

PUBLIC FUNDS UNIVERSE SUMMARY

PROGRAM MANAGERS ENJOYED STRONG RETURNS IN 2012



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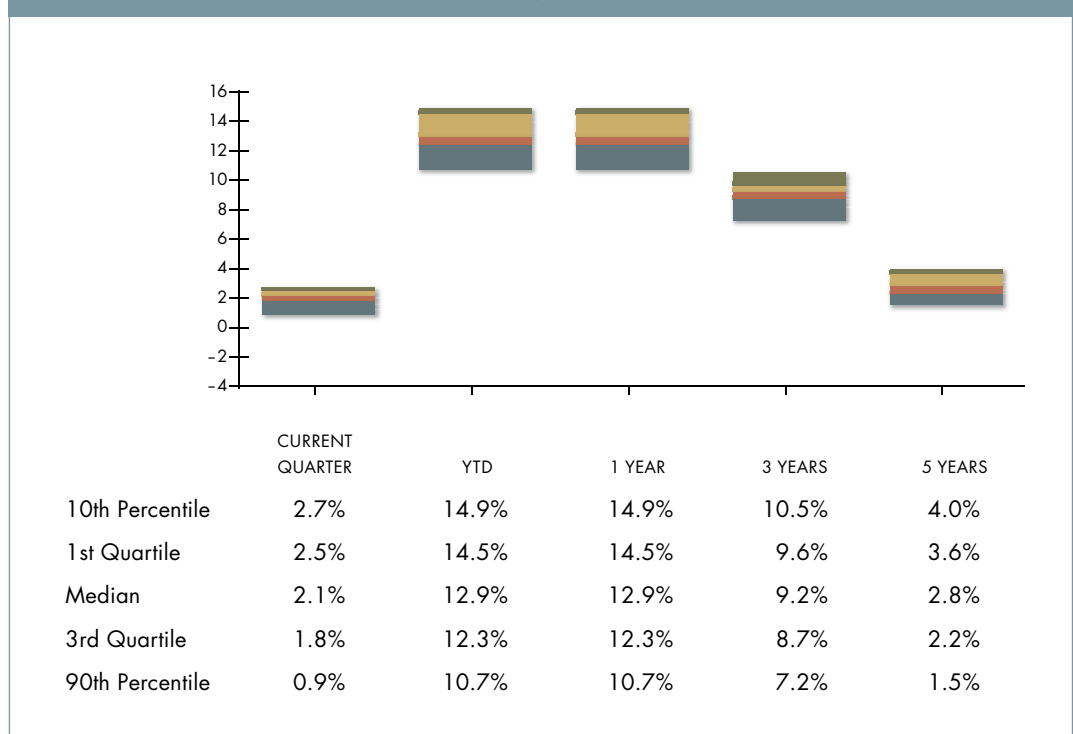
Public Funds continued their positive momentum in the fourth quarter with the median plan posting a 2.1% gain. Public Funds have produced positive results in 12 of the last 15 quarters, boosting longer period returns. The one-, three- and five-year returns were 12.9%, 9.2% and 2.8%, respectively.

Within the Public Funds Universe, domestic equities comprise the largest allocation, at 30.3%, as of December 31, 2012. The fourth quarter was dominated by concerns that the U.S. economy would go over the fiscal cliff. Markets surged on the last day of the year as our leaders managed to kick the can down the road a little further. Broad-based domestic equity indexes such as the S&P 500 and Russell 3000 were fairly flat in the quarter with returns of -0.4% and

0.2%, respectively. They did, however, have a strong year with both indices returning more than 16% in 2012. Value stocks were the place to be in 2012 with value outperforming growth across all market capitalizations in the quarter and the year.

As fears of a euro break-up faded, international markets continued on their path to recovery. The MSCI EAFE and MSCI ACWI ex US indexes finished the quarter with gains of 6.6% and 5.9%, respectively. Emerging markets also continued their recovery as signs that China was considering new stimulus helped boost the MSCI Emerging Markets Index to a 5.6% gain for the quarter. As of December 31, 2012, the Public Funds composite allocation to international equities was 22.1%.

PUBLIC FUNDS – TOTAL RETURNS DECEMBER 31, 2012



The domestic and foreign fixed income allocations within the Public Funds Universe were 21.7% and 4.7%, respectively, at the end of the fourth quarter. Domestic fixed income, represented by the Barclays Capital US Aggregate Index, posted a gain of 0.2%. Foreign fixed income, represented by the Citi-Group WGBI ex US Index, lost 2.4% in the fourth quarter.

Real estate and private equity allocations within the Public Funds composite were 4.5% and 6.0%, respectively, at the end of the

year. Real estate investments rebounded in the fourth quarter with the Wilshire REIT Index gaining 2.5%. Investors that have stuck with real estate have been rewarded, as the Wilshire REIT Index returned 17.6% on the year.

Public Fund plan sponsors welcomed another quarterly gain as many plans are trailing their long-term return assumptions. Public Fund plans are still significantly underfunded and look forward to the continued improvement of the global economy.

COMPOSITE ASSET ALLOCATION – PUBLIC FUNDS				
	Current	1 Year Ago	3 Years Ago	5 Years Ago
U.S. Equity	30%	32%	36%	40%
Global/Non-U.S. Equity	22%	19%	20%	22%
U.S. Fixed Income	22%	24%	24%	22%
Global/Non-U.S. Bonds	5%	5%	4%	4%
Private Equity/Hedge Funds	10%	9%	8%	5%
Cash & Other	11%	12%	8%	7%

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.