

ASSET OWNERS RECORD MODEST FIRST-QUARTER GAIN



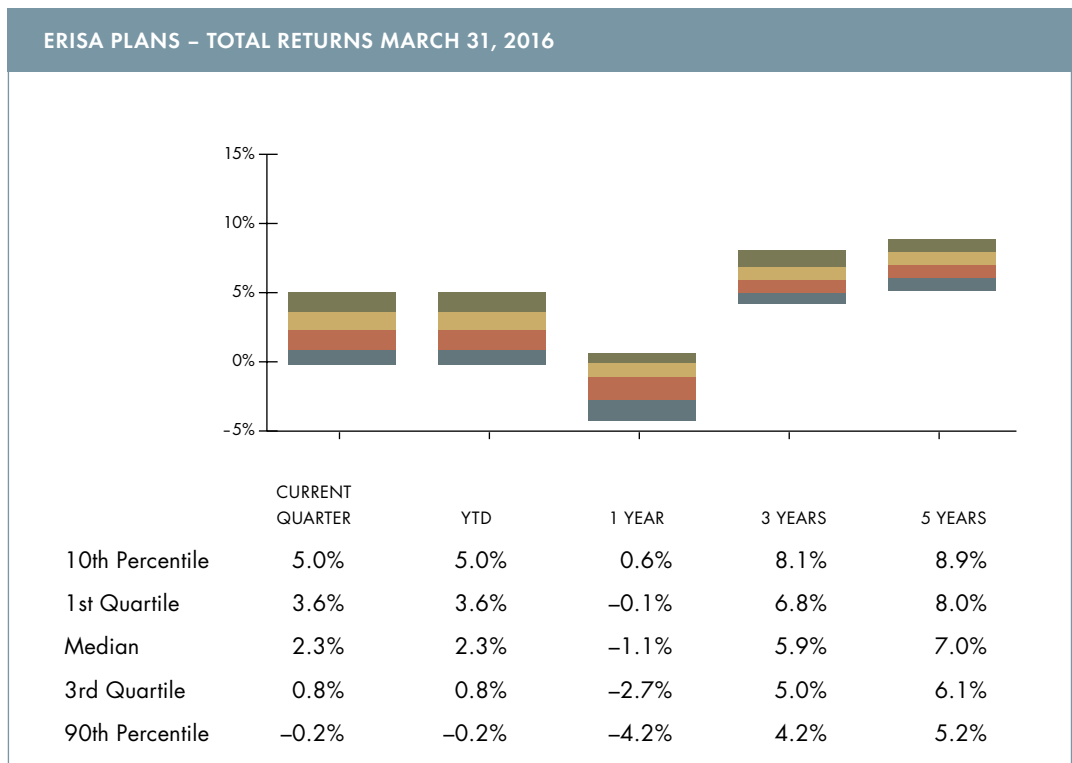
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The majority of the plans in the Northern Trust ERISA Universe posted positive absolute results for the first quarter of 2016. The median return was 2.3% for the quarter ending March 31, 2016. Positive results within the majority of the fixed income allocations drove the quarter’s results. Over a one-year period, the median return for the ERISA Universe was –1.1%.

For the first quarter of 2016, the ERISA Universe’s median excess return was 7 basis points below the policy level benchmark. This resulted in less than half of the plans within the ERISA Universe being able to outperform their respective plan level benchmark. Over the one-year comparison, the median ERISA plan’s excess returns were below the assigned benchmarks by 10 basis

points. Longer-term results were mixed, with the Universe underperforming by 4 basis points and 11 basis points for the three-year and five-year comparison, respectively. For the 10-year comparison the median ERISA plan outperformed the assigned benchmarks by 10 basis points.

The ERISA plan-level performance was hurt during first quarter by its allocations to both domestic and international equities. Within those allocations, the U.S. equity programs outperformed the international programs in the most recent quarter; with median returns of 0.1% and –0.4%, respectively. Within the U.S. equities, large caps outperformed small caps during the quarter, with the Russell 1000 Index returning 1.2% and the Russell 2000 Index returning a –1.5%.



Within international equities, developed markets underperformed emerging markets, returning –2.9% compared to 5.8%.

The ERISA plan-level performance was enhanced by the fixed income allocations' positive absolute returns during the quarter. The median fixed income program returned 2.8% in the first quarter of 2016. Over the one-year period, the median result for fixed income was 1.0% as of March 31. Longer term, the median U.S. fixed income program had a three-year return of 2.6% and a five-year return of 4.3%.

Credit and government securities produced positive results in the first quarter. Within the

BC US Aggregate Index, government securities underperformed credit/corporate securities by 84 basis points for the quarter, returning 3.1% and 4.0% respectively.

The ERISA plan-level performance continued to benefit on an absolute basis from exposure to real estate during the first quarter. The sector's median return for the quarter was 2.3%. Over the one-year comparison, the median return for real estate was 11.5%. The wide distribution of results for this allocation continues to be evident as witnessed in the rolling one-year results of 16.1% for the 10th percentile versus a –1.5% return for the 90th percentile.

COMPOSITE ASSET ALLOCATION – ERISA				
	Current	1 Year Ago	3 Years Ago	5 Years Ago
U.S. Equity	27%	29%	33%	35%
Global/Non-U.S. Equity	11%	12%	13%	17%
U.S. Fixed Income	41%	38%	33%	29%
Global/Non-U.S. Bonds	4%	4%	3%	2%
Private Equity/Hedge Funds	14%	13%	12%	11%
Cash & Other	4%	5%	2%	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 \$899 billion, represent a broad snapshot of overall institutional investment plan performance within the U.S. market.

Northern Trust's Investment Risk and Analytical Services give you a comprehensive array of risk management capabilities, supported by powerful technology and delivered by experienced professionals. We can help you bring all the details to focus – so you can address strategic program management issues. 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.