

DIVERSIFIED STRATEGIST PORTFOLIOS

The Diversified Strategist Portfolios (DSP) combine Northern Trust's asset allocation, portfolio construction and risk management expertise with quantitative equity and active fixed income strategies to provide globally diversified, risk-efficient solutions for a broad range of investor goals.

DSP incorporates investments from multiple asset classes (e.g., equity, fixed income, alternatives and cash) into a single separately managed account. Cost-efficient FlexShares® ETFs and Northern Funds managed by Northern Trust serve as the underlying investment vehicles. This helps to position the portfolios to realize the potential benefits of active management, as well as the lower costs associated with passive indexing.

DSP encompasses target risk portfolios ranging from income to maximum growth. Tax-sensitive fulfillment options are available for investors who seek to manage tax liabilities.

PORTFOLIO HIGHLIGHTS:

INSTITUTIONAL-CALIBER INVESTMENT MANAGEMENT

Northern Trust is a leading global investment manager with a fiduciary heritage and a history of strength and stability that spans more than 125 years.

A TIME-TESTED ASSET ALLOCATION APPROACH

Our asset management practice is grounded by a forward-looking, historically aware asset allocation discipline and informed by extensive empirical and capital markets analysis. We seek to add value through thoughtful strategic asset allocation, complemented by proactive tactical positioning.

DISCIPLINED RISK MANAGEMENT

Our investment methodology defines assets as either risk assets (all asset classes with stock market exposure, including high yield bonds) or risk-control assets (investment grade and inflation-protected bonds). Including an optimized blend of risk and risk control assets within DSP provides robust diversification while helping to target specific investor goals. In addition to harnessing the benefits of a fully diversified portfolio, we seek to manage risk by anchoring our tactical recommendations to the strategic portfolio frameworks, to help ensure the Diversified Strategist Portfolios remain aligned with their risk objectives.

The Diversified Strategist Portfolios feature globally diversified investment solutions that are designed to deliver improved investment outcomes with less risk for a range of objectives, from maximum growth to income.

(continued)

INSIGHTFUL PORTFOLIO CONSTRUCTION

Our in-depth analysis at both the asset class and investment component levels provides insights to facilitate the construction of optimized portfolios that reflect client objectives and meet expectations in a variety of market environments.

QUANTITATIVE EQUITY

DSP employs Northern Trust's proven factor-based quantitative equity approach to achieve targeted exposure to investment factors (e.g., quality, value, low volatility, size and dividend yield) that have historically demonstrated attractive risk-adjusted returns.¹ By aiming to capture exposure to the right factors at the right time, either individually or in combination, (e.g., by tilting toward higher return/higher risk factors in growth portfolios and dividend factors in income portfolios), DSP seeks to provide greater consistency, manage risk and enhance returns.

A FOCUS ON QUALITY

As a pioneer in quality investing with a 20-year history, we developed the Northern Trust Quality Score (NTQS) to identify companies that exhibit what we believe to be fundamental characteristics of quality. The NTQS has outperformed competing quality-scoring methods over long time periods and demonstrates the value of holding high- versus low-quality stocks. This aligns with our research² which shows that quality companies have outperformed the market over time, tend to be less volatile and can provide some protection in down markets. DSP incorporates quality into the portfolio construction process while seeking to eliminate unintended exposures and deliver improved investment outcomes with less risk.

ENHANCED STABILITY AND INFLATION PROTECTION

DSP includes allocations to inflation-sensitive asset classes such as global natural resources, global real estate, global infrastructure and Treasury Inflation-Protected Securities (TIPS). These asset classes have historically exhibited a low correlation with traditional stocks and bonds and can help to minimize the effects of inflation on the portfolios.

RISK/RETURN TRADE-OFF

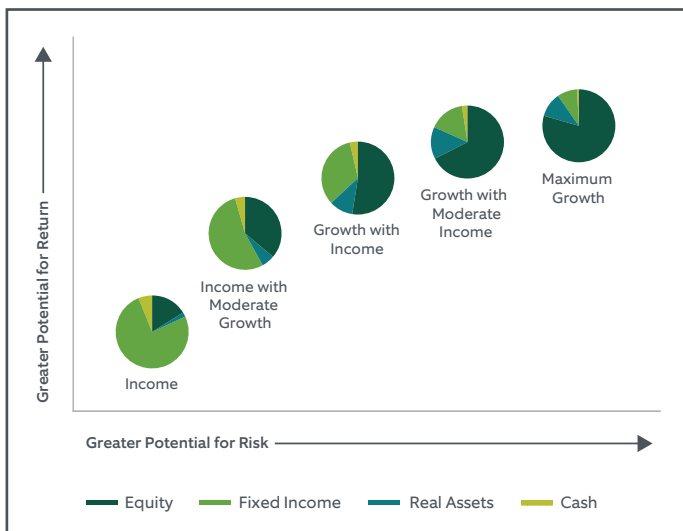


Chart source: Northern Trust Asset Management
For illustrative purposes only, risk and returns are only indicative, and there is no guarantee that they will be achieved. Past Performance is no guarantee of future results.

ACTIVE FIXED INCOME EXPERTISE

Our active, research-driven approach to fixed income facilitates the identification and implementation of investment strategies that help provide reliable returns and add value for the risks taken. DSP includes actively managed, diversified bond funds managed by Northern Trust to provide the potential for income and capital preservation in line with each portfolio's objectives.

VALUE AT A REASONABLE COST

FlexShares® ETFs are employed for equity, fixed income and real asset/inflation-sensitive fulfillment, positioning the portfolios to realize the potential benefits of active management, as well as the lower costs associated with passive indexing.

SEPARATELY MANAGED ACCOUNT STRUCTURE

DSP is offered as separately managed account (SMA). This structure provides transparency and flexibility in the event investment objectives change, allowing for small adjustments to portfolio holdings instead of 100% turnover.

¹Northern Trust Asset Management Quantitative Research; ²A Superior Approach to Quality, Northern Trust, March 2016.

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Forward-looking statements and assumptions are Northern Trust's current estimates or expectations of future events or future results based upon proprietary research and should not be construed as an estimate or promise of results that a portfolio may achieve. Actual results could differ materially from the results indicated by this information.

There are risks involved in investing including possible loss of principal. There is no guarantee that the investment objectives of any fund or strategy will be met. Risk controls and models do not promise any level of performance or guarantee against loss of principal. Past performance is no guarantee of future results. FlexShares™ ETFs and Northern Funds are sub-advised by Northern Trust Investments, Inc. For more information on the investment objectives, principle risks, and fees associated with these Funds, please see each Fund's prospectus and statement of additional information ("SAI"), which are available on the Advisors' websites at www.northernfunds.com and www.flexshares.com.

Northern Trust generally utilizes its own funds within this strategy. Northern Trust receives various fees from the funds via the fund expense ratios. Clients will incur these fees. Clients who access these portfolios through a financial intermediary firm will typically pay additional fees to that firm. Clients should speak to their Financial Advisor for more information. Financial intermediaries that employ Northern Trust for model management or overlay services may compensate Northern Trust for those services a fee of up to 0.25%.

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