



PERSONAL FINANCIAL SERVICES

CORPORATE EXECUTIVE SERVICES

Customized Solutions for Complex Financial Situations

Northern Trust's professionals have solid expertise addressing the challenges faced by senior executives.

As a corporate executive, your professional commitments and responsibilities do not leave you much time to manage your personal finances. At Northern Trust, we understand your intricate compensation and wealth management issues. With innovative, high-quality private banking, investment management,* financial consulting, and trust and estate planning services, our professionals offer expertise and creative solutions that help build and manage your wealth, leaving you time to focus on what really matters.

It's one reason we have the privilege of working with more than 75% of the Fortune 100 companies' current and retired executives.

UNIQUE NEEDS – UNIQUE SERVICES

Northern Trust's professionals have solid expertise addressing the challenges faced by senior executives. Whether it's managing concentrated stock positions, maintaining liquidity, financial planning, estate planning or charitable giving, we work closely with you to develop a wealth management plan to minimize risk, expenses and tax consequences. And, with a single point of contact for all your financial management needs, you have easy access to the full breadth of services Northern Trust offers.

Financial Planning: Objective Advice and Expert Implementation

Financial planning should reflect what you want out of life, and how you want to be remembered. It acknowledges that your personal financial affairs are complex, intertwined and constantly evolving. Northern Trust's Financial Consulting Group, a team of experienced, highly skilled planners, will provide you with objective analysis, advice and proactive support to develop and execute your financial plans.

You and your needs come first, and because we focus on integrity, objectivity and client service, you never need to worry about potential conflicts of interest. Northern Trust does not underwrite equity securities, provide investment banking services, hold equities in inventory or retain sell-side equity analysts. And our planners are under no obligation, nor do they receive incentives, to sell specific products or to select certain attorneys, accountants or other outside financial firms or professionals.

Our high standards of integrity, ethical behavior and client service are widely recognized.

- "America's Most Admired Companies" – *Fortune Magazine* (2007)
- "100 Best Corporate Citizens" – *Business Ethics Magazine* (2001, 2005–2006)
- Superlative Ratings for Trustworthiness and Objectivity (2005) – *Spectrem Group* (2005)

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Northern Trust acts as an independent advisor and advocate for holders of concentrated stock positions.*

Single Stock Exposure Management: Diversification Strategies for Concentrated Equity Holdings

Northern Trust acts as an independent advisor and advocate for holders of concentrated stock positions.* Evaluating exposure management strategies requires a solid understanding of the potential and limitations of each. For most senior executives, the question becomes not whether, but how, to diversify their concentrated positions. Strategies include:

- Sale and reinvestment such as 10b5-1 trading plans
- Option-based approaches to hedging that limit risk and defer capital gains
 - Puts
 - Calls
 - Zero-premium collars
 - Variable forwards
- Extended-term solutions that extend capital gains deferral
 - Exchange funds
 - Charitable remainder trusts

Northern Trust does not make markets in any hedging instruments or act as principal to any transaction you may consider.

Maintaining Liquidity: Customized Lending Services

For those times when you need additional liquidity for a major purchase or to explore an investment opportunity, it's important to have access to customizable credit services at competitive rates. As a corporate executive, you can benefit from a number of Northern Trust's flexible and efficient lending solutions to meet your cash flow needs.

Your relationship manager provides access to:

- Customized personal loans and lines of credit
- Stock purchase and stock option loans
- Specialized lending for yachts, airplanes and artwork

Creative and flexible financing structures coupled with quick, easy implementation are the hallmarks of our credit expertise.

Trust and Estate Services

As a leader in trust and estate services, Northern Trust can help you protect and preserve your wealth through customized trust solutions and wealth transfer planning. In addition to protecting you and your estate from uninsured liabilities or managing your wealth if you are incapacitated, trusts help you maintain confidentiality and reduce probate. Our organization has helped generations of clients use trusts to protect assets, reduce taxes and transfer wealth.

Philanthropic Services

Your wealth transfer plan may include charitable giving to make a positive, long-term impact on your community, realize your vision and inspire others. Northern Trust can help you establish an effective charitable giving strategy that maximizes the benefits of your gift to best accomplish your objectives. Whether you want to direct donations to a single charity or create a family foundation, we are committed to helping you integrate your philanthropic goals into a comprehensive wealth transfer plan.

HOW WE CAN HELP

The following real-life examples illustrate the innovative, flexible solutions we created for our clients.

CLIENT NEEDS	VALUE-ADDED SOLUTIONS
<p>Diversification and liquidity A senior executive had a large portion of his net worth concentrated in his company's stock, with restrictions regarding its disposition. As the company prospered and the executive's net worth grew, he became increasingly concerned about this single stock exposure.</p>	<p>A Northern Trust 10b5-1 trading plan* A Northern Trust financial planner worked with the executive's existing investment and estate advisors to develop a strategy that minimized the risk of a concentrated equity position by implementing a 10b5-1 plan. The plan, which was customized to the executive's needs to meet cash flow requirements, provided for systematic option exercises and stock sales. In addition, a hedging strategy using alternative investments was created to hedge remaining single stock risk.</p>
<p>Liquidity to make a major purchase A corporate executive wanted to finance the purchase of a \$25 million jet over 10 years on a fixed-rate basis. The executive planned to take delivery of the jet in two years and wanted to mitigate the interim interest rate risk by fixing the rate now, even though the loan won't begin for two years.</p>	<p>A hedged variable-rate loan The executive's Northern Trust relationship manager provided a variable-rate loan that is hedged to reduce risk. The solution locked in the present rate for two years, removing the uncertainty of interest rate movements. The executive paid nothing up front, accrued nothing and paid no out-of-pocket expenses for two years.</p>
<p>Reducing estate taxes An executive owned \$3.2 million in permanent life insurance for the benefit of her children. She wanted to ensure that the proceeds would pass to her children in a tax-efficient manner.</p>	<p>Tax savings Northern Trust recommended transferring ownership of the life insurance to an irrevocable life insurance trust to minimize gift taxes on the transfer of the policy and subsequent premium payments. At the client's death, this will save more than \$1.5 million in estate taxes (estate tax is 48% of the value of the insurance proceeds).</p>
<p>Retirement income and charitable giving A retired executive and his wife owned a vacation home they no longer used. They wanted to sell the home to increase their retirement income and leave a gift to a local art museum in support of the museum's youth education programs.</p>	<p>A charitable remainder trust The couple's Northern Trust relationship manager suggested a charitable remainder trust to meet their two goals. Their attorney drafted the trust, transferred the vacation home to the trust, and the trustee sold the home to a third party. Capital gains taxes on the sale were deferred and proceeds invested in a diversified investment portfolio. Based on the terms of the trust, the trustee started to pay out 5% of the trust's current market value to the retired couple the first year after the sale of the vacation home. Upon their death the remaining trust assets will go to the art museum.</p>

FOR MORE INFORMATION

With a breadth and depth of financial solutions unmatched in the industry, our experienced professionals work closely with you to implement personalized strategies to protect and grow your wealth. Throughout our growing network of 85 offices in 18 states, you can rely on the same exceptional service our clients have come to expect from us.

To learn more about how Northern Trust can help you meet your financial needs, contact your Northern Trust relationship manager, call us at 888-289-6542 (outside the United States or Canada please call 312-444-4454) or visit us at northerntrust.com.

LEGAL, INVESTMENT AND TAX NOTICE: This information is not intended to be and should not be treated as legal advice, investment advice or tax advice. Readers, including professionals, should under no circumstances rely upon this information as a substitute for their own research or for obtaining specific legal or tax advice from their own counsel.

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*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 asset allocation models do not promise any level of performance or guarantee against loss of principal. Investment products and services are:

NOT FDIC INSURED	May lose value	No bank guarantee
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NORTHERN TRUST BANKS ARE MEMBERS FDIC EQUAL HOUSING LENDERS



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Q22555 (06/08)