

Equity Services, Inc. (“ESI”) sells variable annuities and variable life insurance products for a number of different insurance companies, including ESI’s affiliate, National Life Insurance Company (“NLIC”). ESI also offers indexed annuities for a number of different insurance companies, including ESI’s affiliate, Life Insurance Company of the Southwest (“LSW”). NLIC and LSW are collectively referred to as “the Affiliates”.

Through our Strategic Partner program (“Program”), ESI seeks to establish additional relationships with various participating insurance companies, mutual fund companies, retirement plan programs and investment advisers (“Strategic Partners”). In addition to customary sales commissions, ESI receives marketing support payments from such Strategic Partners whose products and services ESI offers. Marketing support payments are also called “revenue sharing”. These payments may be used by ESI as general financial support to offset the costs of product management support and compliance.

The payments are usually calculated as a percentage of sales of, and/or the total assets held in, the Strategic Partners’ products. The actual amount received by ESI is negotiated with the various providers, but is standard across product types, as described below. In return for marketing support payments, Strategic Partners receive visibility on ESI’s internal web site for representatives and assistance with coordinating access to and educational opportunities for ESI representatives. In addition, ESI and the Strategic Partners agree to provide each other periodic reports. ESI’s receipt of marketing support payments creates 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.

Marketing support payments are not made directly by you. For mutual funds, marketing support payments are paid by the Strategic Partner or by an affiliate of the Strategic Partner. For annuities and other insurance products, marketing support payments are also paid by the Strategic Partner or its affiliates. For investment advisers, marketing support payments are paid by the investment adviser.

Broker-Dealer Revenue Sharing Agreements

Annuities and variable life insurance

In the case of variable annuities and fixed-index annuities issued by unaffiliated insurance companies, variable annuity carriers pay 25 basis points (0.25%), based on sales, in marketing support payments and indexed annuity carriers pay up to 100 basis points (1.00%) of your total purchase amount, depending on the product, for indexed annuity sales. If, for example, you invested \$10,000 in a variable annuity contract through ESI, ESI would be paid \$25 for marketing support. If you invested \$10,000 in an indexed annuity contract through ESI, ESI would be paid up to \$100 for marketing support. Details regarding what each provider pays to ESI are described below.

National Life Insurance Company and Life Insurance Company of the Southwest

With respect to the Affiliates, ESI pays a higher rate of commissions to its representatives on products issued by these entities. In addition to commission payments to ESI’s representatives, the Affiliates and ESI also jointly sponsor a field recognition program that provides other cash (e.g., bonuses, employment benefits) and non-cash benefits to ESI’s qualifying representatives based on certain levels of sales of variable annuities, indexed annuities and variable life insurance products issued by both the Affiliates, including paid travel and accommodations at training conferences and recognition conventions. ESI is allocated its share of the costs for such benefits. In accordance with rules of the Financial Industry Regulatory Authority (“FINRA”), non-cash benefits under the program are based on the total production of each representative with respect to all variable insurance products sold through ESI (proprietary and non-proprietary), and the credit received by a representative for each variable insurance product sold is equally weighted, regardless of the issuing life insurance company. In addition, NLIC provides retirement, medical and other employee benefits to qualifying ESI representatives. All of these programs are designed to encourage ESI’s representatives to sell products through ESI, including the Affiliates’ annuity products.

If you want more information about ESI’s incentive programs, contact the firm’s Compliance Department at 800-344-7437.

The current unaffiliated annuity issuers who are Strategic Partners and their marketing support arrangements are described below.

Allianz Variable Annuities

ESI receives marketing support payments of 25 basis points (0.25%) on gross sales (premiums) in connection with the sale of variable annuities from Allianz or its affiliates.

AXA

ESI receives marketing support payments of 25 basis points (0.25%) on gross sales (premiums) in connection with the sale of variable annuities from AXA or its affiliates.

Brighthouse (formerly MetLife) Variable Annuities

ESI receives marketing support payments of 25 basis points (0.25%) on gross sales (premiums) in connection with the sale of variable annuities from Brighthouse or its affiliates.

Important Information About Revenue Sharing Agreements for ERISA Plan Sponsors - Continued

Great West Variable Annuities

ESI receives marketing support payments of 25 basis points (0.25%) on gross sales (premiums) in connection with the sale of variable annuities from Great West or its affiliates.

Jackson National Variable Annuities

ESI receives marketing support payments of 25 basis points (0.25%) on gross sales (premiums) in connection with the sale of variable annuities from Jackson National or its affiliates.

Nationwide

ESI receives marketing support payments of 25 basis points (0.25%) on gross sales (premiums) in connection with the sale of variable annuities from Nationwide or its affiliates.

Prudential Variable Annuities

ESI receives marketing support payments of 25 basis points (0.25%) on gross sales (premiums) in connection with the sale of variable annuities from Prudential or its affiliates, except for sales of Prudential's Defined Income (PDI) product. For sales of PDI, ESI receives marketing support payments of 10 basis points (0.10%) on gross sales.

Transamerica Variable Annuities

ESI receives marketing support payments of 25 basis points (0.25%) on gross sales (premiums) in connection with the sale of variable annuities from Transamerica or its affiliates.

Allianz Life Insurance Company Indexed Annuities

ESI receives marketing support payments in connection with the sale of indexed annuities from Allianz Life Insurance Company or its marketing affiliate (Gameplan). Each year, ESI is paid additional compensation based on sales, as reflected in the table below.

Allianz Index Annuity Product	Allianz Marketing Allowance	Gameplan Marketing Allowance	Total Marketing Compensation
222	0.475%	0.00%	0.475%
360	0.475%	0.00%	0.475%
365i	0.475%	0.00%	0.475%
Core 7	0.50%	0.00%	0.50%

American National Insurance Company

ESI receives marketing support payments in connection with the sale of indexed annuities from American National Life or its marketing affiliate (Gameplan). Each year, ESI is paid additional compensation based on sales, as reflected in the table below.

American National Index Annuity Product	American National Marketing Allowance	Gameplan Marketing Allowance	Total Marketing Compensation
Asia 7	0.50%	0.00%	0.50%
Asia 10	0.50%	0.00%	0.50%

Lincoln National

ESI receives marketing support payments in connection with the sale of indexed annuities from Lincoln National or its marketing affiliate (AMG). Each year, ESI is paid additional compensation based on sales, as reflected in the table below.

Lincoln Index Annuity Product	Lincoln Marketing Allowance	AMG Marketing Allowance	Total Marketing Compensation
New Directions 6	0.50%	0.00%	0.50%
New Directions 8	0.50%	0.00%	0.50%
OptiChoice 5	0.50%	0.00%	0.50%
OptiChoice 7	0.50%	0.00%	0.50%
OptiChoice 9	0.50%	0.00%	0.50%
OptiPoint 8	0.50%	0.00%	0.50%
OptiPoint 10	0.50%	0.00%	0.50%

Important Information About Revenue Sharing Agreements for ERISA Plan Sponsors - Continued

North American Company

ESI receives marketing support payments in connection with the sale of indexed annuities from North American or its marketing affiliate (Gameplan). Each year, ESI is paid additional compensation based on sales, as reflected in the table below.

North American Index Annuity Product	North American Marketing Allowance	Gameplan Marketing Allowance	Total Marketing Compensation
Performance Choice 8 & Plus	1.00%	0.00%	1.00%
Income Choice 10	1.00%	0.00%	1.00%
Retire Choice Ten	0.50%	0.00%	0.50%
Benefit Solutions 10	0.50%	0.00%	0.50%
Benefit Solutions II	0.50%	0.00%	0.50%

Mutual Funds and Unit Investment Trusts

Touchstone Advisors (“Touchstone”)

ESI receives marketing support payments in connection with the sale and retention of certain mutual funds from Touchstone Advisors (“Distributor”). Distributor pays ESI 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.

Other Arrangements

ESI's field recognition program provides opportunities for representatives to attend training and recognition events. Attendance at these events is open to all representatives, and attendees are responsible for paying their own travel expenses. Certain individuals are eligible to receive educational credits that can be used to offset the expense of attending these events. Educational credits are capped at a pre-determined limit. Qualification criteria for attendance at training and recognition events exclude sales related to ERISA-covered accounts. All of these programs are designed to encourage ESI's representatives to sell products through ESI. If you want more information about the ESI's incentive programs, contact the firm's Compliance Department at 800-344-7437.

Investment Adviser Revenue Sharing Agreements

In the case of investment advisers, marketing support payments based on sales can range from zero to 5 basis points (0.05%) of your total purchase amount, and up to 5 basis points (0.05%) on the assets under management on the investment adviser's platform. If, for example, you invested \$10,000 in an investment advisory program through ESI, ESI would be paid up to \$5 for marketing support. In addition, for invested assets that continue to be held in your account a year later, ESI would receive an additional payment of up to 5 basis points (0.05%) annually of the dollar value. For example, on a \$10,000 holding, that would be an additional \$5 per year.

3D Asset Management

ESI receives marketing support payments in connection with assets under management on the 3D Asset Management platform. Each year, ESI is paid an annual amount equal to 5 basis points (0.05%) on assets held on the 3D platform.

Brinker Capital, Inc.

ESI receives marketing support payments in connection with assets under management on the Brinker platform. Each year, ESI is paid an annual amount equal to 5 basis points (0.05%) on assets held on the Brinker platform.

Investnet Portfolio Solutions

Investnet, which is considered a Strategic Partner, does not pay marketing support payments to be in the Program.

Investnet, which is considered a “service provider” under DOL Regulation section 2550.408b-2, charges platform fees to ESI. These platform fees are deducted by Investnet from the investment advisory fees that ESI charges its investment advisory accounts held on the ESI Illuminations platform, and are not additional fees charged to the account. The fees charged by Investnet to ESI range from 6 basis points (0.06%) to 63 basis points (0.63%), depending on the ESI Illuminations program and the amount of assets within each program, on accounts established prior to January 15, 2018, and 10 basis points (0.10%) for accounts established after that date.

Maple Capital Management

ESI receives marketing support payments in connection with assets under management on the Maple Capital platform. Each year, ESI is paid an annual amount equal to 5 basis points (0.05%) on assets held on the Maple Capital platform.

Pacific Financial Group

ESI receives marketing support payments in connection with assets under management on the Pacific Financial Group platform. Each year, ESI is paid an annual amount equal to 5 basis points (0.05%) on assets held on the Pacific Financial Group platform. Pacific Financial Group also pays ESI a flat annual payment of \$10,000 for participation in the Firm's annual sales conference.

SEI

ESI receives marketing support payments in connection with assets under management on the SEI platform. Each year, ESI is paid an annual amount equal to 5 basis points (0.05%) on assets held on the SEI platform.

Symmetry

In lieu of revenue sharing, Symmetry pays a flat fee of \$15,000 to participate in the Strategic Partners program.

Touchstone Advisors

ESI receives marketing support payments in connection with assets under management with, and sales of, Touchstone Funds. Each year, ESI is paid an annual amount equal to 5 basis points (0.05%) on assets held with Touchstone Funds, and 15 basis points (0.15%) on new sales.

Other Revenue Sharing Arrangements

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. The portion that NFS pays ESI ranges from 10 basis points (0.10%) to 19 basis points (0.19%). This fee is not directly shared with any representative who sells these products. To the extent that these fees are paid to ESI by NFS for Envestnet Illuminations Select accounts assets, such fees will be refunded back to the plan's account.

Marketing and Sales Support

In addition to the revenue sharing payments described above, certain product sponsors and investment advisers may make other payments to ESI intended to reimburse the firm's representatives for marketing expenses, such as client seminars, marketing materials, educational and training programs, etc. Marketing reimbursements are directed to ESI and subsequently paid by ESI to its representatives. Reimbursements for educational and training programs are made directly by the product sponsor on behalf of ESI's representatives.

For broker/dealer product sponsors, these marketing support 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, these marketing support payments 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 the 2017 calendar year, the average payment/reimbursement made to a recipient representative was approximately \$1017.00. We do not reasonably expect the reimbursements from any company to exceed \$10,000 in any year. Payments were made by the following companies and/or their affiliates: Allianz, American Funds, AXA, Brighthouse, First Trust, Great West, Jackson National Life Insurance Company, Lord Abbott, Nationwide, Oppenheimer Funds, Pacific Life Insurance Company, Polen Capital, Prudential, Sentinel Investments, Touchstone Funds, Transamerica Life Insurance Company.