

## FOUNDATIONS AND ENDOWMENTS BEGIN 2015 WITH SOLID RETURNS



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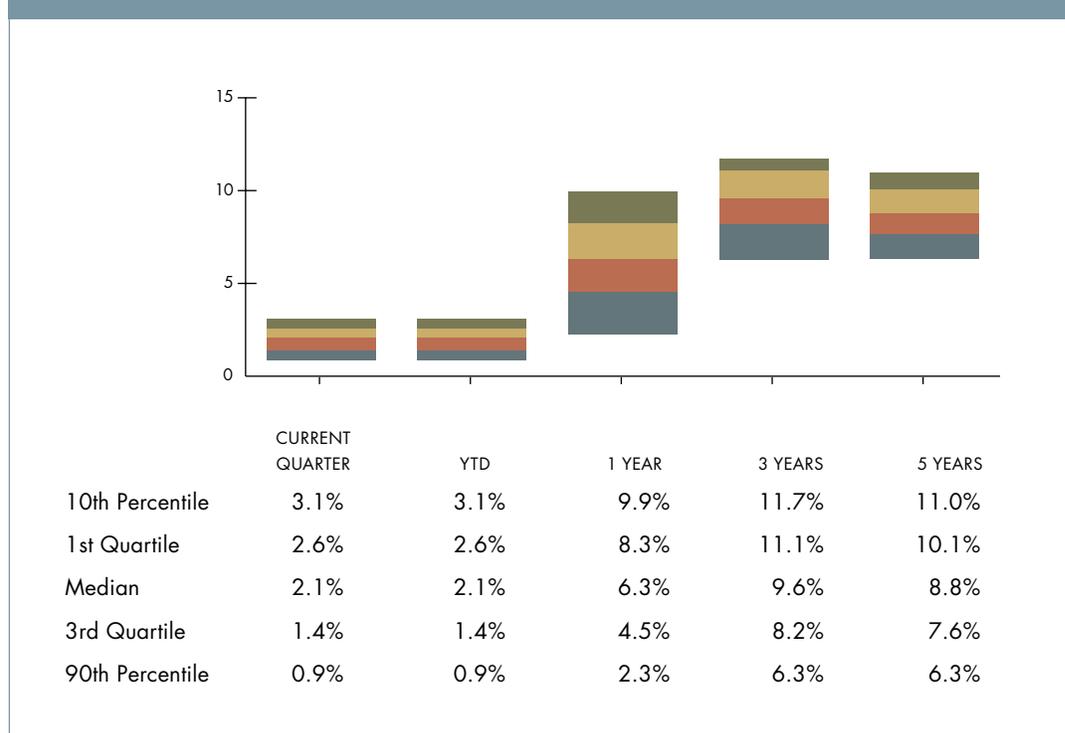
Overall, Foundations and Endowments maintained momentum during the first quarter of 2015, as the median fund returned 2.1%. This was the second consecutive quarter of advances for the Universe, continuing the recovery from third quarter losses in 2014. As a result, the Plan Universe posted a one-year median return of 6.3% as of March 31. The Universe has also experienced positive momentum over longer periods, as the three- and five-year returns were 9.6% and 8.8%, respectively.

The U.S. equity program also netted positive first-quarter results, posting a median return of 2.2%. The one-year return showed strong gains as of March 31, advancing 10.4%. In comparison, the Universe has outperformed both the S&P 500 and Russell 3000 indices

for the quarter; however, the median equity mandate has underperformed both broad-based domestic equity indices for the one-year period. The S&P 500 gained 1.0% for the quarter and 12.7% for the one-year timeframe, whereas the Russell 3000 returned 1.8% and 12.4% for the same periods.

International equity markets posted positive results for the first quarter, reversing a trend of losses for the prior two quarter ends at the end of 2014. The international equity program gained 3.9% for the quarter, which brought the one-year return to 1.0% as of March 31. The MSCI EAFE, MSCI ACWI ex US and MSCI Emerging Market indices also all posted gains during the first quarter with returns of 5.0%, 3.6% and 2.3%, respectively. The MSCI Emerging Markets'

FOUNDATION AND ENDOWMENT PLANS – TOTAL RETURNS MARCH 31, 2015



0.8% return over the one-year period ending March 31 was the top producing result of the three, while the MSCI EAFE and Emerging Markets indices posted returns of -0.5% and -0.6% for the period.

Domestic fixed income produced gains of 1.5% for the first quarter, while the international fixed income median program experienced a third consecutive quarter of losses posting a -1.8% return. The Barclays Capital US Aggregate Index generated a 1.6% return for the quarter, whereas the Citi-Group WGBI ex US index posted a -4.4% return. The U.S. fixed income median mandate generated a solid one-year return of 4.9% as of March 31, 2015, whereas the international fixed income programs generated losses of -3.7% over the same period.

The venture capital program median generated gains of 2.8% during the first quarter. For the one-year period ending

March 31, the program produced a 16.6% return. The real estate program posted positive returns of 1.4% for the quarter, elevating the program's one-year return to 13.1%.

The Foundations and Endowments Universe continues to experience significant asset allocation changes compared to prior years. While domestic equity remains one of the largest components at approximately 20% (compared to 43% in the first quarter of 2005), there has been a noticeable transition of assets from domestic equity into hedge funds and private equity. The Universe is now composed of 24% private equity and 21% hedge funds, combining for more than 45% of the total allocation for the quarter. Domestic fixed income and international equity continue to make up a significant portion of the Foundations and Endowments Universe, each at roughly 12% of the total allocation for the period ending March 31, 2015.

COMPOSITE ASSET ALLOCATION – FOUNDATIONS AND ENDOWMENTS				
	Current	1 Year Ago	3 Years Ago	5 Years Ago
<b>U.S. Equity</b>	20%	17%	22%	24%
<b>Global/Non-U.S. Equity</b>	12%	28%	11%	13%
<b>U.S. Fixed Income</b>	12%	10%	15%	18%
<b>Global/Non-U.S. Bonds</b>	3%	2%	3%	1%
<b>Private Equity/Hedge Funds</b>	46%	34%	41%	39%
<b>Cash &amp; Other</b>	9%	9%	9%	6%

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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.

