FundUniverse

Universe Book

3rd Quarter 2006

The Northern Trust Company

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The Northern Trust Company

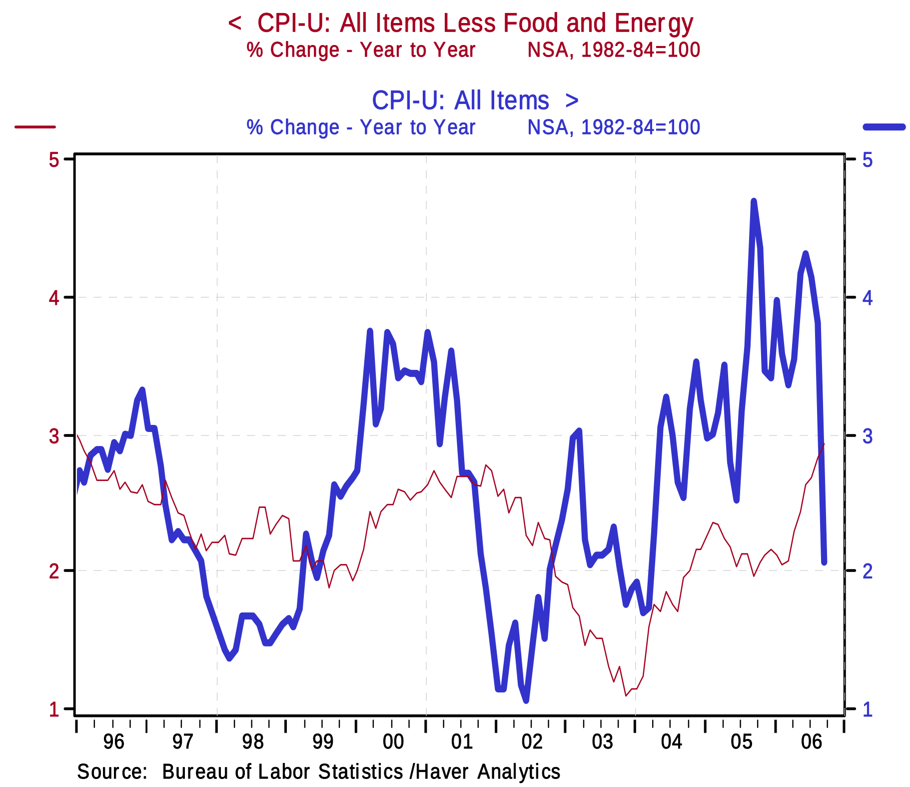
U.S. Economic Summary

The U.S. economy is predicted to grow below its potential capacity in the next few quarters. It is nearly certain that the Fed will hold the federal funds rate at 5.25% on October 25. There is a great deal of uncertainty about what aspect of the inflation-growth debate will be the focus of the policy statement after the October meeting. William Poole, President of Federal Reserve Bank of St.Louis, is of the opinion that risks of higher inflation and weaker economic growth are evenly balanced. Continued deceleration of economic growth should keep the Fed on hold until early 2007, by which time there should be convincing evidence of further weakening of the economy and core inflation that is closer to the comfort zone of the FOMC.

The economy advanced at an annual rate of 2.6% in the second quarter. A 2.2% increase in real GDP is predicted for the third quarter followed by a 1.8% increase in the final three months of the year. A sharp reduction in residential investment expenditures and a cutback in auto production should be the dominant sources of weakness. In addition, tepid growth in consumer spending and a larger trade gap are factors that will hold back the pace of business activity.

The main message from the labor market is that hiring remains sluggish. Payrolls increased only 51,000 in September. In the first nine months of the year, non-farm payroll employment, on average, increased 137,000 per month vs. a 161,000 gain in the first nine months of 2005. The unemployment rate has ranged between 4.6% and 4.8% in the January-September period.

The housing market played a major role in the current expansion as reflected in the sharp gains in residential investment expenditures and robust hiring in housing and related sectors. Recent data suggest that the role is reversed with housing now accounting for weakness in the economy. Housing starts and permits during September were down 18.7% and 31.9%, respectively, from a year ago. Sales of new homes show a 17.0% drop during the twelve months ended August, and the inventory of unsold homes has risen to a 6.6-month supply in August, up from a 4.6-month mark a year ago. The median price of a single-family home has dropped 1.3% from a year ago. Sales of existing homes fell 12.0% during the twelve months ended August, resulting in a 1.3% drop in prices during the year and an increase in the inventory of unsold homes in the market to a 7.5-month supply from a 4.7-month mark a year ago. Housing affordability is the lowest since August 1986. The Fed has indicated that spillover of the weakness in the housing market is not severe as yet. However, incoming evidence in the housing related components of the industrial production report and employment data pertaining to residential construction show the negative impact from the housing sector. Financial markets and the FOMC are watching for additional signs of the ripple effects of the housing sector.



U.S. Economic Summary (continued)

The Fed has maintained a hawkish posture on inflation because data are yet to indicate a deceleration of core inflation. Overall inflation, as measured by the Consumer Price Index, rose only 2.1% on a year-to-year basis in September. This represents a deceleration of consumer prices after establishing a peak in June when the Consumer Price Index advanced 4.3% on a year-to-year basis. However, the news about core inflation, which excludes food and energy, is less favorable. The core Consumer Price Index moved up 2.9% in September, the highest since January 1996. Although this is troubling, on a three-month annualized basis, the core CPI has slowed to a 2.75% increase in September vs. a 3.8% gain during the three months ended May. In sum, the overall Consumer Price Index has peaked, while the high for core inflation should be established two-three months ahead. The FOMC needs to see less threatening readings of core inflation to justify a lower federal fund's rate.

Exports and non-residential investment expenditures continue to support growth of GDP. In the first-half of the year, non-residential investment expenditures advanced at an annual rate of 9.0% compared with a 5.5% increase in the second-half of 2005. Likewise, exports grew at a rapid pace of 10.1% in the first-half of 2006 vs. a 6.4% increase in the second-half of 2006. The current account deficit of the U.S. economy shows a small improvement in the first-half of the year (6.6% of GDP) from a record high mark of 7.0% of GDP set in the fourth quarter of 2005. The dollar has maintained a downward trend for almost five years. Given the large trade gap and non-U.S. central bank tightening, further weakening in the dollar is expected.

Key Economic Data

	quarterly change						Q4-to-Q4 change		
	2006-Q1a	2006-Q2a	2006-Q3a	2006-Q4f	2007-Q1f	2007-Q2f	2005a	2006f	2007f
Real GDP*	5.6	2.6	2.2	1.8	2.3	2.5	3.1	3.0	2.8
Consumer Price Index *	2.2	5.0	3.3	0.1	2.4	2.3	3.7	2.7	2.4
Unemployment rate**	4.7	4.6	4.7	4.8	5.1	5.4	5.1	4.7	5.3
Federal funds rate**	4.46	4.90	5.25	5.20	4.80	4.50	4.0	5.2	4.7
10-year note yield**	5.09	4.88	4.72	4.70	4.45	4.40	4.5	4.7	4.9

* - annualized percent change
** - Level, average for the quarter.
a - actual, f- forecast
2006-Q3- with the exception of GDP
other enteries are actual estimates

Asha Bangalore, Economist - Northern Trust Economic Research

Total Plan Summary

Markets responded favorably to a reduction in both inflation and geopolitical risks in the third quarter of 2006. Bond and stock markets rallied as the price of oil and other commodities fell back significantly, reducing the threat of inflation. The Fed held rates steady in the third quarter, expecting the slowing housing market and lower commodity prices to keep inflation under control. Geopolitical risks subsided as calm was restored to the middle east with a cease-fire in the Lebanon / Israel conflict. Although nuclear tensions with North Korea and Iran have not been resolved, and the war in Iraq continues with no end in sight, the market seems to be paying less attention to those risks now. Even the collapse of hedge fund Amaranth Advisors was largely ignored by the markets. Instead, the markets have focused on robust corporate earnings and the prospect for a "soft landing" in the U.S. economy.

The best performer among the four major market segments was the ERISA median plan, posting a quarterly return of 3.8% for the quarter ending September 30, 2006. The ERISA segment had the highest allocation to domestic equity, which enhanced performance during the quarter.

The Public Funds median plan earned a quarterly return of 3.7% for the third quarter. The Public Funds median plan also had significant exposure to the U.S. equity markets. While domestic equity investments detracted from the Public Funds performance during the previous quarter, it enhanced returns during the third quarter.

The median Foundations and Endowments plan posted a 3.2% gain for the quarter ended September 30, 2006. Similar to the aforementioned market segments, a healthy allocation to U.S. equities proved to be an influential factor leading to the positive return for the quarter. Relatively speaking, however, a smaller exposure to fixed income weakened the Foundations and Endowments median plan return.

The Wealth Management segment's median plan was the poorest performing fund of the four major market segments, posting a quarterly return of 2.9%. The Wealth Management segment's lower allocation to domestic equities dampened their performance for the third quarter of 2006.

Asset Allocation	Current	1 Year Ago	3 Years Ago	5 Years Ago
ERISA Composite (110 plans)				
U.S. Equity	46%	48%	48%	47%
Global/Non-U.S. Equity	18%	17%	15%	13%
U.S. Fixed Income	27%	26%	28%	30%
Global/Non-U.S. Bonds	1%	1%	1%	2%
Cash & Other	8%	8%	8%	8%
Public Fund Composite (38 plans)				
U.S. Equity	42%	47%	46%	44%
Global/Non-U.S. Equity	20%	17%	14%	12%
U.S. Fixed Income	25%	26%	29%	34%
Global/Non-U.S. Bonds	3%	1%	1%	2%
Cash & Other	10%	9%	10%	8%
Foundation & Endowments Composite (81 funds)				
U.S. Equity	37%	43%	48%	44%
Global/Non-U.S. Equity	16%	15%	12%	10%
U.S. Fixed Income	17%	18%	22%	26%
Global/Non-U.S. Bonds	1%	1%	1%	1%
Cash & Other	29%	23%	17%	19%

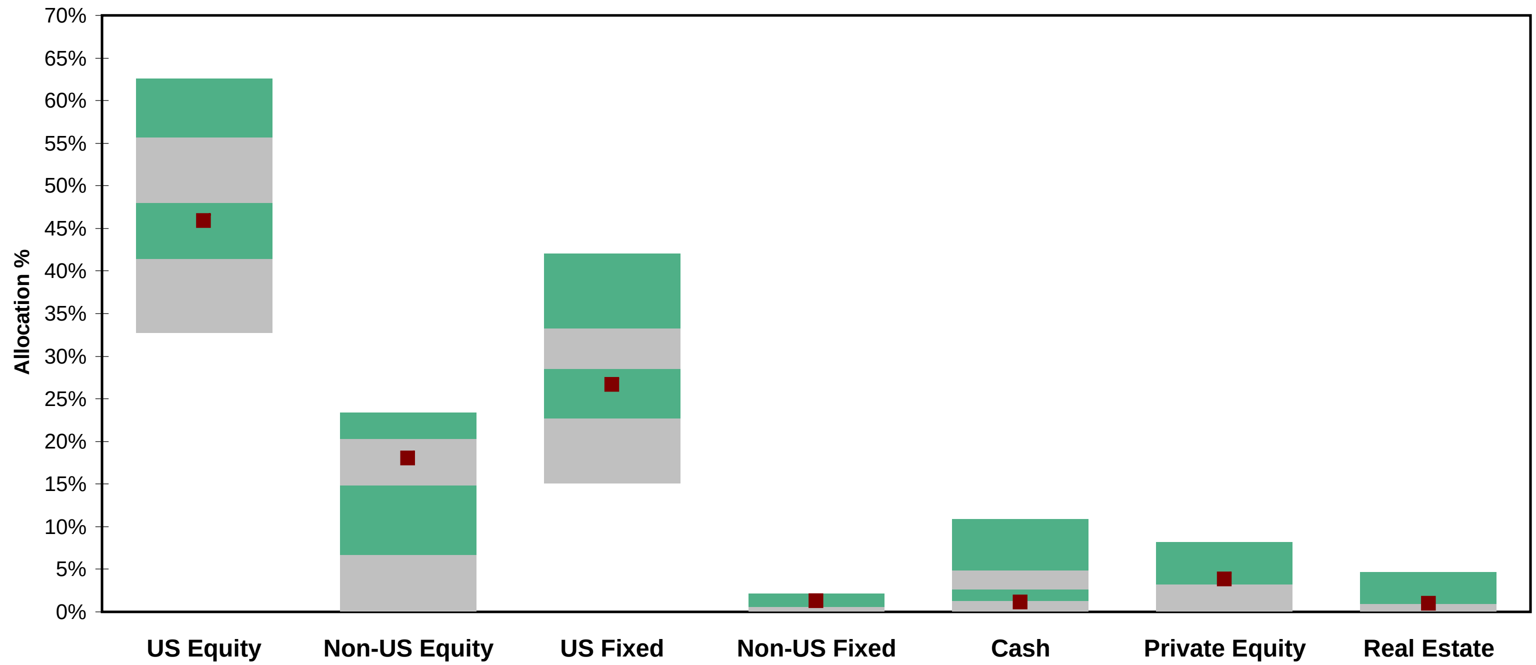
Periods Ended September 30, 2006	Qtr.	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.
Northern Trust ERISA Median	3.8%	10.0%	12.1%	12.5%	9.4%
Northern Trust Public Funds Median	3.7%	9.4%	12.0%	12.6%	9.8%
Northern Trust Foundation & Endowment Med.	3.2%	10.2%	12.5%	12.5%	9.4%
Northern Wealth Management Group Median	2.9%	8.1%	6.6%	9.9%	7.8%
S&P 500	5.7%	10.8%	11.5%	12.3%	7.0%
Lehman Bros. Aggregate Index	3.8%	3.7%	3.2%	3.4%	4.8%
MSCI EAFE (GD)	4.0%	19.7%	22.9%	22.8%	14.7%
90 Day T-Bills	1.3%	4.7%	3.7%	2.9%	2.3%

ERISA Plans - Composite Asset Allocation

At quarter-end, the Composite included 111 trusts with a total market value of $214 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.

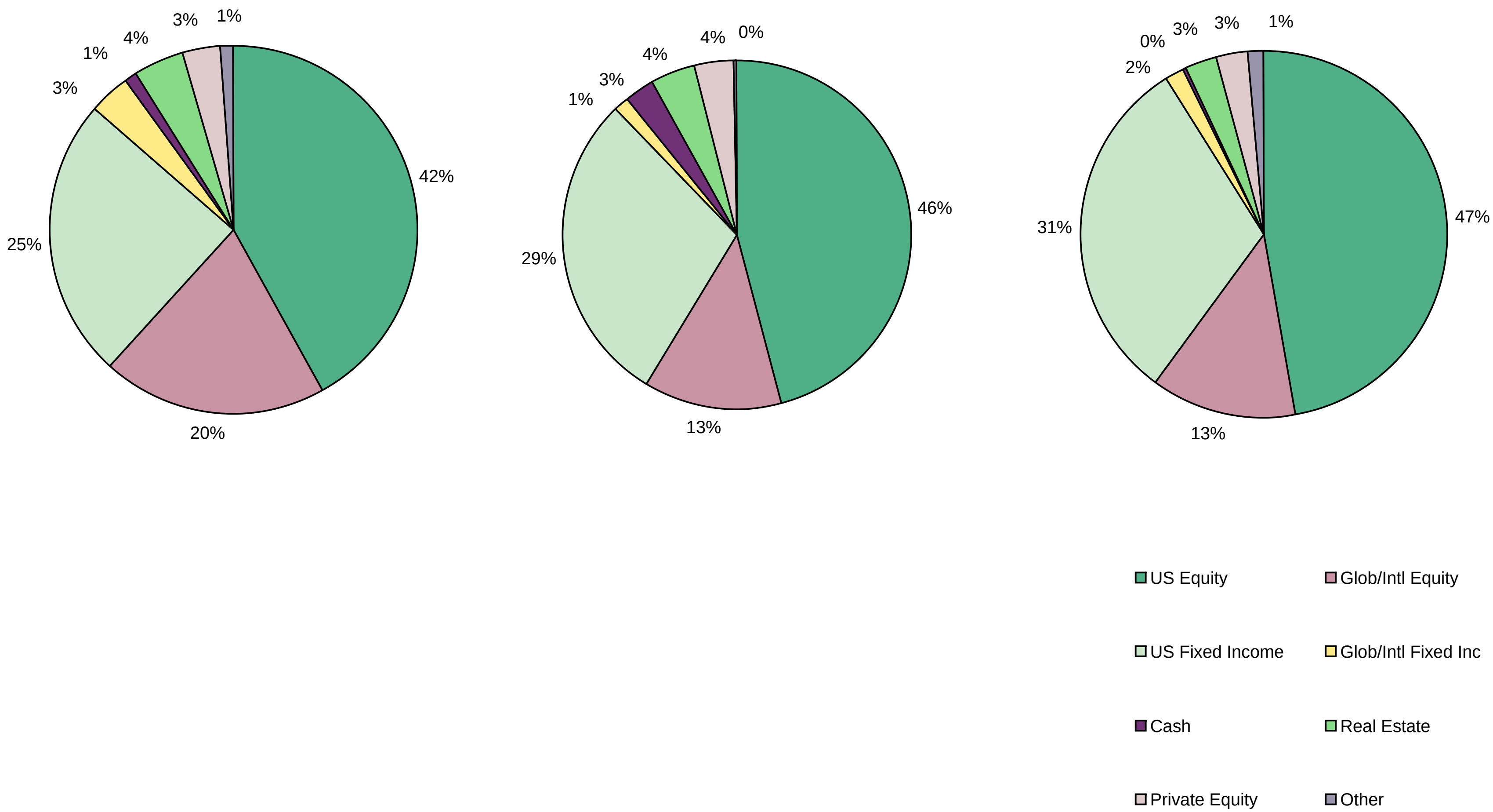


	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Cash	Private Equity	Real Estate
ERISA Composite	45.9%	18.0%	26.7%	1.3%	1.1%	3.8%	1.0%
10th Percentile	62.6%	23.3%	42.1%	2.2%	10.0%	8.2%	4.6%
1st Quartile	55.6%	20.3%	33.3%	0.6%	4.0%	3.3%	0.9%
Median	48.0%	14.9%	28.5%	0.0%	1.7%	0.0%	0.0%
3rd Quartile	41.5%	6.7%	22.7%	0.0%	0.4%	0.0%	0.0%
90th Percentile	32.7%	0.1%	15.1%	0.0%	0.0%	0.0%	0.0%

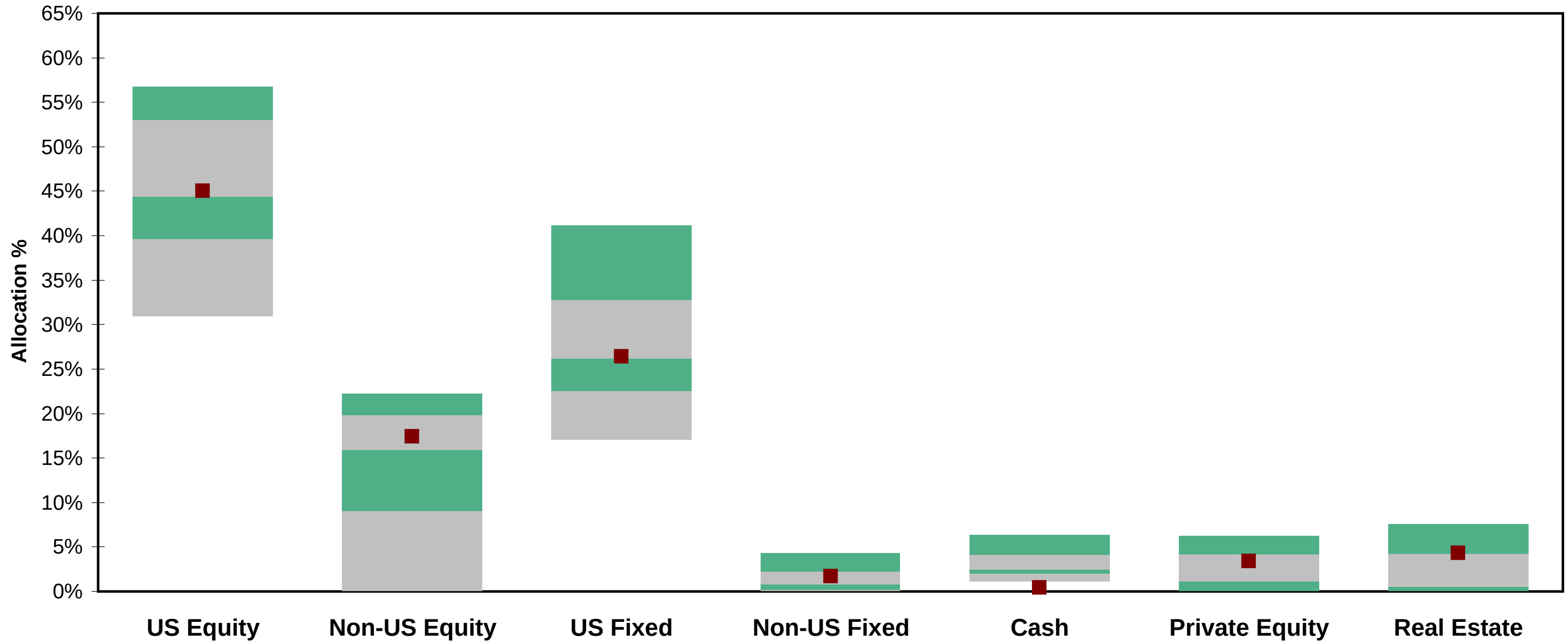
Public Funds - Composite Asset Allocation

At quarter-end, the Composite included 38 trusts with a total market value of $293 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**



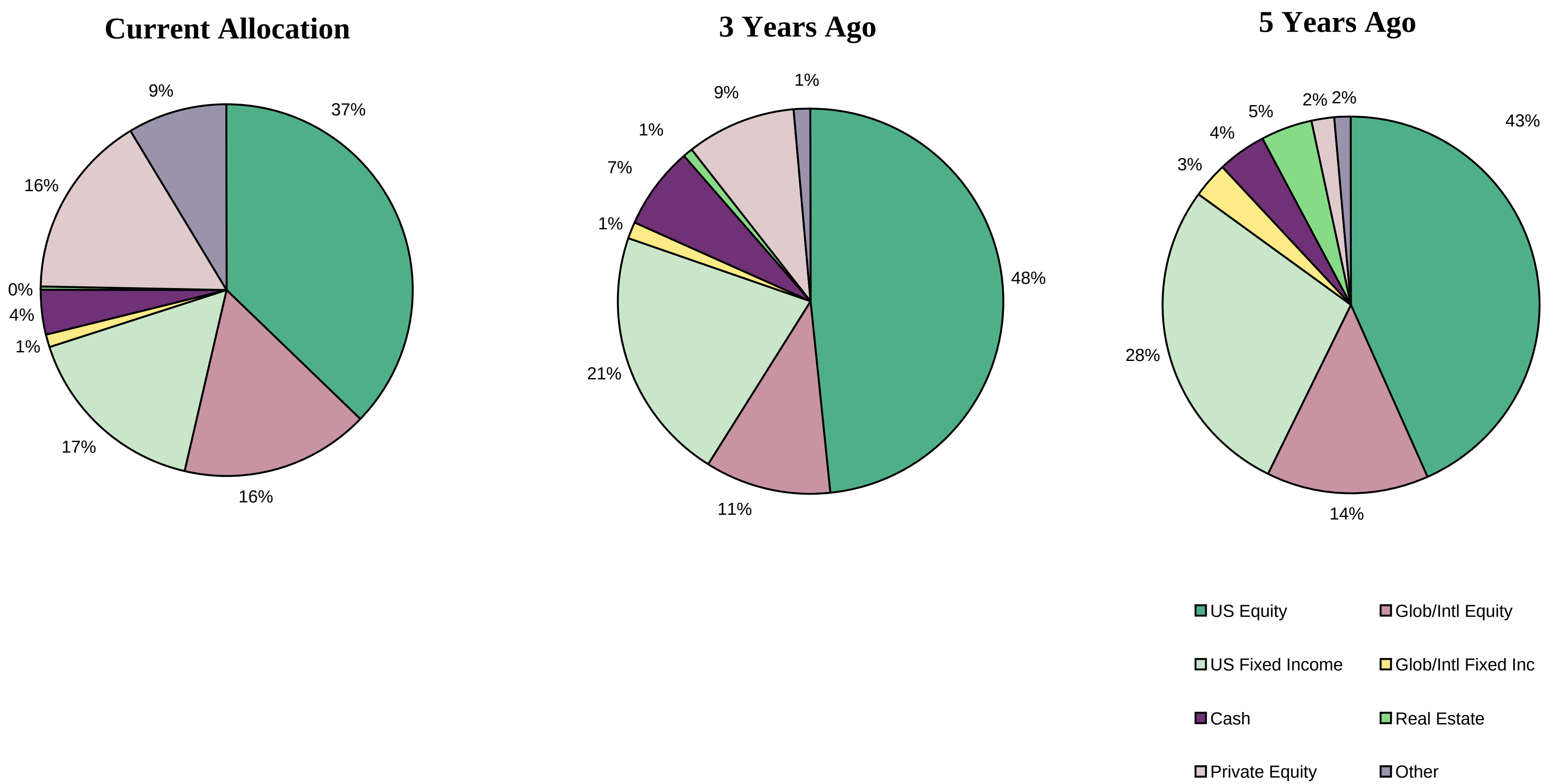
Public Funds - Range of Asset Allocation



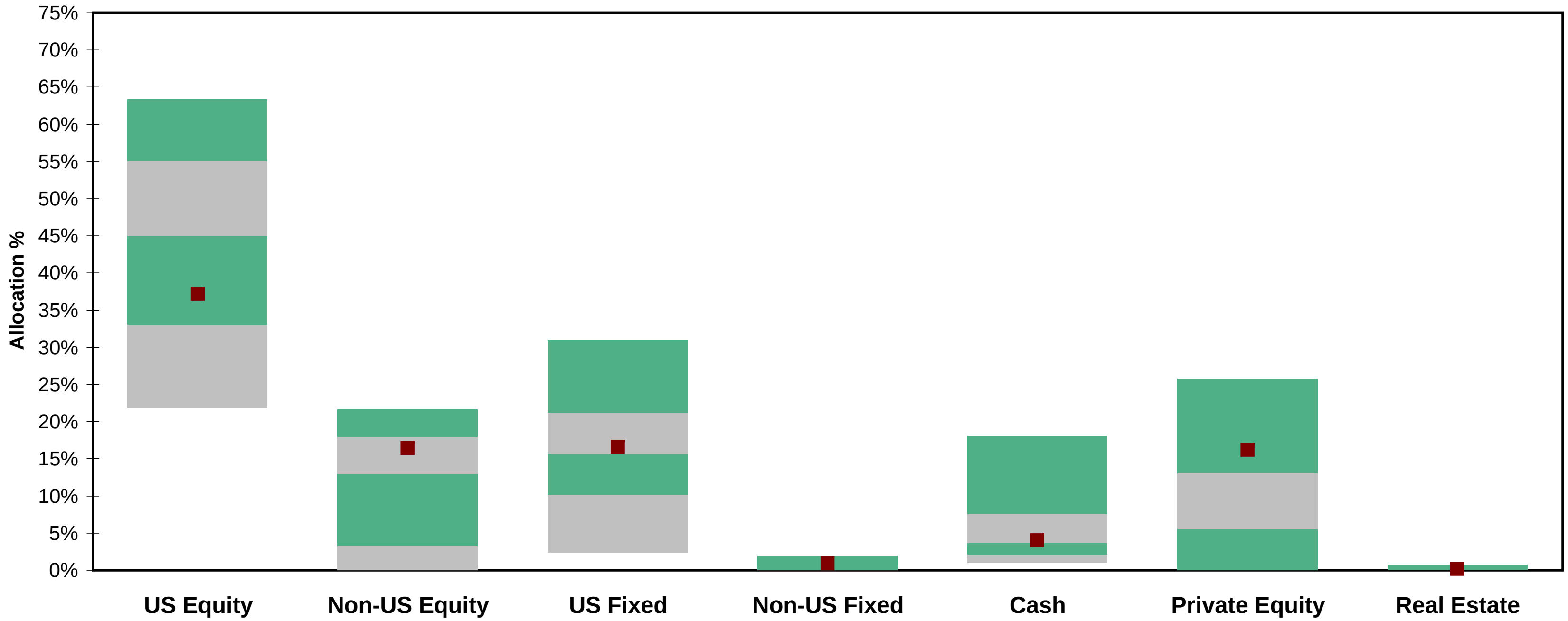
	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Cash	Private Equity	Real Estate
Composite	45.0%	17.4%	26.4%	1.7%	0.4%	3.4%	4.3%
10th Percentile	56.8%	22.2%	41.2%	4.3%	6.3%	6.2%	7.6%
1st Quartile	53.0%	19.9%	32.8%	2.3%	4.1%	4.2%	4.3%
Median	44.4%	15.9%	26.2%	0.8%	2.4%	1.1%	0.5%
3rd Quartile	39.6%	9.1%	22.5%	0.2%	2.0%	0.0%	0.0%
90th Percentile	31.0%	0.0%	17.0%	0.0%	1.2%	0.0%	0.0%

Foundation & Endowment Plans - Composite Asset Allocation

At quarter-end, the Composite included 83 trusts with a total market value of $ 92.4 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



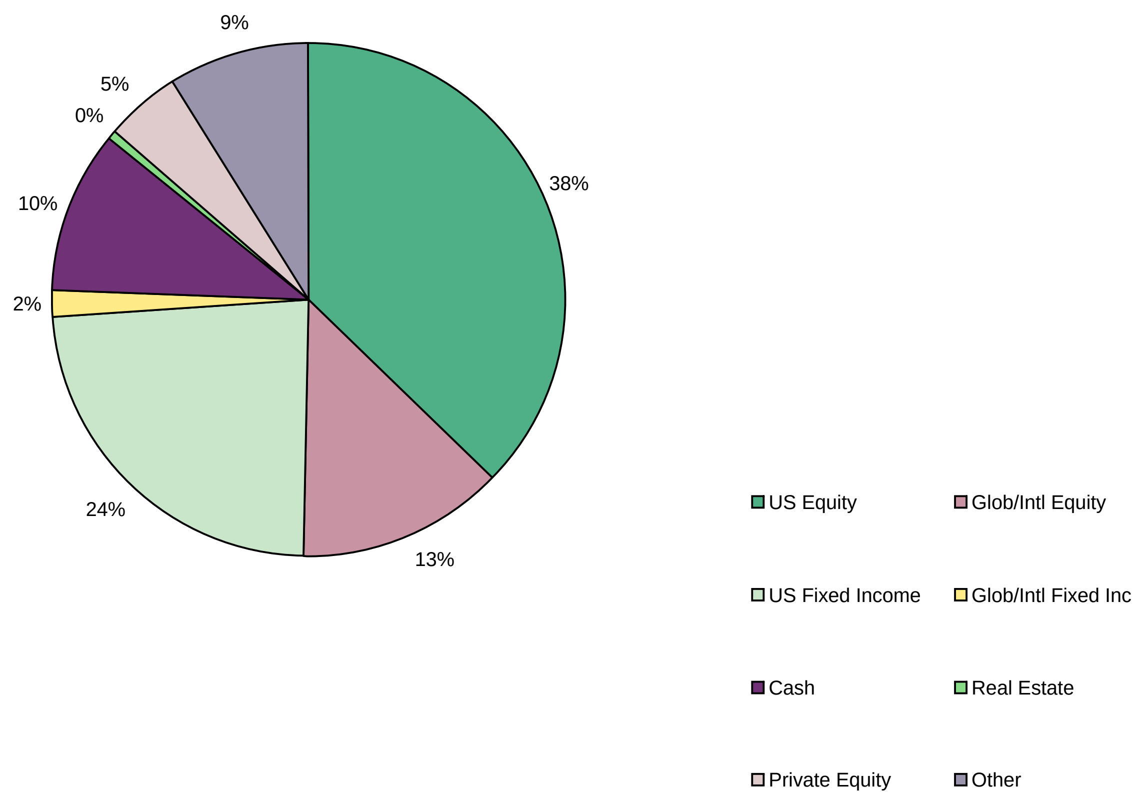
	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Cash	Private Equity	Real Estate
Composite	37.2%	16.4%	16.6%	0.9%	4.0%	16.2%	0.2%

10th Percentile	63.4%	21.6%	31.0%	2.0%	18.2%	25.8%	0.7%
1st Quartile	55.1%	17.9%	21.3%	0.1%	7.6%	13.1%	0.0%
Median	44.9%	13.0%	15.6%	0.0%	3.7%	5.6%	0.0%
3rd Quartile	33.0%	3.2%	10.1%	0.0%	2.2%	0.0%	0.0%
90th Percentile	21.9%	0.0%	2.3%	0.0%	1.0%	0.0%	0.0%

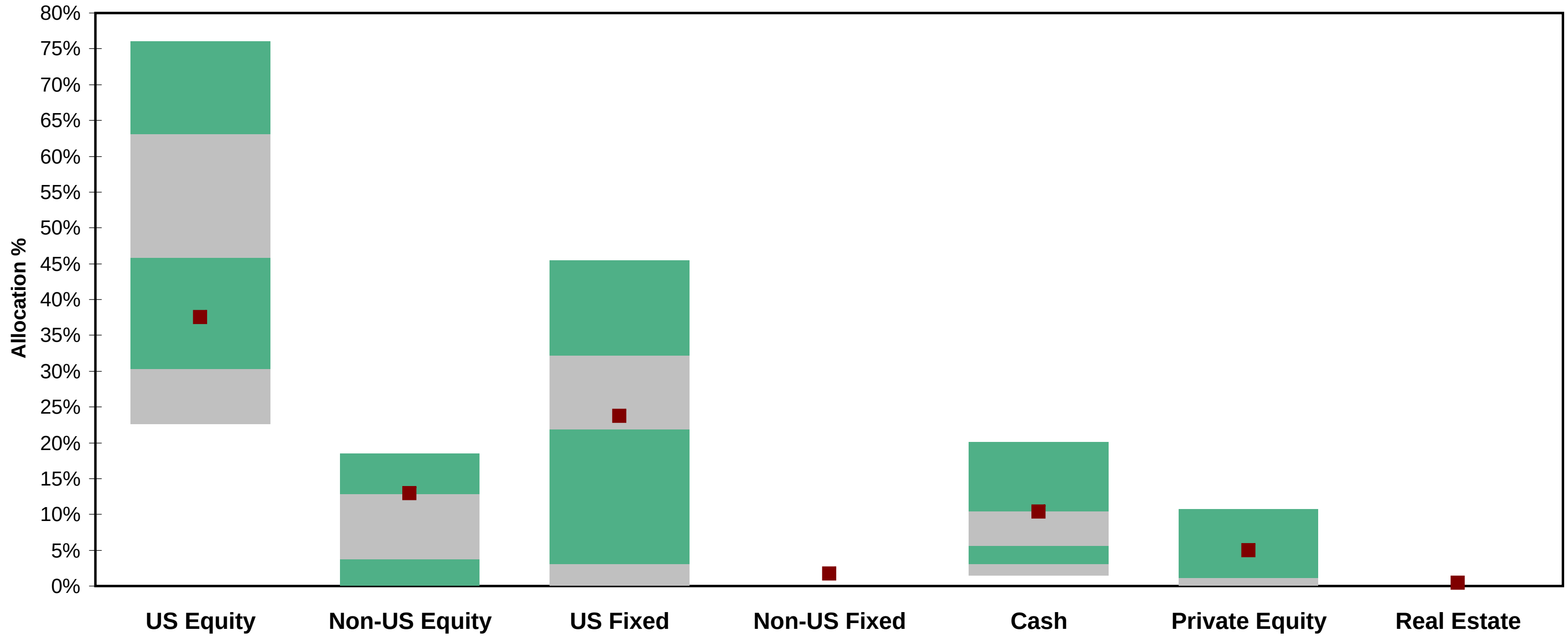
Wealth Management Plans - Composite Asset Allocation

At quarter-end, the Composite included 128 trusts with a total market value of $21.2 billion.

Current Allocation



Wealth Management Plans - Range of Asset Allocation

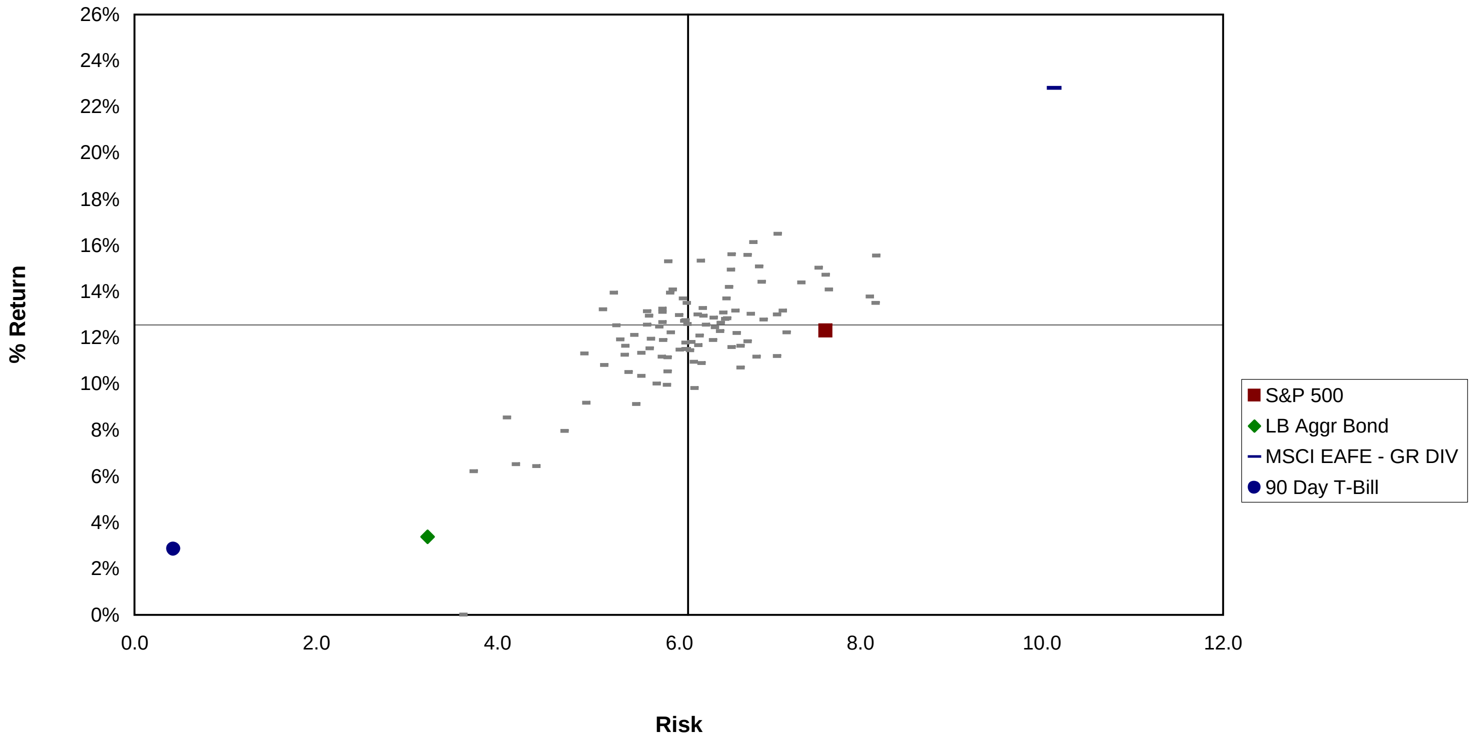


	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Cash	Private Equity	Real Estate
Composite	37.5%	12.9%	23.7%	1.7%	10.4%	5.0%	0.4%
10th Percentile	76.1%	18.5%	45.5%	0.0%	20.2%	10.7%	0.0%
1st Quartile	63.1%	12.9%	32.2%	0.0%	10.4%	1.1%	0.0%
Median	45.8%	3.8%	21.9%	0.0%	5.6%	0.0%	0.0%
3rd Quartile	30.3%	0.0%	3.1%	0.0%	3.1%	0.0%	0.0%
90th Percentile	22.6%	0.0%	0.0%	0.0%	1.5%	0.0%	0.0%

ERISA Plans - 3 Year Risk vs. Return

Low Risk
High Reward

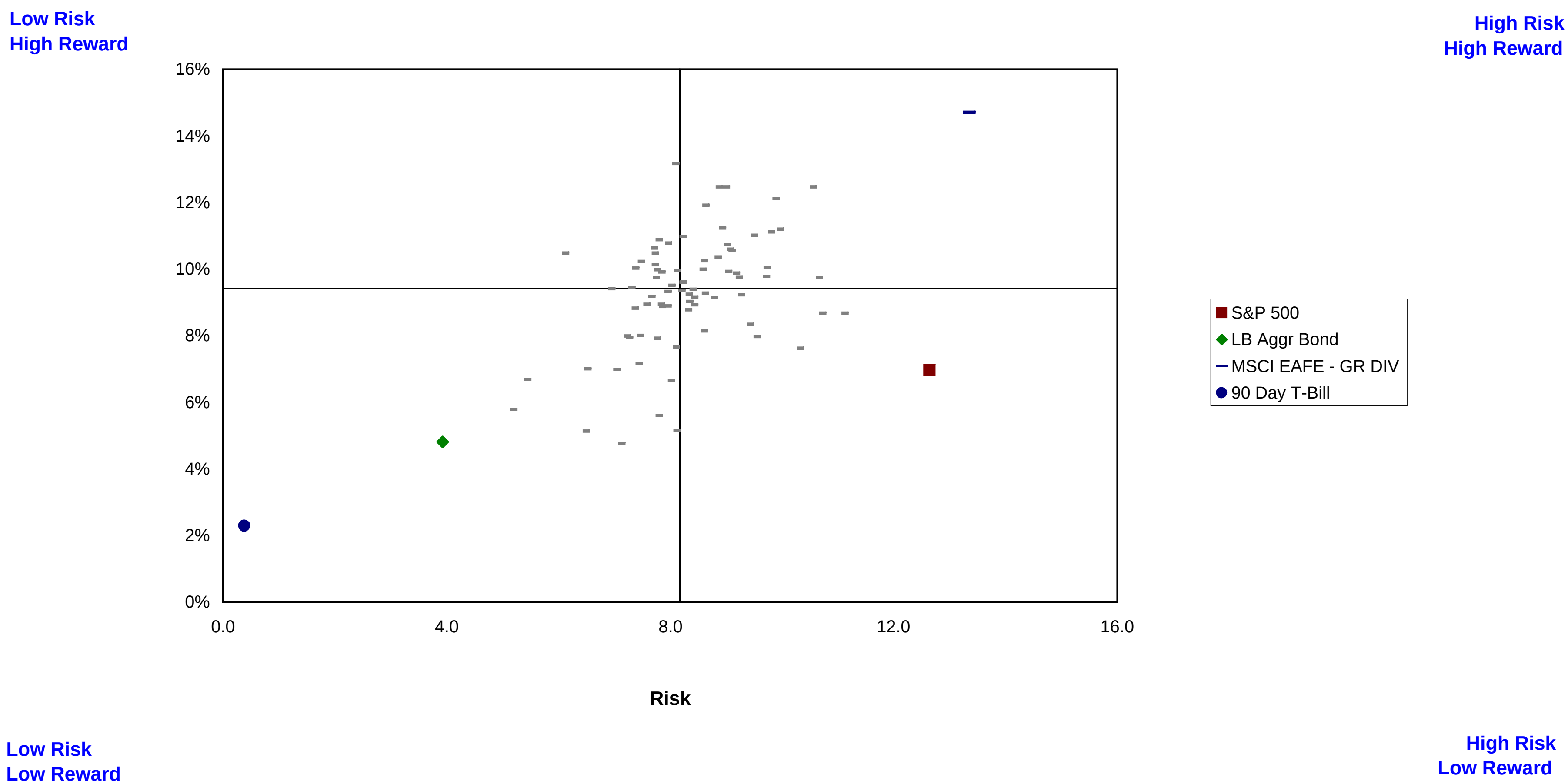
High Risk
High Reward



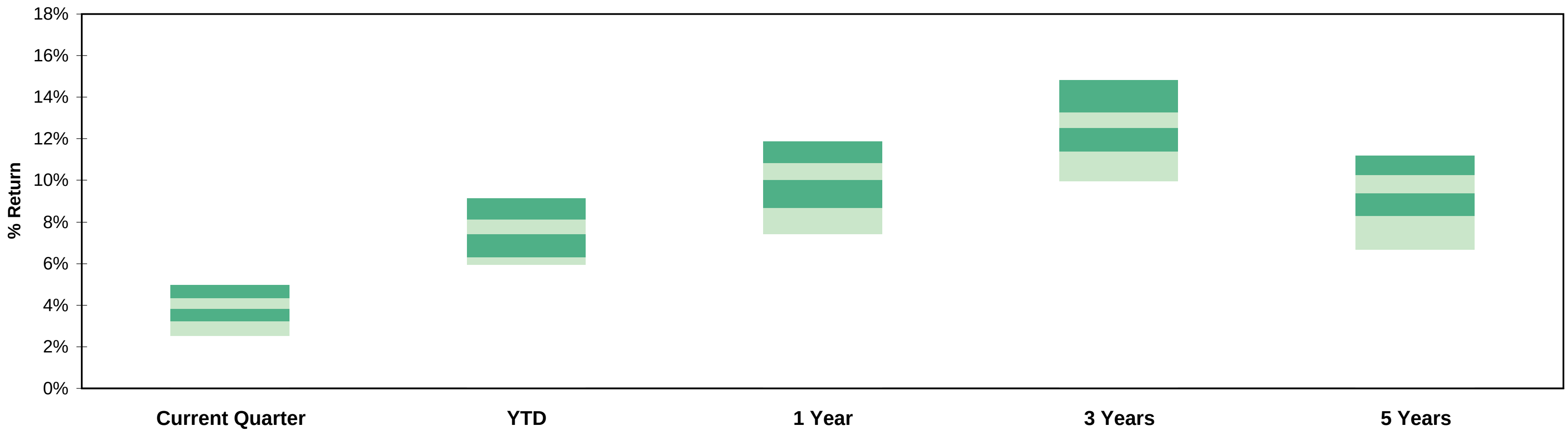
Low Risk
Low Reward

High Risk
Low Reward

ERISA Plans - 5 Year Risk Return

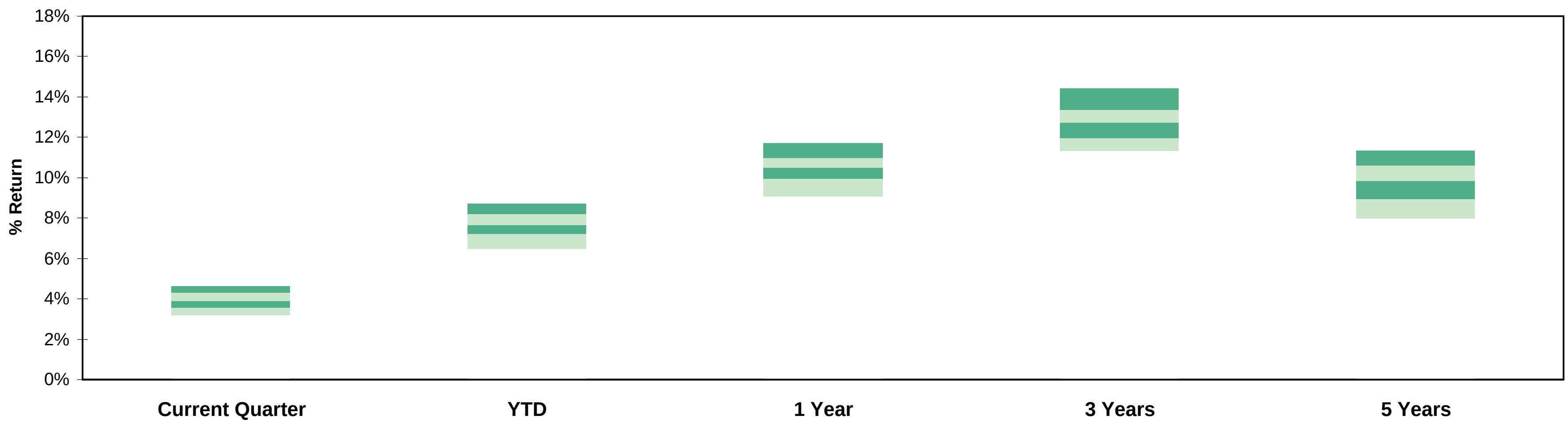


ERISA Plans - Total Returns



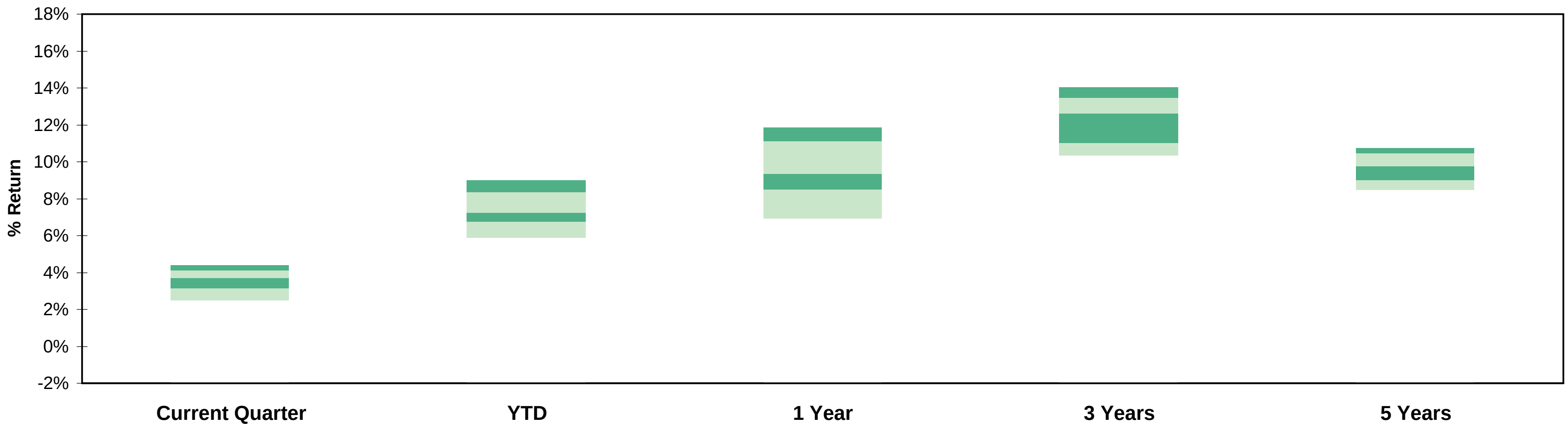
	Current Quarter	YTD	1 Year	3 Years	5 Years
Number of Funds	110	110	109	102	80
10th Percentile	5.0%	9.1%	11.9%	14.8%	11.2%
1st Quartile	4.4%	8.1%	10.8%	13.3%	10.3%
Median	3.8%	7.4%	10.0%	12.5%	9.4%
3rd Quartile	3.2%	6.3%	8.7%	11.4%	8.3%
90th Percentile	2.5%	5.9%	7.4%	10.0%	6.7%

ERISA Plans Greater Than $1B - Total Returns



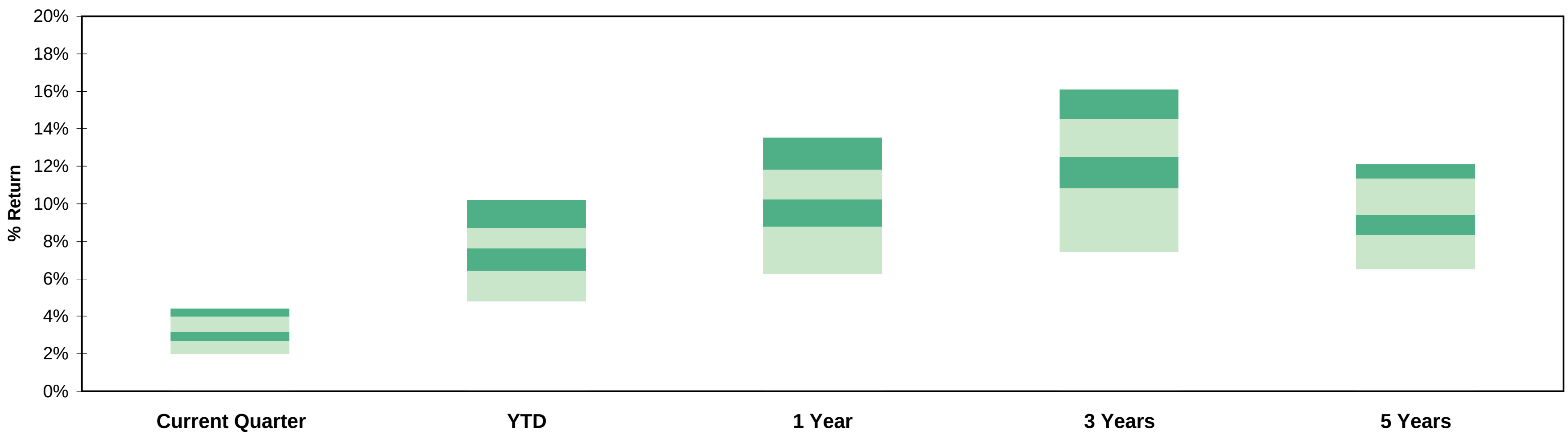
	Current Quarter	YTD	1 Year	3 Years	5 Years
Number of Funds	52	52	52	52	40
10th Percentile	4.6%	8.7%	11.7%	14.4%	11.3%
1st Quartile	4.3%	8.2%	11.0%	13.3%	10.6%
Median	3.9%	7.6%	10.5%	12.7%	9.8%
3rd Quartile	3.5%	7.2%	9.9%	11.9%	8.9%
90th Percentile	3.2%	6.5%	9.1%	11.3%	8.0%

Public Funds - Total Returns



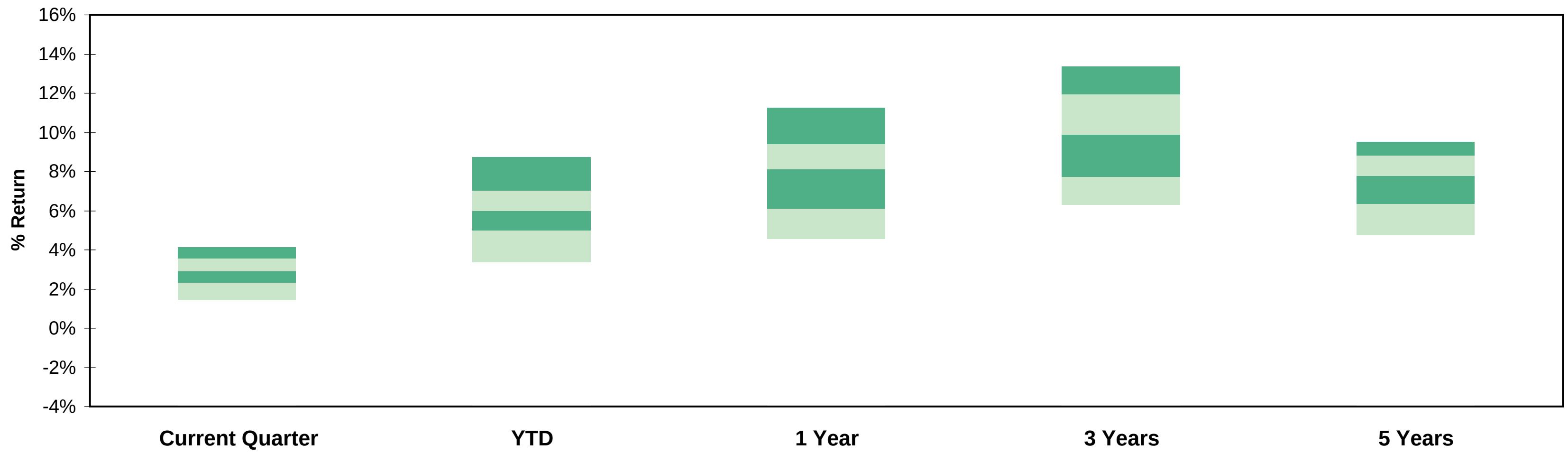
	Current Quarter	YTD	1 Year	3 Years	5 Years
Number of Funds	38	36	34	30	20
10th Percentile	4.4%	9.0%	11.9%	14.0%	10.8%
1st Quartile	4.1%	8.4%	11.1%	13.5%	10.5%
Median	3.7%	7.2%	9.4%	12.6%	9.8%
3rd Quartile	3.1%	6.7%	8.5%	11.0%	9.0%
90th Percentile	2.5%	5.9%	6.9%	10.4%	8.5%

Foundation & Endowment Plans - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
Number of Funds	81	80	79	69	51
10th Percentile	4.4%	10.2%	13.5%	16.1%	12.1%
1st Quartile	4.0%	8.7%	11.8%	14.5%	11.3%
Median	3.2%	7.6%	10.2%	12.5%	9.4%
3rd Quartile	2.7%	6.4%	8.8%	10.8%	8.3%
90th Percentile	2.0%	4.8%	6.3%	7.5%	6.5%

Wealth Management Plans - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
Number of Funds	128	122	120	93	61
10th Percentile	4.1%	8.7%	11.3%	13.4%	9.5%
1st Quartile	3.6%	7.0%	9.4%	11.9%	8.8%
Median	2.9%	6.0%	8.1%	9.9%	7.8%
3rd Quartile	2.3%	5.0%	6.1%	7.7%	6.4%
90th Percentile	1.4%	3.4%	4.6%	6.3%	4.8%

All Funds Universe Populations - Total Returns

Funds Greater than $1B Universe	6/30/2006 9/30/2006	12/31/2005 9/30/2006	9/30/2005 9/30/2006	9/30/2003 9/30/2006	9/30/2001 9/30/2006
Top Quartile	4.2	8.6	11.6	14.0	11.0
Median	3.8	7.7	10.6	13.0	10.0
Bottom Quartile	3.2	7.1	9.7	11.9	9.0
Number of Funds	105	103	101	97	73

Funds Between $100 and $250M Universe	6/30/2006 9/30/2006	12/31/2005 9/30/2006	9/30/2005 9/30/2006	9/30/2003 9/30/2006	9/30/2001 9/30/2006
Top Quartile	3.9	7.6	10.2	12.5	9.5
Median	3.0	6.4	8.7	11.2	8.6
Bottom Quartile	2.4	5.5	6.8	8.0	6.5
Number of Funds	65	61	61	51	38

Funds Between $500M and $1B Universe	6/30/2006 9/30/2006	12/31/2005 9/30/2006	9/30/2005 9/30/2006	9/30/2003 9/30/2006	9/30/2001 9/30/2006
Top Quartile	4.1	7.9	11.0	13.5	9.9
Median	3.3	7.2	10.0	12.1	9.0
Bottom Quartile	2.7	6.5	8.4	10.9	8.7
Number of Funds	36	36	35	29	22

Funds Less Than $100M Universe	6/30/2006 9/30/2006	12/31/2005 9/30/2006	9/30/2005 9/30/2006	9/30/2003 9/30/2006	9/30/2001 9/30/2006
Top Quartile	3.6	6.7	9.1	11.9	8.7
Median	3.0	6.0	8.2	10.1	7.9
Bottom Quartile	2.4	5.0	6.4	8.2	6.3
Number of Funds	109	105	103	76	45

Funds Between $250M and $500M Universe	6/30/2006 9/30/2006	12/31/2005 9/30/2006	9/30/2005 9/30/2006	9/30/2003 9/30/2006	9/30/2001 9/30/2006
Top Quartile	4.2	8.6	11.1	13.5	9.9
Median	3.6	7.5	9.6	11.9	8.9
Bottom Quartile	2.7	6.1	8.4	9.8	7.8
Number of Funds	45	44	44	41	32

Funds Greater Than $100M Universe	6/30/2006 9/30/2006	12/31/2005 9/30/2006	9/30/2005 9/30/2006	9/30/2003 9/30/2006	9/30/2001 9/30/2006
Top Quartile	4.1	8.4	11.2	13.7	10.6
Median	3.6	7.4	10.0	12.5	9.3
Bottom Quartile	2.8	6.3	8.5	11.1	8.4
Number of Funds	252	247	242	216	164

U.S. Equity Summary

US equity markets had solid positive results in the third quarter as investor fears subsided concerning oil prices, Middle East unrest, and US consumer strength. Year-over-year building permits issued were 27% lower than one year ago. However, August and September unemployment levels dropped in both months. Investors view this data as suggesting moderating economic growth. The year-over-year CPI change in September was 2.1% which is the lowest monthly increase since 2004. The US equity markets responded accordingly with the Russell 3000 up 4.6% for the quarter and the S&P 500 up 5.7%.

Company fundamentals have had a rebirth, as being important to investors, as large cap dividend-paying stocks having been rewarded the most during the quarter. The Russell 1000 Index was up a 5.1% compared to the Russell 2000 which was up only 0.4%.

Year-to-date, value stocks outperformed their growth counterparts by a significant margin with the Russell 1000 Value up 13.2% year to date, and the Russell 1000 Growth up 3.0%

Reviewing sector performance, several sectors rebounded from poor second quarter results. Looking at the Russell 3000, Financials were up 7.1%, Health Care was up 8.2%, and Telecomm was up 9.1%. On a year-to-date basis, the two best performing sectors are Telecom, up 23.1%, and Financials, up 11.7%.

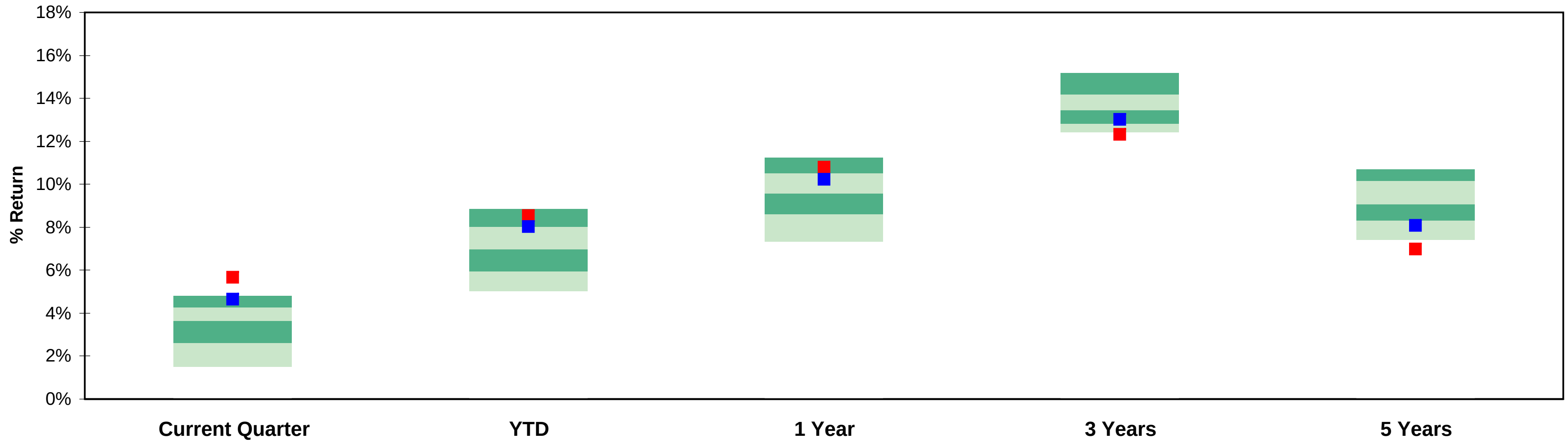
The median returns of the Northern Trust style universes followed the theme of the Russell indices for the quarter for all of 2006 through September. Value outperformed growth while large cap outperformed small cap.

As the fourth quarter begins, investors will continue to focus on housing starts and unemployment. The Fed appears to be focusing on higher Core CPI numbers (core CPI excludes food and energy) for September which indicated inflation may be rising. The Core PPI index rose 0.6% and the Core CPI index rose 0.2%.

Periods Ending September 30, 2006	Quarter	YTD	1 Year	3 Years	5 Years
S&P 500	5.7%	8.5%	10.8%	12.3%	7.0%
Russell 3000	4.6%	8.0%	10.2%	13.0%	8.1%
Russell 1000	5.1%	8.0%	10.3%	12.8%	7.6%
Russell 1000 Growth	3.9%	3.0%	6.0%	8.4%	4.4%
Russell 1000 Value	6.2%	13.2%	14.6%	17.3%	10.7%
Russell 2000	0.4%	8.7%	9.9%	15.5%	13.8%
Russell 2000 Growth	-1.8%	4.2%	5.9%	11.8%	10.2%
Russell 2000 Value	2.6%	13.3%	14.0%	19.0%	17.0%
NT Equity Style Medians					
Large Cap Core	5.1%	8.4%	10.9%	12.9%	7.0%
Large Growth	2.8%	1.7%	4.5%	10.3%	6.4%
Large Value	5.1%	10.7%	12.5%	16.9%	11.6%
Mid Growth	-0.9%	4.3%	7.4%	14.4%	13.1%
Mid Value	1.8%	6.8%	8.3%	18.7%	14.6%
Small Growth	-1.6%	4.0%	7.5%	13.2%	11.5%
Small Value	1.0%	8.7%	10.0%	19.0%	17.7%

U.S. Equity Programs - Total Returns

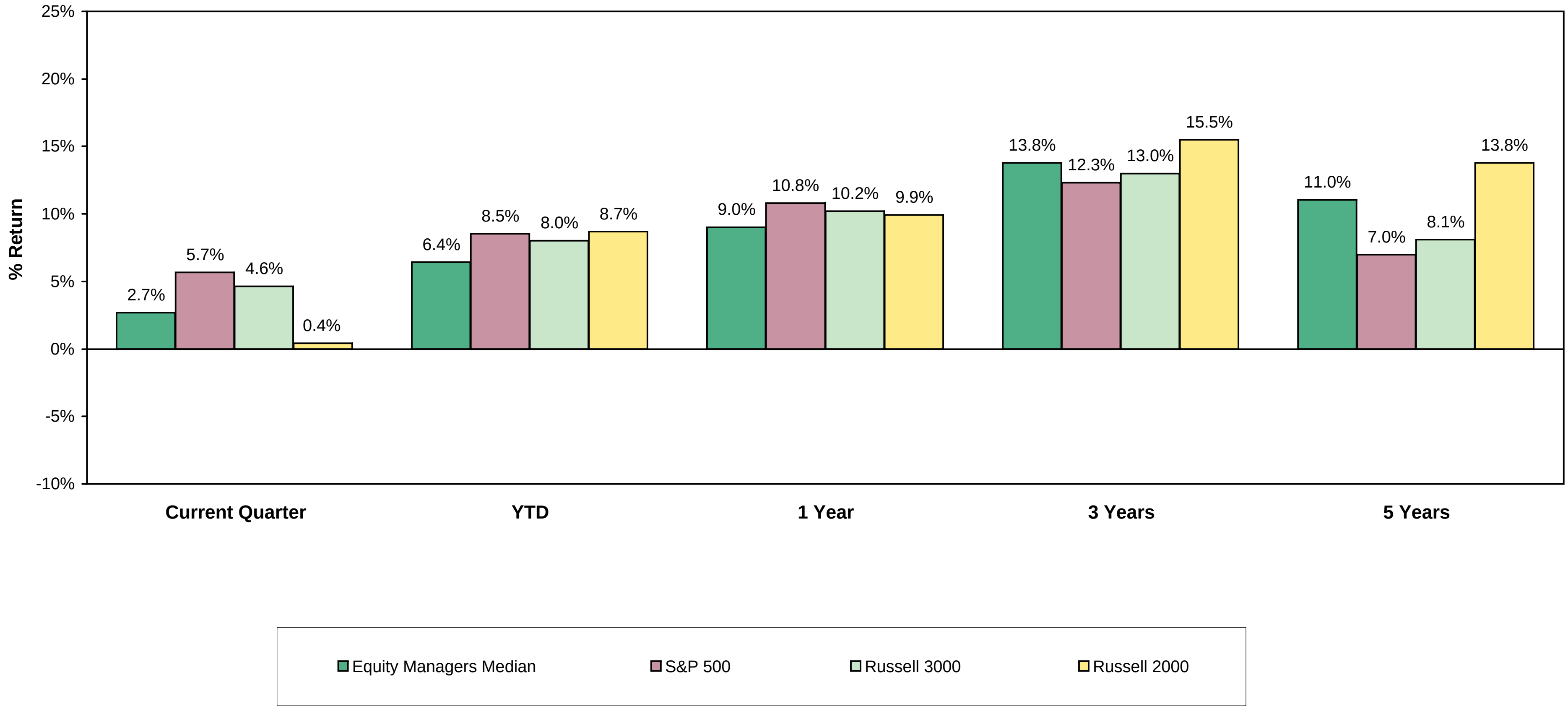
This universe depicts the range of plan sponsors' investment experience in their total domestic equity allocation; as opposed to the equity manager universe which depicts the range of managers' performance. This universe is helpful in determining the degree to which sponsors were capable of implementing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



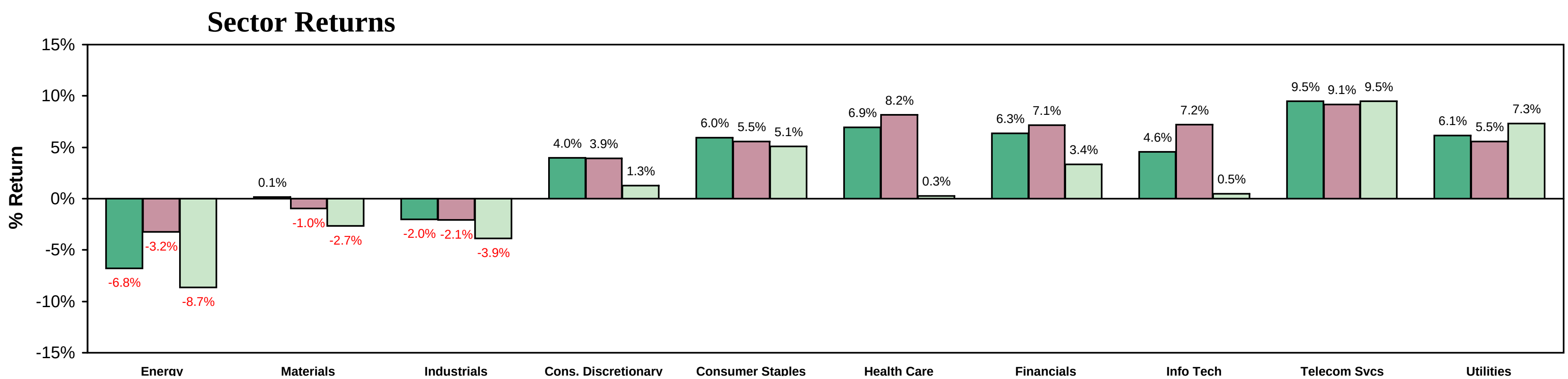
	Current Quarter	YTD	1 Year	3 Years	5 Years
S&P 500	5.7%	8.5%	10.8%	12.3%	7.0%
Russell 3000	4.6%	8.0%	10.2%	13.0%	8.1%

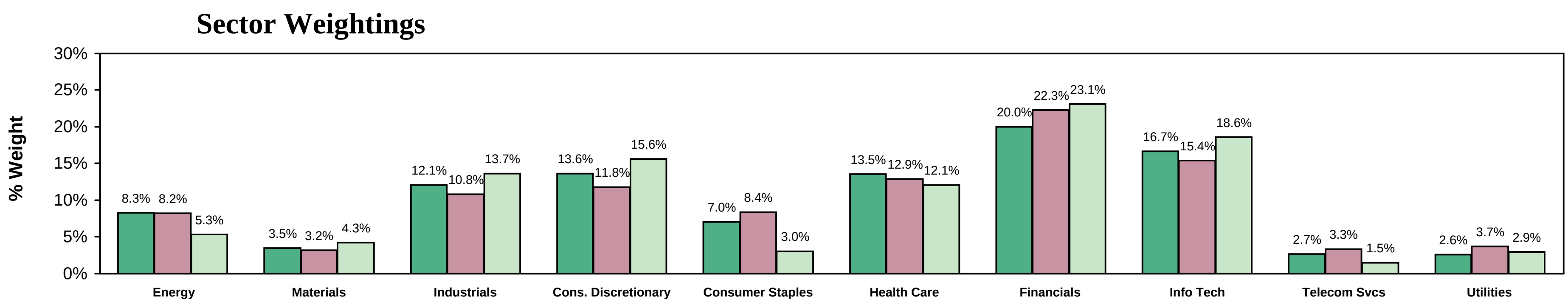
10th Percentile	4.8%	8.8%	11.2%	15.2%	10.7%
1st Quartile	4.3%	8.0%	10.5%	14.2%	10.2%
Median	3.6%	7.0%	9.6%	13.4%	9.1%
3rd Quartile	2.6%	6.0%	8.6%	12.8%	8.3%
90th Percentile	1.5%	5.0%	7.3%	12.4%	7.4%

U.S. Equity Indexes



U.S. Equity Sector Analysis

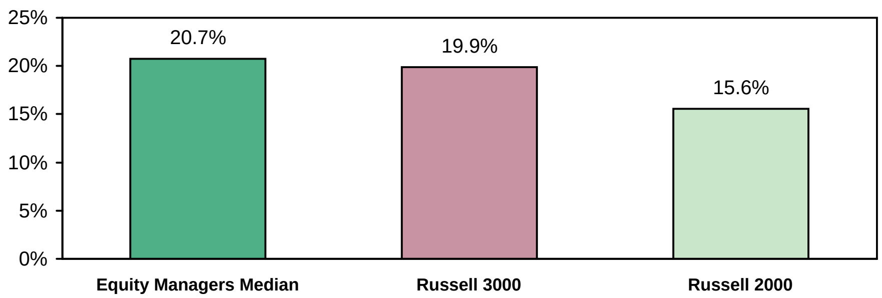




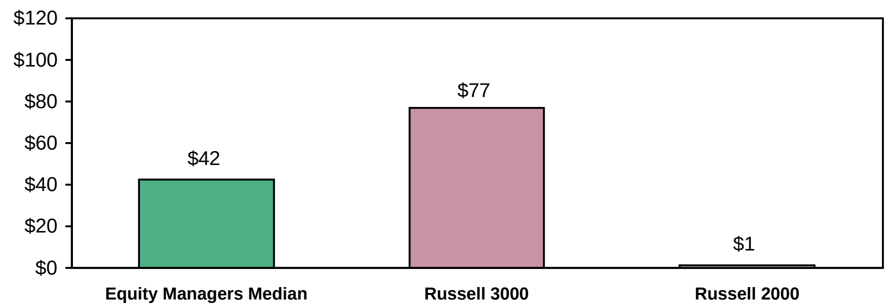
Equity Managers Composite   Russell 3000   Russell 2000

U.S. Equity Characteristics

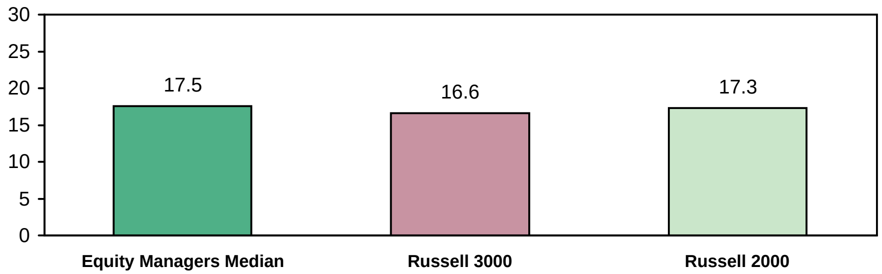
5 year EPS



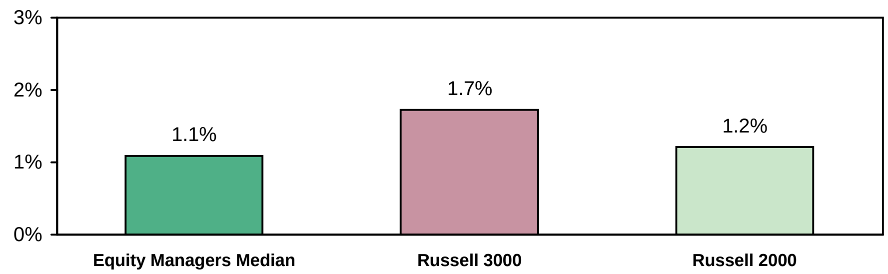
Market Cap ($ Billions)



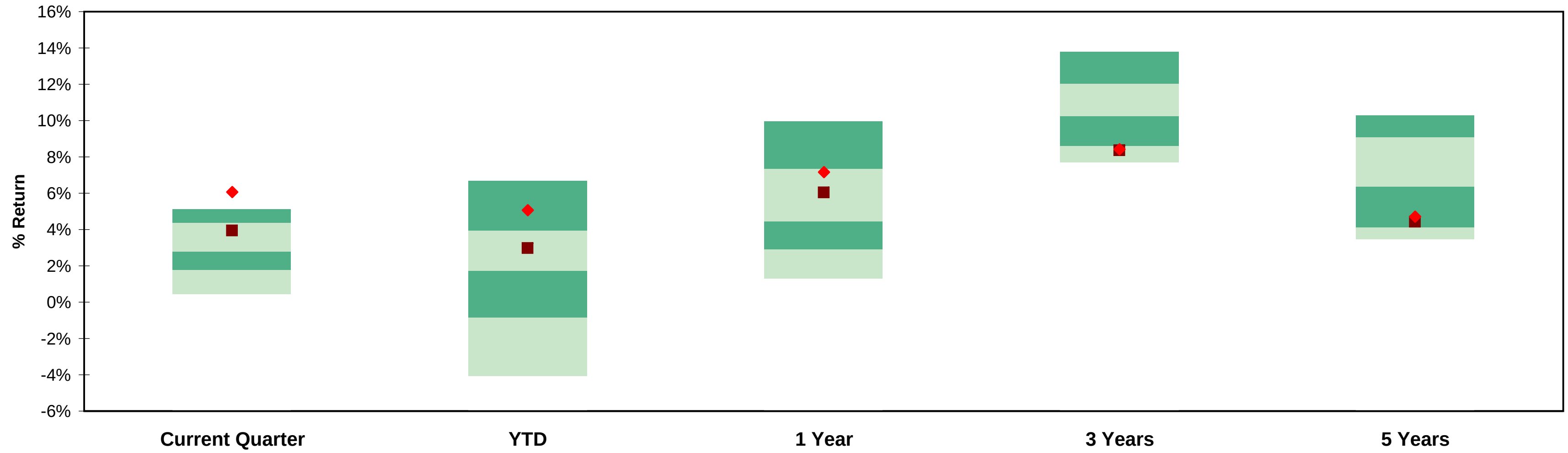
P/E



Dividend Yield



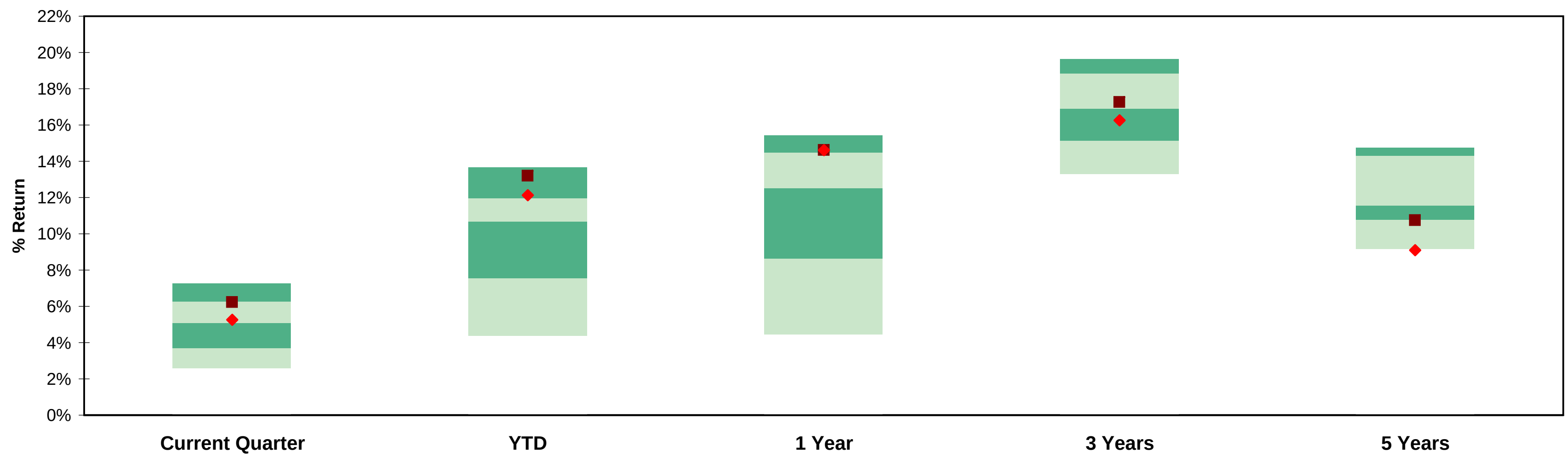
Large Growth Managers - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
Russell 1000 Growth	3.9%	3.0%	6.0%	8.4%	4.4%
S&P 500 Citigroup Growth	6.1%	5.1%	7.2%	8.4%	4.7%

	Current Quarter	YTD	1 Year	3 Years	5 Years
10th Percentile	5.1%	6.7%	10.0%	13.8%	10.3%
1st Quartile	4.4%	3.9%	7.3%	12.0%	9.1%
Median	2.8%	1.7%	4.5%	10.3%	6.4%
3rd Quartile	1.8%	-0.8%	2.9%	8.6%	4.1%
90th Percentile	0.5%	-4.1%	1.3%	7.7%	3.5%

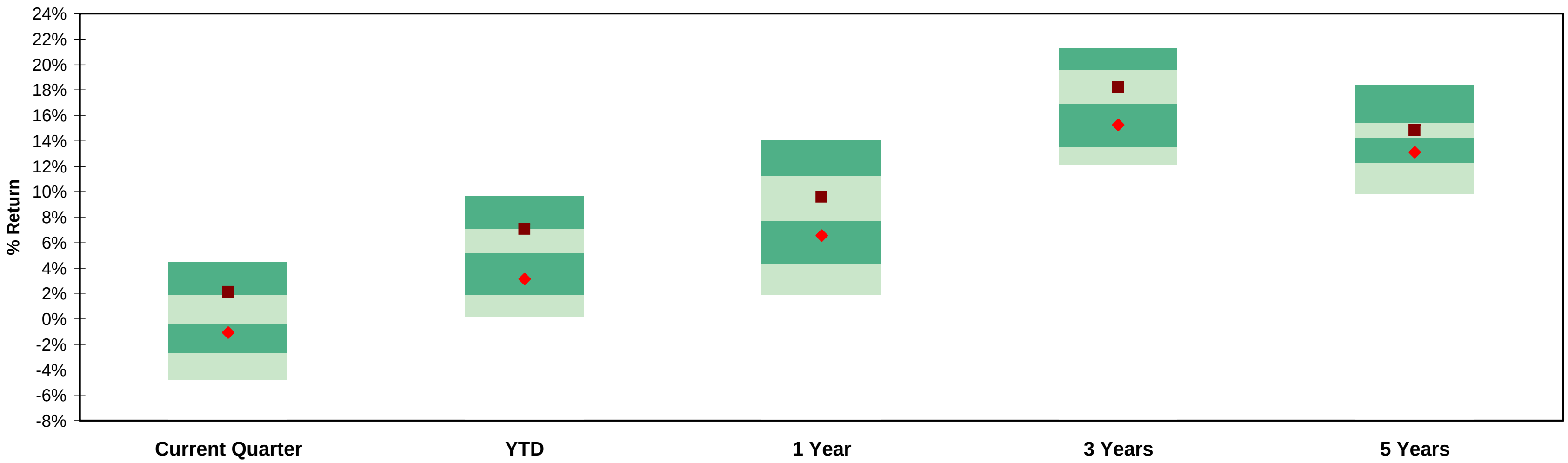
Large Cap Value Managers - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
■ **Russell 1000 Value**	6.2%	13.2%	14.6%	17.3%	10.7%
♦ **S&P 500 Citigroup Value**	5.3%	12.1%	14.6%	16.3%	9.1%

10th Percentile	7.3%	13.7%	15.4%	19.7%	14.7%
1st Quartile	6.3%	12.0%	14.5%	18.8%	14.3%
Median	5.1%	10.7%	12.5%	16.9%	11.5%
3rd Quartile	3.7%	7.6%	8.7%	15.1%	10.8%
90th Percentile	2.6%	4.4%	4.4%	13.3%	9.2%

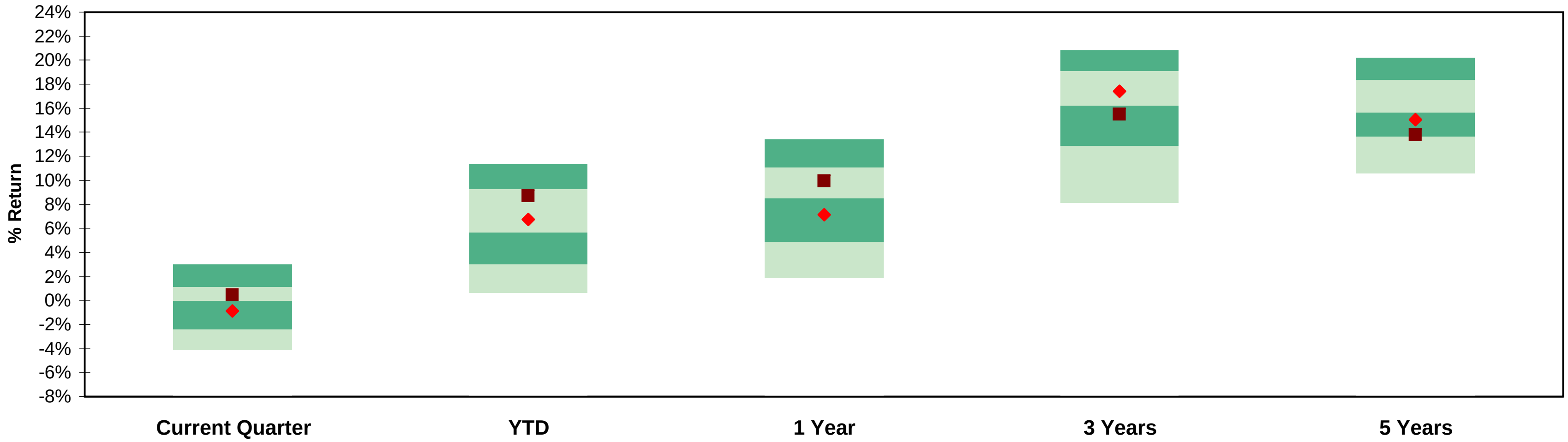
Mid Cap Managers - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
Russell MidCap	2.1%	7.1%	9.6%	18.2%	14.8%
S&P 400 Midcap	-1.1%	3.1%	6.6%	15.2%	13.1%

10th Percentile	4.4%	9.6%	14.1%	21.2%	18.4%
1st Quartile	1.9%	7.1%	11.3%	19.6%	15.4%
Median	-0.4%	5.2%	7.7%	17.0%	14.3%
3rd Quartile	-2.6%	1.9%	4.4%	13.5%	12.3%
90th Percentile	-4.8%	0.1%	1.9%	12.1%	9.8%

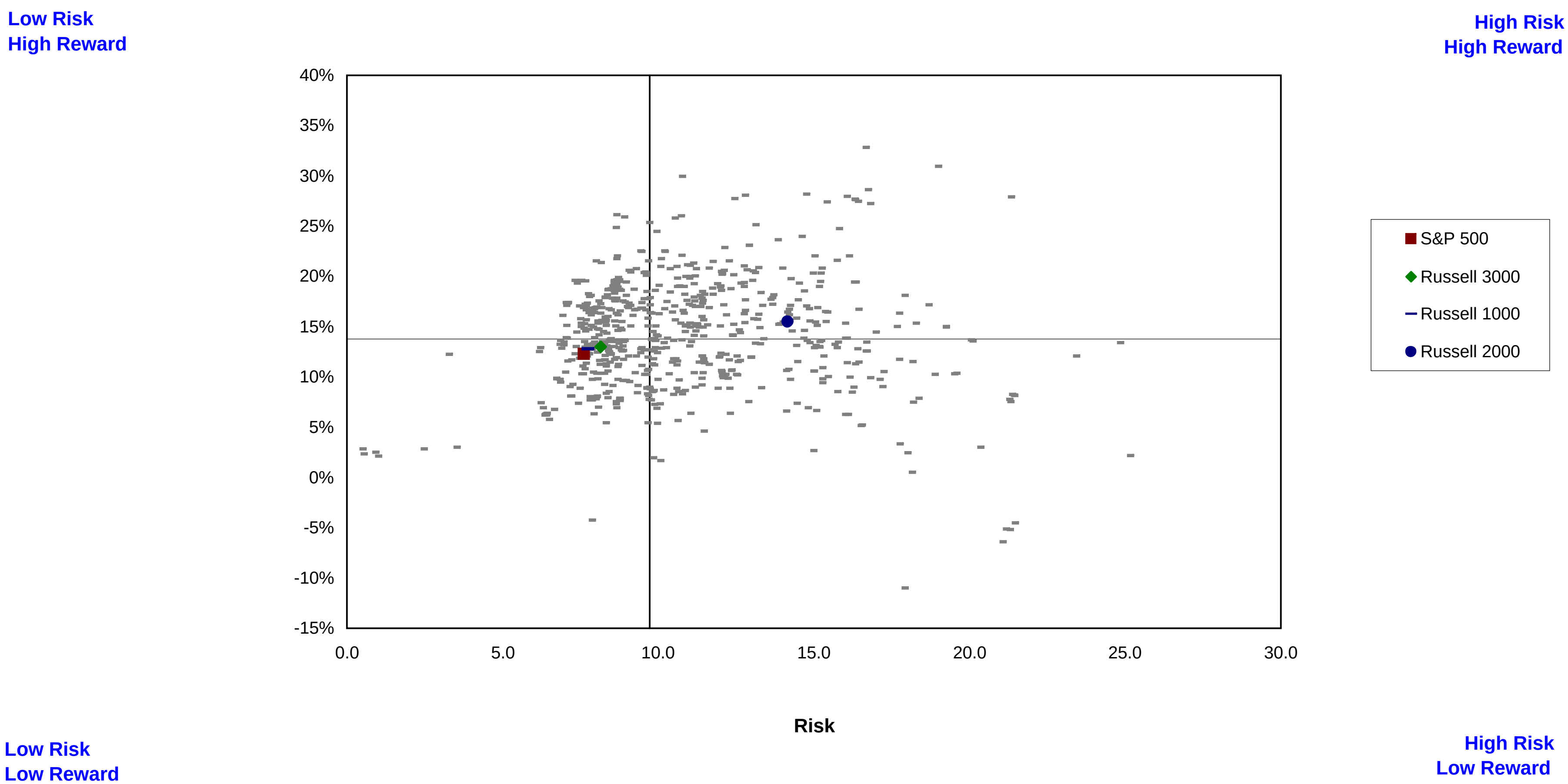
Small Cap Managers - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
■ **Russell 2000**	0.4%	8.7%	9.9%	15.5%	13.8%
♦ **S&P SmallCap 600**	-0.9%	6.8%	7.2%	17.4%	15.1%

	Current Quarter	YTD	1 Year	3 Years	5 Years
10th Percentile	3.0%	11.3%	13.4%	20.8%	20.2%
1st Quartile	1.1%	9.2%	11.1%	19.1%	18.4%
Median	-0.0%	5.7%	8.5%	16.2%	15.7%
3rd Quartile	-2.4%	3.0%	4.9%	12.9%	13.7%
90th Percentile	-4.1%	0.6%	1.9%	8.1%	10.6%

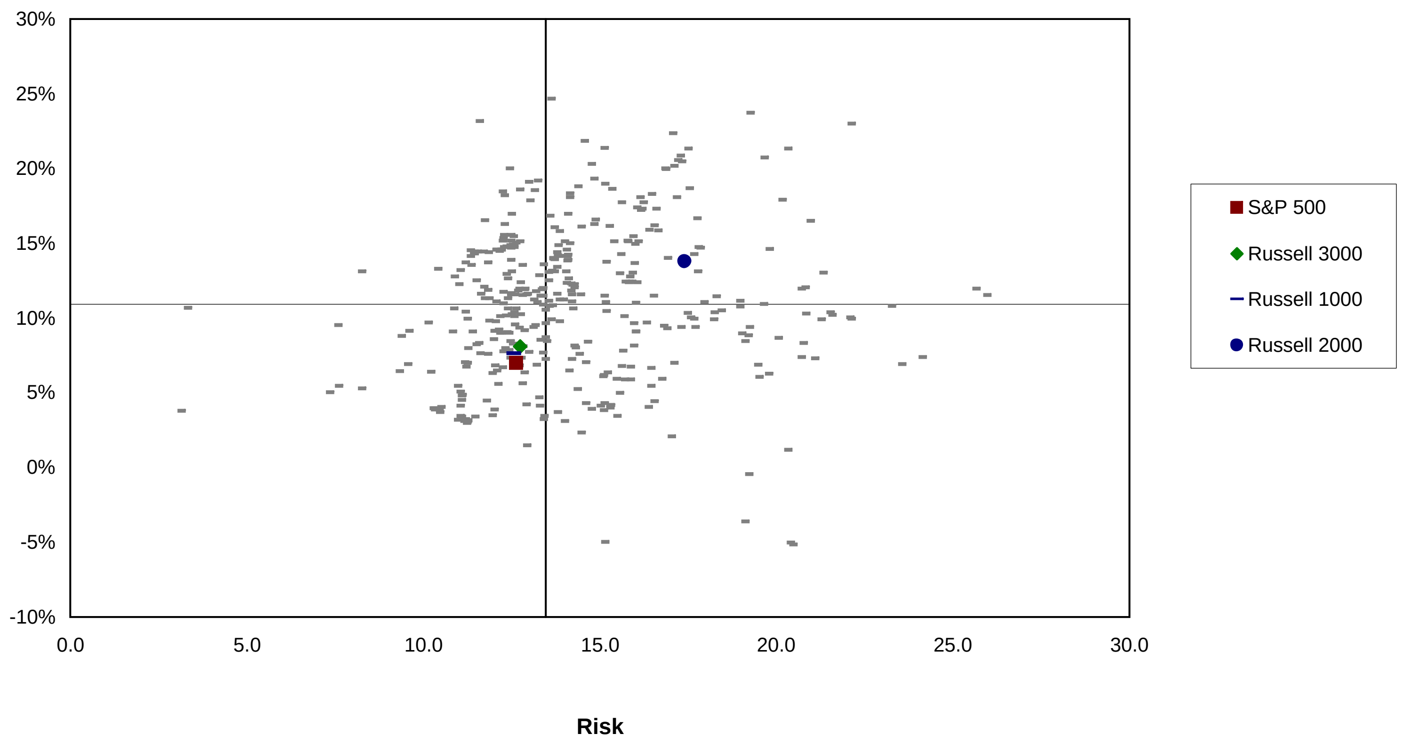
U.S. Equity Managers - 3 Year Risk vs. Return



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

Low Risk
High Reward

High Risk
High Reward



Low Risk
Low Reward

High Risk
Low Reward

U.S. Fixed Income Overview

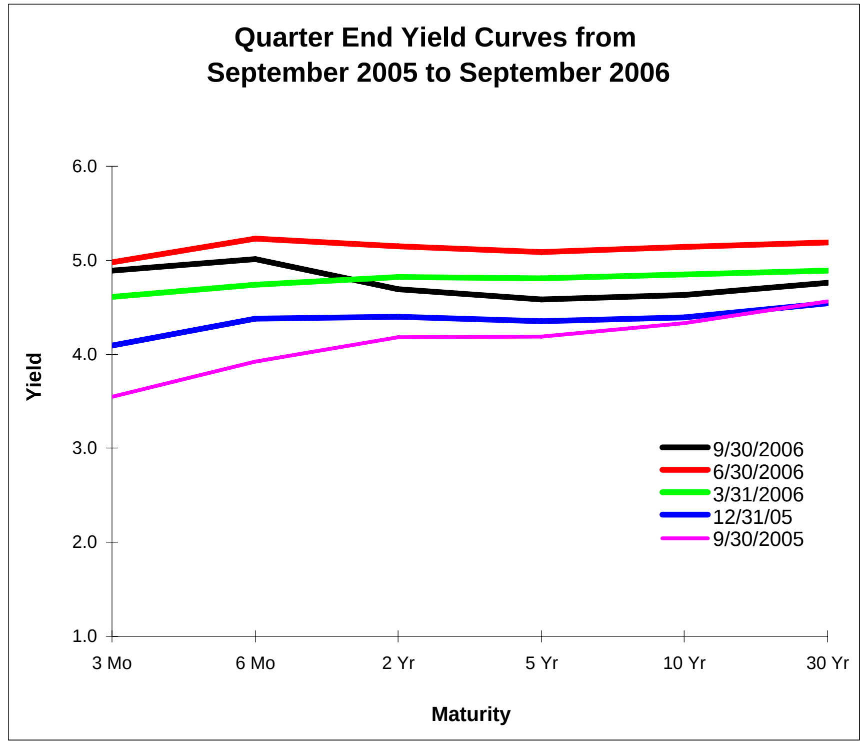
The third quarter was the first period without a Fed Funds rate increase since early 2004. With weakening economic indicators, a softening housing market, and volatile energy prices, investors bid up bond prices and pushed interest rates lower. The Lehman Brothers U.S. Aggregate's third quarter return of 3.81% was the fourth highest quarterly return of the decade and the highest since the quarter ending September 30, 2002.

With the Fed officially taking a wait and see approach, in regards to monetary policy, and offering little guidance as to future action, investors focused on slowing economic and housing growth. Expectations shifted from increased tightening toward a cut in interest rates by early 2007, driving rates lower by around 50 basis points across the curve and leaving it inverted by 6 basis points between the two-year and ten-year points of the curve.

With yields falling, long duration bonds outperformed intermediate issues by a wide margin. The US Corporate sector achieved the best nominal returns during the quarter (4.5%), followed by CMBS (4.1%), treasuries (3.7%), MBS (3.6%), government-related (3.5%) and ABS (2.9%). On a duration-matched basis, all spread sectors in the U.S. Aggregate Index earned positive excess returns during the third quarter.

Within the high yield arena, higher-quality bonds outperformed their lower-quality counterparts for the first time this year. As a result of a higher correlation to the performance of Treasuries, BB bonds gained 4.4% during the quarter. Single-B and CCC-rated issues lagged behind slightly, returning 3.9% and 4.0%, respectively.

The quarterly median return of the Northern Trust U.S. Fixed Income Manager Universe was 3.5%, significantly lower than both the Lehman Universal Index return of 3.9% and the Lehman U.S. Aggregate return of 3.8%. A higher allocation to ABS, which was the worst performing sector during the quarter combined with more defensively postured portfolios contributed to the lower relative performance of the universe.

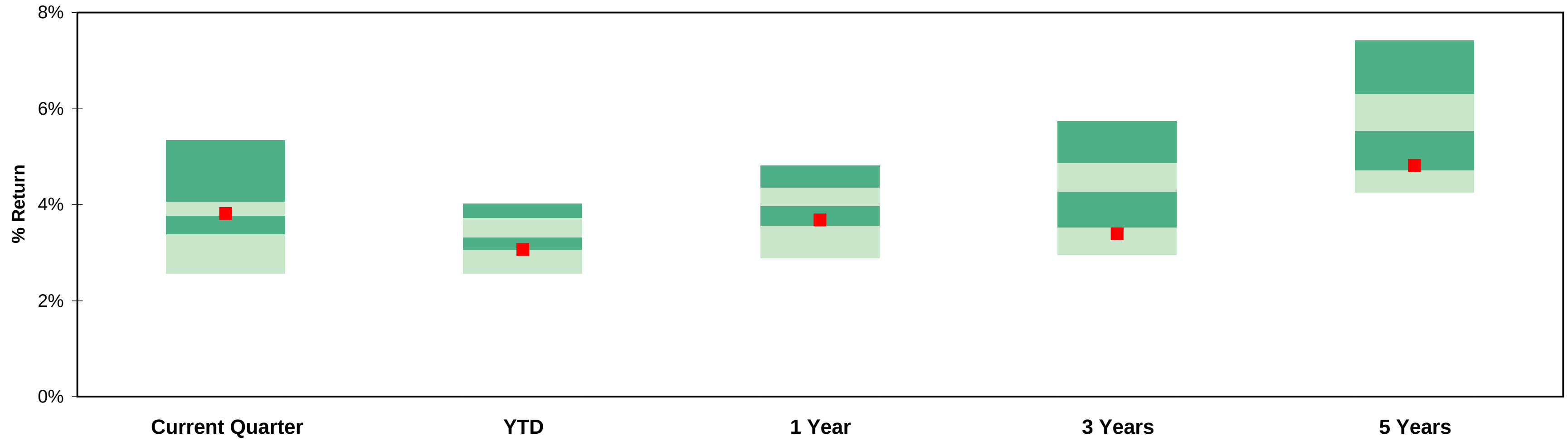


Period Ending September 30, 2006	QTR	YTD	1 YR	3 YR	5 YR
Northern Trust U.S. Fixed Income Manager (Median	**3.5**	**3.4**	**4.0**	**3.8**	**5.1**
Lehman US Universal Inde:	3.9	3.4	4.1	4.0	5.4
Lehman US Aggregate Inde:	3.8	3.1	3.7	3.4	4.8
Lehman Government/Credi	3.9	2.7	3.3	3.1	5.0
Lehman Government Bond Inde:	3.5	2.6	3.3	2.8	4.3
Lehman Government Intermediate Inde	2.9	2.9	3.5	2.2	3.7
Lehman Treasury 20+ Years	7.4	0.5	1.8	5.5	6.8
Lehman US TIPS Index	3.6	1.7	1.8	4.9	7.2
Lehman MBS Fixed Rate Inde:	3.6	3.6	4.2	3.9	4.5
Lehman Asset Backed Index	2.9	3.6	4.2	3.0	4.2
Lehman Credit Bond Inde:	4.5	2.9	3.4	3.5	5.8
Lehman High Yield Corporate Inde	4.1	7.3	8.1	9.1	10.5
90 Day T-Bill	1.3	3.6	4.7	2.8	2.3

Statistical Source: Lehman Brothers Global Family of Indices September 30, 2006.

U.S. Fixed Income Programs - Total Returns

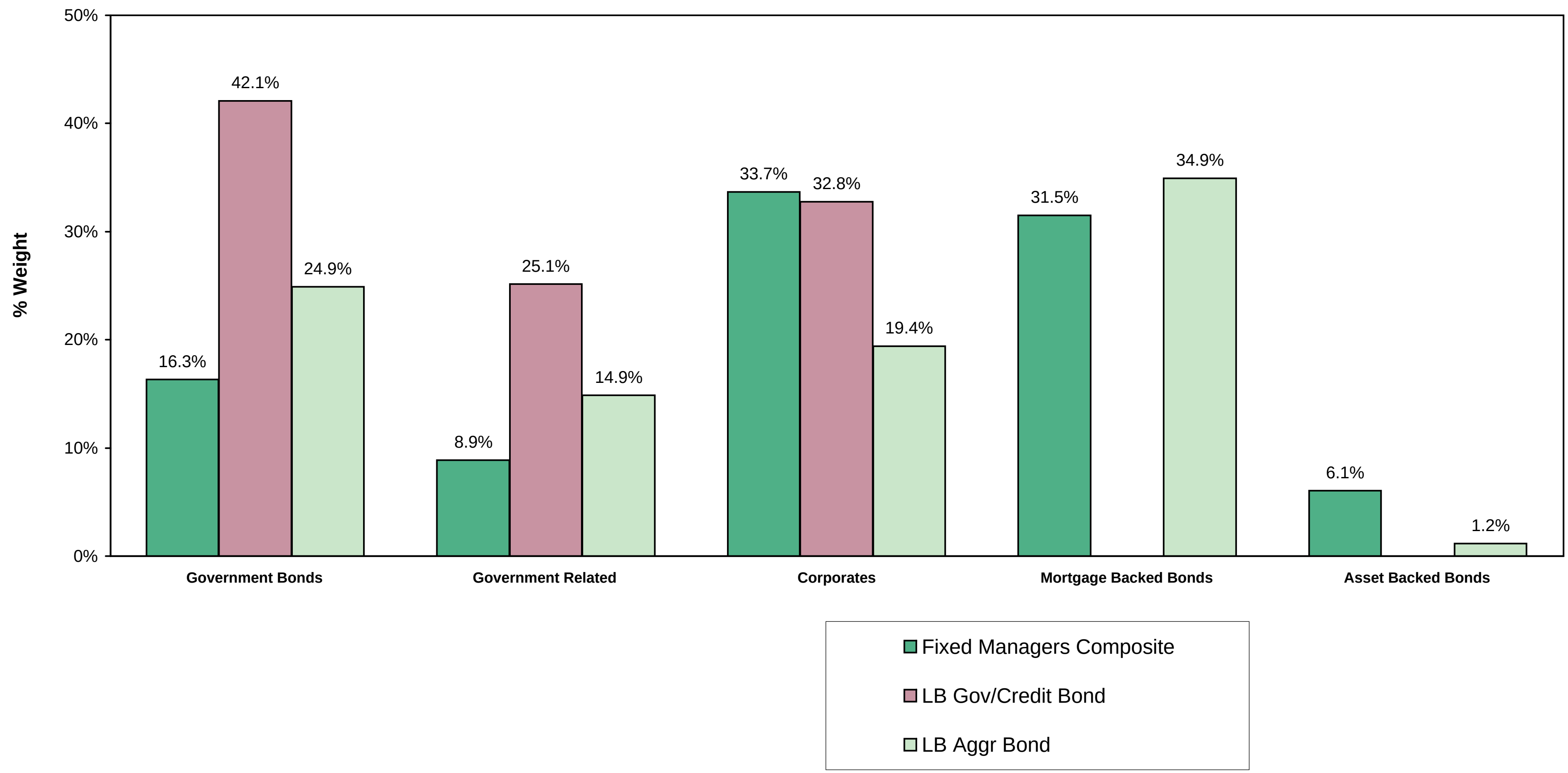
This universe depicts the plan sponsors' range of investment experience in their total US fixed income allocation; as opposed to the fixed income manageruniverse which depicts the range of managers' performance. This universe is helpful in determining the degree to which sponsors were capable of implementing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



	Current Quarter	YTD	1 Year	3 Years	5 Years
LB Aggr Bond	3.8%	3.1%	3.7%	3.4%	4.8%
10th Percentile	5.3%	4.0%	4.8%	5.7%	7.4%
1st Quartile	4.1%	3.7%	4.4%	4.9%	6.3%
Median	3.8%	3.3%	4.0%	4.3%	5.5%
3rd Quartile	3.4%	3.1%	3.6%	3.5%	4.7%
90th Percentile	2.6%	2.6%	2.9%	2.9%	4.3%

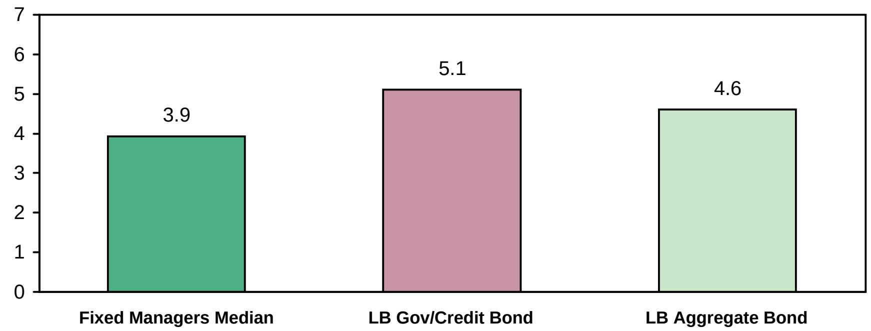
U.S. Fixed Income Sector Analysis

Sector Weightings

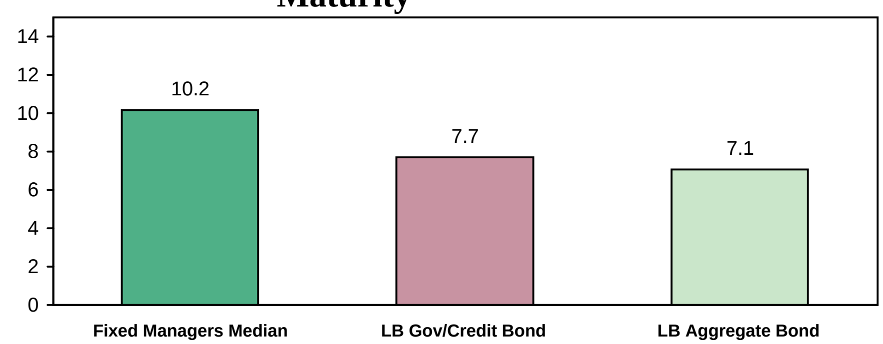


U.S. Fixed Income Characteristics

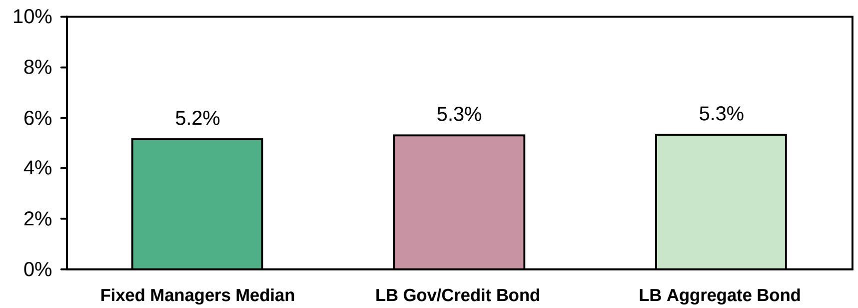
Duration



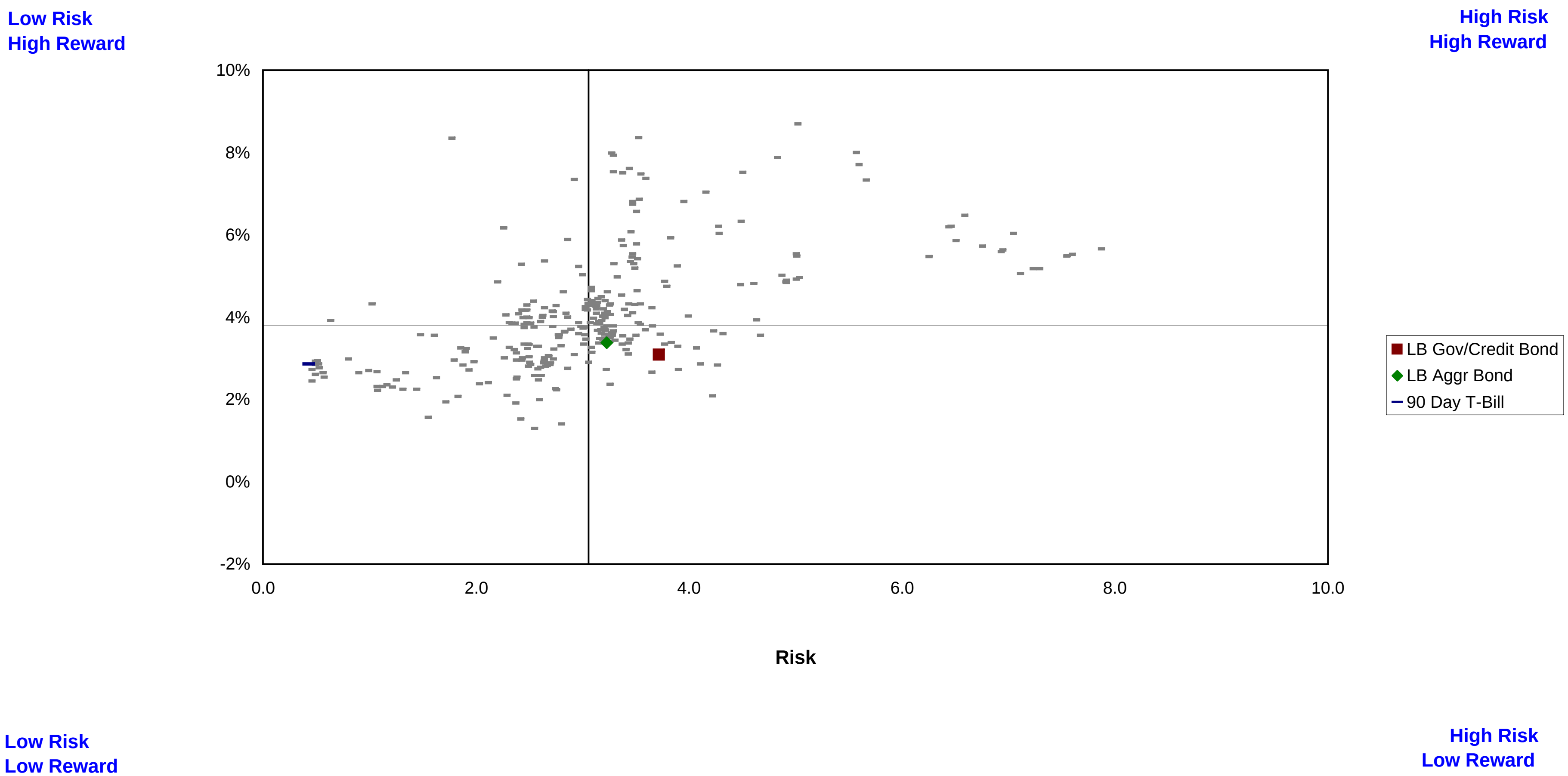
Maturity



Coupon



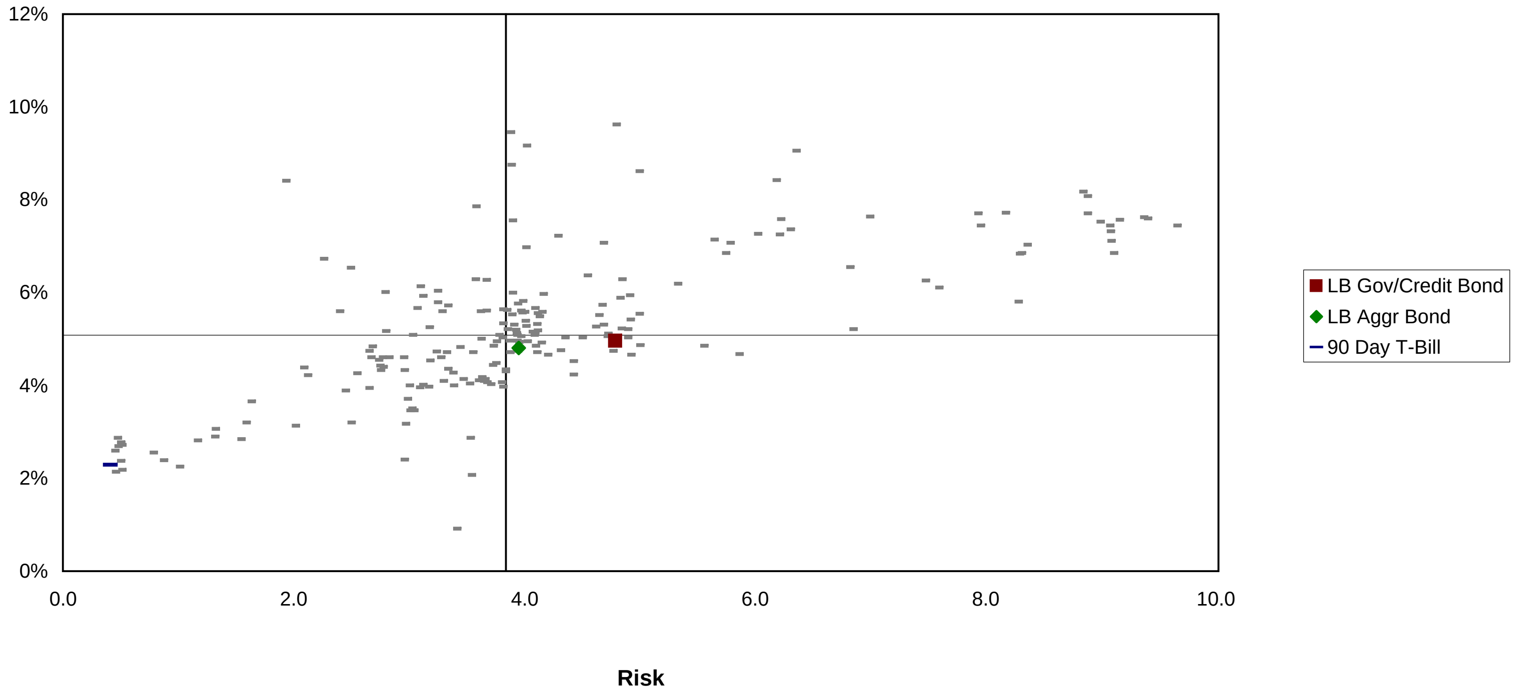
U.S. Fixed Income Managers - 3 Year Risk vs. Return



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

Low Risk
High Reward

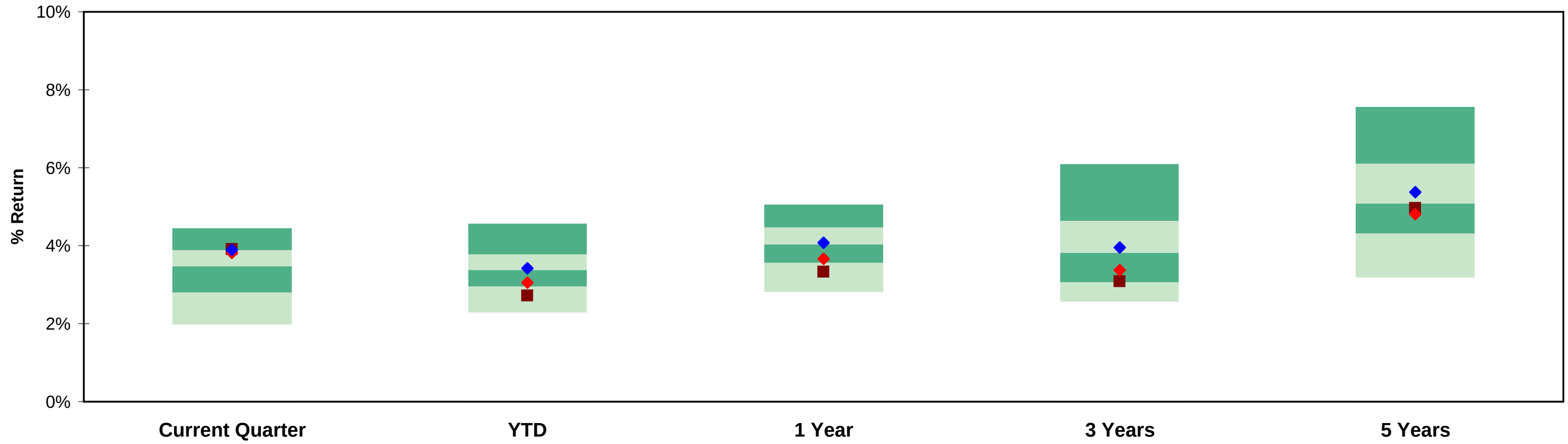
High Risk
High Reward



Low Risk
Low Reward

High Risk
Low Reward

U.S. Fixed Income Managers - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
LB Gov/Credit Bond	3.9%	2.7%	3.3%	3.1%	5.0%
LB Aggr Bond	3.8%	3.1%	3.7%	3.4%	4.8%
LB US Universal	3.9%	3.4%	4.1%	4.0%	5.4%

	Current Quarter	YTD	1 Year	3 Years	5 Years
10th Percentile	4.4%	4.6%	5.1%	6.1%	7.6%
1st Quartile	3.9%	3.8%	4.5%	4.6%	6.1%
Median	3.5%	3.4%	4.0%	3.8%	5.1%
3rd Quartile	2.8%	3.0%	3.6%	3.1%	4.3%
90th Percentile	2.0%	2.3%	2.8%	2.6%	3.2%

International Overview

Overview

After a relatively flat second quarter, the international markets bounced back in the third quarter. Gains were achieved despite political unrest in the world that included a war between Israel and Hezbollah, a military coup in Thailand, a disputed election in Mexico, and the ongoing war in Iraq. Euro-region returns continue to benefit from strong merger and acquisition activity, particularly in Germany and France. The European Central Bank and Bank of England did raise the target rates in the third quarter, but improved inflation data in the Euro zone and Japan now trend towards less aggressive central bank rate increases. However, several risks remain and continued growth relies heavily on continued positive news from the US markets. The US Fed's pause in rate increases, lower energy prices, and controlled inflation gave global markets greater comfort that the US was not heading for a rough landing.

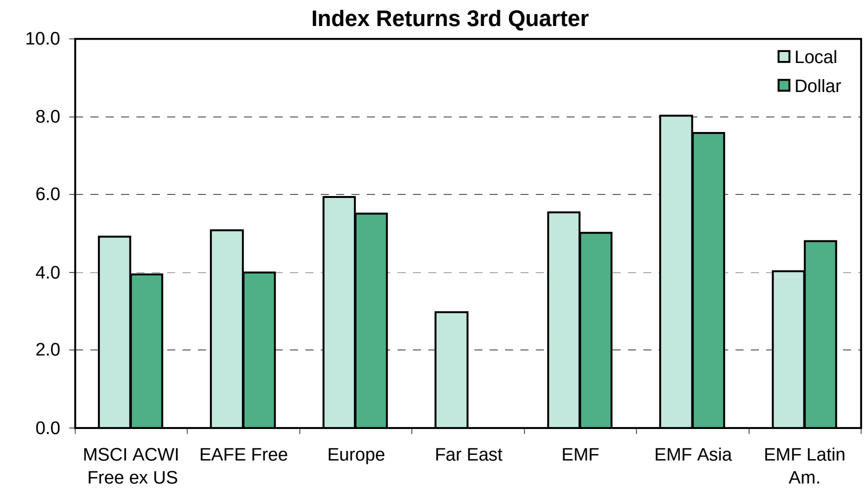
International Currency Markets

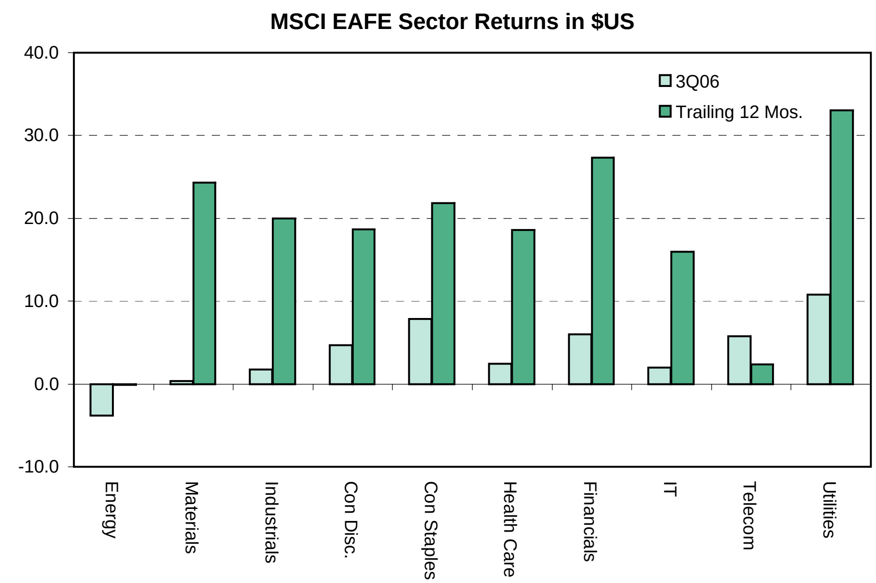
The third quarter currency markets showed less volatility than earlier in the year. The dollar was mixed versus major currencies trading between +/- 1%, with the exception of a 3.3% gain versus the Yen. Other gains were against the Canadian dollar and the Euro while losing ground to the British pound and the Australian dollar. The one year period was also mixed with the dollar up 2.3% and 4.2% versus Australian dollar and the Yen, respectively. Against the Euro, the Canadian dollar and British pound, the dollar has lost 3.9%, 4.8%, and 5.3%, respectively.

International Equity Markets

International stocks provided positive performance in the third quarter of 2006, but trailed the US markets for the first time since the 2nd quarter of 2005. The MSCI ACWI ex US returned 4.0% versus the S&P 500 third quarter return of 5.7%. In dollar terms, only six countries posted negative returns while the remaining 42 were positive. Japan's -0.7% return was the most significant drag as it accounts for nearly twenty percent of the index.

The developed markets, measured by the MSCI EAFE index, returned 4.0% for the third quarter, with each month in the positive. On a country basis, the best performing country for the quarter was Spain's 12.4% return, which represents 4% of the total index. Only Norway and Japan posted negative returns.





International Overview (Continued)

International Equity Markets (continued)
Sector performance also showed broad gains in 9 of 10 sectors. The sole negative for the quarter came from the Energy sector which returned -3.8% and is the only sector in negative territory for the trailing year. With the exception of Telecommunication and Energy, all sectors have robust double digit returns for the one year period, pushing the MSCI EAFE index return for the trailing year to 19.7%.

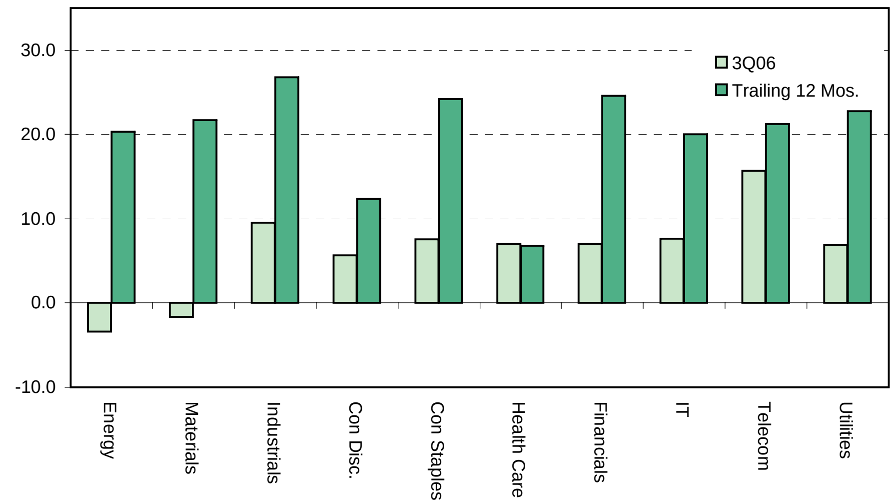
Emerging Markets followed suit with their developed counterparts and bounced back in the third quarter, returning 5.0% as measured by the MSCI Emerging Markets index. China's stock market continued to perform well in the third quarter and returned 8.8%. While China only represents a 10% weight in the index it is now the fourth largest economy in the world. As recently as two years ago, China was the seventh largest economy behind Italy, France, and the UK.

Telecommunications was the top performer at 15.7% for the quarter. In the trailing one year period, only Consumer Discretionary and Health Care failed to generate returns in excess of 20%, but still returned a healthy 12.4% and 5.4%, respectively. The Energy and Material sectors were the worst performing of the quarter, returning -3.4% and -1.6%, respectively.

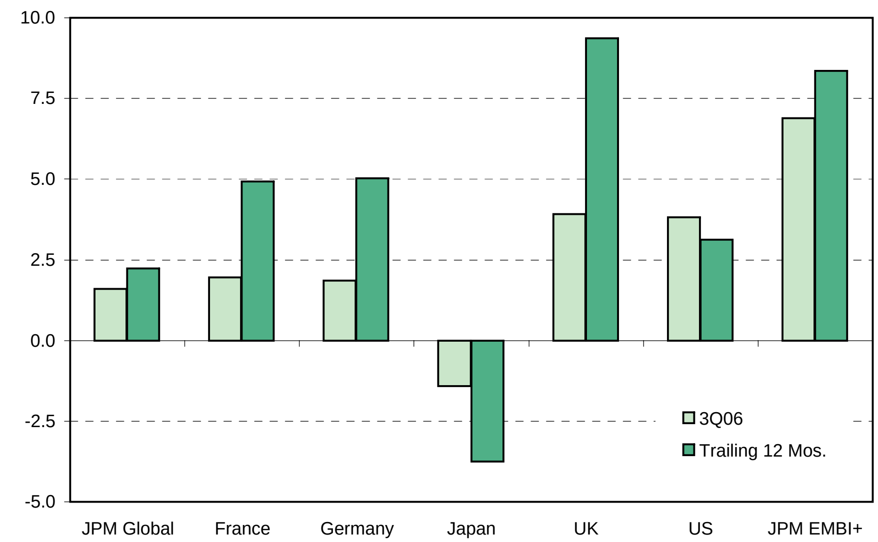
International Fixed Income Markets
The JPM Global Bond index rose 1.6% in dollar terms for the third quarter. Similar to the impact in the equity markets, Japan was the only country to produce a negative return for the quarter. Japan represents a 28% weight in the index. The US, the next largest country at 24%, returned a strong 3.8% return for the quarter. From a maturity perspective, longer maturity holdings outperformed shorter term holdings.

The JPM Emerging Market Bond index was up 6.9% for the quarter. With the exception of Ecuador, all countries in the index posted positive returns. In the one year period, all countries contributed positively towards the index total return of 8.4%. Argentina provided the largest return for the year with bonds returning 22.5%.

MSCI EMF Sector Returns in $US

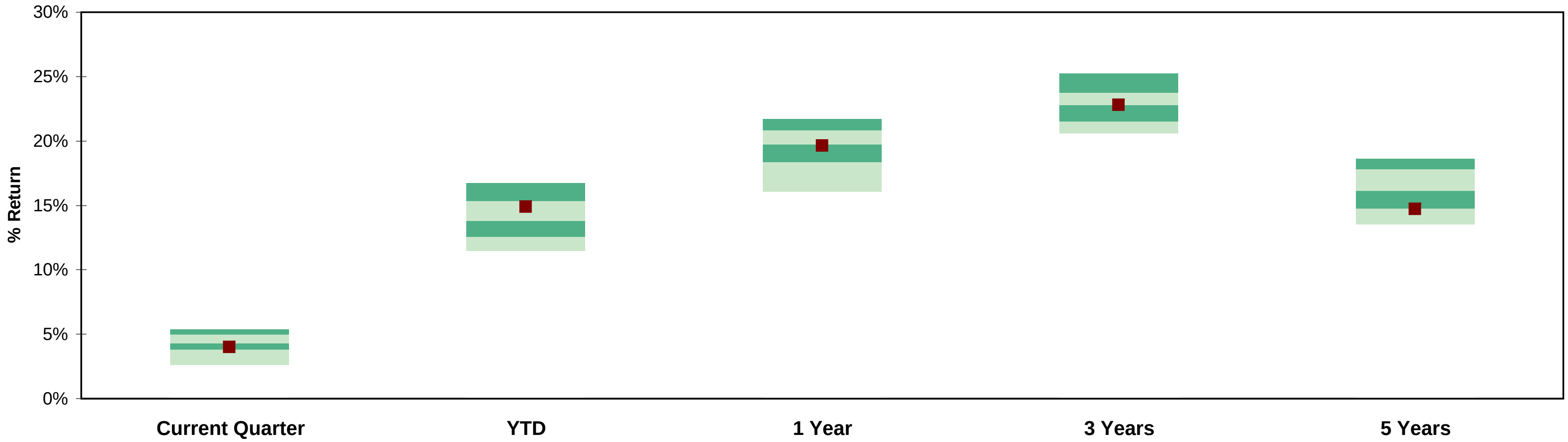


International Fixed Income Country Returns in $US



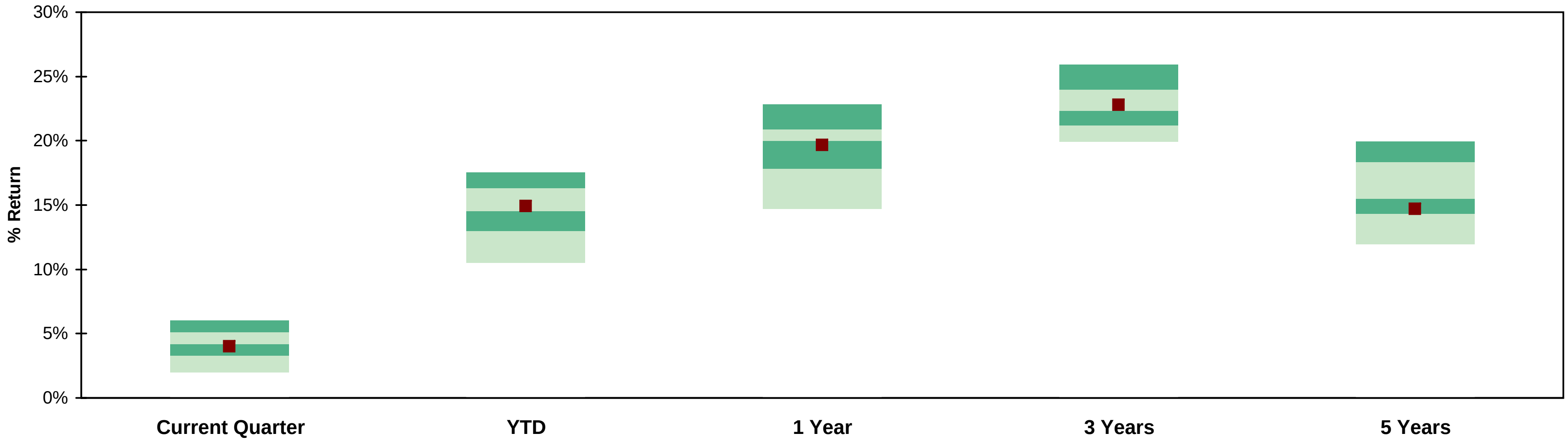
Non-U.S. Equity Programs - Total Returns

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	YTD	1 Year	3 Years	5 Years
MSCI EAFE GD	4.0%	14.9%	19.7%	22.8%	14.7%
10th Percentile	5.3%	16.7%	21.7%	25.3%	18.6%
1st Quartile	5.0%	15.3%	20.8%	23.8%	17.8%
Median	4.3%	13.8%	19.7%	22.8%	16.1%
3rd Quartile	3.8%	12.6%	18.4%	21.5%	14.8%
90th Percentile	2.6%	11.5%	16.1%	20.6%	13.5%

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

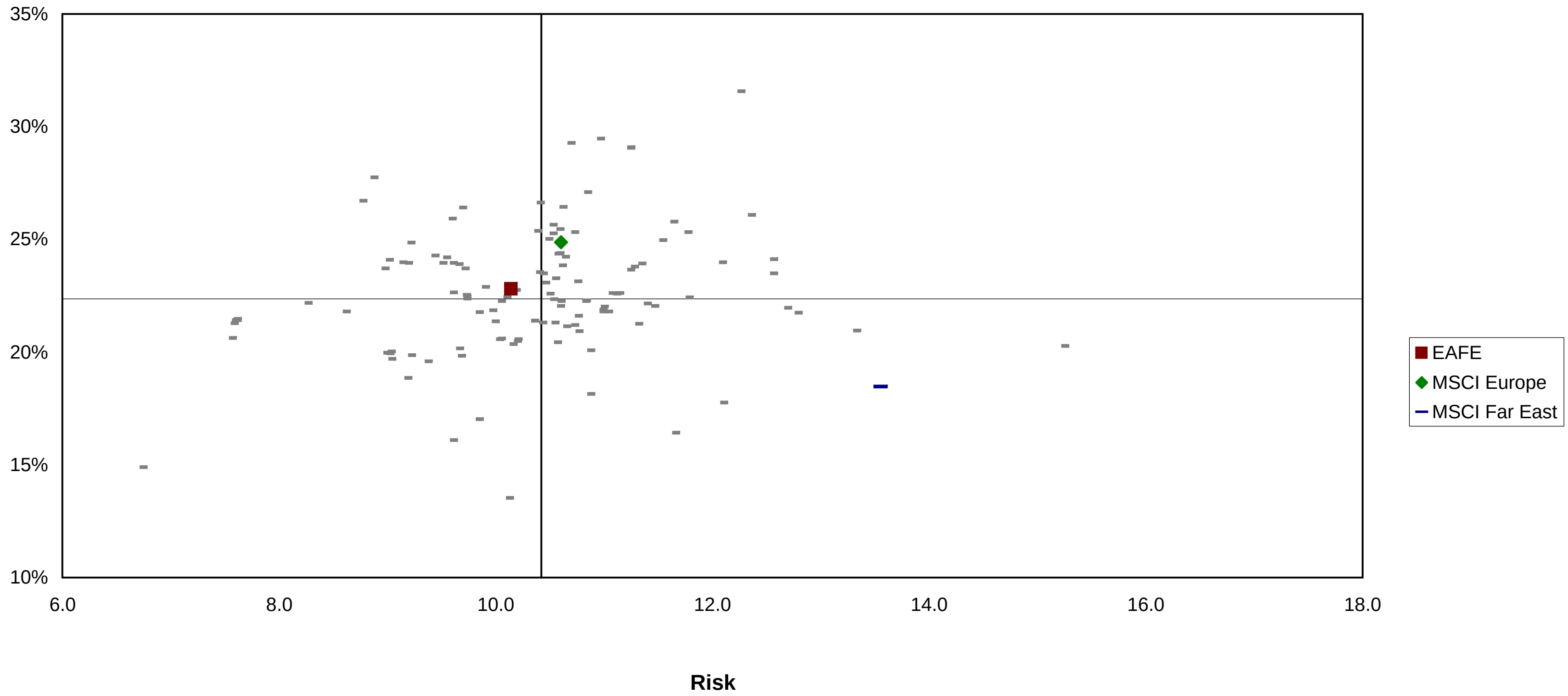


	Current Quarter	YTD	1 Year	3 Years	5 Years
MSCI EAFE GD	4.0%	14.9%	19.7%	22.8%	14.7%
10th Percentile	6.0%	17.6%	22.8%	25.9%	19.9%
1st Quartile	5.1%	16.3%	20.9%	24.0%	18.4%
Median	4.2%	14.5%	20.0%	22.4%	15.5%
3rd Quartile	3.3%	13.0%	17.8%	21.2%	14.3%
90th Percentile	2.0%	10.5%	14.7%	19.9%	12.0%

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

Low Risk
High Reward

High Risk
High Reward



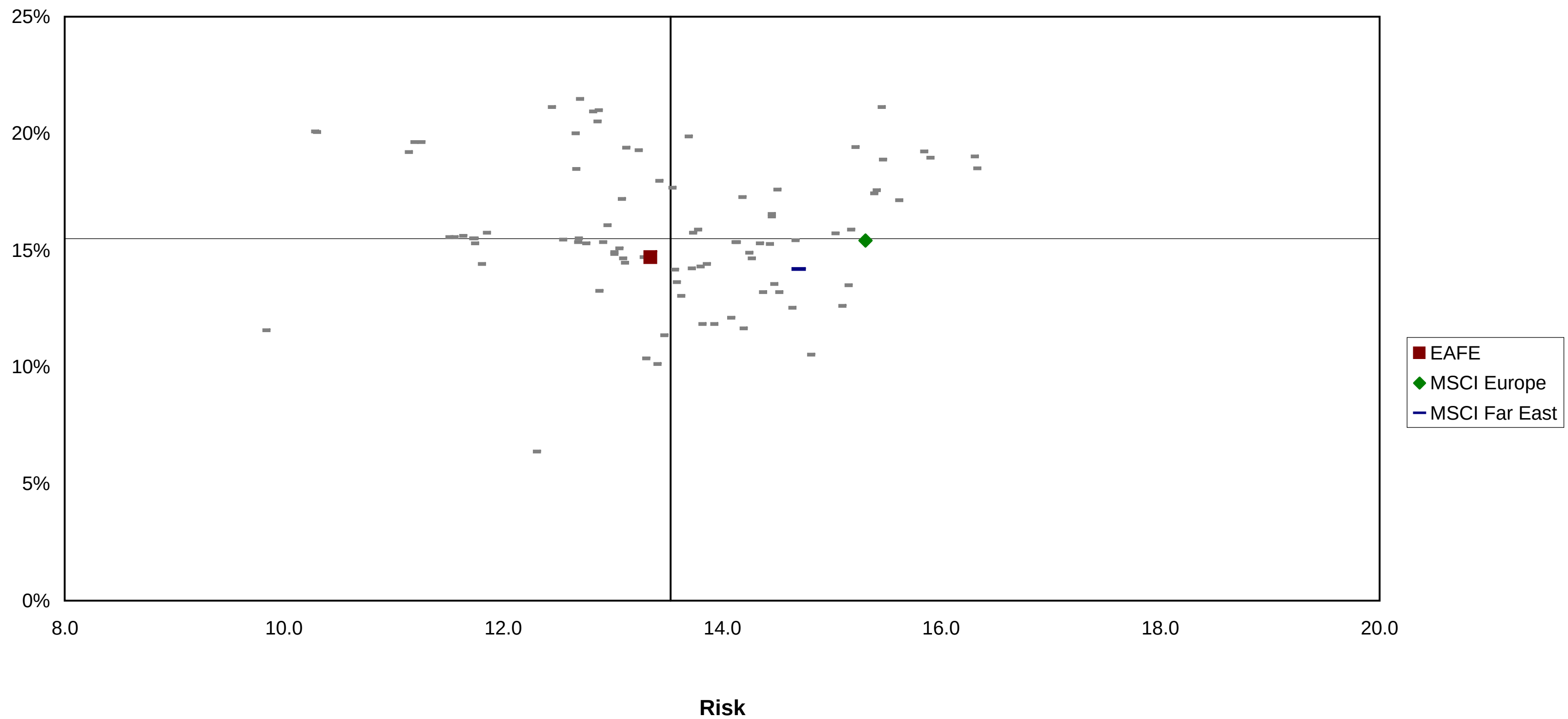
Low Risk
Low Reward

High Risk
Low Reward

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

Low Risk
High Reward

High Risk
High Reward



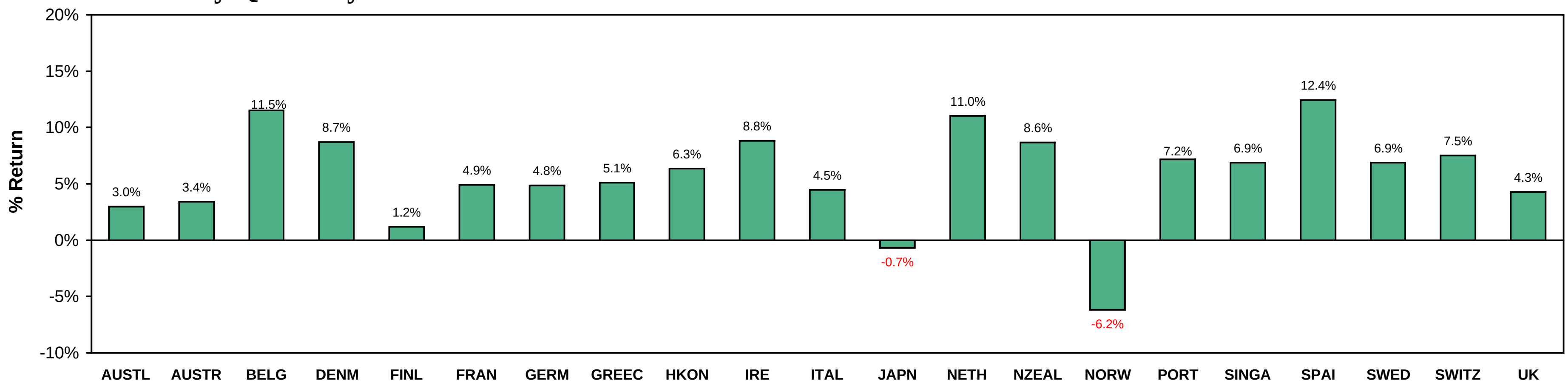
Low Risk
Low Reward

High Risk
Low Reward

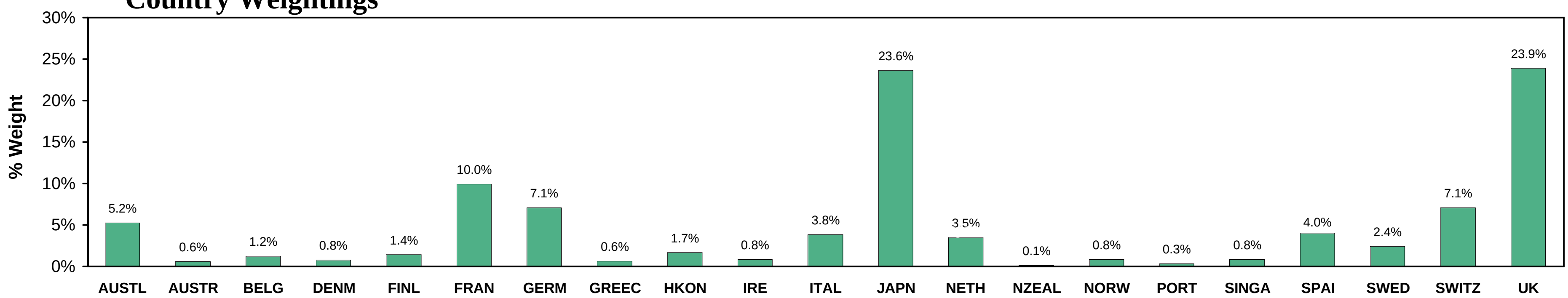
EAFE Country Analysis

MSCI EAFE Gross Dividends

Country Quarterly Returns



Country Weightings



Alternative Markets Summary

Private Equity
The pace of private equity fundraising slowed during the third quarter, with a smaller number of both venture and buyout funds raised according to data from Thomson Financial & the National Venture Capital Association. Over half of the venture funds raised were early stage funds and most of funds raised were follow-on funds. This quarter's buyout fundraising amount was not inflated by big buyout funds but this year's buyout fundraising can easily surpass prior records by year end.

The number of venture backed M&A deals and IPO's declined considerably during the third quarter according to the Thomson & National Venture Capital Association figures. However, the same report notes encouraging levels of companies "in registration" in preparation for IPO and also notes that more than half of the companies that have gone public are now trading above their offering price.

Private equity programs of institutional investors monitored by the Northern Trust Investment Risk & Analytical Services group posted returns that lagged the overall US equity market for the quarter. The median private equity program posted a return of 2.5% versus the US equity median of 3.7%. Year to date, private equity outpaced the US equity program median by approximately 3 percent at median. More incredibly, the top quartile of private equity programs demonstrated a return roughly double that of the top quartile mark of the US equity program.

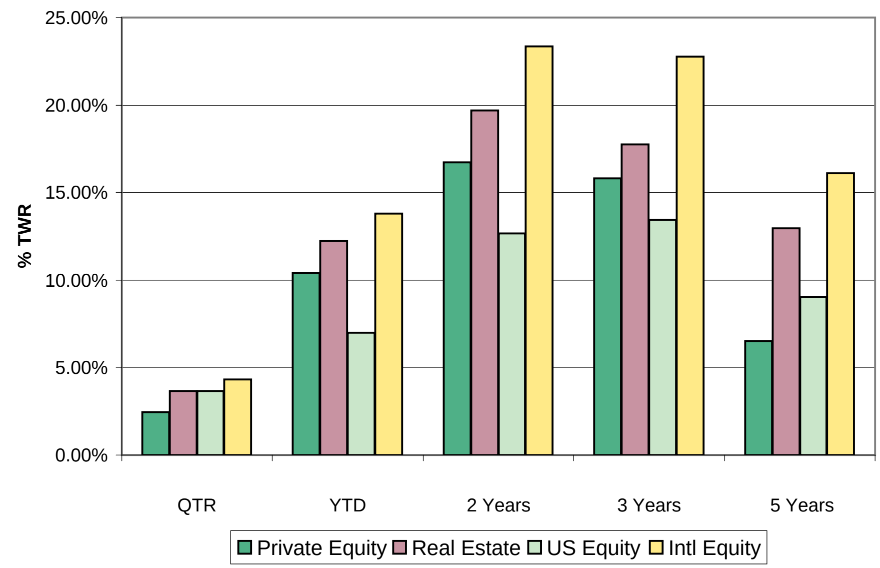
Real Estate
Real estate programs measured by the Northern Trust enjoyed excellent performance relative to US equity programs for the year-to-date. The median real estate program virtually matched the US equity program median of 3.6% for the quarter, but reflected a year-to-date median of 12.2% that easily eclipsed the median US equity program return of 7.0%. For the trailing 12 months, the real estate program median of 18.2% was nearly double the median US equity program return.

The 12 month median was higher than the returns of most property indexes but lagged REIT performance. Property sub classes that were favored over the 12 month period included the hotel property type and the best performing US geography for the same period was the Western region.

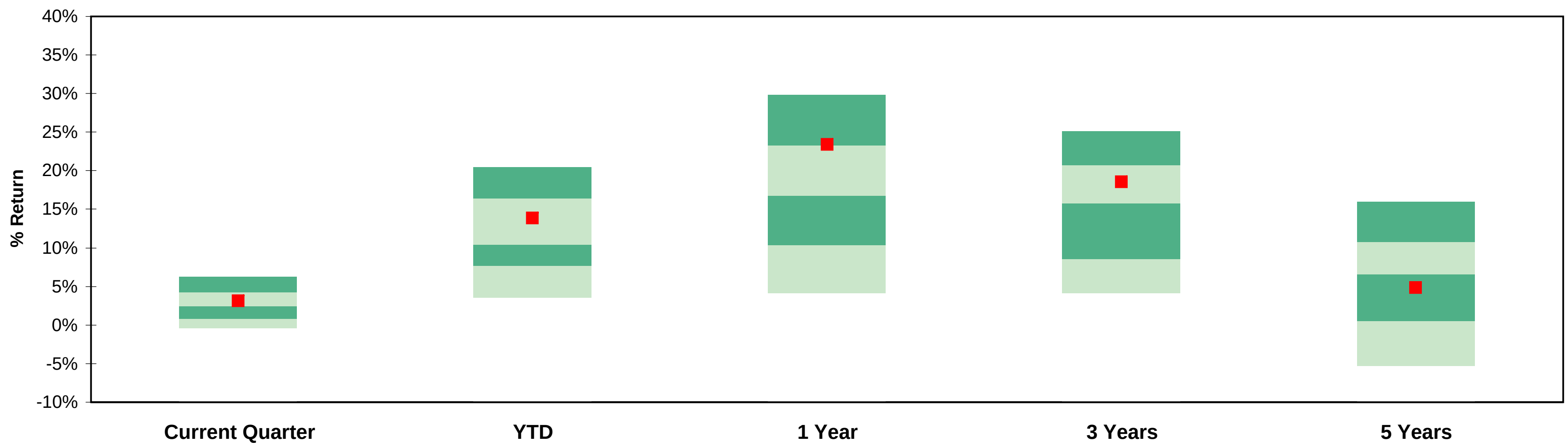
Absolute Return / Hedge Funds
Diversified hedge fund programs in a sample from institution plans monitored by Northern Trust showed only modest gains for the quarter. The 1.7% median for the quarter was better than the returns published for many fund of funds indexes but lagged the performance of most broad US equity indices. The 12 month sample median of 9.0% also trailed US equity indices and the median US equity program.

The range of performance in the sample was somewhat clustered; the spread between the top quartile and median was only about 100 basis points for the twelve month period. Most of the clustering is likely attributable to the programs being diversified across styles.

Program Universe Medians

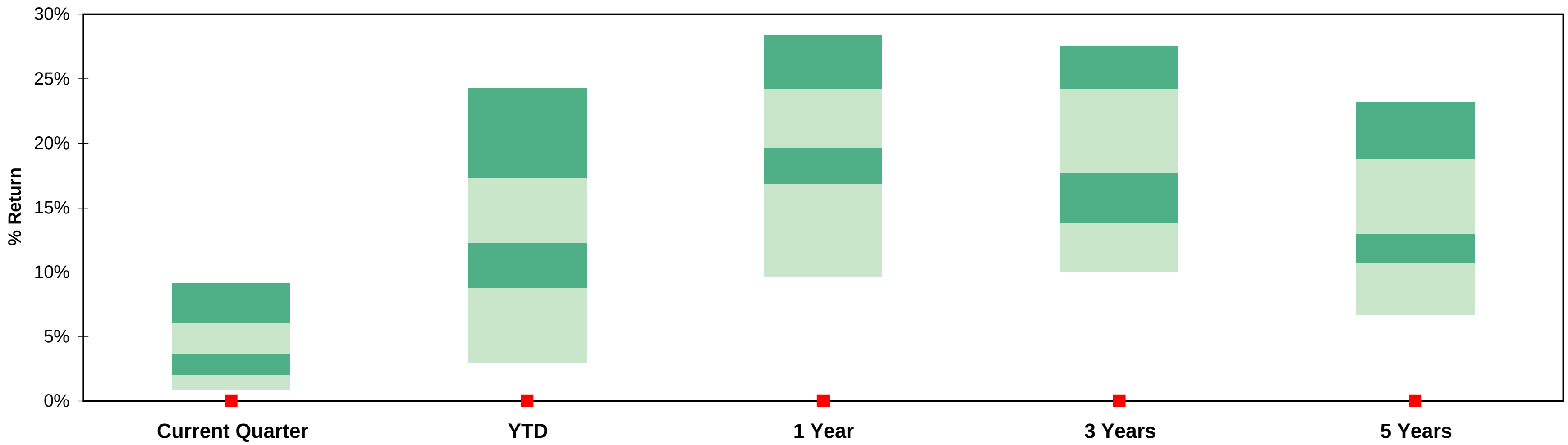


Private Equity Programs - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
NTRS PE Composite	3.1%	13.9%	23.4%	18.6%	4.9%
10th Percentile	6.3%	20.5%	29.9%	25.1%	16.0%
1st Quartile	4.3%	16.5%	23.3%	20.7%	10.8%
Median	2.5%	10.4%	16.7%	15.8%	6.5%
3rd Quartile	0.8%	7.6%	10.3%	8.5%	0.5%
90th Percentile	-0.4%	3.6%	4.1%	4.2%	-5.3%

Real Estate Programs - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
10th Percentile	9.2%	24.2%	28.4%	27.6%	23.2%
1st Quartile	6.0%	17.3%	24.2%	24.2%	18.8%
Median	3.7%	12.2%	19.7%	17.7%	13.0%
3rd Quartile	2.0%	8.8%	16.9%	13.8%	10.7%
90th Percentile	0.9%	2.9%	9.7%	10.0%	6.7%