

May 31, 2015

Equity Index

NORTHERN TRUST GLOBAL QUALITY REAL ESTATE INDEX

INDEX IDENTIFIER

Bloomberg: NTGQRE(Price Return) / NTGQRETR (Total Return) / NTGQRENT(Net Total Return)
 FactSet: NTGQRE(Price Return) / NTGQRETR (Total Return) / NTGQRENT (Net Total Return)
 Reuters: NTGQRE(Price Return) / NTGQRETR (Total Return) / NTGQRENT (Net Total Return)

INDEX OVERVIEW

The Northern Trust Global Quality Real Estate Index is designed to maximize exposure to quality¹, value² and momentum³ factors, within a universe of companies operating in the real estate sector. The proprietary Northern Trust quality factor is used to identify companies that exhibit strength in profitability, management expertise and cash flow, while value and momentum factors are included to help provide long term capital appreciation and also mitigate risk.

INDEX METHODOLOGY

Index construction begins with a screen of a universe of securities. The eligible universe, which includes constituents of the Northern Trust Global Real Estate Index that are engaged in approved activities⁴, is then re-weighted based on the constituent's float adjusted market capitalization and optimized to maximize exposure to the following factors:

- Quality, as defined by our proprietary scoring model (NTQS)
- Value
- Momentum

The main objective of the optimization is to maximize exposure to the composite factor (Northern Trust Quality Score+ value +momentum) while minimizing the overall risk of the portfolio relative to the eligible universe, as measured by standard risk models⁵

For more details on this methodology, please visit the Northern Trust Index Services [webpage](#)

INDEX CHARACTERISTICS

	Index	NT GLOBAL REAL ESTATE INDEX
Number of Holdings	145	477
Anticipated Annual Turnover	35-60%	N/A
P/E	12.12x	16.00x
P/B	1.45x	1.56x
P/CF	16.49x	15.35x
Annualized Dividend Yield	3.02%	3.44%
ROE	9.28	10.42
Wtd Avg Mkt Cap (\$ millions)	\$13,847	\$14,348

*Rounded to nearest hundredth

TOP 5 INDUSTRY WEIGHTINGS

	% Index	% NT GLOBAL REAL ESTATE INDEX
Commercial REITs	36.03	35.95
R.E. Development & Ops	34.61	30.11
Specialized REITs	16.61	20.04
Residential REITs	11.16	8.45
Real Estate Services	0.73	2.97
Other	0.86	2.49
Total	100.00%	100.00%

*Industry weights may not add to 100% due to rounding

TOP TEN CONSTITUENTS (BY WEIGHT)

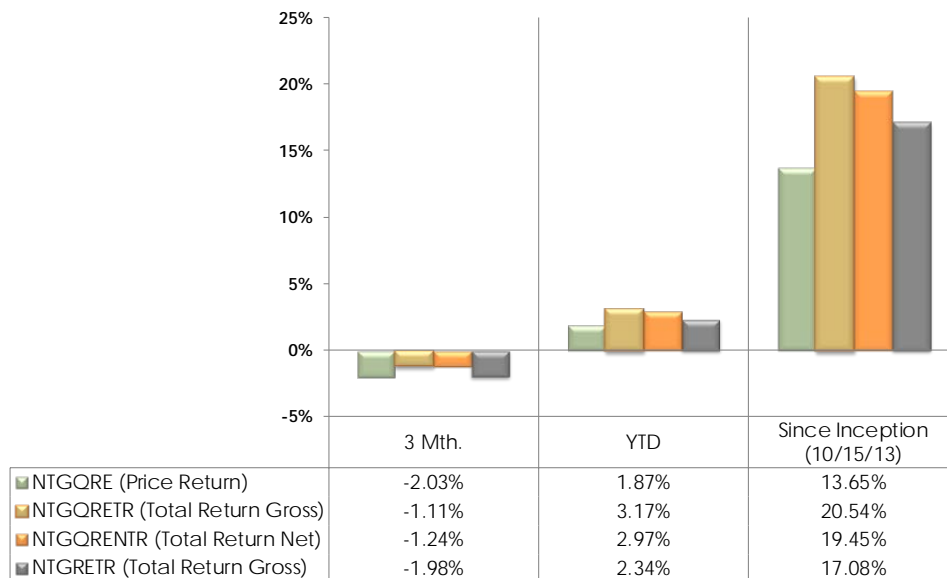
	% Index	TRBC Industry
CK Hutchison Holdings Ltd	5.93	R.E. Development & Ops
Public Storage	4.84	Specialized REITs
AvalonBay Communities, Inc.	4.23	Residential REITs
Equity Residential	3.28	Residential REITs
General Growth Properties	3.00	Commercial REITs
Land Securities Group PLC	2.92	Commercial REITs
Host Hotels & Resorts, Inc.	2.92	Specialized REITs
Scentre Group	2.89	R.E. Development & Ops
Macerich Company	2.80	Commercial REITs
Link Real Estate Invest. Trust	2.55	Commercial REITs
Total	35.37	

TOP TEN COUNTRIES (BY WEIGHT)

	% Index	% NT GLOBAL REAL ESTATE INDEX
United States	46.99	54.43
Hong Kong	13.55	9.97
Japan	9.82	10.60
United Kingdom	8.28	5.92
Australia	6.42	5.48
Singapore	4.84	3.33
Canada	2.63	1.50
Germany	2.24	1.96
France	1.63	3.16
Switzerland	1.49	0.76
Total	97.89%	97.10%

The index holdings, characteristics and sector allocations are for illustrative purposes only and are shown post all rebalancing activity at quarter end. Source: FactSet

INVESTMENT PERFORMANCE COMPARISON



CALENDAR YEAR RETURNS AND ASSETS

	3 MONTH RETURNS (GROSS)				YEAR-TO-DATE		SINCE INCEPTION	
	Feb.	May	Aug.	Nov.	NT Global Quality Real Estate Index	NT Global Real Estate Index	NT Global Quality Real Estate Index	NT Global Real Estate Index
2015	4.67	-1.11			3.17	2.34	20.54	17.08

¹ The core components of the proprietary NTQS are based on quantitative ranking of various metrics obtained from company filings. Score components include: Management rankings (eg. corporate finance activities), Profitability rankings (e.g. assess the reliability and the sustainability of financial performance), and Cash Factors (e.g. cash flow generation)

² Value is defined as the current worth of a company relative to its own historical value, book value, or valuation versus peers. Commonly used valuation metrics include: book-to-market value, price-to-earnings ratios, and enterprise value to earnings before, interest taxes, depreciation and amortization. Our optimization sequence seeks to maximize exposure to securities trading at lower valuations.

³ Momentum is defined as the slope of a stock's price measured over a given period of time. Our optimization sequence seeks to maximize exposure to securities with positive price momentum.

⁴ Activities not approved include companies classified according to Thomson Reuters Business Classifications as: Mortgage REITs, Other Real Estate Services, and Other Specialized REITs.

⁵ Risk models are a statistical application which helps provide predictive risk estimates, by quantitatively de-constructing individual equity price movements and attributing those movements to common factors (e.g. Sector, industry, style, etc). The use of standard risk models in our process provides an additional layer of constraints on our optimization outcome, and assists in reducing the index's overall active risk exposure to any one single factor.

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