HEDGE FUND PROGRAM

Seeking competitive, risk-adjusted returns through extensive research and access to best-in-class managers.

For qualified investors seeking an investment with low correlation and reduced volatility compared to traditional markets, Northern Trust Hedge Fund program offers access to best-in-class global managers operating across the strategy spectrum. Our investment practice adheres to strict due diligence and risk management processes in an effort to provide attractive, risk-adjusted returns.

ADVANTAGES OF NORTHERN TRUST’S HEDGE FUND STRATEGY

- Northern Trust’s long tenure as a trusted investment partner provides access to top-tier managers that may not be available to all investors
- Targeting small- to mid-size managers — who can be more nimble in volatile markets — can contribute to attractive risk-adjusted returns
- Manager selection process combines investment, operations and compliance due diligence processes with extensive quantitative risk management

OUR INVESTMENT PROCESS: ADHERENCE TO TOTAL PROGRAM MANAGEMENT

Our goal is to deliver superior returns in a risk-aware environment.

- Disciplined Research: Our qualitative and quantitative analysis identifies and combines managers in ways designed to seek attractive risk-adjusted returns.
- Risk Management Overlay: Proactive risk management is at the core of all elements of our investment process, including manager research, portfolio construction and ongoing monitoring.
OUR PHILOSOPHY: A DIFFERENTIATED APPROACH TO HEDGE FUNDS

ACCESS TO BEST-IN-CLASS MANAGERS

- **Boutique Firm with the Commitment of an S&P Organization:** Northern Trust's vast network and century long tenure as a trusted investment partner provides access to top-tier managers that may not be widely available to all investors
- **Extensive Network:** our global relationships and research analysts provide ground-level access to managers with proven skill and enhanced return potential

FOCUS ON SMALL TO MID-SIZED MANAGERS WITH AN EDGE

- **Focus on Small- to Mid-Sized Managers with Niche Investment Strategies:** these managers tend to be more nimble in dynamic markets and may have an edge over larger, more established funds
- **Target Early Life Cycle Managers:** focus on managers building their business who are driven and hungry

LEADING RISK MANAGEMENT AND OVERSIGHT

- **Transparency:** most managers provide position-level transparency, made meaningful by our robust quantitative risk management infrastructure enhance portfolio understanding and decision making
- **Oversight:** robust internal oversight by senior Northern Trust executives to avoid undesirable risk exposure
- **Monitoring:** active monitoring of key quantitative and qualitative risk factors for each manager

COMPREHENSIVE MANAGER RESEARCH

- **Due Diligence:** Rigorous, three-pronged due diligence process includes a potential manager’s investments, operations and compliance processes
- **Portfolio Construction:** Portfolio construction and manager research work hand-in-hand to construct a carefully considered and well-planned portfolio of best-in-class managers

CLIENT FOCUS

- **Regular and Comprehensive Communication:** provides investors a transparent view of asset allocation, portfolio structure and performance
We offer Customized Hedge Fund Solutions and Multi-Strategy/Single Strategy Commingled Funds designed to address specific investment, risk, and liquidity needs to a diverse client base of high net worth and institutional investors. Currently, custom programs comprise over 50% of our hedge fund program.

Northern Trust’s experienced hedge fund investment team has developed and managed commingled and multi-fund advisor programs. In addition, the team has:

- 100 years of combined hedge fund investment experience.
- Live track record of over 11 years investing in a diverse group of hedge fund strategies.
- Extensive global investment experience, performing over 500 manager meetings annually.
Important Information

Hedge funds are speculative in nature and may use leverage or other aggressive investment practices. As a result their returns may be highly volatile, and you may lose all or portion of your investment in the fund. In many cases the underlying investments in a hedge fund are not transparent and are known only to the investment manager.

Hedge funds often are not subject to the same regulatory requirements as other investment vehicles including mutual funds. Hedge funds may involve complex tax structures and delays in distributing important tax information.

Hedge funds may have higher fees and expenses than other investment vehicles, and, in addition to underlying direct fund fees, funds of funds also charge fees and expenses. Hedge funds, both the unregistered and registered variety, are highly illiquid investments and are subject to restrictions on transferability and resale. Requests for full redemption of hedge funds can be subject to a 10% holdback, which may not be distributed until the annual audit of the hedge fund is completed. There is often no secondary market for an investor’s interest in alternative investments, nor is one expected to develop.

Each investor should consult his own advisors regarding the legal, tax, and financial suitability of investing in hedge funds or other alternative investments.

Investment products and services are:

No information provided herein shall constitute, or be construed as, an offer to sell or a solicitation of an offer to acquire any security, investment product or service, nor shall any such security, product or service be offered or sold in any jurisdiction where such offer or solicitation is prohibited by law or regulation. This material is provided for informational purposes only and does not constitute a recommendation of any investment strategy or product described herein.

Please be advised that access to information about Northern Trust’s Private Placement Funds is limited to investors who either qualify as accredited investors within the meaning of the Securities Act of 1933, as amended, or those investors who generally are sophisticated in financial matters, such that they are capable of evaluating the merits and risks of prospective investments. Any offering of the Private Placement Funds to such an investor is qualified in its entirety by the Confidential Offering Memorandum for the product, which an investor should read carefully before investing. Each investor should consult his or her advisors regarding the legal, tax, and financial suitability of the investments described therein. No person should invest who is not, either alone or with his or her advisors, able to evaluate the merits and risks of these investments. Interest in these investments are offered and sold by representatives of Northern Trust Securities, Inc., an affiliated broker-dealer. Member FINRA/SIPC.

| NOT FDIC INSURED | May lose value | No bank guarantee |

FOR MORE INFORMATION

If you would like to learn more about Northern Trust’s hedge fund program, including how to obtain an offering memorandum for any of our fund-of-fund strategies, please contact your portfolio manager or our Hedge Fund Investor Relations Team: Aimee Wight (312)444-3059 or Jessica Chu (312)630-6869.