

Northwestern Mutual Investment Services, LLC

SEC Registered Broker-Dealer and Investment Adviser | Member of FINRA and SIPC

Brokerage and investment advisory services and fees differ. It is important that you understand those differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers and investing.

What investment services and advice can you provide me?

We offer brokerage services to retail investors through our financial representatives ("FRs") and their licensed staff. Based on your financial needs and objectives as well as your FR's licensing and qualifications, your FR may recommend the opening of brokerage accounts; use of margin; and the purchase, sale, and hold of investments, including mutual funds, exchange-traded products, brokered CDs, cash sweep investments, stocks, options, bonds, U.S. Treasuries, IRAs, 529 plans, specialty products, lending programs, variable annuity and variable life insurance products and private equity funds.

Other important information you should know about our brokerage services:

- We do not require investment minimums to open or maintain a brokerage account, but some individual products may require investment minimums.
- We do not provide account monitoring services for our brokerage accounts and related investments.
- We do not act with investment discretion when providing brokerage services—you make the ultimate decision to purchase, hold or sell brokerage investments.
- We offer proprietary products, including variable annuity and variable life insurance products issued by our parent, The Northwestern Mutual Life Insurance Company ("NM"), and limit other insurance carrier products.
- We primarily offer mutual funds and limit mutual fund families and share classes our FRs may recommend.
- Many of our FRs have limitations on the types of brokerage products they can recommend due to their securities licensing.

More detailed information about our brokerage services is available at NorthwesternMutual.com/assets/pdf/brochures/guide-to-brokerage-services.pdf.

We do not offer investment advisory programs and services to retail investors, but our affiliate, Northwestern Mutual Wealth Management Company, a limited purpose federal savings bank, does. Its Client Relationship Summary is available at NorthwesternMutual.com/assets/pdf/brochures/nmwmc-client-relationship.pdf.

CONVERSATION STARTERS WITH YOUR FR

- Given my financial situation, should I choose a brokerage service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What fees will I pay?

The principal fees and costs you pay for our brokerage services are transaction-based commissions, which can be assessed at the time of sale and/or over the lifetime of the product in which you are invested. Commissions, which vary among and within brokerage product types, may incent us and our FRs to recommend products that generate more revenue and to make recommendations more frequently.

Other common fees and costs you may pay include surrender charges for specialty products and variable annuity and variable life insurance products, certain mutual fund transaction fees, limited partnership and alternative investment fees, placement fees, variable annuity and variable life insurance service fees, cash sweep access fees, cash management service fees and account maintenance fees. There are also certain fees and expenses embedded in a product's cost.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

More detailed information about our fees and costs is available at NorthwesternMutual.com/assets/pdf/brochures/guide-to-brokerage-services.pdf.

CONVERSATION STARTER WITH YOUR FR

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when providing recommendations? How else does your firm make money, and what conflicts of interest do you have?

When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are some examples to help you understand what this means:

- **Proprietary Products**—We offer proprietary products, including:
 - NM variable annuity and NM variable life insurance products, which have underlying investment options issued and managed by our affiliates.
 - NM FDIC Cash Sweep Program, which serves as the default option for our brokerage accounts.
 - Private equity funds, which are sponsored by NM, to qualifying clients.

All of these products and programs generate revenue for NM, our affiliates and/or us. We are therefore incented to recommend proprietary products and programs over third-party offerings. FRs are required to meet an annual insurance production requirement established by NM.

- **Third-Party Payments**—We receive ongoing distribution and shareholder servicing fees from some mutual fund families. We also receive payments from banks and our clearing firm in connection with the cash sweep products we offer. We are incented to recommend funds that pay these ongoing fees and to maintain these cash sweep arrangements to increase our revenue.
- **Revenue Sharing**—We receive additional revenue from certain mutual fund and exchange traded fund families and/or from our clearing firm when our or our affiliate's clients invest in mutual funds or exchange traded funds issued by those fund families. We are therefore incented to recommend mutual funds and exchange traded funds for which we receive revenue sharing over other fund families where we do not receive such revenue.

More detailed information about our conflicts of interest is available at NorthwesternMutual.com/assets/pdf/brochures/guide-to-brokerage-services.pdf.

CONVERSATION STARTER WITH YOUR FR

How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

When providing brokerage services, our FRs receive a percentage of the brokerage commissions collected by us, which are typically calculated as a percentage of the amount you initially pay for a brokerage product or the accumulated value of your brokerage investment for ongoing commissions. As an FR's sales of brokerage products, advisory services and NM insurance products increase and reach certain sales production levels, we incrementally increase the percentage of commissions paid to the FR for sales of most brokerage products. Since different brokerage products pay different rates of commission, FRs are incented under this

structure to sell brokerage products with higher commission rates and to sell more brokerage, advisory and NM insurance products and services in order to increase their compensation. Our FRs are also eligible to receive certain other cash and non-cash compensation for their brokerage, advisory and NM insurance production, such as bonuses, allowances, retirement and health care benefits, travel, gifts, awards, achievement recognition, preferential servicing, preferential support services and branding, and attendance at NM-sponsored business meetings, which incentivize our FRs to grow their brokerage, advisory and NM insurance production. FRs compensate their licensed brokerage staff through hourly wages, base salaries and/or commissions based on product sales. Staff may also receive other cash and non-cash compensation for their brokerage, advisory and NM insurance production such as bonuses and health, welfare and retirement benefits. Licensed staff making brokerage recommendations to you and receiving commissions, bonuses and/or non-cash compensation would have similar conflicts of interests to those described for FRs earlier in this paragraph.

More detailed information about our compensation practices is available at NorthwesternMutual.com/assets/pdf/brochures/guide-to-brokerage-services.pdf.

Do you or your financial professionals have a legal or disciplinary history?

Yes. A free and simple search tool is available to research us and our FRs at Investor.gov/CRS.

CONVERSATION STARTER WITH YOUR FR

As a financial professional, do you have any disciplinary history? For what type of conduct?

Where can I find additional information?

You can find additional information about our brokerage services at NorthwesternMutual.com/assets/pdf/brochures/guide-to-brokerage-services.pdf. You can request a copy of this Client Relationship Summary by calling us at 866-950-4644, which you can also use to request up-to-date information.

CONVERSATION STARTERS WITH YOUR FR

- Who is my primary contact person?
- Is he or she a representative of an investment adviser or a broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?