

## LEGAL DISCLOSURES

This disclosure document ("Disclosure Document") describes compensation ("Third Party Compensation") received by LPL Financial LLC ("LPL") from third party product providers and their affiliates ("Product Sponsors") in connection with financial products and services offered by LPL to its brokerage and advisory customers ("Customers"). The amount of Third Party Compensation can vary depending on many factors, including but not limited to the type of investment product (e.g., mutual fund, variable annuity, etc.), the Product Sponsor, and whether the Product Sponsor participates in any of LPL's Marketing Support Programs. The form of Third Party Compensation can also vary. In some cases, Third Party Compensation is a one time payment based on new sales of interests in products ("Sales"), and in other cases, Third Party Compensation is received on an ongoing basis as a percentage of assets owned beneficially or of record by Customers or for which LPL is the broker/dealer of record ("Customer Assets"). Occasionally, Third Party Compensation is based on a combination of Sales and Customer Assets.

In general, Third Party Compensation is in addition to other product-related fees paid by the investor, including upfront or ongoing commissions or concessions. Third Party Compensation may be paid by the investment fund, investment sponsor, or an affiliate, but generally represents an expense embedded in the investment that is born by investors.

Like all financial services companies, LPL has conflicts of interest. As an LPL Customer, it is important to understand that LPL's receipt of Third Party Compensation creates a conflict of interest for LPL, which means that there is an incentive for LPL and/or its financial advisors ("Advisors") to recommend investment products that pay Third Party Compensation. The variations between amounts and forms of Third Party Compensation also create an incentive for LPL and/or its Advisors, for example, to recommend holding products which pay Third Party Compensation to LPL as an ongoing percentage of Customer Assets.

Customers should read carefully this Disclosure Document and any other related disclosures, including but not limited to any offering documents related to the Customer's investments. Customers should also be aware that there may be additional conflicts of interest that are not addressed below. Unless otherwise stated below, all compensation amounts are annualized and the compensation received by LPL is not shared with your Advisor. Any questions concerning LPL's services, compensation, or this Disclosure Document (including requests for copies of documents referenced below) should be directed to your Advisor or LPL Client Services at (800)-558-7567.



## LEGAL DISCLOSURES

1. **Marketing Support Programs.** LPL receives Third Party Compensation in connection with programs that support LPL marketing and sales force education and training efforts, such as LPL’s annual national sales and education conference and other conferences (“Marketing Support Programs”). Marketing Support Programs are offered in multiple tiers, which means that Product Sponsors pay different amounts of Third Party Compensation and as a result receive different levels of benefits. Marketing Support Program compensation for various financial products offered by LPL are as follows:

Product Categories	LPL Marketing Support Compensation	Advisor Compensation
Mutual Funds	• Up to 0.15% <sup>1</sup> of Customer Assets	None
Variable Annuities	• Up to 0.15% of Customer Assets, or • Up to 0.35% of new Sales <sup>2</sup>	None <sup>3</sup>
Fixed Annuities	• Up to 0.25% of Customer Assets, or • Up to 0.50% of new Sales	None
Alternative Investments <sup>4</sup>	• Up to 0.60% of Customer Assets, or • Up to 1.25% of new Sales	None <sup>5</sup>
Retirement Plans	• Up to \$300,000 as a fixed fee <sup>6</sup>	None

Product Sponsors that participate in Marketing Support Programs are as follows:

### Mutual Funds:

AB	Eaton Vance	John Hancock
Aberdeen	Empiric	JP Morgan
Allianz	Federated	Legg Mason
American Beacon	Fidelity	Lord Abbett
American Century	First Eagle	Mainstay
American Funds	First Investors (Foresters)	MFS
AMG	Forward	Morgan Stanley
API (Yorktown)	Franklin Templeton	Nationwide
BlackRock	Fred Alger	NATIXIS
Calamos	Goldman Sachs	Neuberger Berman
Calvert	Guggenheim	Nuveen
Cohen & Steers	Hartford	Oppenheimer
Columbia	Highland	Pacific Life
Delaware	ICON	Parnassus
Deutsche	Invesco	PIMCO
Dreyfus	Ivy	Pioneer
Dunham	Janus	Power Income (W.E.)

<sup>1</sup> LPL also receives up to \$10 per trade ticket charge for each brokerage purchase of a mutual fund participating in a Marketing Support Program. American Funds Distributors, Inc. compensates LPL in accordance with the terms of a letter of understanding. Compensation is paid at the discretion of American Funds Distributors, Inc. and may vary in any given year, but will not exceed the sum of (a) 0.10% of the previous year’s American Funds sales by LPL, and (b) 0.02% of the assets of the American Funds held by LPL customers. Actual amounts depend on LPL’s sales, customer assets and redemption rates, and LPL’s relationship with American Funds. For funds that pay based on new sales, compensation to LPL will not exceed the sum of (a) .10% of Sales, and (b) 0.03% of Customer Assets.

<sup>2</sup> Compensation may be paid on a combination of Customer Assets and new Sales

<sup>3</sup> Ticket charges for variable annuities vary across LPL’s brokerage platform. When an Advisor places a purchase order on behalf of a Customer for a Participating Sponsor’s variable annuity through LPL’s annuity order entry system, the ticket charge that would be charged to the advisor is waived.

<sup>4</sup> This category of financial products includes but is not limited to: real estate investment trusts (REITs), managed futures, hedge funds and private equity funds.

<sup>5</sup> In general, this compensation is not shared with your Advisor. In certain circumstances where no commission is paid, in order to compensate the Advisor, LPL may share a portion of the marketing allowance of up to 0.50%.

<sup>6</sup> This payment is a flat amount and is not received in connection with any particular LPL customer or Customer Assets.



## LEGAL DISCLOSURES

Donoghue)  
Principal  
Prudential  
Putnam  
Russell  
Stadion

SunAmerica / AIG  
Thornburg  
Touchstone  
Transamerica  
Transparent Value  
Van Eck

Victory  
Virtus  
Voya  
Wells Fargo

### Variable Annuities:

AIG  
Allianz  
AXA  
Brighthouse (MetLife)  
Delaware Life (SunLife)  
Global Atlantic (Forethought)  
Guardian  
Integrity  
Jackson National

John Hancock  
Lincoln Financial  
Mass Mutual  
Nationwide  
Ohio National  
Pacific Life  
Penn Mutual  
Principal  
Protective

Prudential  
River Source  
Sammons  
Symetra  
Transamerica  
Voya (ING)

### Fixed Annuities:

AIG  
Allianz  
Allstate  
American National  
AXA  
Brighthouse (MetLife)  
Brooke  
Commonwealth Annuity  
Delaware (SunLife)  
Genworth  
Global Atlantic (Forethought)

Great American  
Guardian  
Jackson National  
John Hancock  
Liberty Mutual  
Lincoln National  
Midland National  
Nationwide  
New York Life  
Ohio National  
Pacific Life

Principal  
Protective  
Reliance Standard  
Sammons  
Symetra  
The Standard  
Voya (ING)  
Western & Southern / Integrity

### Alternative Investments:

Alkeon  
Altegris  
Black Creek  
Blackstone  
Bluerock  
Campbell and Company  
Central Park Group  
CNL  
Cole Capital  
Cross Shore  
Dearborn  
Deutsche  
Dunbar  
Eaton Vance

FS Investment Solutions  
Goldman Sachs  
Gorelick Brothers Capital  
Gottex  
Griffin Capital  
HarbourVest  
Hatteras  
Hines  
Ironwood  
Jones Lang LaSalle  
KBS Capital Advisors  
Legg Mason  
Morgan Creek  
Nantucket Companies

Neuberger Berman  
Oppenheimer  
Owl Rock  
Resource  
SC Distributors  
Sealy & Company (PTX Securities)  
Steben & Company  
Strategic Capital Solutions (SCS)  
The Carlyle Group  
Triloma  
VOYA  
W.P. Carey Inc.



# LEGAL DISCLOSURES

## Retirement Plan:

American Century	Janus	Principal
American Funds	John Hancock	Principal Funds
Ameritas	JP Morgan	Ridgeworth
Ascensus	Legg Mason	Schwab
AUL/One America	Lincoln	Securian
AXA	Mass Mutual	Standard
Blackrock	MFS	T Rowe DCIO
Columbia	Mutual of Omaha	T Rowe RK
CUNA	Nationwide	Thornburg
Eaton Vance	Natixis	Transamerica
Empower	Neuberger Berman	Vanguard
Fisher Investments	Nuveen	Voya
Franklin Templeton	Ohio National	Wells Fargo
Goldman Sachs	Oppenheimer	
Invesco/AIM	Paychex	
Ivy Funds	PIMCO	

2. **Recordkeeping.** LPL receives compensation from mutual funds for providing recordkeeping and related services to the funds.<sup>7</sup> In general, LPL receives Third Party Compensation for providing recordkeeping services and therefore has an incentive to recommend mutual funds that pay for these services. In addition, mutual funds that pay for recordkeeping services may carry a reduced ticket charge or no ticket charge on LPL's platforms.<sup>8</sup> In cases where the Advisor is paying the ticket charge,<sup>9</sup> the Advisor is incentivized to select mutual funds with lower ticket charges which will result in Third Party Compensation for LPL. Recordkeeping compensation is as follows:

Product Categories	LPL Recordkeeping Compensation
Mutual Funds	<ul style="list-style-type: none"> <li>• Up to 0.40% of Customer Assets, or</li> <li>• Up to \$25 per Customer position</li> </ul>

Mutual funds that receive recordkeeping services are as follows:

1290	Advisors Inner Circle	American Beacon
361	Advisory Research Inc.	American Century
1492	Alger	American Funds
1919	AllianceBernstein	American Independence
13D Activist	Allianzgi	AMG
AAM	Alphacentric	Anfield
Aberdeen / Artio	Alpine	Angel Oak
Absolute	Alps	API
Academy	Altegris	Appleseed
Adirondack	Amana/Saturna	AQR
Advisor One	America First	Aquila

<sup>7</sup> These services include establishing and maintaining sub-account records reflecting the purchase, exchange or redemption of shares by each LPL customer account. These services also include the consolidation of Customers' trades into one daily trade with a fund, which requires LPL to maintain all pertinent individual shareholder information for the fund, including the transaction history necessary to track and process sales charges, annual service fees, and applicable redemption fees and deferred sales charges for each position, as well as other transaction details required for ongoing position maintenance purposes. If LPL does not provide recordkeeping services to a mutual fund family, then fund shares are traded on a networked basis, which means LPL submits a separate trade for each individual client trade to the fund and, therefore, LPL maintains only certain elements of the fund's shareholder information.

<sup>8</sup> Customers should be aware that some mutual funds offered by LPL may be purchased without a ticket charge by processing the transaction with a check and application sent directly to the mutual fund.

<sup>9</sup> Advisors pay for ticket charges on some of LPL's platforms, including but not limited to LPL's Strategic Asset Management II and Strategic Wealth Management II accounts.



## LEGAL DISCLOSURES

Aquila  
Arbitrage  
Arden  
Aristotle  
Artisan  
Ascentia  
Ashmore  
Aspen  
Aston  
Astor  
Aurora  
Avenue  
Azzad  
Babson  
Baron  
BBH  
Beck, Mack & Oliver  
Berwyn  
Blackrock  
BMO  
BP Capital  
BPV  
Brandywine  
Bright Rock  
Brinker  
Brookfield  
BTS Funds  
Buffalo  
Calamos  
Calvert  
Camelot  
Capital Advisors  
Capital Innovations  
Carne  
Catalyst  
Cavalier  
Cavanal Hill  
CCM  
Cedar Ridge  
Center Coast  
Centerstone  
Centre  
CGM  
Charles Schwab  
Clipper  
Cognios / IHT  
Cohen & Steers  
Columbia  
Commerce  
Community Capital  
Compass Emp  
Congress  
Convergence  
Copeland  
Counterpoint  
Cozad Funds  
Credit Suisse  
CRM  
Cullen  
Currency Strategies  
Cutler  
Davis  
Davis Selected  
Day Hagen  
Dean  
Dearborn Partners  
Delaware  
Delux  
Destra  
Deutsche  
DFA  
Diamond Hill  
Direxion  
Dreyfus  
Driehaus  
Eagle  
Eaton Vance  
Edgewood  
Elessar  
Emerald  
Empiric  
Equinox  
Even Keel  
Eventide  
Evergreen  
Evermore  
FBR  
Federated  
Fidelity Advisors  
First Eagle  
First Investors  
First Trust Series  
Firsthand  
Forward  
FPA  
Franklin Templeton  
Gabelli  
Gavekal  
GE Institutional  
Geneva Advisors  
Gerstein Fisher  
Giralda  
Goldman Sachs  
Good Harbor  
Gotham  
Grant Park  
Guggenheim  
GuideStone  
Guinness Atkinson  
Hancock Horizon  
Hanlon  
Hansberger  
Harbor  
Hartford  
Hatteras  
Heartland  
Henderson Global  
Hennessy  
Highland  
Highmark  
Hodges  
Horizon  
Hotchkis & Wiley  
HSBC  
Huntington  
Icon  
Infinity  
Innealta  
Insignia  
Invesco  
Iron  
IronHorse  
Ivy  
Jag  
James  
James Alpha  
Janus  
JOHCM Funds  
John Hancock  
JP Morgan  
Keeley  
Kinetics  
Lateef  
Laudus



## LEGAL DISCLOSURES

Lazard  
Leader  
Lee Munder  
Legg Mason  
Liberty Street  
Litman Gregory  
Lo Corr  
Longboard  
Longleaf  
Loomis Sayles  
Lord Abbett  
M.D. Sass  
Madison  
Mainstay  
Mairs and Power  
Manning Napier  
Marketfield  
Marsico  
Matthews  
Meeder  
Merger  
Meridian  
Meritage (Insignia)  
Metropolitan West  
Metropolitan West Class I  
MFS  
Miller  
Miller(Trust for Advised Portfolios)  
Mirae Asset Discovery  
Morgan Stanley  
Morgan Stanley Inst  
Motley Fool  
Munder  
Nationwide  
Natixis  
Needham  
Neuberger & Berman  
Newfound  
Northern  
Northpointe  
Nuance  
Nuveen  
Oak Assoc.  
Oak Ridge  
OakMark  
Oakseed  
Oppenheimer  
Optimum

Orinda  
Osterweis  
Pacific Life  
Palmer Square  
Paradigm  
Parnassus  
Pax World  
Peartree  
Pension Partners  
Performance Trust  
PIMCO  
Pinnacle  
Pioneer  
Poplar Forest  
Praxis  
Price Asset Mgmt  
Primecap  
Princeton  
Principal  
Profunds  
Prudential  
PTA  
PTAM  
Putnam  
Pzena  
Quaker  
Rainier  
Rational Funds  
RBB-Abbey Capital  
Redwood  
Ridgeworth  
Riverbridge  
Riverpark  
Robinson  
Royce  
RS  
Russell  
Salient  
Saratoga  
Schooner  
Schwab  
Scout  
Seafarer Funds  
Segall Bryant Hamill  
SEI  
Selected  
Semper  
Sentinal

Shelton  
Sierra  
Signalpoint  
Sim  
Skybridge  
Smead  
Stadion  
Sterling Capital  
Sun America  
Swan  
Symons Capital  
T Rowe Price  
TCW  
Third Ave  
Thornburg  
TIAA-CREF  
Timberline  
Tocqueville  
Toroso  
Tortoise  
Touchstone  
Towes  
Towle  
Transamerica  
Transparent Value  
Turner  
Tweedy Browne  
US Global Investors  
USAA  
Van Eck  
Victory  
Virtus  
Vivaldi  
Voya  
VRM  
Wasatch  
WBI  
Weitz  
Wells Fargo  
West Loop  
Westcore  
Western Asset  
Westwood  
Whitebox  
WHV  
William Blair  
Wilshire Funds  
World Funds



# LEGAL DISCLOSURES

Zacks

3. **Networking.** When LPL is the broker-dealer for Customer assets custodied on the books and records of a mutual fund or annuity Product Sponsor, the Product Sponsor may pay LPL a networking fee as follows:

Product Categories	LPL Networking Compensation
Mutual Funds	<ul style="list-style-type: none"> <li>• Up to 0.15% of Customer Assets, or</li> <li>• Up to \$12 per Customer position</li> </ul>
Annuities	<ul style="list-style-type: none"> <li>• Up to 0.15% of Customer Assets, or</li> <li>• Up to \$6 per Customer position</li> </ul>

Product Sponsors that pay a networking fee to LPL are as follows:

## Mutual Funds:

Aberdeen	Eagle	John Hancock
Allegiant / PNC	Eaton Vance	JP Morgan
Alliance Bernstein	Emerald Growth	Keeley
Alliance Fund	Empiric Funds	Lazard
Allianz	Entrepreneur Shares (Rafferty	Leader Funds
ALPS	Capital Markets)	Legg Mason
American Beacon Advisors	Eventide	Leuthold
American century	Federated Securities	LoCorr
American Funds	Fidelity	Lord Abbett
American Growth	First American	Maingate
Archer	First Dominion	Mainstay
Ashmore	First Eagle	Managers
B Riley	First Pacific Advisors	Manning Napier
Baird & Co.	First Trust Portfolios	Matrix Capital Corp
Baron Capital	Forward	Members / CUNA (Madison)
Blackrock	Franklin Templeton	MFS
Brandes	Fred Alger	Mirae
Burnham	Fund X Upgrader (Professionally	Munder
Calamos	Managed Portfolios)	Nations (Stephens)
Calvert Distributor	Global Asset Management	Nationwide
Capital Investment Group	Goldman Sachs	Natixis
Cohen & Steers	GoodHaven	Neuberger
Colorado Bond Shares / Freedom	Gottex	Northern Lights
Columbia	Hartford	Nuveen
Conseco	Henderson Global	Old Mutual Fund
Cook & Bynum	Highland	Olstein
Credit Suisse	Highmark	Oppenheimer
Davis	Hotchkis & Wiley	Pacific Global
Delaware	HSBC	Pacific Heights
Deutsche Asset Management	Huntington Asset Services (American	Pacific Select
Diamond Hill	Pensions Investors Trust)	Payden
Doubleline	Hussman	PIMCO
Dreyfus	ICON	Pioneer
Driehaus	Invesco	Principal Funds
Dunham & Associates (Kelmoore)	Jackson National	Prudential
DWS	Janus	Putnam



## LEGAL DISCLOSURES

Pyxis	Schooner	Turner
Quaker	Schooner (Quaser)	UBS
RBB Fund	Security Investors	Ultimus / CM Advisors / Van Den Berg
Ridgeworth	Seligman (Riversource)	Berg
RiverNorth	Sentinel	Van Eck Securities Corp
Robeco	Standard	Van Kampen
Rochdale	Sun America	Victory
Rodney Square	T.Rowe	Virtus
Royce	TFS Capital	Wasamer Schroeder
RS / Guardian	Thompson	Wells Fargo
Russell	Thornburg	Willmington
Rydex	Touchstone	Wright Investors'
Sanlem	Transamerica	

### Annuities:

AIG	Great American Company	Penn Mutual
Allianz	Guardian	Phoenix Life
Allstate	Hartford Life and Annuity	Principal
American Centurion Life	Integrity/Western and Southern	Protective
American Enterprise Life	Jackson National	Prudential
AXA	Jefferson Pilot	Reliance Standard
Brighthouse Financial (MetLife)	John Hancock	River Source
Commonwealth Annuity and Life/Kemper	Liberty Life	Sammons
CM Life Insurance Company	Lincoln National	Sanlam
Delaware Life (SunLife)	Mass Mutual	Security Benefit
GE Life and Annuity	Midland National	The Standard
Genworth	Nationwide	Symetra
Glenbrook Life and Annuity	New York Life	Transamerica
Global Atlantic (Forethought)	Ohio National	Voya (ING)
	Pacific Life	

4. **Product Onboarding Fees.** LPL charges a setup fee to Product Sponsors when adding new investment products or share classes of an investment product to LPL's investment platforms. Setup fees for investment products are as follows:

Product Categories	LPL Onboarding Compensation
Mutual Funds	<ul style="list-style-type: none"> <li>• Up to \$40,000 comprised of:               <ul style="list-style-type: none"> <li>▫ Up to \$15,000 as a due diligence fee, and</li> <li>▫ Up to \$5,000 per fund to a maximum of \$25,000</li> </ul> </li> </ul>
Annuities	<ul style="list-style-type: none"> <li>• Up to \$75,000 as a technology development fee<sup>10</sup></li> </ul>
Alternative Investments	<ul style="list-style-type: none"> <li>• Up to \$30,000 for initial products, and</li> <li>• Up to \$15,000 for follow-on product offerings or additional share classes</li> </ul>

<sup>10</sup> LPL typically receives a one-time networking setup onboarding fee as reimbursement for technology-related costs associated with networking and set up on the Annuity Order Entry trading platform.





## LEGAL DISCLOSURES

5. **Ad Hoc Reporting.** LPL receives up to \$200,000 annually as Third Party Compensation from mutual fund and annuity Product Sponsors in exchange for access to a web-based portal that provides business intelligence and ad hoc reporting relating to LPL's Advisors.
6. **Reimbursement for Shareholder Materials.** When LPL delivers mutual fund shareholder reports and proxies to you, LPL is reimbursed by the mutual fund for the delivery costs. The maximum fee that can be charged for delivery is set by New York Stock Exchange (NYSE) rules. If LPL uses a vendor to perform the delivery, the vendor seeks reimbursement from the mutual fund on LPL's behalf and in certain cases remits a portion of the reimbursement to LPL.
7. **No Transaction Fee Network.** Certain mutual funds that participate in LPL's No Transaction Fee Network ("NTF Funds") can be purchased in Strategic Asset Management (SAM) accounts and non-retirement Strategic Asset Management II (SAM II) accounts without a transaction charge. If an NTF Fund is purchased in a SAM account or SAM II non-retirement account, the mutual fund directs payment to LPL to be used exclusively to defray the transaction charge otherwise owed by the Customer (in the case of SAM) or by the Customer's Advisor (in the case of SAM II). In the case of SAM II, Customer should understand that the cost to the Advisor of transaction charges may be a factor the Advisor considers when deciding which mutual funds to select and whether or not to place transactions in the account. In particular, the Advisor has a financial incentive to select NTF Funds for non-retirement Accounts to avoid paying or to lower the transaction charges.

The following mutual funds participate in the NTF Network:

AB	Guggenheim	PIMCO
Aberdeen	Hartford Funds	Pioneer
Alger	Highland	Power Income (W.E. Donoghue)
Allianz	ICON	Principal
American Beacon	Invesco	Prudential
American Century	Ivy	Putnam Investments
American Funds	J.P. Morgan Asset Management	Russell
API (Yorktown)	Janus	Sentinel
BlackRock	John Hancock Investments	Stadion
Calamos	Legg Mason Global Asset	SunAmerica
Columbia Threadneedle	Management	Thornburg
Delaware	Lord Abbett	TIAA
Deutsche	Mainstay	Touchstone
Dreyfus	MFS Investment Management	Transamerica
Eaton Vance	Morgan Stanley	Van Eck
Federated	Nationwide	Victory
Fidelity	Natixis Management	Virtus
First Eagle	Neuberger Berman	Voya
First Investors (Foresters)	Nuveen	Wells Fargo
Forward Funds	Oppenheimer	
Franklin Templeton	Pacific Life	
Goldman Sachs	Parnassus	



## LEGAL DISCLOSURES

8. **Technology Funding.** When LPL incurs technology development-related costs associated with the launch or maintenance of a platform, tool or service, LPL sometimes receives reimbursements from Product Sponsors for such costs. Because LPL benefits from product sponsors' reimbursements of technology development-related costs, LPL's financial interests are conflicted with its ability to use strictly objective factors when selecting Product Sponsors to make available on the applicable platforms. The following is a list of initiatives for which LPL has recently received technology development-related reimbursements:
- LPL received up to \$300,000 per Product Sponsor for the development of a unit investment trust (UIT) automated order entry and processing tool. Product Sponsors included: First Trust, AAM, Invesco, Guggenheim, and Smart Trust.
  - LPL received up to \$100,000 per Product Sponsor for the onboarding of certain variable annuity product to LPL's Strategic Asset Management and Strategic Wealth Management platforms.
9. **Concessions.** LPL receives Third Party Compensation in the form of a concession or placement fee from Product Sponsors in connection with transactions in new issues described below and shares a portion of this compensation with its Advisors.

Financial Products	LPL and Advisor Compensation
Fixed Income <sup>11</sup>	• Up to 0.25% of the transaction amount
Mutual Funds <sup>12</sup>	• Between 0.25% and 1% of the transaction amount
Closed-End Funds	• Up to 4.00% of the transaction amount
Unit Investment Trusts (UITs)	• Up to 3.50% of the transaction amount, and • Volume concessions and reallowances as disclosed in the applicable UIT prospectus <sup>13</sup>
Structured Products	• Up to 4.00% of the transaction amount, and • Up to 0.625% of Customer Assets <sup>14</sup>

10. **Life Insurance.** In addition to the compensation LPL receives for other products offered by insurance Product Sponsors, such as annuities, LPL receives compensation from issuers of life insurance (universal, variable universal, whole life, and term) and other insurance contracts available to Customers. The amount of commission varies depending on the issuer, coverage and the premium amount. Advisors receive a percentage of the commissions and trailing commissions the insurance company pays to LPL and/or LPL Insurance Associates, Inc. ("LPLIA"). LPL, LPLIA, and Advisors may also receive additional compensation from issuers whose aggregate sales exceed premium thresholds specified in selling agreements with LPL and/or LPLIA. Insurance compensation is as follows:

Compensation Type	Compensation Amounts
Upfront Commission	• Between 4% to 105% of first-year commissionable premiums
Trailing Commission	• Between 1% to 10% of commissionable premiums or of the cash value of the life insurance on an annual basis <sup>15</sup>
LPL and/or LPLIA Marketing Support Payments	• Between 1% to 25% of first-year commissionable premiums

<sup>11</sup> This category includes but is not limited to: new issues of certificates of deposit, municipal bonds and other short-term dated bonds.

<sup>12</sup> This compensation is in connection with transactions for which sales charges are waived (usually for purchases of greater than \$1,000,000) or under other circumstances as described in a fund's offering documents.

<sup>13</sup> In certain cases, LPL receives additional payments from a UIT sponsor, also known as volume concessions, based on LPL's aggregate sales volume with such sponsor, which are not shared with your Advisor. From time to time, in addition to any dealer or volume concession, LPL receives a reallowance of the public offering price per unit on units of certain UITs and structured products sold by LPL during the initial offering period.

<sup>14</sup> LPL does not share this compensation with your Advisor.

<sup>15</sup> The commission payment option is selected by the Advisor.



## LEGAL DISCLOSURES

The following insurance product sponsors participate in LPL's Sponsor Programs:

Allianz Life Ins. Co.  
Allstate Life Ins. Co.  
Allstate Life Ins. Co. of NY  
American General (AIG)  
American General Life Ins. Co. of DE  
American National Insurance  
Ameritas (f/k/a Union Central)  
Assurity Life  
Aviva Life and Annuity  
Aviva Life and Annuity Company of NY  
AXA Life Ins. Co.  
First Symetra National Life Ins. Co. of New York  
ForeThought  
General American Life  
Genworth Life Ins. Co.  
Genworth Life Ins. Co. of NY  
Golden Rule  
Great West Life  
Independent Order of Foresters

John Hancock  
John Hancock NY  
Legal and General America (Banner & William Penn)  
Liberty Life Assurance Company of Boston  
Lincoln Benefit  
Lincoln Life & Ann of NY  
Lincoln National Life Ins. Co.  
MassMutual  
MetLife DI  
Metropolitan Life Ins. Co.  
Midland National  
Minnesota Life Ins. Co (Securian Life in NY)  
Mutual of Omaha (United of Omaha and Companion Life)  
Nationwide Life  
New York Life  
Ohio National Life  
OneAmerica

Pacific Life  
Penn Mutual Life  
Principal Life  
Protective Life Ins. Co.  
Prudential Life Ins. Co.  
Reliastar Corporation  
Reliastar Life of NY  
SBLI Mutual Life Ins. Co.  
Security Life of Denver  
Standard Ins. Co.  
State Life Ins. Co.  
Symetra Life Ins. Co.  
The United States Life Ins. Co. of NY  
Transamerica Life Ins. Co.  
Vantis Life Ins. Co.  
Voya Financial (f/k/a ING)  
West Coast Life  
Western & Southern Financial Group  
William Penn



## LEGAL DISCLOSURES

11. **Cash Sweep.** LPL automatically transfers cash deposits, including money waiting to be reinvested such as dividends, incoming cash deposits and money from sell orders, in the Customer's account into an interest bearing account, such as a bank account or a money market fund. LPL offers two FDIC insured sweep programs and multiple money market fund options, depending on the Customer's account type. For more information, please see the applicable ICA or DCA disclosure booklet.
- a. **Insured Cash Account (ICA).** LPL offers a service to sweep cash held within customer brokerage accounts into an interest-bearing FDIC insured cash account. Under its agreement with each bank in which LPL deposits customer cash, LPL receives a fee from the banks equal to a percentage of the average daily deposit balance in the ICA. The fee paid to LPL may be at an annual rate of up to an average of 2.00% as applied across all deposit accounts taken in the aggregate; therefore, on some accounts, fees to LPL may be higher or lower than this average percentage amount. The compensation LPL receives on ICA may be higher than the compensation available to LPL from an alternative sweep investment option. LPL receives compensation from each bank in which an account has an ICA, as shown in the monthly account statement.
  - b. **Deposit Cash Account (DCA).** Under the DCA program, each Bank pays an amount equal to a percentage of the average daily aggregated omnibus deposit balance. This amount includes the fee for the third-party administrator, LPL's per account fee, and interest payable to participating accounts. Different Banks may pay different amounts. Customers have no rights to the amounts paid by the Banks, except for interest actually credited to the Customer account. However, amounts collected from the Banks during each period, less interest credited, will be allocated on a per dollar per account basis and used to offset your monthly LPL account fee. For its services under the LPL DCA program, including making the platform available, LPL receives a per account fee each month. The maximum fee paid to LPL may be up to \$15 per account per month. This monthly fee is based on a formula equal to \$1.00 plus, \$0.08 times the current Federal Funds Target (FFT) in basis points and varies with FFT. The current fee can be found at [lpl.com](http://lpl.com). It is expected that this fee will be recouped from the DCA Program Banks and will not be a fee directly applied to your account.
  - c. **Money Market Funds.** For accounts not eligible for ICA or DCA, cash balances can be automatically invested in a money market fund. The money market mutual fund automatic cash sweep program sweeps uninvested cash daily into taxable and tax-exempt money market funds offered by J.P. Morgan Asset Management and Federated Services Company. LPL receives compensation of up to 0.16% of Customer Assets invested in J.P. Morgan Asset Management money market funds and up to 0.35% of Customer Assets invested in Federated Services Company money market funds. The sweep money market funds generally pay 12b-1 fees higher than other money market funds. The 12b-1 fees and the payer of such fees are set out in the prospectus of the money market fund.
  - d. **High Cash Balance.** LPL offers a High Cash Balance Options ("HCBO") program for ICA-eligible accounts<sup>16</sup> with at least \$250,000 of uninvested cash balance available for investment. This program enables eligible accounts to purchase certain money market funds and retain an ICA sweep on the account. Money market mutual funds that are available in HCBO compensate LPL at a rate of up to 0.14% of Customer Assets. These payments are in addition to recordkeeping fees that LPL receives as described above.
12. **Float.** As broker-dealer and custodian of its customers' assets, LPL receives compensation (sometimes referred to as "float") in the form of earnings on LPL's investment of uninvested cash in Customer accounts. Cash typically accumulates in a Customer account because (i) the Customer contributed, deposited or otherwise moved cash into the account, or (ii) there was a sale of securities. LPL also receives float on outstanding checks after they are issued by LPL to a Customer but before the Customer presents the check for payment.

<sup>16</sup> Non-ICA eligible accounts may participate on an exception basis.



## LEGAL DISCLOSURES

13. **Optimum Funds.** If the Plan purchases a fund in the Optimum Funds mutual fund family, you should be aware that LPL provides services to the Optimum funds and receives the following compensation for such services, in addition to recordkeeping fees. LPL provides investment consulting services to the investment advisor of the Optimum Funds pursuant to a consulting agreement between LPL and Delaware Investments, which services include, but are not limited to, assisting the advisor in determining whether to engage, maintain or terminate sub-advisers for the Optimum Funds. As compensation for these services, LPL receives an annual investment consulting fee of up to 0.22% of fund assets annually from Delaware Investments.
14. **Strategic Wealth Management.** LPL offers a custodial platform for registered investment advisor (RIA) called Strategic Wealth Management (SWM). Some mutual fund Product Sponsors pay LPL up to 0.15% of Customer Assets on the SWM platform (exclusive of recordkeeping or 12b-1 payments) and as a result benefit from reduced ticket charges. Although RIAs using the SWM platform do not receive any part of these payments, RIAs that use SWM II benefit from the reduced ticket charges.
15. **Miscellaneous and Non-Cash Compensation.** LPL, LPL employees and Advisors receive compensation from Product Sponsors that is not in connection with any particular Customer or Customer Assets. 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, client workshops or events, or marketing or advertising initiatives, including services for identifying prospective clients. Product Sponsors also pay for, or reimburse LPL for the costs associated with, education or training events that may be attended by LPL employees and representatives and for LPL-sponsored conferences and events, which may include events under the Sponsorships Programs described above.
16. **Collateralized Accounts.** LPL offers a program that enables Customers to collateralize certain investment accounts in order to obtain secured loans through banking institutions that participate in the program. LPL receives Third Party Compensation from participant banks based on the amount of outstanding loans. Compensation can be up to 0.65% of the outstanding loan amount.
17. **Third Party Asset Management Programs (TAMPs).** LPL enters into agreements with third party investment advisers to whom LPL refers clients, pursuant to which LPL may provide (i) marketing services on behalf of the third party investment advisers to LPL representatives; or (ii) data technology services to integrate third party investment adviser account data on LPL's technology systems.<sup>17</sup> LPL receives up to 0.10% of Customer Assets that it refers to a TAMP. TAMPs that currently pay such fees include Brinker.
18. **Error Correction.** In the event a trade error occurs in an account, and such error is determined to be caused by LPL, LPL will cancel the trade and remove the resulting monetary loss to a client from the account. If a trade correction is required as a result of a client (e.g., if a client does not make full payment for purchases or fails to deliver negotiable securities for liquidations before trade settlement), LPL will cancel the trade and any resulting monetary loss will be borne by the client. In the case of a trade that requires a correction as described above and that resulted in a monetary gain to the client, such gain may be removed from the account and may result in a financial benefit to LPL.
19. **Other Fees and Conflicts.** You may be subject to other fees set forth in the schedules, available at [https://lplfinancial.lpl.com/disclosures/fee\\_schedules.htm](https://lplfinancial.lpl.com/disclosures/fee_schedules.htm). Other conflicts of interest can be found in LPL's Form ADV, available at <http://www.adviserinfo.sec.gov>.

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<sup>17</sup> Your Advisor does not share in these fees. If LPL acts as a referral agent, the Plan or the Plan's participants being referred to the TAMP or investment advisor firm are required to be provided with a disclosure statement (which must be acknowledged in writing) outlining the referral arrangement and the compensation to LPL.

