

Portfolio Snapshot Report Disclosure Statement

A portfolio snapshot report is an illustration of a simulated investment portfolio. The investment portfolio can be scheduled or unscheduled. In either case, the performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return of stocks, mutual funds, and variable annuity/life products will fluctuate, and an investor's shares/units when redeemed will likely be worth more or less than the original investment. Stocks, mutual funds, and variable annuity/life products are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution. Portfolio statistics change over time.

Scheduled Portfolio Trailing Returns

Scheduled Portfolios are customized by the user to account for loads, taxes, cash flows, and specific investment dates. They use the portfolio's investment history to calculate final market values and returns. For scheduled portfolios, both individual holding and portfolio returns are internal-rate-of-return calculations that reflect the timing and dollar size of all purchases and sales. For stocks and mutual funds, sales charges and tax rates are taken into account as specified by the user (except in the pre-tax returns, which reflect the impact of sales charges but not taxes). Note that dividends and capital gains distributions are reinvested at the end of the month in which they are made and are reinvested at month-end prices. This can cause discrepancies between calculated returns and actual investor experience.

Scheduled Portfolio Returns-Based Performance Data

For scheduled portfolios, the monthly returns used to calculate alphas, betas, R squareds, standard deviations, Sharpe ratios, and best/worst time-period data are holding period returns rather than internal rates of return. These returns are not dollar weighted. Also, unlike trailing period returns, these figures are not adjusted for taxes or loads.

Important VA / VL Disclosure for Scheduled Portfolios

For variable annuity products, policy level charges (other than front-end loads, if input by the advisor) are not factored into returns. When withdrawals and liquidations are made, increases in value over the purchase price are taxed at the capital gains rate. This is not reflective of the actual tax treatment for these products, which requires the entire withdrawal to be taxed at the income tax rate. Northwestern Mutual Select VA Account B-BckLd, Northwestern Mutual Select VA Account B-FrtLd and Northwestern Mutual Variable Complife pay dividends. These dividends are not accounted for by Principia, so returns for subaccounts within any of these policies can be significantly understated.

Scheduled Portfolio Investment Activity Graph

The historic portfolio values that are graphed are those used to track the portfolio when calculating returns.

Unscheduled Portfolio Returns

Monthly total returns for unscheduled portfolios are calculated by applying the ending period holding weightings supplied by the user to an individual holding's monthly returns. Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Unscheduled portfolio returns thus assume monthly rebalancing. Returns for individual holdings are simple time-weighted trailing returns. Neither portfolio returns nor holding returns are adjusted for loads or taxes, and if adjusted for, would reduce the returns stated. The returns stated assume the reinvestment of dividends and capital gains. Mutual Fund returns include all ongoing fund expenses. VA/VL returns reflect subaccount level expenses, including M&E expenses, administration fees, and actual ongoing fund level expenses.

Important VA/VL Disclosure for Unscheduled Portfolios

Northwestern Mutual Select VA Account B-BckLd and Northwestern Mutual Select VA Account B-FrtLd, and Northwestern Mutual Variable Complife pay dividends. These are not accounted for in subaccount returns. As a result, returns for these subaccounts can be significantly understated.

Unscheduled Portfolio Investment Activity Graph

The historic performance data graphed is extrapolated from the ending portfolio value based on the monthly returns.

Benchmark Returns

Benchmark returns may or may not be adjusted to reflect ongoing expenses such as sales charges. An investment's portfolio may differ significantly from the securities in the benchmark.

Returns for custom benchmarks are calculated by applying user-supplied weightings to each benchmark's returns every month. Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Custom benchmark returns thus assume monthly rebalancing.

Standardized Returns

For mutual funds, standardized total return is adjusted for sales charges, and reflect all ongoing fund expenses.

For VA/VLs, standardized total return is total return adjusted to reflect policy level charges such as surrender, contract and sales charges, and subaccount level expenses including M&E expenses, administration fees, and actual ongoing fund level expenses. For mutual funds, VA/VLs, and stocks, standardized returns do not include the impact of taxes, and all dividends and capital gains are assumed to be reinvested. For stocks, stock acquired via divestitures is assumed to be liquidated and reinvested in the original holding.

Investment Advisory Fees

The investment(s) returns do not necessarily reflect the deduction of all investment advisory fees. Client investment returns will be reduced if additional advisory fees are incurred such as deferred loads, redemption fees, wrap fees, or other account charges.

Investment Style

The style box reveals a fund's investment strategy. For the equity style box and fixed-income style box respectively, the vertical axis shows the market capitalization of the stocks owned or the average credit quality of the bonds owned, and the horizontal axis shows investment style (value, blend, or growth) or interest rate sensitivity as measured by a bond's duration (short, intermediate, or long).

Risk and Return

The estimated portfolio star rating is not based upon Morningstar ratings of any individual holding included within the portfolio. Rather, it is assigned based on a comparison of the portfolio's risk-adjusted

returns to those of mutual fund holdings in one of three Morningstar rating classes: domestic stock, international stock, or taxable bond. Morningstar computes a risk-adjusted score by subtracting a holding's risk score (which is determined by scoring the portfolio's average monthly underperformance of the three-month Treasury bill) from its return score (which is generated by scoring the portfolio's load-adjusted return in excess of the Treasury bill). This difference is compared to the star-rating breakpoints Morningstar uses to assign star ratings to its mutual funds. A higher rating normally reflects above-average historic risk-adjusted performance compared to mutual funds in the respective star-rating class. Note that returns for municipal bond funds are not grossed up to a tax-equivalent basis. Portfolios with municipal bond funds are thus disadvantaged.

Risk Measures

R-squared reflects the percentage of a portfolio's movements that are explained by movements in its benchmark index. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

Beta is a measure of the degree of change in value one can expect in a portfolio given a change in value in a benchmark index. A portfolio with a beta greater than one is generally more volatile than its benchmark index, and a portfolio with a beta of less than one is generally less volatile than its benchmark index.

Alpha measures the difference between a portfolio's actual returns and its expected performance, given its beta and the actual returns of the benchmark index. Alpha is often seen as a measurement of the value added or subtracted by a portfolio's manager.

Standard deviation is a statistical measure of the volatility of a portfolio's returns around its mean.

Mean represents the annualized geometric return for the period shown.

Sharpe ratio uses a portfolio's standard deviation and total return to determine reward per unit of risk.

Investment Risk

International Emerging Market Funds/Subaccounts: The investor should note that funds and subaccounts that invest in international securities take on special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets normally accentuates these risks.

Sector Funds/Subaccounts: The investor should note that funds and subaccounts that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Funds/Subaccounts: The investor should note that funds or subaccounts that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small Cap Funds/Subaccounts: The investor should note that funds and subaccounts that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of price volatility than the overall market average.

Mid Cap Funds/Subaccounts: The investor should note that funds and subaccounts that invest in companies with market capitalizations below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

High-Yield Bond Funds/Subaccounts: The investor should note that funds and subaccounts that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility and increased risk of default.

Tax-Free Municipal Bond Funds: The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.