

DISCLOSURE RELATING TO DODD FRANK REGULATORY DAILY MARK (pursuant to CFTC Regulation 23.431(d)(3))

FOREIGN EXCHANGE

The Northern Trust Company (“Northern Trust”) prepares the daily mark for each swap (“Daily Mark”) by discounting future cashflows of the swap to arrive at a current value. For each asset class, spot and forward curves, correlation and volatility levels are determined on the basis of observable market inputs when available and on the basis of estimates when observable market inputs are not available. These spot and forward curves, correlation and volatility levels are used to estimate future cashflows that are not certain. In some cases, Northern Trust may use probabilistic models to determine the expected value of future cashflows. These estimated cashflows, along with future cashflows that are known with certainty, are then discounted to their present value using discount factors derived from relevant market inputs.

In Northern Trust’s sole discretion, Northern Trust may use a variety of methodologies to prepare the estimated cashflows described above, including without limitation, preparing Monte Carlo simulations and utilizing Black-Scholes and other mathematical pricing models. In Northern Trust’s sole discretion, Northern Trust may vary the inputs used in such simulations and modeling, with no obligation to disclose to you the methodology used or the inputs there to.

As provided in CFTC Regulation 23.431(d)(3), the Daily Mark provided to you:

- (1) may not necessarily be, and would often not be expected to be, a price at which either Northern Trust or you would agree to replace or terminate a Foreign Exchange Transaction, or the amount that would be payable upon early termination as determined under any master netting agreement between us;
- (2) unless otherwise expressly agreed, is not the basis for margin calls and maintenance of collateral, it being understood that calls for margin or requirements for the maintenance of collateral generally are made or determined based on other considerations, including agreements contained in any collateral or other credit support documentation between us; and
- (3) may not necessarily be the value of the Foreign Exchange Transaction that is marked on our books and records.

Pursuant to CFTC Regulation 23.431(d)(2), the Daily Mark is exclusive of several additional factors that may influence pricing of Foreign Exchange Transactions, namely, profit, credit reserves, hedging costs, funding and liquidity or any other costs or adjustments. Northern Trust shall not have any duty or responsibility to provide you with any profit, credit reserves, hedging costs, funding and liquidity, costs or adjustments or other information related to the determination of the Daily Mark except as expressly provided herein.

Northern Trust provides Daily Marks to you only in respect of uncleared swaps. For cleared swaps, you have the right to receive the Daily Mark from the relevant designated clearing organization upon request.

Daily Marks take into account unsettled cash payments due from one party to the other. Daily Marks are provided only in respect of swap transactions which have not terminated or been novated or otherwise transferred to a third party, notwithstanding any unsettled cash payments that may remain in respect of such a terminated, novated or otherwise transferred swap transaction.

Daily Marks are not provided in respect of your entire portfolio. No Daily Mark is provided in respect of any swap transaction with a Northern Trust affiliate that is not a registered swap dealer or in respect of any derivative transaction that is not regulated by the CFTC.

For Foreign Exchange counterparties who are also custody clients of Northern Trust, Daily Marks should be accessed through Custody Passport via the "Custody Counterparty FX Daily Marks" report (report ID 7890). This report should be scheduled to run on a daily basis, utilizing data from the previous business day, in order for this information to be available for you to view. This report details all pending FX transactions in counterparty's account. For clients who also receive Fund Accounting Services from Northern Trust the reports may need to be generated with a "#" in front of the normal custody account number (e.g., #ABC123). For each open FX transaction in the account, the daily mark can be found in the column titled "Market Value Local Base" if viewed as a PDF or Columns F and G if viewed in Excel. Please note, the exchange rate in the "Exchange Rate" column of the PDF report (Column N if viewed in Excel) does not represent the forward rate used in determining the daily mark but instead represents the end of day spot rate. If there are any issues with the generation of this report, please contact your Passport consultant or your normal client servicing teams.

Each Daily Mark is provided only as of the market close on the date indicated, unless otherwise specified, and is not applicable at any other time. Each Daily Mark is expressed in terms of a position of a specified size, and is applicable only with respect to that size and may not reflect the mark that would be calculated in respect of a position or transaction of any other size. The information presented in this document is based on assumptions, historical information and pricing data that Northern Trust in its discretion considers appropriate. Northern Trust does not represent that this information is accurate, complete or current, and Northern Trust has no liability with respect there to. This information is intended only as a reference and should not be relied upon without further evaluation by you, in consultation with your professional advisors, for the maintenance of your books and records or for tax, accounting, financial reporting, disclosure or other purposes.