

HEALTH WEALTH CAREER

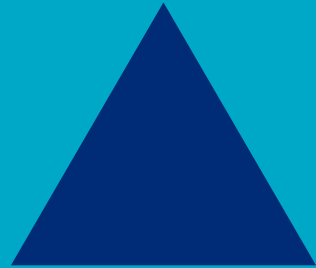
NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS

THIRD QUARTER PERFORMANCE REVIEW

A G E N D A

- Capital Markets Review
- Third Quarter Performance
- Appendix

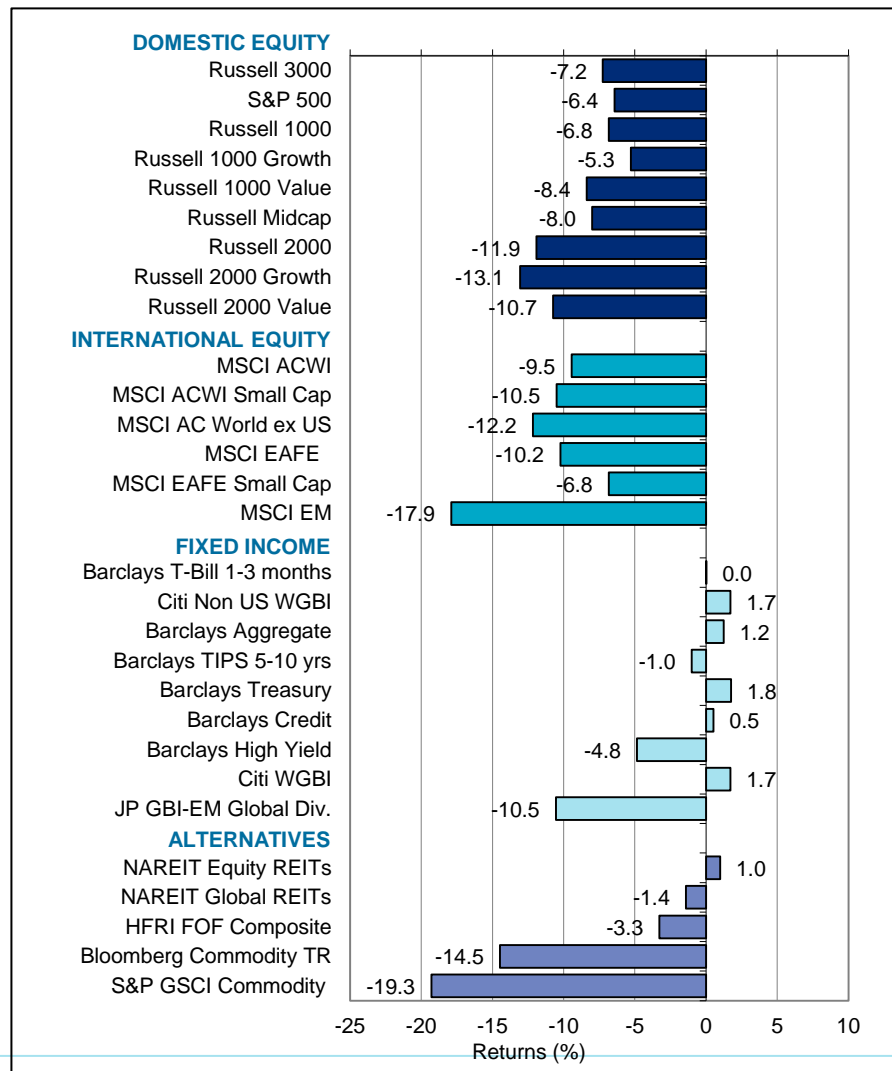
CAPITAL MARKETS REVIEW



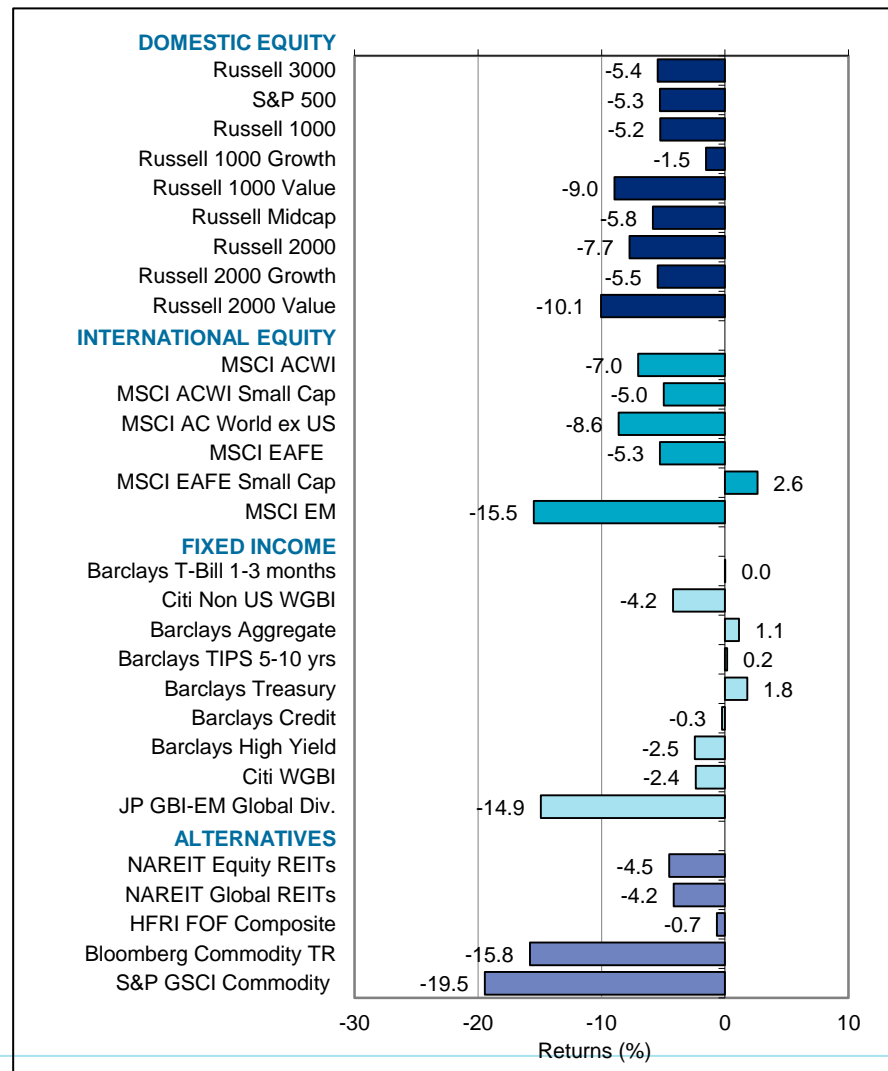
PERFORMANCE SUMMARY

QUARTER IN REVIEW

Market Performance
Third Quarter 2015



Market Performance
YTD



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

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

THIRD QUARTER PERFORMANCE



NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS INVESTMENT STRUCTURE

Tier I Target Date Funds	Tier II - A Passive Core Options	Tier II - B Active Core Options	Tier III Specialty Options
Goal Maker		Stable Value Fund Galliard Stable Value	
	Fixed Income Passive BlackRock Debt Index	Fixed Income Fund JP Morgan Core Bond Prudential Core Plus	
		Inflation Responsive Fund PIMCO IRMAF	
	Large Cap Passive BlackRock Equity Index	Large Cap Value Fund Hotchkis & Wiley Large Cap Value Delaware Large Cap Value Robeco BP Large Cap Value	
		Large Cap Growth Fund Sands Capital Large Cap Growth Wellington Opportunistic Growth Loomis Large Cap Growth	
	Small/Mid Cap Equity BlackRock Russell 2500 Index	Small/Mid Cap Value Fund Hotchkis & Wiley SMID Value Earnest Partners SMID Cap Value Wedge SMID Cap Value	
		Small/Mid Cap Growth Fund TimesSquare SMID Growth Brown Advisory SMID Growth	
		Global Equity Fund Wellington Global Opportunities Arrowstreet Global Equity ACWI	
	International Equity Passive BlackRock ACWI ex US Index	International Equity Fund Baillie Gifford ACWI ex US Growth Mondrian ACWI ex US Value	

FUND REVIEW

FUND PERFORMANCE AS OF SEPTEMBER 30, 2015

Name	Market Value (\$m)	(%)	Inception										Return	Since
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank		
Large Cap Passive S&P 500	\$1,210.1	13.9%	-6.5%	--	-5.4%	--	-0.8%	--	12.2%	--	13.2%	--	16.8%	Mar-09
			-6.4%	--	-5.3%	--	-0.6%	--	12.4%	--	13.3%	--	16.9%	Mar-09
Large Cap Value Russell 1000 Value	\$829.0	9.5%	-9.2%	59	-8.9%	59	-4.2%	39	12.1%	27	12.3%	28	15.2%	Mar-09
			-8.4%	43	-9.0%	59	-4.4%	42	11.6%	36	12.3%	28	16.4%	Mar-09
Large Cap Growth Russell 1000 Growth	\$836.8	9.6%	-5.5%	35	-2.7%	63	1.9%	63	13.0%	49	14.1%	31	19.5%	Mar-09
			-5.3%	27	-1.5%	42	3.2%	41	13.6%	35	14.5%	25	18.0%	Mar-09
Mid/Small Cap Passive Russell 2500	\$209.8	2.4%	-10.3%	--	-6.0%	--	0.4%	--	12.3%	--	12.6%	--	18.6%	Mar-09
			-10.3%	--	-6.0%	--	0.4%	--	12.4%	--	12.7%	--	18.7%	Mar-09
Mid/Small Cap Value Russell 2500 Value	\$421.2	4.8%	-10.7%	60	-9.2%	58	-3.0%	48	13.5%	17	13.8%	8	21.0%	Mar-09
			-9.6%	45	-8.0%	48	-2.4%	45	11.0%	45	11.5%	39	17.7%	Mar-09
Mid/Small Cap Growth Russell 2500 Growth	\$315.5	3.6%	-9.9%	35	-3.2%	37	3.7%	36	12.6%	37	12.7%	43	17.9%	Mar-09
			-11.0%	51	-3.8%	44	3.4%	38	13.8%	21	13.9%	25	19.7%	Mar-09
International Passive MSCI ACWI ex USA Gross	\$42.3	0.5%	-12.2%	--	-8.0%	--	-12.1%	--	2.3%	--	1.8%	--	9.4%	Mar-09
			-12.1%	--	-8.3%	--	-11.8%	--	2.8%	--	2.3%	--	9.9%	Mar-09
International Equity MSCI ACWI ex USA Gross	\$513.4	5.9%	-11.4%	77	-7.0%	83	-8.6%	67	3.4%	82	3.4%	65	10.2%	Mar-09
			-12.1%	84	-8.3%	87	-11.8%	88	2.8%	86	2.3%	80	9.9%	Mar-09
Global Equity MSCI ACWI Gross	\$722.4	8.3%	-8.6%	41	-4.4%	33	-2.1%	28	11.5%	14	9.6%	19	14.0%	Mar-09
			-9.3%	59	-6.6%	68	-6.2%	72	7.5%	61	7.4%	62	13.3%	Mar-09
Inflation Responsive Fund PIMCO Inflation Response Index	\$337.9	3.9%	-5.6%	58	-5.6%	51	-7.4%	50	--	--	--	--	-3.5%	Sep-13
			-4.6%	45	-5.4%	37	-7.4%	50	-5.3%	89	0.0%	63	-4.0%	Sep-13
Fixed Income Passive Fund Barclays Aggregate	\$366.2	4.2%	1.2%	--	1.0%	--	2.8%	--	1.6%	--	3.0%	--	3.0%	Sep-10
			1.2%	--	1.1%	--	2.9%	--	1.7%	--	3.1%	--	3.1%	Sep-10
Fixed Income Fund Barclays Aggregate	\$586.3	6.7%	1.0%	15	1.4%	12	3.1%	4	2.0%	30	3.3%	45	5.3%	Mar-09
			1.2%	6	1.1%	17	2.9%	7	1.7%	44	3.1%	51	4.5%	Mar-09
Stable Value Fund T-BILLS + 1%	\$2,328.1	26.7%	0.5%	51	1.4%	59	1.8%	61	2.0%	54	2.5%	41	2.8%	Jun-09
			0.3%	99	0.8%	99	1.0%	99	1.0%	99	1.0%	99	1.1%	Jun-09

PERFORMANCE SCORECARD

	Mercer Rating	Return								Risk ¹
		3 Years to 09/30/2015		3 Years to 06/30/2015		3 Years to 03/31/2014		3 Years to 12/31/2014		5 Years to 09/30/2015
		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	A	✓	NA	✓	NA	✓	NA	✓	NA	NA
Large Cap Value Fund		✓	✓	✓	✓	✓	✓	✓	✓	NA
Hotchkis & Wiley Large Cap Value	A (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Delaware Large Cap Value ²	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Robeco BP Large Cap Value	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Large Cap Growth Fund		✗	✓	✗	✗	✗	✗	✓	✓	NA
Sands Capital Large Cap Growth	A (T)	✗	✗	✓	✓	✓	✓	✓	✓	✓
Wellington Opportunistic Growth	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Loomis Large Cap Growth ³	B+ (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓

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%.

² Represents the Delaware Large Cap Growth Composite.

³ Represents the Loomis Large Cap Growth Composite.

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

PERFORMANCE SCORECARD

	Mercer Rating	Return								Risk ¹
		3 Years to 09/30/2015		3 Years to 06/30/2015		3 Years to 03/31/2014		3 Years to 12/31/2014		5 Years to 09/30/2015
		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	A	✓	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	B+ (P)	✓	✓	✓	✓	✓	✓	✓	✓	✓
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 09/30/2015		3 Years to 06/30/2015		3 Years to 03/31/2014		3 Years to 12/31/2014		5 Years to 09/30/2015
		I	U	I	U	I	U	I	U	I
International Passive Fund (tracked within 60 bps)		✓	NA	✓	NA	✓	NA	✗	NA	NA
BlackRock ACWI ex US Fund	A	✓	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 09/30/2015		3 Years to 06/30/2015		3 Years to 03/31/2014		3 Years to 12/31/2014		5 Years to 09/30/2015	
		I	U	I	U	I	U	I	U	I	
Inflation Responsive Fund		NA	NA	NA	NA	NA	NA	NA	NA	NA	
PIMCO Inflation Response-Multi Asset ²	B+ (W)	✓	✗	✓	✗	✓	✗	✓	✗	NA	
Fixed Income Passive Fund (tracked within 25 bps)		✓	NA	✓	NA	✓	NA	✓	NA	NA	
BlackRock Debt Index Fund	A	✓	NA	✓	NA	✓	NA	✓	NA	NA	
Fixed Income Fund		✓	✓	✓	✓	✓	✓	✓	✓	NA	
JP Morgan Core Bond	A (P)	✓	✓	✓	✗	✓	✗	✓	✗	✓	
Prudential Core Plus ³	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Stable Value Fund		✓	✗	✓	✓	✓	✓	✓	✓	NA	

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² Represents the PIMCO IRMAF composite.

³ Represents the Prudential Core Plus Composite.

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WATCH LIST

Manager	Date Placed on Watch	Mercer Rating*	Recommendation	Comments
PIMCO Inflation-Responsive Multi Asset	3Q14	B+ (W)	Maintain Watch Status	Organizational changes at PIMCO and the appointment of portfolio manager Mihir Worah as co-portfolio manager of the Total Return Fund led to watch status of the Fund. Worah will have increased responsibilities, which will likely increase the responsibilities of his team members. Additionally, Worah will have to take on additional responsibility with the firing of TIPS portfolio manager Rahul Seksaria. We feel that the IRMAF team is very capable but will continue to closely monitor how they adapt to the situation. The strategy trailed the index by 80 basis points during the third quarter and ranked in the bottom half of the peer group universe. PIMCO struggled during the third quarter, as they had a tactical position in Brazilian nominal rates, which detracted from performance as the fiscal and political dynamics in the country continued to deteriorate. Additionally, exposure to other emerging market currencies hurt performance, as Chinese growth concerns and the sharp drop in oil prices put pressure on these currencies. The strategy has had no further changes in management and continues to grow assets.
Brown Small Cap Growth	2Q15	R	Maintain Watch Status	Brown seeks to find small capitalization securities that have above average growth, sound management, and favorable competitive positioning. Mercer has researched the strategy in the past and believed that the strategy had a few unique features. Brown will focus on valuation, and will wait for the price of a stock, in a company they think has good long term prospects, to come in before purchasing shares. Additionally, the firm will use its network of contacts in the venture capital, private equity, and private sector, in order to understand emerging trends and differentiated products and services. The strategy has struggled recently, most notably in the health care sector. Brown was able to outperform their benchmark by 210 basis points during the quarter and have outpaced the benchmark by 540 basis points over the trailing-year, which is much improved over the performance in 2014. In a reversal from the second quarter, the health care sector accounted for a majority of the outperformance. Biotechnology stocks sold off sharply in tandem towards the end of the quarter, which benefited Brown with limited exposure to the sub-sector. This underweight to biotechnology held back performance in 2014, as the sub-sector had significant gains relative to other portions of the market. Additionally, Brown benefited from having no exposure to the energy sector, which was worst performer during the third quarter. Brown has a large overweight (15%) to the information technology sector and added several software holdings during the recent market volatility. Longer-term, the strategy trailed the benchmark by 40 basis points, although performance has improved significantly in 2015.

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FEE REVIEW

A	B	C	D	E	F	G	H	I	J
						C+D+E+F	B*G		G-I
Funds and Sub-Advisors	Assets	Inv. Mgmt. Fee	Other Inv. Exp. ¹	R/K Fee	NC Budget ²	Total Estimated Expense (%)	Total Estimated Expense (\$) ³	Mercer Median Expense ⁴	Difference
North Carolina Stable Value Fund	\$2,328,138,382	0.339%	0.000%	0.079%	0.025%	0.443%	\$10,313,653	0.45%	-0.01%
Galliard	\$2,328,138,382	0.339%	0.000%				\$7,892,389	0.45%	-0.11%
North Carolina Fixed Income Passive Fund	\$366,152,672	0.020%	0.055%	0.079%	0.025%	0.179%	\$655,413	0.20%	-0.02%
BlackRock	\$366,152,672	0.020%	0.055%				\$73,231	0.02%	0.00%
North Carolina Fixed Income Fund	\$586,315,286	0.163%	0.069%	0.079%	0.025%	0.337%	\$1,974,093	0.50%	-0.16%
50% JP Morgan	\$294,570,258	0.187%	0.068%				\$550,226	0.22%	-0.03%
50% Prudential	\$291,745,029	0.140%	0.071%				\$408,443	0.25%	-0.11%
North Carolina Inflation Sensitive Fund	\$337,920,830	0.650%	0.071%	0.079%	0.025%	0.825%	\$2,787,171	0.90%	-0.08%
PIMCO	\$337,920,830	0.650%	0.071%				\$2,196,485	0.90%	-0.25%
North Carolina Large Cap Passive Fund	\$1,210,144,373	0.007%	0.055%	0.079%	0.025%	0.166%	\$2,008,840	0.18%	-0.01%
BlackRock	\$1,210,144,373	0.007%	0.055%				\$84,710	0.01%	0.00%
North Carolina Large Cap Value Fund	\$829,019,962	0.385%	0.068%	0.079%	0.025%	0.556%	\$4,611,850	0.71%	-0.15%
33.3% Hotchkis & Wiley	\$278,161,606	0.500%	0.068%				\$1,390,808	0.44%	0.06%
33.3% Delaware	\$276,304,415	0.309%	0.068%				\$852,609	0.44%	-0.13%
33.3% Robeco BP	\$274,553,942	0.346%	0.068%				\$948,662	0.44%	-0.09%
North Carolina Large Cap Growth Fund	\$836,827,095	0.422%	0.068%	0.079%	0.025%	0.594%	\$4,967,310	0.79%	-0.19%
33.3% Sands Capital Management	\$277,872,083	0.514%	0.068%				\$1,427,257	0.47%	0.04%
33.3% Wellington Management Company	\$275,551,644	0.350%	0.068%				\$964,431	0.60%	-0.25%
33.3% Loomis Sayles	\$283,403,368	0.402%	0.068%				\$1,140,210	0.47%	-0.07%
North Carolina SMID Cap Passive Fund	\$209,837,593	0.007%	0.055%	0.079%	0.025%	0.166%	\$348,330	0.25%	-0.08%
BlackRock	\$209,837,593	0.007%	0.055%				\$14,689	0.02%	-0.01%
North Carolina SMID Value Fund	\$421,167,722	0.621%	0.068%	0.079%	0.025%	0.793%	\$3,339,099	1.00%	-0.21%
33.3% Hotchkis & Wiley	\$135,269,022	0.589%	0.068%				\$796,345	0.62%	-0.03%
33.3% EARNST Partners	\$140,103,413	0.521%	0.068%				\$729,406	0.76%	-0.23%
33.3% WEDGE Capital Management	\$145,795,287	0.754%	0.068%				\$1,099,772	0.75%	0.00%
North Carolina SMID Growth Fund	\$315,512,731	0.668%	0.068%	0.079%	0.025%	0.840%	\$2,649,335	0.99%	-0.15%
50% TimesSquare Capital Management	\$156,470,636	0.766%	0.068%				\$1,199,230	0.77%	0.00%
50% Brown Advisory	\$159,042,095	0.570%	0.068%				\$906,157	0.79%	-0.22%
North Carolina International Passive Fund	\$42,328,993	0.025%	0.055%	0.079%	0.025%	0.184%	\$77,758	0.35%	-0.17%
BlackRock	\$42,328,993	0.025%	0.055%				\$10,455	0.06%	-0.04%
North Carolina International Equity Fund	\$513,400,599	0.454%	0.083%	0.079%	0.025%	0.641%	\$3,289,580	0.95%	-0.31%
50% Baillie Gifford	\$255,528,380	0.449%	0.083%				\$1,147,114	0.55%	-0.10%
50% Mondrian Investment Partners	\$257,872,219	0.458%	0.083%				\$1,181,489	0.55%	-0.09%
North Carolina Global Equity Fund	\$722,406,138	0.550%	0.073%	0.079%	0.025%	0.726%	\$5,248,203	0.99%	-0.26%
50% Wellington Management Company	\$371,554,154	0.500%	0.073%				\$1,857,771	0.53%	-0.03%
50% Arrowstreet	\$350,851,984	0.600%	0.072%				\$2,104,686	0.54%	0.06%
Total	\$8,719,172,378	0.332%	0.048%	0.079%	0.025%	0.485%	\$42,270,636	0.595%	

G-I
C-I

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.

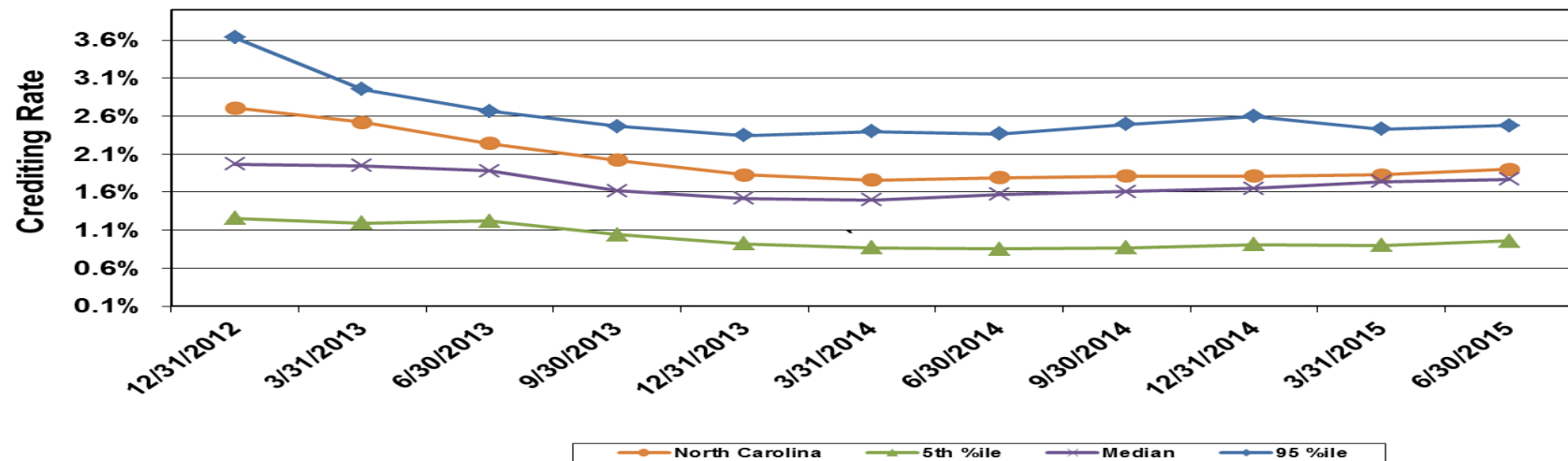
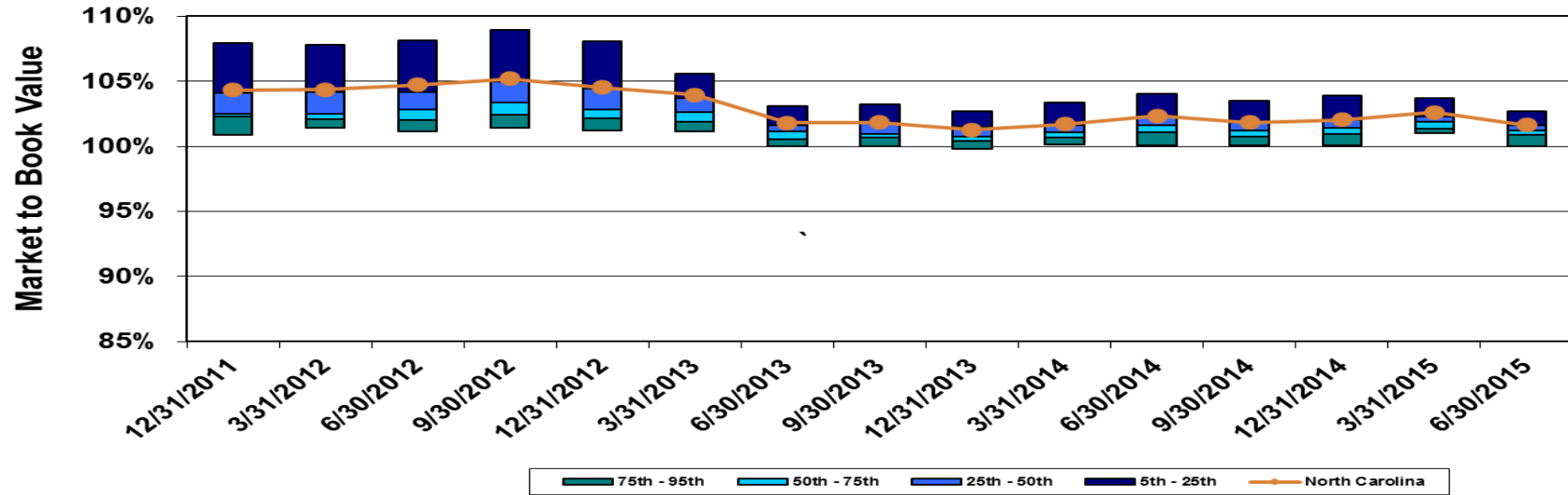
⁴Total Fund median expenses are compared against their respective Mercer Mutual Fund Institutional Universe, while the individual managers are compared to peers with the same vehicle and strategy assets.

FEE REVIEW

North Carolina 401K Stable Value Total Annual Fund Operating Expenses	Expense Ratio	Per \$1000
Investment Management fee paid to Galliard	0.073%	\$0.73
Investment Management fees paid to Non-Affiliated Investment Advisors	0.045%	\$0.45
Investment Contract Fees*	0.169%	\$1.69
Acquired Fund Fees**	0.046%	\$0.46
Investment Contract Fees	0.015%	\$0.15
Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors***	0.031%	\$0.31
12b-1 Distribution Fee	None	None
Other Expenses	0.104%	\$1.04
Total Annual Fund Operating Expenses****	0.437%	\$4.37

North Carolina 457 Stable Value Total Annual Fund Operating Expenses	Expense Ratio	Per \$1000
Investment Management fee paid to Galliard	0.073%	\$0.73
Investment Management fees paid to Non-Affiliated Investment Advisors	0.047%	\$0.47
Investment Contract Fees*	0.172%	\$1.72
Acquired Fund Fees**	0.042%	\$0.42
Investment Contract Fees	0.013%	\$0.13
Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors***	0.029%	\$0.29
12b-1 Distribution Fee	None	None
Other Expenses	0.104%	\$1.04
Total Annual Fund Operating Expenses****	0.438%	\$4.38

STABLE VALUE REVIEW



FUND REVIEW

GOALMAKER PERFORMANCE AS OF SEPTEMBER 30, 2015

Name	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
Conservative 0-5 Yrs	-1.7%	6	1.0%	1	3.8%	84	4.9%	86
Conservative 0-5 Yrs Benchmark	-1.8%	6	0.5%	7	3.3%	90	3.8%	96
Conservative 6-10 Yrs	-2.8%	10	0.4%	8	4.6%	69	5.6%	71
Conservative 6-10 Yrs Benchmark	-2.8%	10	-0.2%	16	4.0%	75	4.5%	91
Conservative 11-15 Yrs	-4.4%	14	-0.5%	10	5.9%	63	6.8%	75
Conservative 11-15 Yrs Benchmark	-4.4%	14	-1.0%	18	5.5%	77	6.1%	95
Conservative 16+ Yrs	-6.3%	49	-1.7%	21	7.3%	46	7.9%	43
Conservative +16 Yrs Benchmark	-6.4%	51	-2.3%	44	6.9%	51	7.3%	60

Name	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
Moderate 0-5 Yrs	-3.4%	20	0.1%	11	5.0%	40	5.9%	57
Moderate 0-5 Yrs Benchmark	-3.4%	20	-0.5%	25	4.5%	64	5.0%	85
Moderate 6-10 Yrs	-4.4%	36	-0.5%	24	5.9%	32	6.6%	43
Moderate 6-10 Yrs Benchmark	-4.4%	37	-1.0%	38	5.5%	39	6.1%	57
Moderate 11-15 Yrs	-5.8%	60	-1.4%	33	6.9%	28	7.6%	34
Moderate 11-15 Yrs Benchmark	-5.9%	62	-2.0%	60	6.4%	47	6.9%	70
Moderate 16+ Yrs	-7.9%	96	-2.8%	62	8.3%	10	8.6%	16
Moderate +16 Yrs Benchmark	-8.0%	97	-3.5%	80	7.8%	26	8.2%	29

Name	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
Aggressive 0-5 Yrs	-4.7%	68	-0.6%	30	6.2%	4	7.1%	7
Aggressive 0-5 Yrs Benchmark	-4.7%	70	-1.2%	50	5.7%	19	6.3%	40
Aggressive 6-10 Yrs	-5.8%	85	-1.4%	47	6.9%	4	7.7%	8
Aggressive 6-10 Yrs Benchmark	-5.9%	89	-2.0%	66	6.4%	20	6.9%	35
Aggressive 11-15 Yrs	-7.4%	99	-2.3%	66	8.1%	3	8.4%	9
Aggressive 11-15 Yrs Benchmark	-7.5%	99	-3.0%	84	7.6%	8	8.0%	26
Aggressive 16+ Yrs	-9.5%	99	-3.7%	88	9.4%	2	9.4%	2
Aggressive +16 Yrs Benchmark	-9.6%	99	-4.4%	93	9.0%	3	9.2%	5

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

FUND REVIEW

MANAGER PERFORMANCE AS OF SEPTEMBER 30, 2015

Name	Market Value		3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Inception	
	(\$m)	(%)											Return	Since
NCSRP BlackRock Equity Index	\$1,210.1	13.9%	-6.4%	--	-5.3%	--	-0.6%	--	12.4%	--	13.3%	--	17.0%	Mar-09
S&P 500			-6.4%	--	-5.3%	--	-0.6%	--	12.4%	--	13.3%	--	16.9%	Mar-09
NCSRP Hotchkis & Wiley Large Cap Value	\$278.2	3.2%	-10.9%	84	-9.6%	75	-5.1%	68	14.8%	14	13.5%	33	19.6%	Mar-09
Russell 1000 Value			-8.4%	54	-9.0%	70	-4.4%	62	11.6%	65	12.3%	61	16.4%	Mar-09
NCSRP Delaware Large Cap Value	\$276.3	3.2%	-7.4%	28	--	--	--	--	--	--	--	--	-10.8%	Jun-15
Delaware Large Cap Value Strategy			-7.1%	26	-6.7%	38	-3.5%	52	13.5%	31	15.1%	9	-10.5%	Jun-15
Russell 1000 Value			-8.4%	54	-9.0%	70	-4.4%	62	11.6%	65	12.3%	61	-10.2%	Jun-15
NCSRP Robeco BP Large Cap Value	\$274.6	3.1%	-9.0%	63	-8.4%	64	-3.3%	50	12.7%	46	--	--	15.5%	Nov-11
Robeco BP Large Cap Value Strategy			-8.9%	62	-8.5%	65	-3.3%	50	12.6%	47	13.8%	28	15.4%	Nov-11
Russell 1000 Value			-8.4%	54	-9.0%	70	-4.4%	62	11.6%	65	12.3%	61	13.8%	Nov-11
NCSRP Sands Capital Large Cap Growth	\$277.9	3.2%	-7.8%	88	-7.1%	99	-3.5%	99	13.1%	55	16.7%	6	23.4%	Mar-09
Russell 1000 Growth			-5.3%	38	-1.5%	45	3.2%	50	13.6%	42	14.5%	38	18.0%	Mar-09
NCSRP Wellington Opportunistic Growth	\$275.6	3.2%	-6.3%	66	-0.7%	35	4.4%	36	15.3%	24	13.7%	45	17.8%	Mar-09
Russell 1000 Growth			-5.3%	38	-1.5%	45	3.2%	50	13.6%	42	14.5%	38	18.0%	Mar-09
Russell 3000 Growth			-5.9%	51	-1.9%	47	3.2%	50	13.5%	42	14.4%	39	18.1%	Mar-09
NCSRP Loomis Large Cap Growth	\$283.4	3.3%	-1.9%	2	1.3%	18	6.9%	15	--	--	--	--	8.9%	Aug-14
Loomis Large Cap Growth Strategy			-2.4%	4	0.6%	25	6.2%	22	16.5%	21	15.4%	20	8.3%	Aug-14
Russell 1000 Growth			-5.3%	38	-1.5%	45	3.2%	50	13.6%	42	14.5%	38	5.4%	Aug-14
NCSRP BlackRock Russell 2500 Index Fund	\$209.8	2.4%	-10.3%	--	-5.9%	--	0.5%	--	12.5%	--	12.8%	--	18.8%	Mar-09
Russell 2500			-10.3%	--	-6.0%	--	0.4%	--	12.4%	--	12.7%	--	18.7%	Mar-09
NCSRP Hotchkis & Wiley	\$135.3	1.6%	-11.1%	67	-11.9%	92	-7.6%	89	15.0%	16	15.5%	1	23.8%	Mar-09
Hotchkis Custom SMID Value Index			-9.6%	45	-8.0%	77	-2.4%	65	11.0%	65	11.3%	66	18.3%	Mar-09
NCSRP EARNEST Partners	\$140.1	1.6%	-11.9%	82	-7.9%	75	-2.3%	65	12.6%	49	12.5%	53	17.7%	Mar-09
EARNEST Custom SMID Value Index			-9.6%	45	-8.0%	77	-2.4%	65	11.0%	65	11.3%	66	16.9%	Mar-09
NCSRP WEDGE SMID Cap Value	\$145.8	1.7%	-8.9%	40	-6.4%	45	2.9%	29	15.1%	13	--	--	16.2%	Dec-11
WEDGE SMID Cap Value Strategy			-8.8%	40	-6.3%	44	2.9%	29	15.2%	12	14.6%	22	16.2%	Dec-11
Russell 2500 Value			-9.6%	45	-8.0%	77	-2.4%	65	11.0%	65	11.5%	63	12.7%	Dec-11
NCSRP TimesSquare Composite	\$156.5	1.8%	-10.5%	30	-4.9%	77	0.6%	69	13.4%	30	14.2%	39	18.7%	Mar-09
NCSRP TimesSquare SMID Growth			-10.5%	30	-4.9%	77	0.6%	69	13.4%	30	--	--	--	Mar-09
TimesSquare Growth Strategy			-10.6%	31	-4.9%	77	0.7%	69	13.4%	30	15.4%	19	20.5%	Mar-09
TimesSquare Custom SMID Growth Index			-11.0%	39	-3.8%	57	3.4%	28	13.8%	28	13.4%	63	19.3%	Mar-09

FUND REVIEW

MANAGER PERFORMANCE AS OF SEPTEMBER 30, 2015

Name	Market Value		3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Inception	
	(\$m)	(%)											Return	Since
NCSRP Brown Advisory	\$159.0	1.8%	-9.0%	17	-0.2%	13	8.8%	8	13.7%	29	13.4%	64	19.3%	Mar-09
Brown Custom SMID Growth Index			-11.0%	39	-3.8%	57	3.4%	28	13.8%	28	13.8%	56	19.2%	Mar-09
NCSRP BlackRock ACWI ex US Fund	\$42.3	0.5%	-12.2%	--	-8.0%	--	-12.1%	--	2.5%	--	2.0%	--	9.6%	Mar-09
MSCI ACWI ex USA Gross			-12.1%	--	-8.3%	--	-11.8%	--	2.8%	--	2.3%	--	9.9%	Mar-09
NCSRP Baillie Gifford ACWI ex US Growth	\$255.5	2.9%	-11.8%	78	-6.2%	74	-5.7%	38	4.2%	82	4.8%	63	12.9%	Mar-09
MSCI ACWI ex USA Gross			-12.1%	81	-8.3%	90	-11.8%	92	2.8%	92	2.3%	94	9.9%	Mar-09
MSCI AC Wld ex US Growth Gross			-10.7%	60	-5.7%	68	-7.8%	64	4.0%	84	3.1%	93	10.3%	Mar-09
NCSRP Mondrian ACWI ex US Value	\$257.9	3.0%	-10.8%	61	-7.0%	80	-10.0%	80	3.9%	84	3.4%	89	9.2%	Mar-09
MSCI ACWI ex USA Gross			-12.1%	81	-8.3%	90	-11.8%	92	2.8%	92	2.3%	94	9.9%	Mar-09
MSCI AC Wld Ex US Value Gross			-13.5%	94	-10.9%	98	-15.7%	99	1.5%	97	1.4%	98	9.5%	Mar-09
NCSRP Wellington Global Composite	\$371.6	4.3%	-7.6%	38	-1.6%	14	2.2%	11	13.7%	5	11.6%	14	15.6%	Mar-09
NCSRP Wellington Global Opportunities			-7.6%	38	-1.6%	14	2.2%	11	13.7%	5	11.6%	14	--	Mar-09
Wellington Global Opportunities Strategy			-7.6%	39	-1.8%	15	2.3%	11	13.9%	5	11.6%	14	17.2%	Mar-09
MSCI ACWI Gross			-9.3%	67	-6.6%	80	-6.2%	86	7.5%	84	7.4%	81	13.3%	Mar-09
NCSRP Arrowstreet Global Equity ACWI	\$350.9	4.0%	-9.3%	67	-6.2%	73	-5.1%	74	10.8%	34	--	--	9.1%	Mar-12
Arrowstreet Global Equity ACWI Strategy			-9.1%	65	-4.7%	49	-2.3%	36	13.0%	8	10.4%	31	11.1%	Mar-12
MSCI ACWI Gross			-9.3%	67	-6.6%	80	-6.2%	86	7.5%	84	7.4%	81	6.8%	Mar-12
NCSRP PIMCO Inflation Response Multi-Asset	\$337.9	3.9%	-5.4%	57	-5.0%	32	-6.5%	42	--	--	--	--	-2.6%	Sep-13
PIMCO Inflation Response Multi-Asset Strategy			-6.2%	63	-5.7%	63	-7.4%	51	-4.8%	88	--	--	-3.2%	Sep-13
PIMCO Inflation Response Index			-4.6%	45	-5.4%	37	-7.4%	50	-5.3%	89	0.0%	63	-4.0%	Sep-13
Consumer Price Index			-0.3%	1	1.3%	1	0.0%	14	0.9%	16	1.7%	43	0.8%	Sep-13
NCSRP BlackRock Debt Index Fund	\$366.2	4.2%	1.3%	--	1.2%	--	3.0%	--	1.8%	--	3.1%	--	3.1%	Sep-10
BlackRock Debt Index Fund Strategy			1.3%	--	1.2%	--	3.0%	--	1.8%	--	3.1%	--	3.1%	Sep-10
Barclays Aggregate			1.2%	--	1.1%	--	2.9%	--	1.7%	--	3.1%	--	3.1%	Sep-10
NCSRP JP Morgan Core Bond	\$294.6	3.4%	1.5%	7	2.4%	1	4.0%	1	2.5%	23	4.1%	41	5.4%	Mar-09
Barclays Aggregate			1.2%	17	1.1%	39	2.9%	30	1.7%	80	3.1%	92	4.5%	Mar-09
NCSRP Prudential Core Plus	\$291.7	3.3%	0.6%	63	0.8%	58	--	--	--	--	--	--	0.8%	Dec-14
Prudential Core Plus Strategy			0.8%	58	1.0%	42	2.9%	30	3.3%	3	5.3%	1	1.0%	Dec-14
Barclays Aggregate			1.2%	17	1.1%	39	2.9%	30	1.7%	80	3.1%	92	1.1%	Dec-14

APPENDIX



NET PERFORMANCE AS OF SEPTEMBER 30, 2015

	Ending September 30, 2015				Inception	
	3 Mo	1 Yr	3 Yrs	5 Yrs	Return	Since
Large Cap Passive	-6.5%	-0.8%	12.2%	13.2%	16.8%	Mar-09
S&P 500	-6.4%	-0.6%	12.4%	13.3%	16.9%	Mar-09
NCSRP BlackRock Equity Index S&P 500	-6.4%	-0.6%	12.4%	13.3%	16.9%	Mar-09
Large Cap Value	-9.2%	-4.2%	12.1%	12.3%	15.2%	Mar-09
Russell 1000 Value	-8.4%	-4.4%	11.6%	12.3%	16.4%	Mar-09
NCSRP Hotchkis & Wiley Large Cap Value Russell 1000 Value	-11.1%	-5.6%	14.2%	13.0%	19.0%	Mar-09
NCSRP Delaware Large Cap Value Russell 1000 Value	-7.5%	--	--	--	-10.9%	Mar-09
NCSRP Robeco BP Large Cap Value Russell 1000 Value	-9.0%	-3.6%	12.3%	--	15.1%	Nov-11
Large Cap Growth	-5.5%	1.9%	13.0%	14.1%	19.5%	Mar-09
Russell 1000 Growth	-5.3%	3.2%	13.6%	14.5%	18.0%	Mar-09
NCSRP Sands Capital Large Cap Growth Russell 1000 Growth	-7.9%	-4.0%	12.5%	16.1%	22.7%	Mar-09
NCSRP Wellington Opportunistic Growth Russell 1000 Growth	-6.4%	4.1%	14.9%	13.3%	17.4%	Mar-09
Russell 3000 Growth	-5.3%	3.2%	13.6%	14.5%	18.0%	Mar-09
NCSRP Loomis Large Cap Growth Russell 1000 Growth	-2.0%	6.5%	--	--	8.5%	Aug-14
Mid/Small Cap Passive	-10.3%	0.4%	12.3%	12.6%	18.6%	Mar-09
Russell 2500	-10.3%	0.4%	12.4%	12.7%	18.7%	Mar-09
NCSRP BlackRock Russell 2500 Index Fund Russell 2500	-10.3%	0.5%	12.4%	12.8%	18.8%	Mar-09
Mid/Small Cap Value	-10.7%	-3.0%	13.5%	13.8%	21.0%	Mar-09
Russell 2500 Value	-9.6%	-2.4%	11.0%	11.5%	17.7%	Mar-09
NCSRP Hotchkis & Wiley Hotchkis Custom SMID Value Index	-11.2%	-8.1%	14.3%	14.8%	23.1%	Mar-09
NCSRP EARNST Partners EARNST Custom SMID Value Index	-12.0%	-2.8%	12.0%	11.9%	17.0%	Mar-09
NCSRP WEDGE SMID Cap Value Russell 2500 Value	-9.0%	2.2%	14.3%	--	15.3%	Dec-11
Mid/Small Cap Growth	-9.9%	3.7%	12.6%	12.7%	17.9%	Mar-09
Russell 2500 Growth	-11.0%	3.4%	13.8%	13.9%	19.7%	Mar-09

	Ending September 30, 2015				Inception	
	3 Mo	1 Yr	3 Yrs	5 Yrs	Return	Since
NCSRP TimesSquare TimesSquare Custom SMID Growth Index	-10.7%	-0.2%	12.4%	13.3%	17.8%	Mar-09
NCSRP Brown Advisory Brown Custom SMID Growth Index	-11.0%	3.4%	13.8%	13.4%	19.3%	Mar-09
International Passive	-12.2%	-12.1%	2.3%	1.8%	9.4%	Mar-09
MSCI ACWI ex USA Gross	-12.1%	-11.8%	2.8%	2.3%	9.9%	Mar-09
NCSRP BlackRock ACWI ex US Fund MSCI ACWI ex USA Gross	-12.2%	-12.1%	2.4%	1.9%	9.5%	Mar-09
International Equity	-11.4%	-8.6%	3.4%	3.4%	10.2%	Mar-09
MSCI ACWI ex USA Gross	-12.1%	-11.8%	2.8%	2.3%	9.9%	Mar-09
NCSRP Baillie Gifford ACWI ex US Growth MSCI ACWI ex USA Gross	-11.9%	-6.1%	3.8%	4.3%	12.4%	Mar-09
MSCI AC Wld ex US Growth Gross	-12.1%	-11.8%	2.8%	2.3%	9.9%	Mar-09
NCSRP Mondrian ACWI ex US Value MSCI AC Wld ex US Value Gross	-10.7%	-7.8%	4.0%	3.1%	10.3%	Mar-09
Global Equity	-10.9%	-10.5%	3.4%	2.9%	8.7%	Mar-09
MSCI ACWI Gross	-12.1%	-11.8%	2.8%	2.3%	9.9%	Mar-09
NCSRP Wellington Global Composite MSCI ACWI Gross	-9.3%	-6.2%	7.5%	7.4%	13.3%	Mar-09
NCSRP Arrowstreet Global Equity ACWI MSCI ACWI Gross	-7.7%	1.7%	13.1%	11.0%	15.1%	Mar-09
Inflation Responsive Fund	-5.6%	-7.4%	--	--	-3.5%	Sep-13
PIMCO Inflation Response Index	-9.3%	-6.2%	7.5%	7.4%	13.3%	Mar-09
NCSRP PIMCO Inflation Response Multi-Asset PIMCO Inflation Response Index	-7.7%	1.7%	13.1%	11.0%	15.1%	Mar-09
Fixed Income Passive Fund	1.2%	2.8%	1.6%	3.0%	3.0%	Sep-10
Barclays Aggregate	-9.3%	-6.2%	7.5%	7.4%	13.3%	Mar-09
NCSRP BlackRock Debt Index Fund Barclays Aggregate	1.3%	2.9%	1.7%	3.1%	3.1%	Sep-10
Fixed Income Fund	1.0%	3.1%	2.0%	3.3%	5.3%	Mar-09
Barclays Aggregate	1.2%	2.9%	1.7%	3.1%	4.5%	Mar-09
NCSRP JP Morgan Core Bond Barclays Aggregate	1.4%	3.8%	2.4%	3.9%	5.2%	Mar-09
NCSRP Prudential Core Plus Barclays Aggregate	1.2%	2.9%	1.7%	3.1%	4.5%	Mar-09
Stable Value Fund	0.5%	1.8%	2.0%	2.5%	2.8%	Jun-09
T-BILLS + 1%	0.3%	1.0%	1.0%	1.0%	1.1%	Jun-09

MANAGER UPDATES

- **Arrowstreet** informed Mercer that they had been a subject of a “sweep examination” by the SEC. Arrowstreet noted that the sweep examinations are used by the SEC to assess compliance practices across multiple entities on a specific compliance matter. There were no material findings during the examination, although the SEC did recommend some enhancements to Arrowstreet’s whistleblower policies. The result of the examination does not highlight any areas of concern for Mercer.
- Mercer met with **BlackRock** to review their passive domestic equity strategies. Mercer believes the team has the requisite skills, experience, and resources to effectively track market indices. Additionally, BlackRock’s significant breadth and scale allow it to lower costs and improve execution for clients. As a result of the meeting, Mercer maintained the “A” rating on BlackRock’s passive equity strategies.
- Mercer met with **Boston Partners** at their Boston headquarters to discuss the Large Cap Value strategy. Mercer continues to have strong conviction in the deep and experienced research team as well as the investment acumen of Mark Donovan and David Pyle. The strategy is designed with an eye towards principal protection and we expect the strategy to perform best in down markets or periods of higher volatility. As a result of the meeting, Mercer maintained the “A” rating on the strategy.
- Mercer met with **Galliard** to discuss their Stable Value capabilities at their Minneapolis headquarters. We believe that Galliard offers an experienced fixed income team with a conservative approach to portfolio management with the goal of actively managing risk while emphasizing downside protection. Galliard’s scale provides access to products and extensive use of external sub-advisors. Galliard’s diverse approach to finding value in the spread sectors and emphasis on downside risk protection makes it ideal for more risk-averse clients. As a result of the meeting, an “A” rating was assigned to Galliard’s Stable Value strategy.
- **JPMorgan** recently announced that the portfolio manager on the Core Bond (Columbus) strategy, Doug Swanson, will be taking a leave of absence for personal reasons beginning October 1st, with a potential return date of mid-2016. Swanson will be succeeded by Barb Miller, who has led the Mid-Institutional desk at JPMorgan for a number of years. Our fixed income strategy ratings have historically relied on the insights and contributions made by Swanson in his role as a mortgage expert. We have never met with Miller and are unfamiliar with her fixed income portfolio management skills, mortgage sector insights, and team leadership style. We are planning on having an on-site meeting with the team in the next month to review the changes. As a result of the news, Mercer assigned a provisional “P” rating to the strategy.

MANAGER UPDATES (CONTINUED)

- Mercer met with **Mondrian** and reviewed their Focused All Countries World Ex-US strategy. We continue to have high regards for the appealing investment philosophy, disciplined research and implementation process. We reaffirmed the “B+” rating on the strategy as a result of the meeting. We reserved our highest conviction rating on the strategy because of the limited universe, due to the minimum market capitalization cut off that is implemented.
- Bill Gross has filed a lawsuit against **PIMCO** and parent company Allianz SE for constructive termination, breach of contract, and breach of covenant of good faith and fair dealing. Gross is seeking damages in no event less than \$200 million. PIMCO stated that “This lawsuit has no merit for a variety of reasons and our legal team will be responding in court in due course.” The complaint is basically a more detailed account of stories that have already leaked to the press. We do not expect the lawsuit to directly impact the investment teams or process at PIMCO and therefore we do not recommend a change to the firm’s ratings.
- Mercer met with **TimesSquare** SMID Cap Growth team at their New York headquarters. We reaffirmed the “A” rating on the strategy as a result of the tenured, cohesive and stable portfolio management team, along with a proven and repeatable investment process.

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