

INSTITUTIONAL ASSET OWNERS EKE OUT ANOTHER QUARTER OF POSITIVE RESULTS



Amy Garrigues
Senior Vice President
Investment Risk &
Analytical Services
(312) 444-5755
AEC2@ntrs.com

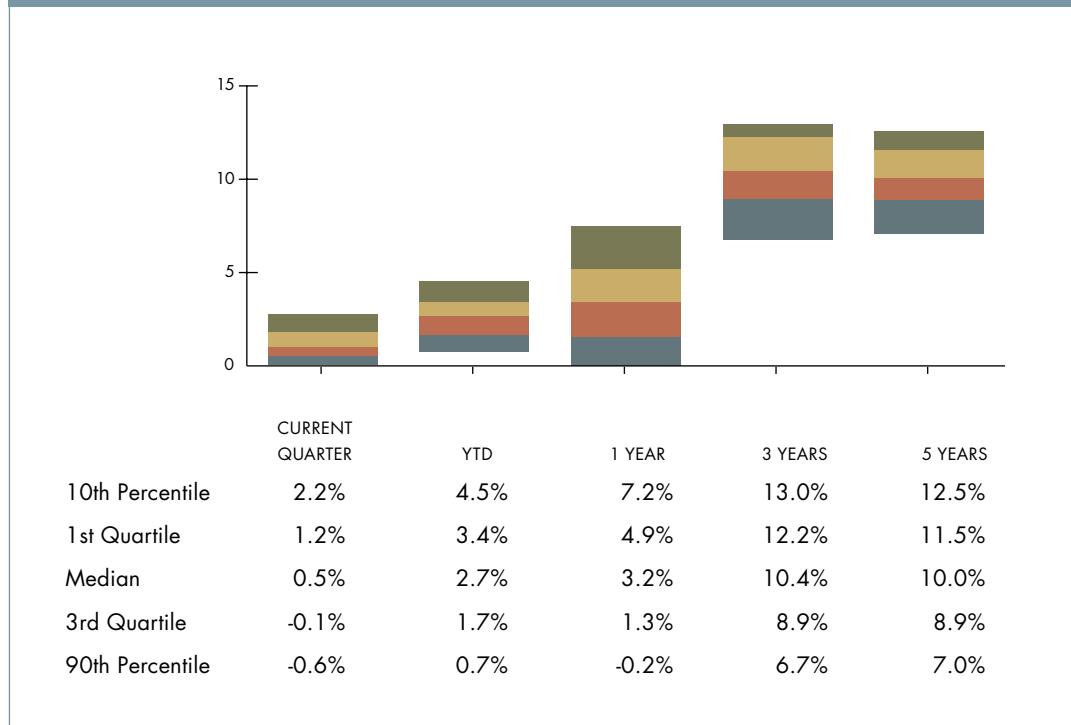
Overall, Foundations and Endowments maintained momentum during the second quarter of 2015, as the median fund returned 0.5%. This marked the third consecutive quarter of advances for the Universe, following the third quarter losses in 2014. As a result, the Plan Universe posted a one-year median return of 3.2% as of June 30, 2015. The Universe has also experienced positive momentum over longer periods, with three- and five-year returns of 10.4% and 10.0%, respectively.

The U.S. equity program also netted positive results during the second quarter, posting a median return of 0.5%. The one-year return posted strong gains as of June 30, advancing 7.30%. 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 0.3% for the quarter and 7.4% for the one-year timeframe, whereas the Russell 3000 returned 0.1% and 7.3% for the same periods.

International equity markets posted positive results for the second quarter, marking consecutive quarters of positive returns to open 2015. The international equity program experienced gains of 1.3% for the quarter, which brought the one-year return to 8.4% as of June 30. The MSCI EAFE, MSCI ACWI ex US and MSCI Emerging Market indices also all posted gains during the second quarter with returns of 0.8%,

FOUNDATION AND ENDOWMENT PLANS – TOTAL RETURNS JUNE 30, 2015



0.7% and 0.8%, respectively. The MSCI EAFE return of -3.8% over the one-year period ending June 30 was the top-producing result of the three, while the MSCI ACWI ex US and Emerging Markets indices posted returns of -4.9% and -4.8% for the period.

The domestic fixed income median program suffered a second-quarter loss of 1.0%, while the international fixed income median program experienced a fourth-consecutive quarter of losses, posting a -1.5% return. The Barclays Capital US Aggregate Index generated a -1.7% return for the quarter, whereas the Citi-Group WGBI ex US Index posted a -1.5% return. The U.S. fixed income median mandate generated a positive one-year return of 1.6% as of June 30, whereas the international fixed income programs generated losses of 7.1% over the same period.

The median venture capital program generated gains of 4.2% during the second quarter. For the one-year period ending June 30, the program

produced an 18.0% return. The real estate program posted a negative return of 1.3% for the quarter, dropping the one-year median return of the program to 3.4%.

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 19% (compared to 42% in the second quarter of 2005), there has been a noticeable transition of assets from domestic equity into hedge fund and private equity asset classes. The universe is now composed of 24% private equity and 22% 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 as each were roughly 12% of the total allocation for the period ending June 30, 2015.

COMPOSITE ASSET ALLOCATION – FOUNDATIONS AND ENDOWMENTS				
	Current	1 Year Ago	3 Years Ago	5 Years Ago
U.S. Equity	19%	20%	21%	22%
Global/Non-U.S. Equity	12%	13%	10%	12%
U.S. Fixed Income	12%	12%	15%	18%
Global/Non-U.S. Bonds	2%	3%	3%	1%
Private Equity/Hedge Funds	46%	43%	43%	38%
Cash & Other	8%	10%	8%	8%

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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.

