

North Carolina Supplemental Retirement Plans

Investment Performance

September 30, 2013

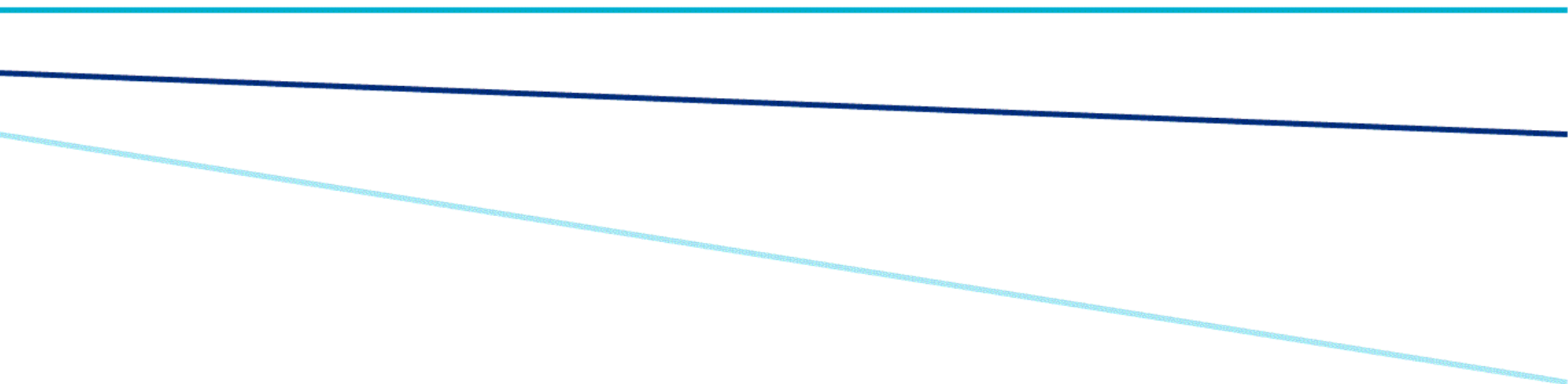
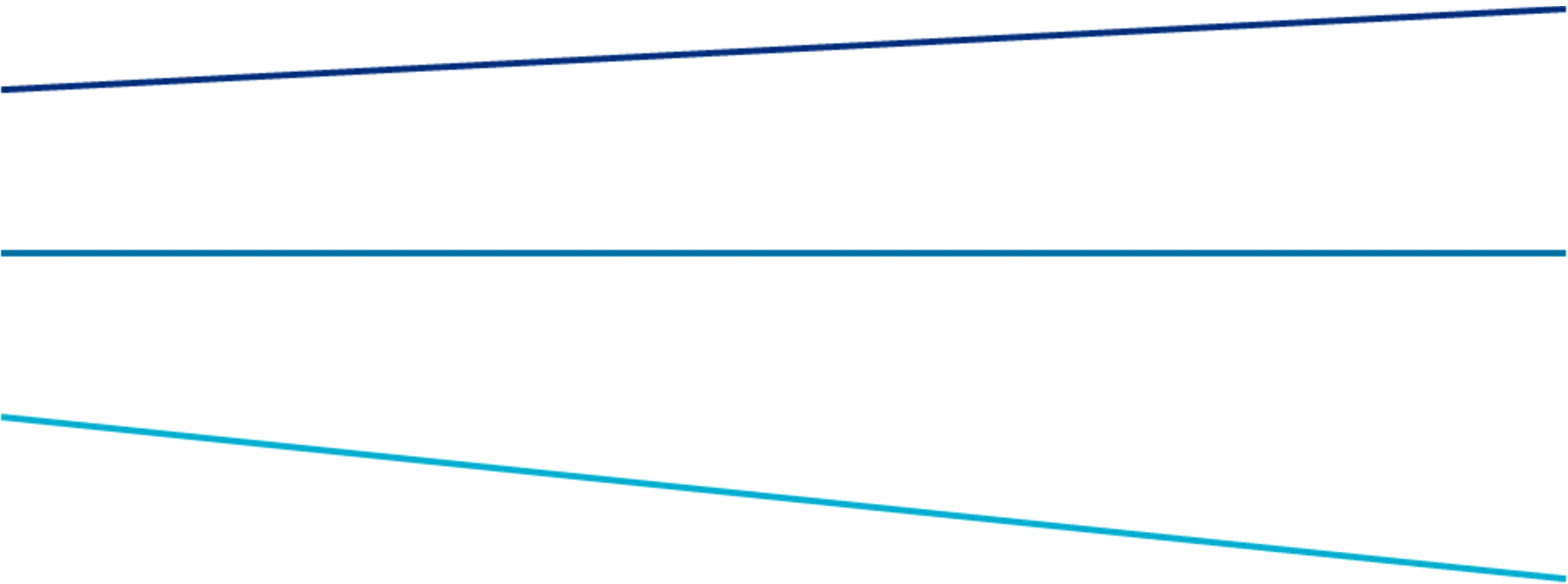


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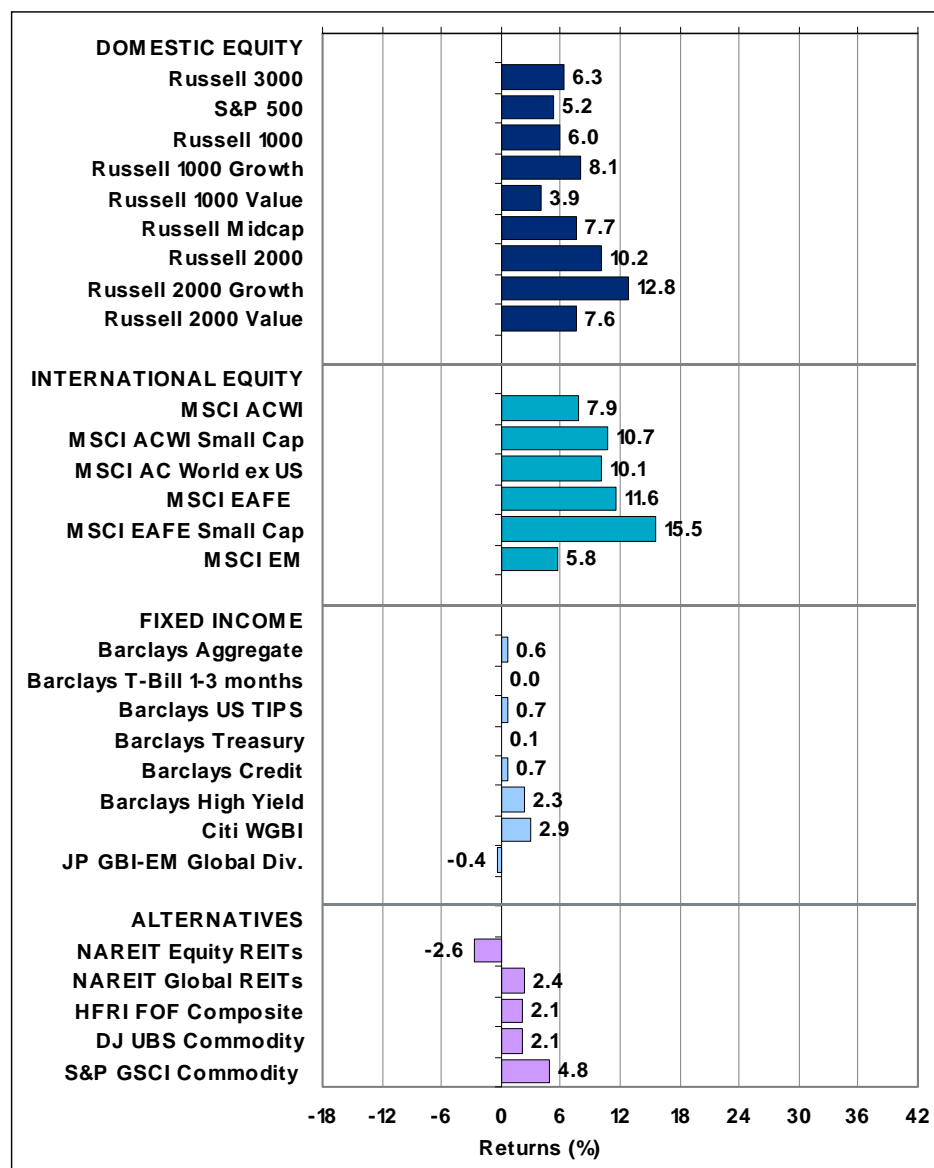
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Capital Markets Commentary



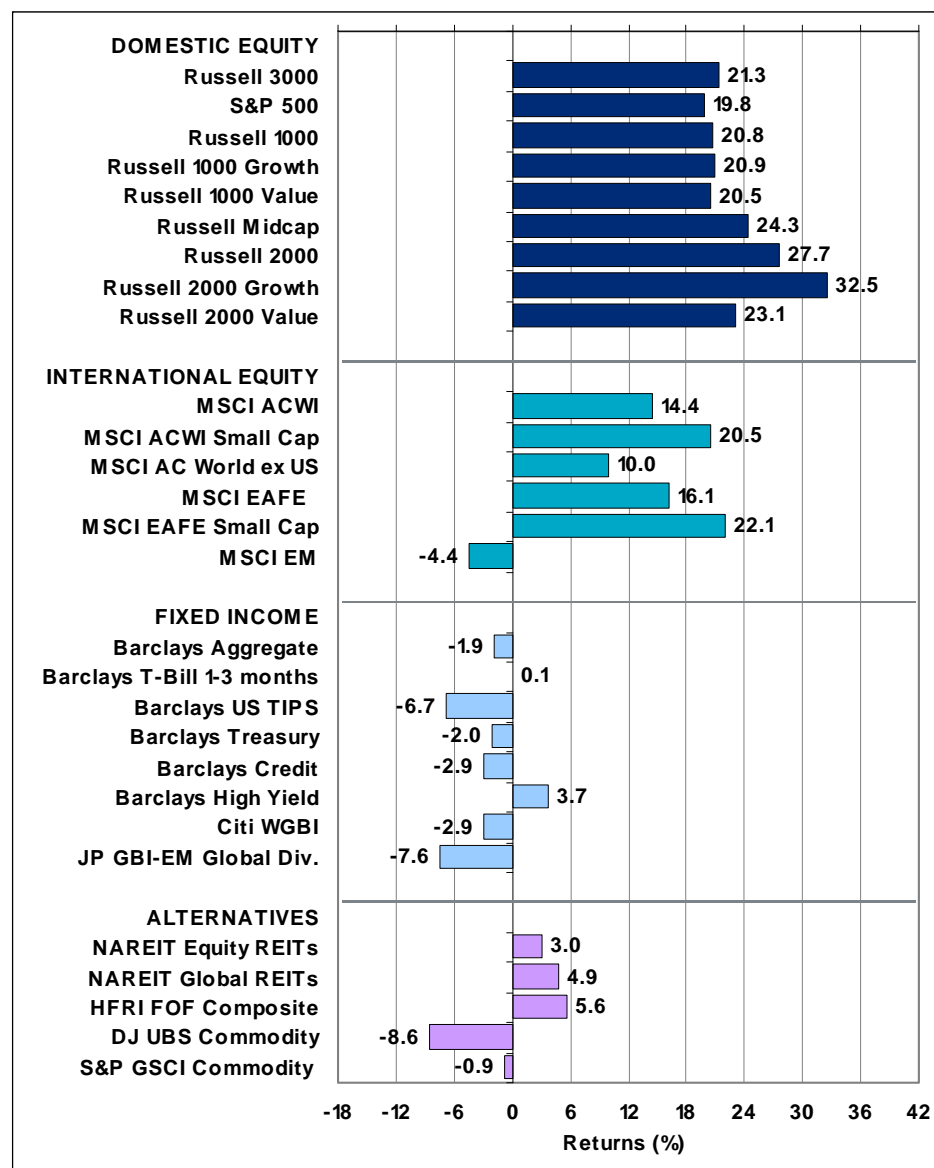
Performance Summary: Quarter in Review

Market Performance
Third Quarter 2013



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

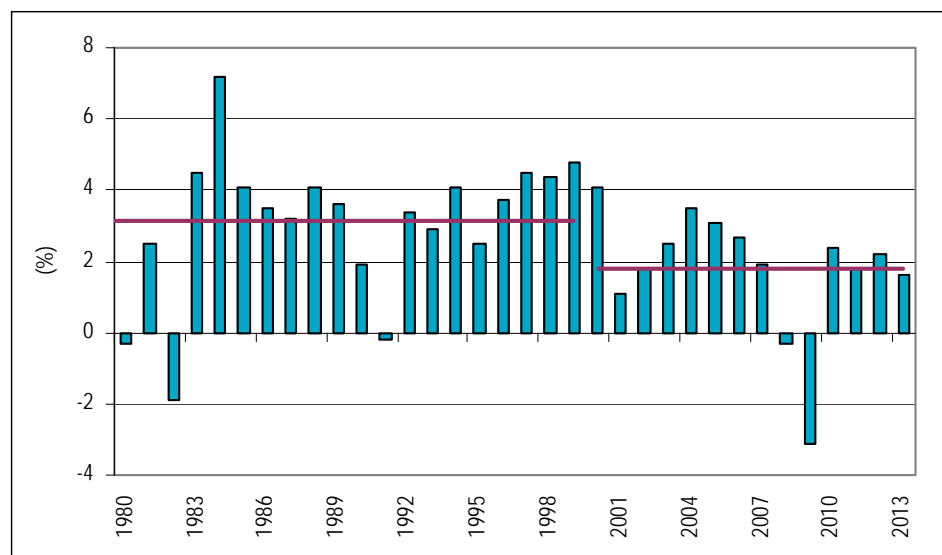
Market Performance
YTD



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

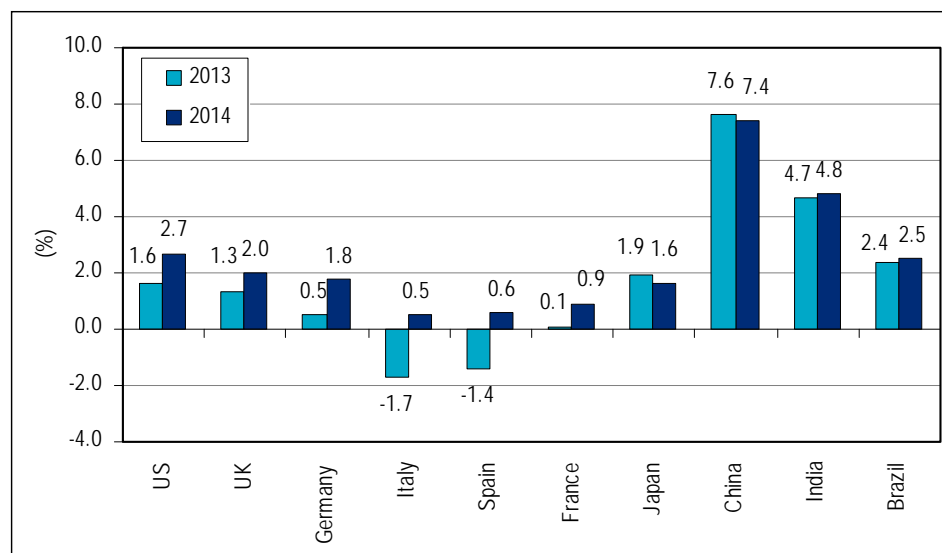
Macro Environment: Economic Review

Annual GDP Growth



Source: Bureau of Economic Analysis

World Economic Growth
(Projections as of September 2013)

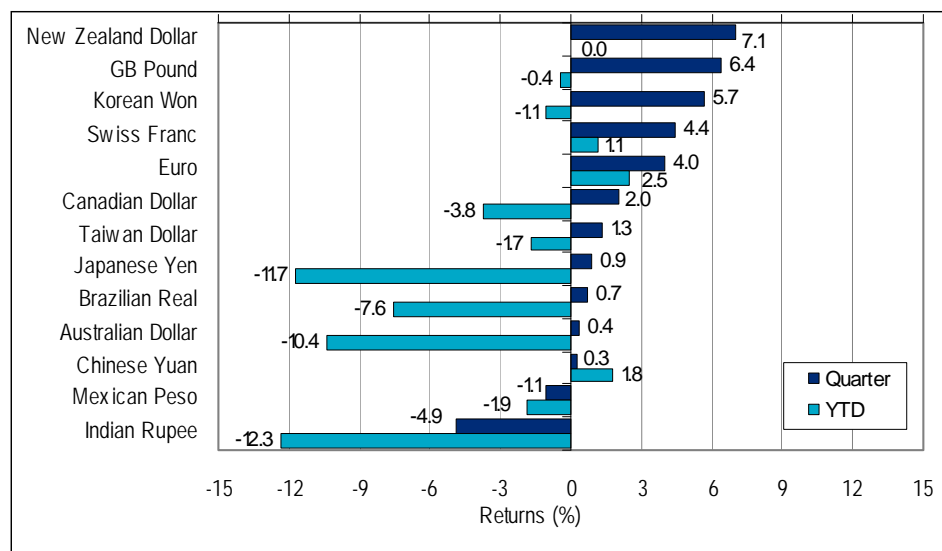


Source: Bloomberg

- The IMF projects that advanced economies will expand just 1.2% this year. However, the outlook for developed economies in 2014 is brighter as the Eurozone emerges from recession and the pace of fiscal tightening slows. Still, while downside risks are lower and the global economy faces fewer headwinds, growth is likely to be modest with the IMF projecting that the developed world will expand 2.0% next year.
- Economic and job growth within the US remain moderate. Growth is expected to pick-up in 2014 as the fiscal drag slows and economists polled by Bloomberg project that the economy will expand 2.7%. The Eurozone's PMI rose to 52, its highest rate since June 2011. However, while the recession has ended, the resulting upturn is likely to be modest. The IMF expects that the region will expand just 1.0% next year. The early results from "Abenomics" in Japan have been positive. For example, 5-year inflation expectations have risen from 0.6% to 1.3% over the last 12 months and the yen has weakened. However, it remains uncertain if the new government can implement the reforms needed to improve the longer-term growth potential of the economy.
- Emerging economies are arguably facing their most difficult period since the Asian financial crisis. External and internal imbalances have worsened and the recent reversal in capital flows coupled with steep currency declines has increased fears that some EM countries could experience a 1997 styled crisis. However, unlike, 1997, EM countries are not saddled with fixed exchange rates and a massive burden of foreign debt. Importantly, currency reserves have grown to nearly \$7.4T, which provides a significant source of protection. While the risk of a crisis appears small, the recent troubles are a reminder that their growth trajectory will not be perfectly smooth. The IMF projects that EM economies will grow just 4.5% this year. We continue to think that the secular growth outlook for emerging economies is bright, particularly if they use the current downturn as opportunity to implement needed reforms.

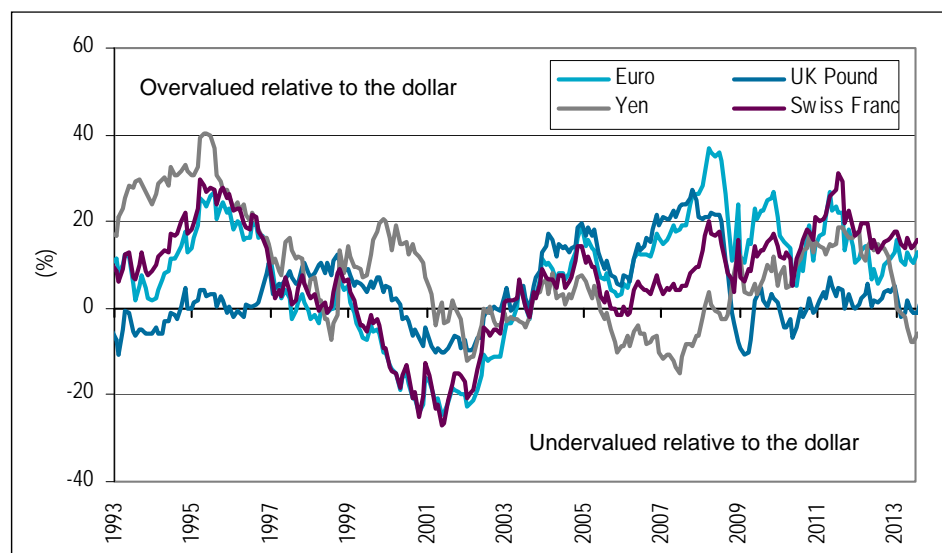
Macro Environment: Currencies

Performance of Foreign Currencies versus the US Dollar



Source: Bloomberg

Currency Valuation versus US Dollar (Based on Relative PPP)

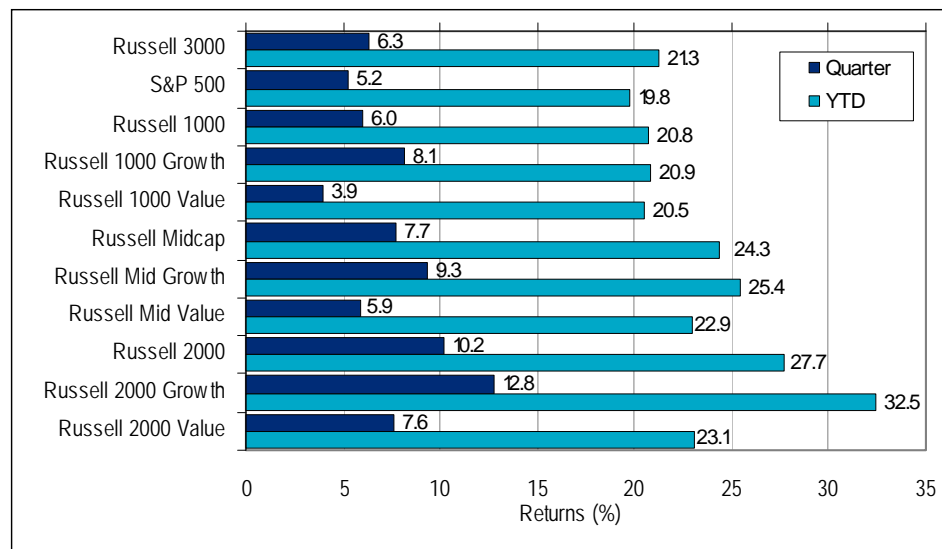


Source: Bloomberg

- On a trade-weighted basis, the US dollar declined 3.0% for the third quarter. The dollar showed weakness throughout most of the quarter, and extended losses after the September FOMC meeting. The yen reversed its losing streak against the dollar, adding 0.9%, while the euro advanced a robust 4.0%. Most emerging market currencies declined.
- During Q3, the euro reached its highest level since February, a development the ECB most likely views unfavorably. Despite subsiding financial tensions, the euro should trend lower over the medium-term as slow growth and weak inflation give the ECB room for more monetary stimulus. Further, the euro continues to appear rich on a trade-weighted basis.
- While the yen trades at a discount to the dollar on relative purchasing power parity (PPP), the currency tends to move in long cycles, swinging from one valuation extreme to the other. Yen weakness could persist as aggressive monetary easing and fiscal contraction via a higher consumption tax weigh on the currency.
- Emerging market currencies rallied on the Fed's decision to continue full scale asset purchases, but gave up some of the gains by quarter end. This suggests that economic challenges are increasingly outweighing the effects of US monetary policy. Countries with large current account deficits were punished the hardest as they are the most vulnerable to capital outflows. EM currency weakness may persist in the short-term as growth slows, but the longer-term outlook is bullish, particular if countries can implement reforms to improve the secular growth outlook.

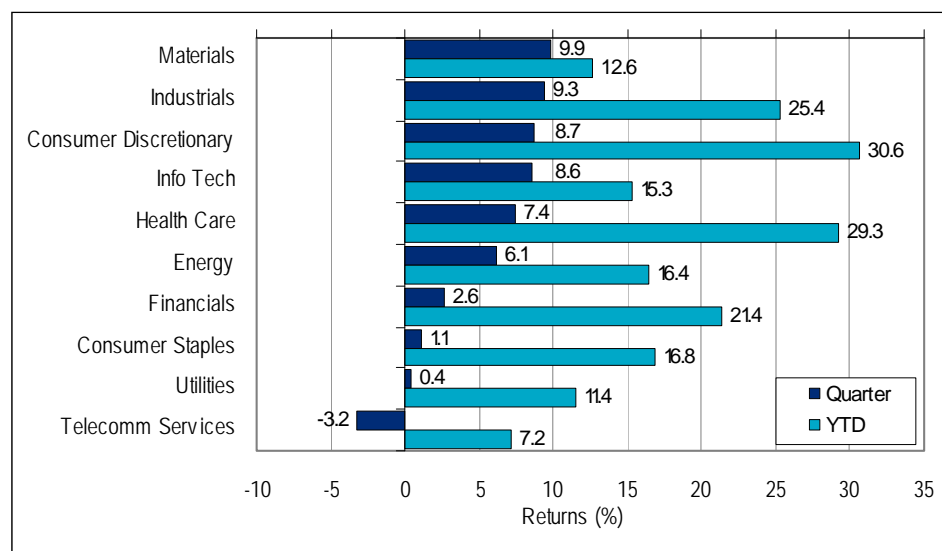
Asset Class: US Equities – Style, Sector, Cap Performance

Style and Capitalization Market Performance



Source: Standard & Poor's, Russell, Bloomberg

Sector Performance



Source: Russell 1000 GICs Sector

Broad Market

- Stocks moved higher in Q3 as the Fed held off on tapering QE3 and economic growth remained moderate. The Russell 3000 Index posted a solid gain of 6.3% for the quarter and is now up 21.3% year-to-date. The US market remains the top performer in 2013 with the S&P 500 outperforming international developed and emerging markets by 420 and 2420 basis points, respectively.

Market Cap

- Large Caps:** The S&P 500 Index rose 5.2% in the third quarter and has returned 19.8% in 2013. Large cap stocks lagged mid cap and small cap stocks for the quarter and for the year.
- Mid Caps:** The Russell Midcap Index advanced 7.7% in Q3 and has gained 24.3% this year.
- Small Caps:** Small cap stocks outperformed large and mid cap stocks as the Russell 2000 Index rose 10.2%. Year-to-date, small caps are up 27.7%, outpacing the S&P 500 by 790 basis points.

Style

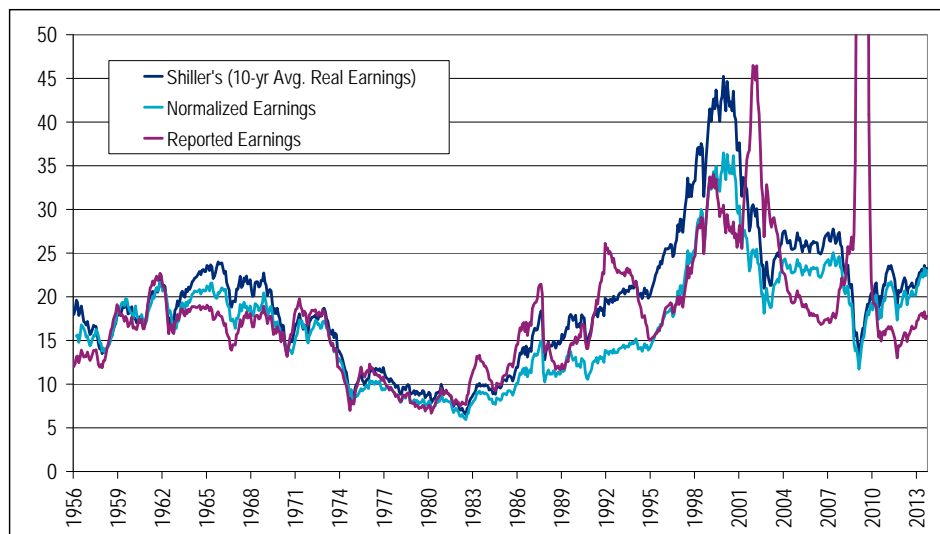
- Value vs. Growth:** Growth stocks have surpassed value across all capitalizations for the quarter and for the year. Small cap growth was the best performing style, gaining 12.8% in Q3 and is now up 32.5% this year.

Sector

- The telecom, utilities, consumer staples, financials and energy sectors were the laggards for the quarter, while the material, industrials, consumer discretionary, information technology and health care sectors outperformed the broad market.

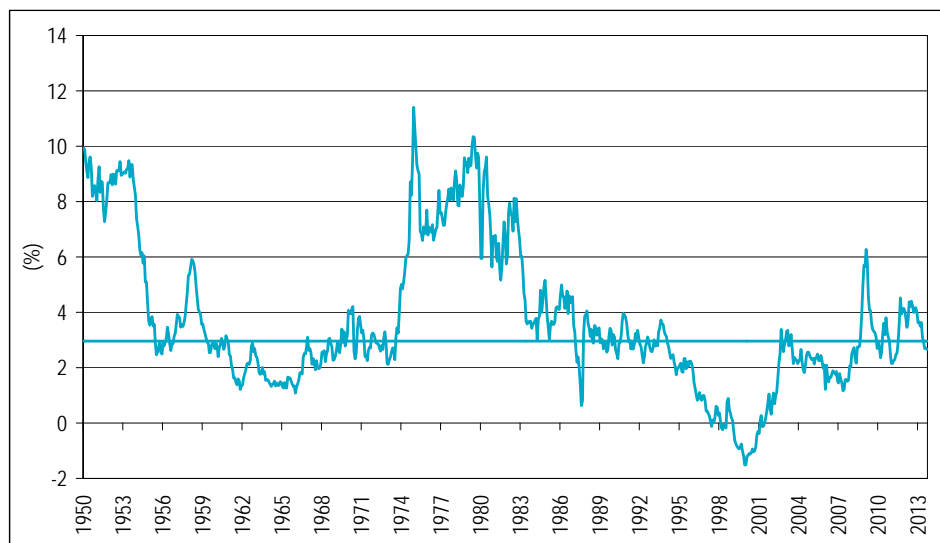
Asset Class: US Equities – Valuation Review

S&P500 – P/E Ratio



Source: S&P, Bloomberg, Mercer

S&P500 – Estimated Equity Risk Premium¹
Versus Long-Term Treasuries



Source: S&P, Bloomberg, Mercer

- The P/E ratio on trailing reported earnings advanced from 17.7 to 18.5, which is above the 17.2 median since 1956. P/E multiples have expanded in 2013 as equity returns have outpaced modest earnings growth.
- Productivity growth is slowing and unit labor costs are rising, which suggests companies have mostly exhausted cost cutting as a source of profit growth. Capital investments and hiring remain below trend, but are likely to increase if the economic recovery continues as we expect. While this will be good for the economy over the short-term, it could put downward pressure on margins.
- Although we expect margins to decline, they will likely remain above average for some time. Low interest costs should continue to boost profit margins as US corporations have refinanced into lower rate debt and extended maturities. While corporate rates have rebounded from record lows set earlier this year, many companies can still borrow at a steep discount to their cost of equity. This effectively allows cheap share buybacks, which can increase earnings per share without aggregate profit growth.
- Cyclically-adjusted valuations, which adjust for abnormally high profit margins, remain uncomfortably high. The P/E ratio based on normalized earnings stood at 23.0, which is above the historical median of 16.7 (since 1956), while the P/E based on average 10-year real earnings (Shiller's methodology) finished the quarter at 23.3, compared to a median of 18.9 (since 1956).
- US equity valuations remain rich on an absolute basis and their appeal relative to bonds has decreased. We estimate that the equity risk premium over long-term Treasuries declined from 2.9% to 2.7% at quarter-end, below the historical median of 3%.

¹ Definitions:

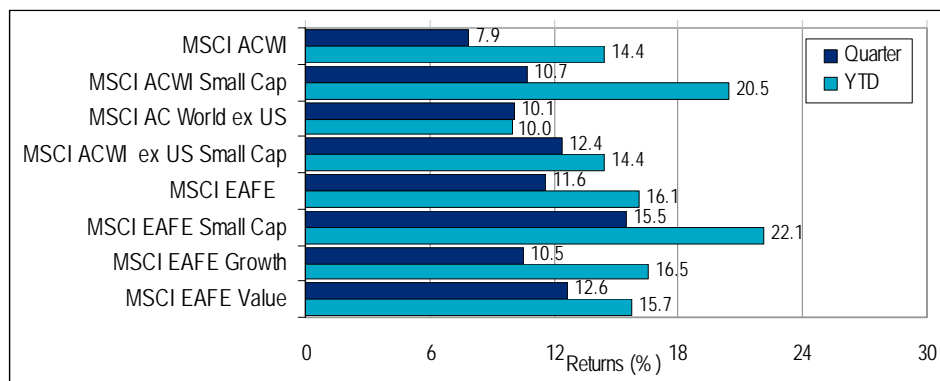
Shiller's P/E= Current S&P 500 price/average 10-year real earnings

Normalized P/E= Current S&P 500 price/(current trailing twelve month sales * 6.6% profit margin)

Equity Risk Premium= Earnings yield (1/PE) minus the real yield on long-term Treasuries

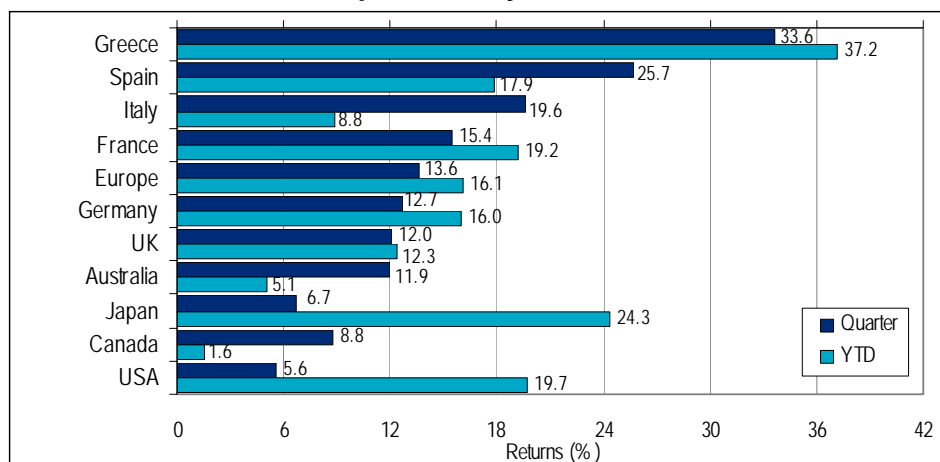
Asset Class: International Equities – Performance Review

International Equity Performance



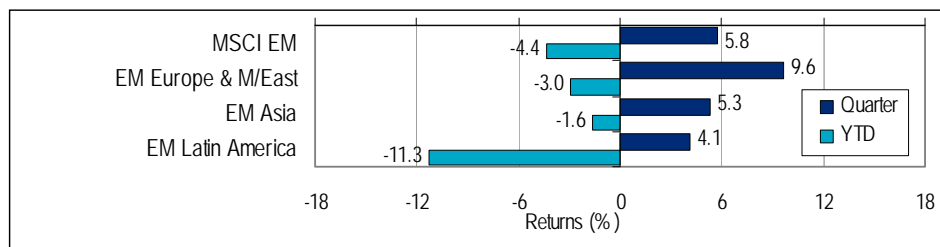
Source: MSCI, Bloomberg

Developed Country Performance



Source: MSCI, Bloomberg

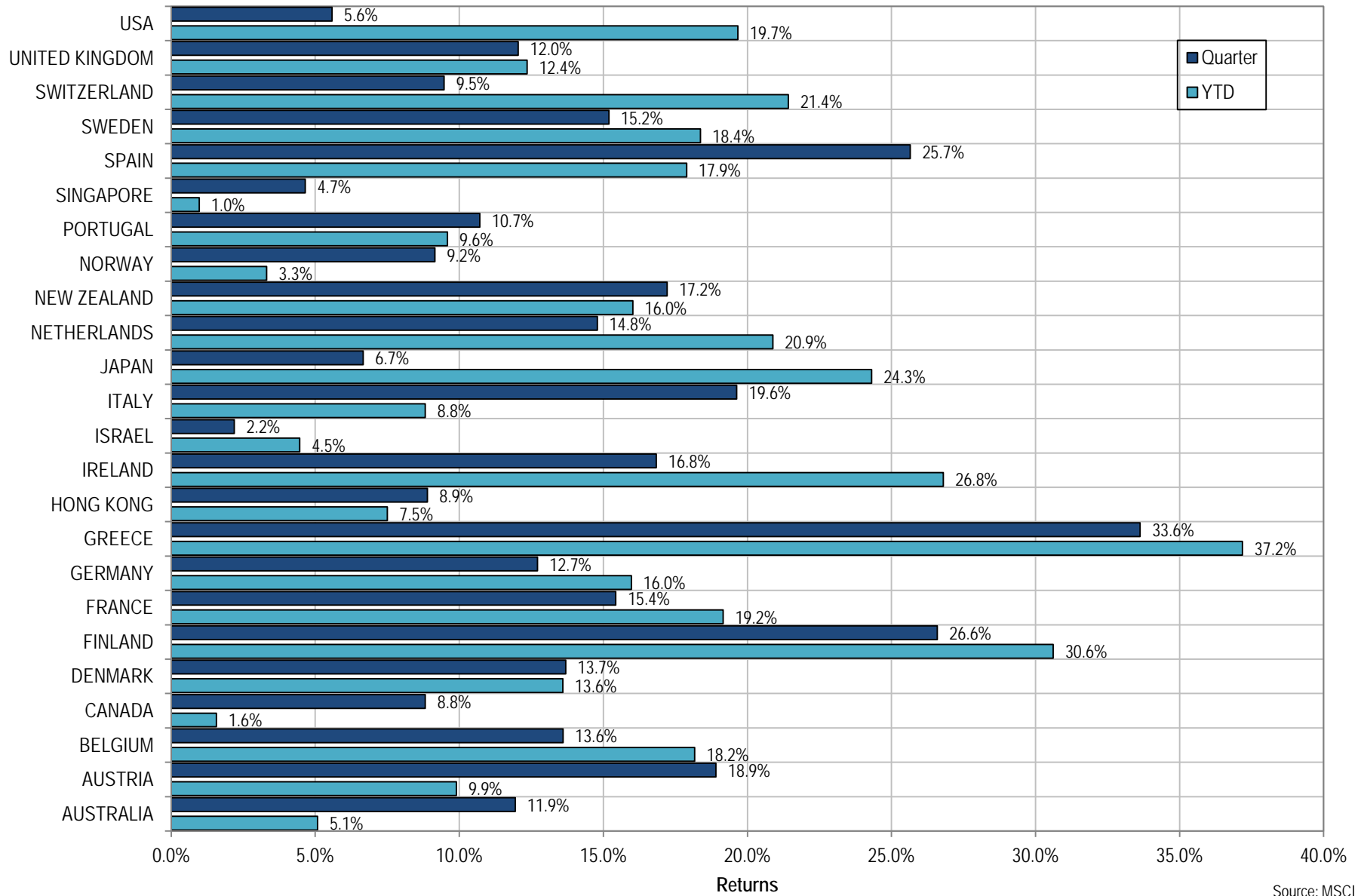
Emerging Market Performance



Source: MSCI, Bloomberg

- **International equities** outperformed US equities in the third quarter. The MSCI ACWI ex-US Index gained 10.1%, surpassing the Russell 3000 by 380 basis points. However, YTD the index has lagged the Russell 3000 by 1,130 basis points.
- **International developed stocks** surged 11.6% for the quarter and are up 16.1% in 2013. European stocks rose 13.6% Q3 as the region's economy shows signs of an economic recovery. YTD European stocks are up 16.1%. Japanese stocks continued to soar on the heels of the BOJ's stimulus efforts and hopes of an economic renaissance. Japanese stocks returned 6.7% in the third quarter and have returned a solid 24.3% so far this year.
- **International small cap stocks** gained 15.5% for the quarter and have risen 22.1% year-to-date. International small caps have outperformed international developed large cap stocks by 396 and 595 basis points for the quarter and year-to-date periods, respectively.
- **Emerging markets** recovered in Q3, returning 5.8%. However, for the year the emerging markets are still down 4.4%. Regionally, European and Middle Eastern markets gained 9.6% for the quarter and are down 3.0% during 2013. Asian and Latin American equities advanced 5.3% and 4.1%, respectively, in the third quarter, but have fallen 1.6% and 11.3%, respectively, this year. Year-to-date emerging markets have lagged developed markets by 1030 basis points.

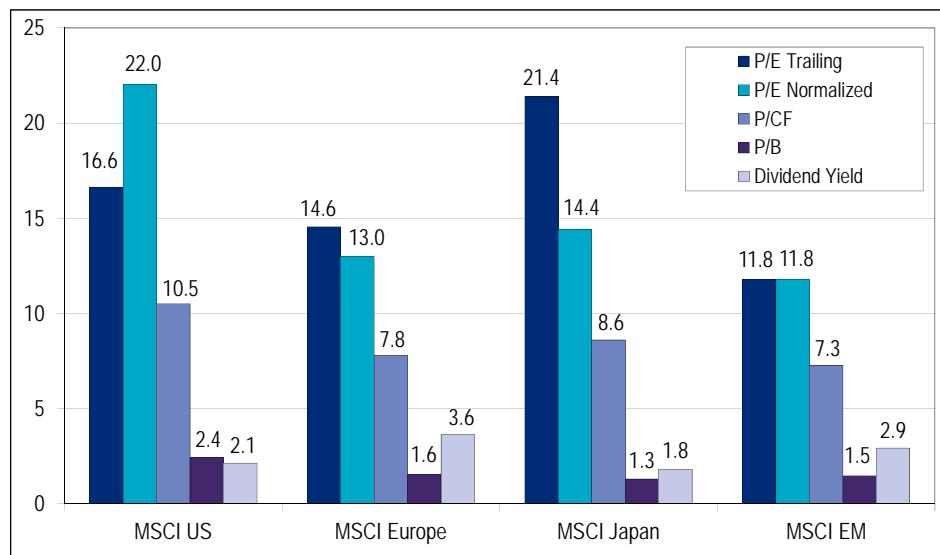
Developed Country Performance



Source: MSCI

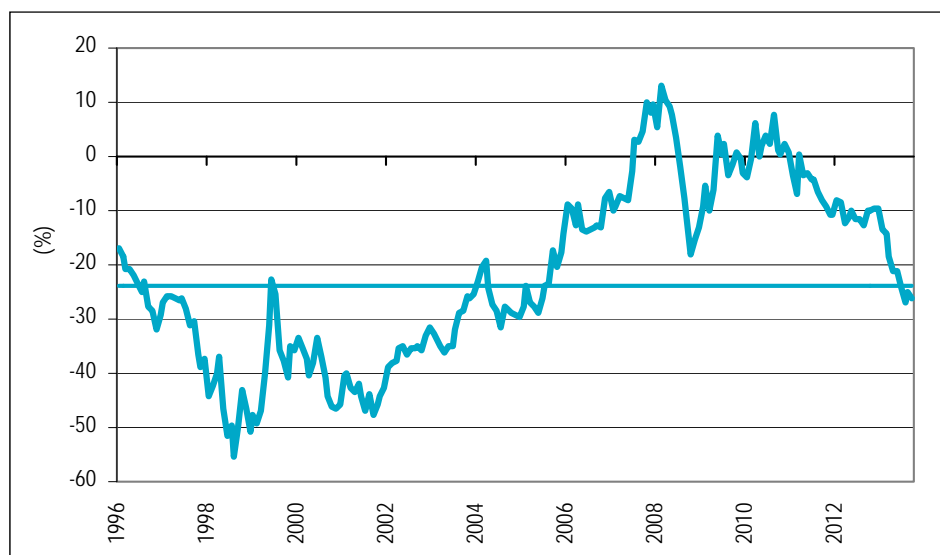
Asset Class: International Equities – Valuation Review

Global Valuations



Source: MSCI, Bloomberg

Valuation of MSCI Emerging Markets to MSCI World
(Based on Average of P/E, P/B and P/CF)

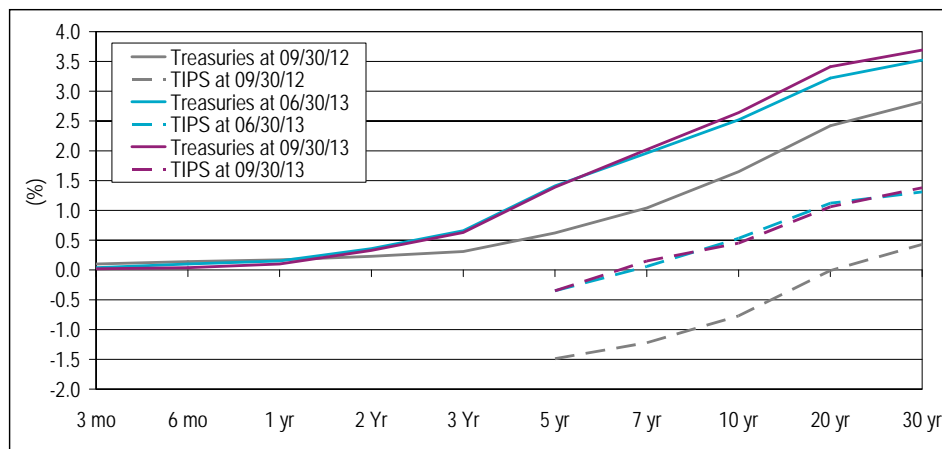


Source: MSCI, Bloomberg

- Improving financial conditions and the end of the recession should lead to an improved earnings outlook for European firms. Margins are currently 10% below their historical average and EPS are 25% below the 2007-peak, suggesting the potential for expansion. However, the recovery within the region is likely to be modest and the recent strength of the euro could weigh on exports. Also, while the risk of a disorderly collapse of the euro has fallen, the structural issues facing the region remain unresolved, suggesting the possibility that the crisis could resurface.
- Based on P/CF and P/B, European stocks traded at 13% discount to their historical median since 1970. Based on Shiller's P/E, European stocks traded at nearly a 34% discount to US equities compared to a historical average of 13%. Sentiment on Europe has improved significantly. According to a Bloomberg investor survey, 34% of participants see Europe as offering the best opportunities. In May, 45% of this surveyed saw Europe as offering the worst prospects.
- EPS for Japanese firms are up nearly 50% over the last year and profitability has returned to pre-earthquake levels. The steep slide in the yen coupled with an improved developed world growth outlook should be a positive for Japanese firms. However, slowing growth in China is likely to present a headwind. The WSJ estimates Japanese companies garner roughly 20% of their sales from China. It remains uncertain if Japan can improve corporate profitability and the secular growth potential of the economy.
- The valuation picture for Japanese stocks is mixed, but on a positive balance due to the potential for upside surprises. They are trading at 19x trailing earnings; however, if margins can return to pre-2008 levels, stocks appear more reasonable at a P/E of 15.

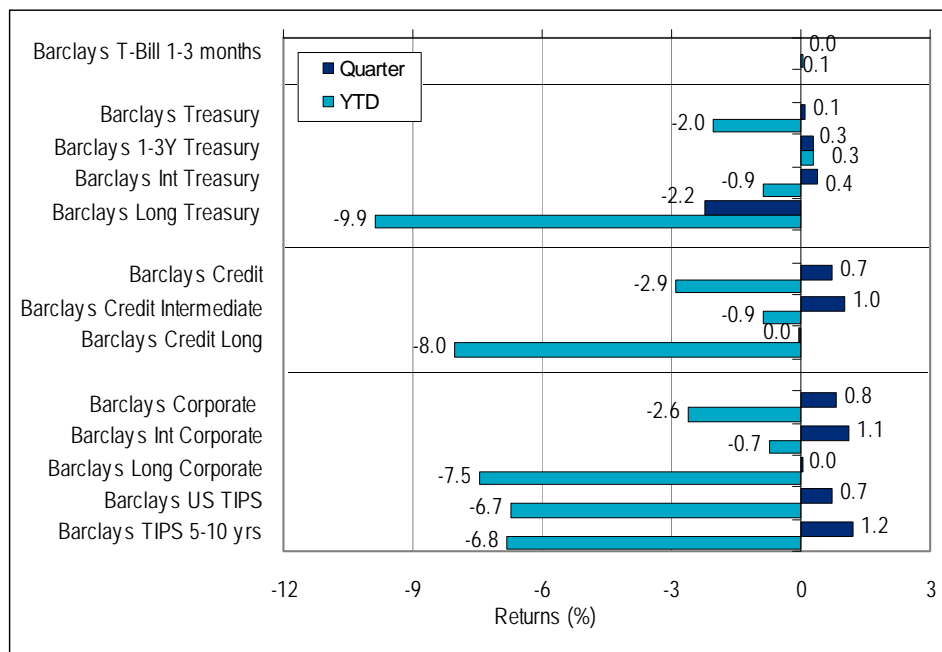
Asset Class: Fixed Income – Interest Rates and Yield Curve

Treasury Yield Curve



Source: Federal Reserve

Bond Performance by Duration

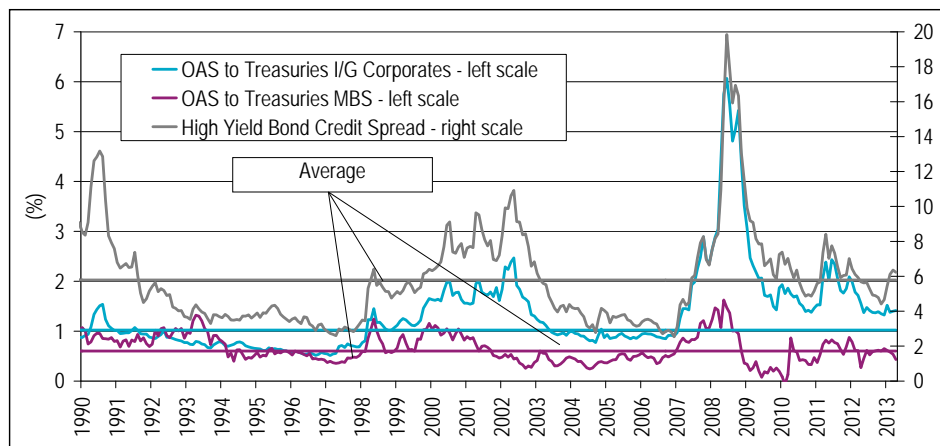


Source: Barclays, Bloomberg

- Shifting market expectations regarding Fed policy led to significant intra-quarter interest rate volatility. The yield on the 10-year Treasury spiked from 2.52% to over 3% in early September before finishing the quarter at 2.64% as the Fed held off on tapering QE3. The real yield on 10-year TIPS declined from 0.53% to 0.45%, while the inflation breakeven rate rose modestly from 2.0% to 2.2%.
- The yield curve steepened slightly. Yields on the short end of the curve declined modestly, while long-term yields advanced. The yield on 30 year Treasuries rose 17bps, even as the Fed maintained full scale asset purchases.
- We suspect the Treasury bond market has largely priced in the end of QE3. The key issue to watch now is the timing and pace of interest rate increases. Based on US economic data and Fed guidance, we expect short term rates to remain near zero until 2015.
- US Bonds** moved higher during the quarter with Barclays Aggregate gaining 0.6%, but they are still down 1.9% in 2013.
- Long-Duration Bonds** posted losses as the yield on the 30-year Treasury rose by 17 basis points. The Barclays Long Treasury Index fell 2.2% in the third quarter and has dropped 9.9% year-to-date.
- TIPS** gained 0.7% as the real yield on 10-year TIPS declined slightly. TIPS have underperformed Treasuries by 473 basis points in 2013 due their higher duration and a decline in breakeven rates.

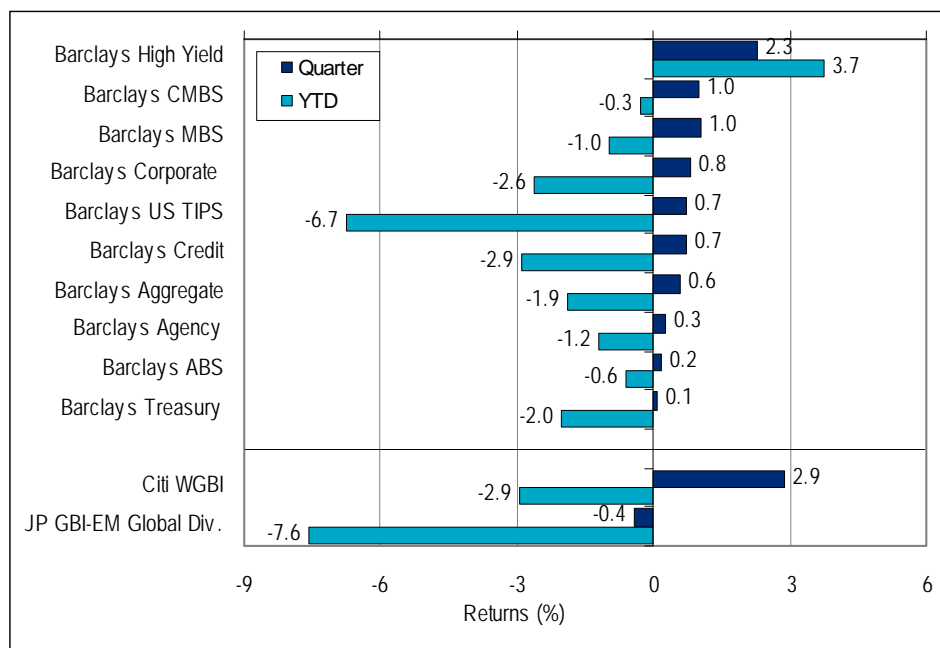
Asset Class: Fixed Income – Credit and Non-US Bonds

Credit Spreads



Source: Barclays

Sector, Credit, and Global Bond Performance

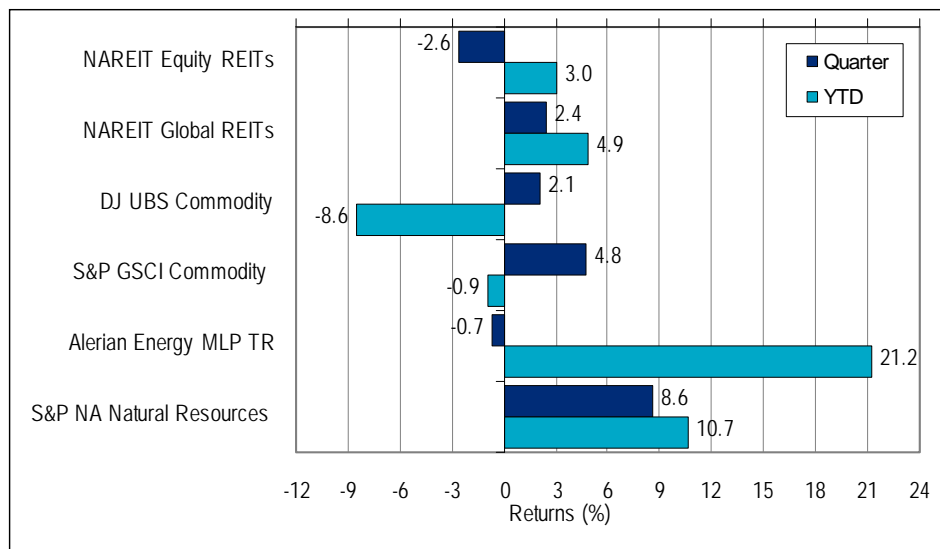


Source: Barclays, Citigroup, JP Morgan, Bloomberg

- The yield on the Barclays I/G Corporate index declined 5bps to 3.3%. This decline was entirely driven by a 17bps drop in financial yields as industrial yields remained unchanged. The option-adjusted spread to Treasuries fell from 1.5% to 1.4%, compared to the historical median of 1%.
- The yield on high yield bonds declined from 6.7% to 6.2%. The option-adjusted spread narrowed by 31bps to 4.6%, below the historical median, but in line with our equilibrium spread estimate of 4.6%. Although the short-term default outlook remains favorable and could drive spreads even lower, there are signs that issuance quality has worsened.
- **US Treasuries** experienced small gains as yields declined. The Barclays Treasury Index advanced 0.1% in the third quarter and is down 2.0% year-to-date. TIPS gained 0.7% during the quarter, but have lost 6.7% in 2013.
- **US Corporate** bonds outperformed Treasuries for the quarter, moving 0.8% higher. For the year, I/G bonds have trailed Treasuries by 60 bps.
- **US MBS, CMBS, Credit, Agency and ABS, CMBS** bonds outperformed Treasuries as yields declined and spreads narrowed.
- **High Yield** bonds were the best performing domestic bond sector, gaining 2.3%. YTD, HY bonds are up 3.7%.
- **Global Bonds** benefited as the dollar depreciated relative to developed currencies. The Citigroup World Government Bond Index gained 2.9% in the third quarter, but is down 2.9% year-to-date.
- **Local Currency Emerging Market Debt** fell 0.4% in Q3. YTD, LC EMD has lost 7.6% as currencies have tumbled against the dollar.

Asset Class: Alternatives – Performance Review

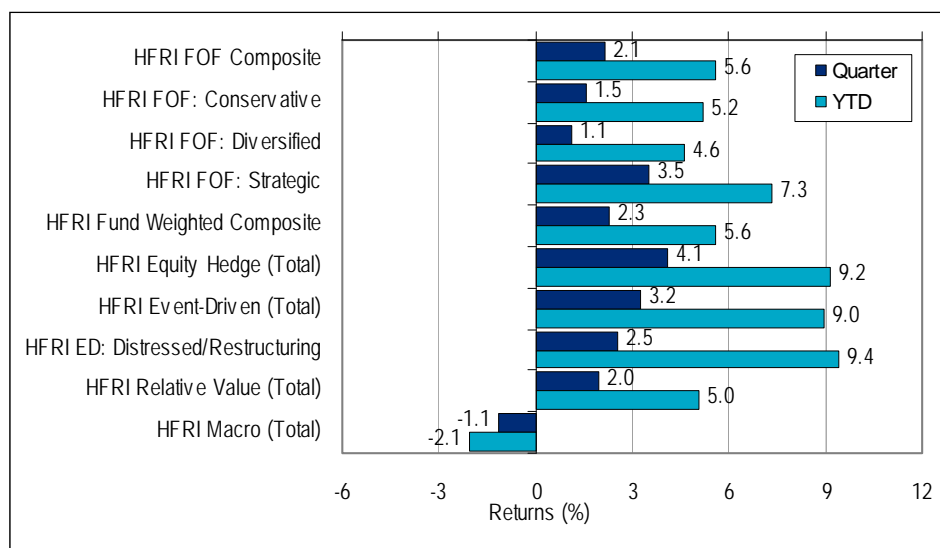
Real Asset Performance



Source: NAREIT, Dow-Jones, UBS, Goldman Sachs

- **Global REITs** gained 2.4% in the third quarter and are up 4.9% in 2013. US REITs have underperformed international REITs over both periods.
- **Commodities:** Commodities recovered their losses somewhat in the third quarter. The DJ Commodity Index increased 2.1% for the quarter, but has shed 8.6% this year. The S&P GSCI Index, which has a larger weighting to energy, advanced 4.8% for the quarter, but has also declined 0.9% YTD.

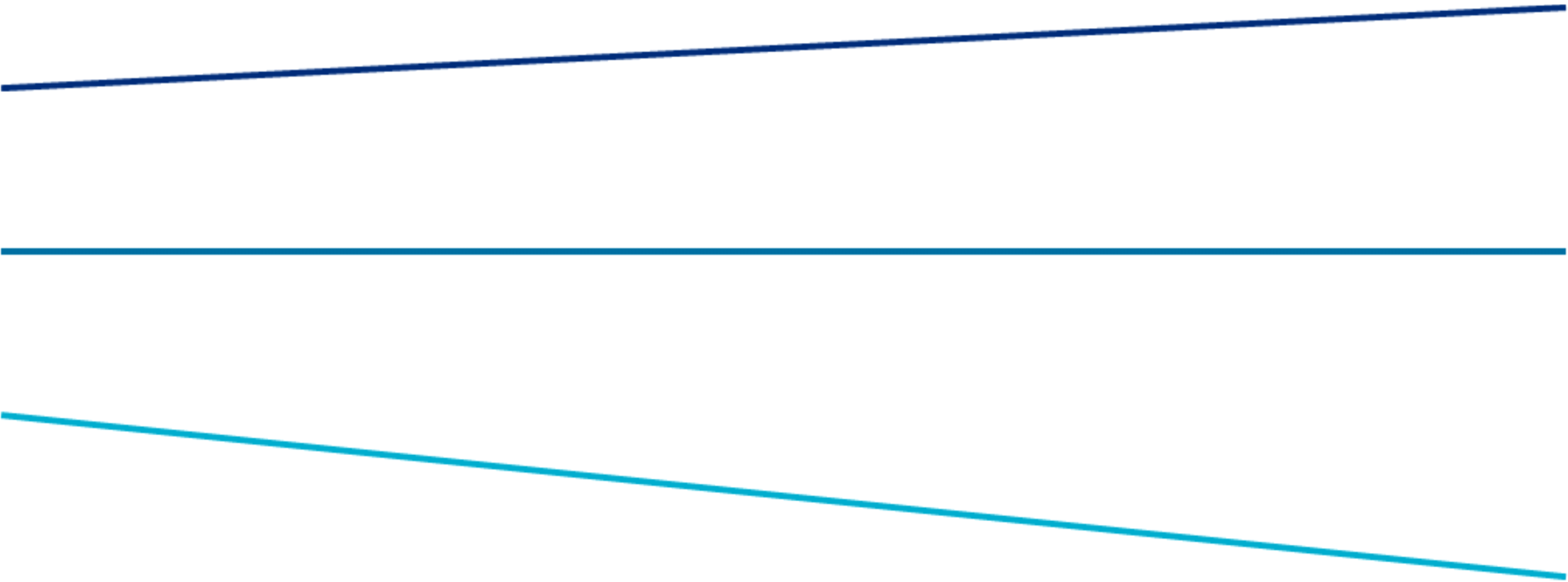
Hedge Fund Performance



Source: HFR

- **Hedge funds** lagged global equities, but outperformed US bonds. The HFRI Fund of Funds Composite Index inched 2.1% higher for the third quarter, while the MSCI ACWI index advanced 7.9% and the Barclays Aggregate index rose 0.6%. Year-to-date, hedge funds have trailed global equities, but outperformed bonds.

Executive Summary



Executive Summary

Market Update

In the third quarter, the Fed surprised investors by leaving the pace of QE3 unchanged at its September meeting. While the Fed might still reduce purchases at its October or December meeting, the uncertain impact of the government shutdown and the ending of Bernanke's term has led many observers to expect that the Fed will wait until the first quarter of 2014 to taper and until mid-to-late 2014 to end the program. Shifting market expectations of Fed policy led to significant interest rate volatility during the quarter as the yield on the 10-year Treasury spiked from 2.52% to over 3% in early September, before finishing the quarter at 2.64%. Equity markets experienced strong returns as the MSCI ACWI rose 7.9% for the quarter. The second quarter GDP was revised upward from 1.7% to 2.5%, however, the 16-day government shutdown could reduce 4Q GDP growth by 25-50 basis points. Bloomberg projects that the economy will expand by 2.7% for 2014 which seems reasonable given the expectation of reduced fiscal drag. The unemployment rate fell from 7.6% to 7.2% during the third quarter, mostly due to declines in labor force participation.

Domestic equities moved higher in the third quarter as the Fed held off on tapering QE3 and economic growth remained moderate. The Russell 3000 Index posted a solid gain of 6.3% for the quarter and is now up 21.3% year-to-date. The US market remains the top performer in 2013 with the S&P 500 outperforming international developed and emerging markets by 4.2% and 24.2%, respectively. Productivity growth is slowing and unit labor costs are rising, which suggests companies have mostly exhausted cost cutting as a source of profit growth. Capital investments and hiring remain below trend, but are likely to increase if the economic recovery continues as we expect. While this will be good for the economy over the short-term, it could put downward pressure on margins. Although we expect margins to decline, they will likely remain above average for some time. Low interest costs should continue to boost profit margins as US corporations have refinanced into lower rate debt and extended maturities. The telecommunication services, utilities, consumer staples, financials and energy sectors were the laggards for the quarter, while the material, industrials, consumer discretionary, information technology and health care sectors outperformed the broad market. During the third quarter, small cap stocks outperformed large and mid cap stocks as the Russell 2000 Index rose 10.2%. Year-to-date, small caps are up 27.7%, outpacing the S&P 500 by 790 basis points. Growth stocks have surpassed value across all capitalizations for the quarter and for the year.

International equities outpaced domestic equities for the quarter, yet remained 10-15% behind the US for the year-to-date period. The improved outlook for Europe and weak dollar drove markets for the quarter. On a trade-weighted basis, the US Dollar declined 3.0% during the third quarter. In this environment, the MSCI ACWI ex-US rose 10.1% in the third quarter, while the MSCI EAFE Index returned 11.6%. The quarter's best returning countries included Greece (+33.6%), Finland (+26.6%) and Spain (+25.7%). Emerging markets rebounded in the third quarter with a 5.8% gain, yet remain well below their developed counterparts year-to-date with a -4.4% return. Regionally, European and Middle Eastern markets gained 9.6% for the quarter but are down 3.0% during 2013. While Asian and Latin American equities advanced 5.3% and 4.1%, respectively, in the third quarter, but have fallen 1.6% and 11.3%, respectively, this year. Emerging market economies have been the primary driver of global growth for more than a decade. However, there are increasing signs of stress in some economies. The recent reversal in capital flows coupled with steep currency declines has led to fears that some emerging market economies are at risk of a 1997/1998-styled crisis, which could lead to contagion throughout the world. The recent slowdown in the Chinese economy coupled with weak (albeit improving) developed world growth has worsened trade balances, increasing the need for foreign capital inflows. Equities appear to be discounting weaker economic conditions and are trading below their historical valuation averages and at a significant discount to developed country stocks.

Within fixed income markets, the Fed's decision not to taper is another example of its preference to error on the side of accommodation. The nomination of Janet Yellen to replace Ben Bernanke makes a significant change in philosophy unlikely. Further, a continuation of an accommodative monetary policy should be supportive of the economy and markets over the short-term. Despite an uptick in yields, the Barclays Treasury Index advanced 0.1% during the quarter and the yield curve steepened slightly as yields on the short end of the curve declined modestly, while long-term yields advanced, resulting in shorter duration bonds outperforming long duration bonds. During the quarter, the yield on the 10-year

Executive Summary

Treasury rose from 2.52% to over 3% before settling at 2.64%. Investment-grade bonds outperformed Treasuries, advancing 0.8%, as spreads narrowed. For the third quarter, the Barclays US Aggregate Index returned 0.6%, US Treasuries rose 0.1%, and the Barclays US TIPS Index was up 0.7%. The Barclays US High Yield Index gained 2.3% for the quarter and high yield bonds are the only area of the fixed income market with positive returns (3.7%) year-to-date, with the exception of 1-3 month T-Bills (0.1%). Emerging markets debt was essentially flat (-0.4%), yet returned -7.6% year-to-date amid political instability, softening macro conditions and depreciating currencies.

Fund Performance & Manager Updates

Large Cap Passive

The NCSRP **Large Cap Passive Fund** gained 5.2% for the quarter, approximating the return of the S&P 500 Index. Over the trailing twelve months, the Fund was up 19.2%, tracking the S&P 500 Index within 10 basis points. The Large Cap Passive Fund consists of the BlackRock Equity Index portfolio.

Large Cap Value

The **Large Cap Value Fund** returned 4.8% for the quarter, outperforming the Russell 1000 Value Index and ranking in the top half of its peer universe. The underlying managers exhibited mixed results during the quarter, with Hotchkis & Wiley's and Robeco's outperformance more than offsetting Wellington's underperformance. Over the trailing one- and three-year periods, the Large Cap Value Fund beat its benchmark and ranked in the top quartile of its peer group.

Large Cap Growth

The **Large Cap Growth Fund** beat the Russell 1000 Growth Index by 350 basis points with a 11.6% return for the quarter, and placed in the top quartile of its peer group. While Neuberger underperformed over the quarter, both Sands and Wellington outperformed. Over the trailing one- and three-year periods, the Large Cap Growth Fund provided robust returns against its benchmark and ranked in the top quartile of its peer group.

Mid/Small Cap Passive

The NCSRP **Mid/Small Cap Passive Fund** gained 9.0% for the quarter and tracked the Russell 2500 Index within 10 basis points. Over the trailing twelve months, the Fund was up 29.7%, tracking the Russell 2500 Index within 10 basis points. The Mid/Small Cap Passive Fund consists of the BlackRock Russell 2500 Index portfolio.

Mid/Small Cap Value

The **Mid/Small Cap Value Fund** returned 8.4% during the quarter, surpassing the Russell 2500 Value Index and ranking in the top half of its peer universe. All three managers outperformed their respective benchmarks during the quarter, though WEDGE ranked in the third quartile of its peer group. The Mid/Small Cap Value Fund led both its benchmark and peer group median by wide margins over the trailing one- and three-year periods.

In September 2013, Mercer met with WEDGE Capital Management to discuss their Small/Mid Cap Value strategy. As a result of this meeting, Mercer is maintaining the strategy's "A" rating. The full Research Note is provided under a separate cover.

Executive Summary

Mid/Small Cap Growth

The **Mid/Small Cap Growth Fund** underperformed the Russell 2500 Growth Index by 10 basis points with a 11.8% third-quarter return, but placed above the median of its peer group. While TimesSquare lagged during the quarter, Brown Advisory outperformed. The Mid/Small Cap Growth Fund produced above-median results against its peer group over both the one- and three-year periods, and was competitive against its benchmark.

International Passive

The NCSRP **International Passive Fund** gained 10.0% over the third quarter and tracked the MSCI ACWI ex US within 20 basis points. Over the longer periods measured, the Fund performed within 130 basis points of the benchmark. The majority of the tracking error is due to fair value pricing issues affecting international securities. The International Passive Fund currently consists of the BlackRock ACWI ex US portfolio.

International Equity

The **International Equity Fund** lagged the MSCI ACWI ex US by 110 basis points with a 9.1% third-quarter return, and ranked in the bottom quartile of its peer universe. While Mondrian underperformed during the quarter, Baillie Gifford outperformed. Over the trailing one-year period, the International Equity Fund lagged both its benchmark and peer group median. For the trailing three-year period, the Fund exceeded its benchmark but placed below the median of its peer group.

In July 2013, Mercer met with Mondrian Investment Partners to discuss their Focused All Countries World ex US strategy. As a result of this meeting, Mercer is maintaining the strategy's "B+" rating. The full Research Note is provided under a separate cover.

Global Equity

The **Global Equity Fund** outpaced the MSCI All Country World Index over the recent quarter and placed in the top third of the Mercer Mutual Fund Global Equity Universe. Both Wellington and Arrowstreet outperformed their respective benchmarks during the quarter. Over the trailing one- and three-year periods, the Global Equity Fund produced strong results against both the benchmark and peer universe.

Inflation Sensitive

The **Inflation Sensitive Fund** was added to the Plan in September 2013. Full performance evaluation will begin in the fourth quarter 2013 report. The Inflation Sensitive Fund consists of the PIMCO Inflation Response Multi-Asset portfolio.

In June 2013, Mercer met with Pacific Investment Management Company to obtain a business update. Following this meeting, Mercer sees no reason to change the rating of any of PIMCO's strategies. The full Research View is provided under a separate cover.

Fixed Income Passive

The NCSRP **Fixed Income Passive Fund** returned 0.5% over the quarter, tracking the Barclays Aggregate Index within 10 basis points. Over the trailing twelve months, the Fund was down 1.8%, tracking the Barclays Aggregate Index within 10 basis points. The Fixed Income Passive Fund consists of the BlackRock Debt Index portfolio.

Executive Summary

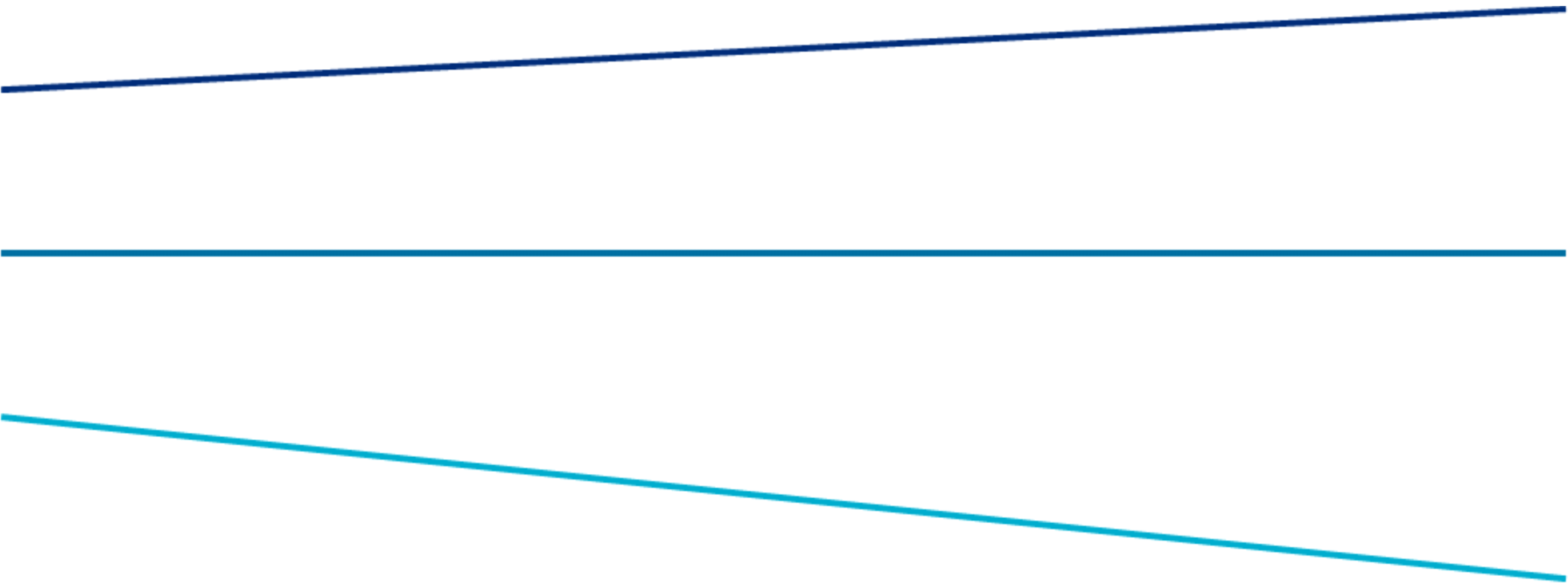
Fixed Income

The **Fixed Income Fund** gained 1.2% over the quarter and outperformed the Barclays Aggregate Index by 60 basis points. Both JP Morgan and PIMCO outperformed during the quarter. The Fixed Income Fund exhibited strong results over all longer periods measured.

Stable Value

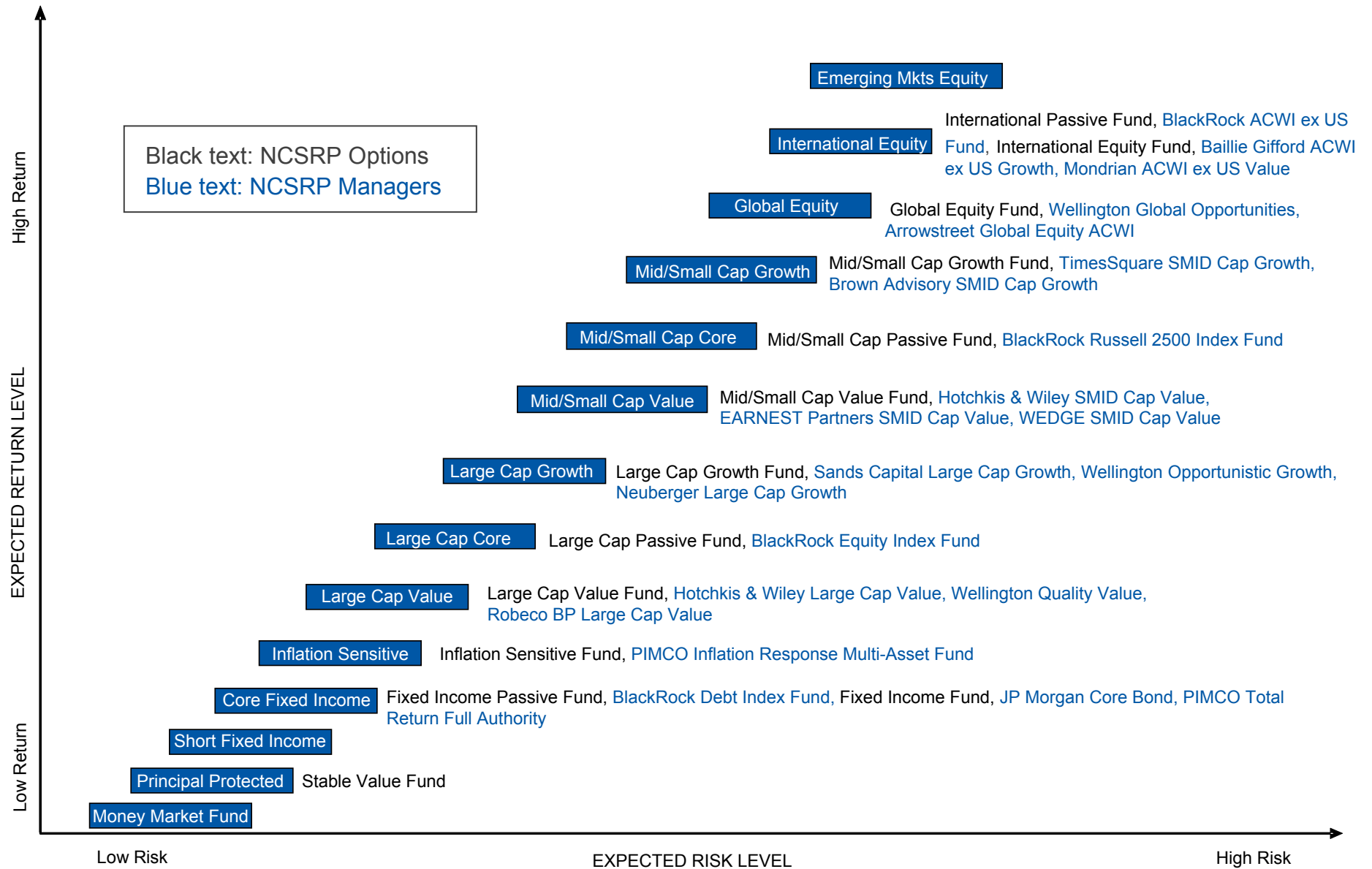
During the third quarter, the **Stable Value Fund** returned 0.5% and outperformed its benchmark by 20 basis points. As of September 30, 2013, the combined market-to-book ratio was 101.83% and the effective duration was 3.2 years. Over the trailing one- and three-year periods, the Fund exhibited strong performance relative to its benchmark.

Total Plan



Total Plan

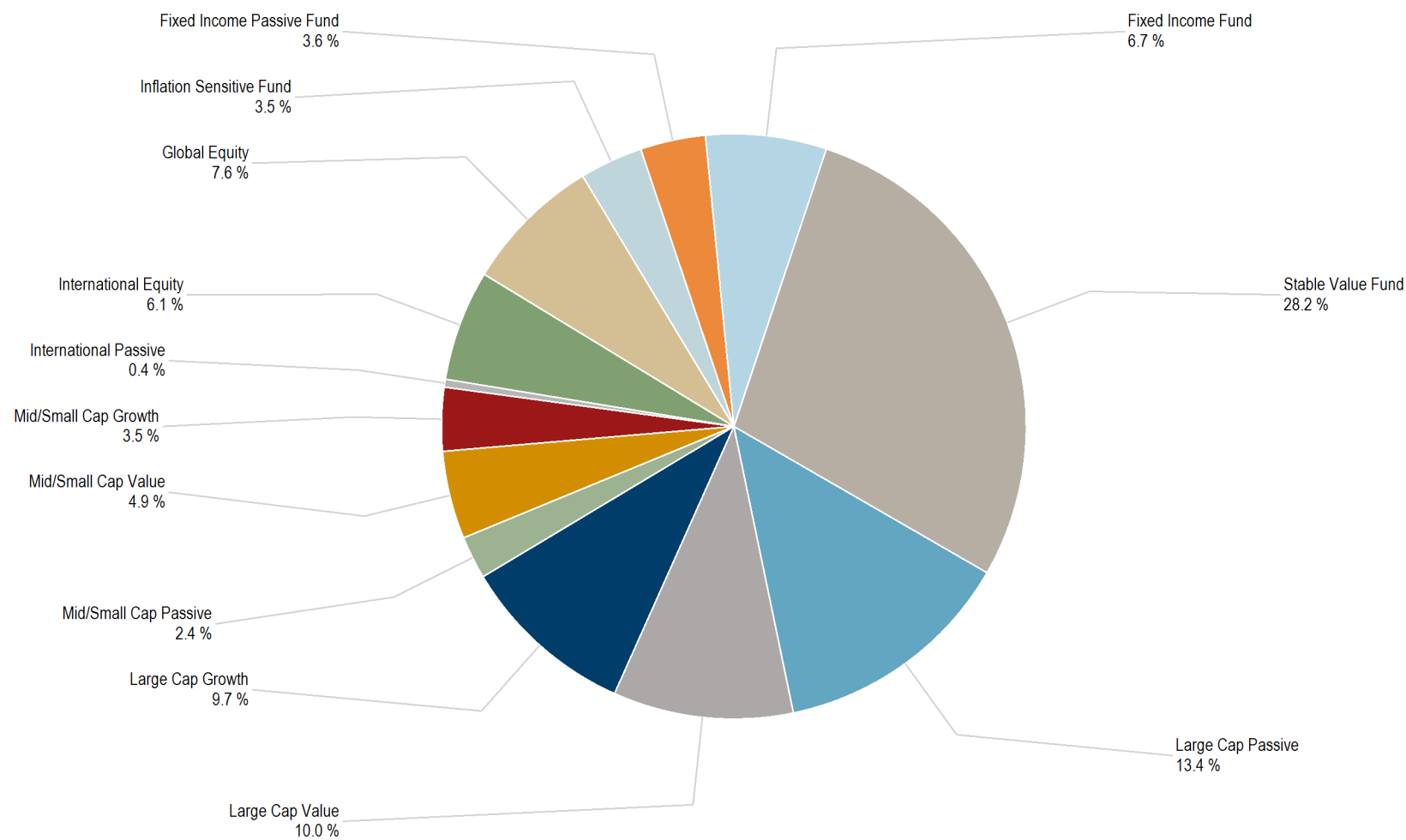
Option Array



Total Plan

Asset Allocation

Current Fund Allocation



Performance Scorecard

	Mercer Rating	Return								Risk ¹	
		3 Years to 9/30/2013		3 Years to 6/30/2013		3 Years to 3/31/2013		3 Years to 12/31/2012		5 Years to 9/30/2013	
		I	U	I	U	I	U	I	U	I	
Large Cap Passive Fund (tracked within 20bps)		✓	NA	✓	NA	✓	NA	✓	NA	NA	
BlackRock Equity Index Fund	PP	✓	NA	✓	NA	✓	NA	✓	NA	NA	
Large Cap Value Fund		✓	✓	✓	✓	✗	✓	✗	✓	NA	
Hotchkis & Wiley Large Cap Value	B+ (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Wellington Quality Value	N	✗	✗	✗	✗	✗	✗	✗	✗	✓	
Robeco BP Large Cap Value	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Large Cap Growth Fund		✓	✓	✓	✓	✓	✓	✓	✓	NA	
Sands Capital Large Cap Growth	A (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Wellington Opportunistic Growth	A	✓	✓	✗	✓	✗	✗	✗	✓	✓	
Neuberger Large Cap Growth	B+	✗	✗	✗	✗	✗	✗	✗	✗	✓	

¹ 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%.

* 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 ¹
		3 Years to 9/30/2013		3 Years to 6/30/2013		3 Years to 3/31/2013		3 Years to 12/31/2012		5 Years to 9/30/2013
		I	U	I	U	I	U	I	U	I
Mid/Small Cap Passive Fund (tracked within 30 bps)		✓	NA	✓	NA	✓	NA	✓	NA	NA
BlackRock Russell 2500 Index Fund	PP	✓	NA	✓	NA	✓	NA	✓	NA	NA
Mid/Small Cap Value Fund		✓	✓	✓	✓	✓	✓	✓	✓	NA
Hotchkis & Wiley SMID Cap Value	B+ (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓
EARNEST Partners SMID Cap Value	B+	✓	✗	✗	✗	✓	✗	✓	✓	✓
WEDGE SMID Cap Value	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mid/Small Cap Growth Fund		✗	✓	✗	✓	✗	✓	✗	✓	NA
TimesSquare SMID Cap Growth	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Brown Advisory	R	✓	✗	✓	✓	✗	✗	✓	✓	✓

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Performance Scorecard

	Mercer Rating	Return								Risk ¹
		3 Years to 9/30/2013		3 Years to 6/30/2013		3 Years to 3/31/2013		3 Years to 12/31/2012		5 Years to 9/30/2013
		I	U	I	U	I	U	I	U	I
International Passive Fund (tracked within 10 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	✓	✓	✓	✓	✓	✓	✓	✓	✓

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Performance Scorecard

	Mercer Rating	Return								Risk ¹	
		3 Years to 9/30/2013		3 Years to 6/30/2013		3 Years to 3/31/2013		3 Years to 12/31/2012		5 Years to 9/30/2013	
		I	U	I	U	I	U	I	U	I	
Inflation Sensitive Fund		NA	NA	NA	NA	NA	NA	NA	NA	NA	
PIMCO Inflation Response-Multi Asset	B+	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Fixed Income Passive Fund (tracked within 25 bps)		✓	NA	NA	NA	NA	NA	NA	NA	NA	
BlackRock Debt Index Fund	N	✓	NA	✓	NA	✓	NA	✓	NA	NA	
Fixed Income Fund		✓	✓	✓	✗	✓	✓	✓	✓	NA	
JP Morgan Core Bond	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	
PIMCO Total Return Full Authority	A	✓	✗	✓	✗	✓	✗	✓	✓	✓	
Stable Value Fund		✓	✓	✓	✓	✓	✗	✓	✗	NA	

¹ 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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Watch List

Manager	Date Placed on Watch	Mercer Rating*	Recommendation	Comments
Wellington Quality Value	3Q13 Proposed	N	Monitor	Mercer recommends that the Wellington Quality Value strategy be placed on watch due to underperformance over the recent four rolling three-year periods. Although Wellington's five-year composite return as of September 30, 2013 is strong on both absolute and relative bases, the strategy's high quality focus has held the portfolio back in recent periods. Mercer is comfortable that Wellington's performance is consistent with its philosophy and will recover when the market moves to favor higher quality securities. However, ongoing monitoring is appropriate to ensure this remains the case.
Neuberger Large Cap Growth	4Q12	B+	Monitor	<p>The Neuberger Berman Large Cap Disciplined Growth strategy was placed on watch at the fourth quarter of 2012 meeting due to performance struggles over the recent four rolling three-year periods. Neuberger has historically produced solid results, even through the difficult market environment in calendar year 2008. However, since 2009, Neuberger has struggled.</p> <p>Two primary factors are believed to have driven the underperformance. The first is a series of changes in the portfolio management group, as it went from two decision makers to four, and in 2011 went back to two. It is expected that the smaller decision-making team will be more effective. The other cause of underperformance may have been the strong bull market rally, which favored more cyclical names than Neuberger generally holds.</p> <p>Mercer expects that market environments favoring lower quality and smaller cap names may present performance headwinds for Neuberger. The strategy's underperformance during the recent risk-on/risk-off environment is in line with that expectation, and we believe that performance should be strong in a more fundamentally-driven market environment.</p> <p>After ranking in the top third of its peer universe over the three- and six-month periods ending June 30, 2013, Neuberger failed to beat its benchmark and peer group median over all periods measured as of September 30, 2013. At this time, Mercer recommends continuing to closely monitor Neuberger for improved longer-term performance.</p>

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Total Plan

Fee Review

Funds and Sub-Advisors	Assets	Inv. Mgmt. Fee	Other Inv. Exp. ¹	R/K Fee	NC Budget ²	Total Estimated Expense (%)	Total Estimated Expense (\$) ³	Mercer Median Expense	Difference
North Carolina Stable Value Fund	\$2,237,868,726	0.339%	0.000%	0.096%	0.025%	0.460%	\$10,294,196	0.46%	0.00%
Galliard	\$2,237,868,726	0.339%	0.000%				\$7,586,375	0.46%	-0.12%
North Carolina Fixed Income Passive Fund	\$285,866,351	0.070%	0.055%	0.096%	0.025%	0.246%	\$703,231	0.20%	0.05%
BlackRock	\$285,866,351	0.070%	0.055%				\$200,106	0.02%	0.05%
North Carolina Fixed Income Fund	\$530,145,180	0.219%	0.077%	0.096%	0.025%	0.416%	\$2,206,944	0.53%	-0.11%
50% JP Morgan	\$263,815,421	0.188%	0.071%				\$494,868	0.23%	-0.04%
50% PIMCO	\$266,329,759	0.250%	0.082%				\$665,824	0.26%	-0.01%
North Carolina Inflation Sensitive Fund	\$277,175,195	0.800%	0.055%	0.096%	0.025%	0.976%	\$2,705,230	0.87%	0.11%
PIMCO	\$277,175,195	0.800%	0.055%				\$2,217,402	0.87%	-0.07%
North Carolina Large Cap Passive Fund	\$1,063,110,285	0.025%	0.055%	0.096%	0.025%	0.201%	\$2,136,852	0.20%	0.00%
BlackRock	\$1,063,110,285	0.025%	0.055%				\$265,778	0.01%	0.02%
North Carolina Large Cap Value Fund	\$790,221,068	0.379%	0.071%	0.096%	0.025%	0.572%	\$4,516,749	0.79%	-0.21%
33.3% Hotchkis & Wiley	\$266,423,022	0.500%	0.072%				\$1,332,115	0.44%	0.06%
33.3% Wellington Management Company	\$261,420,367	0.290%	0.072%				\$758,119	0.44%	-0.15%
33.3% Robeco BP	\$262,377,679	0.348%	0.071%				\$912,133	0.44%	-0.09%
North Carolina Large Cap Growth Fund	\$771,134,394	0.378%	0.072%	0.096%	0.025%	0.571%	\$4,402,109	0.86%	-0.29%
33.3% Sands Capital Management	\$268,542,490	0.510%	0.072%				\$1,369,793	0.46%	0.05%
33.3% Wellington Management Company	\$251,953,745	0.350%	0.072%				\$881,838	0.47%	-0.12%
33.3% Neuberger Berman	\$250,638,159	0.275%	0.071%				\$689,255	0.47%	-0.19%
North Carolina SMID Cap Passive Fund	\$187,879,018	0.050%	0.055%	0.096%	0.025%	0.226%	\$424,607	0.29%	-0.06%
BlackRock	\$187,879,018	0.050%	0.055%				\$93,940	0.02%	0.03%
North Carolina SMID Value Fund	\$385,388,196	0.632%	0.071%	0.096%	0.025%	0.824%	\$3,175,402	1.00%	-0.18%
33.3% Hotchkis & Wiley	\$129,668,571	0.593%	0.072%				\$768,343	0.63%	-0.03%
33.3% EARNEST Partners	\$128,176,694	0.526%	0.072%				\$673,943	0.77%	-0.24%
33.3% WEDGE Capital Management	\$127,542,930	0.776%	0.071%				\$990,258	0.77%	0.01%
North Carolina SMID Growth Fund	\$278,086,392	0.713%	0.071%	0.096%	0.025%	0.905%	\$2,516,543	1.01%	-0.11%
50% TimesSquare Capital Management	\$138,331,823	0.858%	0.072%				\$1,187,489	0.77%	0.09%
50% Brown Advisory	\$139,754,569	0.567%	0.071%				\$791,801	0.81%	-0.25%
North Carolina International Passive Fund	\$34,730,006	0.140%	0.055%	0.096%	0.025%	0.316%	\$109,747	0.40%	-0.08%
BlackRock	\$34,730,006	0.140%	0.055%				\$48,622	0.06%	0.08%
North Carolina International Equity Fund	\$485,351,262	0.457%	0.123%	0.096%	0.025%	0.700%	\$3,399,667	1.00%	-0.30%
50% Baillie Gifford	\$242,434,384	0.452%	0.124%				\$1,094,738	0.56%	-0.11%
50% Mondrian Investment Partners	\$242,916,878	0.462%	0.122%				\$1,121,668	0.56%	-0.10%
North Carolina Global Equity Fund	\$606,172,280	0.554%	0.088%	0.096%	0.025%	0.763%	\$4,626,025	1.08%	-0.32%
50% Wellington Management Company	\$302,916,780	0.500%	0.093%				\$1,514,584	0.55%	-0.05%
50% Arrowstreet	\$303,255,499	0.608%	0.083%				\$1,842,905	0.55%	0.06%
Total	\$7,933,128,353	0.346%	0.052%	0.096%	0.025%	0.520%	\$41,217,302	0.628%	

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

²The 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.

³Manager fee estimates reflect investment management fee only.

Total Plan

Performance Summary

Total Plan Performance

	Current Market Value	Current Allocation	Ending September 30, 2013										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Large Cap Passive	\$1,063,110,285	13.4%	5.2%	62	19.6%	55	19.2%	60	16.1%	30	--	--	20.5%	Mar-09
S&P 500			5.2%	61	19.8%	49	19.3%	57	16.3%	26	10.0%	29	20.6%	Mar-09
<i>Mercer Mutual Fund US Equity Large Cap Core Median</i>			5.6%		19.8%		19.9%		15.0%		9.3%		19.2%	Mar-09
NCSRP BlackRock Equity Index	\$1,063,110,285	13.4%	5.3%	41	19.8%	59	19.4%	50	16.3%	67	--	--	20.6%	Mar-09
<i>BlackRock Equity Index Strategy</i>			5.3%	41	19.8%	57	19.4%	50	16.3%	66	10.1%	55	20.7%	Mar-09
S&P 500			5.2%	56	19.8%	54	19.3%	54	16.3%	66	10.0%	73	20.6%	Mar-09
<i>Mercer Instl US Equity Large Cap Index Median</i>			5.2%		19.8%		19.4%		16.3%		10.2%		21.1%	Mar-09
Large Cap Value	\$790,221,068	10.0%	4.8%	44	23.0%	18	25.1%	22	16.5%	20	--	--	19.4%	Mar-09
Russell 1000 Value			3.9%	81	20.5%	55	22.3%	49	16.2%	24	8.9%	48	21.0%	Mar-09
<i>Mercer Mutual Fund US Equity Large Cap Value Median</i>			4.6%		21.1%		22.1%		15.0%		8.8%		19.5%	Mar-09
NCSRP Hotchkis & Wiley Large Cap Value	\$266,423,022	3.4%	6.4%	19	28.7%	4	33.1%	4	18.5%	11	--	--	25.9%	Mar-09
<i>Hotchkis & Wiley Large Cap Value Strategy</i>			6.3%	21	28.4%	6	32.7%	5	18.3%	12	13.3%	4	25.8%	Mar-09
Russell 1000 Value			3.9%	84	20.5%	67	22.3%	64	16.2%	51	8.9%	75	21.0%	Mar-09
<i>Mercer Instl US Equity Large Cap Value Median</i>			5.0%		21.8%		24.0%		16.3%		10.0%		20.7%	Mar-09
NCSRP Wellington Value Composite	\$261,420,367	3.3%	3.1%	94	17.6%	95	18.2%	91	14.6%	83	--	--	12.9%	Mar-09
<i>NCSRP Wellington Quality Value</i>			3.1%	94	17.6%	95	18.2%	91	14.6%	83	--	--	--	Mar-09
<i>Wellington Quality Value Strategy</i>			3.1%	94	17.6%	95	18.1%	92	14.5%	84	10.1%	46	19.4%	Mar-09
Russell 1000 Value			3.9%	84	20.5%	67	22.3%	64	16.2%	51	8.9%	75	21.0%	Mar-09
<i>Mercer Instl US Equity Large Cap Value Median</i>			5.0%		21.8%		24.0%		16.3%		10.0%		20.7%	Mar-09
NCSRP Robeco BP Large Cap Value	\$262,377,679	3.3%	5.1%	50	24.0%	27	25.9%	30	--	--	--	--	26.1%	Nov-11
<i>Robeco BP Large Cap Value Strategy</i>			5.1%	50	23.8%	27	25.7%	33	18.9%	8	11.7%	16	25.8%	Nov-11
Russell 1000 Value			3.9%	84	20.5%	67	22.3%	64	16.2%	51	8.9%	75	22.2%	Nov-11
<i>Mercer Instl US Equity Large Cap Value Median</i>			5.0%		21.8%		24.0%		16.3%		10.0%		--	Nov-11

Total Plan

Performance Summary

	Current Market Value	Current Allocation	Ending September 30, 2013										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Large Cap Growth	\$771,134,394	9.7%	11.6%	20	24.4%	12	24.3%	14	18.5%	7	--	--	25.2%	Mar-09
Russell 1000 Growth			8.1%	70	20.9%	52	19.3%	56	16.9%	23	12.1%	22	21.3%	Mar-09
Mercer Mutual Fund US Equity Large Cap Growth Median			9.4%		21.0%		19.6%		15.1%		10.3%		19.5%	Mar-09
NCSRP Sands Capital Large Cap Growth	\$268,542,490	3.4%	19.1%	1	30.0%	4	29.1%	6	24.6%	1	--	--	32.1%	Mar-09
Sands Capital Large Cap Growth Strategy			19.1%	1	29.9%	4	28.9%	6	24.5%	1	20.5%	1	31.9%	Mar-09
Russell 1000 Growth			8.1%	62	20.9%	54	19.3%	65	16.9%	39	12.1%	37	21.3%	Mar-09
Mercer Instl US Equity Large Cap Growth Median			8.8%		21.1%		20.3%		16.0%		11.4%		20.4%	Mar-09
NCSRP Wellington Opportunistic Growth	\$251,953,745	3.2%	10.2%	35	25.2%	11	29.5%	5	17.1%	36	--	--	22.1%	Mar-09
Wellington Opportunistic Growth Strategy			10.2%	35	25.2%	11	29.4%	5	16.9%	39	12.6%	26	22.0%	Mar-09
Russell 1000 Growth			8.1%	62	20.9%	54	19.3%	65	16.9%	39	12.1%	37	21.3%	Mar-09
Russell 3000 Growth			8.5%	54	21.8%	45	20.3%	50	17.2%	36	12.2%	34	21.7%	Mar-09
Mercer Instl US Equity Large Cap Growth Median			8.8%		21.1%		20.3%		16.0%		11.4%		20.4%	Mar-09
NCSRP Neuberger Large Cap Growth	\$250,638,159	3.2%	5.5%	95	19.0%	77	15.8%	92	--	--	--	--	15.6%	Oct-11
Neuberger Large Cap Growth Strategy			5.6%	95	19.2%	76	16.0%	91	12.7%	97	8.8%	92	15.1%	Oct-11
Russell 1000 Growth			8.1%	62	20.9%	54	19.3%	65	16.9%	39	12.1%	37	18.7%	Oct-11
Mercer Instl US Equity Large Cap Growth Median			8.8%		21.1%		20.3%		16.0%		11.4%		--	Oct-11
Mid/Small Cap Passive	\$187,879,018	2.4%	9.0%	56	25.8%	51	29.7%	45	18.4%	36	--	--	25.4%	Mar-09
Russell 2500			9.1%	56	25.9%	50	29.8%	44	18.4%	35	12.7%	39	25.5%	Mar-09
Mercer Mutual Fund US Equity Small+Mid Median			9.4%		25.8%		29.0%		17.4%		12.0%		24.1%	Mar-09
NCSRP BlackRock Russell 2500 Index Fund	\$187,879,018	2.4%	9.1%	61	26.0%	63	29.9%	59	18.6%	57	--	--	25.7%	Mar-09
BlackRock Russell 2500 Index Fund Strategy			9.1%	61	26.0%	63	29.9%	59	18.6%	57	12.9%	60	25.7%	Mar-09
Russell 2500			9.1%	61	25.9%	64	29.8%	60	18.4%	59	12.7%	63	25.5%	Mar-09
Mercer Instl US Equity Small + Mid Cap Median			9.8%		27.5%		31.0%		19.2%		13.5%		25.8%	Mar-09

Total Plan

Performance Summary

	Current Market Value	Current Allocation	Ending September 30, 2013										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Mid/Small Cap Value	\$385,388,196	4.9%	8.4%	37	25.8%	42	32.7%	27	20.1%	8	--	--	28.9%	Mar-09
Russell 2500 Value			6.4%	75	22.5%	71	27.6%	63	17.1%	44	11.1%	67	24.6%	Mar-09
Mercer Mutual Fund US Equity Small+Mid Value Median			7.9%		24.5%		29.2%		16.4%		11.8%		24.4%	Mar-09
NCSRP Hotchkis & Wiley	\$129,668,571	1.6%	8.6%	46	35.2%	1	42.8%	2	24.5%	2	--	--	34.3%	Mar-09
Hotchkis & Wiley Value Strategy			8.5%	51	35.0%	1	42.7%	2	24.6%	2	21.8%	1	34.6%	Mar-09
Hotchkis Custom SMID Value Index			6.4%	93	22.5%	63	27.6%	70	16.8%	66	11.6%	75	25.6%	Mar-09
Mercer Instl US Equity SMID Value Median			8.5%		24.4%		30.0%		17.7%		12.8%		24.5%	Mar-09
NCSRP EARNEST Partners	\$128,176,694	1.6%	9.9%	22	20.5%	84	28.0%	68	17.3%	61	--	--	23.4%	Mar-09
EARNEST Partners Value Strategy			9.8%	24	20.7%	82	28.2%	66	18.6%	34	10.9%	81	24.4%	Mar-09
EARNEST Custom SMID Value Index			6.4%	93	22.5%	63	27.6%	70	16.8%	67	9.3%	94	23.4%	Mar-09
Mercer Instl US Equity SMID Value Median			8.5%		24.4%		30.0%		17.7%		12.8%		24.5%	Mar-09
NCSRP WEDGE SMID Cap Value	\$127,542,930	1.6%	7.4%	74	23.7%	56	30.0%	51	--	--	--	--	25.8%	Dec-11
WEDGE SMID Cap Value Strategy			7.4%	75	23.9%	56	30.2%	47	19.0%	25	13.0%	47	25.9%	Dec-11
Russell 2500 Value			6.4%	93	22.5%	63	27.6%	70	17.1%	63	11.1%	80	24.2%	Dec-11
Mercer Instl US Equity SMID Value Median			8.5%		24.4%		30.0%		17.7%		12.8%		23.6%	Dec-11
Mid/Small Cap Growth	\$278,086,392	3.5%	11.8%	45	28.9%	48	33.0%	26	19.2%	36	--	--	24.9%	Mar-09
Russell 2500 Growth			11.9%	43	29.6%	46	32.0%	33	19.8%	27	14.3%	26	26.5%	Mar-09
Mercer Mutual Fund US Equity Small+Mid Growth Median			11.6%		28.3%		28.9%		18.1%		12.7%		24.3%	Mar-09
NCSRP TimesSquare Composite	\$138,331,823	1.7%	11.0%	68	28.7%	57	33.3%	27	21.1%	35	--	--	25.6%	Mar-09
NCSRP TimesSquare SMID Growth			11.0%	68	28.7%	57	33.3%	27	--	--	--	--	--	Mar-09
TimesSquare Growth Strategy			11.0%	67	28.7%	59	33.3%	29	23.3%	10	17.5%	17	28.4%	Mar-09
TimesSquare Custom SMID Growth Index			11.9%	49	29.6%	48	32.0%	45	18.9%	69	14.6%	59	25.9%	Mar-09
Mercer Instl US Equity SMID Growth Median			11.9%		29.0%		31.1%		20.0%		15.2%		26.1%	Mar-09

Total Plan

Performance Summary

	Current Market Value	Current Allocation	Ending September 30, 2013										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
NCSRP Brown Advisory	\$139,754,569	1.8%	13.0%	33	30.7%	45	34.8%	18	19.7%	55	--	--	26.6%	Mar-09
Brown Advisory Growth Strategy			13.4%	31	31.6%	38	35.7%	13	19.9%	53	15.3%	46	26.7%	Mar-09
Brown Custom SMID Growth Index			11.9%	49	29.6%	48	32.0%	45	19.6%	56	12.9%	81	25.8%	Mar-09
Mercer Instl US Equity SMID Growth Median			11.9%		29.0%		31.1%		20.0%		15.2%		26.1%	Mar-09
International Passive	\$34,730,006	0.4%	10.0%	76	9.2%	86	16.4%	84	5.9%	82	--	--	16.0%	Mar-09
MSCI ACWI ex USA Gross			10.2%	74	10.5%	80	17.0%	79	6.4%	75	6.7%	16	16.6%	Mar-09
Mercer Mutual Fund World ex US/EAFE Equity Index Median			11.3%		14.9%		22.8%		8.1%		5.9%		16.1%	Mar-09
NCSRP BlackRock ACWI ex US Fund	\$34,730,006	0.4%	10.1%	79	9.4%	97	16.6%	99	6.1%	94	--	--	16.3%	Mar-09
BlackRock ACWI ex US Fund Strategy			10.1%	77	9.5%	97	16.7%	99	6.1%	94	6.5%	47	16.3%	Mar-09
MSCI ACWI ex USA Gross			10.2%	75	10.5%	88	17.0%	88	6.4%	85	6.7%	4	16.6%	Mar-09
Mercer Instl World ex US/EAFE Equity Passive Median			11.5%		16.2%		23.9%		8.7%		6.5%		16.4%	Mar-09
International Equity	\$485,351,262	6.1%	9.1%	78	9.4%	88	15.6%	88	7.3%	64	--	--	16.3%	Mar-09
MSCI ACWI ex USA Gross			10.2%	57	10.5%	83	17.0%	80	6.4%	78	6.7%	47	16.6%	Mar-09
Mercer Mutual Fund World ex US/EAFE Equity Median			10.4%		14.2%		21.4%		8.1%		6.5%		16.5%	Mar-09
NCSRP Baillie Gifford ACWI ex US Growth	\$242,434,384	3.1%	11.2%	38	11.3%	83	17.3%	84	9.4%	53	--	--	20.2%	Mar-09
Baillie Gifford ACWI ex US Growth Strategy			11.2%	37	11.4%	81	17.5%	83	9.6%	49	9.3%	27	20.3%	Mar-09
MSCI ACWI ex USA Gross			10.2%	62	10.5%	88	17.0%	86	6.4%	92	6.7%	75	16.6%	Mar-09
MSCI AC Wld ex US Growth Gross			8.9%	83	10.7%	88	16.5%	89	6.5%	92	6.7%	76	16.2%	Mar-09
Mercer Instl World ex US/EAFE Equity Median			10.8%		15.5%		22.4%		9.5%		8.1%		18.0%	Mar-09
NCSRP Mondrian ACWI ex US Value	\$242,916,878	3.1%	7.1%	97	9.9%	92	15.0%	95	6.7%	90	--	--	14.3%	Mar-09
Mondrian ACWI ex US Value Strategy			7.1%	97	10.2%	91	15.1%	94	6.9%	87	5.7%	91	14.5%	Mar-09
MSCI ACWI ex USA Gross			10.2%	62	10.5%	88	17.0%	86	6.4%	92	6.7%	75	16.6%	Mar-09
MSCI AC Wld Ex US Value Gross			11.5%	31	10.2%	89	17.4%	84	6.4%	93	6.8%	75	17.0%	Mar-09
Mercer Instl World ex US/EAFE Equity Median			10.8%		15.5%		22.4%		9.5%		8.1%		18.0%	Mar-09

Total Plan

Performance Summary

	Current Market Value	Current Allocation	Ending September 30, 2013										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Global Equity	\$606,172,280	7.6%	9.8%	29	21.4%	20	26.4%	20	13.0%	27	--	--	18.4%	Mar-09
MSCI ACWI Gross			8.0%	54	14.9%	68	18.4%	68	10.8%	57	8.3%	58	18.5%	Mar-09
Mercer Mutual Fund Global Equity Median			8.2%		17.3%		21.0%		11.4%		8.7%		18.5%	Mar-09
NCSRP Wellington Global Composite	\$302,916,780	3.8%	9.7%	29	22.9%	15	28.5%	15	14.8%	14	--	--	19.7%	Mar-09
NCSRP Wellington Global Opportunities			9.7%	29	22.9%	15	28.5%	15	14.8%	14	--	--	--	Mar-09
Wellington Global Opportunities Strategy			9.8%	27	23.2%	13	28.6%	14	14.7%	15	12.8%	9	21.9%	Mar-09
MSCI ACWI Gross			8.0%	58	14.9%	76	18.4%	77	10.8%	72	8.3%	65	18.5%	Mar-09
Mercer Instl Global Equity Median			8.3%		17.7%		21.4%		12.2%		9.2%		18.8%	Mar-09
NCSRP Arrowstreet Global Equity ACWI	\$303,255,499	3.8%	10.2%	23	22.3%	18	26.1%	22	--	--	--	--	16.4%	Mar-12
Arrowstreet Global Equity ACWI Strategy			9.9%	25	22.5%	17	26.9%	19	13.0%	36	12.6%	9	17.5%	Mar-12
MSCI ACWI Gross			8.0%	58	14.9%	76	18.4%	77	10.8%	72	8.3%	65	12.8%	Mar-12
Mercer Instl Global Equity Median			8.3%		17.7%		21.4%		12.2%		9.2%		14.7%	Mar-12
Inflation Sensitive Fund	\$277,175,195	3.5%	--	--	--	--	--	--	--	--	--	--	--	Sep-13
PIMCO Inflation Response Index			1.4%	63	-6.9%	96	-7.9%	99	2.7%	47	3.7%	74	--	Sep-13
Mercer Mutual Fund Diversified Inflation Hedge Median			1.8%		-1.2%		-1.1%		2.2%		4.0%		--	Sep-13
NCSRP PIMCO Inflation Response Multi-Asset	\$277,175,195	3.5%	--	--	--	--	--	--	--	--	--	--	--	Sep-13
PIMCO Inflation Response Multi-Asset Strategy			1.8%	56	-7.3%	99	-7.9%	99	--	--	--	--	--	Sep-13
PIMCO Inflation Response Index			1.4%	63	-6.9%	96	-7.9%	99	2.7%	47	3.7%	74	--	Sep-13
Consumer Price Index			0.3%	99	2.0%	19	1.2%	36	2.2%	51	1.3%	99	--	Sep-13
Mercer Mutual Fund Diversified Inflation Hedge Median			1.8%		-1.2%		-1.1%		2.2%		4.0%		--	Sep-13

Total Plan

Performance Summary

	Current Market Value	Current Allocation	Ending September 30, 2013										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Fixed Income Passive Fund	\$285,866,351	3.6%	0.5%	64	-1.9%	69	-1.8%	83	2.7%	65	--	--	2.7%	Sep-10
Barclays Aggregate			0.6%	57	-1.9%	68	-1.7%	81	2.9%	62	5.4%	63	2.9%	Sep-10
Mercer Mutual Fund US Fixed Core Median			0.6%		-1.4%		-0.6%		3.2%		6.1%		3.2%	Sep-10
NCSRP BlackRock Debt Index Fund	\$285,866,351	3.6%	0.6%	58	-1.8%	63	-1.6%	80	2.9%	60	--	--	2.9%	Sep-10
BlackRock Debt Index Fund Strategy			0.6%	58	-1.8%	63	-1.6%	80	2.9%	60	5.5%	63	2.9%	Sep-10
Barclays Aggregate			0.6%	57	-1.9%	68	-1.7%	81	2.9%	62	5.4%	63	2.9%	Sep-10
Mercer Mutual Fund US Fixed Core Median			0.6%		-1.4%		-0.6%		3.2%		6.1%		3.2%	Sep-10
Fixed Income Fund	\$530,145,180	6.7%	1.2%	7	-1.2%	47	-0.5%	48	3.3%	48	--	--	6.2%	Mar-09
Barclays Aggregate			0.6%	57	-1.9%	68	-1.7%	81	2.9%	62	5.4%	63	5.0%	Mar-09
Mercer Mutual Fund US Fixed Core Median			0.6%		-1.4%		-0.6%		3.2%		6.1%		6.4%	Mar-09
NCSRP JP Morgan Core Bond	\$263,815,421	3.3%	0.8%	39	-1.1%	29	-0.6%	39	4.0%	44	--	--	6.0%	Mar-09
JP Morgan Core Bond Strategy			0.5%	83	-1.3%	38	-0.8%	49	3.8%	55	6.9%	50	6.3%	Mar-09
Barclays Aggregate			0.6%	74	-1.9%	75	-1.7%	87	2.9%	92	5.4%	95	5.0%	Mar-09
Mercer Instl US Fixed Core Median			0.7%		-1.5%		-0.9%		3.9%		6.9%		6.8%	Mar-09
NCSRP PIMCO Total Return Full Authority	\$266,329,759	3.4%	1.9%	2	-0.7%	17	0.3%	19	3.4%	72	--	--	7.2%	Mar-09
PIMCO Total Return Full Authority Strategy			1.2%	6	-1.6%	55	-0.4%	37	4.0%	44	8.2%	17	7.8%	Mar-09
Barclays Aggregate			0.6%	74	-1.9%	75	-1.7%	87	2.9%	92	5.4%	95	5.0%	Mar-09
Mercer Instl US Fixed Core Median			0.7%		-1.5%		-0.9%		3.9%		6.9%		6.8%	Mar-09
Stable Value Fund	\$2,237,868,726	28.2%	0.5%	25	1.7%	18	2.4%	18	2.9%	35	--	--	3.2%	Jun-09
T-BILLS + 1%			0.3%	99	0.8%	79	1.1%	87	1.1%	99	1.1%	99	1.1%	Jun-09
Mercer Instl Stable Value Median			0.5%		1.4%		1.9%		2.6%		3.2%		3.2%	Jun-09

Fund returns reported net of fees. Manager returns reported gross of fees.

Total Plan

Performance Summary

	Current Market Value	Current Allocation	Ending September 30, 2013										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
GoalMaker Funds	--	--	--	--	--	--	--	--	--	--	--	--	--	
Conservative 0-5 Yrs	\$282,397,235	3.6%	2.5%	88	4.6%	76	5.9%	78	6.4%	84	--	--	8.0%	Jun-09
C01 Benchmark			2.2%	90	3.9%	82	4.8%	85	4.7%	97	4.9%	96	6.1%	Jun-09
Mercer Mutual Fund Lifecycle 2015 Median			3.9%		6.8%		8.2%		8.0%		7.4%		10.9%	Jun-09
Conservative 6-10 Yrs	\$97,879,916	1.2%	3.3%	87	6.5%	71	8.0%	66	7.5%	80	--	--	9.5%	Jun-09
C02 Benchmark			3.0%	89	5.7%	77	6.9%	85	5.8%	95	5.6%	97	7.4%	Jun-09
Mercer Mutual Fund Lifecycle 2020 Median			4.4%		8.1%		9.7%		8.9%		7.9%		11.9%	Jun-09
Conservative 11-15 Yrs	\$64,312,932	0.8%	4.6%	80	9.4%	64	11.4%	60	9.2%	75	--	--	11.3%	Jun-09
C03 Benchmark			4.3%	85	8.7%	74	10.3%	72	8.0%	99	7.1%	99	10.1%	Jun-09
Mercer Mutual Fund Lifecycle 2025 Median			5.0%		10.3%		12.0%		9.8%		8.2%		13.0%	Jun-09
Conservative 16+ Yrs	\$136,816,492	1.7%	6.1%	23	13.0%	36	15.6%	29	11.0%	41	--	--	13.4%	Jun-09
C04 Benchmark			5.7%	50	12.2%	44	14.4%	43	10.1%	57	8.2%	58	12.6%	Jun-09
Mercer Mutual Fund Lifecycle 2030 Median			5.7%		11.2%		13.9%		10.5%		8.4%		13.6%	Jun-09
Moderate 0-5 Yrs	\$320,113,157	4.0%	3.8%	56	7.5%	39	9.3%	37	7.9%	61	--	--	9.9%	Jun-09
M01 Benchmark			3.5%	72	6.8%	51	8.1%	56	6.6%	83	6.1%	83	8.3%	Jun-09
Mercer Mutual Fund Lifecycle 2015 Median			3.9%		6.8%		8.2%		8.0%		7.4%		10.9%	Jun-09
Moderate 6-10 Yrs	\$275,501,408	3.5%	4.6%	35	9.4%	33	11.4%	32	8.9%	45	--	--	11.0%	Jun-09
M02 Benchmark			4.3%	60	8.7%	39	10.3%	43	8.0%	67	7.1%	70	10.1%	Jun-09
Mercer Mutual Fund Lifecycle 2020 Median			4.4%		8.1%		9.7%		8.9%		7.9%		11.9%	Jun-09
Moderate 11-15 Yrs	\$268,016,674	3.4%	5.7%	18	11.9%	23	14.4%	21	10.5%	34	--	--	12.9%	Jun-09
M03 Benchmark			5.3%	41	11.2%	35	13.2%	39	9.5%	71	7.9%	73	11.9%	Jun-09
Mercer Mutual Fund Lifecycle 2025 Median			5.0%		10.3%		12.0%		9.8%		8.2%		13.0%	Jun-09
Moderate 16+ Yrs	\$511,009,266	6.4%	7.4%	2	15.8%	2	19.1%	1	12.4%	9	--	--	14.9%	Jun-09
M04 Benchmark			7.0%	8	15.0%	3	17.8%	4	11.6%	21	9.0%	20	14.4%	Jun-09
Mercer Mutual Fund Lifecycle 2030 Median			5.7%		11.2%		13.9%		10.5%		8.4%		13.6%	Jun-09

Total Plan

Performance Summary

	Current Market Value	Current Allocation	Ending September 30, 2013										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Aggressive 0-5 Yrs	\$135,400,802	1.7%	4.9%	9	10.0%	1	12.1%	1	9.7%	2	--	--	11.8%	Jun-09
R01 Benchmark			4.5%	15	9.2%	8	10.9%	12	8.4%	43	7.3%	57	10.5%	Jun-09
Mercer Mutual Fund Lifecycle 2015 Median			3.9%		6.8%		8.2%		8.0%		7.4%		10.9%	Jun-09
Aggressive 6-10 Yrs	\$174,409,150	2.2%	5.7%	5	11.9%	1	14.4%	1	10.7%	2	--	--	13.1%	Jun-09
R02 Benchmark			5.3%	7	11.2%	7	13.2%	6	9.5%	29	7.9%	49	11.9%	Jun-09
Mercer Mutual Fund Lifecycle 2020 Median			4.4%		8.1%		9.7%		8.9%		7.9%		11.9%	Jun-09
Aggressive 11-15 Yrs	\$199,181,403	2.5%	7.0%	3	15.0%	1	18.2%	1	11.9%	2	--	--	14.4%	Jun-09
R03 Benchmark			6.6%	8	14.2%	2	16.8%	2	11.2%	11	8.8%	23	13.9%	Jun-09
Mercer Mutual Fund Lifecycle 2025 Median			5.0%		10.3%		12.0%		9.8%		8.2%		13.0%	Jun-09
Aggressive 16+ Yrs	\$537,232,937	6.8%	8.6%	1	18.8%	1	22.7%	1	13.7%	1	--	--	16.5%	Jun-09
R04 Benchmark			8.2%	1	18.1%	1	21.5%	1	13.3%	1	9.7%	7	16.5%	Jun-09
Mercer Mutual Fund Lifecycle 2030 Median			5.7%		11.2%		13.9%		10.5%		8.4%		13.6%	Jun-09

Total Plan

Performance Summary - NET OF FFES

Total Plan Performance

	Current Market Value	Current Allocation	Ending September 30, 2013					Inception	
			3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	Return	Since
Large Cap Passive	\$1,063,110,285	13.4%	5.2%	19.6%	19.2%	16.1%	--	20.5%	Mar-09
S&P 500			5.2%	19.8%	19.3%	16.3%	10.0%	20.6%	Mar-09
NCSRP BlackRock Equity Index	\$1,063,110,285	13.4%	5.3%	19.7%	19.3%	16.2%	--	20.6%	Mar-09
S&P 500			5.2%	19.8%	19.3%	16.3%	10.0%	20.6%	Mar-09
Large Cap Value	\$790,221,068	10.0%	4.8%	23.0%	25.1%	16.5%	--	19.4%	Mar-09
Russell 1000 Value			3.9%	20.5%	22.3%	16.2%	8.9%	21.0%	Mar-09
NCSRP Hotchkis & Wiley Large Cap Value	\$266,423,022	3.4%	6.3%	28.3%	32.5%	17.9%	--	25.3%	Mar-09
Russell 1000 Value			3.9%	20.5%	22.3%	16.2%	8.9%	21.0%	Mar-09
NCSRP Wellington Value Composite	\$261,420,367	3.3%	3.1%	17.4%	17.8%	14.2%	--	12.6%	Mar-09
NCSRP Wellington Quality Value			3.1%	17.4%	17.8%	14.2%	--	--	Mar-09
Russell 1000 Value			3.9%	20.5%	22.3%	16.2%	8.9%	21.0%	Mar-09
NCSRP Robeco BP Large Cap Value	\$262,377,679	3.3%	5.0%	23.6%	25.4%	--	--	25.7%	Nov-11
Russell 1000 Value			3.9%	20.5%	22.3%	16.2%	8.9%	22.2%	Nov-11
Large Cap Growth	\$771,134,394	9.7%	11.6%	24.4%	24.3%	18.5%	--	25.2%	Mar-09
Russell 1000 Growth			8.1%	20.9%	19.3%	16.9%	12.1%	21.3%	Mar-09
NCSRP Sands Capital Large Cap Growth	\$268,542,490	3.4%	19.0%	29.5%	28.4%	23.9%	--	31.4%	Mar-09
Russell 1000 Growth			8.1%	20.9%	19.3%	16.9%	12.1%	21.3%	Mar-09
NCSRP Wellington Opportunistic Growth	\$251,953,745	3.2%	10.1%	24.9%	29.1%	16.7%	--	21.7%	Mar-09
Russell 1000 Growth			8.1%	20.9%	19.3%	16.9%	12.1%	21.3%	Mar-09
Russell 3000 Growth			8.5%	21.8%	20.3%	17.2%	12.2%	21.7%	Mar-09

Total Plan

Performance Summary - NET OF FFES

	Current Market Value	Current Allocation	Ending September 30, 2013					Inception	
			3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	Return	Since
NCSRP Neuberger Large Cap Growth	\$250,638,159	3.2%	5.5%	18.8%	15.5%	--	--	15.3%	Oct-11
Russell 1000 Growth			8.1%	20.9%	19.3%	16.9%	12.1%	18.7%	Oct-11
Mid/Small Cap Passive	\$187,879,018	2.4%	9.0%	25.8%	29.7%	18.4%	--	25.4%	Mar-09
Russell 2500			9.1%	25.9%	29.8%	18.4%	12.7%	25.5%	Mar-09
NCSRP BlackRock Russell 2500 Index Fund	\$187,879,018	2.4%	9.1%	25.9%	29.8%	18.5%	--	25.6%	Mar-09
Russell 2500			9.1%	25.9%	29.8%	18.4%	12.7%	25.5%	Mar-09
Mid/Small Cap Value	\$385,388,196	4.9%	8.4%	25.8%	32.7%	20.1%	--	28.9%	Mar-09
Russell 2500 Value			6.4%	22.5%	27.6%	17.1%	11.1%	24.6%	Mar-09
NCSRP Hotchkis & Wiley	\$129,668,571	1.6%	8.5%	34.6%	41.9%	23.8%	--	33.5%	Mar-09
Hotchkis Custom SMID Value Index			6.4%	22.5%	27.6%	16.8%	11.6%	25.6%	Mar-09
NCSRP EARNEST Partners	\$128,176,694	1.6%	9.8%	20.0%	27.3%	16.7%	--	22.7%	Mar-09
EARNEST Custom SMID Value Index			6.4%	22.5%	27.6%	16.8%	9.3%	23.4%	Mar-09
NCSRP WEDGE SMID Cap Value	\$127,542,930	1.6%	7.2%	23.1%	29.0%	--	--	24.9%	Dec-11
Russell 2500 Value			6.4%	22.5%	27.6%	17.1%	11.1%	24.2%	Dec-11
Mid/Small Cap Growth	\$278,086,392	3.5%	11.8%	28.9%	33.0%	19.2%	--	24.9%	Mar-09
Russell 2500 Growth			11.9%	29.6%	32.0%	19.8%	14.3%	26.5%	Mar-09
NCSRP TimesSquare Composite	\$138,331,823	1.7%	10.8%	27.9%	32.2%	20.2%	--	24.7%	Mar-09
NCSRP TimesSquare SMID Growth			10.8%	27.9%	32.2%	--	--	--	Mar-09
TimesSquare Custom SMID Growth Index			11.9%	29.6%	32.0%	18.9%	14.6%	25.9%	Mar-09

Total Plan

Performance Summary - NET OF FFES

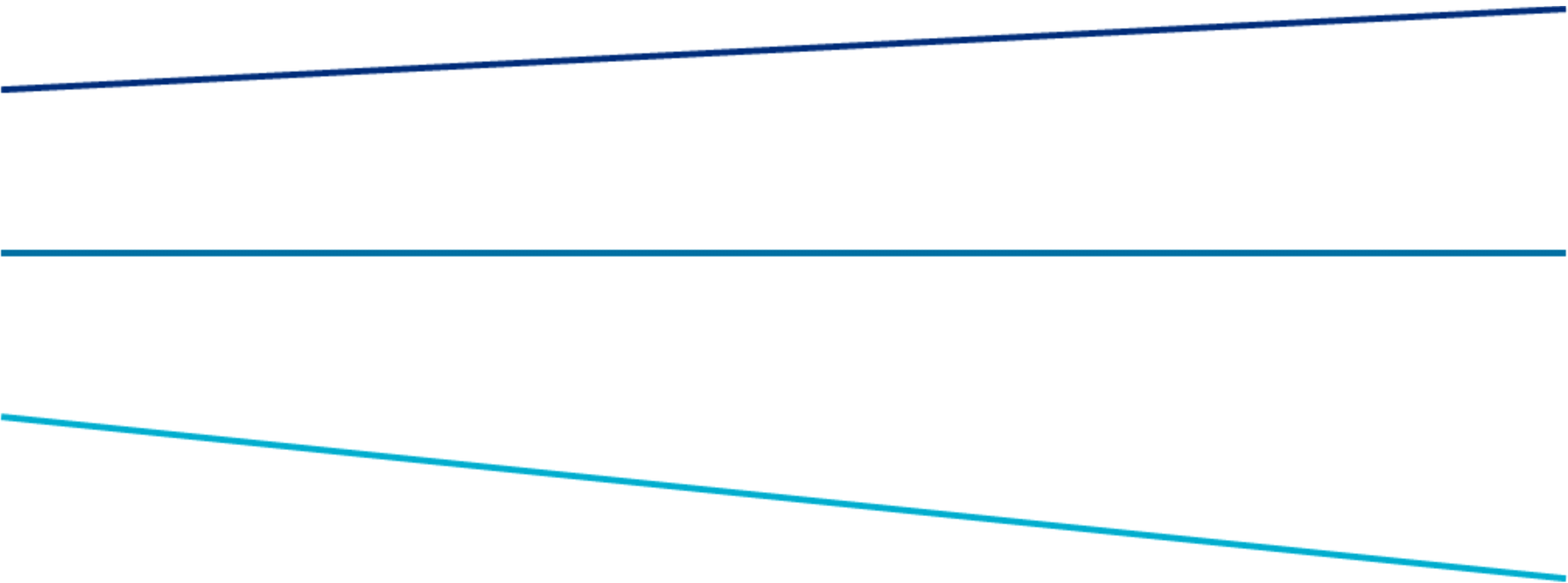
	Current Market Value	Current Allocation	Ending September 30, 2013					Inception	
			3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	Return	Since
NCSRP Brown Advisory	\$139,754,569	1.8%	12.9%	30.2%	34.0%	19.1%	--	25.9%	Mar-09
<i>Brown Custom SMID Growth Index</i>			11.9%	29.6%	32.0%	19.6%	12.9%	25.8%	Mar-09
International Passive	\$34,730,006	0.4%	10.0%	9.2%	16.4%	5.9%	--	16.0%	Mar-09
<i>MSCI ACWI ex USA Gross</i>			10.2%	10.5%	17.0%	6.4%	6.7%	16.6%	Mar-09
NCSRP BlackRock ACWI ex US Fund	\$34,730,006	0.4%	10.1%	9.3%	16.5%	6.0%	--	16.1%	Mar-09
<i>MSCI ACWI ex USA Gross</i>			10.2%	10.5%	17.0%	6.4%	6.7%	16.6%	Mar-09
International Equity	\$485,351,262	6.1%	9.1%	9.4%	15.6%	7.3%	--	16.3%	Mar-09
<i>MSCI ACWI ex USA Gross</i>			10.2%	10.5%	17.0%	6.4%	6.7%	16.6%	Mar-09
NCSRP Baillie Gifford ACWI ex US Growth	\$242,434,384	3.1%	11.0%	10.9%	16.8%	8.9%	--	19.6%	Mar-09
<i>MSCI ACWI ex USA Gross</i>			10.2%	10.5%	17.0%	6.4%	6.7%	16.6%	Mar-09
<i>MSCI AC Wld ex US Growth Gross</i>			8.9%	10.7%	16.5%	6.5%	6.7%	16.2%	Mar-09
NCSRP Mondrian ACWI ex US Value	\$242,916,878	3.1%	6.9%	9.6%	14.5%	6.2%	--	13.7%	Mar-09
<i>MSCI ACWI ex USA Gross</i>			10.2%	10.5%	17.0%	6.4%	6.7%	16.6%	Mar-09
<i>MSCI AC Wld Ex US Value Gross</i>			11.5%	10.2%	17.4%	6.4%	6.8%	17.0%	Mar-09
Global Equity	\$606,172,280	7.6%	9.8%	21.4%	26.4%	13.0%	--	18.4%	Mar-09
<i>MSCI ACWI Gross</i>			8.0%	14.9%	18.4%	10.8%	8.3%	18.5%	Mar-09
NCSRP Wellington Global Composite	\$302,916,780	3.8%	9.6%	22.5%	27.9%	14.2%	--	19.1%	Mar-09
<i>NCSRP Wellington Global Opportunities</i>			9.6%	22.5%	27.9%	14.2%	--	--	Mar-09
<i>MSCI ACWI Gross</i>			8.0%	14.9%	18.4%	10.8%	8.3%	18.5%	Mar-09

Total Plan

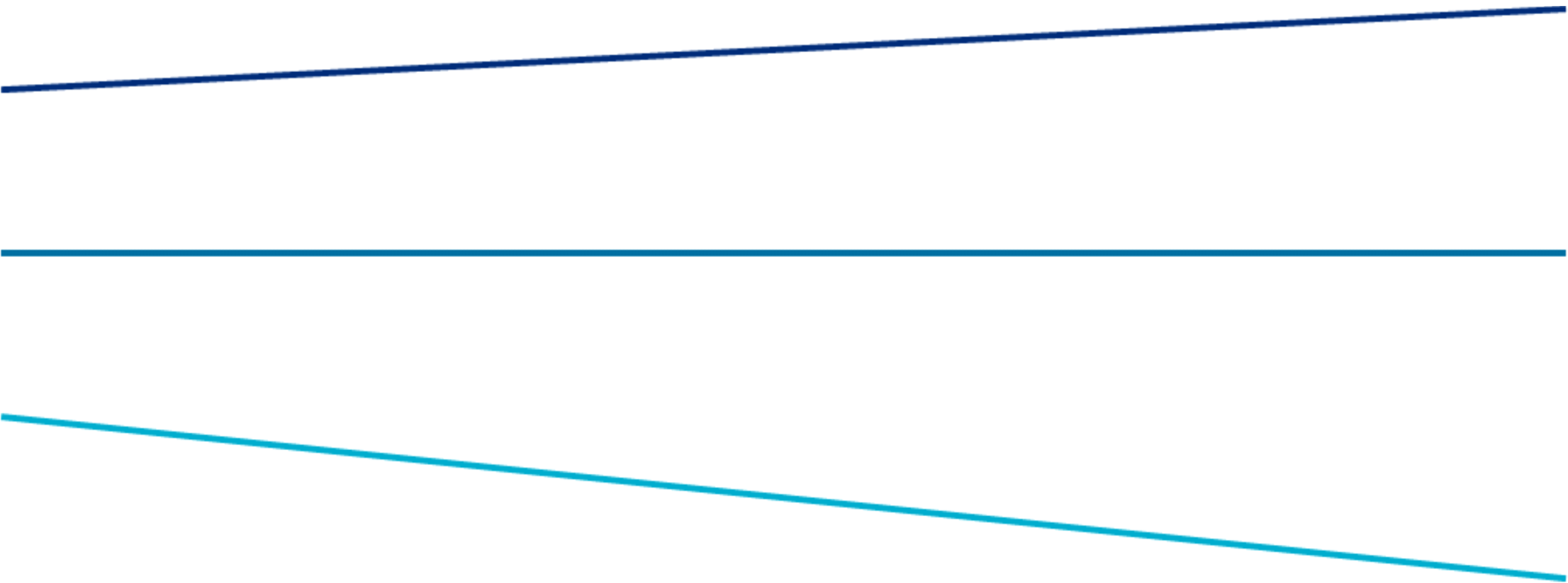
Performance Summary - NET OF FFES

	Current Market Value	Current Allocation	Ending September 30, 2013					Inception	
			3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	Return	Since
NCSRP Arrowstreet Global Equity ACWI	\$303,255,499	3.8%	10.1%	21.7%	25.2%	--	--	15.6%	Mar-12
MSCI ACWI Gross			8.0%	14.9%	18.4%	10.8%	8.3%	12.8%	Mar-12
Inflation Sensitive Fund	\$277,175,195	3.5%	--	--	--	--	--	--	Sep-13
PIMCO Inflation Response Index			1.4%	-6.9%	-7.9%	2.7%	3.7%	--	Sep-13
NCSRP PIMCO Inflation Response Multi-Asset	\$277,175,195	3.5%	--	--	--	--	--	--	Sep-13
PIMCO Inflation Response Index			1.4%	-6.9%	-7.9%	2.7%	3.7%	--	Sep-13
Consumer Price Index			0.3%	2.0%	1.2%	2.2%	1.3%	--	Sep-13
Fixed Income Passive Fund	\$285,866,351	3.6%	0.5%	-1.9%	-1.8%	2.7%	--	2.7%	Sep-10
Barclays Aggregate			0.6%	-1.9%	-1.7%	2.9%	5.4%	2.9%	Sep-10
NCSRP BlackRock Debt Index Fund	\$285,866,351	3.6%	0.5%	-1.8%	-1.7%	2.8%	--	2.8%	Sep-10
Barclays Aggregate			0.6%	-1.9%	-1.7%	2.9%	5.4%	2.9%	Sep-10
Fixed Income Fund	\$530,145,180	6.7%	1.2%	-1.2%	-0.5%	3.3%	--	6.2%	Mar-09
Barclays Aggregate			0.6%	-1.9%	-1.7%	2.9%	5.4%	5.0%	Mar-09
NCSRP JP Morgan Core Bond	\$263,815,421	3.3%	0.8%	-1.2%	-0.7%	3.8%	--	5.8%	Mar-09
Barclays Aggregate			0.6%	-1.9%	-1.7%	2.9%	5.4%	5.0%	Mar-09
NCSRP PIMCO Total Return Full Authority	\$266,329,759	3.4%	1.9%	-0.9%	0.1%	3.1%	--	6.9%	Mar-09
Barclays Aggregate			0.6%	-1.9%	-1.7%	2.9%	5.4%	5.0%	Mar-09

US Equity



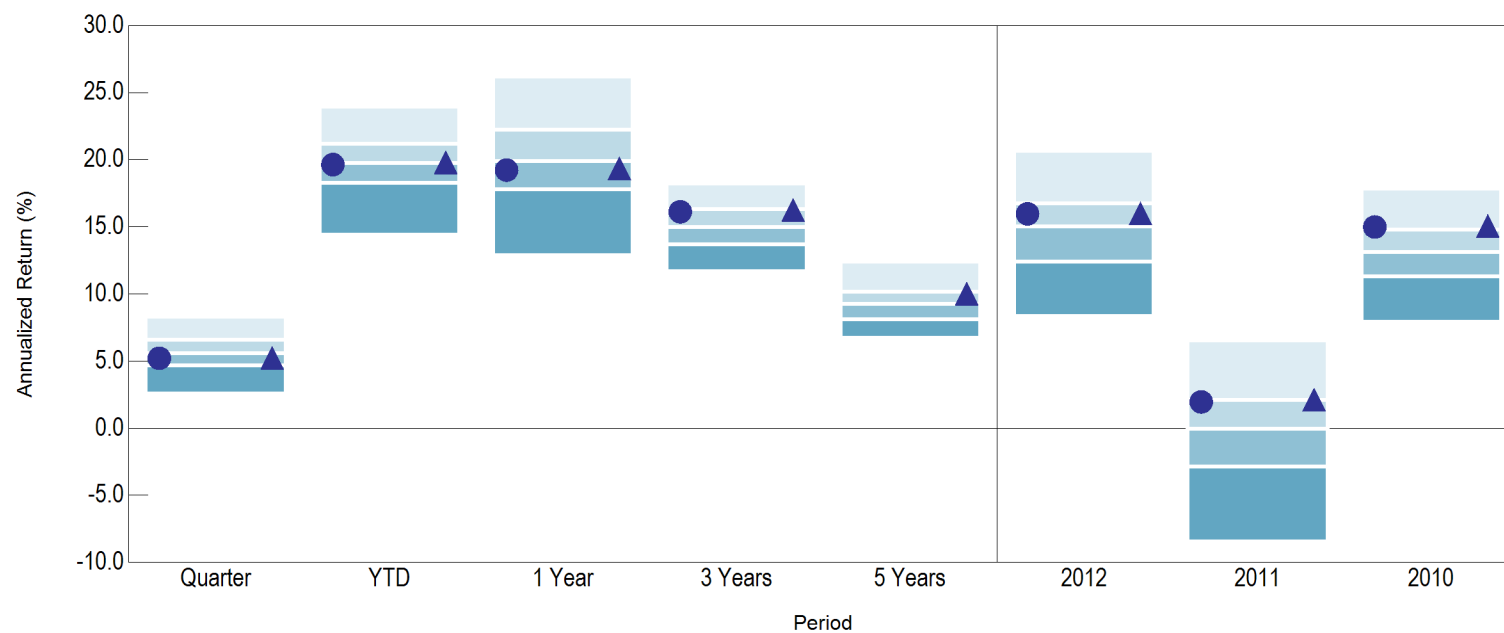
Large Cap Passive



Large Cap Passive

Performance

Performance vs. Mercer Mutual Fund US Equity Large Cap Core
Ending September 30, 2013



	Return (Rank)															
5th Percentile	8.3		23.9		26.2		18.2		12.4		20.6		6.5		17.8	
25th Percentile	6.6		21.2		22.2		16.3		10.2		16.8		2.2		14.8	
Median	5.6		19.8		19.9		15.0		9.3		15.1		0.0		13.1	
75th Percentile	4.7		18.3		17.8		13.7		8.1		12.4		-2.9		11.3	
95th Percentile	2.6		14.4		12.9		11.7		6.7		8.4		-8.4		7.9	
# of Portfolios	285		278		274		257		244		284		309		315	
● Large Cap Passive	5.2	(62)	19.6	(55)	19.2	(60)	16.1	(30)	--	(--)	16.0	(40)	2.0	(28)	15.0	(22)
▲ S&P 500	5.2	(61)	19.8	(49)	19.3	(57)	16.3	(26)	10.0	(29)	16.0	(40)	2.1	(26)	15.1	(22)

Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	BlackRock - Equity Index (S&P 500)
Benchmark	S&P 500

Manager Philosophy and Process

The BlackRock Equity Index Fund seeks to capture the growth potential of large companies and achieve broad diversification with low costs by fully replicating the Standard & Poor's (S&P) 500 Index. To manage the fund effectively, BlackRock focuses on three objectives: minimizing transaction costs, minimizing tracking error and minimizing risk. One of the ways they do this is by fully replicating the index within a cost-effective environment. Because these stocks are highly liquid, full replication can be achieved without incurring excessive costs. BlackRock's breadth of experience allows the firm to capitalize on crossing opportunities which result in cost-savings when changes are made to the index and when clients rebalance their portfolios.

The Fund is monitored on a daily basis to ensure tracking of the Index. Trading occurs as often as necessary to reinvest dividends, tender proceeds, and accommodate changes in the composition of the Index. Typically, the fund has turnover of less than 5% annually and cash tolerances are typically below 1% of the entire portfolio. Cash balances and dividend accruals are equitized with S&P 500 Index futures to minimize tracking error. The BlackRock Equity Index Fund participates in BlackRock's high-quality, risk-controlled securities lending program to earn additional income.

Quarterly Attribution

Top performing index sectors:

- Materials (+10.3%), Industrials (+8.9%), and Consumer Discretionary (+7.8%)

Bottom performing index sectors:

- Telecommunication Services (-4.4%), Utilities (+0.2%), and Consumer Staples (+0.8%)

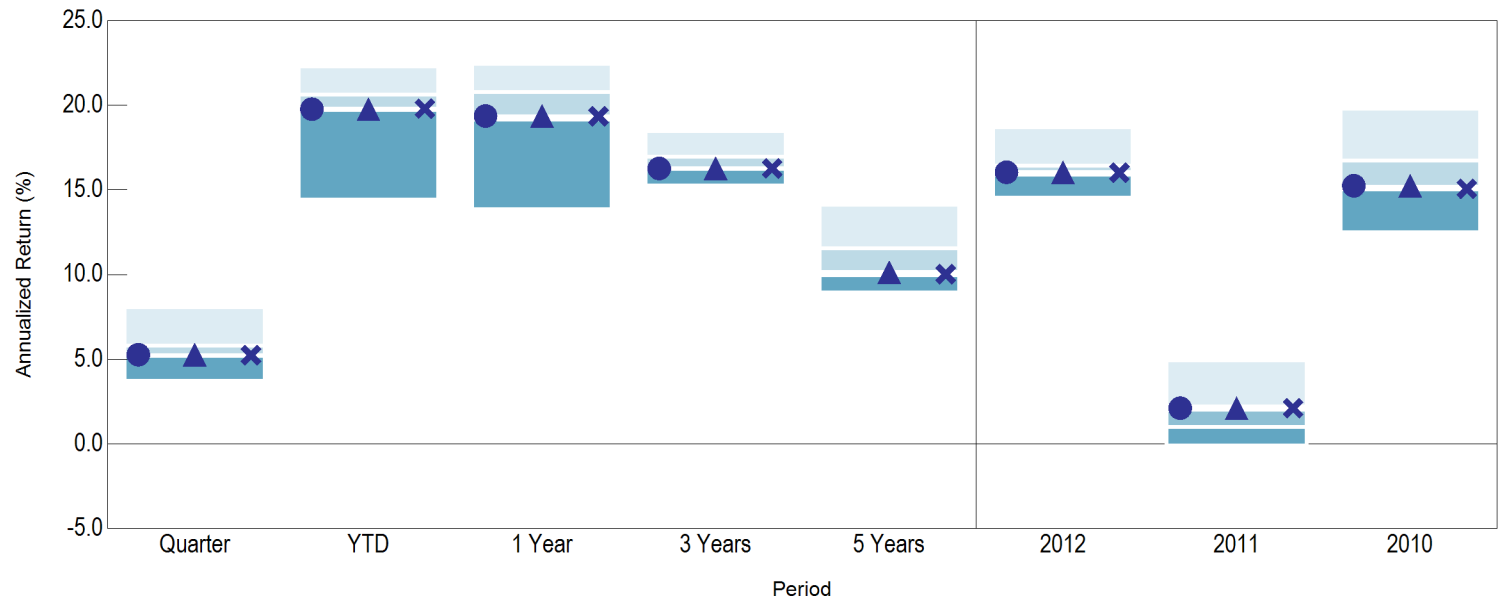
Summary Data Points

Mercer Rating: Preferred Provider
Strategy Assets (6/30/2013): \$252,000 Million

NCSRP BlackRock Equity Index

Performance

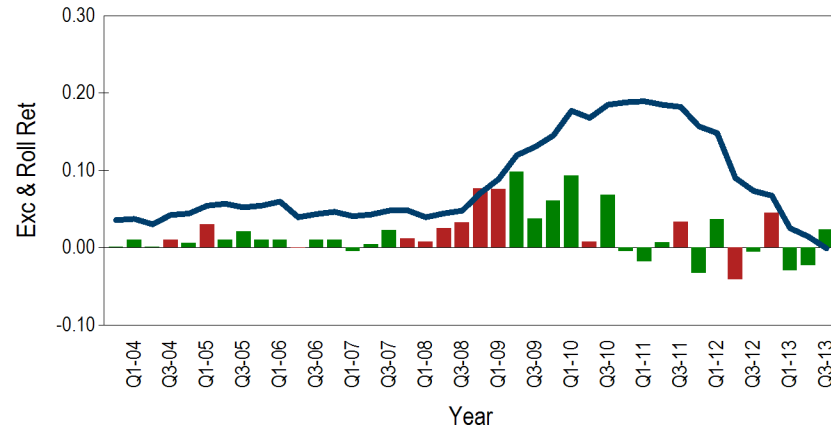
Performance vs. Mercer Instl US Equity Large Cap Index
Ending September 30, 2013



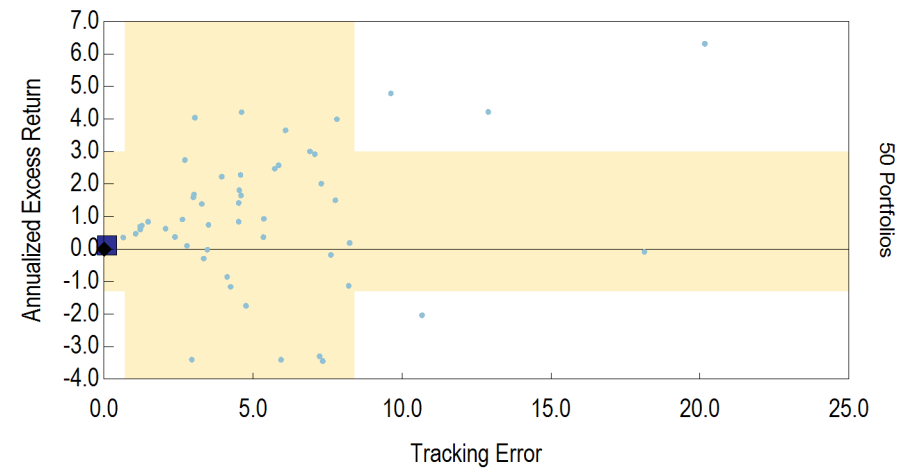
	Return (Rank)													
5th Percentile	8.1	22.3	22.4	18.4	14.1	18.7	4.9	19.8						
25th Percentile	5.8	20.6	20.8	17.0	11.6	16.5	2.2	16.7						
Median	5.2	19.8	19.4	16.3	10.2	16.1	2.1	15.2						
75th Percentile	5.2	19.7	19.2	16.2	10.0	15.9	1.0	15.0						
95th Percentile	3.7	14.4	13.9	15.3	8.9	14.5	-0.1	12.5						
# of Portfolios	37	33	33	29	26	84	91	81						
● NCSRP BlackRock Equity Index	5.3 (41)	19.8 (59)	19.4 (50)	16.3 (67)	-- (--)	16.0 (56)	2.1 (44)	15.2 (50)						
▲ BlackRock Equity Index Strategy	5.3 (41)	19.8 (57)	19.4 (50)	16.3 (66)	10.1 (55)	16.0 (56)	2.1 (44)	15.2 (50)						
✕ S&P 500	5.2 (56)	19.8 (54)	19.3 (54)	16.3 (66)	10.0 (73)	16.0 (63)	2.1 (44)	15.1 (69)						

BlackRock Equity Index Strategy

Rolling 3 Year Excess Performance
BlackRock Equity Index Strategy vs. S&P 500 Index (Total Return)



Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013

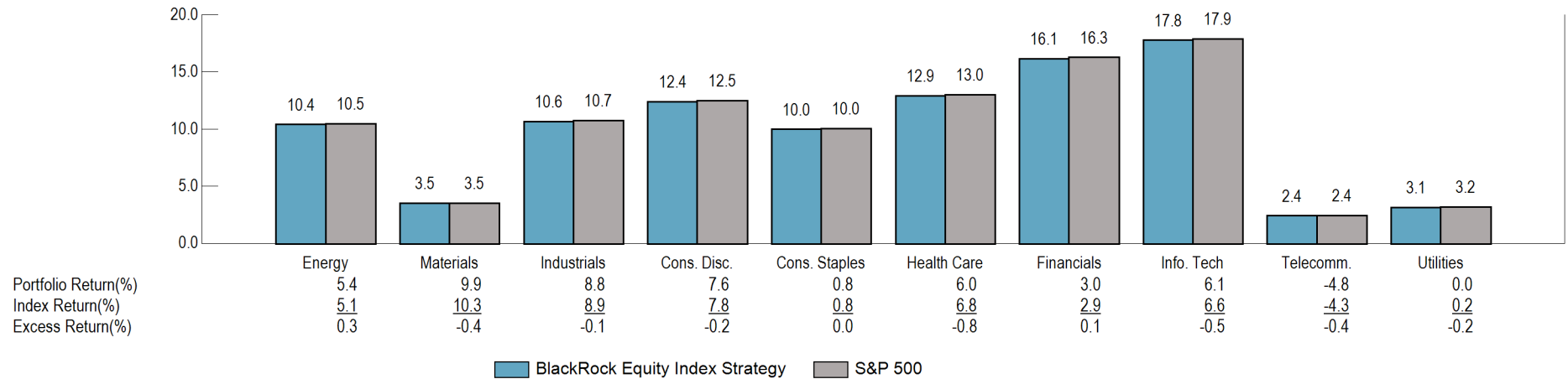


Characteristics
as of September 30, 2013

	Portfolio	S&P 500
PORTFOLIO CHARACTERISTICS		
Price To Earnings	20.58	19.13
P/E Excluding Negative Earnings	20.63	19.18
P/E Median	19.81	19.60
Price To Book	3.75	3.55
Price To Book Median	2.83	2.89
Price To Cash Flow	12.30	12.00
Price To Sales	2.39	2.14
Dividend Yield (%)	2.13	2.13
Weighted Ave. Market Cap. (\$B)	103.01	103.01
Median Market Cap. (\$B)	15.03	15.04
Beta	1.00	1.00

BlackRock Equity Index Strategy

Sector Allocation (%) vs S&P 500
3 Months Ending September 30, 2013



Top Returning Stocks

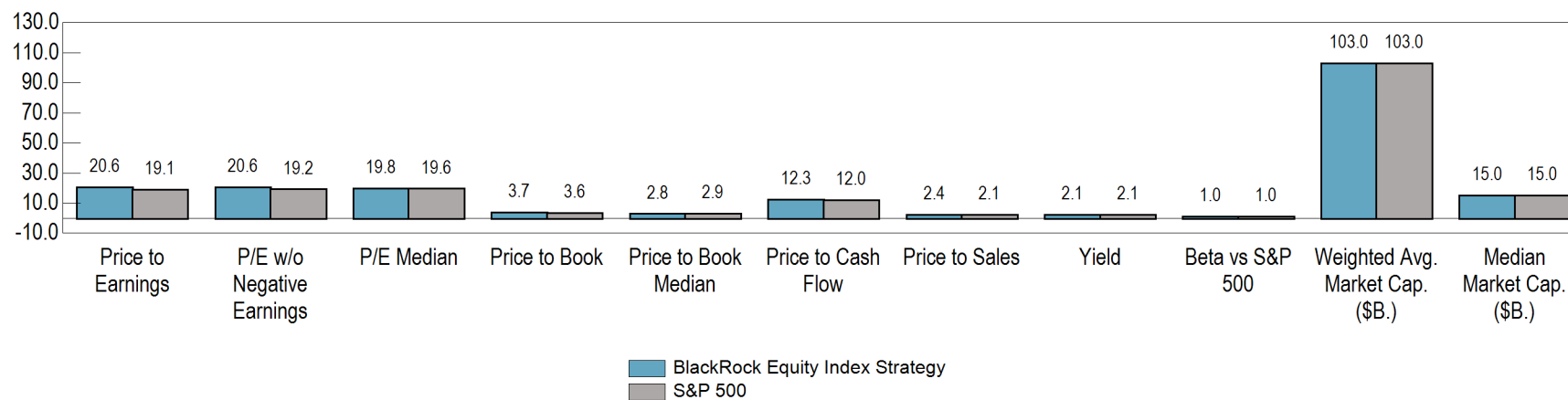
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
GOODYEAR TIRE & RUB. (GT)	0.04%	0.04%	0.00%	46.75%
NETFLIX (NFLX)	0.12%	0.12%	0.00%	46.48%
REGENERON PHARMS. (REGN)	0.16%	0.16%	0.00%	39.13%
BEST BUY (BBY)	0.07%	0.07%	0.00%	37.84%
SAFEWAY (SWY)	0.05%	0.05%	0.00%	36.08%
SALESFORCE.COM (CRM)	0.19%	0.19%	0.00%	35.96%
MOLEX (MOLX)	0.04%	0.04%	0.00%	32.11%
YAHOO (YHOO)	0.21%	0.21%	0.00%	31.99%
CELGENE (CELG)	0.42%	0.42%	0.00%	31.76%
COGNIZANT TECH.SLTN.'A' (CTSH)	0.16%	0.17%	0.00%	31.10%
Total	1.46%	1.47%		

Bottom Returning Stocks

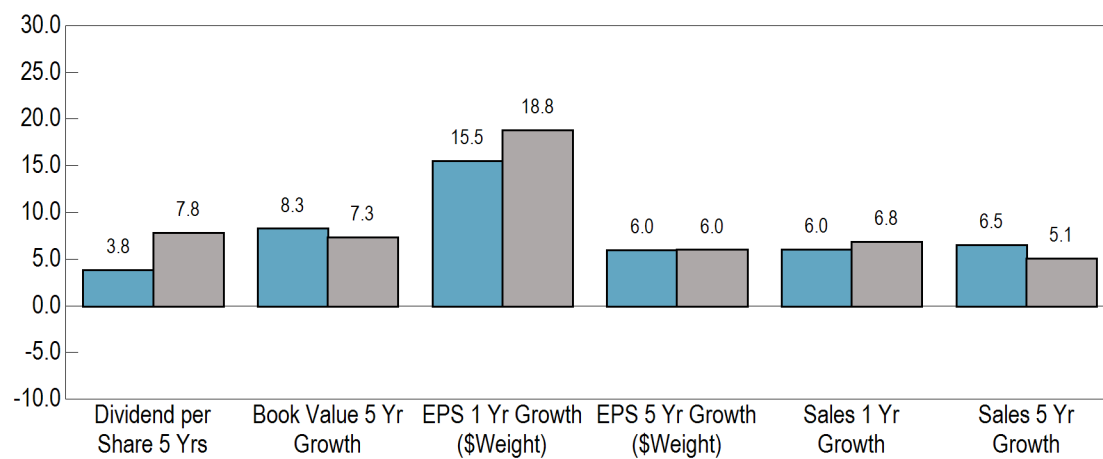
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
PENNEY JC (JCP)	0.02%	0.02%	0.00%	-48.45%
INTUITIVE SURGICAL (ISRG)	0.10%	0.10%	0.00%	-25.66%
BROADCOM 'A' (BRCM)	0.09%	0.10%	0.00%	-22.67%
ABERCROMBIE & FITCH 'A' (ANF)	0.02%	0.02%	0.00%	-21.40%
MOSAIC (MOS)	0.10%	0.10%	0.00%	-19.60%
TESORO (TSO)	0.04%	0.04%	0.00%	-15.49%
HEWLETT-PACKARD (HPQ)	0.27%	0.27%	0.00%	-14.81%
MONSTER BEVERAGE (MNST)	0.05%	0.05%	0.00%	-14.10%
EXPEDIA (EXPE)	0.04%	0.04%	0.00%	-13.59%
CONAGRA FOODS (CAG)	0.09%	0.09%	0.00%	-12.55%
Total	0.80%	0.81%		

BlackRock Equity Index Strategy

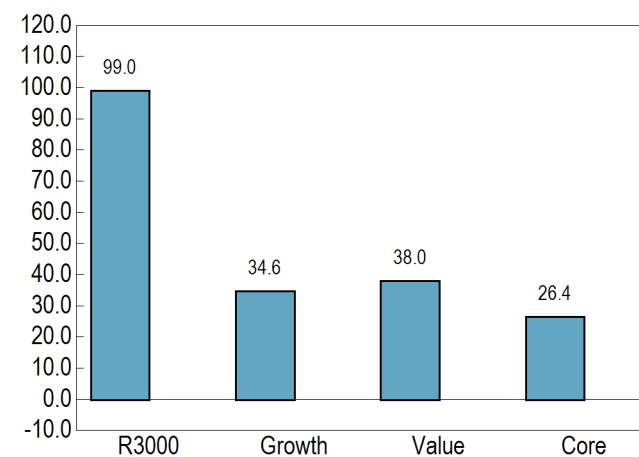
Portfolio Characteristics
Ending September 30, 2013



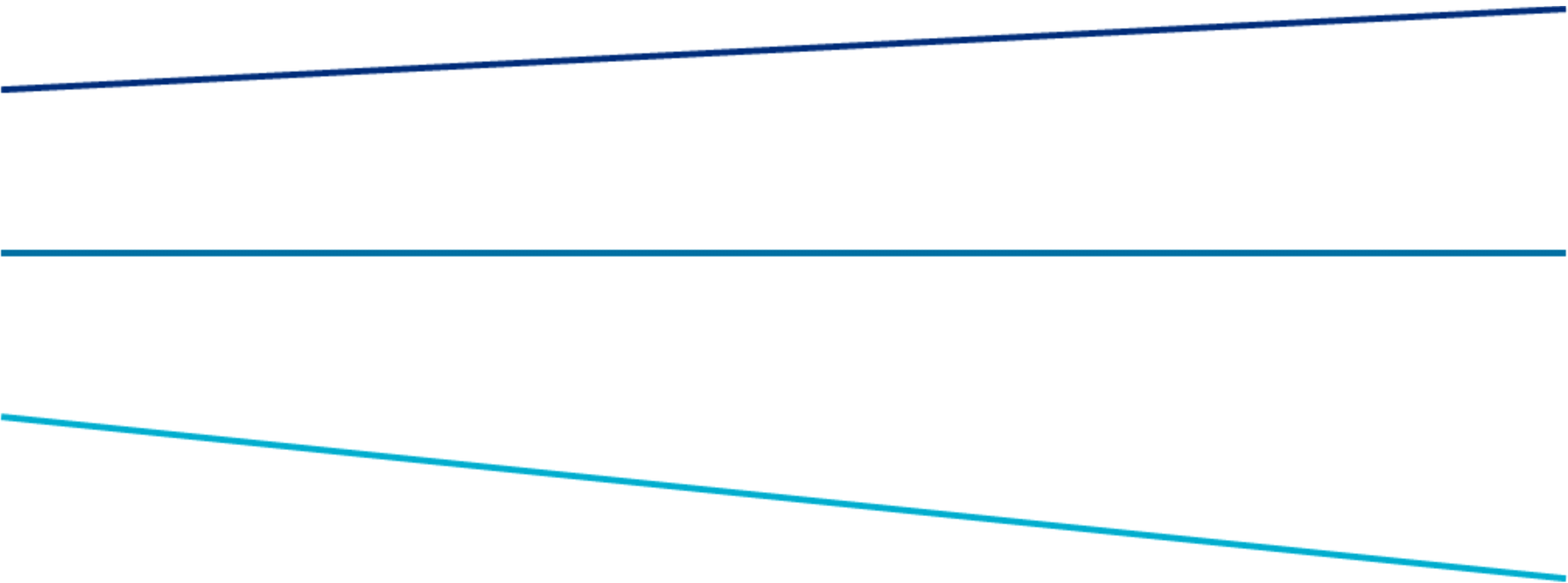
Historical Growth Measures
Ending September 30, 2013



Russell Index Membership (% Equity)
Ending September 30, 2013



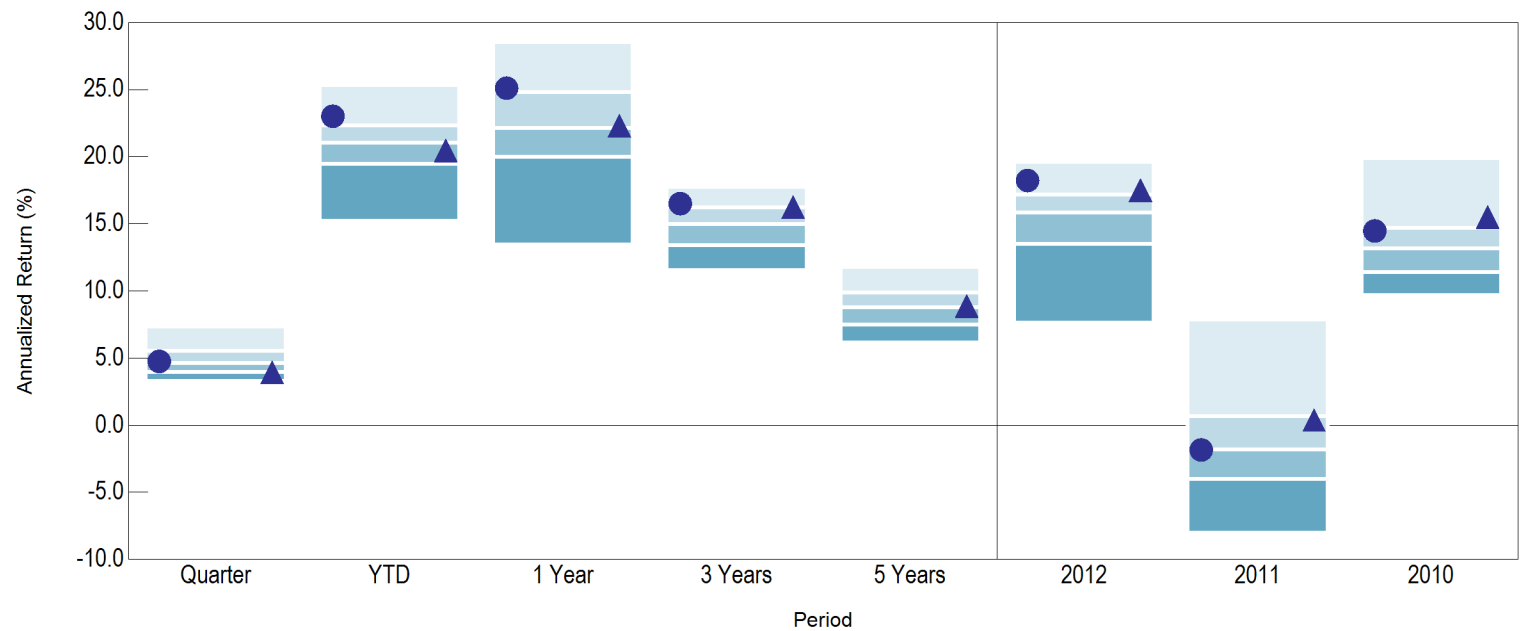
Large Cap Value



Large Cap Value

Performance

Performance vs. Mercer Mutual Fund US Equity Large Cap Value
Ending September 30, 2013

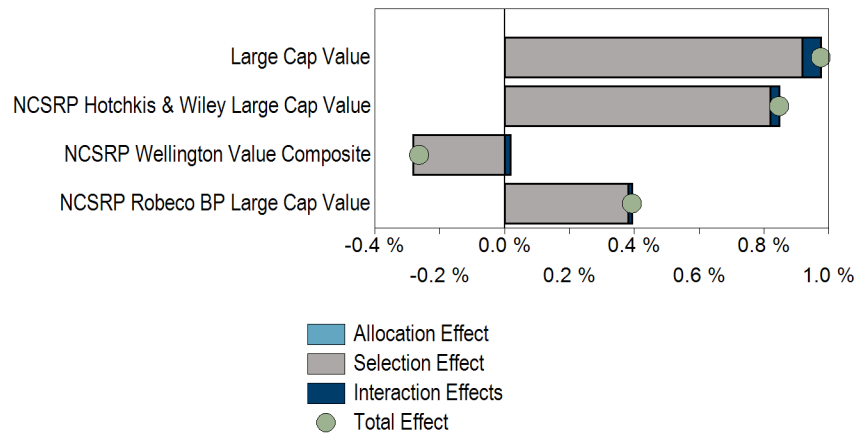


	Return (Rank)							
5th Percentile	7.3	25.3	28.5	17.7	11.8	19.6	7.8	19.9
25th Percentile	5.5	22.3	24.8	16.2	9.9	17.2	0.7	14.7
Median	4.6	21.1	22.1	15.0	8.8	15.9	-1.8	13.2
75th Percentile	4.0	19.5	20.0	13.4	7.5	13.5	-4.0	11.4
95th Percentile	3.3	15.2	13.5	11.6	6.2	7.7	-8.0	9.7
# of Portfolios	125	122	118	105	97	117	132	125
● Large Cap Value	4.8 (44)	23.0 (18)	25.1 (22)	16.5 (20)	-- (--)	18.2 (16)	-1.8 (52)	14.5 (30)
▲ Russell 1000 Value	3.9 (81)	20.5 (55)	22.3 (49)	16.2 (24)	8.9 (48)	17.5 (24)	0.4 (29)	15.5 (17)

Large Cap Value

Attribution

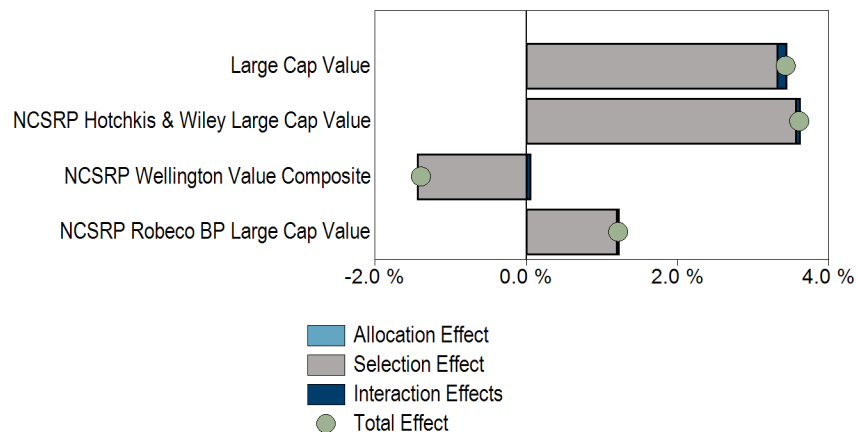
Attribution Effects
3 Months Ending September 30, 2013



Attribution Summary
3 Months Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Hotchkis & Wiley Large Cap Value	6.4%	3.9%	2.5%	0.8%	0.0%	0.0%	0.8%
NCSRP Wellington Value Composite	3.1%	3.9%	-0.8%	-0.3%	0.0%	0.0%	-0.3%
NCSRP Robeco BP Large Cap Value	5.1%	3.9%	1.1%	0.4%	0.0%	0.0%	0.4%
Total	4.9%	3.9%	1.0%	0.9%	0.0%	0.1%	1.0%

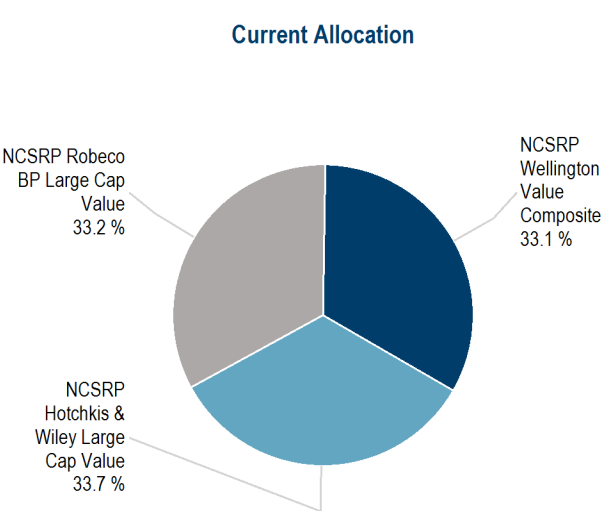
Attribution Effects
1 Year Ending September 30, 2013



Attribution Summary
1 Year Ending September 30, 2013

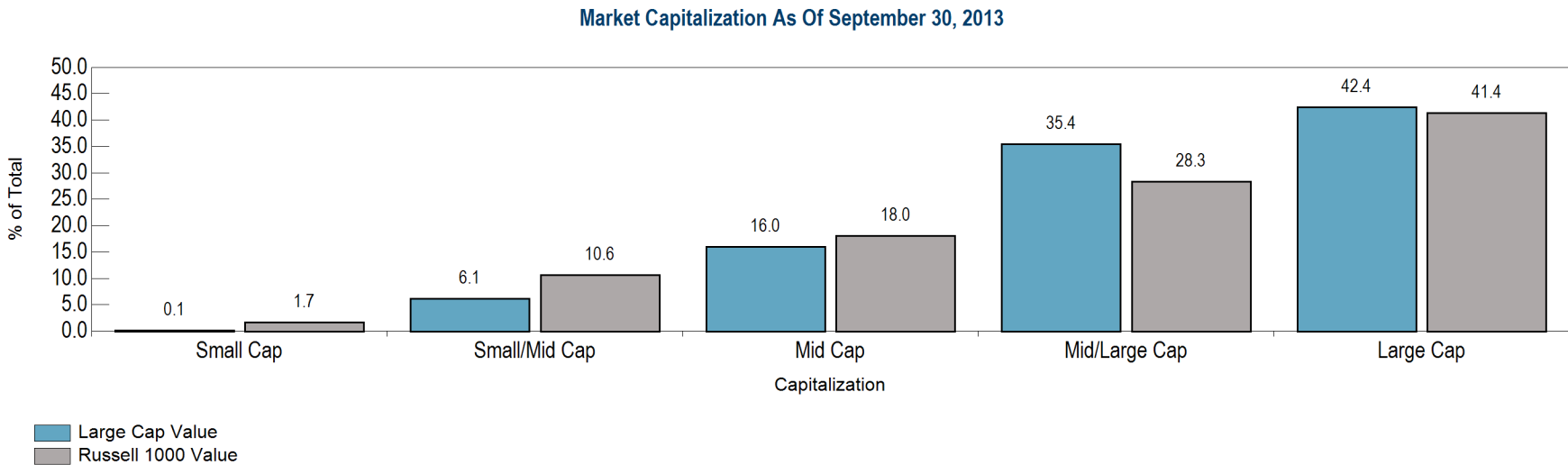
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Hotchkis & Wiley Large Cap Value	33.1%	22.3%	10.8%	3.6%	0.0%	0.0%	3.6%
NCSRP Wellington Value Composite	18.2%	22.3%	-4.1%	-1.4%	0.0%	0.0%	-1.4%
NCSRP Robeco BP Large Cap Value	25.9%	22.3%	3.6%	1.2%	0.0%	0.0%	1.2%
Total	25.7%	22.3%	3.4%	3.3%	0.0%	0.1%	3.4%

Large Cap Value



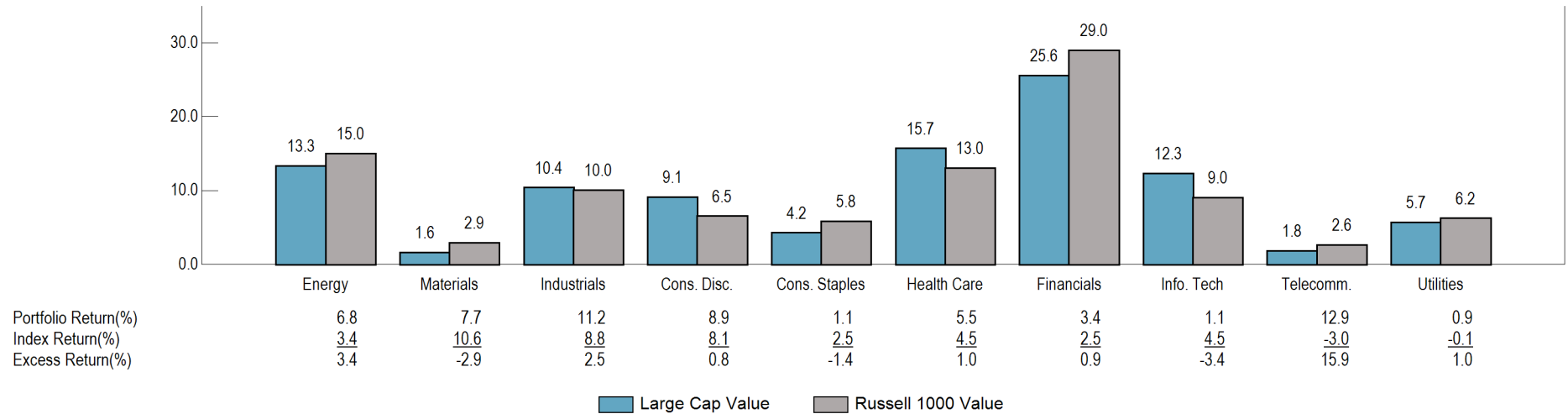
Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	177	648
Weighted Avg. Market Cap. (\$B)	90.66	98.50
Median Market Cap. (\$B)	31.86	5.94
Price To Earnings	17.19	17.40
Price To Book	2.50	2.07
Price To Sales	1.57	1.71
Return on Equity (%)	14.76	13.36
Yield (%)	2.37	2.35
Beta	1.02	1.00
R-Squared	0.98	1.00



Large Cap Value

Sector Allocation (%) vs Russell 1000 Value



Top Returning Stocks

	Portfolio	Index	Relative	
	Weight %	Weight %	Contribution %	Return %
BROCADE COMMS.SYS. (BRCD)	0.33%	0.04%	-0.01%	39.76%
MANPOWERGROUP (MAN)	0.18%	0.07%	0.09%	32.74%
EOG RES. (EOG)	0.22%	0.03%	0.12%	28.72%
SCHLUMBERGER (SLB)	0.65%		0.08%	23.78%
CUMMINS (CMI)	0.78%	0.05%	0.16%	23.13%
VODAFONE GP.SPN.ADR 1:10 (VOD)	1.20%		0.23%	22.39%
SUNCOR ENERGY INCO.(NYS) (SU)	0.00%		0.06%	22.01%
AGCO (AGCO)	0.37%	0.07%	0.04%	20.59%
TOTAL SPN.ADR 1:1 (TOT)	1.28%		0.24%	20.58%
DOW CHEMICAL (DOW)	0.39%	0.47%	-0.03%	20.32%
Total	5.39%	0.74%		

Bottom Returning Stocks

	Portfolio	Index	Relative	
	Weight %	Weight %	Contribution %	Return %
HEWLETT-PACKARD (HPQ)	1.04%	0.48%	-0.11%	-14.81%
EMBRAER SPNS ADR 1:4 (ERJ)	0.16%		-0.02%	-11.79%
CAMECO (C:CCO)	0.15%		-0.02%	-11.71%
ON SEMICON. (ONNN)	0.33%	0.00%	-0.02%	-9.54%
MACY'S (M)	0.39%	0.04%	0.00%	-9.34%
COMPASS MRLS.INTL. (CMP)	0.12%		-0.01%	-9.10%
EQUITY RESD.TST.PROPS. SHBI (EQR)	0.41%	0.23%	-0.01%	-7.08%
STAPLES (SPLS)	0.00%		0.00%	-6.94%
MATTEL (MAT)	0.37%		-0.02%	-6.77%
TARGET (TGT)	1.17%	0.10%	-0.03%	-6.50%
Total	4.13%	0.85%		

Large Cap Value

Top Holdings Large Cap Value

	LCV Fund %	Hotchkis %	Wellington %	Robeco %	Index Weight%
BANK OF AMERICA	2.79%	3.44%	2.10%	2.67%	1.74%
EXXON MOBIL	2.79%		3.65%	4.59%	4.48%
JP MORGAN CHASE & CO.	2.67%	4.09%	3.15%	0.57%	2.29%
CITIGROUP	2.39%	3.36%	1.60%	2.05%	1.73%
JOHNSON & JOHNSON	2.23%	2.44%	2.40%	1.72%	2.49%
WELLS FARGO & CO	2.05%	1.95%	3.60%	0.47%	2.34%
UNITEDHEALTH GP.	1.95%	2.71%	0.97%	2.04%	0.86%
MICROSOFT	1.76%	3.34%	0.99%	0.83%	
CISCO SYSTEMS	1.62%		2.04%	2.77%	1.47%
PFIZER	1.58%		3.28%	1.39%	2.25%
Total	21.83%	21.33%	23.79%	19.10%	19.65%

Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	Hotchkis and Wiley Capital Management - Large Cap Fundamental Value
Benchmark	Russell 1000 Value

Manager Philosophy and Process

Investment Philosophy

HWCM takes a fundamental, bottom-up approach to value investing. The firm seeks to exploit mispriced securities by investing in undiscovered or out of favor companies. The firm focuses on stocks where its estimate of the intrinsic value of future cash flows exceeds the market price.

Investment Process

The process begins with a screen of stocks with market capitalizations greater than \$1 billion. Next, stocks are screened for adequate liquidity and traditional value characteristics and ranked according to a three-stage dividend discount model. Companies that look attractive are subject to further in-depth analysis. Analysts, who specialize by sector, refine the dividend discount model inputs by determining a company's normalized earnings power, which is used as the basis for security valuation. At weekly meetings the sector teams and Portfolio Coordinators actively debate the merits of each recommendation in relation to the portfolio's current composition and the relative value of alternate investments. The analysis includes the incorporation of a proprietary methodology that attempts to quantify macroeconomic risks associated with each purchase candidate on a standalone basis as well as the effect on the total portfolio. Although all team members are involved in these discussions, Portfolio Coordinators are responsible for all investment decisions.

As stocks approach intrinsic value and decline in relative attractiveness, they become candidates for sale. Other sell decisions may occur because of client diversification guidelines or because of deterioration in fundamentals. Turnover averages 30% annually.

A typical portfolio holds between 40 and 60 stocks with a maximum exposure of 5% to any one name. In addition, industry exposure is limited to 15% of portfolio assets.

Current Positioning

- During the quarter, the portfolio's allocation to technology was trimmed as several holdings were approaching their valuation targets. This was partially offset by a new position in IBM, the largest IT services company in the world. The portfolio manager also trimmed the financials weight by selling a position in Regions Financials in favor of better risk/return opportunities. The portfolio's weight in consumer staples was increased by adding to existing positions in Wal-Mart and Target.
- The largest sector weightings were in the financials, technology and health care sectors, while the smallest allocations were in the consumer staples and telecommunications sectors. The materials sector had a zero weight at quarter end.
- Cash represented 2.1% of assets at the end of the period.

Manager Commentary

Quarterly Attribution

Positive Impact on Performance:

- Overweight exposure to the strongly performing consumer discretionary and technology sectors as represented in the Russell 1000 benchmark
- Underweight exposure to the lesser performing energy and consumer staples sectors
- Stock selection in the energy, industrials and telecommunications sectors
- Favorable results from positions in Total S.A., Vodafone Group and Cummings Inc.

Negative Impact on Performance:

- No exposure to the top performing materials sector
- Overweight to the utilities and telecommunications sectors, the only two sectors with negative returns in the benchmark
- Stock selection in the technology, consumer staples and utilities sectors
- Disappointing returns from positions in Hewlett-Packard, Target Corp and Exelon Corp

Portfolio Characteristics

Weighted Average Market Cap: \$97.5 (US\$ B)

Median Market Cap: \$35.4 (US\$ B)

P/E: 10.5x

P/B: 1.5x

Beta: 1.07

Projected EPS Growth: 5.8

Number of Holdings: 54

Responsible Investment ESG Comment

ESG3 - No Comment Provided

Summary Data Points

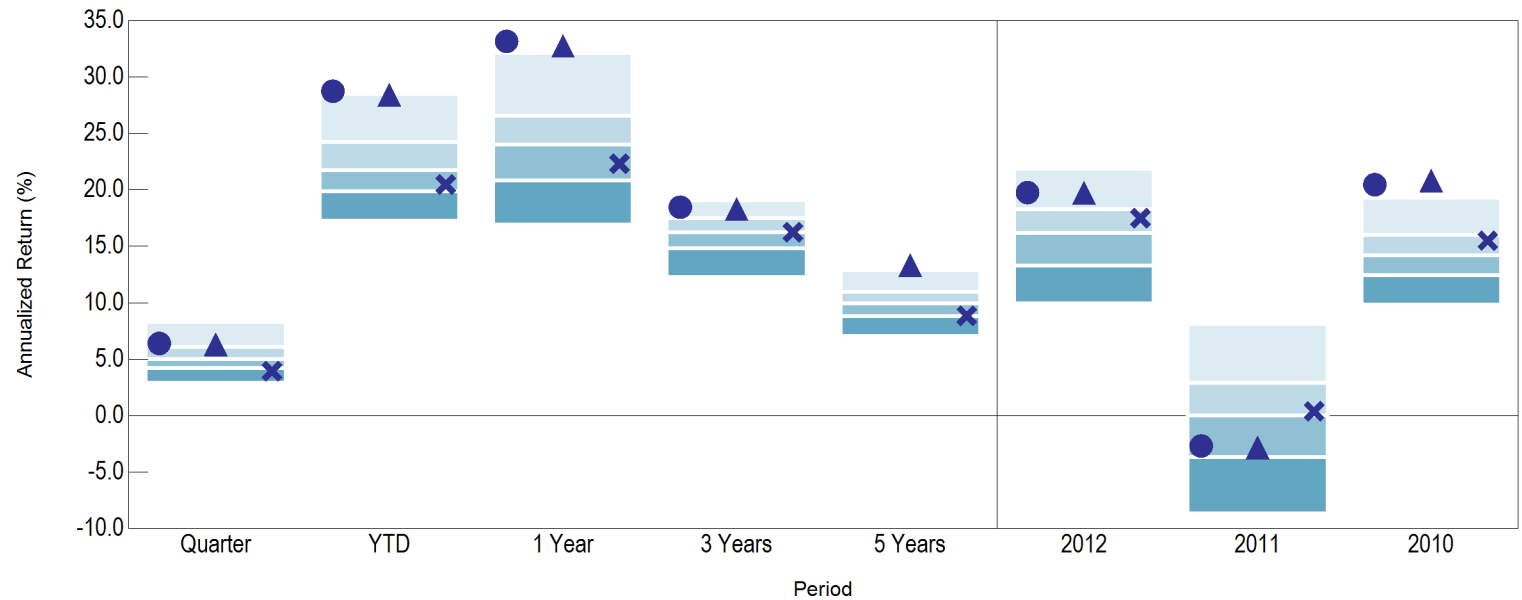
Mercer Rating: B+(T)

Strategy Assets: \$7.9 Billion

NCSRP Hotchkis & Wiley Large Cap Value

Performance

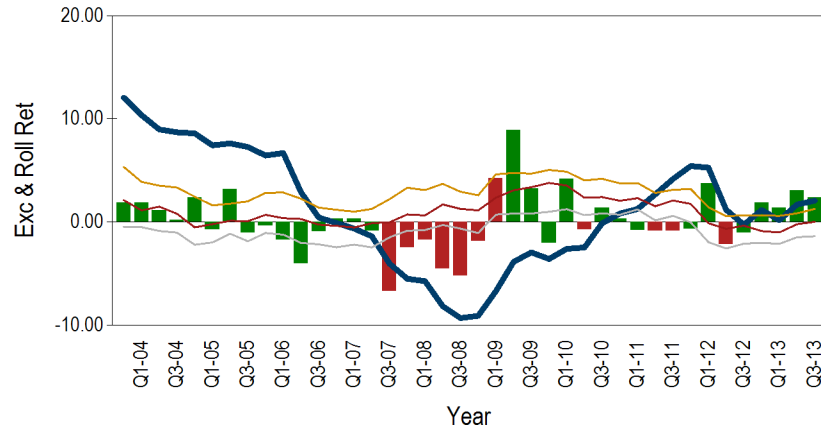
Performance vs. Mercer Instl US Equity Large Cap Value
Ending September 30, 2013



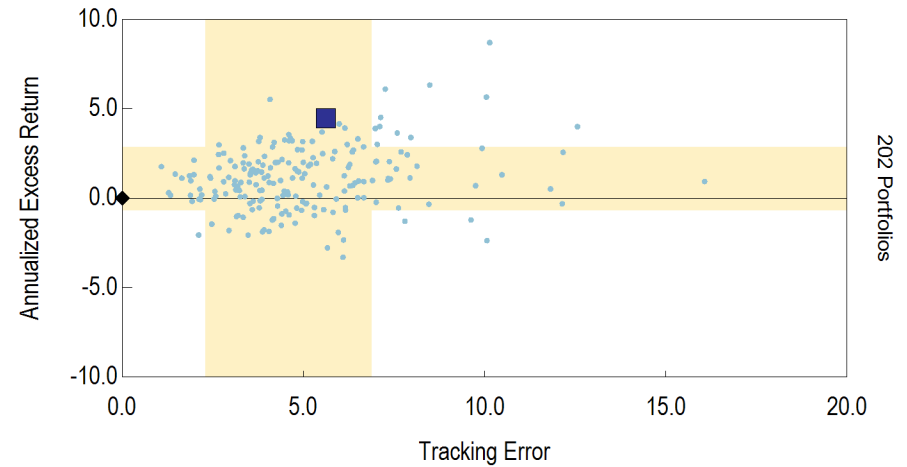
	Return (Rank)															
5th Percentile	8.3	28.4	32.1	19.1	12.9	21.8	8.1	19.3								
25th Percentile	6.1	24.2	26.6	17.5	11.0	18.3	2.9	16.0								
Median	5.0	21.8	24.0	16.3	10.0	16.2	0.0	14.2								
75th Percentile	4.3	19.9	20.8	14.9	8.8	13.3	-3.6	12.5								
95th Percentile	3.0	17.3	17.0	12.3	7.1	10.0	-8.6	9.9								
# of Portfolios	237	232	231	206	202	279	286	302								
● NCSRP Hotchkis & Wiley Large Cap Value	6.4	(19)	28.7	(4)	33.1	(4)	18.5	(11)	--	(--)	19.8	(14)	-2.7	(70)	20.5	(4)
▲ Hotchkis & Wiley Large Cap Value Strategy	6.3	(21)	28.4	(6)	32.7	(5)	18.3	(12)	13.3	(4)	19.7	(15)	-2.8	(71)	20.8	(2)
✕ Russell 1000 Value	3.9	(84)	20.5	(67)	22.3	(64)	16.2	(51)	8.9	(75)	17.5	(32)	0.4	(49)	15.5	(31)

Hotchkis & Wiley Large Cap Value Strategy

Rolling 3 Year Excess Performance
Hotchkis & Wiley Large Cap Value Strategy vs. Russell 1000 Value



Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013



Characteristics
as of September 30, 2013

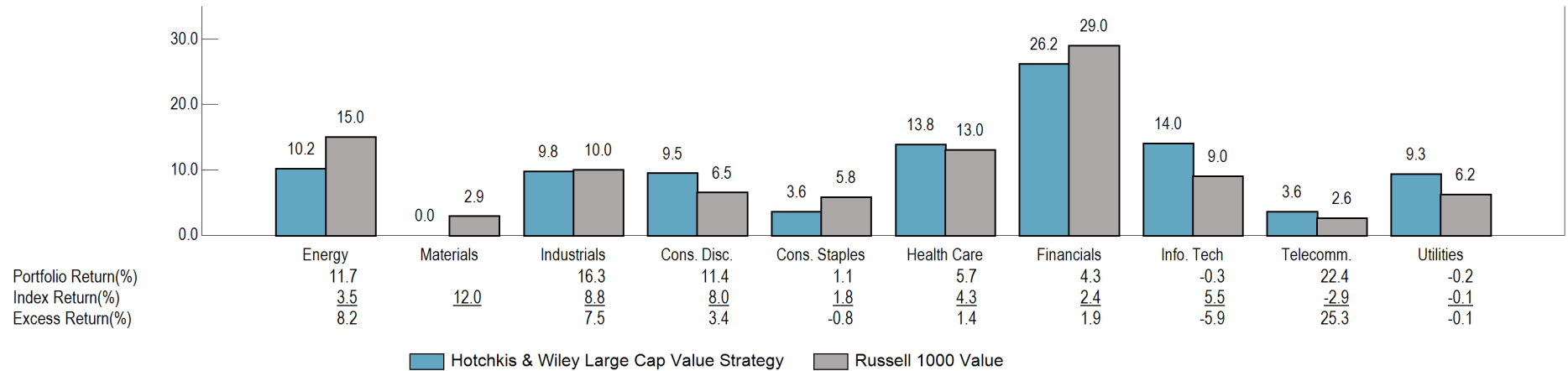
	Portfolio	Russell 1000 Value
PORTFOLIO CHARACTERISTICS		
Price To Earnings	15.97	17.40
P/E Excluding Negative Earnings	15.97	17.58
P/E Median	15.45	18.30
Price To Book	2.03	2.07
Price To Book Median	1.84	1.99
Price To Cash Flow	9.17	9.98
Price To Sales	1.22	1.71
Dividend Yield (%)	2.57	2.35
Weighted Ave. Market Cap. (\$B)	91.57	98.50
Median Market Cap. (\$B)	31.56	5.94
Beta	1.08	1.00

Performance Attribution vs. Russell 1000 Value
Quarter Ending September 30, 2013

	Total Effects	Selection Effect	Allocation Effect	Interaction Effects
Energy	0.86%	0.87%	0.03%	-0.04%
Materials	-0.21%	--	-0.21%	--
Industrials	0.77%	0.81%	0.03%	-0.07%
Cons. Disc.	0.39%	0.28%	0.09%	0.02%
Cons. Staples	0.03%	-0.06%	0.05%	0.04%
Health Care	0.21%	0.11%	0.02%	0.08%
Financials	0.59%	0.59%	0.04%	-0.04%
Info. Tech	-0.81%	-0.49%	0.08%	-0.40%
Telecomm.	0.77%	0.00%	-0.02%	0.79%
Utilities	-0.11%	-0.01%	-0.09%	-0.01%
Cash	-0.09%	0.00%	0.00%	-0.09%
Unclassified	0.00%	--	0.00%	--
Portfolio	2.38%	= 2.09%	+ 0.01%	+ 0.28%

Hotchkis & Wiley Large Cap Value Strategy

Sector Allocation (%) vs Russell 1000 Value
3 Months Ending September 30, 2013



Top Returning Stocks

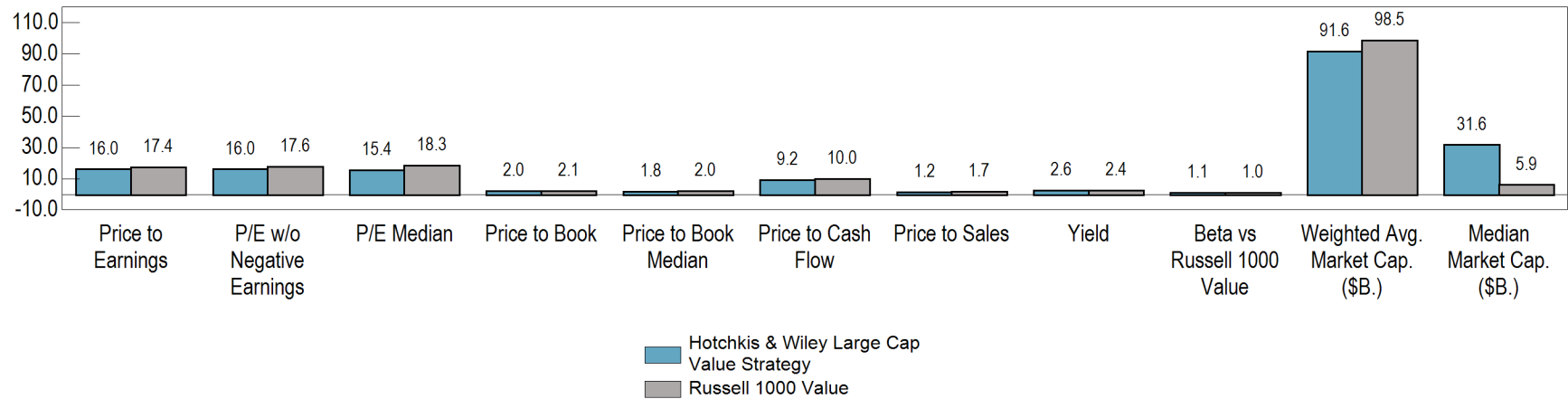
	Portfolio	Index	Relative	
	Weight %	Weight %	Contribution %	Return %
MANPOWERGROUP (MAN)	0.53%	0.07%	0.31%	32.74%
CUMMINS (CMI)	2.31%	0.05%	0.46%	23.13%
VODAFONE GP.SPN.ADR 1:10 (VOD)	3.57%		0.68%	22.39%
TOTAL SPN.ADR 1:1 (TOT)	3.80%		0.69%	20.58%
LOCKHEED MARTIN (LMT)	1.55%		0.34%	18.71%
LEAR (LEA)	1.03%	0.06%	0.18%	18.66%
INTERPUBLIC GP. (IPG)	1.05%	0.05%	0.18%	18.63%
STANLEY BLACK & DECKER (SWK)	1.04%	0.16%	0.15%	17.85%
LOWE'S COMPANIES (LOW)	0.78%		0.10%	16.87%
JOHNSON CONTROLS (JCI)	2.20%	0.33%	0.30%	16.49%
Total	17.85%	0.72%		

Bottom Returning Stocks

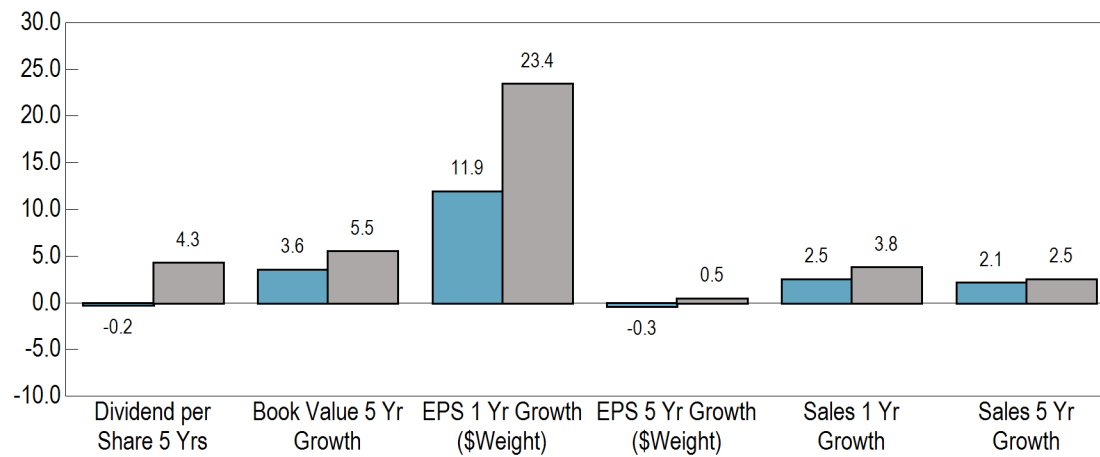
	Portfolio	Index	Relative	
	Weight %	Weight %	Contribution %	Return %
HEWLETT-PACKARD (HPQ)	3.09%	0.48%	-0.48%	-14.81%
EMBRAER SPNS ADR 1:4 (ERJ)	0.47%		-0.06%	-11.79%
TARGET (TGT)	2.59%	0.10%	-0.08%	-6.50%
EDISON INTL. (EIX)	0.66%	0.18%	-0.02%	-3.66%
EXELON (EXC)	3.03%	0.30%	-0.08%	-3.04%
MICROSOFT (MSFT)	3.42%		-0.12%	-2.97%
REGIONS FINL.NEW (RF)	0.00%		-0.01%	-2.53%
PEPSICO (PEP)	0.00%		-0.02%	-2.11%
SANOFI ADR 2:1 (SNY)	1.58%		-0.02%	-1.71%
JP MORGAN CHASE & CO. (JPM)	4.19%	2.29%	-0.02%	-1.38%
Total	19.04%	3.35%		

Hotchkis & Wiley Large Cap Value Strategy

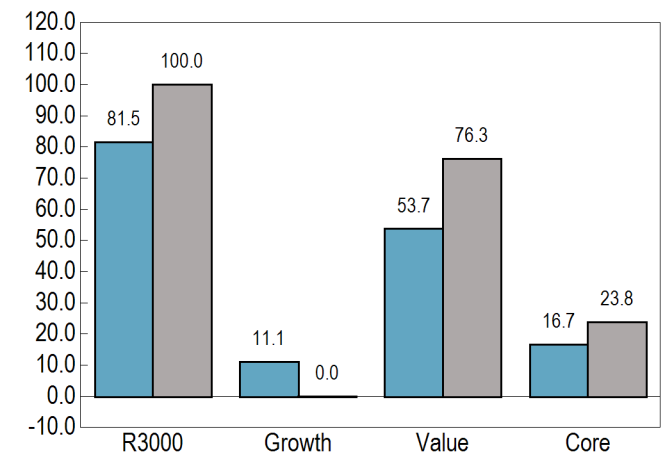
Portfolio Characteristics
Ending September 30, 2013



Historical Growth Measures
Ending September 30, 2013



Russell Index Membership (% Equity)
Ending September 30, 2013



Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	Wellington Management Company - Quality Value
Benchmark	Russell 1000 Value

Manager Philosophy and Process

The Quality Value strategy seeks long-term total returns in excess of the Russell 1000 Value Index through a bottom-up stock selection process that utilizes Wellington Management Company's proprietary, fundamental research. The team's philosophy is based on the premise that investing in high-quality companies at attractive valuations offers a compelling reward to risk opportunity.

Current Positioning

- Wellington continues to believe that the market is entering a lower return environment for equities
- The strategy is positioned in line with the firm's philosophy of owning quality companies
- The manager believes that their approach will outperform as stock returns revert to normal or below normal levels

Quarterly Attribution

Positive Impact on Performance:

- Security selection within the financials sector
- Underweight allocation to the telecommunication services sector
- Stocks contributing to performance included Suncor Energy, Lowe's Companies, and Hewlett-Packard Co.

Negative Impact on Performance:

- Security selection within the information technology, industrials, consumer discretionary, and consumer staples sectors
- Underweight position and stock selection in the materials sector
- Stocks detracting from performance included Apple, Kraft Foods Group, and ConocoPhillips

Manager Commentary

Portfolio Characteristics

Number of holdings: 82

Median Market Capitalization (\$MM): \$43,200

Weighted Average Market Capitalization (\$MM): \$105,109

P/E ratio: 13.8x

P/B ratio: 2.0x

Earnings growth (5 year): 9.8%

Turnover: 82%

% cash: 0.8%

Responsible Investment ESG Comment

No Rating Provided

Summary Data Points

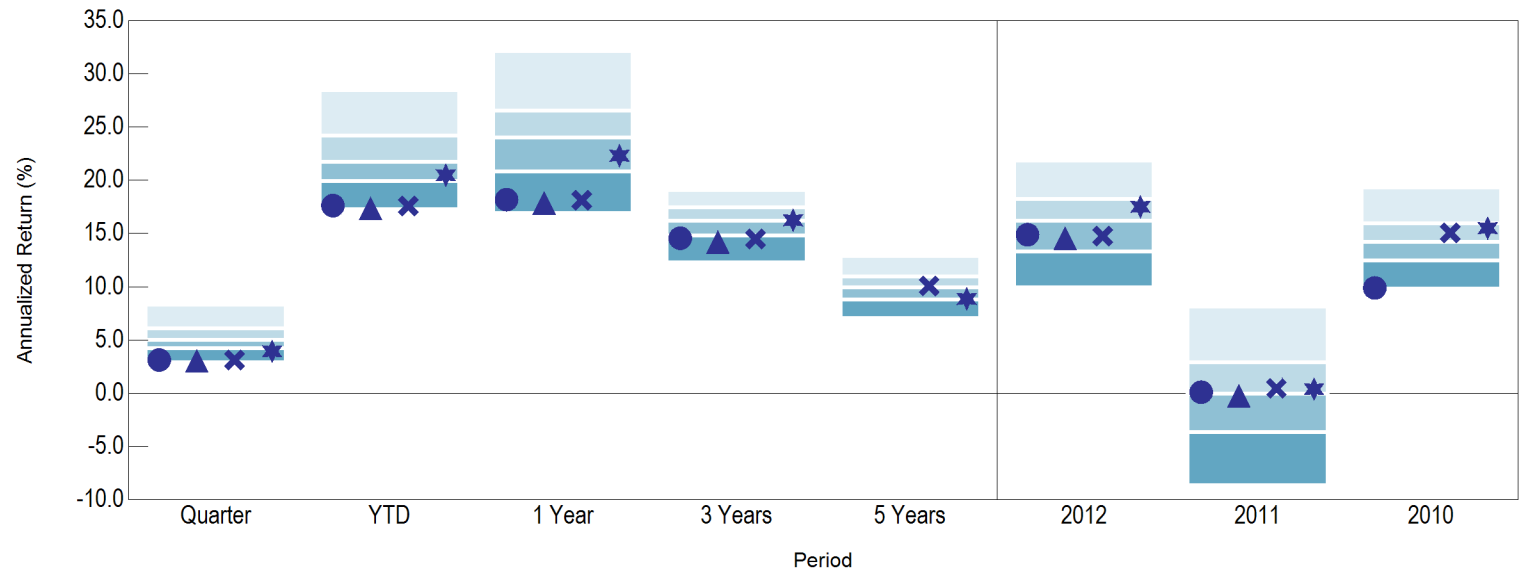
Mercer Rating: N

Strategy Assets (\$B): \$4.4

NCSRP Wellington Value Composite

Performance

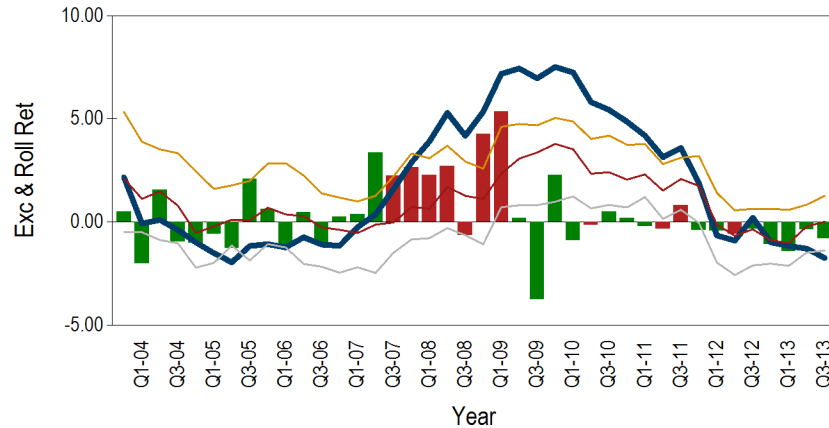
Performance vs. Mercer Instl US Equity Large Cap Value
Ending September 30, 2013



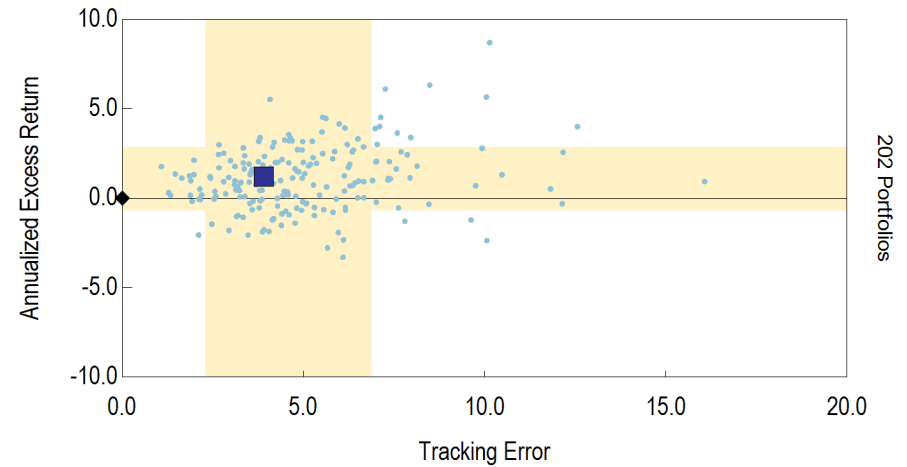
	Return (Rank)															
5th Percentile	8.3		28.4		32.1		19.1		12.9		21.8		8.1		19.3	
25th Percentile	6.1		24.2		26.6		17.5		11.0		18.3		2.9		16.0	
Median	5.0		21.8		24.0		16.3		10.0		16.2		0.0		14.2	
75th Percentile	4.3		19.9		20.8		14.9		8.8		13.3		-3.6		12.5	
95th Percentile	3.0		17.3		17.0		12.3		7.1		10.0		-8.6		9.9	
# of Portfolios	237		232		231		206		202		279		286		302	
● NCSRP Wellington Value Composite	3.1	(94)	17.6	(95)	18.2	(91)	14.6	(83)	--	(--)	14.9	(64)	0.1	(50)	9.9	(95)
▲ NCSRP Wellington Quality Value	3.1	(95)	17.4	(95)	17.8	(94)	14.2	(88)	--	(--)	14.6	(68)	-0.2	(54)	--	(--)
✕ Wellington Quality Value Strategy	3.1	(94)	17.6	(95)	18.1	(92)	14.5	(84)	10.1	(46)	14.8	(66)	0.5	(49)	15.1	(38)
★ Russell 1000 Value	3.9	(84)	20.5	(67)	22.3	(64)	16.2	(51)	8.9	(75)	17.5	(32)	0.4	(49)	15.5	(31)

Wellington Quality Value Strategy

Rolling 3 Year Excess Performance
Wellington Quality Value Strategy vs. Russell 1000 Value



Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013



Characteristics
as of September 30, 2013

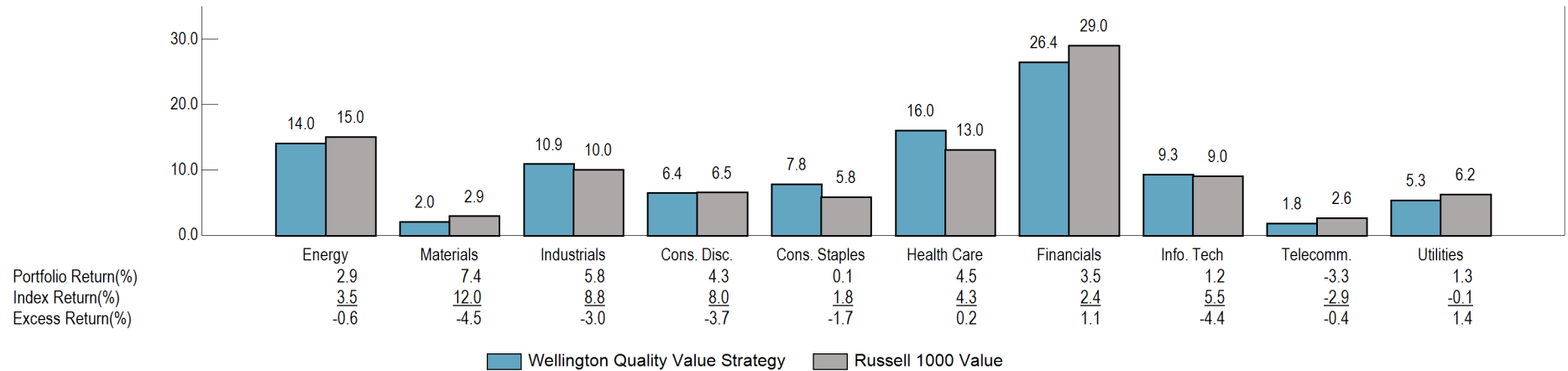
	Portfolio	Russell 1000 Value
PORTFOLIO CHARACTERISTICS		
Price To Earnings	18.89	17.40
P/E Excluding Negative Earnings	18.89	17.58
P/E Median	16.84	18.30
Price To Book	2.79	2.07
Price To Book Median	2.41	1.99
Price To Cash Flow	10.45	9.98
Price To Sales	1.89	1.71
Dividend Yield (%)	2.66	2.35
Weighted Ave. Market Cap. (\$B)	104.09	98.50
Median Market Cap. (\$B)	42.91	5.94
Beta	0.96	1.00

Performance Attribution vs. Russell 1000 Value
Quarter Ending September 30, 2013

	Total Effects	Selection Effect	Allocation Effect	Interaction Effects
Energy	-0.08%	-0.34%	0.01%	0.25%
Materials	-0.15%	-0.02%	-0.06%	-0.06%
Industrials	-0.26%	-0.27%	0.04%	-0.03%
Cons. Disc.	-0.26%	-0.28%	-0.01%	0.04%
Cons. Staples	-0.19%	-0.18%	-0.04%	0.03%
Health Care	0.05%	0.02%	0.02%	0.01%
Financials	0.33%	0.32%	0.04%	-0.03%
Info. Tech	-0.39%	-0.35%	0.00%	-0.05%
Telecomm.	0.06%	-0.01%	0.07%	0.00%
Utilities	0.11%	0.09%	0.04%	-0.01%
Cash	-0.07%	0.00%	0.00%	-0.07%
Unclassified	0.00%	--	0.00%	--
Portfolio	-0.84%	= -1.03%	+ 0.10%	+ 0.09%

Wellington Quality Value Strategy

Sector Allocation (%) vs Russell 1000 Value
3 Months Ending September 30, 2013



Top Returning Stocks

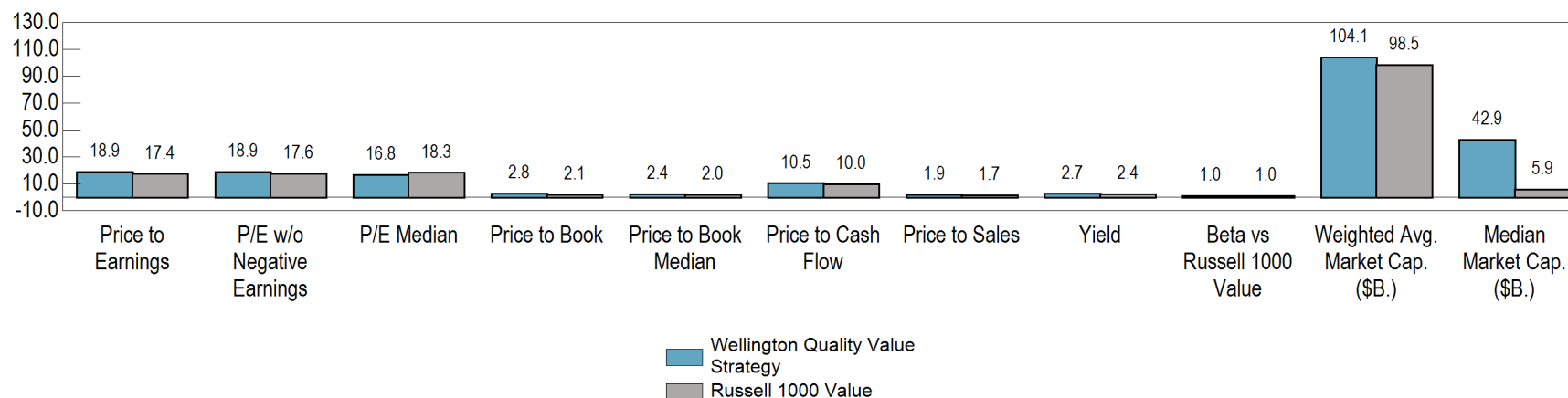
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
SUNCOR ENERGY INCO.(NYS) (SU)	0.00%		0.20%	22.01%
DOW CHEMICAL (DOW)	1.17%	0.47%	0.11%	20.32%
CRH (DUB) (UKIR:CRGI)	0.00%		0.10%	19.65%
LOWE'S COMPANIES (LOW)	1.22%		0.18%	16.87%
PRINCIPAL FINL.GP. (PFG)	0.85%	0.15%	0.18%	15.06%
AMERIPRISE FINL. (AMP)	1.11%	0.15%	0.14%	13.25%
DIAGEO (UKIR:DGE)	0.00%		0.10%	13.17%
GENERAL DYNAMICS (GD)	1.65%	0.31%	0.15%	12.53%
ASTRAZENECA (UKIR:AZN)	0.00%		0.11%	12.18%
CARDINAL HEALTH (CAH)	1.15%	0.21%	0.11%	11.13%
Total	7.15%	1.28%		

Bottom Returning Stocks

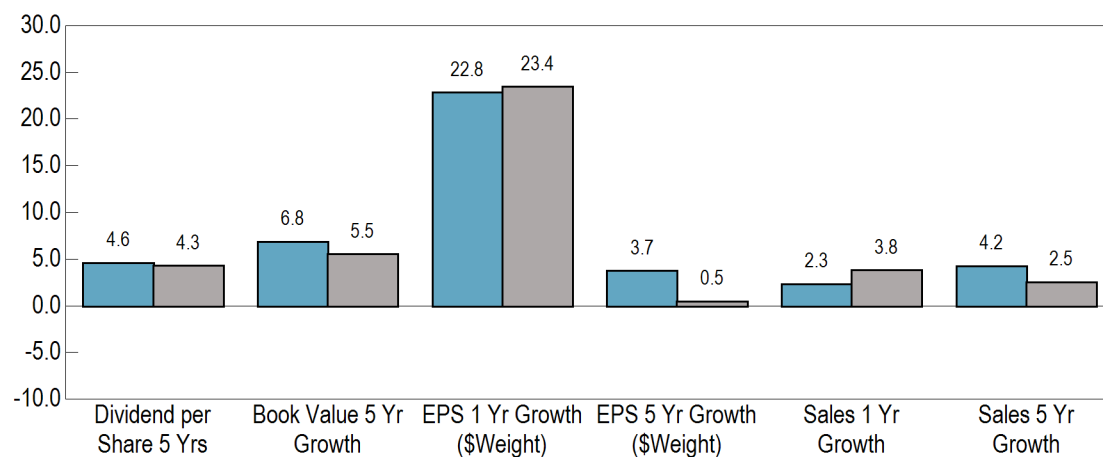
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
CAMECO (C:CCO)	0.45%		-0.06%	-11.71%
COMPASS MRLS.INTL. (CMP)	0.37%		-0.04%	-9.10%
MATTEL (MAT)	1.10%		-0.06%	-6.77%
TARGET (TGT)	0.89%	0.10%	-0.05%	-6.50%
KRAFT FOODS GROUP (KRFT)	1.28%		-0.06%	-6.07%
INTEL (INTC)	0.86%	1.25%	-0.03%	-4.47%
EXXON MOBIL (XOM)	3.68%	4.48%	0.04%	-4.11%
AT&T (T)	0.00%		0.01%	-3.26%
CISCO SYSTEMS (CSCO)	2.06%	1.47%	-0.02%	-3.04%
EXELON (EXC)	0.86%	0.30%	-0.02%	-3.04%
Total	11.56%	7.60%		

Wellington Quality Value Strategy

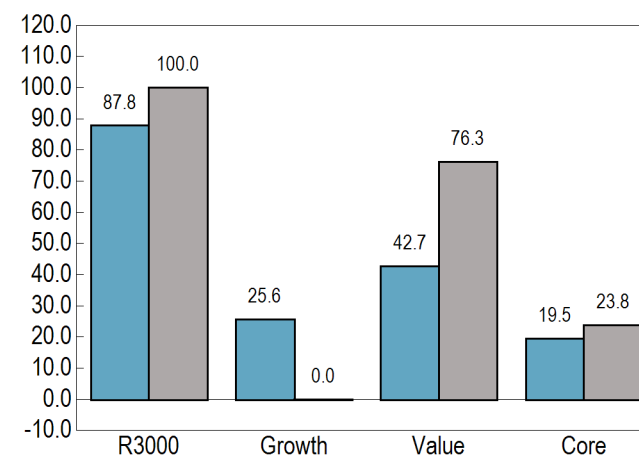
Portfolio Characteristics
Ending September 30, 2013



Historical Growth Measures
Ending September 30, 2013



Russell Index Membership (% Equity)
Ending September 30, 2013



Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	Robeco Investment Management - Robeco BP Large Cap Value Equity
Benchmark	Russell 1000 Value

Manager Philosophy and Process

RBP's approach blends quantitative modeling with fundamental research in constructing equity portfolios using bottom-up, value-oriented stock selection. The three primary tenets of the firm's philosophy are a value discipline, intensive internal research, and risk aversion. The research focuses on finding stocks with attractive value characteristics, strong business fundamentals, and a catalyst for change.

RBP starts with a universe of stocks with a market capitalization of \$2 billion or more. The quantitative model ranks every stock in the universe using factors in three primary groupings: valuation, momentum, and fundamentals. Valuation factors account for 40% of the composite score and contain common valuation factors such as P/E, Price to Cash Flow, EV/EBITDA, ROE, and Cash Flow Yield. Momentum accounts for 40% of the composite score and contains such factors as Earnings Estimate Revisions, Short Interest, and Price Momentum. The fundamental group accounts for the remaining 20% and has factors that look at accrual changes, earnings quality, and profitability. The model ranks each stock on the composite score of 1 (best) to 10 (worst). The analysts then focus their fundamental research on stocks in the top three deciles for investment ideas. Fundamental research tries to identify a near-term positive catalyst that will drive the stock price. The research includes discussion with management, competitors and customers, on-site visits, and a review of financial statements.

RBP sells a security when the target price is attained, fundamentals deteriorate, or business momentum declines.

Large Cap Value Equity portfolios hold between 75 and 100 securities. Individual securities are weighted between 0.5% and 5% of portfolio assets. RBP will not hold more than 5% of the outstanding shares of a company. Portfolio sector weightings result from the bottom-up stock selection process and are limited to 35% in any one sector. Cash is kept at a minimum, typically less than 5% of assets. Turnover averages 60% annually.

Current Positioning

Robeco's positioning of the large cap value strategy changed little during the quarter. While equity characteristics were consistent from the end of June 2013, sector weights changed modestly with a more pronounced underweight allocation to the energy and industrials sectors and an increased allocation to the consumer discretionary sector as the most significant changes to the portfolio.

- Relative to the Russell 1000 Value Index, the strategy was underweight the energy, industrials, consumer staples, telecommunication services and utilities sectors
- The strategy was overweight the consumer discretionary, information technology and health care sectors
- The strategy held a higher median market capitalization but average market capitalization was in line with the benchmark
- The portfolio's yield of 1.9% was lower than the benchmark yield of 2.4%

Manager Commentary

Quarterly Attribution

Positive Impact on Performance

- Strong stock selection in the health care sector
- Underweight allocation to REITs
- Underweight allocation to the utilities sector

Negative Impact on Performance

- Stock selection within the financials sector

Portfolio Characteristics

Number of Holdings: 85

Median Market Capitalization (billions): \$24

Weighted Average Market Capitalization (billions): \$89

P/E Ratio: 12.1x

P/B Ratio: 1.8x

Earnings Growth (5 year): 8.8%

% Foreign: 5.4%

% Cash: 3.1%

Responsible Investment ESG Comment

ESG3 - 26 Jun 2013 RRC verified rating - See Research Note for further details

Summary Data Points

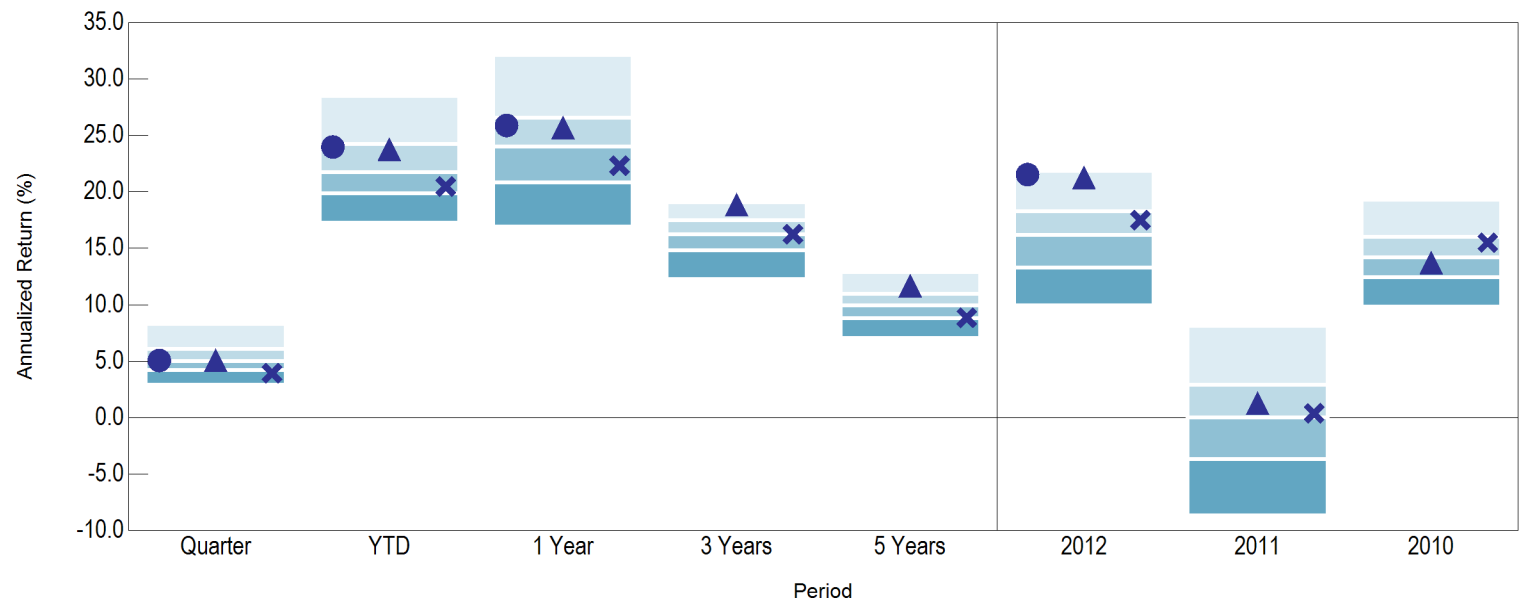
Current Rating: A

AUM: \$15,500 Million (June 30, 2013)

NCSRP Robeco BP Large Cap Value

Performance

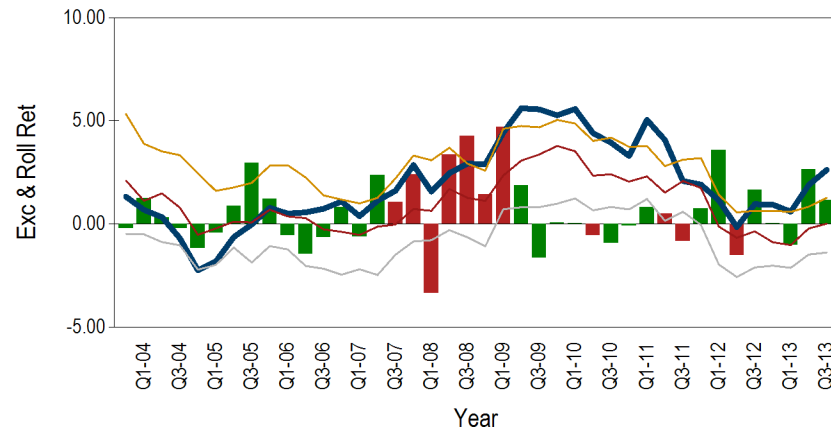
Performance vs. Mercer Instl US Equity Large Cap Value
Ending September 30, 2013



	Return (Rank)															
5th Percentile	8.3	28.4	32.1	19.1	12.9	21.8	8.1	19.3								
25th Percentile	6.1	24.2	26.6	17.5	11.0	18.3	2.9	16.0								
Median	5.0	21.8	24.0	16.3	10.0	16.2	0.0	14.2								
75th Percentile	4.3	19.9	20.8	14.9	8.8	13.3	-3.6	12.5								
95th Percentile	3.0	17.3	17.0	12.3	7.1	10.0	-8.6	9.9								
# of Portfolios	237	232	231	206	202	279	286	302								
● NCSRP Robeco BP Large Cap Value	5.1 (50)	24.0 (27)	25.9 (30)	-- (--)	-- (--)	21.5 (7)	-- (--)	-- (--)	5.1 (50)	23.8 (27)	25.7 (33)	18.9 (8)	11.7 (16)	21.3 (7)	1.3 (39)	13.7 (57)
▲ Robeco BP Large Cap Value Strategy	5.1 (50)	23.8 (27)	25.7 (33)	18.9 (8)	11.7 (16)	21.3 (7)	1.3 (39)	13.7 (57)	3.9 (84)	20.5 (67)	22.3 (64)	16.2 (51)	8.9 (75)	17.5 (32)	0.4 (49)	15.5 (31)
✕ Russell 1000 Value	3.9 (84)	20.5 (67)	22.3 (64)	16.2 (51)	8.9 (75)	17.5 (32)	0.4 (49)	15.5 (31)								

Robeco BP Large Cap Value Strategy

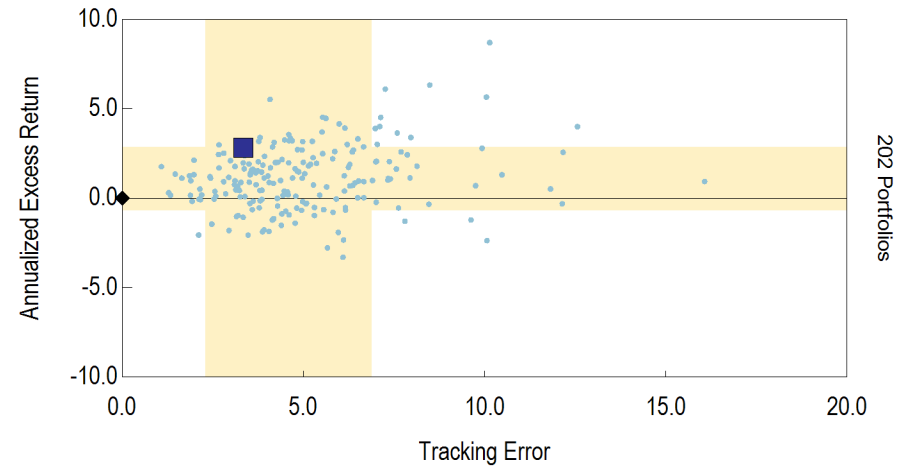
Rolling 3 Year Excess Performance
Robeco BP Large Cap Value Strategy vs. Russell 1000 Value



Characteristics
as of September 30, 2013

	Portfolio	Russell 1000 Value
PORTFOLIO CHARACTERISTICS		
Price To Earnings	16.69	17.40
P/E Excluding Negative Earnings	17.03	17.58
P/E Median	15.62	18.30
Price To Book	2.47	2.07
Price To Book Median	2.34	1.99
Price To Cash Flow	9.32	9.98
Price To Sales	1.50	1.71
Dividend Yield (%)	1.86	2.35
Weighted Ave. Market Cap. (\$B)	76.11	98.50
Median Market Cap. (\$B)	24.29	5.94
Beta	1.07	1.00

Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013

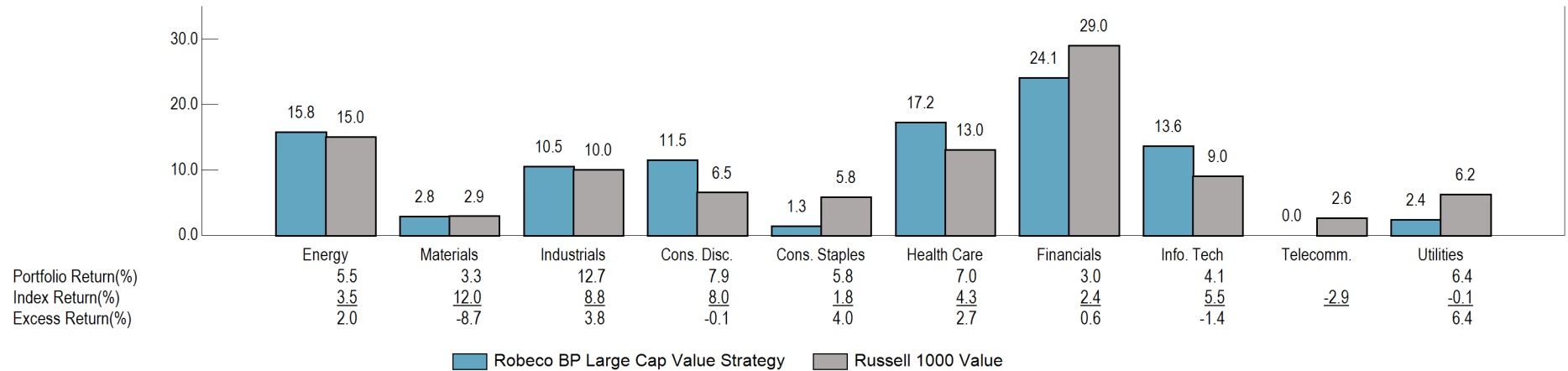


Performance Attribution vs. Russell 1000 Value
Quarter Ending September 30, 2013

	Total Effects	Selection Effect	Allocation Effect	Interaction Effects
Energy	0.34%	0.35%	0.02%	-0.03%
Materials	-0.25%	-0.19%	-0.02%	-0.04%
Industrials	0.33%	0.32%	-0.01%	0.02%
Cons. Disc.	0.19%	0.04%	0.20%	-0.05%
Cons. Staples	0.16%	0.25%	0.10%	-0.19%
Health Care	0.54%	0.39%	0.06%	0.09%
Financials	0.25%	0.19%	0.07%	-0.01%
Info. Tech	-0.06%	-0.09%	0.07%	-0.05%
Telecomm.	0.21%	--	0.21%	--
Utilities	0.32%	0.41%	0.18%	-0.27%
Cash	-0.17%	0.00%	0.00%	-0.17%
Unclassified	-0.01%	0.00%	0.00%	-0.01%
Portfolio	1.85%	= 1.67%	+ 0.89%	+ -0.71%

Robeco BP Large Cap Value Strategy

Sector Allocation (%) vs Russell 1000 Value
3 Months Ending September 30, 2013



Top Returning Stocks

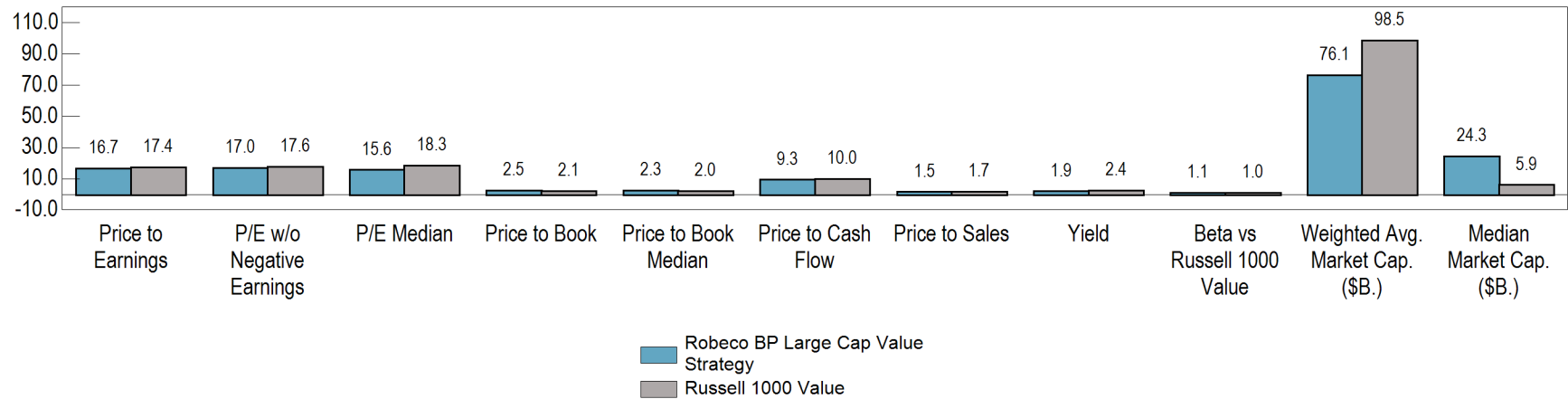
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
BROCADE COMMS.SYS. (BRCD)	1.00%	0.04%	-0.01%	39.76%
EOG RES. (EOG)	0.66%	0.03%	0.34%	28.72%
SCHLUMBERGER (SLB)	1.43%		0.23%	23.78%
AGCO (AGCO)	1.11%	0.07%	0.14%	20.59%
LEAR (LEA)	1.20%	0.06%	0.19%	18.66%
RAYTHEON 'B' (RTN)	0.93%	0.29%	0.13%	18.37%
OMNICARE (OCR)	1.09%	0.07%	0.17%	16.62%
DOVER (DOV)	1.01%	0.05%	0.12%	16.18%
LIBERTY MEDIA SR.A (LMCA)	0.00%		0.20%	16.09%
HALLIBURTON (HAL)	1.04%		0.19%	15.71%
Total	9.48%	0.61%		

Bottom Returning Stocks

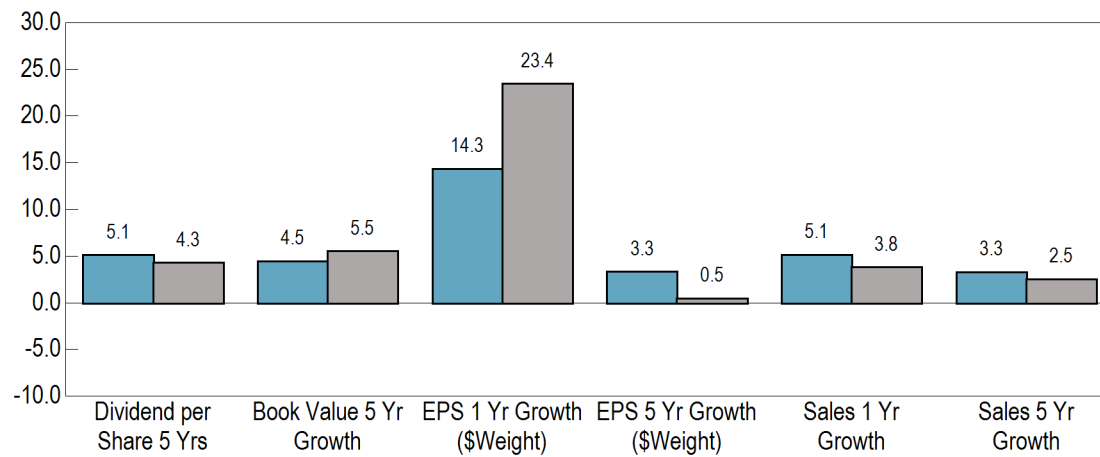
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
ON SEMICON. (ONNN)	1.00%	0.00%	-0.06%	-9.54%
MACY'S (M)	1.18%	0.04%	-0.03%	-9.34%
EQUITY RESD.TST.PROPS. SHBI (EQR)	1.23%	0.23%	-0.04%	-7.08%
STAPLES (SPLS)	0.00%		-0.02%	-6.94%
AXIS CAPITAL HDG. (AXS)	0.49%	0.05%	-0.02%	-4.85%
EXXON MOBIL (XOM)	4.72%	4.48%	0.07%	-4.11%
CISCO SYSTEMS (CSCO)	2.84%	1.47%	-0.03%	-3.04%
MICROSOFT (MSFT)	0.85%		-0.06%	-2.97%
REINSURANCE GROUP OF AM. (RGA)	0.52%	0.06%	-0.01%	-2.63%
AMER.ELEC.PWR. (AEP)	0.00%		-0.01%	-2.15%
Total	12.83%	6.32%		

Robeco BP Large Cap Value Strategy

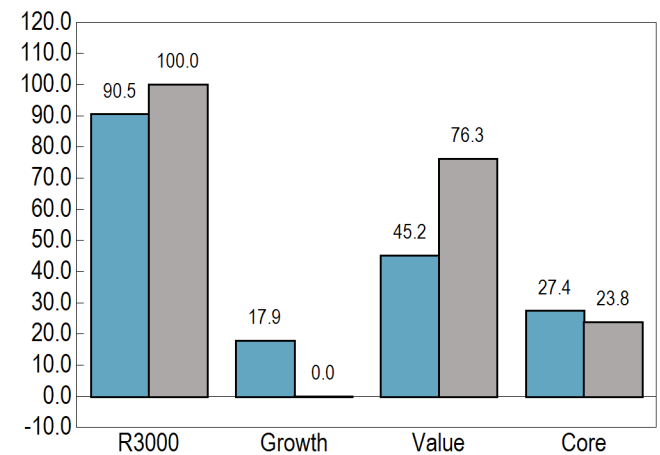
Portfolio Characteristics
Ending September 30, 2013



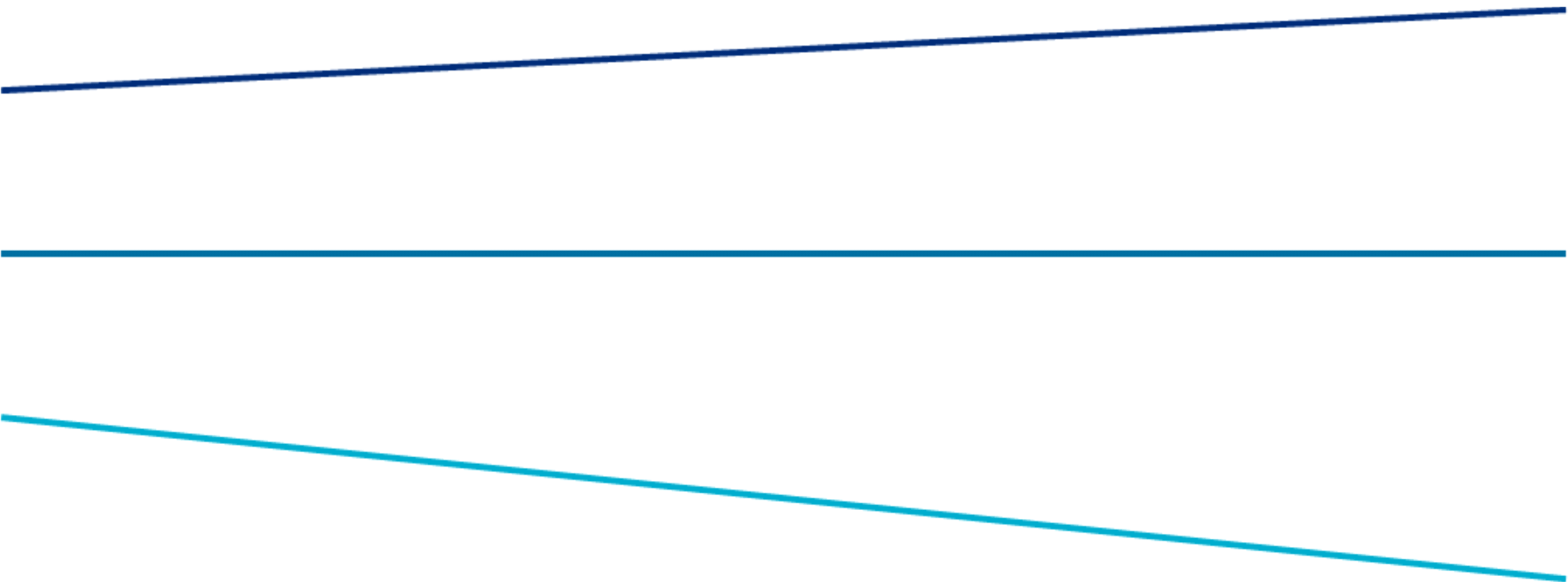
Historical Growth Measures
Ending September 30, 2013



Russell Index Membership (% Equity)
Ending September 30, 2013



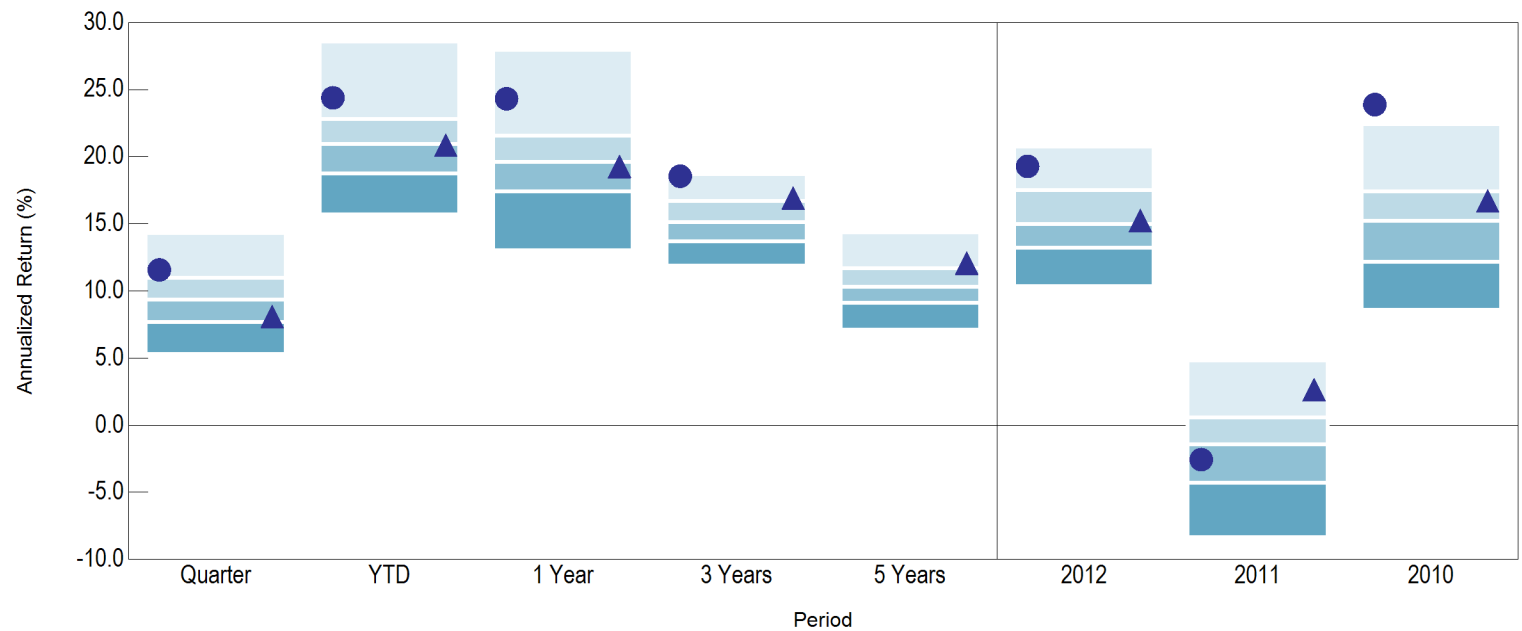
Large Cap Growth



Large Cap Growth

Performance

Performance vs. Mercer Mutual Fund US Equity Large Cap Growth
Ending September 30, 2013

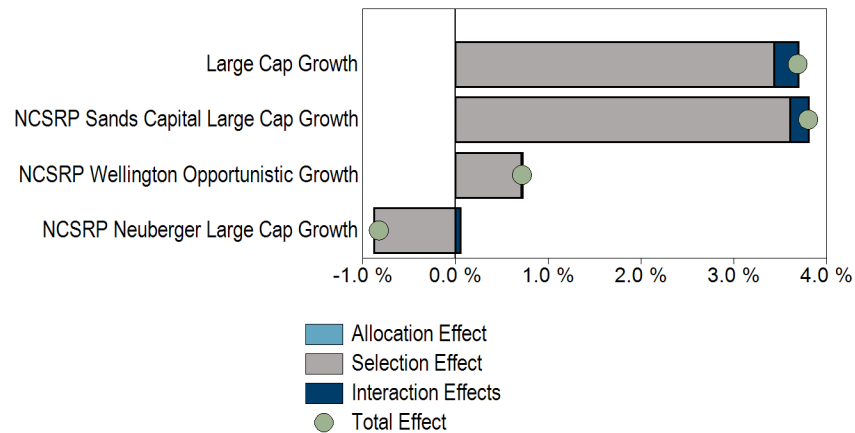


	Return (Rank)															
5th Percentile	14.3	28.5	27.9	18.7	14.3	20.7	4.8	22.4								
25th Percentile	11.0	22.8	21.6	16.7	11.7	17.6	0.6	17.4								
Median	9.4	21.0	19.6	15.1	10.3	15.0	-1.4	15.3								
75th Percentile	7.7	18.8	17.5	13.7	9.1	13.3	-4.2	12.2								
95th Percentile	5.3	15.7	13.0	11.9	7.1	10.4	-8.3	8.6								
# of Portfolios	195	192	188	167	155	191	200	234								
● Large Cap Growth	11.6 (20)	24.4 (12)	24.3 (14)	18.5 (7)	-- (--)	19.3 (12)	-2.6 (63)	23.9 (3)								
▲ Russell 1000 Growth	8.1 (70)	20.9 (52)	19.3 (56)	16.9 (23)	12.1 (22)	15.3 (48)	2.6 (11)	16.7 (33)								

Large Cap Growth

Attribution

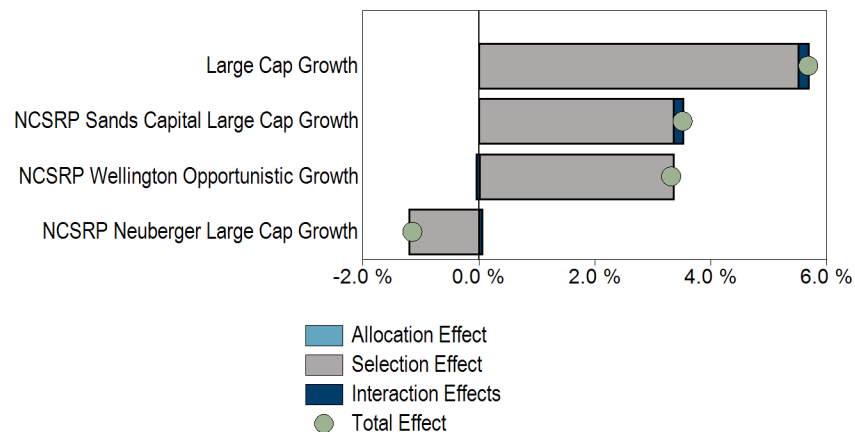
Attribution Effects
3 Months Ending September 30, 2013



Attribution Summary
3 Months Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Sands Capital Large Cap Growth	19.1%	8.1%	11.0%	3.6%	0.0%	0.2%	3.8%
NCSRP Wellington Opportunistic Growth	10.2%	8.1%	2.1%	0.7%	0.0%	0.0%	0.7%
NCSRP Neuberger Large Cap Growth	5.5%	8.1%	-2.6%	-0.9%	0.0%	0.0%	-0.8%
Total	11.8%	8.1%	3.7%	3.4%	0.0%	0.3%	3.7%

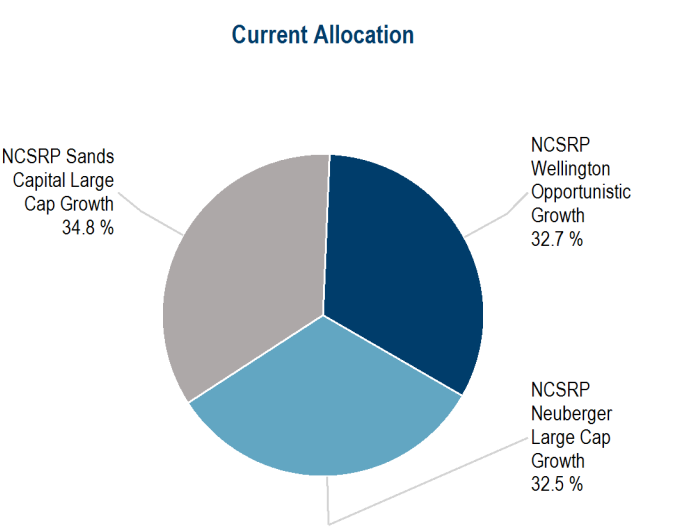
Attribution Effects
1 Year Ending September 30, 2013



Attribution Summary
1 Year Ending September 30, 2013

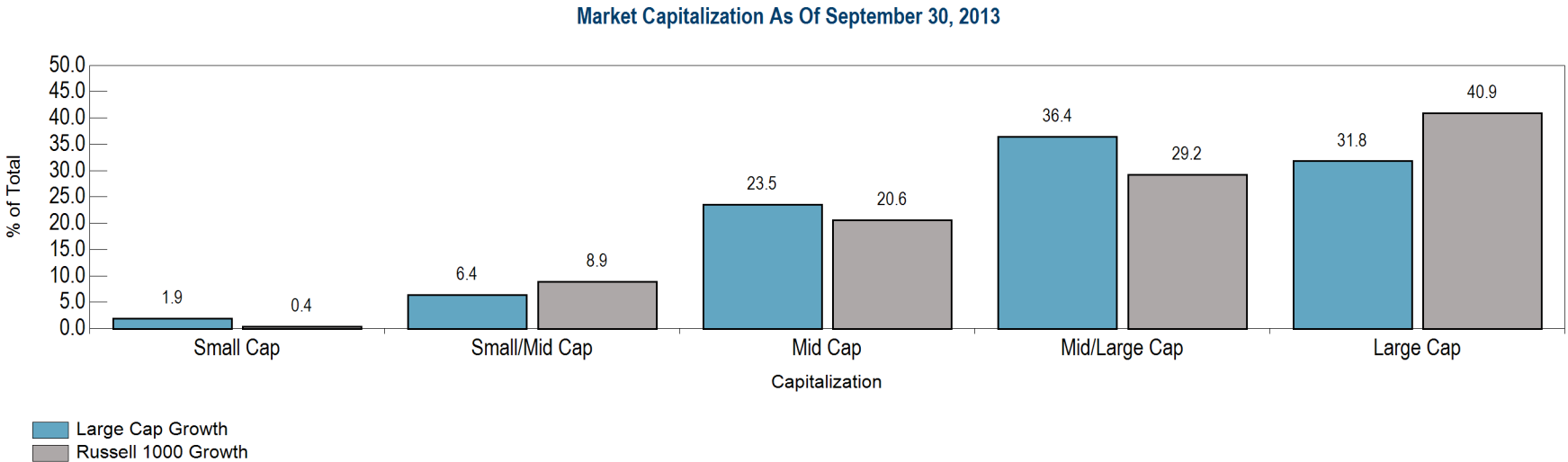
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Sands Capital Large Cap Growth	29.1%	19.3%	9.8%	3.4%	0.0%	0.2%	3.5%
NCSRP Wellington Opportunistic Growth	29.5%	19.3%	10.3%	3.4%	0.0%	0.0%	3.3%
NCSRP Neuberger Large Cap Growth	15.8%	19.3%	-3.4%	-1.2%	0.0%	0.0%	-1.1%
Total	24.9%	19.3%	5.7%	5.5%	0.0%	0.2%	5.7%

Large Cap Growth



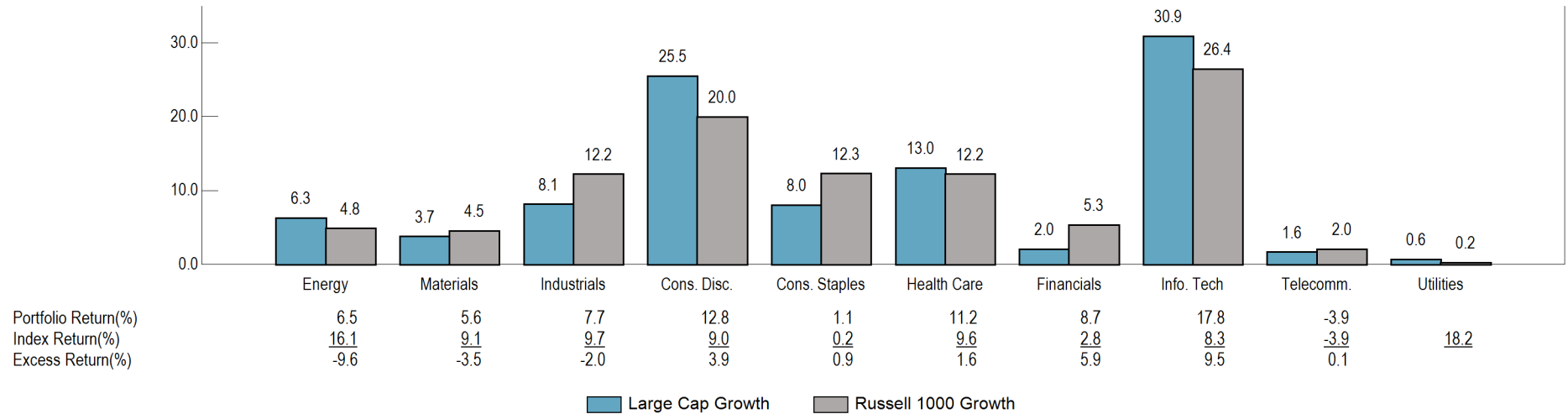
Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	197	610
Weighted Avg. Market Cap. (\$B)	69.51	84.48
Median Market Cap. (\$B)	13.13	7.74
Price To Earnings	29.86	22.53
Price To Book	6.68	5.49
Price To Sales	4.43	3.03
Return on Equity (%)	20.73	23.40
Yield (%)	0.94	1.67
Beta	1.19	1.00
R-Squared	0.95	1.00



Large Cap Growth

Sector Allocation (%) vs Russell 1000 Growth



Top Returning Stocks

	Portfolio	Index	Relative	
	Weight %	Weight %	Contribution %	Return %
FACEBOOK CLASS A (FB)	2.55%	0.97%	1.32%	101.89%
BAIDU 'A' ADR 10:1 (BIDU)	1.97%		0.55%	64.03%
TRULIA (TRLA)	0.11%		0.04%	51.27%
WAGeworks (WAGE)	0.09%		0.04%	46.44%
SEATTLE GENETC. (SGEN)	0.05%	0.05%	0.01%	39.32%
REGENERON PHARMS. (REGN)	1.18%	0.28%	0.32%	39.13%
LINKEDIN CLASS A (LNKD)	0.60%	0.25%	0.05%	38.00%
PANDORA MEDIA (P)	0.12%	0.04%	0.02%	36.58%
SALESFORCE.COM (CRM)	2.35%	0.35%	0.62%	35.96%
CONCUR TECHS. (CNQR)	0.07%	0.06%	0.01%	35.78%
Total	9.08%	2.00%		

Bottom Returning Stocks

	Portfolio	Index	Relative	
	Weight %	Weight %	Contribution %	Return %
FRANCESCA'S HOLDINGS (FRAN)	0.02%		-0.01%	-33.00%
INTUITIVE SURGICAL (ISRG)	0.60%	0.17%	-0.11%	-25.66%
HEARTWARE INTERNATIONAL (HTWR)	0.04%		-0.01%	-23.04%
BROADCOM 'A' (BRCM)	0.00%		0.00%	-22.67%
ABERCROMBIE & FITCH 'A' (ANF)	0.00%		-0.06%	-21.40%
WEIGHTWATCHERS INTL. (WTW)	0.00%		-0.02%	-18.38%
ELIZABETH ARDEN (RDEN)	0.02%		-0.01%	-18.03%
ULTRATECH (UTEK)	0.00%		-0.01%	-17.48%
ANGIE'S LIST (ANGI)	0.08%		-0.01%	-15.32%
MONSTER BEVERAGE (MNST)	0.27%	0.08%	-0.02%	-14.10%
Total	1.03%	0.25%		

Large Cap Growth

Top Holdings Large Cap Growth

	LCG Fund %	Sands %	Wellington %	Neuberger %	Index Weight%
GOOGLE 'A'	4.22%	6.58%	3.39%	2.28%	2.68%
AMAZON.COM	3.02%	6.74%		1.88%	1.30%
VISA 'A'	2.95%	7.21%	1.15%		1.13%
FACEBOOK CLASS A	2.55%	4.67%	1.94%	0.73%	0.97%
SALESFORCE.COM	2.36%	6.62%			0.35%
PRICELINE.COM	2.35%	4.89%	1.84%		0.59%
MONSANTO	2.15%	2.56%	1.88%	1.87%	0.63%
ASML HLDG.ADR 1:1	2.00%	4.00%		1.74%	
BAIDU 'A' ADR 10:1	1.97%	5.54%			
BIOGEN IDEC	1.78%	3.04%	1.36%	0.75%	0.65%
Total	25.35%	51.87%	11.55%	9.23%	8.30%

Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	Sands Capital Management - Select Growth Equity
Benchmark	Russell 1000 Growth

Manager Philosophy and Process

Investment Philosophy

Sands is a bottom-up, quality growth manager. The firm builds concentrated portfolios of leading companies, which are broadly diversified across a number of business lines. Sands essentially follows a buy and hold philosophy with extremely low turnover and low transaction costs. The long-term investment horizon allows the companies in the portfolio to realize long-term business opportunities that lead to shareholder wealth creation.

Investment Process

The process is bottom-up and fundamental in nature. The team's primary goal is to identify outstanding growth companies that lead and dominate attractive growth industries. Initial research looks for companies with above-average historical sales and earnings growth. Seven qualitative success factors are then analyzed to identify the leaders within each attractive business space. Sands believes companies can lead and dominate by creating growth drivers (new products/services and entering new markets), developing and anticipating industry trends, creating competitive barriers, gaining market share, building financial muscle and a strong business model, displaying superior management ability, and applying technology to add value. Fulfilling these criteria is the most important part of the investment research process, providing a powerful filter for locating high quality companies. Companies that pass the leaders screens are added to the Company Leader List, which typically contains 60 to 80 companies in 15 to 20 growing industries. Purchase candidates are selected from the Leader List and are expected to possess dominant leadership in an attractive growth business with the potential to deliver sustainable, long-term earnings growth.

Current Positioning

- Relative to the Russell 1000 Growth Index the Composite is overweight the technology, consumer discretionary, health care, and energy sectors.
- The Composite is underweight producer durables, consumer staples, and materials & processing sectors.

Manager Commentary

Quarterly Attribution

Outperformance was primarily due to stock selection while allocation effects were also positive for the quarter.

Positive Impact on Performance

- Stock selection in and an overweight allocation to the energy sector
- Stock selection in the health care, producer durables, and technology sectors
- Underweight allocation to the consumer staples sector

Negative Impact on Performance

- Stock selection within the utilities and consumer staples sectors

Portfolio Characteristics

Number of holdings: 30

Median Market Capitalization (billions): \$30.9

Weighted Average Market Capitalization (billions): \$71.4

P/E ratio: 27.4X

P/B ratio: 6.3X

Earnings growth: 23%

% cash: 0.5%

Responsible Investment ESG Comment

ESG4 - 27 Feb 13 RRC verified rating - See Research Note for further details

Summary Data Points

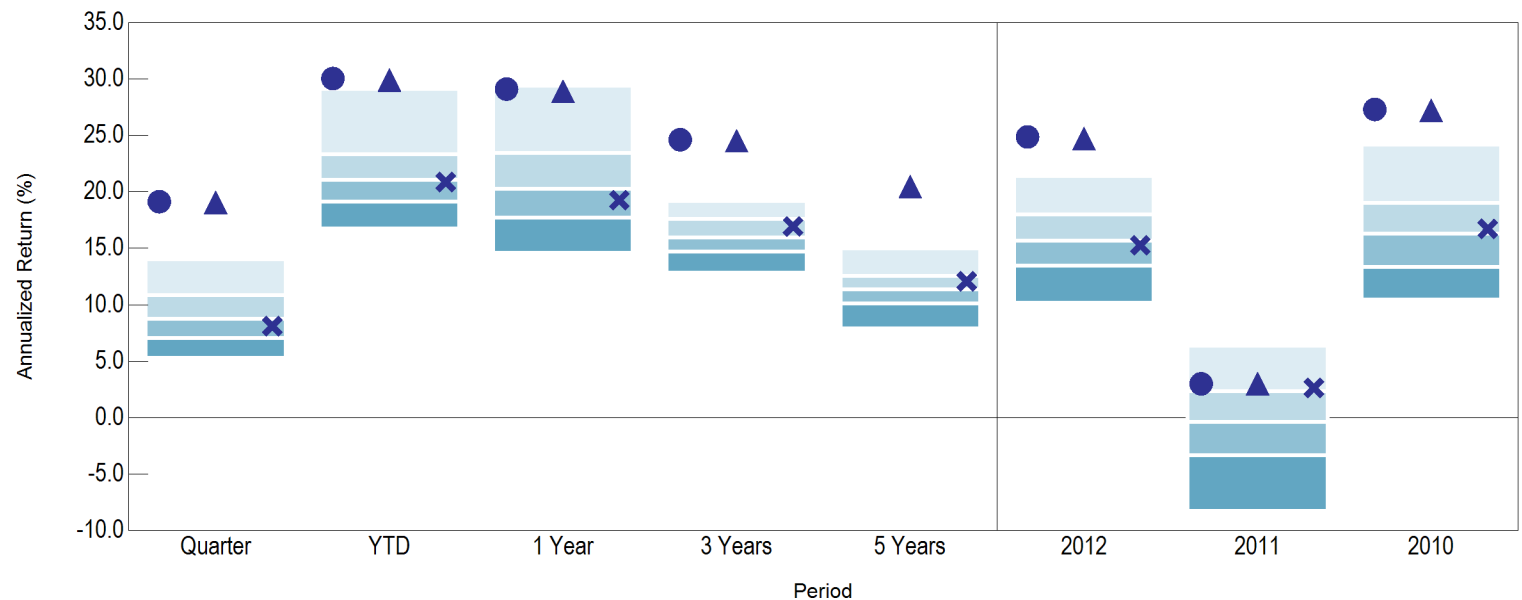
Mercer Rating: A(T)

Strategy Assets: \$30.2 Billion

NCSRP Sands Capital Large Cap Growth

Performance

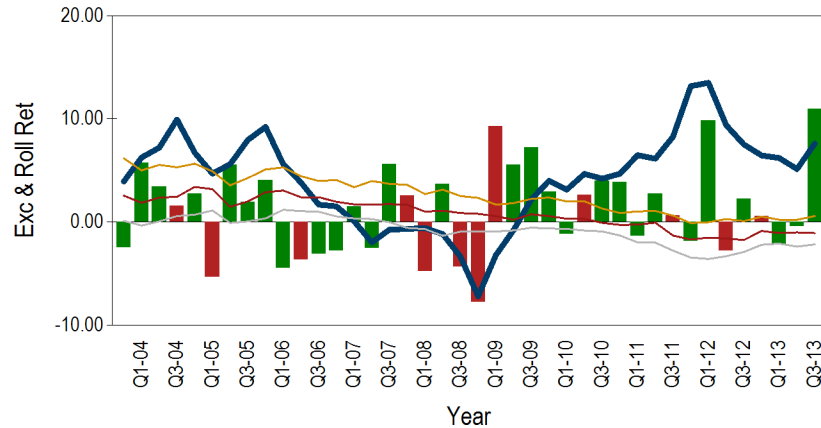
Performance vs. Mercer Instl US Equity Large Cap Growth
Ending September 30, 2013



	Return (Rank)															
5th Percentile	14.0		29.1		29.4		19.2		15.0		21.4		6.4		24.1	
25th Percentile	10.9		23.4		23.5		17.6		12.6		18.0		2.4		19.1	
Median	8.8		21.1		20.3		16.0		11.4		15.7		-0.3		16.3	
75th Percentile	7.1		19.2		17.7		14.7		10.1		13.5		-3.3		13.4	
95th Percentile	5.3		16.8		14.6		12.9		7.9		10.2		-8.2		10.5	
# of Portfolios	202		199		194		171		161		249		251		271	
● NCSRP Sands Capital Large Cap Growth	19.1	(1)	30.0	(4)	29.1	(6)	24.6	(1)	--	(--)	24.9	(2)	3.0	(21)	27.3	(2)
▲ Sands Capital Large Cap Growth Strategy	19.1	(1)	29.9	(4)	28.9	(6)	24.5	(1)	20.5	(1)	24.7	(2)	3.0	(21)	27.2	(2)
✕ Russell 1000 Growth	8.1	(62)	20.9	(54)	19.3	(65)	16.9	(39)	12.1	(37)	15.3	(57)	2.6	(24)	16.7	(48)

Sands Capital Large Cap Growth Strategy

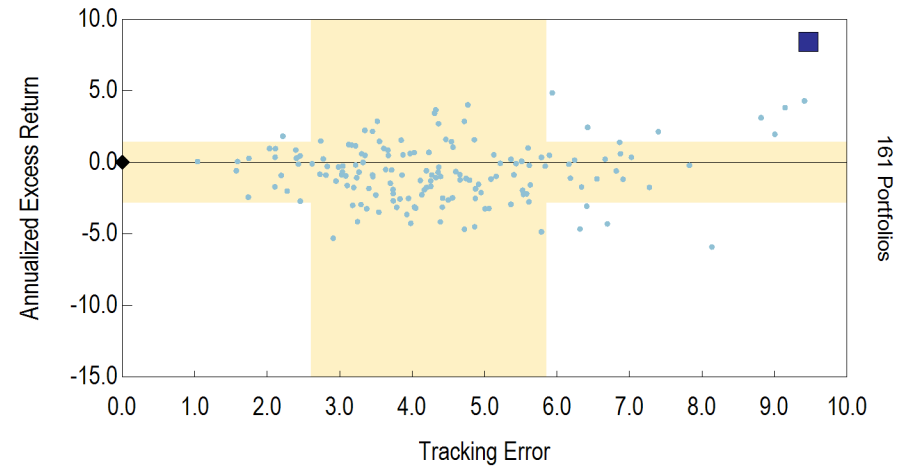
Rolling 3 Year Excess Performance
Sands Capital Large Cap Growth Strategy vs. Russell 1000 Growth



Characteristics
as of September 30, 2013

	Portfolio	Russell 1000 Growth
PORTFOLIO CHARACTERISTICS		
Price To Earnings	35.66	22.53
P/E Excluding Negative Earnings	35.66	22.74
P/E Median	31.08	22.35
Price To Book	8.90	5.49
Price To Book Median	7.75	4.09
Price To Cash Flow	29.15	14.26
Price To Sales	6.78	3.03
Dividend Yield (%)	0.36	1.67
Weighted Ave. Market Cap. (\$B)	64.18	84.48
Median Market Cap. (\$B)	30.44	7.74
Beta	1.23	1.00

Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013

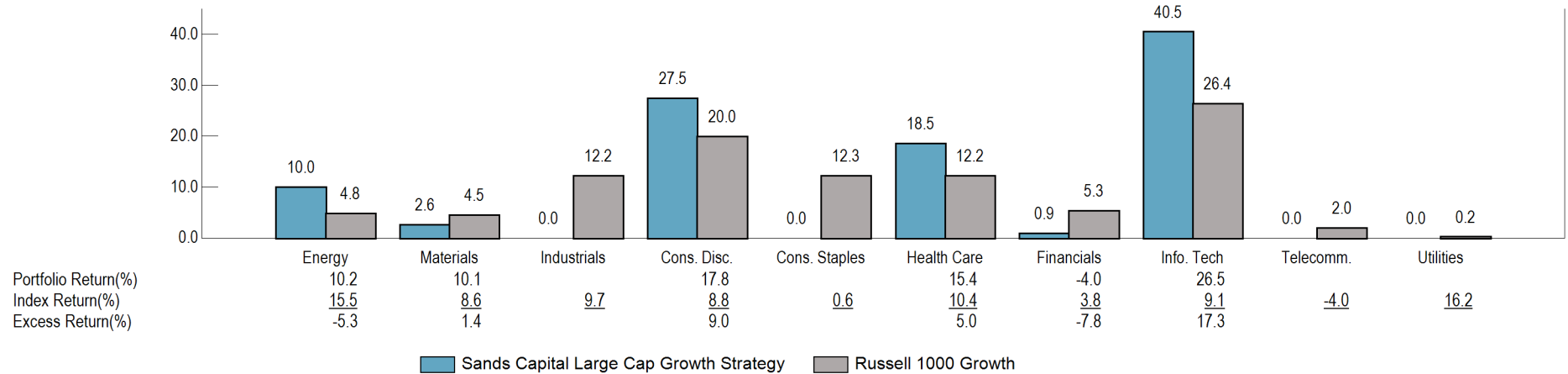


Performance Attribution vs. Russell 1000 Growth
Quarter Ending September 30, 2013

	Total Effects	Selection Effect	Allocation Effect	Interaction Effects
Energy	-0.09%	-0.23%	0.48%	-0.34%
Materials	0.02%	0.08%	-0.01%	-0.05%
Industrials	-0.24%	--	-0.24%	--
Cons. Disc.	2.59%	1.77%	0.06%	0.76%
Cons. Staples	0.97%	--	0.97%	--
Health Care	1.14%	0.65%	0.16%	0.33%
Financials	0.17%	-0.28%	0.21%	0.23%
Info. Tech	6.67%	3.49%	0.17%	3.01%
Telecomm.	0.28%	--	0.28%	--
Utilities	-0.02%	--	-0.02%	--
Cash	-0.02%	0.00%	0.00%	-0.02%
Unclassified	0.00%	--	0.00%	--
Portfolio	11.48%	= 5.47%	+ 2.08%	+ 3.92%

Sands Capital Large Cap Growth Strategy

Sector Allocation (%) vs Russell 1000 Growth
3 Months Ending September 30, 2013



Top Returning Stocks

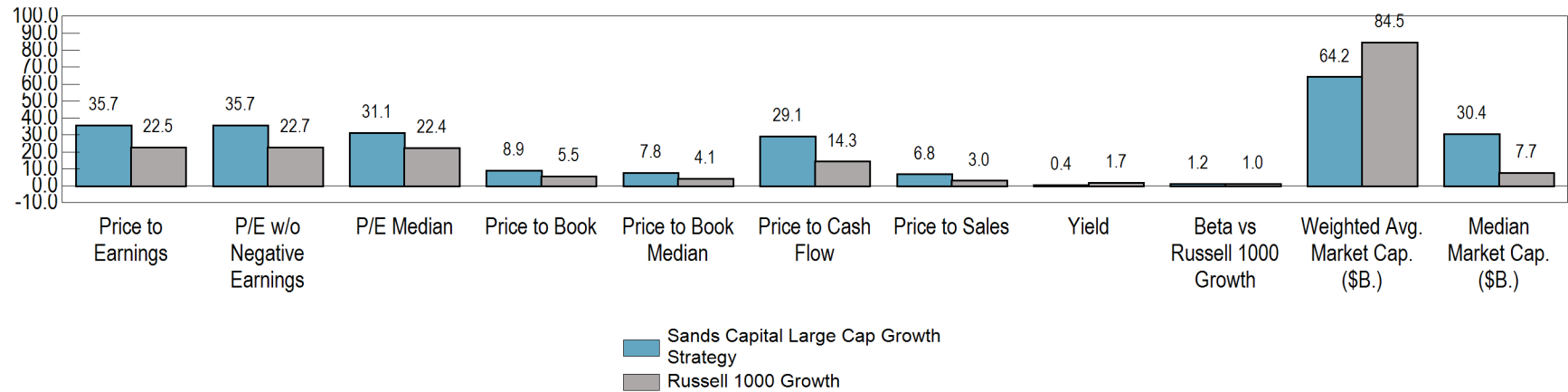
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
FACEBOOK CLASS A (FB)	4.70%	0.97%	2.67%	101.89%
BAIDU 'A' ADR 10:1 (BIDU)	5.57%		1.61%	64.03%
REGENERON PHARMS. (REGN)	3.33%	0.28%	1.00%	39.13%
SALESFORCE.COM (CRM)	6.66%	0.35%	2.01%	35.96%
ARM HDG.SPN.ADR 1:3 (ARMH)	3.14%		0.80%	33.13%
SPLUNK (SPLK)	1.62%	0.07%	0.43%	29.51%
BIOMARIN PHARM. (BMRN)	1.65%	0.11%	0.48%	29.48%
ATHENAHEALTH (ATHN)	1.18%		0.30%	28.15%
LAS VEGAS SANDS (LVS)	2.71%	0.29%	0.60%	26.17%
ALEXION PHARMS. (ALXN)	2.91%	0.26%	0.73%	25.93%
Total	33.45%	2.34%		

Bottom Returning Stocks

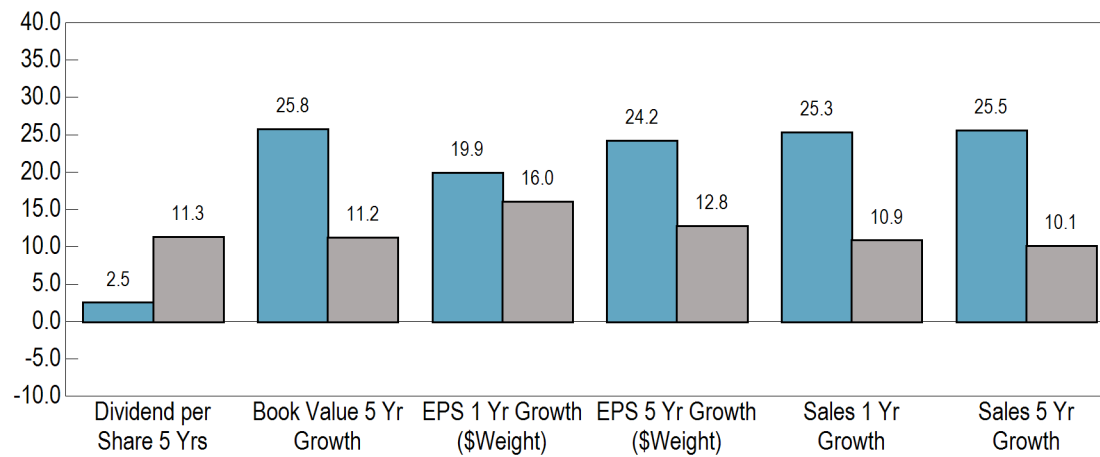
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
INTUITIVE SURGICAL (ISRG)	1.69%	0.17%	-0.44%	-25.66%
GOOGLE 'A' (GOOG)	6.61%	2.68%	-0.03%	-0.51%
FMC TECHNOLOGIES (FTI)	2.18%	0.15%	-0.01%	-0.47%
SOUTHWESTERN ENERGY (SWN)	2.15%	0.15%	-0.01%	-0.41%
VISA 'A' (V)	7.25%	1.13%	0.36%	4.76%
PRAXAIR (PX)	0.00%		0.12%	4.92%
ALLERGAN (AGN)	2.23%	0.30%	0.16%	7.43%
CERNER (CERN)	2.50%	0.18%	0.29%	9.38%
BIOGEN IDEC (BIIB)	3.06%	0.65%	0.31%	11.88%
AMAZON.COM (AMZN)	6.78%	1.30%	0.83%	12.59%
Total	34.44%	6.71%		

Sands Capital Large Cap Growth Strategy

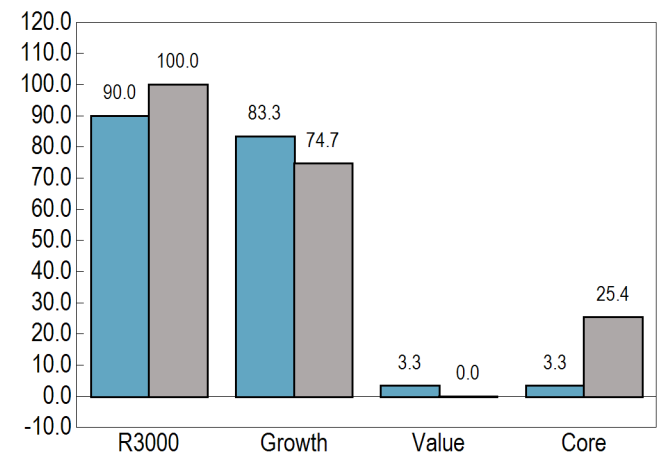
Portfolio Characteristics
Ending September 30, 2013



Historical Growth Measures
Ending September 30, 2013



Russell Index Membership (% Equity)
Ending September 30, 2013



Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	Pacific Investment Management Company - Core Plus - Total Return Full Authority
Benchmark	Barclays U.S. Aggregate Index

Manager Philosophy and Process

PIMCO's top-down, core approach to fixed income management is focused on long-term secular trends. The firm seeks to add alpha through multiple sources of active risk including duration, yield curve, country, currency, sector rotation and bottom-up security selection. PIMCO's portfolio construction and risk management efforts are designed to position the portfolio with exposure to a series of moderate risks, ensuring that no single trade idea or risk factor overwhelms the portfolio. Given its dynamic approach to active management, as well as its large size in certain cash markets, PIMCO relies heavily on derivative securities to implement its trade ideas.

PIMCO relies on its long-term secular outlook when determining portfolio duration. The firm develops its three-to-five-year secular outlook at annual strategy sessions. This outlook is fine-tuned quarterly. Portfolio duration is typically within 30% of the benchmark. PIMCO actively manages its yield curve positioning based on anticipated central bank actions and inflation expectations. The firm will invest opportunistically across global sovereign curves, and does not limit itself to U.S. interest rate exposure. PIMCO is a heavy user of futures and swaps to implement its duration and yield curve views.

PIMCO determines sector exposure based on its secular and cyclical outlooks. The firm will make significant shifts based on changes in relative valuations and spreads. Full discretion accounts may invest meaningfully (up to 30%) in non-dollar bonds and below-investment grade bonds (up to 15%).

PIMCO's credit analysts produce proprietary credit ratings and a risk rating (green, yellow, or red light designations). Green and yellow lights are the primary sources for security selection, based on a relative value assessment and recommendation from the credit analyst. The relative value analysis helps identify the most attractive issuers within an industry and bonds within a capital structure. This analysis is captured in a relative value matrix updated weekly by the trading desk and credit analysts. Within mortgages, PIMCO's proprietary mean reversion model is a primary tool to analyze coupon swaps, which is expected to be one of the firm's largest sources of alpha in the mortgage space given the firm's primary use of forward-settling TBA mortgages in lieu of specified pools. PIMCO has extensive proprietary analytics to evaluate the expected behavior and pricing of specific securities with embedded optionality.

PIMCO makes wide use of derivative instruments to tactically adjust the portfolio. The firm uses futures and credit default swaps as cash-market substitutes, options as a means to capitalize on changes in market volatility, and futures and swaps to adjust yield curve and duration posture. The firm will also invest in a variety of mortgage-backed derivatives based on an evaluation of prepayment and liquidity factors.

Manager Commentary

Current Positioning

- Target a small underweight to benchmark-level duration
- Concentrate U.S. nominal duration exposure on the front-end of the yield curve while maintaining an underweight position to longer maturity securities
- Focus TIPS exposure on the 10 – 20 year segment of the real yield curve as current break-even levels underprice the potential for secular inflation
- Retain an overall underweight to corporate spread, favoring other spread sectors, but participate in select compelling corporate opportunities identified through bottom-up credit analysis
- Within Agency mortgage-backed securities (MBS), focus on security selection to capitalize on relative value opportunities within the coupon stack
- Continue to hold non-Agency MBS positions as a source of additional yield
- Continue to favor Brazilian and Mexican local interest rate exposures
- Retain exposure to high quality municipal bonds that offer attractive yields

Quarterly Attribution

Contributors:

- An underweight to U.S. duration as yields rose across intermediate and long term maturities
- A focus on the front end of the U.S. yield curve, which outperformed longer-dated issues
- Holdings of Treasury Inflation Protected Securities (TIPS), as inflation expectations rose
- An allocation to non-Agency mortgages which benefited from investor demand given attractive valuations
- A focus on financials, which outperformed the broader corporate market as balance sheets and profits improved
- Modest exposure to high yield corporate bonds as spreads tightened amid risk-on sentiment

Detractors:

- Tactical positioning in Japanese interest rates, as yields declined
- An overall underweight to investment-grade corporate bonds, which outperformed like-duration Treasuries

Portfolio Characteristics

Effective Duration: 5.1 years

Effective Maturity: 5.5 years

Manager Commentary

Responsible Investment ESG Comment

ESG3 - No Comment Provided

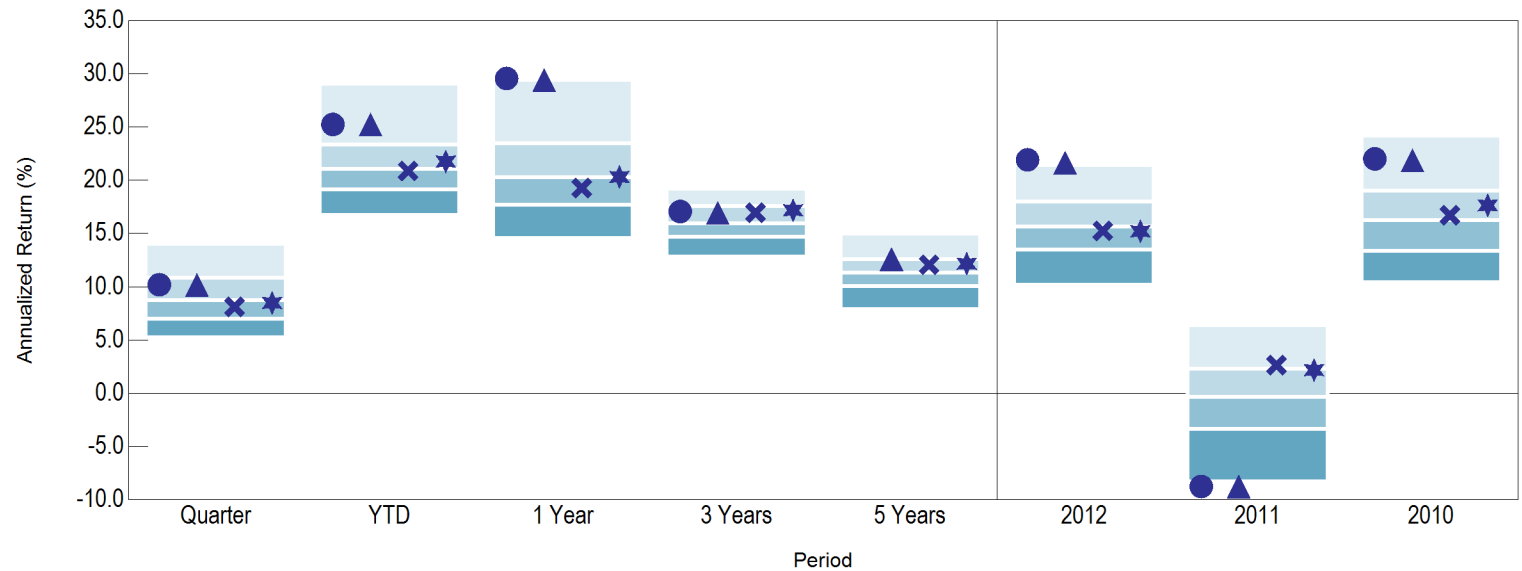
Summary Data Points

Current Rating: A
Strategy AUM: \$476 billion

NCSRP Wellington Opportunistic Growth

Performance

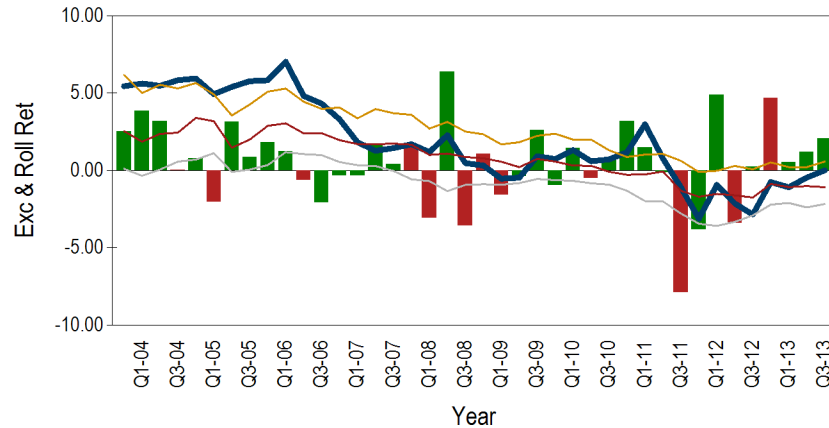
Performance vs. Mercer Instl US Equity Large Cap Growth
Ending September 30, 2013



	Return (Rank)													
5th Percentile	14.0	29.1	29.4	19.2	15.0	21.4	6.4	24.1						
25th Percentile	10.9	23.4	23.5	17.6	12.6	18.0	2.4	19.1						
Median	8.8	21.1	20.3	16.0	11.4	15.7	-0.3	16.3						
75th Percentile	7.1	19.2	17.7	14.7	10.1	13.5	-3.3	13.4						
95th Percentile	5.3	16.8	14.6	12.9	7.9	10.2	-8.2	10.5						
# of Portfolios	202	199	194	171	161	249	251	271						
● NCSRP Wellington Opportunistic Growth	10.2 (35)	25.2 (11)	29.5 (5)	17.1 (36)	-- (--)	21.9 (4)	-8.7 (97)	22.0 (11)						
▲ Wellington Opportunistic Growth Strategy	10.2 (35)	25.2 (11)	29.4 (5)	16.9 (39)	12.6 (26)	21.6 (5)	-8.7 (97)	21.9 (12)						
✕ Russell 1000 Growth	8.1 (62)	20.9 (54)	19.3 (65)	16.9 (39)	12.1 (37)	15.3 (57)	2.6 (24)	16.7 (48)						
★ Russell 3000 Growth	8.5 (54)	21.8 (45)	20.3 (50)	17.2 (36)	12.2 (34)	15.2 (57)	2.2 (28)	17.6 (37)						

Wellington Opportunistic Growth Strategy

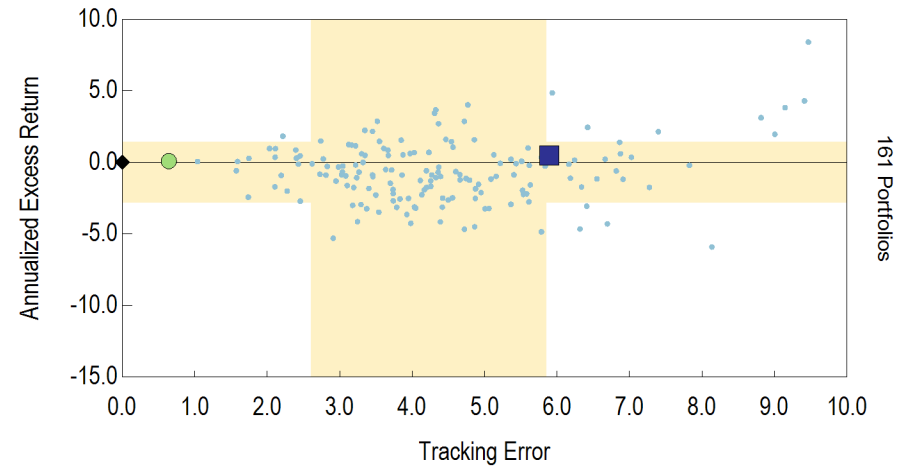
Rolling 3 Year Excess Performance
Wellington Opportunistic Growth Strategy vs. Russell 1000 Growth



Characteristics
as of September 30, 2013

	Portfolio	Russell 1000 Growth
PORTFOLIO CHARACTERISTICS		
Price To Earnings	28.34	22.53
P/E Excluding Negative Earnings	28.42	22.74
P/E Median	24.20	22.35
Price To Book	5.29	5.49
Price To Book Median	4.00	4.09
Price To Cash Flow	17.70	14.26
Price To Sales	3.55	3.03
Dividend Yield (%)	0.77	1.67
Weighted Ave. Market Cap. (\$B)	48.16	84.48
Median Market Cap. (\$B)	7.63	7.74
Beta	1.30	1.00

Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013

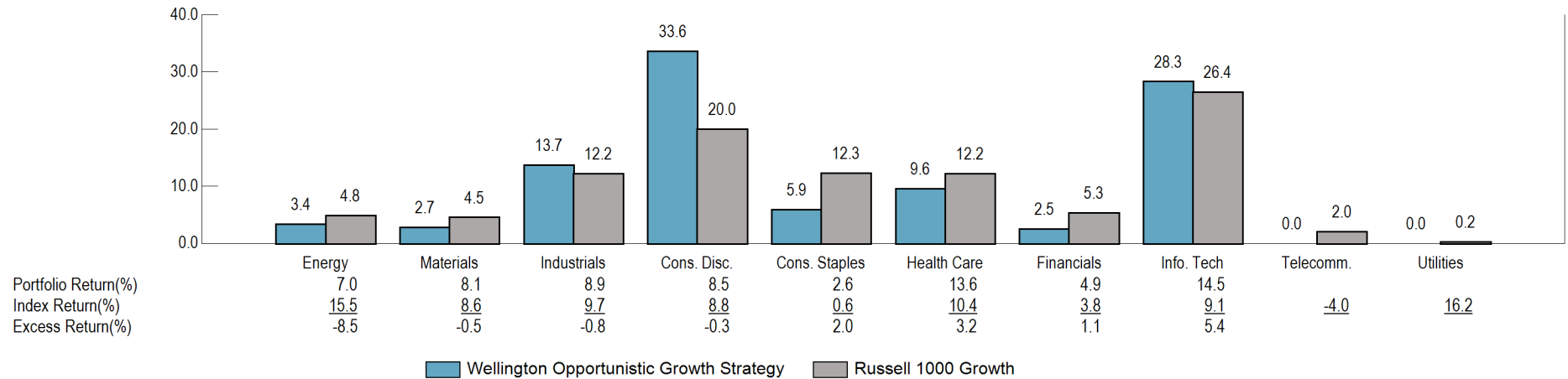


Performance Attribution vs. Russell 1000 Growth
Quarter Ending September 30, 2013

	Total Effects		Selection Effect		Allocation Effect		Interaction Effects
Energy	-0.36%		-0.37%		0.00%		0.02%
Materials	-0.02%		-0.03%		-0.01%		0.01%
Industrials	-0.12%		-0.22%		-0.01%		0.11%
Cons. Disc.	0.03%		-0.10%		0.13%		0.00%
Cons. Staples	0.61%		-0.29%		0.48%		0.42%
Health Care	0.22%		0.47%		-0.09%		-0.16%
Financials	0.12%		0.04%		0.08%		0.00%
Info. Tech	1.58%		1.44%		0.07%		0.06%
Telecomm.	0.27%		--		0.27%		--
Utilities	-0.01%		--		-0.01%		--
Cash	-0.11%		0.00%		0.00%		-0.11%
Unclassified	0.01%		0.00%		0.00%		0.01%
Portfolio	2.22%	=	0.93%	+	0.91%	+	0.38%

Wellington Opportunistic Growth Strategy

Sector Allocation (%) vs Russell 1000 Growth
3 Months Ending September 30, 2013



Top Returning Stocks

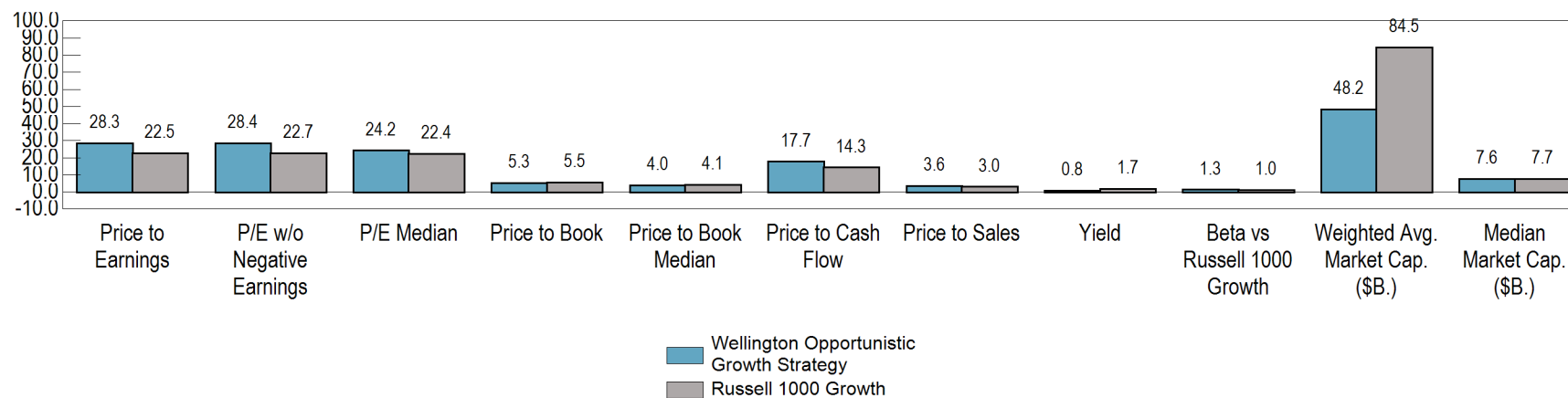
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
FACEBOOK CLASS A (FB)	1.96%	0.97%	0.84%	101.89%
TRULIA (TRLA)	0.33%		0.13%	51.27%
WAGeworks (WAGE)	0.27%		0.13%	46.44%
SEATTLE GENETC. (SGEN)	0.16%	0.05%	0.04%	39.32%
REGENERON PHARMS. (REGN)	0.00%		0.00%	39.13%
LINKEDIN CLASS A (LNKD)	0.81%	0.25%	0.27%	38.00%
PANDORA MEDIA (P)	0.35%	0.04%	0.09%	36.58%
CONCUR TECHS. (CNQR)	0.22%	0.06%	0.07%	35.78%
MANPOWERGROUP (MAN)	0.32%		0.09%	32.74%
CUBIST PHARMACEUTICALS (CBST)	0.60%	0.05%	0.15%	31.60%
Total	5.01%	1.42%		

Bottom Returning Stocks

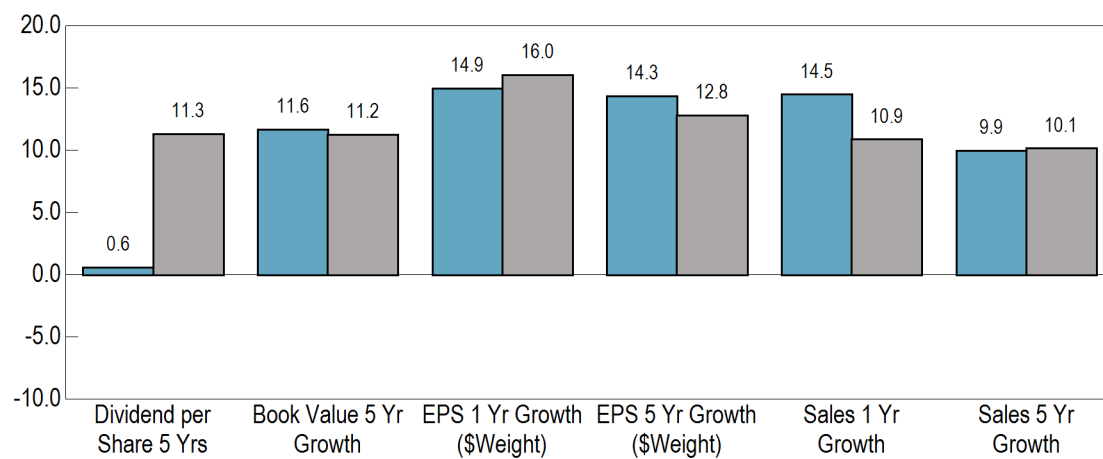
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
FRANCESCA'S HOLDINGS (FRAN)	0.07%		-0.04%	-33.00%
HEARTWARE INTERNATIONAL (HTWR)	0.12%		-0.03%	-23.04%
BROADCOM 'A' (BRCM)	0.00%		-0.06%	-22.67%
ABERCROMBIE & FITCH 'A' (ANF)	0.00%		-0.16%	-21.40%
WEIGHTWATCHERS INTL. (WTW)	0.00%		-0.05%	-18.38%
ELIZABETH ARDEN (RDEN)	0.08%		-0.02%	-18.03%
ULTRATECH (UTEK)	0.00%		-0.04%	-17.48%
ANGIE'S LIST (ANGI)	0.25%		-0.02%	-15.32%
MONSTER BEVERAGE (MNST)	0.80%	0.08%	-0.09%	-14.10%
HOMEAWAY (AWAY)	0.00%		-0.01%	-13.54%
Total	1.31%	0.08%		

Wellington Opportunistic Growth Strategy

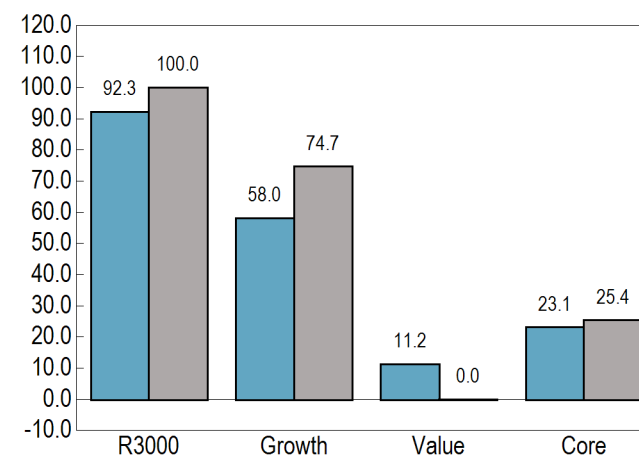
Portfolio Characteristics
Ending September 30, 2013



Historical Growth Measures
Ending September 30, 2013



Russell Index Membership (% Equity)
Ending September 30, 2013



Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	Neuberger Berman - Large Cap Disciplined Growth
Benchmark	Russell 1000 Growth

Manager Philosophy and Process

- The Large Cap Disciplined Growth team invests in companies with prospective accelerating growth metrics (earnings per share, cash flow, or number of subscribers) driven by an identifiable catalyst. The team seeks companies that have an experienced and accessible management team, ample liquidity, manageable leverage, and/or the ability to generate both free cash flow and operating income growth over time. The team believes companies with these qualities have the potential for price appreciation through earnings growth and an expanding valuation brought about by improved investor perception.
- The initial step in the investment process is a simple quantitative screen to identify stocks with market-capitalizations above \$3 billion and daily dollar trading volume greater than \$100 million. Additionally, debt as a percent of total capitalization and price-to-earnings ratios for each respective industry group is considered. These screens typically yield approximately 400 companies. Fundamental analysis is then performed to identify potential catalysts that could accelerate growth at particular companies. This typically reduces the field to approximately 150 names. As a final step, the team will often meet with company management. The investment process typically produces five or six companies at any given time that meet the team's criteria. The portfolio consists of 50 to 70 holdings with no one single position exceeding the maximum of 5% or 1.5x the index weight at cost. Sector weights are restricted to fall between 50% and 150% relative to the benchmark sector (up to +/- 10% for smaller sectors). Cash is limited to 5%, ADRs are capped at 15%, and portfolio turnover averages 80%-100%.

Current Positioning

Relative to the Russell 1000 Growth index the Fund is overweight the Consumer Staples, Telecom, Utilities and Materials sectors.

- The Fund is underweight the Consumer Discretionary, Financials, Technology, Health Care and Energy sectors.
- The Fund has a 17.5% allocation to U.S. dollar denominated foreign stocks that do not reside in the index.

Quarterly Attribution

Positive Impact on Performance

- The portfolio benefited from an overweight in Utilities, which was established during the quarter.
- The portfolio's slight underweights in Health Care and Energy also benefitted performance.
- Top Contributors (Securities) - ASML Holdings, Starbucks and Alliance Data Systems.
- Stock selection in the Consumer Discretionary, Financials and Information Technology sectors.

Manager Commentary

Negative Impact on Performance

- Top Detractors (Securities) – U.S. Dollar, Kinder Morgan, and Vertex Pharmaceuticals.
- Excluding cash, the portfolio's relative performance was most negatively impacted by an overweight in Telecommunications during the quarter, followed by an overweight in Consumer Discretionary and an underweight in Consumer Staples.
- Stock selection was weakest during the quarter within Health Care, Energy, Industrials sectors.

Portfolio Characteristics

Number of holdings: 55
Median Market Capitalization (billions): \$51.96b
Weighted Average Market Capitalization (billions): \$107.61b
P/E ratio: 21.74x
P/B ratio: 4.23x
Earnings growth (5 year): 20.58%
% foreign: 8.27%
Turnover: 13.16%
% cash: 4.06%

Responsible Investment ESG Comment

ESG4 - Neuberger does not explicitly apply Environmental, Social, or Governance factors in its investment decision making process.

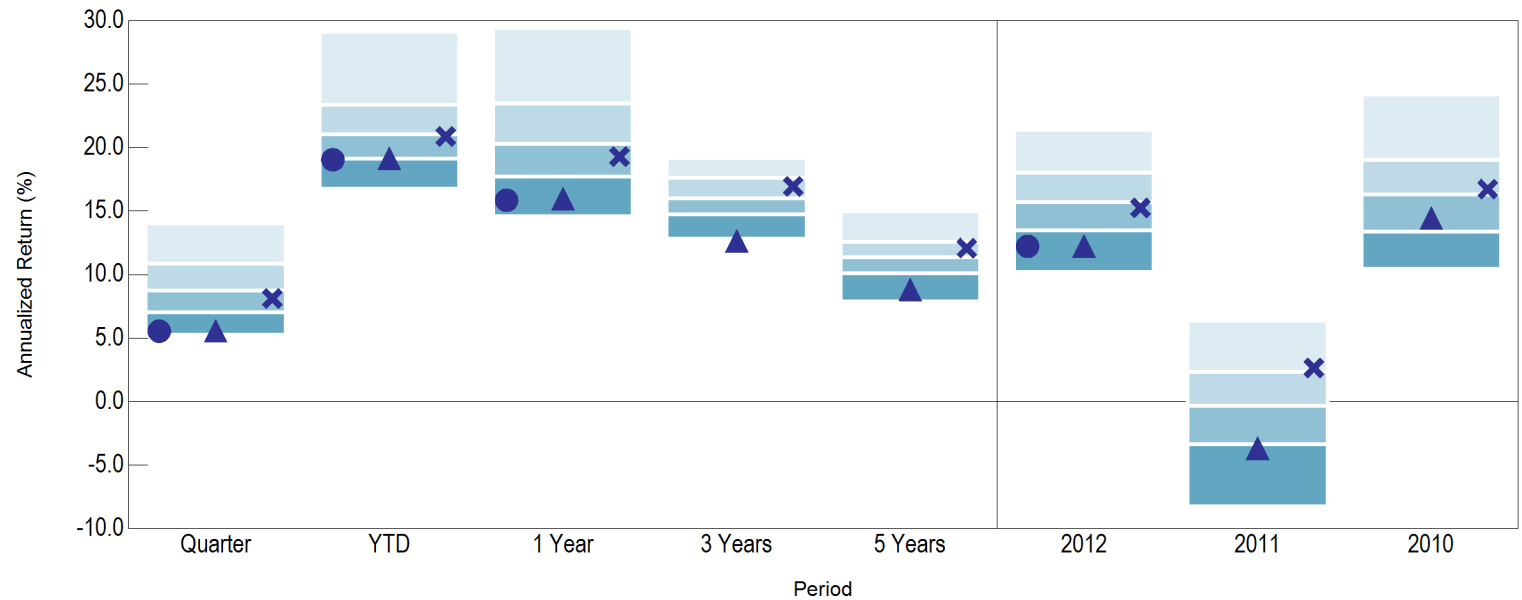
Summary Data Points

- Mercer Rating: B+
- AUM: \$7,184MM

NCSRP Neuberger Large Cap Growth

Performance

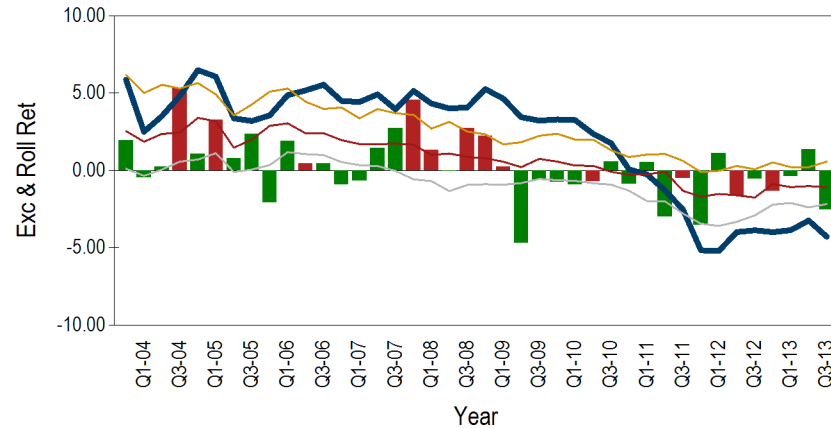
Performance vs. Mercer Instl US Equity Large Cap Growth
Ending September 30, 2013



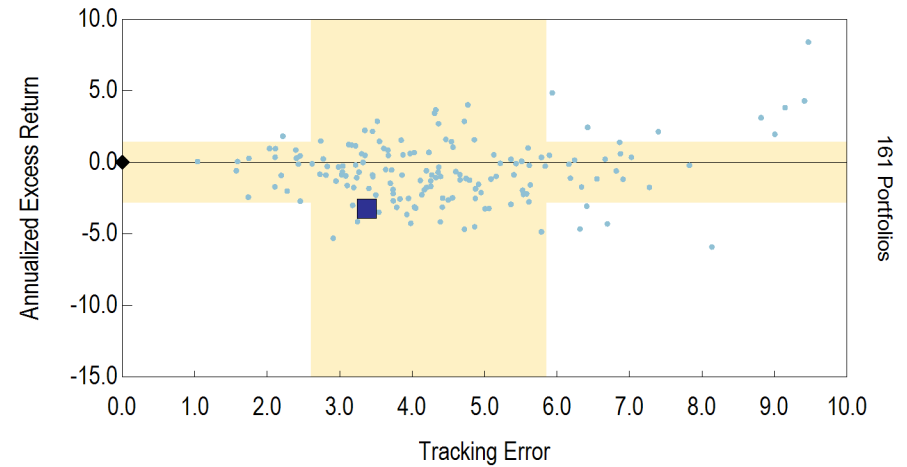
	Return (Rank)															
5th Percentile	14.0	29.1	29.4	19.2	15.0	21.4	6.4	24.1								
25th Percentile	10.9	23.4	23.5	17.6	12.6	18.0	2.4	19.1								
Median	8.8	21.1	20.3	16.0	11.4	15.7	-0.3	16.3								
75th Percentile	7.1	19.2	17.7	14.7	10.1	13.5	-3.3	13.4								
95th Percentile	5.3	16.8	14.6	12.9	7.9	10.2	-8.2	10.5								
# of Portfolios	202	199	194	171	161	249	251	271								
● NCSRP Neuberger Large Cap Growth	5.5 (95)	19.0 (77)	15.8 (92)	-- (--)	-- (--)	12.2 (88)	-- (--)	-- (--)								
▲ Neuberger Large Cap Growth Strategy	5.6 (95)	19.2 (76)	16.0 (91)	12.7 (97)	8.8 (92)	12.2 (88)	-3.7 (79)	14.5 (66)								
✕ Russell 1000 Growth	8.1 (62)	20.9 (54)	19.3 (65)	16.9 (39)	12.1 (37)	15.3 (57)	2.6 (24)	16.7 (48)								

Neuberger Large Cap Growth Strategy

Rolling 3 Year Excess Performance
Neuberger Large Cap Growth Strategy vs. Russell 1000 Growth



Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013



Characteristics
as of September 30, 2013

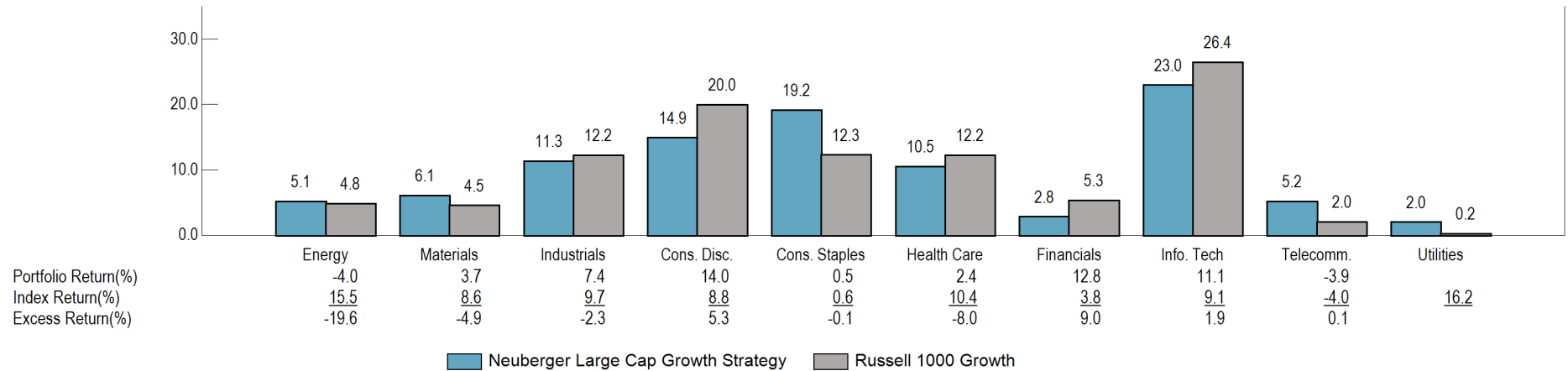
	Portfolio	Russell 1000 Growth
PORTFOLIO CHARACTERISTICS		
Price To Earnings	26.08	22.53
P/E Excluding Negative Earnings	26.08	22.74
P/E Median	21.12	22.35
Price To Book	5.63	5.49
Price To Book Median	5.16	4.09
Price To Cash Flow	15.96	14.26
Price To Sales	3.20	3.03
Dividend Yield (%)	1.76	1.67
Weighted Ave. Market Cap. (\$B)	97.71	84.48
Median Market Cap. (\$B)	49.43	7.74
Beta	1.01	1.00

Performance Attribution vs. Russell 1000 Growth
Quarter Ending September 30, 2013

	Attribution Effects						
	Total		Selection		Allocation		Interaction
	Effects		Effect		Effect		Effects
Energy	-0.94%		-0.88%		0.04%		-0.10%
Materials	-0.24%		-0.07%		0.01%		-0.18%
Industrials	-0.36%		-0.30%		0.00%		-0.05%
Cons. Disc.	0.57%		0.93%		-0.04%		-0.32%
Cons. Staples	-0.38%		-0.16%		-0.35%		0.13%
Health Care	-0.98%		-1.02%		-0.02%		0.06%
Financials	0.35%		0.47%		0.10%		-0.22%
Info. Tech	0.44%		0.20%		-0.03%		0.27%
Telecomm.	-0.35%		0.00%		-0.36%		0.01%
Utilities	-0.02%		--		-0.02%		--
Cash	-0.20%		0.00%		0.00%		-0.20%
Unclassified	0.00%		--		0.00%		--
Portfolio	-2.10%	=	-0.83%	+	-0.65%	+	-0.61%

Neuberger Large Cap Growth Strategy

Sector Allocation (%) vs Russell 1000 Growth
3 Months Ending September 30, 2013



Top Returning Stocks

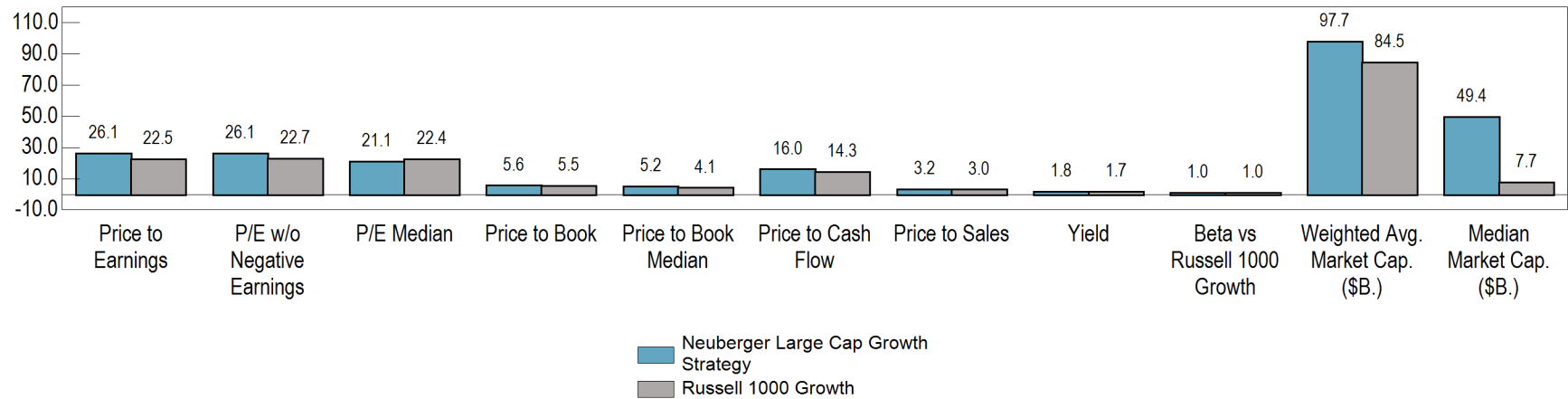
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
FACEBOOK CLASS A (FB)	0.76%	0.97%	0.36%	101.89%
ASML HLDG.ADR 1:1 (ASML)	1.82%		0.55%	24.84%
APPLE (AAPL)	3.45%	3.84%	0.11%	21.03%
MICHAEL KORS HOLDINGS (KORS)	1.28%	0.17%	0.19%	20.15%
STARBUCKS (SBUX)	1.26%	0.65%	0.40%	17.83%
CHIPOTLE MEXN.GRILL (CMG)	0.00%		0.13%	17.69%
ALLIANCE DATA SYSTEMS (ADS)	2.87%	0.12%	0.39%	16.81%
FAMILY DOLLAR STORES (FDO)	1.99%	0.08%	0.25%	16.00%
AON CLASS A (AON)	1.58%	0.20%	0.21%	15.98%
FEDEX (FDX)	1.93%		0.26%	15.91%
Total	16.94%	6.04%		

Bottom Returning Stocks

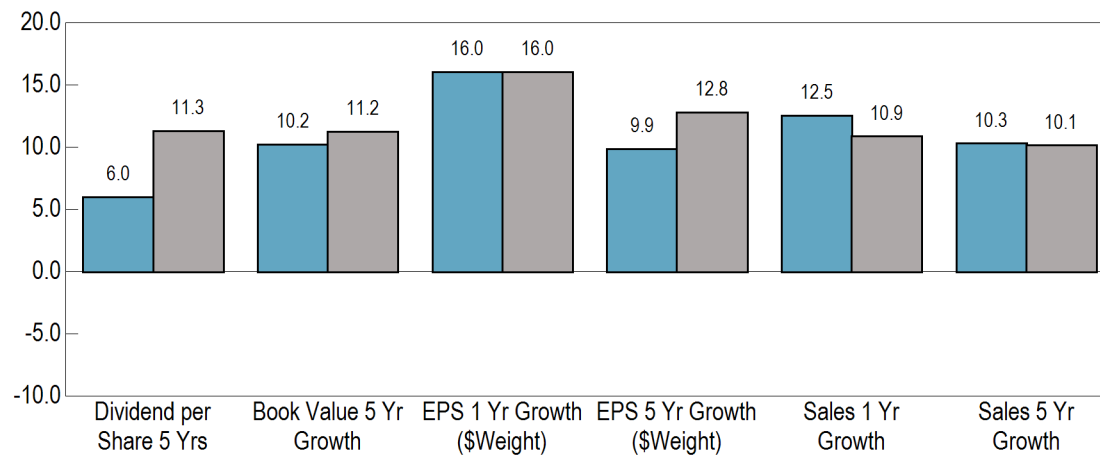
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
VERIZON COMMUNICATIONS (VZ)	3.40%	1.51%	-0.09%	-6.35%
KRAFT FOODS GROUP (KRFT)	2.00%	0.35%	-0.10%	-6.07%
KINDER MORGAN (KMI)	3.15%	0.24%	-0.14%	-5.79%
VERTEX PHARMS. (VRTX)	0.78%	0.20%	-0.12%	-5.30%
COCA COLA (KO)	3.20%	1.64%	-0.04%	-4.87%
UNILEVER N Y SHS.ADR 1:1 (UN)	1.70%		-0.04%	-3.18%
MICROSOFT (MSFT)	2.59%	3.16%	0.03%	-2.97%
INTERNATIONAL BUS.MCHS. (IBM)	2.22%	2.19%	0.03%	-2.61%
AGRIUM (NYS) (AGU)	1.91%		-0.03%	-2.52%
SANDISK (SNDK)	1.06%	0.07%	-0.02%	-2.23%
Total	22.02%	9.37%		

Neuberger Large Cap Growth Strategy

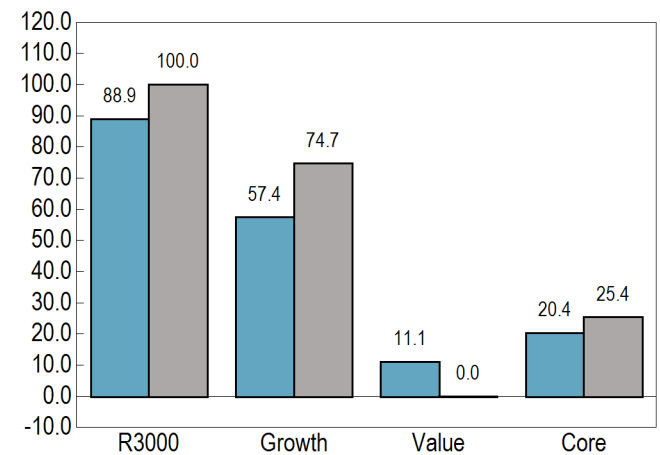
Portfolio Characteristics
Ending September 30, 2013



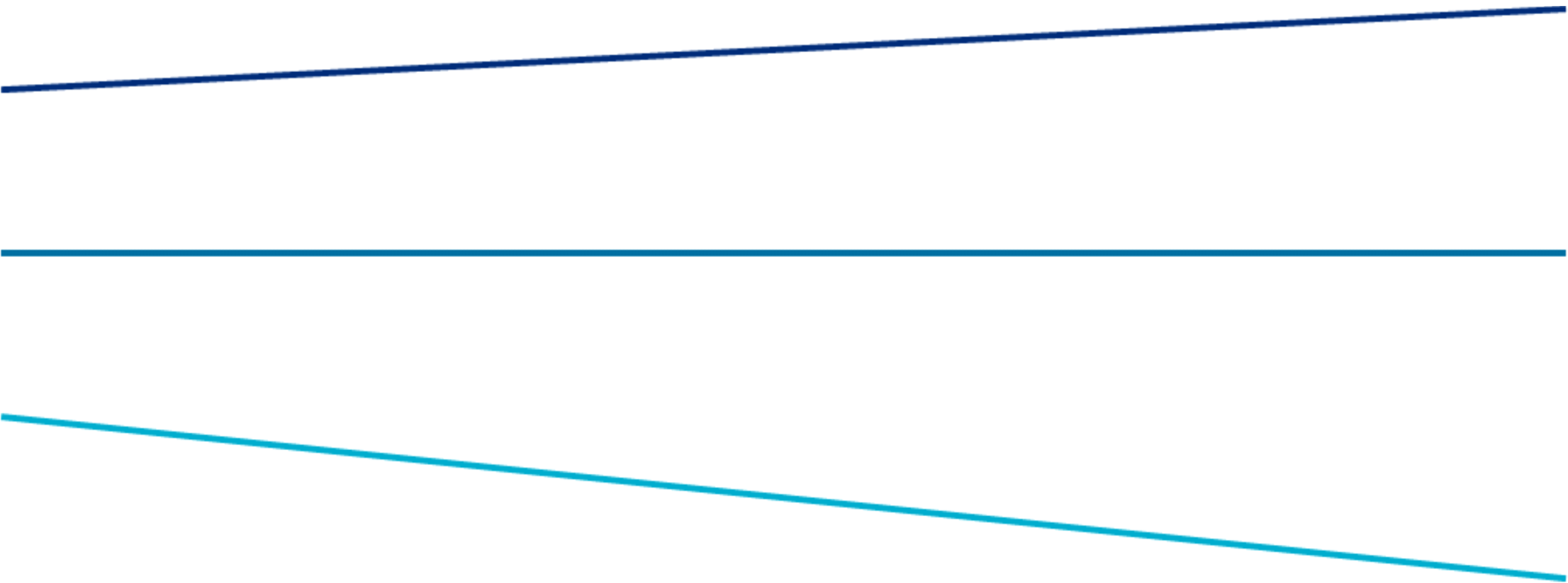
Historical Growth Measures
Ending September 30, 2013



Russell Index Membership (% Equity)
Ending September 30, 2013



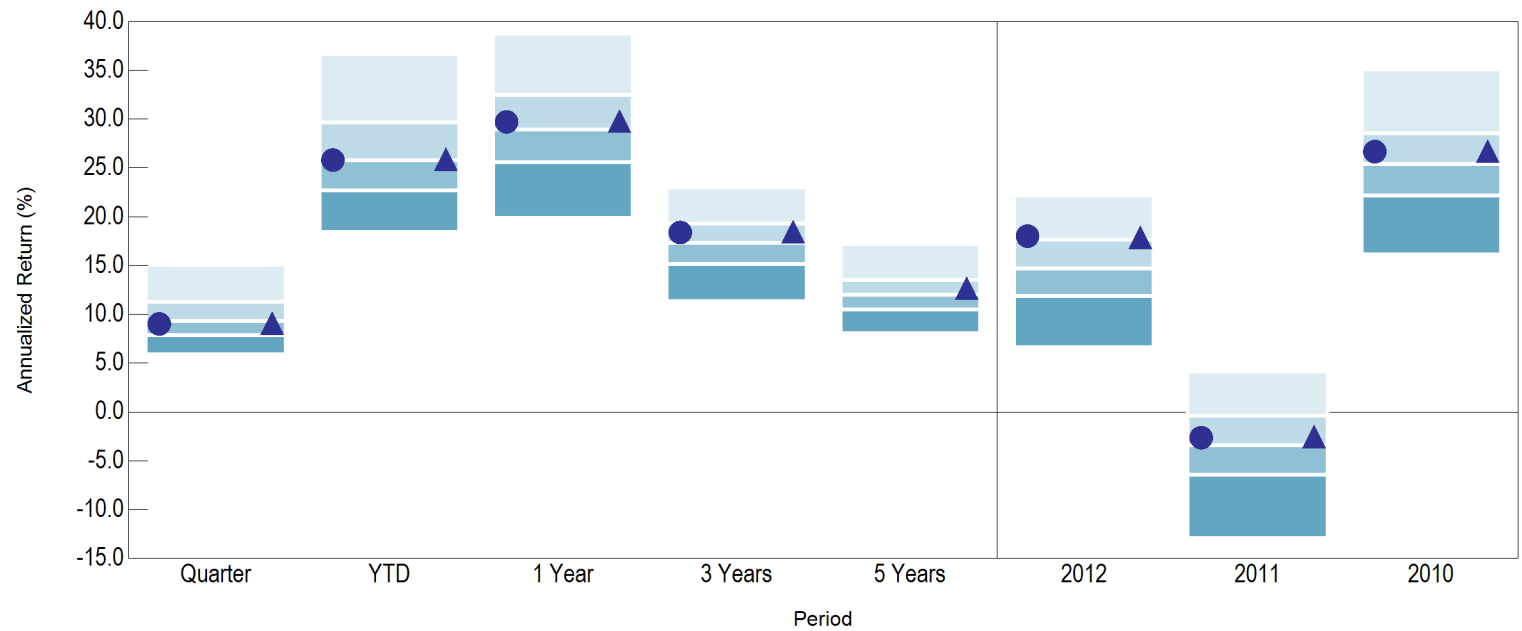
Mid/Small Cap Passive



Mid/Small Cap Passive

Performance

Performance vs. Mercer Mutual Fund US Equity Small + Mid
Ending September 30, 2013



	Return (Rank)															
5th Percentile	15.0		36.7		38.7		23.0		17.2		22.2		4.1		35.1	
25th Percentile	11.3		29.7		32.5		19.3		13.5		17.7		-0.3		28.6	
Median	9.4		25.8		29.0		17.4		12.0		14.8		-3.4		25.4	
75th Percentile	7.9		22.7		25.6		15.2		10.5		11.9		-6.4		22.2	
95th Percentile	5.9		18.5		19.9		11.4		8.1		6.7		-12.9		16.2	
# of Portfolios	763		747		742		678		635		750		729		780	
● Mid/Small Cap Passive	9.0	(56)	25.8	(51)	29.7	(45)	18.4	(36)	--	(--)	18.0	(23)	-2.6	(45)	26.7	(41)
▲ Russell 2500	9.1	(56)	25.9	(50)	29.8	(44)	18.4	(35)	12.7	(39)	17.9	(24)	-2.5	(44)	26.7	(40)

Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	BlackRock - Russell 2500 Index (BGI)
Benchmark	Russell 2500

Manager Philosophy and Process

Through its predecessor firm BGI, BlackRock utilizes a three-pronged philosophy across all of its index strategies. The investment philosophy of passive products at BlackRock is to replicate the index returns while minimizing transaction costs and tracking error of the product.

Due to the illiquid nature and high transaction costs involved in trading the smallest securities in the Russell 2500 Index, the Russell 2500 Index Fund is managed using an optimization technique. The optimization is based upon a risk model, and its goal is to create a fund that statistically reflects the respective index's characteristics. The optimization approach enables BlackRock to decrease transaction costs, and therefore to minimize negative tracking error.

Futures are used in the Russell 2500 Index Fund only to equitize dividends and other cash flows associated with the issuers that comprise the index. BlackRock has extensive experience in the use of futures, dating back to 1982. Futures are used solely for bona fide hedging purposes, and not for speculation or to conduct arbitrage between futures and the underlying Russell 2500 stocks.

Quarterly Attribution

Top performing index sectors:

- Health care (+14.8%), energy (+13.0%) and information technology (+13.0%)

Bottom performing index sectors:

- Utilities (+0.9%), financials (+3.2%) and consumer discretionary (+8.4%)

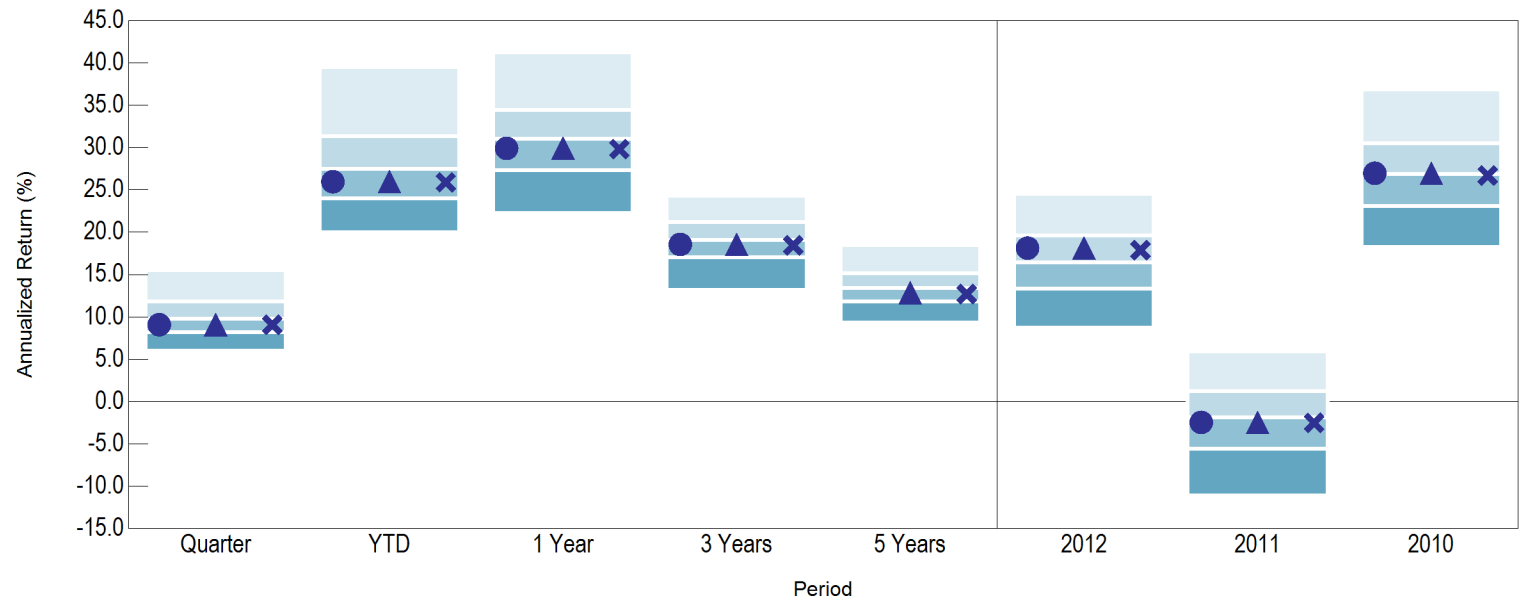
Summary Data Points

Current Rating: Preferred Provider
AUM: \$3.1B (as of 6/30/2013)

NCSRP BlackRock Russell 2500 Index Fund

Performance

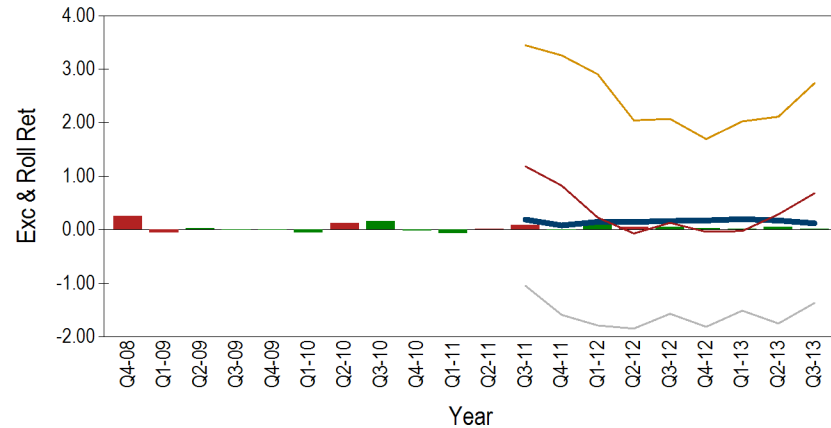
Performance vs. Mercer Instl US Equity Small + Mid Cap
Ending September 30, 2013



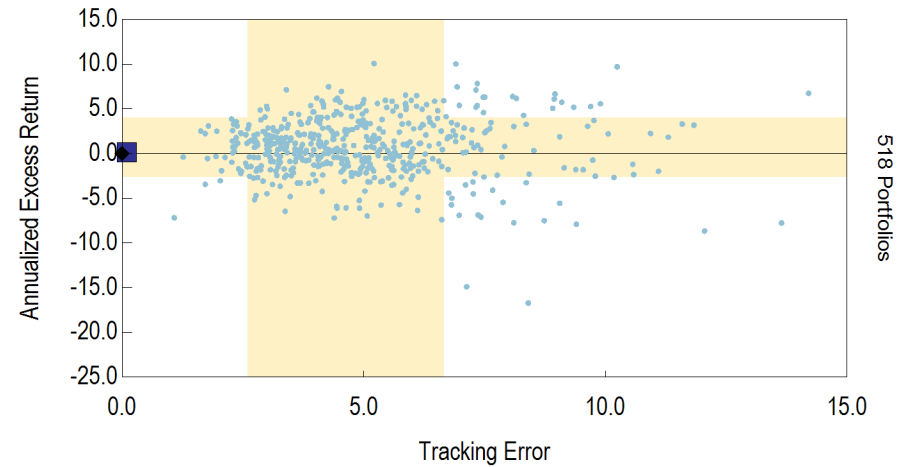
	Return (Rank)													
5th Percentile	15.5	39.4	41.2	24.3	18.4	24.5	5.9	36.8						
25th Percentile	11.8	31.3	34.5	21.2	15.2	19.6	1.3	30.6						
Median	9.8	27.5	31.0	19.2	13.5	16.4	-1.8	26.9						
75th Percentile	8.3	24.0	27.4	17.1	11.9	13.4	-5.5	23.2						
95th Percentile	6.0	20.1	22.3	13.3	9.4	8.8	-11.1	18.3						
# of Portfolios	623	606	591	518	504	701	706	746						
● NCSRP BlackRock Russell 2500 Index Fund	9.1 (61)	26.0 (63)	29.9 (59)	18.6 (57)	-- (--)	18.1 (36)	-2.5 (55)	27.0 (49)						
▲ BlackRock Russell 2500 Index Fund Strategy	9.1 (61)	26.0 (63)	29.9 (59)	18.6 (57)	12.9 (60)	18.1 (36)	-2.5 (55)	27.0 (49)						
✕ Russell 2500	9.1 (61)	25.9 (64)	29.8 (60)	18.4 (59)	12.7 (63)	17.9 (38)	-2.5 (55)	26.7 (52)						

BlackRock Russell 2500 Index Fund Strategy

Rolling 3 Year Excess Performance
BlackRock Russell 2500 Index Fund Strategy vs. Russell 2500



Annualized Excess Return vs. Tracking Error
3 Years Ending September 30, 2013

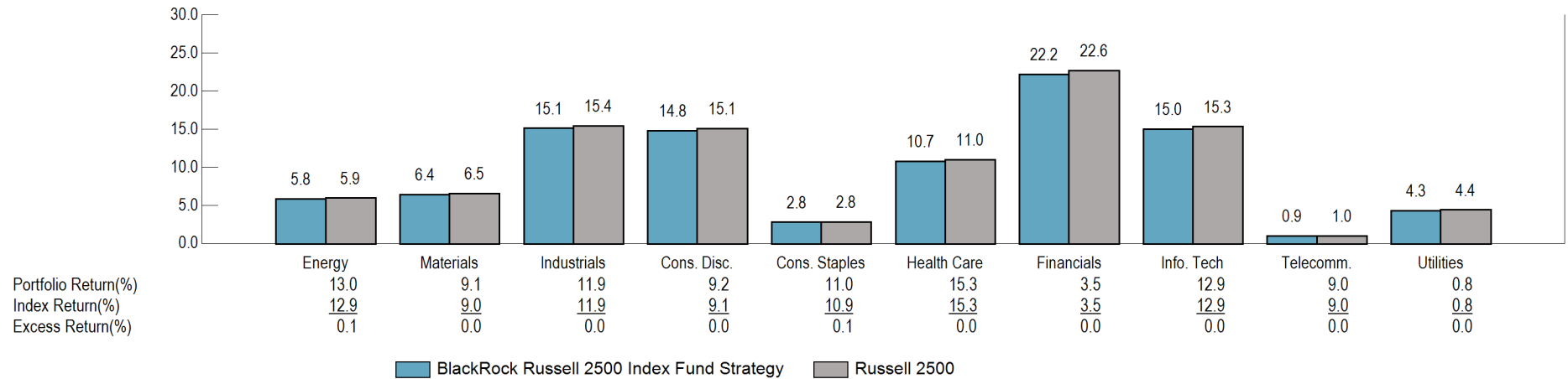


Characteristics
as of September 30, 2013

	Portfolio	Russell 2500
PORTFOLIO CHARACTERISTICS		
Price To Earnings	24.18	22.62
P/E Excluding Negative Earnings	25.62	24.01
P/E Median	18.93	18.28
Price To Book	3.42	3.03
Price To Book Median	2.07	2.11
Price To Cash Flow	13.94	12.89
Price To Sales	2.56	2.17
Dividend Yield (%)	1.40	1.23
Weighted Ave. Market Cap. (\$B)	3.42	3.42
Median Market Cap. (\$B)	0.94	0.94
Beta	1.00	1.00

BlackRock Russell 2500 Index Fund Strategy

Sector Allocation (%) vs Russell 2500
3 Months Ending September 30, 2013



Top Returning Stocks

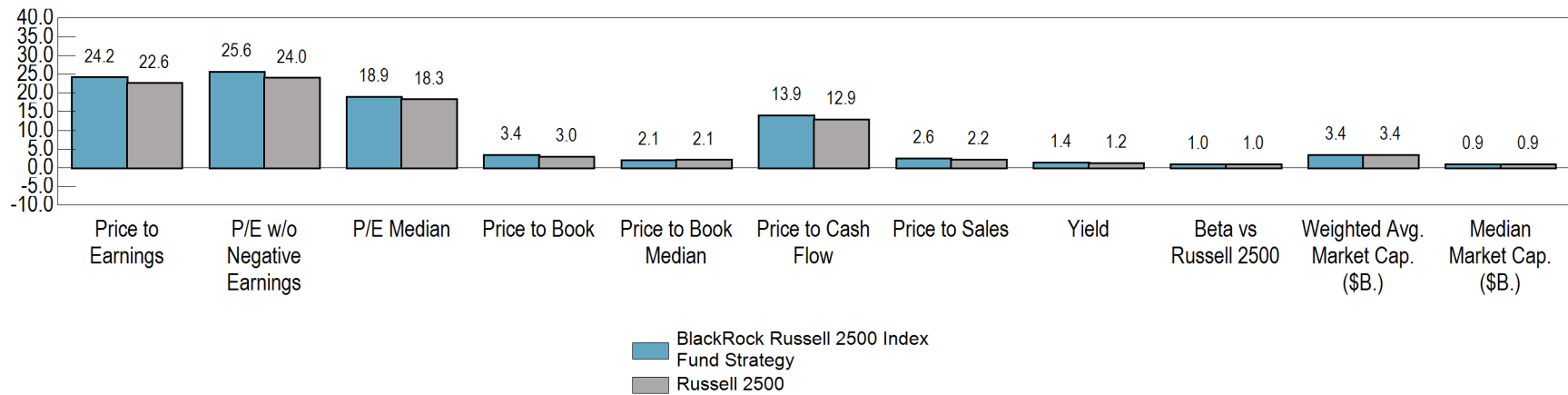
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
BIOCRIST PHARMS. (BCRX)	0.00%		0.00%	369.68%
ROCKWELL MEDICAL (RMTI)	0.01%	0.01%	0.00%	215.82%
MAKO SURGICAL (MAKO)	0.03%	0.04%	0.00%	144.90%
GENCO SHIP. & TRDG. (GNK)	0.00%		0.00%	141.10%
LEAP WRLS.INTL. (LEAP)	0.02%	0.02%	0.00%	134.77%
CELLEX THERAPEUTICS (CLDX)	0.08%	0.08%	0.00%	126.97%
GERON (GERN)	0.01%	0.01%	0.00%	123.33%
PACIFIC BSCS.OF CAL. (PACB)	0.01%	0.01%	0.00%	118.18%
NPS PHARMACEUTICALS (NPSP)	0.09%	0.09%	0.00%	110.52%
ASTEX PHARMACEUTICALS (ASTX)	0.02%	0.02%	0.00%	106.57%
Total	0.28%	0.29%		

Bottom Returning Stocks

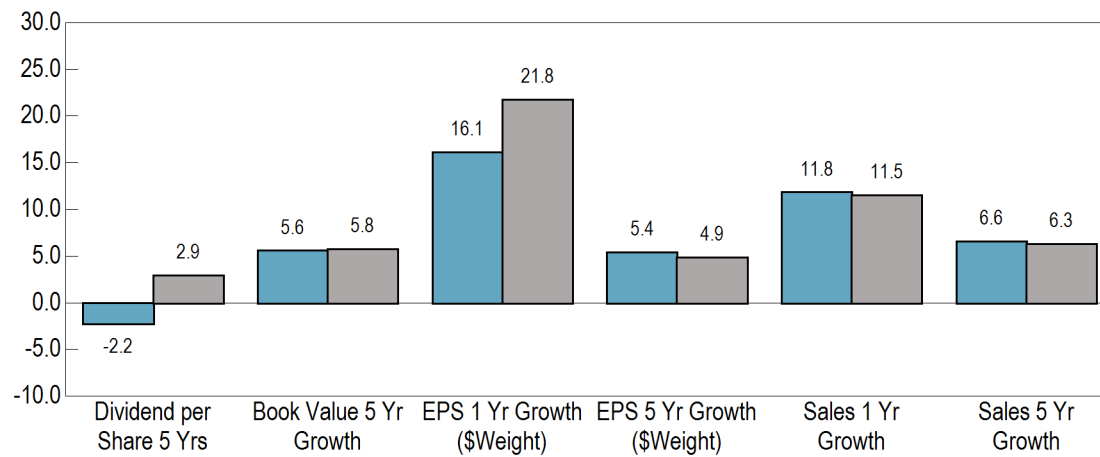
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
GTX (GTXI)	0.00%	0.00%	0.00%	-69.32%
TOWER GROUP INTL. (TWGP)	0.01%	0.01%	0.00%	-65.47%
GSE HOLDING (GSE)	0.00%	0.00%	0.00%	-64.08%
ACHILLION PHARMS. (ACHN)	0.01%	0.01%	0.00%	-63.08%
CHEMOCENTRYX (CCXI)	0.00%	0.00%	0.00%	-60.68%
VICAL (VICL)	0.00%	0.00%	0.00%	-60.06%
JAKKS PACIFIC (JAKK)	0.00%	0.00%	0.00%	-60.00%
BODY CENTRAL (BODY)	0.00%	0.00%	0.00%	-54.20%
VISTA GOLD (C:VGZ)	0.00%		0.00%	-53.62%
CERES (CERE)	0.00%		0.00%	-52.40%
Total	0.03%	0.03%		

BlackRock Russell 2500 Index Fund Strategy

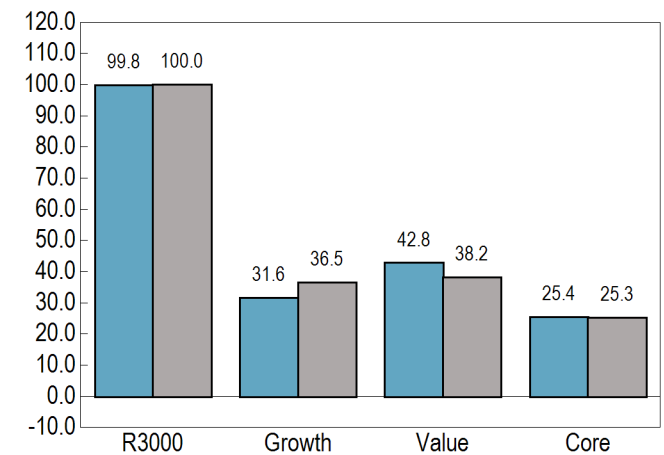
Portfolio Characteristics
Ending September 30, 2013



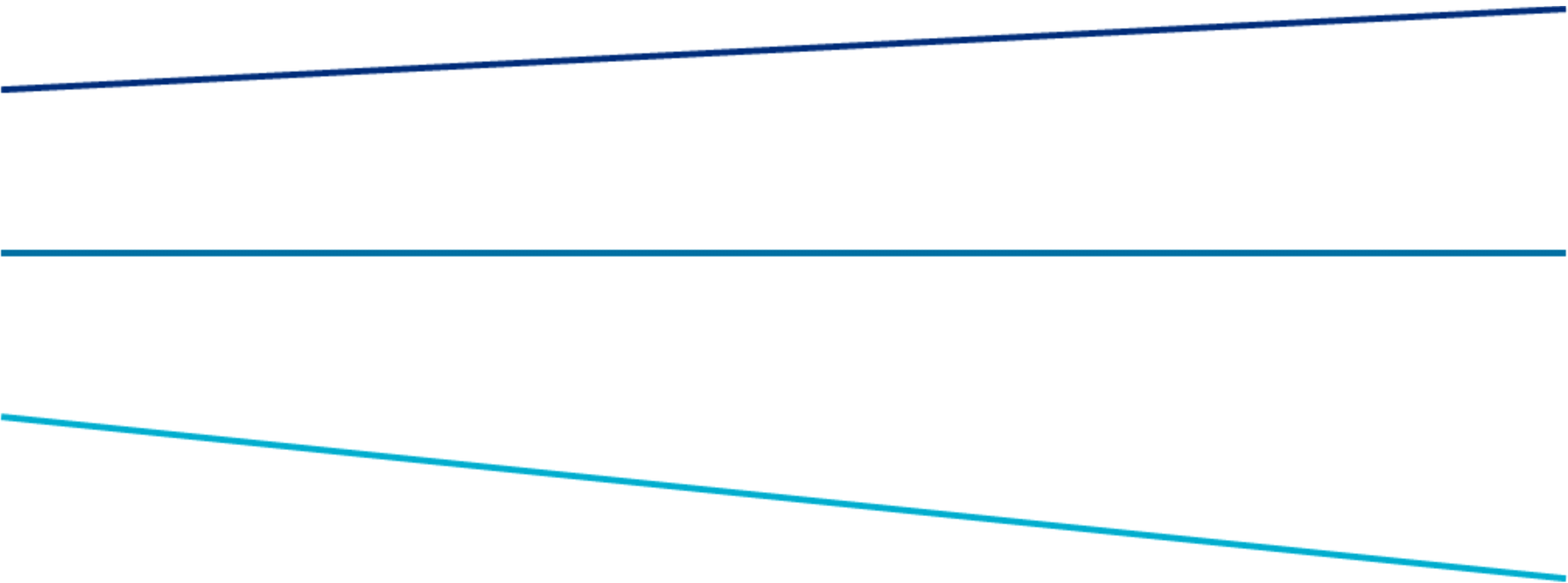
Historical Growth Measures
Ending September 30, 2013



Russell Index Membership (% Equity)
Ending September 30, 2013



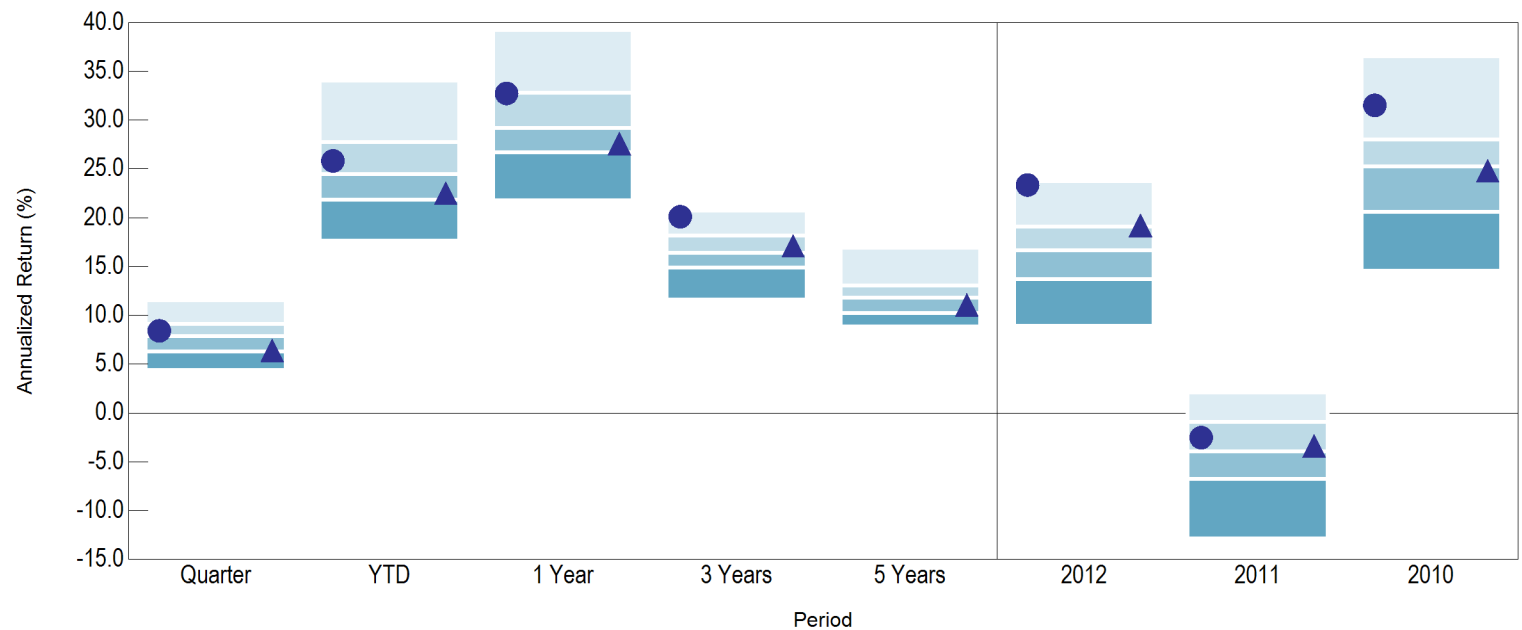
Mid/Small Cap Value



Mid/Small Cap Value

Performance

Performance vs. Mercer Mutual Fund US Equity Small + Mid Value
Ending September 30, 2013

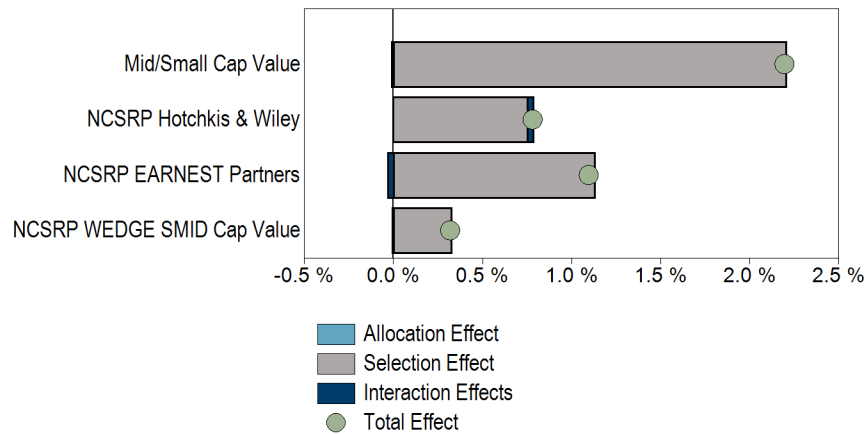


	Return (Rank)															
5th Percentile	11.5		34.0		39.2		20.7		16.9		23.7		2.1		36.5	
25th Percentile	9.2		27.8		32.9		18.2		13.1		19.1		-0.9		28.0	
Median	7.9		24.5		29.2		16.4		11.8		16.7		-3.9		25.3	
75th Percentile	6.3		21.9		26.7		14.9		10.3		13.8		-6.7		20.6	
95th Percentile	4.4		17.7		21.8		11.7		8.9		9.0		-12.8		14.6	
# of Portfolios	151		145		144		122		113		138		156		130	
● Mid/Small Cap Value	8.4	(37)	25.8	(42)	32.7	(27)	20.1	(8)	--	(--)	23.3	(7)	-2.5	(39)	31.5	(12)
▲ Russell 2500 Value	6.4	(75)	22.5	(71)	27.6	(63)	17.1	(44)	11.1	(67)	19.2	(24)	-3.4	(44)	24.8	(55)

Mid/Small Cap Value

Attribution

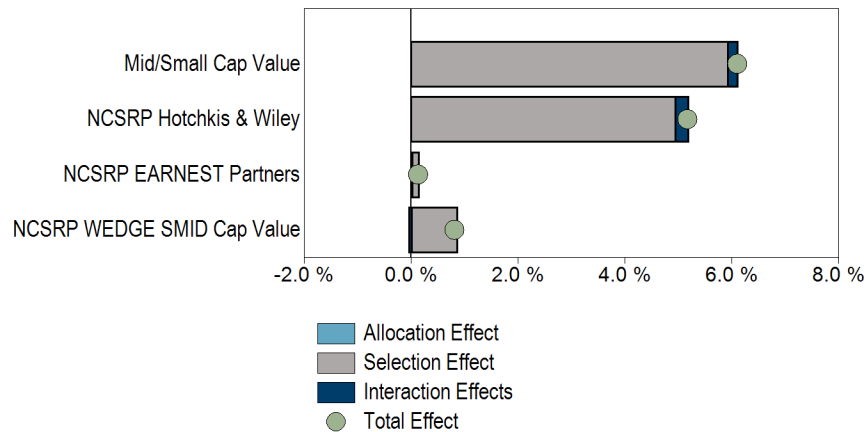
Attribution Effects
3 Months Ending September 30, 2013



Attribution Summary
3 Months Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Hotchkis & Wiley	8.6%	6.4%	2.2%	0.8%	0.0%	0.0%	0.8%
NCSRP EARNEST Partners	9.9%	6.4%	3.4%	1.1%	0.0%	0.0%	1.1%
NCSRP WEDGE SMID Cap Value	7.4%	6.4%	1.0%	0.3%	0.0%	0.0%	0.3%
Total	8.6%	6.4%	2.2%	2.2%	0.0%	0.0%	2.2%

Attribution Effects
1 Year Ending September 30, 2013

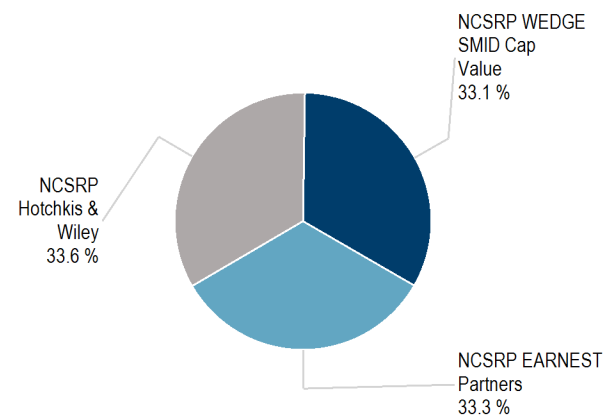


Attribution Summary
1 Year Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Hotchkis & Wiley	42.8%	27.6%	15.2%	4.9%	0.0%	0.2%	5.2%
NCSRP EARNEST Partners	28.0%	27.6%	0.4%	0.1%	0.0%	0.0%	0.1%
NCSRP WEDGE SMID Cap Value	30.0%	27.6%	2.4%	0.8%	0.0%	0.0%	0.8%
Total	33.7%	27.6%	6.1%	5.9%	0.0%	0.2%	6.1%

Mid/Small Cap Value

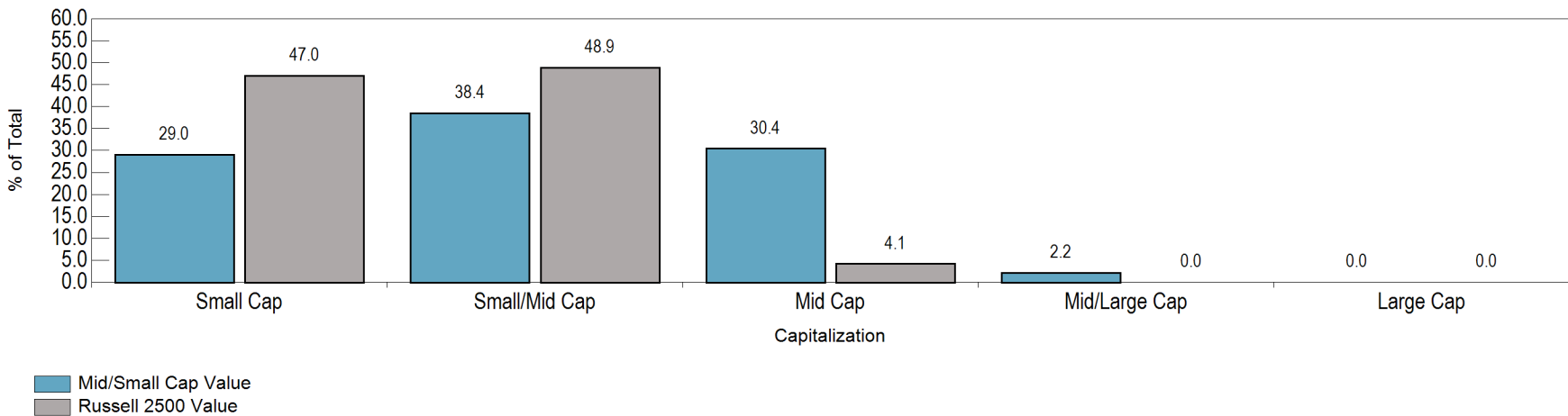
Current Allocation



Characteristics

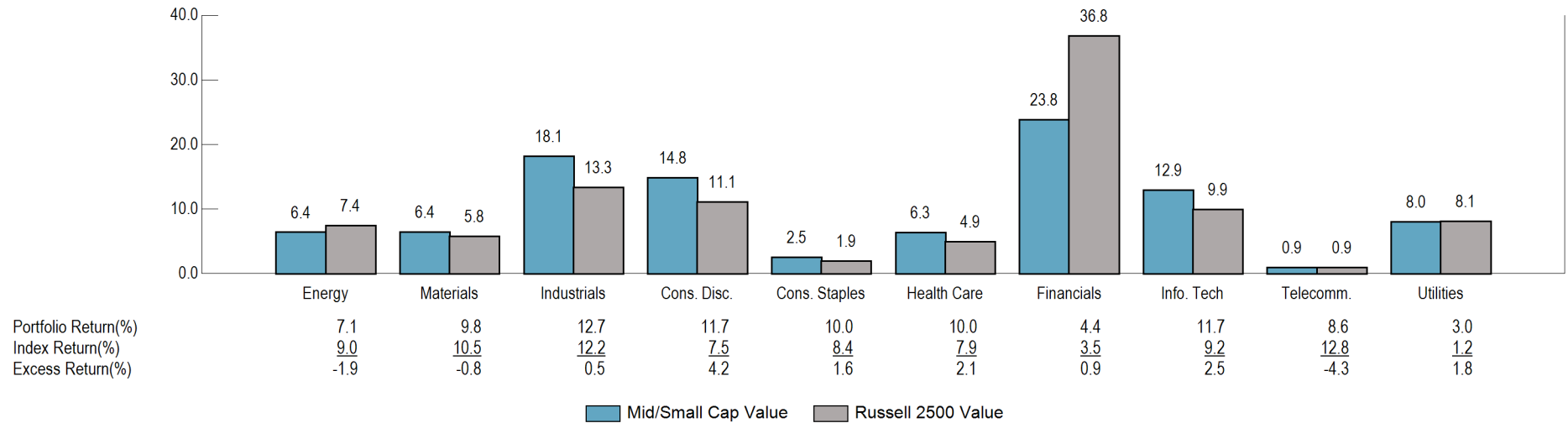
	Portfolio	Russell 2500 Value
Number of Holdings	246	1,691
Weighted Avg. Market Cap. (\$B)	6.35	3.17
Median Market Cap. (\$B)	3.08	0.82
Price To Earnings	19.84	18.83
Price To Book	2.46	1.78
Price To Sales	1.52	1.78
Return on Equity (%)	12.73	8.90
Yield (%)	1.72	1.82
Beta	1.14	1.00
R-Squared	0.96	1.00

Market Capitalization As Of September 30, 2013



Mid/Small Cap Value

Sector Allocation (%) vs Russell 2500 Value



Top Returning Stocks

	Portfolio	Index	Relative	
	Weight %	Weight %	Contribution %	Return %
STONE ENERGY (SGY)	0.18%	0.09%	0.09%	47.21%
GOODYEAR TIRE & RUB. (GT)	1.19%		0.56%	46.75%
ENERGEN (EGN)	0.22%	0.31%	-0.04%	46.49%
AMERICAN EQ.INV.LF.HLDG. (AEL)	0.67%	0.07%	0.16%	35.16%
MYERS INDS. (MYE)	0.04%	0.03%	0.01%	34.61%
MANPOWERGROUP (MAN)	0.41%	0.32%	0.14%	32.74%
NAVISTAR INTL. (NAV)	0.19%	0.10%	0.00%	31.41%
E*TRADE FINANCIAL (ETFC)	0.00%		0.00%	30.33%
BEL FUSE 'B' (BELFB)	0.04%	0.01%	0.00%	30.31%
ONEOK (OKE)	0.00%		0.21%	30.00%
Total	2.94%	0.93%		

Bottom Returning Stocks

	Portfolio	Index	Relative	
	Weight %	Weight %	Contribution %	Return %
AEROPOSTALE (ARO)	0.13%		-0.03%	-31.88%
DFC GLOBAL (DLLR)	0.11%	0.03%	-0.01%	-20.42%
RUBY TUESDAY (RT)	0.17%	0.03%	-0.02%	-18.74%
HEALTH MAN.ASSOCS. (HMA)	0.11%		-0.04%	-18.58%
BRAVO BRIO RSTR.GP. (BBRG)	0.12%	0.00%	0.00%	-15.26%
MEDICAL PROPS.TRUST (MPW)	0.51%	0.11%	-0.05%	-13.59%
EQUITY LIFESTYLE PROPS. (ELS)	0.18%	0.04%	-0.01%	-12.42%
EMBRAER SPNS ADR 1:4 (ERJ)	0.43%		-0.05%	-11.79%
AXIALL (AXLL)	0.18%	0.15%	-0.01%	-10.87%
REGIS (RGS)	0.08%	0.04%	0.00%	-10.27%
Total	2.02%	0.40%		

Mid/Small Cap Value

Top Holdings Mid/Small Cap Value

	SMIDV Fund %	Hotchkis %	EARNEST %	WEDGE %	Index Weight%
GREAT PLAINS EN.	1.61%	3.49%		1.19%	0.19%
HNTGTN.INGALLS INDS.	1.55%	1.18%	1.50%	1.82%	
CUMMINS	1.38%		4.03%		
ARRIS GROUP	1.34%	3.91%			0.01%
NRG ENERGY	1.31%	3.82%			
SUNTRUST BANKS	1.28%	3.70%			
BORGWARNER	1.22%		3.59%		
KEYCORP	1.20%	1.28%	2.21%		
GOODYEAR TIRE & RUB.	1.18%	3.44%			
SONOCO PRDS.	1.18%		1.58%	1.85%	0.22%
Total	13.25%	20.82%	12.91%	4.86%	0.42%

Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	Hotchkis and Wiley Capital Management - Mid-Cap Value
Benchmark	Russell 2500 Value

Manager Philosophy and Process

The investment process employed is team-based utilizing primarily in-house, fundamental research. The investment research staff is organized by industry and sector and supports all of the accounts managed in each of HWCN's investment strategies. Portfolio coordinators for each strategy ensure that the best thinking of the investment team is reflected in the "target portfolios." Investment ideas for the portfolio are generated by the investment team.

HWCN subscribes to a team-oriented, four-stage process.

1. Idea Generation
2. In-Depth Evaluation (Consisting of a company evaluation and risk assessment)
3. Recommendation
4. Portfolio Construction

Current Positioning

- Significant overweight to Consumer Discretionary relative to the Russell Midcap Value (20.0% vs. 8.9%)
- Notable underweights to Financials and Materials
- Concentrated portfolio with top ten holdings representing 33.9% of the total portfolio
- In terms of industries, the largest allocation is to commercial banks (11%) followed by Insurance (8%) and Auto Components (7%)

Quarterly Attribution

Contributors:

- Positive stock selection in financials and consumer discretionary
- Overweight in consumer discretionary and technology and underweight to financials

Detractors:

- Stock selection in energy
- Lack of exposure to materials sector

Manager Commentary

Portfolio Characteristics

Price/Normalized Earnings: 9.4
Price/Book: 1.6
Price/Sales: 0.6
Projected EPS Growth: 6.6%
Median Market Cap (millions): \$5,982

Responsible Investment ESG Comment

ESG3 - No Comment Provided

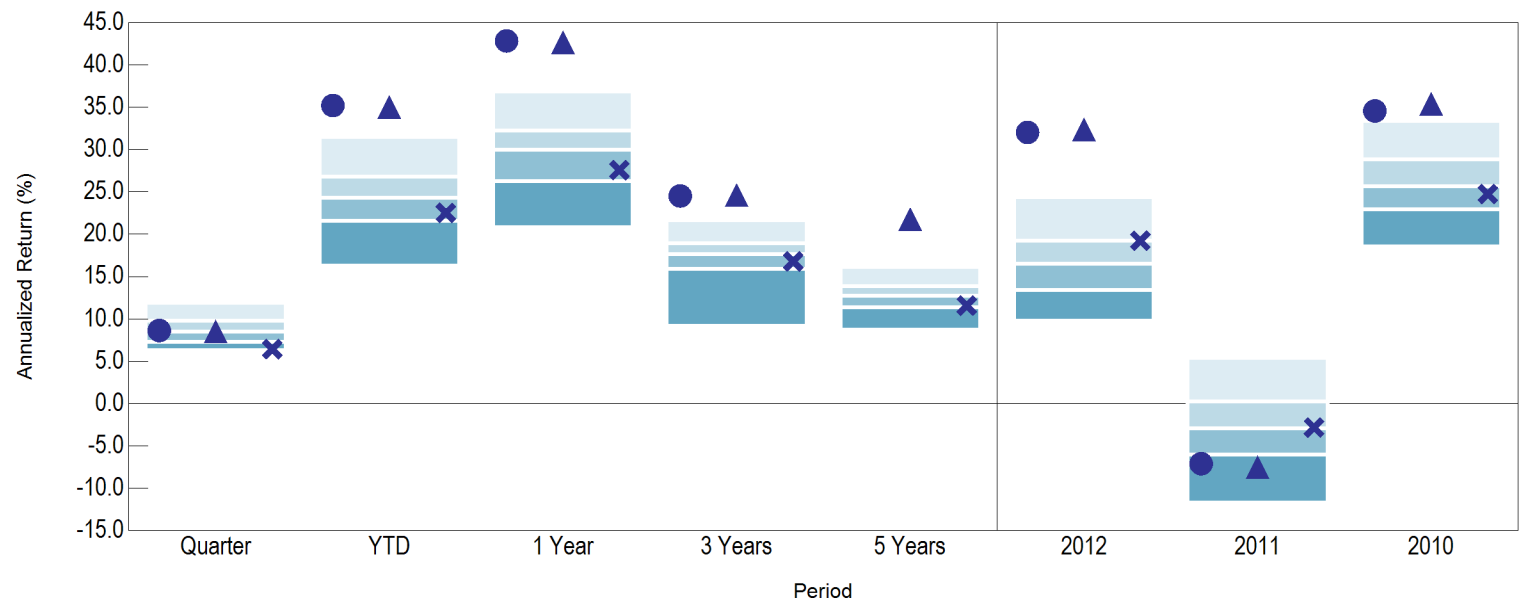
Summary Data Points

Mercer Rating: B+(T)
AUM: \$2.5 billion

NCSRP Hotchkis & Wiley

Performance

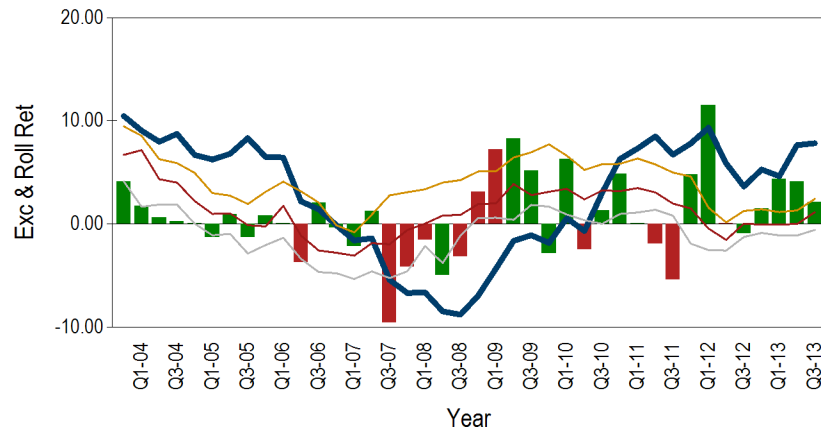
Performance vs. Mercer Instl US Equity SMID Value
Ending September 30, 2013



	Return (Rank)													
5th Percentile	11.9	31.4	36.8	21.6	16.1	24.3	5.4	33.4						
25th Percentile	9.8	26.8	32.3	19.0	13.9	19.3	0.3	28.9						
Median	8.5	24.4	30.0	17.7	12.8	16.6	-2.9	25.7						
75th Percentile	7.4	21.6	26.3	15.9	11.4	13.4	-6.0	23.0						
95th Percentile	6.3	16.4	20.9	9.2	8.8	9.8	-11.6	18.6						
# of Portfolios	69	66	66	54	50	75	66	67						
● NCSRP Hotchkis & Wiley	8.6 (46)	35.2 (1)	42.8 (2)	24.5 (2)	-- (--)	32.0 (1)	-7.1 (77)	34.5 (3)						
▲ Hotchkis & Wiley Value Strategy	8.5 (51)	35.0 (1)	42.7 (2)	24.6 (2)	21.8 (1)	32.4 (1)	-7.5 (82)	35.4 (3)						
✕ Hotchkis Custom SMID Value Index	6.4 (93)	22.5 (63)	27.6 (70)	16.8 (66)	11.6 (75)	19.2 (26)	-2.8 (50)	24.8 (61)						

Hotchkis & Wiley Value Strategy

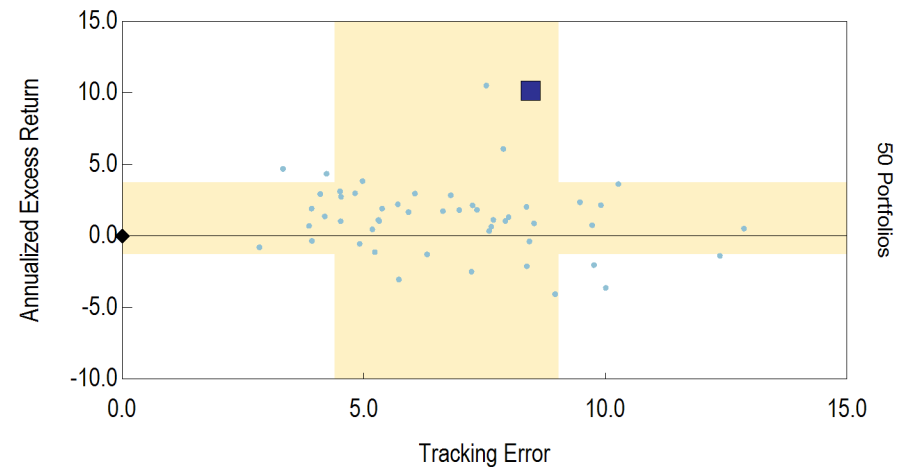
Rolling 3 Year Excess Performance
Hotchkis & Wiley Value Strategy vs. Hotchkis Custom SMID Value Index



Characteristics
as of September 30, 2013

	Portfolio	Russell 2500 Value
PORTFOLIO CHARACTERISTICS		
Price To Earnings	15.18	18.83
P/E Excluding Negative Earnings	15.30	20.12
P/E Median	14.25	16.42
Price To Book	1.96	1.78
Price To Book Median	1.69	1.59
Price To Cash Flow	8.39	10.51
Price To Sales	1.01	1.78
Dividend Yield (%)	1.67	1.82
Weighted Ave. Market Cap. (\$B)	7.74	3.17
Median Market Cap. (\$B)	5.95	0.82
Beta	1.30	1.00

Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013

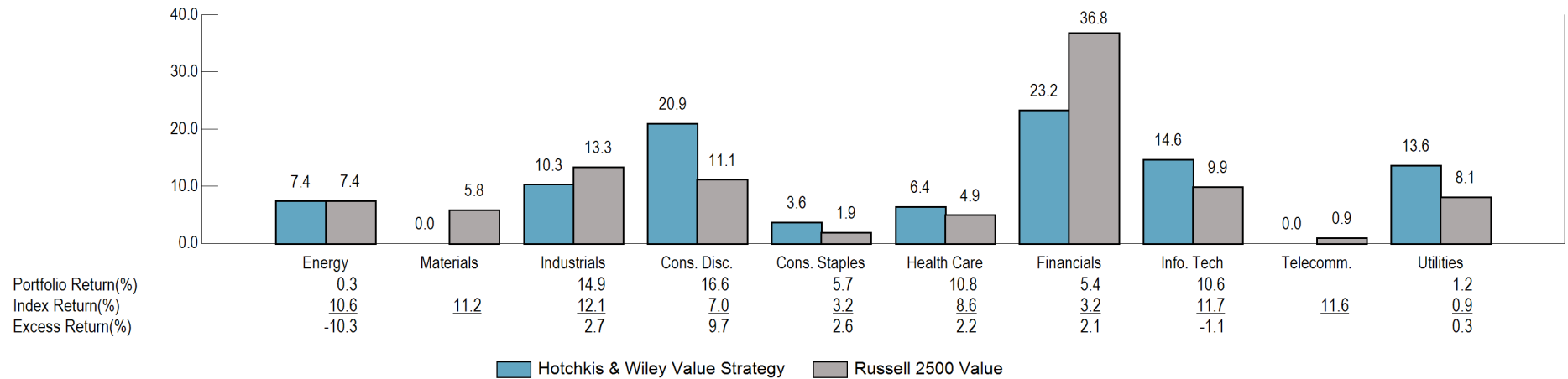


Performance Attribution vs. Russell 2500 Value
Quarter Ending September 30, 2013

	Total Effects	Selection Effect	Attribution Effects Allocation Effect	Interaction Effects
Energy	-0.77%	-0.73%	0.03%	-0.07%
Materials	-0.26%	--	-0.26%	--
Industrials	0.24%	0.79%	-0.05%	-0.49%
Cons. Disc.	2.04%	1.16%	0.03%	0.85%
Cons. Staples	0.04%	0.05%	-0.02%	0.01%
Health Care	0.15%	0.08%	0.02%	0.05%
Financials	1.05%	0.74%	0.43%	-0.11%
Info. Tech	0.06%	-0.11%	0.23%	-0.06%
Telecomm.	-0.04%	--	-0.04%	--
Utilities	-0.13%	0.02%	-0.17%	0.02%
Cash	-0.15%	0.00%	0.00%	-0.15%
Unclassified	0.00%	--	0.00%	--
Portfolio	2.22%	= 1.99%	+ 0.18%	+ 0.06%

Hotchkis & Wiley Value Strategy

Sector Allocation (%) vs Russell 2500 Value
3 Months Ending September 30, 2013



Top Returning Stocks

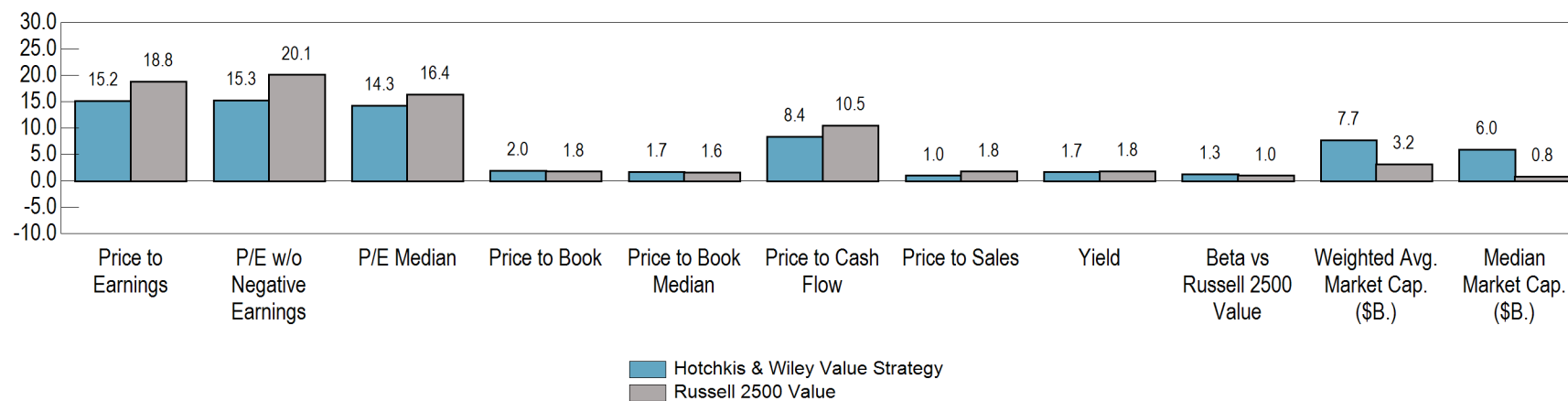
	Portfolio	Index	Relative	
	Weight %	Weight %	Contribution %	Return %
STONE ENERGY (SGY)	0.53%	0.09%	0.30%	47.21%
GOODYEAR TIRE & RUB. (GT)	3.58%		1.62%	46.75%
MANPOWERGROUP (MAN)	1.23%	0.32%	0.57%	32.74%
NAVISTAR INTL. (NAV)	0.57%	0.10%	0.08%	31.41%
E*TRADE FINANCIAL (ETFC)	0.00%		0.12%	30.33%
QUESTCOR PHARMS. (QCOR)	0.00%		0.14%	28.32%
CDW (CDW)	0.75%		0.19%	22.61%
INGRAM MICRO 'A' (IM)	2.61%	0.20%	0.46%	21.38%
HNTGTN.INGALLS INDS. (HII)	1.23%		0.33%	19.52%
ALLIANT TECHSYSTEMS (ATK)	0.00%		0.22%	18.82%
Total	10.52%	0.70%		

Bottom Returning Stocks

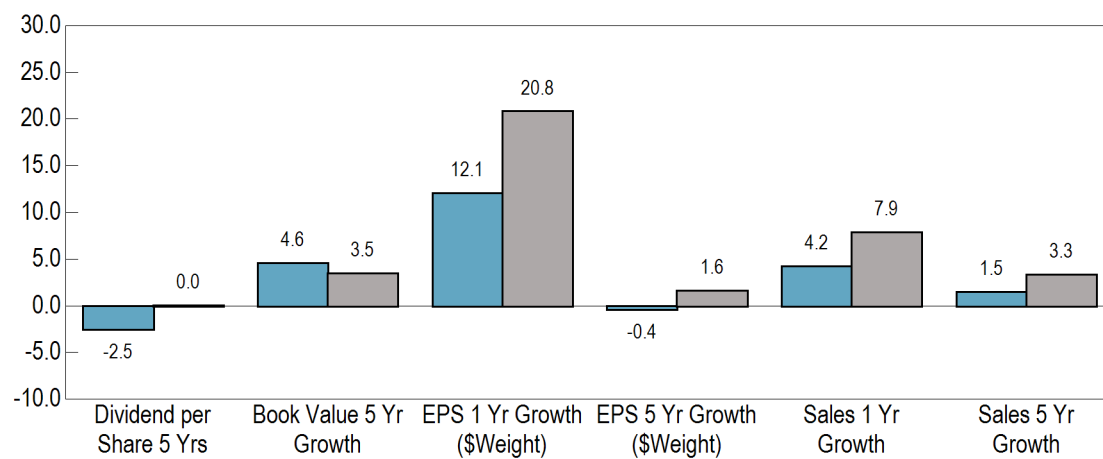
	Portfolio	Index	Relative	
	Weight %	Weight %	Contribution %	Return %
HEALTH MAN.ASSOCS. (HMA)	0.00%		-0.10%	-18.58%
EMBRAER SPNS ADR 1:4 (ERJ)	1.28%		-0.15%	-11.79%
ON SEMICON. (ONNN)	2.83%	0.01%	-0.20%	-9.54%
MCDERMOTT INTL. (MDR)	0.51%	0.10%	-0.01%	-9.17%
STAPLES (SPLS)	1.59%		-0.13%	-6.94%
COBALT INTL.ENERGY (CIE)	3.20%		-0.25%	-6.44%
ZIONS BANCORP. (ZION)	1.02%	0.28%	-0.08%	-5.06%
REGIONS FINL.NEW (RF)	2.84%		-0.07%	-2.53%
FIRST HORIZON NATIONAL (FHN)	1.79%	0.15%	-0.02%	-1.44%
MARVELL TECH.GROUP (MRVL)	0.96%		-0.02%	-1.33%
Total	16.01%	0.54%		

Hotchkis & Wiley Value Strategy

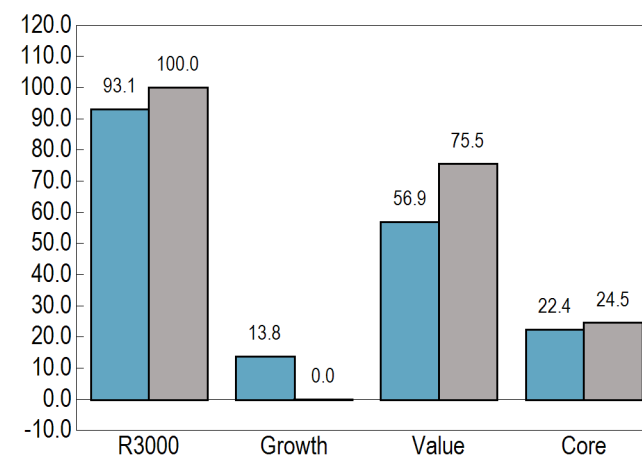
Portfolio Characteristics
Ending September 30, 2013



Historical Growth Measures
Ending September 30, 2013



Russell Index Membership (% Equity)
Ending September 30, 2013



Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	EARNEST Partners - Domestic Small-Cap Value
Benchmark	Russell 2000 Value

Manager Philosophy and Process

Investment Philosophy

EARNEST Partners is a fundamental, bottom-up investment manager. The firm employs a disciplined investment philosophy that is rooted in the premise that stock price returns follow identifiable patterns. Its approach seeks to identify what factors drive each stock's returns. EARNEST does not subscribe to a deep value dogma, but rather ends up with a value based portfolio as an outcome of the process.

Investment Process

The investment process begins with an analysis of price return patterns of the universe of stocks within the Russell 2000 Value Index. EARNEST believes six drivers are the source of returns: valuation measures, operating trends, market trends, growth measures, profitability measures, and macroeconomics. The Return Pattern Recognition (RPR) model seeks to identify what combination of factors (approximately 24 of them) is most predictive of return patterns for stocks across more than 30 industry clusters. The model serves as an idea generation tool and is not a driving element of the investment process. Attractive stocks that rank in the top quartile of the universe (approximately 150 names) are then subject to risk analysis to determine their contribution to overall portfolio risk. If the portfolio risk is acceptable, the team then conducts in-depth fundamental research, which incorporates assessing a company's competitive framework, evaluating management, scrutinizing financials, and analyzing the business environment to develop an investment thesis. The portfolio targets 60 names and turnover is approximately 30% per year. While there are no formal sector constraints, sector exposures are typically limited to twice the benchmark weight for larger sectors. Individual positions are limited to 5% of the portfolio.

Current Positioning

The portfolio's sector positioning is a result of bottom-up stock selection. There were no major structural changes from the prior quarter. As of September 31, 2013 and relative to the Russell 2000 Value Index:

- The portfolio had overweight allocations to the industrials and information technology sectors
- The portfolio had a significant underweight allocation in the consumer discretionary sector
- The portfolio was allocated 93.6% to equity and 6.4% to cash

Manager Commentary

Quarterly Attribution

Positive Impact on Performance:

- Stock selection in all sectors was strong

Portfolio Characteristics

Number of holdings: 62

Median Market Capitalization (millions): \$1,873

Weighted Average Market Capitalization (millions): \$3,123

P/E ratio: 17.9x

P/B ratio: 2x

Earnings growth (5 year): 14.3

Responsible Investment ESG Comment

ESG4 - No Comment Provided

Summary Data Points

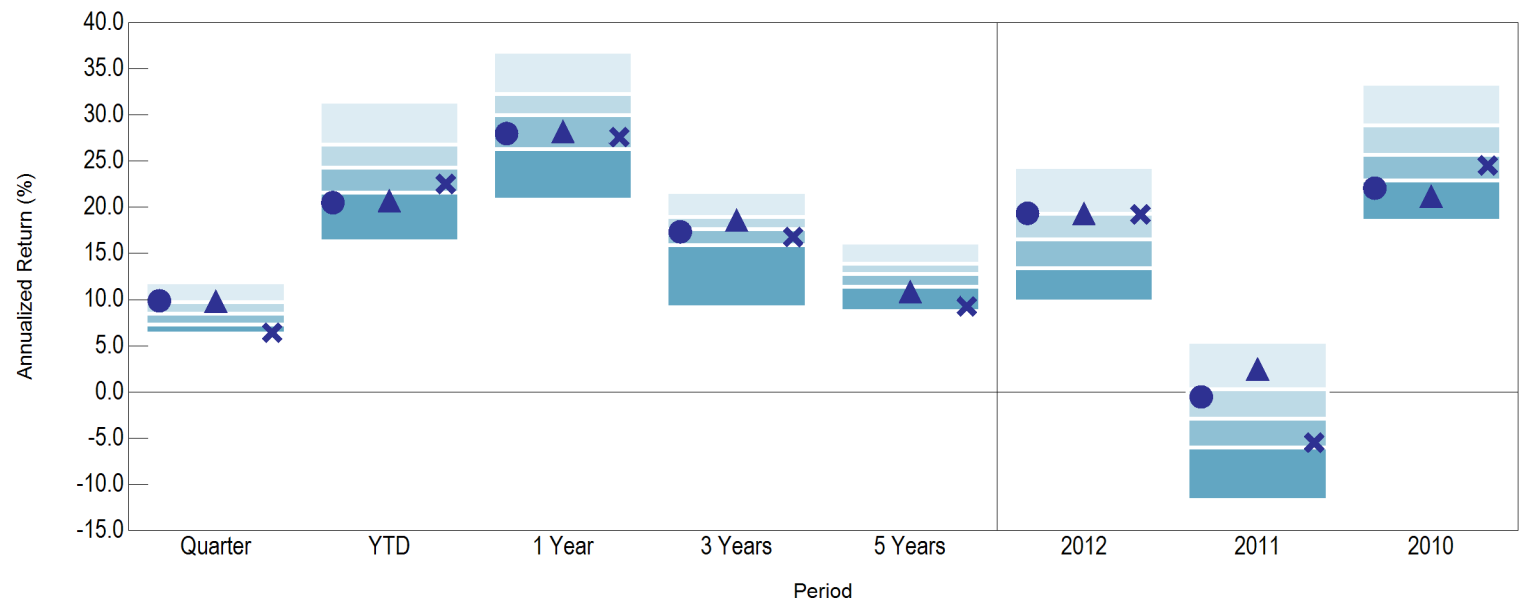
Mercer Rating: B+

Strategy AUM: \$3.5 Billion

NCSRP EARNEST Partners

Performance

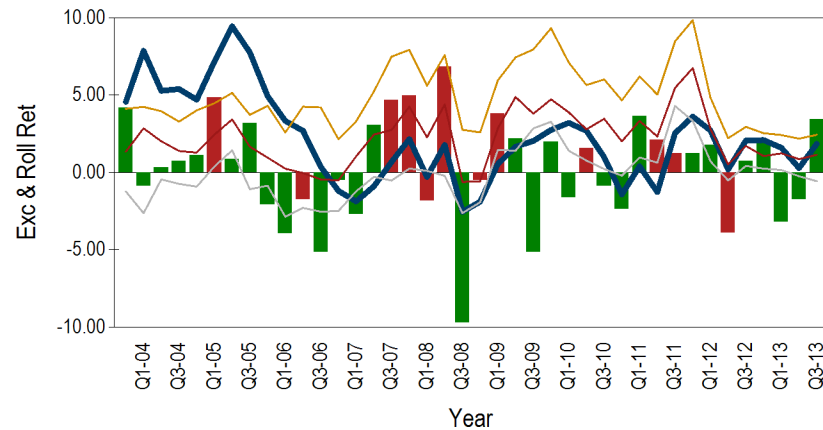
Performance vs. Mercer Instl US Equity SMID Value
Ending September 30, 2013



	Return (Rank)													
5th Percentile	11.9	31.4	36.8	21.6	16.1	24.3	5.4	33.4						
25th Percentile	9.8	26.8	32.3	19.0	13.9	19.3	0.3	28.9						
Median	8.5	24.4	30.0	17.7	12.8	16.6	-2.9	25.7						
75th Percentile	7.4	21.6	26.3	15.9	11.4	13.4	-6.0	23.0						
95th Percentile	6.3	16.4	20.9	9.2	8.8	9.8	-11.6	18.6						
# of Portfolios	69	66	66	54	50	75	66	67						
● NCSRP EARNEST Partners	9.9 (22)	20.5 (84)	28.0 (68)	17.3 (61)	-- (--)	19.3 (24)	-0.5 (31)	22.1 (82)						
▲ EARNEST Partners Value Strategy	9.8 (24)	20.7 (82)	28.2 (66)	18.6 (34)	10.9 (81)	19.4 (23)	2.5 (12)	21.2 (87)						
✕ EARNEST Custom SMID Value Index	6.4 (93)	22.5 (63)	27.6 (70)	16.8 (67)	9.3 (94)	19.2 (26)	-5.5 (71)	24.5 (63)						

EARNEST Partners Value Strategy

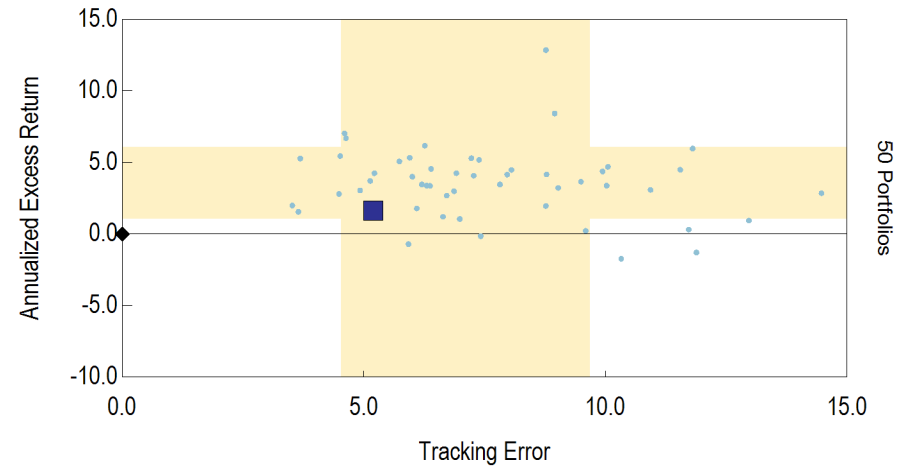
Rolling 3 Year Excess Performance
EARNEST Partners Value Strategy vs. Earnest Custom SMID Value Index



Characteristics
as of September 30, 2013

	Portfolio	Russell 2500 Value
PORTFOLIO CHARACTERISTICS		
Price To Earnings	22.50	18.83
P/E Excluding Negative Earnings	23.39	20.12
P/E Median	19.66	16.42
Price To Book	2.93	1.78
Price To Book Median	2.28	1.59
Price To Cash Flow	11.02	10.51
Price To Sales	1.81	1.78
Dividend Yield (%)	1.40	1.82
Weighted Ave. Market Cap. (\$B)	6.77	3.17
Median Market Cap. (\$B)	3.91	0.82
Beta	1.00	1.00

Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013

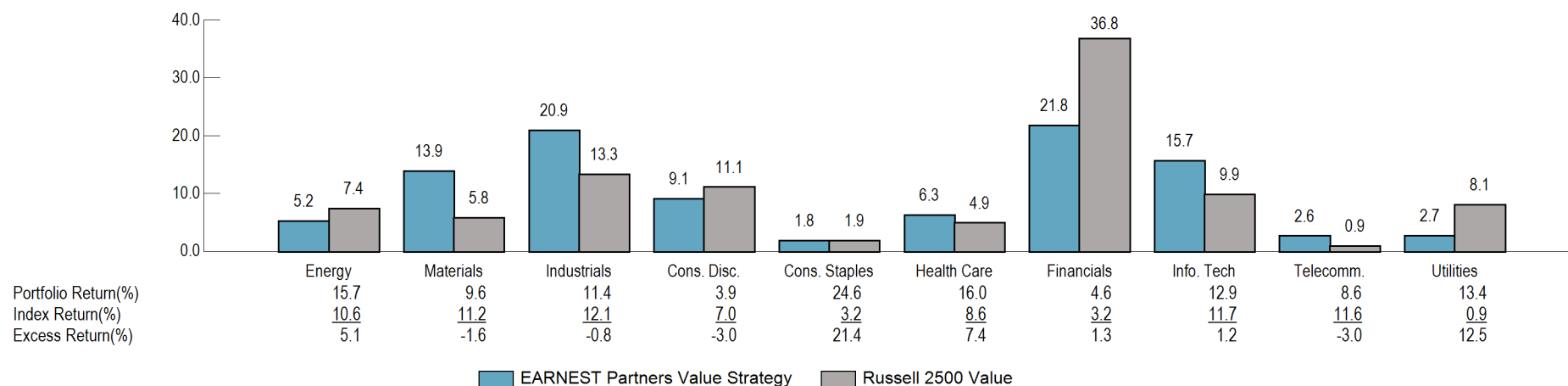


Performance Attribution vs. Russell 2500 Value
Quarter Ending September 30, 2013

	Total Effects		Selection Effect		Attribution Effects		Allocation Effect		Interaction Effects
Energy	0.22%		0.38%		-0.04%		0.34%		-0.12%
Materials	0.11%		-0.06%		0.34%		-0.17%		
Industrials	0.17%		-0.11%		0.32%		-0.04%		
Cons. Disc.	-0.28%		-0.38%		0.00%		0.10%		
Cons. Staples	0.38%		0.47%		0.03%		-0.12%		
Health Care	0.44%		0.35%		0.01%		0.09%		
Financials	0.78%		0.49%		0.49%		-0.21%		
Info. Tech	0.46%		0.10%		0.29%		0.06%		
Telecomm.	0.00%		-0.02%		0.09%		-0.07%		
Utilities	0.90%		1.14%		0.23%		-0.47%		
Cash	-0.14%		0.00%		0.00%		-0.14%		
Unclassified	0.00%		--		0.00%		--		
Portfolio	3.04%	=	2.37%	+	1.75%	+	-1.08%		

EARNEST Partners Value Strategy

Sector Allocation (%) vs Russell 2500 Value
3 Months Ending September 30, 2013



Top Returning Stocks

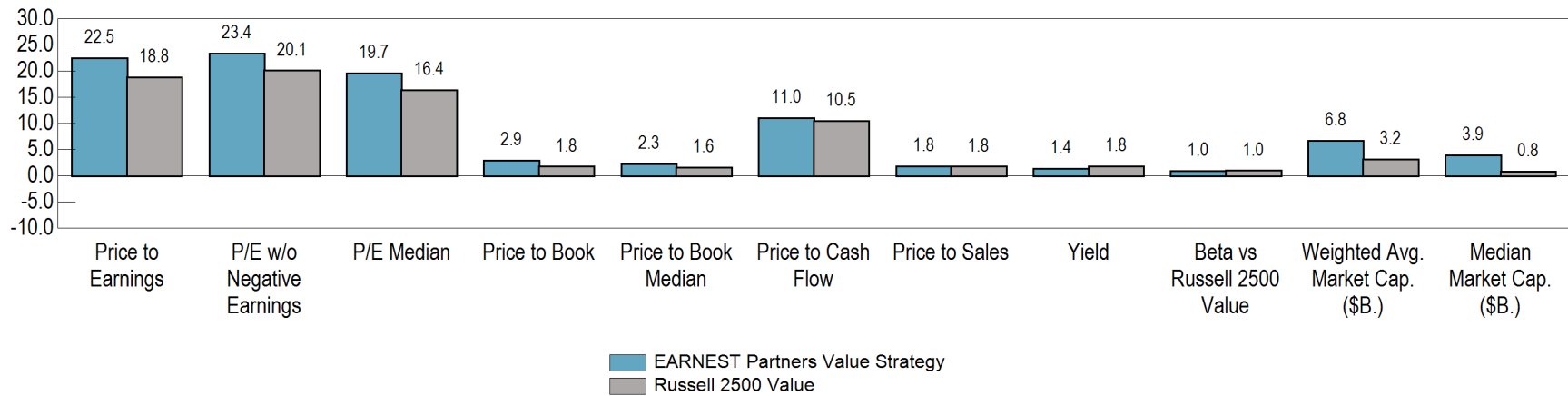
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
AMERICAN EQ.INV.LF.HLDG. (AEL)	2.00%	0.07%	0.54%	35.16%
ONEOK (OKE)	0.00%		0.64%	30.00%
WHITING PTL. (WLL)	1.72%		0.34%	29.85%
UTD.NTRL.FOODS (UNFI)	1.83%		0.39%	24.58%
CUMMINS (CMI)	4.14%		0.84%	23.13%
CENTENE (CNC)	2.72%		0.52%	21.92%
AUTODESK (ADSK)	1.51%		0.28%	21.30%
XILINX (XLNX)	1.84%		0.32%	18.92%
INTL.RECTIFIER (IRF)	0.00%		0.01%	18.29%
BORGWARNER (BWA)	3.68%		0.60%	17.99%
Total	19.45%	0.07%		

Bottom Returning Stocks

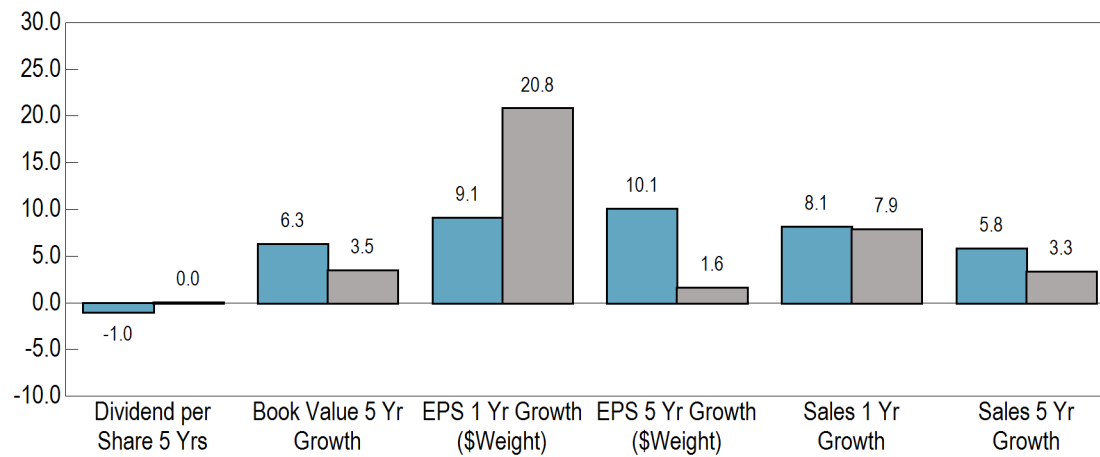
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
MEDICAL PROPS.TRUST (MPW)	1.54%	0.11%	-0.18%	-13.59%
D R HORTON (DHI)	1.93%	0.31%	-0.17%	-8.69%
DARDEN RESTAURANTS (DRI)	1.26%		-0.11%	-7.33%
SWIFT ENERGY (SFY)	0.58%	0.03%	-0.03%	-4.75%
RAYMOND JAMES FINL. (RJF)	1.57%	0.29%	-0.04%	-2.72%
FIRST POTOMAC REAL.TST. (FPO)	0.73%	0.04%	-0.02%	-2.66%
REINSURANCE GROUP OF AM. (RGA)	1.76%	0.27%	-0.04%	-2.63%
VALSPAR (VAL)	2.32%		-0.04%	-1.56%
CBRE GROUP CLASS A (CBG)	1.49%		-0.02%	-0.98%
REPUBLIC SVS.'A' (RSG)	2.37%		-0.02%	-0.95%
Total	15.55%	1.05%		

EARNEST Partners Value Strategy

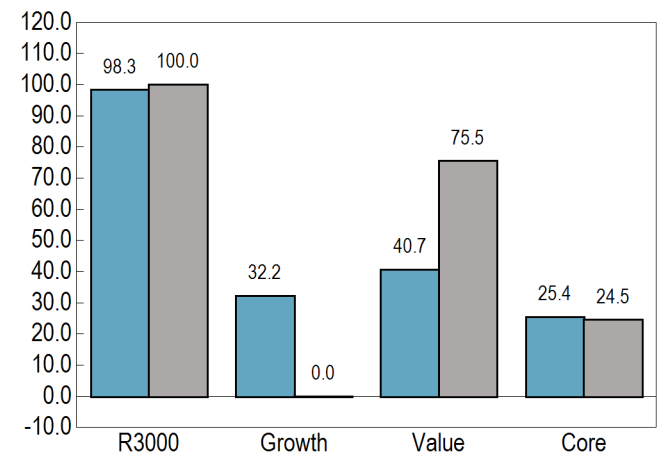
Portfolio Characteristics
Ending September 30, 2013



Historical Growth Measures
Ending September 30, 2013



Russell Index Membership (% Equity)
Ending September 30, 2013



Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	WEDGE Capital Management - Small/Mid Cap Value
Benchmark	Russell 2500 Value

Manager Philosophy and Process

Investment Philosophy

The firm's philosophy is based on the premise that value investing produces superior investment returns over time and that quantitative analysis can increase the probability of investment success. Through fundamental and quantitative processes, the team seeks stocks that meet its value and quality criteria.

Investment Process

The process begins with a universe of stocks within specific market cap guidelines (from \$1 billion to \$15 billion for Mid Cap Value, from \$250 million to \$2.5 billion for Small Cap Value, and from \$250 million to \$15 billion for Small/Mid Cap Value). WEDGE applies two proprietary models to narrow the initial universe of stocks. The fundamental value model sorts the eligible universe of stocks based on relative value, considering factors such as price/earnings ratios and dividend yield. The second model screens stocks based on relative financial quality, which includes factors such as profitability, leverage, and liquidity. Companies ranked in the top four deciles in the fundamental value model and in the top seven deciles of the financial quality model are candidates for fundamental research.

Current Positioning

- Relative to the Russell 2500 Value Index, the Fund is overweight the consumer staples, healthcare, consumer discretionary, and industrials sectors
- The Fund is underweight the financials, materials, energy, utilities and technology sectors
- The Fund has no exposure to the telecommunications sector

Manager Commentary

Quarterly Attribution

Positive impact on performance:

- Overweight allocation and stock selection in the industrials sector
- Underweight allocation to the financials sector
- Individual contributors: Brunswick Corporation, URS Corporation and Computer Sciences Corporation

Negative impact on performance:

- Stock selection within the consumer staples and utilities sectors
- Individual detractors: PG&E Corporation, Darden Restaurants, Inc. and Health Management Associates, Inc.

Portfolio Characteristics

Median market capitalization (\$MM): \$2,078

Weighted market capitalization (\$MM): \$4,870

P/E Ratio: 14.1x

P/B Ratio: 1.8x

Dividend yield: 2.0%

Earnings growth: 8.0%

Beta vs. index: 1.0

% Foreign: 4.6%

Number of holdings: 146

Responsible Investment ESG Comment

ESG2 - 25 Sep 2013 RRC verified rating - Please see Research Note for further details

Summary Data Points

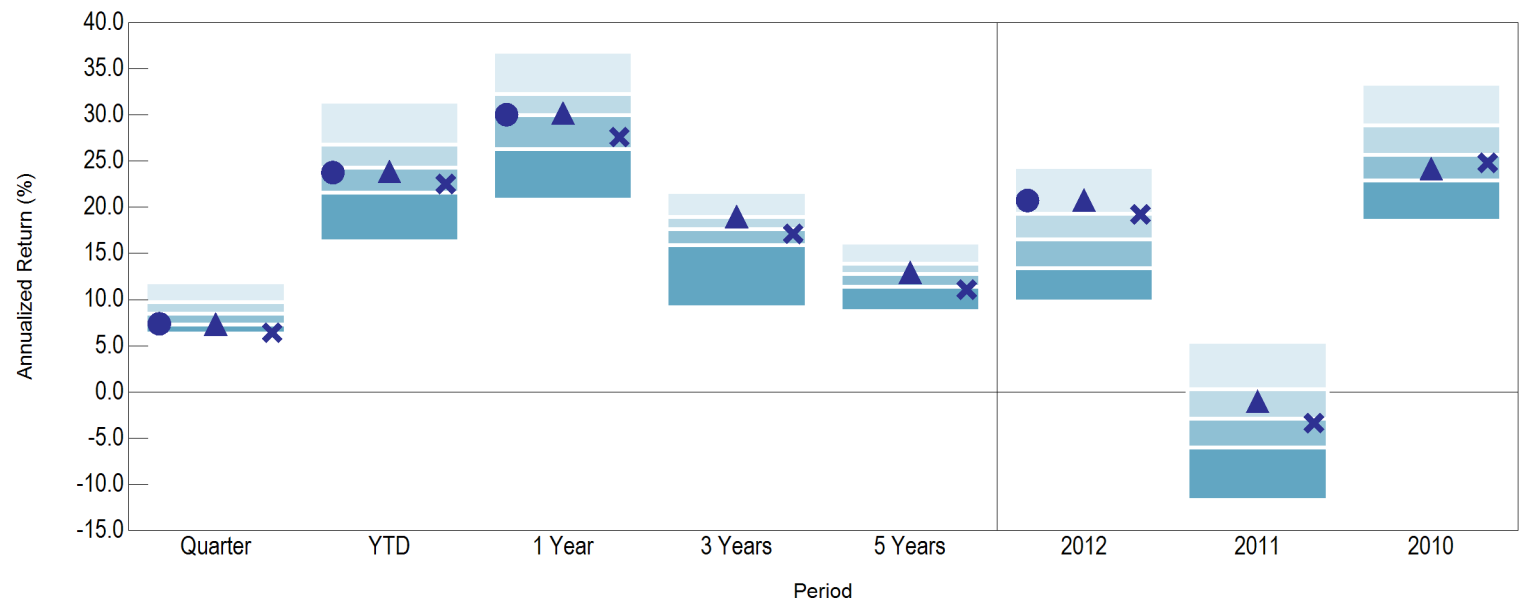
Mercer Rating: A

Strategy AUM: \$512 million (as of June 30, 2013)

NCSRP WEDGE SMID Cap Value

Performance

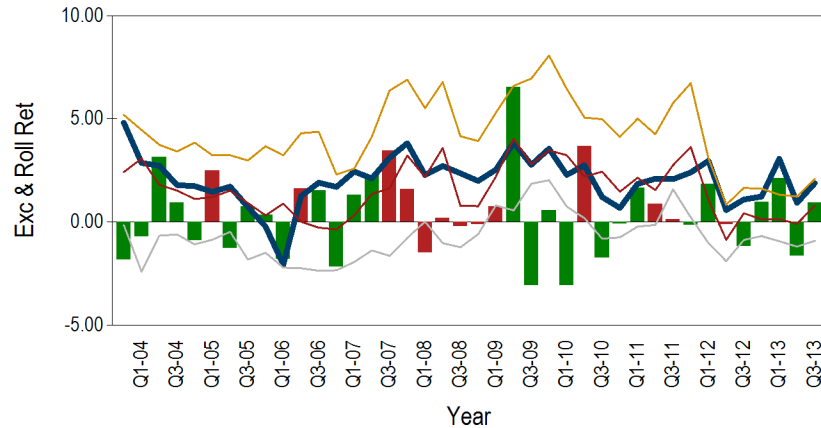
Performance vs. Mercer Instl US Equity SMID Value
Ending September 30, 2013



	Return (Rank)															
5th Percentile	11.9	31.4	36.8	21.6	16.1	24.3	5.4	33.4								
25th Percentile	9.8	26.8	32.3	19.0	13.9	19.3	0.3	28.9								
Median	8.5	24.4	30.0	17.7	12.8	16.6	-2.9	25.7								
75th Percentile	7.4	21.6	26.3	15.9	11.4	13.4	-6.0	23.0								
95th Percentile	6.3	16.4	20.9	9.2	8.8	9.8	-11.6	18.6								
# of Portfolios	69	66	66	54	50	75	66	67								
● NCSRP WEDGE SMID Cap Value	7.4	(74)	23.7	(56)	30.0	(51)	--	(--)	--	(--)	20.7	(17)	--	(--)	--	(--)
▲ WEDGE SMID Cap Value Strategy	7.4	(75)	23.9	(56)	30.2	(47)	19.0	(25)	13.0	(47)	20.8	(17)	-1.0	(33)	24.2	(64)
✕ Russell 2500 Value	6.4	(93)	22.5	(63)	27.6	(70)	17.1	(63)	11.1	(80)	19.2	(26)	-3.4	(57)	24.8	(61)

WEDGE SMID Cap Value Strategy

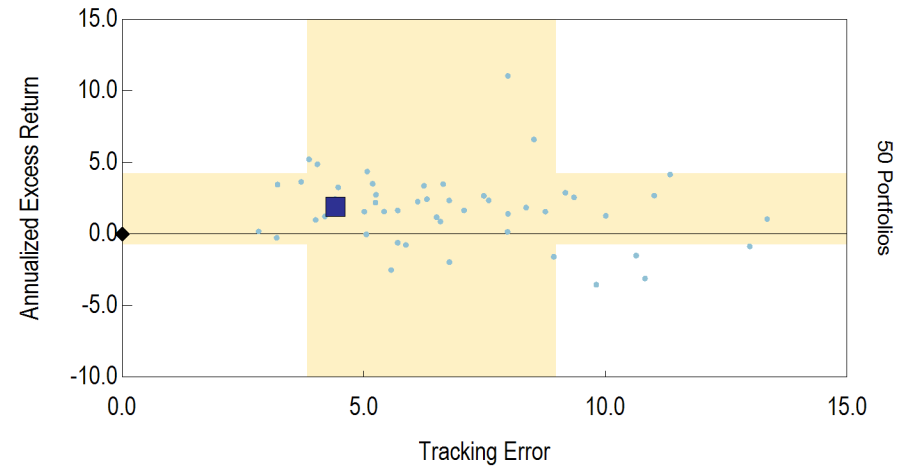
Rolling 3 Year Excess Performance
WEDGE SMID Cap Value Strategy vs. Earnest Custom SMID Value Index



Characteristics
as of September 30, 2013

	Portfolio	Russell 2500 Value
PORTFOLIO CHARACTERISTICS		
Price To Earnings	21.16	18.83
P/E Excluding Negative Earnings	21.77	20.12
P/E Median	16.58	16.42
Price To Book	2.39	1.78
Price To Book Median	1.79	1.59
Price To Cash Flow	9.13	10.51
Price To Sales	1.58	1.78
Dividend Yield (%)	2.11	1.82
Weighted Ave. Market Cap. (\$B)	4.52	3.17
Median Market Cap. (\$B)	2.02	0.82
Beta	1.03	1.00

Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013

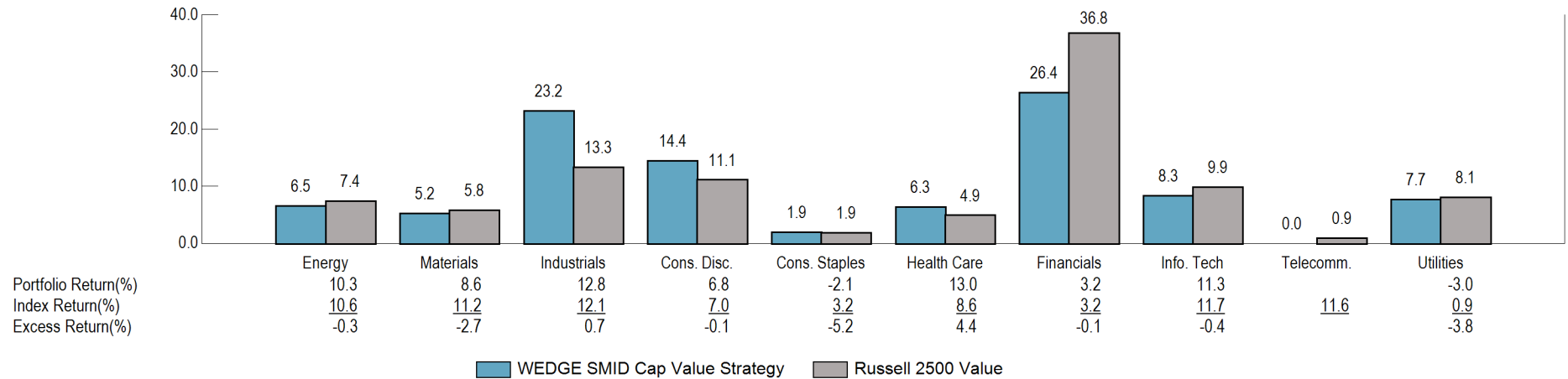


Performance Attribution vs. Russell 2500 Value
Quarter Ending September 30, 2013

	Total Effects	Selection Effect	Allocation Effect	Interaction Effects
Energy	-0.05%	-0.01%	-0.02%	-0.02%
Materials	-0.16%	-0.13%	-0.01%	-0.03%
Industrials	0.68%	0.07%	0.56%	0.04%
Cons. Disc.	0.01%	0.05%	0.03%	-0.07%
Cons. Staples	-0.09%	-0.11%	0.01%	0.01%
Health Care	0.19%	0.16%	0.01%	0.02%
Financials	0.31%	-0.03%	0.32%	0.02%
Info. Tech	-0.08%	-0.03%	-0.06%	0.01%
Telecomm.	-0.04%	--	-0.04%	--
Utilities	-0.23%	-0.33%	0.06%	0.04%
Cash	-0.16%	0.00%	0.00%	-0.16%
Unclassified	0.00%	--	0.00%	--
Portfolio	0.36%	= -0.37%	+ 0.87%	+ -0.14%

WEDGE SMID Cap Value Strategy

Sector Allocation (%) vs Russell 2500 Value
3 Months Ending September 30, 2013



Top Returning Stocks

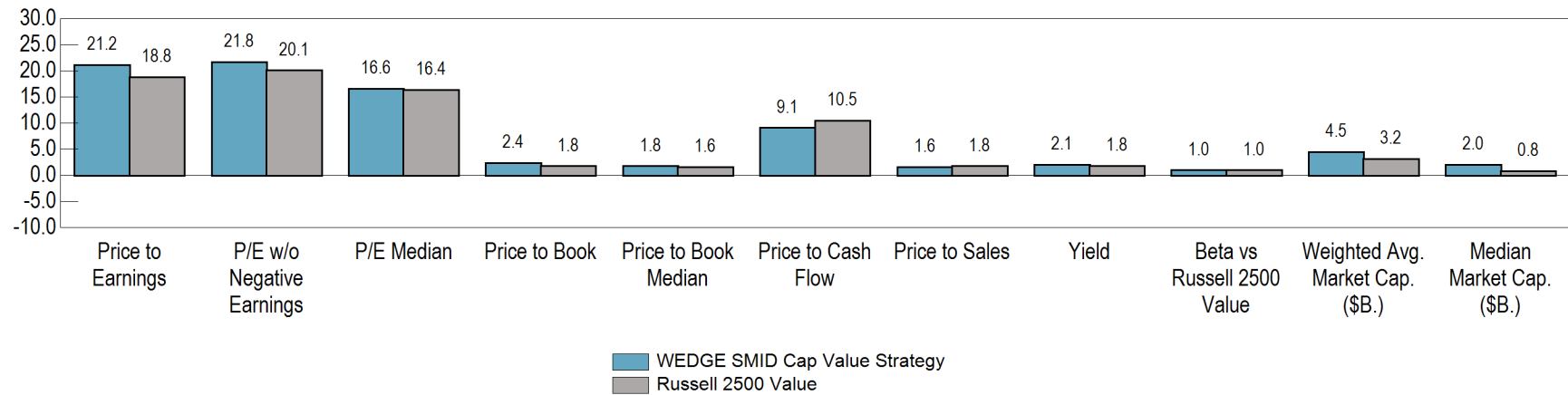
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
ENERGEN (EGN)	0.65%	0.31%	0.08%	46.49%
MYERS INDS. (MYE)	0.13%	0.03%	0.04%	34.61%
BEL FUSE 'B' (BELFB)	0.11%	0.01%	0.02%	30.31%
UNITED STATIONERS (USTR)	1.04%	0.10%	0.22%	29.92%
NAVIGANT CONSULTING (NCI)	0.39%	0.04%	0.08%	28.83%
BELDEN (BDC)	0.35%	0.02%	0.11%	28.38%
G & K SVS.'A' (GK)	0.10%	0.06%	0.02%	27.48%
AIR METHODS (AIRM)	1.41%		0.31%	25.70%
BRUNSWICK (BC)	1.60%	0.01%	0.52%	24.91%
NEENAH PAPER (NP)	0.08%	0.03%	0.01%	24.38%
Total	5.86%	0.61%		

Bottom Returning Stocks

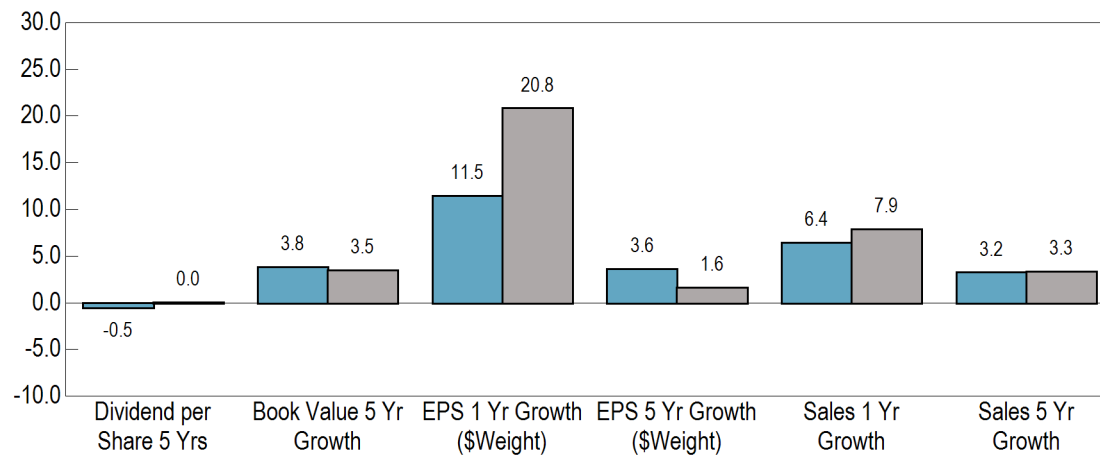
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
AEROPOSTALE (ARO)	0.39%		-0.10%	-31.88%
DFC GLOBAL (DLLR)	0.32%	0.03%	-0.05%	-20.42%
RUBY TUESDAY (RT)	0.52%	0.03%	-0.06%	-18.74%
HEALTH MAN.ASSOCS. (HMA)	0.34%		-0.07%	-18.58%
BRAVO BRIO RSTR.GP. (BBRG)	0.35%	0.00%	-0.01%	-15.26%
EQUITY LIFESTYLE PROPS. (ELS)	0.53%	0.04%	-0.04%	-12.42%
AXIAL (AXLL)	0.55%	0.15%	-0.02%	-10.87%
REGIS (RGS)	0.26%	0.04%	-0.01%	-10.27%
CBL & ASSOCIATES PROPS. (CBL)	1.66%	0.12%	-0.08%	-9.76%
PG&E (PCG)	2.06%		-0.15%	-9.53%
Total	6.98%	0.40%		

WEDGE SMID Cap Value Strategy

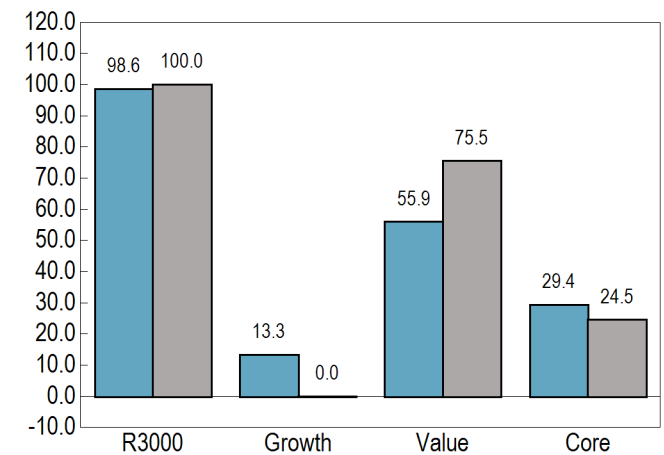
Portfolio Characteristics
Ending September 30, 2013



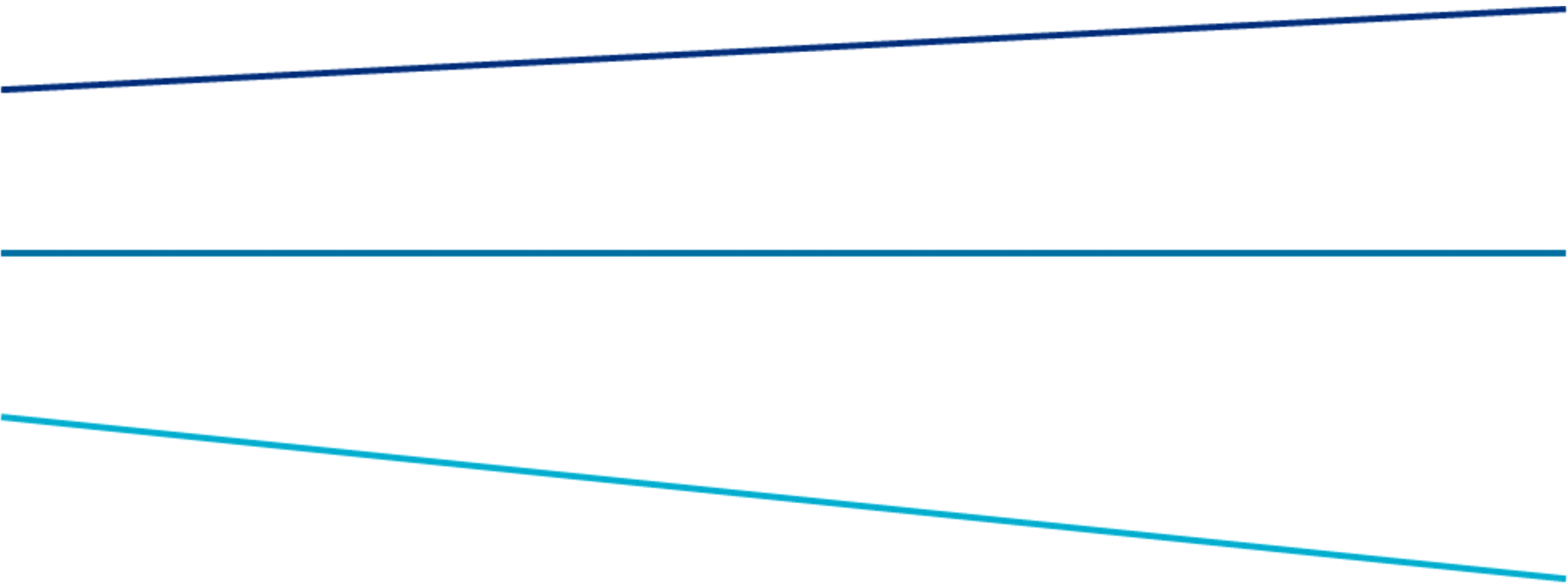
Historical Growth Measures
Ending September 30, 2013



Russell Index Membership (% Equity)
Ending September 30, 2013



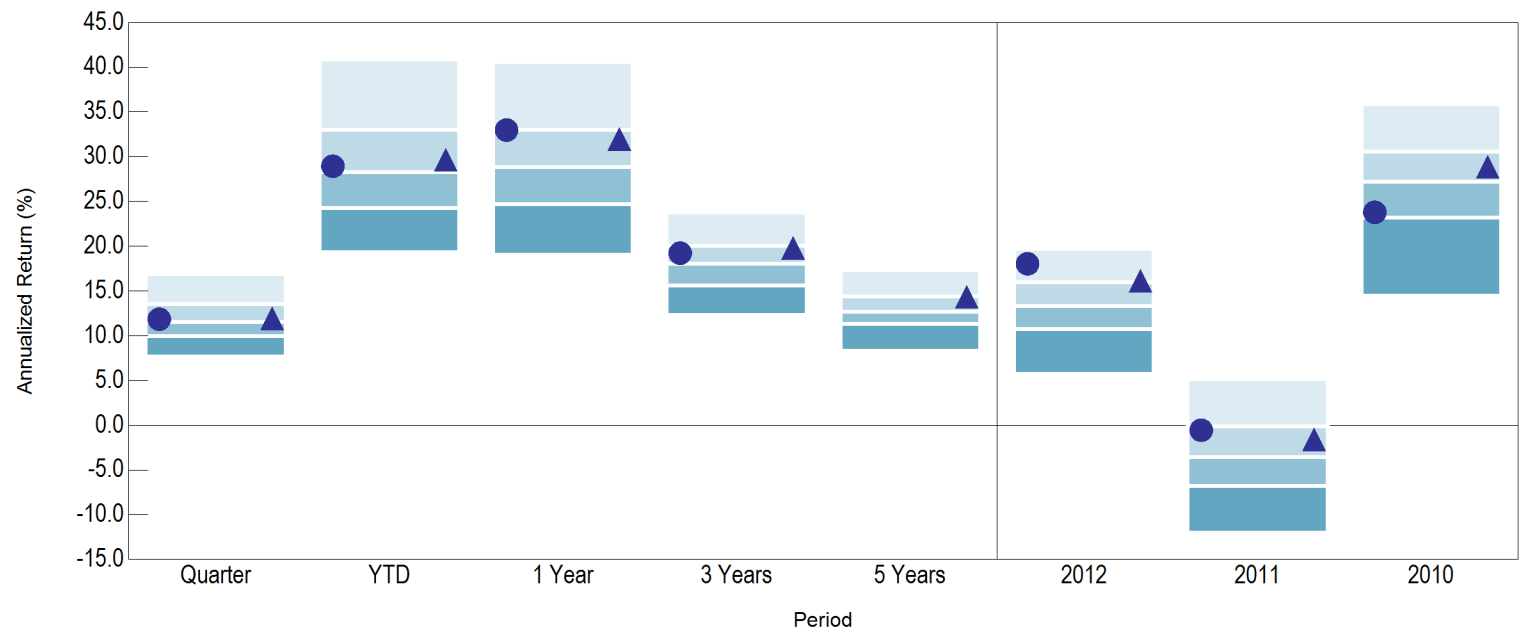
Mid/Small Cap Growth



Mid/Small Cap Growth

Performance

Performance vs. Mercer Mutual Fund US Equity Small + Mid Growth
Ending September 30, 2013

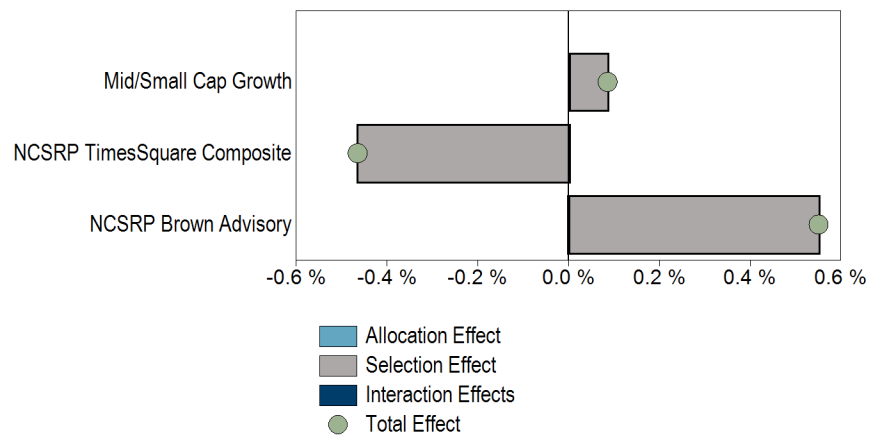


	Return (Rank)															
5th Percentile	16.9		40.8		40.6		23.7		17.3		19.7		5.2		35.9	
25th Percentile	13.6		33.0		33.0		20.1		14.4		16.0		-0.1		30.6	
Median	11.6		28.3		28.9		18.1		12.7		13.4		-3.5		27.2	
75th Percentile	10.0		24.3		24.7		15.7		11.4		10.8		-6.7		23.2	
95th Percentile	7.7		19.3		19.1		12.3		8.3		5.8		-12.0		14.5	
# of Portfolios	276		270		267		251		238		276		261		280	
● Mid/Small Cap Growth	11.8	(45)	28.9	(48)	33.0	(26)	19.2	(36)	--	(--)	18.0	(11)	-0.6	(28)	23.8	(72)
▲ Russell 2500 Growth	11.9	(43)	29.6	(46)	32.0	(33)	19.8	(27)	14.3	(26)	16.1	(24)	-1.6	(36)	28.9	(36)

Mid/Small Cap Growth

Attribution

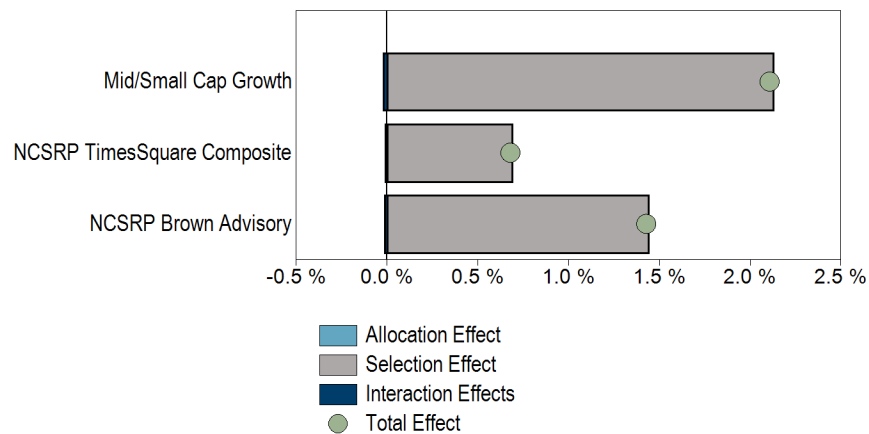
Attribution Effects
3 Months Ending September 30, 2013



Attribution Summary
3 Months Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP TimesSquare Composite	11.0%	11.9%	-0.9%	-0.5%	0.0%	0.0%	-0.5%
NCSRP Brown Advisory	13.0%	11.9%	1.1%	0.6%	0.0%	0.0%	0.6%
Total	12.0%	11.9%	0.1%	0.1%	0.0%	0.0%	0.1%

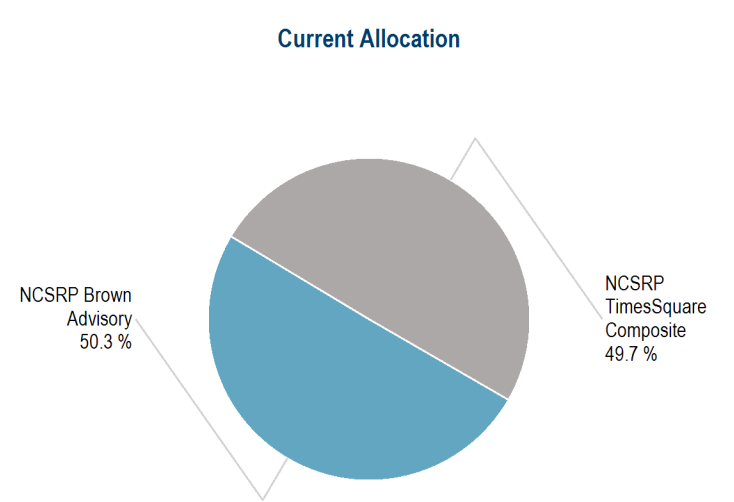
Attribution Effects
1 Year Ending September 30, 2013



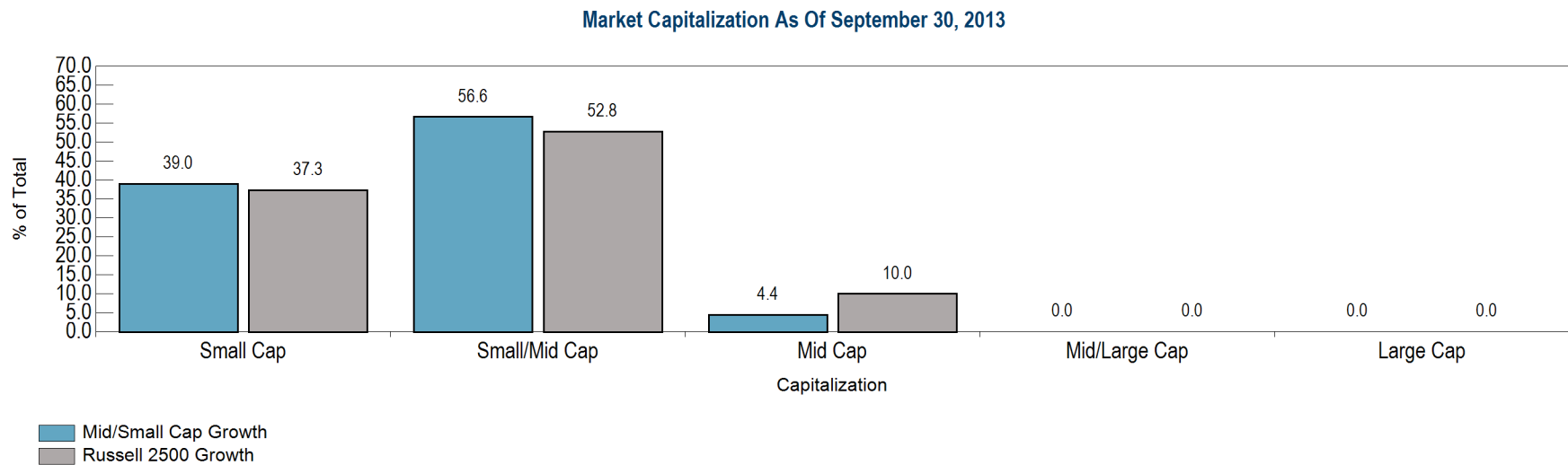
Attribution Summary
1 Year Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP TimesSquare Composite	33.3%	32.0%	1.4%	0.7%	0.0%	0.0%	0.7%
NCSRP Brown Advisory	34.8%	32.0%	2.8%	1.4%	0.0%	0.0%	1.4%
Total	34.1%	32.0%	2.1%	2.1%	0.0%	0.0%	2.1%

Mid/Small Cap Growth

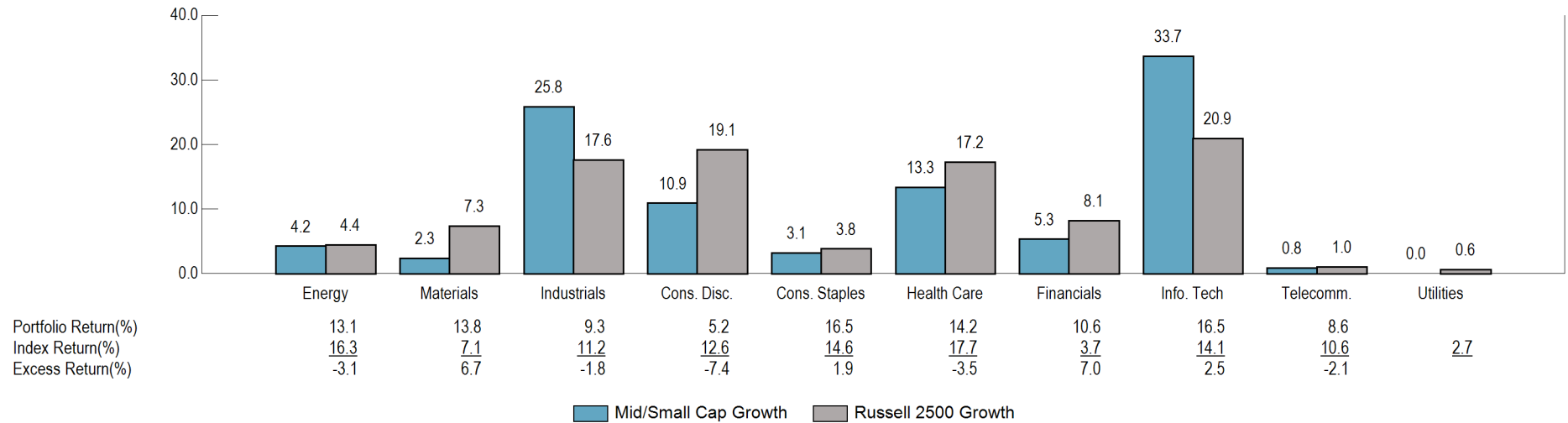


Characteristics		
	Portfolio	Russell 2500 Growth
Number of Holdings	143	1,410
Weighted Avg. Market Cap. (\$B)	3.53	3.68
Median Market Cap. (\$B)	3.07	1.11
Price To Earnings	34.80	27.43
Price To Book	4.69	5.00
Price To Sales	3.07	2.54
Return on Equity (%)	13.69	17.71
Yield (%)	0.49	0.66
Beta	0.89	1.00
R-Squared	0.97	1.00



Mid/Small Cap Growth

Sector Allocation (%) vs Russell 2500 Growth



Top Returning Stocks

	Portfolio	Index	Relative	
	Weight %	Weight %	Contribution %	Return %
INCYTE (INCY)	1.34%	0.23%	0.49%	73.41%
APPLIED MICRO CIRCUITS (AMCC)	0.79%	0.05%	0.27%	46.59%
LAREDO PETROLEUM HDG. (LPI)	0.49%	0.07%	0.15%	44.36%
ONYX PHARMS. (ONXX)	0.00%		-0.06%	43.63%
SEATTLE GENETC. (SGEN)	0.84%	0.25%	0.17%	39.32%
ENCORE CAP.GP. (ECPG)	0.56%	0.05%	0.20%	38.24%
CONCUR TECHS. (CNQR)	0.63%	0.30%	0.08%	35.78%
FLEETCOR TECHNOLOGIES (FLT)	0.55%	0.43%	0.09%	35.50%
HEICO (HEI)	1.06%	0.21%	0.23%	34.67%
VOLCANO (VOLC)	0.82%	0.08%	0.18%	32.10%
Total	7.09%	1.67%		

Bottom Returning Stocks

	Portfolio	Index	Relative	
	Weight %	Weight %	Contribution %	Return %
HEARTWARE INTERNATIONAL (HTWR)	0.26%	0.07%	-0.03%	-23.04%
BJ'S RESTAURANTS (BJRI)	0.45%	0.04%	-0.10%	-22.72%
SALLY BEAUTY HOLDINGS (SBH)	0.54%	0.26%	-0.05%	-15.88%
AMERICAN CAMPUS COMMNS. (ACC)	0.54%		-0.04%	-15.16%
SEAWORLD ENTERTAINMENT (SEAS)	0.40%	0.05%	-0.06%	-15.04%
SEMTECH (SMTC)	0.41%	0.12%	-0.05%	-14.39%
HOMEAWAY (AWAY)	1.06%	0.09%	-0.20%	-13.54%
PROASSURANCE (PRA)	0.51%		-0.06%	-13.14%
FORUM ENERGY TECHS. (FET)	0.33%	0.03%	-0.03%	-11.24%
SOLARWINDS (SWI)	0.42%	0.13%	-0.03%	-9.66%
Total	4.91%	0.79%		

Top Holdings Mid/Small Cap Growth

	SMIDG Fund %	TimesSquare %	Brown %	Index Weight%
INTACT INTELLIGENCE GP.	2.27%		4.35%	0.06%
COSTAR GP.	2.13%	1.92%	2.15%	0.28%
ULTIMATE SOFTWARE GP.	1.95%	1.91%	1.83%	0.24%
INFORMATICA	1.87%	0.98%	2.60%	0.24%
BROADRIDGE FINL.SLTN.	1.84%	1.05%	2.48%	0.22%
CORPORATE EXEC.BOARD	1.81%	1.62%	1.84%	0.14%
WASTE CONNECTIONS	1.66%		3.19%	0.31%
ADVISORY BOARD	1.52%	1.26%	1.65%	0.12%
COVANCE	1.47%		2.81%	0.28%
DIGITALGLOBE	1.39%	1.17%	1.48%	
Total	17.91%	9.90%	24.38%	1.89%

Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	TimesSquare Capital Management - SMID Cap Growth
Benchmark	Russell 2500 Growth

Manager Philosophy and Process

Investment Philosophy

TimesSquare Capital Management (TSCM) believes in detailed fundamental research and attempts to identify companies with exceptional management teams, superior business models, and consistent growth rates. Buy and sell decisions emphasize valuation, which distinguishes TSCM from growth managers that simply seek out companies with high expected growth rates.

Investment Process

TSCM's investable small-mid cap universe is defined by companies with market capitalizations between \$300 million and \$5 billion. The research process seeks to identify companies that have experienced, properly motivated management teams; distinct, sustainable competitive advantages within industry segments; and consistent top- and bottom-line growth rates. The working universe of small-mid cap stocks that meet those criteria is approximately 400 names. TSCM looks to purchase companies that have the potential to appreciate 25% to 50% over an 18-month period. The analysts primarily use PEG ratio analysis to evaluate the opportunity for appreciation relative to the current price. The team monitors each stock's current valuation versus its appreciation potential and target price. As a holding approaches its target price, it is re-evaluated to determine if it should be sold or a new target price can be justified. Holdings are also sold if the fundamental research recommendation cannot be supported. TSCM typically holds 90 to 120 names in the portfolio. Due to the high number of names, individual weights tend to be low. The team may over- or underweight sectors based on the fundamental research or outlook for the particular sector, but may not be more than twice the index weighting for major sectors. Turnover has historically averaged approximately 75% annually.

Current Positioning

- Overweight positioning within the information technology and industrials sectors
- Maintained an underweight position within the consumer discretionary, health care, and materials sectors

The portfolio's top three holdings are SBA Communications, Renaissance Holdings, and Genesee & Wyoming, Inc.; combined these account for 6.6% of the Fund.

Manager Commentary

Quarterly Attribution

Positive Contributors to Performance:

- An overweight allocation to the technology, energy, and consumer staples sectors
- An underweight allocation to the consumer discretionary, materials & processing, and utilities sectors
- Stock selection within the financials, consumer staples, materials & processing, and producer durables sectors

Negative Contributors to Performance:

- An overweight allocation to the financial services sector
- An underweight allocation to the health care sector
- Stock selection within the health care, technology, consumer discretionary, and utilities sectors

Portfolio Characteristics

Median Market Cap: \$3,367 MM
Weighted Avg Market Cap: \$3,928 MM
P/E: 30.7x
P/B: 3.3x
Yield: 0.7%
Earnings Growth: 15.9%
% Foreign: 8.1%
Holdings: 96

Responsible Investment ESG Comment

ESG4 - The team considers any obvious environmental, social and governance characteristics of a company that may affect the stock price. However, these factors are not explicit drivers of the research process.

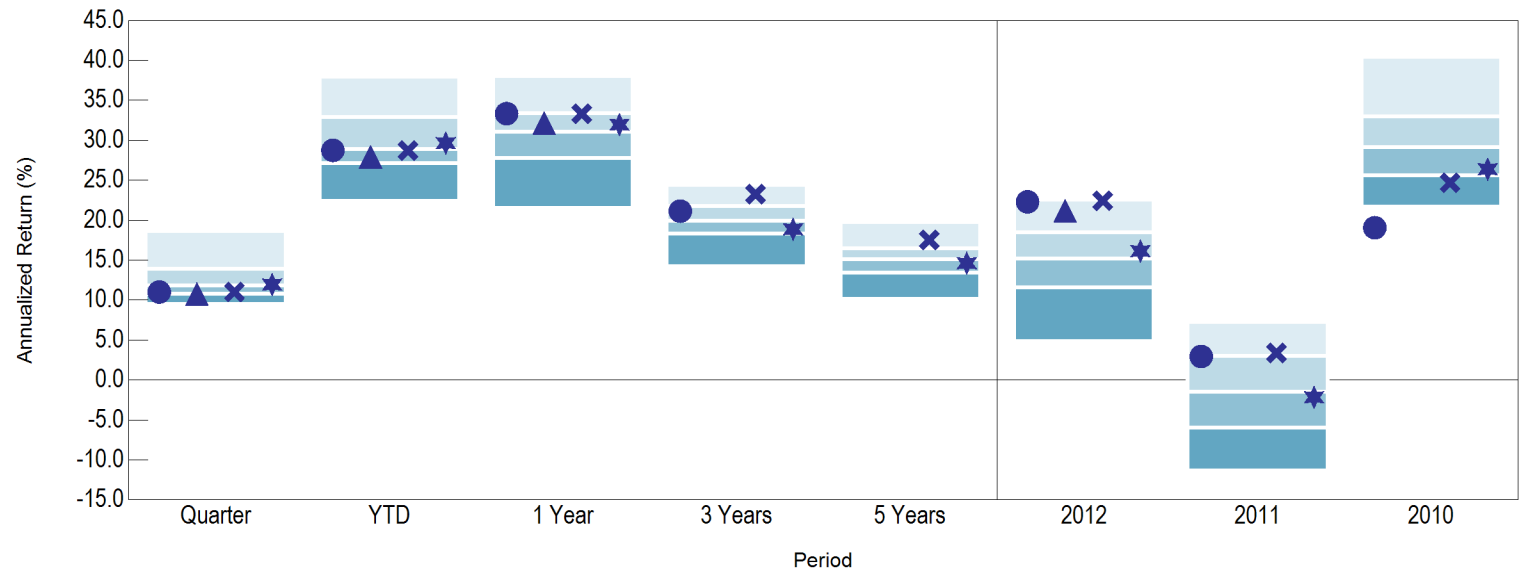
Summary Data Points

Mercer Rating: A
Total Strategy AUM: \$5.3 Billion

NCSRP TimesSquare Composite

Performance

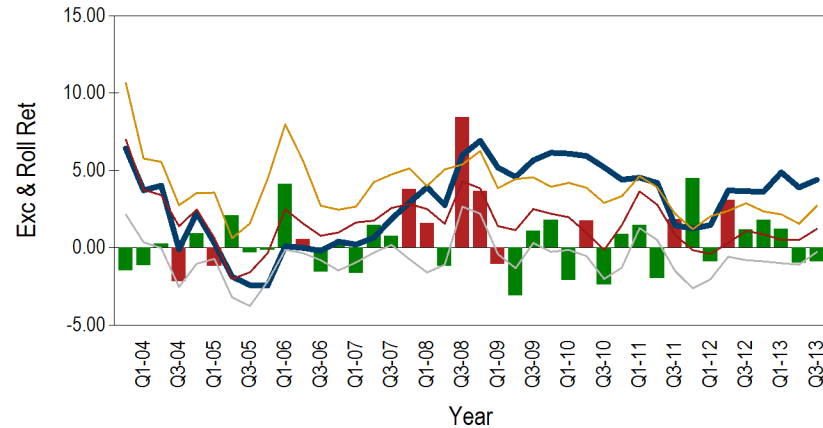
Performance vs. Mercer Instl US Equity SMID Growth
Ending September 30, 2013



	Return (Rank)													
5th Percentile	18.6	38.0	38.0	24.4	19.7	22.5	7.3	40.4						
25th Percentile	14.0	33.0	33.4	21.8	16.5	18.5	3.1	33.0						
Median	11.9	29.0	31.1	20.0	15.2	15.3	-1.4	29.2						
75th Percentile	10.8	27.2	27.8	18.4	13.5	11.7	-5.9	25.7						
95th Percentile	9.6	22.5	21.6	14.3	10.2	4.9	-11.3	21.7						
# of Portfolios	60	59	58	55	55	65	78	82						
● NCSRP TimesSquare Composite	11.0 (68)	28.7 (57)	33.3 (27)	21.1 (35)	-- (--)	22.3 (8)	2.9 (26)	19.1 (98)						
▲ NCSRP TimesSquare SMID Growth	10.8 (77)	27.9 (66)	32.2 (40)	-- (--)	-- (--)	21.2 (11)	-- (--)	-- (--)						
✕ TimesSquare Growth Strategy	11.0 (67)	28.7 (59)	33.3 (29)	23.3 (10)	17.5 (17)	22.4 (7)	3.4 (23)	24.7 (81)						
★ TimesSquare Custom SMID Growth Index	11.9 (49)	29.6 (48)	32.0 (45)	18.9 (69)	14.6 (59)	16.1 (42)	-2.2 (59)	26.4 (72)						

TimesSquare Growth Strategy

Rolling 3 Year Excess Performance
TimesSquare Growth Strategy vs. TimesSquare Custom SMID Growth Index



Characteristics
as of September 30, 2013

	Portfolio	Russell 2500 Growth
PORTFOLIO CHARACTERISTICS		
Price To Earnings	32.13	27.43
P/E Excluding Negative Earnings	32.13	28.80
P/E Median	23.04	20.86
Price To Book	4.78	5.00
Price To Book Median	3.90	3.40
Price To Cash Flow	16.77	15.72
Price To Sales	3.09	2.54
Dividend Yield (%)	0.61	0.66
Weighted Ave. Market Cap. (\$B)	3.86	3.68
Median Market Cap. (\$B)	3.29	1.11
Beta	0.95	1.00

Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013

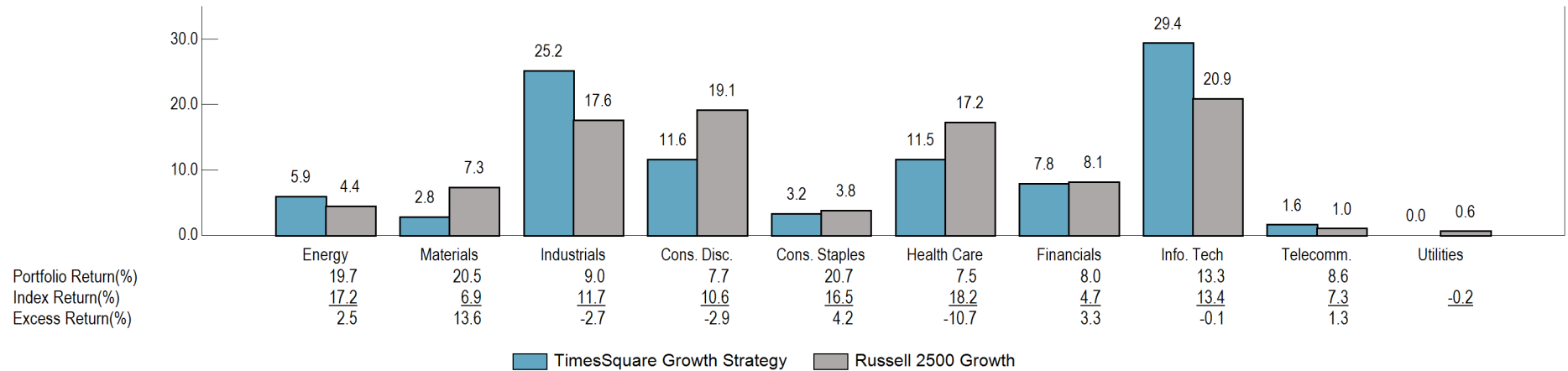


Performance Attribution vs. Russell 2500 Growth
Quarter Ending September 30, 2013

	Total Effects	Selection Effect	Allocation Effect	Interaction Effects
Energy	0.21%	0.08%	0.08%	0.06%
Materials	0.59%	0.92%	0.23%	-0.56%
Industrials	-0.65%	-0.46%	-0.02%	-0.17%
Cons. Disc.	-0.23%	-0.53%	0.12%	0.19%
Cons. Staples	0.06%	0.12%	-0.06%	-0.01%
Health Care	-1.49%	-1.75%	-0.24%	0.49%
Financials	0.34%	0.29%	0.05%	-0.01%
Info. Tech	0.05%	-0.17%	0.10%	0.12%
Telecomm.	-0.04%	0.00%	-0.08%	0.04%
Utilities	0.08%	--	0.08%	--
Cash	-0.20%	0.00%	0.00%	-0.20%
Unclassified	0.09%	0.00%	0.00%	0.09%
Portfolio	-1.19%	= -1.50%	+ 0.25%	+ 0.05%

TimesSquare Growth Strategy

Sector Allocation (%) vs Russell 2500 Growth
3 Months Ending September 30, 2013



Top Returning Stocks

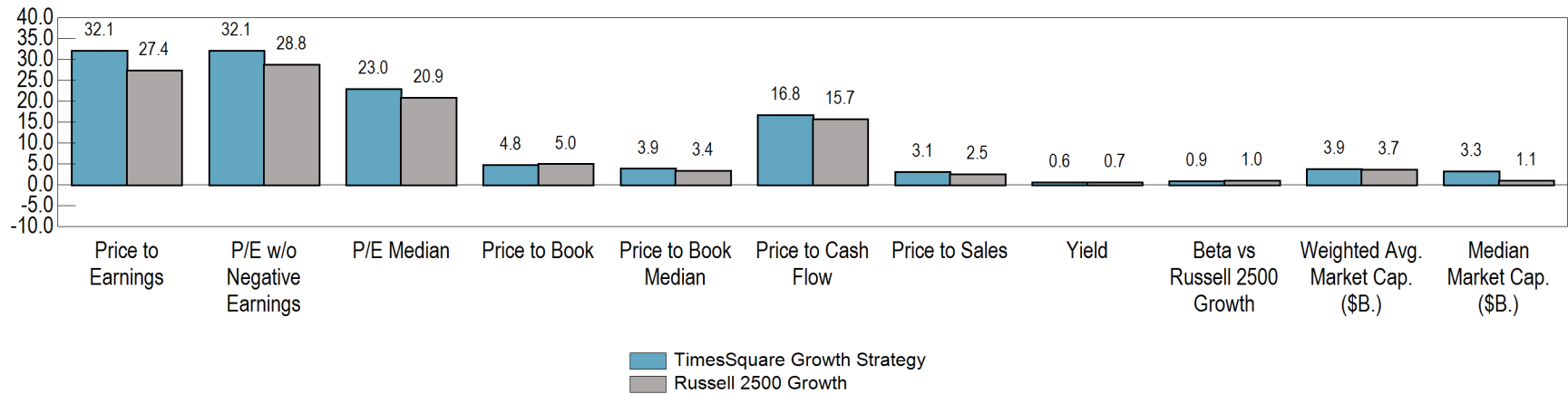
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
LAREDO PETROLEUM HDG. (LPI)	0.97%	0.07%	0.32%	44.36%
ONYX PHARMS. (ONXX)	0.00%		0.07%	43.63%
ENCORE CAP.GP. (ECPG)	1.11%	0.05%	0.42%	38.24%
FLEETCOR TECHNOLOGIES (FLT)	1.09%	0.43%	0.27%	35.50%
VOLCANO (VOLC)	0.53%	0.08%	0.09%	32.10%
COSTAR GP. (CSGP)	1.97%	0.28%	0.38%	30.09%
ALIGN TECH. (ALGN)	0.59%	0.20%	0.11%	29.86%
WHITING PTL. (WLL)	1.12%		0.31%	29.85%
CARPENTER TECH. (CRS)	1.22%		0.28%	29.35%
TABLEAU SOFTWARE CL.A (DATA)	0.00%		0.05%	28.55%
Total	8.59%	1.11%		

Bottom Returning Stocks

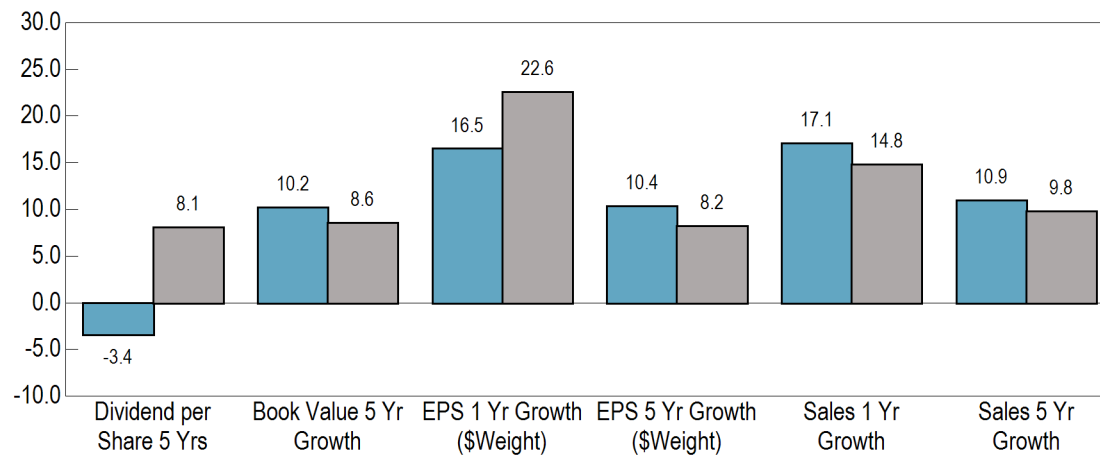
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
HEARTWARE INTERNATIONAL (HTWR)	0.51%	0.07%	-0.09%	-23.04%
SALLY BEAUTY HOLDINGS (SBH)	1.05%	0.26%	-0.15%	-15.88%
AMERICAN CAMPUS COMMNS. (ACC)	1.07%		-0.08%	-15.16%
SEAWORLD ENTERTAINMENT (SEAS)	0.79%	0.05%	-0.12%	-15.04%
SEMTECH (SMTC)	0.80%	0.12%	-0.12%	-14.39%
HOMEAWAY (AWAY)	0.00%		-0.08%	-13.54%
PROASSURANCE (PRA)	1.00%		-0.13%	-13.14%
FORUM ENERGY TECHS. (FET)	0.65%	0.03%	-0.06%	-11.24%
SOLARWINDS (SWI)	0.82%	0.13%	-0.08%	-9.66%
UTI WORLDWIDE (UTIW)	0.82%	0.06%	-0.08%	-8.26%
Total	7.52%	0.72%		

TimesSquare Growth Strategy

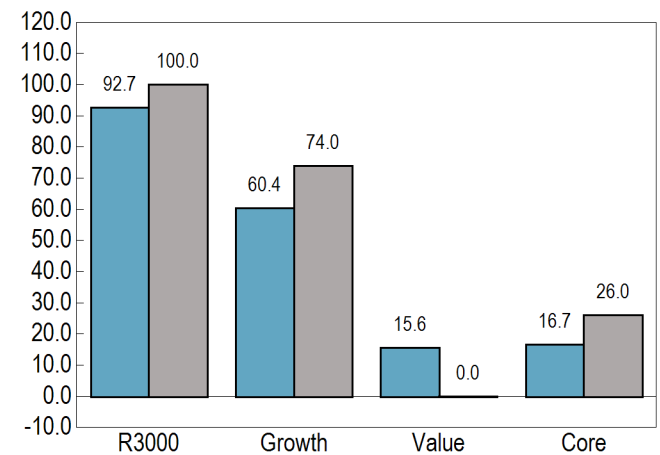
Portfolio Characteristics
Ending September 30, 2013



Historical Growth Measures
Ending September 30, 2013



Russell Index Membership (% Equity)
Ending September 30, 2013



Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	Brown Investment Advisory & Trust Company - Small-Cap Growth Equity
Benchmark	Russell 2000 Growth

Manager Philosophy and Process

The strategy seeks to produce superior risk-adjusted returns through a concentrated portfolio of diversified, small-capitalization equity securities of above average growth, sound management, and favorable competitive positioning. The strategy invests primarily in the common stock of small domestic growth companies, those whose market capitalizations are generally less than \$4 billion at the time of purchase. The manager employs a long-term investment philosophy and is focused on business fundamentals.

Current Positioning

- There were no significant structural changes to the portfolio during the quarter
- The portfolio's sector weightings are primarily an outcome of stock selection
- During the quarter, the manager's activity resulted in a reduction in exposure to consumer discretionary and energy, and an increase in allocation to consumer staples
- The portfolio's allocation to financials modestly increased due to strong returns of the holdings
- At the end of the third quarter, the portfolio remained underweight in health care, and overweight in industrials and information technology

Quarterly Attribution

Positive Impact on Performance:

- Security selection within the information technology, health care and financials sectors
- Underweight exposures to the financials, materials and consumer discretionary sectors
- Underweight allocation to the consumer discretionary sector
- Stocks contributing to performance included Incyte Corporation, Interactive Intelligence Group, and HEICO Corporation

Negative Impact on Performance:

- Security selection within the industrials, energy and consumer discretionary sectors
- Stocks detracting from performance included Homeaway, BJ's Restaurants, and UTi Worldwide

Manager Commentary

Portfolio Characteristics

Number of holdings: 60
Median Market Capitalization (\$MM): \$2,586
Weighted Average Market Capitalization (\$MM): \$3,225
P/E ratio: 34.9x
P/B ratio: 3.6x
Earnings growth (5 year): 17.8%
Turnover: 37.9%
% cash: 6.5%

Responsible Investment ESG Comment

ESG4 - No Comment Provided

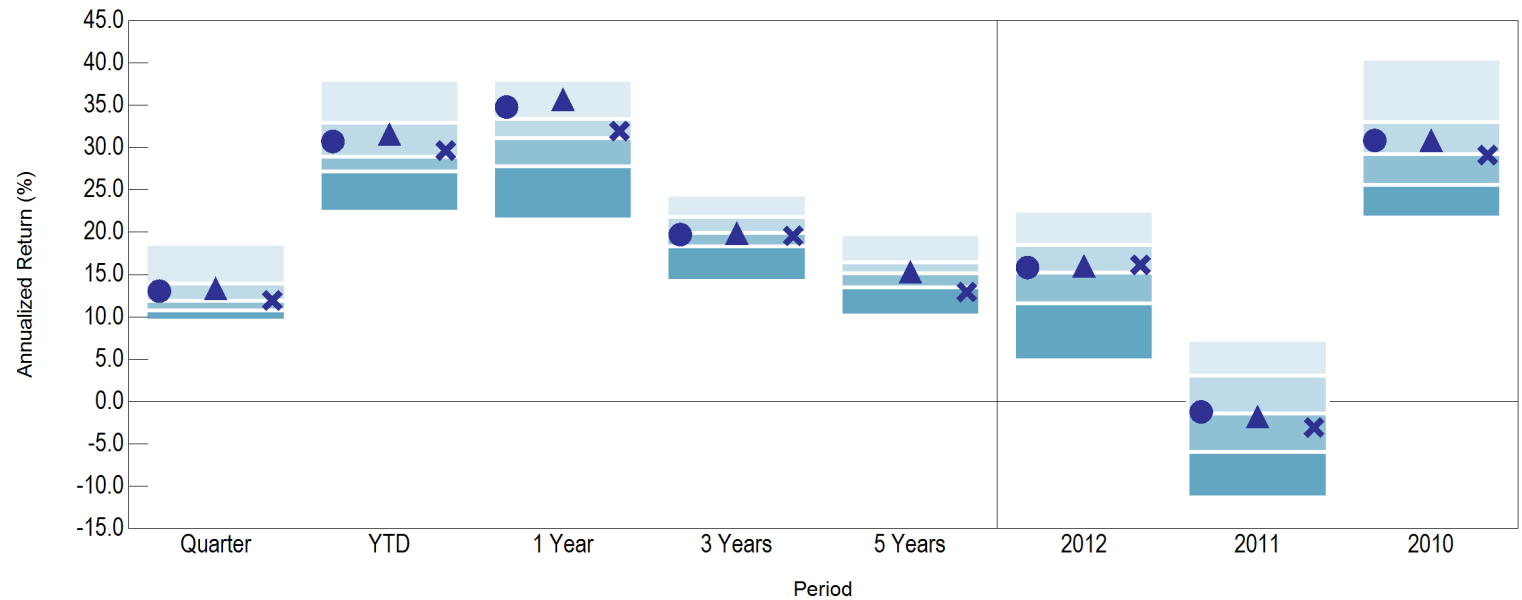
Summary Data Points

Mercer Rating: R
Strategy Assets (\$B): \$1.7

NCSRP Brown Advisory

Performance

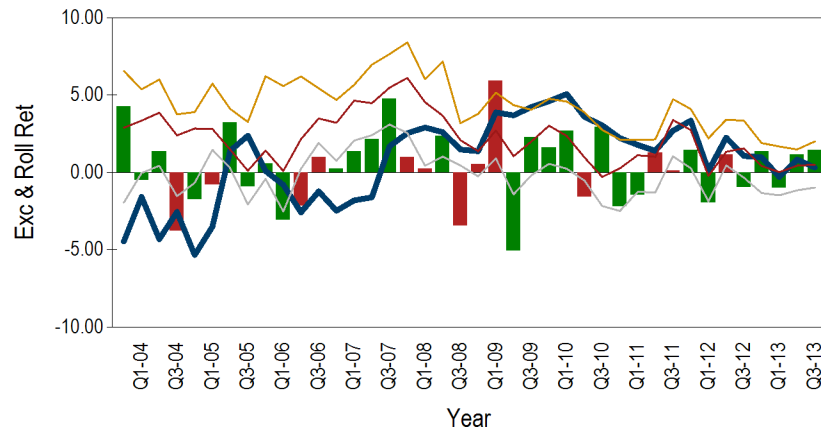
Performance vs. Mercer Instl US Equity SMID Growth
Ending September 30, 2013



	Return (Rank)													
5th Percentile	18.6	38.0	38.0	24.4	19.7	22.5	7.3	40.4						
25th Percentile	14.0	33.0	33.4	21.8	16.5	18.5	3.1	33.0						
Median	11.9	29.0	31.1	20.0	15.2	15.3	-1.4	29.2						
75th Percentile	10.8	27.2	27.8	18.4	13.5	11.7	-5.9	25.7						
95th Percentile	9.6	22.5	21.6	14.3	10.2	4.9	-11.3	21.7						
# of Portfolios	60	59	58	55	55	65	78	82						
● NCSRP Brown Advisory	13.0 (33)	30.7 (45)	34.8 (18)	19.7 (55)	-- (--)	15.8 (44)	-1.2 (49)	30.8 (39)						
▲ Brown Advisory Growth Strategy	13.4 (31)	31.6 (38)	35.7 (13)	19.9 (53)	15.3 (46)	16.0 (42)	-1.8 (57)	30.9 (38)						
✕ Brown Custom SMID Growth Index	11.9 (49)	29.6 (48)	32.0 (45)	19.6 (56)	12.9 (81)	16.1 (42)	-3.1 (62)	29.1 (51)						

Brown Advisory Growth Strategy

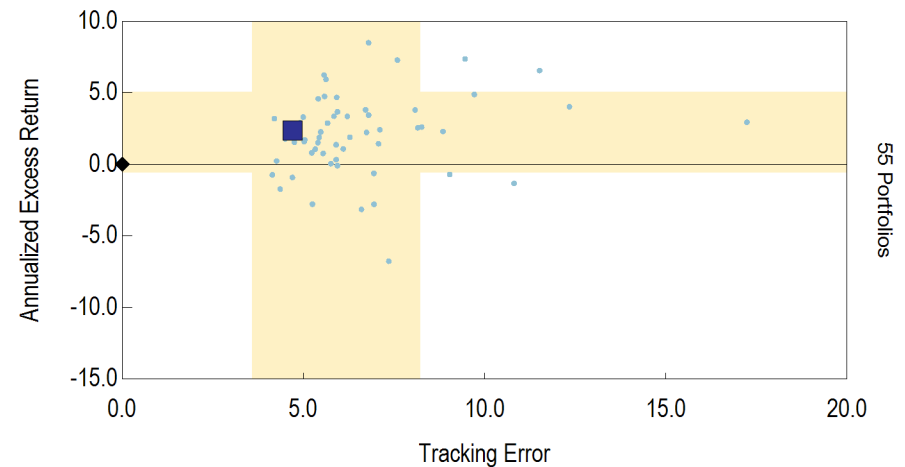
Rolling 3 Year Excess Performance
Brown Advisory Growth Strategy vs. Brown Custom SMID Growth Index



Characteristics
as of September 30, 2013

	Portfolio	Russell 2500 Growth
PORTFOLIO CHARACTERISTICS		
Price To Earnings	38.23	27.43
P/E Excluding Negative Earnings	39.39	28.80
P/E Median	27.05	20.86
Price To Book	4.46	5.00
Price To Book Median	3.49	3.40
Price To Cash Flow	22.57	15.72
Price To Sales	2.89	2.54
Dividend Yield (%)	0.37	0.66
Weighted Ave. Market Cap. (\$B)	3.19	3.68
Median Market Cap. (\$B)	2.56	1.11
Beta	0.96	1.00

Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013

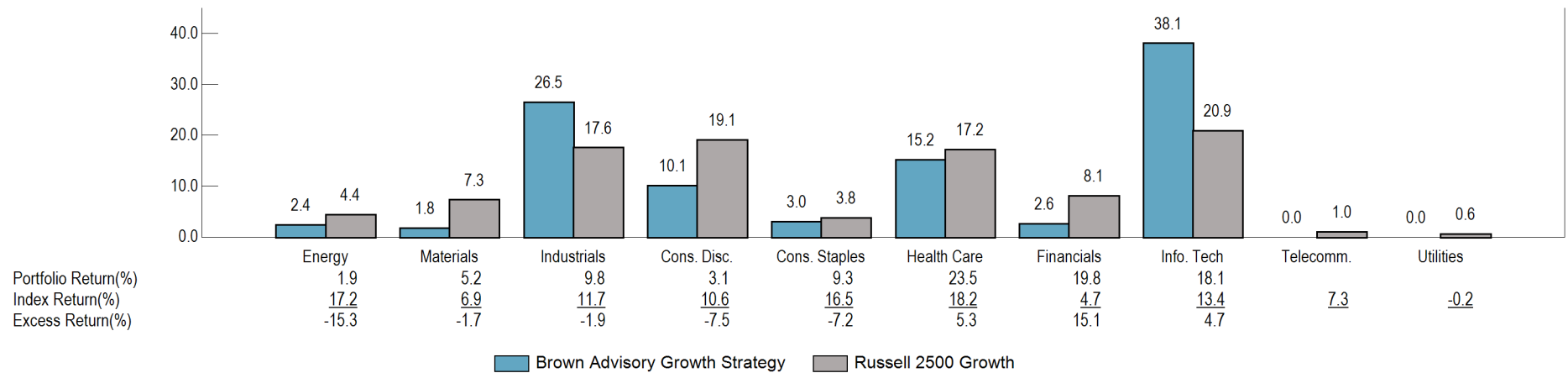


Performance Attribution vs. Russell 2500 Growth
Quarter Ending September 30, 2013

	Total Effects	Selection Effect	Allocation Effect	Interaction Effects
Energy	-0.56%	-0.70%	-0.04%	0.19%
Materials	0.25%	-0.13%	0.29%	0.10%
Industrials	-0.57%	-0.35%	-0.04%	-0.18%
Cons. Disc.	-0.76%	-1.51%	0.13%	0.62%
Cons. Staples	-0.19%	-0.31%	-0.10%	0.22%
Health Care	0.69%	0.93%	-0.09%	-0.15%
Financials	0.87%	1.52%	0.54%	-1.18%
Info. Tech	1.88%	0.95%	0.19%	0.74%
Telecomm.	0.07%	--	0.07%	--
Utilities	0.08%	--	0.08%	--
Cash	-0.35%	0.00%	0.00%	-0.35%
Unclassified	-0.02%	0.00%	0.00%	-0.02%
Portfolio	1.40%	= 0.40%	+ 1.02%	+ -0.02%

Brown Advisory Growth Strategy

Sector Allocation (%) vs Russell 2500 Growth
3 Months Ending September 30, 2013



Top Returning Stocks

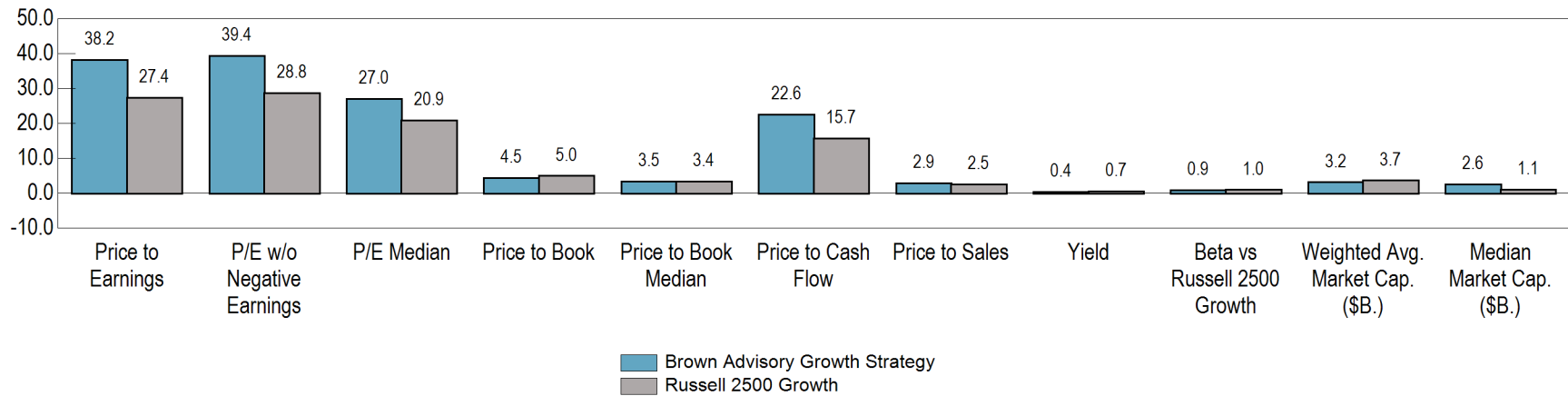
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
INCYTE (INCY)	2.73%	0.23%	1.10%	73.41%
APPLIED MICRO CIRCUITS (AMCC)	1.60%	0.05%	0.53%	46.59%
SEATTLE GENETC. (SGEN)	1.71%	0.25%	0.42%	39.32%
CONCUR TECHS. (CNQR)	1.27%	0.30%	0.26%	35.78%
HEICO (HEI)	2.16%	0.21%	0.52%	34.67%
VOLCANO (VOLC)	1.12%	0.08%	0.26%	32.10%
BROADSOFT (BSFT)	1.43%	0.06%	0.33%	30.72%
COSTAR GP. (CSGP)	2.30%	0.28%	0.48%	30.09%
SHFL ENTERTAINMENT (SHFL)	0.00%		0.31%	29.70%
ULTIMATE SOFTWARE GP. (ULTI)	1.95%	0.24%	0.36%	25.67%
Total	16.27%	1.69%		

Bottom Returning Stocks

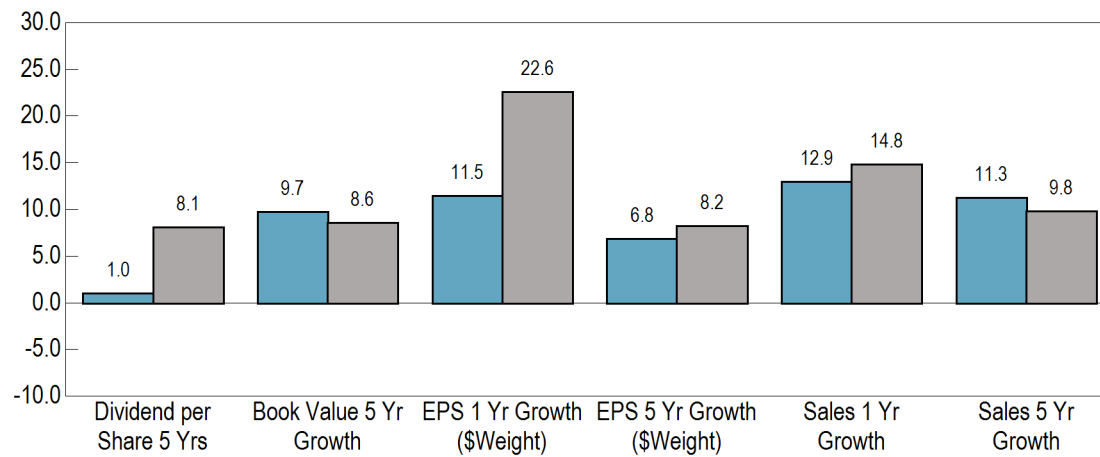
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
BJ'S RESTAURANTS (BJRI)	0.91%	0.04%	-0.22%	-22.72%
HOMEAWAY (AWAY)	2.16%	0.09%	-0.32%	-13.54%
UTI WORLDWIDE (UTIW)	1.83%	0.06%	-0.17%	-8.26%
WORLD FUEL SVS. (INT)	0.61%	0.03%	-0.11%	-6.58%
RIVERBED TECHNOLOGY (RVBD)	1.30%	0.13%	-0.06%	-6.23%
CATAMARAN (C:CCT)	0.00%		-0.05%	-5.13%
MONRO MUFFLER BRAKE (MNRO)	0.00%		-0.01%	-3.13%
VALMONT INDS. (VMI)	0.82%	0.21%	-0.02%	-2.76%
VITAMIN SHOPPE (VSI)	0.00%		0.00%	-2.43%
GENPACT (G)	1.75%	0.18%	-0.03%	-1.87%
Total	9.39%	0.75%		

Brown Advisory Growth Strategy

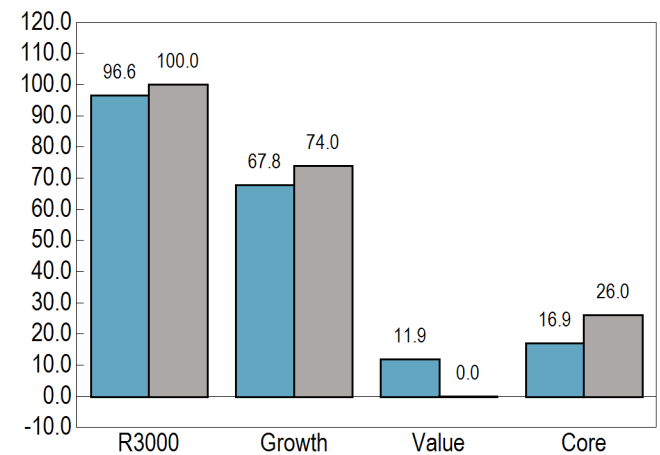
Portfolio Characteristics
Ending September 30, 2013



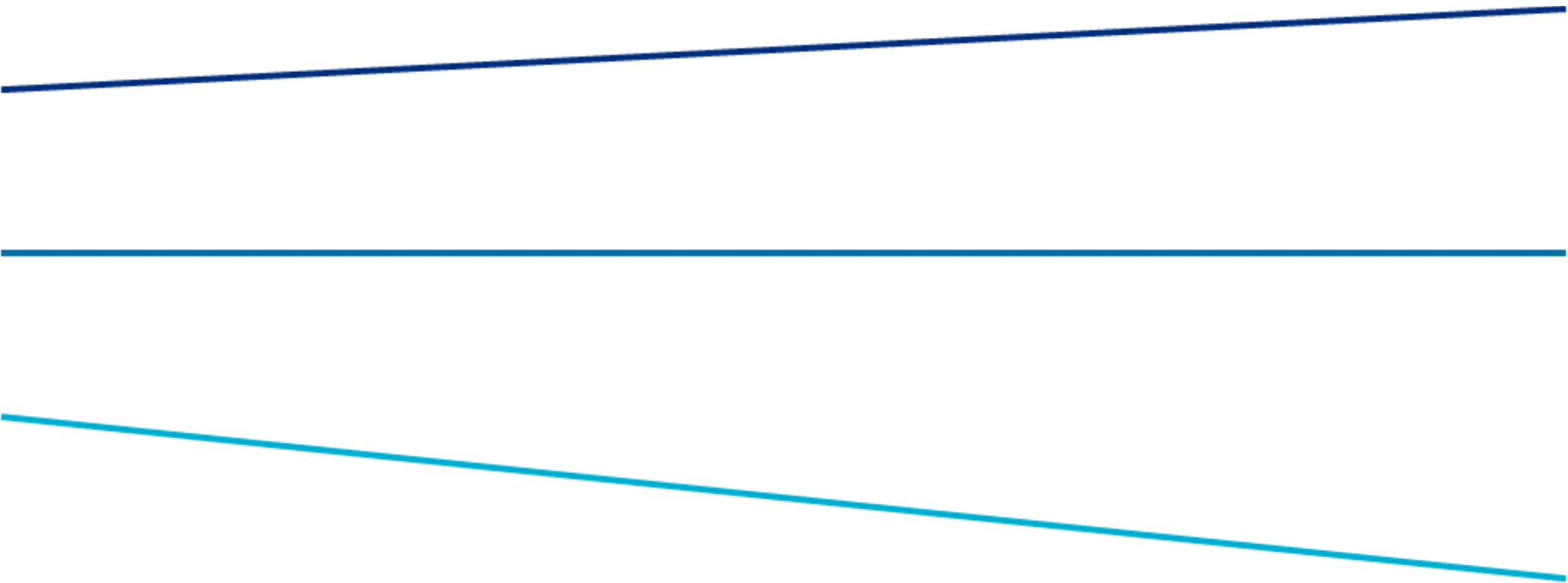
Historical Growth Measures
Ending September 30, 2013



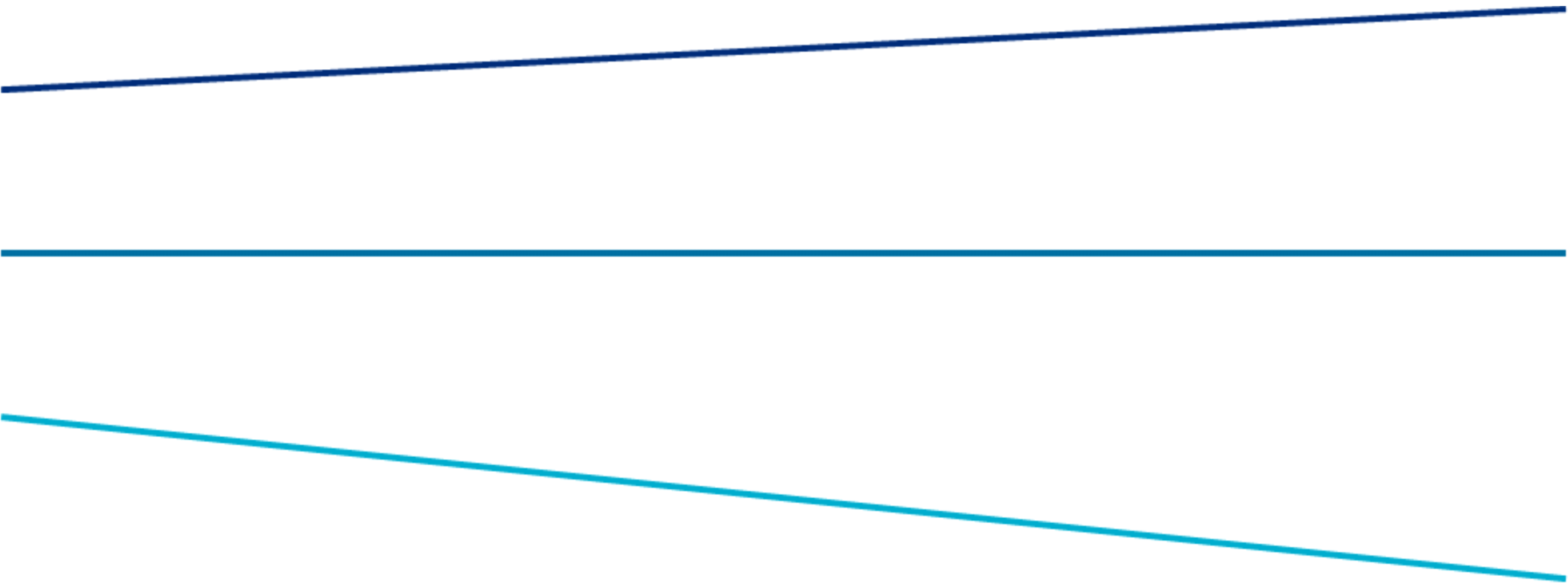
Russell Index Membership (% Equity)
Ending September 30, 2013



International Equity

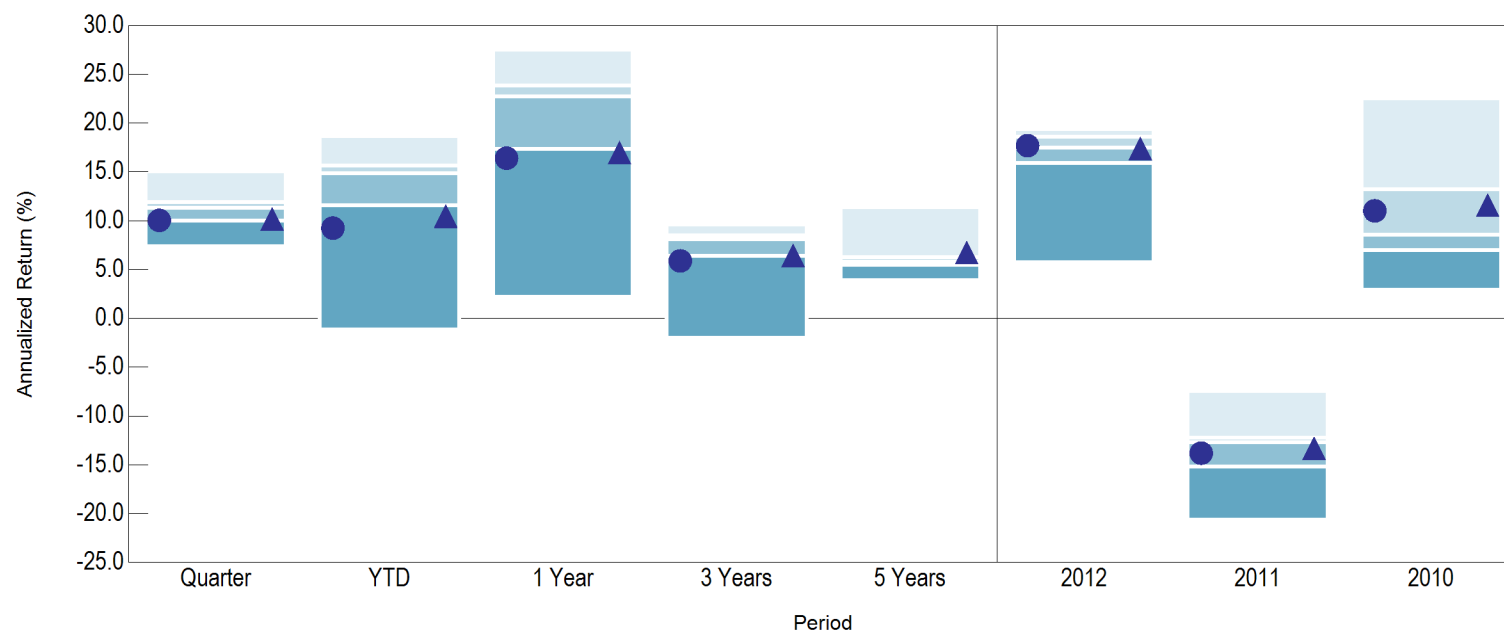


International Passive



International Passive Performance

Performance vs. Mercer Mutual Fund World ex US/EAFE Equity Index
Ending September 30, 2013



	Return (Rank)															
5th Percentile	15.0		18.7		27.5		9.6		11.3		19.3		-7.5		22.5	
25th Percentile	11.9		15.7		23.9		8.5		6.3		18.7		-12.2		13.3	
Median	11.3		14.9		22.8		8.1		5.9		17.5		-12.7		8.6	
75th Percentile	10.0		11.6		17.4		6.4		5.5		16.0		-15.1		7.1	
95th Percentile	7.4		-1.1		2.3		-1.9		3.9		5.8		-20.6		3.0	
# of Portfolios	66		65		63		46		39		54		55		53	
● International Passive	10.0	(76)	9.2	(86)	16.4	(84)	5.9	(82)	--	(--)	17.7	(46)	-13.8	(61)	11.0	(38)
▲ MSCI ACWI ex USA Gross	10.2	(74)	10.5	(80)	17.0	(79)	6.4	(75)	6.7	(16)	17.4	(54)	-13.3	(58)	11.6	(36)

Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	BlackRock - All Country World Index Fund ex-US (BGI)
Benchmark	MSCI All-Country World Index Free ex-US

Manager Philosophy and Process

The ACWI ex-US Fund is designed to replicate the total return of the Morgan Stanley Capital International (MSCI) All Country World ex-US Index (ACWI ex-US Index). The objective in managing the fund is to deliver a high quality and cost-effective index-based portfolio available to institutional investors.

To manage the fund effectively, BlackRock focuses on three objectives: minimizing transaction costs, minimizing tracking error, and minimizing risk. The ACWI ex-US Index defines the global equity asset class and covers 23 developed markets and 21 emerging markets. The index is constructed with a single, consistent methodology that eliminates the problem of double-counting countries often experienced by investors when they combine emerging and developed global strategies. BlackRock's modular country fund structure provides a flexible and straightforward means of implementing ACWI ex-US-based strategies that fit clients' specific weighting requirements. BlackRock considers a capitalization-weighted strategy as the starting point in implementing a global equity strategy.

Quarterly Attribution

For the third quarter, The Fund tracked its benchmark, MSCI ACWI ex-US.

All sectors generated positive returns. The best performing sectors were the consumer discretionary, industrials, materials and telecom sectors, while the weakest performing sectors were the consumer staples, health care, information Technology and utilities sectors

On a regional basis, the best performing countries were Greece, Finland, Spain, Italy, and Austria, while the weakest performing countries were Indonesia, Turkey, India and Chile

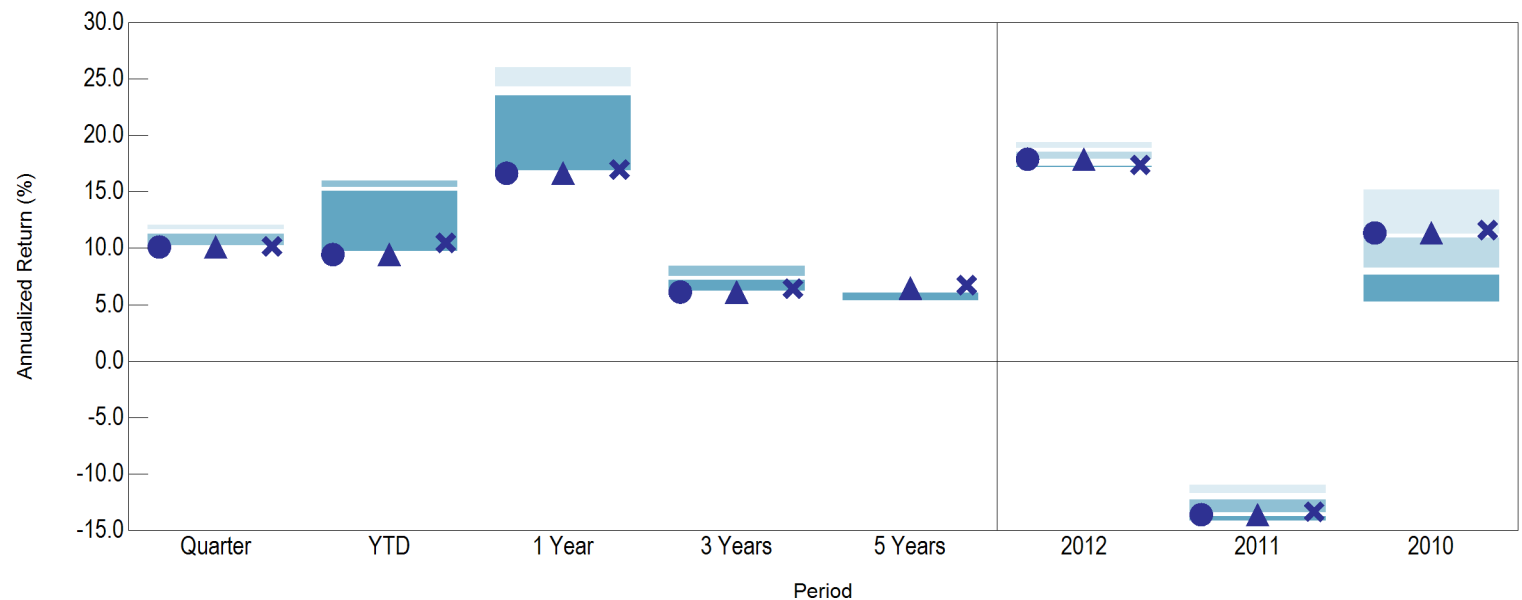
Summary Data Points

Mercer Rating: Preferred Provider
Strategy Assets (billions): \$41.4 (as of June 30, 2013)

NCSRP BlackRock ACWI ex US Fund

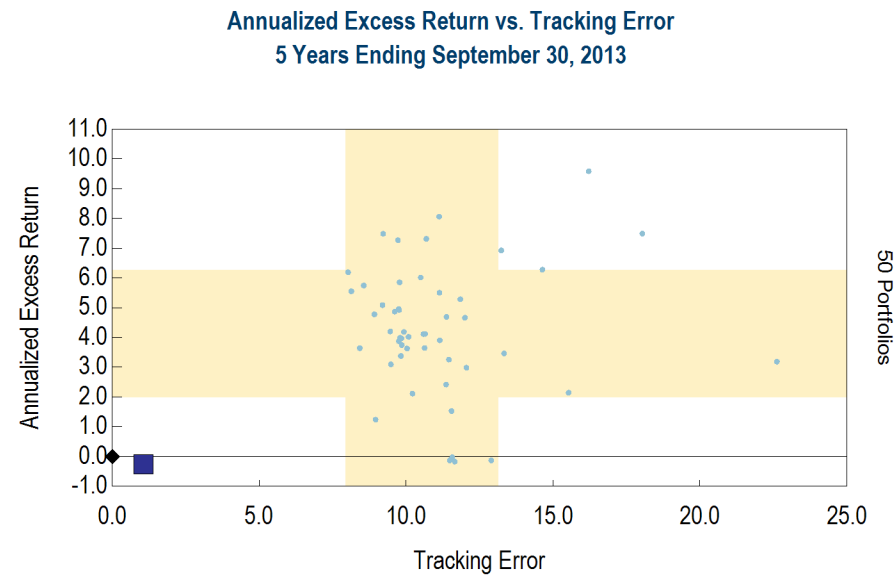
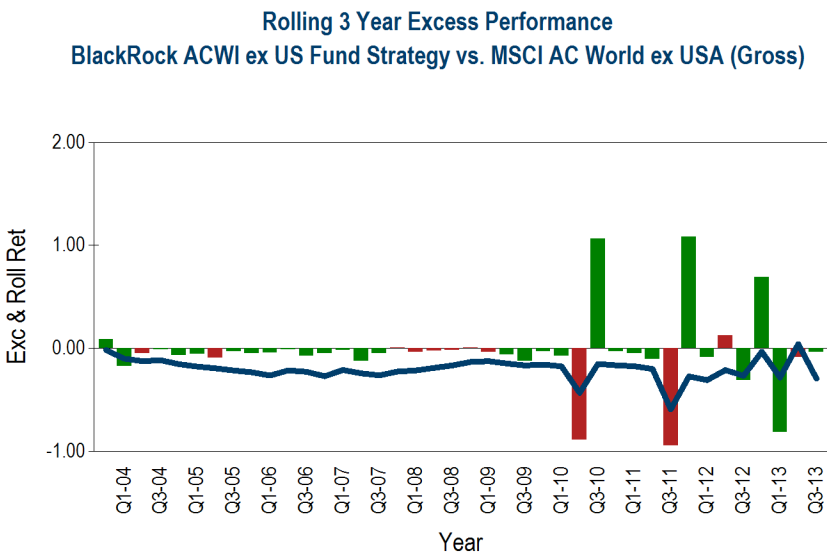
Performance

Performance vs. Mercer Instl World ex US/EAFE Equity Passive
Ending September 30, 2013



	Return (Rank)							
5th Percentile	12.2	16.4	26.2	8.9	6.7	19.6	-10.8	15.3
25th Percentile	11.5	16.3	24.2	8.7	6.5	18.7	-11.8	11.2
Median	11.5	16.2	23.9	8.7	6.5	17.8	-12.0	8.2
75th Percentile	10.1	15.3	23.7	7.4	6.3	17.5	-13.5	7.9
95th Percentile	10.0	9.6	16.8	6.1	5.2	17.0	-14.2	5.2
# of Portfolios	9	9	9	8	7	18	18	15
● NCSRP BlackRock ACWI ex US Fund	10.1 (79)	9.4 (97)	16.6 (99)	6.1 (94)	-- (--)	17.9 (40)	-13.6 (83)	11.4 (12)
▲ BlackRock ACWI ex US Fund Strategy	10.1 (77)	9.5 (97)	16.7 (99)	6.1 (94)	6.5 (47)	17.9 (40)	-13.6 (83)	11.4 (12)
✕ MSCI ACWI ex USA Gross	10.2 (75)	10.5 (88)	17.0 (88)	6.4 (85)	6.7 (4)	17.4 (79)	-13.3 (64)	11.6 (8)

BlackRock ACWI ex US Fund Strategy

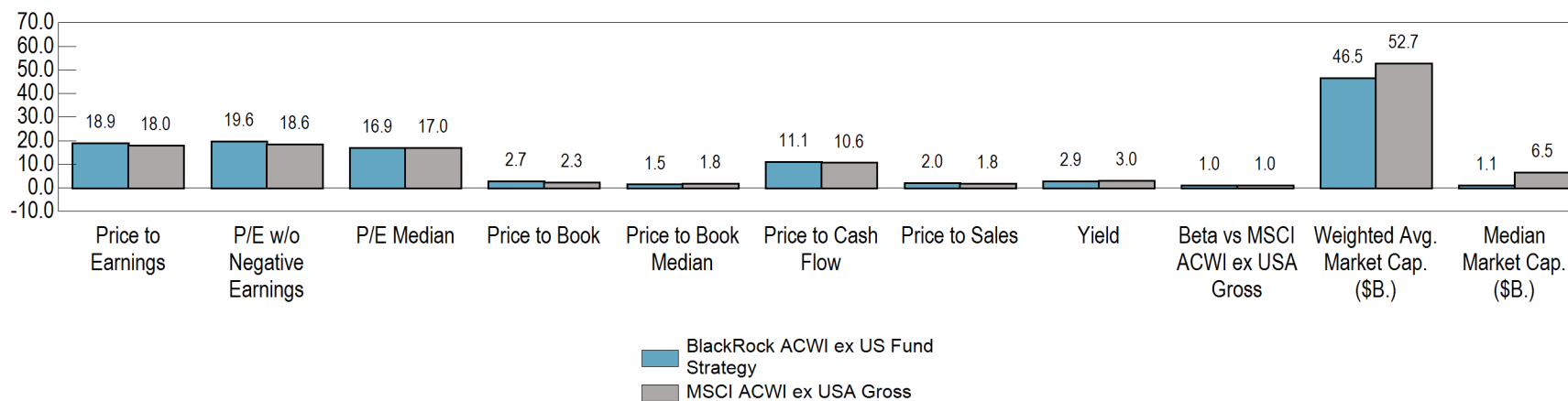


Characteristics
as of September 30, 2013

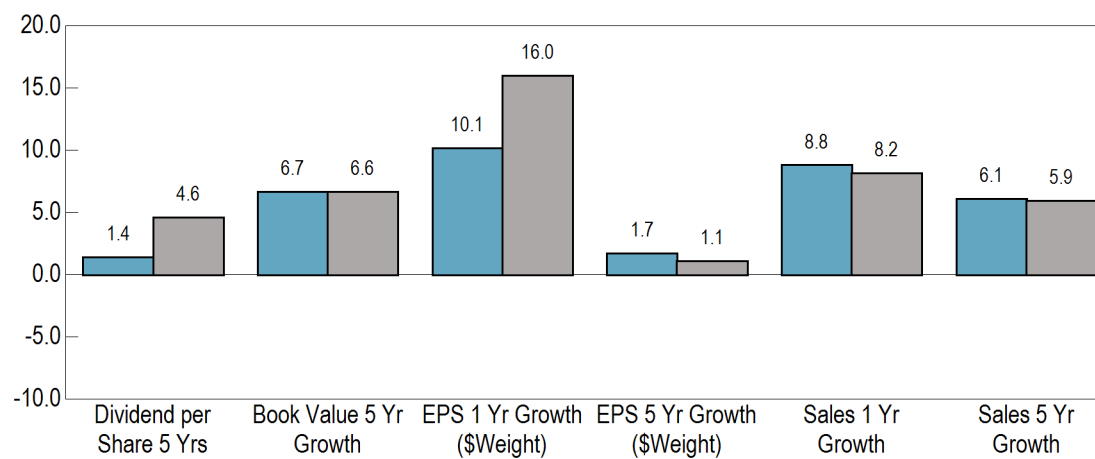
	Portfolio	MSCI ACWI ex USA Gross
PORTFOLIO CHARACTERISTICS		
Price To Earnings	18.91	18.00
P/E Excluding Negative Earnings	19.61	18.55
P/E Median	16.94	17.02
Price To Book	2.72	2.26
Price To Book Median	1.45	1.76
Price To Cash Flow	11.07	10.64
Price To Sales	2.02	1.82
Dividend Yield (%)	2.90	2.97
Weighted Ave. Market Cap. (\$B)	46.52	52.70
Median Market Cap. (\$B)	1.09	6.50
Beta	1.00	1.00

BlackRock ACWI ex US Fund Strategy

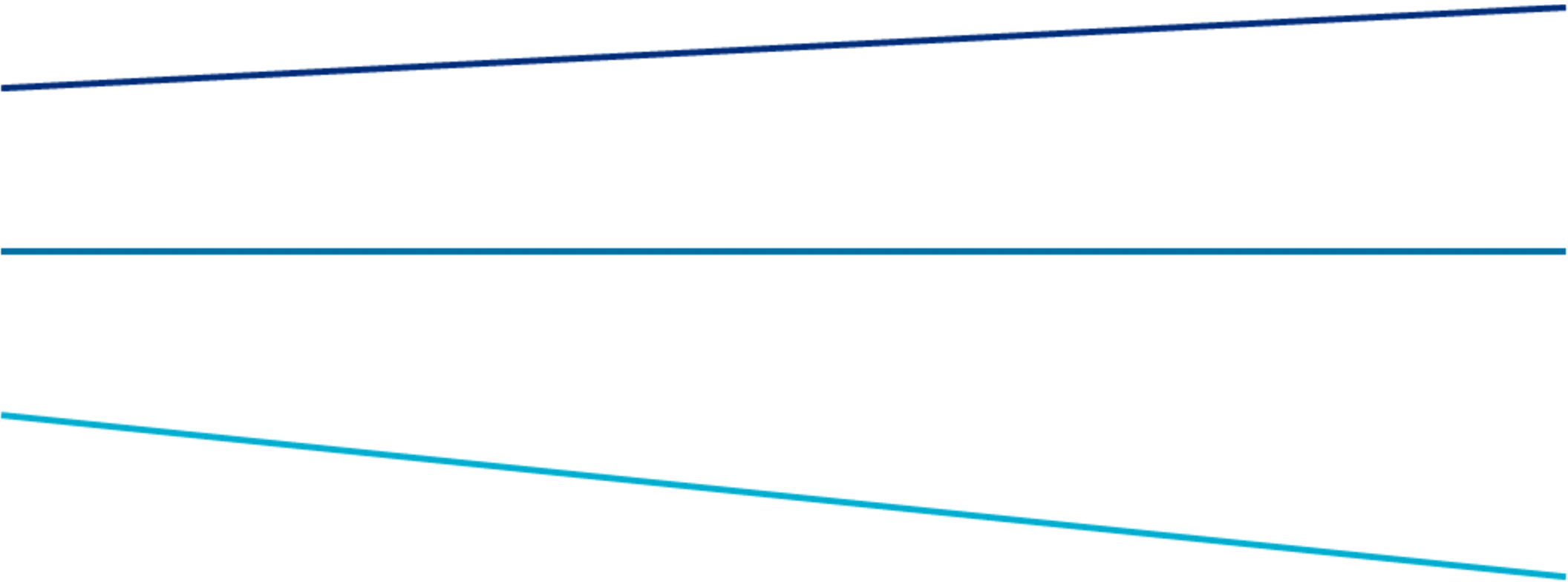
Portfolio Characteristics
Ending September 30, 2013



Historical Growth Measures
Ending September 30, 2013



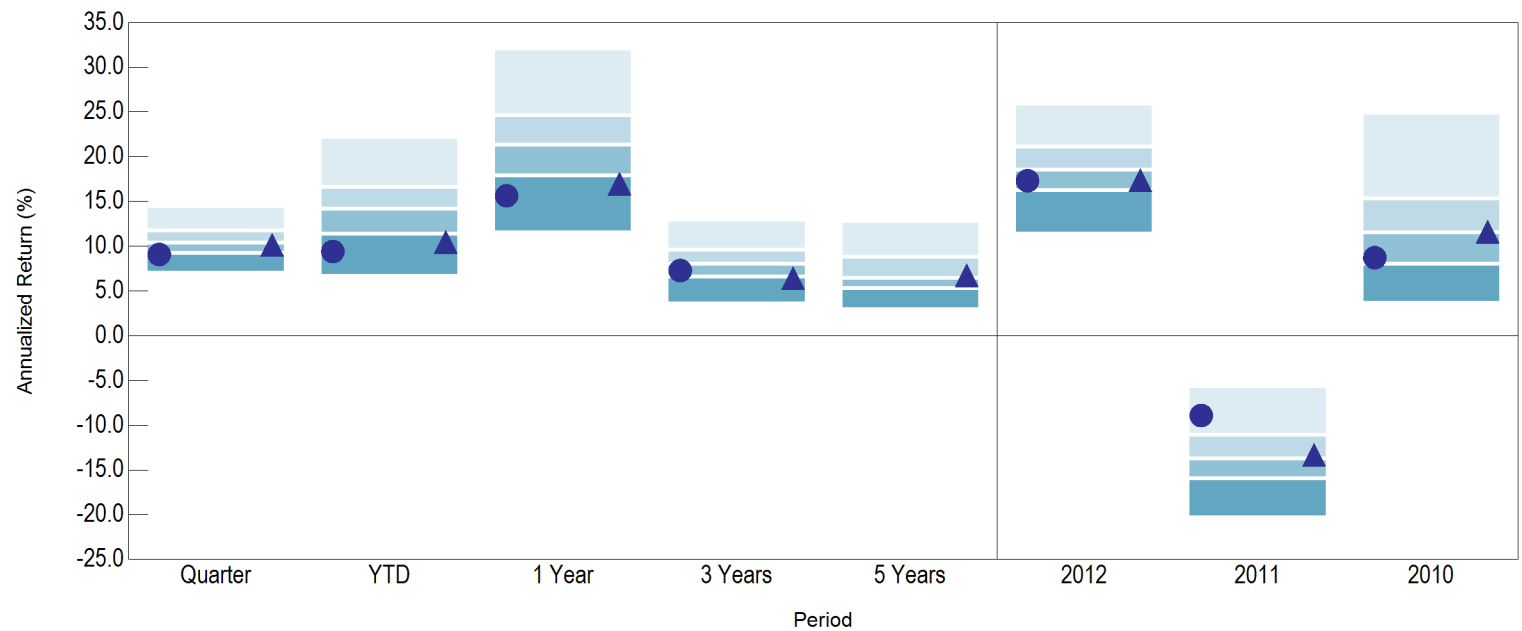
International Equity



International Equity

Performance

Performance vs. Mercer Mutual Fund World ex US/EAFE Equity
Ending September 30, 2013

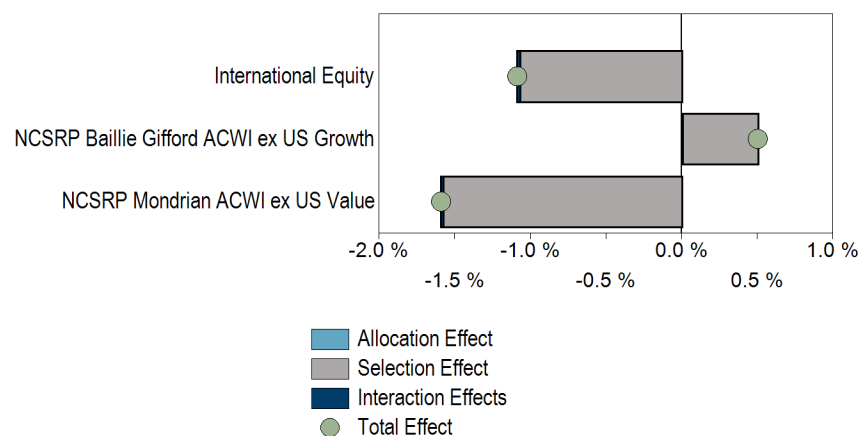


	Return (Rank)															
5th Percentile	14.4	22.2	32.0	12.9	12.8	25.9	-5.6	24.9								
25th Percentile	11.8	16.6	24.7	9.7	8.8	21.2	-11.1	15.4								
Median	10.4	14.2	21.4	8.1	6.5	18.6	-13.7	11.6								
75th Percentile	9.3	11.4	17.9	6.6	5.4	16.3	-15.9	8.1								
95th Percentile	7.1	6.7	11.6	3.6	3.0	11.4	-20.3	3.7								
# of Portfolios	423	413	405	355	324	400	404	402								
● International Equity	9.1	(78)	9.4	(88)	15.6	(88)	7.3	(64)	--	(--)	17.3	(67)	-8.9	(13)	8.7	(71)
▲ MSCI ACWI ex USA Gross	10.2	(57)	10.5	(83)	17.0	(80)	6.4	(78)	6.7	(47)	17.4	(66)	-13.3	(46)	11.6	(50)

International Equity

Attribution

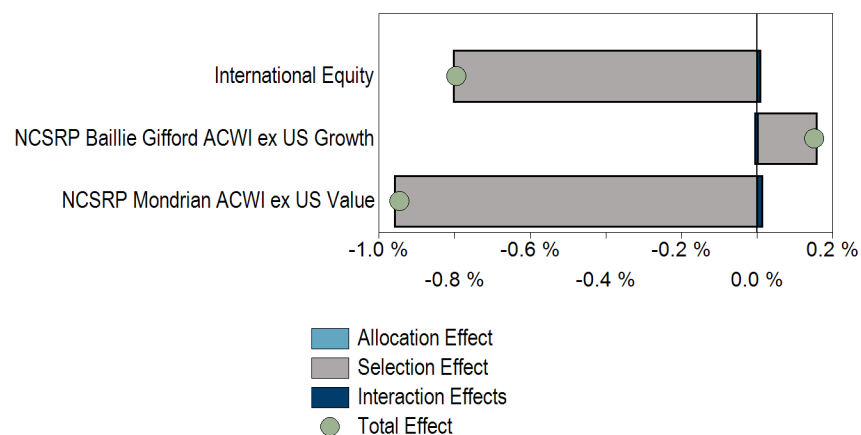
Attribution Effects
3 Months Ending September 30, 2013



Attribution Summary
3 Months Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Baillie Gifford ACWI ex US Growth	11.2%	10.2%	1.0%	0.5%	0.0%	0.0%	0.5%
NCSRP Mondrian ACWI ex US Value	7.1%	10.2%	-3.1%	-1.6%	0.0%	0.0%	-1.6%
Total	9.1%	10.2%	-1.1%	-1.1%	0.0%	0.0%	-1.1%

Attribution Effects
1 Year Ending September 30, 2013

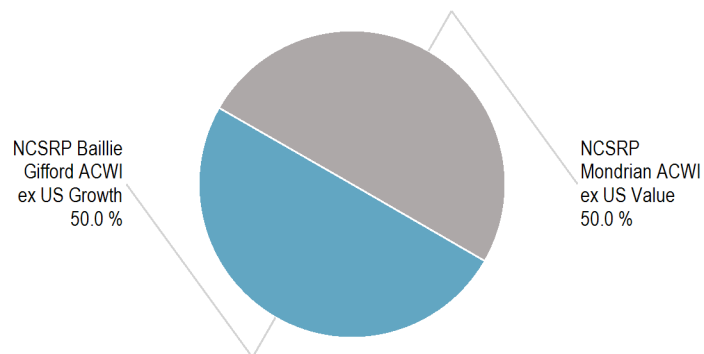


Attribution Summary
1 Year Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Baillie Gifford ACWI ex US Growth	17.3%	17.0%	0.3%	0.2%	0.0%	0.0%	0.2%
NCSRP Mondrian ACWI ex US Value	15.0%	17.0%	-2.0%	-1.0%	0.0%	0.0%	-0.9%
Total	16.2%	17.0%	-0.8%	-0.8%	0.0%	0.0%	-0.8%

International Equity

Current Allocation



Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	157	1,822
Weighted Avg. Market Cap. (\$B)	47.37	52.70
Median Market Cap. (\$B)	18.82	6.50
Price To Earnings	22.71	18.00
Price To Book	3.63	2.26
Price To Sales	2.43	1.82
Return on Equity (%)	18.75	14.61
Yield (%)	2.91	2.97
Beta	0.90	1.00
R-Squared	0.97	1.00

International Equity Performance Attribution
Versus MSCI ACWI ex USA Gross - Quarter Ending September 30, 2013

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	3.4%	7.2%	7.5%	11.4%	-0.8%	-0.1%	-0.2%	0.8%	-0.2%
Europe	13.7%	13.6%	53.2%	48.6%	0.2%	0.6%	0.1%	-0.5%	0.3%
Asia/Pacific	4.5%	7.1%	33.9%	37.6%	-0.7%	-0.1%	-0.1%	0.2%	-0.7%
Other	2.4%	5.4%	4.5%	2.3%	0.1%	-0.3%	-0.1%	0.0%	-0.3%
Cash	0.0%	--	0.9%	--	0.0%	0.0%	0.0%	-0.1%	-0.1%
Total	9.1%	10.1%	100.0%	100.0%	-1.2%	0.1%	-0.3%	0.3%	-1.0%

International Equity

Performance Attribution

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	19.0%	0.0%	0.2%	--	0.0%	--	--	0.0%
Belgium	13.3%	13.6%	0.3%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	--	13.3%	0.0%	0.1%	--	0.0%	--	--	0.0%
Denmark	18.0%	13.7%	1.6%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Finland	11.7%	26.6%	1.8%	0.6%	-0.1%	0.2%	0.1%	-0.2%	-0.1%
France	16.4%	15.6%	7.5%	7.1%	0.1%	0.0%	0.0%	0.0%	0.1%
Germany	20.2%	12.6%	6.0%	6.3%	0.5%	0.0%	0.0%	0.0%	0.4%
Greece	--	33.6%	0.0%	0.0%	--	0.0%	--	--	0.0%
Hungary*	--	-4.9%	0.0%	0.0%	--	0.0%	--	--	0.0%
Ireland	-3.5%	16.9%	0.7%	0.2%	0.0%	0.0%	0.0%	-0.1%	-0.1%
Italy	15.4%	19.5%	1.1%	1.5%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Netherlands	12.0%	14.5%	5.1%	1.9%	0.0%	0.1%	0.1%	-0.2%	0.0%
Norway	8.9%	9.2%	0.7%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	--	17.9%	0.0%	0.4%	--	0.0%	--	--	0.0%
Portugal	13.8%	11.1%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia*	10.6%	13.5%	1.6%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Spain	19.5%	25.6%	3.7%	2.3%	-0.1%	0.2%	0.1%	-0.1%	0.0%
Sweden	14.3%	15.2%	2.7%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Switzerland	6.3%	9.5%	5.2%	6.5%	-0.2%	0.0%	-0.1%	0.1%	-0.2%
United Kingdom	13.5%	12.0%	15.0%	15.6%	0.2%	0.1%	-0.1%	0.0%	0.3%
Americas									
Brazil*	2.9%	8.5%	2.1%	2.5%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Canada	1.4%	9.0%	2.1%	7.2%	-0.6%	0.1%	-0.2%	0.6%	-0.1%
Chile*	-1.8%	-5.5%	0.3%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	--	9.4%	0.0%	0.3%	--	0.0%	--	--	0.0%
Mexico*	-6.7%	-1.7%	0.8%	1.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
Peru*	0.4%	-3.7%	0.8%	0.1%	0.0%	-0.1%	0.0%	0.0%	-0.1%
United States	16.5%	5.6%	1.5%	0.0%	0.0%	-0.1%	0.0%	0.2%	0.1%

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	3.4%	12.0%	3.3%	5.7%	-0.5%	0.0%	-0.1%	0.2%	-0.3%
China*	12.1%	12.3%	4.2%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Hong Kong	13.8%	8.9%	1.3%	2.1%	0.1%	0.0%	0.0%	0.0%	0.1%
India*	-19.5%	-5.0%	0.9%	1.2%	-0.2%	0.0%	0.0%	0.0%	-0.2%
Indonesia*	-21.9%	-23.7%	0.8%	0.5%	0.0%	-0.1%	-0.1%	0.1%	-0.1%
Japan	6.2%	6.6%	11.4%	15.5%	0.0%	0.1%	0.0%	0.0%	0.1%
Korea*	16.6%	15.0%	3.1%	3.4%	0.1%	0.0%	0.0%	0.0%	0.0%
Malaysia*	0.0%	-3.0%	0.2%	0.8%	0.0%	0.1%	0.0%	-0.1%	0.1%
New Zealand	--	17.6%	0.0%	0.1%	--	0.0%	--	--	0.0%
Philippines*	2.4%	-4.4%	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	5.3%	4.6%	2.1%	1.1%	0.0%	-0.1%	0.0%	0.0%	0.0%
Taiwan*	-3.3%	3.7%	5.8%	2.4%	-0.2%	-0.1%	0.0%	-0.1%	-0.4%
Thailand*	-1.7%	-5.1%	0.4%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Other									
Egypt*	--	17.3%	0.0%	0.0%	--	0.0%	--	--	0.0%
Israel	-2.8%	2.2%	1.2%	0.3%	0.0%	-0.1%	0.0%	0.0%	-0.2%
Morocco*	--	1.1%	0.0%	0.0%	--	0.0%	--	--	0.0%
South Africa*	18.3%	9.0%	1.8%	1.6%	0.1%	0.0%	0.0%	0.0%	0.2%
Turkey*	-9.4%	-6.7%	1.4%	0.4%	0.0%	-0.2%	0.0%	0.0%	-0.2%
Other Countries*		0.0%	0.0%	0.0%					

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Developed	11.2%	11.3%	74.8%	78.9%	-0.8%	0.5%	-0.2%	0.4%	-0.1%
Emerging*	2.8%	6.0%	24.3%	21.1%	-0.3%	-0.4%	-0.1%	0.0%	-0.8%
Cash	0.0%	--	0.9%	--	0.0%	0.0%	0.0%	-0.1%	-0.1%

International Equity

Top Holdings International Equity

	Intl Fund %	Mondrian %	Baillie %	Index Weight%
PEGATRON	3.73%	2.41%		
SAMSUNG ELECTRONICS	1.83%	0.82%	2.84%	0.80%
TAIWAN SEMICON.MNFG.	1.65%	0.79%	2.51%	0.48%
UNITED OVERSEAS BANK	1.60%	1.70%	1.49%	0.12%
DEUTSCHE TELEKOM	1.45%	2.90%		0.23%
IBERDROLA	1.43%	2.86%		0.16%
TELEFONICA	1.41%	2.82%		0.37%
NASPERS	1.41%		2.81%	0.21%
NOVARTIS 'R'	1.41%	2.81%		1.01%
AHOLD KON.	1.39%	2.79%		0.10%
Total	17.31%	19.90%	9.65%	3.48%

Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	Baillie Gifford & Company - ACWI ex US Alpha (+2-3%)
Benchmark	MSCI ACWI ex US

Manager Philosophy and Process

A Portfolio Construction Group (PCG) steers the funds' overall strategy and oversees the stock selection process. The PCG comprises investors from each geographic investment department and an experienced client service director. The group takes full responsibility for the performance of the portfolio.

The PCG meets regularly to discuss the buy and sell ideas of its members from the regional teams, as well as their level of conviction in their continuing holdings. The process encourages portfolio integration and widens its focus to take account of more than regional concerns.

The PCG ensures that good ideas are fully implemented, insights shared and problems addressed. By concentrating the important decisions in a small group it produces portfolios which are more concentrated and less index aware.

The key features of the portfolio are:

- * High quality growth stocks
- * Integrated portfolio construction
- * Concentrated portfolio of 80 - 110 stocks

Current Positioning

- The portfolio is overweight Industrials and Consumer Services sectors
- Underweight positions are held in Financials, Telecommunication Services and Oil & Gas
- There is an overweight to the UK and slight underweight to developed Asia
- There is also an exposure to emerging markets

Quarterly Attribution

Positive Impact on Performance:

- The allocation to UK and emerging markets
- Stock selection and the allocation to Consumer Discretionary and Information Technology

Negative Impact on Performance:

- Stock selection in Europe ex-UK and overweight in North America
- Underweight Financials and overweight to Industrials

Manager Commentary

Portfolio Characteristics

Price/Book: 3.0

P/E: 15.5

Yield: 2.6%

Responsible Investment ESG Comment

ESG3 - The firm is a signatory to the UN Principles for Responsible Investment, and both a governance review and a statement of the firm's compliance with the UK Stewardship Code is published on Baillie Gifford's website Baillie Gifford has a dedicated corporate governance and ESG team. The governance team takes all voting decisions, and also draws on data from various voting agencies such as ISS. Although the firm has dedicated ESG resources, in our stock level discussions with portfolio managers it was not clear across the board that ESG consideration is an integral part of the investment process. We believe there is progress with respect to ESG integration and active ownership, but that this evidence of this in the day-to-day investment progress is more limited, albeit with signs for potential improvement.

Summary Data Points

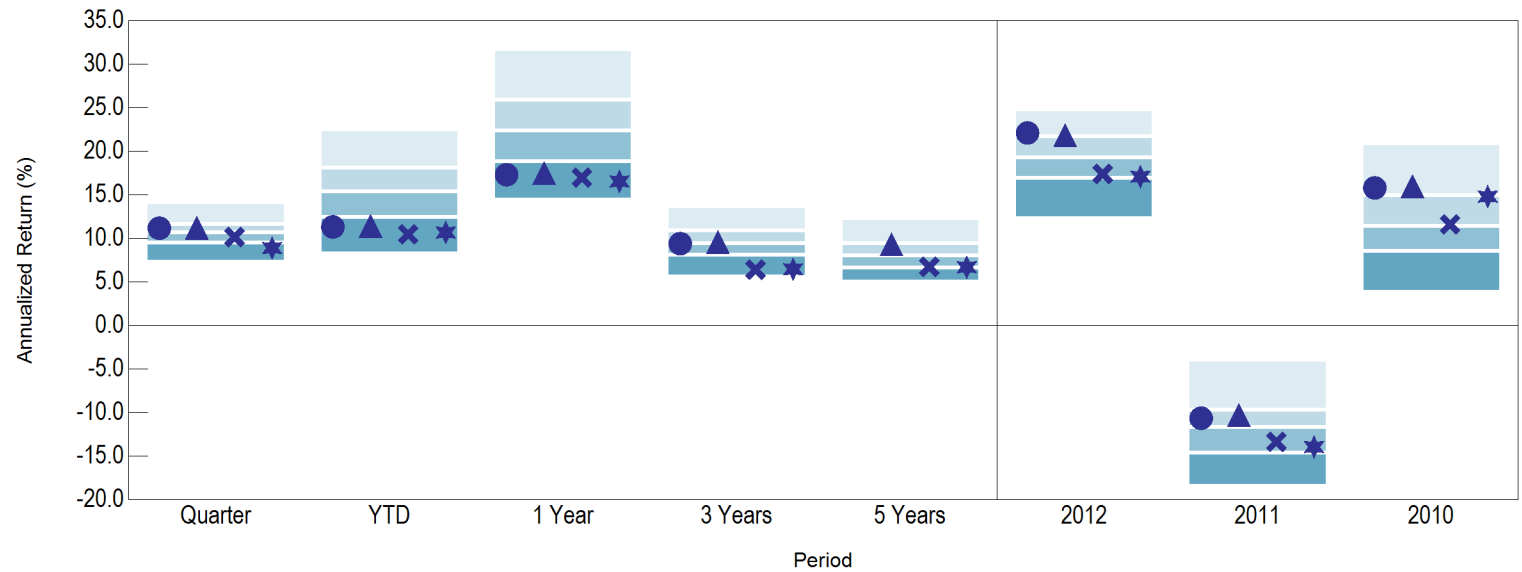
Rating: A

AUM: \$16.5 bil

NCSRP Baillie Gifford ACWI ex US Growth

Performance

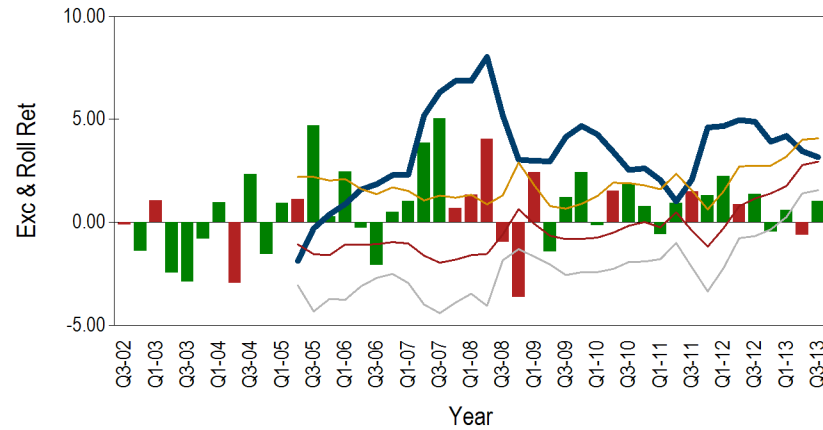
Performance vs. Mercer Instl World ex US/EAFE Equity
Ending September 30, 2013



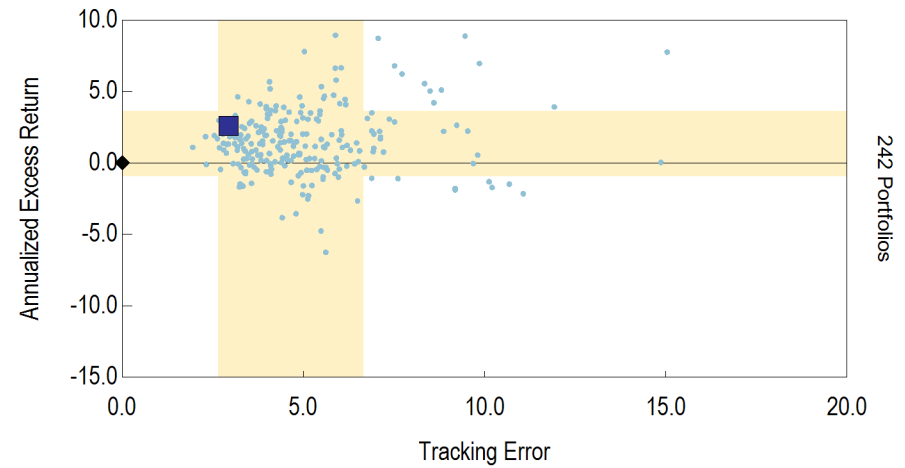
	Return (Rank)													
5th Percentile	14.2	22.5	31.7	13.6	12.3	24.7	-3.9	20.9						
25th Percentile	11.7	18.2	25.9	11.0	9.5	21.7	-9.6	15.0						
Median	10.8	15.5	22.4	9.5	8.1	19.3	-11.6	11.5						
75th Percentile	9.5	12.5	18.9	8.1	6.7	17.0	-14.5	8.6						
95th Percentile	7.4	8.3	14.5	5.7	5.1	12.4	-18.4	3.9						
# of Portfolios	311	300	295	252	242	366	357	373						
● NCSRP Baillie Gifford ACWI ex US Growth	11.2 (38)	11.3 (83)	17.3 (84)	9.4 (53)	-- (--)	22.1 (22)	-10.6 (39)	15.8 (21)						
▲ Baillie Gifford ACWI ex US Growth Strategy	11.2 (37)	11.4 (81)	17.5 (83)	9.6 (49)	9.3 (27)	21.9 (24)	-10.3 (33)	16.0 (20)						
✕ MSCI ACWI ex USA Gross	10.2 (62)	10.5 (88)	17.0 (86)	6.4 (92)	6.7 (75)	17.4 (70)	-13.3 (66)	11.6 (49)						
★ MSCI AC Wld ex US Growth Gross	8.9 (83)	10.7 (88)	16.5 (89)	6.5 (92)	6.7 (76)	17.1 (75)	-13.9 (71)	14.8 (28)						

Baillie Gifford ACWI ex US Growth Strategy

Rolling 3 Year Excess Performance
Baillie Gifford ACWI ex US Growth Strategy vs. MSCI AC World ex USA (Gross)



Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013



International Equity Performance Attribution
Versus MSCI ACWI ex USA Gross - Quarter Ending September 30, 2013

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	5.6%	7.2%	7.5%	11.4%	-1.0%	0.1%	-0.1%	1.1%	0.0%
Europe	13.5%	13.6%	56.6%	48.6%	0.0%	0.5%	0.4%	-0.7%	0.2%
Asia/Pacific	9.8%	7.1%	29.3%	37.6%	0.4%	0.7%	0.0%	-0.1%	1.0%
Other	10.1%	5.4%	4.9%	2.3%	0.1%	-0.2%	-0.1%	0.3%	0.1%
Cash	0.0%	--	1.7%	--	0.0%	0.0%	0.0%	-0.2%	-0.2%
Total	11.3%	10.1%	100.0%	100.0%	-0.5%	1.1%	0.2%	0.3%	1.1%

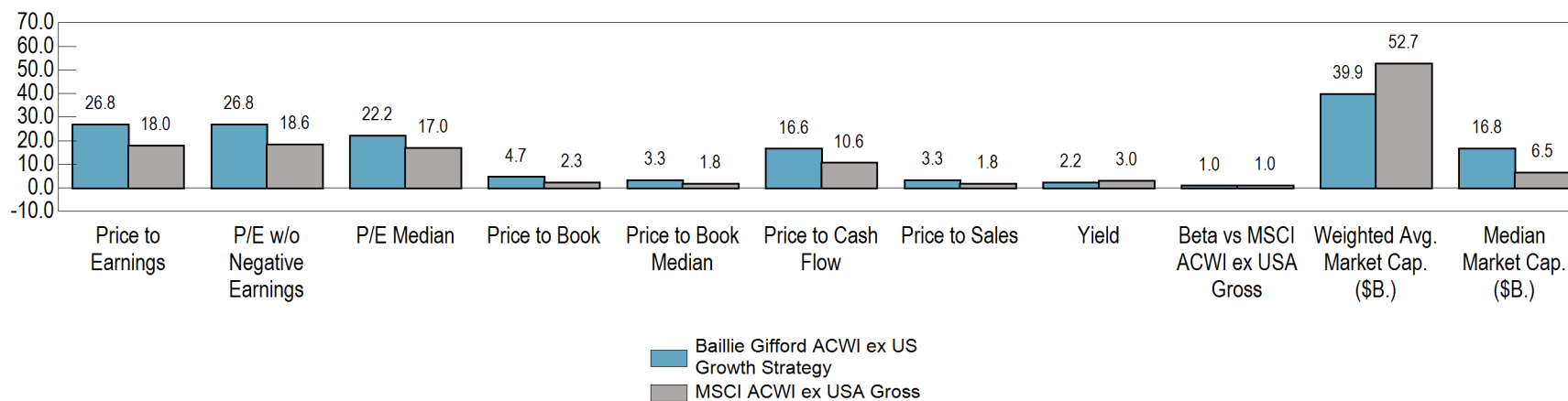
International Equity Performance Attribution

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	19.0%	0.0%	0.2%	--	0.0%	--	--	0.0%
Belgium	13.3%	13.6%	0.7%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	--	13.3%	0.0%	0.1%	--	0.0%	--	--	0.0%
Denmark	18.0%	13.7%	3.2%	0.8%	0.0%	0.0%	0.1%	0.0%	0.1%
Finland	11.7%	26.6%	3.5%	0.6%	-0.1%	0.5%	0.1%	-0.6%	0.0%
France	6.9%	15.6%	3.1%	7.1%	-0.6%	-0.2%	-0.2%	0.5%	-0.5%
Germany	19.7%	12.6%	6.2%	6.3%	0.4%	0.0%	0.0%	-0.1%	0.3%
Greece	--	33.6%	0.0%	0.0%	--	0.0%	--	--	0.0%
Hungary*	--	-4.9%	0.0%	0.0%	--	0.0%	--	--	0.0%
Ireland	-3.5%	16.9%	1.5%	0.2%	0.0%	0.1%	0.0%	-0.3%	-0.2%
Italy	--	19.5%	0.0%	1.5%	--	-0.1%	--	--	-0.1%
Netherlands	6.3%	14.5%	2.7%	1.9%	-0.2%	0.0%	0.0%	-0.1%	-0.2%
Norway	8.9%	9.2%	1.4%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	--	17.9%	0.0%	0.4%	--	0.0%	--	--	0.0%
Portugal	13.8%	11.1%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia*	7.2%	13.5%	2.2%	1.3%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Spain	25.1%	25.6%	1.7%	2.3%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Sweden	14.3%	15.2%	5.3%	2.3%	0.0%	0.2%	0.2%	-0.2%	0.1%
Switzerland	6.8%	9.5%	2.8%	6.5%	-0.2%	0.0%	-0.2%	0.3%	0.0%
United Kingdom	16.2%	12.0%	21.9%	15.6%	0.6%	0.1%	0.5%	-0.2%	1.0%
Americas									
Brazil*	-2.8%	8.5%	1.4%	2.5%	-0.3%	0.0%	0.0%	0.1%	-0.1%
Canada	-0.7%	9.0%	2.8%	7.2%	-0.7%	0.1%	-0.1%	0.6%	-0.3%
Chile*	--	-5.5%	0.0%	0.4%	--	0.1%	--	--	0.1%
Colombia*	--	9.4%	0.0%	0.3%	--	0.0%	--	--	0.0%
Mexico*	--	-1.7%	0.0%	1.1%	--	0.1%	--	--	0.1%
Peru*	0.4%	-3.7%	0.9%	0.1%	0.0%	-0.1%	0.0%	0.0%	-0.1%
United States	21.1%	5.6%	2.3%	0.0%	0.0%	-0.1%	0.0%	0.4%	0.3%

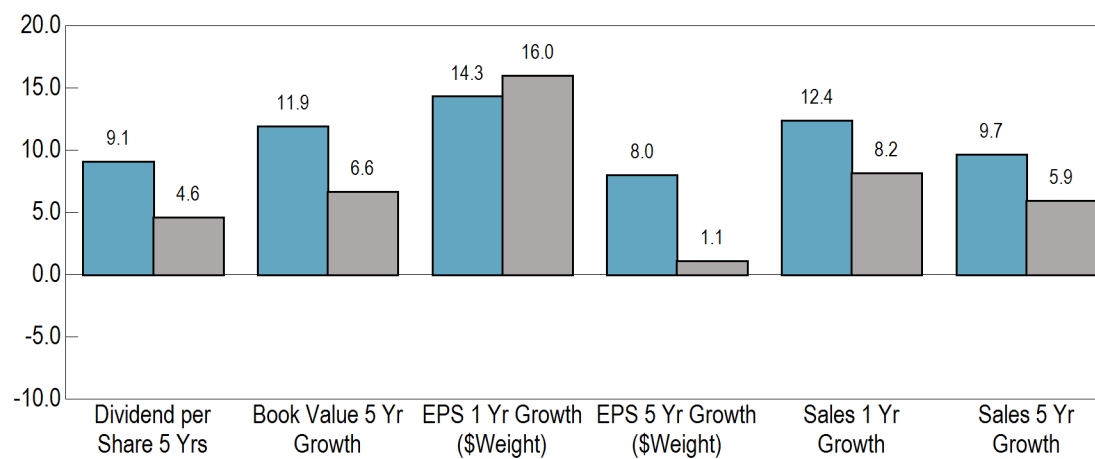
	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	2.8%	12.0%	4.1%	5.7%	-0.5%	0.0%	0.0%	0.1%	-0.4%
China*	15.8%	12.3%	4.6%	4.1%	0.1%	0.0%	0.0%	0.0%	0.2%
Hong Kong	9.0%	8.9%	2.2%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	-33.5%	-5.0%	0.4%	1.2%	-0.4%	0.1%	0.0%	0.2%	-0.1%
Indonesia*	--	-23.7%	0.0%	0.5%	--	0.2%	--	--	0.2%
Japan	13.8%	6.6%	8.8%	15.5%	1.2%	0.2%	-0.1%	-0.4%	0.9%
Korea*	19.5%	15.0%	4.4%	3.4%	0.2%	0.0%	0.0%	0.0%	0.2%
Malaysia*	--	-3.0%	0.0%	0.8%	--	0.1%	--	--	0.1%
New Zealand	--	17.6%	0.0%	0.1%	--	0.0%	--	--	0.0%
Philippines*	--	-4.4%	0.0%	0.2%	--	0.0%	--	--	0.0%
Singapore	6.2%	4.6%	1.5%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	-1.1%	3.7%	3.3%	2.4%	-0.1%	-0.1%	0.0%	-0.1%	-0.3%
Thailand*	--	-5.1%	0.0%	0.5%	--	0.1%	--	--	0.1%
Other									
Egypt*	--	17.3%	0.0%	0.0%	--	0.0%	--	--	0.0%
Israel	--	2.2%	0.0%	0.3%	--	0.0%	--	--	0.0%
Morocco*	--	1.1%	0.0%	0.0%	--	0.0%	--	--	0.0%
South Africa*	18.3%	9.0%	3.5%	1.6%	0.1%	0.0%	0.0%	0.2%	0.3%
Turkey*	-7.3%	-6.7%	1.4%	0.4%	0.0%	-0.2%	0.0%	0.0%	-0.2%
Other Countries*		0.0%	0.0%	0.0%					
	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Developed	12.4%	11.3%	76.2%	78.9%	0.0%	0.6%	0.2%	0.0%	0.8%
Emerging*	8.7%	6.0%	22.1%	21.1%	-0.5%	0.5%	0.0%	0.5%	0.6%
Cash	0.0%	--	1.7%	--	0.0%	0.0%	0.0%	-0.2%	-0.2%

Baillie Gifford ACWI ex US Growth Strategy

Portfolio Characteristics
Ending September 30, 2013



Historical Growth Measures
Ending September 30, 2013



Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	Mondrian Investment Partners - Focused All Countries World Ex-US Equity
Benchmark	MSCI ACW Ex-US Index

Manager Philosophy and Process

Investment Philosophy

Mondrian is a long-term, value-oriented manager. Mondrian aims to add value through both top-down country allocation and bottom-up stock selection decisions. Over the long term, the manager expects stock selection to account for most of the excess return relative to the index. Mondrian favors countries, and securities within countries, offering the most attractive forecast real returns. These estimates are based on long-term forecasts of dividend payments discounted to present value (i.e. a dividend discount model approach).

Investment Process

Country level forecasts are derived from estimates of growth in output, earnings and cash earnings. Output forecasts are based primarily on long-term estimates of employment and productivity growth. Earnings growth is linked to forecast economic growth. Cash earnings are derived from corporate earnings on the basis that dividend payout ratios tend to revert to the mean over the long-run, subject to adjustments for anomalies, such as changes in fiscal policy. Finally, estimated cash earnings are adjusted to account for domestic inflation. These forecasts are coupled with currency analysis. This is based mainly on studies of long-term purchasing power parity. Return and currency forecasts are translated into a range of possible country allocations with the help of a proprietary optimization program. The final allocation decisions are taken by the Equity Strategy Committee (ESC). These decisions are not forced, in the sense that the ability to implement the allocation depends on the ability of the stock research teams to identify appropriate investment opportunities in their regions. At the stock level, Mondrian carries out database screening on basic value criteria such as price/book, price/earnings, price/cash flow and dividend yield as well as liquidity factors, so that the research effort is focused on a small number of ideas which can add the greatest value. *The Focused International strategy has a minimum market cap cut off of \$6.5bn. This is adjusted regularly to take into account a universe which accounts for 75%-80% of the capitalization of each country.*

Current Positioning

- Mondrian believes that the Australian dollar has been and will continue to be weak, and maintains a defensive hedge out of the Australian dollar
- The strategy holds overweight positions in selected European markets and an underweight position in Canada
- From a sector standpoint, the portfolio is overweight telecommunication services, utilities, and health care, while being underweight materials and financials

Manager Commentary

Quarterly Attribution

Positive Impact on Performance:

- Overweight positions in France and Spain
- Security selection in Germany and France
- Security selection within the telecommunication services sector
- Underweight position in the Japanese yen
- Stocks contributing to performance included Orange, Banco Santander, and Daimler

Negative Impact on Performance:

- Overweight exposures to Israel and Indonesia
- Stock selection in Japan and the UK
- Overweight positions in the consumer staples and health care sectors
- Security selection within the health care and financials sectors
- Overweight position in the Singaporean dollar
- Stocks detracting from performance included Kao, Teva Pharmaceutical and Canon

Portfolio Characteristics

Number of holdings: 81

Median Market Capitalization (\$MM): \$26,318

Weighted Average Market Capitalization (\$MM): \$62,574

P/E ratio: 13.2x

P/B ratio: 1.7x

Turnover: 18.4%

% cash: 1.6%

Responsible Investment ESG Comment

ESG3 - Mondrian's focus on "quality" and their long-term outlook makes it more likely to lead them to well managed companies with strong ESG records. This is not however an explicit focus of the research, although we are told ESG factors are commented on in research notes produced by the analysts when applicable. Whilst there is a good understanding of ESG factors, and their long term approach to investing is aligned to that, there was little to suggest it was incorporated into the process when selecting stocks. There is no evidence that Mondrian are looking to change this. It is clear that Mondrian will engage with management when it makes sense, and if necessary will talk to other shareholders. They are however keen to emphasise that they are not an activist investor. They gave the example of Carrefour. Mondrain did state that they had now signed up to ISS's ESG ratings, but they are not a signatory of the UN PRI.

Summary Data Points

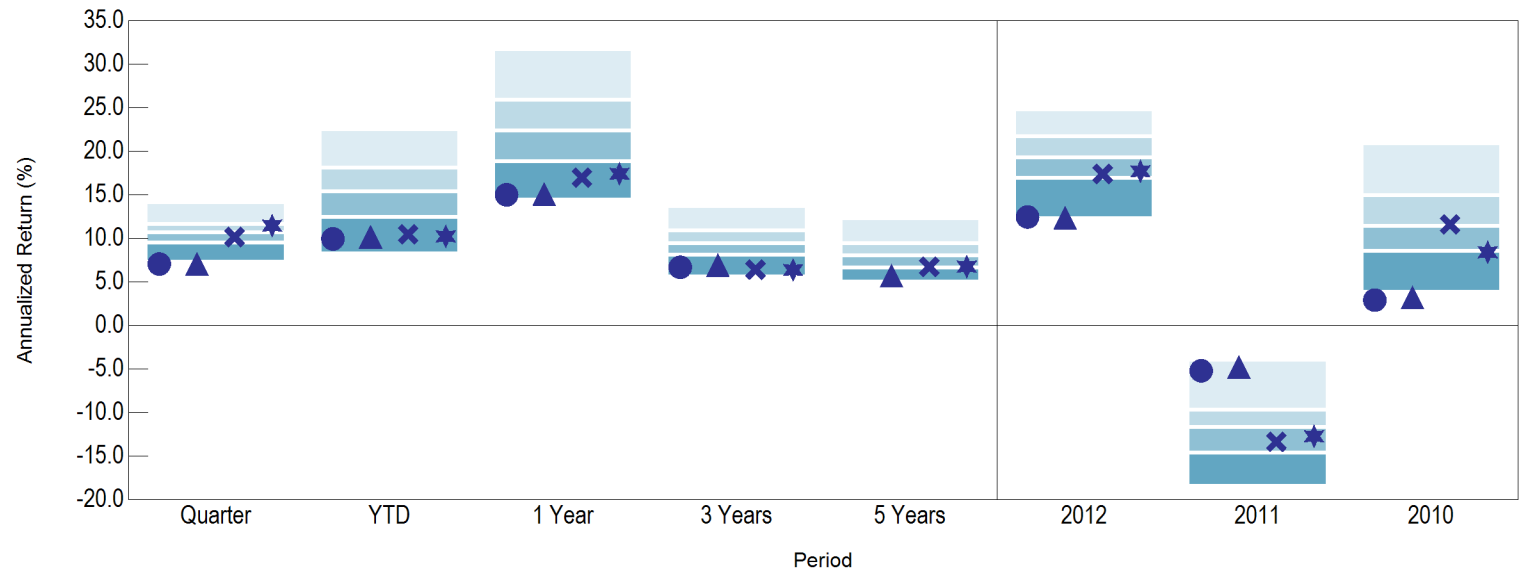
Mercer Rating: B+

Strategy Assets (\$B): \$1.5

NCSRP Mondrian ACWI ex US Value

Performance

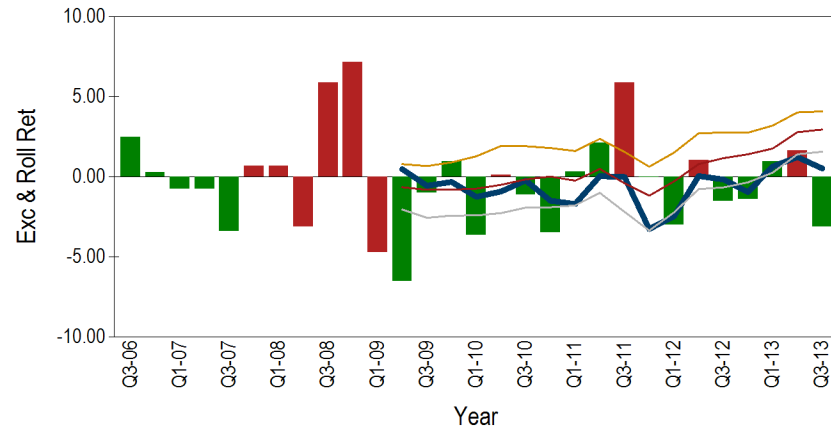
Performance vs. Mercer Instl World ex US/EAFE Equity
Ending September 30, 2013



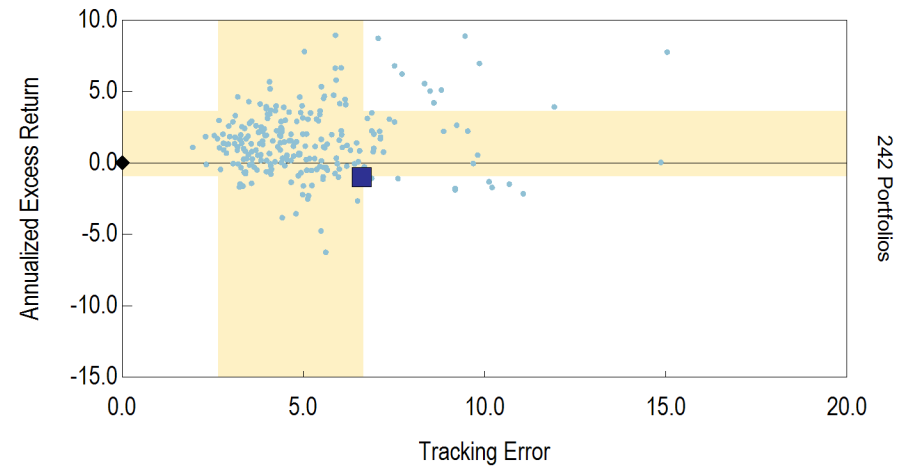
	Return (Rank)															
5th Percentile	14.2		22.5		31.7		13.6		12.3		24.7		-3.9		20.9	
25th Percentile	11.7		18.2		25.9		11.0		9.5		21.7		-9.6		15.0	
Median	10.8		15.5		22.4		9.5		8.1		19.3		-11.6		11.5	
75th Percentile	9.5		12.5		18.9		8.1		6.7		17.0		-14.5		8.6	
95th Percentile	7.4		8.3		14.5		5.7		5.1		12.4		-18.4		3.9	
# of Portfolios	311		300		295		252		242		366		357		373	
● NCSRP Mondrian ACWI ex US Value	7.1	(97)	9.9	(92)	15.0	(95)	6.7	(90)	--	(--)	12.4	(95)	-5.2	(8)	2.9	(98)
▲ Mondrian ACWI ex US Value Strategy	7.1	(97)	10.2	(91)	15.1	(94)	6.9	(87)	5.7	(91)	12.4	(96)	-4.8	(7)	3.2	(98)
✕ MSCI ACWI ex USA Gross	10.2	(62)	10.5	(88)	17.0	(86)	6.4	(92)	6.7	(75)	17.4	(70)	-13.3	(66)	11.6	(49)
★ MSCI AC Wld Ex US Value Gross	11.5	(31)	10.2	(89)	17.4	(84)	6.4	(93)	6.8	(75)	17.7	(68)	-12.7	(61)	8.4	(79)

Mondrian ACWI ex US Value Strategy

Rolling 3 Year Excess Performance
Mondrian ACWI ex US Value Strategy vs. MSCI AC World ex USA (Gross)



Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013



International Equity Performance Attribution
Versus MSCI ACWI ex USA Gross - Quarter Ending September 30, 2013

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	1.5%	7.2%	7.6%	11.4%	-0.3%	-0.2%	-0.2%	0.3%	-0.4%
Europe	14.1%	13.6%	49.8%	48.6%	-0.1%	0.6%	0.0%	-0.2%	0.4%
Asia/Pacific	0.4%	7.1%	38.5%	37.6%	-1.5%	-0.9%	-0.4%	0.3%	-2.5%
Other	-5.8%	5.4%	4.1%	2.3%	0.0%	-0.4%	-0.1%	-0.2%	-0.6%
Cash	--	--	--	0.0%	--	--	--	--	--
Total	7.1%	10.2%	100.0%	100.0%	-2.0%	-0.9%	-0.6%	0.3%	-3.1%

Mondrian ACWI ex US Value Strategy

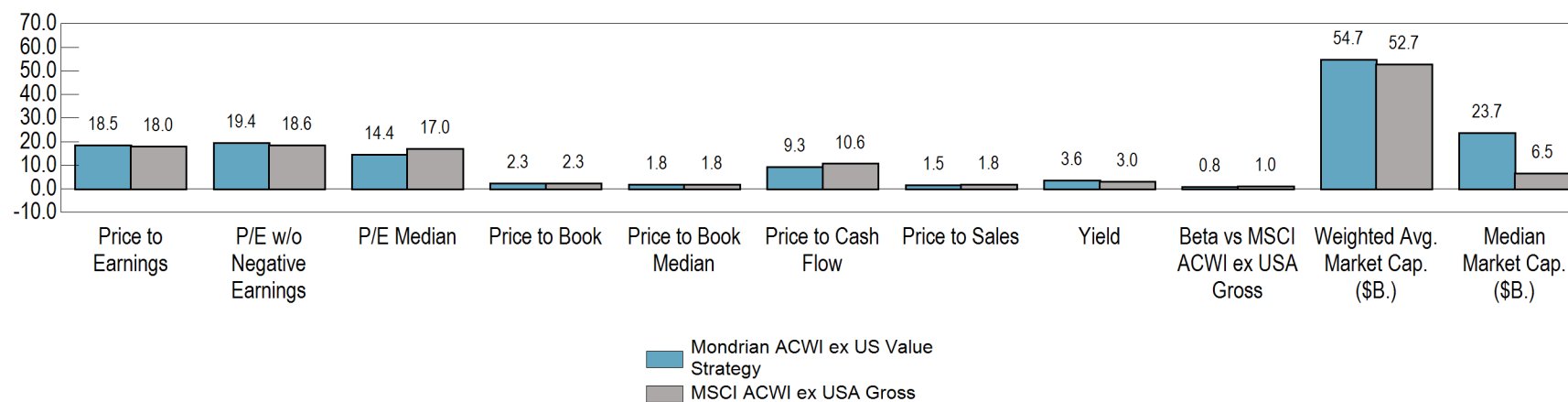
International Equity Performance Attribution

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	19.0%	0.0%	0.2%	--	0.0%	--	--	0.0%
Belgium	--	13.6%	0.0%	0.8%	--	0.0%	--	--	0.0%
Czech Republic*	--	13.3%	0.0%	0.1%	--	0.0%	--	--	0.0%
Denmark	--	13.7%	0.0%	0.8%	--	0.0%	--	--	0.0%
Finland	--	26.6%	0.0%	0.6%	--	-0.1%	--	--	-0.1%
France	19.2%	15.6%	11.9%	7.1%	0.2%	0.3%	0.2%	-0.1%	0.6%
Germany	21.4%	12.6%	5.8%	6.3%	0.5%	0.0%	0.0%	0.0%	0.5%
Greece	--	33.6%	0.0%	0.0%	--	0.0%	--	--	0.0%
Hungary*	--	-4.9%	0.0%	0.0%	--	0.0%	--	--	0.0%
Ireland	--	16.9%	0.0%	0.2%	--	0.0%	--	--	0.0%
Italy	15.4%	19.5%	2.1%	1.5%	-0.1%	0.0%	0.0%	0.0%	0.0%
Netherlands	14.3%	14.5%	7.5%	1.9%	0.0%	0.2%	0.3%	-0.3%	0.2%
Norway	--	9.2%	0.0%	0.6%	--	0.0%	--	--	0.0%
Poland*	--	17.9%	0.0%	0.4%	--	0.0%	--	--	0.0%
Portugal	--	11.1%	0.0%	0.1%	--	0.0%	--	--	0.0%
Russia*	19.3%	13.5%	1.0%	1.3%	0.1%	0.0%	0.0%	0.0%	0.0%
Spain	18.0%	25.6%	5.7%	2.3%	-0.1%	0.4%	0.1%	-0.3%	0.1%
Sweden	--	15.2%	0.0%	2.3%	--	-0.1%	--	--	-0.1%
Switzerland	6.0%	9.5%	7.6%	6.5%	-0.2%	0.0%	0.0%	-0.1%	-0.3%
United Kingdom	8.6%	12.0%	8.0%	15.6%	-0.5%	0.0%	-0.6%	0.7%	-0.5%
Americas									
Brazil*	5.2%	8.5%	2.9%	2.5%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Canada	6.2%	9.0%	1.3%	7.2%	-0.2%	0.1%	-0.2%	0.4%	0.0%
Chile*	-1.8%	-5.5%	0.5%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	--	9.4%	0.0%	0.3%	--	0.0%	--	--	0.0%
Mexico*	-6.7%	-1.7%	1.5%	1.1%	-0.1%	-0.1%	0.0%	0.0%	-0.2%
Peru*	0.4%	-3.7%	0.6%	0.1%	0.0%	-0.1%	0.0%	0.0%	-0.1%
United States	3.4%	5.6%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%

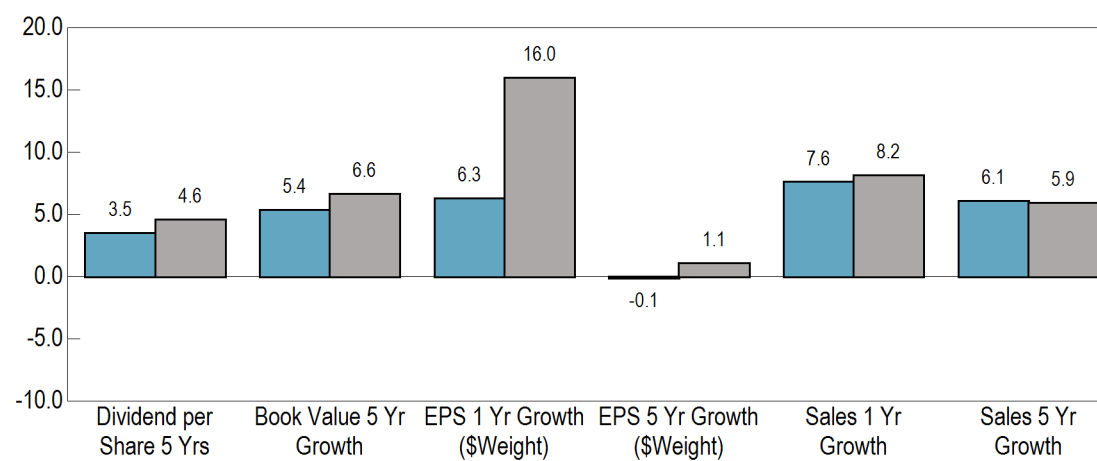
	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	4.4%	12.0%	2.6%	5.7%	-0.4%	0.0%	-0.1%	0.3%	-0.3%
China*	6.9%	12.3%	3.7%	4.1%	-0.2%	0.0%	0.0%	0.0%	-0.2%
Hong Kong	31.2%	8.9%	0.4%	2.1%	0.5%	0.0%	0.0%	-0.3%	0.2%
India*	-15.0%	-5.0%	1.5%	1.2%	-0.1%	-0.1%	0.0%	-0.1%	-0.3%
Indonesia*	-21.9%	-23.7%	1.5%	0.5%	0.0%	-0.5%	-0.2%	0.2%	-0.5%
Japan	1.5%	6.6%	14.1%	15.5%	-0.8%	0.0%	0.0%	0.1%	-0.7%
Korea*	9.9%	15.0%	1.7%	3.4%	-0.2%	-0.1%	-0.1%	0.2%	-0.2%
Malaysia*	0.0%	-3.0%	0.5%	0.8%	0.0%	0.1%	0.0%	-0.1%	0.1%
New Zealand	--	17.6%	0.0%	0.1%	--	0.0%	--	--	0.0%
Philippines*	2.4%	-4.4%	0.6%	0.2%	0.0%	-0.1%	0.0%	0.0%	0.0%
Singapore	4.7%	4.6%	2.8%	1.1%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Taiwan*	-5.9%	3.7%	8.2%	2.4%	-0.3%	-0.1%	0.0%	-0.1%	-0.5%
Thailand*	-1.7%	-5.1%	0.9%	0.5%	0.0%	-0.1%	0.0%	0.0%	0.0%
Other									
Egypt*	--	17.3%	0.0%	0.0%	--	0.0%	--	--	0.0%
Israel	-2.8%	2.2%	2.5%	0.3%	0.0%	-0.2%	0.0%	-0.1%	-0.3%
Morocco*	--	1.1%	0.0%	0.0%	--	0.0%	--	--	0.0%
South Africa*	--	9.0%	0.0%	1.6%	--	0.0%	--	--	0.0%
Turkey*	-11.6%	-6.7%	1.4%	0.4%	0.0%	-0.2%	0.0%	0.0%	-0.3%
Other Countries*		0.0%	0.0%	0.0%					

Mondrian ACWI ex US Value Strategy

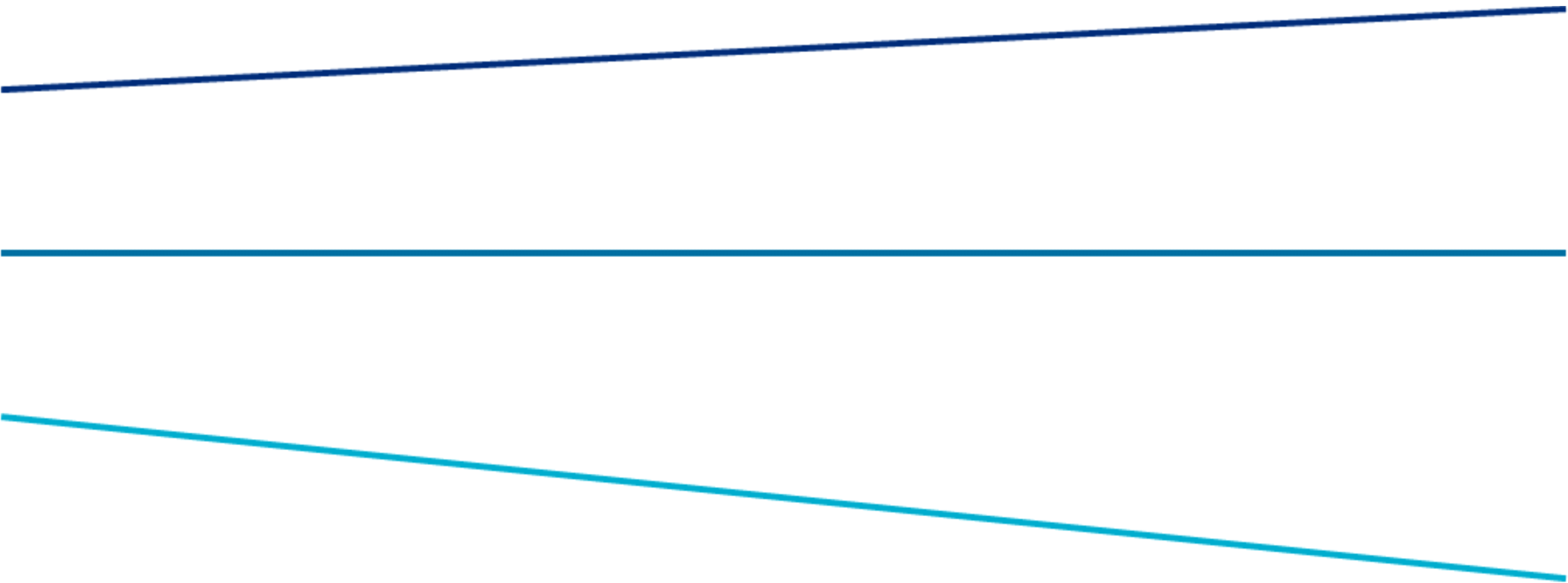
Portfolio Characteristics
Ending September 30, 2013



Historical Growth Measures
Ending September 30, 2013



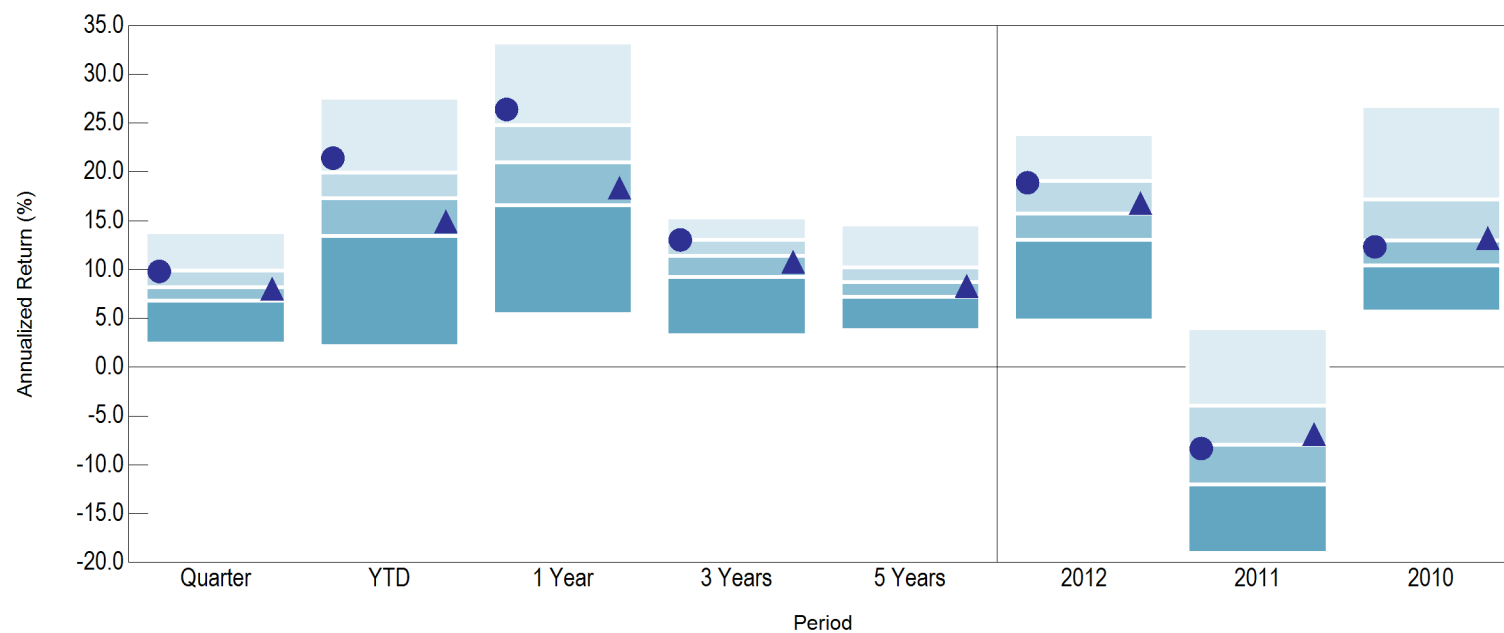
Global Equity



Global Equity

Performance

Performance vs. Mercer Mutual Fund Global Equity
Ending September 30, 2013

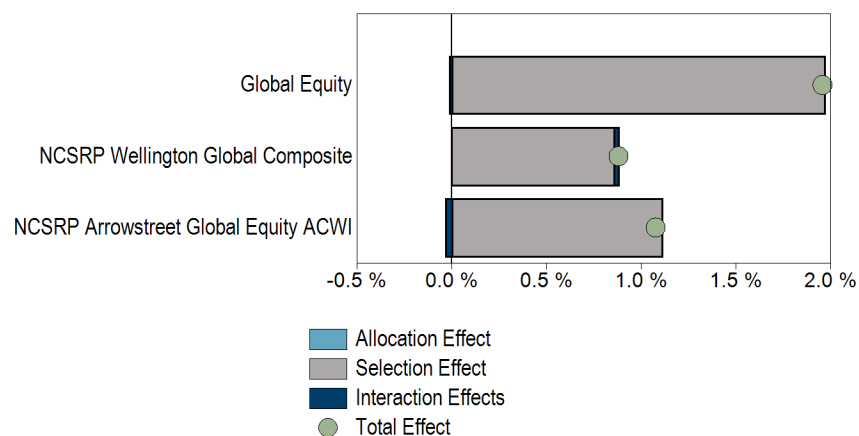


	Return (Rank)							
5th Percentile	13.8	27.6	33.2	15.3	14.6	23.8	3.9	26.7
25th Percentile	10.0	19.9	24.8	13.1	10.3	19.1	-3.9	17.2
Median	8.2	17.3	21.0	11.4	8.7	15.7	-7.9	13.0
75th Percentile	6.8	13.5	16.6	9.3	7.2	13.1	-12.0	10.4
95th Percentile	2.5	2.2	5.5	3.3	3.8	4.8	-19.0	5.8
# of Portfolios	267	254	245	181	149	232	223	189
● Global Equity	9.8 (29)	21.4 (20)	26.4 (20)	13.0 (27)	-- (--)	18.9 (27)	-8.3 (54)	12.3 (55)
▲ MSCI ACWI Gross	8.0 (54)	14.9 (68)	18.4 (68)	10.8 (57)	8.3 (58)	16.8 (42)	-6.9 (43)	13.2 (48)

Global Equity

Attribution

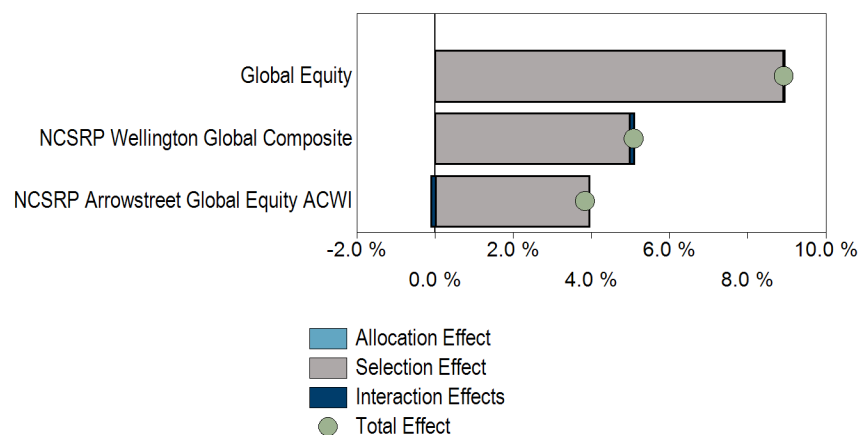
Attribution Effects
3 Months Ending September 30, 2013



Attribution Summary
3 Months Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Wellington Global Composite	9.7%	8.0%	1.7%	0.9%	0.0%	0.0%	0.9%
NCSRP Arrowstreet Global Equity ACWI	10.2%	8.0%	2.2%	1.1%	0.0%	0.0%	1.1%
Total	10.0%	8.0%	2.0%	2.0%	0.0%	0.0%	2.0%

Attribution Effects
1 Year Ending September 30, 2013

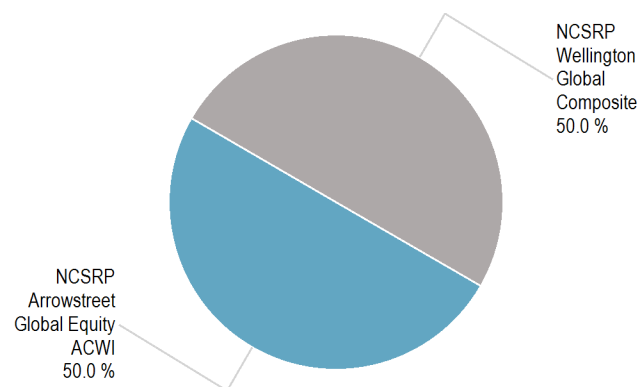


Attribution Summary
1 Year Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Wellington Global Composite	28.5%	18.4%	10.1%	5.0%	0.0%	0.1%	5.1%
NCSRP Arrowstreet Global Equity ACWI	26.1%	18.4%	7.7%	3.9%	0.0%	-0.1%	3.8%
Total	27.3%	18.4%	8.9%	8.9%	0.0%	0.0%	8.9%

Global Equity

Current Allocation



Characteristics

	Portfolio	MSCI ACWI Gross
Number of Holdings	465	2,424
Weighted Avg. Market Cap. (\$B)	40.30	74.53
Median Market Cap. (\$B)	13.55	8.13
Price To Earnings	22.75	18.83
Price To Book	3.32	2.79
Price To Sales	2.04	2.04
Return on Equity (%)	17.11	16.23
Yield (%)	2.17	2.54
Beta	0.99	1.00
R-Squared	0.97	1.00

International Equity Performance Attribution
Versus MSCI ACWI Gross - Quarter Ending September 30, 2013

	Returns and Ending Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
Totals									
Americas	8.4%	5.9%	49.8%	53.5%	1.1%	0.0%	-0.1%	0.4%	1.4%
Europe	15.6%	13.6%	27.4%	25.5%	0.3%	0.4%	-0.2%	0.1%	0.7%
Asia/Pacific	7.3%	7.1%	19.8%	19.7%	-0.2%	0.1%	-0.1%	0.2%	0.1%
Other	2.3%	5.4%	1.1%	1.2%	0.0%	-0.1%	0.0%	0.0%	0.0%
Cash	0.0%	--	1.9%	--	0.0%	0.0%	0.0%	-0.1%	-0.1%
Total	9.9%	8.0%	100.0%	100.0%	1.3%	0.4%	-0.4%	0.6%	1.9%

Global Equity

Performance Attribution

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	19.0%	0.0%	0.1%	--	0.0%	--	--	0.0%
Belgium	12.1%	13.6%	1.3%	0.4%	0.0%	0.0%	0.0%	-0.1%	0.0%
Czech Republic*	--	13.3%	0.0%	0.0%	--	0.0%	--	--	0.0%
Denmark	10.7%	13.7%	0.8%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Finland	49.7%	26.6%	0.3%	0.3%	0.1%	0.1%	0.0%	0.0%	0.2%
France	19.0%	15.6%	5.4%	3.7%	0.1%	0.2%	0.1%	0.0%	0.4%
Germany	15.1%	12.6%	3.6%	3.3%	0.1%	0.0%	0.0%	0.0%	0.0%
Greece	--	33.6%	0.0%	0.0%	--	0.0%	--	--	0.0%
Hungary*	--	-4.9%	0.0%	0.0%	--	0.0%	--	--	0.0%
Ireland	--	16.9%	0.0%	0.1%	--	0.0%	--	--	0.0%
Italy	16.8%	19.5%	2.5%	0.8%	0.0%	0.2%	0.1%	-0.2%	0.2%
Netherlands	13.4%	14.5%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Norway	8.7%	9.2%	1.7%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	--	17.9%	0.1%	0.2%	--	0.0%	--	--	0.0%
Portugal	31.0%	11.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia*	9.5%	13.5%	1.2%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Spain	18.5%	25.6%	0.6%	1.2%	-0.1%	0.0%	0.0%	0.0%	0.0%
Sweden	13.7%	15.2%	4.0%	1.2%	0.0%	0.0%	0.0%	0.0%	-0.1%
Switzerland	14.6%	9.5%	1.2%	3.4%	0.2%	0.0%	-0.1%	0.0%	0.1%
United Kingdom	12.3%	12.0%	4.3%	8.2%	0.0%	0.0%	-0.3%	0.3%	0.0%
Americas									
Brazil*	-2.9%	8.5%	0.7%	1.3%	-0.1%	0.0%	0.0%	0.1%	-0.1%
Canada	3.3%	9.0%	1.0%	3.8%	-0.2%	0.0%	-0.1%	0.3%	-0.1%
Chile*	--	-5.5%	0.0%	0.2%	--	0.0%	--	--	0.0%
Colombia*	--	9.4%	0.0%	0.1%	--	0.0%	--	--	0.0%
Mexico*	-16.9%	-1.7%	0.2%	0.6%	-0.1%	0.0%	0.0%	0.1%	0.0%
Peru*	--	-3.7%	0.0%	0.0%	--	0.0%	--	--	0.0%
United States	8.8%	5.7%	47.2%	47.6%	1.5%	0.0%	0.0%	0.1%	1.5%

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	8.7%	12.0%	0.6%	3.0%	-0.1%	-0.1%	-0.1%	0.1%	-0.1%
China*	6.6%	12.3%	1.9%	2.1%	-0.1%	0.0%	0.0%	0.1%	-0.1%
Hong Kong	11.5%	8.9%	1.2%	1.1%	0.0%	0.0%	0.0%	0.0%	0.1%
India*	11.0%	-5.0%	0.0%	0.6%	0.1%	0.1%	0.0%	-0.1%	0.1%
Indonesia*	--	-23.7%	0.0%	0.3%	--	0.1%	--	--	0.1%
Japan	6.6%	6.6%	15.5%	8.1%	0.0%	0.0%	0.1%	-0.1%	0.0%
Korea*	8.8%	15.0%	0.1%	1.8%	-0.1%	-0.1%	-0.1%	0.2%	-0.1%
Malaysia*	--	-3.0%	0.0%	0.4%	--	0.0%	--	--	0.0%
New Zealand	2.2%	17.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Philippines*	--	-4.4%	0.0%	0.1%	--	0.0%	--	--	0.0%
Singapore	5.0%	4.6%	0.1%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	--	3.7%	0.0%	1.3%	--	0.1%	--	--	0.1%
Thailand*	-10.5%	-5.1%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Other									
Egypt*	--	17.3%	0.0%	0.0%	--	0.0%	--	--	0.0%
Israel	52.3%	2.2%	0.4%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%
Morocco*	--	1.1%	0.0%	0.0%	--	0.0%	--	--	0.0%
South Africa*	2.9%	9.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	-1.2%	-6.7%	0.7%	0.2%	0.0%	-0.1%	0.0%	0.1%	0.0%
Other Countries*		0.0%	1.3%	0.0%					

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Developed	10.5%	8.3%	93.2%	88.9%	1.6%	0.3%	-0.3%	0.5%	2.1%
Emerging*	3.1%	6.0%	5.0%	11.1%	-0.4%	0.2%	-0.1%	0.3%	0.0%
Cash	0.0%	--	1.9%	--	0.0%	0.0%	0.0%	-0.1%	-0.1%

Global Equity

Top Holdings Global Equity

	Global Fund %	Wellington %	Arrowstreet %	Index Weight%
CISCO SYSTEMS	1.84%	1.12%	2.56%	0.38%
GILEAD SCIENCES	1.79%	1.03%	2.54%	0.29%
AMGEN	1.73%	0.97%	2.49%	0.25%
CELGENE	1.70%	1.37%	2.03%	0.19%
ANHEUSER-BUSCH INBEV	1.26%	2.54%		0.24%
E ON	1.00%		1.98%	0.10%
CITIGROUP	0.96%	1.80%	0.13%	0.44%
BLACKROCK	0.96%	1.48%	0.44%	0.11%
AIR LIQUIDE	0.95%	1.91%		0.13%
AXA	0.95%	1.71%	0.20%	0.12%
Total	13.14%	13.92%	12.37%	2.25%

Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	Wellington Management Company - Global Opportunities (Choumenkovitch)
Benchmark	MSCI AC World

Manager Philosophy and Process

Investment Philosophy

The team applies a bottom-up, fundamental process to find companies with unique assets where opportunities to improve returns are misunderstood by the market place. Stock selection emphasizes cash flows and return on invested capital; it is often and most efficiently expressed through pure play companies, which exhibit high exposure to a specific investment insight. The approach is opportunistic, embracing ideas across the style spectrum; the strategy does not have a consistent style bias and holdings typically include growth and value ideas; hence, the strategy is most appropriately classified a core approach. The strategy is broadly diversified and benchmark sensitive. The strategy generally exhibits an active share of 80% or higher.

Investment Process

The team's universe of securities includes mid to large cap securities in the developed and emerging market economies with a minimum market capitalization of \$1 billion. Stocks with a market capitalization between \$10 billion and \$35 billion constitute prime hunting ground. The team sources ideas from various places. Many ideas stem from the team's own research activities: reading, attending conferences and company meetings with management / competitors / suppliers, etc. In addition, the team leverages ideas from Wellington's global industry analysts. In the search for new ideas, the team thinks in terms of the global supply chain rather than by sector or industry. In addition, Choumenkovitch - with support from Wellington's quantitative team - built and utilizes a rudimentary quantitative screen that identifies companies exhibiting characteristics that are of interest. The screens include cash flow statistics such as enterprise-value-to-free-cash-flows and other metrics. Screens are run on a monthly basis and the universe of names is generally stable; they may be run more often when markets are volatile. All these activities focus on the identification of companies with underappreciated return on capital, with superior management that has demonstrated focus on creating shareholder value through effective generation and deployment of capital.

Current Positioning

- From a regional perspective, the portfolio remains overweight Japan, given the manager's positive outlook
- Wellington is also modestly overweight the US, with a focus on companies that they believe will benefit from secular tailwinds
- On a sector basis, the portfolio remains overweight the consumer discretionary, health care and financials sectors
- The manager increased its overweight to the industrials sector through new positions in several capital goods companies

Manager Commentary

Quarterly Attribution

Positive Impact on Performance:

- Stock selection in North America, Japan and the Pacific Basin
- Overweight position in Europe ex-UK
- From a sector perspective, security selection in most sectors, most notably health care, energy, information technology, industrials, and consumer staples
- Overweight exposures to the consumer discretionary and industrials sectors
- Underweight allocation to the consumer staples sector
- Stocks contributing to performance included Pioneer Natural Resource, ONYX Pharmaceuticals, and Regeneron Pharmaceuticals

Negative Impact on Performance:

- Security selection in the emerging markets
- Overweight position in Japan, while underweight the Pacific Basin ex-Japan
- From a sector standpoint, security selection within the materials and utilities sector
- Underweight exposure to materials
- Stocks detracting from performance included Monster Beverage, T&D Holdings, and SABESP

Portfolio Characteristics

Number of holdings: 113

Median Market Capitalization (\$MM): \$15,560

Weighted Average Market Capitalization (\$MM): \$41,221

P/E ratio: 18.7x

P/B ratio: 2.1x

Earnings growth (5 year): 12.9%

Turnover: 121.8%

% cash: 3.7%

Responsible Investment ESG Comment

ESG4 - No Comment Provided

Summary Data Points

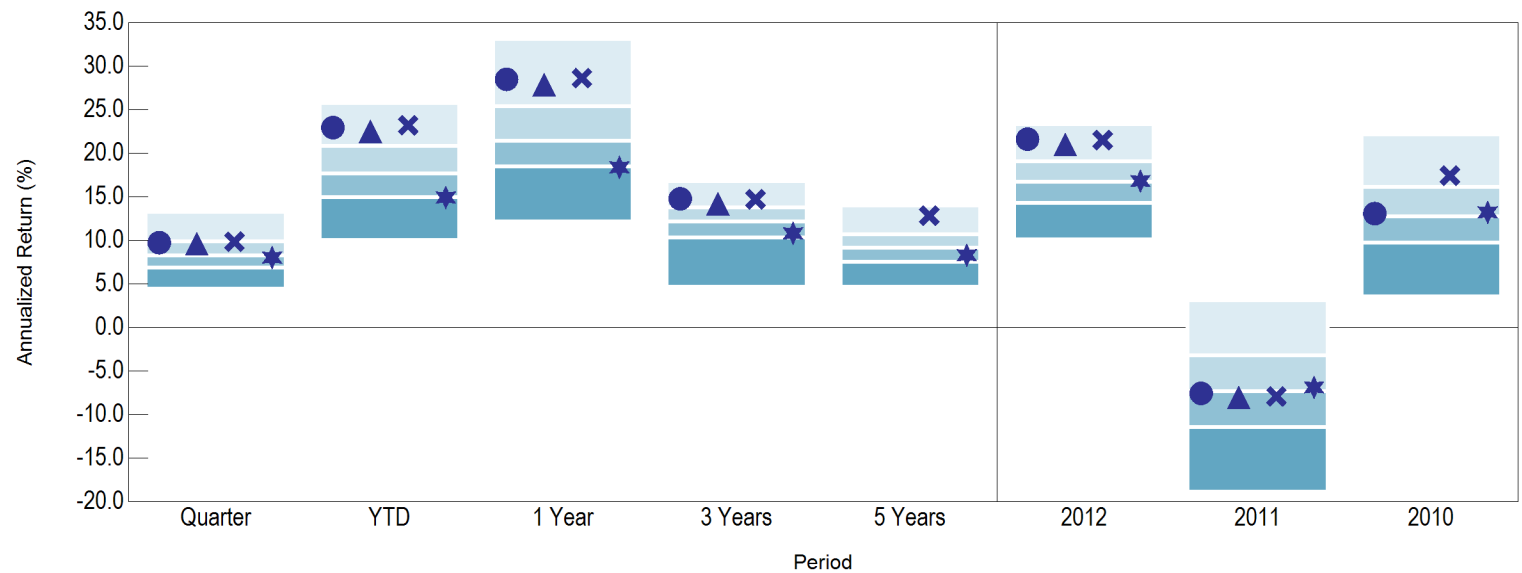
Mercer Rating: B+

Strategy Assets (\$B): \$3.9

NCSRP Wellington Global Composite

Performance

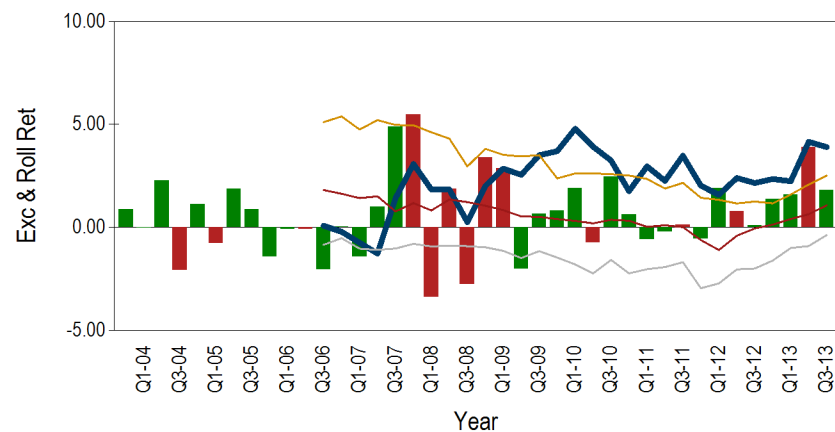
Performance vs. Mercer Instl Global Equity
Ending September 30, 2013



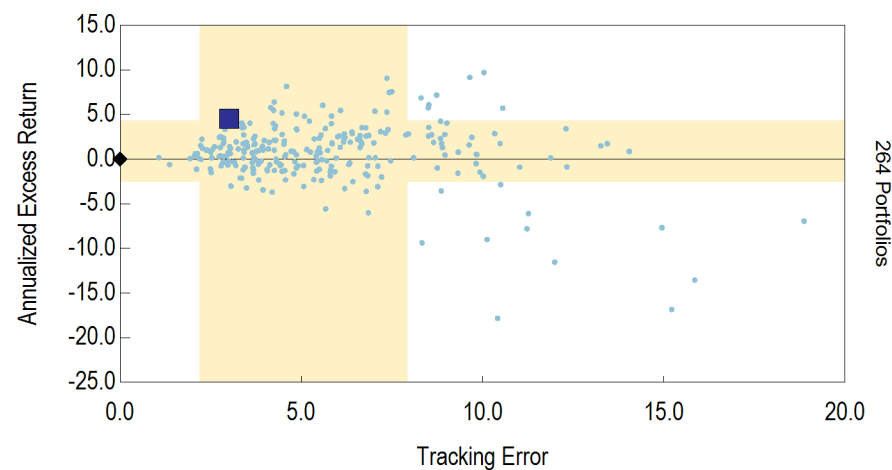
	Return (Rank)													
5th Percentile	13.2		25.7		33.1		16.8		14.0		23.3		3.1	
25th Percentile	9.9		20.9		25.4		13.8		10.8		19.1		-3.2	
Median	8.3		17.7		21.4		12.2		9.2		16.8		-7.3	
75th Percentile	6.9		15.0		18.6		10.4		7.6		14.3		-11.3	
95th Percentile	4.5		10.1		12.2		4.7		4.7		10.2		-18.8	
# of Portfolios	438		407		394		303		264		476		439	
● NCSRP Wellington Global Composite	9.7	(29)	22.9	(15)	28.5	(15)	14.8	(14)	--	(--)	21.6	(11)	-7.6	(53)
▲ NCSRP Wellington Global Opportunities	9.6	(30)	22.5	(17)	27.9	(16)	14.2	(21)	--	(--)	21.0	(14)	-8.0	(57)
✕ Wellington Global Opportunities Strategy	9.8	(27)	23.2	(13)	28.6	(14)	14.7	(15)	12.8	(9)	21.5	(11)	-7.9	(56)
★ MSCI ACWI Gross	8.0	(58)	14.9	(76)	18.4	(77)	10.8	(72)	8.3	(65)	16.8	(50)	-6.9	(48)

Wellington Global Opportunities Strategy

Rolling 3 Year Excess Performance
Wellington Global Opportunities Strategy vs. MSCI AC World GD IX



Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013



International Equity Performance Attribution
Versus MSCI ACWI Gross - Quarter Ending September 30, 2013

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	8.7%	5.9%	54.0%	53.5%	1.4%	-0.1%	-0.1%	0.4%	1.6%
Europe	14.7%	13.6%	26.1%	25.5%	0.4%	0.3%	0.1%	-0.5%	0.3%
Asia/Pacific	8.9%	7.1%	16.3%	19.7%	0.1%	0.2%	0.1%	0.0%	0.4%
Other	--	5.4%	0.0%	1.2%	--	0.0%	--	--	0.0%
Cash	0.0%	--	3.7%	--	0.0%	0.0%	0.0%	-0.3%	-0.3%
Total	10.1%	8.0%	100.0%	100.0%	1.9%	0.5%	0.1%	-0.4%	2.1%

Wellington Global Opportunities Strategy

International Equity Performance Attribution

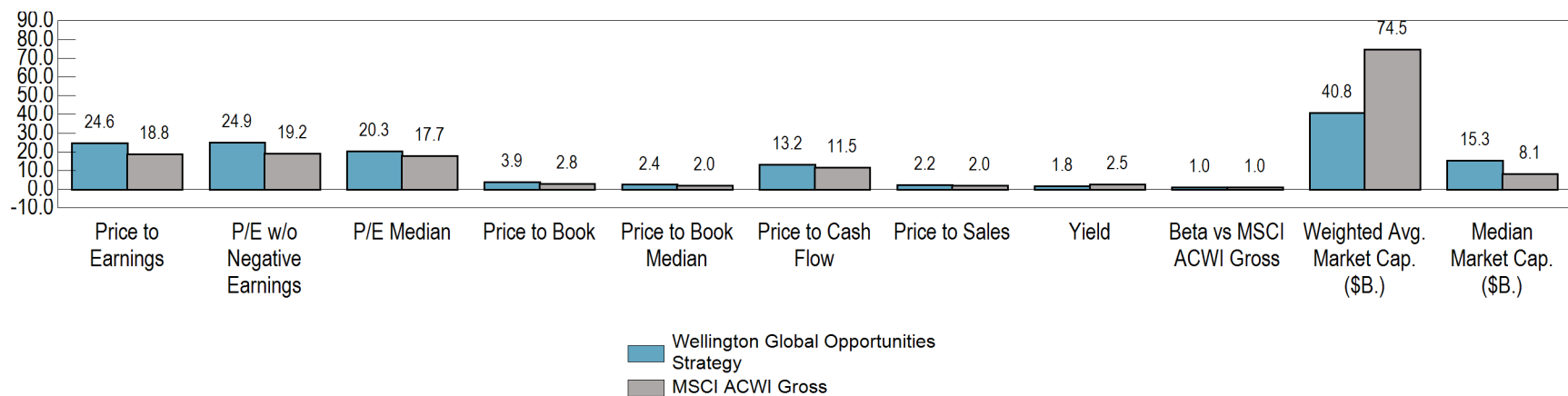
	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	19.0%	0.0%	0.1%	--	0.0%	--	--	0.0%
Belgium	12.0%	13.6%	2.5%	0.4%	0.0%	0.1%	0.1%	-0.1%	0.1%
Czech Republic*	--	13.3%	0.0%	0.0%	--	0.0%	--	--	0.0%
Denmark	--	13.7%	0.0%	0.4%	--	0.0%	--	--	0.0%
Finland	12.5%	26.6%	0.4%	0.3%	0.0%	0.0%	0.0%	0.0%	-0.1%
France	17.3%	15.6%	9.0%	3.7%	0.1%	0.3%	0.2%	-0.1%	0.4%
Germany	13.6%	12.6%	2.1%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Greece	--	33.6%	0.0%	0.0%	--	0.0%	--	--	0.0%
Hungary*	--	-4.9%	0.0%	0.0%	--	0.0%	--	--	0.0%
Ireland	--	16.9%	0.0%	0.1%	--	0.0%	--	--	0.0%
Italy	10.3%	19.5%	3.5%	0.8%	-0.1%	0.2%	0.1%	-0.3%	0.0%
Netherlands	--	14.5%	0.0%	1.0%	--	-0.1%	--	--	-0.1%
Norway	--	9.2%	0.0%	0.3%	--	0.0%	--	--	0.0%
Poland*	--	17.9%	0.0%	0.2%	--	0.0%	--	--	0.0%
Portugal	--	11.1%	0.0%	0.1%	--	0.0%	--	--	0.0%
Russia*	--	13.5%	0.0%	0.7%	--	0.0%	--	--	0.0%
Spain	21.4%	25.6%	0.8%	1.2%	0.0%	0.0%	0.0%	0.0%	-0.1%
Sweden	18.0%	15.2%	1.0%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Switzerland	19.7%	9.5%	1.4%	3.4%	0.3%	0.0%	-0.1%	-0.1%	0.1%
United Kingdom	13.1%	12.0%	5.4%	8.2%	0.1%	0.0%	-0.2%	0.2%	0.1%
Americas									
Brazil*	-7.1%	8.5%	0.1%	1.3%	-0.2%	0.0%	0.0%	0.1%	-0.2%
Canada	5.4%	9.0%	1.0%	3.8%	-0.1%	0.0%	-0.1%	0.2%	-0.1%
Chile*	--	-5.5%	0.0%	0.2%	--	0.0%	--	--	0.0%
Colombia*	--	9.4%	0.0%	0.1%	--	0.0%	--	--	0.0%
Mexico*	-16.9%	-1.7%	0.3%	0.6%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Peru*	--	-3.7%	0.0%	0.0%	--	0.0%	--	--	0.0%
United States	9.4%	5.7%	52.5%	47.6%	1.8%	-0.1%	0.0%	0.2%	1.9%

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	-3.8%	12.0%	0.0%	3.0%	-0.2%	-0.1%	0.1%	0.1%	-0.1%
China*	6.6%	12.3%	1.0%	2.1%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Hong Kong	26.7%	8.9%	1.0%	1.1%	0.2%	0.0%	0.0%	0.0%	0.2%
India*	11.0%	-5.0%	0.0%	0.6%	0.1%	0.1%	0.0%	-0.1%	0.1%
Indonesia*	--	-23.7%	0.0%	0.3%	--	0.1%	--	--	0.1%
Japan	7.7%	6.6%	14.2%	8.1%	0.1%	0.1%	0.0%	0.0%	0.2%
Korea*	--	15.0%	0.0%	1.8%	--	-0.1%	--	--	-0.1%
Malaysia*	--	-3.0%	0.0%	0.4%	--	0.0%	--	--	0.0%
New Zealand	--	17.6%	0.0%	0.0%	--	0.0%	--	--	0.0%
Philippines*	--	-4.4%	0.0%	0.1%	--	0.0%	--	--	0.0%
Singapore	--	4.6%	0.0%	0.6%	--	0.0%	--	--	0.0%
Taiwan*	--	3.7%	0.0%	1.3%	--	0.1%	--	--	0.1%
Thailand*	--	-5.1%	0.0%	0.3%	--	0.0%	--	--	0.0%
Other									
Egypt*	--	17.3%	0.0%	0.0%	--	0.0%	--	--	0.0%
Israel	--	2.2%	0.0%	0.2%	--	0.0%	--	--	0.0%
Morocco*	--	1.1%	0.0%	0.0%	--	0.0%	--	--	0.0%
South Africa*	--	9.0%	0.0%	0.8%	--	0.0%	--	--	0.0%
Turkey*	--	-6.7%	0.0%	0.2%	--	0.0%	--	--	0.0%
Other Countries*		0.0%	0.0%	0.0%					

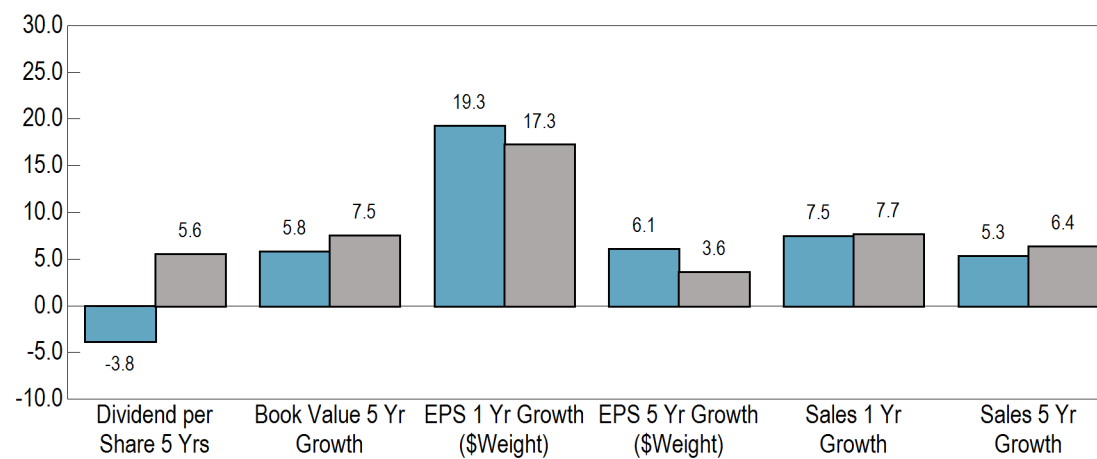
	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Developed	10.9%	8.3%	94.9%	88.9%	2.1%	0.3%	0.1%	-0.1%	2.4%
Emerging*	-1.6%	6.0%	1.5%	11.1%	-0.2%	0.2%	0.0%	0.0%	-0.1%
Cash	0.0%	--	3.7%	--	0.0%	0.0%	0.0%	-0.3%	-0.3%

Wellington Global Opportunities Strategy

Portfolio Characteristics
Ending September 30, 2013



Historical Growth Measures
Ending September 30, 2013



Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	Arrowstreet Capital - Global Equity - ACWI
Benchmark	MSCI ACWI

Manager Philosophy and Process

Investment Philosophy

Arrowstreet applies a quantitative process to build a portfolio with risk characteristics similar to the index. The firm believes it can profit by exploiting both behavioral and informational opportunities. Behavioral opportunities are created by the mistakes made by investors, including the tendency for investors to overreact, to herd, and to avoid regret. Informational opportunities stem from investors not fully exploiting information that is relevant to prices on a timely basis. Arrowstreet views this process as a core approach. We note that Arrowstreet's process often displays value characteristics although its performance does not behave in line with the value cycle.

Investment Process

Arrowstreet's investable universe consists of stocks in the reference index. For large cap strategies, stocks must have a minimum market capitalization of \$300 million. Arrowstreet's research quantitatively establishes a stock's return forecast. These derive from a diverse set of predictive signals (e.g., book yield, earnings yield, etc.) measured across two types of factor categories: (a) A stock's own direct (idiosyncratic) characteristics; (b) Indirect characteristics, which comprise various types of inter-company relationships. Most notably, securities operating in the same country, or the same sector, or the same country/sector basket are analyzed. Arrowstreet has also developed some indirect characteristics, also referred to as "expanded linkages", whereby it analyzes the relationship between companies that are not necessarily related on a country and/or sector basis. Factors used to exploit opportunities include value, momentum, earnings revisions, and high frequency (i.e., factors based on short-term liquidity considerations). The portfolio attempts to avoid systematic biases towards any country or sector. Instead, Arrowstreet builds the portfolio to maximize the trade-off between a stock's expected return, its contribution to risk, and trading costs.

Current Positioning

- During the third quarter, Arrowstreet increased the portfolio's allocation to energy, resulting in a shift to being overweight from underweight the sector
- In addition, the overweight to health care was decreased and underweight to financials was increased
- On a country basis, Arrowstreet shifted from being underweight Sweden to overweight, and increased the portfolio's underweight exposures to the UK and the US

Manager Commentary

Quarterly Attribution

Positive Impact on Performance:

- Security selection in the developed markets
- An overweight to the developed regions at the expense of emerging markets
- Within the US, overweight exposures to the health care, consumer discretionary, and consumer staples sectors, and underweight exposure to the financials sector
- Overweight allocation to the financials sector in Italy
- Stocks contributing to performance included Netflix, Nokia, and Gazprom

Negative Impact on Performance:

- Currency effect in the developed markets
- Underweight exposure to the energy sector in the US
- In Spain, underweight allocation to the financials sector
- Stocks detracting from performance included GlaxoSmithKline, Apple, and Facebook

Portfolio Characteristics

Number of holdings: 379

Median Market Capitalization (\$B): \$13

Weighted Average Market Capitalization (\$B): \$39

P/E ratio: 17.2x

P/B ratio: 0.9x

Earnings growth (5 year): 7.1%

% cash: 0.9%

Responsible Investment ESG Comment

ESG4 - Company-specific ESG issues are not currently factored into Arrowstreet's quantitative models. During 2010, Arrowstreet conducted research into the incorporation of social, environmental, and/or governance-related factors, but concluded this did not add value as any benefits are typically fully reflected in stock prices. We believe an ESG4 rating is appropriate.

Summary Data Points

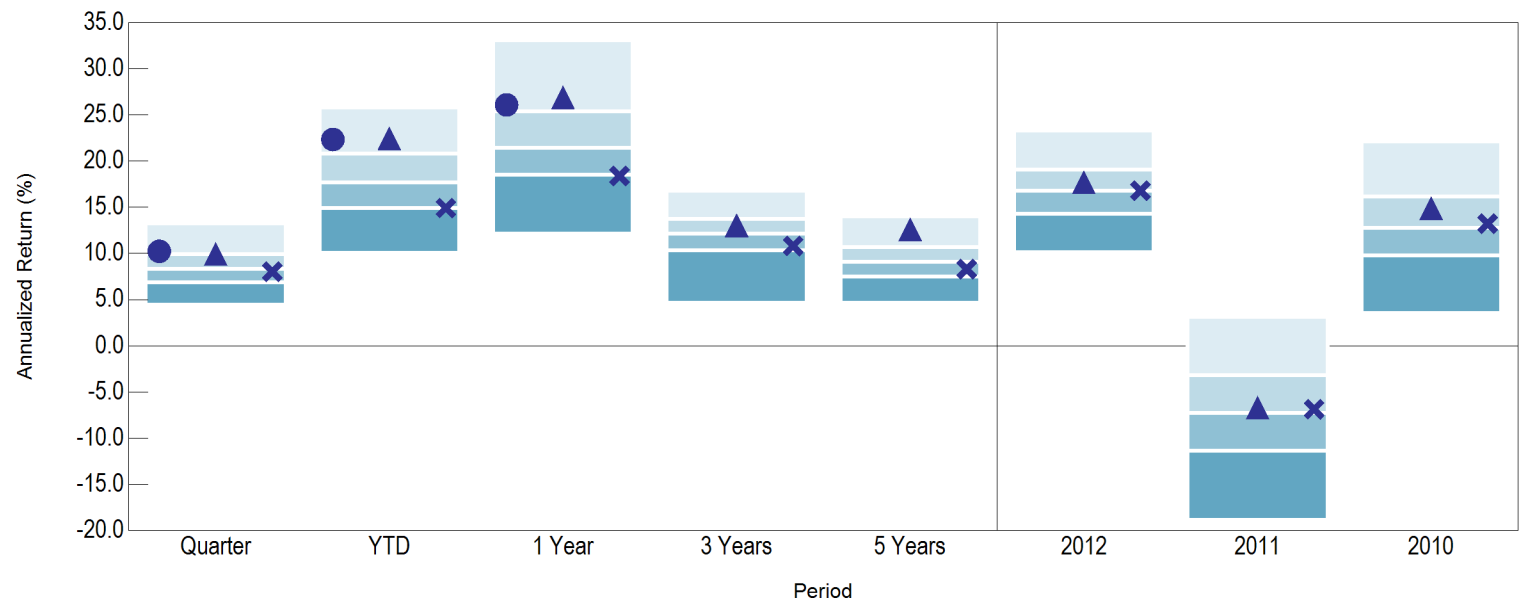
Mercer Rating: A

Strategy Assets (\$B): \$10.3

NCSRP Arrowstreet Global Equity ACWI

Performance

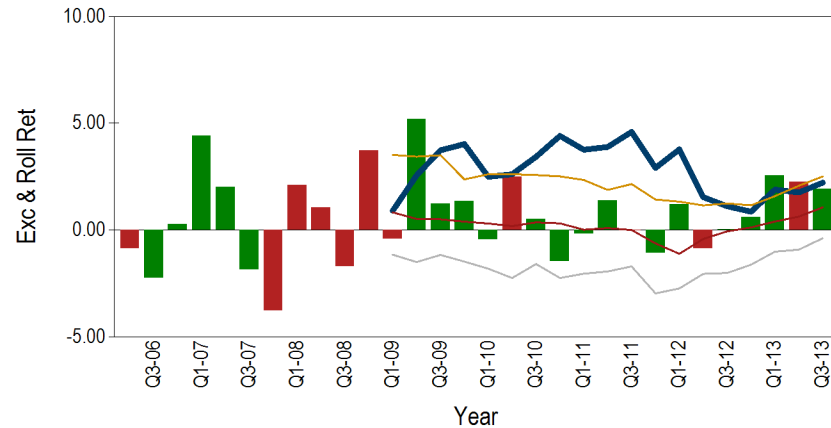
Performance vs. Mercer Instl Global Equity
Ending September 30, 2013



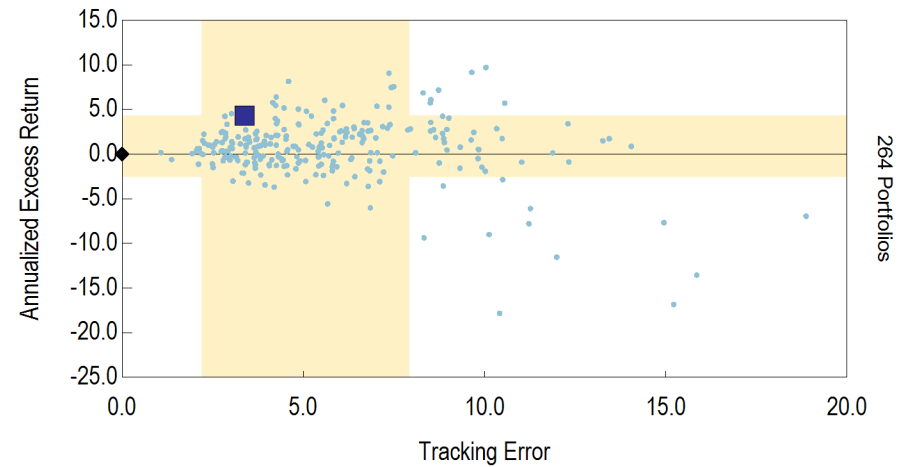
	Return (Rank)															
	Quarter		YTD		1 Year		3 Years		5 Years		2012		2011		2010	
5th Percentile	13.2		25.7		33.1		16.8		14.0		23.3		3.1		22.1	
25th Percentile	9.9		20.9		25.4		13.8		10.8		19.1		-3.2		16.2	
Median	8.3		17.7		21.4		12.2		9.2		16.8		-7.3		12.8	
75th Percentile	6.9		15.0		18.6		10.4		7.6		14.3		-11.3		9.8	
95th Percentile	4.5		10.1		12.2		4.7		4.7		10.2		-18.8		3.6	
# of Portfolios	438		407		394		303		264		476		439		435	
● NCSRP Arrowstreet Global Equity ACWI	10.2	(23)	22.3	(18)	26.1	(22)	--	(--)	--	(--)	--	(--)	--	(--)	--	(--)
▲ Arrowstreet Global Equity ACWI	9.9	(25)	22.5	(17)	26.9	(19)	13.0	(36)	12.6	(9)	17.7	(42)	-6.7	(47)	14.9	(33)
✕ MSCI ACWI Gross	8.0	(58)	14.9	(76)	18.4	(77)	10.8	(72)	8.3	(65)	16.8	(50)	-6.9	(48)	13.2	(46)

Arrowstreet Global Equity ACWI Strategy

Rolling 3 Year Excess Performance
Arrowstreet Global Equity ACWI Strategy vs. MSCI AC World GD IX



Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013



International Equity Performance Attribution
Versus MSCI ACWI Gross - Quarter Ending September 30, 2013

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	8.0%	5.9%	45.4%	53.5%	0.1%	0.1%	-0.1%	1.1%	1.1%
Europe	16.5%	13.6%	28.8%	25.5%	0.3%	0.5%	-0.4%	0.6%	1.0%
Asia/Pacific	6.1%	7.1%	23.5%	19.7%	-0.3%	0.0%	0.0%	0.0%	-0.3%
Other	2.3%	5.4%	2.3%	1.2%	0.0%	-0.2%	0.0%	0.2%	-0.1%
Cash	--	--	--	0.0%	--	--	--	--	--
Total	9.8%	8.0%	100.0%	100.0%	0.2%	0.4%	-0.6%	1.9%	1.8%

Arrowstreet Global Equity ACWI Strategy

International Equity Performance Attribution

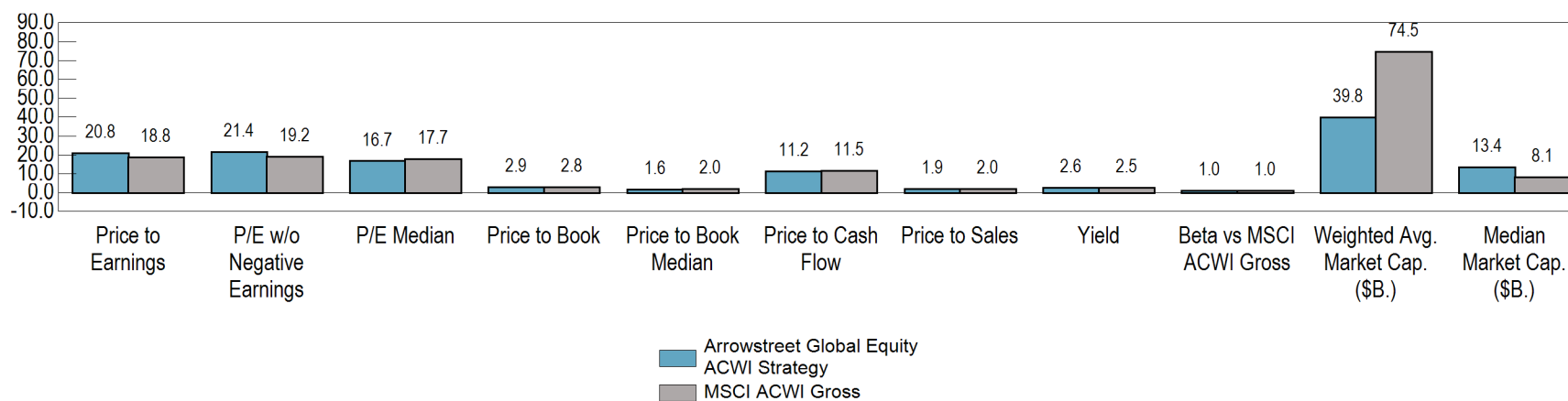
	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	19.0%	0.0%	0.1%	--	0.0%	--	--	0.0%
Belgium	13.2%	13.6%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	--	13.3%	0.0%	0.0%	--	0.0%	--	--	0.0%
Denmark	10.7%	13.7%	1.6%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Finland	69.9%	26.6%	0.2%	0.3%	0.1%	0.1%	0.0%	0.2%	0.4%
France	22.6%	15.6%	1.9%	3.7%	0.2%	0.0%	0.0%	0.0%	0.3%
Germany	16.2%	12.6%	5.2%	3.3%	0.1%	0.0%	0.0%	0.0%	0.1%
Greece	--	33.6%	0.0%	0.0%	--	0.0%	--	--	0.0%
Hungary*	--	-4.9%	0.0%	0.0%	--	0.0%	--	--	0.0%
Ireland	--	16.9%	0.0%	0.1%	--	0.0%	--	--	0.0%
Italy	25.0%	19.5%	1.5%	0.8%	0.0%	0.2%	0.1%	0.0%	0.4%
Netherlands	13.4%	14.5%	0.1%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Norway	8.7%	9.2%	3.5%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	--	17.9%	0.1%	0.2%	--	0.0%	--	--	0.0%
Portugal	31.0%	11.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia*	9.5%	13.5%	2.4%	0.7%	0.0%	0.1%	0.0%	0.0%	0.0%
Spain	16.8%	25.6%	0.4%	1.2%	-0.1%	0.2%	0.0%	-0.1%	0.0%
Sweden	10.7%	15.2%	7.0%	1.2%	0.0%	0.0%	0.0%	0.0%	-0.1%
Switzerland	10.0%	9.5%	1.0%	3.4%	0.0%	0.0%	-0.1%	0.1%	0.0%
United Kingdom	11.6%	12.0%	3.3%	8.2%	0.0%	0.0%	-0.4%	0.4%	0.0%
Americas									
Brazil*	9.0%	8.5%	1.3%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Canada	-18.9%	9.0%	1.0%	3.8%	-1.1%	0.0%	-0.1%	1.1%	-0.1%
Chile*	--	-5.5%	0.0%	0.2%	--	0.0%	--	--	0.0%
Colombia*	--	9.4%	0.0%	0.1%	--	0.0%	--	--	0.0%
Mexico*	--	-1.7%	0.0%	0.6%	--	0.1%	--	--	0.1%
Peru*	--	-3.7%	0.0%	0.0%	--	0.0%	--	--	0.0%
United States	8.1%	5.7%	42.0%	47.6%	1.2%	0.0%	0.0%	0.0%	1.2%

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	9.4%	12.0%	1.1%	3.0%	-0.1%	-0.1%	0.0%	0.1%	-0.1%
China*	--	12.3%	2.9%	2.1%	--	-0.1%	--	--	-0.1%
Hong Kong	6.7%	8.9%	1.5%	1.1%	0.0%	0.0%	0.0%	-0.1%	-0.1%
India*	--	-5.0%	0.0%	0.6%	--	0.1%	--	--	0.1%
Indonesia*	--	-23.7%	0.0%	0.3%	--	0.1%	--	--	0.1%
Japan	5.7%	6.6%	16.9%	8.1%	-0.1%	-0.1%	0.1%	-0.1%	-0.2%
Korea*	8.8%	15.0%	0.3%	1.8%	-0.1%	-0.1%	-0.1%	0.1%	-0.1%
Malaysia*	--	-3.0%	0.0%	0.4%	--	0.1%	--	--	0.1%
New Zealand	2.2%	17.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Philippines*	--	-4.4%	0.0%	0.1%	--	0.0%	--	--	0.0%
Singapore	5.0%	4.6%	0.2%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	--	3.7%	0.0%	1.3%	--	0.1%	--	--	0.1%
Thailand*	-10.5%	-5.1%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Other									
Egypt*	--	17.3%	0.0%	0.0%	--	0.0%	--	--	0.0%
Israel	52.3%	2.2%	0.8%	0.2%	0.1%	0.0%	0.0%	0.0%	0.1%
Morocco*	--	1.1%	0.0%	0.0%	--	0.0%	--	--	0.0%
South Africa*	2.9%	9.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	-1.2%	-6.7%	1.4%	0.2%	0.0%	-0.2%	-0.1%	0.1%	-0.1%
Other Countries*		0.0%	2.6%	0.0%					

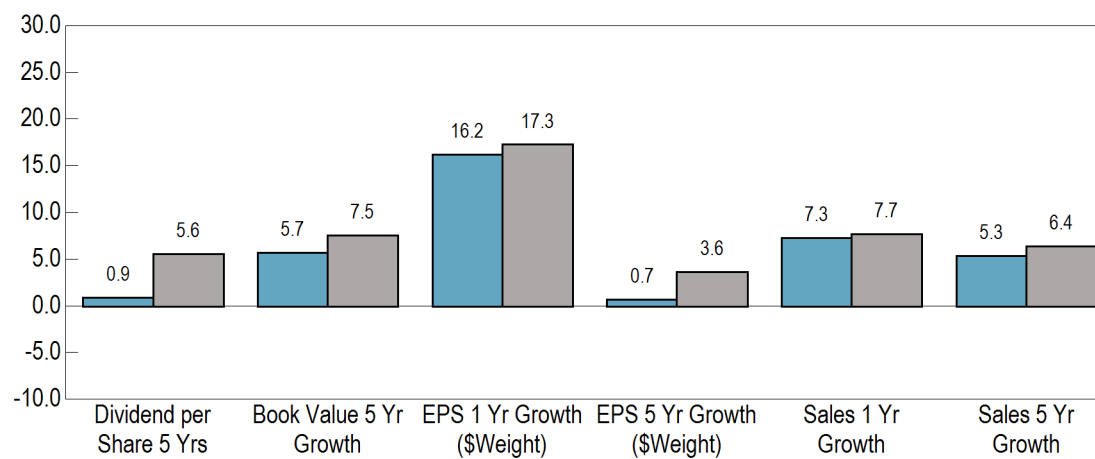
	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager	Index	Manager	Index	Selection	Allocation	Currency	Interaction	
	Return	Return	Weight	Weight	Effect	Effect	Effect	Effect	
Totals									
Developed	10.1%	8.3%	91.4%	88.9%	0.3%	0.2%	-0.4%	1.6%	1.7%
Emerging*	5.0%	6.0%	8.6%	11.1%	-0.2%	0.1%	-0.1%	0.3%	0.1%
Cash	--	--	--	0.0%	--	--	--	--	--

Arrowstreet Global Equity ACWI Strategy

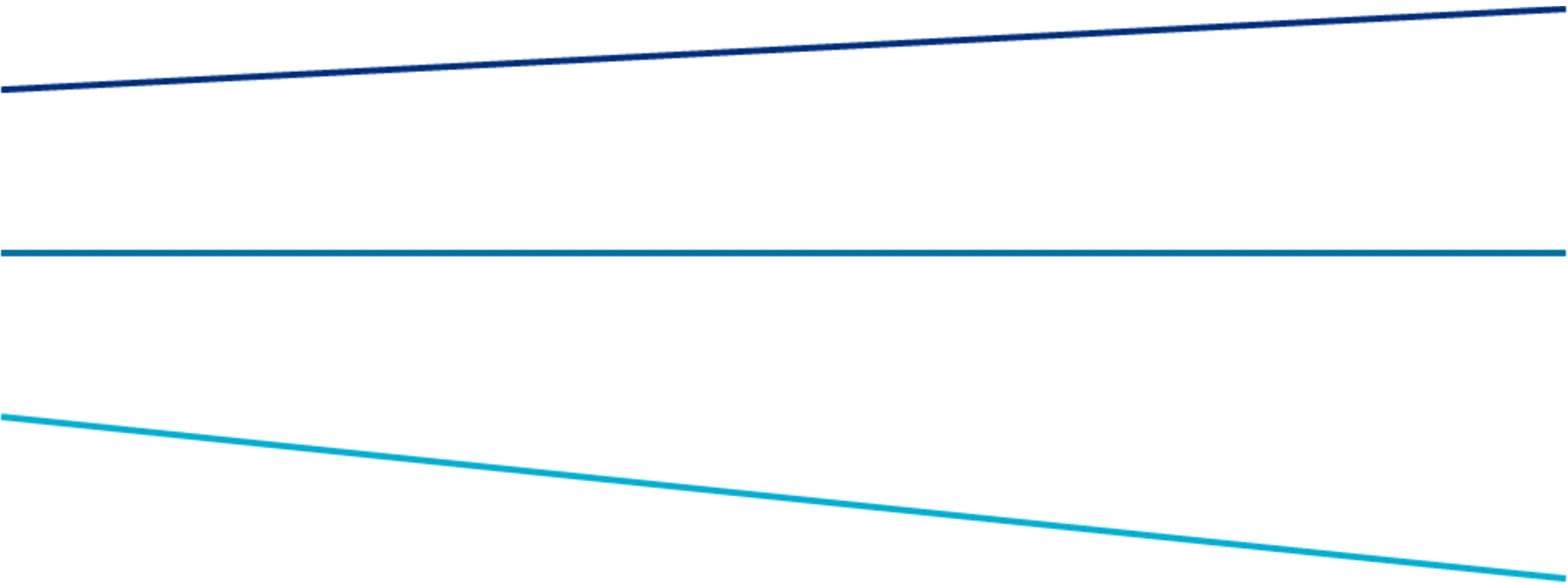
Portfolio Characteristics
Ending September 30, 2013

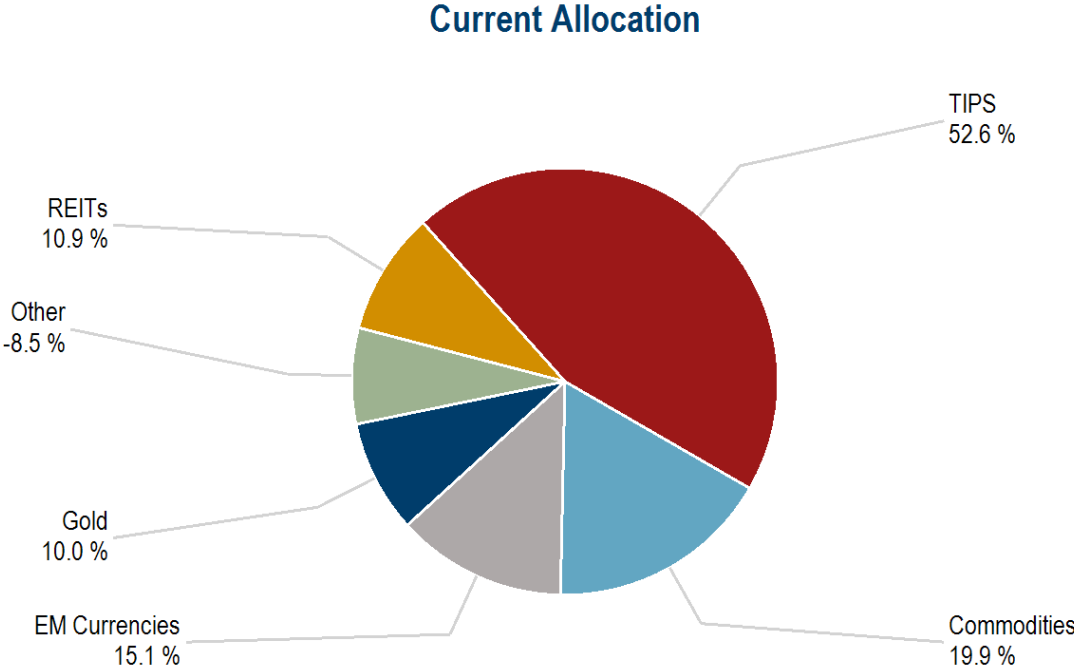


Historical Growth Measures
Ending September 30, 2013

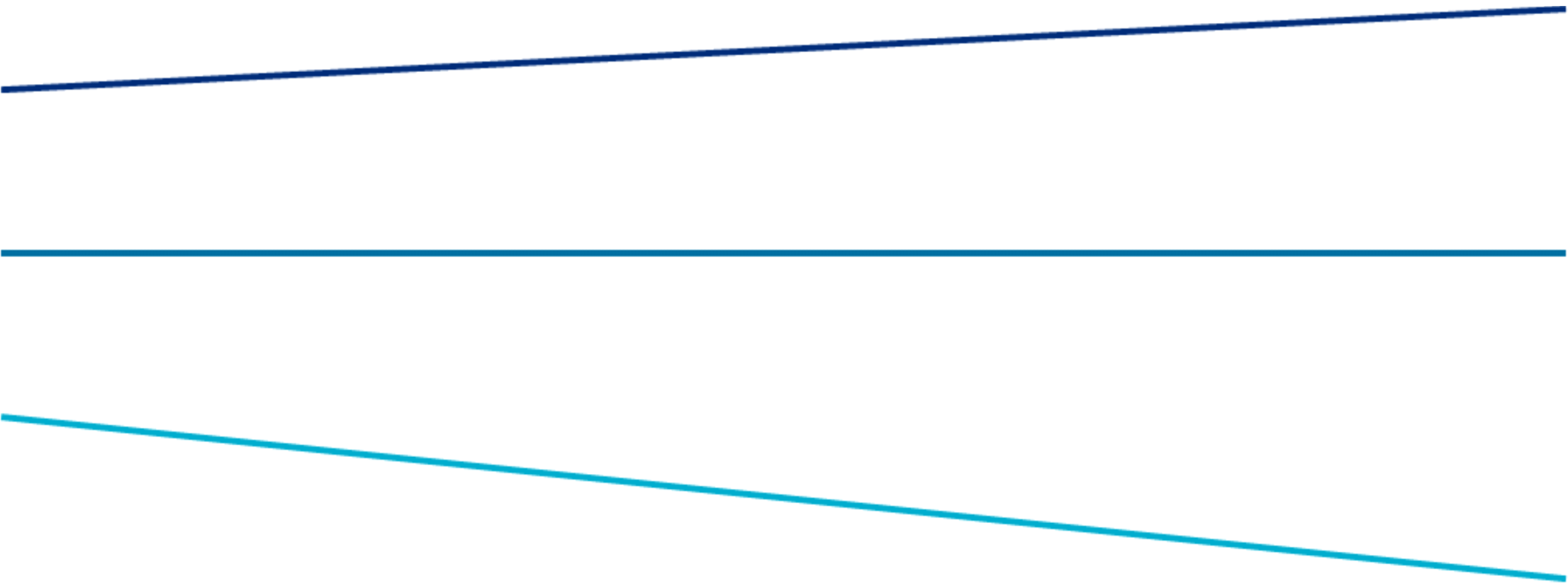


Inflation Sensitive

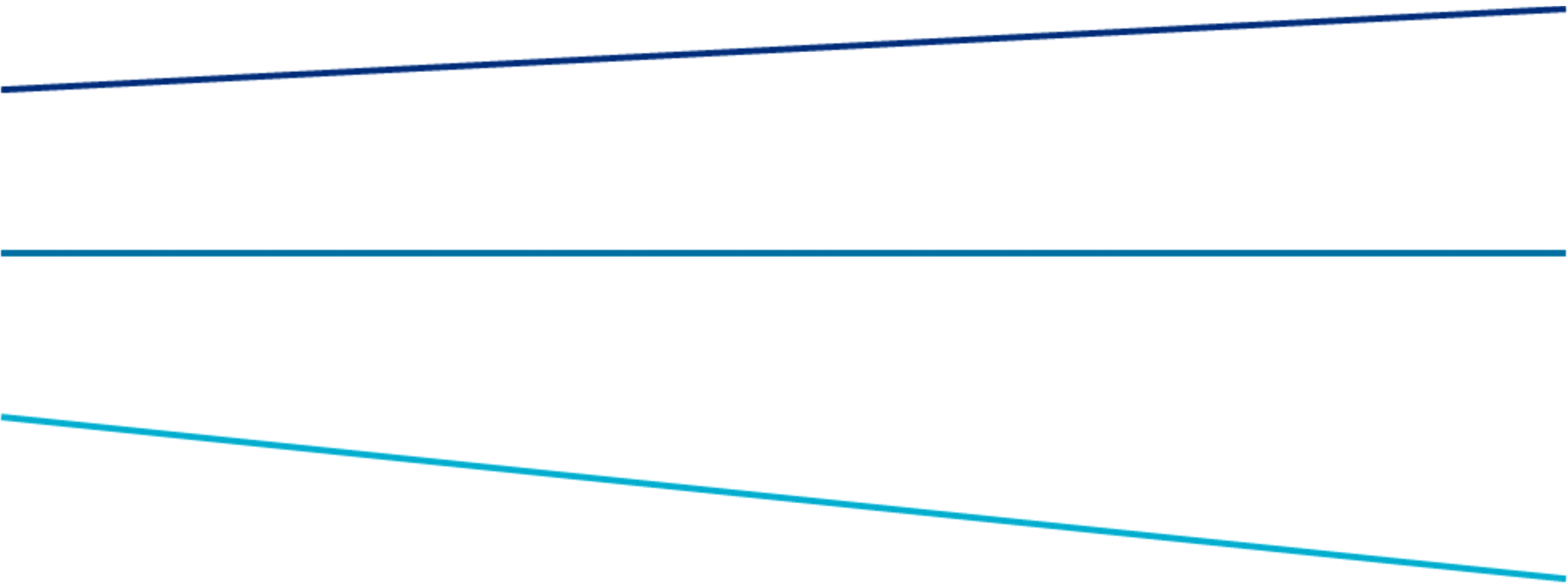




US Fixed Income



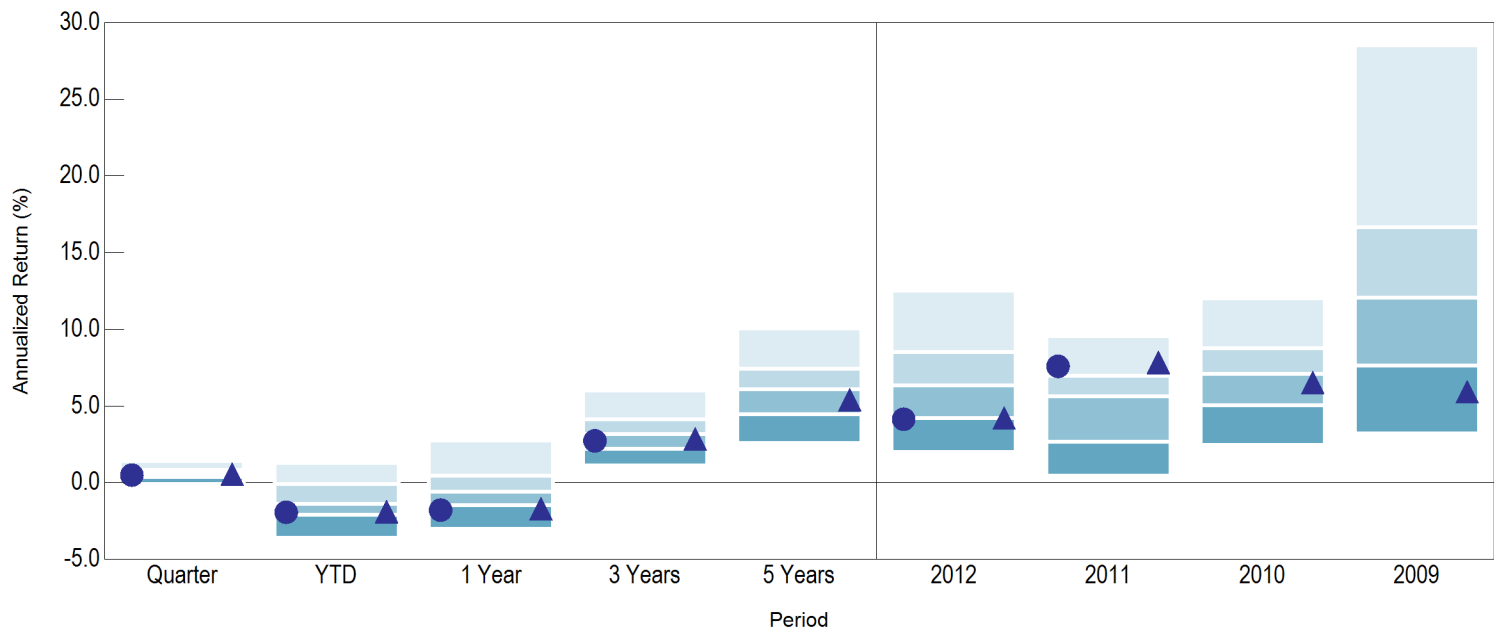
US Fixed Income Passive



Fixed Income Passive Fund

Performance

Performance vs. Mercer Mutual Fund US Fixed Core
Ending September 30, 2013



	Return (Rank)															
5th Percentile	1.4	1.3	2.7	6.0	10.0	12.5	9.6	12.0	28.5							
25th Percentile	0.9	-0.1	0.5	4.1	7.4	8.5	7.0	8.8	16.7							
Median	0.6	-1.4	-0.6	3.2	6.1	6.4	5.6	7.1	12.1							
75th Percentile	0.4	-2.1	-1.4	2.2	4.5	4.3	2.7	5.1	7.6							
95th Percentile	-0.1	-3.6	-3.0	1.1	2.6	2.0	0.5	2.5	3.2							
# of Portfolios	393	388	381	350	321	383	395	400	410							
● Fixed Income Passive Fund	0.5 (64)	-1.9 (69)	-1.8 (83)	2.7 (65)	-- (--)	4.1 (77)	7.6 (16)	-- (--)	-- (--)	0.5 (64)	-1.9 (69)	-1.8 (83)	2.7 (65)	-- (--)	4.1 (77)	7.6 (16)
▲ Barclays Aggregate	0.6 (57)	-1.9 (68)	-1.7 (81)	2.9 (62)	5.4 (63)	4.2 (76)	7.8 (12)	6.5 (58)	5.9 (85)	0.6 (57)	-1.9 (68)	-1.7 (81)	2.9 (62)	5.4 (63)	4.2 (76)	7.8 (12)

Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	BlackRock - US Debt Index Fund (BGI)
Benchmark	Barclays Capital Aggregate

Manager Philosophy and Process

Investment Process

The strategy seeks to track the return and risk characteristics of the Barclays Capital Aggregate Bond Index. The product is actually a superfund constructed of units of the following modular funds that each track a segment (subindex) of the Barclays Capital Aggregate Index: Intermediate Government, Long Government, Intermediate Credit, Long Credit, Mortgage-Backed, Asset-Backed, and Commercial Mortgage-Backed. Each modular fund employs a portfolio construction technique appropriate to the size, diversity, and liquidity of its benchmark. Each sector has unique liquidity and risk parameters. Some method of replicating the return and risk characteristics of each market segment is applied to the respective fund. Government bond and mortgage-backed funds employ nearly full replication, while the other funds utilize a stratified sampling approach.

Quarterly Attribution

Top performing index sectors:

- Financial corporates (+1.5%), mortgage-backed securities (+1.0%), and industrial corporates (+0.5%)

Bottom performing index sectors:

- Treasuries (+0.1%), utility corporates (+0.2%), and asset-backed securities (+0.2%)

Summary Data Points

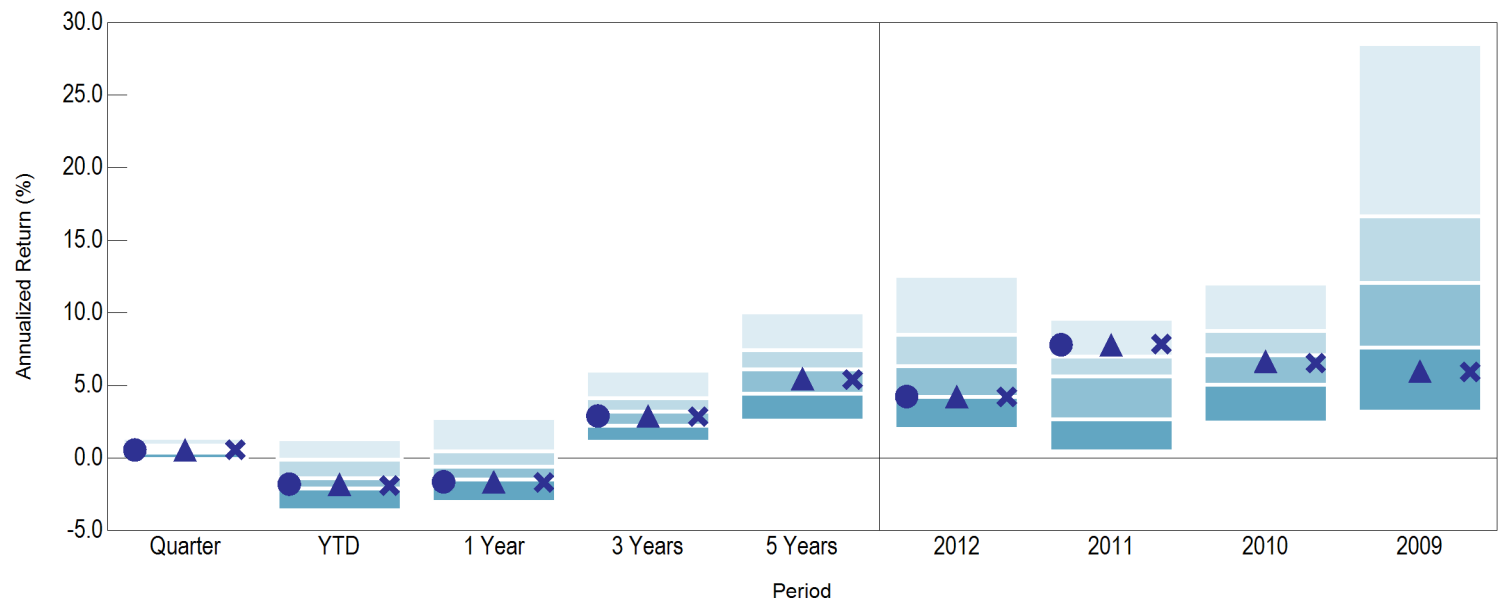
Mercer Rating - N

AUM - \$57.4 Billion (6/30/13)

NCSRP BlackRock Debt Index Fund

Performance

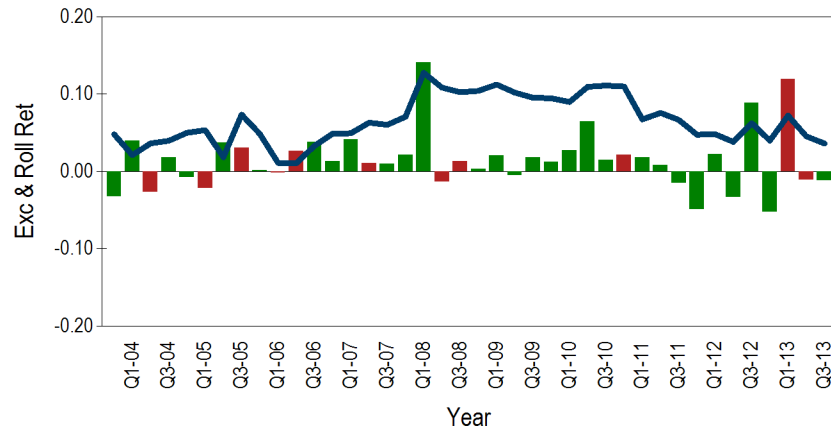
Performance vs. Mercer Mutual Fund US Fixed Core
Ending September 30, 2013



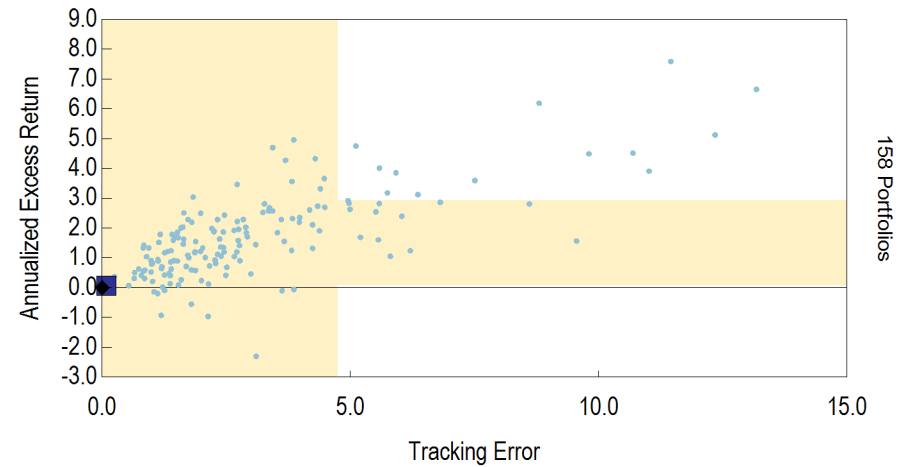
	Return (Rank)																	
5th Percentile	1.4	1.3	2.7	6.0	10.0	12.5	9.6	12.0	28.5									
25th Percentile	0.9	-0.1	0.5	4.1	7.4	8.5	7.0	8.8	16.7									
Median	0.6	-1.4	-0.6	3.2	6.1	6.4	5.6	7.1	12.1									
75th Percentile	0.4	-2.1	-1.4	2.2	4.5	4.3	2.7	5.1	7.6									
95th Percentile	-0.1	-3.6	-3.0	1.1	2.6	2.0	0.5	2.5	3.2									
# of Portfolios	393	388	381	350	321	383	395	400	410									
● NCSRP BlackRock Debt Index Fund	0.6 (58)	-1.8 (63)	-1.6 (80)	2.9 (60)	-- (--)	4.2 (76)	7.8 (13)	-- (--)	-- (--)	0.6 (58)	-1.8 (63)	-1.6 (80)	2.9 (60)	5.5 (63)	4.2 (76)	7.8 (13)	6.7 (56)	6.0 (84)
▲ BlackRock Debt Index Fund Strategy	0.6 (58)	-1.8 (63)	-1.6 (80)	2.9 (60)	5.5 (63)	4.2 (76)	7.8 (13)	6.7 (56)	6.0 (84)	0.6 (57)	-1.9 (68)	-1.7 (81)	2.9 (62)	5.4 (63)	4.2 (76)	7.8 (12)	6.5 (58)	5.9 (85)
✕ Barclays Aggregate	0.6 (57)	-1.9 (68)	-1.7 (81)	2.9 (62)	5.4 (63)	4.2 (76)	7.8 (12)	6.5 (58)	5.9 (85)									

BlackRock Debt Index Fund Strategy

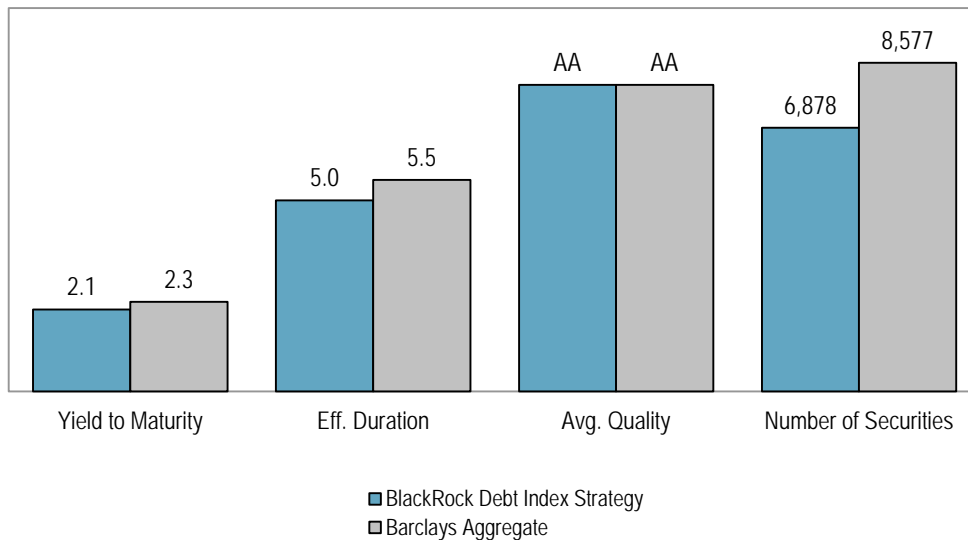
Rolling 3 Year Excess Performance
BlackRock Debt Index Fund Strategy vs. Barclays Capital Aggregate



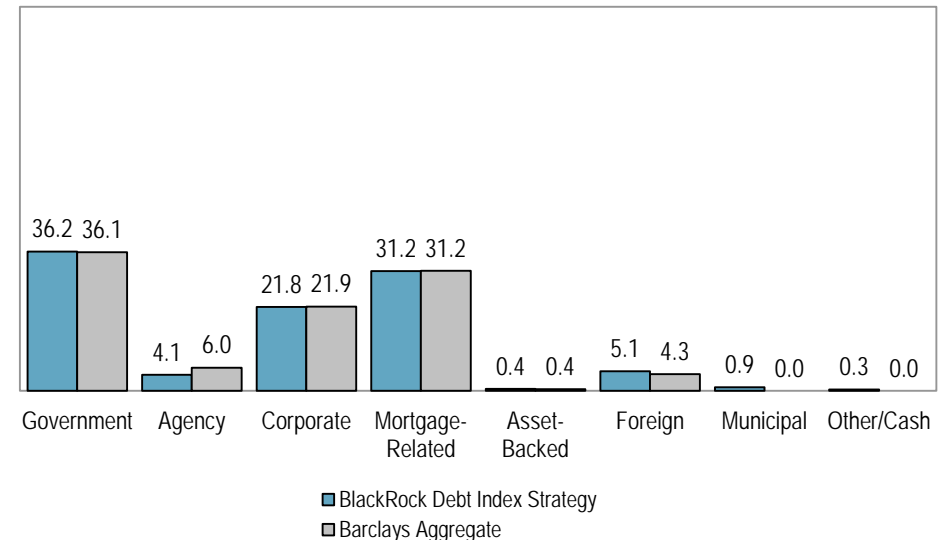
Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013



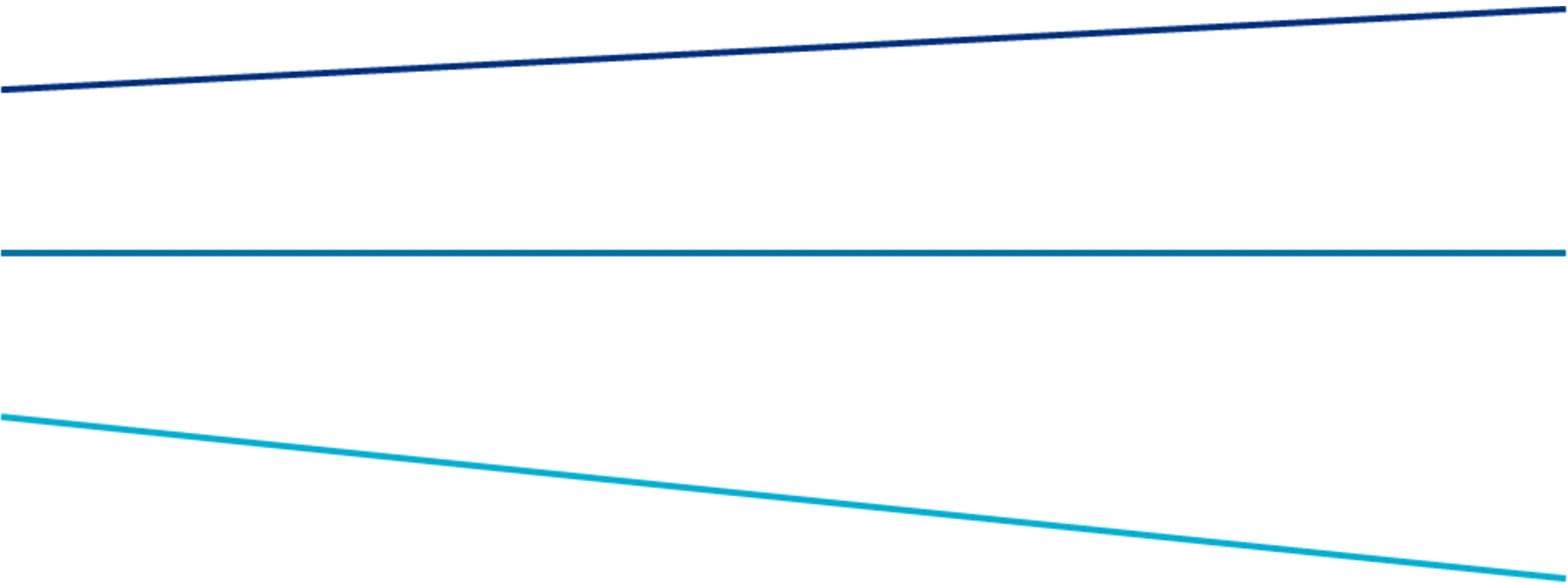
Characteristics
as of September 30, 2013



Sectors
as of September 30, 2013



US Fixed Income



Performance

Figure 1 is a chart showing Annualized Return (%) on the Y-axis (ranging from -5.0 to 30.0) versus Period on the X-axis. The X-axis categories are Quarter, YTD, 1 Year, 3 Years, 5 Years, 2012, 2011, 2010, and 2009. The chart displays data points (circles) and shaded areas (triangles) representing the distribution of annualized returns for each period.

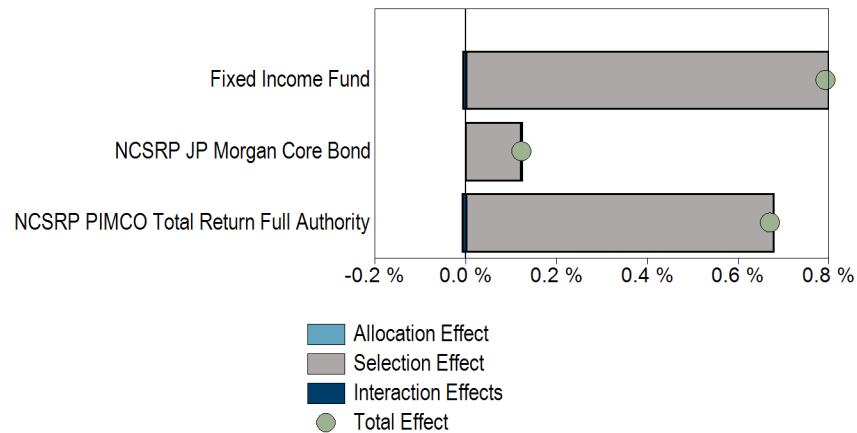
Period	Annualized Return (%) (Mean)	Annualized Return (%) (Range)
Quarter	~1.0	~0.0 to ~1.5
YTD	~-1.0	~-2.0 to ~0.0
1 Year	~-0.5	~-1.5 to ~0.5
3 Years	~3.0	~1.5 to ~4.5
5 Years	~5.0	~3.0 to ~7.0
2012	~7.5	~4.0 to ~10.0
2011	~5.0	~2.0 to ~8.0
2010	~7.0	~4.0 to ~10.0
2009	~5.5	~3.0 to ~28.0

● Fixed Income Fund
▲ Barclays Aggregate

Fixed Income Fund

Attribution

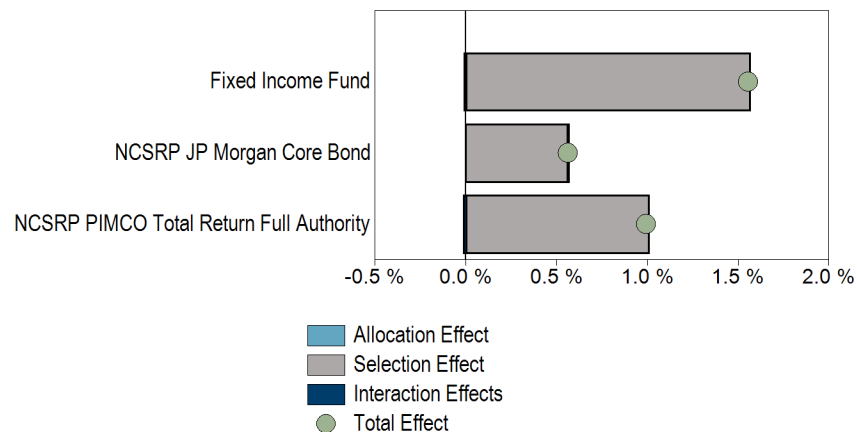
Attribution Effects
3 Months Ending September 30, 2013



Attribution Summary
3 Months Ending September 30, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRJP JP Morgan Core Bond	0.8%	0.6%	0.2%	0.1%	0.0%	0.0%	0.1%
NCSRJP PIMCO Total Return Full Authority	1.9%	0.6%	1.4%	0.7%	0.0%	0.0%	0.7%
Total	1.4%	0.6%	0.8%	0.8%	0.0%	0.0%	0.8%

Attribution Effects
1 Year Ending September 30, 2013

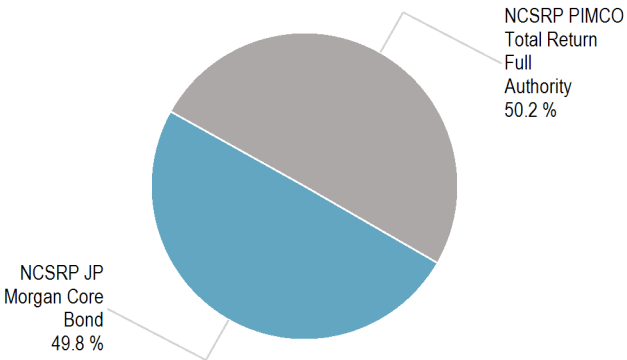


Attribution Summary
1 Year Ending September 30, 2013

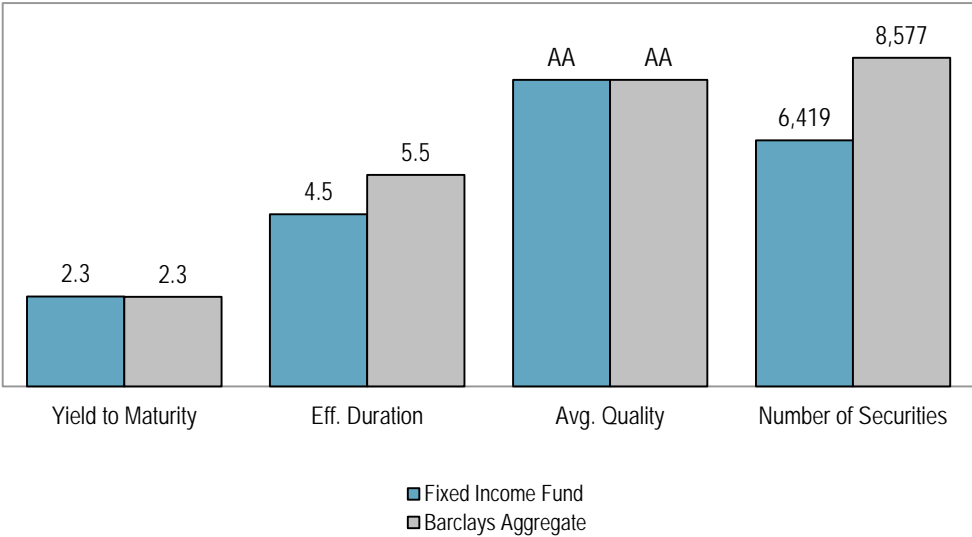
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRJP JP Morgan Core Bond	-0.6%	-1.7%	1.1%	0.6%	0.0%	0.0%	0.6%
NCSRJP PIMCO Total Return Full Authority	0.3%	-1.7%	2.0%	1.0%	0.0%	0.0%	1.0%
Total	-0.1%	-1.7%	1.6%	1.6%	0.0%	0.0%	1.6%

Fixed Income Fund

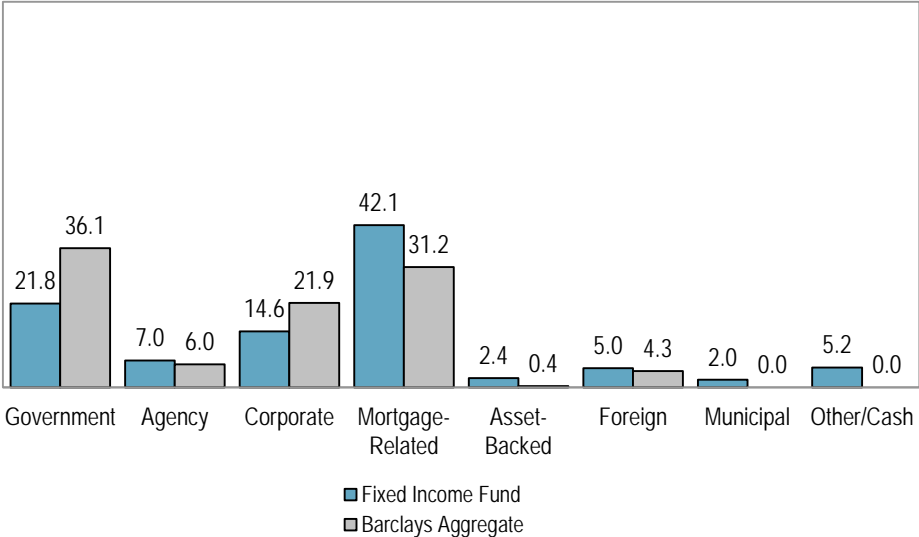
Current Allocation



Characteristics
as of September 30, 2013



Sectors
as of September 30, 2013



Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	JP Morgan Asset Management - Core Bond (Columbus)
Benchmark	Barclays Capital Aggregate

Manager Philosophy and Process

JPMAM employs a value-oriented approach to fixed income management. Through its bottom-up process, the fixed income team identifies inefficiently priced securities. Yield curve management, with an emphasis on evaluating relative risk/reward relationships along the yield curve, is another important element of the firm's approach.

JPMAM uses duration management as a risk control tool. Its policy is to manage duration within 10% of the benchmark. Consistent with its value-oriented approach, JPMAM evaluates risk and reward relationships to identify value along the yield curve.

JPMAM's portfolio construction process is dictated by its bottom-up approach. However, portfolio managers maintain a consistent overweight to mortgage products and an underweight to the credit sector. The degree of the mortgage overweight strategy will vary with the firm's assessment of economic and industry factors as well as market supply/demand dynamics.

JPMAM uses a variety of quantitative techniques, including option-adjusted spread (OAS) analysis, to identify undervalued securities. Its portfolios consist of investment grade securities, with a majority invested in securities rated AAA. JPMAM continually monitors the portfolios, using quantitative valuation tools to identify securities that are fairly priced and overvalued. JPMAM will sell a security that becomes fairly valued, has an adverse change in fundamentals, or when a more attractive security with superior total return characteristics is identified.

In derivative enabled accounts, JPMAM will use swaps, futures, and CDS.

Current Positioning

Sector Distribution:

Mortgage-backed securities (MBS) 45.0%

Agency (excluding MBS) 3.2%

Credit and asset-backed 24.7%

Treasury 21.3%

Cash and Cash Equivalents 5.8%

Manager Commentary

Quarterly Attribution

Contributors for the quarter:

- Underweight treasury sector
- Non-agency mortgage allocation
- Duration/yield curve positioning

Detractors for the quarter:

- Underweight credit sector
- Agency mortgage composition
- Agency debt overweight (contribution to duration basis)

Portfolio Characteristics

Yield to Maturity	2.63%
Weighted Average Life	6.37 yrs
Duration	4.88
OAS	104
Convexity	0.26
Average Quality	AA/AA-
Turnover	17.94%
Holdings	497

Responsible Investment ESG Comment

ESG3 - The team performs proprietary credit research, but ESG factors cannot be considered an explicit driver of the investment philosophy and process

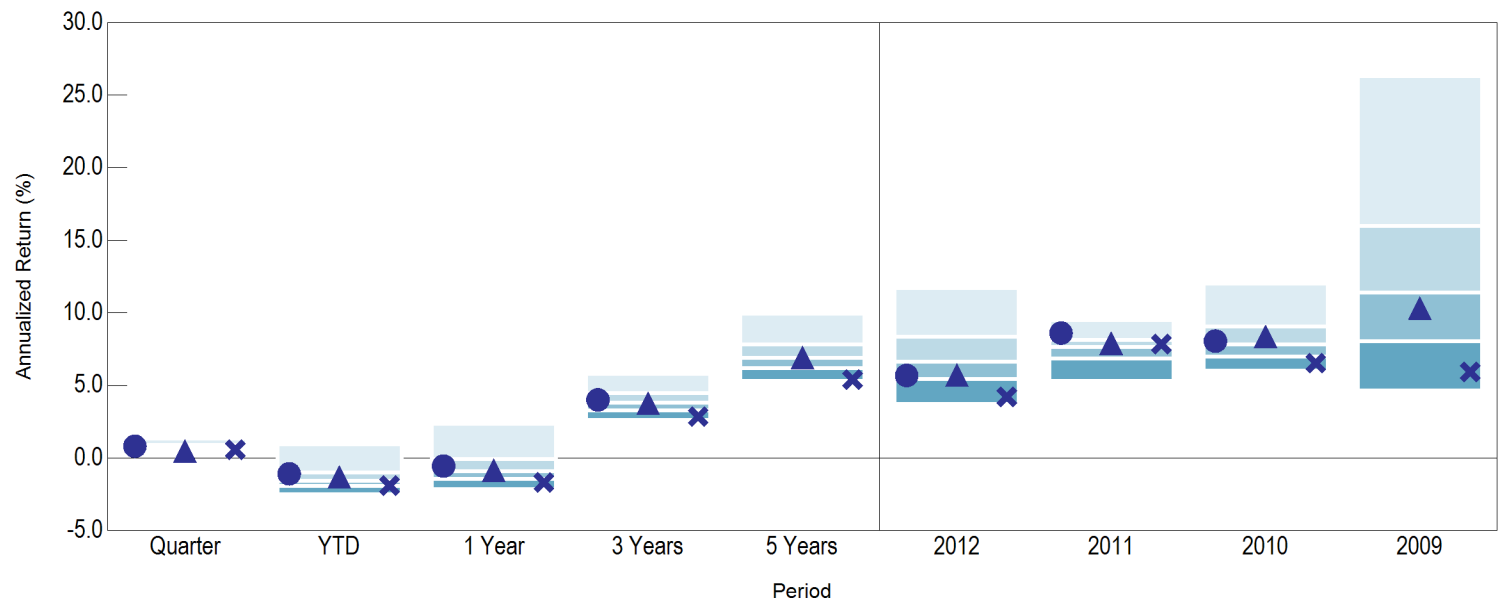
Summary Data Points

Mercer Rating: A
Strategy Assets: \$73.0 billion

NCSRP JP Morgan Core Bond

Performance

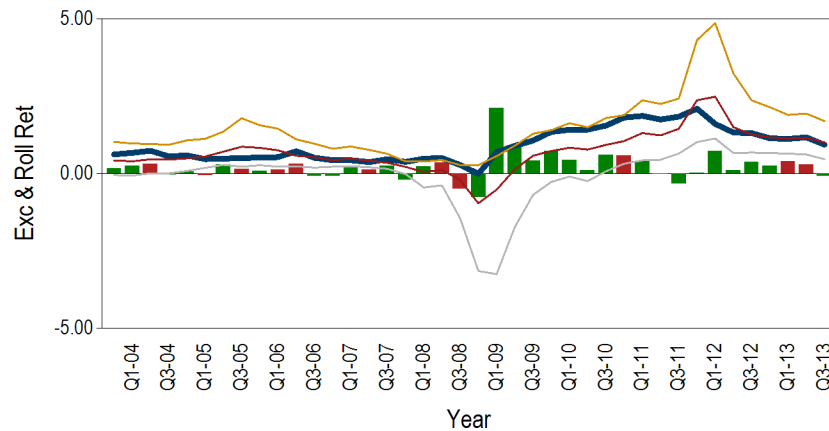
Performance vs. Mercer Instl US Fixed Core
Ending September 30, 2013



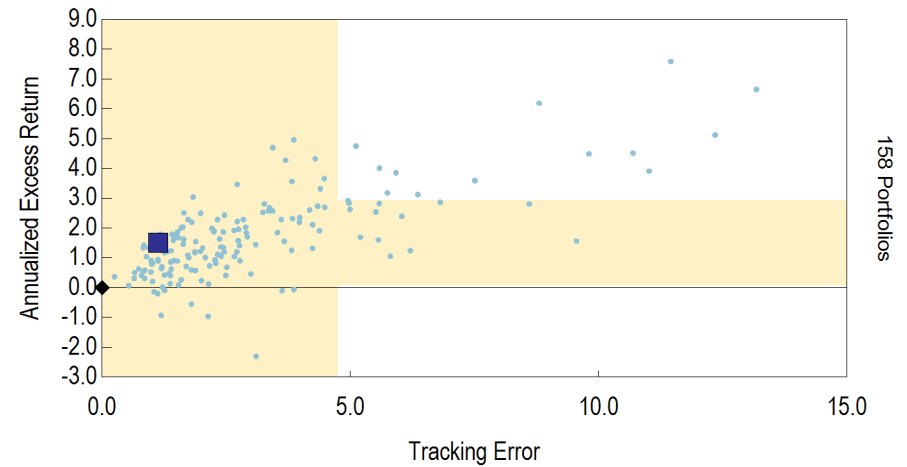
	Return (Rank)															
5th Percentile	1.3	0.9	2.3	5.8	9.9	11.7	9.5	12.0	26.3							
25th Percentile	0.9	-1.0	-0.1	4.5	7.8	8.4	8.2	9.1	16.0							
Median	0.7	-1.5	-0.9	3.9	6.9	6.7	7.7	7.8	11.4							
75th Percentile	0.6	-1.9	-1.4	3.3	6.2	5.5	6.9	7.0	8.1							
95th Percentile	0.3	-2.5	-2.1	2.6	5.3	3.7	5.3	6.0	4.7							
# of Portfolios	197	194	189	162	158	284	272	303	267							
● NCSRP JP Morgan Core Bond	0.8 (39)	-1.1 (29)	-0.6 (39)	4.0 (44)	-- (--)	5.7 (71)	8.6 (15)	8.1 (46)	-- (--)							
▲ JP Morgan Core Bond Strategy	0.5 (83)	-1.3 (38)	-0.8 (49)	3.8 (55)	6.9 (50)	5.7 (70)	7.9 (38)	8.4 (37)	10.3 (60)							
✕ Barclays Aggregate	0.6 (74)	-1.9 (75)	-1.7 (87)	2.9 (92)	5.4 (95)	4.2 (94)	7.8 (44)	6.5 (88)	5.9 (89)							

JP Morgan Core Bond Strategy

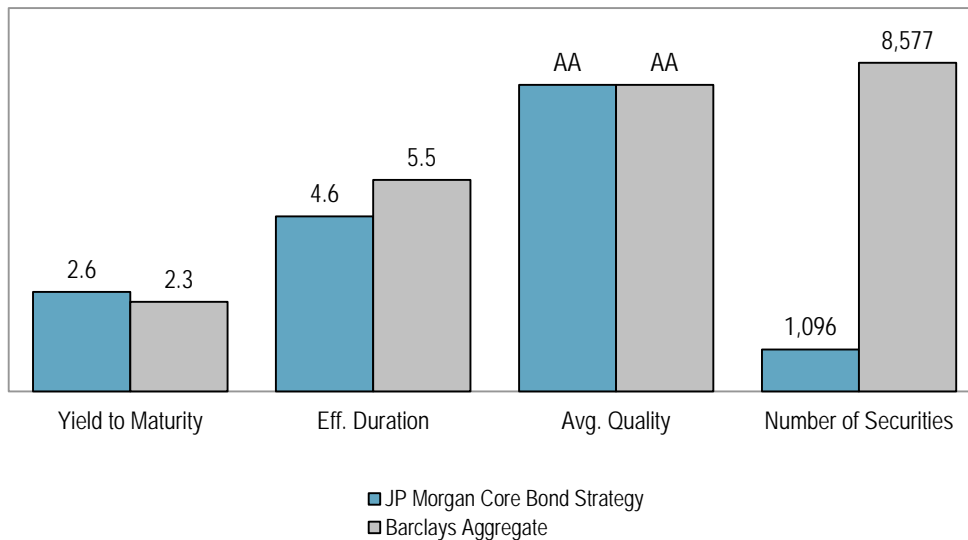
Rolling 3 Year Excess Performance
JP Morgan Core Bond Strategy vs. Barclays Capital Aggregate



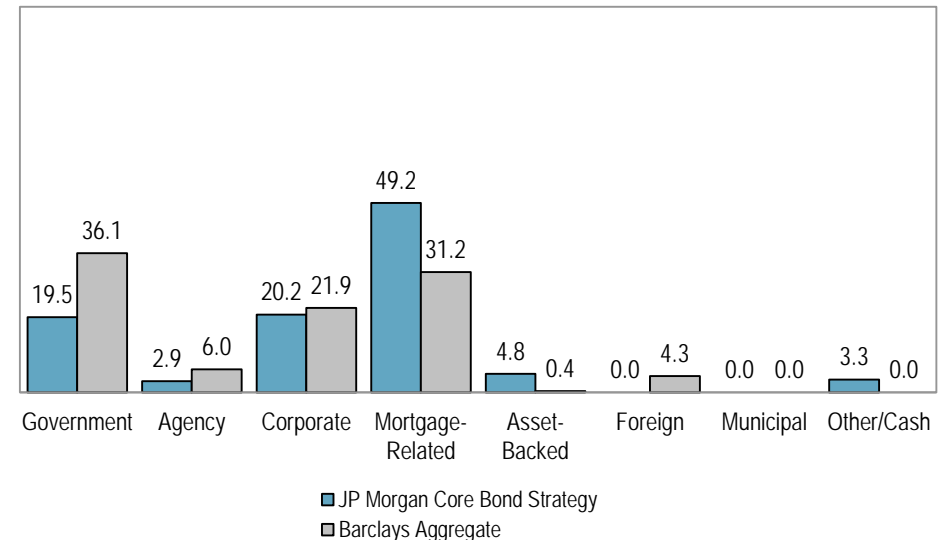
Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013



Characteristics
as of September 30, 2013



Sectors
as of September 30, 2013



Manager Commentary

Plan	North Carolina Supplemental Retirement Plans
Strategy	Pacific Investment Management Company - Core Plus - Total Return Full Authority
Benchmark	Barclays U.S. Aggregate Index

Manager Philosophy and Process

PIMCO's top-down, core approach to fixed income management is focused on long-term secular trends. The firm seeks to add alpha through multiple sources of active risk including duration, yield curve, country, currency, sector rotation and bottom-up security selection. PIMCO's portfolio construction and risk management efforts are designed to position the portfolio with exposure to a series of moderate risks, ensuring that no single trade idea or risk factor overwhelms the portfolio. Given its dynamic approach to active management, as well as its large size in certain cash markets, PIMCO relies heavily on derivative securities to implement its trade ideas.

PIMCO relies on its long-term secular outlook when determining portfolio duration. The firm develops its three-to-five-year secular outlook at annual strategy sessions. This outlook is fine-tuned quarterly. Portfolio duration is typically within 30% of the benchmark. PIMCO actively manages its yield curve positioning based on anticipated central bank actions and inflation expectations. The firm will invest opportunistically across global sovereign curves, and does not limit itself to U.S. interest rate exposure. PIMCO is a heavy user of futures and swaps to implement its duration and yield curve views.

PIMCO determines sector exposure based on its secular and cyclical outlooks. The firm will make significant shifts based on changes in relative valuations and spreads. Full discretion accounts may invest meaningfully (up to 30%) in non-dollar bonds and below-investment grade bonds (up to 15%).

PIMCO's credit analysts produce proprietary credit ratings and a risk rating (green, yellow, or red light designations). Green and yellow lights are the primary sources for security selection, based on a relative value assessment and recommendation from the credit analyst. The relative value analysis helps identify the most attractive issuers within an industry and bonds within a capital structure. This analysis is captured in a relative value matrix updated weekly by the trading desk and credit analysts. Within mortgages, PIMCO's proprietary mean reversion model is a primary tool to analyze coupon swaps, which is expected to be one of the firm's largest sources of alpha in the mortgage space given the firm's primary use of forward-settling TBA mortgages in lieu of specified pools. PIMCO has extensive proprietary analytics to evaluate the expected behavior and pricing of specific securities with embedded optionality.

PIMCO makes wide use of derivative instruments to tactically adjust the portfolio. The firm uses futures and credit default swaps as cash-market substitutes, options as a means to capitalize on changes in market volatility, and futures and swaps to adjust yield curve and duration posture. The firm will also invest in a variety of mortgage-backed derivatives based on an evaluation of prepayment and liquidity factors.

Manager Commentary

Current Positioning

- Target a small underweight to benchmark-level duration
- Concentrate U.S. nominal duration exposure on the front-end of the yield curve while maintaining an underweight position to longer maturity securities
- Focus TIPS exposure on the 10 – 20 year segment of the real yield curve as current break-even levels underprice the potential for secular inflation
- Retain an overall underweight to corporate spread, favoring other spread sectors, but participate in select compelling corporate opportunities identified through bottom-up credit analysis
- Within Agency mortgage-backed securities (MBS), focus on security selection to capitalize on relative value opportunities within the coupon stack
- Continue to hold non-Agency MBS positions as a source of additional yield
- Continue to favor Brazilian and Mexican local interest rate exposures
- Retain exposure to high quality municipal bonds that offer attractive yields

Quarterly Attribution

Contributors:

- An underweight to U.S. duration as yields rose across intermediate and long term maturities
- A focus on the front end of the U.S. yield curve, which outperformed longer-dated issues
- Holdings of Treasury Inflation Protected Securities (TIPS), as inflation expectations rose
- An allocation to non-Agency mortgages which benefited from investor demand given attractive valuations
- A focus on financials, which outperformed the broader corporate market as balance sheets and profits improved
- Modest exposure to high yield corporate bonds as spreads tightened amid risk-on sentiment

Detractors:

- Tactical positioning in Japanese interest rates, as yields declined
- An overall underweight to investment-grade corporate bonds, which outperformed like-duration Treasuries

Portfolio Characteristics

Effective Duration: 5.1 years

Effective Maturity: 5.5 years

Manager Commentary

Responsible Investment ESG Comment

ESG3 - No Comment Provided

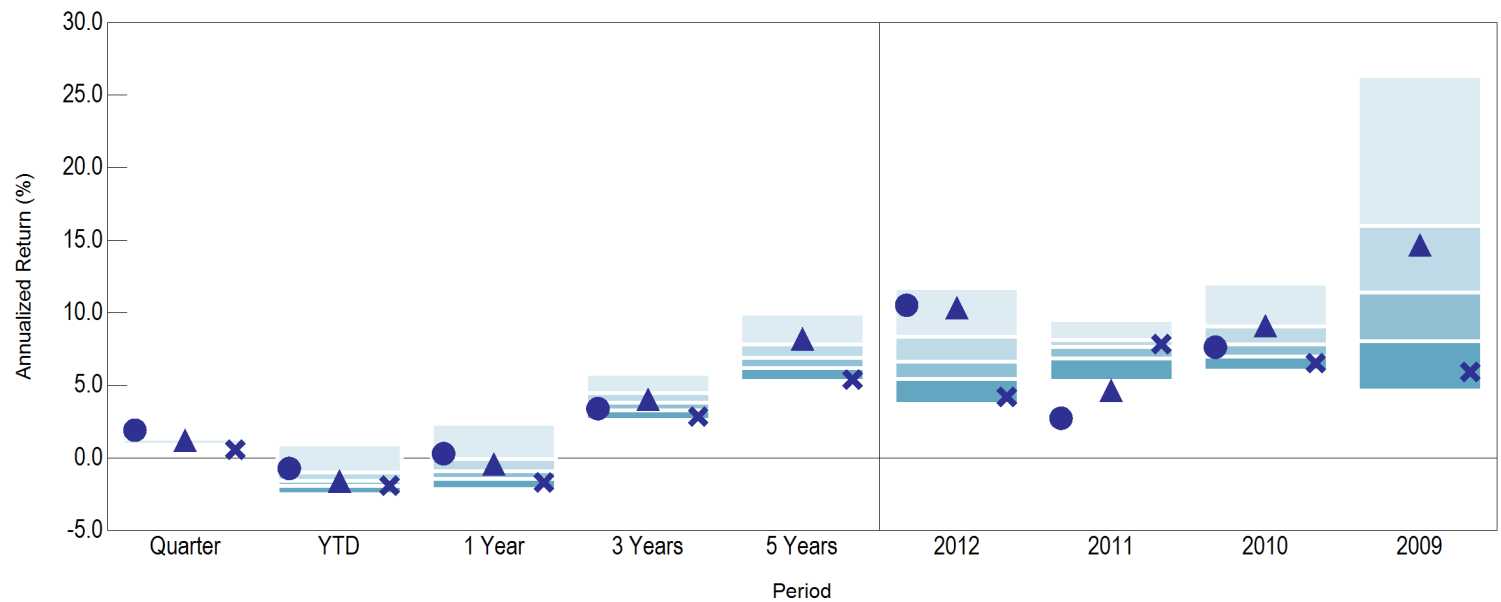
Summary Data Points

Current Rating: A
Strategy AUM: \$476 billion

NCSRP PIMCO Total Return Full Authority

Performance

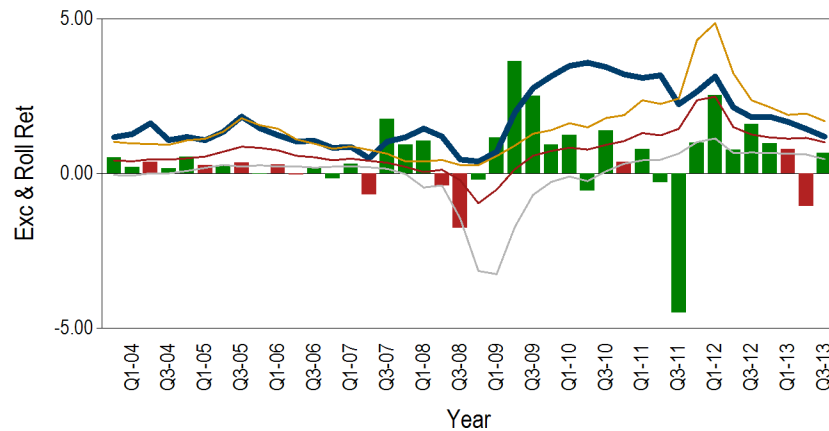
Performance vs. Mercer Instl US Fixed Core
Ending September 30, 2013



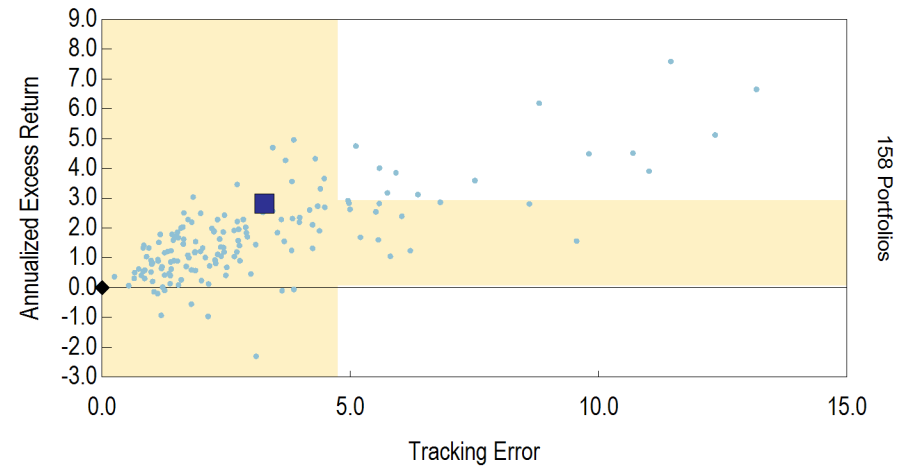
	Return (Rank)									
5th Percentile	1.3	0.9	2.3	5.8	9.9	11.7	9.5	12.0	26.3	
25th Percentile	0.9	-1.0	-0.1	4.5	7.8	8.4	8.2	9.1	16.0	
Median	0.7	-1.5	-0.9	3.9	6.9	6.7	7.7	7.8	11.4	
75th Percentile	0.6	-1.9	-1.4	3.3	6.2	5.5	6.9	7.0	8.1	
95th Percentile	0.3	-2.5	-2.1	2.6	5.3	3.7	5.3	6.0	4.7	
# of Portfolios	197	194	189	162	158	284	272	303	267	
● NCSRP PIMCO Total Return Full Authority	1.9 (2)	-0.7 (17)	0.3 (19)	3.4 (72)	-- (--)	10.5 (10)	2.7 (99)	7.6 (57)	-- (--)	
▲ PIMCO Total Return Full Authority Strategy	1.2 (6)	-1.6 (55)	-0.4 (37)	4.0 (44)	8.2 (17)	10.4 (11)	4.7 (97)	9.1 (25)	14.7 (31)	
✕ Barclays Aggregate	0.6 (74)	-1.9 (75)	-1.7 (87)	2.9 (92)	5.4 (95)	4.2 (94)	7.8 (44)	6.5 (88)	5.9 (89)	

PIMCO Total Return Full Authority Strategy

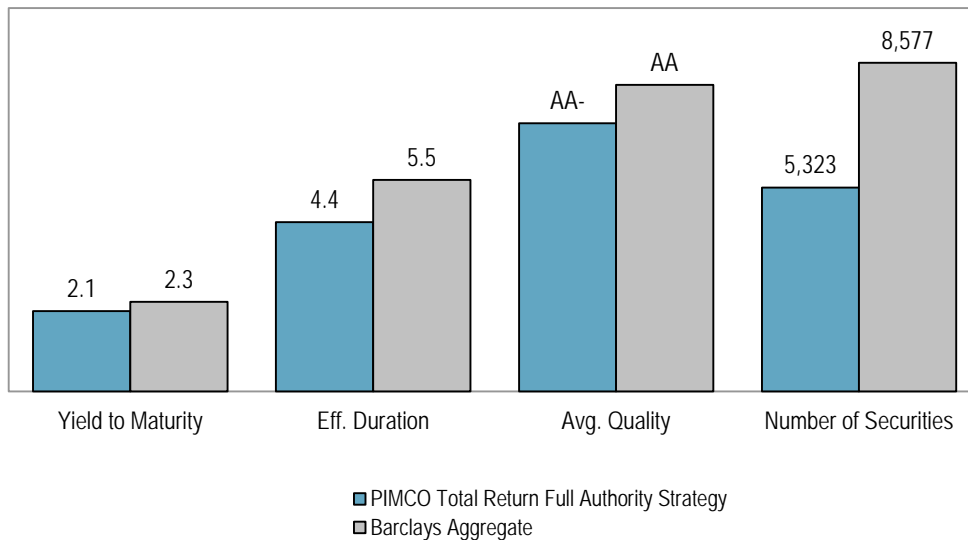
Rolling 3 Year Excess Performance
PIMCO Total Return Full Authority Strategy vs. Barclays Capital Aggregate



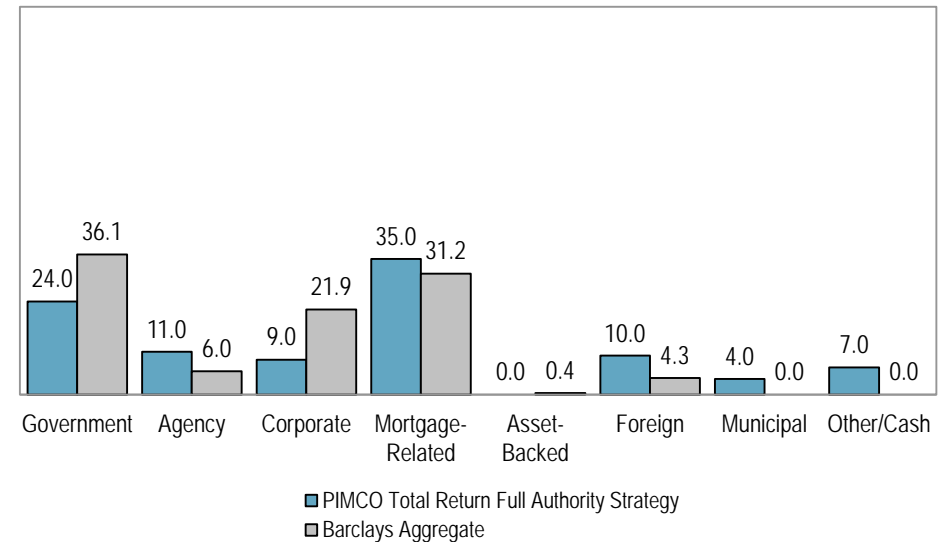
Annualized Excess Return vs. Tracking Error
5 Years Ending September 30, 2013



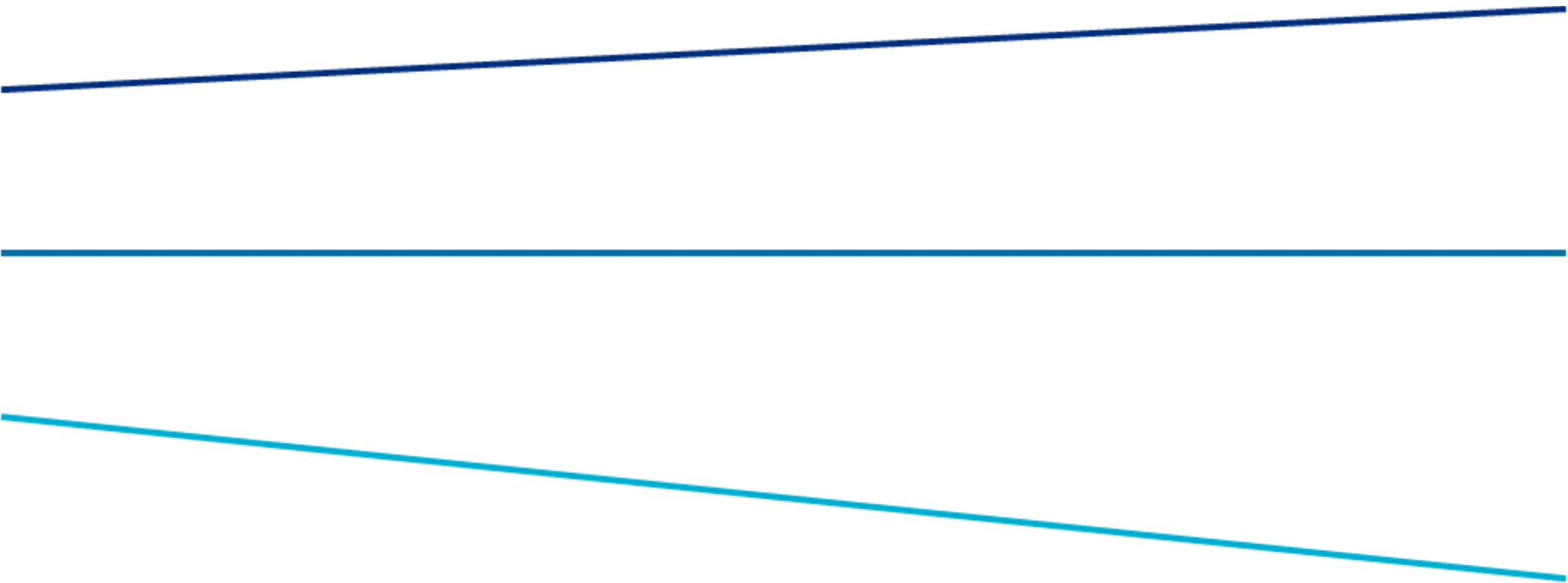
Characteristics
as of September 30, 2013



Sectors
as of September 30, 2013

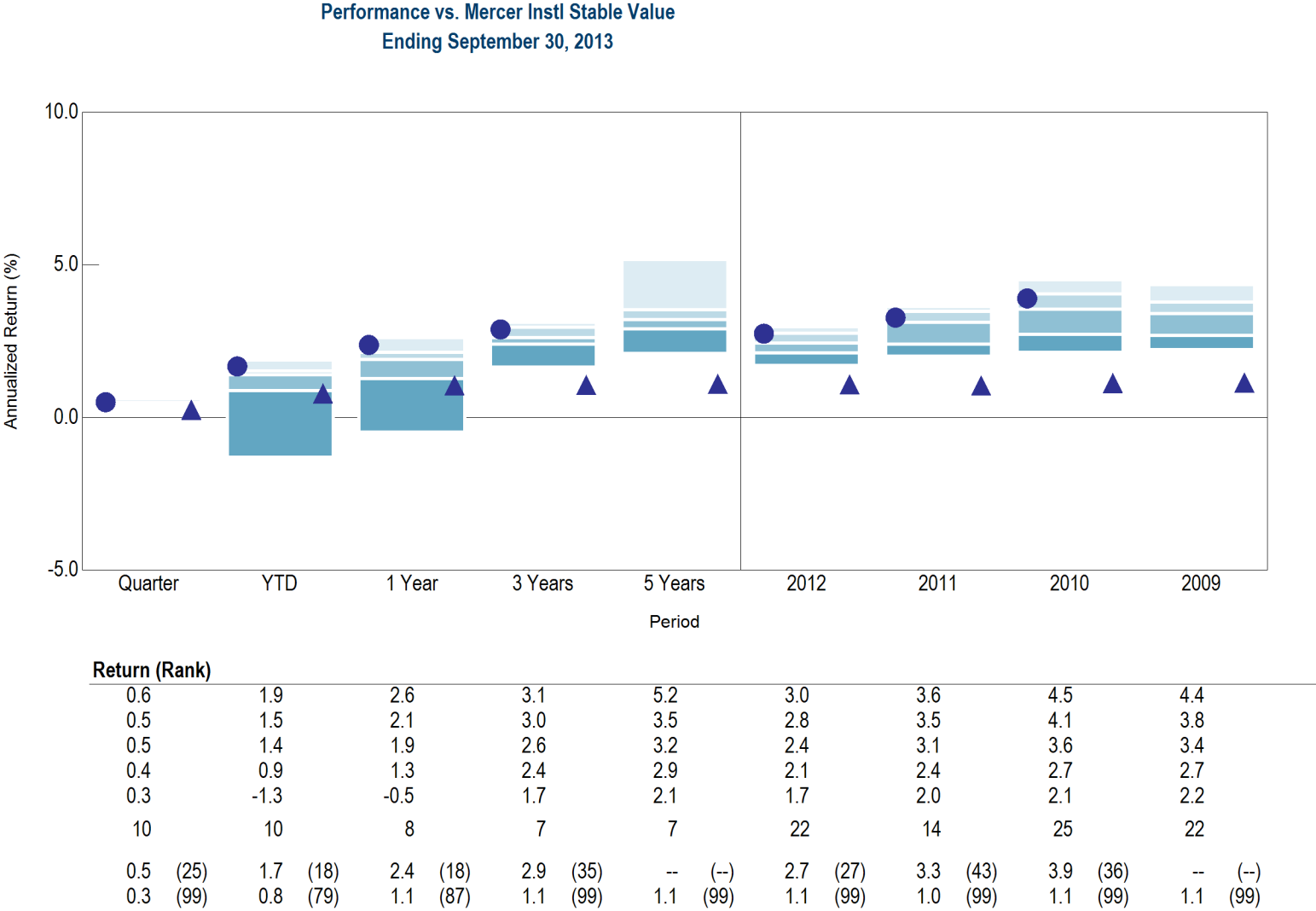


Stable Value



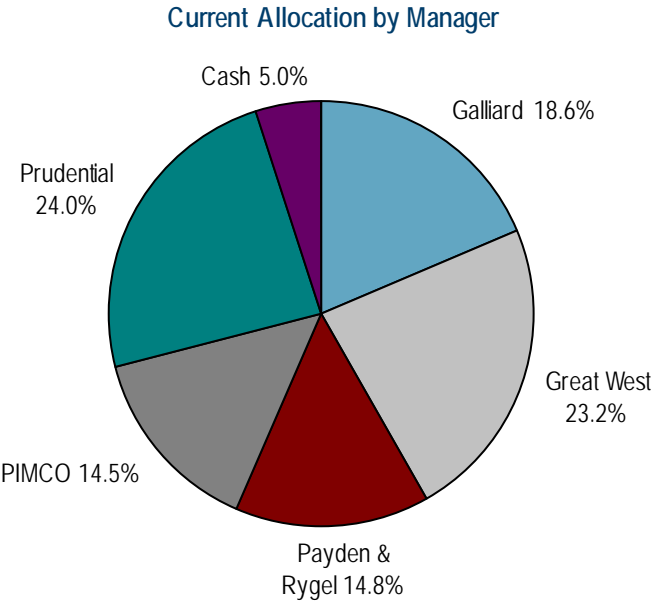
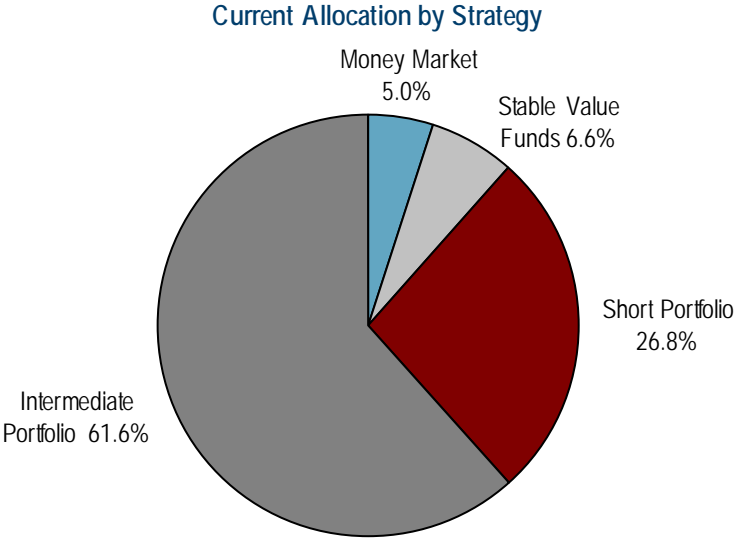
Stable Value Fund

Performance



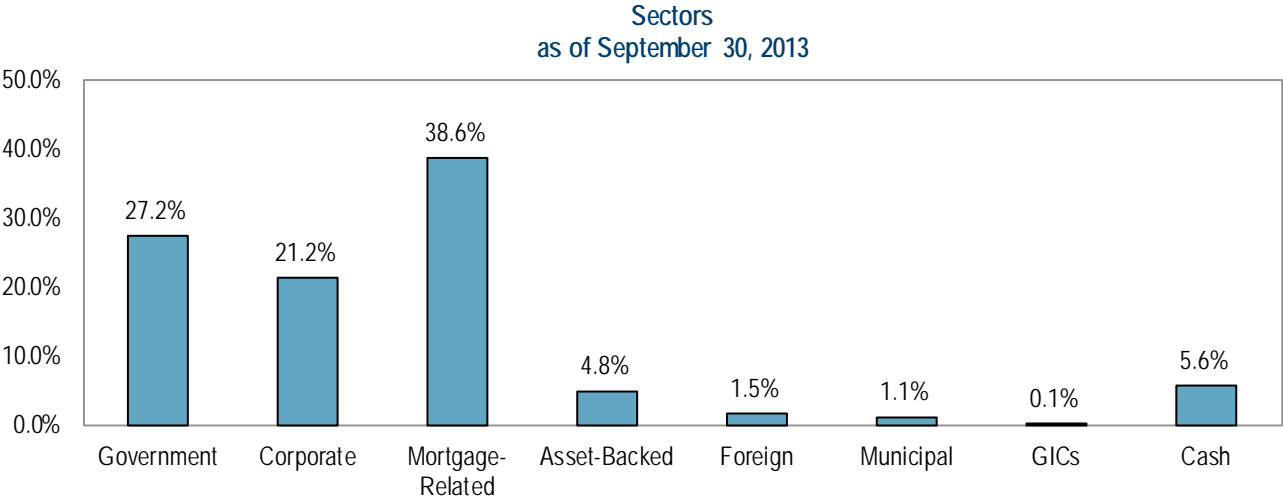
Stable Value Fund

Characteristics



Characteristics
as of September 30, 2013

Stable Value Fund	
Market Value	\$2,233 Million
Average Quality	AA+
Blended Yield	2.0%
Effective Duration (Yrs)	3.2
MV/BV	101.83%



Stable Value Fund

Performance

Stable Value - 401(k)	QTR	YTD	1 Yr	3 Yrs	5 Yrs	Since Inception
Payden & Rygel	0.5	0.5	0.8	1.7	--	2.7
Barclays 1-3 Year Government/Credit	0.4	0.5	0.6	1.1	2.5	1.9
Galliard Short High Quality Core	0.5	-0.2	0.0	1.7	--	2.5
Barclays 1-3 Year Government	0.3	0.3	0.4	0.8	1.8	1.3
Wells Fargo Fixed Income	0.8	-0.9	-0.8	2.7	--	2.9
Barclays Intermediate Aggregate	0.8	-0.9	-0.7	2.6	5.0	2.8
PIMCO Intermediate Fixed Income	0.5	-2.2	-2.0	--	--	3.3
Barclays Intermediate Aggregate	0.8	-0.9	-0.7	2.6	5.0	3.1
Great West	0.8	-1.0	-0.9	--	--	2.1
Barclays Intermediate Aggregate ex-Baa	0.7	-0.9	-0.8	2.4	4.7	1.5

Stable Value - 457	QTR	YTD	1 Yr	3 Yrs	5 Yrs	Since Inception
Payden & Rygel	0.5	0.5	0.8	1.7	--	2.3
Barclays 1-3 Year Government/Credit	0.4	0.5	0.6	1.1	2.5	1.8
Galliard Short High Quality Core	0.5	-0.2	0.0	1.7	--	2.5
Barclays 1-3 Year Government	0.3	0.3	0.4	0.8	1.8	1.3
Wells Fargo Fixed Income	0.8	-0.9	-0.8	2.7	--	2.9
Barclays Intermediate Aggregate	0.8	-0.9	-0.7	2.6	5.0	2.8
PIMCO Intermediate Fixed Income	0.5	-2.2	-2.0	--	--	3.3
Barclays Intermediate Aggregate	0.8	-0.9	-0.7	2.6	5.0	3.1
Great West	0.8	-0.7	-0.7	--	--	1.9
Barclays Intermediate Aggregate ex-Baa	0.7	-0.9	-0.8	2.4	4.7	1.5

Stable Value Fund

Fees

401(k) Plan Stable Value Fund

Benefit Responsive Wrap Fees

Great West Life	0.15%
Prudential	0.17%
MetLife	0.20%
United of Omaha	<u>0.25%</u>
Weighted Average Wrap Fee	0.17%

Investment Management Fees

Payden & Rygel	0.14%
Prudential	0.06%
Great West Life	0.05%
PIMCO	<u>0.23%</u>
Weighted Average Management Fee	0.08%

Galliard Oversight & Management **0.07%**

Fund Admin / Audit **0.01%**

Total Management & Wrap **0.34%**

Admin Fee **0.12%**

Total Fees **0.46%**

457 Plan Stable Value Fund

Benefit Responsive Wrap Fees

Great West Life	0.15%
Prudential	0.17%
MetLife	0.20%
United of Omaha	<u>0.25%</u>
Weighted Average Wrap Fee	0.17%

Investment Management Fees

Payden & Rygel	0.14%
Prudential	0.06%
Great West Life	0.05%
PIMCO	<u>0.23%</u>
Weighted Average Management Fee	0.08%

Galliard Oversight & Management **0.07%**

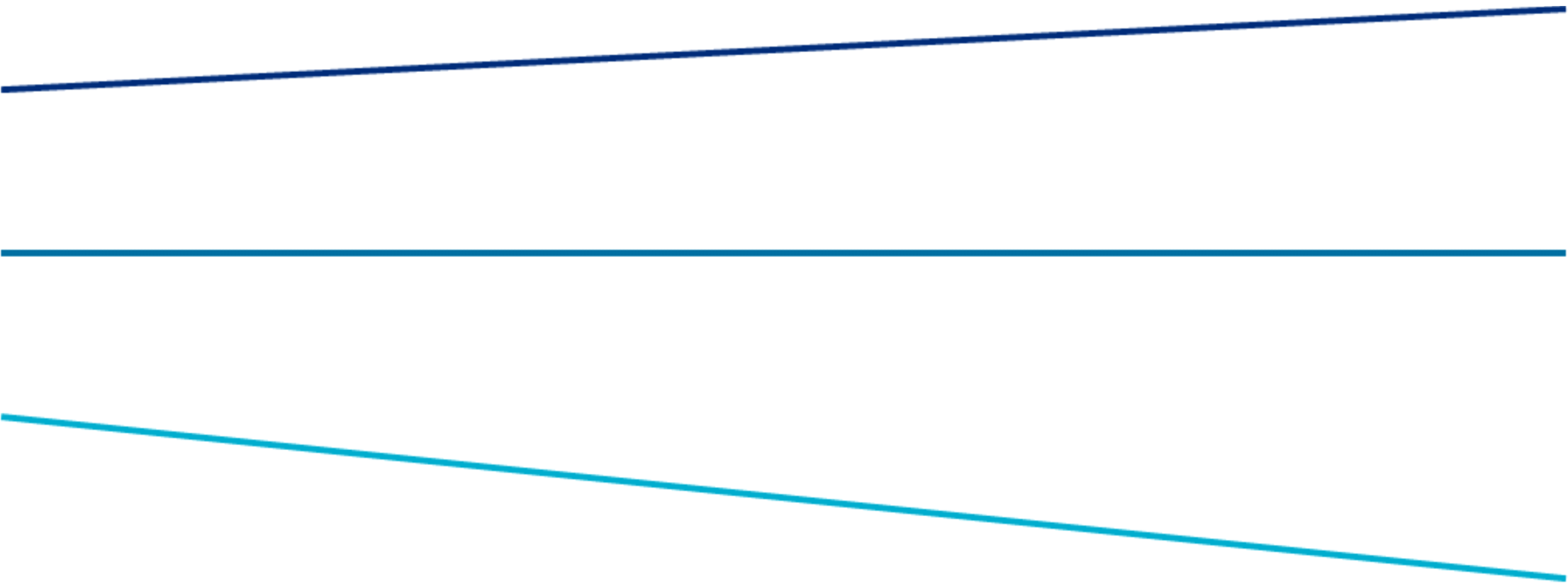
Fund Admin / Audit **0.01%**

Total Management & Wrap **0.34%**

Admin Fee **0.12%**

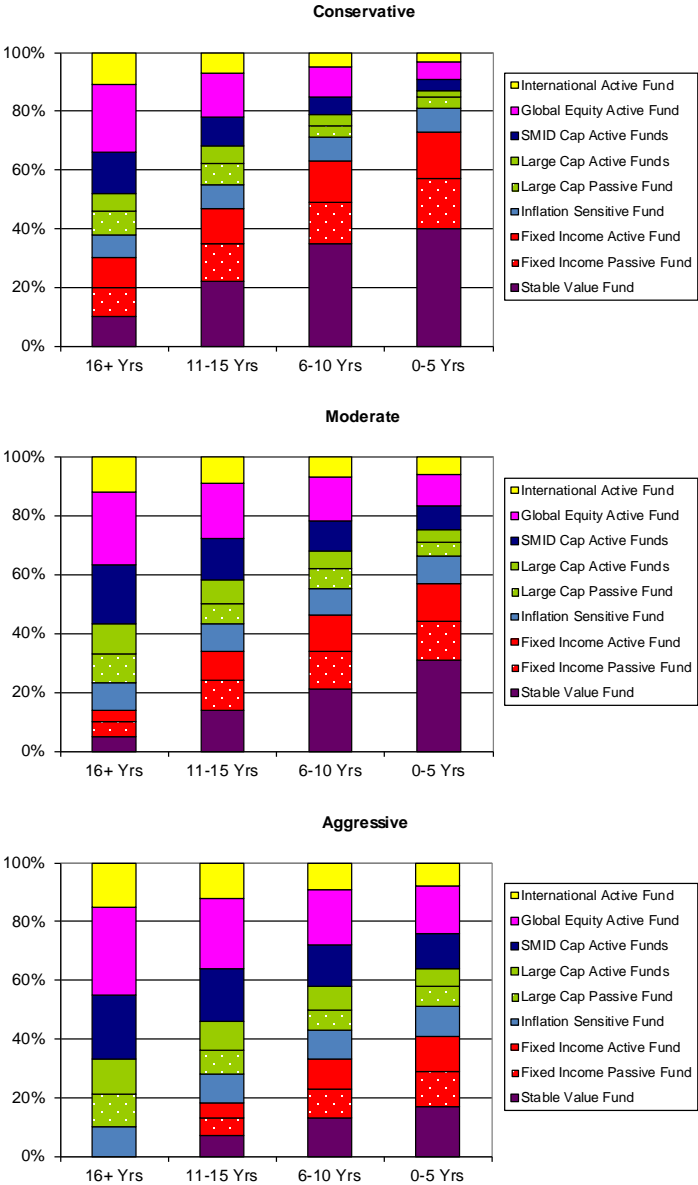
Total Fees **0.46%**

GoalMaker Portfolios

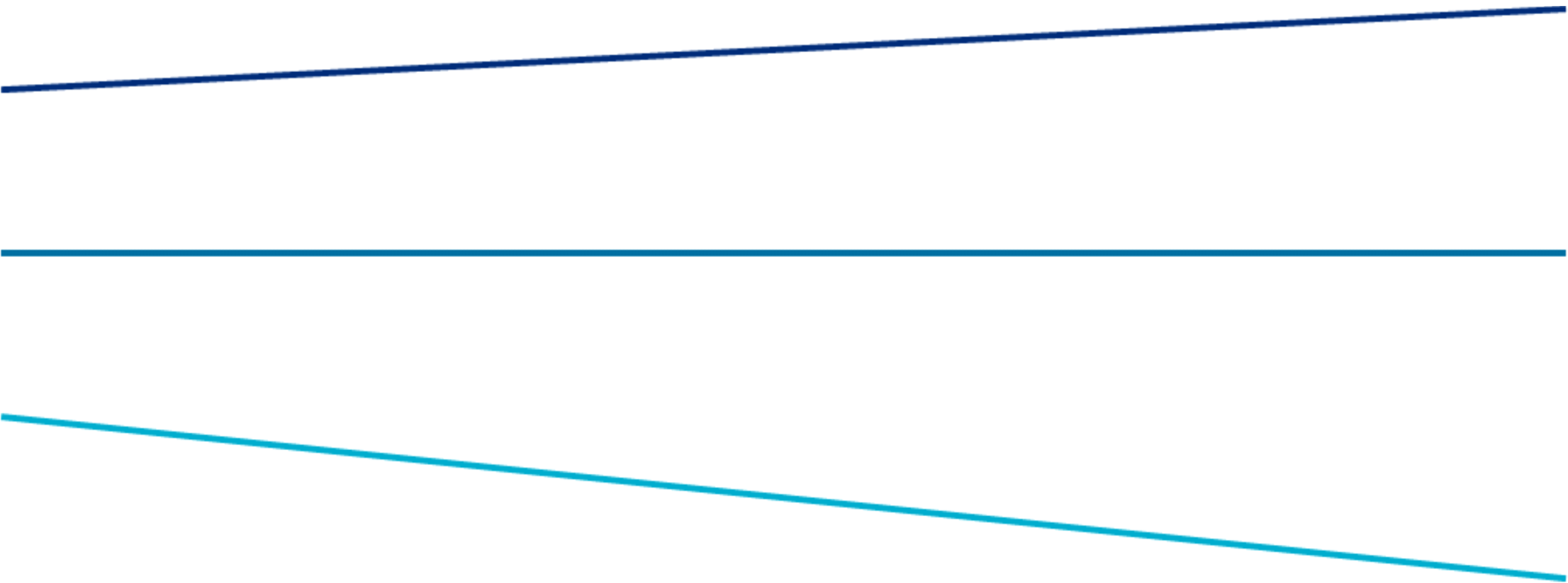


GoalMaker Portfolios

Asset Allocation



Appendix



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Returns for periods greater than one year are annualized. Returns are calculated gross of investment management fees, unless noted as net of fees.

Style analysis graph time periods may differ reflecting the length of performance history available.

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