



## 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)

MARCH 2021

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)

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## Item 2. Material Changes

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None. Annual update only.

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## Item 4. Services, Fees and Compensation

### **Introduction**

All references to “you” and “your” in this Form ADV Wrap Fee Program Brochure (“Brochure”) refer to prospective and existing investment advisory clients of Northern Trust Securities, Inc. (“NTSI”). References to “we,” “us” or “our” refer to NTSI. Reference to “Advisor(s)” refers to NTSI employees authorized by NTSI to offer investment advisory services to you. This disclosure brochure (“Brochure”) provides important information about the Wrap Program, our services and business practices. Please read this brochure carefully before you open a Managed Account.

NTSI is a wholly owned subsidiary of Northern Trust Corporation, a financial holding company that provides trust and investment management services, custody, brokerage, banking, asset servicing and fund administration services to individuals, families, corporations and institutions. The term “Northern Trust” refers to Northern Trust Corporation and its affiliates.

NTSI is a registered investment adviser with the Securities and Exchange Commission (“SEC”) offering 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.

### **Advisory Services**

NTSI provides investment advisory services to clients through the use of various managed account wrap fee program models (“Wrap Program”) sponsored and/or managed by NTSI, Northern Trust Investments, Inc. (“NTI”) an affiliate of Northern Trust, and third party (unaffiliated) investment managers (collectively “Wrap Program Investment Managers”). NTSI investment advisory clients invested in a Wrap Program account receive professional investment management by one or more Wrap Program Investment Managers.

Wrap Program accounts are constructed of mutual funds and/or exchange-traded funds (collectively “Funds”) selected by the Wrap Program Investment Manager and may include Northern Trust proprietary and third party unaffiliated Funds. NTSI has general oversight including review over the Wrap Programs and the Wrap Program Investment Managers. Wrap Program Investment Managers used in client accounts are carefully selected and monitored through an initial and ongoing review process by a NTSI governance committee. NTSI monitors compliance of the Wrap Program Investment Managers, both proprietary and third party with investment guidelines through regular governance reviews.

Wrap Program accounts may not be managed consistent with other accounts managed by Northern Trust or third party unaffiliated investment managers even though they may have similar investment objectives and/or risk profiles. Northern Trust provides fiduciary and investment management services to various types of client accounts including but not limited to, registered and unregistered funds, separately managed accounts, custom investment portfolios and model accounts. The investment advice given to one

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client account or fund may differ from the investment advice given to another client account or fund and transactions that may be effected for the account of any one client or fund at prices, in amounts, or relating to securities that are not purchased or sold for other client accounts, meaning that purchases and sales implemented for other accounts will not necessarily be reflected in a Wrap Program account that follows the same or a substantially similar strategy.

NTSI has entered into an agreement with Envestnet Asset Management, Inc. (“Platform Manager”), a registered investment adviser, to operate the technology platform on which the Wrap Program functions. Envestnet through the technology platform may render investment advice to NTSI, the Advisor and therefore indirectly to the Client which may include asset allocation, investment manager and investment product recommendations based on client responses to the investor profile and questionnaire. NTSI is responsible for identifying appropriate Model Providers for its clients and in addition to the due diligence provided by Envestnet, NTSI also reviews and approves use of a Model Provider through its governance process. The Model Providers are responsible for constructing and managing, including rebalancing and changing fund investments within the Models on a discretionary basis. NTSI and Envestnet are not affiliated other than for the purpose of jointly providing Wrap Program account services to NTSI Clients.

NTSI in collaboration with the client will make the determination that the Client would be a suitable participant in the Wrap Program offered by NTSI. Based on the results of your investor profile questionnaire and the investment objective(s) you designate, NTSI will recommend to you a Model from a list of approved Models.

The Program Assets may be invested in mutual funds and/or exchange-traded funds (“ETFs”) available through the Program managed directly by the Platform Manager or using one or more investment models available under the Program that were created by NTSI, Northern Trust or one or more independent investment advisers consisting of mutual funds and ETFs.

The Models may be composed of Northern Trust proprietary and third party unaffiliated mutual funds and ETFs. Envestnet will be responsible for implementing the Model on a discretionary basis, subject to any reasonable restrictions you may impose and are accepted by NTSI and the Wrap Program Investment Advisor. NTSI will periodically review your Wrap Program account with you to monitor performance and provide guidance on the continued appropriateness of the Wrap Program Model you chose. Should your investment objectives or financial situation change please contact your Advisor immediately. Your Managed Account will be rebalanced periodically to maintain the asset allocation consistent with the chosen model.

Certain Models and the Wrap Program accounts that follow the Models will be allocated up to 100% among Northern Trust proprietary mutual funds and exchange traded funds for which Northern Trust receives an investment management fee for such service. Where invested in proprietary mutual funds, Northern Trust affiliates may receive administrative, custodial and transfer agency fees for such services. The client’s account will indirectly incur these fees and expenses as an investor in such proprietary mutual funds. The fees are in addition to any investment advisory fee charged by NTSI. Portfolios utilizing proprietary mutual funds and exchange-traded funds present a conflict of interest because Northern Trust and its affiliates will receive more overall compensation when Northern Trust proprietary products are used.

In general our Wrap Program Model Accounts are designed for clients who want:

- To implement a long-term investment strategy;
- To use the advice and guidance of a professional investment advisor on a discretionary basis;
- To have an all-inclusive account that includes investment advice, portfolio management, custody, trading and execution services rather than accessing those services separately.

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Our Wrap Program Model Accounts may not be appropriate for you if:

- You have a short-term investment horizon;
- You want to maintain high levels of cash, specific securities or concentrated positions;
- You want liquidity and anticipate that you will take large withdrawals from the account;
- Want to direct your own investments.

Comparable investment products and services may be available at a lower cost on an “unbundled” basis by purchasing the component mutual funds and /or ETFs directly.

**Wrap Program Model Accounts**

NTSI offers three (3) discretionary Wrap Model Programs, each of which offer multiple investment strategies and risk profiles.

**The NTSI Meridian Program (“Meridian Program”)** is sponsored and managed by NTSI. The Meridian Program provides clients with a choice of active, passive and ETF passive investment solutions, each with five risk/return investment objective profiles (each “Model Account”) utilizing Northern Trust proprietary and third party unaffiliated mutual funds and ETFs. The Meridian Program Model Accounts are multi-asset class investment solutions based on Northern Trust’s strategic asset allocation models. Tactical asset allocation changes are implemented periodically based on Northern Trust’s near-term economic and market forecast changes.

NTSI Meridian Wrap Program		
Investment Strategy Model	Investment Objective Profile	Investment Objective Profile Description
NTSI Meridian Active Program	Income	Designed for investors seeking current income with a potential but secondary and minor consideration for long-term capital appreciation.
	Income & Moderate Growth	Designed for investors seeking current income with a secondary consideration for long-term capital appreciation.
	Growth & Income	Designed for investors seeking long-term capital appreciation and current income.
	Growth & Moderate Income	Designed for investors seeking long-term capital appreciation with a secondary consideration for income.
	Maximum Growth	Designed for investors seeking long-term capital appreciation with minimal consideration for income.
NTSI Meridian Passive Program	Income	Designed for investors seeking current income with a potential but secondary and minor consideration for long-term capital appreciation.
	Income & Moderate Growth	Designed for investors seeking current income with a secondary consideration for long-term capital appreciation.

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	Growth & Income	Designed for investors seeking long-term capital appreciation and current income.
	Growth & Moderate Income	Designed for investors seeking long-term capital appreciation with a secondary consideration for income.
	Maximum Growth	Designed for investors seeking long-term capital appreciation with minimal consideration for income.
NTSI Meridian ETF Passive Program	Income	Designed for investors seeking current income with a potential but secondary and minor consideration for long-term capital appreciation.
	Growth & Moderate Income	Designed for investors seeking current income with a secondary consideration for long-term capital appreciation.
	Growth & Income	Designed for investors seeking long-term capital appreciation and current income.
	Growth & Moderate Income	Designed for investors seeking long-term capital appreciation with a secondary consideration for income.
	Maximum Growth	Designed for investors seeking long-term capital appreciation with minimal consideration for income.

The Blackrock Target Allocation ETF Portfolios Program is sponsored by NTSI and managed by Blackrock Investment Management, a third party unaffiliated investment manager. The Blackrock Model Accounts are available in a single program across 11 asset allocation strategies with different risk/return characteristics.

The BlackRock Target Allocation models are dynamic, asset-allocated investment strategies with a global mandate. They cover the entire risk spectrum with 11 portfolios moving in 10 percentage-point increments from 0% equity/100% fixed income to 100% equity/0% fixed income. The models are ETF-only portfolios, holding exclusively iShares equity and fixed-income ETFs.

BlackRock Target Allocation ETF Wrap Program		
Investment Strategy Model	Asset Allocation Profile	Asset Allocation Profile Description
BlackRock Target Allocation ETF Portfolios	Equity	100% equity / 0% fixed income
	90/10	90% equity / 10% fixed income
	80/20	80% equity / 20% fixed income
	70/30	70% equity / 30% fixed income
	60/40	60% equity / 40% fixed income
	50/50	50% equity / 50% fixed income
	40/60	40% equity / 60% fixed income
	30/70	30% equity / 70% fixed income
	20/80	20% equity / 80% fixed income
	10/90	10% equity / 90% fixed income

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	Fixed Income	0% equity / 100% fixed income
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BlackRock Investment Management, LLC (“BlackRock”) acts as a discretionary investment manager or non-discretionary model provider in a variety of separately managed account or wrap fee programs (each, an “SMA Program”) sponsored either by BlackRock or a third party investment adviser, broker-dealer or other financial services firm (a “Sponsor”). When acting as a discretionary investment manager, BlackRock is responsible for implementing trades in SMA Program accounts. When acting as a non-discretionary model provider, BlackRock’s responsibility is limited to providing non-discretionary investment recommendations (in the form of model portfolios) to the SMA Program Sponsor or overlay portfolio manager (“OPM”), and the Sponsor or OPM may utilize such recommendations in connection with its management of SMA Program accounts. In such “model-based” SMA Programs (“Model-Based Programs”), it is the Sponsor or OPM, and not BlackRock, which serves as the investment manager to, and has trade implementation responsibility for, the Model-Based Program accounts.

BlackRock’s role is limited to providing your Advisor with non-discretionary investment advice in the form of model portfolios in connection with its management of its clients’ accounts. The implementation of, or reliance on, a Managed Portfolio Strategy is left to the discretion of your Advisor. BlackRock is not responsible for determining the securities to be purchased, held and sold for your account(s), nor is BlackRock responsible for determining the suitability or appropriateness of a Managed Portfolio Strategy or any securities included therein. BlackRock does not place trade orders for any Managed Portfolio Strategy account. Information and other marketing materials provided to you by BlackRock concerning a Managed Portfolio Strategy -including holdings, performance and other characteristics -may not be indicative of a client's actual experience from an account managed in accordance with the strategy.

**The Northern Trust Diversified Strategist Portfolios (“DSP”)** combine Northern Trust’s asset allocation, portfolio construction and risk management expertise with quantitative equity and active fixed income strategies to provide globally diversified, risk-efficient solutions for a broad range of investor goals. DSP incorporates investments from multiple asset classes (e.g., equity, fixed income, alternatives and cash) into a single separately managed account. Cost-efficient FlexShares® ETFs and Northern Funds managed by Northern Trust serve as the underlying investment vehicles. This helps to position the portfolios to realize the potential benefits of active management, as well as the lower costs associated with passive indexing. DSP encompasses five target risk portfolios ranging from income to maximum growth. Tax-sensitive fulfillment options are available for investors who seek to manage tax liabilities.

Northern Trust Diversified Strategist Portfolios Wrap Program		
Model	Target Risk Portfolio	Target Risk Portfolio Description
Northern Trust Diversified Strategist Portfolios Standard	Income	Designed for investors seeking current income with a potential but secondary and minor consideration for long-term capital appreciation.
	Income with Moderate Growth	Designed for investors seeking current income with a secondary consideration for long-term capital appreciation.
	Growth with Income	Designed for investors seeking long-term capital appreciation and current income.



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	Growth with Moderate Income	Designed for investors seeking long-term capital appreciation with a secondary consideration for income
	Maximum Growth	Designed for investors seeking long-term capital appreciation with minimal consideration for income.
Northern Trust Diversified Strategist Portfolios Tax Sensitive	Income	Designed for investors seeking current income with a potential but secondary and minor consideration for long-term capital appreciation.
	Income with Moderate Growth	Designed for investors seeking current income with a secondary consideration for long-term capital appreciation.
	Growth with Income	Designed for investors seeking long-term capital appreciation and current income.
	Growth with Moderate Income	Designed for investors seeking long-term capital appreciation with a secondary consideration for income.
	Maximum Growth	Designed for investors seeking long-term capital appreciation with minimal consideration for income.

Northern Trust products including FlexShares ETFs and Northern Funds represent up to 100% of the portfolio holdings. With respect to such funds, NTI and its affiliates provide investment advisory, custodial, administrative, shareholder support and other services and receive fees. Such investments present a conflict of interest because Northern Trust, an affiliate, or a related person has a financial interest in the transaction.

**Establishment of a Wrap Program Account**

NTSI in collaboration with the client selects a Wrap Program or multiple Wrap Programs from among an approved list of Wrap Programs eligible for use by your Advisor consistent with but not limited to, the agreed upon client investment objectives, guidelines, risk tolerances and client preferences and restrictions.

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.

Prior to recommending any Wrap Fee Model Account we must use reasonable diligence to learn essential information about your financial situation to determine if the Program is appropriate for you. 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 current investment portfolio. Generally, this may be accomplished through one or more meetings with you, during which you will be asked questions that will allow the Advisor and you to accurately complete an investor profile and questionnaire. The questionnaire is meant to assist NTSI and you to: (1) jointly determine whether an

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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, our joint understanding of your goals, investment objective(s) and direction, an Advisor may make a recommendation to invest all or a portion of your assets into a Wrap Program account.

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.

In the event that there has been a change in your investment objective(s) or financial situation, please advise your Advisor immediately. Different types of investments, asset classes and investment strategies involve varying levels of risk.

**Investment Risks**

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.

Each portfolio is subject to substantial risks including market risks, strategy risks, adviser risk and risks with respect to its investment in other structures. There can be no assurance that any portfolio investment objectives will be achieved, or that any investment will achieve profits or avoid incurring substantial losses. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Risk controls and models do not promise any level of performance or guarantee against loss of principal.

Investing in individual securities and investment products involves risk of loss that clients should be prepared to bear. Northern Trust does not guarantee investment performance of any kind and it should be understood that all investments include risks, including the loss of all or a significant portion of principal. Clients assume the risk that investment returns may be negative, below the rates of return of other investment advisers, investment products or market indexes and may experience a permanent loss of value. Past performance does not guarantee future results and there is no guarantee that the client's investment objectives will be achieved. While NTSI seeks to manage accounts so that risks are appropriate to the strategy, it is not possible to fully mitigate all risks.

It is not possible to invest directly in any benchmark index and the historical performances of benchmark indexes do not reflect the inclusion of management fees, transaction costs or expenses. The historical performance results for any benchmark index are for comparative purposes only. Benchmark indices may be more or less volatile than your Wrap Program account.

You understand that we, Envestnet and the Model Provider selected by you and NTSI will manage your Managed Account without taking into consideration your unique tax situation, And that 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, 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

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You understand that if you choose to separately establish a periodic earnings withdrawal plan, you may elect to receive dividends, interest and /or capital gains automatically from your Managed Account that the earnings held pending distribution are not managed by NTSI, Envestnet or any Model Provider. 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 subject to a minimum fee.

**Operational Risks:**

Client accounts are subject to operational risks. As a result, operational events may occasionally occur in connection with NTSI's management of client accounts. Operational events can result from a variety of situations and not all operating events will be deemed to be compensable. In the case that an operational event is determined to be an error, NTSI will determine whether it is a compensable error on a case by case basis, based on relevant facts and circumstances, including the applicable standard of care and applicable investment objectives and guidelines. NTSI's objective is to promptly identify and resolve errors. When NTSI determines it will reimburse client accounts for direct and actual losses, it will be with the objective of returning the impacted client account to the original position. As a general matter, we do not compensate for lost investment opportunities.

**Strategy Specific Risks**

**Active Equity and Passive Equity**

Generally, prices of equity securities are more volatile than prices of fixed income securities. Risks associated with investing in equity securities include and are not limited to the following:

**Foreign Securities Risk:** Investing in non-U.S. securities may result in the investment experiencing more rapid and extreme changes in value than an investment exclusively in securities of U.S. companies. This may be due to less liquid markets and adverse economic, political, diplomatic, currency exchange rate, financial and regulatory factors. Foreign governments also may impose limits on investment and repatriation and impose taxes. Any of these events could cause the value of the investment to decline. To the extent that the investment assets are concentrated in a single country or geographic region, the investments will be subject to the risks associated with that particular country or region.

**Small- and Mid-Cap Stock Risk:** Stocks of smaller or mid-sized companies may be subject to more abrupt or erratic market movements than stocks of larger, more established companies. Small and mid-sized companies may have limited product lines or financial resources, or may be dependent upon a small or inexperienced management group, and their securities may trade less frequently and in lower volume than the securities of larger companies. This could lead to higher transaction costs. Generally, the smaller the company size, the greater the risk.

**Stock Market Risk:** Investments in equity securities are subject to fluctuations in the stock market, which has periods of increasing and decreasing values.

**Growth Style Risk:** Due to growth stocks' relatively high valuations, they are typically more volatile than value stocks. Further, growth stocks may not pay dividends or may pay lower dividends than value stocks. This means they depend more on price changes for returns and may be more adversely affected in a down market compared to value stocks that pay higher dividends.

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**Value Style Risk:** Investments in value stocks are subject to the risk that the intrinsic values of investments in value stocks may never be realized by the market. A stock judged to be undervalued may actually be appropriately valued, or its price may decline, even though in theory the security is already undervalued. Value stocks can react differently to issuer, political, market and economic developments than the market as a whole and other types of stocks such as growth stocks.

**Emerging Market Risk:** Securities of issuers located or doing substantial business in emerging markets are often subject to rapid and large changes in price. Emerging markets tend to be more volatile and less liquid than the market of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries.

**Active Fixed Income, Liquidity and Passive Fixed Income**

Fixed income securities are subject to various risks, the most prominent of which are credit risk and interest rate risk. These risks can affect a security's price volatility to varying degrees, depending upon the nature of the instrument. Risks associated with investing in fixed income securities include and are not limited to the following:

**Interest Rate/Maturity Risk:** Prices of fixed income securities rise and fall in response to changes in interest rates paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. This risk is generally lower for assets that have shorter-weighted maturities. The magnitude of this decline will often be greater for longer-term fixed income securities than shorter-term fixed income securities.

**Foreign Securities Risk:** Investing in non-U.S. securities may result in the investment experiencing more rapid and extreme changes in value than an investment exclusively in securities of U.S. companies. This may be due to less liquid markets and adverse economic, political, diplomatic, currency exchange rate, financial and regulatory factors. Foreign governments may also impose limits on investment and repatriation and impose taxes. Any of these events could cause the value of the investment to decline. To the extent that the investment assets are concentrated in a single country or geographic region, the investments will be subject to the risks associated with that particular country or region.

**Emerging Market Risk:** Securities of issuers located or doing substantial business in emerging markets are often subject to rapid and large changes in price. Emerging markets tend to be more volatile and less liquid than the market of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries.

**Credit (or Default) Risk:** An issuer or guarantor of a fixed income security, or counterparty to a repurchase or other transaction, will be unwilling or unable to meet its payment or other financial obligations, adversely affecting the investment's value and returns. Changes in the credit rating of a debt security could have a similar effect.

**Call Risk:** If a fixed income security is redeemed by the issuer before maturity, the portfolio may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the client account's overall yield.

**Liquidity Risk:** Liquidity risk is the risk that the client's account may not be able to sell or buy a security or close out an investment contract at a favorable price or time. As a result, the client account may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on the account's performance.

**Asset Backed/Mortgage-Backed Securities Risk:** Asset backed and mortgage-backed securities are subject to the risk of prepayment. A client account's yield will be reduced if cash from prepaid securities is reinvested in securities with lower interest rates. The risk of prepayment also may decrease the value

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of mortgage-backed securities. Asset backed securities may have a higher level of default and recovery risk than mortgage-backed securities. Both of these types of securities may decline in value because of mortgage foreclosures or defaults on the underlying obligations. Credit risk is greater for mortgage-backed securities that are subordinated to another security.

**High Yield Securities Risk:** High yield securities tend to be more sensitive to economic conditions than higher-rated securities and generally involve more credit risk. The risk of loss due to default by an issuer of high yield securities is significantly greater than issuers of higher-rated securities because such securities are generally unsecured and are often subordinated to other creditors. An account may have difficulty disposing of certain high yield securities because there may be a thin trading market for such securities.

**Municipal Securities Risk:** Certain types of municipal bonds are subject to risks based on factors, including economic and regulatory developments, changes or proposed changes in the federal and state tax structure, deregulation, court rulings and other factors. The value of municipal securities may be affected more by supply and demand factors or the creditworthiness of the issuer than by market interest rates. Repayment of municipal securities depends on the ability of the issuer or project backing such securities to generate taxes or revenues. There is a risk that the interest on an otherwise tax-exempt municipal security may be subject to federal income tax.

**Asset Allocation Risk:** Allocation of assets among the various asset classes and market segments may cause underperformance relative to other strategies with similar investment objectives. Investment in any one asset class may cause the strategy to be subject to greater risk than a more diversified strategy.

**Cybersecurity Risks**

Cybersecurity Risks: Information security risks for large financial institutions are significant in part because of the proliferation of new technologies to conduct financial transactions and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties, including foreign state actors. NTSI as a wholly owned subsidiary of Northern Trust, is included in the firm cybersecurity program. If the firm fails to continue to upgrade technology infrastructure to ensure effective cyber-security relative to the type, size and complexity of operations, NTSI could become more vulnerable to cyber-attack(s). Additionally, the computer, communications, data processing, networks, backup, business continuity or other operating, information or technology systems, including those that Northern Trust outsources to other providers, may fail to operate properly or become disabled, overloaded or damaged as a result of a number of factors. These factors could include events that are wholly or partially beyond our control and may develop into a negative influence on our ability to conduct business activities.

The techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and often are not recognized until launched against a target. As a result, NTSI may be unable to anticipate these techniques or to implement adequate preventative measures. NTSI expects to continue to face increasing cyber-threats, including computer viruses, malicious code, distributed denial of service attacks, phishing attacks, information security breaches or employee or contractor error or malfeasance that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of clients' or other parties' confidential, personal, proprietary or other information or otherwise disrupt, compromise or damage clients' or other parties' business assets, operations and activities. If a breach of security occurs, NTSI could be the subject of legal claims or proceedings, including regulatory investigations and actions, and the market perception of the effectiveness of security measures could be harmed. As a result our reputation could suffer and causing NTSI to lose clients, each of which could have a negative effect on

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the business, financial condition and results of operations. A breach of security may also adversely affect the ability to effect transactions, service clients, manage exposure to risk or expand the business. An event that results in the loss of information could conceivably require us to reconstruct lost data or reimburse clients for data and credit monitoring services, both costly endeavors that result in a negative impact on our business and reputation. Further, even if not directed at the firm, attacks on financial or other institutions important to the overall functioning of the financial system or on counterparties could affect, directly or indirectly, aspects of business.

**Assets Under Management**

As of December 31, 2020, we managed \$619,717,280.96 on a discretionary basis.

**Fees and Compensation**

Clients generally pay an investment advisory fee based on a percentage of the market value of the assets managed by the Adviser. Fees may vary as a result of negotiations, discussions and/or factors that may include the particular circumstances of the investor, account size, investment strategy, account servicing requirements, the size and scope of the overall relationship with the Adviser and its Affiliates or certain consultants, or as may be otherwise agreed with specific clients on a case by case basis. 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>Wrap Program Advisory Fees (Assets under management)</b>	<b>Annual Fee</b>
First \$500,000	1.25%
Next \$500,000	1.00%
Next \$4,000,000	0.85%
Assets over \$5,000,000	0.75%

In addition to the Advisory Services fee, individual investments held in your Managed Account are subject to product level fees, which are separate from and in addition to the advisory services fee. Product level fees vary depending on the assets, investment manager and strategy in which the Wrap Program account is invested. When Northern Trust investment products are included in a Model Portfolio Northern Trust and/or its affiliates will earn greater fees.

A client must maintain a minimum account balance of \$50,000 in a Meridian or Diversified Strategist Portfolios 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 or Diversified Strategist Portfolios 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



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Managed Account are 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 and Diversified Strategist Portfolios Account and \$20,000 minimum market value level for the BlackRock Model Provider Account. Employees and retirees of NTSI and its affiliates, and their immediate family members, will be charged an annual fee of 0.75%.

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.

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 or Diversified Strategist Portfolios 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 approval by us, you may 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

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**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. In general, Client restrictions and special instructions relating to investment strategies, sectors or securities apply only to direct investments through a locally managed or separately managed account and do not restrict Northern Trust or a third-party investment manager from investing in mutual funds, exchange-traded funds or other pooled investment vehicles that may invest in a client restricted asset class, sector or security.

**Conflicts of Interest**

Conflicts of interest are inherent in large diversified financial services companies, and 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.

Conflicts of interest arise whenever Northern Trust has an economic or other incentive in its management of client accounts to act in a way that benefits Northern Trust. For example, conflicts result when Northern Trust: (1) invests in an investment product, such as a mutual fund, exchange-traded fund, hedge fund, private equity fund, separately managed account or other investment product for which Northern Trust 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; (6) serves a client as a lender and a trustee; or (7) has other business relationships with third party investment managers, funds and service providers or their affiliates, executives, directors or shareholders. 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.

**Fund Related Conflicts Of Interest**

Northern Trust manages investment products that are: (i) registered under the Investment Company Act of 1940 and include both mutual funds and exchange traded funds and are referred to in this document as "Northern Registered Funds;" (ii) not registered and are referred to as "Northern Unregistered Funds". Funds that are not sponsored and/or managed by Northern Trust are referred to as "Third Party Funds". 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. Depending on client or account circumstances, objectives, and preferences, investment products may include Northern Trust model portfolios and Northern Trust centrally managed account model portfolios, which are designed to be diversified and efficient portfolio fulfillment options and may contain a high proportion of Northern Trust investment products including Northern Funds, FlexShares Trust Exchange Traded Funds or other Northern Trust Registered Funds and Northern Trust Unregistered Funds (collectively "Northern Trust Funds"). 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. NTI and its affiliates provide investment advisory, custodial, administrative, shareholder support and other services and receive fees from the funds via the fund expense ratio (clients will incur these fees). Northern Trust will receive



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more overall compensation when Northern Trust managed products are used.

Fund related conflicts vary by product type and by those that sponsor and/or manage the fund. Northern Trust Funds may invest in other Northern Trust Funds for which Northern Trust provides investment management or other services and receives a fee for such services. Such investments may be made without considering the universe of alternate investment products including Third Party Funds or other Northern Trust Funds, even though there may be Third Party Funds or other Northern Trust Funds that might be regarded as a more attractive investment than the selected Northern Trust Fund due to the Third Party Fund's or Northern Trust Fund's performance, risk characteristics and/or fees, among other factors. A Northern Trust Fund that invests in another Northern Trust Fund presents a conflict of interest for Northern Trust and its affiliates who have a financial interest and may derive financial or other benefits from such investment.

**Proprietary Investments – Initial Funding and Concentration Risk**

Northern Trust may provide initial funding for establishing proprietary Northern Trust Funds, including exchange traded funds, mutual funds and private funds (i.e., partnerships and limited liability companies). Such initial funding by Northern Trust is subject to internal governance and applicable regulations. When establishing proprietary Northern Trust Funds, Northern Trust and/or their client accounts may hold all or a majority (up to a 100%) of the securities of the proprietary Northern Trust Fund.

Northern Trust may sell their initial funding securities at any time without notice, subject to applicable governing documents and regulations. Northern Trust has an incentive to sell their initial funding securities and the sale may have a negative impact on the Northern Trust Fund and remaining investors. A large redemption by Northern Trust could among other things significantly reduce the assets of the Northern Trust Fund potentially affecting expense ratios, market prices, liquidity and viability.

Northern Trust may exercise its discretionary investment authority to invest client assets to establish proprietary Northern Trust Funds or to invest client assets in newly established proprietary Northern Trust Funds where Northern Trust has provided initial funding. Northern Trust may have an incentive to allocate client assets to establish proprietary Northern Trust Funds. As a result, Northern Trust may have investment discretion over a significant percentage of assets in a proprietary Northern Trust Fund. A large redemption by Northern Trust of client assets could among other things significantly reduce the assets of the Northern Trust Fund potentially affecting expense ratios, market prices, liquidity and viability.

**Northern Registered Funds:** Northern Registered Funds are registered under the Investment Company Act of 1940 and include both mutual funds and exchange traded funds. Northern Trust employees, including senior officers, may personally invest in Northern Registered Funds.

**Management Fees:** Northern Trust will receive a fee for managing the Northern Registered Funds. Such fund level fees are paid by investors and will be charged in addition to any applicable separate client account level fees paid to Northern Trust as compensation for investment management and advisory services provided to clients. As such, Northern Trust may receive more total compensation when a client account is invested in the Northern Registered Funds than when it is invested in third party investment products and Northern Trust, therefore, has a conflict of interest when it invests client accounts in Northern Registered Funds.

**Other Fees and Expenses:** All Northern Registered Funds have various fund product level fees and other expenses that are borne by the investor. Northern Trust may receive administrative, custodian, transfer agent and servicing fees for providing services to the Northern Registered Funds. These payments may be made by sponsors of the Northern Registered Funds (including Northern Trust) or by the funds themselves, and may be based on the market value of the fund position held in the client account. Such

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fund level fees are paid by investors and will be charged in addition to the account level fees clients pay to Northern Trust as compensation for its investment management and advisory services.

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 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.

Northern Trust provides fiduciary and investment management services to various types of client accounts including Northern Trust Funds. The investment advice given to one client account or fund may differ from the investment advice given to another client account or fund and transactions may be effected for the account of any client or fund at prices, in amounts, or relating to securities that are not purchased or sold for other client accounts.

### Item 5. Account Requirements and Types of Clients

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

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that liquidation may not be available for an additional two days following the settlement of the liquidation transaction.

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.

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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

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Your Advisor will assist you with the completion of all documentation necessary to establish your account. Your 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 Advisor will update your account information and we will manage your account based upon your changes.

At least annually, we request that you speak with your Advisor to review your account(s). During that time, your 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.

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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 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 Investments, Incorporated (“NTI”), Northern Trust Global Investments Limited (“NTGIL”), 50 South Capital Advisors, LLC (“50 South”), Belvedere Advisors, LLC, (“Belvedere Advisors”), NT Global Advisors, Inc., (“NTGAI”), 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 NTSI. NTGIL, NTI, Belvedere Advisors and 50 South are registered under the Investment Advisers Act of 1940. Each registered investment adviser is a subsidiary of NTC except Belvedere Advisors which is a direct subsidiary of NTI. 50 South Capital and NTI are both registered with the U.S. Commodity Futures Trading Commission and are members of the National Futures Association as a CPO, CTA and Swap Firm., Northern Trust Global Investments Japan, K.K., is an investment adviser in Japan and is a subsidiary of NTI. NT Global Advisors, Inc. (“NTGAI”), 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

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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 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's 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



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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 Wrap Program Account on a yearly basis, considering factors relevant to the determination of whether or not the assets held in your Wrap 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.

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## 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	NO	NO
<b>For our affiliates to market to you</b>	YES	YES
<b>For nonaffiliates to market to you</b>	NO	NO



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To limit our sharing	<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>
Questions?	Contact us at 1-866-260-9550.

Who we are	
Who is providing this notice?	Northern Trust family of companies

What we do	
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 creditworthiness</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>

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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.