INVESTMENT SOLUTIONS

EXPERTISE MATTERS. FIND IT HERE.
“As a leading global asset management firm, our investment expertise, strength and innovation have earned the trust and confidence of the world’s most sophisticated institutional and individual investors.”

SHUNDRAWN THOMAS
PRESIDENT
NORTHERN TRUST ASSET MANAGEMENT
Northern Trust Asset Management

ABOUT US
NORTHERN TRUST OVERVIEW

Established in 1889
Headquartered in Chicago, IL
Locations in 24 countries
18,100 global employees

Service
Relentless drive
to provide
exceptional
service.

Expertise
Resolving
complex
challenges with
multi-asset class
capabilities.

Integrity
Acting with the
highest ethics,
ultimate honesty
and unfailing
reliability.

NORTHERN TRUST ASSET MANAGEMENT

Northern Trust Asset Management is a global investment manager that helps investors navigate changing market environments, so they can confidently realize their long-term objectives.

Entrusted with $956 billion in assets, we understand that investing ultimately serves a greater purpose and believe investors should be compensated for the risks they take — in all market environments and any investment strategy.

Equity
Leaders in factor-based investing since 1994

ESG
Over 30 years of managing Socially Responsible Portfolios
UNPRI Signatory

Multi-Manager
Third-party manager solutions
6th Largest Outsourcing Manager Worldwide/4th U.S.

FlexShares®
Family of equity, fixed income and real asset ETFs

Fixed Income & Liquidity
Two-time Fixed Income Municipal Manager of the Year

Retirement Solutions
9th Largest DB Manager
10th Largest DC Manager

50 South Capital
Hedge Funds and Private Equity Solutions

Northern Funds
$164 billion diversified mutual fund family

$956 billion TOTAL AUM

Worldwide Assets
16th LARGEST

Worldwide Institutional Assets
13th LARGEST

Factor-based Strategies
9th LARGEST

Indexed (U.S.) Equity
5th LARGEST

Indexed (U.S.) Fixed Income
4th LARGEST

ETF Sponsor
15th LARGEST

1 For additional information on this award, please see the back cover.
2 Data as of March 31, 2018.
5 U.S. Institutional, tax-exempt. 6 Data as of March 31, 2019.
7 Assets under management as of March 31, 2019.
8 For the Northern Trust Asset Management entities included in AUM total, please see disclosure on the back cover.
9 Total worldwide assets under management. 10 Worldwide institutional assets under management.

The above rankings are not indicative of future performance. Unless otherwise noted, rankings are based on total worldwide assets under management of $961 billion as of December 31, 2017 by Pensions & Investments magazine’s 2018 Special Report on the Largest Money Managers.
Northern Trust’s core principles of service, expertise and integrity have remained constant for more than 125 years, guiding our evolution to a multi-faceted global financial services provider.

Throughout our history and changing market environments, we have led the financial services industry by aligning our efforts with these guiding principles.

Today, we remain committed to these founding principles that continue to unite and drive our partners around the globe — delivering our clients unparalleled service and expertise, with integrity.

WHAT WE BELIEVE

At Northern Trust Asset Management, we believe investing ultimately serves a greater purpose — and should be done intentionally and efficiently...

…by people who are passionate, astute and tenacious problem solvers, acting with conviction, purpose and humility — diverse and talented professionals provide innovative ideas and distinctive solutions that truly benefit investors.

…with the understanding that all investing involves risk and that investors should be compensated for that risk — in all markets and in any investment strategy.

…and is best accomplished by using an empirically based process so investors can earn consistent and persistent returns, and minimize unintended consequences within — and across — their portfolios.
“We demonstrate our expertise by striving to deliver strong, predictable and persistent risk-adjusted returns that are aligned with investor expectations and desired outcomes.”

BOB BROWNE, CFA®
CHIEF INVESTMENT OFFICER
NORTHERN TRUST
DEMONSTRATED INVESTMENT EXPERTISE
A FOCUS ON BOTH RETURN AND RISK

We are forward thinking investors who seek to generate high risk-adjusted returns and targeted investment outcomes with thorough empirical research and analysis and distinctive portfolio design.

Our detailed asset allocation process combines bottom-up analysis with top-down strategy insights to generate recommendations for both strategic and tactical time horizons. This comprehensive approach to portfolio management begins with our Capital Market Assumptions which include forecasts for global economic activity and financial market returns.

On an ongoing basis, Northern Trust’s Investment Policy Committee leverages expertise from across the firm to develop our long-term economic and financial market outlook and product design that reflects these views. The output from our Capital Market Assumptions practice is utilized to drive our investment processes firm-wide.

Each year, we combine our forward-looking themes with historical analysis to generate five-year (strategic) total return expectations that reflect our “Forward Looking; Historically Aware” mandate. Our portfolio construction team then integrates our market expectations with risk and correlation data to develop models that maximize efficiency (i.e., seek to provide the most return for a given level of risk.)

Next, the strategic models are overlaid with tactical recommendations consisting of asset class weightings developed for a 12 month time horizon. This process relies on input from our Tactical Asset Allocation Committee which reviews bottom-up analysis on interest rates, credit spreads and earnings, and combines that analysis with top-down macro strategy views.

Finally, we monitor the active risk associated with the tactical recommendations compared to the strategic portfolio, as well as risk factor exposures within the positions such as market risk, credit risk, commodity risk, etc.
Our proprietary risk/return optimization process seeks to facilitate the construction of diversified portfolios that reflect client objectives and meet expectations in a variety of market environments.

DIVERSIFICATION THAT ENDURES

In conjunction with our thoughtful asset allocation approach, we seek to generate exceptional value for our clients through insightful portfolio construction to deliver risk-managed investment solutions that align with fundamental investor goals.

Our portfolio construction methodology employs a risk/return optimization process that facilitates the development of well-diversified investment portfolios. This disciplined approach utilizes qualitative and quantitative tools to identify suitable strategies and combine them in ways that seek to amplify their strengths while minimizing portfolio risk.

Furthermore, ongoing monitoring and periodic rebalancing provides active risk management within our programs. Through these processes, updates to the strategic and tactical asset allocations and underlying investments are made as necessary, based on the recommendations of Northern Trust’s Investment Policy Committee.

Our process seeks to provide:
• Consistent added value
• Strong risk/return trade-off
• Effective risk management
• Strong downside risk management
• Consistency over various market cycles

JIM MCDONALD
Chief Investment Strategist
We believe effective asset allocation reduces investment risk and provides the potential for more predictable long-term results.

ASSETS SERVE A PURPOSE

Our investment methodology defines assets as either risk assets (all asset classes with equity market exposure, including high yield debt) or risk-control assets (investment grade and inflation-protected bonds). Including an optimized mix of risk and risk control assets within a portfolio helps to target specific investor goals and provides robust diversification across market environments.

Northern Trust Asset Management’s asset allocation approach seeks to provide:

• A strategic portfolio framework for a range of investor objectives
• The risk/reward benefits of global diversification
• Optimized exposure to risk and risk-control assets
• Proactive tactical adjustments designed to take advantage of market opportunities while minimizing the effects of market volatility
• Risk mitigation on the downside
• Enhanced stability through exposure to asset classes that are less correlated to traditional equities and bonds (e.g., natural resources, real estate, infrastructure, TIPS)
• A smoother investment journey delivered via multiple sources of returns
Factor-based Investing

We believe that targeted factor exposures can be used to improve investment outcomes, providing greater return persistency and the potential for enhanced risk-adjusted returns.

Factor-based quantitative equity strategies provide for:

- The potential for higher returns with less risk than traditional equity indexing
- Historically consistent performance, lower fees and greater transparency than fundamental active management
- A disciplined process focused on helping to meet investment goals
Historically, style factors such as quality, value, low volatility, dividend yield, size and momentum have been shown to generate greater absolute and risk-adjusted returns relative to standard indices over the long-term.

**COMBINING EQUITY FACTORS FOR OPTIMAL OUTCOMES**

In widely recognized academic studies, including our own, there has been considerable evidence to demonstrate that independent risk factors drive excess returns over time.

Our investment solutions offer targeted exposure to a combination of factors that have historically demonstrated strong risk-adjusted and absolute performance.

Furthermore, we believe our firm-wide commitment to quality leads to stronger investment performance as our research reveals that quality companies have outperformed the market over time, have tended to be less volatile and have helped to mitigate risk in down markets.


Past performance is no guarantee of future results.
“Northern Trust Asset Management’s multi-asset class solutions provide institutional-caliber investment portfolios that align with fundamental investor goals.”

MELINDA MECCA
DIRECTOR, INVESTMENT SOLUTIONS
NORTHERN TRUST ASSET MANAGEMENT
MULTI-ASSET CLASS SOLUTIONS
Our deep expertise in global asset allocation, risk management and portfolio construction serves to distinguish Northern Trust Asset Management as a premier provider of multi-asset class investment solutions.

DIFFERENTIATED MULTI-ASSET CLASS SOLUTIONS

Northern Trust Asset Management’s multi-asset class solutions are supported by the firm’s time-tested asset allocation discipline and extensive capital markets analysis, along with our risk management and portfolio construction expertise. These core capabilities enable us to provide globally diversified portfolio solutions that seek to create enhanced risk-managed growth in line with a broad range of investor goals.

Our multi-asset class solution set includes target risk and target date portfolios comprised of contemporary factor-based strategies. These solutions combine investments from multiple asset classes (e.g., cash, stocks, bonds and alternatives) in a single managed account.

Target Risk Solutions:
• Diversified Strategist Portfolios

Target Date Solutions:
• Goal Engineer Series

MELINDA MECCA
Director,
Investment Solutions
Target Risk Multi-Asset Class Solutions

The Diversified Strategist Portfolios are a professionally managed, research-driven investment program designed to provide risk-efficient solutions for a range of objectives from maximum growth to income.

- Globally diversified, professionally managed portfolios designed to deliver improved investment outcomes with less risk for a range of investment objectives
- Tax sensitive and standard investment options
- Fulfilled with cost-efficient FlexShares® ETFs and Northern Funds
- Targeted equity factor exposures
- Tactical asset allocation adjustments designed to take advantage of potential market opportunities and minimize the effects of market downturns

For illustrative purposes only.
The Goal Engineer Series combines a strong understanding of investor needs with expertise in global asset allocation, portfolio construction and risk management to pursue real-world goals.

- Turnkey multi-asset class target date investment program designed to deliver improved investment outcomes with less risk over a range of time horizons
- Seven globally diversified portfolio options
- Proprietary “through” glidepath framework that continues to evolve beyond the target goal date
- Targeted equity factor exposures
- Fulfilled with cost-efficient FlexShares® ETFs and Northern Funds

For illustrative purposes only.
2019 One of the World’s Most Admired Companies

Fortune's survey partners at Hay Group starts with approximately 1,500 companies; the Fortune 1,000 -- the 1,000 largest U.S. companies ranked by revenue; non-U.S. companies in Fortune's Global 500 database with revenues of $10 billion or more. Hay then selects the highest-revenues companies in each industry, surveying a total of 680 companies from 28 countries. To create the 51 industry lists, Hay polled executives, directors and analysts to rate companies in their own industry on nine criteria, from investment value to social responsibility. A company’s score must rank in the top half of its industry survey to be listed. http://fortune.com/worlds-most-admired-companies (click on “See our methodology and credits”)

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Northern Trust Asset Management is composed of Northern Trust Investments, Inc., Northern Trust Global Investments Limited, Northern Trust Global Investments Japan, K.K, NT Global Advisors Inc., 50 South Capital Advisors, LLC and investment personnel of The Northern Trust Company of Hong Kong Limited and The Northern Trust Company.

As of 3/31/2019 Northern Trust Asset Management Services had assets under management totaling $956 billion.

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