charge. Depending on the terms of the contract, the allowable amount is typically (a) your annual credited interest or earnings, or (b) an amount up to 10% or 15% of your original purchase payment. In addition, many annuities will allow you to withdraw all or part of your account value without paying a surrender charge if certain life events occur. These events typically include confinement to a nursing home

or diagnosis of terminal illness. The availability of a waiver of surrender charges in case of such events – and the requirements for eligibility – will depend on the individual annuity contract.

Your SunTrust Financial Professional will discuss the surrender period and charges of any annuity you are considering. When choosing an annuity contract, you should consider all of the associated charges and benefits – not just surrender charges.

## **Fixed Annuity Fees and Expenses**

Fixed annuities have general fees and expenses that you should be aware of, in addition to the provisions for surrender charges discussed previously. These fees and expenses cover the insurance company's costs of issuing and maintaining the annuity contract on an ongoing basis. When the insurance company sets the interest rate to be credited to a fixed annuity contract, it usually takes into account not only prevailing market interest rates, but also an amount needed to recover its costs and earn a profit. Some fixed annuity contracts may also include an annual contract fee, which may be waived on larger account values. SunTrust Investment Services is paid a commission for selling the fixed annuity to you, and the insurance company's costs include paying this commission.

## **Variable Annuity Fees and Expenses**

Variable annuities also have general fees and expenses, in addition to the provisions for surrender charges discussed above, that you should be aware of. These fees and expenses cover the costs of issuing and maintaining the annuity contract on an ongoing basis, and have an effect on the value of your account and the return on your investment. All fees, expenses, and charges for any variable annuity that you are considering are described in the prospectus for that annuity. You should read the prospectus carefully before you invest. SunTrust Investment Services is paid a commission for selling the variable annuity to you, and the insurance company's costs include paying this commission.

Types of variable annuity fees may include: mortality and expense (M&E) charges, administrative fees, an annual account maintenance fee, sub-account expenses – including investment advisory fees – and fees for special product features and other charges.

## **Variable Annuity Features**

Variable annuities available through SunTrust Investment Services offer many features worth

considering. These features may be included as part of the underlying variable annuity contract, or they may be optional features or riders that you can elect at the time of purchase or in the future, depending on the rules of the rider set forth by the annuity carrier. This approach gives you the ability to select and pay only for the features you need. Optional features typically carry an additional annual charge, expressed as an annual percent of either the account value or the benefit base value. You should carefully consider these features before making a selection, since often you may not be able to change your initial selection at a later date. Some of the optional features that can be added to certain variable annuity contracts include:

- Guaranteed minimum death benefits
- Guaranteed minimum withdrawal benefits
- Guaranteed minimum income benefits
- Guaranteed minimum accumulation benefits
- An earnings enhancement benefit
- A bonus credit

These features offer additional benefits that may be valuable to you and help you in meeting your investment goals. They do not guarantee against day-to-day market fluctuations, and may be affected by subsequent additions or withdrawals during the accumulation phase of your variable annuity contract. The guaranteed features, like all insurance company guarantees, are ultimately subject to the claims-paying ability of the issuing insurer. Variable annuities are subject to investment risk, which means the value of your investment could decrease below or increase above the initial investment amount.

### Insurance Company Ratings

The contractual guarantees made by the issuing insurance company are an important aspect of the benefits of an annuity. Since these guarantees depend on the claims-paying ability of the issuing insurance company, the financial strength of the company is very important.

Several independent, nationally recognized rating agencies regularly review the financial performance and condition of insurance companies to assess their financial strength and claims-paying ability. These rating agencies include A.M. Best Company, Fitch Ratings, Standard & Poor's Corporation, and Moody's Investors Service. Although not all insurance companies are rated by each of these agencies, the ratings that are available are widely used as indicators of insurance company financial strength. Even a strong

rating, however, does not ensure that an insurance company will be able to meet its obligations under its annuity contracts.

Also, please keep in mind that insurance company ratings do not relate to the past or future performance of any sub-accounts within a variable annuity.

### Compensation to SunTrust Investment Services, Inc.

SunTrust Investment Services, Inc. and your SunTrust Financial Professional are compensated when you purchase an annuity through SunTrust Investment Services, Inc. This compensation can vary based on the type of annuity, the issuing insurance company, and the amount invested.

- Under an agreement with each insurance company, SunTrust Investment Services is paid a commission for selling the company's annuity products based on the type of annuity and the amount of your annuity purchase payments. Your SunTrust Financial Professional receives a portion of this payment.
- SunTrust Investment Services may also receive ongoing payments, known as residual or trail commissions, on invested assets that are held in your variable annuity. The insurance company sets these ongoing payments, and SunTrust Investment Services generally pays a portion of these commissions to your SunTrust Financial Professional.
- Some insurance companies pay SunTrust Investment Services, Inc. higher compensation than other companies for sales of certain insurance products, and the compensation to your SunTrust Financial Professional may vary accordingly. Regardless of the higher compensation, there is no difference to you in the fees and expenses associated with a specific life insurance policy. The fees and expenses are set by the insurance company.

Feel free to ask your SunTrust Financial Professional how he or she will be compensated for any annuity transaction.

### Relationships with Insurance Companies

SunTrust Investment Services also receives additional monies from the insurance companies whose annuities we sell. This money pays for various activities such as training and education for our representatives, conferences and meetings, seminars for current and prospective clients, internal wholesaling, distribution of sales and marketing materials, and for conducting due diligence on the insurance companies. Payments are calculated based on the training, educational,

and due diligence needs and requirements of SunTrust Investment Services over time.

They are paid by the insurance company or its affiliates. None of these payments is passed on to your SunTrust Investment Services Financial Professional, even though the funds may be used for some of the general activities and benefits to your representative that are described above.

Below is a list (as of December 2010) of annuity carriers whose products we offer that may make payments to SunTrust Investment Services as described above. Unless otherwise noted, annuity carriers are non-affiliated third parties of SunTrust Investment Services, Inc.

AXA Equitable Life Insurance Company

Genworth Financial

Hartford Life Insurance Company

John Hancock USA

Lincoln Financial Group

New York Life Insurance and Annuity Corporation

Northstar Financial Services (Bermuda)

Pacific Life Insurance Company

Protective Life Insurance Company

Prudential Financial

RiverSource Life Insurance Company

Sun Life Assurance Company of Canada

Symetra Financial Corporation

Transamerica Life Insurance Company

SunTrust Investment Services, Inc. is affiliated with the RidgeWorth Funds, a family of mutual funds that is advised by RidgeWorth Capital Management, Inc., an affiliate of SunTrust Investment Services, Inc. The RidgeWorth Funds provide investment options (sub-accounts) that are available in certain variable annuity contracts sold by SunTrust Investment Services, Inc. These annuity contracts have been customized for SunTrust Investment Services and may only be purchased through a SunTrust Investment Services Financial Professional. RidgeWorth Capital Management earns investment management fees and other fees for the services it provides to the RidgeWorth Funds, including funds invested in the RidgeWorth variable sub-accounts. Your SunTrust Investment Services

Financial Professional can provide you with more information about the RidgeWorth Funds sub-accounts that may be available in annuities offered by SunTrust Investment Services.

## For More Information

To learn more about annuities, ask your SunTrust Investment Services Financial Professional or visit the following web sites:

Insured Retirement Institute [irionline.org](http://irionline.org)

Financial Industry Regulatory Authority [finra.org](http://finra.org)

Securities and Exchange Commission [sec.gov](http://sec.gov)

SunTrust [suntrust.com](http://suntrust.com)

## Investing in Life Insurance Policies

This brief guide is designed to provide you with important information about life insurance policies, insurance companies and the sale of these products through SunTrust Investment Services, Inc. You should read this guide carefully and in conjunction with the policy documents, disclosure materials, and/or prospectus of any insurance policy you are considering. You should also talk with your insurance licensed SunTrust Financial Professional, who can help you fully evaluate your options.

Whenever you choose a life insurance policy you should carefully consider your insurance needs, risk tolerance and ability to afford the policy. In addition, you should review in detail the proposed policy in light of its attributes, benefits and expense structure. This guide is designed to assist you in that process by discussing in general, insurance products and insurance companies, as well as the compensation structure associated with these products.

This guide seeks to be broadly informative, but it cannot address completely the features and benefits of any particular life insurance policy. Thus, with respect to any specific insurance policy you may consider, please remember that the policy contract, disclosure materials, illustration and/or prospectus of the policy itself are always the governing documents. It is important that you read these documents carefully before you purchase your life insurance policy.

Life insurance policies, whether purchased or exchanged, may have tax consequences. You may wish to consult a tax and/or legal advisor to assist you in understanding the consequences of life insurance transactions. SunTrust Investment Services, Inc. does not provide legal, tax, or accounting advice.

## About Life Insurance Policies

A life insurance policy is a contract issued by a life insurance company that provides a specified amount of benefits payable on the death of the insured, generally referred to as a death benefit. Additionally, a life insurance policy may provide for a cash value, which may increase over time. Depending on the type of policy purchased the portion of the premium that is not used to pay for the cost of insurance may be invested by the insurance company which may affect the cash value of the policy. Life insurance cash values may be accessible by the policy owner under certain circumstances, usually policy loans or withdrawals. If a policy loan and the interest on the loan are not repaid, the amount owed will be subtracted from the death benefit available when the insured dies or subtracted from the remaining cash value if you surrender the policy prior to payment of the death benefit.

There are several types of cash value life insurance policies including whole life, universal life and variable life.

Whole life and universal life insurance offer coverage for your lifetime as long as the policy premiums are paid. Many of the whole life and universal life insurance policies sold through SunTrust Investment Services, Inc. are purchased by a single premium payment and may guarantee the return of the full initial premium amount as long as certain conditions have been met.

In the case of variable life insurance, death benefits and cash values are dependent upon the investment performance of one or more separate accounts, which may be invested in sub-accounts allowed under the policy. Variable life insurance policies are subject to investment risk, which means the value of your policy and the death benefit could decrease below or increase above the actual amount invested. When buying a variable life insurance policy, please read the prospectus carefully before you invest.

The death benefit and cash value access features of a specific insurance policy are detailed in the policy contract and/or prospectus provided by the company. Please read these documents carefully when you receive them. The contractual guarantees for all types of life insurance policies are based on the claims-paying ability of the issuing insurance company.

## Life Insurance Fees and Expenses

Like most investments, there are certain charges and expenses associated with life insurance policies. These fees and expenses cover the insurance company's costs of issuing and maintaining the insurance policy on an ongoing basis as well as the cost of insurance. If a

policy is a variable life insurance policy, sub-account expenses — including investment advisory fees — are applicable and have an effect on the value of your policy and future premium payments. Certain other charges may be associated with an exchange of one life insurance policy for another. The policy documents, disclosure materials, illustration and/or prospectus of each insurance policy should describe the charges you pay, including annual operating expenses. Be sure you understand these expenses before you purchase your policy.

## Surrender Period and Charges

Life insurance policies may assess a surrender charge for early withdrawals or an exchange. Withdrawals from your policy within a specified period of time after the purchase date may be assessed a surrender charge by the insurance company. When you purchase a life insurance policy from a SunTrust Financial Professional, your surrender period and expenses, if any, should be disclosed in the policy documents and disclosure materials you receive.

Surrender charges are usually calculated as a percentage of the initial premium payment withdrawn and they decline gradually over the surrender charge period. For example, a 7% charge might apply in the first year after investing, 6% in the second year, 5% in the third year, and so on, until the surrender charge no longer applies. If allowed by the insurance policy, additional premium payments could begin a new surrender charge period applicable to those payments, so additional premium payments may extend the surrender charge period on your policy beyond the original surrender charge period established at the purchase date.

## Insurance Company Ratings

The contractual guarantees made by the issuing insurance company, such as the policy features and guaranteed values and benefits, are an important aspect of the benefits of a life insurance policy. Since these guarantees depend on the claims-paying ability of the issuing insurance company, the financial strength of the company is very important.

Several independent, nationally recognized rating agencies regularly review the financial performance and condition of insurance companies to assess their financial strength and claims-paying ability. These rating agencies include A.M. Best Company, Fitch Ratings, Standard & Poor's Corporation, and Moody's Investors Service. Although not all insurance companies are rated by each of these agencies, the ratings

that are available are widely used as indicators of insurance company financial strength. Even a strong rating, however, does not ensure that an insurance company will be able to meet its obligations under its life insurance policies. Also, please keep in mind that insurance company ratings do not relate to the past or future performance of any sub-accounts within a variable life insurance policy.

## Compensation to SunTrust Investment Services, Inc.

SunTrust Investment Services, Inc. and your SunTrust Financial Professional are compensated when you purchase a life insurance policy through SunTrust Investment Services, Inc.

- Under an agreement with each insurance company, SunTrust Investment Services is paid a commission for selling the company's insurance products based on the type of policy and the amount of insurance premium paid. Your SunTrust Financial Professional receives a portion of this payment.
- SunTrust Investment Services may also receive ongoing payments, known as residual or trail commissions, on invested assets that are held in your variable life insurance policy. The insurance company sets these ongoing payments and SunTrust Investment Services generally pays a portion of these commissions to your SunTrust Financial Professional.
- Some insurance companies pay SunTrust Investment Services, Inc. higher compensation than other companies for sales of certain insurance products, and the compensation to your SunTrust Financial Professional may vary accordingly. Regardless of the compensation paid to SunTrust Investment Services, Inc., these payments do not affect the fees and expenses associated with your specific life insurance policy. The fees and expenses are set by the insurance company.

Feel free to ask your SunTrust Financial Professional how he or she will be compensated for any life insurance transaction.

## Relationships with Insurance Companies

SunTrust Investment Services, Inc. also receives additional monies from the insurance companies whose policies we offer. This money pays for various activities such as training and education for our employees, conferences and meetings, seminars for current and prospective clients, internal wholesaling, distribution of sales and marketing materials, and for continuing due diligence on the financial strength of the insurance

companies. Payments are calculated based on the training, educational, and due diligence needs and requirements of SunTrust Investment Services over time. They are paid by the insurance company or its affiliates. None of the additional monies described in this paragraph is passed on to your SunTrust Investment Services Financial Professional, even though the funds may be used for some of the general activities and benefits to your financial professional that are described above.

Below is a list (as of December 2010) of insurance companies whose products we offer that may make payments to SunTrust Investment Services as described above. Unless otherwise noted, insurance companies are non-affiliated third parties of SunTrust Investment Services, Inc.

Great-West Life Insurance Company  
John Hancock Life (USA)  
Lincoln National Life Insurance Company  
Nationwide Life Insurance Company  
Pacific Life Insurance Company  
Principal Life Insurance Company  
Protective Life Insurance Company  
Sun Life Assurance of Canada (U.S.)  
Symetra Life Insurance Company  
Transamerica Life Insurance Company

## For More Information

To learn more about life insurance, ask your SunTrust Investment Services Financial Professional or visit the following web sites:

National Association of Insurance Commissioners	<a href="http://naic.org">naic.org</a>
Financial Industry Regulatory Authority	<a href="http://finra.org">finra.org</a>
Securities and Exchange Commission	<a href="http://sec.gov">sec.gov</a>
SunTrust	<a href="http://suntrust.com">suntrust.com</a>

## Investing in Mutual Funds

How can you be sure you're choosing the mix of mutual fund investments that is right for you? You should consider these decisions carefully based on your own investment objectives, risk tolerance and time horizon and in light of the strategies, performance and expense structures of various funds.

This guide is designed to help you make informed decisions about your investment planning. Reading it carefully, reading the prospectus and disclosure documents of any mutual funds you are considering, and talking with your SunTrust Financial Professional will help you fully evaluate your options. This guide includes explanations about the costs associated with different share classes, compensation costs and discounts that may be available to you.

## About Mutual Funds

A mutual fund is a diversified portfolio of investments professionally selected and managed under a stated investment objective. Funds can be invested in U.S. or international stocks, bonds, money market instruments or a blend of these investments. The investment company owns the investments and sells shares of the fund to individual investors. Diversification does not ensure against loss and does not assure a profit.

Mutual funds are an American institution. For more than 80 years, they have been used as an investment for home purchases, college costs, retirement, and other financial goals. SunTrust Investment Services currently recommends a number of mutual funds to its investors, including its own family of RidgeWorth Funds.

## Mutual Fund Fees and Expenses

Like most investments, there are certain charges associated with mutual funds. The prospectus spells out the charges you pay, including sales charges and annual operating expenses. These charges vary by share class. Fee-based accounts are described later in this section of the booklet.

## Sales Charges

Sales charges are levied on either the front-end or the back-end of a mutual fund transaction that includes SunTrust Investment Services and your Financial Professional. Front-end charges are levied when you purchase certain classes of shares. Back-end charges, or contingent deferred sales charges (CDSC), are levied when you sell certain classes of shares. However, back-end charges decline over time, so you pay less or nothing at all in sales charges as you hold your shares for longer periods of time. When choosing a mutual fund, you will want to ask about sales charges and take the type of charge into consideration based on your investment goals.

## Operating Expenses

Fund operating expenses include management fees, 12b-1 fees,<sup>1</sup> the costs of shareholder communications and other expenses. Operating expenses are deducted from the fund's assets, reducing investment returns, although they are not charged as a fee. The fund's prospectus will provide you with a record of the fund's expense ratio, so that you can compare the expense costs of various funds.

## Classes of Shares

There are several different classes of mutual fund shares. The most common of these are Class A, Class B and Class C. Each share class has different fees and expenses, which affect the fund's results.

*Class A Shares* generally carry front-end sales charges. These are deducted from your initial investment. A Shares usually have lower operating expenses than B or C Shares. Most funds offer breakpoint discounts for large investments, so that, the larger your investment in a fund, the lower the sales charges. Many mutual fund groups count holdings in related accounts toward this breakpoint. This privilege is referred to as rights of accumulation. Some funds will even grant a breakpoint at a lower investment level if an investor signs a Letter of Intent claiming an intention to invest a specified amount in the fund over a specified period of time. Each fund's rules about rights of accumulation and letters of intent differ, so be sure to ask your Financial Professional about a fund family's rules before investing so that you can take steps to qualify for any available discounts.

*Class B Shares* do not generally carry front-end sales charges, but their operating expenses may be higher than those of A Shares. B Shares normally impose a contingent deferred (back-end) sales charge (CDSC). The CDSC is typically reduced each year and is usually eliminated if you hold your shares for seven or eight years. (In most cases, Class B Shares convert to A Shares at this point.)

For these reasons, many investors prefer B Shares for investments of modest amounts for periods of more than seven or eight years.

*Class C Shares* do not generally carry front-end sales charges and generally impose a lower CDSC than B Shares, often 1 percent for one year. Like B Shares, C Shares typically charge higher operating expenses than A Shares. However, unlike B Shares, C Shares do not typically convert to A Shares. Many investors choose

<sup>1</sup> The fund company takes 12b-1 fees out of the fund's assets each year for marketing and distribution expenses, which may include compensation to SunTrust Financial Professionals.

C Shares when they are investing on short time horizons and want to retain flexibility.

For more information about share class expenses, see the FINRA's Mutual Fund Expense Analyzer at: [http://apps.finra.org/investor\\_information/ea/1/mfetf.aspx](http://apps.finra.org/investor_information/ea/1/mfetf.aspx)

## Fee-Based Accounts

Some investors prefer the simplicity of fee-based accounts,<sup>2</sup> which do not carry per transaction sales charges or commissions. Instead, an annual fee based on a percentage of the account's value is billed on a quarterly basis. Although fee-based accounts offer funds as no-load shares or A Shares with a waiver of the usual sales charge, the funds are still subject to the operating expenses described in the fund prospectus.

## SunTrust Investment Services, Inc. Compensation

SunTrust Investment Services, Inc. and your Financial Professional are compensated for their services in various ways, depending on the type of fund, the amount invested and the share class.

- SunTrust Investment Services receives a portion of the fees you pay to each fund family. Your Financial Professional receives a portion of that payment.
- Your Financial Professional's compensation is generally based on a compensation formula applied to the front-end sales charge described in the fund's prospectus for A Shares, or to the selling fee or sales concession for B and C Shares. The fund family administers these fees/payments.
- Ongoing payments on mutual fund shares (known as residuals or trails) that are set by the fund family are paid to Financial Professionals. For some fee-based accounts, compensation is based on a percentage of assets in the account rather than on concessions or trails.

Some funds may carry higher sales charges than others. This may create an incentive for Financial Professionals to sell certain funds. This higher sales charge could result in a higher compensation amount to a Financial Professional. However, regardless of the higher compensation to the Financial Professional, the client is not charged any more than the disclosed sales charge. Feel free to ask your Financial Professional how he or she will be compensated for any mutual fund transaction.

## Other Compensation to SunTrust Investment Services, Inc. from Mutual Fund Families

SunTrust Investment Services, Inc. also receives additional monies from some of the companies whose funds we sell. This money pays for various activities such as training and education for our representatives, conferences and meetings, seminars for current and prospective clients, internal wholesaling, distribution of sales and marketing materials, and for conducting due diligence on the funds. These payments also provide basic marketing support, which is calculated based on the training and educational needs and requirements of SunTrust Investment Services over time.

Mutual fund companies may also pay SunTrust Investment Services, Inc. an administration and record-keeping charge for each fund in your account.

A written statement of each mutual fund's policies can be found in its Prospectus or Statement of Additional Information (SAI), which is available from the fund family. If you have any questions about these practices, please ask your Financial Professional.

Below is a list (as of December 2010) of mutual fund companies whose funds we offer that may make payments to SunTrust Investment Services for account administration, marketing support or record-keeping services. Unless otherwise noted, mutual fund companies are non-affiliated third parties of SunTrust Investment Services, Inc.

Allianz Global Investors  
American Funds  
BlackRock  
Eaton Vance  
Columbia Funds  
Federated Investors  
Fidelity Advisor  
Franklin Templeton  
Hartford  
Invesco  
Nationwide Small 401K Solutions  
Oppenheimer  
Putnam  
RidgeWorth Funds  
Transamerica Investment Management

<sup>2</sup> Please review SunTrust Investment Services Disclosure Documents for a full description of the firm's investment adviser services, including fees and expenses. A copy of our ADV Part II is available upon request.

SunTrust Investment Services, Inc. is affiliated with the RidgeWorth Funds, a family of mutual funds that is advised by RidgeWorth Capital Management, Inc. an affiliate of SunTrust Investment Services, Inc.

### For More Information

To learn more about mutual funds, ask your Financial Professional or visit the following web sites:

Investment Company Institute	ici.org
Financial Industry Regulatory Authority	finra.org
Securities and Exchange Commission	sec.gov
Securities Industry Association	sia.com
SunTrust	suntrust.com

### Investing in Unit Investment Trusts

A unit investment trust (UIT) is a registered investment vehicle that invests in a fixed portfolio of securities for a predetermined period of time, typically from 12 months to five years. Investors purchase units of a portfolio, at a relatively low minimum investment, which represent an undivided ownership interest in the assets contained in the portfolio. UITs enable investors to own a basket of securities with one single purchase, rather than trying to select individual stocks or bonds that meet their objectives.

UITs differ from mutual funds because they follow a “buy and hold” philosophy, rather than “playing the market.” This means that the maturity of the UIT defines the holding period of the securities. This helps eliminate emotional investing and the temptation to buy and sell for various reasons that an investor cannot control. Of course, should your investment needs change, your choice of UIT may need to be changed. UITs can be liquidated on a daily basis at the redemption price, less any possible deferred sales charges, which may be more or less than the original purchase price.

UITs are primarily offered in two types: equity and fixed income. Within these types, various investment objectives and risk levels are offered, such as diversified UITs vs. sector-oriented UITs, or taxable fixed income vs. municipal fixed income. Please consult with your Financial Professional to determine your needs.

### Features

UITs provide specific portfolios that are professionally selected by experienced investment professionals at different companies, utilizing detailed screening techniques and analysis. In this sense, they are professionally selected but not professionally managed. Once the portfolio is chosen, the securities remain fixed until the predetermined maturity date. Securities will not be sold and new securities will not be added to the portfolio except in certain limited circumstances. A fixed portfolio may provide to the investor the comfort of knowing specifically the securities that he or she owns. A UIT is also fully invested in the market, endeavoring to assure that the investor’s money is working for him/her.

UITs are required by law to redeem units at their net asset value, less any deferred sales charges, which is based upon the current market value of the underlying securities. This price upon redemption may be more or less than the original purchase price. Upon maturity of a UIT, the shareholder has the option to: (a) receive the cash value of the units, (b) roll into a new UIT at a reduced sales charge, or (c) receive shares of the underlying securities held in the portfolio if the account meets a certain size requirement. If upon maturity, no liquidity choice is chosen, the UIT will automatically be redeemed for cash. Please read your UIT prospectus provided by your Financial Professional to see the details on fees and expenses.

### Taxation

UIT investors are subject to ordinary income tax on the interest, dividends, and/or short-term capital gains distributed to them from the portfolio. Any redemption of a UIT after 12 months will be taxed at a long-term capital gains rate. Also, when an investor exchanges or “rolls over” units of the portfolio, this will create a taxable event. A 1099 will be mailed out by SunTrust Investment Services through our clearing firm or the UIT company noting the taxable event. Some UITs are also subject to Alternative Minimum Tax. Please note that in retirement accounts, such as IRAs, taxes are deferred until distributions are taken from the account. For mortgage-backed UITs, periodic distributions to investors may include a portion of the investor’s original investment, since the principal balance of the underlying mortgages within the portfolio is being paid down by a portion of the mortgage payments. Please consult with your Financial Professional and your tax advisor for a further explanation. SunTrust Investment Services does not provide legal, tax, or accounting advice.

## Types of UITs

### EQUITY UITs\*

Equity UITs are portfolios of domestic and/or international stocks chosen for their attractive valuation in the market and future potential for strong, positive total returns. Specifically, equity UITs are provided in three main categories: strategy, specialty, and index based.

### STRATEGY UITs\*

Strategy trusts seek to outperform a benchmark universe of stocks by refining the universe through predetermined investment criteria that reflect the historical behavior of the securities.

There is no guarantee that this objective will be met. Such strategies may include: the Dow Dividend theory – searching for companies with dividends expected to be greater than the Dow Jones Industrial Average; contrarian theory – searching for companies that are undervalued in the market relative to the Standard & Poor's 500 but are perceived to offer strong future potential; growth and income – searching for companies that have solid balance sheets, some dividend payout, and conservative long-term growth potential.

### SPECIALTY/SECTOR UITs\*

Specialty UITs invest in companies across a variety of industry sectors such as energy, technology, financial services, or health care. Specialty portfolios such as these provide the potential for capital appreciation by seeking market trends in specific areas and investing in the companies that are believed to be positioned to benefit from those trends. Specialty UITs may have greater risks than a more diversified UIT, since their portfolios are comprised of securities specific to one industry, creating a lack of diversification.

### INDEX-BASED UITs\*

These types of portfolios are based on major market indexes but with one main difference – the stocks in the portfolio remain fixed and do not change with any changes made to the index. They are generally suited for investors with a long-term investment horizon. Index-based UITs may include the Nasdaq 100, S&P 500, DJIA, MSCI, EAFE, etc.

### FIXED-INCOME UITs\*

Fixed-income UITs can receive interest monthly, quarterly, or semi-annually. Of course, there is no guarantee that the estimated current return or estimated long-term return will be realized. Fixed-

income UITs can be categorized in two main types: taxable and tax free.

Taxable UITs typically invest in government-backed securities, mortgage-backed securities, or corporate bonds, and are designed to provide income. Various levels of risk are associated with the different types of taxable income securities. See prospectus for risk disclosures associated with UITs.

Tax-free UITs are comprised of bonds issued by states, municipalities, and other municipal bond issuers. These portfolios provide income that is exempt from federal income taxes. A portion of the income, however, may be subject to the Alternative Minimum Tax.

Stated maturities, credit quality ratings, and the call dates for all bonds held in the UIT are disclosed to investors in sales materials and prospectuses. Also consult with your Financial Professional for further information.

## Secondary Market

A client can usually redeem their UIT before maturity at the current net asset value of each unit on the day of request as long as there is a valid prospectus and a demand in the secondary market. However, there is no assurance that at the time of the offer to redeem that there will be a demand in a secondary market. Clients will be subject to sales charges and expenses as mandated by the prospectus.

## UIT Costs to the Investor

A fee table listing the charges a UIT investor pays can be found in the UIT prospectus. UITs are offered with an upfront sales charge, a deferred sales charge, a creation and development fee, and an annual trust operating expense. These costs vary by UIT provider, and also differ depending on the UITs type and length. If UITs are sold within a fee-based account, the upfront and deferred sales-charge fees are not charged, but the fee on the fee-based account would be charged on the market value of the UIT, and typically charged quarterly in advance.

An upfront sales charge is paid at the time of purchase. The deferred sales charge is paid monthly from the trust assets. The amount and timing of the deferred sales charge varies by UIT provider. Some providers charge this fee over a period of three months, and others charge the fee over a period of six months. Please consult with your Financial Professional and review your UIT prospectus for further details.

\* See prospectus for risk disclosures associated with UITs.

The creation, development, and organization fees are generally charged at the end of the initial offering period. They are paid directly from the trust assets, and are deducted from the trust's market value.

The operating expenses pay for portfolio supervision, bookkeeping, administration, evaluation, and various other operating expenses. They are also paid directly from the trust assets, and are deducted from the trust's market value.

As the size of your UIT investment increases, your sales charge may decrease. This is called a "breakpoint." Breakpoints generally only apply to UITs bought from the same provider, on the same day, from the same dealer. Many UIT providers will also allow investors to aggregate holdings in related accounts to reach a breakpoint. Breakpoint amounts and rules differ by UIT provider, so it is important to consult with your Financial Professional and read the UIT prospectus for further details.

In addition, clients who have held a UIT to the maturity date and wish to "roll over" those assets to the next version of their previous UIT strategy or a new UIT strategy within the same UIT provider, are eligible for a rollover discount. Also, some UIT providers allow clients to receive rollover pricing when rolling UIT assets from another UIT provider to one of their trust. For more details regarding rollover pricing and eligibility, please review the prospectus.

### **Compensation to SunTrust Investment Services, Inc.**

SunTrust Investment Services, Inc. and your Financial Professional receive compensation in different ways, depending on the UIT offered and the UIT provider's compensation guidelines. The UIT provider pays SunTrust Investment Services, Inc. from the fees paid by the UIT investor. Part of that payment is then passed on to your Financial Professional.

SunTrust Investment Services is compensated by the UIT provider's compensation guidelines outlined in the prospectus. However, SunTrust Investment Services may receive additional compensation for participating in an underwriting of a fixed-income UIT. The concession paid by the sponsor to an underwriter is also outlined in the prospectus. For more details, please consult the prospectus.

For fee-based accounts, a Financial Professional is compensated from the fee on the UIT market value, rather than noted above. For sales in the secondary market, a Financial Professional is paid a percentage of the spread (the difference between the bid and ask prices) for the specific UIT as priced within the market.

Not all UITs have the same compensation structures. Therefore, a Financial Professional may be incented to sell one UIT over another. Please consult with your Financial Professional to make sure your investment needs are met fairly and ethically, and not because of a compensation differential. For more details, please consult the prospectus.

SunTrust Investment Services also receives additional monies from UIT providers. This money pays for various activities such as training and education for our representatives, conferences and meetings, seminars for current and prospective clients, internal wholesaling, and distribution of sales and marketing materials, and for conducting due diligence on the UITs.

SunTrust Investment Services may also receive payments from a UIT provider that may be used as reimbursement for operational and administrative costs for processing this business. These payments are not, however, an additional cost to the UIT investor. The UIT providers in 2010 that may make such payments to SunTrust Investment Services are First Trust Portfolios and Invesco, which are not affiliated with SunTrust Investment Services, Inc. We believe that these additional payments do not compromise your Financial Professional's service to you.

### **For More Information**

To learn more about Unit Investment Trusts, ask your Financial Professional or visit the following web sites:

Investment Company Institute	<a href="http://ici.org">ici.org</a>
Financial Industry Regulatory Authority	<a href="http://finra.org">finra.org</a>
Securities and Exchange Commission	<a href="http://sec.gov">sec.gov</a>
Securities Industry Association	<a href="http://sia.com">sia.com</a>
First Trust Portfolios	<a href="http://ftportfolios.com">ftportfolios.com</a>
Van Kampen	<a href="http://vankampen.com">vankampen.com</a>
SunTrust	<a href="http://suntrust.com">suntrust.com</a>

### **Additional Information**

SunTrust Investment Services believes that the products described above offer our clients access to flexible and cost-effective investment solutions designed to fit their specific needs. SunTrust Investment Services, like the entire financial services industry, has continued to see great interest in these products by a wide range of investors. In 2010, SunTrust Investment Services, Inc.

served as the broker dealer of record for approximately \$22.5 billion in mutual funds, annuities and unit investment trusts.

As described in this guide, SunTrust Investment Services from time to time receives monies from the providers of mutual funds, annuities and unit investment trusts. These funds are used specifically for training and education of our representatives, conferences and meetings, seminars for current and prospective clients, internal wholesaling, distribution of sales and marketing materials, and for conducting due diligence on providers. In addition, SunTrust Investment Services may also receive funds for record keeping, administrative and operating expenses associated with these investment products. In 2010,

SunTrust Investment Services received a total of approximately \$4.0 million from all providers for the uses described above.

Investments are subject to market risks and fluctuate in value, so that an investor's shares, when redeemed may be worth more or less than their original cost.

***Investors should consider the investment objectives, risks and charges and expenses of an investment company carefully before investing. A prospectus which contains this and other information can be obtained by calling 1.800.526.1177. Please read the prospectus carefully prior to investing.***

[suntrust.com](http://suntrust.com)  
800.SUNTRUST



SunTrust Client Commitment: SunTrust will never send unsolicited emails asking clients to provide, update, or verify personal or account information, such as passwords, Social Security numbers, PINs, credit or Check Card numbers, or other confidential information.

<b>Securities and Insurance Products and Services:</b>	<b>Are Not FDIC Or Any Other Government Agency Insured</b>
<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>

SunTrust Private Wealth Management is a marketing name used by SunTrust Banks, Inc. and the following affiliates: Banking and trust products and services are provided by SunTrust Bank, Member FDIC. Securities, insurance (including annuities and certain life insurance products) and other investment products and services are offered by SunTrust Investment Services, Inc., an SEC registered investment advisor and broker-dealer and a member of the FINRA and SIPC. Other insurance products and services are offered by SunTrust Insurance Services, Inc., a licensed insurance agency.

SunTrust Bank and its affiliates and the directors, officers, employees and agents of SunTrust Bank and its affiliates (collectively, "SunTrust") are not permitted to give legal or tax advice. While SunTrust can assist clients in the areas of estate and financial planning, only an attorney can draft legal documents and provide legal services and advice. Clients of SunTrust should consult with their legal and tax advisors prior to entering into any financial transaction or estate plan. Because it cannot provide legal services or give legal advice, SunTrust's services or advice relating to "estate planning" are limited to (i) financial planning, multi-generational wealth planning, investment strategy, (ii) management of trust assets, investment management and trust administration, and (iii) working with the client's legal and tax advisors in the implementation of an estate plan.