



Nationwide[®]
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Nationwide Securities, LLC Form

ADV Part 2A (“Brochure”)

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www.nationwide.com/nationwide-securities-information.jsp

March 30, 2020

This Brochure provides information about the qualifications and business practices of Nationwide Securities, LLC (“NSLLC” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at 1-877-233- 3370 or asknsllc@nationwide.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. NSLLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about NSLLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

As of March 30, 2020, there are no material changes to NSLLC's brochure since its last update on September 30, 2019.

Clients may request a copy of NSLLC's Brochure by contacting NSLLC *by phone at 1-877-233-3370 or by e-mail at asknslc@nationwide.com. The Brochure is also available on NSLLC's web site www.nationwide.com/nationwide-securitiesinformation.jsp.*

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

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Item 4 – Advisory Business

This Brochure provides information about the business practices of NSLLC. NFS Distributors, Inc. owns all of the outstanding ownership interests of NSLLC and is a wholly-owned subsidiary of Nationwide Financial Services, Inc. (“Nationwide Financial”). Nationwide Financial is wholly owned by Nationwide Corporation, an intermediate holding company for entities controlled by Nationwide Mutual Insurance Company, a mutual insurance company owned by its policyholders. None of these Nationwide entities are publicly held.

NSLLC is an investment adviser registered with the Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940 (“Advisers Act”); a securities broker-dealer registered with the SEC under the Securities Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority (“FINRA”); and a member of the Municipal Securities Rulemaking Board (“MSRB”). All of the Firm’s securities sales representatives are registered in connection with the Firm’s broker-dealer business (“Registered Representatives”). Some Registered Representatives are also licensed or registered as investment adviser representatives (“IARs”) in accordance with the requirements of the state or other jurisdiction in which they operate. The IARs (who are subsequently referred to herein as “advisory representatives”) provide the investment advisory services described in this Brochure.

Overview of Advisory Services

The Firm provides investment advisory services to natural persons, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, trust programs and other entities, based on each client’s individual needs. The Firm offers four main types of investment advisory services: financial planning; third-party asset management; investment advice regarding variable and fixed annuities and variable and fixed life insurance through sub-adviser agreements entered into with third-party investment advisers; and non-discretionary recommendations of asset allocation models in connection with individual retirement account assets – My Investment Planner and ProAccount. Each type is discussed below.

Financial Planning Services

Generally, when the Firm acts as an investment adviser for financial planning services, it goes through several steps that include information gathering, information analysis, plan development, and plan delivery. Typically, before it takes these steps, the Firm will enter into a written agreement with the client expressly acknowledging its investment advisory relationship and describing the services it will provide to the client. For additional

information about the Firm's financial planning services, see Item 5 (Fees and Compensation) and Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss). The Firm's financial planning service ends upon its delivery of the plan to the client, as will the fiduciary relationship that arises from providing this service. Clients are not required to establish accounts, purchase products that the Firm distributes, or otherwise transact business with NSLLC in order to put into action any aspect of the financial plan. Clients have the option to purchase investment products through other brokers or agents that are not affiliated with NSLLC. In addition, NSLLC is available to assist clients in implementing the investment strategy described in the plan. The capacity in which NSLLC acts when helping clients implement an investment strategy will depend on, and vary by, the nature of the service (*i.e.*, brokerage or advisory) used for the implementation.

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

Third-Party Asset Management Services

The Firm offers clients access to professional third-party money managers by means of so-called turnkey asset management programs, or TAMPs. A TAMP is a program sponsored by a third party that provides a wide range of services, typically for a single program fee. Services vary depending on the program and may include one or more of the following:

- Asset allocation models
- Money manager due diligence
- Client proposals and risk tolerance tools
- Account administration
- Performance reporting
- Market and manager analysis
- Training and education support

Clients who wish to participate in a TAMP will receive additional material about it that is prepared by the sponsor of the TAMP ("TAMP Sponsor"). The additional material must be reviewed by a client before a TAMP account can be opened.

Such a client typically will complete a program questionnaire that helps to identify the client's investment needs and tolerance for risk. Based on the responses to the questionnaire, a NSLLC advisory representative will work with the client to determine an investment strategy. With the assistance of the advisory representative, the client then will select an investment program desired to implement the investment strategy. Client assets will be invested in a portfolio of securities that is designed to meet the client's investment objectives.

Depending on the amount of assets to be invested, the complexity of the investment strategy, and the client's needs, one or a combination of programs can be used, including portfolios of mutual funds, exchange traded funds, consolidated privately managed accounts and unified managed accounts.

In general, sponsors of TAMP programs are given the authority to place trades on behalf of clients without obtaining specific client consent for each transaction, a practice known as "discretion." But some programs permit clients to impose reasonable restrictions on the management of their accounts. For example, the client may be able to specify that the client's assets not be invested in certain types of securities, such as securities issued by tobacco companies. The TAMP Sponsor determines the reasonableness of the restrictions.

Some TAMP Sponsors will not open an account unless a specified minimum amount of money will be invested, but they usually reserve the right to waive the requirement, and often do so.

The Firm's involvement in third-party asset management services is generally limited to acting as a "solicitor" or "co-advisor" for third-party program sponsors. The Firm's obligations will vary to some extent depending on the nature of its role, and also will vary from one TAMP to another.

When the Firm acts as a solicitor, it refers clients to unaffiliated investment advisers that sponsor advisory programs. The Firm is compensated with a portion of the advisory fee that the client pays to the third-party program sponsor. The third-party program sponsors do not pay the Firm a separate fee for the referral.

Under a typical solicitor arrangement, clients referred by the Firm enter into an investment advisory agreement directly with the TAMP Sponsor. The Firm is not a party to this agreement and does not have investment management responsibility for the provision of TAMP services. Rather, the Firm's role is limited to referring clients to the TAMP and performing limited advisory services, assisting with certain administrative functions, and acting as a liaison between the client and the TAMP Sponsor. The Firm's advisory representative will provide the client with a copy of the TAMP Sponsor's brochure

describing the program, as well as a separate solicitor disclosure document describing the solicitor arrangement between the Firm and the TAMP Sponsor. The TAMP Sponsor's brochure and investment advisory agreement should describe its responsibilities and should be reviewed carefully before participating in the program.

Under a typical co-advisory arrangement, the client enters into an agreement with the Firm and the TAMP Sponsor. The Firm's advisory representative performs non-discretionary advisory tasks in addition to the ministerial or other tasks provided in some solicitor arrangements, including assisting the client with determining the appropriate asset allocation model.

For all clients with TAMP accounts, the Firm's advisory representatives will, at least once per year, contact the client to review the client's account activity, review and update the client's investment objectives and account restrictions, consider changes in the client's goals, objectives and/or financial situation, and review investment programs or asset allocation models based on changes in the client's goals, objectives and/or financial situation.

The TAMPs offered by NSLLC are described briefly below. For more information about these programs, the fees applicable to them, and other matters of interest, please review Item 5 (Fees and Compensation) and the investment advisory or wrap program disclosure document of the relevant program sponsor, which will be provided to clients before an account is opened.

AssetMark, Inc.

AssetMark, Inc. ("AssetMark") offers a variety of advisory programs. Clients of NSLLC have access to several of them within the strategy categories describe below. NSLLC advisory representatives may make the following managed account services available:

- Guided Portfolio Solutions (GPS Select and GPS Fund Strategies)
- Individual Strategies

The minimum account sizes for AssetMark programs range from \$10,000 to \$250,000, although AssetMark reserves the right to accept lesser amounts.

Lockwood

NSLLC offers clients access to various investment advisory programs offered by Lockwood Advisors, Inc. ("Lockwood"). Lockwood is the sponsor of a wrap fee program called Managed360. NSLLC advisory representatives may make the following managed account services available to clients through the Managed360 Program:

- Lockwood Investment Strategies

- Lockwood Asset Allocation Portfolios

The minimum account sizes for Lockwood range from \$50,000 to \$250,000. Lockwood reserves the right to waive minimums.

Lockwood is an indirect, wholly-owned subsidiary of the Bank of New York Mellon Corporation (“BNY Mellon”), a publicly-owned company. Pershing LLC (“Pershing”), a SEC- registered broker-dealer and a member of FINRA, is an affiliate of BNY Mellon and Lockwood that provides clearing and custody services for the Lockwood programs available to clients of NSLLC. NSLLC uses Pershing as the clearing firm for its brokerage business.

City National Rochdale

City National Rochdale (“Rochdale”) provides money management services that are generally offered to clients investing at least \$1 million in what it generally refers to as its Wrap Program. Rochdale designs an asset allocation and investment objective plan to meet each client’s goals. Rochdale portfolio managers then implement the plan, working directly with the client and the client’s NSLLC advisory representative on a one-on-one basis.

Rochdale, pursuant to its agreement with clients, may place all securities transactions for a client’s account through RIM Securities LLC, an affiliate of Rochdale, which will clear trades through Pershing.

SEI

NSLLC offers clients access to certain investment advisory programs provided by SEI Investments Management Corporation (“SEI”). They are the Managed Account Solutions Program (“MAS Program”) and the Mutual Fund Models Program.

The MAS Program includes a series of ETF model portfolios requiring a minimum investment of \$25,000. The MAS Program also includes a series of portfolios preset by SEI comprised of separately managed accounts and SEI mutual funds. Minimum investments vary by type and investment objective, ranging from \$250,000 to \$1,500,000. NSLLC also may offer, from time to time, access to certain custom combinations of separately managed accounts and SEI mutual funds available through the MAS Program. The Mutual Fund Models Program is a series of model portfolios made up of SEI mutual funds. SEI has no minimum account size for the Mutual Fund Models Program.

Discontinued Programs

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

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

Investment Advice Regarding Insurance Products Under Subadvisory Relationships

The Firm serves as a sub-adviser to unaffiliated investment advisers in order to provide non-discretionary investment advice regarding variable annuities, fixed rate annuities, fixed index annuities and variable and fixed life insurance (collectively, "Insurance Products") to clients of the unaffiliated investment advisers. In acting as a sub-adviser, the Firm's investment advice relates only to Insurance Products that are issued by an insurance company that is affiliated with the Firm. The universe of such Insurance Products is limited, and represents only a subset of all Insurance Products issued by affiliates. In addition, the Firm has a conflict of interest when it acts as a sub-adviser because the Insurance Products it may recommend to, or otherwise advise on, with a client, are only those that are issued by an affiliated insurance company.

The Firm tailors its sub-advisory services to the individual needs of clients of these third-party investment advisers by analyzing certain client information and recommending, if appropriate, Insurance Products the Firm believes are in the best interest of such clients based on the information it receives. The Firm also provides advice regarding riders that are available under the Insurance Products and can review the Insurance Products purchased by clients and, as appropriate, provide advice to clients regarding their existing Insurance Products. For example, the Firm provides advice to clients on: whether they should annuitize their annuities; applicable annuitization options; and whether to surrender an Insurance Product. The Firm does not provide advice to clients regarding allocations among the investment options within variable annuities and variable life insurance that it recommends to clients. Such advice is provided by or at the behest of the unaffiliated investment adviser.

Under the subadvisory arrangement entered into with unaffiliated investment advisers, the unaffiliated investment advisers have the primary relationship with the clients and are the parties responsible for monitoring each client's financial condition, investment objective, time horizon, liquidity needs, and risk tolerance. In most instances, the Firm will provide investment advice regarding the appropriateness of purchasing an Insurance Product, of selecting a particular feature (such as a rider) or annuitization option, or of surrendering an Insurance Product only at those times when the Firm's advice is requested by the unaffiliated investment adviser or the client. The Firm does not provide ongoing investment advice to clients or monitor the performance of their Insurance Products under its subadvisory relationship with unaffiliated investment advisers. As such, the Firm's investment advice under the subadvisory arrangements is provided only on a "point in time" basis.

My Investment Planner Investment Advisory Program

Under the My Investment Planner investment advisory program, clients open an individual retirement account ("IRA") with Nationwide Trust Company, FSB ("NTC"), an affiliate of the Firm, to invest retirement assets using an investment advisory service called My Investment Planner. The My Investment Planner service is offered by Nationwide Investment Advisors, LLC ("NIA"), a registered investment adviser that is also an affiliate of the Firm, and made available to clients of the Firm through the Firm. The minimum amount currently required by NTC to open a My Investment Planner IRA account is \$5,000, but the amount is subject to change, and the requirement for a minimum amount could be eliminated entirely.

The My Investment Planner service provides the opportunity for clients to have their assets invested in accordance with an asset allocation model that corresponds to the client's stated objective or goal ("Model") developed for NIA by a third-party registered investment adviser acting as an independent financial expert ("IFE"). Each Model's underlying portfolio allocation is generally comprised of non-proprietary mutual funds, but in some instances can include one or more proprietary funds selected by the IFE from the Nationwide family of funds, which are advised by a registered investment adviser affiliated with the Firm and NIA.

Before opening an IRA and receiving the My Investment Planner service, a client must complete a client profile form and application, as well as a risk tolerance questionnaire, with the assistance of an advisory representative. The advisory representative will then review the results of these documents with the client, and discuss the client's current risk tolerance, investment objectives, and financial goals for the assets held in the IRA. The advisory representative will then make a non-discretionary recommendation of a Model and assist the client in opening the client's IRA. It is the sole responsibility of the client to

decide whether to follow any recommendation provided by the advisory representative. The client will have the opportunity to impose reasonable restrictions on the management of the account.

The services provided in connection with the My Investment Planner program are available only on a “point in time” basis. As a result, after a client receives a recommendation of a Model, the client will receive no further investment advisory services or recommendations from the Firm or its advisory representatives with respect to the IRA assets invested under the My Investment Planner program, and will not be contacted by the Firm or an advisory representative to review the Model selected for the IRA assets. In order to receive any further investment advice or recommendation or a review of the Model selected for the IRA assets by the Firm, the client must first re-engage the Firm and enter into a new investment advisory agreement for the My Investment Planner program.

The Firm will not have the authority to change or modify the Models, the asset allocation percentages of the mutual funds comprising the Models or the selection of the mutual funds underlying each Model.

Upon the client’s instruction, IRA assets will be invested in the mutual funds comprising the Models and the client will own shares of such funds. The IFE may periodically adjust the target allocations of the mutual funds comprising a Model or may add or subtract mutual funds to or from a Model. In connection with these periodic updates, NIA will provide corresponding reallocation and/or fund recommendations to the Firm. However, even though the Firm will periodically receive updated Models, the Firm will not monitor any client’s account or contact any client to recommend that the client accept an updated Model, or determine whether there have been any changes in the client’s financial circumstances, risk tolerance or investment objectives. It is the client’s sole obligation and responsibility to re-engage the Firm for the purpose of determining whether (i) the Model the client has selected has been updated by the IFE and, if so, whether the client would like to receive an additional recommendation from the Firm with respect to the updated Model or any other Model, and (ii) the Model the client has selected continues to be appropriate for the client. If the client does not re-engage the Firm to discuss whether to accept an updated Model, the client’s IRA assets will remain invested in accordance with the Model’s target allocation that was in effect prior to the IFE updating the Model.

NIA has hired Wilshire Associates Incorporated (“Wilshire”) to act as the IFE for the My Investment Planner program. The IFE provides its services directly to NIA and has no contractual relationship with clients of NSLLC or NIA. All fees and expenses charged by the IFE for its services will be paid by NIA. In certain circumstances, NIA may terminate Wilshire and engage the services of a suitable replacement without prior notice to NSLLC or its clients.

ProAccount Investment Advisory Program

Under the ProAccount investment advisory program (“ProAccount”), a client opens an IRA with NTC to receive ongoing investment management services with respect to assets held in the IRA. Under ProAccount, an IFE develops and maintains a number of asset allocation portfolios (“Portfolios”) in accordance with which the client’s IRA assets may be invested. Each Portfolio’s underlying portfolio allocation is generally comprised of non-proprietary mutual funds, but in some instances can include one or more proprietary funds selected by the IFE from the Nationwide family of funds, which are advised by a registered investment adviser affiliated with the Firm and NIA. The minimum amount currently required by NTC to open a ProAccount IRA is \$5,000, but the amount is subject to change, and the requirement for a minimum amount could be eliminated entirely.

The IFE has sole control and discretion over the development and ongoing maintenance of the Portfolios, including periodic rebalancing and changes to asset allocation and mutual fund selection. Among other things, the IFE takes into account varying tolerances for risk. The IFE assesses the Portfolios at least quarterly to determine if reallocation or rebalancing is needed. More frequent reallocation or rebalancing may occur as determined by the IFE.

While enrolled in ProAccount, NIA manages client IRA assets in accordance with the IFE’s portfolio allocation instructions on a discretionary basis (*i.e.*, NIA has authority to allocate and reallocate client assets in accordance with the Portfolios managed by, and the investment advice provided by, the IFE), and clients are not able to make investment allocation changes to their IRA assets, including fund-to-fund transfers, changes to fund allocations, or rebalancing adjustments. The investment advice provided under ProAccount is limited and is based on the model Portfolios developed and maintained by the IFE, which NIA cannot modify. NIA also maintains responsibility for the periodic monitoring of the IFE’s services, and, if necessary, selecting a new IFE in the event that its relationship with the current IFE is terminated.

As part of enrolling in ProAccount, clients complete a client profile form and application, as well as a risk tolerance questionnaire, and, if desired by the client, an extended questionnaire, with the assistance of an advisory representative. These documents are tools developed by the IFE to help identify clients’ investment risk tolerance, time-horizon, and retirement objectives, and to indicate any reasonable restrictions clients wish to place on the management of their account. Information provided through any interactive online planning tool provided by an affiliate of NIA or the Firm may be used by NIA and the IFE to further refine the client’s investor profile. The Firm, through its advisory representative, provides clients with a non-discretionary recommendation regarding the Portfolio that is appropriate for the client and his/her IRA assets given the client’s responses to the documents and any extended questionnaire. Moreover, NIA, at least annually, contacts the

client to determine whether there have been any changes to the client's personal or financial situation or the client's requested restrictions that may affect the client's investment profile, and provide any additional non-discretionary recommendations as necessary based on any such changes.

NIA has hired Wilshire to act as the IFE for ProAccount. The IFE provides its services directly to NIA and has no contractual relationship with clients of NSLLC or NIA. All fees and expenses charged by the IFE for its services will be paid by NIA. In certain circumstances, NIA may terminate Wilshire and engage the services of a suitable replacement without prior notice to NSLLC or its clients.

Other Programs and Services

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

Management of Client Assets

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

Item 5 – Fees and Compensation

Financial Planning Services

The Firm offers financial planning services directly to clients on an individual basis. Clients who have selected to engage NSLLC in the creation of a financial plan typically pay a fixed fee for the Firm's investment advisory services. Typically, the fee is determined and billed when the client executes the agreement. For new plans, fixed fees charged for these services may range from \$500 to \$4,500. From time to time fees may exceed this limit based on particular circumstances. Similar financial planning services may be available elsewhere at a lower cost.

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

As specified in NSLLC's Financial Planning Agreement, a client may request a refund of the fee paid, without penalty, if the client is dissatisfied with the focus or specificity of the financial plan. In that case, the client must submit a written request to NSLLC within five business days following the delivery of the plan to the client. If a refund is requested, NSLLC will make appropriate changes to the plan and may, in its sole discretion, refund part or all of the fee paid for the plan.

Third-Party Asset Management Services

TAMP fees typically cover the costs of the initial and ongoing investment advisory services and the execution of securities transactions, custody, performance measurement, and other services set forth in the applicable TAMP agreement(s). Fees vary by TAMP. For more information on these programs, the applicable fees, expenses and potential conflicts of interest, please see the TAMP's firm brochure. It is possible that some clients could obtain the same or similar services at a lower cost if they engaged separate providers of the services included in the program (that is, unbundled services rather than bundled services).

The account management fee paid by a client to a TAMP Sponsor typically includes a fee to the solicitor or co-advisor (such as NSLLC) that compensates the solicitor or co-advisor for activities and services needed to open and maintain the TAMP account. The amount of the fee paid to the solicitor or co-advisor is sometimes negotiable up to a stated maximum. The following tables show the maximum fee payable to NSLLC under each TAMP offered by it, based on account size. These fees may or may not be broken out separately in account statements provided by the TAMP Sponsors. These fees are for NSLLC, and do not include the fees that clients will pay to the TAMP Sponsors.

AssetMark

AssetMark All Programs Available through NSLLC	
Assets Under Management (Household Total)	NSLLC Advisory Fee (Maximums Allowable)
\$0 – 250,000	1.50%
\$250,001 – 500,000	1.25%
\$500,001 – 1,000,000	1.00%
Over \$1,000,000	0.75%

Lockwood

Lockwood All Programs Available through NSLLC (Fee billing is calculated on a progressive basis through the schedule.)	
Assets Under Management (Household Total)	NSLLC Advisory Fee (Maximums Allowable)
First \$500,000	1.50%
Next \$500,000	1.00%
Over \$1,000,000	0.75

City National Rochdale

Rochdale Wrap Fee Program (Fee billing is calculated on a progressive basis through the schedule.)	
Assets Under Management (Household Total)	NSLLC Advisory Fee (Maximums Allowable)
First \$2,000,000	1.00%
Next \$3,000,000	0.75%
Next \$5,000,000	0.40%
Over \$10,000,000	0.10%

SEI

SEI All Programs Available through NSLLC	
Assets Under Management (Household Total)	NSLLC Advisory Fee (Maximums Allowable)
\$0 – 250,000	1.50%
\$250,001 – 500,000	1.25%
\$500,001 – 2,000,000	1.00%
Over \$2,000,000	0.75%

Clients also may bear certain charges imposed by third parties other than the Firm or TAMP Sponsor, including but not limited to mutual fund 12b-1 distribution fees, servicing fees, sub-accounting fees, and IRA and qualified retirement plan fees. In addition, the mutual funds and ETFs held within client accounts pay management fees that are deducted from their net asset value, meaning they are an indirect expense of the TAMP account. The total direct and indirect fees charged to a client through a TAMP may be higher than fees charged by other investment advisers for similar services. Clients may purchase securities directly, without participation in a TAMP, but would not receive the services of NSLLC or the TAMP Sponsor. Additional information along this line may be available in the account agreement with the TAMP Sponsor or the TAMP Sponsor's brochure.

Investment Advice Regarding Insurance Products Under Subadvisory Relationships

The Firm does not charge any fee to clients who receive non-discretionary investment advice regarding Insurance Products under the subadvisory relationships the Firm maintains with unaffiliated investment advisers. However, clients are obligated to pay all fees, costs and expenses charged by the affiliated issuing insurance company, which are detailed in the relevant Insurance Product prospectus for variable products, and could be described in the comparable disclosure document, if one is provided by the product issuer, for fixed index products. Variable annuities and variable life insurance include separate layers of fees, including fees charged by the insurance company at the "contract level" as well as fees associated with the underlying investment options. Clients who purchase variable annuities or variable life insurance will have to pay both the contract level charges and the fees associated with owning the underlying investment options (including investment management fees and operating expenses that cover various costs and administrative expenses), which typically are mutual funds.

In addition, clients will pay certain fees and charges associated with securities transactions, including the following: (i) charges imposed by law; and (ii) internal charges and fees, including redemption or short-term trading fees, that may be imposed by mutual funds (or other collective investment vehicles) serving as the investment options under the variable annuity or variable life insurance purchased by clients; clients indirectly pay a pro-rata portion of such fees.

The mutual funds underlying the variable annuities and variable life insurance policies the Firm may recommend incur expenses when they sell, administer, or redeem their shares. The variable account established in connection with the variable annuity contract or variable life insurance policy aggregates contract owner purchase, redemption, and transfer requests and submits net or aggregated purchase/redemption requests to each underlying mutual fund daily. Due to this aggregation of transactions, the underlying mutual funds do not incur the expense of processing individual transactions they would

otherwise incur. The affiliated insurance company issuing the variable annuity or variable life insurance policy incurs these expenses instead.

In light of the above, certain of the mutual funds and their affiliates underlying the variable annuities and variable life insurance policies make certain payments to affiliates of the Firm ("payments"). The amount of these payments is typically based on a percentage of assets invested in the underlying mutual funds attributable to the variable annuities and variable life insurance policies and other variable contracts the insurance companies affiliated with the Firm issue, but in some cases may involve a flat fee. In particular, the Nationwide family of companies ("Nationwide") receive the following types of payments from certain of the underlying mutual funds:

- 12b-1 fees, which are deducted from underlying mutual fund assets;
- Sub-transfer agent fees or fees paid pursuant to administrative service plans adopted by the underlying mutual funds, which may be deducted from underlying mutual fund assets; and
- Payments by an underlying mutual fund's adviser or sub-adviser (or an affiliate). Such payments may be derived, in whole or in part, from the advisory fee, which is deducted from underlying mutual fund assets and is reflected in mutual fund charges.

Furthermore, Nationwide benefits from assets invested in its proprietary underlying mutual funds (*i.e.*, the Nationwide Variable Insurance Trust) because its affiliates also receive compensation from the underlying mutual funds for investment advisory, administrative, transfer agency, distribution, and/or other services provided. Thus, Nationwide may receive more revenue when client funds are invested in affiliated underlying mutual funds as compared to unaffiliated underlying mutual funds.

Most underlying mutual funds or their affiliates make payments to Nationwide, although the applicable percentages vary from one underlying mutual fund to another and some mutual funds may not make any payments at all.

In addition, certain investment advisers to underlying mutual funds or their affiliates may pay Nationwide to participate in educational and/or marketing activities. These activities may provide the advisers or their affiliates with increased exposure to persons involved in the distribution of the variable contracts.

The above practices and payments present a conflict of interest and give the Firm and its advisory representatives an incentive to recommend variable annuities and variable life insurance based on the receipt of these payments or with the goal of increasing the revenue received by Nationwide's affiliated underlying mutual funds, rather than on a client's needs. The Firm mitigates this conflict, in part, via policies and procedures to

supervise variable annuity and variable life insurance recommendations to ensure that they are in the best interests of clients. In addition, the Firm plays no role in recommending the mutual fund investment options underlying the variable annuities and variable life insurance policies; this role is played by or at the behest of the unaffiliated investment adviser. Moreover, the advisory representatives who are involved in providing the investment advice do not receive the foregoing payments and are paid on a salary basis. Accordingly, the advisory representatives do not receive incentive compensation as a result of these payments. The advisory representatives are eligible for bonuses, but the bonuses are based on Nationwide's enterprise-wide results and would be the same for all advisory representatives. Put another way, the bonuses are not based on individual performance, and are in no way tied directly or indirectly to the receipt of the foregoing payments.

My Investment Planner Investment Advisory Program

Clients do not pay a separate fee to the Firm for its non-discretionary recommendation of a Model under the My Investment Planner investment advisory program, nor is any compensation paid to NIA. However, clients are responsible for paying certain administrative fees and the fees and expenses associated with owning the mutual funds comprising any selected Model. The administrative fees for which clients are responsible include an asset-based fee payable to NTC pursuant to a separate custodial agreement the client enters into with NTC.

Client IRA assets are invested in mutual funds in accordance with the selected Model. These mutual funds incur their own internal expenses that all mutual fund shareholders pay, such as management, transfer agent, and other operating expenses. Please refer to the applicable prospectuses for more information about mutual fund expenses.

Clients participating in the My Investment Planner program may roll over assets invested in an employer sponsored plan, such as a 401(k) plan, or another retirement account to the IRA for the purpose of investing such assets in accordance with a Model. Clients should be aware that when they roll over assets from such a plan or other retirement account, they may pay higher internal expenses in connection with the mutual funds purchased due to the possibility that less expensive share classes of the same or similar funds were available in connection with their prior plan or other retirement account. This could be the case for both non-proprietary and proprietary mutual funds.

Nationwide benefits from any assets invested in the proprietary mutual funds that the IFE may select for the Models because companies within the family receive compensation from the mutual funds for investment advisory, administrative, transfer agency, distribution, and/or other services provided. Thus, Nationwide may receive more revenue when client

funds are invested in proprietary Nationwide mutual funds as compared to unaffiliated mutual funds.

Such compensation presents a conflict of interest and means the Firm and its advisory representatives have an incentive to recommend Models that include proprietary Nationwide mutual funds. In other words, this compensation creates an incentive for the Firm and its advisory representatives to recommend models that increase the revenue received by affiliates of the Firm, rather than on a client's needs. The Firm mitigates this conflict, in part, via policies and procedures to monitor Model recommendations to ensure that they are in the best interest of clients. In addition, the Firm plays no role in recommending the mutual funds underlying the Models; that role is played by the IFE, which is an unaffiliated investment adviser. Moreover, the advisory representatives who are involved in providing non-discretionary recommendations do not receive the above referenced compensation and are paid on a salary basis. Accordingly, the advisory representatives do not receive incentive compensation as a result of these payments. The advisory representatives are eligible for bonuses, but these bonuses are based on Nationwide's enterprise-wide results. Put another way, the bonuses are not based on individual performance, and are not tied directly or indirectly to the receipt of the foregoing payments.

ProAccount Investment Advisory Program

Clients do not pay a separate fee to the Firm for its non-discretionary recommendation of any Portfolio under ProAccount. However, the client will pay an annual program fee to NSLLC's affiliate, NIA, as outlined in the ProAccount Individual Retirement Account Agreement and the schedule below.

Account Balance	Annual Program Fee
The first \$99,999.99	0.65%
The next \$150,000	0.60%
The next \$150,000	0.55%
The next \$100,000	0.50%
Assets of \$500,000 and above	0.45%

Moreover, clients are responsible for paying certain administrative fees and the fees and expenses associated with owning the mutual funds comprising any selected Portfolio. The administrative fees for which clients are responsible include an asset-based fee payable to NTC pursuant to a separate custodial agreement the client enters into with NTC.

Client IRA assets are invested in mutual funds in accordance with the selected Portfolio. These mutual funds incur their own internal expenses that all mutual fund shareholders

pay, such as management, transfer agent, and other operating expenses. Please refer to the applicable prospectuses for more information about mutual fund expenses.

Clients participating in the ProAccount program may roll over assets invested in an employer sponsored plan, such as a 401(k) plan, or another retirement account to the IRA for the purpose of investing such assets in accordance with a Portfolio. Clients should be aware that when they roll over assets from such a plan or other retirement account, they may pay higher internal expenses in connection with the mutual funds purchased due to the possibility that less expensive share classes of the same or similar funds were available in connection with their prior plan or other retirement account. This could be the case for both non-proprietary and proprietary mutual funds.

NIA, the Firm or an affiliate may compensate affiliated and unaffiliated third parties for administrative services provided in support of ProAccount. Registered Investment Advisors Services, Inc., an affiliate of the Firm and NIA, receives compensation for providing technology services that facilitate the management of participant accounts.

To the extent permitted by applicable law or regulation, Nationwide Investment Services Corporation ("NISC"), a registered broker-dealer that is an affiliate of NIA, receives payments from, or in connection with, mutual funds selected by the IFE for inclusion in the Portfolios. These payments are made in consideration of investment advisory, administrative, transfer agency, distribution, or other services that are provided by these affiliates. Accordingly, affiliates of the Firm may receive more or less revenue with respect to affiliated mutual funds and variable product underlying funds than unaffiliated mutual funds. Firm affiliates' receipt of varying amounts of compensation from affiliated and unaffiliated mutual funds and underlying funds selected for Portfolios presents a potential conflict of interest. NIA seeks to mitigate this potential conflict of interest by employing the IFE to develop and maintain ProAccount's investment methodology and to manage and maintain the Portfolios, which neither NIA nor the Firm can influence or modify. In this respect, the IFE is solely responsible for managing the Portfolios, including selecting the mutual funds and variable product underlying funds comprising the Portfolios and their allocations. The IFE's fees for services provided under ProAccount are not affected by the securities the IFE selects for the Portfolios or otherwise influenced by the payments the Firm or its affiliates may receive from such securities. In addition, the Firm mitigates this conflict, in part, by using policies and procedures to monitor Model recommendations to ensure that they are in the best interest of clients.

Moreover, the advisory representatives who are involved in providing non-discretionary recommendations do not receive any of the compensation received by affiliates of the Firm from affiliated or unaffiliated mutual funds and are paid on a salary basis. Accordingly, the advisory representatives do not receive incentive compensation as a result of these

payments. The advisory representatives are eligible for bonuses, but the bonuses are based on Nationwide's enterprise-wide results. Put another way, the bonuses are not based on individual performance and are not tied directly or indirectly to the receipt of the foregoing payments.

Certain ProAccount mutual funds may impose a trade restriction on certain transactions. It is possible that ProAccount transactions initiated by NIA may result in the imposition of trade restrictions on one or more funds held in a client's IRA. For further information on trade restrictions, including whether they apply to any of the funds in a client's IRA, please consult the individual fund prospectus or other disclosure material.

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

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

Item 7 – Types of Clients

NSLLC provides portfolio management services to individuals, including high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, trust programs, and other U.S. institutions. NSLLC does not have any requirements for opening or maintaining an account, such as minimum account size. However, in connection with NSLLC's subadvisory services, the Insurance Products have minimum investment or deposit amounts that vary from one product to another.

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

As discussed in Item 4 (Advisory Business), the Firm's investment advisory business is limited to providing financial planning services, making TAMPs available, providing investment advice regarding Insurance Products under subadvisory arrangements entered into with unaffiliated investment advisers, and providing non-discretionary advice regarding asset allocation models in connection with individual retirement account assets. The TAMPs provide management of client assets through wrap fee programs or other advisory programs. Whether employing financial planning strategies, participating in a TAMP, receiving investment advice from the Firm under its subadvisory arrangements regarding Insurance Products, or receiving non-discretionary recommendations of asset allocation models in connection with individual retirement account assets, clients should keep in mind that investing in securities involves risk of loss that clients should be prepared to bear. There is no guarantee that any investment strategy or financial plan will meet the desired goal.

Financial Planning

The Firm uses financial planning software (Advicent Profiles Professional and MoneyGuidePro™) to assist in the development of financial plans. Both Advicent Profiles Professional and MoneyGuidePro offer several methods of calculating hypothetical results, each of which provides one outcome from a wide range of possible outcomes in planning for retirement, survivorship, asset allocation, long-term care and disability income needs. Both Advicent Profiles Professional and MoneyGuidePro offer one or more stress tests that illustrate how variations in rates of return each year can influence the probability of success or failure when projecting a client's retirement goals by taking into account various risk factors not considered under methods common in simpler software and publicly accessible calculators.

The projections or other information generated through the software (average returns or stress tests) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. The simulations are based on assumptions. There can be no assurance that the projected or simulated results will be achieved or sustained. Actual results will vary and may be better or worse than the simulated scenarios. Clients should be aware that the potential for loss (or gain) may be greater than demonstrated in the simulations.

TAMPs

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

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

Investment Advice Regarding Insurance Products Under Subadvisory Relationships

In formulating investment advice to clients regarding Insurance Products, the Firm takes into account a number of factors regarding the client's investment profile, including, but not limited to, the client's liquidity needs, need for guaranteed income, risk tolerance, time horizon, sources of income, other investments (including whether

such investments are income-paying and their liquidity), investable assets, and risk tolerance.

For a discussion of the material risks associated with purchasing Insurance Products, please refer to the relevant prospectus for variable products, and any comparable disclosure document provided by the issuer of fixed index products that addresses such risks.

My Investment Planner Investment Advisory Program

In formulating investment advice to clients participating in the My Investment Planner investment advisory program, the Firm takes into account a number of factors regarding the client's investment profile, including, but not limited to, the client's risk tolerance, time horizon, and investment goals. It is the information clients provide about their specific financial situation that drives the Firm's recommendations. If this information is wrong or outdated it could result in the recommendation of a Model that is not appropriate for the client.

For a discussion of the material risks associated with NIA's selection of the IFE, see NIA's Form ADV Part 2A brochure. For a discussion of the material risks associated with investments in the mutual funds that are included as part of the Models, please refer to the relevant mutual fund prospectuses.

ProAccount Investment Advisory Program

In formulating investment advice to clients participating in the ProAccount investment advisory program, the Firm takes into account a number of factors regarding the client's investment profile, including, but not limited to, the client's risk tolerance, time horizon, and investment goals. It is the information clients provide about their specific financial situation that drives the Firm's recommendations. If this information is wrong or outdated it could result in the recommendation of a Model that is not appropriate for the client.

For a discussion of the material risks associated with NIA's selection of the IFE, see NIA's Form ADV Part 2A brochure. For a discussion of the material risks associated with investments in the mutual funds that are included as part of the Portfolios, please refer to the relevant mutual fund prospectuses.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all events regarding any legal or disciplinary events that would be material to the client's evaluation of the adviser or the integrity of its management. NSLLC is not aware of any legal or disciplinary events that it believes would be material to an evaluation of its advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

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

Material Relationships with Affiliates – Investment Advice Regarding Insurance Products Under Subadvisory Relationships

Clients who receive investment advice regarding Insurance Products in connection with the Firm's subadvisory relationships with unaffiliated investment advisers should be aware that the Firm will only recommend Insurance Products that are issued by an insurance company affiliated with the Firm. Furthermore, clients should be aware that some of the underlying mutual funds under the variable annuities and variable life insurance recommended by the Firm are sponsored, managed, and underwritten by other affiliates of the Firm. These arrangements create conflicts of interest in that the affiliates of the Firm receive certain fees and charges (such as mortality and expense charges and investment management fees) in connection with the Insurance Products and riders recommended to the client. The amounts and nature of these fees and charges are set forth in the prospectus for variable annuity and variable life insurance products and could be set forth in the comparable disclosure document for fixed index annuities and fixed annuities, if one is provided by the product issuer.

It is important that clients understand that any Insurance Products recommended by the Firm under a subadvisory arrangement with an unaffiliated investment adviser are issued by an affiliate and that the Firm's investment advice regarding Insurance Products is limited to a relatively small universe of products issued by affiliates. In this respect, the Firm does not provide advice regarding Insurance Products that are issued by unaffiliated insurance companies. As a result, and given the fees and charges earned by affiliates of the Firm at the contract level and in connection with certain of the underlying investment options within a variable annuity or variable life insurance policy, any recommendation

regarding an Insurance Product involves a conflict of interest on the part of the Firm and its advisory representatives.

The Firm mitigates the above conflicts by relying, in part, on policies and procedures to supervise Insurance Product recommendations to ensure that they are in the best interest of clients. In addition, the Firm does not recommend the investment options available under the Insurance Products that may be recommended to a client. Such investment advice is provided by or at the behest of the unaffiliated investment adviser with whom the Firm has entered into a subadvisory relationship. NSLLC also discloses the conflicts in this brochure so that clients are aware of them prior to purchasing any Insurance Product, selecting a feature available under an Insurance Product, or making any decision to annuitize or surrender the Insurance Product. Finally, the advisory representatives who are involved in providing the investment advice are paid on a salary basis. The advisory representatives are eligible for bonuses, but the bonuses are based on the results of Nationwide as a single enterprise and would be the same for all advisory representatives. Put another way, the bonuses are not based on individual performance, and are in no way tied directly or indirectly to recommendations made an advisory representative.

Material Relationships with Affiliates – My Investment Planner and ProAccount Investment Advisory Programs

The Firm has material relationships with the following affiliates in connection with the My Investment Planner and ProAccount investment advisory programs:

- **NIA** is a registered investment adviser and a wholly owned subsidiary of NLIC (defined below). It supervises the IFE involved in the My Investment Planner and ProAccount programs.
- **Nationwide Life Insurance Company (“NLIC”)**, a wholly owned subsidiary of Nationwide Financial, is an insurance company that, among other things, issues group variable annuities whose sub-accounts are used in connection with the Portfolios developed for ProAccount. When the Firm provides investment advice with respect to group variable annuities NLIC issues, NLIC will be holding client assets that are invested under ProAccount.
- **NTC** is a federally chartered savings bank that serves as custodian for client assets held in IRAs in connection with the My Investment Planner and ProAccount programs. More generally, it offers trust programs and services to retirement plans that have retained NIA for advisory services.

- **Nationwide Funds Group**, the mutual fund arm of Nationwide Financial, is comprised of **Nationwide Fund Advisors (“NFA”)**, a federally registered investment adviser providing advisory services to the mutual funds; **Nationwide Fund Distributors, LLC**, a registered broker-dealer providing distribution services to the mutual funds; and **Nationwide Fund Management, LLC**, which provides administration services to the mutual funds. Please see Item 5 for information regarding the conflicts of interest associated with the use of affiliated mutual funds sponsored by the Nationwide Funds Group and used in connection with the Models and Portfolios recommended in the My Investment Planner and ProAccount programs, respectively.
- **NISC** is a registered broker-dealer and a member of FINRA. NISC acts as the general distributor of variable annuity and variable life insurance products issued by NLIC and by Nationwide Life and Annuity Insurance Company, a wholly owned subsidiary of NLIC. NISC may receive revenue from the dedicated investment funds underlying these products that are included as part of certain Portfolios in ProAccount.
- **Registered Investment Advisors Services, Inc. (“RIA Services”)**, provides technology services that facilitate the management of participant and plan level accounts. NIA compensates RIA Services for its provision of technology and administrative services in support of the ProAccount and My Investment Planner programs.

Firm Management

Certain directors, officers, and/or employees of the Firm are also directors, officers and/or employees of one or more affiliated entities (and vice versa). In particular, the following leaders serve NSLLC and affiliated entities in the following capacities:

- The Firm’s Chief Compliance Officer (“CCO”) serves as CCO of, and is registered with, NSLLC (in its broker-dealer capacity) and several affiliated broker-dealers, and also serves as CCO of an affiliated investment adviser and an affiliated insurance company.
- The Firm’s Financial and Operations Principal (“FINOP”) serves as FINOP of, and is registered with, several affiliated broker-dealers.
- The Firm’s President is a Principal and a registered representative of an affiliated broker-dealer.
- A member of the Firm’s Board of Managers is registered with an affiliated broker-dealer and an affiliated investment adviser and is also a board member of the affiliated investment adviser.

Certain Compensation Arrangements

If requested by clients in connection with implementing a financial plan, advisory representatives of the Firm will execute securities purchases and sales with the Firm in its capacity as a broker-dealer and in their capacity as registered representatives. The financial planning agreement entered into by clients discloses potential conflicts of interest and advises clients that they are free to obtain brokerage services from any source in order to implement the Firm's financial planning recommendations. When acting as a broker-dealer, the Firm receives commissions, sales loads, concessions or other payments, including revenue from third parties, in connection with the products it sells. This compensation is separate from the fee that the Firm charges for financial planning services and may vary by product and over time. When acting in its capacity as a broker-dealer, the Firm has an incentive to recommend products based on the compensation it receives rather than on a client's needs, which presents a conflict of interest.

The solicitation or co-advisory fee that NSLLC receives varies by TAMP. Accordingly, NSLLC has an incentive to refer clients to programs from which it would receive higher compensation, which presents a conflict of interest. The decision to invest in a TAMP is solely that of the client. Clients are given a full description of the services and fees provided under a TAMP before investing. The Firm, in the exercise of its fiduciary duty, requires that each account be reviewed when it is opened to ensure that it is suitable for the client in view of matters such as financial circumstances and investment objectives. As explained in Item 11 below, the Firm has adopted a Code of Ethics which makes clear that advisory representatives must act in the best interests of clients.

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

NSLLC has adopted a Code of Ethics in accordance with SEC Rule 204A-1 under the Advisers Act for all supervised persons of NSLLC reflecting its high standard of business conduct, and the fiduciary duty owed to its clients. "Supervised persons" generally includes a firm's officers, directors, employees, and other persons who provide investment advice on its behalf and subject to its supervision. For NSLLC, this would include its advisory representatives.

The Code of Ethics includes, among other things:

- Provisions relating to the confidentiality of client information;
- A prohibition on insider trading;

- A prohibition on rumor mongering;
- Restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items; and
- Personal securities trading procedures.

All supervised persons at NSLLC must acknowledge the terms of the Code of Ethics on an annual basis.

NSLLC anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it could recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which NSLLC, its affiliates or clients, directly or indirectly, have a position of interest. NSLLC's employees and persons associated with NSLLC are required to follow NSLLC's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of NSLLC and its affiliates may trade for their own accounts in securities that are recommended to or purchased for NSLLC's clients. The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of NSLLC will not interfere with:

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

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

Clients or prospective clients may request a copy of the firm's Code of Ethics by contacting NSLLC, by phone at 1-877-233- 3370 or by email at asknsllc@nationwide.com.

It is NSLLC's policy that the firm will not effectuate any principal or agency cross securities transactions for client accounts. NSLLC also will not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also occur if a security is

crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

Financial Planning

As mentioned above, NSLLC's financial planning service is completed upon the delivery of a financial plan to a client. Clients are under no obligation to implement any recommendation made in a financial plan, and, if they choose to implement a recommendation, are not obligated to use the Firm to implement it. If a client chooses to obtain brokerage services through NSLLC to implement a financial plan, the Firm, in its capacity as an introducing broker-dealer, will provide these services through its agreement with Pershing. Pershing currently acts as custodian, clearing agent, and executing broker-dealer with respect to general securities transactions. Please see Items 4 (Advisory Business) and 10 (Other Financial Industry Activities and Affiliations) for additional information regarding the Firm's responsibilities when acting as a broker-dealer rather than an investment adviser.

Third-Party Asset Management

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

Investment Advice Regarding Insurance Products Under Subadvisory Relationships

As discussed in detail under Item 5 above, certain of the mutual funds and their affiliates underlying the variable annuities and variable life insurance policies make payments to affiliates of the Firm. The amount of these payments is typically based on a percentage of assets invested in the underlying mutual funds attributable to the variable annuities and variable life insurance policies and other variable contracts the Nationwide insurance companies issue, but in some cases may involve a flat fee. These payments

include 12b-1 fees, sub-transfer agent fees or fees paid pursuant to administrative service plans adopted by the underlying mutual funds, and payments made by an underlying mutual fund's adviser or sub-adviser (or affiliate).

Furthermore, Nationwide benefits from assets invested in its proprietary underlying mutual funds (*i.e.*, the Nationwide Variable Insurance Trust) because its affiliates also receive compensation from the underlying mutual funds for investment advisory, administrative, transfer agency, distribution, and/or other services provided. Thus, Nationwide may receive more revenue when client funds are invested in affiliated underlying mutual funds as compared to unaffiliated underlying mutual funds.

Most underlying mutual funds or their affiliates make payments to Nationwide, although the applicable percentages vary from one underlying mutual fund to another and some mutual funds may not make any payments at all.

In addition, certain investment advisers to underlying mutual funds or their affiliates may pay Nationwide to participate in educational and/or marketing activities. These activities may provide the advisers or their affiliates with increased exposure to persons involved in the distribution of the variable contracts.

The above practices and payments present a conflict of interest and give the Firm and its advisory representatives an incentive to recommend variable annuities and variable life insurance based on the receipt of these payments or with the goal of increasing the revenue received by Nationwide's affiliated underlying mutual funds, rather than on a client's needs. The Firm mitigates this conflict, in part, via policies and procedures to supervise variable annuity and variable life insurance recommendations to ensure that they are in the best interests of clients. In addition, the Firm plays no role in recommending the mutual fund investment options underlying the variable annuities and variable life insurance policies; this role is played by or at the behest of the unaffiliated investment adviser. Moreover, the advisory representatives who are involved in providing the investment advice do not receive the foregoing payments and are paid on a salary basis. The advisory representatives do not receive incentive compensation as a result of these payments. The advisory representatives are eligible for bonuses, but the bonuses are based on Nationwide's enterprise-wide results and would be the same for all advisory representatives. Put another way, the bonuses are not based on individual performance, and are in no way tied directly or indirectly to the receipt of the foregoing payments.

My Investment Planner and ProAccount Investment Advisory Programs

The Firm does not direct any transactions in the My Investment Planner and ProAccount programs. As a result, the Firm does not select or recommend brokers or dealers for client

transactions in these programs and does not aggregate the purchase or sale of securities for client accounts in these programs.

Firm Policies

No representative of the Firm exercises discretionary authority over client accounts. From time to time, the Firm's advisory representatives may buy or sell securities for themselves that they also recommend to clients. The Firm has established suitability standards and requirements for its advisory representatives as well as regulatory and compliance rules and procedures designed to supervise these trades and address the conflicts of interest presented by them.

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

NSLLC does not have any soft dollar arrangements.

Item 13 – Review of Accounts

Financial Plans

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

Third-Party Asset Management

The Firm's advisory representatives will contact all clients at least once per year to review the client's account and inquire about life changing events (such as retirement, divorce, birth of a child, etc.) to determine if changes are necessary. Topics for discussion may include investment objectives, account restrictions (if any), investment programs, or asset allocation models.

Investment Advice Regarding Insurance Products Under Subadvisory Relationships

If requested by the client or the client's unaffiliated investment adviser, the Firm can review the Insurance Products purchased by clients and, as appropriate, provide advice regarding the client's existing Insurance Products. Moreover, the Firm can be reasonably

available to speak to or meet with clients regarding the services the Firm provides in connection with the Insurance Products.

If a client's investment advisory relationship with its investment adviser terminates, then NSLLC will no longer provide investment advice regarding Insurance Products to such client under the subadvisory relationship with the investment adviser.

My Investment Planner Investment Advisory Program

As noted above, the services provided in connection with the My Investment Planner program are available only on a "point in time" basis. As a result, the Firm does not monitor client accounts. In addition, after a client receives a recommendation of a Model, the client will not be contacted by the Firm or an advisory representative to review the Model selected for the IRA assets. In order to receive a review of the Model selected for the IRA assets by the Firm, the client must first re-engage the Firm and enter into a new investment advisory agreement for the My Investment Planner program.

ProAccount Investment Advisory Program

As noted above, NIA provides ProAccount Clients an annual communication that describes, among other things, the importance of periodically reviewing their risk profile, since it is used, in combination with the client age, in creating the investment strategy available through ProAccount. The annual communication also informs ProAccount Clients that if they need to update the information on the questionnaire or feel that changes in their financial situation may have an impact on their current risk profile, they are to contact, NIA. Additionally, ProAccount Clients are reminded quarterly to notify NIA of any change in information that could affect the manner in which their ProAccount assets are invested.

Item 14 – Client Referrals and Other Compensation

From time to time, NSLLC enters into so-called solicitors' agreements with third-party asset management firms under which NSLLC refers clients to them. Solicitor arrangements are conducted in accordance with all applicable federal and state laws. Clients that are referred by NSLLC will receive a written solicitor disclosure statement that describes the solicitation arrangement with the TAMP Sponsor, including the compensation, if any, that NSLLC receives for solicitation services. Currently, NSLLC's compensation is paid out of the advisory fee that the client pays the TAMP Sponsor.

NSLLC's compensation is based on a percentage of the account size and can vary by TAMP. In general, and in accordance with standard industry practice, the larger the dollar value of the account, the smaller the percentage. See Item 5 (Fees and Expenses) for more information.

NSLLC does not receive any economic benefit, including sales awards and other prizes, from non-clients for providing investment advice or other advisory services to its advisory clients.

Item 15 – Custody

NSLLC does not maintain custody of advisory client assets. Assets of clients participating in TAMPs will be maintained by the custodian selected for the program by the TAMP Sponsor, or as otherwise agreed to by the client and the TAMP sponsor in the TAMP account agreement or other account opening documentation. Clients should receive TAMP account statements at least quarterly from the qualified custodian that maintains the client's investment assets. Clients should review all account statements carefully.

NSLLC does not maintain custody when it provides investment advice regarding insurance products of funds or securities under the subadvisory relationship, described in Item 4. Clients who purchase a Nationwide variable annuity or variable life insurance policy will receive account statements from the issuing insurance company and should review these statements carefully and compare them to any statements that they receive from their investment advisor.

Custody is not maintained for clients who receive investment advice from NSLLC for the My Investment Planner Program, nor are the assets custodied by any affiliate in connection with this service.

Clients who receive investment advice from NSLLC for the ProAccount Investment Advisory Program, described in Item 4, will have their assets custodied by an affiliate of NSLLC. NSLLC does not exercise discretion, provide investment advice or control such assets. The services are provided by an affiliated registered investment advisor, NIA, who maintains such assets with an affiliate, NTC. This arrangement is disclosed in NIA's Form ADV Part 2A brochure. NIA is the subject of an annual surprise examination by an independent public accountant required by the SEC. Clients should obtain and review a copy of the Accountant Surprise Examination Report of NIA that is available through the SEC's Investment Adviser Public Disclosure website.

Item 16 – Investment Discretion

The Firm does not accept discretionary authority to manage securities accounts on behalf of its clients. (Discretionary accounts are those in which the client grants an investment adviser authorization to trade securities without obtaining specific client consent for each transaction.) As described elsewhere in this brochure, the Firm offers clients a number of third-party asset management programs. All of these programs involve one or more

discretionary asset managers who determines the investments to be bought and sold in client accounts, as described in the applicable disclosure document(s) for such programs. Moreover, the Firm offers clients access to certain Portfolios through the ProAccount investment advisory program, and the Firm's affiliate, NIA, exercises discretionary authority in certain respects under this program. In particular, NIA manages client IRA assets in accordance with the IFE's portfolio allocation instructions on a discretionary basis (*i.e.*, NIA has authority to allocate and reallocate client assets in accordance with the Portfolios managed by, and the investment advice provided by, the IFE), and clients are not be able to make investment allocation changes to their IRA assets, including fund-to-fund transfers, changes to fund allocations, or rebalancing adjustments. The investment advice provided under ProAccount is limited and is based on the model Portfolios developed and maintained by the IFE, which NIA cannot modify. NIA also maintains responsibility for the periodic monitoring of the IFE's services, and, if necessary, selecting a new IFE in the event that its relationship with the current IFE is terminated.

Item 17 – Voting Client Securities

NSLLC does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios, except in connection with the My Investment Planner and ProAccount programs. Clients will receive their proxies or other solicitations directly from the custodian or transfer agent for the third-party asset management program in which they are participating, other than in connection with the My Investment Planner and ProAccount programs. Clients participating in TAMPs may contact the TAMP Sponsor for additional information regarding proxy voting procedures that apply to their program accounts.

For the My Investment Planner and ProAccount programs, NIA does not vote proxies on behalf of advisory clients. See NIA's Form ADV Part 2A brochure for additional information about NIA's proxy voting practices.

Item 18 – Financial Information

NSLLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. In addition, the Firm does not require prepayment of advisory fees of more than \$1,200 per client, six months or more in advance.