



**Nationwide**<sup>®</sup>  
is on your side

Nationwide Securities, LLC

Form ADV Part 2A (“Brochure”)

1050 Yard Street

GI-1F-NSL1

Grandview Heights, OH 43212

**1-877-233-3370**

<https://www.nationwide.com/personal/investing/nationwide-securities-information/>

March 26, 2021

**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 (“SEC”) 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).**

## **Item 2 – Material Changes**

NSLLC will no longer offer clients access to professional third-party money managers by means of turnkey asset management programs or TAMPs.

NSLLC also no longer acts in a sub-advisory capacity to unaffiliated investment advisors in order to provide non-discretionary investment advice regarding annuities.

Clients may request a copy of NSLLC’s Brochure by contacting NSLLC *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 <https://www.nationwide.com/personal/investing/nationwide-securities-information/>.

*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.*

### Item 3 – Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents .....	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	6
Item 6 – Performance-Based Fees and Side-By-Side Management .....	9
Item 7 – Types of Clients.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9 – Disciplinary Information.....	10
Item 10 – Other Financial Industry Activities and Affiliations .....	11
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ....	13
Item 12 – Brokerage Practices.....	14
Item 13 – Review of Accounts.....	15
Item 14 – Client Referrals and Other Compensation.....	16
Item 15 – Custody.....	16
Item 16 – Investment Discretion.....	17
Item 17 – Voting Client Securities.....	17
Item 18 – Financial Information .....	18



## **Item 4 – Advisory Business**

This Brochure provides information about the business practices of NSLLC. NFS Distributors, Inc. owns all of the outstanding ownership interests of NSLLC and is a wholly owned subsidiary of Nationwide Financial Services, Inc. (“Nationwide Financial”). Nationwide Financial is wholly owned by Nationwide Corporation, an intermediate holding company for entities controlled by Nationwide Mutual Insurance Company, a mutual insurance company owned by its policyholders. None of these Nationwide entities are publicly held.

NSLLC is an investment adviser registered with the Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940 (“Advisers Act”); a securities broker-dealer registered with the SEC under the Securities Exchange Act of 1934 and a member of the Financial Industry Regulatory Authority (“FINRA”); and a member of the Municipal Securities Rulemaking Board (“MSRB”). All of the Firm’s securities sales representatives are registered in connection with the Firm’s broker-dealer business (“Registered Representatives”). Some Registered Representatives are also licensed or registered as investment adviser representatives (“IARs”) in accordance with the requirements of the state or other jurisdiction in which they operate. The IARs (who are subsequently referred to herein as “advisory representatives”) provide the investment advisory services described in this Brochure.

### **Overview of Advisory Services**

The Firm provides investment advisory services to natural persons, based on each client’s individual needs. The Firm offers two main types of investment advisory services: financial planning and non-discretionary recommendations of asset allocation models in connection with individual retirement account assets – My Investment Planner and ProAccount. Each type is discussed below.

### **Financial Planning Services**

The Firm provides financial planning services to participants of retirement plans serviced by an affiliate. Generally, when the Firm acts as an investment adviser for financial planning services, it goes through several steps that include information gathering, information analysis, plan development, and plan delivery. Typically, before it takes these steps, the Firm will enter into a written agreement with the client expressly acknowledging its investment advisory relationship and describing the services it will provide to the client. For additional information about the Firm’s financial planning services, see Item 5 (Fees and Compensation) and Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss). The Firm’s financial planning service ends upon its delivery of the plan to the client, 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 service (*i.e.*, brokerage or advisory) used for the implementation.

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 typically receives commissions, sales loads, concessions or other payments, including revenue from third parties, in connection with the products it sells. 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 presents a conflict of interest.

### **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 are notified by the program sponsor, Firm, or the Firm's advisory representatives and offered other options.

If clients have questions or require further information on any program previously offered by the Firm, they should refer to the most recent account statement for contact information.

### **My Investment Planner Investment Advisory Program**

Under the My Investment Planner investment advisory program, clients open an individual retirement account ("IRA") with Nationwide Trust Company, FSB ("NTC"), an affiliate of the Firm, to invest retirement assets using an investment advisory service called My Investment Planner. The My Investment Planner service is offered by Nationwide Investment Advisors, LLC ("NIA"), a registered investment adviser that is also an affiliate of the Firm and made available to clients of the Firm through the Firm. The minimum amount currently required by NTC to open a My Investment Planner IRA account is \$5,000, but the amount is subject to change, and the requirement for a minimum amount could be eliminated entirely.

The My Investment Planner service provides the opportunity for clients to have their assets invested in accordance with an asset allocation model that corresponds to the

client's stated objective or goal ("Model") developed for NIA by a third-party registered investment adviser acting as an independent financial expert ("IFE"). Each Model's underlying portfolio allocation is generally comprised of non-proprietary mutual funds, but in some instances can include one or more proprietary funds selected by the IFE from the Nationwide family of funds, which are advised by a registered investment adviser affiliated with the Firm and NIA.

Before opening an IRA and receiving the My Investment Planner service, a client must complete a client profile form and application, as well as a risk tolerance questionnaire, with the assistance of an advisory representative. The advisory representative will then review the results of these documents with the client, and discuss the client's current risk tolerance, investment objectives, and financial goals for the assets held in the IRA. The advisory representative will then make a non-discretionary recommendation of a Model and assist the client in opening the client's IRA. It is the sole responsibility of the client to decide whether to follow any recommendation provided by the advisory representative. The client will have the opportunity to impose reasonable restrictions on the management of the account.

The services provided in connection with the My Investment Planner program are available only on a "point in time" basis. As a result, after a client receives a recommendation of a Model, the client will receive no further investment advisory services or recommendations from the Firm or its advisory representatives with respect to the IRA assets invested under the My Investment Planner program, and will not be contacted by the Firm or an advisory representative to review the Model selected for the IRA assets. In order to receive any further investment advice or recommendation or a review of the Model selected for the IRA assets by the Firm, the client must first re-engage the Firm and enter into a new investment advisory agreement for the My Investment Planner program.

The Firm will not have the authority to change or modify the Models, the asset allocation percentages of the mutual funds comprising the Models or the selection of the mutual funds underlying each Model.

Upon the client's instruction, IRA assets will be invested in the mutual funds comprising the Models and the client will own shares of such funds. The IFE may periodically adjust the target allocations of the mutual funds comprising a Model or may add or subtract mutual funds to or from a Model. In connection with these periodic updates, NIA will provide corresponding reallocation and/or fund recommendations to the Firm. However, even though the Firm will periodically receive updated Models, the Firm will not monitor any client's account or contact any client to recommend that the client accept an updated Model, or determine whether there have been any changes in the client's financial circumstances, risk tolerance or investment objectives. It is the client's sole obligation and

responsibility to re-engage the Firm for the purpose of determining whether (i) the Model the client has selected has been updated by the IFE and, if so, whether the client would like to receive an additional recommendation from the Firm with respect to the updated Model or any other Model, and (ii) the Model the client has selected continues to be appropriate for the client. If the client does not re-engage the Firm to discuss whether to accept an updated Model, the client's IRA assets will remain invested in accordance with the Model's target allocation that was in effect prior to the IFE updating the Model.

NIA has hired Wilshire Associates Incorporated ("Wilshire") to act as the IFE for the My Investment Planner program. The IFE provides its services directly to NIA and has no contractual relationship with clients of NSLLC or NIA. All fees and expenses charged by the IFE for its services will be paid by NIA. In certain circumstances, NIA may terminate Wilshire and engage the services of a suitable replacement without prior notice to NSLLC or its clients.

### **ProAccount Investment Advisory Program**

Under the ProAccount investment advisory program ("ProAccount"), a client opens an IRA with NTC to receive ongoing investment management services with respect to assets held in the IRA. Under ProAccount, an IFE develops and maintains a number of asset allocation portfolios ("Portfolios") in accordance with which the client's IRA assets may be invested. Each Portfolio's underlying portfolio allocation is generally comprised of non-proprietary mutual funds, but in some instances can include one or more proprietary funds selected by the IFE from the Nationwide family of funds, which are advised by a registered investment adviser affiliated with the Firm and NIA. The minimum amount currently required by NTC to open a ProAccount IRA is \$5,000, but the amount is subject to change, and the requirement for a minimum amount could be eliminated entirely.

The IFE has sole control and discretion over the development and ongoing maintenance of the Portfolios, including periodic rebalancing and changes to asset allocation and mutual fund selection. Among other things, the IFE takes into account varying tolerances for risk. The IFE assesses the Portfolios at least quarterly to determine if reallocation or rebalancing is needed. More frequent reallocation or rebalancing may occur as determined by the IFE.

While enrolled in ProAccount, NIA manages client IRA assets in accordance with the IFE's portfolio allocation instructions on a discretionary basis (*i.e.*, NIA has authority to allocate and reallocate client assets in accordance with the Portfolios managed by, and the investment advice provided by, the IFE), and clients are not able to make investment allocation changes to their IRA assets, including fund-to-fund transfers, changes to fund allocations, or rebalancing adjustments. The investment advice provided under ProAccount is limited and is based on the model Portfolios developed and maintained by the IFE, which



NIA cannot modify. NIA also maintains responsibility for the periodic monitoring of the IFE's services, and, if necessary, selecting a new IFE in the event that its relationship with the current IFE is terminated.

As part of enrolling in ProAccount, clients complete a client profile form and application, as well as a risk tolerance questionnaire, and, if desired by the client, an extended questionnaire, with the assistance of an advisory representative. These documents are tools developed by the IFE to help identify clients' investment risk tolerance, time-horizon, and retirement objectives, and to indicate any reasonable restrictions clients wish to place on the management of their account. Information provided through any interactive online planning tool provided by an affiliate of NIA or the Firm may be used by NIA and the IFE to further refine the client's investor profile. The Firm, through its advisory representative, provides clients with a non-discretionary recommendation regarding the Portfolio that is appropriate for the client and his/her IRA assets given the client's responses to the documents and any extended questionnaire. Moreover, NIA, at least annually, contacts the client to determine whether there have been any changes to the client's personal or financial situation or the client's requested restrictions that may affect the client's investment profile, and provide any additional non-discretionary recommendations as necessary based on any such changes.

NIA has hired Wilshire to act as the IFE for ProAccount. The IFE provides its services directly to NIA and has no contractual relationship with clients of NSLLC or NIA. All fees and expenses charged by the IFE for its services will be paid by NIA. In certain circumstances, NIA may terminate Wilshire and engage the services of a suitable replacement without prior notice to NSLLC or its clients.

### **Other Programs and Services**

The Firm may make certain other investment management programs and advisory services available from time to time. If it does so, these programs and services would be offered through the Firm or 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 would be provided to clients participating in these programs and services.

### **Management of Client Assets**

The Firm does not have discretion of or manage client assets.

## **Item 5 – Fees and Compensation**

### **Financial Planning Services**

The Firm offers financial planning services directly to participants of retirement plans serviced by an affiliate. Clients who have selected to engage NSLLC in the creation of a financial plan pay no fee for this service.

### **My Investment Planner Investment Advisory Program**

Clients do not pay a separate fee to the Firm for its non-discretionary recommendation of a Model under the My Investment Planner investment advisory program, nor is any compensation paid to NIA. However, clients are responsible for paying certain administrative fees and the fees and expenses associated with owning the mutual funds comprising any selected Model. The administrative fees for which clients are responsible include an asset-based fee payable to NTC pursuant to a separate custodial agreement the client enters into with NTC.

Client IRA assets are invested in mutual funds in accordance with the selected Model. These mutual funds incur their own internal expenses that all mutual fund shareholders pay, such as management, transfer agent, and other operating expenses. Please refer to the applicable prospectuses for more information about mutual fund expenses.

Clients participating in the My Investment Planner program may roll over assets invested in an employer sponsored plan, such as a 401(k) plan, or another retirement account to the IRA for the purpose of investing such assets in accordance with a Model. Clients should be aware that when they roll over assets from such a plan or other retirement account, they may pay higher internal expenses in connection with the mutual funds purchased due to the possibility that less expensive share classes of the same or similar funds were available in connection with their prior plan or other retirement account. This could be the case for both non-proprietary and proprietary mutual funds.

Nationwide benefits from any assets invested in the proprietary mutual funds that the IFE may select for the Models because companies within the family receive compensation from the mutual funds for investment advisory, administrative, transfer agency, distribution, and/or other services provided. Thus, Nationwide may receive more revenue when client funds are invested in proprietary Nationwide mutual funds as compared to unaffiliated mutual funds.

Such compensation presents a conflict of interest and means the Firm and its advisory representatives have an incentive to recommend Models that include proprietary Nationwide mutual funds. In other words, this compensation creates an incentive for the

Firm and its advisory representatives to recommend models that increase the revenue received by affiliates of the Firm, rather than on a client's needs. The Firm mitigates this conflict, in part, via policies and procedures to monitor Model recommendations to ensure that they are in the best interest of clients. In addition, the Firm plays no role in recommending the mutual funds underlying the Models; that role is played by the IFE, which is an unaffiliated investment adviser. Moreover, the advisory representatives who are involved in providing non-discretionary recommendations do not receive the above referenced compensation and are paid on a salary basis. Accordingly, the advisory representatives do not receive incentive compensation as a result of these payments. The advisory representatives are eligible for bonuses, but these bonuses are based on Nationwide's enterprise-wide results. Put another way, the bonuses are not based on individual performance, and are not tied directly or indirectly to the receipt of the foregoing payments.

### **ProAccount Investment Advisory Program**

Clients do not pay a separate fee to the Firm for its non-discretionary recommendation of any Portfolio under ProAccount. However, the client will pay an annual program fee to NSLLC's affiliate, NIA, as outlined in the ProAccount Individual Retirement Account Agreement and the schedule below.

Account Balance	Annual Program Fee
The first \$99,999.99	0.65%
The next \$150,000	0.60%
The next \$150,000	0.55%
The next \$100,000	0.50%
Assets of \$500,000 and above	0.45%

Moreover, clients are responsible for paying certain administrative fees and the fees and expenses associated with owning the mutual funds comprising any selected Portfolio. The administrative fees for which clients are responsible include an asset-based fee payable to NTC pursuant to a separate custodial agreement the client enters into with NTC.

Client IRA assets are invested in mutual funds in accordance with the selected Portfolio. These mutual funds incur their own internal expenses that all mutual fund shareholders pay, such as management, transfer agent, and other operating expenses. Please refer to the applicable prospectuses for more information about mutual fund expenses.

Clients participating in the ProAccount program may roll over assets invested in an employer sponsored plan, such as a 401(k) plan, or another retirement account to the IRA for the purpose of investing such assets in accordance with a Portfolio. Clients should be

aware that when they roll over assets from such a plan or other retirement account, they may pay higher internal expenses in connection with the mutual funds purchased due to the possibility that less expensive share classes of the same or similar funds were available in connection with their prior plan or other retirement account. This could be the case for both non-proprietary and proprietary mutual funds.

NIA, the Firm or an affiliate may compensate affiliated and unaffiliated third parties for administrative services provided in support of ProAccount. Registered Investment Advisors Services, Inc., an affiliate of the Firm and NIA, receives compensation for providing technology services that facilitate the management of participant accounts.

To the extent permitted by applicable law or regulation, Nationwide Investment Services Corporation (“NISC”), a registered broker-dealer that is an affiliate of NIA, receives payments from, or in connection with, mutual funds selected by the IFE for inclusion in the Portfolios. These payments are made in consideration of investment advisory, administrative, transfer agency, distribution, or other services that are provided by these affiliates. Accordingly, affiliates of the Firm may receive more or less revenue with respect to affiliated mutual funds and variable product underlying funds than unaffiliated mutual funds. Firm affiliates’ receipt of varying amounts of compensation from affiliated and unaffiliated mutual funds and underlying funds selected for Portfolios presents a potential conflict of interest. NIA seeks to mitigate this potential conflict of interest by employing the IFE to develop and maintain ProAccount’s investment methodology and to manage and maintain the Portfolios, which neither NIA nor the Firm can influence or modify. In this respect, the IFE is solely responsible for managing the Portfolios, including selecting the mutual funds and variable product underlying funds comprising the Portfolios and their allocations. The IFE’s fees for services provided under ProAccount are not affected by the securities the IFE selects for the Portfolios or otherwise influenced by the payments the Firm or its affiliates may receive from such securities. In addition, the Firm mitigates this conflict, in part, by using policies and procedures to monitor Model recommendations to ensure that they are in the best interest of clients.

Moreover, the advisory representatives who are involved in providing non-discretionary recommendations do not receive any of the compensation received by affiliates of the Firm from affiliated or unaffiliated mutual funds and are paid on a salary basis. Accordingly, the advisory representatives do not receive incentive compensation as a result of these payments. The advisory representatives are eligible for bonuses, but the bonuses are based on Nationwide’s enterprise-wide results. Put another way, the bonuses are not based on individual performance and are not tied directly or indirectly to the receipt of the foregoing payments.

Certain ProAccount mutual funds may impose a trade restriction on certain transactions. It is possible that ProAccount transactions initiated by NIA may result in the imposition of trade restrictions on one or more funds held in a client's IRA. For further information on trade restrictions, including whether they apply to any of the funds in a client's IRA, please consult the individual fund prospectus or other disclosure material.

### **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 or on capital appreciation of the assets of a client). NSLLC does not engage in side-by-side management.

### **Item 7 – Types of Clients**

NSLLC provides portfolio management services to individuals, including high net worth individuals.

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

As discussed in Item 4 (Advisory Business), the Firm's investment advisory business is limited to providing financial planning services and providing non-discretionary advice regarding asset allocation models in connection with individual retirement account assets. Whether employing financial planning strategies or receiving non-discretionary recommendations of asset allocation models in connection with individual retirement account 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 uses financial planning software (Advicent Profiles Professional, NaviPlan by Advicent and) to assist in the development of financial plans. Both Advicent Profiles Professional, NaviPlan by Advicent and MoneyGuidePro™ offer several methods of calculating hypothetical results, each of which provides one outcome from a wide range of possible outcomes in planning for retirement, survivorship, asset allocation, long-term care and disability income needs. Each of Advicent Profiles Professional, NaviPlan by Advicent and MoneyGuidePro™ offer one or more stress tests that illustrate 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 methods common in simpler software and publicly accessible calculators.

The projections or other information generated through the software (average returns or stress tests) 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.

### **My Investment Planner Investment Advisory Program**

In formulating investment advice to clients participating in the My Investment Planner investment advisory program, the Firm takes into account a number of factors regarding the client's investment profile, including, but not limited to, the client's risk tolerance, time horizon, and investment goals. It is the information clients provide about their specific financial situation that drives the Firm's recommendations. If this information is wrong or outdated it could result in the recommendation of a Model that is not appropriate for the client.

For a discussion of the material risks associated with NIA's selection of the IFE, see NIA's Form ADV Part 2A brochure. For a discussion of the material risks associated with investments in the mutual funds that are included as part of the Models, please refer to the relevant mutual fund prospectuses.

### **ProAccount Investment Advisory Program**

In formulating investment advice to clients participating in the ProAccount investment advisory program, the Firm takes into account a number of factors regarding the client's investment profile, including, but not limited to, the client's risk tolerance, time horizon, and investment goals. It is the information clients provide about their specific financial situation that drives the Firm's recommendations. If this information is wrong or outdated it could result in the recommendation of a Model that is not appropriate for the client.

For a discussion of the material risks associated with NIA's selection of the IFE, see NIA's Form ADV Part 2A brochure. For a discussion of the material risks associated with investments in the mutual funds that are included as part of the Portfolios, please refer to the relevant mutual fund prospectuses.

### **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all events 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 is not aware of any legal or disciplinary events that it believes would be material to an evaluation of its advisory business or the integrity of its management.

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

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

#### **Material Relationships with Affiliates – My Investment Planner and ProAccount Investment Advisory Programs**

The Firm has material relationships with the following affiliates in connection with the My Investment Planner and ProAccount investment advisory programs:

- **NIA** is a registered investment adviser and a wholly owned subsidiary of NLIC (defined below). It supervises the IFE involved in the My Investment Planner and ProAccount programs.
- **Nationwide Life Insurance Company (“NLIC”)**, a wholly owned subsidiary of Nationwide Financial, is an insurance company that, among other things, issues group variable annuities whose sub-accounts are used in connection with the Portfolios developed for ProAccount. When the Firm provides investment advice with respect to group variable annuities NLIC issues, NLIC will be holding client assets that are invested under ProAccount.
- **NTC** is a federally chartered savings bank that serves as custodian for client assets held in IRAs in connection with the My Investment Planner and ProAccount programs. More generally, it offers trust programs and services to retirement plans that have retained NIA for advisory services.
- **Nationwide Funds Group**, the mutual fund arm of Nationwide Financial, is comprised of **Nationwide Fund Advisors (“NFA”)**, a SEC 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. Please see Item 5 for information regarding the conflicts of interest associated with the use of affiliated mutual funds sponsored by the Nationwide Funds Group and used in connection with the Models

and Portfolios recommended in the My Investment Planner and ProAccount programs, respectively.

- **NISC** is an SEC registered broker-dealer and a member of FINRA. NISC acts as the general distributor of variable annuity and variable life insurance products issued by NLIC and by Nationwide Life and Annuity Insurance Company, a wholly owned subsidiary of NLIC. NISC may receive revenue from the dedicated investment funds underlying these products that are included as part of certain Portfolios in ProAccount.
- **Registered Investment Advisors Services, Inc. (“RIA Services”)**, provides technology services that facilitate the management of participant and plan level accounts. NIA compensates RIA Services for its provision of technology and administrative services in support of the ProAccount and My Investment Planner programs.

### **Firm Management**

Certain directors, officers, and/or employees of the Firm are also directors, officers and/or employees of one or more affiliated entities (and vice versa). In particular, the following leaders serve NSLLC and affiliated entities in the following capacities:

- The Firm’s Chief Compliance Officer (“CCO”) serves as CCO of, and is registered with, NSLLC (in its broker-dealer capacity) and several affiliated broker-dealers, and also serves as CCO of an affiliated investment adviser and an affiliated insurance company.
- The Firm’s Financial and Operations Principal (“FINOP”) serves as FINOP of, and is registered with, several affiliated broker-dealers.
- The Firm’s President is a Principal and a registered representative of an affiliated broker-dealer.
- A member of the Firm’s Board of Managers is registered with an affiliated broker-dealer and an affiliated investment adviser and is also a board member of the affiliated investment adviser.

### **Certain Compensation Arrangements**

If requested by clients in connection with implementing a financial plan, advisory representatives of the Firm will execute securities purchases and sales with the Firm in its capacity as a broker-dealer and in their capacity as registered representatives. 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 financial planning recommendations. When



acting as a broker-dealer, the Firm receives commissions, sales loads, concessions or other payments, including revenue from third parties, in connection with the products it sells. When acting in its capacity as a broker-dealer, the Firm has an incentive to recommend products based on the compensation it receives rather than on a client's needs, which presents 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 Advisers Act for all supervised persons of NSLLC reflecting its high standard of business conduct, and the fiduciary duty owed to its clients. "Supervised persons" generally includes a firm's officers, directors, employees, and other persons who provide investment advice on its behalf and subject to its supervision. For NSLLC, this would include its advisory representatives.

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 on an annual basis.

NSLLC anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it could 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. 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 in an effort to prevent conflicts of interest between NSLLC and its clients.

Clients or prospective clients may request a copy of the firm's Code of Ethics by contacting NSLLC, by phone at 1-877-233- 3370 or by email at [NSLLCFAX@nationwide.com](mailto:NSLLCFAX@nationwide.com).

It is NSLLC's policy that the firm will not effectuate any principal or agency cross securities transactions for client accounts. NSLLC also will 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**

As mentioned above, NSLLC's financial planning service is completed upon the delivery of a financial plan to a client. Clients are under no obligation to implement any recommendation made in a financial plan, and, if they choose to implement a recommendation, are not obligated to use the Firm to implement it. If a client chooses to obtain brokerage services through NSLLC to implement a financial plan, the Firm, in its capacity as an introducing broker-dealer, will provide these services through its agreement with Pershing, LLC. Pershing currently acts as custodian, clearing agent, and executing broker-dealer with respect to general securities transactions. Please see Items 4 (Advisory Business) and 10 (Other Financial Industry Activities and Affiliations) for additional

information regarding the Firm's responsibilities when acting as a broker- dealer rather than an investment adviser.

### **My Investment Planner and ProAccount Investment Advisory Programs**

The Firm does not direct any transactions in the My Investment Planner and ProAccount programs. As a result, the Firm does not select or recommend brokers or dealers for client transactions in these programs and does not aggregate the purchase or sale of securities for client accounts in these programs.

### **Firm Policies**

No representative of the Firm exercises discretionary authority over client accounts. 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 and address the conflicts of interest presented by them.

Internal controls have been implemented to ensure advisory representatives do not trade ahead of client accounts or take other inappropriate actions when implementing financial plans in their registered representative capacity. 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.

### **Item 13 – Review of Accounts**

#### **Financial Plans**

A financial plan is generally a one-time transaction. Once delivered, the Firm's obligation to the client ends. Additional analysis would entail a new advisory agreement and the possibility of additional fees for the advisory representative to update, modify, or supplement the plan.

#### **My Investment Planner Investment Advisory Program**

As noted above, the services provided in connection with the My Investment Planner program are available only on a "point in time" basis. As a result, the Firm does not monitor client accounts. In addition, after a client receives a recommendation of a Model, the client will not be contacted by the Firm or an advisory representative to review the

Model selected for the IRA assets. In order to receive a review of the Model selected for the IRA assets by the Firm, the client must first re-engage the Firm and enter into a new investment advisory agreement for the My Investment Planner program.

### **ProAccount Investment Advisory Program**

As noted above, NIA provides ProAccount Clients an annual communication that describes, among other things, the importance of periodically reviewing their risk profile, since it is used, in combination with the client age, in creating the investment strategy available through ProAccount. The annual communication also informs ProAccount Clients that if they need to update the information on the questionnaire or feel that changes in their financial situation may have an impact on their current risk profile, they are to contact, NIA. Additionally, ProAccount Clients are reminded quarterly to notify NIA of any change in information that could affect the manner in which their ProAccount assets are invested.

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

NSLLC does not utilize solicitors to promote its investment advisory services.

Compensation that NSLLC or its affiliates receive is based on a percentage of the account size. In general, and in accordance with standard industry practice, the larger the dollar value of the account, the smaller the percentage. See Item 5 (Fees and Expenses) for more information.

NSLLC does not receive any economic benefit, including sales awards and other prizes, from non-clients for providing investment advice or other advisory services to its advisory clients.

### **Item 15 – Custody**

NSLLC does not maintain custody of advisory client assets.

Custody is not maintained for clients who receive investment advice from NSLLC for the My Investment Planner Program, nor are the assets custodied by any affiliate in connection with this service.

Clients who receive investment advice from NSLLC for the ProAccount Investment Advisory Program, described in Item 4, will have their assets custodied by an affiliate of NSLLC. NSLLC does not exercise discretion, provide investment advice or control such assets. The services are provided by an affiliated registered investment advisor, NIA, who maintains such assets with an affiliate, NTC. This arrangement is disclosed in NIA's Form ADV Part 2A brochure. NIA is the subject of an annual surprise examination by an

independent public accountant required by the SEC. Clients should obtain and review a copy of the Accountant Surprise Examination Report of NIA that is available through the SEC's Investment Adviser Public Disclosure website.

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

The Firm does not accept discretionary authority to manage securities accounts on behalf of its clients. (Discretionary accounts are those in which the client grants an investment adviser authorization to trade securities without obtaining specific client consent for each transaction.) As described elsewhere in this brochure, the Firm offers clients a number of third-party asset management programs. All of these programs involve one or more discretionary asset managers who determines the investments to be bought and sold in client accounts, as described in the applicable disclosure document(s) for such programs. Moreover, the Firm offers clients access to certain Portfolios through the ProAccount investment advisory program, and the Firm's affiliate, NIA, exercises discretionary authority in certain respects under this program. In particular, NIA manages client IRA assets in accordance with the IFE's portfolio allocation instructions on a discretionary basis (*i.e.*, NIA has authority to allocate and reallocate client assets in accordance with the Portfolios managed by, and the investment advice provided by, the IFE), and clients are not be able to make investment allocation changes to their IRA assets, including fund-to-fund transfers, changes to fund allocations, or rebalancing adjustments. The investment advice provided under ProAccount is limited and is based on the model Portfolios developed and maintained by the IFE, which NIA cannot modify. NIA also maintains responsibility for the periodic monitoring of the IFE's services, and, if necessary, selecting a new IFE in the event that its relationship with the current IFE is terminated.

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

NSLLC does not 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, except in connection with the My Investment Planner and ProAccount programs. Clients will receive their proxies or other solicitations directly from the custodian or transfer agent for the third-party asset management program in which they are participating, other than in connection with the My Investment Planner and ProAccount programs.

For the My Investment Planner and ProAccount programs, NIA does not vote proxies on behalf of advisory clients. See NIA's Form ADV Part 2A brochure for additional information about NIA's proxy voting practices.

## **Item 18 – Financial Information**

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 require prepayment of advisory fees of more than \$1,200 per client, six months or more in advance.