GLOBAL FAMILY OFFICE UNIVERSE SUMMARY

ASSET OWNERS FINISH 2014 ON A POSITIVE NOTE

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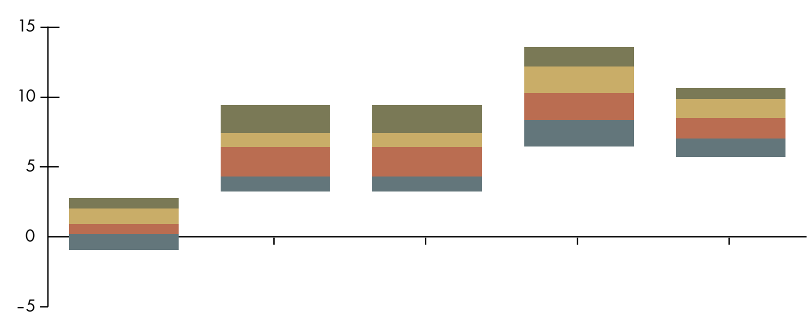
The median Global Family Office (GFO) plan was up 0.81% for the fourth quarter of 2014, an increase from the –0.50% posted in the third quarter. The 60% equity (S&P 500) and 40% bond (B.C. U.S. Agg.) benchmark returned 3.67% during the fourth quarter, outperforming the GFO plan median by almost 300 basis points. This represents the third consecutive quarter the GFO median return has lagged the 60/40 benchmark; the GFO median ended 2014 lagging the 60/40 benchmark by 4.61% for the year (6.01% vs. 10.62%). The GFO benchmark has historically lagged the 60/40 benchmark – underperforming during the two-, three- and five-year periods.

During the fourth quarter, a 1.89% return represented the barrier needed to break into the top quartile of GFO portfolios, lagging the benchmark return of 3.67%. To break into the top decile of the GFO plan required a return of 2.66%, which still lagged the benchmark. In the bottom half of GFO plans, returns under 0.08% represented the bottom third quartile, and returns below –1.05% fell into the bottom decile. Comparing the one-year standard deviation of the GFO median plan (5.01) to the 60/40 benchmark (5.03) reveals an almost identical amount of risk between the two, which translates into higher risk-adjusted returns for the benchmark, with a one-year Sharpe ratio of 2.10% vs. the GFO median of 1.27%.

Domestic equity comprised 26.4% of the GFO composite in the fourth quarter, and proved to be one of the largest positive contributors to returns with the S&P 500 and Russell 3000 posting 4.93% and 5.24% returns, respectively. Within domestic equity,

GLOBAL FAMILY OFFICE PLANS – TOTAL RETURNS DECEMBER 31, 2014



	CURRENT QUARTER	YTD	1 YEAR	3 YEARS	5 YEARS
10th Percentile	2.7%	9.0%	9.0%	13.2%	10.3%
1st Quartile	1.9%	7.0%	7.0%	11.8%	9.4%
Median	0.8%	6.0%	6.0%	9.9%	8.1%
3rd Quartile	0.1%	3.9%	3.9%	7.9%	6.6%
90th Percentile	–1.1%	2.9%	2.9%	6.1%	5.3%

small-caps posted a 9.73% return and outperformed both the mid-cap (5.94%) and large-cap (4.88%) segments. The difference between value and growth was almost negligible this quarter, with large-cap value (4.98%) slightly outperforming large-cap growth (4.78%), but small-cap value (9.40%) underperforming small-cap growth (10.06%).

International equity accounted for 14.65% of the GFO composite this quarter and struggled heavily among growth concerns in Europe, Japan slipping into a recession after two consecutive quarters of economic contraction, and plunging oil prices and a currency crisis in Russia caused a flight to quality among investors in emerging markets. The MSCI ACWI ex USA GD index posted its second consecutive quarterly decline with a return of –3.81%.

Domestic fixed income comprised 15.17% of the GFO composite in the fourth quarter and rebounded a bit from last quarter's almost flat performance with a return of 1.79%. The yield curve continued to flatten during the quarter as we move closer to the Fed's expected rate hike in 2015, and the difference between the 10-year and two-year spread contracted to 1.5%, from 1.94% at the end of the third quarter.

International fixed income made up 3.32% of the GFO composite this quarter. The BC Global Aggregate ex US declined for its second consecutive quarter with a return of –2.99%, and the NT Intl Fixed Income Universe posted a median return of –1.96%. The strong performance of the U.S. dollar along with investors' uncertainty about the strength of economies overseas continued to weigh against returns in this segment.

COMPOSITE ASSET ALLOCATION – GLOBAL FAMILY OFFICE

	Current	1 Year Ago	3 Years Ago	5 Years Ago
U.S. Equity	26%	24%	–	–
Global/Non-U.S. Equity	15%	15%	–	–
U.S. Fixed Income	15%	19%	–	–
Global/Non-U.S. Bonds	3%	3%	–	–
Private Equity/Hedge Funds	31%	28%	–	–
Cash & Other	9%	11%	–	–

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.

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.