

THIRD QUARTER RESULTS DIP FOR INSTITUTIONAL PLAN SPONSORS



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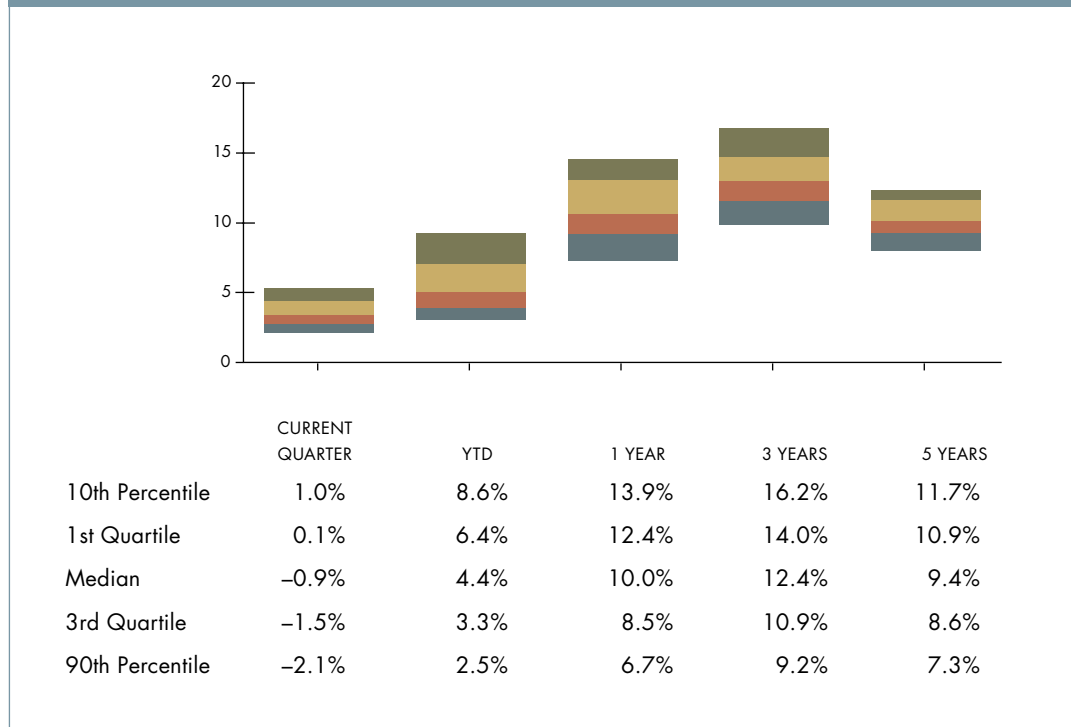
Overall, Foundations and Endowments regressed during the third quarter of 2014, as the median fund returned -0.9%. This marked the first quarter of losses for the Universe in more than two years, dating back to the second quarter of 2012. As a result, the Foundations and Endowments Plan Universe posted a one-year median return of 11.6% as of September 30, 2014. The Universe has also experienced positive momentum over longer periods, as the three- and five-year returns were 12.4% and 9.5%, respectively.

The U.S. equity program also experienced a decline during the third quarter, posting a median return of -1.1%. The one-year return still posted double-digit gains as of September 30, advancing 14.7%. In comparison, the Universe has underperformed both

broad-based domestic equity indices for the quarter as well as the one-year period. The S&P 500 gained 1.1% for the quarter and 19.7% for the one-year timeframe, whereas the Russell 3000 returned 0.01% and 17.78% for the same periods.

International equity markets lost considerable traction during the third quarter. The international equity program experienced negative results of -4.2% for the quarter, which dragged the one-year return to 5.4% as of September 30. The MSCI EAFE, MSCI ACWI ex US and MSCI Emerging Market indices also all posted losses during the quarter with returns of -5.9% and -5.2% and -3.5%, respectively. The MSCI ACWI ex U.S.'s 5.2% return over the one-year period ending September 30 was the top producer, while

FOUNDATION AND ENDOWMENT PLANS – TOTAL RETURNS SEPTEMBER 30, 2014



both the MSCI EAFE and Emerging Markets indices posted returns of 4.3%.

Domestic equity posted a very modest, nearly flat median return of 0.001% for the third quarter, while the international fixed income program experienced a negative quarter, posting a -3.2% return. The Barclays Capital US Aggregate Index generated a 0.2% return for the same period, whereas the Citi-Group WGBI ex US posted a -5.4% return. Both the U.S. fixed income and international fixed income programs have experienced gains over the one-year period as of September 30, posting 3.8% and 2.9% returns, respectively.

The venture capital program produced the largest gain during the third quarter, generating a return of 3.8%. For the one-year period ending September 30, the program produced a 20.5% return. The real estate program posted a return of -1.0% for the quarter,

which brought the program's one-year return down to 7.8%.

The Foundations and Endowments Universe continues to experience significant asset allocation changes compared to prior years. While domestic equity still remains one of the largest components at approximately 19% (compared to 44% in the third quarter of 2004), there has been a noticeable transition of assets from domestic equity into hedge funds and private equities. The Universe is now composed of 24% private equity and 18% hedge funds, combining for more than 42% 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 at 12% and 12%, respectively as of September 30, 2014.

COMPOSITE ASSET ALLOCATION – FOUNDATIONS AND ENDOWMENTS

	Current	1 Year Ago	3 Years Ago	5 Years Ago
U.S. Equity	19%	20%	20%	23%
Global/Non-U.S. Equity	12%	12%	10%	13%
U.S. Fixed Income	12%	13%	17%	17%
Global/Non-U.S. Bonds	3%	3%	3%	1%
Private Equity/Hedge Funds	44%	40%	39%	37%
Cash & Other	10%	11%	11%	9%

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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.

