FundUniverse

Universe Book

4th Quarter 2008

The Northern Trust Company

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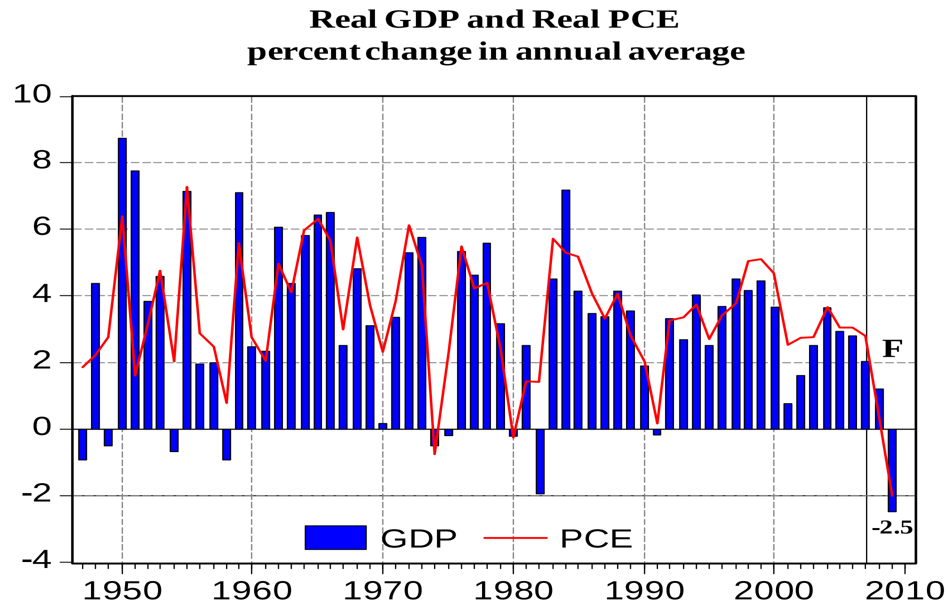
The Northern Trust Company

U.S. Economic Summary

The U.S. economy is deep in the throes of a recession at the present time. The Business Cycle Dating Committee of the National Bureau of Economic Research, the official arbiter of business cycles, announced on December 1, 2008 that the U.S. business expansion, which commenced in December 2001, peaked in December 2007. Based on the nature of incoming data, the duration of the current recession (13 months), which has already exceeded the median and average duration of recessions in the post-war period (10 months) is likely to set a new record.

The Fed is operating in a new regime, with the federal funds rate set as a band 0%-0.25% as of December 16, 2008. The Fed has implemented several creative programs to provide liquidity and support to financial markets. The Fed is predicted to hold the federal funds rate at the current band of 0%-0.25% during 2009. Congress is considering a massive fiscal stimulus package of $825 billion to simulate economic growth. It is widely expected a package of some sort will be passed by early-February. Two areas of the ongoing crisis have been identified as critical aspects to be tackled immediately: (1). The banking sector should shed toxic assets on its balance sheet and resume lending because the credit machine is the backbone of a modern economy. (2). The housing market problems -- mortgage defaults, foreclosures, falling home prices, and rising inventories – have to be addressed such that the vicious cycle of falling home prices, declining value of assets on bank balance sheets, growing uncertainty of the value of their assets, inability to lend in the marketplace, is broken. There is a growing consensus developing to establish a new government agency that will independently address the issue of toxic assets of banks. This entity would buy troubled assets from financial institutions; sellers of troubled assets would be paid partly in cash and partly as equity of the new bank. The new bank would hold on to the troubled assets, securitize them, or do a covered bond issue. The operational details of this proposal are being worked out.

Incoming economic reports continue to indicate that a dire economic situation will prevail for a few more quarters. There has been a significant deterioration of labor market conditions in 2008. The unemployment rate has moved to 7.2% in December from a cycle low of 4.4% in March 2007. The 524,000 loss in payroll jobs during December puts the total decline in employment at 2.6 million in the twelve months ended December 2008.



The housing sector, the heart of the economic crisis, remains in a quagmire for the most part. Starts of new homes have dropped to a record low of 550,000 in December. Home construction in the broad sweep of post-war business cycles has fallen to the lowest level on record. Starts of single-family new homes are down 78% from the peak in January 2006. The increase in sales of existing homes (+4.7%) in December after two monthly declines is a bright spot; but inventories remain at elevated levels (9.6 months vs. a median of 7.0-months supply) and the median price of an existing single-family fell 14.8% from a year ago in December. Therefore it should not be surprising to see additional declines in prices of existing home. Sales of new single-family homes fell 2.9% to an annual rate of 407,000 in November. The median price of a new single-family was $220,400 which puts the year-to-year drop at 11.5%. Inventories on unsold new homes are high and suggest lower prices in the months ahead. From a historical perspective, the 70.7% drop in sales of new single-family homes since peak in July 2005 through November 2008 is a new record. Policy makers are focused on bringing about stability in the housing market soon.

U.S. Economic Summary (continued)

The Fed is buying mortgage backed securities and has announced that it is ready to purchase Treasury securities if necessary. Mortgage rates have declined and brought about an increase in refinancing but additional support will be necessary to increase sales of homes and reduce inventories of unsold homes.

Consumer spending fell at an annual rate of 3.8% in the third quarter of 2008. Auto sales have dropped to an annual rate of 10.3 million units in the fourth quarter, the lowest since the third quarter of 1982. Retail sales in December were abysmal on every front. Total retail sales during December plunged 2.7% from 2.1% in November. Lower gasoline prices helped to bring down the total. Retail sales excluding gasoline were down 8.5% in the final three months of 2008 compared with a 0.3% decline in the third quarter. The weakness in retail sales supports expectations of a weak headline GDP number for the fourth quarter and also arithmetically consumer spending and GDP of the first quarter of 2009 are at a disadvantage.

Inflation is a non-issue, for now. The Consumer Price Index (CPI) dropped 0.7% in December, the third consecutive monthly decline and the fourth drop in the last five months. During the twelve months ended December the CPI moved up only 0.1% (CPI rose 4.1% in all of 2007), which is the smallest gain on record in the post-war period with the exception of a 0.7% drop in the twelve months ended December 1954. The reversal of the energy price index (-21.3% vs. +17.4% in 2007) is largely responsible for the significant deceleration of the CPI.

The core CPI, which excludes food and energy, has held steady for two months in a row, putting the year-to-year increase at 1.76% in December vs. a 2.54% gain in August and a 2.4% increase in 2007. The subdued increase of the core CPI is one of the smallest since record keeping began for this series in 1957 and it ranks third in the lineup of December-to-December gains of the core CPI. Going forward, given the projections of weak economic conditions, inflation could move below levels that are consistent with price stability for a short period. At the same time, we should bear in mind that the large fiscal and monetary stimulus in place, and more in the pipeline, inflation could once again be problematic but much further down the road

Forecast: The chart below shows the history of annual average percent changes in real GDP and real personal consumption expenditures (PCE) from 1947 through 2007 along with our forecasts for 2008 and 2009. We are forecasting for 2009 the largest percentage contractions in these two measures, minus 2.5% for real GDP and minus 2.0% for real PCE, during this time span. So, no sugar coating – this recession is likely to be the most severe in the post-WWII era. On a quarter-to-quarter basis, real GDP is predicted to post declines for four straight quarters 2008:Q4 to 2009:Q3 (-4.5%. -4.9%. -2.7%, -0.5%, respectively) followed by a gain in the final three months of 2009 (+2.1%).

If we are correct that a real GDP recovery commences by the fourth quarter of this year, then we believe the Federal Reserve will cautiously begin slowing its credit creation in the first half of 2010 – that is, the Fed will begin to slowly increase the federal funds rate. We then see inflationary pressures intensifying in the second half of 2010 and the Fed reacting to this with more aggressive hikes in the federal funds rate. That said, credit market conditions have to thaw for an economic recovery to take place. At the present time, there is a modest amount of thawing in the frozen credit markets. Credit market spreads are still wide but have narrowed significantly from the highs seen in the fourth quarter of 2008. Bank lending has to recover from the sharp declines seen in the last three months to restore economic momentum. The hefty tax cuts and fiscal spending package of the Obama administration should lift economic growth by the end of year.

On the international front, as of January 23, the trade weighted dollar at 82.7 is up 19.4% from a record low of 69.26 on March 18, 2008. The current account deficit as a percent of GDP was 4.8% of GDP in the third quarter, significant narrowing from 6.6% of GDP in the fourth quarter of 2005. The global nature of the current financial and economic crisis could scale back the growth of U.S. exports. All in all, the world economic crisis is predicted to remain problematic in all of 2009.

Total Plan Summary

During the 4th quarter, in an attempt to jump start the struggling economy the Federal Reserve cut the Federal Funds rate to a range of 0.00% to 0.25%, which marked the first time the rate was cut below 1.0%. However, the recession deepened during the period as the economy continued to feel the effects of the credit crisis, stagnant housing market and increasing unemployment.

The equity markets finished 2008 by posting a loss for the fifth consecutive quarter. During the 4th quarter, the S&P 500 and MSCI EAFE Indexes declined -21.94% and -19.90%, respectively. The one year period ending December 31st will be marked as one of the most volatile and worst performing periods in the history of the equity markets, with the S&P 500 and MSCI EAFE Indexes declining -37.00% and -43.06%, respectively.

The quarterly universe median plan returns ranged from -11.26% to -13.70%. For the fourth quarter in a row, the Wealth Management median plan was the top performer, returning -11.26%. The Wealth Management median plan was also the top performer for the one year period ending December 31st, returning -21.55%. Their lower allocation to both domestic and international equities relative to other plans helped them avoid the dismal returns in the equity sector. Higher exposure to cash also helped offset the poor performance in the equity sector. However, over the 5 year time period, the Wealth Management is the lowest ranking median.

Periods Ended December 31, 2008	Qtr.	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.
Northern Trust ERISA Median	-12.87%	-26.57%	-10.63%	-3.29%	1.85%
Northern Trust Public Funds Median	-13.61%	-26.60%	-10.31%	-2.84%	1.75%
Northern Trust Foundations & Endowments Med.	-13.70%	-25.42%	-9.87%	-2.60%	2.05%
Northern Wealth Management Group Median	-11.26%	-21.55%	-8.14%	-2.46%	1.60%
S&P 500	-21.94%	-37.00%	-18.47%	-8.36%	-2.19%
Lehman Bros. Aggregate Index	4.58%	5.24%	6.10%	5.51%	4.65%
MSCI EAFE (GD)	-19.90%	-43.06%	-20.27%	-6.92%	2.10%
90 Day T-Bills	0.14%	1.56%	3.11%	3.72%	3.16%
Consumer Price Index	-3.91%	0.09%	2.07%	2.22%	2.67%

The ERISA median plan ranked second among the four plans during the quarter, returning -12.87%. The higher allocation to domestic fixed income compared to the other plans was beneficial during the period. However, over the one year period the median ERISA plan ranked third out of the four plans, due to the higher allocation to domestic and international equity.

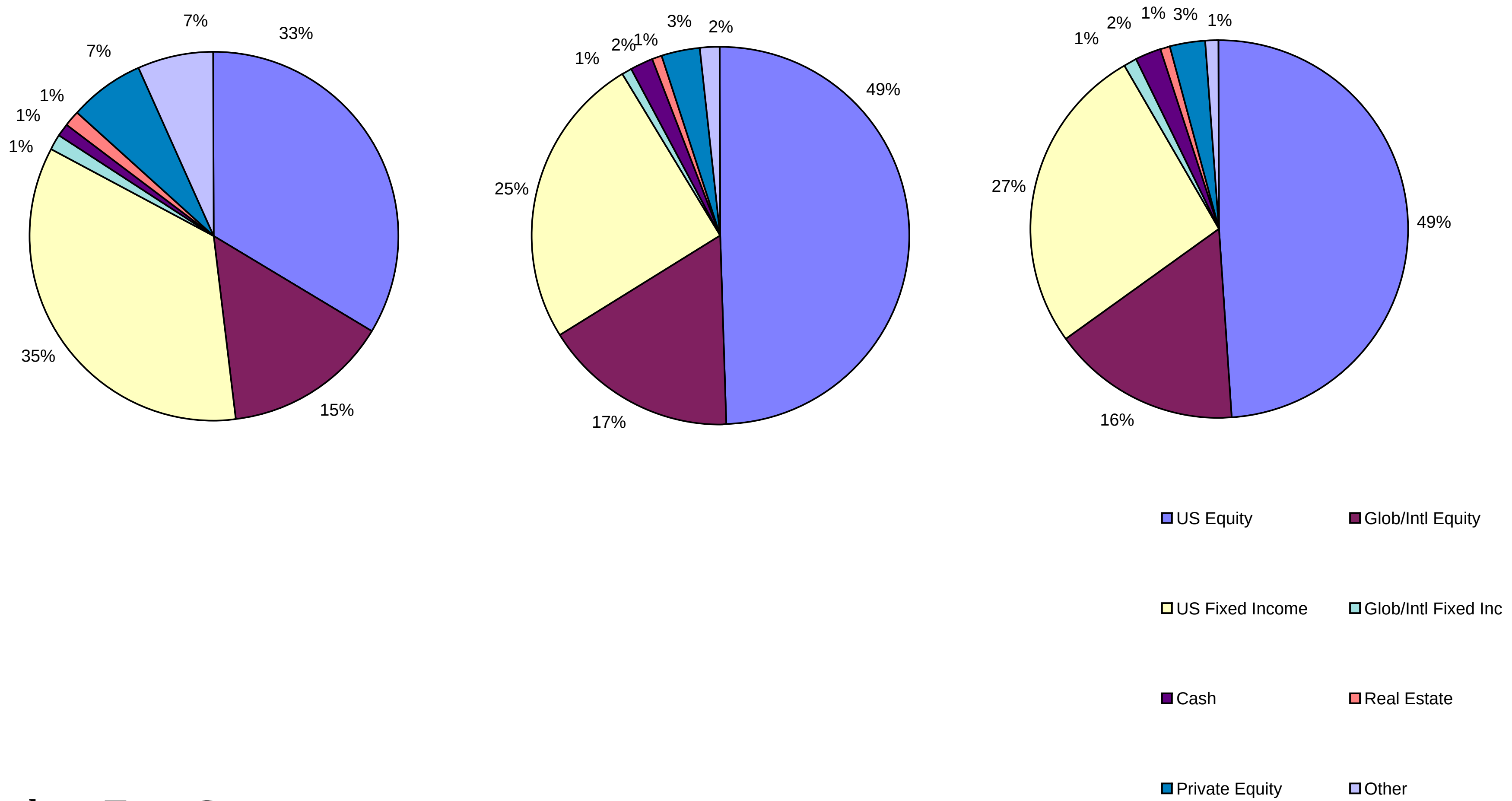
The Public Funds and Foundations & Endowment plan medians were negatively impacted during the 4th quarter by the underweight positions to domestic fixed income. The plans returned -13.61% and -13.70%, respectively, over the 4th quarter. However, over the one year period ending December 31st, the Foundations & Endowment plan median ranked second out of the four plans, returning -25.42%. The lower allocation to equities and higher allocation to alternative assets were beneficial to the plan over the longer time periods.

Asset Allocation	Current	1 Year Ago	3 Years Ago	5 Years Ago
ERISA Composite (111 plans)				
U.S. Equity	33%	43%	49%	49%
Global/Non-U.S. Equity	15%	20%	17%	16%
U.S. Fixed Income	35%	25%	25%	27%
Global/Non-U.S. Bonds	1%	1%	1%	1%
Cash & Other	16%	11%	8%	7%
Public Fund Composite (44 plans)				
U.S. Equity	32%	40%	46%	50%
Global/Non-U.S. Equity	16%	22%	17%	14%
U.S. Fixed Income	27%	22%	27%	26%
Global/Non-U.S. Bonds	5%	4%	1%	1%
Cash & Other	20%	12%	9%	9%
Foundations & End. (94 funds)				
U.S. Equity	22%	32%	42%	49%
Global/Non-U.S. Equity	13%	20%	15%	13%
U.S. Fixed Income	16%	15%	18%	20%
Global/Non-U.S. Bonds	1%	1%	1%	1%
Cash & Other	49%	32%	24%	17%

ERISA Plans - Composite Asset Allocation

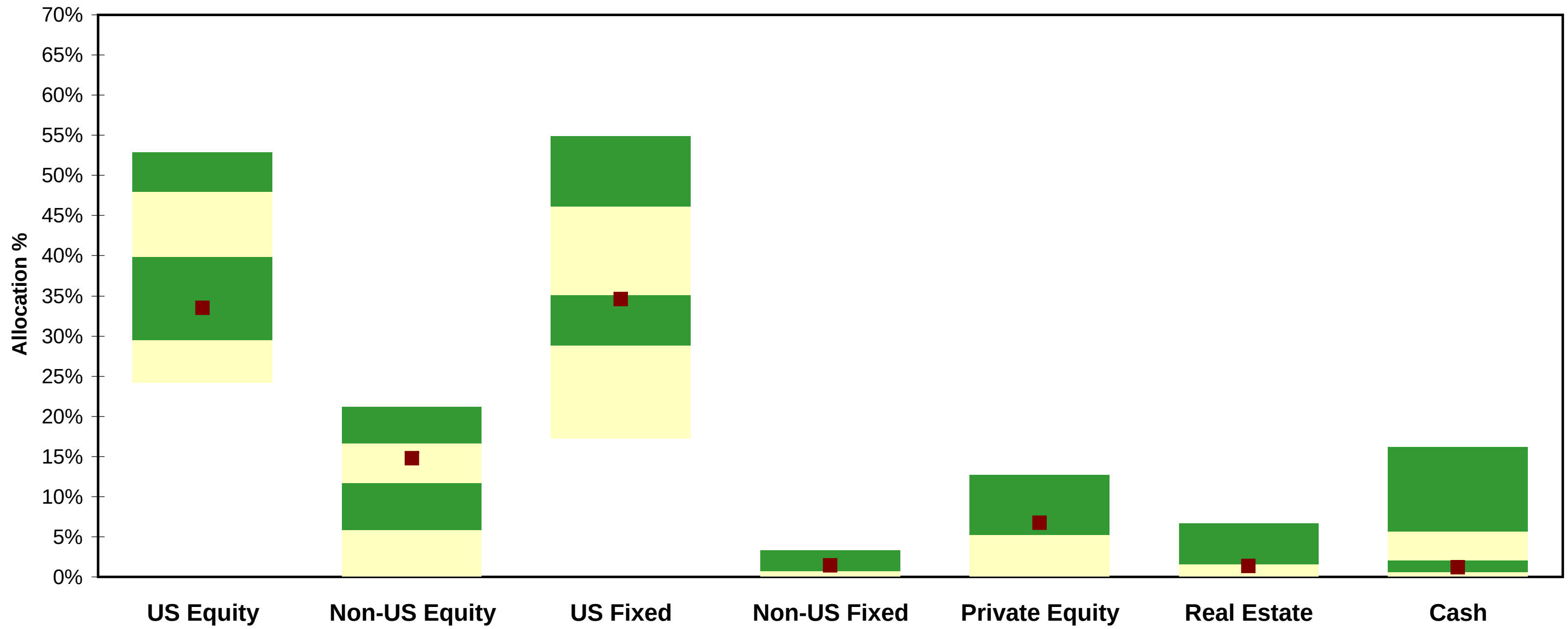
At quarter-end, the Composite included 111 trusts with a total market value of $190 billion. The ERISA Composite represents the dollar-weighted aggregate of all plans in the ERISA universe; the range of asset allocation is highlighted on page 5.

Current Allocation **3 Years Ago** **5 Years Ago**



ERISA Plans - Range of Asset Allocation

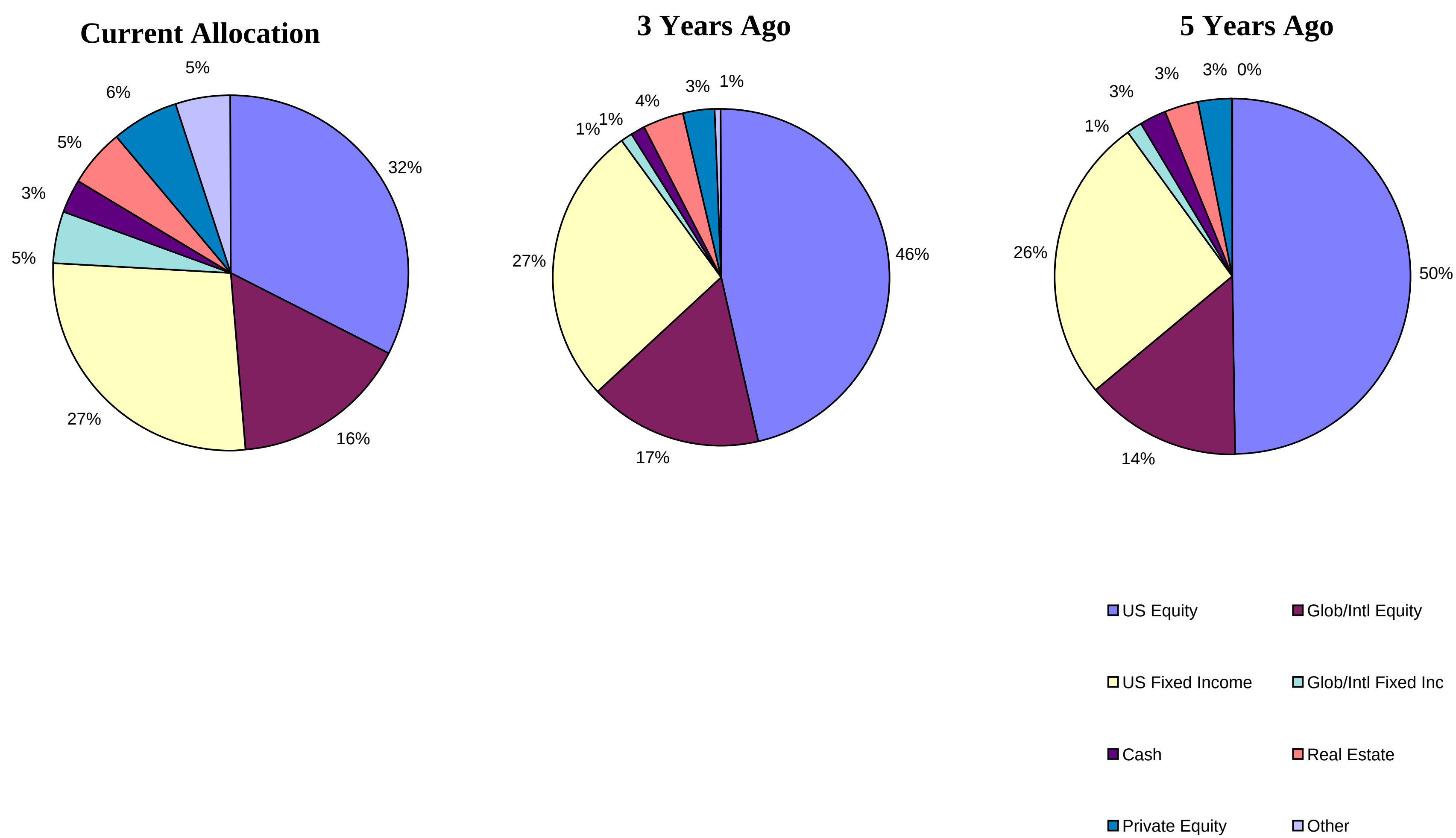
This chart depicts the range of asset class allocations made by plan sponsors in the ERISA Universe.



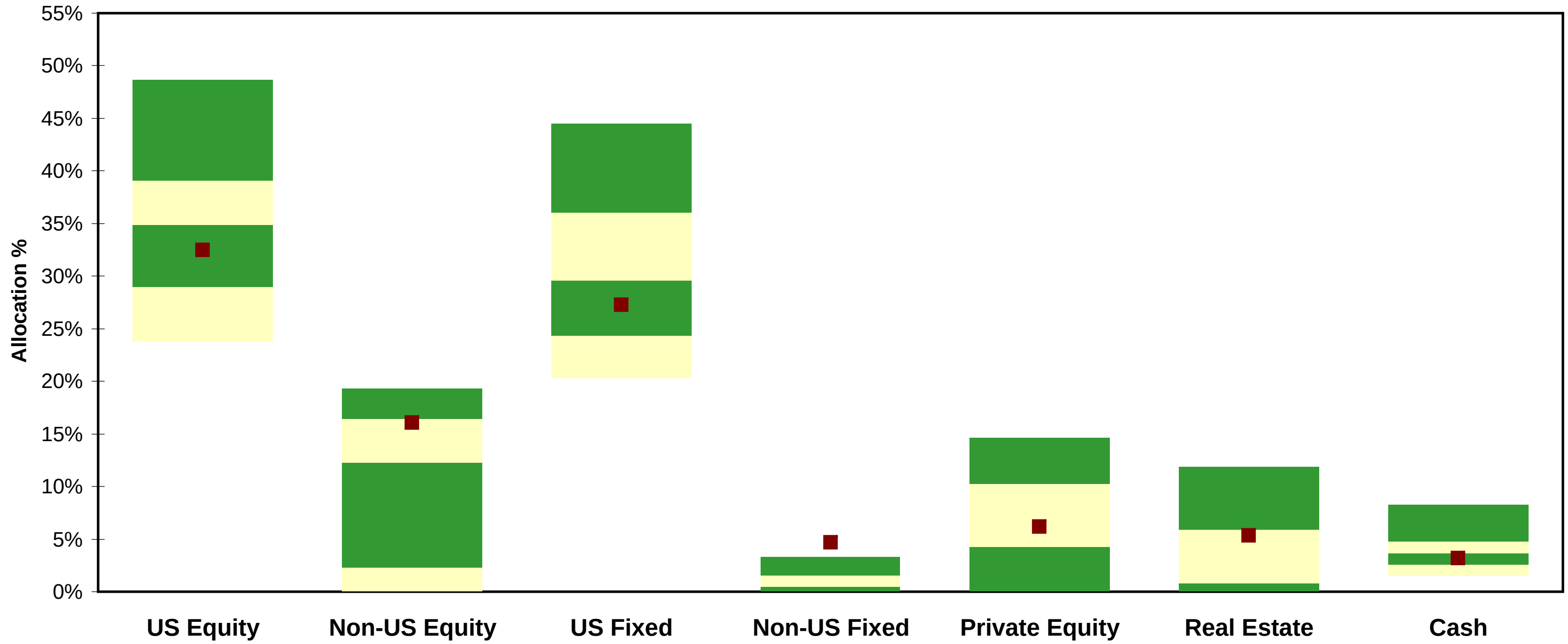
	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Private Equity	Real Estate	Cash
ERISA Composite	33.5%	14.7%	34.5%	1.4%	6.7%	1.3%	1.2%
10th Percentile	52.9%	21.1%	54.9%	3.3%	12.7%	6.6%	16.1%
1st Quartile	48.0%	16.6%	46.1%	0.7%	5.2%	1.6%	5.7%
Median	39.9%	11.7%	35.1%	0.0%	0.0%	0.0%	2.0%
3rd Quartile	29.5%	5.9%	28.8%	0.0%	0.0%	0.0%	0.0%
90th Percentile	24.2%	0.0%	17.3%	0.0%	0.0%	0.0%	0.0%

Public Funds - Composite Asset Allocation

At quarter-end, the Composite included 44 trusts with a total market value of $311 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

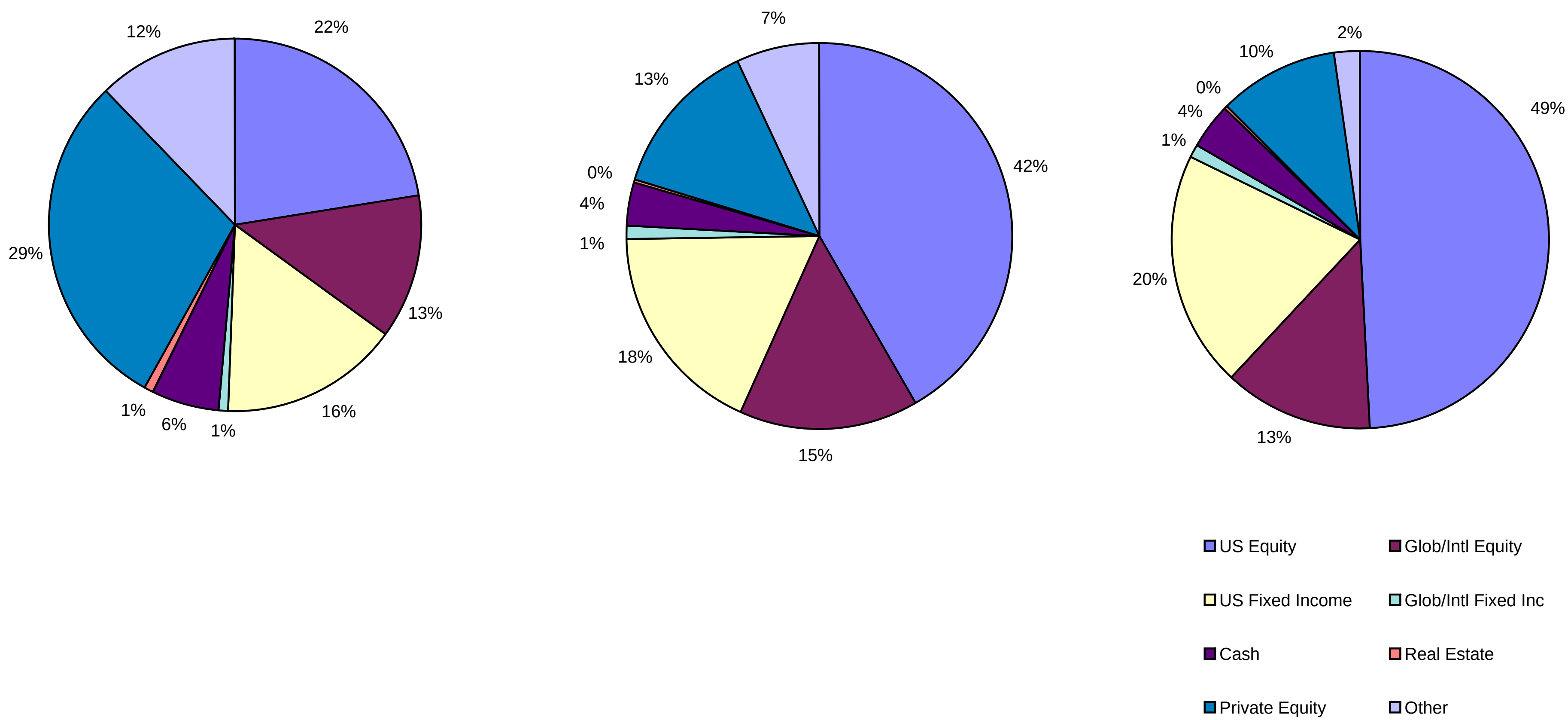


	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Private Equity	Real Estate	Cash
Composite	32.5%	16.1%	27.3%	4.7%	6.2%	5.3%	3.2%
10th Percentile	48.6%	19.3%	44.5%	3.3%	14.6%	11.8%	8.3%
1st Quartile	39.1%	16.4%	36.0%	1.5%	10.2%	5.9%	4.8%
Median	34.8%	12.3%	29.6%	0.5%	4.2%	0.8%	3.6%
3rd Quartile	29.0%	2.3%	24.3%	0.0%	0.0%	0.0%	0.0%
90th Percentile	23.8%	0.0%	20.3%	0.0%	0.0%	0.0%	0.0%

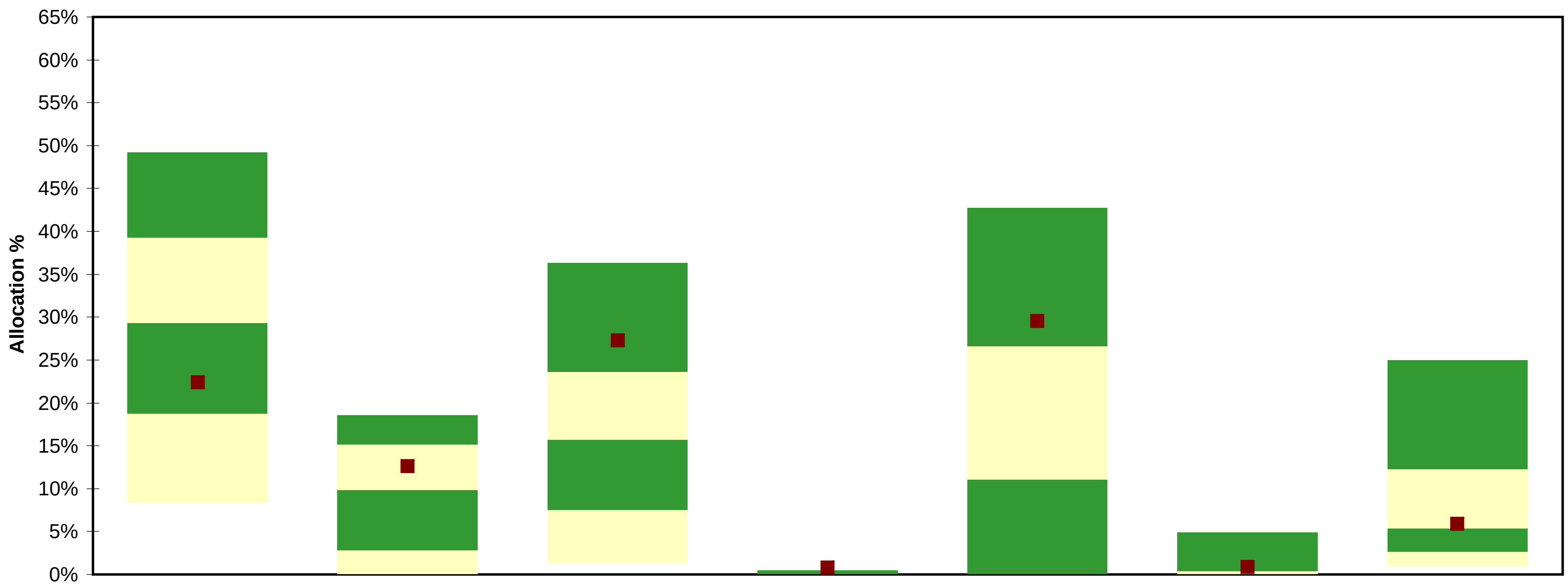
Foundation & Endowment Plans - Composite Asset Allocation

At quarter-end, the Composite included 94 trusts with a total market value of $79 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

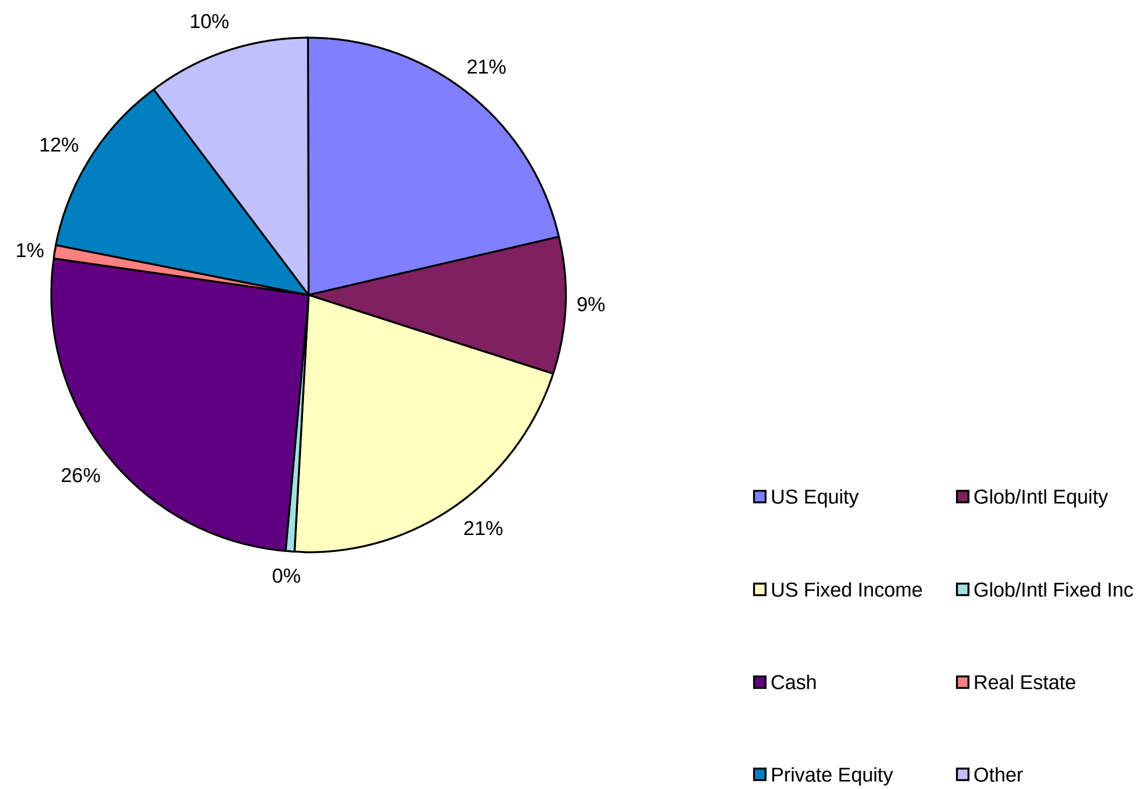


	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Private Equity	Real Estate	Cash
Composite	22.4%	12.6%	27.3%	0.8%	29.5%	0.8%	5.9%
10th Percentile	49.2%	18.5%	36.3%	0.5%	42.7%	4.9%	25.0%
1st Quartile	39.3%	15.1%	23.7%	0.0%	26.6%	0.3%	12.3%
Median	29.3%	9.9%	15.7%	0.0%	11.1%	0.0%	0.0%
3rd Quartile	18.7%	2.8%	7.5%	0.0%	0.0%	0.0%	0.0%
90th Percentile	8.3%	0.0%	1.3%	0.0%	0.0%	0.0%	0.0%

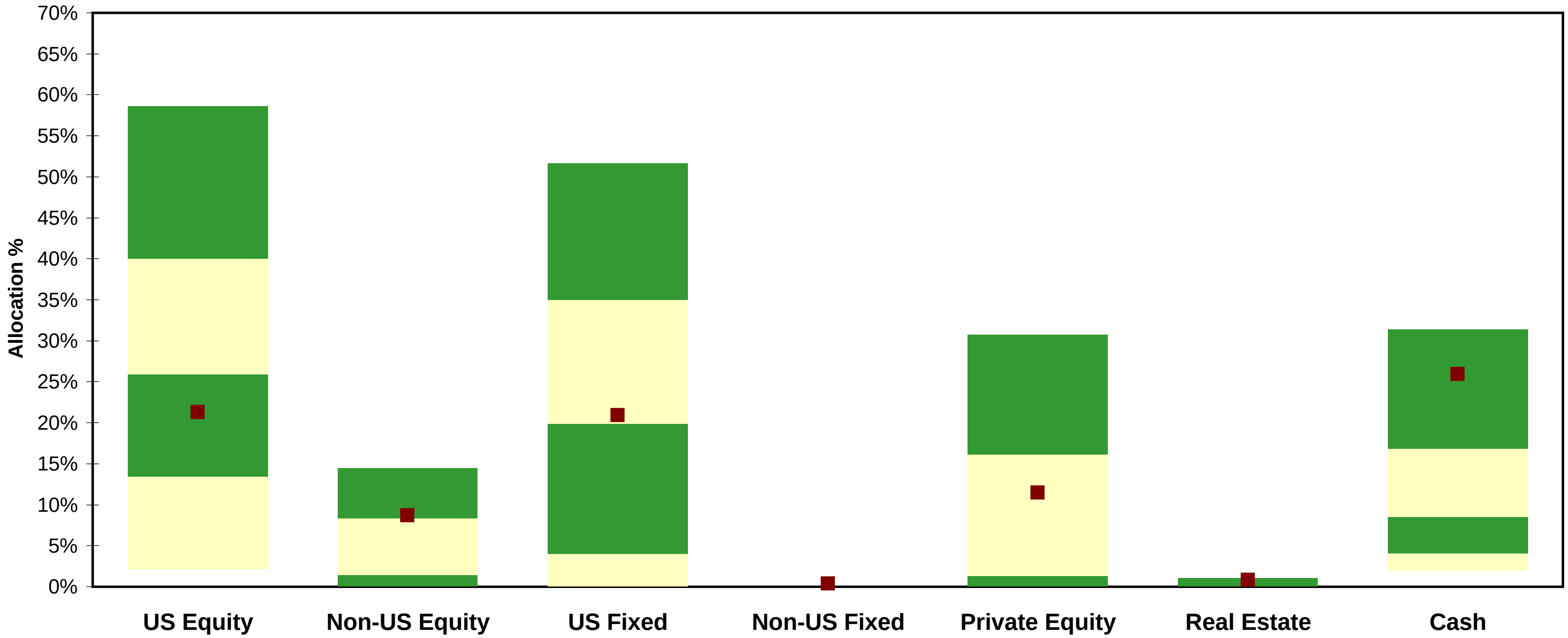
Wealth Management Plans - Composite Asset Allocation

At quarter-end, the Composite included 174 trusts with a total market value of $33 billion.

Current Allocation

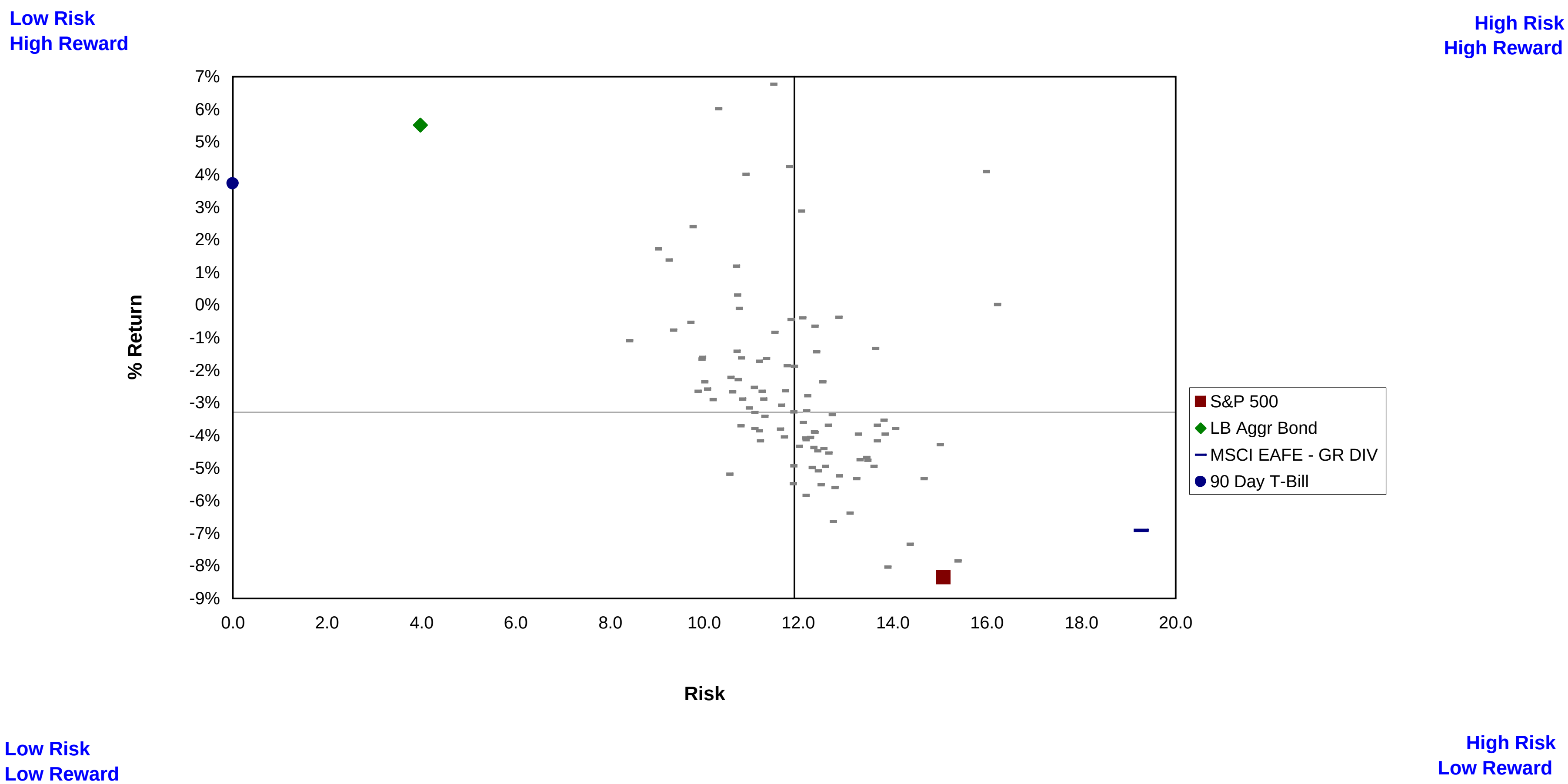


Wealth Management Plans - Range of Asset Allocation

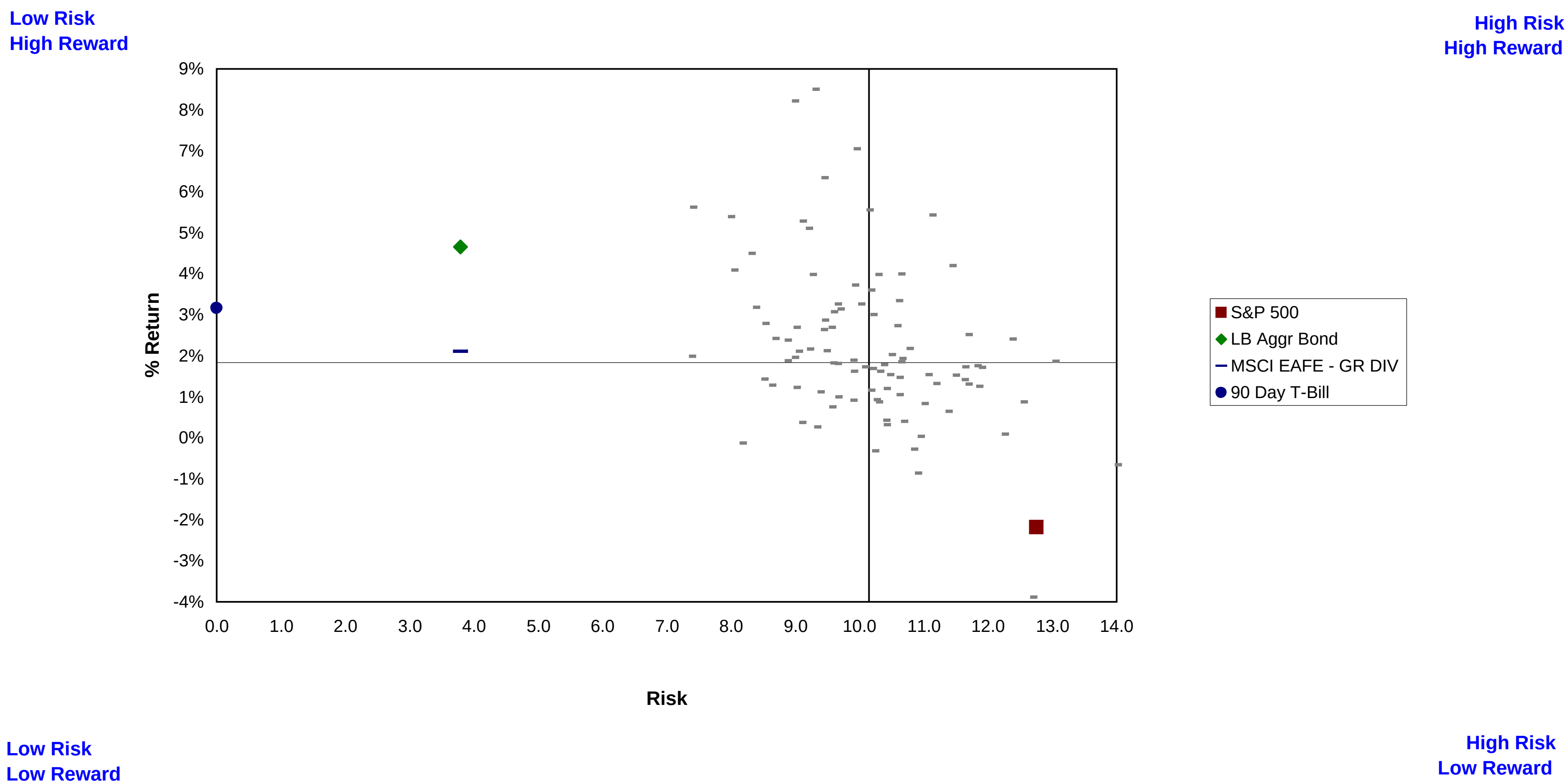


	US Equity	Non-US Equity	US Fixed	Non-US Fixed	Private Equity	Real Estate	Cash
Composite	21.3%	8.7%	20.9%	0.4%	11.5%	0.8%	25.9%
10th Percentile	58.6%	14.5%	51.7%	0.0%	30.8%	1.1%	31.4%
1st Quartile	40.0%	8.3%	35.0%	0.0%	16.1%	0.0%	0.0%
Median	25.9%	1.4%	19.9%	0.0%	1.4%	0.0%	0.0%
3rd Quartile	13.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
90th Percentile	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

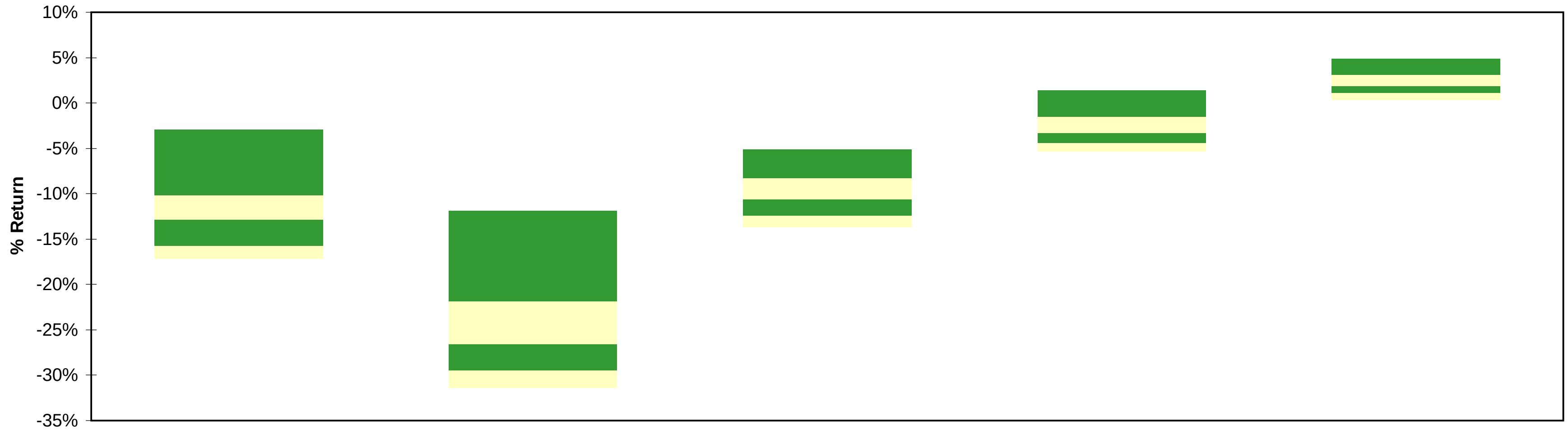
ERISA Plans - 3 Year Risk vs. Return



ERISA Plans - 5 Year Risk Return



ERISA Plans - Total Returns



Number of Funds	111	107	102	99	94
10th Percentile	-2.9%	-11.9%	-5.1%	1.4%	4.9%
1st Quartile	-10.2%	-21.9%	-8.2%	-1.5%	3.1%
Median	-12.9%	-26.6%	-10.6%	-3.3%	1.9%
3rd Quartile	-15.7%	-29.5%	-12.4%	-4.4%	1.2%
90th Percentile	-17.2%	-31.3%	-13.7%	-5.3%	0.3%

Risk Universe Overview

Overview

Designed as a compliment to the Performance Universe, Northern Trust produces the Risk Universe which allows US institutional investors to evaluate the risk profile of their program against a peer group. The inclusion set in the Northern Trust Risk Universe is all corporate and public clients who participate in the Northern Trust Performance Universe. As of December 2008 this set consisted of 150 programs with an average market value of $3.4 billion. This allows investors to gain valuable insight into their program by comparing their own risk/return profile to their peers.

Methodology

The Risk Universe classifies all individual holdings of the participating programs into 15 different asset class categories. Metrics such as Barra size, growth and value factors are used to classify domestic equities while credit rating and duration are used for fixed income instruments. Country of incorporation is utilized for all assets to determine if their exposure is to domestic, international developed or emerging markets. The result generates an accurate picture of a program's asset allocation profile which is then used for risk analysis.

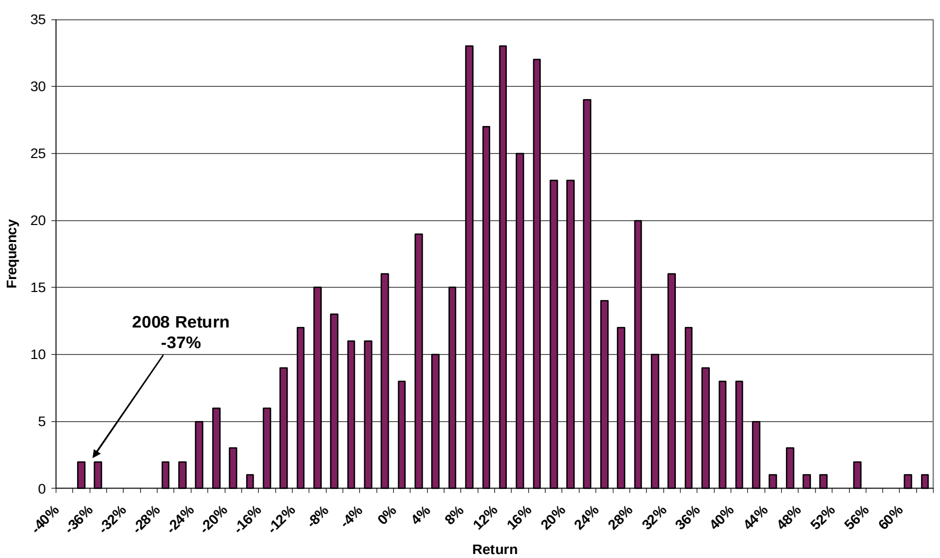
Once the asset allocation is determined, the Risk Universe employs a parametric value at risk (VaR) model to calculate the expected volatility of the assets. The idea of parametric VaR is rooted in Modern Portfolio Theory and assumes that the volatility of a portfolio can be determined by the volatility of and correlation between all of the portfolio's assets. The Risk Universe uses 10 years of historical returns data to derive expected volatility for each of the 15 asset classes as well as the correlation between them. The result creates a distribution of expected market values for each program. This distribution is assumed to be normal and therefore VaR can be determined at a set confidence interval defined by the number of standard deviations from the mean. The confidence interval used by the Universe is 95%, which translates to 1.645 standard deviations. For example, a VaR of 10% means there is a 5% chance the portfolio will lose greater than 10% over a given time period.

Current Market Environment/Risk Universe in Context

Financial markets continued to experience unprecedented behavior during the fourth quarter of 2008. The one year performance of the S&P500 index was down 37.0%, one of the worst 12 month returns since the 1960s. Market stress, as measured by the VIX (the market's assumed volatility of the S&P500 as implied by options prices at the Chicago Board Options Exchange, surpassed 80 for the first time since its creation. Intraday trading during the quarter saw levels approach 90.

Credit issues continue to be at the core of the current financial market disruptions. The TED Spread, the spread between LIBOR and the 13 Week Treasury Bill, and an overall indicator of credit market sentiment, hit a record high of almost 450 bps in October before compressing back to approximately 110 bps by year end. Despite this spread compression, credit anxiety persists in the markets as corporate credit spreads generally remain above their historical averages.

S&P500 Rolling 12 Month Return Histogram 1965-2008



Risk Universe Overview (Continued)

Given the flight to quality (namely to government back debt), we've seen notable rallies in high quality fixed income markets driven by declining rates, while lower rated fixed income indices have had negative performance due to spread widening and credit concerns.

Risk Universe Results & Interpretation

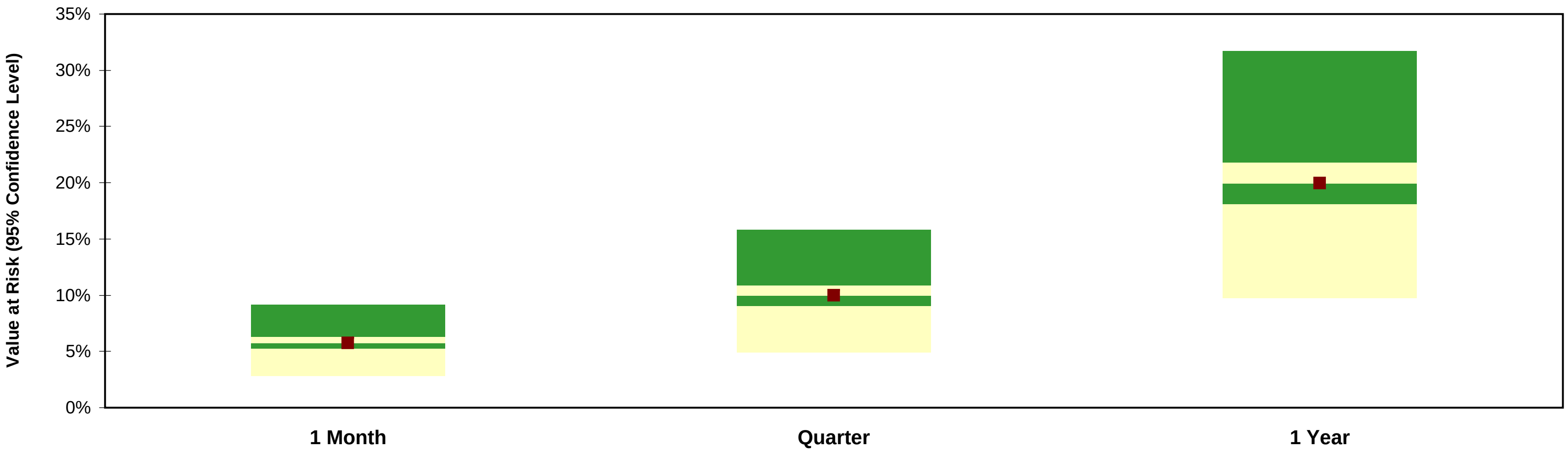
In the trailing 12 months through 4Q08, only one participating program experienced a positive return. In general, programs with larger allocations to high grade and government fixed income performed better than their peers over this period, while programs focusing more heavily on equity markets and high-yield fixed income have seen large losses.

Given the unprecedented volatility seen during the 4th quarter, it is no surprise that the risk/return profiles of the universe constituents are disbursed more broadly than in previous periods. Trailing 12-month returns at the total plan level ranged from 5.21% to -38.85%, a spread of over 44 percentage points, compared a with a spread of only 24 percentage points at the end of September. The VaR range of the programs also increased over the quarter, although not as dramatically as the returns.

One consequence of the downturn in equity markets is that asset class allocations have changed significantly over the last 3 months. Both US and international equity programs have dropped in value, while high-grade fixed income investments experienced positive returns, with a net effect of decreasing average plan allocation to equity and increasing allocations to fixed income. At the end of 3Q08, average allocation to equity was approximately 55%, with 38% allocated to domestic equity. As of December 31st, the average plan allocation to equity was only 50%, and only 31% to domestic equity. On average, allocation to fixed income was 36% at the end of 4Q08. Nevertheless, the risk profile of participating programs continues to be dominated by equity risk.

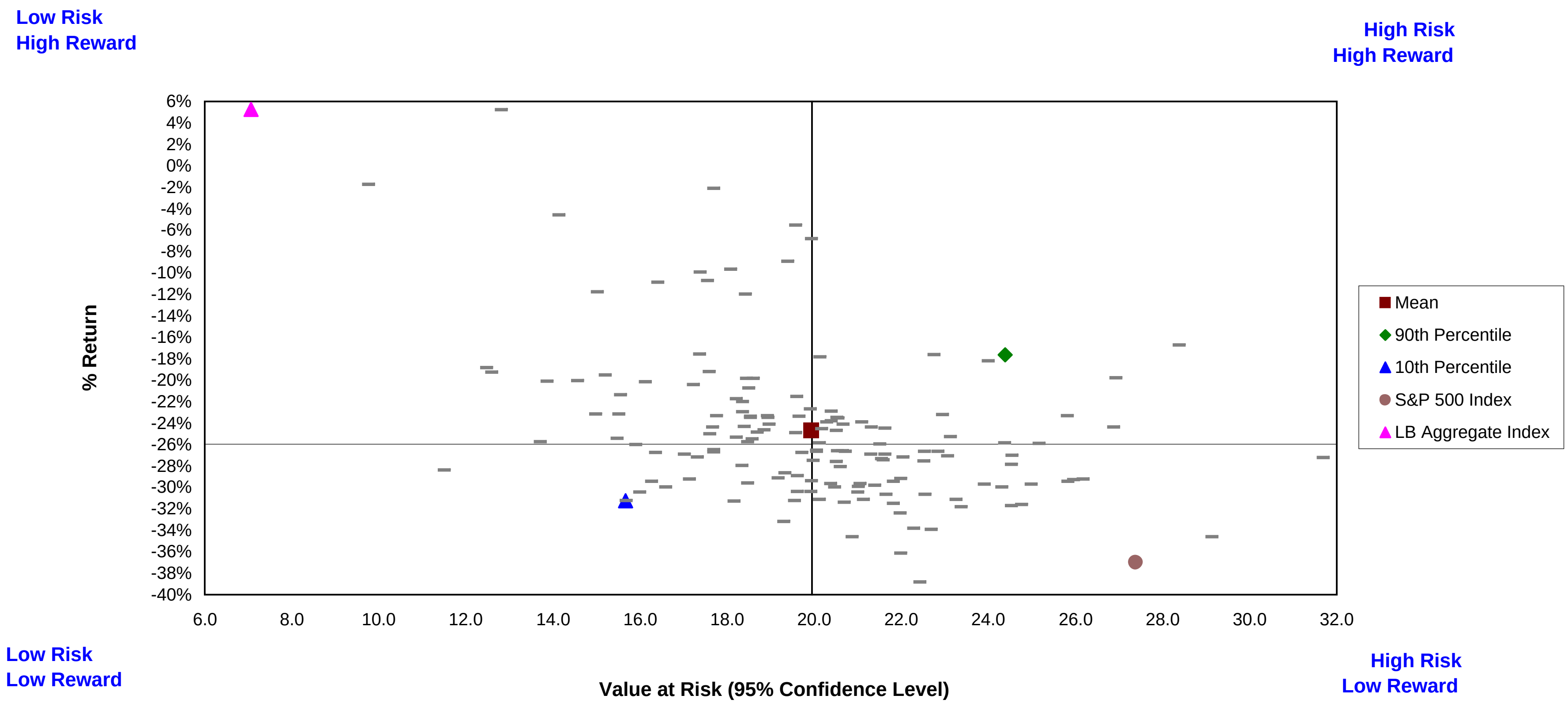
ERISA and Public Plans

Value at Risk (VaR) is the maximum expected loss on a position given a time horizon and a confidence level (probability). For example, a VaR of 5.8% for one month with 95% probability means that there is a 5% chance that the portfolio will lose more than 5.8% over the next month. The ERISA and Public Fund Risk Universe consists of 150 plans with approximately $513 billion in total assets.



	1 Month	Quarter	1 Year
■ **Mean**	5.8%	10.0%	19.9%
Maximum	9.1%	15.8%	31.7%
Ist Quartile	6.3%	10.9%	21.8%
Median	5.8%	10.0%	20.0%
3rd Quartile	5.2%	9.1%	18.1%
Minimum	2.8%	4.9%	9.8%

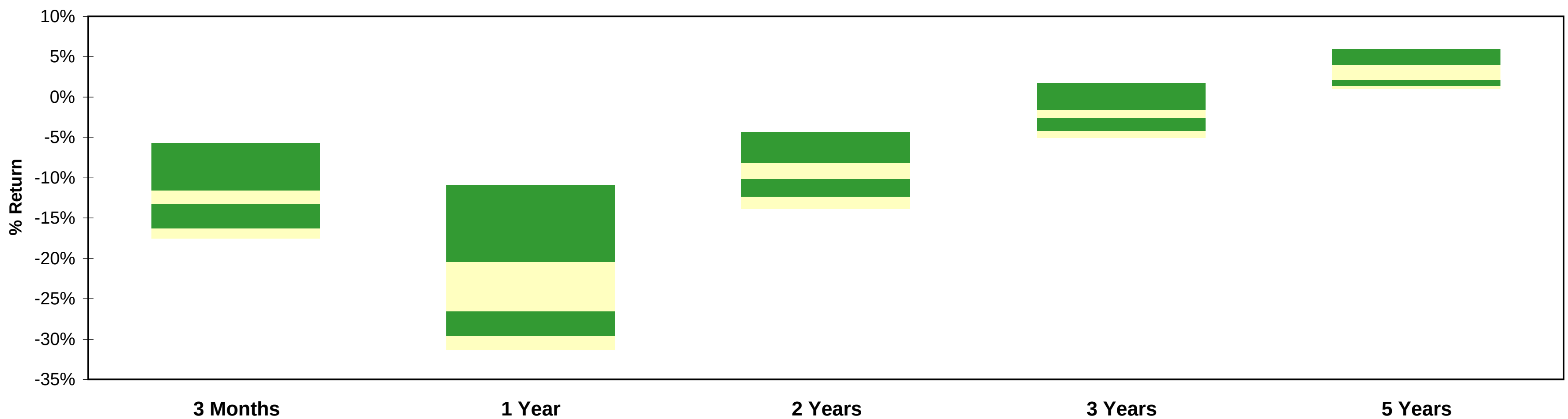
ERISA and Public Plans - 1 Year



The Northern Trust Risk Universe is an informational survey of the risk characteristics of the portfolios of a diverse population of institutional investors.

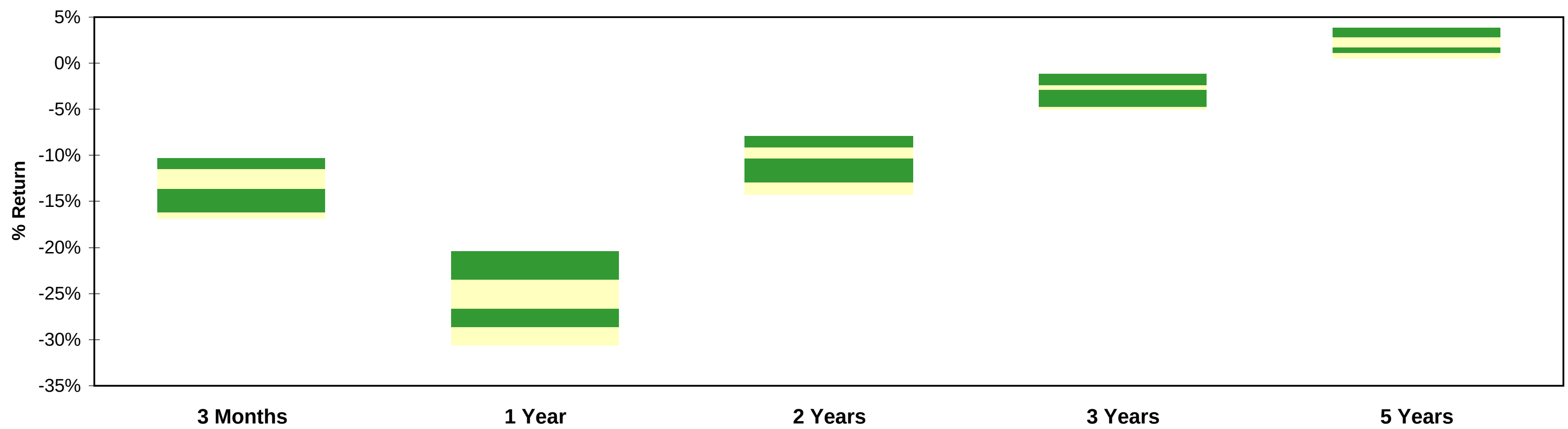
The Northern Trust Risk Universe does not purport to be a complete risk analysis and thus should not be relied upon to make investment decisions. The Northern Trust Risk Universe is available free of charge, on an “AS IS” and “AS AVAILABLE” basis. All express and implied warranties are disclaimed. Complete methodology information is available at http://www.northerntrust.com/riskuniverse

ERISA Plans Greater Than $1B - Total Returns



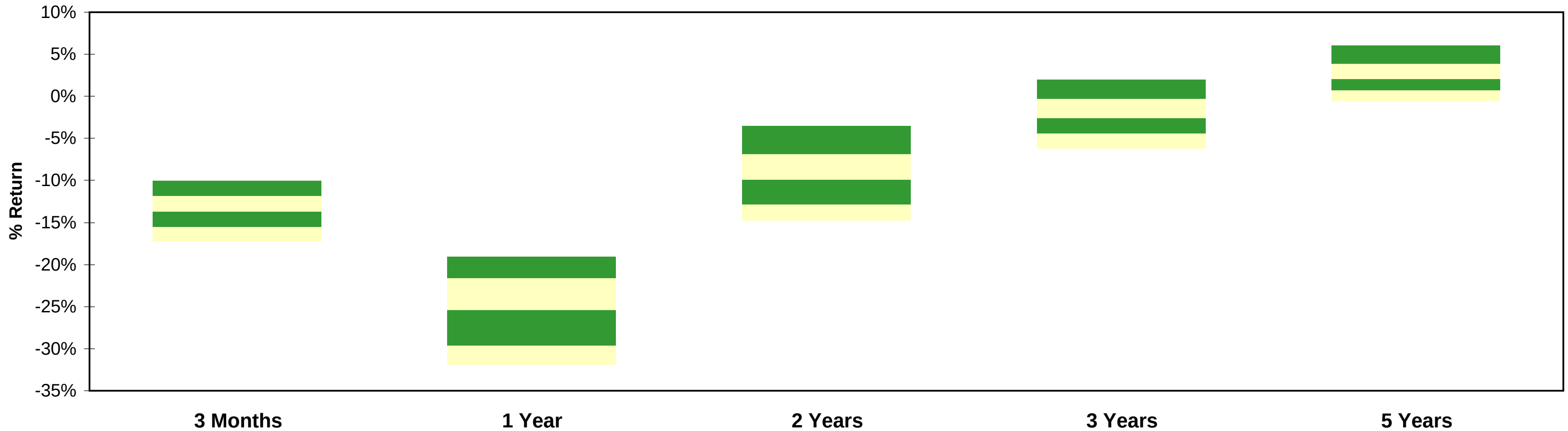
	3 Months	1 Year	2 Years	3 Years	5 Years
Number of Funds	41	38	35	35	36
10th Percentile	-5.7%	-10.9%	-4.3%	1.8%	6.0%
1st Quartile	-11.6%	-20.4%	-8.2%	-1.6%	4.0%
Median	-13.2%	-26.5%	-10.1%	-2.6%	2.1%
3rd Quartile	-16.2%	-29.6%	-12.3%	-4.2%	1.4%
90th Percentile	-17.5%	-31.3%	-13.9%	-5.0%	0.9%

Public Funds - Total Returns



	3 Months	1 Year	2 Years	3 Years	5 Years
Number of Funds	44	41	36	34	28
10th Percentile	-10.3%	-20.4%	-7.9%	-1.2%	3.8%
1st Quartile	-11.5%	-23.5%	-9.1%	-2.4%	2.8%
Median	-13.6%	-26.6%	-10.3%	-2.8%	1.8%
3rd Quartile	-16.2%	-28.7%	-12.9%	-4.7%	1.1%
90th Percentile	-16.9%	-30.7%	-14.2%	-5.1%	0.5%

Foundation & Endowment Plans - Total Returns



	3 Months	1 Year	2 Years	3 Years	5 Years
Number of Funds	94	88	83	74	65
10th Percentile	-10.0%	-19.1%	-3.5%	2.0%	6.0%
1st Quartile	-11.8%	-21.6%	-6.9%	-0.3%	3.8%
Median	-13.7%	-25.4%	-9.9%	-2.6%	2.0%
3rd Quartile	-15.5%	-29.6%	-12.8%	-4.4%	0.7%
90th Percentile	-17.2%	-31.9%	-14.8%	-6.2%	-0.5%

Wealth Management Plans - Total Returns

	3 Months	1 Year	2 Years	3 Years	5 Years
Number of Funds	174	170	156	125	90
10th Percentile	-4.8%	-8.7%	-1.1%	2.3%	4.1%
1st Quartile	-8.3%	-17.2%	-5.5%	-0.7%	3.0%
Median	-11.3%	-21.5%	-8.1%	-2.5%	1.6%
3rd Quartile	-15.1%	-28.5%	-11.9%	-4.7%	0.3%
90th Percentile	-20.3%	-33.8%	-15.3%	-6.8%	-1.4%

All Funds Universe Populations - Total Returns

Funds Greater than $1B Universe

	Quarter	1 Year	2 Years	3 Years	5 Years
Top Quartile	-11.4	-21.4	-7.6	-1.0	3.9
Median	-13.2	-25.8	-10.1	-2.7	2.4
Bottom Quartile	-15.5	-28.7	-12.1	-4.1	1.4
Number of Funds	104	97	91	87	81

Funds Between $500M and $1B Universe

	Quarter	1 Year	2 Years	3 Years	5 Years
Top Quartile	-10.6	-19.8	-6.7	-0.5	3.2
Median	-13.0	-24.9	-10.0	-2.7	2.1
Bottom Quartile	-14.8	-28.5	-11.8	-3.8	1.3
Number of Funds	55	53	52	48	41

Funds Between $250M and $500M Universe

	Quarter	1 Year	2 Years	3 Years	5 Years
Top Quartile	-10.7	-19.6	-7.1	-0.5	3.2
Median	-12.6	-24.0	-9.2	-2.2	2.0
Bottom Quartile	-15.2	-29.1	-10.9	-3.7	1.2
Number of Funds	42	41	38	34	31

Funds Between $100 and $250M Universe

	Quarter	1 Year	2 Years	3 Years	5 Years
Top Quartile	-9.2	-20.0	-6.6	-1.1	3.0
Median	-13.3	-24.6	-9.8	-2.9	1.7
Bottom Quartile	-15.9	-28.9	-12.2	-4.4	0.4
Number of Funds	88	80	76	69	58

Funds Less Than $100M Universe

	Quarter	1 Year	2 Years	3 Years	5 Years
Top Quartile	-8.7	-18.5	-6.5	-1.3	2.2
Median	-12.9	-24.8	-9.2	-3.5	0.7
Bottom Quartile	-16.0	-29.4	-12.9	-5.8	-0.2
Number of Funds	156	155	138	112	78

Funds Greater Than $100M Universe

	Quarter	1 Year	2 Years	3 Years	5 Years
Top Quartile	-10.6	-20.1	-6.9	-0.7	3.4
Median	-13.1	-24.9	-9.8	-2.7	2.0
Bottom Quartile	-15.5	-28.9	-12.1	-4.2	1.1
Number of Funds	288	272	258	239	208

U.S. Equity Summary

The US Equity markets experienced one of the sharpest declines in history during the fourth quarter of 2008. The Russell 3000 fell -22.8% over the final three months of the year. This is the lowest quarterly return for the US broad based equity index in over two decades, and now makes five straight quarters of declines for the index. The S&P 500 also reflected much of the same, returning -21.9% for the fourth quarter. The five year annualized returns for the Russell 3000 and S&P 500 now stand at -2.0% and -2.2%, respectively.

The Russell 1000 Growth and Russell 1000 Value posted almost identical returns at nearly -23%. On the Small Cap side, the Russell 2000 Value outperformed the Russell 2000 Growth by more then 250 basis points, with fourth quarter returns at -24.9% and -27.5%, respectively. Based on these results it is clear that all US style and size sectors were down significantly in the fourth quarter.

The past quarter saw a continuation of the theme that markets had experienced over the prior two quarters. The credit crisis continued to take its toll on the financial sector, and the effects have now trickled down to the broader US economy. The Fed took action by lowering the Federal Fund Target Rate to a range of 0.0%-0.25%. Oil prices continued to slide in the fourth quarter, falling to levels below $40 a barrel, which is down from highs of over $140 in mid-2008.

During the third quarter of 2008 several large financial institutions experienced a variety of problems. While government interventions and bankruptcy filings of larger financial firms were not as prevelant in the fourth quarter, there remained significant fear in the marketplace that other financial institutions had sub-prime loans and other toxic assets on their books. As concerns of a recession came to fruition during the fourth quarter, many companies began reporting earnings below expected levels. All of these factors lead investors to pull back from the US Equity markets in search of safer alternatives.

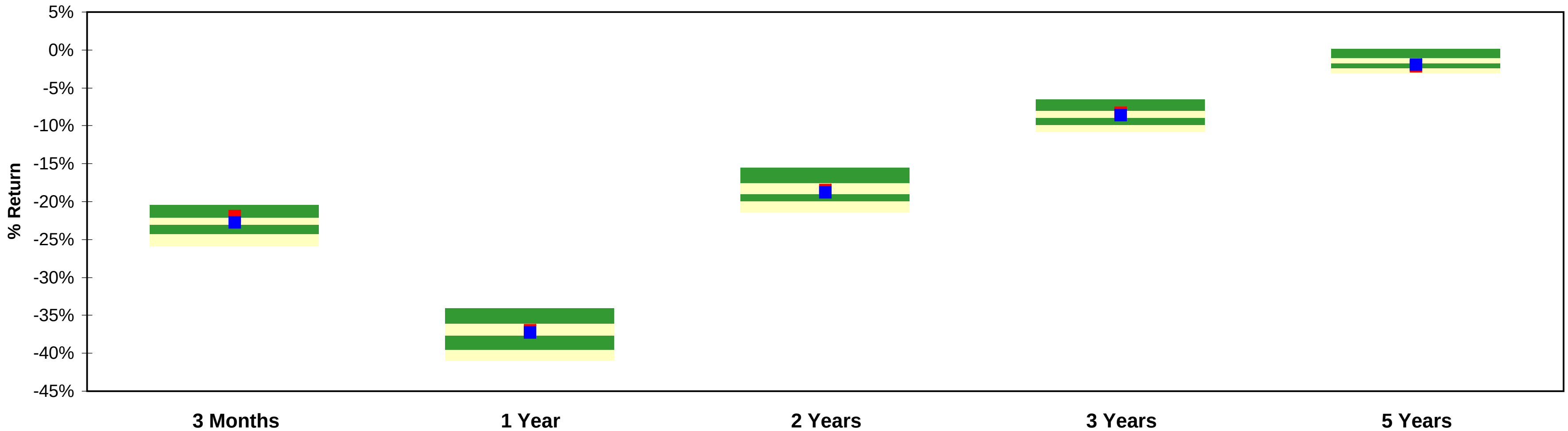
All ten major US sectors in the Russell 3000 declined in the fourth quarter. The worst performing sector was financials, which posted a -33.5% return. The telecom sector was the best performer within the index, returning -5.3% for the fourth quarter. Besides telecom, all other sectors posted double digit loses.

The Northern Trust Universe median returns reflected these market declines across all styles. The Small and Mid Cap universes posted lower median returns relative to Large Cap. Looking longer term, all five year annualized median returns are now reflecting negative returns with the exception of Small Cap Value.

Periods Ending December 31, 2008	Quarter	1 Year	2 Years	3 Years	5 Years
S&P 500	-21.9%	-37.0%	-18.5%	-8.4%	-2.2%
Russell 3000	-22.8%	-37.3%	-18.8%	-8.6%	-2.0%
Russell 1000	-22.5%	-37.6%	-18.8%	-8.7%	-2.0%
Russell 1000 Growth	-22.8%	-38.4%	-17.0%	-9.1%	-3.4%
Russell 1000 Value	-22.2%	-36.8%	-20.6%	-8.3%	-0.8%
Russell 2000	-26.1%	-33.8%	-19.3%	-8.3%	-0.9%
Russell 2000 Growth	-27.4%	-38.5%	-18.9%	-9.3%	-2.4%
Russell 2000 Value	-24.9%	-28.9%	-19.9%	-7.5%	0.3%
NT Equity Style Medians					
Large Cap Core	-21.1%	-35.0%	-16.1%	-7.4%	-0.7%
Large Growth	-22.6%	-39.5%	-17.1%	-9.0%	-1.8%
Large Value	-22.6%	-38.5%	-20.6%	-8.8%	-0.1%
Mid Growth	-26.6%	-41.3%	-18.2%	-8.6%	-0.1%
Mid Value	-24.1%	-32.7%	-19.8%	-10.4%	-0.5%
Small Growth	-26.1%	-38.4%	-20.2%	-9.6%	-1.7%
Small Value	-27.0%	-32.8%	-19.1%	-8.7%	0.5%

U.S. Equity Programs - Total Returns

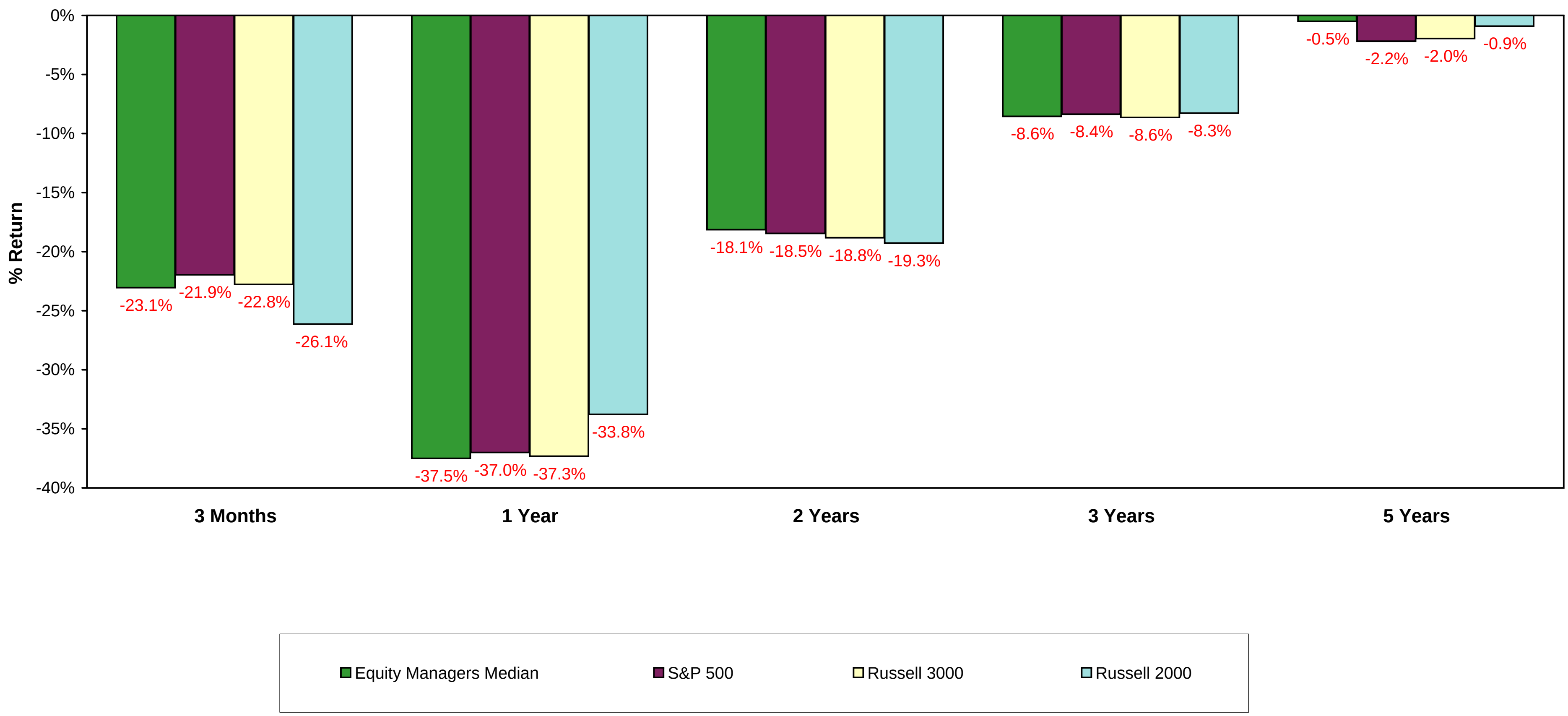
This universe depicts the range of plan sponsors' investment experience in their total domestic equity allocation; as opposed to the equity manager universe which depicts the range of managers' performance. This universe is helpful in determining the degree to which sponsors were capable of implementing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



	3 Months	1 Year	2 Years	3 Years	5 Years
S&P 500	-21.9%	-37.0%	-18.5%	-8.4%	-2.2%
Russell 3000	-22.8%	-37.3%	-18.8%	-8.6%	-2.0%

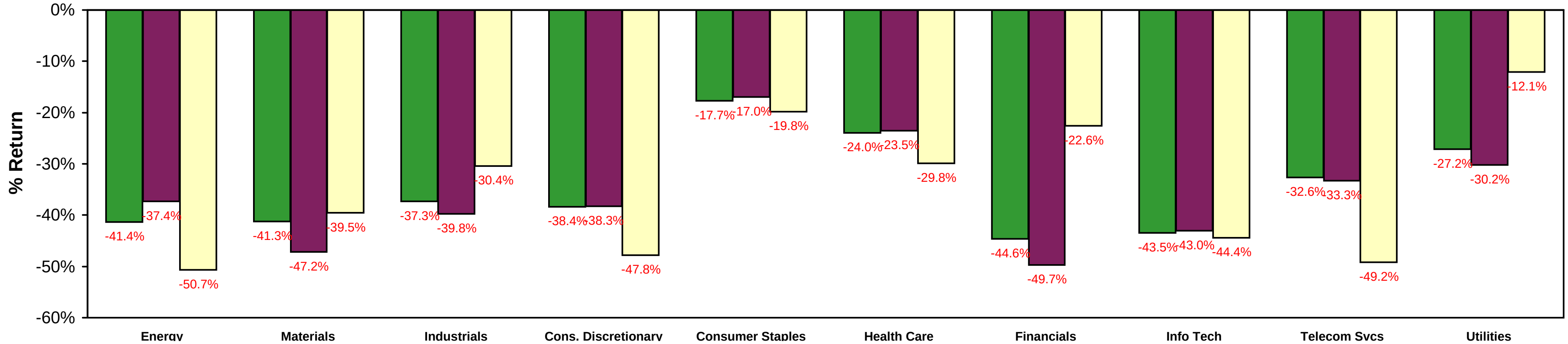
10th Percentile	-20.4%	-34.1%	-15.5%	-6.5%	0.1%
1st Quartile	-22.1%	-36.1%	-17.5%	-8.0%	-1.1%
Median	-23.1%	-37.7%	-19.0%	-9.0%	-1.7%
3rd Quartile	-24.3%	-39.6%	-20.0%	-9.9%	-2.4%
90th Percentile	-25.9%	-41.0%	-21.4%	-10.8%	-3.0%

U.S. Equity Indexes

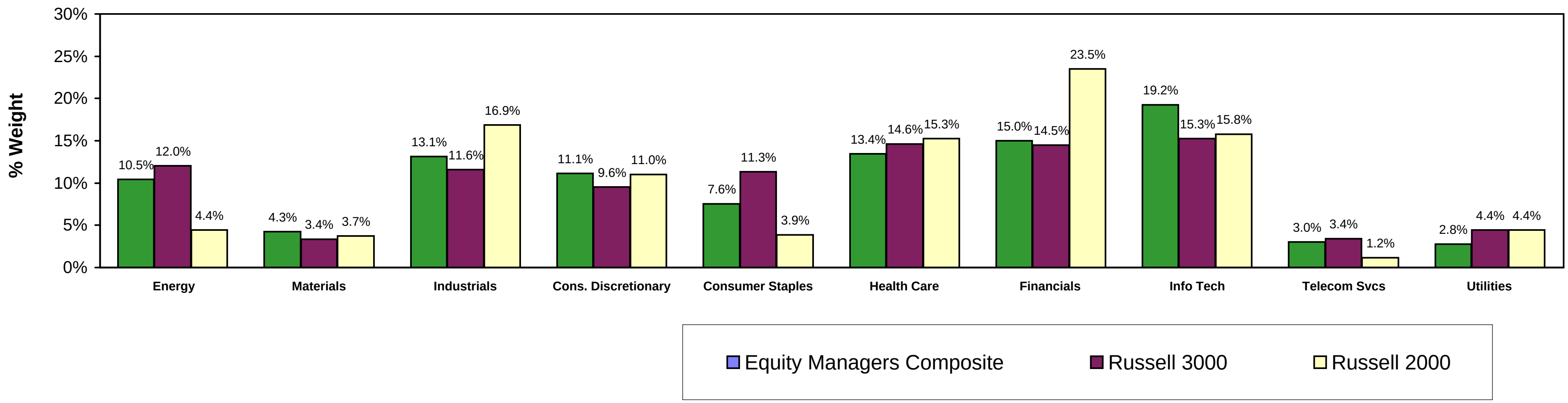


U.S. Equity Sector Analysis

Sector Returns

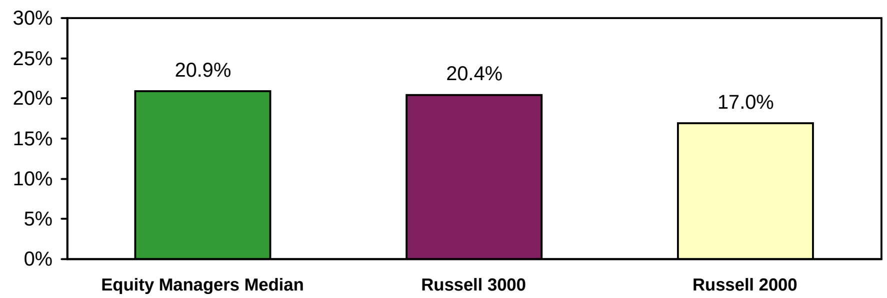


Sector Weightings

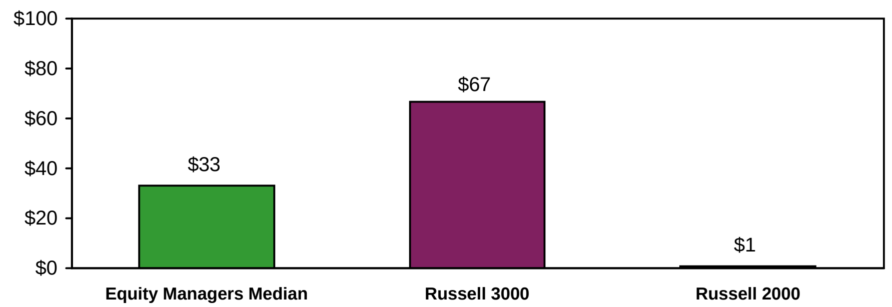


U.S. Equity Characteristics

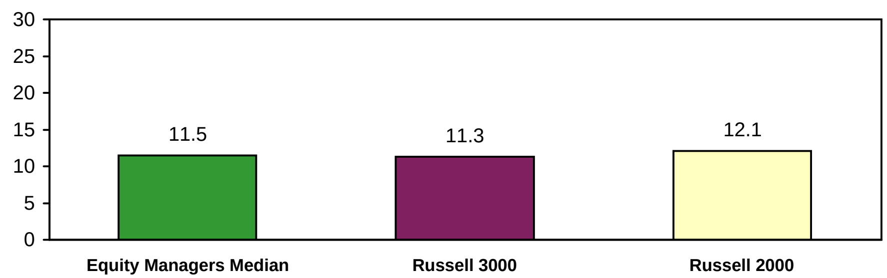
5 year EPS



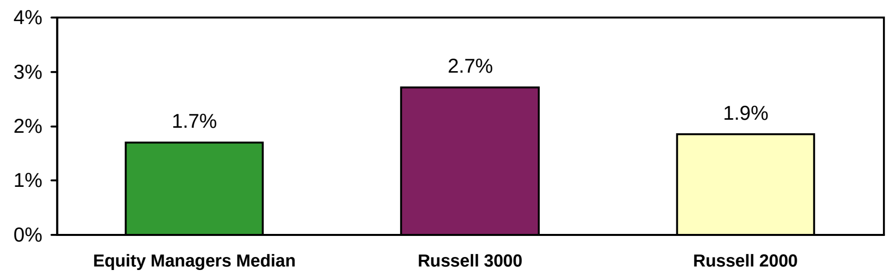
Market Cap ($ Billions)



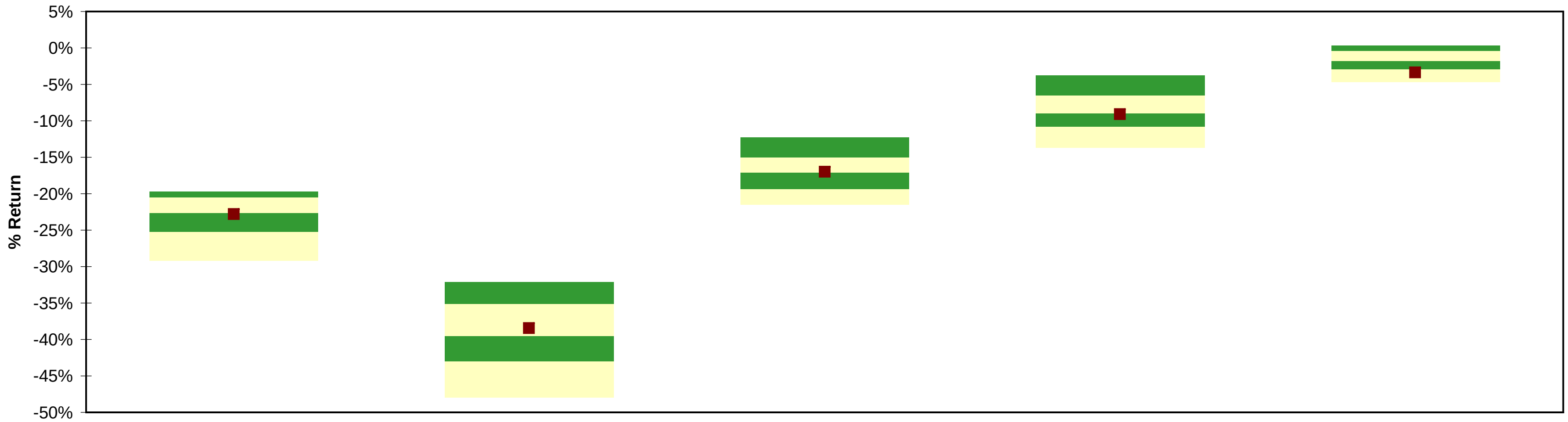
P/E



Dividend Yield

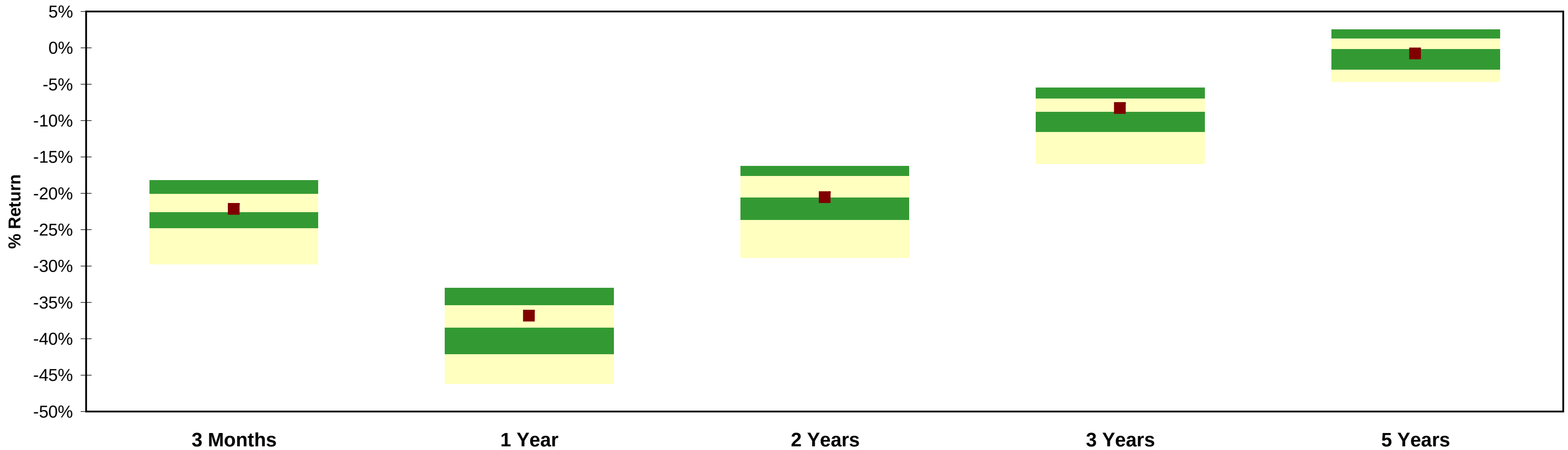


Large Growth Managers - Total Returns



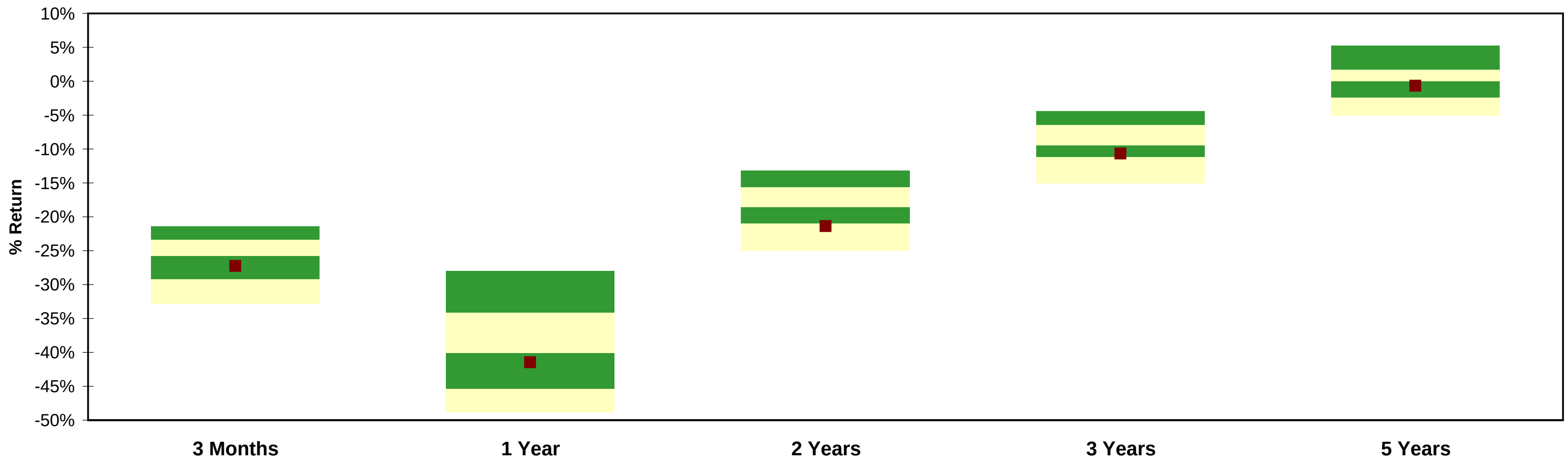
	3 Months	1 Year	2 Years	3 Years	5 Years
Russell 1000 Growth	-22.8%	-38.4%	-17.0%	-9.1%	-3.4%
10th Percentile	-19.6%	-32.1%	-12.2%	-3.8%	0.3%
1st Quartile	-20.5%	-35.1%	-15.0%	-6.5%	-0.4%
Median	-22.6%	-39.5%	-17.1%	-9.0%	-1.8%
3rd Quartile	-25.3%	-43.0%	-19.4%	-10.8%	-2.9%
90th Percentile	-29.2%	-48.0%	-21.6%	-13.7%	-4.7%

Large Cap Value Managers - Total Returns



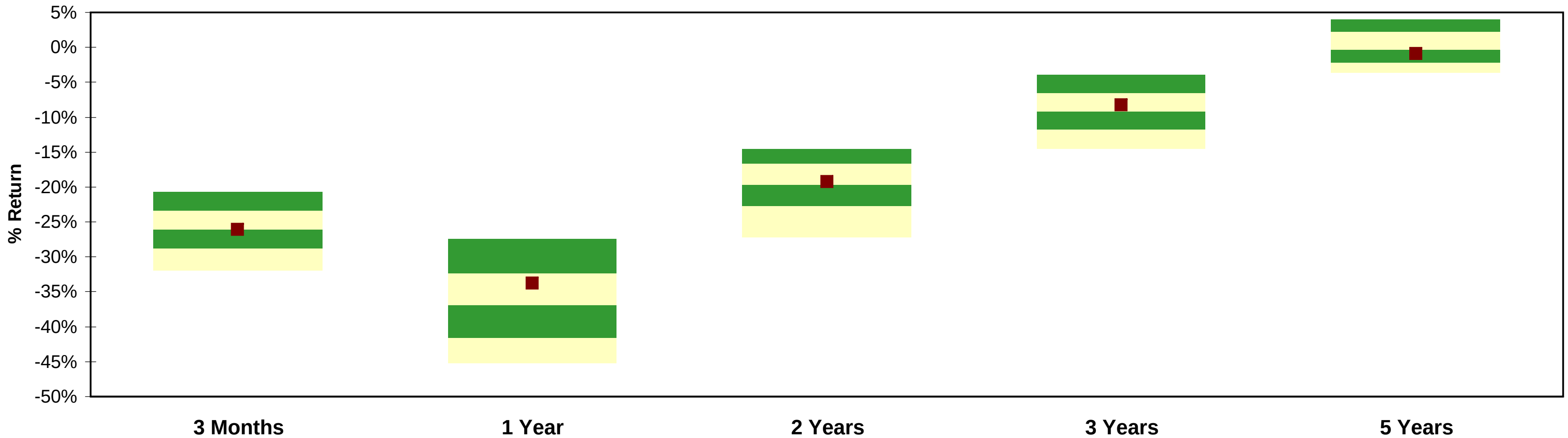
	3 Months	1 Year	2 Years	3 Years	5 Years
■ **Russell 1000 Value**	-22.2%	-36.8%	-20.6%	-8.3%	-0.8%
10th Percentile	-18.3%	-33.0%	-16.2%	-5.5%	2.5%
1st Quartile	-20.1%	-35.3%	-17.6%	-6.9%	1.3%
Median	-22.6%	-38.5%	-20.6%	-8.8%	-0.1%
3rd Quartile	-24.8%	-42.1%	-23.6%	-11.6%	-3.0%
90th Percentile	-29.7%	-46.2%	-28.9%	-16.0%	-4.7%

Mid Cap Managers - Total Returns



	3 Months	1 Year	2 Years	3 Years	5 Years
Russell MidCap	-27.3%	-41.5%	-21.4%	-10.7%	-0.7%
10th Percentile	-21.4%	-28.0%	-13.1%	-4.4%	5.3%
1st Quartile	-23.4%	-34.2%	-15.6%	-6.4%	1.8%
Median	-25.8%	-40.1%	-18.6%	-9.5%	-0.0%
3rd Quartile	-29.2%	-45.4%	-21.0%	-11.1%	-2.4%
90th Percentile	-32.8%	-48.9%	-25.0%	-15.1%	-5.1%

Small Cap Managers - Total Returns

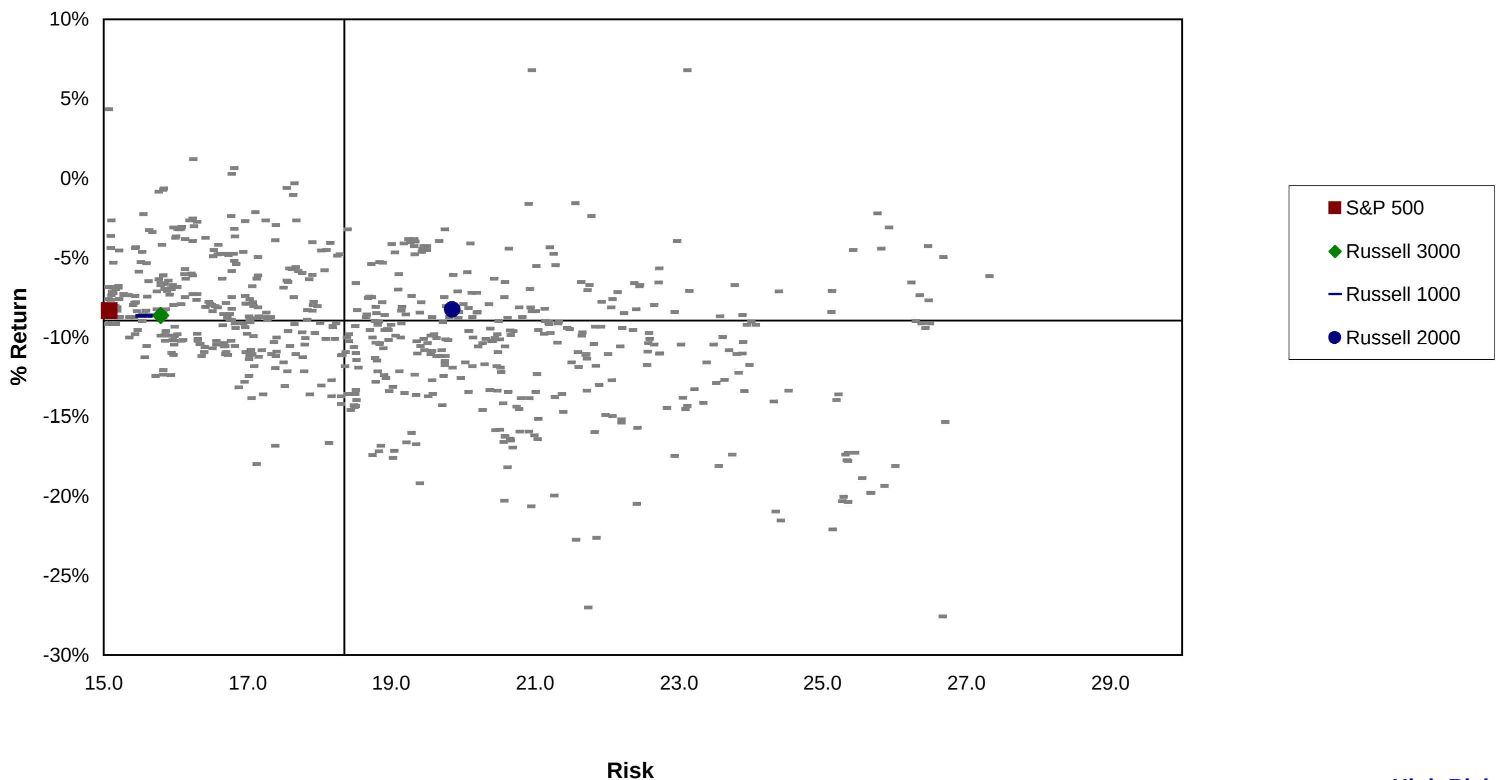


	3 Months	1 Year	2 Years	3 Years	5 Years
■ **Russell 2000**	-26.1%	-33.8%	-19.3%	-8.3%	-0.9%
10th Percentile	-20.7%	-27.5%	-14.5%	-4.0%	4.0%
1st Quartile	-23.4%	-32.3%	-16.7%	-6.6%	2.2%
Median	-26.1%	-36.9%	-19.7%	-9.2%	-0.3%
3rd Quartile	-28.8%	-41.5%	-22.7%	-11.8%	-2.2%
90th Percentile	-31.9%	-45.2%	-27.2%	-14.5%	-3.6%

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

Low Risk High Reward

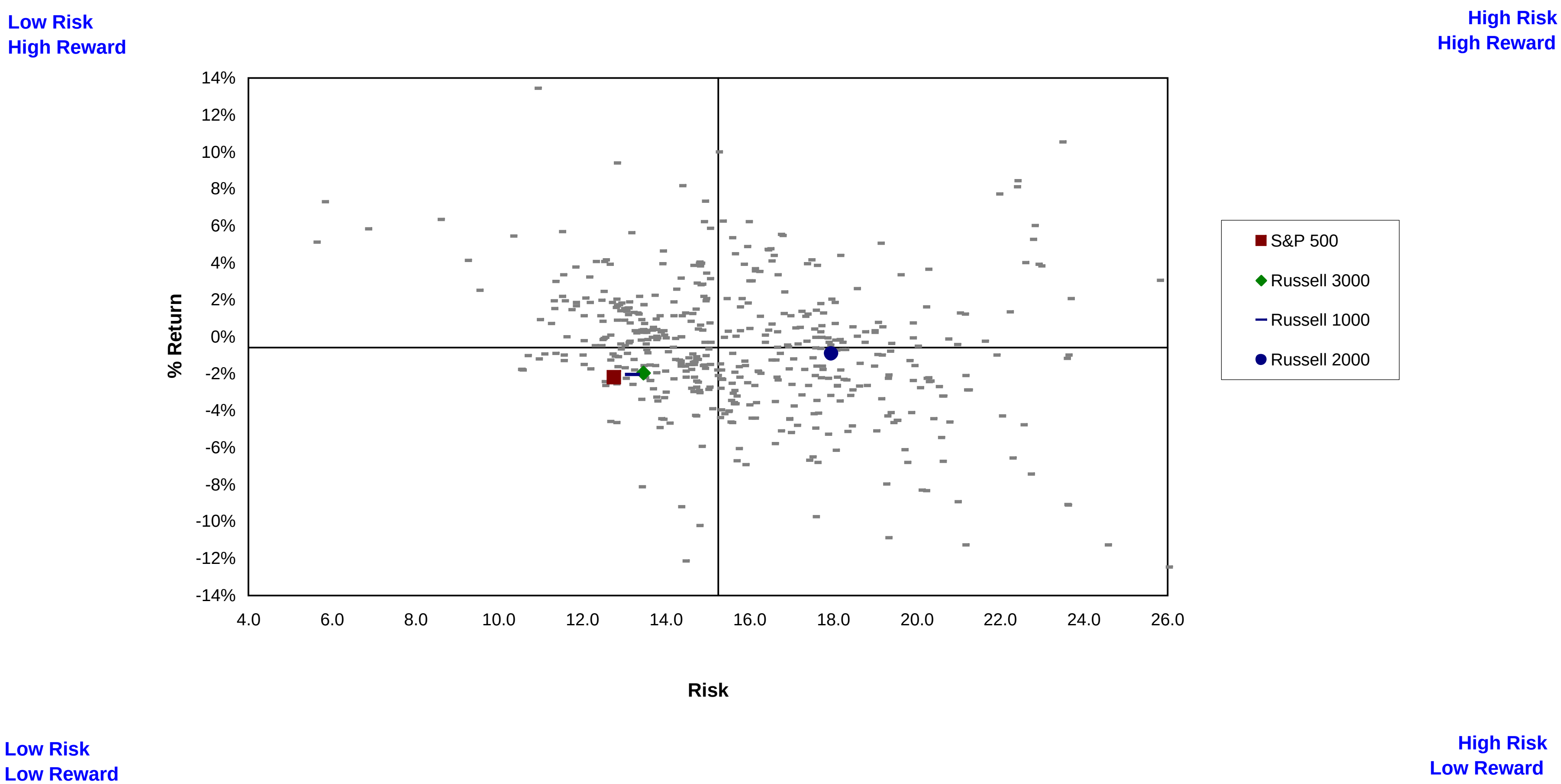
High Risk High Reward



Low Risk Low Reward

High Risk Low Reward

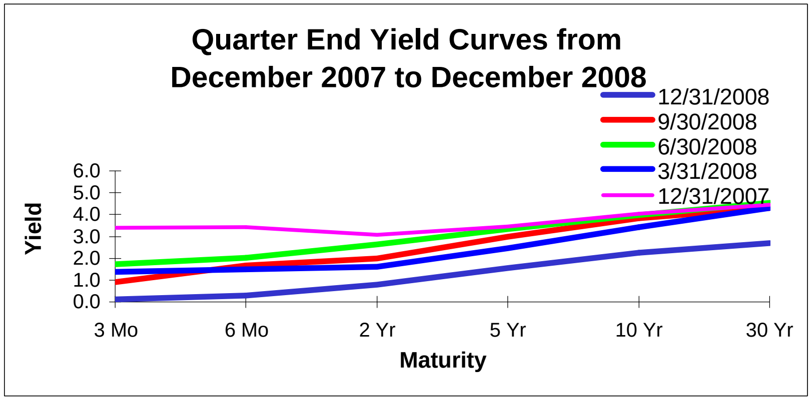
U.S. Equity Managers - 5 Year Risk vs. Return



U.S. Fixed Income Overview

The fourth quarter continued the volatility that started in the third quarter. However, bold measures taken by the Federal Reserve and the U.S. Treasury started to funnel through the fixed income markets; providing some stability towards the end of the quarter, as evidenced by tightening spreads. Among the steps taken by the Fed and U.S. Treasury was the controversial Troubled Asset Relief Program (TARP), which was originally conceived to remove illiquid assets from bank balance sheets. However, this idea was abandoned in favor of direct equity investments as a quicker means of providing liquidity. Also, the Fed created the Commercial Paper Funding Facility (CPFF), to restore confidence in money markets, and the Term Asset-Backed Securities Loan Facility (TALF), to boost consumer lending. In addition to measures taken by the Fed and U.S. Treasury, the FDIC created the Temporary Liquidity Guarantee Program (TLGP) in an effort to restore confidence in the banking system by providing a guarantee of up to three years on bank debt issued before June 30, 2009. However, the most aggressive move came from Fed in the form of lowering the Fed Funds rate from 2.00%, at the beginning of the quarter; to a historic low target range of 0.00 – 0.25%. Even with all of these aggressive moves, a continued flight-to-quality resulted in the lowest Treasury Yields in more than fifty years. However, by year-end, there were some indications the worst may have passed. Money markets stabilized, and spread sector performance improved substantially in December. As of year-end, the Barclays Treasury Index returned 8.75% for the quarter and 13.74% for the year.

Spread sectors continued to underperform duration matched Treasuries for the quarter. Commercial mortgage backed and asset-backed securities experienced the greatest quarterly decline in performance, returning -13.52% and -6.82%, respectively. For the year, commercial mortgage backed securities declined 20.52% and asset-backed securities returned -12.72%. As investor appetite grew, investment grade corporate bonds ended the quarter on a positive note returning 4.03%, but still experienced heavy underperformance, relative to Treasuries, ending the year down 3.08%. On an absolute basis, mortgages fared better than other spread sectors, as seen by positive performance of 4.34% for the quarter and 8.34% for the year within the Barclays MBS Index. However, the Barclays MBS Index underperformed the Barclays Treasury Index by 441 bps for the quarter and 540 bps for the year.



The Barclays TIPS Index returned -3.48% for the quarter and -2.35% for the year. This was a result of declining energy and commodity prices, financial sector deleveraging, and further systemic deterioration in economic activity around the globe.

The High Yield sector, again, experienced significant losses, as evidenced by a loss of -17.88% in the Barclays High Yield Index for the quarter and a full year loss of -26.15%. While September experienced a heavy loss with a decline of 7.98%, this paled in comparison to October and November, with returns of -15.91% and -9.31%, respectively.

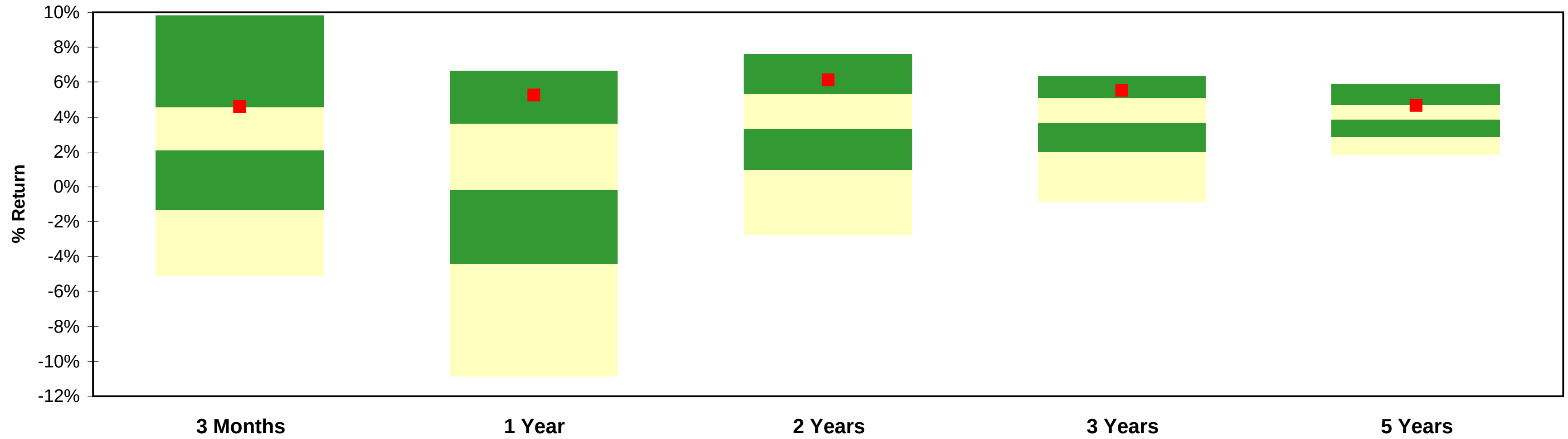
Municipal bonds were still strained in the fourth quarter due to increased pressures from declines in personal and corporate income, property and sales taxes as well as rising deficits in state and local pension funding levels. The Barclays Municipal Index returned 0.74% for the quarter and -2.47% for the year.

Period Ending December 31, 2008	QTR	1 YR	2 YR	3 YR	5 YR
Northern Trust U.S. Fixed Income Manager (Median)	**2.42%**	**1.53%**	**3.95%**	**4.05%**	**3.82%**
Lehman US Universal Index	2.72%	2.38%	4.42%	4.60%	4.30%
Lehman US Aggregate Index	4.58%	5.24%	6.10%	5.51%	4.65%
Lehman US Aggregate Intermediate Index	3.58%	4.86%	5.93%	5.48%	4.43%
Lehman Government/Credit	6.42%	5.70%	6.46%	5.56%	4.64%
Lehman Government Bond Index	8.05%	12.39%	10.51%	8.11%	6.06%
Lehman Gov Intermediate Bond Index	6.16%	10.43%	9.45%	7.55%	5.30%
Lehman Treasury 20+ Years	27.29%	33.72%	21.37%	14.13%	11.96%
Lehman US TIPS Index	-3.48%	-2.35%	4.41%	3.06%	4.07%
Lehman Credit Bond Index	3.98%	-4.94%	-0.30%	1.21%	2.13%
Lehman Credit Intermediate Bond Index	2.72%	-2.76%	1.33%	2.38%	2.52%
Lehman Mortgaged Backed Bond Index	4.34%	8.34%	7.62%	6.81%	5.54%
Lehman Asset Backed Index	-6.82%	-12.72%	-5.55%	-2.25%	-0.36%
Lehman High Yield Corporate Index	-17.88%	-26.15%	-13.26%	-5.59%	-0.80%
90 Day T-Bill	0.14%	1.56%	3.11%	3.72%	3.16%

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

U.S. Fixed Income Programs - Total Returns

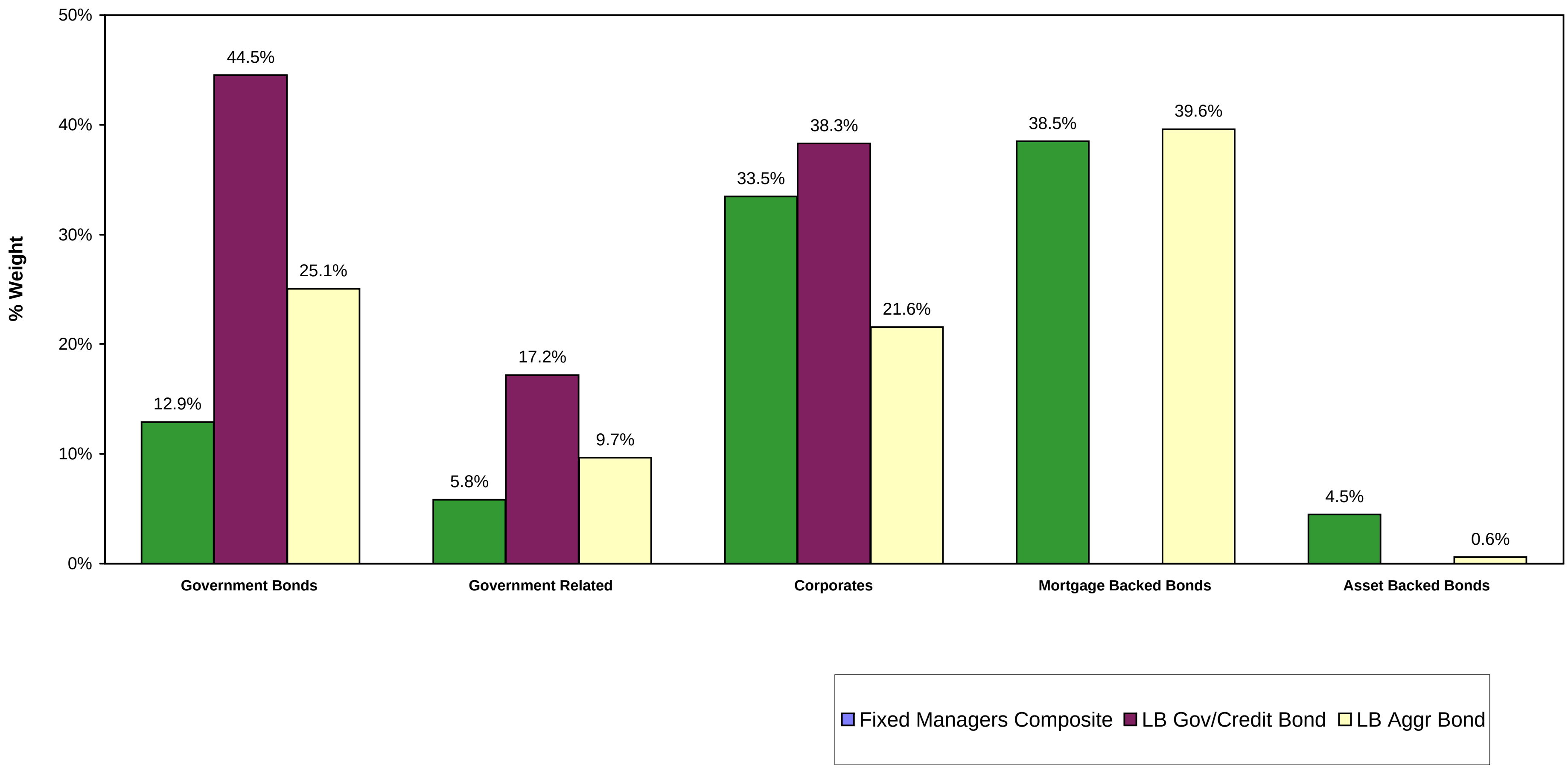
This universe depicts the plan sponsors' range of investment experience in their total US fixed income allocation; as opposed to the fixed income manageruniverse which depicts the range of managers' performance. This universe is helpful in determining the degree to which sponsors were capable of implementing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



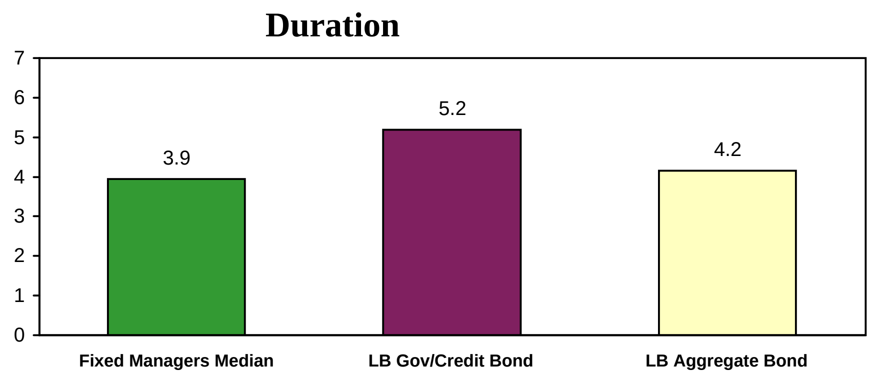
	3 Months	1 Year	2 Years	3 Years	5 Years
LB Aggr Bond	4.6%	5.2%	6.1%	5.5%	4.7%
10th Percentile	9.8%	6.6%	7.6%	6.3%	5.9%
1st Quartile	4.6%	3.6%	5.3%	5.1%	4.7%
Median	2.1%	-0.2%	3.3%	3.7%	3.8%
3rd Quartile	-1.3%	-4.4%	1.0%	2.0%	2.9%
90th Percentile	-5.1%	-10.9%	-2.8%	-0.8%	1.8%

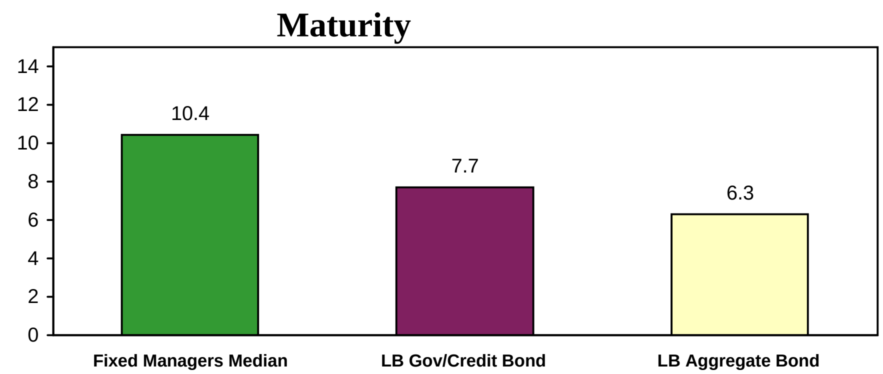
U.S. Fixed Income Sector Analysis

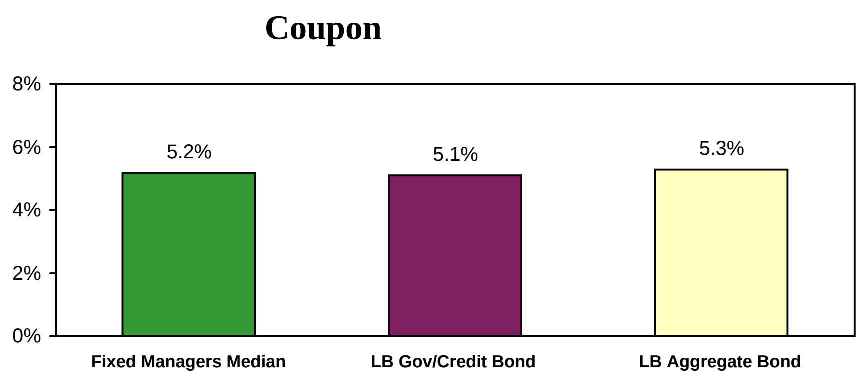
Sector Weightings



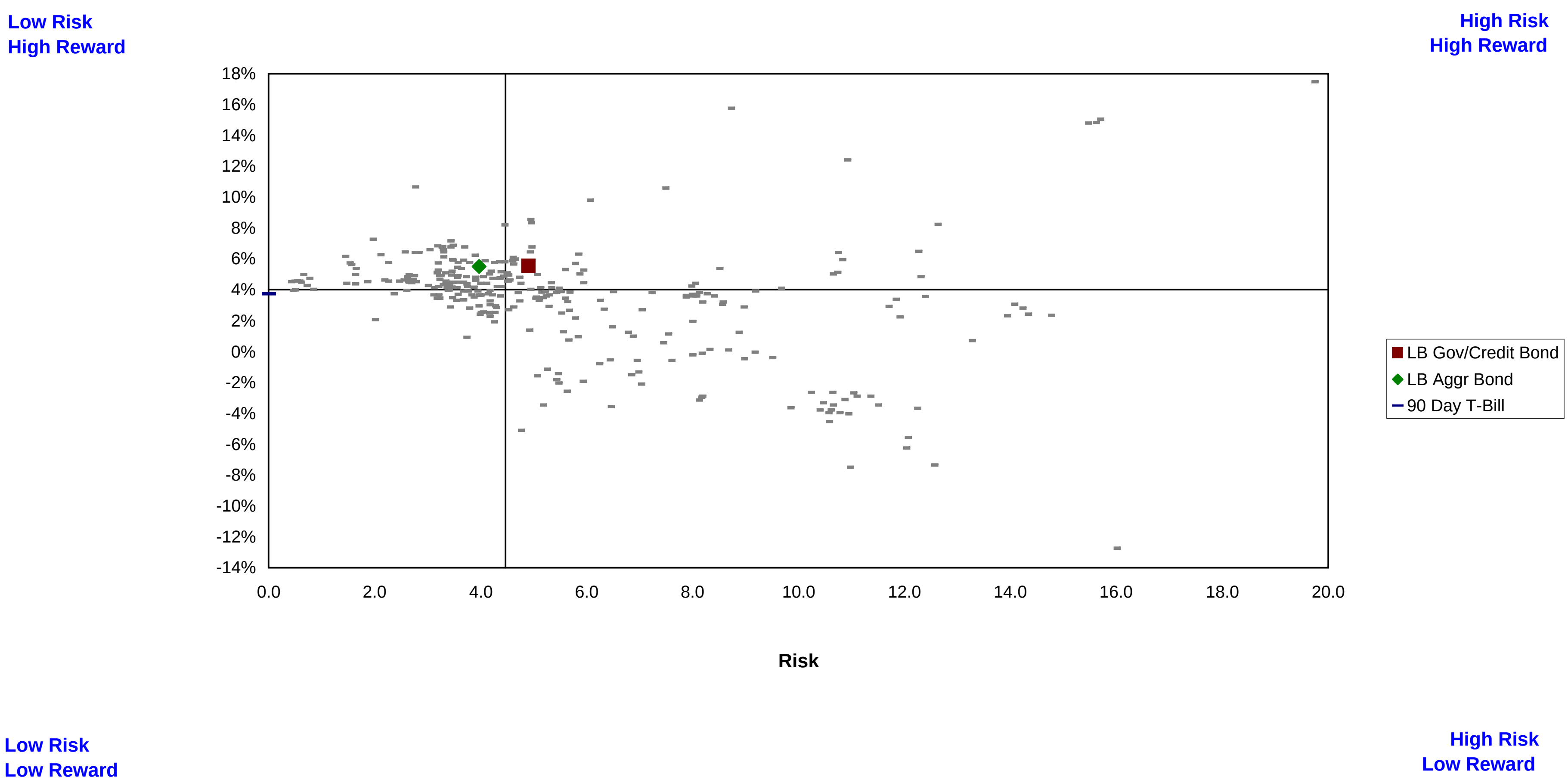
U.S. Fixed Income Characteristics







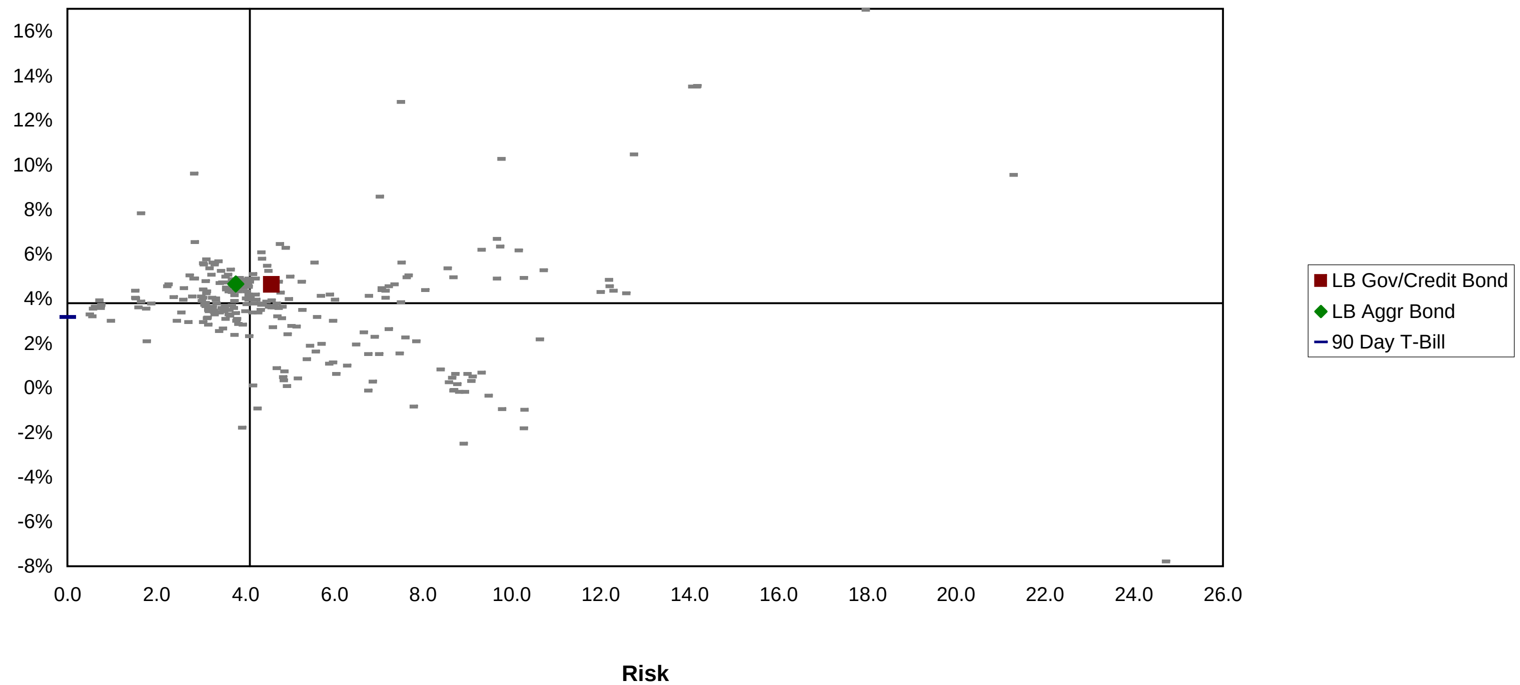
U.S. Fixed Income Managers - 3 Year Risk vs. Return



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

Low Risk
High Reward

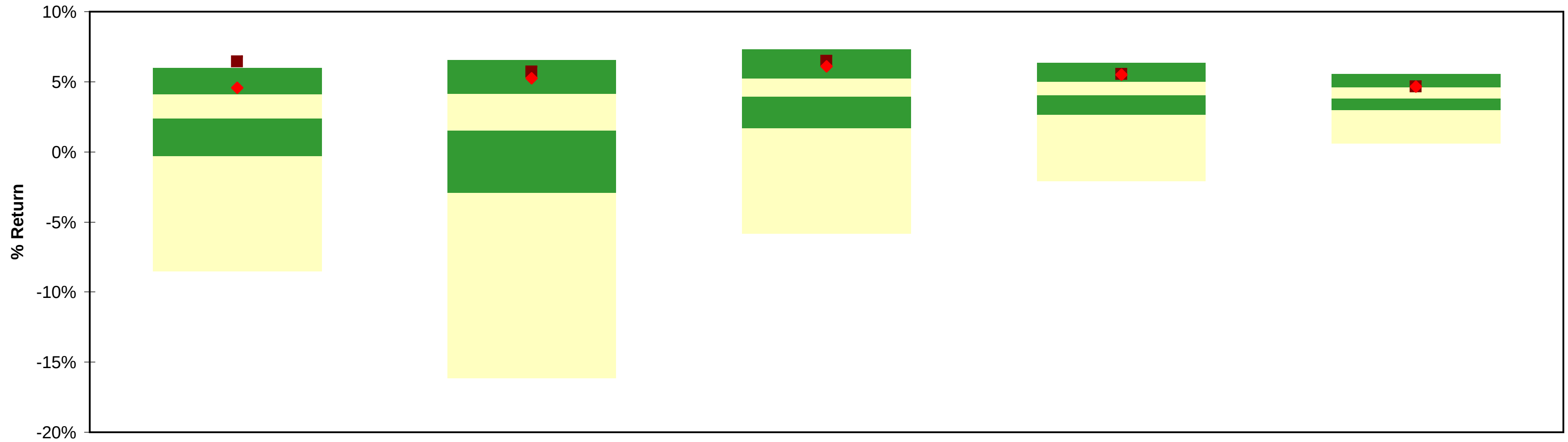
High Risk
High Reward



Low Risk
Low Reward

High Risk
Low Reward

U.S. Fixed Income Managers - Total Returns



■ **LB Gov/Credit Bond**	6.4%	5.7%	6.5%	5.6%	4.6%
♦ **LB Aggr Bond**	4.6%	5.2%	6.1%	5.5%	4.7%

10th Percentile	6.0%	6.6%	7.3%	6.3%	5.6%
1st Quartile	4.1%	4.2%	5.2%	5.0%	4.6%
Median	2.4%	1.5%	3.9%	4.1%	3.8%
3rd Quartile	-0.3%	-2.9%	1.7%	2.7%	3.0%
90th Percentile	-8.5%	-16.1%	-5.8%	-2.1%	0.6%

International Overview

Overview

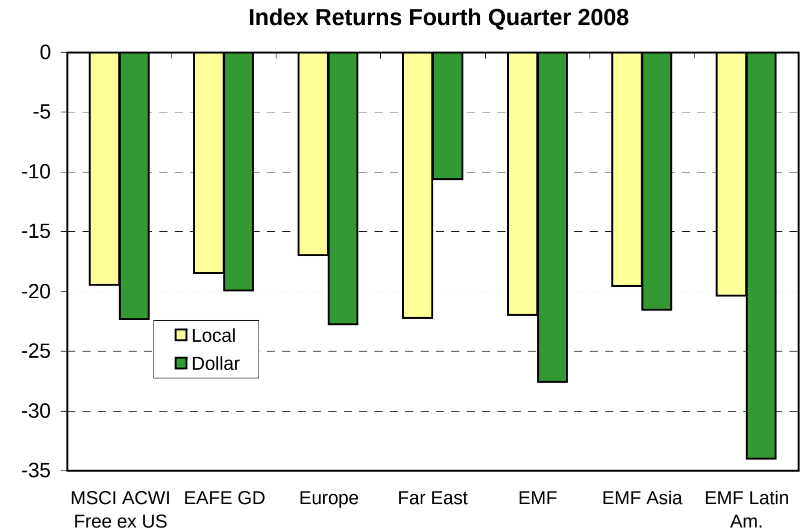
The 4th quarter of 2008 saw announcements that the economies of both the European Union and Japan contracted during the 2nd and 3rd quarters, joining the U.S. in the grip of recession. The credit crisis worsened, leading to more bankruptcies and government intervention among financial firms. Iceland announced that it was on the brink of financial collapse and international efforts were needed to avert bankruptcy. Tightened credit and rapidly falling commodities prices continued to adversely effect housing, manufacturing, and export segments of European and Asian economies. Europe saw higher levels of unemployment, falling industrial orders and weakening consumer sentiment. Business conditions in Japan weakened to levels not seen since 1975, as measured by the Tankan index of large enterprises. This economic environment led to cooperative efforts by G-7 and G-20 nations to ease credit and provide economic stimulus. Falling commodities prices, while easing inflationary pressures on many countries' economies and providing room for monetary easing, has also hurt those that rely on the exporting of raw materials.

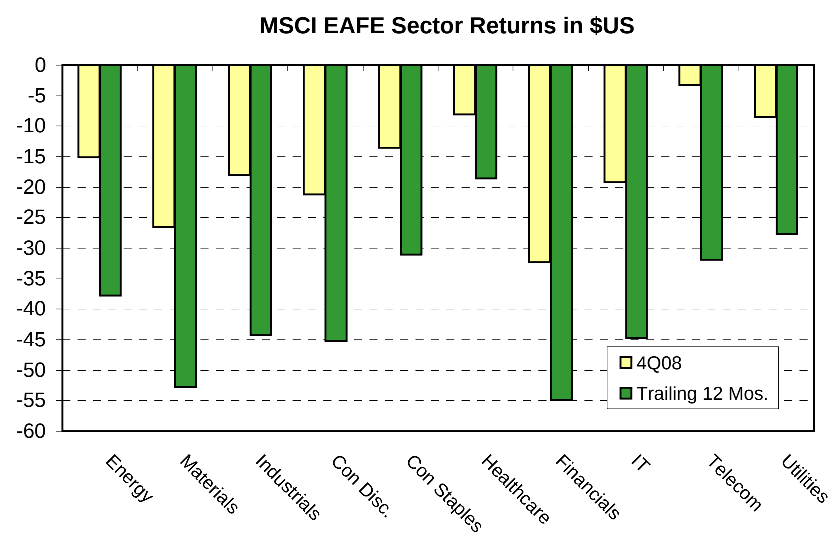
International Currency Markets

For the 4th quarter and all of 2008, the U.S. dollar gained against all major currencies, except for the Japanese yen and Swiss franc. As markets fell into further turmoil around the globe, investors sought out the relative strength of the U.S. dollar. The Euro lost only 1.0% against the dollar during the quarter. Other countries did not fare as well, as the currencies for Norway, Sweden, and the U.K. lost 18.4%, 13.4% and 24.0%, respectively. For 2008, the Euro lost 5.2%, while Norway, Sweden, and the U.K. lost 29.0%, 22.4%, and 38.5%, respectively. Australia and Canada also saw double digit losses against the U.S. dollar for both time periods. The Japanese yen gained 14.6% against the dollar during the quarter and 18.9% during all of 2008.

International Equity Markets

The International Equity Markets saw greater volitilty and suffered double-digit losses during the 4th quarter of 2008. Most of the losses came during October even though markets rallied and developed strength in late November. The 2008 calendar year saw unprecedented losses in the equity markets. The prospect of a global recession brought waves of selling. The MSCI ACWI Ex-US Index ended the quarter down 19.4%, which resulted in a negative 40.6% return for the one-year period (in local terms), the index's worst 1-year performance in the last 20 years. The MSCI EAFE index, in USD terms, returned -19.9% for the quarter and -43.1% for the year. The worst performing sectors were Consumer Discretionary (-21.2% Qtr/-45.2% Yr), Financials (-32.3% Qtr/-54.9% Yr), and Materials (-26.6% Qtr/-52.8% Yr) as oil and commodities prices fell steeply.

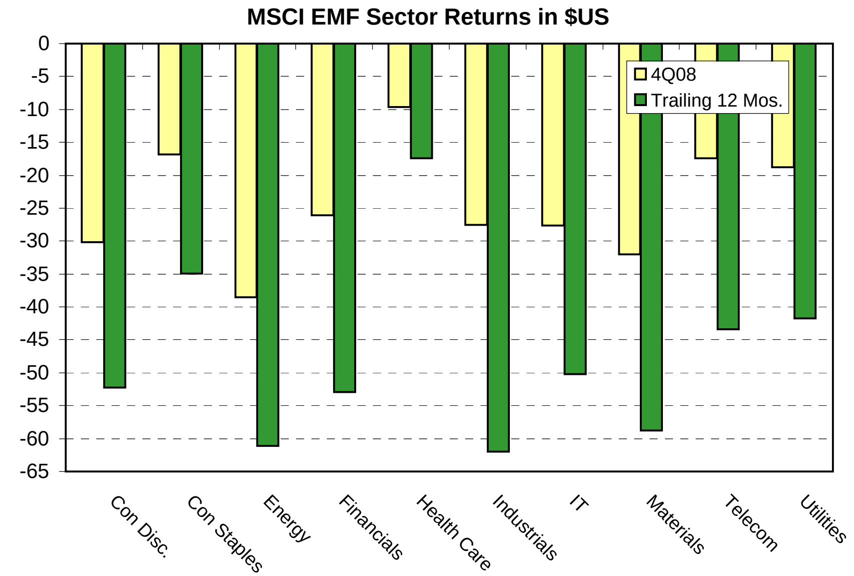


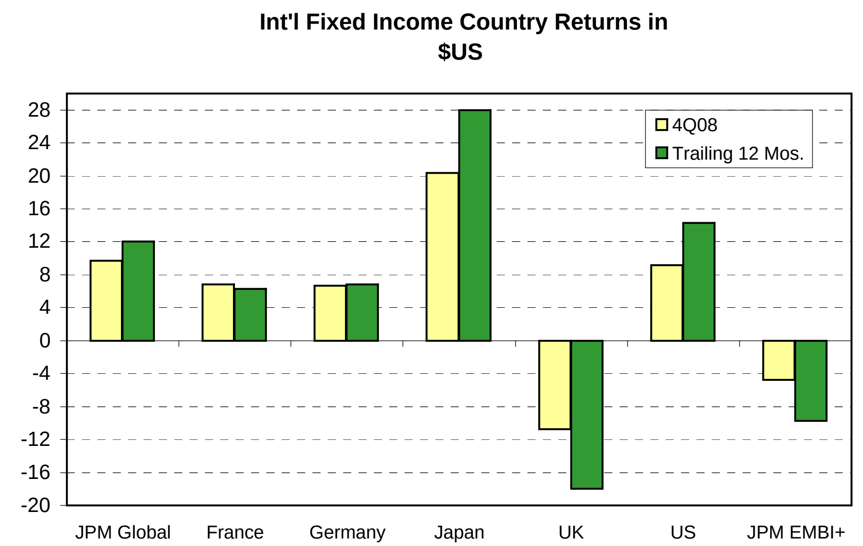


International Overview (Continued)

International Equity Markets (continued)
Emerging Markets also suffered unprecedented losses for the 1-year period, finishing down 27.6% for the quarter and returning -53.2% for 1-year period ending 12/31/08. All countries represented in the index had losses in the double digits for both the quarter and 1-year. Russia, with a 5.7% weighting to the index, fell 51.3% for the quarter and 73.8% for the year. Falling oil and other commodity prices, and tight credit markets contributed to the decline. Latin American countries Argentina, Brazil, and Peru, as well as India, also suffered large losses as commodity prices fell, effecting the prominent materials and energy sectors in those regions.

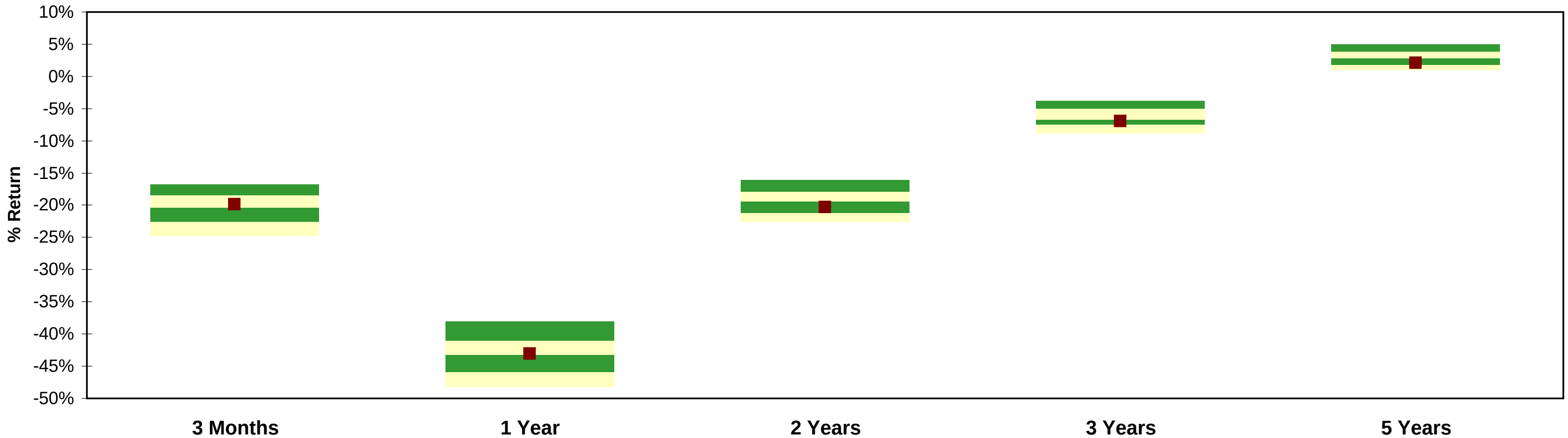
International Fixed Income Markets
The J.P. Morgan Global Bond Index increased by 9.7% (USD terms) in the fourth quarter of 2008. For the 1-year period the index returned 12.0%. The financial crisis worsened in the 4th quarter and spread across the globe, as evidenced by the near bankruptcy of Iceland. Official declarations of economic recession were announced by governments across the globe. The U.S. lowered its discount rate and fed funds rate three times each during the quarter, setting the target for the latter at 0.0% to 0.25%. All the major central banks cut interest rates in 2008, with special measures taken in the 4th quarter as the G-7 met in early October, followed by another meeting by the G-20 group of nations, in an effort to avoid a severe global recession. The J.P. Morgan Emerging Market Bond Plus Index returned -4.8% for the quarter and -9.7% for the one-year (in USD). Brazil and Mexico were the only countries that posted positive returns for both the quarter and 1-year periods. Brazil returned 7.3% and 5.9% for the quarter and one-year periods, while Mexico returned 4.6% and 3.6%, respectively. While Brazil was weakened by the plunge in commodities prices, it has taken steps to improve liquidity and has access to sizable foreign currency reserves.





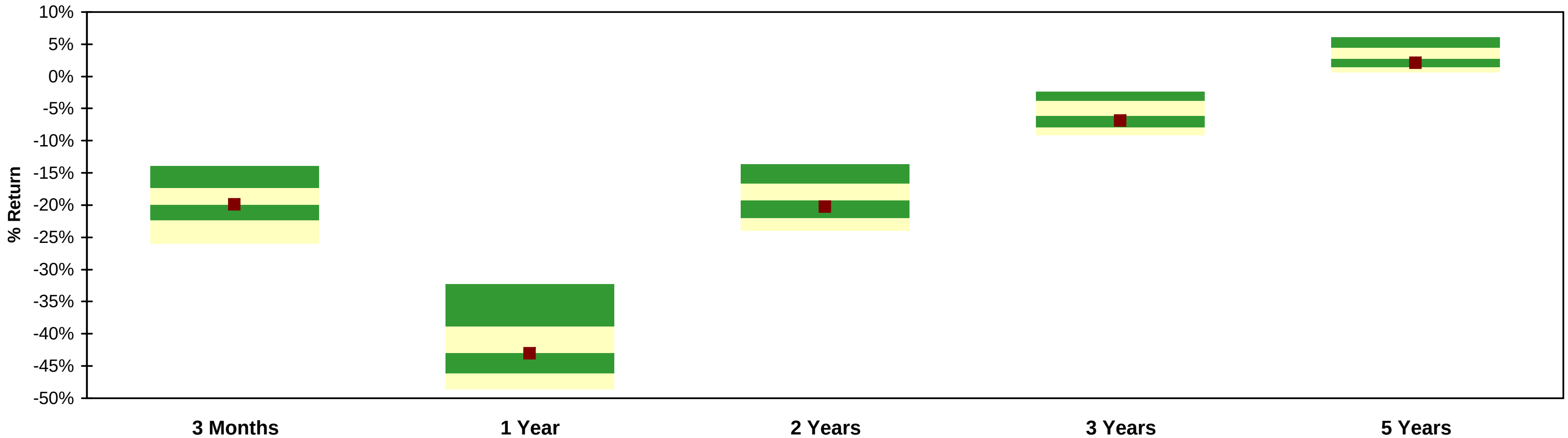
Non-U.S. Equity Programs - Total Returns

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.



	3 Months	1 Year	2 Years	3 Years	5 Years
MSCI EAFE GD	-19.9%	-43.1%	-20.3%	-6.9%	2.1%
10th Percentile	-16.8%	-38.1%	-16.1%	-3.8%	5.0%
1st Quartile	-18.4%	-41.1%	-17.9%	-5.0%	3.8%
Median	-20.4%	-43.2%	-19.4%	-6.7%	2.8%
3rd Quartile	-22.6%	-45.8%	-21.2%	-7.5%	1.8%
90th Percentile	-24.8%	-48.3%	-22.6%	-8.8%	1.0%

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



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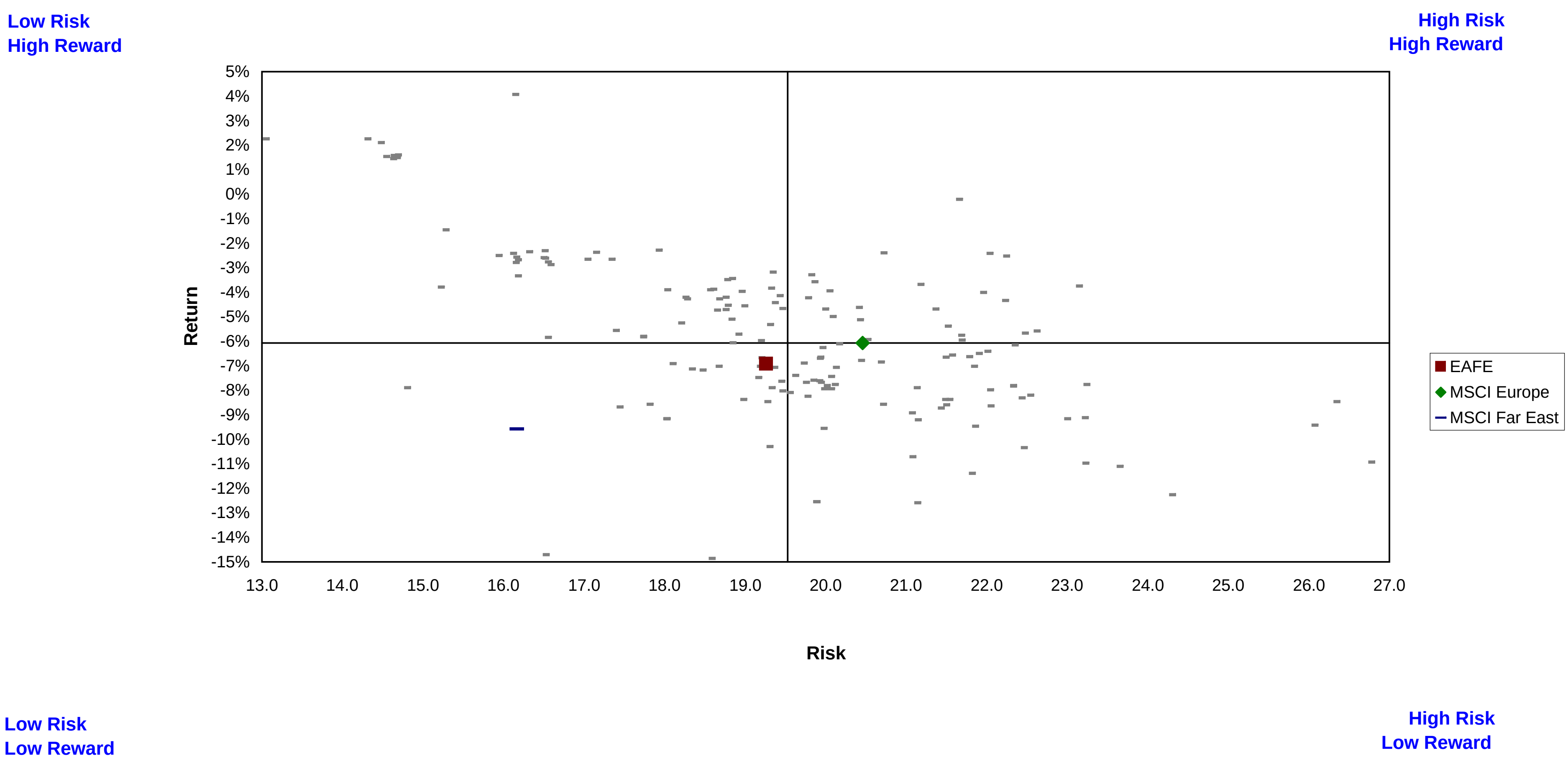
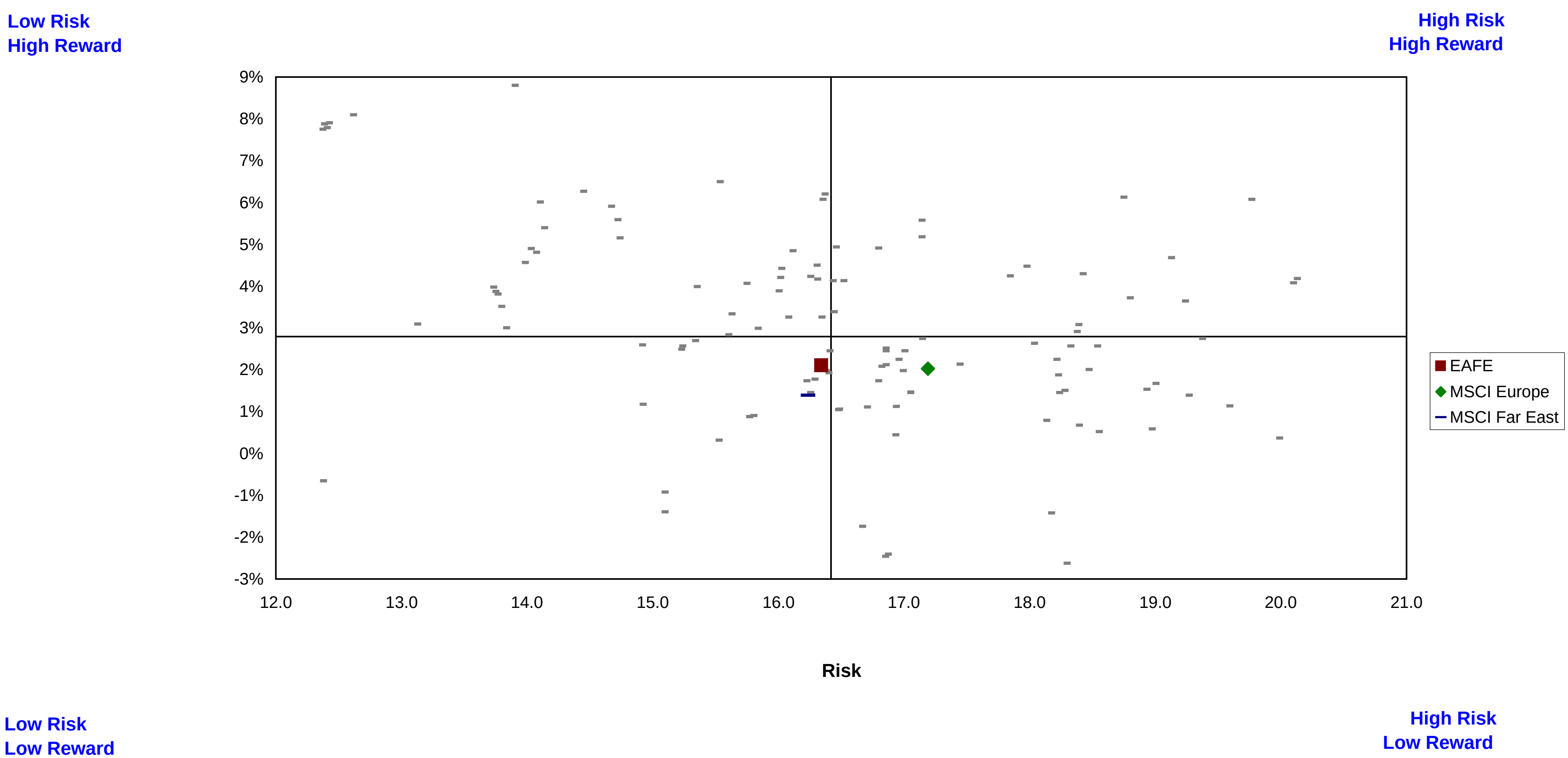
10th Percentile	-13.9%	-32.3%	-13.7%	-2.4%	6.1%
1st Quartile	-17.3%	-38.8%	-16.7%	-3.9%	4.4%
Median	-19.9%	-43.0%	-19.2%	-6.1%	2.8%
3rd Quartile	-22.4%	-46.2%	-22.0%	-7.9%	1.5%
90th Percentile	-26.0%	-48.6%	-23.9%	-9.2%	0.6%

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



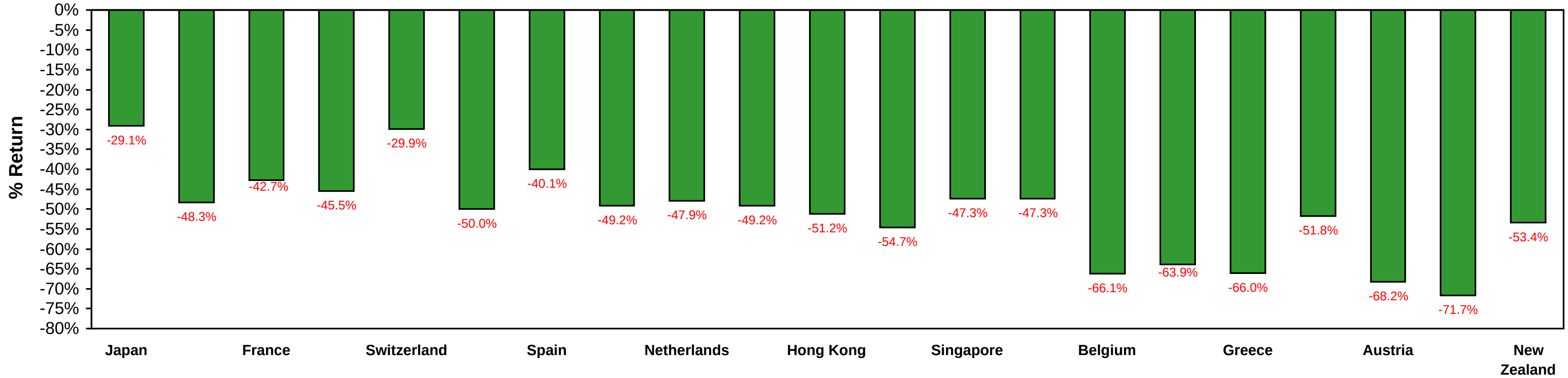
Developed Non-U.S. Equity Managers - 5 Year Risk vs. Return



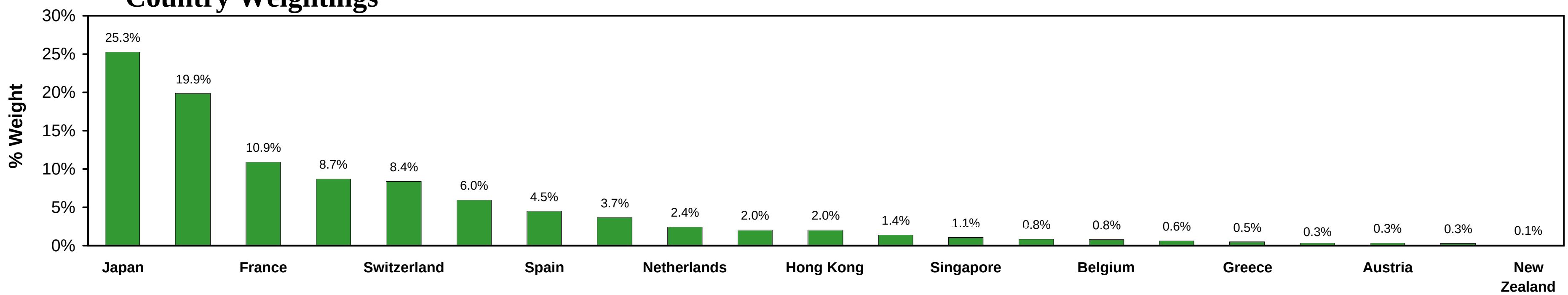
EAFE Country Analysis

MSCI EAFE Gross Dividends

Country Yearly Returns



Country Weightings



Alternative Markets Summary

Private Equity

Private equity fundraising for the year 2008 was down significantly compared to 2007, according to statistics published by Private Equity Analyst magazine. US based firms raised 265.6 billion, compared to 325.7 billion last year. Fund raising had been running a little ahead of 2007 but had a dramatic reversal in the 4th quarter leading to only raising 43 billion in the 4th quarter, compared to over 100 billion last year. Leading the decline were buyout funds, which raised 180.9 billion with 143 funds, compared to last years record 237.4 billion with 158 funds, however that decline may increase since some large buyout funds are considering size cuts. Venture Capital fund-raising remained steady until the 4th quarter although the IPO market has dried up with a record low of only seven deals this year. Venture Capital had 149 funds raise 24.6 billion which was a decline of 25% compared to 2007. The Secondary market is widely viewed as a sector that can benefit from the current crisis but so far, that has not been the case. Secondary fund raising fell 43% to 7.9 billion from 13.9 billion in 2007. Mezzanine funds are also believed, to benefit from the crisis but unlike secondary funds, they did show a dramatic increase in funding. Fund raising increased to 40.2 billion in 2008 from the 8.9 billion in 2007. Finally, the fund of funds took a big hit with a 60% decline in investing with only 17.3 billion in new money compared to 42.3 billion in 2007. Over the next year the outlook for fund raising looks to decline from the 2008 levels, with a general consensus being about a 50% decline from the 2008 numbers.

Private equity programs monitored by the Northern Trust fared well 2008 relative to the public markets. For the year December 31, 2008, the median private equity program posted a loss of -5.78% compared to the marketable equity program (US plus International) loss of 39.7%. The top quartile funds of private equity programs led marketable equity top quartile by 38.09% and the bottom quartile of private equity funds outperformed the public market by 23.29%. Looking at the five-year mark, the median private equity program out performed marketable equity market by a significant amount 13.13 (12.56% vs. -.057). Over the short term and long term, private equity appears to be outperforming the public market, however the valuation pricing for private equity funds have a 6 to 9 months lag to the public market and returns for private equity are expected to fall significantly in 2009.

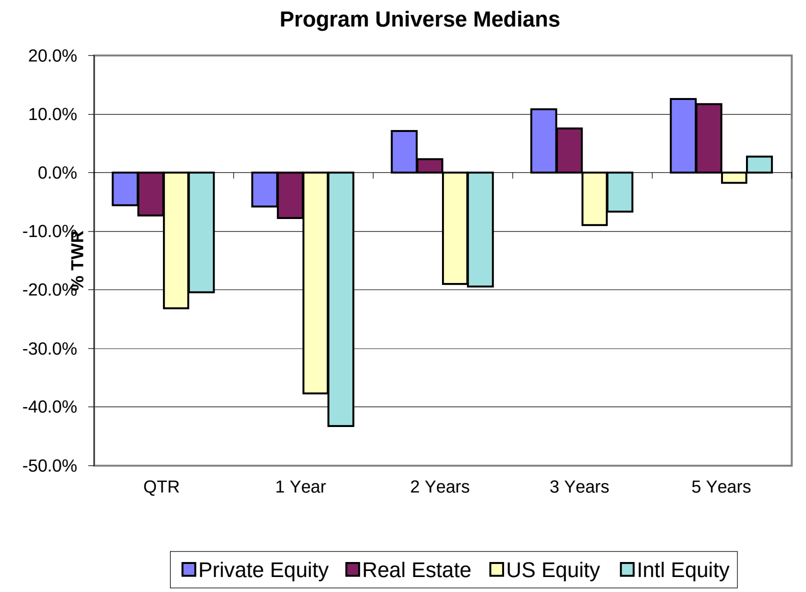
Real Estate

Real Estate properties post respectable numbers for the year while the REITS continue to slide. The index returns for NCREIF Property Index was -.17% for the quarter ending December 31, 2008 compared to the NAREIT Equity index of -38.8%. Over the last year, the numbers are more telling, Real Estate Properties posted a gain of 5.3% compared to REITS posting a loss of 37.7%. The overall real estate market continues to post respectable gains over the short term and solid gains over the long term. The median real estate programs outperformed marketable equity market by 32.0% over the last quarter with a decline of -7.68%. For the five-year mark, the real estate program outpaced marketable securities by 12.3%. Given all the turmoil in the real estate market, the property index is still posting solid returns, however the valuation pricing for private equity funds have a 6 to 9 months lag to the public market and returns for private equity are expected to fall significantly in 2009.

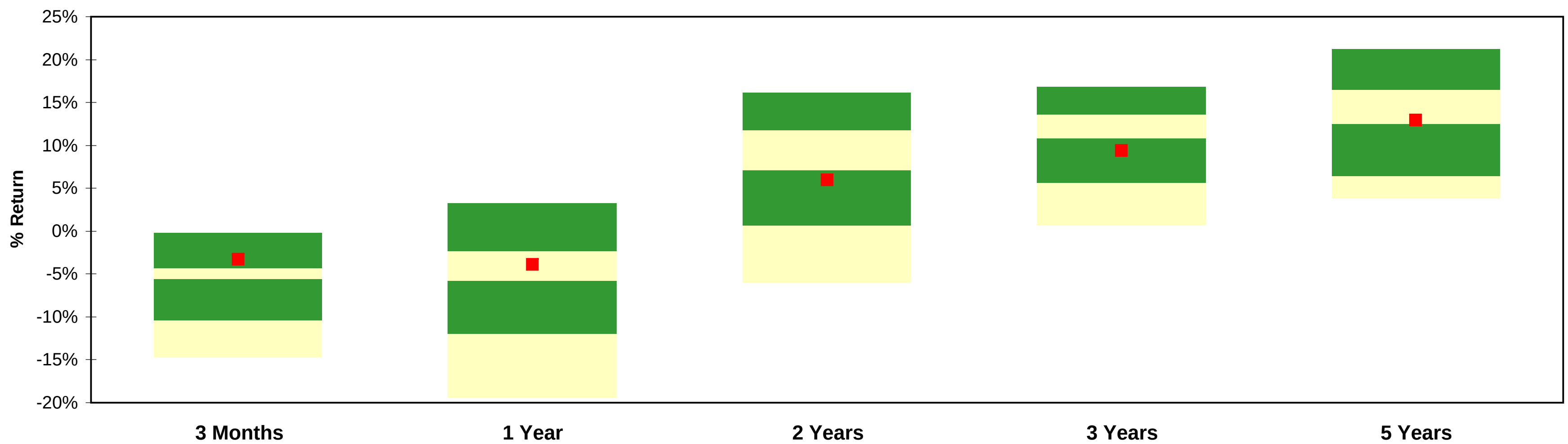
Hedge Funds

Hedge Funds across the board did not perform well in the 2008 and most have labeled it the worst year for Hedge Funds with the hardest hit being convertible bond arbitrage and emerging markets. The year started off, with issues with the credit crunch that led to liquidity issues and then the Lehman demise and their effect on bond prices. Furthermore, the emerging markets collapsed with most investors have a long bias. The best underlying strategies were global macro, market neutral and short equity strategy.

A sampling of the diversified hedge programs of institutional investors showed for the year a loss of -20.7%. The hedge fund of funds composite outpaced the median total equity program by 19.0%. Looking at a longer period, we see a similar picture with the 5-year returns for hedge funds, outpacing the public equity markets by 2.7%. While many funds did not perform as bad as the marketable securities, many argue the difference was not significant enough to justify the relatively high management fees. Extreme distress of several asset classes could offer investors in hedge fund opportunities in 2009 provided adequate and serious research is undertaken.

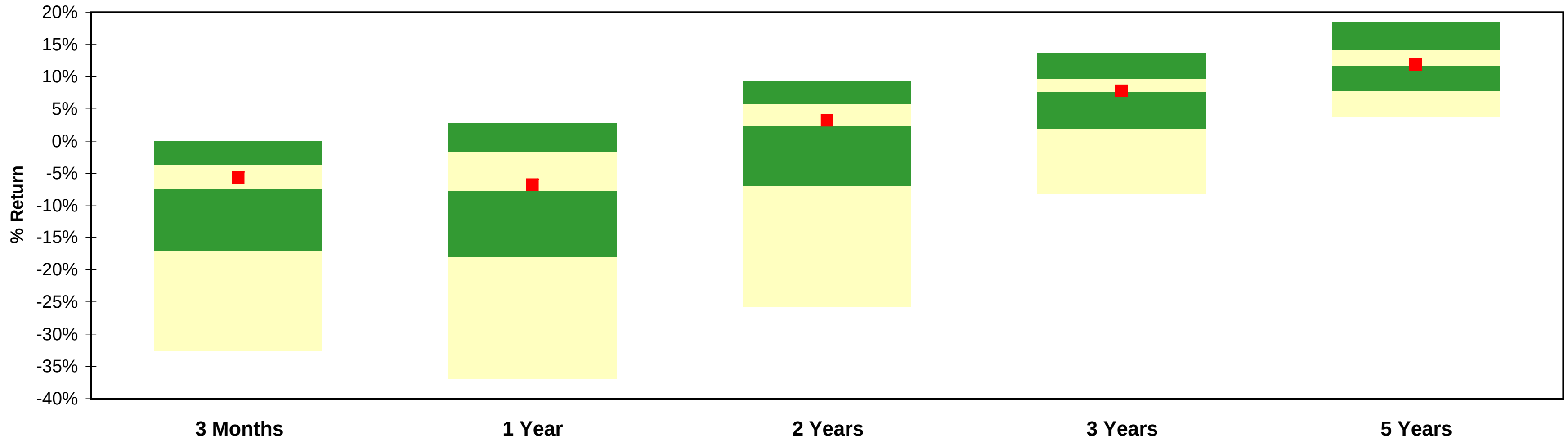


Private Equity Programs - Total Returns



	3 Months	1 Year	2 Years	3 Years	5 Years
NTRS PE Composite	-3.3%	-3.9%	6.0%	9.4%	12.9%
10th Percentile	-0.2%	3.3%	16.2%	16.8%	21.3%
1st Quartile	-4.3%	-2.3%	11.8%	13.6%	16.5%
Median	-5.6%	-5.8%	7.1%	10.9%	12.6%
3rd Quartile	-10.4%	-12.0%	0.6%	5.6%	6.4%
90th Percentile	-14.7%	-19.4%	-6.0%	0.7%	3.8%

Real Estate Programs - Total Returns



	3 Months	1 Year	2 Years	3 Years	5 Years
NTRS RE Composite	-5.6%	-6.8%	3.2%	7.7%	11.9%
10th Percentile	-0.0%	2.8%	9.4%	13.6%	18.3%
1st Quartile	-3.6%	-1.7%	5.8%	9.7%	14.1%
Median	-7.3%	-7.7%	2.3%	7.6%	11.7%
3rd Quartile	-17.1%	-18.0%	-7.0%	1.9%	7.8%
90th Percentile	-32.5%	-37.0%	-25.7%	-8.2%	3.9%