As an investor in equity and fixed income markets, you want to know that your investment managers understand the importance of controlling commission costs while securing optimal trade execution. If you are a custody client of Northern Trust, we can help you contain commission expense with comprehensive, efficient commission recapture services.

**CUT TRADING EXPENSES**
You can cut commission-related costs through our program by directing investment managers to trade with specified brokers who redirect part of their commission back to your account. You can use these rebates to offset qualifying expenses such as trust/custody and performance measurement fees, or simply reinvest them back into your portfolio.

**Pay only for execution**
Most commissions are bundled – that is, they include a charge for both trade execution and investment research. But if you don’t use the research, you can use our commission management program to unbundle commissions and pay only for execution. By converting commission expenses into cash inflows, you can help enhance investment returns and increase cost efficiency.

**Control your costs**
Through Northern Trust Securities, Inc. (NTSI), you instruct your investment managers to direct a specified percentage of trades to brokers in the NTSI network. The managers pay their normal commission rate to the broker to execute the trades. NTSI recovers the commission from the executing broker and rebates the agreed portion.

**EXTENSIVE BROKER NETWORK**
Our program gives approved managers the flexibility to trade with their established brokers, thereby ensuring that managers keep working to obtain best execution. Please ask your relationship manager for the current list of brokers in NTSI’s network.

**COMPREHENSIVE REPORTING**
You can use our reports to easily monitor manager participation in the program and see a concise review of commission rebates. These online reports cover any time period dating back to the program’s start date. We also provide detailed reporting of commission recapture trades.
CLIENT SERVICE
Your satisfaction is the singular focus of our organizational structure, supporting processes and corporate culture. Northern Trust has a reputation for exceptional client service. We understand that, ultimately, our business is about how well we serve your business needs.

TIMELY CREDITING OF REBATES
NTSI credits your account with rebates for commission recapture trades executed the prior month. This ensures you receive credit for commission recapture transactions on a timely basis and reflects our commitment to providing the highest possible level of service.

EASE OF IMPLEMENTATION
Getting started is quick and easy. We provide you with an Appointment Letter template to place on your letterhead, sign and return to NTSI. You also receive a Direction Letter to complete and send to your investment managers.

Once we receive your Appointment Letter and copies of your Direction Letters, we contact each of your investment managers to make sure they understand the account set-up instructions. We also assure all managers that the program will not change their trading strategies or efforts to obtain best execution.

After arrangements are complete, you will begin to accumulate savings within the first month. On the 15th day of every calendar month or the next successive business day, your savings will be credited to your commission management posting account(s).

FOR MORE INFORMATION
To learn more, contact your relationship manager or NTSI institutional sales at 1-800-433-8320.

The preceding discussion is general in nature, is intended for informational purposes only, and is not intended to provide specific advice or recommendations for any individual or organization. Because the facts and circumstances surrounding each situation differ, you should consult your attorney, tax advisor or other professional advisor for advice on your particular situation. There are risks involved with investing, including possible loss of principal. The information in this communication has been obtained from sources considered reliable, but we do not guarantee that it is accurate or complete. Additional information is available upon request.

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