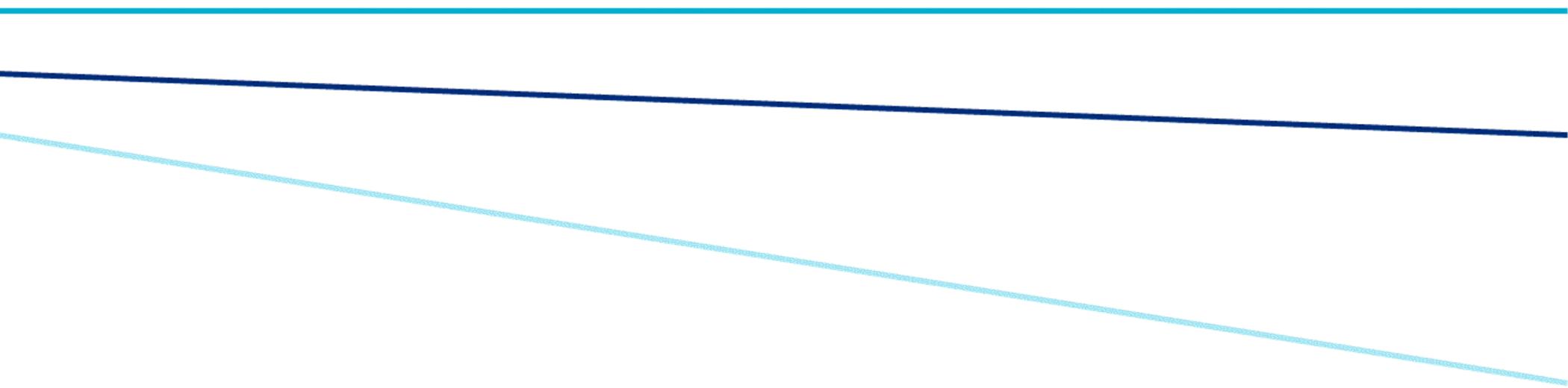


# North Carolina Supplemental Retirement Plans Investment Performance

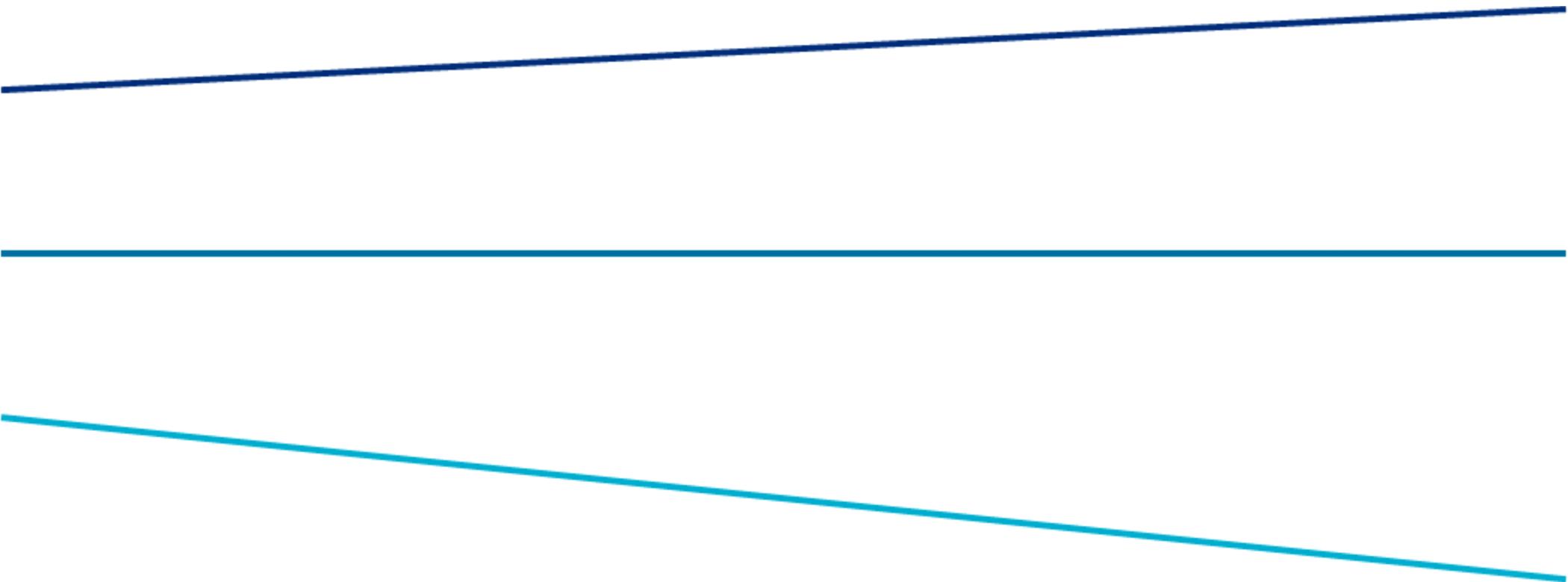
December 31, 2013



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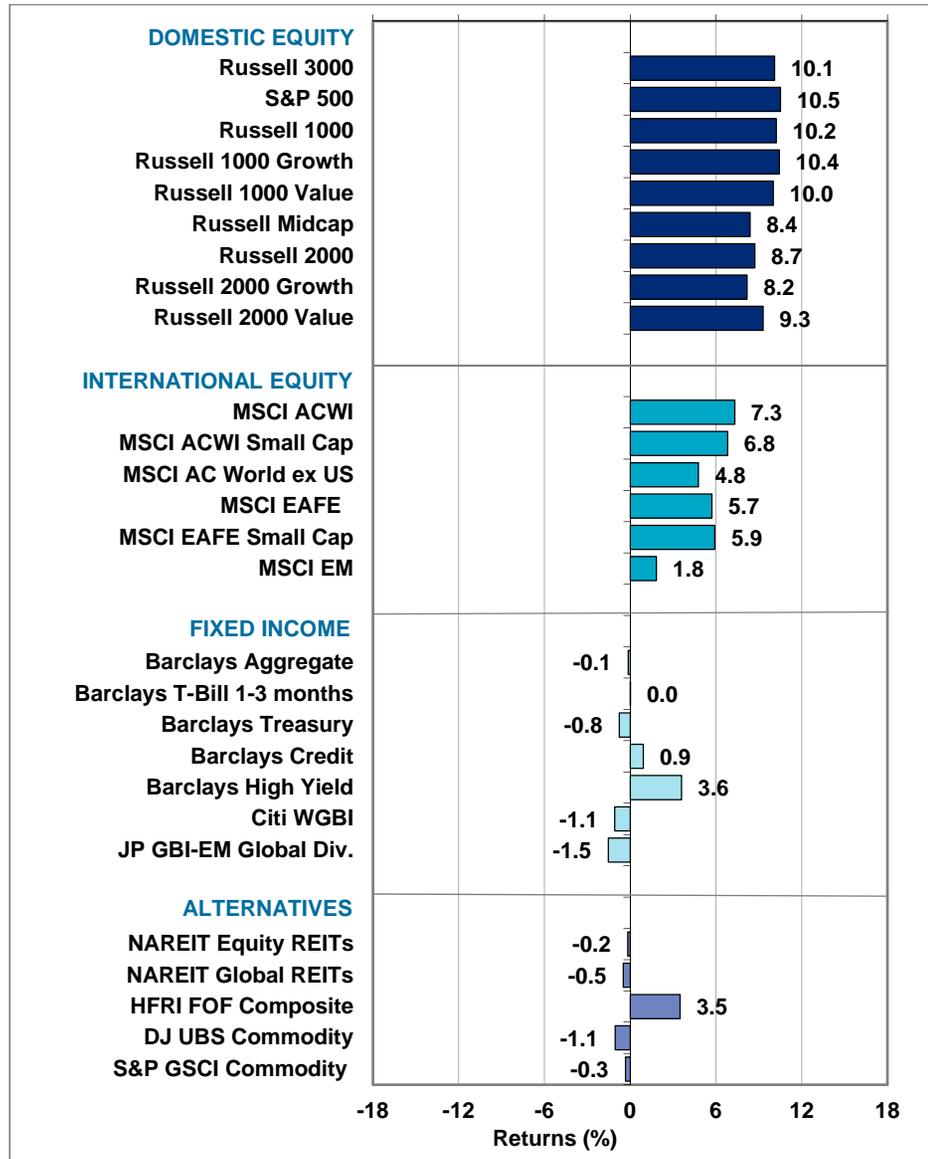
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# Capital Markets Commentary



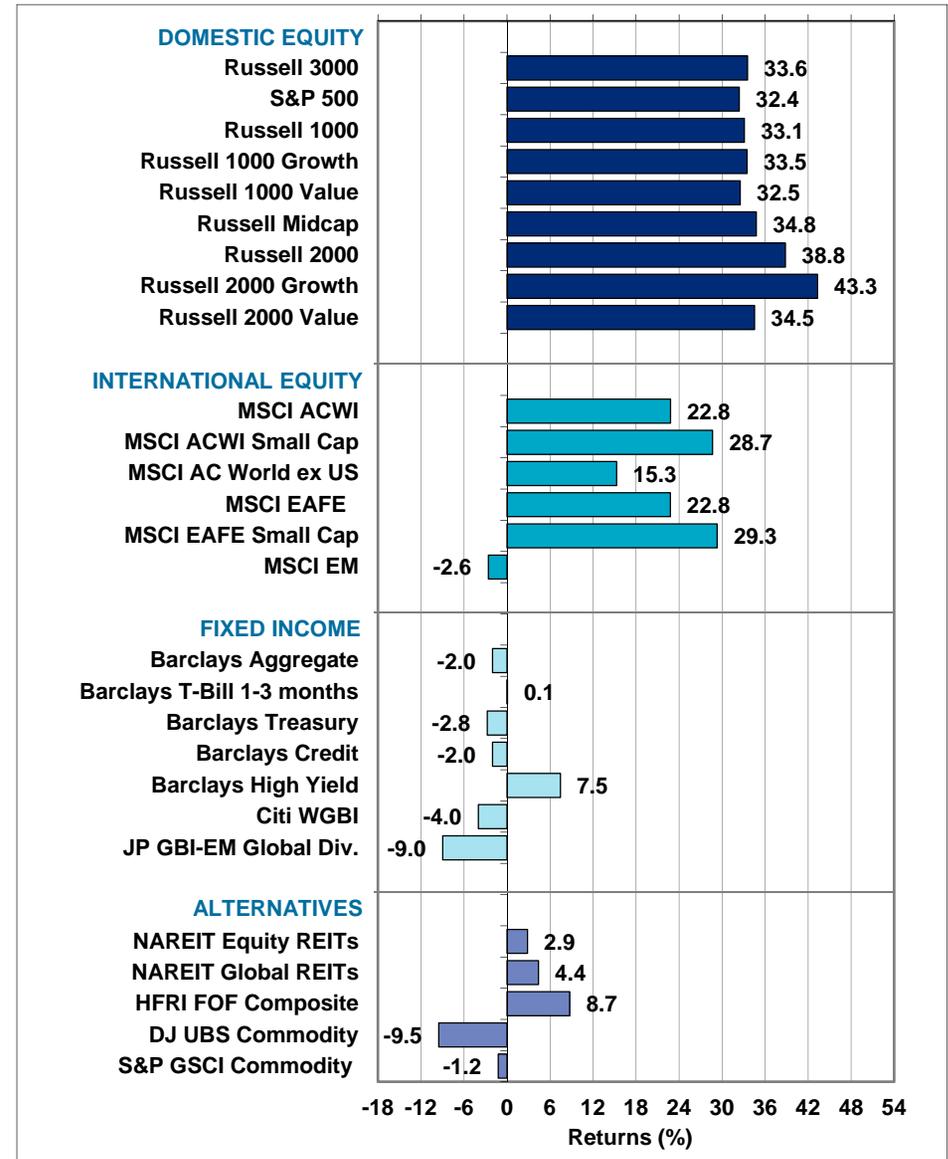
# Performance Summary: Quarter in Review

**Market Performance**  
Fourth Quarter 2013



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

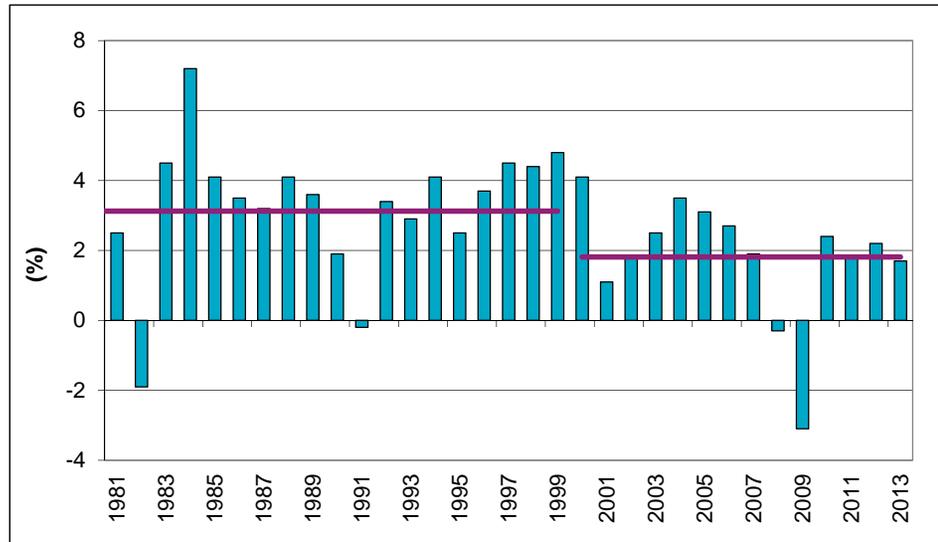
**Market Performance**  
2013



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

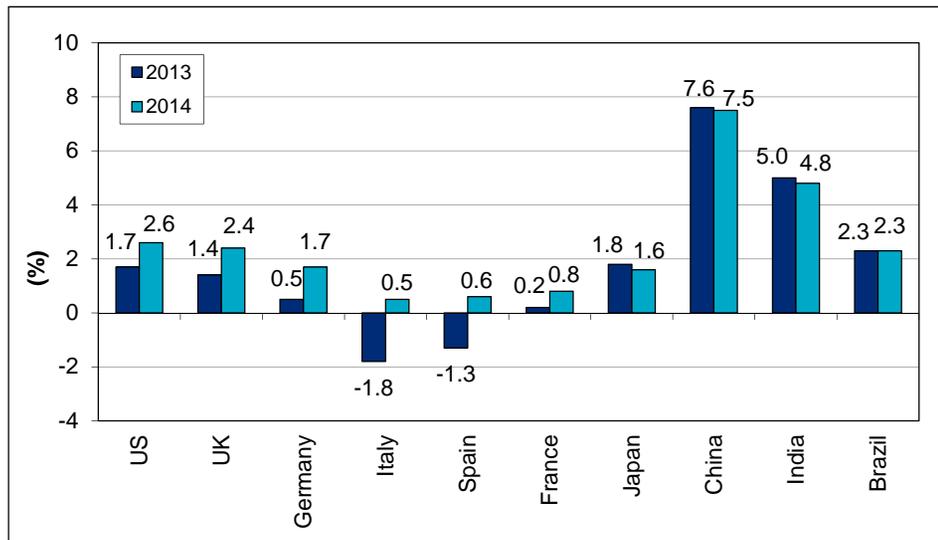
# Macro Environment: Economic Review

Annual GDP Growth



Source: Bureau of Economic Analysis

World Economic Growth  
(Projections as of December 2013)

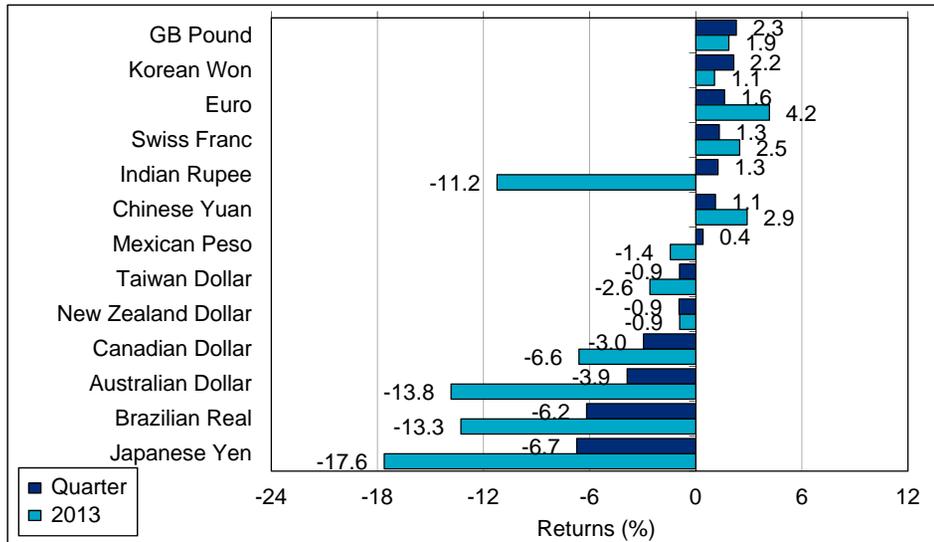


Source: Bloomberg

- Post financial crisis' developed economies have struggled with weak growth and the risk of another financial blow as policy makers have worked to address the excess debt accumulated during the 2000's. However, left-tail risks have fallen and GDP growth is set to improve. The IMF projects advanced economies will expand 2.0% in 2014, which would be the best year for growth since 2010.
- The IMF estimates that fiscal tightening reduced growth in the US by 1.2% in 2013. The budget deal announced in December reduced sequestration cuts for 2014, which would mean little if any fiscal impact this year. GDP growth could potentially exceed 3% this year for the first time since 2005. Growth beyond this year will depend on increased business investments. The IMF projects that the Eurozone will grow 1.0% this year, benefitting from less fiscal tightening and improved financial conditions. Imports are expected to increase 5%, which should be supportive of higher global growth. However, unemployment is likely to remain stubbornly high, increasing political risks. Japan's policies appear to be generating positive results. The yen declined by 18% against the dollar last year, improving the competitiveness of exports and inflation rising to 1.1%. However, it remains uncertain if the government can make the structural reforms necessary to improve the longer-term growth outlook.
- Data in the emerging world continues to surprise with downward trends. Tighter US monetary conditions could put further pressure on EM economies running large trade deficits. However, EM countries should be able to avoid a crisis as current account deficits are generally smaller today than in 1997 and currency reserves are larger relative to external debt. In China, growth is likely to slow as policy makers seek to re-balance the economy away from fixed investment and toward local consumption, but we do not see the catalyst for a crisis as the government should have the capacity to recapitalize banks and municipal governments. The IMF projects that EM economies will grow just 5.0% this year. We continue to think that the secular growth outlook for emerging economies is bright, particularly if they use the current downturn as an opportunity to implement needed reforms.

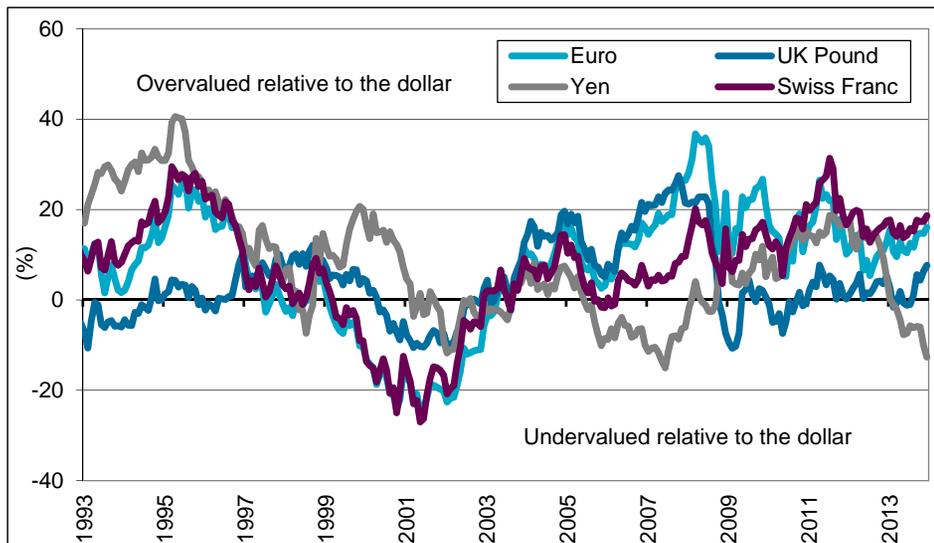
# Macro Environment: Currencies

Performance of Foreign Currencies versus the US Dollar



Source: Bloomberg

Currency Valuation versus US Dollar (Based on Relative PPP)

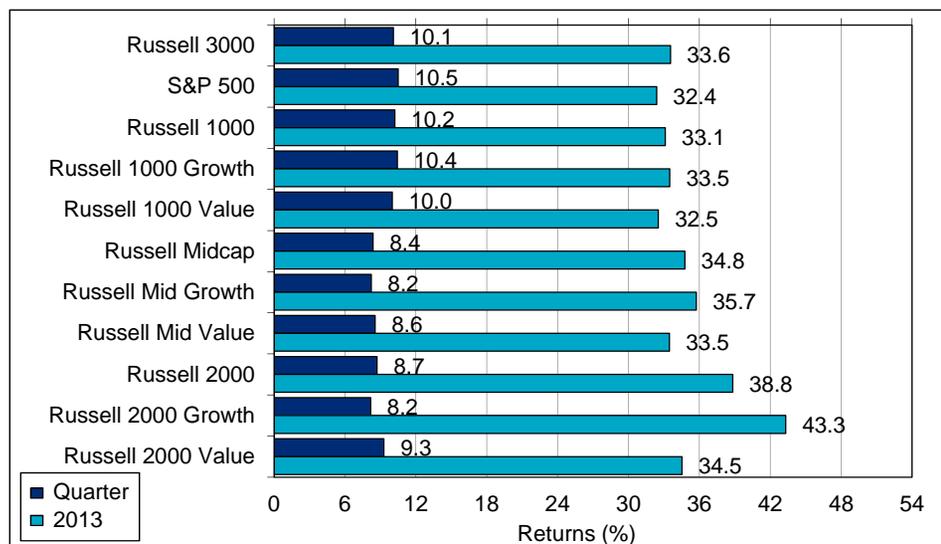


Source: Bloomberg

- On a trade-weighted basis, the US dollar advanced 4.5% in 2013. The yen was the most notable loser during the year, depreciating 17.6% against the dollar, while the euro was one of the strongest currencies and advanced 4.2%. Most emerging market currencies and commodity sensitive developed currencies experienced sharp declines. Relative monetary policies and economic conditions influenced currency markets throughout the year and we believe this trend will continue in 2014.
- The yen has fallen by over 24% against the dollar since October 2012 as the BOJ has rapidly expanded its balance sheet. The yen trades at a discount to the dollar on relative purchasing power parity (PPP), but the BOJ is likely to continue its aggressive policies in a bid to hit its 2% inflation target. The euro appears rich against the dollar on relative purchasing power parity, but the ECB has avoided large scale Quantitative Easing (QE). An appreciating euro erodes the external competitiveness of many European nations, which may push the ECB towards looser monetary policies.
- In 2013, the prospect and eventual tapering of QE3 and resulting higher US interest rates triggered capital outflows from emerging markets. EM currencies depreciated, especially in countries with large current account deficits. Additional currency depreciation is a short-term risk given the macro pressures facing EM economies and the prospect for tighter US monetary policy. However, US rate increases are likely to be more moderate in 2014. Furthermore, the large currency reserves amassed by many EM economies should provide an element of downside protection and current account deficits are generally smaller today than during the last crisis in 1997. Over the long-term, we expect real exchange rates to appreciate due to their economic advantages.

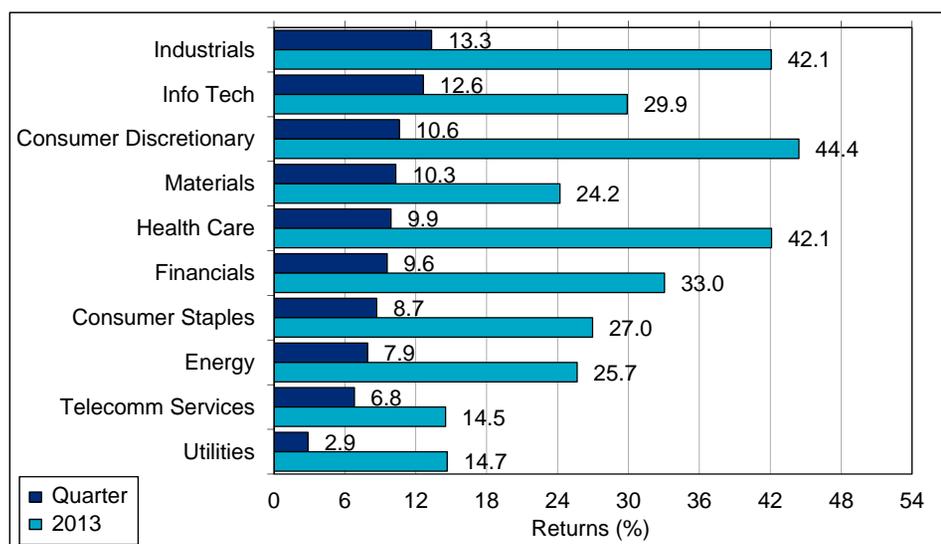
# Asset Class: US Equities – Style, Sector, Cap Performance

## Style and Capitalization Market Performance



Source: Standard & Poor's, Russell, Bloomberg

## Sector Performance



Source: Russell 1000 GICs Sector

## Broad Market

- Stocks moved higher in the fourth quarter, benefiting from increased optimism in the strength of the US economy. The Russell 3000 Index increased 10.1% in the fourth quarter and finished the year up 33.6%. In 2013, the S&P 500 outperformed international developed and emerging markets by 960 and 3500 basis points, respectively.

## Market Cap

- Large Caps:** The S&P 500 Index rose 10.5% in the fourth quarter and returned 32.4% in 2013. Large cap stocks outperformed mid cap and small cap stocks for the quarter, but lagged for the year.
- Mid Caps:** The Russell Midcap Index advanced 8.4% in the fourth quarter and gained 34.8% in 2013.
- Small Caps:** Small cap stocks underperformed large cap stocks but outperformed mid cap stocks as the Russell 2000 Index rose 8.7% in the fourth quarter. For the year, small caps gained 38.8%, outpacing the S&P 500 by 640 bps.

## Style

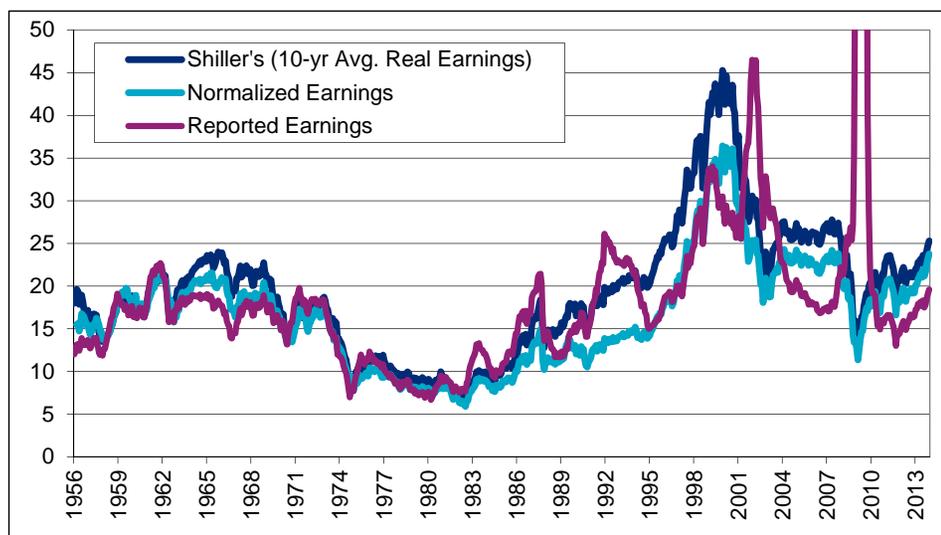
- Value vs. Growth:** Growth stocks surpassed value across all capitalizations in 2013. Small cap growth was the best performing style, gaining 43.3% for the year.

## Sector

- The utilities, telecommunication services, energy, consumer staples, financials and health care sectors were the laggards for the quarter, while the industrials, information technology, consumer discretionary and materials sectors outperformed the Russell 1000 Index. Consumer discretionary stocks were the best performing sector in 2013, returning 44.4%.

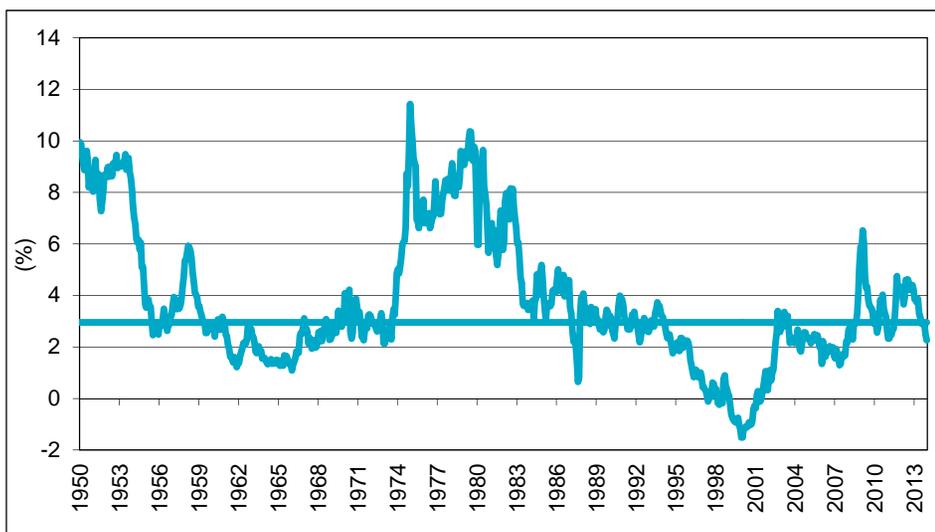
# Asset Class: US Equities – Valuation Review

## S&P500 – P/E Ratio



Source: S&P, Bloomberg, Mercer

## S&P500 – Estimated Equity Risk Premium<sup>1</sup> Versus Long-Term Treasuries



Source: S&P, Bloomberg, Mercer

- Based on estimated fourth quarter earnings, reported earnings advanced 12% in 2013. Analysts currently expect 2014 earnings to grow 10.5%.
- The P/E ratio on trailing earnings moved from 16.5 to 19.5 in 2013, above the 17.2 median since 1956. Corporate profitability remains well above normal, but we suspect profit margins are likely to remain high over the near-term. Economic growth is improving and the risk of a recession appears low. Also, US corporations have refinanced into lower rate debt and extended maturities, which should continue to keep margins above normal even as rates normalize. While labor market conditions have improved, workers still have limited bargaining power, limiting wage increases. An improved economic outlook could lead to a rebound in business confidence and hiring. While this could be positive for long-term growth potential, it could put downward pressure on margins over the shorter-term.
- Cyclically-adjusted valuations, which adjust for abnormally high profit margins, remain uncomfortably high. The P/E ratio based on normalized earnings stood at 23.8, well above the historical median of 16.7 (since 1956), while the P/E based on average 10-year real earnings (Shiller's methodology) finished the quarter at 25.3, compared to a median of 18.9 (since 1956). History suggests that a higher cyclically adjusted P/E ratio is associated with lower returns over the next 10-year period; however, it has little predictive power over shorter horizons.
- We estimate that the equity risk premium (ERP) over long-term Treasuries declined from 2.9% to 2.3% during the quarter, which is below the historical median of 3%. However, the ERP remains well above levels seen at the previous two market peaks. Furthermore, we believe that better global growth favors equities over bonds.

<sup>1</sup> Definitions:

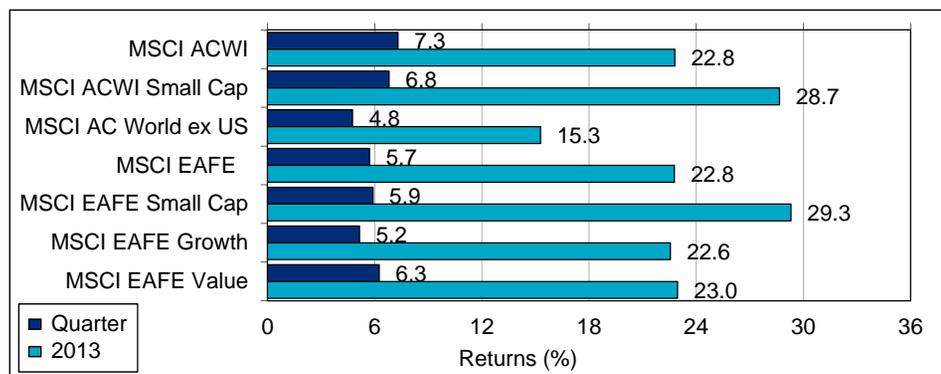
Shiller's P/E= Current S&P 500 price/average 10-year real earnings

Normalized P/E= Current S&P 500 price/(current trailing twelve month sales \* 6.6% profit margin)

Equity Risk Premium= Earnings yield (1/PE) minus the real yield on long-term Treasuries

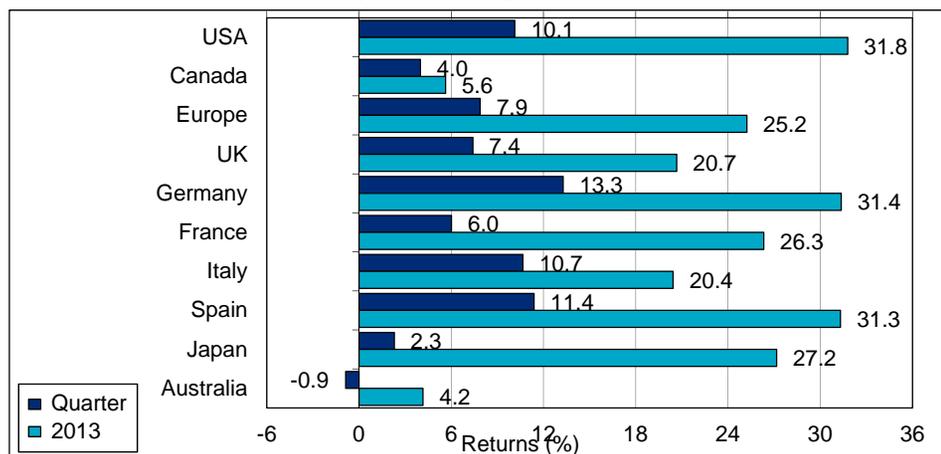
# Asset Class: International Equities – Performance Review

## International Equity Performance



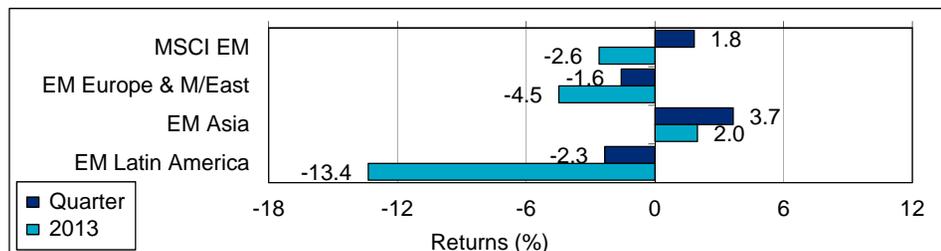
Source: MSCI, Bloomberg

## Developed Country Performance



Source: MSCI, Bloomberg

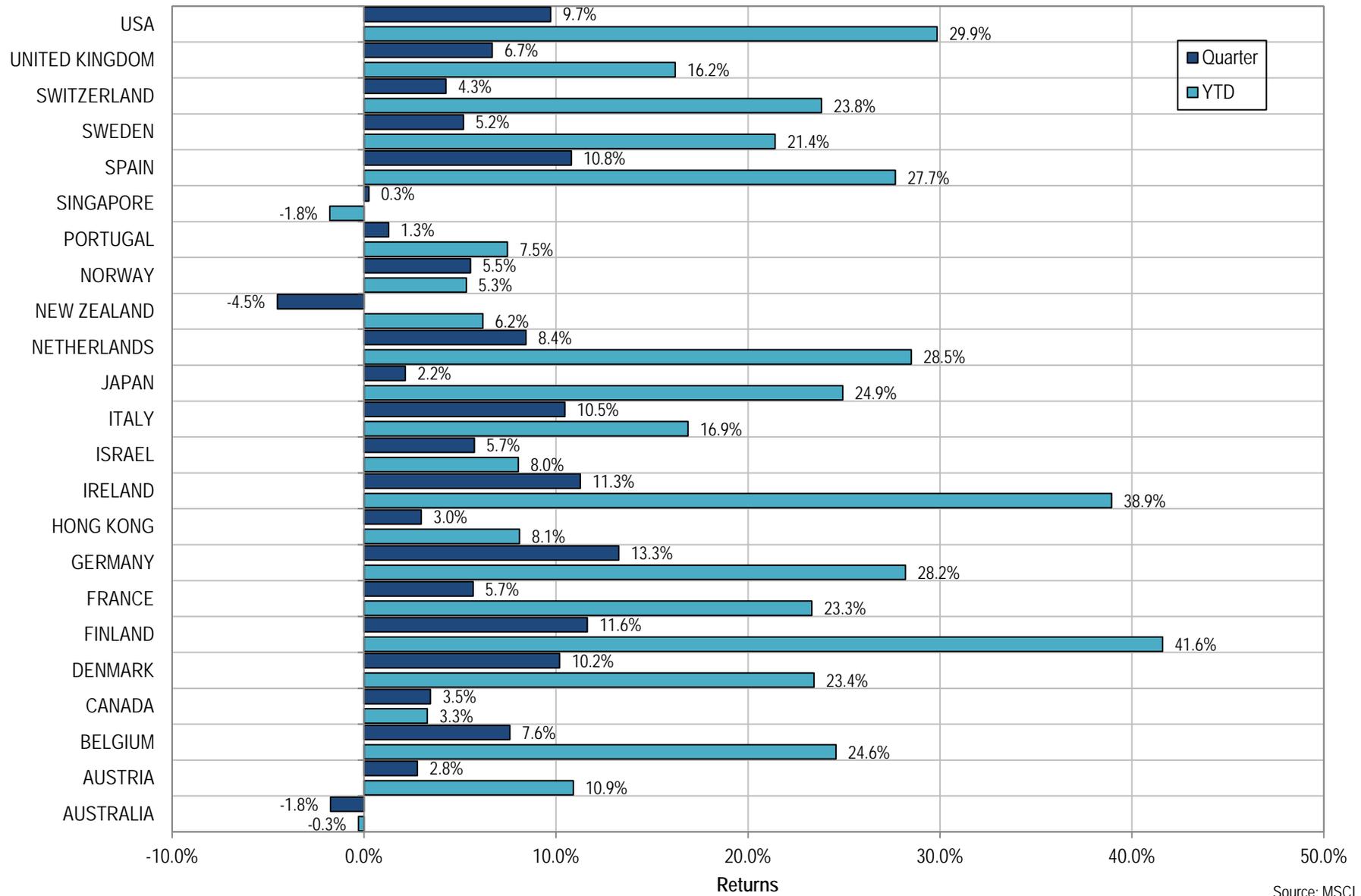
## Emerging Market Performance



Source: MSCI, Bloomberg

- International equities** underperformed US equities. The MSCI ACWI ex-US Index gained 4.8% in the fourth quarter and 15.3% in 2013, lagging the Russell 3000 by 5.3% and 18.3%, respectively.
- International developed stocks** rose 5.7% in the fourth quarter and finished the year up 22.8%. Despite their strong performance, international developed stocks lagged the S&P 500, which gained 32.4% in 2013. European stocks advanced 7.9% for the fourth quarter as the region's economy showed signs of recovery. For the year, European stocks gained 25.2%. Japanese stocks benefited from the BOJ's aggressive policies, which contributed to a 17.6% decline in the yen relative to the US dollar in 2013. Japan gained 54.6% in local currency terms and 27.2% in US\$ terms for the year.
- International developed small cap stocks** gained 5.9% and 29.3% for the fourth quarter and 2013, respectively. International small caps outperformed international developed large cap stocks by 0.2% in the fourth quarter and 6.5% in 2013.
- Emerging markets** recovered in the fourth quarter, returning 1.8%. However, they still finished the year down 2.6%, badly trailing the 33.6% return of the Russell 3000 Index. Regionally, European and Middle Eastern markets lost 4.5% in 2013. The fall in commodity prices weighed on Latin America markets, which lost 13.4% during the year. Asian stocks posted a small gain, rising 2.0% in 2013.

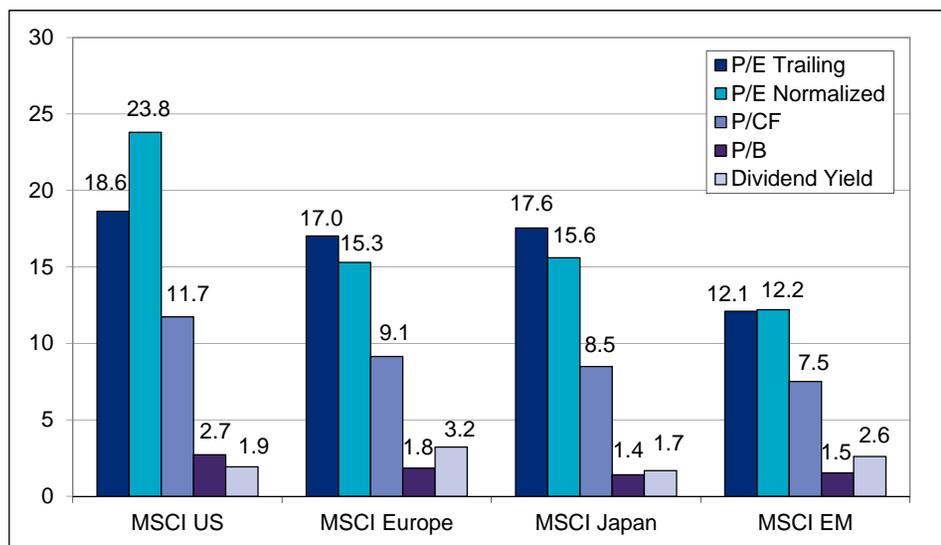
# Developed Country Performance



Source: MSCI

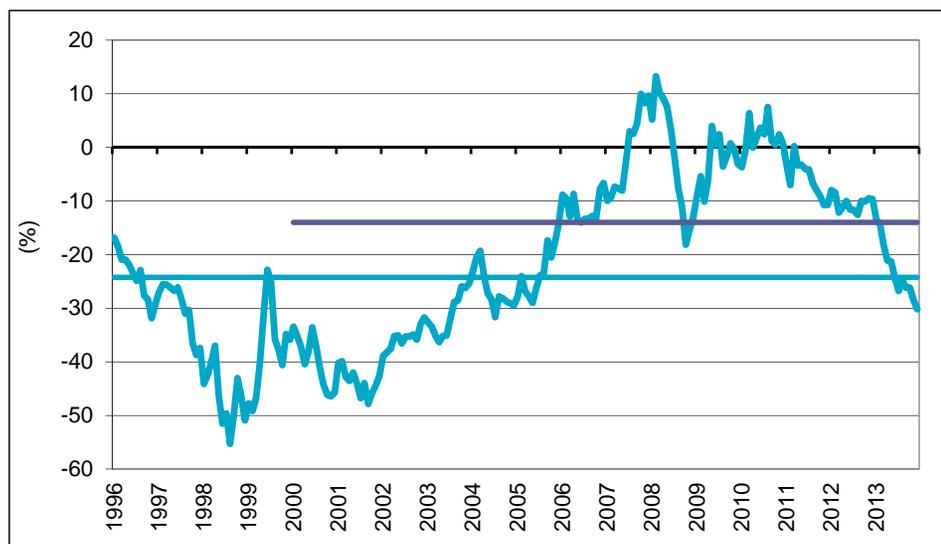
# Asset Class: International Equities – Valuation Review

## Global Valuations



Source: MSCI, Bloomberg

## Valuation of MSCI Emerging Markets to MSCI World (Based on Average of P/E, P/B and P/CF)

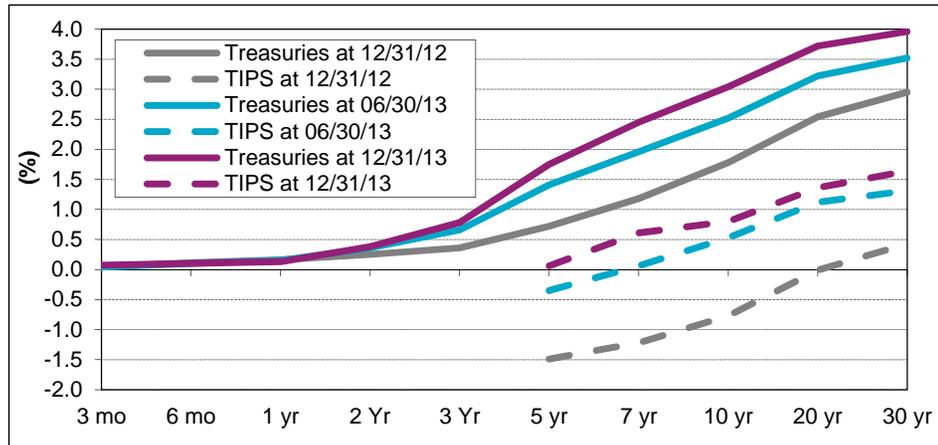


Source: MSCI, Bloomberg

- Earnings growth and profitability in Europe has lagged the US since the financial crisis. Earnings per share declined an estimated 6% in 2013 and margins are currently 10% below their historical average since 1970. With the panic phase of the crisis having passed, improved financial conditions and a return to growth should be supportive of higher earnings and improved profitability. European stocks remain reasonably valued, trading at a P/E of only 15.3 based on normalized earnings. Based on Shiller's P/E, European stocks traded at nearly a 34% discount to US equities compared to a historical average of 13%.
- EPS for Japanese firms spiked in 2013 benefiting from the steep slide in the yen. Stronger developed world growth in 2014 could provide further support to the export dependent corporate sector. Valuations on Japanese stocks are mixed. Based on trailing earnings, stocks appear slightly rich with a trailing P/E of 17.6. However, if profitability can improve to pre-2008 levels, then Japanese stocks appear reasonably valued. From a longer-term perspective, it remains uncertain if Japan can improve corporate profitability and the secular growth potential of the economy.
- Slowing economic growth, negative sentiment, and speculation regarding the end of QE3 has weighed on EM stocks in recent periods. With growth coming in below expectations, earnings have taken a hit, with EPS estimated to have fallen slightly in 2013. Improved developed world growth should be supportive of higher exports and earnings, though the potential for US rate hikes could weigh on financial conditions. From a valuation perspective, EM stocks appear attractively valued in absolute and relative terms, trading at P/E of only 12. Based on P/B and P/CF, EM stocks are trading 13% and 11% below the historical averages, respectively. On a relative basis, EM equities are trading at a 30% discount to developed equities compared to a historical discount of 24% (14% since 2000).

# Asset Class: Fixed Income – Interest Rates and Yield Curve

Treasury Yield Curve

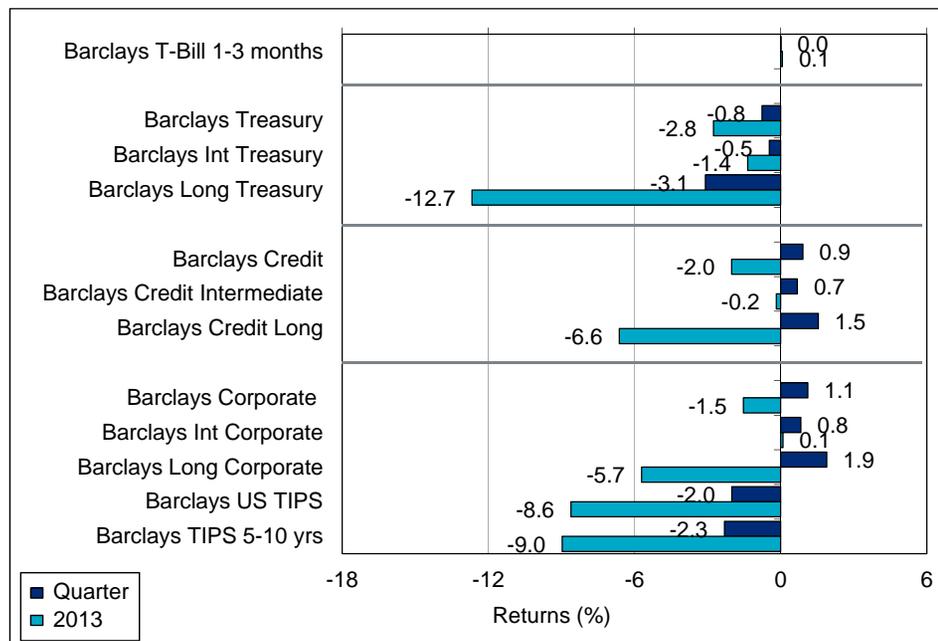


Source: Federal Reserve

- Interest rates continued their upward march in the fourth quarter with the 10-year Treasury yield rising from 2.64% to 3.04%. At its December meeting, the FOMC decided to taper QE3 purchases by \$10B, cutting monthly purchases to \$75B. The Fed is likely to reduce QE3 further and end the program by the end of 2014. For the year, the 10-year yield spiked by 126 basis points. The real yield on 10-year TIPS jumped from -0.67% to 0.85% last year and the inflation breakeven rate fell from 2.5% to 2.2%.

- The yield curve remains very steep as short-term yields remain near zero, while intermediate and long-term rates have increased. During the fourth quarter, the yield on the 5-year Treasury rose 36 basis points during the quarter and the yield on the 30-year Treasury increased by 27 basis points.

Bond Performance by Duration



Source: Barclays, Bloomberg

- We suspect the Treasury bond market has largely priced in the end of QE3. The key issue to watch now is the timing and pace of interest rate increases. Based on US economic data and Fed guidance, we expect short term rates to remain near zero until at least 2015.

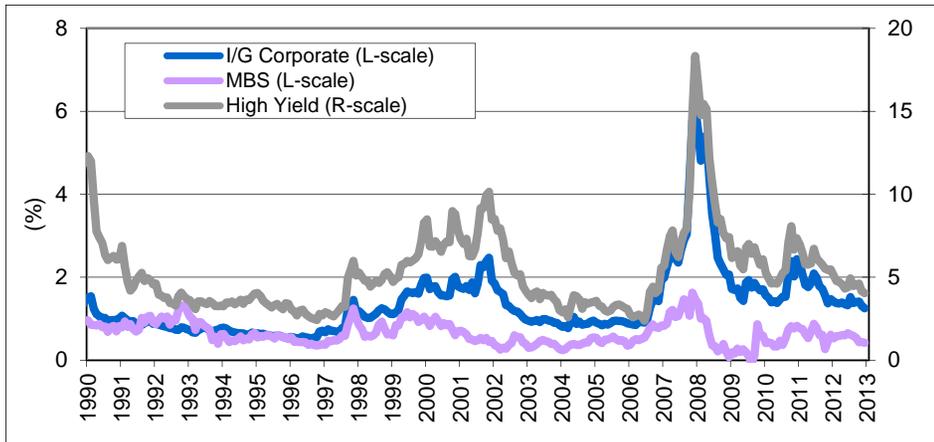
- US Bonds** were mixed in the fourth quarter with Treasuries and MBS moving lower, while I/G bonds rose as spreads tightened. The Barclays Aggregate index lost 0.1% and 2.0% for the quarter and 2013, respectively.

- Long-Duration Bonds** posted losses as the yield on 30-year Treasury increased by 101 basis points in 2013. The Barclays Long Treasury Index fell 3.1% in the fourth quarter and dropped 12.7% in 2013.

- TIPS** underperformed Treasuries due to their longer duration and a fall in inflation breakeven rates. TIPS shed 2.0% in the fourth quarter and 8.6% during the year.

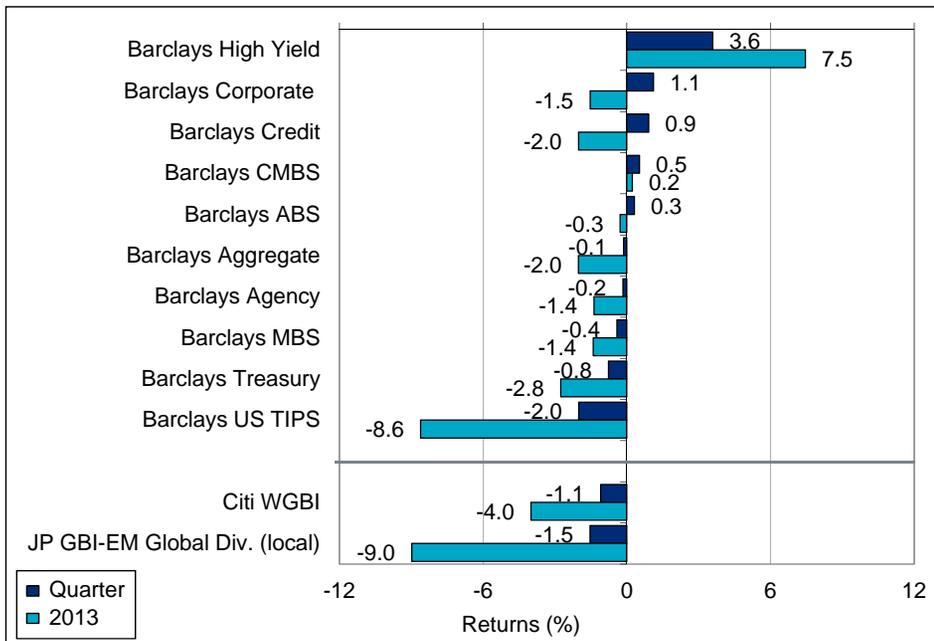
# Asset Class: Fixed Income – Credit and Non-US Bonds

Credit Spreads



Source: Barclays

Sector, Credit, and Global Bond Performance

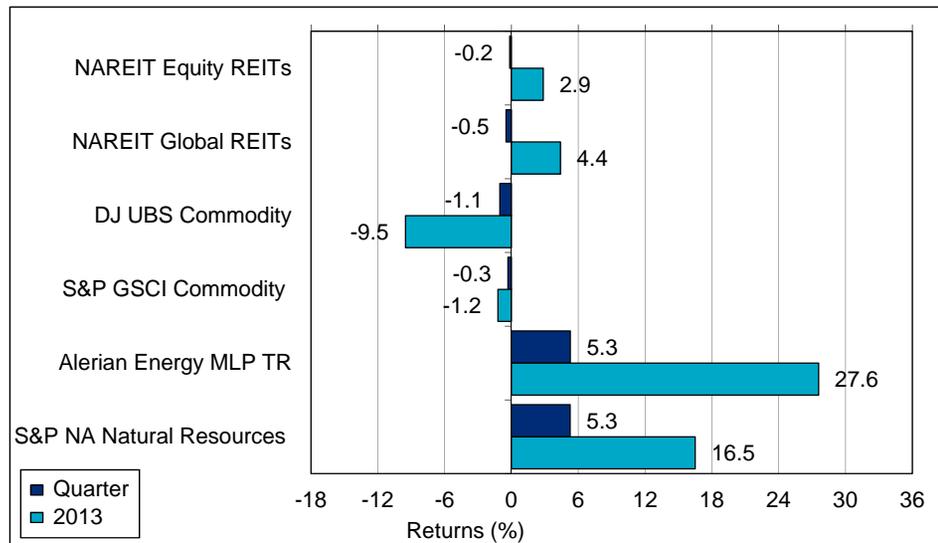


Source: Barclays, Citigroup, JP Morgan, Bloomberg

- The yield on the Barclays I/G Corporate index was essentially unchanged during the fourth quarter, rising 5bps to 3.3%. The option-adjusted spread to Treasuries narrowed from 1.4% to 1.1% which is in-line with historical median of 1%.
- The yield on high yield bonds declined from 6.2% to a near record low 5.6% in the fourth quarter. The option-adjusted spread narrowed by 79 basis points to 3.8%, below the historical median since 1990 of 4.8%. Defaults are likely to remain low over the near-term given the improving economic outlook. While this creates the possibility of further spread compression, there are signs that issuance quality has worsened.
- **US Treasuries** experienced losses as the yield on the 10-year Treasury rose from 2.64% to 3.04% during the quarter. The Barclays Treasury Index lost 0.8% in the fourth quarter and dropped 2.8% for the year. TIPS declined 2.0% for the quarter and 8.6% for the year.
- **US Corporate** bonds outperformed Treasuries by 190 basis points in the fourth quarter as spreads contracted. I/G bonds declined 1.5% on the year as yields rose from 2.71% to 3.26% in 2013, but outperformed Treasuries by 130 basis points.
- **US MBS, CMBS, Credit, Agency and ABS** bonds outperformed Treasuries for the fourth quarter and 2013, as spreads narrowed.
- **High Yield** bonds were the best performing domestic bond sector, gaining 3.6% in the fourth quarter as yields declined. For the year high yield bonds jumped 7.5%, outperforming Treasuries by 1030 basis points as spreads contracted by 1.3%.
- **Global Bonds** fell as the dollar appreciated and yields rose. The Citigroup World Government Bond Index pulled back 1.1% in the fourth quarter and finished the year down 4.0%.
- **Local Currency Emerging Market Debt** declined 1.5% in the fourth quarter and fell 9.0% in 2013 as EM currencies tumbled against the dollar.

# Asset Class: Alternatives – Performance Review

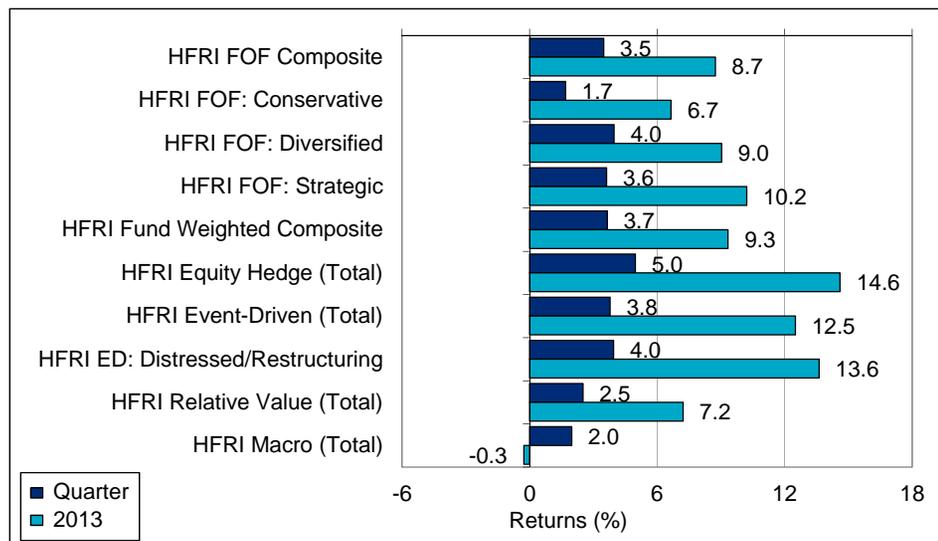
**Real Asset Performance**



Source: NAREIT, Dow-Jones, UBS, Goldman Sachs

- **Global REITs** declined 0.5% in the fourth quarter. They gained 4.4% in 2013, but substantially lagged equities. US REITs underperformed international REITs for the year.
- **Commodities:** Commodities lost ground in the fourth quarter. The DJ Commodity Index lost 1.1% in the fourth quarter and shed 9.5% during the year as industrial and precious metals experienced sharp declines. The S&P GSCI Index, which has a larger weighting to energy, fell a more muted 0.3% for the quarter and lost 1.2% for the year.

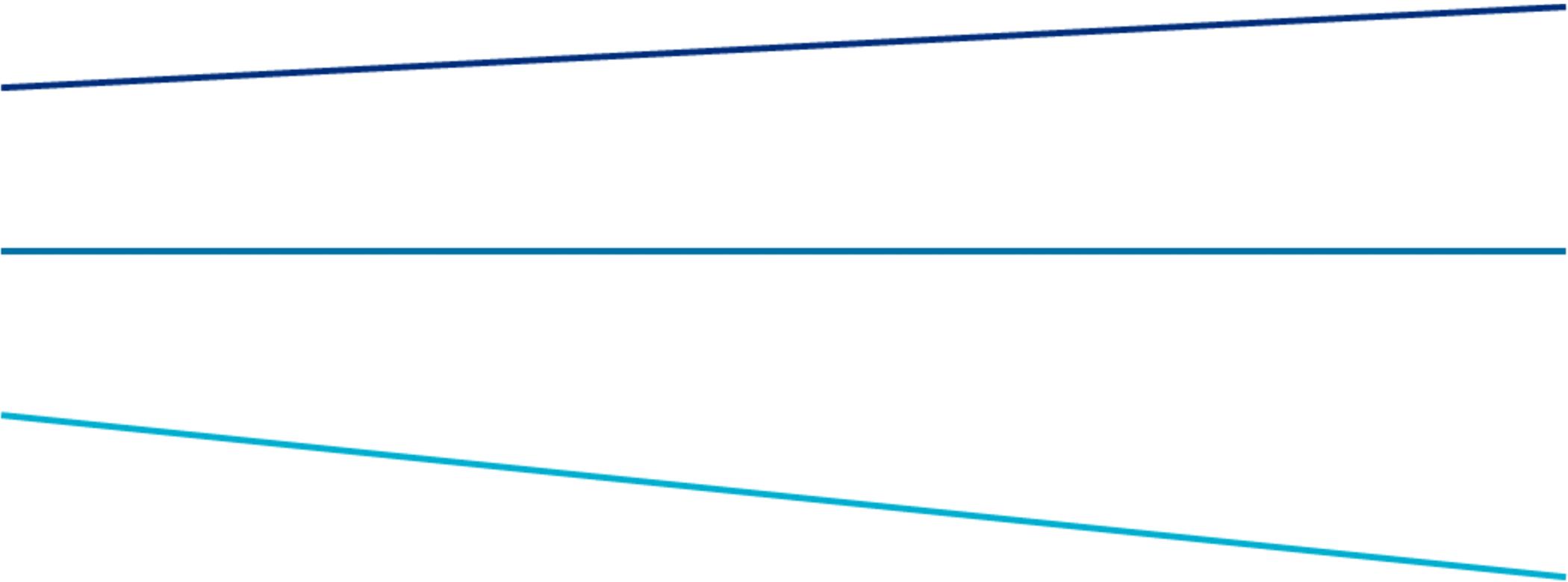
**Hedge Fund Performance**



Source: HFR

- **Hedge funds** lagged global equities, but outperformed US bonds. The HFRI Fund of Funds Composite Index returned 3.5% for the fourth quarter, while the MSCI ACWI index advanced 7.3% and the Barclays Aggregate index declined 0.1%. For the year, hedge fund of funds trailed a diversified stock/ bond mix, rising 8.7%.

# Executive Summary



## Executive Summary

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### Market Update

In the fourth quarter, the FOMC decided to taper QE3 purchases by \$10B, cutting monthly purchases to \$75B, and equity markets rose on the news. The Fed is likely to reduce QE3 further and end the program by the end of 2014 which surprised investors by leaving the pace of QE3 unchanged at its September meeting. For the year, the improving global growth outlook and a reduction in left-tail risks appeared to drive the outsized equity returns in 2013, providing investors the comfort to take more risk. Over the past twelve months, the yield on the 10-year Treasury spiked from 126 basis points finishing the quarter at 3.04%. Equity markets experienced strong returns as the MSCI ACWI rose 7.3% for the quarter and 22.8% for the year. The second quarter GDP was revised upward from 1.7% to 2.5%, however, the 16-day government shutdown could reduce 4Q GDP growth by 25-50 basis points. The IMF projects advanced economies will expand 2.2% in 2014, which would be the best year for growth since 2010. The unemployment rate fell from 7.9% to 6.7% during 2013, although mostly due to declines in labor force participation.

Domestic equities moved higher in the fourth quarter as the Fed began tapering QE3. The Russell 3000 Index posted a strong double-digit gain of 10.1% for the quarter and was up 33.6% for the year. The US market remains the top performer in 2013 with the S&P 500 outperforming international developed and emerging markets by 9.6% and 35.0%, respectively. Corporate profitability remains well above normal, but we suspect profit margins are likely to remain high over the near-term. Economic growth is improving and the risk of a recession appears low. Also, US corporations have refinanced into lower rate debt and extended maturities, which should continue to keep margins above normal even as rates normalize. While labor market conditions have improved, workers still have limited bargaining power, limiting wage increases. An improved economic outlook could lead to a rebound in business confidence and hiring. While this could be positive for long-term growth potential, it could put downward pressure on margins over the shorter-term. The defensive telecommunication services and utilities sectors were the laggards for the quarter, while the industrials and information technology sectors outperformed the broad market. During the fourth quarter, small cap stocks underperformed large cap stocks, but small caps were up 38.8% for the year, outpacing the S&P 500 by 640 basis points. Growth stocks surpassed value across all capitalizations in 2013.

International equities trailed domestic equities for the quarter and the year as the MSCI ACWI ex-US Index gained 4.8% in the fourth quarter and 15.3% in 2013, lagging the Russell 3000 by 5.3% and 18.3%, respectively. Earnings growth and profitability in Europe has lagged the US since the financial crisis, however, with the panic phase of the crisis having passed, improved financial conditions and a return to growth should be supportive of higher earnings and improved profitability. On a trade-weighted basis, the US Dollar rose 4.5% during 2013. In this environment, the MSCI ACWI ex-US rose 4.8% in the fourth quarter and 15.3% for the year, while the MSCI EAFE Index returned 5.7% and 22.8%, respectively. Emerging markets recovered in the fourth quarter, returning 1.8%. However, they still finished the year down 2.6%, badly trailing the 33.6% return of the Russell 3000 Index. Regionally, European and Middle Eastern markets lost 4.5% in 2013 and the fall in commodity prices weighed on Latin America markets, which lost 13.4% during the year. On a positive note, Asian stocks posted a small gain, rising 2.0% in 2013. Slowing economic growth, negative sentiment, and speculation regarding the end of QE3 weighed on EM stocks in recent periods. Improved developed world growth should be supportive of higher exports and earnings, though the potential for US rate hikes could weigh on financial conditions.

Within fixed income markets, the Fed decided to start tapering citing an improved economic outlook and concerns over the program's effectiveness. The Fed has indicated it is likely to taper purchases by a similar rate throughout 2014 if the economic outlook remains on track, which suggests that the program will be wound down completely by the end of 2014. As a result of the rise in yields, the Barclays Treasury Index fell 0.8% during the quarter and 2.8% for the year while the yield curve remained very steep as yields on the short end of the curve remain near zero. During the quarter, the yield on the 10-year Treasury rose from 2.64% to 3.04, which was an increase of 126 basis points for the year. Investment-grade bonds outperformed Treasuries, for the quarter and the year, as spreads narrowed. For the fourth quarter, the Barclays US Aggregate Index returned -0.1%, US

## Executive Summary

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Treasuries were down 0.8%, and the Barclays US TIPS Index returned -2.0%. The Barclays US High Yield Index gained 3.6% for the quarter as high yield bonds are the only area of the fixed income market with positive returns (7.5%) in 2013, with the exception of 1-3 month T-Bills (0.1%). Emerging markets debt declined 1.5% for the quarter and were down 9.0% in 2013 amid political instability, softening macro conditions and depreciating currencies.

### Fund Performance & Manager Updates

#### Large Cap Passive

The NCSRP **Large Cap Passive Fund** gained 10.4% for the quarter, approximating the return of the S&P 500 Index. Over the trailing twelve months, the Fund was up 32.1%, tracking the S&P 500 Index within 30 basis points. The Large Cap Passive Fund consists of the BlackRock Equity Index portfolio.

#### Large Cap Value

The **Large Cap Value Fund** returned 9.9% for the fourth quarter, slightly underperforming the Russell 1000 Value Index by 10 basis points but ranking in the top half of its peer group universe. The underlying managers exhibited mixed results during the quarter; Robeco's outperformance was offset by the underperformance of Hotchkis & Wiley and Wellington. Over the trailing one- and three-year periods, the Large Cap Value Fund beat its benchmark and ranked in the top half of its peer group.

*In December 2013, Wellington announced Brendan Swords will succeed Perry Traquina as Chief Executive Officer on July 1, 2014. Mercer has been well-informed regarding the CEO leadership transition since it was announced in July 2012. Mercer does not believe it will have any material impact on any of Wellington's rated investment strategies. The News Item is provided under a separate cover.*

#### Large Cap Growth

The **Large Cap Growth Fund** underperformed the Russell 1000 Growth Index by 80 basis points and ranked in the bottom half of the peer group universe. All three underlying managers underperformed the index over the quarter. Over the trailing one- and three-year periods, the Large Cap Growth Fund has provided strong returns against the Russell 1000 Growth Index, ranking in the top half of the peer group over both time periods.

*In October 2013, Mercer met with Neuberger Berman to discuss their Large Cap Disciplined Growth strategy. As a result of this meeting, Mercer is maintaining the strategy's "B+" rating. The full Research Note is provided under a separate cover.*

*In December 2013, Mercer met with Sands Capital Management to discuss their Select Growth Equity strategy. As a result of this meeting, Mercer is maintaining the strategy's "A (T)" rating. The full Research Note is provided under a separate cover.*

#### Mid/Small Cap Passive

The NCSRP **Mid/Small Cap Passive Fund** gained 8.6% over the fourth quarter and tracked the Russell 2500 Index within 10 basis points. Over the trailing twelve months, the Fund was up 36.6%, tracking the Russell 2500 Index within 20 basis points. The Mid/Small Cap Passive Fund consists of the BlackRock Russell 2500 Index portfolio.

## Executive Summary

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### Mid/Small Cap Value

The **Mid/Small Cap Value Fund** returned 8.6% during the quarter, slightly underperforming the Russell 2500 Value Index and ranking in the bottom half of its peer universe. Underlying managers EARNEST Partners and WEDGE outperformed their respective indices but this was offset by the underperformance of Hotchkis & Wiley. The Mid/Small Cap Value Fund led both its benchmark and peer group median by wide margins over the trailing one- and three-year periods.

*In November 2013, Mercer met with EARNEST Partners to discuss their Mid Cap Value strategy. As a result of this meeting, Mercer is maintaining the strategy's "B+" rating. The full Research Note is provided under a separate cover.*

### Mid/Small Cap Growth

The **Mid/Small Cap Growth Fund** gained 9.4% over the quarter and outperformed the Russell 2500 Growth Index by 90 basis points. While Brown lagged the benchmark during the quarter, TimesSquare outperformed its benchmark and ranked in the top third of its peer group universe. The Mid/Small Cap Growth Fund outperformed its benchmark and peer group over both the one- and three-year periods.

### International Passive

The NCSR **International Passive Fund** gained 4.7% over the fourth quarter and tracked the MSCI ACWI ex US within 10 basis points. Over the longer periods measured, the Fund performed within 50 basis points of the benchmark. The majority of the tracking error is due to fair value pricing issues affecting international securities. The International Passive Fund currently consists of the BlackRock ACWI ex US portfolio.

### International Equity

The **International Equity Fund** outpaced the MSCI ACWI ex US by 20 basis points with a 5.0% fourth-quarter return, although it ranked in the bottom quartile of its peer universe. Both underlying managers outperformed during the quarter. Over the trailing one-year period, the International Equity Fund lagged both its benchmark and peer group median. For the trailing three-year period, the Fund exceeded its benchmark but placed below the median of its peer group.

*In November 2013, Mercer met with Baillie Gifford to discuss their Global Alpha (+2-3%) strategy. As a result of this meeting, Mercer is maintaining the strategy's "A" rating. The full Research Note is provided under a separate cover.*

### Global Equity

The **Global Equity Fund** outpaced the MSCI All Country World Index by 160 basis points and ranked in the top quartile of the Mercer Mutual Fund Global Equity Universe. Both Wellington and Arrowstreet outperformed their respective benchmarks during the quarter and ranked in the top half of the peer group universe. Over the trailing one- and three-year periods, the Global Equity Fund produced strong results against both the benchmark and peer universe.

## Executive Summary

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### Inflation Sensitive

The **Inflation Sensitive Fund** returned -2.3% over the quarter and underperformed the benchmark and peer group median. The Inflation Sensitive Fund was added to the Plan in September 2013. The Inflation Sensitive Fund consists of the PIMCO Inflation Response Multi-Asset portfolio.

*In January 2013, PIMCO announced the resignation of CEO Muhamed El-Erian. The abrupt resignation led Mercer to add a "W" or watch designation to all PIMCO strategies, as Mercer would like to see some uncertainties clarified. The full News Item is provided under a separate cover.*

### Fixed Income Passive

The NCSRP **Fixed Income Passive Fund** returned -0.3% over the quarter, tracking the Barclays Aggregate Index within 20 basis points. Over the trailing twelve months, the Fund was down 2.2%, tracking the Barclays Aggregate Index within 20 basis points. The Fixed Income Passive Fund consists of the BlackRock Debt Index portfolio.

### Fixed Income

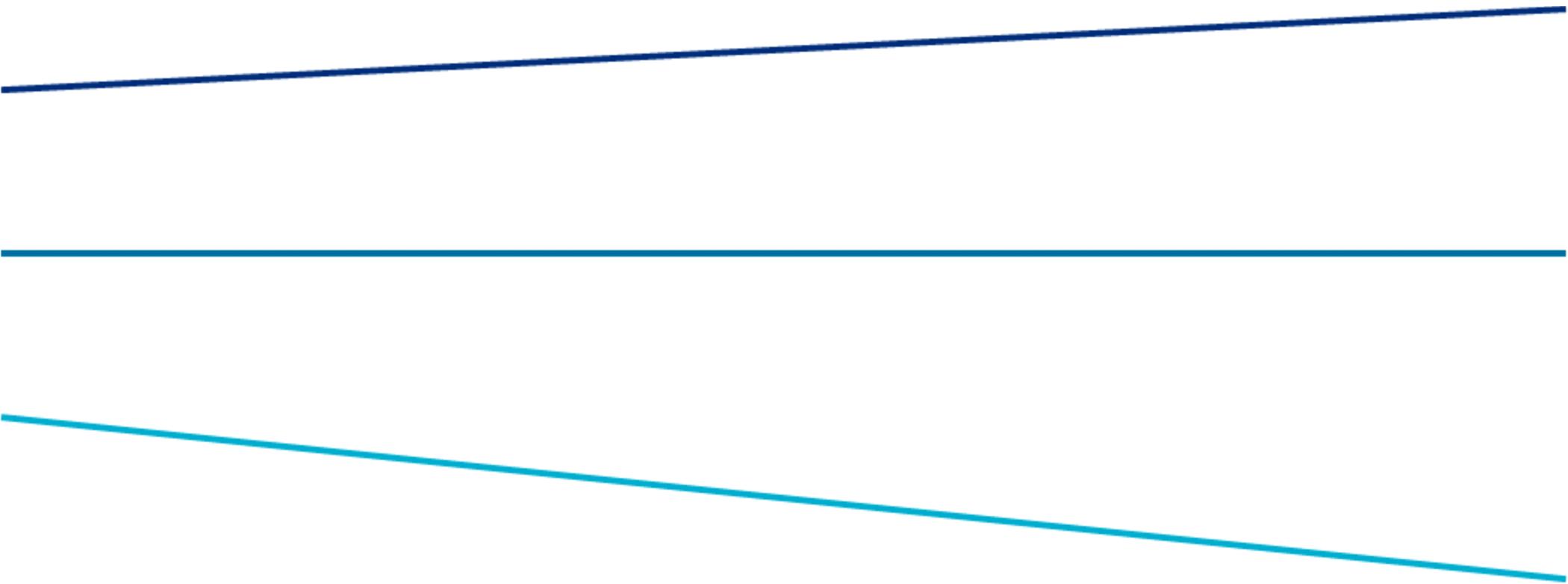
The **Fixed Income Fund** gained 0.0% over the quarter and outperformed the Barclays Aggregate Index by 10 basis points. Both JP Morgan and PIMCO outperformed during the quarter. The Fixed Income Fund outperformed the benchmark over the trailing one- and three-year periods.

*In December 2013, Mercer met with JP Morgan Asset Management to discuss their Core Bond strategy. As a result of this meeting, Mercer is maintaining the strategy's "A" rating. The full Research Note is provided under a separate cover.*

### Stable Value

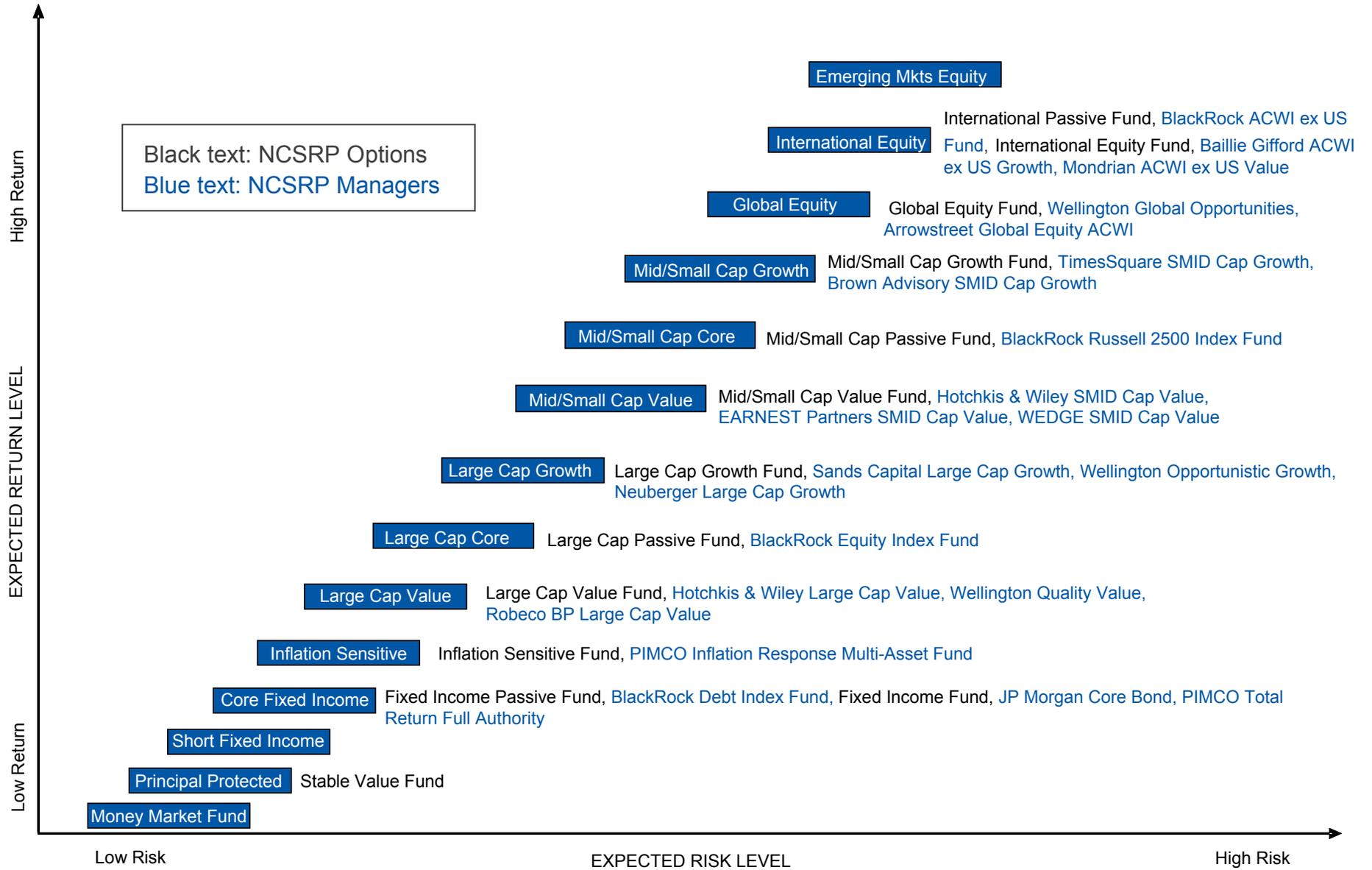
During the third quarter, the **Stable Value Fund** returned 0.5% and outperformed its benchmark by 20 basis points. As of December 31, 2013, the combined market-to-book ratio was 101.27% and the effective duration was 3.2 years. Over the trailing one- and three-year periods, the Fund exhibited strong performance relative to its benchmark.

# Total Plan



# Total Plan

## Option Array

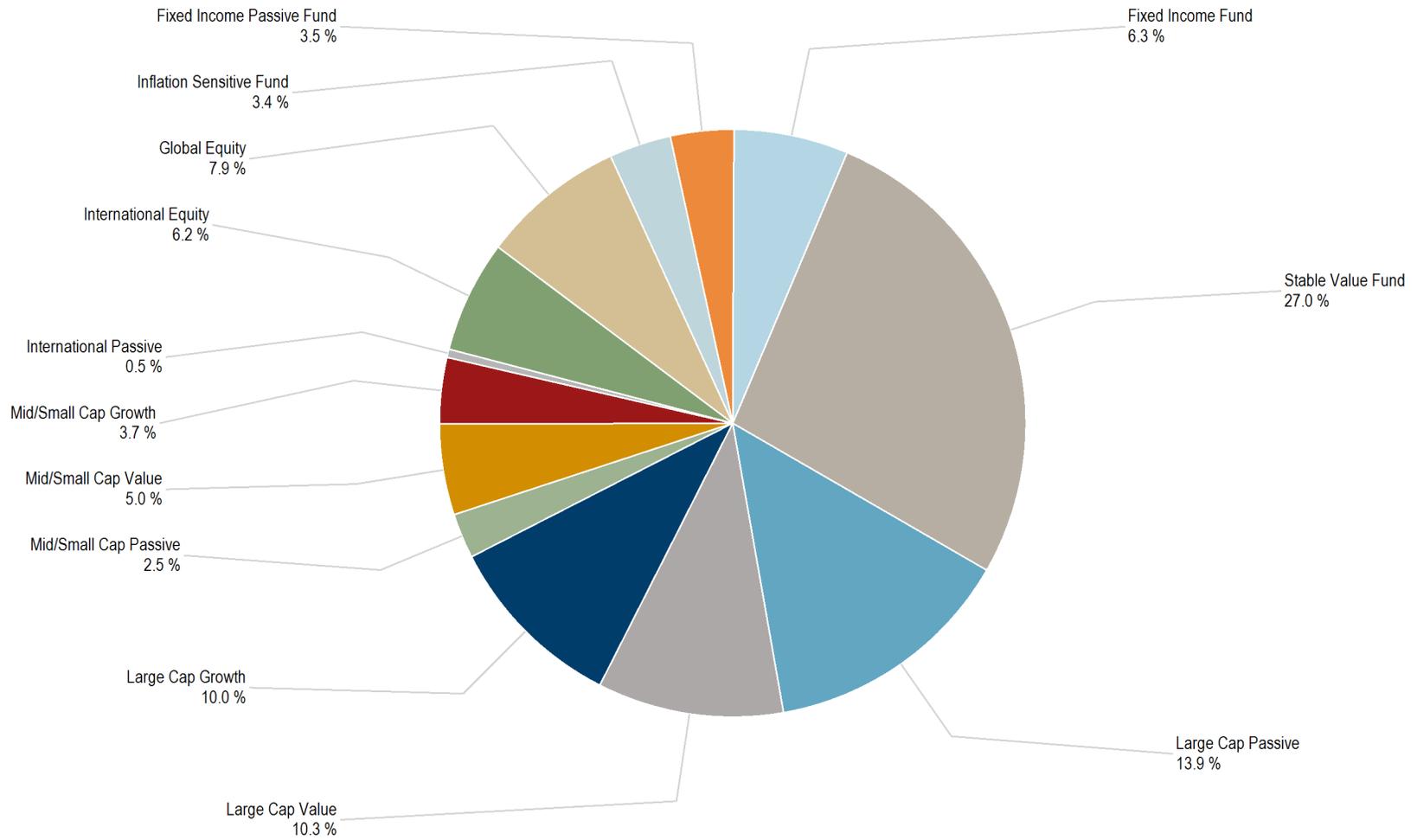


# Total Plan

## Asset Allocation

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Current Fund Allocation



## Performance Scorecard

	Mercer Rating	Return								Risk <sup>1</sup>
		3 Years to 12/31/2013		3 Years to 9/30/2013		3 Years to 6/30/2013		3 Years to 3/31/2012		5 Years to 12/31/2013
		I	U	I	U	I	U	I	U	I
<b>Large Cap Passive Fund (tracked within 20bps)</b>		✓	NA	✓	NA	✓	NA	✓	NA	NA
BlackRock Equity Index Fund	PP	✓	NA	✓	NA	✓	NA	✓	NA	NA
<b>Large Cap Value Fund</b>		✓	✓	✓	✓	✓	✓	✗	✓	NA
Hotchkis & Wiley Large Cap Value	B+ (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wellington Quality Value	N	✗	✗	✗	✗	✗	✗	✗	✗	✓
Robeco BP Large Cap Value	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Large Cap Growth Fund</b>		✓	✓	✓	✓	✓	✓	✓	✓	NA
Sands Capital Large Cap Growth	A (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wellington Opportunistic Growth	A	✗	✗	✓	✓	✗	✓	✗	✗	✓
Neuberger Large Cap Growth	B+	✗	✗	✗	✗	✗	✗	✗	✗	✓

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

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

## Performance Scorecard

	Mercer Rating	Return								Risk <sup>1</sup>
		3 Years to 12/31/2013		3 Years to 9/30/2013		3 Years to 6/30/2013		3 Years to 3/31/2012		5 Years to 12/31/2013
		I	U	I	U	I	U	I	U	I
<b>Mid/Small Cap Passive Fund (tracked within 30 bps)</b>		✓	NA	✓	NA	✓	NA	✓	NA	NA
BlackRock Russell 2500 Index Fund	PP	✓	NA	✓	NA	✓	NA	✓	NA	NA
<b>Mid/Small Cap Value Fund</b>		✓	✓	✓	✓	✓	✓	✓	✓	NA
Hotchkis & Wiley SMID Cap Value	B+ (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓
EARNEST Partners SMID Cap Value	B+	✓	✓	✓	✗	✗	✗	✓	✗	✓
WEDGE SMID Cap Value	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Mid/Small Cap Growth Fund</b>		✓	✓	✗	✓	✗	✓	✗	✓	NA
TimesSquare SMID Cap Growth	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Brown Advisory	R	✓	✗	✓	✗	✓	✓	✗	✗	✓

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

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## Performance Scorecard

	Mercer Rating	Return								Risk <sup>1</sup>
		3 Years to 12/31/2013		3 Years to 9/30/2013		3 Years to 6/30/2013		3 Years to 3/31/2012		5 Years to 12/31/2013
		I	U	I	U	I	U	I	U	I
<b>International Passive Fund (tracked within 10 bps)</b>		✗	NA	✗	NA	✗	NA	✗	NA	NA
BlackRock ACWI ex US Fund	PP	✓	NA	✓	NA	✓	NA	✗	NA	NA
<b>International Equity Fund</b>		✓	✗	✓	✗	✓	✗	✓	✓	NA
Baillie Gifford ACWI ex US Growth	A	✓	✗	✓	✗	✓	✓	✓	✓	✓
Mondrian ACWI ex US Value	B+	✓	✗	✓	✗	✓	✗	✓	✗	✓
<b>Global Equity Fund</b>		✓	✓	✓	✓	✓	✓	✓	✓	NA
Wellington Global Opportunities	B+	✓	✓	✓	✓	✓	✓	✓	✓	✓
Arrowstreet Global Equity ACWI	A	✓	✓	✓	✓	✓	✓	✓	✓	✓

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

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## Performance Scorecard

	Mercer Rating	Return								Risk <sup>1</sup>
		3 Years to 12/31/2013		3 Years to 9/30/2013		3 Years to 6/30/2013		3 Years to 3/31/2012		5 Years to 12/31/2013
		I	U	I	U	I	U	I	U	I
<b>Inflation Sensitive Fund</b>		NA	NA	NA	NA	NA	NA	NA	NA	NA
PIMCO Inflation Response-Multi Asset	B+ (W)	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Fixed Income Passive Fund (tracked within 25 bps)</b>		✓	NA	✓	NA	NA	NA	NA	NA	NA
BlackRock Debt Index Fund	N	✓	NA	✓	NA	✓	NA	✓	NA	NA
<b>Fixed Income Fund</b>		✓	✓	✓	✓	✓	✗	✓	✓	NA
JP Morgan Core Bond	A	✓	✗	✓	✓	✓	✓	✓	✓	✓
PIMCO Total Return Full Authority	A (W)	✓	✓	✓	✗	✓	✗	✓	✗	✓
<b>Stable Value Fund</b>		✓	✓	✓	✓	✓	✓	✓	✗	NA

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

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## Watch List

Manager	Date Placed on Watch	Mercer Rating*	Recommendation	Comments
Wellington Quality Value	3Q13	N	Monitor	<p>Wellington has underperformed the Russell 1000 value over the four most recent three-year rolling periods. The strategy's high quality focus has held the portfolio back in recent periods.</p> <p>After another quarter of strong returns in the US equity markets, Wellington's quality value strategy failed to keep pace with the Russell 1000 Value, as the higher quality securities Wellington prefers were not in favor. Mercer is comfortable that Wellington's performance is consistent with its philosophy and will recover when the market moves to favor higher quality securities. However, ongoing monitoring is appropriate to ensure this remains the case.</p>
Neuberger Large Cap Growth	4Q12	B+	Monitor	<p>The Neuberger Berman Large Cap Disciplined Growth strategy was placed on watch at the fourth quarter of 2012 meeting due to performance struggles over the recent four rolling three-year periods. Neuberger has historically produced solid results, even though the difficult market environment in calendar year 2008. However, since 2009, Neuberger has struggled.</p> <p>Two primary factors are believed to have driven the underperformance. The first is a series of changes in the portfolio management group, as it went from two decision makers to four, and in 2011 went back to two. It is expected that the smaller decision-making team will be more effective. The other cause of underperformance may have been the strong bull market rally, which favored more cyclical names than Neuberger generally holds.</p> <p>Mercer expects that market environments favoring lower quality and smaller cap names may present performance headwinds for Neuberger. The strategy's underperformance during the recent risk-on/risk-off environment is in line with that expectation, and we believe that performance should be strong in a more fundamentally-driven market environment.</p> <p>Neuberger Berman underperformed the benchmark again over the fourth quarter and has underperformed the benchmark and peer group median over all time periods evaluated. Although the strategy's higher quality bias has been out of favor recently, Mercer recommends continuing to closely monitor Neuberger for improved longer-term performance.</p>

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Funds and Sub-Advisors	Assets	Inv. Mgmt. Fee	Other Inv. Exp. <sup>1</sup>	R/K Fee	NC Budget <sup>2</sup>	Total Estimated Expense (%)	Total Estimated Expense (\$) <sup>3</sup>	Mercer Median Expense	Difference
<b>North Carolina Stable Value Fund</b>	<b>\$2,262,746,823</b>	<b>0.339%</b>	<b>0.000%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.460%</b>	<b>\$10,408,635</b>	0.46%	0.00%
Galliard	\$2,262,746,823	0.339%	0.000%				\$7,670,712	0.46%	-0.12%
<b>North Carolina Fixed Income Passive Fund</b>	<b>\$292,636,218</b>	<b>0.070%</b>	<b>0.055%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.246%</b>	<b>\$719,885</b>	0.20%	0.05%
BlackRock	\$292,636,218	0.070%	0.055%				\$204,845	0.02%	0.05%
<b>North Carolina Fixed Income Fund</b>	<b>\$529,741,267</b>	<b>0.219%</b>	<b>0.077%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.416%</b>	<b>\$2,205,282</b>	0.52%	-0.10%
50% JP Morgan	\$263,562,187	0.188%	0.071%				\$494,412	0.23%	-0.04%
50% PIMCO	\$266,179,080	0.250%	0.082%				\$665,448	0.26%	-0.01%
<b>North Carolina Inflation Sensitive Fund</b>	<b>\$287,063,953</b>	<b>0.800%</b>	<b>0.055%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.976%</b>	<b>\$2,801,744</b>	0.87%	0.11%
PIMCO	\$287,063,953	0.800%	0.055%				\$2,296,512	0.87%	-0.07%
<b>North Carolina Large Cap Passive Fund</b>	<b>\$1,166,193,842</b>	<b>0.025%</b>	<b>0.055%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.201%</b>	<b>\$2,344,050</b>	0.20%	0.00%
BlackRock	\$1,166,193,842	0.025%	0.055%				\$291,548	0.01%	0.02%
<b>North Carolina Large Cap Value Fund</b>	<b>\$861,169,877</b>	<b>0.378%</b>	<b>0.071%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.570%</b>	<b>\$4,910,010</b>	0.78%	-0.21%
33.3% Hotchkis & Wiley	\$289,533,104	0.500%	0.072%				\$1,447,666	0.44%	0.07%
33.3% Wellington Management Company	\$283,400,843	0.290%	0.072%				\$821,862	0.44%	-0.15%
33.3% Robeco BP	\$288,235,930	0.343%	0.071%				\$989,708	0.44%	-0.09%
<b>North Carolina Large Cap Growth Fund</b>	<b>\$839,685,447</b>	<b>0.378%</b>	<b>0.072%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.571%</b>	<b>\$4,792,892</b>	0.83%	-0.26%
33.3% Sands Capital Management	\$293,102,479	0.510%	0.072%				\$1,494,496	0.45%	0.06%
33.3% Wellington Management Company	\$274,442,707	0.350%	0.072%				\$960,549	0.46%	-0.11%
33.3% Neuberger Berman	\$272,140,260	0.275%	0.071%				\$748,386	0.47%	-0.19%
<b>North Carolina SMID Cap Passive Fund</b>	<b>\$207,587,329</b>	<b>0.050%</b>	<b>0.055%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.226%</b>	<b>\$469,147</b>	0.28%	-0.05%
BlackRock	\$207,587,329	0.050%	0.055%				\$103,794	0.02%	0.03%
<b>North Carolina SMID Value Fund</b>	<b>\$418,675,100</b>	<b>0.624%</b>	<b>0.071%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.817%</b>	<b>\$3,418,692</b>	1.00%	-0.18%
33.3% Hotchkis & Wiley	\$138,443,656	0.587%	0.072%				\$812,218	0.61%	-0.03%
33.3% EARNEST Partners	\$140,285,723	0.525%	0.072%				\$736,634	0.78%	-0.25%
33.3% WEDGE Capital Management	\$139,945,721	0.761%	0.071%				\$1,064,674	0.78%	-0.02%
<b>North Carolina SMID Growth Fund</b>	<b>\$306,390,093</b>	<b>0.707%</b>	<b>0.071%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.899%</b>	<b>\$2,754,779</b>	1.01%	-0.11%
50% TimesSquare Capital Management	\$154,337,835	0.847%	0.072%				\$1,307,534	0.77%	0.08%
50% Brown Advisory	\$152,052,257	0.566%	0.071%				\$860,809	0.81%	-0.25%
<b>North Carolina International Passive Fund</b>	<b>\$38,430,790</b>	<b>0.140%</b>	<b>0.055%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.316%</b>	<b>\$121,441</b>	0.40%	-0.08%
BlackRock	\$38,430,790	0.140%	0.055%				\$53,803	0.06%	0.08%
<b>North Carolina International Equity Fund</b>	<b>\$518,675,359</b>	<b>0.453%</b>	<b>0.123%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.697%</b>	<b>\$3,614,234</b>	1.01%	-0.31%
50% Baillie Gifford	\$259,361,965	0.448%	0.124%				\$1,162,448	0.55%	-0.10%
50% Mondrian Investment Partners	\$259,313,393	0.458%	0.122%				\$1,187,254	0.56%	-0.10%
<b>North Carolina Global Equity Fund</b>	<b>\$665,097,028</b>	<b>0.551%</b>	<b>0.088%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.761%</b>	<b>\$5,059,159</b>	1.07%	-0.31%
50% Wellington Management Company	\$333,214,941	0.500%	0.093%				\$1,666,075	0.54%	-0.04%
50% Arrowstreet	\$331,882,087	0.603%	0.083%				\$2,000,351	0.54%	0.07%
<b>Total</b>	<b>\$8,394,093,126</b>	<b>0.346%</b>	<b>0.053%</b>	<b>0.096%</b>	<b>0.025%</b>	<b>0.520%</b>	<b>\$43,619,950</b>	<b>0.627%</b>	

<sup>1</sup>Includes the ongoing administration, legal, accounting, auditing, custody, NAV calculation, reporting, compliance, and other miscellaneous fund expenses associated with the separate account.

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

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

# Total Plan

## Performance Summary

### Total Plan Performance

	Current Market Value	Current Allocation	Ending December 31, 2013								Inception	
			3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
<b>Large Cap Passive</b>	<b>\$1,166,193,842</b>	<b>13.9%</b>	<b>10.4%</b>	<b>38</b>	<b>32.1%</b>	<b>47</b>	<b>16.0%</b>	<b>28</b>	<b>--</b>	<b>--</b>	<b>21.8%</b>	<b>Mar-09</b>
S&P 500			10.5%	35	32.4%	42	16.2%	26	17.9%	27	21.9%	Mar-09
<i>Mercer Mutual Fund US Equity Large Cap Core Median</i>			10.1%		31.8%		15.1%		17.0%		20.4%	Mar-09
NCSRP BlackRock Equity Index	\$1,166,193,842	13.9%	10.5%	44	32.3%	71	16.2%	63	--	--	22.0%	Mar-09
<i>BlackRock Equity Index Strategy</i>			10.5%	30	32.3%	68	16.2%	61	18.0%	46	22.0%	Mar-09
S&P 500			10.5%	27	32.4%	58	16.2%	60	17.9%	65	21.9%	Mar-09
<i>Mercer Instl US Equity Large Cap Index Median</i>			10.5%		32.4%		16.2%		18.0%		22.2%	Mar-09
<b>Large Cap Value</b>	<b>\$861,169,877</b>	<b>10.3%</b>	<b>9.9%</b>	<b>49</b>	<b>35.1%</b>	<b>27</b>	<b>16.2%</b>	<b>27</b>	<b>--</b>	<b>--</b>	<b>20.6%</b>	<b>Mar-09</b>
Russell 1000 Value			10.0%	47	32.5%	47	16.1%	30	16.7%	46	22.3%	Mar-09
<i>Mercer Mutual Fund US Equity Large Cap Value Median</i>			9.8%		32.4%		14.7%		16.3%		20.6%	Mar-09
NCSRP Hotchkis & Wiley Large Cap Value	\$289,533,104	3.4%	9.7%	60	41.2%	7	18.1%	19	--	--	26.8%	Mar-09
<i>Hotchkis &amp; Wiley Large Cap Value Strategy</i>			9.7%	59	40.9%	8	17.9%	21	22.0%	4	26.8%	Mar-09
Russell 1000 Value			10.0%	51	32.5%	65	16.1%	53	16.7%	73	22.3%	Mar-09
<i>Mercer Instl US Equity Large Cap Value Median</i>			10.0%		34.4%		16.2%		17.6%		21.8%	Mar-09
NCSRP Wellington Value Composite	\$283,400,843	3.4%	9.4%	69	28.7%	91	14.0%	89	--	--	14.4%	Mar-09
<i>NCSRP Wellington Quality Value</i>			9.1%	76	28.4%	92	13.9%	90	--	--	--	Mar-09
<i>Wellington Quality Value Strategy</i>			9.4%	70	28.6%	91	14.0%	88	16.6%	75	20.6%	Mar-09
Russell 1000 Value			10.0%	51	32.5%	65	16.1%	53	16.7%	73	22.3%	Mar-09
<i>Mercer Instl US Equity Large Cap Value Median</i>			10.0%		34.4%		16.2%		17.6%		21.8%	Mar-09
NCSRP Robeco BP Large Cap Value	\$288,235,930	3.4%	10.9%	28	37.5%	27	--	--	--	--	28.8%	Nov-11
<i>Robeco BP Large Cap Value Strategy</i>			10.8%	29	37.2%	28	19.0%	8	19.4%	18	28.6%	Nov-11
Russell 1000 Value			10.0%	51	32.5%	65	16.1%	53	16.7%	73	24.9%	Nov-11
<i>Mercer Instl US Equity Large Cap Value Median</i>			10.0%		34.4%		16.2%		17.6%		--	Nov-11

# Total Plan

## Performance Summary

	Current Market Value	Current Allocation	Ending December 31, 2013								Inception	
			3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
<b>Large Cap Growth</b>	<b>\$839,685,447</b>	<b>10.0%</b>	<b>9.6%</b>	<b>85</b>	<b>36.3%</b>	<b>31</b>	<b>16.6%</b>	<b>26</b>	<b>--</b>	<b>--</b>	<b>26.1%</b>	<b>Mar-09</b>
<i>Russell 1000 Growth</i>			10.4%	65	33.5%	58	16.5%	29	20.4%	26	22.7%	Mar-09
<i>Mercer Mutual Fund US Equity Large Cap Growth Median</i>			10.9%		34.3%		14.9%		18.8%		21.0%	Mar-09
NCSRP Sands Capital Large Cap Growth	\$293,102,479	3.5%	10.0%	73	43.0%	4	22.5%	1	--	--	32.8%	Mar-09
<i>Sands Capital Large Cap Growth Strategy</i>			10.0%	72	42.9%	4	22.5%	1	32.1%	1	32.6%	Mar-09
<i>Russell 1000 Growth</i>			10.4%	61	33.5%	60	16.5%	42	20.4%	38	22.7%	Mar-09
<i>Mercer Instl US Equity Large Cap Growth Median</i>			10.9%		34.6%		15.9%		19.8%		21.9%	Mar-09
NCSRP Wellington Opportunistic Growth	\$274,442,707	3.3%	9.8%	79	37.5%	24	15.2%	60	--	--	23.2%	Mar-09
<i>Wellington Opportunistic Growth Strategy</i>			9.7%	80	37.4%	25	15.1%	62	20.4%	37	23.1%	Mar-09
<i>Russell 1000 Growth</i>			10.4%	61	33.5%	60	16.5%	42	20.4%	38	22.7%	Mar-09
<i>Russell 3000 Growth</i>			10.2%	67	34.2%	55	16.5%	41	20.6%	36	22.9%	Mar-09
<i>Mercer Instl US Equity Large Cap Growth Median</i>			10.9%		34.6%		15.9%		19.8%		21.9%	Mar-09
NCSRP Neuberger Large Cap Growth	\$272,140,260	3.2%	9.4%	87	30.2%	86	--	--	--	--	18.5%	Oct-11
<i>Neuberger Large Cap Growth Strategy</i>			9.4%	87	30.4%	85	12.1%	98	16.0%	93	18.1%	Oct-11
<i>Russell 1000 Growth</i>			10.4%	61	33.5%	60	16.5%	42	20.4%	38	21.8%	Oct-11
<i>Mercer Instl US Equity Large Cap Growth Median</i>			10.9%		34.6%		15.9%		19.8%		--	Oct-11
<b>Mid/Small Cap Passive</b>	<b>\$207,587,329</b>	<b>2.5%</b>	<b>8.6%</b>	<b>56</b>	<b>36.6%</b>	<b>54</b>	<b>16.2%</b>	<b>36</b>	<b>--</b>	<b>--</b>	<b>26.1%</b>	<b>Mar-09</b>
<i>Russell 2500</i>			8.7%	54	36.8%	52	16.3%	35	21.8%	38	26.2%	Mar-09
<i>Mercer Mutual Fund US Equity Small+Mid Median</i>			8.8%		37.0%		15.2%		20.9%		24.9%	Mar-09
NCSRP BlackRock Russell 2500 Index Fund	\$207,587,329	2.5%	8.6%	66	36.9%	65	16.4%	59	--	--	26.4%	Mar-09
<i>BlackRock Russell 2500 Index Fund Strategy</i>			8.7%	65	36.9%	65	16.4%	59	21.9%	60	26.4%	Mar-09
<i>Russell 2500</i>			8.7%	66	36.8%	65	16.3%	60	21.8%	62	26.2%	Mar-09
<i>Mercer Instl US Equity Small + Mid Cap Median</i>			9.3%		39.5%		17.0%		22.4%		27.0%	Mar-09

# Total Plan

## Performance Summary

	Current Market Value	Current Allocation	Ending December 31, 2013								Inception	
			3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
<b>Mid/Small Cap Value</b>	<b>\$418,675,100</b>	<b>5.0%</b>	<b>8.6%</b>	<b>69</b>	<b>36.6%</b>	<b>42</b>	<b>18.0%</b>	<b>8</b>	<b>--</b>	<b>--</b>	<b>29.4%</b>	<b>Mar-09</b>
<i>Russell 2500 Value</i>			8.8%	63	33.3%	75	15.4%	42	19.6%	64	25.4%	Mar-09
<i>Mercer Mutual Fund US Equity Small+Mid Value Median</i>			9.4%		35.8%		14.9%		20.6%		25.5%	Mar-09
NCSRP Hotchkis & Wiley	\$138,443,656	1.6%	6.9%	85	44.5%	5	21.0%	1	--	--	34.1%	Mar-09
<i>Hotchkis &amp; Wiley Value Strategy</i>			6.8%	86	44.2%	5	20.8%	2	30.4%	1	34.4%	Mar-09
<i>Hotchkis Custom SMID Value Index</i>			8.8%	53	33.3%	70	15.6%	49	20.9%	58	26.3%	Mar-09
<i>Mercer Instl US Equity SMID Value Median</i>			8.9%		35.2%		15.6%		21.4%		25.8%	Mar-09
NCSRP EARNEST Partners	\$140,285,723	1.7%	9.5%	38	31.9%	74	16.1%	40	--	--	24.4%	Mar-09
<i>EARNEST Partners Value Strategy</i>			9.6%	37	32.3%	73	17.4%	28	19.8%	81	25.4%	Mar-09
<i>EARNEST Custom SMID Value Index</i>			8.8%	53	33.3%	70	14.5%	65	17.7%	98	24.3%	Mar-09
<i>Mercer Instl US Equity SMID Value Median</i>			8.9%		35.2%		15.6%		21.4%		25.8%	Mar-09
NCSRP WEDGE SMID Cap Value	\$139,945,721	1.7%	9.9%	29	36.0%	44	--	--	--	--	28.1%	Dec-11
<i>WEDGE SMID Cap Value Strategy</i>			9.9%	22	36.2%	43	17.7%	27	21.9%	44	28.3%	Dec-11
<i>Russell 2500 Value</i>			8.8%	53	33.3%	70	15.4%	57	19.6%	81	26.1%	Dec-11
<i>Mercer Instl US Equity SMID Value Median</i>			8.9%		35.2%		15.6%		21.4%		25.3%	Dec-11
<b>Mid/Small Cap Growth</b>	<b>\$306,390,093</b>	<b>3.7%</b>	<b>9.4%</b>	<b>25</b>	<b>41.1%</b>	<b>41</b>	<b>18.3%</b>	<b>19</b>	<b>--</b>	<b>--</b>	<b>25.8%</b>	<b>Mar-09</b>
<i>Russell 2500 Growth</i>			8.5%	46	40.7%	44	17.1%	31	24.0%	20	27.1%	Mar-09
<i>Mercer Mutual Fund US Equity Small+Mid Growth Median</i>			8.1%		38.5%		15.4%		21.7%		24.9%	Mar-09
NCSRP TimesSquare Composite	\$154,337,835	1.8%	11.0%	12	42.9%	37	21.6%	8	--	--	26.9%	Mar-09
<i>NCSRP TimesSquare SMID Growth</i>			9.9%	26	41.4%	47	--	--	--	--	--	Mar-09
<i>TimesSquare Growth Strategy</i>			11.0%	12	42.8%	38	21.8%	7	26.7%	24	29.5%	Mar-09
<i>TimesSquare Custom SMID Growth Index</i>			8.5%	44	40.6%	51	16.9%	60	24.2%	56	26.5%	Mar-09
<i>Mercer Instl US Equity SMID Growth Median</i>			8.2%		40.7%		17.7%		24.4%		27.0%	Mar-09

# Total Plan

## Performance Summary

	Current Market Value	Current Allocation	Ending December 31, 2013								Inception	
			3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
NCSRP Brown Advisory	\$152,052,257	1.8%	8.2%	53	41.4%	47	17.4%	55	--	--	27.1%	Mar-09
<i>Brown Advisory Growth Strategy</i>			8.4%	45	42.6%	41	17.6%	54	24.8%	40	27.3%	Mar-09
<i>Brown Custom SMID Growth Index</i>			8.5%	44	40.6%	51	16.6%	62	22.4%	75	26.4%	Mar-09
<i>Mercer Instl US Equity SMID Growth Median</i>			8.2%		40.7%		17.7%		24.4%		27.0%	Mar-09
<b>International Passive</b>	<b>\$38,430,790</b>	<b>0.5%</b>	<b>4.7%</b>	<b>79</b>	<b>14.4%</b>	<b>89</b>	<b>5.1%</b>	<b>79</b>	<b>--</b>	<b>--</b>	<b>16.2%</b>	<b>Mar-09</b>
<i>MSCI ACWI ex USA Gross</i>			4.8%	74	15.8%	80	5.6%	72	13.3%	19	16.8%	Mar-09
<i>Mercer Mutual Fund World ex US/EAFE Equity Index Median</i>			5.4%		21.4%		7.5%		12.0%		16.5%	Mar-09
NCSRP BlackRock ACWI ex US Fund	\$38,430,790	0.5%	4.8%	94	14.7%	98	5.3%	94	--	--	16.5%	Mar-09
<i>BlackRock ACWI ex US Fund Strategy</i>			4.8%	95	14.7%	98	5.3%	93	13.0%	10	16.5%	Mar-09
<i>MSCI ACWI ex USA Gross</i>			4.8%	91	15.8%	80	5.6%	80	13.3%	1	16.8%	Mar-09
<i>Mercer Instl World ex US/EAFE Equity Passive Median</i>			5.7%		22.8%		8.4%		12.6%		16.9%	Mar-09
<b>International Equity</b>	<b>\$518,675,359</b>	<b>6.2%</b>	<b>5.0%</b>	<b>77</b>	<b>14.9%</b>	<b>86</b>	<b>7.1%</b>	<b>62</b>	<b>--</b>	<b>--</b>	<b>16.5%</b>	<b>Mar-09</b>
<i>MSCI ACWI ex USA Gross</i>			4.8%	80	15.8%	84	5.6%	82	13.3%	46	16.8%	Mar-09
<i>Mercer Mutual Fund World ex US/EAFE Equity Median</i>			6.1%		21.6%		7.6%		13.1%		16.9%	Mar-09
NCSRP Baillie Gifford ACWI ex US Growth	\$259,361,965	3.1%	5.3%	75	17.3%	84	8.6%	53	--	--	20.3%	Mar-09
<i>Baillie Gifford ACWI ex US Growth Strategy</i>			5.3%	78	17.3%	84	8.6%	51	17.3%	14	20.4%	Mar-09
<i>MSCI ACWI ex USA Gross</i>			4.8%	87	15.8%	91	5.6%	92	13.3%	69	16.8%	Mar-09
<i>MSCI AC Wld ex US Growth Gross</i>			4.7%	89	15.9%	90	5.3%	93	13.3%	70	16.4%	Mar-09
<i>Mercer Instl World ex US/EAFE Equity Median</i>			6.3%		23.0%		8.7%		14.3%		18.4%	Mar-09
NCSRP Mondrian ACWI ex US Value	\$259,313,393	3.1%	5.1%	82	15.6%	92	7.2%	78	--	--	14.7%	Mar-09
<i>Mondrian ACWI ex US Value Strategy</i>			4.9%	85	15.6%	92	7.3%	76	10.3%	97	14.8%	Mar-09
<i>MSCI ACWI ex USA Gross</i>			4.8%	87	15.8%	91	5.6%	92	13.3%	69	16.8%	Mar-09
<i>MSCI AC Wld Ex US Value Gross</i>			4.9%	85	15.7%	91	5.9%	89	13.3%	69	17.2%	Mar-09
<i>Mercer Instl World ex US/EAFE Equity Median</i>			6.3%		23.0%		8.7%		14.3%		18.4%	Mar-09

# Total Plan

## Performance Summary

	Current Market Value	Current Allocation	Ending December 31, 2013								Inception	
			3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
<b>Global Equity</b>	<b>\$665,097,028</b>	<b>7.9%</b>	<b>9.0%</b>	<b>20</b>	<b>32.3%</b>	<b>19</b>	<b>13.0%</b>	<b>22</b>	<b>--</b>	<b>--</b>	<b>19.5%</b>	<b>Mar-09</b>
MSCI ACWI Gross			7.4%	57	23.4%	68	10.3%	58	15.5%	59	19.2%	Mar-09
Mercer Mutual Fund Global Equity Median			7.7%		26.7%		11.0%		16.1%		19.4%	Mar-09
NCSRP Wellington Global Composite	\$333,214,941	4.0%	9.4%	19	34.5%	10	14.8%	13	--	--	20.9%	Mar-09
NCSRP Wellington Global Opportunities			8.5%	40	33.3%	14	14.4%	16	--	--	--	Mar-09
Wellington Global Opportunities Strategy			9.7%	17	35.1%	9	14.8%	13	19.8%	13	23.0%	Mar-09
MSCI ACWI Gross			7.4%	62	23.4%	77	10.3%	69	15.5%	62	19.2%	Mar-09
Mercer Instl Global Equity Median			8.1%		27.5%		11.8%		16.3%		19.8%	Mar-09
NCSRP Arrowstreet Global Equity ACWI	\$331,882,087	4.0%	8.9%	30	33.2%	15	--	--	--	--	19.6%	Mar-12
Arrowstreet Global Equity ACWI Strategy			9.8%	13	34.5%	10	13.9%	22	19.5%	15	21.1%	Mar-12
MSCI ACWI Gross			7.4%	62	23.4%	77	10.3%	69	15.5%	62	15.5%	Mar-12
Mercer Instl Global Equity Median			8.1%		27.5%		11.8%		16.3%		17.6%	Mar-12
<b>Inflation Sensitive Fund</b>	<b>\$287,063,953</b>	<b>3.4%</b>	<b>-2.3%</b>	<b>99</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-2.3%</b>	<b>Sep-13</b>
PIMCO Inflation Response Index			-2.1%	99	-8.8%	99	0.5%	73	6.1%	69	-2.1%	Sep-13
Mercer Mutual Fund Diversified Inflation Hedge Median			0.7%		-1.5%		2.1%		7.0%		0.7%	Sep-13
NCSRP PIMCO Inflation Response Multi-Asset	\$287,063,953	3.4%	-2.1%	99	--	--	--	--	--	--	-2.1%	Sep-13
PIMCO Inflation Response Multi-Asset Strategy			-2.1%	99	-9.3%	99	--	--	--	--	-2.1%	Sep-13
PIMCO Inflation Response Index			-2.1%	99	-8.8%	99	0.5%	73	6.1%	69	-2.1%	Sep-13
Consumer Price Index			-0.5%	90	1.5%	32	2.1%	51	2.1%	99	-0.5%	Sep-13
Mercer Mutual Fund Diversified Inflation Hedge Median			0.7%		-1.5%		2.1%		7.0%		0.7%	Sep-13

# Total Plan

## Performance Summary

	Current Market Value	Current Allocation	Ending December 31, 2013								Inception	
			3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
<b>Fixed Income Passive Fund</b>	<b>\$292,636,218</b>	<b>3.5%</b>	<b>-0.3%</b>	<b>93</b>	<b>-2.2%</b>	<b>85</b>	<b>3.1%</b>	<b>66</b>	<b>--</b>	<b>--</b>	<b>2.4%</b>	<b>Sep-10</b>
<i>Barclays Aggregate</i>			-0.1%	88	-2.0%	81	3.3%	62	4.4%	77	2.6%	Sep-10
<i>Mercer Mutual Fund US Fixed Core Median</i>			0.4%		-0.7%		3.7%		6.1%		3.1%	Sep-10
NCSRP BlackRock Debt Index Fund	\$292,636,218	3.5%	-0.2%	92	-2.0%	81	3.3%	62	--	--	2.6%	Sep-10
<i>BlackRock Debt Index Fund Strategy</i>			-0.2%	92	-2.0%	81	3.3%	62	4.5%	76	2.6%	Sep-10
<i>Barclays Aggregate</i>			-0.1%	88	-2.0%	81	3.3%	62	4.4%	77	2.6%	Sep-10
<i>Mercer Mutual Fund US Fixed Core Median</i>			0.4%		-0.7%		3.7%		6.1%		3.1%	Sep-10
<b>Fixed Income Fund</b>	<b>\$529,741,267</b>	<b>6.3%</b>	<b>0.0%</b>	<b>84</b>	<b>-1.3%</b>	<b>63</b>	<b>3.8%</b>	<b>47</b>	<b>--</b>	<b>--</b>	<b>5.8%</b>	<b>Mar-09</b>
<i>Barclays Aggregate</i>			-0.1%	88	-2.0%	81	3.3%	62	4.4%	77	4.7%	Mar-09
<i>Mercer Mutual Fund US Fixed Core Median</i>			0.4%		-0.7%		3.7%		6.1%		6.3%	Mar-09
NCSRP JP Morgan Core Bond	\$263,562,187	3.1%	0.0%	82	-1.1%	50	4.3%	54	--	--	5.7%	Mar-09
<i>JP Morgan Core Bond Strategy</i>			0.0%	81	-1.3%	56	4.0%	63	6.1%	62	6.0%	Mar-09
<i>Barclays Aggregate</i>			-0.1%	90	-2.0%	89	3.3%	93	4.4%	93	4.7%	Mar-09
<i>Mercer Instl US Fixed Core Median</i>			0.3%		-1.1%		4.4%		6.5%		6.6%	Mar-09
NCSRP PIMCO Total Return Full Authority	\$266,179,080	3.2%	0.1%	66	-0.6%	31	4.1%	61	--	--	6.8%	Mar-09
<i>PIMCO Total Return Full Authority Strategy</i>			0.1%	72	-1.5%	66	4.4%	48	7.3%	36	7.4%	Mar-09
<i>Barclays Aggregate</i>			-0.1%	90	-2.0%	89	3.3%	93	4.4%	93	4.7%	Mar-09
<i>Mercer Instl US Fixed Core Median</i>			0.3%		-1.1%		4.4%		6.5%		6.6%	Mar-09
<b>Stable Value Fund</b>	<b>\$2,262,746,823</b>	<b>27.0%</b>	<b>0.5%</b>	<b>31</b>	<b>2.1%</b>	<b>19</b>	<b>2.7%</b>	<b>50</b>	<b>--</b>	<b>--</b>	<b>3.1%</b>	<b>Jun-09</b>
<i>T-BILLS + 1%</i>			0.3%	75	1.0%	79	1.1%	99	1.1%	99	1.1%	Jun-09
<i>Mercer Instl Stable Value Median</i>			0.4%		1.8%		2.7%		3.1%		3.2%	Jun-09

Fund returns reported net of fees. Manager returns reported gross of fees.

# Total Plan

## Performance Summary

	Current Market Value	Current Allocation	Ending December 31, 2013								Inception	
			3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
<b>GoalMaker Funds</b>	--	--	--	--	--	--	--	--	--	--	--	--
<b>Conservative 0-5 Yrs</b>	\$296,142,307	3.5%	2.1%	89	6.8%	83	5.7%	87	--	--	8.0%	Jun-09
C01 Benchmark			2.0%	90	6.0%	88	4.7%	94	6.2%	99	6.2%	Jun-09
Mercer Mutual Fund Lifecycle 2015 Median			4.1%		11.5%		7.3%		11.9%		11.3%	Jun-09
<b>Conservative 6-10 Yrs</b>	\$101,351,262	1.2%	2.8%	89	9.5%	77	6.8%	84	--	--	9.6%	Jun-09
C02 Benchmark			2.7%	90	8.6%	84	5.7%	93	7.7%	98	7.6%	Jun-09
Mercer Mutual Fund Lifecycle 2020 Median			4.6%		13.0%		7.9%		12.7%		12.2%	Jun-09
<b>Conservative 11-15 Yrs</b>	\$67,022,563	0.8%	4.2%	90	14.0%	79	8.5%	76	--	--	11.7%	Jun-09
C03 Benchmark			4.1%	90	13.2%	82	7.7%	95	10.5%	99	10.5%	Jun-09
Mercer Mutual Fund Lifecycle 2025 Median			5.5%		16.3%		9.3%		13.9%		13.7%	Jun-09
<b>Conservative 16+ Yrs</b>	\$145,719,744	1.7%	5.7%	72	19.4%	45	10.3%	42	--	--	14.0%	Jun-09
C04 Benchmark			5.6%	73	18.5%	49	9.6%	53	13.2%	81	13.2%	Jun-09
Mercer Mutual Fund Lifecycle 2030 Median			6.2%		18.2%		9.8%		14.4%		14.2%	Jun-09
<b>Moderate 0-5 Yrs</b>	\$340,935,417	4.1%	3.3%	72	11.1%	54	7.3%	51	--	--	10.1%	Jun-09
M01 Benchmark			3.2%	73	10.2%	63	6.3%	83	8.6%	97	8.6%	Jun-09
Mercer Mutual Fund Lifecycle 2015 Median			4.1%		11.5%		7.3%		11.9%		11.3%	Jun-09
<b>Moderate 6-10 Yrs</b>	\$290,468,765	3.5%	4.2%	65	14.0%	36	8.4%	40	--	--	11.4%	Jun-09
M02 Benchmark			4.1%	67	13.2%	48	7.7%	59	10.5%	86	10.5%	Jun-09
Mercer Mutual Fund Lifecycle 2020 Median			4.6%		13.0%		7.9%		12.7%		12.2%	Jun-09
<b>Moderate 11-15 Yrs</b>	\$280,824,100	3.3%	5.2%	57	17.8%	29	9.7%	37	--	--	13.4%	Jun-09
M03 Benchmark			5.2%	68	16.9%	41	9.0%	60	12.5%	99	12.4%	Jun-09
Mercer Mutual Fund Lifecycle 2025 Median			5.5%		16.3%		9.3%		13.9%		13.7%	Jun-09
<b>Moderate 16+ Yrs</b>	\$551,176,004	6.6%	6.8%	20	23.7%	3	11.5%	9	--	--	15.7%	Jun-09
M04 Benchmark			6.7%	22	22.7%	6	10.9%	24	15.3%	19	15.2%	Jun-09
Mercer Mutual Fund Lifecycle 2030 Median			6.2%		18.2%		9.8%		14.4%		14.2%	Jun-09

# Total Plan

## Performance Summary

	Current Market Value	Current Allocation	Ending December 31, 2013								Inception	
			3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
<b>Aggressive 0-5 Yrs</b>	<b>\$145,022,510</b>	<b>1.7%</b>	<b>4.4%</b>	<b>23</b>	<b>14.9%</b>	<b>4</b>	<b>8.9%</b>	<b>8</b>	--	--	<b>12.2%</b>	<b>Jun-09</b>
<i>R01 Benchmark</i>			4.3%	25	14.0%	5	8.0%	39	11.0%	79	10.9%	Jun-09
<i>Mercer Mutual Fund Lifecycle 2015 Median</i>			4.1%		11.5%		7.3%		11.9%		11.3%	Jun-09
<b>Aggressive 6-10 Yrs</b>	<b>\$183,083,095</b>	<b>2.2%</b>	<b>5.2%</b>	<b>21</b>	<b>17.8%</b>	<b>4</b>	<b>9.8%</b>	<b>6</b>	--	--	<b>13.6%</b>	<b>Jun-09</b>
<i>R02 Benchmark</i>			5.2%	23	16.9%	7	9.0%	28	12.5%	54	12.4%	Jun-09
<i>Mercer Mutual Fund Lifecycle 2020 Median</i>			4.6%		13.0%		7.9%		12.7%		12.2%	Jun-09
<b>Aggressive 11-15 Yrs</b>	<b>\$216,180,141</b>	<b>2.6%</b>	<b>6.4%</b>	<b>7</b>	<b>22.5%</b>	<b>2</b>	<b>11.2%</b>	<b>4</b>	--	--	<b>15.1%</b>	<b>Jun-09</b>
<i>R03 Benchmark</i>			6.4%	8	21.5%	2	10.5%	11	14.7%	19	14.7%	Jun-09
<i>Mercer Mutual Fund Lifecycle 2025 Median</i>			5.5%		16.3%		9.3%		13.9%		13.7%	Jun-09
<b>Aggressive 16+ Yrs</b>	<b>\$584,340,370</b>	<b>7.0%</b>	<b>8.0%</b>	<b>1</b>	<b>28.3%</b>	<b>1</b>	<b>12.9%</b>	<b>1</b>	--	--	<b>17.5%</b>	<b>Jun-09</b>
<i>R04 Benchmark</i>			7.9%	1	27.4%	1	12.4%	3	17.5%	1	17.5%	Jun-09
<i>Mercer Mutual Fund Lifecycle 2030 Median</i>			6.2%		18.2%		9.8%		14.4%		14.2%	Jun-09

# Total Plan

## Performance Summary - NET OF FFES

### Total Plan Performance

	Current Market Value	Current Allocation	Ending December 31, 2013				Inception	
			3 Mo	1 Yr	3 Yrs	5 Yrs	Return	Since
<b>Large Cap Passive</b>	<b>\$1,166,193,842</b>	<b>13.9%</b>	<b>10.4%</b>	<b>32.1%</b>	<b>16.0%</b>	<b>--</b>	<b>21.8%</b>	<b>Mar-09</b>
<i>S&amp;P 500</i>			10.5%	32.4%	16.2%	17.9%	21.9%	Mar-09
NCSRP BlackRock Equity Index	\$1,166,193,842	13.9%	10.5%	32.3%	16.1%	--	22.0%	Mar-09
<i>S&amp;P 500</i>			10.5%	32.4%	16.2%	17.9%	21.9%	Mar-09
<b>Large Cap Value</b>	<b>\$861,169,877</b>	<b>10.3%</b>	<b>9.9%</b>	<b>35.1%</b>	<b>16.2%</b>	<b>--</b>	<b>20.6%</b>	<b>Mar-09</b>
<i>Russell 1000 Value</i>			10.0%	32.5%	16.1%	16.7%	22.3%	Mar-09
NCSRP Hotchkis & Wiley Large Cap Value	\$289,533,104	3.4%	9.6%	40.5%	17.5%	--	26.2%	Mar-09
<i>Russell 1000 Value</i>			10.0%	32.5%	16.1%	16.7%	22.3%	Mar-09
NCSRP Wellington Value Composite	\$283,400,843	3.4%	9.3%	28.3%	13.6%	--	14.0%	Mar-09
<i>NCSRP Wellington Quality Value</i>			9.1%	28.0%	13.5%	--	--	Mar-09
<i>Russell 1000 Value</i>			10.0%	32.5%	16.1%	16.7%	22.3%	Mar-09
NCSRP Robeco BP Large Cap Value	\$288,235,930	3.4%	10.8%	37.0%	--	--	28.4%	Nov-11
<i>Russell 1000 Value</i>			10.0%	32.5%	16.1%	16.7%	24.9%	Nov-11
<b>Large Cap Growth</b>	<b>\$839,685,447</b>	<b>10.0%</b>	<b>9.6%</b>	<b>36.3%</b>	<b>16.6%</b>	<b>--</b>	<b>26.1%</b>	<b>Mar-09</b>
<i>Russell 1000 Growth</i>			10.4%	33.5%	16.5%	20.4%	22.7%	Mar-09
NCSRP Sands Capital Large Cap Growth	\$293,102,479	3.5%	9.8%	42.3%	21.9%	--	32.1%	Mar-09
<i>Russell 1000 Growth</i>			10.4%	33.5%	16.5%	20.4%	22.7%	Mar-09
NCSRP Wellington Opportunistic Growth	\$274,442,707	3.3%	9.7%	37.0%	14.8%	--	22.8%	Mar-09
<i>Russell 1000 Growth</i>			10.4%	33.5%	16.5%	20.4%	22.7%	Mar-09
<i>Russell 3000 Growth</i>			10.2%	34.2%	16.5%	20.6%	22.9%	Mar-09

## Total Plan

### Performance Summary - NET OF FFES

	Current Market Value	Current Allocation	Ending December 31, 2013				Inception	
			3 Mo	1 Yr	3 Yrs	5 Yrs	Return	Since
NCSRP Neuberger Large Cap Growth	\$272,140,260	3.2%	9.3%	29.9%	--	--	18.2%	Oct-11
<i>Russell 1000 Growth</i>			10.4%	33.5%	16.5%	20.4%	21.8%	Oct-11
<b>Mid/Small Cap Passive</b>	<b>\$207,587,329</b>	<b>2.5%</b>	<b>8.6%</b>	<b>36.6%</b>	<b>16.2%</b>	<b>--</b>	<b>26.1%</b>	<b>Mar-09</b>
<i>Russell 2500</i>			8.7%	36.8%	16.3%	21.8%	26.2%	Mar-09
NCSRP BlackRock Russell 2500 Index Fund	\$207,587,329	2.5%	8.6%	36.8%	16.3%	--	26.3%	Mar-09
<i>Russell 2500</i>			8.7%	36.8%	16.3%	21.8%	26.2%	Mar-09
<b>Mid/Small Cap Value</b>	<b>\$418,675,100</b>	<b>5.0%</b>	<b>8.6%</b>	<b>36.6%</b>	<b>18.0%</b>	<b>--</b>	<b>29.4%</b>	<b>Mar-09</b>
<i>Russell 2500 Value</i>			8.8%	33.3%	15.4%	19.6%	25.4%	Mar-09
NCSRP Hotchkis & Wiley	\$138,443,656	1.6%	6.7%	43.6%	20.3%	--	33.3%	Mar-09
<i>Hotchkis Custom SMID Value Index</i>			8.8%	33.3%	15.6%	20.9%	26.3%	Mar-09
NCSRP EARNEST Partners	\$140,285,723	1.7%	9.4%	31.3%	15.5%	--	23.7%	Mar-09
<i>EARNEST Custom SMID Value Index</i>			8.8%	33.3%	14.5%	17.7%	24.3%	Mar-09
NCSRP WEDGE SMID Cap Value	\$139,945,721	1.7%	9.6%	34.9%	--	--	27.2%	Dec-11
<i>Russell 2500 Value</i>			8.8%	33.3%	15.4%	19.6%	26.1%	Dec-11
<b>Mid/Small Cap Growth</b>	<b>\$306,390,093</b>	<b>3.7%</b>	<b>9.4%</b>	<b>41.1%</b>	<b>18.3%</b>	<b>--</b>	<b>25.8%</b>	<b>Mar-09</b>
<i>Russell 2500 Growth</i>			8.5%	40.7%	17.1%	24.0%	27.1%	Mar-09
NCSRP TimesSquare Composite	\$154,337,835	1.8%	10.8%	41.7%	20.6%	--	26.0%	Mar-09
<i>NCSRP TimesSquare SMID Growth</i>			9.7%	40.3%	--	--	--	Mar-09
<i>TimesSquare Custom SMID Growth Index</i>			8.5%	40.6%	16.9%	24.2%	26.5%	Mar-09

# Total Plan

## Performance Summary - NET OF FFES

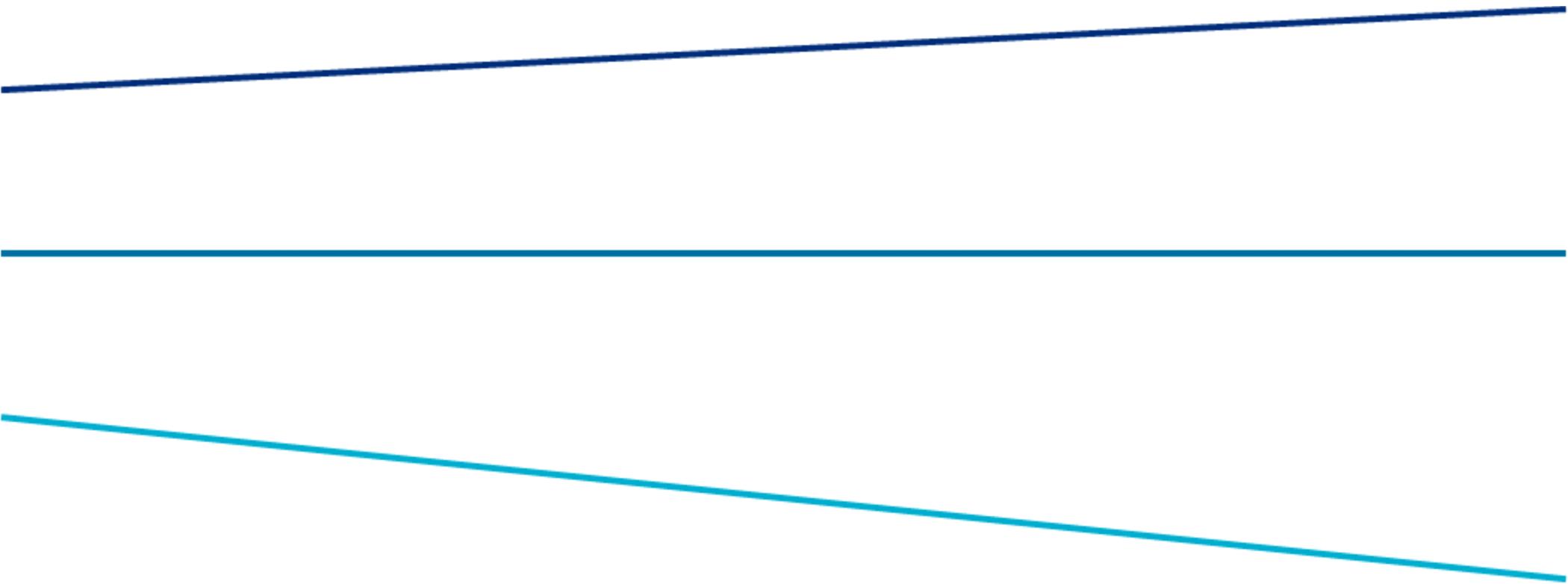
	Current Market Value	Current Allocation	Ending December 31, 2013				Inception	
			3 Mo	1 Yr	3 Yrs	5 Yrs	Return	Since
NCSRP Brown Advisory	\$152,052,257	1.8%	8.0%	40.6%	16.7%	--	26.4%	Mar-09
<i>Brown Custom SMID Growth Index</i>			8.5%	40.6%	16.6%	22.4%	26.4%	Mar-09
<b>International Passive</b>	<b>\$38,430,790</b>	<b>0.5%</b>	<b>4.7%</b>	<b>14.4%</b>	<b>5.1%</b>	<b>--</b>	<b>16.2%</b>	<b>Mar-09</b>
<i>MSCI ACWI ex USA Gross</i>			4.8%	15.8%	5.6%	13.3%	16.8%	Mar-09
NCSRP BlackRock ACWI ex US Fund	\$38,430,790	0.5%	4.8%	14.5%	5.2%	--	16.3%	Mar-09
<i>MSCI ACWI ex USA Gross</i>			4.8%	15.8%	5.6%	13.3%	16.8%	Mar-09
<b>International Equity</b>	<b>\$518,675,359</b>	<b>6.2%</b>	<b>5.0%</b>	<b>14.9%</b>	<b>7.1%</b>	<b>--</b>	<b>16.5%</b>	<b>Mar-09</b>
<i>MSCI ACWI ex USA Gross</i>			4.8%	15.8%	5.6%	13.3%	16.8%	Mar-09
NCSRP Baillie Gifford ACWI ex US Growth	\$259,361,965	3.1%	5.2%	16.7%	8.0%	--	19.7%	Mar-09
<i>MSCI ACWI ex USA Gross</i>			4.8%	15.8%	5.6%	13.3%	16.8%	Mar-09
<i>MSCI AC Wld ex US Growth Gross</i>			4.7%	15.9%	5.3%	13.3%	16.4%	Mar-09
NCSRP Mondrian ACWI ex US Value	\$259,313,393	3.1%	5.0%	15.0%	6.7%	--	14.1%	Mar-09
<i>MSCI ACWI ex USA Gross</i>			4.8%	15.8%	5.6%	13.3%	16.8%	Mar-09
<i>MSCI AC Wld Ex US Value Gross</i>			4.9%	15.7%	5.9%	13.3%	17.2%	Mar-09
<b>Global Equity</b>	<b>\$665,097,028</b>	<b>7.9%</b>	<b>9.0%</b>	<b>32.3%</b>	<b>13.0%</b>	<b>--</b>	<b>19.5%</b>	<b>Mar-09</b>
<i>MSCI ACWI Gross</i>			7.4%	23.4%	10.3%	15.5%	19.2%	Mar-09
NCSRP Wellington Global Composite	\$333,214,941	4.0%	9.3%	33.8%	14.2%	--	20.3%	Mar-09
<i>NCSRP Wellington Global Opportunities</i>			8.4%	32.8%	13.9%	--	--	Mar-09
<i>MSCI ACWI Gross</i>			7.4%	23.4%	10.3%	15.5%	19.2%	Mar-09

# Total Plan

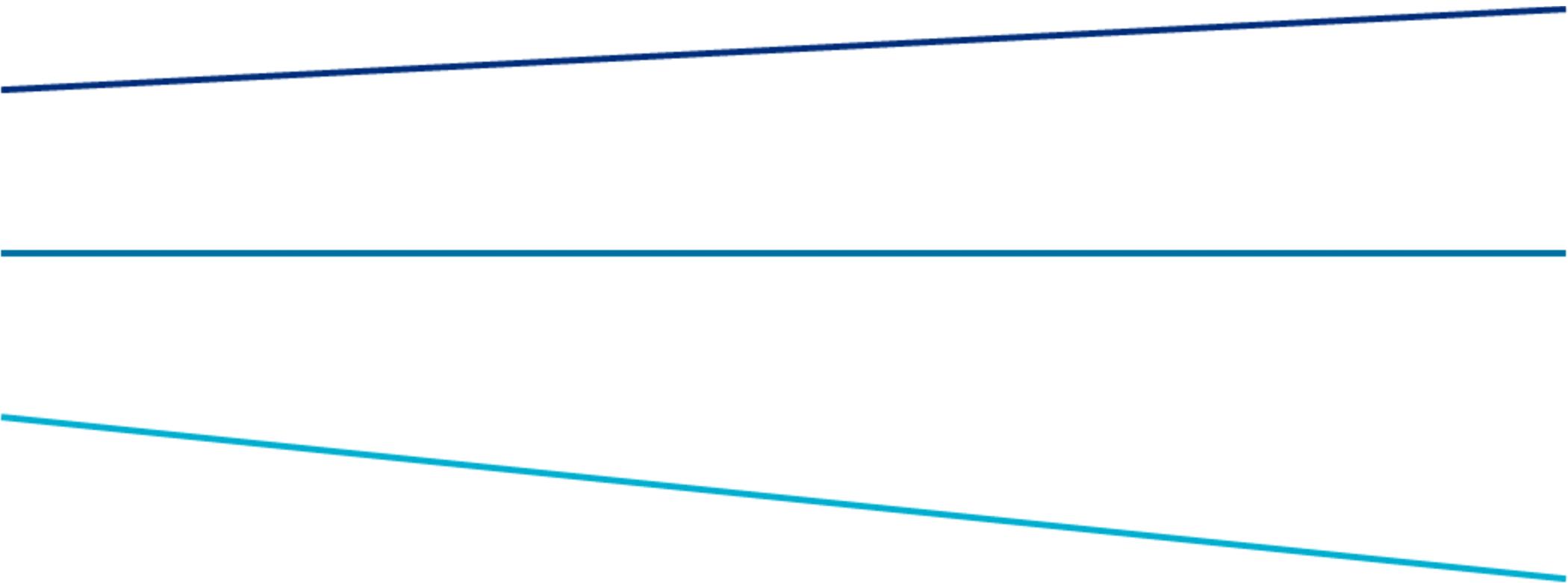
## Performance Summary - NET OF FFES

	Current Market Value	Current Allocation	Ending December 31, 2013				Inception	
			3 Mo	1 Yr	3 Yrs	5 Yrs	Return	Since
NCSRP Arrowstreet Global Equity ACWI	\$331,882,087	4.0%	8.7%	32.3%	--	--	18.8%	Mar-12
<i>MSCI ACWI Gross</i>			7.4%	23.4%	10.3%	15.5%	15.5%	Mar-12
<b>Inflation Sensitive Fund</b>	<b>\$287,063,953</b>	<b>3.4%</b>	<b>-2.3%</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-2.3%</b>	<b>Sep-13</b>
<i>PIMCO Inflation Response Index</i>			-2.1%	-8.8%	0.5%	6.1%	-2.1%	Sep-13
NCSRP PIMCO Inflation Response Multi-Asset	\$287,063,953	3.4%	-2.1%	--	--	--	-2.1%	Sep-13
<i>PIMCO Inflation Response Index</i>			-2.1%	-8.8%	0.5%	6.1%	-2.1%	Sep-13
<i>Consumer Price Index</i>			-0.5%	1.5%	2.1%	2.1%	-0.5%	Sep-13
<b>Fixed Income Passive Fund</b>	<b>\$292,636,218</b>	<b>3.5%</b>	<b>-0.3%</b>	<b>-2.2%</b>	<b>3.1%</b>	<b>--</b>	<b>2.4%</b>	<b>Sep-10</b>
<i>Barclays Aggregate</i>			-0.1%	-2.0%	3.3%	4.4%	2.6%	Sep-10
NCSRP BlackRock Debt Index Fund	\$292,636,218	3.5%	-0.2%	-2.1%	3.2%	--	2.5%	Sep-10
<i>Barclays Aggregate</i>			-0.1%	-2.0%	3.3%	4.4%	2.6%	Sep-10
<b>Fixed Income Fund</b>	<b>\$529,741,267</b>	<b>6.3%</b>	<b>0.0%</b>	<b>-1.3%</b>	<b>3.8%</b>	<b>--</b>	<b>5.8%</b>	<b>Mar-09</b>
<i>Barclays Aggregate</i>			-0.1%	-2.0%	3.3%	4.4%	4.7%	Mar-09
NCSRP JP Morgan Core Bond	\$263,562,187	3.1%	-0.1%	-1.3%	4.1%	--	5.5%	Mar-09
<i>Barclays Aggregate</i>			-0.1%	-2.0%	3.3%	4.4%	4.7%	Mar-09
NCSRP PIMCO Total Return Full Authority	\$266,179,080	3.2%	0.1%	-0.8%	3.9%	--	6.6%	Mar-09
<i>Barclays Aggregate</i>			-0.1%	-2.0%	3.3%	4.4%	4.7%	Mar-09

# US Equity



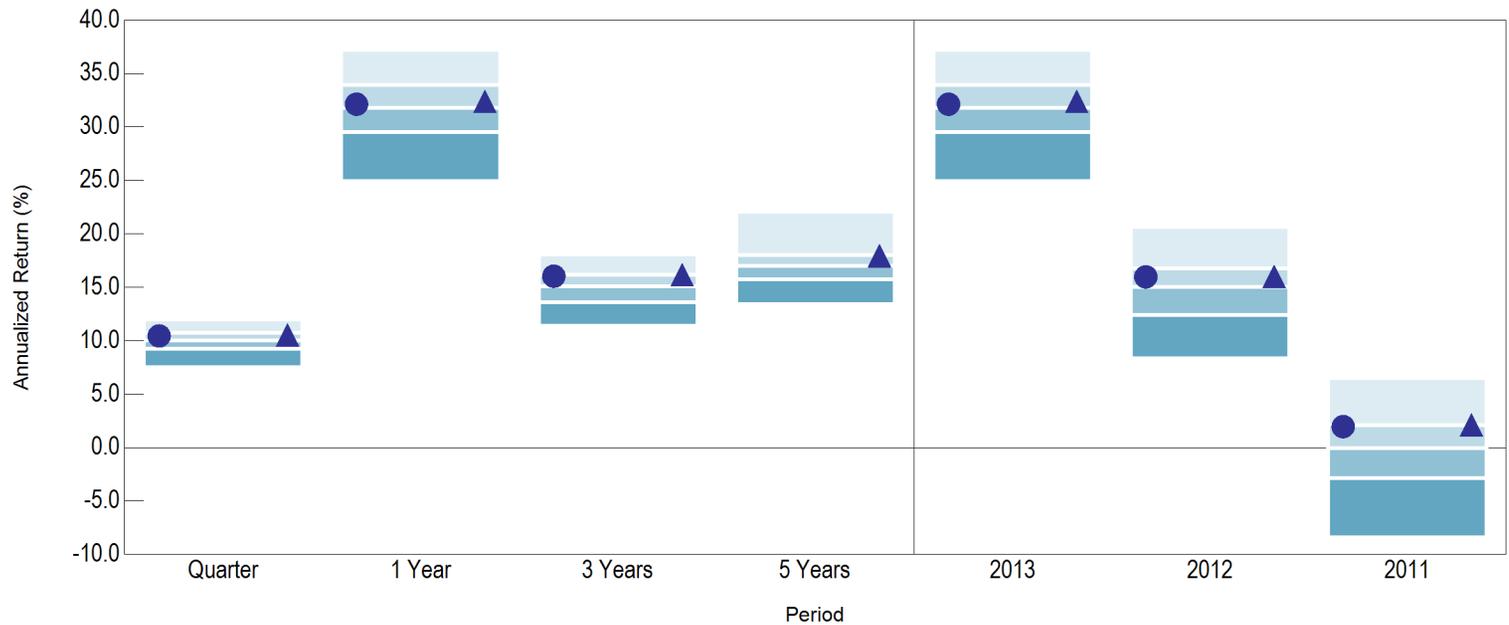
# Large Cap Passive



# Large Cap Passive

## Performance

Performance vs. Mercer Mutual Fund US Equity Large Cap Core  
Ending December 31, 2013



	Return (Rank)													
5th Percentile	11.9		37.2		18.0		22.1		37.2		20.6		6.5	
25th Percentile	10.8		33.9		16.2		18.1		33.9		16.8		2.2	
Median	10.1		31.8		15.1		17.0		31.8		15.1		0.0	
75th Percentile	9.3		29.6		13.6		15.8		29.6		12.4		-2.9	
95th Percentile	7.6		25.0		11.4		13.4		25.0		8.4		-8.4	
# of Portfolios	277		267		250		239		267		284		309	
● Large Cap Passive	10.4	(38)	32.1	(47)	16.0	(28)	--	(--)	32.1	(47)	16.0	(40)	2.0	(28)
▲ S&P 500	10.5	(35)	32.4	(42)	16.2	(26)	17.9	(27)	32.4	(42)	16.0	(40)	2.1	(26)

## Manager Philosophy and Process

The BlackRock Equity Index Fund seeks to capture the growth potential of large companies and achieve broad diversification with low costs by fully replicating the Standard & Poor's (S&P) 500 Index. To manage the fund effectively, BlackRock focuses on three objectives: minimizing transaction costs, minimizing tracking error and minimizing risk. One of the ways they do this is by fully replicating the index within a cost-effective environment. Because these stocks are highly liquid, full replication can be achieved without incurring excessive costs. BlackRock's breadth of experience allows the firm to capitalize on crossing opportunities which result in cost-savings when changes are made to the index and when clients rebalance their portfolios.

The Fund is monitored on a daily basis to ensure tracking of the Index. Trading occurs as often as necessary to reinvest dividends, tender proceeds, and accommodate changes in the composition of the Index. Typically, the fund has turnover of less than 5% annually and cash tolerances are typically below 1% of the entire portfolio. Cash balances and dividend accruals are equitized with S&P 500 Index futures to minimize tracking error. The BlackRock Equity Index Fund participates in BlackRock's high-quality, risk-controlled securities lending program to earn additional income.

## Quarterly Attribution

Top performing sectors:

- Industrials (+13.5%), information technology (+13.4%), consumer discretionary (+10.8%)

Bottom performing sectors:

- Utilities (+2.8%), telecommunication services (+5.5%), energy (+8.4%)

## Summary Data Points

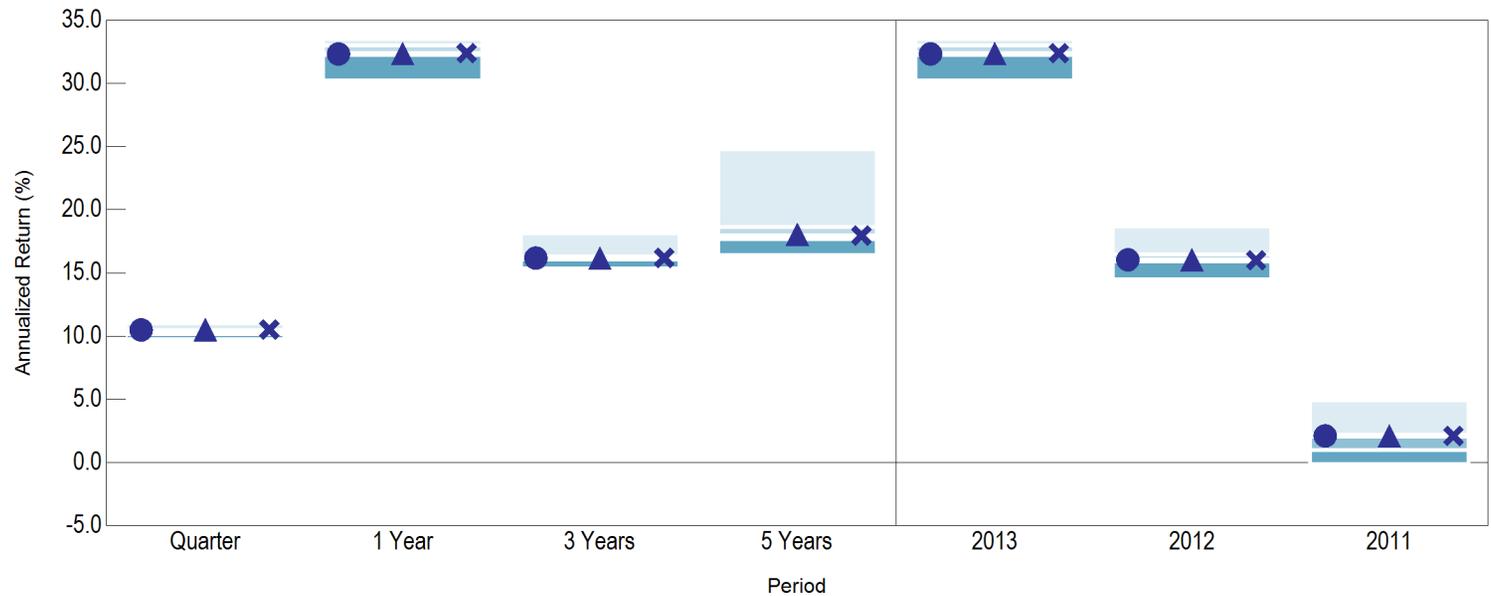
Mercer Rating: PP

Total Strategy Assets (\$B): \$262 (9/30/13)

# NCSR BlackRock Equity Index

## Performance

Performance vs. Mercer Instl US Equity Large Cap Index  
Ending December 31, 2013

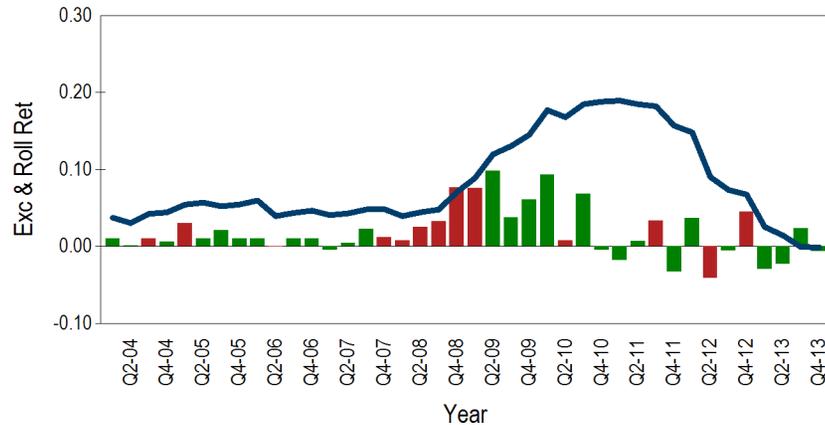


### Return (Rank)

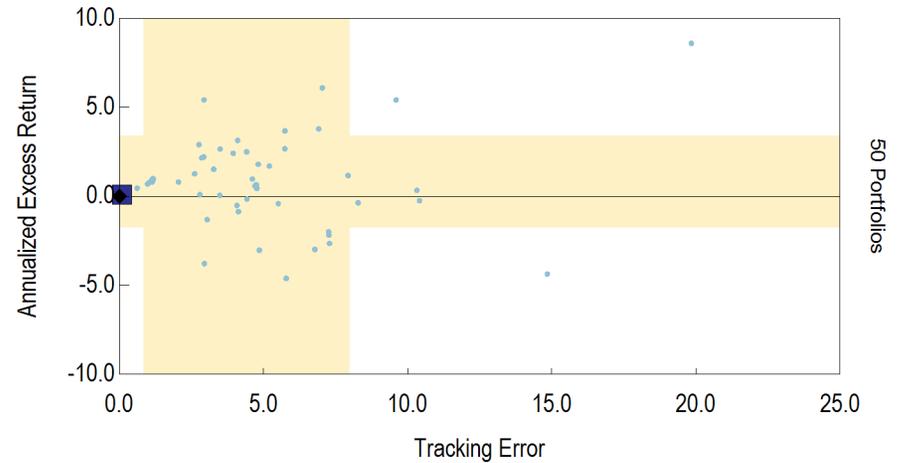
5th Percentile	11.0	33.5	18.1	24.7	33.5	18.7	4.9
25th Percentile	10.5	33.0	16.3	18.6	33.0	16.5	2.2
Median	10.5	32.4	16.2	18.0	32.4	16.1	2.1
75th Percentile	10.2	32.3	16.1	17.7	32.3	15.9	1.0
95th Percentile	9.8	30.3	15.4	16.4	30.3	14.5	-0.1
# of Portfolios	52	47	42	38	47	84	91
● NCSR BlackRock Equity Index	10.5 (44)	32.3 (71)	16.2 (63)	-- (--)	32.3 (71)	16.0 (56)	2.1 (44)
▲ BlackRock Equity Index Strategy	10.5 (30)	32.3 (68)	16.2 (61)	18.0 (46)	32.3 (68)	16.0 (56)	2.1 (44)
✕ S&P 500	10.5 (27)	32.4 (58)	16.2 (60)	17.9 (65)	32.4 (58)	16.0 (63)	2.1 (44)

# BlackRock Equity Index Strategy

**Rolling 3 Year Excess Performance**  
BlackRock Equity Index Strategy vs. S&P 500 Index (Total Return)



**Annualized Excess Return vs. Tracking Error**  
5 Years Ending December 31, 2013

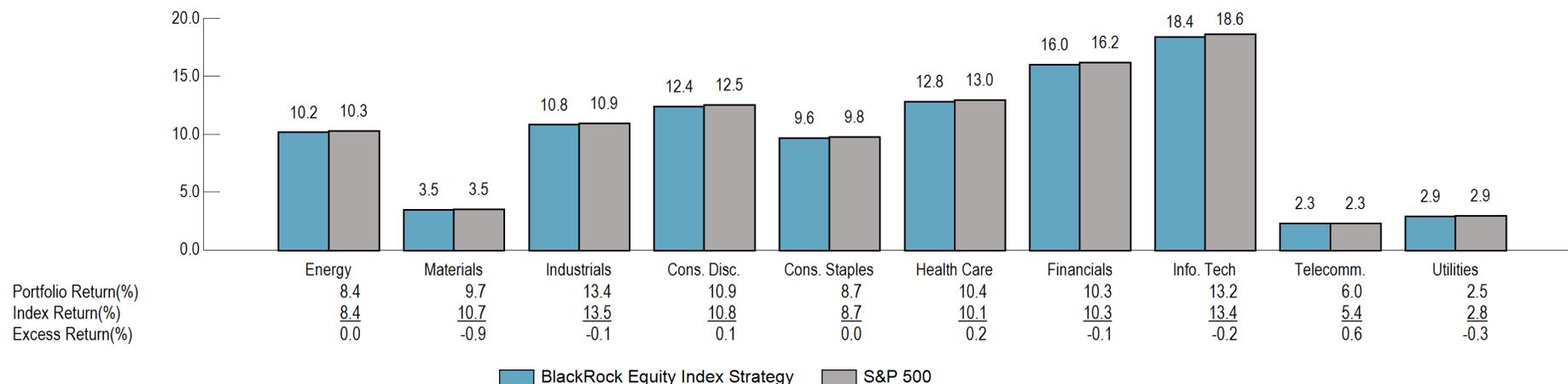


**Characteristics**  
as of December 31, 2013

	Portfolio	S&P 500
PORTFOLIO CHARACTERISTICS		
Price To Earnings	21.49	20.26
P/E Excluding Negative Earnings	21.54	20.30
P/E Median	20.52	20.51
Price To Book	4.09	3.94
Price To Book Median	3.12	3.17
Price To Cash Flow	13.79	13.15
Price To Sales	2.46	2.19
Dividend Yield (%)	1.98	1.97
Weighted Ave. Market Cap. (\$B)	116.13	116.13
Median Market Cap. (\$B)	16.38	16.40
Beta	1.00	1.00

# BlackRock Equity Index Strategy

**Sector Allocation (%) vs S&P 500**  
3 Months Ending December 31, 2013



## Top Returning Stocks

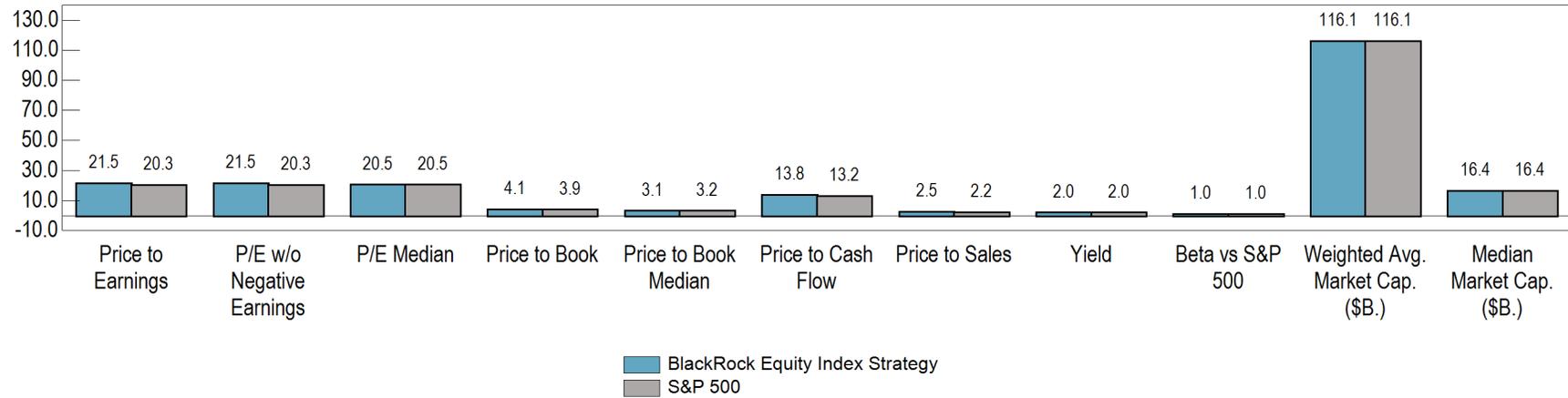
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
VALERO ENERGY (VLO)	0.16%	0.16%	0.00%	48.33%
US.STEEL (X)	0.03%	0.03%	0.00%	43.53%
MARATHON PETROLEUM (MPC)	0.17%	0.17%	0.00%	43.39%
LSI (LSI)	0.04%	0.04%	0.00%	41.55%
FOREST LABS. (FRX)	0.09%	0.09%	0.00%	40.29%
FIRST SOLAR (FSLR)	0.02%	0.02%	0.00%	35.89%
EXPEDIA (EXPE)	0.04%	0.04%	0.00%	34.79%
PHILLIPS 66 (PSX)	0.28%	0.28%	0.00%	34.19%
HEWLETT-PACKARD (HPQ)	0.32%	0.33%	0.00%	34.01%
TESORO (TSO)	0.05%	0.05%	0.00%	33.60%
<b>Total</b>	<b>1.19%</b>	<b>1.20%</b>		

## Bottom Returning Stocks

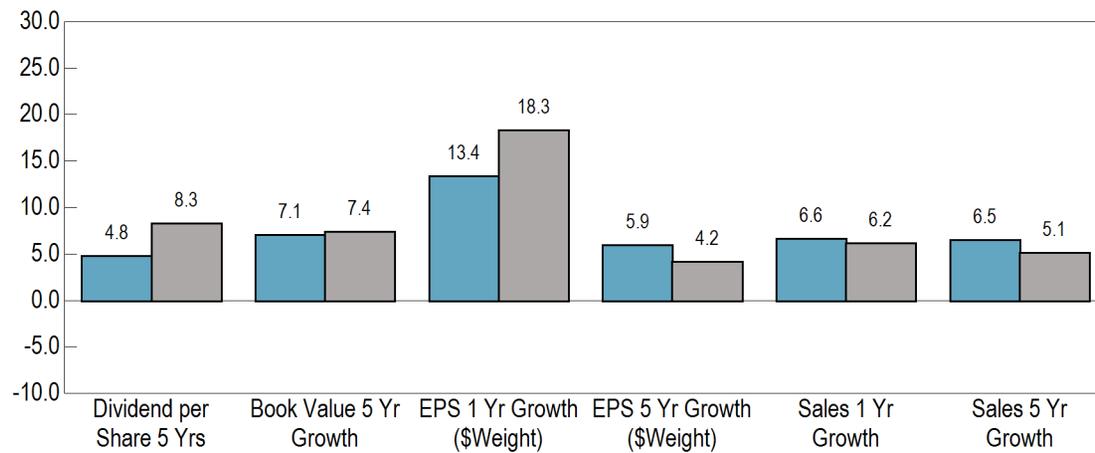
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
JABIL CIRCUIT (JBL)	0.02%	0.02%	0.00%	-19.25%
TERADATA (TDC)	0.04%	0.05%	0.00%	-17.95%
NEWMONT MINING (NEM)	0.07%	0.07%	0.00%	-17.34%
AVON PRODUCTS (AVP)	0.04%	0.05%	0.00%	-16.12%
ANADARKO PETROLEUM (APC)	0.24%	0.24%	0.00%	-14.52%
QUEST DIAGNOSTICS (DGX)	0.05%	0.05%	0.00%	-13.35%
HEALTH CARE REIT (HCN)	0.09%	0.09%	0.00%	-13.05%
ALTERA (ALTR)	0.06%	0.06%	0.00%	-12.11%
REGENERON PHARMS. (REGN)	0.13%	0.13%	0.00%	-12.03%
JDS UNIPHASE (JDSU)	0.00%	0.00%	0.00%	-11.73%
<b>Total</b>	<b>0.75%</b>	<b>0.76%</b>		

# BlackRock Equity Index Strategy

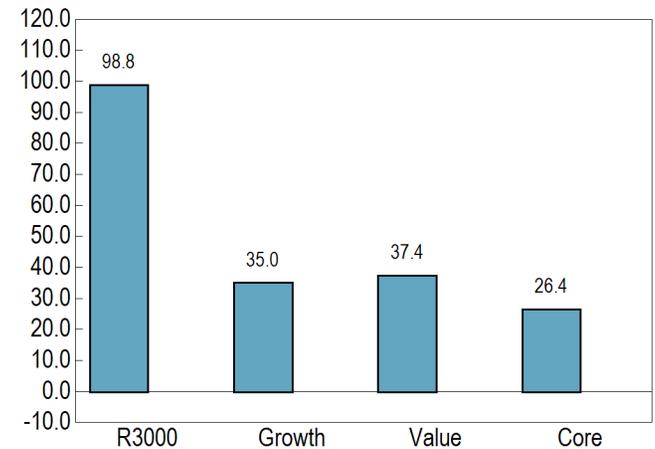
**Portfolio Characteristics**  
Ending December 31, 2013



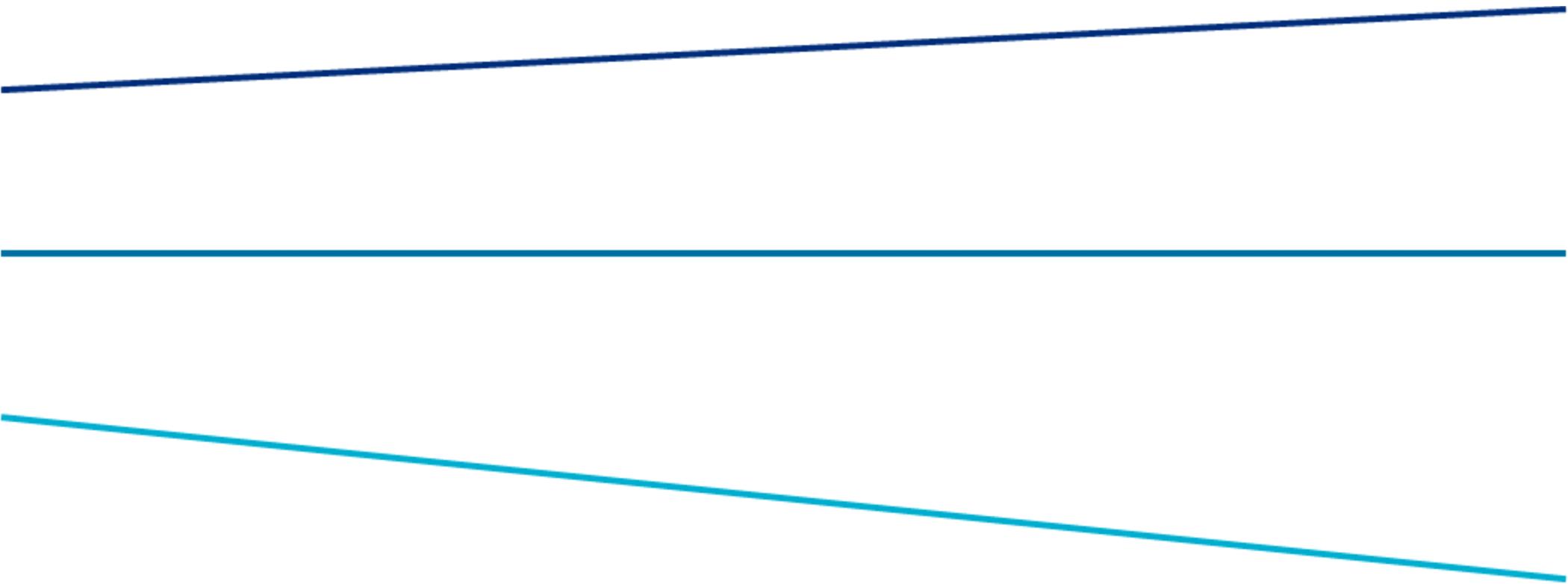
**Historical Growth Measures**  
Ending December 31, 2013



**Russell Index Membership (% Equity)**  
Ending December 31, 2013



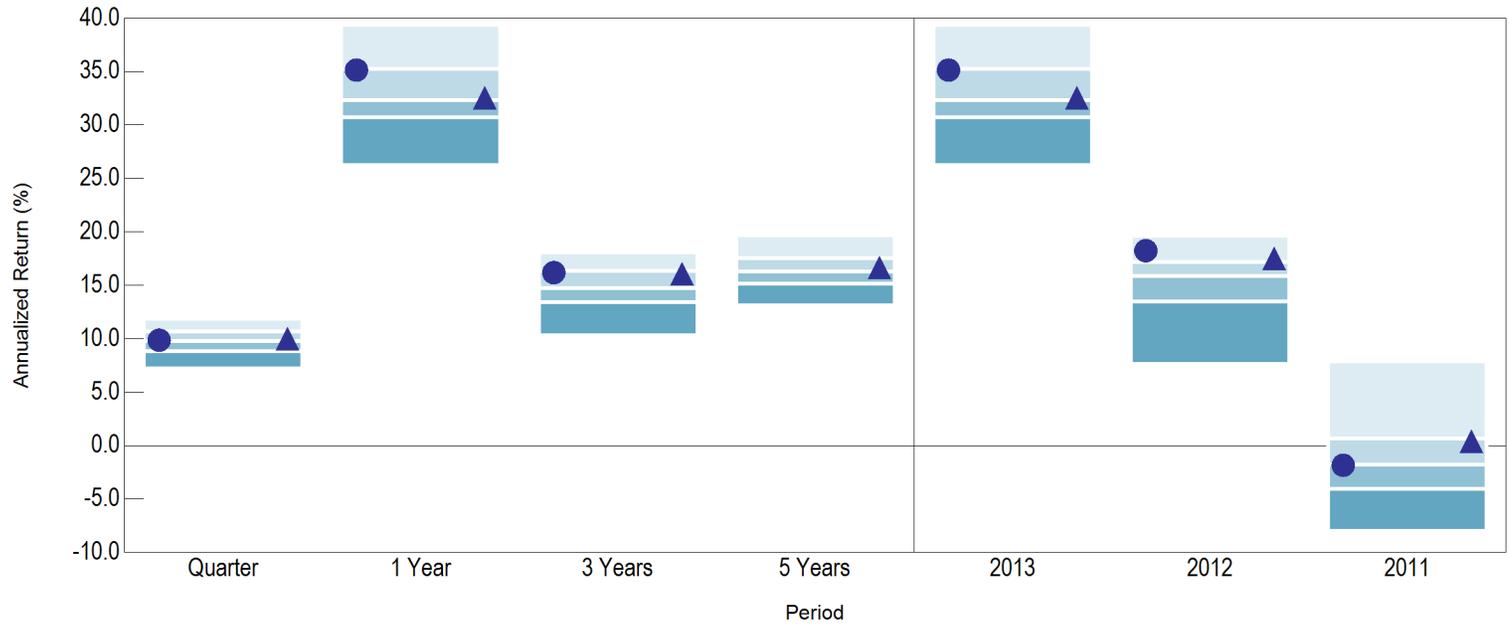
# Large Cap Value



# Large Cap Value

## Performance

Performance vs. Mercer Mutual Fund US Equity Large Cap Value  
Ending December 31, 2013

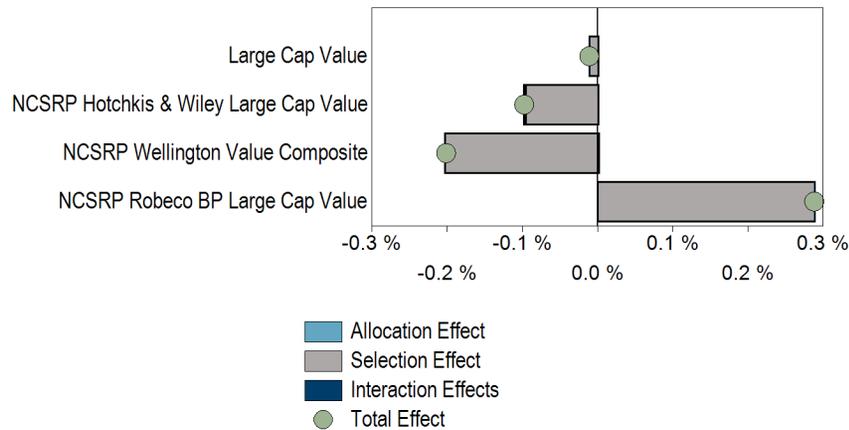


	Return (Rank)													
5th Percentile	11.8		39.3		18.0		19.7		39.3		19.6		7.8	
25th Percentile	10.7		35.3		16.4		17.6		35.3		17.2		0.7	
Median	9.8		32.4		14.7		16.3		32.4		15.9		-1.8	
75th Percentile	8.9		30.7		13.4		15.2		30.7		13.5		-4.0	
95th Percentile	7.3		26.2		10.4		13.2		26.2		7.7		-8.0	
# of Portfolios	119		116		101		94		116		117		132	
● Large Cap Value	9.9	(49)	35.1	(27)	16.2	(27)	--	(--)	35.1	(27)	18.2	(16)	-1.8	(52)
▲ Russell 1000 Value	10.0	(47)	32.5	(47)	16.1	(30)	16.7	(46)	32.5	(47)	17.5	(24)	0.4	(29)

# Large Cap Value

## Attribution

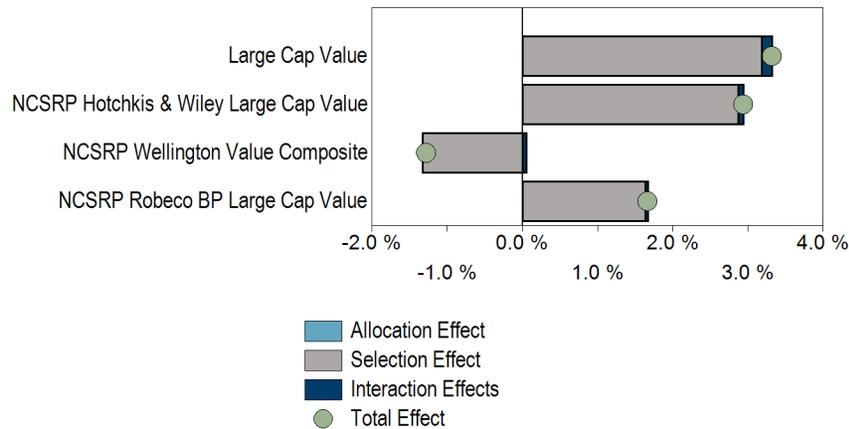
**Attribution Effects**  
3 Months Ending December 31, 2013



**Attribution Summary**  
3 Months Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Hotchkis & Wiley Large Cap Value	9.7%	10.0%	-0.3%	-0.1%	0.0%	0.0%	-0.1%
NCSRP Wellington Value Composite	9.4%	10.0%	-0.6%	-0.2%	0.0%	0.0%	-0.2%
NCSRP Robeco BP Large Cap Value	10.9%	10.0%	0.9%	0.3%	0.0%	0.0%	0.3%
<b>Total</b>	<b>10.0%</b>	<b>10.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

**Attribution Effects**  
1 Year Ending December 31, 2013

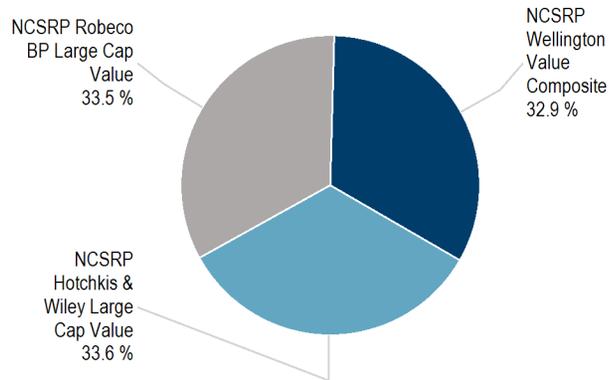


**Attribution Summary**  
1 Year Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Hotchkis & Wiley Large Cap Value	41.2%	32.5%	8.7%	2.9%	0.0%	0.1%	2.9%
NCSRP Wellington Value Composite	28.7%	32.5%	-3.8%	-1.3%	0.0%	0.0%	-1.3%
NCSRP Robeco BP Large Cap Value	37.5%	32.5%	4.9%	1.6%	0.0%	0.0%	1.7%
<b>Total</b>	<b>35.8%</b>	<b>32.5%</b>	<b>3.3%</b>	<b>3.2%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>3.3%</b>

# Large Cap Value

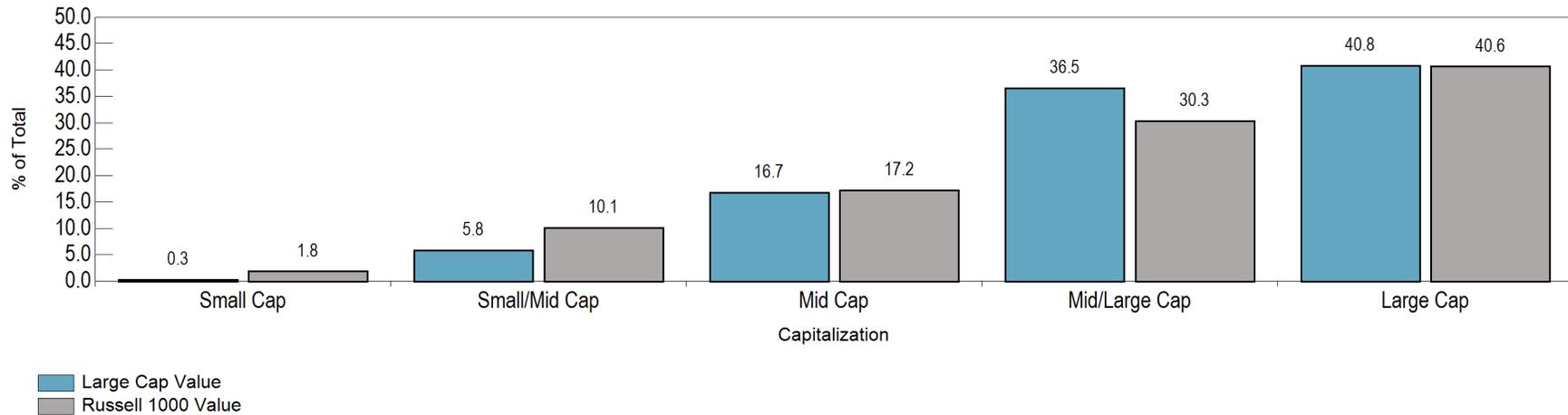
Current Allocation



Characteristics

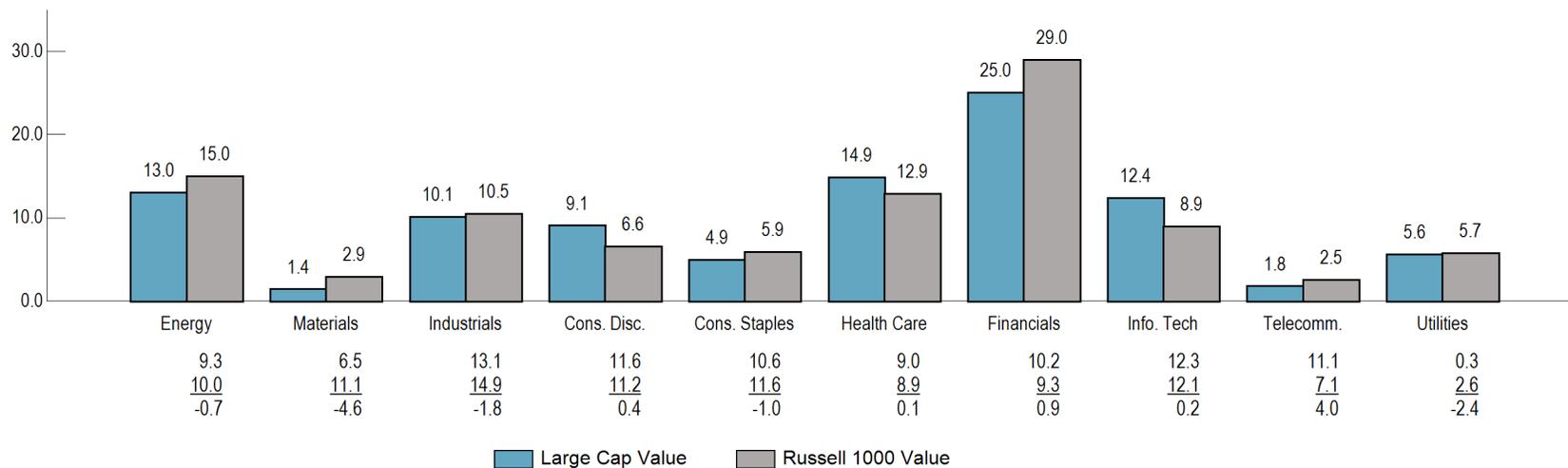
	Portfolio	Russell 1000 Value
Number of Holdings	179	662
Weighted Avg. Market Cap. (\$B)	101.59	115.34
Median Market Cap. (\$B)	35.75	6.54
Price To Earnings	17.97	17.24
Price To Book	2.66	1.80
Price To Sales	1.58	1.54
Return on Equity (%)	15.35	12.24
Yield (%)	2.26	2.24
Beta	1.01	1.00
R-Squared	0.98	1.00

Market Capitalization As Of December 31, 2013



# Large Cap Value

Sector Allocation (%) vs Russell 1000 Value



## Top Returning Stocks

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
LSI (LSI)	0.32%	0.06%	0.05%	41.55%
PHILLIPS 66 (PSX)	0.86%	0.51%	0.09%	34.19%
HEWLETT-PACKARD (HPQ)	1.09%	0.58%	0.19%	34.01%
TEXTRON (TXT)	0.33%	0.11%	0.05%	33.22%
WESTERN DIGITAL (WDC)	0.27%	0.19%	0.00%	32.82%
SEAGATE TECH. (STX)	0.18%		0.05%	29.51%
CARDINAL HEALTH (CAH)	0.35%	0.25%	0.05%	28.69%
AMERIPRISE FINL. (AMP)	0.40%	0.17%	0.06%	26.97%
CVS CAREMARK (CVS)	1.05%	0.83%	-0.01%	26.59%
FLOWERVE (FLS)	0.21%		0.04%	26.58%
<b>Total</b>	<b>5.07%</b>	<b>2.70%</b>		

## Bottom Returning Stocks

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
RAYONIER (RYN)	0.14%		-0.06%	-23.47%
GOLDCORP NEW (NYS) (GG)	0.12%		-0.03%	-16.15%
ANADARKO PETROLEUM (APC)	0.24%	0.40%	0.01%	-14.52%
QUEST DIAGNOSTICS (DGX)	0.30%	0.08%	-0.03%	-13.35%
STANLEY BLACK & DECKER (SWK)	0.33%	0.13%	-0.02%	-10.35%
FIRSTENERGY (FE)	0.46%	0.15%	-0.02%	-8.18%
EXELON (EXC)	1.09%	0.25%	-0.07%	-6.57%
PUBLIC STORAGE (PSA)	0.29%	0.02%	-0.02%	-5.38%
SYMANTEC (SYMC)	0.24%	0.05%	-0.01%	-4.12%
CISCO SYSTEMS (CSCO)	1.45%	1.29%	-0.01%	-3.57%
<b>Total</b>	<b>4.65%</b>	<b>2.36%</b>		

## Large Cap Value

---

### Top Holdings Large Cap Value

	LCV Fund %	Hotchkis %	Wellington %	Robeco %	Index Weight%
EXXON MOBIL	3.55%		4.42%	6.25%	4.84%
BANK OF AMERICA	2.74%	3.45%	2.17%	2.60%	1.80%
JP MORGAN CHASE & CO.	2.68%	4.26%	3.24%	0.55%	2.38%
CITIGROUP	2.46%	3.56%	1.81%	1.99%	1.70%
WELLS FARGO & CO	2.18%	2.51%	3.59%	0.46%	2.36%
JOHNSON & JOHNSON	2.08%	2.37%	2.21%	1.67%	2.41%
UNITEDHEALTH GP.	1.78%	2.83%	1.57%	0.93%	0.83%
MICROSOFT	1.55%	2.81%	1.02%	0.80%	
CISCO SYSTEMS	1.45%		1.67%	2.69%	1.29%
AMERICAN INTL.GP.	1.41%	4.21%			0.81%
<b>Total</b>	<b>21.88%</b>	<b>26.00%</b>	<b>21.69%</b>	<b>17.94%</b>	<b>18.42%</b>

## Manager Philosophy and Process

### Investment Style/Philosophy

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.

### Investment Process

The process begins with a screen of stocks with market capitalizations greater than \$1 billion. Next, stocks are screened for adequate liquidity and traditional value characteristics and ranked according to a three-stage dividend discount model. Companies that look attractive are subject to further in-depth analysis. Analysts, who specialize by sector, refine the dividend discount model inputs by determining a company's normalized earnings power, which is used as the basis for security valuation. At weekly meetings the sector teams and Portfolio Coordinators actively debate the merits of each recommendation in relation to the portfolio's current composition and the relative value of alternate investments. The analysis includes the incorporation of a proprietary methodology that attempts to quantify macroeconomic risks associated with each purchase candidate on a standalone basis as well as the effect on the total portfolio. Although all team members are involved in these discussions, Portfolio Coordinators are responsible for all investment decisions.

## Current Positioning

- Portfolio changes during the quarter were modest; the largest sector shifts were by less than one percentage point
- The largest position increase was in consumer staples with a new position in Kellogg
- The largest decrease was in energy, where the manager trimmed the portfolio's position in Total following strong performance
- The largest sector weightings were in the financials, technology and health care sectors, while the smallest allocations were in the consumer staples and telecommunications sectors
- The materials sector had a zero weight at quarter end
- Cash represented 2.2% of assets at the end of the period

## Quarterly Attribution

### Positive Impact on Performance:

- Overweight exposure to the strongly performing technology sector coupled with favorable stock selection
- Underweight exposure to the lesser performing financials sector compounded by better than benchmark stock selection
- Stock selection in the telecom sector
- Favorable results from positions in Hewlett-Packard, Corning and Johnson Controls.

### Negative Impact on Performance:

- Overweight to the utilities sector, the weakest performing sector in the benchmark
- Stock selection in the consumer staples, industrials and utilities sectors
- Disappointing returns from positions in Exelon Corp, Target and Public Service Enterprise

## Characteristics

Weighted Average Market Cap: \$105.9 (US\$ B)

Median Market Cap: \$36.2 (US\$ B)

P/E: 14.8x

P/B: 1.6x

Beta: 1.3

Projected EPS Growth: 5.7

Number of Holdings: 53

## Summary Data Points

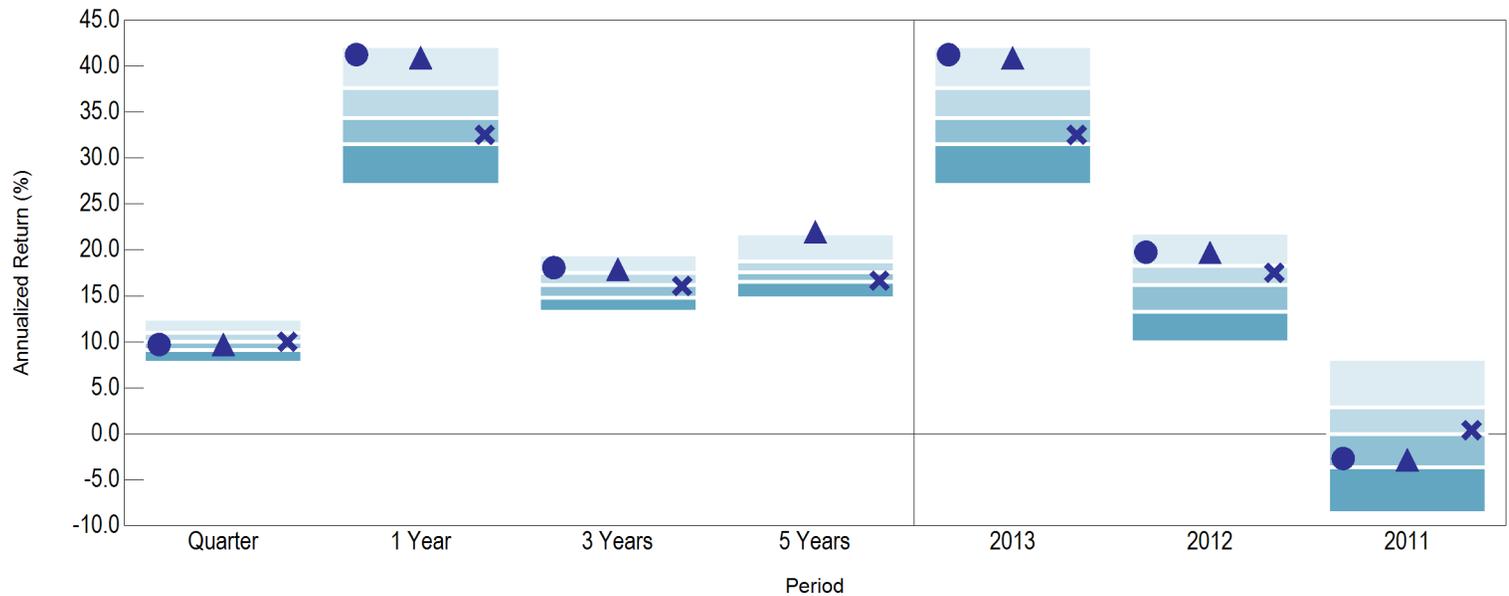
Mercer Rating: B+(T)

Manager Strategy Assets: \$8.2 Billion

# NCSRP Hotchkis & Wiley Large Cap Value

## Performance

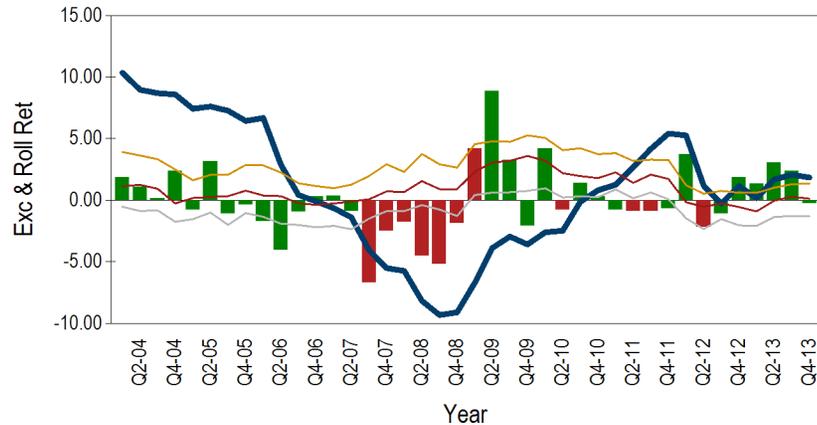
Performance vs. Mercer Instl US Equity Large Cap Value  
Ending December 31, 2013



	Return (Rank)													
	Quarter	1 Year	3 Years	5 Years	2013	2012	2011	Quarter	1 Year	3 Years	5 Years	2013	2012	2011
5th Percentile	12.5	42.1	19.5	21.7	42.1	21.8	8.1	12.5	42.1	19.5	21.7	42.1	21.8	8.1
25th Percentile	11.0	37.7	17.5	18.8	37.7	18.3	2.9	11.0	37.7	17.5	18.8	37.7	18.3	2.9
Median	10.0	34.4	16.2	17.6	34.4	16.2	0.0	10.0	34.4	16.2	17.6	34.4	16.2	0.0
75th Percentile	9.1	31.5	14.8	16.6	31.5	13.3	-3.6	9.1	31.5	14.8	16.6	31.5	13.3	-3.6
95th Percentile	7.8	27.1	13.3	14.7	27.1	10.0	-8.6	7.8	27.1	13.3	14.7	27.1	10.0	-8.6
# of Portfolios	240	226	200	195	226	279	286	240	226	200	195	226	279	286
● NCSRP Hotchkis & Wiley Large Cap Value	9.7 (60)	41.2 (7)	18.1 (19)	-- (--)	41.2 (7)	19.8 (14)	-2.7 (70)	9.7 (60)	41.2 (7)	18.1 (19)	-- (--)	41.2 (7)	19.8 (14)	-2.7 (70)
▲ Hotchkis & Wiley Large Cap Value Strategy	9.7 (59)	40.9 (8)	17.9 (21)	22.0 (4)	40.9 (8)	19.7 (15)	-2.8 (71)	9.7 (59)	40.9 (8)	17.9 (21)	22.0 (4)	40.9 (8)	19.7 (15)	-2.8 (71)
✕ Russell 1000 Value	10.0 (51)	32.5 (65)	16.1 (53)	16.7 (73)	32.5 (65)	17.5 (32)	0.4 (49)	10.0 (51)	32.5 (65)	16.1 (53)	16.7 (73)	32.5 (65)	17.5 (32)	0.4 (49)

# Hotchkis & Wiley Large Cap Value Strategy

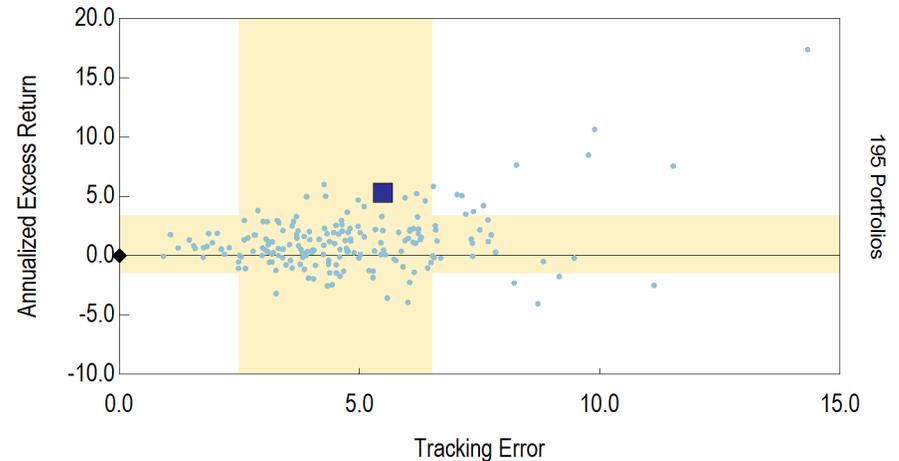
**Rolling 3 Year Excess Performance**  
Hotchkis & Wiley Large Cap Value Strategy vs. Russell 1000 Value



**Characteristics**  
as of December 31, 2013

	Portfolio	Russell 1000 Value
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	15.87	17.24
P/E Excluding Negative Earnings	15.87	16.45
P/E Median	15.12	20.72
Price To Book	2.26	1.80
Price To Book Median	1.93	2.13
Price To Cash Flow	9.66	10.70
Price To Sales	1.28	1.54
Dividend Yield (%)	2.41	2.24
Weighted Ave. Market Cap. (\$B)	98.80	115.34
Median Market Cap. (\$B)	34.74	6.54
Beta	1.07	1.00

**Annualized Excess Return vs. Tracking Error**  
5 Years Ending December 31, 2013

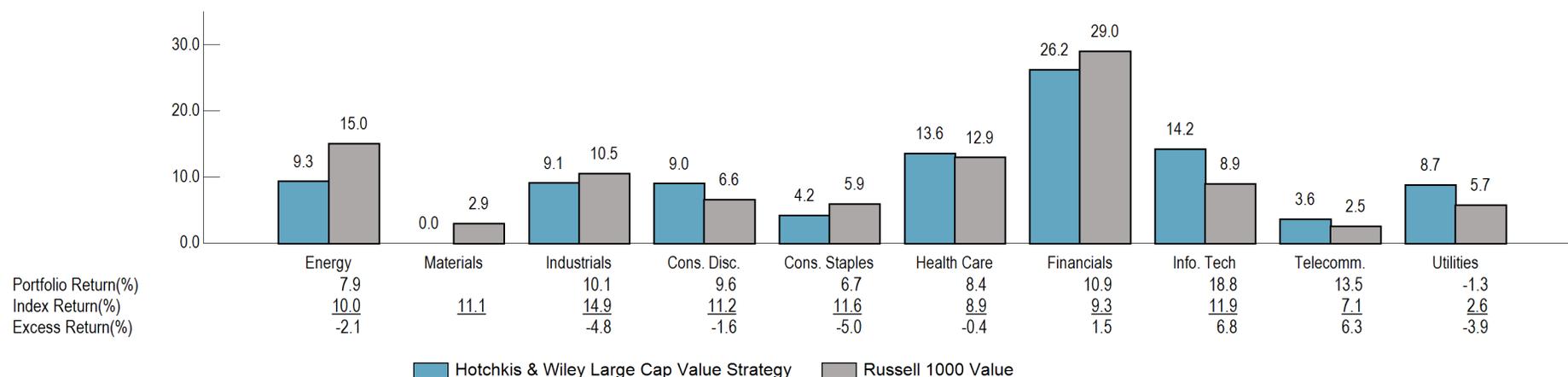


**Performance Attribution vs. Russell 1000 Value**  
Quarter Ending December 31, 2013

	Total	Selection	Allocation	Interaction
	Effects	Effect	Effect	Effects
Energy	-0.22%	-0.65%	-0.01%	0.44%
Materials	-0.03%	--	-0.03%	--
Industrials	-0.51%	-0.43%	-0.04%	-0.05%
Cons. Disc.	-0.11%	-0.04%	0.04%	-0.11%
Cons. Staples	-0.24%	-0.30%	-0.05%	0.10%
Health Care	-0.07%	-0.06%	-0.01%	0.00%
Financials	0.42%	0.46%	0.01%	-0.05%
Info. Tech	1.06%	0.60%	0.11%	0.35%
Telecomm.	0.19%	0.00%	-0.02%	0.21%
Utilities	-0.61%	-0.26%	-0.22%	-0.13%
Cash	-0.09%	0.00%	0.00%	-0.09%
Unclassified	0.00%	--	0.00%	--
<b>Portfolio</b>	<b>-0.22%</b>	<b>= -0.69%</b>	<b>+ -0.21%</b>	<b>+ 0.68%</b>

# Hotchkis & Wiley Large Cap Value Strategy

Sector Allocation (%) vs Russell 1000 Value  
3 Months Ending December 31, 2013



## Top Returning Stocks

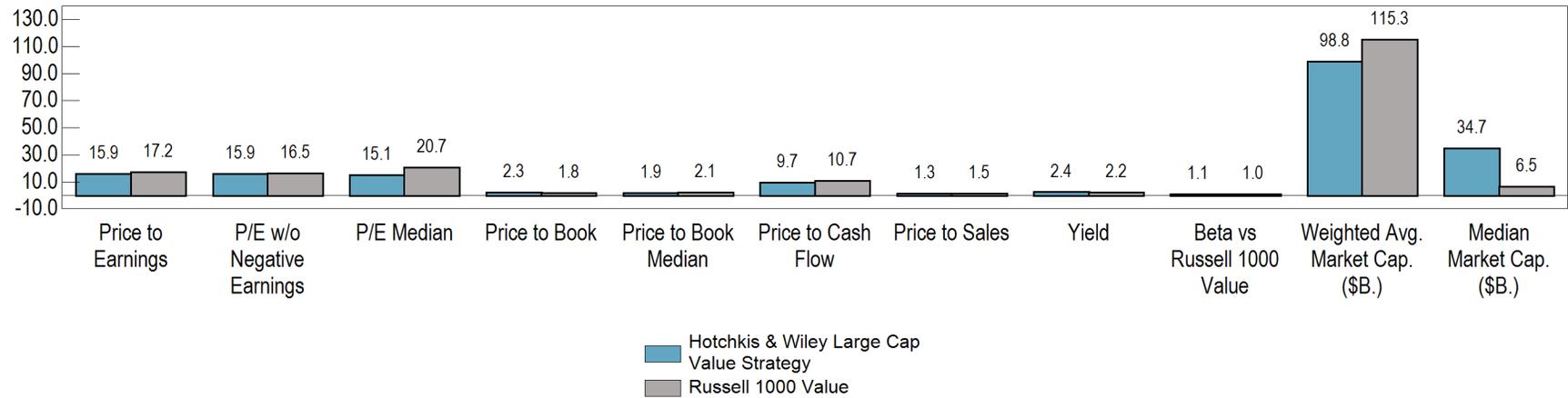
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
HEWLETT-PACKARD (HPQ)	3.25%	0.58%	0.89%	34.01%
JOHNSON CONTROLS (JCI)	2.44%	0.38%	0.45%	24.16%
ASSURANT (AIZ)	0.00%		0.10%	23.15%
CORNING (GLW)	2.87%	0.28%	0.54%	22.86%
NORTHROP GRUMMAN (NOC)	0.75%	0.27%	0.11%	20.96%
MANPOWERGROUP (MAN)	0.53%	0.07%	0.09%	18.72%
LOCKHEED MARTIN (LMT)	1.57%		0.27%	17.63%
BOEING (BA)	0.96%		0.26%	16.59%
BANK OF NEW YORK MELLON (BK)	0.88%	0.44%	0.07%	16.28%
UNUM GROUP (UNM)	1.74%	0.10%	0.30%	15.78%
<b>Total</b>	<b>15.01%</b>	<b>2.13%</b>		

## Bottom Returning Stocks

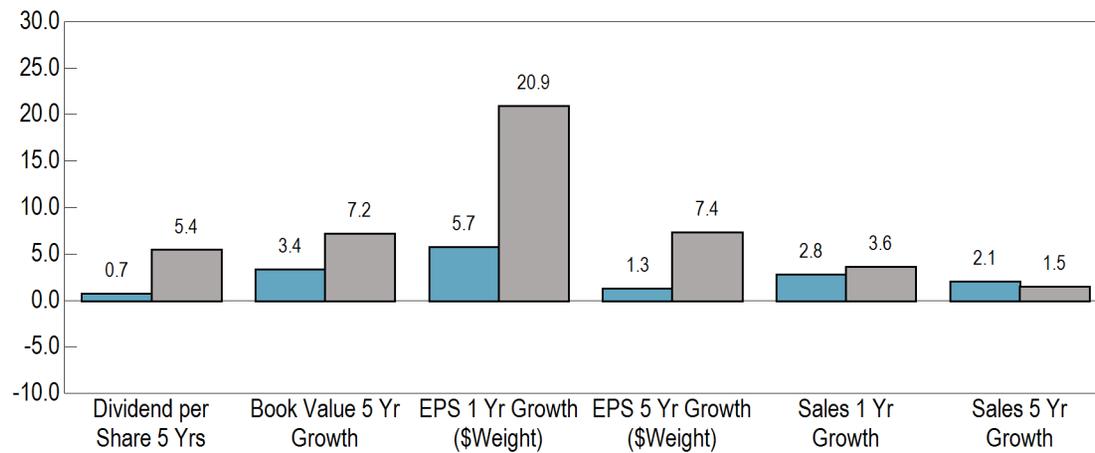
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
STANLEY BLACK & DECKER (SWK)	0.98%	0.13%	-0.09%	-10.35%
EXELON (EXC)	2.53%	0.25%	-0.18%	-6.57%
PUB.SER. ENTER.GP. (PEG)	2.02%	0.17%	-0.03%	-1.63%
TARGET (TGT)	2.74%	0.09%	-0.01%	-0.47%
EMBRAER SPNS ADR 1:4 (ERJ)	0.41%		0.00%	-0.42%
MAGNA INTL. (NYS) (MGA)	0.70%		0.00%	-0.21%
PPL (PPL)	0.95%	0.20%	0.00%	0.26%
SOUTHERN (SO)	0.92%	0.38%	0.00%	1.07%
EDISON INTL. (EIX)	0.60%	0.16%	0.01%	1.30%
MARATHON OIL (MRO)	1.03%	0.27%	0.01%	1.73%
<b>Total</b>	<b>12.89%</b>	<b>1.67%</b>		

# Hotchkis & Wiley Large Cap Value Strategy

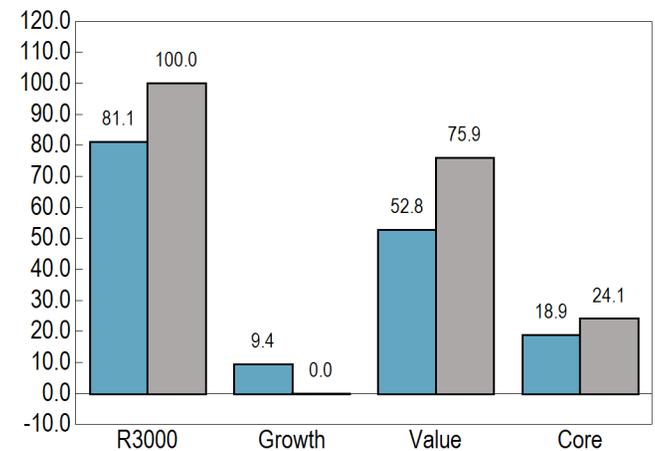
**Portfolio Characteristics**  
Ending December 31, 2013



**Historical Growth Measures**  
Ending December 31, 2013



**Russell Index Membership (% Equity)**  
Ending December 31, 2013



## Manager Philosophy and Process

**Investment Philosophy:** The Quality Value strategy seeks long-term total returns in excess of the Russell 1000 Value Index through a bottom-up stock selection process that utilizes Wellington Management Company's proprietary, fundamental research. The Team's philosophy is based on the premise that investing in high-quality companies at attractive valuations offers a compelling reward to risk opportunity.

**Investment Process:** Wellington believes that an emphasis on quality is an effective way to invest because downside protection leads to superior performance due to the effects of compounding over time. There are three basis tenets of Wellington's philosophy which help distinguish quality. First, they believe the market underappreciates the importance of quality management teams and their ability to consistently generate value and redistribute it to shareholders. Second, they believe troughs in the capital cycle create buying opportunities for higher quality companies with lower levels of downside risk. Third, they believe a long-term view is important for investing in quality and allows management teams enough time to execute.

## Current Positioning

- Wellington continues to believe that equity valuations will revert to normalized levels
- Wellington also believes that the positive risk premium of equities to bonds will narrow as the Federal Reserve allows interest rates to rise further
- The strategy continues to focus on identifying attractively valued, high quality companies, with strong balance sheets, excellent management teams and wide competitive moats
- The portfolio is overweight the energy, health care and consumer staples sectors while underweight financials, materials and telecommunication services sectors

## Quarterly Attribution

### Positive Impact on Performance:

- Stock selection in the industrials, consumer discretionary and financials sectors
- Overweight allocation to the industrials and consumer staples sectors while underweight in the weaker performing telecommunications and utilities sectors
- Individual Contributors: Textron, CVS, Ameriprise

### Negative Impact on Performance:

- Stock selection in the information technology, energy and materials sectors
- Overweight allocation to the health care sector
- Individual detractors: Rayonier, Public Storage, EMC

## Characteristics

Number of holdings: 82

Median Market Capitalization (\$MM): \$46,242

Weighted Average Market Capitalization (\$MM): \$117,314

P/E ratio: 14.9x

P/B ratio: 2.2x

Earnings growth (5 year): 11.3%

Turnover: 41.4%

% cash: 1.2%

## Summary Data Points

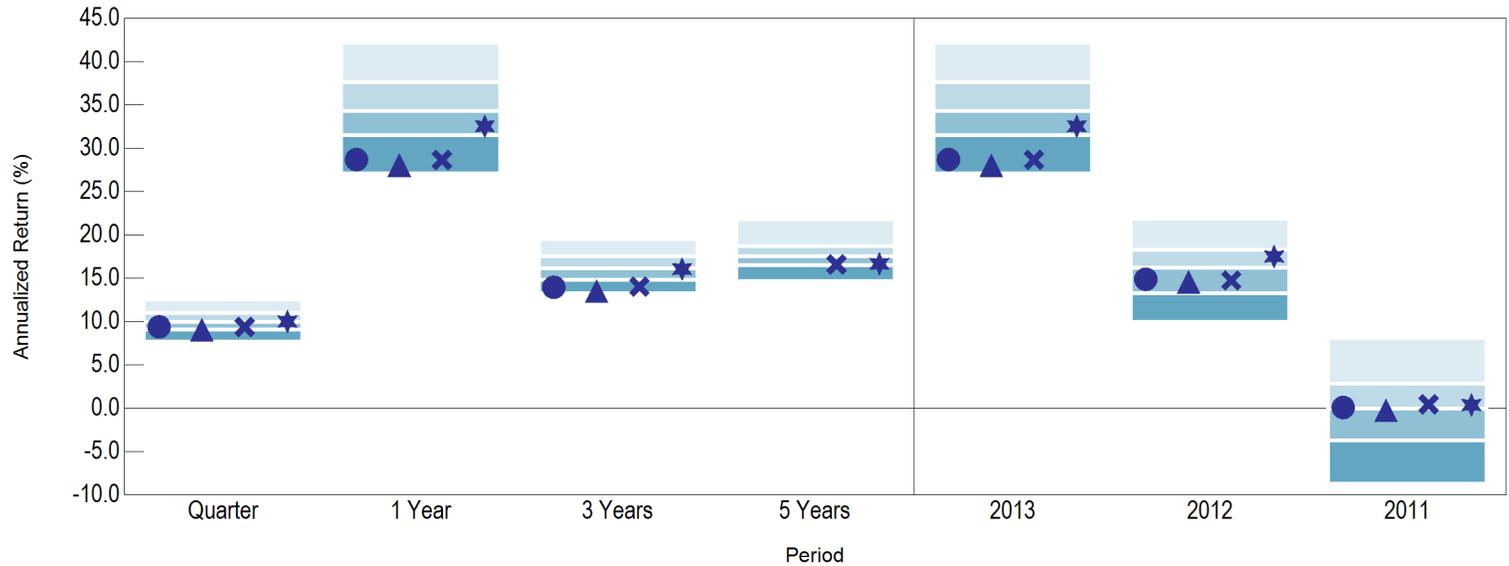
Mercer Rating: N

Strategy Assets (\$B): \$4.8

# NCSRP Wellington Value Composite

## Performance

Performance vs. Mercer Instl US Equity Large Cap Value  
Ending December 31, 2013

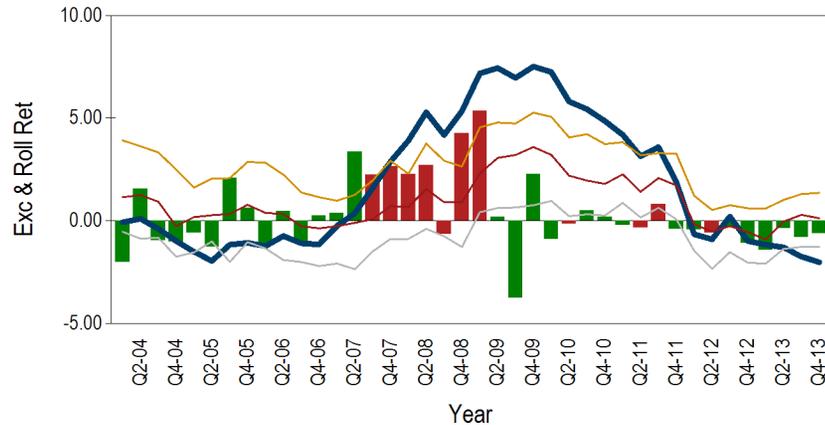


Return (Rank)

5th Percentile	12.5	42.1	19.5	21.7	42.1	21.8	8.1
25th Percentile	11.0	37.7	17.5	18.8	37.7	18.3	2.9
Median	10.0	34.4	16.2	17.6	34.4	16.2	0.0
75th Percentile	9.1	31.5	14.8	16.6	31.5	13.3	-3.6
95th Percentile	7.8	27.1	13.3	14.7	27.1	10.0	-8.6
# of Portfolios	240	226	200	195	226	279	286
● NCSRP Wellington Value Composite	9.4 (69)	28.7 (91)	14.0 (89)	-- (--)	28.7 (91)	14.9 (64)	0.1 (50)
▲ NCSRP Wellington Quality Value	9.1 (79)	28.0 (93)	13.5 (93)	-- (--)	28.0 (93)	14.6 (68)	-0.2 (54)
✕ Wellington Quality Value Strategy	9.4 (70)	28.6 (91)	14.0 (88)	16.6 (75)	28.6 (91)	14.8 (66)	0.5 (49)
★ Russell 1000 Value	10.0 (51)	32.5 (65)	16.1 (53)	16.7 (73)	32.5 (65)	17.5 (32)	0.4 (49)

# Wellington Quality Value Strategy

Rolling 3 Year Excess Performance  
Wellington Quality Value Strategy vs. Russell 1000 Value



Characteristics  
as of December 31, 2013

	Portfolio	Russell 1000 Value
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	19.75	17.24
P/E Excluding Negative Earnings	19.75	16.45
P/E Median	16.80	20.72
Price To Book	3.02	1.80
Price To Book Median	2.86	2.13
Price To Cash Flow	11.33	10.70
Price To Sales	1.83	1.54
Dividend Yield (%)	2.51	2.24
Weighted Ave. Market Cap. (\$B)	117.21	115.34
Median Market Cap. (\$B)	49.00	6.54
Beta	0.96	1.00

Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2013

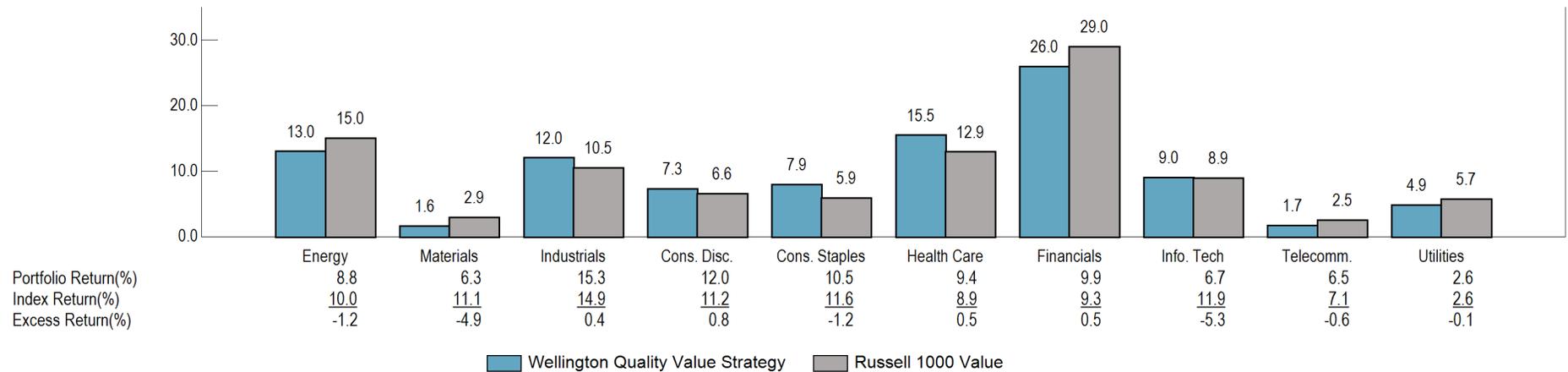


Performance Attribution vs. Russell 1000 Value  
Quarter Ending December 31, 2013

	Total	Selection	Allocation	Interaction
	Effects	Effect	Effect	Effects
Energy	-0.17%	-0.04%	0.00%	-0.13%
Materials	-0.11%	0.12%	-0.01%	-0.22%
Industrials	0.10%	0.04%	0.05%	0.01%
Cons. Disc.	0.06%	0.05%	0.01%	0.00%
Cons. Staples	-0.06%	0.04%	0.04%	-0.13%
Health Care	0.05%	0.01%	-0.03%	0.07%
Financials	0.17%	0.17%	0.02%	-0.02%
Info. Tech	-0.49%	-0.47%	0.00%	-0.02%
Telecomm.	0.01%	-0.01%	0.02%	0.00%
Utilities	0.06%	-0.01%	0.07%	0.00%
Cash	-0.05%	0.00%	0.00%	-0.05%
Unclassified	0.00%	--	0.00%	--
<b>Portfolio</b>	<b>-0.43%</b>	<b>= -0.10%</b>	<b>+ 0.15%</b>	<b>+ -0.48%</b>

# Wellington Quality Value Strategy

Sector Allocation (%) vs Russell 1000 Value  
3 Months Ending December 31, 2013



## Top Returning Stocks

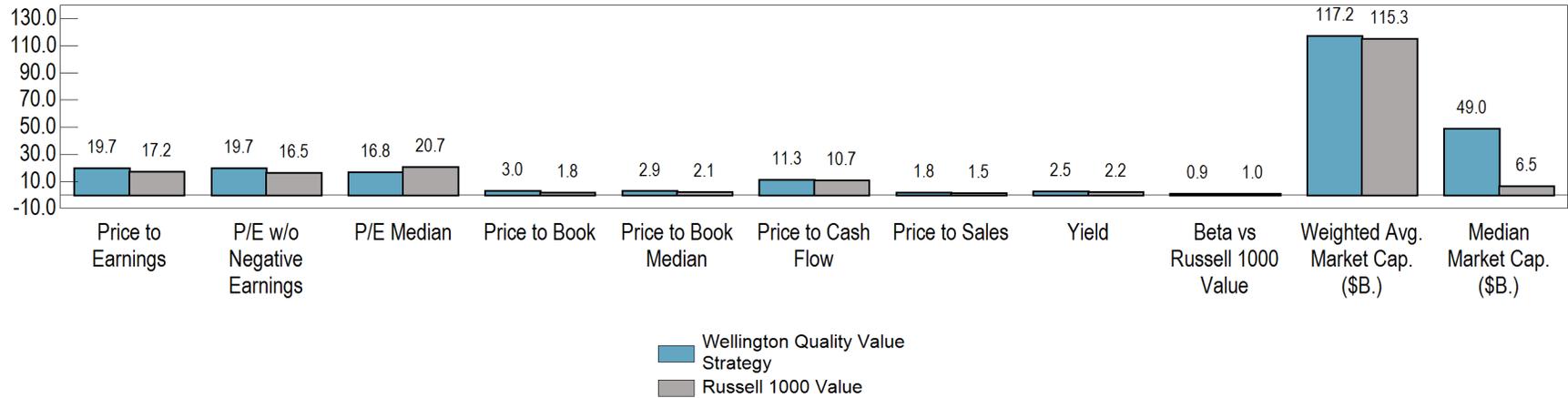
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
PHILLIPS 66 (PSX)	0.75%	0.51%	0.07%	34.19%
TEXTRON (TXT)	1.01%	0.11%	0.22%	33.22%
CARDINAL HEALTH (CAH)	1.06%	0.25%	0.27%	28.69%
AMERIPRISE FINL. (AMP)	1.23%	0.17%	0.26%	26.97%
CVS CAREMARK (CVS)	2.01%	0.83%	0.22%	26.59%
FLOWSERVE (FLS)	0.63%		0.12%	26.58%
WALT DISNEY (DIS)	0.60%	1.15%	-0.10%	19.93%
PRUDENTIAL FINL. (PRU)	0.92%	0.28%	0.11%	18.96%
PATTERSON UTI EN. (PTEN)	0.43%	0.04%	0.03%	18.68%
EXXON MOBIL (XOM)	4.42%	4.84%	-0.15%	18.43%
<b>Total</b>	<b>13.05%</b>	<b>8.18%</b>		

## Bottom Returning Stocks

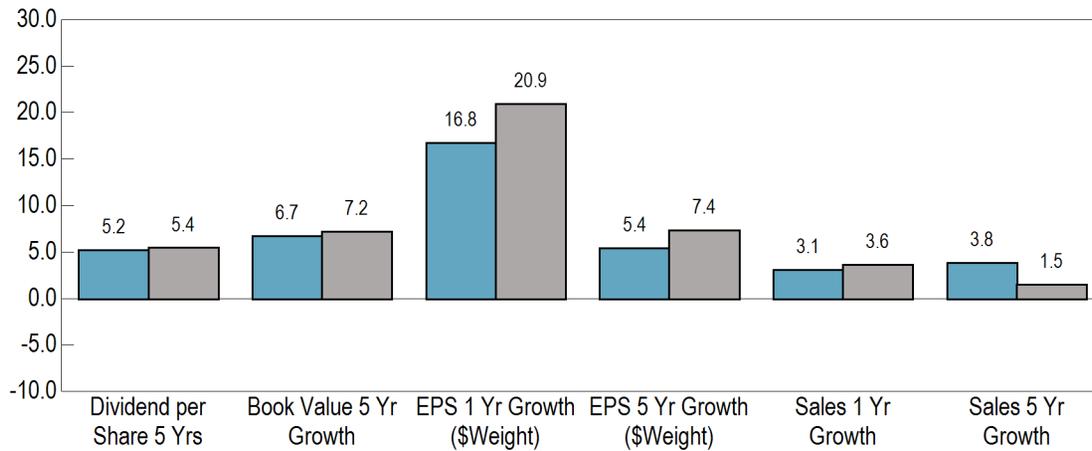
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
RAYONIER (RYN)	0.43%		-0.17%	-23.47%
GOLDCORP NEW (NYS) (GG)	0.36%		-0.08%	-16.15%
ANADARKO PETROLEUM (APC)	0.73%	0.40%	-0.11%	-14.52%
EXELON (EXC)	0.72%	0.25%	-0.04%	-6.57%
PUBLIC STORAGE (PSA)	0.87%	0.02%	-0.05%	-5.38%
CISCO SYSTEMS (CSCO)	1.67%	1.29%	-0.02%	-3.57%
SUNCOR ENERGY (C:SU)	0.00%		-0.03%	-1.64%
EMC (EMC)	1.16%	0.28%	-0.02%	-1.60%
CH ROBINSON WWD. (CHRW)	0.00%		-0.01%	-1.47%
TARGET (TGT)	0.55%	0.09%	0.00%	-0.47%
<b>Total</b>	<b>6.49%</b>	<b>2.34%</b>		

# Wellington Quality Value Strategy

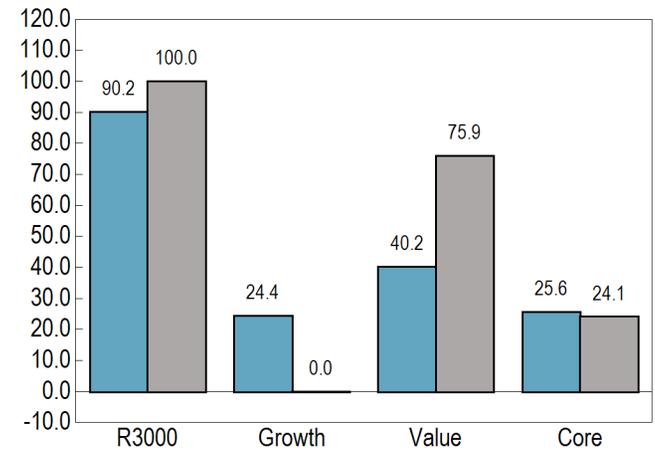
**Portfolio Characteristics**  
Ending December 31, 2013



**Historical Growth Measures**  
Ending December 31, 2013



**Russell Index Membership (% Equity)**  
Ending December 31, 2013



## Manager Philosophy and Process

### Investment Philosophy

The three primary tenets of the firm's philosophy are a value discipline, intensive internal research, and risk aversion. The research focuses on finding stocks with attractive value characteristics, strong business fundamentals, and a catalyst for change. RBP's approach blends quantitative modeling with fundamental research in constructing equity portfolios using bottom-up, value-oriented stock selection.

### Investment Process

RBP starts with a universe of stocks with a market capitalization of \$2 billion or more. The quantitative model ranks every stock in the universe using factors in three primary groupings: valuation, momentum, and fundamentals. Valuation factors account for 40% of the composite score and contain common valuation factors such as P/E, Price to Cash Flow, EV/EBITDA, ROE, and Cash Flow Yield. Momentum accounts for 40% of the composite score and contains such factors as Earnings Estimate Revisions, Short Interest, and Price Momentum. The fundamental group accounts for the remaining 20% and has factors that look at accrual changes, earnings quality, and profitability. The model ranks each stock on the composite score of 1 (best) to 10 (worst). The analysts then focus their fundamental research on stocks in the top three deciles for investment ideas. Fundamental research tries to identify a near-term positive catalyst that will drive the stock price. The research includes discussion with management, competitors and customers, on-site visits, and a review of financial statements. RBP sells a security when the target price is attained, fundamentals deteriorate, or business momentum declines.

## Current Positioning

Robeco's positioning of the large cap value strategy changed little during the quarter. While there were minor changes in sector allocations, the portfolio is a result of the bottom-up stock selection and not meant to express sector views.

- Relative to the Russell 1000 Value Index, the Strategy was underweight the energy, industrials, consumer staples and utilities sectors
- The Strategy was overweight the consumer discretionary, information technology and health care sectors
- The portfolio's yield of 1.9% was lower than the benchmark yield of 2.2% but exhibited a higher quality bias than the benchmark with a lower debt-to-equity ratio and a higher average return on equity for the underlying portfolio holdings.

## Quarterly Attribution

### Positive Impact on Performance:

- Security selection, particularly within the communications and energy sectors
- Underweight allocation to REITs, Utilities and Telecommunications sector
- The Strategy's focus on lower geared holdings with strong earnings momentum

### Negative Impact on Performance:

- Stock selection within the information technology and financials sectors

## Characteristics

Number of Holdings: 83  
Median Market Capitalization (\$MM): \$56,600  
Weighted Average Market Capitalization (\$MM): \$103,000  
P/E Ratio: 13.0x  
P/B Ratio: 1.9x  
Earnings Growth (5 year): 9%  
Turnover: 7%  
% Cash: 1.5%

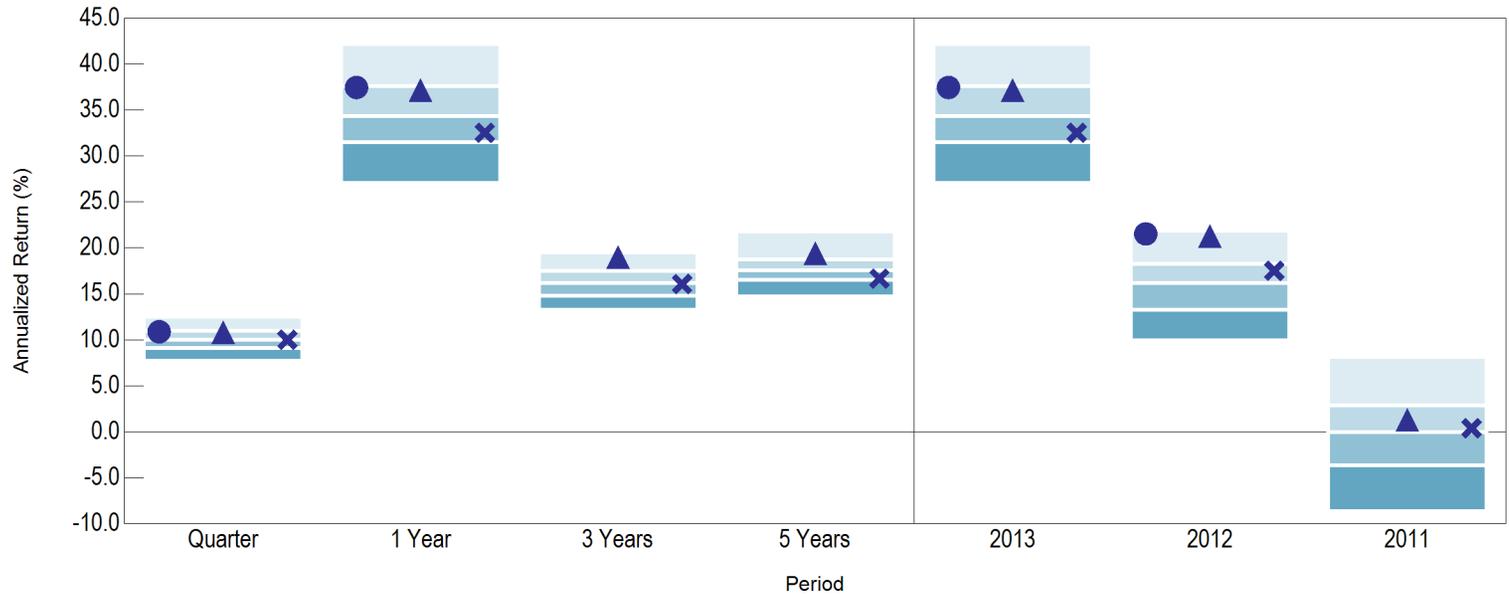
## Summary Data Points

Mercer Rating: A  
Manager Strategy Assets (billions): \$20.3

# NCSRP Robeco BP Large Cap Value

## Performance

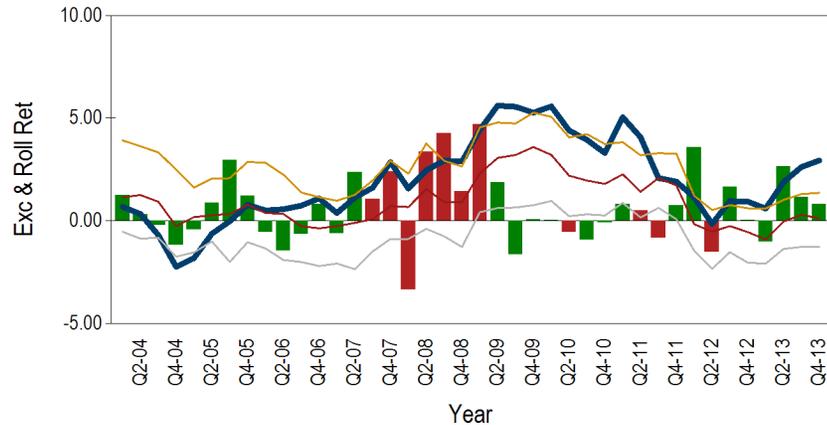
Performance vs. Mercer Instl US Equity Large Cap Value  
Ending December 31, 2013



	Return (Rank)													
	Quarter	1 Year	3 Years	5 Years	2013	2012	2011	Quarter	1 Year	3 Years	5 Years	2013	2012	2011
5th Percentile	12.5	42.1	19.5	21.7	42.1	21.8	8.1							
25th Percentile	11.0	37.7	17.5	18.8	37.7	18.3	2.9							
Median	10.0	34.4	16.2	17.6	34.4	16.2	0.0							
75th Percentile	9.1	31.5	14.8	16.6	31.5	13.3	-3.6							
95th Percentile	7.8	27.1	13.3	14.7	27.1	10.0	-8.6							
# of Portfolios	240	226	200	195	226	279	286							
● NCSRP Robeco BP Large Cap Value	10.9 (28)	37.5 (27)	-- (--)	-- (--)	37.5 (27)	21.5 (7)	-- (--)							
▲ Robeco BP Large Cap Value Strategy	10.8 (29)	37.2 (28)	19.0 (8)	19.4 (18)	37.2 (28)	21.3 (7)	1.3 (39)							
✕ Russell 1000 Value	10.0 (51)	32.5 (65)	16.1 (53)	16.7 (73)	32.5 (65)	17.5 (32)	0.4 (49)							

# Robeco BP Large Cap Value Strategy

**Rolling 3 Year Excess Performance  
Robeco BP Large Cap Value Strategy vs. Russell 1000 Value**



**Characteristics  
as of December 31, 2013**

	Portfolio	Russell 1000 Value
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	18.38	17.24
P/E Excluding Negative Earnings	18.38	16.45
P/E Median	16.61	20.72
Price To Book	2.50	1.80
Price To Book Median	2.52	2.13
Price To Cash Flow	10.43	10.70
Price To Sales	1.48	1.54
Dividend Yield (%)	1.87	2.24
Weighted Ave. Market Cap. (\$B)	88.90	115.34
Median Market Cap. (\$B)	25.56	6.54
Beta	1.08	1.00

**Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2013**

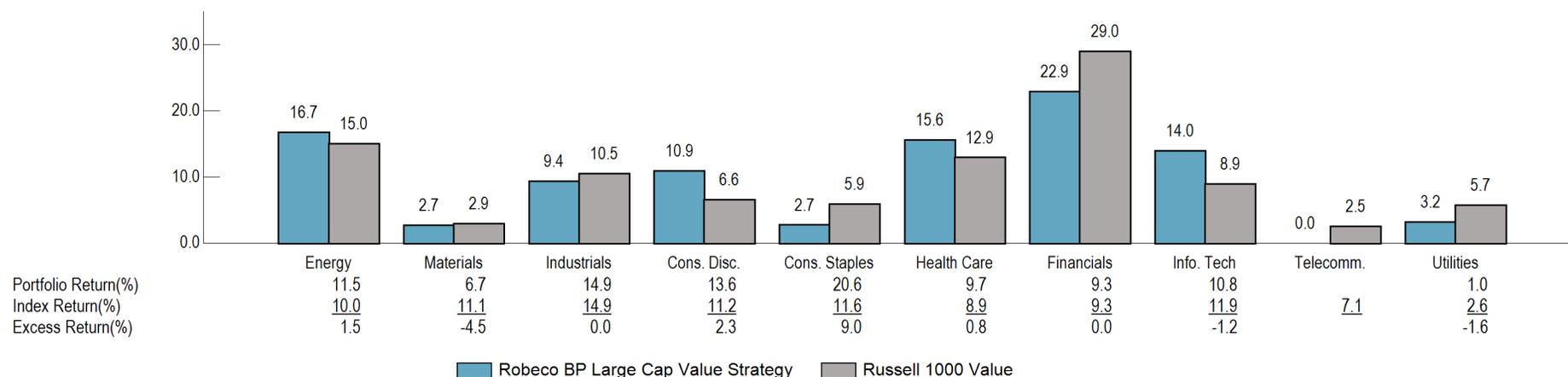


**Performance Attribution vs. Russell 1000 Value  
Quarter Ending December 31, 2013**

	Total	Selection	Allocation	Interaction
	Effects	Effect	Effect	Effects
Energy	0.26%	0.27%	0.01%	-0.01%
Materials	-0.13%	-0.13%	0.00%	0.00%
Industrials	-0.02%	0.00%	-0.01%	-0.01%
Cons. Disc.	0.30%	0.15%	0.07%	0.08%
Cons. Staples	0.19%	0.54%	-0.09%	-0.26%
Health Care	0.11%	0.19%	-0.03%	-0.04%
Financials	0.02%	0.00%	0.03%	-0.01%
Info. Tech	0.00%	-0.09%	0.11%	-0.01%
Telecomm.	0.07%	--	0.07%	--
Utilities	0.25%	-0.10%	0.29%	0.06%
Cash	-0.14%	0.00%	0.00%	-0.14%
Unclassified	0.00%	--	0.00%	--
<b>Portfolio</b>	<b>0.93%</b>	<b>= 0.83%</b>	<b>+ 0.44%</b>	<b>+ -0.34%</b>

# Robeco BP Large Cap Value Strategy

Sector Allocation (%) vs Russell 1000 Value  
3 Months Ending December 31, 2013



## Top Returning Stocks

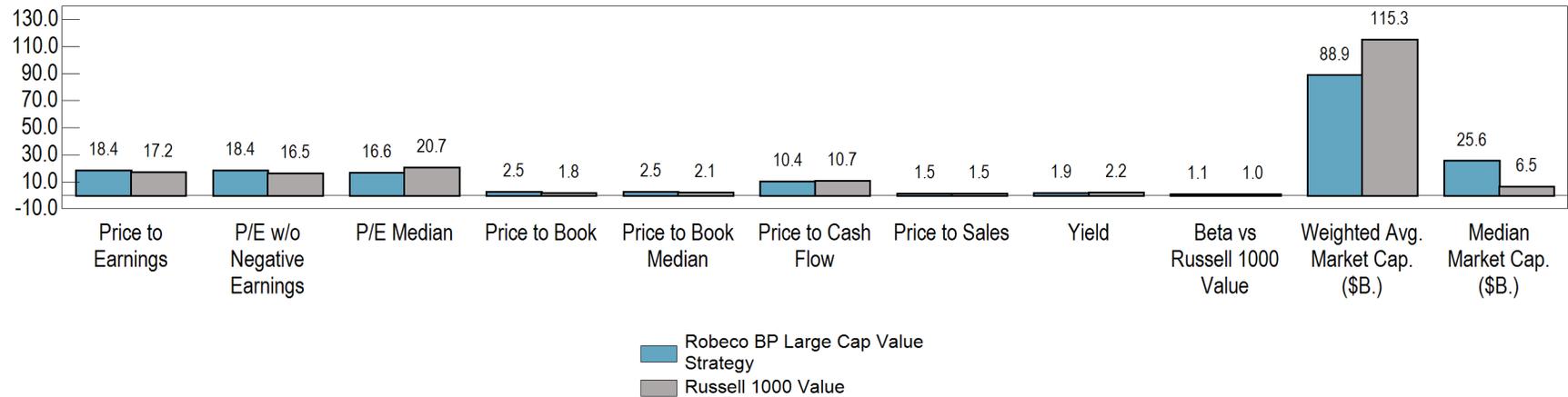
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
LSI (LSI)	0.96%	0.06%	0.20%	41.55%
PHILLIPS 66 (PSX)	1.83%	0.51%	0.35%	34.19%
WESTERN DIGITAL (WDC)	0.81%	0.19%	0.10%	32.82%
SEAGATE TECH. (STX)	0.53%		0.16%	29.51%
CVS CAREMARK (CVS)	1.17%	0.83%	-0.07%	26.59%
IAC/INTERACTIVECORP (IACI)	1.32%		0.45%	26.10%
MCKESSON (MCK)	1.48%		0.53%	25.98%
MACY'S (M)	1.12%	0.05%	0.27%	24.00%
TIME WARNER CABLE (TWC)	0.78%		0.18%	21.99%
NORFOLK SOUTHERN (NSC)	1.38%	0.26%	0.25%	20.73%
<b>Total</b>	<b>11.38%</b>	<b>1.90%</b>		

## Bottom Returning Stocks

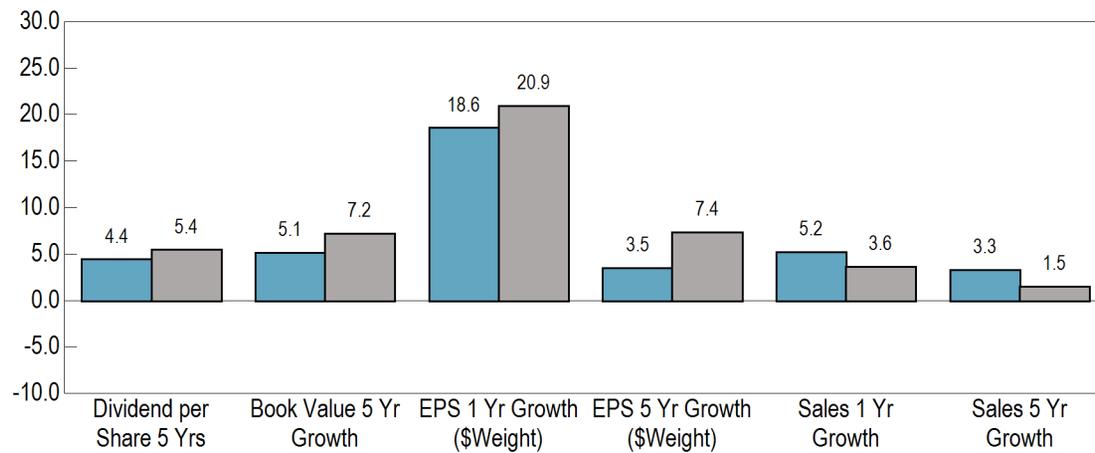
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
QUEST DIAGNOSTICS (DGX)	0.88%	0.08%	-0.11%	-13.35%
FIRSTENERGY (FE)	1.36%	0.15%	-0.08%	-8.18%
SYMANTEC (SYMC)	0.27%	0.05%	-0.02%	-4.12%
CISCO SYSTEMS (CSCO)	2.69%	1.29%	-0.05%	-3.57%
NETAPP (NTAP)	1.60%		-0.05%	-3.12%
EQUITY RESD.TST.PROPS. SHBI (EQR)	1.17%	0.20%	-0.02%	-1.95%
AGCO (AGCO)	0.83%	0.06%	-0.02%	-1.87%
EOG RES. (EOG)	0.63%	0.03%	0.00%	-0.75%
AMERICAN HOMES 4 RENT CLA (AMH)	0.74%	0.01%	0.00%	0.62%
MARATHON OIL (MRO)	0.94%	0.27%	0.01%	1.73%
<b>Total</b>	<b>11.11%</b>	<b>2.13%</b>		

# Robeco BP Large Cap Value Strategy

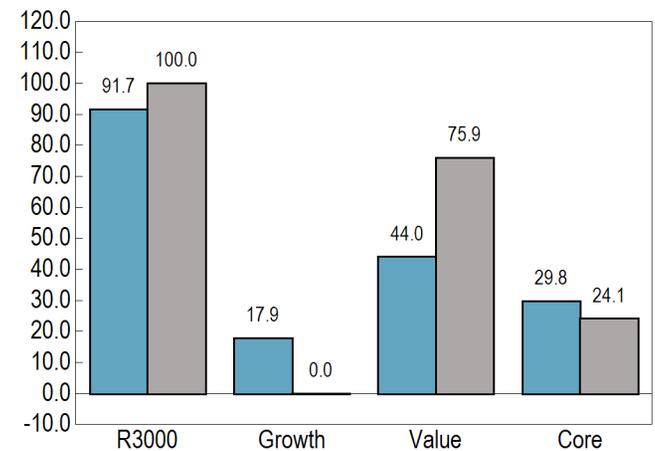
**Portfolio Characteristics**  
Ending December 31, 2013



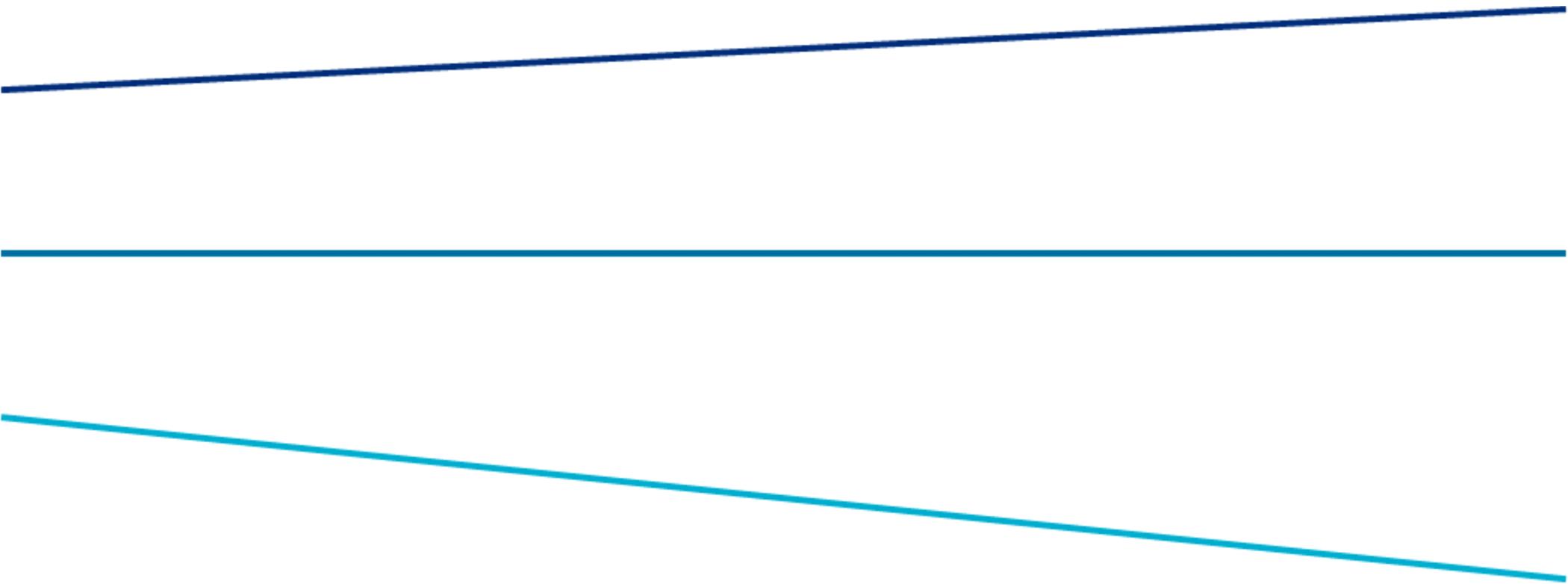
**Historical Growth Measures**  
Ending December 31, 2013



**Russell Index Membership (% Equity)**  
Ending December 31, 2013



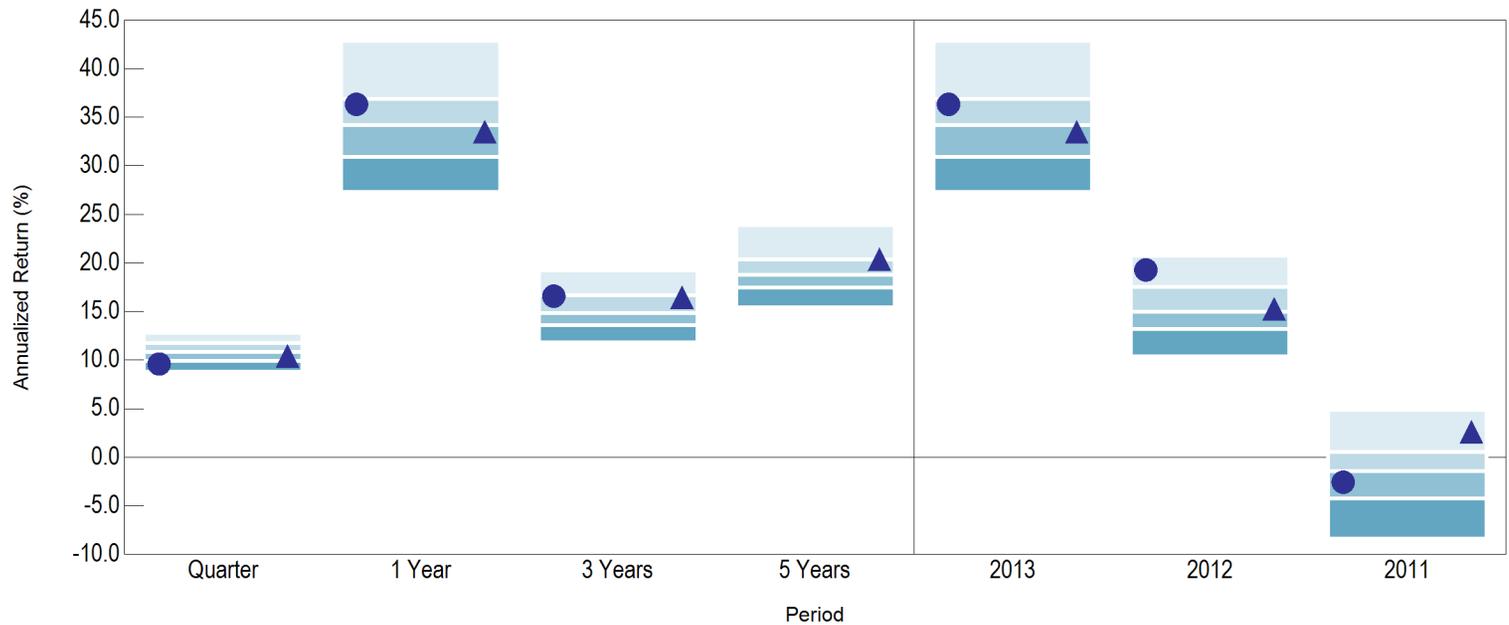
# Large Cap Growth



# Large Cap Growth

## Performance

Performance vs. Mercer Mutual Fund US Equity Large Cap Growth  
Ending December 31, 2013

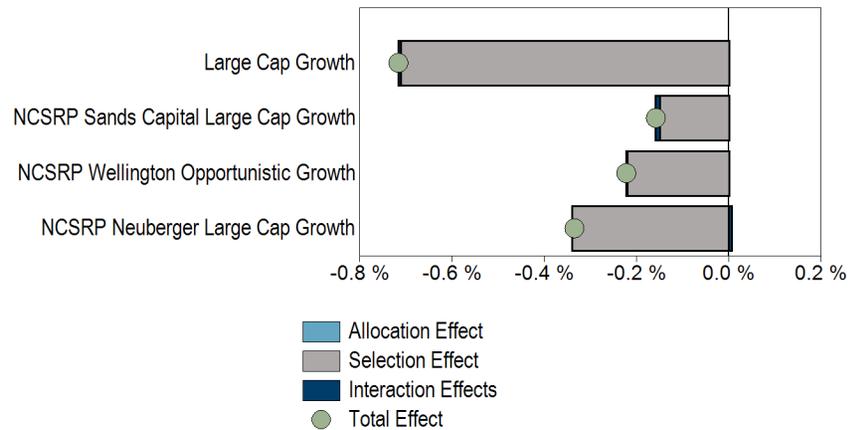


	Return (Rank)													
5th Percentile	12.8	42.8	19.2	23.9	42.8	20.7	4.8							
25th Percentile	11.8	36.9	16.7	20.4	36.9	17.6	0.6							
Median	10.9	34.3	14.9	18.8	34.3	15.0	-1.4							
75th Percentile	10.0	30.9	13.6	17.5	30.9	13.3	-4.2							
95th Percentile	8.8	27.3	11.9	15.5	27.3	10.4	-8.3							
# of Portfolios	185	183	162	148	183	191	200							
● Large Cap Growth	9.6	(85)	36.3	(31)	16.6	(26)	--	(--)	36.3	(31)	19.3	(12)	-2.6	(63)
▲ Russell 1000 Growth	10.4	(65)	33.5	(58)	16.5	(29)	20.4	(26)	33.5	(58)	15.3	(48)	2.6	(11)

# Large Cap Growth

## Attribution

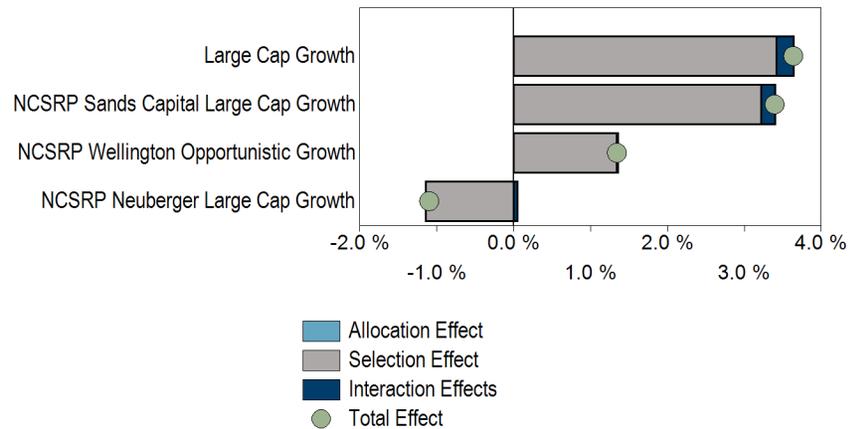
**Attribution Effects**  
3 Months Ending December 31, 2013



**Attribution Summary**  
3 Months Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Sands Capital Large Cap Growth	10.0%	10.4%	-0.5%	-0.2%	0.0%	0.0%	-0.2%
NCSRP Wellington Opportunistic Growth	9.8%	10.4%	-0.7%	-0.2%	0.0%	0.0%	-0.2%
NCSRP Neuberger Large Cap Growth	9.4%	10.4%	-1.0%	-0.3%	0.0%	0.0%	-0.3%
<b>Total</b>	<b>9.7%</b>	<b>10.4%</b>	<b>-0.7%</b>	<b>-0.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.7%</b>

**Attribution Effects**  
1 Year Ending December 31, 2013

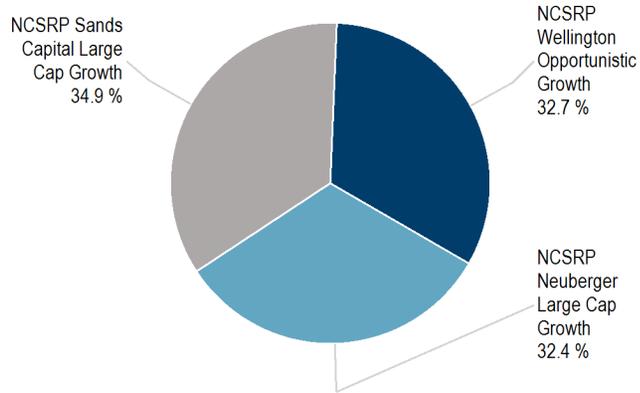


**Attribution Summary**  
1 Year Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Sands Capital Large Cap Growth	43.0%	33.5%	9.5%	3.2%	0.0%	0.2%	3.4%
NCSRP Wellington Opportunistic Growth	37.5%	33.5%	4.0%	1.3%	0.0%	0.0%	1.3%
NCSRP Neuberger Large Cap Growth	30.2%	33.5%	-3.3%	-1.1%	0.0%	0.0%	-1.1%
<b>Total</b>	<b>37.1%</b>	<b>33.5%</b>	<b>3.6%</b>	<b>3.4%</b>	<b>0.0%</b>	<b>0.2%</b>	<b>3.6%</b>

# Large Cap Growth

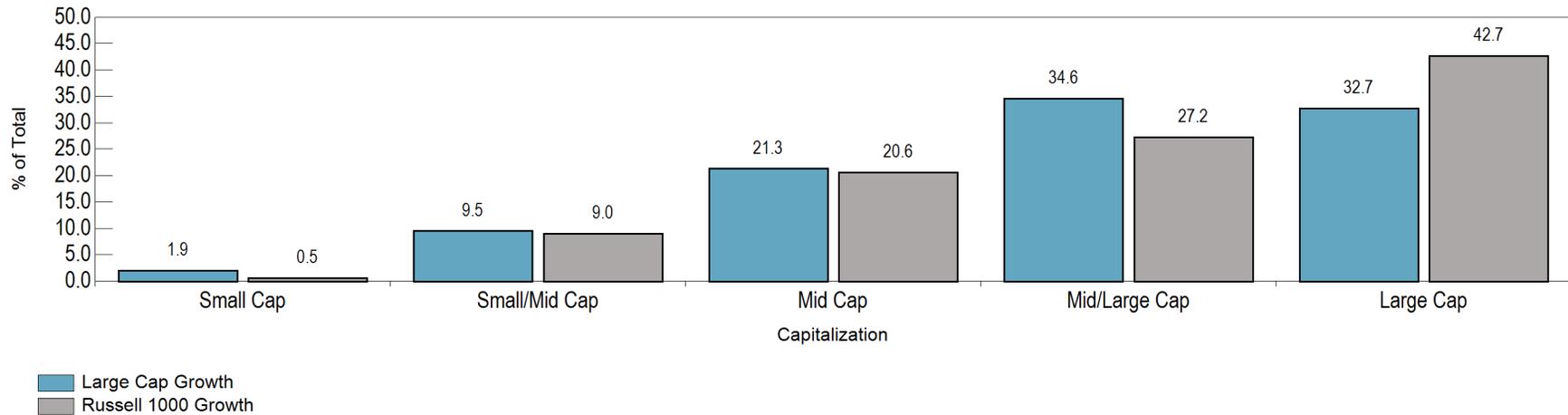
Current Allocation



Characteristics

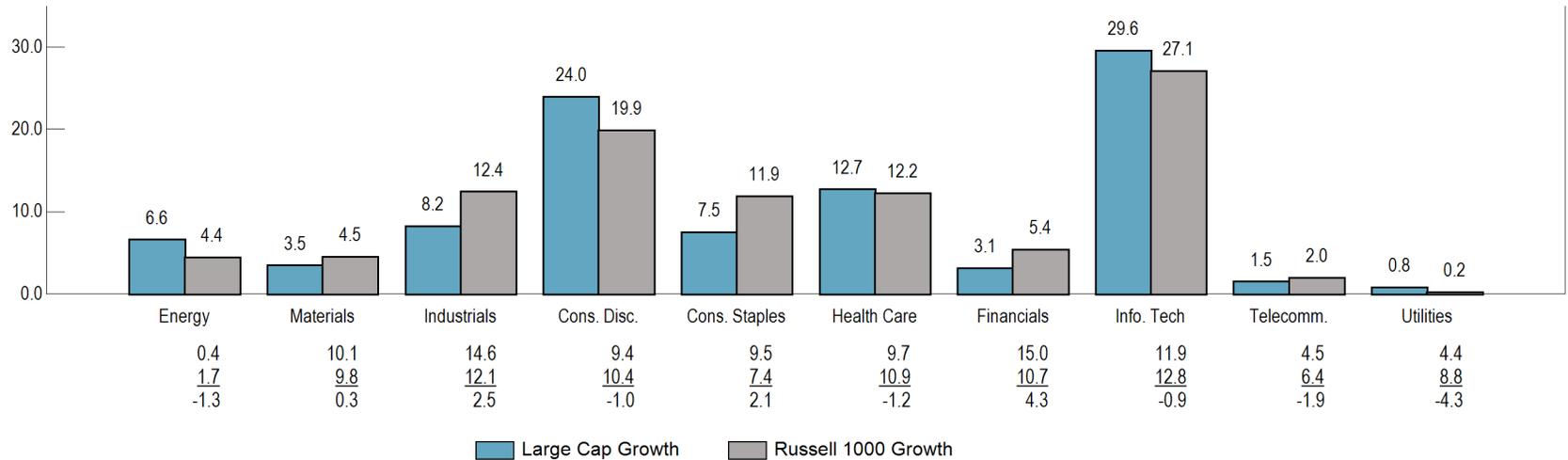
	Portfolio	Russell 1000 Growth
Number of Holdings	203	625
Weighted Avg. Market Cap. (\$B)	81.41	102.91
Median Market Cap. (\$B)	13.78	8.08
Price To Earnings	29.30	23.39
Price To Book	6.97	5.11
Price To Sales	4.58	2.24
Return on Equity (%)	21.30	21.83
Yield (%)	0.91	1.57
Beta	1.18	1.00
R-Squared	0.95	1.00

Market Capitalization As Of December 31, 2013



# Large Cap Growth

Sector Allocation (%) vs Russell 1000 Growth



Portfolio Return(%)  
Index Return(%)  
Excess Return(%)

Energy	0.4	10.1	14.6	9.4	9.5	9.7	15.0	11.9	4.5	4.4
Materials	<u>1.7</u>	<u>9.8</u>	<u>12.1</u>	<u>10.4</u>	<u>7.4</u>	<u>10.9</u>	<u>10.7</u>	<u>12.8</u>	<u>6.4</u>	<u>8.8</u>
Excess Return(%)	-1.3	0.3	2.5	-1.0	2.1	-1.2	4.3	-0.9	-1.9	-4.3

Large Cap Growth Russell 1000 Growth

## Top Returning Stocks

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
ILLUMINA (ILMN)	0.11%	0.14%	0.07%	36.82%
SALIX PHARMS. (SLXP)	0.06%	0.06%	0.01%	34.48%
TEXTRON (TXT)	0.31%		0.09%	33.22%
SPIRIT AIRLINES (SAVE)	0.12%		0.03%	32.51%
KAPSTONE PAPER & PACK. (KS)	0.09%		0.03%	30.51%
DIGITALGLOBE (DGI)	0.08%		0.02%	30.14%
MONSTER BEVERAGE (MNST)	0.39%	0.09%	0.06%	29.70%
HERTZ GLOBAL HDG. (HTZ)	0.55%	0.10%	0.11%	29.15%
HEARTWARE INTERNATIONAL (HTWR)	0.05%		0.01%	28.29%
GOOGLE 'A' (GOOG)	4.65%	3.12%	0.43%	27.95%
<b>Total</b>	<b>6.42%</b>	<b>3.51%</b>		

## Bottom Returning Stocks

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
COBALT INTL.ENERGY (CIE)	0.18%	0.04%	-0.08%	-33.83%
ANGIE'S LIST (ANGI)	0.05%		-0.03%	-32.64%
TRULIA (TRLA)	0.07%		-0.03%	-25.01%
LULULEMON ATHLETICA (LULU)	0.46%		-0.21%	-19.28%
ULTA SALON CO&FRA. (ULTA)	0.76%	0.06%	-0.18%	-19.20%
ANADARKO PETROLEUM (APC)	0.20%	0.02%	-0.03%	-14.52%
DANA HOLDING (DAN)	0.00%		-0.01%	-13.87%
BANKRATE (RATE)	0.08%		-0.01%	-12.79%
ALTERA (ALTR)	0.00%		-0.05%	-12.11%
REGENERON PHARMS. (REGN)	0.91%	0.23%	-0.11%	-12.03%
<b>Total</b>	<b>2.71%</b>	<b>0.36%</b>		

## Large Cap Growth

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### Top Holdings Large Cap Growth

	LCG Fund %	Sands %	Wellington %	Neuberger %	Index Weight%
GOOGLE 'A'	4.65%	7.65%	3.95%	2.14%	3.12%
VISA 'A'	2.84%	6.98%	1.22%		1.20%
AMAZON.COM	2.66%	6.61%		1.08%	1.51%
PRICELINE.COM	2.40%	5.08%	1.93%		0.62%
FACEBOOK CLASS A	2.14%	4.61%	1.61%		0.96%
SALESFORCE.COM	2.08%	5.95%			0.34%
MONSANTO	2.06%	2.59%	1.83%	1.73%	0.64%
BAIDU 'A' ADR 10:1	2.01%	5.77%			
BIOGEN IDEC	1.81%	3.20%	1.44%	0.69%	0.69%
ASML HLDG.ADR 1:1	1.68%	3.45%		1.47%	
<b>Total</b>	<b>24.33%</b>	<b>51.88%</b>	<b>11.98%</b>	<b>7.12%</b>	<b>9.08%</b>

## Manager Philosophy and Process

### Investment Philosophy

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 essentially follows a buy and hold philosophy with extremely low turnover and low transaction costs. The long-term investment horizon allows the companies in the portfolio to realize long-term business opportunities that lead to shareholder wealth creation.

### Investment Process

The process is bottom-up and fundamental in nature. The team's primary goal is to identify outstanding growth companies that lead and dominate attractive growth industries. Initial research looks for companies with above-average historical sales and earnings growth. Seven qualitative success factors are then analyzed to identify the leaders within each attractive business space. Sands believes companies can lead and dominate by creating growth drivers (new products/services and entering new markets), developing and anticipating industry trends, creating competitive barriers, gaining market share, building financial muscle and a strong business model, displaying superior management ability, and applying technology to add value. Fulfilling these criteria is the most important part of the investment research process, providing a powerful filter for locating high quality companies. Companies that pass the leaders screens are added to the Company Leader List, which typically contains 60 to 80 companies in 15 to 20 growing industries. Purchase candidates are selected from the Leader List and are expected to possess dominant leadership in an attractive growth business with the potential to deliver sustainable, long-term earnings growth.

## Current Positioning

- Relative to the Russell 1000 Growth Index, the Composite is overweight the technology, energy, health care and consumer discretionary sectors.
- The Composite is underweight the producer durables, consumer staples, materials & processing and utilities sectors.

## Quarterly Attribution

### Positive Impact on Performance:

- Overweight positions in Google, Amazon.com, and Visa
- Underweight allocation to the consumer staples sector
- Overweight allocation to the technology sector

### Negative Impact on Performance:

- Overweight positions in Ulta Salon, Regeneron, and ASML Holding
- Overweight to the energy sector
- Underweight to the producer durables sector

## Characteristics

Number of holdings: 29

Median Market Capitalization (billions): \$33.2

Weighted Average Market Capitalization (billions): \$85.7

P/E ratio: 28.6X

P/B ratio: 6.5X

Earnings growth: 25%

% cash: 0.9%

## Summary Data Points

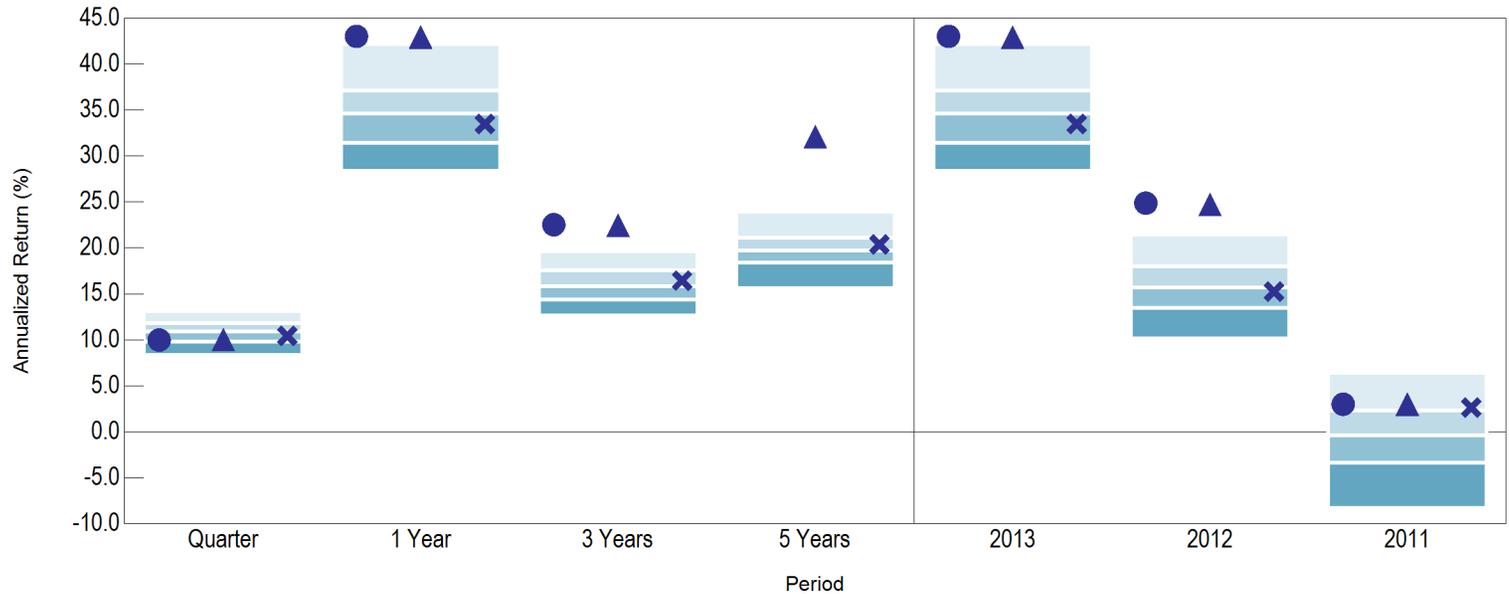
Mercer Rating: A(T)

Manager Strategy Assets: \$32.0 Billion

# NCSRP Sands Capital Large Cap Growth

## Performance

Performance vs. Mercer Instl US Equity Large Cap Growth  
Ending December 31, 2013

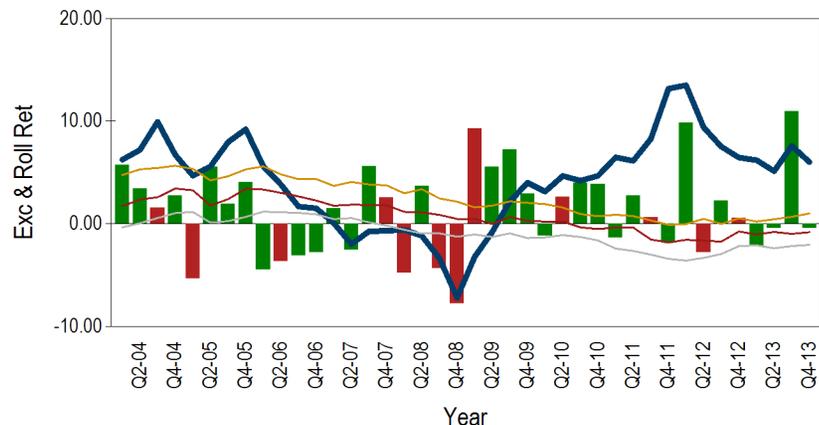


### Return (Rank)

5th Percentile	13.1	42.2	19.6	23.9	42.2	21.4	6.4
25th Percentile	11.9	37.2	17.6	21.1	37.2	18.0	2.4
Median	10.9	34.6	15.9	19.8	34.6	15.7	-0.3
75th Percentile	9.9	31.5	14.4	18.5	31.5	13.5	-3.3
95th Percentile	8.4	28.4	12.7	15.6	28.4	10.2	-8.2
# of Portfolios	208	202	174	166	202	249	251
● NCSRP Sands Capital Large Cap Growth	10.0 (73)	43.0 (4)	22.5 (1)	-- (--)	43.0 (4)	24.9 (2)	3.0 (21)
▲ Sands Capital Large Cap Growth Strategy	10.0 (72)	42.9 (4)	22.5 (1)	32.1 (1)	42.9 (4)	24.7 (2)	3.0 (21)
✕ Russell 1000 Growth	10.4 (61)	33.5 (60)	16.5 (42)	20.4 (38)	33.5 (60)	15.3 (57)	2.6 (24)

# Sands Capital Large Cap Growth Strategy

**Rolling 3 Year Excess Performance**  
Sands Capital Large Cap Growth Strategy vs. Russell 1000 Growth



**Annualized Excess Return vs. Tracking Error**  
5 Years Ending December 31, 2013



**Characteristics**  
as of December 31, 2013

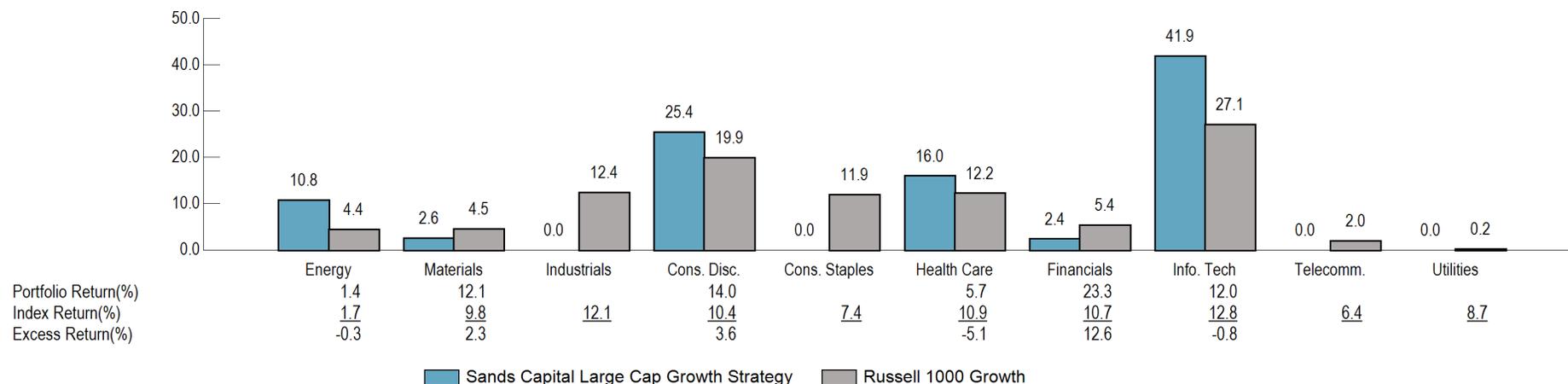
	Portfolio	Russell 1000 Growth
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	34.10	23.39
P/E Excluding Negative Earnings	34.10	22.25
P/E Median	30.68	24.30
Price To Book	10.31	5.11
Price To Book Median	8.71	4.41
Price To Cash Flow	30.17	15.75
Price To Sales	6.88	2.24
Dividend Yield (%)	0.35	1.57
Weighted Ave. Market Cap. (\$B)	77.75	102.91
Median Market Cap. (\$B)	33.52	8.08
Beta	1.19	1.00

**Performance Attribution vs. Russell 1000 Growth**  
Quarter Ending December 31, 2013

	Total Effects		Selection Effect		Allocation Effect		Interaction Effects
Energy	-0.50%	=	-0.02%	+	-0.44%	+	-0.03%
Materials	0.07%	=	0.11%	+	0.01%	+	-0.05%
Industrials	-0.21%	=	--	+	-0.21%	+	--
Cons. Disc.	1.05%	=	0.76%	+	0.00%	+	0.29%
Cons. Staples	0.38%	=	--	+	0.38%	+	--
Health Care	-0.90%	=	-0.63%	+	0.02%	+	-0.28%
Financials	0.12%	=	0.65%	+	-0.01%	+	-0.53%
Info. Tech	0.05%	=	0.30%	+	0.35%	+	-0.60%
Telecomm.	0.08%	=	--	+	0.08%	+	--
Utilities	0.00%	=	--	+	0.00%	+	--
Cash	-0.10%	=	0.00%	+	0.00%	+	-0.10%
Unclassified	0.00%	=	--	+	0.00%	+	--
<b>Portfolio</b>	<b>0.04%</b>	<b>=</b>	<b>1.17%</b>	<b>+</b>	<b>0.18%</b>	<b>+</b>	<b>-1.30%</b>

# Sands Capital Large Cap Growth Strategy

Sector Allocation (%) vs Russell 1000 Growth  
3 Months Ending December 31, 2013



## Top Returning Stocks

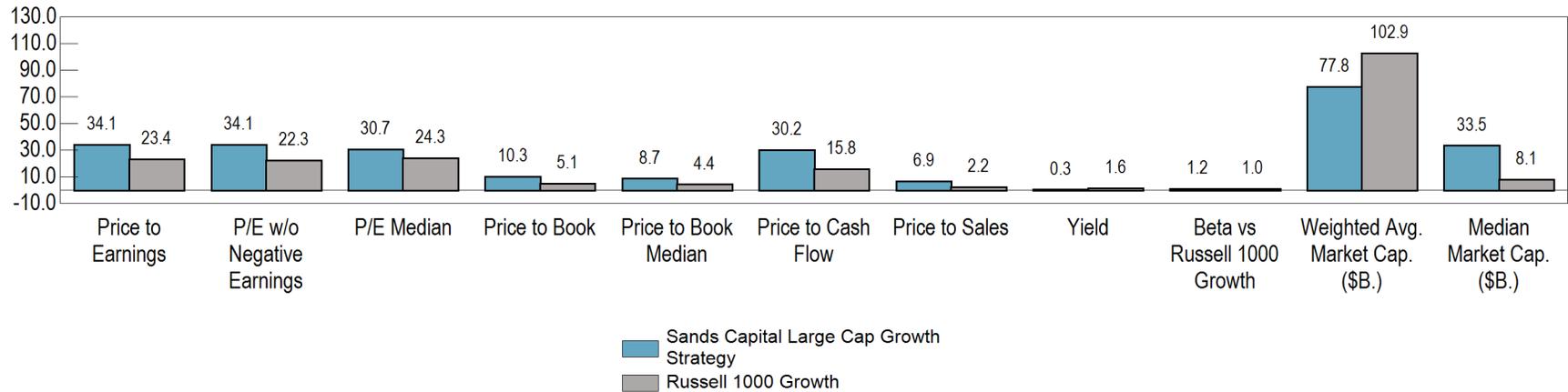
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
GOOGLE 'A' (GOOG)	7.65%	3.12%	1.10%	27.95%
AMAZON.COM (AMZN)	6.61%	1.51%	1.51%	27.56%
CHIPOTLE MEXN.GRILL (CMG)	3.82%	0.17%	0.94%	24.25%
ATHENAHEALTH (ATHN)	1.31%		0.28%	23.87%
CHARLES SCHWAB (SCHW)	2.36%	0.04%	0.20%	23.31%
ALLERGAN (AGN)	0.00%		0.44%	22.87%
LAS VEGAS SANDS (LVS)	2.91%	0.32%	0.46%	19.28%
VISA 'A' (V)	6.98%	1.20%	1.03%	16.76%
BIOGEN IDEC (BIIB)	3.20%	0.69%	0.39%	16.12%
PRICELINE.COM (PCLN)	5.08%	0.62%	0.65%	14.98%
<b>Total</b>	<b>39.91%</b>	<b>7.66%</b>		

## Bottom Returning Stocks

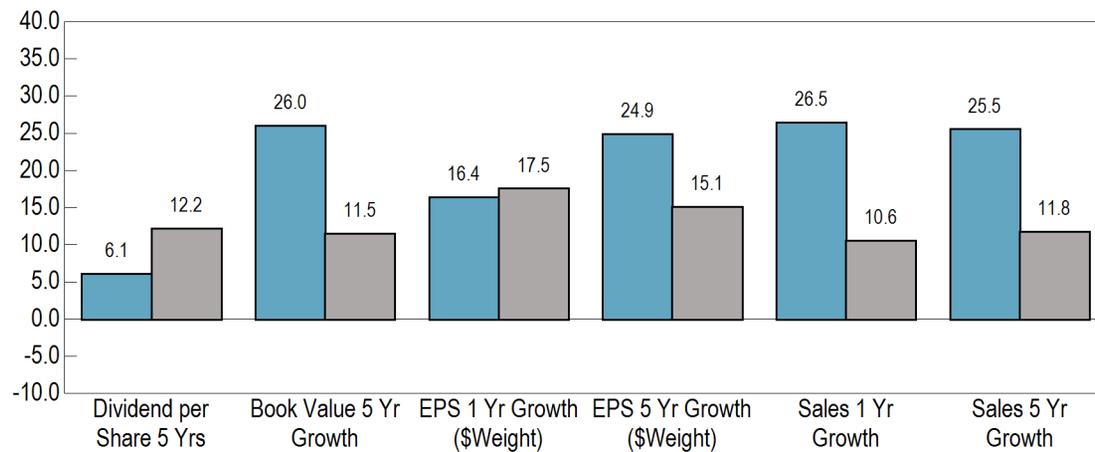
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
ULTA SALON CO&FRA. (ULTA)	2.17%	0.06%	-0.55%	-19.20%
REGENERON PHARMS. (REGN)	2.62%	0.23%	-0.37%	-12.03%
LINKEDIN CLASS A (LNKD)	2.09%	0.22%	-0.08%	-11.88%
FMC TECHNOLOGIES (FTI)	2.23%	0.13%	-0.12%	-5.79%
ASML HLDG.ADR 1:1 (ASML)	3.45%		-0.21%	-5.12%
BIOMARIN PHARM. (BMRN)	1.44%	0.10%	-0.04%	-2.52%
INTUITIVE SURGICAL (ISRG)	2.03%	0.15%	0.03%	2.08%
NATIONAL OILWELL VARCO (NOV)	2.62%		0.05%	2.14%
STARBUCKS (SBUX)	1.73%	0.61%	0.03%	2.17%
SCHLUMBERGER (SLB)	3.32%	1.24%	0.05%	2.34%
<b>Total</b>	<b>23.71%</b>	<b>2.73%</b>		

# Sands Capital Large Cap Growth Strategy

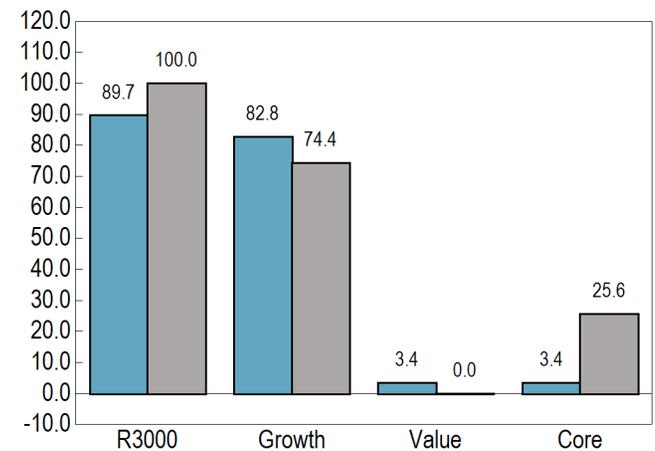
**Portfolio Characteristics**  
Ending December 31, 2013



**Historical Growth Measures**  
Ending December 31, 2013



**Russell Index Membership (% Equity)**  
Ending December 31, 2013



## Manager Philosophy and Process

### Investment Style/Philosophy

The investment objective of the Opportunistic Growth portfolio is to provide long-term, total returns above the growth indices by investing in the stocks of successful, growing companies across the U.S. market capitalization spectrum. Over the long-term, Wellington believes that companies that can sustain above average growth in earnings will outperform the growth indices and the market overall.

### Investment Process

The investment process first screens all securities in the market for companies that have demonstrated above average revenue, cash flow, and EPS growth. Further research is then conducted to determine whether a sustainable growth advantage exists that will enable these companies to continue to grow faster than the Russell 1000 Growth Index and the market. Wellington seeks companies with at least one of the following sustainable growth characteristics:

- \* Cost advantage: economies-of-scale, low cost producer, superior technology and/or business model
- \* Customer advantage: unique product and/or market dominance
- \* Competitive advantage: barriers to entry and/or large installed base

For each of these companies with a sustainable growth advantage, an in-depth fundamental review of the company's business model is conducted. Three primary factors are evaluated: high returns on capital, superior business management, and balance sheet quality. The team focuses on companies that generate strong free cash flow, require minimal capital to support the business, and have fully funded business models. The team requires the companies have management teams that have demonstrated an ability to execute a business plan coupled with incentive systems that are aligned with shareholders.

## Current Positioning

- Relative to the Russell 1000 Growth, the Fund is most overweight the consumer discretionary sector
- The Fund is most underweight the consumer staples, financials, and materials sectors
- The Fund has no exposure to the telecommunication services or utilities sectors

## Quarterly Attribution

### Positive Impact on Performance:

- Underweight allocation to the consumer staples, telecommunication services, and energy sectors
- Security selection within the health care, consumer staples, industrials, financials, and materials sectors

### Negative Impact on Performance:

- Security selection within the consumer discretionary, information technology, and energy sectors

## Characteristics

Weighted Market Cap: \$69.0 B

Median Market Cap: \$6.7 B

PE: 19.3x

PB: 4.3x

Yield: 0.8%

Projected Earnings Growth (3-5 yr): 15.9%

% Foreign: 8.3%

Number of Holdings: 143

## Summary Data Points

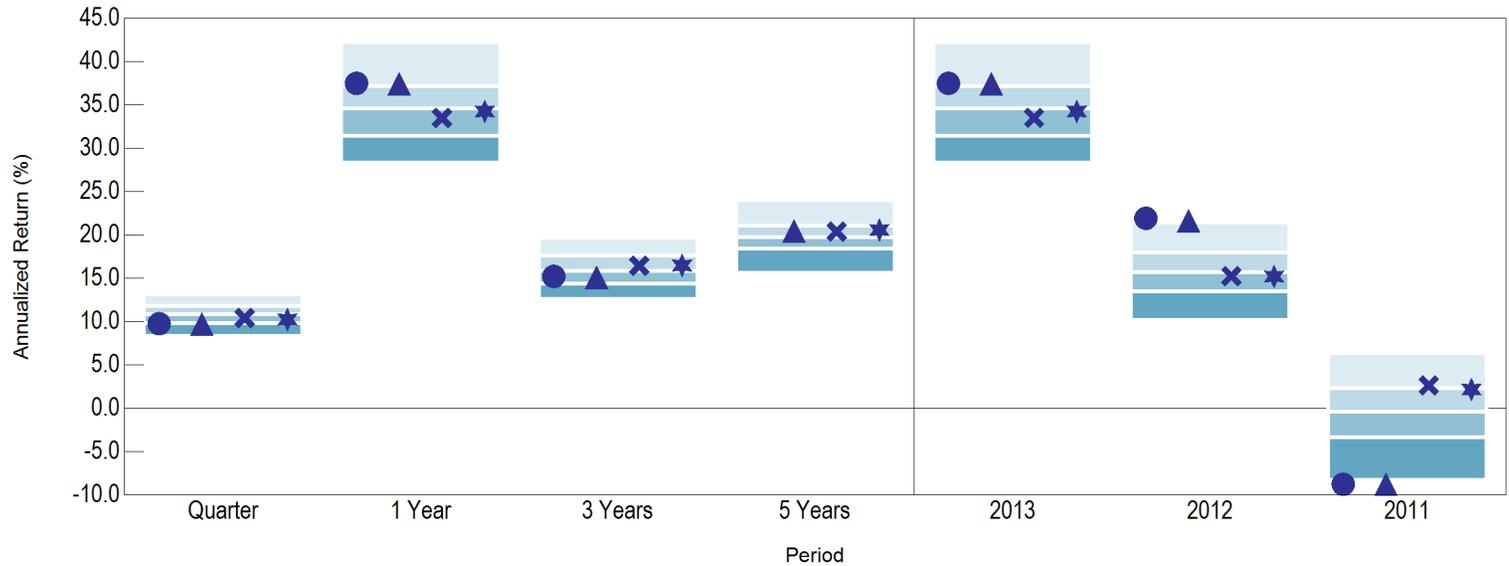
Mercer Rating: A

Manager Strategy Assets (\$B): \$4.6

# NCSRP Wellington Opportunistic Growth

## Performance

Performance vs. Mercer Instl US Equity Large Cap Growth  
Ending December 31, 2013

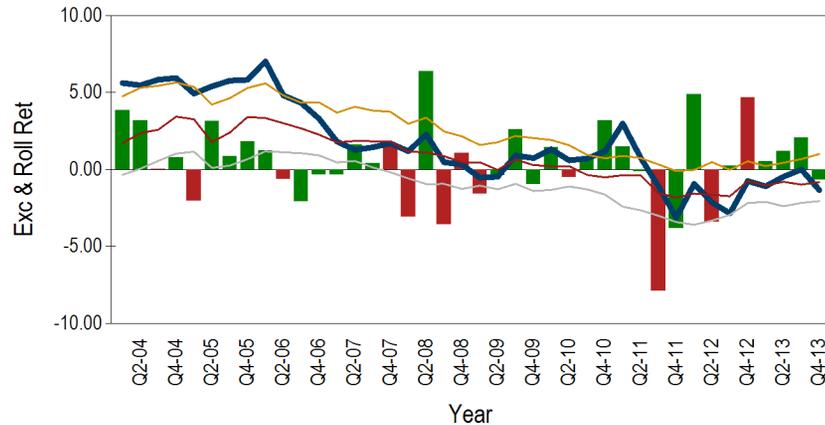


Return (Rank)

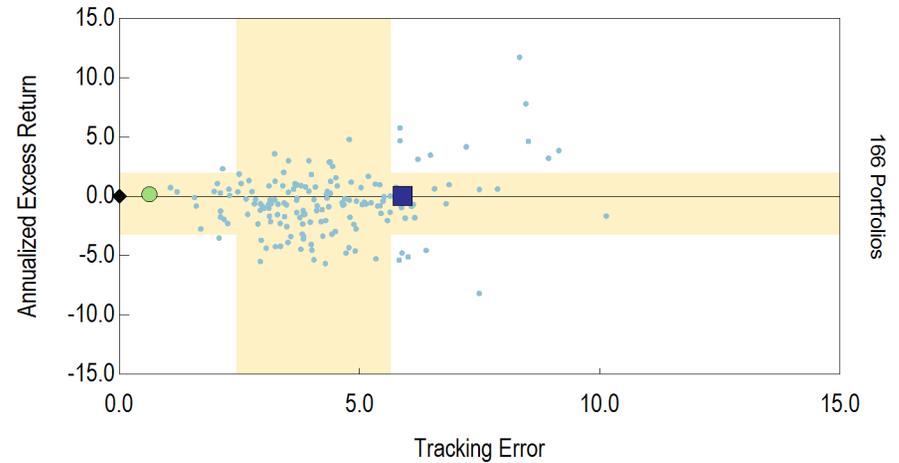
5th Percentile	13.1	42.2	19.6	23.9	42.2	21.4	6.4
25th Percentile	11.9	37.2	17.6	21.1	37.2	18.0	2.4
Median	10.9	34.6	15.9	19.8	34.6	15.7	-0.3
75th Percentile	9.9	31.5	14.4	18.5	31.5	13.5	-3.3
95th Percentile	8.4	28.4	12.7	15.6	28.4	10.2	-8.2
# of Portfolios	208	202	174	166	202	249	251
● NCSRP Wellington Opportunistic Growth	9.8 (79)	37.5 (24)	15.2 (60)	-- (--)	37.5 (24)	21.9 (4)	-8.7 (97)
▲ Wellington Opportunistic Growth Strategy	9.7 (80)	37.4 (25)	15.1 (62)	20.4 (37)	37.4 (25)	21.6 (5)	-8.7 (97)
✕ Russell 1000 Growth	10.4 (61)	33.5 (60)	16.5 (42)	20.4 (38)	33.5 (60)	15.3 (57)	2.6 (24)
★ Russell 3000 Growth	10.2 (67)	34.2 (55)	16.5 (41)	20.6 (36)	34.2 (55)	15.2 (57)	2.2 (28)

# Wellington Opportunistic Growth Strategy

**Rolling 3 Year Excess Performance**  
Wellington Opportunistic Growth Strategy vs. Russell 1000 Growth



**Annualized Excess Return vs. Tracking Error**  
5 Years Ending December 31, 2013



**Characteristics**  
as of December 31, 2013

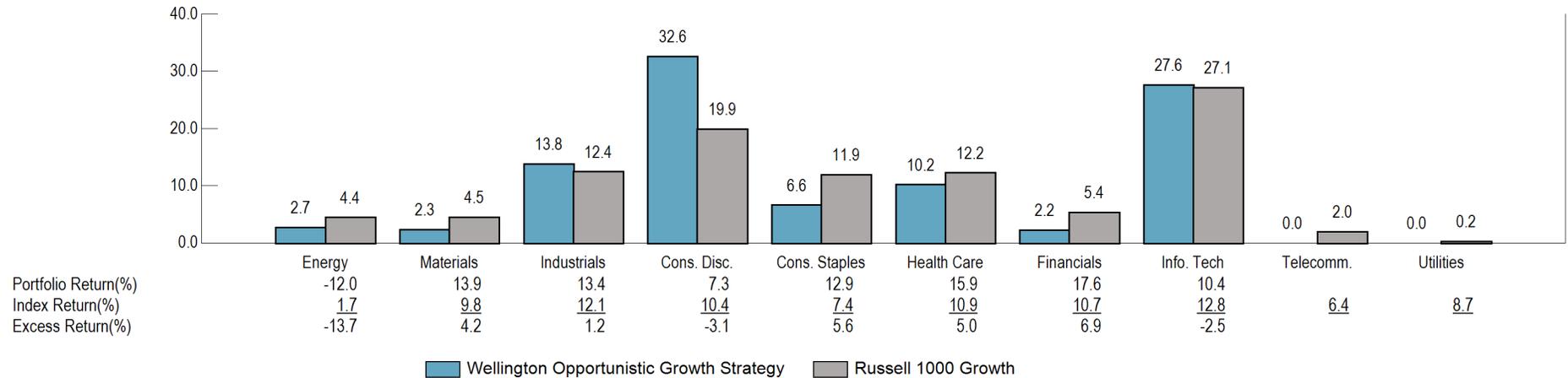
	Portfolio	Russell 1000 Growth
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	28.42	23.39
P/E Excluding Negative Earnings	28.49	22.25
P/E Median	24.86	24.30
Price To Book	6.05	5.11
Price To Book Median	4.55	4.41
Price To Cash Flow	18.69	15.75
Price To Sales	3.49	2.24
Dividend Yield (%)	0.84	1.57
Weighted Ave. Market Cap. (\$B)	64.40	102.91
Median Market Cap. (\$B)	6.33	8.08
Beta	1.26	1.00

**Performance Attribution vs. Russell 1000 Growth**  
Quarter Ending December 31, 2013

	Total Effects		Selection Effect		Attribution Effects Allocation Effect		Interaction Effects
Energy	-0.36%	=	-0.70%	+	0.12%		0.21%
Materials	0.13%		0.18%		0.01%		-0.07%
Industrials	0.18%		0.17%		0.02%		-0.01%
Cons. Disc.	-1.05%		-0.59%		-0.01%		-0.46%
Cons. Staples	0.55%		1.08%		0.18%		-0.71%
Health Care	0.48%		0.61%		-0.01%		-0.13%
Financials	0.14%		0.36%		0.00%		-0.22%
Info. Tech	-0.71%		-0.61%		0.00%		-0.10%
Telecomm.	0.08%		--		0.08%		--
Utilities	0.00%		--		0.00%		--
Cash	-0.16%		0.00%		0.00%		-0.16%
Unclassified	0.01%		0.00%		0.00%		0.01%
<b>Portfolio</b>	<b>-0.72%</b>	<b>=</b>	<b>0.50%</b>	<b>+</b>	<b>0.39%</b>	<b>+</b>	<b>-1.62%</b>

# Wellington Opportunistic Growth Strategy

Sector Allocation (%) vs Russell 1000 Growth  
3 Months Ending December 31, 2013



## Top Returning Stocks

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
ILLUMINA (ILMN)	0.34%	0.14%	0.07%	36.82%
SALIX PHARMS. (SLXP)	0.20%	0.06%	0.06%	34.48%
TEXTRON (TXT)	0.96%		0.26%	33.22%
SPIRIT AIRLINES (SAVE)	0.36%		0.09%	32.51%
KAPSTONE PAPER & PACK. (KS)	0.28%		0.08%	30.51%
DIGITALGLOBE (DGI)	0.25%		0.06%	30.14%
MONSTER BEVERAGE (MNST)	1.20%	0.09%	0.22%	29.70%
HERTZ GLOBAL HDG. (HTZ)	1.68%	0.10%	0.40%	29.15%
HEARTWARE INTERNATIONAL (HTWR)	0.15%		0.03%	28.29%
GOOGLE 'A' (GOOG)	3.95%	3.12%	0.21%	27.95%
<b>Total</b>	<b>9.36%</b>	<b>3.51%</b>		

## Bottom Returning Stocks

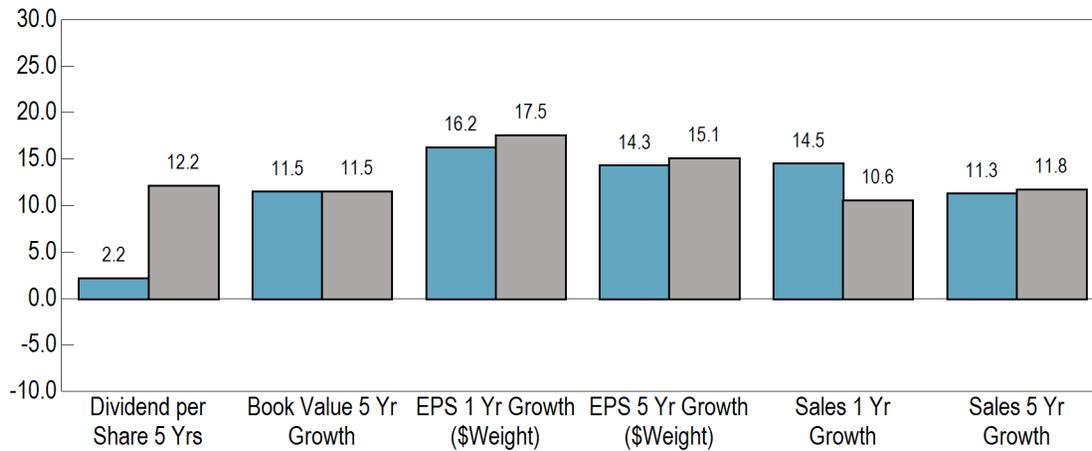
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
COBALT INTL.ENERGY (CIE)	0.56%	0.04%	-0.30%	-33.83%
ANGIE'S LIST (ANGI)	0.15%		-0.08%	-32.64%
TRULIA (TRLA)	0.20%		-0.08%	-25.01%
LULULEMON ATHLETICA (LULU)	1.40%		-0.33%	-19.28%
ANADARKO PETROLEUM (APC)	0.61%	0.02%	-0.11%	-14.52%
DANA HOLDING (DAN)	0.00%		-0.03%	-13.87%
BANKRATE (RATE)	0.25%		-0.03%	-12.79%
ALTERA (ALTR)	0.00%		-0.16%	-12.11%
LINKEDIN CLASS A (LNKD)	0.90%	0.22%	-0.07%	-11.88%
ROSETTA RESOURCES (ROSE)	0.16%		-0.02%	-11.80%
<b>Total</b>	<b>4.22%</b>	<b>0.28%</b>		

# Wellington Opportunistic Growth Strategy

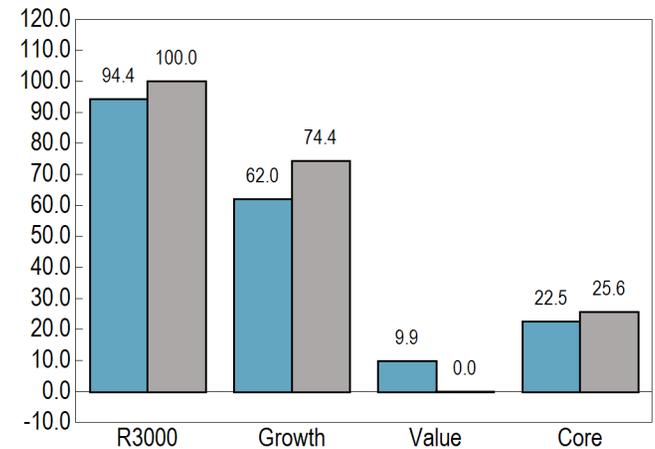
**Portfolio Characteristics**  
Ending December 31, 2013



**Historical Growth Measures**  
Ending December 31, 2013



**Russell Index Membership (% Equity)**  
Ending December 31, 2013



## Manager Philosophy and Process

The Large Cap Disciplined Growth team invests in companies with prospective accelerating growth metrics (earnings per share, cash flow, or number of subscribers) driven by an identifiable catalyst. The team seeks companies that have an experienced and accessible management team, ample liquidity, manageable leverage, and/or the ability to generate both free cash flow and operating income growth over time. The team believes companies with these qualities have the potential for price appreciation through earnings growth and an expanding valuation brought about by improved investor perception.

The initial step in the investment process is a simple quantitative screen to identify stocks with market-capitalizations above \$3 billion and daily dollar trading volume greater than \$100 million. Additionally, debt as a percent of total capitalization and price-to-earnings ratios for each respective industry group is considered. These screens typically yield approximately 400 companies. Fundamental analysis is then performed to identify potential catalysts that could accelerate growth at particular companies. This typically reduces the field to approximately 150 names. As a final step, the team will often meet with company management. The investment process typically produces five or six companies at any given time that meet the team's criteria. The portfolio consists of 50 to 70 holdings with no one single position exceeding the maximum of 5% or 1.5x the index weight at cost. Sector weights are restricted to fall between 50% and 150% relative to the benchmark sector (up to +/- 10% for smaller sectors). Cash is limited to 5%, ADRs are capped at 15%, and portfolio turnover averages 80%-100%.

## Current Positioning

- Relative to the Russell 1000 Growth index the portfolio is overweight the consumer staples, telecom, utilities, and materials sectors.
- The portfolio is underweight the consumer discretionary, information technology, financials, and health care sectors.

## Quarterly Attribution

### Positive Impact on Performance:

- An overweight in the utilities sector and underweights in the health care and energy sectors
- Stock selection was strongest in the consumer discretionary, financials and information technology sectors
- Top Contributors (Securities) – ASML Holding, Starbucks, and Alliance Data Systems

### Negative Impact on Performance:

- An overweight in the telecommunications as well as the consumer discretionary sectors and an underweight in the consumer staples sector
- Stock selection was weakest within the health care, energy and industrials sectors

## Characteristics

Current Yield: 3.44

Average Coupon: 3.46

Average Quality: AA

Effective Duration: 4.78

Effective Maturity: 6.28

% non Investment Grade (and not rated): 5.05

% Foreign: 100% USD denominated

Number of Securities: 470

## Summary Data Points

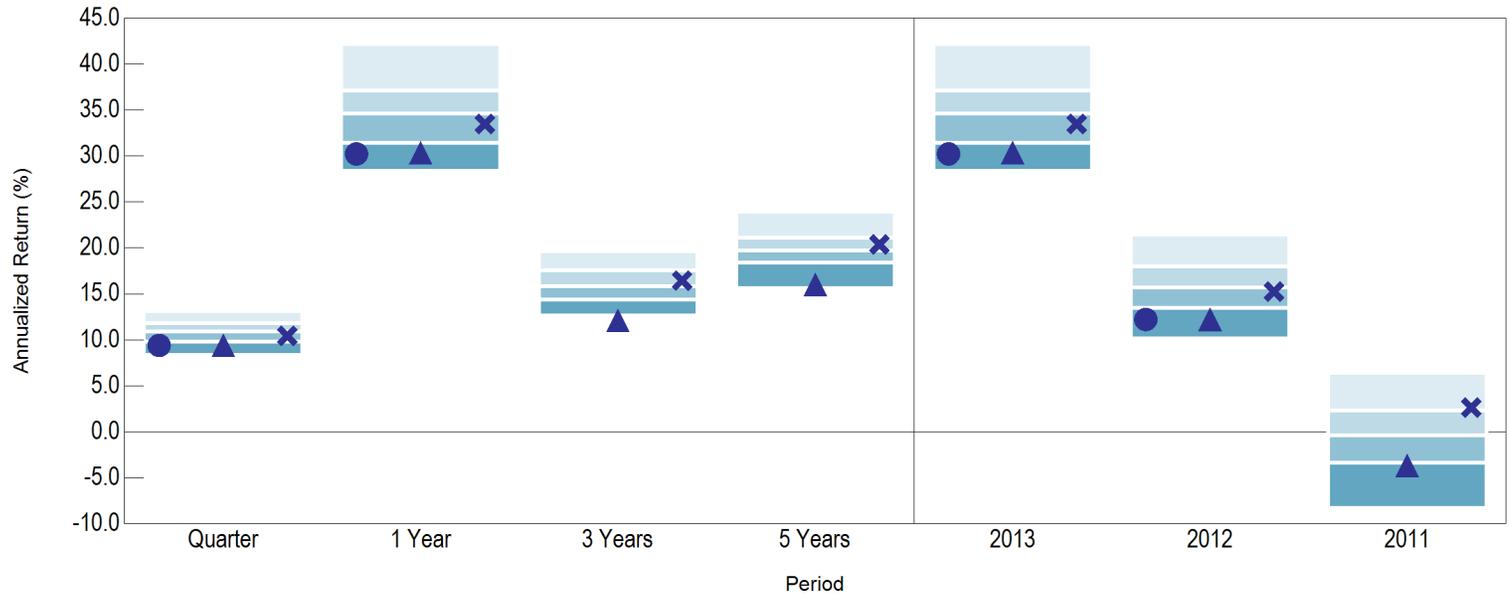
Mercer Rating: B+

Manager Strategy Assets (\$B): \$6.6

# NCSRP Neuberger Large Cap Growth

## Performance

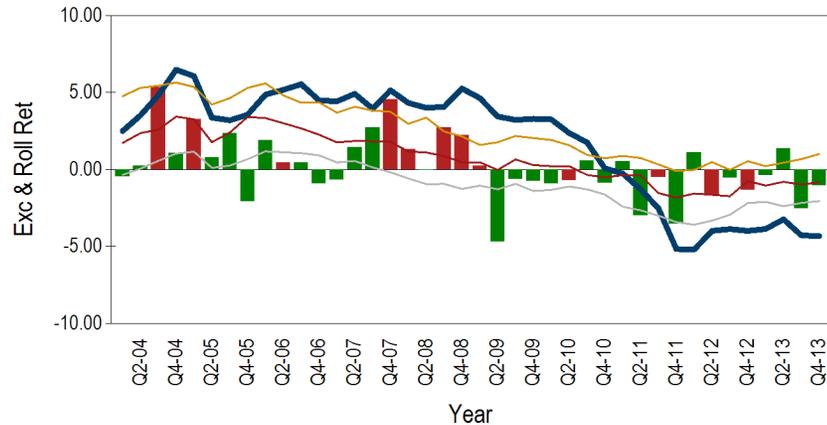
Performance vs. Mercer Instl US Equity Large Cap Growth  
Ending December 31, 2013



	Return (Rank)													
	Quarter		1 Year		3 Years		5 Years		2013		2012		2011	
5th Percentile	13.1	42.2	19.6	23.9	42.2	21.4	6.4							
25th Percentile	11.9	37.2	17.6	21.1	37.2	18.0	2.4							
Median	10.9	34.6	15.9	19.8	34.6	15.7	-0.3							
75th Percentile	9.9	31.5	14.4	18.5	31.5	13.5	-3.3							
95th Percentile	8.4	28.4	12.7	15.6	28.4	10.2	-8.2							
# of Portfolios	208	202	174	166	202	249	251							
● NCSRP Neuberger Large Cap Growth	9.4	(87)	30.2	(86)	--	(--)	--	(--)	30.2	(86)	12.2	(88)	--	(--)
▲ Neuberger Large Cap Growth Strategy	9.4	(87)	30.4	(85)	12.1	(98)	16.0	(93)	30.4	(85)	12.2	(88)	-3.7	(79)
✕ Russell 1000 Growth	10.4	(61)	33.5	(60)	16.5	(42)	20.4	(38)	33.5	(60)	15.3	(57)	2.6	(24)

# Neuberger Large Cap Growth Strategy

**Rolling 3 Year Excess Performance  
Neuberger Large Cap Growth Strategy vs. Russell 1000 Growth**



**Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2013**



**Characteristics  
as of December 31, 2013**

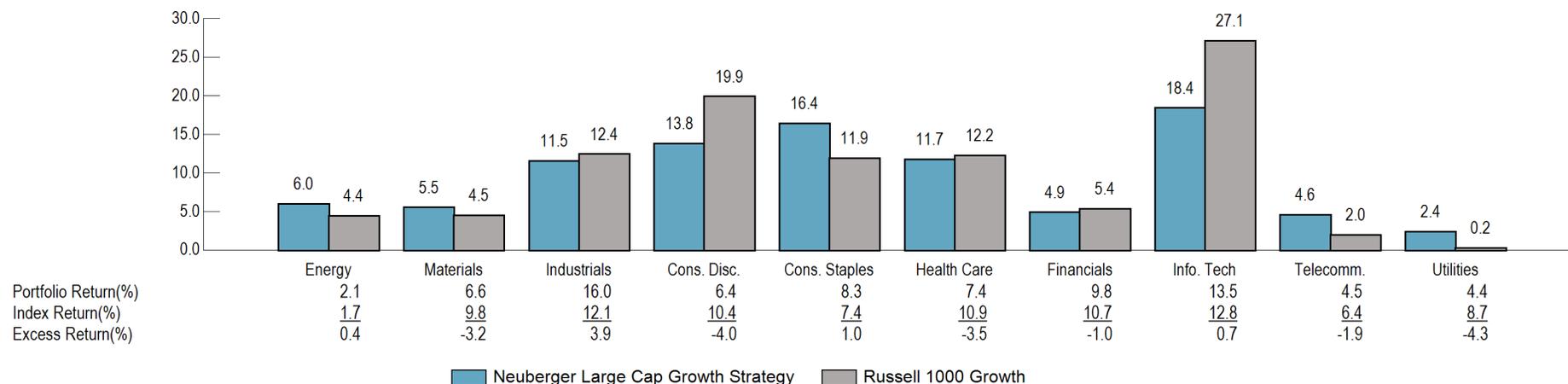
	Portfolio	Russell 1000 Growth
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	26.12	23.39
P/E Excluding Negative Earnings	26.12	22.25
P/E Median	21.20	24.30
Price To Book	5.34	5.11
Price To Book Median	4.68	4.41
Price To Cash Flow	15.12	15.75
Price To Sales	3.01	2.24
Dividend Yield (%)	1.63	1.57
Weighted Ave. Market Cap. (\$B)	103.13	102.91
Median Market Cap. (\$B)	56.77	8.08
Beta	1.01	1.00

**Performance Attribution vs. Russell 1000 Growth  
Quarter Ending December 31, 2013**

	Total Effects	Selection Effect	Allocation Effect	Interaction Effects
Energy	-0.06%	0.01%	-0.13%	0.06%
Materials	-0.20%	-0.16%	-0.02%	-0.02%
Industrials	0.42%	0.47%	-0.02%	-0.03%
Cons. Disc.	-0.51%	-0.81%	0.00%	0.30%
Cons. Staples	0.02%	0.13%	-0.15%	0.04%
Health Care	-0.41%	-0.43%	-0.02%	0.03%
Financials	-0.03%	-0.05%	0.00%	0.02%
Info. Tech	0.01%	0.61%	-0.16%	-0.44%
Telecomm.	-0.19%	-0.04%	-0.09%	-0.06%
Utilities	-0.13%	-0.01%	-0.01%	-0.11%
Cash	-0.29%	0.00%	0.00%	-0.29%
Unclassified	0.00%	--	0.00%	--
<b>Portfolio</b>	<b>-1.37%</b>	<b>= -0.28%</b>	<b>+ -0.58%</b>	<b>+ -0.51%</b>

# Neuberger Large Cap Growth Strategy

Sector Allocation (%) vs Russell 1000 Growth  
3 Months Ending December 31, 2013



## Top Returning Stocks

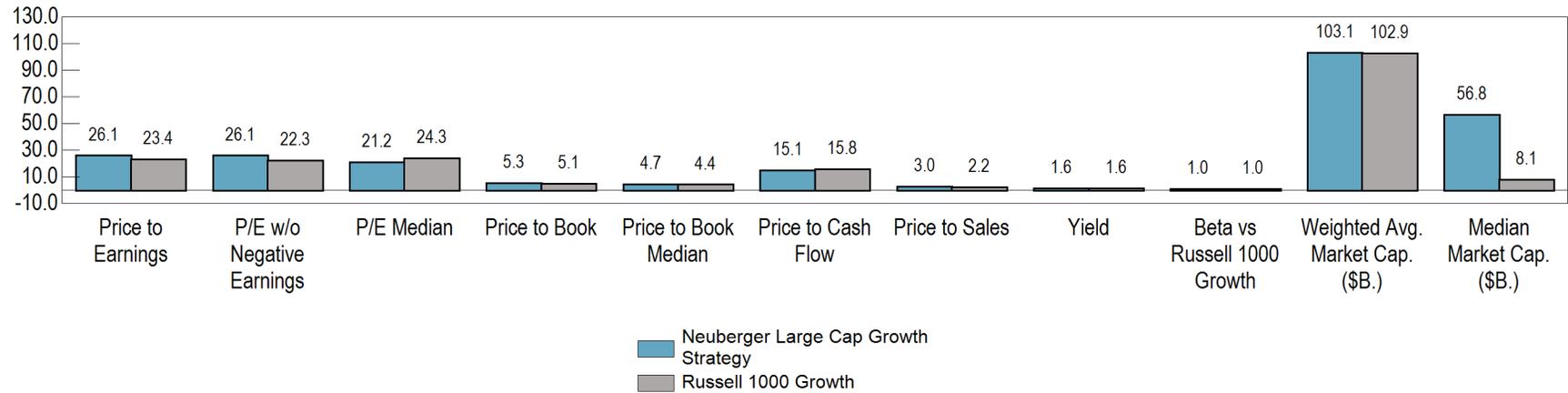
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
ILLUMINA (ILMN)	0.00%		0.20%	36.82%
GOOGLE 'A' (GOOG)	2.14%	3.12%	-0.08%	27.95%
AMAZON.COM (AMZN)	1.08%	1.51%	0.18%	27.56%
CVS CAREMARK (CVS)	1.71%	0.10%	0.49%	26.59%
FEDEX (FDX)	1.53%		0.50%	26.13%
ALLIANCE DATA SYSTEMS (ADS)	2.55%	0.13%	0.67%	24.33%
SANDISK (SNDK)	0.00%		0.19%	18.92%
PREC.CASTPARTS (PCP)	2.22%	0.41%	0.39%	18.52%
APPLE (AAPL)	3.09%	4.11%	-0.07%	18.36%
BOEING (BA)	1.37%	1.07%	0.12%	16.59%
<b>Total</b>	<b>15.69%</b>	<b>10.45%</b>		

## Bottom Returning Stocks

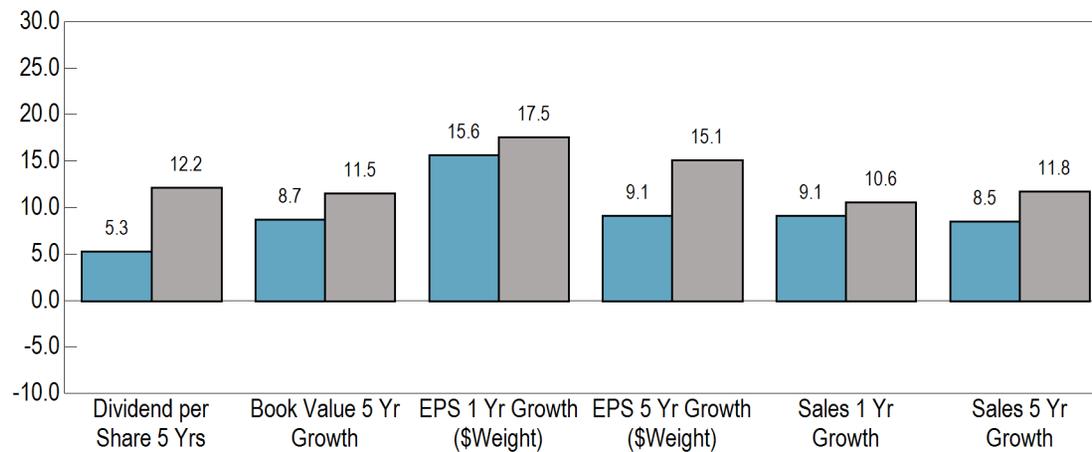
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
LULULEMON ATHLETICA (LULU)	0.00%		-0.30%	-19.28%
FAMILY DOLLAR STORES (FDO)	1.53%	0.06%	-0.18%	-9.43%
EDWARDS LIFESCIENCES (EW)	1.72%	0.08%	-0.10%	-5.56%
ASML HLDG.ADR 1:1 (ASML)	1.47%		-0.09%	-5.12%
BIOMARIN PHARM. (BMRN)	1.54%	0.10%	-0.01%	-2.52%
VERTEX PHARMS. (VRTX)	0.00%		-0.01%	-2.00%
EBAY (EBAY)	0.91%	0.73%	-0.03%	-1.67%
WHOLE FOODS MARKET (WFM)	1.08%	0.22%	-0.01%	-1.15%
CROWN CASTLE INTL. (CCI)	1.55%	0.25%	0.01%	0.55%
O REILLY AUTOMOTIVE (ORLY)	0.94%	0.15%	0.01%	0.88%
<b>Total</b>	<b>10.73%</b>	<b>1.60%</b>		

# Neuberger Large Cap Growth Strategy

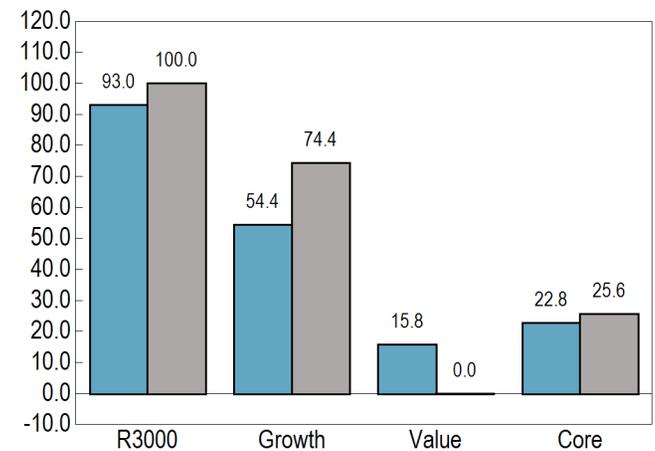
**Portfolio Characteristics**  
Ending December 31, 2013



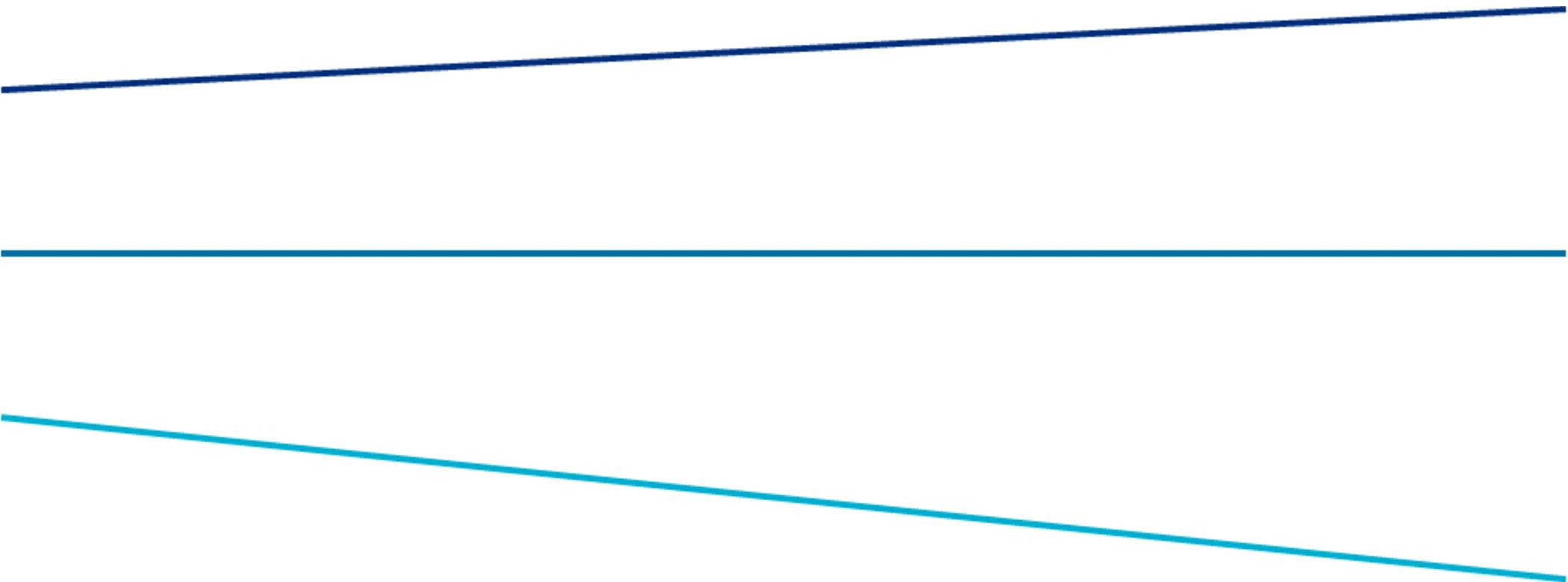
**Historical Growth Measures**  
Ending December 31, 2013



**Russell Index Membership (% Equity)**  
Ending December 31, 2013



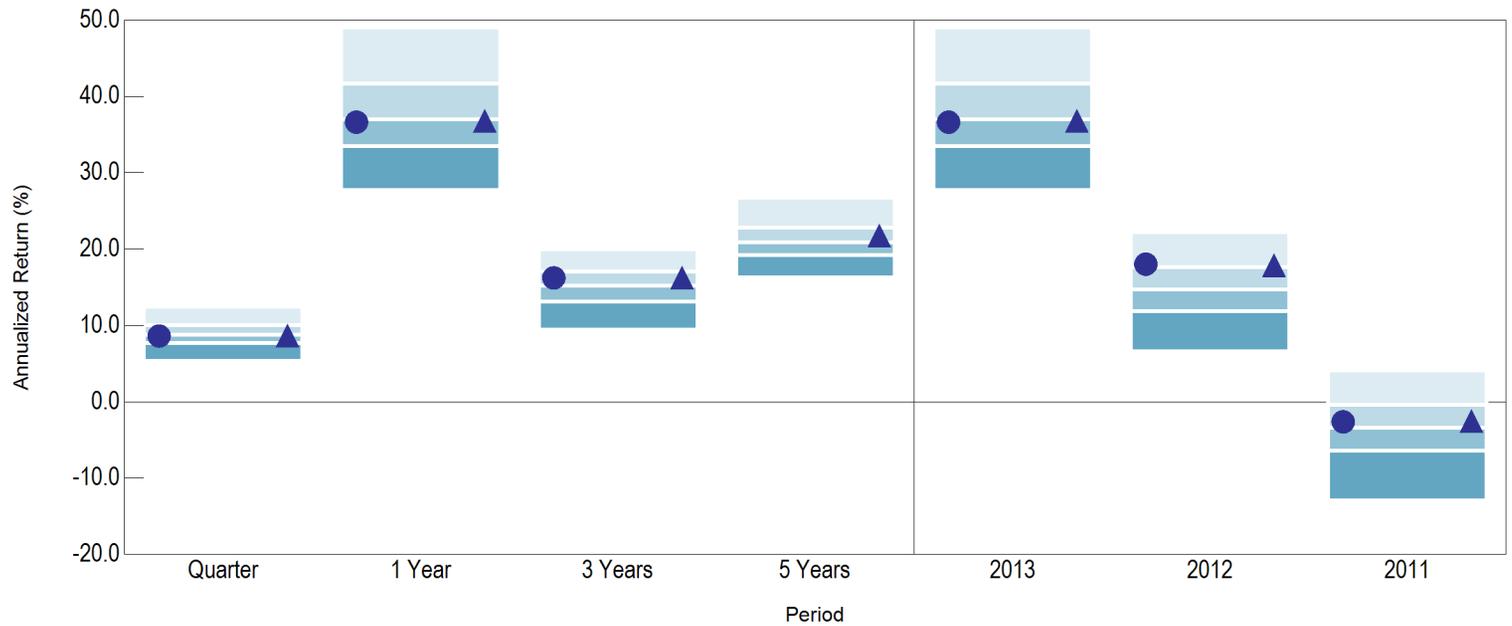
# Mid/Small Cap Passive



# Mid/Small Cap Passive

## Performance

Performance vs. Mercer Mutual Fund US Equity Small + Mid  
Ending December 31, 2013



	Return (Rank)													
	Quarter		1 Year		3 Years		5 Years		2013		2012		2011	
5th Percentile	12.4		49.0		19.9		26.7		49.0		22.2		4.1	
25th Percentile	10.1		41.7		17.1		22.9		41.7		17.7		-0.3	
Median	8.8		37.0		15.2		20.9		37.0		14.8		-3.4	
75th Percentile	7.7		33.5		13.2		19.2		33.5		11.9		-6.4	
95th Percentile	5.4		27.7		9.5		16.3		27.7		6.7		-12.9	
# of Portfolios	746		724		673		626		724		750		729	
● Mid/Small Cap Passive	8.6	(56)	36.6	(54)	16.2	(36)	--	(--)	36.6	(54)	18.0	(23)	-2.6	(45)
▲ Russell 2500	8.7	(54)	36.8	(52)	16.3	(35)	21.8	(38)	36.8	(52)	17.9	(24)	-2.5	(44)

## Manager Philosophy and Process

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.

Due to the illiquid nature and high transaction costs involved in trading the smallest securities in the Russell 2500 Index, the Russell 2500 Index Fund is managed using an optimization technique. The optimization is based upon a risk model, and its goal is to create a fund that statistically reflects the respective index's characteristics. The optimization approach enables BlackRock to decrease transaction costs, and therefore to minimize negative tracking error.

Futures are used in the Russell 2500 Index Fund only to equitize dividends and other cash flows associated with the issuers that comprise the index. BlackRock has extensive experience in the use of futures, dating back to 1982. Futures are used solely for bona fide hedging purposes, and not for speculation or to conduct arbitrage between futures and the underlying Russell 2500 stocks.

## Quarterly Attribution

Top performing sectors:

- Industrials (+12.4%), materials (+11.4%), consumer discretionary (+8.6%)

Bottom performing sectors:

- Utilities (+4.18%), energy (+5.7%), telecommunication services (+6.2%)

## Summary Data Points

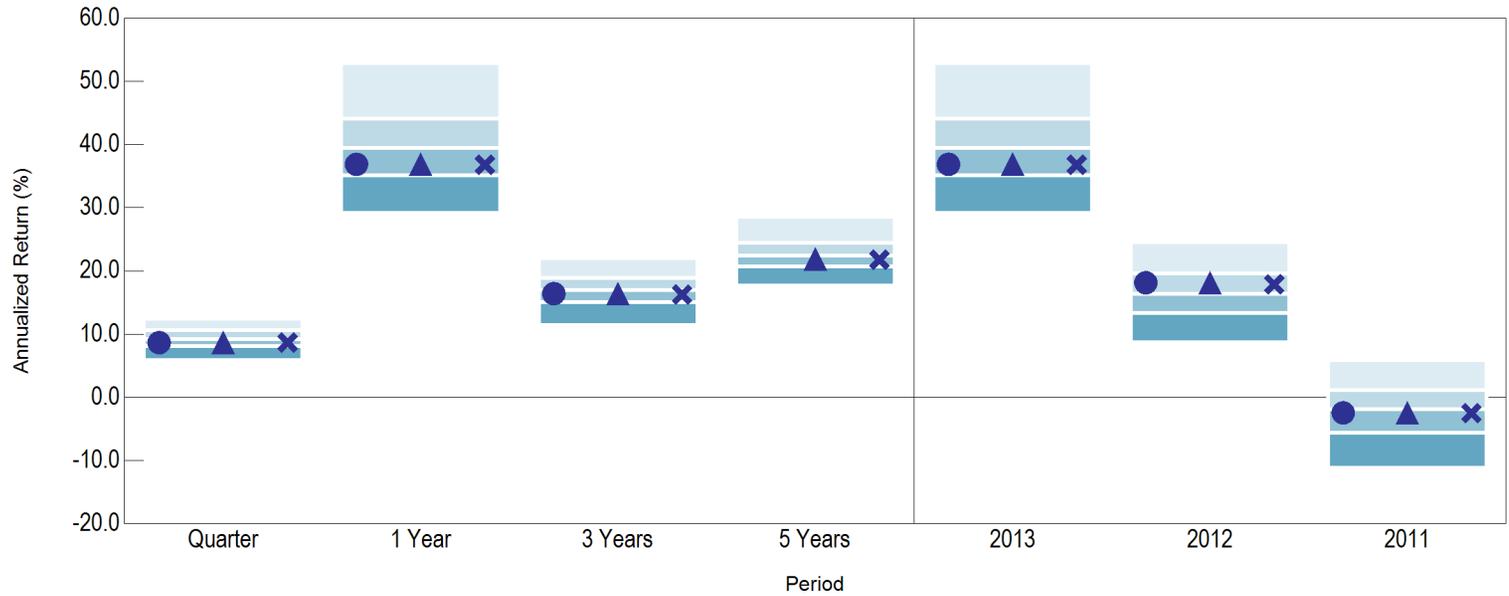
Mercer Rating: PP

Total Strategy Assets (\$B): \$3.2 (9/30/13)

# NCSRP BlackRock Russell 2500 Index Fund

## Performance

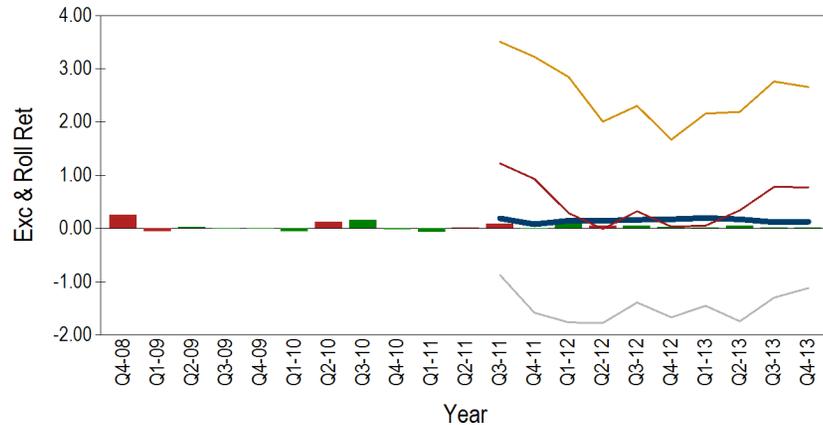
Performance vs. Mercer Instl US Equity Small + Mid Cap  
Ending December 31, 2013



	Return (Rank)													
5th Percentile	12.4	52.8	22.0	28.5	52.8	24.5	5.9							
25th Percentile	10.7	44.2	18.9	24.5	44.2	19.6	1.3							
Median	9.3	39.5	17.0	22.4	39.5	16.4	-1.8							
75th Percentile	8.1	35.2	15.2	20.8	35.2	13.4	-5.5							
95th Percentile	6.0	29.2	11.5	17.7	29.2	8.8	-11.1							
# of Portfolios	613	593	516	498	593	701	706							
● NCSRP BlackRock Russell 2500 Index Fund	8.6	(66)	36.9	(65)	16.4	(59)	--	(--)	36.9	(65)	18.1	(36)	-2.5	(55)
▲ BlackRock Russell 2500 Index Fund Strategy	8.7	(65)	36.9	(65)	16.4	(59)	21.9	(60)	36.9	(65)	18.1	(36)	-2.5	(55)
✕ Russell 2500	8.7	(66)	36.8	(65)	16.3	(60)	21.8	(62)	36.8	(65)	17.9	(38)	-2.5	(55)

# BlackRock Russell 2500 Index Fund Strategy

**Rolling 3 Year Excess Performance  
BlackRock Russell 2500 Index Fund Strategy vs. Russell 2500**



**Annualized Excess Return vs. Tracking Error  
3 Years Ending December 31, 2013**

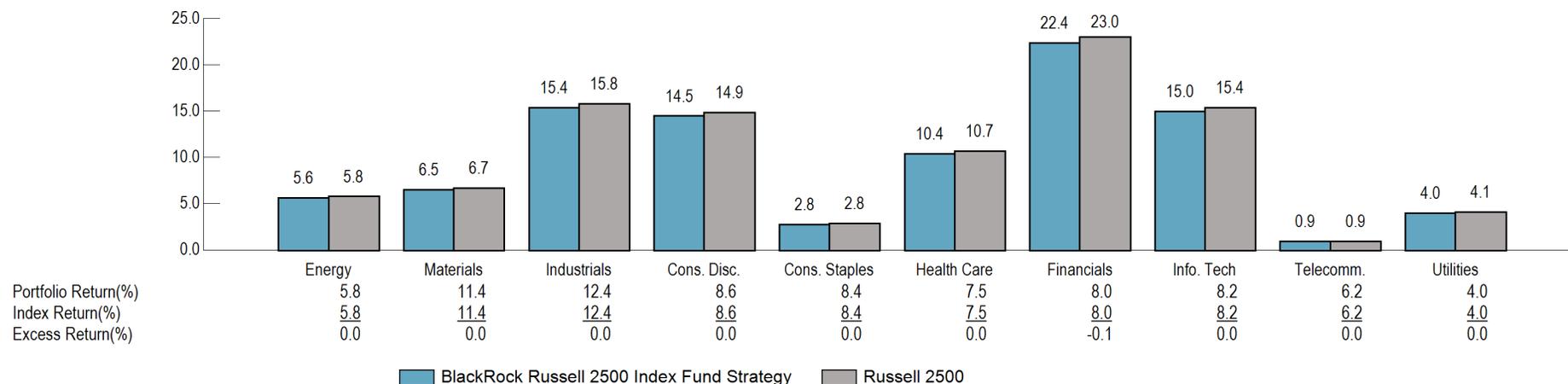


**Characteristics  
as of December 31, 2013**

	Portfolio	Russell 2500
PORTFOLIO CHARACTERISTICS		
Price To Earnings	25.00	27.78
P/E Excluding Negative Earnings	26.65	21.71
P/E Median	19.81	26.78
Price To Book	3.72	2.40
Price To Book Median	2.21	2.39
Price To Cash Flow	15.00	16.00
Price To Sales	2.60	1.58
Dividend Yield (%)	1.34	1.33
Weighted Ave. Market Cap. (\$B)	3.71	3.76
Median Market Cap. (\$B)	1.01	1.04
Beta	1.00	1.00

# BlackRock Russell 2500 Index Fund Strategy

**Sector Allocation (%) vs Russell 2500**  
3 Months Ending December 31, 2013



## Top Returning Stocks

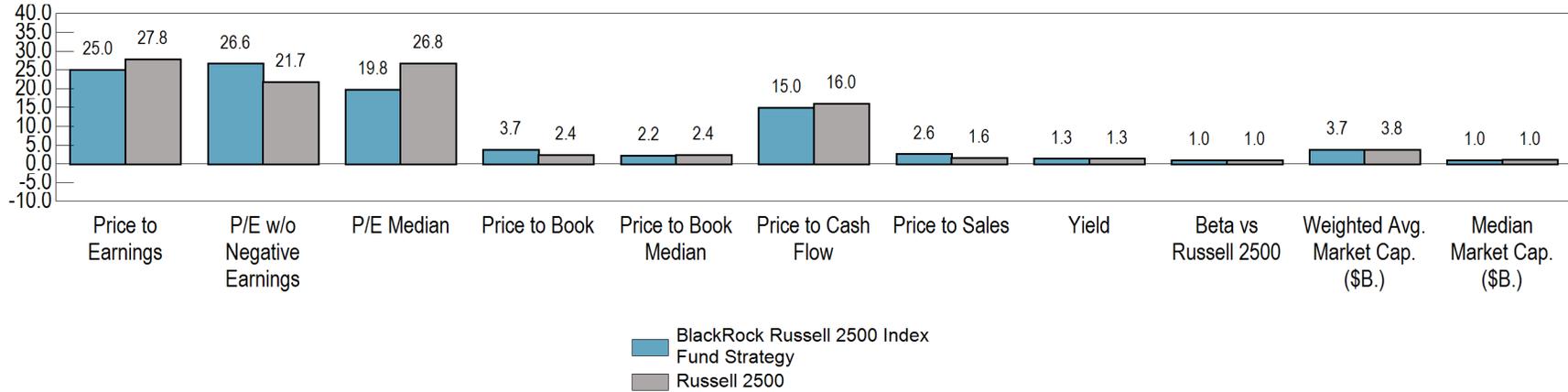
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
AMYRIS (AMRS)	0.00%	0.00%	0.00%	129.00%
HORIZON PHARMA (HZNP)	0.01%	0.01%	0.00%	127.46%
AK STEEL HLDG. (AKS)	0.03%	0.03%	0.00%	118.67%
GALENA BIOPHARMA (GALE)	0.01%	0.01%	0.00%	117.54%
ZELTIQ AESTHETICS (ZLTQ)	0.01%	0.01%	0.00%	109.65%
MIMEDX GROUP (MDXG)	0.02%	0.02%	0.00%	109.59%
UNVL.IN.HDG. (UVE)	0.01%	0.01%	0.00%	109.19%
MODUSLINK GLOBAL SLTN. (MLNK)	0.01%	0.01%	0.00%	108.76%
CAREER EDUCATION (CECO)	0.01%	0.01%	0.00%	107.27%
CORCEPT THERAPEUTICS (CORT)	0.00%	0.00%	0.00%	101.89%
<b>Total</b>	<b>0.11%</b>	<b>0.12%</b>		

## Bottom Returning Stocks

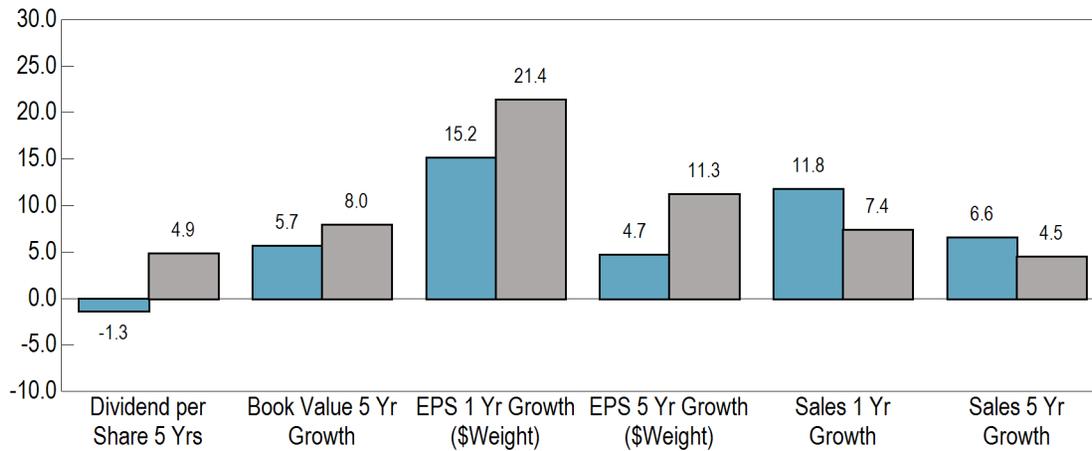
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
ARIAD PHARMS. (ARIA)	0.03%	0.03%	0.00%	-62.93%
CORONADO BIOSCIENCES (CNDO)	0.00%	0.00%	0.00%	-62.49%
SAREPTA THERAPEUTICS (SRPT)	0.02%	0.02%	0.00%	-56.87%
STEMLINE THERAPEUTICS (STML)	0.00%	0.00%	0.00%	-56.73%
NII HDG. (NIHD)	0.01%	0.01%	0.00%	-54.70%
TOWER GROUP INTL. (TWGP)	0.01%	0.01%	0.00%	-51.71%
EPIZYME (EPZM)	0.00%	0.00%	0.00%	-48.00%
CYAN (CYNI)	0.00%	0.00%	0.00%	-47.36%
UNI-PIXEL (UNXL)	0.00%	0.00%	0.00%	-43.49%
FOREST OIL (FST)	0.01%	0.01%	0.00%	-40.82%
<b>Total</b>	<b>0.09%</b>	<b>0.10%</b>		

# BlackRock Russell 2500 Index Fund Strategy

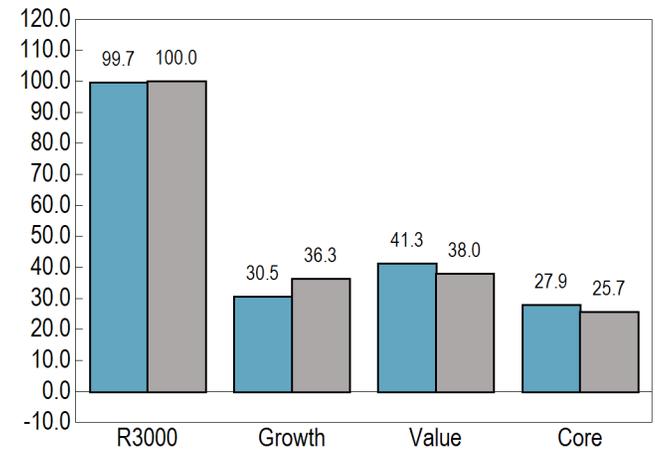
**Portfolio Characteristics**  
Ending December 31, 2013



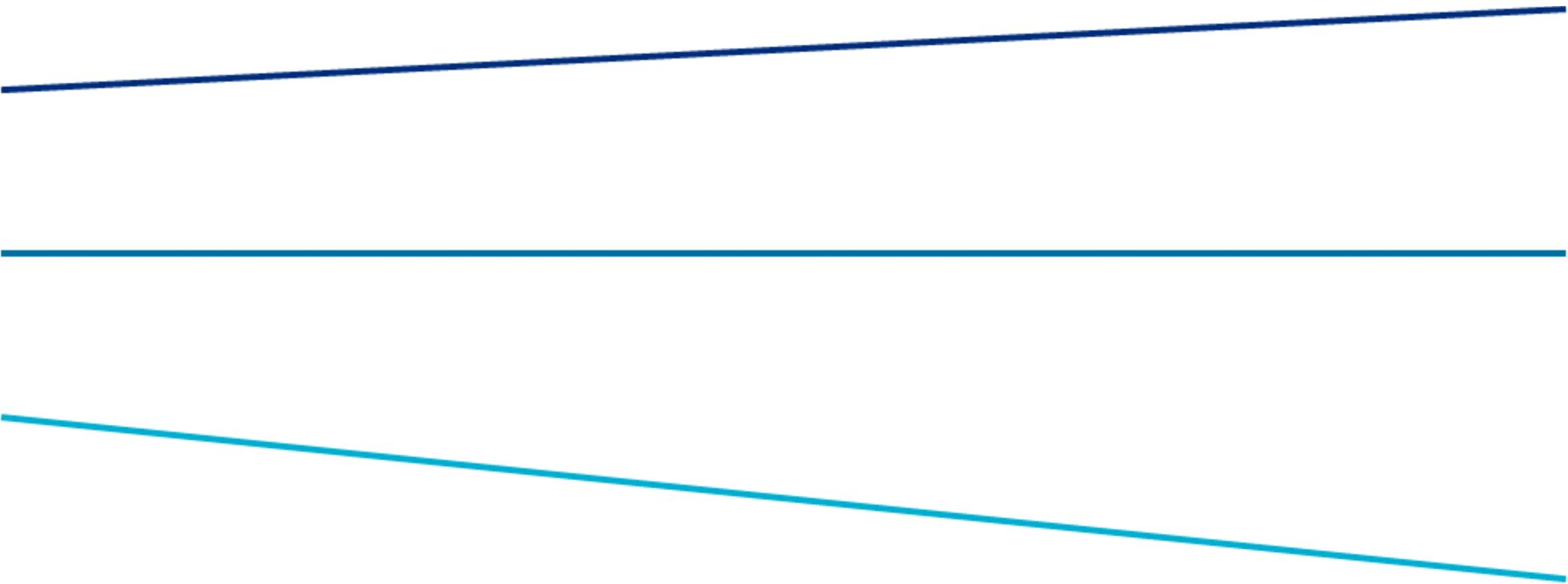
**Historical Growth Measures**  
Ending December 31, 2013



**Russell Index Membership (% Equity)**  
Ending December 31, 2013



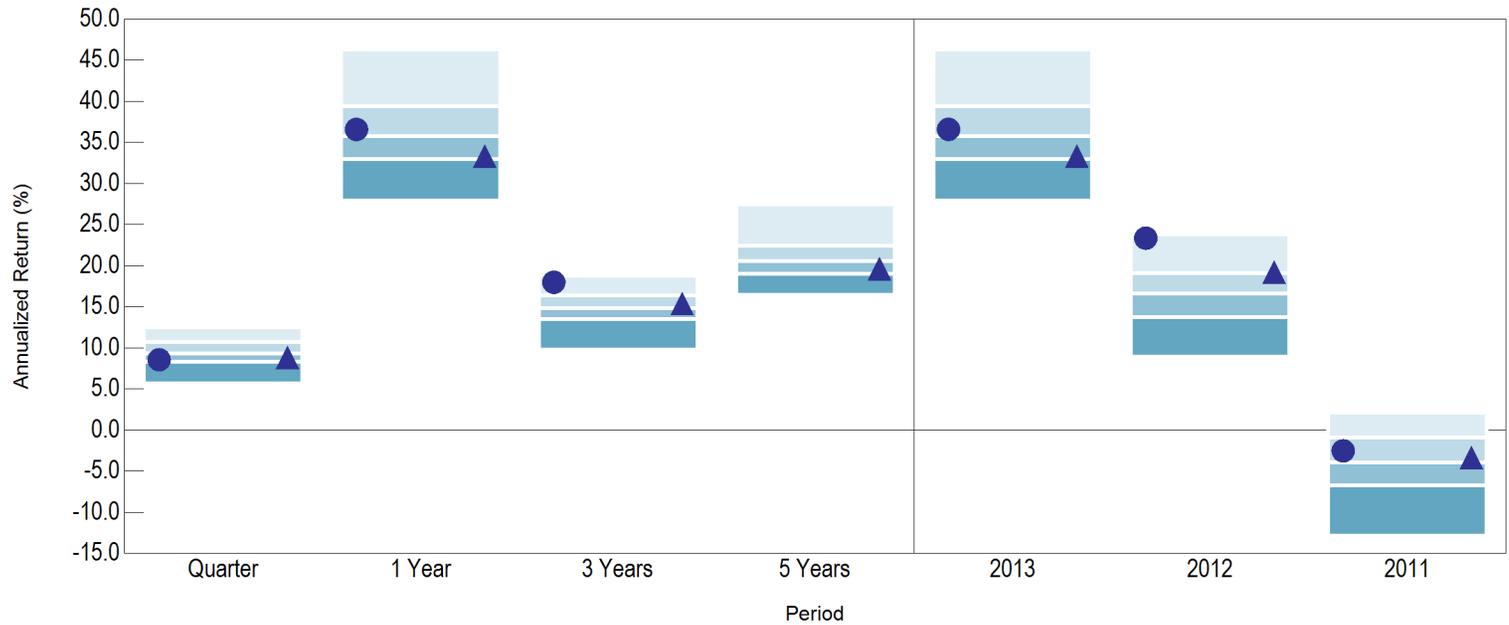
# Mid/Small Cap Value



# Mid/Small Cap Value

## Performance

Performance vs. Mercer Mutual Fund US Equity Small + Mid Value  
Ending December 31, 2013



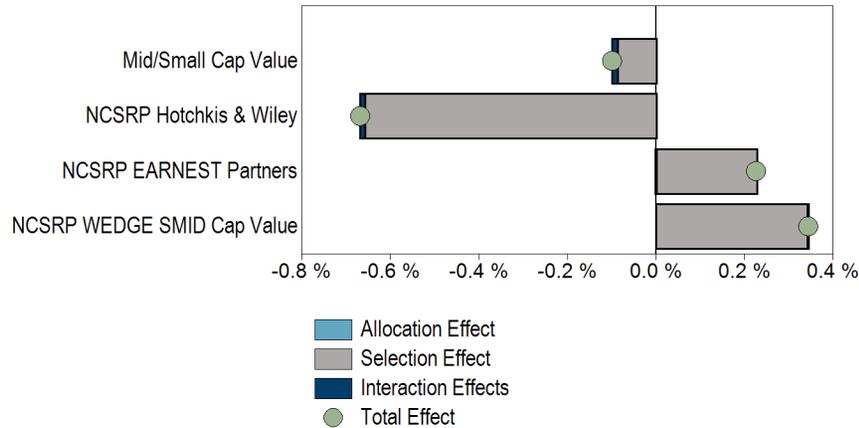
### Return (Rank)

5th Percentile	12.4	46.3	18.7	27.4	46.3	23.7	2.1
25th Percentile	10.7	39.4	16.4	22.5	39.4	19.1	-0.9
Median	9.4	35.8	14.9	20.6	35.8	16.7	-3.9
75th Percentile	8.4	33.0	13.5	19.1	33.0	13.8	-6.7
95th Percentile	5.7	27.9	9.8	16.5	27.9	9.0	-12.8
# of Portfolios	147	139	120	109	139	138	156
● Mid/Small Cap Value	8.6 (69)	36.6 (42)	18.0 (8)	-- (--)	36.6 (42)	23.3 (7)	-2.5 (39)
▲ Russell 2500 Value	8.8 (63)	33.3 (75)	15.4 (42)	19.6 (64)	33.3 (75)	19.2 (24)	-3.4 (44)

# Mid/Small Cap Value

## Attribution

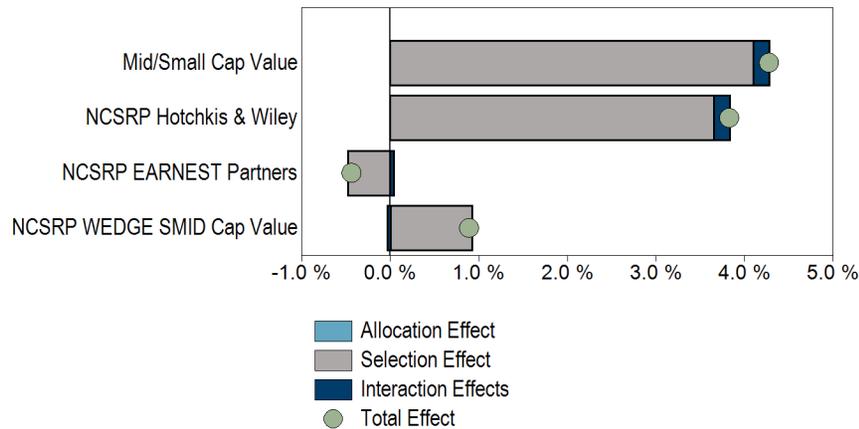
**Attribution Effects**  
3 Months Ending December 31, 2013



**Attribution Summary**  
3 Months Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSR Hotchkis & Wiley	6.9%	8.8%	-2.0%	-0.7%	0.0%	0.0%	-0.7%
NCSR EARNEST Partners	9.5%	8.8%	0.7%	0.2%	0.0%	0.0%	0.2%
NCSR WEDGE SMID Cap Value	9.9%	8.8%	1.0%	0.3%	0.0%	0.0%	0.3%
<b>Total</b>	<b>8.7%</b>	<b>8.8%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.1%</b>

**Attribution Effects**  
1 Year Ending December 31, 2013

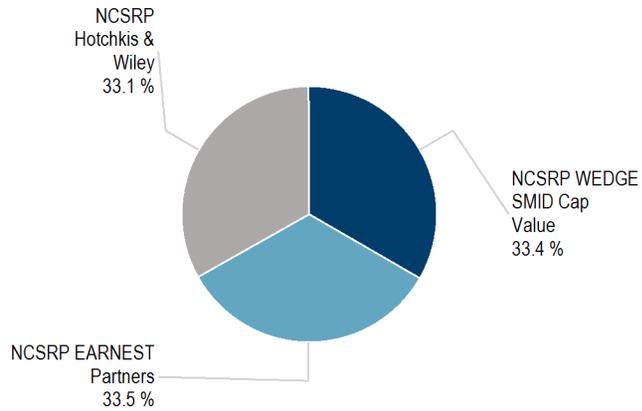


**Attribution Summary**  
1 Year Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSR Hotchkis & Wiley	44.5%	33.3%	11.1%	3.7%	0.0%	0.2%	3.8%
NCSR EARNEST Partners	31.9%	33.3%	-1.4%	-0.5%	0.0%	0.0%	-0.4%
NCSR WEDGE SMID Cap Value	36.0%	33.3%	2.6%	0.9%	0.0%	0.0%	0.9%
<b>Total</b>	<b>37.6%</b>	<b>33.3%</b>	<b>4.3%</b>	<b>4.1%</b>	<b>0.0%</b>	<b>0.2%</b>	<b>4.3%</b>

# Mid/Small Cap Value

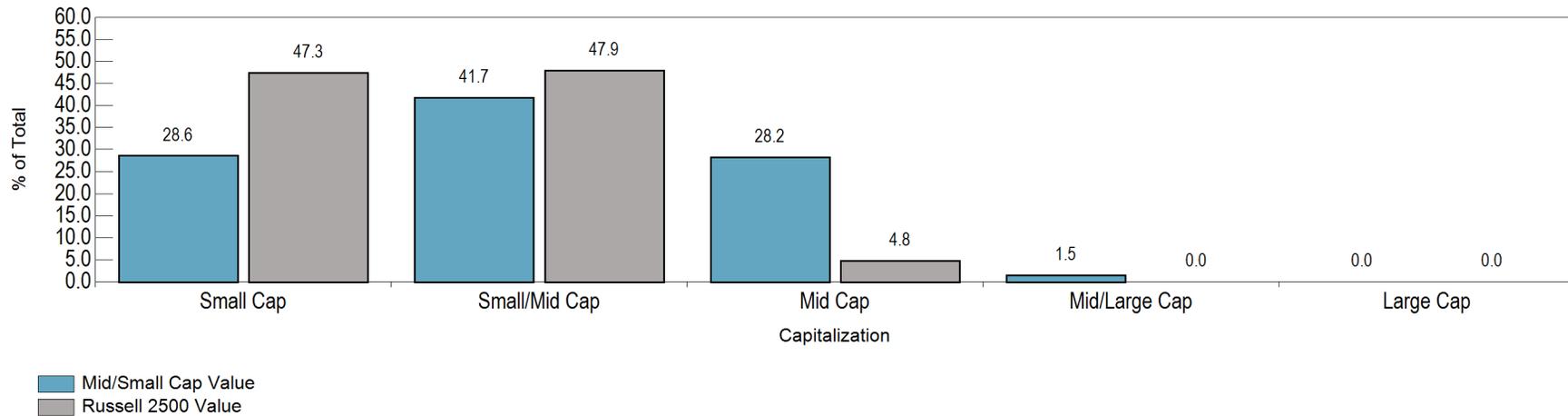
**Current Allocation**



**Characteristics**

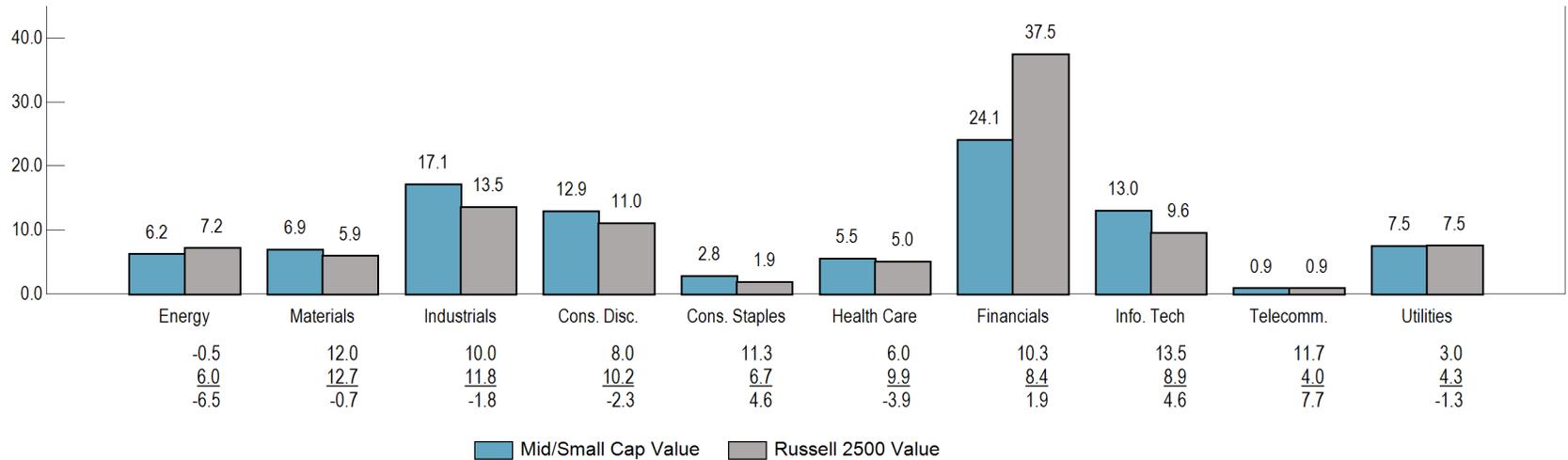
	Portfolio	Russell 2500 Value
Number of Holdings	245	1,753
Weighted Avg. Market Cap. (\$B)	6.49	3.49
Median Market Cap. (\$B)	3.32	0.92
Price To Earnings	20.53	23.05
Price To Book	2.63	1.64
Price To Sales	1.49	1.36
Return on Equity (%)	12.47	7.77
Yield (%)	1.68	1.90
Beta	1.14	1.00
R-Squared	0.96	1.00

**Market Capitalization As Of December 31, 2013**



# Mid/Small Cap Value

Sector Allocation (%) vs Russell 2500 Value



Portfolio Return(%)  
Index Return(%)  
Excess Return(%)

Portfolio Return(%)	-0.5	12.0	10.0	8.0	11.3	6.0	10.3	13.5	11.7	3.0
Index Return(%)	<u>6.0</u>	<u>12.7</u>	<u>11.8</u>	<u>10.2</u>	<u>6.7</u>	<u>9.9</u>	<u>8.4</u>	<u>8.9</u>	<u>4.0</u>	<u>4.3</u>
Excess Return(%)	-6.5	-0.7	-1.8	-2.3	4.6	-3.9	1.9	4.6	7.7	-1.3

Mid/Small Cap Value    Russell 2500 Value

## Top Returning Stocks

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
AERCAP HOLDINGS N V (AER)	0.13%		0.09%	97.07%
DELEK US HOLDINGS (DK)	0.11%	0.02%	0.03%	64.80%
PANTRY (PTRY)	0.08%	0.02%	0.04%	51.44%
MEN'S WEARHOUSE (MW)	0.00%		-0.02%	50.54%
EBIX (EBIX)	0.29%	0.01%	0.15%	47.99%
ARRIS GROUP (ARRS)	1.36%	0.02%	0.57%	42.76%
AVIS BUDGET GROUP (CAR)	0.29%		0.10%	40.20%
AIR METHODS (AIRM)	0.35%		0.17%	36.88%
CAMBREX (CBM)	0.00%		0.03%	35.08%
HNTGTN.INGALLS INDS. (HII)	1.31%		0.52%	33.87%
<b>Total</b>	<b>3.92%</b>	<b>0.07%</b>		

## Bottom Returning Stocks

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
COBAL INTL.ENERGY (CIE)	1.17%		-0.36%	-33.83%
FLEXTRONICS INTL. (FLEX)	0.35%		-0.07%	-14.52%
DANA HOLDING (DAN)	0.55%	0.14%	-0.06%	-13.87%
QUEST DIAGNOSTICS (DGX)	0.48%		-0.10%	-13.35%
BIG LOTS (BIG)	0.14%	0.07%	-0.01%	-12.94%
RENT A CENTER (RCII)	0.73%	0.09%	-0.08%	-11.91%
ATLAS AIR WWD.HDG.WNI. (AAWW)	0.17%	0.06%	0.00%	-10.60%
HARTE-HANKS (HHS)	0.05%	0.02%	0.00%	-10.49%
STANLEY BLACK & DECKER (SWK)	0.49%		-0.06%	-10.35%
NEWFIELD EXPLORATION (NXF)	0.39%	0.17%	-0.03%	-10.01%
<b>Total</b>	<b>4.52%</b>	<b>0.55%</b>		

## Mid/Small Cap Value

---

### Top Holdings Mid/Small Cap Value

	SMIDV Fund %	Hotchkis %	EARNEST %	WEDGE %	Index Weight%
GREAT PLAINS EN.	1.62%	3.76%		1.12%	0.19%
ARRIS GROUP	1.36%	4.12%			0.02%
HNTGTN.INGALLS INDS.	1.31%	0.56%	1.83%	1.54%	
CUMMINS	1.30%		3.89%		
NRG ENERGY	1.29%	3.91%			
SUNTRUST BANKS	1.24%	3.76%			
KEYCORP	1.22%	1.30%	2.36%		
BORGWARNER	1.20%		3.59%		
COBALT INTL.ENERGY	1.17%	3.54%			
GOODYEAR TIRE & RUB.	1.13%	3.41%			
<b>Total</b>	<b>12.84%</b>	<b>24.35%</b>	<b>11.68%</b>	<b>2.66%</b>	<b>0.21%</b>

## Manager Philosophy and Process

The investment process employed is team-based utilizing primarily in-house, fundamental research. The investment research staff is organized by industry and sector and supports all of the accounts managed in each of HWCM's investment strategies. Portfolio coordinators for each strategy ensure that the best thinking of the investment team is reflected in the "target portfolios." Investment ideas for the portfolio are generated by the investment team.

HWCM subscribes to a team-oriented, four-stage process.

1. Idea Generation
2. In-Depth Evaluation (Consisting of a company evaluation and risk assessment)
3. Recommendation
4. Portfolio Construction

## Current Positioning

- The Fund is overweight information technology, consumer discretionary and utilities.
- The Fund is underweight financials, industrials and health care.
- The top industries include allocations to commercial banks and insurance companies.

## Quarterly Attribution

Positive Impact on Performance:

- Stock selection in information technology, financials and utilities
- Overweight to information technology and consumer discretionary
- Underweight to financials

Negative Impact on Performance:

- Stock selection in energy, health care and industrials
- Underweight to health care and overweight to utilities

## Characteristics

Price/Normalized Earnings: 9.2

Price/Book: 1.6

Price/Sales: 0.7

Projected EPS Growth: 6.4%

Median Market Cap (millions): \$6,700

## Summary Data Points

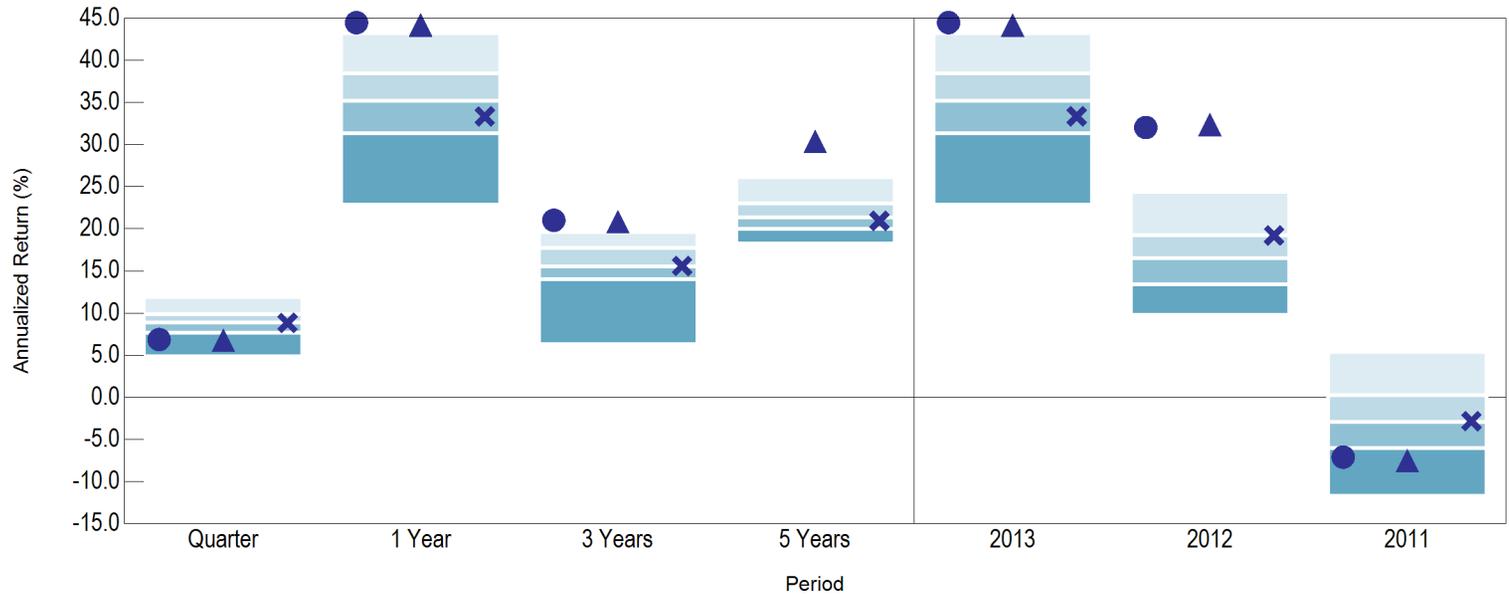
Mercer Rating: B+(T)

Manager Strategy Assets: \$2.8 billion

# NCSRP Hotchkis & Wiley

## Performance

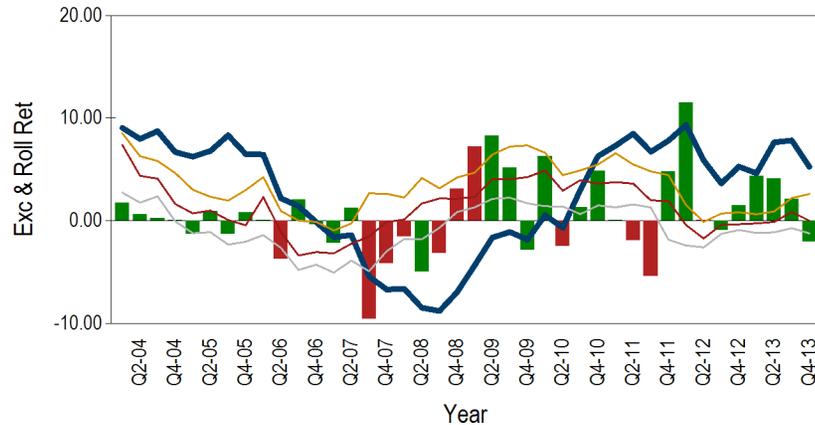
Performance vs. Mercer Instl US Equity SMID Value  
Ending December 31, 2013



	Return (Rank)													
5th Percentile	11.9	43.2	19.5	26.1	43.2	24.3	5.4							
25th Percentile	9.9	38.5	17.8	23.0	38.5	19.3	0.3							
Median	8.9	35.2	15.6	21.4	35.2	16.6	-2.9							
75th Percentile	7.7	31.4	14.1	20.0	31.4	13.4	-6.0							
95th Percentile	4.9	22.9	6.3	18.3	22.9	9.8	-11.6							
# of Portfolios	62	62	53	51	62	75	66							
● NCSRP Hotchkis & Wiley	6.9	(85)	44.5	(5)	21.0	(1)	--	(--)	44.5	(5)	32.0	(1)	-7.1	(77)
▲ Hotchkis & Wiley Value Strategy	6.8	(86)	44.2	(5)	20.8	(2)	30.4	(1)	44.2	(5)	32.4	(1)	-7.5	(82)
✕ Hotchkis Custom SMID Value Index	8.8	(53)	33.3	(70)	15.6	(49)	20.9	(58)	33.3	(70)	19.2	(26)	-2.8	(50)

# Hotchkis & Wiley Value Strategy

**Rolling 3 Year Excess Performance**  
Hotchkis & Wiley Value Strategy vs. Hotchkis Custom SMID Value Index



**Characteristics**  
as of December 31, 2013

	Portfolio	Russell 2500 Value
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	15.61	23.05
P/E Excluding Negative Earnings	15.73	18.86
P/E Median	14.77	23.59
Price To Book	1.97	1.64
Price To Book Median	1.63	1.77
Price To Cash Flow	9.02	13.37
Price To Sales	1.05	1.36
Dividend Yield (%)	1.54	1.90
Weighted Ave. Market Cap. (\$B)	7.83	3.49
Median Market Cap. (\$B)	6.60	0.92
Beta	1.30	1.00

**Annualized Excess Return vs. Tracking Error**  
5 Years Ending December 31, 2013

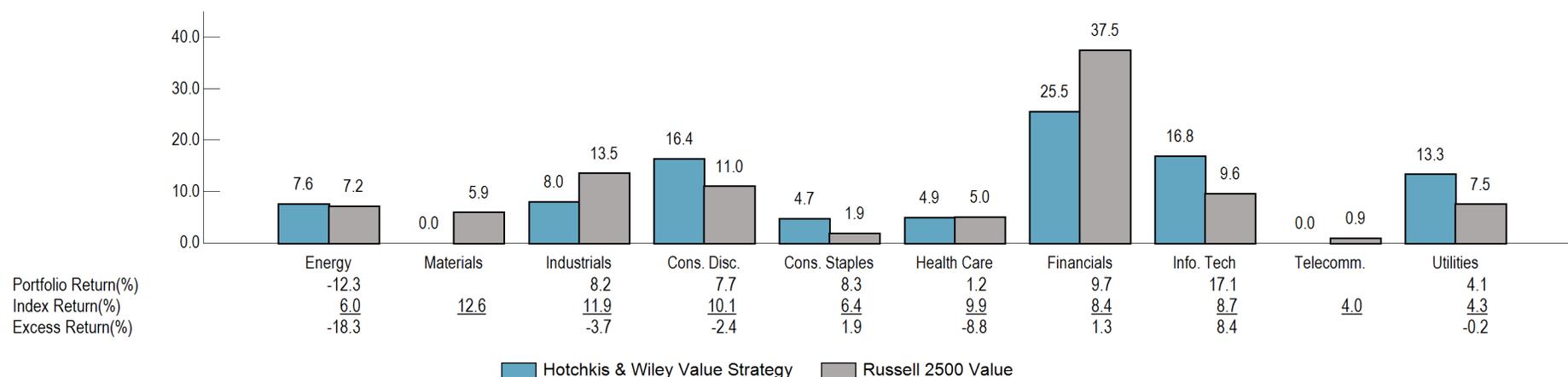


**Performance Attribution vs. Russell 2500 Value**  
Quarter Ending December 31, 2013

	Total Effects	Selection Effect	Allocation Effect	Interaction Effects
Energy	-1.51%	-1.47%	0.00%	-0.03%
Materials	-0.22%	--	-0.22%	--
Industrials	-0.57%	-0.29%	-0.17%	-0.11%
Cons. Disc.	-0.46%	-0.23%	0.12%	-0.35%
Cons. Staples	0.05%	0.04%	-0.07%	0.08%
Health Care	-0.50%	-0.42%	0.01%	-0.08%
Financials	0.34%	0.47%	0.04%	-0.17%
Info. Tech	1.31%	0.81%	0.02%	0.48%
Telecomm.	0.04%	--	0.04%	--
Utilities	-0.29%	-0.02%	-0.25%	-0.01%
Cash	-0.17%	0.00%	0.00%	-0.17%
Unclassified	0.00%	--	0.00%	--
<b>Portfolio</b>	<b>-1.96%</b>	<b>= -1.11%</b>	<b>+ -0.49%</b>	<b>+ -0.37%</b>

# Hotchkis & Wiley Value Strategy

Sector Allocation (%) vs Russell 2500 Value  
3 Months Ending December 31, 2013



## Top Returning Stocks

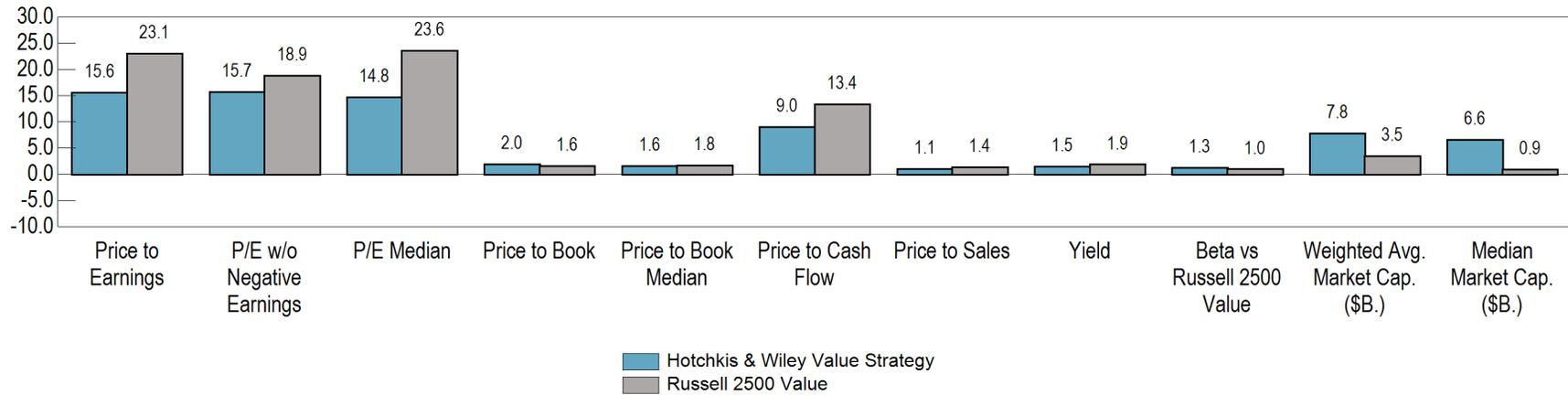
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
ARRIS GROUP (ARRS)	4.12%	0.02%	1.73%	42.76%
AVIS BUDGET GROUP (CAR)	0.89%		0.30%	40.20%
HNTGTN.INGALLS INDS. (HII)	0.56%		0.42%	33.87%
JETBLUE AIRWAYS (JBLU)	0.77%	0.10%	0.35%	28.13%
MARVELL TECH.GROUP (MRVL)	1.02%		0.25%	25.60%
MCDERMOTT INTL. (MDR)	0.55%	0.11%	0.10%	23.28%
ASSURANT (AIZ)	0.00%		0.04%	23.15%
COMVERSE (CNSI)	0.25%		0.05%	21.44%
COMERICA (CMA)	0.57%		0.11%	21.39%
VALASSIS COMMS. (VCI)	2.86%	0.07%	0.66%	19.66%
<b>Total</b>	<b>11.59%</b>	<b>0.30%</b>		

## Bottom Returning Stocks

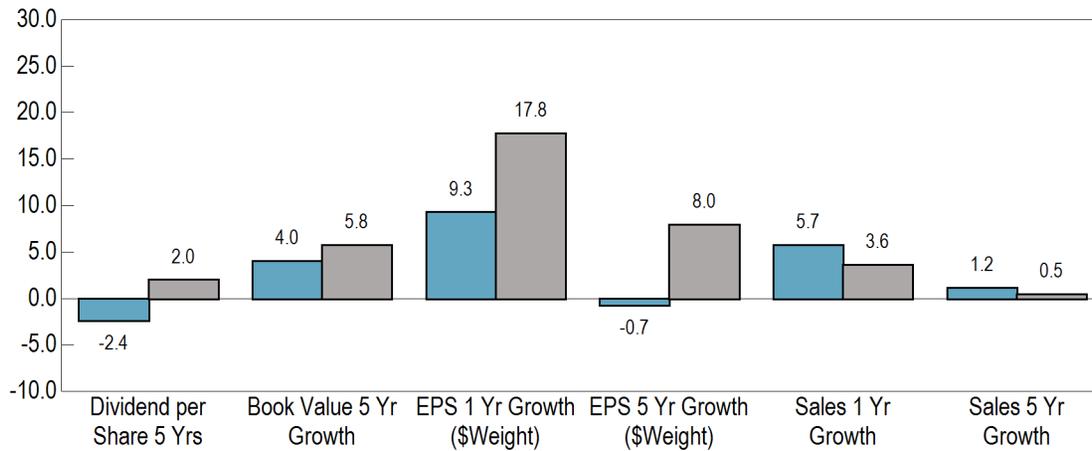
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
COBALT INTL.ENERGY (CIE)	3.54%		-1.08%	-33.83%
QUEST DIAGNOSTICS (DGX)	1.45%		-0.29%	-13.35%
RENT A CENTER (RCII)	2.21%	0.09%	-0.27%	-11.91%
STANLEY BLACK & DECKER (SWK)	1.47%		-0.17%	-10.35%
CON-WAY (CNW)	2.75%	0.07%	-0.16%	-7.62%
WESTERN UNION (WU)	1.06%		-0.06%	-6.85%
FRESH DEL MONTE PRODUCE (FDP)	0.76%	0.06%	-0.03%	-4.20%
SYMANTEC (SYMC)	0.77%		-0.02%	-4.12%
PUB.SER.ENTER.GP. (PEG)	2.97%		-0.05%	-1.63%
EMBRAER SPNS ADR 1:4 (ERJ)	1.08%		-0.01%	-0.42%
<b>Total</b>	<b>18.07%</b>	<b>0.22%</b>		

# Hotchkis & Wiley Value Strategy

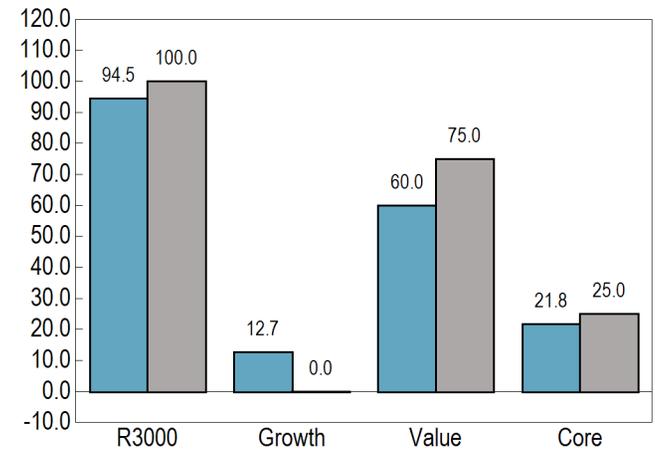
**Portfolio Characteristics**  
Ending December 31, 2013



**Historical Growth Measures**  
Ending December 31, 2013



**Russell Index Membership (% Equity)**  
Ending December 31, 2013



## Manager Philosophy and Process

### Investment Philosophy

EARNEST Partners is a fundamental, bottom-up investment manager. The firm 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. EARNEST does not subscribe to a deep value dogma, but rather ends up with a value-based portfolio as an outcome of the process.

### Investment Process

The investment process begins with an analysis of price return patterns of the universe of stocks within the Russell 2000 Value Index. EARNEST believes six drivers are the source of returns: valuation measures, operating trends, market trends, growth measures, profitability measures and macroeconomics. The Return Pattern Recognition (RPR) model seeks to identify what combination of factors (approximately 24 of them) is most predictive of return patterns for stocks across more than 30 industry clusters. The model serves as an idea generation tool and is not a driving element of the investment process. Attractive stocks that rank in the top quartile of the universe (approximately 150 names) are then subject to risk analysis to determine their contribution to overall portfolio risk. If the portfolio risk is acceptable, the team then conducts in-depth fundamental research, which incorporates assessing a company's competitive framework, evaluating management, scrutinizing financials, and analyzing the business environment to develop an investment thesis. The portfolio targets 60 names and turnover is approximately 30% per year. While there are no formal sector constraints, sector exposures are typically limited to twice the benchmark weight for larger sectors. Individual positions are limited to 5% of the portfolio.

## Current Positioning

- The portfolio held overweight allocations to the health care, industrials and information technology sectors
- The portfolio held underweight allocations to the financials and consumer discretionary sectors
- The portfolio holds no allocation to the consumer staples sector

## Quarterly Attribution

### Positive Impact on Performance:

- Significant overweight allocation to the industrials sector (one of the top performing sectors for the quarter)
- Stock selection in financial and information technology sectors

### Negative Impact on Performance:

- Overweight allocation to the telecommunications sector (the worst performing sector for the quarter)
- Stock selection in the health care and utilities sectors

## Characteristics

Number of holdings: 61  
Median Market Capitalization (millions): \$1,985  
Weighted Average Market Capitalization (millions): \$3,437  
P/E ratio: 18.6x (trailing 12-month)  
P/B ratio: 2.0x  
Earnings growth (5-year): 13.7  
Dividend Yield: 1.1%

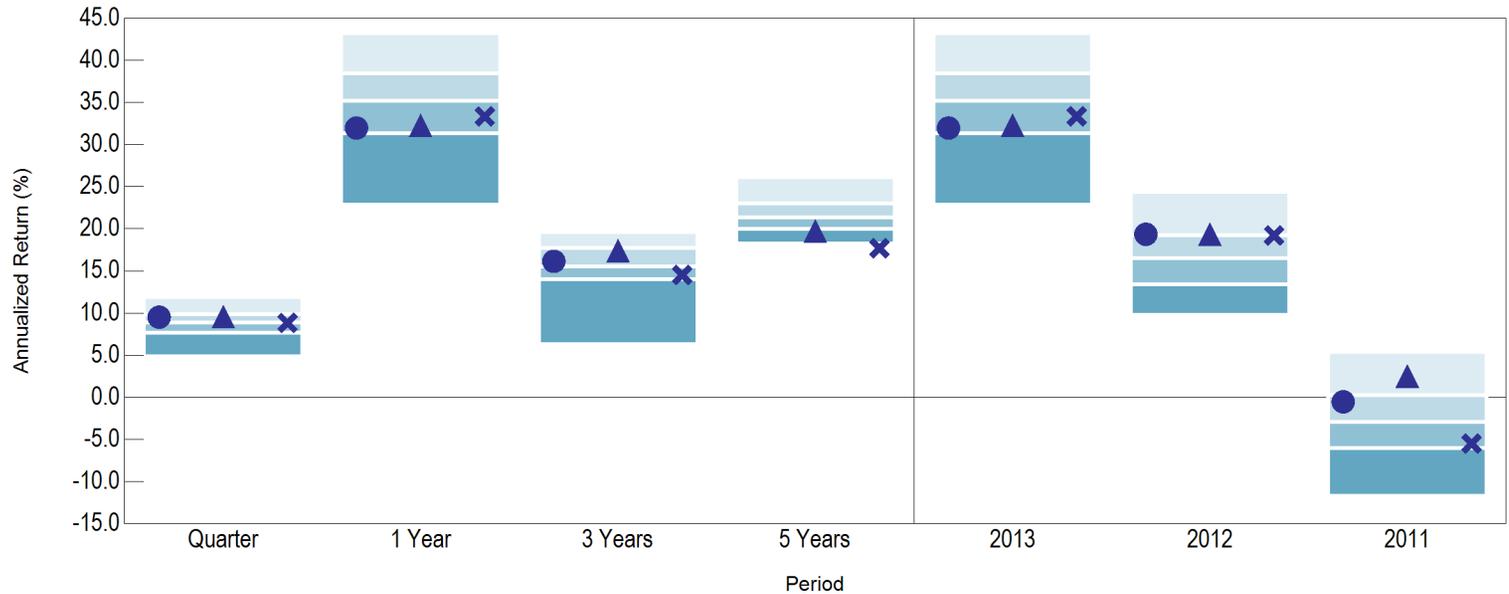
## Summary Data Points

Mercer Rating: B+  
Strategy Assets (\$B): \$3.6

# NCSRP EARNEST Partners

## Performance

Performance vs. Mercer Instl US Equity SMID Value  
Ending December 31, 2013

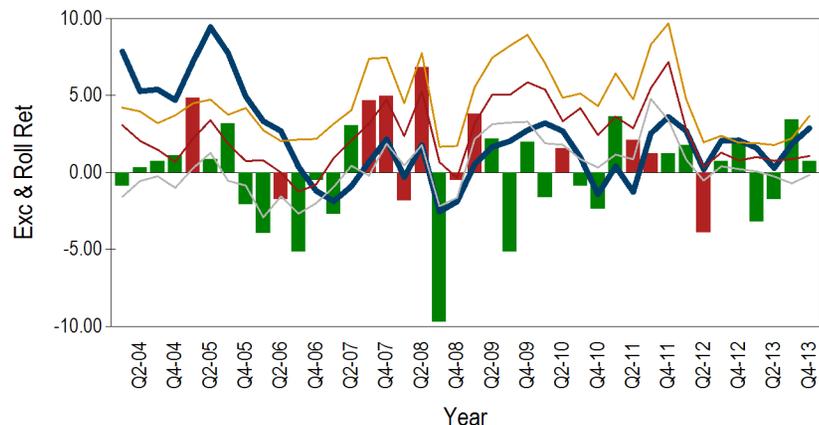


Return (Rank)

5th Percentile	11.9	43.2	19.5	26.1	43.2	24.3	5.4
25th Percentile	9.9	38.5	17.8	23.0	38.5	19.3	0.3
Median	8.9	35.2	15.6	21.4	35.2	16.6	-2.9
75th Percentile	7.7	31.4	14.1	20.0	31.4	13.4	-6.0
95th Percentile	4.9	22.9	6.3	18.3	22.9	9.8	-11.6
# of Portfolios	62	62	53	51	62	75	66
● NCSRP EARNEST Partners	9.5 (38)	31.9 (74)	16.1 (40)	-- (--)	31.9 (74)	19.3 (24)	-0.5 (31)
▲ EARNEST Partners Value Strategy	9.6 (37)	32.3 (73)	17.4 (28)	19.8 (81)	32.3 (73)	19.4 (23)	2.5 (12)
✕ EARNEST Custom SMID Value Index	8.8 (53)	33.3 (70)	14.5 (65)	17.7 (98)	33.3 (70)	19.2 (26)	-5.5 (71)

# EARNEST Partners Value Strategy

**Rolling 3 Year Excess Performance**  
**EARNEST Partners Value Strategy vs. Earnest Custom SMID Value Index**



**Characteristics**  
**as of December 31, 2013**

	Portfolio	Russell 2500 Value
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	21.50	23.05
P/E Excluding Negative Earnings	21.82	18.86
P/E Median	20.38	23.59
Price To Book	3.38	1.64
Price To Book Median	2.37	1.77
Price To Cash Flow	11.74	13.37
Price To Sales	1.57	1.36
Dividend Yield (%)	1.30	1.90
Weighted Ave. Market Cap. (\$B)	6.75	3.49
Median Market Cap. (\$B)	4.44	0.92
Beta	1.01	1.00

**Annualized Excess Return vs. Tracking Error**  
**5 Years Ending December 31, 2013**

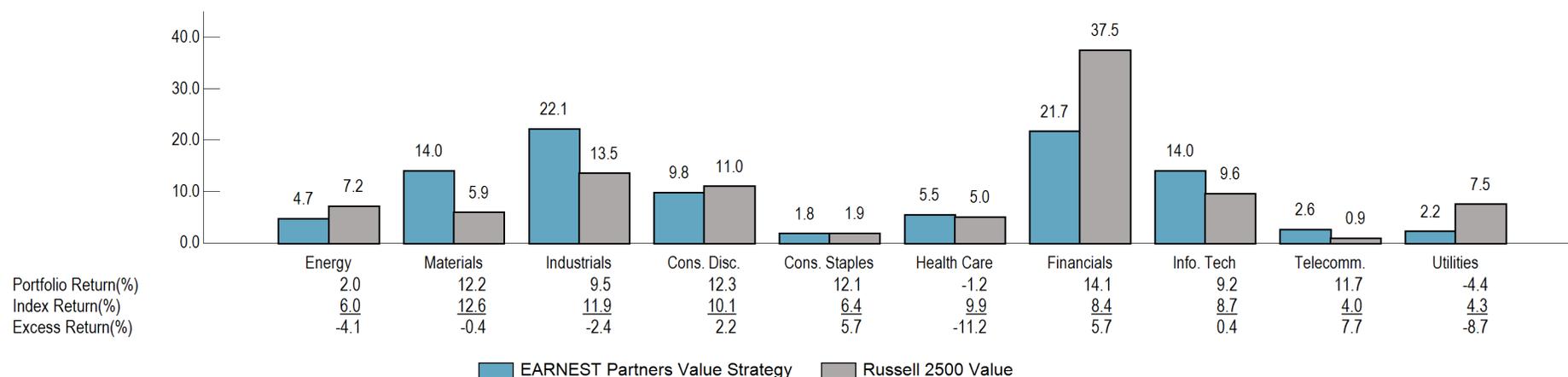


**Performance Attribution vs. Russell 2500 Value**  
**Quarter Ending December 31, 2013**

	Total Effects	Attribution Effects		
		Selection Effect	Allocation Effect	Interaction Effects
Energy	-0.13%	-0.26%	0.05%	0.08%
Materials	0.25%	-0.02%	0.31%	-0.03%
Industrials	-0.21%	-0.31%	0.27%	-0.17%
Cons. Disc.	0.21%	0.25%	-0.01%	-0.03%
Cons. Staples	0.11%	0.12%	0.01%	-0.02%
Health Care	-0.69%	-0.57%	0.01%	-0.13%
Financials	1.28%	2.10%	0.06%	-0.89%
Info. Tech	-0.01%	0.05%	-0.06%	0.00%
Telecomm.	0.12%	0.07%	-0.09%	0.14%
Utilities	0.03%	-0.72%	0.25%	0.49%
Cash	-0.06%	0.00%	0.00%	-0.06%
Unclassified	0.00%	--	0.00%	--
<b>Portfolio</b>	<b>0.89%</b>	<b>= 0.69%</b>	<b>+ 0.81%</b>	<b>+ -0.61%</b>

# EARNEST Partners Value Strategy

Sector Allocation (%) vs Russell 2500 Value  
3 Months Ending December 31, 2013



## Top Returning Stocks

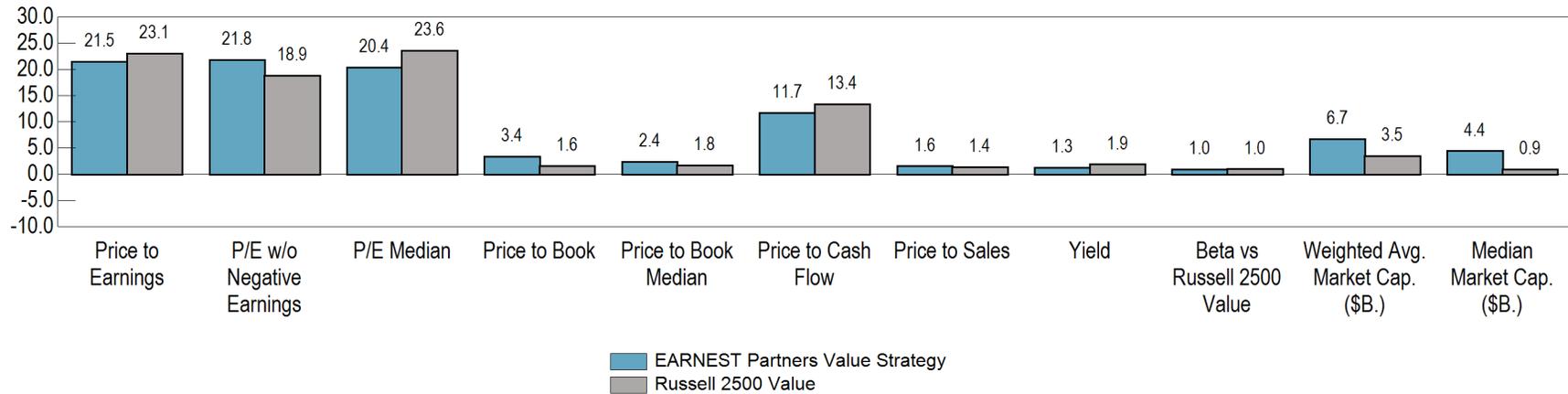
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
HNTGTN.INGALLS INDS. (HII)	1.83%		0.52%	33.87%
GLOBAL PAYMENTS (GPN)	1.51%		0.42%	27.27%
SEALED AIR (SEE)	1.95%		0.45%	25.74%
RAYMOND JAMES FINL. (RJF)	1.73%	0.33%	0.33%	25.63%
AMERICAN EQ.INV.LF.HLDG. (AEL)	2.20%	0.08%	0.49%	25.27%
TAL INTL.GP. (TAL)	1.20%	0.05%	0.26%	24.29%
AUTODESK (ADSK)	1.64%		0.34%	22.22%
CABOT (CBT)	1.13%	0.17%	0.13%	20.84%
PROTECTIVE LIFE (PL)	1.70%	0.21%	0.28%	19.58%
DARDEN RESTAURANTS (DRI)	1.31%		0.24%	18.85%
<b>Total</b>	<b>16.21%</b>	<b>0.85%</b>		

## Bottom Returning Stocks

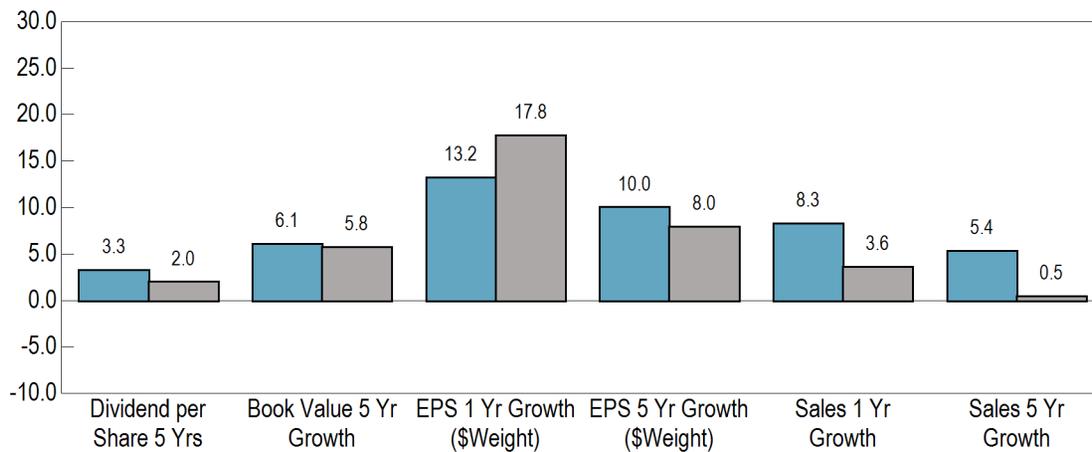
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
FLEXTRONICS INTL. (FLEX)	1.05%		-0.20%	-14.52%
NEWFIELD EXPLORATION (NFX)	1.18%	0.17%	-0.13%	-10.01%
TIMKEN (TKR)	1.97%	0.25%	-0.18%	-8.43%
CENTENE (CNC)	2.22%		-0.21%	-7.83%
FIRST POTOMAC REAL.TST. (FPO)	0.00%		-0.04%	-6.32%
WGL HDG. (WGL)	1.08%	0.11%	-0.06%	-5.26%
FLIR SYS. (FLIR)	1.72%	0.07%	-0.07%	-3.85%
STH.JERSEY IND. (SJI)	1.15%	0.08%	-0.05%	-3.67%
ITRON (ITRI)	0.00%		-0.03%	-3.27%
XILINX (XLNX)	1.60%		-0.03%	-1.45%
<b>Total</b>	<b>11.96%</b>	<b>0.67%</b>		

# EARNEST Partners Value Strategy

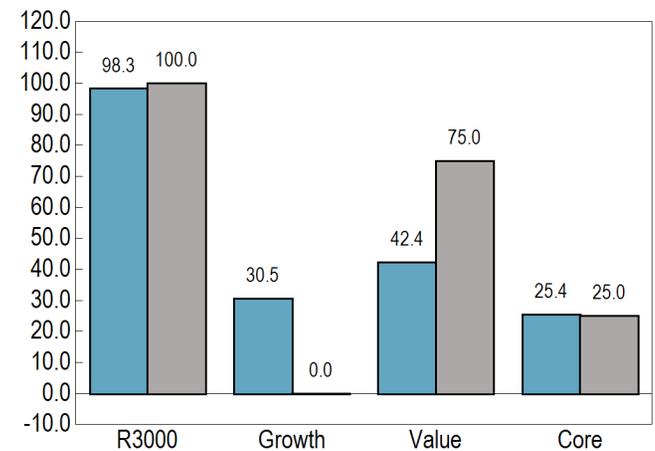
**Portfolio Characteristics**  
Ending December 31, 2013



**Historical Growth Measures**  
Ending December 31, 2013



**Russell Index Membership (% Equity)**  
Ending December 31, 2013



## Manager Philosophy and Process

### Investment Style/Philosophy

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.

### Investment Process

The process begins with a universe of stocks within specific market cap guidelines (from \$1 billion to \$15 billion for Mid Cap Value, from \$250 million to \$2.5 billion for Small Cap Value, and from \$250 million to \$15 billion for Small/Mid Cap Value). WEDGE applies two proprietary models to narrow the initial universe of stocks. The fundamental value model sorts the eligible universe of stocks based on relative value, considering factors such as price/earnings ratios and dividend yield. The second model screens stocks based on relative financial quality, which includes factors such as profitability, leverage, and liquidity. Companies ranked in the top four deciles in the fundamental value model and in the top seven deciles of the financial quality model are candidates for fundamental research.

## Current Positioning

- Relative to the Russell 2500 Value Index, the Fund is overweight the consumer staples, healthcare and industrials sectors
- The Fund is underweight the financials, materials, energy and utilities sectors
- The Fund has no exposure to the telecommunications sector

## Quarterly Attribution

### Positive Impact on Performance:

- Overweight allocation to the capital goods sector
- Underweight allocation to utilities sector
- Stock selection within the technology, healthcare and financials sectors
- Individual contributors: Huntington Ingalls Industries, Air Methods Corporation and Lincoln National Corporation

### Negative Impact on Performance:

- Stock selection within the consumer durables, capital goods and industrials sectors
- Individual detractors: Dana Holding Corporation, Steelcase Inc. and General Cable Corporation

## Characteristics

Median market capitalization (\$MM): \$2,233  
Weighted market capitalization (\$MM): \$5,620  
P/E Ratio (1 year forward): 15.0x  
P/B Ratio: 1.9x  
Dividend yield: 1.9%  
Earnings growth (5 year avg): 9.9%  
Beta vs. index: 1.0  
% Foreign: 4.8%  
Number of holdings: 148

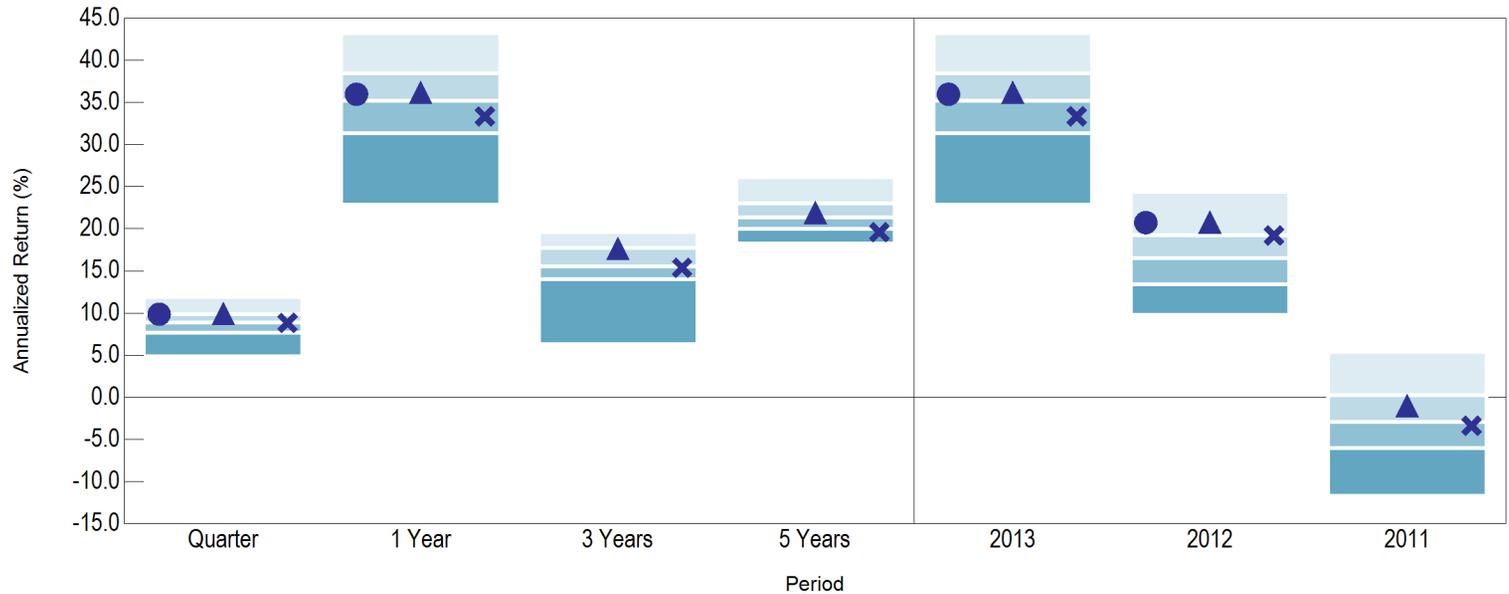
## Summary Data Points

Rating: B+  
AUM: \$1.7 Billion

# NCSRP WEDGE SMID Cap Value

## Performance

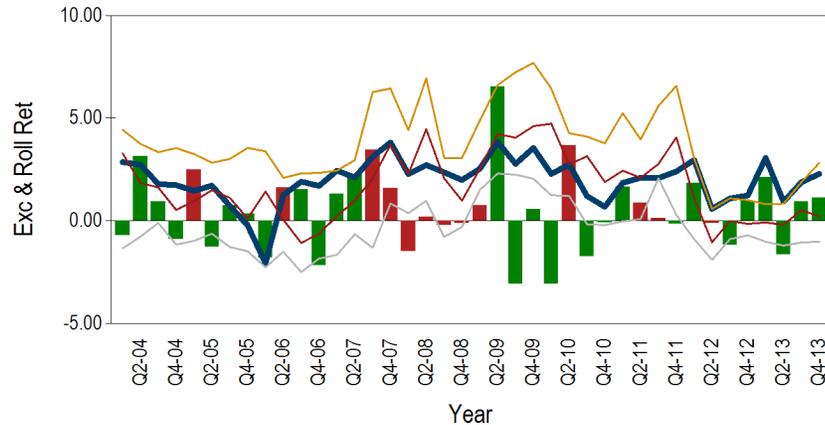
Performance vs. Mercer Instl US Equity SMID Value  
Ending December 31, 2013



	Return (Rank)													
5th Percentile	11.9	43.2	19.5	26.1	43.2	24.3	5.4							
25th Percentile	9.9	38.5	17.8	23.0	38.5	19.3	0.3							
Median	8.9	35.2	15.6	21.4	35.2	16.6	-2.9							
75th Percentile	7.7	31.4	14.1	20.0	31.4	13.4	-6.0							
95th Percentile	4.9	22.9	6.3	18.3	22.9	9.8	-11.6							
# of Portfolios	62	62	53	51	62	75	66							
● NCSRP WEDGE SMID Cap Value	9.9	(29)	36.0	(44)	--	(--)	--	(--)	36.0	(44)	20.7	(17)	--	(--)
▲ WEDGE SMID Cap Value Strategy	9.9	(22)	36.2	(43)	17.7	(27)	21.9	(44)	36.2	(43)	20.8	(17)	-1.0	(33)
✕ Russell 2500 Value	8.8	(53)	33.3	(70)	15.4	(57)	19.6	(81)	33.3	(70)	19.2	(26)	-3.4	(57)

# WEDGE SMID Cap Value Strategy

Rolling 3 Year Excess Performance  
WEDGE SMID Cap Value Strategy vs. Earnest Custom SMID Value Index



Characteristics  
as of December 31, 2013

	Portfolio	Russell 2500 Value
PORTFOLIO CHARACTERISTICS		
Price To Earnings	23.71	23.05
P/E Excluding Negative Earnings	24.36	18.86
P/E Median	18.66	23.59
Price To Book	2.41	1.64
Price To Book Median	1.88	1.77
Price To Cash Flow	10.49	13.37
Price To Sales	1.62	1.36
Dividend Yield (%)	2.23	1.90
Weighted Ave. Market Cap. (\$B)	4.88	3.49
Median Market Cap. (\$B)	2.21	0.92
Beta	1.04	1.00

Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2013

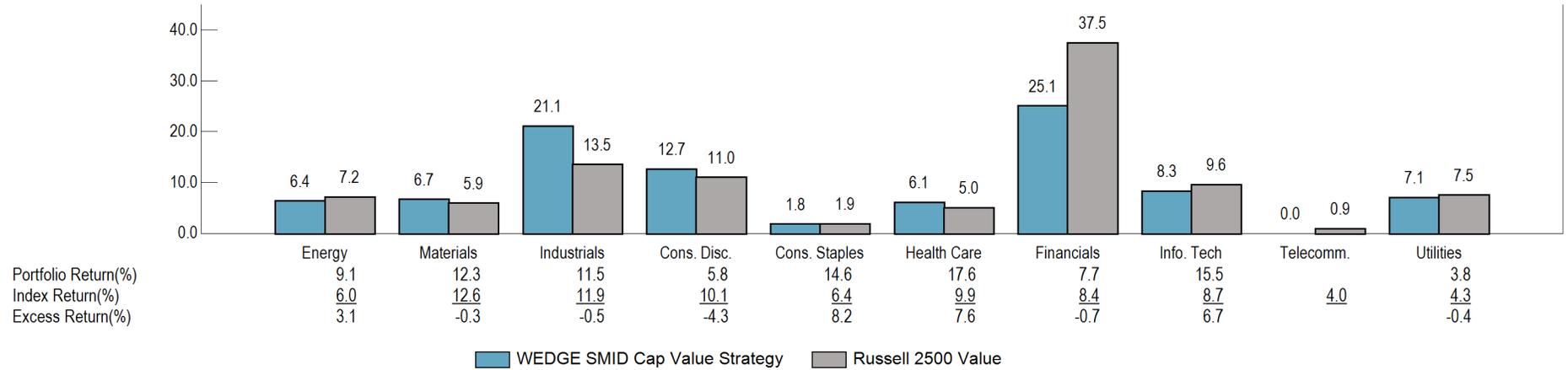


Performance Attribution vs. Russell 2500 Value  
Quarter Ending December 31, 2013

	Total Effects	Selection Effect	Allocation Effect	Interaction Effects
Energy	0.25%	0.23%	0.05%	-0.04%
Materials	0.02%	-0.02%	0.03%	0.01%
Industrials	0.16%	-0.06%	0.28%	-0.06%
Cons. Disc.	-0.55%	-0.47%	0.02%	-0.10%
Cons. Staples	0.16%	0.16%	0.00%	0.00%
Health Care	0.49%	0.37%	0.02%	0.10%
Financials	-0.11%	-0.26%	0.06%	0.09%
Info. Tech	0.55%	0.65%	-0.01%	-0.09%
Telecomm.	0.04%	--	0.04%	--
Utilities	0.00%	-0.04%	0.03%	0.00%
Cash	-0.21%	0.00%	0.00%	-0.21%
Unclassified	0.00%	--	0.00%	--
<b>Portfolio</b>	<b>0.80%</b>	<b>= 0.55%</b>	<b>+ 0.53%</b>	<b>+ -0.28%</b>

# WEDGE SMID Cap Value Strategy

Sector Allocation (%) vs Russell 2500 Value  
3 Months Ending December 31, 2013



## Top Returning Stocks

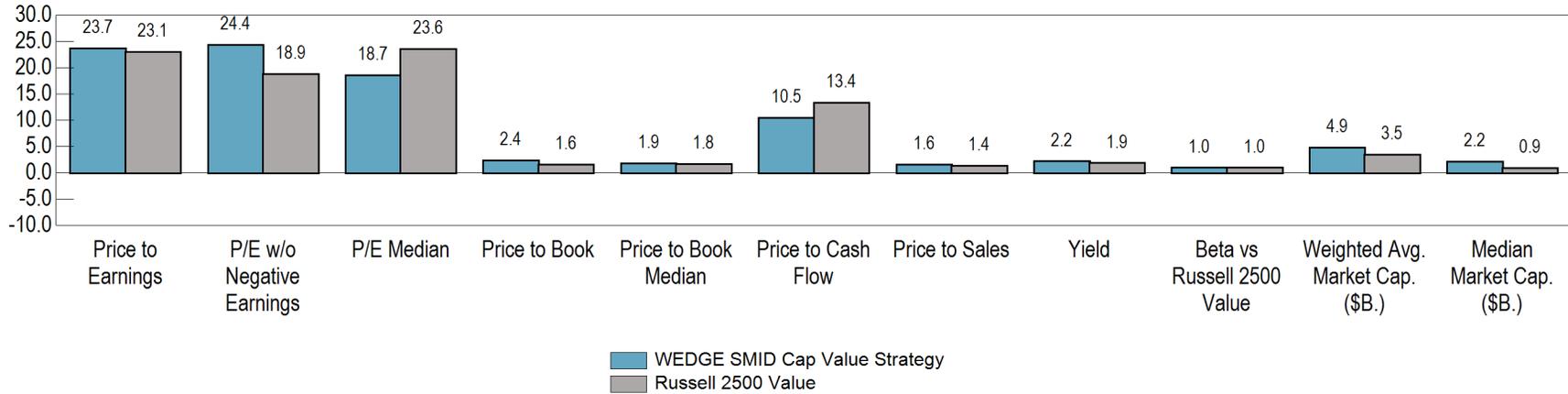
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
AERCAP HOLDINGS N V (AER)	0.39%		0.26%	97.07%
DELEK US HOLDINGS (DK)	0.34%	0.02%	0.12%	64.80%
PANTRY (PTRY)	0.23%	0.02%	0.12%	51.44%
MEN'S WEARHOUSE (MW)	0.00%		0.03%	50.54%
EBIX (EBIX)	0.86%	0.01%	0.45%	47.99%
AIR METHODS (AIRM)	1.04%		0.52%	36.88%
CAMBREX (CBM)	0.00%		0.09%	35.08%
HNTGTN.INGALLS INDS. (HII)	1.54%		0.63%	33.87%
COMTECH TELECOM. (CMTL)	0.00%		0.08%	30.86%
GREATBATCH (GB)	0.19%	0.06%	0.05%	30.00%
<b>Total</b>	<b>4.59%</b>	<b>0.10%</b>		

## Bottom Returning Stocks

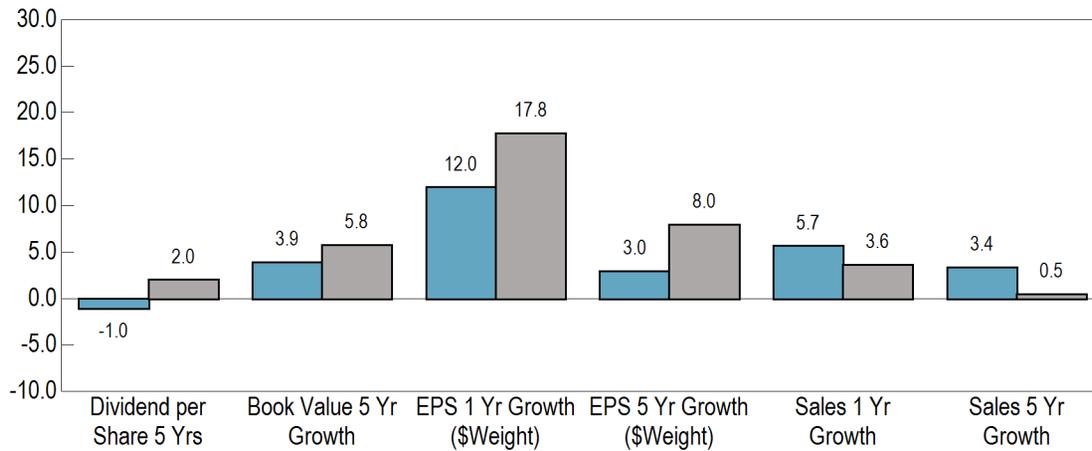
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
DANA HOLDING (DAN)	1.65%	0.14%	-0.23%	-13.87%
BIG LOTS (BIG)	0.41%	0.07%	-0.05%	-12.94%
ATLAS AIR WWD.HDG.WNI. (AAWW)	0.52%	0.06%	-0.01%	-10.60%
HARTE-HANKS (HHS)	0.14%	0.02%	-0.01%	-10.49%
LIFETIME FITNESS (LTM)	0.39%	0.05%	-0.03%	-8.68%
RUBY TUESDAY (RT)	0.48%	0.02%	-0.04%	-7.60%
ENERGEN (EGN)	0.40%	0.27%	-0.02%	-7.20%
GENERAL CABLE (BGC)	1.58%	0.07%	-0.06%	-6.20%
CHECKPOINT SYS. (CKP)	0.26%	0.03%	-0.01%	-5.57%
CYS INVESTMENTS (CYS)	1.05%	0.07%	-0.05%	-4.88%
<b>Total</b>	<b>6.88%</b>	<b>0.79%</b>		

# WEDGE SMID Cap Value Strategy

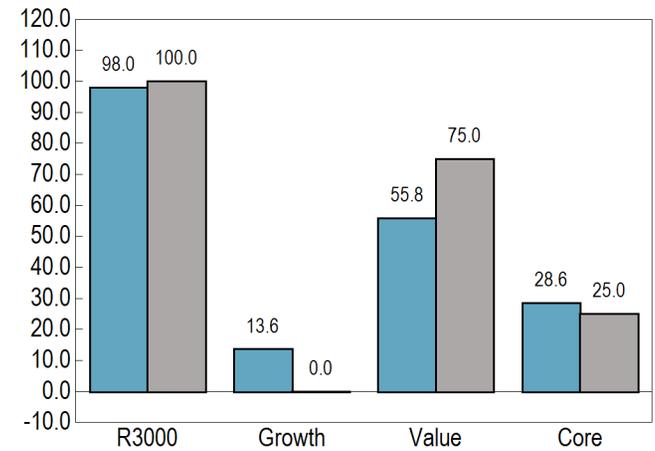
**Portfolio Characteristics**  
Ending December 31, 2013



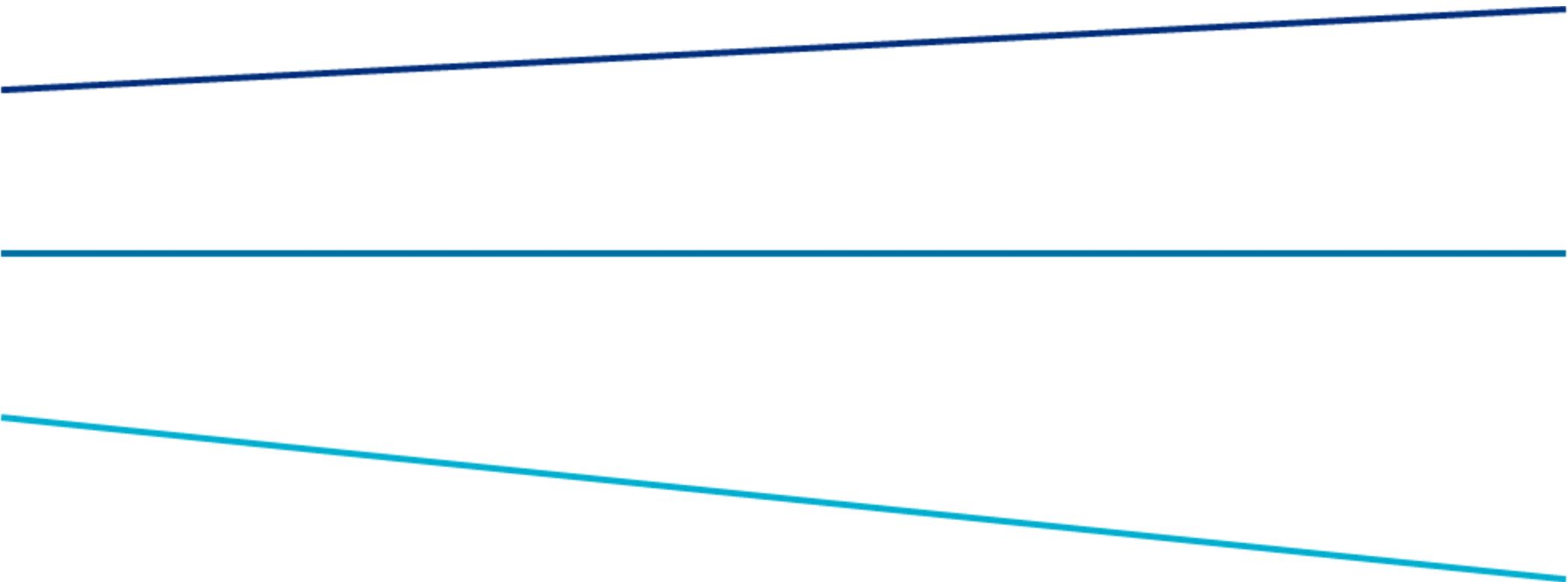
**Historical Growth Measures**  
Ending December 31, 2013



**Russell Index Membership (% Equity)**  
Ending December 31, 2013



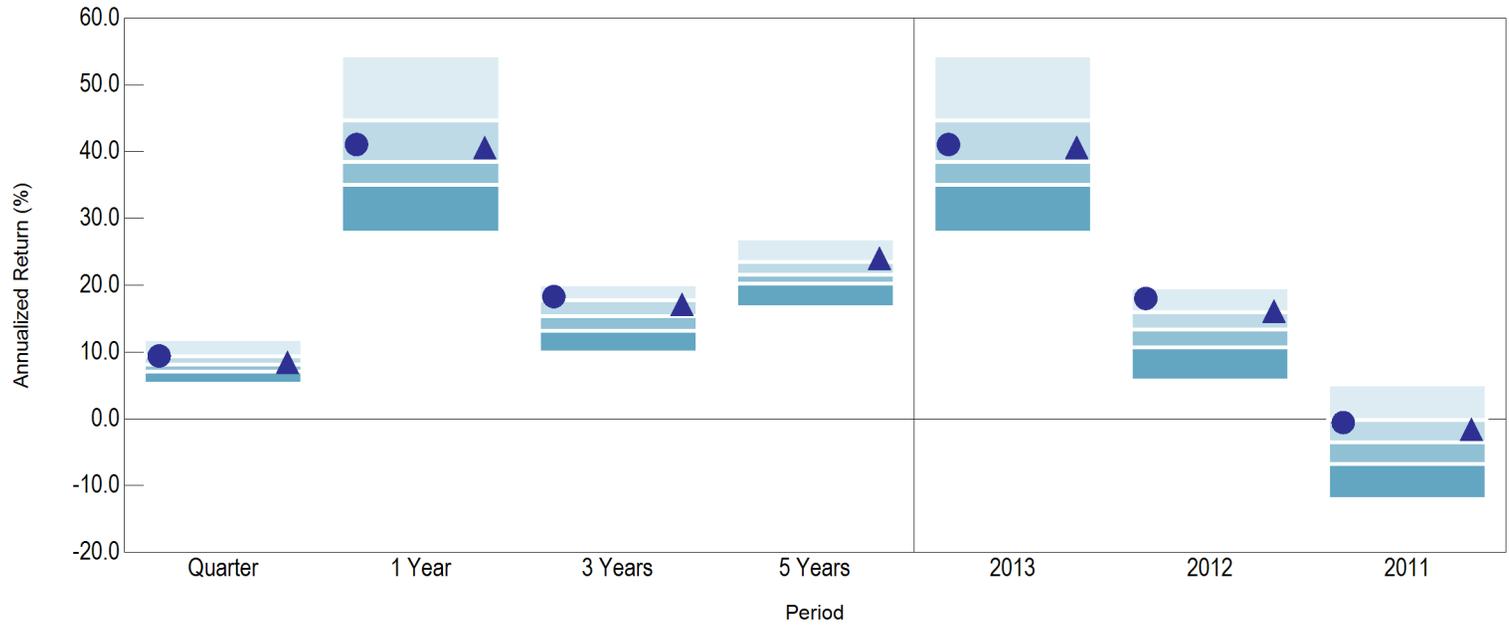
# Mid/Small Cap Growth



# Mid/Small Cap Growth

## Performance

Performance vs. Mercer Mutual Fund US Equity Small + Mid Growth  
Ending December 31, 2013

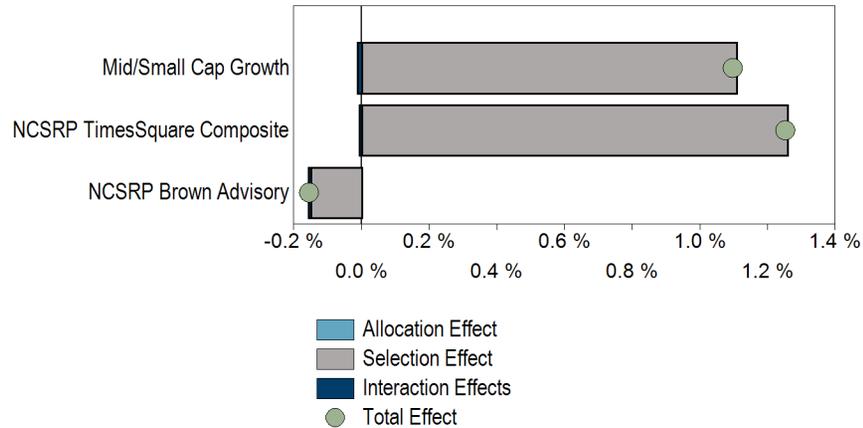


	Return (Rank)													
5th Percentile	11.9	54.4	20.1	27.0	54.4	19.7	5.2							
25th Percentile	9.4	44.7	17.8	23.6	44.7	16.0	-0.1							
Median	8.1	38.5	15.4	21.7	38.5	13.4	-3.5							
75th Percentile	7.1	35.1	13.3	20.3	35.1	10.8	-6.7							
95th Percentile	5.3	28.0	10.0	16.8	28.0	5.8	-12.0							
# of Portfolios	270	261	246	231	261	276	261							
● Mid/Small Cap Growth	9.4	(25)	41.1	(41)	18.3	(19)	--	(--)	41.1	(41)	18.0	(11)	-0.6	(28)
▲ Russell 2500 Growth	8.5	(46)	40.7	(44)	17.1	(31)	24.0	(20)	40.7	(44)	16.1	(24)	-1.6	(36)

# Mid/Small Cap Growth

## Attribution

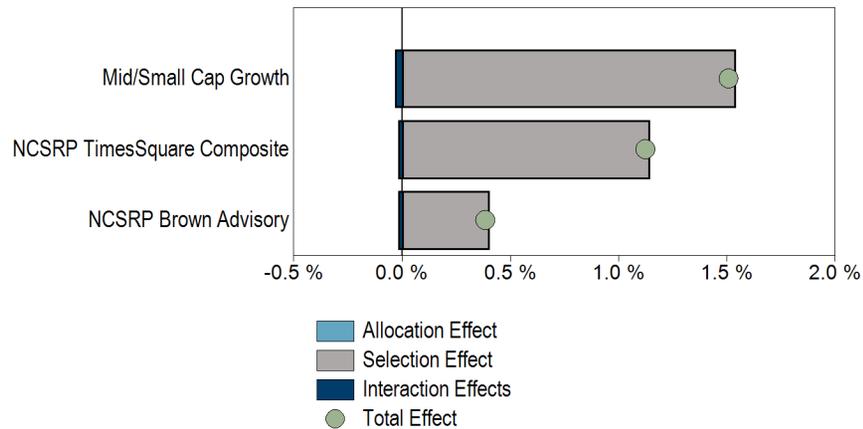
**Attribution Effects**  
3 Months Ending December 31, 2013



**Attribution Summary**  
3 Months Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP TimesSquare Composite	11.0%	8.5%	2.5%	1.3%	0.0%	0.0%	1.3%
NCSRP Brown Advisory	8.2%	8.5%	-0.3%	-0.2%	0.0%	0.0%	-0.2%
<b>Total</b>	<b>9.6%</b>	<b>8.5%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>1.1%</b>

**Attribution Effects**  
1 Year Ending December 31, 2013

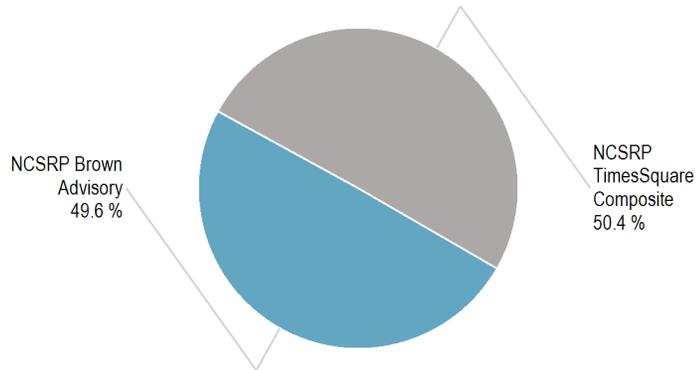


**Attribution Summary**  
1 Year Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP TimesSquare Composite	42.9%	40.6%	2.3%	1.1%	0.0%	0.0%	1.1%
NCSRP Brown Advisory	41.4%	40.6%	0.7%	0.4%	0.0%	0.0%	0.4%
<b>Total</b>	<b>42.2%</b>	<b>40.6%</b>	<b>1.5%</b>	<b>1.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>1.5%</b>

# Mid/Small Cap Growth

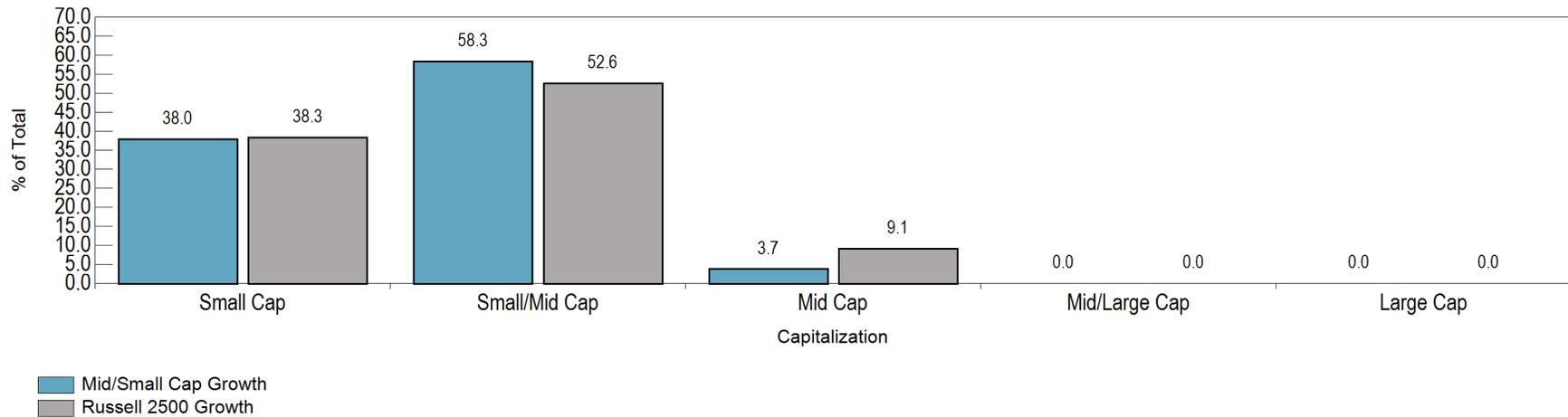
**Current Allocation**



**Characteristics**

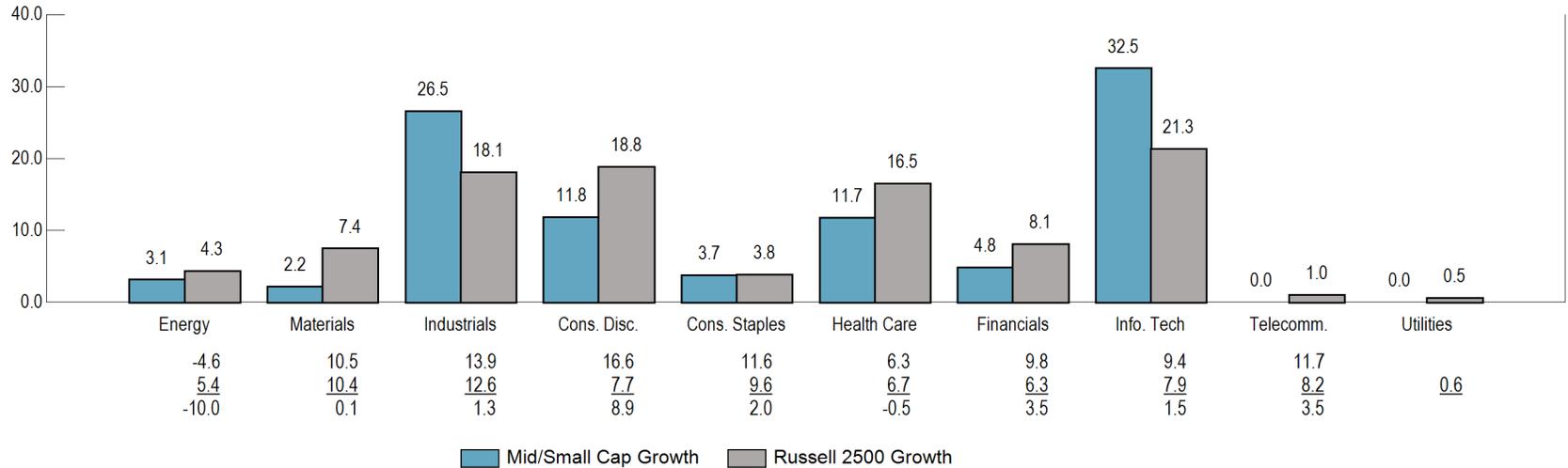
	Portfolio	Russell 2500 Growth
Number of Holdings	142	1,478
Weighted Avg. Market Cap. (\$B)	3.74	4.04
Median Market Cap. (\$B)	3.29	1.18
Price To Earnings	33.73	34.94
Price To Book	5.00	4.61
Price To Sales	2.98	1.88
Return on Equity (%)	14.26	15.74
Yield (%)	0.49	0.75
Beta	0.90	1.00
R-Squared	0.97	1.00

**Market Capitalization As Of December 31, 2013**



# Mid/Small Cap Growth

Sector Allocation (%) vs Russell 2500 Growth



Portfolio Return(%)  
Index Return(%)  
Excess Return(%)

Portfolio Return(%)	-4.6	10.5	13.9	16.6	11.6	6.3	9.8	9.4	11.7	
Index Return(%)	<u>5.4</u>	<u>10.4</u>	<u>12.6</u>	<u>7.7</u>	<u>9.6</u>	<u>6.7</u>	<u>6.3</u>	<u>7.9</u>	<u>8.2</u>	<u>0.6</u>
Excess Return(%)	-10.0	0.1	1.3	8.9	2.0	-0.5	3.5	1.5	3.5	

## Top Returning Stocks

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
AERCAP HOLDINGS N V (AER)	0.82%		0.51%	97.07%
3D SYSTEMS (DDD)	0.12%	0.50%	-0.08%	72.12%
HOMEAWAY (AWAY)	1.42%	0.13%	0.45%	46.21%
AVIS BUDGET GROUP (CAR)	0.90%	0.23%	0.25%	40.20%
IPG PHOTONICS (IPGP)	0.49%	0.13%	0.13%	37.73%
OCH-ZIFF CAP.MAN.GP.CLA (OZM)	0.60%		0.21%	37.27%
SALIX PHARMS. (SLXP)	0.53%	0.30%	0.10%	34.48%
SOLERA HOLDINGS (SLH)	1.20%	0.26%	0.26%	34.18%
UNITED RENTALS (URI)	1.37%	0.39%	0.27%	33.73%
INCYTE (INCY)	0.78%	0.28%	0.37%	32.71%
<b>Total</b>	<b>8.23%</b>	<b>2.23%</b>		

## Bottom Returning Stocks

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
ARIAD PHARMS. (ARIA)	0.00%		-0.23%	-62.93%
CELLEX THERAPEUTICS (CLDX)	0.23%	0.11%	0.00%	-31.67%
BROADSOFT (BSFT)	0.49%	0.04%	-0.16%	-24.28%
EPL OIL & GAS (EPL)	0.26%	0.01%	-0.04%	-23.20%
QLIK TECHNOLOGIES (QLIK)	0.50%	0.12%	-0.14%	-22.20%
CAVIUM (CAVM)	0.36%	0.10%	-0.06%	-16.24%
SEMTECH (SMTC)	0.28%	0.09%	-0.05%	-15.71%
COMMVAULT SYSTEMS (CVLT)	1.15%	0.19%	-0.17%	-14.85%
SPROUTS FARMERS MARKET (SFM)	0.38%	0.03%	-0.05%	-13.43%
EXFO (C:EXF)	0.20%		-0.03%	-12.43%
<b>Total</b>	<b>3.84%</b>	<b>0.69%</b>		

## Mid/Small Cap Growth

---

### Top Holdings Mid/Small Cap Growth

	SMIDG Fund %	TimesSquare %	Brown %	Index Weight%
COSTAR GP.	2.19%	2.09%	2.28%	0.28%
BROADRIDGE FINL.SLTN.	2.16%	1.34%	2.99%	0.26%
INTACT.INTELLIGENCE GP.	2.13%		4.30%	0.06%
CORELOGIC	2.06%	1.30%	2.84%	
DIGITALGLOBE	2.04%	1.50%	2.58%	
ULTIMATE SOFTWARE GP.	2.00%	2.15%	1.84%	0.23%
CORPORATE EXEC.BOARD	1.75%	1.58%	1.91%	0.14%
INFORMATICA	1.72%	0.78%	2.68%	0.24%
WASTE CONNECTIONS	1.48%		2.97%	0.27%
PEGASYSTEMS	1.48%		2.97%	0.05%
<b>Total</b>	<b>19.01%</b>	<b>10.76%</b>	<b>27.36%</b>	<b>1.53%</b>

## Manager Philosophy and Process

### Investment Philosophy

TimesSquare Capital Management (TSCM) believes in detailed fundamental research and attempts to identify companies with exceptional management teams, superior business models, and consistent growth rates. Buy and sell decisions emphasize valuation, which distinguishes TSCM from growth managers that simply seek out companies with high expected growth rates.

### Investment Process

TSCM's investable small-mid cap universe is defined by companies with market capitalizations between \$300 million and \$5 billion. The research process seeks to identify companies that have experienced, properly motivated management teams; distinct, sustainable competitive advantages within industry segments; and consistent top- and bottom-line growth rates. The working universe of small-mid cap stocks that meet those criteria is approximately 400 names. TSCM looks to purchase companies that have the potential to appreciate 25% to 50% over an 18-month period. The analysts primarily use PEG ratio analysis to evaluate the opportunity for appreciation relative to the current price. TSCM typically holds 90 to 120 names in the portfolio. Due to the high number of names, individual weights tend to be low. The team may over- or underweight sectors based on the fundamental research or outlook for the particular sector, but may not be more than twice the index weighting for major sectors. Turnover has historically averaged approximately

## Current Positioning

- Due to Timesquare's investment process the following sector weight changes occurred during the quarter: Consumer Discretionary increased by 1.6%, Materials & Processing increased by 1.5%, Utilities increased by 1.1%, Technology decreased by -2.4%, Producer Durables decreased by -1.4%, and Energy decreased by -1.3%.
- The fund maintained its overweight positioning within the information technology and industrials sectors
- Maintained an underweight position within the consumer discretionary, health care, and materials sectors
- The portfolio's top three holdings are Solera Holdings, Jack Henry and Associates, and The Ultimate Software Group; combined these account for 6.8% of the Fund.

## Quarterly Attribution

### **Positive Contributors to Performance:**

- An overweight allocation to the producer durables and energy sectors
- An underweight allocation to the health care sector
- Stock selection drove outperformance; primarily within the financials, consumer discretionary, information technology, health care, and materials sectors

### **Negative Contributors to Performance:**

- Sector allocation was net negative for the quarter
- An overweight allocation to the information technology and consumer staples sector
- An underweight allocation to the materials sector
- Stock selection within the energy, producer durables, and consumer staples sectors

## Characteristics

Number of holdings: 96  
Median Market Cap: \$3,579 MM  
Weighted Avg Market Cap: \$4,036 MM  
P/E ratio: 32.3x  
P/B: 3.3x  
Yield: 0.7%  
Earnings Growth: 10.5%  
% Foreign: 8.4%

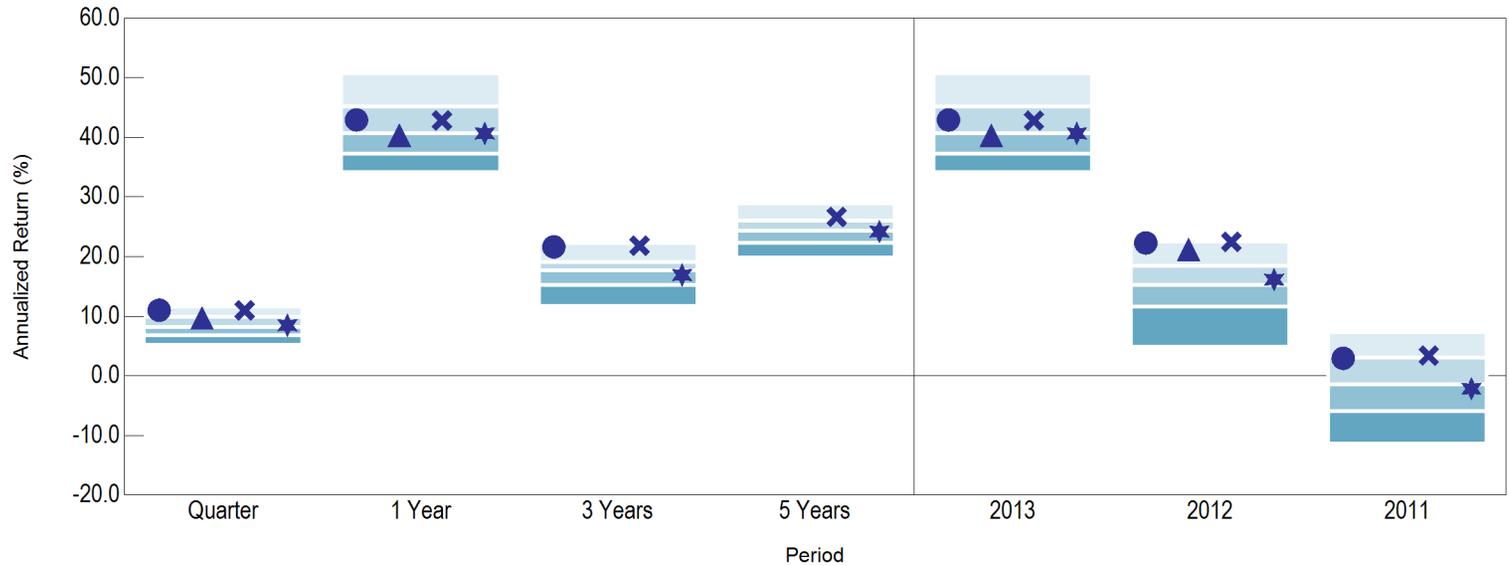
## Summary Data Points

Mercer Rating: A  
Strategy Assets (\$B): \$6.0

# NCSRP TimesSquare Composite

## Performance

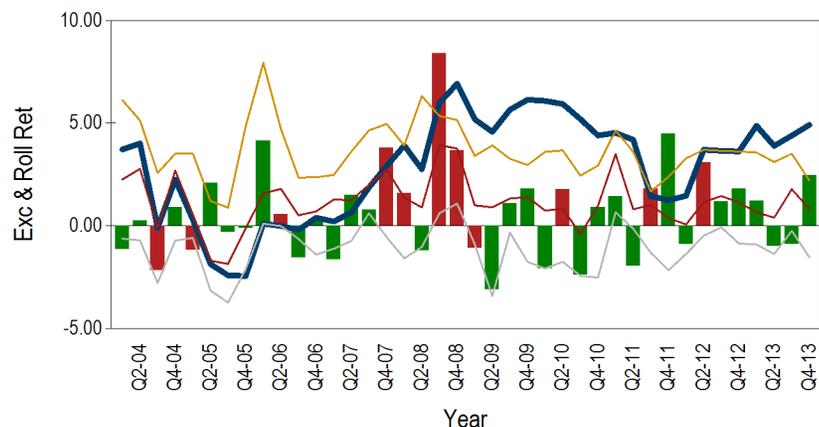
Performance vs. Mercer Instl US Equity SMID Growth  
Ending December 31, 2013



	Return (Rank)											
	Quarter	1 Year	3 Years	5 Years	2013	2012	2011	Quarter	1 Year	3 Years	5 Years	2013
5th Percentile	11.6	50.7	22.3	28.9	50.7	22.5	7.3					
25th Percentile	10.0	45.2	19.2	26.1	45.2	18.5	3.1					
Median	8.2	40.7	17.7	24.4	40.7	15.3	-1.4					
75th Percentile	6.9	37.4	15.3	22.3	37.4	11.7	-5.9					
95th Percentile	5.2	34.2	11.8	19.9	34.2	4.9	-11.3					
# of Portfolios	53	51	48	48	51	65	78					
● NCSRP TimesSquare Composite	11.0 (12)	42.9 (37)	21.6 (8)	-- (--)	42.9 (37)	22.3 (8)	2.9 (26)					
▲ NCSRP TimesSquare SMID Growth	9.7 (28)	40.3 (52)	-- (--)	-- (--)	40.3 (52)	21.2 (11)	-- (--)					
✕ TimesSquare Growth Strategy	11.0 (12)	42.8 (38)	21.8 (7)	26.7 (24)	42.8 (38)	22.4 (7)	3.4 (23)					
★ TimesSquare Custom SMID Growth Index	8.5 (44)	40.6 (51)	16.9 (60)	24.2 (56)	40.6 (51)	16.1 (42)	-2.2 (59)					

# TimesSquare Growth Strategy

**Rolling 3 Year Excess Performance**  
TimesSquare Growth Strategy vs. TimesSquare Custom SMID Growth Index



**Characteristics**  
as of December 31, 2013

	Portfolio	Russell 2500 Growth
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	32.30	34.94
P/E Excluding Negative Earnings	32.30	25.69
P/E Median	24.09	30.57
Price To Book	4.93	4.61
Price To Book Median	3.79	3.86
Price To Cash Flow	18.96	19.97
Price To Sales	3.03	1.88
Dividend Yield (%)	0.62	0.75
Weighted Ave. Market Cap. (\$B)	3.96	4.04
Median Market Cap. (\$B)	3.46	1.18
Beta	0.97	1.00

**Annualized Excess Return vs. Tracking Error**  
5 Years Ending December 31, 2013

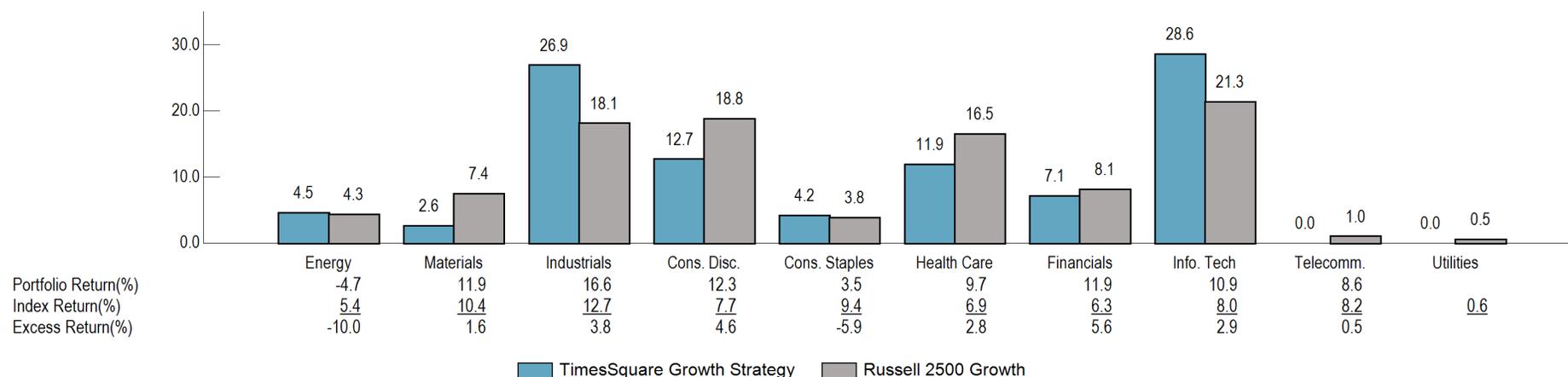


**Performance Attribution vs. Russell 2500 Growth**  
Quarter Ending December 31, 2013

	Total Effects	Selection Effect	Allocation Effect	Interaction Effects
Energy	-0.50%	-0.47%	0.04%	-0.07%
Materials	-0.04%	0.12%	-0.09%	-0.07%
Industrials	1.31%	0.69%	0.33%	0.29%
Cons. Disc.	0.59%	0.88%	0.06%	-0.34%
Cons. Staples	-0.22%	-0.23%	0.01%	0.00%
Health Care	0.44%	0.49%	0.11%	-0.16%
Financials	0.46%	0.47%	0.04%	-0.05%
Info. Tech	0.81%	0.80%	-0.05%	0.06%
Telecomm.	0.11%	0.02%	0.09%	0.01%
Utilities	0.05%	--	0.05%	--
Cash	-0.27%	0.00%	0.00%	-0.27%
Unclassified	0.00%	--	0.00%	--
<b>Portfolio</b>	<b>2.73%</b>	<b>= 2.76%</b>	<b>+ 0.57%</b>	<b>+ -0.60%</b>

# TimesSquare Growth Strategy

Sector Allocation (%) vs Russell 2500 Growth  
3 Months Ending December 31, 2013



## Top Returning Stocks

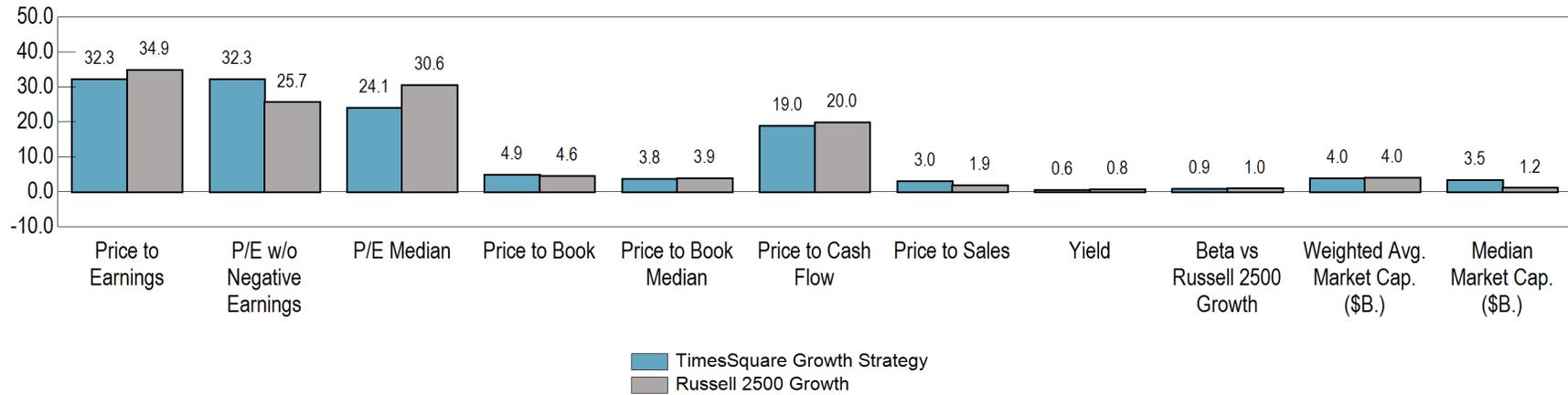
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
AERCAP HOLDINGS N V (AER)	1.64%		1.00%	97.07%
3D SYSTEMS (DDD)	0.23%	0.50%	0.06%	72.12%
AVIS BUDGET GROUP (CAR)	1.79%	0.23%	0.57%	40.20%
IPG PHOTONICS (IPGP)	0.98%	0.13%	0.29%	37.73%
OCH-ZIFF CAP.MAN.GP.CLA (OZM)	1.20%		0.41%	37.27%
SALIX PHARMS. (SLXP)	1.05%	0.30%	0.27%	34.48%
SOLERA HOLDINGS (SLH)	2.38%	0.26%	0.57%	34.18%
CORELOGIC (CLGX)	1.30%		0.02%	31.35%
DIGITALGLOBE (DGI)	1.50%		0.36%	30.14%
HEARTWARE INTERNATIONAL (HTWR)	0.67%	0.08%	0.13%	28.29%
<b>Total</b>	<b>12.74%</b>	<b>1.51%</b>		

## Bottom Returning Stocks

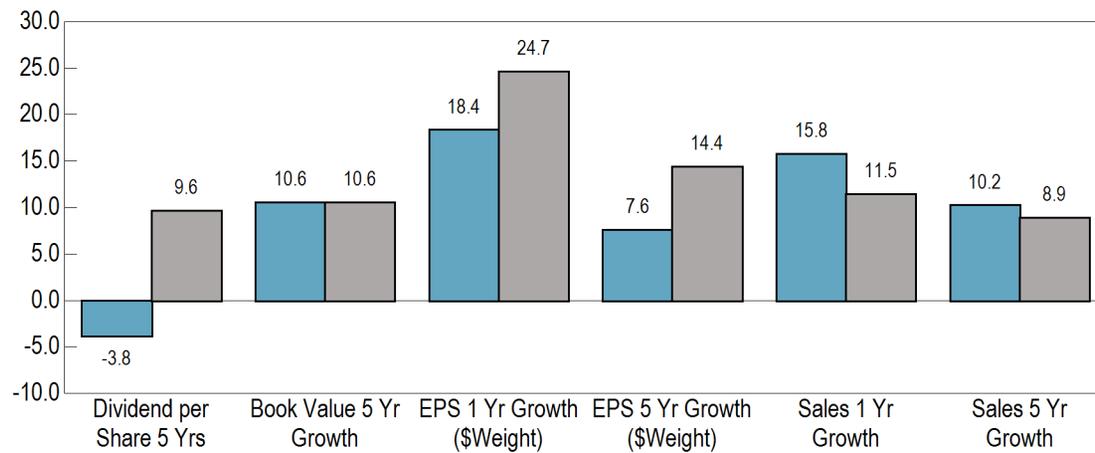
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
CELLDEX THERAPEUTICS (CLDX)	0.45%	0.11%	-0.04%	-31.67%
EPL OIL & GAS (EPL)	0.52%	0.01%	-0.08%	-23.20%
QLIK TECHNOLOGIES (QLIK)	1.00%	0.12%	-0.31%	-22.20%
SEMTECH (SMTC)	0.56%	0.09%	-0.11%	-15.71%
COMMVAULT SYSTEMS (CVLT)	0.80%	0.19%	-0.08%	-14.85%
SPROUTS FARMERS MARKET (SFM)	0.75%	0.03%	-0.10%	-13.43%
ANNIE'S (BNNY)	0.65%	0.03%	-0.08%	-12.34%
ROSETTA RESOURCES (ROSE)	0.47%	0.16%	-0.10%	-11.80%
DENBURY RES. (DNR)	0.64%		-0.09%	-10.76%
VOLCANO (VOLC)	0.51%	0.06%	-0.04%	-8.77%
<b>Total</b>	<b>6.34%</b>	<b>0.81%</b>		

# TimesSquare Growth Strategy

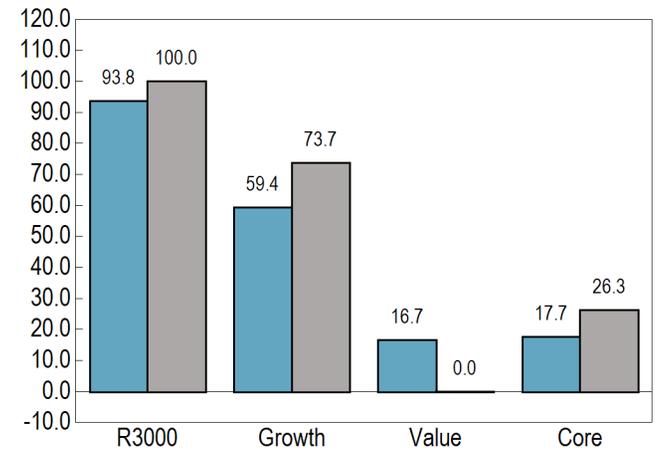
**Portfolio Characteristics**  
Ending December 31, 2013



**Historical Growth Measures**  
Ending December 31, 2013



**Russell Index Membership (% Equity)**  
Ending December 31, 2013



## Manager Philosophy and Process

### **Investment Philosophy**

The strategy seeks to produce superior risk-adjusted returns through a concentrated portfolio of diversified, small-capitalization equity securities of above average growth, sound management, and favorable competitive positioning. The strategy invests primarily in the common stock of small domestic growth companies, those whose market capitalizations are generally less than \$4 billion at the time of purchase. The manager employs a long-term investment philosophy and is focused on business fundamentals.

### **Investment Process**

When a potential new idea has been targeted, a small team of one to three people begin an intensive due diligence process that includes a number of investment meetings to discuss and debate the suitability of the idea for the portfolio. The team typically visit the company's headquarters to assess management and the organization's culture. Armed with this information, the team identify the primary value drivers for the organization and construct a detailed financial model. Then scenario based valuation analysis is conducted that places probabilities on potential future outcomes and assesses firm value accordingly.

The final step in introducing a new company into the portfolio is a formal investment team review. During these meetings, the small group that performed the primary due diligence on the company presents their findings to the firm's entire investment organization. Finally, a concise investment thesis is articulated, summarizing why a substantial increase in shareholder value should be achieved. The portfolio manager, Chris Berrier, determines the initial position weight based on a probabilistic assessment of risk versus reward, other investment alternatives, and numerous qualitative factors.

The team maintains a simple, three factor sell discipline. A position is sold when the investment thesis is violated, when all present and future good news is discounted in the share price, or when a better investment opportunity presents itself.

## Current Positioning

- There were no significant structural changes to the portfolio during the quarter
- Brown is underweight both consumer sectors as well as energy due to valuation concerns in these areas
- Technology remains the largest overweight, although Brown is moderating their exposure given lofty valuations in certain subsegments
- Brown believes that there is a correlation between small-cap performance and the mergers and acquisitions cycle, and think that cash rich balance sheets are conducive to more meaningful M&A activity in 2014.

## Quarterly Attribution

### Positive Impact on Performance:

- Security selection in the consumer discretionary and consumer staples sectors
- Underweight allocation to the financials, consumer discretionary and energy sectors
- Individual contributor: Homeaway, Inc

### Negative Impact on Performance:

- Security selection in the energy and industrials sectors
- Overweight allocation to the information technology sector
- Individual detractor: BroadSoft, Inc

## Characteristics

Number of holdings: 58

Median Market Capitalization (\$MM): \$2,927

Weighted Average Market Capitalization (\$MM): \$3,548

P/E ratio: 35.7x

P/B ratio: 3.9x

Earnings growth (5 year): 20.1%

Turnover: 31.3%

% cash: 4.9%

## Summary Data Points

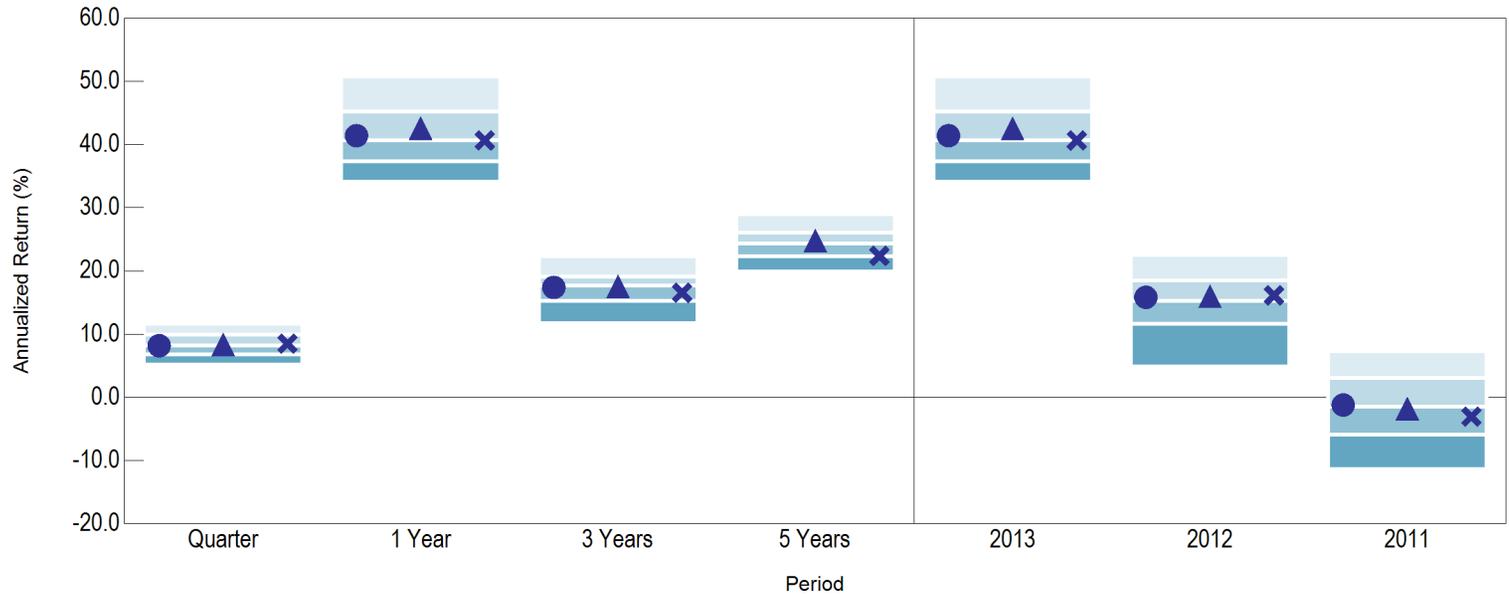
Mercer Rating: R

Strategy Assets (\$B): \$1.7 (as of September 30, 2013)

# NCSRP Brown Advisory

## Performance

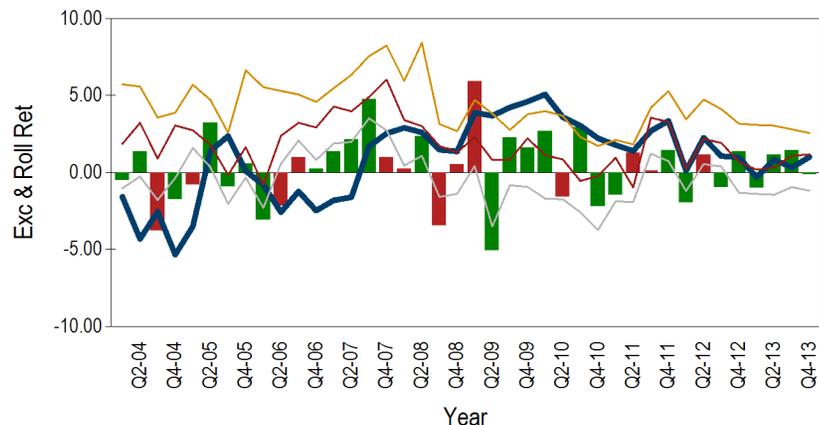
Performance vs. Mercer Instl US Equity SMID Growth  
Ending December 31, 2013



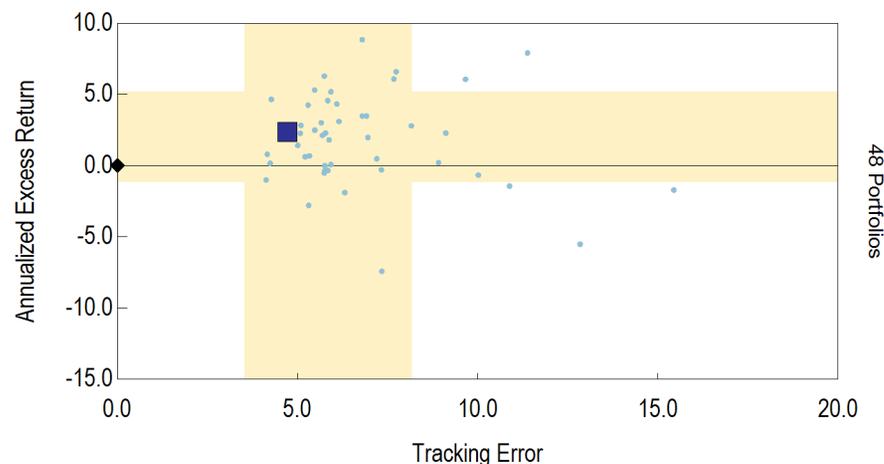
	Return (Rank)						
	Quarter	1 Year	3 Years	5 Years	2013	2012	2011
5th Percentile	11.6	50.7	22.3	28.9	50.7	22.5	7.3
25th Percentile	10.0	45.2	19.2	26.1	45.2	18.5	3.1
Median	8.2	40.7	17.7	24.4	40.7	15.3	-1.4
75th Percentile	6.9	37.4	15.3	22.3	37.4	11.7	-5.9
95th Percentile	5.2	34.2	11.8	19.9	34.2	4.9	-11.3
# of Portfolios	53	51	48	48	51	65	78
● NCSRP Brown Advisory	8.2 (53)	41.4 (47)	17.4 (55)	-- (--)	41.4 (47)	15.8 (44)	-1.2 (49)
▲ Brown Advisory Growth Strategy	8.4 (45)	42.6 (41)	17.6 (54)	24.8 (40)	42.6 (41)	16.0 (42)	-1.8 (57)
✕ Brown Custom SMID Growth Index	8.5 (44)	40.6 (51)	16.6 (62)	22.4 (75)	40.6 (51)	16.1 (42)	-3.1 (62)

# Brown Advisory Growth Strategy

**Rolling 3 Year Excess Performance**  
Brown Advisory Growth Strategy vs. Brown Custom SMID Growth Index



**Annualized Excess Return vs. Tracking Error**  
5 Years Ending December 31, 2013



**Characteristics**  
as of December 31, 2013

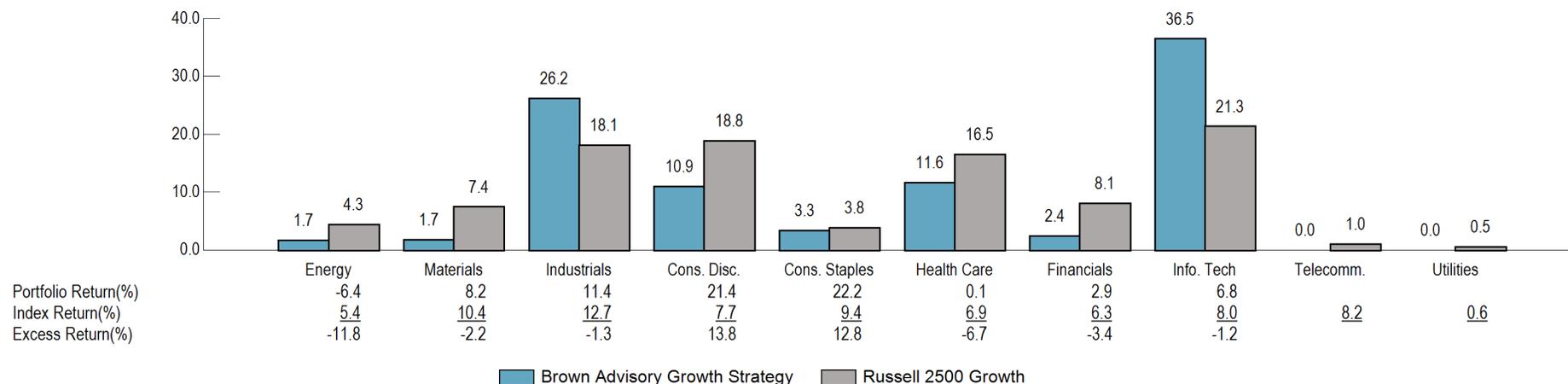
	Portfolio	Russell 2500 Growth
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	35.63	34.94
P/E Excluding Negative Earnings	38.16	25.69
P/E Median	28.04	30.57
Price To Book	5.09	4.61
Price To Book Median	4.12	3.86
Price To Cash Flow	23.69	19.97
Price To Sales	2.82	1.88
Dividend Yield (%)	0.36	0.75
Weighted Ave. Market Cap. (\$B)	3.51	4.04
Median Market Cap. (\$B)	2.63	1.18
Beta	0.97	1.00

**Performance Attribution vs. Russell 2500 Growth**  
Quarter Ending December 31, 2013

	Total Effects	Selection Effect	Allocation Effect	Interaction Effects
Energy	-0.18%	-0.56%	0.13%	0.25%
Materials	-0.15%	-0.11%	-0.10%	0.06%
Industrials	0.00%	-0.22%	0.36%	-0.14%
Cons. Disc.	1.46%	2.56%	0.06%	-1.16%
Cons. Staples	0.38%	0.50%	-0.01%	-0.11%
Health Care	-0.97%	-1.16%	0.00%	0.18%
Financials	0.04%	-0.29%	0.13%	0.19%
Info. Tech	-0.51%	-0.19%	-0.12%	-0.20%
Telecomm.	0.00%	--	0.00%	--
Utilities	0.05%	--	0.05%	--
Cash	-0.50%	0.00%	0.00%	-0.50%
Unclassified	0.00%	--	0.00%	--
<b>Portfolio</b>	<b>-0.39%</b>	<b>= 0.52%</b>	<b>+ 0.51%</b>	<b>+ -1.42%</b>

# Brown Advisory Growth Strategy

**Sector Allocation (%) vs Russell 2500 Growth**  
3 Months Ending December 31, 2013



## Top Returning Stocks

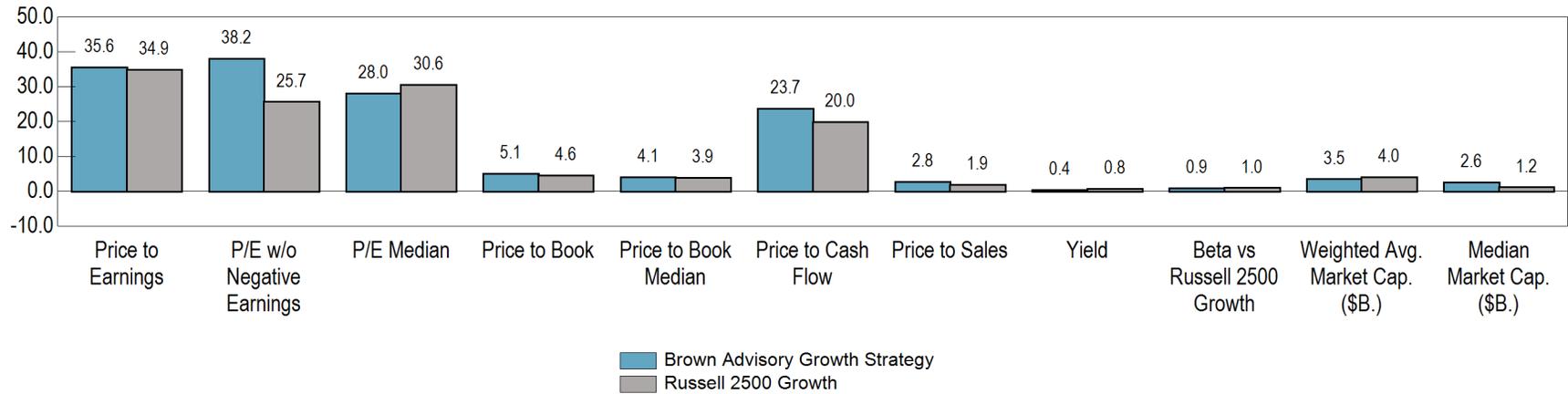
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
HOMEAWAY (AWAY)	2.85%	0.13%	0.95%	46.21%
UNITED RENTALS (URI)	2.76%	0.39%	0.66%	33.73%
INCYTE (INCY)	1.56%	0.28%	0.82%	32.71%
CORELOGIC (CLGX)	2.84%		0.75%	31.35%
DIGITALGLOBE (DGI)	2.58%		0.48%	30.14%
GLOBAL PAYMENTS (GPN)	1.48%	0.27%	0.30%	27.27%
BROADRIDGE FINL.SLTN. (BR)	2.99%	0.26%	0.61%	25.16%
QUIKSILVER (ZQK)	2.54%	0.05%	0.55%	24.75%
HARMAN INTL.INDS. (HAR)	1.63%		0.35%	24.05%
RIVERBED TECHNOLOGY (RVBD)	0.91%	0.15%	0.28%	23.92%
<b>Total</b>	<b>22.14%</b>	<b>1.52%</b>		

## Bottom Returning Stocks

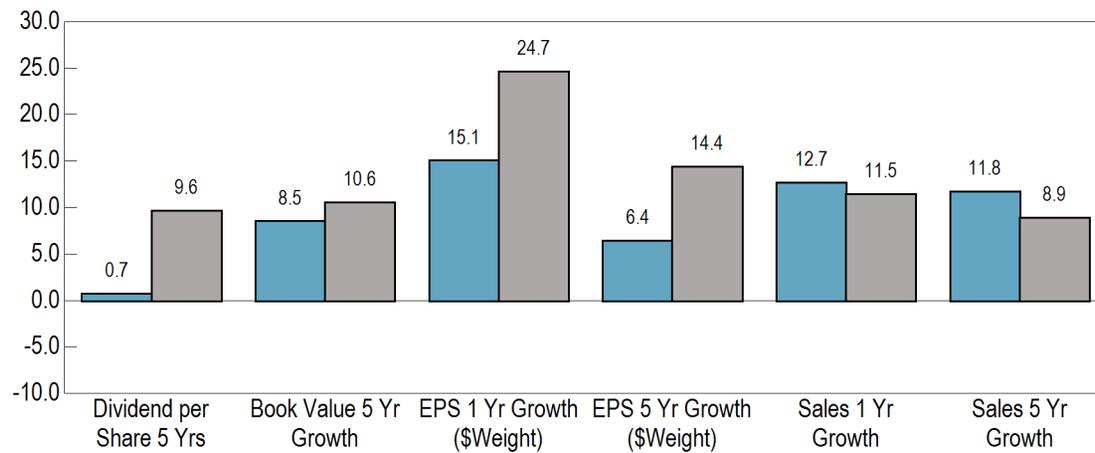
	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
ARIAD PHARMS. (ARIA)	0.00%		-0.60%	-62.93%
BROADSOFT (BSFT)	0.98%	0.04%	-0.33%	-24.28%
CAVIUM (CAVM)	0.72%	0.10%	-0.13%	-16.24%
COMMVAULT SYSTEMS (CVLT)	1.49%	0.19%	-0.26%	-14.85%
EXFO (C:EXF)	0.40%		-0.07%	-12.43%
SEATTLE GENETC. (SGEN)	1.17%	0.21%	-0.13%	-8.99%
VOLCANO (VOLC)	0.93%	0.06%	-0.09%	-8.77%
HELIX ENERGY SLTN.GP. (HLX)	1.67%		-0.16%	-8.63%
CONCUR TECHS. (CNQR)	1.06%	0.26%	-0.06%	-6.62%
ROADRUNNER TRSP.SYSTEMS (RRTS)	1.38%	0.01%	-0.07%	-4.57%
<b>Total</b>	<b>9.81%</b>	<b>0.87%</b>		

# Brown Advisory Growth Strategy

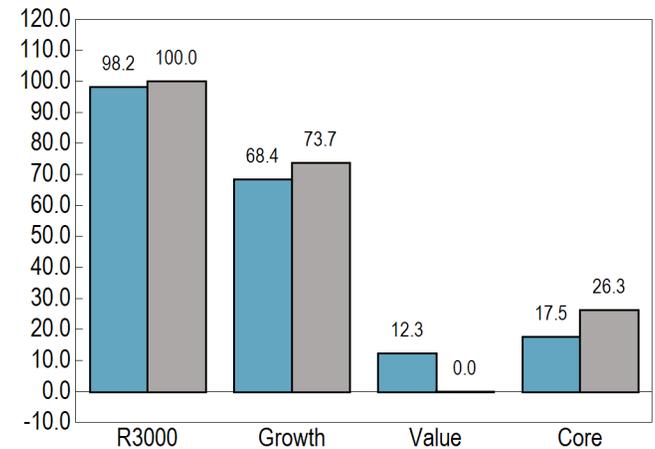
**Portfolio Characteristics**  
Ending December 31, 2013



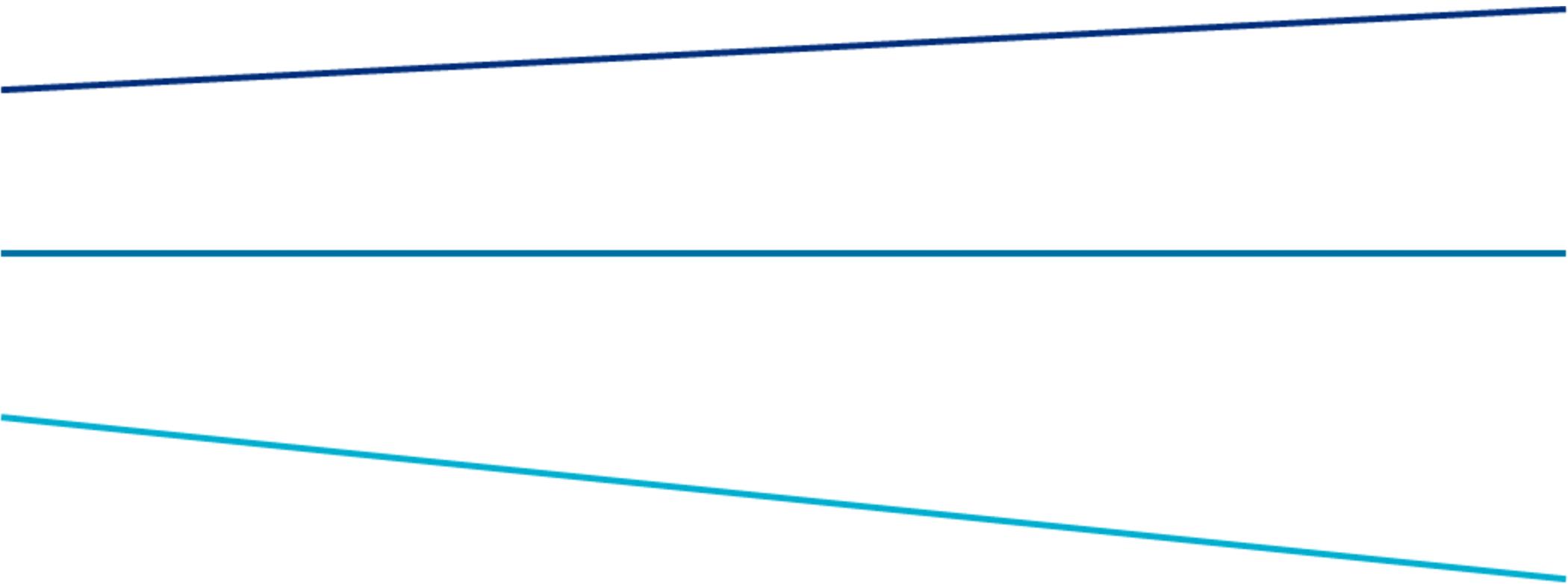
**Historical Growth Measures**  
Ending December 31, 2013



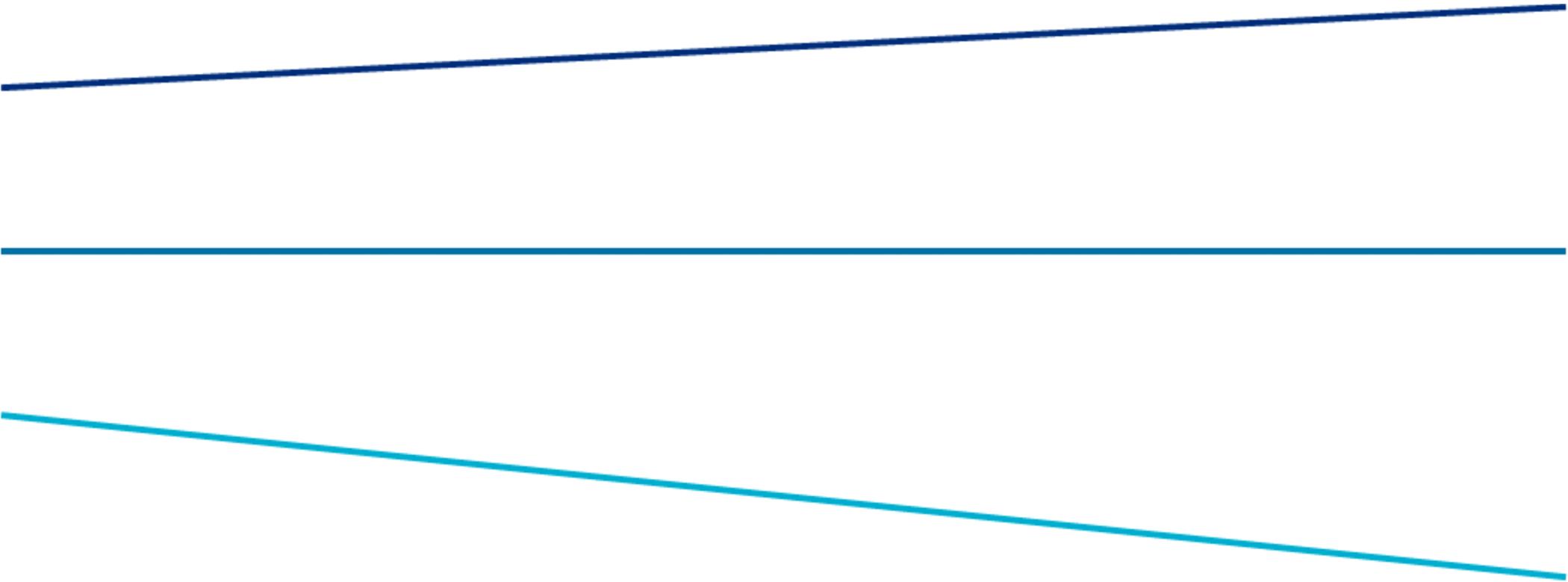
**Russell Index Membership (% Equity)**  
Ending December 31, 2013



# International Equity

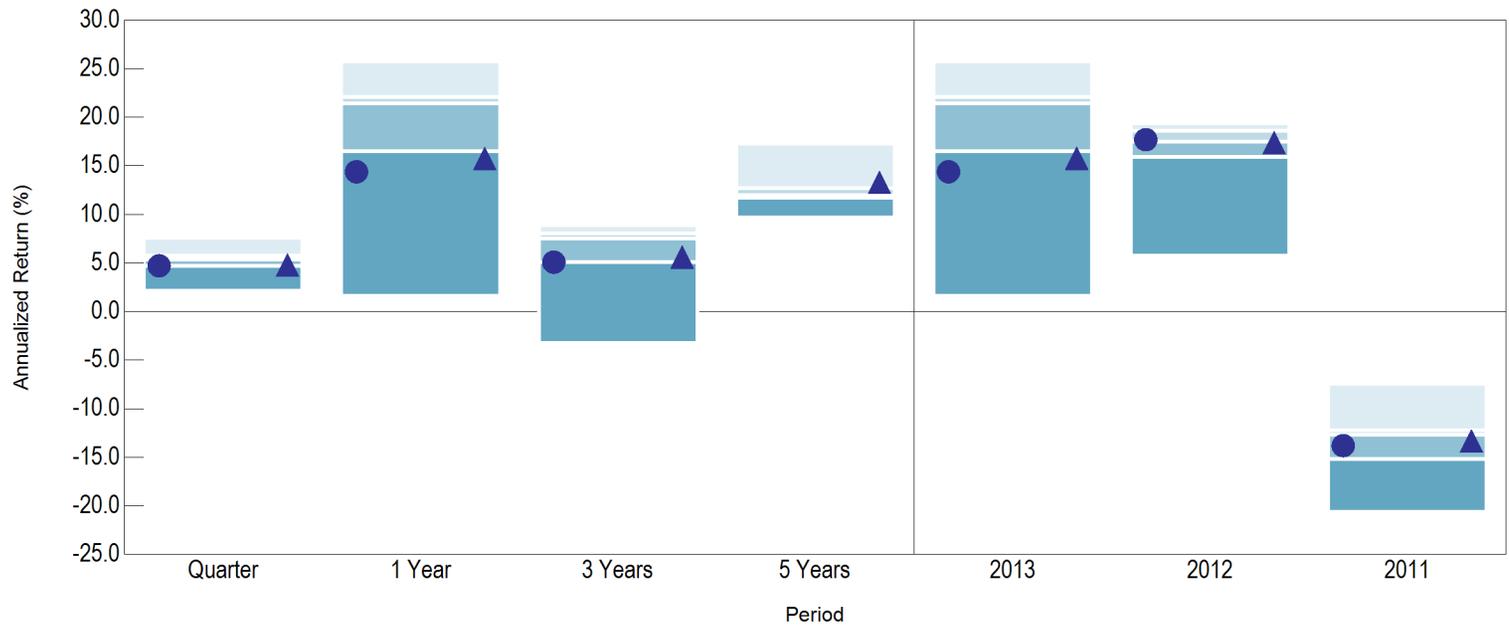


# International Passive



# International Passive Performance

Performance vs. Mercer Mutual Fund World ex US/EAFE Equity Index  
Ending December 31, 2013



	Return (Rank)													
5th Percentile	7.5	25.7	8.8	17.3	25.7	19.3	-7.5							
25th Percentile	5.8	22.1	8.1	12.7	22.1	18.7	-12.2							
Median	5.4	21.4	7.5	12.0	21.4	17.5	-12.7							
75th Percentile	4.7	16.6	5.2	11.8	16.6	16.0	-15.1							
95th Percentile	2.2	1.7	-3.2	9.7	1.7	5.8	-20.6							
# of Portfolios	69	66	47	39	66	54	55							
● International Passive	4.7	(79)	14.4	(89)	5.1	(79)	--	(--)	14.4	(89)	17.7	(46)	-13.8	(61)
▲ MSCI ACWI ex USA Gross	4.8	(74)	15.8	(80)	5.6	(72)	13.3	(19)	15.8	(80)	17.4	(54)	-13.3	(58)

**Strategy: BlackRock All Country World Index Fund ex-US (BGI)**

**Benchmark: MSCI All-Country World Index Free ex-US**

## Manager Philosophy and Process

The ACWI ex-US Fund is designed to replicate the total return of the Morgan Stanley Capital International (MSCI) All Country World ex-US Index (ACWI ex-US Index). The objective in managing the fund is to deliver a high quality and cost-effective index-based portfolio available to institutional investors.

To manage the fund effectively, BlackRock focuses on three objectives: minimizing transaction costs, minimizing tracking error, and minimizing risk. The ACWI ex-US Index defines the global equity asset class and covers 23 developed markets and 21 emerging markets. The index is constructed with a single, consistent methodology that eliminates the problem of double-counting countries often experienced by investors when they combine emerging and developed global strategies. BlackRock's modular country fund structure provides a flexible and straightforward means of implementing ACWI ex-US-based strategies that fit clients' specific weighting requirements. BlackRock considers a capitalization-weighted strategy as the starting point in implementing a global equity strategy.

## Quarterly Attribution

Top performing sectors:

- Telecommunication services (+8.1%), information technology (+7.9%), health care (+7.3%)

Bottom performing sectors:

- Materials (+1.9%), utilities (+2.1%), consumer staples (+2.4%)

## Summary Data Points

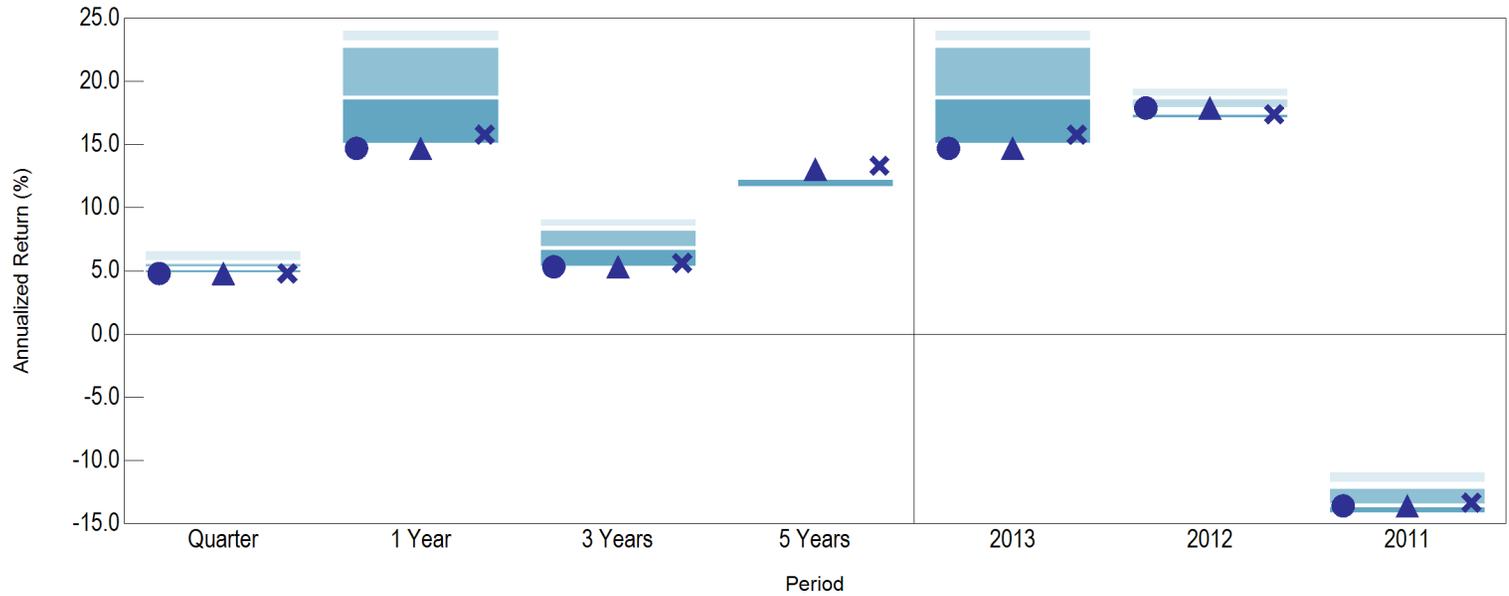
Mercer Rating: PP

Total Strategy Assets (\$B): \$45.1 (9/30/13)

# NCSRP BlackRock ACWI ex US Fund

## Performance

Performance vs. Mercer Instl World ex US/EAFE Equity Passive  
Ending December 31, 2013

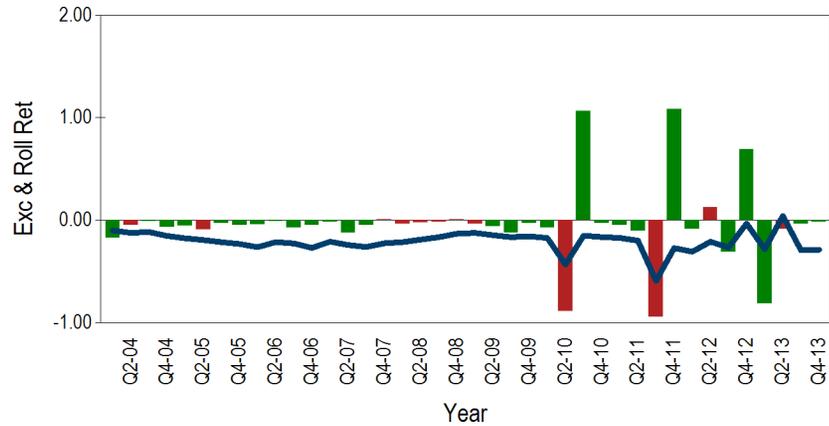


### Return (Rank)

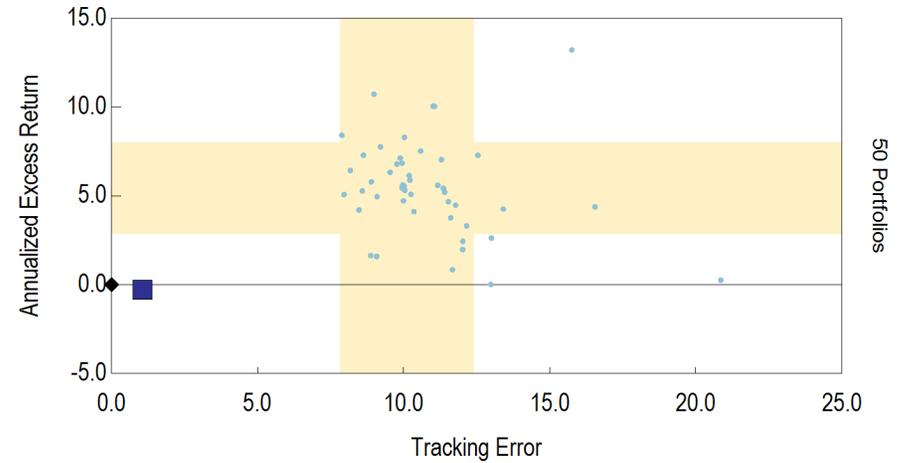
5th Percentile	6.7	24.1	9.2	13.1	24.1	19.6	-10.8
25th Percentile	5.7	23.1	8.5	12.9	23.1	18.7	-11.8
Median	5.7	22.8	8.4	12.6	22.8	17.8	-12.0
75th Percentile	5.2	18.8	6.9	12.4	18.8	17.5	-13.5
95th Percentile	4.8	15.0	5.3	11.6	15.0	17.0	-14.2
# of Portfolios	11	11	11	9	11	18	18
● NCSRP BlackRock ACWI ex US Fund	4.8 (94)	14.7 (98)	5.3 (94)	-- (--)	14.7 (98)	17.9 (40)	-13.6 (83)
▲ BlackRock ACWI ex US Fund Strategy	4.8 (95)	14.7 (98)	5.3 (93)	13.0 (10)	14.7 (98)	17.9 (40)	-13.6 (83)
✕ MSCI ACWI ex USA Gross	4.8 (91)	15.8 (80)	5.6 (80)	13.3 (1)	15.8 (80)	17.4 (79)	-13.3 (64)

# BlackRock ACWI ex US Fund Strategy

**Rolling 3 Year Excess Performance**  
BlackRock ACWI ex US Fund Strategy vs. MSCI AC World ex USA (Gross)



**Annualized Excess Return vs. Tracking Error**  
5 Years Ending December 31, 2013

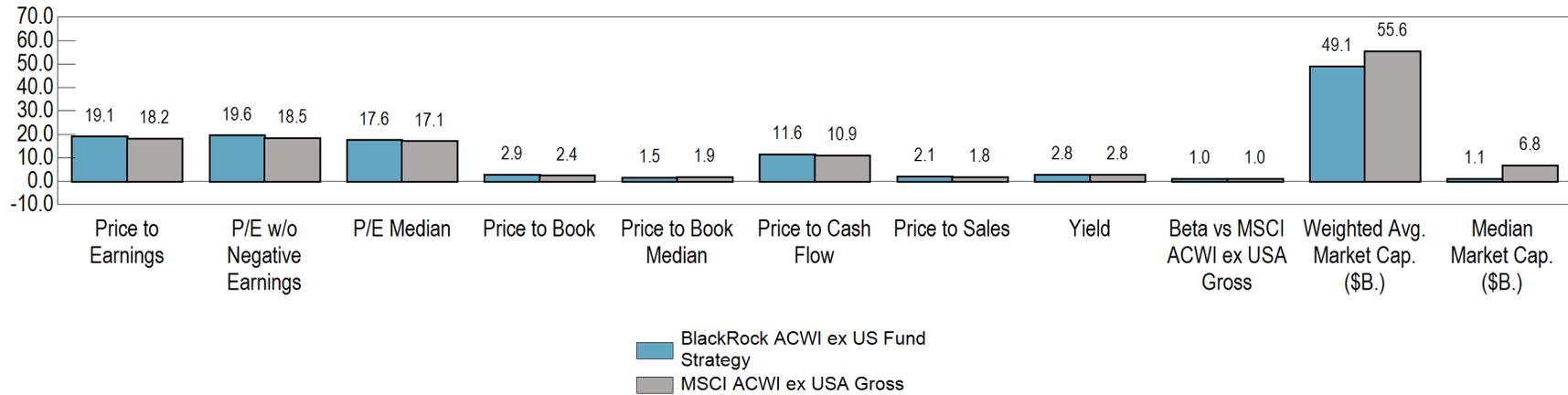


**Characteristics**  
as of December 31, 2013

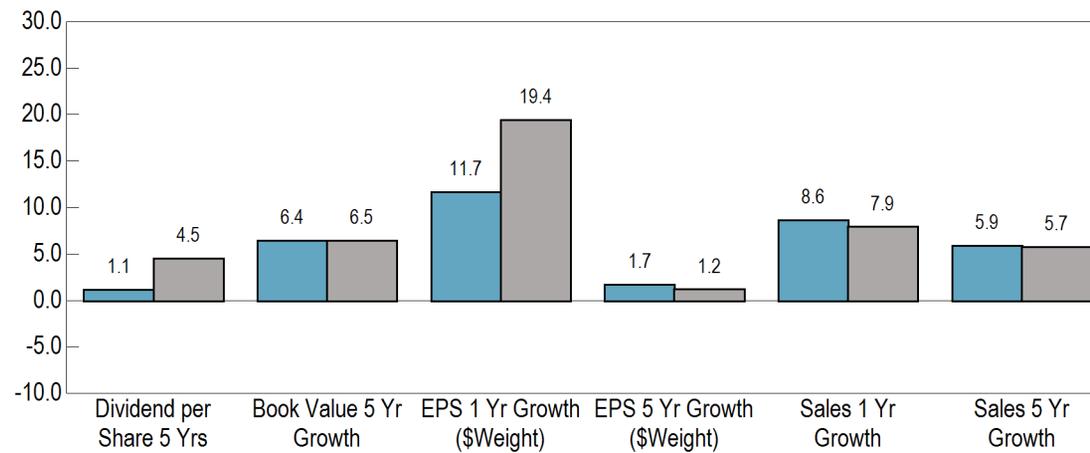
	Portfolio	MSCI ACWI ex USA Gross
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	19.10	18.17
P/E Excluding Negative Earnings	19.59	18.54
P/E Median	17.59	17.09
Price To Book	2.91	2.43
Price To Book Median	1.55	1.86
Price To Cash Flow	11.56	10.94
Price To Sales	2.05	1.80
Dividend Yield (%)	2.78	2.84
Weighted Ave. Market Cap. (\$B)	49.06	55.56
Median Market Cap. (\$B)	1.12	6.78
Beta	1.03	1.00

# BlackRock ACWI ex US Fund Strategy

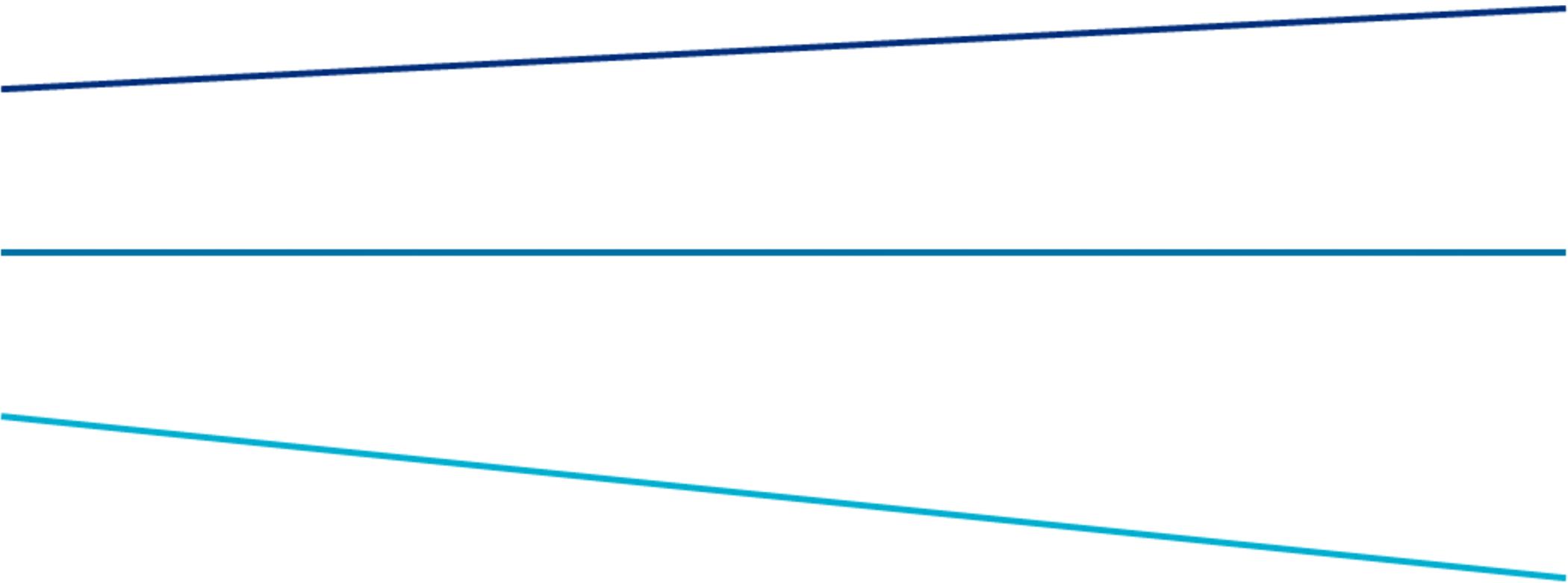
**Portfolio Characteristics**  
Ending December 31, 2013



**Historical Growth Measures**  
Ending December 31, 2013



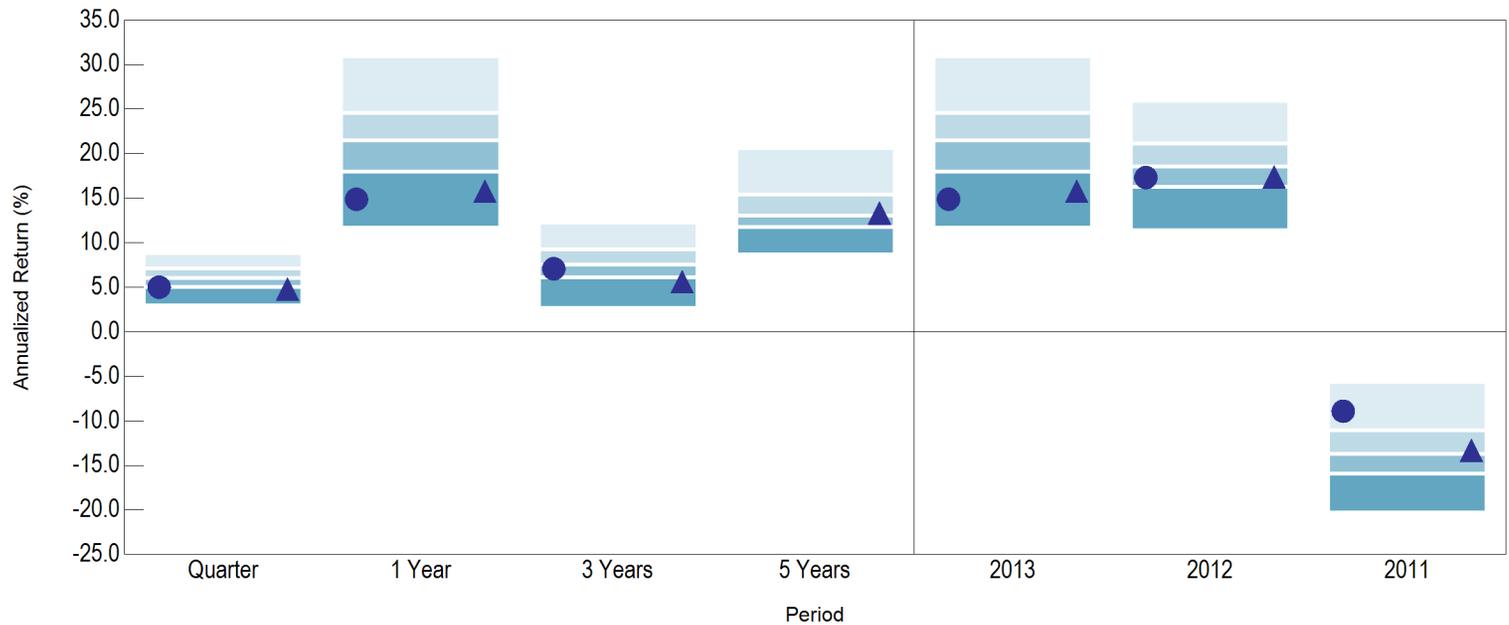
# International Equity



# International Equity

## Performance

Performance vs. Mercer Mutual Fund World ex US/EAFE Equity  
Ending December 31, 2013



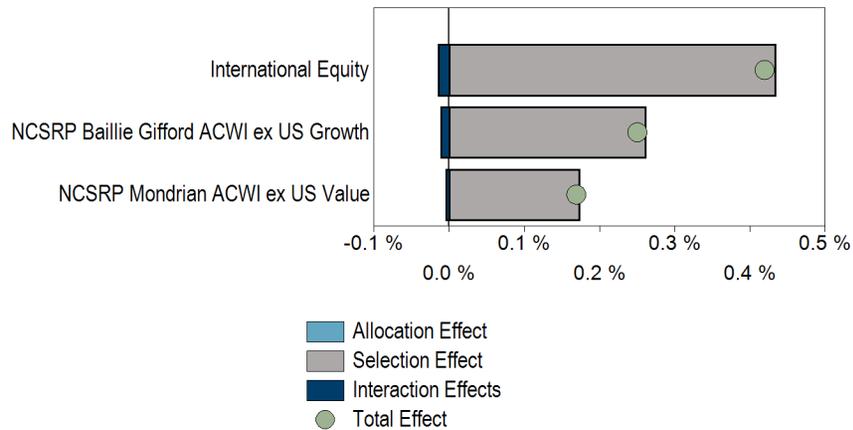
### Return (Rank)

5th Percentile	8.8	30.9	12.2	20.6	30.9	25.9	-5.6
25th Percentile	7.1	24.6	9.3	15.5	24.6	21.2	-11.1
Median	6.1	21.6	7.6	13.1	21.6	18.6	-13.7
75th Percentile	5.1	18.0	6.1	11.8	18.0	16.3	-15.9
95th Percentile	3.0	11.7	2.7	8.7	11.7	11.4	-20.3
# of Portfolios	416	405	360	330	405	400	404
● International Equity	5.0 (77)	14.9 (86)	7.1 (62)	-- (--)	14.9 (86)	17.3 (67)	-8.9 (13)
▲ MSCI ACWI ex USA Gross	4.8 (80)	15.8 (84)	5.6 (82)	13.3 (46)	15.8 (84)	17.4 (66)	-13.3 (46)

# International Equity

## Attribution

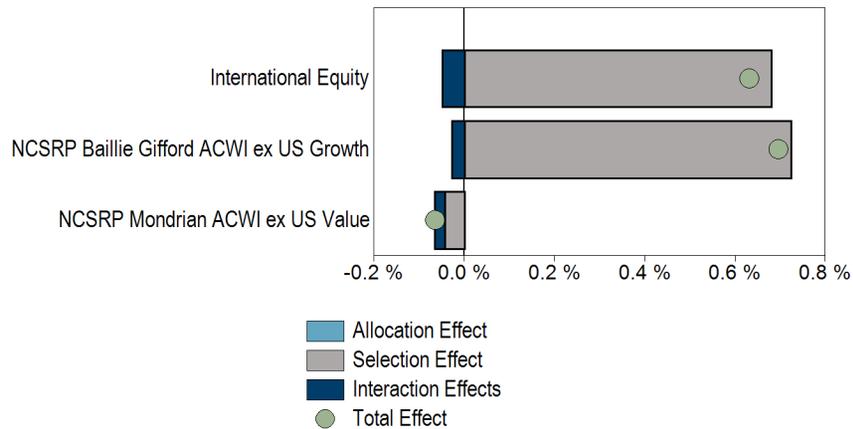
**Attribution Effects**  
3 Months Ending December 31, 2013



**Attribution Summary**  
3 Months Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Baillie Gifford ACWI ex US Growth	5.3%	4.8%	0.5%	0.3%	0.0%	0.0%	0.3%
NCSRP Mondrian ACWI ex US Value	5.1%	4.8%	0.3%	0.2%	0.0%	0.0%	0.2%
<b>Total</b>	<b>5.2%</b>	<b>4.8%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.4%</b>

**Attribution Effects**  
1 Year Ending December 31, 2013

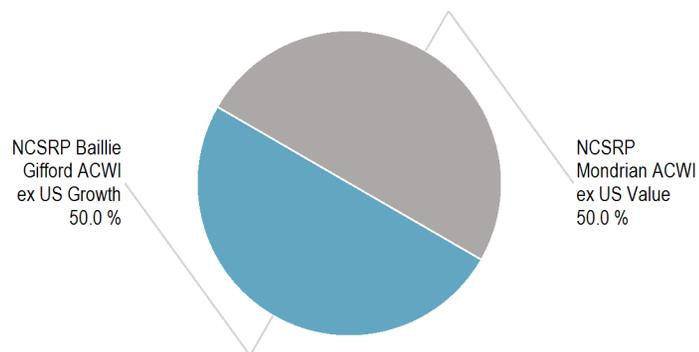


**Attribution Summary**  
1 Year Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Baillie Gifford ACWI ex US Growth	17.3%	15.8%	1.5%	0.7%	0.0%	0.0%	0.7%
NCSRP Mondrian ACWI ex US Value	15.6%	15.8%	-0.2%	0.0%	0.0%	0.0%	-0.1%
<b>Total</b>	<b>16.4%</b>	<b>15.8%</b>	<b>0.6%</b>	<b>0.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.6%</b>

# International Equity

## Current Allocation



## Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	163	1,824
Weighted Avg. Market Cap. (\$B)	54.90	55.56
Median Market Cap. (\$B)	20.03	6.78
Price To Earnings	21.85	18.17
Price To Book	3.77	2.43
Price To Sales	2.39	1.80
Return on Equity (%)	18.78	15.00
Yield (%)	3.03	2.84
Beta	0.90	1.00
R-Squared	0.97	1.00

## International Equity Performance Attribution Versus MSCI ACWI ex USA Gross - Quarter Ending December 31, 2013

	Returns and Ending Weights				Attribution Effects					Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>Totals</b>										
Americas	-0.5%	1.8%	6.9%	11.1%	-0.2%	0.2%	0.3%	-0.3%	0.0%	
Europe	7.7%	7.7%	58.9%	50.0%	0.2%	0.4%	0.2%	-0.5%	0.3%	
Asia/Pacific	2.0%	2.3%	29.1%	36.7%	-0.1%	0.2%	0.4%	-0.3%	0.1%	
Other	0.9%	0.6%	4.3%	2.2%	0.0%	-0.1%	-0.1%	0.1%	-0.1%	
Cash	0.0%	--	0.9%	--	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Total</b>	<b>5.0%</b>	<b>4.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.1%</b>	<b>0.6%</b>	<b>0.8%</b>	<b>-1.1%</b>	<b>0.2%</b>	

# International Equity

# Performance Attribution

	Returns and Ending Weights				Attribution Effects					Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>Europe</b>										
Austria	--	3.3%	0.0%	0.2%	--	0.0%	--	--	0.0%	
Belgium	4.1%	8.0%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	
Czech Republic*	--	1.0%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Denmark	11.6%	10.3%	1.6%	0.8%	0.0%	0.0%	0.0%	0.0%	0.1%	
Finland	7.6%	12.1%	1.8%	0.7%	0.0%	0.1%	0.0%	-0.1%	0.0%	
France	6.5%	6.1%	7.0%	7.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
Germany	15.9%	13.5%	6.4%	6.8%	0.1%	0.0%	0.0%	0.0%	0.1%	
Greece	--	16.8%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Hungary*	--	-4.9%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Ireland	-5.6%	11.7%	0.7%	0.2%	0.0%	0.0%	0.0%	-0.1%	-0.1%	
Italy	5.0%	11.6%	1.1%	1.6%	-0.1%	0.0%	0.0%	0.0%	-0.1%	
Netherlands	5.2%	8.8%	5.2%	1.9%	-0.1%	0.1%	0.1%	-0.2%	-0.1%	
Norway	9.3%	5.9%	0.7%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	
Poland*	--	3.9%	0.0%	0.4%	--	0.0%	--	--	0.0%	
Portugal	-1.3%	1.3%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
Russia*	4.5%	0.4%	1.6%	1.3%	0.1%	0.0%	0.0%	0.0%	0.1%	
Spain	8.3%	11.4%	3.7%	2.4%	-0.1%	0.1%	0.0%	-0.1%	0.0%	
Sweden	2.3%	5.2%	2.6%	2.3%	-0.1%	0.0%	0.0%	0.0%	-0.1%	
Switzerland	7.9%	4.3%	6.3%	6.4%	0.2%	0.0%	0.0%	0.0%	0.2%	
United Kingdom	7.6%	7.3%	20.0%	15.9%	0.0%	0.1%	0.1%	-0.1%	0.1%	
<b>Americas</b>										
Argentina**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Brazil*	-3.3%	-5.6%	2.1%	2.2%	0.1%	0.0%	0.1%	-0.1%	0.1%	
Canada	-0.1%	4.2%	1.9%	7.1%	-0.3%	0.0%	0.2%	0.0%	-0.1%	
Chile*	-6.7%	-6.8%	0.2%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
Colombia*	--	-11.1%	0.0%	0.2%	--	0.0%	--	--	0.0%	
Mexico*	12.9%	8.3%	0.8%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
Peru*	3.3%	3.0%	0.7%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
United States	-5.1%	10.1%	1.2%	0.0%	0.0%	0.1%	0.0%	-0.2%	-0.1%	

	Returns and Ending Weights				Attribution Effects					Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>Totals</b>										
Developed	5.8%	5.6%	79.1%	79.5%	-0.4%	0.7%	0.7%	-0.9%	0.2%	
Emerging*	2.3%	1.9%	19.9%	20.5%	0.2%	-0.1%	0.1%	-0.1%	0.1%	
Frontier**	5.7%	--	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Cash	0.0%	--	0.9%	--	0.0%	0.0%	0.0%	0.0%	0.0%	

	Returns and Ending Weights				Attribution Effects					Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>AsiaPacific</b>										
Australia	-5.7%	-0.8%	3.0%	5.4%	-0.3%	0.1%	0.1%	0.0%	0.0%	
China*	0.9%	3.8%	3.5%	4.1%	-0.1%	0.0%	0.0%	0.0%	-0.1%	
Hong Kong	6.7%	3.3%	1.2%	2.1%	0.1%	0.0%	0.0%	0.0%	0.1%	
India*	24.4%	10.4%	0.9%	1.3%	0.2%	0.0%	0.0%	0.0%	0.1%	
Indonesia*	-6.5%	-4.7%	0.7%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
Japan	2.3%	2.2%	11.0%	15.1%	0.0%	0.1%	0.3%	-0.3%	0.1%	
Korea*	7.8%	4.0%	3.6%	3.3%	0.1%	0.0%	0.0%	0.0%	0.1%	
Malaysia*	-0.9%	5.9%	0.4%	0.8%	-0.1%	0.0%	0.0%	0.0%	0.0%	
New Zealand	--	-4.5%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Pakistan**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Philippines*	-11.4%	-5.0%	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	
Singapore	1.4%	0.7%	2.1%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
Sri Lanka**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Taiwan*	3.8%	4.4%	2.2%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	
Thailand*	-17.7%	-10.2%	0.3%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Other</b>										
Bahrain**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Bangladesh**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Bulgaria**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Croatia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Egypt*	--	19.4%	0.0%	0.0%	--	0.0%	--	--	0.0%	
Estonia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Israel	7.0%	6.3%	1.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
Jordan**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Kazakhstan**	5.7%	10.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Kenya**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Kuwait**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Lebanon**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Lithuania**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Mauritius**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Morocco**	--	4.0%	0.0%	0.0%	--	0.0%	--	--	0.0%	
Nigeria**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Oman**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Qatar**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Romania**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Serbia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Slovenia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
South Africa*	4.2%	2.4%	1.7%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
Tunisia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Turkey*	-10.9%	-14.0%	1.1%	0.3%	0.0%	-0.2%	0.0%	0.1%	-0.1%	
Ukraine**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
United Arab Emirates**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Vietnam**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Other Countries*		0.0%	0.0%	0.0%						

## International Equity

---

### Top Holdings International Equity

	Intl Fund %	Mondrian %	Baillie %	Index Weight%
NESTLE 'R'	2.18%	1.60%	2.75%	1.29%
SAMSUNG ELECTRONICS	1.77%	0.79%	2.75%	0.78%
TAIWAN SEMICON.MNFG.	1.63%	0.77%	2.49%	0.47%
UNITED OVERSEAS BANK	1.56%	1.69%	1.42%	0.12%
DEUTSCHE TELEKOM	1.50%	3.00%		0.27%
IBERDROLA	1.49%	2.97%		0.16%
NOVARTIS 'R'	1.41%	2.83%		1.00%
ABB 'R'	1.41%	2.81%		0.32%
TELEFONICA	1.39%	2.79%		0.36%
AHOLD KON.	1.39%	2.79%		0.10%
<b>Total</b>	<b>15.73%</b>	<b>22.05%</b>	<b>9.41%</b>	<b>4.87%</b>

**Strategy: Baillie Gifford ACWI ex US Alpha (+2-3%)**

**Benchmark: MSCI ACWI ex US**

## Manager Philosophy and Process

A Portfolio Construction Group (PCG) steers the funds' overall strategy and oversees the stock selection process. The PCG comprises investors from each geographic investment department and an experienced client service director. The group takes full responsibility for the performance of the portfolio.

The PCG meets regularly to discuss the buy and sell ideas of its members from the regional teams, as well as their level of conviction in their continuing holdings. The process encourages portfolio integration and widens its focus to take account of more than regional concerns.

The PCG ensures that good ideas are fully implemented, insights shared and problems addressed. By concentrating the important decisions in a small group it produces portfolios which are more concentrated and less index aware.

The key features of the portfolio are:

- \* High quality growth stocks
- \* Integrated portfolio construction
- \* Concentrated portfolio of 80 - 110 stocks

## Current Positioning

- Relative to the MSCI ACWI ex-US, the Fund is overweight industrials, information technology and consumer staples
- The Fund is underweight financials
- On a country basis, the Fund is overweight the United Kingdom and underweight Japan
- The Fund is also underweight emerging markets relative to the index

## Quarterly Attribution

Positive Impact on Performance:

- Stock selection in developed Asia-Pacific
- Stock selection in financials and materials

Negative Impact on Performance:

- Security selection in Brazil
- Underweight to Hungary

## Characteristics

Number of holdings: 87

Median Market Capitalization (\$MM): \$22,829

Weighted Average Market Capitalization (\$MM): \$45,301

P/E ratio (trailing 12 mos.): 19.1

P/B ratio: 3.1

Earnings growth (5 year):6.1%

% cash: 1.8%

## Summary Data Points

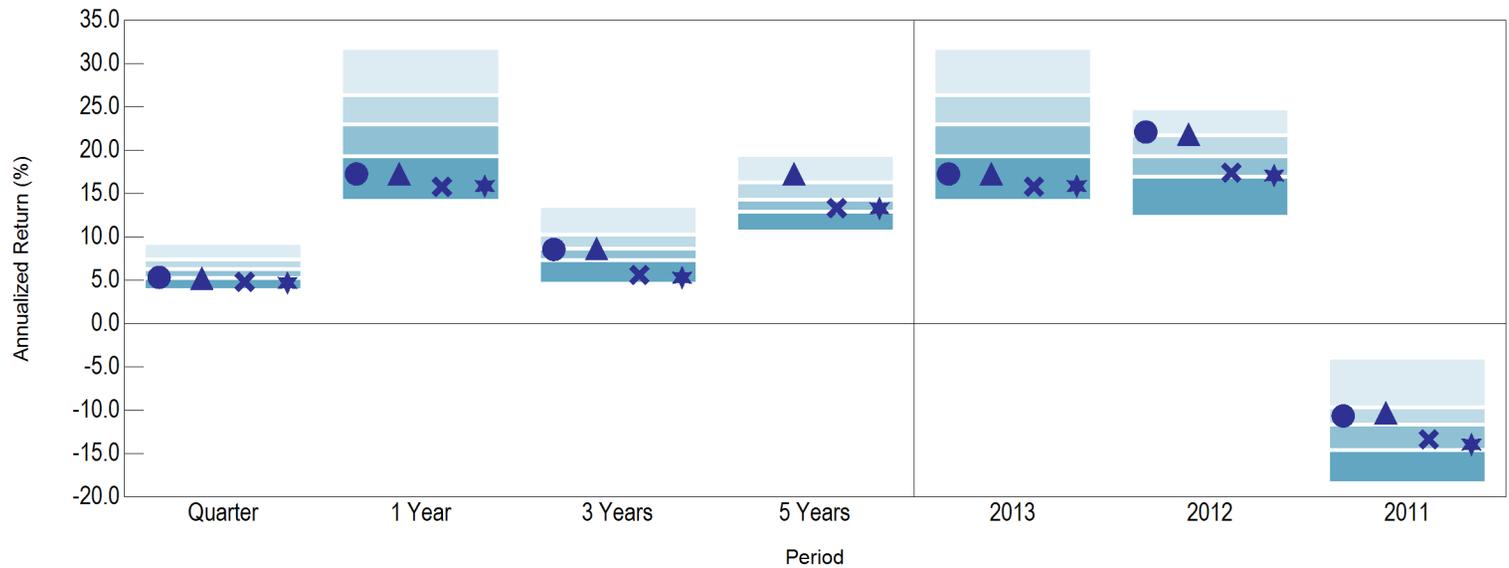
Mercer Rating: A

Manager Strategy Assets (billions): \$17.4

# NCSRP Baillie Gifford ACWI ex US Growth

## Performance

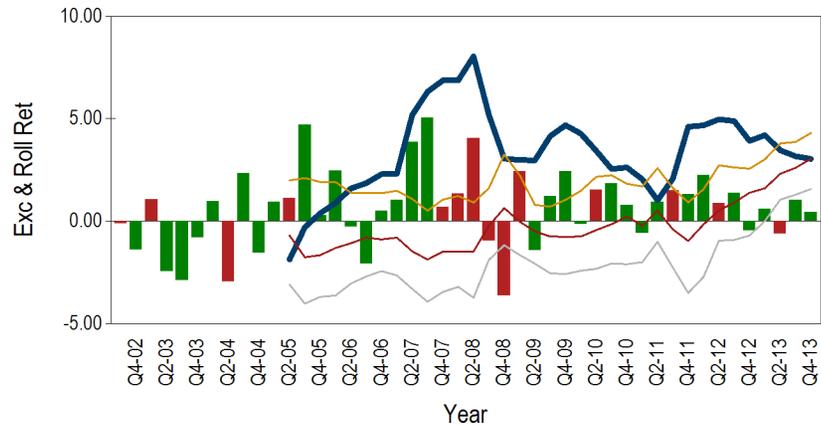
Performance vs. Mercer Instl World ex US/EAFE Equity  
Ending December 31, 2013



	Return (Rank)											
	Quarter	1 Year	3 Years	5 Years	2013	2012	2011					
5th Percentile	9.3	31.8	13.6	19.4	31.8	24.7	-3.9					
25th Percentile	7.4	26.4	10.3	16.4	26.4	21.7	-9.6					
Median	6.3	23.0	8.7	14.3	23.0	19.3	-11.6					
75th Percentile	5.3	19.3	7.4	12.9	19.3	17.0	-14.5					
95th Percentile	3.9	14.2	4.6	10.6	14.2	12.4	-18.4					
# of Portfolios	322	303	264	252	303	366	357					
● NCSRP Baillie Gifford ACWI ex US Growth	5.3 (75)	17.3 (84)	8.6 (53)	-- (--)	17.3 (84)	22.1 (22)	-10.6 (39)					
▲ Baillie Gifford ACWI ex US Growth Strategy	5.3 (78)	17.3 (84)	8.6 (51)	17.3 (14)	17.3 (84)	21.9 (24)	-10.3 (33)					
✕ MSCI ACWI ex USA Gross	4.8 (87)	15.8 (91)	5.6 (92)	13.3 (69)	15.8 (91)	17.4 (70)	-13.3 (66)					
★ MSCI AC Wld ex US Growth Gross	4.7 (89)	15.9 (90)	5.3 (93)	13.3 (70)	15.9 (90)	17.1 (75)	-13.9 (71)					

# Baillie Gifford ACWI ex US Growth Strategy

**Rolling 3 Year Excess Performance**  
Baillie Gifford ACWI ex US Growth Strategy vs. MSCI AC World ex USA (Gross)



**Annualized Excess Return vs. Tracking Error**  
5 Years Ending December 31, 2013



**International Equity Performance Attribution**  
Versus MSCI ACWI ex USA Gross - Quarter Ending December 31, 2013

	Returns and Ending Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
<b>Totals</b>									
Americas	-3.0%	1.8%	6.7%	11.1%	-0.3%	0.3%	0.3%	-0.5%	-0.2%
Europe	7.2%	7.7%	57.7%	50.0%	-0.2%	0.4%	0.1%	-0.4%	0.0%
Asia/Pacific	4.4%	2.3%	29.6%	36.7%	0.7%	0.3%	0.5%	-0.7%	0.8%
Other	0.6%	0.6%	4.3%	2.2%	0.1%	-0.2%	-0.1%	0.2%	-0.1%
Cash	0.0%	--	1.8%	--	0.0%	0.0%	0.0%	-0.1%	-0.1%
<b>Total</b>	<b>5.2%</b>	<b>4.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.3%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>-1.5%</b>	<b>0.4%</b>

# Baillie Gifford ACWI ex US Growth Strategy

# International Equity Performance Attribution

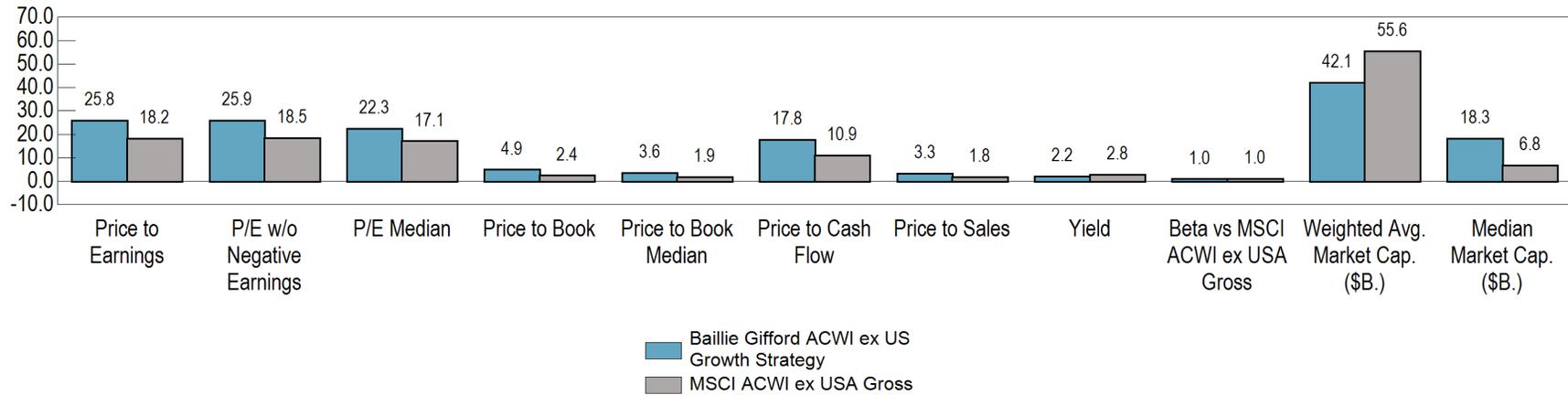
	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Europe</b>									
Austria	--	3.3%	0.0%	0.2%	--	0.0%	--	--	0.0%
Belgium	4.1%	8.0%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	--	1.0%	0.0%	0.1%	--	0.0%	--	--	0.0%
Denmark	11.6%	10.3%	3.3%	0.8%	0.0%	0.1%	0.0%	0.0%	0.2%
Finland	7.6%	12.1%	3.6%	0.7%	0.0%	0.2%	0.1%	-0.2%	0.1%
France	2.9%	6.1%	3.1%	7.3%	-0.2%	-0.1%	-0.1%	0.2%	-0.2%
Germany	17.3%	13.5%	6.8%	6.8%	0.2%	0.0%	0.0%	0.0%	0.2%
Greece	--	16.8%	0.0%	0.1%	--	0.0%	--	--	0.0%
Hungary*	--	-4.9%	0.0%	0.1%	--	0.0%	--	--	0.0%
Ireland	-5.6%	11.7%	1.3%	0.2%	0.0%	0.1%	0.0%	-0.2%	-0.2%
Italy	--	11.6%	0.0%	1.6%	--	-0.1%	--	--	-0.1%
Netherlands	2.4%	8.8%	2.6%	1.9%	-0.1%	0.0%	0.0%	-0.1%	-0.1%
Norway	9.3%	5.9%	1.4%	0.6%	0.0%	0.0%	0.0%	0.0%	0.1%
Poland*	--	3.9%	0.0%	0.4%	--	0.0%	--	--	0.0%
Portugal	-1.3%	1.3%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia*	6.2%	0.4%	2.2%	1.3%	0.1%	0.0%	0.0%	0.0%	0.1%
Spain	7.9%	11.4%	1.7%	2.4%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Sweden	2.3%	5.2%	5.1%	2.3%	-0.1%	0.0%	0.0%	-0.1%	-0.1%
Switzerland	5.0%	4.3%	2.7%	6.4%	0.0%	0.0%	-0.1%	0.0%	0.0%
United Kingdom	7.3%	7.3%	23.5%	15.9%	0.0%	0.2%	0.2%	-0.2%	0.2%
<b>Americas</b>									
Argentina**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Brazil*	-1.5%	-5.6%	1.4%	2.2%	0.1%	0.1%	0.1%	-0.2%	0.2%
Canada	-1.3%	4.2%	2.6%	7.1%	-0.4%	0.0%	0.2%	0.1%	-0.1%
Chile*	--	-6.8%	0.0%	0.3%	--	0.0%	--	--	0.0%
Colombia*	--	-11.1%	0.0%	0.2%	--	0.0%	--	--	0.0%
Mexico*	--	8.3%	0.0%	1.1%	--	0.0%	--	--	0.0%
Peru*	3.3%	3.0%	0.9%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	-9.0%	10.1%	1.8%	0.0%	0.0%	0.1%	0.0%	-0.4%	-0.3%

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Developed	5.6%	5.6%	76.9%	79.5%	-0.2%	0.8%	0.7%	-1.4%	0.0%
Emerging*	4.2%	1.9%	21.3%	20.5%	0.6%	0.0%	0.0%	-0.1%	0.5%
Frontier**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Cash	0.0%	--	1.8%	--	0.0%	0.0%	0.0%	-0.1%	-0.1%

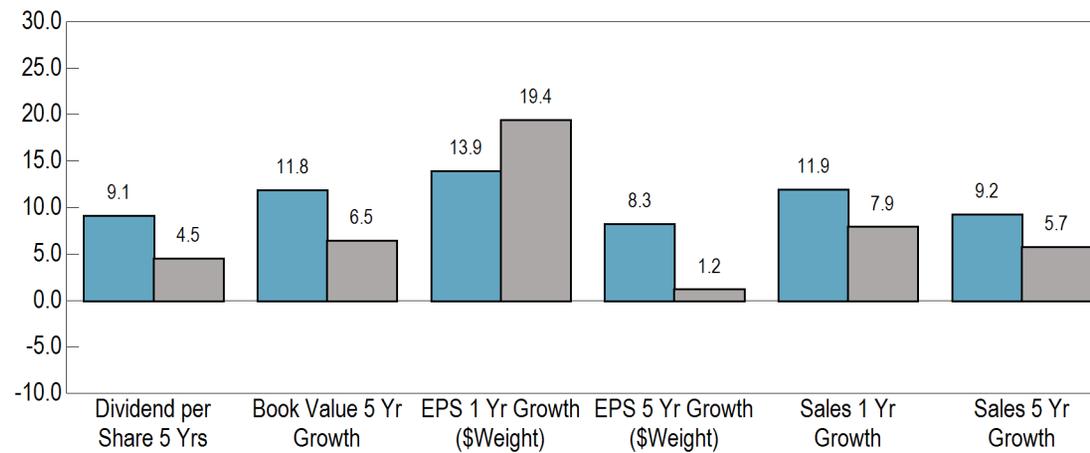
	Returns and Ending Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
<b>AsiaPacific</b>									
Australia	3.2%	-0.8%	3.9%	5.4%	0.2%	0.1%	0.1%	-0.1%	0.2%
China*	2.9%	3.8%	3.4%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Hong Kong	2.7%	3.3%	2.1%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	26.0%	10.4%	0.5%	1.3%	0.2%	0.0%	0.0%	-0.1%	0.0%
Indonesia*	--	-4.7%	0.0%	0.5%	--	0.0%	--	--	0.0%
Japan	3.1%	2.2%	9.5%	15.1%	0.2%	0.2%	0.4%	-0.5%	0.3%
Korea*	9.3%	4.0%	5.4%	3.3%	0.2%	0.0%	0.0%	0.0%	0.2%
Malaysia*	--	5.9%	0.0%	0.8%	--	0.0%	--	--	0.0%
New Zealand	--	-4.5%	0.0%	0.1%	--	0.0%	--	--	0.0%
Pakistan**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Philippines*	--	-5.0%	0.0%	0.2%	--	0.0%	--	--	0.0%
Singapore	2.1%	0.7%	1.4%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Sri Lanka**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Taiwan*	4.0%	4.4%	3.2%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Thailand*	--	-10.2%	0.0%	0.4%	--	0.1%	--	--	0.1%
<b>Other</b>									
Bahrain**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Bangladesh**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Bulgaria**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Croatia**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Egypt*	--	19.4%	0.0%	0.0%	--	0.0%	--	--	0.0%
Estonia**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Israel	--	6.3%	0.0%	0.3%	--	0.0%	--	--	0.0%
Jordan**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Kazakhstan**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Kenya**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Kuwait**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Lebanon**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Lithuania**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Mauritius**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Morocco*	--	4.0%	0.0%	0.0%	--	0.0%	--	--	0.0%
Nigeria**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Oman**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Qatar**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Romania**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Serbia**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Slovenia**	--	--	0.0%	0.0%	--	--	--	--	0.0%
South Africa*	5.0%	2.4%	3.1%	1.5%	0.0%	0.0%	-0.1%	0.1%	0.0%
Tunisia**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Turkey*	-9.0%	-14.0%	1.2%	0.3%	0.0%	-0.2%	-0.1%	0.1%	-0.1%
Ukraine**	--	--	0.0%	0.0%	--	--	--	--	0.0%
United Arab Emirates**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Vietnam**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Other Countries*		0.0%	0.0%	0.0%					

# Baillie Gifford ACWI ex US Growth Strategy

**Portfolio Characteristics**  
Ending December 31, 2013



**Historical Growth Measures**  
Ending December 31, 2013



## Manager Philosophy and Process

### Investment Philosophy

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 favors 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).

### Investment Process

Country level forecasts are derived from estimates of growth in output, earnings and cash earnings. Output forecasts are based primarily on long-term estimates of employment and productivity growth. Earnings growth is linked to forecast economic growth. Cash earnings are derived from corporate earnings on the basis that dividend payout ratios tend to revert to the mean over the long-run, subject to adjustments for anomalies, such as changes in fiscal policy. Finally, estimated cash earnings are adjusted to account for domestic inflation. These forecasts are coupled with currency analysis. This is based mainly on studies of long-term purchasing power parity. Return and currency forecasts are translated into a range of possible country allocations with the help of a proprietary optimization program. The final allocation decisions are taken by the Equity Strategy Committee (ESC). These decisions are not forced, in the sense that the ability to implement the allocation depends on the ability of the stock research teams to identify appropriate investment opportunities in their regions. At the stock level, Mondrian carries out database screening on basic value criteria such as price/book, price/earnings, price/cash flow and dividend yield as well as liquidity factors, so that the research effort is focused on a small number of ideas which can add the greatest value. The Focused International strategy has a minimum market cap cut off of \$6.5bn. This is adjusted regularly to take into account a universe which accounts for 75%-80% of the capitalization of each country.

## Current Positioning

- Mondrian believes that the Australian dollar has been and will continue to be weak, and maintains a defensive hedge out of the Australian dollar
- The strategy holds overweight positions in selected European markets and an underweight position in Canada
- From a sector standpoint, the portfolio is overweight telecommunication services, utilities, and health care, while being underweight materials and financials

## Quarterly Attribution

### Positive Impact on Performance:

- Strong stock selection in Switzerland
- Security selection in the UK
- Security selection within the telecommunication services sector
- Underweight position in Japanese yen
- A defensive hedge out of the Australian dollar

### Negative Impact on Performance:

- Underweight allocation to Japan
- Overweight position in Turkey
- Security selection in Australia and the Netherlands
- Overweight allocation to the utilities and consumer staples sectors
- Stock selection within the telecommunication services and health care sectors

## Characteristics

Number of holdings: 84

Median Market Capitalization (\$MM): \$27,749

Weighted Average Market Capitalization (\$MM): \$69,707

P/E ratio: 13.8x

P/B ratio: 1.7x

Earnings growth (5 year): N/A

Turnover: 19.0%

% cash: 2.3%

## Summary Data Points

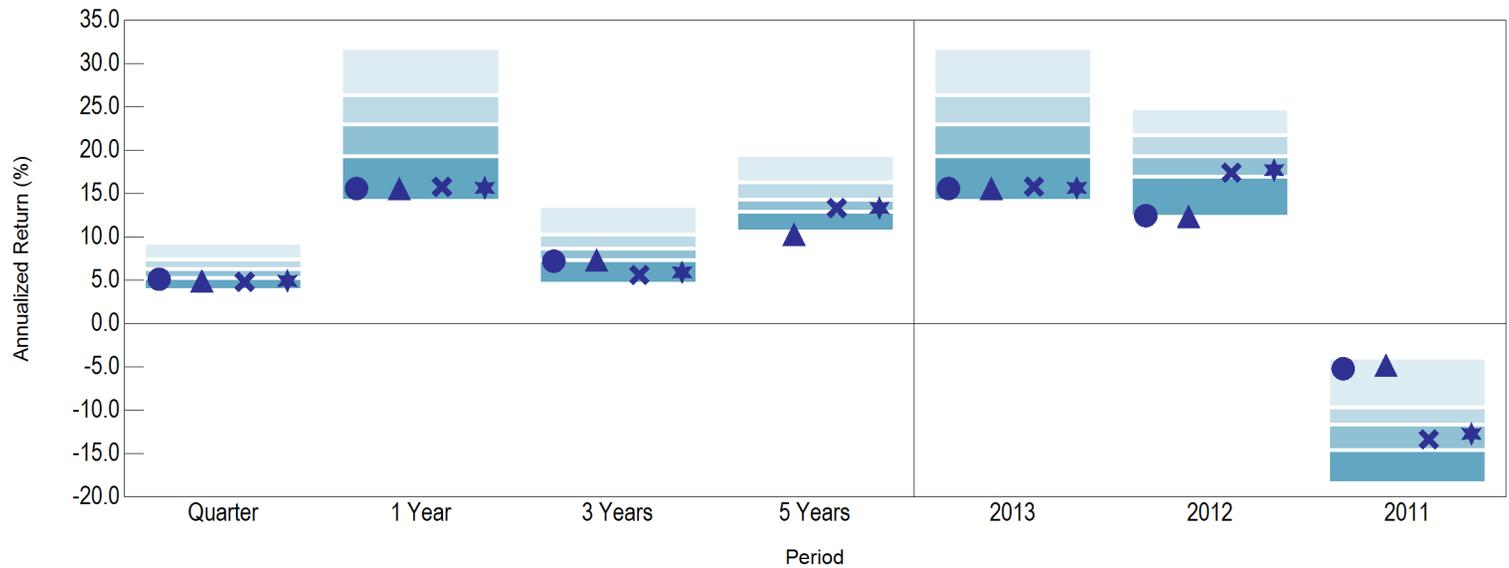
Mercer Rating: B+

Manager Strategy Assets (billions): \$1.6

# NCSRP Mondrian ACWI ex US Value

## Performance

Performance vs. Mercer Instl World ex US/EAFE Equity  
Ending December 31, 2013

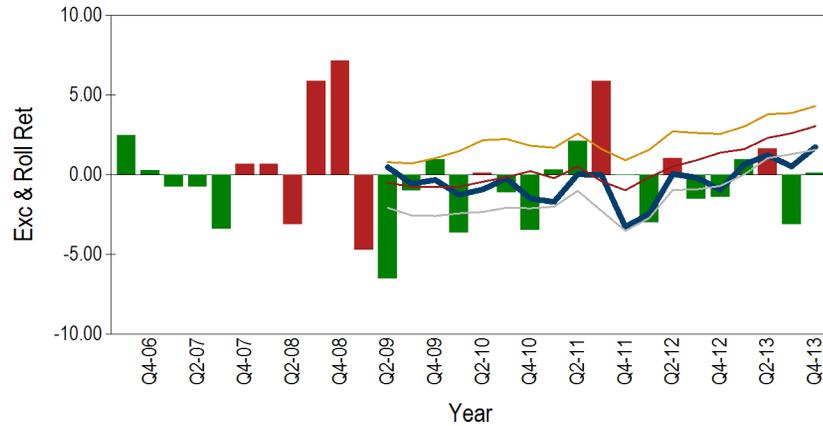


Return (Rank)

5th Percentile	9.3	31.8	13.6	19.4	31.8	24.7	-3.9
25th Percentile	7.4	26.4	10.3	16.4	26.4	21.7	-9.6
Median	6.3	23.0	8.7	14.3	23.0	19.3	-11.6
75th Percentile	5.3	19.3	7.4	12.9	19.3	17.0	-14.5
95th Percentile	3.9	14.2	4.6	10.6	14.2	12.4	-18.4
# of Portfolios	322	303	264	252	303	366	357
● NCSRP Mondrian ACWI ex US Value	5.1 (82)	15.6 (92)	7.2 (78)	-- (--)	15.6 (92)	12.4 (95)	-5.2 (8)
▲ Mondrian ACWI ex US Value Strategy	4.9 (85)	15.6 (92)	7.3 (76)	10.3 (97)	15.6 (92)	12.4 (96)	-4.8 (7)
✕ MSCI ACWI ex USA Gross	4.8 (87)	15.8 (91)	5.6 (92)	13.3 (69)	15.8 (91)	17.4 (70)	-13.3 (66)
★ MSCI AC Wld Ex US Value Gross	4.9 (85)	15.7 (91)	5.9 (89)	13.3 (69)	15.7 (91)	17.7 (68)	-12.7 (61)

# Mondrian ACWI ex US Value Strategy

**Rolling 3 Year Excess Performance**  
Mondrian ACWI ex US Value Strategy vs. MSCI AC World ex USA (Gross)



**Annualized Excess Return vs. Tracking Error**  
5 Years Ending December 31, 2013



**International Equity Performance Attribution**  
Versus MSCI ACWI ex USA Gross - Quarter Ending December 31, 2013

	Returns and Ending Weights				Attribution Effects					Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>Totals</b>										
Americas	2.0%	1.8%	7.1%	11.1%	-0.1%	0.1%	0.4%	-0.2%	0.2%	
Europe	8.3%	7.7%	60.0%	50.0%	0.5%	0.5%	0.4%	-0.6%	0.8%	
Asia/Pacific	-0.3%	2.3%	28.6%	36.7%	-1.1%	0.1%	0.3%	-0.1%	-0.8%	
Other	1.1%	0.6%	4.3%	2.2%	0.0%	-0.1%	0.0%	0.0%	-0.1%	
Cash	--	--	--	0.0%	--	--	--	--	--	
<b>Total</b>	<b>4.9%</b>	<b>4.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.8%</b>	<b>0.7%</b>	<b>1.1%</b>	<b>-0.9%</b>	<b>0.1%</b>	

# Mondrian ACWI ex US Value Strategy

# International Equity Performance Attribution

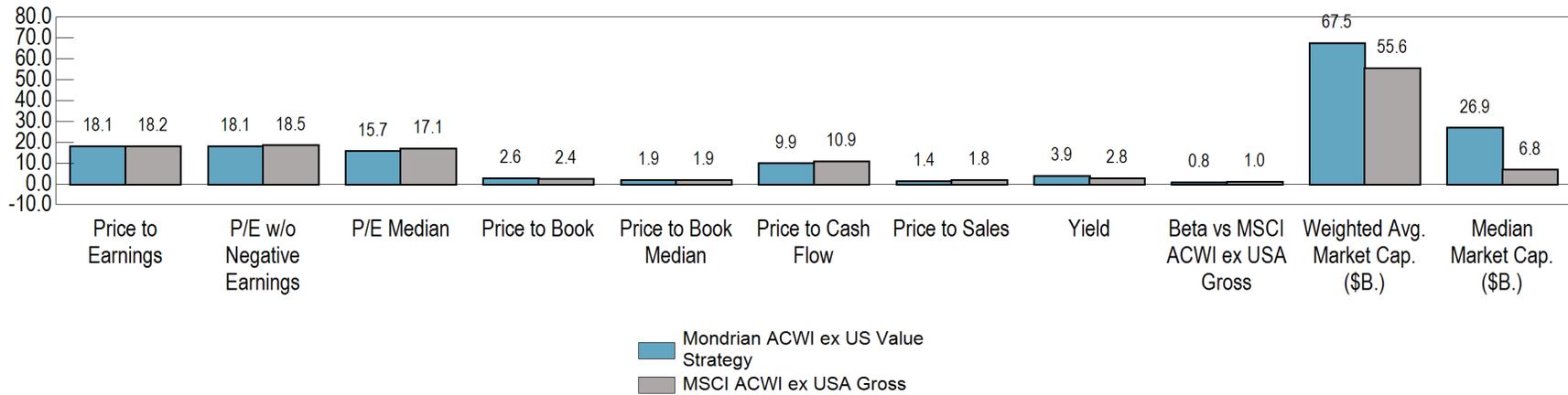
	Returns and Ending Weights				Attribution Effects					Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>Europe</b>										
Austria	--	3.3%	0.0%	0.2%	--	0.0%	--	--	0.0%	
Belgium	--	8.0%	0.0%	0.9%	--	0.0%	--	--	0.0%	
Czech Republic*	--	1.0%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Denmark	--	10.3%	0.0%	0.8%	--	-0.1%	--	--	-0.1%	
Finland	--	12.1%	0.0%	0.7%	--	-0.1%	--	--	-0.1%	
France	7.4%	6.1%	10.9%	7.3%	0.1%	0.1%	0.1%	0.0%	0.3%	
Germany	14.4%	13.5%	6.0%	6.8%	0.1%	-0.1%	0.0%	0.0%	0.0%	
Greece	--	16.8%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Hungary*	--	-4.9%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Ireland	--	11.7%	0.0%	0.2%	--	0.0%	--	--	0.0%	
Italy	5.0%	11.6%	2.2%	1.6%	-0.1%	0.1%	0.0%	-0.1%	-0.1%	
Netherlands	6.3%	8.8%	7.8%	1.9%	-0.1%	0.3%	0.1%	-0.3%	0.1%	
Norway	--	5.9%	0.0%	0.6%	--	0.0%	--	--	0.0%	
Poland*	--	3.9%	0.0%	0.4%	--	0.0%	--	--	0.0%	
Portugal	--	1.3%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Russia*	0.9%	0.4%	1.0%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
Spain	8.4%	11.4%	5.8%	2.4%	-0.1%	0.3%	0.1%	-0.2%	0.1%	
Sweden	--	5.2%	0.0%	2.3%	--	0.0%	--	--	0.0%	
Switzerland	8.9%	4.3%	9.8%	6.4%	0.4%	0.0%	0.1%	0.0%	0.5%	
United Kingdom	8.0%	7.3%	16.5%	15.9%	0.1%	0.0%	0.0%	0.0%	0.1%	
<b>Americas</b>										
Argentina**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Brazil*	-4.3%	-5.6%	2.8%	2.2%	0.0%	0.0%	0.1%	-0.1%	0.0%	
Canada	2.4%	4.2%	1.2%	7.1%	-0.2%	0.0%	0.3%	-0.1%	0.0%	
Chile*	-6.7%	-6.8%	0.5%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
Colombia*	--	-11.1%	0.0%	0.2%	--	0.1%	--	--	0.1%	
Mexico*	12.9%	8.3%	1.6%	1.1%	0.1%	0.0%	0.0%	0.0%	0.1%	
Peru*	3.3%	3.0%	0.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
United States	6.5%	10.1%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

	Returns and Ending Weights				Attribution Effects					Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>Totals</b>										
Developed	6.0%	5.6%	81.2%	79.5%	-0.6%	0.9%	1.0%	-0.9%	0.5%	
Emerging*	0.1%	1.9%	18.5%	20.5%	-0.2%	-0.2%	0.0%	0.0%	-0.4%	
Frontier**	5.7%	--	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Cash	--	--	--	0.0%	--	--	--	--	--	

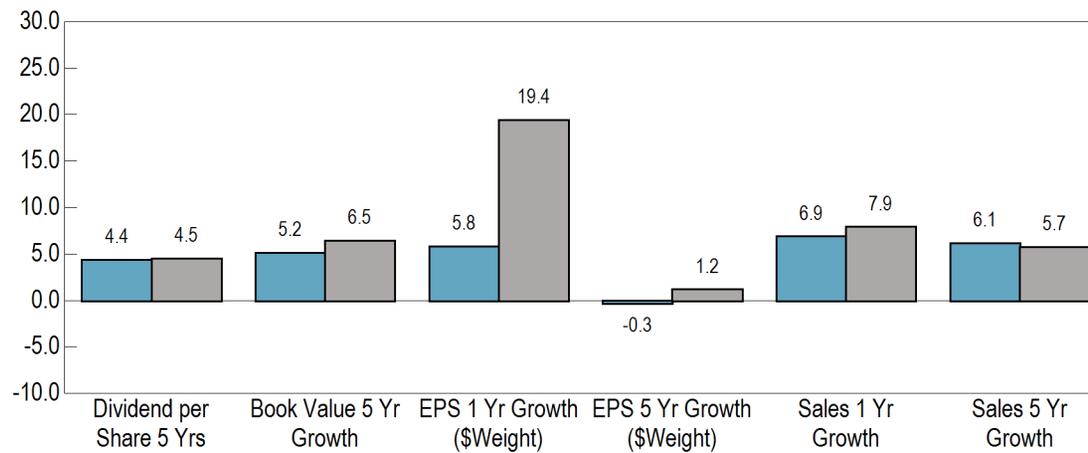
	Returns and Ending Weights				Attribution Effects					Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>AsiaPacific</b>										
Australia	-19.8%	-0.8%	2.0%	5.4%	-1.5%	0.2%	0.2%	0.6%	-0.4%	
China*	-1.0%	3.8%	3.5%	4.1%	-0.3%	0.0%	0.0%	0.0%	-0.2%	
Hong Kong	32.1%	3.3%	0.3%	2.1%	0.8%	0.0%	0.0%	-0.6%	0.2%	
India*	23.9%	10.4%	1.4%	1.3%	0.2%	0.0%	0.0%	0.0%	0.3%	
Indonesia*	-6.5%	-4.7%	1.3%	0.5%	0.0%	-0.1%	-0.1%	0.0%	-0.2%	
Japan	1.5%	2.2%	12.5%	15.1%	-0.2%	0.0%	0.2%	-0.2%	-0.1%	
Korea*	3.4%	4.0%	1.7%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
Malaysia*	-0.9%	5.9%	0.8%	0.8%	-0.1%	0.0%	0.0%	0.0%	-0.1%	
New Zealand	--	-4.5%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Pakistan**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Philippines*	-11.4%	-5.0%	0.5%	0.2%	0.0%	0.0%	0.0%	-0.1%	-0.1%	
Singapore	1.0%	0.7%	2.7%	1.1%	0.0%	-0.1%	0.0%	0.0%	-0.1%	
Sri Lanka**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Taiwan*	3.8%	4.4%	1.2%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	
Thailand*	-17.7%	-10.2%	0.5%	0.4%	-0.1%	0.0%	0.0%	0.0%	-0.1%	
<b>Other</b>										
Bahrain**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Bangladesh**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Bulgaria**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Croatia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Egypt*	--	19.4%	0.0%	0.0%	--	0.0%	--	--	0.0%	
Estonia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Israel	7.0%	6.3%	2.8%	0.3%	0.0%	0.0%	0.0%	0.0%	0.1%	
Jordan**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Kazakhstan**	5.7%	10.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Kenya**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Kuwait**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Lebanon**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Lithuania**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Mauritius**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Morocco*	--	4.0%	0.0%	0.0%	--	0.0%	--	--	0.0%	
Nigeria**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Oman**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Qatar**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Romania**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Serbia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Slovenia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
South Africa*	-4.2%	2.4%	0.3%	1.5%	0.0%	0.0%	0.1%	-0.1%	0.0%	
Tunisia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Turkey*	-13.3%	-14.0%	0.9%	0.3%	0.0%	-0.2%	-0.1%	0.1%	-0.2%	
Ukraine**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
United Arab Emirates**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Vietnam**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Other Countries*		0.0%	0.0%	0.0%						

# Mondrian ACWI ex US Value Strategy

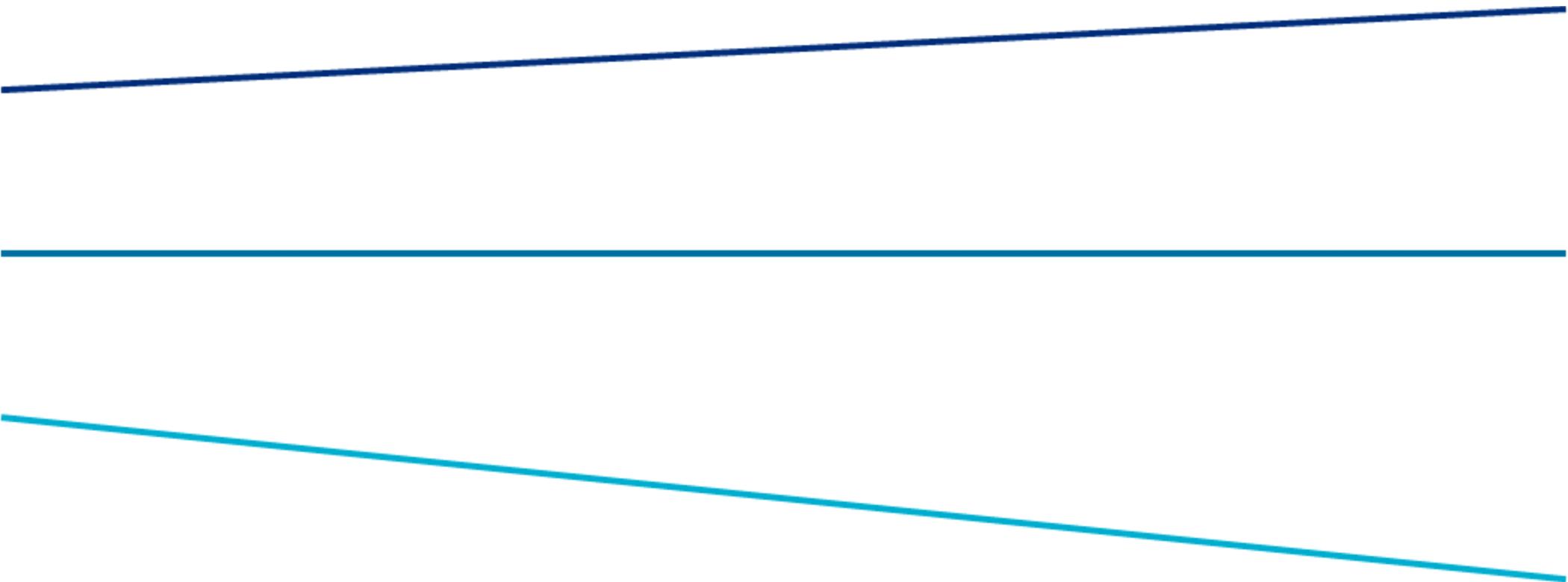
**Portfolio Characteristics**  
Ending December 31, 2013



**Historical Growth Measures**  
Ending December 31, 2013



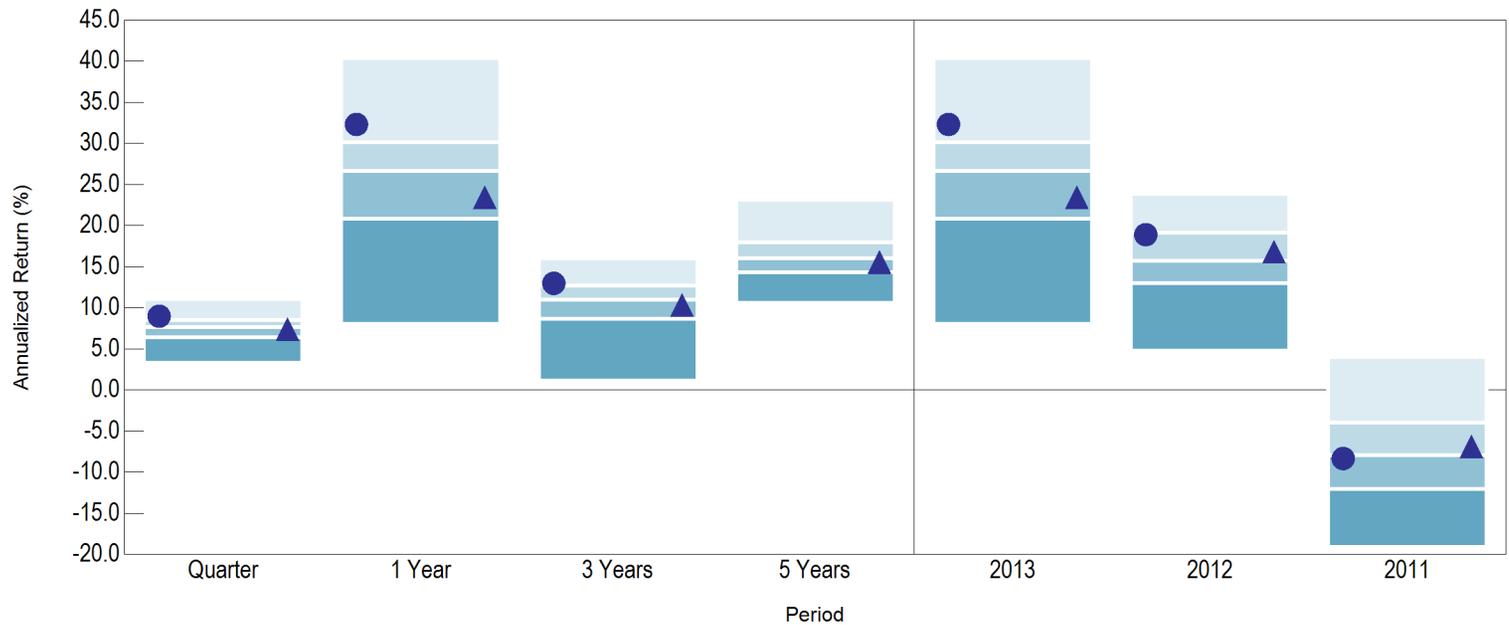
# Global Equity



# Global Equity

## Performance

Performance vs. Mercer Mutual Fund Global Equity  
Ending December 31, 2013



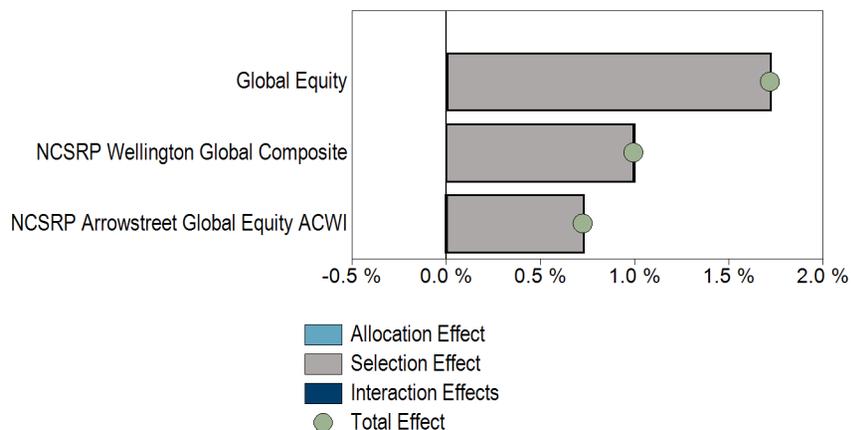
Return (Rank)

5th Percentile	11.0	40.3	16.0	23.2	40.3	23.8	3.9
25th Percentile	8.6	30.2	12.7	18.0	30.2	19.1	-3.9
Median	7.7	26.7	11.0	16.1	26.7	15.7	-7.9
75th Percentile	6.4	20.9	8.7	14.3	20.9	13.1	-12.0
95th Percentile	3.4	8.1	1.2	10.6	8.1	4.8	-19.0
# of Portfolios	260	244	181	148	244	232	223
● Global Equity	9.0 (20)	32.3 (19)	13.0 (22)	-- (--)	32.3 (19)	18.9 (27)	-8.3 (54)
▲ MSCI ACWI Gross	7.4 (57)	23.4 (68)	10.3 (58)	15.5 (59)	23.4 (68)	16.8 (42)	-6.9 (43)

# Global Equity

## Attribution

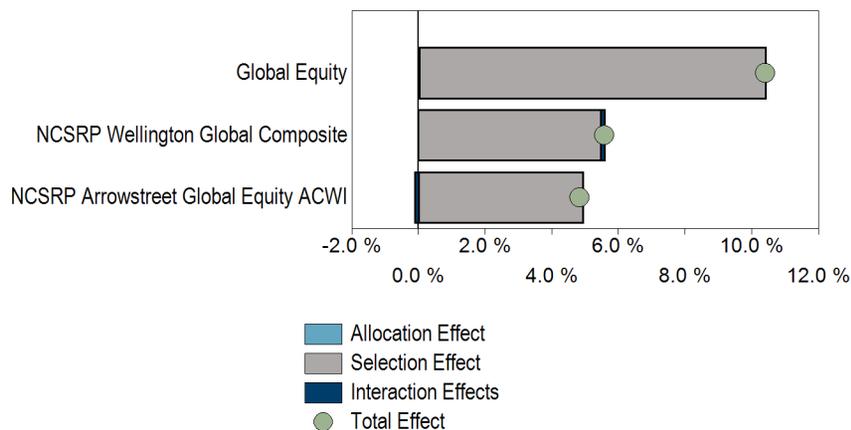
**Attribution Effects**  
3 Months Ending December 31, 2013



**Attribution Summary**  
3 Months Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Wellington Global Composite	9.4%	7.4%	2.0%	1.0%	0.0%	0.0%	1.0%
NCSRP Arrowstreet Global Equity ACWI	8.9%	7.4%	1.5%	0.7%	0.0%	0.0%	0.7%
<b>Total</b>	<b>9.1%</b>	<b>7.4%</b>	<b>1.7%</b>	<b>1.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>1.7%</b>

**Attribution Effects**  
1 Year Ending December 31, 2013

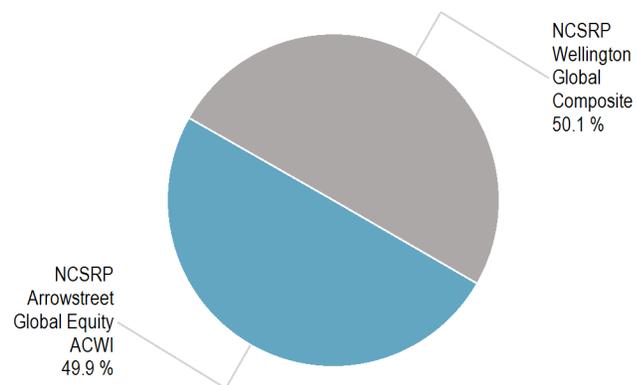


**Attribution Summary**  
1 Year Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP Wellington Global Composite	34.5%	23.4%	11.0%	5.5%	0.0%	0.1%	5.6%
NCSRP Arrowstreet Global Equity ACWI	33.2%	23.4%	9.7%	4.9%	0.0%	-0.1%	4.8%
<b>Total</b>	<b>33.8%</b>	<b>23.4%</b>	<b>10.4%</b>	<b>10.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>10.4%</b>

# Global Equity

## Current Allocation



## Characteristics

	Portfolio	MSCI ACWI Gross
Number of Holdings	415	2,434
Weighted Avg. Market Cap. (\$B)	48.51	82.50
Median Market Cap. (\$B)	16.22	8.31
Price To Earnings	22.11	19.38
Price To Book	3.73	3.07
Price To Sales	1.93	2.05
Return on Equity (%)	18.06	16.40
Yield (%)	1.80	2.40
Beta	0.99	1.00
R-Squared	0.97	1.00

## International Equity Performance Attribution Versus MSCI ACWI Gross - Quarter Ending December 31, 2013

	Returns and Ending Weights				Attribution Effects					Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>Totals</b>										
Americas	11.3%	9.3%	57.5%	54.3%	0.5%	0.4%	0.2%	0.0%	1.1%	
Europe	9.2%	7.7%	22.8%	25.7%	0.4%	0.0%	-0.1%	0.0%	0.4%	
Asia/Pacific	5.2%	2.3%	18.0%	18.9%	0.6%	0.1%	-0.4%	0.2%	0.6%	
Other	-5.2%	0.6%	0.7%	1.1%	0.0%	-0.1%	0.0%	0.0%	0.0%	
Cash	0.0%	--	1.0%	--	0.0%	0.0%	0.0%	-0.1%	-0.1%	
<b>Total</b>	<b>9.2%</b>	<b>7.4%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.5%</b>	<b>0.5%</b>	<b>-0.4%</b>	<b>0.1%</b>	<b>1.8%</b>	

# Global Equity

# Performance Attribution

	Returns and Ending Weights				Attribution Effects					Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>Europe</b>										
Austria	--	3.3%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Belgium	7.5%	8.0%	1.3%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	
Czech Republic*	--	1.0%	0.0%	0.0%	--	0.0%	--	--	0.0%	
Denmark	18.5%	10.3%	0.9%	0.4%	0.0%	0.0%	0.0%	0.0%	0.1%	
Finland	11.3%	12.1%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
France	7.0%	6.1%	5.3%	3.7%	0.0%	0.0%	0.0%	0.0%	0.0%	
Germany	11.8%	13.5%	2.2%	3.5%	-0.1%	0.0%	0.0%	0.0%	-0.1%	
Greece	--	16.8%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Hungary*	--	-4.9%	0.0%	0.0%	--	0.0%	--	--	0.0%	
Ireland	--	11.7%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Italy	21.7%	11.6%	2.2%	0.8%	0.1%	0.1%	0.0%	0.1%	0.3%	
Netherlands	9.9%	8.8%	0.1%	1.0%	0.1%	0.0%	0.0%	0.0%	0.0%	
Norway	4.4%	5.9%	0.1%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
Poland*	12.2%	3.9%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	
Portugal	--	1.3%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Russia*	1.8%	0.4%	2.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	
Spain	9.7%	11.4%	0.1%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	
Sweden	1.6%	5.2%	2.4%	1.2%	0.0%	-0.1%	0.0%	-0.1%	-0.2%	
Switzerland	5.7%	4.3%	1.1%	3.3%	0.1%	0.1%	0.0%	0.0%	0.1%	
United Kingdom	11.1%	7.3%	4.9%	8.1%	0.3%	0.0%	-0.1%	0.0%	0.2%	
<b>Americas</b>										
Argentina**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Brazil*	-10.1%	-5.6%	0.1%	1.1%	-0.1%	0.1%	0.1%	0.0%	0.1%	
Canada	1.3%	4.2%	1.1%	3.7%	-0.1%	0.1%	0.1%	0.0%	0.1%	
Chile*	--	-6.8%	0.0%	0.2%	--	0.0%	--	--	0.0%	
Colombia*	--	-11.1%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Mexico*	16.5%	8.3%	0.2%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	
Peru*	--	3.0%	0.0%	0.0%	--	0.0%	--	--	0.0%	
United States	11.5%	10.3%	56.2%	48.6%	0.6%	0.1%	0.0%	0.1%	0.8%	
<b>Totals</b>										
Developed	9.5%	8.1%	94.8%	89.4%	1.1%	0.2%	-0.3%	0.4%	1.3%	
Emerging*	7.1%	1.9%	4.2%	10.6%	0.4%	0.3%	0.0%	-0.1%	0.6%	
Frontier**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Other	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Cash	0.0%	--	1.0%	--	0.0%	0.0%	0.0%	-0.1%	-0.1%	

	Returns and Ending Weights				Attribution Effects					Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>AsiaPacific</b>										
Australia	-0.2%	-0.8%	0.2%	2.8%	0.0%	0.2%	0.1%	-0.2%	0.2%	
China*	13.7%	3.8%	0.8%	2.1%	0.2%	0.1%	0.0%	-0.1%	0.2%	
Hong Kong	26.7%	3.3%	0.9%	1.1%	0.2%	0.0%	0.0%	0.0%	0.2%	
India*	4.2%	10.4%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	
Indonesia*	--	-4.7%	0.0%	0.2%	--	0.0%	--	--	0.0%	
Japan	2.6%	2.2%	15.6%	7.8%	0.0%	-0.4%	-0.5%	0.5%	-0.3%	
Korea*	13.6%	4.0%	0.6%	1.7%	0.2%	0.0%	0.0%	-0.1%	0.1%	
Malaysia*	--	5.9%	0.0%	0.4%	--	0.0%	--	--	0.0%	
New Zealand	-8.1%	-4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Pakistan**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Philippines*	--	-5.0%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Singapore	-5.4%	0.7%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
Sri Lanka**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Taiwan*	--	4.4%	0.0%	1.2%	--	0.0%	--	--	0.0%	
Thailand*	-6.7%	-10.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Other</b>										
Bahrain**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Bangladesh**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Bulgaria**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Croatia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Egypt*	--	19.4%	0.0%	0.0%	--	0.0%	--	--	0.0%	
Estonia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Israel	-7.7%	6.3%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	-0.1%	
Jordan**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Kazakhstan**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Kenya**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Kuwait**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Lebanon**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Lithuania**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Mauritius**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Morocco*	--	4.0%	0.0%	0.0%	--	0.0%	--	--	0.0%	
Nigeria**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Oman**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Qatar**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Romania**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Serbia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Slovenia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
South Africa*	7.0%	2.4%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	
Tunisia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Turkey*	-4.0%	-14.0%	0.5%	0.2%	0.0%	-0.1%	0.0%	0.1%	0.0%	
Ukraine**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
United Arab Emirates**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Vietnam**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Other Countries	--	--	0.0%	0.0%	--	--	--	--	0.0%	

## Global Equity

---

### Top Holdings Global Equity

	Global Fund %	Wellington %	Arrowstreet %	Index Weight%
AMERICAN INTL.GP.	1.35%	1.16%	1.54%	0.20%
CITIGROUP	1.28%	2.17%	0.39%	0.44%
ANHEUSER-BUSCH INBEV	1.28%	2.56%		0.24%
GILEAD SCIENCES	1.27%	0.98%	1.56%	0.32%
AMGEN	1.23%	1.23%	1.23%	0.24%
VODAFONE GP.SPN.ADR 1:10	1.20%		2.40%	
BLACKROCK	1.13%	1.78%	0.47%	0.12%
CISCO SYSTEMS	1.12%		2.24%	0.34%
MERCK & CO.	1.11%	2.21%		0.41%
CELGENE	1.10%	1.19%	1.01%	0.19%
<b>Total</b>	<b>12.07%</b>	<b>13.28%</b>	<b>10.84%</b>	<b>2.50%</b>

## Manager Philosophy and Process

### Investment Philosophy

The team applies a bottom-up, fundamental process to find companies with unique assets where opportunities to improve returns are misunderstood by the market place. Stock selection emphasizes cash flows and return on invested capital; it is often and most efficiently expressed through pure play companies, which exhibit high exposure to a specific investment insight. The approach is opportunistic, embracing ideas across the style spectrum; 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 generally exhibits an active share of 80% or higher.

### Investment Process

The team's universe of securities includes mid to large cap securities in the developed and emerging market economies with a minimum market capitalization of \$1 billion. Stocks with a market capitalization between \$10 billion and \$35 billion constitute prime hunting ground. The team sources ideas from various places. Many ideas stem from the team's own research activities: reading, attending conferences and company meetings with management / competitors / suppliers, etc. In addition, the team leverages ideas from Wellington's global industry analysts. In the search for new ideas, the team thinks in terms of the global supply chain rather than by sector or industry. In addition, Choumenkovitch - with support from Wellington's quantitative team - built and utilizes a rudimentary quantitative screen that identifies companies exhibiting characteristics that are of interest. The screens include cash flow statistics such as enterprise-value-to-free-cash-flows and other metrics. Screens are run on a monthly basis and the universe of names is generally stable; they may be run more often when markets are volatile. All these activities focus on the identification of companies with underappreciated return on capital, with superior management that has demonstrated focus on creating shareholder value through effective generation and deployment of capital.

## Current Positioning

- The portfolio remains overweight Japan and France on a regional basis
- Wellington sees potential areas of interest among integrated oil companies, which they believe are inexpensive on an asset basis, particularly in emerging markets
- The portfolio has large overweights to the industrials and financials sectors, while underweight the materials and energy sectors
- Wellington believes that the equity market in the United Kingdom does not reflect the current strength of its domestic economy characterized by solid employment trends and a rising housing market
- The strategy continues to look for opportunities at a company-by-company level, focusing on those companies which can deliver improvements in return on invested capital (ROIC) or sustain ROIC for longer than the market anticipates

## Quarterly Attribution

### Positive Impact on Performance:

- Security selection in Italy, United States and Japan
- Overweight allocation to Japan and the United States
- Underweight Australia, Switzerland and the United Kingdom
- Individual contributors: McKesson Corporation, Monster Beverage and AXA

### Negative Impact on Performance:

- Security selection in Canada, Finland and Spain
- Average cash position of 3.3%
- Overweight to France and Belgium
- Underweight allocation to Germany and Ireland
- Individual detractors: Anadarko Pete Corporation, Regeneron, Google

## Characteristics

Number of holdings: 114

Median Market Capitalization (\$MM): \$19,198

Weighted Average Market Capitalization (\$MM): \$44,720

P/E ratio: 18.4x

P/B ratio: 2.3x

Earnings growth (5 year): 17.9%

Turnover: 115.7%

% cash: 2.0%

## Summary Data Points

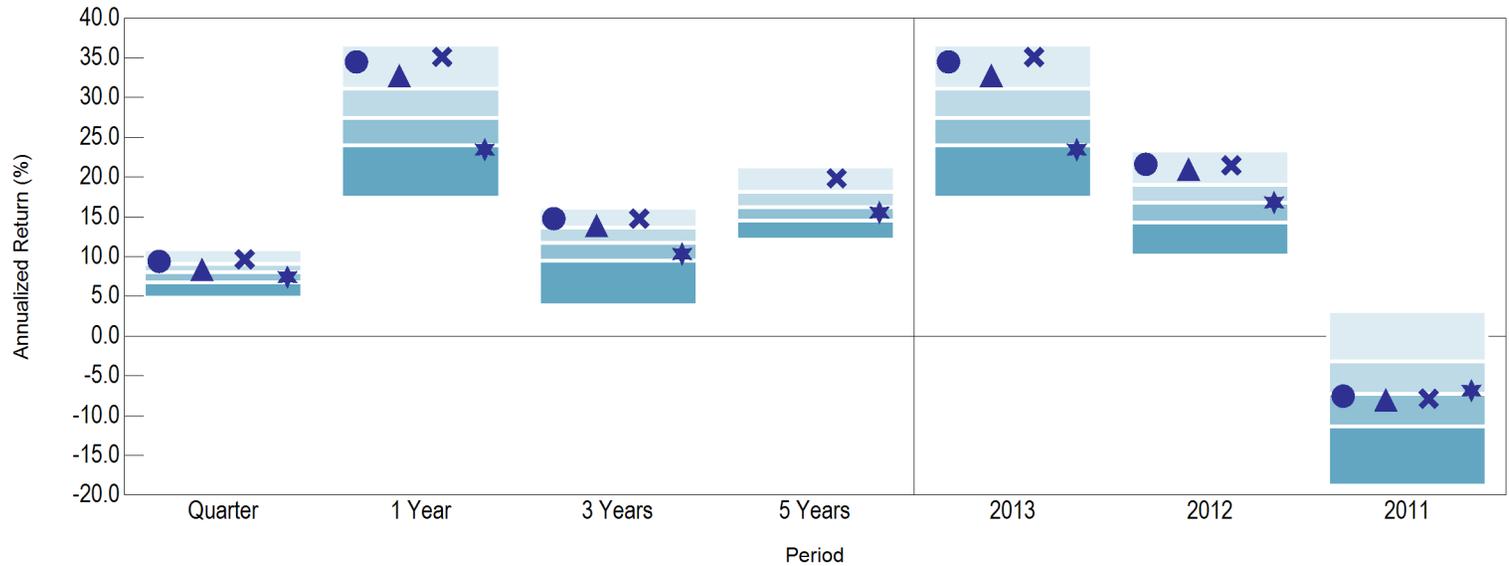
Mercer Rating: B+

Strategy Assets (\$B): \$6.9

# NCSRP Wellington Global Composite

## Performance

Performance vs. Mercer Instl Global Equity  
Ending December 31, 2013

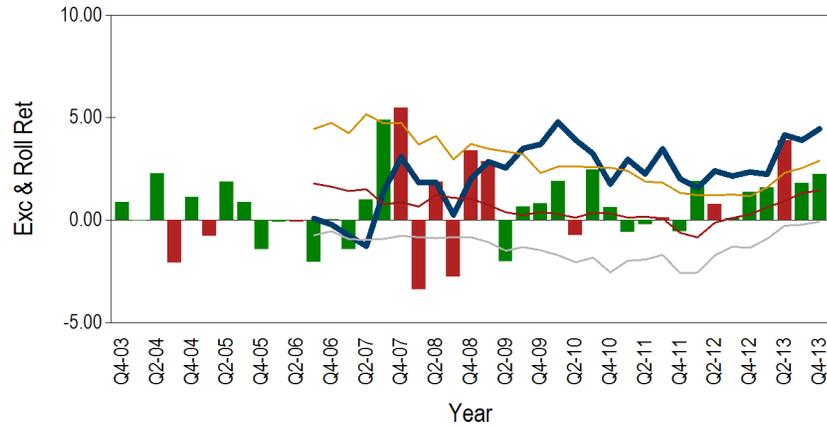


Return (Rank)

5th Percentile	10.9	36.6	16.1	21.3	36.6	23.3	3.1
25th Percentile	9.1	31.1	13.7	18.2	31.1	19.1	-3.2
Median	8.1	27.5	11.8	16.3	27.5	16.8	-7.3
75th Percentile	6.8	24.0	9.6	14.6	24.0	14.3	-11.3
95th Percentile	4.9	17.5	3.9	12.2	17.5	10.2	-18.8
# of Portfolios	457	413	322	287	413	476	439
● NCSRP Wellington Global Composite	9.4 (19)	34.5 (10)	14.8 (13)	-- (--)	34.5 (10)	21.6 (11)	-7.6 (53)
▲ NCSRP Wellington Global Opportunities	8.4 (43)	32.8 (17)	13.9 (22)	-- (--)	32.8 (17)	21.0 (14)	-8.0 (57)
✕ Wellington Global Opportunities Strategy	9.7 (17)	35.1 (9)	14.8 (13)	19.8 (13)	35.1 (9)	21.5 (11)	-7.9 (56)
★ MSCI ACWI Gross	7.4 (62)	23.4 (77)	10.3 (69)	15.5 (62)	23.4 (77)	16.8 (50)	-6.9 (48)

# Wellington Global Opportunities Strategy

**Rolling 3 Year Excess Performance**  
Wellington Global Opportunities Strategy vs. MSCI AC World GD IX



**Annualized Excess Return vs. Tracking Error**  
5 Years Ending December 31, 2013



**International Equity Performance Attribution**  
Versus MSCI ACWI Gross - Quarter Ending December 31, 2013

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Americas	10.2%	9.3%	57.5%	54.3%	0.0%	0.5%	0.1%	-0.1%	0.5%
Europe	10.0%	7.7%	24.4%	25.7%	0.3%	0.0%	0.1%	0.2%	0.6%
Asia/Pacific	5.3%	2.3%	16.2%	18.9%	0.7%	0.2%	-0.5%	0.2%	0.6%
Other	--	0.6%	0.0%	1.1%	--	0.1%	--	--	0.1%
Cash	0.0%	--	2.0%	--	0.0%	0.0%	0.0%	-0.3%	-0.3%
<b>Total</b>	<b>8.9%</b>	<b>7.4%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.1%</b>	<b>0.8%</b>	<b>-0.3%</b>	<b>-0.1%</b>	<b>1.5%</b>

# Wellington Global Opportunities Strategy

# International Equity Performance Attribution

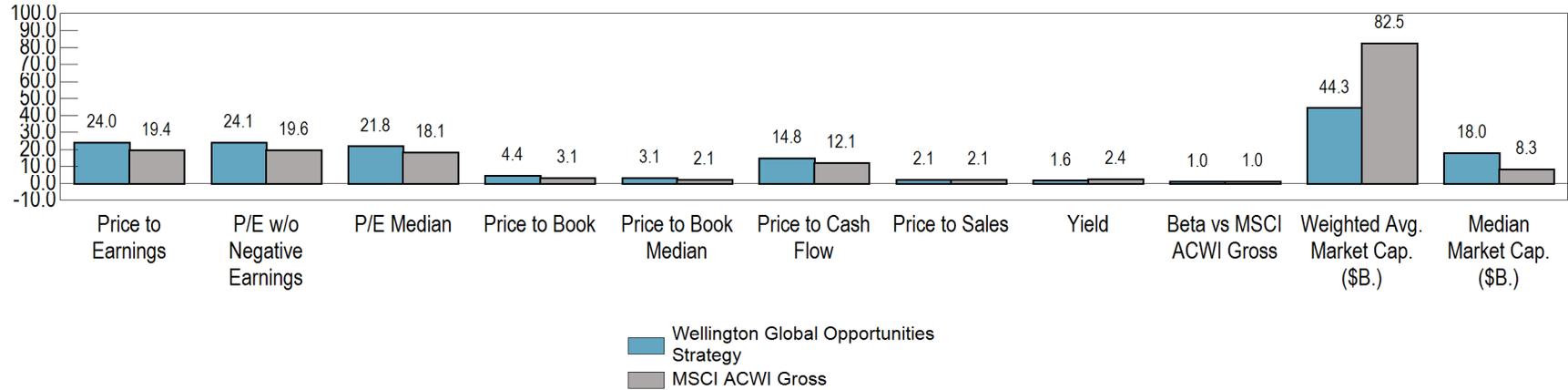
	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Europe</b>									
Austria	--	3.3%	0.0%	0.1%	--	0.0%	--	--	0.0%
Belgium	7.5%	8.0%	2.6%	0.4%	0.0%	0.0%	0.0%	-0.1%	0.0%
Czech Republic*	--	1.0%	0.0%	0.0%	--	0.0%	--	--	0.0%
Denmark	--	10.3%	0.0%	0.4%	--	0.0%	--	--	0.0%
Finland	3.3%	12.1%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
France	7.3%	6.1%	9.3%	3.7%	0.0%	-0.1%	0.1%	0.0%	0.1%
Germany	12.4%	13.5%	1.5%	3.5%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Greece	--	16.8%	0.0%	0.1%	--	0.0%	--	--	0.0%
Hungary*	--	-4.9%	0.0%	0.0%	--	0.0%	--	--	0.0%
Ireland	--	11.7%	0.0%	0.1%	--	0.0%	--	--	0.0%
Italy	20.7%	11.6%	3.2%	0.8%	0.1%	0.1%	0.1%	0.2%	0.4%
Netherlands	--	8.8%	0.0%	1.0%	--	0.0%	--	--	0.0%
Norway	--	5.9%	0.0%	0.3%	--	0.0%	--	--	0.0%
Poland*	--	3.9%	0.0%	0.2%	--	0.0%	--	--	0.0%
Portugal	--	1.3%	0.0%	0.1%	--	0.0%	--	--	0.0%
Russia*	-3.8%	0.4%	0.8%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Spain	8.4%	11.4%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Sweden	15.2%	5.2%	1.1%	1.2%	0.1%	0.0%	0.0%	0.0%	0.1%
Switzerland	3.2%	4.3%	1.4%	3.3%	0.0%	0.1%	0.0%	0.0%	0.0%
United Kingdom	9.6%	7.3%	4.3%	8.1%	0.2%	0.0%	-0.1%	0.0%	0.1%
<b>Americas</b>									
Argentina**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Brazil*	9.8%	-5.6%	0.0%	1.1%	0.1%	0.2%	0.0%	0.0%	0.2%
Canada	1.1%	4.2%	1.1%	3.7%	-0.1%	0.1%	0.1%	0.0%	0.0%
Chile*	--	-6.8%	0.0%	0.2%	--	0.0%	--	--	0.0%
Colombia*	--	-11.1%	0.0%	0.1%	--	0.0%	--	--	0.0%
Mexico*	17.3%	8.3%	0.3%	0.6%	0.1%	0.0%	0.0%	0.0%	0.0%
Peru*	--	3.0%	0.0%	0.0%	--	0.0%	--	--	0.0%
United States	10.4%	10.3%	56.0%	48.6%	0.0%	0.2%	0.0%	0.0%	0.2%

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Developed	9.2%	8.1%	95.1%	89.4%	0.6%	0.2%	-0.3%	0.5%	1.1%
Emerging*	14.2%	1.9%	2.9%	10.6%	0.5%	0.5%	0.0%	-0.3%	0.7%
Frontier**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Cash	0.0%	--	2.0%	--	0.0%	0.0%	0.0%	-0.3%	-0.3%

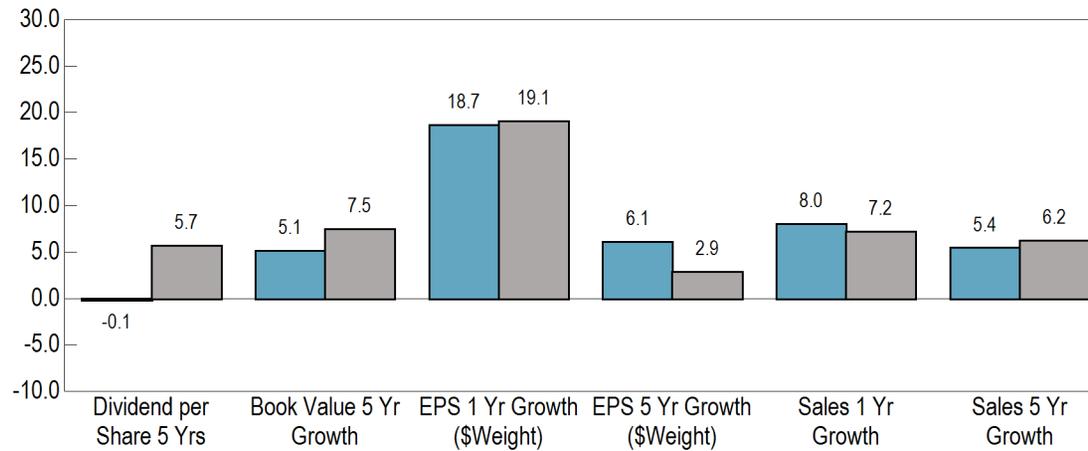
	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>AsiaPacific</b>									
Australia	--	-0.8%	0.0%	2.8%	--	0.2%	--	--	0.2%
China*	17.6%	3.8%	0.8%	2.1%	0.3%	0.0%	0.0%	-0.2%	0.2%
Hong Kong	28.6%	3.3%	0.6%	1.1%	0.3%	0.0%	0.0%	-0.1%	0.2%
India*	4.2%	10.4%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Indonesia*	--	-4.7%	0.0%	0.2%	--	0.0%	--	--	0.0%
Japan	3.3%	2.2%	13.8%	7.8%	0.1%	-0.3%	-0.4%	0.5%	-0.2%
Korea*	4.2%	4.0%	1.0%	1.7%	0.1%	0.0%	0.0%	-0.1%	0.1%
Malaysia*	--	5.9%	0.0%	0.4%	--	0.0%	--	--	0.0%
New Zealand	--	-4.5%	0.0%	0.0%	--	0.0%	--	--	0.0%
Pakistan**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Philippines*	--	-5.0%	0.0%	0.1%	--	0.0%	--	--	0.0%
Singapore	--	0.7%	0.0%	0.5%	--	0.0%	--	--	0.0%
Sri Lanka**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Taiwan*	--	4.4%	0.0%	1.2%	--	0.0%	--	--	0.0%
Thailand*	--	-10.2%	0.0%	0.2%	--	0.0%	--	--	0.0%
<b>Other</b>									
Bahrain**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Bangladesh**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Bulgaria**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Croatia**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Egypt*	--	19.4%	0.0%	0.0%	--	0.0%	--	--	0.0%
Estonia**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Israel	--	6.3%	0.0%	0.2%	--	0.0%	--	--	0.0%
Jordan**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Kazakhstan**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Kenya**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Kuwait**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Lebanon**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Lithuania**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Mauritius**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Morocco**	--	4.0%	0.0%	0.0%	--	0.0%	--	--	0.0%
Nigeria**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Oman**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Qatar**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Romania**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Serbia**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Slovenia**	--	--	0.0%	0.0%	--	--	--	--	0.0%
South Africa*	--	2.4%	0.0%	0.8%	--	0.0%	--	--	0.0%
Tunisia**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Turkey*	--	-14.0%	0.0%	0.2%	--	0.0%	--	--	0.0%
Ukraine**	--	--	0.0%	0.0%	--	--	--	--	0.0%
United Arab Emirates**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Vietnam**	--	--	0.0%	0.0%	--	--	--	--	0.0%
Other Countries*		0.0%	0.0%	0.0%					

# Wellington Global Opportunities Strategy

**Portfolio Characteristics**  
Ending December 31, 2013



**Historical Growth Measures**  
Ending December 31, 2013



## Manager Philosophy and Process

### Investment Style/Philosophy

Arrowstreet applies a quantitative process to build a portfolio with risk characteristics similar to the index. The firm believes it can profit by exploiting 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.

### Investment Process

Arrowstreet's investable universe consists of stocks in the reference index. For large cap strategies, stocks must have a minimum market capitalization of \$300 million. Arrowstreet's research quantitatively establishes a stock's return forecast. These derive from a diverse set of predictive signals (e.g., book yield, earnings yield, etc.) measured across two types of factor categories: (a) A stock's own direct (idiosyncratic) characteristics; (b) Indirect characteristics, which comprise various types of inter-company relationships. Most notably, securities operating in the same country, or the same sector, or the same country/sector basket are analyzed. Arrowstreet has also developed some indirect characteristics, also referred to as "expanded linkages", whereby it analyzes the relationship between companies that are not necessarily related on a country and/or sector basis. Factors used to exploit opportunities include value, momentum, earnings revisions, and high frequency (i.e., factors based on short-term liquidity considerations). The portfolio attempts to avoid systematic biases towards any country or sector. Instead, Arrowstreet builds the portfolio to maximize the trade-off between a stock's expected return, its contribution to risk, and trading costs.

## Current Positioning

- During the fourth quarter, Arrowstreet decreased their underweight position in the financials sector
- The portfolio moved from overweight to consumer discretionary to underweight the sector over the fourth quarter
- From a country perspective, Arrowstreet increased their active weight in the United States and is now overweight the US relative to the benchmark

## Quarterly Attribution

### Positive Impact on Performance:

- Security selection in the developed markets
- Security selection in the financials, telecommunication services and health care sectors of the United States
- Individual contributors: Hewlett-Packard, FedEx and Gilead Sciences

### Negative Impact on Performance:

- Currency effect in the developed markets and emerging markets
- Security selection in the Italian energy sector
- Individual detractors: LM Ericsson Telefon, Cisco Systems, Flextronics International

## Characteristics

Number of holdings: 329

Median Market Capitalization (\$B): \$16

Weighted Average Market Capitalization (\$B): \$52

P/E ratio: 20.9x

P/B ratio: 1.9x

Dividend Yield: 1.8%

Earnings growth (5 year): 7.8%

% cash: 0.7%

## Summary Data Points

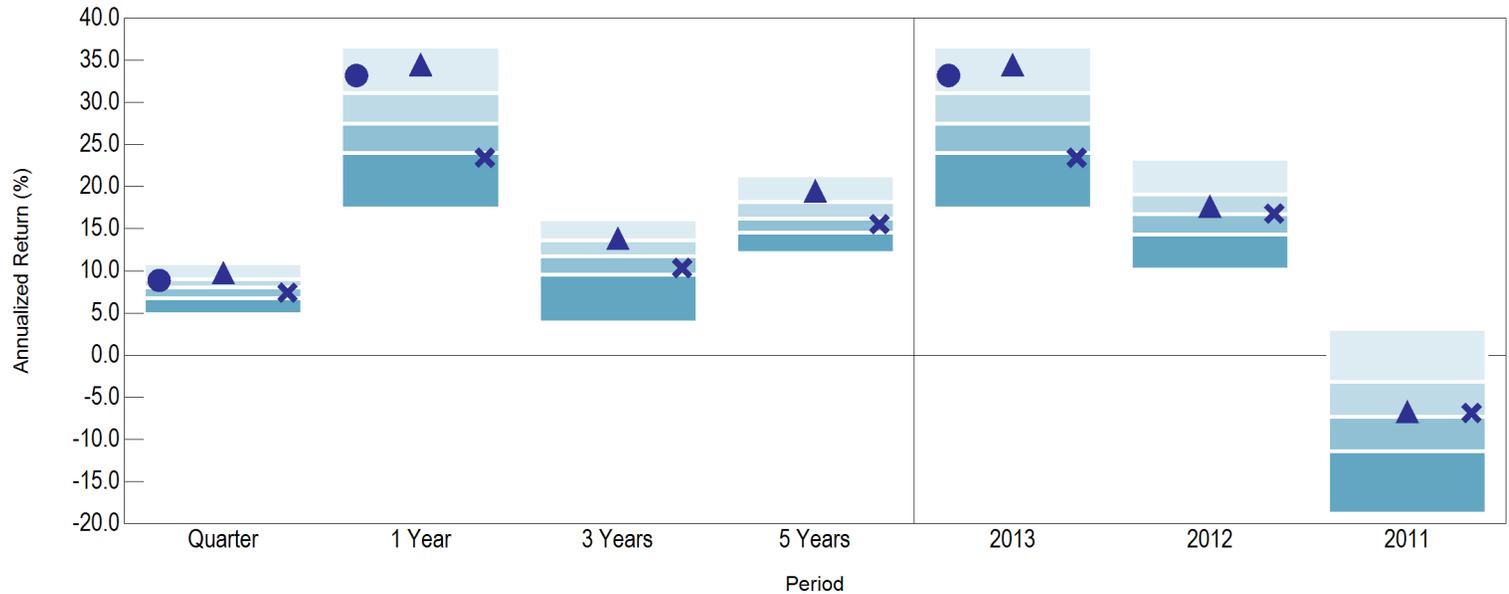
Mercer Rating: A

Strategy Assets (\$B): \$10.0 (September 30, 2013)

# NCSRP Arrowstreet Global Equity ACWI

## Performance

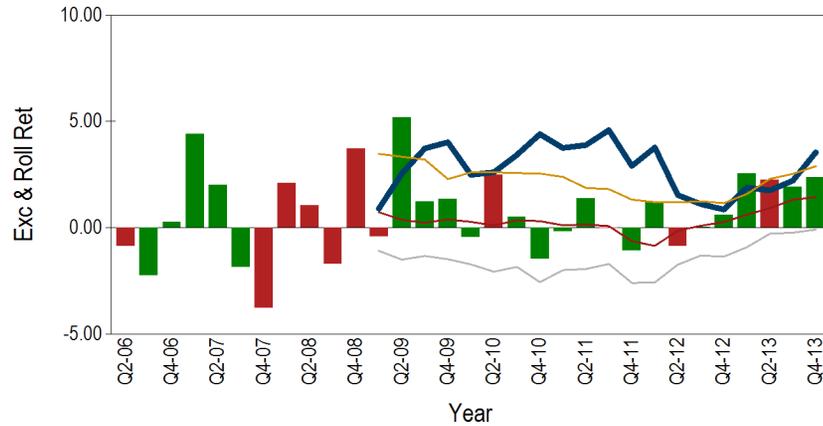
Performance vs. Mercer Instl Global Equity  
Ending December 31, 2013



	Return (Rank)											
	Quarter	1 Year	3 Years	5 Years	2013	2012	2011	Quarter	1 Year	3 Years	5 Years	2013
5th Percentile	10.9	36.6	16.1	21.3	36.6	23.3	3.1	10.9	36.6	16.1	21.3	36.6
25th Percentile	9.1	31.1	13.7	18.2	31.1	19.1	-3.2	9.1	31.1	13.7	18.2	31.1
Median	8.1	27.5	11.8	16.3	27.5	16.8	-7.3	8.1	27.5	11.8	16.3	27.5
75th Percentile	6.8	24.0	9.6	14.6	24.0	14.3	-11.3	6.8	24.0	9.6	14.6	24.0
95th Percentile	4.9	17.5	3.9	12.2	17.5	10.2	-18.8	4.9	17.5	3.9	12.2	17.5
# of Portfolios	457	413	322	287	413	476	439	457	413	322	287	413
● NCSRP Arrowstreet Global Equity ACWI	8.9 (30)	33.2 (15)	-- (--)	-- (--)	33.2 (15)	-- (--)	-- (--)	8.9 (30)	33.2 (15)	-- (--)	-- (--)	33.2 (15)
▲ Arrowstreet Global Equity ACWI Strategy	9.8 (13)	34.5 (10)	13.9 (22)	19.5 (15)	34.5 (10)	17.7 (42)	-6.7 (47)	9.8 (13)	34.5 (10)	13.9 (22)	19.5 (15)	34.5 (10)
✕ MSCI ACWI Gross	7.4 (62)	23.4 (77)	10.3 (69)	15.5 (62)	23.4 (77)	16.8 (50)	-6.9 (48)	7.4 (62)	23.4 (77)	10.3 (69)	15.5 (62)	23.4 (77)

# Arrowstreet Global Equity ACWI Strategy

**Rolling 3 Year Excess Performance**  
Arrowstreet Global Equity ACWI Strategy vs. MSCI AC World GD IX



**Annualized Excess Return vs. Tracking Error**  
5 Years Ending December 31, 2013



**International Equity Performance Attribution**  
Versus MSCI ACWI Gross - Quarter Ending December 31, 2013

	Returns and Ending Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Americas	12.4%	9.3%	57.6%	54.3%	1.0%	0.4%	0.1%	0.1%	1.6%
Europe	8.4%	7.7%	21.2%	25.7%	0.6%	0.0%	-0.2%	-0.2%	0.1%
Asia/Pacific	4.9%	2.3%	19.8%	18.9%	0.3%	0.0%	-0.4%	0.6%	0.5%
Other	-5.2%	0.6%	1.4%	1.1%	0.0%	-0.2%	-0.1%	0.1%	-0.2%
Cash	--	--	--	0.0%	--	--	--	--	--
<b>Total</b>	<b>9.5%</b>	<b>7.4%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.9%</b>	<b>0.2%</b>	<b>-0.6%</b>	<b>0.6%</b>	<b>2.1%</b>

# Arrowstreet Global Equity ACWI Strategy

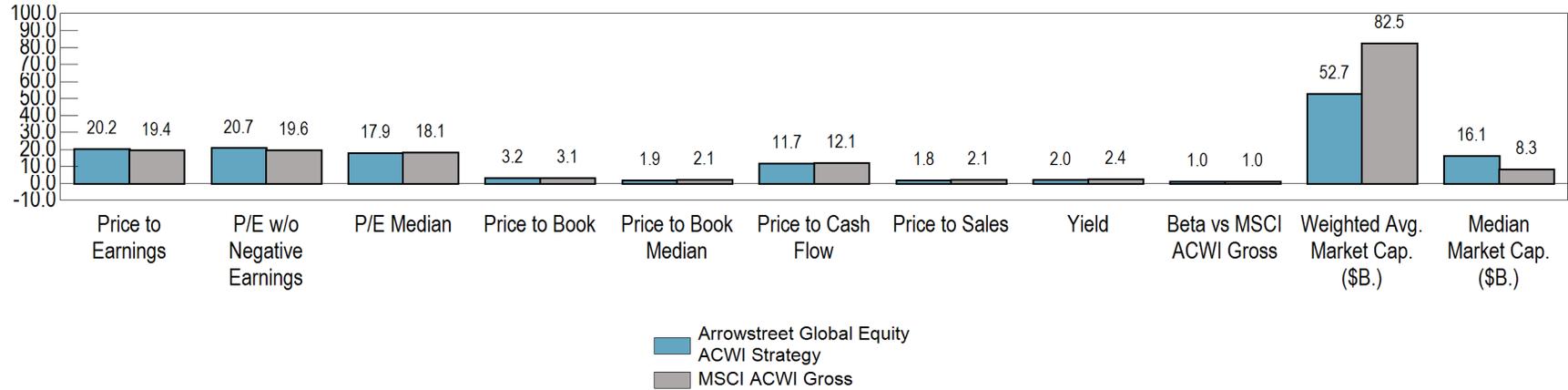
# International Equity Performance Attribution

	Returns and Ending Weights				Attribution Effects					Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>Europe</b>										
Austria	--	3.3%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Belgium	--	8.0%	0.0%	0.4%	--	0.0%	--	--	0.0%	
Czech Republic*	--	1.0%	0.0%	0.0%	--	0.0%	--	--	0.0%	
Denmark	18.5%	10.3%	1.7%	0.4%	0.0%	0.0%	0.0%	0.1%	0.2%	
Finland	23.1%	12.1%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	
France	1.3%	6.1%	1.3%	3.7%	-0.2%	0.0%	0.0%	0.2%	0.0%	
Germany	10.9%	13.5%	3.0%	3.5%	-0.1%	0.1%	0.0%	0.0%	0.0%	
Greece	--	16.8%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Hungary*	--	-4.9%	0.0%	0.0%	--	0.0%	--	--	0.0%	
Ireland	--	11.7%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Italy	23.4%	11.6%	1.2%	0.8%	0.1%	0.0%	0.0%	0.1%	0.2%	
Netherlands	9.9%	8.8%	0.1%	1.0%	0.1%	0.0%	0.0%	0.0%	0.0%	
Norway	4.4%	5.9%	0.3%	0.3%	0.0%	0.0%	0.0%	-0.1%	-0.1%	
Poland*	12.2%	3.9%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	
Portugal	--	1.3%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Russia*	2.9%	0.4%	3.2%	0.6%	0.0%	-0.1%	0.0%	0.0%	-0.1%	
Spain	8.1%	11.4%	0.1%	1.2%	0.0%	0.0%	0.0%	0.1%	0.0%	
Sweden	-0.5%	5.2%	3.7%	1.2%	-0.1%	-0.2%	0.0%	-0.3%	-0.6%	
Switzerland	9.6%	4.3%	0.8%	3.3%	0.2%	0.1%	0.0%	-0.1%	0.1%	
United Kingdom	13.7%	7.3%	5.4%	8.1%	0.5%	0.0%	-0.2%	-0.1%	0.3%	
<b>Americas</b>										
Argentina**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Brazil*	-10.1%	-5.6%	0.2%	1.1%	-0.1%	0.1%	0.1%	0.0%	0.1%	
Canada	1.5%	4.2%	1.1%	3.7%	-0.1%	0.1%	0.1%	0.0%	0.1%	
Chile*	--	-6.8%	0.0%	0.2%	--	0.0%	--	--	0.0%	
Colombia*	--	-11.1%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Mexico*	4.6%	8.3%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	
Peru*	--	3.0%	0.0%	0.0%	--	0.0%	--	--	0.0%	
United States	12.7%	10.3%	56.3%	48.6%	1.2%	0.1%	0.0%	0.1%	1.4%	
<b>Totals</b>										
Developed	9.7%	8.1%	94.5%	89.4%	1.8%	0.1%	-0.5%	0.2%	1.5%	
Emerging*	4.6%	1.9%	5.5%	10.6%	0.1%	0.1%	0.0%	0.4%	0.5%	
Frontier**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Other	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Cash	--	--	--	0.0%	--	--	--	--	--	

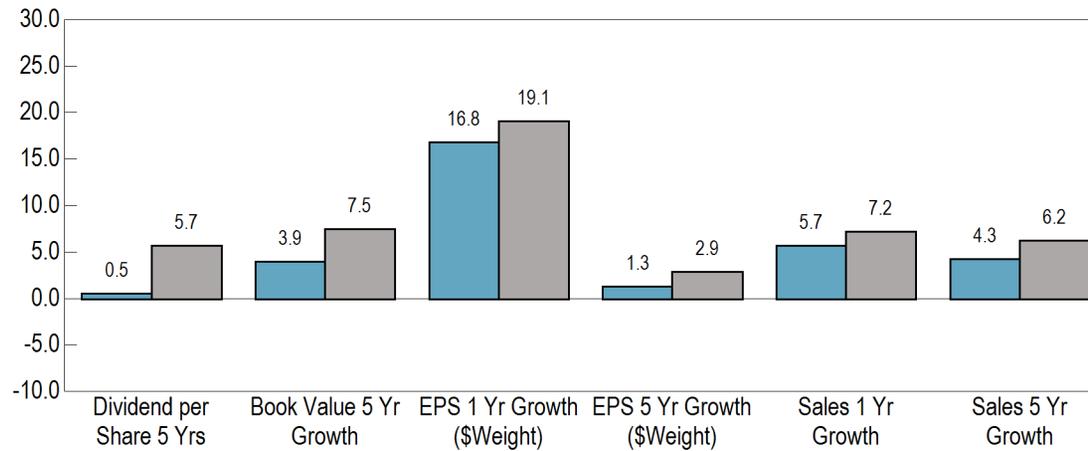
	Returns and Ending Weights				Attribution Effects					Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect		
<b>AsiaPacific</b>										
Australia	-0.2%	-0.8%	0.3%	2.8%	0.0%	0.2%	0.1%	-0.1%	0.2%	
China*	9.2%	3.8%	0.8%	2.1%	0.1%	0.1%	0.0%	0.1%	0.3%	
Hong Kong	26.0%	3.3%	1.1%	1.1%	0.2%	0.0%	0.0%	0.0%	0.3%	
India*	--	10.4%	0.0%	0.7%	--	0.0%	--	--	0.0%	
Indonesia*	--	-4.7%	0.0%	0.2%	--	0.0%	--	--	0.0%	
Japan	1.9%	2.2%	17.4%	7.8%	0.0%	-0.5%	-0.5%	0.5%	-0.5%	
Korea*	2.3%	4.0%	0.1%	1.7%	0.0%	0.1%	0.0%	0.1%	0.1%	
Malaysia*	--	5.9%	0.0%	0.4%	--	0.0%	--	--	0.0%	
New Zealand	-8.1%	-4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Pakistan**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Philippines*	--	-5.0%	0.0%	0.1%	--	0.0%	--	--	0.0%	
Singapore	-5.4%	0.7%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
Sri Lanka**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Taiwan*	--	4.4%	0.0%	1.2%	--	0.0%	--	--	0.0%	
Thailand*	-6.7%	-10.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Other</b>										
Bahrain**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Bangladesh**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Bulgaria**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Croatia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Egypt*	--	19.4%	0.0%	0.0%	--	0.0%	--	--	0.0%	
Estonia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Israel	-7.7%	6.3%	0.3%	0.2%	0.0%	0.0%	0.0%	-0.1%	-0.1%	
Jordan**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Kazakhstan**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Kenya**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Kuwait**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Lebanon**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Lithuania**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Mauritius**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Morocco*	--	4.0%	0.0%	0.0%	--	0.0%	--	--	0.0%	
Nigeria**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Oman**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Qatar**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Romania**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Serbia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Slovenia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
South Africa*	7.0%	2.4%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	
Tunisia**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Turkey*	-4.0%	-14.0%	1.1%	0.2%	0.0%	-0.3%	-0.1%	0.2%	-0.1%	
Ukraine**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
United Arab Emirates**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Vietnam**	--	--	0.0%	0.0%	--	--	--	--	0.0%	
Other Countries	--	--	0.0%	0.0%	--	--	--	--	0.0%	

# Arrowstreet Global Equity ACWI Strategy

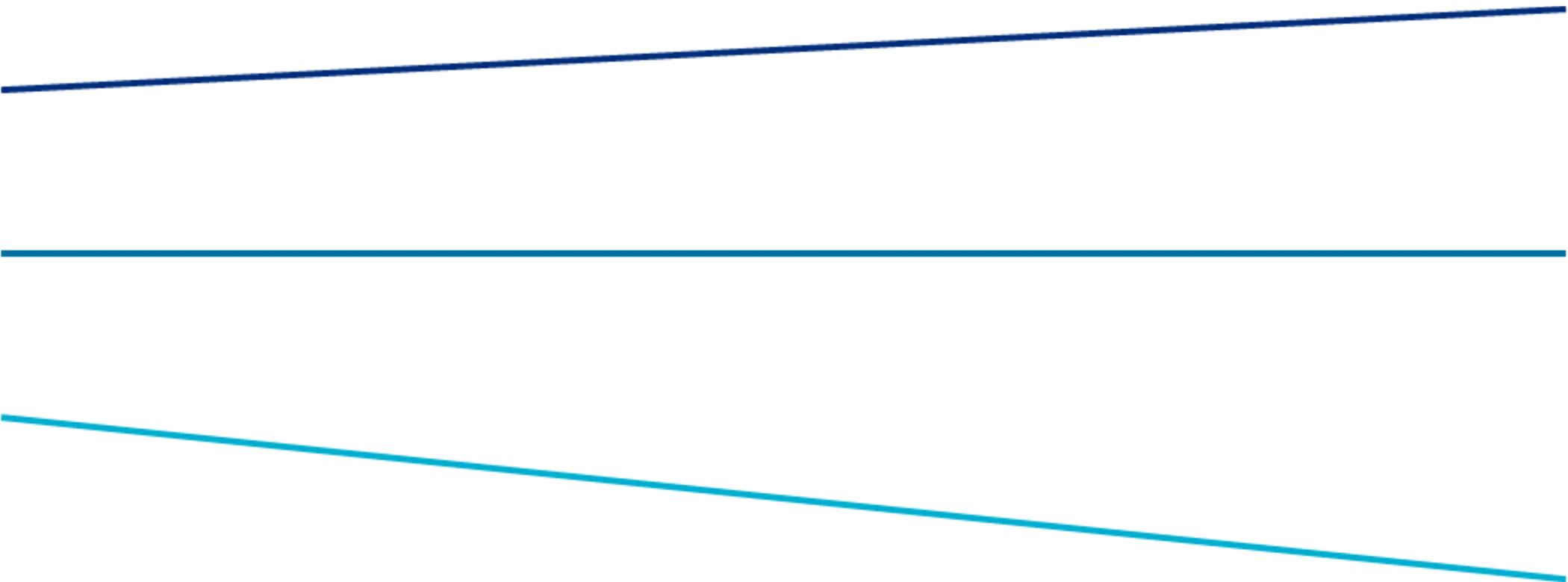
**Portfolio Characteristics**  
Ending December 31, 2013



**Historical Growth Measures**  
Ending December 31, 2013



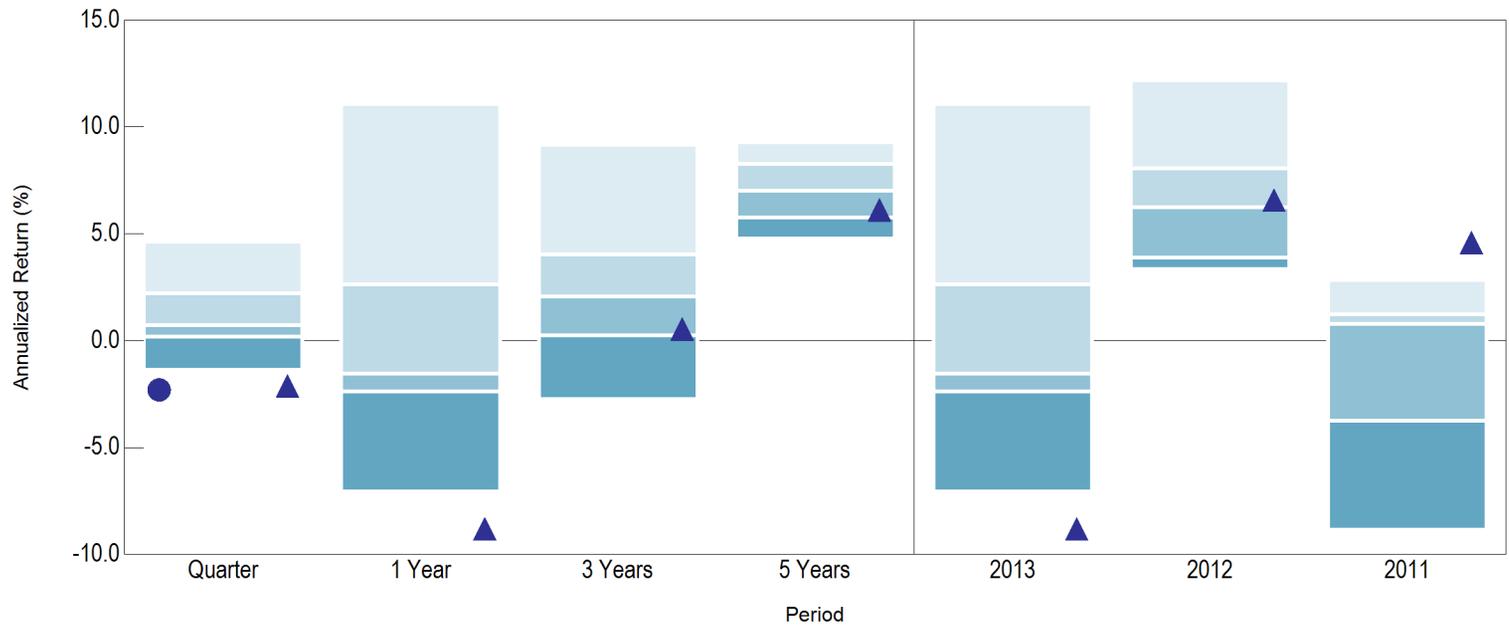
# Inflation Sensitive



# Inflation Sensitive Fund

## Performance

Performance vs. Mercer Mutual Fund Diversified Inflation Hedge  
Ending December 31, 2013



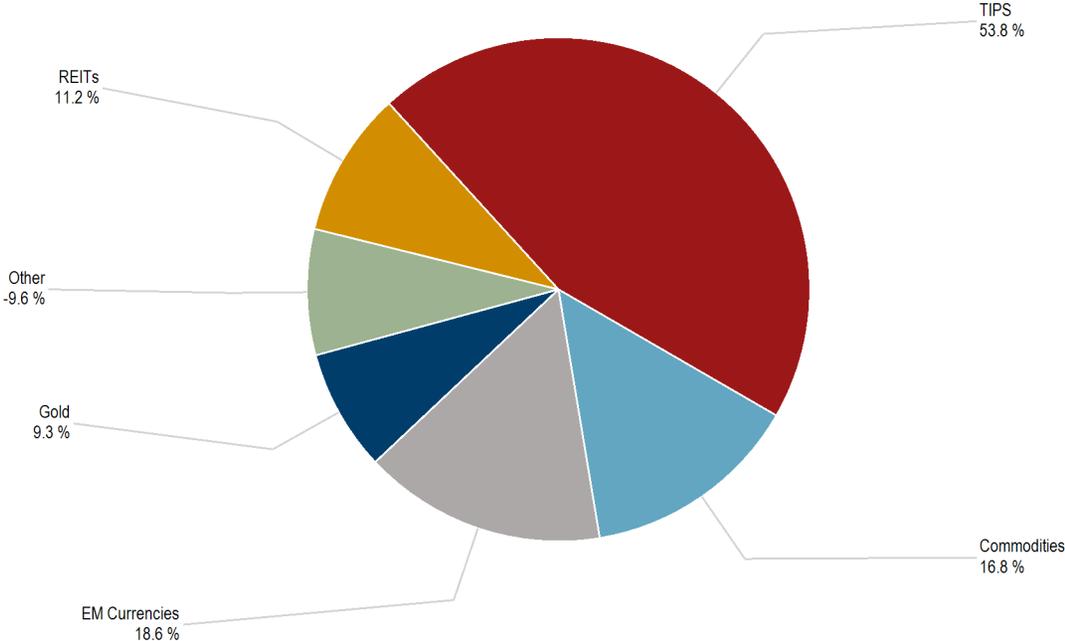
Return (Rank)

5th Percentile	4.6	11.0	9.2	9.3	11.0	12.2	2.8
25th Percentile	2.2	2.7	4.1	8.3	2.7	8.1	1.3
Median	0.7	-1.5	2.1	7.0	-1.5	6.3	0.8
75th Percentile	0.2	-2.4	0.3	5.8	-2.4	3.9	-3.7
95th Percentile	-1.3	-7.1	-2.7	4.8	-7.1	3.4	-8.8
# of Portfolios	9	9	6	2	9	10	7
● Inflation Sensitive Fund	-2.3 (99)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ PIMCO Inflation Response Index	-2.1 (99)	-8.8 (99)	0.5 (73)	6.1 (69)	-8.8 (99)	6.6 (49)	4.6 (1)

# Inflation Sensitive Fund

---

Current Allocation



## Manager Philosophy and Process

### Investment Style/Philosophy

IRMAF is a comprehensive real return asset allocation strategy designed to hedge global inflation risks while targeting enhanced return opportunities that inflation dynamics may present. IRMAF seeks to achieve this objective by providing diversified exposure to a broad opportunity set of inflation-related assets, including Treasury Inflation-Protected Securities (TIPS), commodities, emerging market (EM) currencies, real estate and gold. In addition, tail risk hedging strategies are used to limit the impact of periodic market stresses that may affect inflation-related assets.

### Investment Process

The investment process for the IRMAF builds off of the forward-looking views produced by PIMCO's secular (long-term focused) and cyclical (near-term focus) investment process. PIMCO's Investment Committee combines top-down macro views with bottom-up inputs from the firm's sector and regional specialist portfolio management teams. The result is a series of forward-looking investment views regarding the attractiveness of key global risk factors. PIMCO's Asset Allocation Committee distills these views into risk factor weightings, which can be expressed across the full spectrum of asset classes, including TIPS, commodities, currencies, real estate and gold.

## Current Positioning

- Declining from its peak of a 57.5% allocation in October, TIPS continues to be the Fund's largest exposure with a 53.8% allocation at the end of the quarter.
- The Fund decreased its allocations to commodities, down from a high of 20.5% in 3Q2013 to 16.8% at the end of the quarter. Conversely, the Fund increased its EM Currencies allocation to 18.6% as of quarter end.
- The Fund's gold and REITs allocation were relatively stagnant throughout the quarter with a 9.3% and 11.2% allocation, respectively.
- At quarter end, the portfolio's non-index allocation was short 9.6%.

### Positioning:

TIPS: 53.8%

Commodities: 16.8%

EM Currencies: 18.6%

REITs: 11.2%

Gold: 9.3%

Non-Index Exposures: -9.6%

Global ILBs: -1.4%

Equity: 0.0%

Other: -8.3%

## Quarterly Attribution

### Positive Impact on Performance:

- Sale of French inflation swaps as break even inflation levels narrowed
- Exposure to Italian inflation-linked Bonds which performed well as real yields declined
- Active commodity strategies, particularly substitution strategies
- Underweight allocation to gold as prices declined on high real yields

### Negative Impact on Performance:

- Overweight allocation to TIPS
- Duration exposure to Brazil as yields rose
- Performance of tail risk hedges

## Characteristics

Effective Duration (yrs): 3.42

Effective Maturity (yrs): 3.92

SEC 30-day Yield (%): -1.59

Unsubsidized SEC 30-day Yield (%): -1.79

## Summary Data Points

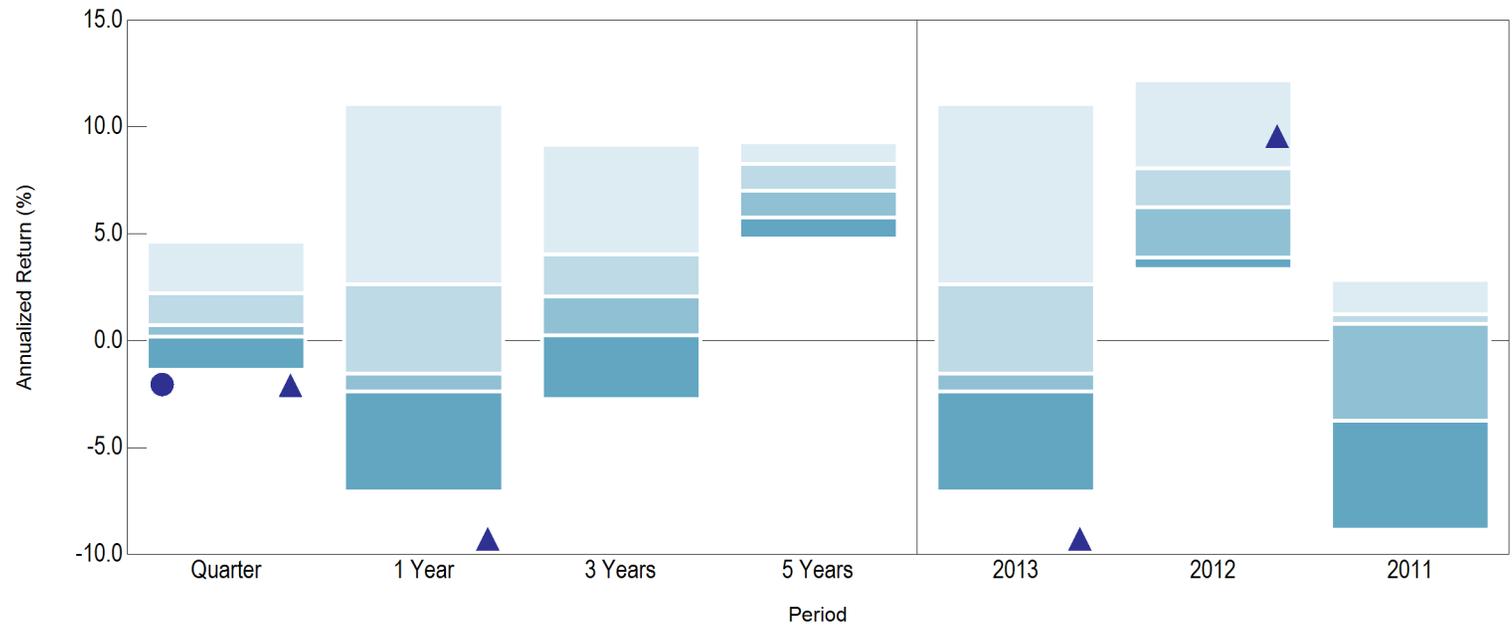
Rating: B+

AUM: \$1.7 Billion

# NCSRP PIMCO Inflation Response Multi-Asset

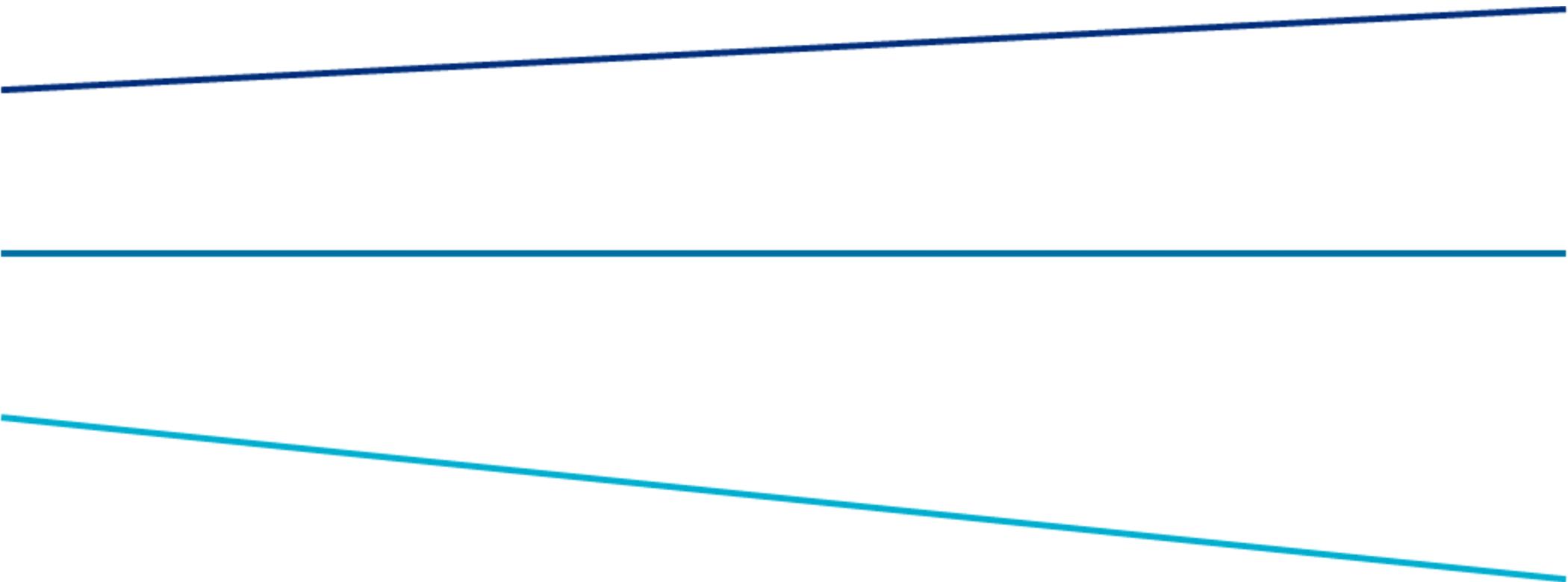
## Performance

Performance vs. Mercer Mutual Fund Diversified Inflation Hedge  
Ending December 31, 2013

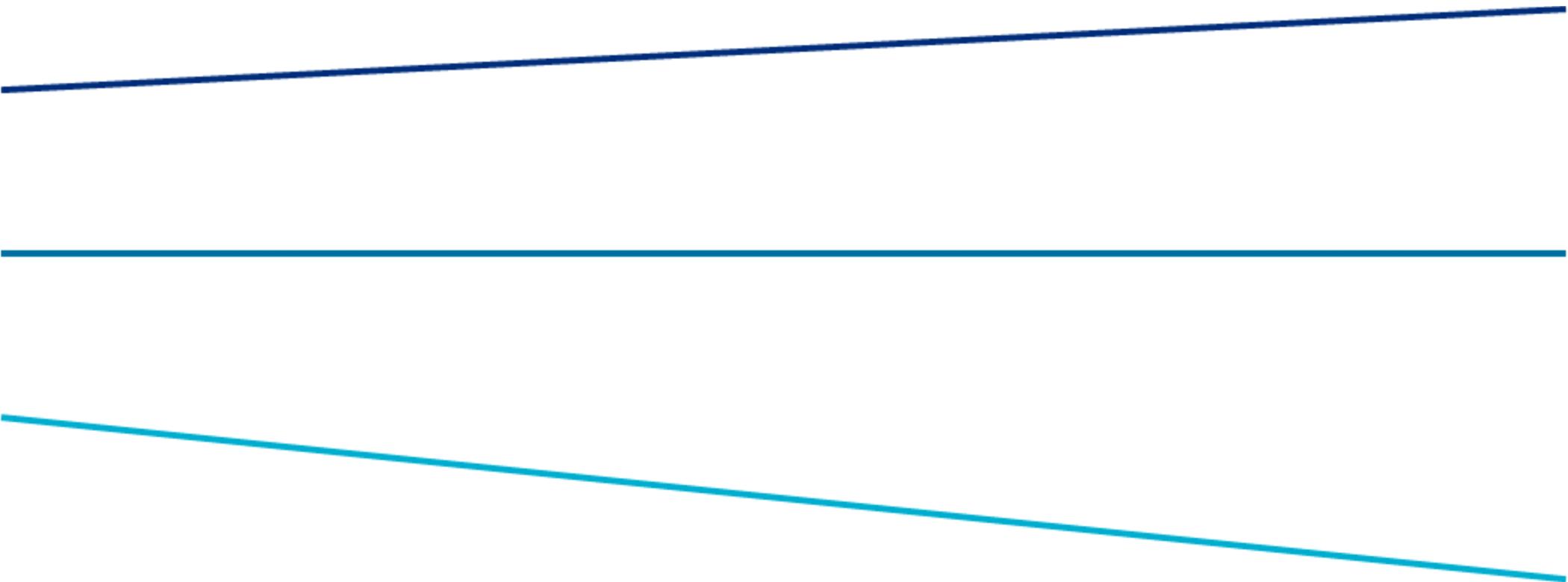


	Return (Rank)													
5th Percentile	4.6	11.0	9.2	9.3	11.0	12.2	2.8							
25th Percentile	2.2	2.7	4.1	8.3	2.7	8.1	1.3							
Median	0.7	-1.5	2.1	7.0	-1.5	6.3	0.8							
75th Percentile	0.2	-2.4	0.3	5.8	-2.4	3.9	-3.7							
95th Percentile	-1.3	-7.1	-2.7	4.8	-7.1	3.4	-8.8							
# of Portfolios	9	9	6	2	9	10	7							
● NCSRP PIMCO Inflation Response Multi-Asse	-2.1	(99)	--	(--)	--	(--)	--	(--)	--	(--)	--	(--)	--	(--)
▲ PIMCO Inflation Response Multi-Asset Strate	-2.1	(99)	-9.3	(99)	--	(--)	--	(--)	-9.3	(99)	9.6	(12)	--	(--)

# US Fixed Income



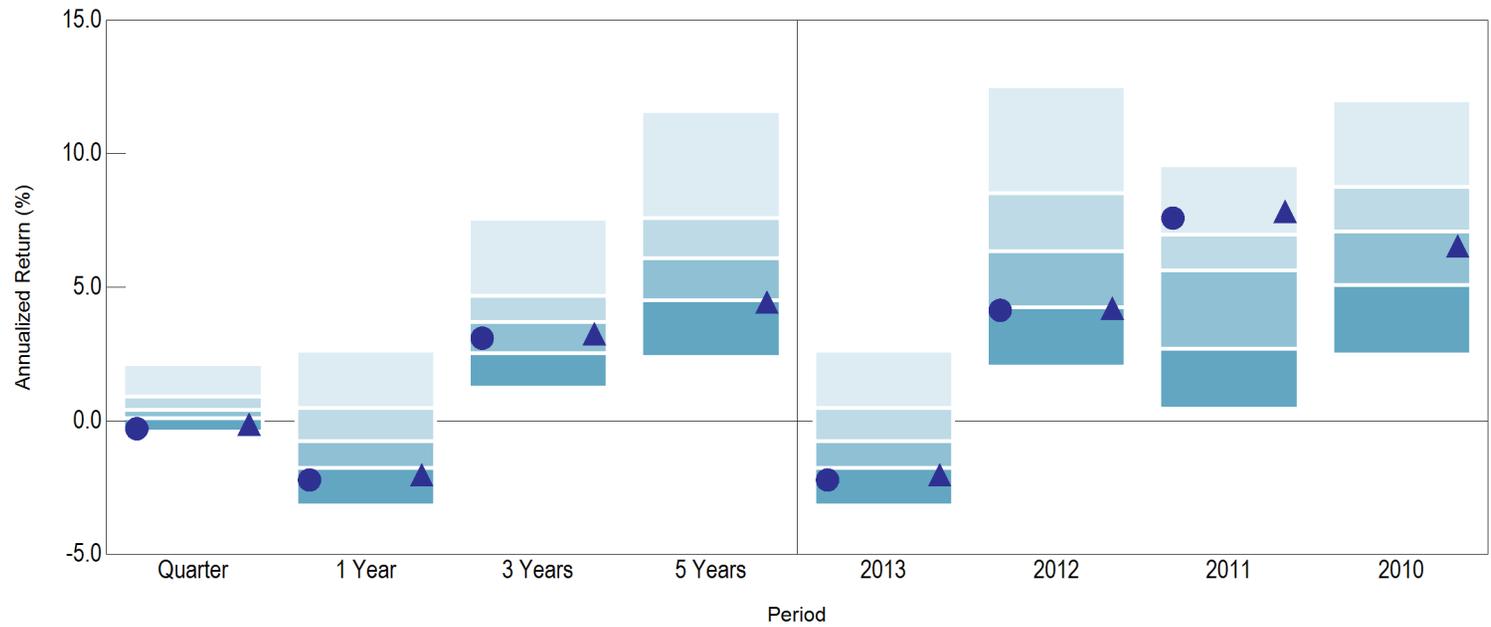
# US Fixed Income Passive



# Fixed Income Passive Fund

## Performance

Performance vs. Mercer Mutual Fund US Fixed Core  
Ending December 31, 2013



	Return (Rank)															
5th Percentile	2.1	2.6	7.5	11.6	2.6	12.5	9.6	12.0								
25th Percentile	0.9	0.5	4.7	7.6	0.5	8.5	7.0	8.8								
Median	0.4	-0.7	3.7	6.1	-0.7	6.4	5.6	7.1								
75th Percentile	0.1	-1.8	2.5	4.5	-1.8	4.3	2.7	5.1								
95th Percentile	-0.4	-3.2	1.3	2.4	-3.2	2.0	0.5	2.5								
# of Portfolios	387	379	349	318	379	383	395	400								
● Fixed Income Passive Fund	-0.3	(93)	-2.2	(85)	3.1	(66)	--	(--)	-2.2	(85)	4.1	(77)	7.6	(16)	--	(--)
▲ Barclays Aggregate	-0.1	(88)	-2.0	(81)	3.3	(62)	4.4	(77)	-2.0	(81)	4.2	(76)	7.8	(12)	6.5	(58)

**Strategy: BlackRock US Debt Index Fund (BGI)**

**Benchmark: Barclays Capital Aggregate**

## Manager Philosophy and Process

### Investment Process

The strategy seeks to track the return and risk characteristics of the Barclays US Aggregate Bond Index. The product is actually a superfund constructed of units of the following modular funds that each track a segment (subindex) of the Barclays US Aggregate Index: Intermediate Government, Long Government, Intermediate Credit, Long Credit, Mortgage-Backed, Asset-Backed, and Commercial Mortgage-Backed. Each modular fund employs a portfolio construction technique appropriate to the size, diversity, and liquidity of its benchmark. Each sector has unique liquidity and risk parameters. Some method of replicating the return and risk characteristics of each market segment is applied to the respective fund. Government bond and mortgage-backed funds employ nearly full replication, while the other funds utilize a stratified sampling approach.

## Quarterly Attribution

### Top Contributing Sectors:

- Corporate (+1.1%), Government Related (+0.1%).

### Top Detracting Sectors:

- Treasury (-0.8%), Securitized (-0.4%).

## Summary Data Points

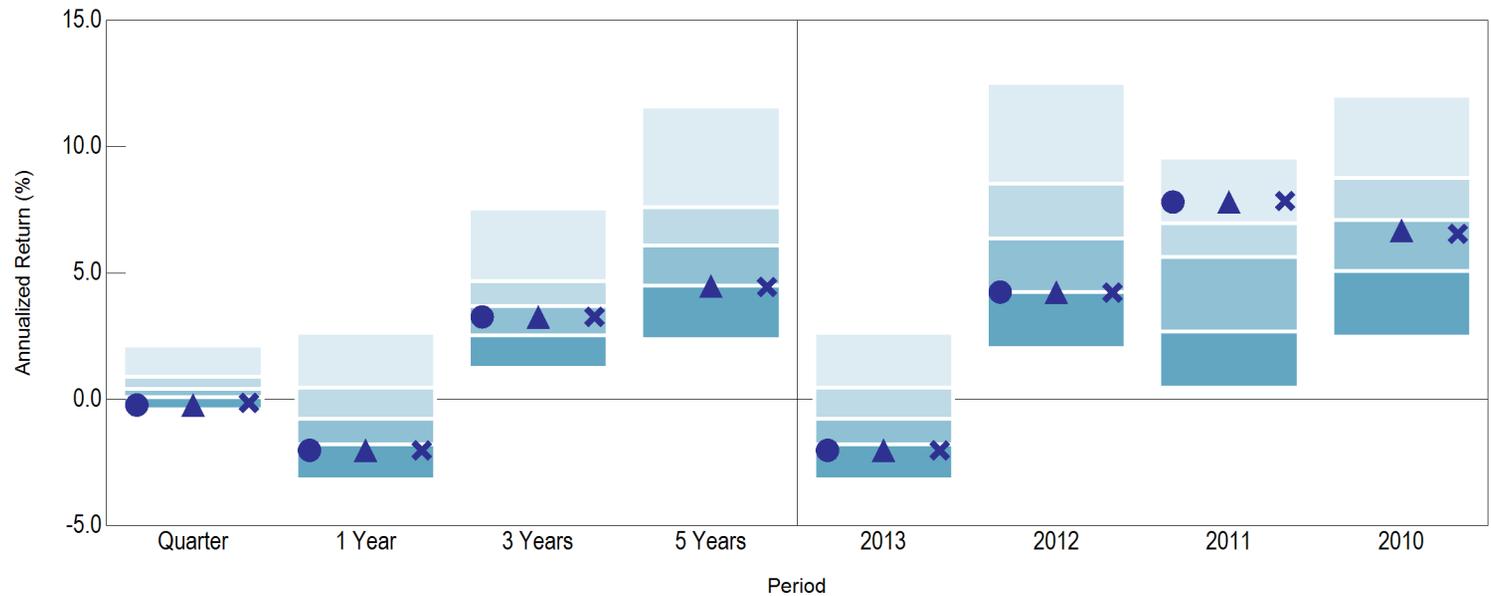
Mercer Rating: N

Total Strategy Assets: \$56.8 Billion (9/30/13)

# NCSRP BlackRock Debt Index Fund

## Performance

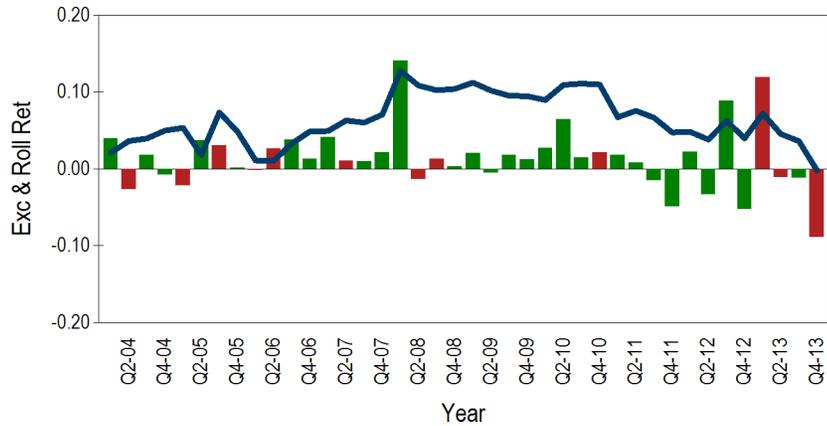
Performance vs. Mercer Mutual Fund US Fixed Core  
Ending December 31, 2013



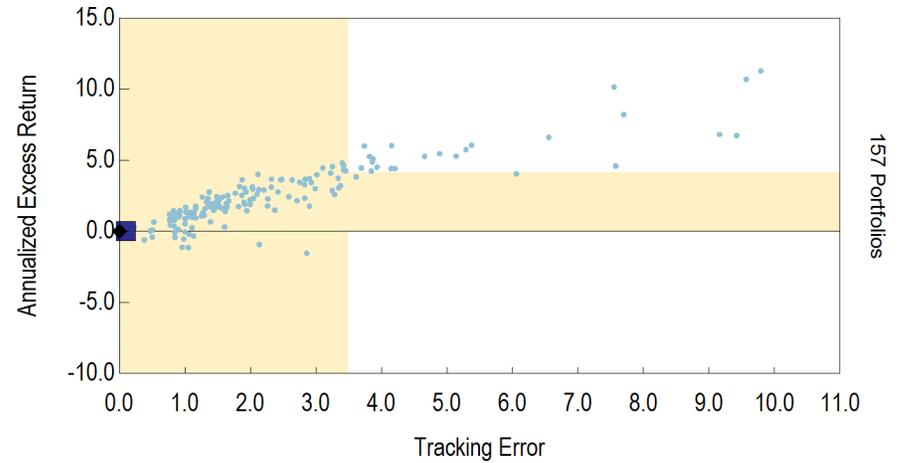
	Return (Rank)															
	Quarter		1 Year		3 Years		5 Years		2013		2012		2011		2010	
5th Percentile	2.1	2.6	7.5	11.6	2.6	12.5	9.6	12.0	0.9	0.5	4.7	7.6	0.5	8.5	7.0	8.8
25th Percentile	0.9	0.5	4.7	7.6	0.5	8.5	7.0	8.8	0.4	-0.7	3.7	6.1	-0.7	6.4	5.6	7.1
Median	0.4	-0.7	3.7	6.1	-0.7	6.4	5.6	7.1	0.1	-1.8	2.5	4.5	-1.8	4.3	2.7	5.1
75th Percentile	0.1	-1.8	2.5	4.5	-1.8	4.3	2.7	5.1	-0.4	-3.2	1.3	2.4	-3.2	2.0	0.5	2.5
95th Percentile	-0.4	-3.2	1.3	2.4	-3.2	2.0	0.5	2.5	387	379	349	318	379	383	395	400
# of Portfolios	387	379	349	318	379	383	395	400	-0.2	(92)	-2.0	(81)	3.3	(62)	--	(--)
● NCSRP BlackRock Debt Index Fund	-0.2	(92)	-2.0	(81)	3.3	(62)	--	(--)	-2.0	(81)	4.2	(76)	7.8	(13)	--	(--)
▲ BlackRock Debt Index Fund Strategy	-0.2	(92)	-2.0	(81)	3.3	(62)	4.5	(76)	-2.0	(81)	4.2	(76)	7.8	(13)	6.7	(56)
✕ Barclays Aggregate	-0.1	(88)	-2.0	(81)	3.3	(62)	4.4	(77)	-2.0	(81)	4.2	(76)	7.8	(12)	6.5	(58)

# BlackRock Debt Index Fund Strategy

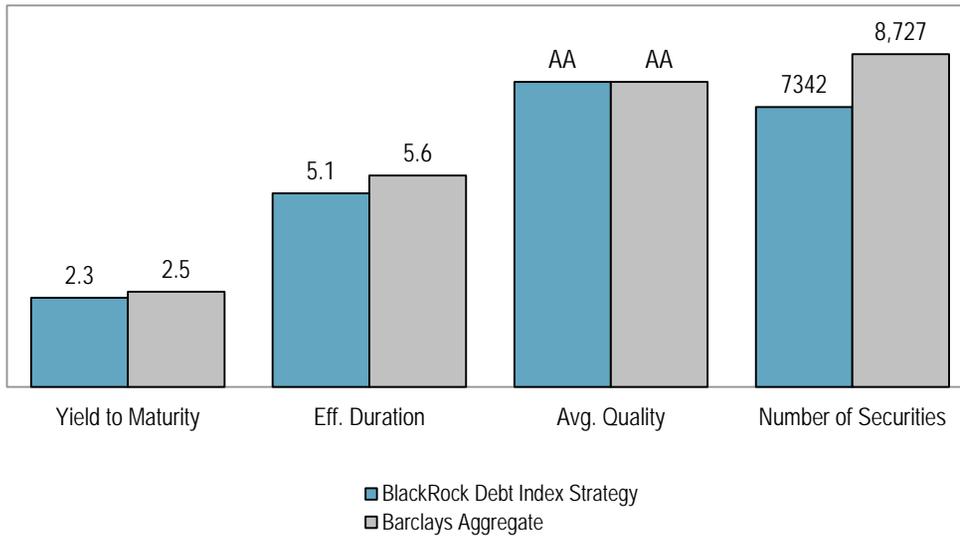
Rolling 3 Year Excess Performance  
BlackRock Debt Index Fund Strategy vs. Barclays Capital Aggregate



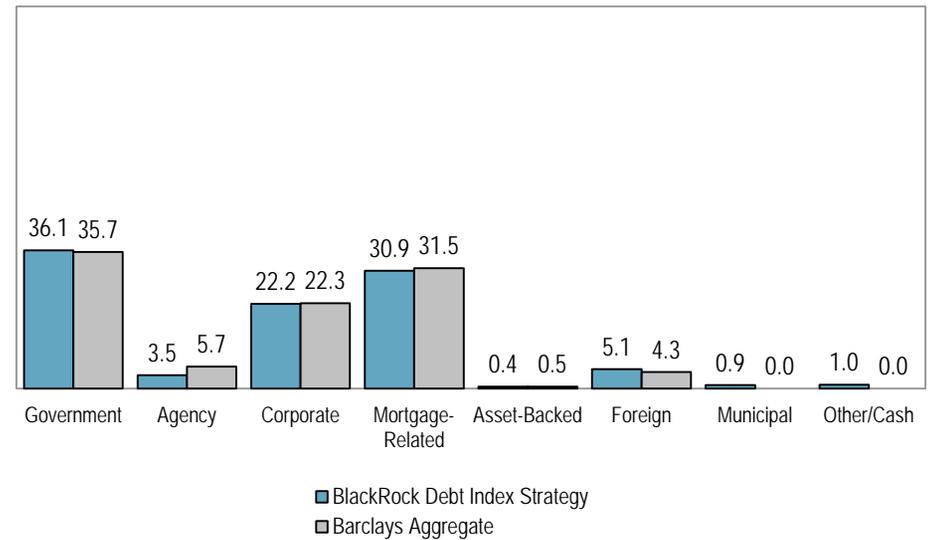
Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2013



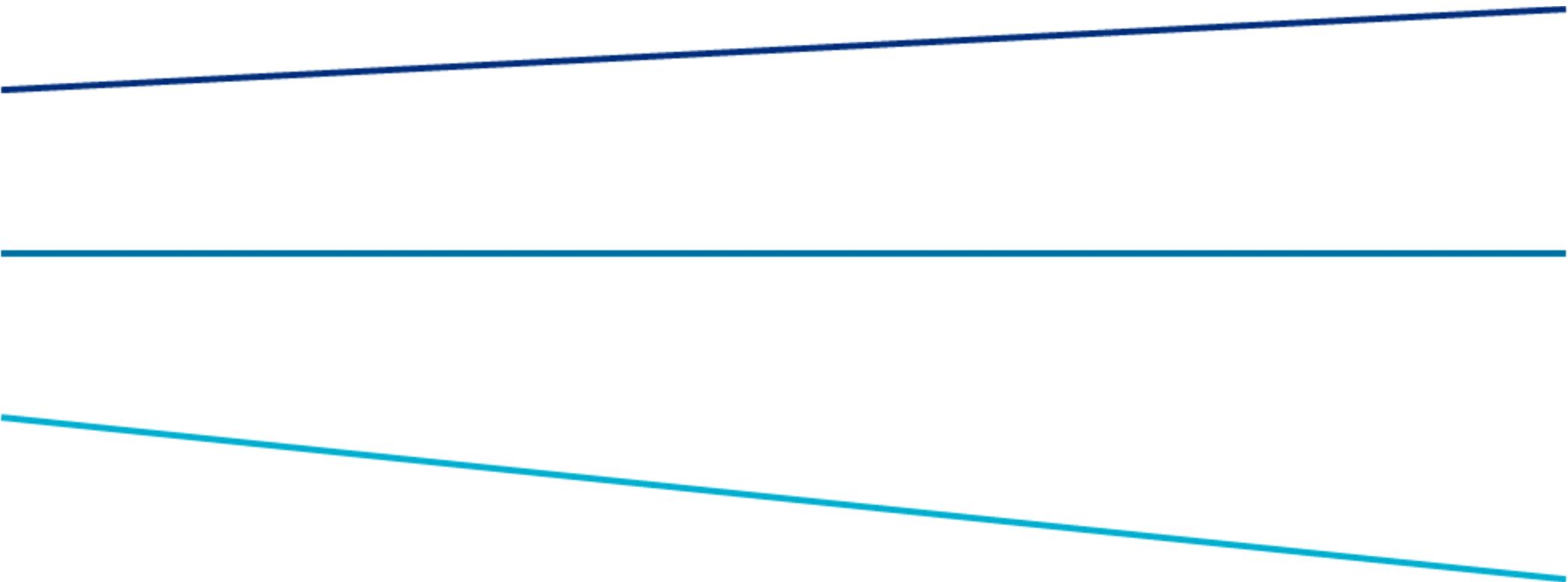
Characteristics  
as of December 31, 2013



Sectors  
as of December 31, 2013



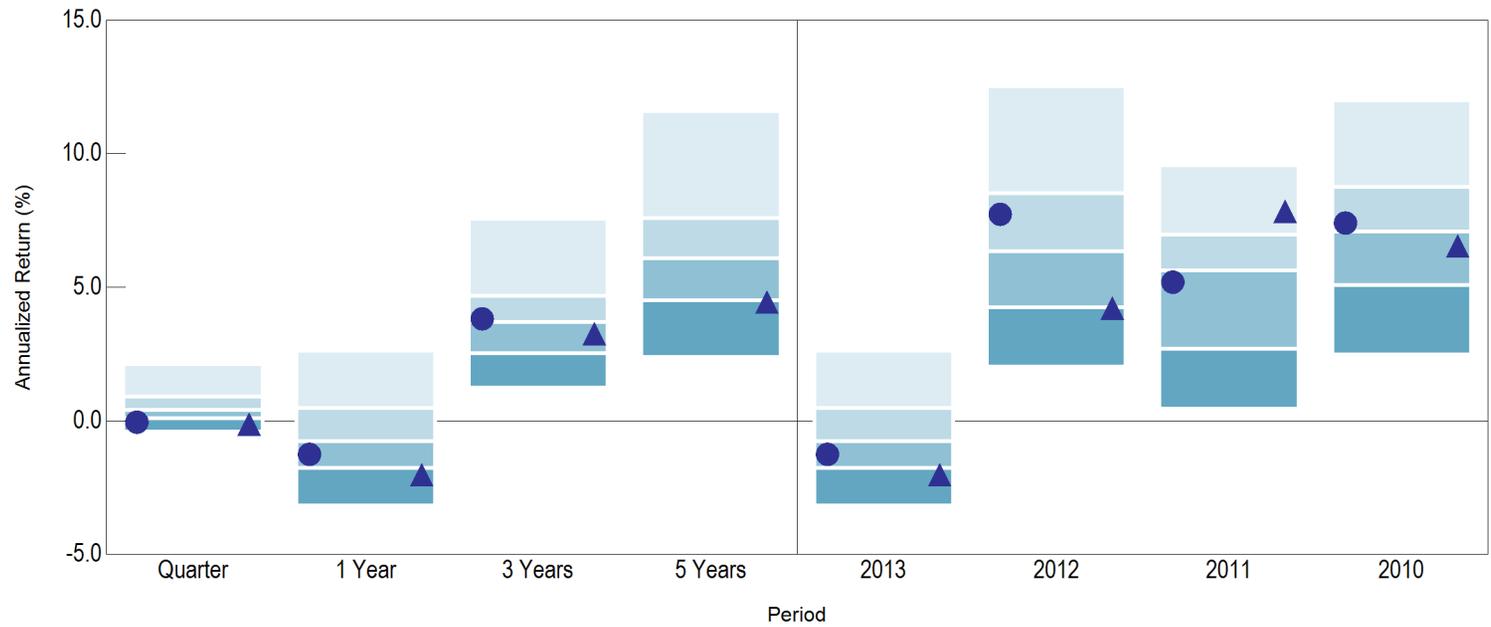
# US Fixed Income



# Fixed Income Fund

## Performance

Performance vs. Mercer Mutual Fund US Fixed Core  
Ending December 31, 2013



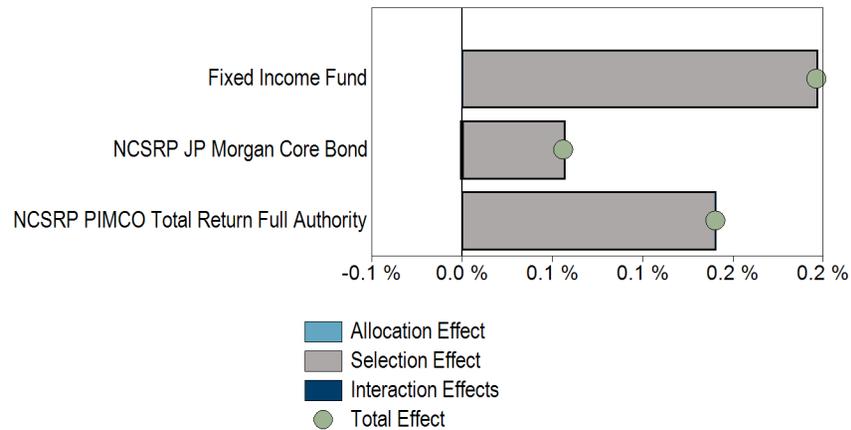
Return (Rank)

5th Percentile	2.1	2.6	7.5	11.6	2.6	12.5	9.6	12.0
25th Percentile	0.9	0.5	4.7	7.6	0.5	8.5	7.0	8.8
Median	0.4	-0.7	3.7	6.1	-0.7	6.4	5.6	7.1
75th Percentile	0.1	-1.8	2.5	4.5	-1.8	4.3	2.7	5.1
95th Percentile	-0.4	-3.2	1.3	2.4	-3.2	2.0	0.5	2.5
# of Portfolios	387	379	349	318	379	383	395	400
● Fixed Income Fund	0.0 (84)	-1.3 (63)	3.8 (47)	-- (--)	-1.3 (63)	7.7 (34)	5.2 (57)	7.4 (45)
▲ Barclays Aggregate	-0.1 (88)	-2.0 (81)	3.3 (62)	4.4 (77)	-2.0 (81)	4.2 (76)	7.8 (12)	6.5 (58)

# Fixed Income Fund

## Attribution

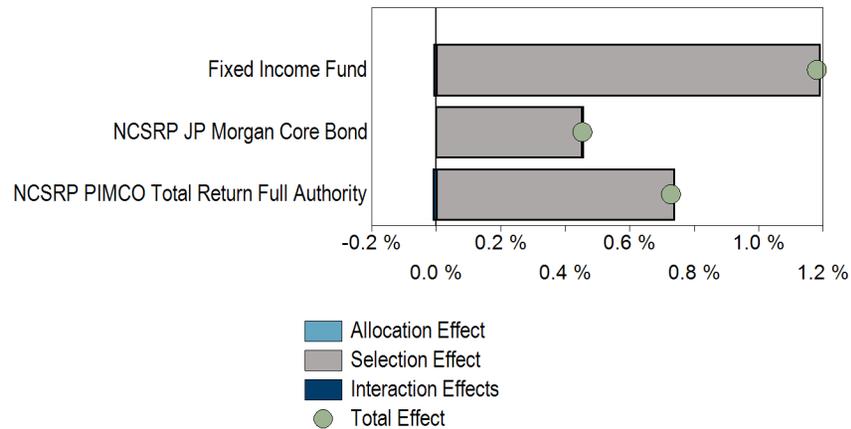
**Attribution Effects**  
3 Months Ending December 31, 2013



**Attribution Summary**  
3 Months Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP JP Morgan Core Bond	0.0%	-0.1%	0.1%	0.1%	0.0%	0.0%	0.1%
NCSRP PIMCO Total Return Full Authority	0.1%	-0.1%	0.3%	0.1%	0.0%	0.0%	0.1%
<b>Total</b>	<b>0.1%</b>	<b>-0.1%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.2%</b>

**Attribution Effects**  
1 Year Ending December 31, 2013

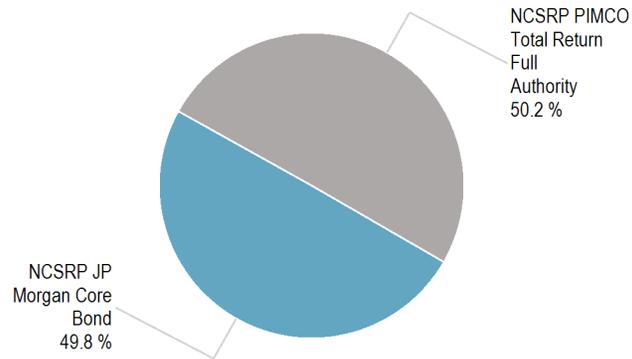


**Attribution Summary**  
1 Year Ending December 31, 2013

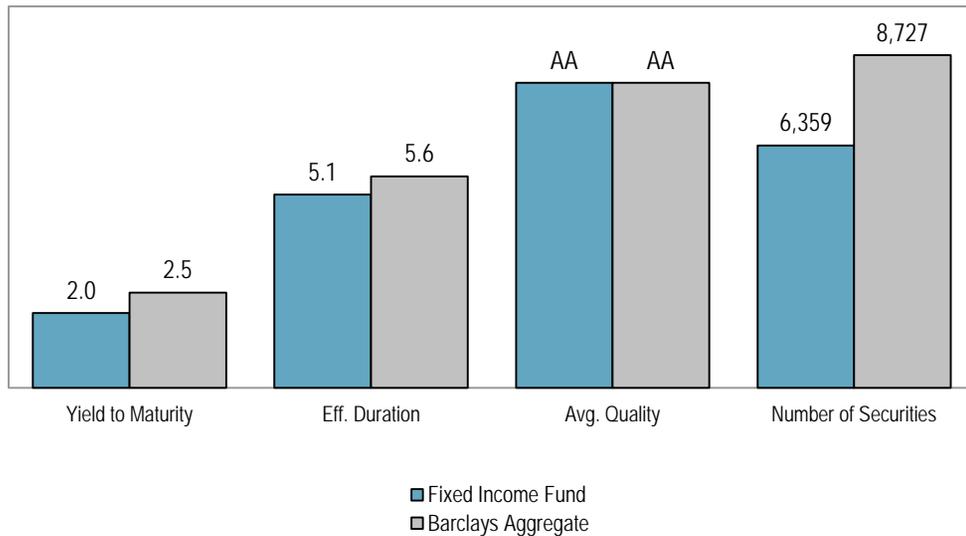
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
NCSRP JP Morgan Core Bond	-1.1%	-2.0%	0.9%	0.5%	0.0%	0.0%	0.5%
NCSRP PIMCO Total Return Full Authority	-0.6%	-2.0%	1.4%	0.7%	0.0%	0.0%	0.7%
<b>Total</b>	<b>-0.8%</b>	<b>-2.0%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>1.2%</b>

# Fixed Income Fund

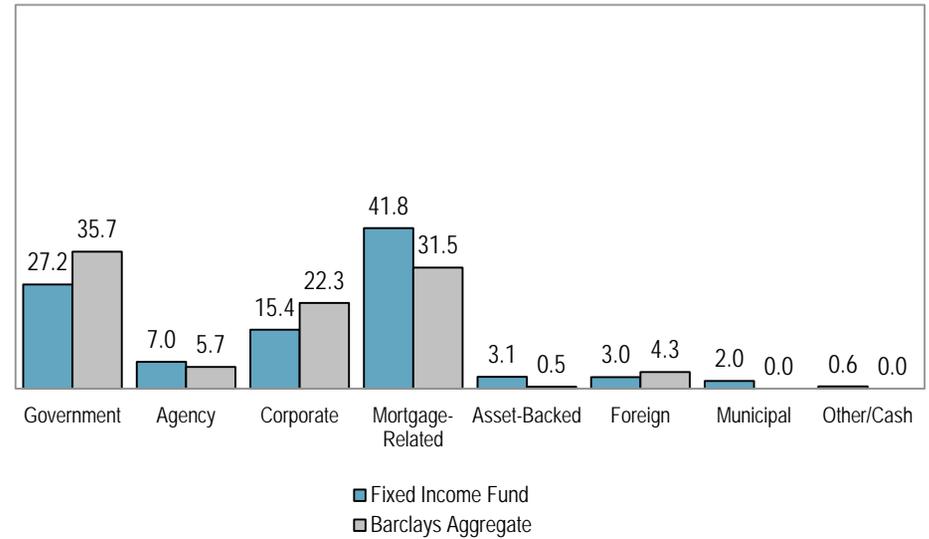
Current Allocation



Characteristics as of December 31, 2013



Sectors as of December 31, 2013



## Manager Philosophy and Process

JPMAM 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.

JPMAM uses duration management as a risk control tool. Its policy is to manage duration within 10% of the benchmark. Consistent with its value-oriented approach, JPMAM evaluates risk and reward relationships to identify value along the yield curve.

JPMAM's portfolio construction process is dictated by its bottom-up approach. However, portfolio managers maintain a consistent overweight to mortgage products and an underweight to the credit sector. The degree of the mortgage overweight strategy will vary with the firm's assessment of economic and industry factors as well as market supply/demand dynamics.

JPMAM uses a variety of quantitative techniques, including option-adjusted spread (OAS) analysis, to identify undervalued securities. Its portfolios consist of investment grade securities, with a majority invested in securities rated AAA. JPMAM continually monitors the portfolios, using quantitative valuation tools to identify securities that are fairly priced and overvalued. JPMAM will sell a security that becomes fairly valued, has an adverse change in fundamentals, or when a more attractive security with superior total return characteristics is identified.

## Current Positioning

- The fund is heavily underweight treasuries and overweight mortgage backed securities.
- To a lesser extent, the fund is overweight asset backed securities and underweight corporates and non-credit corporates.
- The fund has a lower duration than its benchmark (4.8 vs. 5.4).

## Quarterly Attribution

Positive Impact on Performance:

- Underweight treasury sector
- Non-agency mortgage security selection
- Duration/yield curve positioning

Negative Impact on Performance:

- Underweight corporate sector
- Overweight agency mortgage
- High Quality bias

## Characteristics

Current Yield: 3.44

Average Coupon: 3.46

Average Quality: AA

Effective Duration: 4.78

Effective Maturity: 6.28

% non Investment Grade (and not rated): 5.05

% Foreign: 100% USD denominated

Number of Securities: 470

## Summary Data Points

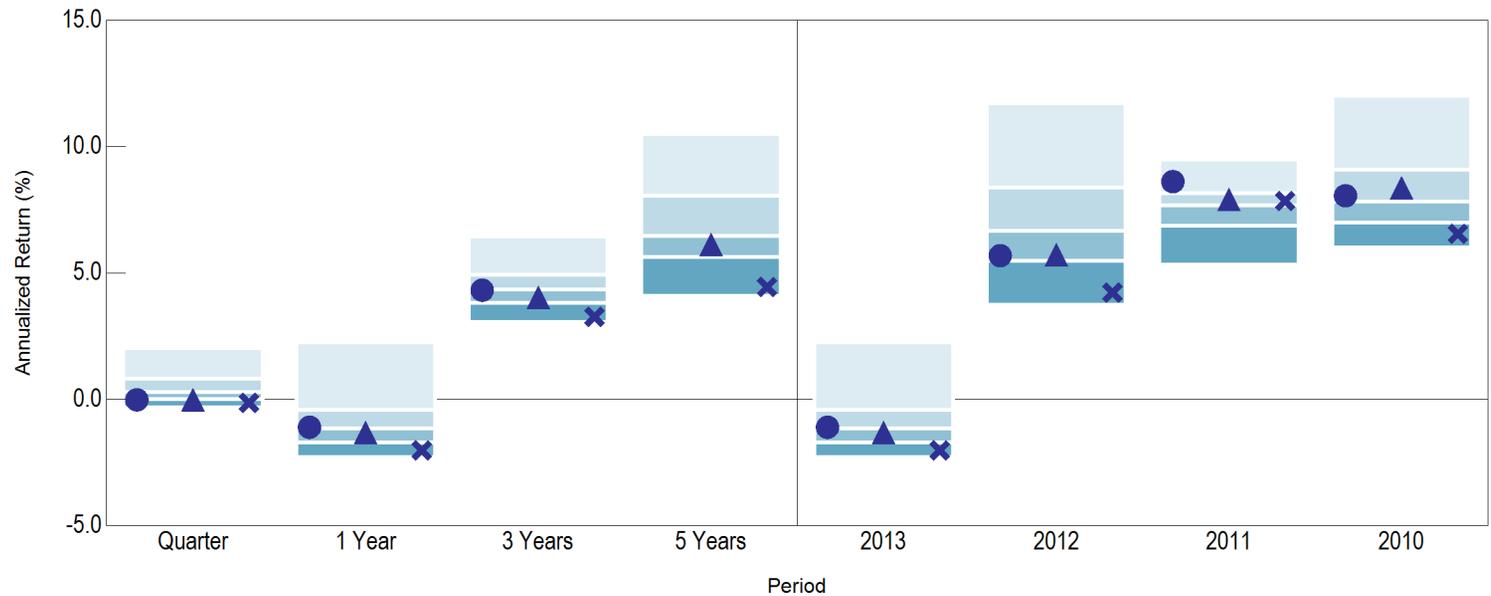
Mercer Rating: A

Manager Strategy Assets: \$73.0 billion

# NCSRP JP Morgan Core Bond

## Performance

Performance vs. Mercer Instl US Fixed Core  
Ending December 31, 2013

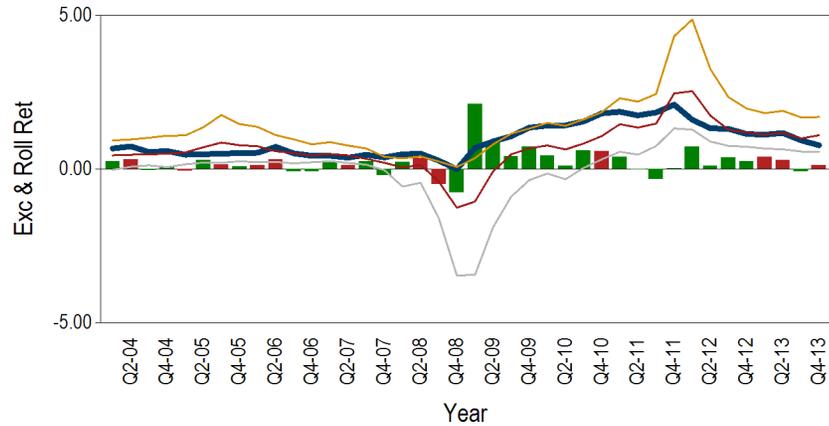


### Return (Rank)

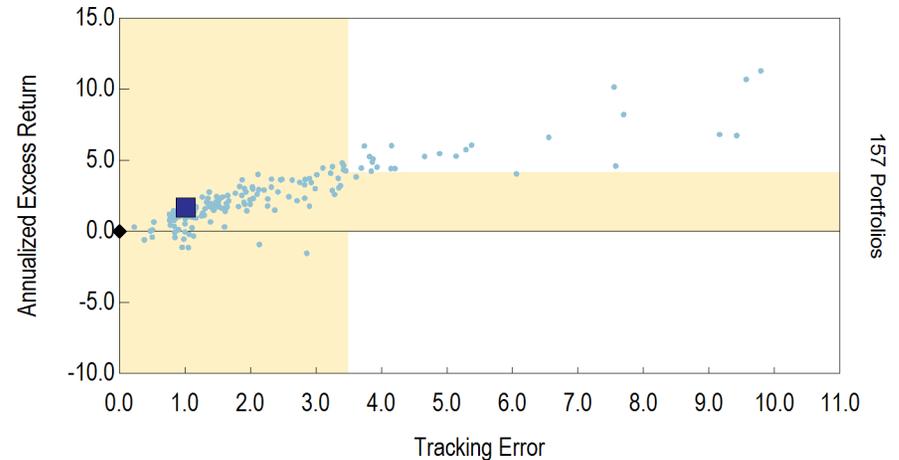
5th Percentile	2.0	2.2	6.4	10.5	2.2	11.7	9.5	12.0
25th Percentile	0.8	-0.4	4.9	8.1	-0.4	8.4	8.2	9.1
Median	0.3	-1.1	4.4	6.5	-1.1	6.7	7.7	7.8
75th Percentile	0.0	-1.7	3.8	5.6	-1.7	5.5	6.9	7.0
95th Percentile	-0.3	-2.3	3.1	4.1	-2.3	3.7	5.3	6.0
# of Portfolios	203	193	163	157	193	284	272	303
● NCSRP JP Morgan Core Bond	0.0 (82)	-1.1 (50)	4.3 (54)	-- (--)	-1.1 (50)	5.7 (71)	8.6 (15)	8.1 (46)
▲ JP Morgan Core Bond Strategy	0.0 (81)	-1.3 (56)	4.0 (63)	6.1 (62)	-1.3 (56)	5.7 (70)	7.9 (38)	8.4 (37)
✕ Barclays Aggregate	-0.1 (90)	-2.0 (89)	3.3 (93)	4.4 (93)	-2.0 (89)	4.2 (94)	7.8 (44)	6.5 (88)

# JP Morgan Core Bond Strategy

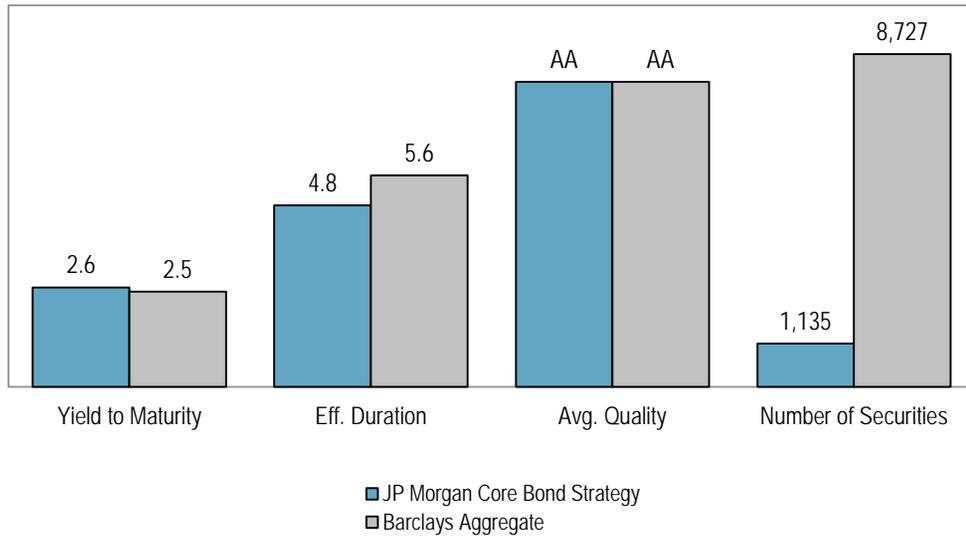
**Rolling 3 Year Excess Performance  
JP Morgan Core Bond Strategy vs. Barclays Capital Aggregate**



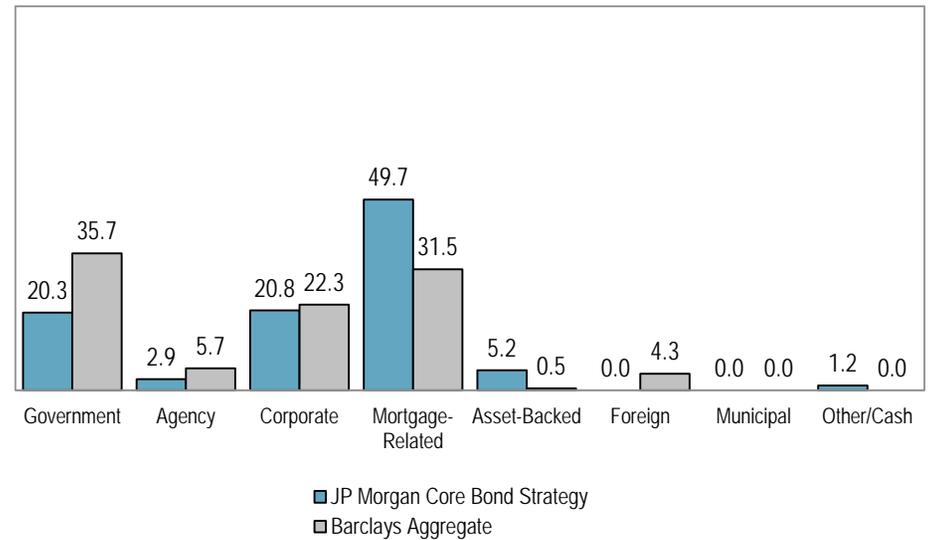
**Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2013**



**Characteristics  
as of December 31, 2013**



**Sectors  
as of December 31, 2013**



## Manager Philosophy and Process

**Investment Style/Philosophy:** PIMCO's top-down, core approach to fixed income management is focused on long-term secular trends. The firm seeks to add alpha through multiple sources of active risk including duration, yield curve, country, currency, sector rotation and bottom-up security selection. PIMCO's portfolio construction and risk management efforts are designed to position the portfolio with exposure to a series of moderate risks, ensuring that no single trade idea or risk factor overwhelms the portfolio. Given its dynamic approach to active management, as well as its large size in certain cash markets, PIMCO relies heavily on derivative securities to implement its trade ideas.

### Investment Process

PIMCO relies on its long-term secular outlook when determining portfolio duration. The firm develops its three-to-five-year secular outlook at annual strategy sessions. This outlook is fine-tuned quarterly. Portfolio duration is typically within 30% of the benchmark. PIMCO actively manages its yield curve positioning based on anticipated central bank actions and inflation expectations. The firm will invest opportunistically across global sovereign curves, and does not limit itself to U.S. interest rate exposure. PIMCO is a heavy user of futures and swaps to implement its duration and yield curve views.

PIMCO determines sector exposure based on its secular and cyclical outlooks. The firm will make significant shifts based on changes in relative valuations and spreads. Up to 30% of the portfolio may be invested in non-dollar bonds. The Core Fixed Income - Total Return strategy does not invest in non-investment grade bonds.

## Current Positioning

- The Fund is targeting benchmark-level duration, with a concentration on the front-end of the yield curve while maintaining an underweight position to longer maturity securities
- PIMCO will look to focus their TIPs exposure on the 10-20 year segment of the real yield curve, as break-even levels underprice the potential for secular inflation
- The Fund will remain underweight to the corporate spreads while favoring other corporate spread sectors
- PIMCO will look to focus on security selection within Agency MBS
- The Fund's non-US exposures are focused on Canada, Mexico, Italy and Spain

## Quarterly Attribution

### Positive Impact on Performance:

- Underweight to the long end of the US yield curve, as long maturity yields rose
- Allocation to non-Agency mortgages
- Exposure to build America municipal bonds, as the Fund benefitted from investors increased demand for attractive yields
- Modest exposure to high yield corporate bonds

### Negative Impact on Performance:

- Underweight to investment-grade corporate bonds which outperformed like-duration Treasuries
- Modest underweight to Agency MBS as spreads narrowed
- Modest exposure to Brazilian local interest rates as yields rose on inflation concerns

## Characteristics

Average Coupon: 3.1%

Average Quality: AA-

Effective Duration: 5.4 Years

Effective Maturity: 6.0 Years

% Foreign: 6.0%

Number of Securities: 5224

## Summary Data Points

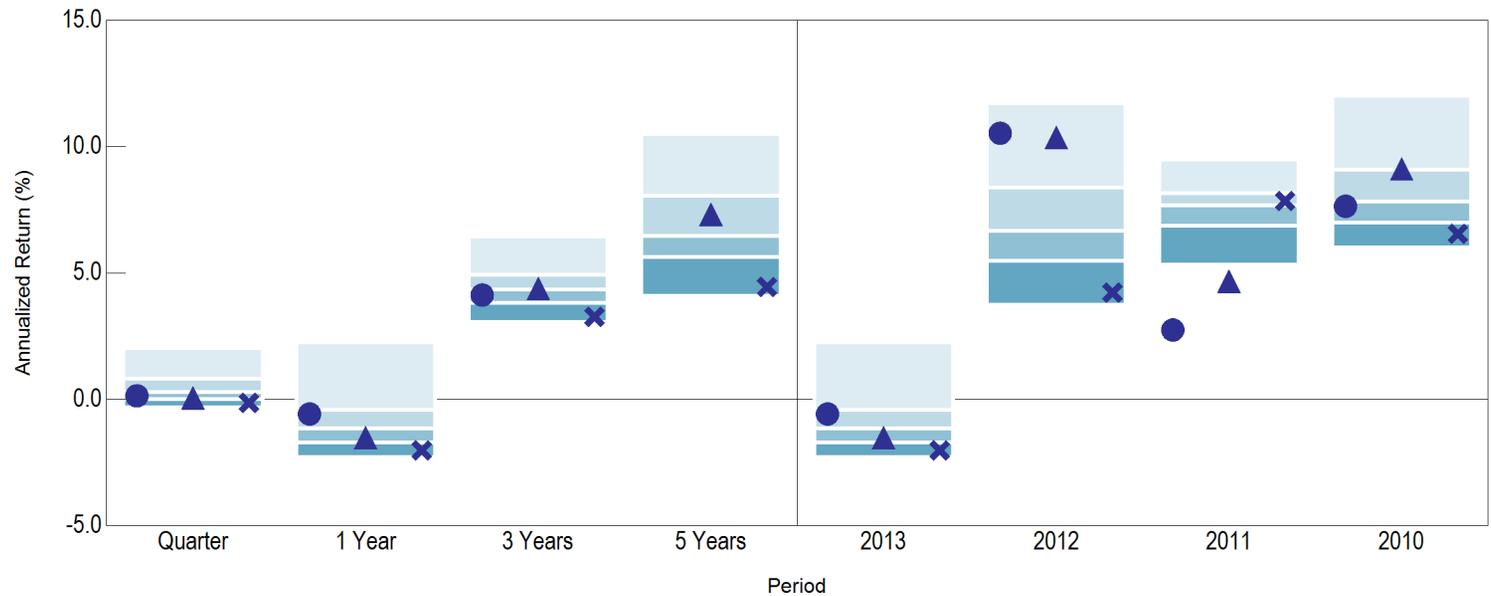
Mercer Rating: A (W)

Manager Strategy Assets (\$B): \$237.3

# NCSRP PIMCO Total Return Full Authority

## Performance

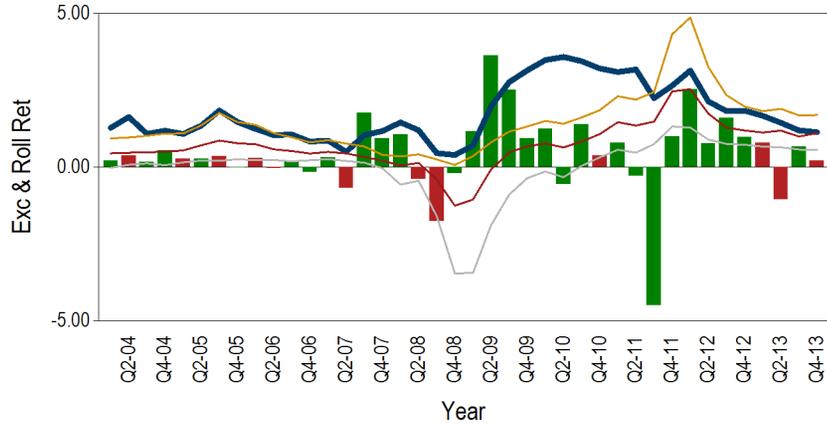
Performance vs. Mercer Instl US Fixed Core  
Ending December 31, 2013



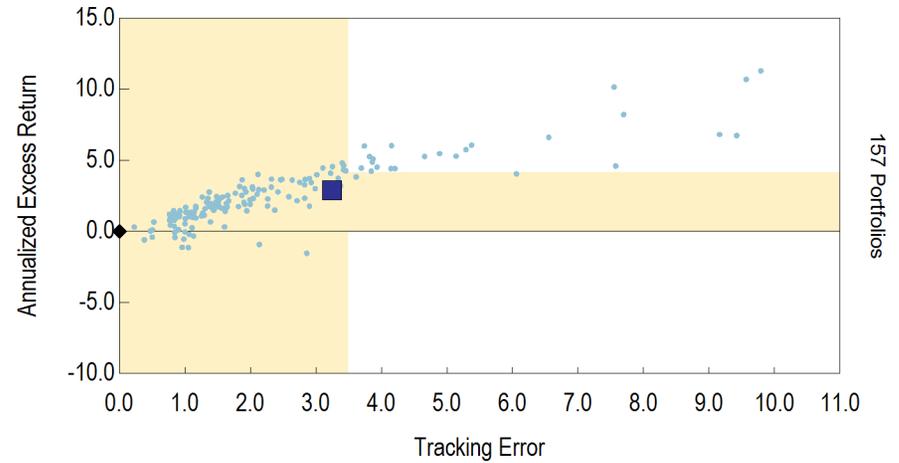
	Return (Rank)							
	Quarter	1 Year	3 Years	5 Years	2013	2012	2011	2010
5th Percentile	2.0	2.2	6.4	10.5	2.2	11.7	9.5	12.0
25th Percentile	0.8	-0.4	4.9	8.1	-0.4	8.4	8.2	9.1
Median	0.3	-1.1	4.4	6.5	-1.1	6.7	7.7	7.8
75th Percentile	0.0	-1.7	3.8	5.6	-1.7	5.5	6.9	7.0
95th Percentile	-0.3	-2.3	3.1	4.1	-2.3	3.7	5.3	6.0
# of Portfolios	203	193	163	157	193	284	272	303
● NCSRP PIMCO Total Return Full Authority	0.1 (66)	-0.6 (31)	4.1 (61)	-- (--)	-0.6 (31)	10.5 (10)	2.7 (99)	7.6 (57)
▲ PIMCO Total Return Full Authority Strategy	0.1 (72)	-1.5 (66)	4.4 (48)	7.3 (36)	-1.5 (66)	10.4 (11)	4.7 (97)	9.1 (25)
✕ Barclays Aggregate	-0.1 (90)	-2.0 (89)	3.3 (93)	4.4 (93)	-2.0 (89)	4.2 (94)	7.8 (44)	6.5 (88)

# PIMCO Total Return Full Authority Strategy

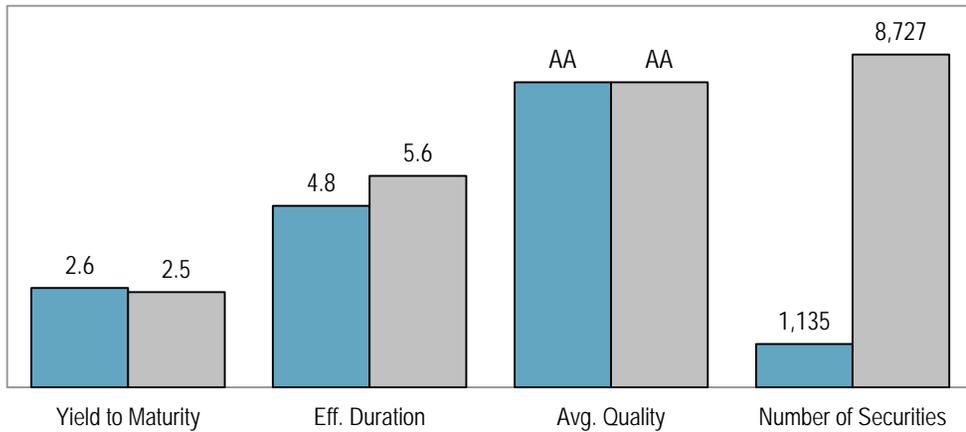
**Rolling 3 Year Excess Performance**  
**PIMCO Total Return Full Authority Strategy vs. Barclays Capital Aggregate**



**Annualized Excess Return vs. Tracking Error**  
**5 Years Ending December 31, 2013**

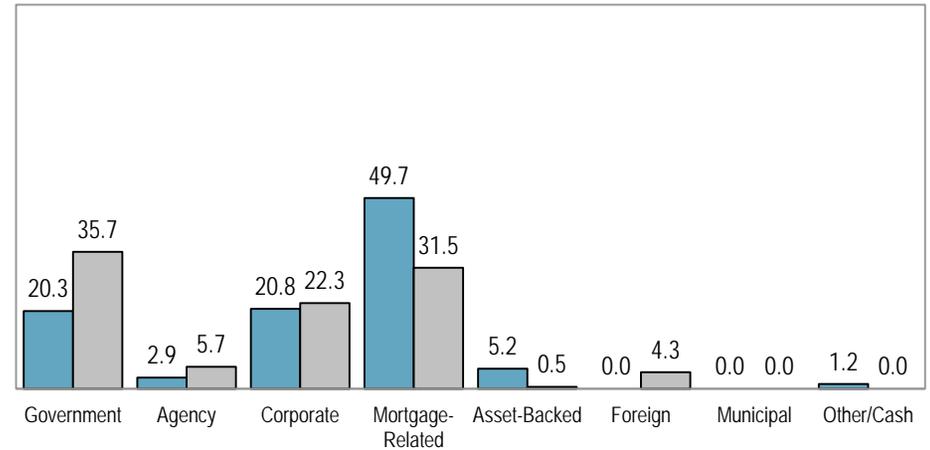


**Characteristics**  
**as of December 31, 2013**



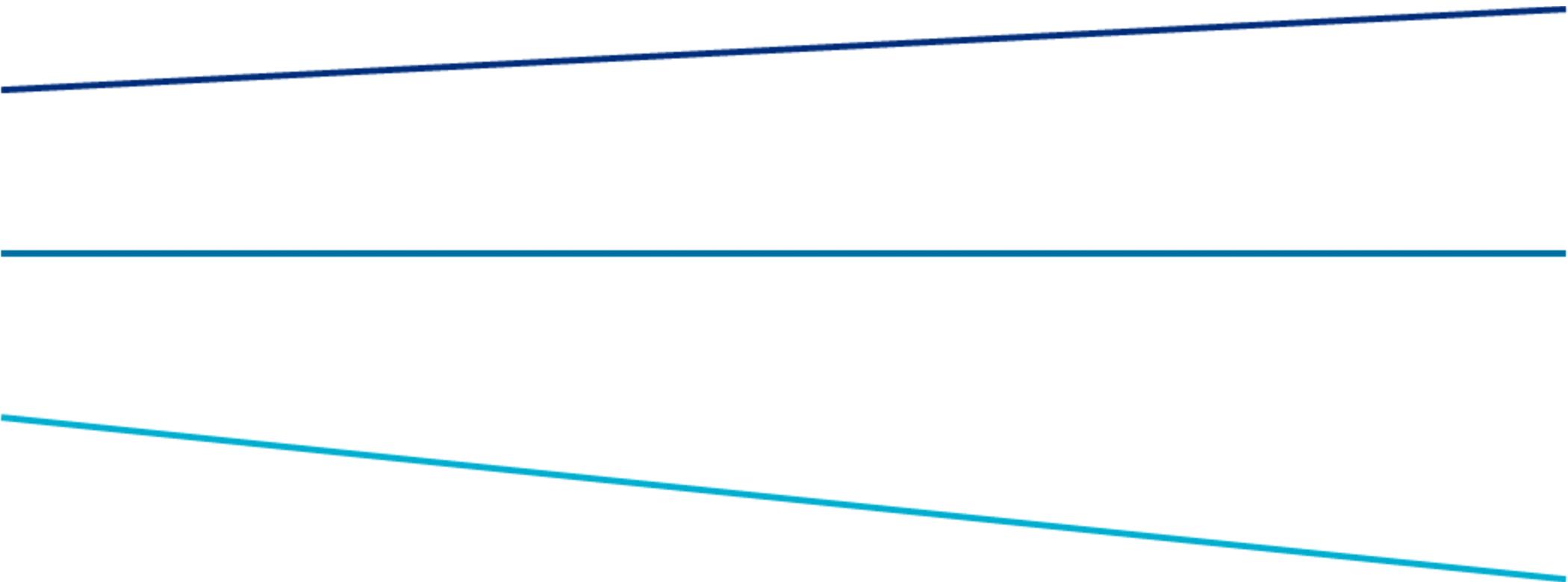
■ JP Morgan Core Bond Strategy  
 ■ Barclays Aggregate

**Sectors**  
**as of December, 31 2013**



■ JP Morgan Core Bond Strategy  
 ■ Barclays Aggregate

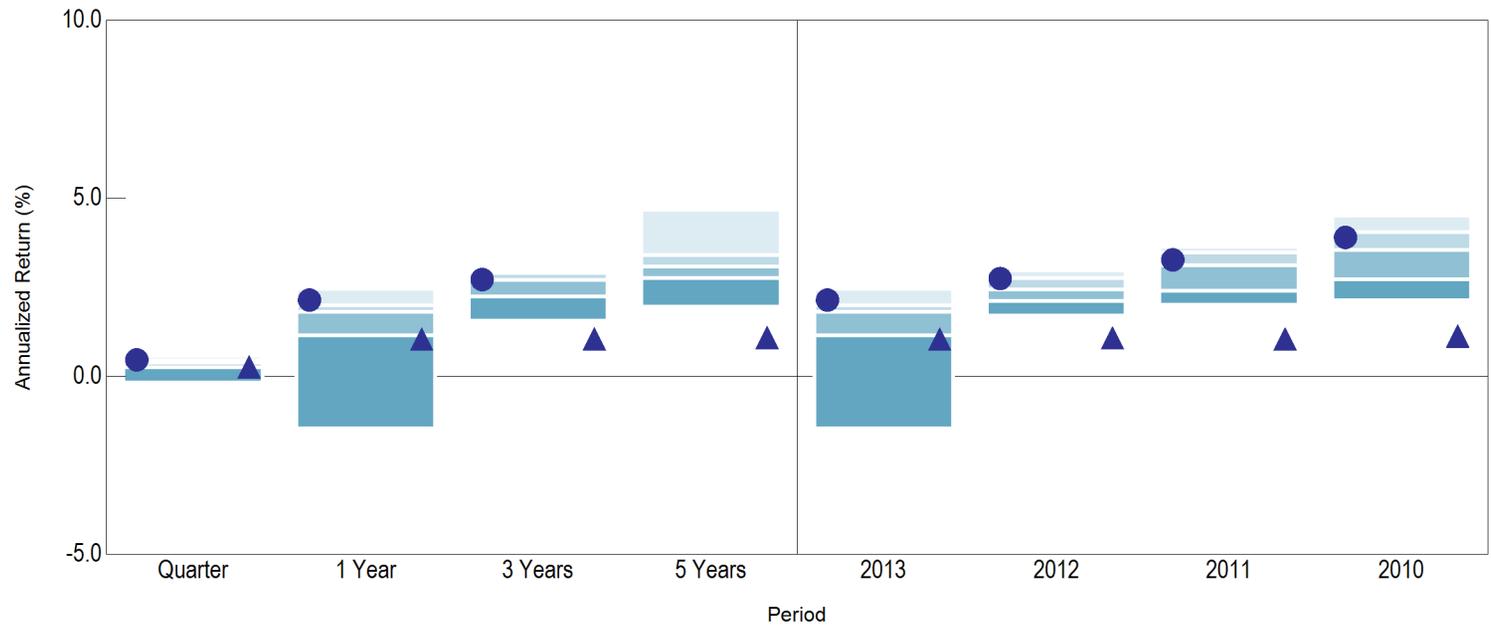
Stable Value



# Stable Value Fund

## Performance

Performance vs. Mercer Instl Stable Value  
Ending December 31, 2013

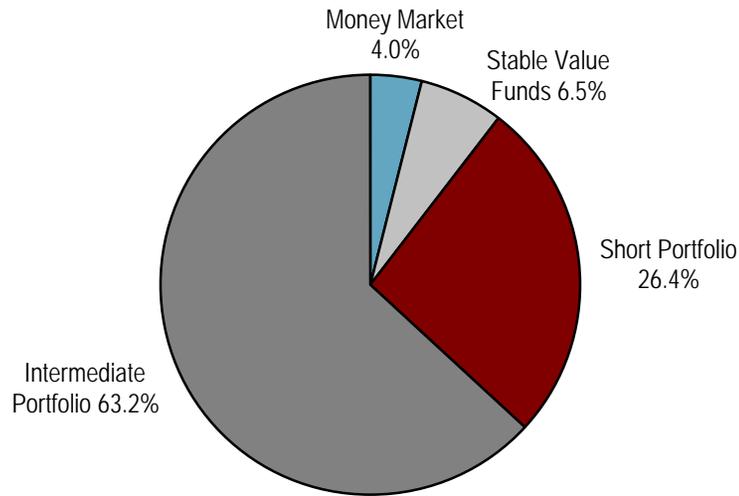


	Return (Rank)													
	Quarter	1 Year	3 Years	5 Years	2013	2012	2011	2010						
5th Percentile	0.6	2.4	3.0	4.7	2.4	3.0	3.6	4.5						
25th Percentile	0.5	2.0	2.9	3.4	2.0	2.8	3.5	4.1						
Median	0.4	1.8	2.7	3.1	1.8	2.4	3.1	3.6						
75th Percentile	0.3	1.2	2.3	2.8	1.2	2.1	2.4	2.7						
95th Percentile	-0.2	-1.5	1.6	2.0	-1.5	1.7	2.0	2.1						
# of Portfolios	11	10	7	7	10	22	14	25						
● Stable Value Fund	0.5 (31)	2.1 (19)	2.7 (50)	-- (--)	2.1 (19)	2.7 (27)	3.3 (43)	3.9 (36)						
▲ T-BILLS + 1%	0.3 (75)	1.0 (79)	1.1 (99)	1.1 (99)	1.0 (79)	1.1 (99)	1.0 (99)	1.1 (99)						

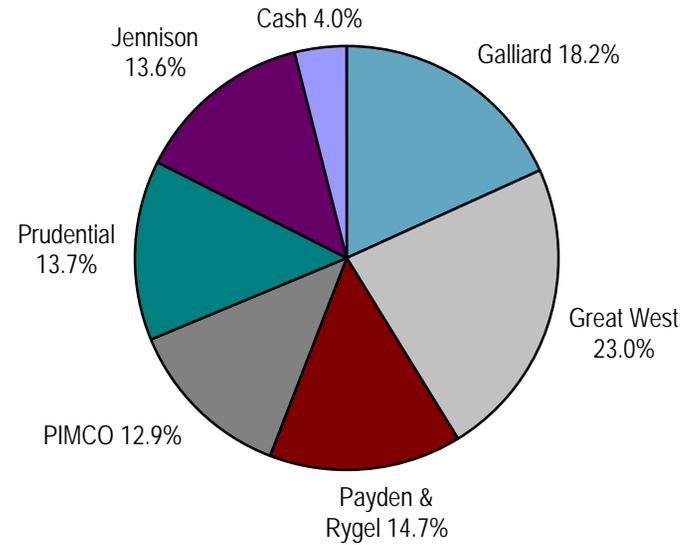
# Stable Value Fund

## Characteristics

Current Allocation by Strategy



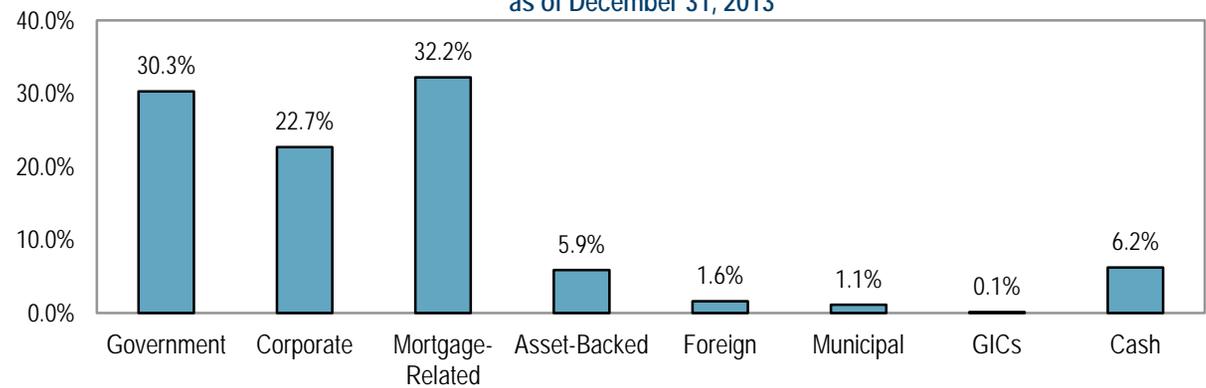
Current Allocation by Manager



Characteristics  
as of December 31, 2013

Stable Value Fund	
Market Value	\$2,263 Million
Average Quality	AA+
Blended Yield	1.8%
Effective Duration (Yrs)	3.2
MV/BV	101.27%

Sectors  
as of December 31, 2013



## Stable Value Fund

### Performance

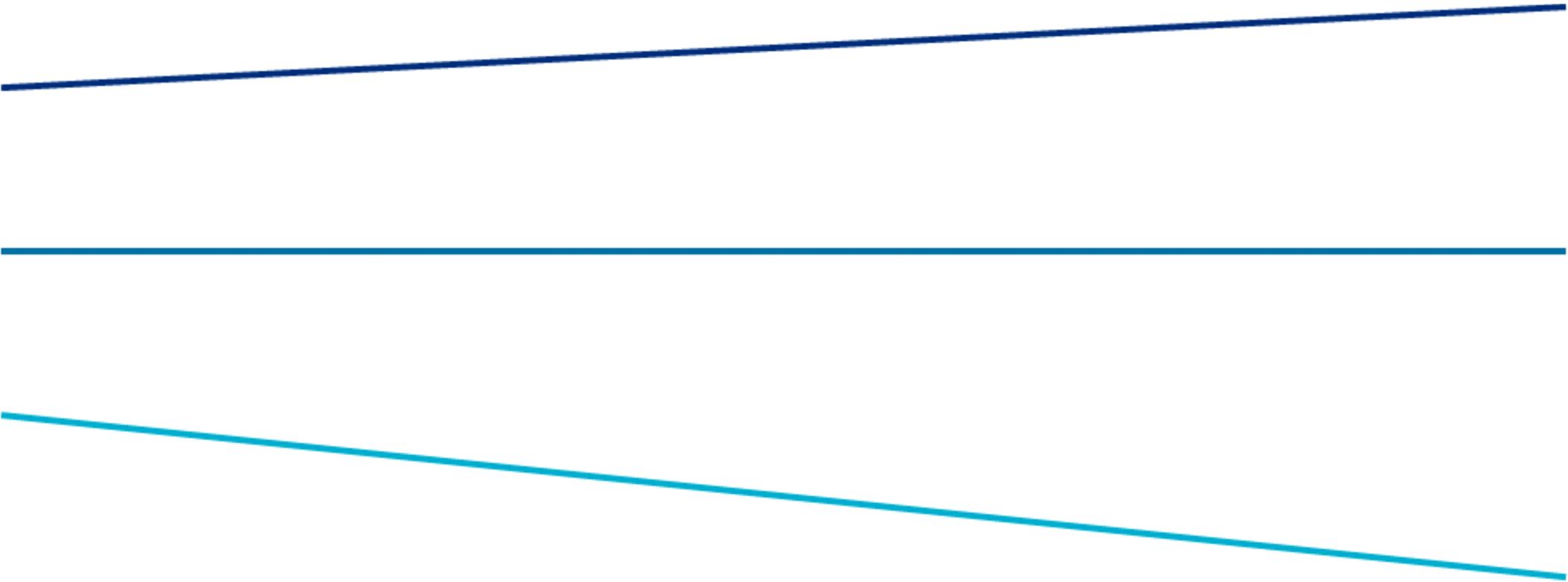
Stable Value - 401(k)	QTR	1 Yr	3 Yrs	5 Yrs	Since Inception
<b>Payden &amp; Rygel</b>	<b>0.4</b>	<b>0.9</b>	<b>1.9</b>	<b>--</b>	<b>2.7</b>
Barclays 1-3 Year Government/Credit	0.2	0.6	1.2	2.0	1.8
<b>Galliard Short High Quality Core</b>	<b>0.2</b>	<b>-0.1</b>	<b>1.9</b>	<b>---</b>	<b>2.4</b>
Barclays 1-3 Year Government	0.2	0.6	1.2	2.0	1.6
<b>Wells Fargo Fixed Income</b>	<b>-0.1</b>	<b>-1.1</b>	<b>2.9</b>	<b>--</b>	<b>2.7</b>
Barclays Intermediate Aggregate	-0.1	-1.0	2.8	4.2	2.5
<b>PIMCO Intermediate Fixed Income</b>	<b>-0.3</b>	<b>-2.6</b>	<b>2.8</b>	<b>--</b>	<b>2.9</b>
Barclays Intermediate Aggregate	-0.1	-1.0	2.8	4.2	2.8
<b>Great West</b>	<b>0.0</b>	<b>-1.0</b>	<b>2.9</b>	<b>--</b>	<b>1.8</b>
Barclays Intermediate Aggregate ex-Baa	-0.3	-1.1	2.6	3.8	1.2
Stable Value - 457	QTR	1 Yr	3 Yrs	5 Yrs	Since Inception
<b>Payden &amp; Rygel</b>	<b>0.4</b>	<b>0.9</b>	<b>1.9</b>	<b>--</b>	<b>2.3</b>
Barclays 1-3 Year Government/Credit	0.2	0.6	1.2	2.0	1.7
<b>Galliard Short High Quality Core</b>	<b>0.2</b>	<b>-0.1</b>	<b>1.9</b>	<b>---</b>	<b>2.4</b>
Barclays 1-3 Year Government	0.2	0.6	1.2	2.0	1.6
<b>Wells Fargo Fixed Income</b>	<b>-0.1</b>	<b>-1.1</b>	<b>2.9</b>	<b>--</b>	<b>2.7</b>
Barclays Intermediate Aggregate	-0.1	-1.0	2.8	4.2	2.5
<b>PIMCO Intermediate Fixed Income</b>	<b>-0.3</b>	<b>-2.6</b>	<b>2.8</b>	<b>--</b>	<b>2.9</b>
Barclays Intermediate Aggregate	-0.1	-1.0	2.8	4.2	2.8
<b>Great West</b>	<b>0.1</b>	<b>-0.6</b>	<b>2.8</b>	<b>--</b>	<b>1.7</b>
Barclays Intermediate Aggregate ex-Baa	-0.3	-1.1	2.6	3.8	1.2

## Stable Value Fund

### Fees

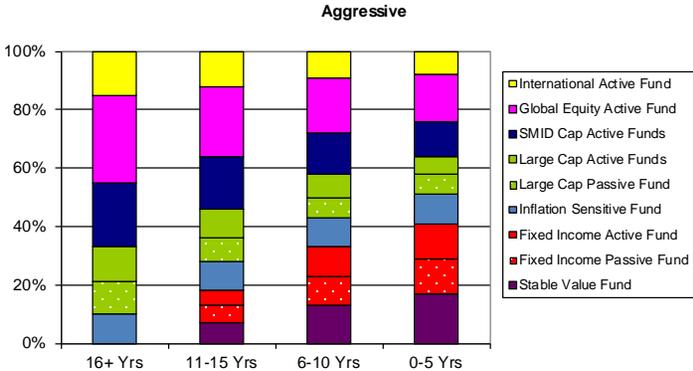
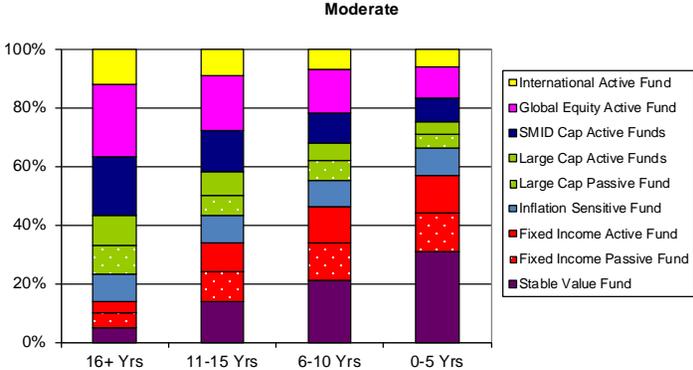
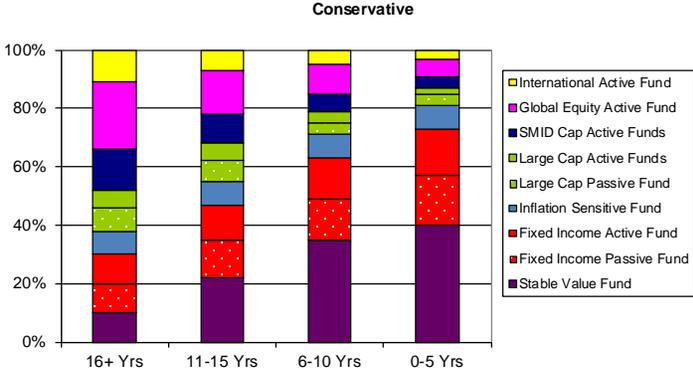
<b><u>401(k) Plan Stable Value Fund</u></b>	-	-	<b><u>457 Plan Stable Value Fund</u></b>	-
<b>Benefit Responsive Wrap Fees</b>			<b>Benefit Responsive Wrap Fees</b>	
Great West Life	0.15%		Great West Life	0.15%
Prudential	0.20%		Prudential	0.17%
MetLife	0.17%		MetLife	0.20%
United of Omaha	0.17%	-	United of Omaha	<u>0.17%</u>
Weighted Average Wrap Fee	<b>0.17%</b>		Weighted Average Wrap Fee	<b>0.18%</b>
<b>Investment Management Fees</b>			<b>Investment Management Fees</b>	
Payden & Rygel	0.14%		Payden & Rygel	0.14%
Prudential	0.06%		Prudential	0.06%
Great West Life	0.05%		Great West Life	0.05%
PIMCO	<u>0.19%</u>	-	PIMCO	<u>0.19%</u>
Weighted Average Management Fee	<b>0.08%</b>		Weighted Average Management Fee	<b>0.08%</b>
<b>Galliard Oversight &amp; Management</b>	<b>0.07%</b>		<b>Galliard Oversight &amp; Management</b>	<b>0.07%</b>
<b>Fund Admin / Audit</b>	<b>0.01%</b>		<b>Fund Admin / Audit</b>	<b>0.01%</b>
<b>Total Management &amp; Wrap</b>	<b>0.34%</b>		<b>Total Management &amp; Wrap</b>	<b>0.34%</b>
<b>Admin Fee</b>	<b>0.12%</b>	-	<b>Admin Fee</b>	<b>0.12%</b>
<b>Total Fees</b>	<b>0.46%</b>		<b>Total Fees</b>	<b>0.46%</b>

# GoalMaker Portfolios

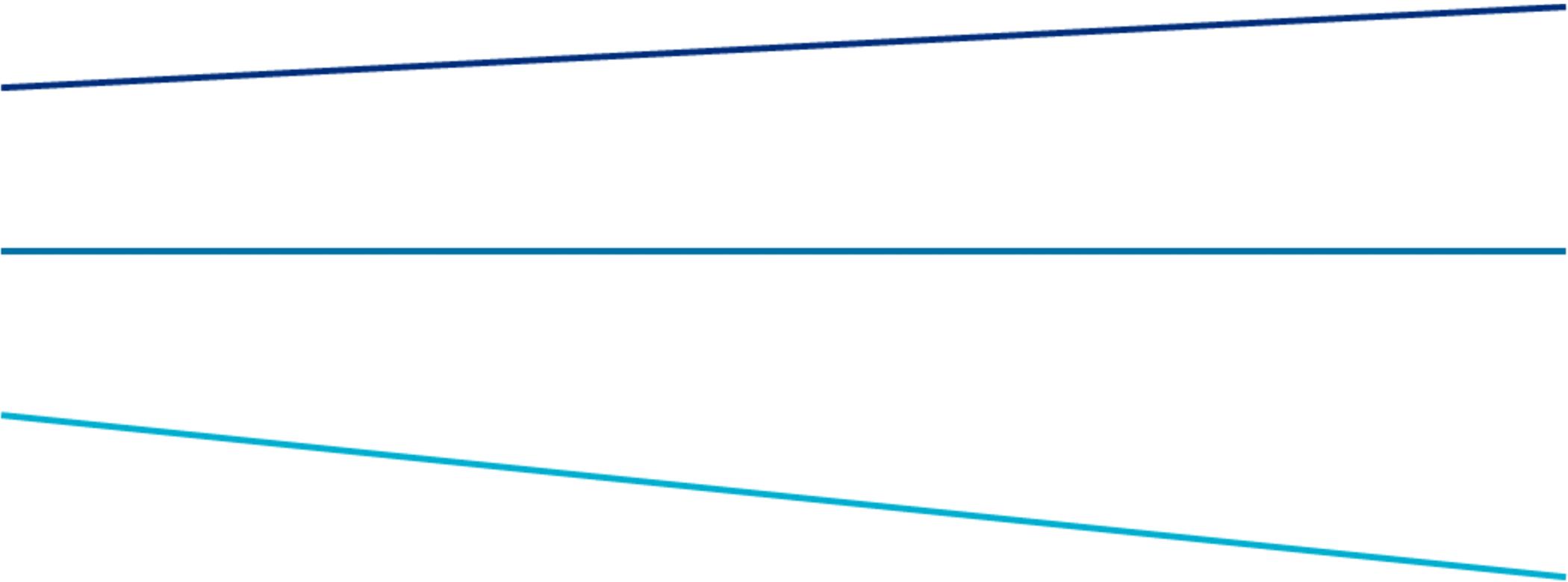


# GoalMaker Portfolios

## Asset Allocation



# Appendix



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