
UNDERSTANDING COMPENSATION RECEIVED BY PRIMEVEST FINANCIAL SERVICES, INC.

FROM SPONSORS OF MUTUAL FUNDS, VARIABLE INSURANCE CONTRACTS, 529 COLLEGE SAVINGS PLANS, DIRECT PARTICIPATION PROGRAMS AND NON-TRADED REAL ESTATE INVESTMENT TRUSTS

As an investor, it is important that you have a well thought out investment plan to help you meet your investment goals. It is also important for you to understand the sales compensation and certain other fees associated with your investments and the potential conflicts of interest PRIMEVEST Financial Services, Inc. (“PRIMEVEST”) and your registered representative may have when offering and recommending investments to you. This document is intended to help you understand the various forms of compensation that PRIMEVEST and your representative earn when you purchase a mutual fund, variable insurance contract, 529 college savings plan, direct participation program or non-traded real estate investment trust. These various forms of compensation create potential conflicts of interest, and it is important for you to assess potential conflicts of interest before making an investment decision.

PRIMEVEST offers a wide variety of investment products, including mutual funds, variable insurance contracts, 529 plans, direct participation programs and non-traded real estate investment trusts. Product sponsors may compensate PRIMEVEST in various amounts for marketing, selling, processing and maintaining your investments in these products and to reimburse expenses for due diligence. These product sponsors also compensate PRIMEVEST for training and educating our registered representatives, employees and investors.

These compensation arrangements are described in more detail in the prospectus and Statement of Additional Information (“SAI”) for each mutual fund, in variable insurance contracts, in the plan document for a 529 college savings plan, or in other documents prepared by the product sponsors.

TRANSACTION-BASED COMPENSATION

When you purchase an investment, you will usually pay a sales charge. This sales charge may be paid at the time of purchase or the sales charge may be built into the expense of the product and/or charged to you when you sell your investment. PRIMEVEST is paid by the product issuer or its affiliates shortly after the transaction. Generally, part of that payment is paid to the financial institution where your registered representative is located (“Financial Institution”), based on a compensation formula agreed to between the Financial Institution and PRIMEVEST. The Financial Institution in turn compensates your registered representative as agreed by the Financial Institution and the representative. In other circumstances, PRIMEVEST pays a portion of the compensation received from product issuers directly to your registered representative, according to a formula agreed to between your representative and PRIMEVEST. Your sales charges and expenses and the sales commissions paid to PRIMEVEST differ from investment to investment, and may depend on the amount of money you invest.

In addition, after your initial transaction, PRIMEVEST is eligible to receive ongoing or continuing compensation, which is sometimes called a 12b-1 fee, service fee, trailing commission or trail and is designed to compensate PRIMEVEST for the marketing and services we provide for our representatives and investors. PRIMEVEST retains a portion of these fees and pays the remainder to the Financial Institution or your registered representative. You do not pay these fees directly. They are deducted from the total assets in the fund and therefore reduce investment returns. The amount of trail commissions is set by the mutual fund company and is typically set forth in the mutual fund prospectus and/or SAI.

POTENTIAL CONFLICTS OF INTEREST IN TRANSACTION-BASED COMPENSATION

It is important for you to understand that transaction-based compensation may vary from one product to another, and that PRIMEVEST receives and pays a portion of transaction-based compensation to the Financial Institution or to your registered representative. Accordingly, a potential conflict of interest exists where PRIMEVEST and your registered representative are paid more if you purchase one type of product as opposed to another, or you purchase from one product sponsor instead of another product sponsor.

If you have any questions about the amount of compensation PRIMEVEST or your registered representative will earn from your investment alternatives, you should discuss them with your registered representative.

More information about these investment products and transaction-based compensation is available on our web site.

MUTUAL FUND AND VARIABLE INSURANCE CONTRACT REVENUE SHARING AND THE STRATEGIC PARTNERS PROGRAM

Although PRIMEVEST offers thousands of mutual funds from more than 200 mutual fund companies, and hundreds of variable life and annuity contracts from more than 100 insurance companies, we concentrate our marketing and training efforts on those investments offered by a much smaller number of select and well-known companies (“Strategic Partners”). Strategic Partners are selected, in part, based on the competitiveness of their products, their technology, their customer service and their training capabilities. Some of our Strategic Partners are members of the ING family of companies. For a current list of our Strategic Partners, please see [Strategic Partners](#).

Our Strategic Partners pay extra compensation to PRIMEVEST or its affiliates in addition to the usual product compensation described in the prospectus. The additional amounts Strategic Partners pay PRIMEVEST vary from one Strategic Partner to another and from year to year. Some Strategic Partners pay up to 25 basis points (1/4%)¹ of your total purchase amount of a mutual fund or variable insurance product. So, for example, if you invest \$10,000 in a mutual fund, PRIMEVEST could be paid up to \$25. Additionally, some Strategic Partners make an additional quarterly payment based on the assets you hold in the fund over a period of time of up to 10 basis points (1/10%) per year. For example, on a holding of \$10,000, PRIMEVEST could receive up to \$10. Alternatively, PRIMEVEST may receive a flat fee from the mutual fund or insurance company, regardless of the amount of new sales or assets held in client accounts. These payments are designed to compensate PRIMEVEST for ongoing marketing, administration and education of its employees and representatives. You do not make these payments. They are paid by the mutual fund and insurance companies and/or their affiliates out of the assets or earnings of the funds or insurance companies or their affiliates.²

It is important to note that you do not pay more to purchase Strategic Partner mutual funds or insurance products through PRIMEVEST than you would pay to purchase those products through another broker-dealer and your representative does not receive additional compensation for selling a Strategic Partner product.

POTENTIAL CONFLICTS OF INTEREST IN RECEIVING REVENUE SHARING FROM STRATEGIC PARTNERS

A potential conflict of interest exists in that PRIMEVEST is paid more revenue-sharing fees if you purchase one type of product instead of another and/or you purchase a product from one particular sponsor instead of another. Your representative also indirectly benefits from Strategic Partner payments when the money is used to support costs relating to product review, marketing or training, or for waiver of ticket charges, as described below. Additionally, because of PRIMEVEST’s affiliation with the ING family of companies, ING product sponsors may have more opportunities to educate and interact with your registered representative than other product sponsors.

MONEY MARKET SWEEP

Your PRIMEVEST brokerage account contains a money market sweep option that, if selected, allows uninvested cash in your account to be automatically swept to a money market mutual fund. PRIMEVEST’s sweep option utilizes Federated money market mutual funds. PRIMEVEST is paid some or all of the following types of compensation on customer balances maintained in various Federated money market funds: shareholder service fees, 12b-1 fees, recordkeeping fees and supplemental payments made by the distributor of the money market funds out of the distributor’s own resources. PRIMEVEST retains a portion of these fees, and pays the remainder to the Financial Institution or your representative.

MUTUAL FUND NETWORKING FEES

When you purchase a mutual fund through your PRIMEVEST brokerage account, you receive statements and tax reports from PRIMEVEST, which would otherwise be the responsibility of the mutual fund companies. Such accounts are deemed “networked accounts”. The mutual fund companies pay PRIMEVEST a flat fee per networked account to compensate it for providing you with statements and tax reports.

¹ “Basis point” is a common term used to describe compensation and other costs relating to securities. A basis point is one one-hundredth of a percentage point.

² PRIMEVEST may occasionally receive revenue sharing payments from companies that are not Strategic Partners.

MUTUAL FUND AND VARIABLE INSURANCE CONTRACT TICKET CHARGES

When you purchase a mutual fund in a PRIMEVEST brokerage account, PRIMEVEST may discount or waive its nominal “ticket charge” for each transaction of up to \$22, which would normally be paid to PRIMEVEST by the Financial Institution or your registered representative. PRIMEVEST discounts or waives this ticket charge only for some mutual fund Strategic Partner purchases.

TRAINING AND EDUCATION COMPENSATION

PRIMEVEST and its representatives also receive additional compensation from mutual fund and insurance companies that is not related to individual transactions or assets held in accounts. This money is paid, in accordance with regulatory requirements, to offset up to 100% of the costs of training and education of our representatives and employees. In some instances, mutual fund and insurance companies may pay a flat fee in order to participate in a PRIMEVEST training and educational meeting. These meetings or events provide PRIMEVEST representatives with comprehensive information on products, sales materials, customer support services, industry trends and sales techniques.

It is important to note that due to the number of mutual fund and variable insurance products PRIMEVEST offers, not all product sponsors have the opportunity to participate in these training and educational events. In general, our Strategic Partners have greater access to participation in these events and therefore greater access to, and opportunity to build relationships with, our representatives.

Some of the training and educational meetings for which PRIMEVEST or its representatives receive reimbursement of costs may include client attendance. If you attend a training or educational meeting with your registered representative and a product sponsor is present, you should assume that the product sponsor has paid for all or a portion of the costs of the meeting or event.

OTHER CASH AND NON-CASH COMPENSATION

In addition to reimbursement of training and educational meeting costs, PRIMEVEST and its representatives may receive promotional items, meals or entertainment or other non-cash compensation from representatives of mutual fund companies, insurance companies and direct participation sponsors, as permitted by industry rules. Additionally, sales of any mutual funds and variable insurance products and other products, whether or not they are issued by Strategic Partners, may qualify PRIMEVEST representatives for additional business support and for attendance at seminars, conferences and entertainment events. Further, some of PRIMEVEST’s home office management and certain other employees may receive a portion of their employment compensation based on sales of products of Strategic Partners, including ING affiliates.

529 PLANS

In addition to transaction-based compensation for sales of 529 plans, 529 plan assets are included in the amount of total mutual fund or variable annuity assets for which revenue sharing is paid as described above. PRIMEVEST does not separately account for these payments and does not have any 529 Plan Strategic Partners.

DIRECT PARTICIPATION PROGRAMS AND NON-TRADED REAL ESTATE INVESTMENT TRUSTS

Subject to regulatory requirements limiting compensation, direct participation programs and non-traded real estate investment trusts may pay PRIMEVEST marketing allowances. Such companies may also pay the costs of training and education meetings.

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If you have any questions about any portion of this document, please feel free to discuss them with your registered representative or call (800)245-0467.