

Northwestern Mutual Wealth Management Company

Federal Savings Bank | Regulated by the Office of the Comptroller of the Currency

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 investment advisory programs and services ("services") to retail investors through our advisors ("Advisors") and their qualified staff. Based on your financial needs and objectives and your Advisor's eligibility, your Advisor (and/or their staff, our investment professionals or third-party managers) will advise you on the management of your investments, including through a wrap fee program, an advisor as portfolio manager program, a separate managed account ("SMA") program, a private client services ("PCS") program, a retirement plan services program, a unified managed account ("UMA") program, and/or a fee-based variable annuity ("VA") program. Some Advisors also offer fee-based financial planning services.

Other important information you should know about our advisory account services:

- We provide ongoing monitoring of your account, but we do not provide monitoring services for fee-based financial planning.
- We act with full investment management discretion for most accounts (i.e., we can buy, hold, and sell investments consistent with your investment objectives without asking you in advance).
- We have account minimums that range from \$5,000 to \$2,000,000, but we may offer more complex, specialty products to those clients with at least \$5,000,000 of investments.
- We only advise on VAs issued by our parent, The Northwestern Mutual Life Insurance Company ("NM").
- One of our affiliates serves as the underlying introducing broker-dealer for most of our services.
- An Advisor's access to all of the services we offer to retail investors can be limited by their securities licensing, professional designations, investment production and other factors.

More detailed information about our services is available at NorthwesternMutual.com/disclosure-brochures.

We do not offer brokerage services to retail investors, but our affiliate, Northwestern Mutual Investment Services, LLC, an SEC registered broker-dealer, does. Its Client Relationship Summary is available at NorthwesternMutual.com/assets/pdf/brochures/nmis-client-relationship.pdf.

What fees will I pay?

The principal fees and costs you pay for our advisory services consist of an ongoing annual advisory fee (billed quarterly) that is a percentage of the value of the assets that we manage within your account. This percentage generally declines as the value of your account assets increase. The more assets there are in your account, the more you will pay in fees, which may incent us and your Advisor to encourage you to increase the assets in your account. The maximum annual advisory fee for our wrap fee program is generally higher than other typical asset-based fee advisory programs, as it combines our investment advice on mutual fund and exchange-traded fund portfolios with brokerage services from our affiliate for a single advisory fee. We charge a fixed fee for financial planning services.

Separate, additional fees and costs apply to specific advisory programs and/or specific securities or types of securities and can change over time. Other common fees and costs you may pay (including with respect to the underlying brokerage account) include access fees (e.g., for use of cash sweep, ETFs, and certain model portfolios), manager fees (e.g., for our PCS and SMA programs), account maintenance fees, overlay fees (for PCS and UMA accounts), transaction charges, fees and expenses embedded in a product's cost, administration fees, SEC fees and wire transfer fees.

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/disclosure-brochures.**

CONVERSATION STARTERS WITH YOUR ADVISOR

- Given my financial situation, should I choose an investment advisory 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?

CONVERSATION STARTER WITH YOUR ADVISOR

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 acting as my investment advisor? How else does your firm make money, and what conflicts of interest do you have?

When we act as your investment advisor, 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 investment advice we provide you. Here are some examples to help you understand what this means:

- **Proprietary Products**—We offer proprietary products, including:
 - NM variable annuity 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 advisory accounts.
 - Private equity funds, which are sponsored by NM, to qualifying clients.
 - Mutual funds, whose registered investment adviser is one of our affiliates.

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. Advisors are required to meet an annual insurance production requirement established by NM.

- **Third-Party Payments**—One of our affiliates receives ongoing fees from some mutual fund families in our investment advisory programs. It also receives payments from banks and its clearing firm in connection with the cash sweep products it offers through our advisory programs. We are incented to use mutual funds that pay these ongoing fees and to maintain these cash sweep arrangements to increase our affiliate's revenue.
- **Revenue Sharing**—That affiliate also receives additional revenue from certain mutual fund and exchange traded fund families and/or its clearing firm when our clients invest in mutual funds or exchange traded funds issued by those fund families. We are therefore incented to use mutual funds and exchange traded funds in our programs for which our affiliate receives revenue sharing.

We mitigate these conflicts by utilizing an investment selection process that does not consider financial benefits to affiliates. **More detailed information about our conflicts of interest is available at NorthwesternMutual.com/disclosure-brochures.**

CONVERSATION STARTER WITH YOUR ADVISOR

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

How do your Advisors make money?

When providing investment advisory services, our Advisors receive a percentage of the ongoing annual or fixed investment advisory fee we charge you. As an Advisor's sales of brokerage products,

advisory services, and NM insurance products increase and reach certain sales production levels, we incrementally increase the percentage of compensation paid to the Advisor for the fees they generate attributable to our services. Under this structure, Advisors are incented to sell more brokerage and NM insurance products and to provide more of our advisory services in order to increase their compensation. Our Advisors 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 incent our Advisors to grow their brokerage, advisory and NM insurance production. Advisors compensate their qualified advisory staff through hourly wages, base salaries and/or a percentage of the ongoing investment advisory fees we charge you. 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. Qualified staff providing advisory services to you and receiving a percentage of the ongoing investment advisory fee, bonuses and/or non-cash compensation would have similar conflicts of interests to those described for Advisors earlier in this paragraph.

More detailed information about our compensation practices is available at NorthwesternMutual.com/disclosure-brochures.

Do you or your Advisors have a legal or disciplinary history?

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

CONVERSATION STARTER WITH YOUR ADVISOR

As an Advisor, do you have any disciplinary history? For what type of conduct?

Where can I find additional information?

You can find additional information about our services at NorthwesternMutual.com/disclosure-brochures. 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 ADVISOR

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