

Item 1. Cover Page

Form ADV Part 2A

SII INVESTMENTS, INC.®

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March 31, 2012

This brochure provides information about the qualifications and business practices of SII Investments, Inc.®. If you have any questions about the contents of this brochure, please contact us at the above phone number. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about SII Investments, Inc.® ("SII") is also available on the SEC's website at www.adviserinfo.sec.gov.

SII Investments, Inc.® is an SEC-registered investment advisor; however, registration itself does not imply a certain level of skill or training.

Item 2. Material Changes

We may update this document at any time but are required to promptly send clients a copy of any material changes to our disclosures upon doing so. In addition, we will also deliver an annual summary of all material changes that occur to this brochure along with an offer to provide you with a current version. The following updates have been made to this document since the last annual update of March 31, 2011.

Please be advised that language appearing under Item 14 “Program Compensation May Vary” has been updated to include information regarding new internal incentives relating to the WealthONE® Program. Additionally, Item 12 “Directed Brokerage” and Item 14 “Mutual Fund Distribution and Servicing Revenue” have also been updated to reflect that SII may receive a portion of the administrative and servicing fees paid in connection with the sale of certain mutual funds.

You may request copies of this document by contacting us at (800) 426-5975, e-mailing us at advisory@siionline.com, or downloading it at www.adviserinfo.sec.gov.

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Item 4. Advisory Business

Firm Overview

SII Investments, Inc.[®] is an investment advisor registered with the SEC that provides a range of investment advisory services to clients through its licensed Investment Advisor Representatives (“Representatives”). SII and its Representative may be referred to as “us,” “we” or “our” in this document, and clients may be referred to as “you” and “your.” Although SII also offers brokerage and certain other investment related services, this document is limited to describing the investment advisory services we provide to clients. SII has been in business since 1969 and is a direct subsidiary of National Planning Holdings, Inc., which is a Delaware based holding company that itself is an indirect subsidiary of the Prudential plc, a publicly traded international financial services company incorporated in the United Kingdom that was established in 1848. (Note: Prudential plc is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.)

Types of Advisory Services

SII’s investment advisory services are offered to clients in four general categories, each referred to as a “Program”—WealthONE[®], Maxim, Third Party Asset Managers (“TPAMs”), and Consulting Services.

PROGRAM DESCRIPTIONS

WealthONE[®] Program

The WealthONE[®] Program consists of two different options for which SII acts as the investment advisor—Advisor Solutions and Strategist Solutions[®]. As your investment advisor, SII assumes a “fiduciary” role and obligation to act in your best interest when providing investment advice regarding management of your investments. In so doing, our Representative provides personalized investment advice and recommends or selects investments based on the client’s “Investment Profile Information” (which is explained under the *Individual Investment Approach* section below on page 7).

Advisor Solutions. For Advisor Solutions Program accounts, our Representative may make investment recommendations based on use of asset allocation software and models. Asset allocation models are generally designed to achieve diversification of investment types to reduce the risk of loss due to variation of investment returns of any particular asset class (for example, stocks, mutual funds, and bonds are each separate asset classes).

Advisor Solutions services are provided on either a non-discretionary or discretionary basis. *Non-discretionary services* require clients to approve each securities transaction recommended by the Representative before it can occur, and *discretionary services* authorize the Representative to buy, sell or exchange securities in client accounts without obtaining their consent prior to each transaction. Clients have the option of selecting whether or not to grant SII discretionary authority over their portfolios.

Strategist Solutions[®]. The Strategist Solutions[®] Program offers clients an opportunity to maintain a customized investment portfolio composed of either mutual funds or exchange-traded funds. A mutual fund is a pooled investment company that brings together money from many people which it invests in stocks, bonds or other assets. An exchange-traded

fund (also called an “ETF”) is a fund that tracks a select group of securities (known as an “index”) and is traded actively through a stock exchange. The portfolio is managed by a select group of asset managers who are not affiliated with SII, based on model investment allocations they determine. The Program is a wrap-fee program (which bundles investment advice, custody and execution services for a single fee) offered by SII along with its co-advisor to the Program, Curian Capital, LLC, an SEC registered investment advisor and affiliate of SII. For additional details on the Strategist Solutions® Program, please carefully review Form ADV Part 2A, Appendix 1, entitled the “*WealthONE® Wrap Program Brochure*,” which is available upon request from SII or your Representative.

Maxim Program

Under the Maxim Program, our Representatives provide investment advisory services to clients based on the client’s Investment Profile Information in the same manner as described above for the Advisor Solutions Program. However, the Representative may elect to use one or more alternative broker-dealers other than Pershing LLC (“Pershing”) to execute securities transactions, custody client assets, and service client accounts, as explained in more detail under Item 12 below. As a result, performance reporting and the level of other account services may be unavailable or more limited for clients with Maxim Program accounts than electing to establish an account at Pershing with which SII has a more formal arrangement as an introducing broker-dealer.

Third Party Asset Manager Program

SII’s TPAM Program provides clients with the opportunity to have their investment portfolios professionally managed by independent money managers unaffiliated with SII through arrangements we have negotiated with certain TPAMs that we have selected to participate in the Program. TPAMs are selected by SII based on these firms satisfying our due diligence review process and requirements. In limited situations, we may waive certain of these requirements and may also limit the services provided by some TPAMs to a “service only” relationship, under which no new client assets are placed under the TPAM’s management.

The investment strategies and types of investments utilized by each of the TPAMs participating in the Program vary, and we will recommend a specific TPAM based on the Investment Profile Information provided by clients. SII contacts clients at least annually to determine whether there have been any changes to their Investment Profile Information, and we remind clients to notify us of any such changes on a quarterly basis. TPAM Program services include investment portfolio analysis, asset allocation modeling and analysis, trade execution, performance monitoring, portfolio reporting and other related investment services.

Under our TPAM Program, clients enter an agreement with SII appointing us to serve as their investment advisor on a non-discretionary basis. SII assists clients with the selection and management of TPAM relationships by recommending, monitoring and providing reporting on the performance of the selected TPAMs to clients. Clients also enter an agreement with the TPAM that typically provides the TPAM with trading discretion to determine which products to purchase, sell and/or exchange on behalf of clients without having to obtain client approval for each transaction initiated. Upon request, Representatives are available for periodic consultations with clients to evaluate the performance of their TPAM managed portfolios.

Since each TPAM is uniquely structured with different investment products, please ensure that you carefully review (i) the TPAM's Form ADV Part 2A and 2B or alternate disclosure brochure for specific Program descriptions, (ii) the TPAM's client agreement for specific contractual terms, and (iii) any additional disclosure or offering documentation provided by the TPAM related to its services or investment products. Among other important information, the TPAM's Form ADV Part 2A and 2B or alternate disclosure brochure will have specific information describing: methods of analysis and investment strategies, conflicts of interest, disciplinary actions, fee calculation and deduction, fee schedules, refund policies, minimum account sizes, termination procedures, and proxy voting policies (which may permit you to nominate the TPAM to exercise voting rights regarding your investments). You should also be aware that certain TPAMs may utilize back-tested hypothetical performance modeling in marketing materials which attempt to estimate the potential performance of their investment products based on past performance of selected investments. Please note that these types of performance projections are created retroactively with the benefit of hindsight, and do not reflect actual investment results or guarantee future results.

SII and its Representatives may occasionally act as a referral source to TPAMs (in which case we are referred to as a "solicitor") for a fee; however, this is outside the scope of the investment advisory services described in this document. When we act as a TPAM solicitor, neither SII nor the Representative are the client's investment advisor or provide investment advice.

You may obtain a copy of each TPAM's Form ADV Part 2A providing the same information contained in this brochure by visiting www.adviserinfo.sec.gov or upon request from the TPAM. You may also request Form ADV Part 2B from the TPAM, which contains detailed information about the individual TPAM representative(s) who will be responsible for managing your assets.

Consulting Services Program

For clients seeking financial advice or investment education involving analysis of a particular investment or financial situation, SII provides consultation services designed to meet the client's specific financial objectives and needs. The consulting services generally take the form of preparing a financial plan, but may also involve more general consulting. In addition, services may include focused planning arrangements in areas such as retirement planning, estate planning, college planning, cash flow analysis, or analysis with regard to investment of lump sum distributions from employer pension and profit sharing plans.

In preparing a financial plan, the Representative gathers information from the client relevant to the particular service by conducting personal interviews and obtaining documents and other information supplied by the client. These services may include an analysis of the client's financial information, such as their current assets and investments, liabilities, short and long-term capital and liquidity needs, risk tolerance, and short and long-term financial goals and objectives.

If a client wishes to implement the recommendations contained in a financial plan, SII suggests that the client work closely with his or her attorney, accountant, insurance agent and/or securities broker. Although Representatives generally make recommendations with respect to products or services offered by SII and its affiliates, the decision to implement

any such recommendation rests exclusively with the client, and the client has no obligation to implement any such recommendation through SII or its affiliates.

As noted above, all investment programs involve risk and there is no guarantee that using our Consulting Services will produce favorable results. Please carefully review the information and statements contained in the particular financial plan presented by our Representative, and be sure to ask them for assistance in clarifying any questions you may have regarding the information you receive.

Individual Investment Approach; Investment Profile Information

The investment advisory services we offer to each client will vary in type and complexity, depending on a client's individual investment goals and circumstances. Generally, our services begin with the Representative gathering information from you regarding your financial circumstances, investment objectives and risk tolerance, which together we refer to as the "Investment Profile Information." This information assists the Representative in determining which services and investments are most appropriate to recommend or select on your behalf. It is important that you provide accurate and complete responses to the questions asked by the Representative in gathering your Investment Profile Information, and that you promptly inform the Representative of any subsequent changes to your Investment Profile Information.

In certain situations, clients may request a restriction on the types of investments purchased on their behalf, based on either general social categories or specific securities. However, doing so may impact the performance of a client's account and it may differ from accounts without the same restrictions.

Assets Under Management

SII has \$1,839,625,702 in discretionary assets under management and \$146,220,024 in non-discretionary assets under management, calculated as of December 31, 2011.

Item 5. Fees and Compensation

The fees we charge and compensation received for investment advisory services will vary depending on the particular Program, products and services offered, as outlined below. All fee arrangements are negotiable and SII may agree to waive its management fee or any other applicable fees or costs either on an ongoing or a one-time basis.

Fees are automatically billed by us in advance on a quarterly basis, according to one of three fee schedules outlined below, based on the fair market value of a client's portfolio as reported to us by the independent custodian at which your assets are held. One fee schedule may be more advantageous than another, depending on the total value of assets under management, as our Representative can assist in explaining.

Advisor Solutions Fees

Standard Linear Fee Schedule

Portfolio Value	Maximum Annual Fee
Up to \$249,999	2.75%
\$250,000 - \$499,999	2.25%
\$500,000 - \$999,999	1.90%
\$1,000,000 - \$1,999,999	1.75%
\$2,000,000 - \$4,999,999	1.50%
\$5,000,000 +	1.40%

Standard Tiered Fee Schedule

Portfolio Value	Maximum Annual Fee
Up to \$249,999 (first \$249,999)	2.75%
\$250,000 - \$499,999 (Next \$249,999)	2.25%
\$500,000 - \$999,999 (Next \$499,999)	1.90%
\$1,000,000 - \$1,999,999 (Next \$999,999)	1.75%
\$2,000,000 - \$4,999,999 (Next \$2,999,999)	1.50%
\$5,000,000 +	1.40%

Flat Fee Schedule

An annual percentage fee is negotiated and charged to the client. The annual percentage rate will not exceed the corresponding portfolio value indicated on the above Standard Linear Fee Schedule.

Additional Fee Calculation Information

The initial fee for the first calendar quarter in which a client participates in a Program shall be calculated on a pro-rata basis beginning the day after initial assets are deposited in the Program, and is debited the following month. Fees are subsequently calculated at the beginning of each calendar quarter, based on the fair market value of the portfolio on the last business day of the prior calendar quarter. If an account is opened in the last month of a calendar quarter, fees will be calculated and debited for the remaining period in that calendar quarter, along with fees for the next calendar quarter, on the day after initial assets are deposited. If our relationship with a client terminates and all assets are withdrawn from the Program prior to the end of a quarter, we will issue a refund for the pro-rata portion of the fee owed to the client.

Fee Billing Notices. SII will send billing notices to each client showing the amount of the management fees charged for the period, the value of the account assets on which Program fees are based, and the manner in which the Program fees were calculated. It is the client's responsibility to carefully review account statements and fee deductions since the custodian does not determine the accuracy of fees deducted by us.

The services offered by the Programs may cost clients more or less than purchasing the same services separately and/or through other channels. Factors that impact the cost of the Programs in relation to the cost of the same services purchased separately include the type and size of the client's portfolio, the historical and/or expected size or number of trades for

the client's portfolio, and the number and range of supplemental advisory and related services provided. Clients may pay fees other than those listed above that are based on fee schedules in effect prior to their becoming clients of SII or on fee schedules no longer in effect for new SII clients, depending on their client agreement.

Mid-Cycle Fee Adjustments. If a client deposits assets (cash and securities) with a market value of ten-thousand dollars (\$10,000) or more in an account on any given day after the inception of a calendar quarter, the amount of the deposit will immediately be subject to a pro-rated fee based on the applicable Fee Schedule. Clients shall be entitled to a fee rebate calculated in the same manner if account assets are withdrawn in excess of this amount on any given day.

Householding. SII may allow direct family members or clients sharing the same household address with multiple accounts to aggregate assets for purposes of calculating fees according to the above fee schedules.

Other Fees

Termination Fee. If a client terminates their relationship with SII within the first twelve months, an administrative fee of \$100 may apply at our discretion to offset associated termination costs. However, clients may terminate their relationship with us without penalty within the first 5 business days of establishing an account. Any prepaid fees will be refunded to the client on a pro-rata basis in the event of termination.

Clearing and Service Provider Charges. SII reserves the right to pass on charges imposed by the clearing broker-dealer (the firm through which we arrange for securities transactions to occur) or other service providers to the client. These fees include, but are not limited to, transaction charges and service fees, IRA and qualified retirement plan fees, mutual fund 12b-1 fees (an expense charged against fund assets by fund companies that is paid to broker-dealers such as SII to assist with marketing and servicing fund sales) and subtransfer agent fees (an expense charged against fund assets by fund companies that is paid to record keeping firms who provide fund accounting and administration services), mutual fund and money market management fees and administrative expenses, mutual fund transaction fees, deferred sales charges (certain mutual funds charge a fee when you sell shares of the fund) on previously purchased mutual funds or variable annuities products transferred in the portfolio, and other charges that are assessed by third parties. As described in SII's Premier Product Sponsor and Revenue Sharing Disclosure (a copy of which is available on SII's website and through our Representatives), SII and its Representatives may receive revenue sharing payments from certain firms, including Pershing in its role as a selected clearing broker-dealer and custodian for client assets, from the revenue earned by these firms from client fees. See Item 13 below for additional details regarding certain revenue sharing arrangements that may benefit SII and its Representatives.

Internal Fees by Product Sponsors. Certain investments may have internal fees and costs which are not assessed by SII and will not appear on your account statement, such as internal management fees for mutual funds charged by the fund manager, which can impact the returns on your investments as an operational expense assessed by the investment sponsor for managing the investment. The prospectus or offering documents for mutual funds, annuities, REITs or other investments will detail the fees and charges assessed by the

managers of those products. Clients should be aware that when assets are invested in shares of mutual fund products, annuities, UITs or REITs, clients will pay both the direct management fees to SII for its services in connection with these investments and management and other fees paid to the mutual fund or other product. In the case of mutual funds, “no load” funds may be available which do not assess a commission or sales charge (unlike “load” funds). A client may be able to invest directly in the mutual fund's shares and other investments without incurring the fees charged by SII, and may also purchase investment products that we recommend through other brokers or agents not affiliated with us. In addition, there may be tax effects relating to fund share redemptions or the cancellation of policies made by or on behalf of clients, as well as deferred sales charges or redemption fees where investment positions are sold prior to the expiration of a specified holding period.

Strategist Solutions® Fees. For detailed information regarding applicable fees for this WealthONE® Program, please consult the Form ADV, Part 2A Appendix 1, “WealthONE® Wrap Program Brochure,” which is available upon request from SII or your Representative.

Maxim Program Account Fees. These may be payable quarterly either in advance or at the end of each quarter, depending on the arrangement agreed upon between the Representative and client. Fees are calculated based upon the fair market value of the assets in the client's portfolio at the end of the immediately preceding quarter. The custodian with which client assets are custodied will determine the fair market value of client assets for fee calculation purposes, and invoices will be prepared and delivered directly by the Representative as opposed to SII performing this function.

TPAM Program Fees. These are assessed directly by the TPAM and generally billed on a quarterly basis, starting at the inception of the account. Fees are detailed in the respective TPAM's client agreement, fee schedule and/or Form ADV, Part 2A disclosure brochure and are not determined by SII. TPAM fees may be calculated based on either (i) the fair market value of the assets being managed or (ii) on a performance-based fee criteria, depending on the TPAM Program. We will not charge any additional fees; however, we do receive a portion of the fees charged by TPAMs pursuant to our arrangement with them.

Consulting Services Fees. The fees for consulting services are negotiated between the Representative and the client. Fees are assessed on an hourly basis or as a flat fee for the consulting project that may be either a set dollar amount or a percentage of the fair market value of assets that are subject to our Consulting Services Agreement. The client may terminate the advisory relationship without penalty within five (5) days of entering into the financial planning agreement. However, SII reserves the right to bill the client for actual time and expenses incurred prior to termination.

Compensation for the Sale of Securities. SII and Representatives may receive direct and indirect forms of compensation related to the sale of securities or other investment products to clients. The receipt of this type of compensation presents a conflict of interest and gives us an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Please see Item 14 below for additional detail regarding our receipt of this type of compensation, the conflicts it creates, and how we address these conflicts.

Item 6. Performance-Based Fees and Side-by-Side Management

Under limited circumstances, Representatives may be compensated based on a share of the capital gains or capital appreciation of the asset in a client account, also known as performance-based fees. This may create a conflict to the extent that we may also charge asset-based, hourly, or flat fees, since it creates an incentive to favor accounts for which we receive a performance-based fee. We limit this conflict by allowing certain Representatives to charge performance-based fees on an exceptions basis only, and we have policies and procedures designed to monitor the appropriateness of these fees and account activity in comparison with other accounts.

Item 7. Types of Clients

SII provides its advisory services to a variety of different client types, including individuals, corporate entities, trusts, and pension plans and their participants. Certain account balance minimums must be met for a client to participate in SII's Programs, although we reserve the right to amend or waive these requirements at any time.

Advisor Solutions and Maxim Program accounts are generally available only for clients with an initial portfolio value of at least \$25,000. However, SII may waive this requirement at its option, depending upon the circumstances of a particular client. SII reserves the right to terminate the client agreement at any time portfolio assets are less than \$25,000.

Strategist Solutions® Program account minimums vary depending upon the particular asset manager selected and range from \$25,000 to \$100,000, although SII and the asset managers may agree to waive this option, depending upon the circumstances of a particular client. SII reserves the right to terminate the client agreement at any time portfolio assets are less than \$25,000.

TPAM Program accounts minimum opening portfolio balance requirements vary according to each TPAM. Generally, account minimums range from \$50,000 to \$250,000. Other terms may apply to account opening and maintenance, as outlined in the TPAM's client agreement.

Consulting Services Program arrangements do not have a specified portfolio minimum and are subject to the discretion of the Representative and the mutually agreed upon terms of our Consulting Services Agreement.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Our Representatives may rely on a number of tools to assist in recommending or selecting an investment strategy to clients, including asset allocation and portfolio modeling software that assists with their analysis of investment options when recommending or purchasing investments for your portfolio. Although our advisory services are generally designed for long-term investing in which investment positions are maintained for a longer period of time (also referred to as "strategic" investing), short-term investment strategies which aim to take advantage of frequent market movements (also referred to as "tactical" investing) may also be made available to accommodate certain circumstances. Investment returns,

particularly over shorter time periods, are highly dependent on the value of securities within an investment portfolio which are impacted by trends in the various investment markets. As a result, our investment advisory services are generally more suited for investors seeking long-term investment objectives or strategies, rather than for short-term trading purposes. Under the TPAM Program, each TPAM will have its own methods of analysis, investment strategies and unique investment risks that should also be reviewed and considered.

SII may provide investment advice concerning various types of investments, including equity securities (exchange-listed securities, securities traded over-the-counter, and foreign issuer securities trading as American Depositary Receipts), warrants, commercial paper, corporate debt securities (other than commercial paper), certificates of deposit, municipal securities, investment company securities, variable annuities, variable life insurance, U.S. Government securities, option contracts, fixed insurance, unit investment trusts, exchange-traded funds, interests in partnerships involving real estate, oil and gas, certain types of structured investment products, and other investments, depending upon a client's Investment Profile Information. Our advisory services are generally designed for long-term investment strategies, although short-term investment strategies may be made available by Representative to accommodate certain circumstances.

Investing in securities and other investment products involves inherent risks, including the possible loss of the total principal amount invested. Although we seek to achieve the investment objectives and financial goals, past investment performance does not guarantee future results and we are unable to make any guarantees to clients with respect to avoiding monetary losses. These risks apply to both strategic long term and shorter term tactical approaches to investing. Clients should carefully read the terms of all agreements, product offering documents and related disclosures provided either by SII, TPAMs or product sponsors to better understand the risks associated with each Program and/or the particular investment product(s) under consideration.

Item 9. Disciplinary Information

SII is required to disclose the following information for your consideration:

October 27, 2005 NASD Censure and Fine of \$20,000—SII was deemed to have insufficient supervisory procedures in connection with preventing Representatives from engaging in private securities transactions.

September 23, 2005 NASD Censure and Fine of \$658,500—Between January 2001 and December 2003, SII received fees for providing certain mutual funds with enhanced marketing opportunities to our Representatives, although we did not actually execute any trades for these mutual funds.

July 26, 2004 NASD Censure and Fine of \$25,000—SII consented without admitting or denying the allegations that our supervisory policies and procedures and documentation of variable product sales were insufficient.

July 14, 2004 Securities Commissioner of the State of Kansas Stipulation and Consent Censure Payment of \$50,000 Payment (not deemed a fine) to State's Investor Education Fund—SII agreed to an allegation that we failed to reasonably supervise an individual Representative.

May 26, 2004 NASD Censure and Fine of \$100,000—SII consented to a finding without admitting or denying allegations that our supervisory system and written procedures were insufficient to ensure that mutual fund orders received after the close of the market were processed at the next day's net asset value.

Item 10. Other Financial Industry Activities and Affiliations

SII is an indirect, wholly owned subsidiary of Prudential plc, an international financial services group with operations in the United Kingdom, Europe, Asia, and the United States. We are affiliated by common ownership with a variety of financial services companies, including the following:

Broker-Dealers

Investment Centers of America, Inc. ("ICA"), IFC Holdings, Inc. d/b/a INVEST Financial Corporation ("IFC"), National Planning Corporation® ("NPC®") and Curian Clearing, LLC are each registered as a broker-dealer and/or an investment advisor with the SEC and various state securities agencies, and each is a member firm of the Financial Industry Regulatory Authority ("FINRA").

Jackson National Life Distributors LLC ("JNLD") is a broker-dealer registered with the SEC and member firm of FINRA. JNLD acts as principal underwriter of variable insurance products issued by Jackson National Life Insurance Company® ("JNL®") and Jackson National Life Insurance Company of New York® ("JNLNY"). See also "Insurance Companies/Investment Companies" below.

Certain of our executive officers and directors also serve as officers and/or directors of these affiliated entities.

Insurance Companies/Investment Companies

JNL® and JNLNY issue variable annuity and life insurance products that are registered under the Investment Company Act of 1940, as amended. The separate accounts of JNL® and JNLNY that issue variable products are similarly registered as investment companies.

Brooke Life Insurance Company® is an insurance company offering traditional life insurance and annuity products.

Investment Advisors

ICA, IFC, NPC®, and Curian Capital, LLC are each affiliated with SII and investment advisors registered with the SEC.

Jackson National Asset Management, LLC® ("JNAM") is an investment advisor registered with the SEC that serves as investment advisor to: the JNL Series Trust, the JNL Investors Series Trust, the JNL Variable Fund, LLC, the JNL Variable Fund III, LLC, the JNL Variable

Fund IV, LLC, and the JNL Variable Fund V, LLC and (with respect to JNLNY) the JNLNY Variable Fund I, LLC, and the JNLNY Variable Fund II, LLC.

PPM America, Inc. ("PPM") is an investment advisor registered with the SEC that serves as the investment manager for the general accounts of JNL® and JNLNY and as a sub-advisor to certain series of the JNL Series Trust and JNL Investors Series Trust. M&G Investment Management Ltd. is also a registered investment advisor that offers advisory and investment management services to investors, institutions, trusts, and investment companies.

Jackson Investment Management, LLC is an SEC-registered investment advisor that provides ongoing investment advice, economic analyses, asset allocation and investment manager recommendations to institutions.

Referrals to Other Investment Advisors; Conflicts of Interest

As explained in greater detail below under Item 14, we may receive compensation for recommending or selecting both affiliated and unaffiliated investment advisors to provide investment products or services to clients. SII monitors the sales practices and all forms of direct and indirect compensation received by our Representatives to ensure they are acting in compliance with SII's policies and procedures which are designed to prevent abuses, and to ensure that compensation is within industry standards and compliant with securities laws, rules and regulations.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

SII maintains a Code of Ethics in compliance with SEC requirements that is available upon request from SII or your Representative. The Code of Ethics applies to all SII Representatives and covered personnel and is designed to ensure we fulfill our fiduciary duty to clients by always acting in their best interest, avoiding conflicts of interest, and maintaining a strong culture of compliance by following all securities laws, rules and regulations. Among the specific areas addressed by our Code of Ethics as it relates to our Representatives and covered personnel are:

- Pre-approval and reporting of personal securities transactions by our personnel;
- Restrictions on initial public offering and private placement purchases to prevent unfair investment advantage;
- Insider trading prohibitions to prevent use of non-public information for unfair investment advantage;
- Reporting of gifts and business entertainment; and
- Penalties assessed for Code of Ethics violations to ensure its enforcement.

Although SII does not generally engage in principal transactions (where we enter a purchase or sale of securities with clients on behalf of our own account) or cross-agency transactions (where we broker the purchase or sale of securities between advisory clients), we may recommend or select certain insurance products which are sponsored by our affiliate, Jackson National Life Insurance. We may also engage transactions for our accounts or the accounts of others involving the same investments we recommend or select for our

clients. Please refer to Item 14 below for more detailed information on these and various other potential conflicts of interest and how we address them.

Item 12. Brokerage Practices

SII has an obligation to provide for “best execution” of client securities transactions and seeks to satisfy this by ensuring the best combination of net price and execution quality when effecting brokerage transactions for clients. In compliance with applicable securities laws, rules and regulations, we consider a range of factors when assessing our clearing brokerage relationship to make this determination, including:

- Transaction costs associated with the purchase and sale of investments;
- The trade execution, clearance, and settlement capabilities of the broker-dealer;
- The size of brokerage transactions accommodated;
- The efficiency and timing of brokerage transactions;
- The activity existing and anticipated in the market for a particular security;
- The nature of the securities being purchased or sold and access to purchasers and sellers within the investing marketplace (which may be limited due to thin trading activity or unavailability of certain securities);
- The financial stability and reputation of the executing broker-dealer; and
- The research products and other services provided for the benefit of SII and its clients.

SII regularly monitors the reporting of execution costs and quality to evaluate the brokerage services provided to its clients in comparison with industry standards, to confirm the reasonableness of our determination.

Advisor Solutions and Strategist Solutions® Programs

Based on these factors, SII generally requires Advisor Solutions and Strategist Solutions® Program clients to establish a brokerage relationship with Pershing, for whom we serve as an introducing broker-dealer pursuant to a clearing agreement between SII and Pershing (see Directed Brokerage section below).

Maxim Program

Clients participating in the Maxim Program may establish accounts at Pershing, TD Ameritrade Institutional Services (a division of TD Ameritrade, Inc.), Schwab Institutional (a division of Charles Schwab & Co., Inc.), Fidelity Investments, or TIAA-CREF Individual Institutional Services, LLC. If a client neither designates a broker-dealer nor uses SII’s available broker-dealer services, SII will direct security transaction orders for the client’s portfolio to a broker-dealer selected by SII, based on terms we deem acceptable and beneficial to the client, consistent with our “best execution” obligations.

TPAM Program

Under our TPAM Program, the TPAM is responsible for determining best execution and typically predetermines the broker-dealer relationship as should be detailed in the TPAM’s disclosure documents and agreements, which should be carefully reviewed by clients.

Research and other Soft-Dollar Benefits

SII does not allocate or direct brokerage transactions to the broker-dealer executing client transactions based on our receipt of products or services (referred to as “Soft-Dollar Transactions”).

Directed Brokerage

As noted above, clients who participate in either the Advisor Solutions or Strategist Solutions® Programs are generally required to establish a brokerage account with Pershing, whereas Maxim Program clients may select from several other custodians listed above. In all cases, the selected custodian of client funds and securities maintains these in brokerage accounts registered in the client’s name, in addition to effecting trades in client accounts, providing cashiering functions, sending trade confirmations and periodic account statements to clients, and providing portfolio reporting and account administration services.

You should be aware that SII is compensated by Pershing when client securities transactions are executed through Pershing. This industry practice is generally known as “payment for order flow” and does not affect the quality of execution services or SII’s duty to obtain best execution for clients. Client transactions executed through Pershing also pay a ticket charge on their transactions that may include an additional fee charged by SII in its role for servicing these transactions for clients. In addition, various other custodial, transaction, and account administration related fees or charges assessed or received by Pershing may include an amount that is paid to SII for our role in assisting with servicing of client accounts, including fees paid to Pershing for account maintenance, account transfers, margin lending (which enables clients to borrow money to buy additional investments by using existing investments as security collateral), handling of restricted stocks subject to regulatory sales limitations, returned checks, shipping/handling expenses, and account administration and shareholder servicing fees paid in connection with the sale of certain no transaction fee (“NTF”) mutual funds.

Not all investment advisory firms require their clients to direct their brokerage business to a particular firm, and by doing so we may be unable to achieve most favorable execution and pricing for client transactions. Similarly, SII may agree to allow clients to establish brokerage arrangements with a firm other than Pershing upon request by a client. However, doing so may result in higher costs since we will be unable to obtain aggregated trade cost savings (see immediately below) or to pass along pricing discounts we receive from Pershing, and the extent of services and reporting available to clients through Pershing may be less favorable. You will receive notification if an alternative custodian is appointed to maintain your account, along with its contact information and additional details regarding the arrangement.

Aggregation of Trades

Client trade orders are typically completed independently for each client’s account. However, SII may purchase or sell the same securities or investments for a number of clients at the same time. In these situations, orders for the same security or investments may be combined or “aggregated” to facilitate best execution and to reduce brokerage commissions or other costs charged to clients.

SII places aggregated trade orders in a manner designed to ensure that no participating client is favored over any other client. Specifically, each client that participates in an

aggregated transaction participates at the average share price for all of trades placed by SII to fulfill the entire trade order. Securities purchased or sold in aggregated transactions are typically allocated pro-rata to the participating client accounts in proportion to the size of the order placed for each account.

In situations where SII maintains discretion, we may increase or decrease the amount of securities allocated to each account if necessary to avoid holding odd lot (which refers to a trade order for less than the minimum number of shares or units of a security that may be purchased) or small numbers of shares for certain clients. Additionally, if the clearing firm is unable to fully execute an aggregated transaction and SII determines that it would be impractical to allocate a small number of securities among the accounts participating in the transaction on a pro-rata basis, SII may allocate these securities in a manner determined in good faith to be fair and equitable. Clients directing SII to effect trades through a broker-dealer other than Pershing should be aware that they may not benefit from the execution cost savings that may be obtained by aggregated trades placed through SII.

Item 13. Review of Accounts

SII's home office personnel, our Office of Supervisory Jurisdiction Branch Managers (referred to as "OSJs"), and our Representatives monitor client portfolios to identify situations that may warrant either a more detailed review or specific action on behalf of our clients. These reviews may be triggered by concerns regarding the suitability of investments in relation to a client's Investment Profile Information, account inactivity and high concentrations in individual securities, among other factors.

For Advisor Solutions and TPAM Program accounts, we provide ongoing review of client portfolio holdings, communicate with clients at least annually, and remind clients at least quarterly to inform us of any changes to their Investment Profile Information to ensure the suitability of the investments in their portfolio, any social exclusions or investment restrictions, and all applicable rules and regulations. We also review the investment results of client portfolios on a regular basis and, where appropriate, we may change or recommend a change of the Representative for a client's account.

SII also provides clients with written periodic performance reports that include relevant portfolio information, such as asset allocation, account transactions, securities positions, the fair market values of investments in client portfolios, investment performance for the period, and advance billing notification. SII does not verify performance data provided to it by third parties with exception of the calculation methods and the related account holdings shown. Please refer to the specific Program agreements and related disclosure documents supplied prior to establishing an account to confirm the frequency of review and type of reports to be provided in connection with the respective Programs.

The extent of our review process is typically more limited in the case of our Consulting Service Program and may vary depending on the arrangement negotiated with the Representative.

Item 14. Client Referrals and Other Compensation

Clients need to be aware of and consider potential conflicts of interest related to direct and indirect forms of compensation and benefits SII and our Representatives may receive from third parties in connection with the sale of investment products and services to clients. These forms of compensation are in addition to client advisory fees we receive and create an incentive to recommend certain investment products based on the potential compensation received rather than on a client's needs.

SII maintains a Code of Ethics (see Item 11 above) and policies and procedures that are designed to ensure our Representatives act in the best interest of clients at all times. Representatives are limited in their ability to receive both an advisory fee and asset-based sales compensation or commissions (also referred to as "double-dipping"), and we closely monitor our Representatives' sales practices and all forms of direct and indirect compensation received to ensure they act in compliance with our policies and procedures, industry standards, and all securities laws, rules and regulations governing sales compensation practices.

In addition to providing advisory services through the Consulting Services Program, our Representatives may also sell clients securities products and other investment and insurance products in their capacity as SII registered broker-dealer Representatives and as licensed insurance agents. We receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. Representatives acting on behalf of SII in a broker-dealer capacity (as opposed to investment advisor) and/or an insurance agency will have a greater financial incentive to sell certain products as opposed to others (for example, a product issued by an affiliate and in the case of mutual funds those that have a higher 12b-1 fee than others). While securities sales are reviewed to confirm they are suitable for a client's Investment Profile Information by an appointed supervisor of SII, clients should be aware of these incentives.

Premier Product Program and Revenue Sharing. In compliance with applicable securities laws, rules and regulations, and upon entering into an agreement with the product sponsors of certain mutual funds, variable insurance products, REITs and other investment products, SII may recommend or select these investment products on behalf of clients where (i) SII receives commissions, service/sales charges, revenue sharing payments or other forms of benefit as a result of a client's investment in such investment products and (ii) SII or one of its affiliates is the investment advisor, sponsor, principal underwriter or other service provider and, as such, receives compensation as a result of the client's purchase of the investment product.

These payments to SII are shared with our Representatives and may vary, depending on the Representatives' compensation arrangement with SII. These arrangements generally pay higher amounts for the sale of "packaged products" (like mutual funds, annuities and REITs) over individual stocks and bonds, and provide a higher percentage of the compensation received by SII to Representatives who generate greater revenue for SII. Clients should be aware that this presents a potential conflict of interest because SII and its Representatives may have a greater incentive to recommend or select investments that provide greater compensation to SII or its affiliates. For more information, please see the "Premier Sponsor

Program and Revenue Sharing Disclosure” contained on SII’s website at www.siionline.com under “Disclosures.”

Premier TPAM Program and Revenue Sharing. In compliance with applicable law, SII may recommend or select certain TPAMs to manage client accounts where SII receives additional compensation or benefits from the particular TPAM. These payments to SII are shared with our Representatives and may vary depending upon the Representative’s compensation arrangement with SII. These arrangements generally pay a higher percentage of the compensation received by SII to Representatives who generate greater revenue for SII. Clients should be aware that this presents a potential conflict of interest because SII and its Representative may have a greater incentive to recommend or select TPAMs that provide additional compensation to SII that is not provided by other TPAMs. For more information, please see the “TPAM Premier Sponsor Program and Revenue Sharing Disclosure” contained on SII’s website at www.siionline.com under “Disclosures.”

Mutual Fund Distribution and Servicing Revenue. In its role as introducing broker-dealer, SII may receive various distribution and marketing fees from the managers of mutual funds held in client accounts pursuant to Rule 12b-1 of the Investment Company Act of 1940 (referred to as “12b-1 fees”), in addition to related fund servicing or administration compensation payable to SII in connection with certain no transaction fee (“NTF”) mutual funds. The amount of fees that are received will vary, depending on the particular mutual fund investments pursuant to distribution agreements between SII as a broker-dealer and the mutual fund sponsors.

Due Diligence Fees. SII conducts an initial and ongoing due diligence review of the TPAMs selected for participation in our TPAM Program to ensure they satisfy our approval requirements. SII may collect a fee from TPAMs that participate in our TPAM Program in an effort to defray all or a portion of the costs we incur conducting these reviews. This fee is paid to SII regardless of whether or not we ultimately decide to approve a particular TPAM for inclusion in our TPAM Program. SII does not charge due diligence fees to TPAMs participating in its Premier TPAM Program (please see “Premier TPAM Program and Revenue Sharing” description immediately above), and we may also agree to waive due diligence fees for other TPAMs at our discretion.

Program Compensation May Vary. Compensation to SII, including your Representative and certain home office personnel, varies according to the advisory Program in which you participate. The compensation received by SII and these individuals may be more than what we would receive if you participated in another Program or paid for investment advice, brokerage or other services separately. This may provide a financial incentive to recommend a particular Program that pays us a higher amount of compensation than other Programs or services.

SII may provide performance-based compensation to certain of its home office employees related to their promotion of our WealthONE® Program since it generates more revenue for SII than unaffiliated programs. These incentives may result in your Representative having greater exposure and marketing support for the WealthONE® Program over other programs.

Special Treatment of Certain Qualified Account Types. For certain qualified retirement account types, we may either (i) provide a client rebate or refuse receipt of any direct or

indirect compensation it may otherwise be entitled to receive as a result of a particular client's purchase of investment products or services (including 12b-1 fees and revenue sharing payments from third parties), or (ii) recommend or select investment share classes or products with lower fees or expenses that may not be made available to non-qualified accounts. Doing so may result in cost savings to these particular client accounts but does not obligate SII to make these same benefits available to other clients.

Margin Commissions. In limited situations, SII may permit clients to establish a margin account pursuant to an agreement entered with the custodian. "Margin lending" enables clients to borrow money to buy additional investments by using existing investments as security collateral. In these situations, SII may receive compensation from the custodian in the form of a margin commission that typically amounts to a percentage of the total margin interest charged to clients by the custodian. Clients should carefully read the margin disclosure statement provided by the custodian outlining risks related to margin prior to considering this type of arrangement.

Pershing FundVest Institutional Program. Representatives may initiate purchases of participating mutual funds through the Pershing FundVest Institutional Program, subject to minimum purchase amounts. Representatives may have an option to purchase certain of these fund shares without incurring any ticket charges, though this may result in a slightly higher mutual fund operating expense ratio. As such, Representatives who absorb client transaction charges may have an incentive to recommend those mutual funds that do not impose ticket charges over other available funds that may have a slightly lower operating expense.

Competing Transactions. SII, Representatives and our affiliates may have a conflict in our role as an investment advisor for other clients and our own accounts to the extent we may initiate competing securities transactions for these clients or our accounts. The investment actions taken may also differ from the recommendations or selections we provide to you. We are not obligated to acquire for your account any investments that may be purchased on behalf of other clients or our own accounts, and you shall have no first refusal, co-investment, or other rights in any such investment. However, we strive to act in good faith and attempt to allocate investment opportunities to you over a period of time on a fair and reasonable basis relative to other clients and our own accounts, and based on your Investment Information Profile.

Payments to Solicitors. SII may utilize the services of approved individuals who act as solicitors for purposes of referring clients to us in accordance with SEC regulations and applicable state securities law. These solicitors will generally be paid a portion of the ongoing investment advisory fee charged to the client by SII. Clients referred to SII by a solicitor will not be charged a referral fee and shall remain subject to the same advisory fee schedule as non-referred clients, as set forth above. These solicitation arrangements are required to be disclosed to clients at the time of the referral in a document outlining SII's solicitation compensation arrangement with the particular solicitor.

Item 15. Custody

SII will arrange for you to receive account statements directly from the independent qualified custodian of your account assets. These are your official account statements for

valuation, tax and all other purposes. We encourage you to please review the transactions, positions and valuations for accuracy, and to compare this information with any account statements or performance reports you may receive from SII or your Representative. The information contained in your official custodial account statements may vary slightly with that contained in other statements or performance reports you receive, due to differences in the computing method, timing of calculation, and source of valuations. Any concerns should be immediately reported to the SII Compliance Department at (800) 426-5975. You may also contact the respective custodians directly with related questions at:

Pershing LLC

One Pershing Plaza
Jersey City, NJ 07399

Charles Schwab & Co., Inc.

211 Main Street
San Francisco, CA 94104

TD Ameritrade Institutional

4075 Sorrento Valley Blvd.,
Suite A
San Diego, CA 92121

Fidelity Investments

P.O. Box 77002
Cincinnati, OH 45277-0090

**TIAA-CREF Individual &
Institutional Services, LLC**

730 3rd Avenue
New York, NY 10017-3206

Item 16. Investment Discretion

Clients have the option of providing SII with investment discretion on their behalf, pursuant to a grant of a limited power of attorney contained in our client agreement. By granting SII investment discretion, SII is authorized to execute securities transactions, which securities are bought and sold, the total amount to be bought and sold, and the costs at which the transactions will be effected. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with SII's written acknowledgement.

Item 17. Voting Client Securities

When a client owns stock, they become a shareholder of that company that issues the stock. As a shareholder, clients may have the right to exercise a vote with respect to various corporate matters involving the management of the company in which they hold shares. Rather than doing so directly, clients may grant a "proxy" to enable another person or entity to vote on such matters on their behalf.

For our Advisor Solutions, Strategist Solutions® and Consulting Services Programs, SII and its Representatives will not (a) vote proxies related to any investments held in client accounts or (b) participate in any legal proceedings involving investments held in client accounts, or that involve the sponsors or issuers of any investments (including bankruptcy proceedings). Unless SII and the client make other written arrangements, SII will send all proxy and legal proceeding related documents it receives to the client so that the client may act upon the materials.

For TPAM Program Accounts, clients may have the ability to appoint the TPAM as their delegate to act on their behalf to vote proxies relating to any investments in their accounts. In these instances, SII will send all proxy and legal proceeding related information and documents it receives to the TPAM so that the TPAM may take whatever action it deems advisable.

Item 18. Financial Information

Attached for your review is SII's balance sheet outlining its financial condition.