HELPING YOU ACHIEVE YOUR ORGANIZATION’S MISSION

Foundation & Institutional Advisors

Northern Trust
YOUR ORGANIZATION’S NEEDS ARE COMPLEX. OUR FOUNDATION & INSTITUTIONAL ADVISORS CAN HELP.

Nonprofits face many challenges. Growing investments to support your operational needs. Meeting the need for sophisticated analysis. Adapting to regulatory and legislative changes. Attracting new donors.

Foundation & Institutional Advisors is a dedicated national practice at Northern Trust committed to serving nonprofit organizations through sophisticated investment management solutions, strategic insights and world-class resources. We can help you develop your mission, create the strategy to achieve it and provide comprehensive administrative and investment oversight of your program.
Dedicated to Serving the Needs of Nonprofits

Northern Trust offers a unique value proposition to small and mid-size nonprofit organizations. We combine the expertise and perspective gained through generations of service to successful families with the investment management and custody infrastructure required by large institutional clients.

WHAT CAN YOU EXPECT WHEN YOU WORK WITH NORTHERN TRUST?

- Shared accountability for implementation, monitoring and evaluation.
- Rigorous risk management processes that provide full transparency.
- Independent and objective investment advice.
- Single point of contact and a dedicated service team.
Navigating Today’s Environment

In the wake of recent financial turmoil, ensuring your organization’s long-term viability has never been more critical. You are tasked with important responsibilities – serving the mission and vision of your organization, overseeing its financial sustainability and balancing resources to fulfill the demand for services. In addressing these issues, it is important to consider:

- Does the investment policy statement and spending policy of our organization reflect today’s reality?
- Are we seeking out the best solutions, the best thinking, and putting the best practices in place?
- Does our financial provider act as a fiduciary, putting the interests of our organization first – providing expertise, value, economies of scale and transparency?

With these challenges in mind, there are some key attributes to look for when choosing a financial provider:

- Acts with integrity and fiduciary responsibility.
- Demonstrates comprehensive investment expertise and seeks cost-effective solutions.
- Collaborates to provide strategic and insightful advice to add value to your organization.
- Exhibits stability and strength as reflected by a well-capitalized balance sheet.
- Provides access to world-class institutional resources and technology.
- Displays a high level of personal service and commitment to the community.
Fulfilling the fiduciary role with expertise and integrity has been the central theme of our heritage for more than 122 years and remains the cornerstone of our business today. As a fiduciary, we demonstrate and execute investment oversight beyond the traditional consulting or money manager role with a steadfast focus on putting our clients’ interests first and sharing accountability and avoiding conflicts of interest.

We work as an objective and collaborative partner with your investment committee, focusing on investment strategy, asset allocation, risk management, governance, transparency and cost efficiency. Discussions with your investment committee may include:

- Is our organization adequately balancing the need for returns with spending and cost controls to ensure financial stewardship?
- Are we analyzing liquidity requirements against growing assets for the long-term sustainability of our mission?
- Does our governance structure ensure disciplined decision-making, consistent methodology and documentation?
Northern Trust’s fiduciary responsibilities guide our investment management decisions. We seek to add value through an investment process that is driven by your organization’s goals and includes a wide spectrum of investment capabilities that can be tailored to your needs.

**Understand and Assess**
We work with your investment committee to understand the organization’s long-term objectives and short-term operational needs – assessing spending policy, current asset allocation strategy, liquidity requirements and acceptable risk levels. An investment policy statement is designed around your organization’s financial goals and objectives. This becomes the blueprint that drives the investment strategy and portfolio construction in order to align your investment objectives with your organizational needs.

**Research and Evaluate**
Our research team of more than 100 investment professionals utilizes qualitative and quantitative techniques to gain a thorough understanding of each manager’s investment philosophies, processes and personnel profile. In addition, we document and review each manager’s compliance, internal control and operational risks. We select and combine managers to provide an optimal blend of “best in class” options based on performance and diversification considerations to achieve the dual objective of superior risk-adjusted portfolio returns and a cost-effective investment program.
**Construct and Implement**

Based on your organization’s investment policy, we recommend investment solutions designed to achieve the desired risk-adjusted return while maintaining the appropriate level of liquidity. Our solutions capitalize on our skill, expertise and industry leadership positions in active and passive investment strategies. We recommend active solutions when and where potential value-added performance opportunities exist, and passive solutions for more efficient portfolio exposures.

**Monitor and Review**

A rigorous process is in place to oversee your organization’s investment program and identify potential issues that may support proactive adjustments to strategy. We provide continuous oversight and monitoring of all aspects of the portfolio’s operations so that the investment policy, asset allocation and specific investment strategies employed continue to support your overall investment objectives using quantitative techniques such as Lipper, eVestments Alliance, Morningstar, WealthBench and other sources.

**BEYOND TRADITIONAL INVESTING: THE ENDOWMENT MODEL**

Strategic alliances with third-party managers allow Northern Trust to offer our qualified institutional investors with direct access to a unique and exclusive endowment-style investment model. The endowment model, founded on diversification, manager selection and risk management with an emphasis on alternative investments, seeks to deliver superior risk-adjusted returns based on the investment approach pioneered by the largest university endowments. Designed for long-term investments, the endowment strategy can be accessed as a cornerstone in an integrated investment program, ranging across a spectrum of less liquid “perpetual capital” solutions that includes generous allocations to less liquid alternatives and private asset exposures.
Custody and Technology
A top-tier global custodian is critical when working with multiple money managers and diverse asset classes to provide greater control in monitoring your assets and access to comprehensive, consolidated reporting. Northern Trust is one of the world’s largest global custodians, demonstrating robust, external asset aggregation capabilities.

We offer institutional-designed reporting and monitoring tools that many organizations might not otherwise be able to access. Our systems are leading edge when it comes to compliance, regulatory and audit capabilities, and reflect the very latest industry requirements such as Form 990 and FAS 157. We have made a strong commitment to both new technology investments and continual infrastructure enhancements to meet our clients’ dynamic and ever-changing needs.

Our clients have access to powerful reporting tools that can pull a wide variety of data and analytics right from their desktop. Capabilities include fully integrated accounting, tax and performance reporting and cash management reports.

Planned Giving and Philanthropic Advisory
Our long history of managing and administering assets for families and the charitable organizations they support enables us to provide a unique perspective. We can assist in structuring investment trusts to support donor contributions through charitable remainder trusts, charitable gift annuities or charitable lead trusts. We can also support your organization’s efforts toward responsible stewardship with consulting services for directors and trustees.

Insights from Northern Trust
Follow trends and stay current with the latest investment topics through our update calls, podcasts, white papers, publications and commentary. We provide analysis of political and economic developments in world financial markets along with the distinctive commentary of our globally renowned economist and our other experts.

Security and Privacy Safeguards
To protect your information, Northern Trust implements the latest in security technologies and maintains physical, electronic and procedural safeguards as well as disaster recovery procedures that meet and exceed federal standards.
The Northern Trust Advantage

When you work with Northern Trust, you can be confident that our focus is on the safekeeping of assets – demonstrated by top-tier credit quality, outstanding capital strength and a liquid balance sheet. With $4.4 trillion in assets under custody and $684.1 billion in assets under management,* Northern Trust is one of only six U.S. bank holding companies currently rated “AA- or better” by Standard & Poor’s – and we have held this rating for more than 20 years.

Committed to the Community
Small and mid-sized community foundations and nonprofits are very important to Northern Trust, and like you, we are committed to serving the communities where we live and work:

- Northern Trust awarded more than $14.2 million in cash contributions to community service organizations in 2010. Approximately 80% of these funds focused on social welfare and educational services for low- and moderate-income families.
- Northern Trust employees across the globe donated nearly 200,000 volunteer hours in 2010.
- In the last decade, Northern Trust has contributed more than $120 million in support of nonprofit organizations worldwide.
- Voted one of the world’s most admired companies, we have integrated corporate social responsibility into our core business strategy with a focus on environmental and social issues in the marketplace, workplace and community.

* As of June 30, 2011
You Are Committed To Making A Difference. We Can Help.

Northern Trust applauds your organization’s commitment to its mission, constituency and community, and would like to help your organization achieve its goals – both philanthropic and financial.

It would be a privilege to put our expertise and resources to work for your organization. To speak with a representative from Foundation & Institutional Advisors in your area, please call us at 866-480-8970 or e-mail FIA@ntrs.com.

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