

# **NORTHWESTERN MUTUAL INVESTMENT SERVICES, LLC**

**720 East Wisconsin Avenue**

**Milwaukee, Wisconsin 53202-4797**

**Firm Brochure Dated March 30, 2023**

**This brochure provides information about the qualifications and business practices of Northwestern Mutual Investment Services, LLC. If you have any questions about the contents of this brochure, please contact us at 1-866-950-4644. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.**

**Additional information about Northwestern Mutual Investment Services, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Northwestern Mutual Investment Services, LLC, is an investment adviser registered under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training.**

**Item 2.           Material Changes**

Prior to this update, NMIS last updated its Firm brochure on April 30, 2020. As of March 30, 2023, NMIS added an Additional Information section on Confidentiality & Privacy and Business Continuity Planning.

There have been no other material changes to our brochure since our last delivery or posting of this document on the SEC's public disclosure website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

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**Item 4. Advisory Business**

Northwestern Mutual Investment Services, LLC (“NMIS”) is a dually registered broker-dealer and investment adviser, and a wholly owned subsidiary of The Northwestern Mutual Life Insurance Company (“NM”). “Northwestern Mutual” is the marketing name for NM and its subsidiaries and affiliates. NMIS was formed and has been in business since 1968.

**Referral Services Program**

NMIS provides referral services by screening, selecting, and entering into arrangements with certain other investment advisers (the “Sponsors”) which provide either financial planning services, mutual fund asset allocation programs or other investment management services (the “Programs”). Under its referral programs NMIS's primary role is to refer its insurance or securities brokerage clients to Sponsors, and in that role will function as a “solicitor” within the meaning of Rule 206(4)-3 under the Investment Advisers Act of 1940. NMIS does not provide continuous and regular supervisory or management services to accounts established with Sponsors. Rather, its referral services are limited. NMIS does not charge its referral clients for the services described above. NMIS is compensated for the services by the Sponsor through payment of a referral fee.

**Fixed Income Advice from NMIS Investment Trading Services**

NMIS employee representatives (“Trading Services Representatives”) located in the NMIS Investment Trading Services (“NMIS Trading Services”) in NMIS’s home office of Milwaukee, Wisconsin provide non-discretionary investment advice to other investment advisers regarding purchasing and selling of fixed income investments such as corporate and municipal bonds. This advice may include assistance with structuring bond ladders or managing duration of fixed-income positions. The Trading Services Representatives have no discretionary trading authority in accounts where they assist investment advisers with fixed-income securities advice. Trading Services Representatives are employees and registered representatives of NMIS. Trading Services Representatives are compensated with a salary and company bonus plan related to broad-based company goals. Trading Services Representatives’ compensation is not related to account values, fees or commissions of the accounts they service.

**Item 5. Fees and Compensation**

We do not deduct fees directly from clients’ accounts. Advisory fees are negotiated on a case-by-case basis and vary depending on specific services to be provided. Clients are not required to, nor do they, pay advisory fees in advance.

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

NMIS does not accept any performance-based fees.

**Item 7. Types of Clients**

Referral Services Program: NMIS may refer individuals, pension and profit sharing plans, trusts, estates or charitable organizations, corporations or other business entities to investment advisers as a “solicitor” within the meaning of Rule 206(4)-3 under the Investment Advisers Act of 1940. NMIS does not establish a contractual relationship with the individuals or entities referred. Based on its limited activities NMIS does not consider the individuals or entities that it refers to investment advisers as “clients” as that term is used in the Investment Advisers Act.

Fixed Income Advice: NMIS currently only offers this service to other investment advisers.

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

In undertaking its Referral Services Program, NMIS does not offer advice on any particular investment. NMIS screens and selects Sponsors based on strategies, services offered, costs and other features. The principal sources of information used by NMIS will be materials provided by the Sponsors and filings by the Sponsors with regulators, including the U.S. Securities and Exchange Commission (“SEC”) and state securities regulators. NMIS may also use other sources of materials including, but not limited to financial newspapers and financial services. Advice regarding appropriate investments is given by the Sponsors. Each Sponsor determines its own method of analysis, sources of information and investment strategies except that the focus of the referral service generally is limited to long-term investments rather than short-term strategies.

NMIS uses third-party research services to provide advice to clients with regard to fixed-income strategies.

**Item 9. Disciplinary Information**

NMIS was involved in the following regulatory proceedings involving the Financial Industry Regulatory Authority (“FINRA”), an entity which regulates NMIS’s broker-dealer activities. In the settlements below, NMIS consented to the entry of findings and the imposition of the sanctions described without admitting or denying the allegations. These matters do not relate to NMIS’s advisory business.

In April 2020, NMIS entered into a Letter of Acceptance, Waiver and Consent with FINRA to resolve a matter under investigation by FINRA. Without admitting or denying FINRA’s findings, NMIS consented to entry of FINRA’s findings that during the period between 2005 and 2017, the firm failed to establish, maintain, and enforce a supervisory system that was reasonably designed to review and monitor the transmittals of funds from the accounts of customers to third party accounts and outside entities in violation of applicable NASD and FINRA supervisory rules. NMIS further consented to sanctions that included (1) a censure, (2) a fine of \$350,000, and (3) a certification that the Firm has enhanced its supervisory systems and written supervisory procedures.

## **Item 10. Other Financial Industry Activities and Affiliations**

NMIS is a wholly-owned subsidiary of The Northwestern Mutual Life Insurance Company ("NM"). NM and NMIS – either directly or through financial services and insurance affiliates – offer a spectrum of insurance and/or investment products. As a wholly-owned subsidiary of NM, we are affiliated with these entities, which include a federal savings bank and insurance company. We have identified below only those affiliated entities with which we have relationships or arrangements which may be considered material to our advisory business or our advisory clients. We do not believe these affiliations or arrangements impair the objectivity of our investment advice on behalf of our clients.

### **Northwestern Mutual Investment Services, LLC ("NMIS")**

NMIS is a wholly-owned company of NM. NMIS is registered with the SEC as a broker-dealer under the Securities Exchange Act of 1934, and as an investment adviser under the Investment Advisers Act of 1940. NMIS's principal business activity is as a securities broker-dealer. Representatives are also registered representatives of NMIS as broker-dealer. NMIS is the distributor for NM variable annuity and variable life contracts. Most of NMIS's registered representatives are also agents of NM and Northwestern Long-Term Care Insurance Company ("Northwestern Long-Term Care"). NMIS is an insurance agency. NMIS registered representatives also may offer variable life, variable annuity and group variable annuity products issued by unaffiliated insurance companies. NM offers and sells to the public traditional life insurance products, disability insurance and long-term care insurance. Most of NMIS's principal executive officers devote substantially all of their time to these insurance, securities brokerage, and advisory activities.

### **The Northwestern Mutual Life Insurance Company ("NM")**

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

### **Northwestern Mutual Wealth Management Company ("NMWMC")**

NMWMC is a limited purpose federal savings bank. NMWMC and NMIS are both under the common control of NM. NMIS has a brokerage services agreement with NMWMC whereby NMIS offers brokerage

and other services to support NMWMC in its offering of investment advisory services to its clients. Some of NMIS's registered representatives are both a NMIS investment advisory representative ("IAR") and a NMWMC financial advisor.

NMIS charges clients of NMWMC transaction fees in connection with fixed income transactions in NMWMC-sponsored Signature advisory program accounts where NMIS may assist NMWMC advisory representatives. These transaction fees are the same regardless of the type of fixed-income transaction that occurs. NMIS Client Services Representatives receive no compensation or incentives whatsoever in connection with any transaction fees collected by NMIS.

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

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

The Code sets out the guiding principle that Supervised Persons will refrain from taking actions or seeking benefits that would prejudice the rights of any client or conflict with the best interests of any client. The Code, among other things, sets forth policies and procedures (1) monitoring personal securities transactions and holdings of Access Persons, (2) prohibiting transactions by Supervised Persons in securities of a company while in possession of non-public information about the company, and (3) ensuring that Supervised Persons safeguard all non-public and confidential information that NMIS may obtain from its clients or others. A copy of the Code is available to you upon request. The Code is administered by the Chief Compliance Officer of NMIS. All Supervised Persons are expected to comply with the Code and failure to do so may constitute grounds for disciplinary action, including warnings, fines, disgorgements, suspensions, demotions and termination of Supervised Person's employment or association with NMIS.

**Item 12 Brokerage Practices**

NMIS does recommend or use broker-dealers in connection with its advisory services.

**Item 13. Review of Accounts**

NMIS does not manage accounts on behalf of clients.

**Item 14. Client Referrals and Other Compensation**

NMIS does not accept referrals from third parties or solicitors.

**Item 15. Custody**

NMIS does not have custody of client funds or securities.

**Item 16. Investment Discretion**

NMIS does not have investment discretion over any client assets.

**Item 17. Voting Client Securities**

NMIS does not have any ability to vote securities on behalf of any client account.

**Item 18. Financial Information**

NMIS does not solicit pre-payment of fees from any client for its services for more than six months in advance or have custody of any client assets.

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

**Additional Information**

***Confidentiality and Privacy***

NMIS and its employees are subject to Northwestern Mutual's policies and procedures with respect to the confidentiality of client and proprietary information. Northwestern Mutual expects all of its employees to maintain high standards of business ethics and to follow all policies regarding individual and business conduct. Each year, NMIS's employees are required to acknowledge they have read and understand Northwestern Mutual's "Statement on Confidentiality and Other Company Policies." NMIS is committed to protecting the privacy of investors.

***Business Continuity Planning***

NMIS has adopted a business continuity plan which documents the strategies, personnel, procedures and resources that NMIS and its primary service providers will use to respond to any short or long-term interruption to its essential business functions. The business continuity plan focuses on key continuity and recovery priorities and provides a bridge between the immediate continuity needs of NMIS and the large-scale continuity and recovery efforts provided by its key service providers. The business continuity plan is updated, exercised and tested in accordance with Northwestern Mutual's Business Continuity Planning Standards and Guidelines.