

MASON STREET ADVISORS, LLC

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Milwaukee, Wisconsin 53202-4797

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This brochure provides information about the qualifications and business practices of Mason Street Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 414-665-5400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Mason Street Advisors, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Mason Street Advisors, LLC is an investment adviser registered under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training.

Item 2. Material Changes

Mason Street Advisors, LLC (“MSA”, “we” or “us”) last updated our firm brochure on March 29, 2017. There have been no material changes to our brochure since our last delivery or posting of this document on the SEC’s public disclosure website (www.adviserinfo.sec.gov).

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Item 4. Advisory Business

MSA, a Delaware limited liability company, provides professional portfolio management services for institutional investors by providing continuous investment advice and management based upon the individual needs and objectives of each client. MSA was organized in December 2001 and is a wholly-owned subsidiary of The Northwestern Mutual Life Insurance Company (“Northwestern Mutual”). Our advisory clients consist solely of the following affiliates of MSA:

- Northwestern Mutual Investment Management Company, LLC (“NMIMC”), a wholly-owned subsidiary of Northwestern Mutual;
- Northwestern Mutual Life Foundation, Inc. (“Foundation”), Northwestern Mutual’s charitable foundation; and
- Northwestern Mutual Series Fund, Inc. (“Series Fund”), consisting of 27 separate investment portfolios, is Northwestern Mutual’s proprietary mutual fund family that serves only as an investment option for Northwestern Mutual’s variable products

MSA does not currently manage assets for non-affiliated clients. See Item 7 for details regarding MSA’s existing clients.

We supervise and direct the investments of client portfolios (primarily public debt and equity securities, derivatives and related securities, interests and instruments) in accordance with the written investment objectives, policies and/or restrictions of each client. Such objectives, policies and/or restrictions are generally established at the beginning of the client relationship and may be amended from time to time. Clients may impose restrictions on investing in certain securities or instruments, or types of securities or instruments. In addition, among the advisory services we may provide clients is assistance with sub-advisers and/or external managers including identification and selection, oversight and relationship management, evaluation of performance, and transition assistance in connection with changes in sub-advisers and external managers. In these instances, the client makes the final decision as to the hiring and/or replacement of the sub-adviser or external manager.

As of December 31, 2017, we managed approximately \$31 billion of client assets on a discretionary basis. We do not manage client assets on a non-discretionary basis.

We do, however, provide assistance to NMIMC and Northwestern Mutual with respect to sub-advisers and external managers that they hire for the management of their client accounts, including identification, oversight and relationship management, evaluation, and transition assistance in connection with changes in sub-advisers and external managers. We do not have discretionary authority to hire and fire those sub-advisers and external managers, or the authority to allocate and reallocate assets among those sub-advisers and external managers. Client assets reported above do not include assets managed by the sub-advisers and external managers hired by NMIMC, as we do not consider those services as management of those assets.

Item 5. Fees and Compensation

For our advisory services, with limited exceptions described below where fees charged are “at cost”, we receive advisory fees that are based on a percentage of a client’s assets under management in accordance with the terms of our advisory agreements with each client. We do not have a standard fee schedule for new clients because we typically do not actively seek new investment advisory clients. We infrequently add new clients and fees payable by each client are individually negotiated at the time MSA and the client enter into an advisory contract, and are based on the individual objectives and needs of each client and the specific services we are to provide. In instances where we retain a sub-adviser when permitted under our investment advisory agreement, we pay the sub-advisory fees from our advisory fee. Clients are not required to, nor do they, pay advisory fees in advance. We do not deduct fees directly from clients’ accounts.

Advisory fees for our investment company client, the Series Fund, are set forth in the Series Fund’s prospectus, statement of additional information and/or shareholder reports. Annual fee rates are typically reduced as net assets exceed various threshold levels pursuant to fee arrangements which employ tiered fee structures. Annual rates also vary by investment objective and type of services provided. Advisory fees for the Series Fund are computed and accrued on the basis of net assets on each valuation day by State Street Bank and Trust Company (“State Street”) in its capacity as the Series Fund’s mutual fund accountant, and paid by the Series Fund monthly in arrears. Fees paid by the Series Fund under the investment management agreement with us include compensation for our investment management services as well as our providing or arranging for the provision of certain administrative services set forth in the agreement.

Fees payable by the Foundation are based on a percentage of a client’s assets under management, and fees payable by NMIMC are intended to be “at cost.”

As noted above, our arrangement with NMIMC, an affiliated unregistered investment adviser, pursuant to which we provide advisory and certain other services at the request of the client, indicates we will be compensated based on our actual internal costs attributable to the provision of services to NMIMC, when reasonably possible, with no mark-up or mark-down, or if not reasonably possible, on another reasonable basis as agreed between the parties, such as a utilized or allocated costs basis or market rate basis.

The fees payable by the Series Fund, which are based on a percentage of a client’s assets under management, differ from those we charge the Foundation and NMIMC. Fees negotiated with advisory clients like the Series Fund are subject to significant regulatory and legal requirements that apply to fee arrangements, reflect a variety of factors, and are required to be approved by the Series Fund Board of Directors, of which almost all the members are independent. Fee arrangements in place with the Foundation and NMIMC will reflect other factors and considerations unique to those relationships.

In addition, the services provided by us for the Series Fund, the Foundation and NMIMC under the respective advisory agreements differ. The advisory agreements with the Series Fund provide that the fees are for not only the management of the investment and reinvestment of the assets of the

Portfolios, but also for the costs of the administration of the affairs of the Portfolios. As such, we provide or arrange for the provision of various administrative services for the Series Fund, many of which are not provided for the other affiliated advisory clients. The advisory fees paid by the Foundation and NMIMC are for only the management of the assets of the clients and other advisory services that may be requested by the client, and not administrative or related services. Finally, the Series Fund Portfolios, as regulated open-end investment companies, are subject to more burdensome regulatory and legal obligations and less predictable cash flows than may apply to our other affiliated clients, thus increasing our costs to manage those Portfolios relative to the other affiliated advisory clients.

The investment management agreement between us and the Series Fund must be renewed each year (after an initial two-year term), and must be specifically approved at least annually by a vote of the Series Fund's Board of Directors as a whole and separately by the directors that are not interested persons of the Series Fund under the Investment Company Act of 1940, as amended (the "Investment Company Act") or by a vote of the holders of a majority of the Series Fund's outstanding voting securities. The investment management agreements between us and our other clients generally do not have termination dates. Rather, they may be terminated by us or the client with advance notice, as set forth in the investment management agreements, and may include automatic renewal provisions.

In addition to advisory fees payable to us, clients are responsible for, and may incur other expenses in connection with, the management of their assets, the purchase and sale of securities or other instruments, and the custody of their assets. These expenses include, but are not limited to, fees of the client's custodian, as well as brokerage commissions, registration fees (*e.g.*, foreign country registrations) and other transaction costs. See Item 12 below for more information on brokerage practices. In addition, clients may incur additional expenses indirectly in connection with investments in mutual funds, exchange-traded funds ("ETFs") or similar investment vehicles made on their behalf. These include administration, investment advisory, transfer agent, custody and other related expenses charged by these investment vehicles.

Some clients' advisory agreements provide that the advisory fee compensates MSA not only for advisory services, but also for certain administrative services and/or expenses related thereto. In addition, we may provide additional services for clients for no fee. Such services are provided based on individual negotiations with clients and may not be provided to all clients with or without applicable fees.

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

For clients where we charge advisory fees based on a percentage of assets under management, our fees increase when assets in the account increase, and decrease when assets in the account decrease. We do not charge any performance-based fees.

MSA provides investment advice and advisory services to both the Series Fund Portfolios and accounts of Northwestern Mutual affiliates. This "side by side" management may raise potential conflicts of interest, including those associated with any differences in fee structure, pecuniary and

investment interests MSA or its supervised persons may have in client accounts, different objectives, benchmarks, and time horizons, as portfolio managers must allocate their time and investment ideas across multiple funds and accounts. Securities selected for one fund or account may outperform the securities selected for another fund or account. In addition, if a portfolio manager identifies a limited investment opportunity that may be suitable for several funds or accounts, a single fund or account may not be able to take full advantage of that opportunity due to an allocation of that opportunity across all eligible funds and other accounts. MSA seeks to manage these potential conflicts by using policies and procedures intended to provide a fair allocation of buy and sell opportunities among funds and other accounts, and policies and procedures requiring investment and other personnel to treat all clients equitably. See Items 11 and 12 for more details.

A portion of the compensation from MSA to portfolio managers and others managing client advisory accounts is based in part on the overall performance of Northwestern Mutual, including Northwestern Mutual's entire managed investment portfolio, compared to relevant benchmarks, as well as the investments for which each such individual is responsible compared to the performance of any relevant benchmarks and/or peer groups, or other objectives or goals as may be established. Consequently, a portfolio manager may have an incentive to allocate more time to managing the assets of MSA's affiliates. The compensation is not, however, based on a share of capital gains on or capital appreciation of the assets of the client.

The overall management of Northwestern Mutual's investment portfolio is the primary responsibility of NMIMC. MSA portfolio managers are primarily involved in the oversight and evaluation of sub-advisers and/or external managers appointed by NMIMC or Northwestern Mutual for Northwestern Mutual's general account and certain other Northwestern Mutual assets pursuant to MSA's Services Agreement with NMIMC. The MSA portfolio managers do not have any authority over the selection of specific investments by those sub-advisers, reducing potential conflicts of interest.

Item 7. Types of Clients

All of our clients are currently affiliated with us. We currently provide investment advice to (i) a registered investment company with 27 individual investment portfolios (Series Fund), and (ii) Northwestern Mutual's charitable foundation (Foundation). We also provide advisory and other services to NMIMC from time to time, which services may include acting as sub-adviser and supervising and directing the investments of such assets as NMIMC may designate from time to time, subject to the objectives, policies and directions of NMIMC, assistance with the formulation of investment guidelines for accounts managed by NMIMC, research and analytics support, and assistance with strategic projects. Assistance with sub-advisers and/or external managers considered by NMIMC for its clients or by Northwestern Mutual may also be provided including identification and selection, evaluation of performance, and transition assistance in connection with changes in sub-advisers and external managers.

We are not currently looking for new clients. We accept new clients infrequently and pursuant to individually negotiated advisory contracts. Therefore, requirements for opening or maintaining an account have not been established.

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

Methods of Analysis and Sources of Information

We may use a variety of methods of analysis in formulating investment advice and managing assets for our clients. These securities analysis methods include fundamental, quantitative and cyclical analysis, as well as utilizing proprietary modeling tools along with advice or research provided to us.

In addition to these methods of analysis, we may use a variety of sources of information in formulating our investment advice and managing assets for our clients. These sources include proprietary models and analysis, financial publications, inspections of corporate activities, research material provided by others, corporate rating services, annual reports, prospectuses, company press releases and filings with the SEC. We may also use information from sources such as industry, trade association and academic publications and conferences, personal interviews with individuals knowledgeable about a company or industry, and material provided by government agencies, such as the U.S. Departments of Commerce and Labor and the Federal Reserve Board. See Item 12 below for more information on our use of research and brokerage products and services.

Strategies and Investments

The particular investment strategies utilized and specific investments selected for a client depend on the investment objectives, goals and risk tolerances of the client as established at the beginning of the advisory relationship and as modified thereafter by the client.

The investment strategies used to implement any investment advice given to clients may involve a strategic allocation of client assets among various asset classes based upon our views of the return and risk potential of those asset classes through the use of underlying funds and or exchange-traded funds. Investment strategies may also involve long-term purchases (securities held at least a year), short-term purchases (securities sold within a year), trading (securities sold within 30 days), and the use of exchange-traded and over-the-counter (OTC) derivatives for various investment strategies, consistent with the client's investment objectives and guidelines. For certain of our clients, or portfolios of clients, the investment strategy may be to seek investment returns that approximate the performance of an index. In those instances, we employ a "passive management" or indexing investment approach designed to track the performance of a specific index. We may sell securities for a variety of reasons, including when valuation targets are achieved, when new information becomes available, when better investment opportunities are identified, when clients add or reduce their assets under our management, and/or rebalancing passive investments.

When consistent with a client's investment objectives, goals, risk tolerances, guidelines and directives, some or all of the following securities and/or instruments may be used. Of course, investing in securities and other investment instruments involves the risk of loss that clients should be prepared to bear.

Fixed Income Investments. Certain portfolios of the Series Fund where we are responsible for the day-to-day management operate as "fund of funds" and gain exposure primarily by investing in one or more of the Series Fund Portfolios. As such, we may allocate a portion of the assets to the fixed income portfolios of the Series Fund. However, when requested by a client, and consistent with the client's investment objectives, guidelines and directives, we may use some or all of the following fixed income investments as part of an overall investment strategy: high-yield and investment-grade corporate bonds, government and government agency bonds, sovereign debt, money market instruments, asset-backed securities, mortgage-backed securities, municipal securities and various types of fixed income derivatives.

Where applicable, we allocate investments to fixed income asset classes based upon our view of the total return and risk potential of those asset classes using underlying funds and or exchange-traded funds and other passive investment vehicles designed to provide exposure to various broad-based fixed income indices. In addition, derivatives contracts such as interest rate swaps and total return swaps may be considered where appropriate and subject to a client's guidelines and directives, in an attempt to hedge certain risks or to obtain exposure to certain asset classes we believe are attractive. Derivatives may not be used in all situations in which they are available and, if used, they may not achieve their intended result.

Equity Investments. The equity investment process generally has a long-term focus that is not specifically targeting value or growth. We are looking for what we perceive to be attractive risk/reward opportunities in the market for our clients. We may invest in several equity asset classes as part of our overall investment strategy. These include small-, mid- and large-cap U.S. and non-U.S. stocks, including emerging markets. We may implement our equity investment strategy for certain clients primarily utilizing a strategic asset allocation based on the return and risk potential of broad-based equity indices through the use of underlying funds and ETFs.

We typically employ a passive management, or indexing, investment approach designed to track the performance of certain indices for equity investments. We determine how best to achieve each portfolio's investment objective, and may include investing all, or substantially all, of a portfolio's assets in the stocks that make up the appropriate index, and/or the use of ETFs and/or mutual funds.

Derivatives. When we deem it to be more efficient or advantageous for certain of our clients, we may utilize derivatives such as options, futures, forwards and swap agreements to seek to gain exposure to certain markets, sectors or regions as alternatives to direct

investments; to adjust a portfolio for our view on style or term structure and duration; to provide increased flexibility in asset allocation; or to earn income and to otherwise seek to enhance returns or to hedge foreign currency exposure.

The proportion of a client's portfolio committed to the foregoing asset classes may vary depending on the client's specific investment objectives, directives, risk tolerances and restrictions and based on our outlook for the economy, the financial markets, our view of the variation in return potential among asset classes, and other factors.

The application of the foregoing strategies and investments also may vary among our clients, as summarized below:

Northwestern Mutual Series Fund. MSA is the investment adviser to the Series Fund, an open-end management investment company (also referred to as a mutual fund) registered under the Investment Company Act. Please refer to Item 10 below for more information about our relationship with this affiliate.

The Series Fund is currently comprised of 27 separate investment portfolios, each with its own investment objective, strategy and guidelines. For many of these portfolios, we have appointed sub-advisers who are responsible for the day-to-day investment management, the implementation of investment strategies and the selection of specific investments. In these instances, our advisory role is to oversee the sub-advisers and their management of the portfolios they sub-advise. We also provide, or arrange for the provision of, a number of administrative and/or related services for all 27 separate portfolios. For other portfolios, we are responsible for the day-to-day investment management. Certain of these portfolios employ a passive management, or indexing, investment approach designed to track the performance of certain indices. For these portfolios, we attempt to achieve each fund's objective by investing all, or substantially all, of a portfolio's assets in the stocks that make up the appropriate index. We may also use derivatives for these indexed portfolios to assist in achieving their investment objectives. In addition, certain portfolios where we are responsible for the day-to-day management operate as "fund of funds" and gain exposure primarily by investing in one or more of the other Series Fund portfolios. For these portfolios, assets are allocated among the other Series Fund portfolios based on the MSA portfolio manager's economic and market outlook and the investment objectives and strategies of those other Series Fund portfolios.

Northwestern Mutual. In addition to providing investment services relating primarily to the evaluation and oversight of external managers and certain mutual fund and ETF investments for NMIMC on behalf of a number of its accounts, we are responsible for the day-to-day investment management of the public equity sleeves of Northwestern Mutual's general account as well as certain other Northwestern Mutual assets, including assets held in its separate accounts used for funding its pension plans. These portfolios typically employ a passive management, or indexing, investment approach designed to track the performance of certain indices. For these portfolios, we determine how best to achieve each portfolio's investment objective, and may include investing all, or substantially all, of a

portfolio's assets in the stocks that make up the appropriate index, and/or the use of ETFs and/or mutual funds

Foundation. MSA is the investment adviser to Northwestern Mutual's charitable foundation. We are responsible for the day-to-day management of the assets in the Foundation in accordance with the investment objectives and restrictions set forth by the Foundation. We invest across a variety of investment classes using primarily ETFs, which typically employ a passive management, or indexing, investment approach designed to track the performance of certain indices. For these portfolios, we determine how best to achieve each portfolio's investment objective.

Risk of Loss

Markets fluctuate substantially over time, and all investments include a risk of loss of your principal and any profits that have not been realized. Performance of any investment is not guaranteed, and we cannot guarantee that you will not experience a loss of your account assets.

Among the risks clients should expect to bear are the following. These risks may vary depending on the investment objectives and strategies of each client and the specific investments and instruments utilized to achieve those objectives.

- **Active Management Risk:** The performance of a client's account will reflect in part our ability to make investment decisions that are suited to achieving the client's investment objective.
- **Asset Allocation Risk:** The performance of a client's account may reflect an allocation of investments between stock, bond and money market sectors based upon our judgments of the relative return potential among such asset classes. We may miss attractive investment opportunities by underweighting markets or sectors where there are significant returns, and an account may lose value if we overweight markets where there are significant declines, or fail to correctly predict the times to shift assets from one type of investment to another.
- **Market Risk:** The price of a security may drop in reaction to market events and conditions.
- **Credit Risk:** An issuer of a fixed income security may not be able to make principal and/or interest payments on its debt when due.
- **Interest Rate Risk:** The value of fixed income securities or derivatives may decline because of a change in market interest rates. Currently, interest rates remain near unprecedented historically low levels. A significant rise in interest rates over a short period of time could cause significant losses in the market value of fixed income instruments held in a client's account.
- **Inflation Risk:** Purchasing power may be eroded due to inflation.
- **International and Foreign Currency Risk:** Non-U.S. investments may experience more rapid and extreme changes in value than U.S. companies, and are subject to fluctuations in the value of the U.S. dollar. In addition, foreign currency hedging may not achieve its intended results.

- **Reinvestment Risk:** Future proceeds from investments may have to be reinvested at prices that may result in lower rates of return.
- **Liquidity Risk:** We may not be able to readily convert certain investments into cash.
- **Derivative Risks:** Use of derivative instruments involves risks that may differ from, or may be greater than, the risks associated with a direct investment in or the sale of the underlying securities. Certain derivatives involve leverage, which could magnify losses, and investing in derivatives could cause a client account to lose more than the principal amount invested.
- **Counterparty Risk:** A client account may sustain a loss in the event the other party in an agreement or a participant to a transaction defaults on a contract or fails to pay amounts due, fulfill delivery conditions or otherwise comply with the terms of the contract. This risk may be mitigated to some extent by the use of collateral agreements for over-the-counter derivatives and use of margining for exchange-traded derivatives.

In addition to the risks described above that primarily relate to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to “cybersecurity” risk. Cybersecurity attacks include electronic and non-electronic attacks that include but are not limited to gaining unauthorized access to digital systems to obtain client and financial information, compromising the integrity of systems and client data (*e.g.*, misappropriation of assets or sensitive information), or causing operational disruption through taking systems off-line (*e.g.*, denial of service attacks). As the use of technology has become more prevalent, we and the client accounts we manage have become potentially more susceptible to operational risks through cybersecurity attacks. These attacks in turn could cause us and client accounts (including funds) we manage to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss.

Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which we invest, counterparties with which we engage in transactions, third-party service providers (*e.g.*, a client account’s custodian), governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. While cybersecurity risk management systems and business continuity plans have been developed and are designed to reduce the risks associated with these attacks, there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such systems and plans will succeed in effectively anticipating, thwarting and/or managing cybersecurity threats and risks, especially since we do not directly control the cybersecurity systems of issuers or third-party service providers.

External Manager Services

In addition to the day-to-day management of client assets, we may provide clients with assistance with sub-advisers and/or external managers including identification and selection, oversight

and relationship management, evaluation of performance, and transition assistance in connection with changes in sub-advisers and external managers.

Item 9. Disciplinary Information

We are obligated to disclose legal or disciplinary events involving us or any of our “management persons” that are material to your evaluation of our advisory business or the integrity of our management when considering initiating a client/adviser relationship, or continuing a client/adviser relationship with us. When we refer to our “management persons,” we are referring to our executive officers and the supervisors of those who determine the general investment advice provided to advisory clients. Management persons are required to complete a questionnaire eliciting disclosure of applicable disciplinary information on an annual basis and promptly disclose any changes provided during the year.

We do not have any legal or other disciplinary events to report to you that we believe are material to your evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

We are a wholly-owned subsidiary of Northwestern Mutual. Northwestern Mutual, either directly or through a number of financial services and insurance subsidiaries, offers a spectrum of insurance and investment products. As a wholly-owned subsidiary of Northwestern Mutual, we are affiliated with these entities, which include a broker-dealer, investment advisers, a limited purpose federal savings bank and insurance companies. We have identified below those affiliated entities with which we have relationships or arrangements which may be considered material to our advisory business or our advisory clients. We do not believe these affiliations or arrangements impair the objectivity of our investment advice on behalf of our clients.

Investment Company

MSA is the investment adviser to the Series Fund, an open-end management investment company (also referred to as a mutual fund) registered under the Investment Company Act. MSA and the Series Fund may be deemed to be related persons because our parent company, Northwestern Mutual (either directly or indirectly through one or more portfolios operating as affiliated funds of funds) owns all of the outstanding shares of each portfolio of the Series Fund, and MSA is a wholly-owned subsidiary of Northwestern Mutual. The Series Fund and its individual investment portfolios are offered exclusively as underlying investment options for variable annuity contracts and variable life insurance policies issued by Northwestern Mutual. In addition to investment management services, MSA provides, or arranges for the provision of, various services to the Series Fund relating to the administration of the affairs of the Series Fund pursuant to its investment management agreement with the Series Fund. MSA’s President serves as President of the Series Fund, and MSA’s Chief Compliance Officer also serves as the Series Fund’s Chief Compliance Officer. In addition, representatives of MSA, NMIMC and/or Northwestern Mutual serve as officers and as Chairman of the Board of Directors of the Series Fund.

Broker-Dealer

Northwestern Mutual Investment Services, LLC (“NMIS”), a registered broker-dealer and investment adviser, and an insurance agency, serves as the distributor of Northwestern Mutual’s variable products for which the Portfolios of the Series Fund serve as some of the underlying investment options. MSA and NMIS are related persons because they are wholly-owned subsidiaries of Northwestern Mutual.

Investment Adviser

NMIMC, an unregistered investment adviser, is a wholly-owned subsidiary of Northwestern Mutual. NMIMC provides investment management and investment advisory services with respect to privately-placed debt and equity securities, real estate investments, publicly-traded debt securities, derivatives and related investments for Northwestern Mutual (for its general account and certain of its other assets) and other affiliates of Northwestern Mutual. MSA’s Chairman of the Board is an officer and director of NMIMC.

Pursuant to a Services Agreement with NMIMC, we provide advisory and other services to NMIMC from time to time at its request, which services may include acting as sub-adviser and supervising and directing the investments of such assets as NMIMC may designate from time to time, subject to the objectives, policies and directions of NMIMC, assistance with the formulation of investment guidelines for accounts managed by NMIMC, research and analytics support, and assistance with strategic projects. Assistance with sub-advisers and/or external managers considered by NMIMC for its clients or by Northwestern Mutual may also be provided including identification and selection, oversight and relationship management, evaluation of performance, and transition assistance in connection with changes in sub-advisers and external managers. Currently, we provide investment services relating to sub-advisers and external managers and certain mutual fund and ETF investments for NMIMC and Northwestern Mutual on behalf of a number of their accounts, and we are also responsible for the day-to-day investment management of the public equity sleeves of the Northwestern Mutual’s general account as well as certain other Northwestern Mutual assets.

MSA has adopted insider trading policies and procedures which are designed to restrict the transfer of material non-public information between itself and NMIMC as well as from MSA to others. An information barrier has been established between the two entities which is designed to restrict the disclosure of certain information between the two entities. If the information barrier is breached and MSA obtains material non-public information that may be in NMIMC’s possession relating to an issuer, MSA may be prohibited by federal securities laws from trading on or disclosing such information. As a result, MSA may be prohibited from acquiring an issuer’s securities on behalf of a client, or selling an issuer’s securities that may be held by the client, even if MSA believed it was prudent to do so. The client may forego potential gain by not being able to acquire the securities, or incur losses by not being able to sell the securities, until such time as the information is no longer material or becomes publicly available. Of course, the same result would occur if MSA obtained the material non-public information directly from third parties.

Regulation M under the Securities Exchange Act of 1934 (the “Exchange Act”) generally prohibits us from purchasing a security during a specified restricted period if an affiliate is engaged in the distribution of such security. Accordingly, we may be prohibited from participating in certain initial and secondary public offerings for which NMIMC is deemed to be engaged in the distribution until all securities subject to the distribution have been sold. This may arise, for example, if a private security acquired by NMIMC on behalf of its client is subsequently part of an initial public offering and the shares of NMIMC’s client are included in the offering. As a result, because of this relationship, we may not be able to acquire for a client a security as part of certain initial and secondary public offerings even if we believe it would be prudent to do so for the client.

Insurance Company or Agency

Northwestern Mutual is a Wisconsin mutual insurance company. MSA and Northwestern Mutual are parties to an Administrative Services Agreement pursuant to which Northwestern Mutual performs certain administrative, corporate support, accounting, human resources, marketing and communications, compliance, information management, and other middle and back office services with respect to our investment management business. Northwestern Mutual also includes MSA employees under certain of Northwestern Mutual's benefit plans. Under the agreement, Northwestern Mutual also provides certain property, equipment and facilities and leases office space to MSA. Fees under the administrative services agreement are generally calculated based upon allocations of time or services rendered, or to the extent possible, actual costs.

Northwestern Mutual (either directly or indirectly through one or more underlying portfolios operating as affiliated funds of funds) owns all of the outstanding shares of the underlying portfolios of the Series Fund. We are the investment adviser to the Series Fund portfolios, which are offered exclusively as underlying investment options for Northwestern Mutual’s variable products.

Other

As noted above, MSA is the investment adviser to the Series Fund, a mutual fund registered under the Investment Company Act that is comprised currently of 27 separate investment portfolios. For many of these portfolios, we have appointed sub-advisers who are responsible for the day-to-day investment management of the portfolios. Consistent with the terms of our advisory agreement with the Series Fund, we may from time to time recommend to the Board of Directors of the Series Fund the hiring or replacement of a sub-adviser for one or more of the portfolios comprising the Series Fund. However, only the Series Fund Board (and in certain cases the portfolio’s shareholders) may approve the selection of the sub-adviser for a portfolio. We do not receive any compensation from the sub-adviser for our recommendation, nor do we believe this arrangement presents any significant conflicts of interest with clients other than the Series Fund. We may also provide similar assistance to our other clients, including NMIMC, in seeking sub-advisers for a portion of their assets upon request of the client. In some circumstances, we may recommend the same or different sub-advisers to the Series Fund and our other clients. When recommending sub-advisers for the Series Fund, we seek to identify and

disclose to its Board of Directors certain material business relationships between Northwestern Mutual and the candidate sub-adviser(s) as part of the selection process.

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

MSA has adopted Guidelines for Business Conduct, Insider Trading Policy and Guidelines for Managing Investment-Related Information, a Personal Trading Policy, Policies and Procedures on Transactions with Affiliates, Policies and Procedures on the Receipt of Gifts and Entertainment and a Conflicts of Interest Policy that are designed to ensure that the interests of its clients come before the interests of MSA or its employees or related persons. Each of these is administered by MSA's Chief Compliance Officer, and is discussed below. In addition, MSA has a trade allocation policy (described in Item 12 below) designed to achieve a fair and equitable allocation of securities transactions among client accounts seeking to acquire the same securities.

Code of Ethics

Below is a description of the two policies which together comprise MSA's Code of Ethics. A copy of MSA's Guidelines for Business Conduct (the "Conduct Guidelines") and Personal Trading Policy will be provided to any client or prospective client upon request by contacting MSA's Chief Compliance Officer, Randy Pavlick, by phone at 414-665-1729 or by mail at our mailing address appearing on the cover page of this brochure.

a. Conduct Guidelines. MSA's Conduct Guidelines, which complement our Insider Trading Policy and Guidelines for Managing Investment-Related Information and our Personal Trading Policy (discussed below), establish the standards of business conduct that we require of all our officers, directors, employees and certain other associated individuals ("Supervised Persons"), and reflect the fiduciary duty we owe to our clients. The Conduct Guidelines are based on the principle that the Supervised Persons are expected to act with the highest standards of personal and professional honesty and integrity. The Conduct Guidelines set forth principles that should guide the conduct of all Supervised Persons and require that they comply with all applicable laws, rules and regulations, with all client investment mandates and directives and with our fiduciary duties to our clients, in all matters related to the business activities of MSA. The Conduct Guidelines also address various affiliations and activities of Supervised Persons which could present conflicts, involvement in political activities and confidentiality of client information, as well as reporting requirements for violations of the Conduct Guidelines.

b. Personal Trading Policy. Officers and employees of MSA may buy or sell for a client account securities in which they or a related person has a material financial interest, invest in the same or related securities that are recommended to clients, and may buy or sell securities for client accounts at about the same time they buy or sell for their own accounts. Because of the potential conflicts of interest these transactions may present, we have adopted MSA's Personal Trading Policy (the "PTP") which is designed to ensure the interests of MSA's clients come before the interests of MSA, its employees and its related persons.

The PTP provides some limitations on the circumstances under which "Access Persons" can engage in personal securities transactions. Access Persons generally include officers and employees of MSA, officers, directors and employees of Northwestern Mutual who in connection with their regular duties, make, participate in or have access to information regarding the purchase or sale of certain securities initiated by MSA, and other persons that may be designated by MSA's Chief Compliance Officer. The PTP requires all Access Persons to pre-clear personal transactions in securities that are reportable subject to certain pre-clearance exceptions such as small orders of large capitalization companies, ETFs and securities whose values are based on broad-based market indexes. In addition to the pre-clearance requirements, the PTP prohibits portfolio managers and certain other investment personnel from investing in any initial public offerings by an issuer, without prior approval, and prohibits Access Persons from certain other trading activities, such as front-running.

Subject to certain exceptions, Access Persons are subject to certain black-out periods. The PTP also contains a 30-day profit rule that prohibits in certain instances an access person from profiting from the purchase and sale or sale and purchase of the same (or equivalent) securities within 30 days. The PTP requires Access Persons to provide reports of their personal securities holdings and transactions (either directly or through duplicate confirmations and statements from their brokers) and transactions reported by Access Persons are subject to review for compliance with the PTP.

Portfolio managers and members of their families may personally invest directly in products issued by Northwestern Mutual in which the portfolio manager may have a role in managing an underlying investment vehicle. This could create potential conflicts of interest. However, we believe that these potential conflicts are mitigated to a certain extent by our policies and procedures described above.

Policy Statement on Insider Trading

MSA's Insider Trading Policy and Guidelines for Managing Investment-Related Information are designed to restrict MSA and its employees from trading on material non-public information or communicating material non-public information to others in violation of applicable law. The policies and procedures are further designed to restrict the communication of material information that is confidential to MSA and our clients to other companies, including related persons of MSA. NMIMC has also adopted similar insider trading policies and procedures that are designed to restrict the transfer of material non-public information to MSA and others that NMIMC may obtain in the ordinary course of business when considering potential public, private and real estate transactions for its clients. An information barrier has been established among these entities which is designed to restrict the disclosure of certain information among the entities. See Item 10 above for additional information.

In addition to the ramifications of MSA receiving material non-public information either directly or indirectly through an affiliate as described in Item 10 above, if certain personnel of MSA or Northwestern Mutual serve on boards or in a similar capacity with respect to a company in which a client has invested, MSA may be limited as to when and if it may trade in the securities of that company.

Transactions with Affiliates

MSA's Policies and Procedures on Transactions with Affiliates ("Affiliates Policy") govern certain transactions with or involving affiliates on behalf of client accounts. The Affiliates Policy addresses various affiliated transactions and seeks to address the inherent potential conflicts of interest presented by these types of transactions. Such transactions are permitted only if in compliance with the Affiliates Policy, applicable rules and regulations, and policies and procedures adopted or directed by MSA's advisory clients.

There may be circumstances under which we deem it appropriate that one of our advisory clients sell a security at or about the same time we deem it appropriate for another of our advisory clients to purchase the same security. Consistent with our fiduciary obligations to each client and the requirements of best execution, we may, under such circumstances, arrange to have the purchase and sale transactions effected directly between clients ("cross transactions") to, among other factors, save the clients' brokerage commissions or other trading costs. A cross transaction would be effected on the basis of the current market price of the security or at a price reasonably determined to reflect the fair value of the security, which may be based on independent dealer quotes, information obtained from recognized pricing services, or other factors or sources deemed appropriate by MSA. We will not receive compensation (other than our advisory fee), directly or indirectly, for effecting a cross transaction between advisory clients. Since, in such transactions, we will represent both client-seller and client-buyer, we may have a conflict of interest given the obligation to obtain the most favorable execution, and our other obligations and responsibilities to the client. Clients, therefore, should consider the possible costs or disadvantages of this potential conflict versus the potential benefits, including obtaining reduced transaction or execution costs that may be obtained from such cross trades.

There may be instances in which we hold contrasting orders for clients (*i.e.*, a purchase for one client and a sale for another client of the same security) and crossing the transactions directly between the clients is not legally permitted or we determine that crossing the transactions would either not be appropriate or advisable under the circumstances. In these instances, our procedures require that we place contrasting orders with two separate unaffiliated brokers when practicable. However, the nature of certain transactions or securities may limit our ability to use two separate brokers and our procedures govern the use of the same unaffiliated broker for both transactions. In such cases, clients will incur brokerage commissions and/or other trading costs imposed by the brokers.

When one of our advisory clients that is a party to a cross transaction is a registered investment company, the transaction will be effected pursuant to procedures adopted by the client under Rule 17a-7 of the Investment Company Act which, among other things, does not permit cross transactions between the Series Fund and Northwestern Mutual or any of its affiliates.

Cross transactions will not be effected with any client account that is subject to ERISA except in circumstances in which there is a specific exemption from ERISA permitting the transaction and all of the requirements of the exemption are satisfied.

In addition, the self-dealing provisions of the Internal Revenue Code and regulations and interpretations thereunder prohibit affiliates of a non-profit entity that is categorized as a “private foundation” from buying or selling securities or other assets, as principal, to or from the private foundation or from otherwise acting as a dealer in buying securities from a private foundation and reselling to a third party, absent a specific exemption. While an exemption may be available for private foundation clients and clients subject to ERISA provided certain conditions are met and actions taken, we may determine not to seek to satisfy the conditions and thus not cross transactions involving these clients. In such cases, clients will incur brokerage commissions and/or other trading costs imposed by brokers.

All of MSA’s current clients are affiliated with MSA. Reference is made to the responses to Item 10 for a discussion of our financial industry affiliations. Subject to compliance with applicable law, we may from time to time buy or sell on behalf of our clients, including clients affiliated with MSA, securities or other investments in which MSA or a related person own the same or similar securities or otherwise have some financial interest. Affiliates of MSA may be current investors in companies that offer securities to MSA, and may receive a direct or indirect benefit, as selling shareholder, return of capital, or otherwise, from the purchase by our clients in such offerings. Employees of MSA’s related persons may serve as directors, officers or in other capacities in which they may receive direct or indirect compensation from companies in which we may purchase securities.

We may buy and sell securities of issuers, or engage in other investments, on behalf of more than one of our clients. Circumstances may arise under which we may determine that, while it would be both desirable and suitable that a particular security or other investment be purchased or sold for more than one client, there is a limited supply or demand for the security or other investment. We will seek to allocate the opportunity to purchase or sell that security or other investment among such clients on an equitable basis, taking into consideration such factors as size of the portfolio, concentration of holdings, investment objectives and guidelines, purchase cost and cash availability. See “Order Aggregation and Allocation” in Item 12 below for additional details regarding our procedures for the allocation of trades. Pursuant to these procedures, and considerations of factors such as a client’s investment objectives, strategies, restrictions, guidelines, existing positions and available cash, there may be instances in which we may not buy, sell or recommend for a portfolio or client a security or other investment that we buy, sell or recommend for another client.

We may give advice and take actions in the performance of our duties to clients that differ from the advice given, or the timing or nature of actions taken, with respect to other clients' accounts that may invest in some of the same securities recommended to clients. We, from time to time, may not be free to divulge or act upon certain information in our possession on behalf of clients.

Conflicts of Interest Policy

MSA’s Conflicts of Interest Policy (“Conflicts Policy”) is designed to identify and manage MSA’s material conflicts of interest. The Conflicts Policy supplements the responsibility of MSA’s employees to

disclose and manage conflicts of interest under the Conduct Guidelines, and includes procedures for the identification, mitigation and disclosure of various conflicts.

Item 12. Brokerage Practices

Among the specific obligations that flow from our fiduciary duty to our clients is the requirement to seek best execution of client securities transactions. Execution of client transactions must be effected in a manner such that each client's total cost or proceeds in each transaction is the most favorable under the circumstances. We are not obligated to get the lowest possible commission cost, but rather, we determine whether the transaction represents the best qualitative execution for the client. In selecting a broker-dealer to execute a trade, we may consider a range of factors. Because each order is unique, different factors will have different levels of importance for each order. Factors we may consider include, but are not limited to, price (including the applicable brokerage commission), size of order and the broker-dealer's (i) experience and financial stability; (ii) market familiarity for the particular security or security type; (iii) reliability; (iv) integrity (*e.g.* ability to maintain confidentiality); (v) brokerage or research capabilities; (vi) technology infrastructure and operational capabilities; (vii) trade settlement abilities; and (viii) willingness to commit capital (*e.g.* purchase thinly-traded security for its own inventory).

We evaluate the reasonableness of commissions paid to broker-dealers on an ongoing basis. At least annually, investment personnel evaluate a list of broker-dealers on the basis of several different factors, including the quality of the broker-dealer's (i) research; (ii) sales coverage; and (iii) trading. Based on the evaluations, the broker-dealers are ranked from highest to lowest and discussions are held and commission targets for each firm are established. Commission targets may be established and adjusted as broker-dealer relationships change throughout the year. The evaluation of the reasonableness of the brokerage commissions paid is based primarily on the professional opinions of the persons responsible for the placement and review of such transactions.

Our Brokerage and Trading Committee is responsible for developing and maintaining brokerage and trading-related policies and procedures and for overseeing their implementation, as well as conflicts of interest that may arise in connection with the selection of brokers, as discussed in more detail below.

MSA's investment personnel have principal responsibility for evaluating whether commissions generated on transactions for MSA's client accounts are used in a manner that is in the best interests of our clients and consistent with our applicable policies and procedures. Additional oversight is provided by our Brokerage and Trading Committee.

In most cases, we have the authority to determine, without obtaining specific client consent, the broker or dealer to be used and the commission rates paid.

Client Commission Arrangements

As permitted by the Exchange Act, we may engage in the long-standing investment management industry practice of paying higher commissions to brokers and dealers who provide research and brokerage products and services ("Research and Brokerage Services") than to brokers and dealers who do not provide such Research and Brokerage Services, if higher commissions are deemed reasonable in relation to the value of Research and Brokerage Services provided. These types of transactions are commonly referred to as "soft dollar" transactions.

When we use client brokerage commissions to obtain Research and Brokerage Services, we receive a benefit because we do not have to produce or pay for such research. We would, through the use of these products and services, avoid the additional expenses which would be incurred if we would develop comparable information through our own staff or use our own resources to pay for the research. We may have an incentive to select or recommend a broker-dealer based on our interest in receiving such products or services rather than our clients' interest in receiving most favorable execution. Other conflicts include (i) an incentive to compromise our fiduciary duty and trade a client's portfolio securities in order to obtain Research and Brokerage Services, (ii) an ability to charge advisory fees that do not fully reflect the costs for providing advisory services, and (iii) research may benefit our other clients, including clients that do not generate significant brokerage commissions. We have implemented policies and procedures designed to mitigate the potential conflicts of interest that the use of soft dollars may present.

Research and Brokerage Services provided may include, but are not limited to (i) furnishing advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities, or purchasers or sellers of securities; (ii) furnishing seminars, information, analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategies, trading markets and methods, and the performance of accounts if used to assist in making investment decisions, and legislative, political and accounting developments related to the foregoing; (iii) access to research analysts, corporate management personnel, industry experts, economists and government officials; (iv) comparative performance evaluation and technical measurement services; and (v) other similar research and brokerage products and services that assist us in making investment decisions. Research received from brokers or dealers is supplemental to our own research efforts.

In determining whether a service or product qualifies as a "research" or "brokerage" product or service, we evaluate whether the service or product provides lawful and appropriate assistance to us in carrying out our investment decision-making responsibilities. When a product or service has a "mixed use" (*i.e.*, it also serves functions that do not assist in the investment decision-making or trading process and is therefore partially ineligible under Section 28(e) of the Exchange Act), we may use client commissions to pay for the portion of the product or service that constitutes eligible research or brokerage provided the predominant use is eligible. In such event, we will make a reasonable allocation of the cost of the product or service according to its use, will use client commissions to pay for the portion of the product or service that we determine assists us in the investment decision-making or

trading process, and will pay for the remaining cost of the product or service with our own monies. We have implemented policies and procedures designed to mitigate the potential conflicts of interest that this allocation process may present.

Research and Brokerage Services furnished by broker-dealers are not necessarily utilized for the specific account that generated commissions to the broker-dealer providing such Research and Brokerage Services. Some clients may benefit from the Research and Brokerage Services despite the fact that their commissions may not be used to pay for such Research and Brokerage Services. Research services may also be shared with NMIMC, our affiliated investment adviser. It is our current policy to not use client commissions to obtain research solely for the benefit of clients that do not generate brokerage commissions.

The Research and Brokerage Services provided to us consists of proprietary research (*i.e.*, created or developed by the broker-dealer). We no longer enter into Client Commission Arrangements with broker-dealers pursuant to which we use client commission dollars to pay for research produced by persons other than the executing broker-dealer. Under these arrangements, the executing broker-dealer would set aside a portion of the commissions to pay for research provided by third parties.

Order Aggregation and Allocation

Except in situations where the client directs a portion of their commission dollars to a brokerage firm or firms designated by the client (as discussed below under “Directed Brokerage”), we select broker-dealers based on their perceived ability to obtain best execution as described above. On that basis, we may aggregate orders when we determine that investment decisions are appropriate for each participating account. Investment decisions for each account managed by MSA are made independently from those for any other account that is or may in the future become managed by MSA. If, however, a number of accounts managed by us are contemporaneously engaged in the purchase or sale of the same security, the orders may be aggregated and the transactions may be averaged as to price and allocated or, if necessary, reallocated equitably to each account pursuant to MSA's Trade Allocation Policies and Procedures. In some cases, this policy might adversely affect the price paid or received by an account or the size of the position obtained or liquidated for an account.

Each portfolio manager must strive for a fair and equitable allocation of securities transactions among his or her accounts. Such allocation decisions are made for each client individually, based on the characteristics of the particular security and “Investment Considerations” of each client, as well for all clients collectively. Investment Considerations is a broad term that includes, but is not limited to, the client’s investment objectives and restrictions, current securities positions and cash available for investment or liquidity needs. For example, when making allocation decisions, a portfolio manager may consider the current composition of a client’s securities portfolio in terms of factors such as sector and industry weightings; diversity of portfolio holdings; risk exposure; average and median market capitalization; portfolio duration and maturity; yield curve positioning; and portfolio credit quality.

Allocations are not based upon account performance, the amount of management fees charged, the amount of commissions generated by a particular account or group of accounts, or whether the account is affiliated or unaffiliated.

After taking the characteristics of the particular security and each client's Investment Considerations into account, portfolio managers will initiate a trade order for the security. Each trade order will specify the accounts that will trade the security and the order size per account. Weightings in accounts or account groups may vary based on the factors discussed above. Securities transactions will be allocated using a pro-rata allocation method. The pro-rata method allocates securities transactions among participating client accounts in proportion to the size of the orders placed for each account

If an order is filled in its entirety, it will be allocated in accordance with the terms of the original order. If an order is partially filled, it will be allocated pro-rata based on the terms of the original order. An allocation shall be deemed to be "allocated pro-rata" where any deviation from an exact proportion results either from rounding off the number of securities allocated to the next higher or lower round-lot figure.

Directed Brokerage

From time to time, MSA may accept written instructions from clients to direct a portion of their commission dollars to a brokerage firm or firms designated by and for the benefit of the client (a "directed account"). Clients considering directing a portion of their commission dollars to a brokerage firm or firms ("directed brokers") should be aware, in connection with directed brokerage transactions, that:

- directed accounts may forgo any benefit from savings on execution costs that MSA may obtain by negotiating volume commission discounts on block trades;
- MSA may not be able to aggregate these transactions it effects for other accounts it manages;
- directed accounts may pay a higher commission rate than the commission rate paid by non-directed accounts;
- MSA may delay placing the orders for directed accounts until its orders for other accounts have been completed and that, as a result, the net price paid or received by the directed account may be different than the price paid or received by MSA's other accounts; and
- directed accounts may not receive the best execution possible on transactions for their account.

To the extent MSA accepts a client's written instructions regarding directed brokerage, which it may or may not do in its sole discretion, it will do so on a "best efforts" basis and it does not guarantee that any specific target thresholds can be met. When executing an order for multiple clients (including a directed account) in the same securities and same direction, with a broker that is not a directed broker, for purposes of allocation and aggregation, the order for the client with directed brokerage will

generally be excluded and executed separately after the execution of non-directed orders has been completed. In addition, in these instances, MSA is not obligated to evaluate the brokerage, research or other services that may be provided to the directed account. Traders may, but are not obligated to, use steps-out when they feel they are appropriate and feasible to fulfill a client's directed brokerage instruction. In a step-out trade, one brokerage firm executes an entire order, and then gives another firm or firms a credit, or commission, for a specified portion of the trade.

Cross Transactions

Consistent with our fiduciary obligations to each client, the requirements of best execution, and applicable law, we may arrange to have a purchase and a sale transaction effected directly between certain clients ("cross transactions"). See Item 11 above for more information on cross transactions.

Trade and Operational Errors

Any trade or operational error which results in a gain accrues to the benefit of the client account. Except for de minimis situations for certain clients (*i.e.*, errors less than \$100), or as otherwise directed by the client, any error which results in a loss will be reimbursed by us (or other responsible party) to the client's account. Broker-dealers may make errors from time to time. In such cases, we will request that the broker-dealer reimburse the applicable client account. However, a broker-dealer may not absorb losses from an error caused by us.

Miscellaneous

Directors, officers and employees of MSA and members of their immediate family may own securities or other interests in, or otherwise hold positions with, brokers that may be utilized by MSA to effect client transactions. This can present a conflict in terms of the motive a portfolio manager or trader may have in selecting individual brokers to effect transactions for a client. The Conduct Guidelines discussed in Item 11 above require that all MSA personnel must act with the highest standards of personal and professional honesty and integrity and put client interests ahead of their own. In addition, these individuals are required to complete annual questionnaires and report quarterly securities transactions that seek to identify these potential conflicts and permit monitoring by compliance personnel and/or the Brokerage and Trading Committee where deemed appropriate.

Item 13. Review of Accounts

Each of the portfolio managers has the primary responsibility for the investment advice given to the client accounts managed or co-managed by each of them. On a continuous basis, each portfolio manager evaluates the client accounts for which he or she has responsibility using a variety of measures, including the percentage that is invested in a particular security, sector or industry, comparisons to benchmarks, and the overall make-up of the account. The portfolio manager is responsible for managing the account in accordance with the client's investment objectives and directives, and all applicable laws, rules and regulations.

Compliance personnel perform ongoing reviews of investment company accounts for compliance with investment policies and restrictions. In addition, subject to MSA's oversight, compliance reviews are conducted for certain other accounts by operations and administration teams of Northwestern Mutual (or such other persons or groups as Northwestern Mutual may direct) under the Administrative Services Agreement discussed above in Item 10 or related arrangements. Such reviews are performed periodically or more frequently as necessary based on the circumstances of each account and market conditions.

MSA regularly reports to each client on the investment program for its portfolio and the issuers, securities and other investments represented in the portfolio. The frequency, content and format of reporting depend on the individual client's needs, requirements and client directions. In general, clients receive quarterly reports containing economic and market commentary and portfolio performance, including benchmark comparisons and attribution commentary, as requested by the client. MSA will furnish clients with such additional reports and details as the client may reasonably request. A variety of client reports are produced and communications with clients take place through a variety of means, including written reports and in-person presentations at client meetings including client investment committee and/or board of directors meetings.

Item 14. Client Referrals and Other Compensation

We do not currently actively market or advertise our advisory services in search for new investment advisory clients, and thus accept new clients infrequently. As such, we do not compensate any person for client referrals nor do we consider client referrals in connection with selecting or recommending broker-dealers.

Regarding receipt of economic benefits from persons who are not advisory clients for providing investment advice or other advisory services to our clients, see Item 12 above for a discussion of client commission arrangements. Such arrangements provide an economic benefit to us from non-clients in connection with giving advice to clients. In addition, from time to time third parties may offer entertainment, recreational activities, travel and lodging in connection with out-of-town meetings, seminars or site visits by a broker-dealer, portfolio company or other third party doing business with MSA, and gifts and favors. MSA's Policies and Procedures on the Receipt of Gifts and Entertainment govern the acceptance of benefits or gratuities and dictate the amount and the circumstances under which these may be accepted, if at all. In addition, the Conduct Guidelines set forth principles that should guide the conduct of all Supervised Persons and requires that they comply with all applicable laws, rules and regulations, with all client investment mandates and directives and with our fiduciary duties to our clients, in all matters related to the business activities of MSA. A copy of the Conduct Guidelines will be provided to any client or prospective client upon request by contacting MSA's Chief Compliance Officer, Randy Pavlick, by phone at 414-665-1729 or by mail at our mailing address appearing on the cover page of this brochure.

Item 15. Custody

We do not have custody of client funds or securities. We urge you to carefully review the account statements you receive from your qualified custodian. For tax and other purposes, the custodial statement is the official record of your account and the assets in your account.

All clients should carefully review any statements they may receive from the custodian and compare statements received from us with the statements received from the custodian.

Item 16. Investment Discretion

We are appointed as discretionary investment manager with full discretion in our investment advisory agreements where we are responsible for day-to-day investment management and the selection of specific investments. In these instances (i) we generally have the authority to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of the securities to be bought or sold, the broker-dealer to be used and the commission rates paid, and (ii) we have discretion to select individual securities subject to client mandates and investment restrictions and regulatory constraints. In instances where we retain a sub-adviser when permitted under the terms of the applicable investment advisory agreement, the sub-adviser generally manages the client's investments subject to the supervision and oversight by MSA and the client. As describe above in Item 8, we also provide assistance to NMIMC with respect to sub-advisers and external managers that it hires for the management of its client accounts, including identification and selection, oversight and relationship management, evaluation of performance, and transition assistance in connection with changes in sub-advisers and external managers. However, we do not have discretionary authority to hire and fire those sub-advisers and external managers, or the authority to allocate and reallocate assets among those sub-advisers and external managers.

Item 17. Voting Client Securities

In accordance with SEC Rule 206(4)-6 under the Advisers Act, MSA has adopted written Proxy Voting Policies and Procedures (the "Proxy Policies") that are reasonably designed to ensure that proxies are voted in the best interest of clients in those cases where a client has contractually given proxy voting responsibility to MSA. We have established a Proxy Voting and Corporate Action Committee (the "Proxy Committee") which is responsible for developing and maintaining the Proxy Policies and for overseeing their implementation. We have also engaged Institutional Shareholder Services Inc. ("ISS"), an unaffiliated proxy voting and research service, to assist with the administration and voting of client proxies.

We vote proxies on behalf of client accounts. However, clients have the right to vote proxies themselves. Clients may instruct us how to cast their vote in a particular proxy, or to vote proxies according to particular criteria. Such requests should be made in writing and submitted to MSA's Chief

Compliance Officer, Randy Pavlick. Alternatively, we reserve the right to request a client vote shares held in the client's account itself.

Voting Procedures

We have adopted a set of Proxy Voting Guidelines (the "Proxy Guidelines") based on the guidelines developed by ISS. MSA's portfolio managers are responsible for proxy voting decisions on securities held in the client accounts they manage. Generally, portfolio managers vote their proxies based on the recommendations generated through ISS's application of the Proxy Guidelines. As such, ISS is instructed to vote all proxies in accordance with its recommendations, unless they receive notice from MSA that it intends to vote contrary.

MSA's investment personnel monitor proxy proposals in the client accounts they manage for circumstances where they believe the interests of MSA's clients may warrant a vote contrary to recommendations by ISS generated through application of the Proxy Guidelines. In such cases, the procedures require that they (i) prepare a written recommendation for the Proxy Committee members as to the appropriate vote and the rationale for the recommendation, and (ii) certify that he or she is not aware of any conflict that might influence his or her voting decision. If the issuer of the proxy in question is not on an internally prepared "watch list," then at least two members of the Proxy Committee (plus the portfolio manager requesting the contrary vote, if he or she is a member of the Proxy Committee), reviews and considers the written recommendation and rationale, and permits the vote if such members determine that the rationale for the vote is sufficiently documented and the investment personnel responsible for the vote has properly certified that he or she is not aware of any conflict. If the issuer of the proxy in question is on the watch list, or if the investment personnel responsible for the vote is not able to certify that he or she is not aware of any conflict, then the full Proxy Committee determines the vote and will document its voting rationale.

To the extent applicable, these procedures will be used by MSA for exercising voting rights which may arise upon conversion of, or in connection with, certain other situations with respect to, fixed income or other securities which do not ordinarily carry voting rights. In these limited circumstances, because no recommendations are typically generated by ISS, the portfolio manager will submit a written recommendation as to how the client securities should be voted and the rationale for such recommendation to the Proxy Committee, together with information regarding whether a conflict of interest exists in connection with the vote. Such review is not required in the case of ordinary course requests for amendments, consent solicitations or directions with respect to the exercise of remedies for fixed income or other traditionally non-voting securities. In each case, it is MSA's policy to cast such votes in a manner consistent with the best interests of its clients.

It may be possible that a security may be held by multiple client accounts. Because the interests of various clients may differ, we are not required to cast consistent votes on behalf of all clients. Although we attempt to process every proxy vote we receive, there are situations in which we may not vote proxies if the costs, resources or resulting restrictions required to vote such proxies outweigh the expected benefit to the applicable client of casting such a vote, or other circumstances prevent us from

voting. For example, if foreign securities require translation services or travel to a foreign country to vote, MSA may refrain from voting due to these disproportionate costs. Additionally, many foreign markets restrict trading in a company's stock within a given period of time on or around the shareholder meeting date if shareholders vote proxies of the company (so-called "share blocking" countries). In markets where share blocking is practiced, shares will not be voted by ISS unless instructed to do so by MSA, and MSA may not provide instructions if the portfolio manager believes the benefit of voting does not exceed the loss of liquidity in the security for the client.

Conflicts of Interest

The Proxy Policies require that in making proxy voting determinations, neither MSA nor its investment personnel, Proxy Committee members, or other MSA officers, directors, or employees will be influenced by outside sources whose interests may potentially conflict with the interests of clients. The Proxy Policies are designed to reduce these influences.

In the event we become aware of a conflict of interest relating to a particular proxy proposal, and a vote contrary to the ISS recommendations is proposed by the investment manager, the Proxy Committee will ultimately decide to vote the relevant proxies in what MSA believes to be in the best long-term economic interest of its clients. Application of the Proxy Guidelines to vote client proxies should, in most cases, adequately address any potential conflicts of interest since the Proxy Guidelines are pre-determined. To avoid a potential conflict of interest when one portfolio owns shares of another Series Fund portfolio (an "underlying portfolio"), MSA will employ echo voting. That is, we will vote the shares of the underlying portfolio in the same proportion as the voting instructions received by Northwestern Mutual from holders of variable annuity contracts and variable life insurance policies with an allocation to the underlying portfolio.

To obtain a copy of the Proxy Policies, including the Proxy Guidelines, please contact MSA's Chief Compliance Officer, Randy Pavlick by phone at 414-665-1729 or by mail at our mailing address appearing on the cover of this brochure. Clients may also request information on votes cast by making a request by phone or mail.

In situations in which we appoint a sub-adviser to be responsible for the day-to-day investment management for a client, such as with certain portfolios of the Series Fund, and subject to the approval of the client, portfolio securities may be voted by, and in accordance with, the proxy voting procedures of the sub-adviser. In such cases, MSA will oversee the proxy voting activity of sub-advisers by periodically reviewing a sub-adviser's proxy voting policies and such other documentation, reports and certifications as MSA determines appropriate to fulfill its responsibilities. Periodic on-site, video conference, and/or written inquiry due diligence reviews will be conducted as deemed appropriate by the Proxy Committee.

Item 18. Financial Information

MSA does not have any financial condition that is reasonably likely to impair our ability to meet contractual or fiduciary commitments to clients, and MSA has not been the subject of a bankruptcy proceeding.

Additional Information

Security Valuation

Securities held in client accounts are generally valued at either market value or amortized cost, depending on the regulatory requirements applicable to each client. For securities valued at market value, if a market quotation is not readily available or is deemed unreliable, the fair value of a security will be determined in good faith pursuant to the policies and procedures of our clients. Although we are not the pricing agent, we may propose a fair value for a security in good faith under such policies and procedures. Because our compensation, and in some cases performance, is based on the value of assets held in an account, we may have a potential incentive to set a high valuation for a security. We believe that this potential conflict may be mitigated to a certain extent by applicable policies and procedures and the clients' role in valuing securities subject to fee and performance calculations, as well as oversight by the Series Fund's Pricing Committee with respect to valuations held by the Portfolios comprising the Series Fund. Certain clients may be subject to special rules regarding valuation of investments and may value or arrange for the valuation of their portfolio securities. In those instances, at the direction of the client, we will use the client's valuations for purposes of calculating fees and, where applicable, performance. Given the role of the clients in the valuation process, there may be differences in prices for the same security held by different client accounts.

Privacy Policy

MSA and its employees are subject to Northwestern Mutual's policies and procedures with respect to the confidentiality of client and proprietary information. Northwestern Mutual expects all of its employees to maintain high standards of business ethics and to follow all policies regarding individual and business conduct. Each year, employees are required to acknowledge that they have read and understand Northwestern Mutual's "Corporate Policy Regarding Confidential Information." Further, it is our policy to keep confidential all client information as directed by each client.

Disclosure of Portfolio Holdings

It is our policy, with respect to investment company clients, to release portfolio holdings information only as required or permitted by applicable law and the client's policies and procedures regarding such dissemination. Disclosure of investment company client material non-public portfolio holdings to selected third parties is permissible only when (i) we have a legitimate business purpose for doing so, and (ii) the recipients are subject to a duty of confidentiality, including a duty not to trade on the non-public information. Disclosure of portfolio holdings information for all other clients is subject to

the terms of our investment management agreement with the client and the directions and permission of the client. To the extent accounts are managed in a similar manner, the disclosure of holdings information for one client may provide some indication of the holdings of other clients.

Business Continuity Plan

We have adopted a business continuity plan which documents the strategies, personnel, procedures and resources that MSA and its primary service providers will use to respond to any short or long-term interruption to its essential business functions. The business continuity plan focuses on key continuity and recovery priorities, and provides a bridge between the immediate continuity needs of MSA and the large-scale continuity and recovery efforts provided by its key service providers.