



## NORTHERN TRUST SECURITIES, INC.

Form ADV Part 2A, Appendix 1

Wrap Brochure

50 South LaSalle Street

Chicago, Illinois 60603

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

October 2018

This brochure provides information about the qualifications and business practices of Northern Trust Securities, Inc. (“NTSI”). If you have any questions about the contents of this brochure, please contact your investment representative or our corporate operator at (312) 629-6000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

NTSI is a registered investment adviser with the SEC. Registration does not imply a certain level of skill or training.

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

NORTHERN TRUST SECURITIES, INC.  
FORM ADV PART 2A  
October 2018

**Item 2. Material Changes**

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None.

NORTHERN TRUST SECURITIES, INC.  
FORM ADV PART 2A  
October 2018

### Item 3. Table of Contents

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Item 2. Material Changes .....	2
Item 3. Table of Contents.....	3
Item 4. Services, Fees and Compensation .....	4
Item 5. Account Requirements and Types of Clients.....	8
Item 6. Portfolio Manager Selection and Evaluation .....	9
Item 7. Client Information Provided to Portfolio Managers .....	9
Item 8. Client Contact with Portfolio Managers .....	10
Item 9. Additional Information .....	10
Privacy Notice .....	14

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## Item 4. Services, Fees and Compensation

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### **Introduction**

All references to “you” and “your” in this Wrap Fee Program Brochure (“Brochure”) refer to prospective and existing investment advisory clients of NTSI. References to “we,” “us” or “our” refer to NTSI. Reference to “Advisors” refers to NTSI employees who are authorized by NTSI to offer investment advisory services to you.

We are a registered investment adviser with the Securities and Exchange Commission (“SEC”). We offer investment advisory services to high net worth investors and certain institutional clients, including trusts, endowments, pension and profit sharing plans, foundations and corporations. We are also a registered broker-dealer with the SEC and have been a member of the Financial Industry Regulatory Authority (“FINRA”) since 1993. Registration with the SEC does not imply a certain level of skill or training. We are also a wholly owned subsidiary of Northern Trust Corporation (“Northern Trust”), a financial holding company that provides asset management, banking, and asset servicing and fund administration for individuals, families, corporations and institutions internationally.

At the time we offer you our advisory services, our Advisors will ask questions about and seek to understand your current financial situation, investment goals, investment experience and your present investment portfolio. Generally, this is accomplished through one or more meetings with you, during which you will be asked questions to allow the Advisor to accurately complete an investor profile and questionnaire. The questionnaire is meant to assist you and us to: (1) jointly determine whether an advisory program is suitable for you; (2) develop an appropriate asset allocation; (3) gain an understanding of your risk tolerance at the time you completed the questionnaire; (4) determine your investment time horizon; and (5) understand your requirements for investment income. Based upon this information, if appropriate, an Advisor will make a recommendation involving an investment of your assets into a NTSI Managed Account Program (“Managed Account”) consisting of mutual funds and/or exchange-traded funds (“ETFs”) selected by us, Envestnet Asset Management, Inc. (“Envestnet”) or other third-party (unaffiliated) investment managers (collectively, the “Program”) that best suits our joint understanding of your goals and objectives. This disclosure brochure (“Brochure”) provides important information about the Program and our services and business practices. Please read this brochure carefully before you open a Managed Account.

NTSI offers a wrap program that may be comprised of Northern Trust proprietary mutual funds (“Northern Funds”), Northern Trust proprietary Exchange Traded Funds (“Northern ETF’s”), third-party (unaffiliated) mutual funds (“Mutual Funds”), and third-party (unaffiliated) exchange traded funds (“ETFs”) (the “Meridian Program”). We have entered into an agreement with Envestnet whereby we will administer and sponsor the Meridian Program using Envestnet’s internet-based platform. You will be provided the ability to invest in one or more portfolios in the Meridian Program with a variety of investment strategies and risk levels (“Meridian Program Account”). One of the portfolios will consist solely of third party ETFs and will be the only portfolio available to qualified plans as defined by the Employee Retirement Income Security Act of 1974. The initial investment and any reallocations made to your Managed Account will occur consistent with any reasonable investment restrictions you may have established and will be facilitated utilizing Envestnet’s portfolio management tools. To open a Meridian Program Account, you must enter into an investment advisory agreement with NTSI. Transactions for your Meridian Program Account will be executed by National Financial Services, LLC (“NFS”), who will also serve as administrator and custodian of your Account.

NORTHERN TRUST SECURITIES, INC.  
FORM ADV PART 2A  
October 2018

NTSI also, through its relationship with Envestnet, provides you with access to other professionally managed asset allocation strategies (each, a “Model”) developed by affiliated and unaffiliated investment managers (the “Model Providers”). Based on the results of your investor profile questionnaire and the investment objective you designate, NTSI will assist you in selecting a Model from a list of available Models and in opening a Model Provider account (“Model Provider Account”). The Model Providers are responsible for constructing and managing, including rebalancing or changing fund investments within the Models on a discretionary basis. This includes the selection of the underlying mutual funds and/ or ETFs (“Program Funds”) included in each Model, and the periodic rebalancing of each model. The Models may be composed of affiliated and non-affiliated mutual funds and ETFs. Envestnet will be responsible for implementing the Model for you on a discretionary basis, subject to any reasonable restrictions you may impose, and accepted by NTSI and the Model Providers for the management of your Model Account. NTSI will provide ongoing monitoring of the selected Model and will periodically review your Managed Account to monitor performance and provide guidance on whether the Model continues to be appropriate should your investment objectives or financial situation change. In addition, your Managed Account may be rebalanced when necessary to maintain your asset allocation consistent with your investment objective. Rebalancing will generally occur annually unless market conditions indicate that it should occur more frequently.

All investments carry a degree of risk, and as a result investing in a Managed Account involves potential risk of loss that you should be able to tolerate. The market value of your Managed Account may vary significantly and is subject to a variety of factors including market volatility and market liquidity. Investment performance of any kind is not guaranteed and past performance is not indicative of future performance for any account or investment strategy.

You should be aware that it is not possible to invest directly in any index and that the historical performance results of all benchmark indices do not reflect the inclusion of management fees, transaction costs or expenses. The historical performance results for any and all indices which may be provided to you are for comparative purposes only. Comparative indices may be more or less volatile than your Managed or Model Account.

You understand that we, Envestnet or a Model Provider will manage your Managed Account without taking into consideration your specific potential tax consequences. You are responsible for any tax liabilities that result from transactions in your Managed Account (including rebalancing, the addition, or withdrawal, of assets from the Managed Account, and upon the termination of your participation in the Program or upon the sale of other securities that are used to fund your Managed Account). You are encouraged to seek the advice of a qualified tax professional.

You understand that if you choose to separately establish an earnings automatic withdrawal plan for your Managed Account, earnings held pending distribution are not managed by NTSI, Envestnet or any Model Providers. You also understand that if distributions from a Managed Account cause the Account to fall below the minimum balance, the Managed Account will still be assessed a minimum fee.

**Assets Under Management**

As of September 28, 2018, we managed \$395,654,168 on a discretionary basis.

NORTHERN TRUST SECURITIES, INC.  
FORM ADV PART 2A  
October 2018

**Fees and Compensation**

NTSI is compensated for investment management services provided to its clients. The table below shows our fee ranges categorized by the amount of total assets in the account.

<b>Meridian Investment Amount</b>	<b>Annual Fee</b>
\$50,000 - \$500,000	1.25%
\$500,001 - \$1,000,000	1.00%
Greater than \$1,000,001	0.85%

<b>Model Provider Investment Amount</b>	<b>Annual Fee</b>
\$20,000 - \$500,000	1.25%
\$500,001 - \$1,000,000	1.00%
Greater than \$1,000,001	0.85%

A client must maintain a minimum account balance of \$50,000 in a Meridian, Diversified Strategic Portfolio, or Goals Engineering Program Account and \$20,000 in a BlackRock Model Provider Account. Based on the stated minimum account balance, the minimum annual fee assessed for a Meridian, Diversified Strategic Portfolio, or Goals Engineering Program Account is \$625 and \$250 for a BlackRock Model Provider Account. Your annual fee will be deducted from your Managed Account monthly, in advance, on the first business day of each calendar month. If you do not have sufficient cash in your Managed Account at the time the fee is to be deducted, you authorize and direct NTSI to sell funds or ETF's and other securities in the Account in an amount necessary to satisfy the debit balance. Taxable gains or losses, redemption fees and sales charges may be assessed upon the sale or redemption of funds, ETF's or other securities in the Managed Account as outlined in the applicable individual fund prospectus. These fees and expenses may negatively affect the performance of your Managed Account.

A portion of your fee is paid to us for our advisory services. The wrap account fee also covers payments made to Envestnet, Model Providers and NFS, as well as applicable brokerage and transactions charges associated with placing trades in your account. Your Managed Account may also be eligible for additional discounting based on combined household assets. We reserve the right, at our sole discretion, to negotiate contracts with different or modified fee arrangements than that described above. Please be aware that even if your Managed Account falls below the stated minimums, the minimum fee will be assessed each month at the \$50,000 minimum market value level for the Meridian , Diversified Strategic Portfolio, or Goals Engineering Program Account and \$20,000 minimum market value level for the BlackRock Model Provider Account. Employees of NTSI and its affiliates who maintain a minimum account balance of \$100,000 or more in any Program will be charged an annual fee of .75%.

Mutual funds and ETFs held in your Managed Account may impose internal administrative charges, fees or expenses, which may include management and administrative fees, 12b-1 fees and related servicing or marketing expenses, sub-transfer agent fees, deferred sales charges and other fees or expenses. Certain of these fees may not be billed to you directly but could affect the returns on individual mutual funds or ETFs held in your Managed Account. Please consult the applicable prospectus or statement of additional information relating to your underlying investments for more information.

**NORTHERN TRUST SECURITIES, INC.**  
**FORM ADV PART 2A**  
**October 2018**

We reserve the right to charge you for any special services. These services may include, among others, wire transfers and overnight mail and are set forth in an exhibit to the Account application.

If you deposit assets into the Managed Account after the first business day of a calendar month and subsequently withdraw assets prior to the end of the same month, we will pro-rate the fee based upon the number of days during the month assets were held in the Managed Account. For valuation purposes, we will treat the assets as if they were held as of the end of the month.

Upon termination of your Managed Account, any unearned fees will be promptly refunded to you while any unpaid fees will remain due and payable. If your Managed Account balance falls below \$50,000 in the Meridian , Diversified Strategic Portfolio, or Goals Engineering Program Account and \$20,000 in the BlackRock Model Provider Program Account, your Advisor will contact you to determine whether you wish to invest additional funds to reach the minimum requirement or whether your financial objectives would be better served in a different investment solution. If your Managed Account falls below the minimum your Advisor may offer you the option of converting your Managed Account into a brokerage account serviced by NTSI for which you may transfer the remaining mutual funds or ETF's from the Managed Account into the brokerage account. Any purchases or sales of securities, including the transferred mutual funds or ETF's, effectuated through an NTSI brokerage account would be subject to the standard brokerage commission rates in effect at that time.

**Client Exclusions and Security Restrictions**

Subject to reasonable parameters we have established, you have the opportunity to impose certain restrictions on specific mutual funds and ETFs held within your Managed Account. However, such restrictions:(i) cannot be imposed on the management of any mutual fund or ETF, or on the underlying investments held within either; and (ii) may be limited to a certain percentage of the overall holdings in the Managed Account. If you request exclusion of a specific mutual fund or ETF from your Managed Account, assets from any such excluded investment will be proportionately allocated among the remaining non-restricted investments in the Managed Account. You understand that any investment restrictions are subject to approval and acceptance by NTSI and/or the Model Provider and acknowledge that any investment restrictions may cause your asset allocation and investment performance to differ significantly from other client accounts and model benchmarks that do not have such restrictions, possibly producing poorer investment performance results.

**Conflicts of Interest**

Conflicts of interest are inherent in large diversified financial services companies, and may exist when there is an incentive to serve one's own interest at the expense of another's interest. This section describes various conflicts of interest Northern Trust has identified in connection with its management of client accounts. The section that follows describes various measures Northern Trust takes to mitigate these conflicts.

At a high level, conflicts of interest may arise whenever Northern Trust has an economic or other incentive in its management of a client account to act in a way that benefits Northern Trust. For example, conflicts may result when Northern Trust: (1) invests in an investment product, such as a mutual fund, exchange-traded fund, hedge fund, private equity fund or other investment product for which it provides investment management services; (2) has discretion in the selection of investment programs, asset mixes, active/passive investment blends, and/or investment manager line-ups; (3) obtains services, including administration, custody, transfer agency, placement agent, trade execution and trade clearing, from an affiliate; (4) receives payment as a result of purchasing an investment product or using an investment product for client accounts; (5) receives payment from third parties for providing services (including shareholder servicing, recordkeeping or custody) with respect to investment products purchased for client accounts; or (6) serves a client as a lender and a trustee. Other conflicts of interest may also result from, but are not limited to, relationships that Northern Trust has with other clients or when Northern Trust acts

for its own account.

NORTHERN TRUST SECURITIES, INC.  
FORM ADV PART 2A  
October 2018

In general, Northern Trust utilizes its own investment products because they align with Northern Trust's forward-looking views, its familiarity with the investment and operational processes, as well as a shared risk and compliance philosophy. It is expected that the proportion of Northern Trust investment products held in client accounts may be high (in fact, up to 100 percent) subject to client-specific considerations or restrictions and applicable law. Northern Trust will receive more overall compensation when Northern Trust managed products are used. The Meridian Program and some Model Portfolios, in part, involve the investment of assets into Northern Trust proprietary mutual funds and/or ETFs.

The Financial Advisor that recommends a Managed Account to you receives compensation based upon your participation in that Program. Since the compensation paid to your Advisor may be more than what the Advisor would receive if you paid separately for investment advice, brokerage, and other services, the Advisor may have a financial incentive to recommend a Managed Account to you over other investment options. Understanding the potential conflict that exists in this situation, we review Managed Accounts annually to determine whether investments in the Program are suitable and in accordance with the financial objectives of our clients.

In determining whether to establish a Managed Account, you should be aware that the overall cost to you of investing in a Managed Account may be higher or lower than the cost you might incur by purchasing separately the types of services included in the Program. To meaningfully compare the cost of the Program with unbundled services, you should consider standard advisory and mutual fund management fees that would be charged by us or other investment advisers. Accordingly, a Managed Account may not be suitable for you if you only want to purchase mutual fund or ETF shares through a brokerage account.

## Item 5. Account Requirements and Types of Clients

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NTSI provides discretionary investment advisory services to high net worth individuals and institutions including, but not limited to, trusts, endowments, pension and profit sharing plans, foundations, and corporations.

You may fund your Managed Account with a check or wire transfer. You may also transfer previously purchased securities into the Managed Account. Prior to affecting such a transfer, you should consider whether it is appropriate to make such a transfer and should consult your Advisor prior to doing so. We will liquidate the transferred securities and, after charging our standard brokerage commission rate for that liquidation, will apply the proceeds to the Managed Account.

NFS will withdraw the relevant fee directly from your Managed Account. The debited amount will normally be drawn from any cash balance in your Managed Account. If insufficient cash exists, we will sell shares of funds or ETF's in the Managed Account to raise cash for payment of fees, a circumstance that may cause you to incur a capital gain or a loss for tax purposes.

You may terminate your Managed Account by written notice and withdraw cash or shares from the Managed Account. Generally, it will take us two days after receipt of the written notice to process a withdrawal request and if such request requires us to liquidate shares in the account, the proceeds of that liquidation may not be available for an additional two days following the settlement of the liquidation transaction.



NORTHERN TRUST SECURITIES, INC.  
FORM ADV PART 2A  
October 2018

For a partial withdrawal of assets, you may request that we liquidate shares of specific funds or ETFs in your account. We retain the ability to determine whether to grant the request. In the absence of such a direction, we will attempt to liquidate existing shares with the priority to maintain, to the extent practicable, the existing allocation among the mutual funds and ETF's in the Managed Account. Upon termination, neither we, Envestnet nor any Model Provider will actively manage the assets in your Managed Account.

## Item 6. Portfolio Manager Selection and Evaluation

NTSI acts as portfolio manager and sponsor for the Meridian Program and will make decisions regarding the proper allocation of proprietary mutual funds as well as third party mutual funds and ETF's that will be included in each of the Meridian Program portfolios. NTSI, using Envestnet's portfolio management tools, will invest in Northern Trust proprietary mutual funds and ETFs for your Account. We will periodically review the performance of each of the portfolios and measure them against industry standards and portfolio objectives.

NTSI relies on Envestnet to select and review Model Providers that are available through a Managed Account. NTSI conducts periodic performance reviews of all strategies and Model Providers available through a Managed Account

NTSI monitors both the performance and the attributes of performance for a particular period, paying close attention to how the results were achieved, and if the stated investment mandate was followed to achieve the results. On a regular basis we will review the performance of the Model Providers. If NTSI through its ongoing evaluation of Envestnet determines that Envestnet is no longer able to perform these services effectively, NTSI may replace Envestnet with another service provider or discontinue the Program. Please refer to the Envestnet's Form ADV, which is available through the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), for more information about portfolio manager selection and evaluation and any related conflicts of interest.

7  
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## Item 7. Client Information Provided to Portfolio Managers

Your Advisor will assist you in completing an investor profile questionnaire and in the selection of the appropriate Program. The selection of the appropriate Program will be based upon your stated investment objectives, risk tolerance, and financial circumstances. In addition, your Advisor will gather the following information to assist in this selection:

- Income
- Age
- Employment status
- Tax bracket
- Net worth
- Risk tolerance
- Financial goals

Your Financial Advisor will assist you with the completion of all documentation necessary to establish your account. Your Financial Advisor will be available to you on an ongoing basis to receive deposit and withdrawal instructions and to consult with you regarding any changes in your financial circumstances or investment objectives. When there are changes, your Financial Advisor will update your account information and we will manage your account based upon your changes.

NORTHERN TRUST SECURITIES, INC.  
FORM ADV PART 2A  
October 2018

At least annually, we request that you speak with your Financial Advisor to review your account(s). During that time, your Financial Advisor will review your current situation, investment objectives, and suitability of selected investments. You are responsible to notify us of any material changes to your investment objectives or financial situation, which in turn may necessitate a change in your asset allocation model(s) portfolios.

## Item 8. Client Contact with Portfolio Managers

Clients have an advisory relationship with NTSI, but do not have direct access to Envestnet or the Model Providers because those relationships are managed by NTSI. If a Client wishes to consult with Envestnet, the Client should contact NTSI, which will coordinate communications with an appropriate representative of Envestnet.

## Item 9. Additional Information

### **Disciplinary Information**

As mentioned in Item 4 above, we act as both an investment adviser and a broker-dealer. The disciplinary events set forth below relate only to our activities as a broker-dealer. Both of the events involve charges brought by our self-regulatory agency, the Financial Industry Regulatory Authority, Inc.

On June 28, 2012, NTSI agreed to a settlement, without admitting or denying the findings, of a FINRA proceeding alleging that between July 1, 2009 and September 29, 2009, NTSI, in six transactions, bought and sold corporate bonds from clients on a principal basis at a price that was not fair, taking into consideration all relevant circumstances, including market conditions. FINRA also ordered NTSI to pay a fine of \$5000 and provide restitution to six clients in the amount of \$2439.85 plus appropriate market interest.

On June 1, 2011, NTSI agreed to a settlement, without admitting or denying the findings, of a FINRA proceeding, alleging that from October 2006 through October 2009, NTSI failed to establish and implement an adequate system and written procedures for the supervision of the sale of collateralized mortgage obligations and certain large block equity and fixed income trades. NTSI agreed to a censure and a fine of \$600,000.

### **Other Financial Industry Activities and Affiliations**

As set forth above, we are a wholly owned subsidiary of NTRS, a financial holding company. NTRS is a global organization that provides through its affiliates a comprehensive array of financial services including, but not limited to, investment management, trust, custody, administration and securities lending. As result, NTSI may have relationships with affiliates that are material to our business. Such affiliated relationships include the following:

**Broker/Dealers:** NTSI is a registered broker-dealer. Northern Trust Securities, LLP ("NTSLLP") is an FCA-registered institutional broker based in London.

**Commodity Advisers:** Northern Trust Investments, Inc. ("NTI") is registered as a Commodity Pool Operator ("CPO") and a Commodity Trading Adviser ("CTA") with the National Futures Association.

**Investment Pools:** NTI serves as the investment adviser or sub-adviser to various types of proprietary and non-affiliated investment pools including investment companies and exchange-traded funds registered under the Investment Company Act of 1940, exchange-traded funds, bank common and collective funds and

unregistered investment companies. NTI serves as the investment adviser to the following proprietary

**NORTHERN TRUST SECURITIES, INC.**  
**FORM ADV PART 2A**  
**October 2018**

registered investment companies: Northern Funds, Northern Institutional Funds and FlexShares Trust (exchange-traded funds). NTI also serves as investment adviser and trustee to various proprietary bank common and collective funds and the proprietary Multi-Advisor Funds. At least annually, members of the boards of trustees of the respective registered investment pools and exchange-traded funds review the nature, quality and extent of the services provided to the investment pools by their service providers, including affiliates of NTI. In addition, NTI reviews the quality and services provided to non-registered investment pools, including services provided by affiliates of NTI.

**Affiliated Investment Advisers:** Northern Trust Global Investments Limited (“NTGIL”), 50 South Capital Advisors, LLC (“50 South”), NT Global Advisors, Inc., The Northern Trust Company of Hong Kong Limited (“Northern Trust Hong Kong”) and Northern Trust Global Investments Japan, K.K. (NTKK) are affiliated investment advisers of NTI. NTGIL, NTSI and 50 South are registered under the Investment Advisers Act of 1940, as amended, and are subsidiaries of NTC. Northern Trust Global Investments Japan, K.K., is an investment adviser in Japan and is a subsidiary of NTC. NT Global Advisors, Inc. (“NTGA”), a Canadian investment adviser, is an indirect subsidiary of NTC and direct subsidiary of The Northern Trust International Banking Corporation (“NTIBC”). The investment advice given to one or more clients may differ from and may conflict with investment advice provided by these investment adviser affiliates. NTSI is required to act at all times in the best interests of its clients and generally without knowledge of trading positions or other operations of its affiliated investment advisers.

Northern Trust Fund Managers (Ireland) Limited, is an investment management company in Ireland and is an indirect subsidiary of NTC and direct subsidiary of NTIBC.

**Other Material Affiliated Relationships:**

NTSI may have common management and officers with some of its affiliates. NTSI shares facilities with affiliates and relies on TNTC and other affiliates for various administrative support, including information technology, human resources, business continuity, legal, compliance, finance, enterprise risk management, internal audit and general administrative support.

The above noted affiliations may create potential conflicts of interest. NTSI seeks to mitigate the potential conflict to favor certain clients and ensure portfolios are managed fairly and within client and regulatory guidelines through regular reviews. In addition, NTSI seeks to mitigate potential conflicts of interest through a governance structure and by maintaining policies and procedures that include, but are not limited to, personal trading, custody and trading.

NTSI does not receive compensation from other investment advisers recommended or selected for clients.

**Code of Ethics**

NTSI has adopted a Code of Ethics that provides its employees with the framework and sets the expectations for business conduct. The Code of Ethics is designed to reinforce our reputation for integrity by avoiding even the appearance of impropriety and to ensure compliance with applicable laws in the conduct of our business. The Code of Ethics sets forth procedures and limitations that govern the personal securities transactions of our employees in accounts held in their own names as well as accounts in which they have indirect ownership. We, and our related persons and employees, may, under certain circumstances and consistent with the Code of Ethics, purchase or sell for our own accounts securities that we also recommend to clients.

All NTSI employees are subject to the Code of Ethics. Compliance with NTSI’s Code of Ethics is a

condition of employment and requires annual affirmation by all employees. In general, the Code of Ethics contains various reporting, disclosure and approval requirements regarding an employee's personal

**NORTHERN TRUST SECURITIES, INC.**  
**FORM ADV PART 2A**  
**October 2018**

securities transactions based on the nature of their business activities for NTSI. All employees are required to report their personal transactions to NTSI. Employees are also prohibited from participating in initial public offerings and must obtain approval before purchasing any privately offered securities. The Code of Ethics requires employees who have access to certain information to pre-clear personal securities transactions in covered securities and also imposes certain limitations on the timing of such transactions. To facilitate the monitoring of employee personal transactions, employees are required to maintain personal brokerage accounts at designated brokers and to disclose these accounts to NTSI. The Code of Ethics provides for the imposition of sanctions against employees who violate the Code. Compliance personnel oversee the Code of Ethics' operation and review. NTSI's Code of Ethics is available in its entirety by contacting your Advisor or NTSI Compliance at the address noted in this brochure.

**Interest in Client Transactions and Personal Trading**

While the transactions discussed below may present conflicts of interest for us, we manage our accounts consistent with applicable law, and we follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged.

From time to time, NTSI or its affiliates' personnel may invest client assets in, or recommend that clients invest in, shares of mutual funds for which NTSI and its affiliates provide investment management, custodial, administrative, shareholder support and other services in exchange for fees to our direct or indirect benefits. We maintain policies, procedures and controls, which it believes are reasonably designed to ensure such conflicts are addressed.

We provide advice and make investment decisions for client accounts that it believes are consistent with each client's stated investment objectives. Advice given to clients or investment decisions made for these clients may differ from, or may conflict with, advice given or investment decisions made for an advisory or bank affiliate or another Fund or client. Action taken with respect to advisory or bank affiliates may adversely affect client accounts, and actions taken by client accounts may benefit advisory or bank affiliates. In addition, we may invest in the same securities that we or our affiliates recommend to clients. Such interests are generally unknown to us. When we or an affiliate currently hold for our own benefit the same securities as a client, we could be viewed as having a potential conflict of interest.

In general, we will not, as principal, buy securities for ourselves from or sell securities we own to any client. We are a part of a large diversified financial organization, which includes banks and broker dealers. As a result, it is possible that a related person, will, as principal, purchase securities from or sell securities to our clients.

We have established certain restrictions, procedures and disclosures designed to address conflicts of interest that may arise between its employees and clients as well as between clients and NTSI itself or its advisory or bank affiliates. Our employees must act in the best interests of its advisory clients and generally do not have knowledge of proprietary trading positions or certain other operations of NTSI or its personnel.

**Client Referrals and Other Compensation**

We do not receive economic benefits (sales awards or other prizes) from non-clients in return for providing investment advice or advisory services to our clients.

**Review of Accounts**

Your Advisor will review your account at least annually to ensure that the management of the account has been in accordance with your instructions and information contained in your most current investor questionnaire. We will review the performance of your Program Account on a yearly basis, considering factors relevant to the determination of whether or not the assets held in your Program Account and the investment strategies employed are consistent with your investment objective(s). We will also send you quarterly performance reports, showing the current value of your account(s), any realized and/or unrealized gains or losses, and the account performance relative to certain industry benchmarks believed by us to be comparable to the holdings in the account(s).

**Financial Information**

NTSI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## Privacy Notice

FACTS	WHAT DOES NORTHERN TRUST DO WITH YOUR PERSONAL INFORMATION?
WHY?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.
WHAT?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: Social Security number and income Account balances and payment history Credit history and account transactions
HOW?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Northern Trust chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Northern Trust Share?	Can you limit this sharing?
<b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	YES	NO
<b>For our marketing purposes</b> — to offer our products and services to you	YES	NO
<b>For joint marketing with other financial companies</b>	YES	NO
<b>For our affiliates' everyday business purposes</b> — information about your transactions and experiences	YES	NO
<b>For our affiliates' everyday businesses purposes</b> — information about your credit worthiness	YES	YES
<b>For our affiliates to market to you</b>	YES	YES

NORTHERN TRUST SECURITIES, INC.  
FORM ADV PART 2A  
October 2018

<b>For nonaffiliates to market to you</b>	<b>NO</b>	<b>NO</b>
<b>To limit our sharing</b>	<p>You may limit our use or sharing of information about you for marketing purposes by calling 1-866-260-9550, Monday through Friday, 7:00 am to 8:29 pm Central Time and Saturday and Sunday, 7:00 am to 3:29 pm Central Time; or by stopping in at one of our locations.</p> <p><b>Please note:</b> If you are a new customer, we can begin sharing your information 29 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>	
<b>Questions?</b>	Contact us at 1-866-260-9550.	

<b>Who we are</b>	
Who is providing this notice?	Northern Trust family of companies

<b>What we do</b>	
How does Northern Trust protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Northern Trust collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• Open an account or deposit money</li> <li>• Make deposits or withdrawals from your account or apply for a loan</li> <li>• Give us your contact information</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes — information about your credit worthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

NORTHERN TRUST SECURITIES, INC.  
FORM ADV PART 2A  
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What happens when I limit sharing for an account I hold jointly with someone else?

Your choices will apply only to you — unless you tell us otherwise.

### Definitions

#### Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- Our affiliates include companies with a Northern Trust name; financial companies such as The Northern Trust Company.

#### Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- Northern Trust does not share with nonaffiliates so they can market to you.

#### Joint Marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- Our joint marketing partners include Northern Funds.