



NORTHWESTERN MUTUAL SIGNATURE PORTFOLIOS™

DISCLOSURE BROCHURE

(As of March 31, 2014)

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This wrap fee brochure provides information about the qualifications and business practices of Northwestern Mutual Investment Services, LLC, a registered investment adviser. Being registered does not imply a certain level of skill or training. If you have questions about the contents of this brochure, please contact us at 1-866-664-7737. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Northwestern Mutual Investment Services, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

The following material changes have been made to this brochure since its annual update on March 29, 2013:

- NMIS has revised the Program Fee Schedule and the fee offset for the Program effective January 1, 2014. These changes mean that some clients in tax-qualified accounts may receive fee credits. The Program Fees section of the brochure contains these changes.

TABLE OF CONTENTS

I. Services, Fees and Compensation	1
A. Program Services	1
B. Program Fees	7
II. Account Requirements and Types of Clients.....	10
III. Portfolio Manager Selection and Evaluation	10
A. Program Management Overview	10
B. Advisory Business	13
C. Performance-Based Fees and Side-by-Side Management	13
D. Methods of Analysis, Investment Strategies and Risk of Loss	13
E. Voting Client Securities	14
IV. Client Information Provided to Portfolio Managers	14
V. Client Contact with Portfolio Managers	15
VI. Additional Information	15
A. Disciplinary Information	15
B. Other Financial Industry Activities and Affiliations	16
C. Code of Ethics	22
D. Participation or Interest in Client Transactions and Personal Trading	23
E. Review of Accounts	23
F. Client Referrals and Other Compensation	23
G. Financial Information	25

I. Services, Fees and Compensation

This brochure describes the Northwestern Mutual Signature Portfolios wrap fee program (“Signature Portfolios” or “Program”). Signature Portfolios is a discretionary investment advisory wrap fee program using mutual funds and exchange traded funds (ETFs) that combines advice regarding asset allocation and investment selection with discretionary trading to rebalance to your selected asset allocation.

Northwestern Mutual Investment Services, LLC (“NMIS”) is a dually registered broker-dealer and investment adviser, and a wholly owned subsidiary of The Northwestern Mutual Life Insurance Company (“NM”). “Northwestern Mutual” is the marketing name for NM and its subsidiaries and affiliates. NMIS’ investment advisory services are limited to this Program.

The Program provides a mutual fund and ETF advisory solution to the clients of NMIS through its investment adviser representatives (each such representative shall be referred to as a “Representative”). Mutual funds and ETFs will be collectively referred to as “funds.” NMIS functions as the Portfolio Manager of this Program through its Investment Products and Programs Committee (the “Committee”) which determines all investment advice provided to clients in this Program. The Program is called a “wrap fee” program because it provides investment advice and brokerage services for a single fee.

Disclaimer: There can be no assurance that any particular market strategy will be successful in achieving a client’s investment goals. Any investment in the securities

markets carries with it risk, including the possible realization of investment loss of principal and interest.

A. PROGRAM SERVICES

NMIS believes that the appropriate allocation of capital among asset classes is a critical component in constructing a sound investment portfolio. NMIS’ asset allocation approach assumes that risk can be reduced and return maximized by constructing portfolios that contain asset allocations from different asset classes that vary in projected risk, return and correlation over time.

All Program accounts use an asset allocation approach with multiple asset classes. The fact gathering process engaged in by your Representative with you will elicit information to aid your Representative in making an appropriate asset allocation recommendation. This discovery process will allow your Representative to assess a suitable asset allocation for you, based on (but not limited to) such factors as your risk tolerance, time horizon, stability of future income, investment philosophy and sensitivity to risk. Upon completion of the fact gathering process your Representative will generate an investment proposal (the “Proposal”) that includes a recommended asset allocation and portfolio of funds. You approve the asset allocation and portfolio prior to implementation. Following implementation, NMIS may make adjustments and changes to your asset allocation based upon any one of a number of considerations including, but not limited to: market conditions, account or program performance, and changes in capital market assumptions.

You are responsible for communicating to your Representative information necessary to permit your Representative to identify your investment objective and risk tolerance so that your Representative can recommend an appropriate asset allocation.

Your Representative will deliver to you a supplement to this brochure with information about him or her as well as supplements with information about members of his or her team who are authorized by NMIS to give you advice or guidance related to your account. Your Representative may use other members of the staff from his or her network office for whom you have not received a brochure supplement to gather information from you that is needed to open your account. Those staff people for whom you have not received brochure supplements are authorized only to gather information from you and are not authorized by NMIS to give you advice or guidance in connection with your account.

The Program complies with Rule 3a-4 under the Investment Company Act of 1940. Your account is managed on the basis of your individual financial situation. You have the opportunity to select your account's investment objective and impose reasonable restrictions on the management of the assets in the account. On a quarterly basis NMIS will notify you in writing that you should contact your Representative if there has been any change in your situation.

In managing client Portfolios, the Committee uses the non-discretionary investment advice of the Northwestern Mutual Wealth Management Company ("NMWMC"), a limited purpose federal savings bank and NMIS' affiliate, regarding

asset allocation and the selection of mutual funds, ETFs and portfolios for the Program. NMWMC uses a third party provider of mutual fund research as a primary source for due diligence information on certain mutual funds. The research provider's information assists NMWMC in providing investment advice to the Committee regarding the investments and model portfolios used in the Program. NMWMC performs additional research analysis on the Russell Funds and ETFs offered in the Program and provides this analysis to the Committee. The Committee uses the information collected to monitor investments maintained in Program accounts and to monitor the model portfolios used for the Program.

Some or all of the securities that you initially deposit into the account may not meet the investment guidelines of the Program, and therefore, will be liquidated and reinvested by NMIS within the portfolio selected by you without prior notice to you under NMIS' discretionary authority.

It should be noted that Signature Portfolios is not intended for investors who wish to invest on their own. NMIS will not accept unsolicited buy or sell transactions from you for your Signature Portfolios account.

Eligible Securities

You should fund your Signature Portfolios account with cash or eligible program securities. Besides cash, any security not in the selected program portfolio is an ineligible security for the Program. If you transfer securities into your Signature Portfolios account, you grant NMIS discretion to liquidate any and all ineligible securities transferred in order to fund

investments into the Program portfolio you selected. The only securities eligible are those that have been selected for the Program portfolio.

NMIS also will liquidate any eligible securities that are transferred into a Signature Portfolios account to the extent necessary to achieve what NMIS deems to be a proper allocation of funds with a Program account depending on what portfolio has been selected by a client.

Because NMIS will be liquidating ineligible securities that enter a Signature Portfolios account, you should not transfer assets into an account where you wish to time or manage the sale of an asset to obtain the best possible price or where you seek advice relating to time, price, or any other matter related to such securities. Furthermore, NMIS may transfer ownership of any ineligible securities in your account for which there is no current market (i.e., worthless securities) to the Clearing Agent for nominal consideration. In the event NMIS is unable to sell an ineligible security in the public market in a timely manner, NMIS reserves the right to transfer such ineligible security from a Signature Portfolios account (including but not limited to securities transferred into the account) to an existing or newly created NMIS brokerage account with the same registration, without your consent. NMIS shall have no responsibility for managing or monitoring such securities or cash after they have been transferred to a NMIS brokerage account.

Account Funding

Per the terms of the Client Agreement, NMIS accepts appointment as investment adviser and will begin to invest your funds promptly after the

Program account value reaches the lesser of (1) \$100,000.00, or (2) eighty percent (80%) of the total amount which you specify to your Representative that you will place into the Program account as an initial allocation amount (this date is herein defined as the "Opening Date"). The initial billing period will be adjusted for the number of days remaining in the current quarter.

Rebalancing

You grant NMIS full discretion to buy and sell securities and otherwise manage Program accounts, including but not limited to, discretion to rebalance accounts, and, when appropriate, substitute investments. NMIS will have the right to rebalance your account at any time that NMIS determines that market fluctuations, a change in security pricing, a change in the underlying securities, or drift from the implemented asset allocation (which may result from market movement, security pricing and/or from contributions, disbursements or withdrawals from the account) warrants such action. Discretionary rebalancing may include rebalancing an account to the model allocation initially agreed upon and implemented, rebalancing the cash allocation by selling existing holdings to raise cash for payment of the advisory fee, and rebalancing the asset allocation by investing additional funds added to the account, using the same model initially agreed to and implemented.

Although NMIS generally rebalances all Program accounts as a group, due to various circumstances, it may not be possible to rebalance all accounts in the same or similar models within the same trading day. In addition, it may not be possible to trade all similarly

situated accounts on the same day if there are model reallocations, including but not limited to mutual fund substitutions or changes in the recommended allocation of asset classes within particular models. Accordingly, your account may not be rebalanced or reallocated at the same time and price as other clients in the same or similar models.

If you deposit cash, or withdraw funds, or transfer securities into your account, or otherwise make a large transfer in or out of your account, we will assume that you are maintaining your selected investment objective, time horizon, risk tolerance, and selected asset allocations.

In the event that you plan on making a withdrawal or deposit to the Program account and you seek to amend your asset allocation model and/or change your account investments, you are under the affirmative obligation to notify your Representative of any material change and your intent to modify your asset allocation and investments prior to making the withdrawal, requesting the disbursement, or depositing cash or securities into your Signature Portfolios account.

You may request that NMIS suspend systematic rebalancing for up to 90 days and such requests will be granted where appropriate. Even when NMIS suspends systematic rebalancing of an account at your request, NMIS has the right to override your direction and rebalance the account for any reason, including if additional cash or securities are deposited into the account, if NMIS determines that the asset allocation has materially changed from the implemented asset allocation, or to generate cash to pay NMIS' fees. This Program is

generally not intended for clients who do not want to participate in rebalancing.

Limitations on Withdrawals

This Program is intended for long-term investors. Every time you withdraw funds from a Program account, NMIS must sell securities to raise funds, which results in costs to NMIS. The minimum dollar value of any trades placed by NMIS to accommodate a withdrawal from a Program account is approximately \$1,000.00. The amount of cash generated by this trading may exceed the amount of the withdrawal request, in which case, the remaining cash will be added to the cash allocation in the account. If you seek to withdraw funds on a periodic basis, you can only set up monthly or bi-monthly withdrawal plans which withdraw funds from a Program account on the 1st and/or 15th of any given month.

Managing Multiple Accounts to a Single Goal

You may have multiple Signature Portfolios accounts that you want to manage in a combined fashion for purposes of achieving a goal, such as saving for retirement. NMIS calls such an approach Goal Level Management ("GLM"). Goal Level Management (sometimes referred to as "household portfolio management") enables one or more owners to elect to designate assets in multiple accounts within a household as a single group of assets for purposes of managing toward a single investment objective and for purposes of a single, consolidated asset allocation (referred to as a "GLM Portfolio"). You can elect to use GLM by making those accounts subject to a single Investment Policy Statement signed by you which will contemplate multiple accounts and/or

multiple owner's assets (referred to as a "GLM Portfolio"). You should not use Goal Level Management if you do not have a single investment goal for the assets and accounts grouped together in the Investment Plan.

If you elect to use GLM, then the following information applies to the management of the GLM Portfolio: (i) the investor profile and financial circumstances used to help determine the Portfolio's investment objective, risk tolerance and asset allocation reflect the joint responses of all owners proposing to participate in the GLM Portfolio, (ii) the Portfolio described in the Investment Policy Statement is a combined Portfolio of assets in multiple accounts that will be managed as a single combined Portfolio with respect to the asset allocation and investment objective, (iii) all owners jointly elect to designate assets in accounts as a single group of assets for purposes of managing toward an investment objective and for purposes of a single, consolidated asset allocation, and (iv) all owners authorize NMIS to share all information about each account with all account owners or authorized signatories for each account participating in the GLM Portfolio.

The overall asset allocation for the Program accounts' assets grouped for Goal Level Management is called the Goal Level Asset Allocation. Each existing Program Investment Policy Statement is replaced by the consolidated GLM Investment Policy Statement and NMIS will manage the aggregate Portfolio as a group with respect to the Goal Level asset allocation. The asset allocations of each Program account included within the GLM Investment Policy Statement are aggregated to create the Goal

Level asset allocation for the combined Portfolio. Applying GLM to existing Program accounts may change subsequent performance report data, such as the benchmark and inception date to reflect the multiple accounts aggregated into the GLM Portfolio.

When accounts that are owned differently (i.e., different registrations or different taxable status) or owned by different owners and grouped for Goal Level Management, the management of your account(s) participating in a GLM Portfolio may be affected (positively or negatively) by the actions, decisions, instructions, inactions, and/or omissions of other owners participating in the GLM Portfolio. NMIS is not responsible or liable for the acts of other owners participating in a GLM Portfolio with you.

Transactions in a specific security, such as when a security is added or removed from accounts, may not be accomplished for all your accounts in the GLM Portfolio at the same time or at the same price.

Statements and Reporting

You will receive a NMIS brokerage account statement no less than quarterly, reflecting account holdings, account value and account activity since the end of the previous reporting period. If there has been any trading activity in the account for any given month, you will receive a month-end statement reflecting that activity. You will receive trade confirmations unless you elect not to receive them. You will receive performance reports on a periodic basis that will allow you to track the progress of your account. Program account performance will be compared to selected benchmark indices using industry standard calculations.

Trade Aggregation

NMIS, at its discretion, may aggregate purchases or sales of equities and ETFs, and allocate such trades among two or more of its clients. Each client within any given order batch receives the same average share price for all transactions of that security. All mutual fund trades will be sent for execution throughout the day and receive the same end of day price.

Trade Errors

From time to time, in the normal course of business, trade errors may occur in advisory accounts. NMIS' policy is that advisory clients will not bear the cost of losses resulting from trade errors caused by NMIS. Where there are gains that result from trade errors, NMIS will net overall gains and losses on an annual basis and net gains may be retained by NMIS in its sole discretion.

Use of NMIS as Broker-Dealer

NMIS seeks to obtain best execution for all transactions in your account. However, by participating in this wrap fee Program that combines advisory and brokerage services, you may not obtain prices for securities that would be as favorable if NMIS were functioning solely as an adviser and seeking the best possible prices for securities among different brokers.

If you terminate your authorization to direct your Signature Portfolios trades to NMIS that action will result in you terminating your Program Agreement, as you will no longer be able to have your funds invested in the Program. NMIS cannot facilitate requests to execute Signature Portfolios transactions through any other broker or dealer other than NMIS.

Pershing as Custodian

Pershing LLC acts as custodian for funds and securities that you or NMIS deposits into your account or that it receives as the result of securities transactions it processes. Inquiries to Pershing concerning the positions and balances in your account may be directed to the Pershing Customer Service Department, One Pershing Plaza, Jersey City, NJ 07399 (201-413-3333). Pershing services include the carrying of cash, and securities positions, the execution of securities transactions, the preparation of client trade confirmations and client statements, the settlement of securities transactions, the performance of designated cashiering functions and the preparation of certain books and records related to reported securities transactions. Pershing provides NMIS brokerage account statements.

NMIS urges you to compare account statement information received from your custodian to account statement information received from your adviser.

In comparing your Program account information, you should note that balance and transaction information may vary in the event the dates of the reporting periods differ for the respective statements.

Pershing regularly reviews order routing and execution quality transaction data from the accessed market centers for speed of execution, counter-party risk, cost of access, use of technology and liquidity enhancement. NMIS periodically review Pershing's execution quality transaction data and works with Pershing to identify and to address trade execution issues.

Northwestern Mutual Client Service Center

Under certain circumstances Program accounts may be serviced by NMIS employee representatives (Service Center Representatives) located in the Northwestern Mutual Client Service Center ("NM Client Service Center") in NMIS' home office of Milwaukee, Wisconsin. A Program account may be serviced by the NM Client Service Center under various circumstances, including the client's local Representative is no longer with Northwestern Mutual and another local Representative is not available. Service Center Representatives are employees and registered representatives of NMIS and also employees of NMWMC. Service Center Representatives are compensated with a salary and company bonus plan related to broad-based company goals. Service Center Representatives' compensation is not related to account values, fees or commissions of the accounts they service.

B. PROGRAM FEES

You pay NMIS a fee on a calendar quarter basis in advance for its services in accordance with the following blended wrap fee schedule. All fees are prorated over the first calendar quarter the account is open.

Program Fee Schedule

Account Assets	Gross Annual Fee	Offset	Net Annual Fee
First \$100,000	2.00%	0.35%	1.65%
Next \$400,000	1.70%	0.35%	1.35%
Next \$500,000	1.35%	0.35%	1.00%
Next \$1,000,000	1.15%	0.35%	0.80%
Next \$1,500,000	0.95%	0.35%	0.60%
Next \$1,500,000	0.90%	0.35%	0.55%
Next \$5,000,000	0.85%	0.35%	0.50%
Above \$10,000,000	0.75%	0.35%	0.40%

Fee Definitions

Tiered (Blended) Pricing Schedule

Program fees charged to your account are a blending of the rates in the schedule shown. For example, a \$300,000 account is charged 1.65% on the first \$100,000 of Signature Portfolios assets and 1.35% on the next \$200,000 of such assets. The resulting blended fee is 1.45% or \$4,350 per year.

Fee Offset: The Signature Portfolios Gross Annual Fee rate is reduced (or offset) by an estimated average of the underlying investment management fees charged by Russell Investments, a Northwestern Mutual affiliate, on Russell Funds held in NMIS and NMWMC investment advisory programs. Tax-qualified accounts that hold Russell Funds will receive a fee credit for investment management fees charged by Russell Investments that exceed the offset amount. In addition, tax-qualified accounts will receive a fee credit for any other revenues Northwestern Mutual receives from third parties related to funds held in the account (such as

12b-1 fees). Depending on the mutual funds or ETFs in your Program account, you will incur fees in addition to the Annual Fee. See section on “Other Fees and Expenses” below.

Net Annual Fee: After the Offset, the Net Annual Fee is the stated fee for the Program that NMIS is charging for providing advice and other services to you. The Net Annual Fee is the rate used to determine the Annual Fee deducted from your account assets. A NMIS Representative may negotiate the Signature Portfolios account Net Annual Fee with you. Fees may differ based on a number of factors including, but not limited to, the amount of your assets, the number and size of accounts in your household maintained at NMIS or its affiliates, and the Representatives assisting you. If you hold existing NMIS or NMIS affiliate advisory accounts then you and members of your household may receive a lower negotiated Net Annual Fee than others not so situated by having your assets aggregated for wrap fee billing calculation. The members of your household are defined as you, your spouse or domestic partner, and/or any unmarried children under the age of 21 who reside at the same address.

Fees are billed to Signature Portfolios accounts quarterly in advance generally using the account value as of the last business day of the previous quarter. The initial fee will be based on the value of the assets as of the date of the initial investment into the Signature Portfolios account. NMIS may make fee adjustments based on significant changes in account assets during any quarterly period.

NMIS retains a portion of the account wrap fee to manage Program accounts that consists of (a) a program fee that ranges from \$250-\$600 a year, and (b) 15%-65% of the remaining net annual client fee to cover portfolio management, field supervision, and brokerage expenses, with the balance of the advisory fee typically paid to the Representative or Representatives servicing your account.

Transaction Fees: NMIS will not charge Program clients transaction fees.

Termination: Either you or NMIS may elect to terminate the Client Agreement at any time without cause by providing 30 days prior written notice of such termination to the other party. For accounts that have been open for more than one year, you will receive a refund of advisory fees paid in advance pro-rated from the date of termination through the end of the quarter. No fee adjustments will be made for appreciation or depreciation in the account value during a quarter.

Suspension of Trading and Billing: NMIS will suspend trading and the charging of a Program fee for any account if the balance of the account falls below \$10,000. If the balance of a suspended Program account increases to above \$10,000 through additional deposits or market appreciation, NMIS will resume managing the Program account, and will re-commence charging the account for Program fees.

Early Termination: The Program is intended for long-term investments. NMIS incurs significant costs and provides significant value to you at the time an account is opened and funded. NMIS expects to recover those costs

over time from you by charging an asset-based net client fee that is disclosed in this Brochure. If you terminate a Program account prior to the account being open for one year, NMIS will retain any advisory fees paid in advance. Because advisory fees are asset based, the dollar amount of fees retained for larger accounts will be higher than for smaller accounts (although on a percentage basis, the retained amount may be lower for larger accounts).

NMIS reserves the right to charge an additional fee, depending on the circumstances, to recover costs that NMIS has already incurred but not recovered in providing advice and services to you. The advisory fees paid in advance plus any additional fee will not exceed the total net client fees that would have been assessed to you had the total value of your Program account on the termination date remained in the Program for the balance of the first year.

Other Fees and Expenses: Certain brokerage related fees such as SEC fees, wire transfer fees, account termination fees, stock certificate processing and other miscellaneous NMIS fees associated with the related brokerage account will be charged to you by NMIS. You will be subject to short-term redemption fees that maybe charged by a mutual fund. These fees, if applicable, are usually 1%-2% of the redeemed amount and are used to reimburse the fund for costs associated with short-term trading of their shares. Your investments in the Program may also be subject to other fees, expenses and charges imposed by other third parties such as, in the case of mutual fund or ETF investments, investment management fees, 12b-1 distribution fees, shareholder servicing fees, administrative servicing fees and brokerage expenses. Each shareholder in a mutual fund/ETF is responsible

for a proportional share of such applicable fees and expenses.

Underlying mutual fund or ETF investment fees and expenses that are borne proportionately by all shareholders are not a part of the Net Annual Fee. . You should consider such fees and expenses in evaluating the overall cost of the Signature Portfolios Program. Please refer to the applicable fund prospectus for more information on the underlying fees and expenses associated with investments in mutual funds and ETFs.

You may be able to obtain similar investment advisory services from other investment advisers for a lower fee. Other investment advisers may offer similar or identical mutual fund investment options using share classes with lower operating expenses (including 12b-1 fees). The overall fees you pay for this Program may be more costly than paying for the services separately, depending upon the investment advisory fees charged, the number of transactions for the account, and the level of brokerage and other fees that you would pay if you purchased the services offered by the Program as separate services. Any 12b-1 fees and shareholder servicing fees generated by assets held in Program accounts are not paid to the Representative. See "Conflicts of Interest Related to Receipt of 12b-1 Fees" below.

The compensation your Representative may receive for recommending the Program may be more than what your Representative would receive if you participated in other investments that could be recommended by your Representative, or if you paid separately for investment advice, brokerage and other services. Therefore, your Representative may have a financial incentive to recommend the

Program to you over other available services or programs.

All Program client assets will be executed, cleared, settled and custodied, at Pershing LLC, as NMIS' clearing agent. NMIS offers the Program only as a wrap fee program that combines NMIS' advisory and NMIS' brokerage services (including access to Pershing for execution, clearing, settlement and custody of Program assets). NMIS believes that offering this combination of services results in a lower price to you than if NMIS were to offer the advisory services it provides through the Program priced as a separate service, in conjunction with you paying separately for brokerage services. However, it is possible that you could purchase comparable advisory and brokerage services elsewhere separately for a lower price.

II. Account Requirements and Types of Clients

The Program requires a minimum of \$50,000 in investable account assets (some portfolios are available at \$25,000 if a household has another Signature account with assets totaling at least \$50,000).

The Program is available to any client meeting participation minimums including: individuals, IRA accounts, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, or other business entities. The Program is not available for government entity clients. Government entities are state governments, local governments, and any of their subdivisions, agencies, authorities or instrumentalities. Government entities also include: 1) a pool of assets sponsored by a

government entity (e.g., a defined benefit plan); 2) a plan or program of a government entity (e.g., 457 and 403(b) plans); and 3) an official or employee of government entity if the person is acting in an official capacity for the government entity.

III. Portfolio Manager Selection and Evaluation

A. PROGRAM MANAGEMENT OVERVIEW

The Program offers a selection of fund portfolios, including ETFs ("Program Portfolios") that can be used to implement a NMIS recommended asset allocation. By signing the Client Agreement and the Investment Policy Statement, you acknowledge that (1) you (not NMIS or your Representative) have selected the Program Portfolio, (2) the selected portfolio may perform differently than the other available portfolios over time, and (3) this Program is for long-term investors.

For a list of the currently available Program Portfolios, ask your Representative. The NMIS Investment Products and Programs Committee (the "Committee") functions as the portfolio manager. This Committee is composed of members of NMIS' senior management who are experienced in investment advisory programs and services. The Committee uses the non-discretionary advice of NMWMC to select and monitor eligible Program securities and to construct and manage the Program Portfolios. The Committee evaluates the performance of Program accounts using time weighted performance and an adviser chosen benchmark which reflects your investment objective using industry standard methods. NMIS reviews the accuracy of performance information by sampling

account performance reports. The Committee evaluates the performance of the funds, ETFs and model portfolios offered through the Program. The Committee members do not have direct contact with clients.

NMIS advisory supervisors review accounts at account opening for suitability of the asset allocation selected in light of a client's stated risk tolerance and investment objectives. Thereafter your Representative will annually offer to review with you the suitability of an account's investments and an account's performance. You may request a review of your account with your Representative at any time and are not limited to an annual review. If your situation has significantly changed such that the information you originally provided to your Representative in determining the appropriate asset allocation and investment selection is no longer reflective of your current circumstances, it is incumbent upon you to notify your Representative of such circumstances so that any necessary changes to your Program account may be made.

Customized Fund Portfolios ("Customized")

NMIS and NMWMC have contracted with Morningstar Associates, LLC ("Morningstar"), an industry leader in mutual fund research, to provide research and portfolio construction recommendations. Morningstar's portfolio construction methodology attempts to integrate the asset allocation framework provided by NMIS. Morningstar employs a fund selection process using quantitative analysis. Morningstar begins with a universe of more than 10,000 mutual funds (excluding the Russell Funds, as defined below) that are available for investment on the NMIS brokerage platform. Morningstar's screening process examines funds' past returns,

style consistency, expenses, manager tenure and other quantitative screens. In addition, Morningstar performs qualitative analysis of funds' portfolio construction and investment style based on interaction with fund managers. This qualitative review assists Morningstar in understanding a fund manager's investment philosophy and investment process and the fund's organizational structure when determining the appropriateness of including or excluding a specific fund in a Customized Fund Portfolio.

A select list of mutual funds that has passed Morningstar's quantitative and qualitative screening process is the primary universe available to construct client portfolios (known as "the Morningstar List"). NMIS reserves the right to include or exclude specific funds or asset classes as part of this investment universe. Next, Morningstar then works from this select list to construct portfolios, develop a customized solution for the Program by examining funds' correlation, as well as sector and security overlap to achieve the best fit for an investor's desired investment objectives and risk tolerances within NMIS' asset allocation. Morningstar provides ongoing monitoring and reviewing of individual funds and periodically makes recommendations for specific changes in fund selection and portfolio composition. NMIS independently reviews the research and portfolios it receives from Morningstar and NMIS is responsible for how it chooses to implement Morningstar's research in the Customized Fund Portfolios. You should keep in mind that funds' past performance is not necessarily indicative of their future performance. For a description of the available Customized Fund Portfolios, ask your Representative.

Multi-Style, Multi-Manager Fund Portfolios ("Multi-Manager")

You may elect to invest in a blended portfolio of mutual funds from the Russell Investment Group ("Russell"), a provider of a multi-style, multi-manager diversification approach to mutual fund creation and management ("Multi-Manager Portfolios"). NMIS independently reviews Russell's process of manager selection and portfolio construction using non-discretionary investment advice provided by NMWMC.

The process Russell follows to create its mutual funds begins with a screening process whereby Russell investigates more than 4,500 institutional money manager firms and their 8,600 investment products from Russell's offices around the world. Russell's research analysts use objective analysis and face-to-face interviews to contribute to a better understanding of a manager's prospects for success. Russell judges a management company on a combination of four key factors: people, process, portfolio and performance. Once the managers are selected, Russell blends the managers in complimentary ways to create its mutual funds. Russell's approach to mutual fund construction builds long-term manager portfolios based on investment discipline, style consistency and risk assessment.

NMIS independently screens on an ongoing basis the available Russell Funds to validate that the resulting Russell Funds have appropriate performance, risk and expense measures relative to peers and benchmarks.

Utilizing non-discretionary advice from NMWMC, NMIS then independently blends portfolios of multi-style, multi-manager Russell Funds

together to obtain a diversified portfolio of equities and fixed income funds. The resulting portfolios are screened on an ongoing basis to validate appropriate portfolio performance measures relative to peers and benchmarks.

Russell is a subsidiary of The Northwestern Mutual Life Insurance Company ("NM") and an affiliate of NMIS and NMWMC. As a result of the relationship between NMIS and Russell, the offering of Russell Funds creates a conflict of interest for NMIS. The Russell Funds used to construct the Multi-Manager Portfolios undergo a less stringent review process than the process followed by Morningstar. Russell Funds may or may not meet the criteria for inclusion in the Morningstar developed Customized Portfolios. The Russell Funds are not subject to the initial and on-going quantitative and qualitative screening reviews that all other available platform mutual funds and ETFs are subject to in this Program. When a client selects a Multi-Manager Portfolio, NMIS and NM may benefit from this selection through increased revenue to NM and its affiliates through advisory and investment management fees. Accordingly, NMIS has a conflict of interest in including Russell Funds in this Program and recommending them to clients in the Multi-Manager Portfolios. In the event that NMIS has concerns with a particular Russell fund in a Multi-Manager Portfolio, NMIS may remove the Russell fund in the portfolio and replace it with an eligible Program security. A Representative does not receive additional compensation based on the Program Portfolio recommended to clients. For a description of the available Multi-Manager Fund Portfolios, ask your Representative.

Market Index Portfolios: You may elect to invest in a market indexed model portfolio. These portfolios are designed for clients who are attracted to indexed investment products, which typically have lower expense ratios than actively managed mutual funds. The Market Index Portfolio models are constructed with ETFs and other indexed securities including indexed mutual funds chosen by NMIS; however, actively managed funds also may be utilized in asset classes where suitable indexed securities are not available. Because of their structure, some ETFs also may be desirable for clients seeking a more tax sensitive approach. ETFs and indexed mutual funds generally are designed to closely track an index or associated benchmark and are not actively managed. Each asset class generally will be represented by indexed securities that individually, or in combination, create a style neutral portfolio. Because indexed securities generally hold a large number of underlying securities, an asset class may be represented by only one indexed security. In other asset classes, several indexed securities may be used to achieve the necessary diversification and risk/return tradeoffs.

The ETFs and other indexed securities used in the Market Index Portfolios are chosen by NMIS based on a number of factors, including performance, expenses, assets under management, daily liquidity, diversification, risk, tracking error, and fit within the asset allocation models. Using the non-discretionary investment advice of NMWMC, NMIS then blends the securities together to create diversified models.

NMIS screens the ETFs and other indexed securities used in the Market Index Portfolios on an ongoing basis to ensure they have

appropriate performance, risk, and expense measures relative to peers and benchmarks.

B. ADVISORY BUSINESS

Northwestern Mutual Investment Services, LLC (“NMIS”) is a dually registered broker-dealer and investment adviser, and a wholly owned subsidiary of The Northwestern Mutual Life Insurance Company (“NM”). NMIS’ investment advisory services and products are limited to this Program. For additional information, see Section I. titled “Services, Fees and Compensation” above.

C. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Neither NMIS nor any Representative charges performance-based fees.

D. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

NMIS’ Investment Products and Programs Committee (the “Committee”) uses research regarding asset allocation and securities analysis from NMWMC. NMWMC principally uses quantitative analysis, but also uses qualitative analysis to develop the asset allocation strategies and select the investment options it recommends to NMIS. NMWMC examines underlying funds (which include ETFs, mutual funds, and variable annuity sub-accounts) past returns, risk, style consistency, expenses, manager tenure, fund history and other quantitative information relative to peers. It also conducts a comparative analysis of the funds’ individual Portfolios and investment styles. NMIS recommends asset allocation

strategies with risk tolerance ranges categorized from “conservative” to “very aggressive.”

Investing in securities involves risk of loss which you should be prepared to bear.

In developing its advice and asset allocation recommendations, the Committee relies upon Modern Portfolio Theory and capital markets assumptions made about the asset classes used in the Program. Modern Portfolio Theory assumes that risk can be forecasted based on the standard deviation of an asset class and that the returns on investments will occur over time in a normally distributed pattern of gains and losses. Historically, there have been several time periods in which markets have experienced gains and losses that could not have been predicted based on Modern Portfolio Theory. Therefore, your Program account may not perform as predicted by Modern Portfolio Theory because the risk of loss will vary from NMWMC's forward looking assumptions about asset class risk and return. Your investments may experience losses outside the range of outcomes assumed in constructing the asset allocation for your Program account and you could experience greater losses than expected.

Many Program accounts contain allocations to fixed income securities and bond mutual funds and ETFs. With fixed income securities and bond funds and ETFs, when interest rates rise, the prices of these securities you own decline, which could negatively affect overall performance. Bond prices correlate inversely with interest rates and this effect is usually more pronounced for longer-term bonds making their prices more volatile. At maturity, the issuer of the bond is obligated to return the principal (original investment) to the investor. Bond funds (mutual funds and ETFs) continuously replace

the bonds they hold as they mature and thus do not usually have maturity dates, and are not obligated to return principal. High yield bonds present greater credit risk than bonds of higher quality. Clients should be aware of interest rate risk and its impact on fixed income securities and bond mutual funds and ETFs. A significant rise in interest rates in a short period of time would cause losses in the market value of any bonds or bond funds that you own.

E. VOTING CLIENT SECURITIES

You will retain the sole authority and responsibility for voting all proxies for those securities held in Program accounts. NMIS and its Representatives will have no obligation or authority to take any action or render any advice concerning the voting of proxies for securities held or transferred into the Program. All proxies related to Program assets will be sent to you for response.

IV. Client Information Provided to Portfolio Managers

NMIS is the Portfolio Manager for the Program. Your Representative communicates to NMIS your selected asset allocation, which is based on factors such as your risk tolerance, time horizon, stability of future income, investment philosophy and sensitivity to risk, as well the Program Portfolio you select for your account.

For additional information, see Section I. titled “Services, Fees and Compensation – Program Services” above.

V. Client Contact with Portfolio Managers

You can communicate with NMIS through your Representative and you also have the option to contact NMIS at 1-866-664-7737. Your Representative will offer to meet with you at least annually to discuss any changes in your risk tolerance, investment objective, time horizon, or other financial circumstance that might affect the suitability of the account's investments and/or asset allocation and make any changes as needed.

VI. Additional Information

A. DISCIPLINARY INFORMATION

NMIS was involved in the following regulatory proceedings involving the Financial Industry Regulatory Authority ("FINRA"), an entity which regulates NMIS' broker-dealer activities. In the settlements below, NMIS consented to the entry of findings and the imposition of the sanctions described without admitting or denying the allegations. These matters do not relate to NMIS' advisory business but may be relevant to your decision whether to do business with NMIS.

Auction Rate Securities

In a 2009 settlement, FINRA censured and fined NMIS \$200,000 for violating FINRA rules between 2006 and 2008 relating to NMIS' marketing and sale of Auction Rate Securities ("ARS"). FINRA found that NMIS failed to maintain adequate supervisory procedures concerning its sales and marketing activities regarding ARS. Pursuant to an agreement with FINRA, NMIS offered to buy back all ARS, grant relief for investors who sold their ARS below par, arbitrate any consequential damages claims through a FINRA special arbitration program,

and provide reports to FINRA concerning compliance with the agreement.

Mutual Fund Sales

In a 2007 settlement, FINRA censured and fined NMIS \$100,000 for conduct that occurred between 2002 and 2004 that FINRA found violated rules related to NMIS' failure to establish, maintain and enforce a supervisory system and procedures reasonably designed to identify opportunities for certain investors to purchase certain mutual funds at Net Asset Value ("NAV"), and ensure that those investors received the benefit of available NAV transfer programs. Subsequent to a FINRA examination, NMIS promptly engaged in remedial action to (1) identify all funds with NAV transfer programs that it sold, (2) assess the extent to which customers were harmed, (3) provide remediation to eligible customers, and (4) retain a third party to assess NMIS' remediation.

Untimely Reporting of Complaints and other Violations

In a 2006 settlement, FINRA censured and fined NMIS \$115,000 for violations of FINRA rules relating to NMIS' obligation to make timely reporting to FINRA of certain kinds of customer complaints and NMIS' failure to follow terms of a previous settlement with FINRA. NMIS failed to timely report customer complaints regarding misappropriation of funds or forgery; disciplinary actions against its registered representatives that resulted in terminations or suspensions; and felony charges against an associated person.

NMIS also failed to pre-file sales material regarding variable life insurance products with FINRA as agreed upon in an earlier settlement with FINRA; failed to accurately report municipal

securities transactions and failed to accurately prepare municipal customer confirmations.

Failure to Report Complaints and Update Disclosure Documents

In a 2005 FINRA Hearing Panel decision, NMIS was censured and fined \$110,000, NMIS' then-Chief Compliance Officer was censured and fined \$15,000, and a former NMIS Chief Compliance Officer was censured and fined \$5,000 for violations of FINRA rules that occurred from 1999 to early 2001 relating to failure to file certain statistical and summary reports within the reporting period required by FINRA rules, failure to timely report two settlements and file an amendment to a registered representative's Form U-5 document to reflect settlements with customers and customer arbitrations, as well as for failure to adequately supervise NMIS personnel regarding the handling of customer complaints. In response, NMIS implemented procedures to enhance the firm's compliance reporting processes.

Marketing of Variable Life Insurance

In a 2004 settlement, FINRA censured and fined NMIS \$1,000,000 for NMIS' failure to comply with FINRA rules relating to the sales and marketing of securities that occurred between 1998 and 2001. One NMIS representative presented variable life sales training seminars during 1998 through 2001 that did not comply with FINRA rules because the variable life product was presented to other registered representatives in an unbalanced and inappropriate way. A second NMIS representative sent four letters to customers during 1998 through 2000 that did not comply with FINRA advertising rules because inappropriate terms were used to describe

variable life insurance policies. FINRA found that NMIS did not adequately supervise these two registered representatives in accordance with FINRA rules and that it did not appropriately maintain internal e-mail communications in accordance with FINRA rules. NMIS agreed to file with FINRA's advertising regulation department all institutional sales materials used for educational purposes relating to internal seminars and training sessions concerning variable life insurance prior to first use for a period of one year. NMIS also agreed to provide notice to all current registered representatives who attended the seminars at issue that explained the deficiencies in the seminars. NMIS paid a \$10,000 fine to the Pennsylvania Department of Insurance in connection with the same matter.

B. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Northwestern Mutual Investment Services, LLC ("NMIS")

NMIS is a wholly-owned company of The Northwestern Mutual Life Insurance Company ("NM"). NMIS is registered with the Securities and Exchange Commission ("SEC") as a broker-dealer under the Securities Exchange Act of 1934, and as an investment adviser under the Investment Advisers Act of 1940. NMIS' principal business activity is as a securities broker-dealer. Your Representative is also a registered representative of NMIS as broker-dealer. NMIS is the distributor for NM variable annuity and variable life contracts. Most of NMIS' registered representatives are also agents of NM and Northwestern Long Term Care Insurance Company ("Northwestern Long Term Care"). NMIS is an insurance agency. NMIS registered representatives also may offer

variable life, variable annuity and group variable annuity products issued by unaffiliated insurance companies. NM offers and sells to the public traditional life insurance products, disability insurance and long-term care insurance. Most of NMIS' principal executive officers devote substantially all of their time to these insurance, securities brokerage, and advisory activities.

The Northwestern Mutual Life Insurance Company ("NM")

NM provides the capital investments needed for NMIS to meet net capital requirements for operating as a registered broker-dealer. Some of its officers and employees are also officers and employees of NMIS or function in similar capacities. NM also provides to NMIS certain accounting and tax services; internal audit services; treasury services; human resources services; management information system services; marketing and communications services; legal services; compliance services; insurance services; general corporate services; contract, license and registration services; financial and estate planning support services; training and development services; product development and corporate project services; field compensation services; special investigation services; and other services as agreed to by the parties. NMIS is included in NM's consolidated federal income tax returns, and they have a tax allocation agreement that governs their respective federal income tax liabilities and provides for compensation to one entity for use by the other entity of any net losses or credits as well as the allocation and payment of any refund arising from the application of any losses or credits. This inter-company agreement is intended to result in no less favorable treatment to NMIS than if it had filed its income tax return as a separate entity.

Northwestern Mutual Wealth Management Company ("NMWMC")

NMWMC is a limited purpose federal savings bank. NMWMC and NMIS are both under the common control of NM. NMIS has a brokerage services agreement with NMWMC whereby NMIS offers brokerage and other services to support NMWMC in offering investment advisory services to its clients. NMWMC offers research and asset allocation services to NMIS for the Program pursuant to the terms of a service agreement. It is a conflict of interest for NMIS to use NMWMC's advisory services for this Program. NMIS did not use a due diligence process to select NMWMC as rigorous as it would have used if it were hiring an unaffiliated advisor to provide these services. NMIS mitigates this conflict by its Investment Products and Programs Committee reviewing the research and advice provided by NMWMC.

Some of NMIS' registered representatives are both a NMIS Representative and a NMWMC representative. From time to time, NMIS Representatives may refer clients to NMWMC for other advisory programs and for trust or private client services. NMIS Representatives may have an incentive to refer clients to NMWMC for other advisory programs and for trust or private client services because NMWMC may pay NMIS and/or that Representative compensation for the referral and because of the revenue generated by NMWMC through other advisory programs, trust or private client service engagements.

Russell Investment Group

NMIS and the Russell Investment Group, a majority owned subsidiary of NM, are related persons because they are under common

control. The Russell Investment Group owns Russell Investment Management Company ("RIMCo"), a registered investment adviser, among other entities.

RIMCo serves as investment adviser to Russell Investment Company ("RIC"), a registered open-end investment company, and receives compensation for doing so. RIC offers a number of open-end mutual funds ("Russell Funds") that are available in the Signature Portfolios Program. RIMCo earns ongoing investment management fees when Program clients purchase Russell Funds. This may create a monetary incentive to recommend Russell Funds to you. Russell Funds' marketing Representatives have been afforded significant access to Representatives of NMIS through appearances at and participation in meetings and sales conferences which may be held with Representatives of NMIS. It is a conflict of interest for NMIS to advise that you invest in Russell Funds in this Program. For more information about this conflict and how NMIS addresses it, see Section III A. regarding the Multi-Style, Multi-Manager Fund Portfolios.

Relationship with Pershing LLC and related Conflicts

FUNDVEST®

Brokerage accounts opened through NMIS are held at Pershing LLC ("Pershing"), which is an unaffiliated company that acts as a clearing firm for NMIS. Pershing receives servicing fees from certain mutual fund families to participate in Pershing's mutual fund no-transaction-fee program ("FUNDVEST®"). Pershing passes a portion of these fees on to NMIS. NMIS receives between 0% and 0.25% (e.g., between \$0 and

\$25.00 on a \$10,000 investment) per year from Pershing when a NMIS client invests in a fund that participates in Pershing's FUNDVEST® program. NMIS receives this additional compensation for providing shareholder services and other administrative services to NMIS clients. In addition, Pershing does not charge NMIS transaction charges for transactions in funds that participate in the FUNDVEST® program. A list of fund families participating in the FUNDVEST® program can be found at <http://www.northwesternmutual.com/legal-information/Documents/fundvestlist.pdf>. NMIS has an incentive to recommend a mutual fund in the FUNDVEST® program in favor of a mutual fund that does not participate in FUNDVEST®, which is a conflict of interest. For additional information on a particular mutual fund's payment and compensation practices with respect to FUNDVEST®, please see the mutual fund's prospectus. Representatives of NMIS do not receive any compensation from NMIS, Pershing, or any participating mutual fund families related to the FUNDVEST® program. However, client assets in mutual funds participating in the FUNDVEST® program advised by NMIS and held in underlying NMIS brokerage accounts as part of the Signature Portfolios Program will positively impact NMIS' revenue.

Operational Credit Payments

NMIS receives annual credits from Pershing based upon NMIS' trade volume and economies of scale based on the volume of transactions on Pershing's platform. NMIS receives up to \$2.00 per trade on the following: mutual funds, equities, exchange traded funds (ETFs), options, fixed income securities, and unit investment trusts (UITs). Representatives of NMIS will not receive any compensation from NMIS or

Pershing related to the operational credits NMIS receives from Pershing.

Payments for Contract Renewal

NMIS has received and may receive compensation from service providers for agreeing to renew its contracts with service providers.

Payments Related to Cash Sweep Options

When you open your NMIS brokerage account for this Program, you will be asked to select from among different Cash Sweep Options offered by NMIS. Options range from FDIC insured vehicles to money market mutual funds that are either taxable or tax exempt. Account assets that are held in an FDIC insured Cash Sweep Option will be held at depository institutions in accounts insured by the Federal Deposit Insurance Corporation ("FDIC") up to applicable limits per depositor. Please see the FDIC-insured deposit account disclosure documents for additional information. With the exception of the FDIC insured Cash Sweep Options described in this section, Program accounts are not deposits and are not FDIC insured.

NMIS receives additional compensation from Pershing based on assets held within the Cash Sweep Options offered within NMIS accounts. NMIS has made various Cash Sweep Options available to NMIS clients. For more information please visit

<http://www.northwesternmutual.com/legal-information/Documents/920345.pdf>

Conflicts of Interest Related to Receipt of 12b-1 Fees

NMIS may recommend that clients participating in the Program purchase shares of mutual funds. Pursuant to arrangements NMIS or Pershing has made with certain of the mutual funds available for purchase in the Program, NMIS receives administrative, distribution, or shareholder servicing fees (collectively "12b-1 fees") from mutual funds either directly or through the FUNDVEST® program. Fees paid to NMIS will vary depending on the amount of client assets that are invested with mutual funds that are subject to such fee arrangements. The amount of the 12b-1 fee payments to NMIS will vary depending on the mutual fund, the share class, the amount of assets held in NMIS brokerage accounts (including NMIS and NMWMC advised assets held in underlying NMIS brokerage accounts) invested in a particular mutual fund and other factors. The Program may not always offer clients all share classes made available by a mutual fund, including the lowest cost share class. You may be able to purchase lower cost share classes outside of the Program or through other advisers. Details on operating expenses of each share class are included in each mutual fund's prospectus. Representatives do not receive any 12b-1 fee payments in connection with the Program. Because the amount of 12b-1 fees NMIS receives is proportional to the volume of your assets held in underlying NMIS brokerage accounts, NMIS has an incentive to promote and increase the investment of your assets in mutual funds from which NMIS will receive payment of 12b-1 fees. As a result, Representatives may have increased exposure to particular marketing and educational initiatives focused on mutual funds from which NMIS receives 12b-1 fees.

Conflicts Related to Affinity Fund Partners Program

Because there are thousands of mutual funds available to investors, NMIS focuses on a select group of fund families that offer a broad spectrum of mutual funds. NMIS has selected seven fund families (AllianceBernstein, American Century, American Funds, Fidelity Advisor, MFS, PIMCO, and Russell) to participate in NMIS' Affinity Fund Partners (AFP) program. AFPs have greater access to representatives to provide training, education and product information and are invited to participate in representative meetings and sales conferences. AFPs may also receive other benefits. To participate in the AFP program, fund families have to be willing to contribute financially to help sponsor specific training, education and sales events as well as provide additional compensation to NMIS for marketing and distribution-related expenses. These types of financial contributions are often referred to as revenue sharing. Each AFP discloses revenue sharing arrangements in their respective prospectuses. NMIS has an incentive to promote and increase the investment of your assets in AFP mutual funds from which NMIS will receive revenue sharing. NMIS does not provide a financial incentive to representatives to sell AFP funds instead of other mutual funds.

Other Conflicts Related to Mutual Fund Distribution

In addition to fund families in the AFP Program, NMIS receives payments for marketing and distribution-related expenses from the distributor or investment adviser of the following fund families: Allianz Global Investors, Aston Funds, Baron Funds, Credit Suisse, Delaware Investments, DWS Investments, Eagle Asset Management, Franklin Templeton Investments, Invesco, Keeley Funds, Natixis Global

Associates, Nuveen Investments, Oppenheimer Funds, Pioneer Investments, and Putnam Investments. NMIS may receive fees based on a percentage of new dollars invested (sales fees) and assets held (annual asset fees) by NMIS customers in each family's funds. NMIS may enter into new agreements to receive other payments. For the most recent list of fund families that participate in the programs described above and information on the amounts NMIS receives, please visit www.northwesternmutual.com/legal-information/Documents/920345.pdf

NMIS has an incentive to promote and increase the investment of your assets in mutual funds from which NMIS will receive payments for marketing and distribution related expenses. NMIS does not provide a financial incentive to representatives to sell these funds instead of other mutual funds.

Conflicts of Interest Related to the Morningstar List of Mutual Funds and Customized Portfolios

As described above, NMWMC and NMIS have entered into an agreement with Morningstar Associates LLC ("Morningstar") to create the Morningstar List. Morningstar has been directed by NMWMC (on NMIS' behalf) to consider AFP status in connection with its preparation and maintenance of the Morningstar List as well as the construction of the Customized Portfolios. As a result, certain of the AFP mutual funds are included on the Morningstar List and in the Customized Portfolios and others may be added in the future. However, at no time will an AFP mutual fund be selected by Morningstar solely based on the AFP's relationship with NMIS or its affiliates. Morningstar has confirmed that all funds appearing on the Morningstar List and in

the Customized Portfolios are and will be comparable in quality and that its investment evaluation and selection methodology employed in producing the Morningstar List and the Customized Portfolios is not compromised by virtue of its recognition of AFP status.

Conflict of Interest Related to Annual Fees for Market Index Portfolios

NMIS charges its representatives an annual fee for each Signature Portfolios account on which they are the assigned representative. The annual fee that NMIS charges its representatives is greater for accounts that select the Market Index Portfolio than for accounts that select the Customized or Multi-Manager Portfolio. Accordingly, NMIS representatives have a conflict of interest that may influence them to recommend the purchase of a Customized or Multi-Manager Portfolio instead of a Market Index Portfolio. Because the annual fee is paid by the representative and not you, this conflict of interest does not affect the fee paid to NMIS by you. If you have questions about the annual fee, please ask your Representative.

Affiliated Mutual Funds and IRA and ERISA Accounts

Where a Representative makes an investment advisory recommendation to an ERISA client or to an IRA client to purchase an open-end registered mutual fund that is managed for an advisory fee by any NMIS affiliate, including in connection with any sweep services of fee credit balances, NMIS or its affiliates may receive such fee in accordance with the terms of Department of Labor ("DOL") Prohibited Transaction Exemption ("PTE") 77-4, and, as required

thereby, NMIS offsets the investment advisory or similar fees received from the affiliated mutual fund against its investment advisory fees under this Agreement. An example of an affiliated mutual fund would be any of the Russell Funds. See "Gross Client Fee Offset" above for an explanation of NMIS' offset structure, which applies to all clients.

For the purpose of complying with the terms of DOL PTE 77-4, you will be required to acknowledge and agree that: (i) the investment in NMIS affiliated mutual funds for a Signature Portfolios Program account is appropriate because of, among other things, the investment goals, redeemability/liquidity, and diversification of those funds; (ii) subject to NMIS' investment strategies and the investment guidelines for the account, all assets of the account may be invested in one or more of the NMIS affiliated mutual funds that may be used in connection with your account; (iii) you received or you will receive prospectuses for the NMIS affiliated mutual funds that may be used in connection with the account, which each include a summary of all fees that may be paid by the NMIS affiliated mutual funds to NMIS and/or to its affiliates; (iv) you received information concerning the nature and extent of the offset; and (iv) you may at any time instruct NMIS to sell any and all NMIS affiliated mutual funds in your account and/or may revoke your agreement to invest in NMIS affiliated mutual funds. On the basis of any applicable mutual fund prospectus or similar disclosure document for a mutual fund, other security or product, the disclosures contained herein, and the disclosures contained in your account agreement, you consent to the investment of the assets of the Signature Portfolios account in NMIS affiliated mutual funds, other securities or products and the

redemptions there from, subject only to limits, if any, set forth in your investment guidelines. ERISA regulations impose specific conditions on plan fiduciaries regarding execution of transactions with affiliated persons, principal transactions or agency-cross transactions. These restrictions may affect the services provided.

Loan Advance for Managed Accounts

NMIS Signature Portfolios clients have their brokerage accounts with NMIS, which uses Pershing as custodian and clearing broker-dealer. You may take advantage of a lending program made available by NMIS in association with and through NMIS' clearing firm and custodial broker, Pershing. Pursuant to this program, entitled "Loan Advance for Managed Accounts" ("LAMA"), Pershing makes available to NMIS brokerage clients the ability to obtain a line of credit. You are required to pledge assets in your brokerage accounts as collateral security for the loan. The LAMA program is not offered as an advisory program by NMIS. NMIS does not serve as an investment adviser to you with respect to determining whether or how you should borrow money using the LAMA program. Participation in the LAMA program may adversely affect performance of a NMIS advisory account, due to costs of interest and the possibility that assets could be liquidated to satisfy a margin call. Using a managed account as collateral for a loan may be inconsistent with the stated investment objective of the account, due to the fact that if the assets in the advisory account depreciate, they may have to be liquidated to secure the loan. There may be instances, depending on individual client circumstances, where a client's participation in the LAMA program would inhibit NMIS from fulfilling its contractual advisory duties and

administering the particular NMIS advisory program for the client's account. NMIS receives from Pershing between .75% and 2.75% interest on loans made through the LAMA program and thus NMIS has a conflict of interest in serving both as your investment adviser on an account and in making the LAMA program available for an account.

C. CODE OF ETHICS

NMIS has adopted a Code of Ethics pursuant to Rule 204A-1 of the Advisers Act (the "Code"). The Code acknowledges NMIS' fiduciary duty to its clients. The Code sets forth guiding principles and standards of business conduct to ensure that all NMIS employees and other persons supervised by NMIS ("Supervised Persons") act in accordance with the highest standards of personal and professional honesty and integrity, and comply with all applicable laws, rules and regulations. Certain Supervised Persons ("Access Persons") must also report their personal securities transactions and holdings.

The Code sets out the guiding principle that Supervised Persons will refrain from taking actions or seeking benefits that would prejudice the rights of any client or conflict with the best interests of any client. The Code, among other things, sets forth policies and procedures (1) monitoring personal securities transactions and holdings of Access Persons, (2) prohibiting transactions by Supervised Persons in securities of a company while in possession of non-public information about the company, and (3) ensuring that Supervised Persons safeguard all non-public and confidential information that NMIS may obtain from its clients or others. A copy of the Code is available to you upon request.

The Code is administered by the Chief Compliance Officer of NMIS. All Supervised Persons are expected to comply with the Code and failure to do so may constitute grounds for disciplinary action, including warnings, fines, disgorgements, suspensions, demotions and termination of Supervised Person's employment or association with NMIS.

D. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

NMIS' affiliate Russell Investment Group has a material financial interest in Russell Funds, which are within the Multi-Manager Portfolios that your Representative may recommend to you. For additional information, see Section III titled "Portfolio Manager and Selection and Evaluation – Program Management and Overview" and Section VI titled "Additional Information – Other Financial Industry Activities and Affiliations."

E. REVIEW OF ACCOUNTS

The NMIS Investment Products and Programs Committee evaluates the performance of the funds, ETFs and model Portfolios offered through the Program to determine their conformance with the NMIS investment philosophy. No less than annually the Committee, through your Representative, will review each Program account and offer you an opportunity to meet to review the account's status and your financial situation. NMIS advisory supervisors review accounts at account opening for suitability of the asset allocation selected in light of your stated risk tolerance and investment objectives. Thereafter your Representative will annually offer to review with you the suitability of an account's investments

and an account's performance. You may request a review of your account with your Representative at any time and are not limited to an annual review. If your situation has significantly changed such that the information originally provided to your Representative in determining the appropriate asset allocation and investment selection is no longer reflective of your current circumstances, it is incumbent upon you to notify your Representative of such circumstances so that any necessary changes to your Program account may be made.

F. CLIENT REFERRALS AND OTHER COMPENSATION

Referral Compensation

A registered representative of NMIS may act as a Solicitor on behalf of NMIS as an investment adviser ("Solicitor"). This Solicitor is a different individual from the one who is authorized by NMIS to act as your Representative to provide you investment advisory services under the Program.

If you have been referred to NMIS as an investment adviser by a Solicitor, you should know that the Solicitor has entered into an agreement with NMIS for the purpose of referring investment advisory clients to NMIS. In consideration for such services, the Solicitor will be compensated by a fee up to 34% of the investment advisory fees you pay to NMIS.

NMIS also may pay to the Solicitor bonuses and non-cash compensation based, in part, on client referrals. The referral fees described above will be payable for so long as your Program account is in existence, or until the quarter following the date that the Solicitor's registration as a registered representative with NMIS is

terminated. Upon termination of the referral arrangement with the Solicitor, the amount of the referral fees that would have been paid to the Solicitor will be retained by NMIS, and all or a portion of such fees may be used by NMIS to compensate its Representative who provides service to your Program account.

The Solicitor is not authorized to provide you with any investment advisory or supervisory services in respect to investment advisory accounts you maintain with NMIS.

NMIS may also refer insurance, securities brokerage or advisory clients to other broker-dealers or investment advisers and receive compensation as a "solicitor" within the meaning of Rule 206(4)-3 under the Investment Advisers Act of 1940.

Additional economic benefits which NMIS, its Representatives and affiliates receive by virtue of their relationships with others, and the conflicts of interest which arise out of those relationships are described in Section VI. Additional Information - Other Financial Industry Activities and Affiliations.

Representative Compensation

The individual NMIS Representative who recommends the Signature Portfolios Program to you will receive a portion of the fee paid by you. The amount of the compensation that a NMIS Representative may receive may be more than what he or she would receive if you paid separately for investment advice, brokerage and other services. The amount of compensation your Representative receives may also be more than what he or she would receive if you participated in other Northwestern Mutual-affiliated investment advisory programs.

Accordingly, your Representative may have a financial incentive to recommend the Program over other programs or services.

NMIS, as a broker-dealer through its representatives, and NMIS' Representatives, in their capacities as insurance agents for NM and Northwestern Long Term Care, effect securities transactions for individuals and sell life, long term care and disability income insurance to you and receive compensation as a result. A Representative may share in commissions on the sale of insurance and securities products with other licensed insurance agents of NM and/or Northwestern Long Term Care and/or other registered representatives of NMIS. Your Representative's interest in being compensated can conflict with your interests and can influence the advice you receive or can influence the products or services your Representative recommends. NMIS may compensate qualified NMIS Representatives in the event a client referred by the Representative to a NMIS investment advisory representative becomes a Signature Portfolios client. NMIS may also compensate NMIS Representatives in part based on client referrals.

NM and NMIS reward your Representative for sales and servicing of NM affiliated products and services in various ways, some of which are disclosed here. NMIS compensates your Representative as a registered representative of NMIS based on the revenue he or she generates on behalf of NMIS with respect to certain investment products NMIS distributes including mutual funds and variable annuities. Your Representative may also receive bonus, transition, retention or other compensation from NM, NMWMC or NMIS in connection with the sales and servicing of various investment

products. The rate of compensation paid to NMIS registered representatives increases if revenue generated from the sales and servicing of various investment products and advisory services meets or exceeds certain thresholds.

As an agent of NM, your Representative accrues production credits arising out of the sale of all risk-based insurance products in the aggregate, including annuities that are being serviced by an advisory program. NM rewards its agents for achieving certain levels of production credits with non-monetary rewards and recognition such as being invited to conferences, receiving gifts and being given preferential service by the Home Office.

NMIS permits, on an exception basis, some Representatives to act as investment advisory representatives of unaffiliated investment advisers. NMIS neither sponsors nor endorses services or products provided through these unaffiliated entities. All NMIS Representatives providing advisory services are required to supplement the disclosures in this brochure with a personalized supplemental disclosure document. You should consult that disclosure for additional information concerning associations a NMIS representative has with unaffiliated entities.

In recognition of the value accumulated in the business of a Representative through the development of client relationships, and to help facilitate a smooth transition in the servicing of client accounts upon a Representative's retirement, NMIS has established a continuing compensation plan for certain eligible Representatives. The plan is effective upon an eligible Representative's retirement, total disability or death or for eligible Representatives who enter into a transition plan with a successor

Representative. Eligible Representatives and/or their beneficiaries may receive a portion of the ongoing advisory fees from the Representative's former client's accounts for a period of up to three years after your account has been transitioned to a successor Representative. This plan creates a financial incentive for eligible retiring Representatives to transition their clients to other NMIS Representatives before they retire.

G. FINANCIAL INFORMATION

NMIS does not require prepayment of more than \$1200 in fees per client six months or more in advance and therefore this section is not applicable to NMIS.