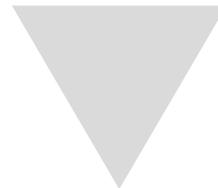
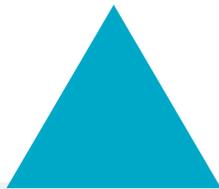


HEALTH WEALTH CAREER

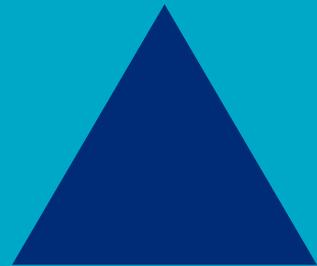
**NORTH CAROLINA SUPPLEMENTAL
RETIREMENT PLANS**
THIRD QUARTER PERFORMANCE REVIEW



AGENDA

- Capital Markets Review
- Third Quarter Performance
- Appendix

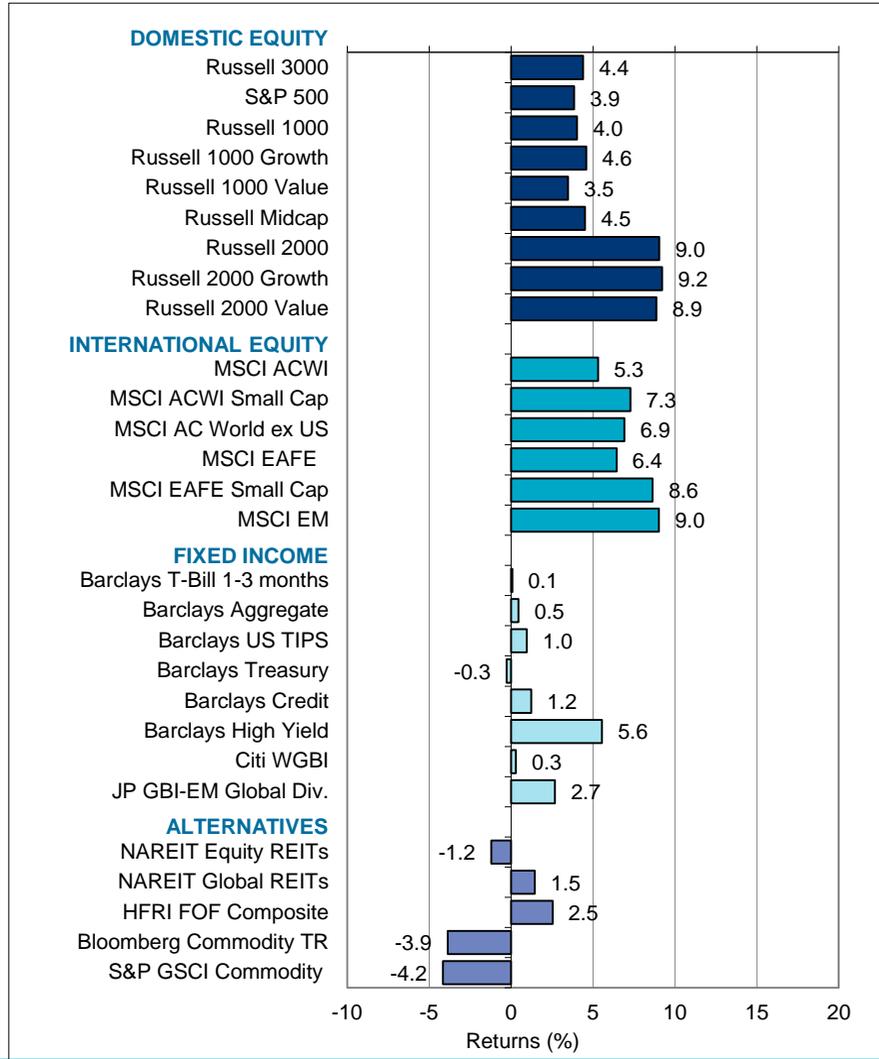
CAPITAL MARKETS REVIEW



PERFORMANCE SUMMARY

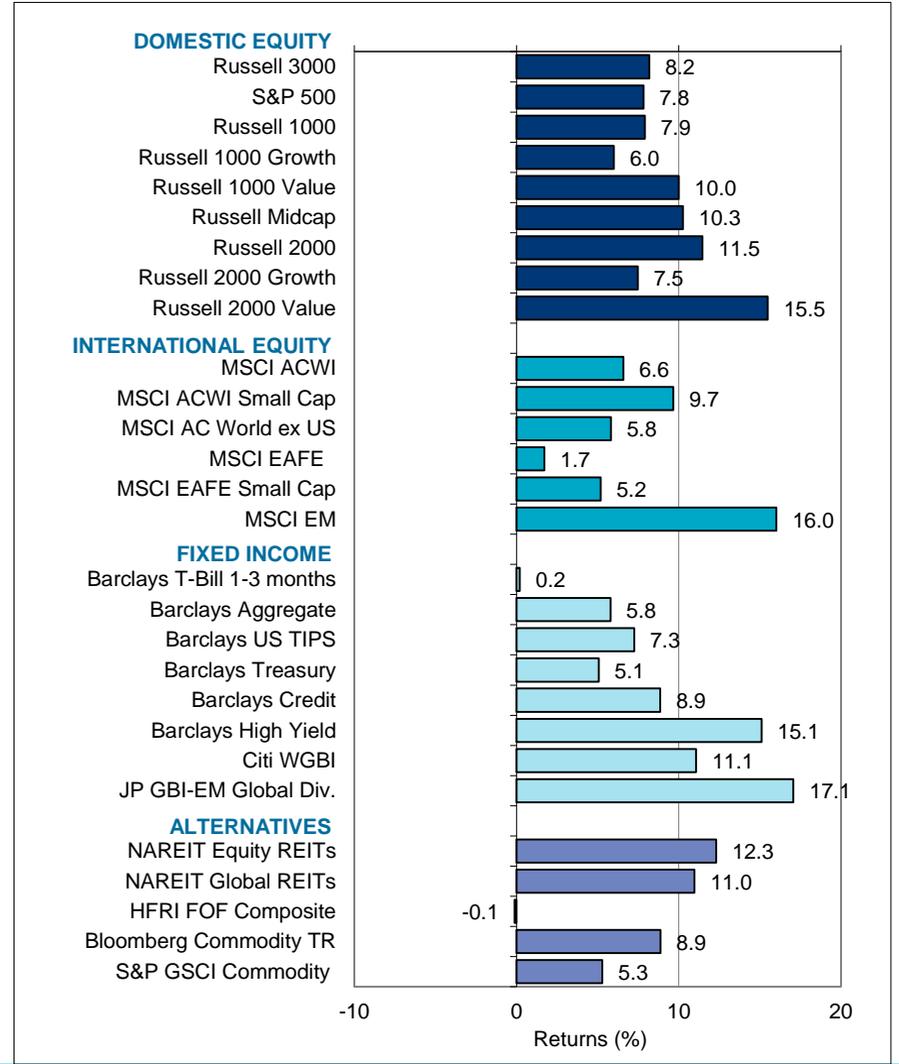
QUARTER IN REVIEW

Market Performance
Third Quarter 2016



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

Market Performance
YTD



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

POTENTIAL US ELECTION IMPLICATIONS

Factor	Potential Implications
Inflation	Trade policies could lead to higher consumer inflation. Although a higher rate of inflation has been an objective of monetary policy for some time, higher inflation-driven import tariffs and duties would reduce consumer purchasing power.
Interest Rates	Trump's fiscal plans generally point toward higher budget deficits over the intermediate term, which could drive interest rates higher. Tax cuts, combined with infrastructure spending, will increase the deficit. In addition, a new Fed chair could decrease the size of the Fed balance sheet, meaning a greater supply of bonds met by fewer Fed purchases of bonds.
Equity Valuation	Notwithstanding the muted reaction to this point, the near-term implications for equities could be negative due to uncertainty, which generally drives valuations down. A rise in interest rates would also be a negative for equity valuations in terms of straight valuation math, where a higher discount rate used to future earnings pushes down prices. Higher rates will also pressure increasingly leveraged corporate balance sheets and drive down earnings through higher interest costs. However, if Trump does push forward with corporate tax reforms and cuts, and potentially creates a path for foreign profit repatriation, there would be a potential for increased corporate investment, which would improve earnings in the long term.

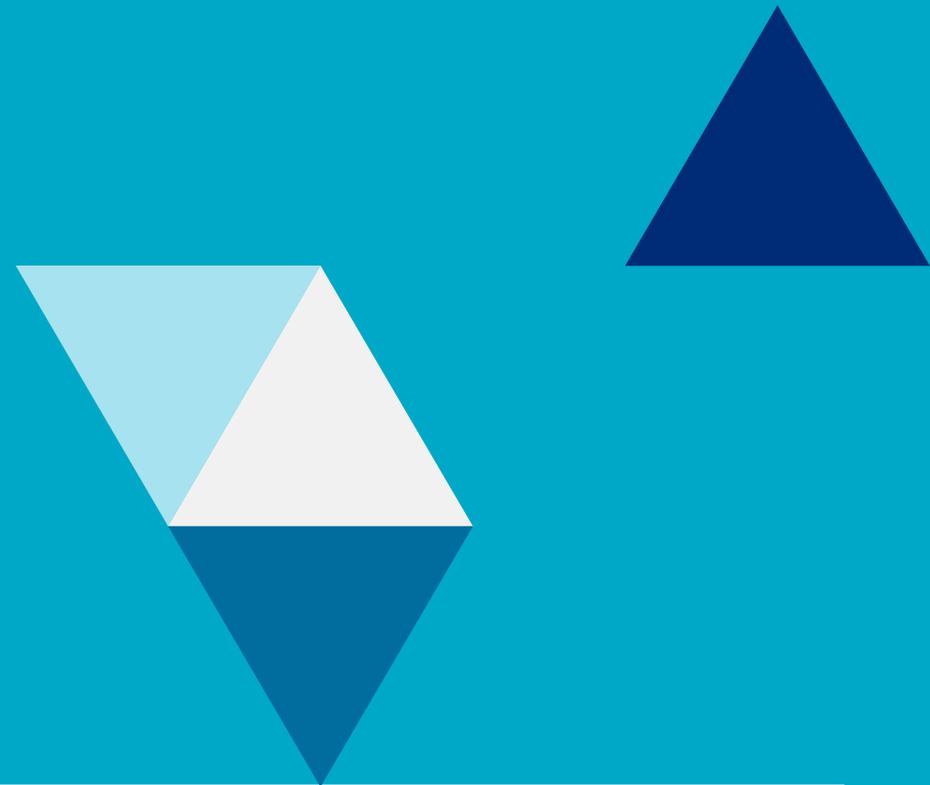
SHORT TERM

- Trade policies
- Tax cuts/reform
- Fiscal stimulus
- Uncertainty over Fed policy

LONG TERM

- Protectionist policies:
 - Weigh on growth
 - Inflation
 - Strengthening dollar
- Growing deficits, which could eventually push interest rates higher

THIRD QUARTER PERFORMANCE



NORTH CAROLINA SUPPLEMENTAL RETIREMENT PLANS INVESTMENT STRUCTURE

Tier I Target Date Funds	Tier II - A Passive Core Options	Tier II - B Active Core Options	Tier III Specialty Options
Goal Maker		Stable Value Fund Galliard Stable Value	
	Fixed Income BlackRock Debt Index	Fixed Income Fund JP Morgan Core Bond Prudential Core Plus	
		Inflation Responsive Fund PIMCO IRMAF	
	Large Cap Equity BlackRock Equity Index	Large Cap Value Fund Hotchkis & Wiley Large Cap Value Delaware Large Cap Value Robeco BP Large Cap Value	
		Large Cap Growth Fund Sands Capital Large Cap Growth Wellington Opportunistic Growth Loomis Large Cap Growth	
	Small/Mid Cap Equity BlackRock Russell 2500 Index	Small/Mid Cap Value Fund Hotchkis & Wiley SMID Value Earnest Partners SMID Cap Value Wedge SMID Cap Value	
		Small/Mid Cap Growth Fund TimesSquare SMID Growth Brown Advisory SMID Growth	
		Global Equity Fund Wellington Global Opportunities Arrowstreet Global Equity ACWI	
	International Equity BlackRock ACWI ex US Index	International Equity Fund Baillie Gifford ACWI ex US Growth Mondrian ACWI ex US Value	

FUND REVIEW

FUND PERFORMANCE AS OF SEPTEMBER 30, 2016

Name	Market Value (\$m)	(%)	Inception											
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Large Cap Passive S&P 500	\$1,350.4	14.0%	3.8%	--	7.8%	--	15.4%	--	11.0%	--	16.2%	--	16.6%	Mar-09
			3.9%	--	7.8%	--	15.4%	--	11.2%	--	16.4%	--	16.7%	Mar-09
Large Cap Value Russell 1000 Value	\$900.0	9.4%	3.5%	66	8.7%	31	14.0%	33	8.7%	29	16.0%	18	15.0%	Mar-09
			3.5%	67	10.0%	18	16.2%	18	9.7%	11	16.2%	17	16.4%	Mar-09
Large Cap Growth Russell 1000 Growth	\$921.9	9.6%	8.5%	7	5.5%	14	15.7%	5	10.4%	44	16.6%	21	19.0%	Mar-09
			4.6%	72	6.0%	10	13.8%	16	11.8%	15	16.6%	23	17.4%	Mar-09
Mid/Small Cap Passive Russell 2500	\$233.9	2.4%	6.5%	--	10.8%	--	14.5%	--	7.8%	--	16.3%	--	18.0%	Mar-09
			6.6%	--	10.8%	--	14.4%	--	7.8%	--	16.3%	--	18.1%	Mar-09
Mid/Small Cap Value Russell 2500 Value	\$475.3	4.9%	7.1%	44	10.6%	64	13.1%	70	7.6%	28	18.1%	5	19.9%	Mar-09
			6.2%	55	14.5%	21	17.7%	25	8.1%	23	16.3%	23	17.7%	Mar-09
Mid/Small Cap Growth Russell 2500 Growth	\$370.0	3.8%	6.2%	54	8.4%	28	14.0%	21	7.0%	31	16.7%	18	17.4%	Mar-09
			7.0%	42	7.0%	41	11.0%	39	7.4%	27	16.2%	23	18.5%	Mar-09
International Passive MSCI ACWI ex USA Gross	\$46.5	0.5%	6.9%	--	6.7%	--	9.4%	--	0.2%	--	6.3%	--	9.4%	Mar-09
			7.0%	--	6.3%	--	9.8%	--	0.6%	--	6.5%	--	9.9%	Mar-09
International Equity MSCI ACWI ex USA Gross	\$573.3	6.0%	7.2%	33	8.5%	11	12.4%	13	2.4%	29	7.7%	53	10.5%	Mar-09
			7.0%	37	6.3%	23	9.8%	29	0.6%	62	6.5%	76	9.9%	Mar-09
Global Equity MSCI ACWI Gross	\$839.2	8.7%	4.8%	70	4.8%	66	9.6%	63	6.3%	29	13.1%	22	13.4%	Mar-09
			5.4%	55	7.1%	36	12.6%	26	5.7%	40	11.2%	50	13.2%	Mar-09
Inflation Responsive Fund PIMCO Inflation Response Index	\$388.3	4.0%	1.6%	51	12.0%	13	10.8%	13	1.0%	41	--	--	1.0%	Sep-13
			-0.3%	99	9.7%	21	7.2%	42	-0.4%	68	0.1%	78	-0.4%	Sep-13
Fixed Income Passive Fund Barclays Aggregate	\$426.6	4.4%	0.5%	--	5.8%	--	5.1%	--	3.9%	--	3.0%	--	3.3%	Sep-10
			0.5%	--	5.8%	--	5.2%	--	4.0%	--	3.1%	--	3.4%	Sep-10
Fixed Income Fund Barclays Aggregate	\$659.5	6.9%	1.0%	45	7.1%	25	6.4%	26	4.3%	26	4.1%	27	5.4%	Mar-09
			0.5%	75	5.8%	49	5.2%	50	4.0%	38	3.1%	63	4.6%	Mar-09
Stable Value Fund T-BILLS + 1%	\$2,434.7	25.3%	0.5%	30	1.4%	37	1.9%	40	1.9%	58	2.1%	53	2.6%	Jun-09
			0.3%	99	0.9%	98	1.2%	98	1.1%	98	1.1%	99	1.1%	Jun-09

PERFORMANCE SCORECARD

	Mercer Rating	Return								Risk ¹
		3 Years to 09/30/2016		3 Years to 06/30/2016		3 Years to 03/31/2016		3 Years to 12/31/2015		5 Years to 09/30/2016
		I	U	I	U	I	U	I	U	I
Large Cap Passive Fund (tracked within 20bps)		✓	NA	✓	NA	✓	NA	✓	NA	NA
BlackRock Equity Index Fund	A	✓	NA	✓	NA	✓	NA	✓	NA	NA
Large Cap Value Fund		✗	✓	✗	✓	✓	✓	✓	✓	NA
Hotchkis & Wiley Large Cap Value	A (T)	✗	✗	✗	✗	✓	✓	✓	✓	✓
Delaware Large Cap Value ²	A	✓	✓	✓	✓	✓	✓	✓	✓	✓
Robeco BP Large Cap Value	A	✗	✗	✗	✗	✓	✓	✓	✓	✓
Large Cap Growth Fund		✗	✓	✗	✗	✗	✗	✗	✓	NA
Sands Capital Large Cap Growth	A (T)	✗	✗	✗	✗	✗	✗	✓	✓	✓
Wellington Opportunistic Growth	A	✗	✗	✗	✗	✗	✗	✓	✓	✓
Loomis Large Cap Growth ³	B+ (T)	✓	✓	✓	✓	✓	✓	✓	✓	✓

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

² Represents the Delaware Large Cap Growth Composite.

³ Represents the Loomis Large Cap Growth Composite.

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

PERFORMANCE SCORECARD

	Mercer Rating	Return								Risk ¹
		3 Years to 09/30/2016		3 Years to 06/30/2016		3 Years to 03/31/2016		3 Years to 12/31/2015		5 Years to 09/30/2016
		I	U	I	U	I	U	I	U	I
Mid/Small Cap Passive Fund (tracked within 30 bps)		✓	NA	✓	NA	✓	NA	✓	NA	NA
BlackRock Russell 2500 Index Fund	A	✓	NA	✓	NA	✓	NA	✓	NA	NA
Mid/Small Cap Value Fund		✗	✓	✓	✓	✓	✓	✓	✓	NA
Hotchkis & Wiley SMID Cap Value	B+ (T)	✗	✗	✗	✗	✓	✗	✓	✓	✓
EARNEST Partners SMID Cap Value	B+	✓	✓	✓	✓	✓	✓	✓	✓	✓
WEDGE SMID Cap Value	B+	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mid/Small Cap Growth Fund		✗	✓	✗	✓	✗	✓	✗	✓	NA
TimesSquare SMID Cap Growth	A	✗	✗	✗	✗	✗	✗	✗	✗	✓
Brown Advisory	B+	✓	✓	✓	✓	✓	✓	✓	✓	✓

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

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PERFORMANCE SCORECARD

	Mercer Rating	Return								Risk ¹
		3 Years to 09/30/2016		3 Years to 06/30/2016		3 Years to 03/31/2016		3 Years to 12/31/2015		5 Years to 09/30/2016
		I	U	I	U	I	U	I	U	I
International Passive Fund (tracked within 60 bps)		✓	NA	✓	NA	✓	NA	✗	NA	NA
BlackRock ACWI ex US Fund	A	✓	NA	✓	NA	✓	NA	✗	NA	NA
International Equity Fund		✓	✓	✓	✓	✓	✗	✓	✗	NA
Baillie Gifford ACWI ex US Growth	A	✓	✓	✓	✓	✓	✗	✓	✗	✓
Mondrian ACWI ex US Value	B+	✓	✗	✓	✗	✓	✗	✓	✗	✓
Global Equity Fund		✓	✓	✓	✓	✓	✓	✓	✓	NA
Wellington Global Opportunities	B+	✓	✓	✓	✓	✓	✓	✓	✓	✓
Arrowstreet Global Equity ACWI	A	✓	✓	✓	✓	✓	✓	✓	✓	✓

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

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PERFORMANCE SCORECARD

	Mercer Rating	Return								Risk ¹	
		3 Years to 09/30/2016		3 Years to 06/30/2016		3 Years to 03/31/2016		3 Years to 12/31/2015		5 Years to 09/30/2016	
		I	U	I	U	I	U	I	U	I	
Inflation Responsive Fund		✓	✓	NA	NA	NA	NA	NA	NA	NA	NA
PIMCO Inflation Response-Multi Asset	B+ (W)	✓	✓	✓	✓	✓	✗	✓	✗	NA	NA
Fixed Income Passive Fund (tracked within 25 bps)		✓	NA	✓	NA	✓	NA	✓	NA	NA	NA
BlackRock Debt Index Fund	A	✓	NA	✓	NA	✓	NA	✓	NA	NA	NA
Fixed Income Fund		✓	✓	✓	✓	✗	✓	✓	✓	NA	NA
JP Morgan Core Bond	B+	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓
Prudential Core Plus ²	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Stable Value Fund	A	✓	✗	✓	✓	✓	✓	✓	✗	NA	NA

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

² Represents the Prudential Core Plus Composite.

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WATCH LIST

Manager	Date Placed on Watch	Mercer Rating*	Recommendation	Comments
TimesSquare SMID Growth	3Q16	A	Add to Watch List	<p>TSCM's investment process utilizes a fundamental growth equity approach. They place particular emphasis on management quality and how the management teams are aligned with shareholders, along with a detailed understanding of what constitutes a superior business model. The strategy's investable universe spans from \$300M to \$7 Billion. TSCM seeks companies that have experienced, properly motivated management teams with distinct sustainable competitive advantages. The team will focus on securities that have the potential to appreciate 25%-50% over the next 18-month period. The team is constantly reviewing security valuations and will re-examine securities when they near the target price set at purchase. The strategy will have close to 100 names so position sizes are relatively smaller. Mercer believes the key strength of the strategy is the quality of research and experienced portfolio managers, Grant Babyak and Tony Rosenthal.</p> <p>The strategy has struggled more recently, as it underperformed over the last two calendar years and year to date in 2016. Historically, the fundamental approach was beneficial during falling markets and this is where the strategy has added a significant portion of its alpha. TSCM outperformed the benchmark during the last 12 down markets, but struggled at certain points in extreme growth markets. Since 2013, there have only been three negative quarters by the Russell 2500 Growth Index, which has been a bit of a headwind for TSCM. During the third quarter, the strategy trailed the benchmark by 310 basis points basis points, which was mainly attributed to poor security selection within the health care sector. TSCAM's holding Intra-Cellular Therapies fell significantly after their experimental drug failed to help patients in a late-stage study. Additionally, companies with negative earnings were the top performers, which indicates lower quality names outperformed. Over the trailing-year, a majority of the underperformance can be attributed to security selection in the information technology, health care and consumer discretionary sectors. The results over the trailing-year have negatively affected the longer-term results and we believe that TSCM's style has been out of favor over the more recent market cycle. We still have confidence in the team and strategy but recommend adding it to the watch list given the more recent performance.</p>
JPMorgan Core Bond	1Q16	B+	Replace JPMorgan	<p>JPMorgan was placed on the Watch List at the 1Q16 Board Meeting after portfolio manager, Doug Swanson, decided to retire from the firm. Swanson was replaced by Barb Miller, who had worked on the value team for several years. Mercer believes that the merger of the Columbus and New York investment platforms could limit the team's ability to maintain their value-oriented approach. Additionally, it has been speculated that JPMAM's intention is to move its Columbus based professionals to New York. Several credit analysts have left JPMorgan in the last few months to join Ohio based employers, although recently JPMorgan announced the hiring of one portfolio manager and one analysts at their Columbus office. JPMorgan has denied plans to transition the Columbus teams to New York. Mercer recommends replacing JPMorgan due to the uncertainty surrounding the strategy and has been working with the North Carolina Investment Management Division to find a replacement.</p>

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FEE REVIEW

A	B	C	D	E	F	G	H	I
					C+D+E	B*F		F-H
Funds and Sub-Advisors	Assets	Inv. Mgmt. Fee	Other Inv. Exp. ¹	NC Budget ²	Total Estimated Expense (%)	Total Estimated Expense (\$) ³	Mercer Median Expense ⁴	Difference
North Carolina Stable Value Fund	\$2,434,732,679	0.339%	0.002%	0.025%	0.366%	\$8,904,182	0.48%	-0.11%
Galliard	\$2,434,732,679	0.339%	0.000%			\$8,253,744	0.48%	-0.14%
North Carolina Fixed Income Passive Fund	\$426,566,799	0.020%	0.005%	0.025%	0.050%	\$212,699	0.20%	-0.15%
BlackRock	\$426,566,799	0.020%	0.000%			\$85,313	0.02%	0.00%
North Carolina Fixed Income Fund	\$659,514,146	0.163%	0.008%	0.025%	0.196%	\$1,293,081	0.49%	-0.29%
50% JP Morgan	\$329,844,791	0.186%	0.000%			\$613,721	0.22%	-0.03%
50% Prudential	\$329,669,355	0.140%	0.000%			\$461,537	0.25%	-0.11%
North Carolina Inflation Sensitive Fund	\$388,317,778	0.690%	0.005%	0.025%	0.720%	\$2,797,482	0.82%	-0.10%
PIMCO	\$388,317,778	0.690%	0.000%			\$2,679,393	0.79%	-0.10%
North Carolina Large Cap Passive Fund	\$1,350,407,535	0.007%	0.002%	0.025%	0.034%	\$464,216	0.20%	-0.17%
BlackRock	\$1,350,407,535	0.007%	0.000%			\$94,529	0.01%	0.00%
North Carolina Large Cap Value Fund	\$899,986,423	0.381%	0.011%	0.025%	0.417%	\$3,753,542	0.72%	-0.30%
33.3% Hotchkis & Wiley	\$302,146,690	0.500%	0.000%			\$1,510,733	0.43%	0.07%
33.3% Delaware	\$298,399,795	0.301%	0.000%			\$896,800	0.43%	-0.13%
33.3% Robeco BP	\$299,439,938	0.342%	0.000%			\$1,023,320	0.43%	-0.09%
North Carolina Large Cap Growth Fund	\$921,876,163	0.420%	0.011%	0.025%	0.456%	\$4,199,818	0.77%	-0.31%
33.3% Sands Capital Management	\$308,849,587	0.515%	0.000%			\$1,589,676	0.47%	0.05%
33.3% Wellington Management Company	\$306,317,746	0.350%	0.000%			\$1,072,112	0.59%	-0.24%
33.3% Loomis Sayles	\$306,708,830	0.395%	0.000%			\$1,210,126	0.47%	-0.07%
North Carolina SMID Cap Passive Fund	\$233,890,644	0.007%	0.008%	0.025%	0.040%	\$94,622	0.25%	-0.21%
BlackRock	\$233,890,644	0.007%	0.000%			\$16,372	0.02%	-0.01%
North Carolina SMID Value Fund	\$475,337,187	0.612%	0.020%	0.025%	0.657%	\$3,123,004	1.00%	-0.34%
33.3% Hotchkis & Wiley	\$159,573,166	0.575%	0.000%			\$917,866	0.61%	-0.03%
33.3% EARNEST Partners	\$157,146,575	0.519%	0.000%			\$816,066	0.72%	-0.20%
33.3% WEDGE Capital Management	\$158,617,446	0.742%	0.000%			\$1,176,705	0.72%	0.02%
North Carolina SMID Growth Fund	\$369,950,598	0.664%	0.018%	0.025%	0.707%	\$2,616,548	0.99%	-0.28%
50% TimesSquare Capital Management	\$183,564,038	0.761%	0.000%			\$1,396,881	0.75%	0.01%
50% Brown Advisory	\$186,386,560	0.567%	0.000%			\$1,057,406	0.78%	-0.21%
North Carolina International Passive Fund	\$46,485,375	0.025%	0.040%	0.025%	0.089%	\$41,558	0.35%	-0.26%
BlackRock	\$46,485,375	0.025%	0.000%			\$11,482	0.06%	-0.04%
North Carolina International Equity Fund	\$573,325,559	0.448%	0.012%	0.025%	0.485%	\$2,782,775	0.94%	-0.45%
50% Baillie Gifford	\$286,864,937	0.444%	0.000%			\$1,272,460	0.54%	-0.10%
50% Mondrian Investment Partners	\$286,460,622	0.452%	0.000%			\$1,295,842	0.54%	-0.09%
North Carolina Global Equity Fund	\$839,213,752	0.546%	0.008%	0.025%	0.579%	\$4,860,091	0.95%	-0.37%
50% Wellington Management Company	\$419,794,369	0.500%	0.000%			\$2,098,972	0.53%	-0.03%
50% Arrowstreet	\$419,419,383	0.592%	0.000%			\$2,481,807	0.53%	0.07%
Total	\$9,619,604,638	0.333%	0.007%	0.025%	0.365%	\$35,143,617	0.599%	

F-H
C-H

¹ Custodian expenses paid to BNY Mellon - (Annualized)

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

³ Manager fee estimates reflect investment management fee only.

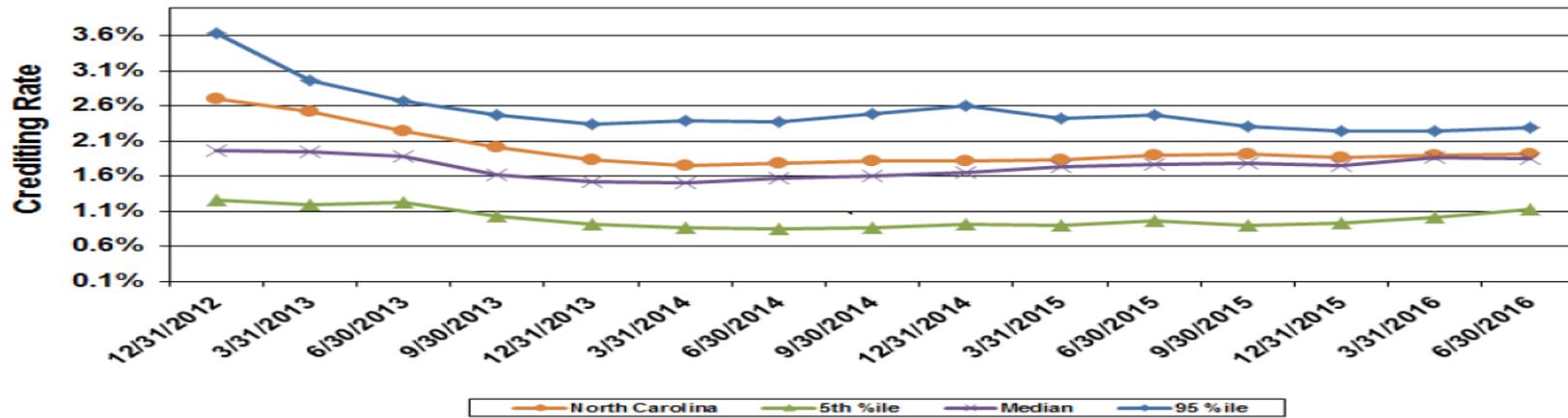
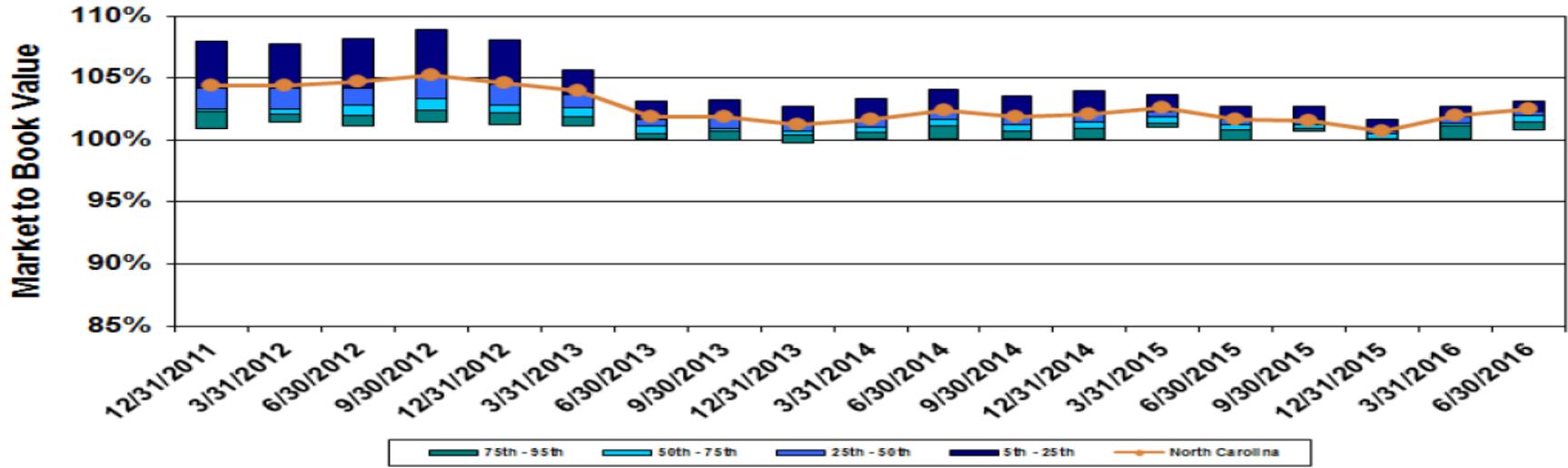
⁴ Total Fund median expenses are compared against their respective Mercer Mutual Fund Institutional Universe, while the individual managers are compared to peers with the same vehicle and strategy assets.

⁵ Does not include the \$31 per participant record-keeping fee

FEE REVIEW

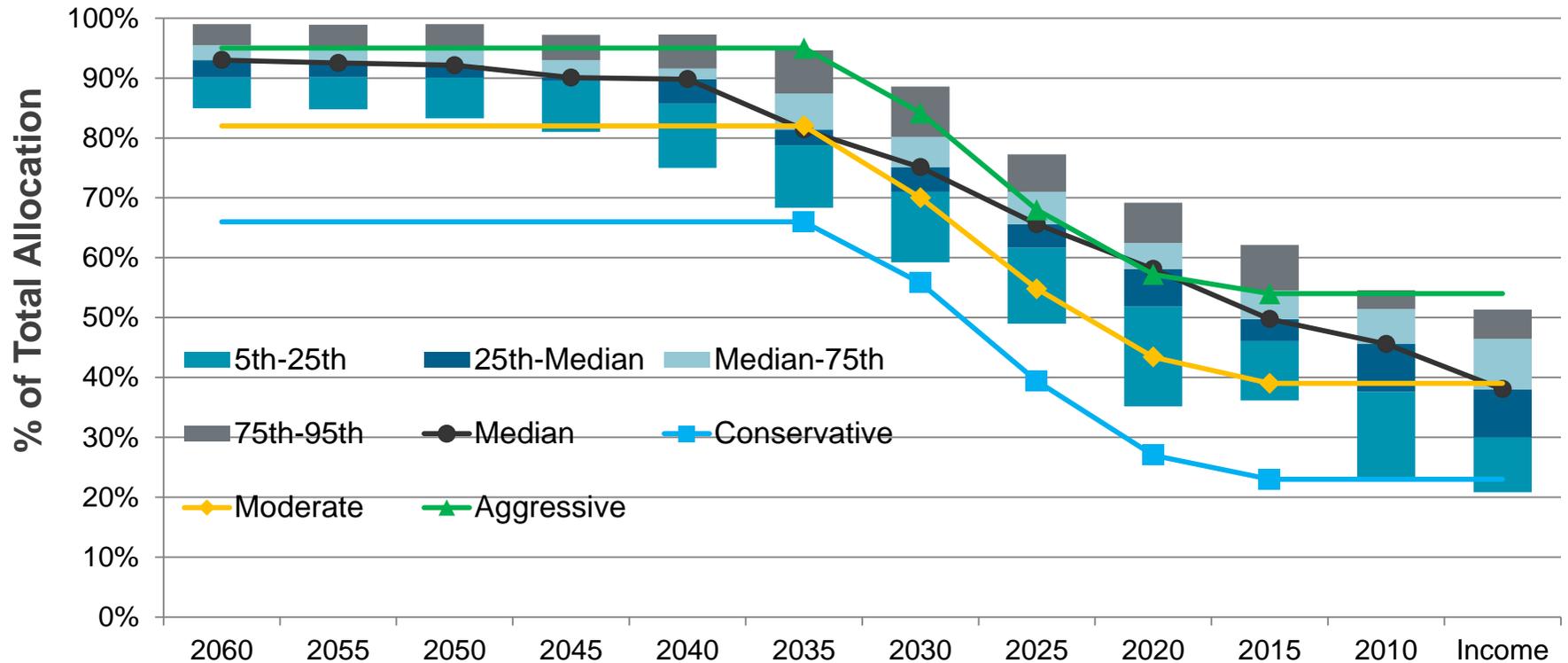
North Carolina Stable Value Fund Operating Expenses	Expense Ratio	Per \$1000
Investment Management fee paid to Galliard	0.068%	\$0.68
Investment Management fees paid to Non-Affiliated Investment Advisors	0.062%	\$0.62
Investment Contract Fees*	0.167%	\$1.67
Acquired Fund Fees**	0.038%	\$0.38
Investment Contract Fees	0.014%	\$0.14
Other Acquired Fund Fees and Non-Affiliated Investment Management Fees paid to Non-Affiliated Investment Advisors***	0.023%	\$0.23
12b-1 Distribution Fee	None	None
Other Expenses	0.027%	\$0.27
Total Annual Fund Operating Expenses****	0.361%	\$3.61

STABLE VALUE REVIEW



TARGET DATE FUNDS ASSET ALLOCATION COMPARISON OF GOAL MAKER TO MARKET SURVEY

Growth Asset Allocation



Source: Mercer Quarterly Target Date Fund Survey (Q3 2016 including 53 TDFs)

FUND REVIEW

GOALMAKER PERFORMANCE AS OF SEPTEMBER 30, 2016

Name	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
Conservative 0-5 Yrs	1.9%	94	4.7%	99	5.9%	99	3.8%	89	5.4%	95
Conservative 0-5 Yrs Benchmark	1.6%	98	4.3%	99	5.5%	99	3.5%	95	4.6%	98
Conservative 6-10 Yrs	2.4%	85	5.1%	92	6.8%	92	4.2%	78	6.4%	84
Conservative 6-10 Yrs Benchmark	2.2%	86	4.8%	92	6.4%	93	3.9%	88	5.7%	94
Conservative 11-15 Yrs	3.3%	66	6.2%	85	8.8%	84	5.1%	69	8.4%	81
Conservative 11-15 Yrs Benchmark	3.0%	86	6.0%	90	8.5%	92	4.9%	79	7.8%	99
Conservative 16+ Yrs	4.3%	25	6.9%	70	10.5%	49	5.7%	63	10.3%	42
Conservative +16 Yrs Benchmark	4.0%	43	6.8%	73	10.4%	55	5.6%	65	9.8%	59

Name	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
Moderate 0-5 Yrs	2.7%	65	5.4%	95	7.5%	87	4.5%	74	7.0%	81
Moderate 0-5 Yrs Benchmark	2.5%	76	5.1%	97	7.1%	94	4.2%	78	6.4%	91
Moderate 6-10 Yrs	3.3%	33	6.2%	78	8.8%	58	5.1%	49	8.4%	48
Moderate 6-10 Yrs Benchmark	3.0%	53	6.0%	81	8.5%	72	4.9%	53	7.8%	60
Moderate 11-15 Yrs	4.0%	20	6.7%	71	10.1%	48	5.5%	54	9.7%	42
Moderate 11-15 Yrs Benchmark	3.8%	31	6.6%	75	9.9%	57	5.4%	55	9.2%	59
Moderate 16+ Yrs	5.1%	4	7.4%	27	11.8%	16	6.0%	42	11.7%	6
Moderate +16 Yrs Benchmark	4.9%	8	7.4%	26	11.7%	17	6.0%	52	11.2%	22

Name	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
Aggressive 0-5 Yrs	3.4%	19	6.3%	81	9.1%	37	5.2%	37	8.7%	26
Aggressive 0-5 Yrs Benchmark	3.2%	22	6.1%	84	8.8%	47	5.1%	46	8.1%	45
Aggressive 6-10 Yrs	4.0%	6	6.7%	61	10.1%	18	5.5%	26	9.7%	8
Aggressive 6-10 Yrs Benchmark	3.8%	13	6.6%	70	9.9%	24	5.4%	40	9.2%	33
Aggressive 11-15 Yrs	4.9%	1	7.3%	35	11.4%	4	5.9%	28	11.3%	5
Aggressive 11-15 Yrs Benchmark	4.6%	2	7.3%	35	11.3%	4	5.9%	34	10.8%	9
Aggressive 16+ Yrs	6.0%	1	8.0%	12	13.1%	2	6.4%	18	13.2%	1
Aggressive +16 Yrs Benchmark	5.7%	1	8.1%	11	13.1%	2	6.4%	18	12.8%	1

- The GoalMaker Portfolios had competitive performance versus their benchmarks over the time periods evaluated ended September 30, 2016.

FUND REVIEW

MANAGER PERFORMANCE AS OF SEPTEMBER 30, 2016

Inception

Name	Market Value		3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
	(\$m)	(%)												
NCSRP BlackRock Equity Index	\$1,350.4	14.0%	3.9%	--	7.9%	--	15.4%	--	11.1%	--	16.4%	--	16.8%	Mar-09
S&P 500			3.9%	--	7.8%	--	15.4%	--	11.2%	--	16.4%	--	16.7%	Mar-09
NCSRP Hotchkis & Wiley Large Cap Value	\$302.1	3.1%	6.4%	18	9.7%	26	12.9%	53	8.6%	58	17.3%	15	18.7%	Mar-09
Russell 1000 Value			3.5%	64	10.0%	23	16.2%	21	9.7%	32	16.2%	39	16.4%	Mar-09
NCSRP Delaware Large Cap Value	\$298.4	3.1%	0.1%	99	11.2%	12	19.4%	5	--	--	--	--	4.9%	Jun-15
Delaware Large Cap Value Strategy			0.1%	99	11.1%	14	19.4%	5	11.9%	4	17.8%	9	5.1%	Jun-15
Russell 1000 Value			3.5%	64	10.0%	23	16.2%	21	9.7%	32	16.2%	39	3.2%	Jun-15
NCSRP Robeco BP Large Cap Value	\$299.4	3.1%	4.6%	44	6.1%	68	11.2%	68	8.1%	67	--	--	14.6%	Nov-11
Robeco BP Large Cap Value Strategy			4.5%	46	6.0%	69	11.1%	70	8.0%	69	16.6%	29	14.5%	Nov-11
Russell 1000 Value			3.5%	64	10.0%	23	16.2%	21	9.7%	32	16.2%	39	14.3%	Nov-11
NCSRP Sands Capital Large Cap Growth	\$308.8	3.2%	11.3%	1	0.5%	90	12.1%	45	7.9%	93	17.3%	23	21.8%	Mar-09
Russell 1000 Growth			4.6%	62	6.0%	21	13.8%	23	11.8%	33	16.6%	38	17.4%	Mar-09
NCSRP Wellington Opportunistic Growth	\$306.3	3.2%	6.1%	28	5.6%	25	13.4%	29	10.3%	58	16.9%	30	17.2%	Mar-09
Russell 1000 Growth			4.6%	62	6.0%	21	13.8%	23	11.8%	33	16.6%	38	17.4%	Mar-09
Russell 3000 Growth			4.9%	57	6.1%	20	13.6%	24	11.4%	39	16.6%	38	17.5%	Mar-09
NCSRP Loomis Large Cap Growth	\$306.7	3.2%	8.6%	6	11.4%	2	22.9%	1	--	--	--	--	15.2%	Aug-14
Loomis Large Cap Growth Strategy			8.5%	6	11.4%	2	22.8%	1	15.5%	2	19.5%	3	14.8%	Aug-14
Russell 1000 Growth			4.6%	62	6.0%	21	13.8%	23	11.8%	33	16.6%	38	9.2%	Aug-14
NCSRP BlackRock Russell 2500 Index Fund	\$233.9	2.4%	6.5%	--	10.8%	--	14.6%	--	7.9%	--	16.4%	--	18.2%	Mar-09
Russell 2500			6.6%	--	10.8%	--	14.4%	--	7.8%	--	16.3%	--	18.1%	Mar-09
NCSRP Hotchkis & Wiley	\$159.6	1.7%	10.6%	9	8.3%	73	9.0%	87	5.1%	79	20.1%	2	21.8%	Mar-09
Hotchkis Custom SMID Value Index			6.2%	59	14.5%	16	17.7%	16	8.1%	33	16.3%	44	18.2%	Mar-09
NCSRP EARNEST Partners	\$157.1	1.6%	5.7%	65	12.5%	31	17.8%	14	9.6%	19	17.3%	27	17.7%	Mar-09
EARNEST Custom SMID Value Index			6.2%	59	14.5%	16	17.7%	16	8.1%	33	16.3%	44	17.0%	Mar-09
NCSRP WEDGE SMID Cap Value	\$158.6	1.6%	5.7%	66	12.2%	33	14.5%	43	10.4%	11	--	--	15.8%	Dec-11
WEDGE SMID Cap Value Strategy			5.6%	66	12.2%	33	14.4%	44	10.4%	13	18.3%	10	15.8%	Dec-11
Russell 2500 Value			6.2%	59	14.5%	16	17.7%	16	8.1%	33	16.3%	44	13.7%	Dec-11
NCSRP TimesSquare Composite	\$183.6	1.9%	3.9%	87	5.1%	60	7.0%	76	5.3%	71	16.7%	19	17.1%	Mar-09
NCSRP TimesSquare SMID Growth			3.9%	87	5.1%	60	7.0%	76	5.3%	71	16.7%	19	--	Mar-09
TimesSquare Custom SMID Growth Index			7.0%	35	7.0%	44	11.0%	42	7.4%	33	16.2%	26	18.2%	Mar-09

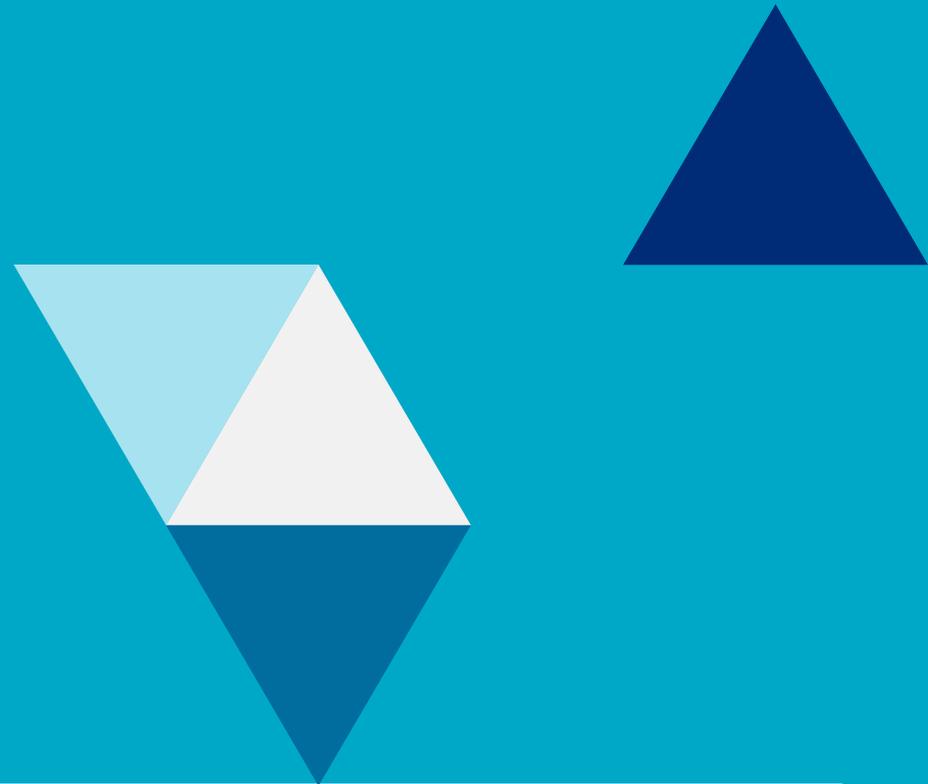
FUND REVIEW

MANAGER PERFORMANCE AS OF SEPTEMBER 30, 2016

Inception

Name	Market Value		3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
	(\$m)	(%)												
NCSRP Brown Advisory	\$186.4	1.9%	8.8%	19	12.8%	11	23.1%	1	10.3%	7	18.5%	2	19.8%	Mar-09
Brown Custom SMID Growth Index			7.0%	35	7.0%	44	11.0%	42	7.4%	33	16.2%	26	18.1%	Mar-09
NCSRP BlackRock ACWI ex US Fund	\$46.5	0.5%	7.0%	--	6.7%	--	9.5%	--	0.3%	--	6.5%	--	9.6%	Mar-09
MSCI ACWI ex USA Gross			7.0%	--	6.3%	--	9.8%	--	0.6%	--	6.5%	--	9.9%	Mar-09
NCSRP Baillie Gifford ACWI ex US Growth	\$286.9	3.0%	10.7%	3	11.0%	2	16.5%	4	4.0%	21	9.9%	31	13.4%	Mar-09
MSCI ACWI ex USA Gross			7.0%	40	6.3%	21	9.8%	32	0.6%	81	6.5%	92	9.9%	Mar-09
MSCI AC Wid ex US Growth Gross			6.1%	66	6.5%	17	11.9%	17	2.6%	46	7.8%	80	10.5%	Mar-09
NCSRP Mondrian ACWI ex US Value	\$286.5	3.0%	4.1%	90	6.9%	15	9.8%	32	2.3%	52	6.5%	92	9.3%	Mar-09
MSCI ACWI ex USA Gross			7.0%	40	6.3%	21	9.8%	32	0.6%	81	6.5%	92	9.9%	Mar-09
MSCI AC Wid Ex US Value Gross			7.9%	23	6.0%	23	7.6%	56	-1.4%	97	5.2%	99	9.3%	Mar-09
NCSRP Wellington Global Composite	\$419.8	4.4%	5.9%	42	2.8%	78	8.1%	80	7.3%	30	14.6%	13	14.6%	Mar-09
NCSRP Wellington Global Opportunities			5.9%	42	2.8%	78	8.1%	80	7.3%	30	14.6%	13	--	Mar-09
MSCI ACWI Gross			5.4%	54	7.1%	32	12.6%	36	5.7%	61	11.2%	69	13.2%	Mar-09
NCSRP Arrowstreet Global Equity ACWI	\$419.4	4.4%	4.0%	78	7.7%	28	12.3%	40	6.6%	42	--	--	9.8%	Mar-12
Arrowstreet Global Equity ACWI Strategy			4.3%	74	7.1%	32	12.5%	37	8.5%	16	14.4%	15	11.4%	Mar-12
MSCI ACWI Gross			5.4%	54	7.1%	32	12.6%	36	5.7%	61	11.2%	69	8.0%	Mar-12
NCSRP PIMCO Inflation Response Multi-Asset	\$388.3	4.0%	1.8%	29	12.7%	11	11.6%	10	1.9%	22	--	--	1.9%	Sep-13
PIMCO Inflation Response Multi-Asset Strategy			1.6%	50	12.0%	13	10.8%	13	1.3%	38	1.5%	54	1.3%	Sep-13
PIMCO Inflation Response Index			-0.3%	99	9.7%	21	7.2%	42	-0.4%	68	0.1%	78	-0.4%	Sep-13
NCSRP BlackRock Debt Index Fund	\$426.6	4.4%	0.5%	--	5.9%	--	5.2%	--	4.1%	--	3.1%	--	3.5%	Sep-10
Barclays Aggregate			0.5%	--	5.8%	--	5.2%	--	4.0%	--	3.1%	--	3.4%	Sep-10
NCSRP JP Morgan Core Bond	\$329.8	3.4%	0.4%	88	5.4%	91	4.7%	92	4.3%	65	3.7%	67	5.3%	Mar-09
Barclays Aggregate			0.5%	85	5.8%	81	5.2%	85	4.0%	84	3.1%	94	4.6%	Mar-09
NCSRP Prudential Core Plus	\$329.7	3.4%	1.6%	16	8.9%	7	8.6%	6	--	--	--	--	5.3%	Dec-14
Prudential Core Plus Strategy			1.6%	15	8.6%	10	8.0%	10	5.8%	4	5.7%	5	5.1%	Dec-14
Barclays Aggregate			0.5%	85	5.8%	81	5.2%	85	4.0%	84	3.1%	94	3.6%	Dec-14

APPENDIX



NET PERFORMANCE AS OF SEPTEMBER 30, 2016

	Ending September 30, 2016				Inception	
	3 Mo	1 Yr	3 Yrs	5 Yrs	Return	Since
Large Cap Passive	3.8%	15.4%	11.0%	16.2%	16.6%	Mar-09
S&P 500	3.9%	15.4%	11.2%	16.4%	16.7%	Mar-09
NCSRP BlackRock Equity Index S&P 500	3.9%	15.4%	11.1%	16.3%	16.7%	Mar-09
	3.9%	15.4%	11.2%	16.4%	16.7%	Mar-09
Large Cap Value	3.5%	14.0%	8.7%	16.0%	15.0%	Mar-09
Russell 1000 Value	3.5%	16.2%	9.7%	16.2%	16.4%	Mar-09
NCSRP Hotchkis & Wiley Large Cap Value Russell 1000 Value	6.3%	12.3%	8.1%	16.7%	18.1%	Mar-09
	3.5%	16.2%	9.7%	16.2%	16.4%	Mar-09
NCSRP Delaware Large Cap Value Russell 1000 Value	0.0%	19.1%	--	--	4.6%	Jun-15
	3.5%	16.2%	9.7%	16.2%	3.2%	Jun-15
NCSRP Robeco BP Large Cap Value Russell 1000 Value	4.5%	10.8%	7.7%	--	14.2%	Nov-11
	3.5%	16.2%	9.7%	16.2%	14.3%	Nov-11
Large Cap Growth	8.5%	15.7%	10.4%	16.6%	19.0%	Mar-09
Russell 1000 Growth	4.6%	13.8%	11.8%	16.6%	17.4%	Mar-09
NCSRP Sands Capital Large Cap Growth Russell 1000 Growth	11.2%	11.5%	7.3%	16.7%	21.2%	Mar-09
	4.6%	13.8%	11.8%	16.6%	17.4%	Mar-09
NCSRP Wellington Opportunistic Growth Russell 1000 Growth	6.0%	13.0%	9.9%	16.5%	16.8%	Mar-09
	4.6%	13.8%	11.8%	16.6%	17.4%	Mar-09
Russell 3000 Growth	4.9%	13.6%	11.4%	16.6%	17.5%	Mar-09
NCSRP Loomis Large Cap Growth Russell 1000 Growth	8.4%	22.4%	--	--	14.7%	Aug-14
	4.6%	13.8%	11.8%	16.6%	9.2%	Aug-14
Mid/Small Cap Passive	6.5%	14.5%	7.8%	16.3%	18.0%	Mar-09
Russell 2500	6.6%	14.4%	7.8%	16.3%	18.1%	Mar-09
NCSRP BlackRock Russell 2500 Index Fund Russell 2500	6.5%	14.6%	7.9%	16.4%	18.2%	Mar-09
	6.6%	14.4%	7.8%	16.3%	18.1%	Mar-09
Mid/Small Cap Value	7.1%	13.1%	7.6%	18.1%	19.9%	Mar-09
Russell 2500 Value	6.2%	17.7%	8.1%	16.3%	17.7%	Mar-09
NCSRP Hotchkis & Wiley Hotchkis Custom SMID Value Index	10.5%	8.4%	4.5%	19.3%	21.1%	Mar-09
	6.2%	17.7%	8.1%	16.3%	18.2%	Mar-09
NCSRP EARNEST Partners EARNEST Custom SMID Value Index	5.5%	17.2%	9.0%	16.6%	17.0%	Mar-09
	6.2%	17.7%	8.1%	16.3%	17.0%	Mar-09
NCSRP WEDGE SMID Cap Value Russell 2500 Value	5.5%	13.6%	9.5%	--	15.0%	Dec-11
	6.2%	17.7%	8.1%	16.3%	13.7%	Dec-11
Mid/Small Cap Growth	6.2%	14.0%	7.0%	16.7%	17.4%	Mar-09
Russell 2500 Growth	7.0%	11.0%	7.4%	16.2%	18.5%	Mar-09

	Ending September 30, 2016				Inception	
	3 Mo	1 Yr	3 Yrs	5 Yrs	Return	Since
NCSRP TimesSquare TimesSquare Custom SMID Growth Index	3.6%	6.1%	4.5%	15.8%	16.2%	Mar-09
	7.0%	11.0%	7.4%	16.2%	18.2%	Mar-09
NCSRP Brown Advisory Brown Custom SMID Growth Index	8.7%	22.4%	9.7%	17.8%	19.2%	Mar-09
	7.0%	11.0%	7.4%	16.2%	18.1%	Mar-09
International Passive	6.9%	9.4%	0.2%	6.3%	9.4%	Mar-09
MSCI ACWI ex USA Gross	7.0%	9.8%	0.6%	6.5%	9.9%	Mar-09
NCSRP BlackRock ACWI ex US Fund MSCI ACWI ex USA Gross	7.0%	9.4%	0.3%	6.4%	9.5%	Mar-09
	7.0%	9.8%	0.6%	6.5%	9.9%	Mar-09
International Equity	7.2%	12.4%	2.4%	7.7%	10.5%	Mar-09
MSCI ACWI ex USA Gross	7.0%	9.8%	0.6%	6.5%	9.9%	Mar-09
NCSRP Baillie Gifford ACWI ex US Growth MSCI ACWI ex USA Gross	10.5%	16.0%	3.5%	9.4%	12.9%	Mar-09
	7.0%	9.8%	0.6%	6.5%	9.9%	Mar-09
MSCI AC Wild ex US Growth Gross	6.1%	11.9%	2.6%	7.8%	10.5%	Mar-09
NCSRP Mondrian ACWI ex US Value MSCI ACWI ex USA Gross	4.0%	9.3%	1.8%	6.0%	8.8%	Mar-09
	7.0%	9.8%	0.6%	6.5%	9.9%	Mar-09
MSCI AC Wild Ex US Value Gross	7.9%	7.6%	-1.4%	5.2%	9.3%	Mar-09
Global Equity	4.8%	9.6%	6.3%	13.1%	13.4%	Mar-09
MSCI ACWI Gross	5.4%	12.6%	5.7%	11.2%	13.2%	Mar-09
NCSRP Wellington Global Composite MSCI ACWI Gross	5.8%	7.6%	6.8%	14.0%	14.0%	Mar-09
	5.4%	12.6%	5.7%	11.2%	13.2%	Mar-09
NCSRP Arrowstreet Global Equity ACWI MSCI ACWI Gross	3.8%	11.7%	6.0%	--	9.1%	Mar-12
	5.4%	12.6%	5.7%	11.2%	8.0%	Mar-12
Inflation Responsive Fund	1.6%	10.8%	1.0%	--	1.0%	Sep-13
PIMCO Inflation Response Index	-0.3%	7.2%	-0.4%	0.1%	-0.4%	Sep-13
NCSRP PIMCO Inflation Response Multi-Asset PIMCO Inflation Response Index	1.6%	10.9%	1.3%	--	1.3%	Sep-13
	-0.3%	7.2%	-0.4%	0.1%	-0.4%	Sep-13
Fixed Income Passive Fund	0.5%	5.1%	3.9%	3.0%	3.3%	Sep-10
Barclays Aggregate	0.5%	5.2%	4.0%	3.1%	3.4%	Sep-10
NCSRP BlackRock Debt Index Fund Barclays Aggregate	0.5%	5.2%	4.1%	3.1%	3.4%	Sep-10
	0.5%	5.2%	4.0%	3.1%	3.4%	Sep-10
Fixed Income Fund	1.0%	6.4%	4.3%	4.1%	5.4%	Mar-09
Barclays Aggregate	0.5%	5.2%	4.0%	3.1%	4.6%	Mar-09
NCSRP JP Morgan Core Bond Barclays Aggregate	0.3%	4.5%	4.1%	3.5%	5.1%	Mar-09
	0.5%	5.2%	4.0%	3.1%	4.6%	Mar-09
NCSRP Prudential Core Plus Barclays Aggregate	1.5%	8.3%	--	--	5.0%	Dec-14
	0.5%	5.2%	4.0%	3.1%	3.6%	Dec-14
Stable Value Fund	0.5%	1.9%	1.9%	2.1%	2.6%	Jun-09
T-BILLS + 1%	0.3%	1.2%	1.1%	1.1%	1.1%	Jun-09

MANAGER UPDATES

- Mercer recently met with **Hotchkis and Wiley** on-site at their Los Angeles headquarters to review the Large Cap Fundamental Value strategy. Mercer maintained the “A (T)” rating as a result of the meeting. We continue to have conviction in Hotchkis’s disciplined focus on exploiting attractively-valued companies experiencing short-term mispricing but have prospects for improving business fundamentals and healthy economic returns.
- **JPMorgan** announced two additional hires to the Columbus fixed income team. Sajjad Hussain and Michael Pacca joined as a senior structured credit research analyst and a portfolio manager, respectively. Hussain has 18 years of industry experience and was most recently a senior structured securities analyst/portfolio manager at Ohio Public Employee Retirement system, while Pacca was most recently a securitized product trader at Longfellow Investment Management. These announcements do not immediately affect our current views or ratings on the JPMAM Core Bond (Columbus) strategy. We have lost some confidence in the team this year due to senior level departure and lack of clarity surrounding the dual research platforms. However, we view the recent announcement of the new hires positively and hope the additions to the Columbus team suggest a sign of stability for JPMAM.
- **Loomis Sayles** announced that they would be closing their Large Cap Growth strategy to new investors. This news did not affect our “B+ (T)” rating.
- **TimesSquare Capital Management** informed Mercer that Mark Aaron no longer serves as the firm’s Chief Operation Officer and Chief Compliance Officer. Aaron, who had been with TSCM for over 17 years, will serve in an advisory capacity to assist with the transition of his responsibilities. Fred Kramer has been appointed to serve as interim Chief Operating Officer while the firm undertakes a search for Aaron’s permanent replacement. According to TSCM, Aaron’s departure was in no way related with any legal, regulatory, or compliance issues at the firm, but driven by personal circumstances. We believe that TSCM has a thoughtful and well-supported transition plan, therefore we are not recommending any rating changes to the SMID Cap Growth strategy’s “A” rating.
- Mercer met with **TimesSquare** at their New York headquarters to discuss the SMID Cap Growth strategy. We maintained our “A” rating for the strategy because of the tenured, cohesive and stable portfolio management team along with their proven and repeatable investment process. We also have high regards for their deep sector and industry-specialized fundamental research. We recognize that shorter-term performance has been challenged but the results continue to be within our expectations.

MANAGER UPDATES (CONTINUED)

- Mercer met with **Wellington** at their Boston headquarters to discuss their Opportunistic Growth strategy. We believe that the leadership, investment acumen and collaboration of portfolio managers Drew Shilling, Timothy Manning, and Steven Angeli are key strengths of the strategy. The portfolio managers are aided by a dedicated analyst team that looks for names they believe will have sustainable, above average growth. As a result of the meeting, Mercer maintained the “A” rating on the strategy.
- Mercer manager research met with **Wellington** to review their Global Opportunities strategy at their Boston headquarters. We continue to have conviction in portfolio manager Nicholas Choumenkovitch and his clear and disciplined investment philosophy and process. Additionally, we feel that the team has prudent portfolio construction and rigorous risk management. The team focuses on identifying companies with high or improving returns on invested capital. Assets in the strategy are below capacity targets but we are pleased that Wellington has closed the strategy when they deemed appropriate. As a result of the meeting, Mercer maintained the “B+” rating on the strategy.

APPENDIX - DISCLOSURES

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