

GOAL ENGINEER SERIES

The Goal Engineer Series combines 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 target date solutions for a range of time horizons.

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

The Goal Engineer Series encompasses seven target date portfolios in five year increments. The investment mix for each portfolio changes over time as its target date approaches, moving investors across the risk and return spectrum and becoming more conservative prior to, and through, the target date.

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. The Goal Engineer Series leverages our asset allocation expertise to deliver a glidepath that seeks to improve the long-term outlook for investors at the beginning of the investment journey, and mitigate the risk of significant losses at or near the target date.

"THROUGH" GLIDEPATH

Goal Engineer utilizes a "through" glidepath that continues to evolve beyond the target date. When paired with our factor-based portfolio fulfillment, this approach seeks to provide for the enhanced return potential of equities for a longer period of time, while enabling the portfolio to continue to de-risk during the beginning of the distribution phase. Approximately ten years after a portfolio reaches its goal date, the final asset allocation should resemble that of the Goal Engineer Stable Income Portfolio.

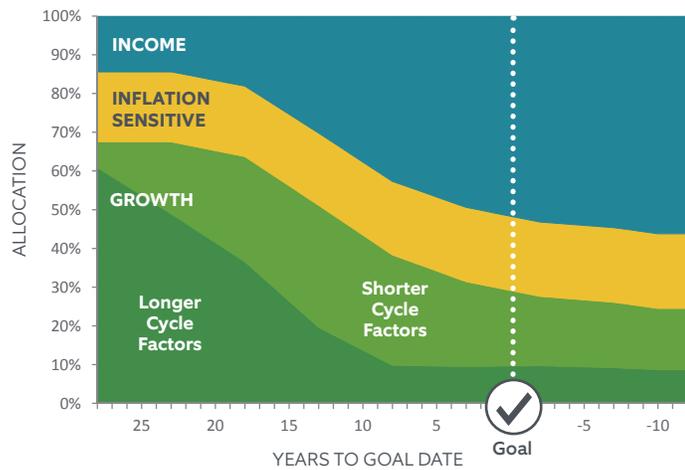
DISCIPLINED RISK MANAGEMENT

The Northern Trust glidepath is designed to provide the right risk at the right time, seeking to manage market, inflation and longevity risk to help increase certainty and confidence in successful outcomes.

The Goal Engineer Series features globally diversified target date investment portfolios that are designed to deliver improved investment outcomes with less risk over a range of time horizons.

(continued)

THE NORTHERN TRUST GLIDEPATH



INSIGHTFUL PORTFOLIO CONSTRUCTION

Our in-depth analysis at both the asset class and fulfillment levels facilitates the construction of optimized portfolios that reflect client objectives and meet expectations in a variety of market environments.

While growth and income allocations are fundamental to target date strategies, Goal Engineer goes a key step beyond typical target date solutions by including assets that focus on managing inflation risk, such as global natural resources, global real estate, global infrastructure and Treasury Inflation-Protected Securities (TIPS). These asset classes have historically exhibited diversified risk exposures and can help to minimize the effects of inflation on the portfolios.¹

QUANTITATIVE EQUITY

Goal Engineer utilizes 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 strategically transitioning factors throughout the glidepath, we seek to increase portfolio efficacy. The factors employed

will vary according to the portfolio's position on the glidepath. By aiming to capture exposure to the right factors at the right time, the Goal Engineer Series 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. Goal Engineer incorporates quality into the portfolio construction process while seeking to eliminate unintended exposures and deliver improved investment outcomes with less risk.

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. Goal Engineer includes actively managed, diversified bond mutual funds from Northern Trust to provide the potential for income and capital preservation in line with each portfolio's time horizon.

VALUE AT A REASONABLE COST

FlexShares® ETFs are employed for equity 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

Goal Engineer 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.

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

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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%.

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