ULTRA-SHORT DURATION STRATEGY

Seeking Enhanced Yield and Return Through Risk-Controlled Strategies

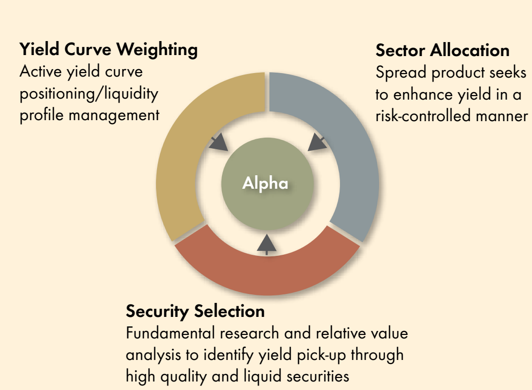
Taxable and tax-exempt investors seeking the potential for additional yield and total return beyond what is offered by money market funds may want to consider an ultra-short duration fixed income strategy. While ultra-short duration portfolios have slightly higher volatility and lower liquidity than money market funds, they seek to offer less volatility than intermediate- and longer-duration fixed income strategies. Ultra-short strategies also can offer investors the option to cross over between taxable securities and tax-free municipal bonds, based on a "best net after-tax" basis.

ADVANTAGES OF NORTHERN TRUST'S ULTRA-SHORT DURATION STRATEGY

Northern Trust's active ultra-short duration approach seeks to:

- Deliver enhanced yield and return over money market investment alternatives.
- Provide liquidity and principal preservation.
- Emphasize risk management.
- Address your specific needs and constraints through customized portfolio management.

CHART 1: MAXIMIZING RETURN WITH MANAGED RISK – KEY SOURCES OF ALPHA



STRATEGY MEETS SPECIFIC NEEDS

Our ultra-short duration portfolios are available in two strategies – standard and extended duration portfolios – for both taxable and tax-exempt investors. We also offer a taxable and tax advantaged ultra short mutual fund to meet clients' diverse risk/reward objectives.

	Taxable		Tax-Exempt	
	Ultra-Short Standard	Ultra-Short Extended	Ultra-Short Standard After-Tax	Ultra-Short Extended After-Tax
Benchmark	91-day T-bill	50% 91-day T-bill + 50% one- to three-year government/credit	iMoneyNet Inc. average tax-exempt money market fund net return	iMoneyNet Inc. average tax-exempt money market fund net return
Target Duration/Max. Duration per Issue	6 months/2 years	12 months/3 years	6 months/2 years	12 months/3 years
Portfolio Quality	AA average/A minimum	AA average/A minimum	AA average/A minimum	AA average/A minimum

Extended Strategy Alpha Target: 25 – 50 basis points over extended strategy benchmark gross of fees, annualized. (The ultra-short duration extended strategy benchmark historically has produced 100 basis points of excess return, on average, compared to money market alternatives, with modest increases in volatility.)

Standard Strategy Alpha Target: 25 – 50 basis points over its money market benchmark gross of fees, annualized.

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LIMITED RISK FROM INTEREST RATE SHIFTS

Our investment approach limits the effect of interest rates shifts, lowering overall volatility by targeting a portfolio duration of one year and maximum duration per issue of three years for extended strategy portfolios. Standard strategy portfolios target a duration of six months and maximum duration per issue of two years.

The duration changes our portfolio managers made in response to varying bond market conditions highlight our approach to managing volatility while continuing to seek to maximize potential yield:

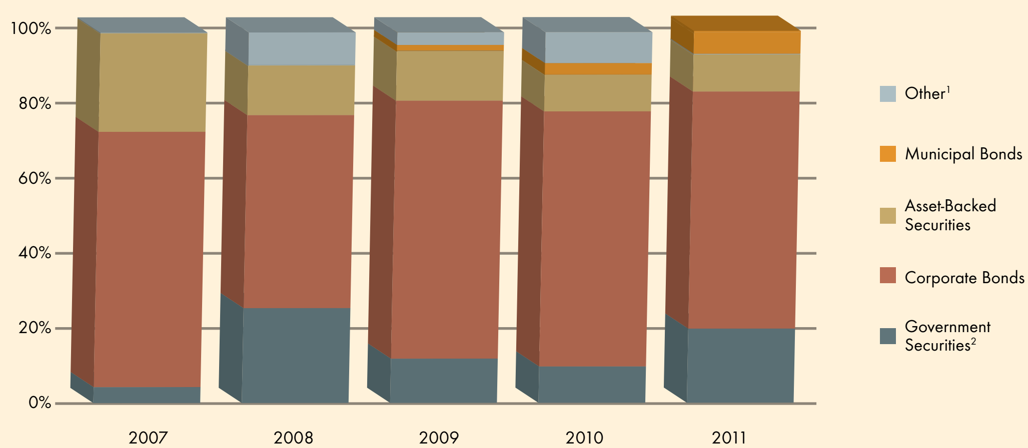
- During the stable market environment between 2006 and the third quarter of 2007, portfolio managers limited duration changes in the portfolios and emphasized sector and security decisions to enhance performance.
- Late in 2007 and during the credit meltdown in 2008, we reduced durations, increasing liquidity and significantly lowering the risk of the portfolios.
- As the market moved out of the crisis and the team saw the Federal Reserve was planning to keep rates lower, we gradually increased duration to capture yield.

SECTORS AND SECURITIES PROVIDE OPPORTUNITY

Our investment process is designed to identify attractive sectors and mispriced securities that offer the opportunity for relatively low-risk excess return. By over- and underweighting sectors across a well-diversified portfolio, we seek to capture income and excess return while actively avoiding problem sectors and securities. As Chart 2 illustrates:

- During the 2008 market crisis, we increased the use of Treasuries and scaled back corporate bonds and asset-backed securities (ABS);
- In 2009 and 2010, during the recovery, we expanded corporate exposure and moved selectively into defensively positioned ABS segments; and
- In 2011, in reaction to heightened volatility driven by natural disasters and global political events, we increased our Treasury allocation again.

CHART 2: TAXABLE ULTRA-SHORT EXTENDED STRATEGY SECTOR ALLOCATION (2007 – 2011)



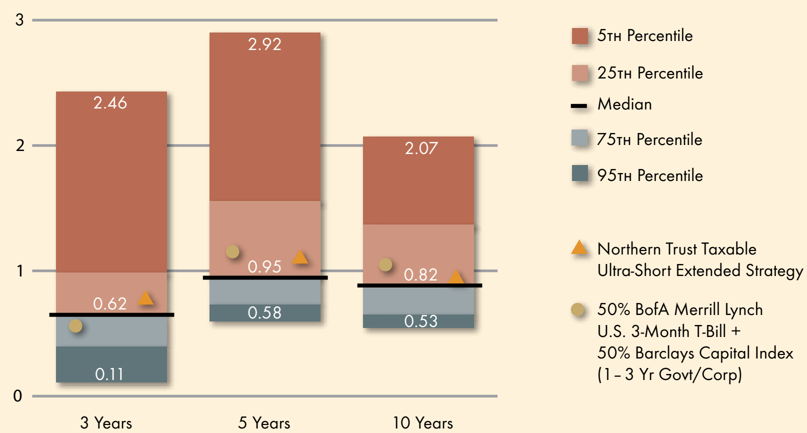
1 Includes sweep and repurchase agreements
2 Includes Treasuries, Agencies and Government-Sponsored Enterprises

INVESTMENT PROCESS EMPHASIZES RISK MANAGEMENT

The evaluation, assessment and thorough understanding of risk is fundamental to our approach, providing you an investment process dedicated to limiting downside risk by managing factors associated with duration, issuer concentration and credit quality. Chart 3 illustrates that:

- Our taxable ultra-short portfolio standard deviations for the five-year and 10-year periods were below the blended benchmark.
- The strategy ranked at the median of manager universe.
- Higher risk managers (5TH percentile) were as much as three to four times more volatile than the median.

CHART 3: STANDARD DEVIATION ANALYSIS (AS OF DECEMBER 31, 2011)



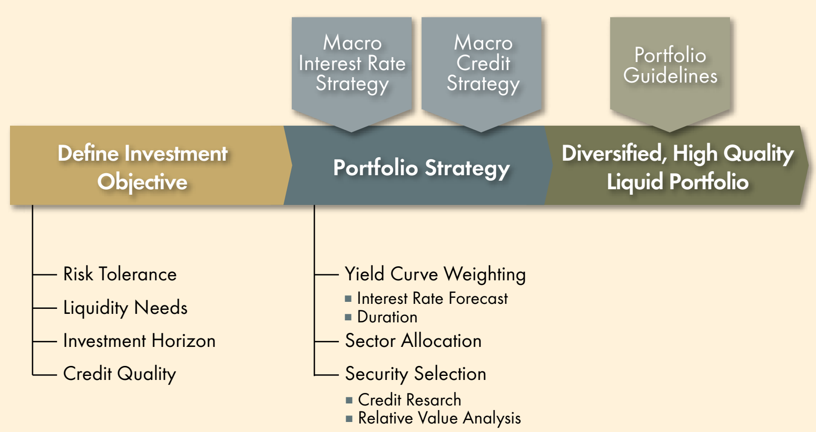
Universe: eA US Enhanced Cash Management

Source: eVestment

We combine top-down economic research and bottom-up fundamental credit research using an independent risk management overlay to help meet clients' return objectives. At Northern Trust, our ultra-short duration investment process (see Chart 4):

- Optimizes research insights, portfolio manager analysis and trading inputs.
- Leverages a highly sophisticated technology platform that supports fundamental analysis, risk management and efficient portfolio construction.
- Allows us to tailor portfolios to meet specific needs and objectives.

CHART 4: DISCIPLINED INVESTMENT PROCESS FOCUSES ON RISK MANAGEMENT, CREDIT RESEARCH



ULTRA-SHORT DURATION, RISK MANAGEMENT EXPERTISE

Northern Trust's active fixed income team, with more than $250 billion under management, aims for consistency of returns with lower volatility and downside protection across the array of its strategies. The fixed income group created ultra-short duration strategies more than 20 years ago to address the needs of clients seeking enhanced yields in a total return strategy.

Our ultra-short duration portfolio management team has access to resources throughout the firm:

- Dedicated portfolio manager teams, averaging 19 years of experience, work closely with other professionals in Northern Trust's fixed income group, and are closely aligned with fixed income research.
- Broader resources of Northern Trust, including the risk management and economic research teams, provide insights and perspective.
- All teams collaborate – active, passive, U.S., international – operating on a highly sophisticated, integrated global technology and information management platform.

FOR MORE INFORMATION

If you would like to learn more about Northern Trust's ultra-short duration strategy, please contact Tom Benzmiller, +1 312-557-3322, tb58@ntrs.com. For existing clients, please contact your relationship manager.

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