

PROGRAM MANAGERS ENJOYED STRONG RETURNS IN 2012



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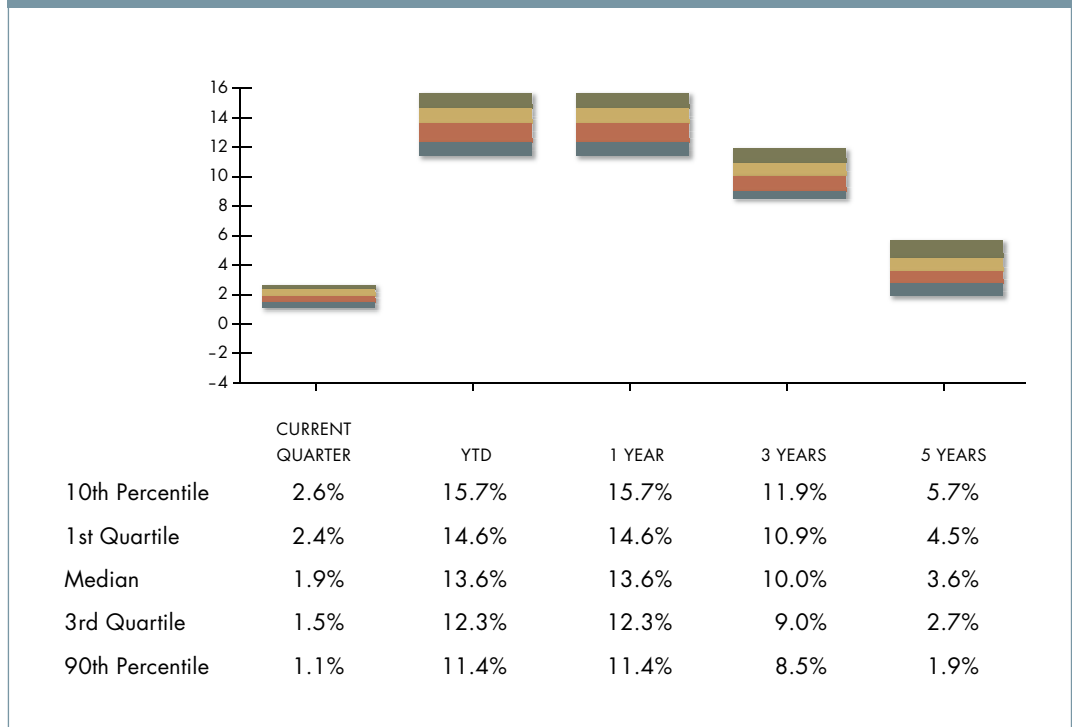
The fourth quarter of 2012 saw ERISA plans as a group posting a second consecutive quarter of positive results. The Northern Trust ERISA Plan Universe median return was 1.9% for the quarter as of December 31, 2012. The primary driver behind the quarterly universe results was strong positive performance within the international equity spectrum. The fourth quarter results moved the one-year median plan return to 13.6%.

During the fourth quarter, the median ERISA plan was able to produce positive results on a relative excess return basis. Just over half of the plans in the Northern Trust ERISA Universe outperformed their respective plan level benchmark. That outperformance resulted in a median excess return of 0.3%

for the quarter compared to the policy level benchmark. Over the one-year comparison, the median ERISA plan's excess return slightly outperformed, returning 0.2% behind the assigned benchmarks. Longer-term results also reflected the universe's slight relative outperformance over time. At the 10-year comparison, the median ERISA plan was 0.4% better than the assigned benchmark.

The ERISA plan level performance results during the fourth quarter of 2012 benefited from allocations to international and domestic equities. Within the equity allocations of the Northern Trust ERISA Plan Universe, the international equity programs outperformed the U.S. equity programs in the most recent quarter, with the median

ERISA PLANS – TOTAL RETURNS DECEMBER 31, 2012



international equity programs returning 6.0% while U.S. equity programs returned 1.0%. Within international equities, the developed markets outperformed the emerging markets, returning 6.6% compared to 5.6%. Within the U.S. equities, small caps were the better performing subclass during the quarter with the Russell 2000 Index returning 1.9% and the Russell 1000 Index returning 0.1%.

The ERISA plan level performance also benefited from the fixed income allocations' positive absolute return during the fourth quarter of 2012, although not to the same degree as equities. The median fixed income program was up 1.1% in the last quarter of 2012. Over the one-year period, the median result for the same universe was 8.8% as of

December 31, 2012. Credit securities continued to outproduce government securities in the fourth quarter. Corporate securities within the BC US Aggregate Index outperformed the government securities by 104 basis points for the quarter (1.3% vs. 0.3%).

The ERISA plan level performance also benefited on an absolute basis from exposure to real estate during the fourth quarter of 2012. The sector's median return for the quarter was 1.7%. Over the one-year comparison, the median return for the real estate program was 10.6%. The wide historical distribution of results for this allocation was still evident in the rolling one-year results of 19.1% for the 10th percentile versus a 2.4% return for the 90th percentile.

COMPOSITE ASSET ALLOCATION – ERISA				
	Current	1 Year Ago	3 Years Ago	5 Years Ago
U.S. Equity	32%	33%	35%	43%
Global/Non-U.S. Equity	15%	13%	15%	20%
U.S. Fixed Income	34%	33%	28%	25%
Global/Non-U.S. Bonds	2%	2%	2%	1%
Private Equity/Hedge Funds	11%	11%	8%	7%
Cash & Other	6%	8%	12%	4%

ABOUT NORTHERN TRUST UNIVERSES

Northern Trust Universes represent the performance results of about 300 large institutional investment plans that subscribe to Northern Trust performance measurement services. These plans, with a combined asset value of approximately \$612 billion, represent a broad snapshot of overall institutional investment plan performance within the U.S. market.

If you would like to participate in our universe analysis and receive more in-depth information, please contact your relationship manager.

Returns are shown gross of fees. Index returns assume reinvestment of dividends and earnings and do not reflect the deduction of any trading costs or other expenses. It is not possible to invest directly in an index. Periods greater than one year are annualized. Past performance does not indicate future results.