

## CLIENT RELATIONSHIP SUMMARY

Northern Trust Securities, Inc. is registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker-dealer and an investment adviser.

It is important for investors to understand the difference between brokerage and investment advisory services and that the fees are different. The SEC provides free and simple tools and educational materials about broker-dealers, investment advisers and investing for you to use to research firms and financial professionals. The SEC’s web site can be found at [www.investor.gov/CRS](http://www.investor.gov/CRS).

### WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

We offer both brokerage services and investment advisory services to retail investors.

As a broker-dealer:

We offer you the ability to open a brokerage account with us through which you can purchase and sell stocks, bonds, mutual funds and exchange-traded funds. There is no minimum account size or investment amount required.

- We do not exercise discretion over the purchases and sales of securities in your brokerage account. This means you will make all transaction decisions relating to your brokerage account, including any final decisions. However, at times, we will provide recommendations concerning the purchase or sale of securities in your brokerage account and recommend in some circumstances that you continue holding certain securities. We offer a limited number of products, including mutual funds, closed end funds (CEF), exchange traded funds (ETF) and Unit Investment Trusts (UIT) available from managers on the Approved NTSI Fund Family List. The Approved NTSI Fund Family List includes proprietary products. Equity solicitations are limited to those corporations listed in The Northern Trust Company Common Stock Guidance List and those that have internally accessible third-party research. Options are offered only to clients approved for options trading. Preferred stock, Government Sponsored Enterprise (GSE) bonds and corporate bonds offered must be rated “Investment Grade” or better by a nationally recognized ratings agency. Certificates of Deposit (CDs) must be insured by the Federal Deposit Insurance Corporation (FDIC) and offer a death-put feature. Only SEC registered structured notes are offered by NTSI. Other firms could offer a wider variety of products some of which might have lower costs.
- No ongoing monitoring or ongoing advice is provided on investments held within your brokerage account.

As an Investment Advisor:

- We offer a limited number of investment advisory services, primarily to retail clients. Specifically, we offer strategist managed model portfolio and separately managed account (SMA) programs, where managers choose portfolio investments on your behalf. There are three programs: Fund Strategist Portfolios (FSP), Strategist UMA (Unified Managed Account) and the Separate Managed Account (SMA) Program. Model portfolios and SMAs are managed by both affiliated and unaffiliated investment managers. Model portfolios may be comprised of both proprietary and non-proprietary mutual funds and proprietary and non-proprietary exchange-traded funds. We also offer transition management services to institutional clients seeking to transition their portfolio holdings from one investment manager to another and/or from one investment strategy to another.
- We consult with you to determine the appropriate portfolio. After your assets are invested, we and, in certain circumstances, affiliated or unaffiliated investment advisers exercise discretion over the purchases and sales in your advisory account. We have a fiduciary duty with respect to the assets in your advisory account and we are responsible for monitoring your account and determining if assets should be reallocated. We also produce performance reports quarterly and we review accounts with clients at least annually.

- We have a minimum asset size requirement for opening and maintaining advisory accounts and charge fees based on the size of the assets held in the advisory account. Transition Management clients may alternatively choose a commission-based fee or a fee-for-service arrangement.
- Transition Management clients do not grant us with discretionary investment authority to select the securities to be bought and sold and the quantities of such securities at the outset of the advisory relationship pursuant to written investment advisory agreements and guidelines.
- Please visit the SEC's Investment Advisor Public Disclosure website ([www.adviserinfo.sec.gov/firm/summary/7927](http://www.adviserinfo.sec.gov/firm/summary/7927)) to view Sections 4, 5, 7 and 16 and Appendix 1 of our Form ADV Part 2A for more information concerning our investment advisory services.

### QUESTIONS TO ASK OUR FINANCIAL PROFESSIONALS

- ***Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? 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?

#### For a Brokerage Account:

- The fee you pay is based on security transactions and not the value of your account.
- With equity securities or exchange-traded funds, the fee is usually a separate commission and charged at the time of the transaction. With other securities, such as bonds, the fee might be part of the price you pay for the security (called a “**mark-up**” or “**mark down**”). With mutual funds, the fee (typically called a “**load**”) reduces the value of your investment.
- Some securities (such as mutual funds and exchange-traded funds) impose additional fees that will reduce the value of your investment over time. More information on fees is available in the product prospectus or offering document.
- Our fees vary and are negotiable. The amount you pay will depend, for example, on how much you buy or sell, what type of securities you buy or sell, and what kind of brokerage account you have with us.
- The more you trade (i.e., buy and sell) in your account, the more fees we will charge you. We, therefore, have an incentive to encourage you to trade more often in your brokerage account.
- We may charge you additional fees, such as custodial fees and, for retirement accounts, account maintenance fees and termination fees. For additional information, see <https://www.northerntrust.com/united-states/what-we-do/wealth-management/brokerage-services>.

#### For An Advisory Account:

- For wrap and model programs, you will pay a monthly advisory fee that will vary based on the size of assets you hold in the advisory account. Your fee will pay for all advisory fees, brokerage and transaction costs, and custody fees. Additional fees, such as manager fees for separately managed accounts and fees for tax or values overlay services will be added to your advisory fees, if applicable. As your fee will include payments for other services outside of our management of your assets, it may be higher than an advisory fee you could obtain from a third party solely charging for the management of an advisory account. The more assets you have in an advisory account, including cash, the more you will pay us in fees. We may have an incentive to encourage you to increase the assets in your advisory account in order to increase our fees.
- Please visit the SEC's Investment Advisor Public Disclosure website [www.adviserinfo.sec.gov/firm/summary/7927](http://www.adviserinfo.sec.gov/firm/summary/7927) to view **Item 4**, Services, Fees and Compensation within the Part 2 Brochure for more information about fees for your advisory account.
- For transition management clients, fees are typically earned through trading commissions paid to us as a broker-dealer for trade execution, but, in some cases, may be computed as a percentage of net assets

under management, an agreed upon flat fee or a combination of such fees. The trading commissions will typically provide the primary source of compensation to us from transition management clients.

- Mutual funds and exchange-traded funds may also charge certain fees or expenses, which may include management and administrative fees, servicing or marketing expenses, transfer agent fees, and sales charges. These fees will not be billed to you directly but could affect the returns on any mutual funds or exchange-traded funds held in your advisory account.

***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.***

### **QUESTIONS TO ASK OUR FINANCIAL PROFESSIONALS**

- ***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 as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

**When we provide you with a recommendation as your broker-dealer or act as your investment adviser, 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.**

- Our interests can conflict with your interests. When we provide recommendations, we must eliminate these conflicts or tell you about them and, in some cases, reduce them.
- For a brokerage account, retail investors would be charged more when there are more trades in his or her account, and that the firm may therefore have an incentive to encourage a retail investor to trade often.
- For an investment advisory account, the more assets there are in an investment advisory account, the more a retail investor will pay in fees, and the firm may therefore have an incentive to encourage the retail investor to increase the assets in his or her account.

**You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you.**

Here are some examples to help you understand what this means:

- We and our affiliates are compensated for selling you certain proprietary investments for your brokerage account, or including these funds in your advisory account. Please see Section 11 of our Form ADV Part 2A, on the IARD public website [www.adviserinfo.sec.gov/firm/summary/7927](http://www.adviserinfo.sec.gov/firm/summary/7927) detailing a further description of our potential conflicts of interest.
- Please visit the our Disclosure Document at <https://cdn.northerntrust.com/pws/nt/documents/wealth-management/ntsi-disclosure-document.pdf> for more information concerning our brokerage services.

**QUESTION TO ASK OUR FINANCIAL PROFESSIONALS**

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

**HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?**

- Our financial professionals are paid a base salary as well as incentive compensation. The incentive compensation is discretionary and is based on a number of factors including client satisfaction, professional conduct and the income generated by the brokerage commissions or advisory assets that their clients bring into our firm. Our firm does not pay financial professionals additional salary or incentive compensation for selling affiliated products and does not pay them differing levels of compensation for any third party products.
- As our financial professionals are paid additional compensation based on the transactions you execute or the advisory assets you bring into our firm, a conflict of interest may exist in the recommendations that our financial professionals provide to you.

**DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?**

- Yes. To review our legal and disciplinary events please visit <http://www.investor.gov/CRS> for a free and simple search tool to research us and our financial professionals.
- For additional information about our brokers and services, you may visit <http://www.investor.gov/CRS> and BrokerCheck by FINRA at [BrokerCheck - Find a broker, investment or financial advisor \(finra.org\)](http://www.brokercheck.com). Your account agreement contains additional information.
- To report a problem to the SEC, visit <http://www.investor.gov/CRS> or call the SEC's toll-free investor assistance line at (800) 732-0330.
- To report a problem to FINRA, contact the FINRA Investor Complaint Center by mail at 9509 Key West Avenue, Rockville, Maryland 20850-3329. Phone: (240) 386-4357 Fax: (866) 397-3290 Website: [www.finra.org/complaint](http://www.finra.org/complaint).
- If you have a problem with your investments, account or financial professional, contact us in writing at Northern Trust Securities, Inc.; 50 South LaSalle Street, B-12; Chicago, Illinois 60603.

**QUESTIONS TO ASK OUR FINANCIAL PROFESSIONALS**

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

**ADDITIONAL INFORMATION:**

You can find additional information about our brokerage or investment advisory services at [www.northerntrust.com/united-states/what-we-do/wealth-management/brokerage-services](http://www.northerntrust.com/united-states/what-we-do/wealth-management/brokerage-services) or you may call us at (800) 621-4482 to request a copy of this Client Relationship Summary along with up-to-date information.

**QUESTIONS TO ASK OUR FINANCIAL PROFESSIONALS**

- *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?*