

Important Disclosure Information regarding Indirect Compensation and Revenue Sharing as of 6/1/15

If you have invested or will invest in investments such as mutual funds, annuities, life insurance, direct investments, 529 plans, unit investment trusts (UITs), or asset management programs, this disclosure document will help you understand your investments, the costs associated with investing in each of these products and how your financial advisor and Woodbury Financial Services, Inc. ("Broker") are compensated when you invest in these products.

Key Things to Remember As An Investor

- > Make sure that you read the prospectus sales literature and other offering documents before making an investment with particular attention to the costs, fees and risk factors of the investment.
- > Make sure that you provide your financial advisor with complete and accurate information regarding your financial situation, including income, net worth, investment objectives and risk tolerance.
- > Make sure that you update your financial advisor as to changes in your financial situation including but not limited to income, net worth, investment objectives or liquidity needs.
- > Make sure that you review and maintain all investment information that you receive from your advisor or product companies such as prospectus, account forms, statements, and contracts. Make sure that you bring any discrepancies, issues or questions to the attention of your advisor or firm immediately.
- > Make sure that you consult an attorney or tax advisor for any legal or tax advice.

MUTUAL FUNDS

Mutual Fund Investing

A mutual fund pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments or other securities. Mutual funds have a portfolio manager or a team that selects the investments for the fund in accordance with the fund's general or specific objectives and risk tolerance. There are many types of mutual funds including but not limited to index funds, stock funds, bond funds, international and money market funds, and more. Each fund type may have a different investment objective and strategy and a different investment portfolio. Different mutual funds may also be subject to different levels of risk, volatility, and fees and expenses.

MUTUAL FUNDS ARE TYPICALLY SUBJECT TO MARKET FLUCTUATION AND CAN LOSE MONEY. Accordingly, you should carefully consider the disclosures within each mutual fund's prospectus before investing. The prospectus provides important information about the fund, including its objectives, its costs, and its levels of investment risk.

While it is common for investors to diversify their mutual fund holdings among several mutual fund families, you should carefully evaluate the benefits and the costs of doing so. For example, investing in mutual funds offered by multiple mutual fund families may preclude you from being able to take advantage of breakpoints that would otherwise be available had you invested through a single mutual fund family. Prior to making any mutual fund investment, you should always carefully review the sales charges associated with that transaction and evaluate how those charges will be affected by mutual fund investments you have previously made or that you intend to make in the future.

Available Multi Class Pricing Options for Mutual Funds

A single mutual fund, with one portfolio, may offer more than one "class" of shares to investors. Each class represents a similar interest in the mutual fund's portfolio, but has different fees and expenses.

Accordingly, you must consider a variety of factors including the projected holding period of your investment and the possibilities of early redemption when considering what class of shares to purchase. Your mutual fund prospectus will specifically detail the different classes of shares that are available for your mutual fund,

including costs and fees. While the specific disclosure within your mutual fund's prospectus must be considered, the following is a general summary of the types of class shares typically available:

A Shares/Front-End Load

Class A shares typically charge a front-end sales charge. When you buy Class A shares with a front-end sales charge, a portion of the dollars you pay is not invested. Class A shares may impose an asset-based operating expense, but it is generally lower than the asset-based operating expense imposed by the other classes.

A mutual fund may offer you a discount on the front-end sales charge if you:

- > Make a large purchase and reach a "breakpoint" threshold as set forth within your mutual fund's prospectus;
- > Already own other mutual funds, either with our firm or another firm, offered by the same fund family, thereby triggering application of a "breakpoint" threshold known as "Rights of Accumulation;" or
- > Commit to regularly purchasing the mutual fund's shares to reach a "breakpoint" threshold within a given period of time, also known as "Letter of Intent."

B Shares/Back-End Load

Class B shares typically do not charge a front-end sales charge at the time of purchase. Therefore, unlike Class A purchases, all of your dollars would be immediately invested. However, Class B shares impose ongoing asset-based operating expenses that are typically higher than you would incur if you purchased Class A shares. Class B shares also normally impose a contingent deferred sales charge (CDSC), which you pay when you sell your shares. For this reason, these should not be referred to as "no-load" shares. The CDSC normally declines and eventually is eliminated the longer you hold your shares. Once the CDSC is eliminated, Class B shares often then "convert" into Class A shares. When Class B shares convert, they generally will begin to charge the same asset-based operating expense as the Class A shares.

C Shares/Level Load

Class C shares usually do not impose a front-end sales charge on their purchase, so the full dollar amount that you pay is immediately invested. Often Class C shares impose a small contingent deferred sales charge if you sell your shares within a short time of purchase, usually one year. Class C shares typically impose higher ongoing asset-based operating expenses than Class A shares, and since their shares generally do not convert into Class A shares, their ongoing asset-based operating expense will not be reduced. In most cases, your operating expenses would be higher than Class A shares or Class B shares if you hold for a long time.

Other Share Classes

While the previously discussed share classes are the most commonly sold, additional variations of share classes exist, which may utilize a front-end load, back-end load or level load sales charge structure. For particular share class information, please refer to the product prospectus.

To compare expenses by share class, you may wish to review FINRA's Expense Analyzer at: http://apps.finra.org/Investor_Information/ea/1/mfetf.aspx.

Operating Expenses

Annual fund operating expenses include management fees, so-called "12b-1 fees", the cost of shareholder mailings and other expenses. 12b-1 fees are payments made by a mutual fund in connection with marketing and distribution expenses, which may include compensating financial advisors. The fund's prospectus includes the fund's expense ratio, which helps you compare annual expenses of different funds.

The Plan does not pay operating expenses directly; rather, they are deducted from the fund's total assets, so they reduce investment returns. Depending on share class, so called 12(b)(1) expenses range

between 25 basis points to 100 basis points annually.

You do not pay operating expenses directly; rather, they are deducted from the fund's total assets, so they reduce investment returns.

Selecting What is Right for You

As with all investments, selecting the appropriate fund family and share class involves a number of factors, including fund strategies, fund performance history, your investment objectives, your risk tolerance, the fund fees and expenses, the amount of funds that you have available for investment and your time horizon.

You should review the fund's prospectus as well as the fund's share disclosure to determine and evaluate your options. We also encourage you to discuss your options with your financial advisor who can assist you in choosing the fund family and share class most appropriate for you.

Broker's Revenue Sharing Disclosure for Mutual Funds

Broker offers thousands of different mutual funds to investors. We believe it is important that our financial advisors evaluate these funds and assist investors in selecting the funds that best meet their needs. We currently offer mutual funds sponsored by more than 200 companies. We focus on a select group of mutual fund families providing them greater access to our financial advisors to provide training, education presentations and product information.

In return for these increased services, these sponsors compensate the firm in the form of revenue sharing Payments and ticket charge subsidies.

The following sponsors currently participate in these revenue sharing arrangements:

Al Frank Asset Management, Allianz Global Investors, American Beacon, AmericaFirst, American Funds, American Independence, BlackRock, Columbia Management, Compass, Destra Capital Investments, DoubleLine, Dreyfus, Deutsche Asset & Wealth Managements, Eaton Vance, Equinox Fund Management, Federated, Fidelity Investments, Franklin Templeton Investments, Good Harbor Financial, Guggenheim Partners, Hartford Mutual Funds, Highland Capital, INVESCO, Ivy Funds Distributor, Janus Capital Group, John Hancock Investments, JP Morgan Asset Management, Legg Mason, Lord Abbett, LoCorr Funds, Manning and Napier Investor Services, MFS, Nationwide, Oppenheimer Funds, Pacific Life, PIMCO, Pioneer Investments, Principal Funds Distributor, Prudential Investments, Putnam Investments, Ridgeworth Investments, RS Funds, Stadion, SunAmerica Asset Management, Sound Shore Funds, Toews Corporation, VOYA Investments, WBI Investments. Participants in revenue sharing arrangements may change from time to time. Consult this website for any changes.

In addition to the customary sales commissions paid in connection with sales of mutual funds, including money market funds, these sponsors make payments to Broker to participate in the program. The payments consist of amounts up to 25 basis points on a sponsor's mutual fund sales, up to 15 basis points on fund assets and up to a \$10 ticket charge for mutual fund purchases and exchanges which may offset a charge normally paid by advisors. In connection with sales (but not liquidations) of certain sponsors' mutual funds, Broker may absorb the nominal "ticket charge" of up to \$15 per transaction, which is normally borne by your financial advisor.

Fund companies make aggregate payments based on the formula set forth above. These payments are not deducted from fund assets or customers' accounts. Financial advisors of Broker do not receive additional compensation in connection with sales of the certain mutual funds compared to other mutual funds.

Broker offers clients a broad selection of mutual funds. Broker offers mutual funds through its clearing firm, which provides ongoing servicing to these accounts. These services may include shareholder support and account maintenance associated with the clearing firm holding these accounts. Certain mutual fund sponsors reimburse the clearing firm for a portion of these expenses. The clearing firm and the mutual fund sponsor enter into certain agreements that set forth the services to be performed and reimbursement terms.

Broker assists the clearing firm with this ongoing account servicing. As a result, Broker and the clearing firm have entered into an expense reimbursement program whereby Broker may receive a portion of the compensation

that the clearing firm receives from the mutual fund sponsor. This compensation serves to reimburse for its expenses associated with these ongoing services.

Additional information about a fund's payment with respect to this compensation may be found in that fund's prospectus. Please note this compensation is separate and apart from commissions earned through mutual fund sales, annual service fees (known as 12b-1 fees), and other such fees and expenses disclosed in the fund's prospectus.

Importantly, this compensation is not shared with your Advisor. However, it may impact the firm's overall profitability. Not all mutual fund sponsors offer reimbursement for ongoing account servicing.

How Broker and Your Financial Advisor are Compensated When You Buy Mutual Funds

Broker and your financial advisor are paid in different ways for helping you choose mutual funds, depending on the type of fund, amount invested, share class purchased and fund family purchased.

> As mentioned above, Broker is paid by the fund family based on the commissions you pay. Then, a portion of that payment goes to your financial advisor. In addition, 12b-1 payments (also known as trails) are paid to Broker and a portion of that payment is paid to your financial advisor.

> The compensation formula to determine the amount of payment for your financial advisor is the same regardless of which mutual fund you purchase. However, some funds may carry higher sales charges and/or higher dealer concession charges than others (as explained above), which may create an incentive for financial advisors to sell such funds. You should compare fund sales charges and concession charges by looking at the fund prospectus or asking your financial advisor.

> In other types of accounts (such as fee-based accounts), compensation is based on a percentage of the total assets held in the account, rather than concessions or trails.

You should understand how your financial advisor is compensated for any mutual fund transaction and how that compensation may compare with another mutual fund selection.

INSURANCE PRODUCTS

Variable Annuities

A variable annuity is a contract between you and an insurance company in which the insurer agrees to make periodic payments to you in an amount that will be linked to the performance of underlying investments either beginning immediately or at some future date. You can purchase a Variable Annuity by either making a single purchase payment or a series of purchase payments.

A variable annuity offers a range of investment options, typically referred to as "sub-accounts." These subaccounts offer a variety of stocks, bonds, and money market based investments. The value of your investment as a variable annuity owner will vary depending on the performance of the sub-accounts you choose. ACCORDINGLY, YOUR INVESTMENT IS SUBJECT TO MARKET FLUCTUATION AND CAN LOSE MONEY. Many variable annuities offer, at an additional cost, a variety of so-called riders and guarantees which may include enhanced income or death benefit.

A prospectus is provided prior to an investment in a Variable Annuity. It is important that you thoroughly review the prospectus as it will contain a full explanation of your specific Variable Annuity. Further, the prospectus will detail the risks to which your investment may be subject.

Tax Deferred Variable Annuities Two Distinct Phases

Tax deferred variable annuities have two distinct phases referred to as the accumulation phase and payout phase.

> During the growth or accumulation phase, you allocate your purchase payments to one or more of the offered investment options. For instance, you could allocate 20% to an equity fund, 40% to an international stock fund, and 40% to a bond fund. As noted above, your investment is subject to market fluctuation, and the money you invest will increase or decrease depending on the fund's market performance. During this phase, you can generally transfer your money from one investment option to another without paying tax on your investment income and gains. Note, however, that if you withdraw money from your annuity during the early years of the accumulation phase you may pay "surrender charges," discussed below. Additionally, you may have to pay a 10% federal tax penalty if you withdraw money before you turn 59 ½ years old.

> In the annuity payout phase, you are generally offered several payment options for money accumulated in the contract. You may choose to receive your purchase payments plus investment income and gains, if any, in either a lump sum, or periodic payments as desired, or you may annuitize the contract and receive a stream of payments at regular intervals (such as monthly or quarterly). If annuitization is chosen, you generally will be provided choices regarding how long you would like the payments to extend. Lastly, note that some variable annuities are established as immediate annuities. This means there is no accumulation phase and you begin receiving annuity payments on a regular basis after your purchase.

Tax Deferred Variable Annuity Features

> There are several unique features of a tax deferred variable annuity which distinguish it from other Investments.

You should consider your individual need for each of these features in making your investment decision because variable annuities also carry certain costs and fees for these features. Among the primary features of a variable annuity are the following:

> Variable annuities can allow you to receive periodic payments for the rest of your life (or the life of your spouse or other person that you designate).

> Variable annuities may have a death benefit. If you as the owner, or in some contracts, the annuitant die, a person you select as a beneficiary (such as your spouse or child) may receive the greater of: (i) all the money in your account, or (ii) some guaranteed minimum (such as all purchase payments adjusted for withdrawals).

> Variable annuities are tax-deferred. This means that you pay no taxes on the income and investment gains from your annuity until you withdraw your money. However, when your money is eventually withdrawn from your variable annuity, you will be taxed at ordinary income tax rates rather than potentially lower capital gains rates. There are no additional tax benefits from purchasing a variable annuity within a qualified account, such as an IRA.

> Certain variable annuities may offer, for an additional fee, optional riders. These riders may provide for an enhanced death or income benefit. You should carefully review the optional riders, how they work and whether they are appropriate for you prior to selecting a rider.

Features specific to your variable annuity investment are set forth in detail in the prospectus.

Sales and Surrender Charges

Variable annuities may charge a front-end sales charge or a back end sales/surrender charge. They may also impose asset-based sales charges. The surrender charge is usually a percentage of the amount withdrawn or of the account value within a certain period of time after a purchase payment is made to the contract.

Some annuities, however, do not have these surrender charges. Make sure that you understand the surrender charges for your specific variable annuity investment. Surrender charges are set forth in the Prospectus.

Fees and Expenses

You will pay various fees and charges when you invest in a Variable Annuity. These charges will reduce the value of your contract. They may include the following:

> Mortality and Expense Risk Charge (M&E). This charge compensates the insurance company for various risks it assumes under the annuity contract.

> Administrative fees. These fees cover administrative costs associated with servicing your annuity, including the recordkeeping and other administrative expenses.

> Underlying Fund Expenses on Sub-accounts. This ongoing fee covers two aspects of the sub-accounts of the annuity — management fees and fund expenses. Management fees cover the costs of managing the portfolio of securities within the sub-account. Fund expenses include the cost of buying and selling the funds or securities as well as administering trades.

> Fees and Charges for Other Features. Additional fees and charges apply to contracts that may include Special features, such as an enhanced death benefit or living benefit rider.

> Front-end load Sales Charge. Ongoing fees may be lower in contracts carrying a front-end sales charge.

Broker's Revenue Sharing Disclosure for **Annuities**

We focus on a select group of variable and fixed annuity sponsors which offer a broad array of products and options. These sponsors have greater access to our financial advisors to provide education and training opportunities. In return for increased exposure, these sponsors compensate the firm in the form of revenue sharing. The sponsors that participate in these revenue sharing arrangements known as the Partner Program and include the following companies: Allianz Life, AXA, Forethought, Guardian Insurance and Annuity Company, Hartford, ING Annuities, Jackson National, Jefferson National, Lincoln Financial Distributors, MetLife, Nationwide Financial, Pacific Life, Protective Life Insurance Company, Prudential, Putnam, Sammons Retirement Solutions, SunAmerica Retirement Markets, and Transamerica Capital. Participating sponsors and arrangements may change from time to time and will be reflected on this firm's website.

In addition to the customary commissions paid in connection with sales of variable and fixed annuities, the variable and fixed annuity sponsors make payments to Broker to participate in the Partner program. Generally, Broker receives quarterly payments for variable annuities (i) either a Gross Sales Payment of up to 0.25% (25 basis points) or in alternative, a fixed dollar amount of up to \$250,000 (ii) a payment of up to 0.15% (15 basis points) per year of the assets under management and a gross sales payment of up to 25 basis points.

For fixed annuities, Broker receives a Gross Sales Payment of up to 0.10% (10 basis points). These payments are made by the insurance carrier, distributors or other related entity and not made out of customer funds and are not shared with your financial advisor.

Additionally Pacific Life and SunAmerica Retirement Markets may pay so-called Persistency payments of Between 5 basis points and 25 basis points based on a formula determined by contracts with a minimum persistency of 95%, assets in excess of \$15 million, and contracts in effect more than six years. Persistency payments are fees paid by variable annuity companies, through Broker, based upon the amount of assets in a variable annuity contract managed by your financial advisor, and the length of time the assets have been held in the variable annuity. Under certain circumstances, your advisor may receive an additional annual persistency payment based on the same contracts. Persistency payments are not directly charged to your contract.

Life Insurance

A life insurance contract can serve many purposes. It can provide a source of income for your family in the event of your death, facilitate an efficient transfer of wealth from one generation to the next, or make funds available to ensure the continuation of your business. In addition to assessing your individual needs, it is important to determine which type of policy is best suited to meet those needs.

There are two basic types of life insurance: term insurance, which provides a specific amount of death benefit coverage if you die within the period of the contract; and, permanent insurance, which provides death benefit protection, but also gives you the ability to accumulate cash value.

Variable life insurance is a flexible type of permanent insurance. It provides a traditional death benefit, but at the same time allows you to participate in the variety of investment options (“sub-accounts”) such as stock, money market or bond funds to attempt to grow your cash value. It is important to note that the cash value of a variable life insurance policy is not guaranteed. The cash value varies with the investment experience of the underlying sub-accounts. ACCORDINGLY, YOUR INVESTMENT IS SUBJECT TO MARKET FLUCTUATION AND YOU CAN LOSE MONEY.

A prospectus is provided when the variable life insurance product is recommended. It is important that you thoroughly review the prospectus as it will contain a full explanation of your specific policy. Further, the prospectus will detail the risks to which your policy may be subject.

Premium Payments/Potential For Lapse and Forfeiture of Benefit

Premium payments for variable universal life (VUL) insurance are flexible, while premium payments for variable life (VL) insurance are fixed. The amount and timing of the payments are generally determined by the policyholder.

With many policies, the insurance costs and the policy fees and charges are deducted directly from the cash value rather than through premium payments. Insurance costs can be significant, and purchasers of variable life insurance must carefully consider the insurance costs over the projected life of their entire contract. For insurance coverage to remain intact, all costs must be paid as they become due. If the cash value under a variable life insurance policy is depleted and the purchaser cannot otherwise satisfy the cost that becomes due, the policy will typically lapse and the purchaser will forfeit all death benefit entitlement.

Variable Life Insurance Features

> Allows you to control the investments that make up the policy’s cash value.

> The death benefit and/or cash value of the variable account will fluctuate according to the investment experience of the sub-account options you elect. You assume the risk of good or poor investment performance. The variable account contains no guarantees of investment earnings or cash values.

> Premiums can be either fixed or flexible, depending on the policy you choose. Scheduled premium variable life insurance has premium payments that are fixed for duration and amount. Flexible premium variable life insurance has premium payments that allow changes in the duration and amount paid. Variable life insurance can be purchased with a single payment or with multiple payments.

> An additional benefit of variable life insurance is tax-deferral. There is no tax on earnings until money is withdrawn. When you make withdrawals from your variable life insurance policy, you may incur a tax on the earnings at ordinary income tax rates rather than lower capital gains tax rates.

You will pay various fees and charges when you purchase a variable life insurance policy, which may include front-end sales loads, surrender charges, administrative charges, cost of insurance charges, also known as mortality and expense risk charges (M&E), and various fees associated with the underlying sub-account options. Further, there are costs associated with optional policy features.

Charges for the cost of insurance can vary significantly depending on individual circumstances, such as age, sex, health, smoker/non-smoker, face amount of policy, and so forth.

If a policy is terminated before the end of the surrender period, surrender charges may be significant. These surrender charges are generally highest in the early years of a policy, and decline over a period of time, usually from seven to fifteen years. Please see your product prospectus and product brochure for detailed information regarding your variable universal life product’s fees and charges.

Broker’s Revenue Sharing Disclosure for **Life Insurance**

Because of the large number of companies offering insurance products, we have chosen to focus on a select group of some of the largest and best known, which offer a broad array of products and options. These sponsors have greater access to our advisors to provide educational and training opportunities. Set forth below is a listing of sponsors from whom we receive revenue sharing payments. This list is subject to change from time to time.

In addition to the commissions paid in connection with sales of variable universal life insurance, sponsors generally make payments to Broker to participate in the program. Sponsors pay a marketing allowance of 6% to 10% of all first year commission target premium from all sources on permanent plans of life insurance (to include variable universal life, universal life, indexed universal life and whole life products).

How Broker and Your Financial Advisor are Compensated When You Buy Life Insurance and Annuity Products. Broker and your financial advisor are paid in different ways for helping you choose insurance products, depending on the type of insurance product, amount invested, share class purchased and the age of the client.

> The compensation formula to determine the amount of payment for your financial advisor is generally the same regardless of which insurance product you purchase. The actual commission rate will depend on the specific product.

> In addition, ongoing payments (known as residuals or trails) on annuities and life insurance products that are held in your account for more than one year are set by the insurance company and generally paid to Broker. Broker then pays your financial advisor based on its compensation formula.

> Broker financial advisors do not receive a greater or lesser commission in connection with sales of annuities or life insurance contracts by the above-listed insurance companies as compared to other insurance companies. You should feel free to ask your financial advisor how he or she will be compensated for any annuity and life insurance transaction and how that compensation may compare with compensation from another annuity or life insurance transactions.

529 PLANS

529 Plan Investing

A 529 college savings plan is a tax-advantaged investment program designed to help parents and others pay for qualified higher education costs. The plan offers families the opportunity to obtain growth and distribution of earnings that are free from federal taxes.

State Tax Considerations/State Plan Consideration

Depending on your state of residence, an investment in a particular 529 plan may or may not afford you state tax benefits. State tax treatment can be an important consideration in deciding which plan to select. Some states offer favorable tax treatment to their residents only if they invest in a 529 plan offered by that state. Please note that if you invest in an "out-of-state" plan you may be foregoing potential tax benefits. You should consult with your tax adviser about any state or local tax implications before selecting a specific 529 plan. Before investing in an out-of-state plan, you should carefully consider and consult your tax adviser concerning:

> The plan's expenses compared to the plan(s) sponsored by your home state;

> The investment options available compared to those available within the plan(s) sponsored by your home state;

> Any tax benefits and/or penalties that may exist compared to those that may exist under the plan(s) sponsored by your home state;

> Any contribution limits that may exist compared to those that may exist under the plan(s) sponsored by your home state.

Available Multi Class Pricing Options for 529 Plans

A single 529 plan, with one portfolio, may offer more than one "class" of shares to investors. Each class represents a similar interest in the 529 plan's portfolio, but has different fees and expenses. Accordingly, you must consider a

variety of factors including the projected holding period of your investment and the possibilities of early redemption when considering what class of shares to purchase. Your 529 plan's prospectus/program disclosure will specifically detail the different classes of shares that are available for your 529 plan, including costs and fees.

How Broker and Your Financial Advisor are Compensated When you Buy a 529 Plan

Broker and your financial advisor are paid in different ways for helping you select a 529 plan:

- > Broker is paid by the fund family or distributor based on the fees you pay. Then, a portion of that payment goes to your financial advisor.
- > The compensation formula to determine the amount of payment for your financial advisor is the same Regardless of which 529 plan you purchase.
- > In addition, ongoing payments (known as residuals or trails) on mutual funds and variable annuities that are held in your account are paid to Broker. Broker then pays your financial advisor based on its compensation formula.

Broker's Revenue Sharing Disclosure for 529 Plans

We have made arrangements with some of the largest and well known of these companies and allow them increased access to our financial advisors to provide them with training and other educational information and product information regarding their 529 plans.

The sponsors that currently participate in these agreements, which include provisions for revenue sharing are SunAmerica Mutual Funds, Allianz Global Investors, American Funds, Columbia Management, John Hancock Funds, Hartford, MFS Distributors, Pacific Life, Oppenheimer and Putnam Investments.

In addition to the customary sales commissions paid in connection with sales of 529 plans, the sponsors Generally make payments to Broker, (i) Broker receives a Gross Sales Payment of up to .25% (25 basis points), and (ii) Broker will receive an additional payment, paid quarterly, of up to .15% (15 basis points) Note that these additional payments are made by the sponsor and do not come from customer funds or fund assets, and are not shared with your financial advisor.

DIRECT PARTICIPATION PROGRAMS AND REAL ESTATE INVESTMENT TRUST PROGRAMS

Direct Participation Program (DPP) Investing

A DPP is a program that generally takes the form of a partnership or other direct "flow through" entity such as a trust or LLC. Unlike a corporation where profits are taxed at the corporate level prior to distribution to investors and then again at the individual level, the investor's share of profits earned through the direct investments is taxed only at the individual level. Through this structure, DPPs allow investors to participate directly in the cash flow and tax benefits of the partnership. DPPs generally involve ventures, such as real estate, oil and gas drilling, and equipment leasing. Such investments are long term, GENERALLY lack immediate liquidity, ARE SUBJECT TO MARKET RISK AND CAN LOSE MONEY.

Real Estate Investment Trust (REIT) Investing

A real estate investment trust, or "REIT," is a company that owns, and in most cases, operates real estate such as apartments, shopping centers, offices, hotels and warehouses. Some REITs also engage in financing real estate. While some REITs are listed and trade on the New York Stock Exchange, the American Stock Exchange or NASDAQ, many others are not listed on an exchange and are referred to as non-public REITs. Such investments are long-term investments, generally lack IMMEDIATE liquidity, ARE SUBJECT TO MARKET RISK AND CAN LOSE money.

How Broker and Your Financial Advisor are Compensated When You Buy DPPs and REITs Broker and your financial advisor are paid in different ways for helping you choose DPPs and REITs, depending on the type of investment and the amount invested:

- > Broker is paid by the DPP or REIT sponsor based on the commission you pay. Then, a portion of that Payment goes to your financial advisor.

> The compensation formula to determine the amount of payment to your financial advisor is the same regardless of which DPP or REIT you purchase. Broker financial advisors do not receive a greater or lesser commission in connection with sales of DPP or REIT contracts by the sponsors compared to other DPP or REIT providers. Broker's Revenue Sharing Disclosure **for DPPs and REITs**

DIRECT PARTICIPATION PROGRAMS AND REAL ESTATE INVESTMENT TRUST PROGRAMS

In addition to the customary sales commissions paid in connection with sales of DPP and REITs, Broker enters into revenue sharing arrangements with certain sponsors of Direct Participation Programs and Real Estate Investment Trust programs. These sponsors have greater access to our financial advisors to provide education and training opportunities. Sponsors that participate in these revenue sharing arrangements include the following companies: AEI Capital Corporation, American Realty Capital, Central Park Group, CNL Securities Corp., Cole Capital, Dividend Capital, Franklin Square Capital Partners, Griffin Capital Securities, Hines Securities, Inc., Inland Real Estate Investments Corporation, KBS Capital Markets Group, Northstar Realty Securities, SC Distributors, Steadfast Capital Markets Group, Steben, Terra, U.S. Energy and W. P. Carey. The sponsors make payments to Broker to participate in the program based on gross sales up to 2% of transaction amounts. The sponsors and arrangements may change from time to time. For more information about these payments, please contact Broker.

UNIT INVESTMENT TRUSTS

A unit investment trust (UIT) consists of Investment Company securities that invest in a fixed portfolio of securities, including corporate, municipal, government bonds, mortgage-backed securities, common or preferred stock, or other Investment Company shares. The securities are purchased and held in a trust, usually until a dissolution date that is established when the trust is created. Investors in the UIT own a fractional, divided interest in all the securities held by the trust and the distribution coming from the trust. UIT securities are monitored, but not actively managed.

UITs ARE SUBJECT TO MARKET RISK AND CAN LOSE MONEY.

Here are some of the traditional and distinguishing characteristics of UITs:

> A UIT typically will make a one-time "public offering" of only a specific, fixed number of units (like closed-end funds). A UIT usually issues redeemable securities (or "units"), like a mutual fund, which means that the UIT will buy back an investor's "units," at the investor's request, at their approximate net asset value (or NAV).

> A UIT will have a termination date (a date when the UIT will terminate and dissolve) that is established when the UIT is created. In the case of a UIT investing in bonds, for example, the termination date may be determined by the maturity date of the bond investments. When a UIT terminates, any remaining investment portfolio securities are sold and the proceeds are paid on a pro-rata basis to the investors.

> A UIT does not actively trade its investment portfolio. The UIT buys a relatively fixed portfolio of securities (for example, five, ten, or twenty specific stocks or bonds), and holds them with little or no change for the life of the UIT. If the securities in a UIT portfolio are called, mature, or are otherwise redeemed, the resulting principal is distributed among investors and that distribution can affect the yield the customer will receive. You will find the portfolio of securities held in the UIT listed in its prospectus.

Fees and Expenses

UITs charge an annual fee that is deducted from either the value of the portfolio or the distributions from the portfolio, and pay an initial sales commission to the sales representative. The sales charges, annual expenses and fees for your UIT are detailed in the product's prospectus.

Volume Discounts

As in the case of mutual fund shares, UIT investors may be eligible for discounts based on the amount of a single transaction. You should be aware that some limited rights of accumulation, depending on the terms and conditions set forth in the prospectus, may exist with UITs.

ASSET MANAGEMENT PROGRAMS

In addition to the revenue sharing arrangements stated above, Broker also enters into revenue sharing Arrangements with certain third party money managers (“Managers”). Our financial advisors may assist you in engaging such Managers to manage your account, including, but not limited to, asset rebalancing, performance reporting, and billing. A manager is engaged only with your prior consent and subject to a separate agreement between you and the manager. Please note that prior to investing, you should be provided with a Form ADV disclosure for the program, advisor or manager which sets forth the program type, its fees, its investment objectives, the program investment strategy, the manager experience and conflicts.

Managers that participate in revenue sharing arrangements are provided greater access to our financial advisors to provide training and other educational presentations and product information so that they can serve investors better. You are charged ordinary management fees by the manager (as negotiated between you and the manager) in connection with managing your account. NOTE THAT ADVISORY PROGRAMS ARE SUBJECT TO MARKET RISK AND CAN LOSE MONEY.

From third party money managers, Broker may receive up to 0.20% (20 basis points) per year of the assets under management or up to 20% of management fees earned on behalf of financial advisors of Broker. Broker may also receive up to 5 basis points on gross sales placed with a Manager.

Set forth below is a listing of third party money managers from whom we receive support and/or sharing payments: AssetMark, BTS Asset Management, City National Rochdale, Clark Capital Management Group, CLS Investments, Flexible Plan Investments, Hanlon Investment Management, ICON Advisers, LWI Financial, Manning & Napier Advisory Advantage Corporation, Proactive Money Management, SEI Investments Management and WBI Investments.

Importantly, the compensation formula to determine the payment for your financial advisor is the same regardless of which third party money manager is used. Broker’s financial advisors do not receive a greater or lesser commission in connection with sales of certain products when a third party money manager is used.

PRODUCT EXPENSE REIMBURSEMENTS

Broker and your financial advisor may be reimbursed by sponsors of mutual funds, variable annuities, variable universal life, asset managers, and direct investments for expenses incurred for various promotional activities including but not limited to sales meetings, conferences and seminars held in the ordinary course of business. Broker may receive a flat fee of up to \$150,000 per year, per sponsor, for such reimbursements.

Sponsors may reimburse a financial advisor’s expenses incurred in conjunction with sales and marketing efforts, provided the expenses are reasonable, are adequately documented, and are not preconditioned on the achievement of a sales target. Though product sponsors make an independent determination of what they will spend on such items, some sponsors may allocate their promotional budgets based on prior sales and asset levels.

Certain product providers/sponsors in the retirement space will have access to the Broker’s Advisor Representatives and support the Broker in promotional activities, including but not limited to sales meetings, conferences, and seminars held in the ordinary course of business. Depending on which activities the product sponsor chooses to support, a flat compensation up to \$50,000 will be paid by the product providers/sponsors to the Broker. This amount covers activities related to the Broker. This compensation, direct or indirect, is not based on sales or asset amounts, and is not paid (in whole or part) to Advisor Representatives or, if applicable, their individual agency or firm. It is based solely on the retirement plan educational or marketing activities the product sponsor supports. The following product sponsors provide the Broker with financial support as it relates to the

marketing and educational activities described above: American Funds, Ameritas, John Hancock, JP Morgan, Nationwide, Principal Financial, Securian Retirement, VALIC.

BUSINESS CONTINUITY PLAN DISCLOSURE

Broker maintains a business continuity plan and generally intends to continue business in the event of a significant business disruption. For more information regarding Broker's business continuity plan and the Firm's emergency contact information, please visit the Firm's website at www.woodburyfinancial.com and click on "Client Information and Disclosures" or contact your Advisor.

SECURITIES INVESTOR PROTECTION CORPORATION DISCLOSURE

Information regarding the Securities Investor Protection Corporation (SIPC*), including a SIPC brochure, may be obtained by contacting SIPC via its web site at www.sipc.org or by telephone at (202) 371-8300.

INVESTOR EDUCATION AND PROTECTION DISCLOSURE

The FINRA BrokerCheck system provides professional background information of current and former financial advisors and Brokers. To obtain information about the BrokerCheck program, a brochure is available on the FINRA website www.finra.org. For questions regarding BrokerCheck, call (800) 289-9999.

The information in this disclosure document is as of **June 1, 2015**.