

Equity Services, Inc. ("ESI") is registered as both a broker-dealer and an investment adviser. ESI believes that it is important for our registered representatives to have a wide selection of investment products available to help meet the financial needs of our customers. Our goal is to provide you with quality products and services without regard to what type of account you have opened. For brokerage accounts, we are not fiduciaries pursuant to the Investment Advisers Act of 1940. Nevertheless, ESI and its Representatives are responsible for recommending investments in your brokerage accounts that are suitable, in light of your needs and investment objectives.

ESI has selected a group of mutual fund, unit investment trust, variable annuity, investment adviser, real estate investment trust and retirement services platform providers that the firm believes have met high industry standards for long-term performance, superior field support, and reliable back-office support. This group of companies has greater access to our representatives to provide training and other educational opportunities to help serve our customers better. This program is called the Strategic Partners Program and it includes unaffiliated product sponsors and one affiliated sponsor, Sentinel Investments ("Sentinel")

Broker-Dealer Strategic Partners

The following mutual fund/unit investment trust offerors participate in the Strategic Partners Program: Sentinel Investments. The following variable annuity offerors participate in the program: Allianz, Brighthouse (formerly MetLife), Great West, Jackson National, Prudential, and Transamerica. The following indexed annuity offerors participate in the program: Allianz, American National Life, Lincoln National, North American, and Voya. The following real estate investment trust program offerors participate in the program: W.P. Carey & Co and RREEF Property Trust, Inc.

These partners make additional payments to ESI to participate in this program. These payments are made to ESI in addition to commissions, annual service fees, and other fees and expenses disclosed in the product prospectus, and are paid out of the sponsor or affiliate's assets, not from the fund or product assets.

It is important to understand that these payments are made to ESI and are not directly shared with any representative who sells these products. Depending on the product sponsor, these payments can be a percentage of gross sales, a flat annual amount, or a combination of the two. These payments create a potential conflict of interest in the form of an additional financial benefit to ESI in connection with the sale of products from these Strategic Partners.

The Firm has a revenue sharing agreement with Sentinel Investments, which pays 15 basis points (0.15%) of the gross amount of the sale, and 5 basis points (0.05%) on the average daily balance of assets. For example, on a \$10,000 transaction with Sentinel, ESI receives a one-time payment up to \$15, and a \$5 annual payment for the period during which the assets remain at the company.

Revenue sharing agreements with variable annuity offerors vary, with payments up to 25 basis points (0.25%) of the gross amount of the sale. For example, on a \$10,000 transaction with a participating company, ESI would receive a one-time payment up to \$25.

Revenue sharing agreements with indexed annuity offerors vary, with payments up to 100 basis points (1%) of the gross amount of the sale. For example, on a \$10,000 transaction with a participating company, ESI would receive a one-time payment up to \$100.

Revenue sharing agreements with direct participation program offerors vary, with payments up to 100 basis points (1.00%) of the gross amount of that sale. For example, on a \$10,000 transaction with a participating company, ESI would receive a one-time payment up to \$150. Some firms may pay up to a \$25,000 flat annual payment in addition to the payments based on sales.

These payments create a potential conflict of interest in the form of an additional financial benefit to ESI in connection with the sale of products from these sponsors

Investment Adviser Strategic Partners

The following investment adviser firms participate in the program: 3D Asset Management, Brinker Capital, Inc., Envestnet, Pacific Financial Group, Maple Capital, SEI Investments, and Sentinel Funds.

These partners make additional payments to ESI to participate in this program.¹ It may be noted that Envestnet does not pay marketing support nor revenue sharing payments to participate in the program. These payments are made to ESI in addition to annual service fees, and other fees and expenses disclosed in the adviser's Form ADV Part 2A and Form ADV Part 2A-Appendix 1, and are paid out of the adviser or affiliate's assets, not from the account assets.

¹ It may be noted that Envestnet does not pay marketing support nor revenue sharing payments to participate in the program.

Important Information About Revenue Sharing Agreements - Continued

It is important to understand that these payments are made to ESI and are not directly shared with any investment adviser representative who sells these products. Such payments are generally based on the average assets under management. In some instances, payments consist of a set amount paid, such as in sponsorship of ESI-related training and/or marketing events. These payments create a potential conflict of interest in the form of an additional financial benefit to ESI in connection with the sale of products from these Strategic Partners.

Revenue sharing agreements with registered investment adviser firms vary, with payments up to 5 basis points (0.05%) of the average assets under management. For example, on a \$10,000 transaction with a participating company, ESI would receive an annual payment of up to \$5 for the period during which the assets remain at that company. Some firms may pay a flat fee of up to \$10,000 in addition or in lieu of the payments based on sales. Envestnet, which is considered a Strategic Partner, does not pay marketing support payments to be in the Program.

These payments create a potential conflict of interest in the form of an additional financial benefit to ESI in connection with the sale of products from these sponsors.

Other Revenue Sharing Arrangement

In addition to the above Strategic Partners arrangements, ESI is an affiliate of National Life Insurance Company ("National Life"). National Life is the underwriter, and ESI is the distributor, of the Investor Select Variable Universal Life and Sentinel Advantage Variable Annuity. ESI is an affiliate of Life of the Southwest ("LSW"), which is an underwriter of indexed annuity products. ESI is also an affiliate of the companies that manage and distribute Sentinel products.

In general, ESI pays a higher rate of commissions to its representatives on National Life, LSW and Sentinel products. Additionally, National Life, LSW and/or ESI pay bonuses, employee-type benefits, and other compensation to ESI representatives for sales of National Life and LSW fixed and/or variable products, Sentinel mutual funds. ESI receives payments from National Life, LSW, and Sentinel as reimbursement for such benefit programs and other expenses. Sentinel Financial Services Company, ESI's affiliate, is also the distributor of Sentinel Variable Products Trust, which is offered as a sub-account option in the Investor Select Variable Universal Life and Sentinel Advantage Variable Annuity.

National Financial Services, LLC ("NFS") offers a "No Transaction Fee" list of mutual funds, under which mutual fund offerors pay a participation fee to NFS. NFS shares a portion of this participation fee with ESI. This fee is not directly shared with any representative who sells these products.

ESI also pays the transaction cost for certain purchases, redemptions, and exchanges of Sentinel mutual fund shares, when executed through NFS.

Marketing and Sales Support

In addition to the revenue sharing payments described above, certain product sponsors may make other payments to ESI intended to reimburse the firm's representatives for marketing expenses, such as client seminars, marketing materials, etc. Marketing reimbursements from broker/dealer sponsors are directed to ESI and subsequently paid by ESI to its representatives. Certain product sponsors and investment advisers may incur expense and/or provide reimbursement for educational and training programs.

For broker/dealer product sponsors, these marketing support, educational and training program payments are paid out of the sponsor or affiliate's assets, not from the fund or product assets, and are in addition to the sales charges, 12b-1 fees, and other fees and expenses disclosed in the prospectus and/or statement of additional information, each of which are available on request from the sponsor. For investment adviser firms, training and education expenses and reimbursements are paid out of the adviser or affiliate's assets, not from the account assets, and are made to ESI in addition to annual service fees, and other fees and expenses disclosed in the adviser's Form ADV Part 2A and Form ADV Part 2A-Appendix 1, which are available on request from the investment adviser firm.

In 2016, payments were made by the following companies and/or their affiliates: Allianz, AXA, Counterpoint, CUNA Mutual, Fidelity, First Trust, Jackson National Life Insurance Company, JP Morgan, MetLife, Montgomery Brokerage, Mutual of Omaha, Nationwide, Prudential, Security Benefit, Sentinel Investments, Transamerica Life Insurance Company, and W.P. Carey, Inc.

Other Arrangements

National Life and ESI contribute payments to cash and non-cash incentives for ESI registered representatives which are based on sales of mutual funds, variable insurance contracts, other securities products, and investment advisory services. Examples of non-cash compensation include: (1) the sponsorship of educational programs; (2) sales contest and/or promotions in which participants receive prizes such as travel, merchandise, hardware and/or software; (3) paying for occasional meals, lodging and/or entertainment; (4) making cash payments in lieu of business expense reimbursements and/or; (5) making loans and forgiving such loans.