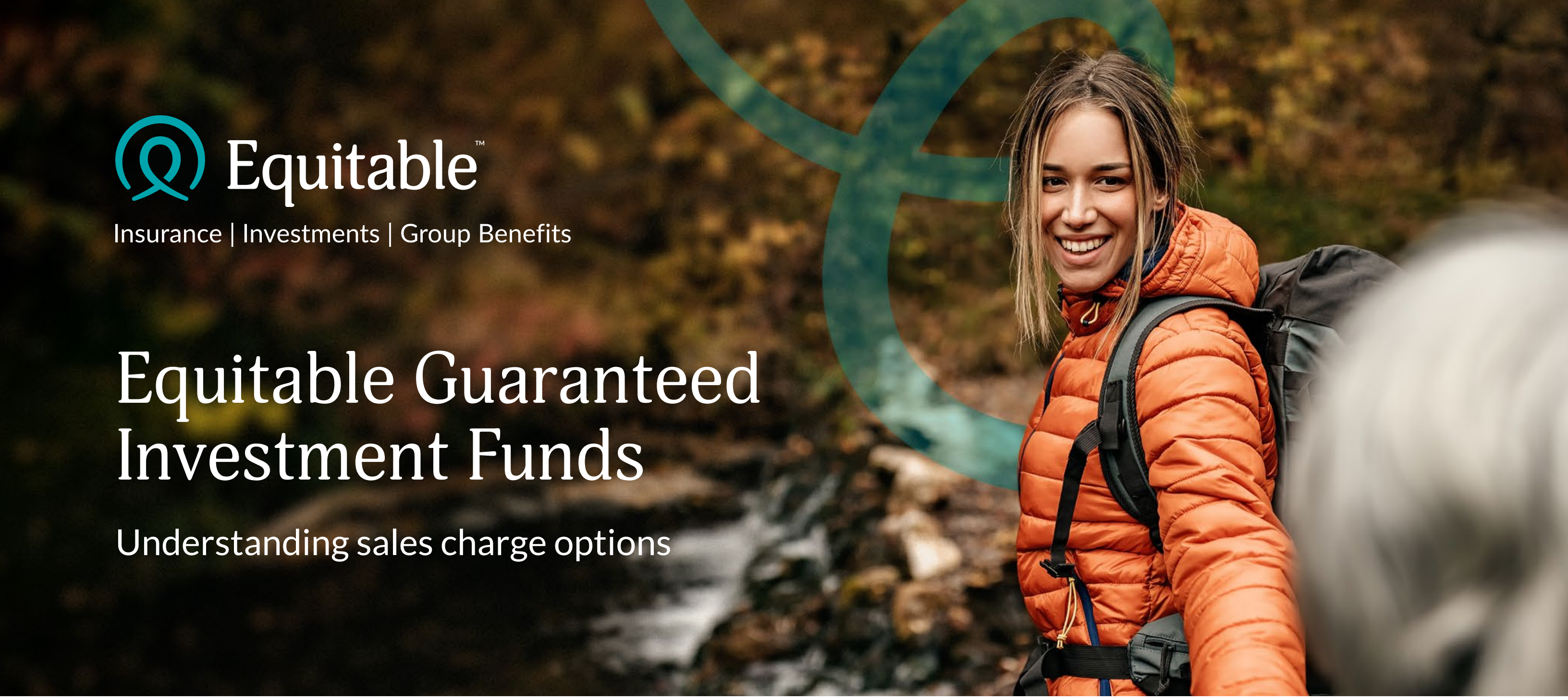

Equitable™

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Equitable Guaranteed Investment Funds

Understanding sales charge options

Advisors need flexible tools to tailor investment strategies to each client's unique goals.

With Equitable Guaranteed Investment Funds™ (Equitable GIF), you can now structure contracts using a variety of sales charge options—Front-End Load (FEL), Chargeback 3-year (CB3), Chargeback 5-year (CB5)—or even combine these options within a single contract.

This flexibility empowers you to optimize compensation and align investment timelines with client priorities, helping you deliver more personalized and strategic solutions.

Sales charge option overview

Equitable GIF offers three sales charge options: Front-End Load (FEL), Chargeback 3-year (CB3) and Chargeback 5-year (CB5). Here is how each one works.

FEL funds

When clients invest in the FEL option, the advisor receives a ongoing trailer commission of up to 1% annually, based on the market value of the fund. Additionally, the advisor and client agree on an upfront commission rate ranging from 0% to 5% when a deposit is made. This amount is deducted from the client's deposit before it is put into their selected fund(s). If the client makes a withdrawal, there is no commission chargeback to the advisor or fees paid by the client.

CB3 and CB5 funds

For deposits into a fund with the CB3 or CB5 option, the advisor receives an ongoing trailer in addition to an upfront commission. If the client withdrawals units within the applicable chargeback period - three years for CB3 or five years for CB5 - the client does not have to pay any fees, however a commission chargeback is applied to the advisor.

Administrative rules

- One of the key features of Equitable GIF is the ability to combine sales charge options within a single contract. Advisors now have the flexibility to mix FEL, CB3 and CB5 options as needed—without limitation.

  This change gives advisors full flexibility to structure contracts based on what best suits the client's goals, timelines, and withdrawal expectations. For example, one fund within the contract can use FEL, another CB3 and another CB5.

  The result? Greater customization, simplified portfolio construction, and better alignment between fund choices, commission structures, and client preferences—all within one consolidated contract.
- Another important element of Equitable GIF is a change in eligibility for sales charge options based on client age. For clients aged 80 or older, new deposits are limited to the FEL sales charge option. This means that CB3 and CB5 options are not available once a client reaches age 80.

How is commission paid?

	FEL	
	FundSERV	Non-FundSERV
	Initial commission: a sales charge up to 5% of the amount deposited Trailer commission starts at the end of the first month after deposit.	Initial commission: 0% is the only option for non-FundSERV business. Trailer commission starts at the end of the first month after deposit.
Months	Trailer Rate	Trailer Rate
1+	0% Money Market Up to 0.500% Fixed Income Funds Up to 1.000% All other funds	0% Money Market Up to 0.357% Fixed Income Funds Up to 0.714% All other funds

How is commission paid? (continued)

	CB3	
	FundSERV	Non-FundSERV
	Initial commission: a sales charge up to 5% of the amount deposited Trailer commission starts at the end of the first month after deposit.	Initial commission: 0% is the only option for non-FundSERV business. Trailer commission starts at the end of the first month after deposit.
Months	Trailer Rate	Trailer Rate
1 – 12	0%	0%
13 – 48	0% Money Market Up to 0.252% Fixed Income Funds Up to 0.504% All other funds	0% Money Market Up to 0.180% Fixed Income Funds Up to 0.360% All other funds
49+	0% Money Market Up to 0.504% Fixed Income Funds Up to 1.008% All other funds	0% Money Market Up to 0.360% Fixed Income Funds Up to 0.720% All other funds

	CB5	
	FundSERV	Non-FundSERV
	Initial commission: 5.6% of the amount deposited Trailer commission starts one year after deposit.	Initial commission: 4.0% of the amount deposited Trailer commission starts one year after deposit.
Months	Trailer Rate	Trailer Rate
1 – 12	0%	0%
13+	0% Money Market Up to 0.252% Fixed Income Funds Up to 0.504% All other funds	0% Money Market Up to 0.180% Fixed Income Funds Up to 0.360% All other funds

How does the commission chargeback work?

A commission chargeback may apply when a client withdraws fund units within 3 years for CB3 or within 5 years for CB5 from the date of purchase. The chargeback is calculated as a percentage of the original commission, and the rate depends on the age of the units being withdrawn. The applicable commission chargeback rates are as follows:

	Commission Chargeback Rate		
Months after deposit	FEL	CB3	CB5
1-12*	0%	100%	100%
13 – 24*	0%	96% – 52%	98.5% – 82.0%
25 – 36	0%	48% – 4%	80.5% – 64.0%
37 – 48	0%	0%	58.3% – 40.0%
49 – 60	0%	0%	44.5% – 28.0%
61+	0%	0%	0%

*Commission chargebacks generally do not apply when a withdrawal is a result of the annuitant's death. However, there are exceptions based on the annuitant's age at the time of deposit:

- For annuitants aged 60 to 79, the advisor's initial commission will be fully charged back if death occurs within six months of the deposit.
- For annuitants aged 80 or older, the advisor's initial commission will be fully charged back if death occurs within two years of the deposit.

Can any money be withdrawn without a commission chargeback prior to the end of the schedule?

Typically, each calendar year, commission chargebacks are waived on up to 10% of a client's opening fund unit balance as of January 1, plus 10% of any additional fund units purchased throughout the year, including those acquired through preferred pricing rebates.

The 10% chargeback-free amount is non-cumulative from year to year and applies across all registration types. Please note that chargeback-free units are applicable only to withdrawals and cannot be transferred to a Front-End Load option.

In the event of the annuitant's death, the 10% chargeback-free allowance does not apply if a commission chargeback is triggered.

How is the commission chargeback calculated?

Commission chargebacks are calculated based on the number of units, not the dollar value of the units.

Example 1

Using the NL-CB series of funds, Paul purchases $10,000 of the Equitable Balanced fund on May 1 via FundSERV

1,000 units @ $10.00

Paul redeems 500 units in May of the following year. Paul had 1,000 units as of January 1, and made no other purchases or redemptions.

Units redeemed: **500**

Age of units : **13 months**

Commission chargeback rate: **97.2%**
(based on time invested)

Free units: **100**
(10% of the 1,000-unit balance)

Units subject to chargeback: **400 units**
(500 units being withdrawn minus 100 free units)

Initial commission: **$350**
($10,000 x 3.5% initial commission)

Commission chargeback to the advisor: **$136.08**
(400/1000 x 97.2% x $350)

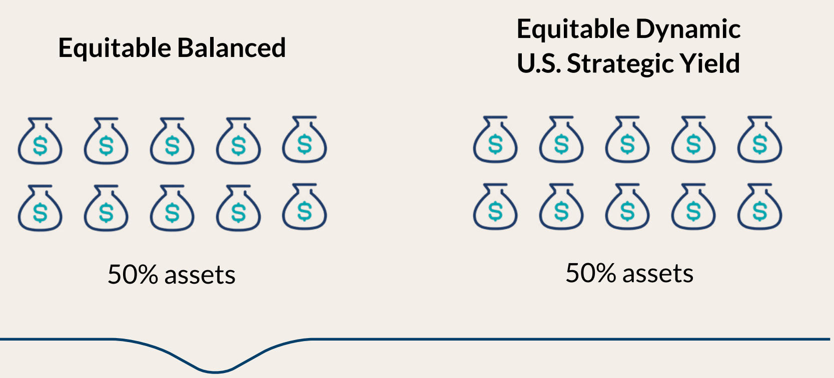
What happens to the 10% chargeback-free units if there is a switch to a different fund?

Paul currently holds 1,000 units of the Equitable Balanced fund CB3 option. Of these, 100 units are eligible for withdrawal without triggering a commission chargeback (1,000 units x 10% = 100 units). Instead of withdrawing these 100 units, Paul has chosen to switch 500 units from the Equitable Balanced fund to the Equitable Dynamic U.S. Strategic Yield fund.

Example 2

The calculation of the chargeback free units switched to the new fund is based on the unit value of both funds at the time of the switch.

The current unit price of the Equitable Balanced is $13.250 and the current unit price of the Equitable Dynamic U.S. Strategic Yield is $12.045.



(units being switched out) x
(unit price of original fund) /
(unit price of new fund)

Chargeback Free: 100 x 13.25 / 12.045 = **110 chargeback free** units of Equitable Balanced

As a result, the Equitable Balanced fund no longer holds any chargeback-free units. All 110 chargeback-free units are now held in the Equitable Dynamic U.S. Strategic Yield fund until December 31. Please note that switching to another fund may result in a reduced number of chargeback-free units, depending on the unit price of the target fund at the time of the switch.

What happens if Paul switches all 1,000 units equally between two funds?

Chargeback-free units are not split evenly between the two new funds. A first-in, first-out logic is applied. The initial 50% switch to the Equitable Dynamic U.S. Strategic Yield fund will include the chargeback-free units, as illustrated in Example 2. The subsequent 50% switch to the Equitable Franklin ClearBridge Canadian Equity fund will not include any chargeback-free units.

The unit prices in this example are: Equitable Balanced fund at $13.250, Equitable Dynamic U.S. Strategic Yield fund at $12.045 and Equitable Franklin ClearBridge Canadian Equity fund at $11.350.

Example 3

The calculation of the chargeback free units being switched in based on the fund units value of the Equitable Balanced and the Equitable Dynamic U.S. Strategic Yield only.

The Equitable Franklin ClearBridge Canadian Equity is not a factor in the calculation.

Equitable Dynamic U.S. Strategic Yield

50% assets

Equitable Franklin ClearBridge Canadian Equity

50% assets

100 (units being switched out) x
13.250 (unit price of original fund) /
12.045 (unit price of new fund)

Chargeback Free: 100 x 13.25 / 12.045 = **110 chargeback free** units of Equitable Dynamic U.S. Strategic Yield

As a result, all 110 chargeback-free units are now held in the Equitable Dynamic U.S. Strategic Yield fund, while the Equitable Franklin ClearBridge Canadian Equity fund holds none.

On January 1 of each year, the 10% chargeback-free unit eligibility is reset on a per-fund basis. This means that 10% of the units in each fund may be withdrawn without incurring a commission chargeback—regardless of which fund held chargeback-free units in the previous calendar year.

Advisors who wish to track chargeback-free units must maintain their own records, as Equitable does not provide calculations for chargebacks or grace units. If an advisor anticipates that a client may withdraw funds in the short term, investing on a front-end load options may be more appropriate.

About Equitable

At Equitable, we believe in the power of together. This is how we focus on our clients. It's how we support advisors and give back to our communities.

Partnered with advisors we offer insurance, investments and group benefit solutions to help our clients protect today and prepare tomorrow. We believe the world is better when we work together.

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