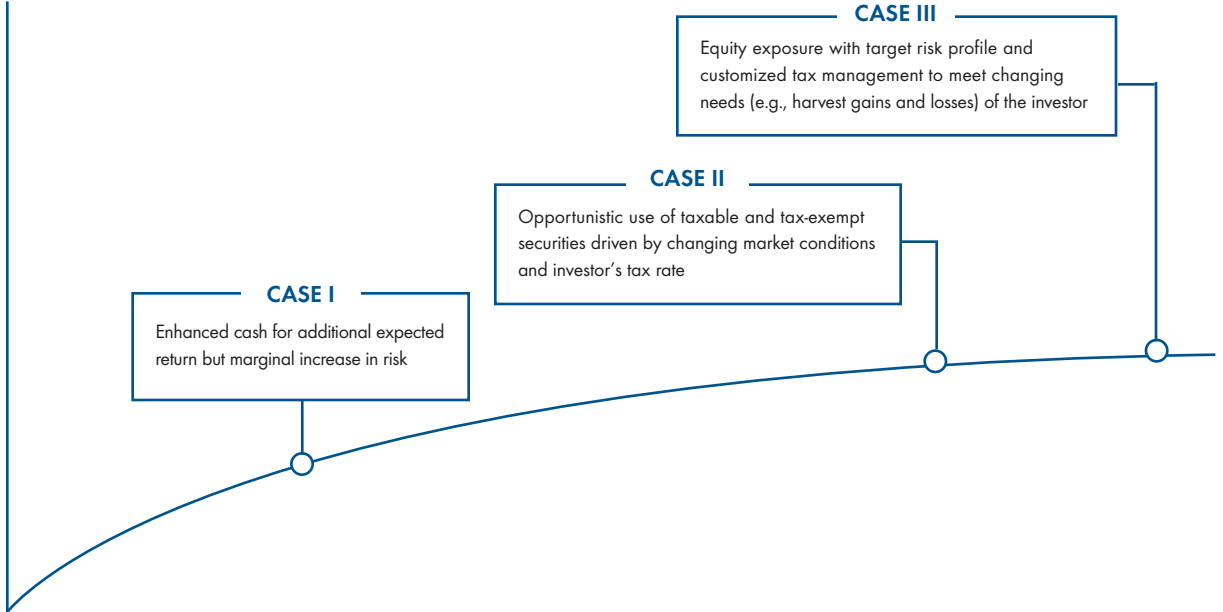


STRATEGIES FOR TAXABLE ASSET POOLS

Return



	MONEY MARKET	ENHANCED CASH	SHORT-DURATION TAXABLE FIXED INCOME	ACTIVE MUNICIPAL FIXED INCOME	CROSSOVER FIXED INCOME	TAX-ADVANTAGED EQUITY
Strategy	Invests in high quality, short-term securities with duration of less than 90 days. Seeks to maintain liquidity.	Invests in a high quality portfolio that is actively managed. Average portfolio duration of 6 months to 1 year. Seeks to enhance total return while maintaining liquidity.	Invests in a high quality portfolio, actively managed with a total return strategy. Average portfolio duration of 1.75 to 2 years.	Invests in a municipal bond portfolio. Supplements traditional duration and credit decisions with active sector allocation, security selection and trading expertise to maximize total return – both income and price appreciation – in a tax-efficient manner.	Invests primarily in a municipal bond portfolio; utilizes technical and fundamental analysis to opportunistically invest in taxable securities. Seeks to maximize after-tax total return.	Invests in a portfolio of individual securities to approximate the pre-tax return of an equity benchmark and add value on an after-tax basis. Uses a proprietary quantitative management approach with a disciplined tax management process.
Benefits	Provides investors with liquidity and principal protection.	Actively managed enhanced cash strategies have generated excess return of 50 to 75 bps relative to a money market fund over a market cycle.	Over a market cycle, short-duration fixed income strategies have generated excess return of 25 to 50 bps over a 1 to 3 years maturity fixed-income index (e.g., Lehman Brothers 1-3 Year U.S. Treasury Index).	Provides greater after-tax return potential. Due to market inefficiencies, experienced managers can add meaningful total return versus a ladder or buy-and-hold strategy. Over a market cycle, actively managed municipal strategies have generated excess return of 25 to 50 bps relative to a Lehman Brothers index.	By opening the eligible universe of securities to include taxable securities, the manager may increase the chance of improving performance within a similar risk framework. Typical crossover strategies have generated 50 bps of return over a straight municipal strategy and have added up to 25 bps in additional yield on an after-tax basis.	Precisely tailored to each investor's needs. Customization and controlled settings for: timing and amount of realization of gains and losses; active risk (expected tracking error) levels and specific benchmarks. Typical tax-advantaged strategies have generated 25 bps of expected annualized tracking error versus their benchmark and have provided up to 100 bps in annualized after-tax value added.

Source: Northern Trust