

HEALTH WEALTH CAREER

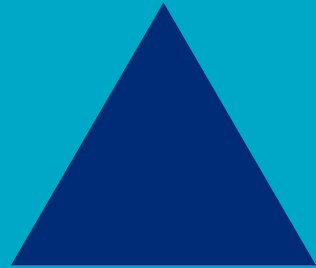
# NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS

SECOND QUARTER PERFORMANCE REVIEW

# A G E N D A

- Capital Markets Review
- Second Quarter Performance
- Appendix

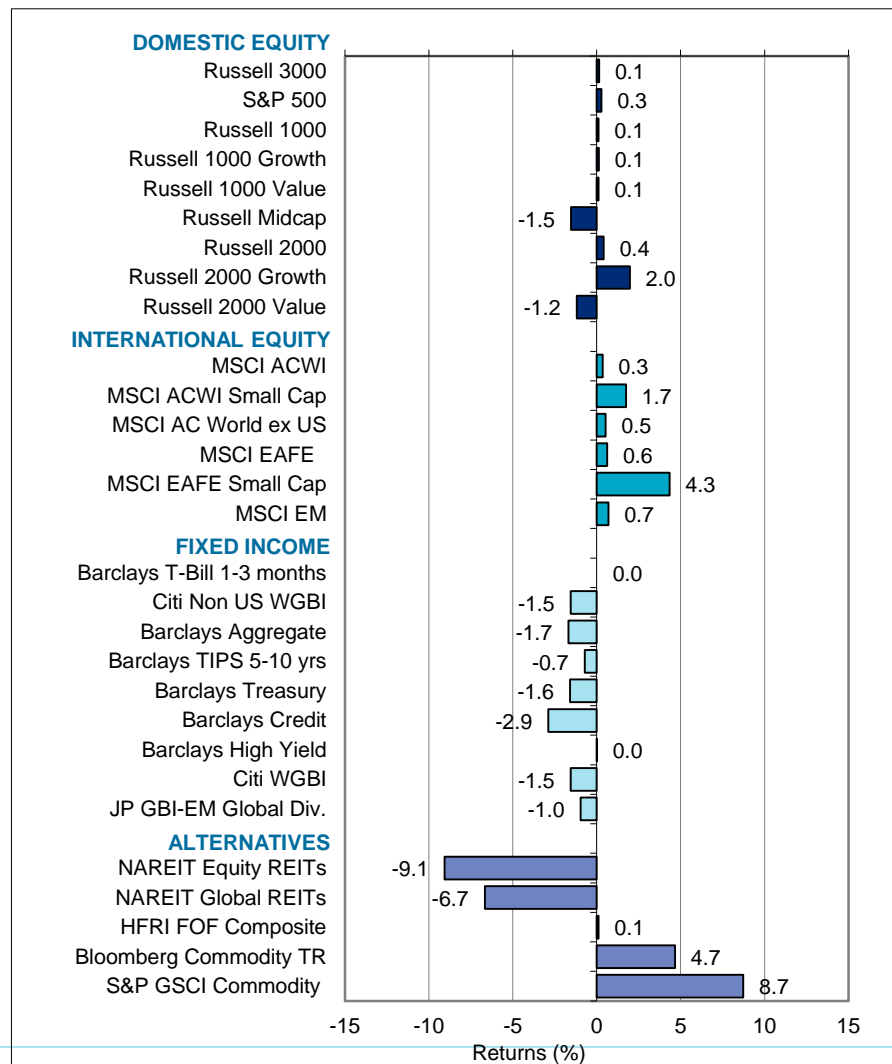
# CAPITAL MARKETS REVIEW



# PERFORMANCE SUMMARY:

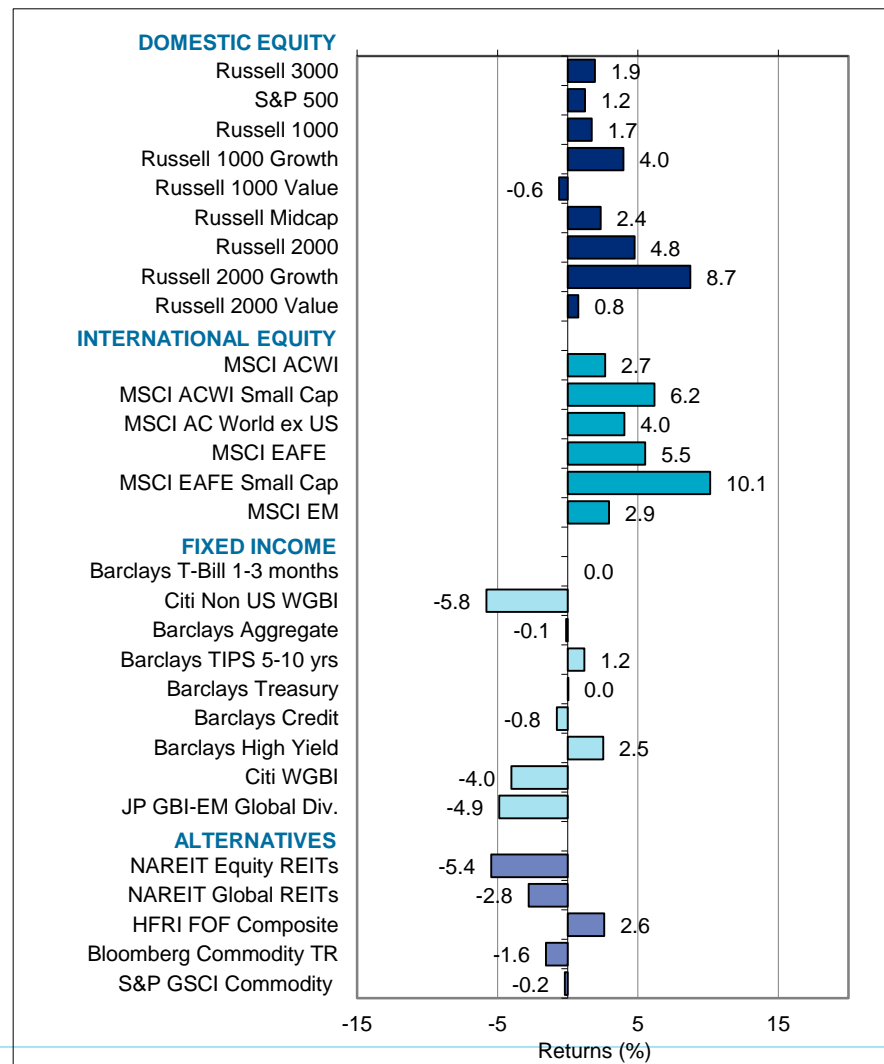
## QUARTER IN REVIEW

**Market Performance**  
Second Quarter 2015



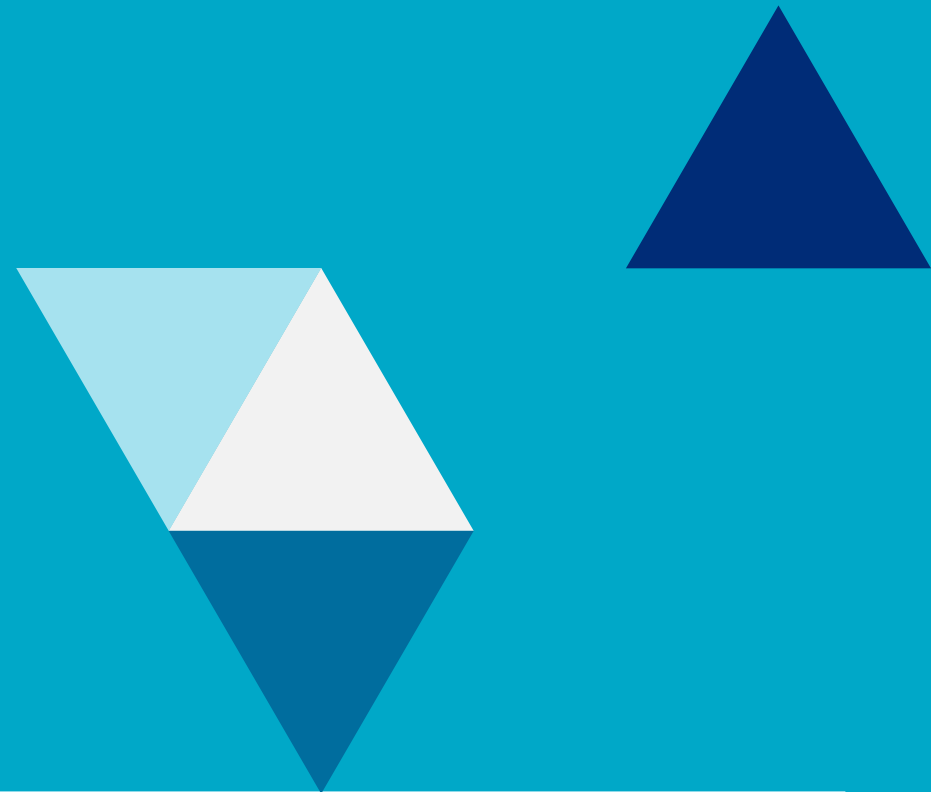
Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg  
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**Market Performance**  
YTD

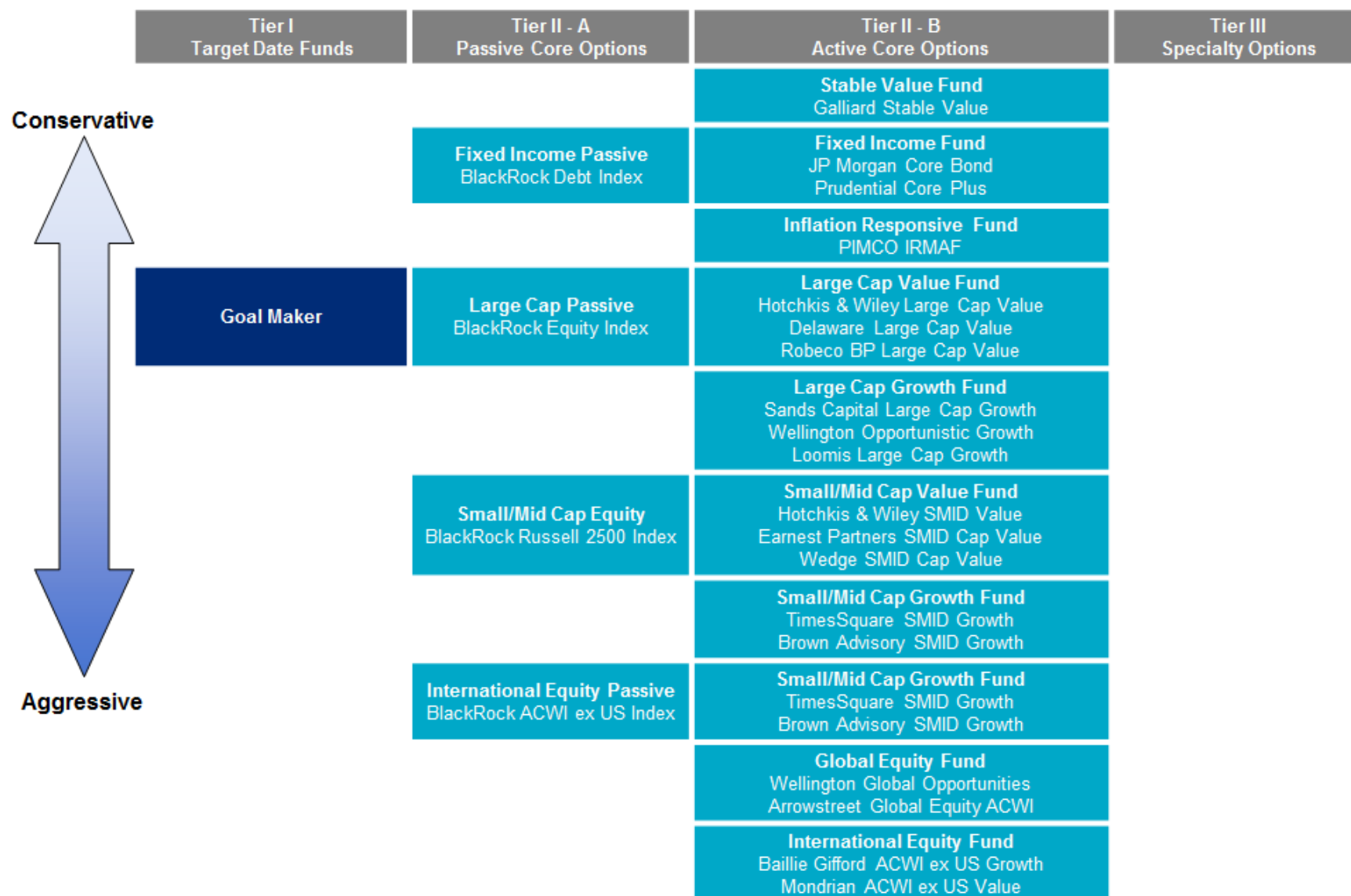


Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg

# SECOND QUARTER PERFORMANCE



# NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS INVESTMENT STRUCTURE



# FUND REVIEW

## FUND PERFORMANCE AS OF JUNE 30, 2015

Name	Market Value (\$m)	(%)	Inception										Return	Since
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank		
<b>Large Cap Passive</b> S&P 500	\$1,302.3	14.2%	0.2%	--	1.1%	--	7.2%	--	17.1%	--	17.2%	--	18.8%	Mar-09
			0.3%	--	1.2%	--	7.4%	--	17.3%	--	17.3%	--	18.9%	Mar-09
<b>Large Cap Value</b> Russell 1000 Value	\$918.4	10.0%	0.3%	54	0.3%	64	5.3%	36	18.3%	25	16.8%	21	17.6%	Mar-09
			0.1%	63	-0.6%	81	4.1%	53	17.3%	43	16.5%	28	18.8%	Mar-09
<b>Large Cap Growth</b> Russell 1000 Growth	\$896.5	9.8%	0.2%	66	3.0%	73	9.1%	71	17.7%	54	18.8%	26	21.5%	Mar-09
			0.1%	69	4.0%	52	10.6%	57	18.0%	49	18.6%	29	19.8%	Mar-09
<b>Mid/Small Cap Passive</b> Russell 2500	\$236.1	2.6%	-0.3%	--	4.8%	--	5.9%	--	18.6%	--	17.8%	--	21.5%	Mar-09
			-0.3%	--	4.8%	--	5.9%	--	18.7%	--	17.9%	--	21.6%	Mar-09
<b>Mid/Small Cap Value</b> Russell 2500 Value	\$462.4	5.0%	-1.2%	65	1.7%	50	4.2%	29	20.0%	10	18.9%	4	24.2%	Mar-09
			-1.3%	66	1.7%	50	1.0%	61	17.0%	48	16.2%	37	20.4%	Mar-09
<b>Mid/Small Cap Growth</b> Russell 2500 Growth	\$346.9	3.8%	1.1%	52	7.5%	47	10.2%	50	18.5%	43	18.0%	44	20.7%	Mar-09
			0.6%	61	8.1%	41	11.3%	39	20.3%	21	19.5%	20	22.8%	Mar-09
<b>International Passive</b> MSCI ACWI ex USA Gross	\$47.3	0.5%	0.6%	--	4.8%	--	-5.2%	--	9.3%	--	7.9%	--	12.1%	Mar-09
			0.7%	--	4.3%	--	-4.8%	--	9.9%	--	8.2%	--	12.7%	Mar-09
<b>International Equity</b> MSCI ACWI ex USA Gross	\$557.8	6.1%	0.9%	67	5.0%	78	-3.1%	53	10.1%	76	9.4%	56	12.8%	Mar-09
			0.7%	74	4.3%	85	-4.8%	70	9.9%	78	8.2%	79	12.7%	Mar-09
<b>Global Equity</b> MSCI ACWI Gross	\$766.0	8.3%	1.0%	36	4.6%	35	4.8%	24	17.2%	17	14.6%	19	16.2%	Mar-09
			0.5%	52	3.0%	58	1.2%	57	13.6%	60	12.5%	57	15.7%	Mar-09
<b>Inflation Responsive Fund</b> PIMCO Inflation Response Index	\$355.1	3.9%	-0.9%	54	0.0%	33	-6.6%	63	--	--	--	--	-0.8%	Sep-13
			-0.5%	39	-0.9%	47	-7.9%	80	-2.4%	96	2.2%	57	-1.9%	Sep-13
<b>Fixed Income Passive Fund</b> Barclays Aggregate	\$371.9	4.1%	-1.7%	--	-0.2%	--	1.7%	--	1.7%	--	--	--	2.9%	Sep-10
			-1.7%	--	-0.1%	--	1.9%	--	1.8%	--	3.3%	--	3.0%	Sep-10
<b>Fixed Income Fund</b> Barclays Aggregate	\$594.6	6.5%	-1.5%	59	0.4%	43	2.0%	9	2.5%	40	3.8%	47	5.3%	Mar-09
			-1.7%	69	-0.1%	71	1.9%	14	1.8%	65	3.3%	59	4.5%	Mar-09
<b>Stable Value Fund</b> T-BILLS + 1%	\$2,322.2	25.3%	0.5%	45	0.9%	44	1.8%	44	2.1%	33	2.6%	52	2.8%	Jun-09
			0.3%	89	0.5%	89	1.0%	88	1.0%	99	1.1%	99	1.1%	Jun-09

# PERFORMANCE SCORECARD

	Mercer Rating	Return								Risk <sup>1</sup>
		3 Years to 06/30/2015		3 Years to 03/31/2015		3 Years to 12/31/2014		3 Years to 09/30/2014		5 Years to 06/30/2015
		I	U	I	U	I	U	I	U	I
<b>Large Cap Passive Fund (tracked within 20bps)</b>		✓	NA	✓	NA	✓	NA	✓	NA	NA
BlackRock Equity Index Fund	PP	✓	NA	✓	NA	✓	NA	✓	NA	NA
<b>Large Cap Value Fund</b>		✓	✓	✓	✓	✓	✓	✓	✓	NA
Hotchkis & Wiley Large Cap Value	A (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Delaware Large Cap Value <sup>2</sup>	A (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Robeco BP Large Cap Value	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Large Cap Growth Fund</b>		✗	✗	✗	✗	✓	✓	✓	✓	NA
Sands Capital Large Cap Growth	A (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wellington Opportunistic Growth	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Loomis Large Cap Growth <sup>3</sup>	B+ (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓

<sup>1</sup> A check mark is given if the fund's/manager's standard deviation is within 150% of the benchmark's. For the International Equity Fund, the stated threshold is within 125%.

<sup>2</sup> Represents the Delaware Large Cap Growth Composite.

<sup>3</sup> Represents the Loomis Large Cap Growth Composite.

\* A Mercer rating signifies our opinion of a strategy's prospects for outperforming a suitable benchmark over a timeframe appropriate for that particular strategy. Strategies rated A are those assessed as having "above average" prospects of outperformance. Those rated B+ are those assessed as having "above average" prospects of outperformance, but which are qualified by at least one of the following: (1) There are other strategies that Mercer believes are more likely to achieve outperformance; (2) Mercer requires more evidence to support its assessment. Strategies rated B are those assessed as having "average" prospects of outperformance. Those rated C are those assessed as having "below average" prospects of outperformance. The R rating is applied in three situations: (1) Where Mercer has carried out some research, but has not completed its full investment strategy research process; (2) In product categories where Mercer does not maintain formal ratings, but where there are other strategies in which we have a higher degree of confidence; (3) Mercer has in the past carried out its full investment strategy research process, but we are no longer maintaining full research coverage on the strategy. If the rating shown is N, or if no rating is shown at all, this signifies that the strategy is not currently rated by Mercer. Some strategy ratings may carry a supplemental indicator, such as P (Provisional), Watch (W), or High Tracking Error (T). A Preferred Provider status is assigned to high-conviction strategies within product categories for which the primary goal is not outperformance of a benchmark (for example, passive strategies).



# PERFORMANCE SCORECARD

	Mercer Rating	Return								Risk <sup>1</sup>
		3 Years to 06/30/2015		3 Years to 03/31/2015		3 Years to 12/31/2014		3 Years to 09/30/2014		5 Years to 06/30/2015
		I	U	I	U	I	U	I	U	I
<b>Mid/Small Cap Passive Fund (tracked within 30 bps)</b>		✓	NA	✓	NA	✓	NA	✓	NA	NA
BlackRock Russell 2500 Index Fund	PP	✓	NA	✓	NA	✓	NA	✓	NA	NA
<b>Mid/Small Cap Value Fund</b>		✓	✓	✓	✓	✓	✓	✓	✓	NA
Hotchkis & Wiley SMID Cap Value	B+ (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓
EARNEST Partners SMID Cap Value	B+	✓	✓	✓	✓	✓	✓	✓	✓	✓
WEDGE SMID Cap Value	B+	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Mid/Small Cap Growth Fund</b>		✗	✓	✗	✓	✗	✓	✗	✓	NA
TimesSquare SMID Cap Growth	A	✗	✓	✓	✓	✓	✓	✓	✓	✓
Brown Advisory	R	✗	✗	✗	✓	✗	✗	✗	✗	✓

<sup>1</sup> A check mark is given if the fund's/manager's standard deviation is within 150% of the benchmark's. For the International Equity Fund, the stated threshold is within 125%.

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# PERFORMANCE SCORECARD

	Mercer Rating	Return								Risk <sup>1</sup>	
		3 Years to 06/30/2015		3 Years to 03/31/2015		3 Years to 12/31/2014		3 Years to 09/30/2014		5 Years to 06/30/2015	
		I	U	I	U	I	U	I	U	I	
International Passive Fund (tracked within 60 bps)		✓	NA	✓	NA	✗	NA	✓	NA	NA	
BlackRock ACWI ex US Fund	PP	✓	NA	✓	NA	✓	NA	✓	NA	NA	
International Equity Fund		✓	✗	✓	✗	✓	✗	✗	✗	NA	
Baillie Gifford ACWI ex US Growth	A	✓	✗	✓	✗	✓	✗	✓	✗	✓	
Mondrian ACWI ex US Value	B+	✓	✗	✓	✗	✗	✗	✗	✗	✓	
Global Equity Fund		✓	✓	✓	✓	✓	✓	✓	✓	NA	
Wellington Global Opportunities	B+	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Arrowstreet Global Equity ACWI	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	

<sup>1</sup> A check mark is given if the fund's/manager's standard deviation is within 150% of the benchmark's. For the International Equity Fund, the stated threshold is within 125%.

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# PERFORMANCE SCORECARD

	Mercer Rating	Return								Risk <sup>1</sup>
		3 Years to 06/30/2015		3 Years to 03/31/2015		3 Years to 12/31/2014		3 Years to 09/30/2014		5 Years to 06/30/2015
		I	U	I	U	I	U	I	U	I
<b>Inflation Responsive Fund</b>		NA	NA	NA	NA	NA	NA	NA	NA	NA
PIMCO Inflation Response-Multi Asset <sup>2</sup>	B+ (W)	✓	✗	✓	✗	✓	✗	✓	✓	NA
<b>Fixed Income Passive Fund (tracked within 25 bps)</b>		✓	NA	✓	NA	✓	NA	✓	NA	NA
BlackRock Debt Index Fund	N	✓	NA	✓	NA	✓	NA	✓	NA	NA
<b>Fixed Income Fund</b>		✓	✓	✓	✓	✓	✓	✓	✓	NA
JP Morgan Core Bond	A	✓	✗	✓	✗	✓	✗	✓	✗	✓
Prudential Core Plus <sup>3</sup>	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Stable Value Fund</b>		✓	✓	✓	✓	✓	✓	✓	✓	NA

<sup>1</sup> A check mark is given if the fund's/manager's standard deviation is within 150% of the benchmark's. For the International Equity Fund, the stated threshold is within 125%.

<sup>2</sup> Represents the PIMCO IRMAF composite.

<sup>3</sup> Represents the Prudential Core Plus Composite.

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# WATCH LIST

Manager	Date Placed on Watch	Mercer Rating*	Recommendation	Comments
PIMCO Inflation-Responsive Multi Asset	3Q14	B+ (W)	Maintain Watch Status	Recent organizational changes at PIMCO and the appointment of portfolio manager Mihir Worah as co-portfolio manager of the Total Return Fund led to watch status of the Fund. Worah will have increased responsibilities, which will likely increase the responsibilities of his team members. Additionally, Worah will have to take on additional responsibility with the firing of TIPS portfolio manager Rahul Seksaria. We feel that the IRMAF team is very capable but will continue to closely monitor how they adapt to the situation. The strategy trailed the index by 20 basis points during the second quarter and ranked in the bottom half of the peer group universe. The long US Dollar position relative to the euro detracted from performance, as the euro appreciated relative to the dollar. Additionally, an overweight allocation to precious metals hurt results, as prices fell at the end of the quarter. Over the trailing year the fund has outperformed the benchmark by 220 basis points and ranked in the top half of the diversified inflation hedge universe. Mercer recommends maintaining the watch status as we continue to monitor organizational developments at PIMCO.
Brown Small Cap Growth	Proposed 2Q15	R	Add to watch list	Brown seeks to find small capitalization securities that have above average growth, sound management, and favorable competitive positioning. Mercer has researched the strategy in the past and believed that the strategy had a few unique features. Brown will focus on valuation, and will wait for the price of a stock, in a company they think has good long term prospects, to come in before purchasing shares. Additionally, the firm will use its network of contacts in the venture capital, private equity, and private sector, in order to understand emerging trends and differentiated products and services. The strategy has struggled recently, most notably in the health care sector. The Fund has maintained an underweight in the sector and most of that has been towards the biotechnology sector, which has now grown to become 6.6% of the Russell 2000 Index. Biotechnology stocks have soared over the past three years with the surge in M&A activity and Brown's lack of exposure has hurt relative results. Brown has outperformed its custom benchmark over the last two quarters even with the underperformance in the health care sector. Mercer recommends that the fund be added to the watch list given the longer-term struggles.

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# FEE REVIEW

A	B	C	D	E	F	G	H	I	J
						C+D+E+F	B*G		G-I
Funds and Sub-Advisors	Assets	Inv. Mgmt. Fee	Other Inv. Exp. <sup>1</sup>	R/K Fee	NC Budget <sup>2</sup>	Total Estimated Expense (%)	Total Estimated Expense (\$) <sup>3</sup>	Mercer Median Expense <sup>4</sup>	Difference
<b>North Carolina Stable Value Fund</b>	<b>\$2,322,182,583</b>	<b>0.339%</b>	<b>0.000%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.443%</b>	<b>\$10,287,269</b>	<b>0.46%</b>	<b>-0.02%</b>
Galliard	\$2,322,182,583	0.339%	0.000%				\$7,872,199	0.46%	-0.12%
<b>North Carolina Fixed Income Passive</b>	<b>\$371,854,828</b>	<b>0.020%</b>	<b>0.055%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.179%</b>	<b>\$665,620</b>	<b>0.20%</b>	<b>-0.02%</b>
BlackRock	\$371,854,828	0.020%	0.055%				\$74,371	0.02%	0.00%
<b>North Carolina Fixed Income Fund</b>	<b>\$594,603,627</b>	<b>0.163%</b>	<b>0.069%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.337%</b>	<b>\$2,001,811</b>	<b>0.50%</b>	<b>-0.16%</b>
50% JP Morgan	\$297,342,792	0.187%	0.068%				\$555,217	0.22%	-0.04%
50% Prudential	\$297,260,835	0.140%	0.071%				\$416,165	0.25%	-0.11%
<b>North Carolina Inflation Sensitive Fund</b>	<b>\$355,091,205</b>	<b>0.650%</b>	<b>0.071%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.825%</b>	<b>\$2,928,792</b>	<b>0.88%</b>	<b>-0.06%</b>
PIMCO	\$355,091,205	0.650%	0.071%				\$2,308,093	0.88%	-0.23%
<b>North Carolina Large Cap Passive Fund</b>	<b>\$1,302,312,101</b>	<b>0.007%</b>	<b>0.055%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.166%</b>	<b>\$2,161,838</b>	<b>0.20%</b>	<b>-0.03%</b>
BlackRock	\$1,302,312,101	0.007%	0.055%				\$91,162	0.01%	0.00%
<b>North Carolina Large Cap Value Fund</b>	<b>\$918,422,531</b>	<b>0.380%</b>	<b>0.068%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.552%</b>	<b>\$5,069,271</b>	<b>0.76%</b>	<b>-0.21%</b>
33.3% Hotchkis & Wiley	\$314,483,789	0.500%	0.068%				\$1,572,419	0.43%	0.07%
33.3% Delaware	\$300,325,053	0.300%	0.068%				\$900,650	0.43%	-0.13%
33.3% Robeco BP	\$303,613,689	0.341%	0.068%				\$1,035,841	0.43%	-0.09%
<b>North Carolina Large Cap Growth Fund</b>	<b>\$896,530,940</b>	<b>0.420%</b>	<b>0.068%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.591%</b>	<b>\$5,301,400</b>	<b>0.80%</b>	<b>-0.20%</b>
33.3% Sands Capital Management	\$305,504,890	0.510%	0.068%				\$1,558,539	0.47%	0.05%
33.3% Wellington Management Company	\$298,152,858	0.350%	0.068%				\$1,043,535	0.60%	-0.25%
33.3% Loomis Sayles	\$292,873,192	0.399%	0.068%				\$1,168,620	0.47%	-0.07%
<b>North Carolina SMID Cap Passive Fund</b>	<b>\$236,068,758</b>	<b>0.007%</b>	<b>0.055%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.166%</b>	<b>\$391,874</b>	<b>0.25%</b>	<b>-0.08%</b>
BlackRock	\$236,068,758	0.007%	0.055%				\$16,525	0.02%	-0.01%
<b>North Carolina SMID Value Fund</b>	<b>\$462,431,036</b>	<b>0.615%</b>	<b>0.068%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.787%</b>	<b>\$3,637,397</b>	<b>1.00%</b>	<b>-0.21%</b>
33.3% Hotchkis & Wiley	\$149,148,573	0.580%	0.068%				\$865,743	0.61%	-0.03%
33.3% EARNEST Partners	\$156,108,605	0.521%	0.068%				\$813,848	0.80%	-0.28%
33.3% WEDGE Capital Management	\$157,173,858	0.743%	0.068%				\$1,168,043	0.75%	0.00%
<b>North Carolina SMID Growth Fund</b>	<b>\$346,896,999</b>	<b>0.686%</b>	<b>0.068%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.857%</b>	<b>\$2,974,121</b>	<b>0.99%</b>	<b>-0.13%</b>
50% TimesSquare Capital Management	\$173,532,333	0.808%	0.068%				\$1,401,492	0.77%	0.04%
50% Brown Advisory	\$173,364,666	0.564%	0.068%				\$977,558	0.79%	-0.23%
<b>North Carolina International Passive Fund</b>	<b>\$47,336,268</b>	<b>0.025%</b>	<b>0.055%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.184%</b>	<b>\$86,957</b>	<b>0.34%</b>	<b>-0.16%</b>
BlackRock	\$47,336,268	0.025%	0.055%				\$11,692	0.06%	-0.04%
<b>North Carolina International Equity Fund</b>	<b>\$557,789,711</b>	<b>0.449%</b>	<b>0.083%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.637%</b>	<b>\$3,550,360</b>	<b>0.97%</b>	<b>-0.33%</b>
50% Baillie Gifford	\$279,100,944	0.445%	0.083%				\$1,241,404	0.55%	-0.10%
50% Mondrian Investment Partners	\$278,688,768	0.454%	0.083%				\$1,264,755	0.55%	-0.10%
<b>North Carolina Global Equity Fund</b>	<b>\$766,008,046</b>	<b>0.548%</b>	<b>0.073%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.725%</b>	<b>\$5,552,469</b>	<b>1.00%</b>	<b>-0.28%</b>
50% Wellington Management Company	\$390,597,020	0.500%	0.073%				\$1,952,985	0.53%	-0.03%
50% Arrowstreet	\$375,411,026	0.597%	0.072%				\$2,239,761	0.53%	0.06%
<b>Total</b>	<b>\$9,177,528,635</b>	<b>0.333%</b>	<b>0.049%</b>	<b>0.079%</b>	<b>0.025%</b>	<b>0.486%</b>	<b>\$44,609,179</b>	<b>0.611%</b>	

<sup>1</sup>Includes the ongoing administration, legal, accounting, auditing, custody, NAV calculation, reporting, compliance, and other miscellaneous fund expenses associated with the separate account.

<sup>2</sup>The cost of the budget associated with the management of the Supplemental Retirement Plans, borne by each investment option in proportion to the pro-rate share of the applicable assets in that fund.

<sup>3</sup>Manager fee estimates reflect investment management fee only.

<sup>4</sup>Total Fund median expenses are compared against their respective Mercer Mutual Fund Institutional Universe, while the individual managers are compared to peers with the same vehicle and strategy assets.

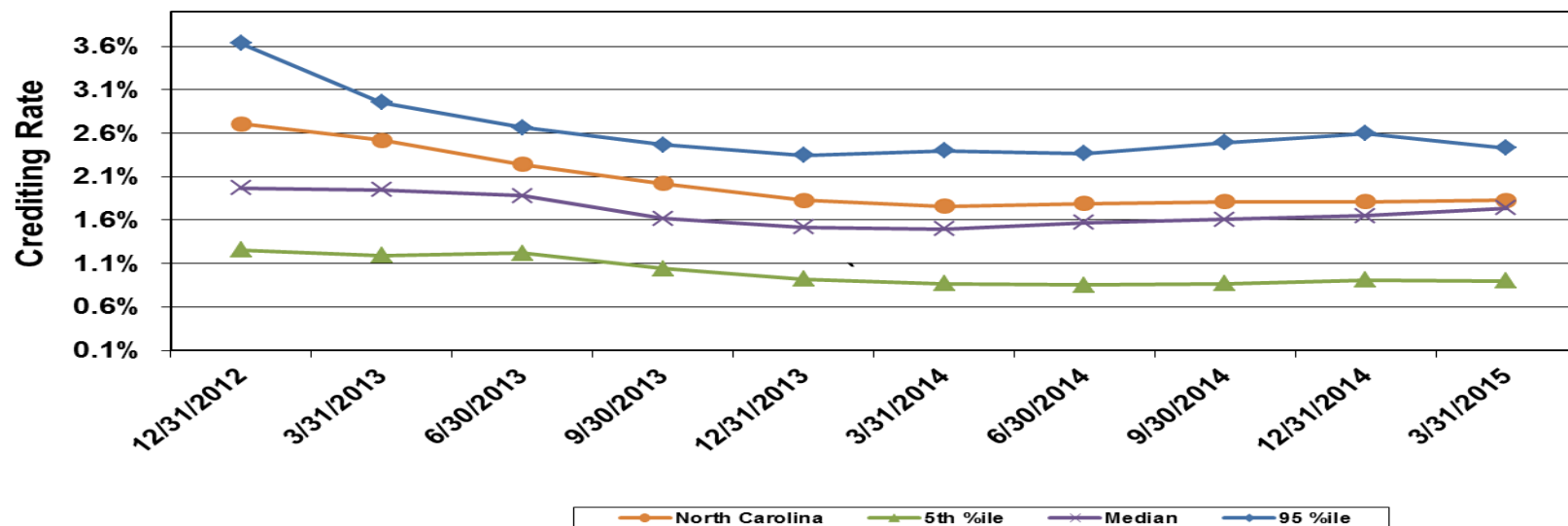
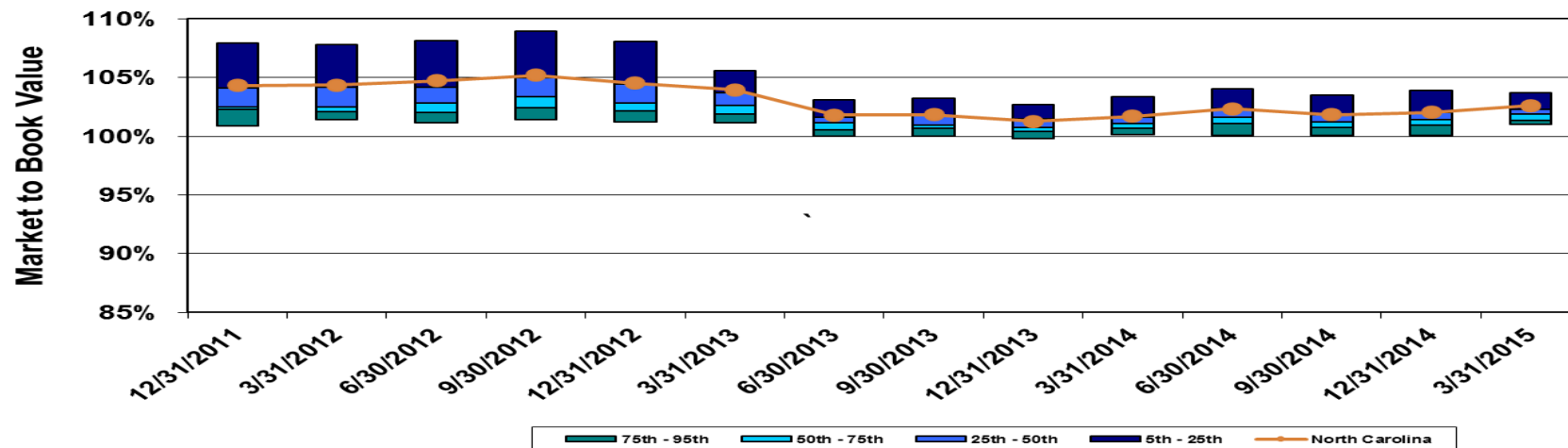


# FEE REVIEW

<b>North Carolina 401K Stable Value Total Annual Fund Operating Expenses</b>	<b>Expense Ratio</b>	<b>Per \$1000</b>
Investment Management fee paid to Galliard	0.073%	\$0.73
Investment Management fees paid to Non-Affiliated Investment Advisors	0.045%	\$0.45
Investment Contract Fees*	0.173%	\$1.73
Acquired Fund Fees**	0.046%	\$0.46
Investment Contract Fees	0.013%	\$0.13
Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors***	0.033%	\$0.33
12b-1 Distribution Fee	None	None
Other Expenses	0.104%	\$1.04
<b>Total Annual Fund Operating Expenses****</b>	<b>0.441%</b>	<b>\$4.41</b>

<b>North Carolina 457 Stable Value Total Annual Fund Operating Expenses</b>	<b>Expense Ratio</b>	<b>Per \$1000</b>
Investment Management fee paid to Galliard	0.073%	\$0.73
Investment Management fees paid to Non-Affiliated Investment Advisors	0.047%	\$0.47
Investment Contract Fees*	0.176%	\$1.76
Acquired Fund Fees**	0.043%	\$0.43
Investment Contract Fees	0.013%	\$0.13
Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors***	0.030%	\$0.30
12b-1 Distribution Fee	None	None
Other Expenses	0.104%	\$1.04
<b>Total Annual Fund Operating Expenses****</b>	<b>0.443%</b>	<b>\$4.43</b>

# STABLE VALUE REVIEW



# FUND REVIEW

## GOALMAKER PERFORMANCE AS OF JUNE 30, 2015

Name	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Conservative 0-5 Yrs</b>	<b>-0.2%</b>	<b>24</b>	<b>1.3%</b>	<b>61</b>	<b>2.3%</b>	<b>28</b>	<b>5.3%</b>	<b>91</b>	<b>6.4%</b>	<b>88</b>
Conservative 0-5 Yrs Benchmark	-0.4%	30	1.0%	69	1.8%	41	4.6%	93	5.1%	99
<b>Conservative 6-10 Yrs</b>	<b>-0.1%</b>	<b>22</b>	<b>1.7%</b>	<b>48</b>	<b>2.5%</b>	<b>28</b>	<b>6.6%</b>	<b>85</b>	<b>7.6%</b>	<b>82</b>
Conservative 6-10 Yrs Benchmark	-0.2%	28	1.4%	57	1.9%	53	6.0%	86	6.3%	94
<b>Conservative 11-15 Yrs</b>	<b>-0.1%</b>	<b>30</b>	<b>2.1%</b>	<b>36</b>	<b>2.8%</b>	<b>25</b>	<b>8.9%</b>	<b>77</b>	<b>9.4%</b>	<b>86</b>
Conservative 11-15 Yrs Benchmark	-0.2%	38	1.8%	55	2.3%	43	8.4%	81	8.6%	99
<b>Conservative 16+ Yrs</b>	<b>0.1%</b>	<b>31</b>	<b>2.6%</b>	<b>27</b>	<b>3.0%</b>	<b>33</b>	<b>11.4%</b>	<b>48</b>	<b>11.4%</b>	<b>45</b>
Conservative +16 Yrs Benchmark	0.0%	37	2.4%	37	2.5%	50	11.0%	59	10.8%	69

Name	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Moderate 0-5 Yrs</b>	<b>-0.1%</b>	<b>16</b>	<b>1.8%</b>	<b>27</b>	<b>2.6%</b>	<b>20</b>	<b>7.4%</b>	<b>69</b>	<b>8.1%</b>	<b>78</b>
Moderate 0-5 Yrs Benchmark	-0.2%	24	1.5%	43	2.0%	34	6.8%	80	7.0%	87
<b>Moderate 6-10 Yrs</b>	<b>-0.1%</b>	<b>22</b>	<b>2.1%</b>	<b>24</b>	<b>2.8%</b>	<b>20</b>	<b>8.9%</b>	<b>48</b>	<b>9.2%</b>	<b>62</b>
Moderate 6-10 Yrs Benchmark	-0.2%	26	1.8%	34	2.3%	37	8.4%	58	8.6%	67
<b>Moderate 11-15 Yrs</b>	<b>0.0%</b>	<b>22</b>	<b>2.5%</b>	<b>22</b>	<b>2.9%</b>	<b>23</b>	<b>10.7%</b>	<b>42</b>	<b>10.9%</b>	<b>37</b>
Moderate 11-15 Yrs Benchmark	-0.1%	25	2.2%	32	2.4%	42	10.2%	51	10.2%	72
<b>Moderate 16+ Yrs</b>	<b>0.3%</b>	<b>21</b>	<b>3.2%</b>	<b>15</b>	<b>3.0%</b>	<b>33</b>	<b>13.4%</b>	<b>4</b>	<b>12.8%</b>	<b>6</b>
Moderate +16 Yrs Benchmark	0.2%	25	2.9%	20	2.5%	50	13.0%	5	12.5%	23

Name	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Aggressive 0-5 Yrs</b>	<b>-0.1%</b>	<b>16</b>	<b>2.2%</b>	<b>13</b>	<b>2.9%</b>	<b>4</b>	<b>9.3%</b>	<b>5</b>	<b>10.0%</b>	<b>7</b>
Aggressive 0-5 Yrs Benchmark	-0.2%	23	1.9%	27	2.4%	25	8.8%	23	9.0%	46
<b>Aggressive 6-10 Yrs</b>	<b>0.0%</b>	<b>14</b>	<b>2.5%</b>	<b>13</b>	<b>2.9%</b>	<b>19</b>	<b>10.7%</b>	<b>4</b>	<b>11.0%</b>	<b>5</b>
Aggressive 6-10 Yrs Benchmark	-0.1%	22	2.2%	17	2.4%	33	10.2%	12	10.2%	32
<b>Aggressive 11-15 Yrs</b>	<b>0.2%</b>	<b>14</b>	<b>3.0%</b>	<b>12</b>	<b>3.1%</b>	<b>16</b>	<b>12.8%</b>	<b>2</b>	<b>12.4%</b>	<b>5</b>
Aggressive 11-15 Yrs Benchmark	0.1%	21	2.8%	15	2.6%	34	12.4%	4	12.0%	6
<b>Aggressive 16+ Yrs</b>	<b>0.4%</b>	<b>13</b>	<b>3.7%</b>	<b>6</b>	<b>3.2%</b>	<b>28</b>	<b>15.4%</b>	<b>1</b>	<b>14.3%</b>	<b>1</b>
Aggressive +16 Yrs Benchmark	0.3%	20	3.4%	9	2.6%	45	15.1%	1	14.2%	1

- The GoalMaker Portfolios had competitive performance versus their benchmarks over the time periods evaluated ended June 30, 2015.



# FUND REVIEW

## MANAGER PERFORMANCE AS OF JUNE 30, 2015

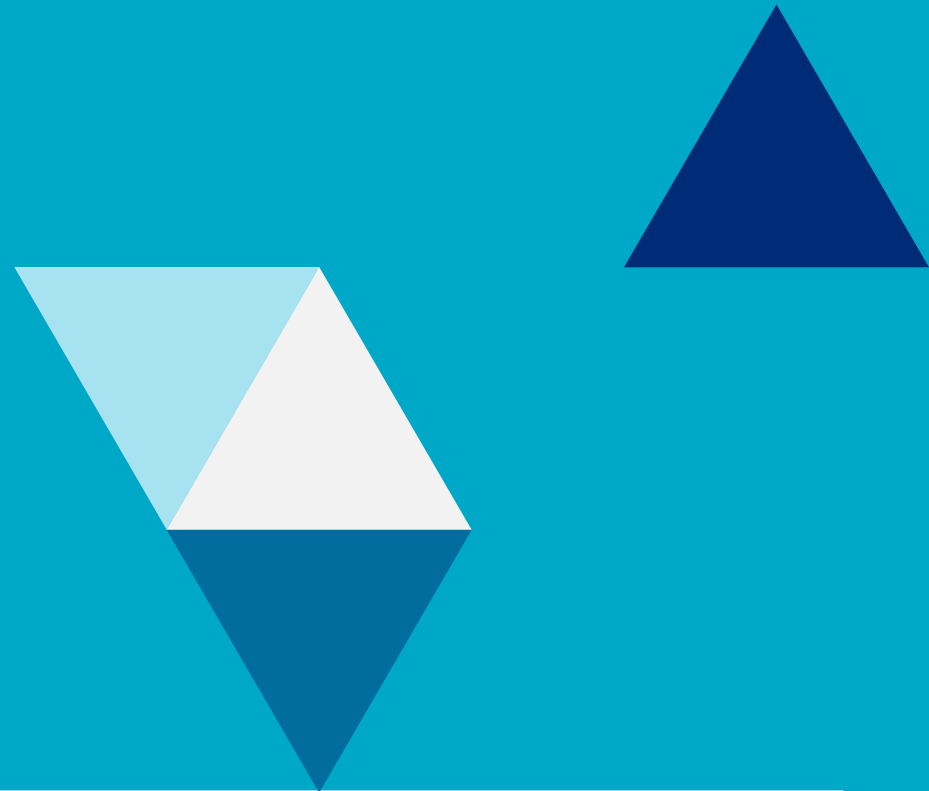
Name	Market Value		3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Inception	
	(\$m)	(%)											Return	Since
NCSRP BlackRock Equity Index	\$1,302.3	14.2%	0.3%	--	1.2%	--	7.4%	--	17.3%	--	17.3%	--	19.0%	Mar-09
S&P 500			0.3%	--	1.2%	--	7.4%	--	17.3%	--	17.3%	--	18.9%	Mar-09
NCSRP Hotchkis & Wiley Large Cap Value	\$314.5	3.4%	1.4%	14	1.5%	33	6.1%	37	21.4%	6	18.8%	11	22.7%	Mar-09
Russell 1000 Value			0.1%	52	-0.6%	78	4.1%	60	17.3%	60	16.5%	62	18.8%	Mar-09
NCSRP Delaware Large Cap Value	\$300.3	3.3%	--	--	--	--	--	--	--	--	--	--	-3.7%	Mar-09
Delaware Large Cap Value			-1.5%	94	0.5%	53	5.8%	40	18.3%	43	19.6%	3	-3.6%	Jul-10
Russell 1000 Value			0.1%	52	-0.6%	78	4.1%	60	17.3%	60	16.5%	62	-2.0%	Mar-09
NCSRP Robeco BP Large Cap Value	\$303.6	3.3%	0.5%	39	0.6%	50	6.6%	26	19.4%	33	--	--	19.8%	Nov-11
Robeco BP Large Cap Value Strategy			0.5%	39	0.4%	54	6.5%	28	19.2%	36	18.0%	24	19.6%	Nov-11
Russell 1000 Value			0.1%	52	-0.6%	78	4.1%	60	17.3%	60	16.5%	62	17.7%	Nov-11
NCSRP Sands Capital Large Cap Growth	\$305.5	3.3%	0.2%	68	0.8%	96	8.2%	79	19.3%	34	22.4%	1	26.0%	Mar-09
Russell 1000 Growth			0.1%	70	4.0%	57	10.6%	60	18.0%	56	18.6%	42	19.8%	Mar-09
NCSRP Wellington Opportunistic Growth	\$298.2	3.2%	1.1%	40	6.0%	29	10.1%	62	20.3%	24	18.2%	49	19.9%	Mar-09
Russell 1000 Growth			0.1%	70	4.0%	57	10.6%	60	18.0%	56	18.6%	42	19.8%	Mar-09
Russell 3000 Growth			0.3%	66	4.3%	50	10.7%	59	18.2%	54	18.6%	42	20.0%	Mar-09
NCSRP Loomis Large Cap Growth	\$292.9	3.2%	-0.2%	77	3.3%	71	--	--	--	--	--	--	12.7%	Aug-14
Loomis Large Cap Growth Strategy			0.0%	72	3.1%	74	10.1%	63	20.3%	24	19.2%	37	12.4%	Aug-14
Russell 1000 Growth			0.1%	70	4.0%	57	10.6%	60	18.0%	56	18.6%	42	12.3%	Aug-14
NCSRP BlackRock Russell 2500 Index Fund	\$236.1	2.6%	-0.3%	--	4.9%	--	6.0%	--	18.8%	--	18.0%	--	21.7%	Mar-09
Russell 2500			-0.3%	--	4.8%	--	5.9%	--	18.7%	--	17.9%	--	21.6%	Mar-09
NCSRP Hotchkis & Wiley	\$149.1	1.6%	-1.4%	80	-1.0%	99	0.2%	75	21.5%	11	21.3%	1	27.3%	Mar-09
Hotchkis Custom SMID Value Index			-1.3%	76	1.7%	78	1.0%	73	17.0%	63	16.2%	69	21.1%	Mar-09
NCSRP EARNEST Partners	\$156.1	1.7%	-1.1%	72	4.5%	35	5.8%	32	20.1%	24	17.5%	53	20.9%	Mar-09
EARNEST Custom SMID Value Index			-1.3%	76	1.7%	78	1.0%	73	17.0%	63	15.7%	72	19.6%	Mar-09
NCSRP WEDGE SMID Cap Value	\$157.2	1.7%	-0.5%	56	2.7%	58	9.0%	14	20.6%	19	--	--	20.6%	Dec-11
WEDGE SMID Cap Value Strategy			-0.6%	60	2.7%	58	8.9%	15	20.6%	18	18.9%	15	20.6%	Dec-11
Russell 2500 Value			-1.3%	76	1.7%	78	1.0%	73	17.0%	63	16.2%	69	17.0%	Dec-11
NCSRP TimesSquare Composite	\$173.5	1.9%	0.8%	73	6.2%	75	8.7%	74	20.1%	33	19.3%	61	21.7%	Mar-09
NCSRP TimesSquare SMID Growth			0.8%	73	6.2%	75	8.7%	74	20.1%	33	--	--	--	Jul-11
TimesSquare Growth Strategy			0.8%	73	6.3%	74	8.9%	68	20.1%	32	20.8%	29	23.6%	Mar-09
TimesSquare Custom SMID Growth Index			0.6%	74	8.1%	55	11.3%	41	20.3%	31	19.3%	61	22.4%	Mar-09

# FUND REVIEW

## MANAGER PERFORMANCE AS OF JUNE 30, 2015

Name	Market Value		3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Inception	
	(\$m)	(%)											Return	Since
<b>NCSRP Brown Advisory</b>	<b>\$173.4</b>	<b>1.9%</b>	<b>1.9%</b>	<b>50</b>	<b>9.6%</b>	<b>26</b>	<b>13.6%</b>	<b>24</b>	<b>18.9%</b>	<b>53</b>	<b>19.0%</b>	<b>62</b>	<b>22.0%</b>	<b>Mar-09</b>
Brown Custom SMID Growth Index			0.6%	74	8.1%	55	11.3%	41	20.3%	31	19.3%	61	22.3%	Mar-09
<b>NCSRP BlackRock ACWI ex US Fund</b>	<b>\$47.3</b>	<b>0.5%</b>	<b>0.6%</b>	<b>--</b>	<b>4.8%</b>	<b>--</b>	<b>-5.2%</b>	<b>--</b>	<b>9.5%</b>	<b>--</b>	<b>8.1%</b>	<b>--</b>	<b>12.3%</b>	<b>Mar-09</b>
MSCI ACWI ex USA Gross			0.7%	--	4.3%	--	-4.8%	--	9.9%	--	8.2%	--	12.7%	Mar-09
<b>NCSRP Baillie Gifford ACWI ex US Growth</b>	<b>\$279.1</b>	<b>3.0%</b>	<b>2.3%</b>	<b>26</b>	<b>6.4%</b>	<b>52</b>	<b>0.4%</b>	<b>22</b>	<b>11.8%</b>	<b>70</b>	<b>11.2%</b>	<b>45</b>	<b>15.8%</b>	<b>Mar-09</b>
MSCI ACWI ex USA Gross			0.7%	72	4.3%	86	-4.8%	83	9.9%	92	8.2%	91	12.7%	Mar-09
MSCI AC Wld ex US Growth Gross			0.7%	72	5.7%	68	-1.7%	50	10.5%	85	8.8%	86	12.8%	Mar-09
<b>NCSRP Mondrian ACWI ex US Value</b>	<b>\$278.7</b>	<b>3.0%</b>	<b>-0.1%</b>	<b>90</b>	<b>4.3%</b>	<b>88</b>	<b>-5.1%</b>	<b>84</b>	<b>10.0%</b>	<b>91</b>	<b>8.9%</b>	<b>84</b>	<b>11.6%</b>	<b>Mar-09</b>
MSCI ACWI ex USA Gross			0.7%	72	4.3%	86	-4.8%	83	9.9%	92	8.2%	91	12.7%	Mar-09
MSCI AC Wld Ex US Value Gross			0.7%	72	3.0%	96	-8.0%	97	9.3%	95	7.6%	95	12.5%	Mar-09
<b>NCSRP Wellington Global Composite</b>	<b>\$390.6</b>	<b>4.3%</b>	<b>1.8%</b>	<b>28</b>	<b>6.5%</b>	<b>17</b>	<b>8.5%</b>	<b>10</b>	<b>19.3%</b>	<b>8</b>	<b>16.4%</b>	<b>13</b>	<b>17.8%</b>	<b>Mar-09</b>
<b>NCSRP Wellington Global Opportunities</b>			<b>1.8%</b>	<b>28</b>	<b>6.5%</b>	<b>17</b>	<b>8.5%</b>	<b>10</b>	<b>19.3%</b>	<b>8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>Mar-09</b>
<b>Wellington Global Opportunities Strategy</b>			<b>1.8%</b>	<b>28</b>	<b>6.3%</b>	<b>18</b>	<b>8.8%</b>	<b>9</b>	<b>19.6%</b>	<b>7</b>	<b>17.0%</b>	<b>9</b>	<b>19.4%</b>	<b>Mar-09</b>
MSCI ACWI Gross			0.5%	62	3.0%	69	1.2%	63	13.6%	72	12.5%	70	15.7%	Mar-09
<b>NCSRP Arrowstreet Global Equity ACWI</b>	<b>\$375.4</b>	<b>4.1%</b>	<b>0.5%</b>	<b>61</b>	<b>3.5%</b>	<b>59</b>	<b>2.5%</b>	<b>51</b>	<b>16.8%</b>	<b>29</b>	<b>--</b>	<b>--</b>	<b>13.2%</b>	<b>Mar-12</b>
<b>Arrowstreet Global Equity ACWI Strategy</b>			<b>0.2%</b>	<b>71</b>	<b>4.8%</b>	<b>38</b>	<b>5.4%</b>	<b>25</b>	<b>19.3%</b>	<b>8</b>	<b>15.7%</b>	<b>18</b>	<b>15.4%</b>	<b>Mar-12</b>
MSCI ACWI Gross			0.5%	62	3.0%	69	1.2%	63	13.6%	72	12.5%	70	10.6%	Mar-12
<b>NCSRP PIMCO Inflation Response Multi-Asset</b>	<b>\$355.1</b>	<b>3.9%</b>	<b>-0.7%</b>	<b>45</b>	<b>0.5%</b>	<b>27</b>	<b>-5.7%</b>	<b>44</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0.2%</b>	<b>Sep-13</b>
<b>PIMCO Inflation Response Multi-Asset Strategy</b>			<b>-1.3%</b>	<b>88</b>	<b>0.6%</b>	<b>26</b>	<b>-6.6%</b>	<b>63</b>	<b>-1.2%</b>	<b>88</b>	<b>--</b>	<b>--</b>	<b>0.0%</b>	<b>Sep-13</b>
PIMCO Inflation Response Index			-0.5%	39	-0.9%	47	-7.9%	80	-2.4%	96	2.2%	57	-1.9%	Sep-13
Consumer Price Index			1.1%	9	1.6%	17	0.1%	14	1.3%	35	1.8%	60	1.1%	Sep-13
<b>NCSRP BlackRock Debt Index Fund</b>	<b>\$371.9</b>	<b>4.1%</b>	<b>-1.7%</b>	<b>--</b>	<b>-0.1%</b>	<b>--</b>	<b>1.9%</b>	<b>--</b>	<b>1.9%</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3.0%</b>	<b>Sep-10</b>
<b>BlackRock Debt Index Fund Strategy</b>			<b>-1.7%</b>	<b>--</b>	<b>-0.1%</b>	<b>--</b>	<b>1.9%</b>	<b>--</b>	<b>1.9%</b>	<b>--</b>	<b>3.4%</b>	<b>--</b>	<b>3.0%</b>	<b>Sep-10</b>
Barclays Aggregate			-1.7%	--	-0.1%	--	1.9%	--	1.8%	--	3.3%	--	3.0%	Sep-10
<b>NCSRP JP Morgan Core Bond</b>	<b>\$297.3</b>	<b>3.2%</b>	<b>-1.0%</b>	<b>18</b>	<b>0.9%</b>	<b>9</b>	<b>3.0%</b>	<b>3</b>	<b>2.6%</b>	<b>51</b>	<b>4.5%</b>	<b>38</b>	<b>5.4%</b>	<b>Mar-09</b>
Barclays Aggregate			-1.7%	71	-0.1%	79	1.9%	55	1.8%	89	3.3%	91	4.5%	Mar-09
<b>NCSRP Prudential Core Plus</b>	<b>\$297.3</b>	<b>3.2%</b>	<b>-1.9%</b>	<b>88</b>	<b>0.2%</b>	<b>51</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0.2%</b>	<b>Dec-14</b>
Barclays Aggregate			-1.7%	71	-0.1%	79	1.9%	55	1.8%	89	3.3%	91	-0.1%	Dec-14

# APPENDIX



# NET PERFORMANCE AS OF JUNE 30, 2015

	Ending June 30, 2015				Inception	
	3 Mo	1 Yr	3 Yrs	5 Yrs	Return	Since
<b>Large Cap Passive</b>	<b>0.2%</b>	<b>7.2%</b>	<b>17.1%</b>	<b>17.2%</b>	<b>18.8%</b>	<b>Mar-09</b>
S&P 500	0.3%	7.4%	17.3%	17.3%	18.9%	Mar-09
NCSRP BlackRock Equity Index	0.3%	7.4%	17.3%	17.3%	18.9%	Mar-09
S&P 500	0.3%	7.4%	17.3%	17.3%	18.9%	Mar-09
<b>Large Cap Value</b>	<b>0.3%</b>	<b>5.3%</b>	<b>18.3%</b>	<b>16.8%</b>	<b>17.6%</b>	<b>Mar-09</b>
Russell 1000 Value	0.1%	4.1%	17.3%	16.5%	18.8%	Mar-09
NCSRP Hotchkis & Wiley Large Cap Value	1.3%	5.6%	20.8%	18.2%	22.1%	Mar-09
Russell 1000 Value	0.1%	4.1%	17.3%	16.5%	18.8%	Mar-09
NCSRP Delaware Large Cap Value	--	--	--	--	-3.7%	Mar-09
Russell 1000 Value	0.1%	4.1%	17.3%	16.5%	-2.0%	Mar-09
NCSRP Robeco BP Large Cap Value	0.4%	6.3%	19.0%	--	19.4%	Nov-11
Russell 1000 Value	0.1%	4.1%	17.3%	16.5%	17.7%	Nov-11
<b>Large Cap Growth</b>	<b>0.2%</b>	<b>9.1%</b>	<b>17.7%</b>	<b>18.8%</b>	<b>21.5%</b>	<b>Mar-09</b>
Russell 1000 Growth	0.1%	10.6%	18.0%	18.6%	19.8%	Mar-09
NCSRP Sands Capital Large Cap Growth	0.0%	7.6%	18.7%	21.8%	25.4%	Mar-09
Russell 1000 Growth	0.1%	10.6%	18.0%	18.6%	19.8%	Mar-09
NCSRP Wellington Opportunistic Growth	1.0%	9.8%	19.9%	17.8%	19.4%	Mar-09
Russell 1000 Growth	0.1%	10.6%	18.0%	18.6%	19.8%	Mar-09
Russell 3000 Growth	0.3%	10.7%	18.2%	18.6%	20.0%	Mar-09
NCSRP Loomis Large Cap Growth	-0.3%	--	--	--	12.3%	Aug-14
Russell 1000 Growth	0.1%	10.6%	18.0%	18.6%	12.3%	Aug-14
<b>Mid/Small Cap Passive</b>	<b>-0.3%</b>	<b>5.9%</b>	<b>18.6%</b>	<b>17.8%</b>	<b>21.5%</b>	<b>Mar-09</b>
Russell 2500	-0.3%	5.9%	18.7%	17.9%	21.6%	Mar-09
NCSRP BlackRock Russell 2500 Index Fund	-0.3%	6.0%	18.7%	17.9%	21.7%	Mar-09
Russell 2500	-0.3%	5.9%	18.7%	17.9%	21.6%	Mar-09
<b>Mid/Small Cap Value</b>	<b>-1.2%</b>	<b>4.2%</b>	<b>20.0%</b>	<b>18.9%</b>	<b>24.2%</b>	<b>Mar-09</b>
Russell 2500 Value	-1.3%	1.0%	17.0%	16.2%	20.4%	Mar-09
NCSRP Hotchkis & Wiley	-1.6%	-0.4%	20.7%	20.6%	26.5%	Mar-09
Hotchkis Custom SMID Value Index	-1.3%	1.0%	17.0%	16.2%	21.1%	Mar-09
NCSRP EARNEST Partners	-1.2%	5.2%	19.5%	16.8%	20.2%	Mar-09
EARNEST Custom SMID Value Index	-1.3%	1.0%	17.0%	15.7%	19.6%	Mar-09
NCSRP WEDGE SMID Cap Value	-0.7%	8.2%	19.7%	--	19.7%	Dec-11
Russell 2500 Value	-1.3%	1.0%	17.0%	16.2%	17.0%	Dec-11
<b>Mid/Small Cap Growth</b>	<b>1.1%</b>	<b>10.2%</b>	<b>18.5%</b>	<b>18.0%</b>	<b>20.7%</b>	<b>Mar-09</b>
Russell 2500 Growth	0.6%	11.3%	20.3%	19.5%	22.8%	Mar-09

	Ending June 30, 2015				Inception	
	3 Mo	1 Yr	3 Yrs	5 Yrs	Return	Since
NCSRP TimesSquare	0.6%	7.8%	19.0%	18.4%	20.8%	Mar-09
TimesSquare Custom SMID Growth Index	0.6%	11.3%	20.3%	19.3%	22.4%	Mar-09
NCSRP Brown Advisory	1.8%	13.0%	18.3%	18.3%	21.3%	Mar-09
Brown Custom SMID Growth Index	0.6%	11.3%	20.3%	19.3%	22.3%	Mar-09
<b>International Passive</b>	<b>0.6%</b>	<b>-5.2%</b>	<b>9.3%</b>	<b>7.9%</b>	<b>12.1%</b>	<b>Mar-09</b>
MSCI ACWI ex USA Gross	0.7%	-4.8%	9.9%	8.2%	12.7%	Mar-09
NCSRP BlackRock ACWI ex US Fund	0.6%	-5.2%	9.4%	8.0%	12.2%	Mar-09
MSCI ACWI ex USA Gross	0.7%	-4.8%	9.9%	8.2%	12.7%	Mar-09
<b>International Equity</b>	<b>0.9%</b>	<b>-3.1%</b>	<b>10.1%</b>	<b>9.4%</b>	<b>12.8%</b>	<b>Mar-09</b>
MSCI ACWI ex USA Gross	0.7%	-4.8%	9.9%	8.2%	12.7%	Mar-09
NCSRP Baillie Gifford ACWI ex US Growth	2.2%	0.0%	11.3%	10.6%	15.2%	Mar-09
MSCI ACWI ex USA Gross	0.7%	-4.8%	9.9%	8.2%	12.7%	Mar-09
MSCI AC Wld ex US Growth Gross	0.7%	-1.7%	10.5%	8.8%	12.8%	Mar-09
NCSRP Mondrian ACWI ex US Value	-0.2%	-5.5%	9.5%	8.4%	11.1%	Mar-09
MSCI ACWI ex USA Gross	0.7%	-4.8%	9.9%	8.2%	12.7%	Mar-09
MSCI AC Wld Ex US Value Gross	0.7%	-8.0%	9.3%	7.6%	12.5%	Mar-09
<b>Global Equity</b>	<b>1.0%</b>	<b>4.8%</b>	<b>17.2%</b>	<b>14.6%</b>	<b>16.2%</b>	<b>Mar-09</b>
MSCI ACWI Gross	0.5%	1.2%	13.6%	12.5%	15.7%	Mar-09
NCSRP Wellington Global Composite	1.6%	8.0%	18.8%	15.8%	17.2%	Mar-09
MSCI ACWI Gross	0.5%	1.2%	13.6%	12.5%	15.7%	Mar-09
NCSRP Arrowstreet Global Equity ACWI	0.4%	1.9%	16.0%	--	12.4%	Mar-12
MSCI ACWI Gross	0.5%	1.2%	13.6%	12.5%	10.6%	Mar-12
<b>Inflation Responsive Fund</b>	<b>-0.9%</b>	<b>-6.6%</b>	<b>--</b>	<b>--</b>	<b>-0.8%</b>	<b>Sep-13</b>
PIMCO Inflation Response Index	-0.5%	-7.9%	-2.4%	2.2%	-1.9%	Sep-13
NCSRP PIMCO Inflation Response Multi-Asset	-0.9%	-6.5%	--	--	-0.4%	Sep-13
PIMCO Inflation Response Index	-0.5%	-7.9%	-2.4%	2.2%	-1.9%	Sep-13
<b>Fixed Income Passive Fund</b>	<b>-1.7%</b>	<b>1.7%</b>	<b>1.7%</b>	<b>--</b>	<b>2.9%</b>	<b>Sep-10</b>
Bardays Aggregate	-1.7%	1.9%	1.8%	3.3%	3.0%	Sep-10
NCSRP BlackRock Debt Index Fund	-1.7%	1.9%	1.9%	--	3.0%	Sep-10
Bardays Aggregate	-1.7%	1.9%	1.8%	3.3%	3.0%	Sep-10
<b>Fixed Income Fund</b>	<b>-1.5%</b>	<b>2.0%</b>	<b>2.5%</b>	<b>3.8%</b>	<b>5.3%</b>	<b>Mar-09</b>
Bardays Aggregate	-1.7%	1.9%	1.8%	3.3%	4.5%	Mar-09
NCSRP JP Morgan Core Bond	-1.1%	2.8%	2.4%	4.3%	5.2%	Mar-09
Bardays Aggregate	-1.7%	1.9%	1.8%	3.3%	4.5%	Mar-09
NCSRP Prudential Core Plus	-2.0%	--	--	--	0.1%	Dec-14
Bardays Aggregate	-1.7%	1.9%	1.8%	3.3%	1.6%	Dec-14
<b>Stable Value Fund</b>	<b>0.5%</b>	<b>1.8%</b>	<b>2.1%</b>	<b>2.6%</b>	<b>2.8%</b>	<b>Jun-09</b>
T-BILLS + 1%	0.3%	1.0%	1.0%	1.1%	1.1%	Jun-09

# MANAGER UPDATES

- Mercer met with **BlackRock** to review their passive equity strategies. Mercer believes the team has the requisite skills, experience, and resources to effectively track market indices. Additionally, BlackRock's significant breadth and scale allow it to lower costs and improve execution for clients. As a result of the meeting, Mercer maintained the "Preferred Provider" rating on BlackRock's passive equity strategies.
- Mercer met with **Arrowstreet** at their Boston headquarters to discuss their Global ACWI strategy. Mercer continues to have conviction in Arrowstreet as a top-tier quantitative firm who blends forward-thinking research with pragmatic market application. The firm has continued to focus on enhancing its platform and its robust search process. As a result of the meeting, Mercer maintained the "A" rating.
- Mercer met with the **JPMorgan Core Bond** (Columbus) team earlier this year. JPMorgan's conservative style has helped ensure stable returns with minimal volatility. Securitized positions will continue to be an overweight in the strategy, so clients should be aware that there might be relative underperformance in years in which duration-matched corporates outperform securitized products. We still have confidence in portfolio manager Doug Swanson and his value oriented approach. As a result of the meeting, the "A" rating was reaffirmed.
- **Delaware** recently informed us that Michael Hogan, Head of Equity, and Scott Coleman, head of distribution, will retire from the firm at the end of September 2015. Delaware has instituted a search for a new head of equity, which will be an expanded role focused on managing and developing the boutique investment teams. Mercer is not proposing any rating changes to the Large Cap Value strategy, as the transition period has been well managed and we do not foresee these changes having undue impact.
- There has been press coverage over a number of banks including **JPMorgan**, who have been found guilty on charges of violating US laws. In theory, a bank found guilty by the US regulators of any serious misdemeanor can have the rights of a subsidiary company to carry out business in the US withdrawn. After being found guilty of criminal charges, financial firms typically apply for a exemption from the DOL to be allowed to keep managing retirement assets. JPMAM has written to clients on the issue. They are in the process of applying to the DOL to confirm they can continue running pension fund monies under a qualified professional asset manager exemption from certain prohibited transactions under ERISA Law. Mercer believes that preventing an asset management firm from carrying out its investment management activities on behalf of existing clients is not in the best interest of those clients, and could be seen as unfairly punishing the asset manager whose employees have not been accused of any wrong doing.

# MANAGER UPDATES (CONTINUED)

- **PIMCO** announced that it would close two active equity strategies and that CIO Virginie Maisonneuve would depart the firm. One of the strategies was the Emerging Markets strategy managed by Maisonneuve. PIMCO has stated that the mult-asset funds have very little or no exposure to the equity funds that have been closed. The PIMCO IRMAF Fund had a 0% allocation to these strategies. Mercer maintained the “B+ (W)” rating on the IRMAF Fund.
- **PIMCO** has hired former Federal Reserve Chairman Ben Bernanke as a senior advisor to the firm. Bernanke has had a relationship with the firm since late 2014, including participation in investment forums.

## Vehicle Update

- The North Carolina Investment committee elected to move to the Prudential Collective Trust (Mercer Share Class) Vehicle at their most recent meeting. This option was chosen over a separate account mandate and the Prudential variable annuity product.

# DISCLOSURES

## Important notices

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