

HEALTH WEALTH CAREER

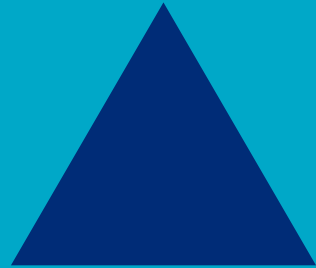
# NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS

FIRST QUARTER PERFORMANCE REVIEW

# A G E N D A

- Capital Markets Review
- First Quarter Performance
- Appendix

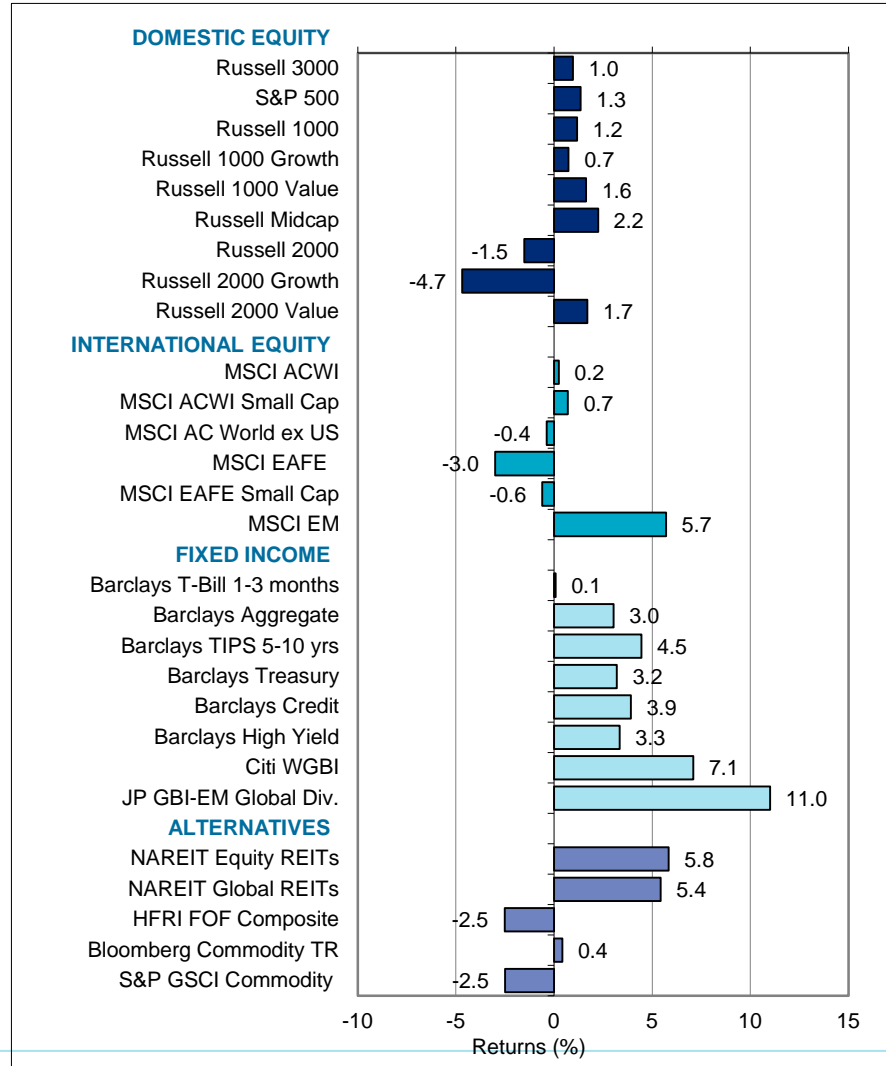
# CAPITAL MARKETS REVIEW



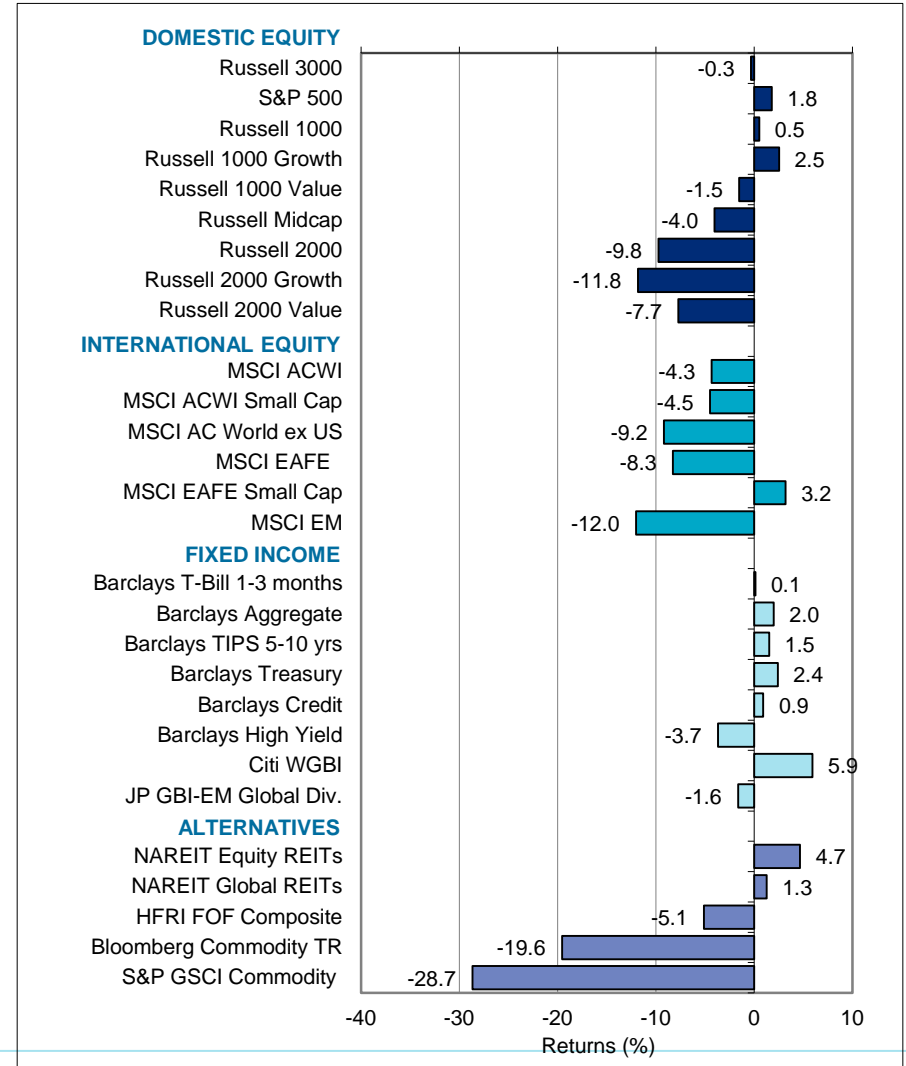
# PERFORMANCE SUMMARY

## QUARTER IN REVIEW

**Market Performance**  
First Quarter 2016



**Market Performance**  
1 Year



# FIRST 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		<b>Stable Value Fund</b> Galliard Stable Value	
	<b>Fixed Income Passive</b> BlackRock Debt Index	<b>Fixed Income Fund</b> JP Morgan Core Bond Prudential Core Plus	
		<b>Inflation Responsive Fund</b> PIMCO IRMAF	
	<b>Large Cap Passive</b> BlackRock Equity Index	<b>Large Cap Value Fund</b> Hotchkis & Wiley Large Cap Value Delaware Large Cap Value Robeco BP Large Cap Value	
		<b>Large Cap Growth Fund</b> Sands Capital Large Cap Growth Wellington Opportunistic Growth Loomis Large Cap Growth	
	<b>Small/Mid Cap Equity</b> BlackRock Russell 2500 Index	<b>Small/Mid Cap Value Fund</b> Hotchkis & Wiley SMID Value Earnest Partners SMID Cap Value Wedge SMID Cap Value	
		<b>Small/Mid Cap Growth Fund</b> TimesSquare SMID Growth Brown Advisory SMID Growth	
		<b>Global Equity Fund</b> Wellington Global Opportunities Arrowstreet Global Equity ACWI	
	<b>International Equity Passive</b> BlackRock ACWI ex US Index	<b>International Equity Fund</b> Baillie Gifford ACWI ex US Growth Mondrian ACWI ex US Value	

# FUND REVIEW

## FUND PERFORMANCE AS OF MARCH 31, 2016

Name	Market Value (\$m)	(%)	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Inception	
											Return	Since
<b>Large Cap Passive</b> S&P 500	\$1,288.2	14.2%	1.4%	--	1.7%	--	11.6%	--	11.4%	--	16.8%	Mar-09
			1.3%	--	1.8%	--	11.8%	--	11.6%	--	17.0%	Mar-09
<b>Large Cap Value</b> Russell 1000 Value	\$857.5	9.4%	0.8%	36	-3.7%	59	9.4%	29	10.0%	26	14.9%	Mar-09
			1.6%	23	-1.5%	25	9.4%	29	10.2%	16	16.3%	Mar-09
<b>Large Cap Growth</b> Russell 1000 Growth	\$870.0	9.6%	-4.0%	66	-0.4%	38	11.9%	53	10.8%	44	18.9%	Mar-09
			0.7%	9	2.5%	9	13.6%	21	12.4%	12	17.9%	Mar-09
<b>Mid/Small Cap Passive</b> Russell 2500	\$215.5	2.4%	0.5%	--	-7.2%	--	8.1%	--	8.6%	--	17.8%	Mar-09
			0.4%	--	-7.3%	--	8.2%	--	8.6%	--	17.8%	Mar-09
<b>Mid/Small Cap Value</b> Russell 2500 Value	\$444.9	4.9%	2.1%	60	-7.9%	68	8.2%	32	9.9%	13	20.1%	Mar-09
			3.3%	38	-5.2%	38	7.2%	47	8.3%	32	17.3%	Mar-09
<b>Mid/Small Cap Growth</b> Russell 2500 Growth	\$345.2	3.8%	-2.9%	45	-7.0%	29	8.1%	38	9.1%	22	16.9%	Mar-09
			-2.7%	41	-9.6%	45	9.2%	24	8.8%	26	18.3%	Mar-09
<b>International Passive</b> MSCI ACWI ex USA Gross	\$44.5	0.5%	0.3%	--	-9.1%	--	0.3%	--	0.3%	--	9.1%	Mar-09
			-0.3%	--	-8.8%	--	0.8%	--	0.8%	--	9.7%	Mar-09
<b>International Equity</b> MSCI ACWI ex USA Gross	\$545.3	6.0%	1.4%	11	-6.0%	47	2.1%	56	2.7%	43	10.2%	Mar-09
			-0.3%	29	-8.8%	73	0.8%	78	0.8%	79	9.7%	Mar-09
<b>Global Equity</b> MSCI ACWI Gross	\$774.1	8.5%	-1.0%	60	-4.4%	49	8.4%	18	7.7%	17	13.5%	Mar-09
			0.4%	37	-3.8%	39	6.1%	52	5.8%	50	13.2%	Mar-09
<b>Inflation Responsive Fund</b> PIMCO Inflation Response Index	\$357.8	3.9%	5.2%	1	-2.7%	12	--	--	--	--	-1.2%	Sep-13
			5.1%	10	-2.4%	11	-4.0%	89	-0.9%	99	-2.1%	Sep-13
<b>Fixed Income Passive Fund</b> Barclays Aggregate	\$389.1	4.3%	3.0%	--	1.9%	--	2.3%	--	3.6%	--	3.1%	Sep-10
			3.0%	--	2.0%	--	2.5%	--	3.8%	--	3.3%	Sep-10
<b>Fixed Income Fund</b> Barclays Aggregate	\$611.7	6.7%	3.2%	18	2.0%	8	2.4%	22	4.0%	31	5.3%	Mar-09
			3.0%	24	2.0%	8	2.5%	18	3.8%	40	4.5%	Mar-09
<b>Stable Value Fund</b> T-BILLS + 1%	\$2,352.7	25.9%	0.5%	42	1.9%	39	1.9%	44	2.3%	41	2.7%	Jun-09
			0.3%	95	1.1%	98	1.1%	99	1.1%	99	1.1%	Jun-09

# PERFORMANCE SCORECARD

	Mercer Rating	Return								Risk <sup>1</sup>	
		3 Years to 03/31/2016		3 Years to 12/31/2015		3 Years to 09/30/2015		3 Years to 06/30/2015		5 Years to 03/31/2016	
		I	U	I	U	I	U	I	U	I	
<b>Large Cap Passive Fund (tracked within 20bps)</b>		✓	NA	✓	NA	✓	NA	✓	NA	NA	
BlackRock Equity Index Fund	A	✓	NA	✓	NA	✓	NA	✓	NA	NA	
<b>Large Cap Value Fund</b>		✓	✓	✓	✓	✓	✓	✓	✓	NA	
Hotchkis & Wiley Large Cap Value	A (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Delaware Large Cap Value <sup>2</sup>	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Robeco BP Large Cap Value	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	
<b>Large Cap Growth Fund</b>		✗	✗	✗	✓	✗	✓	✗	✗	NA	
Sands Capital Large Cap Growth	A (T)	✗	✗	✓	✓	✗	✗	✓	✓	✓	
Wellington Opportunistic Growth	A	✗	✗	✓	✓	✓	✓	✓	✓	✓	
Loomis Large Cap Growth <sup>3</sup>	B+ (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓	

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

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

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

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



# PERFORMANCE SCORECARD

	Mercer Rating	Return								Risk <sup>1</sup>
		3 Years to 03/31/2016		3 Years to 12/31/2015		3 Years to 09/30/2015		3 Years to 06/30/2015		5 Years to 03/31/2016
		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+	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mid/Small Cap Growth Fund		✗	✓	✗	✓	✗	✓	✗	✓	NA
TimesSquare SMID Cap Growth	A	✗	✗	✗	✗	✗	✓	✗	✓	✓
Brown Advisory	R	✓	✓	✓	✓	✗	✓	✗	✗	✓

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

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# PERFORMANCE SCORECARD

	Mercer Rating	Return								Risk <sup>1</sup>
		3 Years to 03/31/2016		3 Years to 12/31/2015		3 Years to 09/30/2015		3 Years to 06/30/2015		5 Years to 03/31/2016
		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 <sup>1</sup>
		3 Years to 03/31/2016		3 Years to 12/31/2015		3 Years to 09/30/2015		3 Years to 06/30/2015		5 Years to 03/31/2016
		I	U	I	U	I	U	I	U	I
<b>Inflation Responsive Fund</b>		NA	NA	NA	NA	NA	NA	NA	NA	NA
PIMCO Inflation Response-Multi Asset <sup>2</sup>	B+ (W)	✓	✗	✓	✗	✓	✗	✓	✗	NA
<b>Fixed Income Passive Fund (tracked within 25 bps)</b>		✓	NA	✓	NA	✓	NA	✓	NA	NA
BlackRock Debt Index Fund	A	✓	NA	✓	NA	✓	NA	✓	NA	NA
<b>Fixed Income Fund</b>		✗	✓	✓	✓	✓	✓	✓	✓	NA
JP Morgan Core Bond	A (P)	✓	✓	✓	✓	✓	✓	✓	✗	✓
Prudential Core Plus <sup>3</sup>	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Stable Value Fund</b>	A	✓	✓	✓	✗	✓	✗	✓	✓	NA

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

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

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

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# WATCH LIST

Manager	Date Placed on Watch	Mercer Rating*	Recommendation	Comments
PIMCO Inflation-Responsive Multi Asset	3Q14	B+ (W)	Remove from Watch List	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 has increased responsibilities, which increases the responsibilities of his team members. Additionally, Worah had additional responsibility with the firing of TIPS portfolio manager Rahul Seksaria. We feel that the IRMAF team is very capable. The strategy outperformed the index by 10 basis points during the first quarter and ranked at the top of the peer group universe. PIMCO benefited from being overweight REITs, which posted strong gains for the quarter, outpacing the broad US Stock Market, as investors fled for yield oriented assets. Additionally, PIMCO benefited from the commodity recovery during the quarter. PIMCO has remained on the watch list due to the headline risk associated with the firm after the departure of Bill Gross and the re-organization of the leadership team. The headlines have sub-sided more recently and we are comfortable with the IRMAF team going forward, therefore we recommend removing the strategy from the watch list.
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 struggled in 2014, most notably in the health care sector. Brown underperformed the benchmark by 70 basis points during the fourth quarter but still outpaced the benchmark by 740 basis points over the trailing-year, which ranked in the top decile of our SMID Growth Universe. A majority of the outperformance can be attributed to the strong fourth quarter in 2015, when several holdings in the portfolio were acquisition targets. The strategy continues to have a sizeable underweight to the biotechnology and pharmaceutical sub-segment. Brown rebounded from a tough start to 2014 and outperformed the benchmark five consecutive quarters. In the first quarter of 2016, the strategy struggled due to security selection within consumer discretionary sector, as a top holding fell substantially during the quarter on concerns of falling demand and a business model change. We recommend maintaining the watch status of the strategy.

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# FEE REVIEW

A	B	C	D	E	F	G	H	I	
					C+D+E	B*F		F-H	
Funds and Sub-Advisors	Assets	Inv. Mgmt. Fee	Other Inv. Exp. <sup>1</sup>	NC Budget <sup>2</sup>	Total Estimated Expense (%)	Total Estimated Expense (\$) <sup>3</sup>	Mercer Median Expense <sup>4</sup>	Difference	
North Carolina Stable Value Fund	\$2,352,741,750	0.339%	0.002%	0.025%	0.366%	\$8,604,409	0.44%	-0.08%	F-H C-H
Galliard	\$2,352,741,750	0.339%	0.000%			\$7,975,795	0.44%	-0.10%	
North Carolina Fixed Income Passive Fund	\$389,148,163	0.020%	0.005%	0.025%	0.050%	\$195,908	0.20%	-0.15%	
BlackRock	\$389,148,163	0.020%	0.000%			\$77,830	0.02%	0.00%	
North Carolina Fixed Income Fund	\$611,671,661	0.163%	0.008%	0.025%	0.197%	\$1,202,335	0.49%	-0.29%	
50% JP Morgan	\$304,349,442	0.187%	0.000%			\$567,829	0.22%	-0.03%	
50% Prudential	\$307,322,219	0.140%	0.000%			\$430,251	0.26%	-0.12%	
North Carolina Inflation Responsive Fund	\$357,791,697	0.690%	0.006%	0.025%	0.721%	\$2,578,609	0.79%	-0.07%	
PIMCO	\$357,791,697	0.690%	0.000%			\$2,468,763	0.79%	-0.10%	
North Carolina Large Cap Passive Fund	\$1,288,182,997	0.007%	0.002%	0.025%	0.034%	\$440,710	0.20%	-0.17%	
BlackRock	\$1,288,182,997	0.007%	0.000%			\$90,173	0.01%	0.00%	
North Carolina Large Cap Value Fund	\$857,451,065	0.383%	0.011%	0.025%	0.419%	\$3,594,969	0.72%	-0.30%	
33.3% Hotchkis & Wiley	\$289,442,203	0.500%	0.000%			\$1,447,211	0.44%	0.07%	
33.3% Delaware	\$283,931,249	0.306%	0.000%			\$867,862	0.44%	-0.13%	
33.3% Robeco BP	\$284,077,613	0.344%	0.000%			\$977,233	0.44%	-0.09%	
North Carolina Large Cap Growth Fund	\$869,961,178	0.421%	0.011%	0.025%	0.457%	\$3,973,720	0.77%	-0.31%	
33.3% Sands Capital Management	\$286,933,259	0.514%	0.000%			\$1,473,415	0.47%	0.04%	
33.3% Wellington Management Company	\$290,490,373	0.350%	0.000%			\$1,016,716	0.60%	-0.25%	
33.3% Loomis Sayles	\$292,537,546	0.399%	0.000%			\$1,167,613	0.47%	-0.07%	
North Carolina SMID Cap Passive Fund	\$215,460,533	0.007%	0.009%	0.025%	0.041%	\$87,934	0.26%	-0.21%	
BlackRock	\$215,460,533	0.007%	0.000%			\$15,082	0.02%	-0.01%	
North Carolina SMID Value Fund	\$444,901,465	0.618%	0.020%	0.025%	0.663%	\$2,950,663	1.00%	-0.34%	
33.3% Hotchkis & Wiley	\$149,151,220	0.580%	0.000%			\$865,756	0.60%	-0.02%	
33.3% EARNEST Partners	\$148,275,641	0.520%	0.000%			\$771,501	0.73%	-0.21%	
33.3% WEDGE Capital Management	\$147,474,604	0.753%	0.000%			\$1,109,848	0.73%	0.02%	
North Carolina SMID Growth Fund	\$345,211,778	0.668%	0.018%	0.025%	0.711%	\$2,453,941	0.98%	-0.26%	
50% TimesSquare Capital Management	\$172,345,295	0.766%	0.000%			\$1,320,178	0.76%	0.01%	
50% Brown Advisory	\$172,866,483	0.569%	0.000%			\$983,722	0.78%	-0.21%	
North Carolina International Passive Fund	\$44,471,034	0.025%	0.039%	0.025%	0.089%	\$39,644	0.35%	-0.26%	
BlackRock	\$44,471,034	0.025%	0.000%			\$10,984	0.06%	-0.04%	
North Carolina International Equity Fund	\$545,271,565	0.450%	0.012%	0.025%	0.487%	\$2,657,668	0.95%	-0.46%	
50% Baillie Gifford	\$273,817,667	0.446%	0.000%			\$1,220,271	0.55%	-0.10%	
50% Mondrian Investment Partners	\$271,453,898	0.455%	0.000%			\$1,235,816	0.55%	-0.09%	
North Carolina Global Equity Fund	\$774,107,195	0.547%	0.009%	0.025%	0.581%	\$4,498,732	0.97%	-0.38%	
50% Wellington Management Company	\$385,080,394	0.500%	0.000%			\$1,925,402	0.53%	-0.03%	
50% Arrowstreet	\$389,026,801	0.595%	0.000%			\$2,314,647	0.53%	0.07%	
<b>Total</b>	<b>\$9,096,372,081</b>	<b>0.333%</b>	<b>0.007%</b>	<b>0.025%</b>	<b>0.366%</b>	<b>\$33,279,241</b>	<b>0.590%</b>		

<sup>1</sup>Includes the ongoing administration, auditing and miscellaneous fund expenses associated with the separate account.

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

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

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

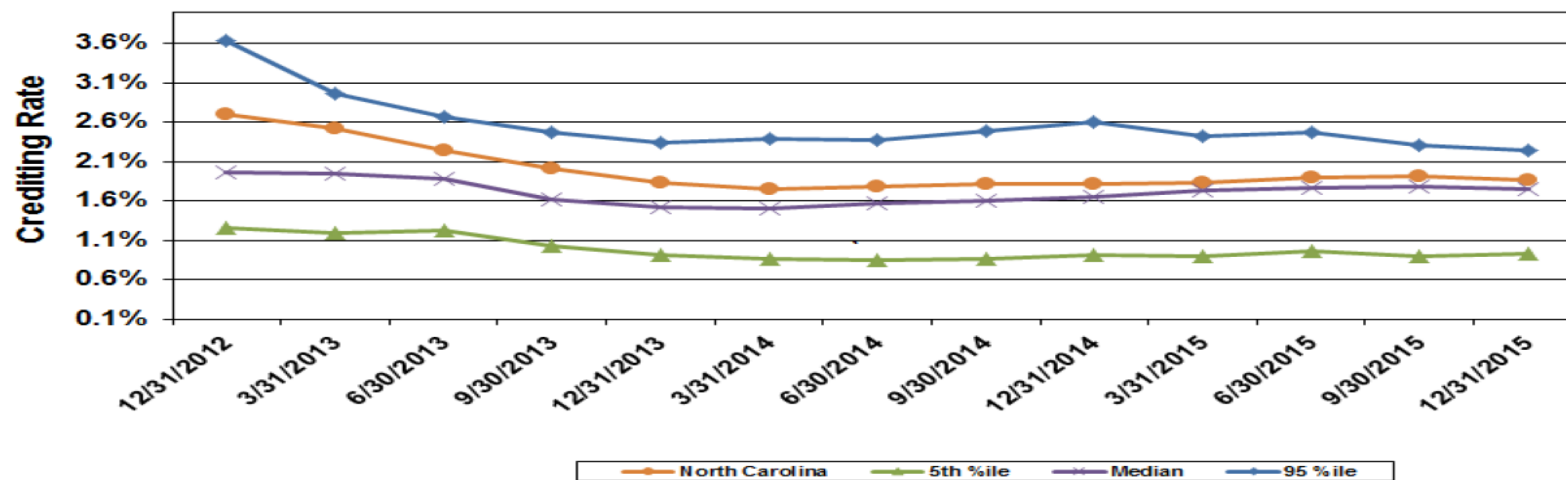
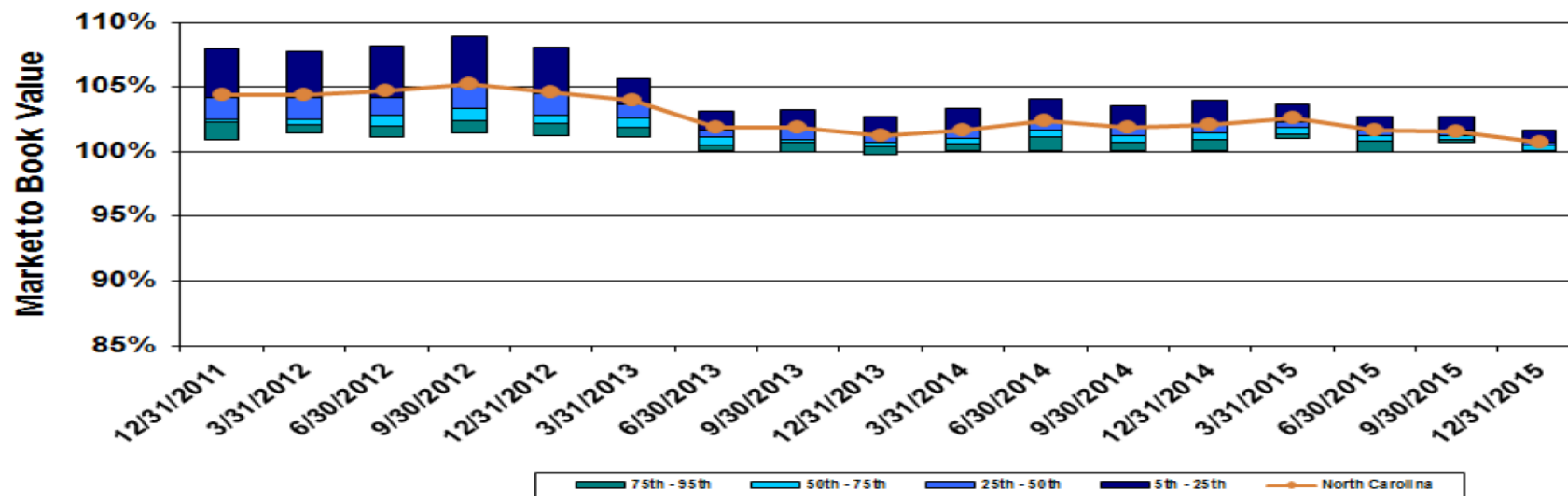
<sup>5</sup>Does not include the \$31 per participant record-keeping fee



# FEE REVIEW

<b>North Carolina Stable Value Fund Operating Expenses</b>	<b>Expense Ratio</b>	<b>Per \$1000</b>
Investment Management fee paid to Galliard	0.069%	\$0.69
Investment Management fees paid to Non-Affiliated Investment Advisors	0.063%	\$0.63
Investment Contract Fees*	0.166%	\$1.66
Acquired Fund Fees**	0.037%	\$0.37
Investment Contract Fees	0.015%	\$0.15
Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors***	0.023%	\$0.23
12b-1 Distribution Fee	None	None
Other Expenses	0.000%	\$0.00
<b>Total Annual Fund Operating Expenses****</b>	<b>0.336%</b>	<b>\$3.36</b>

# STABLE VALUE REVIEW



# FUND REVIEW

## GOALMAKER PERFORMANCE AS OF MARCH 31, 2016

Name	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Conservative 0-5 Yrs</b>	<b>1.3%</b>	<b>65</b>	<b>0.5%</b>	<b>7</b>	<b>3.5%</b>	<b>72</b>	<b>4.1%</b>	<b>82</b>
Conservative 0-5 Yrs Benchmark	1.3%	65	0.3%	9	3.1%	80	3.6%	97
<b>Conservative 6-10 Yrs</b>	<b>1.2%</b>	<b>67</b>	<b>-0.1%</b>	<b>9</b>	<b>4.0%</b>	<b>62</b>	<b>4.6%</b>	<b>73</b>
Conservative 6-10 Yrs Benchmark	1.2%	67	-0.3%	13	3.6%	73	4.0%	87
<b>Conservative 11-15 Yrs</b>	<b>1.1%</b>	<b>67</b>	<b>-1.1%</b>	<b>14</b>	<b>4.9%</b>	<b>63</b>	<b>5.5%</b>	<b>56</b>
Conservative 11-15 Yrs Benchmark	1.3%	58	-1.1%	14	4.7%	69	5.1%	84
<b>Conservative 16+ Yrs</b>	<b>0.8%</b>	<b>62</b>	<b>-2.3%</b>	<b>30</b>	<b>5.9%</b>	<b>33</b>	<b>6.3%</b>	<b>32</b>
Conservative +16 Yrs Benchmark	1.0%	56	-2.3%	30	5.7%	47	5.9%	46

Name	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Moderate 0-5 Yrs</b>	<b>1.1%</b>	<b>75</b>	<b>-0.4%</b>	<b>21</b>	<b>4.3%</b>	<b>44</b>	<b>4.9%</b>	<b>50</b>
Moderate 0-5 Yrs Benchmark	1.2%	73	-0.7%	31	3.9%	62	4.3%	81
<b>Moderate 6-10 Yrs</b>	<b>1.1%</b>	<b>68</b>	<b>-1.1%</b>	<b>30</b>	<b>4.9%</b>	<b>30</b>	<b>5.5%</b>	<b>32</b>
Moderate 6-10 Yrs Benchmark	1.3%	65	-1.1%	32	4.7%	40	5.1%	43
<b>Moderate 11-15 Yrs</b>	<b>0.9%</b>	<b>69</b>	<b>-2.0%</b>	<b>47</b>	<b>5.6%</b>	<b>29</b>	<b>6.0%</b>	<b>35</b>
Moderate 11-15 Yrs Benchmark	1.1%	67	-2.0%	48	5.4%	41	5.7%	52
<b>Moderate 16+ Yrs</b>	<b>0.5%</b>	<b>68</b>	<b>-3.5%</b>	<b>71</b>	<b>6.4%</b>	<b>14</b>	<b>6.7%</b>	<b>21</b>
Moderate +16 Yrs Benchmark	0.7%	63	-3.4%	68	6.2%	19	6.3%	31

Name	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Aggressive 0-5 Yrs</b>	<b>1.0%</b>	<b>83</b>	<b>-1.2%</b>	<b>46</b>	<b>5.2%</b>	<b>17</b>	<b>5.7%</b>	<b>22</b>
Aggressive 0-5 Yrs Benchmark	1.2%	69	-1.2%	46	4.9%	19	5.3%	33
<b>Aggressive 6-10 Yrs</b>	<b>0.9%</b>	<b>78</b>	<b>-2.0%</b>	<b>55</b>	<b>5.6%</b>	<b>11</b>	<b>6.0%</b>	<b>21</b>
Aggressive 6-10 Yrs Benchmark	1.1%	68	-2.0%	55	5.4%	13	5.7%	30
<b>Aggressive 11-15 Yrs</b>	<b>0.6%</b>	<b>78</b>	<b>-3.1%</b>	<b>80</b>	<b>6.3%</b>	<b>10</b>	<b>6.6%</b>	<b>18</b>
Aggressive 11-15 Yrs Benchmark	0.8%	69	-3.1%	79	6.1%	14	6.2%	32
<b>Aggressive 16+ Yrs</b>	<b>0.2%</b>	<b>74</b>	<b>-4.7%</b>	<b>91</b>	<b>7.0%</b>	<b>5</b>	<b>7.2%</b>	<b>8</b>
Aggressive +16 Yrs Benchmark	0.5%	68	-4.6%	91	6.8%	6	6.8%	15

- The GoalMaker Portfolios had competitive performance versus their benchmarks over the time periods evaluated ended March 31, 2016.



# FUND REVIEW

## MANAGER PERFORMANCE AS OF MARCH 31, 2016

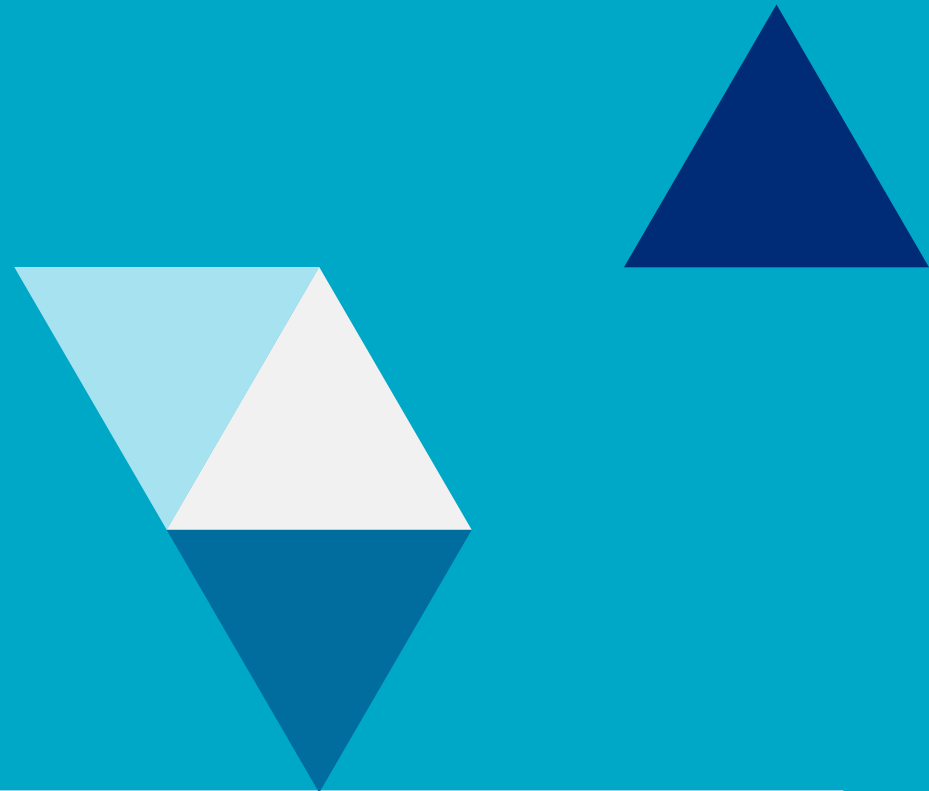
Name	Market Value										Inception	
	(\$m)	(%)	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
<b>NCSRP BlackRock Equity Index</b>	<b>\$1,288.2</b>	<b>14.2%</b>	<b>1.4%</b>	<b>--</b>	<b>1.8%</b>	<b>--</b>	<b>11.8%</b>	<b>--</b>	<b>11.6%</b>	<b>--</b>	<b>17.0%</b>	<b>Mar-09</b>
S&P 500			1.3%	--	1.8%	--	11.8%	--	11.6%	--	17.0%	Mar-09
<b>NCSRP Hotchkis &amp; Wiley Large Cap Value</b>	<b>\$289.4</b>	<b>3.2%</b>	<b>1.1%</b>	<b>41</b>	<b>-6.0%</b>	<b>82</b>	<b>10.2%</b>	<b>39</b>	<b>10.9%</b>	<b>32</b>	<b>18.7%</b>	<b>Mar-09</b>
Russell 1000 Value			1.6%	30	-1.5%	36	9.4%	60	10.2%	49	16.3%	Mar-09
<b>NCSRP Delaware Large Cap Value</b>	<b>\$283.9</b>	<b>3.1%</b>	<b>1.8%</b>	<b>27</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-2.5%</b>	<b>Jun-15</b>
<b>Delaware Large Cap Value Strategy</b>			<b>1.6%</b>	<b>30</b>	<b>-0.1%</b>	<b>21</b>	<b>11.8%</b>	<b>13</b>	<b>13.1%</b>	<b>5</b>	<b>-2.2%</b>	<b>Jun-15</b>
Russell 1000 Value			1.6%	30	-1.5%	36	9.4%	60	10.2%	49	-3.6%	Jun-15
<b>NCSRP Robeco BP Large Cap Value</b>	<b>\$284.1</b>	<b>3.1%</b>	<b>-0.3%</b>	<b>64</b>	<b>-4.4%</b>	<b>68</b>	<b>9.8%</b>	<b>50</b>	<b>--</b>	<b>--</b>	<b>14.8%</b>	<b>Nov-11</b>
<b>Robeco BP Large Cap Value Strategy</b>			<b>-0.3%</b>	<b>64</b>	<b>-4.3%</b>	<b>67</b>	<b>9.7%</b>	<b>51</b>	<b>11.0%</b>	<b>31</b>	<b>14.6%</b>	<b>Nov-11</b>
Russell 1000 Value			1.6%	30	-1.5%	36	9.4%	60	10.2%	49	14.0%	Nov-11
<b>NCSRP Sands Capital Large Cap Growth</b>	<b>\$286.9</b>	<b>3.2%</b>	<b>-9.5%</b>	<b>99</b>	<b>-6.8%</b>	<b>97</b>	<b>11.0%</b>	<b>78</b>	<b>12.6%</b>	<b>26</b>	<b>21.7%</b>	<b>Mar-09</b>
Russell 1000 Growth			0.7%	19	2.5%	18	13.6%	36	12.4%	31	17.9%	Mar-09
<b>NCSRP Wellington Opportunistic Growth</b>	<b>\$290.5</b>	<b>3.2%</b>	<b>-1.6%</b>	<b>50</b>	<b>0.0%</b>	<b>46</b>	<b>12.5%</b>	<b>55</b>	<b>10.1%</b>	<b>75</b>	<b>17.4%</b>	<b>Mar-09</b>
Russell 1000 Growth			0.7%	19	2.5%	18	13.6%	36	12.4%	31	17.9%	Mar-09
Russell 3000 Growth			0.3%	22	1.3%	32	13.2%	43	12.0%	38	17.9%	Mar-09
<b>NCSRP Loomis Large Cap Growth</b>	<b>\$292.5</b>	<b>3.2%</b>	<b>-0.5%</b>	<b>35</b>	<b>7.5%</b>	<b>1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>12.3%</b>	<b>Aug-14</b>
<b>Loomis Large Cap Growth Strategy</b>			<b>-0.5%</b>	<b>36</b>	<b>7.1%</b>	<b>2</b>	<b>15.3%</b>	<b>10</b>	<b>14.8%</b>	<b>5</b>	<b>11.8%</b>	<b>Aug-14</b>
Russell 1000 Growth			0.7%	19	2.5%	18	13.6%	36	12.4%	31	8.7%	Aug-14
<b>NCSRP BlackRock Russell 2500 Index Fund</b>	<b>\$215.5</b>	<b>2.4%</b>	<b>0.5%</b>	<b>--</b>	<b>-7.1%</b>	<b>--</b>	<b>8.3%</b>	<b>--</b>	<b>8.7%</b>	<b>--</b>	<b>18.0%</b>	<b>Mar-09</b>
Russell 2500			0.4%	--	-7.3%	--	8.2%	--	8.6%	--	17.8%	Mar-09
<b>NCSRP Hotchkis &amp; Wiley</b>	<b>\$149.2</b>	<b>1.6%</b>	<b>1.2%</b>	<b>73</b>	<b>-10.7%</b>	<b>88</b>	<b>7.6%</b>	<b>64</b>	<b>10.9%</b>	<b>11</b>	<b>22.3%</b>	<b>Mar-09</b>
Hotchkis Custom SMID Value Index			3.3%	30	-5.2%	46	7.2%	67	8.5%	48	17.9%	Mar-09
<b>NCSRP EARNEST Partners</b>	<b>\$148.3</b>	<b>1.6%</b>	<b>2.3%</b>	<b>58</b>	<b>-6.6%</b>	<b>67</b>	<b>9.5%</b>	<b>32</b>	<b>9.2%</b>	<b>38</b>	<b>17.5%</b>	<b>Mar-09</b>
EARNEST Custom SMID Value Index			3.3%	30	-5.2%	46	7.2%	67	8.1%	56	16.6%	Mar-09
<b>NCSRP WEDGE SMID Cap Value</b>	<b>\$147.5</b>	<b>1.6%</b>	<b>2.9%</b>	<b>40</b>	<b>-4.8%</b>	<b>42</b>	<b>9.7%</b>	<b>27</b>	<b>--</b>	<b>--</b>	<b>15.5%</b>	<b>Dec-11</b>
<b>WEDGE SMID Cap Value Strategy</b>			<b>2.9%</b>	<b>41</b>	<b>-4.8%</b>	<b>42</b>	<b>9.8%</b>	<b>26</b>	<b>10.8%</b>	<b>11</b>	<b>15.5%</b>	<b>Dec-11</b>
Russell 2500 Value			3.3%	30	-5.2%	46	7.2%	67	8.3%	51	12.7%	Dec-11
<b>NCSRP TimesSquare Composite</b>	<b>\$172.3</b>	<b>1.9%</b>	<b>-2.2%</b>	<b>32</b>	<b>-10.2%</b>	<b>58</b>	<b>7.3%</b>	<b>73</b>	<b>10.4%</b>	<b>12</b>	<b>17.2%</b>	<b>Mar-09</b>
<b>NCSRP TimesSquare SMID Growth</b>			<b>-2.2%</b>	<b>32</b>	<b>-10.2%</b>	<b>58</b>	<b>7.3%</b>	<b>73</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>Mar-09</b>
TimesSquare Custom SMID Growth Index			-2.7%	37	-9.6%	43	9.2%	41	9.0%	28	18.0%	Mar-09

# FUND REVIEW

## MANAGER PERFORMANCE AS OF MARCH 31, 2016

Name	Market Value		3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Inception	
	(\$m)	(%)									Return	Since
<b>NCSRP Brown Advisory</b>	<b>\$172.9</b>	<b>1.9%</b>	<b>-3.4%</b>	<b>56</b>	<b>-2.2%</b>	<b>4</b>	<b>10.7%</b>	<b>17</b>	<b>9.8%</b>	<b>21</b>	<b>18.7%</b>	<b>Mar-09</b>
Brown Custom SMID Growth Index			-2.7%	37	-9.6%	43	9.2%	41	8.6%	34	17.9%	Mar-09
<b>NCSRP BlackRock ACWI ex US Fund</b>	<b>\$44.5</b>	<b>0.5%</b>	<b>0.2%</b>	<b>--</b>	<b>-9.2%</b>	<b>--</b>	<b>0.5%</b>	<b>--</b>	<b>0.5%</b>	<b>--</b>	<b>9.4%</b>	<b>Mar-09</b>
MSCI ACWI ex USA Gross			-0.3%	--	-8.8%	--	0.8%	--	0.8%	--	9.7%	Mar-09
<b>NCSRP Baillie Gifford ACWI ex US Growth</b>	<b>\$273.8</b>	<b>3.0%</b>	<b>1.1%</b>	<b>11</b>	<b>-4.3%</b>	<b>29</b>	<b>3.2%</b>	<b>59</b>	<b>3.9%</b>	<b>46</b>	<b>12.9%</b>	<b>Mar-09</b>
MSCI ACWI ex USA Gross			-0.3%	25	-8.8%	81	0.8%	92	0.8%	93	9.7%	Mar-09
MSCI AC Wld ex US Growth Gross			-0.2%	25	-5.8%	46	2.3%	75	2.0%	82	10.3%	Mar-09
<b>NCSRP Mondrian ACWI ex US Value</b>	<b>\$271.5</b>	<b>3.0%</b>	<b>2.1%</b>	<b>6</b>	<b>-6.5%</b>	<b>56</b>	<b>2.6%</b>	<b>69</b>	<b>3.0%</b>	<b>59</b>	<b>9.3%</b>	<b>Mar-09</b>
MSCI ACWI ex USA Gross			-0.3%	25	-8.8%	81	0.8%	92	0.8%	93	9.7%	Mar-09
MSCI AC Wld Ex US Value Gross			-0.3%	25	-11.8%	97	-0.8%	98	-0.5%	97	9.0%	Mar-09
<b>NCSRP Wellington Global Composite</b>	<b>\$385.1</b>	<b>4.2%</b>	<b>-2.7%</b>	<b>83</b>	<b>-3.8%</b>	<b>56</b>	<b>9.9%</b>	<b>12</b>	<b>9.2%</b>	<b>15</b>	<b>14.8%</b>	<b>Mar-09</b>
<b>NCSRP Wellington Global Opportunities</b>			<b>-2.7%</b>	<b>83</b>	<b>-3.8%</b>	<b>56</b>	<b>9.9%</b>	<b>12</b>	<b>9.2%</b>	<b>15</b>	<b>--</b>	<b>Mar-09</b>
MSCI ACWI Gross			0.4%	38	-3.8%	56	6.1%	68	5.8%	66	13.2%	Mar-09
<b>NCSRP Arrowstreet Global Equity ACWI</b>	<b>\$389.0</b>	<b>4.3%</b>	<b>1.0%</b>	<b>32</b>	<b>-3.9%</b>	<b>58</b>	<b>8.4%</b>	<b>30</b>	<b>--</b>	<b>--</b>	<b>9.3%</b>	<b>Mar-12</b>
<b>Arrowstreet Global Equity ACWI Strategy</b>			<b>0.5%</b>	<b>36</b>	<b>-3.8%</b>	<b>57</b>	<b>10.4%</b>	<b>9</b>	<b>9.1%</b>	<b>16</b>	<b>11.2%</b>	<b>Mar-12</b>
MSCI ACWI Gross			0.4%	38	-3.8%	56	6.1%	68	5.8%	66	7.3%	Mar-12
<b>NCSRP PIMCO Inflation Response Multi-Asset</b>	<b>\$357.8</b>	<b>3.9%</b>	<b>5.5%</b>	<b>1</b>	<b>-1.9%</b>	<b>10</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-0.3%</b>	<b>Sep-13</b>
<b>PIMCO Inflation Response Multi-Asset Strategy</b>			<b>5.2%</b>	<b>1</b>	<b>-3.7%</b>	<b>26</b>	<b>-3.4%</b>	<b>76</b>	<b>--</b>	<b>--</b>	<b>-1.0%</b>	<b>Sep-13</b>
PIMCO Inflation Response Index			5.1%	10	-2.4%	11	-4.0%	89	-0.9%	99	-2.1%	Sep-13
Consumer Price Index			0.7%	99	0.9%	2	0.8%	18	1.3%	1	0.7%	Sep-13
<b>NCSRP BlackRock Debt Index Fund</b>	<b>\$389.1</b>	<b>4.3%</b>	<b>3.1%</b>	<b>--</b>	<b>2.0%</b>	<b>--</b>	<b>2.5%</b>	<b>--</b>	<b>3.8%</b>	<b>--</b>	<b>3.3%</b>	<b>Sep-10</b>
Barclays Aggregate			3.0%	--	2.0%	--	2.5%	--	3.8%	--	3.3%	Sep-10
<b>NCSRP JP Morgan Core Bond</b>	<b>\$304.3</b>	<b>3.3%</b>	<b>2.8%</b>	<b>72</b>	<b>2.5%</b>	<b>13</b>	<b>2.9%</b>	<b>27</b>	<b>4.5%</b>	<b>39</b>	<b>5.3%</b>	<b>Mar-09</b>
Barclays Aggregate			3.0%	45	2.0%	37	2.5%	69	3.8%	93	4.5%	Mar-09
<b>NCSRP Prudential Core Plus</b>	<b>\$307.3</b>	<b>3.4%</b>	<b>3.6%</b>	<b>7</b>	<b>2.0%</b>	<b>37</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3.3%</b>	<b>Dec-14</b>
<b>Prudential Core Plus Strategy</b>			<b>3.4%</b>	<b>12</b>	<b>1.6%</b>	<b>61</b>	<b>3.4%</b>	<b>7</b>	<b>5.5%</b>	<b>5</b>	<b>3.1%</b>	<b>Dec-14</b>
Barclays Aggregate			3.0%	45	2.0%	37	2.5%	69	3.8%	93	2.9%	Dec-14

# APPENDIX



# NET PERFORMANCE AS OF MARCH 31, 2016

	Ending March 31, 2016				Inception	
	3 Mo	1 Yr	3 Yrs	5 Yrs	Return	Since
<b>Large Cap Passive</b>	<b>1.4%</b>	<b>1.7%</b>	<b>11.6%</b>	<b>11.4%</b>	<b>16.8%</b>	<b>Mar-09</b>
S&P 500	1.3%	1.8%	11.8%	11.6%	17.0%	Mar-09
NCSRP BlackRock Equity Index S&P 500	1.4%	1.8%	11.8%	11.6%	17.0%	Mar-09
	1.3%	1.8%	11.8%	11.6%	17.0%	Mar-09
<b>Large Cap Value</b>	<b>0.8%</b>	<b>-3.7%</b>	<b>9.4%</b>	<b>10.0%</b>	<b>14.9%</b>	<b>Mar-09</b>
Russell 1000 Value	1.6%	-1.5%	9.4%	10.2%	16.3%	Mar-09
NCSRP Hotchkis & Wiley Large Cap Value Russell 1000 Value	0.9%	-6.5%	9.6%	10.3%	18.2%	Mar-09
	1.6%	-1.5%	9.4%	10.2%	16.3%	Mar-09
NCSRP Delaware Large Cap Value Russell 1000 Value	1.7%	--	--	--	-2.7%	Jun-15
	1.6%	-1.5%	9.4%	10.2%	-3.6%	Jun-15
NCSRP Robeco BP Large Cap Value Russell 1000 Value	-0.4%	-4.7%	9.4%	--	14.4%	Nov-11
	1.6%	-1.5%	9.4%	10.2%	14.0%	Nov-11
<b>Large Cap Growth</b>	<b>-4.0%</b>	<b>-0.4%</b>	<b>11.9%</b>	<b>10.8%</b>	<b>18.9%</b>	<b>Mar-09</b>
Russell 1000 Growth	0.7%	2.5%	13.6%	12.4%	17.9%	Mar-09
NCSRP Sands Capital Large Cap Growth Russell 1000 Growth	-9.6%	-7.3%	10.5%	12.0%	21.1%	Mar-09
	0.7%	2.5%	13.6%	12.4%	17.9%	Mar-09
NCSRP Wellington Opportunistic Growth Russell 1000 Growth	-1.7%	-0.3%	12.1%	9.8%	17.0%	Mar-09
	0.7%	2.5%	13.6%	12.4%	17.9%	Mar-09
Russell 3000 Growth	0.3%	1.3%	13.2%	12.0%	17.9%	Mar-09
NCSRP Loomis Large Cap Growth Russell 1000 Growth	-0.6%	7.1%	--	--	11.8%	Aug-14
	0.7%	2.5%	13.6%	12.4%	8.7%	Aug-14
<b>Mid/Small Cap Passive</b>	<b>0.5%</b>	<b>-7.2%</b>	<b>8.1%</b>	<b>8.6%</b>	<b>17.8%</b>	<b>Mar-09</b>
Russell 2500	0.4%	-7.3%	8.2%	8.6%	17.8%	Mar-09
NCSRP BlackRock Russell 2500 Index Fund Russell 2500	0.5%	-7.1%	8.3%	8.7%	17.9%	Mar-09
	0.4%	-7.3%	8.2%	8.6%	17.8%	Mar-09
<b>Mid/Small Cap Value</b>	<b>2.1%</b>	<b>-7.9%</b>	<b>8.2%</b>	<b>9.9%</b>	<b>20.1%</b>	<b>Mar-09</b>
Russell 2500 Value	3.3%	-5.2%	7.2%	8.3%	17.3%	Mar-09
NCSRP Hotchkis & Wiley Hotchkis Custom SMID Value Index	1.0%	-11.2%	6.9%	10.2%	21.6%	Mar-09
	3.3%	-5.2%	7.2%	8.5%	17.9%	Mar-09
NCSRP EARNEST Partners EARNEST Custom SMID Value Index	2.2%	-7.1%	8.9%	8.6%	16.8%	Mar-09
	3.3%	-5.2%	7.2%	8.1%	16.6%	Mar-09
NCSRP WEDGE SMID Cap Value Russell 2500 Value	2.7%	-5.5%	8.9%	--	14.6%	Dec-11
	3.3%	-5.2%	7.2%	8.3%	12.7%	Dec-11
<b>Mid/Small Cap Growth</b>	<b>-2.9%</b>	<b>-7.0%</b>	<b>8.1%</b>	<b>9.1%</b>	<b>16.9%</b>	<b>Mar-09</b>
Russell 2500 Growth	-2.7%	-9.6%	9.2%	8.8%	18.3%	Mar-09

	Ending March 31, 2016				Inception	
	3 Mo	1 Yr	3 Yrs	5 Yrs	Return	Since
NCSRP TimesSquare TimesSquare Custom SMID Growth Index	-2.4%	-10.9%	6.4%	9.5%	16.3%	Mar-09
	-2.7%	-9.6%	9.2%	9.0%	18.0%	Mar-09
NCSRP Brown Advisory Brown Custom SMID Growth Index	-3.6%	-2.8%	10.1%	9.2%	18.1%	Mar-09
	-2.7%	-9.6%	9.2%	8.6%	17.9%	Mar-09
<b>International Passive</b>	<b>0.3%</b>	<b>-9.1%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>9.1%</b>	<b>Mar-09</b>
MSCI ACWI ex USA Gross	-0.3%	-8.8%	0.8%	0.8%	9.7%	Mar-09
NCSRP BlackRock ACWI ex US Fund MSCI ACWI ex USA Gross	0.2%	-9.2%	0.4%	0.4%	9.2%	Mar-09
	-0.3%	-8.8%	0.8%	0.8%	9.7%	Mar-09
<b>International Equity</b>	<b>1.4%</b>	<b>-6.0%</b>	<b>2.1%</b>	<b>2.7%</b>	<b>10.2%</b>	<b>Mar-09</b>
MSCI ACWI ex USA Gross	-0.3%	-8.8%	0.8%	0.8%	9.7%	Mar-09
NCSRP Baillie Gifford ACWI ex US Growth MSCI ACWI ex USA Gross	1.0%	-4.8%	2.7%	3.4%	12.4%	Mar-09
	-0.3%	-8.8%	0.8%	0.8%	9.7%	Mar-09
MSCI AC Wild ex US Growth Gross	-0.2%	-5.8%	2.3%	2.0%	10.3%	Mar-09
NCSRP Mondrian ACWI ex US Value MSCI ACWI ex USA Gross	2.0%	-7.0%	2.1%	2.6%	8.8%	Mar-09
	-0.3%	-8.8%	0.8%	0.8%	9.7%	Mar-09
MSCI AC Wild Ex US Value Gross	-0.3%	-11.8%	-0.8%	-0.5%	9.0%	Mar-09
<b>Global Equity</b>	<b>-1.0%</b>	<b>-4.4%</b>	<b>8.4%</b>	<b>7.7%</b>	<b>13.5%</b>	<b>Mar-09</b>
MSCI ACWI Gross	0.4%	-3.8%	6.1%	5.8%	13.2%	Mar-09
NCSRP Wellington Global Composite MSCI ACWI Gross	-2.8%	-4.3%	9.4%	8.7%	14.2%	Mar-09
	0.4%	-3.8%	6.1%	5.8%	13.2%	Mar-09
NCSRP Arrowstreet Global Equity ACWI MSCI ACWI Gross	0.9%	-4.5%	7.7%	--	8.6%	Mar-12
	0.4%	-3.8%	6.1%	5.8%	7.3%	Mar-12
<b>Inflation Responsive Fund</b>	<b>5.2%</b>	<b>-2.7%</b>	<b>--</b>	<b>--</b>	<b>-1.2%</b>	<b>Sep-13</b>
PIMCO Inflation Response Index	5.1%	-2.4%	-4.0%	-0.9%	-2.1%	Sep-13
NCSRP PIMCO Inflation Response Multi-Asset PIMCO Inflation Response Index	5.3%	-2.5%	--	--	-1.0%	Sep-13
	5.1%	-2.4%	-4.0%	-0.9%	-2.1%	Sep-13
<b>Fixed Income Passive Fund</b>	<b>3.0%</b>	<b>1.9%</b>	<b>2.3%</b>	<b>3.6%</b>	<b>3.1%</b>	<b>Sep-10</b>
Barclays Aggregate	3.0%	2.0%	2.5%	3.8%	3.3%	Sep-10
NCSRP BlackRock Debt Index Fund Barclays Aggregate	3.0%	2.0%	2.5%	3.8%	3.3%	Sep-10
	3.0%	2.0%	2.5%	3.8%	3.3%	Sep-10
<b>Fixed Income Fund</b>	<b>3.2%</b>	<b>2.0%</b>	<b>2.4%</b>	<b>4.0%</b>	<b>5.3%</b>	<b>Mar-09</b>
Barclays Aggregate	3.0%	2.0%	2.5%	3.8%	4.5%	Mar-09
NCSRP JP Morgan Core Bond Barclays Aggregate	2.7%	2.3%	2.7%	4.3%	5.1%	Mar-09
	3.0%	2.0%	2.5%	3.8%	4.5%	Mar-09
NCSRP Prudential Core Plus Barclays Aggregate	3.6%	1.7%	--	--	3.1%	Dec-14
	3.0%	2.0%	2.5%	3.8%	2.9%	Dec-14
<b>Stable Value Fund</b>	<b>0.5%</b>	<b>1.9%</b>	<b>1.9%</b>	<b>2.3%</b>	<b>2.7%</b>	<b>Jun-09</b>
T-BILLS + 1%	0.3%	1.1%	1.1%	1.1%	1.1%	Jun-09

# MANAGER UPDATES

- **BlackRock** announced that Amy Schioldager, Global Head of Beta Strategies, is to retire in 12 months. She leads a team managing BlackRock's index strategies. Schioldager has been with the firm for 26 years and it is not yet evident how her responsibilities will be reallocated. We believe that Schioldager has made sufficient preparations for her departure and we do not propose any rating changes to "A" rating of BlackRock's market weighted index strategies.
- Anthony Lombardi, one of five portfolio managers on the **Delaware Large Cap Value** investment team, has left the firm. Lombardi covered names within Consumer Discretionary, Financials, Technology and Telecommunications Services and has been a member of the Large Cap Value team since its 1998 inception at Merrill Lynch. Lombardi had primary coverage of 10 of the 33 holdings in the portfolio and, given the strategy is approximately equal-weighted, was responsible for primary coverage on approximately 30% of strategy assets. Lombardi's coverage has been absorbed by current team members. Consumer Discretionary names are being covered by Kristen Bartholdson (she covered some of the portfolio's Consumer Discretionary names before Lombardi's departure), she also assumed coverage of the Technology names; Nik Lalvani absorbed Lombardi's Financials coverage (Lalvani co-covered Insurance names with Lombardi); Bob Vogel assumed Lombardi's Telecom coverage. The team is actively engaged in a search to replace Lombardi. We followed up with the team after the announcement and we are comfortable that the remaining team members are stable and able to cover the loss of Lombardi. We initially proposed a "W" Watch designation on the strategy's "A" rating but ultimately removed this after our follow up with the Delaware Large Cap Value Team. .
- On February 11, 2016, a Class Action Complaint was filed in the US District Court for the District of Massachusetts against CVS Corporation (CVS), the Benefit Plans Committee of CVS Corporation (Benefit Plans Committee), and **Galliard Capital Management** (Galliard) (collectively, "Defendants") for fiduciary breach under ERISA as a result of its alleged imprudent management of the Stable Value Fund. The allegations state that the defendants breached fiduciary duties by investing too much of the Plan's Stable Value Fund assets in short-term money market funds and cash management accounts that provided extremely low returns. Galliard believes that this complaint is misleading and is without merit. Mercer believes that this does not impact clients who utilize Galliard as a Stable Value Manager in their Plans, as the complaint is client specific.
- Mercer was recently informed that two senior portfolio managers on **JPMorgan's** US Value Fixed Income team, Mark Jackson and Henry Song, have left the firm effective immediately. The JPMorgan Columbus based strategies already had a provisional (P) rating after the temporary leave of absence by Doug Swanson in September. The latest news is discouraging given that both portfolio managers were senior and we view this as a significant loss. We have placed elevated priority to meeting with JPMAM in the near future to hear their response to these departures, as well as hopefully getting resolution on Swanson's future return to the firm.

# MANAGER UPDATES (CONTINUED)

- Mercer met with **Hotchkis and Wiley** at their Los Angeles headquarters to discuss their Mid-Cap Value strategy. We continue to have confidence in the cohesive and stable investment team and think the large size of the team is a competitive advantage. The team's ability to effectively implement ideas warrants revisiting as assets grow, therefore we maintained the "B+(T)" rating on the strategy.
- Mercer met with **Loomis** at their Boston headquarters to discuss their Large Cap Growth strategy. The Loomis team is an experienced, cohesive group, led by the strategy's philosophy and process architect, Aziz Hamzaogullari. We maintain our conviction in the strategy, although we will continue to monitor developments as Loomis just launched a Global Growth Strategy in 1Q16, which will also be managed by Hamzaogullari. As a result of the meeting, we maintained the "B+(T)" rating.
- We are recommending removing the provisional "P" rating on the **Sands Large Cap Growth Equity** strategy's "A (T) (P)" rating following an on-site meeting with the team to discuss the changes announced by the firm earlier this year, (Tom Ricketts' pending departure, promotion of Wesley Johnson to Portfolio Manager, promotion of Perry Williams to President of Sands). After the meeting, we were comfortable that these changes will not be disruptive because :
  - 1) The strategy involves a team process guided by Frank Sands, Jr. as CIO
  - 2) Johnson's tenure and development at the firm over the past 11 years affords him extensive insight/involvement with the strategy
  - 3) We view the promotion of Perry Williams as a positive, as it formally recognizes the ongoing organizational responsibilities assumed by Williams and helps address longer-term succession planning, while it affords Frank Sands, Jr. additional time to focus on his duties as CEO and CIO.
  - 4) Additionally, we reviewed the performance struggles of the strategy in 2015 and believe that they were in line with our expectations due to the concentrated structure that embraces more volatile, lesser quality holdings

# APPENDIX - DISCLOSURES

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