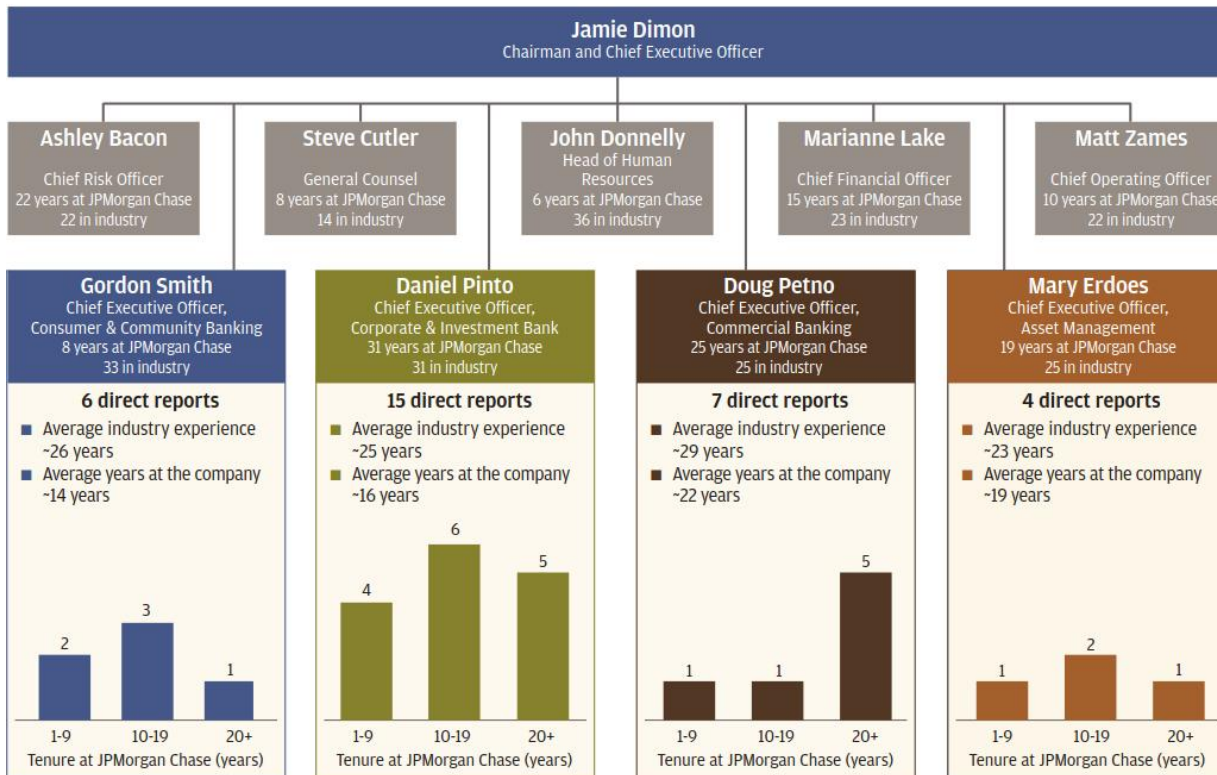


MEMO

TO: NCSRP Investment Committee
DATE: April 20, 2015
FROM: Kelly S. Henson
SUBJECT: JP Morgan Fixed Income Management

On March 6, 2015, Mercer held a conference call with George Gatch (Managing Director, CEO & President, JPM Funds) and Douglas Swanson (Managing Director and Columbus Team Lead) to provide insight on how organizational issues at JP Morgan impact the Columbus fixed income team. George started the conversation outlining the firm structure and most importantly the bonus and pay structure within the investment management group.

Operating Committee structure



Note: Not all direct reports to Jamie Dimon are shown; direct reports to line of business CEOs include business and regional heads only

Although JPMAM is often exposed to "headline risk" by association with its parent, JPM, Gatch explained that this is not the case in reality. The recent fines and financial issues have been focused on other parts of the business and have had no impact to the investment management business to date.

Doug Swanson then proceeded to talk about the team, moral and his view on the JP Morgan issues. He started by saying that the headline news regarding JP Morgan is mostly noise that he does not pay much attention to. His team has done well, has been focused on fixed income investing and JP Morgan has allowed him and his team to do that well. He believes that he gets the support and flexibility he needs from JPM to run the fixed income group effectively and to compensate the team as he sees appropriate. He believes that he and his team have strong dynamics and he is confident about his team going forward. He did not express concern regarding the rest of JPM and does not feel that it has any impact on his ability to manage portfolios nor has it negatively impacted recruiting.

Mercer continues to believe that the JPM Fixed Income team in Columbus is capable and offers strong fixed income management with above average probability of outperforming in the future.