FundUniverse

Universe Book

3rd Quarter 2007

The Northern Trust Company

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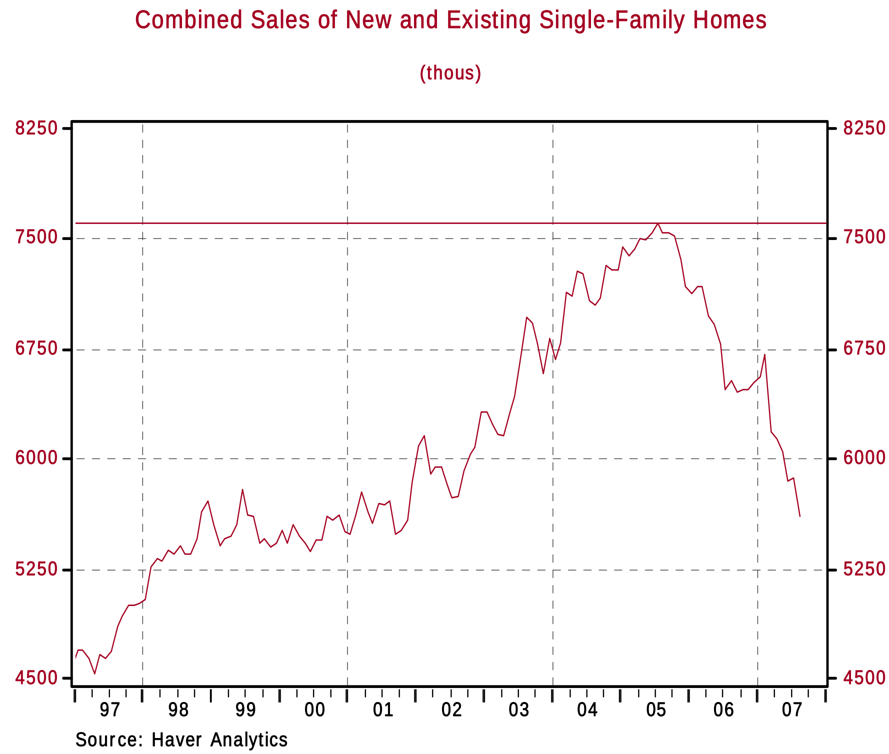
U.S. Economic Summary

The U.S. is at a crossroad experiencing an extended housing market crisis. The Fed has come to the rescue of financial markets by lowering the discount rate 50 basis points on August 17 to 5.75% and cutting both the discount and federal funds rates 50 basis points each on September 18, bringing them down to 5.25% and 4.75% respectively. Incoming economic data show troubling signs of softness and it is not entirely clear how much the housing market and subprime mortgage issues have shaken the underlying economic fundamentals. The Fed is expected to lower the federal funds rate in the months ahead to prevent a severe economic downturn. We expect the economy to stage a mild recovery in economic growth at the end of 2008, assuming the Fed eases monetary policy further in the months ahead.

Real gross domestic product of the U.S. economy grew at an annual rate of 3.8% in the second quarter following a 0.6% increase in the first quarter. The economy is predicted to post growth of only 1-3/4% in the second half of 2007, followed by a 2.0% gain in 2008. Consumer spending, which has been the major engine of economic growth, continued to show strength in the third quarter but going forward a noticeable loss of momentum is most likely. Home equity withdrawals totaled nearly $480 billion in 2006 matching the 2005 reading and provided a lift to consumer spending. In 2007, home equity withdrawals are down significantly to a sum of nearly $180 billion in the first two quarters of the year. Recent home sales data show sharp declines in home prices. This decline in home prices reduces the amount of equity available to financially strapped households to help finance their spending and in turn should become visible as a cause for a drop in consumer spending in the near term.

Business capital spending appears to also have taken the back seat after growing at a meager 2.5% pace in the first-half of 2007, following a 4.9% drop in the fourth quarter of 2006. Profits of the non-financial sector have turned negative for three straight quarters on a year-to-year basis. The financial sector has taken a big hit in the third quarter following the financial market crisis, which suggests weak growth going forward given the unsettled nature of financial markets. The Conference Board's CEO Confidence Index for the third quarter has dropped to a cycle low. Consumer spending is expected to shift to a lower gear. These factors imply that the fundamentals for profit growth remain unfavorable and therefore the probability of business capital making a solid contribution to GDP in the near term is on the low side.



The housing market problem appears to be worsening rather than improving. Existing home sales are down 30.0% from their peak in September 2005. In September 2007, the median price of an existing single-family home was down 4.9% from a year ago, the largest drop on record and it is taking 10.5 months to sell an existing home. The news is gloomy in the market for new homes. New home sales in August were down nearly 43.0% from the peak in July 2005. The median price of a new single-family home dropped 7.5% from a year ago to $225,700. This is largest decline recorded since December 1970. Residential investment expenditures have dropped for six straight quarters, five of which showed large double-digit declines. The housing market remains front and center of macroeconomic policy discussion

U.S. Economic Summary (continued)

Employment gains show significant signs of slowing in recent months. The unemployment rate, a lagging economic indicator, has risen to 4.7% in September from a low of 4.4% in March 2007. Payroll employment has slowed to an average of only 97,000 jobs created in the third quarter compared with an average gain of 126,000 jobs in the second quarter and an average increase of 189,000 in all of 2006. The latest initial jobless claims data show a sharp increase in initial jobless claims. The main message from the labor market is that firms are reluctant to expand payrolls.

The news on the inflation front is mixed. The overall Consumer Price Index rose 2.8% on a year-to-year basis in September, reflecting rising energy prices. The year-to-year change in the core Consumer Price Index, which excludes food and energy, held steady at 2.1% in September. The core personal consumption expenditure price index, excluding food and energy (The Federal Reserve's preferred measure of inflation) moved up 1.7% from a year ago in August, representing a deceleration in core consumer prices which appears to have peaked at a 2.5% year-to-year increase in February 2007. Despite this favorable trend in core inflation, the Fed is uncomfortable about inflation because of rising energy prices and a weak dollar.

On the international side, the dollar continues to lose ground. As of this writing, the dollar was trading at $1.42 per euro, an all-time high, and the trade weighted dollar at 73.49 is a record low reading. The weakness of the currency has translated into a significant growth of exports of the U.S. economy. Inflation adjusted exports of goods and services grew 7.1% on a year-to-year basis in the second quarter, while imports of goods and services advanced only at a 2.0% pace. As a result of the strong growth of exports, the current account deficit of the U.S. economy stands was 5.5% of GDP in the second quarter, down from a record high of 6.8% of GDP in the fourth quarter of 2005. Additional weakness of the dollar is most likely given the status of the current account deficit. Going forward, the Fed is in a tough spot because considerations of weak growth call for easy monetary policy while considerations of inflation and a weak dollar call for tight monetary policy.

Key Economic Data

	quarterly change						Q4-to-Q4 change		
	2007-Q1a	2007-Q2a	2007-Q3f	2007-Q4f	2008-Q1f	2008-Q2f	2006a	2007f	2008f
Real GDP*	0.6	3.8	2.0	1.5	1.6	2.0	2.6	2.0	2.0
Consumer Price Index *	3.8	6.0	1.9	1.7	1.5	1.7	2.0	3.3	1.7
Unemployment rate**	4.5	4.5	4.6	5.0	5.1	5.1	4.5	5.0	5.0
Federal funds rate**	5.26	5.25	5.07	4.70	4.35	4.25	5.25	4.70	4.25
10-year note yield**	4.68	4.85	4.73	4.55	4.30	4.25	4.63	4.55	4.45

* - annualized percent change
** - Level, average for the quarter.
a - actual, f- forecast
2007-Q3- with the exception of GDP
other enteries are actual estimates

Asha Bangalore, Economist - Northern Trust Economic Research

Total Plan Summary

During the 3rd quarter of 2007, housing demand continued to be restrained by deteriorating conditions in the subprime lending market, while volatile equity markets underperformed their fixed income counterpart. Amid tightening credit conditions and increased uncertainty in the marketplace, the Federal Reserve Board decided to change the federal funds rate during the 3rd quarter of 2007. In an effort to halt some of the negative effects on the broader economy, the federal funds rate was lowered by 50 basis points to 4.75%.

Although the 3rd quarter began with disappointing results for the domestic and international equity markets, they were able to recover and post positive gains for the quarter. The S&P 500 and the MSCI EAFE Indexes rose 2.03% and 2.23% respectively. International equity issues continued to outperform their domestic counterparts by 8.94% over the 1 year period ending September 30, 2007 as evidenced by the S&P 500 (16.44%) and the MSCI EAFE (25.38%).

The quarterly universe results were consistent among three of the four median plans. The Public Funds median plan, which posted a 2.32% quarterly gain, edged out Foundations & Endowment as the top performing plan.

Foundations & Endowments was not far behind, earning a median return of 2.28% for the third quarter. Across the 1, 3 and 5 year time periods ending September 30, 2007, the Foundations and Endowments segment continued to outperform all of the other market segments. The plan's outperformance can be attributed to its high allocation to private equity relative to the other median plans.

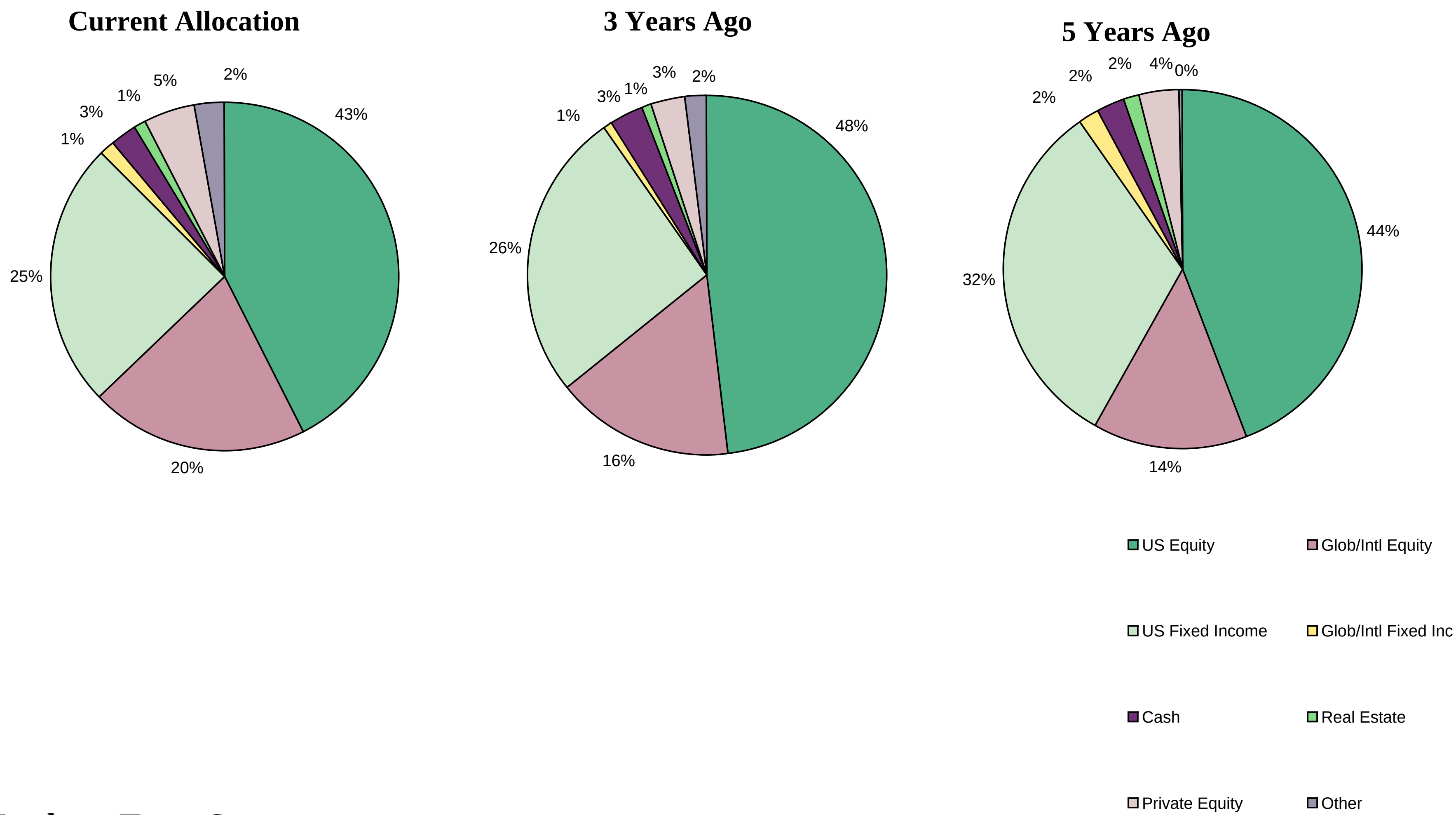
ERISA's median plan ranked third among the major segments, earning a 3rd quarter return of 2.18%. Wealth Management's quarterly return of 1.66% trailed the other segments during the 3rd quarter of 2007. Their larger allocation to cash, relative to the other plan types, was the single largest factor contributing to their lagging performance.

Periods Ended September 30, 2007	Qtr.	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.
Northern Trust ERISA Median	2.2%	15.4%	12.7%	13.4%	14.6%
Northern Trust Public Funds Median	2.3%	15.6%	12.5%	13.5%	14.7%
Northern Trust Foundations & Endowments Med.	2.3%	16.0%	13.2%	13.7%	14.6%
Northern Wealth Management Group Median	1.7%	13.9%	10.7%	2.0%	11.4%
S&P 500	2.0%	16.4%	13.6%	13.1%	15.5%
Lehman Bros. Aggregate Index	2.8%	5.1%	4.4%	3.9%	4.1%
MSCI EAFE (GD)	2.2%	25.4%	22.5%	23.8%	24.1%
90 Day T-Bills	1.2%	5.1%	4.9%	4.2%	2.9%
Consumer Price Index	0.1%	2.8%	2.4%	3.2%	2.9%

Asset Allocation	Current	1 Year Ago	3 Years Ago	5 Years Ago
ERISA Composite (109 plans)				
U.S. Equity	43%	45%	48%	44%
Global/Non-U.S. Equity	20%	18%	16%	14%
U.S. Fixed Income	25%	27%	26%	32%
Global/Non-U.S. Bonds	1%	1%	1%	1%
Cash & Other	11%	9%	9%	9%
Public Fund Composite (41 plans)				
U.S. Equity	40%	42%	48%	39%
Global/Non-U.S. Equity	22%	20%	14%	13%
U.S. Fixed Income	22%	25%	28%	34%
Global/Non-U.S. Bonds	4%	3%	2%	3%
Cash & Other	12%	10%	8%	11%
Foundation & Endowments Composite (90 funds)				
U.S. Equity	32%	37%	44%	41%
Global/Non-U.S. Equity	20%	16%	15%	11%
U.S. Fixed Income	15%	17%	21%	28%
Global/Non-U.S. Bonds	1%	1%	1%	1%
Cash & Other	32%	29%	19%	19%

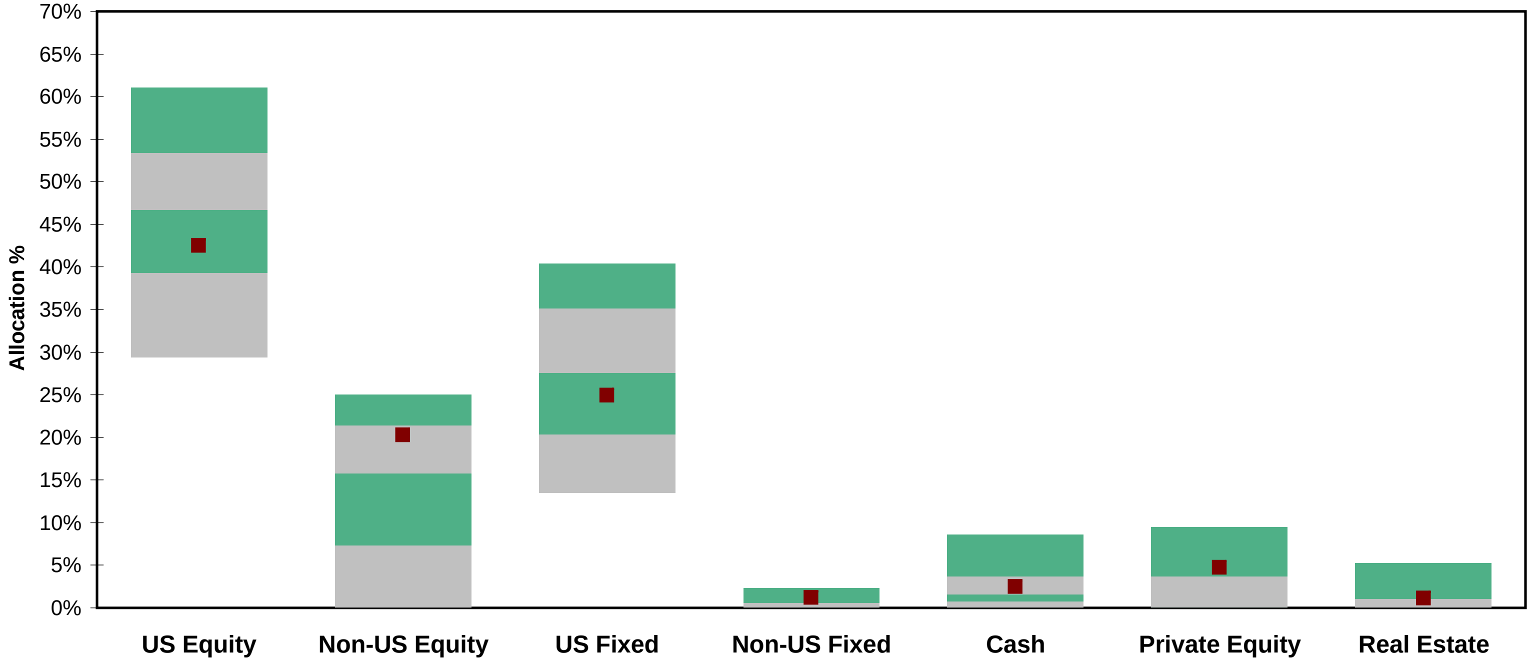
ERISA Plans - Composite Asset Allocation

At quarter-end, the Composite included 109 trusts with a total market value of $238 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

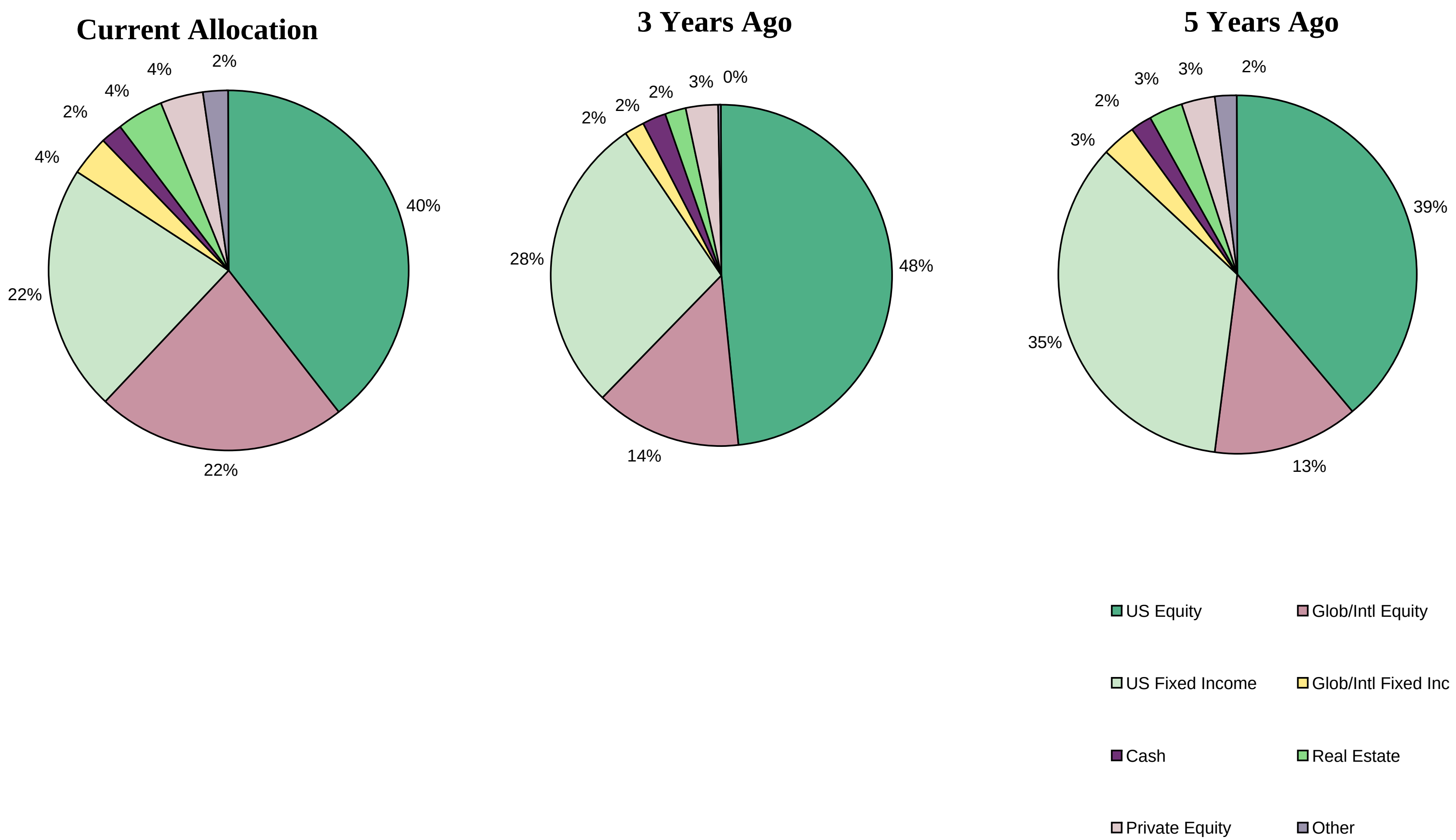
This chart depicts the range of asset class allocations made by plan sponsors in the ERISA Universe.



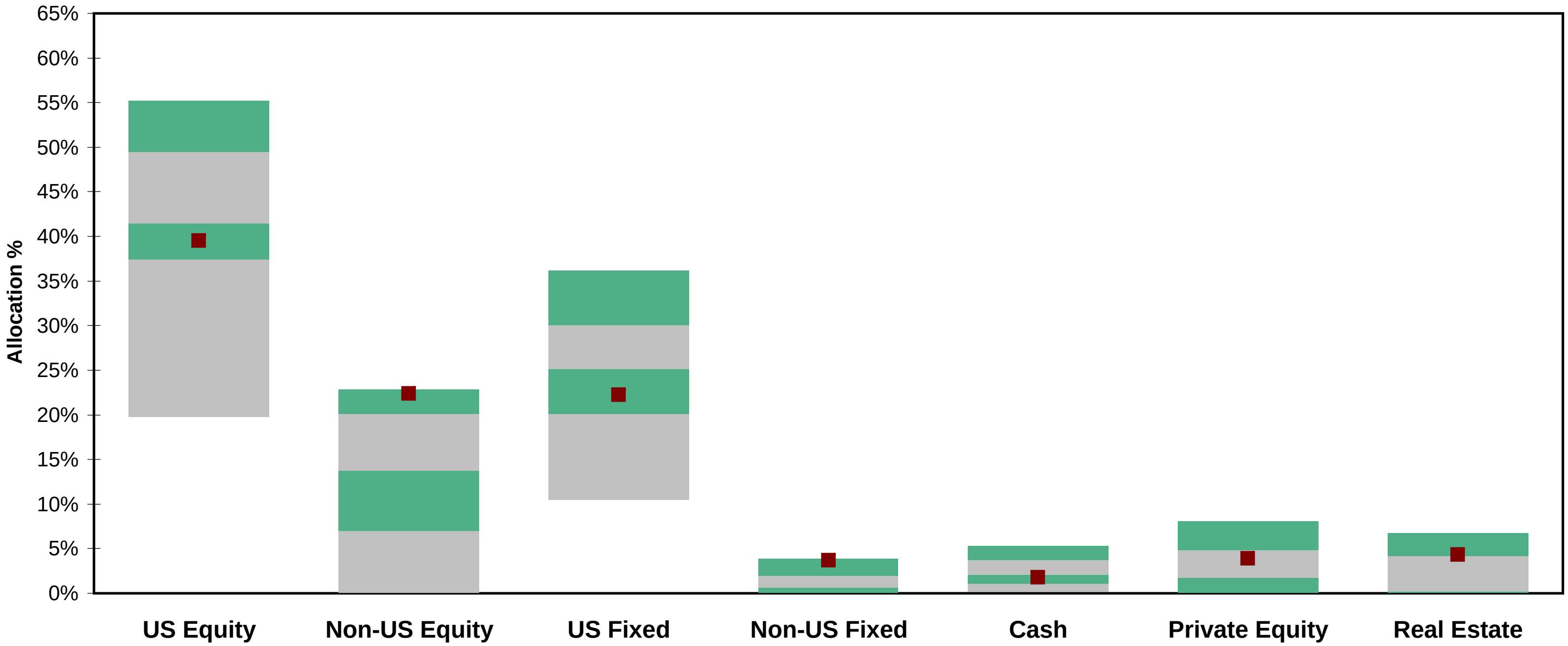
	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Cash	Private Equity	Real Estate
ERISA Composite	42.5%	20.3%	24.9%	1.2%	2.5%	4.7%	1.1%
10th Percentile	61.0%	25.0%	40.4%	2.3%	8.5%	9.5%	5.3%
1st Quartile	53.4%	21.4%	35.2%	0.6%	3.7%	3.7%	1.0%
Median	46.7%	15.8%	27.6%	0.0%	1.5%	0.0%	0.0%
3rd Quartile	39.3%	7.4%	20.4%	0.0%	0.7%	0.0%	0.0%
90th Percentile	29.4%	0.0%	13.5%	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 $341 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.



Public Funds - Range of Asset Allocation

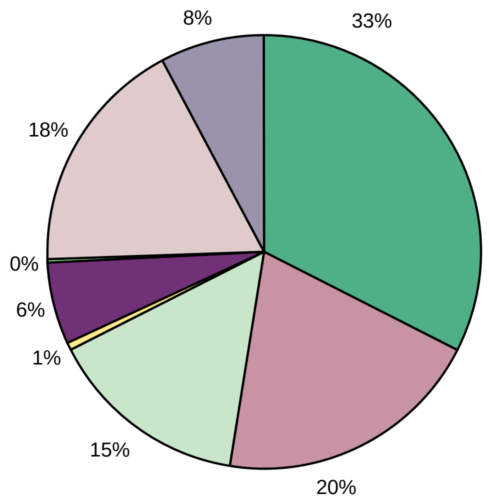


	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Cash	Private Equity	Real Estate
Composite	39.5%	22.4%	22.2%	3.7%	1.8%	3.9%	4.3%
10th Percentile	55.3%	22.9%	36.2%	3.9%	5.3%	8.0%	6.7%
1st Quartile	49.5%	20.1%	30.1%	2.0%	3.7%	4.8%	4.2%
Median	41.5%	13.7%	25.1%	0.6%	2.0%	1.8%	0.2%
3rd Quartile	37.4%	7.0%	20.1%	0.0%	1.0%	0.0%	0.0%
90th Percentile	19.8%	0.0%	10.5%	0.0%	0.2%	0.0%	0.0%

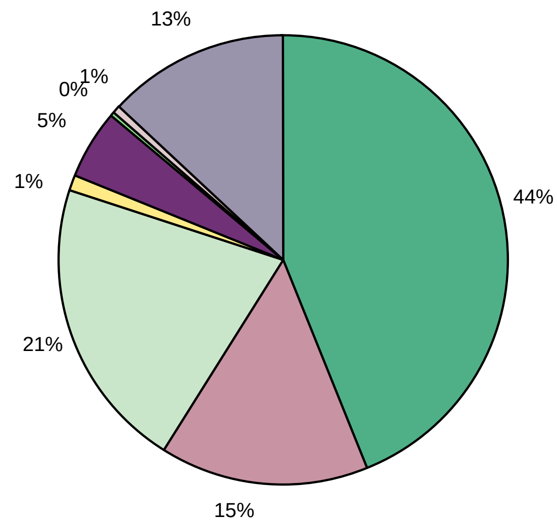
Foundation & Endowment Plans - Composite Asset Allocation

At quarter-end, the Composite included 90 trusts with a total market value of $102 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.

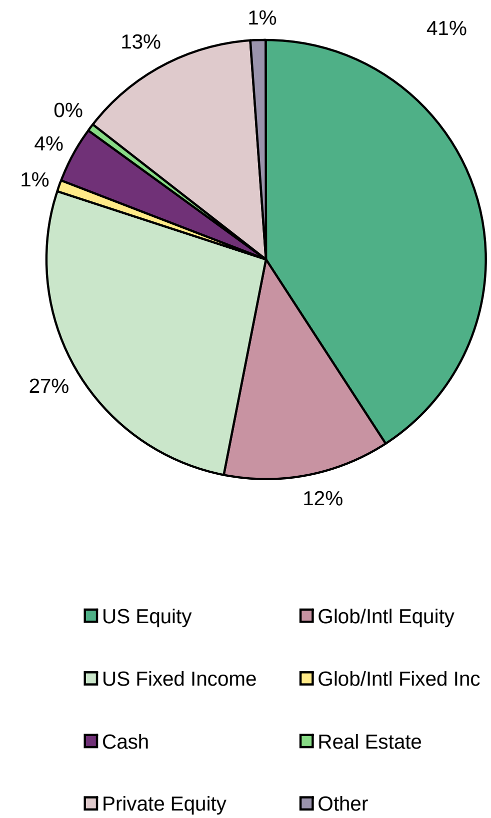
Current Allocation



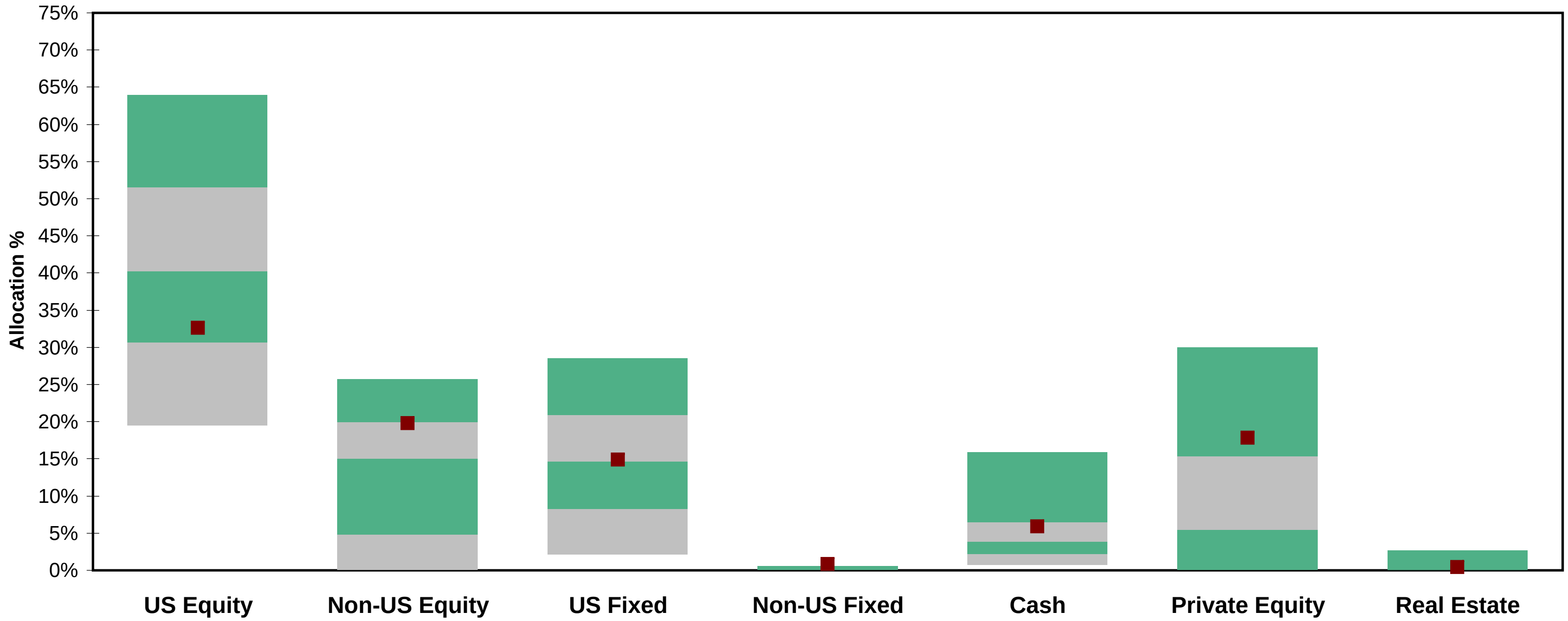
3 Years Ago



5 Years Ago



Foundation & Endowment Plans - Range of Asset Allocation

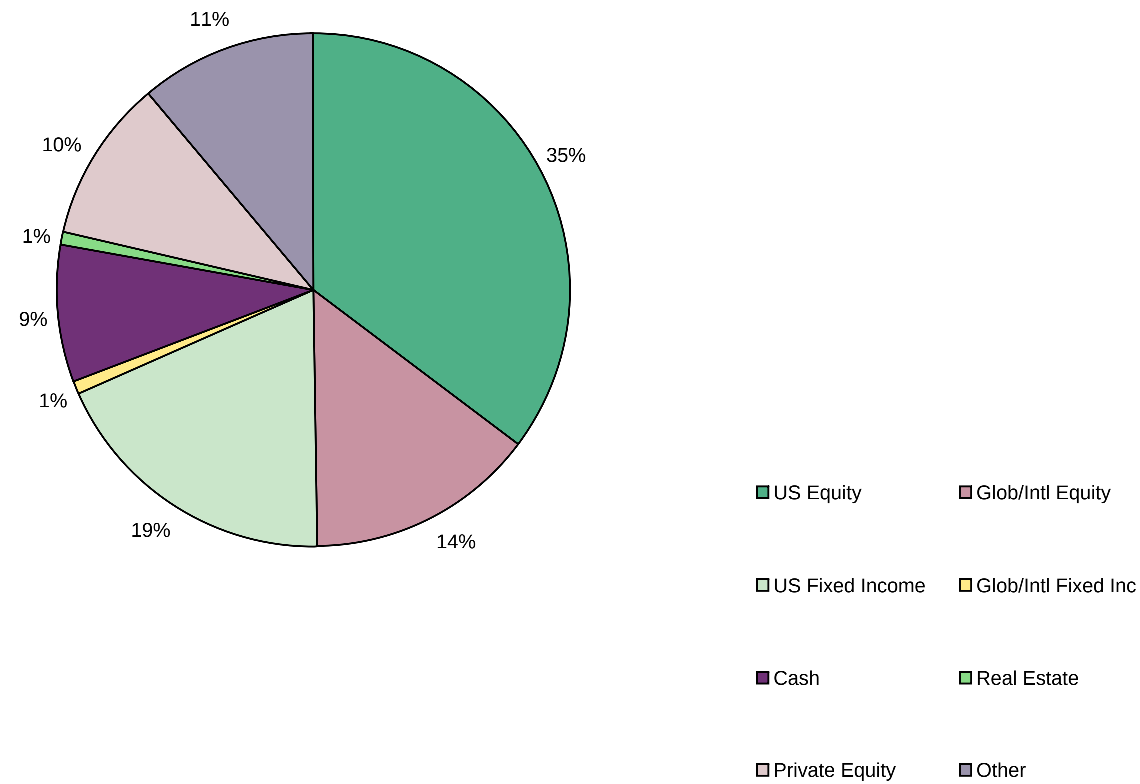


	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Cash	Private Equity	Real Estate
Composite	32.6%	19.8%	14.9%	0.8%	5.9%	17.8%	0.4%
10th Percentile	64.0%	25.7%	28.5%	0.6%	15.9%	30.0%	2.7%
1st Quartile	51.5%	19.9%	20.9%	0.0%	6.4%	15.3%	0.0%
Median	40.2%	15.0%	14.7%	0.0%	3.8%	5.4%	0.0%
3rd Quartile	30.7%	4.8%	8.3%	0.0%	2.2%	0.0%	0.0%
90th Percentile	19.5%	0.0%	2.1%	0.0%	0.8%	0.0%	0.0%

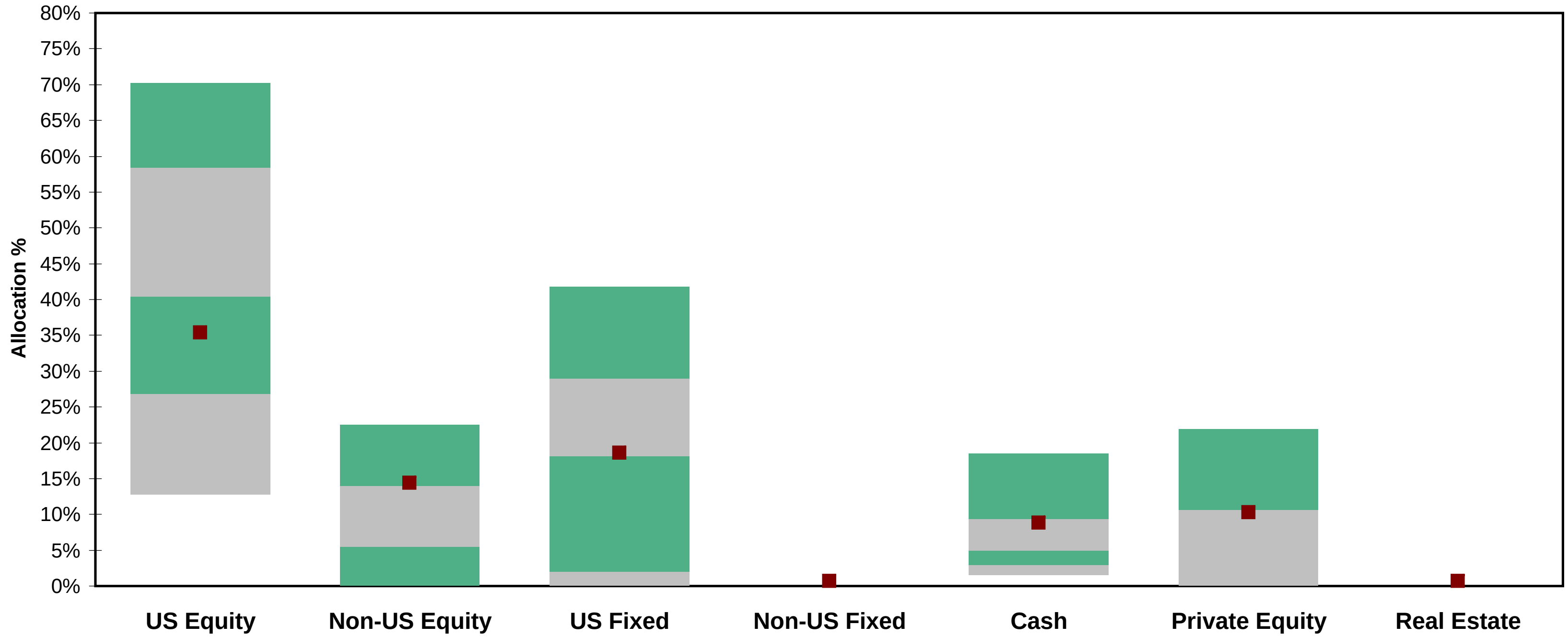
Wealth Management Plans - Composite Asset Allocation

At quarter-end, the Composite included 167 trusts with a total market value of $32 billion.

Current Allocation

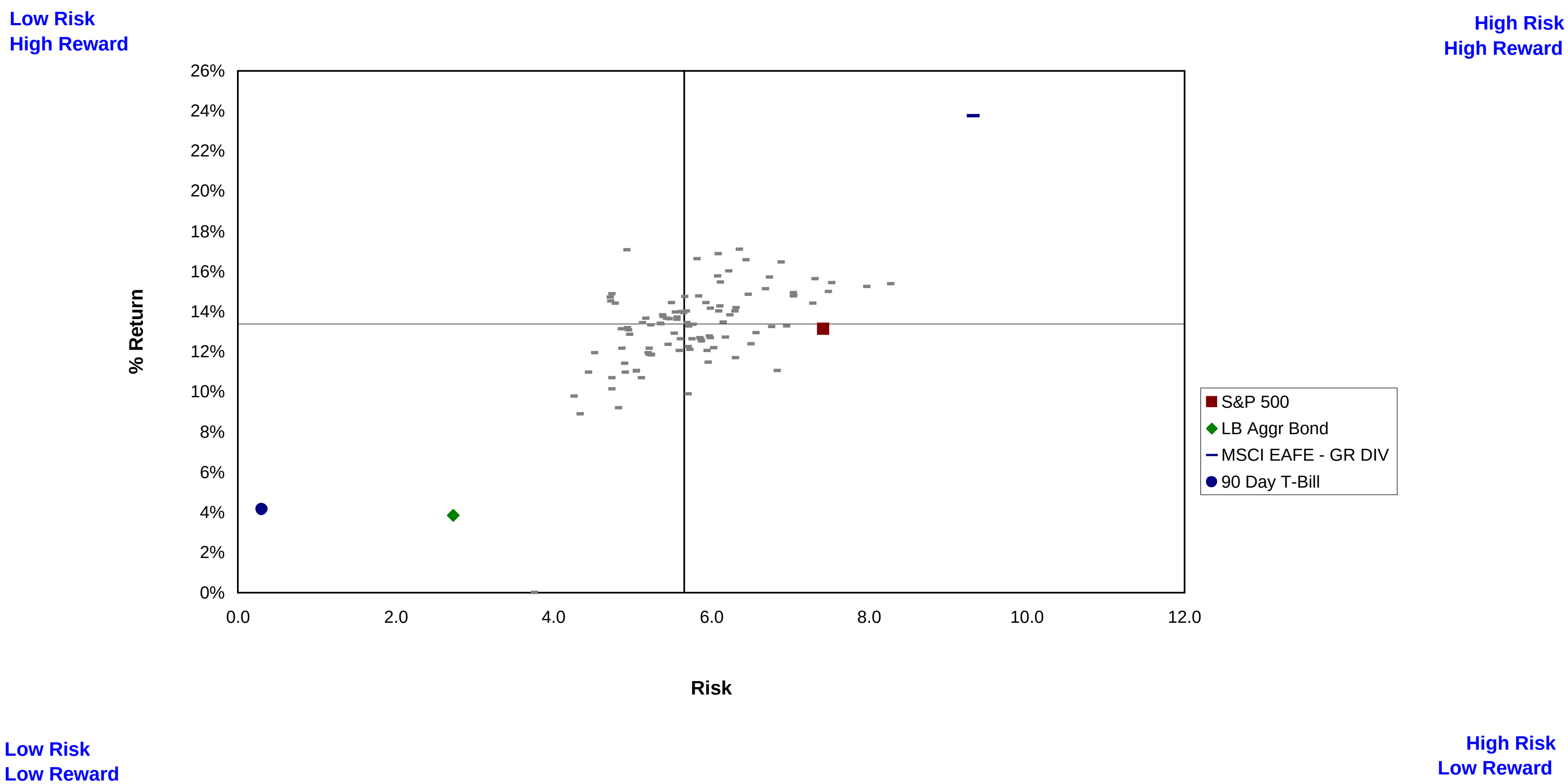


Wealth Management Plans - Range of Asset Allocation

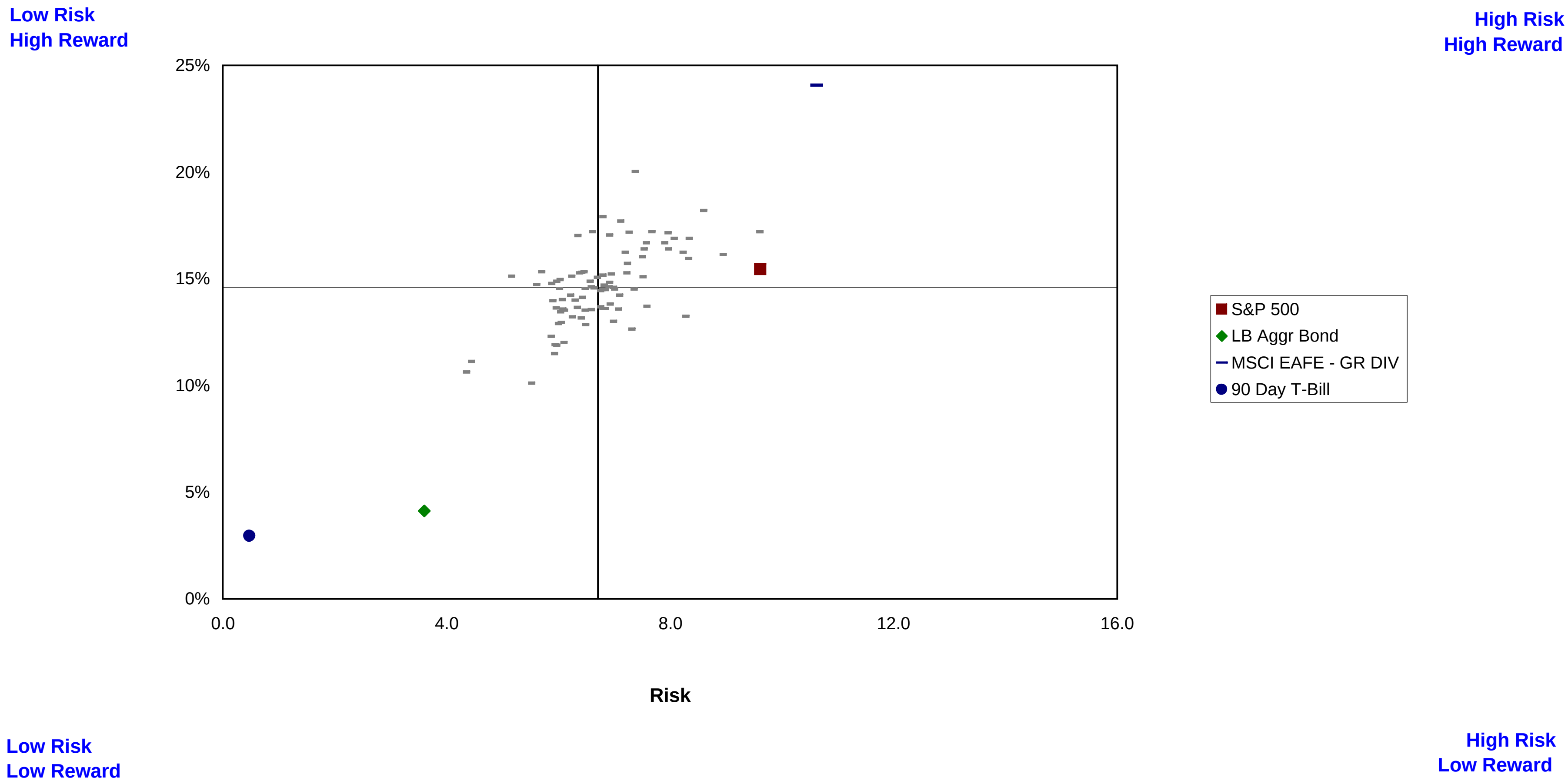


	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Cash	Private Equity	Real Estate
Composite	35.4%	14.4%	18.6%	0.7%	8.8%	10.3%	0.7%
10th Percentile	70.2%	22.5%	41.8%	0.0%	18.5%	21.9%	0.0%
1st Quartile	58.4%	13.9%	28.9%	0.0%	9.3%	10.6%	0.0%
Median	40.5%	5.5%	18.1%	0.0%	5.0%	0.0%	0.0%
3rd Quartile	26.8%	0.0%	2.0%	0.0%	2.9%	0.0%	0.0%
90th Percentile	12.8%	0.0%	0.0%	0.0%	1.6%	0.0%	0.0%

ERISA Plans - 3 Year Risk vs. Return



ERISA Plans - 5 Year Risk Return



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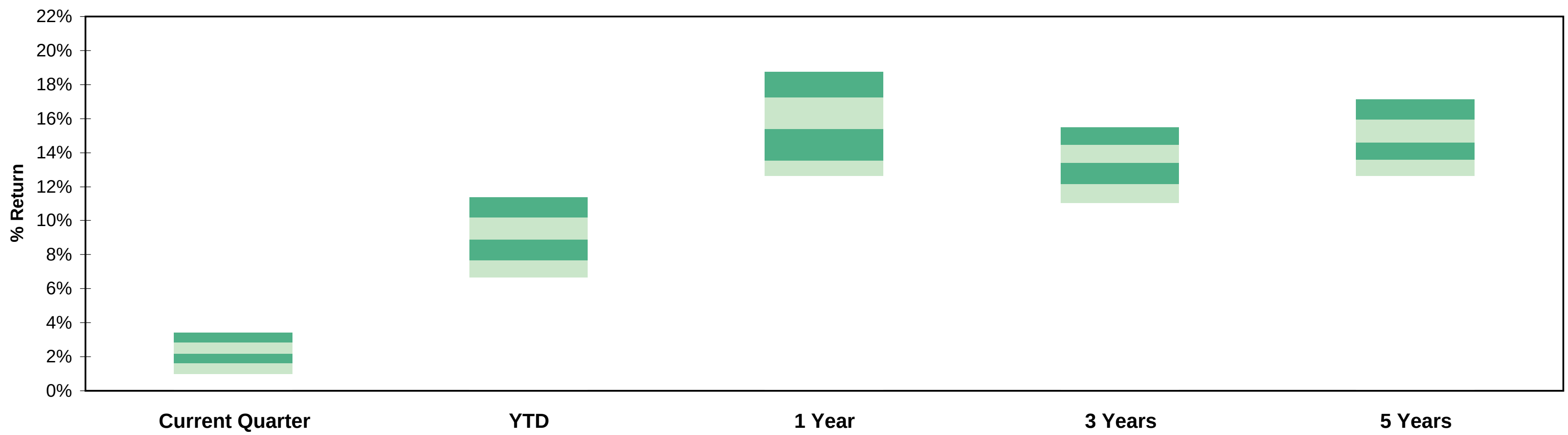
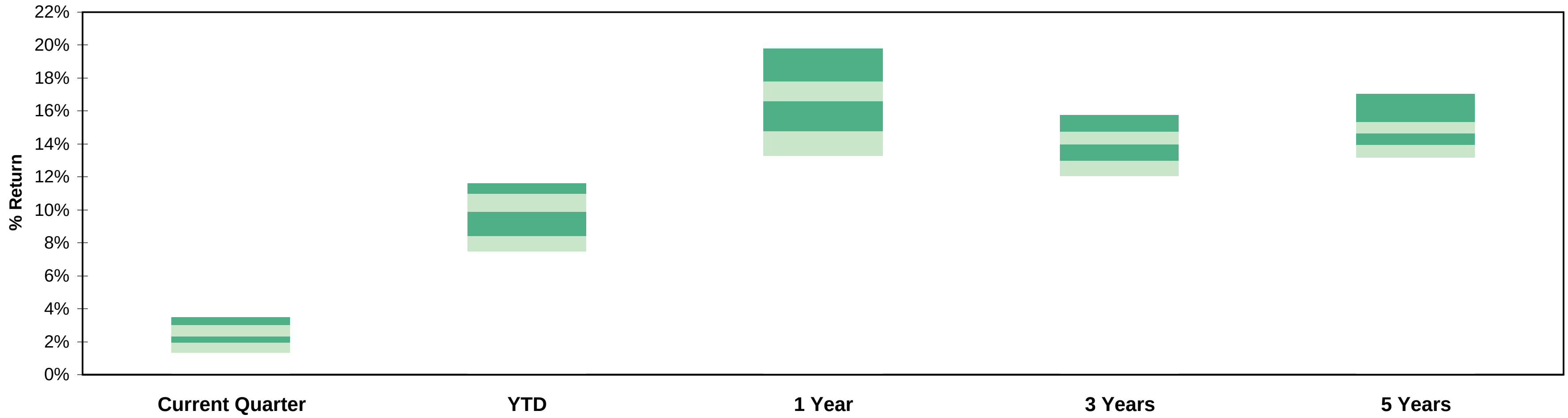
ERISA Plans - Total Returns



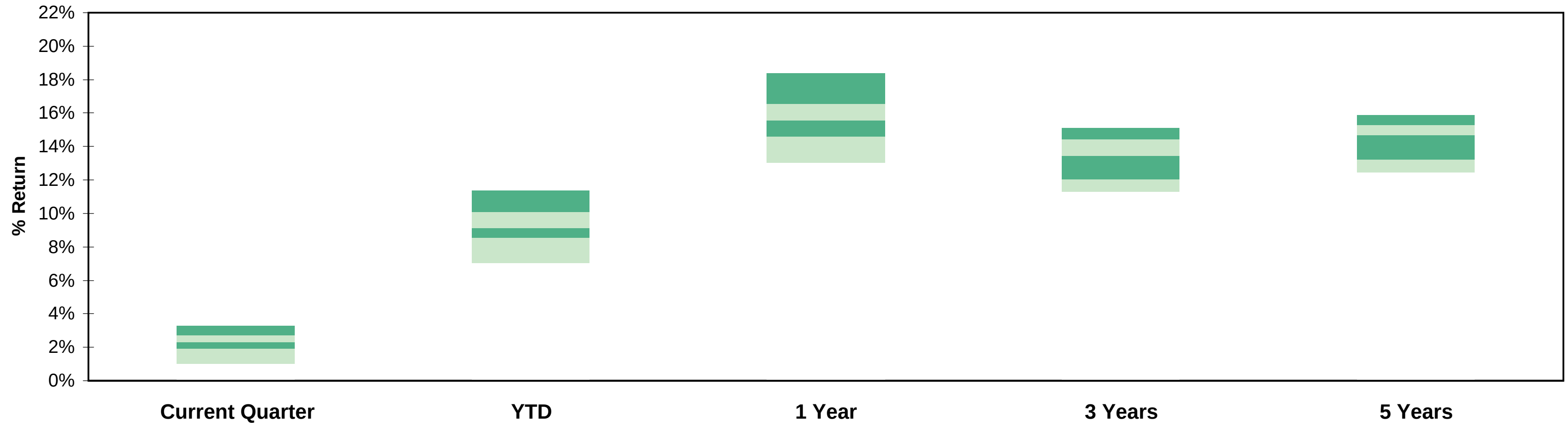
	Current Quarter	YTD	1 Year	3 Years	5 Years
Number of Funds	109	108	106	100	89
10th Percentile	3.4%	11.4%	18.7%	15.5%	17.1%
1st Quartile	2.9%	10.2%	17.2%	14.5%	16.0%
Median	2.2%	8.9%	15.4%	13.4%	14.6%
3rd Quartile	1.6%	7.7%	13.5%	12.2%	13.6%
90th Percentile	1.0%	6.6%	12.6%	11.0%	12.6%

ERISA Plans Greater Than $1B - Total Returns



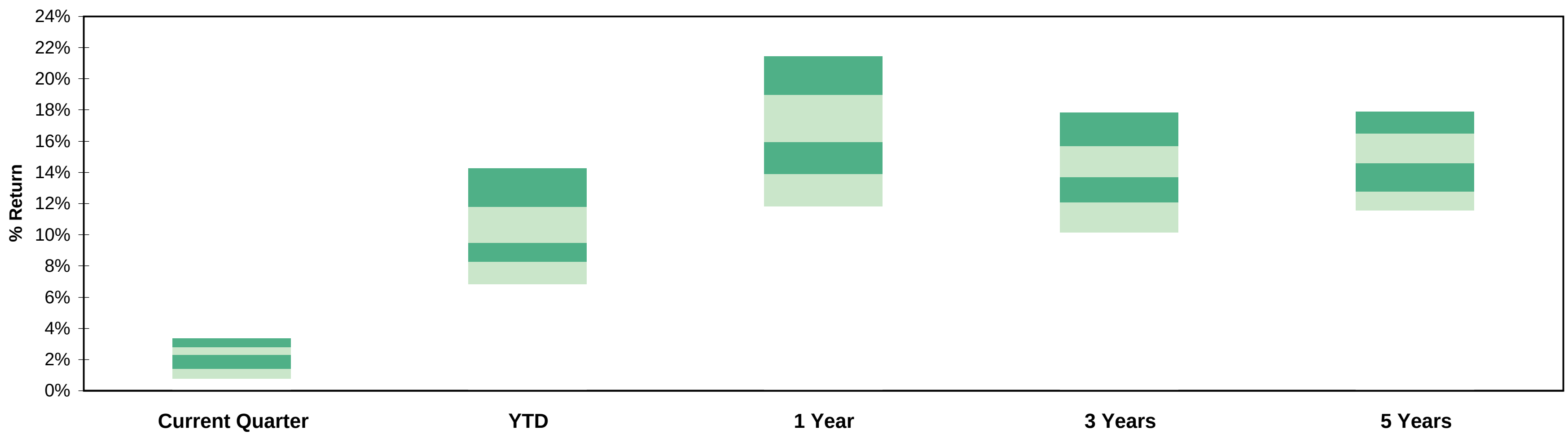
	Current Quarter	YTD	1 Year	3 Years	5 Years
Number of Funds	53	53	53	51	46
10th Percentile	3.5%	11.6%	19.8%	15.7%	17.0%
1st Quartile	3.0%	11.0%	17.8%	14.7%	15.3%
Median	2.3%	9.9%	16.6%	14.0%	14.7%
3rd Quartile	2.0%	8.4%	14.8%	13.0%	14.0%
90th Percentile	1.3%	7.5%	13.3%	12.0%	13.2%

Public Funds - Total Returns



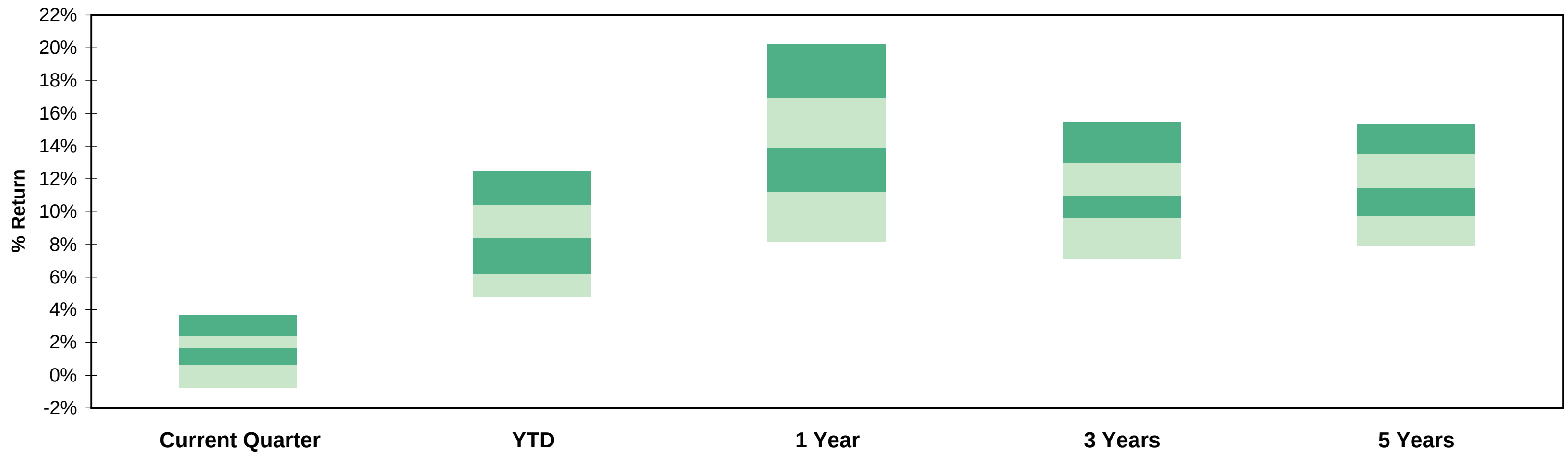
	Current Quarter	YTD	1 Year	3 Years	5 Years
Number of Funds	41	41	40	33	21
10th Percentile	3.3%	11.4%	18.4%	15.1%	15.9%
1st Quartile	2.7%	10.1%	16.5%	14.4%	15.3%
Median	2.3%	9.1%	15.6%	13.5%	14.7%
3rd Quartile	1.9%	8.6%	14.6%	12.0%	13.2%
90th Percentile	1.0%	7.1%	13.0%	11.3%	12.4%

Foundation & Endowment Plans - Total Returns



Number of Funds	90	86	80	67	56
10th Percentile	3.4%	14.2%	21.5%	17.8%	17.9%
1st Quartile	2.8%	11.8%	19.0%	15.7%	16.5%
Median	2.3%	9.5%	16.0%	13.7%	14.6%
3rd Quartile	1.4%	8.3%	13.9%	12.1%	12.8%
90th Percentile	0.8%	6.8%	11.8%	10.2%	11.6%

Wealth Management Plans - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
Number of Funds	167	159	148	114	73
10th Percentile	3.7%	12.5%	20.2%	15.4%	15.3%
1st Quartile	2.4%	10.4%	17.0%	13.0%	13.5%
Median	1.7%	8.4%	13.9%	11.0%	11.4%
3rd Quartile	0.7%	6.2%	11.2%	9.6%	9.8%
90th Percentile	-0.7%	4.8%	8.1%	7.1%	7.9%

All Funds Universe Populations - Total Returns

Funds Greater than $1B Universe	6/30/2007 9/30/2007	12/31/2006 9/30/2007	9/30/2006 9/30/2007	9/30/2004 9/30/2007	9/30/2002 9/30/2007
Top Quartile	3.0	11.3	18.2	14.9	16.1
Median	2.4	9.9	16.3	14.0	14.8
Bottom Quartile	1.9	8.6	14.7	12.9	14.0
Number of Funds	114	113	110	96	82

Funds Between $100 and $250M Universe	6/30/2007 9/30/2007	12/31/2006 9/30/2007	9/30/2006 9/30/2007	9/30/2004 9/30/2007	9/30/2002 9/30/2007
Top Quartile	2.5	10.1	16.5	13.0	14.0
Median	1.8	7.7	13.2	11.3	11.9
Bottom Quartile	0.9	6.1	11.4	8.9	9.8
Number of Funds	62	60	55	45	36

Funds Between $500M and $1B Universe	6/30/2007 9/30/2007	12/31/2006 9/30/2007	9/30/2006 9/30/2007	9/30/2004 9/30/2007	9/30/2002 9/30/2007
Top Quartile	2.7	11.4	17.7	15.0	16.3
Median	2.0	8.9	15.0	13.6	14.7
Bottom Quartile	1.2	7.8	14.1	11.9	13.3
Number of Funds	47	45	42	38	34

Funds Less Than $100M Universe	6/30/2007 9/30/2007	12/31/2006 9/30/2007	9/30/2006 9/30/2007	9/30/2004 9/30/2007	9/30/2002 9/30/2007
Top Quartile	2.5	10.1	16.5	12.9	13.7
Median	1.8	8.5	13.6	11.1	12.0
Bottom Quartile	0.9	6.1	10.9	9.6	10.2
Number of Funds	129	124	116	89	50

Funds Between $250M and $500M Universe	6/30/2007 9/30/2007	12/31/2006 9/30/2007	9/30/2006 9/30/2007	9/30/2004 9/30/2007	9/30/2002 9/30/2007
Top Quartile	2.5	10.1	17.1	14.1	15.3
Median	2.0	8.9	15.5	12.7	14.0
Bottom Quartile	1.1	7.9	13.5	11.0	12.3
Number of Funds	58	57	55	49	37

Funds Greater Than $100M Universe	6/30/2007 9/30/2007	12/31/2006 9/30/2007	9/30/2006 9/30/2007	9/30/2004 9/30/2007	9/30/2002 9/30/2007
Top Quartile	2.8	10.9	17.8	14.7	15.7
Median	2.2	9.1	15.6	13.3	14.5
Bottom Quartile	1.3	7.7	13.4	11.8	12.9
Number of Funds	283	276	262	229	188

U.S. Equity Summary

U.S. equity markets reflected the overall market volatility during the third quarter of 2007. Record highs were reached during July due to continued positive earnings reports and M&A activity. Credit issues which began last quarter in the sub-prime market sparked a stock sell-off in August. The Fed took action during the quarter by cutting the discount rate, and followed that by reducing the federal funds target rate in September. Fed action encouraged a rally in US equities and by September 30th stocks were near July highs and the Dow and S&P were moving toward new records.

The US stock market rose during the third quarter despite the volatility that took place. The S&P 500 gained 2% for the quarter, much of which can be attributed to the weakness of the dollar. After the Fed's rate cut, the value of the dollar represented a record low versus the Euro. One theme carrying over from the second quarter concerns fuel cost. Although oil prices rose during the quarter, energy companies as a whole performed well.

For the quarter, growth stocks continued to outperform their value counterparts as the Russell 1000 Growth was up 4.2% versus a -0.2% for the Russell 1000 Value.

Within the small cap space, the difference was even greater as the Russell 2000 Growth returned 0.02% versus -6.3% for the Russell 2000 Value. Large company stocks had larger gains than small caps for the second straight quarter, possibly due to investors believing that large caps will be able to handle an environment of slower growth in the economy better than smaller companies. Also, market volatility has driven investors away from riskier small caps to safer investment styles.

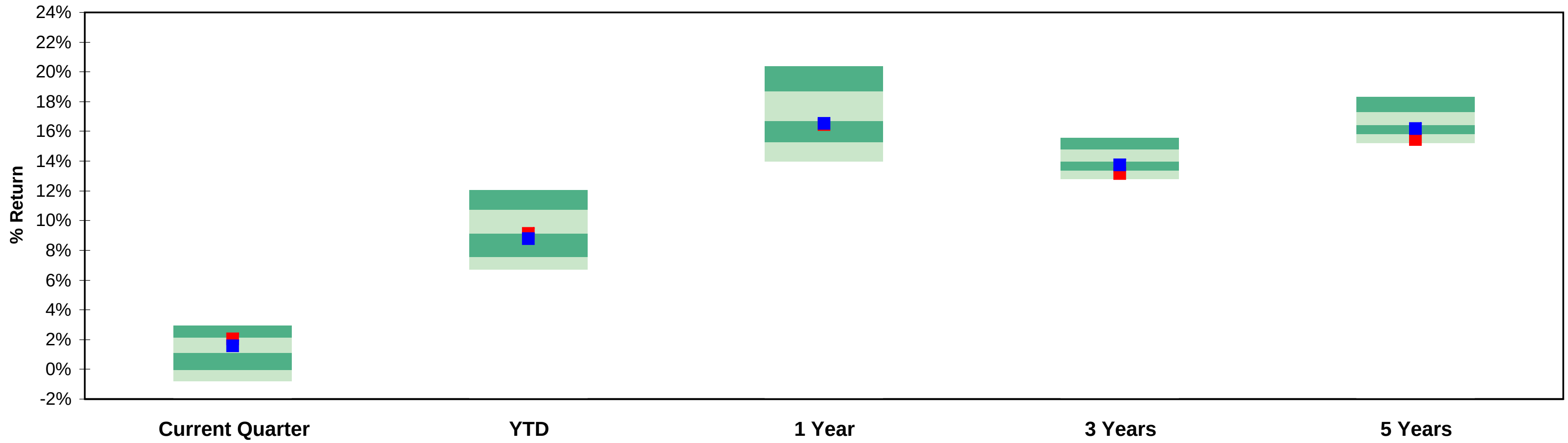
The largest rally since November of 2005 was posted by the Russell 1000 Index, driven by energy and materials. Financials and consumer discretionary were the negative performers for the quarter. Sectors that have done well this year have been energy, materials, industrials, and information technology.

Within the Northern Trust Equity Style Medians, Large Growth posted the highest quarterly return of 6.1%. (Small Value was the lowest with -6.9%) Mid Cap Growth is the top performing style over the one year period with a return of 23.1%. (Small Cap Value has the lowest with 11.0%)

Periods Ending September 30, 2007	Quarter	YTD	1 Year	3 Years	5 Years
S&P 500	2.0%	9.1%	16.4%	13.1%	15.5%
Russell 3000	1.5%	8.8%	16.5%	13.7%	16.2%
Russell 1000	2.0%	9.3%	16.9%	13.8%	16.0%
Russell 1000 Growth	4.2%	12.7%	19.4%	12.2%	13.8%
Russell 1000 Value	-0.2%	6.0%	14.4%	15.2%	18.1%
Russell 2000	-3.1%	3.2%	12.3%	13.4%	18.8%
Russell 2000 Growth	0.0%	9.3%	18.9%	14.1%	18.7%
Russell 2000 Value	-6.3%	-2.7%	6.1%	12.5%	18.7%
NT Equity Style Medians					
Large Cap Core	2.0%	9.9%	16.8%	14.0%	15.9%
Large Growth	6.1%	14.7%	21.2%	13.6%	13.8%
Large Value	-1.1%	6.4%	14.6%	15.4%	18.7%
Mid Growth	1.0%	14.0%	23.1%	18.6%	21.3%
Mid Value	-4.1%	6.6%	14.4%	15.7%	20.7%
Small Growth	-0.6%	9.5%	18.3%	15.7%	19.7%
Small Value	-6.9%	1.8%	11.0%	14.7%	20.3%

U.S. Equity Programs - Total Returns

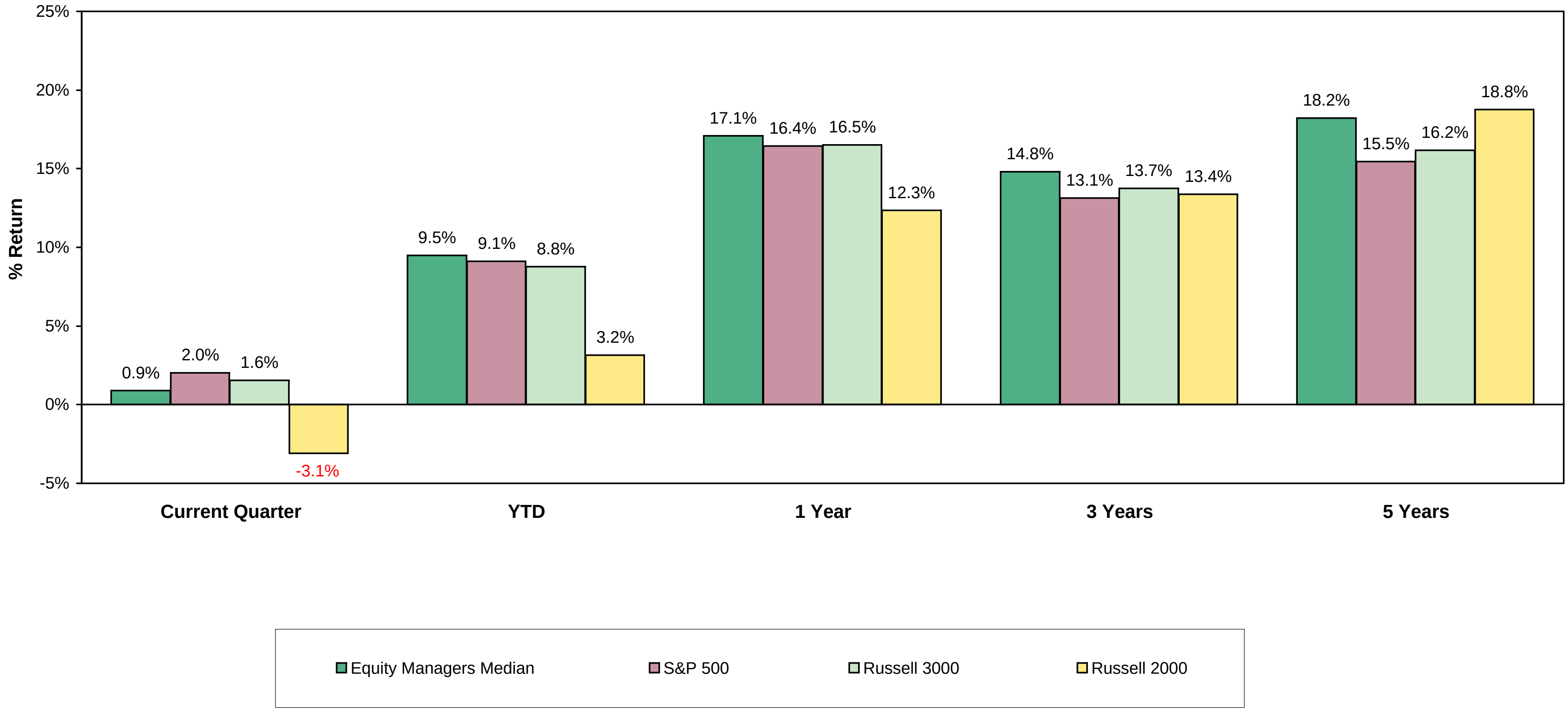
This universe depicts the range of plan sponsors' investment experience in their total domestic equity allocation; as opposed to the equity manager universe which depicts the range of managers' performance. This universe is helpful in determining the degree to which sponsors were capable of implementing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



	Current Quarter	YTD	1 Year	3 Years	5 Years
S&P 500	2.0%	9.1%	16.4%	13.1%	15.5%
Russell 3000	1.6%	8.8%	16.5%	13.7%	16.2%

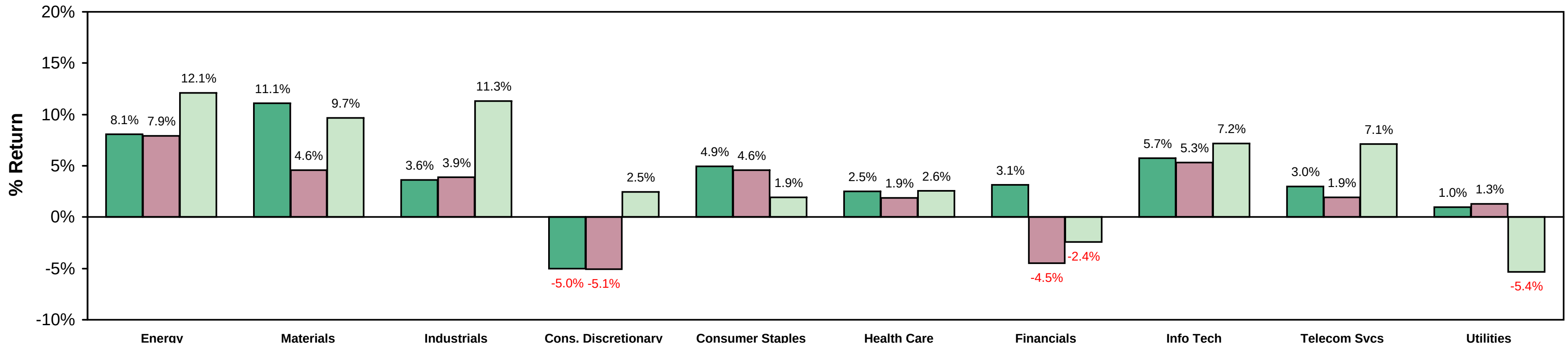
10th Percentile	3.0%	12.0%	20.4%	15.5%	18.3%
1st Quartile	2.2%	10.8%	18.7%	14.8%	17.3%
Median	1.1%	9.1%	16.7%	14.0%	16.5%
3rd Quartile	-0.0%	7.6%	15.3%	13.4%	15.8%
90th Percentile	-0.8%	6.7%	14.0%	12.8%	15.2%

U.S. Equity Indexes

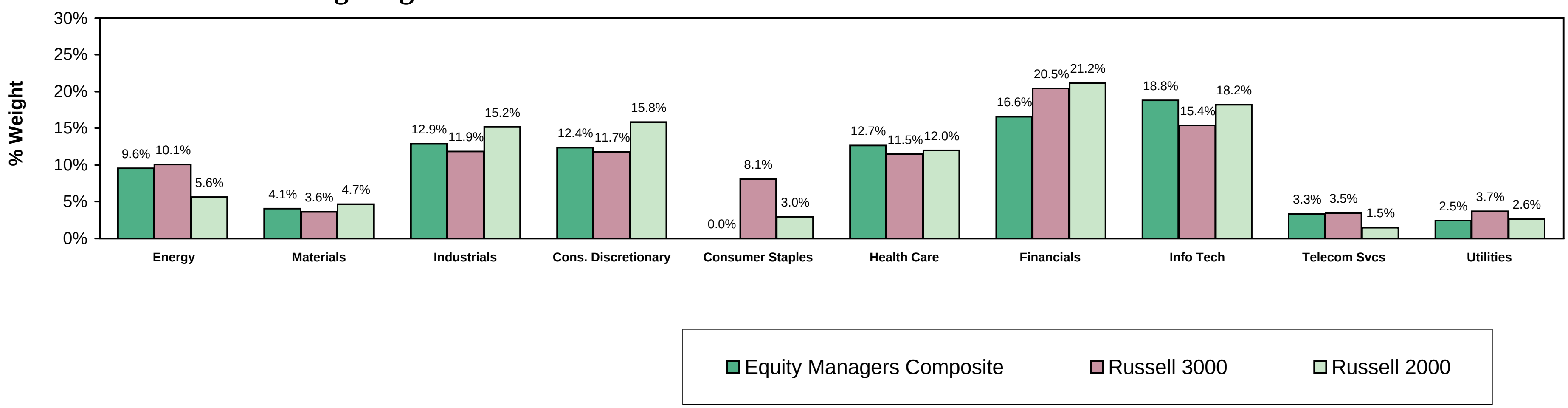


U.S. Equity Sector Analysis

Sector Returns

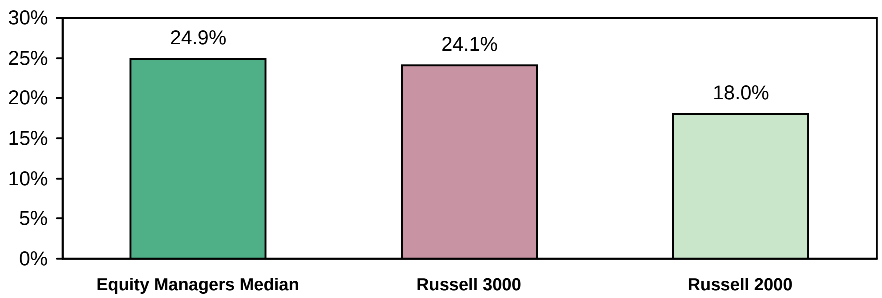


Sector Weightings

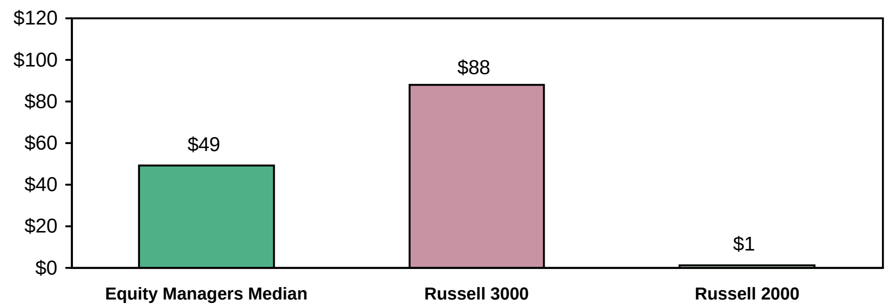


U.S. Equity Characteristics

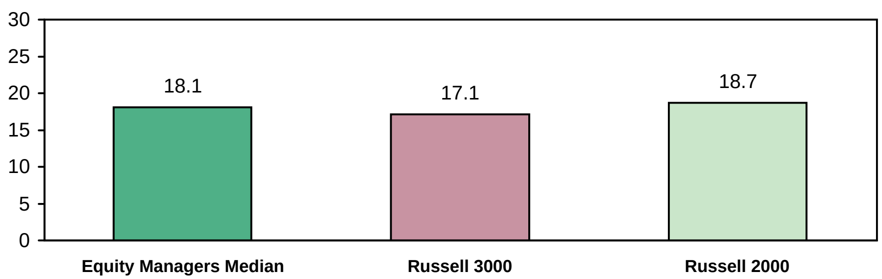
5 year EPS



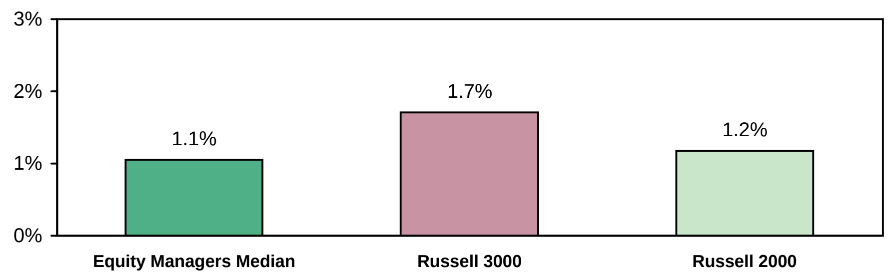
Market Cap ($ Billions)



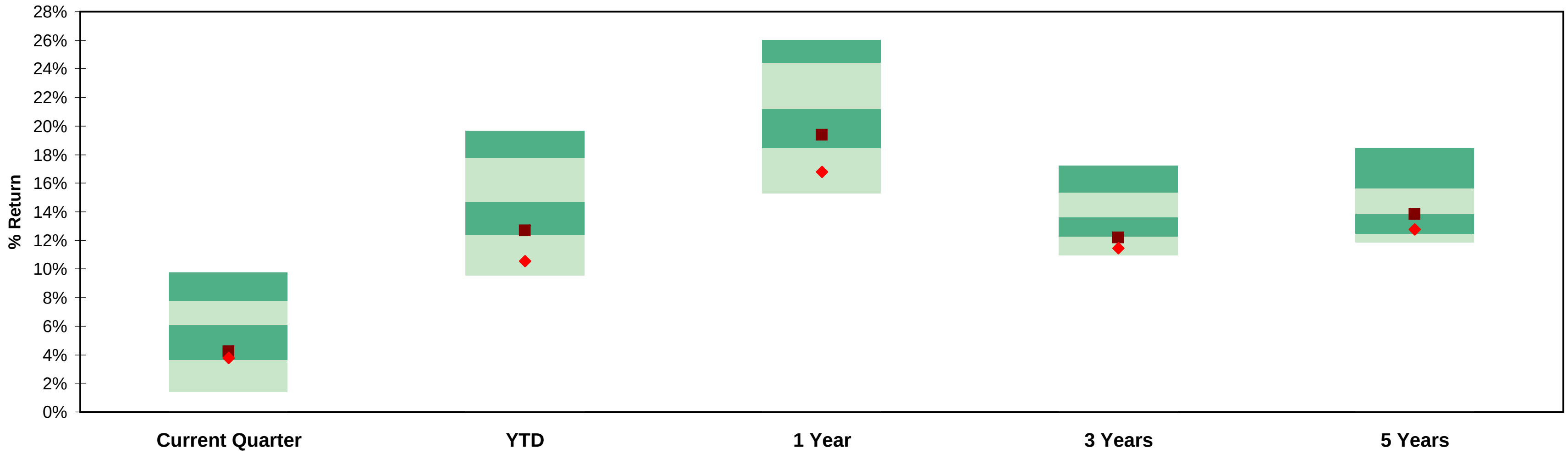
P/E



Dividend Yield



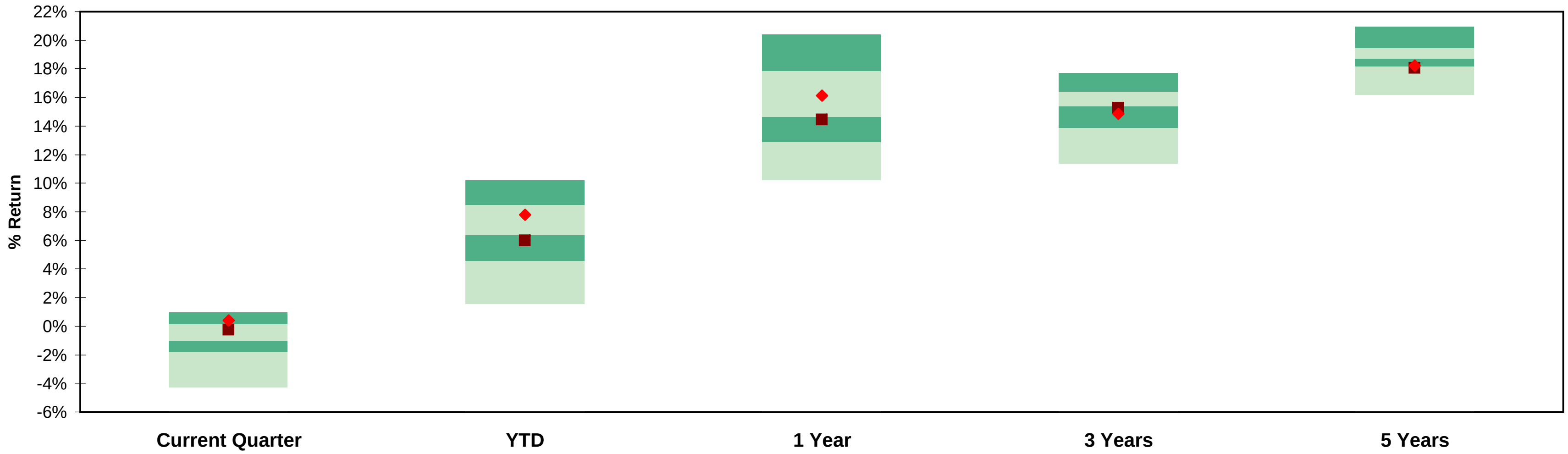
Large Growth Managers - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
Russell 1000 Growth	4.2%	12.7%	19.4%	12.2%	13.8%
S&P 500 Citigroup Growth	3.8%	10.5%	16.8%	11.5%	12.8%

10th Percentile	9.8%	19.7%	26.0%	17.2%	18.4%
1st Quartile	7.8%	17.8%	24.4%	15.4%	15.7%
Median	6.1%	14.7%	21.2%	13.6%	13.8%
3rd Quartile	3.7%	12.4%	18.5%	12.3%	12.5%
90th Percentile	1.4%	9.6%	15.3%	11.0%	11.9%

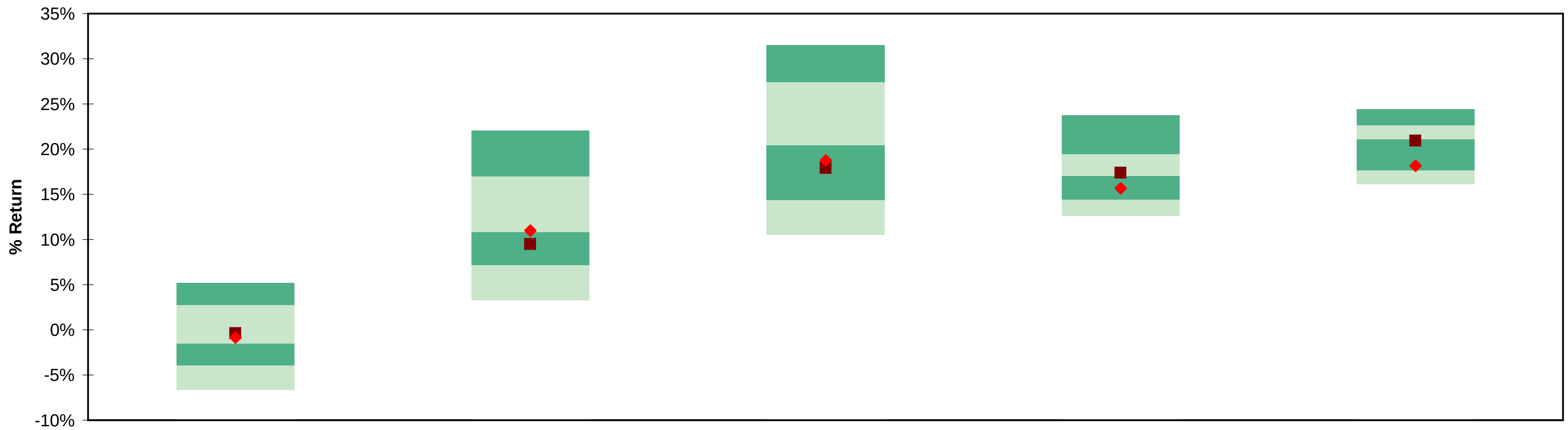
Large Cap Value Managers - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
Russell 1000 Value	-0.2%	6.0%	14.5%	15.3%	18.1%
S&P 500 Citigroup Value	0.4%	7.8%	16.1%	14.8%	18.2%

10th Percentile	1.0%	10.2%	20.4%	17.7%	20.9%
1st Quartile	0.2%	8.5%	17.9%	16.4%	19.4%
Median	-1.0%	6.4%	14.6%	15.4%	18.7%
3rd Quartile	-1.8%	4.6%	12.9%	13.9%	18.2%
90th Percentile	-4.3%	1.5%	10.2%	11.4%	16.2%

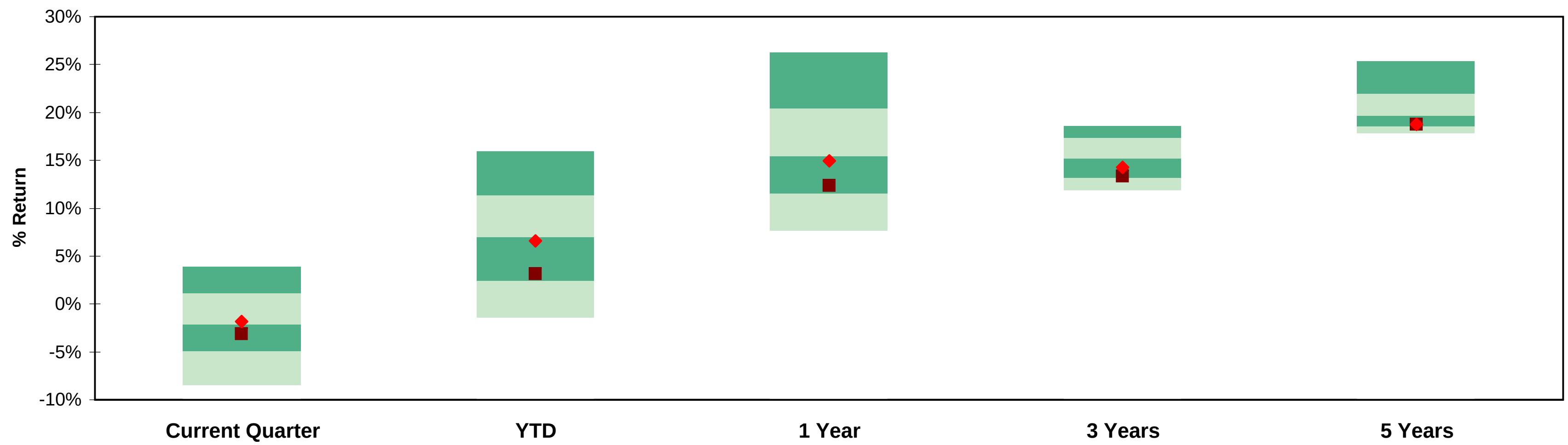
Mid Cap Managers - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
Russell MidCap	-0.4%	9.5%	17.9%	17.3%	20.9%
S&P Midcap 400	-0.9%	11.0%	18.8%	15.6%	18.2%

10th Percentile	5.2%	22.1%	31.5%	23.8%	24.4%
1st Quartile	2.7%	17.0%	27.4%	19.5%	22.6%
Median	-1.5%	10.9%	20.4%	17.1%	21.1%
3rd Quartile	-3.9%	7.2%	14.4%	14.4%	17.7%
90th Percentile	-6.6%	3.3%	10.5%	12.6%	16.1%

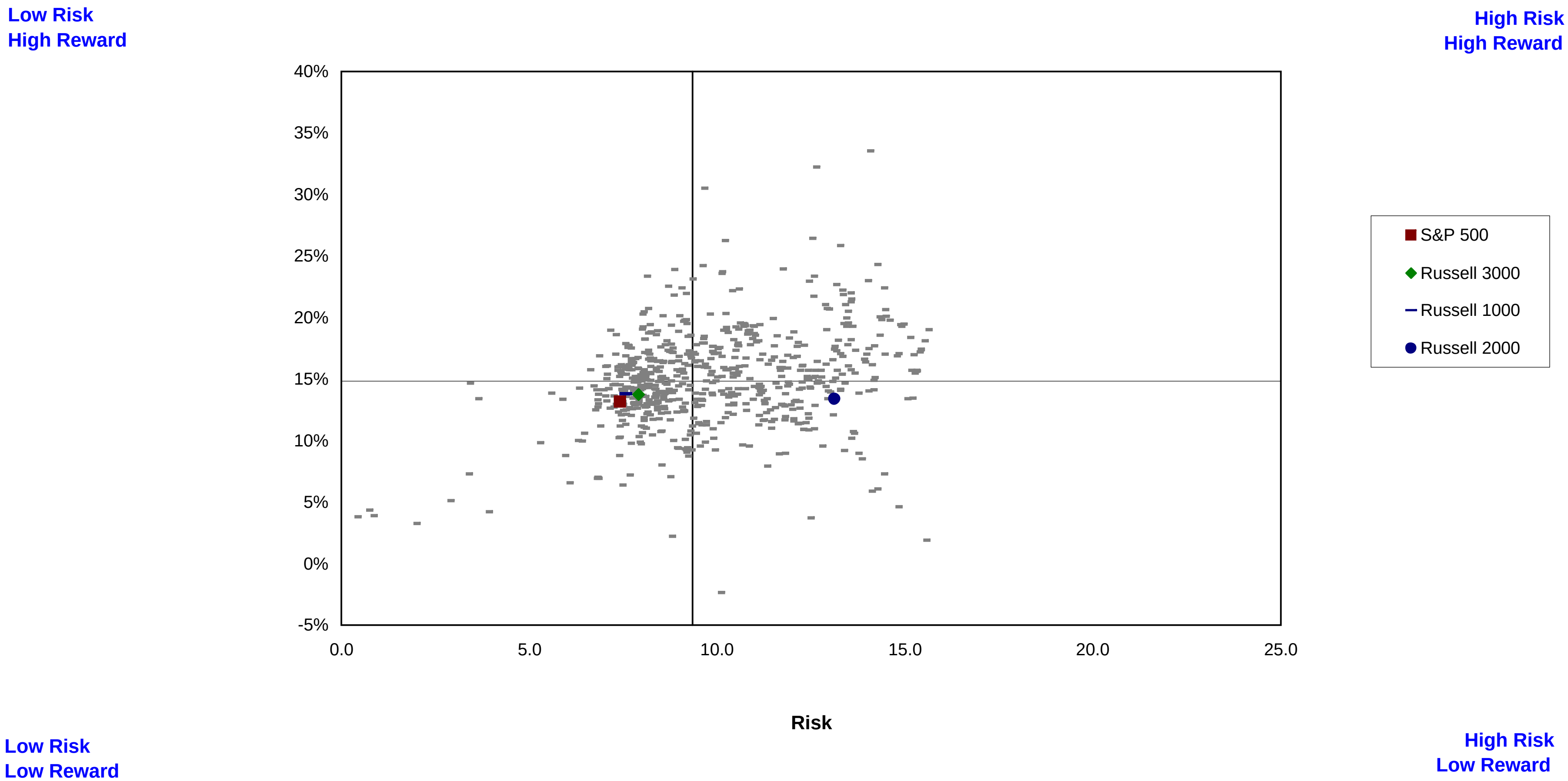
Small Cap Managers - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
■ **Russell 2000**	-3.1%	3.2%	12.3%	13.4%	18.8%
♦ **S&P 600 SmallCap**	-1.8%	6.6%	14.9%	14.3%	18.7%

10th Percentile	3.9%	15.9%	26.2%	18.6%	25.3%
1st Quartile	1.1%	11.3%	20.4%	17.4%	22.0%
Median	-2.1%	7.0%	15.5%	15.2%	19.7%
3rd Quartile	-4.9%	2.4%	11.6%	13.1%	18.6%
90th Percentile	-8.5%	-1.4%	7.6%	11.9%	17.8%

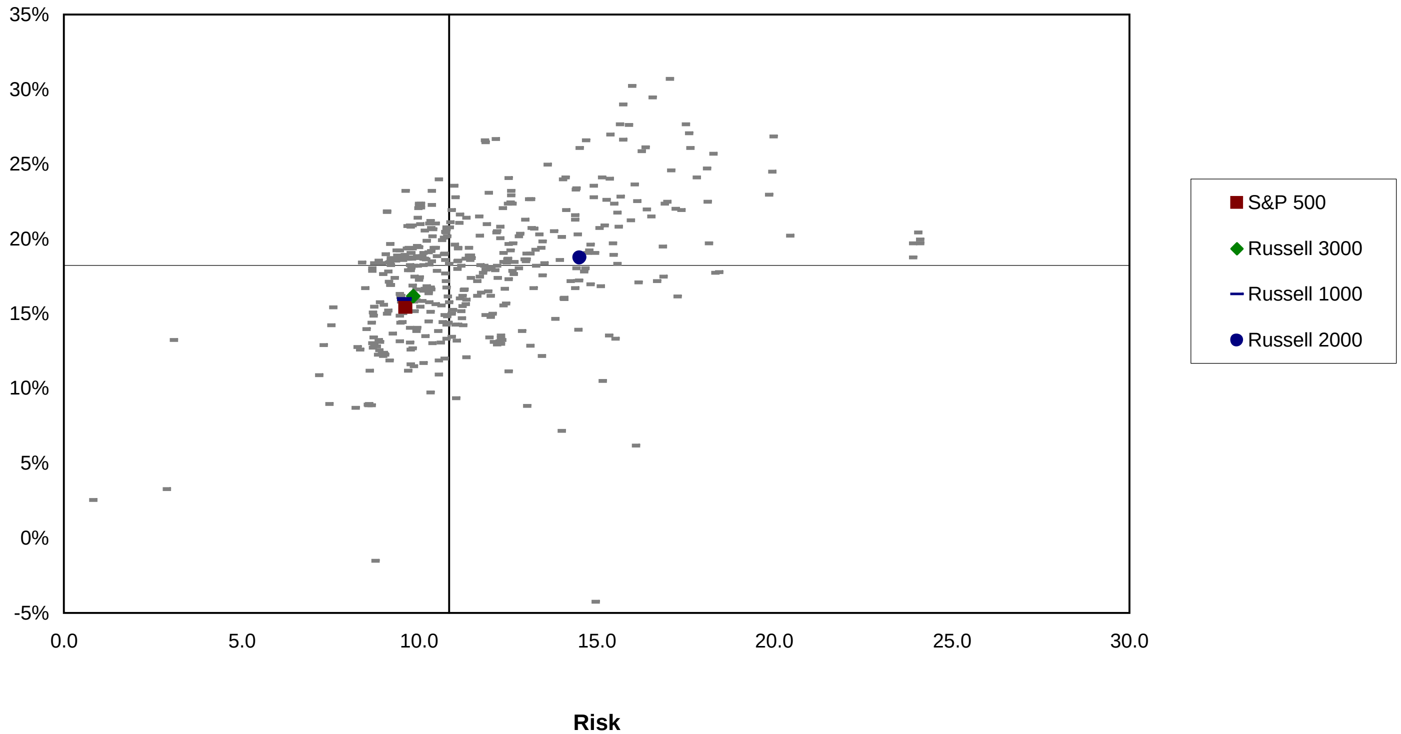
U.S. Equity Managers - 3 Year Risk vs. Return



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

Low Risk
High Reward

High Risk
High Reward



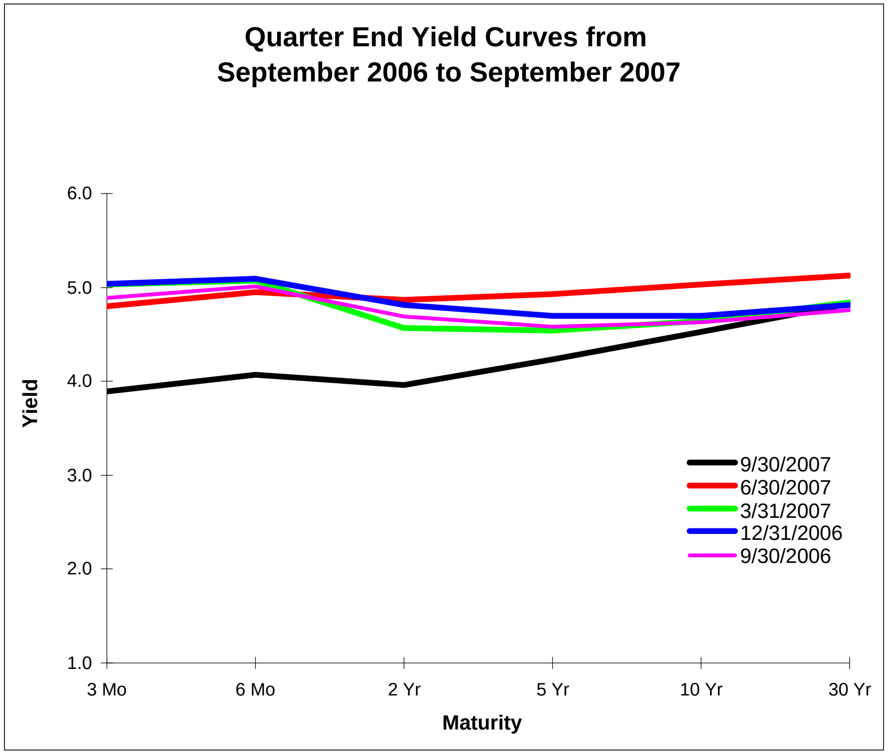
Low Risk
Low Reward

High Risk
Low Reward

U.S. Fixed Income Overview

The subprime mortgage crises gained momentum during the third quarter following the collapse of several well known hedge funds in June and July. While the effect of the subprime sector started to impact a relatively small portion of the mortgage market, it soon grew into a much larger event that restricted the availability of credit more broadly. This could clearly be seen in the jumbo mortgage market, where interest rates soared, and in the commercial paper market where the valuations of asset backed securities that contained subprime mortgage collateral fell sharply and affected the money market funds that held this paper, as well as the banks that guaranteed this debt. As global markets began to feel the pinch of declining liquidity, the Federal Reserve and other central banks were forced to change interest rate policies and increase liquidity. The Fed initially lowered only the discount rate on August 17th. As the slumping housing market looked to have an ever increasing effect on the broader economy, the Fed cut the funds rate and the discount rate by a larger than expected 50 basis points in September. This rate decrease allowed the credit market to further stabilize and alleviate the liquidity crunch that threatened the market earlier in the quarter.

As yields moved lower, the overall US credit market experienced positive returns during the quarter. The yield curve steepened significantly during the quarter as yields dropped by a larger amount at the short and intermediate end of the curve. Treasuries outperformed all spread sectors by a significant amount as the demand for higher quality credit caused spreads to widen. Asset Backed bonds were the poorest performing sector of the Lehman Aggregate as these bonds were impacted by subprime woes and the resulting credit restriction. The Lehman US Credit index also posted disappointing results versus Treasuries, giving up 216 basis points in excess returns during the quarter. Spreads widened in this sector to their highest level in more than four years in August as the threat of a recession made investors more cautious. The LB US Mortgaged Backed Index outperformed all other spread sectors during the quarter, other than agencies, yet still trailed Treasuries by more than 90 basis points.

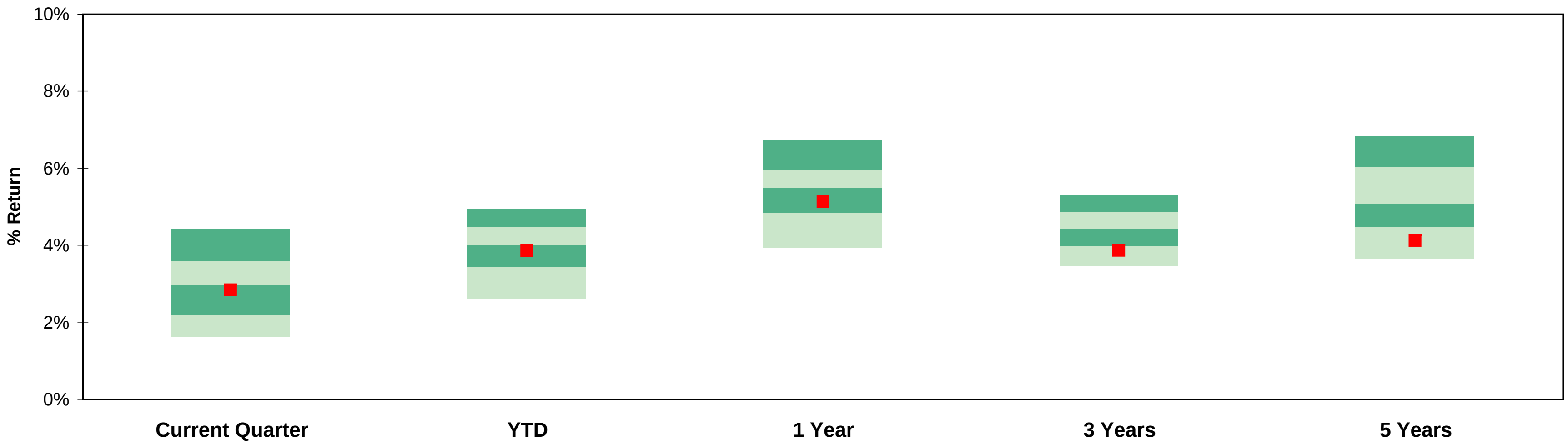


Period Ending September 30, 2007	QTR	1 YR	2 YR	3 YR	5 YR
Northern Trust U.S. Fixed Income Manager (Median)	**2.4**	**5.3**	**4.6**	**4.2**	**4.5**
Lehman US Universal Index	2.6	5.3	4.7	4.2	4.9
Lehman US Aggregate Index	2.8	5.1	4.4	3.9	4.1
Lehman Government/Credit	3.0	5.1	4.2	3.7	4.2
Lehman Government Bond Index	3.6	5.6	4.5	3.8	3.5
Lehman Government Intermediate Index	3.4	5.9	4.7	3.6	3.2
Lehman Treasury 20+ Years	5.4	4.0	2.9	5.0	4.6
Lehman US TIPS Index	4.5	5.0	3.4	4.0	5.4
Lehman Mortgaged Backed Bond Index	2.6	5.4	4.8	4.3	4.1
Lehman Asset Backed Index	1.4	4.1	4.1	3.4	3.5
Lehman Credit Bond Index	2.1	4.2	3.8	3.5	5.0
Lehman High Yield Corporate Index	0.3	7.5	7.8	7.4	12.7
90 Day T-Bill	1.2	5.1	4.9	4.2	2.9

Statistical Source: Lehman Brothers Global Family of Indices June 30, 2007.

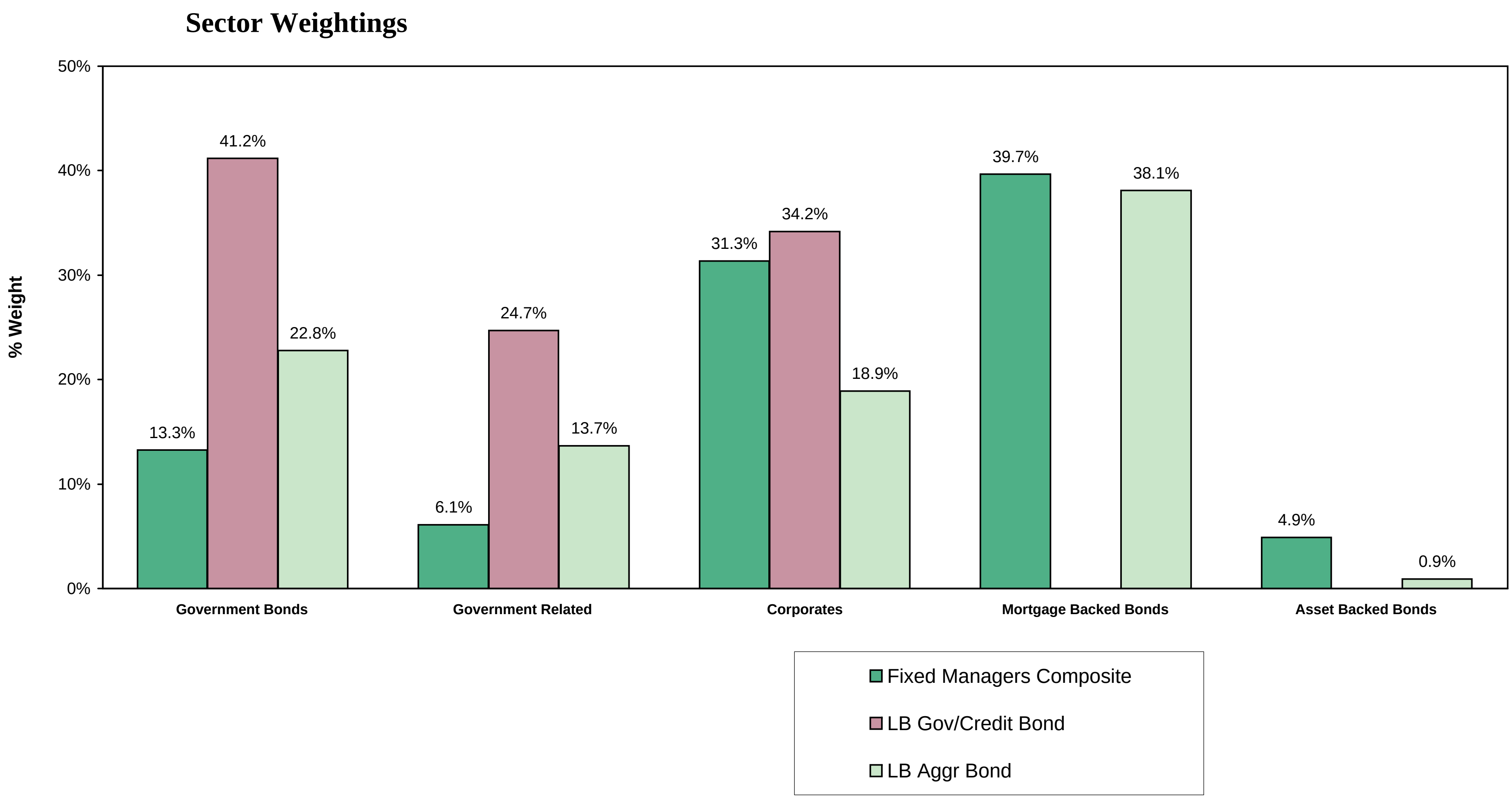
U.S. Fixed Income Programs - Total Returns

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.

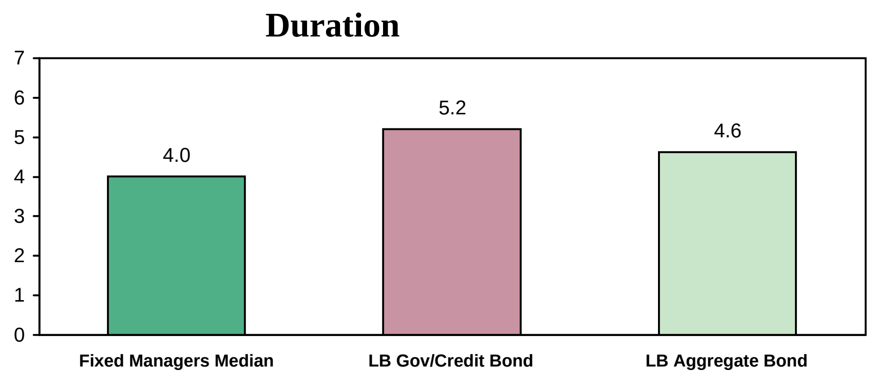


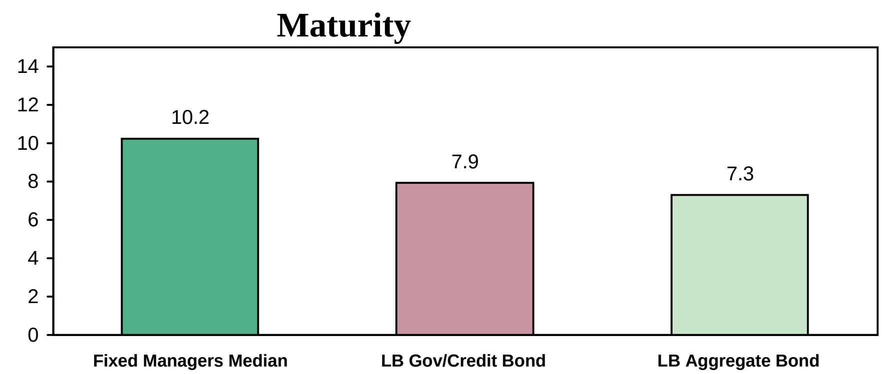
	Current Quarter	YTD	1 Year	3 Years	5 Years
LB Aggr Bond	2.8%	3.9%	5.1%	3.9%	4.1%
10th Percentile	4.4%	5.0%	6.8%	5.3%	6.8%
1st Quartile	3.6%	4.5%	6.0%	4.9%	6.0%
Median	3.0%	4.0%	5.5%	4.4%	5.1%
3rd Quartile	2.2%	3.4%	4.9%	4.0%	4.5%
90th Percentile	1.6%	2.6%	3.9%	3.5%	3.6%

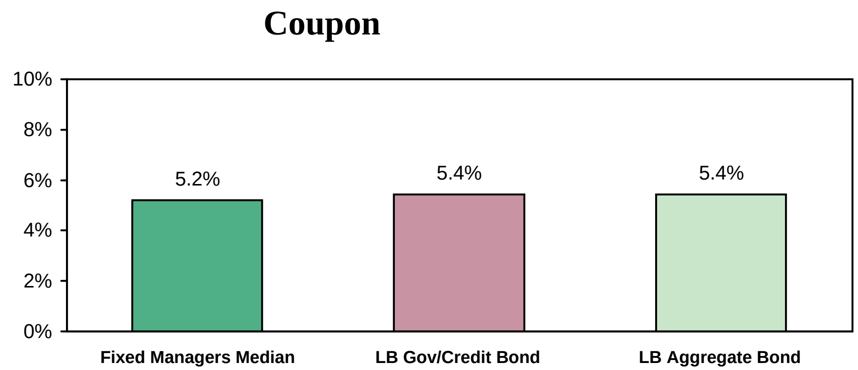
U.S. Fixed Income Sector Analysis



U.S. Fixed Income Characteristics



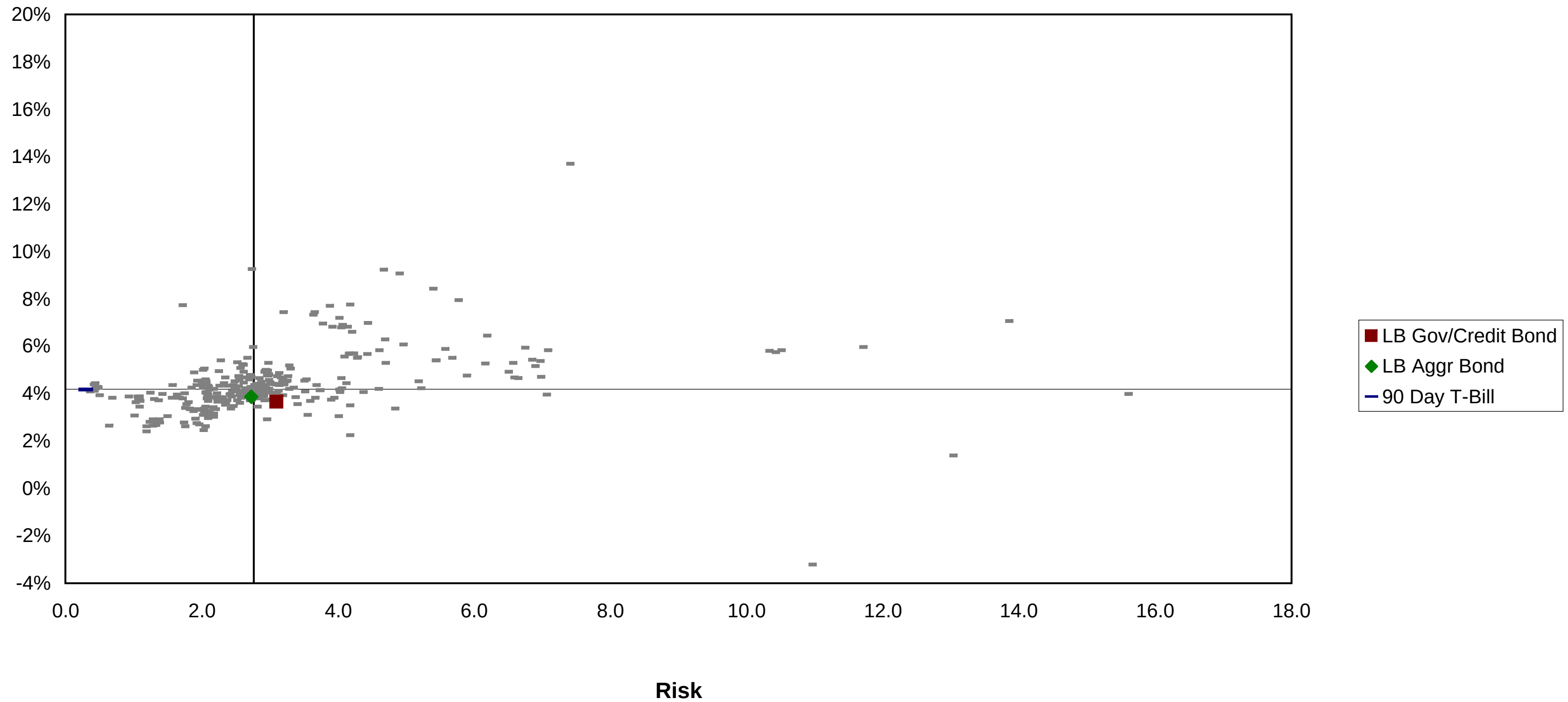




U.S. Fixed Income Managers - 3 Year Risk vs. Return

Low Risk High Reward

High Risk High Reward



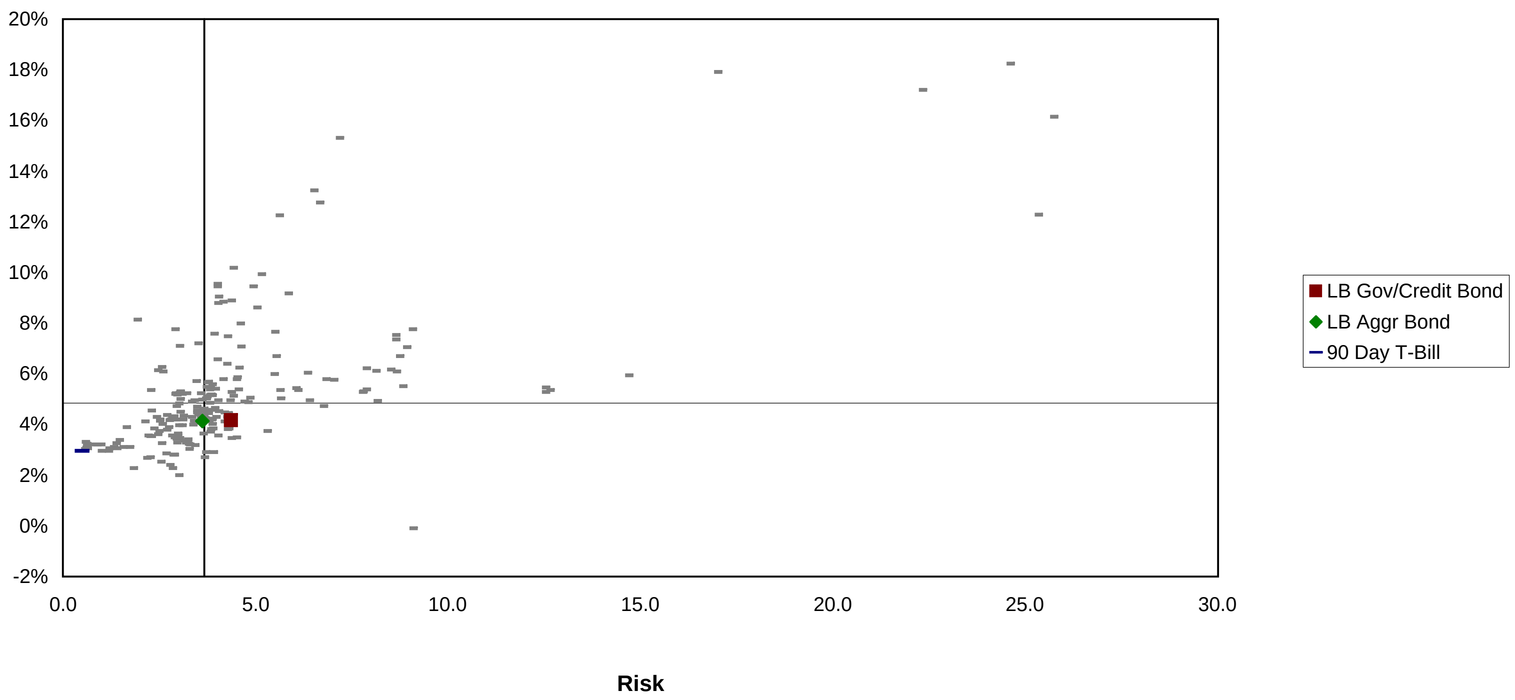
Low Risk Low Reward

High Risk Low Reward

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

Low Risk
High Reward

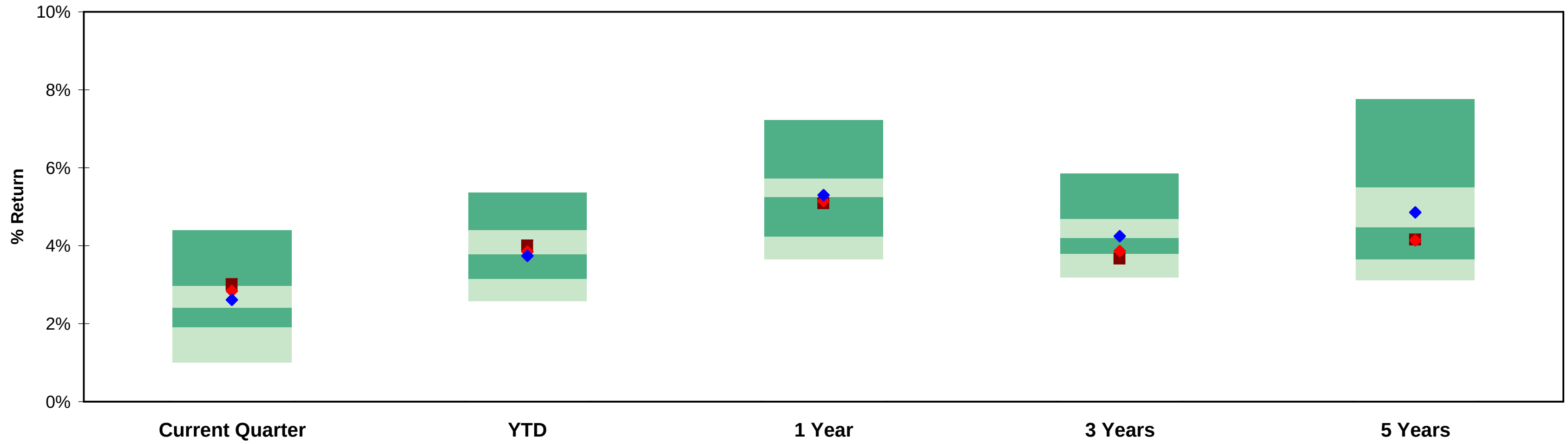
High Risk
High Reward



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	3.0%	4.0%	5.1%	3.7%	4.2%
LB Aggr Bond	2.8%	3.9%	5.1%	3.9%	4.1%
LB US Universal	2.6%	3.7%	5.3%	4.3%	4.9%

	Current Quarter	YTD	1 Year	3 Years	5 Years
10th Percentile	4.4%	5.4%	7.2%	5.8%	7.8%
1st Quartile	3.0%	4.4%	5.7%	4.7%	5.5%
Median	2.4%	3.8%	5.3%	4.2%	4.5%
3rd Quartile	1.9%	3.1%	4.2%	3.8%	3.7%
90th Percentile	1.0%	2.6%	3.6%	3.2%	3.1%

International Overview

Overview

The illusion that the global equity markets were immunized from U.S. subprime market woes was dispelled during the third quarter of 2007. Issues originating from the subprime mortgage market caused widespread disruption in the world's credit markets. Central banks across the world injected liquidity into the markets with somewhat positive results in an effort to reassure investors. The materials and telecommunications sectors were the best performers for the quarter returning roughly 9% each. The information technologies and consumer staples sectors also provided a lift to the markets by producing returns of 6% and 5.2%, respectively, for the quarter. The financials sector was the primary drag on performance for the quarter returning -1.6% which reflected the concerns over the subprime problems and its far reaching negative impact on the credit markets.

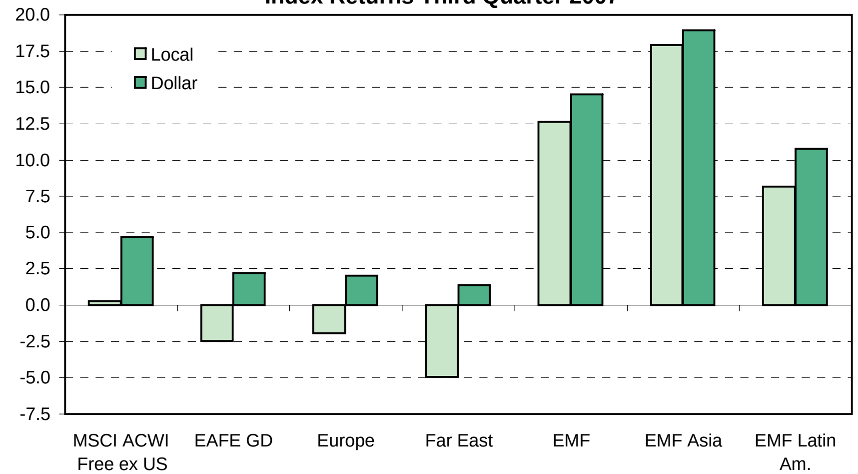
International Currency Markets

During the third quarter, the dollar continued to depreciate against all the major currencies (AUD, CAD, EUR, GBP, & JPY). Similar to the overall market this year, there was a great deal of volatility in the currency markets. The U.S. Fed's larger than expected 50 basis point interest rate cut pushed the USD to hit a series of new lows against the Euro and further weaken the US dollar against the other major currencies during the quarter. The emerging market currencies also benefited from the weak US dollar.

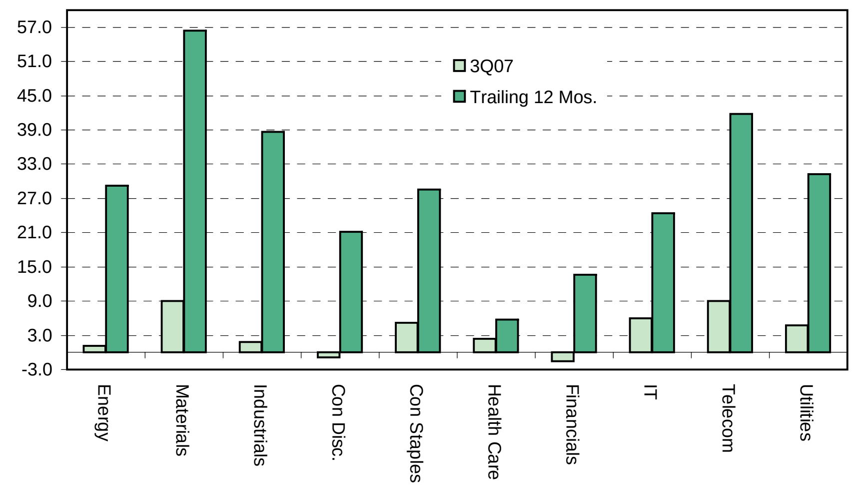
International Equity Markets

The international equity markets struggled during the volatile third quarter of 2007. The MSCI ACWI Index was able to produce a positive 0.3% return for the quarter which resulted in a positive 20.2% return for the one-year period (in local terms). The major developed market returns weighed heavily on the index. Germany, France, U.K. and Japan all produced negative returns for the quarter. Australia and Canada were the only major developed markets in the index which produced positive returns for the quarter. Australia was the strongest of the major developed markets delivering a positive 6.9% return for the quarter and Canada continued its upward climb with a positive 2.4% return for the quarter.

Index Returns Third Quarter 2007



MSCI EAFE Sector Returns in $US



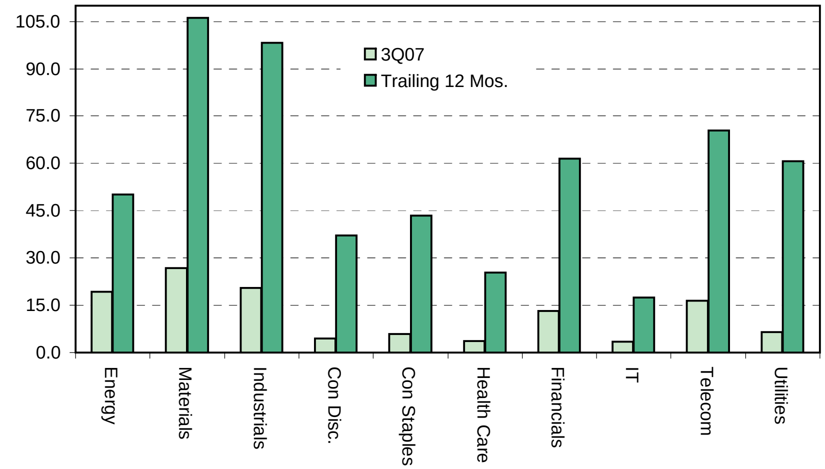
International Overview (Continued)

International Equity Markets (continued)
The bright spot for the quarter was emerging markets, which ended the quarter with a return of 12.6% (in local terms). China continued to be the high flyer in the emerging universe in spite of ongoing concerns over excessive valuations and government interference. The Chinese markets returned 41.0% for the quarter, lifting the one year return to 133.7%. India and South Korea were also strong Asian performers in the third quarter returning 17.6% and 12.9%, respectively. Brazil's improved inflation data and strong demand for the country's commodities continued to aid the equity markets which gained 15.4% for the quarter. That activity bolstered the Latin America return to a positive 8.2% for the quarter and 55.7% for the one-year (in local terms).

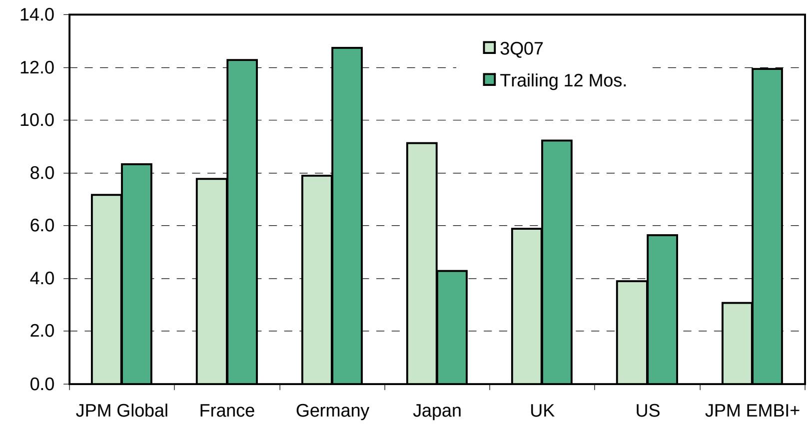
International Fixed Income Markets
The J.P. Morgan Global Bond Index increased by 7.2% in the third quarter. The US subprime credit concerns drove the US Fed to cut interest rates by an unexpected 50 basis points during the quarter, pushing yields downward and treasury prices up. Despite credit market crisis fears, many of the world's central banks are still concerned with the growth of excessive liquidity and its effects on the world economies. The Bank of Japan seems to be backing away from its plan of raising rates, given the revisions in capital expenditures and disappointing data releases on economic growth.

The J.P. Morgan Emerging Market Bond Plus Index also increased, returning 3.1% for the quarter and 11.9% for the trailing 12 months. All the countries in the index posted positive returns for the quarter except for Argentina which returned -2.6% for the quarter. Brazil, which is the largest contributor to the index at greater than 20%, returned 4.06% in dollar terms.

MSCI EMF Sector Returns in $US

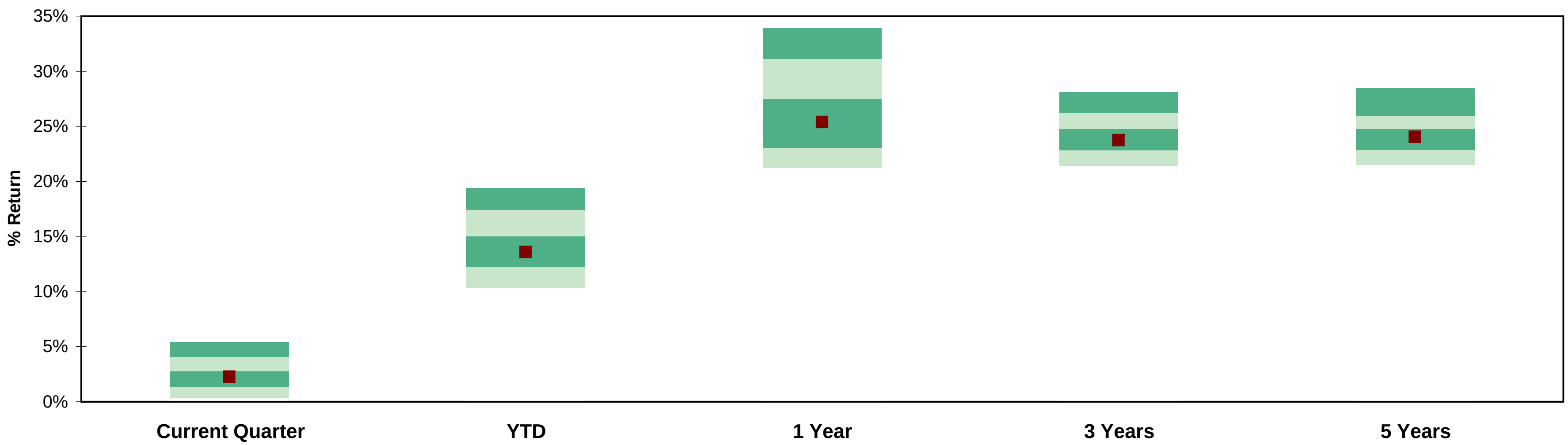


International Fixed Income Country Returns in $US



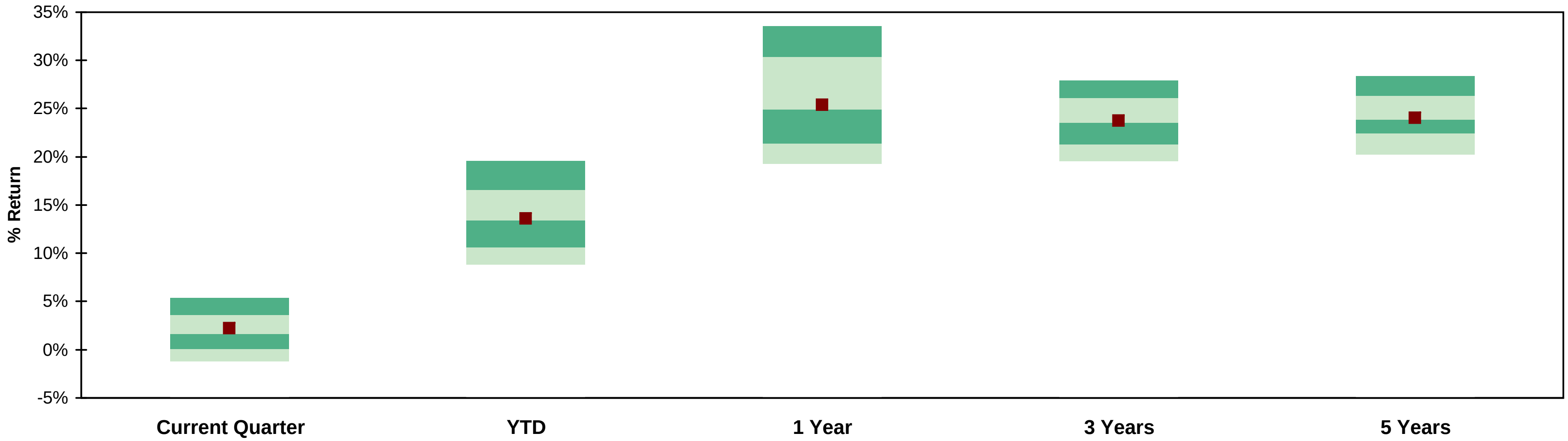
Non-U.S. Equity Programs - Total Returns

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.



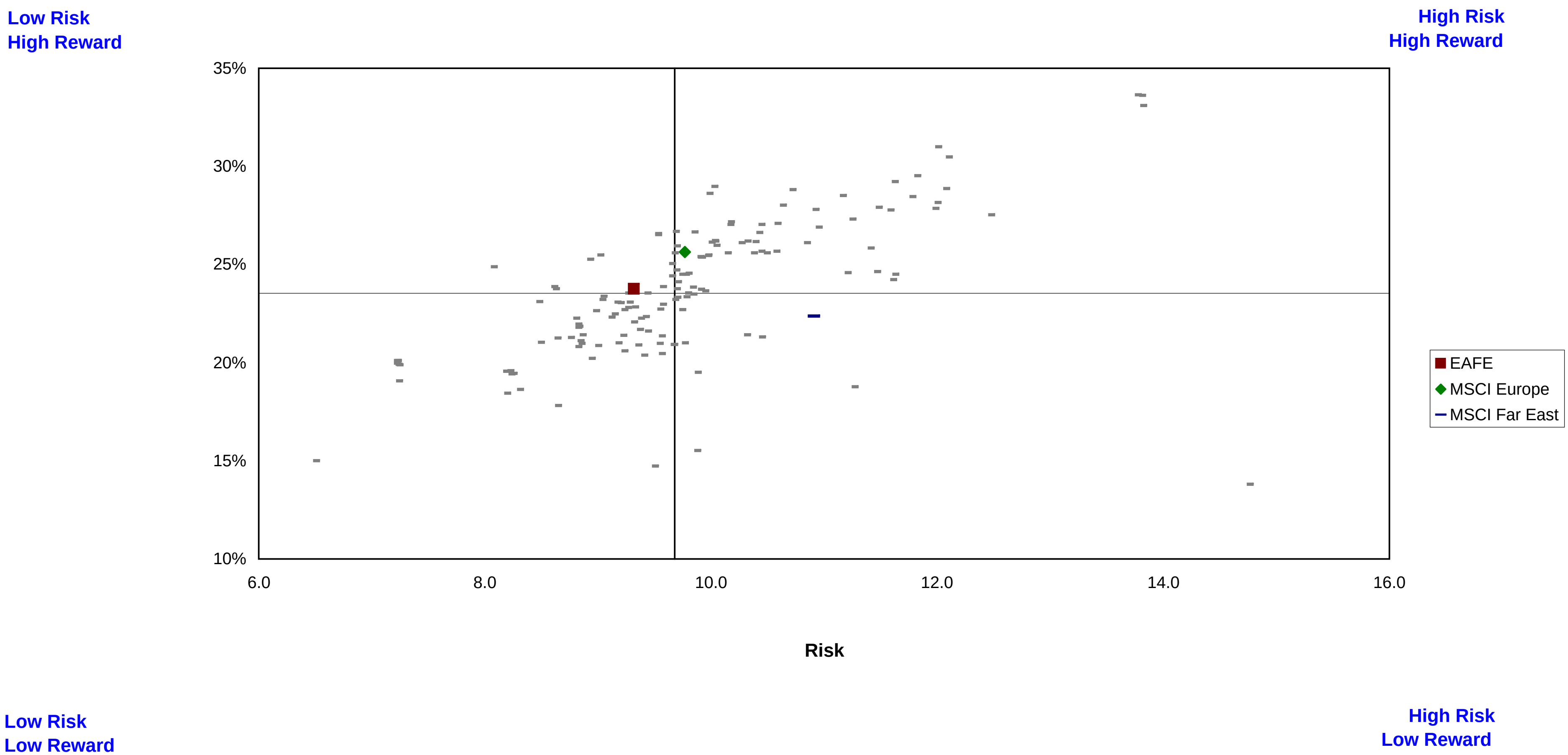
	Current Quarter	YTD	1 Year	3 Years	5 Years
MSCI EAFE GD	2.2%	13.6%	25.4%	23.8%	24.1%
10th Percentile	5.4%	19.4%	33.9%	28.1%	28.4%
1st Quartile	4.1%	17.4%	31.1%	26.2%	25.9%
Median	2.7%	15.0%	27.5%	24.8%	24.7%
3rd Quartile	1.4%	12.2%	23.1%	22.8%	22.9%
90th Percentile	0.4%	10.3%	21.2%	21.4%	21.5%

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

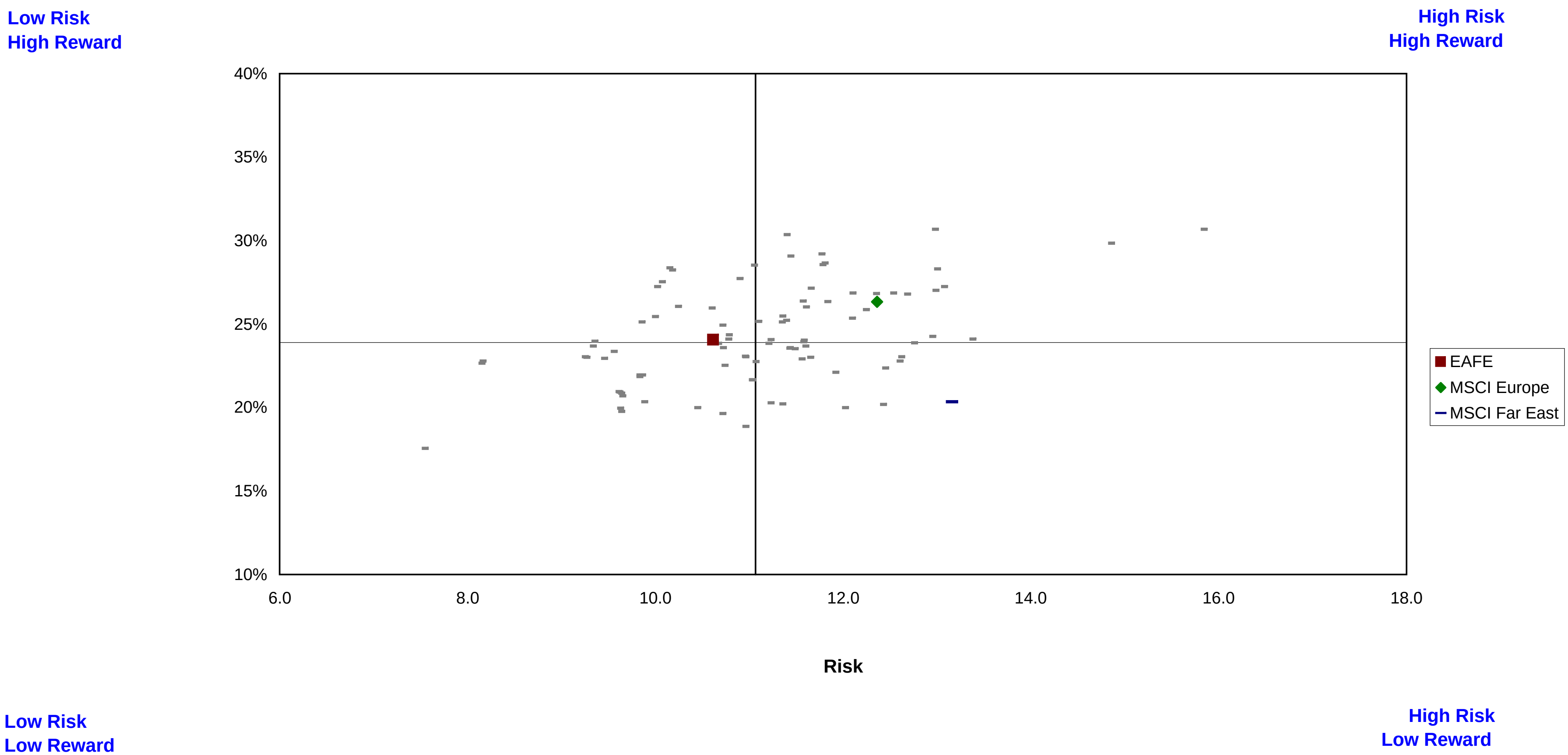


	Current Quarter	YTD	1 Year	3 Years	5 Years
MSCI EAFE GD	2.2%	13.6%	25.4%	23.8%	24.1%
10th Percentile	5.4%	19.6%	33.5%	27.9%	28.4%
1st Quartile	3.6%	16.6%	30.4%	26.1%	26.3%
Median	1.7%	13.4%	24.9%	23.5%	23.9%
3rd Quartile	0.1%	10.6%	21.4%	21.3%	22.5%
90th Percentile	-1.2%	8.8%	19.3%	19.6%	20.2%

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

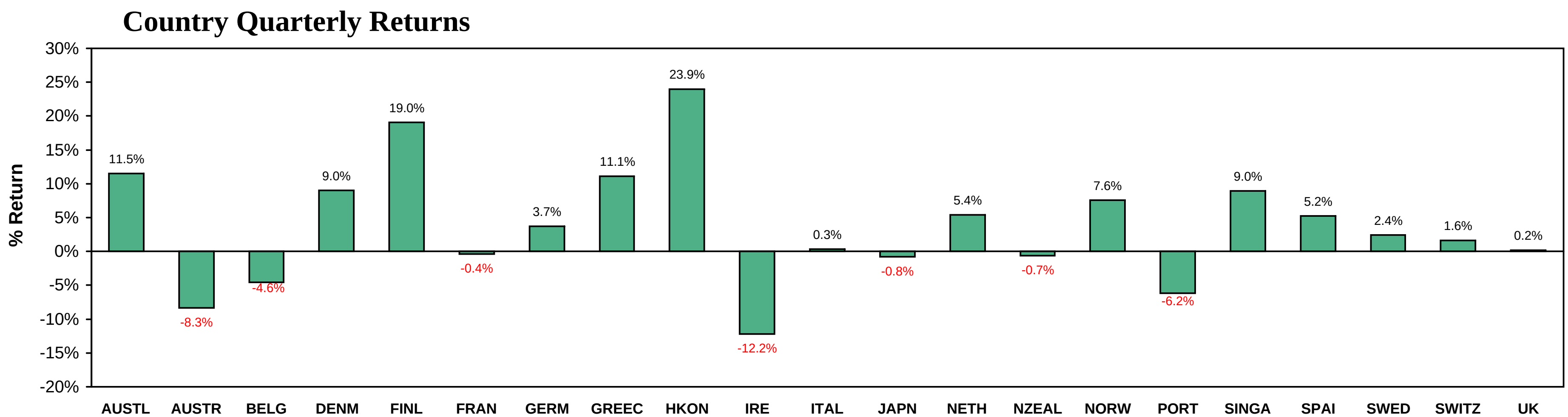


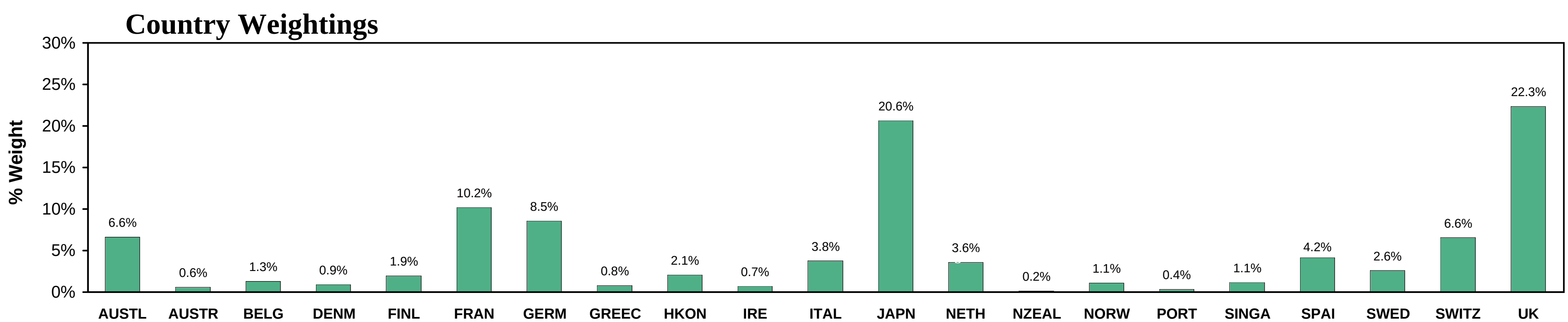
Developed Non-U.S. Equity Managers - 5 Year Risk vs. Return



EAFE Country Analysis

MSCI EAFE Gross Dividends





Alternative Markets Summary

Private Equity

Year-to-date fundraising for buyout funds continued to be strong despite the trouble in the credit markets. According to the Private Equity Analyst magazine, $199.4 billion has been raised by United States private equity firms, which outpaced the first nine months of 2006. The magazine further asserts there is a very good possibility of breaking last year's record fundraising amount. Institutional investors seem unfazed by warnings of lowered buyout return expectations due to tightening credit.

Venture capital fundraising continued to be lower than historic levels as recorded by NVCA Thomson statistics, which also indicated a relatively strong volume of exits through M&A and IPO in the third quarter.

The Northern Trust Private Equity Program Universe demonstrated many institutional investment private equity programs posting strong performance. The one year private equity program median of 23.7% easily outpaced the median US equity program return of 16.7%.

For the five year period ending September, the median U.S. equity program return of 16.5% led the median private equity program median of 13.4%. At five years, the top quartile breakpoint of private equity programs is now exceeded by the top quartile breakpoint of US equity programs. At the top quartile break, the private equity result of 18.7% lagged the top quartile US equity program result of 20.0%. At the bottom quartile, the private equity program return of 9.2% lags the bottom quartile U.S equity result of 17.7%.

Real Estate

The median real estate program in the Northern Trust universe posted performance of 15.3% fo the year ending September 30th, which lagged property indexes by about 2%. REIT performance lagged property indexes for the twelve months ending September 30th by about 10%.

All property types continued their double digit appreciation for the twelve months ending September 30th, with the "office" type leading all other types. Similarly, all U.S. regions continued to produce double digit returns for longer periods, with both coasts having the greatest appreciation during the third quarter and twelve month period.

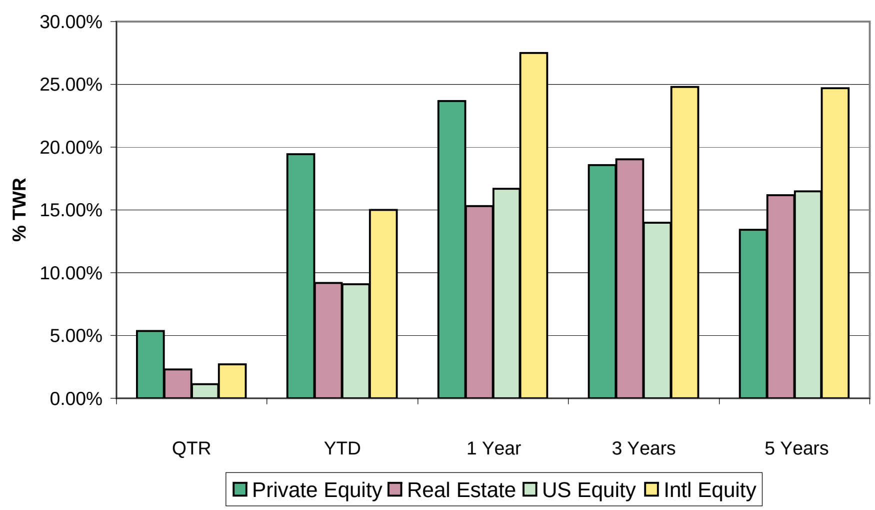
Hedge Funds

The U.S. fund of funds composite indexes produced returns of over 14% for the twelve month period ending September 30th with the same composite's returns managing to stay above water in a very difficult quarter.

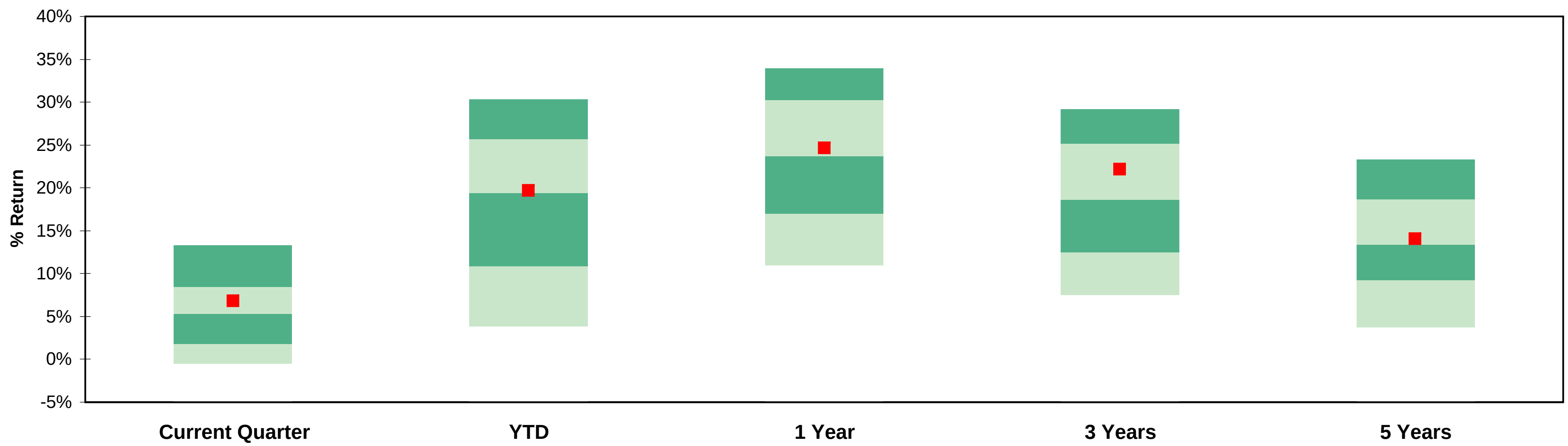
The median twelve month performance of a sample of absolute return programs in the Northern Trust Universe was 13.0% which lagged most fund-of-fund index composites. When compared to long-only equity programs, hedge fund programs lagged by about 3% for the twelve month period.

The range of absolute return program performance for the twelve month period ending September 30, 2007, showed the top quartile breakpoint at 14.5% and the bottom quartile break at 9.4%. Both ends of this return distribution trailed long-only equity programs for the 12 month period by approximately 5%.

Program Universe Medians

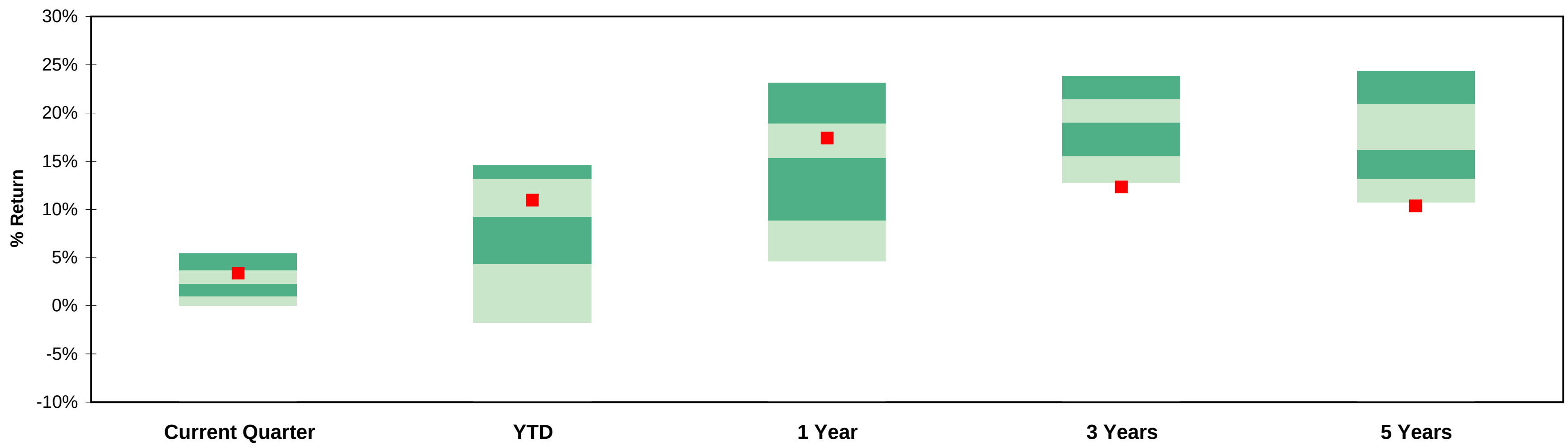


Private Equity Programs - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
NTRS PE Composite	6.8%	19.7%	24.6%	22.2%	14.0%
10th Percentile	13.3%	30.4%	34.0%	29.2%	23.3%
1st Quartile	8.5%	25.7%	30.2%	25.2%	18.7%
Median	5.3%	19.4%	23.7%	18.6%	13.4%
3rd Quartile	1.8%	10.8%	17.0%	12.5%	9.2%
90th Percentile	-0.5%	3.8%	10.9%	7.5%	3.8%

Real Estate Programs - Total Returns



	Current Quarter	YTD	1 Year	3 Years	5 Years
NTRS RE Composite	3.3%	10.9%	17.4%	12.3%	10.3%
10th Percentile	5.4%	14.6%	23.1%	23.8%	24.3%
1st Quartile	3.7%	13.2%	18.9%	21.4%	21.0%
Median	2.3%	9.2%	15.3%	19.0%	16.2%
3rd Quartile	0.9%	4.3%	8.8%	15.5%	13.2%
90th Percentile	0.0%	-1.7%	4.6%	12.7%	10.7%