

INSTITUTIONAL ASSET OWNERS EXPERIENCE A NICE REBOUND IN THE FOURTH QUARTER



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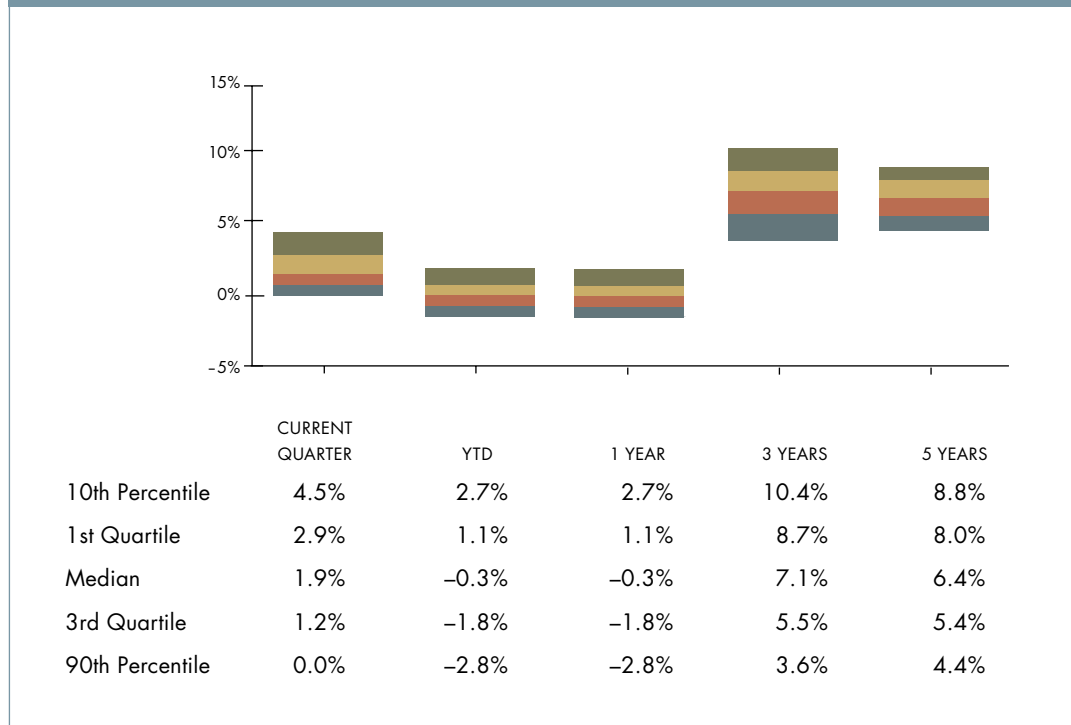
Overall, the Northern Trust Foundations and Endowments Universe gained traction during the fourth quarter of 2015, as the median fund returned 1.9%. This provided a bounceback quarter for the Universe, which produced negative results during the third quarter – the only quarter of 2015 to do so. As a result, the Universe posted a one-year median return of –0.3% as of December 31. The Universe has experienced positive results over longer periods, with three- and five-year returns of 7.1% and 6.4%, respectively.

The U.S. equity program also netted positive results during the fourth quarter, posting a median return of 5.6%. The median one-year return as of December 31 was –0.4%. In comparison, the Universe underperformed both the S&P 500 and Russell 3000 indices for

the quarter and one-year periods. The S&P 500 posted a 7.0% return for the quarter and 1.4% for the one-year timeframe, whereas the Russell 3000 returned 6.3% and 0.5% for the same periods.

International equity markets posted positive results during the fourth quarter, reversing some of the third-quarter losses. The international equity program experienced gains of 3.3% for the quarter, bringing the one-year return to –3.4%, as of December 31. The MSCI EAFE, MSCI ACWI ex US and MSCI Emerging Market indices also all posted gains during the fourth quarter, with returns of 4.8%, 3.3% and 0.7%, respectively. Each index produced negative returns for the one-year period, with the MSCI EAFE return of –0.4% detracting the least of the three,

FOUNDATION AND ENDOWMENT PLANS – TOTAL RETURNS DECEMBER 31, 2015



while the MSCI ACWI ex US and Emerging Markets indices posted returns of -5.3% and -14.6% for the period.

The domestic fixed income median program generated a slight loss of -0.3% for the fourth quarter, while the international fixed income median program experienced a sixth consecutive quarter of losses, posting a -0.5% return. The Barclays Capital US Aggregate Index generated a -0.6% return for the quarter, whereas the Citi-Group WGBI ex US index posted a -1.4% return. The U.S. fixed income median mandate generated a positive one-year return of 0.5% as of December 31, whereas the international fixed income programs generated losses of 3.7% over the same period.

The venture capital program median generated gains of 0.6% during the fourth quarter. For the one-year period ending December 31, the program

produced a 14.2% return. The real estate program posted a modest gain of 0.3% for the quarter, dropping the program's one-year median return to -2.2%.

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 42% in the fourth quarter of 2005), there has been a noticeable transition of assets from domestic equity into hedge funds and private equity. The Universe is now composed of 24% private equity and 22% hedge funds, combining for more than 45% of the total allocation. Domestic fixed income and international equity continue to make up a significant portion of the Universe, at roughly 12% each of the total allocation for the period ending December 31, 2015.

COMPOSITE ASSET ALLOCATION – FOUNDATIONS AND ENDOWMENTS

	Current	1 Year Ago	3 Years Ago	5 Years Ago
U.S. Equity	19%	20%	22%	24%
Global/Non-U.S. Equity	12%	12%	11%	12%
U.S. Fixed Income	12%	12%	15%	16%
Global/Non-U.S. Bonds	2%	3%	3%	2%
Private Equity/Hedge Funds	46%	45%	40%	39%
Cash & Other	8%	9%	10%	8%

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.