

Diversified Strategist Portfolios

# QUALITY LOW VOLATILITY SOLUTIONS

## REDUCE RISK AND PURSUE RETURN GOALS

The Quality Low Volatility solutions are a series of defensive strategies designed to seek strong up-market participation while reducing the fluctuation of the value of a portfolio over time. Northern Trust Asset Management combines asset allocation, portfolio construction and risk management expertise with Quality Low Volatility equity strategies and diversifying asset classes, in an effort to improve returns and downside risk mitigation relative to traditional portfolios.

The series encompasses five globally diversified, tactical portfolios with objectives ranging from income to maximum growth. Tax-sensitive fulfillment options are available for investors who seek to manage tax liabilities.

- 1** A SERIES OF FIVE HIGHLY DIVERSIFIED, TACTICAL PORTFOLIOS
- 2** QUALITY AND LOW VOLATILITY FACTORS SEEK TO ENHANCE RETURNS AND REDUCE RISK
- 3** DESIGNED TO DELIVER EFFICIENCY, TRANSPARENCY AND SIMPLICITY

### Globally Diversified Portfolios with Tactical Asset Allocation

Our time-tested asset allocation process includes core exposure to stocks and bonds, as well as diversifying asset classes such as real assets and high yield fixed income. These asset classes have historically exhibited a lower correlation with traditional stocks and bonds, which may reduce volatility and improve risk-adjusted returns.

The Investment Policy Committee seeks to add value by tactically over- or under-weighting asset classes, within active-risk parameters, to take advantage of near-term market opportunities.

### Quality Low Volatility Equity

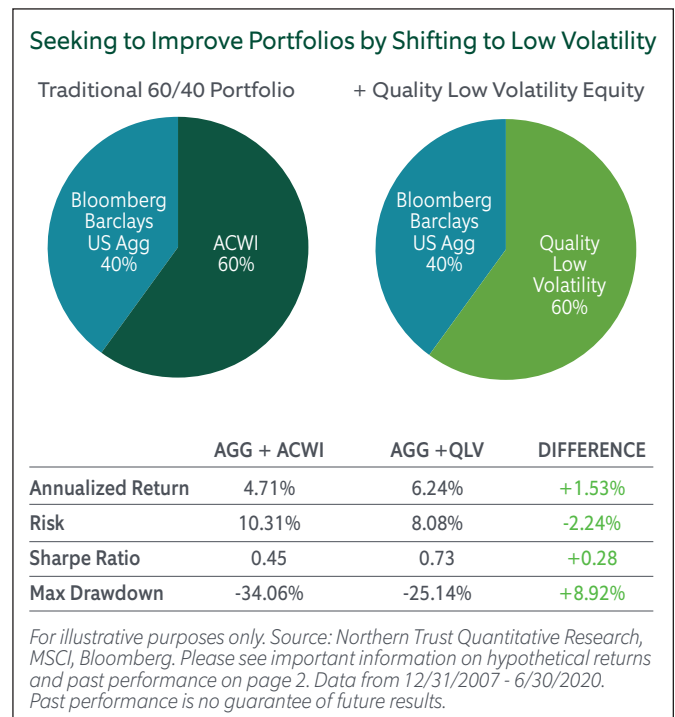
The portfolios are designed to deliver the upside performance of a traditional balanced portfolio, while providing considerable downside risk mitigation—without sacrificing the return potential of equity allocations or holding alternatives that are less liquid. Results are enhanced by the unique characteristics of Northern Trust Asset Management’s Quality Low Volatility equity strategies:

- 1) Our proprietary quality factor targets companies with efficient management, profitability, and strong cash flows.
- 2) Applying the quality factor to a portfolio of stocks exhibiting low volatility helps to avoid companies with the lowest returns and the highest realized risk.
- 3) Additionally, we seek to reduce sector biases used in other low volatility strategies that may result in unintended sector risks and potential unexpected interest rate sensitivity.

### Efficient, Transparent and Simple

Professionally managed by our team of investment experts, our Quality Low Volatility solutions are designed to provide:

- 1) Cost- and tax-efficiency via exchange traded funds.
- 2) Transparency and Simplicity: The model portfolios are delivered to clients via separately managed accounts. This structure provides transparency, as well as flexibility and tax-efficiency in the event investment objectives change.



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## PUT OUR EXPERTISE TO WORK FOR YOU

To learn more about Northern Trust Asset Management's multi-asset investment solutions, please contact the *Investment Solutions Group* at **855-645-8303** | **NorthernSolutionsGroup@ntrs.com**

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If presented, hypothetical portfolio information provided does not represent results of an actual investment portfolio but reflects representative historical performance of the strategies, funds, indexes or accounts listed herein, which were selected with the benefit of hindsight. Hypothetical performance results do not reflect actual trading. The Traditional 60/40 Portfolio assumes a 60% MSCI ACWI and 40% Bloomberg Barclays US Aggregate index rebalanced monthly, while the Quality Low Volatility (QLV) Equity 60/40 portfolio replaces MSCI ACWI with a blend of the Northern Trust US, Developed Ex-US, and Emerging Market Quality Low Volatility Equity indices weighted (and rebalanced monthly) to mirror the composition of the MSCI ACWI. No representation is being made that any portfolio will achieve a performance record similar to that shown. A hypothetical investment does not necessarily take into account the fees, risks, economic or market factors/conditions an investor might experience in actual trading. Hypothetical results may have under- or over- compensation for the impact, if any, of certain market factors such as lack of liquidity, economic or market factors/conditions. The investment returns of other clients may differ materially from the portfolio portrayed. There are numerous other factors related to the markets in general or to the implementation of any specific program that cannot be fully accounted for in the preparation of hypothetical performance results. The information is confidential and may not be duplicated in any form or disseminated without the prior consent of Northern Trust.

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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%.

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, Northern Trust Fund Managers (Ireland) Ltd, investment personnel of The Northern Trust Company of Hong Kong Limited, the investment advisor division of The Northern Trust Company, and Belvedere Advisors, LLC.