FundUniverse

Universe Book

1st Quarter 2008

The Northern Trust Company

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The Northern Trust Company

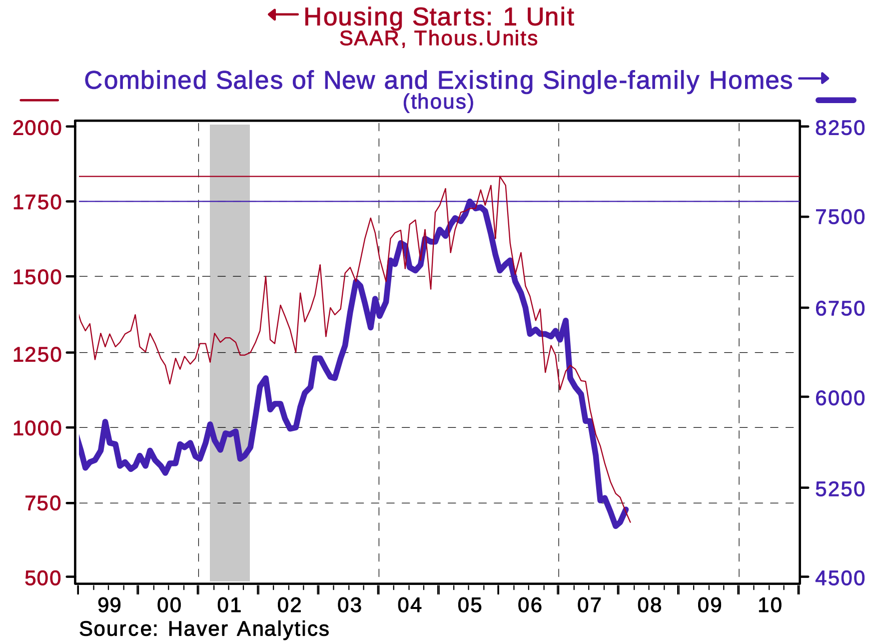
U.S. Economic Summary

The U.S. economy grew at an annual rate of 0.6% in the fourth quarter of 2007, after registering a robust 4.9% gain in the third quarter. A contraction of real GDP in the first-half of the year is strongly likely to be followed by a small improvement in the second-half of 2008. The Fed is expected to stand pat, after lowering the federal funds rate to 2.00% on April 30, in order to assess the impact of the policy changes put in place.

The National Bureau of Economic Research, the official agency that dates business cycles, has yet to announce that a recession is underway in the U.S. economy but several economic reports indicate that a recession is here. Severely weak economic conditions, particularly in the labor and housing markets, have supported recent aggressive easing of monetary policy. In addition to lowering the federal funds rate 300 basis points to 2.25%, the Fed has introduced several innovative programs to reduce stress in financial markets. The actions of the Fed and the fiscal stimulus plan that Congress has passed should pave the way for an economic recovery in the second-half of 2008. The credit crunch and wide reach of the housing market crisis are most likely to result in a sluggish recovery.

The housing market continues to occupy front and center of macroeconomic policy discussions. Spending on housing construction subtracted one percentage point from GDP in 2007. The housing sector is most likely to hold back economic growth in 2008 and most of 2009. Construction of new single-family homes has fallen 63.0% from the peak in January 2006. of Sales of existing and new homes in February have dropped 35.4% from the peak in July 2005. Inventories remain at elevated levels supporting forecasts of further declines in home prices. The median price of an existing single-family home has lost 16% from its peak in July 2005. Mortgage underwriting standards have tightened sharply following the onset of the credit crisis, which is an additional factor holding back sales of homes. The ripple effects of the housing market recession have become visible in different parts of the economy extending from declines of employment in housing and housing-related sectors to setbacks in capital spending, weakness in factory production, and a sharp slowing of consumer spending.

Employment conditions have deteriorated significantly in the past few months. Total nonfarm payroll employment has declined in each of the three months ended March, with private sector payroll employment down for four straight months. A total of 232,000 jobs have been lost in the first three months of the year. The unemployment rate at 5.1% in March 2008 has moved up rapidly from a cycle low of 4.4% in March 2007. Weekly reports from the labor market continue to indicate that firms have stopped hiring.

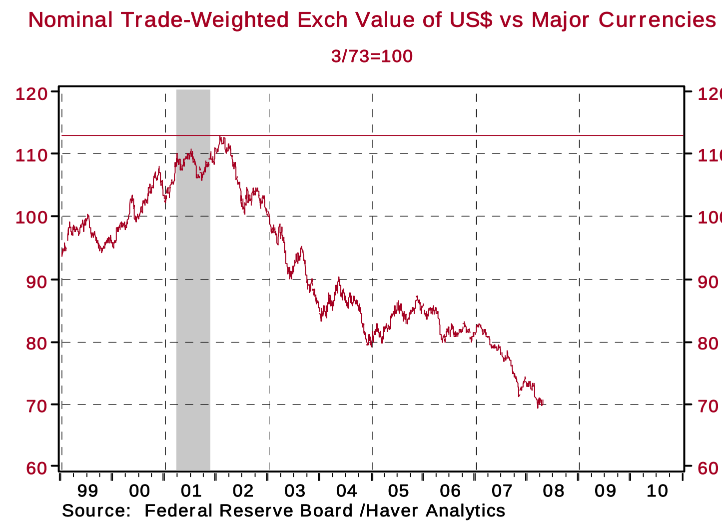


Consumers are facing constraints on several fronts: (1) the significant decline in home prices has reduced mortgage equity withdrawals which provided support to the consumer spending boom of 2004-2006, (2) the downward trend of equity prices has led to reduction in household wealth, (3) sharp increases in food and energy prices have reduced funds for discretionary consumer spending, (4) the weakness in labor markets and (5) a higher debt service burden from resetting of adjustable rate mortgages at higher rates. Evidence of the impact of these factors is visible in a drop of inflation adjusted retail sales in the last quarter of 2007 and the first quarter of 2008. These factors will continue to play a role in the rest of the year, with consumer spending likely to make an insignificant contribution to GDP.

Business capital spending added 0.5 percentage points to GDP in 2007, with the bulk of the increase coming from non-residential structures. The small increase in corporate profits in 2007, the weak economic environment, financing constraints from the credit crunch, and the cycle low reading of the CEO Confidence Index are factors that are working against robust growth in business capital spending.

U.S. Economic Summary (continued)

The weakness of the dollar has two sides – increase in exports and higher import prices. On the positive side, exports of the U.S. economy have made a substantial contribution in recent quarters. In the quarters ahead, exports are predicted to provide a partial offset to weakness elsewhere in the economy. As a result of the strong growth in exports, the current account deficit as a percent of GDP has fallen to 4.9% in the fourth quarter of 2007 from 5.6% a year ago. The trade weighted dollar at $70.7 is down 37.4% down from the peak of 112.89 on January 28, 2002.



The Fed has been consistently pointing to the threat of inflationary pressures even as it has lowered the federal funds rate. In March, the Consumer Price Index had moved up 4.0% on a year-to-year basis and the core Consumer Price Index excluding food and energy showed a 2.35% year-to-year increase. Both these inflation numbers show a small deceleration from recent peak readings. Inflation is a lagging economic indicator; assuming our forecast of slowing economic conditions is accurate, inflation should show some moderation in the months ahead. Further weakness in the dollar translating into higher import prices and overall inflation is a legitimate concern that has placed the Fed in a tight spot.

Total Plan Summary

The first quarter of 2008 ushered in further uncertainty and stress in the financial markets domestically as well as abroad. The S&P 500 declined by 9.44% during the quarter and the international markets followed suit. The MSCI EAFE Index posted an 8.82% loss for the quarter. During the period, consumer spending slowed and the labor markets softened In an effort to stimulate the economy, the Federal Reserve lowered interest rates by a total of 200 basis points during the first quarter of 2008. The Federal Funds rate decreased from 4.25% to 2.25%. The Federal Reserve also stepped up their intervention by providing direct financial aid for the acquisition of Bear Stearns by J.P. Morgan Chase. On a forward looking note, tight credit conditions, the housing contraction and rising inflation are expected to continue to play a significant role in the economic growth for at least the next six months.

The quarterly universe median plan returns ranged from -4.61% to -5.71%. The Wealth Management median plan was the top performer for the first quarter, returning -4.61%. Their lower asset allocation to Equities relative to the other plans, along with higher exposure to Fixed Income, affected the Wealth Management median plan in a positive way. Their significant exposure to Alternative Assets also helped mitigate the impact of a disappointing quarter for equity investments. Conversely, over the 2, 3 and 5 year time periods, Wealth Management is the lowest ranking median plan.

The Foundations and Endowments median plan ranked second among the four plans, posting a -4.75% return for the quarter. Its slightly higher allocation to Equities and lower exposure to Fixed Income hindered their performance relative to the Wealth Management segment. Foundations and Endowments also received a performance boost from their relatively high Alternative Assets exposure during the sluggish quarter for Equity issues. Over longer tir periods, the Foundations and Endowments median plan is consistently the top performer across the various market segments.

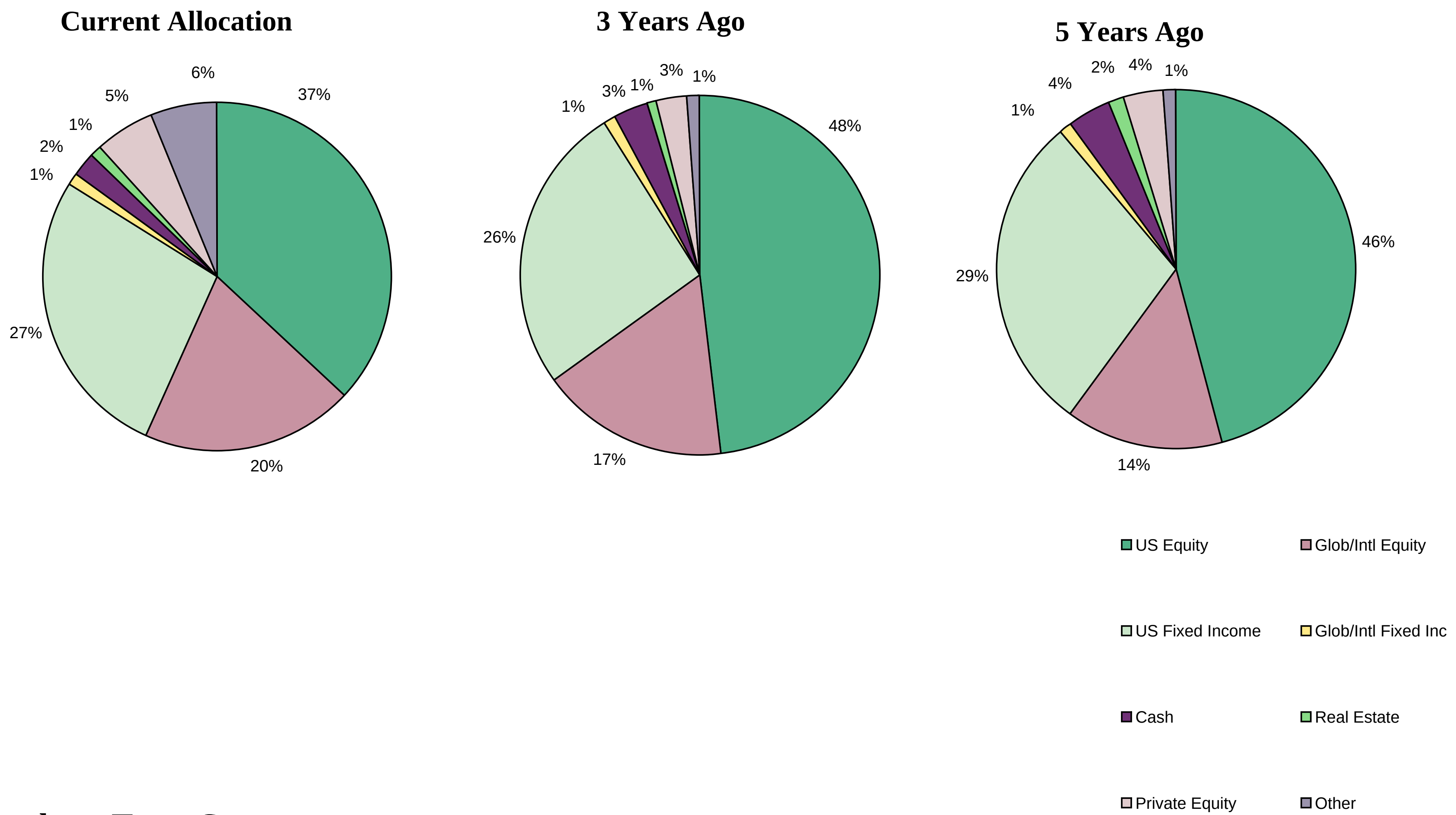
The Public Funds and ERISA median plans exhibited relatively lower returns during the quarter due to their higher allocation to both U.S. and International Equities, returning -5.14% and -5.71%, respectively.

Periods Ended March 31, 2008	Qtr.	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.
Northern Trust ERISA Median	-5.71%	-0.13%	5.36%	8.31%	12.44%
Northern Trust Public Funds Median	-5.14%	0.55%	5.71%	8.41%	12.57%
Northern Trust Foundations & Endowments Med.	-4.75%	1.29%	5.82%	8.52%	12.76%
Northern Wealth Management Group Median	-4.61%	1.00%	4.59%	6.78%	9.70%
S&P 500	-9.44%	-5.08%	3.03%	5.85%	11.32%
Lehman Bros. Aggregate Index	2.17%	7.67%	7.13%	5.48%	4.58%
MSCI EAFE (GD)	-8.82%	-2.27%	8.60%	13.79%	21.90%
90 Day T-Bills	0.58%	3.95%	4.54%	4.28%	3.12%
Consumer Price Index	1.66%	3.98%	3.38%	3.37%	3.00%

Asset Allocation	Current	1 Year Ago	3 Years Ago	5 Years Ago
ERISA Composite (108 plans)				
U.S. Equity	37%	43%	48%	46%
Global/Non-U.S. Equity	20%	20%	17%	14%
U.S. Fixed Income	27%	26%	26%	29%
Global/Non-U.S. Bonds	1%	2%	1%	1%
Cash & Other	15%	9%	8%	10%
Public Fund Composite (41 plans)				
U.S. Equity	37%	43%	47%	43%
Global/Non-U.S. Equity	21%	19%	16%	12%
U.S. Fixed Income	24%	24%	27%	31%
Global/Non-U.S. Bonds	4%	4%	1%	1%
Cash & Other	14%	10%	9%	13%
Foundation & Endowments Composite (87 plans)				
U.S. Equity	29%	36%	43%	46%
Global/Non-U.S. Equity	18%	19%	14%	10%
U.S. Fixed Income	16%	15%	20%	23%
Global/Non-U.S. Bonds	1%	1%	1%	1%
Cash & Other	36%	29%	22%	20%

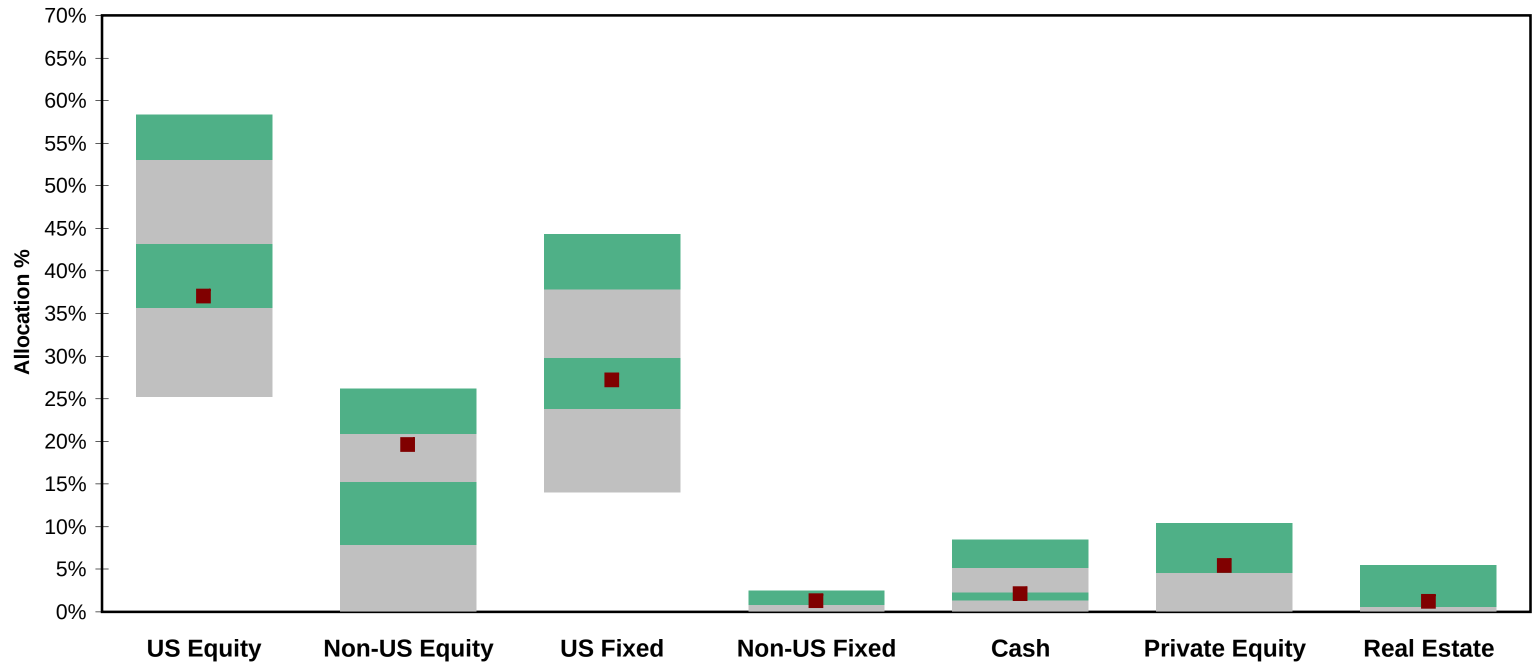
ERISA Plans - Composite Asset Allocation

At quarter-end, the Composite included 108 trusts with a total market value of $237 billion. The ERISA Composite represents the dollar-weighted aggregate of all plans in the ERISA universe; the range of asset allocation is highlighted on page 5.



ERISA Plans - Range of Asset Allocation

This chart depicts the range of asset class allocations made by plan sponsors in the ERISA Universe.

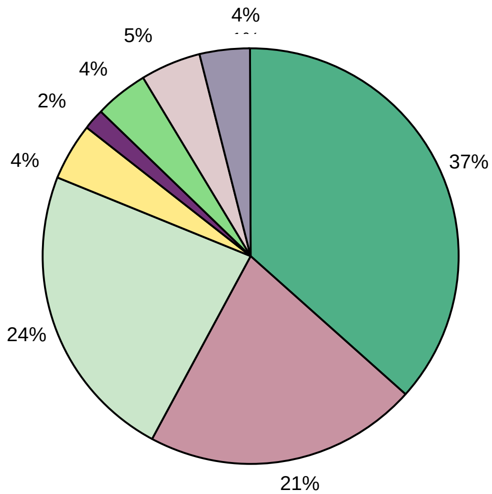


	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Cash	Private Equity	Real Estate
ERISA Composite	37.0%	19.6%	27.2%	1.3%	2.1%	5.4%	1.2%
10th Percentile	58.3%	26.2%	44.3%	2.5%	7.8%	10.4%	5.4%
1st Quartile	53.0%	20.9%	37.9%	0.8%	4.5%	4.6%	0.6%
Median	43.2%	15.3%	29.8%	0.0%	1.6%	0.0%	0.0%
3rd Quartile	35.7%	7.9%	23.8%	0.0%	0.7%	0.0%	0.0%
90th Percentile	25.3%	0.0%	14.1%	0.0%	0.0%	0.0%	0.0%

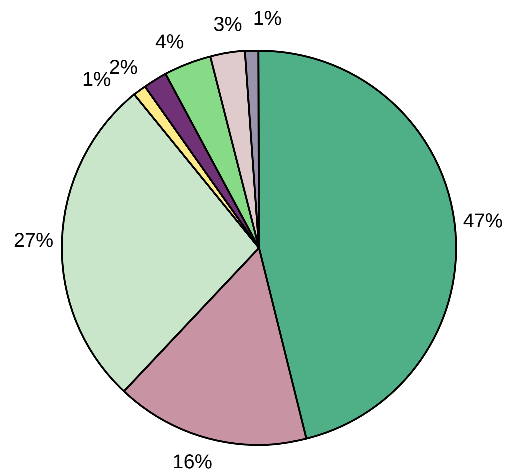
Public Funds - Composite Asset Allocation

At quarter-end, the Composite included 41 trusts with a total market value of $353 billion. The Public Fund Composite represents the dollar-weighted aggregate of all plans in the Public Fund universe; the range of asset allocation is highlighted on page 7.

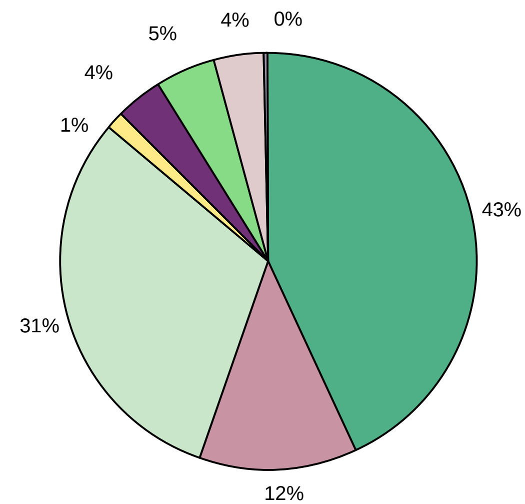
Current Allocation



3 Years Ago

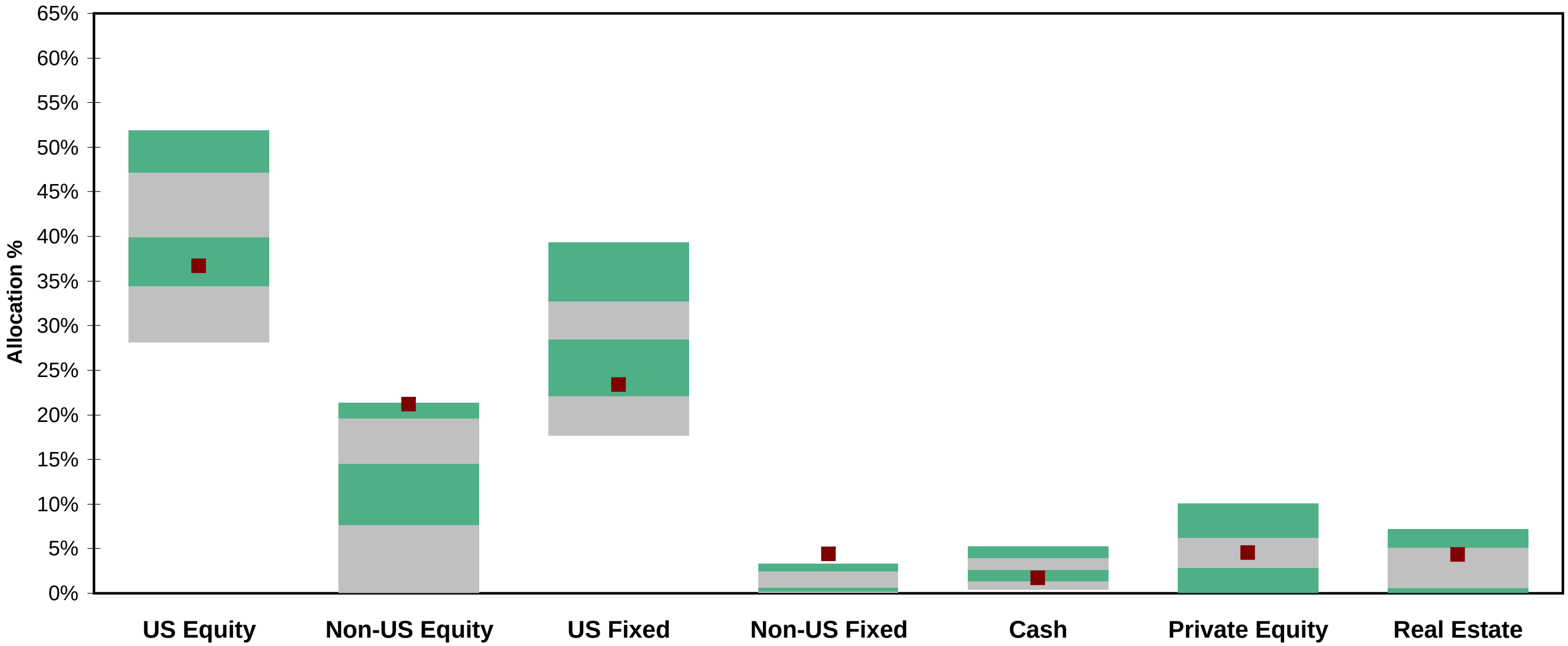


5 Years Ago



US Equity | Glob/Intl Equity
US Fixed Income | Glob/Intl Fixed Inc
Cash | Real Estate
Private Equity | Other

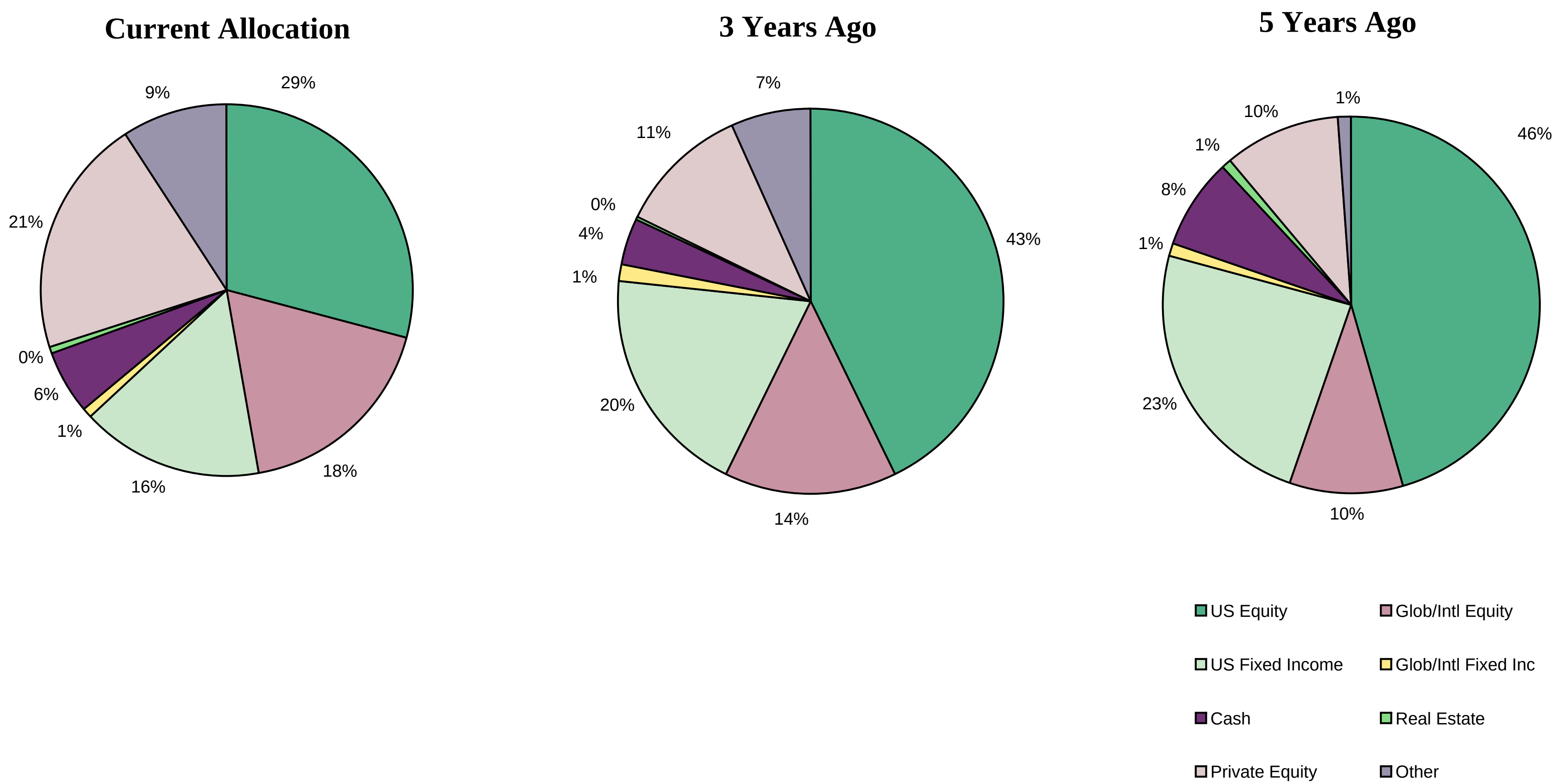
Public Funds - Range of Asset Allocation



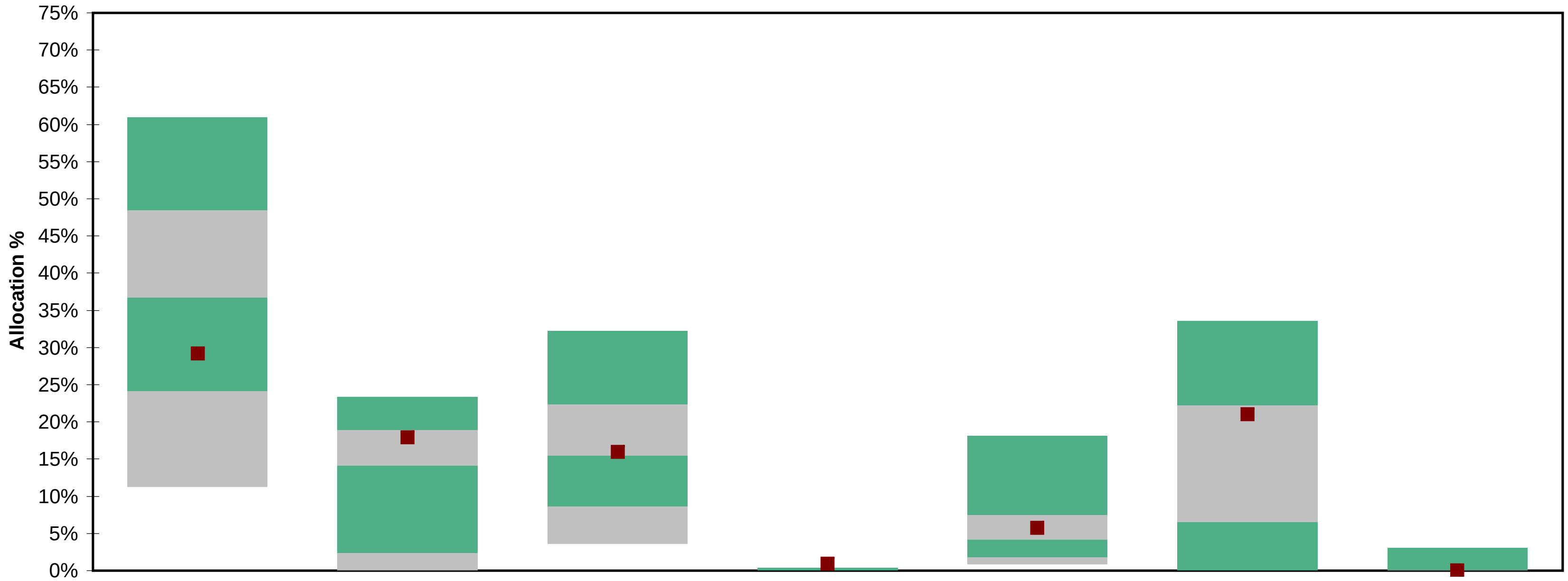
	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Cash	Private Equity	Real Estate
Composite	36.7%	21.2%	23.4%	4.4%	1.7%	4.5%	4.3%
10th Percentile	51.9%	21.4%	39.3%	3.3%	5.3%	10.0%	7.2%
1st Quartile	47.1%	19.6%	32.7%	2.5%	4.0%	6.2%	5.1%
Median	39.9%	14.5%	28.5%	0.6%	2.6%	2.8%	0.6%
3rd Quartile	34.4%	7.6%	22.1%	0.2%	1.4%	0.0%	0.0%
90th Percentile	28.1%	0.0%	17.7%	0.0%	0.5%	0.0%	0.0%

Foundation & Endowment Plans - Composite Asset Allocation

At quarter-end, the Composite included 87 trusts with a total market value of $96 billion. The Foundation & Endowment Composite represents the dollar-weighted aggregate of all plans in the Foundation & Endowment universe; the range of asset allocation is highlighted on page 9.



Foundation & Endowment Plans - Range of Asset Allocation

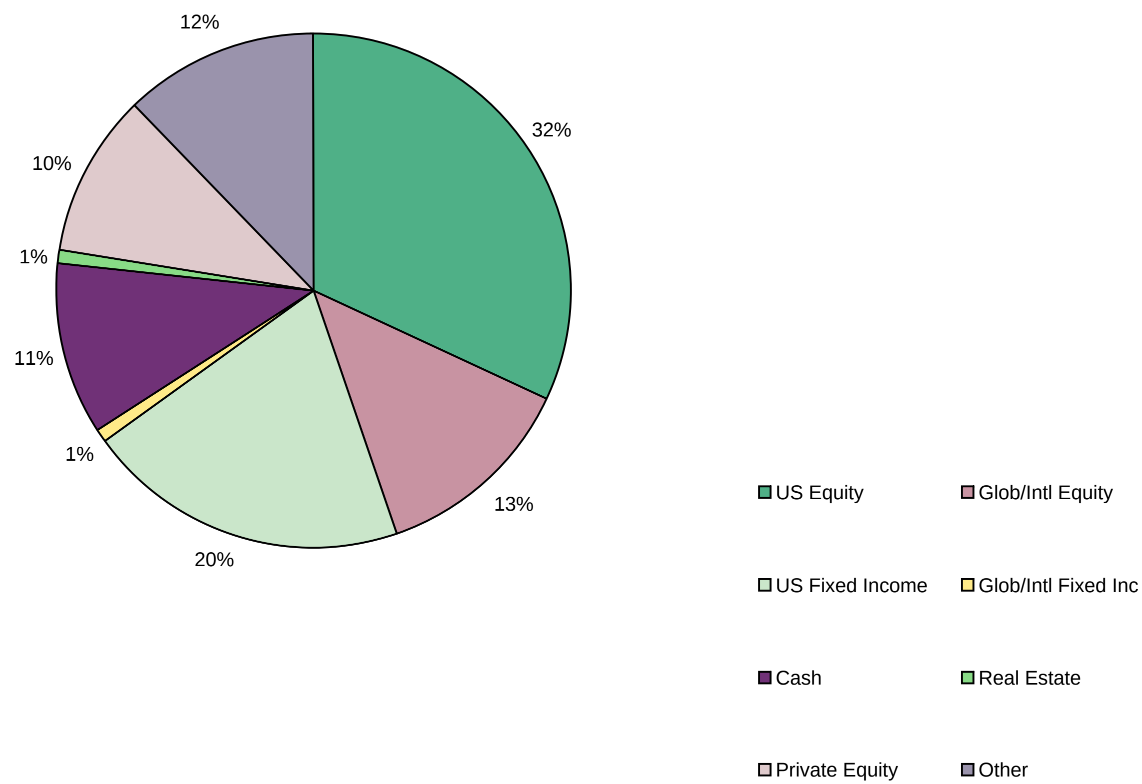


	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Cash	Private Equity	Real Estate
Composite	29.2%	17.9%	15.9%	0.9%	5.7%	21.0%	0.0%
10th Percentile	60.9%	23.4%	32.3%	0.4%	18.1%	33.5%	3.1%
1st Quartile	48.5%	18.9%	22.4%	0.0%	7.5%	22.2%	0.1%
Median	36.8%	14.1%	15.5%	0.0%	4.2%	6.5%	0.0%
3rd Quartile	24.2%	2.4%	8.6%	0.0%	1.8%	0.0%	0.0%
90th Percentile	11.3%	0.0%	3.6%	0.0%	0.9%	0.0%	0.0%

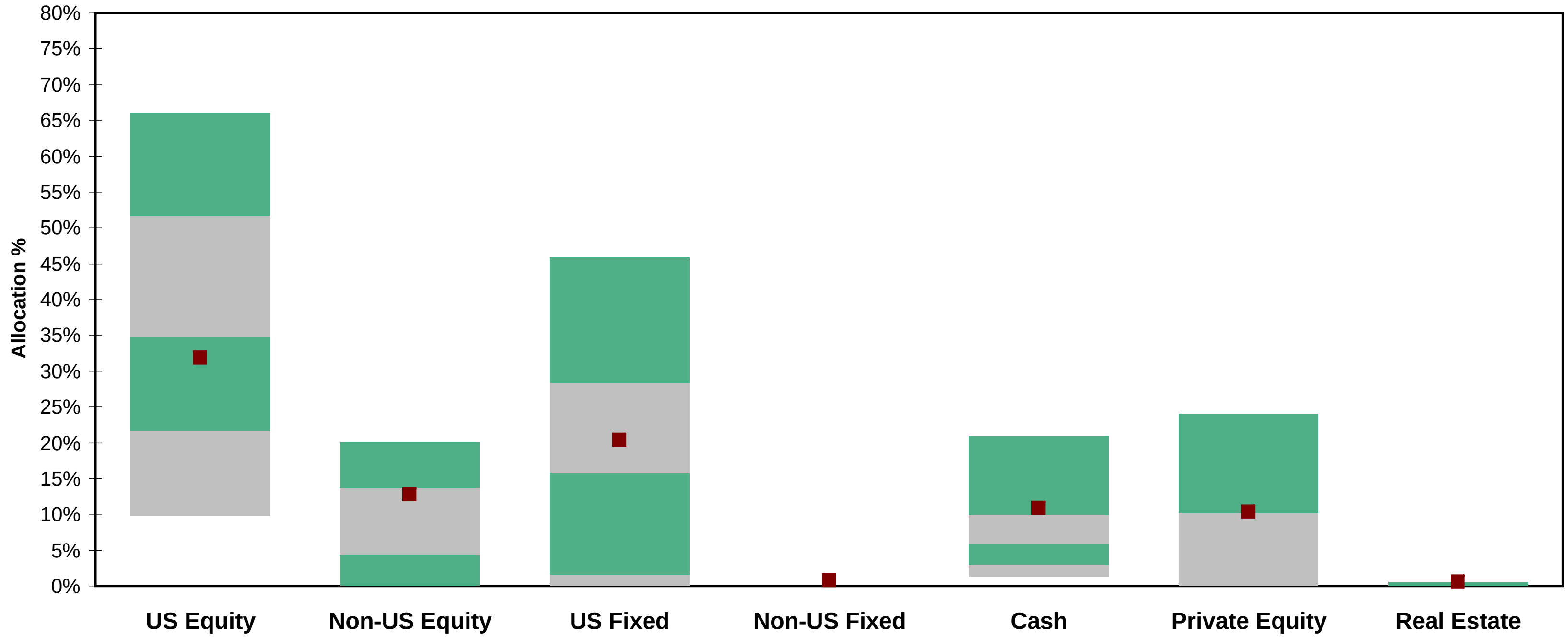
Wealth Management Plans - Composite Asset Allocation

At quarter-end, the Composite included 184 trusts with a total market value of $31 billion.

Current Allocation

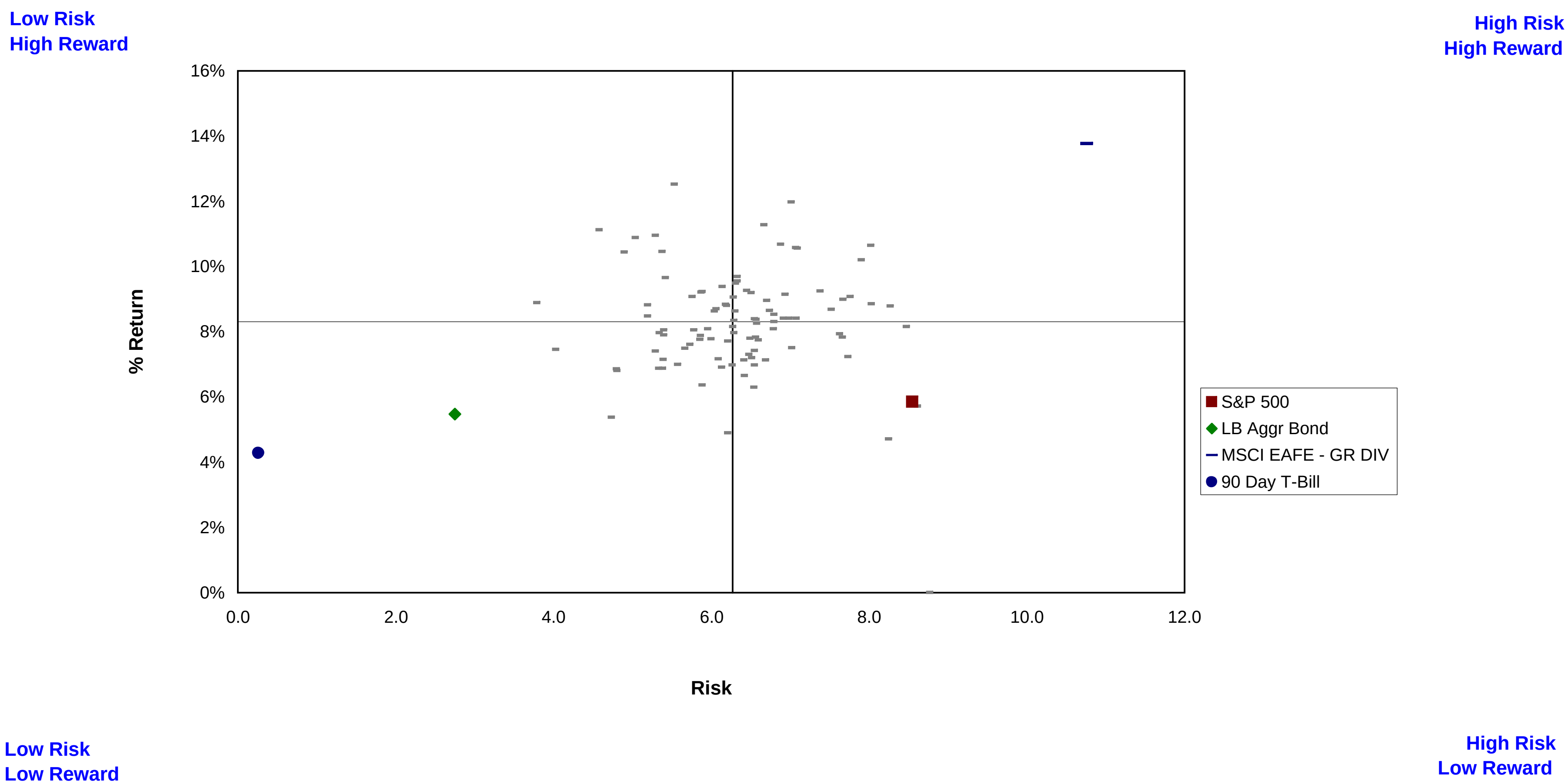


Wealth Management Plans - Range of Asset Allocation



	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Cash	Private Equity	Real Estate
Composite	31.9%	12.8%	20.4%	0.8%	10.9%	10.4%	0.6%
10th Percentile	66.0%	20.0%	45.8%	0.0%	21.0%	24.1%	0.6%
1st Quartile	51.7%	13.7%	28.4%	0.0%	9.9%	10.3%	0.0%
Median	34.7%	4.4%	15.8%	0.0%	5.8%	0.0%	0.0%
3rd Quartile	21.6%	0.0%	1.7%	0.0%	2.9%	0.0%	0.0%
90th Percentile	9.8%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%

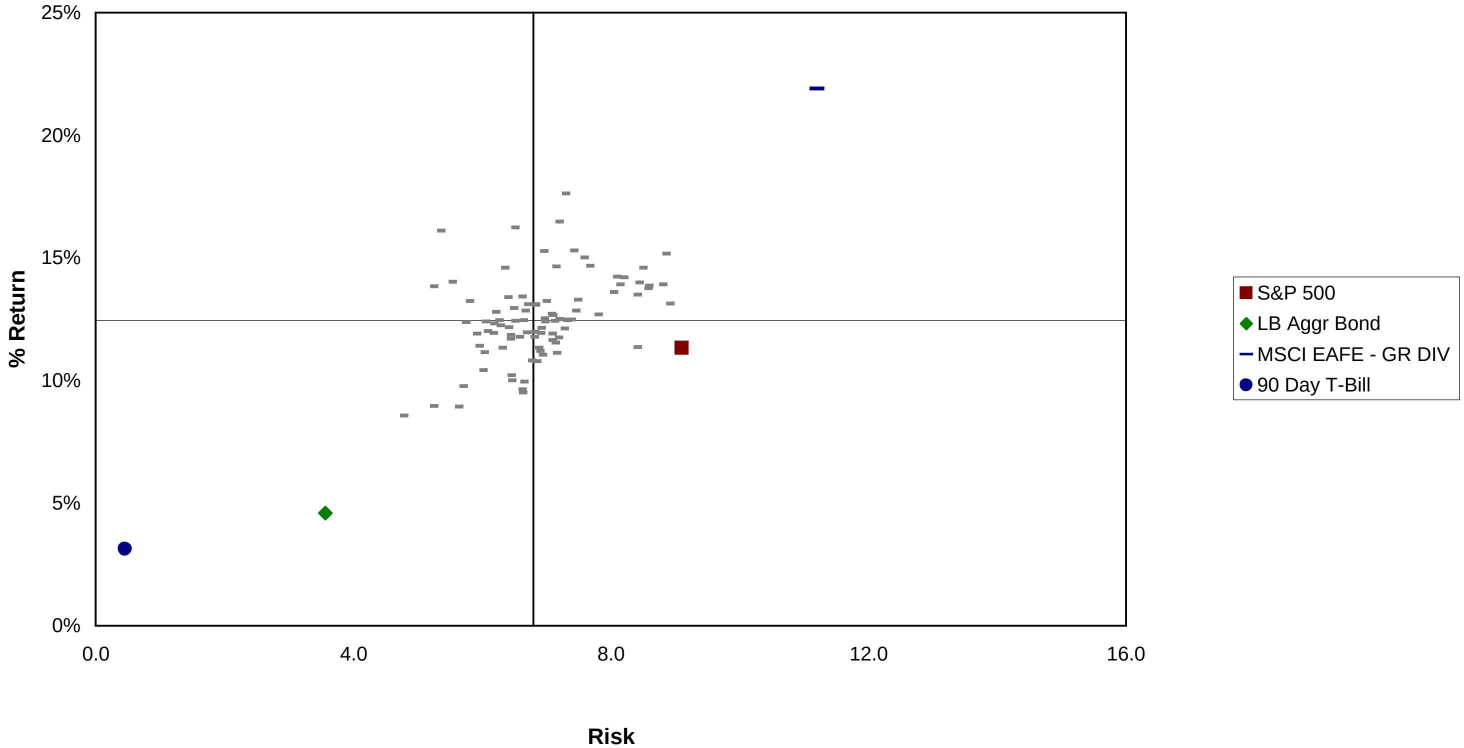
ERISA Plans - 3 Year Risk vs. Return



ERISA Plans - 5 Year Risk Return

Low Risk
High Reward

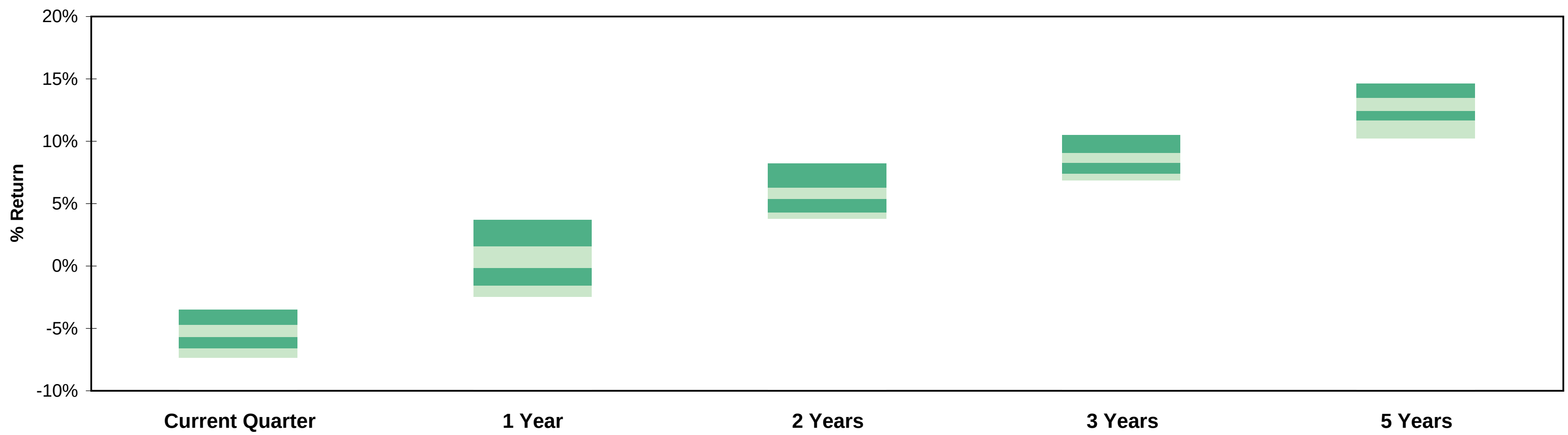
High Risk
High Reward



Low Risk
Low Reward

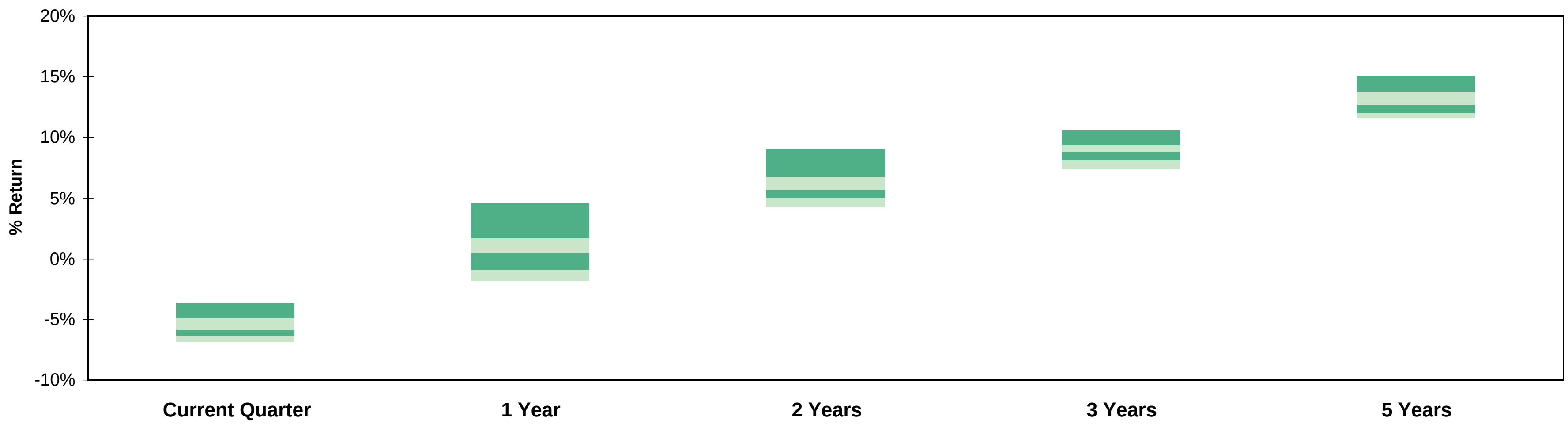
High Risk
Low Reward

ERISA Plans - Total Returns



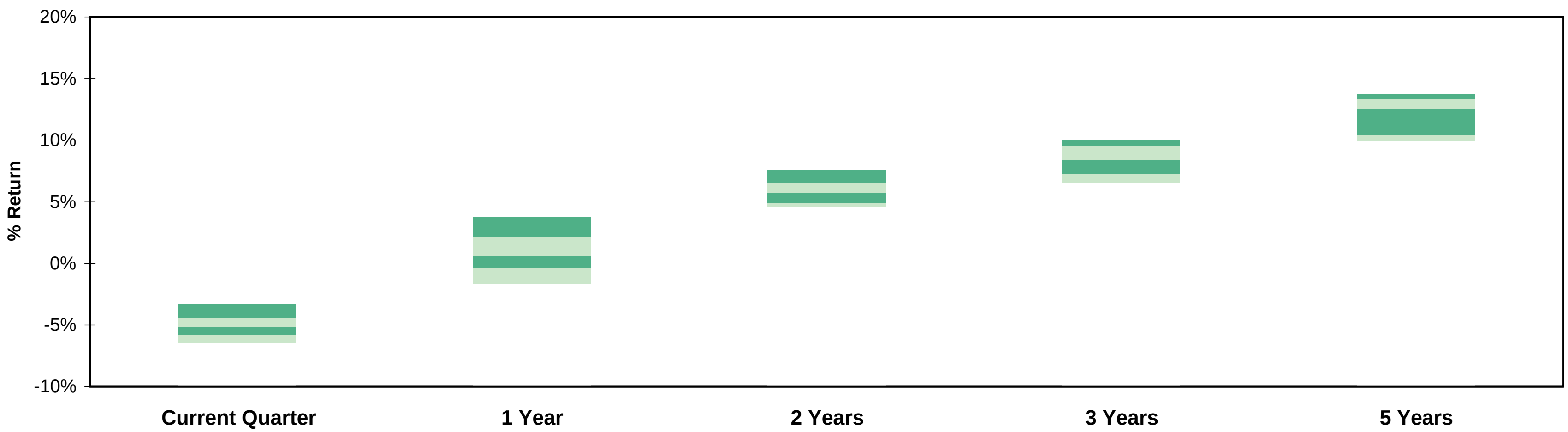
	Current Quarter	1 Year	2 Years	3 Years	5 Years
Number of Funds	108	105	101	97	91
10th Percentile	-3.5%	3.7%	8.2%	10.5%	14.7%
1st Quartile	-4.7%	1.6%	6.3%	9.1%	13.5%
Median	-5.7%	-0.1%	5.4%	8.3%	12.4%
3rd Quartile	-6.6%	-1.6%	4.3%	7.4%	11.7%
90th Percentile	-7.4%	-2.4%	3.8%	6.9%	10.2%

ERISA Plans Greater Than $1B - Total Returns



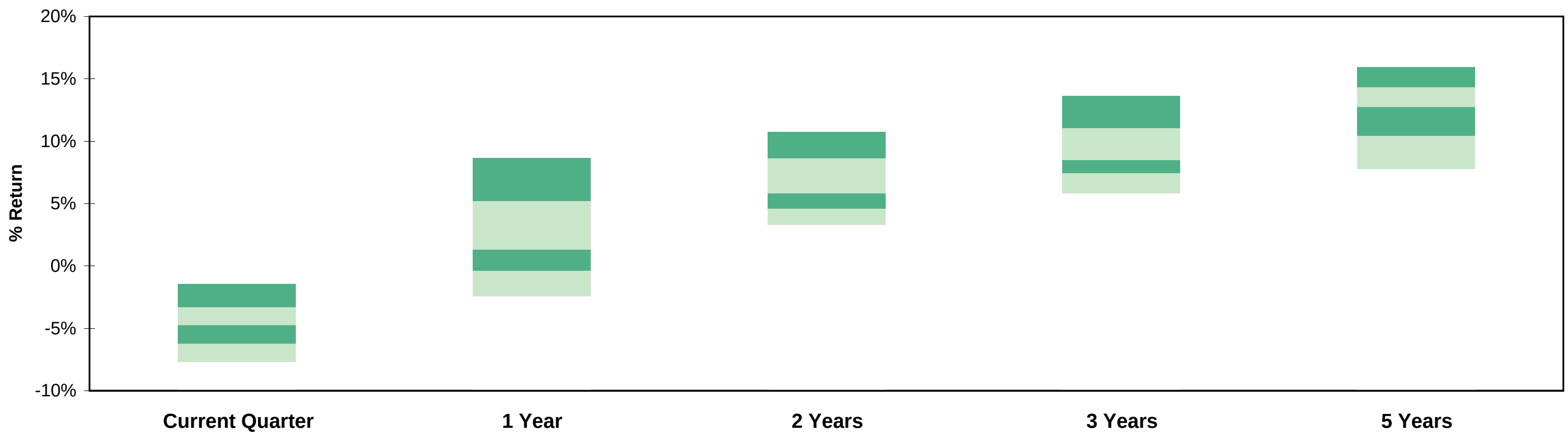
	Current Quarter	1 Year	2 Years	3 Years	5 Years
Number of Funds	52	51	50	49	49
10th Percentile	-3.6%	4.6%	9.1%	10.6%	15.0%
1st Quartile	-4.9%	1.7%	6.7%	9.4%	13.7%
Median	-5.8%	0.5%	5.7%	8.8%	12.7%
3rd Quartile	-6.3%	-0.9%	5.0%	8.1%	12.0%
90th Percentile	-6.8%	-1.8%	4.2%	7.4%	11.6%

Public Funds - Total Returns



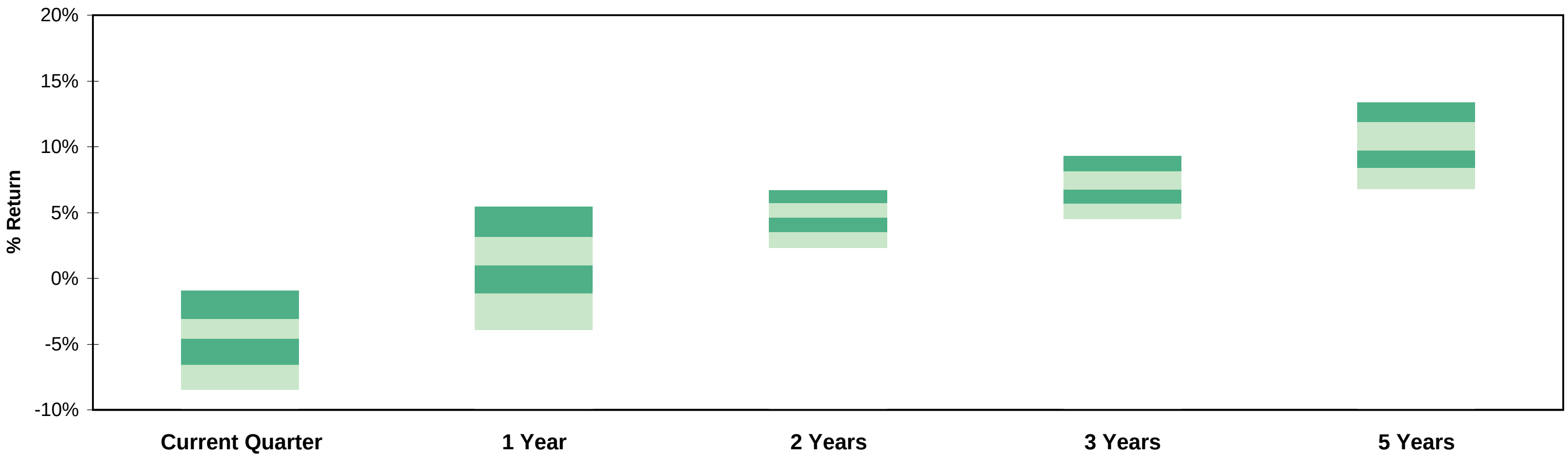
	Current Quarter	1 Year	2 Years	3 Years	5 Years
Number of Funds	41	41	39	35	27
10th Percentile	-3.3%	3.8%	7.5%	10.0%	13.8%
1st Quartile	-4.5%	2.1%	6.5%	9.6%	13.3%
Median	-5.1%	0.6%	5.7%	8.4%	12.6%
3rd Quartile	-5.8%	-0.4%	4.9%	7.3%	10.5%
90th Percentile	-6.4%	-1.6%	4.7%	6.6%	9.9%

Foundation & Endowment Plans - Total Returns



	Current Quarter	1 Year	2 Years	3 Years	5 Years
Number of Funds	87	86	75	67	60
10th Percentile	-1.5%	8.6%	10.8%	13.6%	15.9%
1st Quartile	-3.3%	5.2%	8.7%	11.0%	14.3%
Median	-4.7%	1.3%	5.8%	8.5%	12.8%
3rd Quartile	-6.2%	-0.4%	4.6%	7.4%	10.4%
90th Percentile	-7.7%	-2.4%	3.3%	5.8%	7.7%

Wealth Management Plans - Total Returns



	Current Quarter	1 Year	2 Years	3 Years	5 Years
Number of Funds	184	175	144	127	88
10th Percentile	-1.0%	5.4%	6.7%	9.3%	13.4%
1st Quartile	-3.1%	3.1%	5.7%	8.1%	11.9%
Median	-4.6%	1.0%	4.6%	6.8%	9.7%
3rd Quartile	-6.6%	-1.1%	3.5%	5.7%	8.4%
90th Percentile	-8.4%	-4.0%	2.3%	4.5%	6.8%

All Funds Universe Populations - Total Returns

Funds Greater than $1B Universe	12/31/2007 3/31/2008	3/31/2007 3/31/2008	3/31/2006 3/31/2008	3/31/2005 3/31/2008	3/31/2003 3/31/2008
Top Quartile	-4.3	2.5	7.4	10.0	13.8
Median	-5.5	0.7	5.9	8.9	12.9
Bottom Quartile	-6.3	-0.6	5.0	8.1	11.9
Number of Funds	109	106	98	91	85

Funds Between $100 and $250M Universe	12/31/2007 3/31/2008	3/31/2007 3/31/2008	3/31/2006 3/31/2008	3/31/2005 3/31/2008	3/31/2003 3/31/2008
Top Quartile	-3.1	2.6	5.7	8.1	12.0
Median	-4.7	0.9	4.9	7.2	11.0
Bottom Quartile	-6.7	-1.6	3.6	6.1	8.6
Number of Funds	67	65	52	48	42

Funds Between $500M and $1B Universe	12/31/2007 3/31/2008	3/31/2007 3/31/2008	3/31/2006 3/31/2008	3/31/2005 3/31/2008	3/31/2003 3/31/2008
Top Quartile	-3.6	4.2	8.2	10.7	14.0
Median	-4.5	1.9	6.1	8.5	12.4
Bottom Quartile	-5.8	-0.3	5.2	7.7	10.9
Number of Funds	42	42	38	34	30

Funds Less Than $100M Universe	12/31/2007 3/31/2008	3/31/2007 3/31/2008	3/31/2006 3/31/2008	3/31/2005 3/31/2008	3/31/2003 3/31/2008
Top Quartile	-3.3	2.2	5.1	7.8	12.2
Median	-5.1	0.1	4.4	6.7	9.6
Bottom Quartile	-6.8	-1.6	3.3	5.6	8.3
Number of Funds	143	137	117	102	65

Funds Between $250M and $500M Universe	12/31/2007 3/31/2008	3/31/2007 3/31/2008	3/31/2006 3/31/2008	3/31/2005 3/31/2008	3/31/2003 3/31/2008
Top Quartile	-3.8	2.9	6.4	8.9	13.3
Median	-5.0	0.5	5.5	7.8	11.4
Bottom Quartile	-5.8	-0.7	4.3	7.1	10.3
Number of Funds	61	58	53	50	44

Funds Greater Than $100M Universe	12/31/2007 3/31/2008	3/31/2007 3/31/2008	3/31/2006 3/31/2008	3/31/2005 3/31/2008	3/31/2003 3/31/2008
Top Quartile	-3.6	3.1	6.9	9.5	13.6
Median	-5.1	0.8	5.5	8.4	12.3
Bottom Quartile	-6.2	-0.7	4.7	7.3	10.8
Number of Funds	281	272	242	227	202

U.S. Equity Summary

U.S Equity markets took a turn for the worse in the first quarter of 2008 with the Russell 3000 returning -9.5% for the quarter. This was the second quarter in a row with negative returns and the worst performing quarter since the third quarter of 2002 when the Russell 3000 index declined 17.2%. In the 22 quarters since Q3 2002, the Russell index has posted positive returns in 17 of them. So while there is concern over the current markets and economy, it's a nice reminder that times have been relatively good over the past five years. March 2008 also gave us the single largest one day gain in the markets since 2002.

However, simply stated, this was not a good quarter for the U.S. Equity markets. Lack of liquidity has been the driving issue with tightening credit standards. This liquidity crisis has led to concerns over the viability of investment banks which were highlighted by the JP Morgan takeover of Bear Sterns. Owners of debt continued to have material losses related to debt write downs. Interestingly, U.S. markets had a positive reaction to the UBS write down of nearly $19 billion at the end of the quarter. Many hoped this would be the last of these material write downs.

The Fed did its part to try and keep the economy and markets moving in a positive direction. In January they gave a surprise rate cut of 75 bps and then cut rates another 75 bps in March. The Fed also stepped in to help embattled Bear Sterns. Unfortunately these efforts still did not keep markets in the black for the quarter.

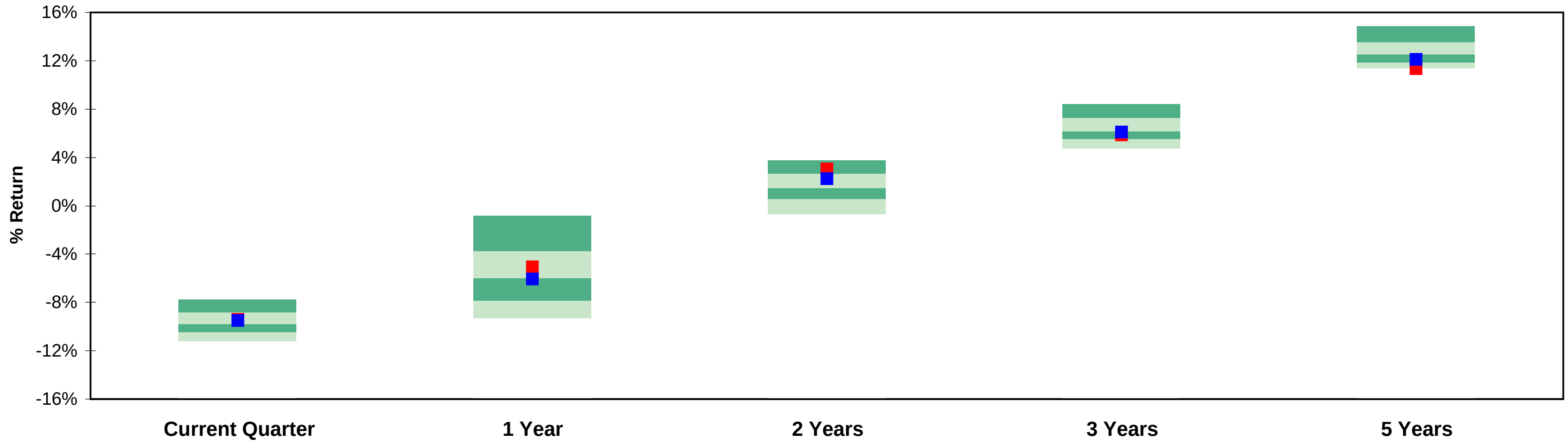
There was very little room to hide this quarter with every sector posting negative returns. IT, Telecom, Financials, Health Care, and and Utilities all posted double digit losses for the quarter. Consumer Staples was the best performing sector at -2.6%. Despite seemingly daily high record oil prices, the Energy sector also cooled off this quarter returning -6.5%. For the 12 months ending 3/31, the energy sector is up 20%. Financials are the worst performing sector over the past 12 months down 26.7%.

The story of the Northern Trust equity style universes parallels that of the Russell style indices. Small value was the best performing universe with a median return of -6.1%. Value did in fact outperform its growth counterpart in each of the different market cap splits. The worst performing universe was small growth returning -12.6%.

Periods Ending March 31, 2008	**Quarter**	**1 Year**	**2 Years**	**3 Years**	**5 Years**
S&P 500	-9.4%	-5.1%	3.0%	5.9%	11.3%
Russell 3000	-9.5%	-6.1%	2.2%	6.1%	12.1%
Russell 1000	-9.5%	-5.4%	2.9%	6.2%	11.9%
Russell 1000 Growth	-10.2%	-0.7%	3.1%	6.3%	10.0%
Russell 1000 Value	-8.7%	-10.0%	2.5%	6.0%	13.7%
Russell 2000	-9.9%	-13.0%	-4.0%	5.1%	14.9%
Russell 2000 Growth	-12.8%	-8.9%	-3.8%	5.7%	14.2%
Russell 2000 Value	-6.5%	-16.9%	-4.2%	4.3%	15.4%
NT Equity Style Medians					
Large Cap Core	-8.4%	-2.5%	3.3%	6.6%	11.8%
Large Growth	-11.5%	-0.8%	1.7%	7.8%	11.2%
Large Value	-10.1%	-10.4%	1.9%	5.8%	14.1%
Mid Growth	-11.8%	-5.2%	0.3%	8.7%	15.4%
Mid Value	-8.0%	-11.6%	-1.8%	6.3%	17.0%
Small Growth	-12.6%	-14.2%	-5.1%	5.3%	14.8%
Small Value	-6.1%	-13.5%	-1.9%	5.8%	16.3%

U.S. Equity Programs - Total Returns

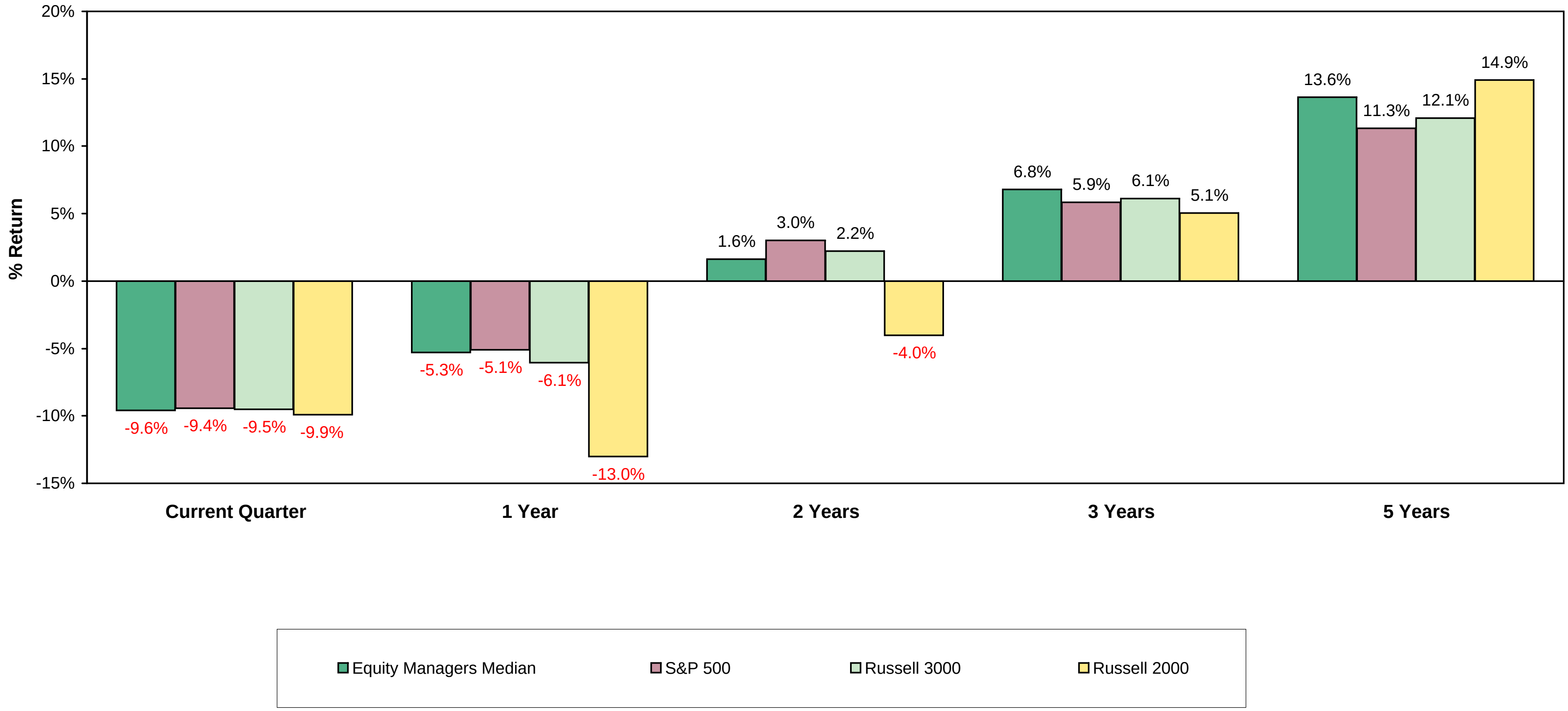
This universe depicts the range of plan sponsors' investment experience in their total domestic equity allocation; as opposed to the equity manager universe which depicts the range of managers' performance. This universe is helpful in determining the degree to which sponsors were capable of implementing a portfolio of domestic equity managers capable of beating the broad market.



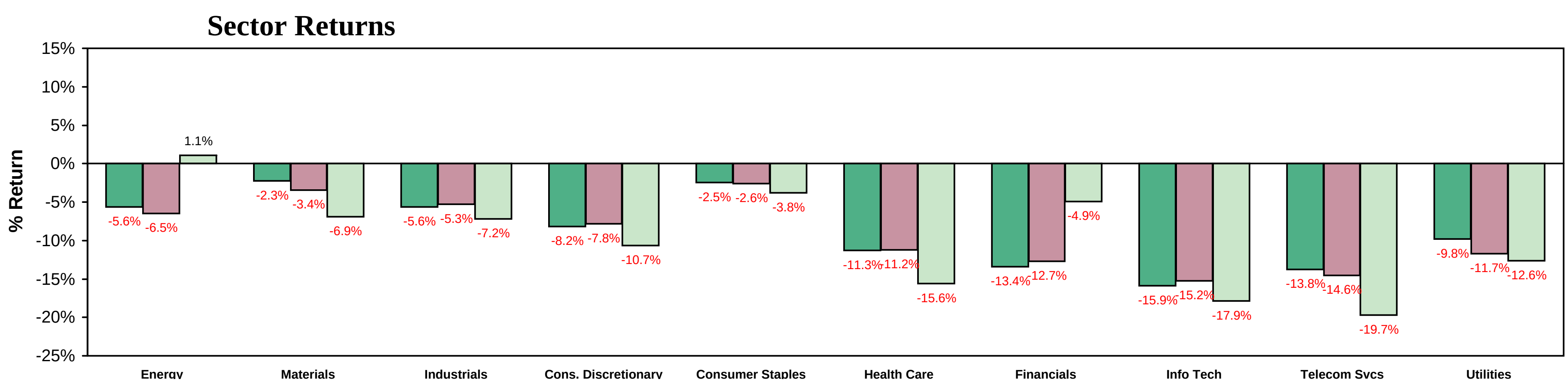
	Current Quarter	1 Year	2 Years	3 Years	5 Years
S&P 500	-9.4%	-5.1%	3.0%	5.9%	11.3%
Russell 3000	-9.5%	-6.1%	2.2%	6.1%	12.1%

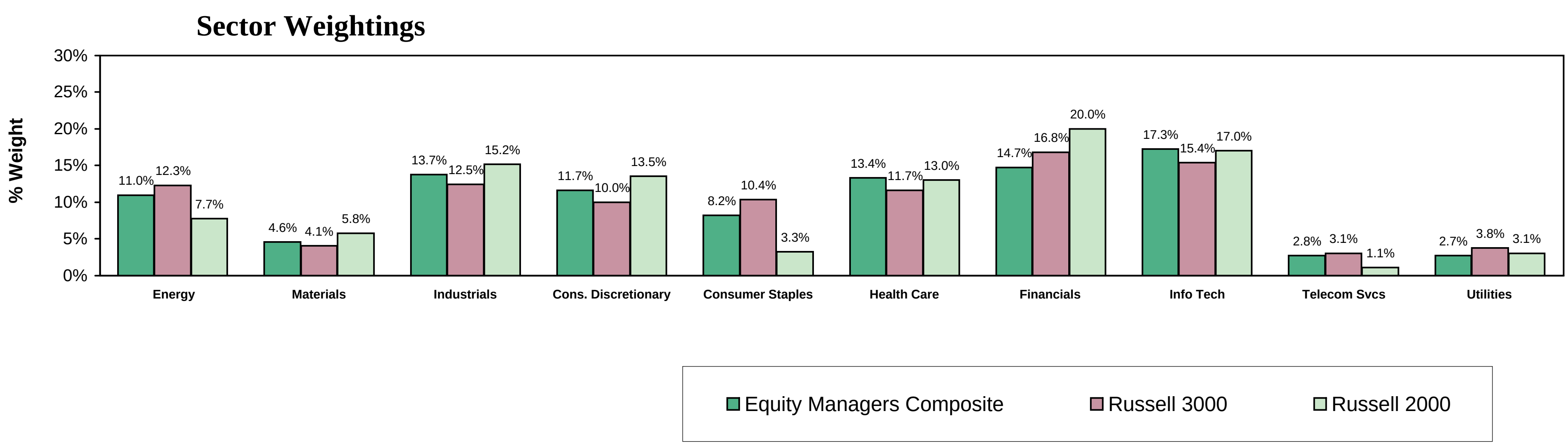
10th Percentile	-7.8%	-0.8%	3.7%	8.4%	14.9%
1st Quartile	-8.8%	-3.8%	2.6%	7.3%	13.5%
Median	-9.8%	-6.0%	1.4%	6.2%	12.5%
3rd Quartile	-10.4%	-7.9%	0.6%	5.5%	11.9%
90th Percentile	-11.2%	-9.3%	-0.7%	4.7%	11.4%

U.S. Equity Indexes



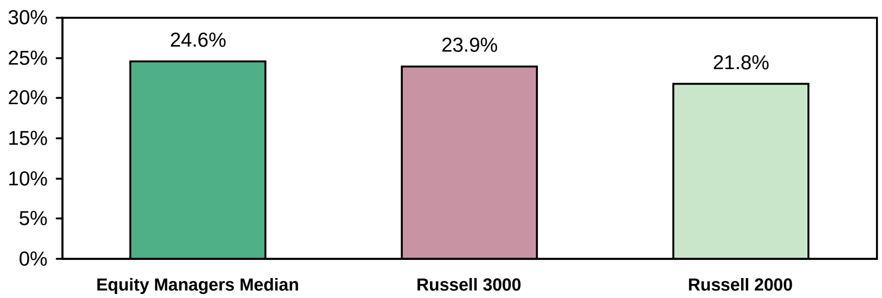
U.S. Equity Sector Analysis



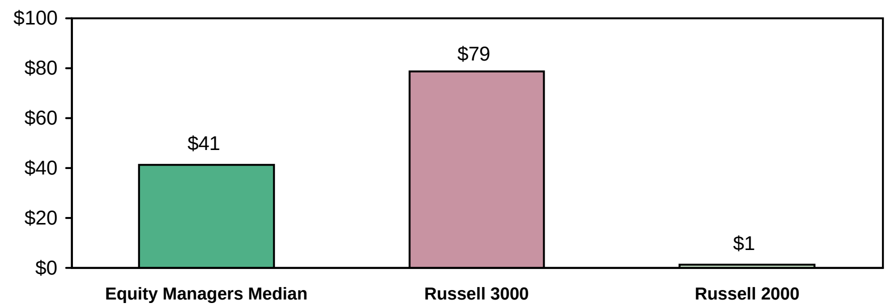


U.S. Equity Characteristics

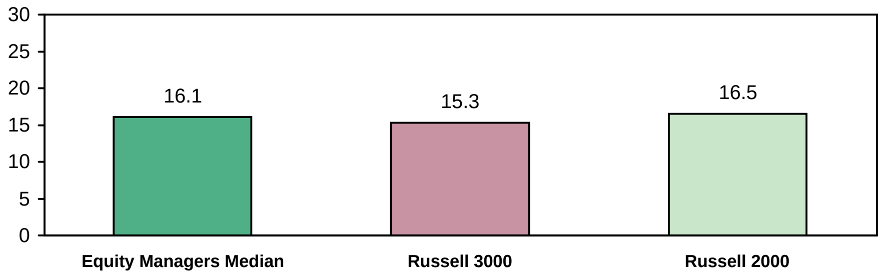
5 year EPS



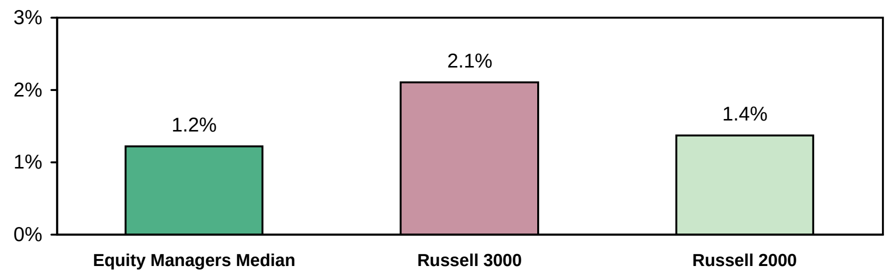
Market Cap ($ Billions)



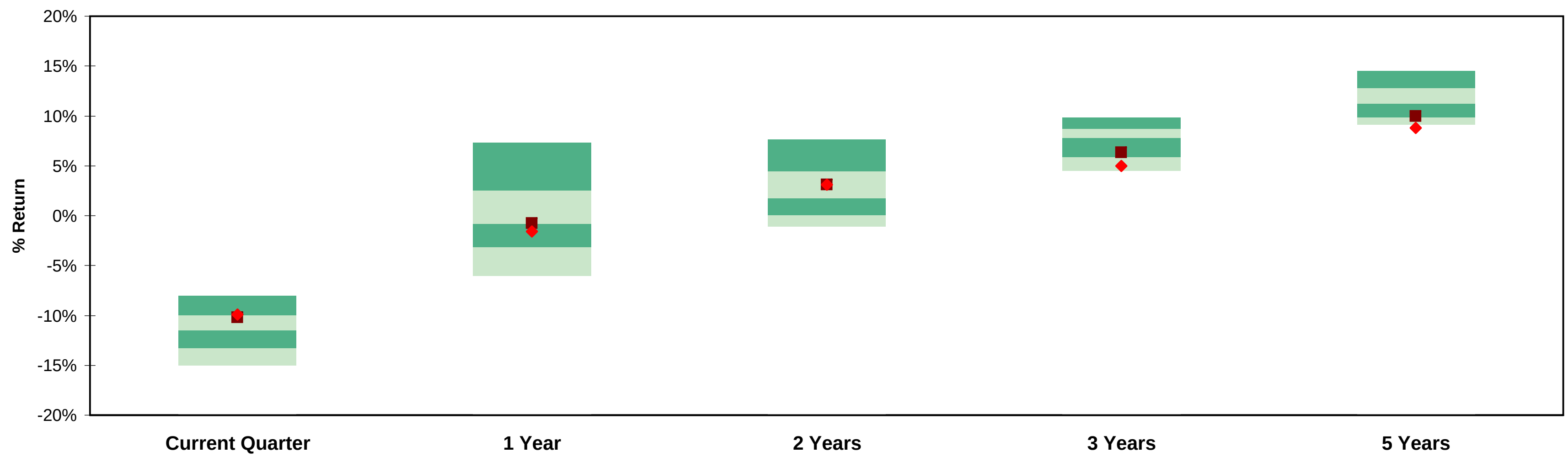
P/E



Dividend Yield



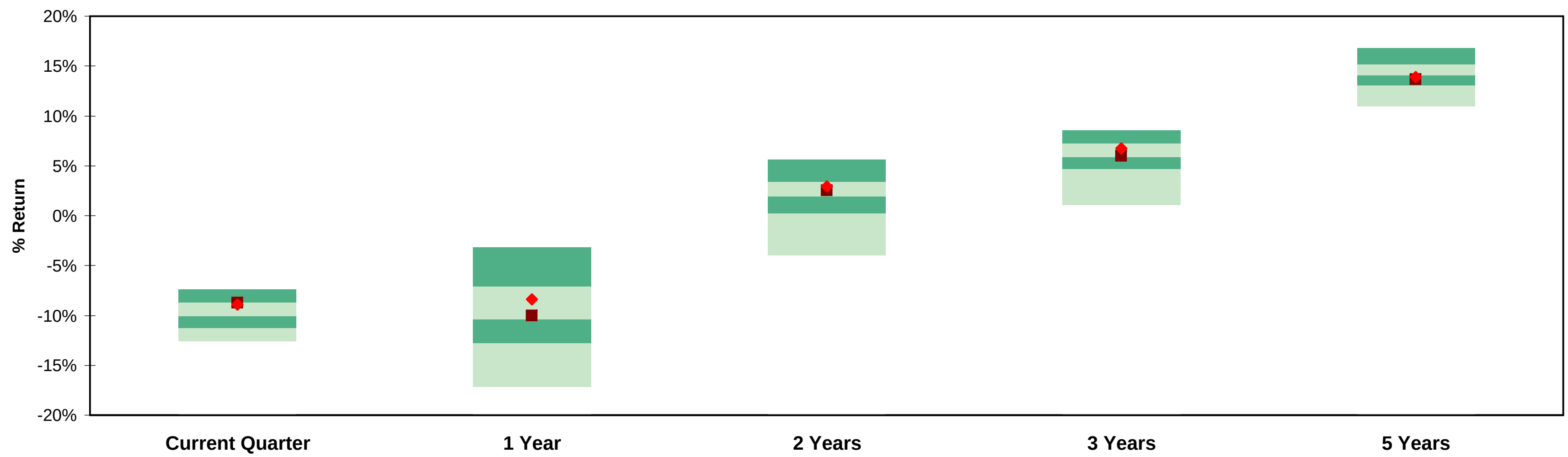
Large Growth Managers - Total Returns



	Current Quarter	1 Year	2 Years	3 Years	5 Years
Russell 1000 Growth	-10.2%	-0.7%	3.1%	6.3%	10.0%
S&P 500 Citigroup Growth	-9.9%	-1.6%	3.1%	5.0%	8.8%

10th Percentile	-8.1%	7.3%	7.6%	9.9%	14.5%
1st Quartile	-10.0%	2.5%	4.5%	8.7%	12.8%
Median	-11.5%	-0.8%	1.7%	7.8%	11.2%
3rd Quartile	-13.3%	-3.2%	0.1%	5.8%	9.9%
90th Percentile	-15.0%	-6.0%	-1.1%	4.5%	9.1%

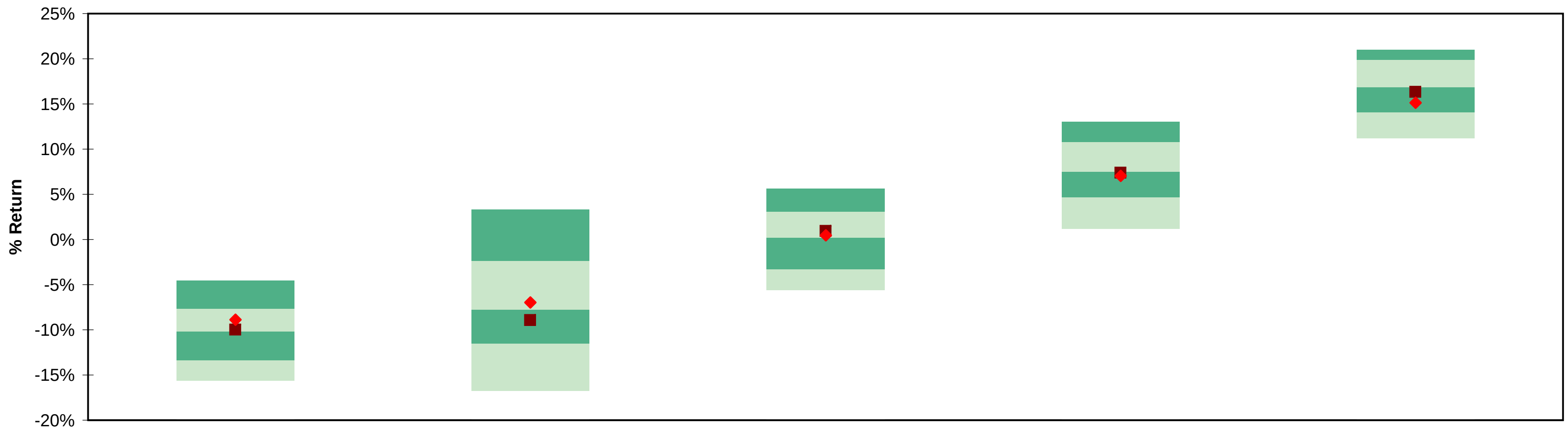
Large Cap Value Managers - Total Returns



	Current Quarter	1 Year	2 Years	3 Years	5 Years
■ **Russell 1000 Value**	-8.7%	-10.0%	2.5%	6.0%	13.7%
♦ **S&P 500 Citigroup Value**	-8.9%	-8.4%	2.9%	6.8%	13.9%

	Current Quarter	1 Year	2 Years	3 Years	5 Years
10th Percentile	-7.4%	-3.1%	5.6%	8.5%	16.9%
1st Quartile	-8.7%	-7.1%	3.4%	7.3%	15.2%
Median	-10.1%	-10.4%	1.9%	5.8%	14.1%
3rd Quartile	-11.3%	-12.8%	0.2%	4.7%	13.1%
90th Percentile	-12.6%	-17.2%	-4.0%	1.1%	11.0%

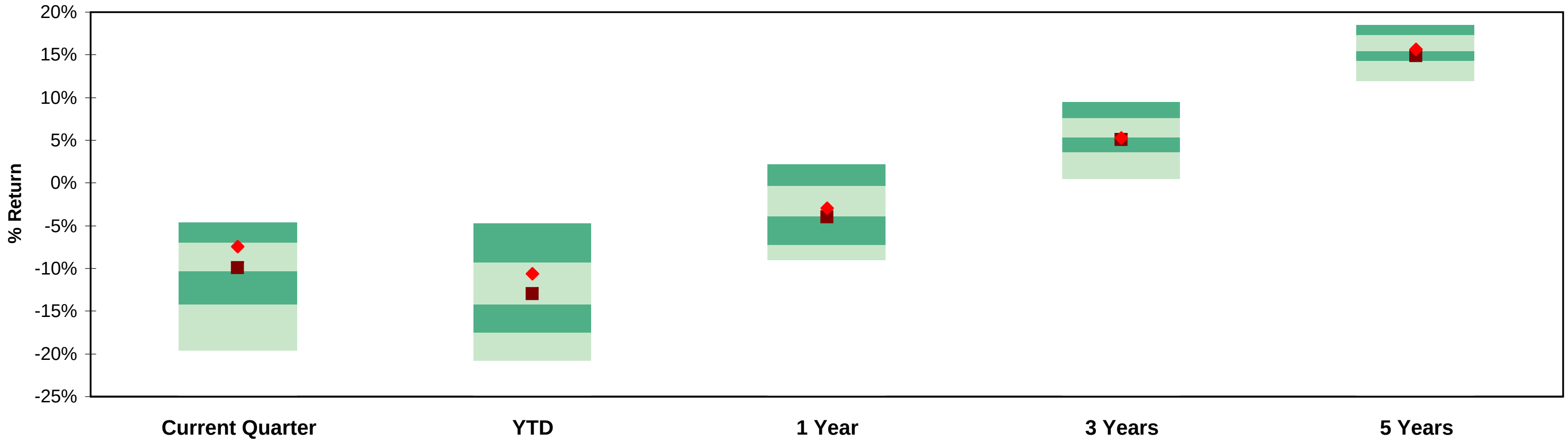
Mid Cap Managers - Total Returns



	Current Quarter	1 Year	2 Years	3 Years	5 Years
Russell MidCap	-10.0%	-8.9%	0.9%	7.4%	16.3%
S&P Midcap 400	-8.9%	-7.0%	0.4%	7.1%	15.1%

10th Percentile	-4.6%	3.3%	5.7%	13.0%	21.0%
1st Quartile	-7.7%	-2.3%	3.1%	10.8%	19.9%
Median	-10.2%	-7.7%	0.2%	7.5%	16.8%
3rd Quartile	-13.3%	-11.5%	-3.3%	4.7%	14.1%
90th Percentile	-15.7%	-16.8%	-5.6%	1.2%	11.2%

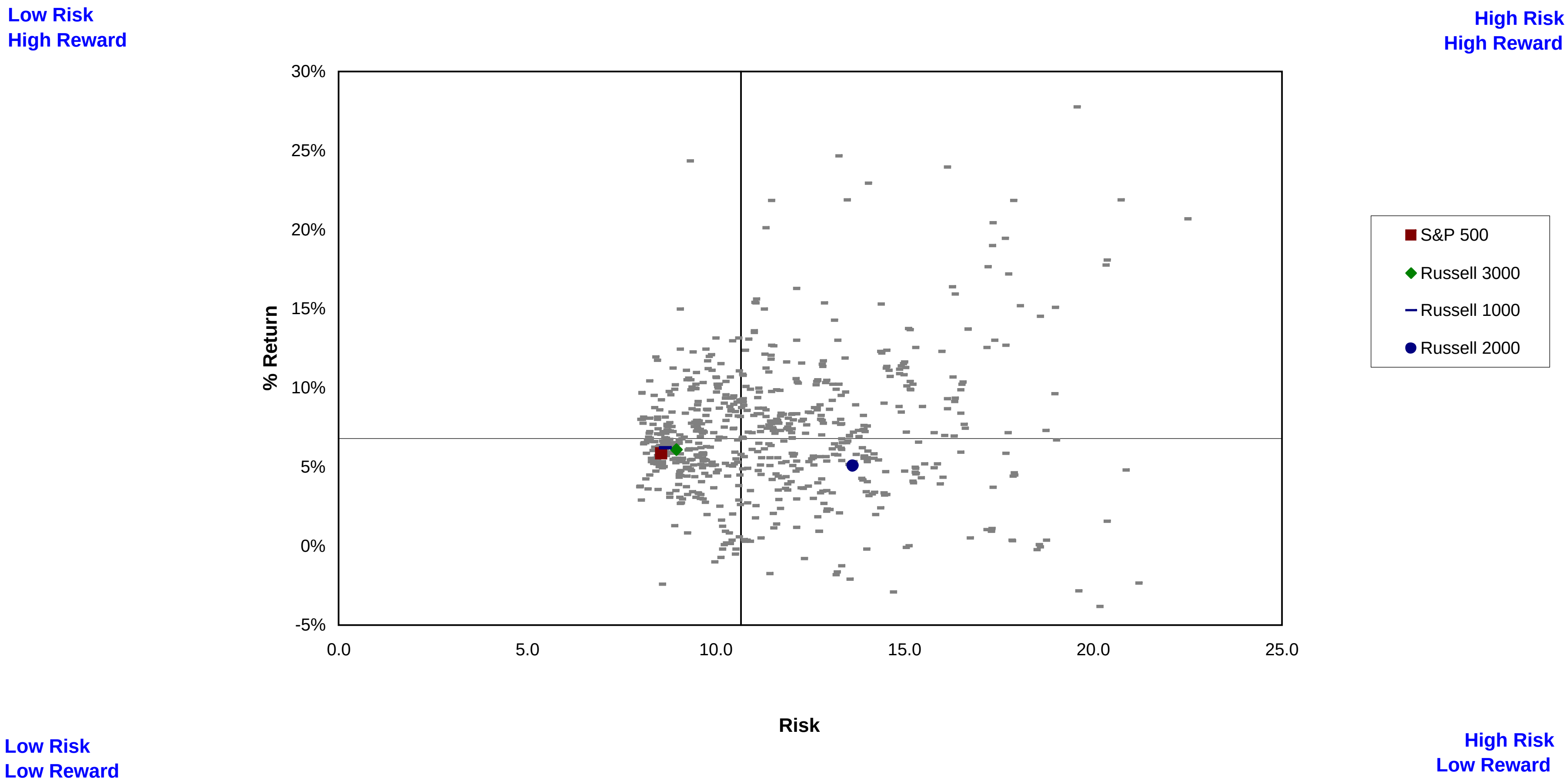
Small Cap Managers - Total Returns



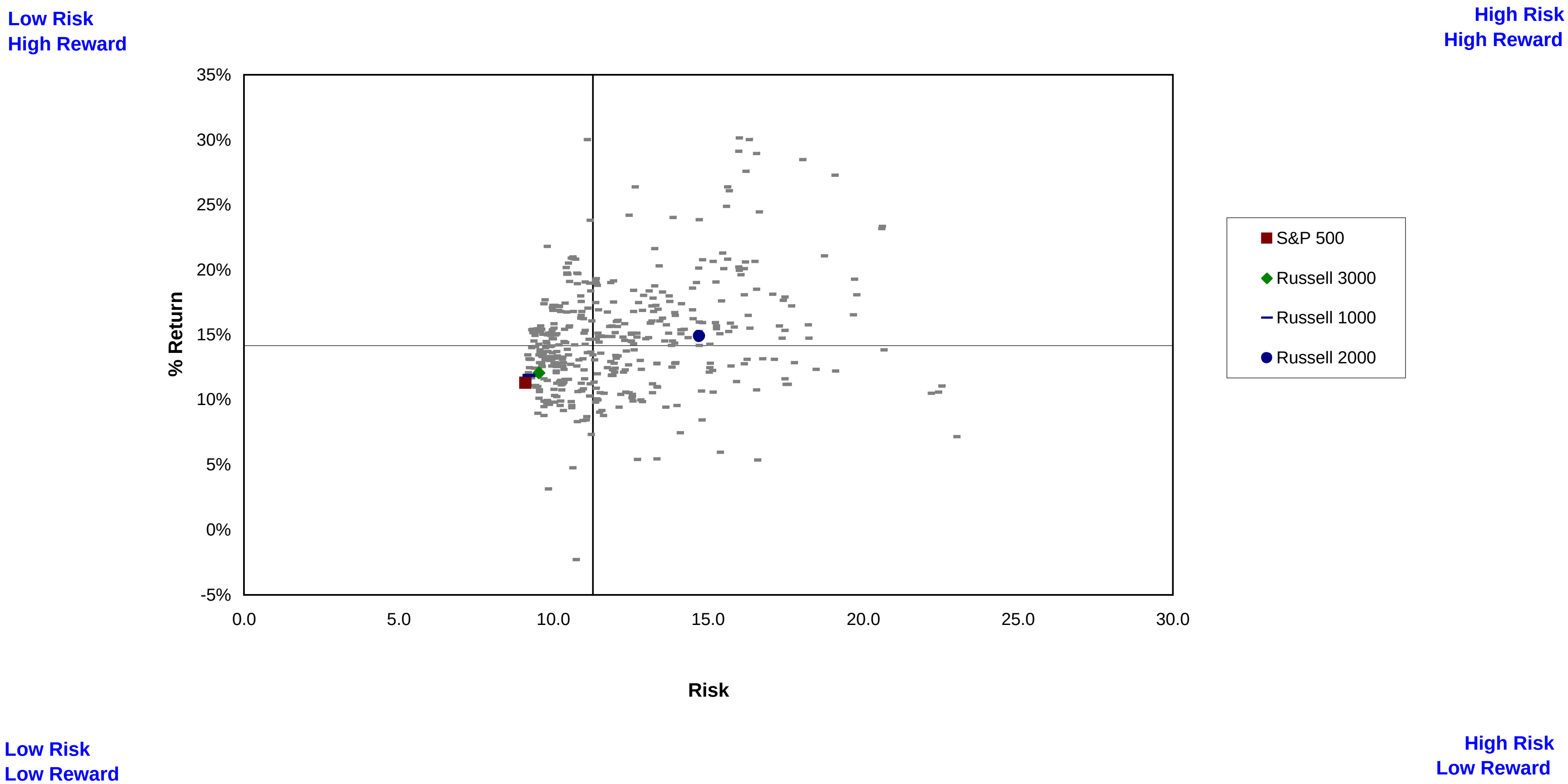
	Current Quarter	YTD	1 Year	3 Years	5 Years
■ **Russell 2000**	-9.9%	-13.0%	-4.0%	5.1%	14.9%
♦ **S&P 600 SmallCap**	-7.5%	-10.6%	-3.0%	5.3%	15.6%

	Current Quarter	YTD	1 Year	3 Years	5 Years
10th Percentile	-4.6%	-4.7%	2.1%	9.5%	18.5%
1st Quartile	-6.9%	-9.3%	-0.3%	7.6%	17.3%
Median	-10.3%	-14.2%	-4.0%	5.4%	15.4%
3rd Quartile	-14.2%	-17.5%	-7.3%	3.6%	14.3%
90th Percentile	-19.6%	-20.8%	-9.0%	0.5%	11.9%

U.S. Equity Managers - 3 Year Risk vs. Return



U.S. Equity Managers - 5 Year Risk vs. Return



U.S. Fixed Income Overview

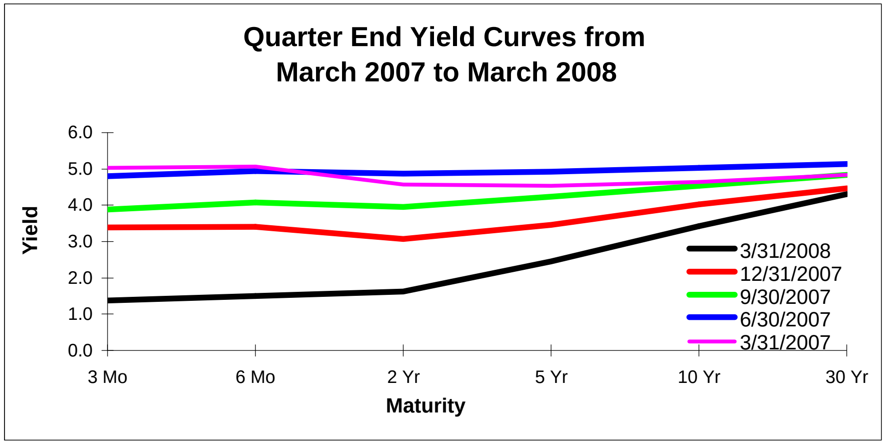
The first quarter of 2008 saw unprecedented market intervention from the Federal Reserve as investors remained very pessimistic due to recession fears in the U.S., apprehension of further write-offs by financial institutions and increased counterparty risk brought on by the Bear Stearns collapse. The Fed was very aggressive during the quarter in combating these fears as they slashed rates by 200 basis points, allowed broker dealer access to the discount window in order to increase liquidity, and finally, by making direct financial support for the acquisition of Bear Stearns by JP Morgan Chase.

Interest rate volatility increased dramatically during the quarter as the Fed moved to slash rates and the market experienced an increase in intra day interest rate volatility. The yield curve steepened dramatically during the quarter as the 30 year bond yield declined 15 basis points, the yield on the 10 year note declined by 60 basis points and the two year yield fell by 145 basis points.

Treasuries outperformed all spread sector securities by a wide margin as investors favored less risky and more liquid securities. With the dramatic cut in rates, the Lehman Treasury index returned 4.43% during the quarter. This healthy return was in stark contrast to the rest of the investment grade market as the Agency, MBS, Credit, ABS and CMBS sectors returned 3.23%, 2.43%, 0.43%, -1.93% and -2.57% respectively.

Mortgages underperformed duration matched Treasuries by 77 basis points during the quarter, but this sector outperformed all other investment grade debt, other than agencies. With several highly leveraged investors forced to liquidate their MBS portfolio, unlevered investors were reluctant to buy due to fears of additional liquidations. The result was that spreads widened to a record 300 bps over Treasuries.

Asset backed bonds underperformed duration matched Treasuries by 594 basis points during the quarter. The bulk of the underperformance came from residential sub sector which underperformed Treasuries by 1,680 basis points during the quarter.



This large drop off in valuation was driven by continued deterioration in the sub prime mortgage market, as housing values continue to decline and the rate of delinquencies in this sector continues to rise .

CMBS issues were the poorest performing investment grade sector during the quarter, underperforming duration matched Treasuries by 777 basis points. The CMBS market was driven more by technical factors rather than by fundamental issues, as occupancy rates remain stable and delinquencies remain at historically low levels. Rather there were a lack of buyers as spooked investors moved into Treasuries or stayed on the sidelines waiting for the markets to stabilize.

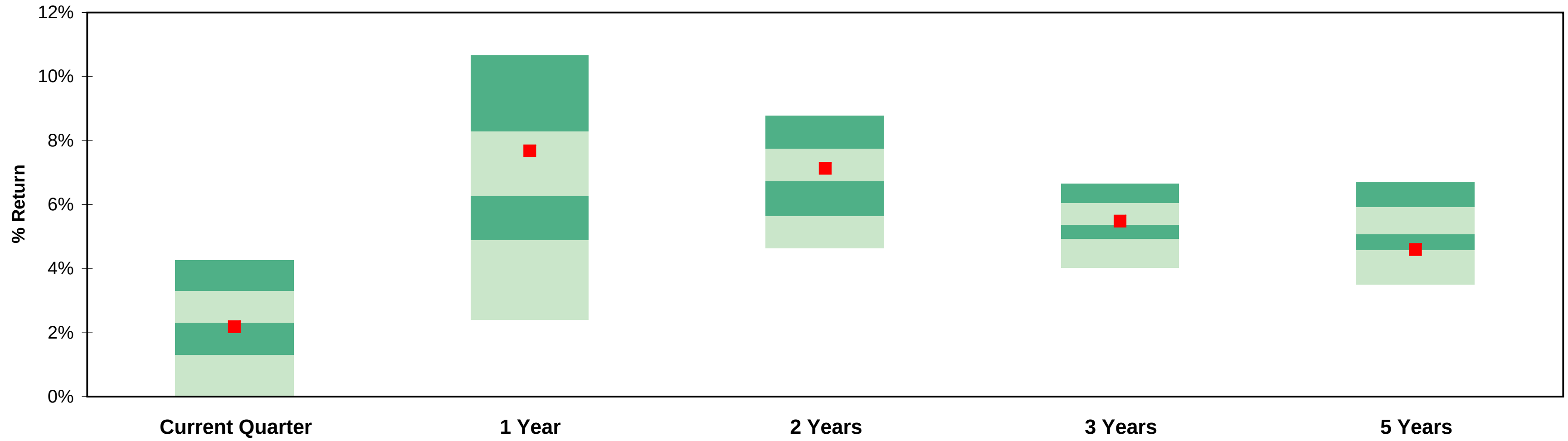
Investment grade credit spreads continued to widen as increased financing costs, counterparty risk and further deterioration in the housing markets caused investors to seek more of a premium. The late quarter intervention by the Fed moved to restore liquidity and the credit market moved up from its lows experienced mid March. High yield securities also experienced poor returns during the quarter as recession fears intensified and investors risk appetites continued to decrease. The Lehman HY index returned -3.01% for the quarter.

Period Ending March 31, 2008	QTR	1 YR	2 YR	3 YR	5 YR
Northern Trust U.S. Fixed Income Manager (Median)	**1.2**	**5.6**	**6.1**	**5.2**	**4.8**
Lehman US Universal Index	1.7	6.6	6.8	5.5	5.0
Lehman US Aggregate Index	2.2	7.7	7.1	5.5	4.6
Lehman Government/Credit	2.5	8.4	7.4	5.5	4.6
Lehman Government Bond Index	4.0	11.5	8.7	6.4	4.7
Lehman Government Intermediate Index	4.1	11.2	8.5	6.3	4.3
Lehman Treasury Index	4.4	12.2	9.0	6.6	4.8
Lehman Treasury 20+ Years	3.6	13.4	9.9	7.2	6.5
Lehman US TIPS Index	5.2	14.5	9.8	6.7	6.8
Lehman Asset Backed Index	-1.9	-1.2	2.3	2.4	2.5
Lehman Credit Bond Index	0.4	4.0	5.5	4.3	4.4
Lehman High Yield Corporate Index	-3.0	-3.7	3.6	4.9	8.6
90 Day T-Bill	0.6	4.0	4.5	4.3	3.1

Statistical Source: Lehman Brothers Global Family of Indices March 31, 2008.

U.S. Fixed Income Programs - Total Returns

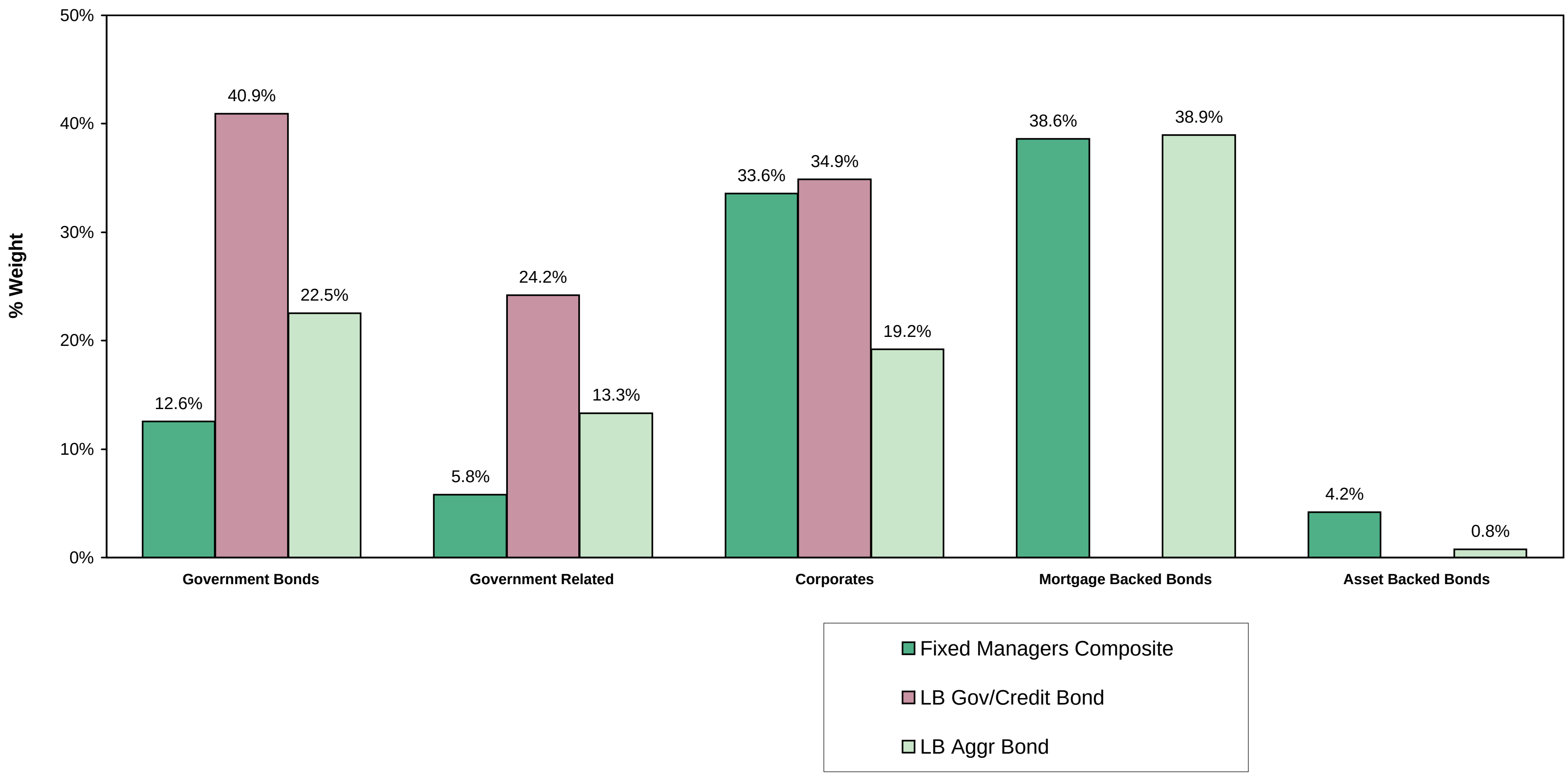
This universe depicts the plan sponsors' range of investment experience in their total US fixed income allocation; as opposed to the fixed income manageruniverse which depicts the range of managers' performance. This universe is helpful in determining the degree to which sponsors were capable of implementing a portfolio of US fixed income managers capable of beating the broad market.



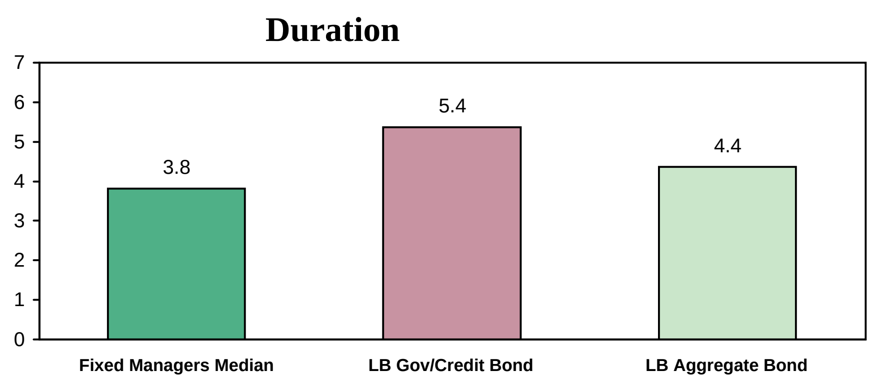
	Current Quarter	1 Year	2 Years	3 Years	5 Years
LB Aggr Bond	2.2%	7.7%	7.1%	5.5%	4.6%
10th Percentile	3.2%	10.7%	8.8%	6.6%	6.7%
1st Quartile	2.3%	8.3%	7.7%	6.1%	5.9%
Median	1.3%	6.3%	6.7%	5.4%	5.1%
3rd Quartile	0.3%	4.9%	5.6%	4.9%	4.6%
90th Percentile	-1.0%	2.4%	4.6%	4.0%	3.5%

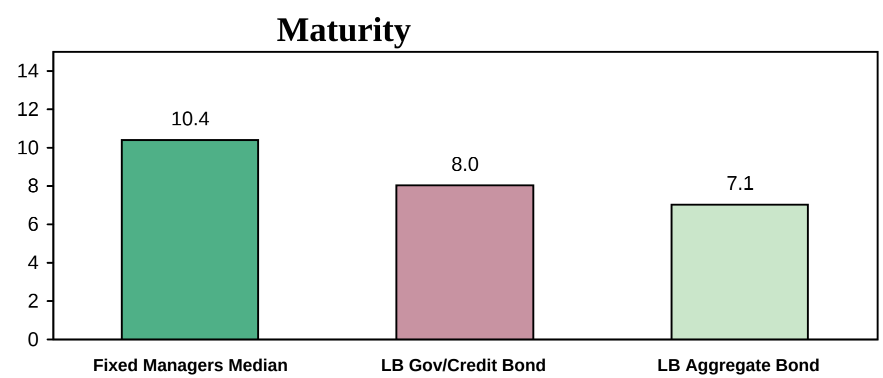
U.S. Fixed Income Sector Analysis

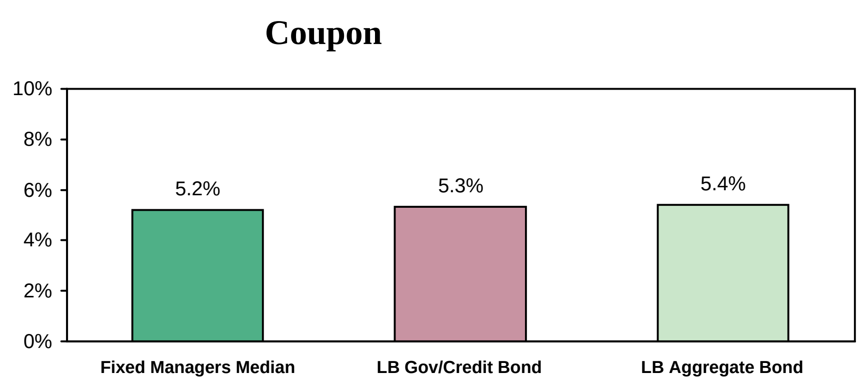
Sector Weightings



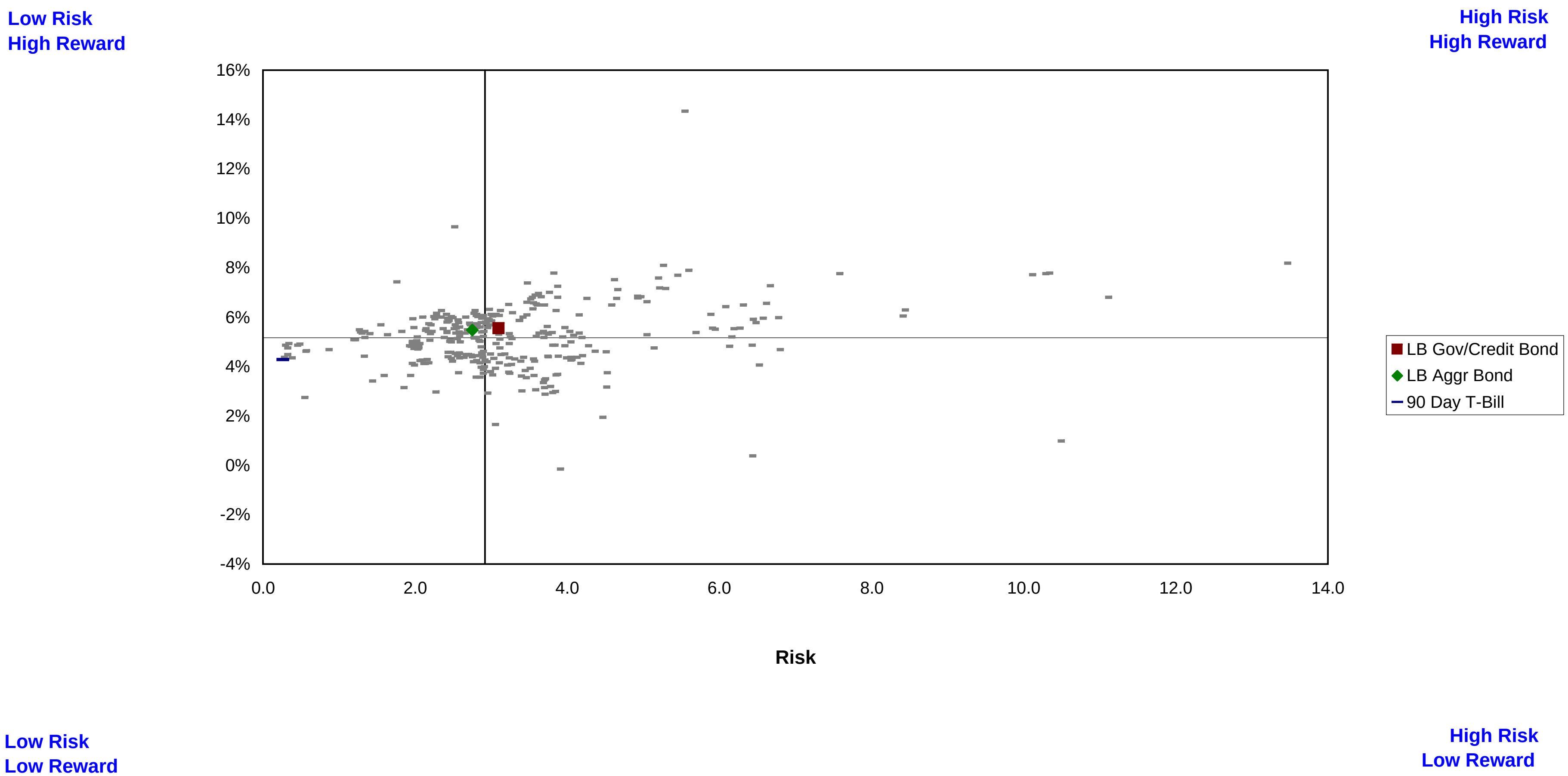
U.S. Fixed Income Characteristics



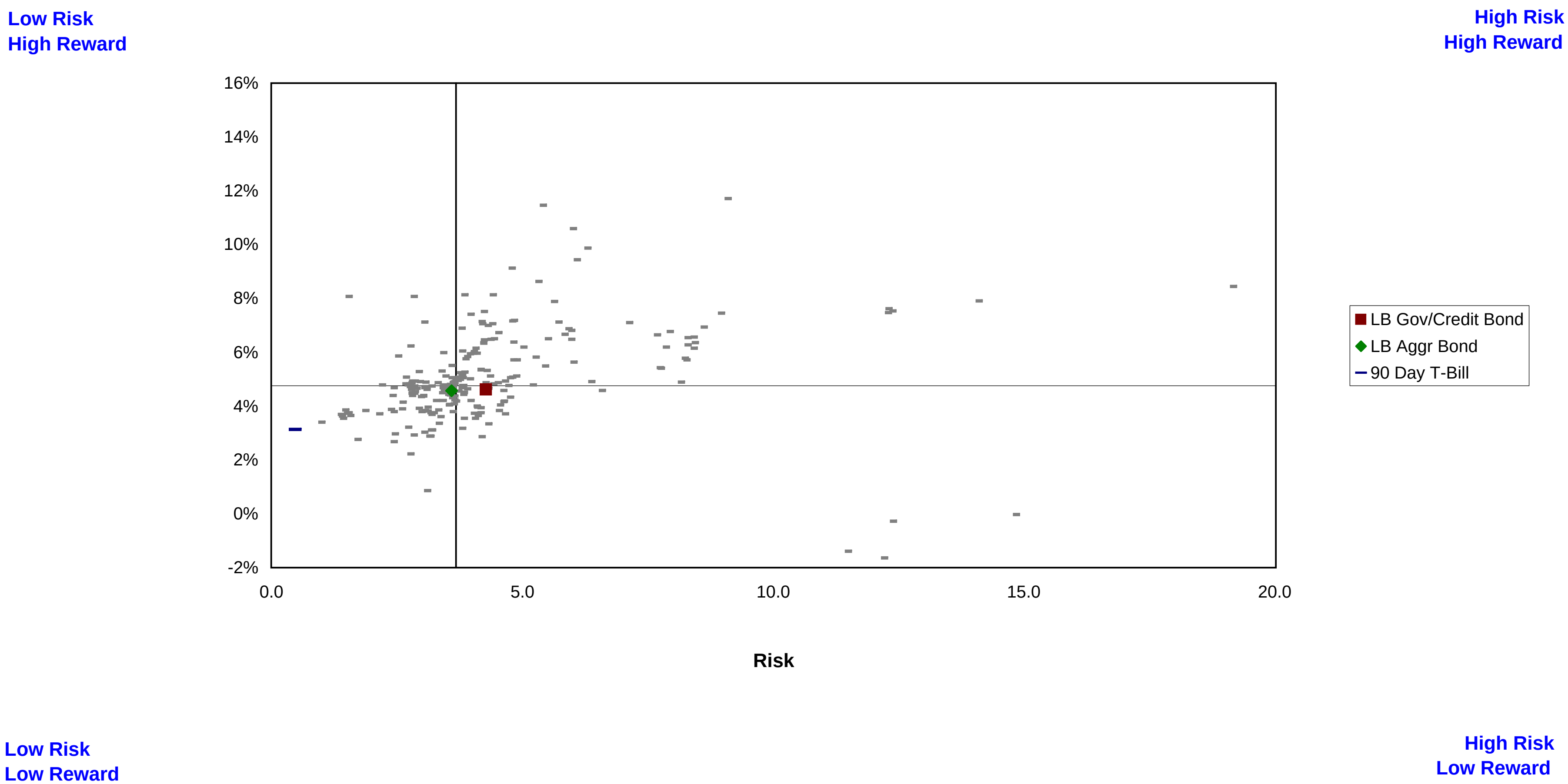




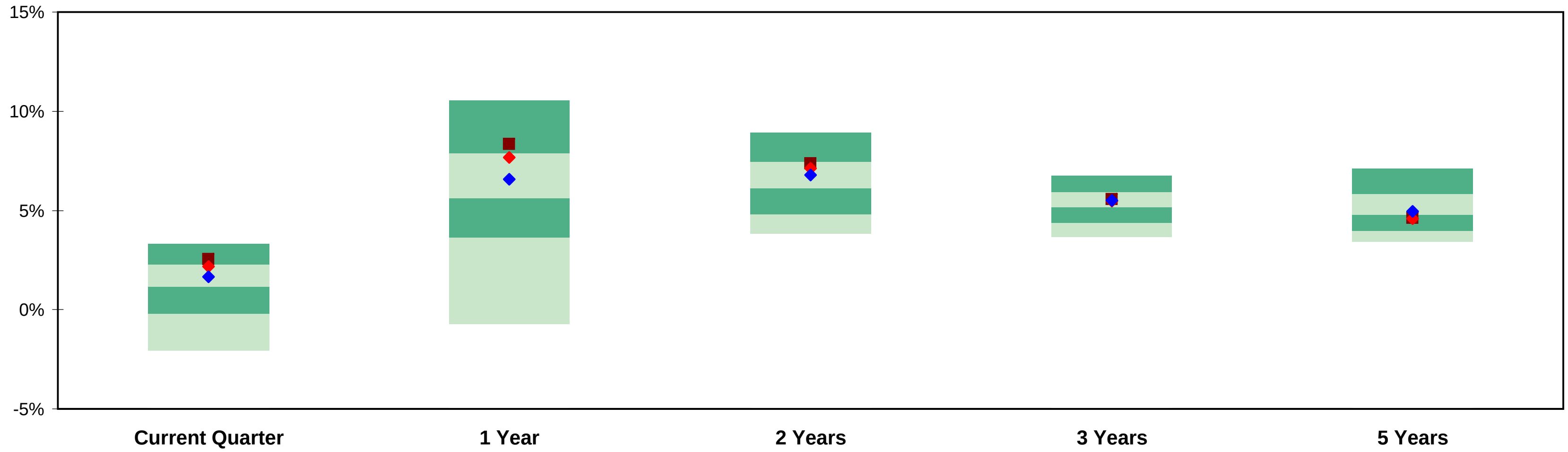
U.S. Fixed Income Managers - 3 Year Risk vs. Return



U.S. Fixed Income Managers - 5 Year Risk vs. Return



U.S. Fixed Income Managers - Total Returns

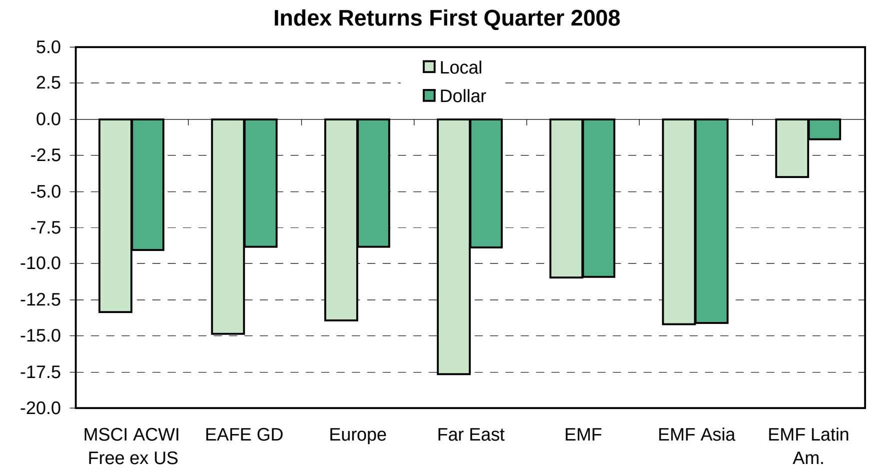


	Current Quarter	1 Year	2 Years	3 Years	5 Years
LB Gov/Credit Bond	2.5%	8.4%	7.4%	5.6%	4.6%
LB Aggr Bond	2.2%	7.7%	7.1%	5.5%	4.6%
LB US Universal	1.7%	6.6%	6.8%	5.5%	5.0%

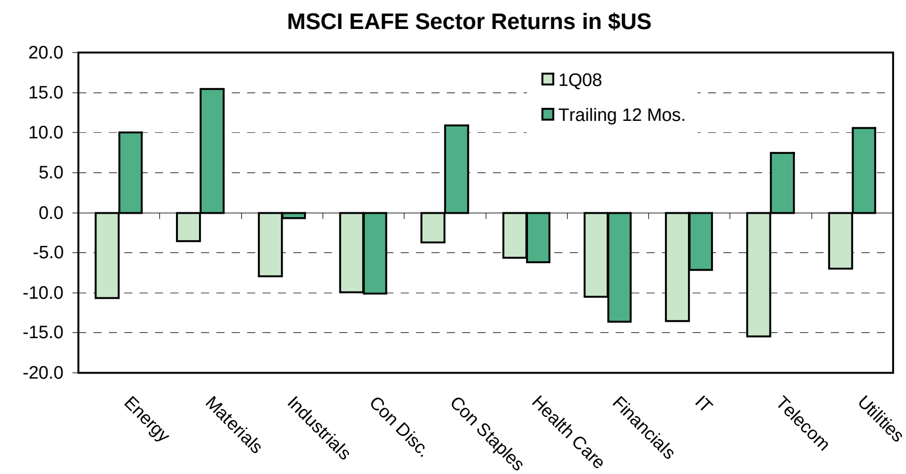
	Current Quarter	1 Year	2 Years	3 Years	5 Years
10th Percentile	3.3%	10.5%	8.9%	6.8%	7.1%
1st Quartile	2.3%	7.9%	7.5%	5.9%	5.8%
Median	1.2%	5.6%	6.1%	5.2%	4.8%
3rd Quartile	-0.2%	3.7%	4.8%	4.4%	4.0%
90th Percentile	-2.1%	-0.7%	3.8%	3.7%	3.4%

International Overview

Overview
The beginning of 2008 did not bring international markets any kind relief from the pressures of world-wide exposure to the sub-prime lending slide and the overwhelming pressures of the credit crisis. These concerns continued to weigh down the international markets, including the emerging markets which for sometime have been insulated from the effects of these issues. Even with these issues before the international markets, the International Monetary Fund has predicted the world's economic growth for 2008 to be 4%. In the here and now, the world's first quarter market returns were poor across the board with few, if any, bright spots. The MSCI EAFE Index was down 14.9% for the quarter in local terms. Even with the currency pick-up from the extremely weak U.S. dollar, the index was still unable to crawl out of negative territory returning -8.9% for the quarter in USD terms.



International Currency Markets
During the first quarter, the dollar continued to depreciate against the Euro, down 7.2%, and the Yen, down 12% (the strongest the JPY has been in 12 years against the USD). The U.S. dollar also lost ground against the AUD losing 4%. Though the USD was able to gain ground on the CAD, 5.1% and slightly on the GBP,0.3%. The GBP was held down against the USD due to BOE reducing rates to 5.25% in the first quarter in response to economic weakness and the liquidity crisis.



International Equity Markets
The International Equity Markets entered 2008 continuing to struggle during yet another volatile quarter. The MSCI ACWI Ex-US Index produced a negative 13.3 % return for the quarter which resulted in a negative 8.5% return for the one-year period (in local terms). The major developed markets continued to produce returns which weighted heavily on the index. Exclusive of Denmark, which returned +0.4%(local terms), none of the developed markets in the index were able to produce a positive return for the quarter. Japan's -17.8%(local terms) return was a large detractor on the index's performance, given the country's relatively high allocation, 14.9% of the index. The United Kingdom's poor performance for the quarter of -10.4%(local terms) coupled with its weighting of 16% in the index also was major detractor for the quarter.

International Overview (Continued)

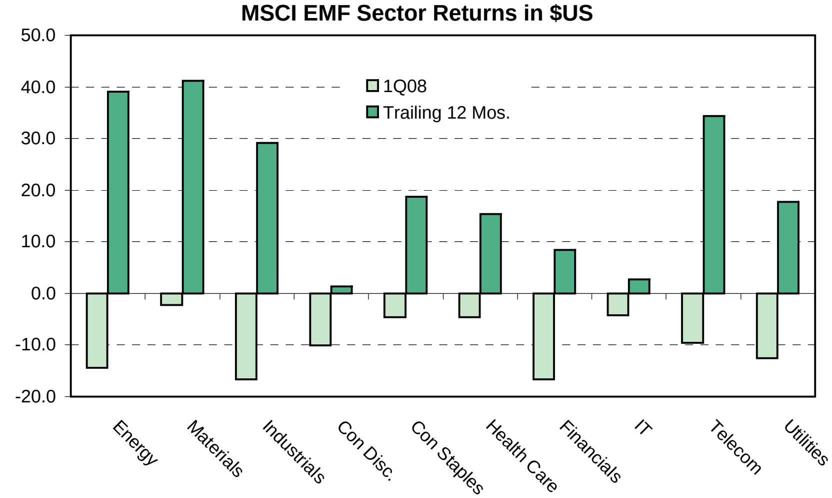
International Equity Markets (continued)

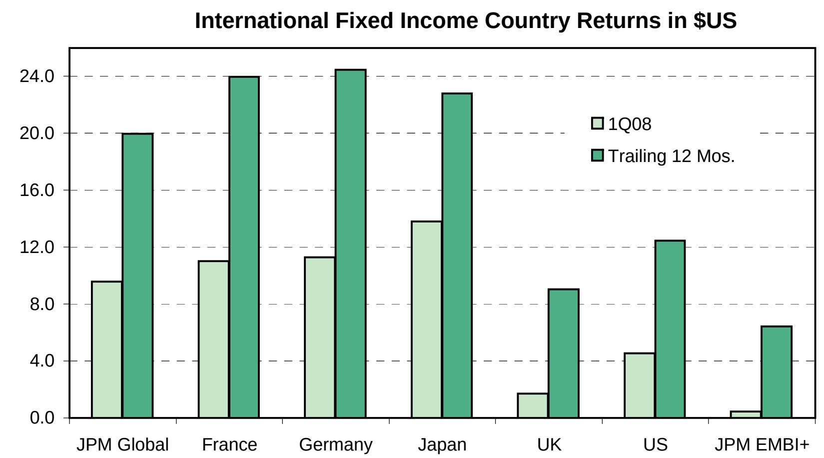
The Emerging Markets had been able to withstand the pressures affecting the developed markets, this came to an end with the first quarter of 2008. Though not directly exposed to the sub-prime housing concerns, the reduced appetite for risk and liquidity issues finally settled in on the Emerging Markets, which ended the first quarter with a return of negative -10.9 in both local and USD terms. Of the more heavily weighted (>10%) countries in the index only Taiwan was able to produce a positive return, 5.3%, for the quarter. Brazil which had been one of the better contributors to index was down 5%(USD terms) based on negative returns in the Financials and Energy sectors (-12.7% and -13.7% respectively in USD). China and India which had also been positive influences on the index were hit hard in the quarter with negative returns of 23.7% and 27.0% respectively in USD terms.

International Fixed Income Markets

The J.P. Morgan Global Bond Index increased by 9.6% (USD terms) in the first quarter. The continued U.S. subprime credit problems along with their concern regarding the economic slowdown, drove the U.S. Fed to continue with interest rate cuts, reducing Fed Funds rate by 200bps. during the quarter, pushing yields downward and treasury prices up. The Bank of England cut their key lending rate by another 25bps. in February in an effort to spur economic growth. The European Central Bank decide not to make a change to their lending rates in the first quarter. Bank of Japan, now lacking a full-time governor for the first time in more than 80 years also decided to leave their lending rates unchanged.

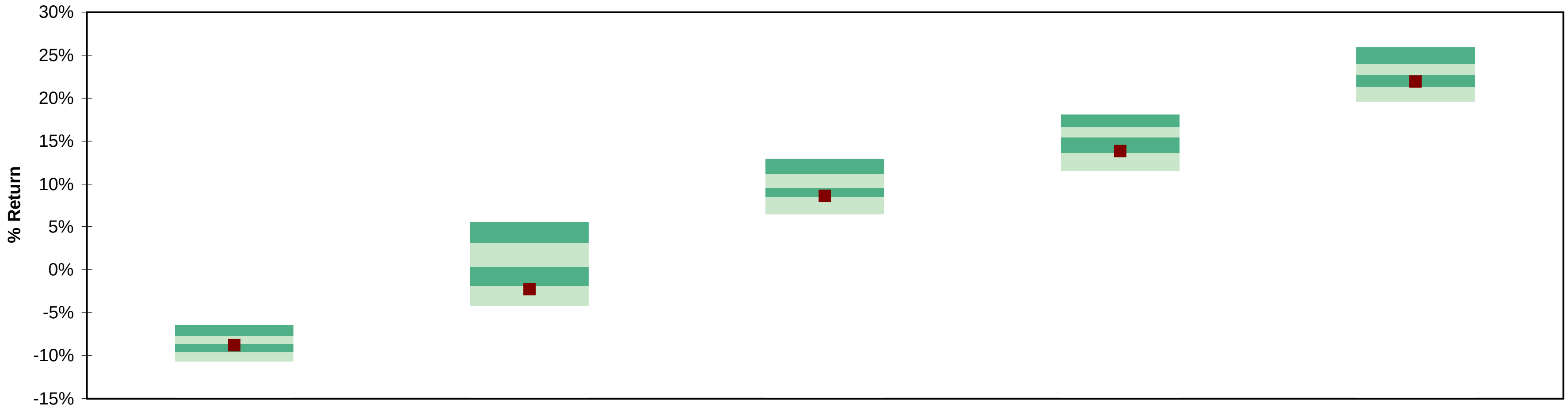
The J.P. Morgan Emerging Market Bond Plus Index also increased, returning 0.47% for the quarter and 4.3% for the one-year (in USD). All of the countries in the index posted positive returns for the quarter. Brazil, which is the largest contributor to the index at >19%, returned 0.5% in dollar terms. While Russia, the index's second largest contributor (16.6%), returned 2.3% for the quarter (USD terms).





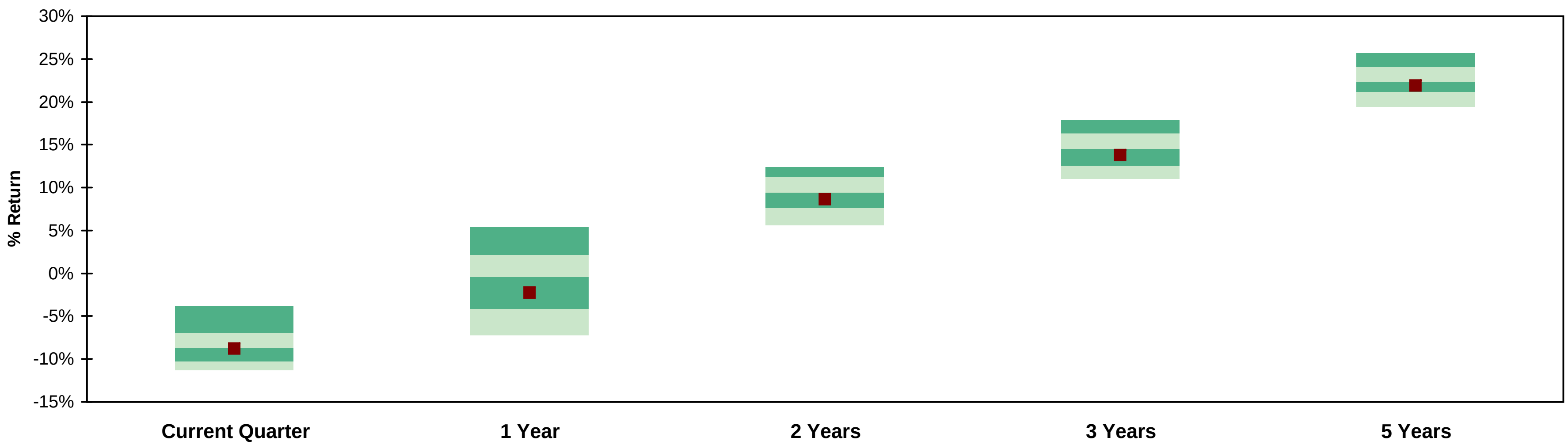
Non-U.S. Equity Programs - Total Returns

This universe depicts plan sponsors' range of investment experience in their total non-US equity allocation; as opposed to the non-US equity manager universe which depicts the range of managers' performance. This universe is helpful in determining the degree to which sponsors were capable of implementing a portfolio of non-US equity managers capable of beating the broad market.



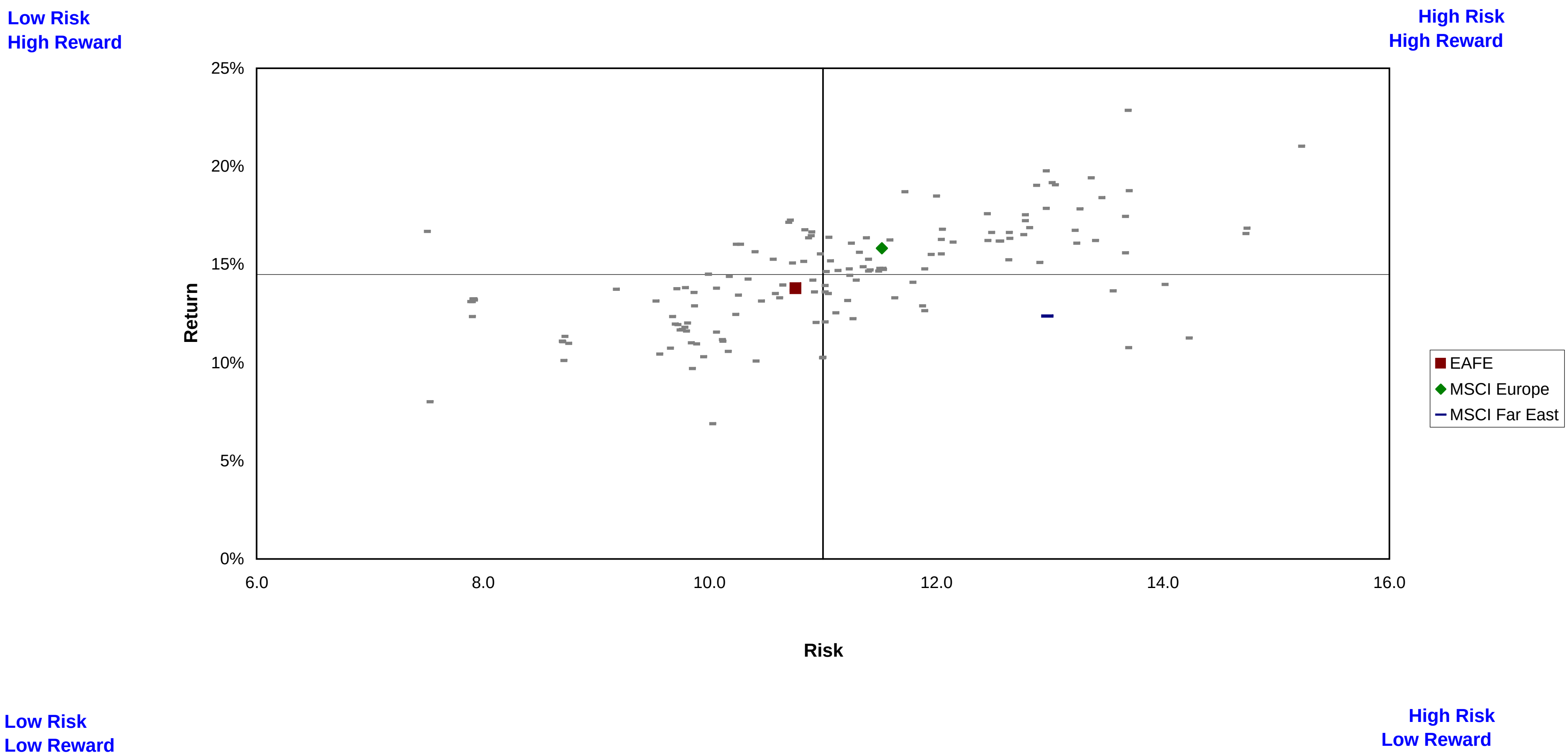
	Current Quarter	1 Year	2 Years	3 Years	5 Years
MSCI EAFE GD	-8.8%	-2.3%	8.6%	13.8%	21.9%
10th Percentile	-6.5%	5.6%	12.9%	18.1%	25.9%
1st Quartile	-7.7%	3.1%	11.2%	16.6%	24.0%
Median	-8.6%	0.3%	9.6%	15.5%	22.7%
3rd Quartile	-9.6%	-1.9%	8.5%	13.6%	21.3%
90th Percentile	-10.6%	-4.2%	6.5%	11.5%	19.6%

Developed Non-U.S. Equity Managers - Total Returns

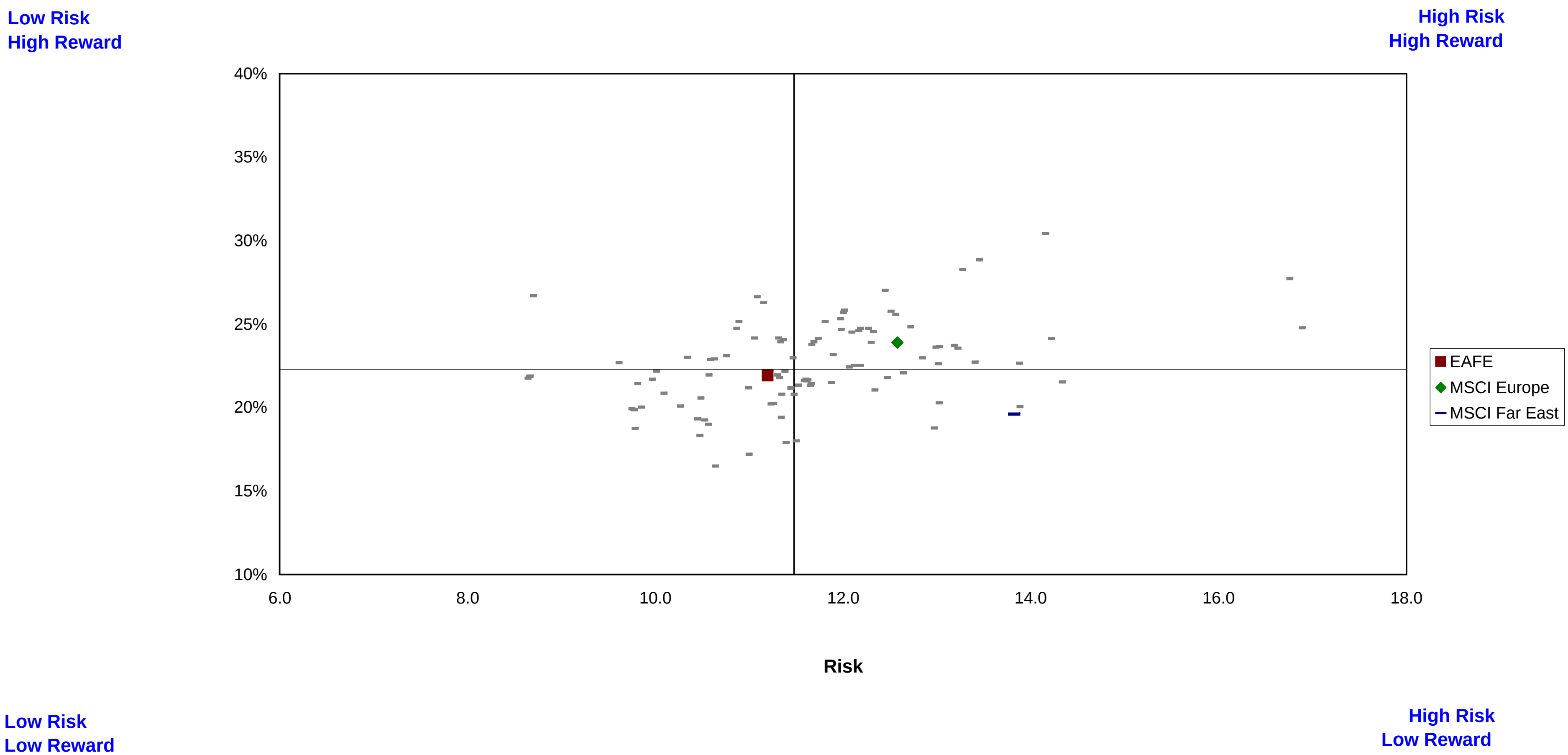


	Current Quarter	1 Year	2 Years	3 Years	5 Years
■ **MSCI EAFE GD**	-8.8%	-2.3%	8.6%	13.8%	21.9%
10th Percentile	-3.8%	5.4%	12.4%	17.8%	25.7%
1st Quartile	-6.9%	2.1%	11.3%	16.3%	24.1%
Median	-8.7%	-0.4%	9.4%	14.5%	22.3%
3rd Quartile	-10.2%	-4.1%	7.7%	12.6%	21.2%
90th Percentile	-11.3%	-7.2%	5.6%	11.0%	19.5%

Developed Non-U.S. Equity Managers - 3 Year Risk vs. Return



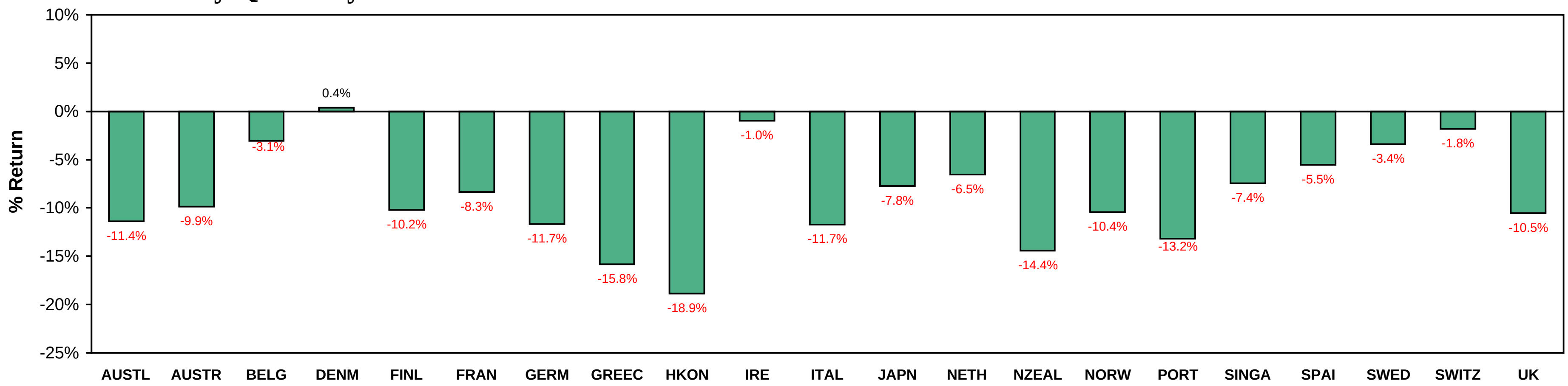
Developed Non-U.S. Equity Managers - 5 Year Risk vs. Return



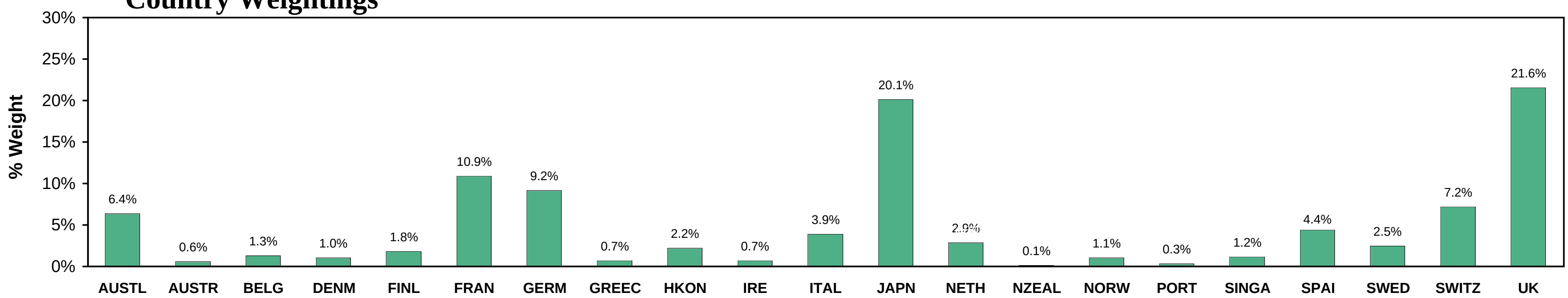
EAFE Country Analysis

MSCI EAFE Gross Dividends

Country Quarterly Returns



Country Weightings



Alternative Markets Summary

Private Equity
Private equity fundraising in the first quarter 2008 remained strong. According to statistics published by Private Equity Analyst magazine, US based firms raised $51.6 billion, which is an increase of 16% compared to last year. However, deal making is declining especially with buyout firms, which had 28 funds, which declined from 34 funds in 1st quarter 2007. The fundraising has also declined for buyouts to 22.3 billion from the 35.2 billion last year. The buyout slice of the pie has declined to 43% from 80% last year. The decline in the buyout funds was not a surprise because of the current state of the credit market. It is safe to say the industry isn't as bullish on the buyout market as it was last year at this time. However, mezzanine funds have pushed their totals up to $22.3 billion, which matched the buyout output for this quarter. Venture Capital market continued at a steady pace raising $4.1 billion, which is an increase of the $3.8 billion from last year. Observers expect more money to flow to Venture Capital funds and other types of funds that are not as dependent on debt financing.

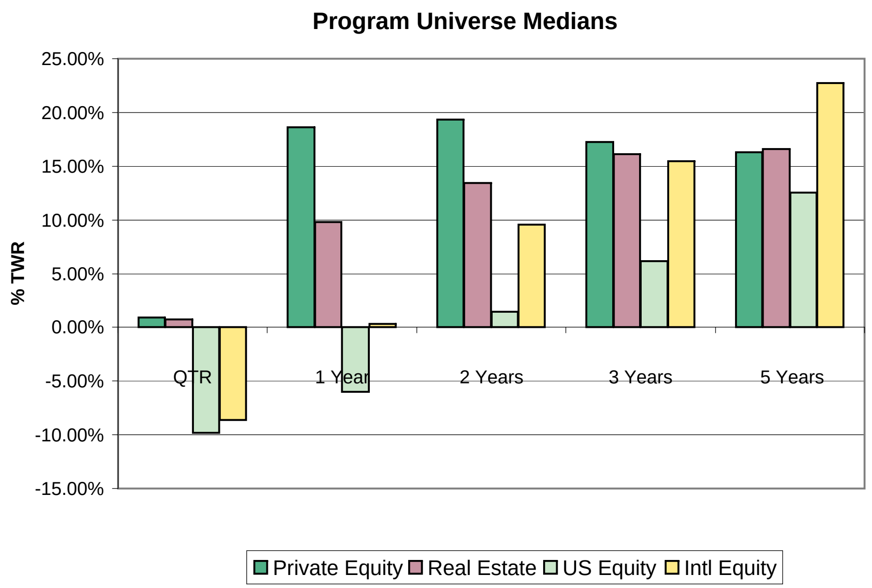
Private equity programs monitored by the Northern Trust fared well in 1st quarter 2008 relative to the public markets. For the three months ending March 31, 2008, the median private equity program posted a meager gain of .91% but compared to the marketable equity program (US plus International) return of -9.29% it was a substantial improvement. The top decile of private equity programs led marketable equity top decile by 13.7% while the bottom decile of private equity out gained marketable by over 8.9%. Looking at the five-year mark, the median private equity program out performed marketable equity market by a little under a full percentage point (16.3% vs. 15.4). The real story is in the top and bottom deciles. The top decile funds in the private equity program outperformed the marketable equity program by 7%. While the bottom decile of the private equity market underperformed, the public equity market by 7%.Which reflects only enhances the reasons for investing in the top tier private func

Real Estate
Real Estate properties continued to post solid gains while the REITS seemed to somewhat stabilize. The median real estate program monitored by the Northern Trust continues to lag the broad property indexes for the quarter ending March 31, 2007 but the difference is only 1.8% compared to 16.2% at the end of 2007.

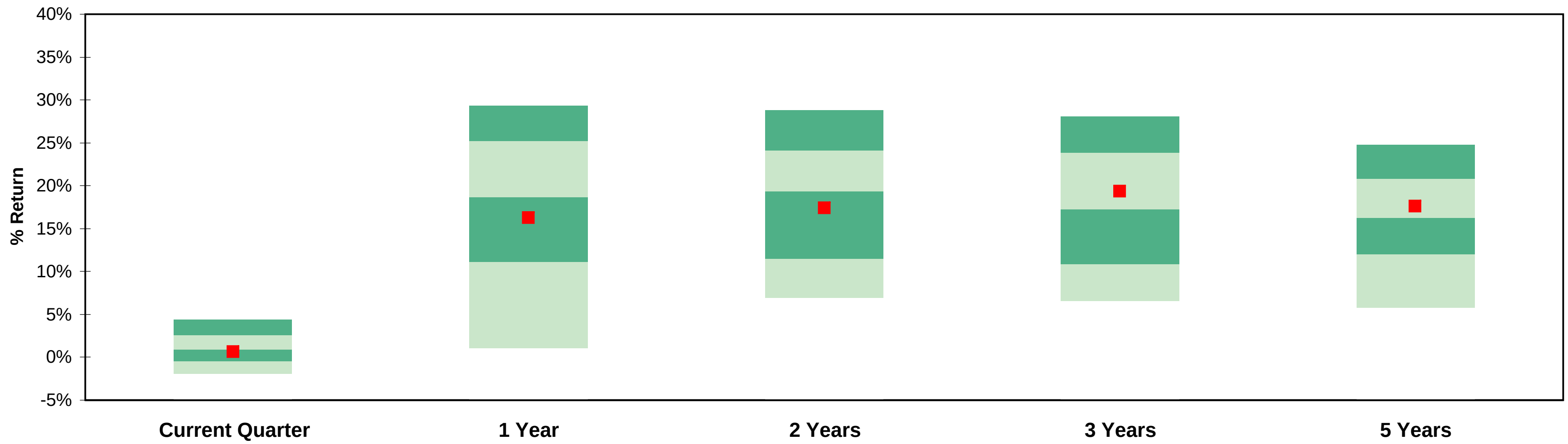
The real estate market continues to post solid gains over short and long periods. The median real estate programs outperformed marketable equity market by 10.0% over the last quarter with a respectable return of .7%. For the five-year mark, the real estate program outpaced marketable securities by 1.2% and outperformed the private equity markets by .3%. Given all the turmoil in the real estate market, the property index is still holding solid returns.

Hedge Funds
Hedge Funds had a few bright spots but overall had a negative quarter. The credit crunch had an effect on several strategies that produced negative results. The previously high- flying emerging market style also had a tough quarter giving up some of their previous gains. On the positive side, the defensive strategies and short only strategy had positive returns. The hedge fund groups as a whole faired much better then the marketable securities market. However, many hedge funds had dramatic negative results most of these funds had credit issues or emerging market exposure.

A sampling of the diversified hedge programs of institutional investors showed a 1st quarter 2008 return of -5.3%. The -5.3% hedge program easily outpaced the median total equity program return of -9.29%. Looking at longer periods, we see a different picture. For the 3-year period, hedge fund programs outperform total marketable equity programs (programs include US and international) by .6%. However, the 5-year returns for hedge funds, lags the public equity markets by 4.8%.The near term market volatilityhas arguably continues to benefit hedge fund portfolios although there are several examples of hedge funds gone awry.

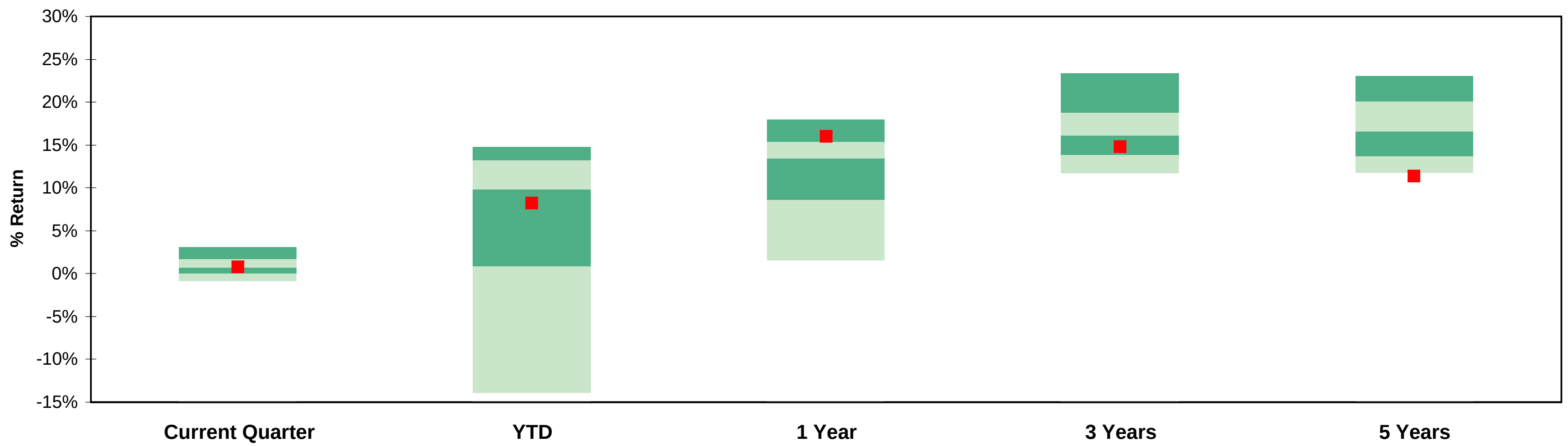


Private Equity Programs - Total Returns



	Current Quarter	1 Year	2 Years	3 Years	5 Years
NTRS PE Composite	0.7%	16.3%	17.4%	19.3%	17.6%
10th Percentile	4.4%	29.3%	28.8%	28.0%	24.8%
1st Quartile	2.6%	25.2%	24.1%	23.8%	20.8%
Median	0.9%	18.6%	19.3%	17.3%	16.3%
3rd Quartile	-0.4%	11.1%	11.5%	10.8%	12.0%
90th Percentile	-1.9%	1.1%	6.9%	6.5%	5.8%

Real Estate Programs - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
NTRS RE Composite	0.8%	8.2%	16.0%	14.8%	11.4%
10th Percentile	3.1%	14.7%	18.0%	23.3%	23.1%
1st Quartile	1.7%	13.2%	15.4%	18.8%	20.1%
Median	0.7%	9.8%	13.4%	16.1%	16.6%
3rd Quartile	0.0%	0.9%	8.6%	13.9%	13.7%
90th Percentile	-0.8%	-13.9%	1.6%	11.7%	11.8%