

# Redemption fees and transfer restrictions

## Important information you should know

In an effort to discourage market timing and abusive trading, many of the fund companies that AUL Retirement Services uses to provide investment options for its annuity contracts have implemented redemption fee policies. Under these policies, we are required to collect redemption fees on certain short-term participant transactions and remit these fees to the fund companies.

It is important to understand that these fees are being imposed by the fund companies, not by AUL Retirement Services. Each fund company develops its own redemption fee policy or transfer restriction, so you should consult each fund's prospectus for a complete explanation of any fees that might be imposed. Prospectuses are available on the eRetirement Web site at [www.oneamerica.com](http://www.oneamerica.com). You may also request a prospectus by writing to us at One American Square, Indianapolis, Indiana 46282 or by calling **1-800-249-6269**.

Provided are some frequently asked questions about redemption fees and transfer restrictions, which may help you better understand these issues. Remember, this is general information.

### What is a redemption fee?

A redemption fee is assessed to a participant's account if shares of a particular fund are purchased and sold within the minimum holding period determined by the fund company. Redemption fees are charged by the mutual fund and paid out of the participant's account.

### Which funds have imposed transfer restrictions?

#### ***American Funds***

As disclosed in the fund prospectuses, the American Funds are not designed to serve as a vehicle for frequent trading in response to short-term fluctuations in the securities markets. Accordingly, American Funds have adopted certain policies and procedures in an effort to deter activity that could involve actual or potential harm to fund shareholders.

Any shareholder redeeming shares with a value of \$5,000 or more from an American Fund will be precluded from investing in that fund until 30 calendar days have elapsed since the date of the redemption transaction.

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**AUL Fixed Interest Account (FIA)**

One of the following transfer restrictions will apply to AUL FIA transfers, depending on whether a competing investment option is available to the participant. (Competing options include OneAmerica Money Market, Thornburg Limited Term U.S. Government, Vanguard Short-Term Federal Bond and OneAmerica Short Term Separate Account.)

- If a competing investment option is available:
  - A participant with \$2,500 or more in the AUL FIA at the beginning of the contract year may transfer up to 20 percent of that amount during that contract year.
  - A participant with less than \$2,500 in the AUL FIA at the beginning of the contract year may transfer any amount from the AUL FIA during that contract year.
- If the competing investment option is not available, then 100 percent of the participant's balance in the FIA may be transferred from the FIA at any time. However, once a transfer has been made from the FIA, transfers back into the FIA are allowed only after 90 days have elapsed since the last transfer from the FIA.

**Why are the fund companies implementing redemption fees and transfer restrictions?**

Some investors attempt to profit from various short-term or frequent trading strategies commonly known as market timing. Excessive purchases and redemptions disrupt underlying portfolio management, hurt underlying fund performance and drive underlying fund expenses higher. These costs are borne by all investors, including long-term investors who do not generate these costs. Redemption fees and transfer restrictions are an attempt to discourage these disruptive trading practices.

**Note:** When appropriate, this material will be preceded or accompanied by a prospectus. For a current prospectus on a registered variable annuity contract, which contains more complete information including mortality and expense risk charges, administrative costs, portfolio management fees, risks and limitations, please contact your representative, the company or the plan administrator. Any prospectus should be read carefully before anyone invests or sends money.

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