



**Nationwide**<sup>®</sup>  
*On Your Side*

**Nationwide Securities, LLC**

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March 31, 2011

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 [asknslc@nationwide.com](mailto:asknslc@nationwide.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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](http://www.adviserinfo.sec.gov).

NFN-0254AO.8 (4/2011)

## Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission (“SEC”) changed the requirements for the disclosure document that investment advisers are required to provide to clients. This Brochure, dated March 31, 2011, is a new document prepared according to the SEC’s new requirements. As such, this Brochure’s structure and content is different from our previous brochure.

In the future, NSLLC will summarize in this Item only specific changes that are made to the Brochure that it determines a client would consider important (material changes). The date of the last annual update of the Brochure will also be included.

In the past, NSLLC has offered or delivered information about its qualifications and business practices to clients at least annually. Because of the SEC’s new requirements, NSLLC will provide clients with a summary of any material changes to this and subsequent Brochures within 120 days of the close of its fiscal year. The summary will also inform clients how to request a copy of the updated Brochure itself.

Clients may request a copy of NSLLC’s Brochure by contacting Heather Wehrle, Senior Consultant, Product Management by phone at 1-877-233-3370 or by e-mail at [asknslc@nationwide.com](mailto:asknslc@nationwide.com). The Brochure is also available on NSLLC’s web site at [www.MyNFN.com](http://www.MyNFN.com).

Additional information about NSLLC is also available on the SEC’s web site at [www.adviserinfo.sec.gov](http://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. NSLLC is an indirect subsidiary of Nationwide Financial Services, Inc. (“Nationwide Financial”). NSLLC is a registered investment adviser under the Investment Advisers Act of 1940 (“Advisers Act”); a securities broker-dealer under the Securities Exchange Act of 1934 and member firm of the Financial Industry Regulatory Authority (“FINRA”); and a member of the Municipal Securities Rulemaking Board (“MSRB”). The Firm’s advisory representatives are registered as investment adviser representatives (“IARs”) in accordance with the requirements of the jurisdiction in which they operate, as well as securities sales representatives (“Registered Representatives”) in connection with the Firm’s broker-dealer business.

### ***Firm Background Information***

NSLLC was created through a series of corporate transactions that included the merger of Nationwide Securities, Inc., an affiliated broker-dealer, and 1717 Capital Management Company, an affiliated broker-dealer and registered investment adviser. The Firm’s history goes back to 1979, when 1717 Capital Management Company was incorporated and began doing business in the state of Delaware. With the formation of NSLLC and the merger of the affiliated entities, the Firm became an Ohio limited liability company; however, there was no change of control or management.

Principal owners of NSLLC include: NFS Distributors, Inc.; Nationwide Financial; and Nationwide Corporation.

NFS Distributors, Inc. owns 100% of the outstanding shares of the Firm and is a wholly-owned subsidiary of Nationwide Financial. Nationwide Financial is a wholly-owned subsidiary of Nationwide Corporation. Nationwide Corporation is owned by Nationwide Mutual Insurance Company and Nationwide Mutual Fire Insurance Company, each of which is a mutual company owned by its policyholders.

The Firm is affiliated by common ownership and control with the following entities:

- Nationwide Investment Services Corporation (“NISC”), a broker-dealer registered with the SEC and a member of FINRA. NISC acts as the general distributor of variable annuity and variable life insurance products issued by Nationwide Life Insurance Company (“NLIC”) and Nationwide Life and Annuity Insurance Company (“NLAIC”), which are insurance subsidiaries of Nationwide Financial. The Firm’s advisory representatives may sell or service NLIC or NLAIC products.

- Nationwide Investment Advisors, LLC, a registered investment adviser providing advisory services through management of portfolios and managed accounts, and by its selection of other investment advisers for its programs.
- Nationwide Funds Group, which is the mutual fund arm of Nationwide Financial. Nationwide Funds Group is comprised of Nationwide Fund Advisors, a 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. The Firm's advisory representatives may sell these affiliated mutual funds and other securities products managed by affiliated investment advisers.

Please see Item 10 of this Brochure for a discussion of conflicts of interest arising from the sale of affiliated products.

### ***Overview of Advisory Services***

The Firm provides investment advisory services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, trust programs and other U.S. institutions, based on each client's individual needs. The Firm does not provide direct investment management of client assets. In general, the Firm's advisory representatives may offer clients the following advisory services and investment management programs:

- Fee Based Financial Planning Services.
- Turnkey Asset Management Programs ("TAMPS"), where assets are invested in third-party asset management programs that provide a wide range of investment services for a single program fee.
  - Genworth Financial Wealth Management
  - Lockwood
  - Managers Choice
  - Rochdale
  - SEI
- Investor Solutions, a mutual fund asset allocation program.

Each of these services and programs is described in more detail below under the appropriate sub-heading.

Because the Firm is registered as both an investment adviser and a broker-dealer, and its advisory representatives as IARs and Registered Representatives, the Firm, through its advisory representatives, may also sell products and services and, at the request of clients, execute securities purchases and sales in connection with the advisory services it offers. Some of these products and services are offered by companies affiliated with the Firm.

### ***Fee Based Financial Planning Services***

The Firm offers comprehensive financial planning services to clients for a fee. Generally, when the Firm acts as an investment adviser for fee based financial planning services, the Firm will enter into a written agreement with the client expressly acknowledging its investment advisory relationship with the client and describing its obligations to the client. In addition to individualized financial planning, the Firm also offers financial planning seminars on a group basis.

Please see Item 5 of this Brochure for additional information regarding financial planning services offered by the Firm.

### ***TAMPs***

A TAMP is a third-party asset management program that provides a wide range of services, which may include:

- Money manager due diligence;
- Client proposals;
- Account administration;
- Performance reporting;
- Market and manager analysis; and
- Training and education support.

Clients who participate in TAMP programs typically will complete a program questionnaire that helps to identify their investment needs and tolerance for risk. Based on their responses to the questionnaire, client assets will be invested in a portfolio of securities that is designed to meet their investment objectives. In addition, TAMP programs typically will permit clients to impose reasonable restrictions on the management of their accounts. For example, the client may be able to specify that their assets not be invested in certain types of securities, such as securities issued by tobacco companies. TAMP clients will receive TAMP disclosure (including a brochure similar to NSLLC's brochure) from the investment

adviser that sponsors the TAMP program (the “TAMP Sponsor”), which will include more detailed information about the program.

### Selecting a TAMP

When a client decides to participate in a TAMP, an advisory representative of the Firm typically takes the information provided by the client and uses his or her knowledge and industry experience to research, analyze and select the appropriate TAMP for the client. An advisory representative of the Firm may review a client’s assets, net worth, tax status, investments, investment history, and other factors to make sure a client is eligible to participate in the TAMP. After conducting this qualification analysis, the Firm will perform various administrative and clerical tasks to assist a client in opening an account with the TAMP Sponsor.

Depending on the structure of the TAMP selected, the Firm will act either as a solicitor or a co-adviser to the arrangement between the client and the TAMP Sponsor. The Firm’s obligations and responsibilities with respect to the client’s TAMP account will vary depending on the nature of the arrangement. As further described below, the Firm typically does not provide investment advisory services to TAMP clients when it acts as a solicitor.

### Firm as Solicitor

Under a solicitor arrangement, clients referred by the Firm enter into an investment advisory agreement directly with the TAMP Sponsor, which typically may be terminated by either party upon written notice. The Firm is not a party to this agreement and does not have investment advisory responsibility for the provision of TAMP services. Rather, the Firm’s role is limited to referring clients to the TAMP, assisting with certain administrative functions, and acting as a liaison between the client and the TAMP Sponsor. In order to streamline the advisory process, the Firm’s advisory representative will provide the client’s financial information to the TAMP on the client’s behalf. In addition, 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.

### Firm as Co-adviser

Under a co-advisory arrangement, the client enters into an agreement with the Firm and the TAMP Sponsor, which typically may be terminated by any party upon written notice. The Firm’s advisory representative may perform advisory tasks in addition to the ministerial tasks provided in a solicitor arrangement, including assisting the client with

determining the appropriate asset allocation model, assisting the client in selecting investments, reviewing the client's account activity, and reviewing the account with the client at least annually to identify any changes in the client's information or restrictions placed on the account.

Please see Item 5 of this Brochure for a detailed description of each TAMP currently offered by the Firm, including fees and expenses.

### ***Investor Solutions***

In addition to referring clients to TAMPs, which typically offer a combination of advisory and brokerage services for a single program fee, the Firm also offers Investor Solutions, a mutual fund asset allocation program.

#### Investor Solutions Strategies

The Firm offers Investor Solutions, a professional and flexible asset management program, in conjunction with FundQuest, Incorporated ("FundQuest"), a registered investment adviser and technology firm that designs, operates, and delivers investment programs. FundQuest has developed seven asset allocation models for individual portfolios, as well as a process for designing a mutual fund portfolio consistent with these models. FundQuest screens more than 4,000 no-load and load-waived mutual funds in order to design mutual fund portfolios and updates its research on a monthly basis.

Investor Solutions is available in two strategies:

***Investor Solutions Professional Strategies ("Professional Strategies")*** offers a professional investment strategy designed in cooperation with FundQuest. For this strategy, FundQuest will prepare a customized plan for a client based on the client's goals, time horizon, risk tolerance, and any reasonable restrictions the client may place on the investment of his or her assets. To implement this plan, FundQuest will design a diversified mutual fund portfolio utilizing funds on the Eligible List (*see below*). The portfolio will be professionally managed and rebalanced periodically by FundQuest. This approach is more suitable for clients who prefer to defer fund selection and management to an asset management company for their portfolios. With Professional Strategies, the client appoints FundQuest as the client's investment adviser with investment discretion.

***Investor Solutions Personal Strategies ("Personal Strategies")*** offers an investment strategy based on FundQuest's seven asset allocation models and allows flexibility in the selection of the funds. A client and his or her advisory representative can select

which funds to utilize based on the Eligible List, or transfer other funds or securities into the account. Account investments are generally limited to mutual funds, however, the Firm may allow a Personal Strategies program account to invest in equities or bonds. The client's advisory representative will personally monitor the client's account and rebalance the account when appropriate, in accordance with the guidelines selected by the client. This approach is more suitable for clients who prefer to appoint an investment manager for their account while retaining investment discretion.

**Both Strategies:** Clients may not purchase variable life insurance products or unregistered securities for an account. Regardless of which strategy is selected by the client, the client retains flexibility to modify his or her investment model when his or her needs change or market conditions warrant.

**Eligible List:** The Eligible List is a list of funds pre-screened by FundQuest and approved by NSLLC for Investor Solutions. To be listed on the Eligible List, a fund must meet certain objective criteria established by FundQuest, including performance, expenses, volatility, and duration of fund track record and be available for purchase through Pershing, LLC ("Pershing").

#### How NSLLC Designs the Client's Strategy

**Both Strategies:** Clients interested in establishing an Investor Solutions account will meet with an advisory representative to review their current financial situation, risk tolerance, and investment goals. Utilizing an investor profile questionnaire (the "Client Profile Questionnaire"), the advisory representative will collect information from the client in order to create a profile of the client's financial and investment situation, taking into account the client's current investments, assets, net worth, income, investment objectives, tax sensitivity, time horizon, risk tolerance, and various other variables.

**Professional Strategies:** Based on the client's responses to the Client Profile Questionnaire, FundQuest will develop a customized plan for the client, including a mutual fund portfolio. The advisory representative will present the plan to the client for approval. The client's signature on an investment advisory agreement indicates that the client has approved the plan presented by the advisory representative. Once the plan is implemented, FundQuest will monitor the account for conformance to the plan and will rebalance the account periodically to maintain the asset allocation. The advisory representative will be available to answer any questions and to implement any changes the client wants to make, based on changes in the client's personal or financial circumstances, or the financial markets.

***Personal Strategies:*** Based on the client's responses to the Client Profile Questionnaire, the advisory representative will identify an asset allocation mix tailored for the client's situation, utilizing FundQuest's asset allocation analyses. Based on that mix and other subjective factors and considerations important to the client in selecting investments, such as whether the client wants to transfer any existing investments into the Investor Solutions account, the advisory representative will recommend a portfolio of mutual funds and possibly individual securities to implement the asset allocation mix recommendation. The advisory representative is likely to recommend mutual funds on the Eligible List because transactions in those funds ordinarily will not result in additional fees or charges for the client's account. While clients are limited to purchasing mutual funds that are on the Eligible List, clients may transfer mutual funds previously purchased into an Investor Solutions account.

In deciding which mutual funds to recommend, the advisory representative may consider a number of sources, including third-party research materials, corporate press releases, and prospectus information. The advisory representative will also take into account his or her own views and perspectives on mutual funds, as well as the client's preferences, risk tolerance, and goals, and those investments the client wants to carry over to an Investor Solutions account.

#### Establishing an Investor Solutions Account

Clients interested in establishing an Investor Solutions account will need to sign an investment advisory agreement and provide the requested information. Clients will also be asked to approve the initial asset allocation mix for the account as well as the initial investments for the account. Neither NSLLC nor the advisory representative will implement any investment recommendation without first obtaining a client's approval.

There are a number of forms clients will be asked to complete and sign:

- Client Profile Questionnaire, which collects financial and goal information about the client;
- Investment advisory agreement;
- Pershing new account application;
- Pershing account transfer applications (if a client has assets to be transferred from another firm); and
- Investment strategy report.

The minimum amount of assets required for an Investor Solutions account is \$75,000. NSLLC reserves the right to lower the minimum required amount on a case-by-case basis, and the right to terminate an account if the assets in an account fall below \$50,000.

## Is an Investor Solutions Account for You?

Investor Solutions bundles together several service providers – an adviser, a broker-dealer, a clearing firm, and a custodian – offering many of these services for a single Investor Solutions program fee (fees for custodial services are separate and there may be brokerage charges for certain securities transactions). Some clients like having the various services “packaged” together, while others prefer to select their own service providers for the various services needed to manage their investment portfolios. Similarly, some clients like a fee structure that converts trading costs into an asset-based fee calculated on the same basis as advisory fees, while others prefer trading costs to be assessed on a per trade basis. Depending on a number of factors, such as the number, size, and nature of the securities transactions in an Investor Solutions account, the overall fees and charges paid by the client over time could be more or less than what these fees and charges would be if the same services were provided on a separate basis.

Please see Item 5 of this Brochure for a detailed description of Investor Solutions fees and expenses.

### ***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. While a program may cease to be actively promoted, it might still permit new account openings by household members of existing account owners. Advisory representatives may continue to service all previously established accounts.

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 program sponsor directly should refer to their most recent account statement for contact information.

### ***Other Programs and Services***

The Firm may make certain other investment management programs and advisory services available from time to time. These programs and services are offered through 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 will be provided to clients participating in these programs and services.

## ***Management of Client Assets***

The Firm's advisory representatives do not manage client assets. Rather, the Firm refers clients to third party TAMP programs and other advisory programs that offer professional investment management services.

## **Item 5 – Fees and Compensation**

### ***Fee Based Financial Planning Services***

#### Description of Fees

The Firm offers financial planning services directly to clients on an individual basis and through seminars that are conducted on a group basis. Clients who have selected to engage NSLLC in the creation of a financial plan on an individual basis may pay for the Firm's investment advisory services based on a percentage of assets under management or hourly or fixed fees. Clients who attend a financial planning seminar will pay either a minimum flat fee or a fee per attendee. Fees for financial planning services on an individual basis may differ from one advisory representative to another, as the fees are subject to negotiation and agreement between the client and the advisory representative. NSLLC does not dictate a minimum required fee, a maximum required fee, or a range of fees for fee based financial planning conducted on an individual basis, and advisory representatives may offer complimentary financial plans as they deem appropriate. Clients receiving an individual financial plan will be billed for fees incurred upon entering into a financial planning contract with NSLLC. A financial plan is generally a one-time transaction and would require a new advisory agreement and 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, by submitting a written request to NSLLC within five business days of signing the Financial Planning Agreement. If a refund is requested after five days, granting a full or partial refund will be at the sole discretion of the Firm.

#### Implementation of Financial Plans

The Firm's financial planning service ends upon its delivery of the plan to the client, or at the conclusion of the seminar, 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 account (i.e. brokerage or advisory accounts) used for the implementation.

#### NSLLC as Broker-Dealer

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 may receive 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 may present a conflict of interest.

#### ***TAMPs – Overview of Programs and Fees***

TAMP fees typically cover the costs of the initial and on-going investment advisory services and the execution of securities transactions, custody, performance measurement, and other services set forth in the applicable TAMP advisory service agreement. The fees for a TAMP may result in higher costs than a client may otherwise incur by paying for the adviser's standard fees and negotiating separate arrangements for trade execution, custody, and consulting services.

If a client participates in a TAMP that does not include execution services, the Firm or its clearing agents or an affiliated broker-dealer may receive commissions for related brokerage services. This may include a mark-up for executing transactions in its capacity as a broker-dealer, or the receipt of directed commissions for insurance sales. These commission payments are based upon the Firm's regular commission schedules or, if applicable, the affiliated broker-dealer's regular commission schedules, then in effect.

Solicitors or co-advisers typically receive a portion of the account management fee that the client pays to the TAMP Sponsor. The amount of the fee is related to the services that the solicitor or co-adviser provides, usually is within a range established by the Firm and the TAMP Sponsor, and sometimes is negotiable.

Many TAMPs allow clients to:

- Establish a periodic withdrawal schedule at the time accounts are opened;

- Withdraw account assets on several days' notice; and
- Make additions to an account at any time.

It is important to note that if a withdrawal request necessitates a liquidation of securities, proceeds may not be available for several days following the settlement date. If liquidation causes the value of the account to fall below a required minimum, the account may be subject to immediate termination and an early closing fee. Clients may refer to the TAMP Sponsor's disclosure documents or check with their advisory representative regarding the terms and conditions of a particular advisory service.

With certain TAMPs, the Firm's advisory representatives will periodically contact a client to review and update the client's investment objectives and account restrictions, investment programs, or asset allocation model based upon changes in the client's goals and objectives.

The primary TAMPs to which the Firm refers clients are described more fully below. Please review this information for a description of applicable fees and expenses, as well as the Firm's compensation arrangements with clients and/or TAMP Sponsors. Clients who select a TAMP will also receive additional disclosure information from the TAMP Sponsor.

TAMP descriptions are based on information provided to NSLLC by each TAMP Sponsor. This information is subject to change. Please consult the TAMP Sponsor's disclosure documents for a current description of applicable fees and expenses.

## [GENWORTH FINANCIAL WEALTH MANAGEMENT, INC.](#)

### ***Overview of GFWM Platform***

The Firm has entered into an agreement with Genworth Financial Wealth Management, Inc. ("GFWM"), an investment advisor registered with the SEC that provides consulting services to other advisors and investment advisory clients. As part of its consulting services, GFWM is responsible for account administration, fee billing, and performance reporting, and has developed internet-based software that provides the firm with the capability of directly monitoring its client accounts and downloading information concerning changes in the GFWM platform. GFWM is a wholly owned subsidiary of Genworth Financial, Inc., a publicly held insurance holding company. GFWM was previously named AssetMark Investment Services, Inc. and was renamed in connection with the merger of an affiliated registered investment adviser, Genworth Financial Asset Management, Inc. ("GFAM").

A client will need to enter into a Client Services Agreement with the Firm in order to establish an account in an investment option available on the platform offered by GFWM. A client will also need to complete a questionnaire to identify the client's risk

tolerance, rate of return objectives, investment experience, anticipated need for liquidity, potential timing of the need for retirement funds, and other investment needs and parameters.

NSLLC makes the following investment options available through GFWM:

- Mutual Fund Portfolios (“MFP”) – portfolios are constructed using mutual funds that provide exposure to a broad selection of asset classes across the global markets.
- Exchange-Traded Fund Portfolios (“ETF”) – portfolios are constructed using exchange-traded funds that provide exposure to a range of global capital market indexes.
- Unified Managed Account (“UMA”) - account structure combines diverse investments in a single portfolio of stocks, fixed-income instruments, mutual funds, ETFs, etc. using stock selections of global network investment organizations.
- Privately Managed Account Portfolios (“PMAPs”) - offers investors the option to choose from two different solutions that offer unique investment options and levels of customization.
  - Consolidated Managed Accounts (“CMA”) – employs a comprehensive investment process utilizing several investment management firms providing institutional-quality investment management and strategic or tactical asset allocation in one consolidated account.
  - Individual Managed Accounts (“IMA”) - the IMAs offer GFAM Preservation Strategy and GFAM Fixed Income only. GFAM Preservation Strategy delivers asset allocation across dozens of global asset classes and access to a wide range of risk managements. GFAM Fixed Income offers a variety of ways to add exposure to government, municipal, and corporate fixed income asset classes.

### ***GFWM Platform Advisory Fee***

Clients of the Firm wishing to participate in a GFWM platform will pay an annual advisory fee. This annual fee is broken into four equal payments that will be deducted from the client’s account in advance of each quarter, based on the fee schedule provided to the client. Clients may also pay an additional consulting fee charged by the Firm when they open an account or make additional investments to an account. Clients opening an IMA or UMA will also pay an additional investment manager fee to each designated discretionary investment manager. The consulting fee, investment manager fee, and the annualized advisory fee will be stated in the Client Services Agreement or its attachments. The maximum annual advisory fee a client could pay is represented in the tables of fees below.

The maximum annual advisory fee is calculated as a percentage of the assets in the client's account according to the schedules below and is deducted from the client's account.

### Maximum Advisory Fees

#### AssetMark Mutual Funds, Mutual Fund Accounts, and ETF Accounts

Assets Under Management	AssetMark Mutual Funds	Mutual Fund Accounts	ETF Accounts	NSLLC's Advisory Fee	Total Maximum Fee
\$0- 250,000	0.00%	.45%	.45%	1.35%	1.80 %
\$250,001-500,000	0.00%	.40%	.45%	1.25 %	1.7 %
\$500,001 - 1,000,000	0.00%	.35%	.45%	1 %	.1.45%
\$1,000,001 - 2,000,000	0.00%	.30%	.40%	.75%	1.15 %
\$2,000,001 - 3,000,000	0.00%	.20%	.40%	.75%	1.15 %
\$3,000,001 - 5,000,000	0.00%	.20%	.35%	.75%	1.10 %
Over \$5,000,000	0.00%	.20%	.25%	.75%	1.00%

#### Unified Managed Account

Assets Under Management	UMA	NSLLC's Advisory Fee	Total Maximum Fee
\$0 - 250,000	.85%	1.10%	1.95%
\$250,001 - 500,000	.85%	1.00%	1.85%
\$500,001 - 1,000,000	.70%	.80%	1.50%
\$1,000,001 - 2,000,000	.47%	.75%	1.22%
\$2,000,001 - 3,000,000	.47%	.75%	1.22%

\$3,000,001 - 5,000,000	.47%	.75%	1.22%
Over \$5,000,000	.25%	.75%	1.00%

### Consolidated Managed Account

Assets Under Management	CMA	NSLLC's Advisory Fee	Total Maximum Fee
\$0 - 250,000	.80%	1.15%	1.95%
\$250,000 - 500,000	.80%	1.00%	1.80%
\$500,001 - 1,000,000	.80%	.80%	1.60%
\$1,000,001 - 2,000,000	.75%	.75%	1.50%
\$2,000,001 - 3,000,000	.75%	.75%	1.50%
\$3,000,001 - 5,000,000	.70%	.75%	1.45%
Over \$5,000,000	.65%	.75%	1.40%

### Individually Managed Account GFAM Preservation Strategy

Assets Under Management	IMA (GFAM Preservation Strategy)	NSLLC's Advisory Fee	Total Maximum Fee
\$0 - 250,000	.75%	1.25%	1.95%
\$250 - 500,000	.50%	1.00%	1.50%
\$500,000 - 1,000,000	.50%	.80%	1.30%
Assets Under Management	IMA (GFAM Preservation Strategy)	NSLLC's Advisory Fee	Total Maximum Fee
\$1,000,000 - 2,000,000	.45%	.75%	1.20%

\$2,000,000 - 3,000,000	.45%	.75%	1.20%
\$3,000,000 - 5,000,000	.40%	.75%	1.15%
Over \$5,000,000	.30%	.75%	1.05%

**Individually Managed Account  
GFAM Fixed Income**

<b>Assets Under Management</b>	<b>IMA (GFAM Fixed Income)</b>	<b>NSLLC's Advisory Fee</b>	<b>Total Maximum Fee</b>
\$0 - 250,000	.45%	.50%	.95%
\$250,001 - 500,000	.45%	.50%	.95%
\$500,001 - 1,000,000	.35%	.50%	.85%
\$1,000,001 - 2,000,000	.25%	0.25%	.50%
\$2,000,001 - 3,000,000	.25%	0.25%	.50%
\$3,000,001 - 5,000,000	.25%	0.25%	.50%
Over \$5,000,000	.20%	0.15%	.35%

- The standard minimum investment through the platform will generally be \$50,000 for MFP accounts and \$100,000 for ETF accounts. The standard minimum CMA investment will generally be \$500,000. The standard minimum UMA investment, depending on the strategy selected, will generally be between \$50,000 and \$500,000. GFWM reserves the right, in its sole judgment, to accept certain investments below the standard minimum.
- The standard minimum IMA investment per investment manager is generally between \$100,000 and \$250,000, and will depend on the custodial and investment manager selected for the account. Certain investment managers may require minimum investments greater than \$250,000. For IMA strategies in which GFAM is the investment manager, the minimum investment is \$50,000.

If for any reason the client's account value falls below the required minimum, GFWM has the right to terminate the account. In addition, a client may terminate the account at any time without penalty. In the event the account is terminated for any reason during a calendar quarter, GFWM will return to the client within 45 days of the effective

date of the termination, a pro-rated portion of the quarterly fee paid by the client at the beginning of the quarter.

### ***Other Fees and Charges***

Clients may also bear certain charges imposed by third parties other than the Firm for investments made through the account, 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 each fund's net asset value, meaning they are an indirect expense of the account. The total direct and indirect fees charged to a client through the GFWM platform may be higher than fees charged by other investment advisers for similar services. Clients may purchase these mutual funds and ETFs directly, without participation in the platform, but will not receive the services of GFWM.

Clients should make sure that the Client Services Agreement they execute with the Firm specifies the fees that will be charged for their individual investment options.

In addition to this Brochure, clients will receive a copy of GFWM's disclosure documents prior to investing in an investment option on the platform. The disclosure documents for the selected investment option will contain additional information on a variety of topics, including business affiliates and potential conflicts of interest, charges for brokerage transactions, payments from mutual fund assets which reduce overall mutual fund performance, and all platform costs and services.

## **LOCKWOOD**

Lockwood Advisors, Inc. ("Lockwood") and Lockwood Capital Management, Inc. ("LCM") are affiliates of Pershing LLC ("Pershing") and Pershing Advisor Solutions ("PAS"). Lockwood, Pershing and PAS are wholly owned subsidiaries of the Bank of New York Mellon Corporation. Lockwood is registered with the SEC as an investment adviser and provides financial advisers with access to individual account managers and investment advisory services. These financial advisers in turn provide investment advice and consulting to their high net worth clients and institutional clients. Lockwood makes two discretionary managed account programs available through the Firm: Lockwood Investment Strategies and Lockwood Asset Allocation Portfolios. Lockwood also makes available through the Firm its non-discretionary AdvisorFlex Portfolios.

**Lockwood Investment Strategies** (“LIS”) provides access to approximately fifty investment managers representing more than ninety different portfolio options. LIS’s internal research staff performs all necessary due diligence on an extensive universe of investment managers before selecting them for the program. The LIS program is a discretionary, multi-disciplined managed account program that is housed in a single portfolio. The LIS program consists of five core models and variations that span the risk/return spectrum. The LIS program includes an Overlay Manager, LCM, who coordinates the buying and selling of securities, tax efficiency, and rebalancing across each portfolio. The LIS program also includes various sub-managers who provide strategy specific models. The guidelines employed by the Overlay Manager are provided by Lockwood, with Lockwood exercising discretion over the accounts established under this program. Each model may include equities, mutual funds, exchange-traded funds, and other types of securities, as determined by Lockwood.

The LIS account program fee (“LIS Program Fee”) includes the LCM advisory fee, the Overlay Manager administrative fee, the sub-manager fees, and the clearing, custody and execution fees. In addition to the LIS Program Fee, the advisory representative may add a reasonable advisory fee as shown in the Lockwood Fee Schedule that follows.

**Lockwood Fee Schedule for LIS**

Household Assets Under Management	Program Fee	NSLLC’s Advisory Fee	Total Maximum Fee
< \$250,000*	.75%	1.50%	2.25%
First \$500,000	.75%	1.25%	2.00%
Next \$500,000	.55%	1.00%	1.55%
Next \$1,000,000	.55%	.75%	1.30%
Next \$4,000,000	.40%	.75%	1.15%
Next \$5,000,000	.35%	.75%	1.10%
Over \$10,000,000	.30%	.75%	1.05%

\* Minimum account balance for LIS investments is \$250,000

**Lockwood Asset Allocation Portfolios** (“LAAP”) is a discretionary, multi-disciplined managed portfolio program housed in a single account and is managed by LCM, also an SEC-registered investment advisory firm. LCM serves as the Portfolio Manager,

determines asset allocation strategy, and selects investment vehicles for each investment style component of the LAAP based on proprietary models. LAAP consists of five core models, which may include mutual funds, exchange-traded funds, and other types of securities, as determined by LCM.

In addition to the LAAP account program fee (“LAAP Program Fee”), the advisory representative may add a reasonable advisory fee as shown in the Lockwood Fee Schedule that follows.

### Lockwood Fee Schedule for LAAP

Household Assets Under Management	Program Fee	NSLLC’s Advisory Fee	Total Maximum Fee
< \$250,000*	.40%	1.50%	1.90%
First \$500,000	.40%	1.25%	1.65%
Next \$500,000	.35%	1.00%	1.35%
Next \$1,000,000	.35%	.75%	1.10%
Next \$4,000,000	.30%	.75%	1.05%
Next \$5,000,000	.25%	.75%	1.00%
Over \$10,000,000	.20%	.75%	.95%

\* Minimum Account investment for Portfolios is \$50,000

- Lockwood does not set the advisory fee; 100% of the advisory fee is paid out to the Firm as the broker-dealer concession. Lockwood retains the LAAP Program Fee.

**AdvisorFlex Portfolios** – Lockwood is the sponsor and portfolio manager of the AdvisorFlex Portfolios that it makes available to the Firm and its advisory representatives for marketing to clients. For each investment category within a model portfolio, there are several investment options from which the client can choose, with the assistance of the client’s advisory representative, to build a portfolio to meet the client’s investment objectives. Neither the Firm nor its advisory representatives assume discretionary authority over client accounts. All securities transactions recommendations are approved by the client prior to execution.

In addition to the AdvisorFlex Portfolios program fee (“AdvisorFlex Program Fee”), the advisory representative may add a reasonable advisory fee as shown in the Lockwood Fee Schedule that follows.

**Lockwood Fee Schedule for AdvisorFlex Portfolios**

Household Assets Under Management	Program Fee	NSLLC's Advisory Fee	Total Maximum Fee
< \$250,000*	.40%	1.50%	1.90%
First \$500,000	.40%	1.25%	1.65
Next \$500,000	.35%	1.00%	1.35%
Over \$1,000,000	.25%	.75%	1.00%

\* Minimum account size for AdvisorFlex accounts is \$100,000

*(AdvisorFlex Program Fees may be negotiated on a case-by-case basis upon the review and approval of Lockwood)*

- Minimum subsequent contributions - \$1,000
- Minimum AdvisorFlex Program Fee - \$62.50 per quarter in advance

In addition to this Brochure, clients will receive a copy of Lockwood’s disclosure documents prior to investing in a program. The disclosure documents for the relevant program will contain additional information on a variety of topics, including business affiliates and potential conflicts of interest, charges for brokerage transactions, payments from mutual fund assets which reduce overall mutual fund performance, and all program costs and services.

**MANAGERSCHOICE**

Managers Investment Group (“Managers”) sponsors an asset allocation program known as ManagersChoice. ManagersChoice does not charge a program fee, so the entire advisory fee is paid to the advisory representative and the Firm. Instead, Managers

receives a management and administrative fee from the underlying mutual funds in ManagersChoice, as specified below. Additionally, other fees may apply.

ManagersChoice is a family of managed portfolios (models) that are constructed with proprietary asset allocation models and implemented with investments in selected affiliated and unaffiliated mutual funds. The models provide asset allocation strategies, implemented through a combination of asset classes, investment styles, and portfolio managers to address a variety of investor risk tolerances, time horizons, investment objectives, and other considerations.

Managers provides advisers with marketing material and a consultative sales process to help advisers choose an appropriate model portfolio for each client based on the client's financial situation and investment objectives. The model portfolios employ a strategic asset allocation structure that is institutional in design and implemented with mutual funds sub-advised by investment managers that have passed a stringent due diligence process. Managers actively monitors and rebalances the model portfolios to their asset allocation targets with a methodical review and management process. Clients are not permitted to impose reasonable restrictions on the investment of their assets in the model portfolios.

### **ManagersChoice Fee Schedule**

<b>Assets Under Management</b>	<b>Program Fee</b>	<b>NSLLC's Advisory Fee</b>	<b>Total Maximum Fee</b>
< \$250,000	0%	1.50%	1.50%
Next \$250,000	0%	1.25%	1.25%
Next \$500,000	0%	1.00%	1.00%
Over \$1,000,000	0%	0.75%	0.75%

- Fees are billed at the end of each quarter.
- Minimum account size is \$50,000.
- Managers does not set the advisory fee; 100% of the advisory fee is paid out to the Firm based on the annual percentage of assets under management.
- Managers does not charge a separate program fee; it receives a management and administrative fee that ranges between 0.71% and 1.41% from the underlying mutual funds in ManagersChoice.

In addition to this Brochure, clients will receive a copy of Managers' disclosure documents prior to investing in ManagersChoice. The disclosure documents for ManagersChoice will contain additional information on a variety of topics, including business affiliates and potential conflicts of interest, charges for brokerage transactions, payments from mutual fund assets which reduce overall mutual fund performance, and all program costs and services.

## ROCHDALE INVESTMENT MANAGEMENT

The Firm has entered into solicitor and co-advisory agreements with Rochdale Investment Management ("Rochdale"), under which Rochdale provides investment management services to clients. Rochdale offers its services to two types of clients. High Net Worth ("HNW") services generally are offered to clients investing \$750,000 and more in total assets, and Mid Net Worth ("MNW") services generally are offered to clients investing less than \$750,000. Rochdale's HNW services include ongoing investment management services provided primarily through the use of a portfolio management team, whereas MNW services generally are provided primarily through the use of proprietary computer systems with the assistance of a portfolio management team. Rochdale also offers a wrap account in place of a commission-based brokerage account. In addition to the investment advisory fee for the wrap account, Rochdale will charge a fee instead of trading commissions or ticket charges to cover all transactions. Refer to Rochdale disclosure documents for additional detail surrounding these fees.

In the co-advisory arrangement, the Firm and its advisory representatives are responsible for, among other things, gathering applicable client information, assisting clients with financial planning, investment objective-setting, and determining appropriate asset allocations, coordinating communications between the client and Rochdale, and monitoring performance and services to ensure clients' needs are being met. In the solicitor arrangement, the Firm and its advisory representatives do not perform advisory functions.

The Firm is compensated for its services by receiving a portion of the overall management fee on a continuous basis during the time that the client is an advisory client of Rochdale or until one or more parties are no longer qualified and eligible to receive these fees under the agreement or by applicable law. The fee varies in accordance with the services provided.

From time to time, Rochdale may purchase its own products or other products for a client's account that are included in the asset totals upon which Rochdale's advisory fee is based. Included among the Rochdale products are the Rochdale Funds, a series of mutual funds affiliated with Rochdale. Rochdale receives an advisory fee from the client and investment management fees from the Rochdale Funds. In some cases, this fee may be higher than the fee indicated in the Investment Management Fees disclosed by Rochdale. Clients have the right to revoke their consent to the investment of their account assets in Rochdale Funds at any time.

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 LLC ("Pershing"). RIM Securities will charge commissions for transactions separate and apart from the total advisory fee. Brokerage commissions or similar charges generated by securities transactions executed by Rochdale will be paid out of the assets of the account. Pershing is the custodian for all client accounts, and title to all investments will be held in the name of the client or the custodian. Pershing, as custodian, may charge clients additional fees, which are separate and apart from any fees charged by Rochdale.

#### **Rochdale Fee Structure for High Net Worth Services**

<b>Assets Under Management</b>	<b>Rochdale's Fee</b>	<b>NSLLC's Advisory Fee</b>	<b>Total Maximum Fee</b>
First \$2,000,000	1.00%	1.00%	2.00%
Next \$3,000,000	0.80%	0.75%	1.55%
Next \$5,000,000	0.60%	0.40%	1.00%
Over \$10,000,000	0.50%	0.10%	0.60%

- These fees may vary depending on the services provided.

#### **Rochdale Fee Structure for Mid Net Worth Services**

<b>Assets Under Management</b>	<b>Rochdale's Fee</b>	<b>NSLLC's Advisory Fee</b>	<b>Total Maximum Fee</b>
First \$350,000	.40% - 0%	1.00% - .85%	1.40% - .85%
Next \$200,000	.40% - 0%	.85% - .75%	1.25% - .75%
Next \$200,000	.40% - 0%	.75% - .50%	1.15% - .50%

- Minimum account size for private client services, including separate account management, is recommended at \$1,000,000.
- Trading costs are additional.

In addition to this Brochure, you will receive a copy of Rochdale’s disclosure documents prior to receiving HNW or MNW services. The disclosure documents will contain additional information on a variety of topics, including business affiliates and potential conflicts of interest, charges for brokerage transactions, payments from mutual fund assets which reduce overall mutual fund performance, and all costs and services.

## SEI INVESTMENTS MANAGEMENT CORP.

### *Overview of the SEI Programs*

The Firm has entered into an agreement with one or more companies affiliated with SEI Investments Company (“SEI”), under which SEI offers its own mutual funds and a separately managed account program utilizing a multiple manager approach instead of assigning fund management responsibilities internally (together, the “SEI Programs”). SEI creates its own mutual funds that are asset-class specific, and portfolio managers are given a portion of a single mutual fund pool to manage according to their specific investment style or sub-style for each asset class. There are many independent investment firms acting as sub-advisers in the SEI Programs. SEI acts as the manager of these sub-advisers and has responsibility for the investment management oversight, including overseeing the sub-advisers and recommending their hiring, termination, and replacement.

SEI offers approximately 60 asset allocation portfolios utilizing asset allocation, portfolio structure, tax management, the use of multiple specialist managers, and continuous portfolio monitoring.

### *SEI Program Fees*

The maximum fee paid to participate in the SEI Programs is calculated as a percentage of the assets in the client’s account according to the schedule below and fees are deducted from the client’s account.

#### **SEI Fee Schedule**

<b>Assets Under Management</b>	<b>Program Fee</b>	<b>NSLLC’s Advisory Fee</b>	<b>Total Maximum Fee</b>
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\$0 - 250,000	0%	1.50%	1.50%
\$250,001- 500,000	0%	1.25%	1.25%
\$500,001- 2,000,000	0%	1.00%	1.00%
Amounts over \$2,000,000	0%	0.75%	0.75%

- SEI has waived account minimums for mutual fund accounts, but reserves the right to change this practice at any time, in its sole discretion. The minimum account size for the separately managed account program generally is \$100,000, but may differ, as managers determine minimums themselves.
- Custody fee - \$60.00 per year for accounts under \$50,000.00.
- SEI charges asset management fees between 1.06% - 0.45% for the mutual funds offered in the mutual fund program, and asset management fees between 1.20% - .20% (varies with asset class) for mutual funds offered in the separately managed account program. Refer to SEI's disclosure document for details.
- Additional fees for wire or check disbursements: \$20.00.

In addition to this Brochure, clients will receive a copy of SEI's disclosure documents, which must be read prior to investing in the SEI Programs. The disclosure documents for the relevant program will contain additional information on a variety of topics, including business affiliates and potential conflicts of interest, charges for brokerage transactions, payments from mutual fund assets which reduce overall mutual fund performance, and all program costs and services.

### ***Investor Solutions Fees***

#### **Investor Solutions Program Fee**

The Firm charges a fee for a client's Investor Solutions account ("Investor Solutions Program Fee") that covers the provision of initial and ongoing investment advisory services and the execution of securities transactions for securities that are on the custodian's "No Transaction Fee" list of funds. The Investor Solutions Program Fee does not cover custodial fees for the account that will be paid to a custodian to hold the assets in the Investor Solutions account. It also does not cover certain securities transactions, including but not limited to mark-ups, markdowns, or spreads charged on transactions in over-the-counter securities effected for the account. In addition, the Investor Solutions Program Fee does not cover compensation for any securities transactions requested by the client involving assets or securities not in an Investor

Solutions account. Please see “Other Charges” below for additional information about applicable brokerage fees. For information about custodial fees and charges for over-the-counter transactions, clients should speak with their advisory representative.

The Investor Solutions Program Fee is calculated as a percentage of the assets in the Investor Solutions account according to the following schedule:

<b>Assets Under Management</b>	<b>Maximum Program Fee</b>
First \$250,000	1.75%
Next \$250,000	1.50%
Next \$500,000	1.25%
Over \$1,000,000	1.00%

The Investor Solutions Program Fee is calculated at the end of each quarter, based on the average daily value of the Investor Solutions account during the quarter. This fee is debited from the account at the end of the quarter. If cash or cash equivalent funds in the account are not sufficient to pay the Investor Solutions Program Fee or any of the other fees charged in connection with the account, investments in the account may be liquidated in order to pay the outstanding fees. If the Investor Solutions account is managed for only a portion of a quarter, the Investor Solutions Program Fee will be prorated accordingly.

The Firm has entered into a fee sharing agreement with FundQuest under which the Firm will receive a portion of the service fee that FundQuest receives from both Professional Strategies and Personal Strategies for administrative and advisory services (the “Service Fee”). The fee paid to the Firm will be a portion of the total Service Fee charged to clients that the Firm referred to FundQuest. Please see the schedules below for both Professional Strategies and Personal Strategies. A portion of the advisory fee may be allocated to other parties for payment of account administration and processing.

***Professional Strategies:***

**Mutual Fund Account**

<b>Quarterly Balance of Assets under Management</b>	<b>Maximum Service Fee</b>	<b>Maximum Annual Advisory Fee</b>	<b>Maximum Program Fee</b>

First \$250,000	.45%	1.30%	1.75%
Next \$250,000	.40%	1.10%	1.50%
Next \$500,000	.35%	.90%	1.25%
Over \$1,000,000	.30%	.70%	1.00%

In addition to these fees, the Firm will charge the following administrative fee:

**NSLLC Administrative Fee**

Mutual Fund Assets under Management	NSLLC Fee
\$0-149,999	\$200
\$150,000-249,999	\$100
\$250,000+	\$0

The administrative fee is calculated at the end of each quarter based on the average daily value of the Investor Solutions account during the quarter.

**Personal Strategies:**

**Mutual Fund Account**

Quarterly Balance	Maximum Service Fee	Maximum Annual Advisory Fee	Maximum Program Fee
First \$250,000	.45%	1.30%	1.75%
Next \$250,000	.40%	1.10%	1.50%
Next \$500,000	.35%	.90%	1.25%
Over \$1,000,000	.30%	.70%	1.00%

**Individual Securities Account**

Quarterly Balance	Maximum Service Fee	Maximum Annual Advisory Fee	Maximum Program Fee
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First \$250,000	.33%	1.42%	1.75%
Next \$250,000	.28%	1.22%	1.50%
Next \$500,000	.23%	1.02%	1.25%
Over \$1mm	.18%	.82%	1.00%

In addition to these fees, the Firm will charge the following administrative fee:

#### **NSLLC Administrative Fee**

<b>Mutual Fund Assets under Management</b>	<b>NSLLC Fee</b>
\$0-149,999	\$200
\$150,000-249,999	\$100
\$250,000+	\$0

The administrative fee is calculated at the end of each quarter based on the average daily value of the Investor Solutions account during the quarter.

**Both Strategies:** Part of the Investor Solutions Program Fee collected by the Firm is paid to FundQuest as compensation for the software tools and other services provided by FundQuest under Investor Solutions. The portion of the Investor Solutions Program Fee payable to FundQuest is reduced when mutual fund assets under management reach various breakpoints. The portion of the Investor Solutions Program Fee payable to FundQuest also may be reduced if mutual fund assets are transferred to Investor Solutions from other programs sponsored by the Firm.

The Investor Solutions Program Fee is negotiated on a case-by-case basis. The Investor Solutions Program Fee may be more or less costly to a client than paying for the services separately, depending upon the investment advisory fees charged, the number of transactions for the Investor Solutions account, and the level of brokerage and other fees that would be payable if the client obtained the services available under Investor Solutions individually.

Under the Firm's policies, a portion of the Investor Solutions Program Fee collected by the Firm is shared with advisory representatives for introducing and servicing Investor Solutions accounts. Compensation received by advisory representatives may or may not be more than the advisory representatives would receive from the Firm if the client

paid the Firm separately for investment advice, brokerage and other services. Advisory representatives may have a financial incentive to recommend Investor Solutions over other programs or services.

Aggregation

At the client’s direction, related FundQuest/Investor Solutions accounts may be linked to achieve a reduction in the Investor Solutions Program Fee. The balances in the linked accounts are added together to determine the total assets under management, and the corresponding Investor Solutions Program Fee is charged to the average daily balance of each individual account as illustrated below.

	Individual Accounts Without Linking		Two Accounts Linked
	Client’s Account A	Client’s Account B	Client’s Accounts Linked A + B
<b>Assets Under Management</b>	\$150,000	\$100,000	\$250,000
<b>Basis Point Fees Charged</b>			
From \$0 – \$249,999      *1.75%	* 1.75%	* 1.75%	* 1.50%
From \$250,000 - \$499,999      *1.50%			
<b>Fee by Account for Quarter</b>	\$652.66	\$435.11	\$932.38
<b>Fee Total for Quarter</b>	\$1,087.77		\$932.38
<b>Estimated Savings for Quarter</b>	0		(\$155.39)

When the two accounts above are linked, the lower rate of 1.50% is applied to the average daily individual account balances to achieve the illustrated savings. Actual savings may differ because this illustration assumes that the accounts were open for the entire quarter and no deposits or withdrawals were made during the quarter, and it does not consider changes in the account due to fluctuations in the market. Clients should contact their advisory representative with any questions regarding the aggregation process.

Other Charges

In addition to the Investor Solutions Program Fee, clients will be charged for the execution of transactions for securities that are not included on Pershing’s No

Transaction Fee list of funds (“NTF” or “FundVest”). Pershing will keep a \$9.00 transaction charge, which will appear as “commissions” on the confirmation statement received by the client. In addition, a confirmation charge of \$3.50 will be assessed, comprised of \$1.50 retained by Pershing and a \$2.00 mark-up for the Firm. These fees are subject to change. Clients will be provided 30 days’ advance notice if these fees are increased.

Certain investments recommended for an Investor Solutions account may require the client to pay additional fees or charges. Clients are allowed, on an annual basis, fifteen (15) NTF mutual fund trades in their account at no charge (excluding the initial investments in Investor Solutions). Any mutual fund trading activity in an account in excess of the fifteen (15) NTF trades on an annual basis may be charged an “active trader” fee of \$15 per trade, consistent with Pershing’s policy on active trading. In addition, any non-NTF trades will be subject to the Firm’s pricing schedule for mutual funds.

Investments in an Investor Solutions account may also require the client to pay other fees and charges imposed by other third parties, such as:

**Mutual fund investments**

- Mutual fund investment management fees;
- 12b-1 distribution fees;
- Administrative servicing fees; and
- Contingent deferred sales charges upon redemption of previously-purchased mutual funds.

**Individual retirement account (“IRA”) or other qualified plan purchases**

- Various IRA and qualified retirement plan fees.

**All investments**

- Clearing;
- Custody; and
- Other transaction charges and service fees.

Other parties may receive a portion of these third-party fees.

Advisory representatives generally will limit their mutual fund recommendations to classes of shares that are not subject to a front-end sales load (or that qualify for a waiver of the load). Transactions involving the purchase of securities whose front-end sales loads have been waived may require the client to pay transaction-based charges. In addition, purchases of mutual funds that are not on the Eligible List may subject the client to additional charges.

Mutual fund shares subject to a sales load that were purchased by a client require the client to pay transaction charges or service fees in addition to the Investor Solutions Program Fee.

If clients have already purchased mutual fund shares subject to a sales charge within the past twelve months, these shares may not be transferred into the Personal Strategies program. The twelve-month period is measured from the date the client purchased the mutual fund shares.

#### **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 on or capital appreciation of the assets of a client).

#### **Item 7 – Types of Clients**

NSLLC provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, trust programs, and other U.S. institutions.

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

As discussed in Item 4, the Firm's investment advisory business is limited to providing financial planning services and introducing clients to TAMP Sponsors and other investment advisers that provide management of client assets through wrap fee programs or other asset allocation programs. Whether employing financial planning strategies or retaining an investment adviser to manage 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 employs financial planning software (EISI Profiles Professional and Money Guide Pro) to assist in the development of financial plans. Both EISI Profiles Professional and

Money Guide Pro offer several methods of calculating hypothetical results, each of which provides one outcome from a wide range of possible outcomes in planning for retirement, long-term care and disability income needs. Both EISI Profiles Professional and Money Guide Pro offer the Monte Carlo Simulation that illustrates 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 traditional methods.

The projections or other information generated through Monte Carlo Simulation 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***

TAMPs and 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.

### ***Investor Solutions***

Investor Solutions utilizes investment strategies developed by FundQuest. Please see Item 4, Investor Solutions Strategies, for additional information.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts 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 has no information applicable to this Item.

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

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

The Firm's ownership structure and affiliations are discussed in Item 4 under the Firm Background Information heading.

The Firm and its affiliates receive, in the aggregate, more revenue in connection with the sale of affiliated products than unaffiliated products. This additional revenue may take the form of investment advisory, administrative, transfer agency, distribution, and/or other fees for services provided by affiliates of the Firm in support of affiliated products. Thus, the Firm has an incentive to sell affiliated products over unaffiliated products, which may present a conflict of interest.

If requested by clients, advisory representatives of the Firm may execute securities purchases and sales with the Firm in its capacity as a broker-dealer. 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 advisory recommendations. When acting as a broker-dealer, the Firm may receive 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 investment products based on the compensation it receives rather than on a client's needs, which may present a conflict of interest.

The solicitation or co-advisory fee that NSLLC receives may vary by TAMP or investment management program. Accordingly, NSLLC may have an incentive to refer clients to programs from which it would receive higher compensation, which may present a conflict of interest.

### **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 Investment Advisers Act of 1940 for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. 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 annually.

NSLLC anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will 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. In addition, the Code of Ethics requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. 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 to reasonably prevent conflicts of interest between NSLLC and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with NSLLC's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. NSLLC will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

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

Except as provided in Item 12 below, it is NSLLC's policy that the firm will not effect any principal or agency cross securities transactions for client accounts. NSLLC will also 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***

If a client chooses to obtain brokerage services in order to implement a financial plan, the Firm, as an introducing broker-dealer, may 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 Item 5, Implementation of Financial Plans, and Item 10 for additional information regarding the Firm's responsibilities when acting as a broker-dealer rather than an investment adviser.

### ***TAMPs***

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.

### ***Investor Solutions***

### Agency Cross Transactions

As a registered broker-dealer, the Firm will execute trades for an Investor Solutions account through the client's brokerage account with the Firm. Transactions for brokerage accounts with the Firm are cleared through Pershing. In executing a securities transaction recommended by the Firm or the advisory representative, the Firm may occasionally act as a broker or agent for a person other than the client (an "agency cross transaction") to the extent permitted by law, and the Firm and the advisory representative may receive commissions or other compensation from this other person in addition to the compensation paid by the client. The Firm does not anticipate engaging in agency cross transactions on a regular basis and will not engage in agency cross transactions involving mutual fund shares.

### ***Firm Policies***

No representative of the Firm assumes discretionary authority over client accounts. All securities transactions for a client's account are executed at the specific direction of the client.

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.

Internal controls have been implemented to ensure advisory representatives do not trade ahead of client accounts or take other inappropriate actions. 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.

NSLLC uses reasonable diligence to ensure that clients receive the most favorable price for each transaction. Factors considered in determining the best price include:

- Market conditions for the security, including price, volatility, liquidity, and availability of information;
- The type and size of the transaction;
- The availability of other markets; and
- The reliability of quotation sources.

NSLLC reviews all transactions that interject a third party to verify that the inclusion of the third party benefits the client. In addition, the Best Execution Audit/Order Routing policies and procedures as outlined below will be followed:

During normal daily principal review at NSLLC, the reviewing Principal will perform a best execution review of randomly selected trades. This review is conducted to ensure the trade executed was the correct trade, the trade was executed by Pershing in a timely manner, and the client received best execution. Whether the client received best execution is determined from reviewing trade data retrieved from an independent pricing source. The parameters for which a determination of best execution will be based are: thorough review, broad market centers used, market centers routed and not routed to, price improvement, and speed and size of execution.

In addition, NSLLC will work with Pershing to provide clients with statistical data concerning all routed trades. The NSLLC quarterly brokerage account statements will include a statement notifying clients of the statistical data and directing them to the order routing disclosure websites.

Once clients have accessed a site, they can choose any of the four available sections: NYSE, AMEX, NASDAQ, or OPTIONS. The statistical data will provide the client with information on:

- Venue (market centers where orders were routed);
- Total (each venue's share of total non-directed orders);
- Market (the percentage of total market orders routed to each venue);
- Limit (the percentage of total limit orders routed to each venue);
- Other (percentage of total other orders routed to each venue-AON, FOK, STP); and
- Summary (orders as a percentage of total non-directed orders).

## **Item 13 – Review of Accounts**

### ***Financial Plans***

The Firm does not review financial plans that have been delivered to clients, unless requested to do so by the client. A financial plan is generally a one-time transaction and would require a new advisory agreement and additional fees in order for the representative to update the plan.

## **TAMPs**

With certain advisory services or investment management programs (including TAMPs) where the Firm acts as a co-adviser, the Firm's advisory representatives will contact a client at least annually to review and update the client's investment objectives and account restrictions, investment programs, or asset allocation model based upon changes in the client's goals and objectives. The client's agreement with the Firm and/or TAMP Sponsor will indicate whether the Firm bears this obligation with respect to the client's advisory account. The Firm typically will not have this obligation when it acts as a solicitor. Please see Item 4, TAMPs, for additional information regarding the Firm's responsibilities when acting as a co-adviser rather than a solicitor.

## **Investor Solutions**

**Professional Strategies:** FundQuest will monitor the client's Investor Solutions account on an ongoing basis and will rebalance the account periodically as needed. The Firm relies on FundQuest to ensure that the tools and analyses provided by FundQuest are operating properly and that the analyses continue to meet the criteria specified by the Firm and the client's responses to the Client Profile Questionnaire.

**Personal Strategies:** The Firm's advisory representative will be responsible for ongoing management and review of the client's Investor Solutions account on a non-discretionary basis. The advisory representative will monitor the account at least quarterly to determine if assets should be reallocated to reflect changes in the account, personal or financial circumstances, or the financial markets. No changes will be made, however, without first obtaining the client's approval. The one exception is that an account may be automatically rebalanced in order to maintain the asset allocation mix selected by the client.

**Both Strategies:** Utilizing software available to the Firm, the advisory representative will be able to access a client's Investor Solutions account at any time to:

- Analyze the current asset allocation and rebalance investments, as appropriate;
- Review the performance of current investments; and
- Evaluate the expenses that are being paid and the tax efficiency of investments.

The advisory representative will review the client's portfolio periodically to ensure that the investments continue to be consistent with the asset allocation mix selected by the client.

**Custodial Services and Reports:** Pershing provides custodial services for assets in Investor Solutions accounts. The Firm itself will not take custody of account assets. All

dividends and other distributions from a client's account assets will be managed in accordance with the instructions provided by the client on the program's New Account Form.

Pershing will mail clients trade confirmations, quarterly account statements, annual reports, and prospectuses for an Investor Solutions account's investments. Clients will also receive all statements and forms required for tax reporting purposes from Pershing.

#### **Item 14 – Client Referrals and Other Compensation**

NSLLC has entered into solicitation arrangements with certain TAMP Sponsors, which compensate NSLLC for referring clients to their programs. NSLLC provides to each solicited client a written solicitor disclosure statement that describes its solicitation arrangement with the TAMP Sponsor, including the compensation NSLLC receives for solicitation services. Solicitation fees are typically paid out of the advisory fee that the client pays the TAMP Sponsor.

The solicitation fee that NSLLC receives may vary by investment management program or TAMP. Accordingly, NSLLC may have an incentive to refer clients to programs from which it would receive a higher solicitation fee, which may present a conflict of interest.

NSLLC does not compensate third parties for referring clients to the Firm.

#### **Item 15 – Custody**

NSLLC does not maintain custody of advisory client assets. Assets of clients participating in TAMPs and other investment management programs will be maintained by the custodian selected for the program by the TAMP Sponsor.

If clients choose to obtain brokerage services, the Firm, as an introducing broker-dealer, may 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.

#### **Item 16 – Investment Discretion**

NSLLC does not permit its advisory representatives to engage in discretionary trading authority or have investment discretion over client accounts.

### **Item 17 – Voting Client Securities**

As a matter of Firm policy and practice, NSLLC does not have authority to 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. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent. Clients participating in TAMPs or other investment management programs may contact the sponsoring investment adviser for additional information regarding proxy voting procedures that may be applicable to their program accounts.

### **Item 18 – Financial Information**

Registered investment advisers are required to provide clients with certain financial information or disclosures about their financial condition. 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 maintain custody of client funds or securities, nor does it require prepayment of advisory fees of more than \$1,200 per client, six months or more in advance.