HEALTH WEALTH CAREER

North Carolina
Supplemental Retirement Plans

Performance Evaluation Report

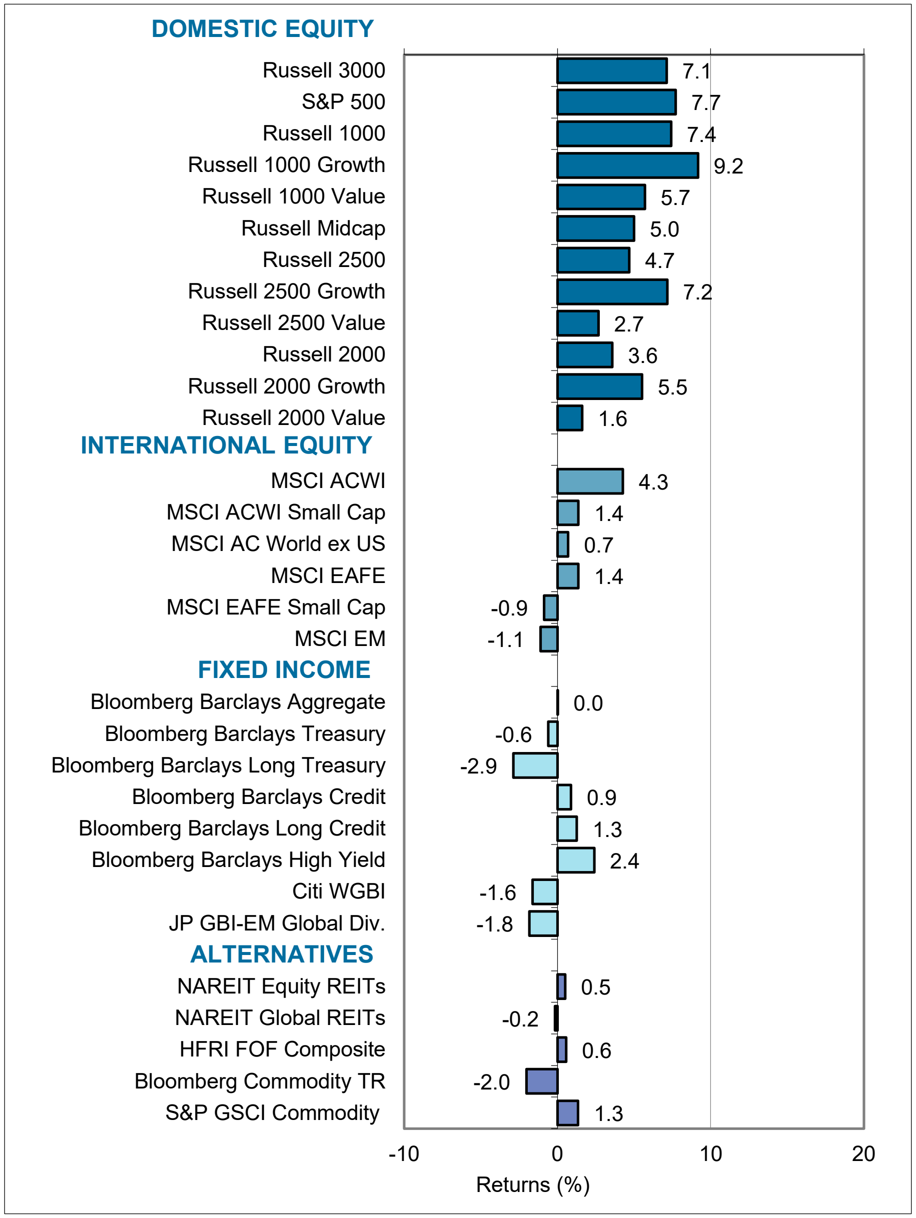
Third Quarter 2018

MAKE TOMORROW, TODAY

MERCER

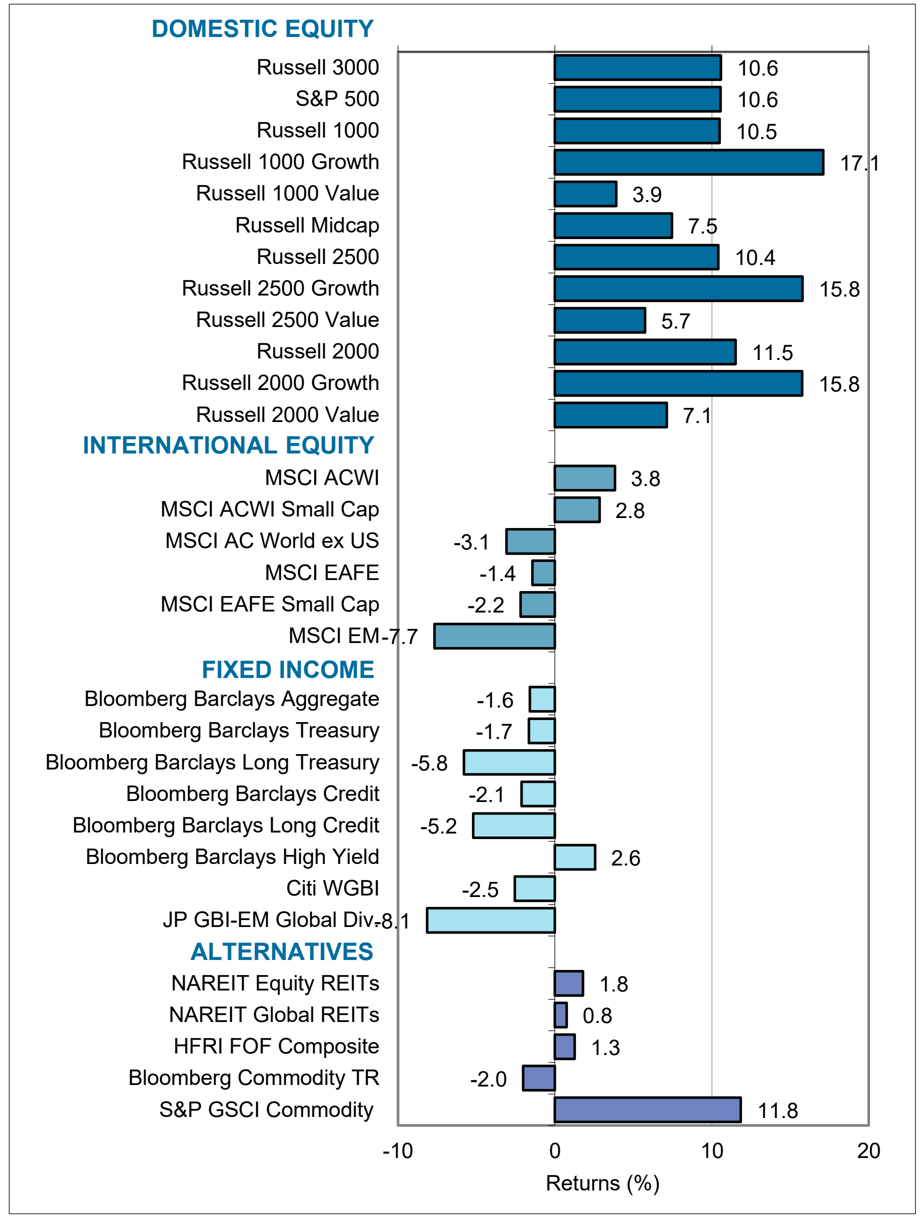
Performance Summary - Quarter in Review

Market Performance
Third Quarter 2018



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

Market Performance
YTD



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

NC CURRENT 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 BlackRock Debt Index	**Fixed Income Fund** TCW Core Plus Prudential Core Plus	
	Treasury Inflation Protected Securities (TIPS) BlackRock TIPS Fund	**Inflation Responsive Fund** PIMCO IRMAF	
	Large Cap Equity BlackRock Equity Index	**Large Cap Core Fund** BlackRock Russell 1000 Index Hotchkis & Wiley Large Cap Value Macquarie Large Cap Value Sands Capital Large Cap Growth Loomis Large Cap Growth	
	Small/Mid Cap Equity BlackRock Russell 2500 Index	**Small/Mid Cap Fund** BlackRock 2500 Index Hotchkis & Wiley Mid Value Earnest Partners SMID Cap Value Wedge SMID Cap Value Brown Advisory SMID Growth	
	International Equity BlackRock ACWI ex US Index	**International Equity Fund** Baillie Gifford ACWI ex US Growth Mondrian ACWI ex US Value	

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**	**Custodial Expenses[1]**	**NC Budget[2]**	**Total Estimated Expense (%)**	**Total Estimated Expense ($)[3]**	**Mercer Median Expense [4]**	**Difference**	
North Carolina Stable Value Fund[5]	**$2,043,753,560**	**0.306%**	**0.002%**	**0.025%**	**0.333%**	**$6,797,524**	0.42%	-0.08%	F-H
Galliard	$2,043,753,560	0.306%	0.000%			$6,253,886	0.42%	-0.11%	1
North Carolina Fixed Income Passive Fund	**$70,178,307**	**0.020%**	**0.014%**	**0.025%**	**0.059%**	**$41,124**	0.15%	-0.09%	
BlackRock	$70,178,307	0.020%	0.000%			$14,036	0.02%	0.00%	
North Carolina Fixed Income Fund	**$1,564,033,835**	**0.131%**	**0.011%**	**0.025%**	**0.166%**	**$2,604,010**	0.46%	-0.29%	
50% TCW	$781,457,684	0.151%	0.000%			$1,181,458	0.22%	-0.07%	
50% Prudential	$782,576,151	0.110%	0.000%			$860,834	0.22%	-0.11%	
North Carolina Inflation Sensitive Fund	**$378,446,932**	**0.690%**	**0.530%**	**0.025%**	**1.245%**	**$4,711,664**	0.83%	0.42%	
PIMCO	$378,446,932	0.690%	0.000%			$2,611,284	0.83%	-0.14%	
North Carolina Large Cap Passive Fund	**$2,659,276,606**	**0.005%**	**0.012%**	**0.025%**	**0.042%**	**$1,106,259**	0.20%	-0.16%	
BlackRock	$2,659,276,606	0.005%	0.000%			$132,964	0.01%	-0.01%	
North Carolina Large Cap Core Fund	**$1,952,995,009**	**0.283%**	**0.004%**	**0.025%**	**0.322%**	**$6,288,121**	0.65%	-0.33%	
25.00% BlackRock Russell 1000 Index	$479,427,224	0.005%	0.000%			$23,971	0.01%	-0.01%	
18.75% Hotchkis & Wiley	$365,926,336	0.400%	0.000%			$1,463,705	0.42%	-0.02%	
18.75% Macquarie	$368,580,528	0.275%	0.000%			$1,012,161	0.42%	-0.15%	
18.75% Sands Capital Management	$371,879,233	0.450%	0.000%			$1,673,457	0.44%	0.01%	
18.75% Loomis Sayles	$367,181,688	0.379%	0.000%			$1,391,545	0.45%	-0.07%	
North Carolina SMID Cap Passive Fund	**$331,761,561**	**0.005%**	**0.016%**	**0.025%**	**0.046%**	**$151,615**	0.27%	-0.22%	
BlackRock	$331,761,561	0.005%	0.000%			$16,588	0.02%	-0.02%	
North Carolina SMID Core Fund	**$840,765,628**	**0.377%**	**0.002%**	**0.025%**	**0.405%**	**$3,401,500**	0.93%	-0.53%	
28.75% BlackRock Russell 2500 Index	$239,859,168	0.005%	0.000%			$11,993	0.01%	-0.01%	
15.83% Hotchkis & Wiley	$135,719,534	0.500%	0.000%			$678,598	0.62%	-0.12%	
15.83% EARNEST Partners	$132,800,267	0.470%	0.000%			$624,161	0.75%	-0.28%	
15.83% WEDGE Capital Management	$132,531,154	0.626%	0.000%			$830,125	0.75%	-0.12%	
23.75% Brown Advisory	$199,855,505	0.519%	0.000%			$1,037,820	0.75%	-0.23%	
North Carolina International Passive Fund	**$76,538,447**	**0.025%**	**0.039%**	**0.025%**	**0.089%**	**$67,737**	0.35%	-0.26%	
BlackRock	$76,538,447	0.025%	0.000%			$18,752	0.06%	-0.04%	
North Carolina International Equity Fund	**$1,733,418,060**	**0.334%**	**0.012%**	**0.025%**	**0.371%**	**$6,426,941**	0.89%	-0.52%	
50% Baillie Gifford	$864,409,083	0.281%	0.000%			$2,432,457	0.51%	-0.22%	
50% Mondrian Investment Partners	$869,008,977	0.387%	0.000%			$3,364,219	0.51%	-0.12%	
North Carolina TIPS Fund	**$177,938,899**	**0.025%**	**0.006%**	**0.025%**	**0.056%**	**$99,290**	0.39%	-0.33%	
BlackRock	$177,938,899	0.025%	0.000%			$44,485	0.54%	-0.51%	
Total	**$11,829,106,844**	**0.217%**	**0.025%**	**0.025%**	**0.268%**	**$31,695,786**	**0.524%**		

[1] Based on annualized monthly fee accruals as of 9/30/2018

[2] 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.

[3] Manager fee estimates reflect investment management fee only, does not include $31 per participant record-keeping fee.

[4] 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.

[5] Mercer Stable Value Median for Funds with over $500M in assets

Performance Scorecard

	Mercer Rating	Return								Risk[1]
		3 Years to 09/30/2018		3 Years to 06/30/2018		3 Years to 03/31/2018		3 Years to 12/31/2017		5 Years to 09/30/2018
		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 Core Fund[2]		✓	✓	✓	✓	✓	✓	✓	✓	NA
Hotchkis & Wiley Large Cap Value	A (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Macquarie Large Cap Value	A	✓	✓	✗	✓	✓	✓	✓	✓	✓
Sands Capital Large Cap Growth	A (T)	✓	✓	✓	✓	✗	✓	✗	✗	✓
Loomis Large Cap Growth	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 Large Cap Core 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 09/30/2018		3 Years to 06/30/2018		3 Years to 03/31/2018		3 Years to 12/31/2017		5 Years to 09/30/2018
		I	U	I	U	I	U	I	U	I
Small/Mid Cap Passive Fund (tracked within 30 bps)		✓	NA	✓	NA	✓	NA	✓	NA	NA
BlackRock Russell 2500 Index Fund	A	✓	NA	✓	NA	✓	NA	✓	NA	NA
Small/Mid Cap Fund[2]		✓	✓	✓	✓	✓	✓	✓	✓	NA
Hotchkis & Wiley SMID Cap Value	B+ (T)	✗	✗	✗	✗	✗	✗	✗	✗	✓
EARNEST Partners SMID Cap Value	B+	✓	✓	✓	✓	✓	✓	✓	✓	✓
WEDGE SMID Cap Value	B+	✗	✗	✗	✗	✗	✗	✓	✓	✓
Brown Advisory	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%.
[2] Represents the gross of fee Mid/Small Cap Core Composite.
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Performance Scorecard

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		3 Years to 09/30/2018		3 Years to 06/30/2018		3 Years to 03/31/2018		3 Years to 12/31/2017		5 Years to 09/30/2018
		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+ (P)	✗	✗	✗	✗	✗	✗	✗	✗	✓
Inflation Responsive Fund		✓	✓	✓	✓	✓	✓	✓	✓	NA
PIMCO Inflation Response-Multi Asset	B+	✓	✓	✓	✓	✓	✓	✓	✓	NA
Fixed Income Passive Fund (tracked within 25 bps)		✓	NA	✓	NA	✓	NA	✓	NA	NA
BlackRock Debt Index Fund	A	✓	NA	✓	NA	✓	NA	✓	NA	NA

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	Mercer Rating	Return								Risk[1]
		3 Years to 09/30/2018		3 Years to 06/30/2018		3 Years to 03/31/2018		3 Years to 12/31/2017		5 Years to 09/30/2018
		I	U	I	U	I	U	I	U	I
Fixed Income Fund		✓	✓	✓	✓	✓	✓	✓	✓	NA
TCW Core Plus[2]	A	✓	✗	✓	✗	✓	✗	✓	✗	✓
Prudential Core Plus	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Treasury Inflation Protected Securities Fund		NA	NA	NA	NA	NA	NA	NA	NA	NA
BlackRock TIPS Fund[3]	A	NA	NA	NA	NA	NA	NA	NA	NA	NA
Stable Value Fund	A	✓	✓	✓	✓	✓	✓	✓	✓	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%.
[2] Represents the TCW Core Plus Composite.
[3] The BlackRock TIPS Fund was created at the beginning of the third quarter of 2018. Longer history is not available.
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1) **Performance**: The underlying manager strategy has trailed the benchmark and peer group universe over four consecutive 3 year periods, as highlighted on the Performance Scorecard. A candidate can also be added to the watch list if performance is not explained by the managers style or investment philosophy

2) **Philosophy Change**: Underlying manager strategy has had a material change to the investment process or philosophy, from what was originally established

3) **Organizational Instability**: Organizational or team turnover that could materially affect the investment process

Watch List

Manager	Date Placed on Watch	Mercer Rating*	Recommendation	Comments
Mondrian International Equity Manager	1Q18	B+ (P)	Maintain Watch Status	Mondrian is a long-term, value oriented manager that utilizes a dividend discount model to generate a real return forecast for each stock that meets its investment criteria based on a screen for value factors. They construct a concentrated, low turnover portfolio that blends top down and bottom up security selection. The strategy typically displays tilts towards companies with higher dividend yields and lower debt on their balance sheets. This high quality approach has historically protected well on the downside but has lagged during strong growth markets. Mondrian believes that quantitative easing and low interest rates since the financial crisis have distorted discount rates and this has supported the extended period of outperformance of growth over value. Furthermore, despite rising rates in the US, Mondrian points to low interest rates elsewhere and the still growing balance sheets of advanced economies in aggregate to show quantitative tightening has not yet arrived in a global manner. Mondrian struggled with performance during 2017, as growth significantly outpaced value internationally (7.5%). Mondrian trailed the benchmark by 400 basis points during the year and struggled with security selection in the more growth oriented consumer discretionary and information technology sectors. We wouldn't expect Mondrian to outperform given the market leadership but we did add a provisional "P" rating on the strategy following our most recent meeting with the investment team. We will be following up with some additional questions around investment process and how the team views the period of underperformance. In the third quarter of 2018, Mondrian outperformed its benchmark by 40 basis points, due in part to a reversal in Brazil. Their continued to overweight Brazil contributed positively to returns, as the country stabilized after the tumultuous second quarter. Additionally, Mondrian's historical underweight to the information technology sector, including a zero-weight to Chinese internet stocks such as Alibaba and Tencent, contributed to relative returns, as these Chinese companies released second quarter results below market expectations.

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Watch List

Manager	Date Placed on Watch	Mercer Rating*	Recommendation	Comments
Hotchkis and Wiley Mid Cap	1Q17	B+ (T)	Maintain Watch Status	Hotchkis & Wiley's Mid Cap Value strategy utilizes a fundamental, bottom-up approach to value investing. The firm seeks to exploit mispriced securities by investing in undiscovered or out of favor companies where the intrinsic value of the companies future cash flows exceeds the current market price. The team does not consider benchmark characteristics in portfolio construction, as they view permanent loss of capital the primary source of risk. Hotchkis believes that the low valuations and lower leverage provides them a margin of safety. Hotchkis was added to the Watch List in 2017, after a difficult period in 2016 when more defensive, higher dividend paying securities with higher valuations led the market. Hotchkis, like many other value managers, did not hold these names and this negatively impacted relative performance. During 2017, Hotchkis again trailed the benchmark by 140 basis points and ranked in the bottom quartile of the peer group universe. Growth continued to outperform value within mid cap equities during the fourth quarter and the spread was 12% over the year. Hotchkis has historically been largely overweight the energy sector and this was a significant headwind for the strategy throughout 2017. In 2018, Hotchkis outperformed in both the first and second quarters, beating their benchmark over the six month period by 310 basis points and ranked in the top quartile for their peer group universe, largely due to their overweight to the top performing energy sector. In the third quarter of 2018, Hotchkis's energy holdings detracted 90 basis points from relative returns due to stock selection. However, this was more than offset by stock selection within information technology and healthcare. Within the healthcare sector, Mallinckrodt Plc, a pharmaceuticals company, returned over 57% for the quarter and contributed 90 basis points towards relative returns after strong earnings results and improved guidance. Over the year-to-date period, the strategy outperformed by 390 basis points and ranked in the top quartile of the peer group universe. We continue to have confidence in Hotchkis and Wiley's deeper value approach and expect them to outperform the benchmark over a full market cycle.

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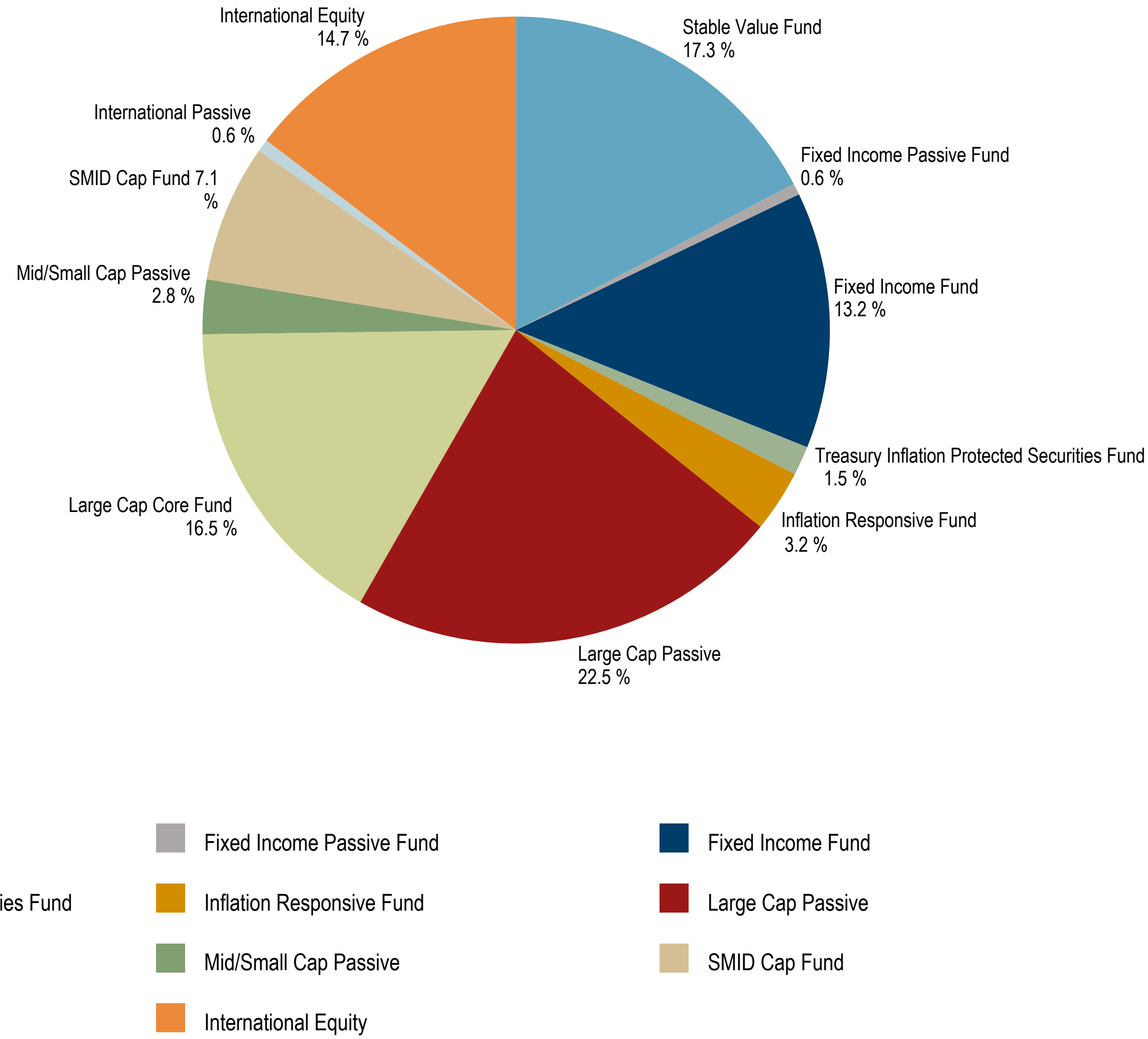
Total Fund

North Carolina

Asset Allocation

As of September 30, 2018



Total Fund Performance Measurement

As of September 30, 2018

	Market Value ($)	%	Ending September 30, 2018 Since Inception	5 Years	3 Years	1 Year	YTD	1 Quarter	Inception Date
Large Cap Passive	**2,659,276,606**	**15.5**	**16.9 (22)**	**13.8 (17)**	**17.3 (15)**	**17.9 (29)**	**10.6 (28)**	**7.7 (35)**	**Apr-09**
S&P 500			*17.0 (21)*	*13.9 (16)*	*17.3 (15)*	*17.9 (29)*	*10.6 (28)*	*7.7 (35)*	
Mercer Mutual Fund US Equity Large Cap Core Median			15.7	12.4	15.5	16.5	9.1	7.4	
NCSRP BlackRock Equity Index	2,659,276,606	15.5	17.1 (56)	13.9 (45)	17.3 (38)	17.9 (47)	10.5 (46)	7.7 (48)	Apr-09
S&P 500			*17.0 (60)*	*13.9 (39)*	*17.3 (39)*	*17.9 (39)*	*10.6 (37)*	*7.7 (33)*	
Mercer Instl US Equity Large Cap Index Median			17.1	13.9	17.1	17.8	10.5	7.7	
Large Cap Core Fund	**1,952,995,009**	**11.4**	**19.5 (36)**	**-**	**-**	**19.5 (36)**	**12.9 (33)**	**6.8 (58)**	**Oct-17**
Russell 1000 Index			*17.8 (45)*	*13.7 (37)*	*17.1 (36)*	*17.8 (45)*	*10.5 (45)*	*7.4 (42)*	
Mercer Mutual Fund US Equity Large Cap Median			16.9	12.7	16.1	16.9	9.9	7.1	
NCSRP Russell 1000 Index	479,427,224	2.8	15.1 (43)	-	-	-	10.5 (42)	7.5 (40)	Nov-17
Russell 1000 Index			*15.1 (42)*	*13.7 (45)*	*17.1 (38)*	*17.8 (42)*	*10.5 (42)*	*7.4 (41)*	
Mercer Instl US Equity Large Cap Median			14.1	13.3	16.2	16.7	9.3	7.0	
NCSRP Macquarie Large Cap Value	368,580,528	2.1	10.4 (27)	-	15.9 (20)	16.3 (10)	10.3 (3)	8.3 (6)	Jun-15
Macquarie Large Cap Value Strategy			*10.6 (22)*	*12.9 (13)*	*16.0 (18)*	*16.5 (10)*	*10.3 (3)*	*8.4 (5)*	
Russell 1000 Value Index			*8.5 (71)*	*10.7 (66)*	*13.6 (71)*	*9.5 (72)*	*3.9 (63)*	*5.7 (50)*	
Mercer Instl US Equity Large Cap Value Median			9.4	11.4	14.5	11.5	4.7	5.7	
NCSRP Hotchkis & Wiley Large Cap Value	365,926,336	2.1	18.6 (2)	12.4 (23)	16.5 (12)	12.2 (42)	5.4 (42)	4.9 (70)	Apr-09
Russell 1000 Value Index			*15.5 (65)*	*10.7 (66)*	*13.6 (71)*	*9.5 (72)*	*3.9 (63)*	*5.7 (50)*	
Mercer Instl US Equity Large Cap Value Median			16.0	11.4	14.5	11.5	4.7	5.7	
NCSRP Loomis Large Cap Growth	367,181,688	2.1	17.3 (13)	-	20.7 (20)	18.4 (86)	11.3 (86)	7.0 (76)	Aug-14
Loomis Large Cap Growth Strategy			*17.0 (15)*	*17.0 (20)*	*20.5 (24)*	*18.3 (86)*	*11.2 (87)*	*7.2 (69)*	
Russell 1000 Growth Index			*16.1 (25)*	*16.6 (30)*	*20.6 (22)*	*26.3 (37)*	*17.1 (47)*	*9.2 (24)*	
Mercer Instl US Equity Large Cap Growth Median			14.8	15.7	18.9	24.6	16.5	8.0	
NCSRP Sands Capital Large Cap Growth	371,879,233	2.2	23.1 (1)	15.5 (53)	22.4 (7)	34.9 (3)	29.9 (1)	6.8 (82)	Apr-09
Russell 1000 Growth Index			*18.8 (31)*	*16.6 (30)*	*20.6 (22)*	*26.3 (37)*	*17.1 (47)*	*9.2 (24)*	
Mercer Instl US Equity Large Cap Growth Median			17.9	15.7	18.9	24.6	16.5	8.0	

Total Fund Performance Measurement

As of September 30, 2018

	Market Value ($)	%	Ending September 30, 2018 Since Inception		5 Years		3 Years		1 Year		YTD		1 Quarter		Inception Date
Mid/Small Cap Passive	**331,761,561**	**1.9**	**17.8**	**(30)**	**11.3**	**(34)**	**16.1**	**(37)**	**16.1**	**(38)**	**10.3**	**(41)**	**4.7**	**(41)**	**Apr-09**
Russell 2500 Index			*17.9*	*(29)*	*11.4*	*(33)*	*16.1*	*(36)*	*16.2*	*(37)*	*10.4*	*(40)*	*4.7*	*(40)*	
Mercer Mutual Fund US Equity Small+Mid Median			16.9		10.3		14.8		13.2		8.3		3.8		
NCSRP BlackRock Russell 2500 Index Fund	331,761,561	1.9	17.9	(63)	11.4	(60)	16.1	(49)	16.1	(43)	10.4	(44)	4.7	(45)	Apr-09
Russell 2500 Index			*17.9*	*(64)*	*11.4*	*(60)*	*16.1*	*(49)*	*16.2*	*(42)*	*10.4*	*(44)*	*4.7*	*(45)*	
Mercer Instl US Equity Small + Mid Cap Median			18.4		11.9		16.0		14.2		9.3		4.2		
SMID Cap Fund	**840,936,213**	**4.9**	**14.9**	**(44)**	**-**		**-**		**14.9**	**(44)**	**9.9**	**(43)**	**4.6**	**(41)**	**Oct-17**
Russell 2500 Index			*16.2*	*(37)*	*11.4*	*(33)*	*16.1*	*(36)*	*16.2*	*(37)*	*10.4*	*(40)*	*4.7*	*(40)*	
Mercer Mutual Fund US Equity Small+Mid Median			13.2		10.3		14.8		13.2		8.3		3.8		
NCSRP Russell 2500 Index	239,859,168	1.4	14.5	(43)	-		-		-		10.6	(44)	4.8	(44)	Nov-17
Russell 2500 Index			*14.4*	*(43)*	*11.4*	*(60)*	*16.1*	*(49)*	*16.2*	*(42)*	*10.4*	*(44)*	*4.7*	*(45)*	
Mercer Instl US Equity Small + Mid Cap Median			12.5		11.9		16.0		14.2		9.3		4.2		
NCSRP Hotchkis & Wiley	135,719,534	0.8	20.5	(1)	9.4	(75)	13.6	(51)	15.1	(15)	9.6	(14)	3.3	(36)	Apr-09
Hotchkis Custom SMID Value Index			*17.1*	*(57)*	*10.0*	*(57)*	*14.5*	*(42)*	*10.2*	*(44)*	*5.7*	*(41)*	*2.7*	*(46)*	
Mercer Instl US Equity SMID Value Median			17.3		10.2		13.8		9.8		4.7		2.3		
NCSRP EARNEST Partners	132,800,267	0.8	17.4	(49)	12.2	(10)	16.7	(16)	8.3	(63)	1.9	(84)	3.7	(34)	Apr-09
EARNEST Custom SMID Value Index			*16.2*	*(81)*	*10.0*	*(57)*	*14.5*	*(42)*	*10.2*	*(44)*	*5.7*	*(41)*	*2.7*	*(46)*	
Mercer Instl US Equity SMID Value Median			17.3		10.2		13.8		9.8		4.7		2.3		
NCSRP WEDGE SMID Cap Value	132,531,154	0.8	15.0	(18)	11.4	(21)	13.5	(55)	8.0	(66)	4.1	(57)	3.0	(39)	Jan-12
Russell 2500 Value Index			*13.5*	*(55)*	*10.0*	*(57)*	*14.5*	*(42)*	*10.2*	*(44)*	*5.7*	*(41)*	*2.7*	*(46)*	
Mercer Instl US Equity SMID Value Median			13.9		10.2		13.8		9.8		4.7		2.3		
NCSRP Brown Advisory	199,855,505	1.2	19.5	(37)	13.5	(33)	19.9	(32)	21.0	(79)	18.9	(51)	7.6	(62)	Apr-09
Brown Custom SMID Growth Index			*18.8*	*(56)*	*12.9*	*(43)*	*18.0*	*(55)*	*23.1*	*(64)*	*15.8*	*(68)*	*7.2*	*(65)*	
Mercer Instl US Equity SMID Growth Median			19.0		12.6		18.2		26.2		19.1		8.2		

Total Fund Performance Measurement

As of September 30, 2018

	Market Value ($)	%	Since Inception		5 Years		3 Years		1 Year		YTD		1 Quarter		Inception Date
			Ending September 30, 2018												
International Passive	**76,538,447**	**0.4**	**9.7**	**(68)**	**4.3**	**(65)**	**10.2**	**(28)**	**2.1**	**(69)**	**-2.8**	**(74)**	**0.8**	**(68)**	**Apr-09**
MSCI AC World ex USA			*10.1*	*(27)*	*4.6*	*(38)*	*10.5*	*(20)*	*2.3*	*(67)*	*-2.7*	*(74)*	*0.8*	*(68)*	
Mercer Mutual Fund World ex US/EAFE Equity Index Median			9.8		4.4		9.8		2.7		-1.4		1.2		
NCSRP BlackRock ACWI ex US Fund	76,538,447	0.4	9.8	(100)	4.3	(94)	10.3	(39)	2.0	(63)	-2.9	(74)	0.8	(57)	Apr-09
MSCI AC World ex USA			*10.1*	*(54)*	*4.6*	*(59)*	*10.5*	*(7)*	*2.3*	*(50)*	*-2.7*	*(57)*	*0.8*	*(57)*	
Mercer Instl World ex US/EAFE Equity Passive Median			10.1		4.6		9.9		2.2		-2.1		1.3		
International Equity	**1,733,418,060**	**10.1**	**10.3**	**(49)**	**5.3**	**(36)**	**10.6**	**(27)**	**1.2**	**(56)**	**-4.0**	**(72)**	**0.6**	**(44)**	**Apr-09**
MSCI AC World ex USA			*10.1*	*(53)*	*4.6*	*(54)*	*10.5*	*(27)*	*2.3*	*(42)*	*-2.7*	*(51)*	*0.8*	*(37)*	
Mercer Mutual Fund World ex US/EAFE Equity Median			10.2		4.8		9.1		1.6		-2.6		0.4		
NCSRP Baillie Gifford ACWI ex US Growth	864,409,083	5.0	13.3	(12)	7.5	(16)	14.1	(9)	3.7	(39)	-2.4	(58)	0.4	(66)	Apr-09
MSCI AC World ex USA			*10.1*	*(80)*	*4.6*	*(77)*	*10.5*	*(44)*	*2.3*	*(55)*	*-2.7*	*(65)*	*0.8*	*(53)*	
MSCI AC World ex USA Growth			*10.5*	*(73)*	*5.7*	*(52)*	*11.0*	*(37)*	*3.5*	*(41)*	*-2.2*	*(57)*	*-0.2*	*(82)*	
Mercer Instl World ex US/EAFE Equity Median			11.3		5.8		10.1		2.7		-1.7		0.9		
NCSRP Mondrian ACWI ex US Value	869,008,977	5.1	9.0	(97)	4.5	(81)	8.5	(80)	0.5	(78)	-4.1	(85)	1.2	(38)	Apr-09
MSCI AC World ex USA			*10.1*	*(80)*	*4.6*	*(77)*	*10.5*	*(44)*	*2.3*	*(55)*	*-2.7*	*(65)*	*0.8*	*(53)*	
MSCI AC World ex USA Value			*9.7*	*(90)*	*3.5*	*(94)*	*9.9*	*(53)*	*1.0*	*(73)*	*-3.1*	*(72)*	*1.8*	*(20)*	
Mercer Instl World ex US/EAFE Equity Median			11.3		5.8		10.1		2.7		-1.7		0.9		
Inflation Responsive Fund	**378,446,932**	**2.2**	**1.8**	**(36)**	**1.8**	**(36)**	**5.5**	**(37)**	**1.9**	**(73)**	**-1.0**	**(85)**	**-0.9**	**(93)**	**Oct-13**
PIMCO Inflation Response Index			*-0.2*	*(95)*	*-0.2*	*(95)*	*2.4*	*(94)*	*0.1*	*(100)*	*-2.1*	*(100)*	*-1.3*	*(100)*	
Mercer Mutual Fund Diversified Inflation Hedge Median			1.4		1.4		5.2		3.1		0.8		-0.3		
NCSRP PIMCO Inflation Response Multi-Asset	378,446,932	2.2	2.6	(9)	2.6	(9)	6.3	(24)	2.7	(56)	-0.5	(68)	-0.7	(78)	Oct-13
PIMCO Inflation Response Multi-Asset Strategy			*1.9*	*(26)*	*1.9*	*(26)*	*5.5*	*(34)*	*1.9*	*(70)*	*-1.0*	*(85)*	*-0.8*	*(92)*	
PIMCO Inflation Response Index			*-0.2*	*(95)*	*-0.2*	*(95)*	*2.4*	*(94)*	*0.1*	*(100)*	*-2.1*	*(100)*	*-1.3*	*(100)*	
CPI - All Urban Consumers (Unadjusted)			*1.5*	*(44)*	*1.5*	*(44)*	*2.0*	*(95)*	*2.3*	*(59)*	*2.4*	*(18)*	*0.2*	*(36)*	
Mercer Mutual Fund Diversified Inflation Hedge Median			1.4		1.4		5.2		3.1		0.8		-0.3		

Total Fund Performance Measurement

As of September 30, 2018

	Market Value ($)	%	Ending September 30, 2018												Inception Date
			Since Inception		5 Years		3 Years		1 Year		YTD		1 Quarter		
Fixed Income Passive Fund	**70,178,307**	**0.4**	**2.3**	**(62)**	**2.1**	**(54)**	**1.3**	**(72)**	**-1.2**	**(71)**	**-1.6**	**(68)**	**0.0**	**(86)**	**Oct-10**
Blmbg. Barc. U.S. Aggregate			*2.4*	*(59)*	*2.2*	*(51)*	*1.3*	*(71)*	*-1.2*	*(69)*	*-1.6*	*(68)*	*0.0*	*(86)*	
Mercer Mutual Fund US Fixed Core Median			2.6		2.2		1.8		-0.7		-1.1		0.4		
NCSRP BlackRock Debt Index Fund	70,178,307	0.4	2.5	(57)	2.2	(48)	1.4	(69)	-1.2	(67)	-1.6	(66)	0.0	(85)	Oct-10
Blmbg. Barc. U.S. Aggregate			*2.4*	*(59)*	*2.2*	*(51)*	*1.3*	*(71)*	*-1.2*	*(69)*	*-1.6*	*(68)*	*0.0*	*(86)*	
Mercer Mutual Fund US Fixed Core Median			2.6		2.2		1.8		-0.7		-1.1		0.4		
Fixed Income Fund	**1,564,033,835**	**9.1**	**4.3**	**(49)**	**2.7**	**(30)**	**2.3**	**(31)**	**-0.6**	**(46)**	**-1.4**	**(57)**	**0.1**	**(81)**	**Apr-09**
Blmbg. Barc. U.S. Aggregate			*3.5*	*(68)*	*2.2*	*(51)*	*1.3*	*(71)*	*-1.2*	*(69)*	*-1.6*	*(68)*	*0.0*	*(86)*	
Mercer Mutual Fund US Fixed Core Median			4.2		2.2		1.8		-0.7		-1.1		0.4		
NCSRP TCW Core Plus	781,457,684	4.5	1.4	(78)	-		-		-0.7	(57)	-1.1	(46)	0.0	(91)	Jan-17
TCW Core Plus Bond Strategy			*1.6*	*(60)*	*2.6*	*(59)*	*1.8*	*(67)*	*-0.5*	*(41)*	*-1.0*	*(34)*	*0.1*	*(76)*	
Blmbg. Barc. U.S. Aggregate			*1.1*	*(93)*	*2.2*	*(91)*	*1.3*	*(95)*	*-1.2*	*(90)*	*-1.6*	*(83)*	*0.0*	*(90)*	
Mercer Instl US Fixed Core Median			1.8		2.7		2.1		-0.7		-1.2		0.3		
NCSRP Prudential Core Plus	782,576,151	4.6	3.1	(7)	-		3.7	(10)	0.0	(15)	-1.2	(56)	0.3	(42)	Jan-15
Prudential Core Plus Strategy			*3.0*	*(8)*	*3.9*	*(7)*	*3.4*	*(12)*	*-0.4*	*(30)*	*-1.5*	*(82)*	*0.1*	*(81)*	
Blmbg. Barc. U.S. Aggregate			*1.4*	*(92)*	*2.2*	*(91)*	*1.3*	*(95)*	*-1.2*	*(90)*	*-1.6*	*(83)*	*0.0*	*(90)*	
Mercer Instl US Fixed Core Median			2.0		2.7		2.1		-0.7		-1.2		0.3		
Treasury Inflation Protected Securities Fund	**177,938,899**	**1.0**	**-0.4**	**(30)**	**-**		**-**		**-**		**-**		**-0.4**	**(30)**	**Jul-18**
Blmbg. Barc. U.S. TIPS 1-10 Year			*-0.4*	*(30)*	*0.9*	*(60)*	*1.6*	*(69)*	*0.3*	*(59)*	*-0.2*	*(33)*	*-0.4*	*(30)*	
Mercer Mutual Fund US Inflation Protected Median			-0.8		1.0		1.9		0.5		-0.8		-0.8		
NCSRP BlackRock TIPS Fund	177,938,899	1.0	-0.4	(30)	-		-		-		-		-0.4	(30)	Jul-18
Blmbg. Barc. U.S. TIPS 1-10 Year			*-0.4*	*(30)*	*0.9*	*(60)*	*1.6*	*(69)*	*0.3*	*(59)*	*-0.2*	*(33)*	*-0.4*	*(30)*	
Mercer Mutual Fund US Inflation Protected Median			-0.8		1.0		1.9		0.5		-0.8		-0.8		

Total Fund Performance Measurement

As of September 30, 2018

	Market Value ($)	%	Ending September 30, 2018 Since Inception		5 Years		3 Years		1 Year		YTD		1 Quarter		Inception Date
Stable Value Fund	**2,043,753,560**	**11.9**	**2.5**	**(27)**	**1.9**	**(32)**	**2.0**	**(26)**	**2.2**	**(31)**	**1.7**	**(31)**	**0.6**	**(32)**	**Jul-09**
3-Year Constant Maturity Yield			*1.1*	*(100)*	*1.3*	*(100)*	*1.6*	*(100)*	*2.4*	*(11)*	*1.9*	*(1)*	*0.7*	*(1)*	
T-BILLS + 1.5%			*1.8*	*(61)*	*2.0*	*(26)*	*2.3*	*(1)*	*3.1*	*(1)*	*2.4*	*(1)*	*0.9*	*(1)*	
Mercer Instl Stable Value Median			2.1		1.8		1.9		2.1		1.6		0.6		
GoalMaker Funds	**5,363,016,398**	**31.2**													
Pre Retirement Conservative 0-5 Yrs	218,540,391	1.3	5.9	(100)	4.1	(92)	5.0	(96)	3.6	(86)	1.8	(58)	1.3	(87)	Jul-09
Pre Retirement Conservative 0-5 Yrs Benchmark			*4.9*	*(100)*	*3.8*	*(96)*	*4.7*	*(98)*	*3.5*	*(87)*	*1.7*	*(60)*	*1.3*	*(87)*	
Mercer Mutual Fund Target Date 2020 Median			9.0		6.0		7.9		5.0		2.0		2.2		
Pre Retirement Conservative 6-10 Yrs	141,163,548	0.8	7.0	(100)	4.8	(97)	6.2	(95)	4.5	(87)	2.2	(64)	1.5	(92)	Jul-09
Pre Retirement Conservative 6-10 Yrs Benchmark			*5.9*	*(100)*	*4.6*	*(98)*	*5.9*	*(97)*	*4.3*	*(88)*	*2.0*	*(65)*	*1.5*	*(92)*	
Mercer Mutual Fund Target Date 2025 Median			9.9		6.7		9.1		5.9		2.5		2.4		
Pre Retirement Conservative 11-15 Yrs	94,647,810	0.6	8.5	(93)	6.2	(85)	8.3	(94)	5.9	(80)	2.7	(58)	1.8	(92)	Jul-09
Pre Retirement Conservative 11-15 Yrs Benchmark			*7.9*	*(98)*	*6.0*	*(87)*	*8.0*	*(95)*	*5.7*	*(90)*	*2.4*	*(68)*	*1.8*	*(92)*	
Mercer Mutual Fund Target Date 2030 Median			10.5		7.4		10.1		7.0		3.0		2.9		
Pre Retirement Conservative 16-20 Yrs	75,763,231	0.4	10.2	(94)	7.6	(66)	10.5	(80)	7.5	(69)	3.3	(62)	2.0	(98)	Jul-09
Pre Retirement Conservative 16-20 Yrs Benchmark			*9.8*	*(100)*	*7.4*	*(69)*	*10.3*	*(84)*	*7.2*	*(77)*	*2.9*	*(70)*	*2.1*	*(98)*	
Mercer Mutual Fund Target Date 2035 Median			11.2		8.1		11.1		8.0		3.6		3.2		
Pre Retirement Conservative 21-25 Yrs	56,103,660	0.3	2.4	(96)	-		-		-		-		2.4	(96)	Jul-18
Pre Retirement Conservative 21-25 Yrs Benchmark			*2.4*	*(96)*	-		-		-		-		*2.4*	*(96)*	
Mercer Mutual Fund Target Date 2040 Median			3.5		8.5		11.8		8.8		4.0		3.5		
Pre Retirement Conservative 26+ Yrs	79,328,814	0.5	2.8	(94)	-		-		-		-		2.8	(94)	Jul-18
Pre Retirement Conservative 26+ Yrs Benchmark			*2.8*	*(94)*	-		-		-		-		*2.8*	*(94)*	
Mercer Mutual Fund Target Date 2045 Median			3.7		8.7		12.4		9.3		4.3		3.7		
Post Retirement Conservative 0-5 Yrs	248,775,976	1.4	1.1	(93)	-		-		-		-		1.1	(93)	Jul-18
Post Retirement Conservative 0-5 Yrs Benchmark			*1.2*	*(93)*	-		-		-		-		*1.2*	*(93)*	
Mercer Mutual Fund Target Date 2015 Median			1.8		5.8		7.4		4.4		1.8		1.8		

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Total Fund Performance Measurement

As of September 30, 2018

	Market Value ($)	%	Ending September 30, 2018						
			Since Inception	5 Years	3 Years	1 Year	YTD	1 Quarter	Inception Date
Post Retirement Conservative 6-10 Yrs	57,068,274	0.3	1.0 (81)	-	-	-	-	1.0 (81)	Jul-18
Post Retirement Conservative 6-10 Yrs Benchmark			*1.0 (80)*	-	-	-	-	*1.0 (80)*	
Mercer Mutual Fund Target Date Income Median			1.5	4.1	5.4	3.1	0.9	1.5	
Post Retirement Conservative 11+ Yrs	7,368,457	0.0	0.9 (83)	-	-	-	-	0.9 (83)	Jul-18
Post Retirement Conservative 11+ Yrs Benchmark			*0.9 (82)*	-	-	-	-	*0.9 (82)*	
Mercer Mutual Fund Target Date Income Median			1.5	4.1	5.4	3.1	0.9	1.5	
Pre Retirement Moderate 0-5 Yrs	461,703,495	2.7	7.4 (84)	5.4 (67)	7.0 (78)	5.3 (42)	2.7 (14)	1.9 (73)	Jul-09
Pre Retirement Moderate 0-5 Yrs Benchmark			*6.6 (94)*	*5.1 (73)*	*6.7 (83)*	*5.1 (48)*	*2.5 (21)*	*1.9 (73)*	
Mercer Mutual Fund Target Date 2020 Median			9.0	6.0	7.9	5.0	2.0	2.2	
Pre Retirement Moderate 6-10 Yrs	495,654,467	2.9	8.4 (95)	6.3 (64)	8.4 (73)	6.2 (44)	3.1 (19)	2.1 (77)	Jul-09
Pre Retirement Moderate 6-10 Yrs Benchmark			*7.9 (100)*	*6.1 (66)*	*8.1 (77)*	*6.0 (47)*	*2.8 (41)*	*2.1 (77)*	
Mercer Mutual Fund Target Date 2025 Median			9.9	6.7	9.1	5.9	2.5	2.4	
Pre Retirement Moderate 11-15 Yrs	391,204,595	2.3	9.8 (66)	7.3 (55)	10.1 (52)	7.5 (37)	3.6 (22)	2.4 (82)	Jul-09
Pre Retirement Moderate 11-15 Yrs Benchmark			*9.3 (83)*	*7.1 (57)*	*9.8 (63)*	*7.2 (48)*	*3.2 (47)*	*2.5 (81)*	
Mercer Mutual Fund Target Date 2030 Median			10.5	7.4	10.1	7.0	3.0	2.9	
Pre Retirement Moderate 16-20 Yrs	304,226,191	1.8	11.5 (32)	8.6 (27)	12.4 (12)	9.3 (13)	4.3 (17)	2.8 (83)	Jul-09
Pre Retirement Moderate 16-20 Yrs Benchmark			*11.2 (48)*	*8.5 (29)*	*12.2 (17)*	*8.9 (20)*	*3.8 (38)*	*2.8 (81)*	
Mercer Mutual Fund Target Date 2035 Median			11.2	8.1	11.1	8.0	3.6	3.2	
Pre Retirement Moderate 21-25 Yrs	224,371,249	1.3	3.0 (86)	-	-	-	-	3.0 (86)	Jul-18
Pre Retirement Moderate 21-25 Yrs Benchmark			*3.0 (86)*	-	-	-	-	*3.0 (86)*	
Mercer Mutual Fund Target Date 2040 Median			3.5	8.5	11.8	8.8	4.0	3.5	
Pre Retirement Moderate 26+ Yrs	244,132,684	1.4	3.3 (79)	-	-	-	-	3.3 (79)	Jul-18
Pre Retirement Moderate 26+ Yrs Benchmark			*3.4 (78)*	-	-	-	-	*3.4 (78)*	
Mercer Mutual Fund Target Date 2045 Median			3.7	8.7	12.4	9.3	4.3	3.7	
Post Retirement Moderate 0-5 Yrs	286,748,438	1.7	1.8 (59)	-	-	-	-	1.8 (59)	Jul-18
Post Retirement Moderate 0-5 Yrs Benchmark			*1.8 (58)*	-	-	-	-	*1.8 (58)*	
Mercer Mutual Fund Target Date 2015 Median			1.8	5.8	7.4	4.4	1.8	1.8	

Total Fund Performance Measurement

As of September 30, 2018

	Market Value ($)	%	Since Inception		5 Years		3 Years		1 Year		YTD		1 Quarter		Inception Date
			Ending September 30, 2018												
Post Retirement Moderate 6-10 Yrs	54,441,793	0.3	1.5	(51)	-		-		-		-		1.5	(51)	Jul-18
Post Retirement Moderate 6-10 Yrs Benchmark			*1.5*	*(48)*	-		-		-		-		*1.5*	*(48)*	
Mercer Mutual Fund Target Date Income Median			1.5		4.1		5.4		3.1		0.9		1.5		
Post Retirement Moderate 11+ Yrs	9,732,482	0.1	1.3	(62)	-		-		-		-		1.3	(62)	Jul-18
Post Retirement Moderate 11+ Yrs Benchmark			*1.4*	*(61)*	-		-		-		-		*1.4*	*(61)*	
Mercer Mutual Fund Target Date Income Median			1.5		4.1		5.4		3.1		0.9		1.5		
Pre Retirement Aggressive 0-5 Yrs	243,449,833	1.4	9.0	(51)	6.6	(21)	8.9	(13)	7.1	(2)	3.7	(1)	2.6	(12)	Jul-09
Pre Retirement Aggressive 0-5 Yrs Benchmark			*8.3*	*(71)*	*6.4*	*(33)*	*8.6*	*(21)*	*6.7*	*(2)*	*3.3*	*(2)*	*2.7*	*(11)*	
Mercer Mutual Fund Target Date 2020 Median			9.0		6.0		7.9		5.0		2.0		2.2		
Pre Retirement Aggressive 6-10 Yrs	354,918,647	2.1	10.0	(47)	7.4	(20)	10.2	(6)	7.9	(2)	3.9	(2)	2.7	(33)	Jul-09
Pre Retirement Aggressive 6-10 Yrs Benchmark			*9.3*	*(79)*	*7.2*	*(26)*	*9.9*	*(16)*	*7.5*	*(3)*	*3.5*	*(4)*	*2.8*	*(31)*	
Mercer Mutual Fund Target Date 2025 Median			9.9		6.7		9.1		5.9		2.5		2.4		
Pre Retirement Aggressive 11-15 Yrs	346,169,930	2.0	11.1	(19)	8.4	(6)	12.0	(1)	9.3	(2)	4.6	(2)	3.0	(38)	Jul-09
Pre Retirement Aggressive 11-15 Yrs Benchmark			*10.9*	*(26)*	*8.3*	*(8)*	*11.8*	*(1)*	*8.9*	*(2)*	*4.1*	*(6)*	*3.0*	*(37)*	
Mercer Mutual Fund Target Date 2030 Median			10.5		7.4		10.1		7.0		3.0		2.9		
Pre Retirement Aggressive 16-20 Yrs	363,179,293	2.1	12.8	(1)	9.7	(1)	14.3	(1)	10.9	(1)	5.1	(2)	3.3	(48)	Jul-09
Pre Retirement Aggressive 16-20 Yrs Benchmark			*12.8*	*(1)*	*9.7*	*(1)*	*14.2*	*(1)*	*10.5*	*(2)*	*4.6*	*(11)*	*3.3*	*(44)*	
Mercer Mutual Fund Target Date 2035 Median			11.2		8.1		11.1		8.0		3.6		3.2		
Pre Retirement Aggressive 21-25 Yrs	235,971,000	1.4	3.4	(63)	-		-		-		-		3.4	(63)	Jul-18
Pre Retirement Aggressive 21-25 Yrs Benchmark			*3.5*	*(57)*	-		-		-		-		*3.5*	*(57)*	
Mercer Mutual Fund Target Date 2040 Median			3.5		8.5		11.8		8.8		4.0		3.5		
Pre Retirement Aggressive 26+ Yrs	225,602,981	1.3	3.4	(76)	-		-		-		-		3.4	(76)	Jul-18
Pre Retirement Aggressive 26+ Yrs Benchmark			*3.5*	*(70)*	-		-		-		-		*3.5*	*(70)*	
Mercer Mutual Fund Target Date 2045 Median			3.7		8.7		12.4		9.3		4.3		3.7		
Post Retirement Aggressive 0-5 Yrs	114,977,462	0.7	2.4	(12)	-		-		-		-		2.4	(12)	Jul-18
Post Retirement Aggressive 0-5 Yrs Benchmark			*2.4*	*(8)*	-		-		-		-		*2.4*	*(8)*	
Mercer Mutual Fund Target Date 2015 Median			1.8		5.8		7.4		4.4		1.8		1.8		

Total Fund Performance Measurement

As of September 30, 2018

	Market Value ($)	%	Ending September 30, 2018 Since Inception		5 Years	3 Years	1 Year	YTD	1 Quarter		Inception Date
Post Retirement Aggressive 6-10 Yrs	20,002,783	0.1	2.2	(12)	-	-	-	-	2.2	(12)	Jul-18
Post Retirement Aggressive 6-10 Yrs Benchmark			*2.3*	*(9)*	-	-	-	-	*2.3*	*(9)*	
Mercer Mutual Fund Target Date Income Median			1.5		4.1	5.4	3.1	0.9	1.5		
Post Retirement Aggressive 11+ Yrs	7,768,914	0.0	2.0	(26)	-	-	-	-	2.0	(26)	Jul-18
Post Retirement Aggressive 11+ Yrs Benchmark			*2.0*	*(26)*	-	-	-	-	*2.0*	*(26)*	
Mercer Mutual Fund Target Date Income Median			1.5		4.1	5.4	3.1	0.9	1.5		

MERCER

North Carolina

Total Fund Performance Measurement - Net of Fees

As of September 30, 2018

	Market Value ($)	%	Ending September 30, 2018: Since Inception	5 Years	3 Years	1 Year	YTD	1 Quarter	Inception Date
Large Cap Passive	**2,659,276,606**	**15.5**	**16.9**	**13.8**	**17.3**	**17.9**	**10.6**	**7.7**	**Apr-09**
S&P 500			*17.0*	*13.9*	*17.3*	*17.9*	*10.6*	*7.7*	
NCSRP BlackRock Equity Index	2,659,276,606	15.5	17.0	13.9	17.3	17.9	10.5	7.7	Apr-09
S&P 500			*17.0*	*13.9*	*17.3*	*17.9*	*10.6*	*7.7*	
Large Cap Core Fund	**1,952,995,009**	**11.4**	**19.5**	**-**	**-**	**19.5**	**12.9**	**6.8**	**Oct-17**
Russell 1000 Index			*17.8*	*13.7*	*17.1*	*17.8*	*10.5*	*7.4*	
NCSRP Russell 1000 Index	479,427,224	2.8	15.1	-	-	-	10.4	7.5	Nov-17
Russell 1000 Index			*15.1*	*13.7*	*17.1*	*17.8*	*10.5*	*7.4*	
NCSRP Macquarie Large Cap Value	368,580,528	2.1	10.1	-	15.6	16.0	10.1	8.3	Jun-15
Russell 1000 Value Index			*8.5*	*10.7*	*13.6*	*9.5*	*3.9*	*5.7*	
NCSRP Hotchkis & Wiley Large Cap Value	365,926,336	2.1	18.0	11.9	16.0	11.8	5.0	4.8	Apr-09
Russell 1000 Value Index			*15.5*	*10.7*	*13.6*	*9.5*	*3.9*	*5.7*	
NCSRP Loomis Large Cap Growth	367,181,688	2.1	16.8	-	20.3	18.0	11.0	6.9	Aug-14
Russell 1000 Growth Index			*16.1*	*16.6*	*20.6*	*26.3*	*17.1*	*9.2*	
NCSRP Sands Capital Large Cap Growth	371,879,233	2.2	22.5	14.9	21.8	34.3	29.4	6.7	Apr-09
Russell 1000 Growth Index			*18.8*	*16.6*	*20.6*	*26.3*	*17.1*	*9.2*	
Mid/Small Cap Passive	**331,761,561**	**1.9**	**17.8**	**11.3**	**16.1**	**16.1**	**10.3**	**4.7**	**Apr-09**
Russell 2500 Index			*17.9*	*11.4*	*16.1*	*16.2*	*10.4*	*4.7*	
NCSRP BlackRock Russell 2500 Index Fund	331,761,561	1.9	17.9	11.4	16.1	16.1	10.4	4.7	Apr-09
Russell 2500 Index			*17.9*	*11.4*	*16.1*	*16.2*	*10.4*	*4.7*	

Total Fund Performance Measurement - Net of Fees

As of September 30, 2018

	Market Value ($)	%	Since Inception	5 Years	3 Years	1 Year	YTD	1 Quarter	Inception Date
			Ending September 30, 2018						
SMID Cap Fund	**840,936,213**	**4.9**	**14.9**	**-**	**-**	**14.9**	**9.9**	**4.6**	**Oct-17**
Russell 2500 Index			*16.2*	*11.4*	*16.1*	*16.2*	*10.4*	*4.7*	
NCSRP Russell 2500 Index	239,859,168	1.4	14.5	-	-	-	10.6	4.8	Nov-17
Russell 2500 Index			*14.4*	*11.4*	*16.1*	*16.2*	*10.4*	*4.7*	
NCSRP Hotchkis & Wiley	135,719,534	0.8	19.8	8.7	13.0	14.6	9.2	3.2	Apr-09
Hotchkis Custom SMID Value Index			*17.1*	*10.0*	*14.5*	*10.2*	*5.7*	*2.7*	
NCSRP EARNEST Partners	132,800,267	0.8	16.7	11.6	16.1	7.8	1.6	3.5	Apr-09
EARNEST Custom SMID Value Index			*16.2*	*10.0*	*14.5*	*10.2*	*5.7*	*2.7*	
NCSRP WEDGE SMID Cap Value	132,531,154	0.8	14.2	10.6	12.7	7.4	3.6	2.8	Jan-12
Russell 2500 Value Index			*13.5*	*10.0*	*14.5*	*10.2*	*5.7*	*2.7*	
NCSRP Brown Advisory	199,855,505	1.2	18.9	12.8	19.2	20.4	18.5	7.5	Apr-09
Brown Custom SMID Growth Index			*18.8*	*12.9*	*18.0*	*23.1*	*15.8*	*7.2*	
International Passive	**76,538,447**	**0.4**	**9.7**	**4.3**	**10.2**	**2.1**	**-2.8**	**0.8**	**Apr-09**
MSCI AC World ex USA			*10.1*	*4.6*	*10.5*	*2.3*	*-2.7*	*0.8*	
NCSRP BlackRock ACWI ex US Fund	76,538,447	0.4	9.7	4.3	10.2	2.0	-2.9	0.8	Apr-09
MSCI AC World ex USA			*10.1*	*4.6*	*10.5*	*2.3*	*-2.7*	*0.8*	
International Equity	**1,733,418,060**	**10.1**	**10.3**	**5.3**	**10.6**	**1.2**	**-4.0**	**0.6**	**Apr-09**
MSCI AC World ex USA			*10.1*	*4.6*	*10.5*	*2.3*	*-2.7*	*0.8*	
NCSRP Baillie Gifford ACWI ex US Growth	864,409,083	5.0	12.8	7.0	13.7	3.4	-2.6	0.3	Apr-09
MSCI AC World ex USA			*10.1*	*4.6*	*10.5*	*2.3*	*-2.7*	*0.8*	
MSCI AC World ex USA Growth			*10.5*	*5.7*	*11.0*	*3.5*	*-2.2*	*-0.2*	
NCSRP Mondrian ACWI ex US Value	869,008,977	5.1	8.5	4.0	8.1	0.1	-4.4	1.1	Apr-09
MSCI AC World ex USA			*10.1*	*4.6*	*10.5*	*2.3*	*-2.7*	*0.8*	
MSCI AC World ex USA Value			*9.7*	*3.5*	*9.9*	*1.0*	*-3.1*	*1.8*	

Total Fund Performance Measurement - Net of Fees

As of September 30, 2018

	Market Value ($)	%	Since Inception	5 Years	3 Years	1 Year	YTD	1 Quarter	Inception Date
			Ending September 30, 2018						
Inflation Responsive Fund	**378,446,932**	**2.2**	**1.8**	**1.8**	**5.5**	**1.9**	**-1.0**	**-0.9**	**Oct-13**
PIMCO Inflation Response Index			*-0.2*	*-0.2*	*2.4*	*0.1*	*-2.1*	*-1.3*	
NCSRP PIMCO Inflation Response Multi-Asset	378,446,932	2.2	2.0	2.0	5.6	2.0	-1.0	-0.8	Oct-13
PIMCO Inflation Response Index			*-0.2*	*-0.2*	*2.4*	*0.1*	*-2.1*	*-1.3*	
CPI - All Urban Consumers (Unadjusted)			*1.5*	*1.5*	*2.0*	*2.3*	*2.4*	*0.2*	
Fixed Income Passive Fund	**70,178,307**	**0.4**	**2.3**	**2.1**	**1.3**	**-1.2**	**-1.6**	**0.0**	**Oct-10**
Blmbg. Barc. U.S. Aggregate			*2.4*	*2.2*	*1.3*	*-1.2*	*-1.6*	*0.0*	
NCSRP BlackRock Debt Index Fund	70,178,307	0.4	2.4	2.2	1.3	-1.2	-1.6	0.0	Oct-10
Blmbg. Barc. U.S. Aggregate			*2.4*	*2.2*	*1.3*	*-1.2*	*-1.6*	*0.0*	
Fixed Income Fund	**1,564,033,835**	**9.1**	**4.3**	**2.7**	**2.3**	**-0.6**	**-1.4**	**0.1**	**Apr-09**
Blmbg. Barc. U.S. Aggregate			*3.5*	*2.2*	*1.3*	*-1.2*	*-1.6*	*0.0*	
NCSRP TCW Core Plus	781,457,684	4.5	1.2	-	-	-0.9	-1.3	-0.1	Jan-17
Blmbg. Barc. U.S. Aggregate			*1.1*	*2.2*	*1.3*	*-1.2*	*-1.6*	*0.0*	
NCSRP Prudential Core Plus	782,576,151	4.6	2.9	-	3.4	-0.2	-1.4	0.3	Jan-15
Blmbg. Barc. U.S. Aggregate			*1.4*	*2.2*	*1.3*	*-1.2*	*-1.6*	*0.0*	
Treasury Inflation Protected Securities Fund	**177,938,899**	**1.0**	**-0.4**	**-**	**-**	**-**	**-**	**-0.4**	**Jul-18**
Blmbg. Barc. U.S. TIPS 1-10 Year			*-0.4*	*0.9*	*1.6*	*0.3*	*-0.2*	*-0.4*	
NCSRP BlackRock TIPS Fund	177,938,899	1.0	-0.4	-	-	-	-	-0.4	Jul-18
Blmbg. Barc. U.S. TIPS 1-10 Year			*-0.4*	*0.9*	*1.6*	*0.3*	*-0.2*	*-0.4*	
Stable Value Fund	**2,043,753,560**	**11.9**	**2.5**	**1.9**	**2.0**	**2.2**	**1.7**	**0.6**	**Jul-09**
3-Year Constant Maturity Yield			*1.1*	*1.3*	*1.6*	*2.4*	*1.9*	*0.7*	
T-BILLS + 1.5%			*1.8*	*2.0*	*2.3*	*3.1*	*2.4*	*0.9*	

Manager & Strategy	Mercer Rating	Philosophy	Key Strategy Observations
Baillie Gifford	**A**	The investment approach is bottom-up, based on fundamental research, with a focus on identifying quality, growth stocks that have an identifiable competitive advantage. Portfolios will consist of stocks that can sustain above average growth in earnings and cash flow. The time horizon is genuinely long-term with low turnover.	The strategy is expected to display persistent factor bias to profitability. The bias towards growth and quality stocks may make it more difficult for this strategy to outperform during periods when these market characteristics are out of favour.
BlackRock Indices	**A**	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.	
Brown Small-Cap Growth Equity	**B+**	Brown seeks to achieve superior risk-adjusted returns through a concentrated portfolio of diversified, small-capitalization equity securities. With this in mind, Brown looks to invest in companies with durable growth, sound governance, and a scalable go-to-market strategy.	The strategy is not expected to display a persistent factor bias relative to a core benchmark. It is managed in a GARP fashion and will consistently skew larger than its Russell 2000 Growth benchmark in terms of weighted average market cap; as such, it may underperform when the smallest cap stocks are in favor. Similarly, it has tended to perform better in up-market environments owing to its growth orientation and focus on the strength and durability of a business's long-term cash flow potential. An important attribute toward the strategy's long-term relative success has been its stock selection decisions within the Technology sector.
Macquarie Large Cap Value Focus	**A**	The core philosophy underlying the strategy is that the market can inefficiently price securities and that these inefficiencies can be exploited. The team utilizes a concentrated, bottom-up, fundamental approach to manage the strategy, seeking companies that are trading at a discount to their estimated intrinsic values (in the form of earnings power and net assets) with the belief that mean reversion and lower volatility can lead these companies back to fair value.	The team utilizes the S&P 500 Index for portfolio construction purposes, so while the strategy is concentrated, it tends to be diversified across all sectors. The strategy should outperform its peers and the benchmark when investors focus on company fundamentals and lag in speculative markets that favor lower quality names. In addition, it is suitable for assignments requiring a best-ideas approach and a traditional to relative value orientation.

Manager & Strategy	Mercer Rating	Philosophy	Key Strategy Observations
Earnest SMID Cap Value	**B+**	Earnest 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 by focusing on industry clusters. Given the typical characteristics of the firm's portfolios, such as lower P/E's than the market, EARNEST Partners is typically categorized as a value manager. It is important to point out that the firm does not subscribe to a deep value dogma, but rather ends up with a value based portfolio as an outgrowth of the process.	The strategy will tend to fall between value and core over time (relative value). The portfolio is likely to benefit when growth investing is in favor compared to a value oriented benchmark. Given that the process seeks companies with relatively strong profitability measures and higher quality characteristics, the strategy may lag in market environments that reward lower quality companies.
Galliard Stable Value	**A**	Galliard seeks income generation with the goal of actively managing risk while emphasizing downside risk protection and low tracking error. Galliard believes the role of fixed income is to control risk and deliver a competitive total return over a longer time horizon. Value added is primarily derived from sector emphasis and individual security selection utilizing a fundamental valuation process. Galliard focuses on an above average yield, not positioning the portfolio based on anticipated interest rate movements. Galliard also avoids sector rotation, leverage, non-dollar positions, derivatives, convexity risk and excessive credit risks. Galliard avoids both market timing and being the prognosticator of interest rate direction because of the inherent risk; as such, the firm will make only modest variations from the benchmark in duration segments across the curve. The investment philosophy seeks to add value through strategic diversification of spread sectors, bottom-up value driven fundamental research, broad issuer/issue diversification and client customization to meet unique liquidity needs.	
Hotchkis and Wiley Large Cap Fundamental Value	**A (T)**	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.	The Large Cap Fundamental Value strategy has a deep value bias and should be expected to trail relative and traditional value managers when markets pull back or in "risk off" environments when investors are particularly risk averse. In addition, because of this bias, returns may not track the relevant index closely and may exhibit stretches of volatility.
Hotchkis and Wiley Mid-Cap Value	**B+ (T)**	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.	HWCM's strategies have a deeper value bias and should be expected to trail more traditional value managers when markets pull back or when investors are particularly risk averse. In addition, because of this bias, returns may not track the relevant index closely and may exhibit stretches of volatility.

Manager & Strategy	Mercer Rating	Philosophy	Key Strategy Observations
TCW Core Plus Fixed Income	**A**	TCW 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.	The firm fuses macro themes, bottom-up fundamental research, and robust quantitative analysis into a single well-integrated investment process. TCW has consistently improved its proprietary risk management systems and trading analytic tools to meet the demands of the market.
Loomis Large Cap Growth	**B+ (T)**	The Large Cap Growth team believes successful growth investing is the result of identifying a limited number of high quality companies capable of sustaining above average, long-term cash flow growth and purchasing them at discounted prices to their intrinsic value. The result is a concentrated, low-turnover portfolio of the team's highest conviction ideas.	Due to the strategy's loose portfolio construction guidelines, name concentration, and long-term investment horizon, clients should expect short-term performance fluctuations in both absolute terms and relative to the Russell 1000 Growth Index. Given the team's focus on financially strong companies and emphasis on valuation and downside risk, the strategy usually performs better in flat to down markets, and may lag when investor appetite for risk is high. Although the inception date of the strategy under Hamzaogullari's team and process at Loomis is July 1, 2010, he was able to take with him the composite track record which dates back to mid-2006 from Evergreen. However, the track record for the mutual fund (the Natixis Loomis Sayles Growth Fund) includes performance of a different team and process prior to July 1, 2010.
Mondrian Focused All Countries World Ex-US Equity	**B+ (P)**	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 favours 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).	The strategy is expected to display persistent factor bias to value and low volatility.A bias towards high dividend yielding stocks is expected to be a persistent feature of this strategy. The strategy will tend to outperform during periods of falling markets, although performance during rising markets is generally mixed. Absolute volatility is expected to be lower than that of the market.
PIMCO Inflation Response Multi-Asset	**B+**	IRMAF is designed to hedge global inflation risks while targeting enhanced return opportunities that inflation dynamics may present. The fund provides diversified exposure to a broad opportunity set of inflation factors or assets that will likely respond to different types of inflation including Treasury Inflation-Protected Securities (TIPS), commodities, emerging market (EM) currencies, real estate investment trusts (REITs), gold and tactical use of floating rate securities. Tail-risk hedging strategies are also utilized to limit the impact of periodic market stresses that may affect inflation-related assets.	While the strategy seeks a return in excess of inflation, investors should be aware that CPI is not an investable benchmark and PIMCO does not seek to track it. As such, the shorter-term performance of the strategy will likely be driven by factors other than realized inflation or changes in market inflation expectations. Still, the objective of the strategy is to formulate macroeconomic views regarding potential inflation and then seek exposure to asset classes and investments that should benefit from/protect against inflation and that perform relatively well during periods of rising inflation. While the portfolio is diversified, volatility and downside risk could be higher than expected as many of the underlying asset classes have exposure to common risk factors.

Manager & Strategy	Mercer Rating	Philosophy	Key Strategy Observations
Prudential Core Plus Fixed Income	**A**	Prudential's Core Plus fixed income strategy is designed to generate excess return from fairly equal increments of both sector allocation and subsector/security selection, and from duration and yield curve on a secondary basis. The active philosophy blends top down and bottom up research to drive sector allocation and issue selection. Duration and yield curve positioning is generally de-emphasized but will be considered when market opportunities dictate. The Core Plus strategy will allocate to non-benchmark sectors, including non-agency mortgage, high yield, and emerging markets.	
Sands Select Growth Equity	**A (T)**	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 follows a buy and hold philosophy with low turnover. The long-term investment horizon allows the companies in the portfolio to realize long-term business opportunities that lead to shareholder wealth creation.	The strategy is expected to have a persistent factor bias to size. Given the strategy's loose constraints and concentrated nature, tracking error can be high at times. Short-term deviations relative to the benchmark can be quite significant and clients invested with Sands should be willing to take a long-term perspective. The strategy is best classified as aggressive growth.
TimesSquare SMID Cap Growth	**A**	TSCM believes that their detailed approach and proprietary fundamental growth equity research skills, which place a particular emphasis on the assessment of management quality (and alignment with shareholders) and a comprehensive understanding of superior business models, enable their team to build a diversified portfolio that will generate superior risk adjusted returns over the long run.	TSCM Mid Cap Growth and SMID Cap Growth each display a persistent bias to profitability relative to a core benchmark and are thus best classified as traditional growth sub-style exposures. Although the portfolios are sufficiently diversified on a holdings-count basis, relative sector exposures at times can be meaningful (however, not meaningful enough to warrant tracking error designations as there are upper relative limits for the strategies versus the larger index sector weights). Given the team's traditional growth sub-style and their valuation discipline, strategy performance may lag in more speculative, momentum driven markets.
WEDGE Small/Mid Cap Value	**B+**	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.	Given the strategy's focus on higher quality companies and tendency to overweight lower beta names; it may struggle in market environments that reward lower quality and higher beta stocks. Nonetheless, WEDGE has experienced few periods of significant underperformance and generally helps protect capital in difficult market environments.

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