



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

## Nationwide Securities, LLC

Form ADV Part 2A ("Brochure")

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Columbus, OH 43215

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[www.MyNFN.com](http://www.MyNFN.com)

March 31, 2014

**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 ("SEC") 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).**

## Item 2 – Material Changes

NSLLC has re-organized some of the information in this brochure, but such changes are not material.

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:

- 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.
  - ✓ AssetMark
  - ✓ Lockwood
  - ✓ City National Rochdale
  - ✓ SEI

The Firm is registered as both an investment adviser and a broker-dealer. Its advisory representatives are both IARs and Registered Representatives. As such, 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.

## ***Financial Planning Services***

The Firm offers financial planning services to clients. Generally, when the Firm acts as an investment adviser for 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 the services it will provide to the client.

### **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***

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

- Asset allocation models;
- Money manager due diligence;
- Client proposals & Risk tolerance tools;
- 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 upon 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 to this (NSLLC) Brochure, clients who participate in a TAMP will receive the TAMP's 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. This must be read prior to entering into an investment advisory relationship with the TAMP Sponsor.

In addition, discretionary TAMP programs will typically 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. The TAMP Sponsor determines the reasonableness of the restrictions.

### 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 recommend a 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 determine whether 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 typically act 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. The Firm does not make TAMPs available to new clients as a 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.

Under a typical co-advisory arrangement, the client enters into an agreement with the Firm and the TAMP Sponsor, which may be terminated by any party upon written notice. The Firm's advisory representative may perform non-discretionary 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. Each co-advisory relationship is different and the Firm's responsibilities to the client may vary by TAMP.

With certain TAMPs, the Firm's advisory representatives will periodically contact the client to review and update the client's investment objectives and account restrictions, investment programs or asset allocation model based on changes in the client's goals, objectives and/or financial situation. The TAMPs are described below. Please review Item 5 for a description of the applicable TAMP fees and expenses, as well as the Firm's compensation arrangements. The Firm will provide the client with the TAMP Sponsor's disclosure documents.

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 the most current detailed description of the programs, applicable fees and expenses and talk with your NSLLC advisory representative for additional information.

## [ASSETMARK \(f/k/a GENWORTH FINANCIAL WEALTH MANAGEMENT, INC.\)](#)

### ***Overview***

NSLLC has an agreement with AssetMark, Inc. that allows NSLLC to make AssetMark's wrap fee program available to NSLLC clients. AssetMark is located at 1655 Grant Street, 10th Floor, Concord, CA 94520.

When a client participates in AssetMark's wrap fee program, the client will work with an advisory representative of the Firm, using AssetMark tools and technology, to first determine their investment strategy and risk profile. AssetMark offer several risk profiles. Next, the client's asset allocation approach is determined. AssetMark offers several asset



allocation approaches: After the risk/return profile and asset allocation are determined, the client, with the assistance of the NSLLC advisory representative, selects the investment solution(s) desired to implement their investment strategy.

Clients have access to several advisory solutions through the wrap program. Depending on the amount of assets to be managed, the complexity of the investment strategy and the client's needs, one or a combination of solutions can be used including portfolios of mutual funds, exchange traded funds, consolidated privately managed accounts and unified managed accounts.

The investment solutions that NSLLC advisory representatives are permitted to make available to clients are listed below. Detailed information for each solution can be found in AssetMark's disclosure brochure for the program. In each solution, the client grants the investment manager/portfolio strategist/overlay manager limited investment discretion to manage the assets in the account according to the investment mandate, including buying and selling underlying securities and/or changing asset allocation. The Firm does not have investment discretion. AssetMark may offer additional solutions which are not available through the Firm. Please refer to AssetMark's disclosure documents for a complete list of wrap program investment solutions.

***AssetMark investment solutions available through NSLLC:***

- Mutual Fund Accounts
- ETF Accounts
- Guided Portfolio
- Privately Managed Accounts ("PMA")
  - GFAM Preservation Strategy
  - GFAM Fixed Income Accounts
- Consolidated Managed Accounts ("CMA")
- Unified Managed Accounts ("UMA")
  - AssetMark Multiple Strategies ("GMS") Accounts, and
  - Active Return Opportunities ("ARO") Accounts

**LOCKWOOD**

Lockwood Advisors, Inc ("Lockwood") is a SEC registered investment advisor and an affiliate of Pershing, LLC and Pershing Advisor Programs, each subsidiaries of the Bank of New York Mellon Corp. Pershing LLC provides clearing and custody services for the Lockwood programs and Pershing Advisor Solutions ("PAS") provide retail brokerage services in connection with investment solutions offered through the wrap fee program Managed Account Link ("MAL Program"). NSLLC has an agreement with Lockwood that allows NSLLC's advisory representatives to make the MAL Program

available to clients. Lockwood acts as the wrap program sponsor of the MAL Program through which a full suite of managed account services are available. In addition, Lockwood acts as a portfolio manager for Lockwood AdvisorFlex portfolios, Lockwood Investment Strategies (LIS) and Lockwood Asset Allocation Portfolios (LAAP). The Lockwood managed account services described in this Brochure are all made available to clients through MAL Program. The Firm collects certain financial information from the client through an investment questionnaire and assists the client in selecting the appropriate advisory services made available through the managed account solutions described below.

Through Lockwood, NSLLC advisory representatives may make the following managed account services available to clients through the MAL Program:

- Lockwood Investment Strategies;
- Lockwood Asset Allocation Portfolios; and
- Lockwood AdvisorFlex Portfolios.

**Lockwood Investment Strategies** (“LIS”) is a discretionary, multi-discipline managed account housed in a single account. 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. Lockwood selects Sub-Advisers and/or investment vehicles for each investment style. Each portfolio manager provides Lockwood with its model portfolio buy list. Lockwood, as the overall portfolio manager, combines each model portfolio into one LIS portfolio designed to perform and act similar to a defined target benchmark. Lockwood uses software to find ways to minimize tax implications and create better tracking to the target benchmark. This process is sometimes referred to as overlay management. Detailed information about the strategies and Lockwood’s investment process can be found in Lockwood’s brochure for the MAL program.

**Lockwood Asset Allocation Portfolios** (“LAAP”) is a discretionary, multi-disciplined managed account service contained in a single portfolio. Lockwood, serving as the portfolio manager, determines asset allocation strategy and selects investment vehicles for each investment style in 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. Detailed information about the LAAP model portfolios and Lockwood’s investment process can be found in Lockwood’s brochure for the MAL Program.

**Lockwood AdvisorFlex Portfolios** (“AFP”) is a flexible mutual fund and ETF wrap account product where Lockwood acts as the portfolio manager. As the portfolio manager, Lockwood makes investment decisions regarding asset allocation and investment selections.

The AFP program includes objectives-based strategies. Each strategy makes multiple models and investment selections available. Detailed information about the strategies, models, investment selections and Lockwood’s investment process can be found in Lockwood’s brochure for the MAL program. The client gives Lockwood limited investment discretion to make trades in their account for model updates, meaning Lockwood may replace one investment selection with another and/or change the asset allocation of the model.

A NSLLC advisory representative will assist the client in determining the appropriate strategy, model and investment selections and will continue to assist the client throughout the relationship in determining whether such selections remain appropriate, based on the client’s investment objectives and circumstances.

## CITY NATIONAL ROCHDALE

The Firm has entered into an agreement with City National Rochdale (f/k/a Rochdale Investment Management) (“Rochdale”) under which Rochdale provides investment management services to high net worth clients. 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.

Rochdale’s investment advisory 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 works with clients to determine their portfolio needs and limitations and designs an asset allocation and investment objective plan to meet their goals. Thereafter, Rochdale portfolio managers implement each plan, working directly with the client and their financial advisor on a one on one basis.

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. Rochdale receives 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").

## **SEI INVESTMENTS MANAGEMENT CORPORATION**

### ***Overview***

NSLLC has an agreement with SEI Investments Management Corporation ("SIMC"), SEI Private Trust Company ("SPTC") and SEI Global Services, Inc. (collectively, "SEI") that allows NSLLC to offer SEI's Asset Allocation Program and SEI Managed Account Solutions to NSLLC clients. SEI is located at One Freedom Valley Dr., Oaks, PA 19456.

### ***SEI Programs available through NSLLC:***

- *SEI Asset Allocation Program* – Model portfolios comprised of SEI Mutual Funds that are developed and periodically updated by SIMC and are designed to achieve the model's stated investment objective or goal, based upon SIMC's capital market assumptions and any other criteria SIMC, in its sole discretion, determines is relevant. This is a non-discretionary advisory program.

NSLLC advisory representatives will assist the client with selecting the model portfolio that is appropriate, based on the client's individual financial situation and investment objectives. SIMC will communicate proposed model changes to NSLLC, who in turn, will communicate SIMC's proposed changes to the client. Only client approved model changes will be implemented.

- *SEI Managed Account Solutions*
  - ✓ SEI Managed Account Program ("MAP") – A wrap fee program which bundles advisory, brokerage and custody services. SIMC sponsors and is advisor to the program. The client, with the assistance of the Firm, selects an investment strategy. The investment strategy is an allocation of designated portfolios of separate securities managed by SIMC and/or selected sub-advisers.
  - ✓ SEI Integrated Managed Account Program ("IMAP") – A wrap fee program essentially similar to the SEI Managed Account Program with the addition of an overlay portfolio manager for the equity portion of a client's account. The various

subadvisers for the client's portfolio provide buy/sell instructions to the overlay manager, which is then responsible for executing the transactions within the parameters of performance and security weighting variances from the underlying model portfolios, with a goal of increased coordination across the equity account, increased tax efficiency and minimization of wash sales.

NSLLC advisory representatives assist the client with selecting the investment program appropriate for her/him, based on their individual financial situation and investment objectives. Clients grant SIMC investment discretion in MAP and IMAP, meaning that SIMC implements securities transactions on an ongoing basis, as it deems necessary, without obtaining consent from the client.

Please see Item 5 of this Brochure for a detailed description of the fees and expenses associated with each TAMP currently available through the Firm.

### ***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 TAMP 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 does not have discretion of or manage client assets.

## **Item 5 – Fees and Compensation**

### ***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.

### ***TAMPs – Overview of 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.

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.

***Other Fees and Charges***

Clients may also bear certain charges imposed by third parties other than the Firm 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 their net asset value, meaning they are an indirect expense of the TAMP account. The total direct and indirect fees charged to a client through a TAMP may be higher than fees charged by other investment advisers for similar services. Clients may purchase securities directly, without participation in a TAMP, but will not receive the services of NSLLC or the TAMP Sponsor. The agreement with the TAMP Sponsor will specify the fees associated participating in the TAMP.

***AssetMark Fees:***

Clients of the Firm wishing to participate in an AssetMark program will pay an annual advisory fee. A portion of this fee compensates AssetMark and a portion compensates the Firm for their respective advisory services provided to the client. This annual fee will be deducted from the client's account in advance of each quarter, based on the fee schedule provided to the client. Clients opening a PMA 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 current potential maximum annual advisory fee a client could pay is presented in the tables of fees that follow.

**Current Potential Maximum Advisory Fees**  
**AssetMark Mutual Fund Accounts, and ETF Accounts**

<b>Assets Under Management</b>	<b>AssetMark's Fee for Mutual Fund Accounts using Proprietary/ Affiliated Mutual Funds</b>	<b>AssetMark's Fee for Mutual Fund Accounts using Third-Party Mutual Funds</b>	<b>AssetMark's Fee for ETF Accounts</b>	<b>AssetMark's Fee for Guided Portfolio Accounts</b>	<b>NSLLC's Advisory Fee for all Accounts</b>	<b>Total Current Potential Annual Maximum Fee</b>
\$0- 250,000	0.00%	.45%	.90%	.65%	1.35%	2.25 %
\$250,001- 500,000	0.00%	.40%	.85%	.65%	1.25 %	2.1%
\$500,001 - 1,000,000	0.00%	.35%	.80%	.60%	1 %	1.80%
\$1,000,001 - 2,000,000	0.00%	.30%	.75%	.55%	.75%	1.50 %
\$2,000,001 - 3,000,000	0.00%	.20%	.70%	.45%	.75%	1.45 %
\$3,000,001 - 5,000,000	0.00%	.20%	.70%	.40%	.75%	1.45 %
Over \$5,000,000	0.00%	.20%	.70%	.35%	.75%	1.45%



### Unified Managed Account (GMS & ARO)

Assets Under Management	AssetMark's Fee for UMA (GMS & ARO)	NSLLC's Advisory Fee	Total Current Potential Annual Maximum Fee
First \$100,000	.65%	1.10%	1.95%
\$100,000 - \$250,000	.65%	1.00%	1.85%
\$250,000 - \$500,000	.45%	.80%	1.65%
\$500,000 - \$1,000,000	.40%	.75%	1.45%
\$1,000,000 - \$2,000,000	.40%	.75%	1.22%
\$2,000,000 - \$3,000,000	.40%	.75%	1.22%
\$3,000,000 - \$5,000,000	.40%	.75%	1.22%
Over \$5,000,000	0.25%	.75%	1.0%

### Consolidated Managed Account

Assets Under Management	AssetMark's Fee for CMA	NSLLC's Advisory Fee	Total Current Potential Annual 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%

**Privately Managed Account “PMA”  
GFAM Preservation Strategy**

<b>Assets Under Management</b>	<b>AssetMark's Fee for PMA (GFAM Preservation Strategy)</b>	<b>NSLLC's Advisory Fee</b>	<b>Total Current Potential Annual 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  
AssetMark Fixed Income**

<b>Assets Under Management</b>	<b>AssetMark's Fee for PMA (GFAM</b>	<b>NSLLC's Advisory Fee</b>	<b>Total Current Potential Annual 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%

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, AssetMark 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.

**Lockwood Program Fees:**

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. In addition to the LIS Program Fee, NSLLC charges the advisory fee shown in Schedule that follow.

**Fee Schedule for LIS**

<b>Household Assets Under Management</b>	<b>Lockwood’s LIS Program Fee</b>	<b>NSLLC’s Advisory Fee</b>	<b>Total Current Potential Annual 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%

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, NSLLC charges the advisory fee shown in the Fee Schedule that follows.

**Fee Schedule for LAAP**

<b>Household Assets Under Management</b>	<b>Lockwood’s LAAP Program Fee</b>	<b>NSLLC’s Advisory Fee</b>	<b>Total Current Potential Annual 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%
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%

Certain LAAP accounts shall maintain pre-July 1, 2005, and pre-January 19, 2008, pricing, which differs from the fees shown in the schedules above.

The AFP program fee (“AFP Program Fee”) includes the Lockwood advisory fee, Lockwood’s sponsor fee and Pershing’s clearing and custody fee. In addition to the AFP Program Fee, the Firm charges the advisory fee set forth in the Schedule that follows.

**Fee Schedule for AFP**

<b>Household Assets Under Management</b>	<b>Lockwood AFP Program Fee</b>	<b>NSLLC’s Advisory Fee</b>	<b>Total Current Potential Annual 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%

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

Fees for all Lockwood programs are calculated based on the value of the assets at the end of the prior calendar quarter. At inception, fees are billed in advance from the date the account is opened through the end of that calendar quarter. Therefore, fees are billed in advance for the next quarter based on the value of the assets at the end of the prior calendar quarter.

**City National Rochdale Fees:**

Rochdale offers clients two options for fees. Clients can either choose (i) a wrap account, which is a combination of the standard investment management fee plus a wrap fee for transactions, or (ii) pay the standard investment management fee plus a transaction based fee for each trade. The Firm is compensated for its services according to the fee schedule below. The fee varies in accordance with the services provided.

In addition, 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 Program Fee

Assets Under Management	Rochdale's Fee	NSLLC's Advisory Fee	Total Current Potential Annual Maximum Fee
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%

- Trading costs are additional for non-wrap accounts.

### SEI Fees:

The maximum fee paid to participate in the SEI Programs is calculated as a percentage of the assets in the client's account at the end of the quarter according to the schedules below. Fees are deducted from the client's account quarterly in arrears.

### SEI Asset Allocation Program Fee Schedule

Assets Under Management	SEI Program Fee	NSLLC's Advisory Fee	Total Current Potential Annual 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 –  
NSLLC Fee table follows the table below.**

<b>Strategy</b>	<b>SEI MAP Program Fee Schedule</b>
Equity Income, Large Cap Core/Transition, All Cap/Large Cap Core, All Cap Value, U.S. Large Cap Growth, U.S. Large Cap Value, Managed Volatility/Tax Sensitive Managed Volatility, U.S. Mid Cap, Mid Cap Core, International Developed Equity, Large Cap Quality Growth, Large Cap Dividend Value, Global ADR, Alternative	0.90% for the first \$500,000 0.85% for the next \$500,000 0.80% for the next \$1 million 0.75% for the next \$3 million 0.70% for the next \$5 million 0.65% for amounts over \$10 million
Small Cap Growth, Small Cap Value, SMID Cap Value, SMID Cap Core, SMID Cap Growth, Small Cap REIT	1.10% for the first \$500,000 1.05% for the next \$500,000 1.00% for the next \$1 million 0.95% for the next \$3 million 0.90% for the next \$5 million 0.85% for amounts over \$10 million
International Emerging Equity	1.25% for the first \$500,000 1.20% for the next \$500,000 1.15% for the next \$1 million 1.10% for the next \$3 million 1.05% for the next \$5 million 1.00% for amounts over \$10 million
Preferred Securities, Active Municipal Bond, Government/Corporate, Core Aggregate, Core Aggregate Plus, Income, Tax Sensitive Income, Closed End Fund, Government Securities	0.65% for the first \$500,000 0.60% for the next \$500,000 0.56% for the next \$1 million 0.54% for the next \$3 million 0.50% for the next \$5 million 0.45% for amounts over \$10 million
Passive Municipal Bond, Passive Government/Corporate Bond, Passive Corporate Bond, Treasury Passive Inflation Protected Security, Passive Certificate of Deposit, Passive Floating Rate Note	0.30% for the first \$500,000 0.27% for the next \$500,000 0.25% for the next \$1 million 0.20% for the next \$3 million Negotiable for amounts over \$5 million
Tactical Exchange-Traded Fund (ETF) Strategies	0.55% for the first \$500,000 0.35% for the next \$500,000 0.30% for the next \$1 million 0.25% for the \$3 million 0.22% for the next \$5 million 0.20% for amounts over \$10 million
Integrated Managed Accounts Solution (IMAP)	0.10% in addition to the fees paid to SIMC described above

<b>SEI MAP &amp; IMAP Assets Under Management</b>	<b>NSLLC's Advisory Fee</b>
\$0 - 250,000	1.50%
\$250,001- 500,000	1.25%
\$500,001- 2,000,000	1.00%
Amounts over \$2,000,000	0.75%

**The total current annual potential maximum fee for the SEI Managed Account programs is the sum of the program fee charged by SEI for the strategy selected plus the NSLLC advisory fee.**

- SIMC charges Clients an integration fee when the Client selects the IMAP feature. These additional fees only apply to the equity portion of a Client's account that is allocated to the integrated equities portfolio; the fees do not apply to the fixed income or mutual funds portion of the Client's account (if applicable). A selection of Clients may receive a fee discount. These fees may be higher or lower than those charged by other investment advisors for similar services. SIMC may pay a portion of this fee to the portfolio manager acting as the account's integration manager or retain the fee itself if it is serving as the integration manager. Clients may have the option to purchase certain SEI investment products, including the SEI Funds, that SIMC recommends through other brokers or agents not affiliated with SIMC.
- The maximum fee charged by SEI for the SMA Strategies Portfolios will generally not exceed 1.30%.
- SIMC may impose minimum account balances which will vary depending upon the manager selected in the Managed Account Portfolio chosen and whether the Client selects the IMAP feature.
- To the extent a Client's assets in a Managed Account Program account are invested in SEI Funds, SIMC and its affiliates will earn fund-level fees on those assets, as set forth in the applicable Fund's prospectus but SIMC will offset the fees set forth above on Managed Account Program assets invested in any SEI Fund.
- 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.
- SIMC is the investment manager to the SEI funds used in the mutual fund asset allocation program. SIMC 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, which are in addition to SEI and NSLLC's advisory fees described herein. For additional information on SEI mutual fund fees and expenses, please refer to the fund's prospectus.

## **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 or on 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 making TAMPs available to its clients. The TAMPs provide management of client assets through wrap fee programs or other asset allocation programs. Whether employing financial planning strategies or participating in a TAMP, 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 uses financial planning software (Advicent Profiles Professional and MoneyGuidePro™) to assist in the development of financial plans. Both Advicent Profiles Professional and MoneyGuidePro offer several methods of calculating hypothetical results, each of which provides one outcome from a wide range of possible outcomes in planning for retirement, survivorship, asset allocation, long-term care and disability income needs. Both Advicent Profiles Professional and MoneyGuidePro offer one or more stress tests that illustrate 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 methods common in simpler software and publicly accessible calculators.

The projections or other information generated through the software (average returns or stress tests) 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**

The Firm conducts annual due diligence of the TAMPs it makes available to clients, based on information provided to the Firm by each TAMP. The Firm assesses this information from investment, business, compliance and legal perspectives and determines whether a TAMP continues to meet the firm's internal criteria to remain eligible for its advisory representatives and clients. As a result of this process, some TAMPs or strategies offered by a TAMP may be discontinued or new strategies may become available.

TAMPs, including 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 in connection with implementing a financial plan. 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.

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 [asknslc@nationwide.com](mailto:asknslc@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 through NSLLC 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 4, 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 when implementing financial plans in their registered representative capacity. 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.

## **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 the client at least annually to review and update the client's investment objectives and account restrictions (if any), 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 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 previously 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.

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.

### **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 in connection with the implementation of 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. The Firm does not act as broker in connection with TAMPs.

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

The Firm does not have discretion of or manage client assets.

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

NSLLC does not 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 the custodian or transfer agent for the program in which they are participating. 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.