



**STABLE VALUE FIXED**

Active Management

SEPTEMBER 30, 2013



**Northern Trust**

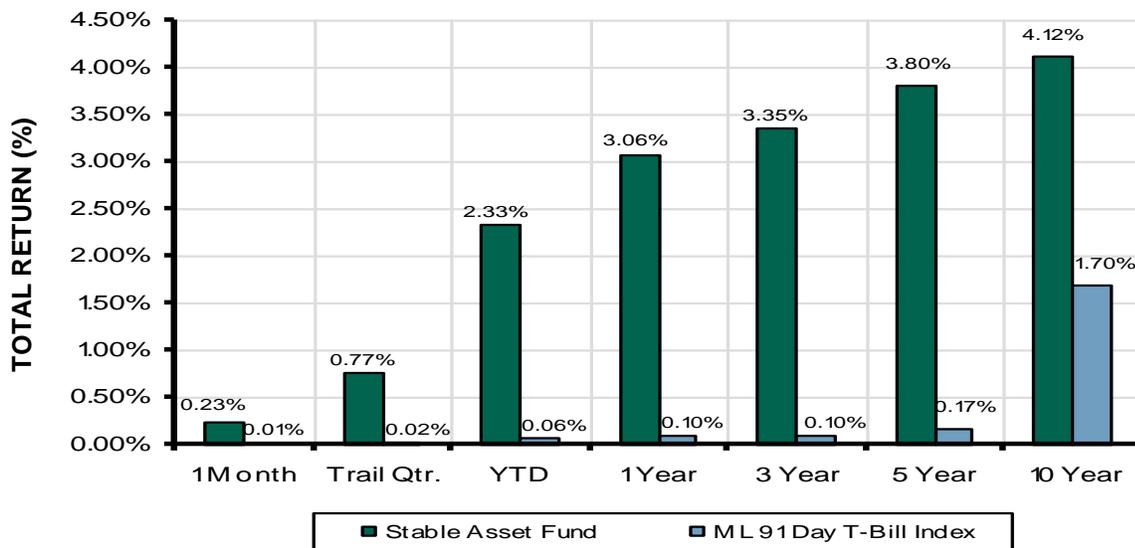
**OBJECTIVE**

Northern's Collective Stable Asset Fund seeks to provide a market rate of return consistent with the preservation of capital through a short duration, high quality portfolio.

**CHARACTERISTICS (As of 09/30/13)**

FUND PROFILE	09/30/2013	06/30/2013	09/30/2012
Total Assets	\$ 952.2 MM	\$ 933.3 MM	\$928.8 MM
Average Yield	2.87%	3.53%	3.06%
Average Duration	2.6 years	2.7 years	2.8 years
Average Credit Quality	Aa2	Aa2	Aa2
Market-to-Book Ratio	102.8	103.2	106.5

**PERFORMANCE (As of 09/30/13)**



Performance results are presented gross of investment management fees. Performance shown for periods greater than one year is annualized. Additional performance information is provided in the "Information" section at the end of this document.

**MARKET COMMENTARY (3rd QUARTER 2013)**

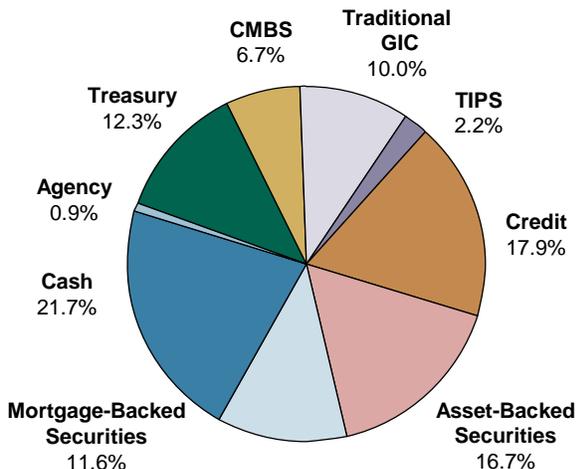
"The yield curve remained relatively unchanged throughout the third quarter after steepening noticeably in June. The two-year US Treasury note yield decreased 4 basis points to 0.31% while the five-year US Treasury note yield decreased just 1 basis point to 1.38%. The ten-year US Treasury note continued its upward ascent however, increasing 13 basis points to 2.61%. The ten-year US Treasury note began the year at 1.75%. Much of the reason for the lack of change in interest rates can be attributed to the wait and see approach investors are taking with the Federal Reserve's 'taper' timeline. Additionally, budget deficit and debt ceiling debates are placing added pressure on a tepid economy lacking adequate growth characteristics. Though second quarter US Gross Domestic Product (GDP) growth was revised up to 2.5%, third quarter GDP is forecast to decelerate to near 2.0% - well below the greater than 3.0% needed to fuel both economic expansion and targeted job creation. And while the unemployment rate continues to improve, now down to 7.3%, the labor force participation rate (63.2%) is the lowest it has been in more than 35 years. These data points, combined with minimal inflation (core Consumer Price Index measured 1.8% on a year-over-year basis), suggest continued accommodation from the Federal Reserve. In fact, tapering may not occur during the fourth quarter of this year and the target Federal Funds may remain unchanged until 2015.

Stable value wrap capacity continues to increase for separately managed accounts and highly diversified commingled funds, but remains difficult to obtain for commingled funds with a more concentrated participant profile. With increased wrap capacity, there is the ability to diversify book value wrap exposure across a number of providers with typical underlying benchmarks ranging from the Barclays Capital 1-3 year Government/Credit Index to the Barclays Capital Intermediate Aggregate Index."

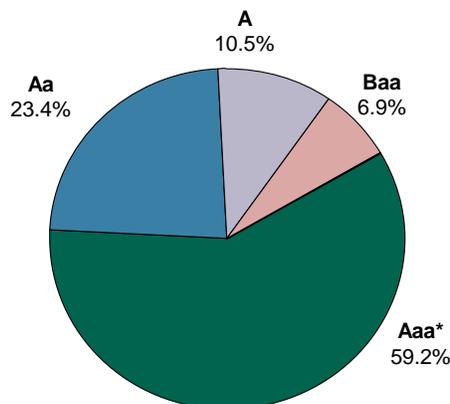
**PORTFOLIO DIVERSIFICATION**

Diversification can reduce portfolio risk by minimizing sector and company-specific exposure. Fund assets are managed in an effort to diversify across many fixed income asset sectors and, within those sectors, to diversify among multiple issuers.

*Sector Diversification*



*Portfolio Quality Distribution*



\*Includes sector exposure of the Northern Trust collective bond index funds and short term investment fund in which the stable asset fund invests.

\*Aaa includes U.S. Treasury Securities and cash investments.

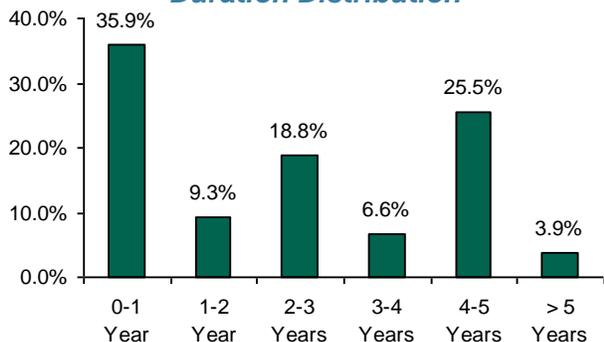
*Top Wrap Contract Providers*

NATIXIS Financial Products Inc.	26.0%
ING Life & Annuity	20.8%
State Street Bank and Trust Company	10.9%
Pacific Life	9.7%
Jackson National Life Insurance Company	2.5%
Principal Life Insurance Company	2.3%
Monumental Life (Aegon)	1.0%
Protective Life	2.7%
Prudential	2.5%

*Component Fund Allocation*

Intermediate Credit Bond Index Fund	15.1%
Asset-Backed Securities Bond Index Fund	14.0%
Mortgage-Backed Securities Bond Index Fund	10.4%
Commercial Mortgage-Backed Bond Index Fund	5.2%
Short-Term Government Bond Index Fund	4.2%
Long Term Government Bond Index Fund	1.7%
Treasury Inflation Protected Securities Index Fund	2.2%
Short-Term Credit Bond Index Fund	2.2%
Intermediate Government Bond Index Fund	1.4%
Short Term Investment Fund	21.7%
<b>Total Component Funds</b>	<b>78.1%</b>
Liquid Portfolio Securities	11.9%
Traditional GIC	10.0%
<b>Total Fund Investments</b>	<b>100.0%</b>

*Duration Distribution*



**ADDITIONAL INFORMATION**

Note: There can be no guarantee that the Fund's objective will be achieved, and current investments are subject to potential loss if the issuing institutions suffer insolvency. Some information contained herein has been obtained from third-party sources and has not been independently verified by Northern Trust Company. The Company makes no representative as to the accuracy or the completeness of any of the information herein.

The above information has been prepared in conjunction with the sub-advisor. While we believe the sources on which it is based to be accurate, this information is unaudited, and subject to review and revision.

**INFORMATION**

**STABLE ASSET FUND – Annual Returns**

Year	Fund	Index	Product Asset (\$mil)	Firm Assets (\$mil)
YTD 2013	2.33%	0.06%	952.2	717,186.5
2012	3.06%	0.11%	959.5	630,253.1
2011	3.57%	0.10%	969.7	545,520.6
2010	4.38%	0.13%	790.6	469,395.1
2009	4.55%	0.21%	777.2	449,099.3
2008	4.56%	2.06%	779.4	393,273.2
2007	4.81%	5.00%	735.5	443,547.1
2006	4.65%	4.85%	671.0	397,133.6
2005	4.37%	3.07%	635.9	343,655.0
2004	3.99%	1.33%	655.0	325,494.5

Information is provided to illustrate typical sectors and securities in which the portfolio may invest and to reflect representative portfolio characteristics. It should not be considered investment advice or a recommendation to buy or sell any security. There is no guarantee that securities remain in the portfolio or that securities sold have not been repurchased. It should not be assumed that any investments were profitable or will prove to be profitable, and past performance does not guarantee future results. Past performance is no guarantee of future results. Periods greater than one year are annualized except where indicated. Returns reflect the reinvestment of dividends and other earnings and are shown before the deduction of investment management fees, unless indicated otherwise. Returns of the indexes also do not typically reflect the deduction of investment management fees, trading costs or other expenses. It is not possible to invest directly in an index. Indexes are the property of their respective owners, all rights reserved.

Actual portfolio returns would be reduced by investment management fees and other expenses relating to the management of your account. To illustrate the effect of the compounding of fees, a \$50 million account which earned a 10% annual return and paid an annual fee of 0.07% would grow in value over five years to \$80.5 million before fees and \$80.3 million after deduction of fees. For additional information on fees, please read Part II of the Form ADV or consult your Northern Trust Representative.

There are risks involved in investing including possible loss of principal. There is no guarantee that the investment objectives or any fund or strategy will be met. Risk controls and asset allocation models do not promise any level of performance or guarantee against loss of principal. All material has been obtained from sources believed to be reliable, but the accuracy, completeness and interpretation cannot be guaranteed.

Northern Trust Asset Management comprises Northern Trust Investments, Inc. (NTI), Northern Trust Global Investments Limited (NTGIL), Northern Trust Global Investments Japan, K.K. (NTGIJ), The Northern Trust Company of Connecticut (NTCC), and its subsidiaries, including NT Global Advisors, Inc., and investment personnel of The Northern Trust Company (TNTC), to offer investment products and services to personal and institutional markets. The fund is a collective investment trust (CIT) and is privately offered. Prices are not available in publication and a fund prospectus is not required. Please contact your service representative for further information.

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 Relationship Manager or  
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