

HEALTH WEALTH CAREER

NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS

EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

Mercer Manager Research and News Items

- During the quarter, Mercer held four on-site visits with NC managers (BlackRock, Brown, Macquarie and TimesSquare)
 - Mercer did not have any concerns as a result of these meetings outside of previously discussed issues with **TimesSquare**
 - **Macquarie** announced that they would be re-opening their large cap value strategy to all investors after closing the strategy in 2016
 - Mercer is comfortable with these changes given the reduced assets from 2016, the teams low turnover approach along with the conservative capacity boundaries set by the team

Performance Updates

- As of 5/31/18, six of the seven NC active Fund's outperformed their respective indices net of fees since inception
- Currently, the Sands LCG, Hotchkis Mid Value, and TimesSquare SMID Growth strategies are on the watch list for performance concerns

EXECUTIVE SUMMARY (CONTINUED)

Watch List Recommendations

- We recommend removing the **Sands** LCG strategy from the Watch List, given the significant rebound in performance post-2016
 - The strategy is concentrated (20-25 stocks) and will have high tracking error relative to the benchmark
 - Strategy underperformed the benchmark by 13.9% in 2016 and flagged the Watch List
 - Since 2016, the strategy outperformed the benchmark by 14.1% and ranked in the top decile of the peer group universe
 - Strongest since inception absolute (22.2%) and relative returns (4.1%) of any manager in the Plan
- We recommend adding the **Mondrian International Equity strategy** to the Watch List due to underperformance relative to the benchmark
 - Long-term value oriented process that places an emphasis on dividends and quality factors
 - Plays the role of the downside protector in the NC International Equity Fund
 - Struggled in 2017 as value oriented stocks were out of favor internationally (-4.4%) relative return

MARKET UPDATE

Market Snapshot as of Friday, June 15, 2018

	Cumulative Returns				
	1 Week	Mth to Date	Qtr to Date	Yr to Date	1 Year
US Equity Market					
S&P 500	0.1%	2.8%	5.7%	4.9%	16.5%
Russell 1000	0.1%	2.9%	5.9%	5.2%	16.8%
Russell 1000 Growth	0.7%	3.8%	8.8%	10.3%	25.4%
Russell 1000 Value	-0.6%	1.8%	2.8%	-0.1%	8.3%
Russell Midcap	0.2%	3.0%	5.1%	4.6%	14.6%
Russell Mid Cap Growth	0.9%	4.3%	7.2%	9.5%	22.4%
Russell Mid Cap Value	-0.3%	1.8%	3.4%	0.8%	8.7%
Russell 2000	0.7%	3.1%	10.3%	10.3%	20.9%
Russell 2000 Growth	1.9%	4.4%	11.1%	13.6%	27.6%
Russell 2000 Value	-0.6%	1.8%	9.5%	6.7%	14.2%
Russell 2500	0.2%	3.0%	8.1%	7.9%	19.3%
Russell 2500 Growth	1.3%	4.5%	9.4%	12.0%	26.6%
Russell 2500 Value	-0.8%	1.6%	6.9%	4.1%	12.9%
Russell 3000	0.1%	2.9%	6.2%	5.5%	17.1%
Russell 1000 Consumer Discretionary	2.1%	6.2%	9.9%	12.0%	23.7%
Russell 1000 Consumer Staples	2.5%	5.0%	-1.7%	-8.9%	-9.0%
Russell 1000 Energy	-3.1%	-2.2%	10.7%	4.3%	18.4%
Russell 1000 Financial Services	-1.3%	1.8%	2.5%	2.0%	15.9%
Russell 1000 Health Care	0.8%	4.2%	6.4%	5.4%	13.0%
Russell 1000 Materials & Processing	-1.4%	2.7%	4.8%	-0.8%	13.0%
Russell 1000 Producer Durables	-1.0%	1.9%	2.7%	1.2%	12.8%
Russell 1000 Technology	0.6%	3.1%	10.6%	14.5%	33.7%
Russell 1000 Utilities	0.8%	-0.5%	-0.8%	-5.6%	-3.5%
Russell 1000 Defensive - TR Index	0.1%	2.7%	4.9%	3.2%	13.5%
Russell 1000 Dynamic - TR Index	0.1%	3.0%	6.9%	7.1%	20.1%
Russell Fundamental US TR USD	-0.5%	2.4%	5.7%	3.2%	14.9%
MSCI USA Minimum Volatility Index	0.3%	2.5%	3.7%	2.6%	10.4%

Foreign Equity Markets

MSCI ACWI	-0.3%	1.8%	3.0%	2.1%	14.0%
MSCI ACWI Small Cap	-0.2%	1.8%	6.2%	2.7%	14.0%
MSCI AC World ex US	-0.9%	0.4%	-0.1%	-1.2%	11.1%
MSCI EAFE	-0.5%	0.8%	1.0%	-0.4%	10.0%
MSCI EAFE Local Index	0.6%	1.6%	5.7%	1.3%	8.0%
MSCI EAFE Small Cap	-0.9%	0.6%	1.2%	1.5%	16.5%
MSCI EM	-1.8%	-0.5%	-4.4%	-3.0%	13.9%
MSCI ACWI ESG	-0.4%	1.7%	1.4%	0.1%	10.4%
MSCI ACWI ex Fossil Fuels	-0.2%	1.9%	2.0%	0.7%	10.7%
MSCI ACWI Low Carbon Leaders	-0.4%	1.7%	2.1%	0.9%	11.3%

Bond Market

	Cumulative Returns				
	1 Week	Mth to Date	Qtr to Date	Yr to Date	1 Year
Bloomberg Barclays T-Bill 1-3 months	0.0%	0.1%	0.4%	0.7%	1.3%
Bloomberg Barclays Aggregate	0.1%	-0.5%	-0.5%	-1.9%	-1.1%
Bloomberg Barclays Treasury	0.1%	-0.5%	-0.4%	-1.6%	-1.6%
Bloomberg Barclays Credit	0.1%	-0.5%	-0.9%	-3.0%	-0.9%
Bloomberg Barclays Long Credit	0.4%	-0.9%	-2.3%	-6.1%	-1.3%
Bloomberg Barclays AGG Long Credit AA	0.5%	-0.7%	-1.5%	-4.4%	0.0%
Bloomberg Barclays High Yield	0.4%	1.0%	1.6%	0.7%	3.1%
Citi WGBI	-0.2%	-0.7%	-3.8%	-1.4%	1.3%
JPM GBI-EM GLOBAL DIVERS Composite - TR	-1.9%	-2.8%	-10.4%	-6.4%	-2.5%

Others

Pound vs. USD	-0.9%	-0.1%	-5.2%	-1.7%	4.2%
Euro vs. USD	-1.4%	-0.7%	-5.8%	-3.2%	4.2%
Yen vs. USD	-1.0%	-1.7%	-4.0%	1.8%	0.2%
CAD vs. USD	-2.1%	-1.8%	-2.3%	-4.7%	0.5%
60% MSCI ACWI / 40% Bbg Barclays Aggregate	-0.1%	0.9%	1.6%	0.5%	8.0%
S&P GSCI Commodity	-2.6%	-3.7%	2.6%	4.9%	27.2%
FTSE NAREIT All Equity REITs Index	-0.7%	0.8%	5.0%	-2.0%	0.4%
FTSE EPRA/NAREIT Developed Index	-0.6%	0.6%	4.5%	0.0%	3.8%

Bond Yields

	6/15/2018	Beg of Mth	Beg of Qtr	Beg of Yr	1 Year
3-Month T-Bill	1.77	1.84	1.40	1.03	0.91
10-Year Treasury	2.92	2.82	2.74	2.41	2.16
30-Year Treasury	3.05	2.99	2.97	2.74	2.79
10-Year TIPS	0.80	0.78	0.69	0.43	0.48
30-Year TIPS	0.92	0.94	0.90	0.73	0.97
Bloomberg Barclays US CORP High Yield	6.23	6.42	6.19	5.72	5.49
3-Month LIBOR	2.33	2.32	2.31	1.69	1.27
Bloomberg Barclays Aggregate	3.33	3.22	3.12	2.71	2.48
Bloomberg Barclays Long Treasury	3.03	2.96	2.94	2.69	2.70
Bloomberg Barclays Long Corporate	4.64	4.56	4.40	4.02	4.21
Bloomberg Barclays Long Govt/Credit	3.97	3.90	3.80	3.49	3.60

5/31/2018 FUND PERFORMANCE



North Carolina

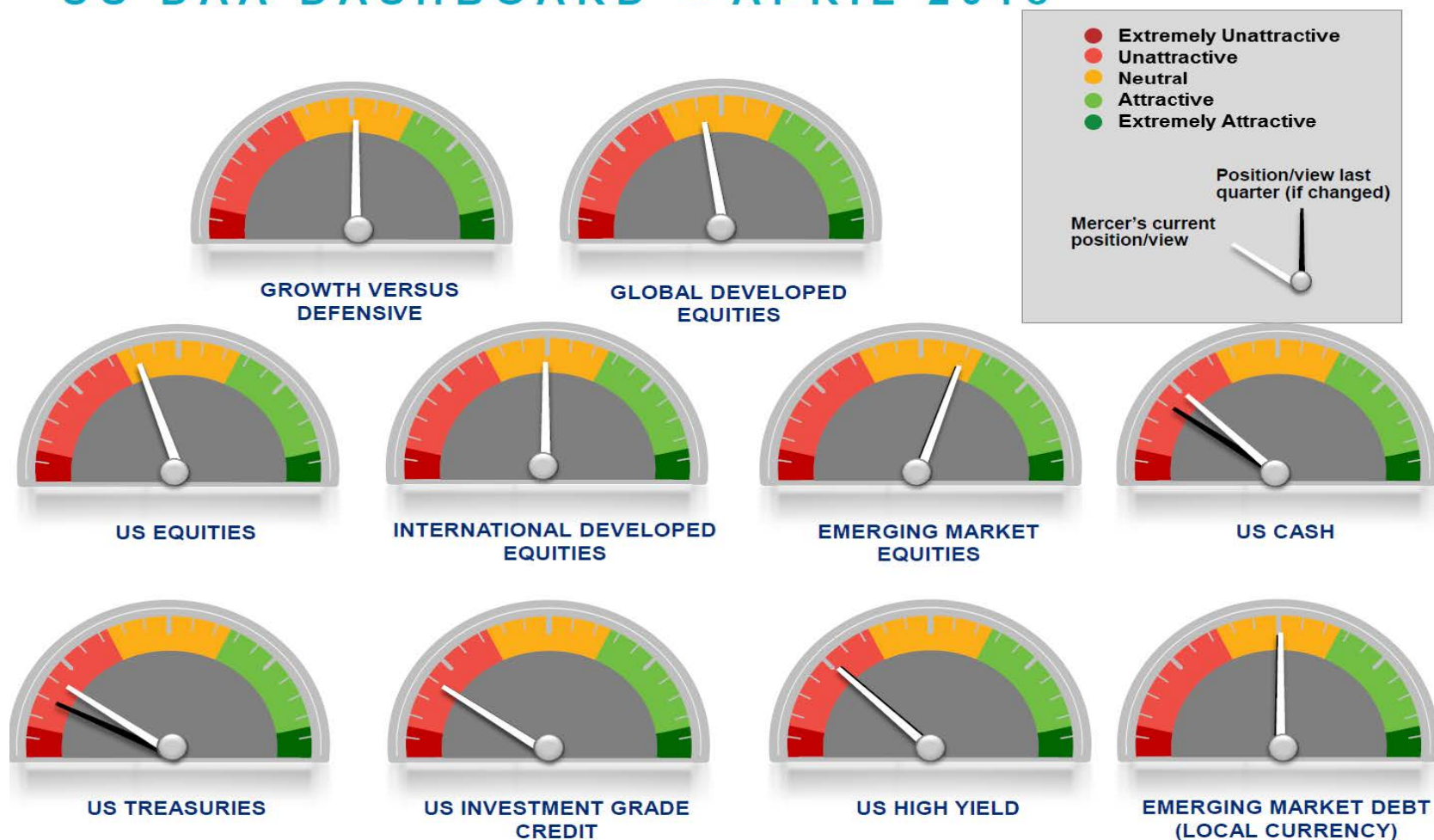
Total Fund excluding GM Funds Asset Allocation & Performance

As of May 31, 2018

	Allocation		Performance(%)						
	Market Value (\$)	%	Since Inception	5 Years	3 Years	1 Year	YTD	1 Month	Inception Date
Total Fund excluding GM Funds	11,444,589,608	100.0							
Large Cap Passive	1,650,167,043	14.4	16.57	12.85	10.91	14.34	2.00	2.40	Apr-09
S&P 500			16.68	12.98	10.98	14.38	2.02	2.41	
Large Cap Core Fund	2,206,787,012	19.3	11.25	-	-	-	5.10	2.55	Oct-17
Russell 1000 Index			8.92	12.91	10.70	14.60	2.19	2.55	
Mid/Small Cap Passive	304,492,580	2.7	17.83	11.83	9.79	18.16	4.70	4.72	Apr-09
Russell 2500 Index			17.88	11.88	9.78	18.29	4.70	4.70	
SMID Cap Core Fund	1,068,096,004	9.3	8.99	-	-	-	4.22	3.22	Oct-17
Russell 2500 Index			10.18	11.88	9.78	18.29	4.70	4.70	
International Passive	77,471,688	0.7	10.15	5.72	4.97	9.97	-1.69	-2.08	Apr-09
MSCI AC World ex USA			10.63	5.94	5.24	10.19	-1.64	-2.21	
International Equity	722,101,899	6.3	10.91	6.61	5.91	7.68	-2.62	-2.97	Apr-09
MSCI AC World ex USA			10.63	5.94	5.24	10.19	-1.64	-2.21	
Global Equity	1,064,593,645	9.3	13.96	10.76	8.33	13.08	1.88	0.54	Apr-09
MSCI AC World Index			13.57	9.47	8.12	12.43	0.37	0.21	
Inflation Responsive Fund	511,656,119	4.5	2.23	-	3.52	6.13	0.33	0.00	Oct-13
PIMCO Inflation Response Index			0.25	-0.32	1.29	3.29	-0.01	0.37	
Fixed Income Passive Fund	533,308,604	4.7	2.44	1.88	1.35	-0.40	-1.52	0.71	Oct-10
Blmbg. Barc. U.S. Aggregate			2.54	1.98	1.39	-0.37	-1.50	0.71	
Fixed Income Fund	747,676,719	6.5	4.49	2.54	2.25	0.54	-1.33	0.63	Apr-09
Blmbg. Barc. U.S. Aggregate			3.61	1.98	1.39	-0.37	-1.50	0.71	
Stable Value Fund	2,558,238,294	22.4	2.54	1.93	1.98	2.11	0.89	0.19	Jul-09
3-Year Constant Maturity Yield			1.00	1.16	1.40	1.98	1.00	0.21	
T-BILLS + 1.5%			1.76	1.87	2.10	2.80	1.27	0.28	

DYNAMIC ASSET ALLOCATION OUTLOOK

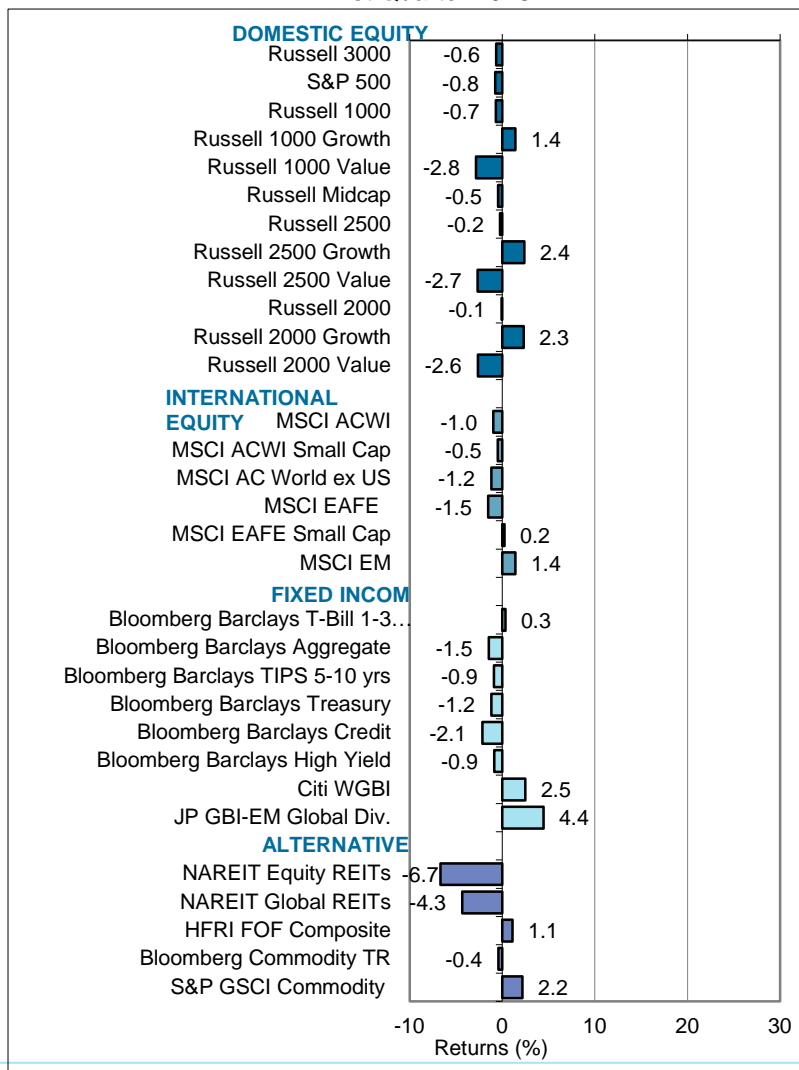
US DAA DASHBOARD – APRIL 2018



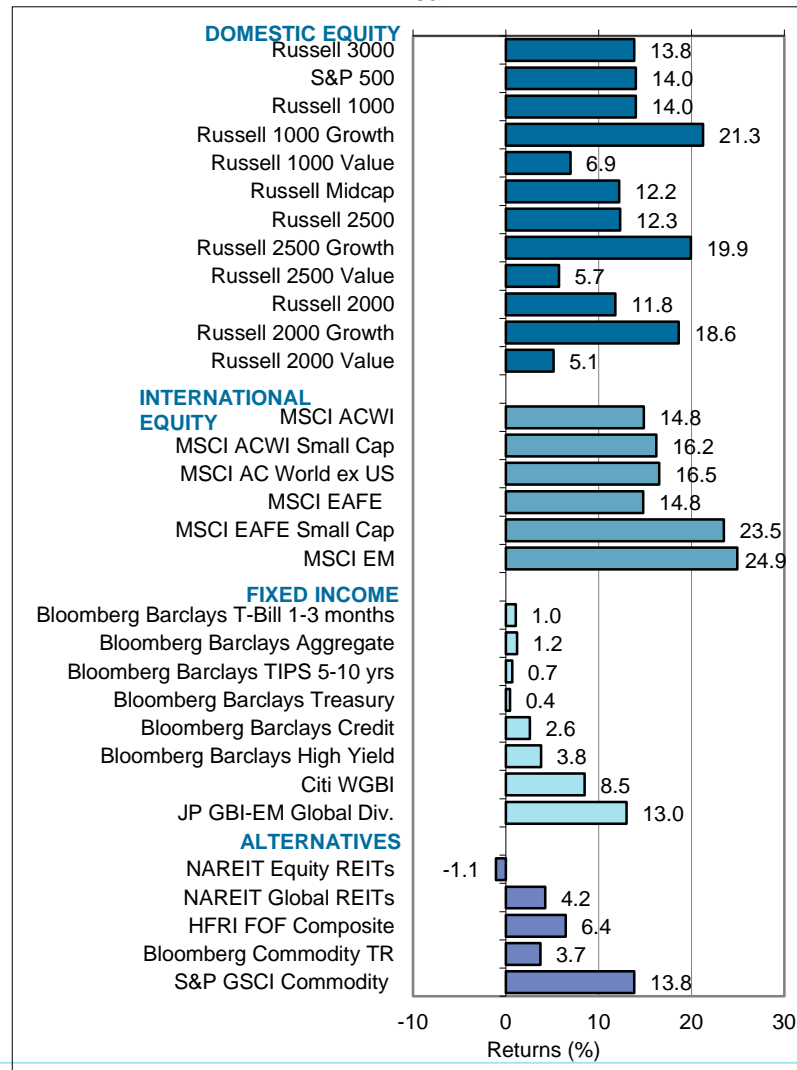
PERFORMANCE SUMMARY

QUARTER IN REVIEW

Market Performance
First Quarter 2018



Market Performance
1 Year



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

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

3/31/2018 FUND PERFORMANCE



North Carolina

Total Fund excluding GM Funds Asset Allocation & Performance

As of March 31, 2018

	Allocation		Performance(%)					Inception Date
	Market Value (\$)	%	Since Inception	5 Years	3 Years	1 Year	1 Quarter	
Total Fund excluding GM Funds	11,253,174,579	100.0						
Large Cap Passive	1,613,475,050	14.3	16.54	13.17	10.71	13.96	-0.77	Apr-09
S&P 500			16.66	13.31	10.78	13.99	-0.76	
Large Cap Core Fund	2,135,636,717	19.0	7.02	-	-	-	1.11	Oct-17
Russell 1000 Index			5.85	13.17	10.39	13.98	-0.69	
Mid/Small Cap Passive	290,211,500	2.6	17.56	11.50	8.15	12.17	-0.25	Apr-09
Russell 2500 Index			17.61	11.55	8.15	12.31	-0.24	
SMID Cap Core Fund	1,024,140,620	9.1	4.96	-	-	-	0.37	Oct-17
Russell 2500 Index			4.99	11.55	8.15	12.31	-0.24	
International Passive	76,557,394	0.7	10.47	6.07	6.51	17.24	-0.71	Apr-09
MSCI AC World ex USA			10.91	6.37	6.68	17.05	-1.08	
International Equity	729,417,210	6.5	11.30	7.13	7.56	17.28	-1.20	Apr-09
MSCI AC World ex USA			10.91	6.37	6.68	17.05	-1.08	
Global Equity	1,050,100,694	9.3	14.14	11.58	9.09	17.67	1.16	Apr-09
MSCI AC World Index			13.68	9.79	8.71	15.44	-0.84	
Inflation Responsive Fund	505,354,020	4.5	2.21	-	3.47	6.01	-0.12	Oct-13
PIMCO Inflation Response Index			0.11	-1.28	1.15	2.65	-0.69	
Fixed Income Passive Fund	531,339,169	4.7	2.50	1.72	1.15	1.20	-1.48	Oct-10
Blmbg. Barc. U.S. Aggregate			2.61	1.82	1.20	1.20	-1.46	
Fixed Income Fund	748,638,706	6.7	4.59	2.34	2.13	2.40	-1.26	Apr-09
Blmbg. Barc. U.S. Aggregate			3.69	1.82	1.20	1.20	-1.46	
Stable Value Fund	2,548,303,500	22.6	2.54	1.93	1.96	2.06	0.52	Jul-09
3-Year Constant Maturity Yield			0.97	1.09	1.31	1.78	0.57	
T-BILLS + 1.5%			1.73	1.82	2.00	2.63	0.73	

North Carolina Supplemental Retirement Plans

Performance Evaluation Report

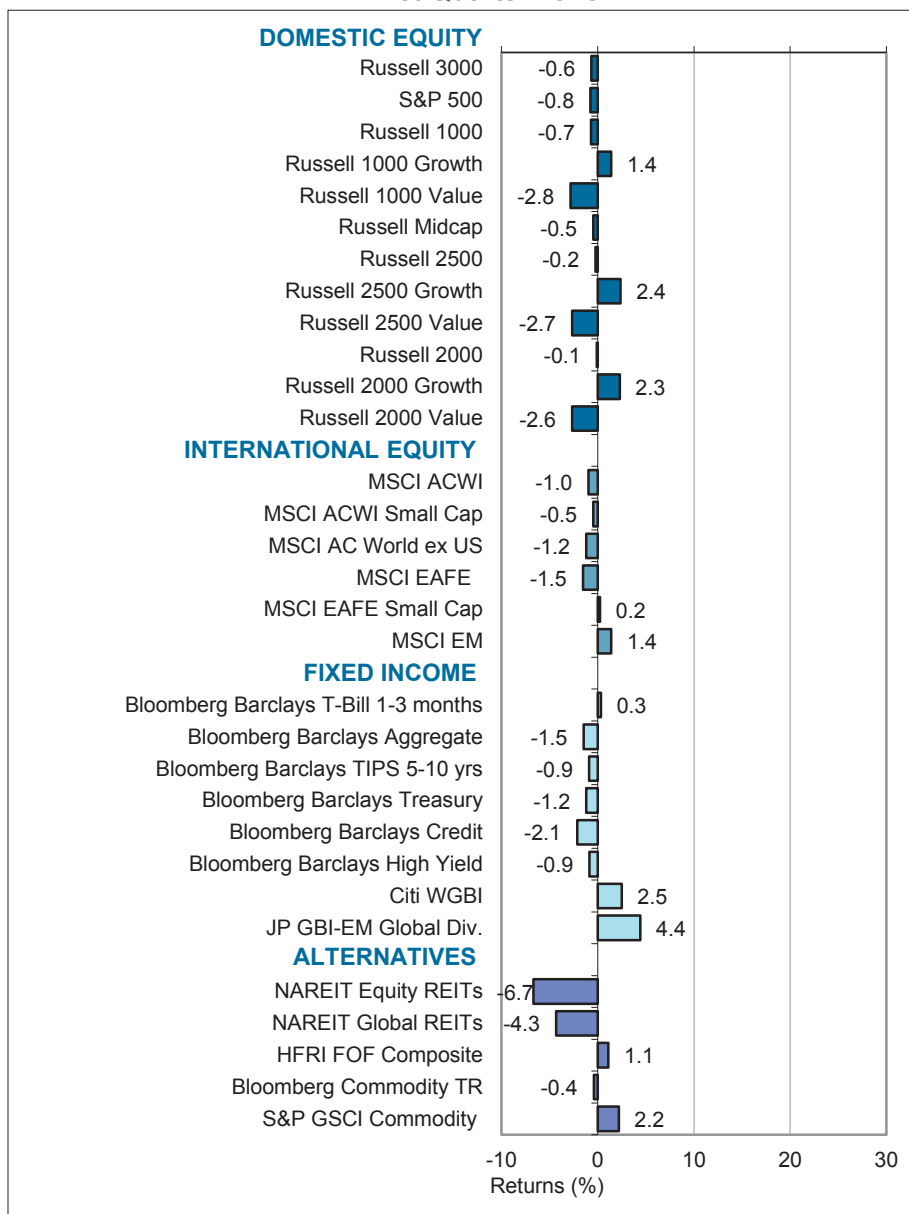
First Quarter 2018



Performance Summary

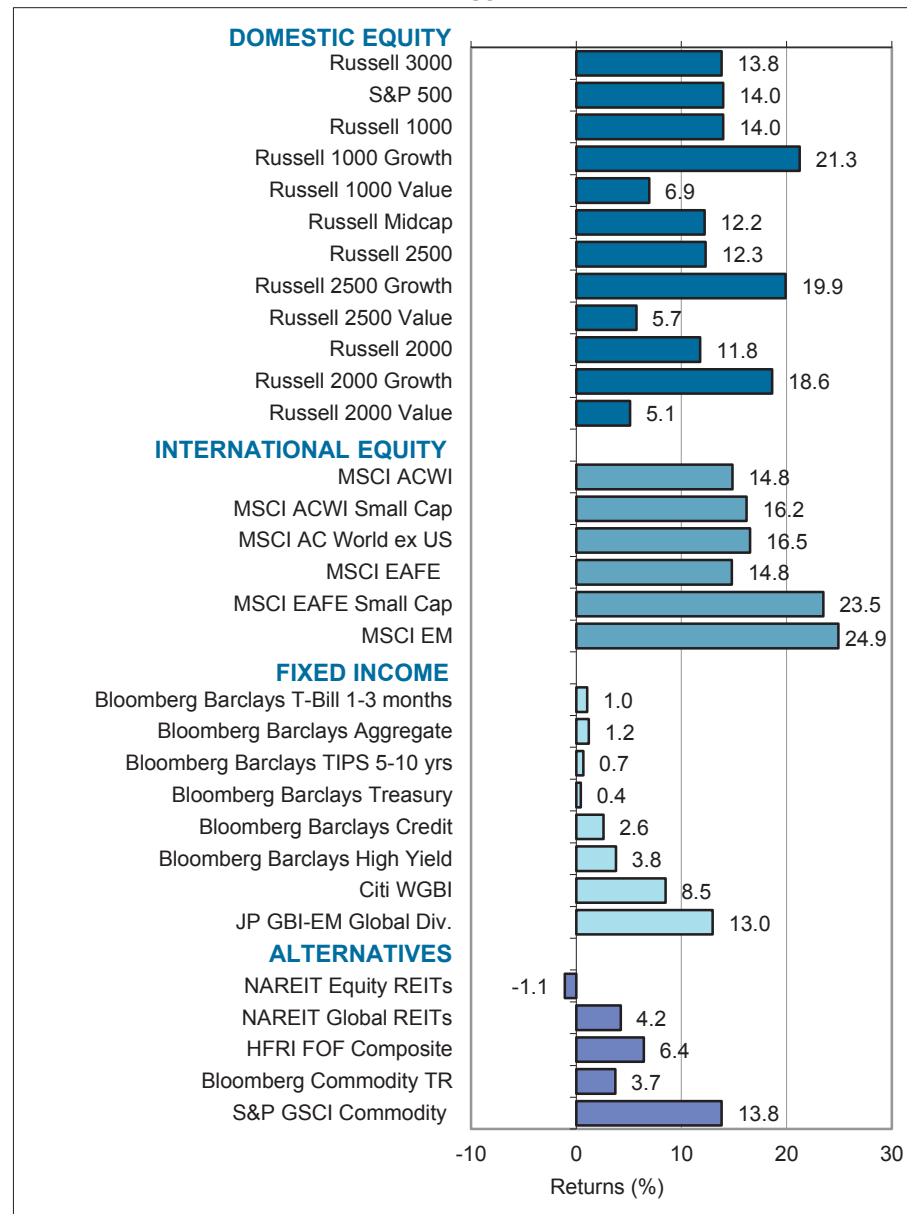
Quarter in Review

Market Performance First Quarter 2018



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

Market Performance 1 Year



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	
		Inflation Responsive Fund PIMCO IRMAF	
	Large Cap Equity BlackRock Equity Index	Large Cap Core Fund 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 Core Fund Hotchkis & Wiley SMID Value Earnest Partners SMID Cap Value Wedge SMID Cap Value TimesSquare SMID Growth Brown Advisory SMID Growth	
		Global Equity Fund Wellington Global Opportunities Arrowstreet Global Equity ACWI	
	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 Fund⁵	\$2,548,303,500	0.327%	0.002%	0.025%	0.354%	\$9,010,801	0.42%	-0.06%	F-H 1
Galliard	\$2,548,303,500	0.327%	0.000%			\$8,332,952	0.42%	-0.09%	
North Carolina Fixed Income Passive Fund	\$531,339,169	0.020%	0.014%	0.025%	0.059%	\$311,365	0.20%	-0.14%	
BlackRock	\$531,339,169	0.020%	0.000%			\$106,268	0.02%	0.00%	
North Carolina Fixed Income Fund	\$748,638,705	0.170%	0.018%	0.025%	0.213%	\$1,593,264	0.46%	-0.25%	
50% TCW	\$374,194,068	0.220%	0.000%			\$823,388	0.25%	-0.03%	
50% Prudential	\$374,444,637	0.120%	0.000%			\$449,334	0.25%	-0.13%	
North Carolina Inflation Sensitive Fund	\$505,354,020	0.690%	0.144%	0.025%	0.859%	\$4,339,475	0.82%	0.04%	
PIMCO	\$505,354,020	0.690%	0.000%			\$3,486,943	0.82%	-0.13%	
North Carolina Large Cap Passive Fund	\$1,613,475,050	0.005%	0.012%	0.025%	0.042%	\$671,206	0.20%	-0.16%	
BlackRock	\$1,613,475,050	0.005%	0.000%			\$80,674	0.01%	-0.01%	
North Carolina Large Cap Core Fund	\$2,135,636,717	0.281%	0.004%	0.025%	0.319%	\$6,821,420	0.65%	-0.33%	
25.00% BlackRock Russell 1000 Index	\$528,900,789	0.005%	0.000%			\$26,445	0.01%	-0.01%	
18.75% Hotchkis & Wiley	\$404,560,402	0.400%	0.000%			\$1,618,242	0.42%	-0.02%	
18.75% Macquarie	\$410,047,725	0.267%	0.000%			\$1,095,095	0.42%	-0.15%	
18.75% Sands Capital Management	\$394,051,717	0.450%	0.000%			\$1,773,233	0.45%	0.00%	
18.75% Loomis Sayles	\$398,076,084	0.373%	0.000%			\$1,484,228	0.45%	-0.07%	
North Carolina SMID Cap Passive Fund	\$290,211,500	0.005%	0.016%	0.025%	0.046%	\$132,627	0.27%	-0.22%	
BlackRock	\$290,211,500	0.005%	0.000%			\$14,511	0.02%	-0.02%	
North Carolina SMID Core Fund	\$1,024,140,621	0.523%	0.002%	0.025%	0.550%	\$5,636,734	0.94%	-0.39%	
5.00% BlackRock Russell 2500 Index	\$50,795,276	0.005%	0.000%			\$2,540	0.01%	-0.01%	
15.83% Hotchkis & Wiley	\$162,578,965	0.500%	0.000%			\$812,895	0.60%	-0.10%	
15.83% EARNEST Partners	\$161,141,800	0.470%	0.000%			\$757,366	0.72%	-0.25%	
15.83% WEDGE Capital Management	\$162,815,502	0.584%	0.000%			\$951,262	0.72%	-0.13%	
23.75% TimesSquare Capital Management	\$244,572,429	0.647%	0.000%			\$1,582,478	0.74%	-0.09%	
23.75% Brown Advisory	\$242,236,649	0.519%	0.000%			\$1,257,857	0.77%	-0.25%	
North Carolina International Passive Fund	\$76,557,394	0.025%	0.039%	0.025%	0.089%	\$67,753	0.35%	-0.26%	
BlackRock	\$76,557,394	0.025%	0.000%			\$18,757	0.06%	-0.04%	
North Carolina International Equity Fund	\$729,417,210	0.335%	0.026%	0.025%	0.385%	\$2,808,686	0.90%	-0.51%	
50% Baillie Gifford	\$363,239,272	0.280%	0.000%			\$1,017,746	0.56%	-0.27%	
50% Mondrian Investment Partners	\$366,177,938	0.389%	0.000%			\$1,424,181	0.56%	-0.17%	
North Carolina Global Equity Fund	\$1,050,100,693	0.542%	0.026%	0.025%	0.593%	\$6,226,809	0.90%	-0.31%	
50% Wellington Management Company	\$522,119,951	0.500%	0.000%			\$2,610,600	0.54%	-0.04%	
50% Arrowstreet	\$527,980,742	0.583%	0.000%			\$3,078,894	0.54%	0.05%	
Total	\$11,253,174,579	0.291%	0.016%	0.025%	0.334%	\$37,620,139	0.560%		

¹Based on annualized monthly fee accruals

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

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

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

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

Performance Scorecard

	Mercer Rating	Return								Risk ¹
		3 Years to 03/31/2018		3 Years to 12/31/2017		3 Years to 09/30/2017		3 Years to 06/30/2017		5 Years to 03/31/2018
		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 Fund²		✓	✓	✓	✓	✓	✓	✓	✓	NA
Hotchkis & Wiley Large Cap Value	A (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Macquarie Large Cap Value ³	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.

³ Represents the Macquarie Large Cap Value Composite.

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Performance Scorecard

	Mercer Rating	Return								Risk ¹
		3 Years to 03/31/2018		3 Years to 12/31/2017		3 Years to 09/30/2017		3 Years to 06/30/2017		5 Years to 03/31/2018
		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 Core Fund²		✓	✓	✓	✓	✓	✓	✓	✓	NA
Hotchkis & Wiley SMID Cap Value	B+ (T)	✗	✗	✗	✗	✗	✗	✗	✗	✓
EARNEST Partners SMID Cap Value	B+	✓	✓	✓	✓	✓	✓	✓	✓	✓
WEDGE SMID Cap Value	B+	✗	✗	✓	✓	✓	✓	✓	✓	✓
TimesSquare SMID Cap Growth	A	✗	✗	✗	✗	✗	✗	✗	✗	✓
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

	Mercer Rating	Return								Risk ¹	
		3 Years to 03/31/2018		3 Years to 12/31/2017		3 Years to 09/30/2017		3 Years to 06/30/2017		5 Years to 03/31/2018	
		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+	✗	✗	✗	✗	✗	✗	✗	✗	✓	
Global Equity Fund		✓	✓	✓	✓	✓	✓	✓	✓	NA	
Wellington Global Opportunities	B+	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Arrowstreet Global Equity ACWI	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	

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

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Performance Scorecard

	Mercer Rating	Return								Risk ¹	
		3 Years to 03/31/2018		3 Years to 12/31/2017		3 Years to 09/30/2017		3 Years to 06/30/2017		5 Years to 03/31/2018	
		I	U	I	U	I	U	I	U	I	
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	
Fixed Income Fund		✓	✓	✓	✓	✓	✓	✓	✓	NA	
TCW Core Plus ²	A	✓	✗	✓	✗	✓	✗	✓	✗	✓	
Prudential Core Plus	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	
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.

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Watch List Criteria

- 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+	Add to Watch List for Performance Reasons	<p>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 like we have experienced in 2017. 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.</p> <p>Mondrian has been underweight the strong performing information technology sector and has struggled with security selection. Mondrian believes that the exuberance for information technology securities has become extremely narrow and they feel that this has created opportunities in tech names that could be negatively affected by disruption. Mondrian has also struggled with stock selection in the more growth oriented consumer discretionary sector this past year.</p> <p>Over the first quarter of 2018, Mondrian underperformed the MSCI AC World ex US benchmark by 40 basis points and ranked in the 72nd percentile of the peer group universe. We wouldn't expect Mondrian to outperform during a period where dividend paying value oriented equities were significantly out of favor. Mondrian typically does a good job protecting in down markets, generating excess returns in 15 of the last 20 down quarters. The first quarter was a bit unique, as the market sold off indiscriminately during February but was quickly followed by higher growth names surging back. We still have confidence in the team's ability and think that the strategy compliments Baillie Gifford in a multi-manager white labeled structure.</p>

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Watch List

Manager	Date Placed on Watch	Mercer Rating*	Recommendation	Comments
TimesSquare SMID Growth	3Q16	A	Search for Replacement Options	<p>TSCM's investment process utilizes a fundamental growth equity approach. They place particular emphasis on management quality and how the management teams are aligned with shareholders, along with a detailed understanding of what constitutes a superior business model. The strategy's investable universe spans from \$300M to \$7 Billion. TSCM seeks companies that have experienced, properly motivated management teams with distinct sustainable competitive advantages. The team will focus on securities that have the potential to appreciate 25%-50% over the next 18-month period. The team is constantly reviewing security valuations and will re-examine securities when they near the target price set at purchase. The strategy will have close to 100 names so position sizes are relatively smaller. Mercer believes the key strength of the strategy is the quality of research and experienced portfolio managers, Grant Babyak and Tony Rosenthal.</p> <p>The strategy has struggled more recently, as it underperformed over the last four calendar years. Historically, the higher quality fundamental approach has been beneficial during falling markets and that is where the strategy had added a significant portion of its alpha. TSCM outperformed the benchmark during the last 12 down markets, but struggled at certain points in extreme growth markets. Since 2013, there have only been three negative quarters by the Russell 2500 Growth Index, which has been a bit of a headwind for TSCM. Over 2017, TimesSquare trailed the index by 230 basis points and ranked in the bottom half of the peer group universe. TimeSquare continued to struggle with selection in the healthcare sector, as this was responsible for a majority of the strategy's underperformance. TimesSquare was hurt by its underweight to the more speculative biotechnology industry but the selection within health care services was the largest detractor. Security selection in the health care sector has detracted from performance each of the last four years and continues to be a headwind for the team. TSCM experienced analyst turnover in late 2015 and replaced the departures with two experienced analysts, one focusing on healthcare services while the other focused on biotechnology. The portfolio holdings have turned over significantly over the last two years but performance continues to trail the broad market. The health care sector represents 18.1% of the benchmark, therefore we think it is important that TSCAM have a strong experienced team in place to analyze this area of the universe.</p> <p>For the first quarter 2018, the portfolio outperformed its benchmark by 70 basis points and ranked in the 61st percentile. The strategy benefited from an overweight allocation to the strong performing information technology during the quarter.</p>

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Watch List

Manager	Date Placed on Watch	Mercer Rating*	Recommendation	Comments
Sands Large Cap Growth	4Q16	A (T)	Remove from Watch List	<p>Sands constructs a concentrated, aggressive growth portfolio with low turnover and adheres to a strict buy and hold philosophy. Due to the funds loose constraints and concentrated nature, it can be common for the strategy to exhibit significant tracking error relative to the benchmark. The conviction-weighted, concentrated structure of this portfolio places a heavy emphasis on top holdings and these can have a significant impact on the strategy's performance, with the top five holdings representing around 30% of the portfolio.</p> <p>Sands indicated that Tom Trentman joined the Select Growth strategy team as Co-Portfolio Manager in the final quarter of 2017. Trentman, who has 12 years of experience at Sands, most recently served as Co-Portfolio Manager of the firm's Technology Innovators strategy and Co-Sector Head of the Global Technology team. He joins Frank Sands, Mike Sramek, and Wes Johnston as Co-Portfolio Managers of the Select Growth strategy. We view his addition to the team as beneficial.</p> <p>During 2017, Sands outperformed the benchmark by 580 basis points and ranked in the top decile of the peer group universe, as investor sentiment was strong within the more growth oriented information technology sector, which Sands was largely overweight. Over the first quarter of 2018, Sands outperformed the benchmark by 830 basis points and ranked in the first percentile of their peer group universe. Sands continued to benefit from their more aggressive positioning, as growth outperformed value by over 400 basis points during the quarter. Sands top contributor during the quarter was Netflix, which returned over 50% after better than expected earnings results. Sands has the strongest absolute and relative since inception performance results of any active manager within the North Carolina SRP, although there have been periods of extreme volatility. We uphold our conviction in the skilled and experienced research teams managing the strategy and believe the strategy should be removed from the watch list given the strong rebound from the 2016 underperformance.</p>

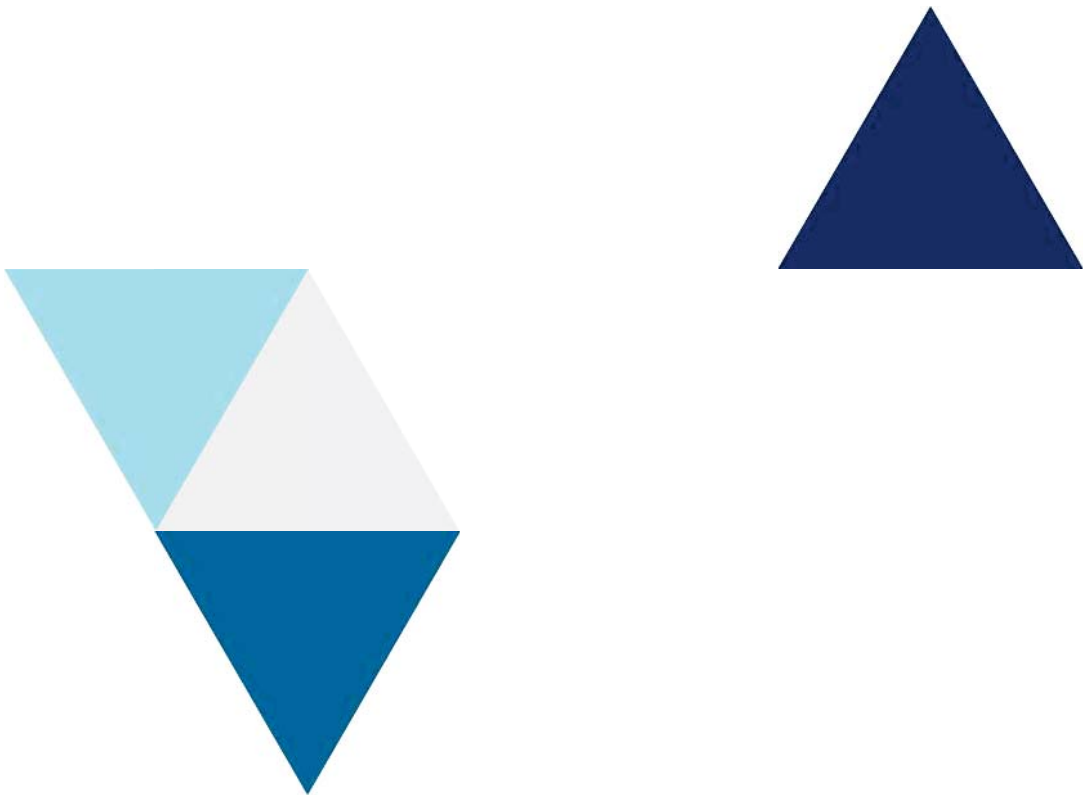
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Watch List

Manager	Date Placed on Watch	Mercer Rating*	Recommendation	Comments
Hotchkis and Wiley Mid Cap	1Q17	B+ (T)	Maintain Watch Status	<p>Hotchkis & Wiley 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 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.</p> <p>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% year-to-date. Investors have preferred equities that have exhibited above average growth, mainly coming from the information technology and health care sectors. Hotchkis has remained largely overweight the energy sector (14.0% relative to the index) during this period, and this has been a significant headwind for the strategy.</p> <p>For the first quarter of 2018, Hotchkis outperformed their benchmark by 110 basis points and ranked above the median for their peer group universe. Hotchkis & Wiley benefited from their overweight and security selection in the strong performing information technology sector, particularly with holding Hewlett Packard. Additionally, two other energy related holdings performed extremely well during the quarter and were top overall contributors. 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.</p>

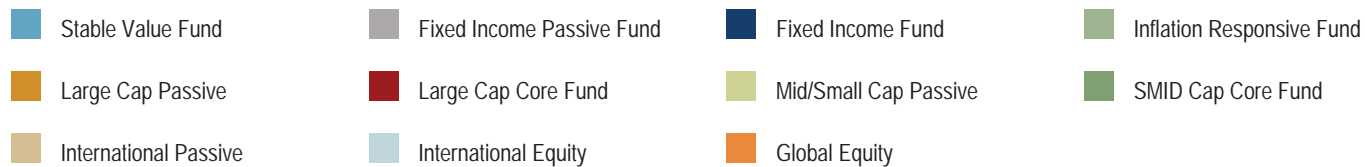
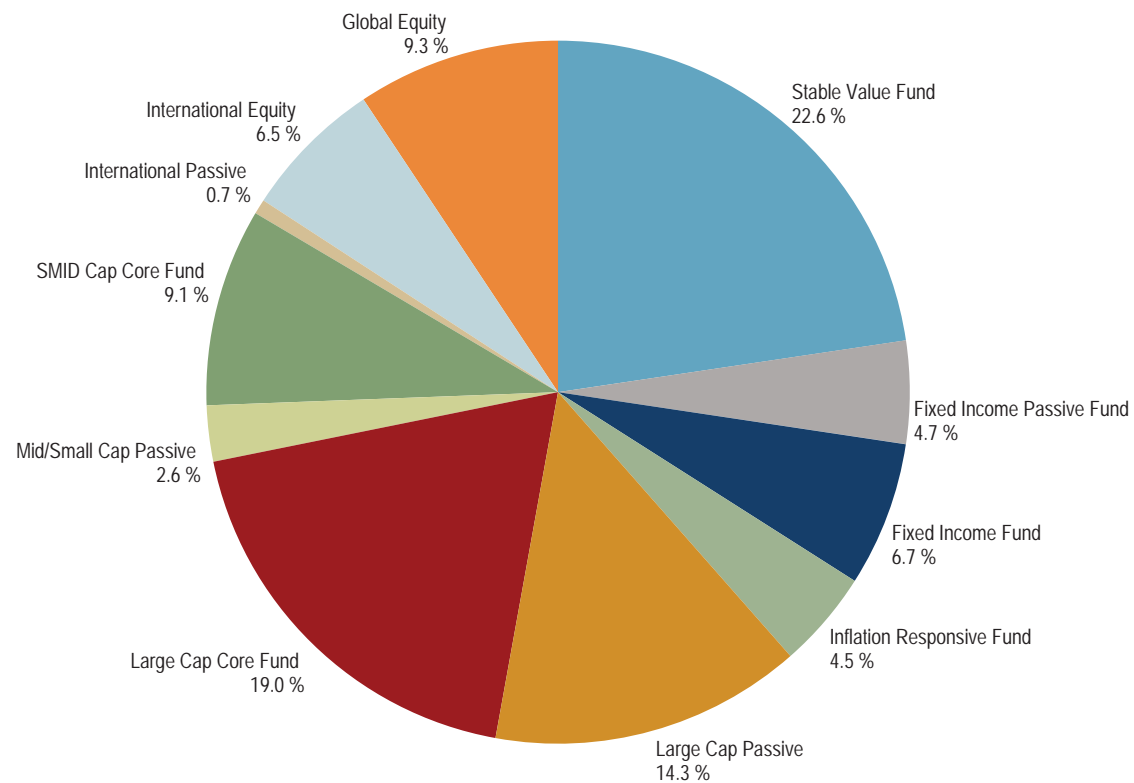
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Total Fund



Asset Allocation

As of March 31, 2018



Total Fund Performance Measurement

Run Date: April 20, 2018

As of March 31, 2018

	Market Value (\$)	%	Ending March 31, 2018					Inception Date
			Since Inception	5 Years	3 Years	1 Year	1 Quarter	
Large Cap Passive	1,613,475,050	9.9	16.5 (19)	13.2 (20)	10.7 (17)	14.0 (41)	-0.8 (46)	Apr-09
<i>S&P 500</i>			16.7 (17)	13.3 (15)	10.8 (16)	14.0 (41)	-0.8 (46)	
Mercer Mutual Fund US Equity Large Cap Core Median			15.3	12.0	9.3	13.3	-0.9	
NCSRP BlackRock Equity Index	1,613,475,050	9.9	16.7 (61)	13.3 (40)	10.8 (34)	14.0 (35)	-0.7 (41)	Apr-09
<i>S&P 500</i>			16.7 (67)	13.3 (38)	10.8 (42)	14.0 (45)	-0.8 (60)	
Mercer Instl US Equity Large Cap Index Median			16.7	13.3	10.8	14.0	-0.8	
Large Cap Core Fund	2,135,636,717	13.1	7.0 (37)	-	-	-	1.1 (30)	Oct-17
<i>Russell 1000 Index</i>			5.9 (50)	13.2 (36)	10.4 (35)	14.0 (50)	-0.7 (51)	
Mercer Mutual Fund US Equity Large Cap Median			5.7	12.3	9.5	13.9	-0.7	
NCSRP Russell 1000 Index	528,900,789	3.2	5.3 (64)	-	-	-	-0.8 (53)	Oct-17
<i>Russell 1000 Index</i>			5.9 (55)	13.2 (50)	10.4 (42)	14.0 (53)	-0.7 (51)	
Mercer Instl US Equity Large Cap Median			6.1	13.2	10.0	14.4	-0.7	
NCSRP Macquarie Large Cap Value	410,047,725	2.5	8.2 (58)	-	-	9.5 (67)	-0.9 (15)	Jun-15
<i>Macquarie Large Cap Value Strategy</i>			8.5 (49)	12.5 (33)	8.8 (50)	9.9 (61)	-0.8 (13)	
<i>Russell 1000 Value Index</i>			7.5 (69)	10.8 (72)	7.9 (70)	6.9 (89)	-2.8 (77)	
Mercer Instl US Equity Large Cap Value Median			8.4	11.8	8.7	10.5	-2.1	
NCSRP Hotchkis & Wiley Large Cap Value	404,560,402	2.5	18.6 (2)	13.4 (16)	9.6 (28)	11.3 (38)	-3.0 (81)	Apr-09
<i>Russell 1000 Value Index</i>			15.5 (63)	10.8 (72)	7.9 (70)	6.9 (89)	-2.8 (77)	
Mercer Instl US Equity Large Cap Value Median			15.9	11.8	8.7	10.5	-2.1	
NCSRP Loomis Large Cap Growth	398,076,084	2.4	16.8 (5)	-	16.1 (3)	24.4 (25)	1.1 (75)	Aug-14
<i>Loomis Large Cap Growth Strategy</i>			16.3 (8)	17.3 (11)	15.7 (4)	24.2 (27)	0.8 (79)	
<i>Russell 1000 Growth Index</i>			13.9 (30)	15.5 (40)	12.9 (28)	21.3 (50)	1.4 (69)	
Mercer Instl US Equity Large Cap Growth Median			13.0	15.2	11.7	21.2	2.3	

Total Fund Performance Measurement

Run Date: April 20, 2018

As of March 31, 2018

	Market Value (\$)	%	Ending March 31, 2018					Inception Date
			Since Inception	5 Years	3 Years	1 Year	1 Quarter	
NCSRP Sands Capital Large Cap Growth	394,051,717	2.4	22.2 (1)	16.0 (27)	12.7 (29)	30.8 (4)	9.7 (1)	Apr-09
Russell 1000 Growth Index			18.1 (31)	15.5 (40)	12.9 (28)	21.3 (50)	1.4 (69)	
Mercer Instl US Equity Large Cap Growth Median			17.3	15.2	11.7	21.2	2.3	
Mid/Small Cap Passive	290,211,500	1.8	17.6 (31)	11.5 (37)	8.2 (42)	12.2 (42)	-0.2 (46)	Apr-09
Russell 2500 Index			17.6 (30)	11.5 (36)	8.2 (42)	12.3 (42)	-0.2 (46)	
Mercer Mutual Fund US Equity Small+Mid Median			16.6	10.8	7.5	11.0	-0.6	
NCSRP BlackRock Russell 2500 Index Fund	290,211,500	1.8	17.7 (64)	11.6 (69)	8.2 (64)	12.2 (48)	-0.2 (50)	Apr-09
Russell 2500 Index			17.6 (66)	11.5 (70)	8.2 (65)	12.3 (48)	-0.2 (50)	
Mercer Instl US Equity Small + Mid Cap Median			18.4	12.5	9.1	11.9	-0.3	
SMID Cap Core Fund	1,024,140,620	6.3	5.0 (40)	-	-	-	0.4 (38)	Oct-17
Russell 2500 Index			5.0 (40)	11.5 (36)	8.2 (42)	12.3 (42)	-0.2 (46)	
Mercer Mutual Fund US Equity Small+Mid Median			4.0	10.8	7.5	11.0	-0.6	
NCSRP Russell 2500 Index	50,795,276	0.3	3.8 (55)	-	-	-	-0.2 (49)	Oct-17
Russell 2500 Index			5.0 (43)	11.5 (70)	8.2 (65)	12.3 (48)	-0.2 (50)	
Mercer Instl US Equity Small + Mid Cap Median			4.4	12.5	9.1	11.9	-0.3	
NCSRP Hotchkis & Wiley	162,578,965	1.0	20.3 (2)	10.0 (73)	4.9 (83)	6.0 (69)	-1.6 (45)	Apr-09
Hotchkis Custom SMID Value Index			17.1 (57)	9.9 (81)	7.3 (53)	5.7 (73)	-2.7 (73)	
Mercer Instl US Equity SMID Value Median			17.3	10.9	7.4	8.4	-1.9	
NCSRP EARNEST Partners	161,141,800	1.0	17.9 (38)	13.3 (4)	10.0 (9)	13.3 (12)	-2.1 (60)	Apr-09
EARNEST Custom SMID Value Index			16.1 (76)	9.9 (81)	7.3 (53)	5.7 (73)	-2.7 (73)	
Mercer Instl US Equity SMID Value Median			17.3	10.9	7.4	8.4	-1.9	
NCSRP WEDGE SMID Cap Value	162,815,502	1.0	14.9 (22)	11.3 (35)	7.2 (55)	5.4 (77)	-3.1 (90)	Jan-12
Russell 2500 Value Index			13.1 (65)	9.9 (81)	7.3 (53)	5.7 (73)	-2.7 (73)	
Mercer Instl US Equity SMID Value Median			13.8	10.9	7.4	8.4	-1.9	

Total Fund Performance Measurement

Run Date: April 20, 2018

As of March 31, 2018

	Market Value (\$)	%	Ending March 31, 2018					Inception Date
			Since Inception	5 Years	3 Years	1 Year	1 Quarter	
NCSRP Brown Advisory	242,236,649	1.5	18.9 (33)	14.1 (33)	11.8 (32)	17.4 (72)	3.9 (44)	Apr-09
<i>Brown Custom SMID Growth Index</i>			18.3 (57)	13.4 (46)	9.1 (56)	19.9 (53)	2.4 (71)	
Mercer Instl US Equity SMID Growth Median			18.5	13.1	9.4	20.1	3.4	
NCSRP TimesSquare SMID Growth	244,572,429	1.5	12.7 (38)	11.2 (79)	7.4 (74)	19.1 (60)	3.1 (61)	Jul-11
<i>TimesSquare Custom SMID Growth Index</i>			12.2 (59)	13.4 (46)	9.1 (56)	19.9 (53)	2.4 (71)	
Mercer Instl US Equity SMID Growth Median			12.5	13.1	9.4	20.1	3.4	
International Passive	76,557,394	0.5	10.5 (47)	6.1 (66)	6.5 (32)	17.2 (23)	-0.7 (27)	Apr-09
<i>MSCI AC World ex USA</i>			10.9 (20)	6.4 (52)	6.7 (29)	17.0 (26)	-1.1 (51)	
Mercer Mutual Fund World ex US/EAFE Equity Index Median			10.4	6.4	6.0	15.3	-1.1	
NCSRP BlackRock ACWI ex US Fund	76,557,394	0.5	10.7 (89)	6.2 (98)	6.5 (23)	17.3 (18)	-0.8 (24)	Apr-09
<i>MSCI AC World ex USA</i>			10.9 (14)	6.4 (86)	6.7 (18)	17.0 (21)	-1.1 (39)	
Mercer Instl World ex US/EAFE Equity Passive Median			10.8	6.7	6.0	15.4	-1.3	
International Equity	729,417,210	4.5	11.3 (48)	7.1 (48)	7.6 (34)	17.3 (49)	-1.2 (72)	Apr-09
<i>MSCI AC World ex USA</i>			10.9 (54)	6.4 (66)	6.7 (49)	17.0 (52)	-1.1 (67)	
Mercer Mutual Fund World ex US/EAFE Equity Median			11.1	7.0	6.6	17.2	-0.6	
NCSRP Baillie Gifford ACWI ex US Growth	363,239,272	2.2	14.3 (10)	9.3 (25)	10.9 (7)	23.0 (15)	-0.8 (51)	Apr-09
<i>MSCI AC World ex USA</i>			10.9 (82)	6.4 (89)	6.7 (63)	17.0 (54)	-1.1 (61)	
<i>MSCI AC World ex USA Growth</i>			11.3 (73)	7.2 (74)	7.7 (44)	20.3 (24)	-0.8 (51)	
Mercer Instl World ex US/EAFE Equity Median			12.2	8.1	7.3	17.5	-0.7	
NCSRP Mondrian ACWI ex US Value	366,177,938	2.2	9.9 (97)	6.2 (91)	5.4 (89)	12.7 (90)	-1.5 (72)	Apr-09
<i>MSCI AC World ex USA</i>			10.9 (82)	6.4 (89)	6.7 (63)	17.0 (54)	-1.1 (61)	
<i>MSCI AC World ex USA Value</i>			10.4 (90)	5.5 (98)	5.6 (83)	13.9 (83)	-1.4 (66)	
Mercer Instl World ex US/EAFE Equity Median			12.2	8.1	7.3	17.5	-0.7	

Total Fund Performance Measurement

Run Date: April 20, 2018

As of March 31, 2018

	Market Value (\$)	%	Ending March 31, 2018					Inception Date
			Since Inception	5 Years	3 Years	1 Year	1 Quarter	
Global Equity	1,050,100,694	6.4	14.1 (38)	11.6 (19)	9.1 (31)	17.7 (33)	1.2 (23)	Apr-09
MSCI AC World Index			13.7 (43)	9.8 (49)	8.7 (35)	15.4 (45)	-0.8 (56)	
Mercer Mutual Fund Global Equity Median			13.2	9.7	7.9	14.7	-0.6	
NCSRP Wellington Global Opportunities	522,119,951	3.2	12.9 (19)	12.4 (16)	9.1 (46)	17.3 (40)	1.2 (21)	Aug-10
MSCI AC World Index			10.4 (71)	9.8 (69)	8.7 (54)	15.4 (57)	-0.8 (57)	
Mercer Instl Global Equity Median			11.3	10.7	8.9	16.1	-0.6	
NCSRP Arrowstreet Global Equity ACWI	527,980,742	3.2	12.3 (20)	12.3 (16)	10.5 (22)	19.5 (24)	1.6 (15)	Apr-12
MSCI AC World Index			10.0 (71)	9.8 (69)	8.7 (54)	15.4 (57)	-0.8 (57)	
Mercer Instl Global Equity Median			10.9	10.7	8.9	16.1	-0.6	
Inflation Responsive Fund	505,354,020	3.1	2.2 (26)	-	3.5 (14)	6.0 (30)	-0.1 (15)	Oct-13
PIMCO Inflation Response Index			0.1 (80)	-1.3 (90)	1.1 (64)	2.6 (79)	-0.7 (26)	
Mercer Mutual Fund Diversified Inflation Hedge Median			1.0	0.2	2.0	5.1	-1.2	
NCSRP PIMCO Inflation Response Multi-Asset	505,354,020	3.1	3.1 (8)	-	4.3 (7)	6.8 (24)	0.1 (7)	Oct-13
PIMCO Inflation Response Multi-Asset Strategy			2.4 (19)	0.5 (39)	3.1 (24)	6.0 (29)	-0.1 (15)	
PIMCO Inflation Response Index			0.1 (80)	-1.3 (90)	1.1 (64)	2.6 (79)	-0.7 (26)	
CPI - All Urban Consumers (Unadjusted)			1.4 (36)	1.4 (14)	1.9 (54)	2.4 (82)	1.2 (5)	
Mercer Mutual Fund Diversified Inflation Hedge Median			1.0	0.2	2.0	5.1	-1.2	
Fixed Income Passive Fund	531,339,169	3.2	2.5 (62)	1.7 (54)	1.1 (64)	1.2 (58)	-1.5 (72)	Oct-10
Blmbg. Barc. U.S. Aggregate			2.6 (60)	1.8 (48)	1.2 (62)	1.2 (58)	-1.5 (70)	
Mercer Mutual Fund US Fixed Core Median			2.8	1.8	1.4	1.4	-1.2	
NCSRP BlackRock Debt Index Fund	531,339,169	3.2	2.7 (58)	1.9 (46)	1.3 (59)	1.3 (57)	-1.5 (70)	Oct-10
Blmbg. Barc. U.S. Aggregate			2.6 (60)	1.8 (48)	1.2 (62)	1.2 (58)	-1.5 (70)	
Mercer Mutual Fund US Fixed Core Median			2.8	1.8	1.4	1.4	-1.2	

Total Fund Performance Measurement

Run Date: April 20, 2018

As of March 31, 2018

	Market Value (\$)	%	Ending March 31, 2018					Inception Date
			Since Inception	5 Years	3 Years	1 Year	1 Quarter	
Fixed Income Fund	748,638,706	4.6	4.6 (47)	2.3 (28)	2.1 (20)	2.4 (19)	-1.3 (55)	Apr-09
Blmbg. Barc. U.S. Aggregate			3.7 (67)	1.8 (48)	1.2 (62)	1.2 (58)	-1.5 (70)	
Mercer Mutual Fund US Fixed Core Median			4.5	1.8	1.4	1.4	-1.2	
NCSRP TCW Core Plus	374,194,068	2.3	1.9 (83)	-	-	1.6 (70)	-1.2 (36)	Jan-17
TCW Core Plus Bond Strategy			2.1 (66)	2.4 (48)	1.6 (64)	1.6 (69)	-1.2 (37)	
Blmbg. Barc. U.S. Aggregate			1.6 (90)	1.8 (88)	1.2 (91)	1.2 (88)	-1.5 (73)	
Mercer Instl US Fixed Core Median			2.4	2.3	1.9	1.9	-1.3	
NCSRP Prudential Core Plus	374,444,637	2.3	3.6 (7)	-	3.2 (8)	3.7 (7)	-1.2 (36)	Jan-15
Prudential Core Plus Strategy			3.6 (8)	3.6 (8)	3.1 (9)	3.7 (7)	-1.3 (44)	
Blmbg. Barc. U.S. Aggregate			1.6 (91)	1.8 (88)	1.2 (91)	1.2 (88)	-1.5 (73)	
Mercer Instl US Fixed Core Median			2.3	2.3	1.9	1.9	-1.3	
Stable Value Fund	2,548,303,500	15.6	2.5 (19)	1.9 (25)	2.0 (21)	2.1 (21)	0.5 (21)	Jul-09
3-Year Constant Maturity Yield			1.0 (100)	1.1 (100)	1.3 (100)	1.8 (91)	0.6 (1)	
T-BILLS + 1.5%			1.7 (76)	1.8 (32)	2.0 (16)	2.6 (1)	0.7 (1)	
Mercer Instl Stable Value Median			1.9	1.7	1.8	1.9	0.5	
GoalMaker Funds	5,110,037,862	31.2						
Conservative 0-5 Yrs	511,651,658	3.1	6.0 (99)	4.1 (92)	3.6 (89)	5.1 (88)	-0.2 (1)	Jul-09
C01 Benchmark			4.9 (100)	3.8 (97)	3.2 (93)	4.8 (93)	-0.3 (8)	
Mercer Mutual Fund Target Date 2015 Median			8.6	5.9	4.7	7.1	-0.8	
Conservative 6-10 Yrs	130,080,191	0.8	7.1 (93)	5.0 (74)	4.3 (75)	6.5 (81)	-0.1 (5)	Jul-09
C02 Benchmark			5.9 (100)	4.6 (80)	4.0 (82)	6.1 (85)	-0.3 (11)	
Mercer Mutual Fund Target Date 2020 Median			9.2	6.2	5.0	8.0	-0.8	
Conservative 11-15 Yrs	90,879,607	0.6	8.7 (94)	6.6 (72)	5.6 (69)	8.8 (73)	-0.2 (10)	Jul-09
C03 Benchmark			8.0 (100)	6.3 (76)	5.3 (72)	8.2 (77)	-0.5 (40)	
Mercer Mutual Fund Target Date 2025 Median			10.1	7.1	5.7	9.6	-0.7	

Total Fund Performance Measurement

Run Date: April 20, 2018

As of March 31, 2018

	Market Value (\$)	%	Ending March 31, 2018					Inception Date
			Since Inception	5 Years	3 Years	1 Year	1 Quarter	
Conservative 16+ Yrs	218,409,896	1.3	10.4 (61)	8.2 (38)	6.9 (23)	11.4 (31)	-0.2 (16)	Jul-09
<i>C04 Benchmark</i>			9.9 (67)	7.9 (46)	6.6 (34)	10.7 (58)	-0.6 (44)	
Mercer Mutual Fund Target Date 2030 Median			10.7	7.6	6.3	10.8	-0.7	
Moderate 0-5 Yrs	651,261,715	4.0	7.5 (92)	5.5 (66)	4.8 (43)	7.3 (48)	-0.2 (1)	Jul-09
<i>M01 Benchmark</i>			6.6 (96)	5.2 (82)	4.4 (72)	6.8 (62)	-0.4 (13)	
Mercer Mutual Fund Target Date 2015 Median			8.6	5.9	4.7	7.1	-0.8	
Moderate 6-10 Yrs	456,789,570	2.8	8.5 (69)	6.6 (40)	5.6 (19)	8.8 (22)	-0.2 (7)	Jul-09
<i>M02 Benchmark</i>			8.0 (74)	6.3 (48)	5.3 (37)	8.2 (44)	-0.5 (30)	
Mercer Mutual Fund Target Date 2020 Median			9.2	6.2	5.0	8.0	-0.8	
Moderate 11-15 Yrs	406,449,655	2.5	9.9 (65)	7.8 (24)	6.6 (12)	10.8 (10)	-0.2 (9)	Jul-09
<i>M03 Benchmark</i>			9.4 (81)	7.4 (38)	6.3 (20)	10.1 (32)	-0.6 (44)	
Mercer Mutual Fund Target Date 2025 Median			10.1	7.1	5.7	9.6	-0.7	
Moderate 16+ Yrs	833,633,665	5.1	11.6 (10)	9.4 (5)	7.9 (1)	13.6 (1)	-0.1 (15)	Jul-09
<i>M04 Benchmark</i>			11.3 (19)	9.1 (6)	7.6 (6)	12.8 (5)	-0.7 (45)	
Mercer Mutual Fund Target Date 2030 Median			10.7	7.6	6.3	10.8	-0.7	
Aggressive 0-5 Yrs	287,528,439	1.8	9.1 (28)	6.9 (1)	5.8 (2)	9.3 (1)	-0.2 (1)	Jul-09
<i>R01 Benchmark</i>			8.3 (77)	6.5 (19)	5.5 (12)	8.6 (12)	-0.6 (36)	
Mercer Mutual Fund Target Date 2015 Median			8.6	5.9	4.7	7.1	-0.8	
Aggressive 6-10 Yrs	316,841,072	1.9	10.1 (5)	7.8 (2)	6.6 (1)	10.8 (1)	-0.2 (7)	Jul-09
<i>R02 Benchmark</i>			9.4 (35)	7.4 (5)	6.3 (4)	10.1 (3)	-0.6 (35)	
Mercer Mutual Fund Target Date 2020 Median			9.2	6.2	5.0	8.0	-0.8	
Aggressive 11-15 Yrs	324,272,276	2.0	11.2 (4)	9.0 (1)	7.5 (1)	12.8 (1)	-0.1 (8)	Jul-09
<i>R03 Benchmark</i>			10.9 (10)	8.7 (4)	7.3 (1)	12.0 (1)	-0.6 (46)	
Mercer Mutual Fund Target Date 2025 Median			10.1	7.1	5.7	9.6	-0.7	

Total Fund Performance Measurement

Run Date: April 20, 2018

As of March 31, 2018

	Market Value (\$)	%	Ending March 31, 2018					Inception Date
			Since Inception	5 Years	3 Years	1 Year	1 Quarter	
Aggressive 16+ Yrs	882,240,118	5.4	12.9 (1)	10.6 (1)	8.8 (1)	15.6 (1)	-0.1 (15)	Jul-09
<i>R04 Benchmark</i>			12.9 (1)	10.4 (1)	8.7 (1)	14.7 (1)	-0.7 (46)	
Mercer Mutual Fund Target Date 2030 Median			10.7	7.6	6.3	10.8	-0.7	

Total Fund Performance Measurement - Net of Fees

Run Date: April 20, 2018

As of March 31, 2018

	Market Value (\$)	%	Ending March 31, 2018					Inception Date
			Since Inception	5 Years	3 Years	1 Year	1 Quarter	
Large Cap Passive	1,613,475,050	9.9	16.5	13.2	10.7	14.0	-0.8	Apr-09
<i>S&P 500</i>			16.7	13.3	10.8	14.0	-0.8	
NCSRP BlackRock Equity Index	1,613,475,050	9.9	16.7	13.3	10.8	14.0	-0.7	Apr-09
<i>S&P 500</i>			16.7	13.3	10.8	14.0	-0.8	
Large Cap Core Fund	2,135,636,717	13.1	7.0	-	-	-	1.1	Oct-17
<i>Russell 1000 Index</i>			5.9	13.2	10.4	14.0	-0.7	
NCSRP Russell 1000 Index	528,900,789	3.2	5.3	-	-	-	-0.8	Oct-17
<i>Russell 1000 Index</i>			5.9	13.2	10.4	14.0	-0.7	
NCSRP Macquarie Large Cap Value	410,047,725	2.5	7.9	-	-	9.2	-1.0	Jun-15
<i>Russell 1000 Value Index</i>			7.5	10.8	7.9	6.9	-2.8	
NCSRP Hotchkis & Wiley Large Cap Value	404,560,402	2.5	18.1	12.8	9.0	10.8	-3.1	Apr-09
<i>Russell 1000 Value Index</i>			15.5	10.8	7.9	6.9	-2.8	
NCSRP Loomis Large Cap Growth	398,076,084	2.4	16.3	-	15.6	23.9	1.0	Aug-14
<i>Russell 1000 Growth Index</i>			13.9	15.5	12.9	21.3	1.4	
NCSRP Sands Capital Large Cap Growth	394,051,717	2.4	21.6	15.5	12.2	30.1	9.6	Apr-09
<i>Russell 1000 Growth Index</i>			18.1	15.5	12.9	21.3	1.4	
Mid/Small Cap Passive	290,211,500	1.8	17.6	11.5	8.2	12.2	-0.2	Apr-09
<i>Russell 2500 Index</i>			17.6	11.5	8.2	12.3	-0.2	
NCSRP BlackRock Russell 2500 Index Fund	290,211,500	1.8	17.7	11.6	8.2	12.2	-0.3	Apr-09
<i>Russell 2500 Index</i>			17.6	11.5	8.2	12.3	-0.2	
SMID Cap Core Fund	1,024,140,620	6.3	5.0	-	-	-	0.4	Oct-17
<i>Russell 2500 Index</i>			5.0	11.5	8.2	12.3	-0.2	

Total Fund Performance Measurement - Net of Fees

Run Date: April 20, 2018

As of March 31, 2018

	Market Value (\$)	%	Ending March 31, 2018					Inception Date
			Since Inception	5 Years	3 Years	1 Year	1 Quarter	
NCSRP Russell 2500 Index <i>Russell 2500 Index</i>	50,795,276	0.3	3.8 5.0	- 11.5	- 8.2	- 12.3	-0.2 -0.2	Oct-17
NCSRP Hotchkis & Wiley <i>Hotchkis Custom SMID Value Index</i>	162,578,965	1.0	19.6 17.1	9.4 9.9	4.3 7.3	5.5 5.7	-1.7 -2.7	Apr-09
NCSRP EARNEST Partners <i>EARNEST Custom SMID Value Index</i>	161,141,800	1.0	17.2 16.1	12.7 9.9	9.4 7.3	12.7 5.7	-2.2 -2.7	Apr-09
NCSRP WEDGE SMID Cap Value <i>Russell 2500 Value Index</i>	162,815,502	1.0	14.1 13.1	10.5 9.9	6.5 7.3	4.7 5.7	-3.3 -2.7	Jan-12
NCSRP Brown Advisory <i>Brown Custom SMID Growth Index</i>	242,236,649	1.5	18.2 18.3	13.5 13.4	11.1 9.1	16.8 19.9	3.7 2.4	Apr-09
NCSRP TimesSquare SMID Growth <i>TimesSquare Custom SMID Growth Index</i>	244,572,429	1.5	11.8 12.2	10.4 13.4	6.6 9.1	18.3 19.9	3.0 2.4	Jul-11
International Passive <i>MSCI AC World ex USA</i>	76,557,394	0.5	10.5 10.9	6.1 6.4	6.5 6.7	17.2 17.0	-0.7 -1.1	Apr-09
NCSRP BlackRock ACWI ex US Fund <i>MSCI AC World ex USA</i>	76,557,394	0.5	10.6 10.9	6.1 6.4	6.5 6.7	17.2 17.0	-0.8 -1.1	Apr-09
International Equity <i>MSCI AC World ex USA</i>	729,417,210	4.5	11.3 10.9	7.1 6.4	7.6 6.7	17.3 17.0	-1.2 -1.1	Apr-09
NCSRP Baillie Gifford ACWI ex US Growth <i>MSCI AC World ex USA</i> <i>MSCI AC World ex USA Growth</i>	363,239,272	2.2	13.8 10.9 11.3	8.9 6.4 7.2	10.4 6.7 7.7	22.6 17.0 20.3	-0.8 -1.1 -0.8	Apr-09
NCSRP Mondrian ACWI ex US Value <i>MSCI AC World ex USA</i> <i>MSCI AC World ex USA Value</i>	366,177,938	2.2	9.4 10.9 10.4	5.8 6.4 5.5	4.9 6.7 5.6	12.3 17.0 13.9	-1.6 -1.1 -1.4	Apr-09

Total Fund Performance Measurement - Net of Fees

Run Date: April 20, 2018

As of March 31, 2018

	Market Value (\$)	%	Ending March 31, 2018					Inception Date
			Since Inception	5 Years	3 Years	1 Year	1 Quarter	
Global Equity	1,050,100,694	6.4	14.1	11.6	9.1	17.7	1.2	Apr-09
MSCI AC World Index			13.7	9.8	8.7	15.4	-0.8	
NCSRP Wellington Global Opportunities	522,119,951	3.2	12.4	11.8	8.5	16.8	1.0	Aug-10
MSCI AC World Index			10.4	9.8	8.7	15.4	-0.8	
NCSRP Arrowstreet Global Equity ACWI	527,980,742	3.2	11.6	11.6	9.8	18.9	1.4	Apr-12
MSCI AC World Index			10.0	9.8	8.7	15.4	-0.8	
Inflation Responsive Fund	505,354,020	3.1	2.2	-	3.5	6.0	-0.1	Oct-13
PIMCO Inflation Response Index			0.1	-1.3	1.1	2.6	-0.7	
NCSRP PIMCO Inflation Response Multi-Asset	505,354,020	3.1	2.4	-	3.6	6.1	-0.1	Oct-13
PIMCO Inflation Response Index			0.1	-1.3	1.1	2.6	-0.7	
CPI - All Urban Consumers (Unadjusted)			1.4	1.4	1.9	2.4	1.2	
Fixed Income Passive Fund	531,339,169	3.2	2.5	1.7	1.1	1.2	-1.5	Oct-10
Blmbg. Barc. U.S. Aggregate			2.6	1.8	1.2	1.2	-1.5	
NCSRP BlackRock Debt Index Fund	531,339,169	3.2	2.6	1.8	1.2	1.2	-1.5	Oct-10
Blmbg. Barc. U.S. Aggregate			2.6	1.8	1.2	1.2	-1.5	
Fixed Income Fund	748,638,706	4.6	4.6	2.3	2.1	2.4	-1.3	Apr-09
Blmbg. Barc. U.S. Aggregate			3.7	1.8	1.2	1.2	-1.5	
NCSRP TCW Core Plus	374,194,068	2.3	1.7	-	-	1.4	-1.2	Jan-17
Blmbg. Barc. U.S. Aggregate			1.6	1.8	1.2	1.2	-1.5	
NCSRP Prudential Core Plus	374,444,637	2.3	3.4	-	3.0	3.4	-1.2	Jan-15
Blmbg. Barc. U.S. Aggregate			1.6	1.8	1.2	1.2	-1.5	
Stable Value Fund	2,548,303,500	15.6	2.5	1.9	2.0	2.1	0.5	Jul-09
3-Year Constant Maturity Yield			1.0	1.1	1.3	1.8	0.6	
T-BILLS + 1.5%			1.7	1.8	2.0	2.6	0.7	

Manager & Strategy	Mercer Rating	Philosophy	Key Strategy Observations
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.
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.

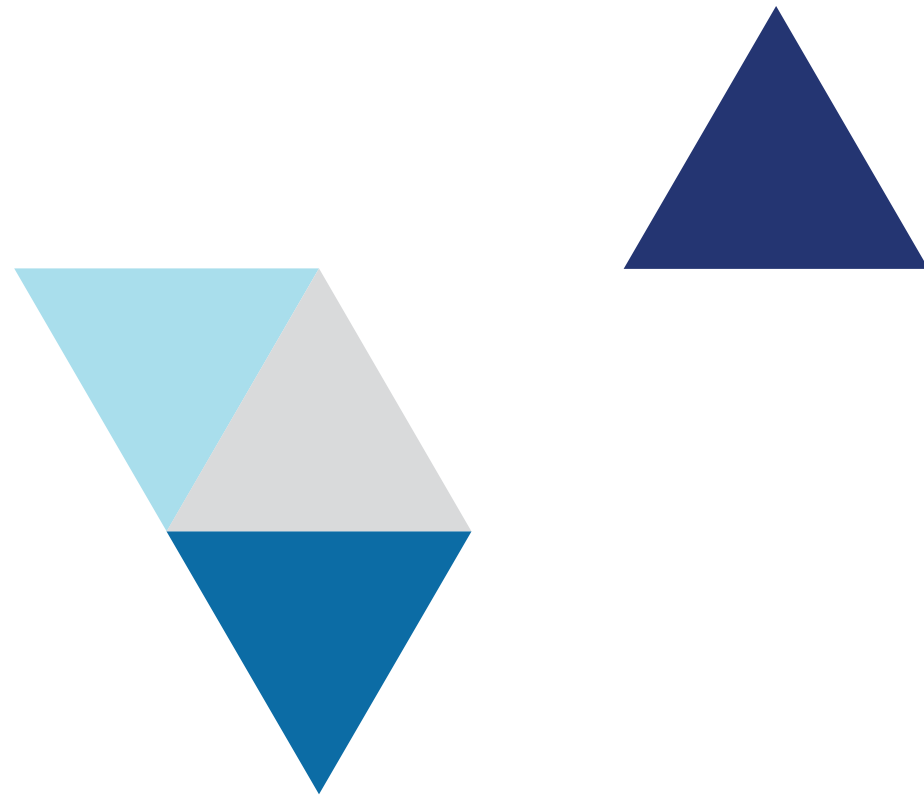
Manager & Strategy	Mercer Rating	Philosophy	Key Strategy Observations
Hotchkis and Wiley Mid-Cap Value	B+ (T)	HWCM takes a fundamental, bottom-up approach to value investing. The firm seeks to exploit mispriced securities by investing in undiscovered or out of favor companies. The firm focuses on stocks 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.
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.

Manager & Strategy	Mercer Rating	Philosophy	Key Strategy Observations
Mondrian Focused All Countries World Ex-US Equity	B+	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.
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.

Manager & Strategy	Mercer Rating	Philosophy	Key Strategy Observations
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.
Wellington Global Opportunities (Choumenkovitch)	B+	Wellington believes mispriced returns on capital drive stock prices either because the market underestimates improvements in returns or underestimates the sustainability of returns. To that end, the team applies a bottom-up, fundamental process to find companies where opportunities to improve returns are misunderstood by the market place. The strategy does not have a consistent style bias and holdings typically include growth and value ideas; hence, the strategy is most appropriately classified a core approach. The strategy is broadly diversified and benchmark sensitive. The strategy typically exhibits an active share of 80% or higher.	Over the long term, the portfolio should be close to neutral relative to the benchmark in terms of country allocation, industry and capitalization range. The approach performs best in broadly-trending markets, but suffers at market extremes such as a flight-to-quality or strong momentum markets. It will also underperform when mega cap stocks are leading the markets.

Manager & Strategy	Mercer Rating	Philosophy	Key Strategy Observations
Arrowstreet Global Equity - ACWI	A	Arrowstreet applies a quantitative process to exploit both behavioral and informational opportunities. Behavioral opportunities are created by the mistakes made by investors, including the tendency for investors to overreact, to herd, and to avoid regret. Informational opportunities stem from investors not fully exploiting information that is relevant to prices on a timely basis. Arrowstreet views this process as a core approach. We note that Arrowstreet's process often displays value characteristics although its performance does not behave in line with the value cycle.	This benchmark-sensitive, quantitative approach typically exhibits a value tilt. It is not labeled "value" since returns do not behave in line with value indices. The strategy is expected to do well in trending markets (including growth markets) but to have greater difficulty managing through rapid inflection points. Several of the firm's strategies are available as Dublin-based pooled funds. The strategy does not follow a model portfolio, which may lead to some dispersion between similar client mandates.
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.

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