



**Nationwide<sup>®</sup>**  
*On Your Side*

**Nationwide Securities, LLC**

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**March 30, 2013**

This Brochure provides information about the qualifications and business practices of Nationwide Securities, LLC (“NSLLC” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at 1-877-233-3370 or [asknsllc@nationwide.com](mailto:asknsllc@nationwide.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

NSLLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about NSLLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

NFN-0254AO.9 (2/2012)

## **Item 2 – Material Changes**

There are no material changes to this Brochure since the last annual update was filed on March 31, 2012. Clients may request a copy of NSLLC's Brochure by contacting Heather Wehrle, Senior Consultant, Product Management by phone at 1-877-233-3370 or by e-mail at [asknsllc@nationwide.com](mailto:asknsllc@nationwide.com). The Brochure is also available on NSLLC's web site at [www.MyNFN.com](http://www.MyNFN.com).

Additional information about NSLLC is also available on the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with NSLLC who are registered, or are required to be registered, as investment adviser representatives of NSLLC.

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## **Item 4 – Advisory Business**

This Brochure provides information about the business practices of NSLLC. NSLLC is an indirect subsidiary of Nationwide Financial Services, Inc. (“Nationwide Financial”). NSLLC is a registered investment adviser under the Investment Advisers Act of 1940 (“Advisers Act”); a securities broker-dealer under the Securities Exchange Act of 1934 and member firm of the Financial Industry Regulatory Authority (“FINRA”); and a member of the Municipal Securities Rulemaking Board (“MSRB”). The Firm’s advisory representatives are registered as investment adviser representatives (“IARs”) in accordance with the requirements of the jurisdiction in which they operate, as well as securities sales representatives (“Registered Representatives”) in connection with the Firm’s broker-dealer business.

### ***Firm Background Information***

NSLLC was created through a series of corporate transactions that included the merger of Nationwide Securities, Inc., an affiliated broker-dealer, and 1717 Capital Management Company, an affiliated broker-dealer and registered investment adviser. The Firm’s history goes back to 1979, when 1717 Capital Management Company was incorporated and began doing business in the state of Delaware. With the formation of NSLLC and the merger of the affiliated entities, the Firm became an Ohio limited liability company; however, there was no change of control or management.

Principal owners of NSLLC include: NFS Distributors, Inc.; Nationwide Financial; and Nationwide Corporation.

NFS Distributors, Inc. owns 100% of the outstanding shares of the Firm and is a wholly-owned subsidiary of Nationwide Financial. Nationwide Financial is a wholly-owned subsidiary of Nationwide Corporation. Nationwide Corporation is owned by Nationwide Mutual Insurance Company and Nationwide Mutual Fire Insurance Company, each of which is a mutual company owned by its policyholders.

The Firm is affiliated by common ownership and control with the following entities:

- Nationwide Investment Services Corporation (“NISC”), a broker-dealer registered with the SEC and a member of FINRA. NISC acts as the general distributor of variable annuity and variable life insurance products issued by Nationwide Life Insurance Company (“NLIC”) and Nationwide Life and Annuity Insurance Company (“NLAIC”), which are insurance subsidiaries of Nationwide Financial. The Firm’s advisory representatives may sell or service NLIC or NLAIC products.

- Nationwide Investment Advisors, LLC, a registered investment adviser providing advisory services through management of portfolios and managed accounts, and by its selection of other investment advisers for its programs.
- Nationwide Funds Group, which is the mutual fund arm of Nationwide Financial. Nationwide Funds Group is comprised of Nationwide Fund Advisors, a registered investment adviser providing advisory services to the mutual funds; Nationwide Fund Distributors, LLC, a registered broker-dealer providing distribution services to the mutual funds; and Nationwide Fund Management, LLC, which provides administration services to the mutual funds. The Firm's advisory representatives may sell these affiliated mutual funds and other securities products managed by affiliated investment advisers.

Please see Item 10 of this Brochure for a discussion of conflicts of interest arising from the sale of affiliated products.

### ***Overview of Advisory Services***

The Firm provides investment advisory services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, trust programs and other U.S. institutions, based on each client's individual needs. The Firm does not provide direct investment management of client assets. In general, the Firm's advisory representatives may offer clients the following advisory services and investment management programs:

- Fee Based Financial Planning Services.
- Turnkey Asset Management Programs ("TAMPS"), where assets are invested in third-party asset management programs that provide a wide range of investment services for a single program fee.
  - Genworth Financial Wealth Management
  - Lockwood
  - Rochdale
  - SEI

Because the Firm is registered as both an investment adviser and a broker-dealer, and its advisory representatives as IARs and Registered Representatives, the Firm, through its advisory representatives, may also sell products and services and, at the request of clients,

execute securities purchases and sales in connection with the advisory services it offers. Some of these products and services are offered by companies affiliated with the Firm.

### ***Fee Based Financial Planning Services***

The Firm offers comprehensive financial planning services to clients. Generally, when the Firm acts as an investment adviser for fee based financial planning services, the Firm will enter into a written agreement with the client expressly acknowledging its investment advisory relationship with the client and describing its obligations to the client.

Please see Item 5 of this Brochure for additional information regarding financial planning services offered by the Firm.

### ***TAMPs***

A TAMP is a turnkey asset management program, sponsored by a third party, that provides a wide range of services, which may include:

- Money manager due diligence;
- Client proposals;
- Account administration;
- Performance reporting;
- Market and manager analysis; and
- Training and education support.

Clients who participate in TAMPs typically will complete a program questionnaire that helps to identify their investment needs and tolerance for risk. Based on their responses to the questionnaire, client assets will be invested in a portfolio of securities that is designed to meet their investment objectives. In addition, TAMPs typically will permit clients to impose reasonable restrictions on the management of their accounts. For example, the client may be able to specify that their assets not be invested in certain types of securities, such as securities issued by tobacco companies. TAMP clients will receive TAMP disclosure (including a brochure similar to NSLLC's brochure) from the investment adviser that sponsors the TAMP program (the "TAMP Sponsor"), which will include more detailed information about the program.

### **Selecting a TAMP**

When a client decides to participate in a TAMP, an advisory representative of the Firm typically takes the information provided by the client and uses his or her knowledge and industry experience to research, analyze and select the appropriate TAMP for the client. An

advisory representative of the Firm may review a client's assets, net worth, tax status, investments, investment history, and other factors to make sure a client is eligible to participate in the TAMP. After conducting this qualification analysis, the Firm will perform various administrative and clerical tasks to assist a client in opening an account with the TAMP Sponsor.

Depending on the structure of the TAMP selected, the Firm will act either as a solicitor or a co-adviser to the arrangement between the client and the TAMP Sponsor. The Firm's obligations and responsibilities with respect to the client's TAMP account will vary depending on the nature of the arrangement. As further described below, the Firm typically does not provide investment advisory services to TAMP clients when it acts as a solicitor.

#### Firm as Solicitor

Under a solicitor arrangement, clients referred by the Firm enter into an investment advisory agreement directly with the TAMP Sponsor, which typically may be terminated by either party upon written notice. The Firm is not a party to this agreement and does not have investment advisory responsibility for the provision of TAMP services. Rather, the Firm's role is limited to referring clients to the TAMP, assisting with certain administrative functions, and acting as a liaison between the client and the TAMP Sponsor. In order to streamline the advisory process, the Firm's advisory representative will provide the client's financial information to the TAMP on the client's behalf. In addition, the Firm's advisory representative will provide the client with a copy of the TAMP Sponsor's brochure describing the program, as well as a separate solicitor disclosure document describing the solicitor arrangement between the Firm and the TAMP Sponsor.

#### Firm as Co-adviser

Under a co-advisory arrangement, the client enters into an agreement with the Firm and the TAMP Sponsor, which typically may be terminated by any party upon written notice. The Firm's advisory representative may perform advisory tasks in addition to the ministerial tasks provided in a solicitor arrangement, including assisting the client with determining the appropriate asset allocation model, reviewing the client's account activity, and reviewing the account with the client at least annually to identify any changes in the client's information, financial situation, investment objectives or restrictions placed on the account.

Please see Item 5 of this Brochure for a detailed description of each TAMP currently offered by the Firm, including fees and expenses.

### ***Discontinued Programs***

As a result of its ongoing due diligence, the Firm occasionally terminates a program or stops actively promoting a program. If a program is being terminated, clients will be notified by the program sponsor, Firm, or the Firm's advisory representatives and offered other options. If a program is no longer being actively promoted, the Firm may continue to recommend the program for existing clients where appropriate, in which case advisory representatives will continue to service previously established accounts. While a program may cease to be actively promoted, it might still permit new account openings by household members of existing account owners.

If clients have questions or require further information on any program currently or previously offered by the Firm, they should contact their advisory representative. Clients who prefer to contact the program sponsor directly should refer to their most recent account statement for contact information.

### ***Other Programs and Services***

The Firm may make certain other investment management programs and advisory services available from time to time. These programs and services are offered through registered investment advisers or investment advisers exempt from registration with which the Firm enters into either a solicitor or co-advisory relationship. The availability of these programs and services may be limited due to the specific needs of certain clients and generally may be restricted in availability. Required disclosure documents will be provided to clients participating in these programs and services.

### ***Management of Client Assets***

The Firm's advisory representatives do not manage client assets. Rather, the Firm refers clients to third party TAMPs and other advisory programs that offer professional investment management services.

## **Item 5 – Fees and Compensation**

### ***Fee Based Financial Planning Services***

#### **Description of Fees**

The Firm offers financial planning services directly to clients on an individual basis. Clients who have selected to engage NSLLC in the creation of a financial plan typically pay either a flat fee or an hourly fee for the Firm's investment advisory services. Fees for financial planning services may differ from one advisory representative to another, as the fees are



subject to negotiation and agreement between the client and the advisory representative. NSLLC does not dictate a minimum required fee, a maximum required fee, or a range of fees for fee based financial planning conducted on an individual basis, and advisory representatives may waive fees or offer complimentary financial plans in their sole discretion. Similar financial planning services may be available elsewhere at a lower cost.

Clients receiving a financial plan will be billed for fees incurred upon entering into a financial planning agreement with NSLLC. A financial plan is generally a one-time transaction and would require a new advisory agreement and additional fees in order for the advisory representative to update the plan.

As specified in NSLLC's Financial Planning Agreement, a client may request a refund of the fee paid, without penalty, by submitting a written request to NSLLC within five business days of signing the Financial Planning Agreement. If a refund is requested after five days, granting a full or partial refund will be at the sole discretion of the Firm.

#### Implementation of Financial Plans

The Firm's financial planning service ends upon its delivery of the plan to the client, as will the fiduciary relationship that arises from providing this service. Clients are not required to establish accounts, purchase products that the Firm distributes, or otherwise transact business with NSLLC in order to put into action any aspect of the financial plan. Clients have the option to purchase investment products through other brokers or agents that are not affiliated with NSLLC. In addition, NSLLC is available to assist clients in implementing the investment strategy described in the plan. The capacity in which NSLLC acts when helping clients implement an investment strategy will depend on, and vary by, the nature of the account (i.e. brokerage or advisory accounts) used for the implementation.

#### NSLLC as Broker-Dealer

It is important to understand that NSLLC's financial planning services are separate and distinct from its brokerage services, and that each is governed by different laws and separate contracts with the client. When acting as a broker-dealer, NSLLC may receive commissions, sales loads, concessions or other payments, including revenue from third parties, in connection with the products it sells. This compensation is separate from the fee that NSLLC charges for financial planning services and may vary by product and over time. When acting in its capacity as a broker-dealer, NSLLC has an incentive to recommend investment products based on the compensation it receives rather than on a client's needs, which may present a conflict of interest.

## ***TAMPs – Overview of Programs and Fees***

TAMP fees typically cover the costs of the initial and on-going investment advisory services and the execution of securities transactions, custody, performance measurement, and other services set forth in the applicable TAMP advisory service agreement. Fees and related services included vary by TAMP. Clients are directed to the brochure for the applicable TAMP for specific information about the program they are or wish to participate in. The fees for a TAMP may result in higher costs than a client may otherwise incur by paying the adviser's standard fees and negotiating separate arrangements for trade execution, custody, and consulting services.

If a client participates in a TAMP that does not include execution services, the Firm or its clearing agents or an affiliated broker-dealer may receive commissions for related brokerage services. This may include a mark-up for executing transactions in its capacity as a broker-dealer, or the receipt of directed commissions for insurance sales. These commission payments are based upon the Firm's regular commission schedules or, if applicable, the affiliated broker-dealer's regular commission schedules, then in effect.

Solicitors or co-advisers typically receive a portion of the account management fee that the client pays to the TAMP Sponsor. The amount of the fee is related to the services that the solicitor or co-adviser provides, usually is within a range established by the Firm and the TAMP Sponsor, and sometimes is negotiable.

Many TAMPs allow clients to:

- Establish a periodic withdrawal schedule at the time accounts are opened;
- Withdraw account assets on several days' notice; and
- Make additions to an account at any time.

It is important to note that if a withdrawal request necessitates a liquidation of securities, proceeds may not be available for several days following the settlement date. If liquidation causes the value of the account to fall below a required minimum, the account may be subject to immediate termination and an early closing fee. Clients may refer to the TAMP Sponsor's disclosure documents or check with their advisory representative regarding the terms and conditions of a particular advisory service.

With certain TAMPs, the Firm's advisory representatives will periodically contact a client to review and update the client's investment objectives and account restrictions, investment programs, or asset allocation model based upon changes in the client's goals and objectives.

The primary TAMPs to which the Firm refers clients are described more fully below. Please review this information for a description of applicable fees and expenses, as well as the Firm's compensation arrangements with clients and/or TAMP Sponsors. Clients who select a TAMP will also receive additional disclosure information from the TAMP Sponsor.

TAMP descriptions are based on information provided to NSLLC by each TAMP Sponsor. This information is subject to change. Please read the TAMP Sponsor's disclosure documents for a current description of applicable fees and expenses.

## GENWORTH FINANCIAL WEALTH MANAGEMENT, INC.

### ***Overview of GFWM Platform***

The Firm has entered into an agreement with Genworth Financial Wealth Management, Inc. ("GFWM"), an investment advisor registered with the SEC. GFWM is the sponsor of the Genworth Financial Wealth Management Platform (the "Platform") through which it offers advisory services to clients. GFWM is a wholly owned subsidiary of Genworth Financial, Inc., a publicly held insurance holding company. GFWM was previously named AssetMark Investment Services, Inc. and was renamed in connection with the merger of an affiliated registered investment adviser, Genworth Financial Asset Management, Inc. ("GFAM").

A client will need to enter into a Client Services Agreement with the Firm in order to establish an account in an investment option available on the platform offered by GFWM. A client will also need to complete a questionnaire to identify the client's risk tolerance, rate of return objectives, investment experience, anticipated need for liquidity, potential timing of the need for retirement funds, and other investment needs and parameters.

NSLLC makes the following investment options available through GFWM:

- Mutual Fund Investment Solution ("Mutual Fund Accounts") – portfolios are constructed using mutual funds that provide exposure to a broad selection of asset classes across the global markets.
- Exchange-Traded Fund Investment Solution ("ETF Accounts") – portfolios are constructed using exchange-traded funds that provide exposure to a range of global capital market indexes.
- Privately Managed Account Investment Solutions ("PMAs") - offers investors the option to choose from several different solutions that offer unique investment options and levels of customization.
  - Unified Managed Account ("UMA") - account structure combines diverse investments in a single portfolio of stocks, fixed-income instruments,

mutual funds, ETFs, etc. using stock selections of global network investment organizations.

- Consolidated Managed Accounts (“CMA”) – employs a comprehensive investment process utilizing several investment management firms providing institutional-quality investment management and strategic or tactical asset allocation in one consolidated account.
- GFAM Preservation Strategy - GFAM Preservation Strategy delivers asset allocation across dozens of global asset classes and access to a wide range of risk managements.
- GFAM Fixed Income Accounts. GFAM Fixed Income offers a variety of ways to add exposure to government, municipal, and corporate fixed income asset classes.

### ***GFWM Platform Advisory Fee***

Clients of the Firm wishing to participate in the Platform will pay an annual advisory fee. This annual fee is broken into four equal payments that will be deducted from the client’s account in advance of each quarter, based on the fee schedule provided to the client. Clients may also pay an additional consulting fee charged by the Firm when they open an account or make additional investments to an account. Clients opening an IMA or UMA will also pay an additional investment manager fee to each designated discretionary investment manager. The consulting fee, investment manager fee, and the annualized advisory fee will be stated in the Client Services Agreement or its attachments. The maximum annual advisory fee a client could pay is represented in the tables of fees below.

The maximum annual advisory fee is calculated as a percentage of the assets in the client’s account according to the schedules below and is deducted from the client’s account.

### **Maximum Advisory Fees**

#### **Mutual Funds, Mutual Fund Accounts, and ETF Accounts**

<b>Assets Under Management</b>	<b>Proprietary/ Affiliated Mutual Funds</b>	<b>Third Party Mutual Fund Accounts</b>	<b>ETF Accounts</b>	<b>NSLLC’s Advisory Fee</b>	<b>Total Maximum Fee</b>
\$0- 250,000	0.00%	.45%	.90%	1.35%	2.25 %
\$250,001-500,000	0.00%	.40%	.85%	1.25 %	2.1%

\$500,001 - 1,000,000	0.00%	.35%	.80%	1 %	1.80%
\$1,000,001 - 2,000,000	0.00%	.30%	.75%	.75%	1.50 %
\$2,000,001 - 3,000,000	0.00%	.20%	.70%	.75%	1.45 %
\$3,000,001 - 5,000,000	0.00%	.20%	.70%	.75%	1.45 %
Over \$5,000,000	0.00%	.20%	.70%	.75%	1.45%

### Unified Managed Account

Assets Under Management	UMA	NSLLC's Advisory Fee	Total Maximum Fee
First \$100,000	.85%	1.10%	1.95%
\$100,000 - \$250,000	.85%	1.00%	1.85%
\$250,000 - \$500,000	.85%	.80%	1.65%
\$500,000 - \$1,000,000	.70%	.75%	1.45%
\$1,000,000 - \$2,000,000	.47%	.75%	1.22%
\$2,000,000 - \$3,000,000	.47%	.75%	1.22%
\$3,000,000 - \$5,000,000	.47%	.75%	1.22%
Over \$5,000,000	0.25%	.75%	1.0%

### Consolidated Managed Account

Assets Under Management	CMA	NSLLC's Advisory Fee	Total Maximum Fee
\$0 - 250,000	.80%	1.15%	1.95%
\$250,001 - 500,000	.80%	1.00%	1.80%
\$500,001 - 1,000,000	.80%	.80%	1.60%
\$1,000,001 - 2,000,000	.75%	.75%	1.50%

\$2,000,001 -3,000,000	.75%	.75%	1.50%
\$3,000,001 - 5,000,000	.70%	.75%	1.45%
Over \$5,000,000	.65%	.75%	1.40%

**PrivatelyManaged Account  
GFAM Preservation Strategy**

<b>Assets Under Management</b>	<b>PMA (GFAM Preservation Strategy)</b>	<b>NSLLC's Advisory Fee</b>	<b>Total Maximum Fee</b>
\$0 - 250,000	.75%	1.25%	1.95%
\$250,001 - 500,000	.50%	1.00%	1.50%
\$500,001 – 1,000,000	.50%	.80%	1.30%
\$1,000,001 - 2,000,000	.45%	.75%	1.20%
\$2,000,001 - 3,000,000	.45%	.75%	1.20%
\$3,000,001 - 5,000,000	.40%	.75%	1.15%
Over \$5,000,000	.30%	.75%	1.05%

**Privately Managed Account  
GFAM Fixed Income**

<b>Assets Under Management</b>	<b>PMA (GFAM Fixed Income)</b>	<b>NSLLC's Advisory Fee</b>	<b>Total Maximum Fee</b>
\$0 - 250,000	.45%	.50%	.95%
\$250,001 – 500,000	.45%	.50%	.95%
\$500,001 – 1,000,000	.35%	.50%	.85%
\$1,000,001 - 2,000,000	.25%	0.25%	.50%
\$2,000,001 - 3,000,000	.25%	0.25%	.50%
\$3,000,001 - 5,000,000	.25%	0.25%	.50%
Over \$5,000,000	.20%	0.15%	.35%

- The standard minimum investment through the platform will generally be \$25,000 - \$50,000 for Mutual Fund Accounts and \$100,000 for ETF Accounts. The standard minimum UMA investment, depending on the strategy selected, will generally be between \$50,000 and \$500,000. GFWM reserves the right, in its sole judgment, to accept certain investments below the standard minimum.
- The standard minimum PMA investment per investment manager is generally between \$100,000 and \$250,000, and will depend on the custodial and investment manager selected for the account. Certain investment managers may require minimum investments greater than \$250,000. For PMA strategies in which GFAM is the investment manager, the minimum investment is \$50,000.

If for any reason the client's account value falls below the required minimum, GFWM has the right to terminate the account. In addition, a client may terminate the account at any time without penalty. In the event the account is terminated for any reason during a calendar quarter, GFWM will return to the client within 45 days of the effective date of the termination, a pro-rated portion of the quarterly fee paid by the client at the beginning of the quarter.

### ***Other Fees and Charges***

Clients may also bear certain charges imposed by third parties other than the Firm for investments made through the account, including but not limited to mutual fund 12b-1 distribution fees, servicing fees, sub-accounting fees, and IRA and qualified retirement plan fees. In addition, the mutual funds and ETFs held within client accounts pay management fees that are deducted from each fund's net asset value, meaning they are an indirect expense of the account. The total direct and indirect fees charged to a client through the Platform may be higher than fees charged by other investment advisers for similar services. Clients may purchase these mutual funds and ETFs directly, without participation in the Platform, but will not receive the services of GFWM.

The Client Services Agreement will specify the fees associated with investment options clients select.

In addition to this Brochure, clients will receive a copy of GFWM's disclosure documents prior to investing in an investment option on the Platform. The disclosure documents for the selected investment option will contain additional information on a variety of topics, including business affiliates and potential conflicts of interest, charges for brokerage transactions, payments from mutual fund assets which reduce overall mutual fund performance, and all Platform costs and services.

## LOCKWOOD

Lockwood Advisors, Inc (“Lockwood”) is a Securities and Exchange Commission (SEC) registered investment advisor (RIA) and an affiliate of Pershing, each subsidiaries of the Bank of New York Mellon Corp. Lockwood acts as a wrap program sponsor, providing access to a full suite of managed account products. In addition, Lockwood acts as a portfolio manager for Lockwood AdvisorFlex portfolios, Lockwood Investment Strategies (LIS) and Lockwood Asset Allocation Portfolios (LAAP).

Lockwood provides access to individual portfolio managers (“Portfolio Managers”) and investment advisory and discretionary services to financial planners, certified public accountants, broker-dealers, registered investment advisers, and other financial advisors which, in turn, provide investment advice and consulting services to their high net worth clients and institutional clients. Client level advice is generally performed by an employee, agent, affiliate or other delegated persons of a firm.

Pershing LLC (“Pershing”), an affiliate of Lockwood, is a SEC registered broker-dealer that is a member of the Financial Industry Regulatory Authority (“FINRA”), the Securities Investor Protection Corporation (“SIPC”) and the New York Stock Exchange (“NYSE”). Pershing provides clearing and custody services for the Lockwood programs described in this Brochure. Another affiliate of Lockwood, Pershing Advisor Solutions LLC (“PAS”), is a SEC registered broker-dealer that is a member of FINRA, SIPC and the NYSE, which provides retail brokerage services in the programs described. Lockwood, Pershing and PAS are affiliated companies, each of which is owned by BNY Mellon.

The Lockwood programs described in this Brochure are all service offerings made available to clients through the Managed Account Link program (“MAL Program”) sponsored by Lockwood.

**Lockwood Investment Strategies** (“LIS”) is a discretionary, multi-discipline managed account housed in a single account with five core models available. Lockwood, serving as the Portfolio Manager, determines asset allocation and selects both third-party asset managers (“Sub-Advisers”) and specific investment vehicles based on its proprietary approach to asset allocation, as well as its macroeconomic outlook and investment discipline. The LIS account program fee (“LIS Program Fee”) includes the Lockwood advisory fee, Lockwood’s sponsor fee, the Sub-Adviser fees, and the Pershing clearing and custody fees. With respect to mutual funds used in LIS, the LIS Program Fee does not include fees or expenses, which may be associated with the underlying pooled investment vehicles (such as, redemption fees, 12b-1 fees and/or other internal



expenses). In addition to the LIS Program Fee, the advisory representative may add a reasonable advisory fee as shown in the Lockwood Fee Schedule that follows.

### **Lockwood Fee Schedule for LIS**

<b>Household Assets Under Management</b>	<b>Program Fee</b>	<b>NSLLC's Advisory Fee</b>	<b>Total Maximum Fee</b>
< \$250,000*	.75%	1.50%	2.25%
First \$500,000	.75%	1.25%	2.00%
Next \$500,000	.55%	1.00%	1.55%
Next \$4,000,000	.40%	0.75%	1.15%
Next \$5,000,000	.35%	.75%	1.10%
Over \$10,000,000	.30%	.75%	1.05%

\* Minimum account balance for LIS investments is \$250,000

**Lockwood Asset Allocation Portfolios** (“LAAP”) is a discretionary mutual fund and exchange-traded fund (“ETF”) wrap account product. Lockwood, serving as the Portfolio Manager, determines asset allocation strategy and selects investment vehicles for the portfolios, based on its proprietary approach to asset allocation, macroeconomic outlook and investment discipline. These portfolios may consist of open and closed-ended mutual funds, exchange-traded funds and other types of securities, as determined by Lockwood in its sole discretion. The securities currently used in the LAAP portfolios are subject to change at Lockwood’s sole discretion.

The LAAP program fee (“LAAP Program Fee”) includes Lockwood’s advisory fee, Lockwood’s sponsor fee, and Pershing’s clearing and custody fee. In addition to the LAAP Program Fee, the advisory representative may add a reasonable advisory fee as shown in the Fee Schedule that follows. The LAAP Program Fee does not include fees or expenses that may be associated with the underlying investment vehicles (such as, redemption fees, 12b-1 fees and/or other internal expenses).

### Lockwood Fee Schedule for LAAP

Household Assets Under Management	Program Fee	NSLLC's Advisory Fee	Total Maximum Fee
< \$250,000*	.40%	1.50%	1.90%
First \$500,000	.40%	1.25%	1.65%
Next \$500,000	.35%	1.00%	1.35%
Next \$1,000,000	.35%	.75%	1.10%
Next \$4,000,000	.30%	.75%	1.05%
Next \$5,000,000	.25%	.75%	1.00%
Over \$10,000,000	.20%	.75%	.95%

\* Minimum account investment for portfolios is \$50,000

- Lockwood does not set the advisory fee; 100% of the advisory fee is paid out to the Firm for services it provides to clients. Lockwood retains the LAAP Program Fee.
- Certain mutual fund wrap accounts shall maintain pre-July 1, 2005, and pre-January 19, 2008, pricing, which differs from the fees shown in the schedules above.

**AdvisorFlex Portfolios** – Lockwood acts as the Portfolio Manager of the AdvisorFlex Portfolios (“AFP”) that it makes available to the Firm and its advisory representatives for marketing to clients. AFP is a flexible mutual fund and ETF wrap account product.

For each investment category within a model portfolio, there are several investment options from which the client can choose, with the assistance of the client’s advisory representative, to build a portfolio to meet the client’s investment objectives. Neither the Firm nor its advisory representatives assume discretionary authority over client accounts. All securities transactions recommendations are approved by the client prior to execution.

In the MAL Program, the AFP program fee (“AFP Program Fee”) includes the Lockwood advisory fee, Lockwood’s sponsor fee and Pershing’s clearing and custody fee. The AFP Program Fee does not include fees or expenses, which may be associated with the underlying investment vehicles (such as, redemption fees, 12b-1 fees, and/or other

internal expenses). In addition to the AFP Program Fee, the advisory representative may add a reasonable advisory fee as shown in the Lockwood Fee Schedule that follows.

#### **Lockwood Fee Schedule for AFP**

<b>Household Assets Under Management</b>	<b>Program Fee</b>	<b>NSLLC's Advisory Fee</b>	<b>Total Maximum Fee</b>
< \$250,000*	.40%	1.50%	1.90%
First \$500,000	.40%	1.25%	1.65
Next \$500,000	.35%	1.00%	1.35%
Over \$1,000,000	.25%	.75%	1.00%

\* Minimum account size for AFP accounts is \$50,000

*(AFP Program Fees may be negotiated on a case-by-case basis upon the review and approval of Lockwood)*

In addition to this Brochure, clients will receive a copy of Lockwood's disclosure documents prior to investing in a program. The disclosure documents for the relevant program will contain additional information on a variety of topics, including Lockwood's business affiliates and potential conflicts of interest, charges for brokerage transactions, payments from mutual fund assets which reduce overall mutual fund performance, and all program costs and services.

## **ROCHDALE INVESTMENT MANAGEMENT**

The Firm has entered into solicitor and co-advisory agreements with Rochdale Investment Management ("Rochdale"), under which Rochdale provides investment management services to High Net Worth clients. Rochdale's services are generally offered to clients investing \$1,000,000 and more in total assets and include ongoing proactive investment management services provided primarily through a portfolio management team. Rochdale offers clients two options for fees. Clients can either choose a wrap account, which is a combination of the standard investment management fee plus a wrap fee for transactions, or pay the standard investment management fee plus a transaction based fee for each trade. Please refer to Rochdale disclosure documents for additional detail surrounding the fees.

In the co-advisory arrangement, the Firm and its advisory representatives are responsible for, among other things, gathering applicable client information, assisting clients with financial planning, investment objective-setting, and determining appropriate asset allocations, coordinating communications between the client and Rochdale, and monitoring performance and services to ensure clients' needs are being met. In the solicitor arrangement, the Firm and its advisory representatives do not perform advisory functions.

The Firm is compensated for its services by receiving a portion of the overall management fee on a continuous basis during the time that the client is an advisory client of Rochdale or until one or more parties are no longer qualified and eligible to receive these fees under the agreement or by applicable law. The fee varies in accordance with the services provided.

From time to time, Rochdale may purchase its own products or other products for a client's account that are included in the asset totals upon which Rochdale's advisory fee is based. Some of the products included may be the Rochdale Funds, which are a series of mutual funds and non-traditional funds affiliated with Rochdale. They receive an advisory fee from the client and investment management fees from the Rochdale Funds. In some cases, this fee may be higher than the fee indicated in the Investment Management Fees disclosed by Rochdale. Clients have the right to revoke their consent to the investment of their account assets in Rochdale Funds at any time.

Rochdale, pursuant to its agreement with clients, may place all securities transactions for a client's account through RIM Securities LLC, an affiliate of Rochdale, which will clear trades through Pershing LLC ("Pershing"). RIM Securities may charge commissions for transactions separate and apart from the total advisory fee (depending on the account option chosen by the client, as described above). For non-wrap fee accounts, brokerage commissions or similar charges generated by securities transactions executed by Rochdale will be paid out of the assets of the account. Pershing, as custodian, may charge clients additional fees, which are separate and apart from any fees charged by Rochdale.

#### **Rochdale Fee Structure for High Net Worth Services**

<b>Assets Under Management</b>	<b>Rochdale's Fee</b>	<b>NSLLC's Advisory Fee</b>	<b>Total Maximum Fee</b>
First \$2,000,000	1.00%	1.00%	2.00%
Next \$3,000,000	0.80%	0.75%	1.55%

Next \$5,000,000	0.60%	0.40%	1.00%
Over \$10,000,000	0.50%	0.10%	0.60%

- These fees may vary depending on the services provided.
- Minimum account size for private client services, including separate account management, is recommended at \$1,000,000.
- Trading costs are additional for non-wrap accounts.

In addition to this Brochure, you will receive a copy of Rochdale's disclosure documents prior to receiving services. The disclosure documents will contain additional information on a variety of topics, including business affiliates and potential conflicts of interest, charges for brokerage transactions, payments from mutual fund assets which reduce overall mutual fund performance, and all costs and services.

## SEI INVESTMENTS MANAGEMENT CO

### ***Overview of the SEI Programs***

SEI Investments Company ("SEI") is a publicly traded diversified financial services firm headquartered in Oaks, Pennsylvania a suburb of Philadelphia. SEI Investments Management Corporation ("SIMC") is an indirect wholly-owned subsidiary of SEI and is an investment advisor registered under the Investment Advisors Act of 1940 with the SEC. SIMC and its predecessor entities were originally incorporated in 1969.

SIMC's SEI Advisor Network provides independent financial intermediaries with turnkey wealth management services through outsourced investment strategies; administration and technology platforms; trust, banking and institutional services; and practice management programs. The SEI Advisor Network offers services and investment products (such as mutual funds, separately managed account programs and sub-advisory services) to Independent Advisors and to their clients. Independent Advisors typically serve as an investment advisor to their end-clients who pay the Independent Advisor an asset based management fee. ***SEI Program Fees***

The maximum fee paid to participate in the SEI Programs is calculated as a percentage of the assets in the client's account according to the schedule below and fees are deducted from the client's account.

## SEI Funds and Asset Allocation Program and Distribution Focused Strategies Fee Schedule

Assets Under Management	Program Fee	NSLLC's Advisory Fee	Total Maximum Fee
\$0 - 250,000	0%	1.50%	1.50%
\$250,001- 500,000	0%	1.25%	1.25%
\$500,001- 2,000,000	0%	1.00%	1.00%
Amounts over \$2,000,000	0%	0.75%	0.75%

### SEI Managed Account Program Fee Schedule

**Depending on the Strategy utilized in your Managed Account, your SIMC advisory fees will change from .19 to 1.25%. This is in addition to the NSLLC Advisory fee referenced above.**

- Clients may also pay custody fees to SPTC when their assets are custodied at SPTC. These fees will vary depending on the account balance and trade activity in the account.
- SEI charges asset management fees between .10% - 1.50% for the mutual funds offered in the mutual fund program, and asset management fees between 1.20% - .20% (varies with asset class) for mutual funds offered in the separately managed account program. Refer to SEI's disclosure document for details.

In addition to this Brochure, clients will receive a copy of SEI's disclosure documents, which must be read prior to investing in the SEI Programs. The disclosure documents for the relevant program will contain additional information on a variety of topics, including business affiliates and potential conflicts of interest, charges for brokerage transactions, payments from mutual fund assets which reduce overall mutual fund performance, and all program costs and services.

### ***Solicitation Arrangements***

NSLLC has contracted with SAS Registered Investment Advisors, LLC ("SAS") to act as a paid solicitor and market TAMPS to prospective clients that SAS believes are suitable and appropriate for such prospective clients. SAS and its representatives are not

employees of NSLLC and are not authorized to offer investment advice on behalf of NSLLC. NSLLC may pay SAS a solicitor fee equal to 50% of the compensation NSLLC pays to its investment advisory representative for providing services to clients in connection with the TAMP.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

NSLLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### **Item 7 – Types of Clients**

NSLLC provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, trust programs, and other U.S. institutions.

#### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

As discussed in Item 4, the Firm's investment advisory business is limited to providing financial planning services and introducing clients to TAMP Sponsors and other investment advisers that provide management of client assets through wrap fee programs or other asset allocation programs. Whether employing financial planning strategies or retaining an investment adviser to manage assets, clients should keep in mind that investing in securities involves risk of loss that clients should be prepared to bear. There is no guarantee that any investment strategy or financial plan will meet the desired goal.

#### ***Financial Planning***

The Firm employs financial planning software (Zywave Profiles Professional and Money Guide Pro) to assist in the development of financial plans. Both Zywave Profiles Professional and Money Guide Pro offer several methods of calculating hypothetical results, each of which provides one outcome from a wide range of possible outcomes in planning for retirement, long-term care and disability income needs. Both Zywave Profiles Professional and Money Guide Pro offer the Monte Carlo Simulation that illustrates how variations in rates of return each year can influence the probability of success or failure when projecting a client's retirement goals by taking into account various risk factors not considered under traditional methods.

The projections or other information generated through Monte Carlo Simulation regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. The simulations are

based on assumptions. There can be no assurance that the projected or simulated results will be achieved or sustained. Actual results will vary and may be better or worse than the simulated scenarios. Clients should be aware that the potential for loss (or gain) may be greater than demonstrated in the simulations.

### ***TAMPs***

TAMPs and mutual fund asset allocation programs typically employ their own investment strategies, or strategies of third party money managers, to manage client assets. Please refer to each TAMP Sponsor's disclosure documents for more detail on methods of analysis, investment strategies and risk of loss.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of the adviser or the integrity of its management. NSLLC has no information applicable to this Item.

### **Item 10 – Other Financial Industry Activities and Affiliations**

The Firm is registered with the SEC as a broker-dealer and investment adviser and is a member of FINRA. It is registered in all states and holds a corporate insurance license in most states. Accordingly, the Firm sells products and services in connection with the functions it performs when acting in these capacities, and some of those products and services are offered by companies affiliated with the Firm.

The Firm's ownership structure and affiliations are discussed in Item 4 under the Firm Background Information heading.

The Firm and its affiliates receive, in the aggregate, more revenue in connection with the sale of affiliated products than unaffiliated products. This additional revenue may take the form of investment advisory, administrative, transfer agency, distribution, and/or other fees for services provided by affiliates of the Firm in support of affiliated products. Thus, the Firm has an incentive to sell affiliated products over unaffiliated products, which may present a conflict of interest.

If requested by clients, advisory representatives of the Firm may execute securities purchases and sales with the Firm in its capacity as a broker-dealer. The financial planning agreement entered into by clients discloses potential conflicts of interest and advises clients that they are free to obtain brokerage services from any source in order to implement the Firm's advisory recommendations. When acting as a broker-dealer, the Firm may receive commissions, sales loads, concessions or other payments, including



revenue from third parties, in connection with the products it sells. This compensation is separate from the fee that the Firm charges for financial planning services and may vary by product and over time. When acting in its capacity as a broker-dealer, the Firm has an incentive to recommend investment products based on the compensation it receives rather than on a client's needs, which may present a conflict of interest.

The solicitation or co-advisory fee that NSLLC receives may vary by TAMP or investment management program. Accordingly, NSLLC may have an incentive to refer clients to programs from which it would receive higher compensation, which may present a conflict of interest.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

NSLLC has adopted a Code of Ethics in accordance with SEC Rule 204A-1 under the Investment Advisers Act of 1940 for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes, among other things:

- Provisions relating to the confidentiality of client information;
- A prohibition on insider trading;
- A prohibition on rumor mongering;
- Restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items; and
- Personal securities trading procedures.

All supervised persons at NSLLC must acknowledge the terms of the Code of Ethics annually.

NSLLC anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which NSLLC, its affiliates or clients, directly or indirectly, have a position of interest. NSLLC's employees and persons associated with NSLLC are required to follow NSLLC's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of NSLLC and its affiliates may trade for their own accounts in securities that are recommended to or purchased for NSLLC's clients. The Code

of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of NSLLC will not interfere with:

- Making decisions in the best interest of advisory clients; and
- Implementing these decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code of Ethics certain classes of securities have been designated as exempt transactions, because these classes of securities would not interfere with the best interest of NSLLC's clients. In addition, the Code of Ethics requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security also held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between NSLLC and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with NSLLC's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. NSLLC will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

NSLLC's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Heather Wehrle by phone at 1-877-233-3370 or by email at [asknsllc@nationwide.com](mailto:asknsllc@nationwide.com).

Except as provided in Item 12 below, it is NSLLC's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. NSLLC will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also occur if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the

transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

### ***Financial Planning***

If a client chooses to obtain brokerage services in order to implement a financial plan, the Firm, as an introducing broker-dealer, may provide these services through its agreement with Pershing. Pershing currently acts as custodian, clearing agent, and executing broker-dealer with respect to general securities transactions. Please see Item 5, Implementation of Financial Plans, and Item 10 for additional information regarding the Firm's responsibilities when acting as a broker-dealer rather than an investment adviser.

### ***TAMPs***

TAMP Sponsors are responsible for establishing the brokerage practices that govern their advisory programs. The Firm does not participate in the execution of transactions for TAMP clients. Please refer to each TAMP Sponsor's disclosure documents for more information regarding its brokerage practices, including factors that affect the selection of broker-dealers to execute transactions in TAMP client accounts and fees associated with these services.

### ***Firm Policies***

No representative of the Firm assumes discretionary authority over client accounts. All securities transactions for a client's account are executed at the specific direction of the client.

From time to time, the Firm's advisory representatives may buy or sell securities for themselves that they also recommend to clients. The Firm has established suitability standards and requirements for its advisory representatives as well as regulatory and compliance rules and procedures designed to supervise these trades.

Internal controls have been implemented to ensure advisory representatives do not trade ahead of client accounts or take other inappropriate actions. In addition, the Firm conducts periodic regulatory and compliance inspections that review, among other things, the sales practices of its advisory representatives.

NSLLC does not have any soft dollar arrangements.

NSLLC uses reasonable diligence to ensure that clients receive the most favorable price for each transaction. Factors considered in determining the best price include:

- Market conditions for the security, including price, volatility, liquidity, and availability of information;
- The type and size of the transaction;
- The availability of other markets; and
- The reliability of quotation sources.

NSLLC reviews all transactions that interject a third party to verify that the inclusion of the third party benefits the client. In addition, the Best Execution Audit/Order Routing policies and procedures as outlined below will be followed:

During normal daily principal review at NSLLC, the reviewing Principal will perform a best execution review of randomly selected trades. This review is conducted to ensure the trade executed was the correct trade, the trade was executed by Pershing in a timely manner, and the client received best execution. Whether the client received best execution is determined from reviewing trade data retrieved from an independent pricing source. The parameters for which a determination of best execution will be based are: thorough review, broad market centers used, market centers routed and not routed to, price improvement, and speed and size of execution.

In addition, NSLLC will work with Pershing to provide clients with statistical data concerning all routed trades. The NSLLC quarterly brokerage account statements will include a statement notifying clients of the statistical data and directing them to the order routing disclosure websites.

Once clients have accessed a site, they can choose any of the four available sections: NYSE, AMEX, NASDAQ, or OPTIONS. The statistical data will provide the client with information on:

- Venue (market centers where orders were routed);
- Total (each venue's share of total non-directed orders);
- Market (the percentage of total market orders routed to each venue);
- Limit (the percentage of total limit orders routed to each venue);
- Other (percentage of total other orders routed to each venue-AON, FOK, STP); and

- Summary (orders as a percentage of total non-directed orders).

## **Item 13 – Review of Accounts**

### ***Financial Plans***

A financial plan is generally a one-time transaction. Once delivered, the Firm's obligation to the client ends. Additional analysis would require a new advisory agreement and additional fees in order for the representative to update the plan.

### ***TAMPs***

With certain advisory services or investment management programs (including TAMPs) where the Firm acts as a co-adviser, the Firm's advisory representatives will contact a client at least annually to review and update the client's investment objectives and account restrictions, investment programs, or asset allocation model based upon changes in the client's goals and objectives. The client's agreement with the Firm and/or TAMP Sponsor will indicate whether the Firm bears this obligation with respect to the client's advisory account. The Firm typically will not have this obligation when it acts as a solicitor. Please see Item 4, TAMPs, for additional information regarding the Firm's responsibilities when acting as a co-adviser rather than a solicitor.

## **Item 14 – Client Referrals and Other Compensation**

NSLLC has entered into solicitation arrangements with certain TAMP Sponsors, which compensate NSLLC for referring clients to their programs. NSLLC provides to each solicited client a written solicitor disclosure statement that describes its solicitation arrangement with the TAMP Sponsor, including the compensation NSLLC receives for solicitation services. Solicitation fees are typically paid out of the advisory fee that the client pays the TAMP Sponsor.

The solicitation fee that NSLLC receives may vary by investment management program or TAMP. Accordingly, NSLLC may have an incentive to refer clients to programs from which it would receive a higher solicitation fee, which may present a conflict of interest.

As noted in Item 2 of this Brochure, NSLLC entered into a Solicitation and Referral Agreement ("Agreement") with SAS Registered Investment Advisors, LLC ("SAS") in December 2011. The Agreement authorizes SAS to solicit and refer prospective clients to NSLLC with respect to various third-party asset management programs that SAS believes are suitable and appropriate for such prospective clients.

SAS must provide to each solicited client a written solicitor disclosure statement that describes its solicitation arrangement with NSLLC, including the compensation SAS receives for solicitation services. Solicitation fees are typically paid out of the advisory fee that the client pays the TAMP Sponsor.

The solicitation fee that SAS receives may vary by investment management program or TAMP. Accordingly, SAS may have an incentive to refer clients to programs from which it would receive a higher solicitation fee, which may present a conflict of interest.

NSLLC does not receive any economic benefit, including sales awards and other prizes, from non-clients, for providing investment advice or other advisory services to its advisory clients. NSLLC may compensate third parties for referring clients to TAMPs. Please see **Item 5** for a description of NSLLC's solicitor's arrangement with SAS.

### **Item 15 – Custody**

NSLLC does not maintain custody of advisory client assets. Assets of clients participating in TAMPs and other investment management programs will be maintained by the custodian selected for the program by the TAMP Sponsor.

If clients choose to obtain brokerage services, the Firm, as an introducing broker-dealer, may provide these services through its agreement with Pershing. Pershing currently acts as custodian, clearing agent, and executing broker-dealer with respect to general securities transactions.

### **Item 16 – Investment Discretion**

NSLLC does not permit its advisory representatives to engage in discretionary trading authority or have investment discretion over client accounts.

### **Item 17 – Voting Client Securities**

As a matter of Firm policy and practice, NSLLC does not have authority to vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent. Clients participating in TAMPs or other investment management programs may contact the sponsoring investment adviser for additional information regarding proxy voting procedures that may be applicable to their program accounts.

## **Item 18 – Financial Information**

Registered investment advisers are required to provide clients with certain financial information or disclosures about their financial condition. NSLLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. In addition, the Firm does not maintain custody of client funds or securities, nor does it require prepayment of advisory fees of more than \$1,200 per client, six months or more in advance.