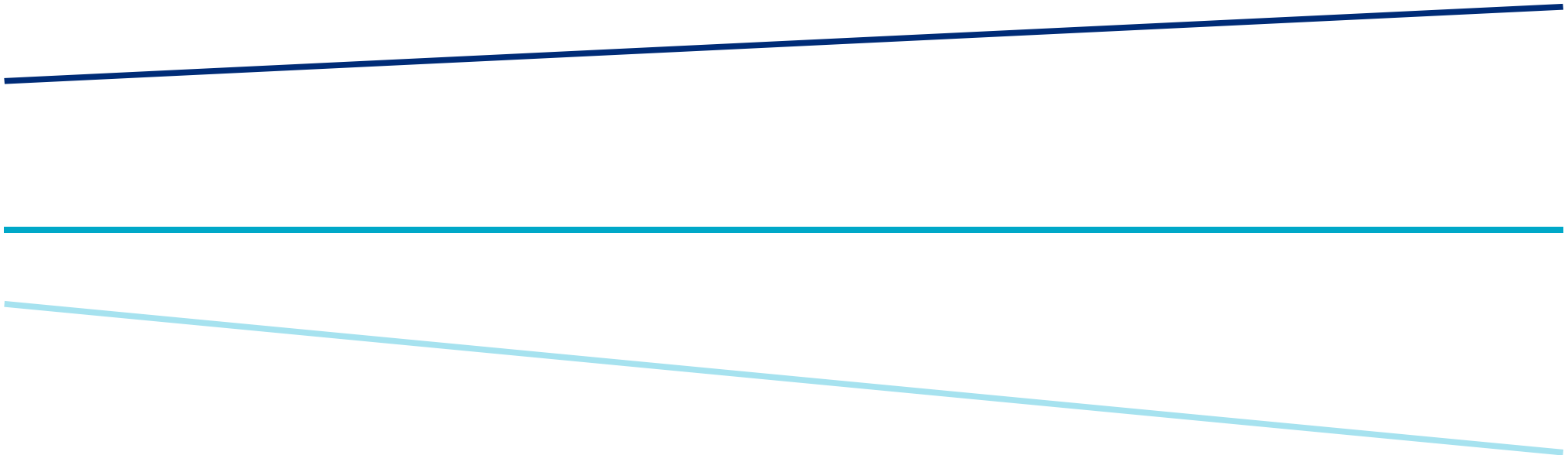


# NC Supplemental Retirement Plans Detailed Investment Manager Fee Analysis

November 2013



# Investment Management Fees

## Large Cap Growth Universe Comparison

Sands Capital Management		
<b>Account Size:</b>	\$269 million	Annualized 15 Year Alpha
<b>Fee:</b>	0.510%	4.7%
<b>Percent Rank:</b>	3 <sup>rd</sup> Quartile	7 <sup>th</sup> Percentile
Upper Quartile:	52.5bp	3.3%
Median:	46.0bp	2.0%
Lower Quartile:	41.4bp	1.2%
Number of Vehicles:	240	102

Wellington Opportunistic Growth		
<b>Account Size:</b>	\$252 million	Annualized 10 Year Alpha
<b>Fee:</b>	0.350%	1.3%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	24 <sup>th</sup> Percentile
Upper Quartile:	53.0bp	1.3%
Median:	46.5bp	0.5%
Lower Quartile:	41.6bp	-0.1%
Number of Vehicles:	240	157

Neuberger Berman		
<b>Account Size:</b>	\$251 million	Annualized 15 Year Alpha
<b>Fee:</b>	0.275%	4.5%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	8 <sup>th</sup> Percentile
Upper Quartile:	53.0bp	3.3%
Median:	46.5bp	2.0%
Lower Quartile:	41.6bp	1.2%
Number of Vehicles:	240	102

Large Cap Growth Fund		
<b>Fund Size:</b>	\$771 million	Annualized 4.5 Year Alpha
<b>Fee:</b>	0.571%	3.8%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	3 <sup>rd</sup> Percentile
Upper Quartile:	98.0bp	-0.6%
Median:	86.0bp	-1.9%
Lower Quartile:	71.0bp	-3.5%
Number of Vehicles:	93	156

# Investment Management Fees

## Large Cap Value Universe Comparison

Hotchkis & Wiley		
<b>Account Size:</b>	\$266 million	Annualized 15 Year Alpha
<b>Fee:</b>	0.500%	1.2%
<b>Percent Rank:</b>	3 <sup>rd</sup> Quartile	47 <sup>th</sup> Percentile
Upper Quartile:	51.4bp	2.0%
Median:	43.8bp	1.0%
Lower Quartile:	36.9bp	0.4%
Number of Vehicles:	266	119

Wellington Quality Value		
<b>Account Size:</b>	\$261 million	Annualized 15 Year Alpha
<b>Fee:</b>	0.290%	1.7%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	32 <sup>nd</sup> Percentile
Upper Quartile:	51.4bp	2.0%
Median:	43.8bp	1.0%
Lower Quartile:	37.1bp	0.4%
Number of Vehicles:	266	119

Robeco BP		
<b>Account Size:</b>	\$262	Annualized 15 Year Alpha
<b>Fee:</b>	0.348%	2.1%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	22 <sup>nd</sup> Percentile
Upper Quartile:	51.4bp	2.0%
Median:	43.8bp	1.0%
Lower Quartile:	37.1bp	0.4%
Number of Vehicles:	266	119

Large Cap Value Fund		
<b>Fund Size:</b>	\$790 million	Annualized 4.5 Year Alpha
<b>Fee:</b>	0.572%	-1.7%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	51 <sup>st</sup> Percentile
Upper Quartile:	95.0bp	-0.3%
Median:	78.5bp	-1.6%
Lower Quartile:	65.0bp	-3.1%
Number of Vehicles:	67	100

# Investment Management Fees

## SMID Cap Growth Universe Comparison

TimesSquare		
<b>Account Size:</b>	\$138 million	Annualized 10 Year Alpha
<b>Fee:</b>	0.858%	2.7%
<b>Percent Rank:</b>	4 <sup>th</sup> Quartile	15 <sup>th</sup> Percentile
Upper Quartile:	82.2bp	2.3%
Median:	77.2bp	1.2%
Lower Quartile:	72.4bp	0.3%
Number of Vehicles:	75	35

Brown Advisory		
<b>Account Size:</b>	\$140 million	Annualized 7 Year Alpha
<b>Fee:</b>	0.567%	2.2%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	26 <sup>th</sup> Percentile
Upper Quartile:	82.1bp	2.4%
Median:	77.1bp	0.8%
Lower Quartile:	72.3bp	-0.7%
Number of Vehicles:	75	54

SMID Cap Growth Fund		
<b>Fund Size:</b>	\$278 million	Annualized 4.5 Year Alpha
<b>Fee:</b>	0.905%	-1.6%
<b>Percent Rank:</b>	2 <sup>nd</sup> Quartile	38 <sup>th</sup> Percentile
Upper Quartile:	113.0bp	-0.4%
Median:	101.0bp	-2.2%
Lower Quartile:	87.8bp	-4.3%
Number of Vehicles:	114	241

# Investment Management Fees

## SMID Cap Value Universe Comparison

Hotchkis & Wiley		
<b>Account Size:</b>	\$130 million	Annualized 15 Year Alpha
<b>Fee:</b>	0.593%	5.1%
<b>Percent Rank:</b>	2 <sup>nd</sup> Quartile	0 Percentile
Upper Quartile:	68.8bp	2.5%
Median:	62.7bp	1.9%
Lower Quartile:	55.8bp	0.7%
Number of Vehicles:	81	17

EARNEST Partners		
<b>Account Size:</b>	\$128 million	Annualized 15 Year Alpha
<b>Fee:</b>	0.526%	3.4%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	9 <sup>th</sup> Percentile
Upper Quartile:	82.8bp	2.5%
Median:	76.8bp	1.9%
Lower Quartile:	67.0bp	0.7%
Number of Vehicles:	61	17

Wedge Capital		
<b>Account Size:</b>	\$128 million	Annualized 15 Year Alpha
<b>Fee:</b>	0.776%	1.9%
<b>Percent Rank:</b>	3 <sup>rd</sup> Quartile	50 <sup>th</sup> Percentile
Upper Quartile:	82.8bp	2.5%
Median:	76.8bp	1.9%
Lower Quartile:	67.0bp	0.7%
Number of Vehicles:	61	17

SMID Cap Value Fund		
<b>Fund Size:</b>	\$385 million	Annualized 4.5 Year Alpha
<b>Fee:</b>	0.824%	4.3%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	11 <sup>th</sup> Percentile
Upper Quartile:	114.5bp	2.1%
Median:	100.0bp	-0.2%
Lower Quartile:	85.5bp	-2.2%
Number of Vehicles:	67	114

# Investment Management Fees

## International Equity Universe Comparison

Baillie Gifford		
<b>Account Size:</b>	\$242 million	Annualized 10 Year Alpha
<b>Fee:</b>	0.452%	3.0%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	7 <sup>th</sup> Percentile
Upper Quartile:	63.2bp	1.3%
Median:	56.2bp	0.1%
Lower Quartile:	48.3bp	-0.8%
Number of Vehicles:	350	219

Mondrian		
<b>Account Size:</b>	\$243 million	Annualized 15 Year Alpha
<b>Fee:</b>	0.462%	2.2%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	23 <sup>rd</sup> Percentile
Upper Quartile:	63.2bp	2.2%
Median:	56.2bp	1.0%
Lower Quartile:	48.2bp	-0.2%
Number of Vehicles:	350	130

International Equity Fund		
<b>Fund Size:</b>	\$485 million	Annualized 4.5 Year Alpha
<b>Fee:</b>	0.700%	-0.3%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	55 <sup>th</sup> Percentile
Upper Quartile:	117.5bp	2.2%
Median:	101.0bp	-0.1%
Lower Quartile:	85.0bp	-1.5%
Number of Vehicles:	670	334

# Investment Management Fees

## Global Equity Universe Comparison

Arrowstreet		
<b>Account Size:</b>	\$303 million	Annualized 7 Year Alpha
<b>Fee:</b>	0.608%	3.2%
<b>Percent Rank:</b>	3 <sup>rd</sup> Quartile	14 <sup>th</sup> Percentile
Upper Quartile:	64.9bp	2.3%
Median:	54.9bp	1.0%
Lower Quartile:	45.8bp	-0.1%
Number of Vehicles:	385	263

Wellington		
<b>Account Size:</b>	\$303 million	Annualized 7 Year Alpha
<b>Fee:</b>	0.500%	3.8%
<b>Percent Rank:</b>	2 <sup>nd</sup> Quartile	11 <sup>th</sup> Percentile
Upper Quartile:	64.9bp	2.3%
Median:	54.9bp	1.0%
Lower Quartile:	45.8bp	-0.1%
Number of Vehicles:	385	263

Global Equity Fund		
<b>Fund Size:</b>	\$606 million	Annualized 4.5 Year Alpha
<b>Fee:</b>	0.763%	-0.1%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	53 <sup>rd</sup> Percentile
Upper Quartile:	126.0bp	1.9%
Median:	108.0bp	0.0%
Lower Quartile:	86.0bp	-2.0%
Number of Vehicles:	146	157

# Investment Management Fees

## Fixed Income Universe Comparison

JP Morgan			PIMCO		
<b>Account Size:</b>	\$264 million	Annualized 15 Year Alpha	<b>Account Size:</b>	\$266 million	Annualized 15 Year Alpha
<b>Fee:</b>	0.188%	0.9%	<b>Fee:</b>	0.250%	1.5%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	17 <sup>th</sup> Percentile	<b>Percent Rank:</b>	2 <sup>nd</sup> Quartile	4 <sup>th</sup> Percentile
Upper Quartile:	28.6bp	0.8%	Upper Quartile:	28.6bp	0.8%
Median:	25.7bp	0.4%	Median:	25.6bp	0.4%
Lower Quartile:	22.8bp	0.3%	Lower Quartile:	22.8bp	0.3%
Number of Vehicles:	96	162	Number of Vehicles:	96	162

Fixed Income Fund		
<b>Fund Size:</b>	\$530 million	Annualized 4.5 Year Alpha
<b>Fee:</b>	0.416%	1.2%
<b>Percent Rank:</b>	1 <sup>st</sup> Quartile	53 <sup>rd</sup> Percentile
Upper Quartile:	65.0bp	3.3%
Median:	53.0bp	1.4%
Lower Quartile:	43.0bp	-0.2%
Number of Vehicles:	222	329





Services provided by Mercer Investment Consulting, Inc.