Guide to Services and Conflicts of Interest Disclosure

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<ins>Securities, Investments and Insurance Products</ins>:

ARE NOT DEPOSITS	ARE NOT FDIC INSURED
ARE NOT BANK GUARANTEED	MAY LOSE VALUE
ARE NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY	

Securities made available through BBVA Investments, a division of BBVA Securities, Inc., member FINRA and SIPC. Insurance products are offered through PNC Insurance Agency, Inc. (formerly known as BBVA Insurance Agency, Inc.). Investment advisory services are offered through PNC Managed Account Solutions. Inc. (formerly known as BBVA Wealth Solutions, Inc.). BBVA Investments is not affiliated with PNC Insurance Agency, Inc., PNC Managed Account Solutions, Inc., PNC Investments, LLC or The PNC Financial Services Group, Inc.

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1. About Us

BBVA Securities Inc. ("**BSI"**) is registered with the Securities and Exchange Commission ("**SEC**") as a broker-dealer, and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). BSI is part of the "BBVA Group," of which Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA S.A.") is the ultimate parent company.

We offer brokerage services (through BSI's BBVA Investments division, which is referred to below as "**BBVA Investments**" or "**BI**") to individuals and/or their legal representatives for their personal, family or household purposes (retail investors), among others. The types of products and services our financial representatives are authorized to offer vary depending upon which of our affiliated companies they represent, the types of securities and insurance licenses they hold and certain internal restrictions established by us. In addition, some individuals who are financial representatives or other licensed representatives of BBVA Investments will refer customers to a financial representative who is authorized to offer a broader range of products and services.

Until June 1, 2021, BSI was affiliated with BBVA USA, a banking corporation, and its subsidiaries BBVA Wealth Solutions, Inc., an SEC registered investment adviser firm, and BBVA Insurance Agency, Inc., a state-licensed insurance agency. On June 1, 2021, BBVA S.A. completed the sale of its U.S. banking operations, including BBVA USA and its subsidiaries, to PNC Financial Services, LLC ("PNC"). By virtue of the sale transaction, BBVA USA, BBVA Wealth Solutions, Inc. (which has changed its name to PNC Managed Account Solutions, Inc.) and BBVA Insurance Agency, Inc. (which has changed its name to PNC Insurance Agency, Inc.) are affiliates of PNC and are no longer affiliated with BSI. BSI remains an affiliate of BBVA, S.A. and a member of the BBVA Group.

Pursuant to agreements entered into in connection with the PNC-BBVA, S.A. sale transaction, it is anticipated that BSI will complete the transfer of its retail brokerage accounts to a broker-dealer affiliate of PNC, PNC

Investments, LLC ("PNCI"), during the third quarter of 2021. Upon the completion of the transfers to PNCI, BSI expects to cease offering brokerage services to retail customers.

Although BSI is no longer affiliated with BBVA USA and its subsidiaries and is not affiliated with PNC, BSI will continue to maintain certain relationships and arrangements with BBVA USA and PNC pending the completion of the transfers to PNCI in order to ensure a smooth transition and avoid any disruptions in the services to BBVA Investments' clients. Among other things, BBVA Investments will continue to provide BBVA USA customers with access to brokerage and related services under a "networking agreement" entered into among BSI, BBVA USA, PNCI and PNC Insurance Agency, Inc. ("PIA"). Under the terms of the networking agreement, and as described in more detail below, under some circumstances, BBVA Investments will assist customers in obtaining information from a PNCI representative regarding the types of products and services available through PNCI. In addition, some registered representatives of BSI will remain registered as investment advisory representatives of PNC Managed Account Solutions, Inc. ("PNCMAS") and licensed agents of PIA and, subject to the limitations described below, will continue to provide BBVA Investments customers access to certain investment advisory/managed account services offered by PNCMAS and certain insurance products and services offered by PIA.

During the period prior to the completion of the transfers to PNCI, the following special procedures and limitations will apply:

- BSI will not solicit new accounts for **"domestic" investors** (investors who are U.S. persons) after June 1, 2021 but will continue to assist domestic customers with the servicing and administration of their existing accounts until the completion of the transfer to PNCI, including providing recommendations regarding purchases and sales of approved products within their existing accounts. Domestic investors contacting a BSI financial representative regarding opening a new account or conducting a transaction that requires a new account will, in most cases, be offered the opportunity to discuss with a PNCI representative the types of products and services available through PNCI. The decision whether to discuss potential products and services with PNCI, to open an account with PNCI and to purchase any product or service from PNCI is entirely your choice and neither BSI nor any of its financial representatives will make a recommendation to you concerning those decisions. If the domestic investor and PNCI determine that a managed account solution (investment advisory services) is appropriate for the investor, the investor will open a managed account through PNCI and not through PNCMAS. Investors establishing relationships with PNCI will receive, and should closely review and retain, PNCI's separate Client Relationship Summary and other relevant disclosure documents provided by PNCI.

- Eligible **"international" investors** (investors who are not U.S. persons) (a) will continue to be able to open certain types of accounts with BSI prior to the completion of the transfer, including managed accounts recommended by BSI representatives who also are investment adviser representatives of PNCMAS and (b) will continue to be offered access to approved types of insurance products through BSI representatives who hold appropriate insurance agent licenses through PIA. BSI also will continue to assist international customers with the servicing and administration of their existing accounts until the completion of the transfer to PNCI, including providing recommendations regarding purchases and sales of approved products within their existing accounts. If applicable, such international investors will receive, and should closely review and retain, both BSI's Client Relationship Summary and PNCMAS's separate Client Relationship Summary and other applicable disclosure documents.

Once the account transfers to PNCI have been completed, the securities licenses of securities-licensed representatives of BBVA Investments will either be transferred to PNCI or terminated.

Certain types of capital markets, securities execution and dealer services designed for institutions and other customers who are not retail investors are provided through the Institutional Division of BSI. Unless otherwise indicated, information provided in this Guide regarding brokerage services pertains to BBVA Investments and not to BSI's Institutional Division.

BBVA Investments

2. **Overview of Services**

***Important Note*: Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing. See also below under "Choosing the Right Type of Account."**

Brokerage Services and Relationship

See *Section 1 – About Us* - ***Important Information Regarding Pending Transfer by BSI of Retail Brokerage Accounts to PNC Investments, LLC*** *above for information concerning certain special procedures and limitations that will apply from June 1, 2021 through the completion of the transfer of BSI's retail brokerage accounts to PNCI.*

Types of Brokerage Services Offered. BBVA Investments offers "full-service" brokerage services to both retail investors who are "U.S. persons" ("*domestic customers*") and investors who are not U.S. persons ("*international customers*"). As part of these "full-service" brokerage services, a financial representative typically will offer recommendations concerning the purchase or sale of securities and other investment products. However, the retail investor makes the ultimate decision regarding the purchase or sale of investments. In addition to "full-service" brokerage, BBVA Investments offers eligible domestic customers "discount" brokerage services and self-directed brokerage services. Discount brokerage service customers and self-directed brokerage customers choose the securities/investments for their BBVA Investments accounts, and do not receive a recommendation from BBVA Investments regarding purchases or sales of securities/investments.

In some instances, financial representatives in BBVA Investments' International Group may establish relationships with domestic customers, in which case those domestic customers may be offered certain types of products otherwise offered only to international customers.

BBVA Investments does not offer investment advisory/managed account services or act as an insurance agency. However, in many instances our financial representatives, in addition to having the requisite securities licenses to offer the full array of approved brokerage products and services through us, also are licensed as investment adviser representatives of PNCMAS and hold various insurance licenses through PIA. Our licensed securities representatives who hold an investment adviser representative license through PNCMAS and insurance licenses through PIA are referred to below as "**Investment Sales Representatives."**

Establishing a Brokerage Relationship with BBVA Investments. Retail investors do not establish brokerage accounts directly with BBVA Investments. Instead, BBVA Investments acts as introducing broker for its clearing firm (Pershing, LLC or "**Pershing**"), an independent clearing broker, and retail investors introduced to Pershing open one or more accounts with Pershing. In some cases, BBVA Investments assists retail investors in purchasing mutual funds and certain other types of investment products directly from the product provider rather than through a Pershing account ("*direct-way transactions*"). BBVA Investments does not impose a minimum amount to establish a BBVA Investments brokerage account. Minimum annual fees, termination fees and certain other charges apply to Individual Retirement Accounts ("**IRAs**") and an annual account servicing fee applies to international accounts. In addition, non-IRAs that are inactive are charged minimum annual fees. The issuers, sponsors or distributors of certain investment products recommended by BBVA Investments may impose minimum investment amounts.

The Products We May Recommend. BBVA Investments only allows its financial representatives to make recommendations to its retail customers with respect to selected types of financial products, which include principally, mutual funds, exchange-traded funds and similar products, municipal fund securities ("**529 plans**"), structured products (including market-linked certificates of deposit and structured notes), unit investment trusts, variable annuities and certain other types of variable insurance products and fixed income securities (bonds). When offering variable annuities, variable universal life insurance products and other securities with an insurance component, our financial representatives may also act as licensed insurance agents of PIA. In addition, certain BBVA Investments financial representatives, in their capacity as a licensed insurance agent of PIA, also offer BBVA Investments' domestic customers various fixed annuity, fixed indexed annuity, single premium immediate annuities and similar products that are not securities. *Note that this Guide does not address life* *insurance and other types of "traditional" insurance products that also are available through PIA, but you may obtain additional information concerning those products and PIA's related services by contacting one of our Investment Sales Representatives.*

- BBVA Investments maintains a menu of approved mutual funds, annuities, municipal fund securities (529 plans), unit investment trusts and structured products which BBVA Investments' financial representatives are permitted to recommend to retail investors, and also permits its representatives to provide recommendations concerning identified types of bonds and other fixed income securities. See **Section 4 - Key Brokerage and Insurance Products**.
- BBVA Investments takes a number of factors into account in determining which securities to include on the approved menu, including the product provider's longevity and stability, product variety, name recognition, marketing, wholesaling and training support, among other things. See **Section 7 - Third-Party Revenue and Supplemental Compensation and Benefits** and **Section 8 – Limitations on Investment Recommendations** below for additional information.
- BBVA Investments does not limit the products made available to you or that it will recommend to you to "proprietary" products (i.e., products issued, sponsored or managed by BBVA Investments or its affiliates), but if you are an international customer our International Group representatives may recommend structured notes issued/guaranteed by certain of BBVA Investments' affiliates to you if investment in such structured note is determined by the representative to be in your best interest. See below under **Section 4 – Key Brokerage and Insurance Products** – *Full Service Brokerage* - BBVA Global Markets Structured Notes.

What Authority Will You Grant to Us? BBVA Investments does not accept or exercise any discretionary authority over the customer's account. If you engage in transactions through a self-directed brokerage account or through our discount brokerage desk, or on an "unsolicited" basis in a full service brokerage account, our financial representative will not make a recommendation to you and you will be solely responsible for the investment decision to engage in the transaction. Depending upon the types of investments involved, BBVA Investments may act as the retail investor's agent, as "riskless principal" or as principal in connection with completing a purchase or sale transaction for the retail investor. See **Section 4 - Key Brokerage and Insurance Products** and **Section 5 - Commissions, Sales Charges and Other Transaction-Based Compensation; Ongoing Compensation Payments** for additional information.

Will We Monitor Your Investments? We do not undertake any obligation to monitor our brokerage customers' investments in a routine, on-going manner, including in full-service brokerage accounts. In addition, BBVA Investments does not offer retail investors any tax, accounting or legal advice.

What Happens If We Make a Trading Error? If a customer holds an account at BBVA Investments and a trade error caused by BBVA Investments occurs in the account, BBVA Investments will cancel the trade and remove the resulting monetary loss to a customer from the account. If a trade correction is required as a result of a customer "fail" (e.g., if a customer does not make full payment for purchases or fails to deliver negotiable securities for liquidations before trade settlement), BBVA Investments will cancel the trade and any resulting monetary loss will be borne by the customer. In the case of a trade that requires a correction and that resulted in a monetary gain to the customer, such gain may be removed from the account and may result in a financial benefit to BBVA Investments.

Advisory Services (Available Through an Unaffiliated Registered Investment Adviser, PNC Managed Account Services, Inc.)

BSI does not offer investment advisory/managed account services. However, our Investment Sales Representatives may assist customers who are interested in an investment advisory/managed account solution as follows:

- As noted above, after June 1, 2021, our Investment Sales Representatives will no longer make recommendations to "domestic" investor customers regarding the establishment of investment advisory services relationships, but will, in most instances, offer domestic investors contacting them the opportunity to discuss with a PNCI representative the types of products and services available through PNCI, including investment advisory/managed account services. The decision whether to discuss potential products and services with PNCI, to open an account with PNCI and to purchase any product or service from PNCI is entirely your choice and neither BSI, its Investment Sales

Representative nor any of our other financial representatives will make a recommendation to you concerning those decisions. If the domestic investor and PNCI determine that a managed account solution (investment advisory services) is appropriate for the investor, the investor will open a managed account through PNCI and not through PNCMAS. Investors establishing investment advisory/managed account relationships with PNCI will receive from PNCI, and should closely review and retain, PNCI's separate Client Relationship Summary, the Form ADV 2A Appendix 1 specific to the PNCI wrap-fee program offered to the investor and other relevant disclosure documents.

- After June 1, 2021, eligible "international" investors (investors who are not U.S. persons) will continue to be able to open managed accounts with PNCMAS and to receive recommendations from an Investment Sales Representative within our International Group. International investors establishing investment advisory/managed accounts with PNCMAS will receive BSI's Form CRS (Client Relationship Summary) and also will receive various important disclosure documents from PNCMAS (the "PNCMAS Disclosure Documents"), including PNCMAS's separate Client Relationship Summary, the Form ADV Part 2A Firm Brochure and Form ADV Part 2A, Appendix 1 Wrap Fee Program Brochure for PNCMAS's International Managed Investment Program, and a Form ADV Part 2B Brochure Supplement with respect to certain of PNCMAS's "supervised persons" who (1) will formulate investment advice for you and have direct contact with you (i.e., the BSI/PNCMAS financial representative who assists you) or (2) who, although not having direct contact with you, will have discretionary authority over the assets in your PNCMAS managed account. You should carefully read the BSI Form CRS and each of the PNCMAS Disclosure Documents and retain them for your records,

Our Financial Representatives

The types of products and services our financial representatives are authorized to offer vary dependent upon, among other things, the types of securities and insurance licenses they hold and certain internal restrictions established by us.

- Our Investment Sales Representatives hold the requisite licenses to offer certain approved brokerage products and services through BBVA Investments, as well as, in appropriate circumstances, approved investment advisory products and services through PNCMAS and approved insurance products through PIA.
- In some cases, financial representatives are authorized to open brokerage accounts, but are not authorized to act as an investment adviser representative of PNCMAS and/or may be authorized to offer only certain limited types of brokerage and insurance products **(Limited Investment Representatives**).

> Our Limited Investment Representative will inform you if he or she is not able to offer you an investment product or service that you have expressed an interest in and, if based on your expressed interest or the Limited Investment Representative's assessment based on the information you provide, he or she will introduce you to an Investment Sales Representative, who will be able to offer additional products and services to you.

Like all financial services providers, we and our representatives have **conflicts of interest**. Our Investment Sales Representatives are "commission-based" and therefore their livelihoods depend, at least in part, on their and our success in selling financial products and services. In addition, many of our other licensed representatives receive incentives based on revenues generated from the sale of financial products and services. See **Section 9 - Financial Representative Compensation and Related Conflicts of Interest** for additional information. Because its advisory fees are "asset-based," PNCMAS and our financial representatives who also represent PNCMAS have an incentive to encourage you to increase the assets in your PNCMAS managed accounts. Depending on the level of trading in your account, you may pay more in asset-based fees than you would paying on a transaction-by-transaction basis.

Most of our Investment Sales Representatives, in addition to being licensed securities representatives of BBVA Investments, licensed investment adviser representatives of PNCMAS and licensed insurance agents of PIA, are employees of BBVA USA. However, our Investment Sales Representatives typically do not devote significant time to performing activities on behalf of BBVA USA.

Other Banking Relationships

Commercial Banking and Investment Banking Relationships. BBVA, S.A and its commercial banking and investment banking affiliates, including BSI's Institutional Division, maintain a variety of banking, financial or service relationships with corporations or other business enterprises which may from time to time issue publicly traded securities ("**BBVA Commercial Clients**"). Our Investment Sales Representatives are not permitted to offer recommendations to customers regarding the purchase of sale of individual stock or other equity securities. In some instances, however, Investment Sales Representatives may offer customers recommendations concerning bonds and other fixed income securities issued or guaranteed by a BBVA Commercial Client. Because of internal controls maintained within the BBVA Group, recommendations to our brokerage customers and purchases of securities typically will be made without knowledge of other banking, financial or services relationships between BBVA, S.A. or its commercial banking and investment banking affiliates and BBVA Commercial Clients, and without access to any confidential or material non-public information concerning such BBVA Commercial Clients.

Customer Relationships with Non-U.S. Affiliates. We have banking affiliates in Mexico, Europe and South America ("**BBVA Group Banking Affiliates**"). Our BBVA Group Banking Affiliates are engaged in providing a broad range of financial services to, among others, foreign nationals of their respective geographies and related families and related business interests. In a number of instances, employees and other representatives of BBVA Group Banking Affiliates refer persons or entities to BBVA Investments' International Group who are related to preexisting customer relationships maintained by the BBVA Group Banking Affiliate. BBVA USA and BBVA Investments do not compensate the BBVA Group Banking Affiliates or any of their employees or representatives for referrals to BBVA Investments' International Group. However, typically a BBVA Group Banking Affiliate making a referral to BBVA Investments' International Group will receive credit through internal BBVA Group management accounting for the customer relationships generated by its employees and representatives for BBVA Investments' International Group and the BBVA Group Banking Affiliate may continue to give their employees and other representatives credit for compensation purposes based on the overall customer relationship initiated by the BBVA Group Banking Affiliate notwithstanding referrals to BBVA Investments' International Group.

3. Choosing the Right Type of Account

See *Section 1 – About Us* - ***Important Information Regarding Pending Transfer by BSI of Retail Brokerage Accounts to PNC Investments, LLC above for information concerning certain special procedures and limitations that will apply from June 1, 2021 through the completion of the transfer of BSI's retail brokerage accounts to PNCI. After June 1, 2021, BSI will not solicit new accounts for "domestic" investors but will continue to offer eligible "international" investors certain types of accounts, including assistance in opening an investment advisory/managed account through PNCMAS where desired.***

Available Account Types. As noted above, after June 1, 2021, our Investment Sales Representatives will not solicit the opening of new brokerage services accounts from "domestic" investors and will not be authorized to open new investment advisory/managed accounts through PNCMAS on behalf of "domestic" investors. From June 1, 2021 through the completion of the transfer to PNCI, certain of our Investment Sales Representatives within our International Group may recommend to "international" investors a transactional investment (i.e., brokerage) relationship in securities products available through BBVA Investments, investment advisory programs managed through PNCMAS, as well as selected types of approved insurance products, through an individual account, a joint account or a business entity account, as applicable. Please refer to **Section 4 - Key Brokerage and Insurance Products** below for information regarding products, programs and services that may be available in one or more available account types.

Note that in some cases a retail customer who does not desire to have a relationship with a professional brokerage firm, such as BBVA Investments, may be able to purchase investments in certain mutual funds, 529 plans and other investment vehicles directly from the applicable investment vehicle or product provider, which may avoid some of the fees and charges imposed by us and our clearing firm. In those circumstances, the customer does not receive the recommendation of a licensed investment representative or the administrative convenience of transacting through a brokerage account. In addition, the mutual fund, 529 plan or other investment vehicle may impose its own fees and charges.

Our Responsibilities. If we provide you with an account- type recommendation, we will base the recommendation on what we believe is in your best interest based on the information you have provided us regarding your circumstances, objectives and needs. Among other factors, we will take into account, in addition to your investment profile, the level of service you require, the alternative account types available, the services and products provided in the account, and the projected costs of available account type. Account type recommendations are typically made by our Investment Sales Representative following:

- Conversations with you to ascertain and consider your financial profile, risk tolerances, investment objectives, time horizon, liquidity needs, and other relevant information outlined above;
- You having been given the opportunity to review our **Form CRS/Client Relationship Summary**, which explains the investment services and advice available to you, what fees you will pay, our legal obligation to you when providing a recommendation as your broker-dealer, how your Investment Sales Representative is compensated, any legal or disciplinary history applicable to us or our Investment Sales Representatives or other financial representatives, and provides questions you should ask your Investment Sales Representative or other financial representative before accepting a recommendation;
- You having been given the opportunity to review this Guide, which provides you with more detailed information concerning many of the items discussed in the Form CRS/Client Relationship Summary;
- The Investment Sales Representative discussing available products, programs and services, highlighting their benefits, risks and costs with you, while considering your investment objectives and other reasonably available alternatives that may have a lower cost, less risk and less complexity; and
- The Investment Sales Representative providing to you information about the differences between transaction-based brokerage (point in time) advice and fee-based (managed money) advice, including the differences in services and costs, to determine that the requested or recommended account option is appropriate for you and in your best interest.

Our Investment Sales Representatives will help you identify and understand your financial resources and objectives. If you choose to open an individual retirement account (or "IRA"), or roll over assets into an IRA, we will also consider the fees and expenses, level of services available, available investment options, ability to take penalty-free withdrawals, application of required minimum distributions, protections from creditors and legal judgments, holdings of employer stock, and any special features of your existing account. See **Section 12 - Considerations for Rollover Transactions**.

Once this process has been completed, our Investment Sales Representative will make an account type and service level recommendation to you.

Your Responsibilities. To provide appropriate account and product recommendations, we will depend on you for accurate information regarding your risk tolerance, asset allocation, and investment objective. You must notify us if there are any changes to your risk tolerance, investment objective, time horizon, financial situation, or investment outlook after opening an account or executing a recommendation. You also are responsible to read and closely review the information in our Form CRS/Client Relationship Summary and this Guide, as well as applicable PNCMAS Disclosure Documents provided by PNCMAS and to ask us and our Investment Sales Representative any questions you may have.

4. Key Brokerage and Insurance Products

See *Section 1 – About Us* - ***Important Information Regarding Pending Transfer by BSI of Retail Brokerage Accounts to PNC Investments, LLC above for information concerning certain special procedures and limitations that will apply from June 1, 2021 through the completion of the transfer of BSI's retail brokerage accounts to PNCI. After June 1, 2021, BSI will not solicit new accounts for "domestic" investors but will continue to offer eligible "international" investors certain types of accounts, including assistance in opening an investment advisory/managed account through PNCMAS where desired.***

"Full Service" Brokerage (Products Available for Our Financial Representatives to Recommend)

Available Product Types. BBVA Investments offers retail investors "full-service" brokerage services, in which case we offer recommendations to the investor concerning the purchase and sale of selected types of securities and, in the case of "international" investors, the purchase and sale of selected types of insurance products through Investment Sales Representatives within our International Group who are also licensed insurance representatives of PIA. The customer, however, makes the ultimate decision regarding the purchase or sale of investments. We seek to provide customers with a broad range of securities and insurance products to help them in pursuing their financial goals, but we do not make available all investment products in the market. BBVA Investments has approved the following primary types of products that are available for our financial representatives to recommend to eligible customers, when appropriate:

- **Mutual Funds**

- **529 College Savings Plans ("529 Plans")**
- **Unit Investment Trusts ("UITs")**
- **Exchange-Traded Products**
- **Structured Products (*Market-Linked Certificates of Deposit*, *Fully Principal Protected Structured Notes*, *Partially Principal Protected Structured Notes*, and *Non-Principal Protected Structured Notes*)**
- **Fixed Annuities (including *Single-Premium Immediate Annuities (SPIAs)* and *Fixed Indexed Annuities (FIAs)*), Index Universal Life Products (IULs) and Similar Products**
- **Variable Annuities (including *Index-Linked Variable Annuities*), Variable Universal Life Products (VULs) and Similar Products**
- **Brokered Certificates of Deposit ("Brokered CDs")**
- **U.S. Treasury and Agency Securities**
- **Corporate Debt Securities (Corporate Bonds)**
- **Municipal Debt Securities (Muni Bonds)**
- **Money Market Mutual Funds**

<u>The features and characteristics, including benefits, risks and costs, vary from one type of product to another, and vary from product-to-product within each product type.</u>

- For brief descriptions of each of the above-listed types of products and where you should look for more detailed information, please see **Addendum 1 – Additional Information Concerning Selected Products**.
- For additional information concerning the types of compensation we receive when you purchase one of the above-described products, see **Section 5 - Commissions, Sales Charges, and Other Transaction-Based Compensation; Ongoing Compensation Payments**;
- For additional information concerning the typical costs and expenses associated with each product type, see **Section 6 - Product Costs and Related Conflicts of Interest**;
- For additional information concerning additional forms of compensation and benefits we receive from product providers and other third parties in connection with certain types of products, see **Section 7 - Third Party Revenue and Supplemental Compensation and Benefits**; and
- For additional information concerning how our Investment Sales Representatives and other financial representatives are compensated in connection with the products and services you purchase, see **Section 9 - Financial Representative Compensation and Related Conflicts of Interest**.

Not all approved products are available to all customers, including that some types of products are offered only to our domestic customers or only to our international customers, and in some instances, products are subject to additional eligibility criteria such as minimum net worth, concentration limits and the like. 529 Plans, UITs, fixed annuities (including FIAs and SPIAs) and variable annuities (including index-linked variable annuities) generally are available only to domestic customers, while mutual funds, exchange-traded funds and similar exchange-traded products typically are recommended only to international customers. In most cases, domestic customers are eligible to purchase U.S. mutual fund (SEC registered) and structured products issued by U.S. companies, whereas international customers are eligible to purchase mutual funds and structured notes issued by non-U.S. companies in "offshore" transactions. Structured certificates of deposit issued by U.S. banks are offered to both domestic and international customers, subject to eligibility requirements imposed by the issuer and described in the offering document.

<u>Transactions Without Our Recommendation ("unsolicited transactions")</u>. If you maintain a full-service brokerage account with BBVA Investments and you determine that you want to purchase a financial product that we have not approved for our financial representatives to recommend, or that you want to purchase an approved product without the recommendation of our financial representative, the transaction will be conducted as an "unsolicited transaction." By engaging in an unsolicited transaction, you will be fully and solely responsible for your own investment decisions. Although we generally try to accommodate requests for unsolicited transactions, we are not obligated to do so.

Self-Directed Brokerage Accounts and Discount Brokerage Transactions

Important Note: After June 1, 2021, BBVA Investments will no longer open new Self-Directed Brokerage Accounts.

"U.S Persons" may establish discount brokerage or other self-directed brokerage accounts through BBVA Investments, which permits the customer to select from among a broad range of publicly traded stocks and other equity securities, options*, bonds and other fixed income securities, mutual funds and exchange-traded funds.

*Options trading entails a significant level of risk and is not appropriate for all investors. Certain requirements must be met to trade options. Options transactions will be subject to the execution, delivery and acceptance of separate agreements with our clearing firm, Pershing. You should consult with your tax advisor since options trading may affect your tax situation.

Unlike "full-service brokerage" accounts, we do not establish an approved menu of available investment options and neither we nor any of our financial representatives provide any recommendations regarding purchases or sales of securities and other investments within the customer's discount or self-directed brokerage account. Such trades are considered to be "unsolicited." If you trade through a discount or self-directed brokerage account or otherwise on an unsolicited basis, you will be fully and solely responsible for your own investment decisions. *Note that we do not recommend, endorse, or promote a "day trading" strategy. Day trading may involve significant financial risk and may not be suitable for all investors.*

Discount brokerage and self-directed brokerage account customers must contact BBVA Investments' fixed income trading desk (by calling 1-800-239-1930, option 1) in order to conduct fixed income securities purchase and sale transactions. Typically, BBVA Investments will act as "riskless principal" in connection with such transactions and will add a mark-up to any purchase, and subtract a mark-down on any sale. The applicable mark-up or mark-down will be quoted to you. See **Section 5 - Commissions, Sales Charges and Other Transaction-Based Compensation; Ongoing Compensation Payments** below.

BBVA Global Markets Structured Notes. Structured notes issued by a non-U.S. affiliate of BBVA Investments, BBVA Global Markets, B.V., and guaranteed by our ultimate parent company, BBVA, S.A. ("BBVA Global Markets Structured Notes") will be recommended by representatives of BBVA Investments' International Group to eligible non-U.S. investors under certain circumstances. The recommendation by BBVA Investments of BBVA Global Markets Structured Notes presents conflicts of interest, in particular the following:

BBVA Investments will receive various forms of compensation in connection with the purchase and any subsequent sale of BBVA Global Markets Structured Notes, including without limitation compensation in the form of distributor's allowances, markups, markdowns, commissions, sales charges, fees, and similar payments and, in addition, (a) financial representatives of BBVA Investments will receive compensation in the form of commissions and other incentive compensation based on the customer's purchase and any subsequent sale of BBVA Global Markets Structured Notes, and (b) other representatives of BBVA Investments, including persons employed within BSI's Institutional Division, will receive compensation that takes into account purchases and/or sales by BBVA Investments customers, of BBVA Global Markets Structured Notes. Such compensation arrangements result in conflicts of interest in the form of additional incentives for BBVA Investments and its financial representatives to recommend the purchase of BBVA Global Markets Structured Notes by BBVA Investments customers.

The issuer and guarantor of BBVA Global Markets Structured Notes (the "Issuer" and "Guarantor," respectively), both of which are affiliates of BBVA Investments and its U.S. affiliates, will receive various funding and other financial benefits from the issuance and sale of the BBVA Global Markets Structured Notes, and the Issuer, the Guarantor and/or certain other affiliates of BBVA Investments also will generate various forms of other revenues from the issuance and sale of the BBVA Global Markets Structured Notes, including by engaging in hedging activities which may generate additional profits to the Issuer, the Guarantor and/or other affiliates of BBVA Investments. The receipt or potential receipt of such funding, financial benefits and other forms of revenue result in conflicts of interest in the form of additional incentives for BBVA Investments and its financial representatives to recommend the purchase of BBVA Global Markets Structured Notes.

However, the following procedures and guidelines have been instituted to mitigate these conflicts of interest:

- All structured notes offered to our international customers will be determined under a detailed "offer in competition" (i.e., competitive bid) process as described below;
- The International Group Trading Desk shall identify, from time to time, descriptions of potential structured note offerings (a "Potential Offering") that will help in fulfilling the needs of eligible international customers and that satisfy the approved criteria for structured product offerings;

- Once a Potential Offering has been identified, the International Group Trading Desk will communicate to all "Eligible Issuers" a detailed description of the Potential Offering and the targeted offer price to the firm (the "Offer Price"). Eligible Issuers shall only include issuers who have been approved based on their credit ratings from external credit ratings agencies and certain other factors. BBVA Global Markets will be offered the opportunity to bid only if it satisfies the requirements of an Eligible Issuer at the time of the bid;
- The determination of the winning bidder from among conforming bids received will be determined on the basis of which bidder (from among bidders with credit ratings considered comparable under pre-set ratings tolerances) offers the most favorable terms (typically on the basis of coupon) for BBVA Investments' customers; and
- In the event BBVA Global Markets submits a conforming bid in a timely manner and offers more favorable terms to investors than any other bidder with an external credit rating within 2 "notches" of the rating applicable to BBVA Global Markets Structured Notes, then BBVA Global Markets will be awarded the bid. If BBVA Global Markets' bid offers terms that are at least as favorable to investors (typically on the basis of coupon) as those offered by one or more other Eligible Issuers, BBVA Global Markets will be awarded the bid only if the credit rating applicable to BBVA Global Markets Structured Notes is the highest among those bidders.

5. **Commissions, Sales Charges and Other Transaction-Based Compensation; Ongoing Compensation Payments**

Full-Service Brokerage Transactions

<u>Typical Transaction-Based Compensation and Trail/Other Ongoing Compensation</u>. BBVA Investments and its Investment Sales Representatives routinely receive compensation in various forms in connection with the sale of securities and insurance products. Typically, BBVA Investments receives loads, commissions, selling concessions, markups, markdowns, premiums, sales charges and/or other forms of transaction-based compensation ("**Transaction-Based Compensation**") in connection with each transaction. *BBVA Investments' Investment Sales Representatives receive a portion of the compensation received by BBVA Investments and/or its affiliates or incentive compensation that is based upon the compensation received by BBVA Investments and/or its affiliates.*

Transaction-Based Compensation typically is paid by the investor at the time the investor purchases the product, and reduces the amount available to invest or is charged directly against the investment. Under BBVA Investments' arrangements with product providers, in most cases Transaction-Based Compensation is received by BBVA Investments and its financial representatives at the time the investor purchases the product, even if the investor incurs the sales charge or load on a deferred basis. *

*In the case of some products, the investor does not pay an upfront sales charge or load but will incur a deferred sales charge or load if the investor sells or redeems their investment before a designated period of time passes (e.g., 5 years). In those cases, BBVA Investments and its financial representatives are paid a commission at the time of the investor's purchase and the deferred sales charge or load resulting from a subsequent sale is retained by the product provider.

In addition to Transaction-Based Compensation, in the case of many of the investment products it sells to investors (such as mutual funds, 529 Plans and annuities), BBVA Investments receives various forms of ongoing, recurring compensation (paid monthly, quarterly or annually) such as "trail" commissions, 12b-1 fees, distribution fees, shareholder servicing fees, account maintenance fees and similar fees ("**Trail/Other Ongoing Compensation**") paid by the investment vehicle or product provider in recognition of the investment of BBVA Investments customers' assets in the product or in consideration of various services provided to the investment vehicle or the product provider. Typically, Trail/Other Ongoing Compensation payments are calculated as an annual percentage of the assets invested by BBVA Investments customers and paid from the assets of the investment vehicle or other product and, therefore, directly impact the investment return the customers receives. *BBVA Investments' Investment Sales Representatives receive a portion of the Trail/Other Ongoing Compensation received by BBVA Investments, PIA and/or their affiliates or incentive compensation that is based upon the Trail/Other Ongoing Compensation received by BBVA Investments, PIA and/or their affiliates.*

In addition to Trail/Other Ongoing Compensation paid to BBVA Investments under agreements and arrangements directly with various product issuers, providers and/or distributors, BBVA Investments has entered into an agreement with its clearing firm (Pershing) under which the clearing firm passes on to BBVA Investments all 12b-1 fee revenues and a portion of certain other types of fees paid (directly or indirectly) to the clearing firm by mutual funds on the clearing firm's "*FundVest*" platform. See **Addendum 2 - Typical Product**

Costs, Transaction-Based Compensation and Trail/Other Ongoing Compensation Payments for additional information.

The availability of Transaction-Based Compensation and Trail/Other Ongoing Compensation presents several conflicts of interest arising from incentives for our financial representatives to recommend that customers purchase and retain products that provide BBVA Investments and its financial representatives increased opportunities to receive Transaction-Based Compensation and/or Trail/Other Ongoing Compensation, including:

- Transaction-Based Compensation varies from product to product, which presents conflicts of interest arising from an incentive for our financial representatives to recommend products that pay higher Transaction-Based Compensation rather than products that pay lower Transaction-Based Compensation;
- Not all investment vehicles or product providers pay Trail/Other Ongoing Compensation and, in the case of those that do, the amount of the fees and other compensation varies from product-to-product (and, in the case of mutual funds, 529 Plans and certain other products, the share class purchased). This creates an incentive for our financial representatives to recommend products (or, where applicable, share classes of products) that pay Trail/Other Ongoing Compensation over products that do not and to recommend products that pay higher rates of Trail/Other Ongoing Compensation; and
- In some cases, BBVA Investments and the financial representative will receive Trail/Other Ongoing Compensation for so long as the customer continues to hold the investment. This creates an incentive for our financial representatives to recommend that the customer continue to hold the investment or to not recommend that the customer consider purchase of other products that do not pay BBVA Investments and the financial representative comparable Trail/Other Ongoing Compensation.

Please see **Addendum 2** – **Typical Product Costs, Transaction-Based Compensation and Trail/Other Ongoing Compensation Payments** for additional information concerning the typical Transaction-Based Compensation and Trail/Other Ongoing Compensation applicable to the primary types of brokerage and insurance products we offer to full-service brokerage customers. *To learn more about the types of fees and charges applicable to particular transactions, please refer to the applicable prospectus or other offering document for the product, your BBVA Investments customer agreement and the applicable BBVA Investments fee schedule. BBVA Investments' fee schedules may be changed by BBVA Investments from time to time in its discretion without notice. For up-to-date information, contact BBVA Investments by telephone at 800-239-1930, option 2.*

Additional Fees and Charges. In addition to the types of Transaction-Based Compensation described above, additional fees and charges ("**BBVA Investments' Separate Fees and Charges**") payable to BBVA Investments also may apply, as disclosed on BBVA Investments' applicable separate fee schedules for domestic customers (the "*BBVA Investments Domestic Customer Fee Schedule*") and international customers (the "*BBVA Investments International Customer Fee Schedule*"), which fee schedules may be changed by BBVA Investments from time to time without prior notice.

> ***The current BBVA Investments Domestic Customer Fee Schedule and International Customer Fee Schedule are available at*** https://www.bbvasecurities.com/important-disclosures***. All BBVA Investments fee schedules are subject to change by BBVA Investments at any time without advance notice. You also may obtain a copy of BBVA Investments' current fee schedules by contacting your BBVA Investments financial representative or by contacting us by telephone at 800-239-1930, option 2.***

In the case of your securities and other financial product transactions cleared through BBVA Investments' clearing firm (Pershing), we will pass along to you fees and charges imposed by Pershing on us. In addition, Pershing may impose SEC and exchange fees and transfer taxes and other fees and charges associated with securities transactions that are typically imposed by regulatory authorities or otherwise imposed by law, ADR agency processing fees and wire transfer fees ("**Clearing Firm's Additional Fees and Charges**"). BBVA Investments' Separate Fees and Charges and Clearing Firm's Additional Fees and Charges will be imposed in addition to all applicable Transaction-Based Compensation and Trail/Other Ongoing Compensation.

Self-Directed Brokerage Accounts and Discount Brokerage Transactions

Typical Transaction-Based Compensation and Other Fees and Charges. The commissions, sales charges and other fees and charges applicable to transactions conducted by domestic customers though BBVA Investments' discount brokerage desk (including customers maintaining full-service brokerage accounts but transacting through the discount brokerage desk on an "unsolicited" basis) are set forth on the Domestic Customer Fee Schedule or International Customer Fee Schedule, as applicable.

In the case of transactions conducted online through a BBVA Investments Self-Directed Brokerage Account, applicable commissions, sales charges and other fees and charges are set forth on BBVA Investments' Self-Directed Investments Fee Schedule (the "**Online Self-Directed Fee Schedule**"). The commissions, sales charges and other transaction fees and charges applicable to online trading through a BBVA Investments online Self-Directed Brokerage Account generally are lower than in the case of transactions conducted through BBVA Investments' discount brokerage desk because of the lower staffing and administrative burden on BBVA Investments of online transactions. **Important Note: After June 1, 2021, BBVA Investments will no longer open new Self-Directed Brokerage Accounts**.

> ***The current BBVA Investments Online Self-Directed Investments Fee Schedule is available by visiting our website at*** https://www.bbvasecurities.com/important-disclosures***. All BBVA Investments fee schedules are subject to change by BBVA Investments at any time without advance notice. You also may obtain a copy of BBVA Investments' current fee schedules by contacting your BBVA Investments financial representative or by contacting us by telephone at 800-239-1930, option 2.***

Additional Compensation We Receive from Your Transactions. "Self-directed brokerage" customers (i.e., domestic customers maintaining discount brokerage or online Self-Directed Brokerage Accounts, or otherwise trading on an unsolicited basis), may choose from among mutual funds and other products that are on BBVA Investments' approved menu of investment options as well as from funds that are not on such approved menu, including funds with no (or reduced) loads/sales charges. If, however, a self-directed brokerage customer chooses a mutual fund or other product that imposes a load/sales charge and/or provides BBVA Investments or its affiliates with Trail/Other Ongoing Compensation and/or Supplemental Compensation and Benefits, BBVA Investments and/or its affiliates will be entitled to receive the applicable load/sales charge, Trail/Other Ongoing Compensation payments and/or Supplemental Compensation and Benefits in addition to all other applicable fees, charges and compensation. **See Addendum 2 – Typical Product Costs, Transaction-Based Compensation and Trail/Other Ongoing Compensation Payments and Addendum 3 – Strategic Partner/Marketing Support Arrangements (June 2021)**. *Self-directed customers wanting additional information regarding the loads/sales charges, Trail/Other Ongoing Compensation and Supplemental Compensation and Benefits associated with particular mutual funds or other products available through BBVA Investments may contact BBVA Investments by telephone at 800-239-1930, option 2.*

How to Conduct Trades in Bonds and Other Fixed Income Securities. Self-directed customers wishing to conduct fixed income securities purchase or sale transactions must contact BBVA Investments' fixed income trading desk (by calling 1-800-239-1930, option 1). Typically, BBVA Investments will act as "riskless principal" in connection with such transactions and will add a mark-up to any purchase, and subtract a mark-down on any sale. The applicable mark-up or mark-down will be quoted to you and, in some cases, will be disclosed in the transaction confirmation provided to you. See **Addendum 2 – Typical Product Costs, Transaction-Based Compensation and Trail/Other Ongoing Compensation Payments** for information concerning the typical range of mark-ups and mark-downs on fixed income securities transactions.

6. Product Costs and Related Conflicts of Interest

Typical Costs and Expenses

Our Investment Sales Representatives provide recommendations with respect to a broad range of investment products, including mutual funds, annuities, unit investment trusts, structured products and various types of fixed income securities. Also, in the case of our international customers, our financial representatives also may provide recommendations relating to exchange-traded funds and similar exchange-traded securities. Each type of investment product carries unique risks, and many investment products charge fees and costs that are separate from and in addition to the commissions and fees that BBVA Investments and financial representatives receive. You can learn more about these risks and the fees and costs charged by an investment product by reviewing the investment product's prospectus, offering memorandum, or other disclosure documents. Please see **Addendum 2 – Typical Product Costs, Transaction-Based Compensation and Trail/Other Ongoing Compensation Payments** for additional information concerning the typical range of costs and expenses applicable to the primary types of products BBVA Investments offers to its full-service brokerage customers. In most cases, these product costs and expenses are in addition to the Transaction-Based Compensation and Trail/Other Ongoing Compensation we receive and other fees and charges imposed by us and in addition to Supplemental Compensation and Benefits we may receive from product providers or other third parties. See **Section 5 - Commissions, Sales Charges and Other Transaction-Based Compensation; Ongoing Compensation Payments** and **Section 7 - Third Party Revenue and Supplemental Compensation and Benefits** for additional information.

We take the costs of the products into account, but will not necessarily offer you the least expensive alternative.

Share Class and Fund Selection

BBVA Investments offers various share classes of mutual funds and 529 Plans. As an example, certain mutual fund share classes, often referred to as Class A shares, charge an upfront sales charge and an ongoing trail. For other mutual fund share classes, often titled Class C shares, there is no upfront sales charge paid, however, there is an ongoing trail payment and a contingent deferred sales charge to the investor if there is a redemption within a certain period of time after purchase. Depending on the length of the holding period for the mutual fund or 529 Plans, and other factors, one share class may be less expensive to the investor than another, and BBVA Investments and the financial representative may earn more or less in compensation for one share class than another. Please see "Important Considerations When Selecting Share Classes" in **Addendum 1 – Additional Information Concerning Selected Products**. Because of their characteristics and sales load structure, mutual funds and 529 Plans generally are longer term investments, and frequent purchases and sales of mutual funds can result in significant sales charges unless the transactions are limited to exchanges among mutual funds offered by a sponsor that permits exchanges without additional sales charges. BBVA Investments maintains policies and procedures that are designed to detect and prevent excessive switching in mutual fund/529 Plan investments, but you should monitor your account and discuss with your financial representative any frequent mutual fund/529 Plan purchases and sales.

7. Third Party Revenue and Supplemental Compensation and Benefits

Strategic Partner and Other Arrangements with Product Providers

Certain product providers also pay BBVA Investments and/or its affiliates* (referred to below as "**BBVA**" for convenience) additional revenue-sharing, marketing support, marketing assistance and similar compensation and provide benefits to BBVA Investments and its affiliates, and their financial representatives, in the form of education, training, marketing and sales support or reimbursement to BBVA Investments and/or PIA or their financial representatives of expenses related to such matters (referred to below as "**Supplemental Compensation and Benefits**"). Supplemental Compensation and Benefits can take the form of an increased level of marketing, wholesaling and training support provided to BBVA ("**Marketing Support**"), including through various forms of payments to BBVA from the product provider ("**Marketing Support Payments**") and occasional cash assistance from fund providers for training, customer events, sales meetings and similar functions and various marketing initiatives ("**Marketing Assistance**"). Product providers provide Marketing Support, in part, in order to be eligible for varying levels of enhanced access to our financial representatives, including at sales and training events and conferences and during periodic conference calls, presentation of the product provider's advertising and marketing materials, and similar benefits ("**Provider Benefits**"). The level and type of Marketing Support Payments BBVA receives will vary from provider to provider and will vary from product to product. Most, but not all, providers whose products are on our approved list of products will make Marketing Support Payments to BBVA.

As described in* ***Section 1 - About Us* *above, (1) prior to June 1, 2021, BBVA Investments was an affiliate of BBVA USA and its subsidiaries, including an insurance agency firm known as BBVA Insurance Agency, Inc., but from and after June 1, 2021, BBVA Investments is no longer affiliated with BBVA USA or BBVA Insurance Agency, Inc. (now known as PNC Insurance Agency, Inc. and referred to in this document as "PIA") and (2) BBVA Investments expects to transfer its retail brokerage accounts to PNC Investments, LLC (referred to in this document as "PNCI") by the end of the third-quarter of 2021. Nonetheless, BBVA Investments will continue to maintain certain relationships and arrangements with BBVA USA and certain of its subsidiaries (including PIA) and PNC pending the completion of the transfers to PNCI in order to ensure a smooth transition and avoid any disruptions in the services to BBVA Investments' clients. Accordingly, information included in this Section 7 takes into account Supplemental Compensation and Benefits received by PIA.*

The receipt of Supplemental Compensation and Benefits creates conflicts of interest in the form of additional incentives for BBVA Investments and its affiliates, and their financial representatives, to promote the products of providers who provide Supplemental Compensation and Benefits or provide increased levels of Supplemental Compensation and Benefits. It should be noted, however, that that all providers of approved products are eligible to participate in the Marketing Support/Provider Benefits program, at the level selected by the product provider, and that participation in the program is not required in order for a provider's products to be included on the list of approved products. Our Investment Sales Representatives and other financial representatives receive various forms of non-cash compensation from investment product providers that is not in connection with any particular customer or investment. See **Section 9 – Financial Representative Compensation and Related Conflicts**

of Interest. However, BBVA's Investment Sales Representatives and other financial representatives do not receive any additional cash compensation based on the Supplemental Compensation and Benefits received by BBVA.

BBVA may receive Supplemental Compensation and Benefits in connection with certain transactions conducted by "self-directed brokerage" customers. See **Section 5 – Commissions, Sales Charges and Other Transaction-Based Compensation; Ongoing Compensation Payments**.

More detailed information concerning the current Strategic Partner/Marketing Support arrangements in place between BBVA and product providers is available in **Addendum 3 – Strategic Partner/Marketing Support Arrangements (June 2021)**. If you would like additional information concerning Supplemental Compensation and Benefits applicable to a particular product or product provider, contact your Investment Sales Representative if you are a full-service brokerage customer or contact one of our representatives at 800-239-1930, option 2 if you are a self-directed brokerage customer.

Third-Party Turnkey 401(k) Platform Providers

BBVA Investments and/or PIA provide employee benefit plans ("Plans"), or their sponsors, various types of non-fiduciary services in connection with the participation by the Plan in "turnkey" 401(k) plan platforms provided by third-party insurance companies or mutual fund companies. If the turnkey platform provider is a mutual fund company, the services are provided by BBVA Investments, whereas the services are provided by PIA if the turnkey platform provider is an insurance company. BBVA Investments or PIA, as applicable, introduces the Plan or Plan sponsor to the turnkey platform provider and then assists the Plan or Plan sponsor in administering the Plan's participation in the turnkey program. For its services, BBVA Investments or PIA, as applicable, receives trail commissions or similar fees from the turnkey platform provider (or its affiliate). Typically, the trail commissions or other fees are based on the assets of the Plan invested through the turnkey platform and range from an annual rate of 0.18% - 0.50%, but in one instance is a flat quarterly fee of $9,000.

Goldman Sachs Revenue Sharing Payments

Although not a participant in the Marketing Support/Provider Benefits Program, BBVA Investments receives asset-based payments from Goldman, Sachs & Co., Goldman Sachs Asset Management L.P. and/or their affiliates ("Goldman Sachs"), which are calculated on the basis of the assets of BBVA Investments customers invested in mutual funds distributed by Goldman Sachs. For additional information, see "*Additional Revenue-Sharing Payments*" in **Addendum 3 - Strategic Partner/Marketing Support Arrangements (June 2021)**.

8. **Limitations on Investment Recommendations**

> See *Section 1 – About Us* - ***Important Information Regarding Pending Transfer by BSI of Retail Brokerage Accounts to PNC Investments, LLC above for information concerning certain special procedures and limitation, including limitations on the availability of certain types of new accounts and certain types of products, that will apply from June 1, 2021 through the completion of the transfer of BSI's retail brokerage accounts to PNCI. After June 1, 2021, BSI will not solicit new accounts for "domestic" investors but will continue to offer eligible "international" investors certain types of accounts, including assistance in opening an investment advisory/managed account through PNCMAS where desired.***

In the case of its "full-service brokerage" customers, BBVA Investments maintains a menu of approved mutual funds, annuities, municipal fund securities (529 plans), unit investment trusts and structured products, among other products, which BBVA Investments' financial representatives are permitted to recommend to retail investors. See **Section 4 - Key Brokerage and Insurance Products We Offer**. BBVA Investments and financial representatives offer and recommend investment products only from investment sponsors with which BBVA Investments has entered into selling and distribution agreements. BBVA Investments takes a number of factors into account in determining which types of investment products to include on the approved menu, including the product provider's longevity and stability, product variety, name recognition, marketing, wholesaling and training support, among other things. Although BBVA Investments seeks to offer customers access to a broad range of investment products, BBVA Investments does not consider it practical or beneficial to its customers to attempt to offer all of the highly numerous types of investment products available on the retail brokerage market. In narrowing its approved offerings, BBVA Investments focuses first on the types of investment products it believes would be appropriate and desirable for at least some of its full-service brokerage customers. BBVA Investments then focuses on identifying reputable product providers who offer the desired range of product alternatives and can offer BBVA Investments and its financial representatives desirable types and levels of ongoing support of their products. BBVA Investments then seeks to identify specific products offered by the respective providers that it believes have characteristics and features that will assist BBVA Investments, under appropriate circumstances based on individual customer investor profile, objectives and preferences, in helping its customers pursue their financial objectives. In the case of mutual fund, 529 Plan, unit investment trust and structured product providers, BBVA Investments also takes into account the revenue-sharing payments, marketing support payments, marketing assistance and other forms of benefits the provider will provide to BBVA Investments and its affiliates, which results in conflicts of interest. See **Section 7 – Third-Party Revenue and Supplemental Compensation and Benefits** above.

BBVA Investments does not limit the products made available to you or that it will recommend to you to "proprietary" products (i.e., products issued, sponsored or managed by BBVA Investments or its affiliates). Our Investment Sales Representatives may recommend BBVA Global Markets Structured Notes to eligible non-U.S. investors under certain circumstances. The recommendation by BBVA Investments of BBVA Global Markets Structured Notes presents a conflict of interest. However, procedures and guidelines have been instituted to mitigate this conflict of interest. See **Section 4 – Key Brokerage and Insurance Products** – *Full Service Brokerage* – BBVA Global Markets Structured Notes.

The types of products and services our financial representatives are authorized to offer vary dependent upon, among other things, the types of securities and insurance licenses they hold and certain internal restrictions established by us. In the case of Limited Investment Representatives, the Limited Investment Representative will inform you if he or she is not able to offer you an investment product or service that you have expressed an interest in and, if based on your expressed interest or the Limited Investment Representative's assessment based on the information you provide, he or she will introduce you to an Investment Sales Representative, who will be able to offer additional products and services to you.

You should ask our financial representative about the securities or services he/she is licensed or qualified to sell, and his/her ability to service investments that you transfer to BBVA Investments from another firm. You should also review the licenses held by your financial representative by visiting the FINRA BrokerCheck system at http://brokercheck.finra.org.

See **Section 2 – Overview of Services –** *Our Financial Representatives* for additional information.

We take costs of the products we sell into account, but will not necessarily offer you the least expensive alternative. It also should be noted that other firms may offer products and services not available through BBVA Investments, or the same or similar investment products and services at lower cost. In addition, BBVA Investments may only offer certain products in a brokerage account, even though there is a similar investment approach that may be offered at a lower cost through an advisory account, and vice versa.

9. Financial Representative Compensation and Related Conflicts of Interest

Additional information regarding our and our representatives' compensation and regarding whether a brokerage account or investment advisory account is right for you is provided in this Guide, as well as in our Form CRS (Client Relationship Summary) and the Advisory Program Brochures. In addition, you should ask our financial representative if you have any questions about compensation, costs, fees, or conflicts of interest.

Cash Compensation

Like all financial services providers, we and our financial representatives have **conflicts of interest**. We are compensated directly by customers and indirectly from the investments made by customers. When customers pay us, we typically get paid an upfront commission, sales charge, sales load, mark-up, mark-down or other form of compensation at the time of the transaction or, in some cases we get paid through a deferred sales charge. If we are paid an upfront commission, it means that we are paid each time a customer makes a transaction (and the amount of the payment increases with the size of the transaction). In connection with certain types of investments, including mutual funds, UITs, fixed annuities (and similar products) and variable annuities (and similar products), we also receive ongoing compensation, typically called a "trail" payment, which may continue for as long as a customer holds an investment. Similarly, if you open an investment advisory/ managed account through PNCMAS, you will pay PNCMAS asset-based fees for its investment advisory services. The amount we receive varies depending on the particular type of account the customer maintains and the amount the customer invests and, in the case of brokerage services accounts, the types of products the customer purchases or sells. In most cases, our financial representatives will share in the Transaction-Based Compensation and Trail/Ongoing Compensation payments received by BBVA Investments and, where applicable, PIA and in asset-based investment advisory fees received by PNCMAS.

Investment Sales Representatives. Under our incentive compensation plan applicable to our Investment Sales Representatives, generally the Investment Sales Representative for your account will receive credit for the identified "cash compensation components," such as commissions, sales charges, sales loads, mark-ups, mark-downs, trails and managed account fees attributable to activity in your account. Our Investment Sales Representatives are grouped, for compensation and certain other purposes, within various "job families."

- The largest numbers of our Investment Sales Representatives are within the "Domestic Financial Consultant" ("Domestic FC"), "Domestic Associate Financial Consultant" (Domestic AFC"), "International Financial Consultant" ("International FC") and "International Associate Financial Consultant" ("International AFC") job families (collectively, "FCs") and are distinguishable because they are not paid a base salary. FCs are paid incentive compensation of between 26% - 42% of the applicable cash compensation components, with their compensation being measured over a designated 12-month period (the "Applicable Measuring Period"). Following June 1, 2021 and pending completion of the transfer of BSI's retail investor accounts to PNCI, the compensation of our FCs will be determined in the following manner:
    - During the period between June 1, 2021 and the completion of the transfer of BSI's retail "domestic" investor accounts to PNCI (anticipated to be August 20, 2021), our Domestic FCs and Domestic AFCs will be paid periodic compensation determined on the basis of their applicable cash compensation components during the 12-month period ending May 31, 2021 and such compensation will not take into account their production after June 1, 2021.
    - During the period between June 1, 2021 and the completion of the transfer of BSI's retail "international" investor accounts to PNCI (anticipated to be September 17, 2021), the compensation of our International FCs and International AFCs will continue to be measured over a rolling, trailing 12-month period.
    - Once the account transfers to PNCI have been completed, the securities licenses of FCs will either be transferred to PNCI or terminated.
- Investment Sales Representatives within the "International Relationship Manager" job family are compensated differently from FCs because they are paid a base salary and participate in incentive compensation based on their banking services activities. With respect to their activities as Investment Sales Representatives, International Relationship Managers are paid a percentage, ranging from 0.0% - 10.0% of the revenues generated by them from applicable brokerage, insurance and investment advisory/managed account sales and over a rolling, trailing 12-month period. The applicable compensation percentage increases based on the level of revenues generated by the International Relationship Manager's activities from applicable brokerage, insurance and investment advisory/managed account sales.

The higher the Investment Sales Representative's production level over the Applicable Measuring Period, the higher the earning potential for the Investment Sales Representative under the incentive compensation plan. Commission, sales charge, trail and similar percentages and managed account fees vary from product to product and between categories of product. These compensation arrangements create conflicts of interest between you as a customer and your financial representative, specifically: 1) your financial representative's compensation depends, in many cases entirely, on whether they sell you brokerage products or advisory services relationship; 2) your financial representative can earn more by encouraging you to conduct more brokerage transactions, to invest more dollars and to invest in products that generate a higher level of revenue for us; 3) the more sales your financial representative can generate, the greater the percentage of transaction-based compensation, third-party payments and managed account fees he or she will be paid by us; and 4) your financial representative can have an incentive to recommend that you open a managed/advisory account relationship if there is an expectation that you will conduct a limited number of brokerage transactions. Investment Sales Representatives typically receive a monthly draw based on their anticipated transaction-based compensation as described above and must repay any portion of their draw that is not covered by the compensation they earn.

If you maintain a full-service brokerage account with BBVA Investments, an Investment Sales Representative will be assigned to your account. In addition to receiving compensation based on transactions within your full-service brokerage account, any commissions, sales charges or other compensation received by BBVA Investments and PIA relating to unsolicited transactions you conduct in your account, including through our discount brokerage desk, will be taken into account in determining your Investment Sales Representative's compensation.

In the event an Investment Sales Representative is determined to have failed to abide by BBVA Investments' policies and procedures regarding proper documentation of a recommended transaction, the Investment Sales Representative's revenue credit under the incentive compensation plan relating to the transaction will be withheld (a commission holdback) pending resolution of the deficiency. In addition, Investment Sales Representatives who are determined to have engaged in conduct that is materially inconsistent with BBVA Investments' policies and procedures and applicable legal and regulatory requirements may be subject to disciplinary actions including forfeiture of revenue credits, placement under heightened supervision, suspension and termination.

Sales Management Personnel. BBVA Investments designates national, regional and local sales managers who are responsible for the direct or indirect supervision of our Investment Sales Representatives and other licensed financial representatives. Sales managers receive compensation that is based, in part, on achievement of overall production goals within the firm or within their designated territories or regions. Achievement of those production goals depends upon the revenues generated for the firm by the Investment Sales Representatives and other financial representatives who report, directly or indirectly, to them. This creates a conflict of interest in that sales managers have an incentive to promote sales activities by Investment Sales Representatives and other financial representatives that help the sales managers in achieving their production goals. However, the compensation of sales managers with direct supervisory responsibility for an Investment Sales Representative also depends on their effectiveness in supervising the activities of the Investment Sales Representatives and will be negatively impacted if an Investment Sales Representative they supervise is subject to commission holdbacks or other disciplinary actions for inappropriate sales or failures to adhere to the firm's policies and procedures.

Financial Incentives for Referrals to BBVA USA

Although BBVA Investments is no longer affiliated with BBVA USA, our financial representatives are eligible to receive referral compensation, incentive compensation or other financial benefits, under certain circumstances, based on business generated for BBVA USA and its affiliates from introductions or referrals made by the financial representative, including as described below.

BBVA USA, through its BBVA USA Asset Management and Trust division ("AM&T"), provides investment management and advisory services to high-net-worth individuals and institutions. In some circumstances, based on the types of services requested by a customer, the customer's financial resources, the level of assets the customer plans to invest or other considerations, our Investment Sales Representative will assist the customer in obtaining additional information concerning the benefits of opening an investment management account through AM&T. Our Investment Sales Representatives receive compensation under their incentive plans based on the revenue generated by AM&T from investment management relationships established with AM&T by the Investment Sales Representative's clients. Our Investment Sales Representatives have incentives to refer qualifying customers to AM&T rather than to other investment management firms, among other things, because the potential incentive compensation which the Investment Sales Representative will receive, which incentives represent a conflict of interest. However, AM&T, and not we or our Investment Sales Representative, is solely responsible for determining whether the potential customer satisfies AM&T eligibility criteria and whether to accept the account.

Non-Cash Compensation and Other Benefits

We do not share any of the Marketing Support Payments we receive from investment product providers to increase or augment the incentive-based compensation of our Investment Sales Representatives or other financial representatives. However, our Investment Sales Representatives and other financial representatives receive various forms of non-cash compensation from investment product providers that are not in connection with any particular customer or investment. Non-cash compensation includes such items as gifts valued at less than $100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings, customer workshops or events, or marketing or advertising initiatives, including services for identifying prospective customers. Investment product providers also pay, or reimburse BBVA Investments and/or its financial representatives, for the costs associated with education or training events that may be attended by BBVA Investments representatives and financial representatives and for BBVA Investments sponsored conferences and events. The product recommendations offered by our Investment Sales Representatives or other financial representatives may be influenced by receipt of such non-cash compensation from a product provider and the increased exposure to product providers providing Supplemental Compensation and Benefits to us. See **Section 7 - Third Party Revenue and Supplemental Compensation and Benefits** for additional information.

Recruitment Incentives

If an Investment Sales Representative recently became associated with BBVA Investments after working with another financial services firm, he/she may have received certain types of recruitment incentives from BBVA Investments in connection with the transition. Typically, recruitment incentives are in the form of an agreement with BBVA Investments to forgive, over a designated period, any of the Investment Sales Representative's draws that are not covered by the transaction-based compensation earned by the Investment Sales Representative.

Outside Business Activities

Our Investment Sales Representatives and other financial representatives are permitted to engage in certain BBVA Investments-approved business activities other than the provision of brokerage services through BBVA Investments, and it is possible that in certain cases a financial representative may receive more compensation, benefits and non-cash compensation through the outside business than through BBVA Investments. Most of our Investment Sales Representatives, in addition to being licensed securities representatives of BBVA Investments, also are licensed investment adviser representatives of PNCMAS and licensed insurance agents of PIA. In addition, most of our Investment Sales Representatives are employees of BBVA USA; however, our Investment Sales Representatives typically do not devote significant time to performing activities on behalf of BBVA USA. If you engage with a financial representative for services separate from BBVA Investments, you should discuss with him/her any questions you have about the compensation he/she receives from the engagement. Additional information about your financial representative's outside business activities is available on FINRA's website at http://brokercheck.finra.org.

10. **How We Manage Conflicts of Interest**

As noted above, like all financial services providers, we and our financial representatives have **conflicts of interest**. Among other things:

- BBVA Investments depends on its ability to sell products to customers that will generate commissions, fees, other transaction-based compensation and other sources of revenue from product providers. The amount of revenue we receive differs from product-to-product and from provider-to-provider. See **Section 2 - Overview of Services** and **Section 5 - Commissions, Sales Charges and Other Transaction-Based Compensation; Ongoing Compensation Payments**.

- Our Investment Sales Representatives and some of our other financial representatives rely upon "commission-based" compensation and therefore depend on selling financial products and services in order to generate revenues that contribute to the financial representative's compensation. **See Section 9 - Financial Representative Compensation and Related Conflicts of Interest**.

- We seek to establish relationships with a number of product providers (such as mutual fund sponsors, insurance providers, unit investment trust issuers, and structured product distributors and issuers) in order to help ensure that our brokerage and insurance customers have access to a broad array of financial products offered through reputable and reliable firms. Certain types of conflicts of interest result from our relationships with our brokerage and insurance product providers. See **Section 7 - Third-Party Revenue and Supplemental Compensation and Benefits**.

We seek to manage conflicts of interest in a number of different ways. In some cases, we have restricted activities that we have determined would otherwise result in material conflicts of interest. For example:

- We do not permit our financial representatives to exercise discretionary control over the trading of customer assets in any brokerage account;

- Except under limited circumstances and with controls, we do not permit any of our financial representatives to recommend the purchase by any customer of "proprietary products" such as securities issued by BBVA, S.A. or its affiliates. See BBVA Global Markets Structured Notes under **Section 4 – Key Brokerage and Insurance Products** – *Full Service Brokerage*;

- We do not allow any of our financial representatives to offer recommendations to customers concerning the purchase or sale of any individual equity security (e.g., IBM, Apple);

- We do not assign our Investment Sales Representatives or other financial representatives sales goals and instead their compensation is based on their overall productivity, and they are not permitted to participate in sales contests, bonuses or similar incentives that are tied to the sale of any specific product or type of product;

- BBVA Investments does not engage in distribution of investment research reports to customers or others;
- Our Investment Sales Representatives and other financial representatives do not share in, or receive incentive compensation based on, Supplemental Compensation and Benefits received from third-party product providers; and
- No financial representative has the authority to recommend any new type of product to a customer unless that product type has been reviewed and approved through a centralized process overseen by the senior sales management of BBVA Investments.

In other cases, we take actions to mitigate and control conflicts of interest. The types of measures instituted by us to mitigate and control conflicts of interest vary and can depend on a number of factors, including the magnitude, materiality and/or prevalence of the conflict of interest. In some cases, mitigation/control measures involve one or more of the following:

- Implementation of policies and procedures designed to identify conflicts of interest and set expectations regarding the behaviors of our financial representatives and management personnel in respect of the management and disclosure of those identified conflicts of interest;
- Institution of appropriate levels of ongoing training of affected personnel regarding the nature of identified conflicts of interest and our expectations concerning what is required of them in order to ensure that their actions are in the best interest of our customers;
- Establishment of heightened customer eligibility criteria (e.g., accredited investor status, minimum tangible net worth, concentration limits, minimum levels of investment experience) for designated types of products presenting unique features or risks;
- Centralized review of recommended trades by a dedicated trade review desk;
- Periodic review of Investment Sales Representative securities trades by the Investment Sales Representative's supervisor, including by reviewing a sample of the Investment Sales Representative's trades to independently verify the appropriateness of the Investment Sales Representative's product recommendations; and
- Reviews of each financial representative's securities-related activities during periodic branch audits/reviews conducted by BBVA Investments Compliance Group or otherwise on a centralized basis.

We have established a designated Conflicts of Interest Working Group ("COI Working Group") to manage the process of identifying conflicts of interest arising from BBVA Investments' activities and appropriate actions to eliminate, manage or disclose those conflicts.

11. Updates to this Guide; Supplemental Information and Disclosures

We will update this Guide within a reasonable time after any information contained in this Guide becomes materially outdated, incomplete or inaccurate. Generally, we will provide you with a copy of the updated Guide in the same manner as you receive other legal disclosures for your account, including by electronic means if applicable. Updates to this Guide and the current Form CRS (Client Relationship Summary) for BBVA Investments will be posted to https://www.bbvasecurities.com/important-disclosures. From time to time, you will receive written information and disclosures in addition to this Guide, including our Form CRS, a Rollover Comparison Report, the PNCMAS Disclosure Documents, your account agreements, our fee schedules, trade confirmations and disclosures and acknowledgments regarding particular products and services, as well as oral disclosures provided by our financial representatives. All such other information and disclosures shall supplement this Guide.

12. Considerations for Rollover Transactions

A decision to engage in a "rollover" transaction (for example, to roll your 401(k) or similar employer-sponsored retirement plan assets over to an individual retirement account ("IRA")) rather than keeping assets in a previous employer's plan or rolling over to a new employer's plan is a very important one that can have significant impacts on your financial situation, both short-term and long-term.

If you are changing jobs, generally you have the following options for your 401(k) or similar employer-sponsored retirement plan:

- ➢ Leave the money in your previous employer's plan, if that is an option;
- ➢ Roll your savings over into your new employer's plan (if that option is available and permitted by the new employer);
- ➢ Roll your savings over to an IRA; and
- ➢ Cash out your savings and close your account.

> Note that the "cash-out" option (taking a lump sum distribution that is not rolled over into another plan or IRA) will be costly for most younger individuals. In general, tax penalties will apply if you are below the age of 59½ and the distribution will be taxed as ordinary income.

In making a decision to roll your plan's assets over to an IRA with us or any other financial services firm, you should carefully and fully consider various factors, the importance of which will depend on your individual needs and circumstances. Among the factors that typically need to be considered and analyzed are the following:

Investment Options	An IRA often enables an investor to select from a broader range of investment options than a plan. The importance of this factor will depend in part on how satisfied you are with the options available under the plan under consideration. For example, if you are more satisfied by the low-cost institutional funds available in some plans than an IRA's broader array of investments is an important factor.
Fees and Expenses	Both plans and IRAs typically involve (i) investment-related expenses and (ii) plan or account fees. Investment-related expenses may include sales loads, commissions, the expenses of any mutual funds in which assets are invested and investment advisory fees. Plan fees typically include plan administrative fees (*e.g.,* recordkeeping, compliance, trustee fees) and fees for services such as access to a customer service representative. In some cases, employers pay for some or all of the plan's administrative expenses. An IRA's account fees may include, for example, administrative, account set-up and custodial fees.
Services	You may wish to consider the different levels of service available under each option. Some plans, for example, provide access to investment advice, planning tools, telephone help lines, educational materials and workshops. Similarly, IRA providers offer different levels of service, which may include full brokerage service, investment advice, distribution planning and access to securities execution online.
When Do You Expect to Need the Money?/Penalty-Free Withdrawals	If you leave your job between age 55 and 59½, you may be able to take penalty-free withdrawals* from a plan. In contrast, penalty- free withdrawals generally may not be made from an IRA until age 59½. It also may be easier to borrow from a plan. You should contact your plan administrator for information regarding the rules that apply to your plan. Also, you should consult your tax advisor. **Taxes will still apply.*
Protection from Creditors and Legal Judgments	Generally speaking, plan assets have unlimited protection from creditors under federal law, while IRA assets are protected in bankruptcy proceedings only. State laws vary in the protection of IRA assets in lawsuits.
Required Minimum Distributions	Once an individual reaches age 72, the rules for both plans and IRAs require the periodic withdrawal of certain minimum amounts, known as the required minimum distribution. If a person is still working at age 72, however, he or she generally is not required to make required minimum distributions from his or her current employer's plan. This may be advantageous for those who plan to work into their 70s.
Employer Stock	If you hold significantly appreciated employer stock in a plan, you should consider the negative tax consequences of rolling the stock to an IRA. If employer stock is transferred in-kind to an IRA, stock appreciation will be taxed as ordinary income upon distribution. The tax advantages of retaining employer stock in a non-qualified account should be balanced with the possibility that you may be excessively concentrated in employer stock. It can be risky to have too much employer stock in your retirement account -- for some investors, it may be advisable to liquidate the holdings and roll over the value to an IRA, even if it means losing long-term capital gains treatment

on the stock's appreciation.

Depending upon the type of account you maintain, our financial representative may provide you with a recommendation concerning whether you should roll your 401(k) or other similar employer-sponsored retirement plan over to an IRA which will receive transaction-based services through BBVA Investments and/or PIA or managed account services through PNCMAS.

If you are a self-directed brokerage customer and establish an IRA or determine to open a wrap fee account with PNCMAS or otherwise through an IRA, you will not receive a recommendation from one of our financial representatives regarding your decision to establish your IRA or concerning any decision you make to roll your plan assets into the IRA.

We and our financial representative have a financial incentive to recommend that you roll assets out of a retirement plan, such as a 401(k) plan, and into an individual retirement account (IRA) that invests in products or services available through us because we and our financial representative will be paid on those assets. For example, if as a result of a rollover transaction (a) you establish a BBVA Investments account or transact through BBVA Investments, we will receive Transaction-Based Compensation and Trail/Other Ongoing Compensation, which we will share with the financial representative, and we also may receive certain types of Supplemental Compensation and Benefits or (b) you establish a PNCMAS managed account, our financial representative will receive incentive-based compensation that takes into account the ongoing asset-based management fees received by PNCMAS. You should be aware that such fees and commissions likely will be higher than those you pay through the plan, and there can be custodial and other maintenance fees in addition to our commissions and fees. As securities held in a retirement plan are generally not transferred to an IRA, commissions and sales charges may be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan. See **Section 5 - Commissions, Sales Charges and Other Transaction-Based Compensation; Ongoing Compensation Payments**, **Section 7 – Third-Party Revenue and Supplemental Compensation and Benefits** and **Section 9 – Financial Representative Compensation and Related Conflicts of Interest** for additional information.

If our financial representative provides you a "rollover" recommendation, the recommendation will be based on your investment profile (including your other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs and risk tolerance), as well as information that you provide to the financial representative concerning the features, restrictions and options under your existing 401(k) or similar employer-sponsored retirement plan. In order to ensure that our financial representative bases his or her recommendation on the right information, it is important that you provide the representative with full and accurate information. Our financial representative will use that information to help you analyze your options, and will provide you with a Rollover Comparison Report for your review and consideration. Although our financial representative may provide you with a recommendation based on the information you provide, the ultimate decision is yours. So, you should make sure all of your questions are answered before deciding. Note that neither we nor any of our financial representatives will provide you with any tax, accounting or legal advice and you should consult with your own tax, accounting and legal advisors.

BBVA Investments

ADDENDUM 1 – ADDITIONAL INFORMATION CONCERNING SELECTED PRODUCTS

Appearing below are brief summaries of certain information concerning various investment products available to qualifying customers of BBVA Investments, a division of BBVA Securities Inc. ("BBVA Investments"). This information is provided for the convenient reference of BBVA Investments customers, but is not intended to be comprehensive or to address all relevant potential benefits, risks or other characteristics of the products. Customers should review the more detailed information contained in the applicable prospectus, offering document, contract or other legal documentation relating to the products, as well as information contained in any separate disclosure and/or acknowledgment documents provided by BBVA Investments. If you have questions, please ask your BBVA Investments financial representative to help you obtain additional information.

Defined terms appearing below that are not otherwise defined in this Addendum have the meanings given to those terms in the Guide to Services and Conflicts of Interest Disclosure (the "Guide to Services").

By investing through BBVA Investments or its affiliates and their representatives, you acknowledge that you understand the following:

- **Securities and insurance products (collectively referred to below as "Financial Products") are not obligations of or guaranteed or insured by the U. S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other United States agency or agency of any state or other government;**
- **Financial Products are not deposits or other obligations of and are not distributed, endorsed, insured or guaranteed by any bank or financial institution (including BBVA USA) or by BBVA Securities Inc. (including its BBVA Investments division or any of their affiliates;**
- **Securities (including variable annuities and variable life policies) are subject to investment risk, including the possible loss of principal;**
- **The payment of claims and benefits under an insurance product policy or contract is dependent upon the claims and benefits paying ability of the issuing insurance company;**
- **Further, (a) the purchase of the insurance product from BBVA USA or PNC Insurance Agency, Inc. (formerly known as BBVA Insurance Agency, Inc.) is not a condition to the provision of, and will not affect the terms of, any loan of money or extension of credit by BBVA USA or its affiliates; (b) insurance and insurance products are available through insurance agents not associated with BBVA USA, BBVA Securities Inc. (including its BBVA Investments division), or BBVA USA, PNC Insurance Agency, Inc. or any or their affiliates; and (c) the choice of another insurance provider will not affect decisions by BBVA USA or its affiliates relating to, or the terms of, any loan or extension of credit; and**
- **The rate of return on Financial Products is not guaranteed. The value of Financial Products will fluctuate, and on any given day the value of your Financial Products could be more or less than the purchase price. <u>Past performance is not a guarantee of future results.</u>**

<u>Risks of Investing</u>

All investments are subject to risk of loss of all or a portion of the assets invested and generally, it is necessary to invest in assets that have a higher risk of loss in order to obtain a higher potential for long-term gains. There is no guarantee that any of the investments or strategies available through BBVA Investments, PNC Insurance Agency, Inc. or PNC Managed Account Solutions, Inc. (formerly known as BBVA Wealth Solutions, Inc.) will meet your objectives or will, in any event, protect your assets from the potential for losses. The types of risk you will incur will differ based on the particular investment strategy employed and the types of investments made in pursuit of the strategy and the level of "exposure" to each category of investments. Some or all of the following types of risks will be present:

- <u>Concentration Risk (Lack of Diversification)</u>: A strategy that concentrates its investments in a particular section of the market (such as the utilities or financial services sectors) or a specific geographic area (such as a country or state) may be impacted by events that adversely affect that sector or area, and the value of a portfolio using such a strategy may fluctuate more than a less concentrated portfolio.
- <u>Market Risk</u>: The price of a security, bond, mutual fund or other Financial Product may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business/Sector Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Liquidity Risk: Investing in an illiquid (difficult to trade) security may restrict its ability to dispose of investments in a timely fashion or at an advantageous price, which may limit the ability to take full advantage of market opportunities.
- Equity Investment Risk: Equity investments are highly volatile and are subject to stock market risk, with the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
- Investment Selection Risk: When a particular stock, bond or other investment is selected by you or your portfolio manager, there is a risk that the investment selected will underperform the general market and/or other comparable investments within the same asset classification.
- Fixed Income Risk: Fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce the yield that an investor receives. These risks may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets.
- Foreign, Emerging Markets Equity and Fixed Income Risk: Investments in these types of securities have considerable risks; investments in securities of foreign and emerging markets issuers involve different investment risks than those affecting obligations of U.S. issuers. Public information may be limited with respect to foreign and emerging markets issuers; foreign and emerging markets issuers may not be subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies. There may also be less government supervision and regulation of foreign and emerging markets securities exchanges, resulting in less liquidity and more volatility than securities of comparable domestic issuers. Brokerage commissions and other transaction costs on foreign and emerging markets securities exchanges are generally higher than in the U.S. dividends and interest paid by foreign and emerging markets issuers may be subject to withholding and other foreign taxes, which may decrease the net return on foreign investments as compared to dividends and interest paid by U.S. companies. Such markets often have different clearance and settlement procedures for securities transactions. Additional risks include future political and economic developments, the possibility that a foreign jurisdiction might impose or change withholding taxes on income payable with respect to foreign and emerging markets securities, and the possible adoption of foreign governmental restrictions such as exchange controls. Since the securities purchased in a foreign or emerging markets portfolio can be denominated or quoted in currencies other than the U.S. dollar, changes in foreign currency exchange rates may affect the value of securities in the portfolio.
- Small Company Investment Risk: Smaller companies typically have a higher risk of failure and are not as well-established as larger "blue-chip" companies. Historically, smaller company stocks have experienced a greater degree of market volatility than the overall market average.
- Large Company Investment Risk: There is a risk that large-capitalization stocks will trail returns from the overall stock market. Large-cap stocks tend to go through cycles of doing better – or worse – than the stock market in general. The duration of these periods have, in the past, lasted for as long as several years and, in any event, cannot be predicted.

- High-Yield Fixed-Income Securities Risk: Investments in high-yielding, non-investment grade bonds involve higher risk than investment grade bonds. Adverse conditions may affect the issuer's ability to make timely interest and principal payments on these securities.
- Structured Products Risk: Structured products involve a significant amount of risks, as they are often based on derivatives. Structured products are intended to be "buy and hold" investments and are not liquid instruments.
- Commodity Risk: The price of commodities, such as gold and currency, is subject to substantial price fluctuations over short periods of time and may be affected by unpredictable international monetary and political policies. The market for commodities is widely unregulated and concentrated investing may lead to higher price volatility.
- Tax Risk: The tax treatment of investments may be adversely affected by future tax legislation, Treasury Regulations and/or guidance issued by the Internal Revenue Service that could affect the character, timing, and/or amount of taxable income or gains attributable to the investment. Income from tax-exempt municipal obligations could be declared taxable because of unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or non-compliant conduct of a bond issuer.

Brief Product Descriptions

Mutual Funds -- A mutual fund is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. The combined holdings of the mutual fund are known as its portfolio. Investors buy shares in mutual funds and each share represents the investor’s part ownership in the fund and the income it generates. Mutual fund shares are not traded on an exchange and instead the issuer of the fund is obligated in most cases to “redeem” the investor’s shares at the net asset value (“NAV”) of the shares, that is, the value of the fund’s assets minus its liabilities divided by the number of shares outstanding. Typically, mutual funds are managed by investment advisers who research, select and monitor the securities held in the fund. All mutual funds (including “no-load” funds and load funds purchased at NAV through load waivers) have ongoing expenses that are paid out of fund assets and will impact the return received by you. Specifically, funds are subject to various fees, charges and expenses of the fund/investment vehicle or their sponsors, managers or distributors, including management fees, distribution expenses, 12b-1 fees, shareholder servicing fees, custody fees, transfer agency fees, administration fees and similar fees and expenses. The mutual fund issuers and distributors are not affiliated with BBVA Investments or any members of the BBVA Group.

Equity-based mutual funds are subject to risks similar to those of stocks. Fixed-income mutual funds are subject to risks similar to those of bonds and other fixed income securities, but also are subject to certain risks similar to those of publicly-traded equity securities. Fixed income risks include credit risk, interest rate risk and prepayment risk. Mutual funds that invest in foreign (non-U.S.) securities have unique and greater risks than mutual funds that invest only in U.S. domestic securities.

> **Note: In most cases, domestic customers of BBVA Investments are eligible to purchase U.S. mutual funds, whereas international customers of BBVA Investments are eligible to purchase mutual funds issued by non-U.S. companies and purchased in “offshore” transactions (“offshore funds”). U.S. mutual funds are registered with the Securities and Exchange Commission under the Investment Company Act of 1940. Offshore funds are similar in many respects to U.S. mutual funds, but are not registered as securities in the United States and are domiciled and operate outside of the United States. In most cases, the offshore funds available through BBVA Investments will function very similarly to their U.S. counterparts in terms of structure, investments, operations, risks, fees, expenses and costs.**

Before investing in a mutual fund, you should carefully read and review the prospectus or other offering document prepared by the issuer. Mutual funds typically offer different classes of shares and, in some instances, an investor may be eligible to purchase more than one type of share. Please see below for “IMPORTANT CONSIDERATIONS WHEN SELECTING SHARE CLASSES.”

529 College Savings Plans (“529 Plans”) -- A 529 Plan is a tax-advantaged savings plan designed to encourage saving for educational costs. 529 Plans, legally known as “qualified tuition plans,” are sponsored by states, state agencies, or educational institutions and are authorized by Section 529 of the Internal Revenue Code. In most cases, the 529 Plans available through BBVA Investments will function very similarly to U.S. mutual funds in terms of structure, investments, operations, risks, fees, expenses, costs and sales charge options. See above under “Mutual Funds.” The 529 Plan sponsors are not affiliated with BBVA Investments or any members of the BBVA Group.

Before investing in a 529 plan, you should carefully read and review the prospectus or other offering document prepared by the plan sponsor. 529 Plans typically offer different classes of shares and, in some instances, an investor may be eligible to purchase more than one type of share. Please see below for “IMPORTANT CONSIDERATIONS WHEN SELECTING SHARE CLASSES.”

Unit Investment Trusts (“UITs”) -- UITs are hybrid investments; sharing some of the qualities of mutual funds and some of the qualities of closed-end funds. UITs typically make a one-time public offering of a set number of shares (called “units”). Unlike mutual funds and most closed-end funds, a UIT's portfolio is not actively traded, and the UIT will have a set termination date at which time the UIT will dissolve and distribute assets to investors, either in cash or proportionally. UIT issuers are not required to redeem UIT units prior to maturity and there is no formal secondary market for UIT units, but most UIT issuers offer investors to redeem their units before the UIT terminates at the approximate market value of the UITs. The UIT issuers are not affiliated with BBVA Investments or any members of the BBVA Group.

Before investing in a UIT, you should carefully read and review the prospectus or other offering document prepared by the issuer.

<u>Exchange-Traded Products</u> -- Like mutual funds, exchange-traded funds ("ETFs") offer investors a way to pool their money in a fund that makes investments and, in return, to receive an interest in that investment pool. Unlike mutual funds, however, ETF shares are traded on a stock or other securities exchange and at market prices that may not be the same as the NAV of the shares. An ETF is designed to track one or more designated stocks, bonds, commodities or other indices ("underliers"). The underliers of an ETF are not actively managed, making ETF shares very similar to index mutual fund shares. The ETF issuers are not affiliated with BBVA Investments or any members of the BBVA Group.

Equity-based ETFs are subject to risks similar to those of stocks. Fixed-income ETFs are subject to risks similar to those of bonds and other fixed income securities, but also are subject to certain risks similar to those of publicly-traded equity securities. Fixed income risks include credit risk, interest rate risk and prepayment risk. ETFs that invest in foreign (non-U.S.) securities have unique and greater risks than ETFs that invest only in U.S. domestic securities.

ETFs have fees and expenses that impact the trading price of the ETF's shares. Please refer to the prospectus, and/or other offering or disclosure documents available for the ETF for details regarding applicable internal fees and expenses and risks of the ETF you are purchasing. Typically, the expenses of an ETF are lower than the expenses of actively managed mutual funds, which generally have higher management fees and brokerage expenses. In addition to the internal fees and expenses of the ETF, investors will incur a commission or sales charge, as well as ticket charges and certain other transaction fees and charges, when the investor buys and sells shares of the ETF.

Before investing in an ETF, you should carefully read and review the prospectus or other offering document prepared by the issuer.

<u>Structured Products</u> -- Structured products is a broad category of investments that represent an unsecured debt obligation of a designated issuer (such as a bank or other financial company), but where the benefits available to the investor (and, in many cases, whether the investor's principal invested is returned) is dependent upon the performance of designated "underliers," which typically are designated stocks, ETFs, indices (which may be market indices or proprietary indices created by the issuer or others) or other financial products or factors. Except in the case of BBVA Global Markets Structured Notes available to international customers as described in the Guide to Services, structured product issuers are not affiliated with BBVA Investments or any members of the BBVA Group.

Structured products are complex and sophisticated securities, are not ordinary debt securities, are long-term investment vehicles, and are not suitable for all investors. Structured Products are intended to be <u>held to maturity</u> and are <u>not liquid</u> investments. If you sell your investment prior to maturity, you may receive less than you originally paid, depending on the availability, if any, of a secondary market and the market value at the time you sell your investment.

Some structured products are issued by FDIC-insured banks as "*market-linked certificates of deposit*" and have the benefit of FDIC insurance coverage up to applicable limits, while others are issued as *structured notes* that are unsecured debt obligations of the issuer (such as a bank or other financial company) and will be, dependent on the stated terms, *fully principal protected* (i.e., the issuer is obligated to repay the investor's principal at maturity), *partially principal protected* (i.e., the issuer is obligated to repay a designated portion of the investor's principal at maturity but the remaining principal remains at risk and may be lost) or *non-principal protected* (i.e., all of the principal amount invested is at risk and may be lost).

Before investing in a structured product, you should carefully read and review the prospectus or other offering document prepared by the issuer.

<u>Fixed Annuities</u> -- Fixed annuities are insurance products, and are a contract with the issuing insurance company, the terms of which are specified in the annuity contract or policy. With a fixed annuity, the insurance company agrees to provide both a rate of return (the interest rate) and the payout to the investor. Fixed annuities typically have two phases – an accumulation phase (during which the money contributed will earn interest at a designated fixed rate of interest) and an income phase (during which the money the investor accumulated in the annuity can be turned into a stream of income payments). *Fixed annuities are made available through licensed insurance agents of PNC Insurance Agency, Inc. ("PIA"), an affiliate of BBVA USA. BBVA USA and BBVA Investments are not providing insurance services to you.*

In addition to traditional fixed annuity products, PIA offers the following types of specialized fixed annuity products issued by various insurance companies:

Single-Premium Immediate Annuities (SPIAs) -- A single premium immediate annuity is a type of fixed annuity insurance product in which you pay a single premium at the time of entering into the insurance contract and the insurance company agrees to make payments to you over time based on a payout option selected by you. SPIAs are designed to provide income during the lifetime of one individual. Your payout election determines whether residual distributions or death benefits will be payable upon the death of the annuitant. Most SPIAs offer both single and joint life income elections.

Fixed Indexed Annuities (FIAs) -- A fixed indexed annuity is a type of fixed annuity insurance product that allows you to select a potential rate of return based upon or triggered by the performance of an equity index or other equity market based factor. In the event that the relevant equity index or market performance does not produce an index-based return under the terms of the annuity, your return may consist of only the minimum interest credited according to the annuity, if any, or otherwise your rate of return may be 0%.

Fixed annuities are not securities and instead are contracts with the issuing insurance company. In deciding to purchase a fixed annuity product, you should review and understand the terms of the annuity as specified in the annuity contract or policy and the information and disclosures of the issuing insurance company. Fixed annuities are long-term contracts, and early withdrawals or surrenders may result in substantial penalties or charges. **Payments under the annuity depend solely on the financial condition and performance of the issuing insurance company.** The issuing insurance companies are not affiliated with PIA, BBVA Investments or any of their affiliates.

Variable Annuities and Similar Products -- A variable annuity is a contract between you and an insurance company that also is a securities product. It serves as an investment account that may grow on a tax-deferred basis and includes certain insurance features, such as the ability to turn your account into a stream of periodic payments. You purchase a variable annuity contract by making either a single purchase payment or a series of purchase payments. A variable annuity offers a range of investment options. The value of your contract will vary depending on the performance of the investment options you choose. The investment options for a variable annuity are typically mutual funds that invest in stocks, bonds, money market instruments, or some combination of the three.

Index-Linked Variable Annuities - An index-linked annuity is a long-term insurance product designed to provide growth potential for the investor's money. It has downside risk, but less risk than traditional variable annuities. The growth potential is based on the performance of one or more market indexes, up to a cap. Partial protection is available through certain account options, buffers and/or floors. When index performance is positive during a term, the annuity may earn interest credits, limited by a cap or participation rate. Index declines can result in negative interest credits, with a level of protection from any loss.

The variable annuity issuers are not affiliated with BBVA Investments, PIA or any of their affiliates. **Before investing in a variable annuity product, including an index-linked variable annuity, you should carefully read and review the prospectus or other offering document prepared by the issuer.**

Variable Universal Life Policies ("VULs") -- VULs are both insurance products and securities products. The VUL which you have purchased is a contract with the issuing insurance company, the terms of which are specified in the insurance contract or policy. VUL insurance is a type of permanent life insurance, meaning that it remains in force for the policyholder's whole life. Universal life policies, including VUL, differ from typical whole life insurance, however, by separating the death benefit from the insurance company's expenses and costs and the policy's cash value. **Variable universal life insurance is a complex product that is subject to market risk, including the potential loss of principal invested.**

A key difference between VUL insurance and other types of permanent insurance is that, in the case of a VUL, the policyholder directs how premiums are invested by choosing from among available "subaccounts" offered by the insurance company. This provides access to the potentially higher returns provided by financial markets, but also means that investment returns could underperform those provided by other life insurance products and/or other types of investment products. If the selected subaccounts perform well, policy features (for example, cash value and, in the case of such policies, the death benefit) that are tied to the investment performance will be positively impacted, whereas if the selected subaccounts perform poorly, those policy features will be negatively impacted. Lower than anticipated performance of the underlying subaccounts may necessitate the payment of additional premiums.

The variable annuity issuers are not affiliated with BBVA Investments, PIA or any of their affiliates. **Before deciding to purchase a VUL, you should carefully read the prospectus, the insurance contract or policy and the information and disclosures of the issuing insurance company, including disclosures of applicable fees, penalties, contractual surrender charges and the death**

benefits, if any, payable under the VUL.

Brokered Certificates of Deposit ("Brokered CDs") -- A brokered CD is a certificate of deposit issued by a bank that an investor purchases through a brokerage firm or sales representative rather than directly from a bank. BBVA Investments offers its customers the opportunity to choose from among a list of brokered CDs provided by BBVA Investments' clearing firm (Pershing). The CD is an unsecured obligation of the issuing bank and the safety of the investment is dependent on the credit and financial strength of the issuing bank. However, brokered CDs offered by BBVA Investments are issued by FDIC-insured banks and have the benefit of FDIC insurance coverage up to applicable limits. *FDIC coverage limits are based on total holdings by the investor with the issuing bank and not just on the basis of CDs purchased through BBVA Investments.* The issuing banks determine the terms of the brokered CD (including maturity and stated interest rate/yield) and the amount of the sales credit paid to BBVA Investments (which sales credit is deducted from the interest rate/yield paid to the investors). You will receive and should carefully read the disclosure statement prepared by the issuing bank.

U.S. Treasury and Agency Securities – "***U.S. Treasuries***" are issued by the U.S. Department of the Treasury on behalf of the federal government and are backed by the full faith and credit of the U.S. government. Types of U.S. Treasury debt include: *Treasury Bills* (short-term securities maturing in a few days to 52 weeks); *U.S. Treasury Notes* (longer-term securities maturing between 1 and 10 years); *U.S. Treasury Bonds* (long-term securities that typically mature in 30 years and pay interest every 6 months); and *Treasury Inflation-Protected Securities or "TIPS"* (notes and bonds with maturities of 5, 10 or 30 years and paying interest every 6 months; the principal is adjusted based on changes in the Consumer Price Index). "***U.S. Agency Securities***" are issued by various types of direct U.S. government agencies or divisions such as the Government National Mortgage Association (Ginnie Mae), or by "government sponsored enterprises" (GSEs), such as Fannie Mae and Freddie Mac, that are privately owned but were chartered by the U.S. government to perform certain public purposes. Agency securities are not issued by, or obligations of, the U.S. Department of Treasury. Ginnie Mae obligations are backed by the full faith and credit of the U.S. government, but in the case of GSEs the level of backing, if any, by the credit of the U.S. government varies based on the issuer and the program under which the securities are issued. **Many GSEs provide detailed disclosure documents relating to their securities and investors should carefully review the disclosure documents before investing.**

Corporate Debt Securities (Corporate Bonds) -- A corporate bond is an investment in debt issued by a company to help it fund its capital or liquidity needs. In most cases, corporate bonds are unsecured and repayment depends entirely on the payment ability of the company, which in turn depends on its future revenues and related economic conditions and contingencies. The issuing company establishes the terms of the bond, including its maturity, whether the bond will bear interest (and, if so the applicable interest rate) and whether and at what price the issuer and/or the investor will have rights of redemption prior to maturity. If an investor purchases a corporate bond when it is initially issued, the investor typically will receive, and should carefully review, the prospectus or other offering document prepared by the issuer. In the case of bonds issued by U.S. "public" companies that are purchased on the secondary market, financial and other information concerning the issuer may be obtained at www.sec.gov/edgar/searchedgar/companysearch.html.

Municipal Debt Securities (Muni Bonds) -- Municipal bonds are debt securities issued by states, cities, counties and other governmental entities to finance capital projects or to fund day-to-day obligations. The two most prevalent types of municipal bonds are *general obligation bonds*, often called GO bonds, where the issuer pledges to repay investors from its sources of public funding (including, where applicable, taxes and appropriations), and *revenue bonds* which are backed by the revenue that a specific project is expected to generate (such as public highway tolls) or other identified source of revenue (such as collections from a particular tax). The issuer establishes the terms of the bond, including its maturity, whether the bond will bear interest (and, if so the applicable interest rate) and whether and at what price the issuer and/or the investor will have rights of redemption prior to maturity.

Money Market Mutual Funds -- Money market mutual funds are a special type of mutual fund that is designed to allow for pooled investment at a relatively low risk of loss of the principal amount invested. Money market mutual funds lower risk by restricting their investments in certain high-quality, short-term investment instruments issued by approved types of issuers. Because they are structured to reduce risk, the potential investment returns available to investors are typically low by comparison to other investments. BBVA Investments brokerage customers have the opportunity to choose from a menu of money market mutual funds to serve as the "sweep" vehicle for short-term investment of cash balances in their brokerage accounts. **You could lose money by investing in a money market mutual fund. Although money market mutual funds seek to preserve the value of investments at $1.00 per share, the funds do not guarantee that they will do so. An investment in a money market mutual fund is not insured or guaranteed by the FDIC or any other government agency. The sponsor of a money market mutual fund has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.**

BBVA Investments

IMPORTANT CONSIDERATIONS WHEN SELECTING SHARE CLASSES

In purchasing shares of a mutual fund or 529 Plan (collectively referred to below as a "fund"), it is important that you fully understand your options regarding the purchase of the class of shares which you have selected and the impact of your decision upon the ongoing fees and expenses associated with your purchase and any subsequent sale of the shares:

- "A shares" charge an up-front sales fee or "front-end load" at the time of purchase, and will usually have lower ongoing service fees and expenses than "C shares"* of the same fund.

  **Some funds also offer "B shares." However, BBVA Investments does not recommend B shares purchases to its full-service brokerage customers.*

- Purchases of C shares do not trigger an up-front sales charge or front-end load, but C shares are subject to higher ongoing service fees and expenses than A shares and will be assessed a Contingent Deferred Sales Charge ("CDSC") or "back-end load" if shares are sold within the surrender period set forth in the fund prospectus.

- A shares in the family of funds you have selected may qualify for reduced sales charges through:

  - The application of a "Breakpoint," which lowers the sales charge percentage for an initial transaction of a particular amount;

  - The use of a "Letter of Intent" allowing a reduced sales charge because the investor agrees to invest an amount sufficient to meet a Breakpoint within a certain time frame; or

  - "Rights of Accumulation," which permit an investor to combine holdings of A shares within a fund family in order to receive reduced sales charges on new purchases in excess of Breakpoint amounts.

  The availability of reduced sales charges may be impacted by the dollar size of the contemplated transaction, the dollar size of anticipated transactions, and amounts previously invested in the specific fund and other related funds as disclosed in the prospectus. These factors may apply if mutual fund holdings are held in related accounts (other accounts in which you or your immediate family have an interest) with BBVA Investments, the mutual fund company, or other securities firms.

- Investments in C shares do not qualify for Breakpoints, Letters of Intent or Rights of Accumulation. Over time, the increased ongoing service fees and expenses associated with large purchases of C shares will generally exceed any savings that may be achieved by avoiding the up-front sales charge associated with A shares, regardless of whether or not the C shares are sold while subject to a CDSC or back-end load. The selection of funds from multiple fund families can negatively impact the availability and the percentage of reduced sales charges available on A share purchases through Breakpoints, Letters of Intent or Rights of Accumulation.

If you invest in a fund, you will be provided a copy of the prospectus for each fund in which you have invested, and by completing the purchase you acknowledge that you have read and understood the content of each prospectus before making your decision to invest and that you have relied solely upon the information in the fund prospectus in making your investment decision and selecting the class of shares in which you have invested, including disclosures of any applicable fees, expenses, sales charges, other charges and sales charge reductions.

You should inform your BBVA Investments financial representative of existing mutual fund holdings in related accounts or accounts held at other firms which may qualify you for reduced sales charges.

BBVA Investments

ADDENDUM 2

TYPICAL PRODUCT COSTS, TRANSACTION-BASED COMPENSATION AND TRAIL/OTHER ONGOING COMPENSATION PAYMENTS

Product	Typical Product Cost	Typical Transaction-Based Compensation Received by Us	Typical Trail/Other Ongoing Compensation
Mutual Funds	*U.S. Funds (SEC-registered)*: Net Expense Ratios* as disclosed in the applicable fund prospectus. Net Expense Ratios of funds we currently offer range from 0.4% - 2.0% of fund assets for A shares and 1.0% - 2.7% of fund assets for C shares. **Takes into account effect of expense waiver arrangements disclosed by prospectus, which waivers reduce the funds otherwise applicable total (gross) expense ratio. These waivers have expirations and there is no assurance they will be renewed.* *Offshore Funds*: Net Expense Ratios of funds we offer range from 0.65% - 3.6% of fund assets (source: 2019 annual reports of applicable funds).	Loads or Sales Charges as disclosed in the fund's prospectus or other offering document: *U.S. Funds (SEC-registered)*: Maximum by law is 8.5%, but in the case of A shares typically range from 1% - 5.75% of the amount invested and in the case of C Shares typically are 1% * Breakpoints and rights of accumulation may apply as described in the fund's prospectus. **Note: Higher annual trailer fees apply in the case of C shares (see "Typical Trail/Other Ongoing Compensation").* *Offshore Funds*: Typically, 0.75% of the amount invested for fixed income funds and 1.25% of the amount invested for equity funds.	*U.S. Funds (SEC-registered)*: Various forms of ongoing payments will apply, which may include 12b-1 fees, trailer commissions, shareholder servicing fees, administrative services fees, sub-transfer agent fees and similar fees. Maximum applicable 12b-1 fees, shareholder servicing fees and sub-transfer agent fees typically are disclosed in the fund prospectus. Typical 12b-1 fees are 0.25% - 0.3% annually on the assets invested in the case of Class A Shares and 0.65% - 1% annually in the case of Class C Shares. *Offshore Funds*: Various forms of ongoing payments (which may include distribution fees, trailer fees, rebates or retrocession fees). The distribution fees (trailer fees) are typically paid out of the fund total expense ratio and in particular from the fund's management fees which is a component of the fund expense ratio. Management fees typically range from 0.2% - 2% annually on the assets invested and trailer fees or service commissions typically range from a 0.23% - 0.88% annually. -- See also "**Note Re Indirect Payments Through Clearing Firm**" below.
Money Market Mutual Funds (Customer Account Sweep Balances)	*U.S. Funds (SEC-registered)*: Net Expense Ratios* as disclosed in the applicable fund prospectus. Net Expense Ratios of funds we currently offer range from 0.2 - 1.05% of fund assets. **Takes into account effect of expense waiver arrangements*	N/A	*U.S. Funds (SEC-registered)*: Various forms of ongoing payments, which may include 12b-1 fees, trailer commissions, shareholder servicing fees, administrative services fees, sub-transfer agent fees and similar fees. Maximum applicable 12b-1

Product	Typical Product Cost	Typical Transaction-Based Compensation Received by Us	Typical Trail/Other Ongoing Compensation
	disclosed by prospectus, which waivers reduce the fund's otherwise applicable total (gross) expense ratio. These waivers have expirations and there is no assurance they will be renewed. *Offshore Funds*: Net Expense Ratios of funds we offer range from 0.18% - 1.07% of fund assets (source: 2019 annual reports of applicable funds).		fees, shareholder servicing fees and sub-transfer agent fees typically are disclosed in the fund prospectus. Payments vary from fund-to-fund and typically range from 0.15% - 0.87% annually on the assets invested. *Offshore Funds*: Various forms of ongoing payments (which may include distribution fees, trailer fees, rebates or retrocession fees). The distribution fees (trailer fees) are typically paid out of the fund's total expense ratio. Payments vary from fund-to-fund up to a maximum of 0.90% annually.
529 Plans	529 Plans typically have fee, cost, share charge/load and share class options similar to U.S. (SEC-registered) mutual funds. See above under "Mutual Funds."	Loads or Sales Charges as disclosed in the applicable offering document: In the case of A shares, Loads and Sales Charges typically range from 1.0% - 5.75% of the amount invested and, in the case of C shares, Loads and Sales Charges typically are 1%.* Breakpoints and rights of accumulation may apply as described in the product prospectus. **Note: Higher annual trailer fees apply in the case of C shares.*	Various forms of ongoing payments, typically ranging from 0.25% - 1.0% annually on the amount invested.
Unit Investment Trusts (UITs)	Typically, UITs have the following types of fees and expenses as established by the issuer: **Sales Charges and Fees (includes deferred loads and creation and development fees) as disclosed in the UIT prospectus**: Vary based on maturity and types of underliers and typically from 1.50% - 2.75%. **Organizational Costs**: Ranging from 0.1% - 0.7% **UIT Expense Ratio* (which include applicable "acquired fund" expenses)**: Typical range is 0.15% - 4.25%, but some Business Development Companies (BDCs) may have higher Net Expense Ratios. <u>Note</u>: Redemption Fees apply only during the period of the deferred charges.	A substantial portion of the Sales Charges and Fees as disclosed in the UIT's prospectus, which typically range from 1.50% - 2.75% of the amount invested, depending on maturity and underliers.	N/A
Exchange-Traded Funds/Exchange-Traded Notes (ETFs)	*Domestic ETFs:* Expense Ratios are disclosed in applicable prospectus or other	Trade-by-Trade Commissions as described in the applicable BBVA Investments fee schedule - - currently, 0.5% of the amount invested,	N/A

Product	Typical Product Cost	Typical Transaction-Based Compensation Received by Us	Typical Trail/Other Ongoing Compensation
	offering document and range from 0.03% - 2.55% of ETF fund assets. Offshore ETFs: Expense Ratios typically between 0.07% - 0.75% of ETF fund assets.	subject to a minimum of US$50. *Note: Available on a solicited basis only to International Group customers. Other customers are permitted to purchase on an unsolicited basis under certain circumstances.*	
Fixed Annuities	Surrender Charges and Market Value Adjustments as established by the issuing insurance company. A Surrender Charge is a penalty imposed by the issuing company for withdrawing funds from an annuity prematurely. This surrender charge follows a Surrender Schedule which generally reduces each year following the date of purchase. Typically, the range starts at 9% and reduces to 0% over time. Market Value Adjustment (MVA) is a feature that is often attached to deferred annuities with longer rate guarantees (usually 3 to 10 years). The MVA could increase or decrease the accumulation value of an annuity only if more than the penalty-free amount is withdrawn or the contract is surrendered during the surrender charge period.	Sales Charges or Premiums are established by the issuing insurance company and typically range from 0.50% - 5.0% of the amount invested, based on the annuity product's applicable surrender charge schedule and issue age.	N/A
Fixed Index Annuities	Surrender Charges and Market Value Adjustments as established by the issuing insurance company. A Surrender Charge is a penalty imposed by the issuing company for withdrawing funds from an annuity prematurely. This surrender charge follows a Surrender Schedule which generally reduces each year following the date of purchase. Typically, the range starts at 9% and reduces to 0% over time. Market Value Adjustment (MVA) is a feature that is often attached to deferred annuities with longer rate guarantees (usually 3 to 10 years). The MVA could increase or decrease the accumulation value of an annuity only if more than the penalty-free amount is withdrawn or the contract is surrendered during the surrender charge period. In addition, Riders can be selected and each may add to the basic benefits and, if riders are added, will increase costs based on the riders selected. Typical riders include: • Guaranteed Minimum Withdrawal Benefit • Guaranteed Minimum	Sales Charges or Premiums are established by the issuing insurance company and typically range from 0.25% - 7.5% of the amount invested, based on the annuity product's surrender charge schedule and issue age.	Various forms of ongoing payments, typically ranging from 0% - 1.0% annually on the amount invested based on annuity product's duration and issue age.

BBVA Investments

Product	Typical Product Cost	Typical Transaction-Based Compensation Received by Us	Typical Trail/Other Ongoing Compensation
	Accumulation Benefit • Guaranteed Minimum Income Benefit • Enhanced Death Benefit Riders for Fixed Indexed Annuities typically have a maximum cost of 3%.		
Single Premium Immediate Annuities (SPIAs)	N/A	Sales Charges or Premiums are established by the issuing insurance company and typically range from 1.00% - 4.50% of the amount invested, based on the annuity product's payout schedule and issue age.	N/A
Variable Annuities	Variable Annuity product costs are established by the issuing insurance company and typically include the following: A Surrender Charge is a penalty imposed by the issuing company for withdrawing funds from an annuity prematurely. This surrender charge follows a Surrender Schedule which generally reduces each year following the date of purchase. Typically, the range starts at 9% and reduces to 0% over time. Insurance Expense: The product's insurance expense includes the Mortality and Expense cost, the administrative charge and the distribution charge. Generally, range from 0.3% - 2.0% per year. Annual Contract Charge: The annual contract charge is a maximum of $50 for policies below $50,000. Investment Option Expense: Each of the underlying sub-accounts has its own expense ratio that varies based on the complexity of the investments. Sub-account expenses are borne by the variable annuity holder. Rider Charges: Riders can be selected and each selection may add to the basic benefits and, if riders are added, will increase costs based on the riders selected. Typical riders include: • Guaranteed Minimum Withdrawal Benefit • Guaranteed Minimum Accumulation Benefit • Guaranteed Minimum Income Benefit • Enhanced Death Benefit Rider charges for VAs typically have a maximum cost of 4.4%.	Sales Charges or Premiums are established by the issuing insurance company and typically range from 0.25% - 7.25% of the amount invested, based on the annuity product's surrender charge schedule and issue age.	Various forms of ongoing payments, typically ranging from 0% - 1.0% annually on the amount invested based on the annuity product's duration and issue age.

Product	Typical Product Cost	Typical Transaction-Based Compensation Received by Us	Typical Trail/Other Ongoing Compensation
	<u>Miscellaneous Charges</u>: Transfer charges may apply, typically up to a maximum of $25.		
Index-Linked Variable Annuities	Index-Linked Variable Annuity product costs are established by the issuing insurance company and typically include the following: A <u>Surrender Charge</u> is a penalty imposed by the issuing company for withdrawing funds from an annuity prematurely. This surrender charge follows a Surrender Schedule which generally reduces each year following the date of purchase. Typically, the range starts at 9% and reduces to 0% over time. <u>Insurance Expense</u>: The product's insurance expense includes the Mortality and Expense cost, the administrative charge and the distribution charge. Generally, range from 0.25% - 1.65% per year. <u>Annual Contract Charge</u>: The annual contract charge is a maximum of $50 for policies below $50,000. <u>Rider Charges</u>: Riders can be selected and each selection may add to the basic benefits and, if riders are added, will increase costs based on the riders selected. Typical riders include: • Guaranteed Minimum Withdrawal Benefit • Guaranteed Minimum Accumulation Benefit • Guaranteed Minimum Income Benefit • Enhanced Death Benefit Index-Linked Variable Annuity Riders typically have a maximum cost of 1.3%. <u>Miscellaneous Charges</u>: Transfer charges may apply, typically up to a maximum of $25.	Sales Charges or Premiums are established by the issuing insurance company and typically range from 0.25% - 6.0% of the amount invested, based on the annuity product's surrender charge schedule and issue age.	Various forms of ongoing payments, typically ranging from 0% - 1.0% annually on the amount invested based on the annuity product's duration and issue age.
Variable Universal Life Insurance	Variable life insurance products do not use standardized percentages during the surrender period. Most products do not have a CDSC, but some do have a flat dollar amount fee or a 2.50% to 5.00% charge on the amount surrendered. The surrender charge and the surrender period are both described in the variable life insurance product's prospectus.	We receive a commission from the insurance company, but you pay this commission indirectly because the insurance company's cost for paying commissions is built into the fees and charges of the product. The commissions we receive from the issuing insurance company vary based on the insurance company, and the commissions also typically vary between initial premium payments and subsequent premium payments.	Typically, the issuing insurance company pays us an ongoing commission in years subsequent to year 1 ranging from 1% to 5% of premium payments. Although the commissions are paid by the issuing insurance company, you pay the commissions because the insurance company's cost for

Product	Typical Product Cost	Typical Transaction-Based Compensation Received by Us	Typical Trail/Other Ongoing Compensation
	On-going charges will apply for the cost of providing the death benefits. These charges vary greatly for each insured individual. These charges generally increase as the insured gets older. Also, typically, there is a premium expense charge (sometimes referred to as a premium load), which varies based on premiums paid.	Typically, the commission is usually calculated as a percentage of premiums paid, but the percentage can vary depending on whether the product is purchased with a single premium or on the basis of on-going premiums. For single premium payments and for on-going premium payments, the percentage typically varies from 45.00% to 90.00% of premiums paid in the first year.	paying commissions is built into the fees and charges of the product.
Structured Products (Market-Linked CDs/Fully Principal Protected Structured Notes/Non-Principal Protected and Partially Principal Protected Structured Notes)	<u>Indexed-Based Excess Return Products</u>: The underlying index is calculated on an excess return basis (i.e., the index measures the performance of the selected underlying assets tracked by the index <u>less</u> an embedded charge (typically a designated variable rate plus a service charge established by the issuer). *EXAMPLE: If the product has an embedded charge of 3-month USD LIBOR plus a service cost of 0.85% per annum (accruing daily), on any day the underlying assets tracked by the index must outperform the return on 3-month USD LIBOR plus 0.85% per annum for the index level to increase.*	<u>New Issues</u> For new issues, all or a substantial percentage of the **selling concession** disclosed in the product prospectus or other offering document. The selling concession varies from transaction-to-transaction, and typically ranges from 1.0% - 5.0% of the amount invested. In the case of offshore structured products, the selling concession is received in full by BBVA Investments, but in the case of some U.S. domestic structured products, the issuer may retain part of the selling concession and "allow" the rest to us. <u>Secondary Market Trades:</u> <u>Structured Notes</u>: In the case of secondary market trades in structured notes, typically a ticket charge is received by us as described in its applicable fee schedule, but in some cases a mark-up or mark-down may also be received by us which, if applicable, will be disclosed in the transaction confirmation provided to the customer. Mark-ups and mark-downs, if applicable, are quoted on a transaction-by-transaction basis, are marked according to the price to us, and can vary based on type of security, applicable maturity and other factors. The maximum mark-up and mark-down is 3.0%. See **Note re Mark-Ups and Mark-Downs** below. Market-Linked CDs and Other Structured CDs: In the case of secondary market trades in market-linked CDs and other structured CD products, typically a ticket charge is received by us as described in its applicable fee schedule, but in some cases a mark-up or mark-down may also be received by us which, if applicable, will be disclosed in the transaction confirmation provided to the customer. Mark-ups and mark-downs, if applicable, are quoted on a transaction-by-transaction basis, are marked according to the price to us, and can vary based on type of security, applicable maturity and other factors. The maximum mark-up and mark-down is 1.0% in the case of maturities of up to 5 years and 2% in the case of maturities over 5 years. See **Note re Mark-Ups and Mark-Downs** below.	N/A

Product	Typical Product Cost	Typical Transaction-Based Compensation Received by Us	Typical Trail/Other Ongoing Compensation
U.S. Treasury and Agency Securities	N/A	Mark-up or Mark-down (see Note re **Mark-Ups and Mark-Downs** below) as quoted on a transaction-by-transaction basis and will vary based on type of security, applicable maturity or other factors. U.S. Treasury Notes, Bonds and Strips: Mark-ups and mark-downs are a percentage of the price to us and, typically, are up to a maximum of 1.0% in the case of maturities of 5 years or less and are up to a maximum of 1.5% in the case of longer maturities. Information concerning the applicable mark-up or mark-down applicable to U.S. Treasury Bill and Note transactions will, in many instances, be disclosed on the transaction confirmation provided to the customer. In other cases, including in the case of U.S. Treasury Strip transactions, information concerning the applicable mark-up or mark-down is available upon request by calling 800-239-1930, option 1. U.S. Agency Securities: Mark-ups and mark-downs are a percentage of the price to us. In most cases, mark-ups and mark-downs are up to a maximum of 1.0% in the case of maturities of 5 years or less and are up to a maximum of 3.0% in the case of longer maturities. The amount of the applicable mark-up or mark-down is disclosed in the transaction confirmation provided to the customer. U.S. Agency Discount Notes: The mark-up or mark-down, as applicable, is a percentage of the instrument's yield. Information concerning the applicable mark-up or mark-down is available upon request by calling 800-239-1930, option 1.	N/A
Corporate Debt Securities (Corporate Bonds)	N/A	Mark-up or Mark-down (see note re **Mark-Ups and Mark-Downs** below) as quoted on a transaction-by-transaction basis as a percentage of the price to us and can vary based on type of security, applicable maturity or other factors. The maximum mark-up/mark-down is 3.0%. The applicable mark-up or mark-down is disclosed in the transaction confirmation provided to the customer.	N/A
Brokered Certificates of Deposit	N/A	New Issues: We are paid a **Sales Credit** or concession that is determined by the issuer and/or distributor of the CD, and will vary from issue to issue and on the basis of the applicable maturity and other factors. Sales Credits/concessions applicable to CDs with longer maturities typically will be significantly higher than CDs with short maturities. The customer may obtain information concerning the applicable sales credit upon request by contacting their Financial Consultant or by calling 800-239-1930, option 1.	N/A

Product	Typical Product Cost	Typical Transaction-Based Compensation Received by Us	Typical Trail/Other Ongoing Compensation
		Secondary Market Trades: Mark-up or Mark-down (see note re Mark-Ups and Mark-Downs below) as quoted on a transaction-by-transaction basis as a percentage of the price to us and can vary based on applicable maturity or other factors. The maximum mark-up/mark-down is 1% for maturities of 5 years or less and is 2% for maturities of more than 5 years. Information concerning the applicable mark-up or mark-down will, in many instances, be disclosed on the transaction confirmation provided to the customer and, in all cases, is available upon request by calling 800-239-1930, option 1.	
Municipal Debt Securities (Muni Bonds)	N/A	Mark-up or Mark-down (see **Note Re Mark-Ups and Mark-Downs** below) as quoted on a transaction-by-transaction basis, is a percentage of the price to us, and may vary based on type of security, applicable maturity or other factors. The maximum mark-up/mark-down is 3.0%. The applicable mark-up or mark-down is disclosed in the transaction confirmation provided to the customer.	N/A

Note Re Mark-Ups and Mark-Downs: When BBVA Investments buys a security from or sells a security to you in a principal capacity (including in a "riskless principal" capacity), BBVA Investments buys or sells the security directly from you, rather than acting as your agent to buy or sell the security from a third party (sometimes called "dealer transactions"), if we sell a security at a price higher than what we paid for it, we will earn a markup and if, instead, we buy a security from you at a price lower than what we sell it for, we will earn a markdown. When we act as riskless principal, we purchase a security from the issuer or the issuer's distributor on a principal basis for the sole purpose of filling an order that we have received from our customer. Typically, when we sell a structured product to a customer, we act in a riskless principal capacity.

Note Re Indirect Payments Through Clearing Firm: In addition to agreements and arrangements we have established directly with various product issuers, providers and/or distributors, BBVA Investments has entered into an agreement with its clearing firm (Pershing) under which the clearing firm passes on to BBVA Investments, with respect to BBVA Investments' customer assets invested in mutual funds on the clearing firm's *FundVest* platform, all 12b-1 fee revenues received by the clearing firm and agrees, in connection with any mutual funds that do not pay 12b-1 fees, to remit to BBVA Investments a material portion (currently 40%) of any other types of fees paid (directly or indirectly) to the clearing firm provided assets held in clearing firm accounts for BBVA Investments customers exceed a designated asset threshold (currently $10 million). The 12b-1 and other fees passed on to BBVA Investments by Pershing are based on the assets of BBVA Investments customers invested in the applicable fund and vary from fund-to-fund. The maximum annual rate of 12b-1 fees received by BBVA Investments is 1.0%, and in the case of funds that do not pay 12b-1 fees, the maximum annual rate of other fees shared with BBVA Investments is 0.25%. *Note: These compensation arrangements are not applicable to PNCMAS (formerly BBVA Wealth Solutions) managed accounts.*

Investment Services

ADDENDUM 3

STRATEGIC PARTNER/MARKETING SUPPORT ARRANGEMENTS (June 2021)

Our Strategic Partner/Provider Benefits Program

Certain product providers pay BBVA Securities Inc. (through its BBVA Investments division ("BBVA Investments")) and/or its affiliates* additional revenue-sharing, marketing support, marketing assistance and similar compensation and provide benefits to BBVA Investments and/or its affiliates, and their financial representatives, in the form of education, training, marketing and sales support or reimbursement to BBVA Investments and/or its affiliates or their financial representatives of expenses related to such matters (referred to below as "**Supplemental Compensation and Benefits**"). BBVA Investments and/or its applicable affiliates, as applicable, are referred to below as "BBVA" for convenience. Supplemental Compensation and Benefits can take the form of Marketing Support/Marketing Support Payments, Marketing Assistance and Provider Benefits, as described in more detail below. The receipt of Supplemental Compensation and Benefits creates conflicts of interest in the form of additional incentives for BBVA Investments and its affiliates, and their financial representatives, to promote the products of providers who provide Supplemental Compensation and Benefits or provide increased levels Supplemental Compensation and Benefits.

As described in **Section 1 - About Us above, (1) prior to June 1, 2021, BBVA Investments was an affiliate of BBVA USA and its subsidiaries, including an insurance agency firm known as BBVA Insurance Agency, Inc., but from and after June 1, 2021, BBVA Investments is no longer affiliated with BBVA USA or BBVA Insurance Agency, Inc. (now known as PNC Insurance Agency, Inc. and referred to in this document as "PIA") and (2) BBVA Investments expects to transfer its retail brokerage accounts to PNC Investments, LLC (referred to in this document as "PNCI") by the end of the third-quarter of 2021. Nonetheless, BBVA Investments will continue to maintain certain relationships and arrangements with BBVA USA and certain of its subsidiaries (including PIA) and PNC pending the completion of the transfers to PNCI in order to ensure a smooth transition and avoid any disruptions in the services to BBVA Investments' clients. Accordingly, information included in this Addendum 3 takes into account Supplemental Compensation and Benefits received by PIA.*

BBVA has designated an approved group of mutual funds, annuities, 529 Plans, unit investment trusts and structured products (the "**Approved Products**") that its financial representatives may recommend to customers. In identifying the Approved Products, BBVA has considered many factors, including the product provider's longevity and stability, product variety, name recognition, marketing, wholesaling and training support, as well as the revenue-sharing payments that may be received by BBVA. In addition, BBVA has established special "**Strategic Partner**" relationships with certain providers of Approved Products based on an increased level of marketing, wholesaling and training support provided to BBVA ("**Marketing Support**"), including through various forms of payments to BBVA from the product provider ("**Marketing Support Payments**") and occasional cash assistance from fund providers for training, customer events, sales meetings and similar functions and various marketing initiatives ("**Marketing Assistance**").

Product providers provide Marketing Support, in part, in order to be eligible for varying levels of enhanced access to BBVA's financial representatives, including at sales and training events and conferences and during periodic conference calls, presentation of the product provider's advertising and marketing materials, and similar benefits ("**Provider Benefits**"). For example, a provider who is designated as a "Tier 1" strategic partner will be entitled to a higher level of Provider Benefits than a "Tier 2" strategic partner, and so forth. The level of Provider Benefits available to a particular provider varies depending on the level of Marketing Support they provide to us. In addition, in the case of annuity providers and U.S. domestic mutual fund providers, Tier 1 status also is dependent on certain sales and/or asset level thresholds in the provider's products that were achieved with our customers in the preceding calendar year. The level and type of Marketing Support Payments BBVA receives will vary from provider to provider and will vary from product to product. Most, but not all, providers whose products are on our approved list of products will make Marketing Support Payments to BBVA.

- Currently, in most cases, the Marketing Support Payments we receive are "sales-based" (calculated at predetermined rates based on the level of sales by BBVA of the Provider's Products), but in the case of U.S. domestic mutual funds the provider makes a lump-sum Marketing Support Payment in a flat amount in addition to sales-based payments and, in the case of UIT and structured product providers, all Marketing Support Payments currently are in the form of a flat annual amount.
- In addition, in the case of offshore mutual funds offered to our international customers, we receive asset-based Marketing Support Payments from some providers and most of the fund providers provide meeting support payments in varying amounts.
- Sales-based Marketing Support Payments currently are calculated at an annual rate of 0.10% in the case of U.S. domestic mutual funds, up to 0.25% in the case of offshore mutual funds, and range from 0.15% - 0.25% on variable annuity sales and fixed indexed annuity sales and 0.05% - 0.25% on fixed annuity sales.

Conflicts of interest arise from Supplemental Compensation and Benefits provided to BBVA by product providers. Product providers who have Supplemental Compensation and Benefits arrangements with BBVA may be motivated, in part, by an expectation of increased sales of their products to BBVA's customers. Although BBVA does not guarantee product providers any particular level of sales of the provider's products, the product providers with Supplemental Compensation and Benefits arrangements with BBVA receive increased access to our financial representatives, which provides our financial representatives with increased exposure to those providers' products. In some instances, our financial representatives may receive direct and indirect non-cash benefits, and other forms of nominal non-cash benefits, from product providers (including both product providers who provide Supplemental Compensation and Benefits to BBVA and product providers who do not). These additional benefits received by our financial representatives will vary by product provider and tend to be more significant in the case of product providers providing Marketing Support/Marketing Support Payments to BBVA.

Although there are incentives for product providers to participate in our Marketing Support/Provider Benefits program and for us and our financial representatives to utilize products of participating providers, it should be noted that all providers of Approved Products are eligible to participate in the Marketing Support/Provider Benefits program, at the level selected by the product provider, and that participation in the program is not required in order for a provider's products to be included on the list of Approved Products. In addition, BBVA's Investment Sales Representatives and other financial representatives do not receive any additional compensation based on the Marketing Support Payments received by BBVA. However, the product recommendations offered by our financial representatives may be influenced by the receipt by BBVA of Supplemental Compensation and Benefits from certain product providers, the increased exposure of BBVA's financial representatives to product providers providing Supplemental Compensation and Benefits to BBVA and their products, and the fact that financial representatives may receive increased levels of non-cash benefits from some product providers.

Information Concerning the Strategic Partner Marketing Support and Meeting Support We Receive

Information is provided below concerning our Strategic Partner Marketing Support arrangements for 2021.

U.S. Mutual Fund Providers

Provider	Strategic Partner	Type of Marketing Support Payment	Amount or Rate
Franklin-Templeton Distributors, Inc.	Yes – Tier 1	Sales-based periodic fee	0.10% quarterly in arrears on fund sales
Note: The sales-based fees received from Franklin-Templeton in 2020 was $75,000			

Offshore Mutual Fund Providers

Provider	Type of Marketing Support Payment in 2020	Amount or Rate
MFS Investment Management Company (LUX) S.A.R.L. ("MFS")	Asset-based periodic fees, payable quarterly in arrears	0.25% of the assets under management in funds managed by the product provider
Templeton Franklin Global Distributors Ltd. and Templeton Global Advisors Ltd. ("Templeton")	Asset-based periodic fees, payable quarterly in arrears	Ranges from 0.15% in case of fixed income funds and 0.25% in the case of other funds based on the assets under management in funds managed by the product provider
2020 Marketing Support Payments Received: MFS's Marketing Support Payments to BBVA totaled $246,695 in 2020 and $66,795 for the first quarter of 2021. In addition to its asset-based Marketing Support Payments, MFS also provided BBVA with meeting support in the amount of $15,000 for 2020. Franklin - Templeton's Marketing Support Payments to BBVA totaled $66,693 in 2020 and $20,150 for the first quarter of 2021. In addition to its asset-based Marketing Support Payments, Franklin-Templeton also provided BBVA with meeting support in the amount of $10,000 for 2020.		
Additional Meeting Support Payments: BBVA also received meeting support payments in 2020 ranging from $5,000 - $15,000 from the following additional offshore mutual fund providers: Allianz; Alliance Bernstein; Amundi Pioneer; Janus Henderson; M&G Investments; Morgan Stanley PIMCO; Investec; Vontobel; AXA; Blackrock; Capital Group; Columbia Threadneedle; GAM Investments; and JP Morgan.		

UIT and Structured Product Providers

Provider	Strategic Partner	Type of 2021 Marketing Support Payment	Total Paid to BBVA in 2020
Incapital LLC	Yes – Tier 1	Annual lump sum of $250,000 (four equal quarterly installments of $62,500)	$250,000
Advisors Asset Management Inc.	Yes – Tier 2 (2020)	Not Applicable	$50,000
First Trust Portfolios L.P.	Yes – Tier 2	Annual lump-sum of $50,000	$50,000

Note: Our International Group also received meeting support payments during 2020 in the amount of $5,000 from Citi and $5000 from Barclays, respectively, which are approved structured product issuers for the International Group.

BBVA Investments

Annuity Providers (Fixed Annuities, Fixed Index Annuities, Variable Annuities)

Tier 1 Strategic Partners				
Total Marketing Support Payments to BBVA in 2020	**Provider (listed in descending order of Total 2020 Marketing Support Payments to BBVA)**	**Types of Products**	**Type of Marketing Support Payment in 2021**	**Amount or Rate**
Above $1,000,000	Security Benefit Life Insurance Co	Fixed Annuities Fixed Index Annuities	Sales-based periodic fee	0.20% - 0.25%
$500,000 - $1,000,000	Eagle Life Insurance Co.	Fixed Annuities Fixed Index Annuities	Sales-based periodic fee	0.20% - 0.25%
$300,000 - $500,000				
	Great American Life insurance Co.	Fixed Annuities Fixed Index Annuities	Sales-based periodic fee	0.25%
$200,000 – $299,999				
	Global Atlantic Life Insurance Co.	Fixed Annuities Fixed Index Annuities Variable Annuities	Sales-based periodic fee	0.05% - 0.25%
	Jackson National Life Insurance Co.	Fixed Annuities Fixed Index Annuities Variable Annuities	Sales-based periodic fee	0.25%
	Lincoln National Life Insurance Co.	Fixed Annuities Fixed Index Annuities Variable Annuities	Sales-based periodic fee	0.15% - 0.25%
	Pacific Life Insurance Co.	Fixed Annuities Fixed Index Annuities Variable Annuities	Sales-based periodic fee	0.10% - 0.25%
$100,000 – $199,999				
	Allianz Life Insurance Company of North America	Fixed Index Annuities Variable Annuities	Sales-based periodic fee	0.20% - 0.25%
$50,000 - $99,999				
	AXA Equitable Life and Annuity Co.	Variable Annuities	Sales-based periodic fee	0.25%
Less than $50,000				
	Western Southern Life Assurance Co. (Integrity)	Fixed Annuities Fixed Index Annuities Variable Annuities	Sales-based periodic fee	0.20% - 0.25%
	Symetra Life Insurance Co.	Fixed Annuities Fixed Index Annuities	Sales-based periodic fee	0.15% - 0.25%
	Nationwide Life and Annuity Insurance Co.	Fixed Index Annuities Variable Annuities	Sales-based periodic fee	0.20%
	American General Life Insurance Co.	Fixed Annuities Fixed Index Annuities Variable Annuities	Sales-based periodic fee	0.10% - 0.25%
	CUNA Mutual Group	Variable Annuities	Sales-based periodic fee	0.20%

Tier 2 Strategic Partners				
Total Marketing Support Payments to BBVA in 2020	**Provider (listed in descending order of Total 2020 Marketing Support Payments to BBVA)**	**Types of Products**	**Type of Marketing Support Payment**	**Amount or Rate**
Less than $20,000				
	Protective Life Insurance Co.	Fixed Annuities Variable Annuities	Sales-based periodic fee	0.25%
	Prudential Annuities Life Assurance Corporation	Fixed Index Annuities Variable Annuities	Sales-based periodic fee	0.20%
	Principal Life Insurance Co.	Fixed Annuities Variable Annuities	Sales-based periodic fee	0.20%

Tier 3 Strategic Partners				
Total Marketing Support Payments to BBVA in 2020	**Provider (listed in descending order of Total 2020 Marketing Support Payments to BBVA)**	**Types of Products**	**Type of Marketing Support Payment**	**Amount or Rate**
Less than $3,000				
	Transamerica Life Insurance Co.	Variable Annuities	Sales-based periodic fee	0.20%
	New York Life Insurance Co.	Fixed Annuities	Sales-based periodic fee	0.10%

Note: Meeting support payments of $15,000 were received in 2020 from each of the following insurance "BGAs" (brokerage general agents).: 1) RDK; 2) Brandon Agency; and 3) Highland Capital.

Additional Revenue-Sharing Payments

Although not a participant in our Marketing Support/Provider Benefits Program, we receive asset-based payments from Goldman, Sachs & Co., Goldman Sachs Asset Management L.P. and/or their affiliates ("Goldman Sachs"), which are calculated on the basis of the assets of customers of BBVA Investments and certain of its affiliates invested in mutual funds distributed by Goldman Sachs. The asset-based payments are expected to range from 0.02% to 0.10% in the case of assets invested in Goldman Sachs money market mutual funds offered to BBVA Investments customers and assets invested in Goldman Sachs fixed income fluctuating value mutual funds to 0.20% in the case of assets invested in Goldman Sachs equity fluctuating value mutual funds. These asset-based payments are paid by Goldman Sachs from its own assets, and are in addition to applicable 12b-1 fees, shareholder servicing fees and administrative service fees paid to BBVA Investments and/or its affiliates from the assets of the applicable funds.