

## CONFLICTS OF INTEREST

Listed below are potential conflicts of interest that can occur in dealing with certain types of financial organizations which may cause advice from those organizations to be biased due to payments they receive.

<u>CONFLICTS</u>	<u>LEGEND</u>	<u>BROKERAGE FIRMS</u>	<u>FIRMS THAT USE INDEPENDENT BROKER-DEALERS</u>
<b>Compensation</b>	Fee-Only	Fees and/or commissions including front-end loads, deferred loads and 12(b)1 commissions plus other compensation payments – see below.	Fees and/or commissions including front-end loads, deferred loads and 12(b)1 commissions plus other compensation payments – see below.
<b>Pay-to-Play</b> (shelf space arrangements for mutual funds – we won't allow our representatives to sell these products unless you pay)	No	Almost always	Usually
<b>Directed Trades</b> (broker dealers charge more for security trades for mutual funds than institutional rates based upon how much of a mutual fund is sold by that broker dealer)	No	Almost always	Frequently
<b>Revenue Sharing</b> (direct payments to broker-dealers based upon how many dollars have been directed toward a mutual fund and/or based upon assets currently invested)	No	Almost always	Almost always

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<b>Bonus Commissions</b> (additional compensation paid based upon sales incentives for a particular period of time)	No	Always	Always
<b>Payments to Sponsor Conferences and/or Meetings</b>	No	Always	Always
<b>In House Products</b>	No	Always	Almost always
<b>Securities in Inventory</b> (usually bonds)	No	Always	Often
<b>Makes a Market in Securities</b> (a form of Investment Banking) (usually over-the-counter stocks and bonds)	No	Always	Sometimes
<b>Underwrites New Securities and Provides Support</b> (called Investment Banking) – pushes products to their clients	No	Always	Frequently