

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

LOUISIANA FIREFIGHTERS' RETIREMENT SYSTEM,
THE BOARD OF TRUSTEES OF THE PUBLIC SCHOOL
TEACHERS' PENSION AND RETIREMENT FUND OF
CHICAGO, THE BOARD OF TRUSTEES OF THE CITY OF
PONTIAC POLICE & FIRE RETIREMENT SYSTEM, and
THE BOARD OF TRUSTEES OF THE CITY OF PONTIAC
GENERAL EMPLOYEES RETIREMENT SYSTEM, on
behalf of themselves and all others similarly situated,

Plaintiffs,

v.

NORTHERN TRUST INVESTMENTS, N.A., and
THE NORTHERN TRUST COMPANY,

Defendants.

Civil Action No. 09-7203

ECF Case

Hon. Jorge L. Alonso

Hon. Susan E. Cox

**NOTICE OF (I) PRELIMINARY CERTIFICATION OF SETTLEMENT CLASS, AND PROPOSED PARTIAL
SETTLEMENT OF CLASS ACTION; (II) SETTLEMENT HEARING; AND
(III) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND
REIMBURSEMENT OF LITIGATION EXPENSES**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PRELIMINARY CERTIFICATION OF SETTLEMENT CLASS AND OF PARTIAL SETTLEMENT OF CLASS ACTION: This notice is to inform you that the parties to the above-captioned class action ("the Action") have reached a partial settlement of the Action, which provides for the payment by Defendants of a total of \$24,000,000. This Settlement Notice is being sent to you because you have been identified by defendants Northern Trust Investments, N.A. (currently, Northern Trust Investments, Inc.) and The Northern Trust Company ("NTC") (collectively to be referred to as "Northern Trust" or "Defendants") as a member of the Settlement Class (as defined in ¶ 11 below) that has been preliminarily certified by the Court. As such, your rights will be affected by the proposed partial settlement of the Action.¹

The plaintiffs in the Action, who achieved the proposed Settlement on behalf of themselves and the Settlement Class, are Louisiana Firefighters' Retirement System ("Louisiana Firefighters"), The Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago (the "Chicago Teachers Board"), The Board of Trustees of the City of Pontiac Police & Fire Retirement System (the "Pontiac Police and Fire Board") (all collectively, the "Settling Plaintiffs"), and The Board of Trustees of the City of Pontiac General Employees Retirement System (the "Pontiac General Board"). In the Action, plaintiffs alleged, among other things, that Northern Trust engaged in unlawful conduct in connection with its securities lending program in which members of the Settlement Class participated indirectly by purchasing and/or holding units or interests in Northern Trust's Commingled Lending Funds (the universe of which is listed on Appendix 1 to this notice). If the Settlement becomes effective,² it will resolve all claims asserted on behalf of the Settlement Class in the Action with respect to their Indirect Lending³ in connection with Northern Trust's securities lending program.

¹ Any capitalized terms used in this notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Partial Settlement of Class Action dated February 17, 2015 (the "Stipulation"), which is the controlling document with respect to the terms of the Settlement and is available at www.NorthernTrustClassAction.com. The Stipulation provides the controlling terms of the Settlement.

² Among others, one condition of the Settlement's becoming effective is that the proposed settlement of a related action must also be approved and that approval becomes Final. That related action is styled *Diebold v. Northern Trust Investments, N.A.*, Civil Action No. 09-1934, pending in the Court (the "Diebold Action"), which asserts claims based on many of the same facts and circumstances underlying the claims in this Action, but on behalf of entities that are subject to the Employee Retirement Income Security Act, 29 U.S.C. § 1001, *et seq.* ("ERISA").

³ "Indirect Lending" means participation in or exposure to Northern Trust's securities lending program through the purchase and/or holding of units or interests in Northern Trust's "Commingled Lending Funds," which engaged in securities lending.

The Court has preliminarily approved the Settlement and has scheduled a hearing (the "Settlement Hearing") to be held on August 5, 2015 at 10:30 a.m. before The Honorable Susan E. Cox, at the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Courtroom 1025, Chicago, IL, 60604. The purpose of the Settlement Hearing is to determine: (a) whether the proposed Settlement is fair, reasonable and adequate, and should be approved by the Court; (b) whether the Indirect Lending claims should be dismissed with prejudice and the Settlement Class Released Claims against Defendants and the other Defendants' Releasees should be settled and released as set forth in the Stipulation; (c) whether the proposed Plan of Allocation is fair and reasonable, and should be approved by the Court; (d) whether Co-Lead Counsel's motion on behalf of all Settling Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved by the Court; and (e) any other relief the Court deems necessary to effectuate the terms of the Settlement. The Settlement and Co-Lead Counsel's application for attorneys' fees and reimbursement of expenses are discussed below at ¶¶ 13-23 and 31, respectively.⁴ The proposed Plan of Allocation is set forth in Appendix 2 to this notice.

The following table provides a brief summary of the rights you have as a Settlement Class Member and the relevant deadlines, which are described in more detail later in this notice. This notice also explains how you will be affected by the Settlement, whether or not you act. PLEASE READ THE NOTICE CAREFULLY AND IN ITS ENTIRETY.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SINCE YOU HAVE RECEIVED THIS NOTICE BY DIRECT MAIL, NO ACTION IS NECESSARY IN ORDER FOR YOU TO BE ELIGIBLE TO RECEIVE A PAYMENT.	Since you have been identified as a member of the Settlement Class, under the terms of the proposed Settlement, you do not need to submit a claim form or take any other action in order to be eligible to receive a payment from the proceeds of the Settlement, if it is approved by the Court. As set forth in ¶¶ 27-29 below, Defendants have provided the Settlement Administrator with the investment information that is needed to calculate your <i>pro rata</i> share of the Net Settlement Fund.
YOU MAY EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN JULY 15, 2015.	You have the right to exclude yourself from the Settlement Class. If you do so, you will not be eligible to receive any payment from the Settlement Fund and you will not be bound by the terms of the Settlement. This is the only option that allows you to file or participate in any other lawsuit against Defendants or the other Defendants' Releasees (defined in ¶ 20, fn. 9 below) concerning the Settlement Class Released Claims (defined in ¶ 20, fn. 8 below).
YOU MAY OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JULY 15, 2015.	You have the right, if you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, to write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the fee and expense request if you exclude yourself from the Settlement Class.
YOU MAY GO TO A HEARING ON AUGUST 5, 2015 AT 10:30 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JULY 15, 2015.	Filing a written objection and notice of intention to appear that is received by July 15, 2015 allows you to speak in Court, at the discretion of the Court, about your objection. You may, but you do not have to, attend the hearing. The Court will consider the objection whether or not you attend.

⁴ Co-Lead Counsel, who have also been appointed by the Court to represent the Settlement Class, are: Bernstein Litowitz Berger & Grossmann LLP, c/o Avi Josefson, 1285 Avenue of the Americas, New York, NY 10019, (800) 380-8496, blbg@blbgllaw.com; Keller Rohrback L.L.P., c/o Derek W. Loeser, 1201 Third Avenue, Suite 3200, Seattle, WA 98101, (800) 314-0805, NorthernTrustSettlement@kellerrohrback.com; and Schneider Wallace Cottrell Konecky Wotkins LLP, c/o Todd Schneider and Mark Johnson, 180 Montgomery Street, Suite 2000, San Francisco, CA 94104, (800) 689-0024, info@schneiderwallace.com.

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WHY DID I GET THIS NOTICE?

1. The Court has directed that this notice be mailed to you because Defendants have, based on their records, identified you as a member of the Settlement Class. As a member of the Settlement Class, you have a right to know how the proposed Settlement will affect your legal rights and what your options are before the Court rules on it. If the Court approves the Settlement, as well as the settlement in the Diebold Action (see footnote 2 above), and any objections and appeals are favorably resolved, the Net Settlement Fund will be allocated among Settlement Class Members according to the Court-approved plan of allocation and the Settlement Class Members will release the Settlement Class Released Claims (defined in ¶ 20, fn. 8 below) as against the Defendants' Releasees (defined in ¶ 20, fn. 9 below).

2. A class action is a type of lawsuit in which the claims of many individuals or entities are resolved together, thereby allowing for the consistent resolution of the claims of all similarly situated persons and entities, *i.e.*, the "class" or "class members," in a single proceeding. In a class action, one or more persons or entities, called "named" and/or "lead" plaintiffs, sue on behalf of the class. Once the class is certified by the court as appropriate for class treatment, the court must resolve all issues covered by the certification on behalf of the class members, except for any persons or entities who choose to exclude themselves from the class. (For more information on excluding yourself from the Settlement Class, please read "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?," on page 8 below.)

3. In this Action, the Louisiana Firefighters' Retirement System, the Chicago Teachers Board, and the Pontiac Police and Fire Board are the named Plaintiffs that have sued on behalf of the Settlement Class, and they are represented in the Action by Settling Plaintiffs' Counsel which include Co-Lead Counsel. Co-Lead Counsel have been appointed Class Counsel to represent the Settlement Class.

4. This notice explains the lawsuit, the Settlement, your legal rights, what benefits are available to you, and how you may get them. The purpose of this notice is to inform you of the fact that the Court has, for purposes of the Settlement only, preliminarily certified the Settlement Class with respect to claims against Defendants concerning Indirect Lending by Settlement Class Members. A decision on class certification has not yet been made with respect to the other claims asserted in the Action (which concern Direct Lending) and those claims are not covered by the proposed Settlement.⁵

5. The purpose of this notice is also to inform you of the Settlement Hearing to be held by the Court to consider the fairness, reasonableness and adequacy of the proposed Settlement, the fairness and reasonableness of the proposed

⁵ "Direct Lending" means any investor's participation in Northern Trust's securities lending program pursuant to an agreement to lend that investor's own securities, under which that investor's collateral from securities lending was invested in any Northern Trust collateral reinvestment vehicle. Investment in a Commingled Lending Fund is not and does not constitute "Direct Lending."

Plan of Allocation, and Co-Lead Counsel's application for an award of attorneys' fees and reimbursement of Litigation Expenses.

6. The issuance of this notice is not an expression of any opinion by the Court concerning the merits of the claims asserted in the Action with respect to Indirect Lending or any other claim asserted in the Action, and the Court still has to decide whether to grant final approval of the Settlement. If the Court approves the Settlement and a plan of allocation, as well as the settlement in the related Diebold Action (described in footnote 2 above), and any appeals that may be taken are resolved upholding approval of the settlements, then payments to Authorized Payees will be made. Please be patient, as this process can take some time to complete.

WHAT IS THIS CASE ABOUT?

7. In this Action, Plaintiffs allege, among other things, that Defendants improperly invested collateral received to secure the loan of securities from the Commingled Lending Funds and/or collateral received to secure the loan of securities from the portfolios of clients that participated directly in Northern Trust's securities lending program, and that Defendants had charged and collected impermissibly high securities lending fees from the Commingled Lending Funds. Plaintiffs allege that Defendants' alleged conduct gave rise to claims for breach of fiduciary duty, breach of contract, and breach of duty of good faith and fair dealing. Defendants deny any wrongdoing; assert that at all times, they acted reasonably and prudently and in accordance with applicable law; have asserted numerous defenses and affirmative defenses to the claims being settled; and state that they are entering into this Settlement to avoid the cost, disruption, and uncertainty of continued litigation.

8. The initial complaint was filed on November 17, 2009 by plaintiff Louisiana Firefighters. On July 16, 2010, plaintiffs Louisiana Firefighters, Chicago Teachers, the Pontiac Police and Fire Board, and the Pontiac General Board (jointly, "Plaintiffs") filed an Amended Class Action Complaint ("Amended Complaint"). Plaintiffs filed a Second Amended Class Action Complaint on March 29, 2012.

9. The parties have been litigating these claims for over four years, during which time Plaintiffs have received extensive documentation regarding the asserted claims from Defendants. Further details explaining the history of the litigation and reasons for agreeing to the proposed Settlement will be set forth in the papers that Settling Plaintiffs will file with the Court on July 1, 2015 in support of their motion for final approval of the Settlement. Those papers will be posted on the website maintained by the Settlement Administrator, www.NorthernTrustClassAction.com.

10. On March 17, 2015, the Court preliminarily certified the Settlement Class, preliminarily approved the Settlement, and authorized this notice to be mailed to the Settlement Class Members as identified by Defendants. The Court has also scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

WHO IS INCLUDED IN THE SETTLEMENT CLASS?

11. The Settlement Class preliminarily certified by the Court consists of:

all entities that are not governed by ERISA and that participated in Indirect Lending⁶ during the Settlement Class Period (*i.e.*, the period beginning January 1, 2007 through and including October 31, 2010) and are alleged to have been damaged as a result of their participation in Indirect Lending at issue in the Action.

Excluded from the Settlement Class are: (i) entities that previously released or were caused to release Northern Trust from liability for alleged injury, damage, or loss arising from Indirect Lending during 2007-2009; and (ii) Defendants and their successors, their respective officers and directors (former, current and future), members of the Immediate Families of the respective officers and directors (former, current and future), and the legal representatives, heirs, successors or assigns of any such excluded person, and any entity in which any Defendant has or had a controlling interest. Also excluded from the Settlement Class are any entities that exclude themselves by submitting a Request for Exclusion in accordance with the requirements set forth in this notice. See "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself," on page 8 below.

12. As noted above, this notice has been mailed to you because Defendants have identified you as a Settlement Class Member, which means that, if the Settlement is approved and becomes effective, you will be eligible to receive a portion of the Settlement proceeds without any further action on your part.

⁶ Indirect Lending is defined in footnote 3 of this notice.

WHAT ARE SETTling PLAINTIFFS' REASONS FOR THE SETTLEMENT?

13. Settling Plaintiffs agreed to the Settlement mainly because it provides an immediate and substantial recovery for the benefit of the Settlement Class – \$24 million in cash – paid into a Settlement Fund. If the Settlement is approved, the Settlement Fund, less certain costs, fees and expenses as set forth in ¶¶ 25 and 31 below, will be allocated among Settlement Class Members in accordance with the Plan of Allocation appended to this notice or such other plan of allocation as may be approved by the Court. As with any litigation, absent settlement, Settling Plaintiffs would face an uncertain outcome if the Indirect Lending claims proceeded to a litigated resolution, including the risk of not prevailing at trial or on appeal. On the one hand, pursuing these claims could result in a verdict that would provide a greater recovery than the Settlement. On the other hand, continuing to prosecute these claims against Defendants could result in a verdict for less money than Settling Plaintiffs have obtained in the Settlement – or no recovery at all. The benefit of the Settlement must be compared to the risk that no recovery or a lesser recovery might be achieved with respect to the asserted claims regarding Indirect Lending after dispositive motions, a contested trial and likely appeals, possibly years into the future.

14. Settling Plaintiffs and Settling Plaintiffs' Counsel believe that the claims asserted against Defendants in the Action on behalf of Indirect Lenders have merit. They also recognize, however, that such claims and the numerous defenses Defendants have asserted in response to such claims involve complex legal and factual issues that may be difficult to prove at trial. Furthermore, even if liability is established, the parties disagree about the calculation of the damages resulting from Defendants' alleged misconduct; indeed, they disagree as to whether there were any damages at all resulting from Defendants' alleged misconduct. The parties also disagree as to whether the claims of the Settlement Class are appropriate for class certification. If the Settling Plaintiffs were unable to win their motion to certify the class for litigation, members of the Settlement Class other than the Settling Plaintiffs would be unable to benefit from any recovery achieved by Settling Plaintiffs. Each of these issues would have been vigorously disputed in pre-trial motions, at any trial, and through any likely post-verdict appeal. The Settlement enables the Settlement Class to recover on the claims relating to Indirect Lending without any additional risk or costs.

15. In light of the risks associated with a trial of the Indirect Lending claims, the monetary amount of the Settlement, and the immediacy of this recovery to the Settlement Class, Settling Plaintiffs and Settling Plaintiffs' Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class.

16. Defendants have expressly denied and continue to deny all assertions of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action with respect to Indirect Lending. Defendants also continue to believe that the claims asserted against them in the Action with respect to Indirect Lending are without merit. Defendants have agreed to enter into the Settlement, as embodied in the Stipulation, solely to avoid the uncertainty, burden and expense of protracted litigation of the claims asserted on behalf of the Settlement Class with respect to Indirect Lending.

HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

17. As a Settlement Class Member, you are represented by Settling Plaintiffs and Co-Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," below.

18. If you do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?," below.

19. If you wish to object to the Settlement, the Plan of Allocation, or Co-Lead Counsel's application for attorneys' fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?," below.

20. If you remain in the Settlement Class, you will be bound by any orders issued by the Court concerning the Settlement. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will provide that, upon the Effective Date of the Settlement, Settling Plaintiffs and the Settlement Class Members, on their own behalf and on behalf of various others⁷, shall have fully, finally and forever settled, released, and dismissed with prejudice any

⁷ Specifically, on behalf of all persons or entities on whose behalf each of the Settling Plaintiffs and each of the other members of the Settlement Class has standing to assert, individually or collectively, in full or in part, any Settlement Class Released Claims (as defined in footnote 8 below); and on behalf of each of all of the foregoing's respective past, present,

and all Settlement Class Released Claims⁸ as against the Defendants and the other Defendants' Releasees⁹ and shall forever be enjoined from asserting or prosecuting any Settlement Class Released Claims as against each and all of the Defendants' Releasees.

21. Settlement Class Released Claims do not release or otherwise impact claims relating to the enforcement of the Settlement, any Non-Settled Claim, or any claims against Defendants' Releasees that do not fall within the definition of Settlement Class Released Claims. The Release also does not impact the right (if any) of any Settlement Class Members and all other persons and entities that are releasing the Settlement Class Released Claims to participate in the distribution of any funds recovered from any Defendant or any other Defendants' Releasee by any federal governmental or federal regulatory agency.

22. If you engaged in securities lending directly with Northern Trust, pursuant to which Northern Trust acted as your securities lending agent to lend your securities (see footnote 5 herein), any claims arising from such "direct" securities lending are not released by this Settlement.

23. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf themselves and certain others, will release, among other things, all claims against each of the Settling Plaintiffs, the other members of the Settlement Class, and the other Settling Plaintiffs' Releasees,¹⁰ arising out of the institution, prosecution, or settlement of the Indirect Lending claims asserted in the Action against Defendants.

or future fiduciaries, beneficiaries, members, participants, officers, directors, boards of trustees and trustees, boards and board members, insurers, reinsurers, heirs, executors, administrators, predecessors, successors, agents, and assigns, in their capacities as such; and on behalf of any other person or entity with standing to assert, in full or in part, any Settlement Class Released Claim on behalf of any Settling Plaintiff or Settlement Class Member, in their capacities as such.

⁸ "Settlement Class Released Claims" means, to the fullest extent allowed by law, any and all claims, damages, losses, suits, proceedings, debts, demands, duties, liabilities, rights, remedies, or causes of action of every nature and description whatsoever, whether known claims or Unknown Claims; whether based on federal, state, local, or foreign law; whether based on statutory law, common law, administrative law, rule, regulation, or other source of law; whether fixed or contingent; whether foreseen or unforeseen; whether matured or unmatured; whether accrued or unaccrued; whether liquidated or unliquidated; whether at law or in equity; whether class or individual in nature; and whether direct, indirect, or derivative in nature, against each and every Defendants' Releasee, that arise out of or are based upon Settlement Class Members' Indirect Lending from the beginning of the Settlement Class Period through and including January 13, 2014 that (i) have been asserted in the Action or the Initial Complaints; or (ii) that could have been asserted in any forum that arise out of, relate to, or are based upon the claims and allegations in the Action that relate to Settlement Class Members' Indirect Lending from the beginning of the Settlement Class Period through and including January 13, 2014, including but not limited to the acts, omissions, misrepresentations, facts, events, matters, transactions, or occurrences alleged that relate to Settlement Class Members' Indirect Lending from the beginning of the Settlement Class Period through and including January 13, 2014, through Northern Trust's indirect securities lending program, including the investment of securities lending collateral; the holding of such investments; principal, interest, income, and revenue losses from Indirect Lending; fees, costs, and other charges associated with Indirect Lending; any and all declarations of trust or trust instruments concerning or governing the Commingled Lending Funds to the extent they relate to Indirect Lending; any and all agreements governing Settlement Class Members' Indirect Lending but only to the extent they relate to Indirect Lending, including collective fund custody agreements, direction letters, and investment management agreements; and any and all unlawful or improper conduct of the Commingled Lending Funds' participation in Indirect Lending.

⁹ "Defendants' Releasees" means (i) Northern Trust Corporation, NTI, and NTC, and each of their respective present, former, and future affiliates, subsidiaries, and parents; (ii) for each of the foregoing entities, any entities in which each or they have a controlling interest, their respective present, former, and future employees, officers, boards, directors, trustees, accountants, auditors, insurers, reinsurers, agents, fiduciaries, and attorneys, in their capacities as such; and (iii) for each of the foregoing persons and entities in (i) and (ii), their respective predecessors, successors, estates, heirs, executors, trusts, trustees, administrators, family members, agents, representatives, and assigns, in their capacities as such.

¹⁰ "Settling Plaintiffs' Releasees" means (i) the Settling Plaintiffs (in their representative capacities with respect to the Boards of each Settling Plaintiff), and any and all other members of the Settlement Class, and each of their respective present, former, and future affiliates, subsidiaries, and parents, (ii) for each of the foregoing persons and entities, any entities in which each or they have a controlling interest, their respective present, former, and future employees, officers, boards, directors, trustees, accountants, auditors, insurers, reinsurers, agents, fiduciaries and attorneys, in their capacities as such; and (iii) for each of the foregoing persons and entities in (i) and (ii), their respective predecessors, successors, estates, heirs, executors, trusts, trustees, administrators, family members, agents, representatives and assigns, in their capacities as such.

HOW MUCH WILL MY PAYMENT BE?

24. As of the date of this notice, it is not possible to determine how much money any individual Settlement Class Member might receive from the Settlement if approved. Payments to Settlement Class Members will be based on a plan of allocation approved by the Court. Settling Plaintiffs have proposed a plan of allocation, which is set forth in Appendix 2 to this notice.

25. Pursuant to the Settlement, Defendants have agreed to pay twenty-four million dollars (\$24,000,000) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned is referred to as the "Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the "Net Settlement Fund" (the Settlement Fund less (a) applicable taxes and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund; (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) attorneys' fees and Litigation Expenses awarded by the Court to Settling Plaintiffs' Counsel), will be distributed to Settlement Class Members, in accordance with the Plan of Allocation or such other plan of allocation as may be approved by the Court.

26. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the Effective Date has occurred. Settlement Class Members are not required to submit a claim form in order to receive a distribution from the Net Settlement Fund.

HOW WILL I RECEIVE PAYMENT FROM THE SETTLEMENT?

27. As previously noted, as a recipient of this notice by direct mail, you have been identified as a Settlement Class Member that might receive a payment from the Settlement proceeds. To be eligible for a payment from the proceeds of the Settlement, you need do nothing more. Your "Investment Amount" (the amount invested in a given Commingled Lending Fund on each of the Relevant Dates¹¹) has been determined by Defendants based on their records, as set forth in the chart included in the Cover Letter accompanying this notice.

28. If the Settlement is approved and the Effective Date occurs, *pro rata* distributions of the Net Settlement Fund will be mailed to all eligible Settlement Class Members. If your address or the contact person noted on the Cover Letter changes, please be sure to send the new information in writing to the Settlement Administrator at the address noted in ¶ 32 below.

29. As set forth in the Cover Letter, if you believe that any of the investment information set forth in the Cover Letter is incorrect or incomplete, you have the right to challenge the information. In order for your challenge to be valid, you must notify the Settlement Administrator in writing at the address set forth in ¶ 32 below, **postmarked** no later than June 12, 2015, that you challenge the investment information in the Cover Letter that you received. Your notification must set forth the specific items that you are challenging and must include a detailed statement of the basis for the challenge as well as documentation in support of your challenge. Your challenge will be reviewed by Co-Lead Counsel and you will be notified by the Settlement Administrator of their determination. If an Investment Challenge results in a change to any of the investment information provided for you, your Distribution Amount (as defined in the Plan of Allocation) will be calculated based on the revised information. If you disagree with the determination made with respect to your challenge, you have the right to request a Court review. The specifics as to how such a request for Court review must be made will be set forth in the notification from the Settlement Administrator that contains the determination made with respect to the challenge.

30. Although Defendants have provided records representing what they believe to be the universe of Settlement Class Members, the Settling Parties recognize some entity may have been omitted or classified as a Settlement Class Member in this Action as opposed to a settlement class member in the related Diebold Action. To address these possibilities, the Settlement provides for a Status Challenge. The requirements for making such a challenge are set forth in the Summary Notice, which is being published and which will also be posted on the website maintained by the Settlement Administrator, www.NorthernTrustClassAction.com. Because you received this notice by direct mail addressed to you, you do not need to take steps to ensure you are included in the Settlement Class; you have been identified by Defendants as a Settlement Class Member, however, if you believe that you were classified as a member of the wrong class, you may make a Status Challenge. To the extent that an entity that did not receive this notice by direct mail can establish that it is a Settlement Class Member, such entity shall be eligible to receive a proportionate share of the Settlement proceeds, and such entity shall be subject to the terms of the Settlement, including the releases provided for,

¹¹ The Commingled Lending Funds had exposure to investments in two investment portfolios referred to as CORE USA and STEP. The Relevant Dates are, as to CORE USA, September 19, 2008 and April 19, 2010; and, as to STEP, January 5, 2007, September 19, 2008 and August 31, 2010.

as set forth in ¶ 20 above. Should an entity establish that it should have been classified as a member of the Settlement Class in the Diebold Action, such entity will receive information as to its rights from the settlement administrator in that action.

WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?

31. Settling Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Class, nor have Settling Plaintiffs' Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Co-Lead Counsel will apply on behalf of all Settling Plaintiffs' Counsel to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 33.3% of the Settlement Fund. At the same time, Co-Lead Counsel also intend to apply for reimbursement of Litigation Expenses paid or incurred in connection with the Action in an amount not to exceed \$600,000.00, which may include an application for reimbursement of the reasonable costs and expenses incurred by the Settling Plaintiffs directly related to their representation of the Settlement Class. Co-Lead Counsel will file their application on July 1, 2015 and the papers will be posted on the website maintained by the Settlement Administrator, www.NorthernTrustClassAction.com. The Court will decide the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?
HOW DO I EXCLUDE MYSELF?

32. Each Settlement Class Member will be bound by the provisions of the Settlement and by all determinations and judgments in this lawsuit with respect to the Indirect Lending claims, whether favorable or unfavorable, unless such entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to *Louisiana Firefighters' Retirement System, et al. v. Northern Trust Investments, N.A. et al.*, c/o GCG, P.O. Box 9349, Dublin, OH 43017-4249. Please note near the address "EXCLUSIONS". The Request for Exclusion must be **received** no later than July 15, 2015. A Settlement Class Member will not be able to exclude itself from the Settlement Class after that date. Each Request for Exclusion from a Settlement Class Member that received this notice by direct mail addressed to it must (a) state the name, address and telephone number of the entity requesting exclusion, and the name, address and telephone number of the appropriate contact person for the entity; (b) state that such entity "requests exclusion from the Settlement Class in *Louisiana Firefighters' Retirement System et al. v. Northern Trust Investments, N.A. et al.*, Civil Action No. 09-7203"; and (c) be signed by an authorized representative of the entity. If an entity that previously directed Defendants not to provide the Settlement Administrator identifying and investment information as it relates to it, wants to request exclusion from the Settlement Class, the Request for Exclusion must, in addition to complying with the provisions of the preceding sentence, state that the previous direction is rescinded, in which event Defendants, pursuant to Court Order, will promptly provide the information to the Settlement Administrator and Co-Lead Counsel. PLEASE NOTE: It is possible that a Settlement Class Member with multiple Northern Trust accounts may receive more than one copy of this notice. However, regardless of how many copies of the notice a Settlement Class Member receives, it should only submit one Request for Exclusion. Each legal entity that falls within the definition of the Settlement Class is a Settlement Class Member and a Request for Exclusion applies to the legal entity making the request. If a Settlement Class Member has investments in Commingled Lending Funds through multiple Northern Trust accounts its Request for Exclusion will apply to all of that Settlement Class Member's Northern Trust accounts.

33. Should any entity that did not receive this notice by direct mail or did not receive a Banking Notice, believe that it is a Settlement Class Member and wish to exclude itself from the class, such entity, in addition to (a) stating the name, address and telephone number of the entity requesting exclusion, and the name, address and telephone number of the appropriate contact person for the entity; (b) stating that such entity "requests exclusion from the Settlement Class in *Louisiana Firefighters' Retirement System et al. v. Northern Trust Investments, N.A. et al.*, Civil Action No. 09-7203"; and (c) having the request signed by an authorized representative of the entity, must also include with its request information and documents sufficient to prove that it is a Settlement Class Member. Such request must be submitted to the Settlement Administrator so that it is **received** no later than July 15, 2015.

34. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in paragraphs 32 or 33 as applicable and is received within the time stated above, or is otherwise accepted by the Court.

35. Any entity that does not want to be part of the Settlement Class must follow these instructions for exclusion even if it has pending, or later files, another lawsuit, arbitration, or other proceeding relating to any Settlement Class Released Claim against any of the Defendants' Releasees.

36. Any Settlement Class Member that is excluded from the Settlement Class will not be eligible to receive any payment out of the Net Settlement Fund.

37. Defendants have the right to terminate the Settlement if valid Requests for Exclusion are received in an amount that exceeds the amount agreed to by Settling Plaintiffs and Defendants.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?
DO I HAVE TO COME TO THE HEARING?
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

38. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. Settlement Class Members can participate in the Settlement without attending the Settlement Hearing.**

39. The Settlement Hearing will be held on August 5, 2015 at 10:30 a.m. before the Honorable Susan E. Cox, at the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Courtroom 1025, Chicago, IL 60604. The Court reserves the right to approve the Settlement, the Plan of Allocation, Co-Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

40. Any Settlement Class Member that does not request exclusion may object to the Settlement, the proposed Plan of Allocation, or Co-Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Northern District of Illinois at the address set forth below on or before July 15, 2015. You must also serve the papers on representative Co-Lead Counsel and on Defendants' Counsel at the addresses set forth below so that the papers are **received** on or before July 15, 2015.

<u>Clerk's Office</u>	<u>Representative Co-Lead Counsel</u>	<u>Defendants' Counsel</u>
United States District Court Northern District of Illinois Clerk of the Court Everett McKinley Dirksen United States Courthouse 219 South Dearborn Street Chicago, IL 60604	Keller Rohrbach L.L.P. Derek W. Loeser 1201 Third Avenue, Suite 3200 Seattle, WA 98101	Winston & Strawn LLP Caryn L. Jacobs 35 W. Wacker Drive Chicago, Illinois 60601

41. Any objection (a) must state the name, address and telephone number of the entity objecting and must be signed by an authorized representative of the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) if that entity did not receive the Settlement Notice by direct mail, the objection must include documents sufficient to prove the entity's membership in the Settlement Class. You may not object to the Settlement, the Plan of Allocation, or Co-Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class.

42. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

43. If you wish to be heard orally at the hearing and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on representative Co-Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 40 above so that it is **received** on or before July 15, 2015. Any member of the Settlement Class that intends to object and desires to present evidence at the Settlement Hearing must include in its written objection or notice of appearance the identity of any witnesses it may call to testify and exhibits it intends to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

44. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on representative Co-Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 40 above so that the notice is **received** on or before July 15, 2015.

45. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Co-Lead Counsel or by visiting the website maintained by the Settlement Administrator at www.NorthernTrustClassAction.com.

46. Unless the Court orders otherwise, any Settlement Class Member that does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Co-Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

47. This notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, IL 60604. Additionally, copies of the operative complaint in the Action, the Stipulation, Settling Plaintiffs' papers in support of final approval of the Settlement, Co-Lead Counsel's papers in support of their application for an award of attorneys' fees and reimbursement of Litigation Expenses, and any related orders entered by the Court will be posted on the website maintained by the Settlement Administrator, www.NorthernTrustClassAction.com.

48. All inquiries concerning this notice should be directed to the Settlement Administrator at the address noted in ¶ 32 above, or to the following Co-Lead Counsel:

Derek W. Loeser
KELLER ROHRBACK L.L.P.
1201 Third Avenue
Suite 3200
Seattle, WA 98101
(800) 314-0805
NorthernTrustSettlement@kellerrohrback.com

Todd M. Schneider
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& GROSSMANN LLP
1285 Avenue of the Americas
New York, NY 10019
(800) 380-8496
blbg@blbglaw.com

DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS, OR THEIR COUNSEL REGARDING THIS NOTICE.

Dated: May 13, 2015

By Order of the Court
United States District Court
Northern District of Illinois

Appendix 1

Commingled Lending Funds

Fund Acct No.	Commingled Lending Fund Name
17-13070	NTGI-QM Collective Weekly Quant Enhanced EAFE Fund
17-13071	NTGI-QM Collective Weekly Quant Enhanced EASEA Fund (a/k/a NTGI-QM Collective Weekly Enhanced EAFE ex-Japan Fund)
17-13073	NTGI-QM Collective Daily EAFE Index Fund
17-13074	NTGI-QM Collective Daily United Kingdom Index Fund
17-13075	NTGI-QM Collective Daily Continental Europe Index Fund
17-13076	NTGI-QM Collective Daily Japan Index Fund
17-13077	NTGI-QM Collective Daily Southwest Pacific Index Fund
17-22519	NTGI-QM Collective Daily World Government Bond Index Fund (a/k/a NTGI-QM Collective World Government Bond Index ("WGBI") Fund)
17-23220	NTGI-QM Collective Daily All Country World ex-US Equity Index Fund
17-23221	NTGI-QM Collective Daily Emerging Markets Equity Index Fund
17-39168	NTGI-QM Collective Daily Developed International Small Cap (DISC) Equity Index Fund
17-61364	NTGI-QM Collective Daily Global Real Estate Index Fund
17-83694	NTGI-QM Collective Daily EAFE Index Fund – TD
17-83720	NTGI-QM Collective Daily Global Real Estate Index Fund – TD
17-95334	NTGI-QM Collective Daily All Country World ex-US Equity Index Fund - Lending - DC - Tier J
17-95336	NTGI-QM Collective Daily Emerging Markets Equity Index Fund - Lending - DC - Tier J
20-00000	NTGI Collective Weekly SmallCap Growth Equity Fund
20-00564	NTGI-QM Collective Daily S&P 500 Equity Index Fund
20-00568	NTGI-QM Collective Daily Russell 3000 Equity Index Fund
20-00569	NTGI-QM Collective Daily Russell 1000 Equity Index Fund
20-00570	NTGI-QM Collective Daily Russell 1000 Growth Equity Index Fund
20-00571	NTGI-QM Collective Daily Russell 1000 Value Equity Index Fund
20-00572	NTGI-QM Collective Daily Russell 2000 Equity Index Fund (including NTGI-QM Collective Daily Russell 2000 Equity Index Fund - Class C Lending)
20-00573	NTGI-QM Collective Daily Russell 2000 Growth Equity Index Fund
20-00574	NTGI-QM Collective Daily Russell 2000 Value Equity Index Fund
20-00575	NTGI-QM Collective Daily Russell SmallCap Completeness Fund

20-00576	NTGI-QM Collective Daily Quant Index Plus S&P 500 Equity Fund
20-00591	NTGI-QM Collective Daily Aggregate Bond Index Fund (including NTGI-QM Collective Daily Aggregate Bond Index Fund - Lending - DC - Tiers K, M, N, Q)
20-00593	NTGI-QM Collective Daily Government / Credit Bond Index Fund
20-00595	NTGI-QM Collective Daily Treasury Inflation-Protected Securities ("TIPS") Fund
20-00596	NTGI-QM Collective Daily Short Term Government Index Fund
20-01003	NTGI-QM Collective Daily Russell 2000 Index Fund - Lending - DC - Tier J
20-01012	NTGI-QM Collective Daily Aggregate Bond Special Purpose Index Fund
20-01013	NTGI-QM Collective Daily S&P 500 Special Purpose Equity Index Fund
20-01014	NTGI-QM Collective Daily S&P 500 / Citigroup Growth Equity Special Purpose Index Fund (a/k/a NTGI- QM Collective Daily S&P 500 BARRA Growth Special Purpose)
20-01016	NTGI-QM Collective Daily S&P MidCap 400 Equity Special Purpose Index Fund
20-01027	NTGI-QM Collective Daily Quant Enhanced Russell 1000 Fund
20-01036	NTGI-QM Collective Daily TIPS Fund – TD
20-01037	NTGI-QM Collective Daily Short Term Government Fund – TD
20-01038	NTGI-QM Collective Daily S&P500 Equity Index Fund – TD
20-01040	NTGI-QM Collective Daily Russell SmallCap Completeness Fund – TD
20-01041	NTGI-QM Collective Daily Aggregate Bond Index Fund – TD
20-01062	NTGI-QM Collective Daily S&P500 Equity Index Fund - Lending - DC -Tier K
20-04635	NTGI Collective Stable Asset Fund
20-42580	NTGI-QM Collective Daily Quant Active SmallCap Value Equity Fund (a/k/a NTGI Collective Weekly Quant Active SmallCap Value Equity Fund)
20-42582	NTGI Collective Weekly MidCap Growth Equity Fund
20-42631	NT Collective S&P 500 Growth Index Fund (a/k/a NTGI-QM Collective Daily S&P 500 / Citigroup Growth Equity Index Fund)
20-45176	NT Collective S&P 400 Index Fund (a/k/a NTGI-QM Collective Daily S&P MidCap 400 Equity Index Fund)
20-73536	NT Collective S&P 500 Value Index Fund (a/k/a NTGI-QM Collective Daily S&P 500 / Citigroup Value Equity Index Fund)
26-10823	NTGI-QM Labor Select Collective Daily Russell 3000 Equity Index Fund
26-18663	NTGI-QM Collective Daily U.S. MarketCap Equity Special Purpose Index Fund
26-46508	NTGI-QM Collective Daily Structured SmallCap Equity Fund
26-46509	NTGI-QM Collective Daily Extended Equity Market Index Fund (a/k/a NTGI-QM Collective Daily SmallCap Equity Index Fund)

26-46516	NTGI-QM Collective Daily Enhanced Fixed Income Fund
26-46519	NTGI-QM Collective Daily Mortgage Backed Securities Index Fund (a/k/a NTGI-QM Collective Mortgage-Backed Securities Fund)
26-46529	NTGI Collective Monthly LargeCap Growth Equity Fund (a/k/a NTGI-QM Collective Monthly Large Cap Growth Equity Fund)
26-46533	NTGI-QM Collective Daily 1-10 Year Intermediate Credit Bond Index Fund
26-46535	NTGI-QM Collective Daily Long Term Credit Bond Index Fund (a/k/a NTGI-QM Collective Daily Long-Term Credit Bond Index Fund)
26-46540	NTGI-QM Collective Daily 1-10 Year Intermediate Government Bond Index Fund
26-46541	NTGI-QM Collective Daily Long-Term Government Bond Index Fund
26-46543	NTGI-QM Collective Daily Intermediate Government / Credit Bond Index Fund
26-46549	NTGI-QM Collective Daily U.S. MarketCap Equity Index Fund
26-69573	NTGI-QM Collective Daily Long Term Government / Credit Bond Index Fund
26-70251	NTGI-QM Collective Daily Quant Enhanced S&P 400 Equity Fund
26-80724	NTGI-QM Collective Weekly Quant Index Plus Russell 1000 Labor Select Fund

Appendix 2

PLAN OF ALLOCATION

1. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to Settlement Class Members in proportion to relative losses. The Plan of Allocation is not intended to provide estimates of, nor be indicative of, the amounts that Settlement Class Members might have been able to recover after a trial.

2. The Plan of Allocation is based on certain estimated losses experienced by Settlement Class Members due to their investments on certain "Relevant Date(s)" in the Commingled Lending Funds that had exposure to investments in one of two investment portfolios, referred to as CORE USA and STEP. The Net Settlement Fund will be allocated based on relative estimated losses realized by CORE USA and STEP, the relative losses of the Commingled Lending Funds due to their estimated exposure to CORE USA and/or STEP on the Relevant Dates, and the relative investment of each Settlement Class Member in each of the Commingled Lending Funds on the Relevant Dates as compared to the aggregate interest of all Settlement Class Members in the respective Commingled Lending Funds on the Relevant Dates.

3. Co-Lead Counsel working with Settling Plaintiffs' damages expert developed the Plan of Allocation in consideration of, among other things, the losses incurred in CORE USA and STEP, the relative risks associated with establishing damages for Commingled Lending Funds exposed to CORE USA and STEP, as well as the proportion of the Settlement Class Members invested in Commingled Lending Funds exposed to CORE USA and STEP, respectively. Based on that assessment it was determined that the Net Settlement Fund should be allocated 12% to the Commingled Lending Funds exposed to CORE USA (the "CORE USA Loss Percentage") and 88% to the Commingled Lending Funds exposed to STEP (the "STEP Loss Percentage").

4. For purposes of distributing the portion of the Settlement Fund allocated to CORE USA among the Settlement Class Members with exposure to CORE USA, two Relevant Dates around which significant losses were incurred in CORE USA are used in the Plan of Allocation to determine relative Commingled Lending Fund losses: September 19, 2008 and April 19, 2010. Each Commingled Lending Fund's *pro rata* interest in CORE USA on those two Relevant Dates is used to determine each Commingled Lending Fund's *pro rata* share of the CORE USA Loss Percentage on each Relevant Date. Each Settlement Class Member's *pro rata* interest in each Commingled Lending Fund with an interest in CORE USA on each of those two Relevant Dates reflects that Settlement Class Member's share of the CORE USA Loss Percentage allocated to that Commingled Lending Fund for each Relevant Date.

5. For purposes of distributing the portion of the Settlement Fund allocated to STEP among the Settlement Class Members with exposure to STEP, three Relevant Dates are used in the Plan of Allocation to determine relative Commingled Lending Fund losses: January 5, 2007; September 19, 2008; and August 31, 2010.¹² Each Commingled Lending Fund's *pro rata* interest in STEP on those three Relevant Dates, is used to determine each Commingled Lending Fund's *pro rata* share of the STEP Loss Percentage on each Relevant Date. Each Settlement Class Member's *pro rata* interest in each Commingled Lending Fund with an interest in STEP on each of those three Relevant Dates reflects that Settlement Class Member's share of the STEP Loss Percentage allocated to that Commingled Lending Fund for each Relevant Date.

6. The *pro rata* interest of a Settlement Class Member in a Commingled Lending Fund will be based on the number of units of the applicable Commingled Lending Fund held by the Settlement Class Member on the Relevant Date as set forth in the Investment Data provided to the Settlement Administrator by Defendants in comparison to the total number of Settlement Class Member units in the fund on that Relevant Date as set forth in Tables A and B that appear at the end of this Notice.

7. **CORE USA** -- Each Settlement Class Member's relative allocated share of the losses incurred in CORE USA will be determined based on the following:

(a) The CORE USA Loss Percentage will be divided between two Relevant Dates based on the relative amounts of estimated realized losses incurred in CORE USA on those two dates:

- (i) September 19, 2008: 51.4% of the CORE USA Loss Percentage.
- (ii) April 19, 2010: 48.6% of the CORE USA Loss Percentage.

¹² Because STEP was a variable Net Asset Value ("NAV") fund, in which realized and unrealized losses were incorporated in STEP's NAV on a daily basis, these three dates are used to reflect the losses incurred during three periods during the Class Period: January 1, 2007 - August 31, 2008; September 1, 2008 - December 31, 2008; and January 1, 2009 - October 31, 2010.

(b) The CORE USA Loss Percentage allocated for each of the two Relevant Dates will then be divided among the Commingled Lending Funds in proportion to each Commingled Lending Fund's relative investment in CORE USA on those Relevant Dates and the Settlement Class's investment in each Commingled Lending Fund on those Relevant Dates.

(c) The CORE USA Loss Percentage allocated to each Commingled Lending Fund on each Relevant Date will then be allocated among the Settlement Class Members based upon each Settlement Class Member's relative holdings in the Commingled Lending Fund on each Relevant Date. A Settlement Class Member's relative holdings in a Commingled Lending Fund shall be determined by dividing the number of units held by the Settlement Class Member in the fund on each Relevant Date (as set forth in the Investment Data provided by Defendants) by the total number of units in the fund held by Settlement Class Members on each Relevant Date as set forth in Table A. This will be the Settlement Class Member's "Percentage Share" of the CORE USA Loss Percentage allocated to each Commingled Lending Fund for each Relevant Date.

8. **STEP** -- Each Settlement Class Member's relative allocated share of the losses incurred in STEP will be determined based on the following:

(a) The STEP Loss Percentage will be allocated among three Relevant Dates based on the relative amounts of estimated realized losses incurred in STEP in the corresponding loss period:

- (i) January 5, 2007 (for losses incurred between January 1, 2007 and August 31, 2008): 33% of the STEP Loss Percentage.
- (ii) September 19, 2008 (for losses incurred between September 1, 2008 and December 31, 2008): 43% of the STEP Loss Percentage.
- (iii) August 31, 2010 (for losses incurred between January 1, 2009 and October 31, 2010): 24% of the STEP Loss Percentage.

(b) The STEP Loss Percentage allocated to each of the three Relevant Dates will then be divided among the Commingled Lending Funds in proportion to each Commingled Lending Fund's relative investment in STEP on those Relevant Dates and the Settlement Class's investment in each Commingled Lending Fund on those Relevant Dates.

(c) The STEP Loss Percentage allocated to each Commingled Lending Fund on each Relevant Date will then be allocated among the Settlement Class Members based upon each Settlement Class Member's relative holdings in the Commingled Lending Fund on each Relevant Date. A Settlement Class Member's relative holdings in a Commingled Lending Fund shall be determined by dividing the number of units held by the Settlement Class Member in the fund on each Relevant Date (as set forth in the Investment Data provided by Defendants) by the total number of units in the fund held by Settlement Class Members on each Relevant Date as set forth in Table B. This will be the Settlement Class Member's "Percentage Share" of the STEP Loss Percentage allocated to each Commingled Lending Fund for each Relevant Date.

CALCULATION OF DISTRIBUTIONS FROM THE NET SETTLEMENT FUND

9. The Settlement Administrator will calculate each Settlement Class Member's distribution from the Net Settlement Fund based on the calculations set forth in paragraphs 1 - 8 above.

10. Tables A and B, attached at the end of this Notice set forth (i) the CORE USA and STEP Loss Percentages, (ii) the percentage of the CORE USA Loss Percentage allocated to each of the Relevant Dates for CORE USA and the percentage of the STEP Loss Percentage allocated to each of the Relevant Dates for STEP; (iii) the percentage of the amounts referred to in (ii) allocated to each Commingled Lending Fund on each Relevant Date; and (iv) the total number of Settlement Class Member held units in each fund on each Relevant Date.

11. Based on the allocations of the CORE USA Loss Percentage and the STEP Loss Percentage set forth in paragraphs 7 and 8 above, respectively (which are also set forth in Tables A and B), each Settlement Class Member's proportionate share of Net Settlement Fund will be calculated as follows:

(a) For each Commingled Lending Fund on each Relevant Date, the Settlement Administrator will multiply the percentage allocated to the Commingled Lending Fund by the amount in the Net Settlement Fund to determine the portion of the Net Settlement Fund available for distribution to Settlement Class Members who held units in each Commingled Lending Fund on each Relevant Date.

(b) With respect to each Commingled Lending Fund on each Relevant Date, the Settlement Administrator will multiply the amount determined pursuant to subparagraph 11(a) by the Settlement Class Member's Percentage Share (calculated as described in paragraphs 7(c) and 8(c) above) to determine the amount allocable to the Settlement Class Member ("Fund Distribution Amount").

(c) The total of a Settlement Class Member's Fund Distribution Amounts shall be the Settlement Class Member's "Distribution Amount".

12. In the event that any Settlement Class Members do not participate in the Settlement, the funds that would otherwise be allocated to such non-participating Settlement Class Members will be re-allocated among the participating Settlement Class Members by applying each of the levels of allocation discussed in paragraphs 3, 7 and 8 above to such funds.

ADDITIONAL PROVISIONS

13. After the initial distribution of the Net Settlement Fund, the Settlement Administrator shall make reasonable and diligent efforts to have Settlement Class Members cash their distribution checks. If six (6) months after the initial distribution, the amount remaining in the Net Settlement Fund after paying any unpaid fees and expenses incurred in administering the Settlement, including the costs associated with a re-distribution, equals or exceeds \$25,000, the Settlement Administrator shall conduct a re-distribution of the funds remaining to Settlement Class Members who have cashed their initial distributions and who would receive at least \$20 in such re-distribution. Additional re-distributions to Settlement Class Members who have cashed their prior checks and who would receive at least \$20 in such re-distribution may occur thereafter until the balance remaining in the Net Settlement Fund is under \$25,000. At such time as the amount remaining in the Net Settlement Funds is under \$25,000, after paying any unpaid fees and expenses incurred in administering the Settlement (including the costs of re-distributions), the remaining balance shall be contributed to non-sectarian, not-for-profit 501(c)(3) organization(s), to be recommended by Co-Lead Counsel and approved by the Court.

14. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Settlement Class Members. No person or entity shall have any claim against Settling Plaintiffs, Settling Plaintiffs' Counsel, Settling Plaintiffs' damages expert, Defendants, Defendants' Counsel, or any of the other Releasees, or the Settlement Administrator or other agent designated by Co-Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Settling Plaintiffs, Defendants and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the Plan of Allocation or such other plan of allocation as may be approved by the Court; the determination, administration, calculation, or payment of any distributions from the Settlement Fund or the Net Settlement Fund; the performance or nonperformance of the Settlement Administrator; the payment or withholding of taxes owed by the Settlement Fund; or any losses incurred in connection with any of the foregoing.

15. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Settling Plaintiffs after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding the Plan of Allocation, including any order that modifies the Plan of Allocation should the Court enter such an order, will be posted on the Settlement website, www.NorthernTrustClassAction.com.

TABLE A

CORE USA

Commingled Lending Fund Account No.	CORE USA LOSS PERCENTAGE – 12 %			
	9-19-08 51.4% of CORE USA Loss Percentage		4-19-10 48.6% of CORE USA Loss Percentage	
	% of 9-19-08 CORE USA Loss Percentage Allocated to Fund	Total Units Held by Class Members on 9-19-08	% of 4-19-10 CORE USA Loss Percentage Allocated to Fund	Total Units Held by Class Members on 4-19-10
17-13070	0.06823%	57,875.75	N/A	N/A
17-13073	3.42525%	3,723,461.74	12.65936%	5,250,529.53
17-22519	0.00187%	4,767,252.20	N/A	N/A
17-23220	1.43503%	35,977,021.07	0.40159%	5,035,893.70
17-23221	3.08652%	114,278,076.99	0.60573%	4,715,230.02
17-39168	6.48118%	133,484,601.49	2.79275%	23,844,649.77
20-00568	11.53426%	3,102,220.39	2.22618%	467,407.39
20-00569	1.27583%	1,666,034.04	1.31244%	1,534,257.97
20-00570	5.08909%	4,233,369.72	0.71087%	583,666.15
20-00571	5.25728%	1,735,633.15	0.53380%	141,702.17
20-00572	0.45205%	40,934.01	0.87375%	40,606.97
20-00573	0.06322%	25,879.26	0.47652%	89,207.50
20-00574	0.25759%	45,968.48	0.48799%	48,222.06
20-00591	49.47004%	16,911,163.85	65.55863%	8,802,654.00
20-00593	1.55833%	275,799.72	3.90071%	261,513.75
20-00596	0.23099%	51,007.20	0.55724%	50,723.56
20-01003	0.88374%	81,898.40	N/A	N/A
20-01012	5.11496%	186,415,432.47	1.12280%	38,831,580.24
20-01014	0.07300%	4,282,466.90	0.18018%	2,723,686.61
20-01016	0.71699%	18,614,521.11	1.68529%	18,612,274.17
20-04635	N/A	N/A	0.00334%	20,976.53
20-42631	0.10185%	7,758,801.20	0.26489%	7,222,798.60
20-45176	1.56044%	13,780,209.87	1.31995%	3,086,655.37
26-46508	0.08650%	58,523.34	0.09564%	60,494.08
26-46509	0.13529%	38,807.36	N/A	N/A
26-46540	0.61126%	1,307,852.30	1.04254%	939,118.81
26-46541	0.04433%	74,807.08	N/A	N/A
26-46543	0.73394%	2,452,516.01	1.18780%	1,527,063.67
26-70251	0.25093%	2,923,942.93	N/A	N/A

TABLE B

STEP

Commingled Lending Fund Account No.	STEP LOSS PERCENTAGE – 88%					
	1-5-07 33% of STEP Loss Percentage		9-19-08 43% of STEP Loss Percentage		8-31-10 24% of STEP Loss Percentage	
	% of 1-5-07 STEP Loss Percentage Allocated to Fund	Total Units Held by Class Members on 1-5-07	% of 9-19-08 STEP Loss Percentage Allocated to Fund	Total Unit Held by Class Members on 9-19-08	% of 8-31-10 STEP Loss Percentage Allocated to Fund	Total Units held by Class Members on 8-31-10
20-00564	13.24144%	731,474.3	12.69274%	841,621.2	14.89352%	468,597.4
20-00591	16.07444%	8,573,168.0	45.98936%	16,911,163.9	50.82629%	8,180,541.1
20-01012	49.20294%	359,235,372.4	29.89427%	186,415,432.5	10.35854%	24,939,575.6
20-01013	7.87958%	44,195,523.4	1.20931%	15,407,354.2	2.49225%	13,571,978.1
20-04635	N/A	N/A	N/A	N/A	0.00260%	53,794.5
26-18663	13.49240%	220,919,913.8	3.37486%	35,955,433.9	3.20656%	29,448,669.7
26-46549	0.10920%	599,708.2	6.83945%	35,000,128.2	18.22024%	73,445,023.7