



national planning corporation
NPC of America® in Florida and New York
Member FINRA, SIPC

Premier Sponsor Program and Revenue Sharing Disclosure

The following is a general description of revenue sharing payments that we receive in connection with sales of certain mutual funds, annuities and other products, as explained below. National Planning Corporation® (NPC®)¹ is providing this information to you for use in evaluating investment options available through NPC's Representatives. This notice may be changed periodically; the most recent version will be posted on the NPC website, www.natplan.com, on the home page under *Investors*, then *Disclosures*, then *NPC's Premier Sponsor Program and Revenue Sharing Disclosure*.

We offer a full array of mutual funds, variable insurance products, real estate investment trusts (REITs), 529 College Savings Plans (529 Plans), unit investment trusts (UITs), business development companies (BDCs), and fixed insurance products (collectively, Investment Products), which are sponsored by various companies. In offering these products, we conduct due diligence in an attempt to identify Investment Products that may meet your investment objectives and to determine whether the companies offering the Investment Products (Sponsors) otherwise meet our requirements.

Upon approving an Investment Product, we enter into an agreement with the Sponsor to enable our Representatives to offer the product to clients like you. The Sponsors of these Investment Products pay us in the form of commissions, sales charges and/or service charges,² (collectively, Standard Commissions), pursuant to our agreement with them. Standard Commissions are shared with Representatives based on their payout grid. These payout grids are generally weighted to pay higher amounts for packaged products (like mutual funds, annuities and REITs) over individual stocks and bonds, and to pay higher percentages of the Standard Commissions to Representatives who generate more revenue for the Firm.

NPC also enters into agreements with certain Sponsors of Investment Products where we receive additional payments, in addition to the receipt of Standard Commissions. We refer to these additional payments as *Revenue Sharing Payments* and to the companies who make the payments as *Premier Sponsors*. This arrangement is referred to as our *Premier Sponsor Program*.

We use the Revenue Sharing Payments from Premier Sponsors to cover costs associated with running NPC, including due diligence costs, paying for certain educational conferences, presentations, meetings and events for our Representatives, and as general revenue. Because there are thousands of Investment Products available in the marketplace, Revenue Sharing Payments also assist NPC and its Representatives in evaluating new Investment Products that may benefit you. Some Premier Sponsors also pay costs associated with our Representatives and employees attending certain conferences, presentations, meetings, and events designed to educate them about the Investment Products or other business matters.

Our Premier Sponsors are:

Insurance

Allianz Life
American National
AXA Equitable
Great American
Jackson®
Lincoln National Life
MetLife Investors
Nationwide
Pacific Life
Prudential
Sammons (Live Well)
Transamerica
United Life
Voya

Mutual Funds + 529 Plans

American Funds
BlackRock
Franklin Templeton Investments
Hartford
Invesco
John Hancock
Lord Abbett
MainStay
Nationwide
Oppenheimer
Pacific Life
PIMCO
Putnam
Sammons (Live Well)
Transamerica
Voya (Select Advantage IRA)

Alternative Investments

CNL
Dividend Capital
Franklin Square
Griffin Capital
Jones Lang LaSalle

With the exception of Jackson National Life Insurance Company® (Jackson®), which is an affiliate, the Premier Sponsors are independent companies which are not affiliated with the Firm.

REVENUE SHARING PAYMENTS: Since Revenue Sharing Payments create a conflict of interest, this notice is intended to provide you with information on the Premier Sponsor Program, the Premier Sponsors who participate in the Program, and other payments or benefits that we receive.

In exchange for Revenue Sharing Payments received by NPC, the Premier Sponsors receive enhanced access to your Representative. Such access includes the opportunity to speak about their Investment Products at conferences, presentations, meetings or events at which your Representative may be in attendance, increased prominence on NPC's website, and other opportunities to interact directly with your Representative. This access to your Representative provides Premier Sponsors increased opportunities for marketing, educating, and training Representatives about their Investment Products, which increase your Representative's knowledge and familiarity of such Investment Products versus other Sponsors' Investment Products. Companies that are not Premier Sponsors do not participate in these NPC conferences, presentations, meetings, or events and do not receive the same level of access to our Representatives.

We receive various types of Revenue Sharing Payments from Premier Sponsors in exchange for their participation in the Premier Sponsor Program, which in aggregate are material to the Firm. These payments fall into one or more of the following categories:³

- **Sales-Based Payments** are payments made to NPC by Premier Sponsors for new sales of their Investment Products. In general, the Premier Sponsor pays NPC up to 0.45 percent (45 basis points) on gross sales of their respective products sold through NPC. For example, if you invest \$10,000 in a product offered by a Premier Sponsor, NPC will receive a payment up to \$45.00 for that sale.
- **Asset-Based Payments** are payments made to NPC by Premier Sponsors on an annual basis of up to 0.10 percent (10 basis points) on the amount of the Premier Sponsor's Investment Products held with that Sponsor. For example, a \$10,000 investment in a product sponsored by a Premier Sponsor would result in an additional payment up to \$10.00 to NPC for those assets for each year it remains invested, with the amount increasing or decreasing if the \$10,000 grows in value or declines in value.
- **Flat Fee Arrangements** are payments of a negotiated set amount that a Premier Sponsor agrees to pay to NPC for participation in the Premier Sponsor Program. Some Premier Sponsors have negotiated a Flat Fee Arrangement, rather than making Sales-Based or Asset-Based Payments.
- **REIT/BDC Payments** are payments by real estate investment trusts or business development companies of an amount calculated up to 1.5 percent (150 basis points) on all new sales. For example, if you invest \$10,000 in a REIT/BDC sponsored by a Premier Sponsor, NPC will receive an additional payment up to \$150.00 for that sale.
- **Fixed Insurance Payments** are payments made by Premier Sponsors who are insurance companies, based on volume of sales of fixed insurance products. These payments are made directly to NPC, to our affiliated insurance agencies, or through non-affiliated insurance agencies that will share a portion of these payments with us.

Please note that the method of calculation and terms of payment are subject to change and may vary among the Premier Sponsors, depending on the nature of the arrangement agreed upon between the Sponsor and NPC. All of the payments outlined above are in addition to the Standard Commissions received by NPC.

For additional information on charges and expenses, please refer to each Premier Sponsor prospectus, offering document and Statement of Additional Information (SAI).

Representatives do not directly receive or participate in Revenue Sharing Payments made to NPC. However, some Representatives receive indirect benefits funded by Revenue Sharing Payments, including attendance at sponsored conferences, presentations, meetings and events, educational training, and approved forms of business entertainment and travel expenses (as explained in greater detail below).

Please note that Revenue Sharing Payments are made by the Premier Sponsors (or their affiliates, such as the product distributor, underwriter, or money manager) from revenue that they receive from the sale of Investment Products and are not deducted from your account. The payments outlined above are only received from Premier Sponsors; however, NPC receives other types of payments from both Premier Sponsors and Sponsors of other Investment Products, as discussed below.

OTHER PAYMENTS: NPC and its Representatives receive other forms of payments or indirect benefits in addition to those described above, including:

- **Reimbursement for Expenses** – NPC and its Representatives receive payments from Sponsors of Investment Products (both Premier Sponsors and other Sponsors) for expenses relative to the operation of their business, including sponsorship of educational conferences, presentations and client meetings, marketing expenses, and other business related expenses.
- **Business Entertainment and Travel** – NPC and its Representatives receive promotional items, business entertainment and paid travel to events, conferences, presentations, or meetings hosted or subsidized by Sponsors of Investment Products (both Premier Sponsors and other Sponsors). The receipt of these benefits is regulated by securities industry rules and the policies of NPC, as to types of activities, dollar limits, and location of events.

- **Due Diligence Fees** – NPC receives fees or reimbursement of costs for conducting Due Diligence review of new or existing Investment Products. These payments are used to offset the general cost of Due Diligence and the specific costs associated with the Investment Products in question, and may also be treated as general revenue of NPC.
- **Clearing Firm Payments** – NPC receives certain payments from broker/dealers that process our brokerage trades, custody assets and send confirmations and brokerage statements (Clearing Firm). Payments from the Clearing Firm include participation in trade revenue, clearing fees, termination fees, underwriting spread and administrative and shareholder servicing fees. NPC may use a portion of this revenue to pay for certain costs and fees assessed against us by the Clearing Firm, so that we do not pass the fees onto you. Other payments from the Clearing Firm may include:
 - **Mutual Fund Orders** – The Clearing Firm offers investment programs allowing execution of transactions in participating mutual fund shares free of transaction fees or charges, provided certain minimum purchase amount criteria are met. NPC also receives Revenue Sharing Payments from these participating funds, subject to minimum aggregate assets in the program and depending on the nature of the program, that may be up to 65 percent of the Revenue Sharing Payment actually received by the Clearing Firm. The amount received by the Clearing Firm varies by mutual fund, but may be up to 0.40 percent (40 basis points). NPC also receives per position Revenue Sharing Payments that may be up to \$3 per position, for eligible positions held at the Clearing Firm. Your Representative does not directly receive any portion of these Revenue Sharing Payments. NPC recognizes these payments as general revenue and a portion may be allocated to specific expenses such as marketing or sponsoring conferences, presentations, meetings, or events hosted by NPC that your Representative may attend. Please feel free to ask your Representative for a list of participating funds and program conditions.
 - **Money Market Funds** – NPC also receives compensation from the Clearing Firm relative to money market fund holdings with the Clearing Firm. Generally, the payment from the Clearing Firm on applicable money market holdings is up to 0.69 percent (69 basis points) on the total assets held by NPC in the applicable money market at the Clearing Firm.
 - **Product Development** – NPC receives referral payments or other payments based on the development and distribution of certain Investment Products, such as Certificates of Deposit.
 - **Administrative and Shareholder Servicing Fees** – NPC may also receive payments passed on by the Clearing Firm from Sponsors of certain Investment Products for administrative and distribution assistance we provide related to the sale of their products.
- **Networking of Mutual Fund Accounts** – NPC may communicate account maintenance changes electronically for certain mutual fund companies under the NSCC Networking Program and will receive a service fee for this work. NPC may also establish accounts with certain mutual fund companies under the NSCC/Fundserv program and receive a service fee for this work.
- **Order Flow Payments** – NPC also receives Revenue Sharing Payments from companies that are not Premier Sponsors who provide us with access to their bond, structured product and UIT inventory and trading services. These companies earn revenue from the purchase and sale of bonds, structured products and UITs that NPC effects for its clients through them, and they share a portion of that revenue with NPC.
- **Fixed Insurance Payments** – We receive payments from insurance companies that are not Premier Sponsors, based on the volume of sales or retention of assets. These payments are made directly to NPC, to our affiliated insurance agencies, or through non-affiliated insurance agencies that will share a portion of these payments with us. These additional payments may be shared with your Representative in certain situations.

The payments outlined above under the Premier Sponsor Program or otherwise received by NPC or your Representative are in addition to Standard Commissions and service charges paid by you on the respective products. These commissions and service charges are outlined in the prospectus or other offering documents for mutual funds and variable annuities.

Your Representative can provide you with specific information on the amount that he or she earns on Investment Products that you purchase. NPC will update information regarding the Premier Sponsor Program on its website on a periodic basis. You may access this updated information at NPC's website as indicated above. For our Premier Sponsor Program, information about the source and amount of additional remuneration will be provided to you upon written request. As always, feel free to contact your Representative or NPC for more information.

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¹National Planning Corporation and its affiliated insurance agencies are owned by National Planning Holdings® (NPH), a financial services holding company.

²Service charges may include a portion of fees assessed by certain mutual fund companies in accordance with Rule 12b-1 of the Investment Company Act of 1940, as amended, to cover promotion, distribution, marketing, and/or shareholder servicing.

³Our agreements with certain Premier Sponsors include a guaranteed annual Revenue Sharing Payment to NPC that may exceed the listed percentages, if their respective Investment Products do not attain minimum sales thresholds.