People's Securities, Inc.®

A subsidiary of People's United Bank®

COST SHARING ARRANGEMENTS WITH INVESTMENT AND ANNUITY PRODUCT PROVIDERS

Hundreds of investment products are available in the marketplace, and People's Securities, Inc. ("PSI") has formed selling agreements with dozens of providers in order to make a wide array of investment products available to our customers. Our sales efforts largely focus upon a limited group of approved providers for which we have conducted due diligence. It is important for investors to understand the fees and costs associated with their investments, as well as the potential conflicts of interest that may arise in the sale of investment products by PSI.

A selected subset of PSI's approved providers have entered into cost sharing arrangements with PSI. These costsharing arrangements take the form of payments to PSI that are based upon sale of the providers' products to our customers. The amounts of these payments vary by the type of product and by provider. These revenues are used by PSI to defray the costs associated with offering investment products to our customers. These product providers pay PSI between $2,500 and $20,000 annually for educational, training and business meetings as well as marketing. These product providers receive enhanced access to the PSI sales force, including exposure to our registered representatives and branch employees during training events, conference calls and sales meetings.

Selected providers also receive heightened visibility through the distribution of their sales literature and newsletters to our sales force, and by means of links, information, and lists posted on PSI's intranet pages. Over the course of managing your relationship with PSI, your representative may provide you with information regarding the products of a product providers that makes cost-sharing payments to PSI. Our representatives do not, however, directly receive any portion of, or any additional compensation as a result of, the cost-sharing arrangements that PSI has formed with the any of the product providers.

PSI assumes the responsibility of delivering statements, confirmations, and tax reporting documents for many of its mutual fund positions. To offset the impact of these expenses the mutual fund providers reimburse PSI between $3 and $10 per account per year for these services.

Cost-sharing payments from product providers are generally described in investment disclosure documents, such as prospectuses. These disclosure documents may be obtained from your representative, directly from the product provider's website, or by calling us at (800) 392-3009. Customers should carefully review these disclosures for further information regarding the costs, fees and expenses of investing in any investment product.

PSI reasonably expects the following investment providers to make cost-sharing payments in the next 12 months:

- American Funds
- Dreyfus
- Invesco Aim
- Principal
- Federated Investors
- Putnam
- Franklin/Templeton
- The Hartford
- Jackson National Life
- Eaton Vance
- Putnam
- DWS Scudder
- MFS Financial
- Van Kampen
- Oppenheimer Funds
- Prudential
- New York Life
- PIMCO
- AIG
- Vantis Life
- Nationwide
- AXA Equitable
- Forethought
- Pacific Life
- Liberty Life of Boston