



BROKER-DEALER & REGISTERED INVESTMENT ADVISER CLIENT RELATIONSHIP SUMMARY

150 South 5th Street, Suite 3300, Minneapolis, MN 55402 • 800-851-2920 • 612-851-5900 • NorthlandSecurities.com

INTRODUCTION

Northland Securities, Inc. is a Broker-Dealer (BD), Member FINRA/SIPC, registered with SEC and MSRB, and a duly Registered Investment Adviser (RIA) doing business as Northland Asset Management. Northland Securities is a privately-held, employee-owned Broker-Dealer. This document serves as our communication of our best interest standards of a Broker-Dealer relationship and to provide an overview of the products and services we provide under such arrangement.

Additional resources are available at BrokerCheck.Finra.org or Investor.gov, which also provides educational materials about Broker-Dealers, Investment Advisers, and investing.

RELATIONSHIPS AND SERVICES

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 interests ahead of yours. At the same time, the way we earn revenue creates some conflicts with your interests. Please ask us about these conflicts and how they may influence the recommendations and investment advice we provide.

BROKER-DEALER

- Securities transactions must meet applicable client suitability standards and guidelines and will be reviewed at the time of the recommended purchase or sale. To best meet your needs, we encourage clients to meet regularly with their Financial Representative to review their individual situation, life changes, financial goals, risk tolerance, and liquidity needs.
- When you have a brokerage account, you will pay Northland a transaction-based fee, generally referred to as a commission or sales credit, every time you buy or sell an investment. You may select investments on your own or we may recommend investments for your account, but the ultimate investment decision remains yours.
- Northland will send paper or electronic statements, delivered on a monthly or quarterly basis depending on the trading activity in your account.
- We offer a wide selection of investments, including our own proprietary bonds and new issue equities that are only available at our firm.

INVESTMENT ADVISORY

- If you open an advisory account, you will pay an on-going asset-based fee quarterly for our services, based on the value of the cash and investments in your advisory account.
- We will offer you advice. We will discuss your investment goals, design with you a strategy to achieve your investment goals, and periodically monitor your account. We will contact you by phone or email at least annually to discuss your portfolio.
- You can choose a discretionary account, which allows us to buy and sell investments in your account without asking you in advance, or a non-discretionary account, which allows us to give you advice, yet you ultimately decide what investments to buy and sell.
- Our investment advice will cover a limited selection of investments. Other firms could provide advice on a wider range of choices, some of which might have lower costs.
- Northland will send paper or electronic statements, delivered on a monthly or quarterly basis depending on the trading activity in your account. Quarterly performance reports will be available upon request.

OUR OBLIGATIONS TO OUR CLIENTS

BROKER-DEALER

We must act in your best interest and not place our interests ahead of yours when we recommend an investment involving securities. We must treat you fairly and comply with industry rules and regulations. Unless we agree otherwise, we are not required to monitor your portfolio or investments on an ongoing basis.

INVESTMENT ADVISORY

We are held to a fiduciary standard that covers our entire investment advisory relationship with you. When we accept a fiduciary duty on your behalf, we must act in your best interest, conduct ourselves both legally and ethically, and with good faith and trust. As a fiduciary we are expected to manage your assets in your best interest even if doing so is contrary to our own interests.

In both relationships, Northland's interest can conflict with your interest, therefore we are obligated to disclose those conflicts that cannot be mitigated or eliminated. Please see the "Conflicts of Interest" section of this document for more information.

FEES AND COSTS

Fees and costs affect the value of your account over time. You can receive advice in either type of account, but you may prefer paying:

a **transaction-based fee** from a cost perspective, if you want a wide range of investment options, do not trade often, or if you plan to buy and hold investments for a longer period of time.

an **asset-based fee** if you want ongoing advice or want someone to make investment decisions for you. This type of account may cost more than a transaction-based fee.

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- **Transaction-based fees.** Transaction charges may apply to securities purchases, sales, and exchanges. The rate charged varies by products and transaction. Transaction charges are determined by size of trade, security type, financial representative, product sponsor or family, length of investment and processing method. The more transactions in your account, the more fees you pay.
- The amount you pay is based on each specific transaction and not the value of your account. With stocks or exchange-traded funds, this amount is usually a separate commission. With other investments, such as bonds, the mark up, mark down, or sales credit is included in the purchase or sale price you pay for the security. Northland will mark up the price when we sell you a security, and Northland will mark down the price when we buy a security from you. Mutual funds typically have a fee called a load that reduces the value of your investment.
- Some investments, like mutual funds and variable annuities, impose additional fees, such as internal management fees and 12b-1 fees, that will reduce the value of your investment over time. Also, with certain investments you may have to pay surrender charges when the investment is sold.
- Our fees vary and are negotiable. The amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what kind of account you have with us. We charge you additional fees, such as custodian fees, account maintenance fees, and account inactivity fees.
- Please ask your Financial Representative if you have questions on the fees and costs that you will pay.

INVESTMENT ADVISORY

- **Asset-based fees.** You will pay an on-going fee quarterly based on the value of the cash and investments in your advisory account. This fee is a percentage based on the value of your account.
- The asset-based fee paid to our firm and your Investment Adviser Representative (IAR) does not vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your account and is deducted from your account.
- You will pay custody fees to a custodian that will hold your assets, if applicable.
- For some advisory accounts, called wrap fee programs, the asset-based fee will include most transaction costs and custody services, and as a result wrap fees are typically higher than non-wrap advisory fees.
- Our fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account.
- Investments such as mutual funds impose additional fees, like 12b-1 fees and internal expenses, that will reduce the value of your investment over time.
- An asset-based fee may cost more than a transaction-based fee, but you may prefer an asset-based fee if you want continuing advice, ongoing account monitoring, or someone to make investment decisions for you.

Please review the [Northland Client Fee Schedule](#), located with the important disclosure and regulatory information on the “Policies and Disclosures” page of the Northland Securities website at: <https://www.northlandsecurities.com/policies-disclosures/>.

Also please review the [Northland Regulation Best Interest Disclosure Document](#), which can be found on the same webpage and at: <https://www.northlandsecurities.com/form-crs-client-link/>.

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CONFLICTS OF INTEREST

There are Financial Representatives at Northland that can act in both a Broker-Dealer and an Investment Advisory capacity. We must ensure that we disclose all material information relating to the scope and terms of the relationship with investors and ensure the type of services offered to investors are in their best interest.

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- Northland and your Financial Representative receive different compensation depending on the security type you buy or sell. For example, commissions are generally higher on investments such as mutual funds, variable annuities, fixed index annuities, or real estate investment trusts (REITs). These types of investments are often complex and offered by companies that pay our firm to sell their products. Commissions are generally lower on individual stocks and bonds. Your Financial Representative's compensation is based on a percentage of the commissions paid by their clients and will increase as more commissions are generated. We therefore have an incentive to encourage you to engage in transactions.
- Northland receives due diligence and marketing distribution fees in relation to certain products that are offered.
- Our Financial Representatives participate in product-sponsored training opportunities, and those companies pay for expenses incurred by our representatives to attend. This is referred to as non-cash compensation.
- Northland is an introducing Broker-Dealer. We utilize a single clearing/custodial firm - Pershing LLC. We have revenue-sharing arrangements with Pershing. Therefore, we may not offer you the lowest custodial clearing costs that could be available to you at another firm.
- Northland buys investments from you or sells investments to you from its own firm inventory accounts called acting as principal. We can earn a profit on these trades, so we have an incentive to encourage you to trade with us.
- Northland underwrites equity and fixed income securities; these are called proprietary products. Northland and its Financial Representatives are incentivized to recommend these products. These products may have higher commissions paid to the Financial Representative, as well as generate additional revenues for Northland. Further, compensation to Northland and the Financial Representatives is often contingent on the closing and the success of the underwritten transaction.
- Northland pays our employees a referral fee for introducing our Banking Groups to new corporate clients if the deal is completed by Northland or Northland participates in the deal.

INVESTMENT ADVISORY

- Northland has an incentive to increase the assets in your account in order to increase our fees. The more assets you have in the advisory account, including cash, the more you will pay us. You pay our fee quarterly even if you do not buy or sell.
- Northland utilizes a single clearing/custodial firm - Pershing LLC. We have revenue-sharing arrangements with Pershing. Therefore, we may not offer you the lowest custodial clearing costs that could be available to you at another firm.
- We have solicitor arrangements with outside parties, and Northland and your IAR share in the management fee that you pay.
- There is a limited number of products available within the firm's Investment Advisory platforms, as we are unable to sell you our new issue proprietary products, illiquid or limited liquidity products, or more speculative type offerings (e.g. microcap stocks). Please ask your Investment Adviser Representative what type of products are available to you.
- Northland compensates the portfolio manager of the Northland Model Strategies from Northland's portion of the advisory fee, this is not an additional fee charged to the client. However, this would be considered a conflict of interest for those clients of the portfolio manager because he is compensated as both the advisor and the portfolio manager.
- Please refer to [Northland Asset Management's ADV](#) for complete disclosure information regarding services, products, and conflicts of interest. This document may be found at: <https://adviserinfo.sec.gov/firm/summary/40258>.

We have legal and disciplinary events. For additional information regarding these events, please visit BrokerCheck at [BrokerCheck.Finra.org](#). For additional information about our representatives or services, visit BrokerCheck at [BrokerCheck.Finra.org](#), [NorthlandSecurities.com](#), and your account agreement.

Visit [Investor.gov](#) (<https://www.investor.gov/>) for simple search tools to research our firm and our Financial Representatives.

To report a problem to the SEC, visit [Investor.gov](#) or call the SEC's toll-free investor assistance line at (800) 732-0330. To report a problem to FINRA, visit [Finra.org/Contact-Finra](#) or call (800) 289-9999. If you have a problem with your investments, account, or Financial Representative, contact us in writing at Northland Securities, 150 S. Fifth Street, Suite 3300, Minneapolis, MN 55402, or call (800) 851-2920.

ADDITIONAL INFORMATION

The information provided here is not all inclusive. Please consult the prospectuses, statements, brochures, or other product- or service-specific materials, as well as ask your Financial Representative to learn more about specific fees, expenses, and product information. We are here to help and to ensure your understanding of our work and compensation.

Investor resources and tools are available at the SEC's Office of Investor Education and Advocacy website [Investor.gov](https://www.investor.gov), which provides educational materials about Broker-Dealers, Investment Advisers, and investing.

QUESTIONS YOU MAY HAVE

We encourage our clients to ask questions, to ensure you thoroughly understand the products and services we are providing to you, and the cost, fees, and commitment involved in the course of conducting business.

- Given my financial situation, why should I choose a brokerage account or an advisory account?
- How much would I pay per year for a typical brokerage account? What would make those fees more or less? What services will I receive for those fees?
- How will you choose investments to recommend for my account?
- How often will you monitor my account's performance and offer investment advice?
- Do you or your firm have a disciplinary history? For what type of conduct?
- What is your relevant experience, including your licenses, education, and other qualifications? Please explain what the abbreviations in your licenses are and what they mean.

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Member FINRA and SIPC | Registered with SEC and MSRB

Northland Securities, Inc. conducts its Registered Investment Advisory business as Northland Asset Management.