



NORTHERN TRUST

ASSET MANAGEMENT

GOAL ENGINEER SERIES

On Target. On Time.



Investment Solutions from Northern Trust Asset Management

No matter what financial goal you're working toward, Northern Trust's Goal Engineer Series is designed to help you set a course and stay on track to reach it.

THE ISSUE

Creating and adhering to a sound investment plan can mean the difference between achieving your goals and falling short. However, many investors lack the time, knowledge and discipline to effectively build their wealth.

THE CHALLENGES

- Starting your investment program early enough
- Saving enough to meet your goals
- Developing a sound investment strategy
- Selecting appropriate investments
- Positioning assets for growth
- Minimizing the effects of market volatility
- Reducing risk
- Generating income from your investments
- Managing the effects of inflation

NORTHERN TRUST ASSET MANAGEMENT

Assets
Under
Management¹
**\$885
billion**

World's
16th
Largest Asset
Manager²

Leaders in
Factor-based
investing
Since
1994

15th
Largest
ETF
Sponsor²

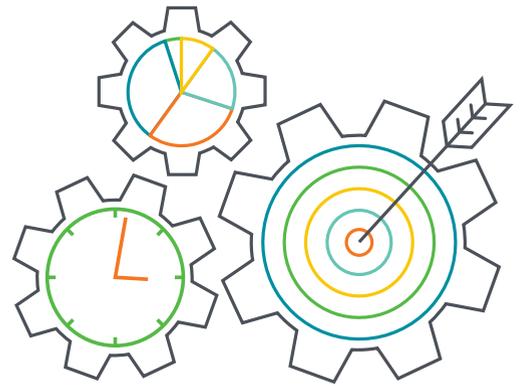
One of the
World's
**Most
Admired³**
Companies

¹ Assets under management as of December 31, 2018. For the Northern Trust Asset Management entities included in AUM total, see the back cover.

² Total worldwide assets.

The above rankings are not indicative of future performance. 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.

³ Fortune Magazine. For additional information on these awards, see important information on the back cover.



THE SOLUTION

The Goal Engineer Series features professionally managed multi-asset class goals-based portfolios that are designed to deliver improved investment outcomes with less risk over a range of time horizons.

GOAL ENGINEER SERIES

- 1** Turnkey, professionally managed goals-based investment program designed to help provide a smoother path to your goal and help you stick to the discipline of your plan over time
- 2** Globally diversified asset allocation framework thoughtfully crafted and optimized in an effort to minimize the effects of market volatility
- 3** Glidepath that automatically adjusts the investment mix as the target date approaches, changing from a more aggressive allocation early on to a more conservative allocation as the goal date approaches, and beyond
- 4** Multi-asset class investment approach including Northern Trust's factor-driven quantitative equity strategies and inflation-sensitive and fixed income funds designed to deliver diversification and value at a reasonable cost
- 5** Targeted equity factor exposure (e.g., value, small size, dividend yield, high quality) designed to manage risk and potentially enhance returns

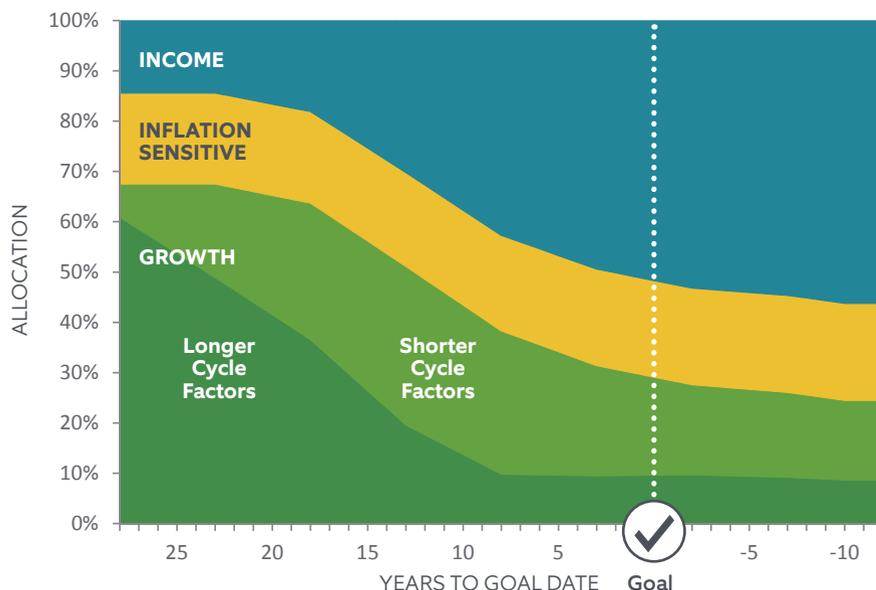
THE RIGHT RISK AT THE RIGHT TIME

The Northern Trust Glidepath

Designed to provide the right risk at the right time, our glidepath seeks to manage market, inflation and longevity risk to increase certainty and confidence in successful outcomes. Supported by our investment policy committee outlook, we regularly monitor, evaluate, validate and reallocate our glidepath to help investors achieve their goals.

STRATEGIC ASSET ALLOCATION TO AND THROUGH THE TARGET GOAL DATE

The Goal Engineer portfolios utilize a “through” glidepath that continues to evolve beyond the target goal date. By replacing traditional equities with our factor-based strategies, the 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 withdrawal phase.



THOUGHTFUL PORTFOLIO CONSTRUCTION FOR EACH TIME HORIZON

- The stock allocation is characterized by a greater focus on capital growth early on, transitioning to volatility management as the portfolio moves closer to the goal date
- Portfolios with longer time horizons have greater exposure to those factors that have been shown to increase performance over time, such as value and small size
- Portfolios with shorter time horizons have greater exposure to those factors that tend to reduce risk or increase income, such as quality and dividend yield
- Bond allocations increase over time in an effort to add stability and help generate income in retirement years

QUANTITATIVE EQUITY DESIGNED TO DELIVER ENHANCED RETURNS

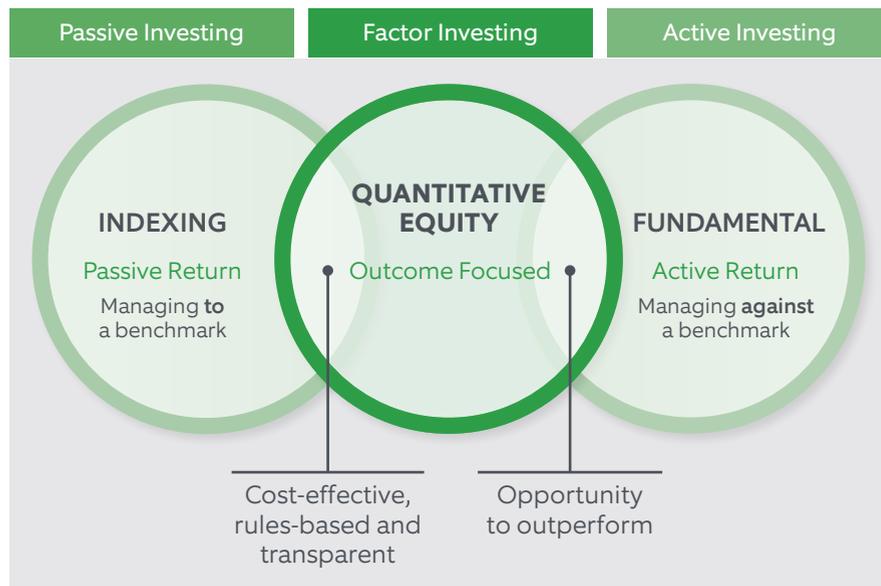
GROWTH

A strategic, factor-based methodology designed to reduce risk and increase returns

The Goal Engineer portfolios employ targeted equity factor exposures within a goals-based framework that seeks to improve investment outcomes, provide greater consistency, manage risk and enhance returns.

The Goal Engineer Series employs factor-based quantitative equity strategies that combine what we believe to be the best of active and passive management. Goal Engineer provides:

- The potential for long-term 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



A COMBINATION OF EQUITY FACTORS DESIGNED TO DELIVER OPTIMAL OUTCOMES



Factors are identifiable sources of risk that represent key drivers of both risk and return, such as quality, value, size and dividend yield. In widely recognized academic studies, including our own¹, there is considerable evidence to demonstrate that independent risk factors have historically driven excess returns over time. Furthermore, strategically transitioning factor exposure throughout the glidepath can help improve results as the most beneficial factor strategy will vary according to the portfolio's position on the glidepath. This research informs the Goal Engineer Series, facilitating the delivery of the **right risk at the right time**.

¹Understanding Factor Investing, Northern Trust, May, 2016.

INFLATION SENSITIVE

Complementing traditional asset classes for increased stability

Inflation can erode the purchasing power of your portfolio over time. The Goal Engineer portfolios seek to manage inflation risk, so you may have increased confidence that your assets will be sufficient to fund your goal.

The Goal Engineer Series includes real assets and Treasury Inflation-Protected Securities (TIPS) with low correlations to stocks and bonds to help minimize the effects of inflation on your portfolio.



INFLATION SENSITIVITY

INCOME

Diversified bond holdings seek to provide both income generation and capital preservation

The Goal Engineer Series relies on our extensive credit research capabilities in an effort to identify securities with the potential to provide a favorable return while managing risk.

Northern Trust's active fixed income management process provides:

- A time-tested top-down and bottom-up approach to security selection and risk management
- Access to the collective expertise of a global team
- Carefully crafted strategies backed by extensive fundamental research across sectors and issuers, as well as relative value analysis
- Integrated risk management and compliance
- Historically consistent competitive long-term performance

AN ACTIVE APPROACH TO SECURITY SELECTION:

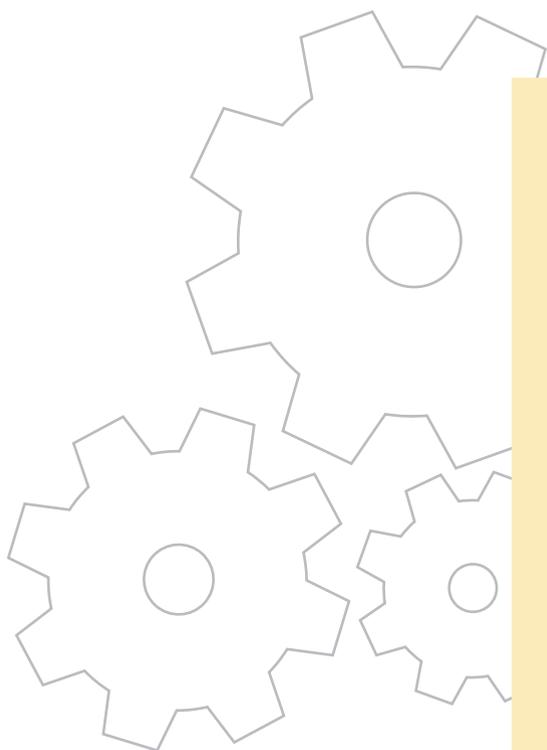


GOAL ENGINEER SERIES

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.

Illustrative Asset Allocation

TARGET GOAL DATE	2040	2035	2030	2025	2020	2015	Stable Income
Growth	72.3%	65.8%	51.3%	39.2%	32.6%	28.8%	26.1%
Inflation Sensitive	15.3%	15.8%	16.7%	17.4%	17.9%	18.1%	18.3%
Income	12.4%	18.4%	32.0%	43.4%	49.5%	53.1%	55.6%
TOTAL	100%	100%	100%	100%	100%	100%	100%



“We’ve designed a new generation of managed accounts to take the guesswork out of investing and build better outcomes. They’re focused on taking the right risk at the right time.”

— BOB P. BROWNE, CFA®
 CHIEF INVESTMENT OFFICER
 NORTHERN TRUST ASSET MANAGEMENT

To learn more about how the Goal Engineer Series can help you get to where you're going—on target, on time—contact your financial advisor.

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2018 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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