

# City of Los Angeles

## Deferred Compensation Plan

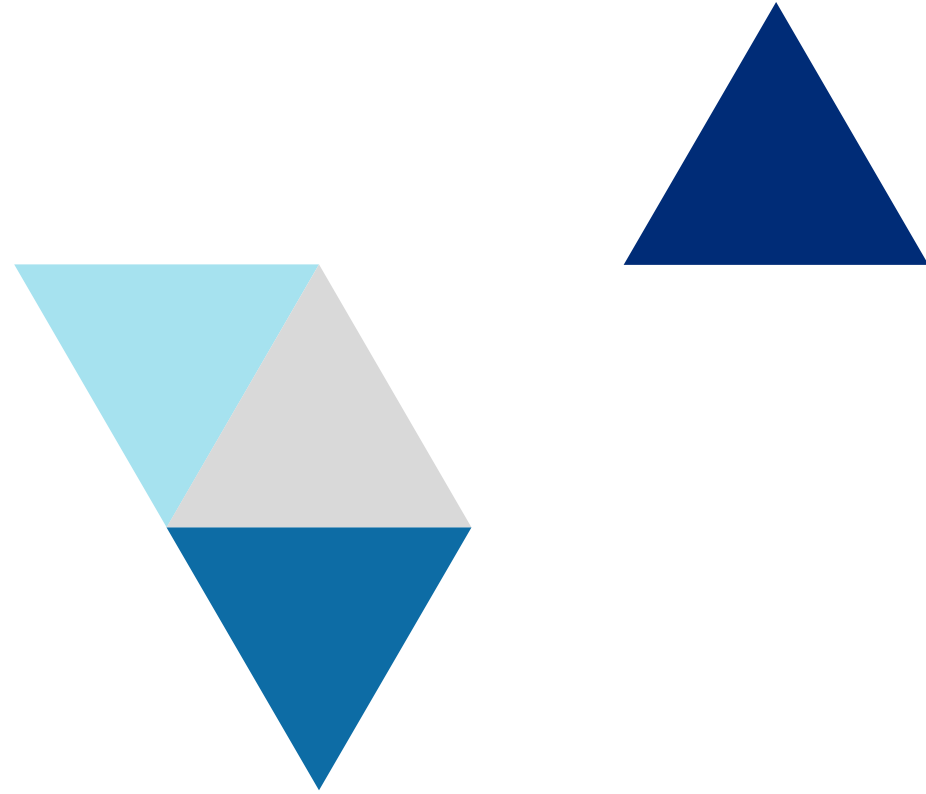
# Performance Evaluation Report

Fourth Quarter 2015

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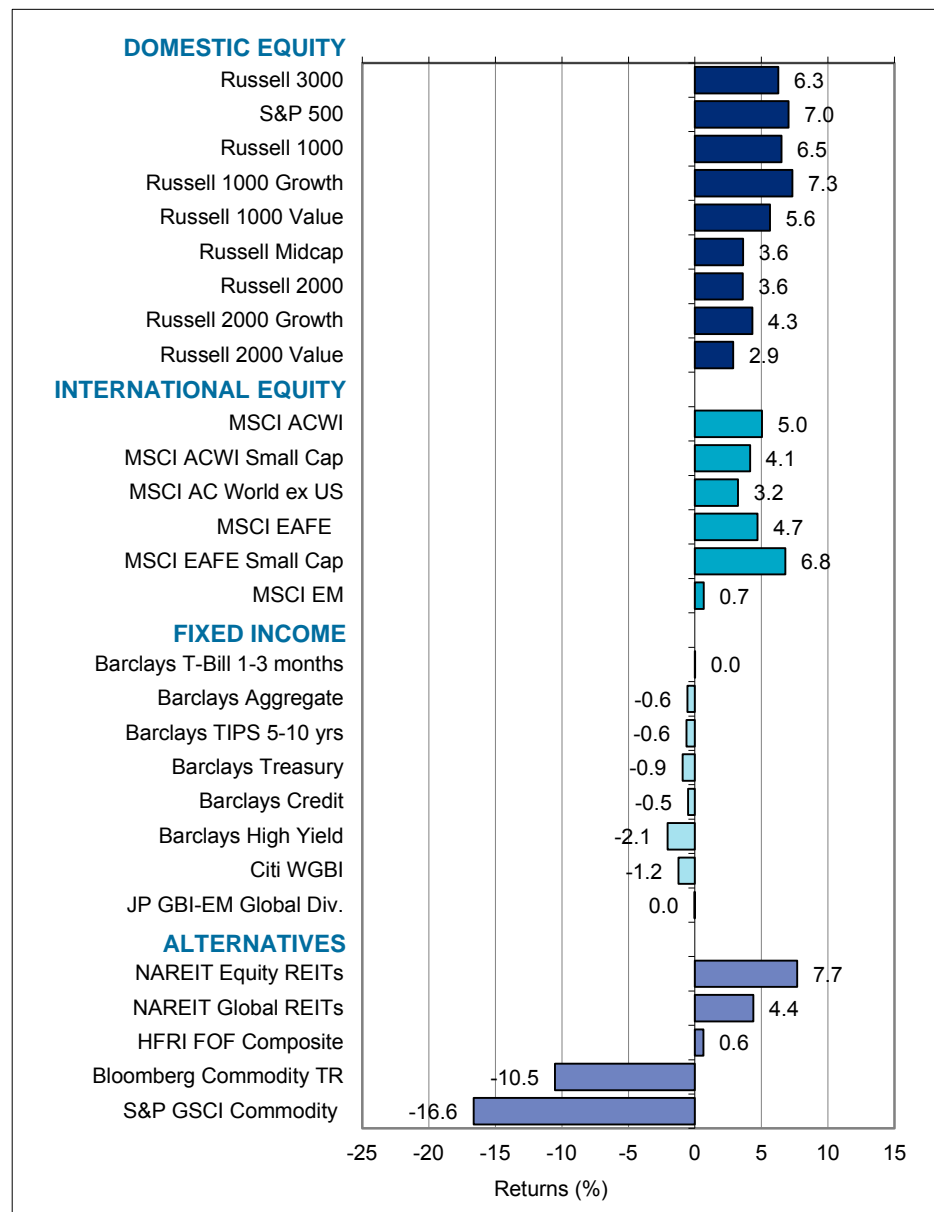
# Market Environment



# Performance Summary

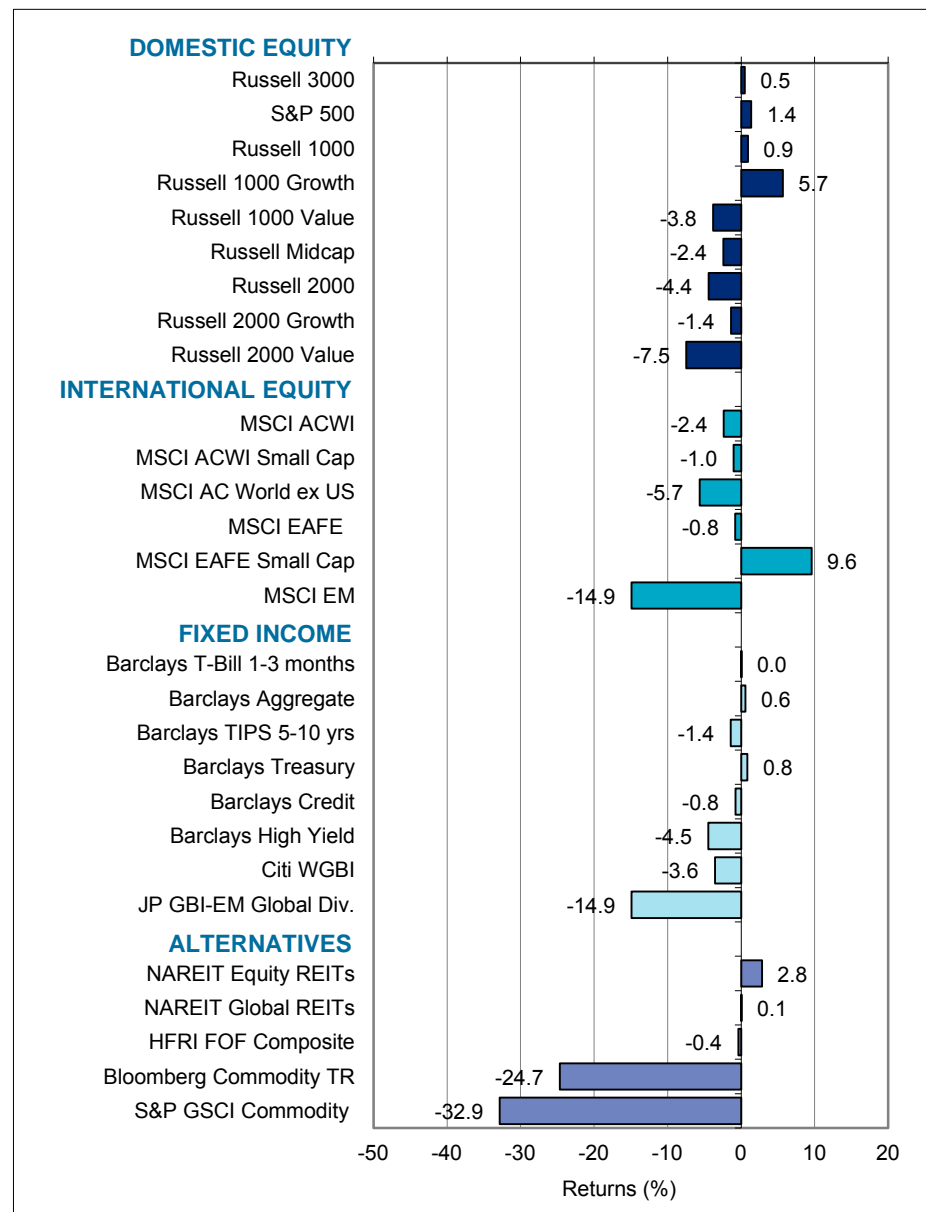
## Quarter in Review

### Market Performance Fourth Quarter 2015



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

### Market Performance 2015

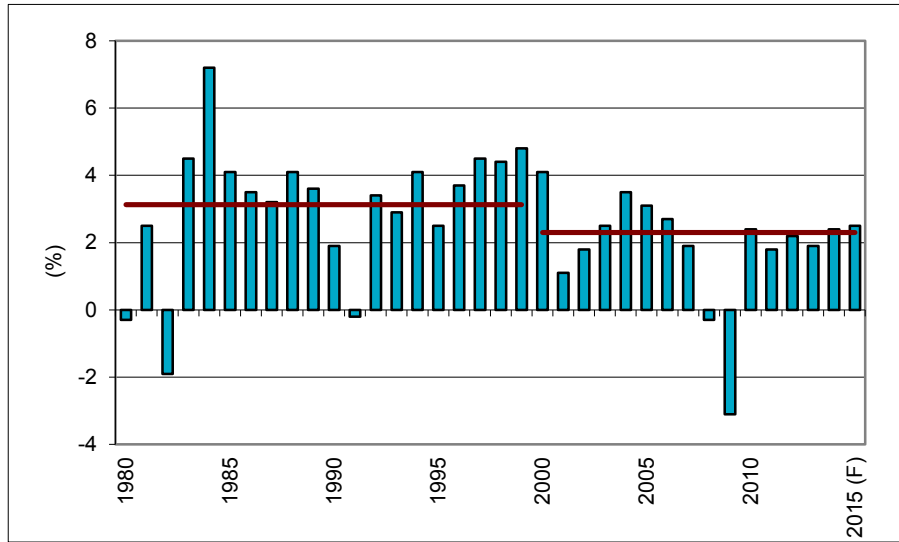


Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg

# Macro Environment

## Economic Review

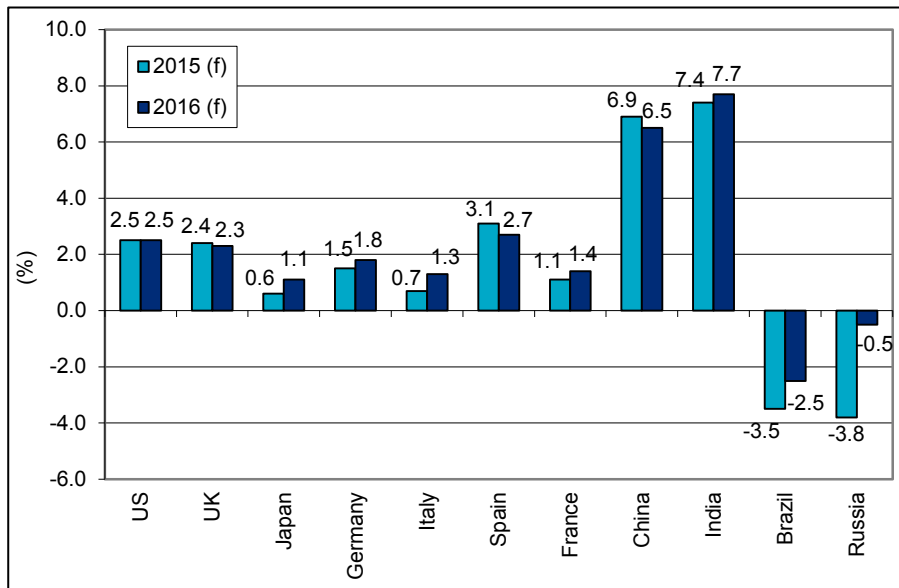
**Annual GDP Growth**



Source: Bureau of Economic Analysis

**World Economic Growth**

(Forecasts as of December 2015)



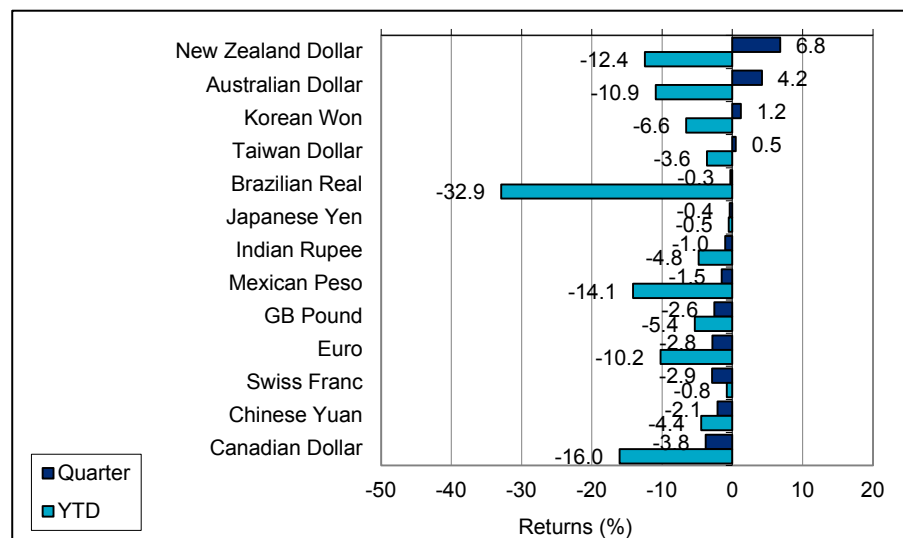
Source: Bloomberg

- We expect the developed world to grow at an above-trend pace in 2016 as the issues depressing growth have mostly faded. The developed world is forecasted to grow 2.3% in 2016, the fastest rate since 2010.
- Consensus US Q4 growth estimates of 1.6% would put 2015 GDP growth at 2.5%, well short of the 3% expectation at the start of the year. After a slowdown in Q3, job growth accelerated in Q4. Employers added an average of 284,000 jobs during the quarter, up from 174,000 in Q3. Employment expanded by 1.9% for the calendar year. The unemployment rate finished the year at 5%, and hourly average wages expanded by a solid 2.4% in 2015.
- After almost a decade of stagnation, the Eurozone economy appears to have turned the corner. Retail sales are expanding by their fastest clip since before the financial crisis and demand for new loans is at its highest level since 2007. The economy should be supported by moderate job growth, the weak euro, low interest rates and a healthier banking sector. Encouragingly, almost all parts of the region are experiencing positive momentum, with peripheral economies marginally outperforming the core.
- The Japanese economy softened in the second half of 2015, but growth should improve modestly in 2016. Exports have started to strengthen and forward-looking sentiment surveys hint at higher levels of business investment. Ahead of the July elections, we also anticipate additional government spending.
- Emerging market economies performed very poorly in 2015, registering their worst year since the financial crisis as the slowdown in China, the collapse in commodity prices and capital outflows weighed on growth. In 2016, we expect growth to remain below trend. Growth in China is likely to slow further given ongoing efforts to address debt issues and rebalance the economy. However, we think the risk of hard landing remains small given the government's ability to provide monetary and fiscal policy support. Outside of China, Russia and Brazil remain stuck in deep recessions. While EM economies are likely to remain weak over the near-term, many countries have become more competitive due to large currency declines. This should contribute to an eventual recovery, which may become more visible as we head into 2017.

## Macro Environment

### Currencies

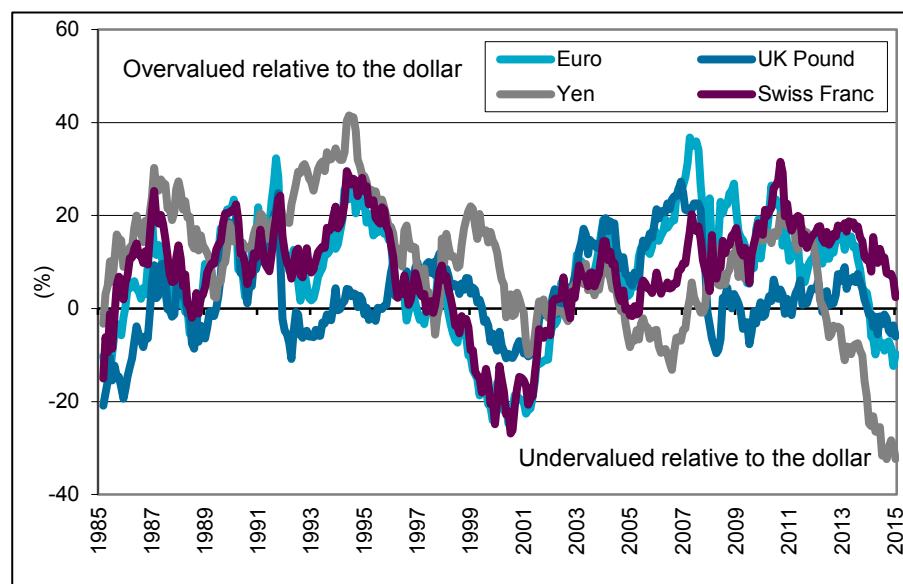
#### Performance of Foreign Currencies versus the US Dollar



Source: Bloomberg

#### Currency Valuation versus US Dollar

(Based on Relative PPP)



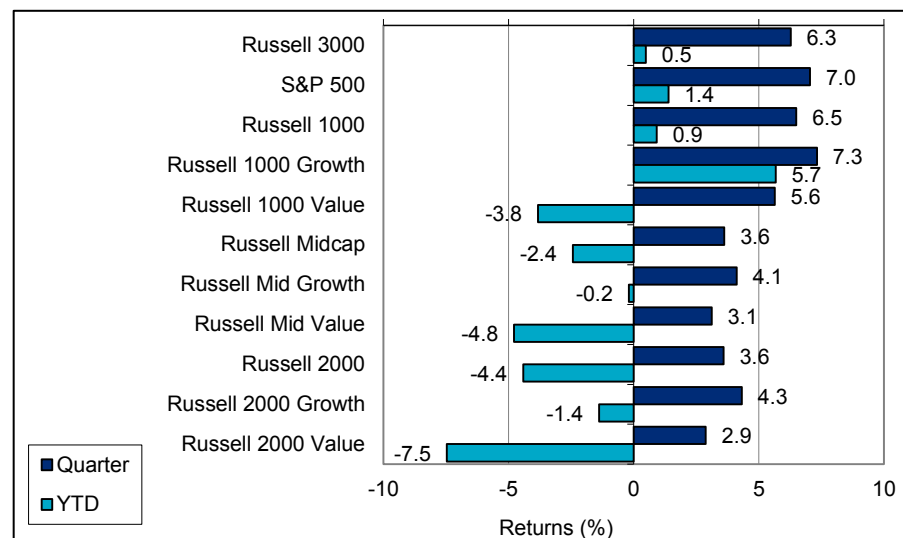
Source: Bloomberg

- The dollar continued its run against most major currencies during Q4, as the Dollar Index (DXY) rose by 2.4%, ending the year up 9.3%. The dollar gained 2.8% against the euro during the quarter, and 10.2% for 2015. The dollar's appreciation against the Japanese yen was less significant at 0.4% for the quarter and 0.5% for the year. 2015 was a difficult year for the currencies of commodity exporters such as Australia, Canada and Brazil, which lost 10.9%, 16.0%, and 32.9%, respectively.
- Emerging market currencies saw only modest declines in the fourth quarter, relative to the large fluctuations seen earlier in the year. The Chinese yuan lost 2.1% for the quarter and 4.4% for the year as it continued to loosen its peg to the US\$. The Mexican peso declined 1.5% during Q4, and 14.1% for the year. The Indian rupee held up relatively well, losing 1.0% for the quarter and 4.8% for 2015.
- The dollar is up nearly 25% versus other major currencies since June 2014. Although momentum eased in the second half of 2015, we believe the dollar is likely to trend higher over the short-term. The expected divergence in monetary policies will continue to provide support, as US yields remain attractive relative to most of the developed world. The dollar is expensive based on purchasing power parity, which has been a headwind for US manufacturing and corporate profitability. However, valuations are not yet at a level that would provide serious resistance to the current upward trajectory of the dollar.
- The biggest short-term risk for the dollar is Fed policy. If economic or global financial conditions cause the Fed to back-off on rate hikes compared to what is currently priced into the market, then the dollar is likely to backtrack. Furthermore, it is worth noting that investors are positioned long the dollar, so an unwind could lead to a rapid pullback.

## Asset Class

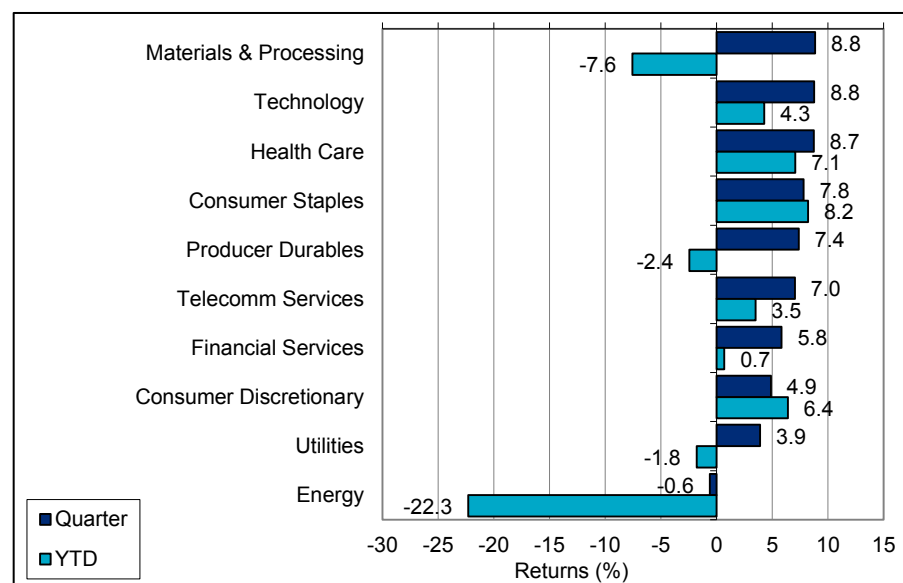
### US Equities – Style, Sector, Cap Performance

#### Style and Capitalization Market Performance



Source: Standard & Poor's, Russell, Bloomberg

#### Sector Performance



Source: Russell 1000 GICs Sector

#### Broad Market

US equities rebounded from their end of September lows, finishing the quarter up strongly. Stocks benefited from increased optimism regarding economic growth. This view was reinforced by the Fed's decision to begin the interest rate normalization process.

#### Market Cap

- **Large Caps:** The S&P 500 gained 7.0% in the fourth quarter, outperforming both mid caps and small caps. During 2015, the S&P 500 increased 1.4%, outperforming mid caps by 380 bps and small caps by 580 bps.
- **Mid Caps:** The Russell Midcap Index increased by 3.6% in the fourth quarter, but finished the year down 2.4%.
- **Small Caps:** Small cap stocks lagged in the fourth quarter, gaining only 3.6%. In 2015, the Russell 2000 index declined by 4.4% versus a gain of 1.4% for the S&P 500.

#### Style

- **Value vs. Growth:** Growth outperformed value across all market capitalizations in 2015. Small cap value stocks were the worst performing style, losing 7.5%, while large cap growth stocks were the best performing style, gaining 5.7%.

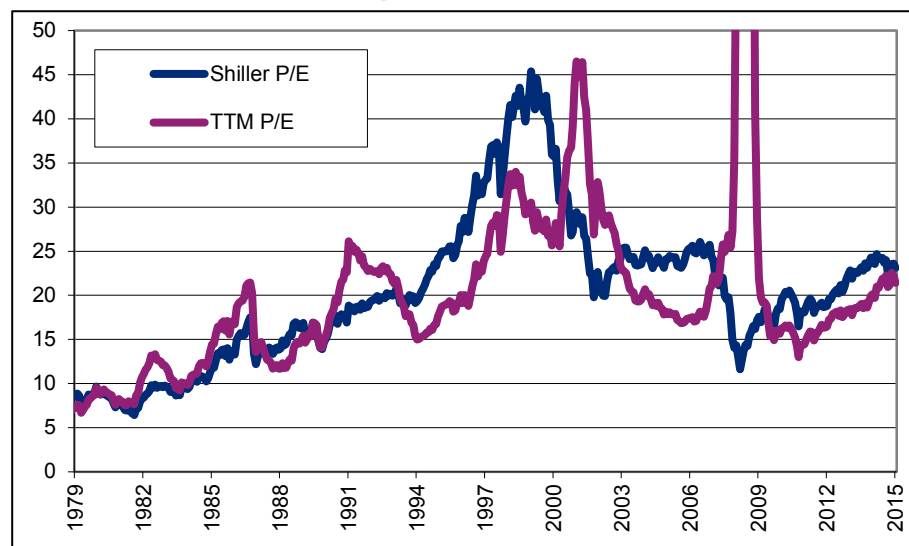
#### Sector

- Most sectors were positive during the quarter. The energy sector was the lone exception, with a 0.6% loss. During Q4, the technology, materials, and health care sectors all performed well, returning in excess of 8%. In 2015, defensive sectors outperformed with consumer staples and health care returning 8.2% and 7.1%, respectively. Energy stocks had a very difficult year, losing 22.3%.

## Asset Class

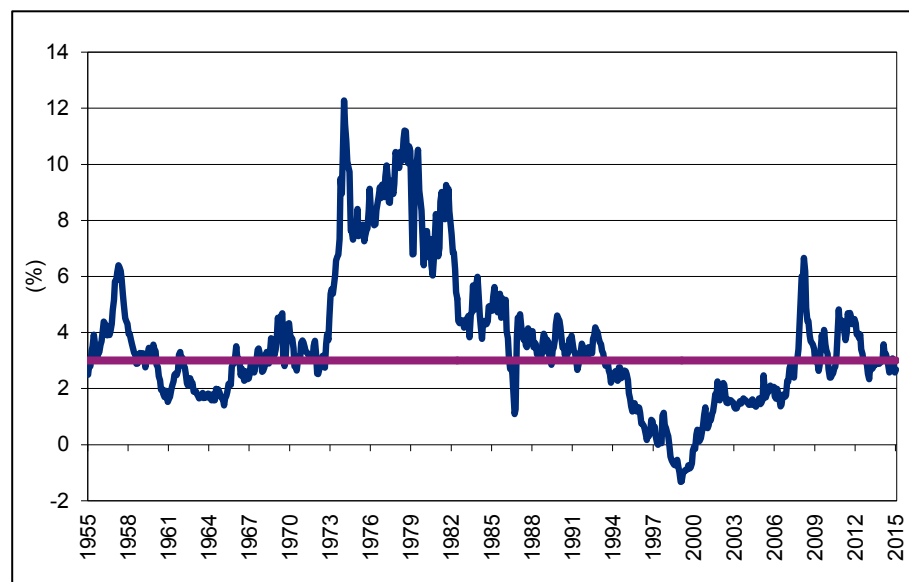
### US Equities – Valuation Review

US Equities – P/E Ratio



Source: S&P, Bloomberg, Mercer

US Equities – Estimated Equity Risk Premium<sup>1</sup>  
Versus Long-Term Treasuries



Source: S&P, Bloomberg, Mercer

- Strong US equity returns during the fourth quarter added to valuation levels. The P/E ratio on the MSCI US index rose to 20.5, compared to a median of 16.8 since 1970. Cyclically adjusted P/E ratios on US equities also rose during the quarter, as the P/E based on 10-year average real earnings (Shiller's methodology) rose from 21.8 to 23.1, well above the long term median, although down from 25.2 at the start of 2015.
- The valuation case for equities became somewhat less compelling during the fourth quarter. We estimate that the prospective equity risk premium on the S&P 500 relative to long-term Treasuries declined from 3.1% to 2.7%, as equities posted solid returns.
- US corporate earnings continue to come under pressure from dollar strength, falling 7% in 2015. Low oil prices continue to drag down earnings from the energy sector, although reduced input costs should support profits in other sectors in 2016. Strong jobs growth in 2015 reduced labor force slack, and the unemployment rate fell below the long-term median. We are likely to see increasing wage pressures in 2016 if jobs growth remains healthy, which would prove a headwind for profit margins and earnings.
- Although conditions for a sharp pick-up in capital investment (capex) have been in place for some time (high cash levels, high profitability, and supportive capital markets), capex has disappointed over recent years, and there is a risk it will do so again in 2016. In contrast, residential investment is likely to be strong, given the low level of new homes being built coupled with rising demand and historically low interest rates.
- While US equities remain rich on an absolute basis, we continue to find them attractive relative to high quality bonds, given low yields and the expectation of rising rates.

<sup>1</sup> Definitions:

Shiller's P/E= Current MSCI US price/average 10-year real earnings

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

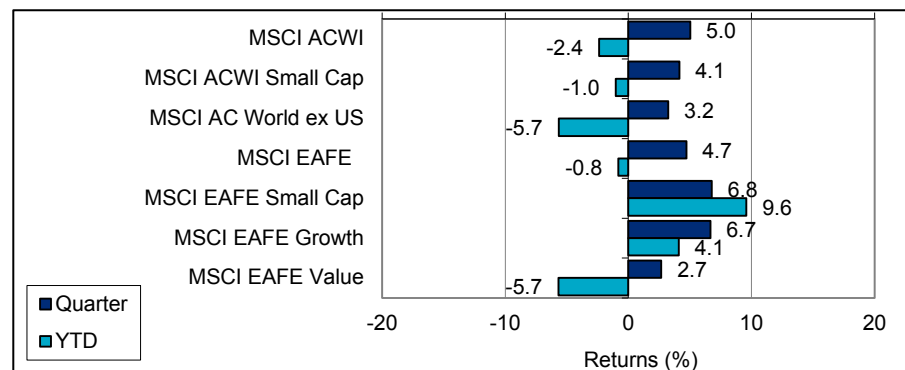
Equity Risk Premium= Earnings yield (1/PE) minus the real yield on long-term Treasuries



## Asset Class

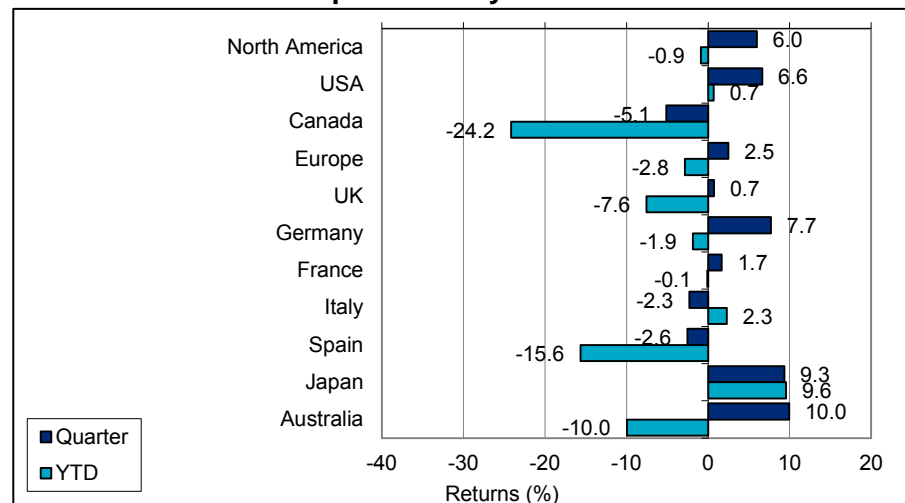
### International Equities – Performance Review

#### Global and International Equity Performance



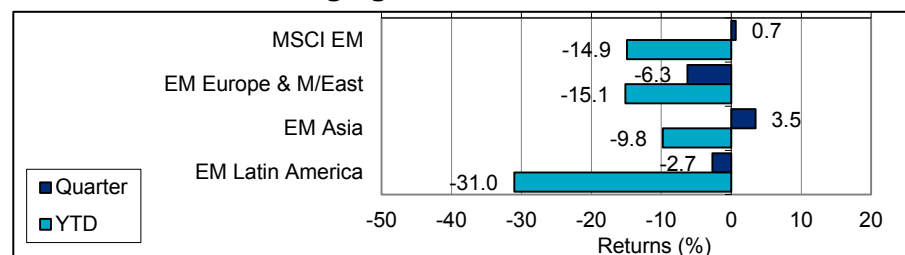
Source: MSCI, Bloomberg

#### Developed Country Performance



Source: MSCI, Bloomberg

#### Emerging Market Performance



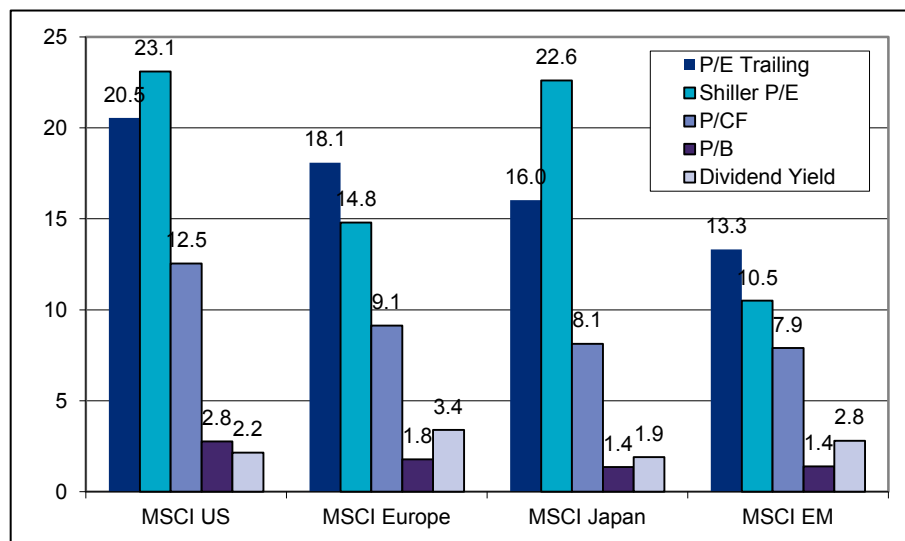
Source: MSCI, Bloomberg

- **Global equities** advanced during the fourth quarter stimulated by accommodative central bank policies. The MSCI ACWI Index increased 5.0% during the quarter, but finished the year down 2.4%, thanks to the strength of the dollar and poor performance from emerging market stocks.
- **Global small cap equities** underperformed global large cap equities by 90 bps in the fourth quarter thanks largely to the poor performance of US small caps. Global small caps underperformed by 140 bps in 2015.
- **International developed stocks** finished the quarter in positive territory. The MSCI EAFE index rose 4.7% in US\$ terms in Q4. However, EAFE finished the year down 0.8% in US\$ terms, although the index gained 5.3% in local currencies. European stocks advanced 2.5% in US\$ terms during the quarter. In 2015, European stocks lost 2.8% in US\$. Japanese stocks remain one of the best performing countries. The MSCI Japan index surged 9.3% in US\$ in the fourth quarter and was up 9.6% for 2015.
- **International small cap equities** outperformed international large caps in the fourth quarter, increasing 6.8%, a sharp contrast to the US where small-caps substantially underperformed. In 2015, the MSCI EAFE Small Cap index performed very well, rising 9.6% and outperforming large caps by more than 10 percentage points.
- **Emerging market stocks** were close to flat in Q4, rising only 0.7%. 2015 was a very painful year for emerging market equities due to falling commodity prices, U.S. dollar strength and ongoing growth concerns in China. For the year, emerging market stocks were down 14.9%. The losses were widespread, with many major regions suffering double-digit declines. The pain was particularly acute in Latin American, where equities lost nearly a third of their value during the year.

## Asset Class

### International Equities – Valuation Review

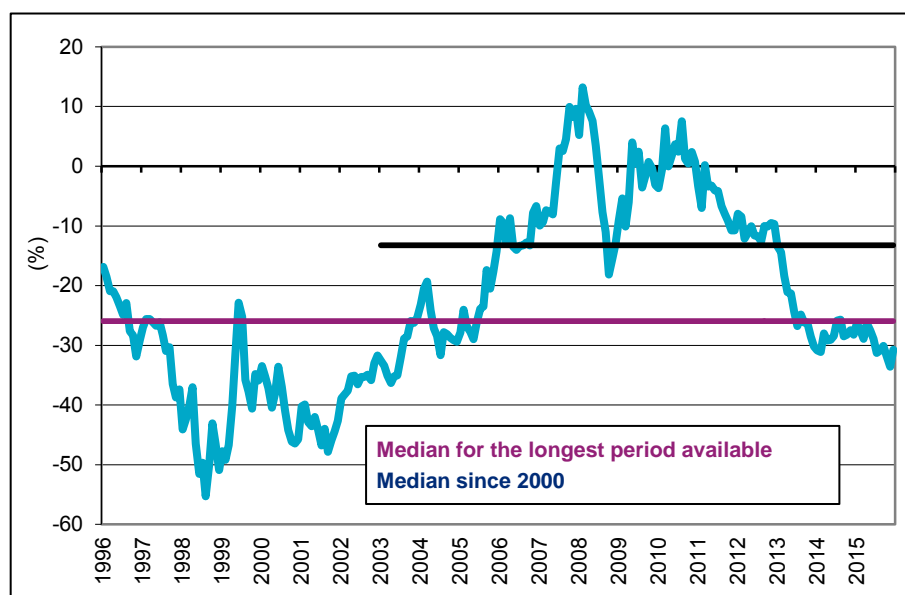
#### Global Valuations



Source: MSCI, Bloomberg

#### Valuation of MSCI Emerging Markets to MSCI World

(Based on Average of P/E, P/B and P/CF)



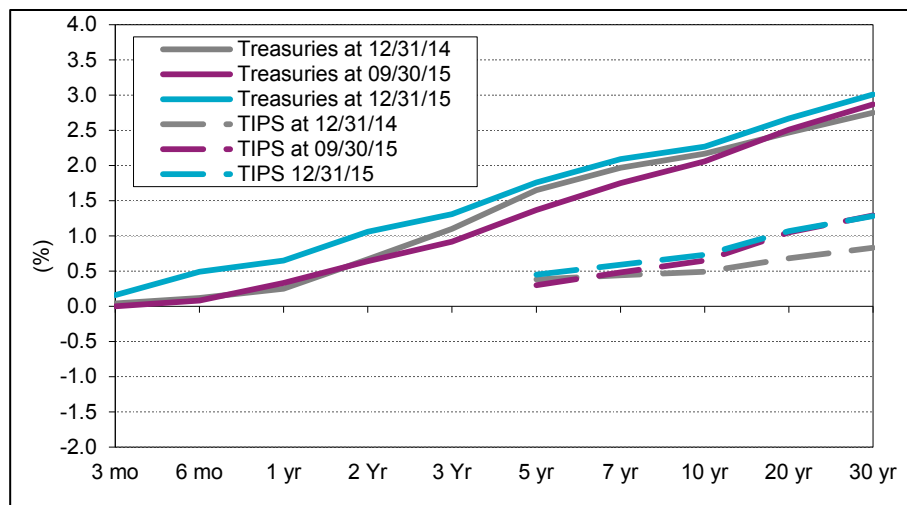
Source: MSCI, Bloomberg

- European stocks appear richly priced in absolute terms at a P/E of 18.1. Valuations are more attractive on a cyclically-adjusted basis with European stocks trading at only 14.8 times average 10-year real earnings. We believe the earnings outlook for European stocks is favorable due to improvements in growth. Eurozone earnings rose an estimated 3% in 2015, compared to a 7% decline in US earnings. The weak euro, improved domestic demand and positive credit growth should provide support for earnings growth. Meanwhile labor slack is likely to contain wage growth inflation, and loose monetary policies should support valuations.
- Japanese firms have enjoyed solid earnings growth recently, with profits up approximately 8% over the last 12 months. The P/E ratio on Japanese stocks is relatively attractive at 16. However, the forward looking earnings outlook is mixed. The slowdown in China is likely to weigh on exports, but an uptick in business investment and stronger wage and demand growth should be supportive of earnings. Additionally, implementing more shareholder friendly practices should help to improve profitability over the longer-term.
- Poor economic conditions and low oil prices are weighing on emerging market corporate earnings. Earnings per share declined by an estimated 9% in 2015 and are down 15% from peak levels. While currency declines have boosted competitiveness and may eventually help lead to earnings recovery, we expect further weakness given macro conditions.
- The bright spot for emerging market stocks is that valuations are reasonably attractive, suggesting a lot of bad news is already reflected in prices. EM stocks trade at P/E of 13.3, a 7% discount to the median since 1995. The P/B on emerging markets is in the cheapest decile since 1996. However, the apparent cheapness of EM stocks should be viewed cautiously as it is partly a function of their exposure to more cyclical sectors. EM stocks are trading at a sizable 31% discount to developed market stocks, which is below normal, but still well above the levels seen during the Asian financial crisis.

## Asset Class

### Fixed Income – Interest Rates and Yield Curve

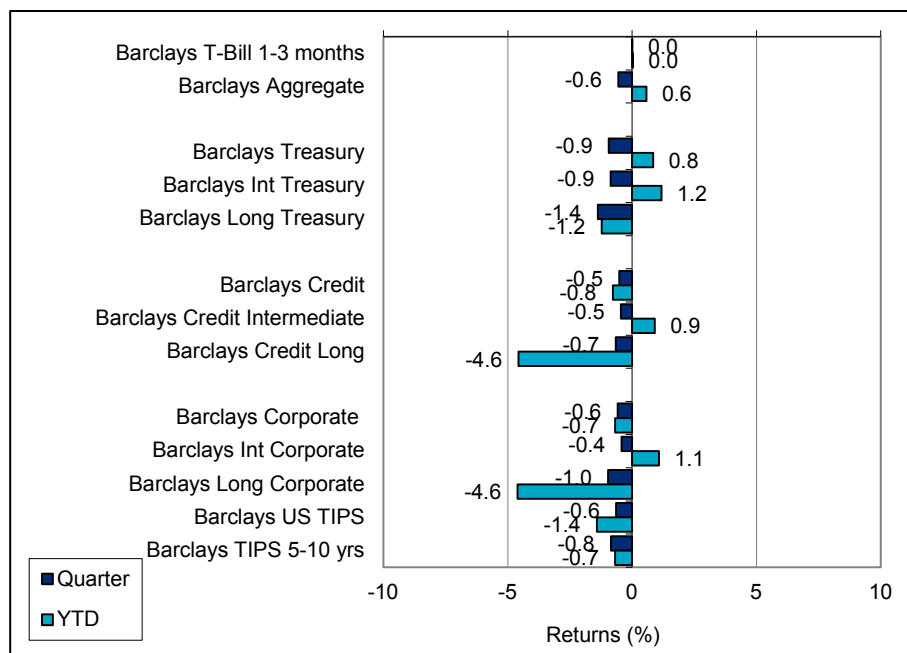
**Treasury Yield Curve**



Source: Federal Reserve

- Treasury yields increased during the fourth quarter with the yield on the 10-year Treasury rising by 21 bps to 2.27%. In its December meeting, the Fed proceeded with its highly anticipated first rate hike since 2006. The FOMC elected to raise its policy rate by 25 bps to a range of 0.25% to 0.50%. The yield curve flattened during the fourth quarter, as yields at the short end of the curve rose by as much as 42 bps, while 30-year yields rose by only 14bps.
- The speed and magnitude of future rate increases will be a key determinant of the future market impact of the tightening cycle. Based on Fed Funds futures, the market continues to discount a much slower pace of tightening than the Fed's "dot plot" would indicate. There is risk of the Fed taking more action than is currently discounted by markets, which could lead to periods of bond and equity market weakness.

**Bond Performance by Duration**



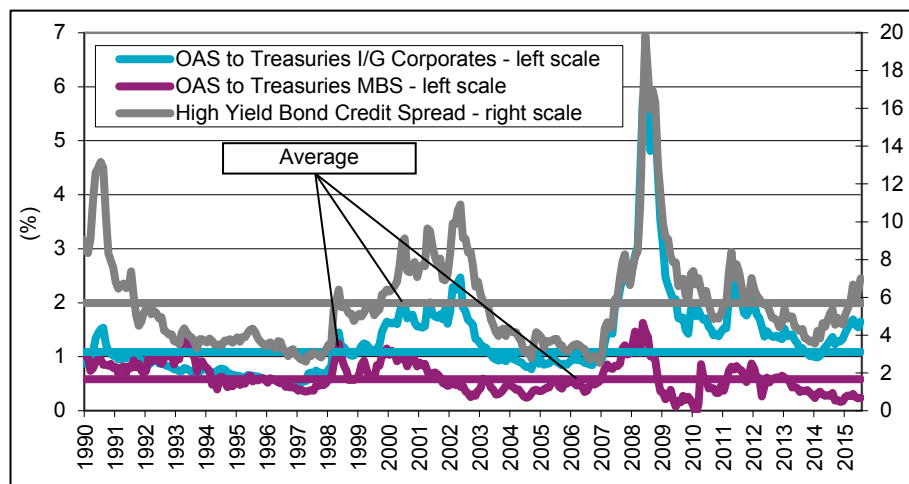
Source: Barclays, Bloomberg

- **US Bonds** were mostly negative in the fourth quarter as rates rose. The Barclays Aggregate Index declined 0.6% in Q4, but finished the year up 0.6%.
- **Long-Duration Bonds** had a difficult quarter as the yield on the 30-year Treasury rose by 14 bps to 3.0%. The Barclays Long Treasury Index declined 1.4% during the fourth quarter and ended the year down 1.2%. Long corporates also struggled as credit spreads widened. They fell 1.0% during the quarter and 4.6% for the year.
- **TIPS** declined by 0.6% during the quarter, but outperformed Treasuries. The inflation breakeven on 5-year TIPS rose by 24 bps to 1.31%. The real yield on 5-year TIPS increased by 15 bps to 0.45%. The Barclays TIPS index finished 2015 down 1.4%, underperforming Treasuries by 220 bps.

## Asset Class

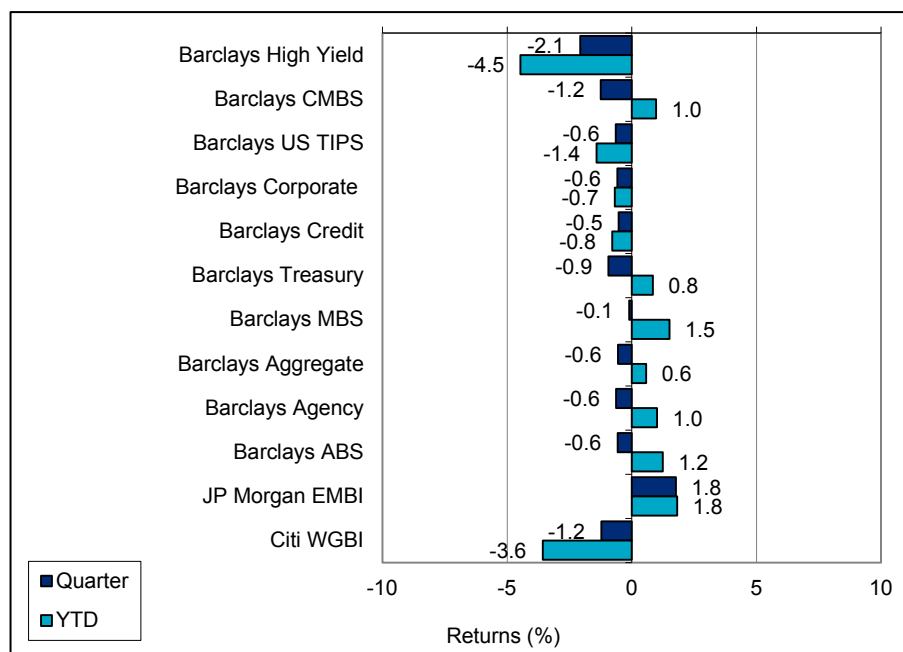
### Fixed Income – Credit and Non-US Bonds

#### Credit Spreads



- The yield on investment-grade corporate bonds rose by 26 bps during the quarter to 3.7%, and the credit spread to Treasuries remained at 1.7%, which is well above the long-term median of 1.1%.
- The yield on high yield bonds rose from 8.0% to 8.7% during the quarter, up 210 bps from where they ended 2014. Credit spreads rose from 6.3% to 6.6%. The energy sector continued to suffer the most pain, with credit spreads rising by 280 bps to 13%. The halting of redemptions by the Third Avenue Focused Credit mutual fund exacerbated liquidity concerns. However, we consider the event to be an anomaly given that the fund's underlying holdings more closely resembled a distressed fund rather than a typical high yield fund.
- **US Treasuries** declined as the Fed raised rates for the first time since 2006. The Barclays Treasury Index declined by 0.9% for the quarter, but ended the year up 0.8%.
- **US Corporate** bonds declined 0.6% for the quarter and ended 2015 down 0.7%.
- **US MBS, CMBS and ABS** bonds benefitted from the decline in rates earlier in 2015 but cut back their gains during the fourth quarter. The representative indices returned 1.5%, 1.0% and 1.2%, respectively, in 2015.
- **High Yield Bonds** continued their fall, particularly within the energy sector. The Barclays High Yield index declined 2.1% in Q4, bringing its 2015 loss to 4.5%.
- **Global Bonds** declined by 1.4% during the quarter and finished 2015 down 5.5%. The losses for the year were largely due to currency declines.
- **Emerging Market Debt** rebounded during the quarter, moving higher and returning 1.8% for both the fourth quarter and the year. However, the pressure on local currency emerging market debt continued as currency declines stemming from the commodity sell-off led to further losses. Local currency debt finished the year down 14.9%.

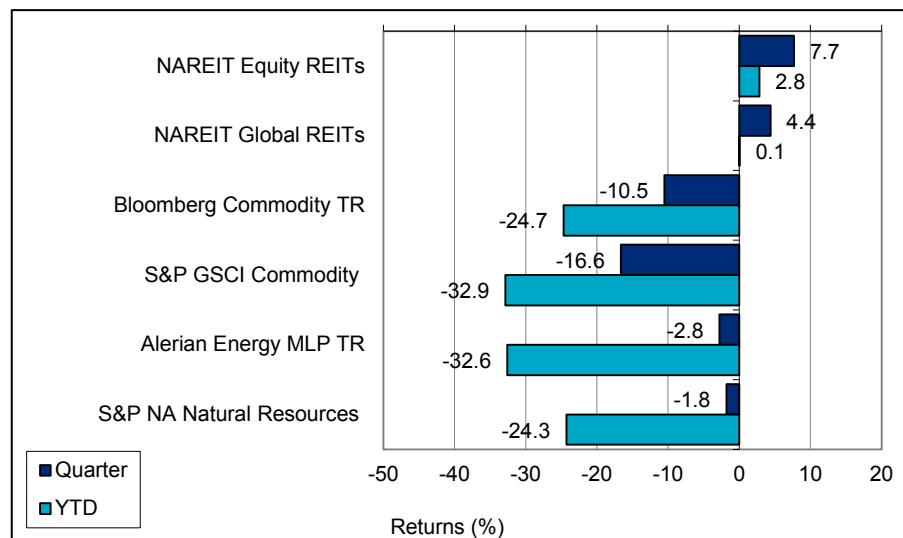
#### Sector, Credit, and Global Bond Performance



## Asset Class

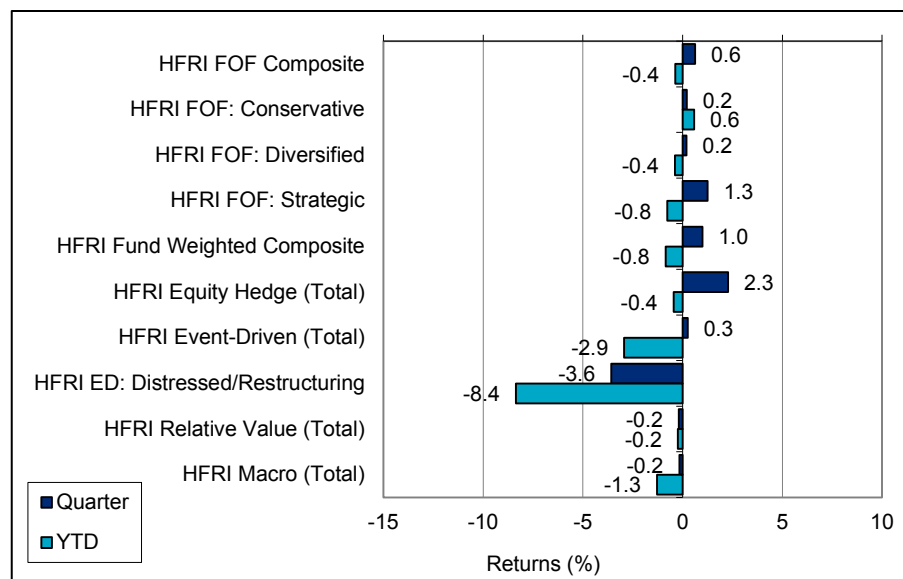
### Alternatives – Performance Review

#### Real Asset Performance



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

#### Hedge Fund Performance



Source: HFR

- **REITs** – REITs had a strong fourth quarter, bringing returns into positive territory for the year. US REITs rose by 7.7% during the quarter and ended the year up 2.8%, while Global REITs rose by 4.4% during the quarter and finished the year up 0.1%.
- **Commodities** declined significantly again in the fourth quarter as excess supply and the slowdown in China weighed on prices. The Bloomberg Commodity index declined by 10.5% in Q4 and 24.7% for the year. Natural resource stocks fell by 1.8% during the quarter, bringing their 2015 loss to a whopping 24.3%.
- **Hedge funds** lagged the rebounding equity markets during the quarter. The HFRI Fund of Funds Composite Index gained 0.6% during the fourth quarter. Over the course of a volatile 2015, the index lost 0.4%, but protected capital relative to a 60% MSCI ACWI / 40% Barclays Aggregate mix. Equity hedged strategies performed well in Q4, but finished the year down 0.4%. Event driven strategies had a rough year as a whole, with merger arbitrage as the lone bright spot due to record-setting deal volume. The HFRI ED: Distressed/Restructuring index had a particularly challenging year given the broad credit sensitivity and illiquidity seen in credit markets.

## Mutual Fund Universe

<b>Domestic equity</b>	<b>4Q</b>	<b>One Year</b>	<b>Three Years</b>	<b>Five Years</b>	<b>Ten Years</b>
<b>Mercer Combined Eq. Univ. Median Return</b>	<b>4.3</b>	<b>-2.3</b>	<b>12.8</b>	<b>10.1</b>	<b>6.7</b>
<b><u>Index Performance</u></b>					
S&P 500 Index	7.0	1.4	15.1	12.6	7.3
Russell Midcap	3.6	-2.4	14.2	11.4	8.0
Russell 2000	3.6	-4.4	11.7	9.2	6.8
<b><u>Mercer Domestic Eq. Univ. Medians</u></b>					
Large Cap Value	5.1	-3.7	12.6	10.1	5.7
Large Cap Blend	6.1	-0.6	13.5	11.0	6.5
Large Cap Growth	7.6	5.5	16.3	12.5	7.7
Mid Cap Value	2.5	-4.7	12.2	9.7	6.9
Mid Cap Blend	2.9	-3.4	12.0	9.5	6.8
Mid Cap Growth	2.9	-1.4	12.4	9.6	7.3
Small Cap Value	2.4	-6.6	10.1	8.0	6.3
Small Cap Blend	2.6	-4.3	11.2	9.0	6.4
Small Cap Growth	2.6	-2.1	12.8	9.7	7.2

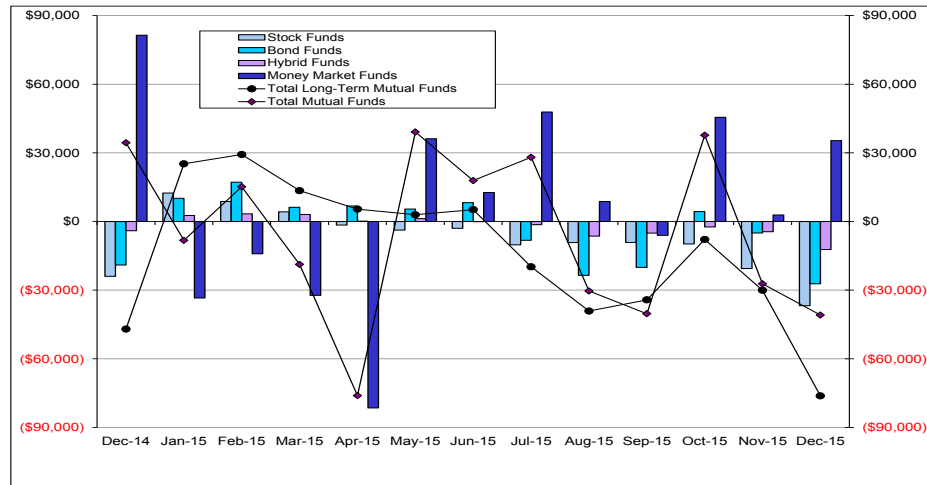
<b>International equity</b>	<b>4Q</b>	<b>One Year</b>	<b>Three Years</b>	<b>Five Years</b>	<b>Ten Years</b>
<b>Mercer Int'l Eqty. Universe Median Return</b>	<b>4.0</b>	<b>-0.2</b>	<b>4.5</b>	<b>3.2</b>	<b>3.3</b>
<b><u>Index Performance</u></b>					
MSCI EAFE	4.7	-0.8	5.0	3.6	3.0
MSCI ACWI	5.0	-2.4	7.7	6.1	4.8
MSCI World	5.5	-0.9	9.6	7.6	5.0
MSCI Emerging	0.7	-14.9	-6.8	-4.8	3.6
<b><u>Mercer Int'l Eqty. Universe Medians</u></b>					
Europe	3.5	1.9	6.6	4.4	3.6
Emerging Markets	0.1	-14.6	-6.7	-4.7	3.3
Pacific	8.1	7.4	7.1	3.8	2.2
Global Equity	4.4	-1.5	9.0	7.0	5.1

<b>Fixed Income</b>	<b>4Q</b>	<b>One Year</b>	<b>Three Years</b>	<b>Five Years</b>	<b>Ten Years</b>
<b>Mercer Combined FI Univ. Median Return</b>	<b>-0.1</b>	<b>0.6</b>	<b>1.6</b>	<b>3.8</b>	<b>4.1</b>
<b><u>Index Performance</u></b>					
Barclays Aggregate	-0.6	0.6	1.4	3.3	4.5
Barclays Gov't/Credit	-0.7	0.2	1.2	3.4	4.5
Barclays High Yield	-2.1	-4.5	1.7	5.0	7.0
Citigroup Non-U.S. Gov't Bond	-1.4	-5.5	-4.3	-1.3	3.0
Citigroup 3-Month T-Bill	0.0	0.0	0.0	0.1	1.2
<b><u>Mercer Fixed Income Universe Medians</u></b>					
Core Strategy	-0.5	0.2	1.1	3.2	4.3
Short Bond	-0.3	0.3	0.5	1.2	2.6
Long Duration Bond	-1.1	-2.2	2.0	6.9	6.2
High-Yield Bond	-1.8	-3.8	1.6	4.4	5.8
International Bond	-0.7	-5.5	-2.9	0.4	3.4

- The median domestic equity fund posted solid returns during the fourth quarter. Large cap stock funds outperformed mid and small cap funds by a significant margin. Growth-oriented stock funds outperformed value style funds, though the differential was minor in the mid and small cap spaces. International equity funds in the developed markets also posted solid returns, while emerging markets funds were nearly flat. The median domestic bond fund lost ground as all bond fund categories produced negative results.

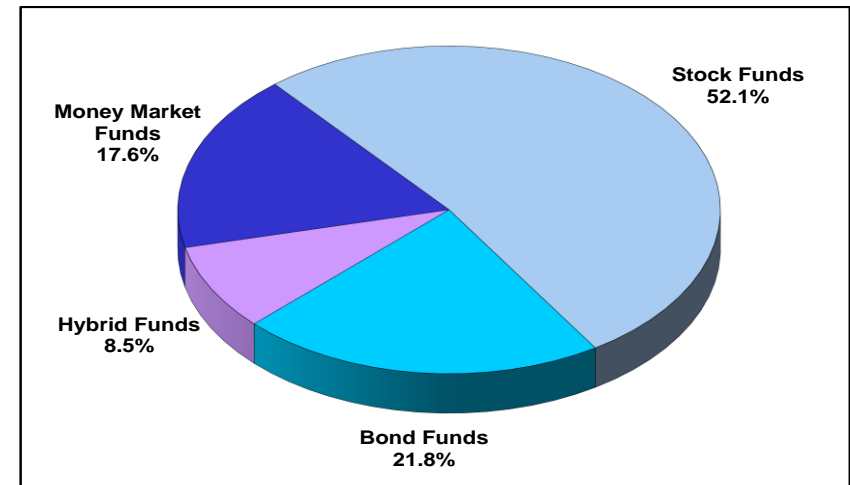
## Mutual Fund Environment

### Net New Flows (\$Millions)



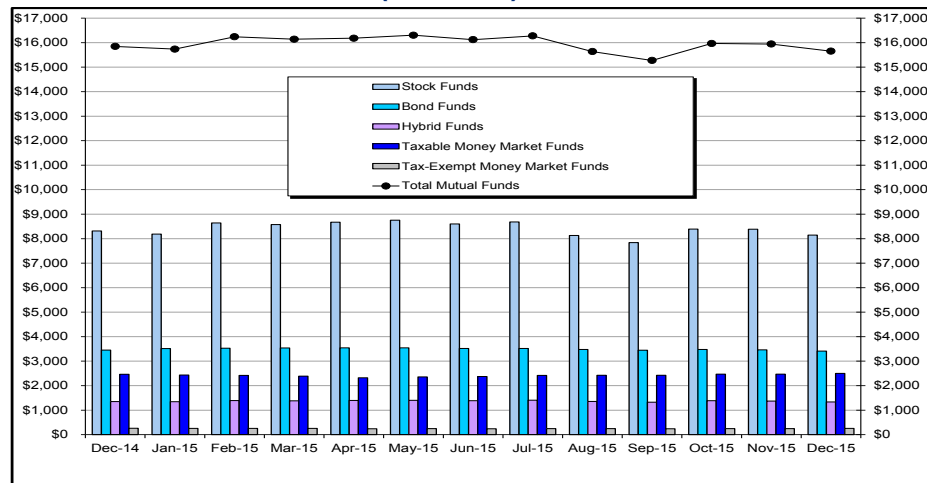
Source: Investment Company Institute

### Mutual Fund Asset Allocation



Source: Investment Company Institute

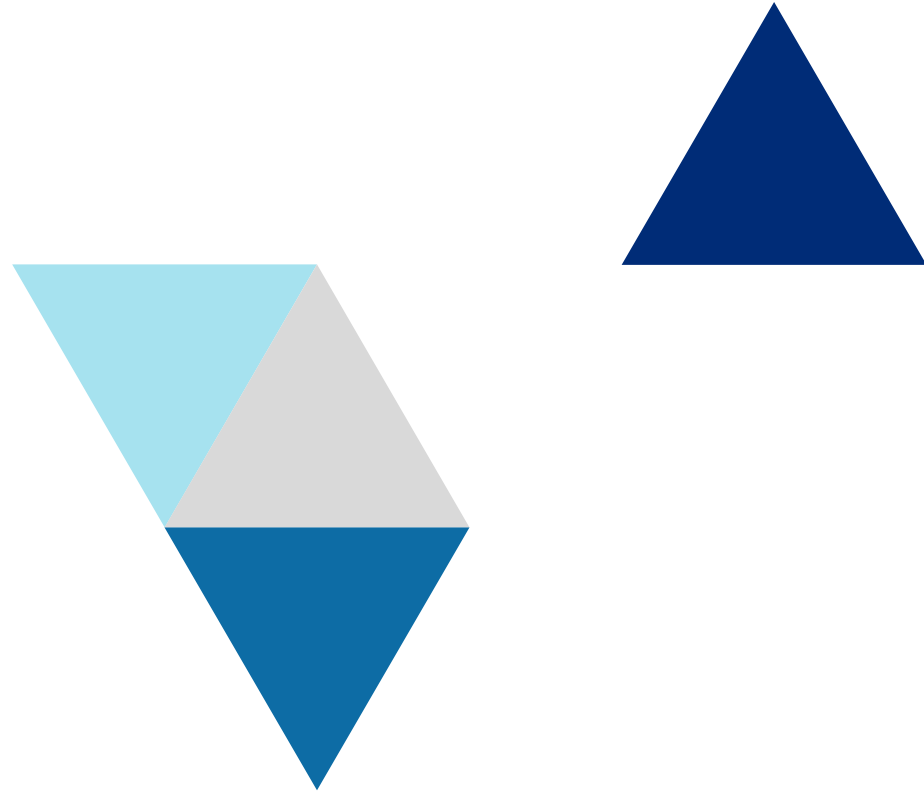
### Total Net Assets (\$Billions)



Source: Investment Company Institute

- During the quarter, mutual funds had net outflows of \$30.5 billion. Investors withdrew \$67.2 billion from stock funds, \$27.9 billion from bond funds and \$19.1 billion from hybrid funds. Investors added \$83.7 billion to money market funds.
- Total mutual fund assets increased 2.5% during the past three months, ending the quarter at \$15.7 trillion.

# Summary





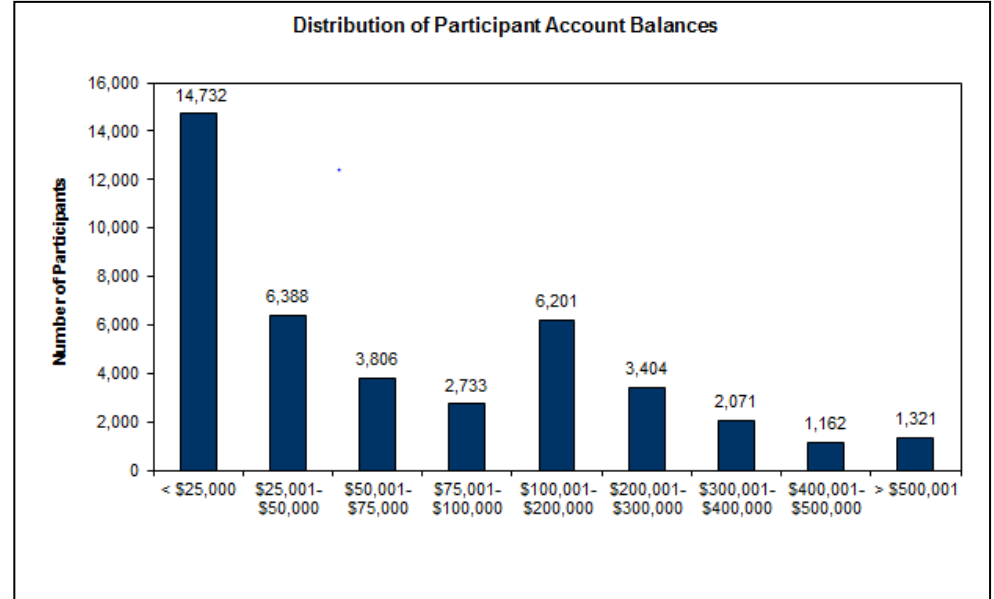
Investment Option Array



## Management Summary

### Plan Statistics:

- At quarter-end, assets (including loans) in the Deferred Compensation Plan totaled \$4,916.0 million, increasing \$165.5 million (+3.5%) from \$4,750.5 million reported at the previous quarter-end. The increase is a result of investment gains. Contributions (including other deposits) for the quarter totaled \$75.0 million compared to withdrawals (including fees) of \$68.1 million. Investment gains totaled \$156.1 million. Assets on loan to participants increased by \$2.6 million.
- As of December 31, 2015, there were 41,818 participants with account balances. The average account balance was \$113,030, while the median account balance was \$48,817. The distribution of participant balances is shown to the right; 35.2% of participants had a balance less than \$25,000 and 3.2% had a balance greater than \$500,000.



- The Deferred Compensation Plan (DCP) Large Cap Stock Fund held the highest percentage of Plan assets (31.4%), followed by the DCP Stable Value Fund (19.6%), Schwab PCRA Self Directed Brokerage Account (6.7%) and FDIC-Insured Savings Account (6.2%). All other funds held less than or equal to 6.0 % of Plan assets.
- Assets in the Profile funds (5 customized risk-based Profile funds ranging from Ultra Conservative to Ultra Aggressive) totaled \$810.3 million (16.5% of Plan Assets) at quarter end; this was an increase of \$23.0 million from \$787.3 million at the prior quarter-end.
- Asset allocation largely remained unchanged during the quarter with domestic equity representing the largest (40.0%) asset class in the Plan.

## Management Summary

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### Quarterly Performance:

- The Stable Value Fund outperformed its benchmark for all periods shown. The current net blended yield for the Fund increased during the quarter from 1.98% to 2.02% (net of all fees). Galliard expects the Fund's blended yield to remain near current levels in the coming quarter. The market-to-book ratio decreased during the quarter, from 101.7% to 100.9%, due to higher interest rates and continued amortization of the Fund's market value premium.
- The DCP Bond Fund underperformed the Barclays US Aggregate Bond Index during the quarter, primarily caused by the Loomis Sayles Core Plus Bond Fund which underperformed the index by 100 basis points. An overweight allocation to and security selection within the investment grade and high yield energy-related and industrial securities coupled with an underweight allocation to Treasuries and agency pass-throughs securities hurt results. An allocation to agency commercial mortgage backed securities (CMBS) and mortgage backed securities (MBS) and security selection within the utilities sectors hindered results. Exposure to non-US-dollar-denominated bonds, particularly from Mexico and the Philippines also led to the underperformance.
- All five Risk-Based Profile Funds, Ultra Conservative, Conservative, Moderate, Aggressive and Ultra Aggressive, underperformed their respective custom benchmarks during the quarter. However, relative to their peer groups, three out of the five funds outperformed their respective universe medians. The performance of the more conservative Profile Funds was hampered due to their higher allocation to the underperforming DCP Bond Fund, while the performance of the more aggressive Profile Funds was due to their higher allocation to both underperforming DCP Small Cap Stock Fund and DCP International Stock Fund.
- The DCP equity investments had positive performance during the quarter. The DCP Large Cap Stock Fund tracked its index closely, the DCP Mid Cap Stock Fund outperformed both benchmarks while the DCP Small Cap Stock Fund underperformed its index by 50 basis points but placed in the top half of its universe. Within domestic equity, the RidgeWorth Mid Cap Value Fund performance was noteworthy as it outperformed its benchmark by 290 basis points, while the DFA US Small Cap Value Portfolio Institutional was the only underlying fund to underperform its benchmark (by 100 basis points).
- The DCP International Stock Fund trailed its benchmark by 90 basis points and ranked at the 81<sup>st</sup> percentile of its peer group. All three underlying funds – MFS International Institutional Equity Fund, Brandes International Small Cap Equity Fund and DFA Emerging Markets Core Equity Portfolio underperformed their respective benchmarks during the quarter.

### Long-Term Performance:

- Long-term performance for all the funds in the Plan, where applicable, has been generally satisfactory.

## Management Summary

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### Manager Updates:

#### Brandes Investment Partners (Brandes) - Investment Team Update – February 3, 2016

- Brandes made two organizational announcements on February 2, 2016. First, Jim Brown retired from the firm effective January 31, 2016. Brown had announced his intent to retire in early 2016 in late 2011. With his retirement, the Global Large Cap Investment Committee (GLIC) will be reduced to four voting members, as Brandes will not be replacing Brown at this time. Second, in keeping with Brandes' practice of rotating membership on the various investment committees, the firm announced the following changes as well:
  - Mauricio Abadia, who has been a non-voting member on the Emerging Markets Investment Committee, will move to a voting role. Concurrently, Greg Rippel will rotate off the committee.
  - Rippel will move to a voting role on the Small-Mid Cap Investment Committee. With his addition, Ted Kim, a voting member, and Jon Menor, a non-voting member, will both rotate off. Kim will retain his voting role on the GLIC and Menor will now focus solely on his analyst duties.
- Brandes also announced industrials analyst Bryan Barrett will be joining the firm's Corporate Governance Committee, which helps to fulfill the firm's proxy voting responsibilities and occasional engagement with companies. This news does not impact our views or ratings for any of Brandes' equity strategies. Brandes has done a good job of recognizing and rewarding up and coming talent on its team and the increased responsibilities of Abadia and Barrett reflect this. Brown's retirement has been well communicated and the firm has taken appropriate steps over the past few years to transition his responsibilities. This announcement concludes what has been a multi-year process leading up to his retirement. Given his tenure, experience, and investment acumen, we have long respected Brown, but believe the firm has the adequate talent and resources such that his retirement will not adversely impact the strategies.

#### Galliard Capital Management, Inc. - Galliard named in Class Action Complaint Alleging Breach of Fiduciary Duties – February 25, 2016

- On February 11, 2016, a Class Action Complaint was filed in the US District Court for the District of Massachusetts for Mary Barchock, Thomas Wasecko and Stacy Weller against CVS Corporation (CVS), the Benefit Plans Committee of CVS Corporation (Benefit Plans Committee), and Galliard Capital Management (Galliard) (collectively, "Defendants") for fiduciary breach under ERISA as a result of its alleged imprudent management of the Stable Value Fund.
- The allegations state the Defendants breached fiduciary duties owed by them to Plaintiffs and to the Plan by imprudently investing too much of the Plan's Stable Value Fund assets in short-term money market funds and cash management accounts that provided extremely low investment returns. The Plaintiffs allege in the Complaint that the Benefit Plans Committee appointed Galliard to manage the Plan's Stable Value Fund. They also allege that Galliard was hired to select the investments, investment managers, and insurance contracts for the Stable Value Fund, exercising discretionary authority over Plan assets, and is a Fiduciary to the Plan.

## Management Summary

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- Mercer held a conference call with Carrie Callahan (Managing Partner with Galliard) on February 25, 2016 to discuss the allegations. Galliard believes this Complaint to be misleading and without merit as during this time Galliard was appointed to only invest in a minority piece of the Fund by utilizing one of Galliard's Collective Funds, and did not manage the Fund in its entirety. Galliard was not involved in the asset allocation decisions made by the Plan Sponsor, and is not considered a Fiduciary to the Plan. Wells Fargo's legal team is preparing to draft a Summary Judgement to remove Galliard from the Complaint.
- Mercer believes that this does not directly impact clients who utilize Galliard as a Stable Value Manager (either in a separate account or CIT capacity) in their Plans, as the Complaint is specific to the CVS Stable Value Fund separate account. Mercer is not recommending any changes to Galliard's Stable Value Ratings.

### MFS Investment Management - Marcus Smith Departure – February 24, 2016

- MFS has informed us that Marcus Smith will be relinquishing his roles as co-portfolio manager of the MFS International Equity and portfolio manager of the International Concentrated Equity strategy on April 1, 2017. Smith will be leaving MFS to pursue other opportunities outside of the investment industry. Daniel Ling, Smith's coportfolio manager on the International Equity strategy, will be joined by Filipe Benzinho, a London-based European research analyst. Additionally, both Ling and Benzinho will jointly manage the MFS International Concentrated Equity strategy, which was solely managed by Smith.
- While Mercer does not believe there is an immediate concern surrounding the management of the strategy given the timeframe of Smith's departure, we are very disappointed by this news and propose the MFS International Equity and the International Concentrated Equity strategies be downgraded. We continue to believe these strategies have above-average prospects of outperformance given the strength of the MFS research underlying the strategies, their unchanged investment philosophy and process and connection within Dave Mannheim's purview as head of the Global/International Equity team.
- Mercer will reassess the rating after we have the opportunity to meet with Benzinho and discuss the impact of these changes with MFS. The timing of such a meeting is unclear as MFS has suggested we would need to wait until September to meet Benzinho.
- While Smith and Ling are co-portfolio managers on the MFS International Equity strategy and we have a high regard for both of them, Smith is the more senior portfolio manager on the strategy and the primary reason for our high conviction in it. Smith was introduced as coportfolio manager on the MFS International Equity strategy in 2001, alongside then co-portfolio manager Dave Mannheim. In 2009, Mannheim resigned as the lead portfolio manager of the strategy while remaining on the Global/International Equity team and Ling was assigned as coportfolio manager. Our confidence in the strategy has been driven in large part by Smith's deep experience.

## Management Summary

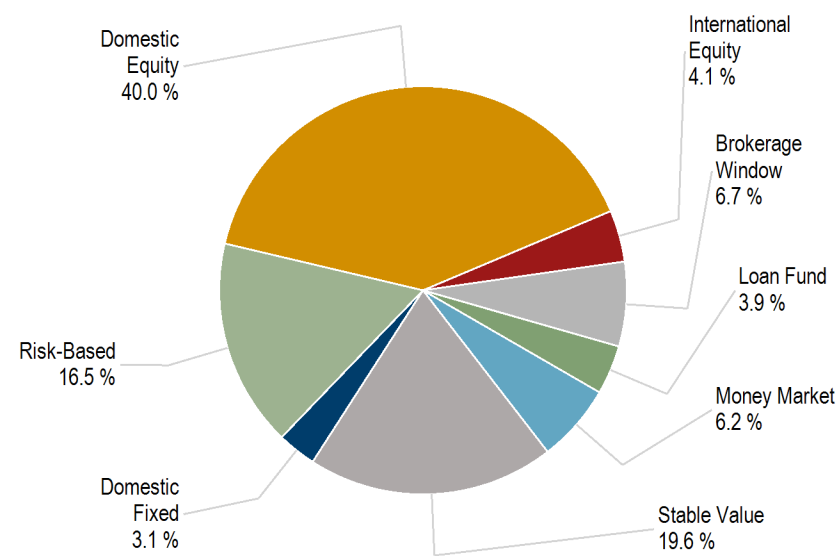
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- Mercer believes Ling is very capable, but he does not have the same depth of experience as Smith. We question if he will provide the same degree of challenge as Smith did on potential and current portfolio holdings to Mannheim, the most senior member of the Global/International Equity team. Additionally, we have concerns regarding what his relationship with Mannheim will be like without the involvement of Smith. Also, we do not have the same level of confidence in a Ling/Benzinho portfolio management team as we did in a Smith/Ling combination.

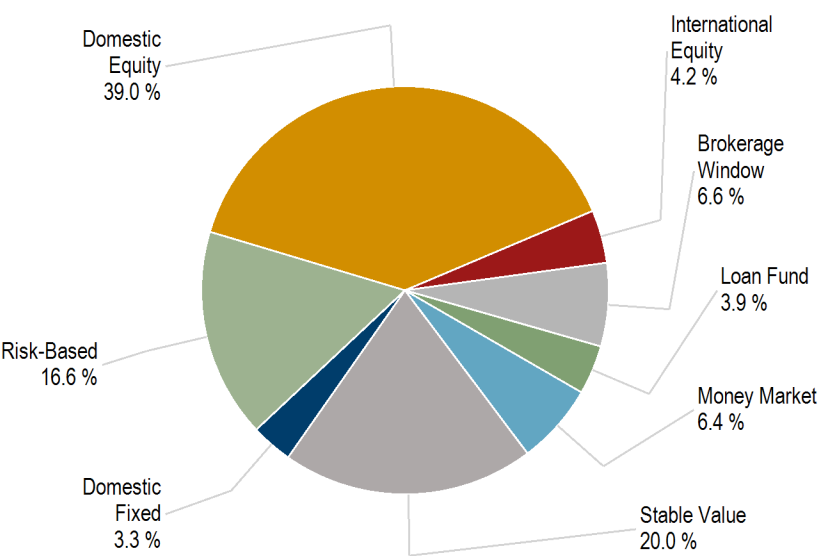
### Voya Investment Management Co. (Voya) - Mid Cap Growth Analyst Promotion to Large Cap Value PM – January 11, 2016

- On January 8, 2016, Voya informed us that senior US growth analyst (consumer sector) James Dormant was promoted to portfolio manager for the firm's large cap value strategies. Dormant transitioned his duties on December 31, 2015 and Voya has since engaged a formal search for his replacement (the firm expects to hire a senior analyst during the first half of the year). In the interim, US growth analysts Rahul Jadhav and Bradley Roberts, who both also cover consumer for the US Growth team, will share coverage of Dormant's responsibilities. Dormant has been a member of the US Growth team since 2008.
- Mercer believes that Dormant's move has no material implications for the Mid Cap Growth strategy. Furthermore, Voya has adequately structured temporary coverage by assigning two consumer-focused, US Growth team analysts to follow the vacant responsibilities while the firm engages in a formal search for Dormant's replacement. As a result, we recommend no change to our rating for Voya Mid Cap Growth.

Current Asset Allocation



Prior Period Asset Allocation



## Fund Allocation

### Asset Allocation by Tier

	Total Market Value	% of Portfolio	Cash	Stable Value	Domestic Fixed	Risk-Based	Domestic Equity	International Equity	Brokerage Window	Other
<b>Cash</b>										
FDIC-Insured Savings Account	\$302,681,706	6.2%	\$302,681,706							
<b>Stable Value</b>										
Deferred Compensation Stable Value Fund (Net)	\$962,367,181	19.6%		\$962,367,181						
<b>Domestic Fixed</b>										
DCP Bond Fund	\$154,124,369	3.1%			\$154,124,369					
<b>Risk-Based</b>										
Ultra Conservative Profile	\$45,051,436	0.9%				\$45,051,436				
Conservative Profile	\$109,859,227	2.2%				\$109,859,227				
Moderate Profile	\$283,441,086	5.8%				\$283,441,086				
Aggressive Profile	\$268,763,907	5.5%				\$268,763,907				
Ultra Aggressive Profile	\$103,211,348	2.1%				\$103,211,348				
<b>Domestic Equity</b>										
DCP Large Cap Stock Fund	\$1,541,964,958	31.4%					\$1,541,964,958			
DCP Mid Cap Stock Fund	\$215,872,512	4.4%					\$215,872,512			
DCP Small Cap Stock Fund	\$207,093,245	4.2%					\$207,093,245			
<b>International Equity</b>										
DCP International Stock Fund	\$202,899,927	4.1%						\$202,899,927		
<b>Brokerage Window</b>										
Schwab PCRA Self-Directed Brokerage Account	\$329,351,844	6.7%							\$329,351,844	
Loan Account	\$189,280,964	3.9%								\$189,280,964
<b>Total</b>	<b>\$4,915,963,710</b>	<b>100.0%</b>	<b>\$302,681,706</b>	<b>\$962,367,181</b>	<b>\$154,124,369</b>	<b>\$810,327,004</b>	<b>\$1,964,930,715</b>	<b>\$202,899,927</b>	<b>\$329,351,844</b>	<b>\$189,280,964</b>

\*Total Plan Market Value excludes \$3.3 million in the Forfeiture/Asset Holding Account (this account is used to pay Plan expenses) and \$123 in unallocated contributions.



## Allocation of Underlying Core Funds

	Ultra Conservative Profile	Conservative Profile	Moderate Profile	Aggressive Profile	Ultra Aggressive Profile	Standalone Totals	TOTAL
<b>FDIC-Insured Savings Account</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$302,860,590</b>	<b>\$302,860,590</b>
<b>DCP Stable Value Fund</b>	<b>\$15,991,159</b>	<b>\$16,835,615</b>	<b>\$29,139,858</b>	<b>\$13,852,900</b>	<b>\$0</b>	<b>\$962,367,181</b>	<b>\$1,038,186,712</b>
<b>DCP Bond Fund</b>	<b>\$22,442,260</b>	<b>\$55,112,987</b>	<b>\$85,840,699</b>	<b>\$54,420,567</b>	<b>\$10,510,044</b>	<b>\$153,724,801</b>	<b>\$382,051,358</b>
Vanguard Total Bond Market Index Fund Instl Plus	\$11,316,185	\$27,789,927	\$43,283,932	\$27,440,784	\$5,299,538	\$77,513,509	\$192,643,874
Natixis Loomis Sayles Core Plus Bond N	\$11,126,075	\$27,323,060	\$42,556,767	\$26,979,783	\$5,210,506	\$76,211,292	\$189,407,483
<b>DCP Large Cap Stock Fund</b>	<b>\$2,223,842</b>	<b>\$13,648,136</b>	<b>\$70,860,577</b>	<b>\$67,399,133</b>	<b>\$26,040,249</b>	<b>\$1,542,447,252</b>	<b>\$1,722,619,189</b>
<b>DCP Mid Cap Stock Fund</b>	<b>\$1,104,434</b>	<b>\$5,421,304</b>	<b>\$28,144,251</b>	<b>\$40,155,502</b>	<b>\$20,692,114</b>	<b>\$216,150,349</b>	<b>\$311,667,954</b>
Vanguard Mid-Cap Index Fund Instl Plus	\$550,032	\$2,699,925	\$14,016,437	\$19,998,297	\$10,305,114	\$107,647,486	\$155,217,291
RidgeWorth Mid-Cap Value Equity Fund I	\$275,820	\$1,353,910	\$7,028,710	\$10,028,385	\$5,167,623	\$53,981,120	\$77,835,567
Voya MidCap Opportunities Fund R6	\$278,582	\$1,367,469	\$7,099,103	\$10,128,820	\$5,219,377	\$54,521,743	\$78,615,095
<b>DCP Small Cap Stock Fund</b>	<b>\$1,095,617</b>	<b>\$5,377,670</b>	<b>\$27,916,882</b>	<b>\$39,826,659</b>	<b>\$20,523,384</b>	<b>\$207,164,388</b>	<b>\$301,904,601</b>
Vanguard Small Cap Index Inst Plus	\$371,680	\$1,824,332	\$9,470,580	\$13,510,877	\$6,962,395	\$70,278,871	\$102,418,735
DFA US Small Cap Value Portfolio Institutional	\$357,545	\$1,754,954	\$9,110,423	\$12,997,071	\$6,697,622	\$67,606,233	\$98,523,848
Hartford SmallCap Growth HLS Fund IA	\$366,393	\$1,798,384	\$9,335,879	\$13,318,710	\$6,863,368	\$69,279,285	\$100,962,018
<b>DCP International Stock Fund</b>	<b>\$2,194,356</b>	<b>\$13,462,643</b>	<b>\$41,928,816</b>	<b>\$53,185,509</b>	<b>\$25,701,437</b>	<b>\$202,028,588</b>	<b>\$338,501,349</b>
MFS International Inst Equity Fund	\$1,429,858	\$8,772,351	\$27,321,107	\$34,656,046	\$16,747,234	\$131,643,227	\$220,569,823
Brandes Intl Small Cap Equity Fund I	\$390,832	\$2,397,800	\$7,467,844	\$9,472,747	\$4,577,623	\$35,982,842	\$60,289,688
DFA Emerging Markets Core Equity Inst	\$373,667	\$2,292,492	\$7,139,865	\$9,056,716	\$4,376,579	\$34,402,519	\$57,641,838
<b>Schwab PCRA Self-Directed Brokerage Account</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$329,351,844</b>	<b>\$329,351,844</b>
<b>Loan Account</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$189,280,964</b>	<b>\$189,280,964</b>
<b>TOTAL</b>	<b>\$45,051,668</b>	<b>\$109,858,356</b>	<b>\$283,831,082</b>	<b>\$268,840,268</b>	<b>\$103,467,229</b>	<b>\$4,105,375,958</b>	<b>\$4,916,424,561</b>

\* Note: Balances shown on this exhibit will not match figures shown on the rest of the report, which come from the "Empower recordkeeping system". The figures shown on this exhibit come from the "Empower Investment Team reporting system", which is based on settlement date and does not include accruals.

## Investment Expense Analysis

Fund	Style	Fund Balance	Estimated Fund Expense	Fund Net Expense Ratio	Median Net Expense Ratio <sup>1</sup>	Net Expense Diff.	Expense Rebate	Expense Ratio after Expense Rebate
FDIC-Insured Savings Account	Cash Equivalents	\$302,681,706	N/A	N/A	N/A	N/A	N/A	N/A
Deferred Compensation Stable Value Fund (Net)	Stable Value	\$962,367,181	\$2,713,875	0.28%	0.44%	-0.16%	0.00%	0.28%
DCP Bond Fund	US Fixed	\$154,124,369	\$393,017	0.26%	0.50%	-0.25%	0.00%	0.26%
Ultra Conservative Profile	Risk-based	\$45,051,436	\$130,217	0.29%	0.83%	-0.54%	0.01%	0.28%
Conservative Profile	Risk-based	\$109,859,227	\$346,295	0.32%	0.83%	-0.51%	0.01%	0.30%
Moderate Profile	Risk-based	\$283,441,086	\$902,998	0.32%	0.86%	-0.54%	0.02%	0.30%
Aggressive Profile	Risk-based	\$268,763,907	\$978,807	0.36%	0.94%	-0.57%	0.03%	0.34%
Ultra Aggressive Profile	Risk-based	\$103,211,348	\$422,953	0.41%	0.94%	-0.53%	0.04%	0.37%
DCP Large Cap Stock Fund	US Large Cap Equity	\$1,541,964,958	\$308,393	0.02%	0.20%	-0.18%	0.00%	0.02%
DCP Mid Cap Stock Fund	US Mid Cap Equity	\$215,872,512	\$1,133,331	0.53%	0.86%	-0.34%	0.15%	0.38%
DCP Small Cap Stock Fund	US Small Cap Equity	\$207,093,245	\$848,233	0.41%	1.00%	-0.59%	0.00%	0.41%
DCP International Stock Fund	International Equity	\$202,899,927	\$1,561,315	0.77%	0.95%	-0.18%	0.03%	0.74%
Schwab PCRA Self-Directed Brokerage Account	Brokerage Window	\$329,351,844	N/A	N/A	N/A	N/A	N/A	N/A
<i>Total investment expense (includes cash and brokerage; excludes assets on loan to participants)<sup>2</sup></i>		\$4,726,682,745	\$9,739,434	0.21%			0.01%	0.19%
<i>Total investment expense (includes cash and brokerage; excludes assets on loan to participants) after expense rebate<sup>2</sup></i>		<b>\$4,726,682,745</b>	<b>\$9,182,244</b>	<b>0.19%</b>				
<i>Administrative &amp; Other Expenses (excludes assets on loan to participants)<sup>2,3</sup></i>		\$4,726,682,745	\$ 2,587,406.67	0.05%				
<b>Total "All-in" Expenses including Admin &amp; Other Expense (excludes assets on loan to participants)<sup>2</sup></b>		<b>\$4,726,682,745</b>	<b>\$11,769,650.47</b>	<b>0.25%</b>				

<sup>1</sup> Median Net Expense Ratio as defined by the respective Mercer mutual fund universe and Lipper institutional share class categorizations. The median stable value management fee is derived from the 3Q15 Mercer's Stable Value Survey. Profile funds are compared to the median institutional expense ratio of the corresponding Mercer Mutual Fund Target Risk Universe.

<sup>2</sup> Loan Account balance as of 12/31/15 was \$189,280,964.

<sup>3</sup> The Administrative & Other Expenses (excludes assets on loan to participants) of \$2,587,407 shown above is an estimate and reflects a quarterly per participant fee of 0.025% on the first \$125K of balance. The number of participants with a balance less than or equal to \$125K during the quarter was 29,757, and total assets for this group amounted to \$1,079,781,665. There were 12,061 participants with balances in excess of \$125K with a billable balance of \$1,507,625,000. The total participant count is 41,818.

## Compliance Table

	3 Years				5 Years				Comments
	Current Quarter		Last Quarter		Current Quarter		Last Quarter		
I – Index U – Universe Median	I	U	I	U	I	U	I	U	
Deferred Compensation Stable Value Fund (Net)	✓	✓	✓	✓	✓	✓	✓	✓	Retain.
DCP Bond Fund	✗	✗	✗	✗	✗	✗	✗	✗	Retain. Fund inception was on April 20, 2012 with 50% allocated to PIMCO Total Return Fund Institutional and 50% allocated to Vanguard Total Bond Market Index Fund Inst Plus. PIMCO Total Return Fund was replaced with Natixis Loomis Sayles Core Plus Bond Fund on October 14, 2014.
Ultra Conservative Profile	✗	✗	✗	✗	✓	✗	✓	✗	Retain. No changes to allocations.
Conservative Profile	✗	✓	✗	✓	✓	✓	✓	✓	Retain. No changes to allocations.
Moderate Profile	✗	✓	✓	✓	✓	✓	✓	✓	Retain. No changes to allocations.
Aggressive Profile	✗	✓	✓	✓	✓	✓	✓	✓	Retain. No changes to allocations.
Ultra Aggressive Profile	✓	✓	✓	✓	✓	✓	✓	✓	Retain. No changes to allocations.
DCP Large Cap Stock Fund	T	N/A	T	N/A	T	N/A	T	N/A	Retain. Fund inception was on April 20, 2012 with 100% allocated to the Vanguard Institutional Index Fund.
DCP Mid Cap Stock Fund	✓	✓	✓	✓	✓	✓	✓	✓	Retain. Fund inception was on April 20, 2012 with 100% allocated to the Vanguard Mid Cap Index Fund. Effective March 20, 2015, the DCP Mid Cap Stock Fund is comprised of 50% Vanguard Mid Cap Index Fund, 25% RidgeWorth Mid-Cap Value Equity Fund, and 25% Voya MidCap Opportunities Fund.
DCP Small Cap Stock Fund	✓	✓	✓	✓	✓	✓	✓	✓	Retain. Fund inception was on March 20, 2015 with allocations as follows: 33.3% SSgA Russell Small Cap Index NL Fund / 33.3% DFA US Small Cap Value Portfolio / 33.3% Hartford Small Cap Growth HLS Fund. On June 26, 2015, the Vanguard Small Cap Index Fund replaced the SSgA Russell Small Cap Index NL Fund within the DCP Small Cap Stock Fund.
DCP International Stock Fund	✓	✗	✓	✓	✓	✓	✓	✓	Retain. Fund inception was on June 26, 2015 with allocations as follows: 65.0% MFS Institutional International Equity Fund / 17.5% Brandes International Small Cap Equity Fund / 17.5% DFA Emerging Markets Core Equity Portfolio.

✓ = Outperformed or matched performance  
 ✗ = Underperformed  
 T = Index Fund  
 □ = Hypothetical Return

## Performance

			Ending December 31, 2015									
	Market Value	% of Portfolio	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank
Cash												
FDIC-Insured Savings Account (Blended Rate - 0.27515%) <sup>1</sup>	\$302,681,706	6.2%	0.1%	--	0.2%	--	0.4%	--	--	--	--	--
Stable Value												
Deferred Compensation Stable Value Fund (Net) <sup>2</sup>	\$962,367,181	19.6%	0.5%	9	2.0%	25	2.0%	25	2.4%	21	3.4%	41
3 YR CONSTANT MATURITY + 50bps			0.4%	81	1.5%	84	1.3%	94	1.2%	99	2.2%	99
iMoneyNet MM All Taxable Plus 1%			0.3%	91	1.0%	91	1.0%	99	1.0%	99	2.1%	99
Mercer Instl Stable Value Median			0.5%		1.8%		1.9%		2.3%		3.2%	
Domestic Fixed												
DCP Bond Fund <sup>3</sup>	\$154,124,369	3.1%	-0.7%	71	-1.7%	89	0.3%	91	2.8%	62	4.8%	29
Barclays Aggregate			-0.6%	59	0.5%	26	1.4%	32	3.2%	49	4.5%	41
Mercer Mutual Fund US Fixed Core Median			-0.5%		0.1%		1.1%		3.2%		4.3%	
Vanguard Total Bond Market Index Fund Inst Plus <sup>4</sup>			-0.6%	54	0.4%	54	1.4%	42	3.2%	47	4.4%	30
Vanguard Spliced Barclays USAgg Float Adj Idx <sup>5</sup>			-0.6%	56	0.4%	52	1.4%	40	3.2%	46	4.5%	29
Mercer Mutual Fund US Fixed Index Median			-0.5%		0.5%		1.3%		3.1%		4.3%	
Loomis Sayles Core Plus Bond Fund N			-0.7%	74	-3.8%	96	0.6%	77	4.1%	19	5.8%	5
Barclays Aggregate			-0.6%	59	0.5%	26	1.4%	32	3.2%	49	4.5%	41
Mercer Mutual Fund US Fixed Core Median			-0.5%		0.1%		1.1%		3.2%		4.3%	

<sup>1</sup> FDIC-Insured Savings Account: The blended rate of 0.27515% is as of 12/31/2015. Bank of the West and EastWest Bank have equal weightings of 50%; their declared rates at the end of the quarter are as follows: Bank of the West = 0.2503% and EastWest Bank = 0.3%.

<sup>2</sup> Stable Value: The inception date of the Galliard Stable Value fund is July 1, 2008. Returns prior to the inception date are linked to the Wells Fargo Stable Return fund.

<sup>3</sup> DCP Bond Fund: Effective October 14, 2014, the Fund is comprised of 50% Vanguard Total Bond Market Index Fund / 50% Natixis Loomis Sayles Core Plus Bond Fund. From April 1, 2012 through October 14, 2014, the Fund was comprised of 50% Vanguard Total Bond Market Index Fund / 50% PIMCO Total Return Fund. Performance prior to April 2012 is simulated, with a weighting of 50% Vanguard Total Bond Market Index Fund / 50% PIMCO Total Return Fund.

<sup>4</sup> Vanguard Total Bond Market Index Fund Inst Plus: Due to its longer history, performance of Vanguard Total Bond Market Index Fund Inst is shown.

<sup>5</sup> Vanguard Spliced Barclays USAgg Float Adj Idx: Barclays U.S. Aggregate Bond Index through 12/31/2009; Barclays U.S. Aggregate Float Adjusted Index thereafter.

## Performance

			Ending December 31, 2015									
	Market Value	% of Portfolio	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank
Risk-Based												
Ultra Conservative Profile	\$45,051,436	0.9%	0.5%	76	-0.2%	21	2.5%	82	3.7%	78	--	--
Ultra Conservative Profile Custom Index <sup>6</sup>			0.6%	70	0.7%	6	2.8%	73	3.4%	81	4.1%	73
Mercer Mutual Fund Target Risk Conservative Median			0.9%		-1.1%		3.8%		4.5%		4.4%	
Conservative Profile	\$109,859,227	2.2%	1.2%	37	-0.7%	36	4.2%	34	5.0%	33	5.0%	23
Conservative Profile Custom Index <sup>7</sup>			1.5%	24	0.2%	12	4.7%	22	5.0%	32	4.9%	31
Mercer Mutual Fund Target Risk Conservative Median			0.9%		-1.1%		3.8%		4.5%		4.4%	
Moderate Profile	\$283,441,086	5.8%	2.6%	34	-0.6%	23	7.4%	21	7.0%	23	5.7%	23
Moderate Profile Custom Index <sup>8</sup>			2.9%	22	-0.2%	16	7.6%	18	6.9%	23	5.7%	26
Mercer Mutual Fund Target Risk Moderate Median			2.2%		-1.5%		5.8%		5.7%		5.0%	

<sup>6</sup> Ultra Conservative Profile Custom Index: Effective June 26, 2015, the following composite index is used: 35.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 5% S&P 500 Index / 2.5% Russell Mid Cap Index/ 2.5% Russell 2000 Index / 5% MSCI ACWI ex US IMI Index. From March 20, 2015 through June 25, 2015, the following composite index is used: 35.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 5% S&P 500 Index / 2.5% Russell Mid Cap Index/ 2.5% Russell 2000 Index / 5% MSCI EAFE (NWHT) Index. From June 1, 2009 through March 19, 2015, the following composite index is used: 35.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 5% S&P 500 Index / 2.5% MSCI US Mid Cap 450 Index/ 2.5% Russell 2000 Index / 5% MSCI EAFE (NWHT) Index. Prior to June 1, 2009, the following composite index is used: 35.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 5.0% S&P 500 Index / 5.0% Russell 2000 Index / 5.0% MSCI EAFE (NWHT) Index.

<sup>7</sup> Conservative Profile Custom Index: Effective June 26, 2015, the following composite index is used: 15.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 12.5% S&P 500 Index / 5% Russell Mid Cap Index/ 5.0% Russell 2000 Index / 12.5% MSCI ACWI ex US IMI Index. From March 20, 2015 through June 25, 2015, the following composite index is used: 15.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 12.5% S&P 500 Index / 5% Russell Mid Cap Index/ 5.0% Russell 2000 Index / 12.5% MSCI EAFE (NWHT) Index. From June 1, 2009 through March 19, 2015, the following composite index is used: 15.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 12.5% S&P 500 Index / 5% MSCI US Mid Cap 450 Index/ 5.0% Russell 2000 Index / 12.5% MSCI EAFE (NWHT) Index. Prior to June 1, 2009, the following composite index is used: 15.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50% Barclays US Aggregate Index / 25% S&P 500 Index / 5% Russell 2000 Index / 5% MSCI EAFE (NWHT) Index.

<sup>8</sup> Moderate Profile Custom Index: Effective June 26, 2015, the following composite index is used: 10.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 30.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 10.0% Russell Mid Cap Index/ 10.0% Russell 2000 Index / 15.0% MSCI ACWI ex US IMI Index. From March 20, 2015 through June 25, 2015, the following composite index is used: 10.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 30.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 10.0% Russell Mid Cap Index/ 10.0% Russell 2000 Index / 15.0% MSCI EAFE (NWHT) Index. From June 1, 2009 through March 19, 2015, the following composite index is used: 10.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 30.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 10.0% MSCI US Mid Cap 450 Index/ 10.0% Russell 2000 Index / 15.0% MSCI EAFE (NWHT) Index. Prior to June 1, 2009, the following composite index is used: 5.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 35.0% Barclays US Aggregate Index / 40.0% S&P 500 Index / 10.0% Russell 2000 Index / 10.0% MSCI EAFE (NWHT) Index.

## Performance

	Market Value	% of Portfolio	Ending December 31, 2015									
			3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank
Aggressive Profile	\$268,763,907	5.5%	3.2%	63	-0.8%	46	8.8%	43	7.8%	38	5.7%	40
Aggressive Profile Custom Index <sup>9</sup>			3.5%	52	-0.9%	48	9.0%	42	7.7%	41	5.7%	41
Mercer Mutual Fund Target Risk Aggressive Median			3.6%		-1.1%		8.5%		7.4%		5.4%	
Ultra Aggressive Profile	\$103,211,348	2.1%	3.8%	35	-1.1%	51	10.3%	16	8.5%	23	--	--
Ultra Aggressive Profile Custom Index <sup>10</sup>			4.1%	27	-1.5%	59	10.3%	16	8.4%	25	5.6%	42
Mercer Mutual Fund Target Risk Aggressive Median			3.6%		-1.1%		8.5%		7.4%		5.4%	

<sup>9</sup> Aggressive Profile Custom Index: Effective June 26, 2015, the following composite index is used: 5.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 20.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 15.0% Russell Mid Cap Index/ 15.0% Russell 2000 Index / 20.0% MSCI ACWI ex US IMI Index. From March 20, 2015 through June 25, 2015, the following composite index is used: 5.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 20.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 15.0% Russell Mid Cap Index/ 15.0% Russell 2000 Index / 20.0% MSCI EAFE (NWHT) Index. From June 1, 2009 through March 19, 2015, the following composite index is used: 5.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 20.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 15.0% MSCI US Mid Cap 450 Index/ 15.0% Russell 2000 Index / 20.0% MSCI EAFE (NWHT) Index. For periods prior to June 1, 2009, the following composite index is used: 20% Barclays US Aggregate Index / 50% S&P 500 Index / 15% Russell 2000 Index / 15% MSCI EAFE (NWHT) Index.

<sup>10</sup> Ultra Aggressive Profile Custom Index: Effective June 26, 2015, the following composite index is used: 10.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 20.0% Russell Mid Cap Index/ 20.0% Russell 2000 Index / 25.0% MSCI ACWI ex US IMI Index. From March 20, 2015 through June 25, 2015, the following composite index is used: 10.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 20.0% Russell Mid Cap Index/ 20.0% Russell 2000 Index / 25.0% MSCI EAFE (NWHT) Index. From June 1, 2009 through March 19, 2015, the following composite index is used: 10.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 20.0% MSCI US Mid Cap 450 Index/ 20.0% Russell 2000 Index / 25.0% MSCI EAFE (NWHT) Index. For periods prior to June 1, 2009, the following composite index is used: 60.0% S&P 500 Index / 20.0% Russell 2000 Index / 20.0% MSCI EAFE (NWHT) Index.

## Performance

			Ending December 31, 2015									
	Market Value	% of Portfolio	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank
Domestic Equity												
DCP Large Cap Stock Fund <sup>11</sup>	\$1,541,964,958	31.4%	7.1%	29	1.4%	27	15.1%	25	12.6%	22	7.3%	20
S&P 500			7.0%	31	1.4%	28	15.1%	25	12.6%	22	7.3%	22
DCP Mid Cap Stock Fund <sup>12</sup>	\$215,872,512	4.4%	4.3%	19	-1.5%	30	14.9%	8	11.5%	14	7.9%	12
DCP Mid Cap Custom Benchmark <sup>13</sup>			3.6%	26	-2.4%	38	14.5%	14	11.3%	18	7.8%	14
Mercer Mutual Fund US Equity Mid Cap Core Median			2.8%		-3.4%		12.0%		9.5%		6.7%	
Vanguard Mid Cap Index Fund Instl Plus			3.5%	32	-1.3%	28	14.9%	8	11.6%	12	7.9%	12
Vanguard Spliced Mid Cap <sup>14</sup>			3.5%	32	-1.3%	28	15.0%	7	11.6%	12	7.9%	12
Mercer Mutual Fund US Equity Mid Cap Core Median			2.8%		-3.4%		12.0%		9.5%		6.7%	
RidgeWorth Mid Cap Value Equity Fund I			6.0%	1	-6.0%	58	11.0%	66	9.1%	59	9.3%	1
Russell MidCap Value			3.1%	36	-4.8%	50	13.4%	26	11.3%	19	7.6%	25
Mercer Mutual Fund US Equity Mid Cap Value Median			2.3%		-4.8%		12.5%		9.7%		6.8%	
Voya Mid Cap Opportunities Fund R6			4.5%	24	0.4%	37	12.8%	45	10.1%	46	9.5%	12
Russell MidCap Growth			4.1%	29	-0.2%	43	14.9%	22	11.5%	24	8.2%	29
Mercer Mutual Fund US Equity Mid Cap Growth Median			2.9%		-1.4%		12.4%		9.6%		7.3%	

<sup>11</sup> DCP Large Cap Stock Fund: The Fund is comprised of 100% Vanguard Institutional Index Fund.

<sup>12</sup> DCP Mid Cap Stock Fund: Effective March 20, 2015, the Fund is comprised of 50% Vanguard Mid Cap Index Fund / 25% RidgeWorth Mid Cap Value Equity Fund / 25% Voya Mid Cap Opportunities Fund. Prior to March 20, 2015, the Fund is comprised of 100% Vanguard Mid Cap Index Fund.

<sup>13</sup> DCP Mid Cap Custom Benchmark: S&P MidCap 400 Index through May 16, 2003; MSCI US Mid Cap 450 Index through January 30, 2013; CRSP US Mid Cap Index through March 19, 2015, Russell Mid Cap Index thereafter.

<sup>14</sup> Vanguard Spliced Mid-Cap Index: S&P MidCap 400 Index through May 16, 2003; MSCI US Mid Cap 450 Index through January 30, 2013; CRSP US Mid Cap Index thereafter.

## Performance

	Market Value	% of Portfolio	Ending December 31, 2015									
			3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank
DCP Small Cap Stock Fund <sup>15</sup>	\$207,093,245	4.2%	3.1%	38	--	--	--	--	--	--	--	--
<i>Russell 2000</i>			3.6%	28	-4.4%	51	11.7%	44	9.2%	47	6.8%	43
<i>DCP Small Cap Hypothetical<sup>16</sup></i>			3.1%	38	-4.0%	47	12.9%	24	10.7%	20	7.5%	31
<i>Mercer Mutual Fund US Equity Small Cap Core Median</i>			2.6%		-4.3%		11.2%		9.1%		6.5%	
Vanguard Small Cap Index Instl Plus			3.1%	38	-3.6%	39	12.6%	28	10.5%	24	7.9%	17
<i>Vanguard Spliced Small Cap<sup>17</sup></i>			3.1%	38	-3.7%	41	12.6%	28	10.4%	25	7.9%	19
<i>Mercer Mutual Fund US Equity Small Cap Core Median</i>			2.6%		-4.3%		11.2%		9.1%		6.5%	
DFA US Small Cap Value Portfolio Institutional			1.9%	64	-7.8%	64	10.7%	39	8.9%	32	6.3%	50
<i>Russell 2000 Value</i>			2.9%	42	-7.5%	61	9.1%	63	7.7%	55	5.6%	68
<i>Mercer Mutual Fund US Equity Small Cap Value Median</i>			2.4%		-6.6%		10.1%		7.8%		6.2%	
Hartford Small Cap Growth HLS Fund IA			4.3%	27	-0.5%	34	15.1%	19	12.7%	13	8.2%	25
<i>Russell 2000 Growth</i>			4.3%	27	-1.4%	42	14.3%	29	10.7%	35	8.0%	32
<i>Mercer Mutual Fund US Equity Small Cap Growth Median</i>			2.7%		-2.1%		12.8%		9.7%		7.2%	

<sup>15</sup> DCP Small Cap Stock Fund: Effective June 26, 2015, the Fund is comprised of 33.3% Vanguard Small Cap Index Fund / 33.3% DFA US Small Cap Value Portfolio / 33.3% Hartford Small Cap Growth HLS Fund. From March 20, 2015 through June 25, 2015, the Fund is comprised of 33.3% SSgA Russell Small Cap Index NL Fund / 33.3% DFA US Small Cap Value Portfolio / 33.3% Hartford Small Cap Growth HLS Fund.

<sup>16</sup> DCP Small Cap Hypothetical: Comprised of 33.3% Vanguard Small Cap Index Fund / 33.3% DFA US Small Cap Value Portfolio / 33.3% Hartford Small Cap Growth HLS Fund.

<sup>17</sup> Vanguard Spliced Small-Cap Index: Russell 2000 Index through May 16, 2003; MSCI US Small Cap 1750 Index through January 30, 2013; CRSP US Small Cap Index thereafter.



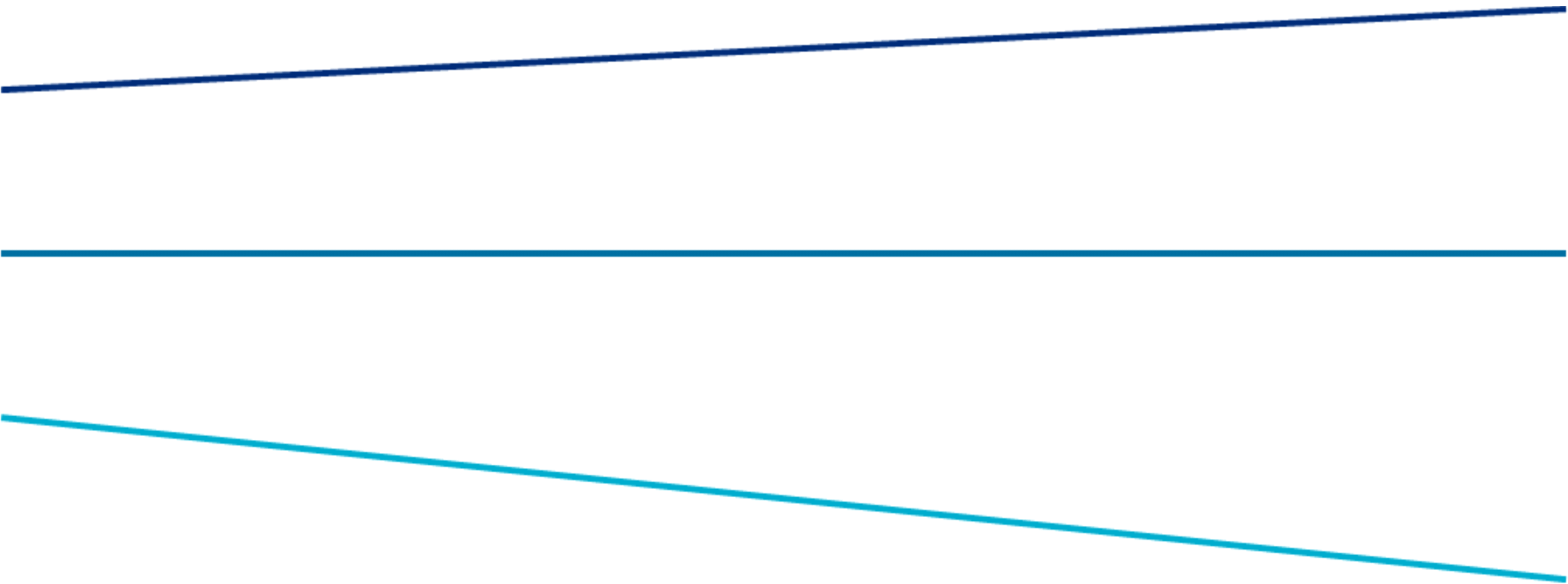
## Performance

			Ending December 31, 2015									
	Market Value	% of Portfolio	3 Mo	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank
International Equity												
DCP International Stock Fund <sup>18</sup>	\$202,899,927	4.1%	2.6%	81	--	--	--	--	--	--	--	--
MSCI ACWI ex USA IMI			3.5%	61	-4.6%	84	2.0%	85	1.3%	83	3.2%	51
DCP International Hypothetical <sup>19</sup>			2.6%	81	-1.3%	62	3.5%	66	3.6%	45	5.7%	12
Mercer Mutual Fund World ex US/EAFE Equity Median			3.9%		-0.3%		4.5%		3.2%		3.2%	
MFS International Instl Equity Fund			2.9%	76	0.0%	48	4.3%	52	4.7%	26	5.4%	15
MSCI EAFE			4.7%	32	-0.8%	57	5.0%	42	3.6%	44	3.0%	56
Mercer Mutual Fund World ex US/EAFE Equity Median			3.9%		-0.3%		4.5%		3.2%		3.2%	
Brandes International Small Cap Equity Fund I			4.4%	61	8.1%	28	10.5%	20	7.5%	11	6.7%	7
MSCI EAFE Small Cap			6.8%	15	9.6%	12	10.4%	22	6.3%	21	4.6%	73
Mercer Mutual Fund World ex US/EAFE Equity Small Cap Median			5.1%		4.6%		7.7%		5.4%		5.0%	
DFA Emerging Markets Core Equity Portfolio Inst			-0.2%	57	-14.9%	51	-6.3%	45	-4.7%	51	4.7%	16
MSCI Emerging Markets			0.7%	46	-14.9%	51	-6.8%	49	-4.8%	53	3.6%	39
Mercer Mutual Fund Emerging Markets Equity Median			0.2%		-14.8%		-6.9%		-4.7%		3.2%	

<sup>18</sup> DCP International Stock Fund: Effective June 26, 2015 the Fund is comprised of 65% MFS Institutional International Equity Fund / 17.5% Brandes International Small Cap Equity Fund / 17.5% DFA Emerging Markets Core Equity Portfolio.

<sup>19</sup> DCP International Hypothetical : Comprised of 65% MFS Institutional International Equity Fund / 17.5% Brandes International Small Cap Equity Fund / 17.5% DFA Emerging Markets Core Equity Portfolio.

# Fund Profiles



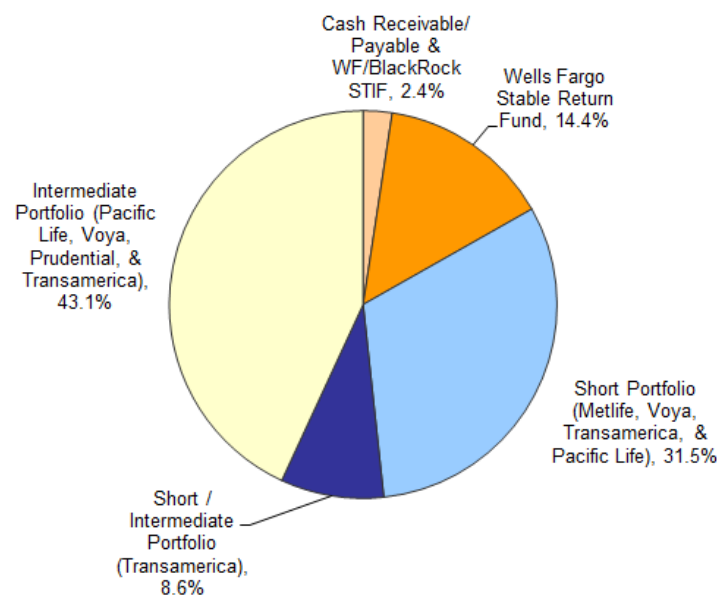
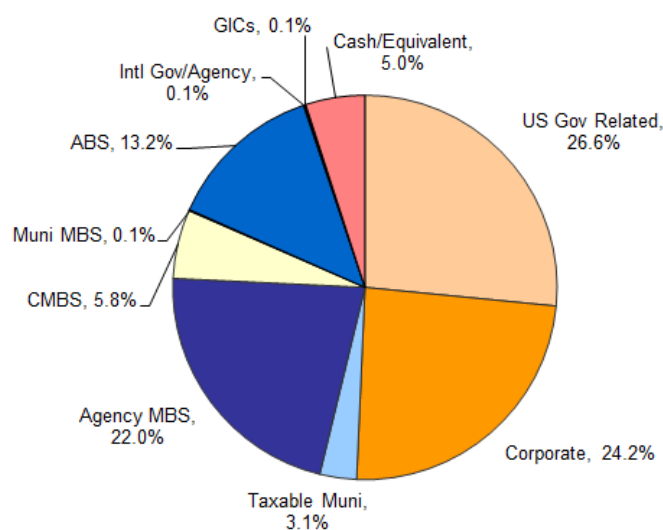
## Deferred Compensation Stable Value Fund (Net)

### Fund Information

### Investment Philosophy

Galliard's primary emphasis in managing stable value portfolios is safety of principal. Maintaining appropriate liquidity is another key investment objective, for it must be sufficient to accommodate participant changes and provide plan sponsor flexibility. The optimal amount of liquidity typically results in reduced contract charges (wrap fees), which helps to increase the crediting rate. The process then focuses on security selection to ensure competitive returns for participants. Portfolios follow a traditional fixed income management approach with emphasis on high quality securities, broad diversification, adequate liquidity, controlled market risk (duration) and a disciplined risk management process to identify the best fundamental values across fixed income sectors. The investment decision process is team-based, blending top down and bottom up decisions. Galliard manages individual stable value portfolios on a customized basis, based on specific plan needs and characteristics. The hallmarks of their strategy include high credit quality and diversification through the use of security backed contracts (i.e. Synthetic GICs). In structuring stable value portfolios, the process begins by determining the optimal target duration for the plan. Galliard portfolios utilize a two-tiered liquidity management approach, with the first tier comprised of the liquidity buffer. The second tier consists of the security backed contracts, which are structured to provide liquidity on a pro-rata basis. Most Galliard separate accounts utilize various Galliard advised collective funds as the underlying portfolio although outside sub-advisors may also be utilized. Also, depending on the client mandate, traditional GICs may also be used as a diversification strategy.

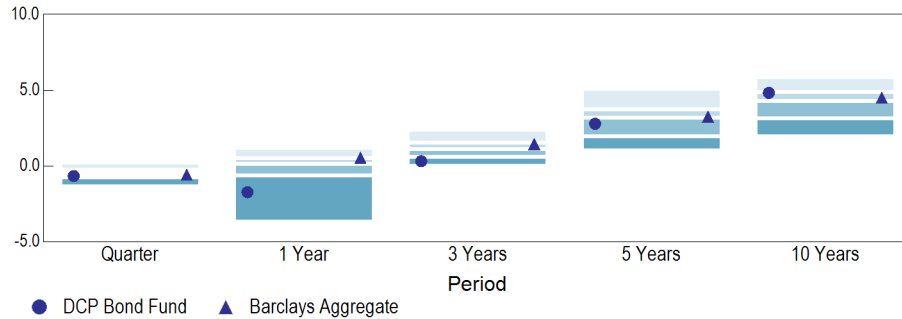
	4Q15	3Q15	2Q15	1Q15
<b>Mkt/Book Value Ratio</b>	100.9%	101.7%	101.6%	102.4%
<b>Avg. Credit Quality</b>	A1/AA-	A1/AA-	A1/AA-	A1/AA-
<b>Effective Duration (yrs)</b>	2.94	2.85	2.80	2.87
<b>Blended Yield</b>	2.1%	2.0%	2.1%	2.0%



# DCP Bond Fund

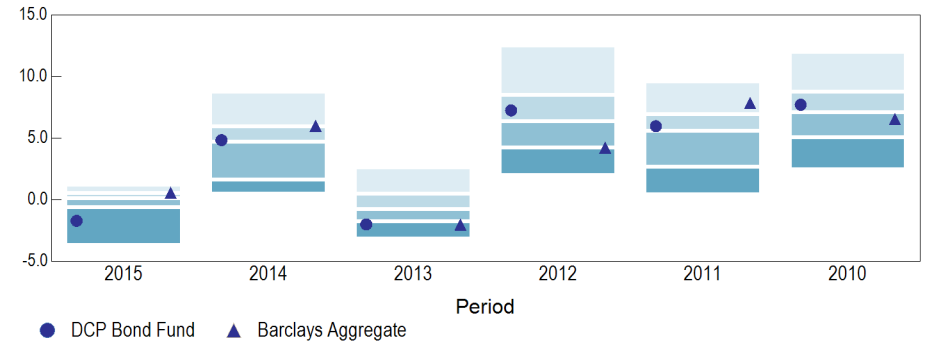
## Fund Information

Mercer Mutual Fund US Fixed Core Accounts



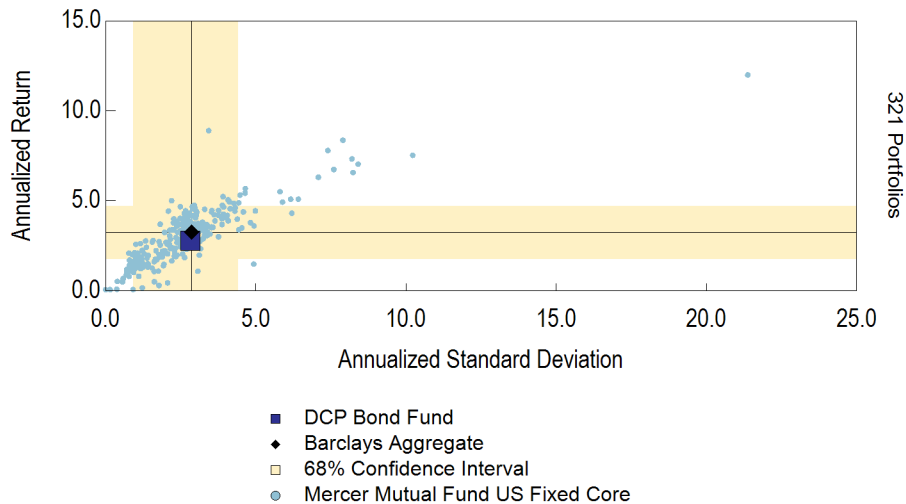
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
DCP Bond Fund	-0.7%	-1.7%	0.3%	2.8%	4.8%
Barclays Aggregate	-0.6%	0.6%	1.4%	3.2%	4.5%
Universe Median	-0.5%	0.1%	1.1%	3.2%	4.3%

Mercer Mutual Fund US Fixed Core Accounts

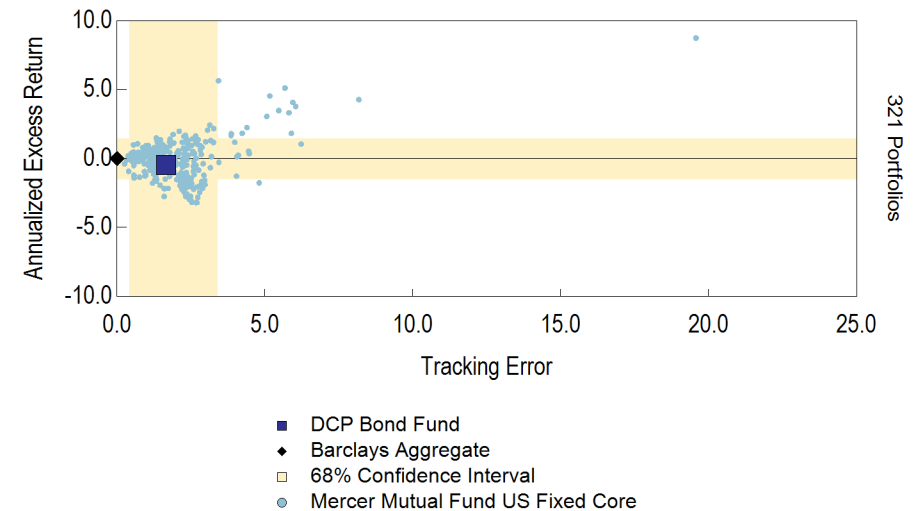


Annualized Returns	2015	2014	2013	2012	2011	2010
DCP Bond Fund	-1.7%	4.8%	-2.0%	7.2%	6.0%	7.7%
Barclays Aggregate	0.6%	6.0%	-2.0%	4.2%	7.8%	6.5%
Universe Median	0.1%	4.8%	-0.8%	6.4%	5.7%	7.3%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



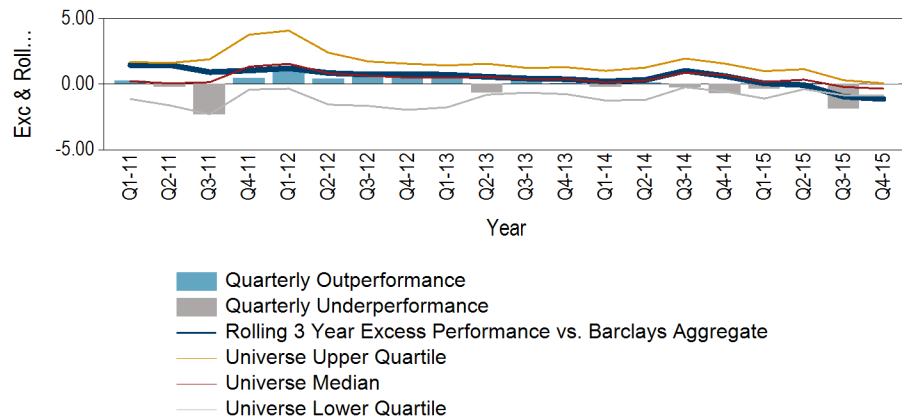
Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015



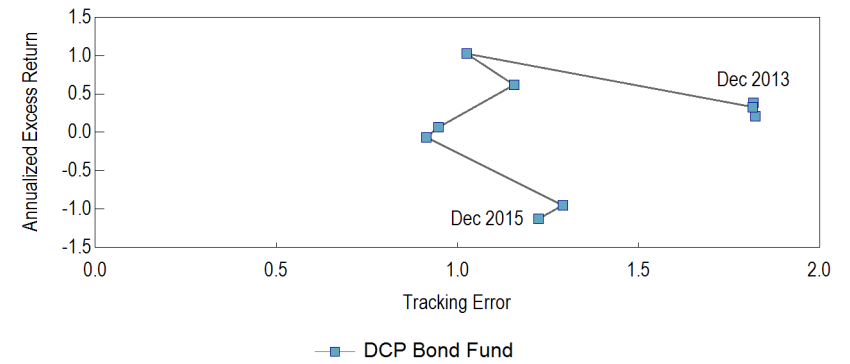
# DCP Bond Fund

## Fund Information

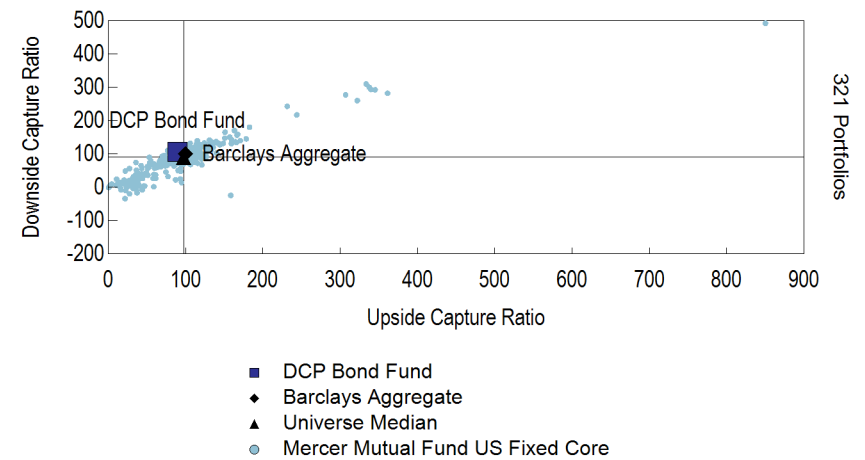
Annualized Excess Performance



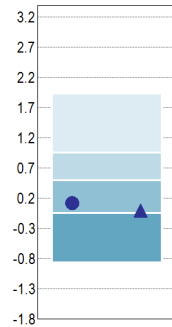
Rolling 3 Year Risk/Return vs. Barclays Aggregate



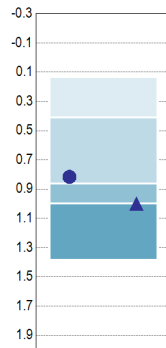
Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



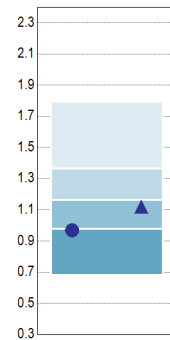
Annualized Alpha  
Jensen (%)



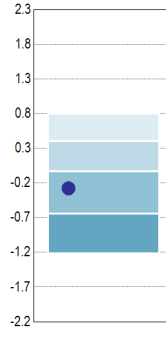
Beta



Sharpe Ratio



Information Ratio



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
DCP Bond Fund	2.78%	2.82%	1.67%	0.12%	0.82	0.97	-0.28	89.91%	5.18%	106.86%	-4.09%
Barclays Aggregate	3.25%	2.86%	0.00%	0.00%	1.00	1.12	--	100.00%	5.72%	100.00%	-3.83%

# Vanguard Total Bond Market Index Fund (US)

## Manager Commentary

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Plan	City of Los Angeles Deferred Compensation Plan
Strategy	Vanguard - Vanguard Total Bond Market Index Fund (US)
Benchmark	Barclays Capital U.S. Aggregate Float Adjusted Bond Index

### Manager Philosophy and Process

Vanguard Total Bond Market Index Fund (US) seeks to track the investment performance of the Barclays U.S. Aggregate Float Adjusted Bond Index, an unmanaged benchmark representing the broad U.S. bond market. The Fund invests in investment-grade corporate, U.S. Treasury, mortgage-backed, and asset-backed securities with short, intermediate, and long maturities in excess of one year, resulting in a portfolio of intermediate duration. The Fund's passive investment style uses a sampling technique to closely match key benchmark characteristics: sector weight, coupon, maturity, effective duration, convexity, and credit quality. Optimized sampling is designed to avoid the expense and impracticality of fully replicating the index.

### Quarterly Attribution

Top performing index sectors:

- Local Authority (+0.7%), sovereign (+0.5%) and financials (+0.1%)

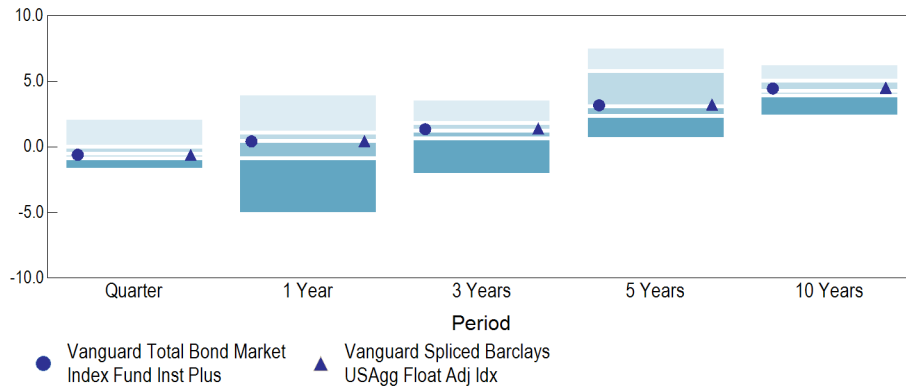
Bottom performing index sectors:

- CMBS (-1.2%), industrials (-1.0%) and U.S. Treasuries (-0.9%)

# Vanguard Total Bond Market Index Fund Inst Plus

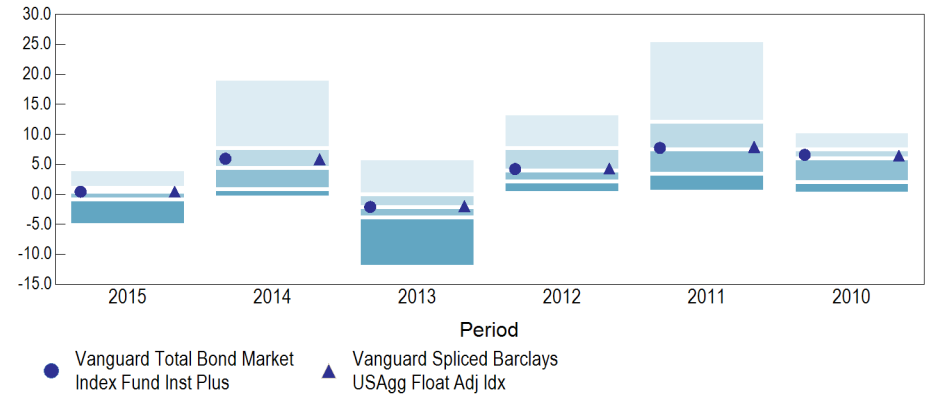
## Fund Information

Mercer Mutual Fund US Fixed Index Accounts



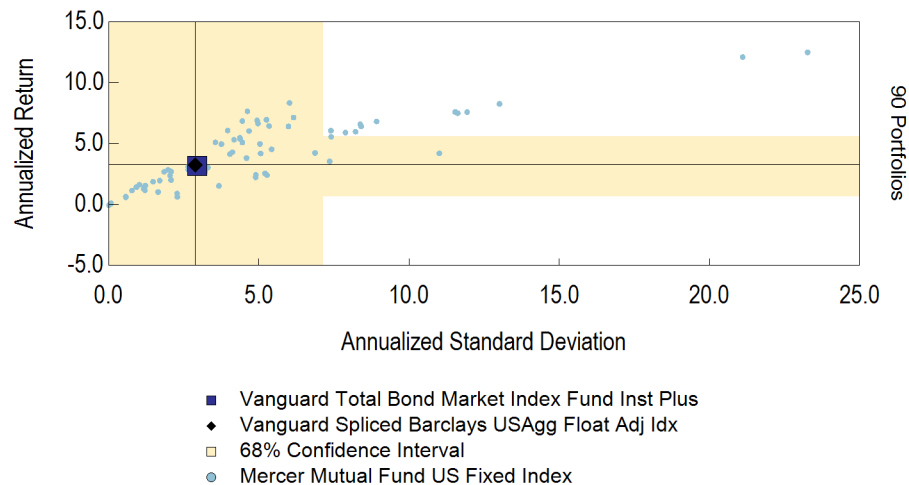
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
Vanguard Total Bond Market Index Fund Inst Plus	-0.6%	0.4%	1.4%	3.2%	4.4%
Vanguard Spliced Barclays USAgg Float Adj Idx	-0.6%	0.4%	1.4%	3.2%	4.5%
Universe Median	-0.5%	0.5%	1.3%	3.1%	4.3%

Mercer Mutual Fund US Fixed Index Accounts

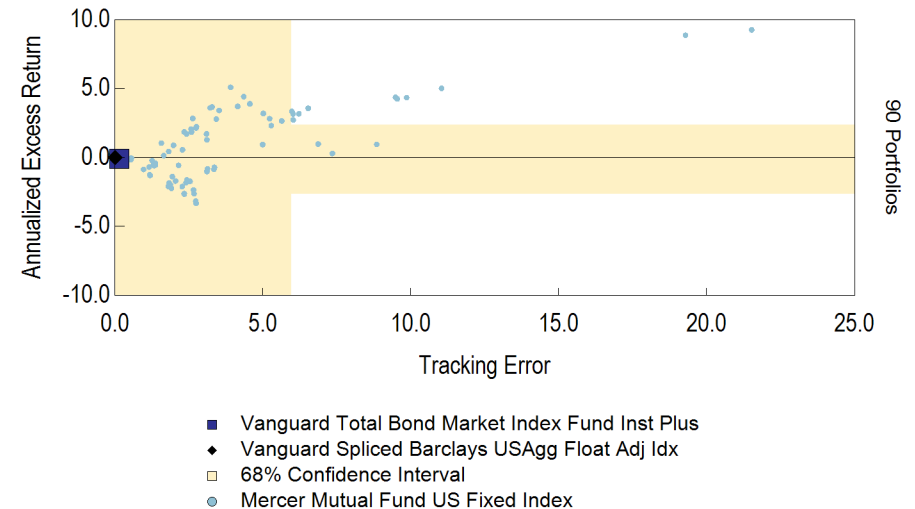


Annualized Returns	2015	2014	2013	2012	2011	2010
Vanguard Total Bond Market Index Fund Inst Plus	0.4%	5.9%	-2.1%	4.2%	7.7%	6.6%
Vanguard Spliced Barclays USAgg Float Adj Idx	0.4%	5.8%	-2.0%	4.3%	7.9%	6.4%
Universe Median	0.5%	5.7%	-2.3%	4.0%	7.7%	6.1%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



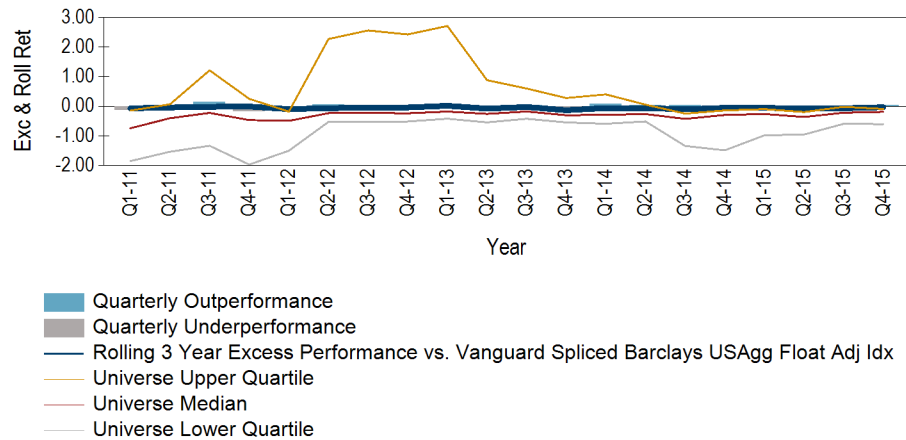
Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015



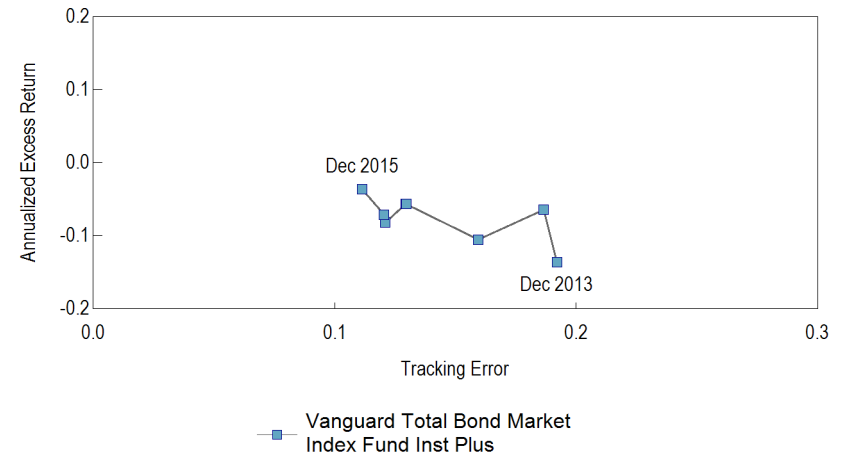
# Vanguard Total Bond Market Index Fund Inst Plus

## Fund Information

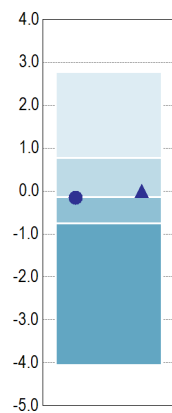
Annualized Excess Performance



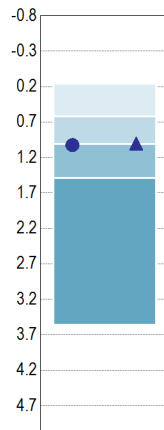
Rolling 3 Year Risk/Return vs. Vanguard Spliced Barclays USAgg Float Adj Idx



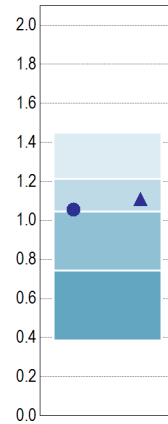
Annualized Alpha Jensen (%)



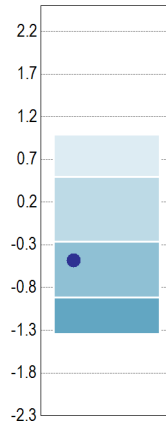
Beta



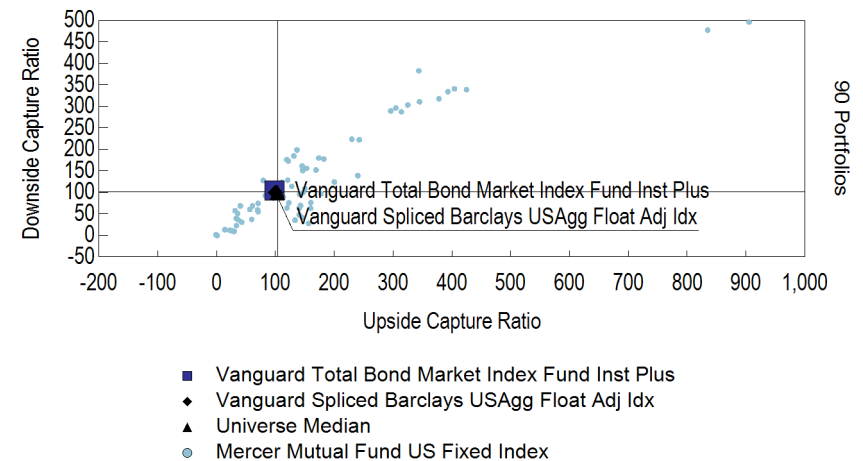
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
Vanguard Total Bond Market Index Fund Inst Plus	3.17%	2.96%	0.16%	-0.16%	1.03	1.06	-0.48	99.00%	5.67%	103.45%	-3.99%
Vanguard Spliced Barclays USAgg Float Adj Idx	3.24%	2.88%	0.00%	0.00%	1.00	1.11	--	100.00%	5.72%	100.00%	-3.85%



# Vanguard Total Bond Market Index Fund Inst Plus

## Historical - Fund Information

### Fund Characteristics as of 12/31/2015

Sharpe Ratio (3 Year)	0.45
Average Duration	5.79
Average Coupon	3.25%
Average Effective Maturity	8.00
Average Credit Quality	AA (9.29)
R-Squared (3 Year)	1.00
Alpha (3 Year)	-0.01%

### Fixed Income Sectors as of 12/31/2015

GOVERNMENT	43.67%
MUNICIPAL	0.74%
CORPORATE	29.22%
SECURITIZED	23.83%
CASH & EQUIVALENTS	2.54%
DERIVATIVE	0.00%

### Credit Quality as of 12/31/2015

AAA	69.65%
AA	4.04%
A	11.74%
BBB	14.56%
BB	0.00%
B	0.00%
Below B	0.01%
Not Rated	0.00%

### Maturities as of 12/31/2015

1 to 3 Years	21.59%
3 to 5 Years	16.18%
5 to 7 Years	11.22%
7 to 10 Years	11.22%
10 to 15 Years	3.96%
15 to 20 Years	3.96%
20 to 30 Years	27.14%
Greater than 30 Years	1.69%

### Fund Characteristics as of 09/30/2015

Sharpe Ratio (3 Year)	0.55
Average Duration	5.72
Average Coupon	3.29%
Average Effective Maturity	7.90
Average Credit Quality	AA (9.3)
R-Squared (3 Year)	1.00
Alpha (3 Year)	-0.03%

### Fixed Income Sectors as of 09/30/2015

GOVERNMENT	46.64%
MUNICIPAL	0.73%
CORPORATE	24.65%
SECURITIZED	22.77%
CASH & EQUIVALENTS	5.22%
DERIVATIVE	0.00%

### Credit Quality as of 09/30/2015

AAA	69.92%
AA	3.95%
A	12.41%
BBB	13.72%
BB	0.00%
B	0.00%
Below B	0.00%
Not Rated	0.00%

### Maturities as of 09/30/2015

1 to 3 Years	22.16%
3 to 5 Years	15.03%
5 to 7 Years	10.87%
7 to 10 Years	10.66%
10 to 15 Years	3.82%
15 to 20 Years	4.11%
20 to 30 Years	25.09%
Greater than 30 Years	3.01%

### Fund Characteristics as of 06/30/2015

Sharpe Ratio (3 Year)	0.59
Average Duration	5.70
Average Coupon	3.33%
Average Effective Maturity	7.90
Average Credit Quality	AA (9.29)
R-Squared (3 Year)	1.00
Alpha (3 Year)	-0.03%

### Fixed Income Sectors as of 06/30/2015

GOVERNMENT	45.98%
MUNICIPAL	0.71%
CORPORATE	24.69%
SECURITIZED	23.28%
CASH & EQUIVALENTS	5.33%
DERIVATIVE	0.00%

### Credit Quality as of 06/30/2015

AAA	69.31%
AA	3.90%
A	12.77%
BBB	14.02%
BB	0.00%
B	0.00%
Below B	0.00%
Not Rated	0.00%

### Maturities as of 06/30/2015

1 to 3 Years	22.90%
3 to 5 Years	14.81%
5 to 7 Years	10.94%
7 to 10 Years	10.20%
10 to 15 Years	3.60%
15 to 20 Years	4.07%
20 to 30 Years	23.34%
Greater than 30 Years	2.92%

# Core Plus Bond

## Manager Commentary

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Plan	<b>City of Los Angeles Deferred Compensation Plan</b>
Strategy	<b>Loomis, Sayles &amp; Company - Core Plus Bond</b>
Benchmark	<b>Barclays US Aggregate</b>

### Current Positioning

Relative to the Barclays US Aggregate:

- The Fund continues to overweight the corporate and asset backed securities.
- The Fund is underweight the Treasury and mortgage related securities.
- The Fund has an out-of-benchmark allocation to the preferred securities.
- During the quarter, the Fund continued to increase its exposure to TIPS.
- The Fund has a higher duration.
- The Fund is skewed towards BB-rated securities in the 5- to 10- year maturity range.
- The Fund has significantly higher exposure to the energy sector through investment grade and high yield bonds.

### Quarterly Attribution

Positive Impact on Performance:

- Underweight to US Treasuries
- Security selection within the oil related Yankee issues

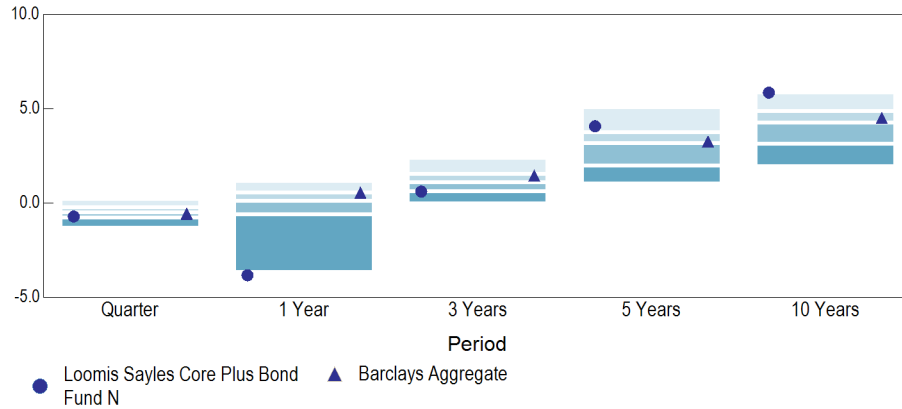
Negative Impact on Performance:

- An overweight allocation to and security selection within the investment grade and high yield energy-related and industrial securities
- An underweight allocation to the Treasury and Agency pass-through securities
- Allocation to agency CMBS and MBS
- Security selection within the utilities sectors
- Exposure to non-US-dollar-denominated bonds, particularly from Mexico and the Philippines

# Loomis Sayles Core Plus Bond Fund N

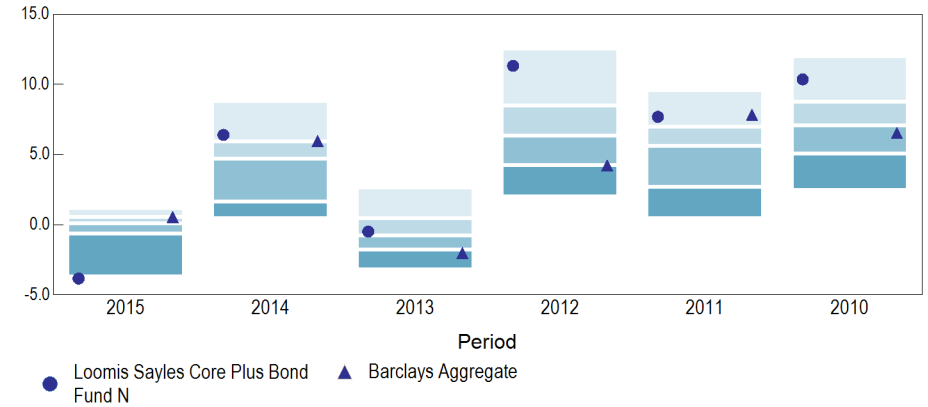
## Fund Information

Mercer Mutual Fund US Fixed Core Accounts



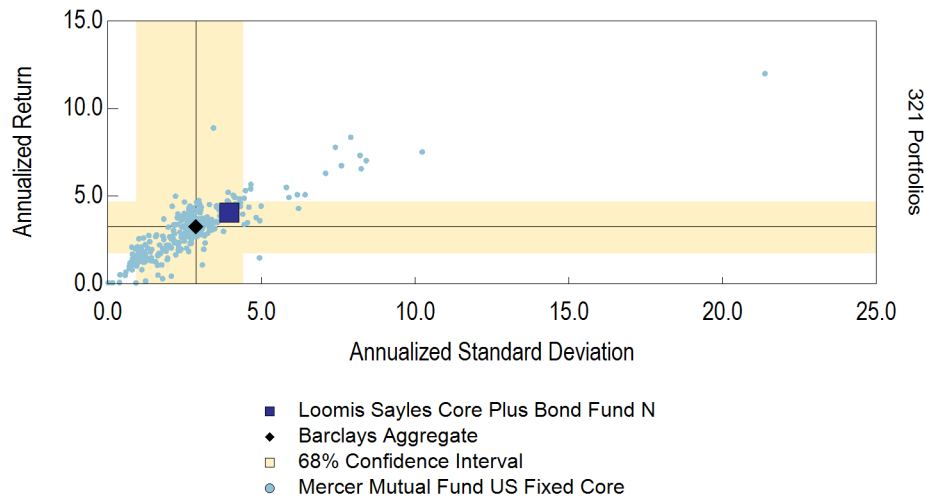
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
Loomis Sayles Core Plus Bond Fund N	-0.7%	-3.8%	0.6%	4.1%	5.8%
Barclays Aggregate	-0.6%	0.6%	1.4%	3.2%	4.5%
Universe Median	-0.5%	0.1%	1.1%	3.2%	4.3%

Mercer Mutual Fund US Fixed Core Accounts

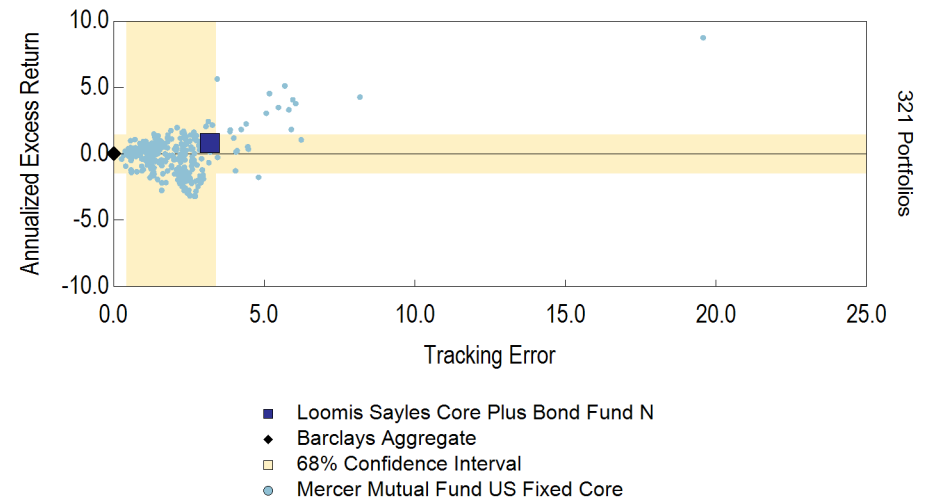


Annualized Returns	2015	2014	2013	2012	2011	2010
Loomis Sayles Core Plus Bond Fund N	-3.8%	6.4%	-0.5%	11.3%	7.7%	10.3%
Barclays Aggregate	0.6%	6.0%	-2.0%	4.2%	7.8%	6.5%
Universe Median	0.1%	4.8%	-0.8%	6.4%	5.7%	7.3%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



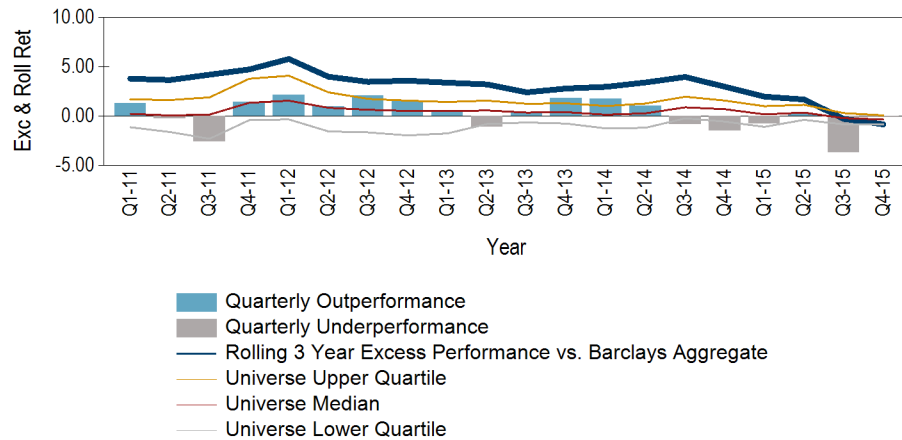
Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015



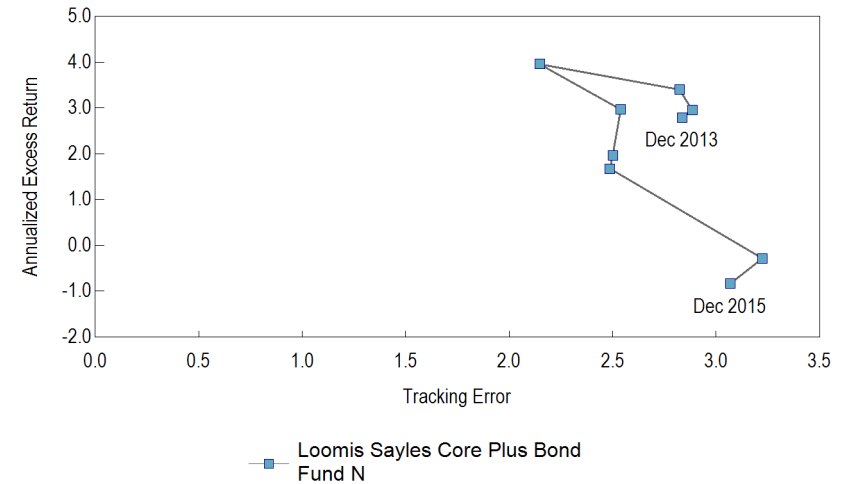
# Loomis Sayles Core Plus Bond Fund N

## Fund Information

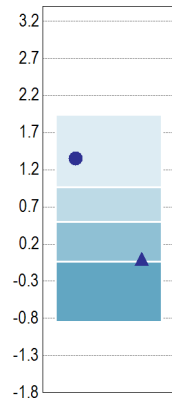
Annualized Excess Performance



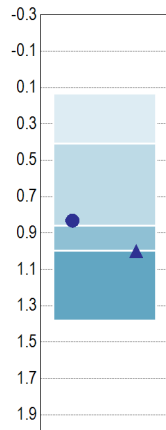
Rolling 3 Year Risk/Return vs. Barclays Aggregate



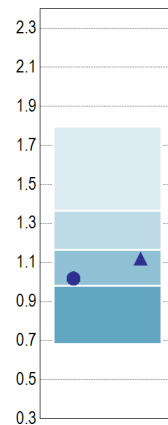
Annualized Alpha Jensen (%)



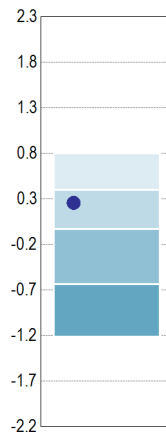
Beta



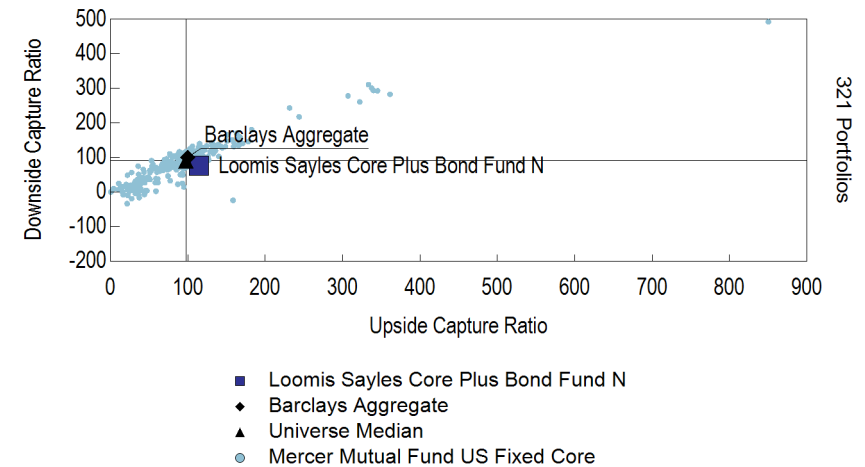
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
Loomis Sayles Core Plus Bond Fund N	4.06%	3.95%	3.18%	1.35%	0.83	1.02	0.26	114.55%	6.48%	75.17%	-2.87%
Barclays Aggregate	3.25%	2.86%	0.00%	0.00%	1.00	1.12	--	100.00%	5.72%	100.00%	-3.83%

# Loomis Sayles Core Plus Bond Fund N

## Historical - Fund Information

### Fund Characteristics as of 12/31/2015

Sharpe Ratio (3 Year)	0.13
Average Duration	6.76
Average Coupon	4.18%
Average Effective Maturity	10.04
Average Credit Quality	A (8)
R-Squared (3 Year)	0.46
Alpha (3 Year)	-0.20%

### Fixed Income Sectors as of 12/31/2015

GOVERNMENT	15.02%
MUNICIPAL	0.00%
CORPORATE	52.41%
SECURITIZED	23.88%
CASH & EQUIVALENTS	7.74%
DERIVATIVE	0.00%

### Credit Quality as of 12/31/2015

AAA	33.25%
AA	2.86%
A	17.84%
BBB	26.67%
BB	15.77%
B	3.39%
Below B	0.22%
Not Rated	0.00%

### Maturities as of 12/31/2015

1 to 3 Years	6.15%
3 to 5 Years	14.34%
5 to 7 Years	15.55%
7 to 10 Years	13.34%
10 to 15 Years	2.80%
15 to 20 Years	2.25%
20 to 30 Years	23.28%
Greater than 30 Years	13.59%

### Fund Characteristics as of 09/30/2015

Sharpe Ratio (3 Year)	0.33
Average Duration	6.35
Average Coupon	4.08%
Average Effective Maturity	9.38
Average Credit Quality	A (8)
R-Squared (3 Year)	0.42
Alpha (3 Year)	-0.05%

### Fixed Income Sectors as of 09/30/2015

GOVERNMENT	19.79%
MUNICIPAL	0.00%
CORPORATE	51.20%
SECURITIZED	20.36%
CASH & EQUIVALENTS	7.69%
DERIVATIVE	0.00%

### Credit Quality as of 09/30/2015

AAA	32.90%
AA	3.17%
A	17.78%
BBB	26.97%
BB	15.18%
B	3.90%
Below B	0.09%
Not Rated	0.00%

### Maturities as of 09/30/2015

1 to 3 Years	8.20%
3 to 5 Years	14.85%
5 to 7 Years	14.20%
7 to 10 Years	15.18%
10 to 15 Years	2.70%
15 to 20 Years	1.96%
20 to 30 Years	24.22%
Greater than 30 Years	10.01%

### Fund Characteristics as of 06/30/2015

Sharpe Ratio (3 Year)	0.82
Average Duration	6.33
Average Coupon	4.12%
Average Effective Maturity	9.27
Average Credit Quality	A (8.02)
R-Squared (3 Year)	0.67
Alpha (3 Year)	0.32%

### Fixed Income Sectors as of 06/30/2015

GOVERNMENT	14.16%
MUNICIPAL	0.00%
CORPORATE	49.75%
SECURITIZED	23.31%
CASH & EQUIVALENTS	10.65%
DERIVATIVE	0.00%

### Credit Quality as of 06/30/2015

AAA	34.15%
AA	3.17%
A	16.81%
BBB	26.69%
BB	15.16%
B	3.83%
Below B	0.18%
Not Rated	0.00%

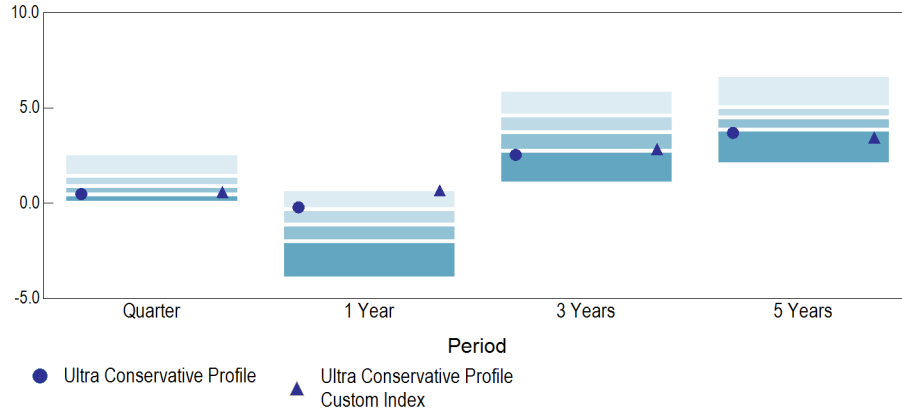
### Maturities as of 06/30/2015

1 to 3 Years	8.18%
3 to 5 Years	13.87%
5 to 7 Years	13.20%
7 to 10 Years	15.85%
10 to 15 Years	2.14%
15 to 20 Years	1.97%
20 to 30 Years	18.40%
Greater than 30 Years	14.29%

# Ultra Conservative Profile

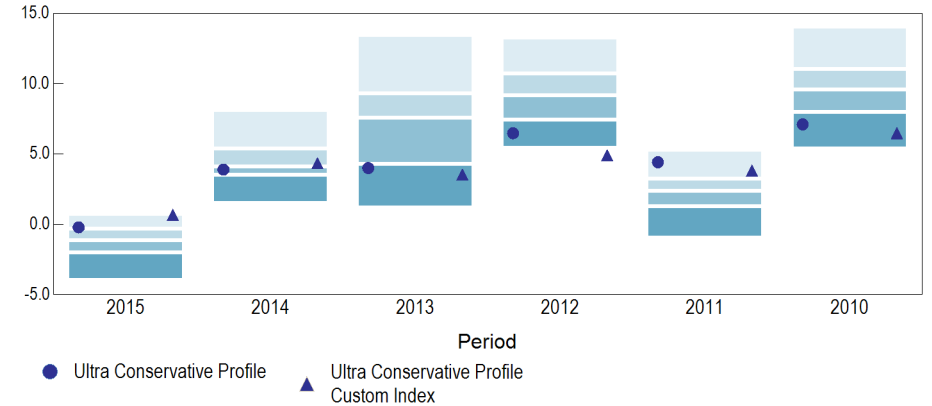
## Fund Information

**Mercer Mutual Fund Target Risk Conservative Accounts**



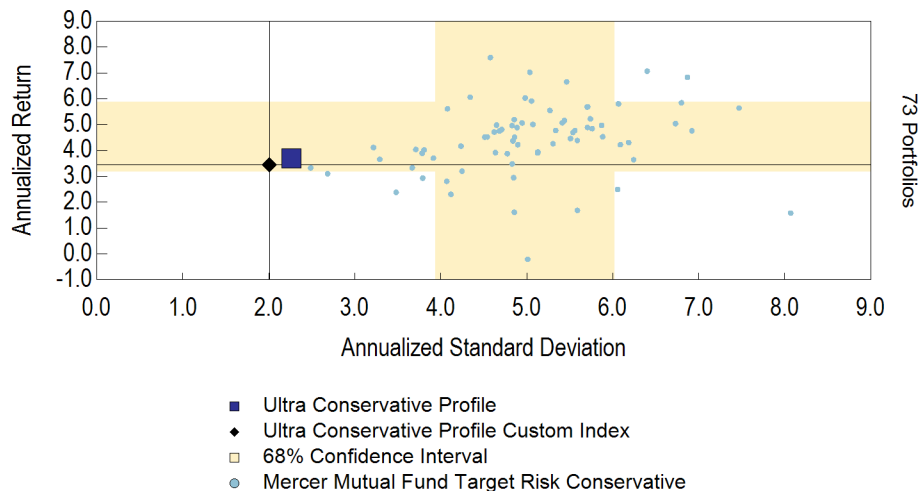
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs
Ultra Conservative Profile	0.5%	-0.2%	2.5%	3.7%
Ultra Conservative Profile Custom Index	0.6%	0.7%	2.8%	3.4%
Universe Median	0.9%	-1.1%	3.8%	4.5%

**Mercer Mutual Fund Target Risk Conservative Accounts**

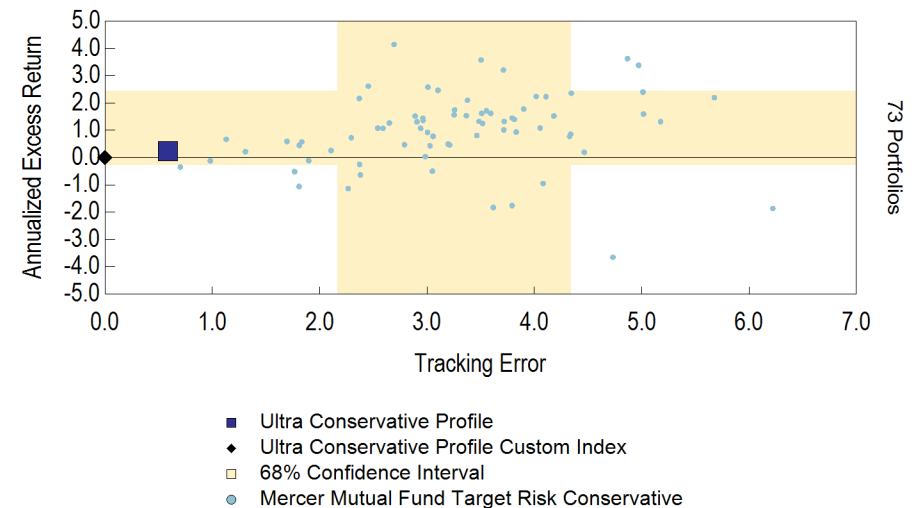


Annualized Returns	2015	2014	2013	2012	2011	2010
Ultra Conservative Profile	-0.2%	3.9%	4.0%	6.5%	4.4%	7.1%
Ultra Conservative Profile Custom Index	0.7%	4.3%	3.5%	4.9%	3.8%	6.5%
Universe Median	-1.1%	4.3%	7.8%	9.1%	2.0%	10.0%

**Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015**



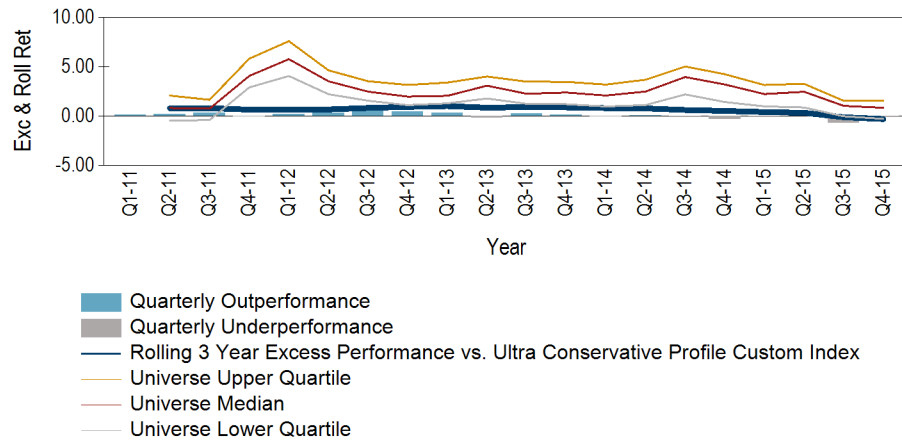
**Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015**



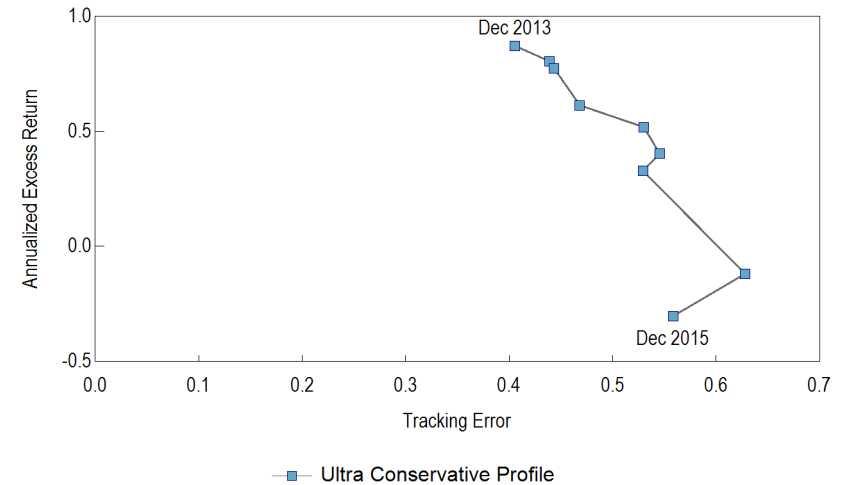
# Ultra Conservative Profile

## Fund Information

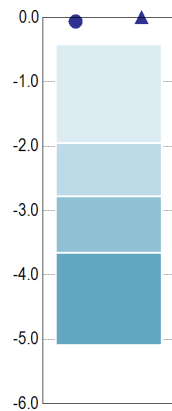
Annualized Excess Performance



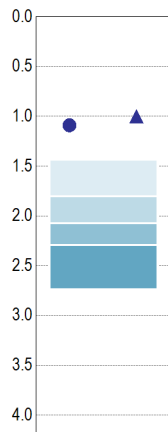
Rolling 3 Year Risk/Return vs. Ultra Conservative Profile Custom Index



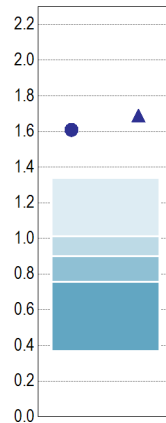
Annualized Alpha Jensen (%)



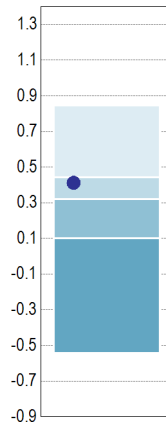
Beta



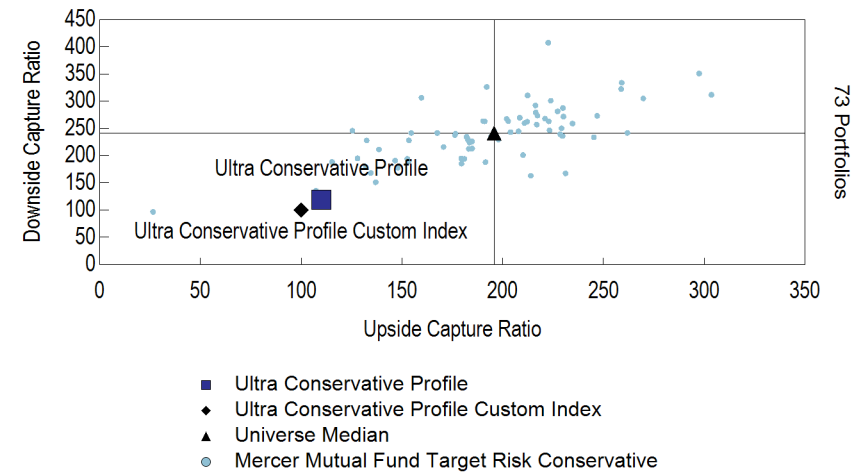
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



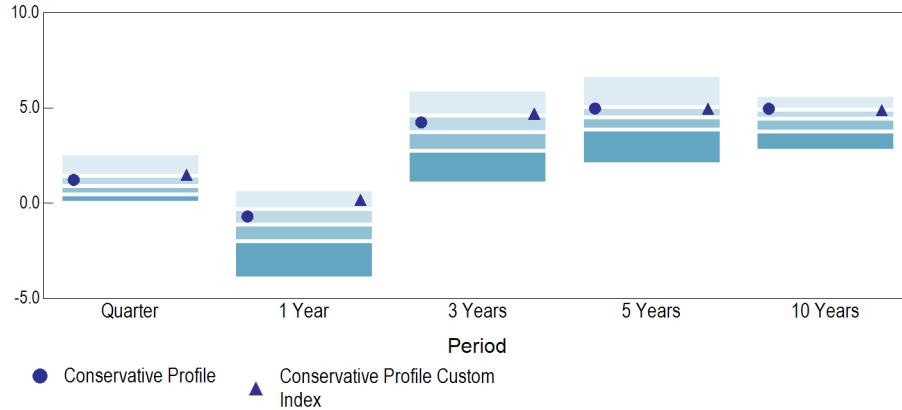
MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
Ultra Conservative Profile	3.68%	2.26%	0.59%	-0.06%	1.09	1.61	0.41	110.00%	6.06%	119.06%	-3.14%
Ultra Conservative Profile Custom Index	3.44%	2.01%	0.00%	0.00%	1.00	1.69	--	100.00%	5.55%	100.00%	-2.64%

# Conservative Profile

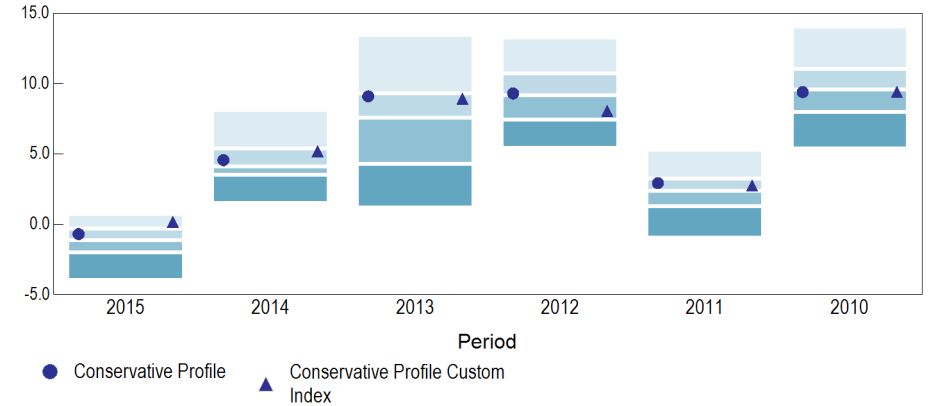
## Fund Information

Mercer Mutual Fund Target Risk Conservative Accounts



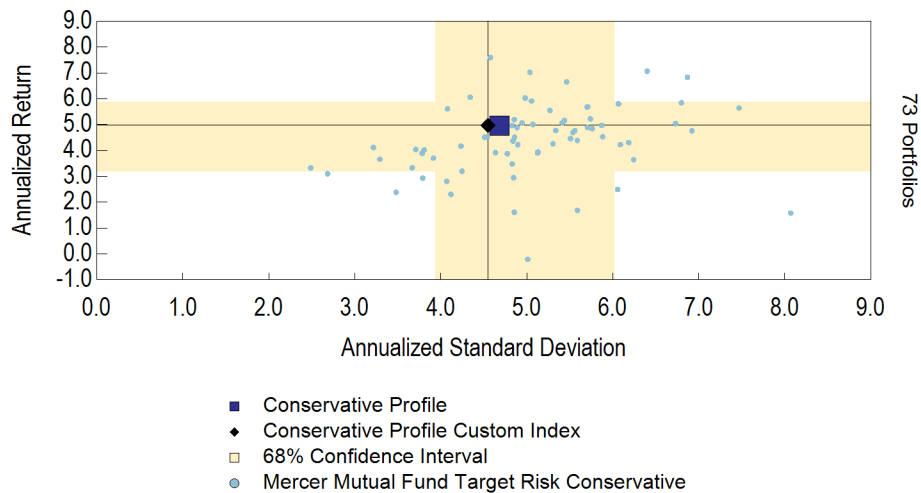
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
Conservative Profile	1.2%	-0.7%	4.2%	5.0%	5.0%
Conservative Profile Custom Index	1.5%	0.2%	4.7%	5.0%	4.9%
Universe Median	0.9%	-1.1%	3.8%	4.5%	4.4%

Mercer Mutual Fund Target Risk Conservative Accounts

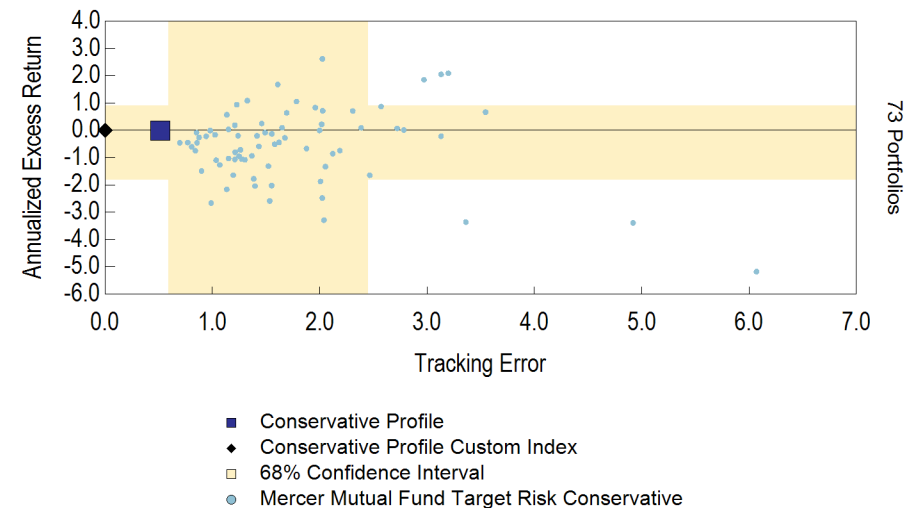


Annualized Returns	2015	2014	2013	2012	2011	2010
Conservative Profile	-0.7%	4.6%	9.1%	9.3%	2.9%	9.4%
Conservative Profile Custom Index	0.2%	5.2%	8.9%	8.1%	2.7%	9.4%
Universe Median	-1.1%	4.3%	7.8%	9.1%	2.0%	10.0%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015

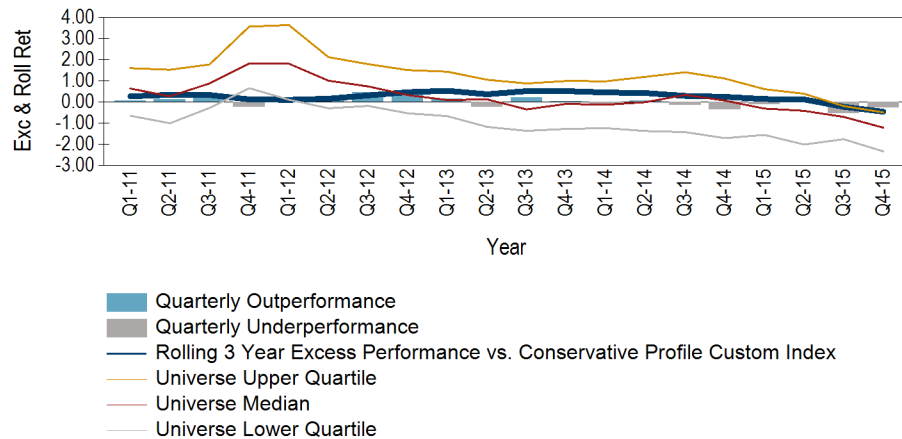




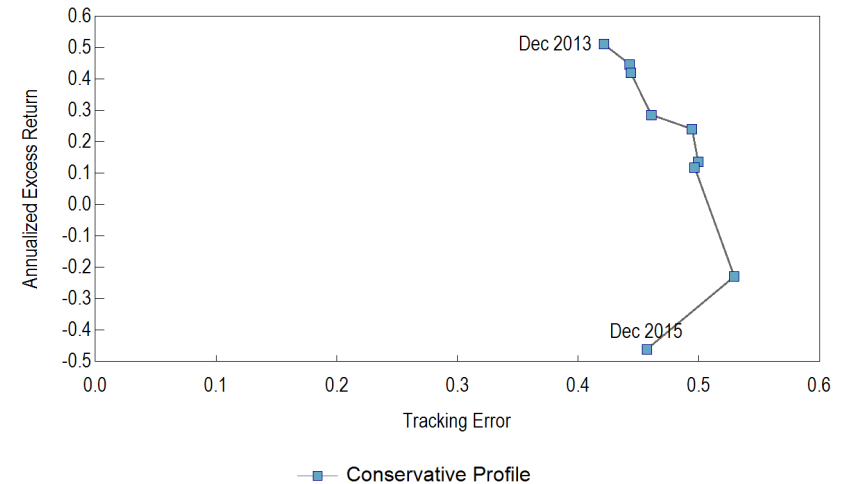
# Conservative Profile

## Fund Information

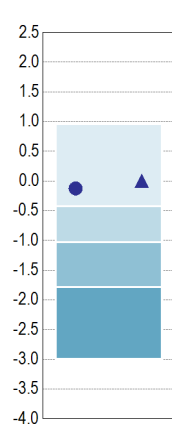
Annualized Excess Performance



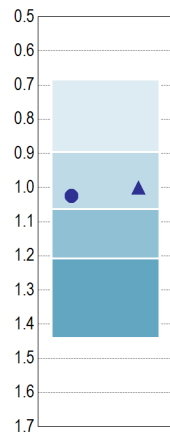
Rolling 3 Year Risk/Return vs. Conservative Profile Custom Index



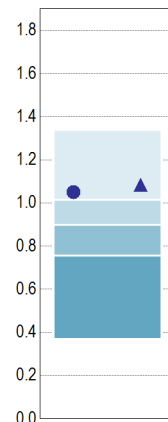
Annualized Alpha Jensen (%)



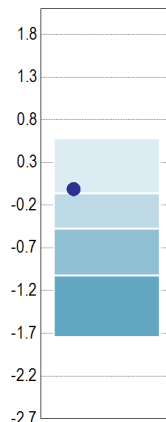
Beta



Sharpe Ratio

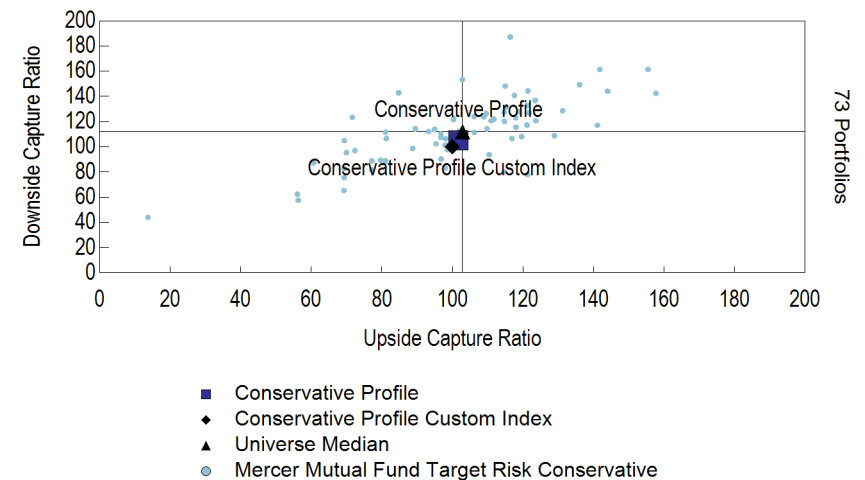


Information Ratio



MPT Statistics represent 5 year periods.

Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015

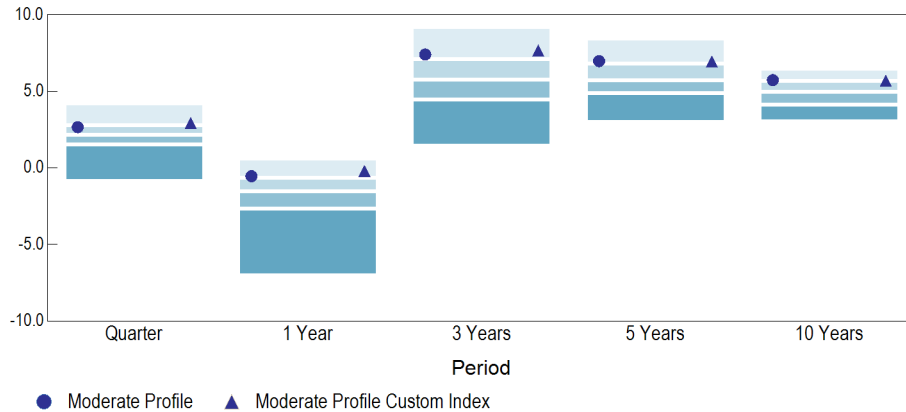


	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
Conservative Profile	4.97%	4.68%	0.51%	-0.13%	1.02	1.05	-0.01	101.74%	10.48%	105.00%	-6.85%
Conservative Profile Custom Index	4.97%	4.55%	0.00%	0.00%	1.00	1.08	--	100.00%	10.32%	100.00%	-6.52%

# Moderate Profile

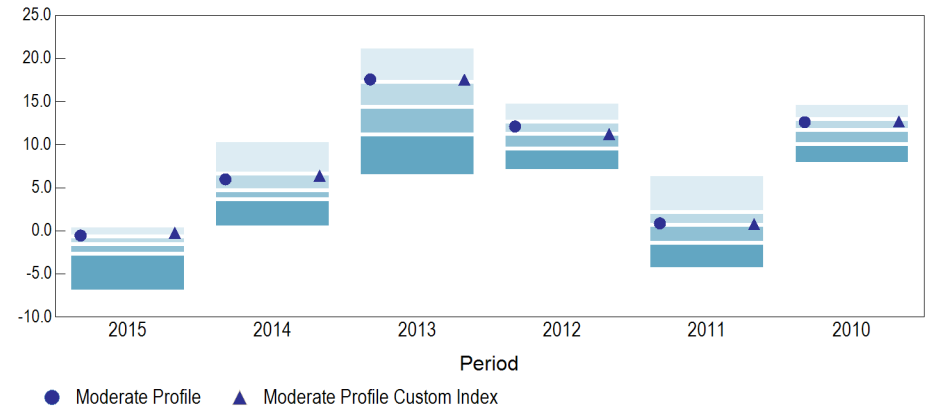
## Fund Information

Mercer Mutual Fund Target Risk Moderate Accounts



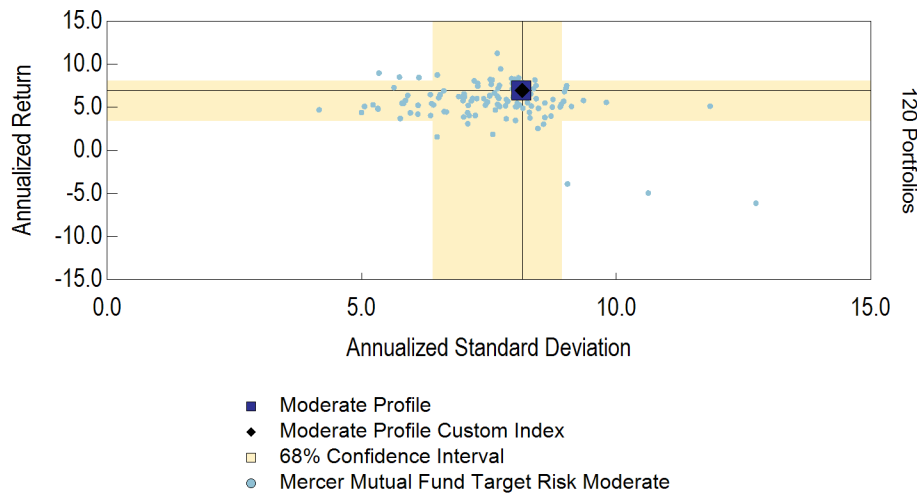
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
Moderate Profile	2.6%	-0.6%	7.4%	7.0%	5.7%
Moderate Profile Custom Index	2.9%	-0.2%	7.6%	6.9%	5.7%
Universe Median	2.2%	-1.5%	5.8%	5.7%	5.0%

Mercer Mutual Fund Target Risk Moderate Accounts

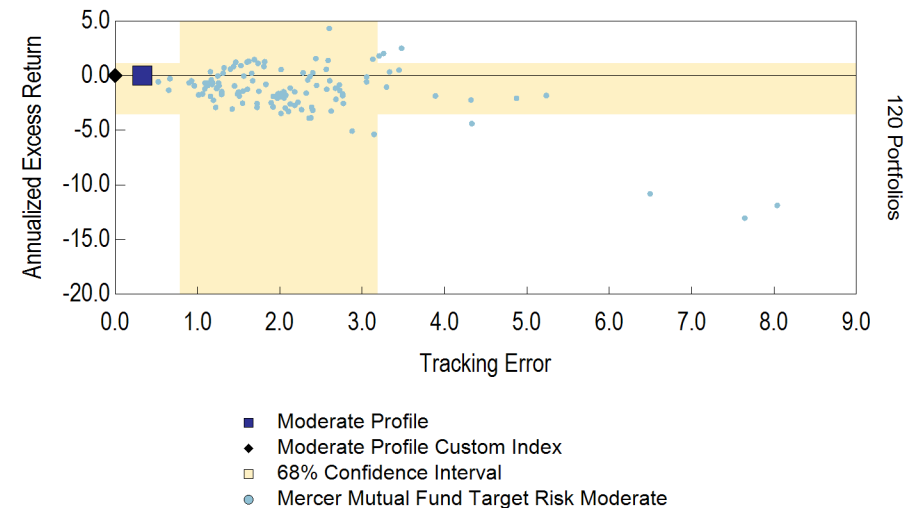


Annualized Returns	2015	2014	2013	2012	2011	2010
Moderate Profile	-0.6%	6.0%	17.6%	12.1%	0.9%	12.6%
Moderate Profile Custom Index	-0.2%	6.4%	17.5%	11.2%	0.8%	12.7%
Universe Median	-1.5%	5.1%	14.5%	11.5%	0.5%	11.9%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



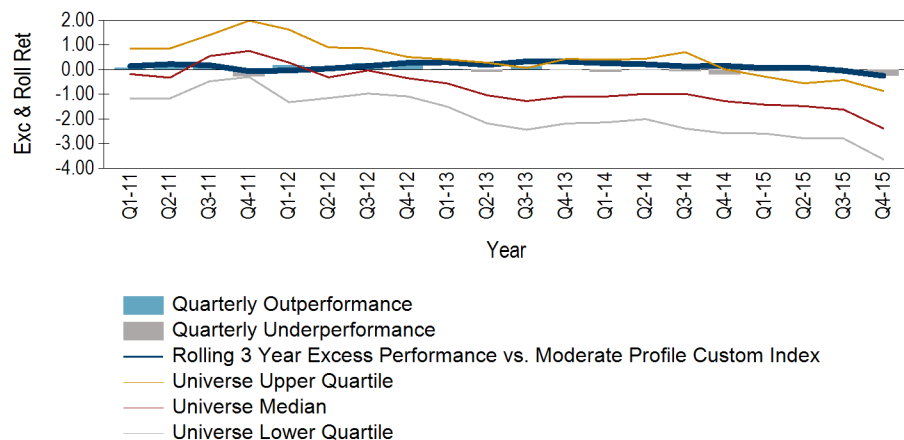
Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015



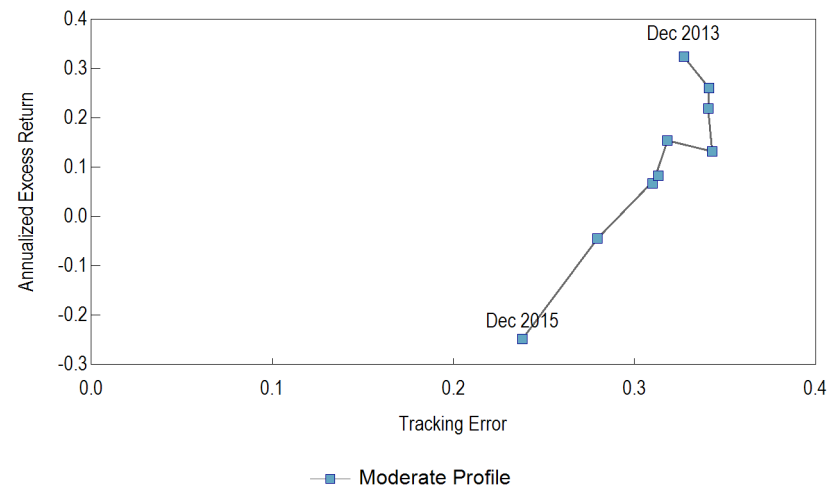
# Moderate Profile

## Fund Information

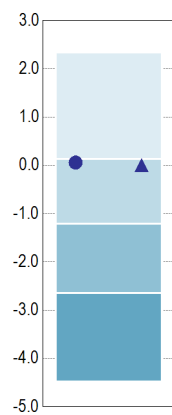
Annualized Excess Performance



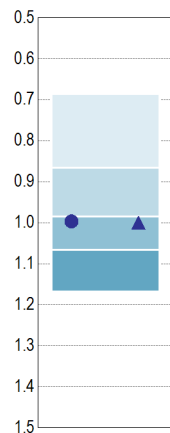
Rolling 3 Year Risk/Return vs. Moderate Profile Custom Index



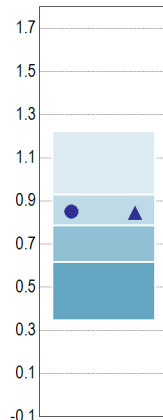
Annualized Alpha Jensen (%)



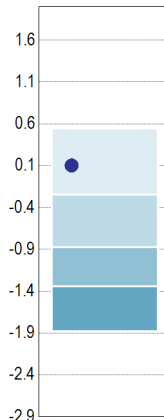
Beta



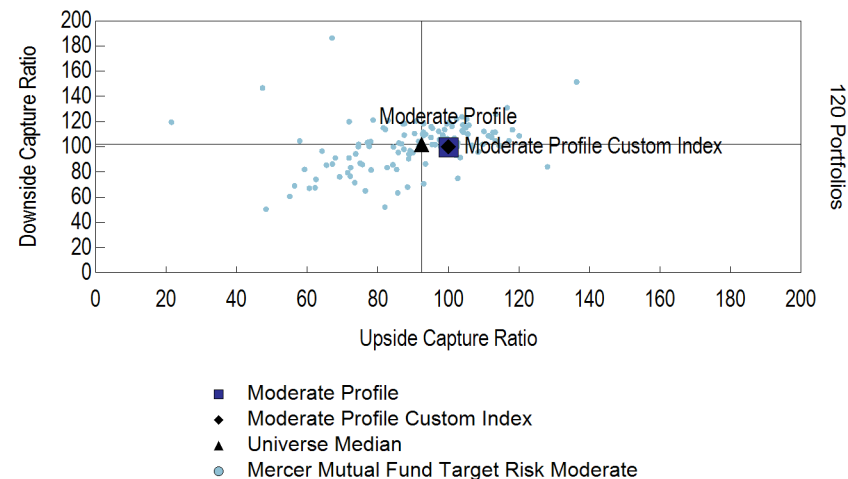
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
Moderate Profile	6.97%	8.14%	0.33%	0.05%	1.00	0.85	0.10	100.06%	15.04%	99.36%	-14.00%
Moderate Profile Custom Index	6.93%	8.15%	0.00%	0.00%	1.00	0.84	--	100.00%	15.03%	100.00%	-14.10%

# Aggressive Profile

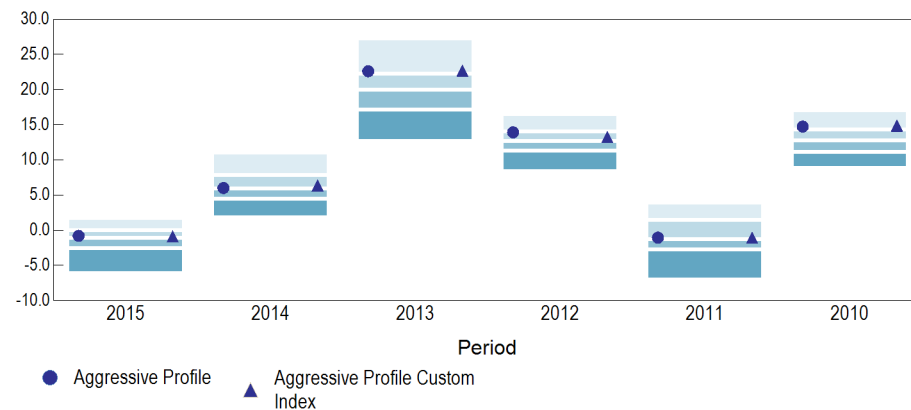
## Fund Information

Mercer Mutual Fund Target Risk Aggressive Accounts



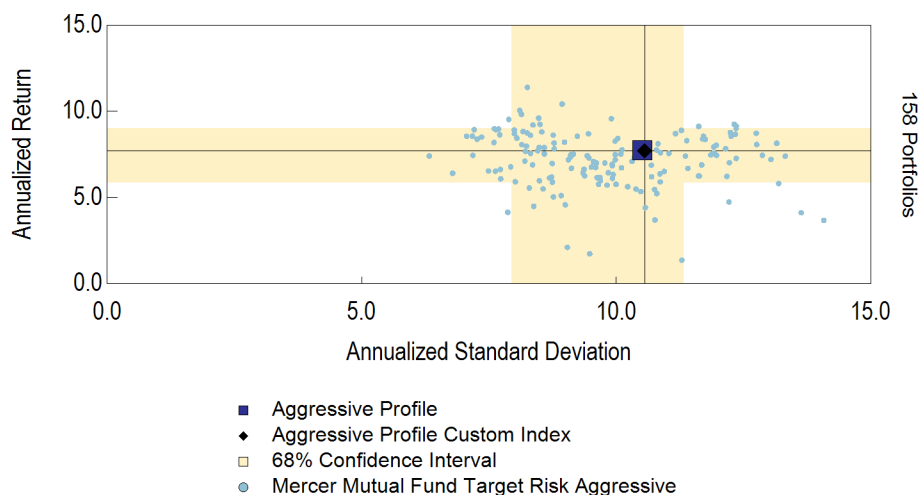
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
Aggressive Profile	3.2%	-0.8%	8.8%	7.8%	5.7%
Aggressive Profile Custom Index	3.5%	-0.9%	9.0%	7.7%	5.7%
Universe Median	3.6%	-1.1%	8.5%	7.4%	5.4%

Mercer Mutual Fund Target Risk Aggressive Accounts

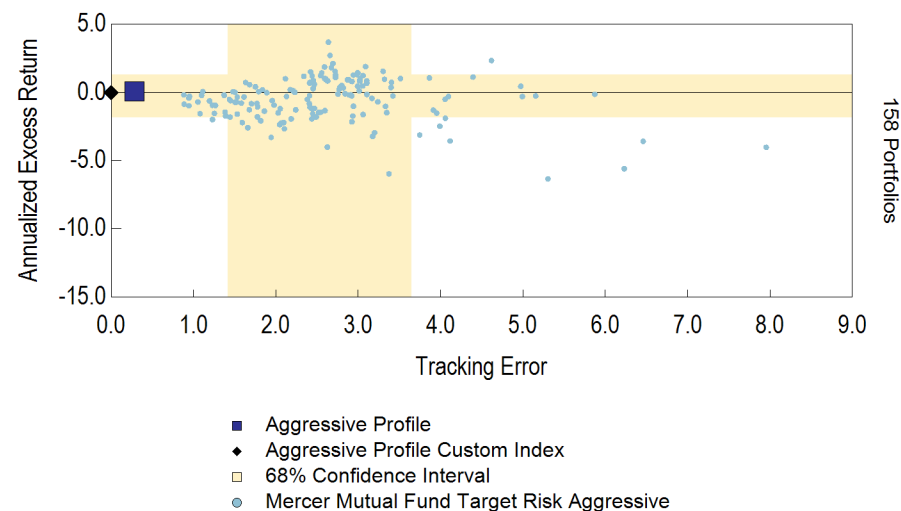


Annualized Returns	2015	2014	2013	2012	2011	2010
Aggressive Profile	-0.8%	6.0%	22.6%	13.9%	-1.1%	14.7%
Aggressive Profile Custom Index	-0.9%	6.3%	22.7%	13.2%	-1.1%	14.9%
Universe Median	-1.1%	6.0%	20.9%	13.3%	-2.0%	13.5%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



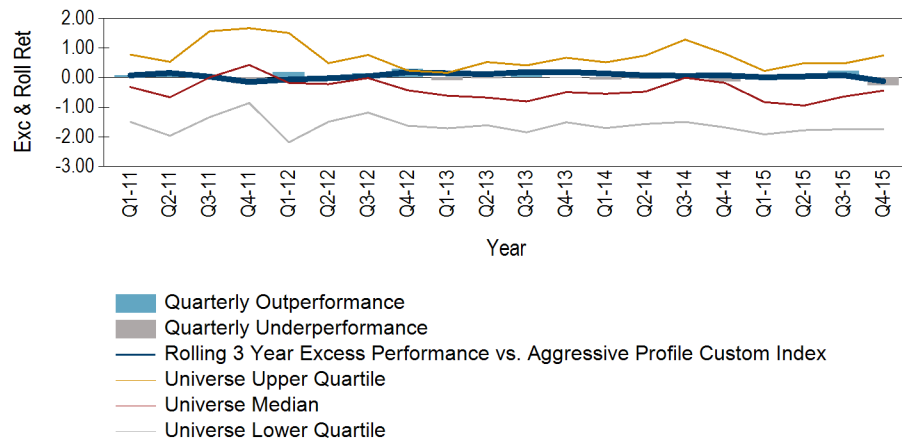
Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015



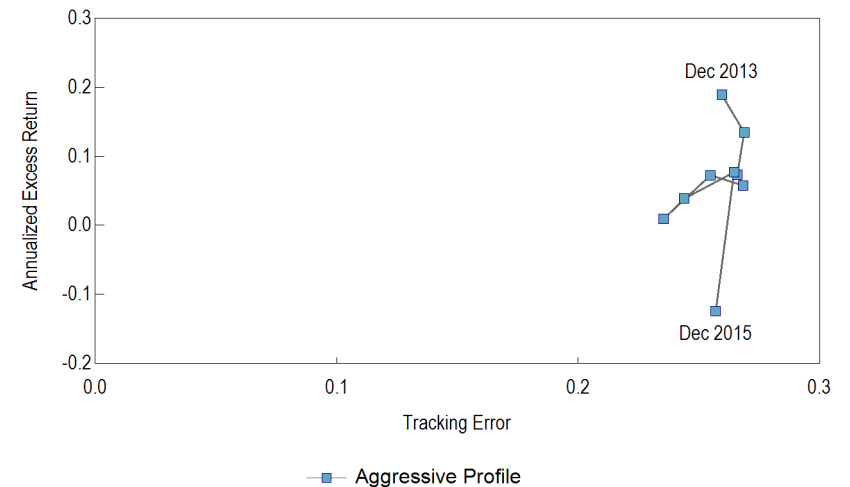
# Aggressive Profile

## Fund Information

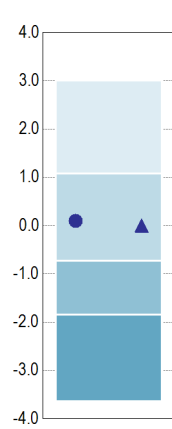
Annualized Excess Performance



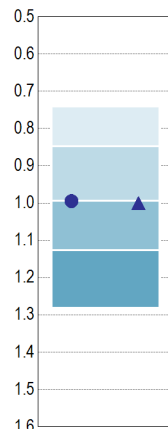
Rolling 3 Year Risk/Return vs. Aggressive Profile Custom Index



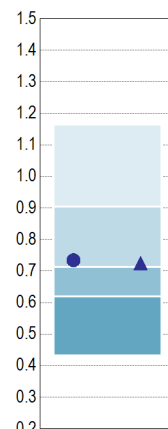
Annualized Alpha Jensen (%)



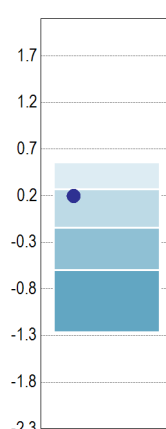
Beta



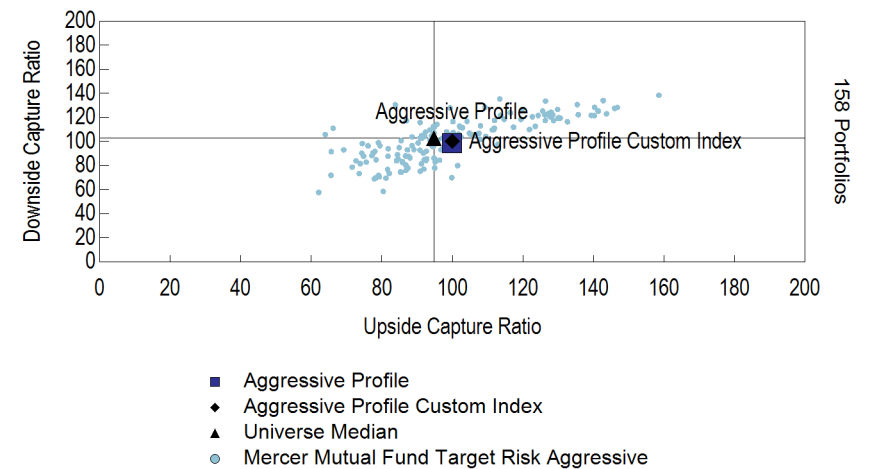
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



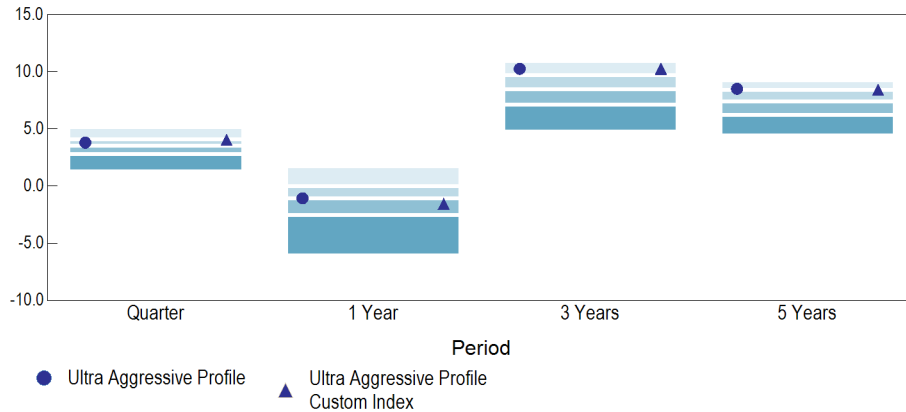
MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
Aggressive Profile	7.76%	10.51%	0.28%	0.10%	0.99	0.73	0.20	99.82%	18.40%	98.86%	-18.76%
Aggressive Profile Custom Index	7.70%	10.56%	0.00%	0.00%	1.00	0.73	--	100.00%	18.43%	100.00%	-18.98%

# Ultra Aggressive Profile

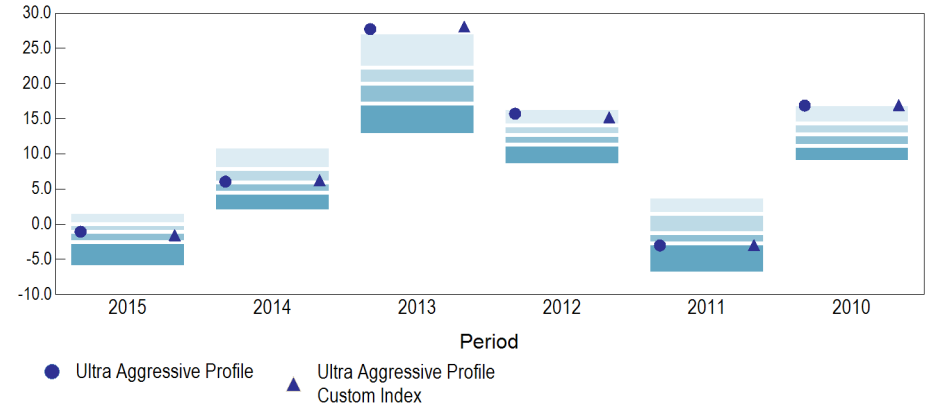
## Fund Information

Mercer Mutual Fund Target Risk Aggressive Accounts



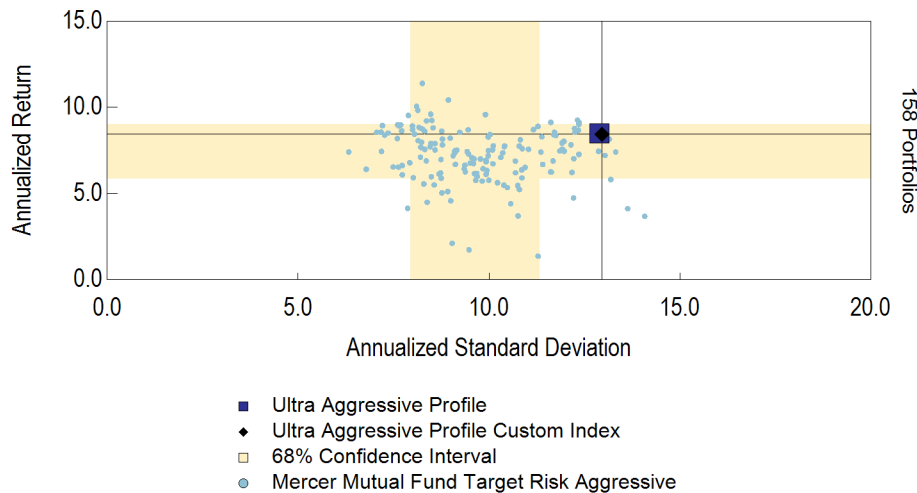
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs
Ultra Aggressive Profile	3.8%	-1.1%	10.3%	8.5%
Ultra Aggressive Profile Custom Index	4.1%	-1.5%	10.3%	8.4%
Universe Median	3.6%	-1.1%	8.5%	7.4%

Mercer Mutual Fund Target Risk Aggressive Accounts

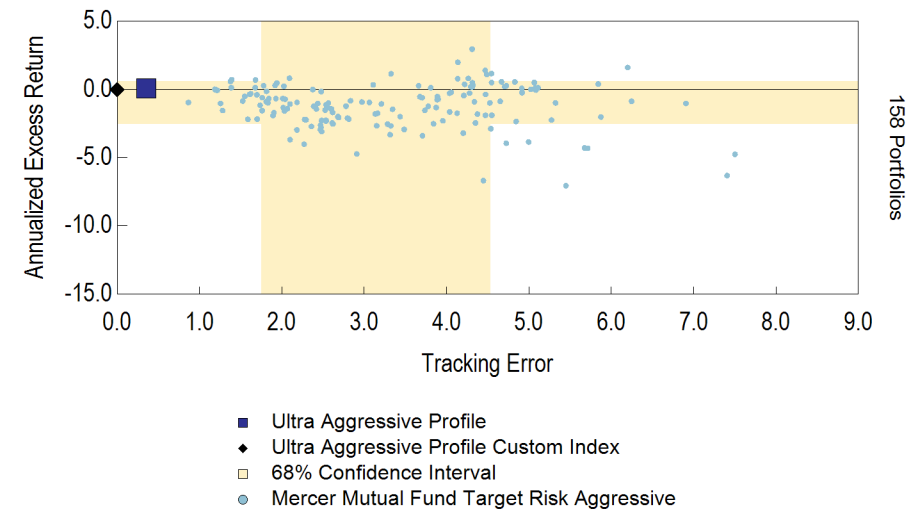


Annualized Returns	2015	2014	2013	2012	2011	2010
Ultra Aggressive Profile	-1.1%	6.1%	27.7%	15.7%	-3.0%	16.9%
Ultra Aggressive Profile Custom Index	-1.5%	6.3%	28.1%	15.2%	-3.0%	16.9%
Universe Median	-1.1%	6.0%	20.9%	13.3%	-2.0%	13.5%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



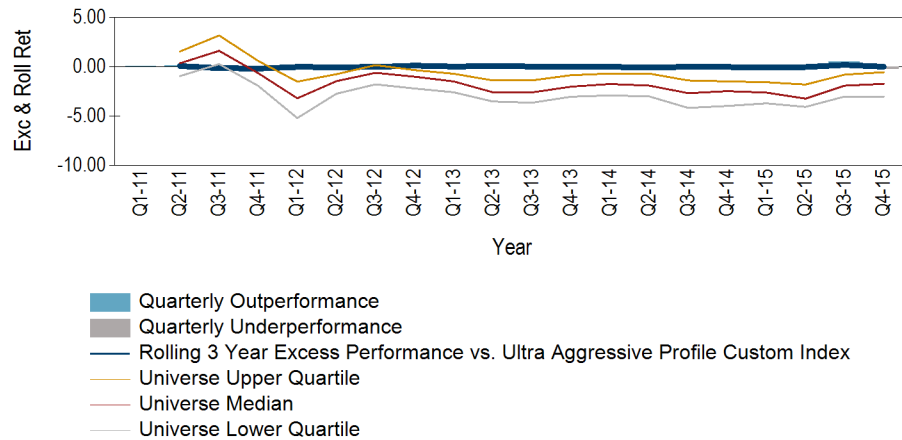
Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015



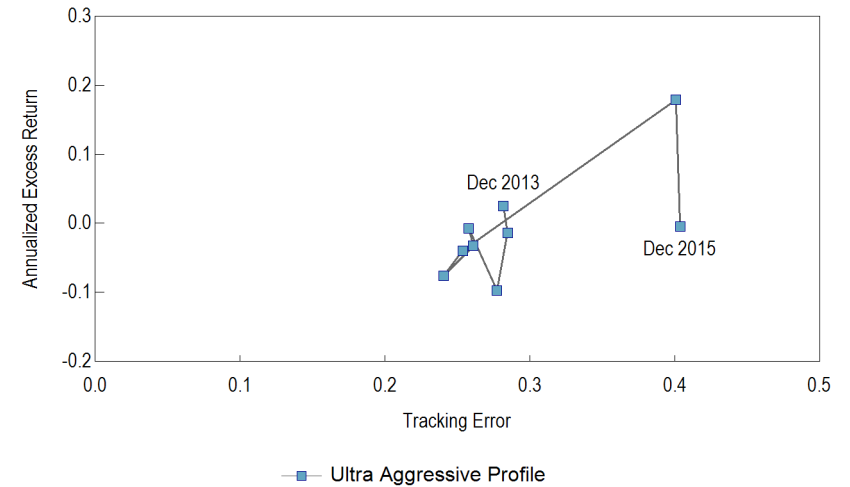
# Ultra Aggressive Profile

## Fund Information

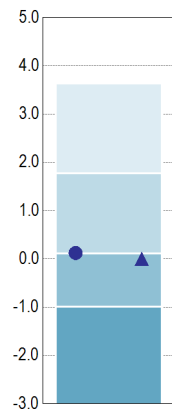
Annualized Excess Performance



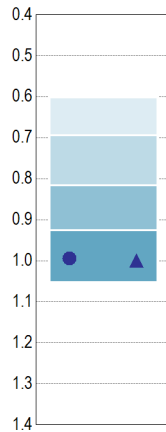
Rolling 3 Year Risk/Return vs. Ultra Aggressive Profile Custom Index



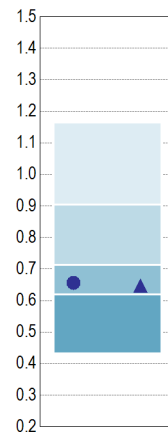
Annualized Alpha Jensen (%)



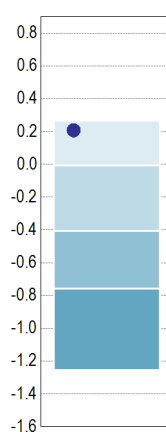
Beta



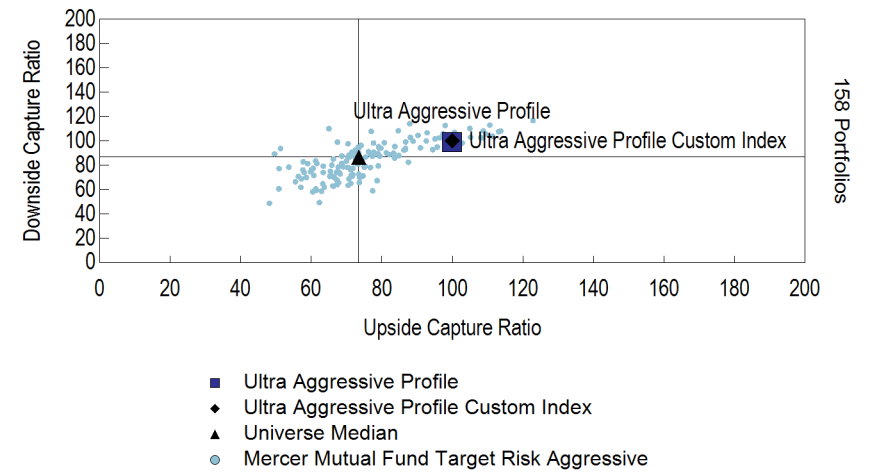
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
Ultra Aggressive Profile	8.51%	12.90%	0.35%	0.12%	0.99	0.66	0.21	99.88%	20.37%	98.99%	-28.36%
Ultra Aggressive Profile Custom Index	8.43%	12.96%	0.00%	0.00%	1.00	0.65	--	100.00%	20.39%	100.00%	-28.65%

# Vanguard Institutional Index Fund (US)

## Manager Commentary

Plan	City of Los Angeles Deferred Compensation Plan
Strategy	Vanguard - Vanguard Institutional Index Fund (US)
Benchmark	S&P 500

### Manager Philosophy and Process

Vanguard attempts to provide investment results that parallel the performance of the index while minimizing transaction costs and tracking error. Vanguard employs a full-replication approach, whereby it holds all stocks in the benchmark index at the same capitalization weight as the index. In some markets where low liquidity exists, it may employ optimized sampling to select substitute stocks. When the index changes, Vanguard monitors the changes and devises strategies to ensure it can re-align the portfolio at the lowest possible cost. The trading strategy includes buying and selling prior to and following the effective date of the index change to achieve best execution. Proprietary trading strategies are executed across several trading desks. Vanguard takes into consideration cash flows, trading costs and the impact on tracking risks. Vanguard's Passive Equity Funds may invest, to a limited extent, in stock futures and options contracts, warrants, convertible securities, and swap agreements. The team may use these investments to: keep cash on hand to meet shareholder redemptions or other needs while simulating full investment in stocks, or reduce costs by buying futures when they are less expensive than actual stocks. There are no specific limits to the use of these instruments and discretion is left to each fund's portfolio manager. Typically, an index fund's derivatives exposure will be 2% or less.

The firm may engage in stock lending within the funds in order to provide additional returns. It invests the lending collateral in the Vanguard Market Liquidity Fund. Any incremental revenue from a derivatives position or stock lending is credited to the fund minus any costs associated with the position.

### Quarterly Attribution

Top performing index sectors:

- Materials (+9.7%), health care (+9.2%) and information technology (+8.3%)

Bottom performing index sectors:

- Energy (+0.2%), utilities (+1.1%) and financials (+5.9%);

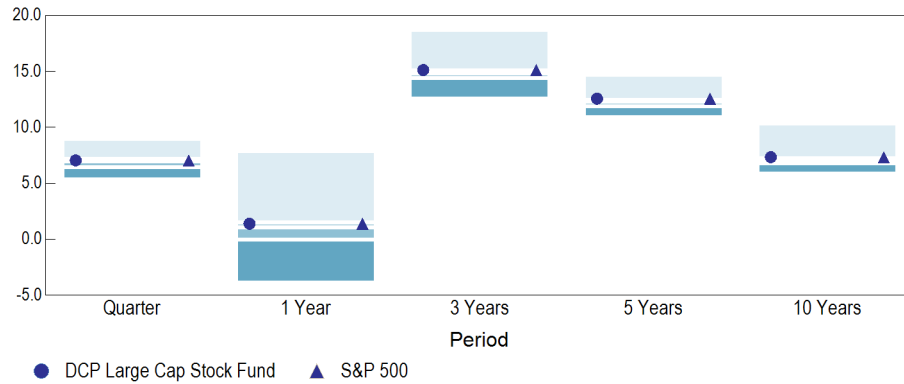
Note: DCP Large Cap Stock Fund is comprised of 100% Vanguard Institutional Index Fund.



# DCP Large Cap Stock Fund

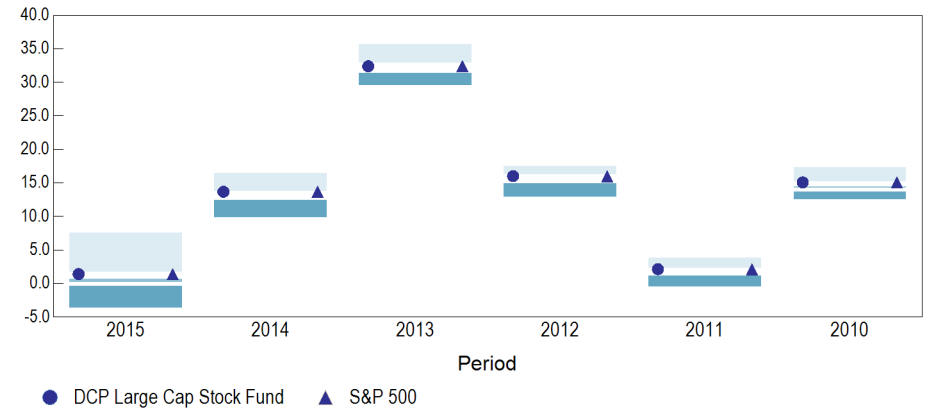
## Fund Information

Mercer Mutual Fund US Equity Large Cap Index Accounts



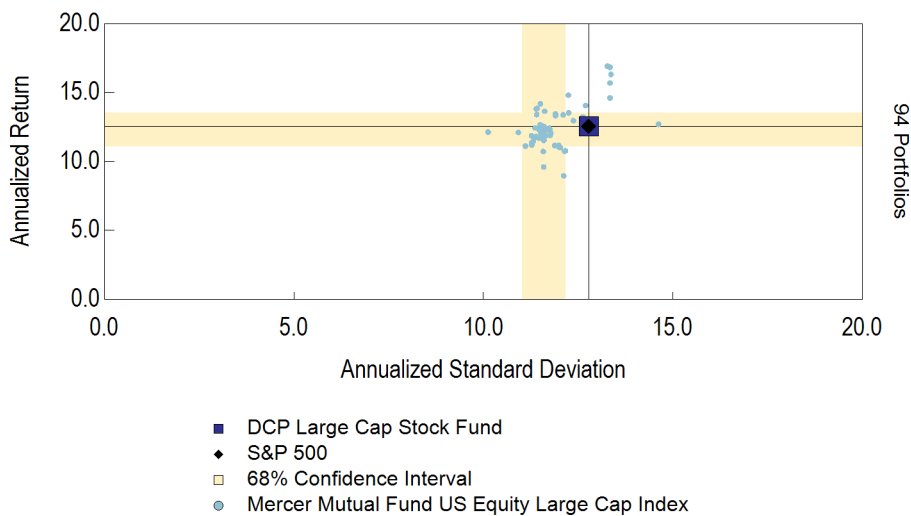
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
DCP Large Cap Stock Fund	7.1%	1.4%	15.1%	12.6%	7.3%
S&P 500	7.0%	1.4%	15.1%	12.6%	7.3%
Universe Median	7.0%	1.1%	14.9%	12.3%	7.1%

Mercer Mutual Fund US Equity Large Cap Index Accounts

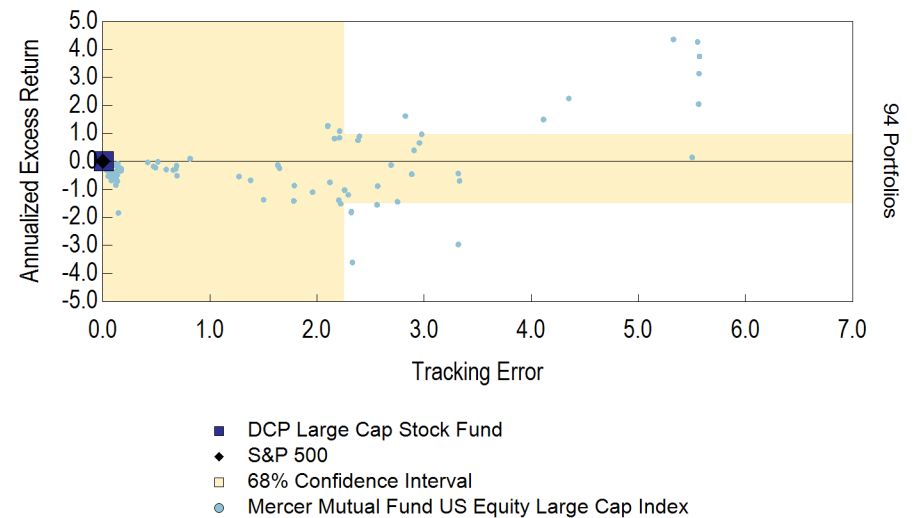


Annualized Returns	2015	2014	2013	2012	2011	2010
DCP Large Cap Stock Fund	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%
S&P 500	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%
Universe Median	1.1%	13.3%	32.2%	15.8%	1.9%	14.8%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



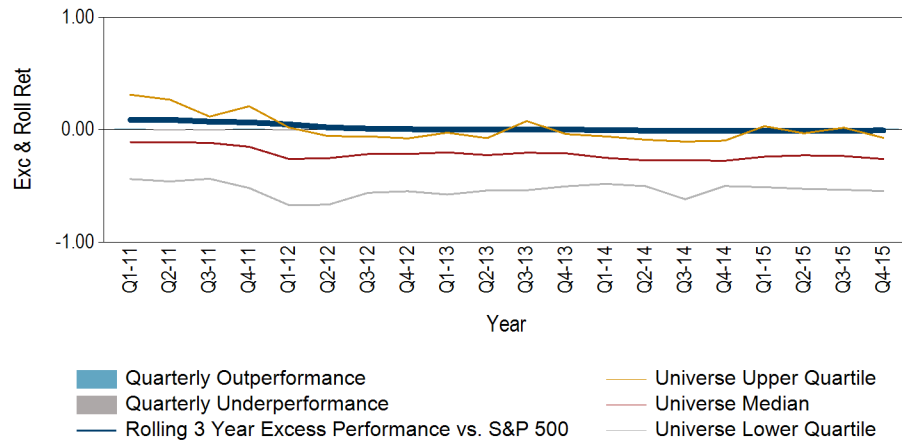
Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015



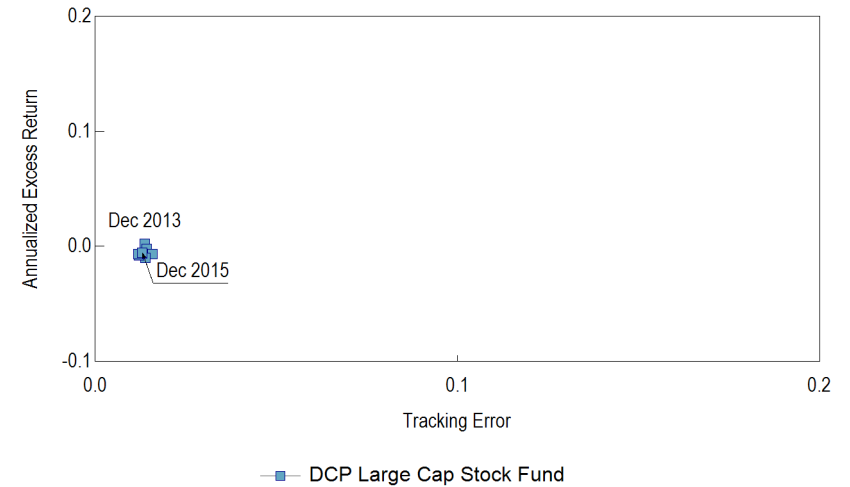
# DCP Large Cap Stock Fund

## Fund Information

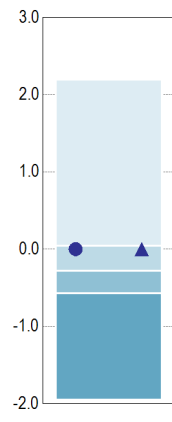
Annualized Excess Performance



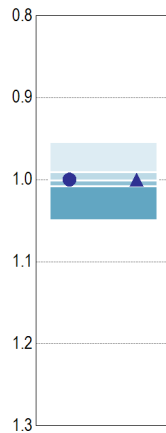
Rolling 3 Year Risk/Return vs. S&P 500



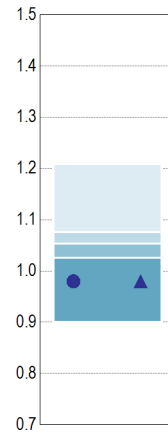
Annualized Alpha Jensen (%)



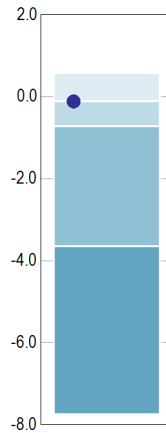
Beta



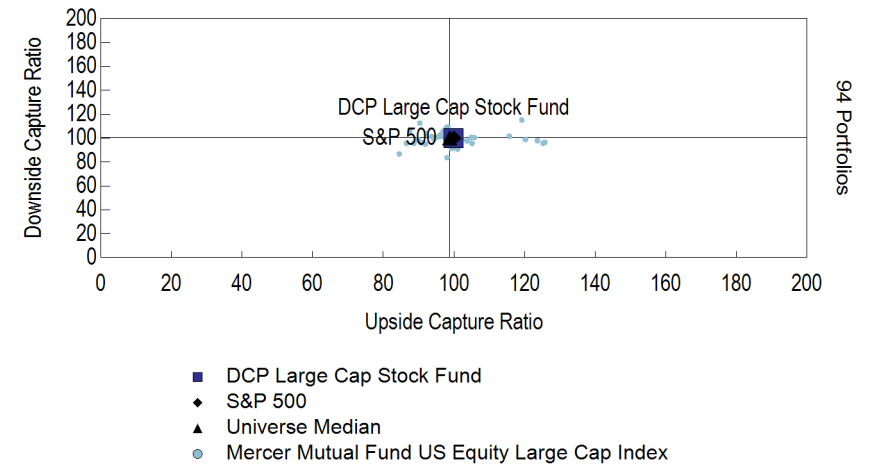
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
DCP Large Cap Stock Fund	12.57%	12.78%	0.01%	0.00%	1.00	0.98	-0.12	99.98%	23.35%	99.98%	-21.92%
S&P 500	12.57%	12.78%	0.00%	0.00%	1.00	0.98	--	100.00%	23.35%	100.00%	-21.93%

# DCP Large Cap Stock Fund

## Historical - Fund Information

### Portfolio Fund Information as of 12/31/2015

Ticker	VIII
Morningstar Category	Large Blend
Average Market Cap (\$mm)	73,725.68
Net Assets (\$mm)	90,041.68
% Assets in Top 10 Holdings	17.58
Total Number of Holdings	508
Manager Name	Donald M. Butler
Manager Tenure	15
Expense Ratio	0.02%
Closed to New Investors	No

### Fund Characteristics as of 12/31/2015

Sharpe Ratio (3 Year)	1.60
Average Market Cap (\$mm)	73,725.68
Price/Earnings	17.22
Price/Book	2.34
Price/Sales	1.69
Price/Cash Flow	10.18
Dividend Yield	2.27
Number of Equity Holdings	503
R-Squared (3 Year)	1.00
Alpha (3 Year)	0.00%

### Sector Allocation as of 12/31/2015

BASIC MATERIALS	2.63%
COMMUNICATION SERVICES	4.18%
CONSUMER CYCLICAL	11.20%
CONSUMER DEFENSIVE	9.95%
ENERGY	6.47%
FINANCIAL SERVICES	15.12%
HEALTHCARE	15.60%
INDUSTRIALS	10.79%
REAL ESTATE	2.20%
TECHNOLOGY	18.50%
UTILITIES	2.97%

### Portfolio Fund Information as of 09/30/2015

Ticker	VIII
Morningstar Category	Large Blend
Average Market Cap (\$mm)	68,378.91
Net Assets (\$mm)	84,543.27
% Assets in Top 10 Holdings	17.13
Total Number of Holdings	509
Manager Name	Donald M. Butler
Manager Tenure	15
Expense Ratio	0.02%
Closed to New Investors	No

### Fund Characteristics as of 09/30/2015

Sharpe Ratio (3 Year)	1.31
Average Market Cap (\$mm)	68,378.91
Price/Earnings	16.94
Price/Book	2.30
Price/Sales	1.58
Price/Cash Flow	9.52
Dividend Yield	2.43
Number of Equity Holdings	504
R-Squared (3 Year)	1.00
Alpha (3 Year)	0.00%

### Sector Allocation as of 09/30/2015

BASIC MATERIALS	2.65%
COMMUNICATION SERVICES	4.22%
CONSUMER CYCLICAL	11.33%
CONSUMER DEFENSIVE	9.84%
ENERGY	6.91%
FINANCIAL SERVICES	15.18%
HEALTHCARE	15.16%
INDUSTRIALS	10.81%
REAL ESTATE	2.17%
TECHNOLOGY	18.32%
UTILITIES	3.14%

### Portfolio Fund Information as of 06/30/2015

Ticker	VIII
Morningstar Category	Large Blend
Average Market Cap (\$mm)	72,547.68
Net Assets (\$mm)	90,332.08
% Assets in Top 10 Holdings	17.13
Total Number of Holdings	511
Manager Name	Donald M. Butler
Manager Tenure	15
Expense Ratio	0.02%
Closed to New Investors	No

### Fund Characteristics as of 06/30/2015

Sharpe Ratio (3 Year)	2.32
Average Market Cap (\$mm)	72,547.68
Price/Earnings	18.27
Price/Book	2.50
Price/Sales	1.71
Price/Cash Flow	10.33
Dividend Yield	2.24
Number of Equity Holdings	505
R-Squared (3 Year)	1.00
Alpha (3 Year)	0.00%

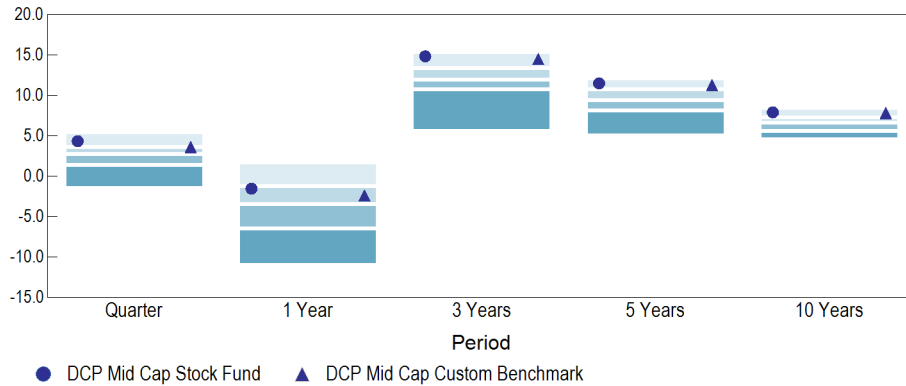
### Sector Allocation as of 06/30/2015

BASIC MATERIALS	2.97%
COMMUNICATION SERVICES	4.01%
CONSUMER CYCLICAL	10.96%
CONSUMER DEFENSIVE	9.31%
ENERGY	7.82%
FINANCIAL SERVICES	15.09%
HEALTHCARE	15.91%
INDUSTRIALS	10.87%
REAL ESTATE	2.18%
TECHNOLOGY	17.69%
UTILITIES	2.82%

# DCP Mid Cap Stock Fund

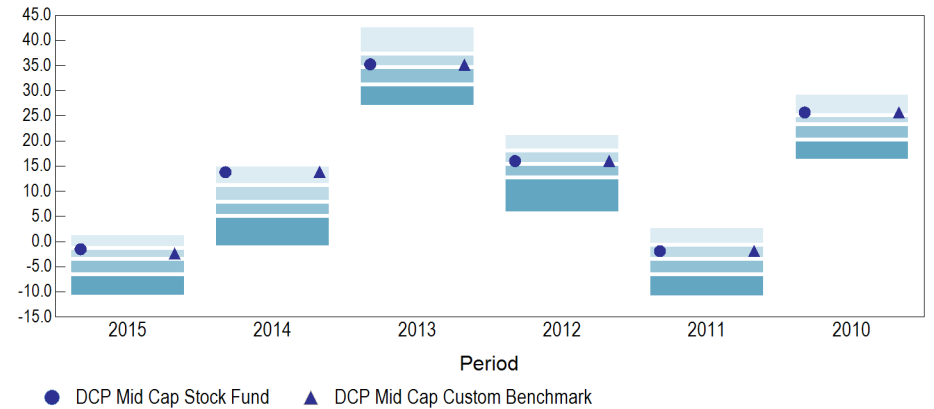
## Fund Information

Mercer Mutual Fund US Equity Mid Cap Core Accounts



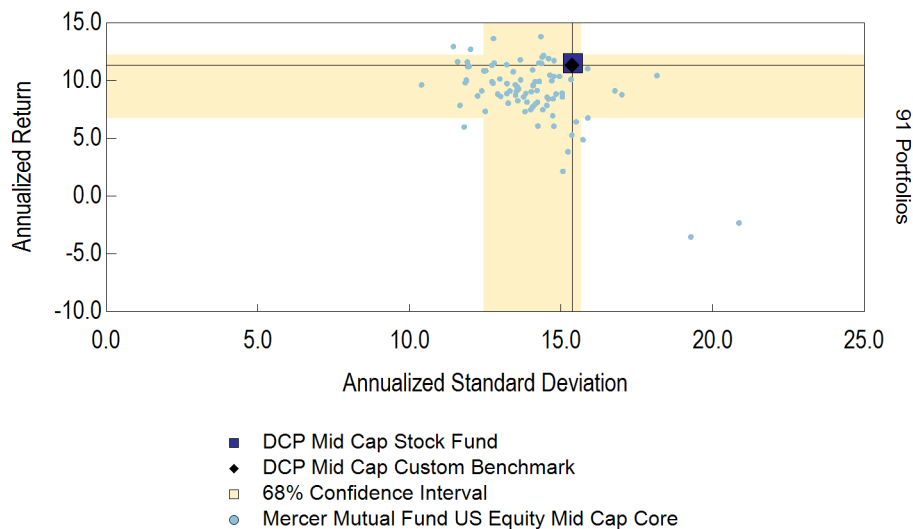
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
DCP Mid Cap Stock Fund	4.3%	-1.5%	14.9%	11.5%	7.9%
DCP Mid Cap Custom Benchmark	3.6%	-2.4%	14.5%	11.3%	7.8%
Universe Median	2.8%	-3.4%	12.0%	9.5%	6.7%

Mercer Mutual Fund US Equity Mid Cap Core Accounts

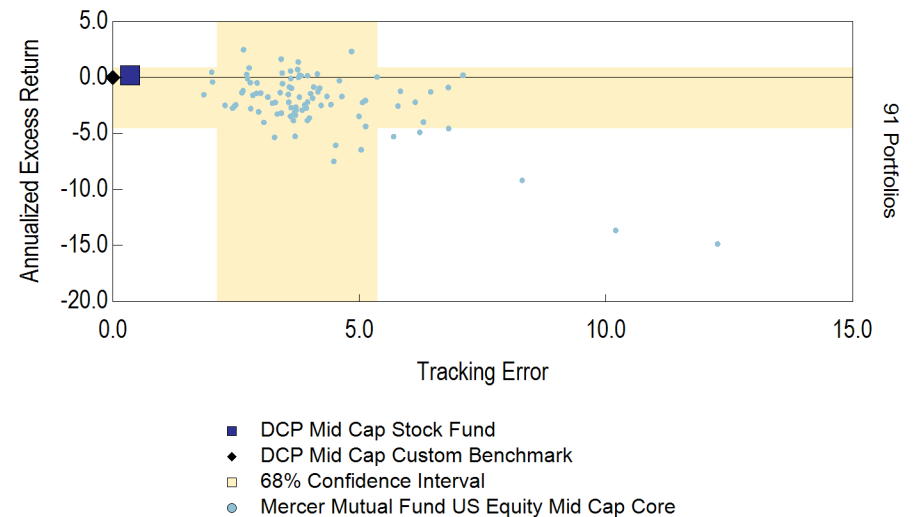


Annualized Returns	2015	2014	2013	2012	2011	2010
DCP Mid Cap Stock Fund	-1.5%	13.8%	35.2%	16.0%	-1.9%	25.7%
DCP Mid Cap Custom Benchmark	-2.4%	13.8%	35.2%	16.1%	-1.9%	25.7%
Universe Median	-3.4%	8.1%	34.2%	16.2%	-3.5%	23.4%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



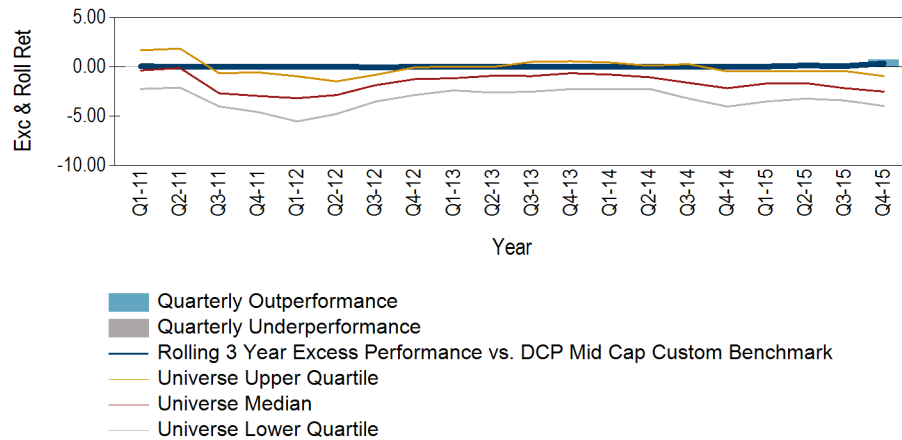
Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015



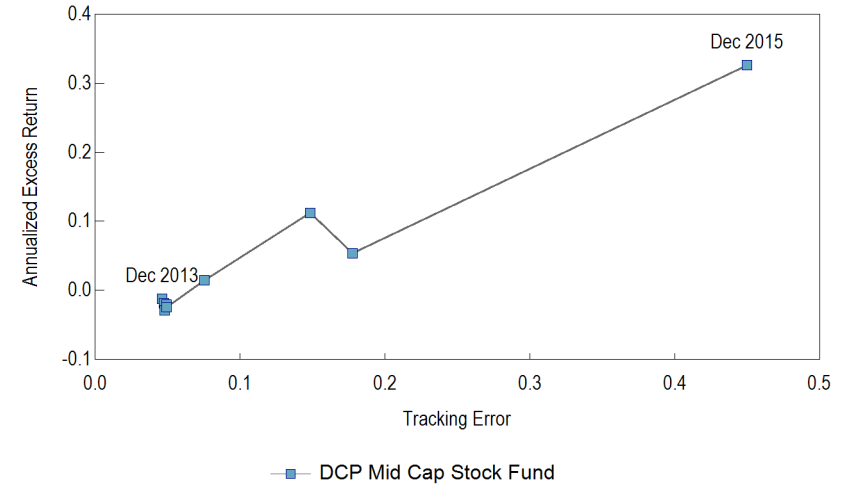
# DCP Mid Cap Stock Fund

## Fund Information

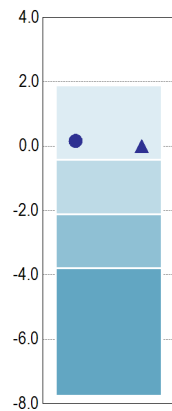
Annualized Excess Performance



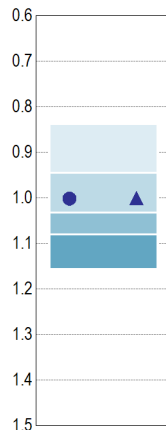
Rolling 3 Year Risk/Return vs. DCP Mid Cap Custom Benchmark



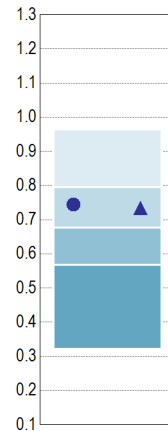
Annualized Alpha Jensen (%)



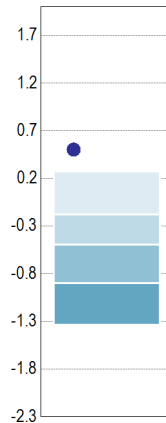
Beta



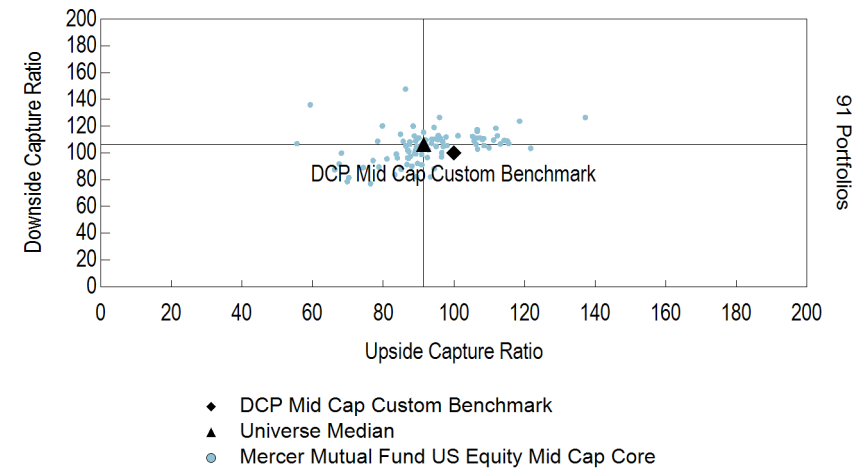
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
DCP Mid Cap Stock Fund	11.51%	15.39%	0.35%	0.16%	1.00	0.74	0.50	101.22%	30.20%	99.86%	-22.33%
DCP Mid Cap Custom Benchmark	11.33%	15.36%	0.00%	0.00%	1.00	0.73	--	100.00%	29.93%	100.00%	-22.37%

# Vanguard Mid-Cap Index Fund (US)

## Manager Commentary

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Plan	City of Los Angeles Deferred Compensation Plan
Strategy	Vanguard - Vanguard Mid-Cap Index Fund (US)
Benchmark	CRSP US Mid Cap Index

### Manager Philosophy and Process

Vanguard Mid-Cap Index Fund seeks to track the investment performance of the CRSP US Mid Cap Index, an unmanaged benchmark representing medium-size U.S. firms. The experience and stability of Vanguard's Quantitative Equity Group have permitted continuous refinement of techniques for reducing tracking error. The group uses proprietary software to implement trading decisions that accommodate cash flow and maintain close correlation with index characteristics. The Fund employs a passively managed, full-replication approach. The Fund holds all stocks in the same capitalization weighting as the index. Vanguard Mid-Cap Index Fund participates in securities lending programs.

### Quarterly Attribution

Top performing index sectors:

- Telecommunications (+9.7%), materials (+7.4%), and information technology (+7.3%)

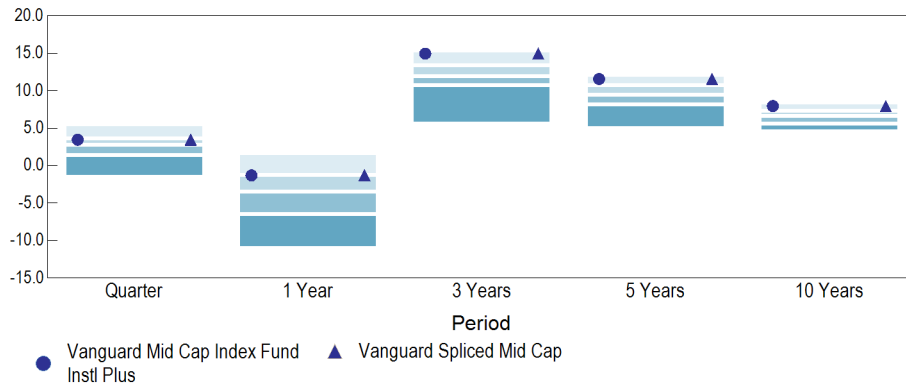
Bottom performing index sectors:

- Oil & Gas (-9.2%), consumer Services (+0.1%), and utilities (+0.7%)

# Vanguard Mid Cap Index Fund Instl Plus

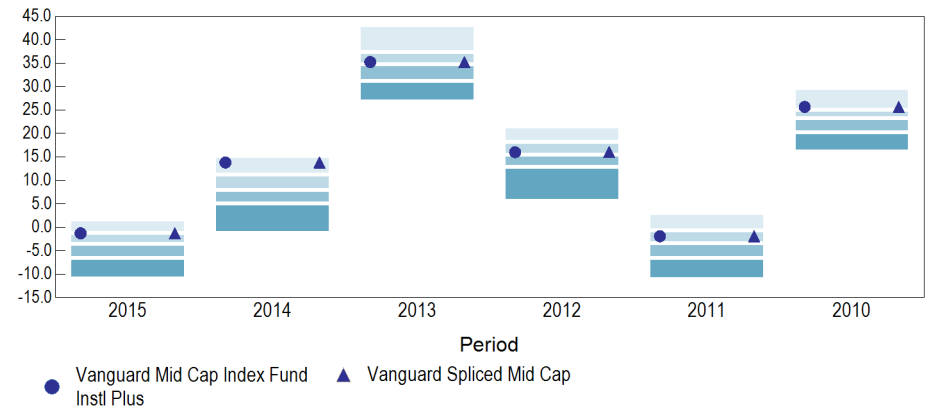
## Fund Information

Mercer Mutual Fund US Equity Mid Cap Core Accounts



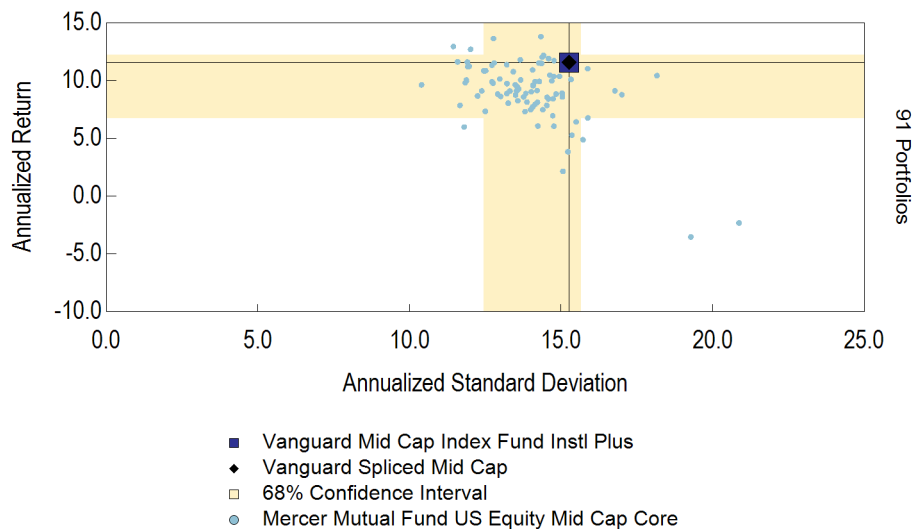
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
Vanguard Mid Cap Index Fund Instl Plus	3.5%	-1.3%	14.9%	11.6%	7.9%
Vanguard Spliced Mid Cap	3.5%	-1.3%	15.0%	11.6%	7.9%
Universe Median	2.8%	-3.4%	12.0%	9.5%	6.7%

Mercer Mutual Fund US Equity Mid Cap Core Accounts

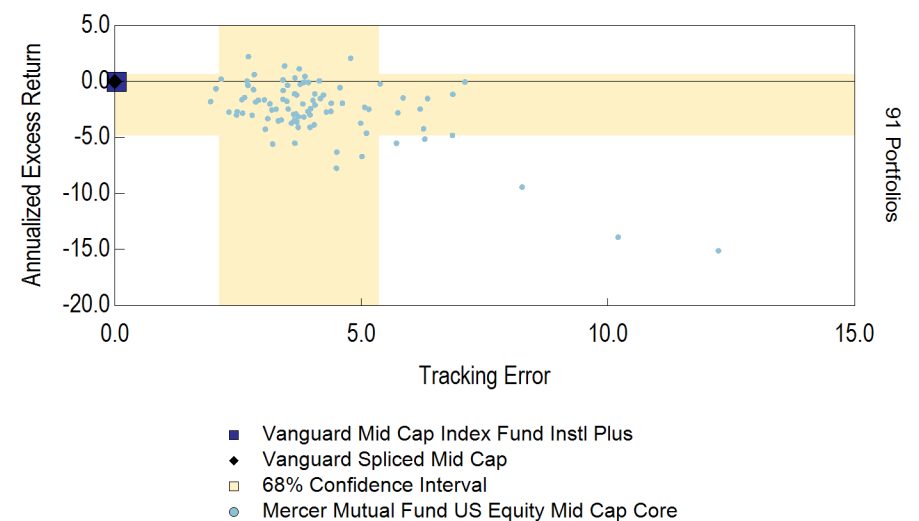


Annualized Returns	2015	2014	2013	2012	2011	2010
Vanguard Mid Cap Index Fund Instl Plus	-1.3%	13.8%	35.2%	16.0%	-1.9%	25.7%
Vanguard Spliced Mid Cap	-1.3%	13.8%	35.2%	16.1%	-1.9%	25.7%
Universe Median	-3.4%	8.1%	34.2%	16.2%	-3.5%	23.4%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



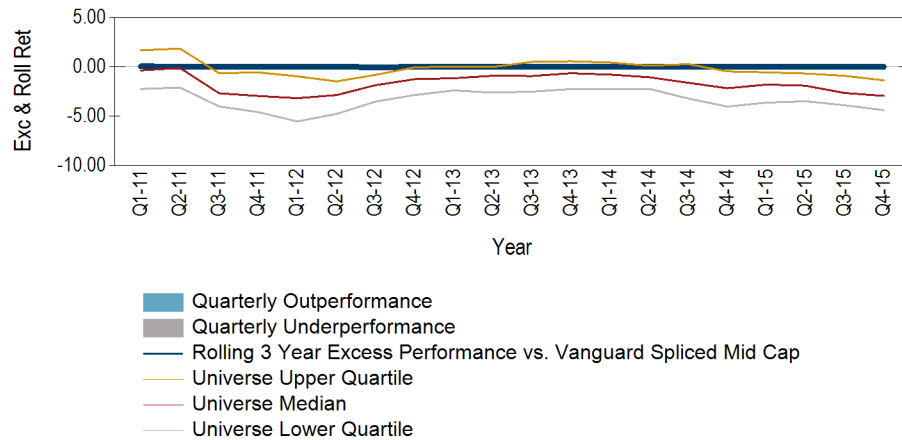
Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015



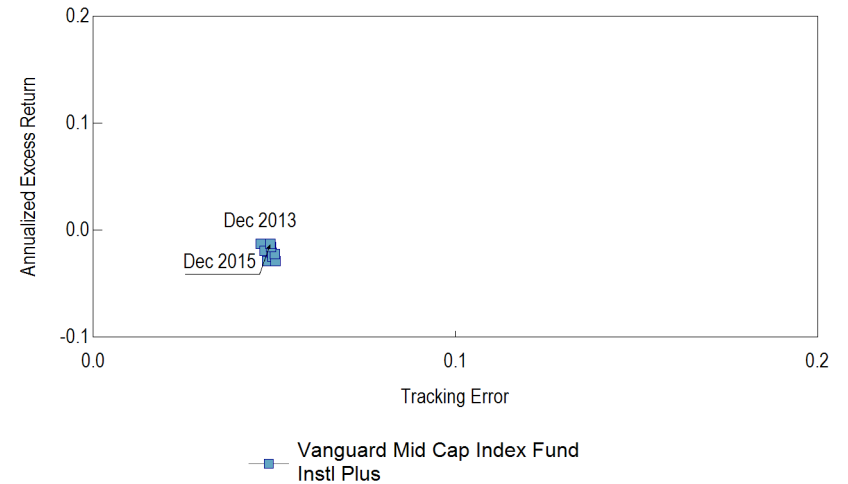
# Vanguard Mid Cap Index Fund Instl Plus

## Fund Information

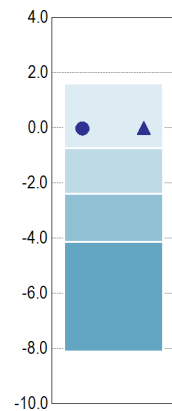
Annualized Excess Performance



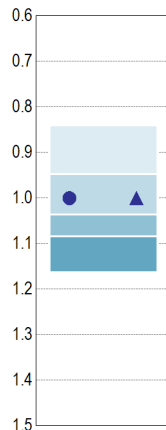
Rolling 3 Year Risk/Return vs. Vanguard Spliced Mid Cap



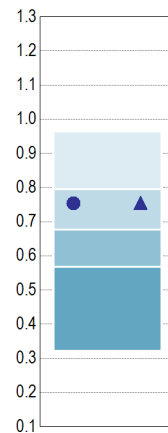
Annualized Alpha Jensen (%)



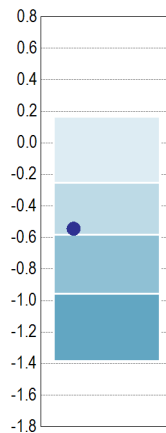
Beta



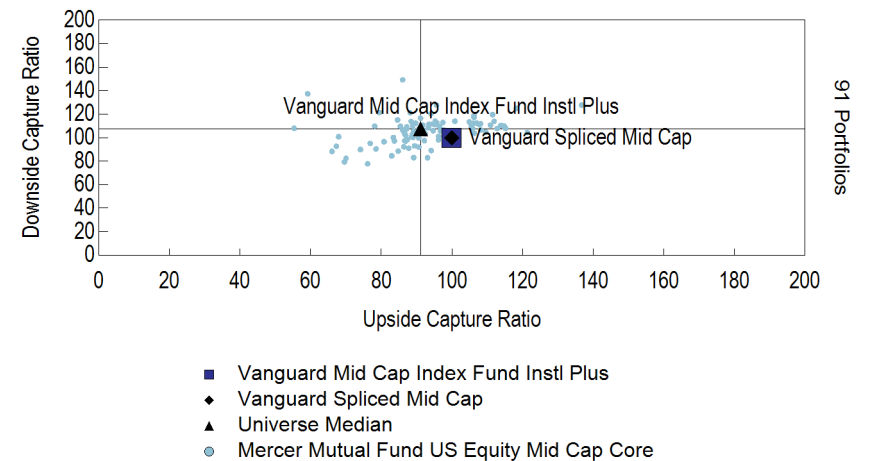
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
Vanguard Mid Cap Index Fund Instl Plus	11.56%	15.27%	0.04%	-0.03%	1.00	0.75	-0.54	99.86%	29.95%	100.02%	-21.86%
Vanguard Spliced Mid Cap	11.58%	15.26%	0.00%	0.00%	1.00	0.76	--	100.00%	29.98%	100.00%	-21.86%



# Vanguard Mid Cap Index Fund Instl Plus

## Historical - Fund Information

### Portfolio Fund Information as of 12/31/2015

Ticker	VMCPX
Morningstar Category	Mid-Cap Blend
Average Market Cap (\$mm)	10,646.99
Net Assets (\$mm)	11,260.03
% Assets in Top 10 Holdings	6.22
Total Number of Holdings	368
Manager Name	Donald M. Butler
Manager Tenure	18
Expense Ratio	0.06%
Closed to New Investors	No

### Fund Characteristics as of 12/31/2015

Sharpe Ratio (3 Year)	1.41
Average Market Cap (\$mm)	10,646.99
Price/Earnings	18.52
Price/Book	2.28
Price/Sales	1.42
Price/Cash Flow	9.76
Dividend Yield	1.83
Number of Equity Holdings	365
R-Squared (3 Year)	1.00
Alpha (3 Year)	-0.01%

### Sector Allocation as of 12/31/2015

BASIC MATERIALS	5.31%
COMMUNICATION SERVICES	1.54%
CONSUMER CYCLICAL	18.11%
CONSUMER DEFENSIVE	7.06%
ENERGY	4.90%
FINANCIAL SERVICES	11.55%
HEALTHCARE	9.43%
INDUSTRIALS	14.42%
REAL ESTATE	6.84%
TECHNOLOGY	15.78%
UTILITIES	4.75%

### Portfolio Fund Information as of 09/30/2015

Ticker	VMCPX
Morningstar Category	Mid-Cap Blend
Average Market Cap (\$mm)	10,416.24
Net Assets (\$mm)	10,908.77
% Assets in Top 10 Holdings	6.55
Total Number of Holdings	379
Manager Name	Donald M. Butler
Manager Tenure	18
Expense Ratio	0.06%
Closed to New Investors	No

### Fund Characteristics as of 09/30/2015

Sharpe Ratio (3 Year)	1.39
Average Market Cap (\$mm)	10,416.24
Price/Earnings	18.52
Price/Book	2.24
Price/Sales	1.40
Price/Cash Flow	9.65
Dividend Yield	1.84
Number of Equity Holdings	376
R-Squared (3 Year)	1.00
Alpha (3 Year)	-0.01%

### Sector Allocation as of 09/30/2015

BASIC MATERIALS	5.36%
COMMUNICATION SERVICES	1.46%
CONSUMER CYCLICAL	18.61%
CONSUMER DEFENSIVE	7.03%
ENERGY	5.55%
FINANCIAL SERVICES	11.33%
HEALTHCARE	9.09%
INDUSTRIALS	14.11%
REAL ESTATE	6.67%
TECHNOLOGY	15.91%
UTILITIES	4.62%

### Portfolio Fund Information as of 06/30/2015

Ticker	VMCPX
Morningstar Category	Mid-Cap Blend
Average Market Cap (\$mm)	11,114.96
Net Assets (\$mm)	11,422.93
% Assets in Top 10 Holdings	6.23
Total Number of Holdings	376
Manager Name	Donald M. Butler
Manager Tenure	18
Expense Ratio	0.06%
Closed to New Investors	No

### Fund Characteristics as of 06/30/2015

Sharpe Ratio (3 Year)	2.46
Average Market Cap (\$mm)	11,114.96
Price/Earnings	20.63
Price/Book	2.47
Price/Sales	1.52
Price/Cash Flow	10.77
Dividend Yield	1.63
Number of Equity Holdings	371
R-Squared (3 Year)	1.00
Alpha (3 Year)	-0.02%

### Sector Allocation as of 06/30/2015

BASIC MATERIALS	5.39%
COMMUNICATION SERVICES	1.49%
CONSUMER CYCLICAL	17.92%
CONSUMER DEFENSIVE	7.28%
ENERGY	6.35%
FINANCIAL SERVICES	11.09%
HEALTHCARE	10.16%
INDUSTRIALS	14.01%
REAL ESTATE	5.92%
TECHNOLOGY	15.58%
UTILITIES	4.44%

# Ceredex Mid Cap Value Equity

## Manager Commentary

Plan	City of Los Angeles Deferred Compensation Plan
Strategy	Ceredex Value Advisors - Ceredex Mid Cap Value Equity
Benchmark	Russell Midcap Value

### Current Positioning

- Relative to the Russell Midcap Value Index the Fund is overweight the energy, health care, industrials and information technology sectors.
- The Fund is underweight the financials, materials, and consumer discretionary sectors.
- The Fund has no allocation to the consumer staples and telecommunication services sectors.
- Top holdings include Cigna, Crown Castle International, Cypress Semiconductor, Noble Energy and Hess.

### Quarterly Attribution

#### Positive Impact on Performance:

- An overweight allocation to and security selection within the information technology and industrials sectors
- An underweight allocation to the consumer discretionary sector
- Security selection within the energy and health care sectors
- Top contributors included NextEra Energy, Baxalta, Harris, Agilent Technologies, and Juniper Networks

#### Negative Impact on Performance:

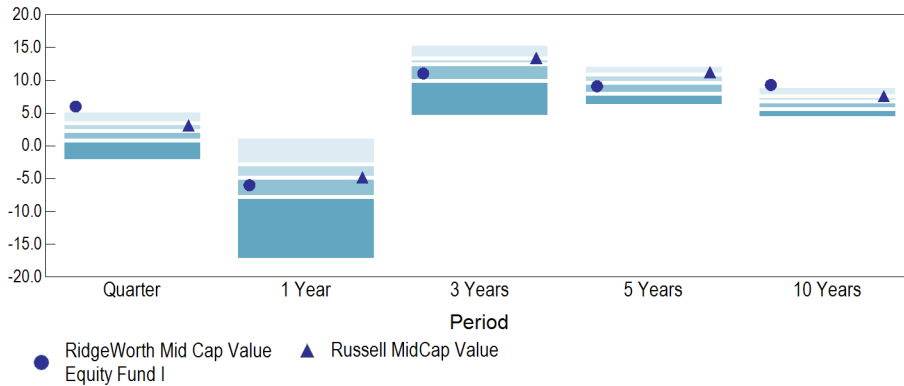
- An overweight allocation to the energy sector
- An underweight allocation to the consumer staples sector
- Security selection within the materials and consumer discretionary sectors
- Top detractors included Cabot Oil & Gas, WestRock, Western Digital, Johnson Controls, and Edison International

Note: The RidgeWorth Mid Cap Value Equity Fund is sub-advised by Cederex.

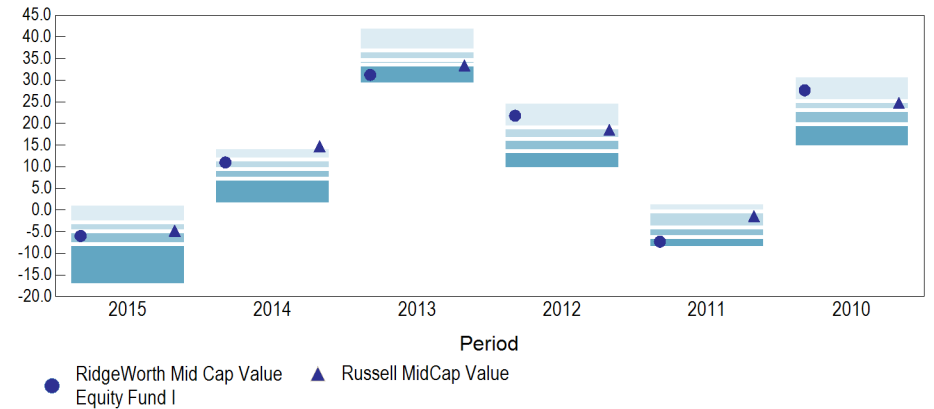
# RidgeWorth Mid Cap Value Equity Fund I

## Fund Information

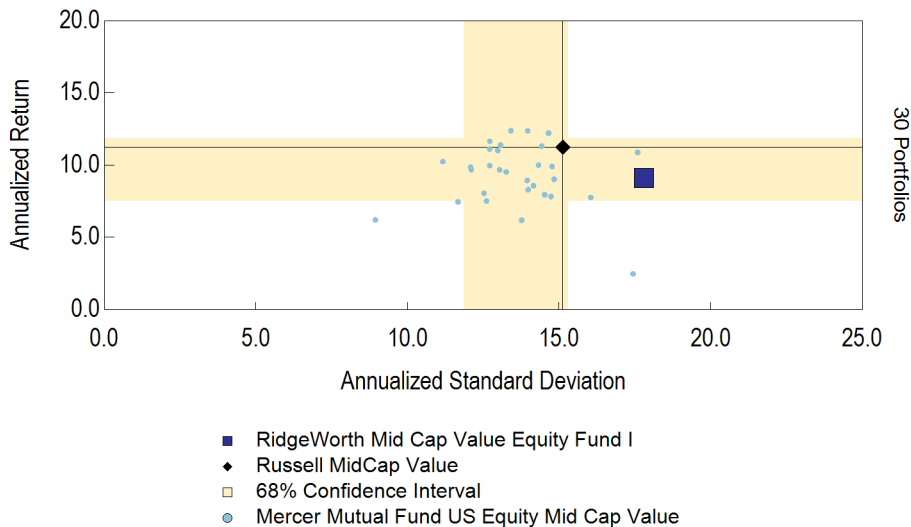
Mercer Mutual Fund US Equity Mid Cap Value Accounts



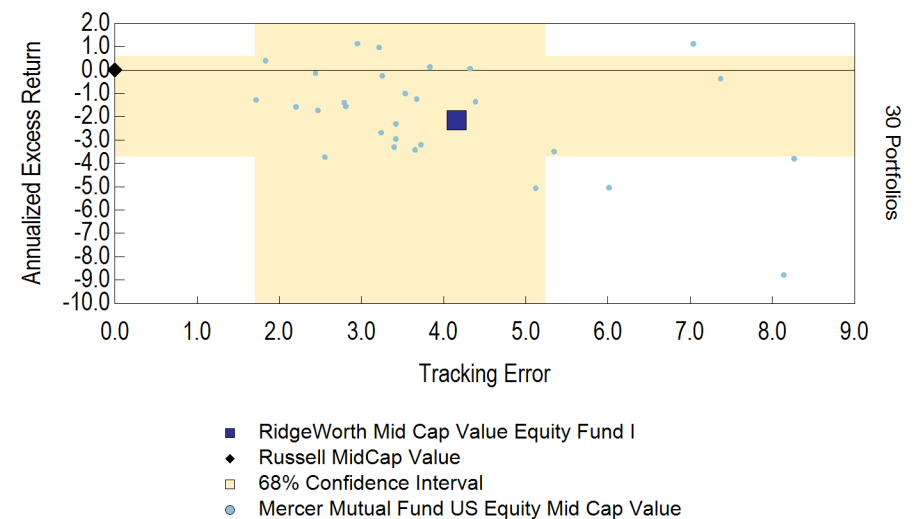
Mercer Mutual Fund US Equity Mid Cap Value Accounts



Annualized Return vs. Annualized Standard Deviation  
 5 Years Ending December 31, 2015



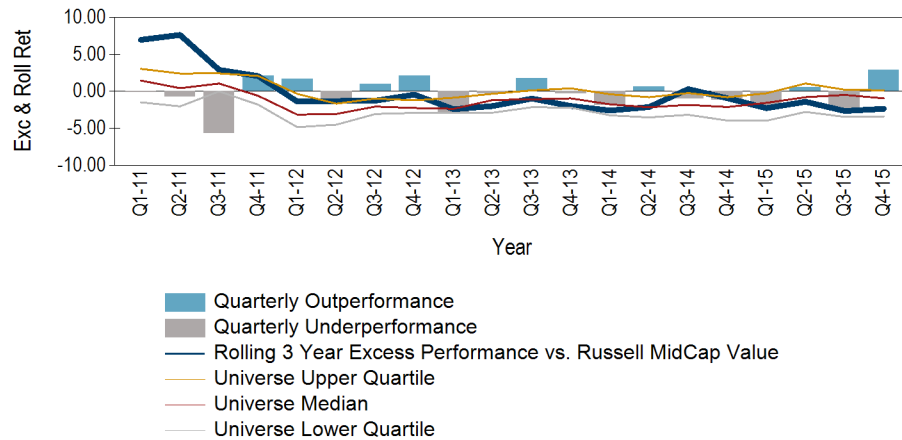
Annualized Excess Return vs. Tracking Error  
 5 Years Ending December 31, 2015



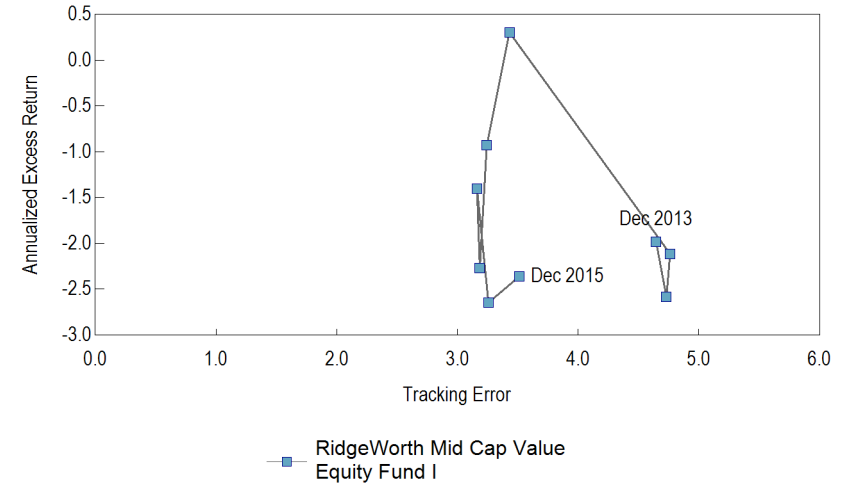
# RidgeWorth Mid Cap Value Equity Fund I

## Fund Information

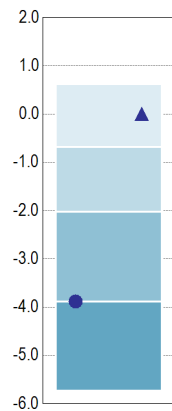
Annualized Excess Performance



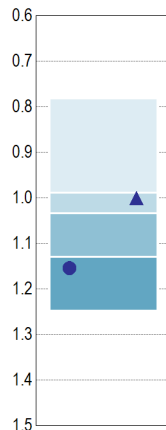
Rolling 3 Year Risk/Return vs. Russell MidCap Value



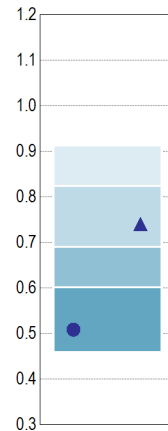
Annualized Alpha Jensen (%)



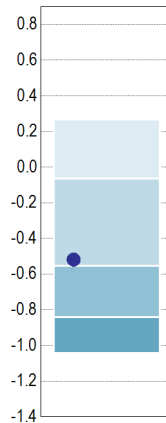
Beta



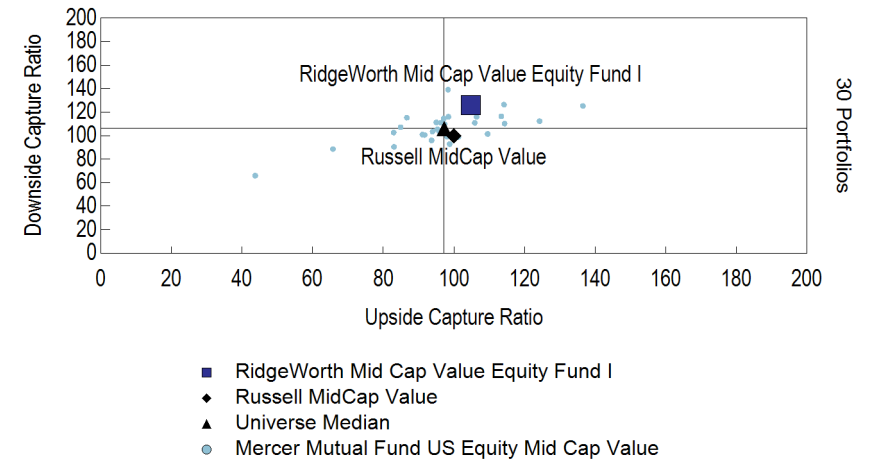
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
RidgeWorth Mid Cap Value Equity Fund I	9.09%	17.79%	4.16%	-3.88%	1.15	0.51	-0.52	104.80%	30.66%	126.08%	-28.38%
Russell MidCap Value	11.25%	15.12%	0.00%	0.00%	1.00	0.74	--	100.00%	29.61%	100.00%	-22.10%

# RidgeWorth Mid Cap Value Equity Fund I

## Historical - Fund Information

### Portfolio Fund Information as of 12/31/2015

Ticker	SMVTX
Morningstar Category	Mid-Cap Value
Average Market Cap (\$mm)	10,690.43
Net Assets (\$mm)	2,935.86
% Assets in Top 10 Holdings	28.71
Total Number of Holdings	60
Manager Name	Don Wordell
Manager Tenure	14
Expense Ratio	1.10%
Closed to New Investors	No

### Fund Characteristics as of 12/31/2015

Sharpe Ratio (3 Year)	0.92
Average Market Cap (\$mm)	10,690.43
Price/Earnings	17.48
Price/Book	1.70
Price/Sales	1.43
Price/Cash Flow	7.93
Dividend Yield	2.82
Number of Equity Holdings	59
R-Squared (3 Year)	0.91
Alpha (3 Year)	-0.49%

### Sector Allocation as of 12/31/2015

BASIC MATERIALS	1.14%
COMMUNICATION SERVICES	3.01%
CONSUMER CYCLICAL	6.88%
CONSUMER DEFENSIVE	0.00%
ENERGY	12.61%
FINANCIAL SERVICES	20.48%
HEALTHCARE	10.36%
INDUSTRIALS	12.73%
REAL ESTATE	5.31%
TECHNOLOGY	14.14%
UTILITIES	11.31%

### Portfolio Fund Information as of 09/30/2015

Ticker	SMVTX
Morningstar Category	Mid-Cap Value
Average Market Cap (\$mm)	9,942.52
Net Assets (\$mm)	3,038.34
% Assets in Top 10 Holdings	28.42
Total Number of Holdings	55
Manager Name	Don Wordell
Manager Tenure	14
Expense Ratio	1.10%
Closed to New Investors	No

### Fund Characteristics as of 09/30/2015

Sharpe Ratio (3 Year)	0.92
Average Market Cap (\$mm)	9,942.52
Price/Earnings	15.42
Price/Book	1.70
Price/Sales	1.41
Price/Cash Flow	7.82
Dividend Yield	2.99
Number of Equity Holdings	53
R-Squared (3 Year)	0.93
Alpha (3 Year)	-0.57%

### Sector Allocation as of 09/30/2015

BASIC MATERIALS	0.63%
COMMUNICATION SERVICES	2.85%
CONSUMER CYCLICAL	4.79%
CONSUMER DEFENSIVE	1.48%
ENERGY	11.47%
FINANCIAL SERVICES	20.93%
HEALTHCARE	10.65%
INDUSTRIALS	13.80%
REAL ESTATE	5.21%
TECHNOLOGY	15.56%
UTILITIES	9.95%

### Portfolio Fund Information as of 06/30/2015

Ticker	SMVTX
Morningstar Category	Mid-Cap Value
Average Market Cap (\$mm)	11,555.04
Net Assets (\$mm)	3,672.75
% Assets in Top 10 Holdings	25.46
Total Number of Holdings	64
Manager Name	Don Wordell
Manager Tenure	14
Expense Ratio	1.10%
Closed to New Investors	No

### Fund Characteristics as of 06/30/2015

Sharpe Ratio (3 Year)	2.04
Average Market Cap (\$mm)	11,555.04
Price/Earnings	19.59
Price/Book	1.93
Price/Sales	1.58
Price/Cash Flow	8.75
Dividend Yield	2.79
Number of Equity Holdings	63
R-Squared (3 Year)	0.88
Alpha (3 Year)	0.14%

### Sector Allocation as of 06/30/2015

BASIC MATERIALS	0.48%
COMMUNICATION SERVICES	2.36%
CONSUMER CYCLICAL	10.39%
CONSUMER DEFENSIVE	1.51%
ENERGY	8.45%
FINANCIAL SERVICES	22.95%
HEALTHCARE	10.06%
INDUSTRIALS	10.32%
REAL ESTATE	4.35%
TECHNOLOGY	16.13%
UTILITIES	10.49%

# Voya Mid Cap Growth

## Manager Commentary

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Plan	City of Los Angeles Deferred Compensation Plan
Strategy	Voya Investment Management Co. - Voya Mid Cap Growth
Benchmark	Russell Midcap Growth

### Current Positioning

- Relative to the Russell Midcap Growth the Fund is overweight the industrials and health care sectors.
- The Fund is underweight the consumer discretionary sector.
- The Fund has no exposure to the telecommunication services and utilities sectors.
- The top ten holdings of the Fund represent approximately 22% of the portfolio.
- Top holdings include Southwest Airlines, Ingersoll-Rand, Dollar General, Ross Stores and Red Hat.

### Quarterly Attribution

Positive Impact on Performance:

- A marginal overweight allocation to the information technology sector
- An underweight allocation to the energy sector
- An underweight allocation to and security selection within the consumer discretionary sector
- Stock selection within the industrials sector
- Individual stock contributing to performance included SolarWinds, Orbital ATK, Integrated Device Technology, Roper Technologies, and Jarden Corporation

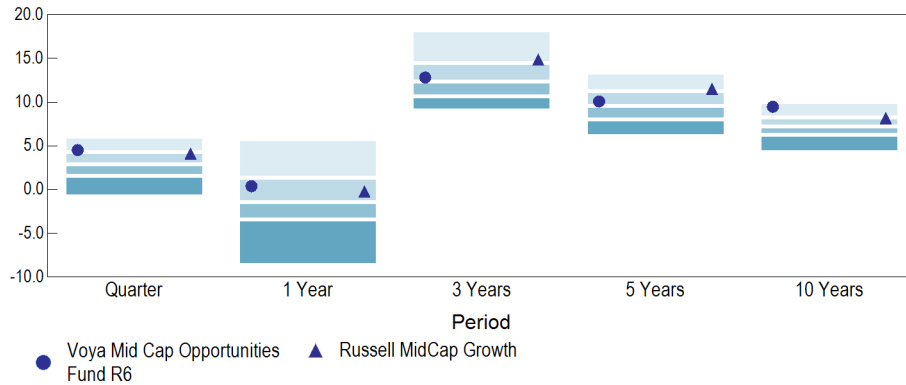
Negative Impact on Performance:

- An underweight allocation to the materials sector
- An underweight allocation to and security selection within the consumer staples sector
- Stock selection within the information technology, financials and energy sectors
- Individual stock detracting from performance included Chipotle Mexican Grill, Fortinet, Westinghouse Air Brake Technologies, Starz, and EQT Corporation

# Voya Mid Cap Opportunities Fund R6

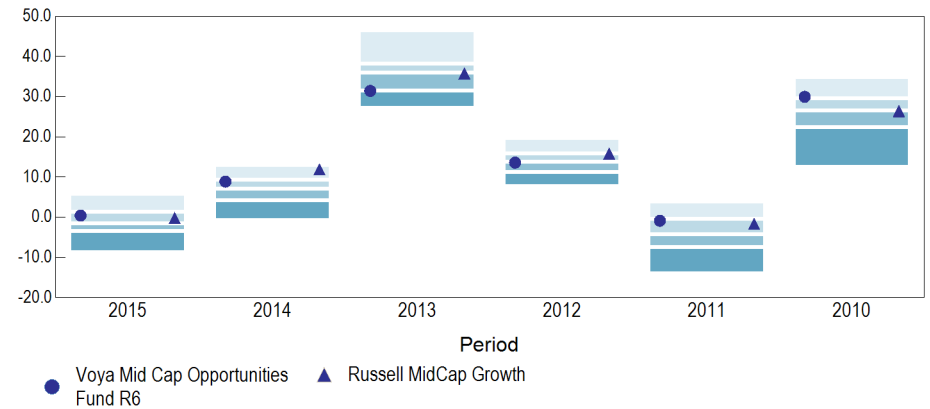
## Fund Information

Mercer Mutual Fund US Equity Mid Cap Growth Accounts



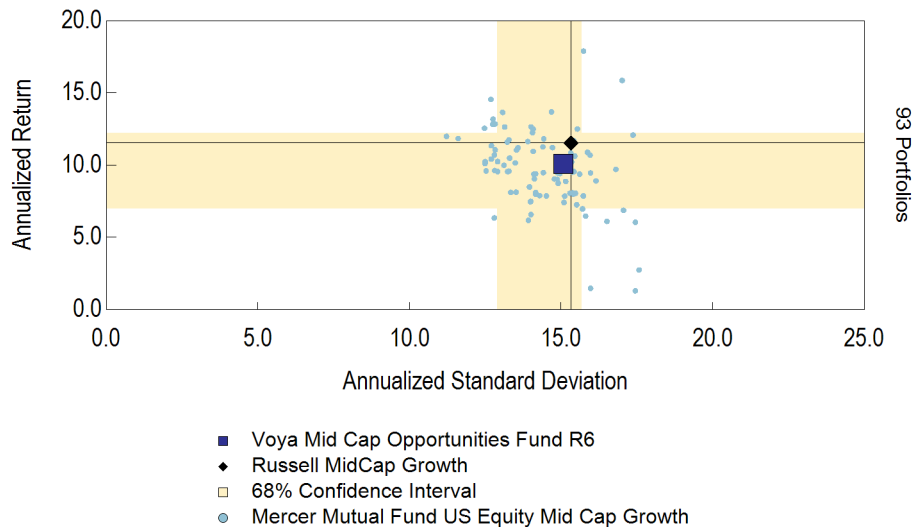
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
Voya Mid Cap Opportunities Fund R6	4.5%	0.4%	12.8%	10.1%	9.5%
Russell MidCap Growth	4.1%	-0.2%	14.9%	11.5%	8.2%
Universe Median	2.9%	-1.4%	12.4%	9.6%	7.3%

Mercer Mutual Fund US Equity Mid Cap Growth Accounts

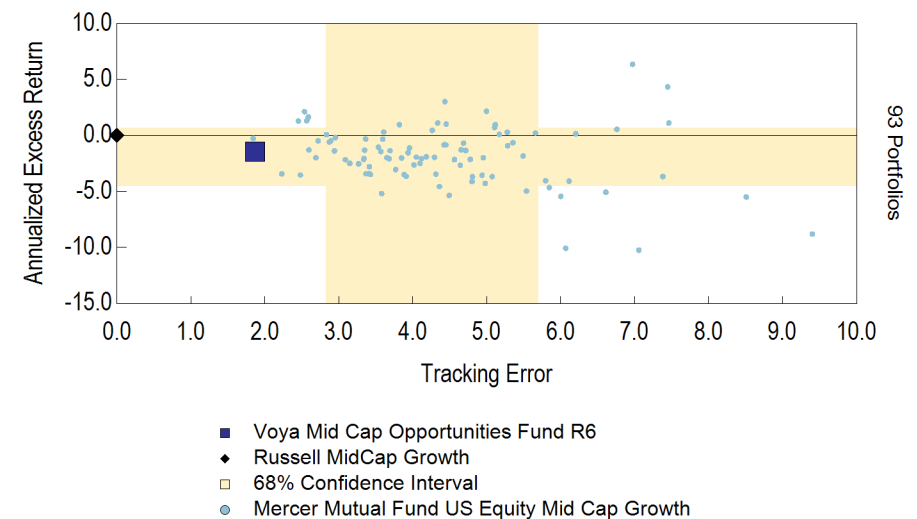


Annualized Returns	2015	2014	2013	2012	2011	2010
Voya Mid Cap Opportunities Fund R6	0.4%	8.8%	31.4%	13.6%	-0.9%	30.0%
Russell MidCap Growth	-0.2%	11.9%	35.7%	15.8%	-1.7%	26.4%
Universe Median	-1.4%	7.1%	36.1%	14.6%	-2.4%	25.5%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



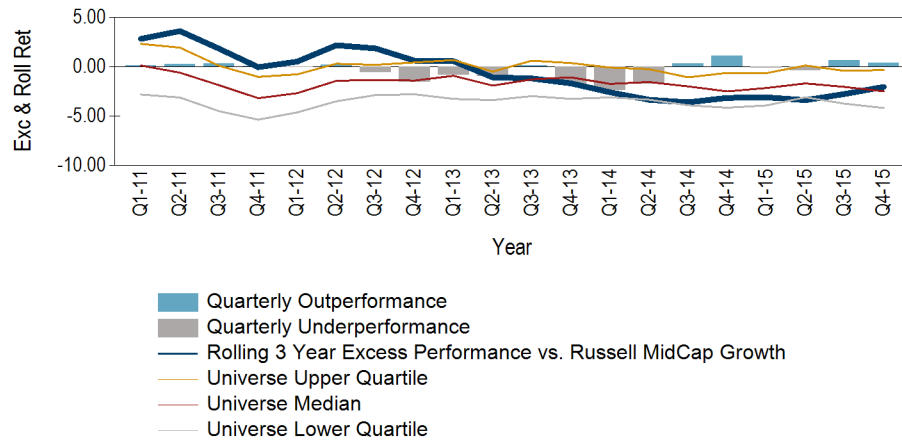
Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015



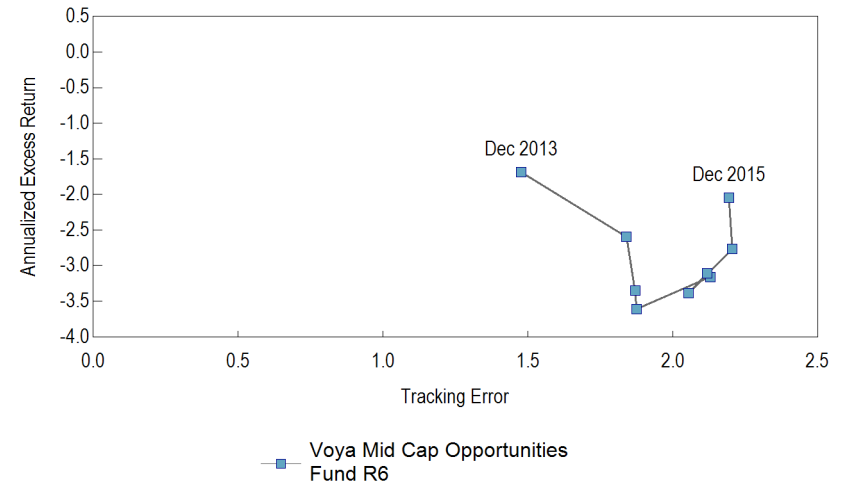
# Voya Mid Cap Opportunities Fund R6

## Fund Information

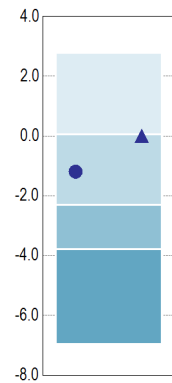
Annualized Excess Performance



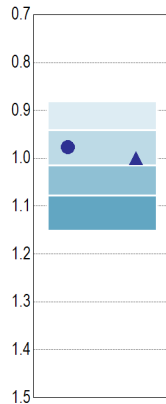
Rolling 3 Year Risk/Return vs. Russell MidCap Growth



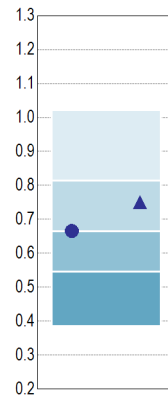
Annualized Alpha Jensen (%)



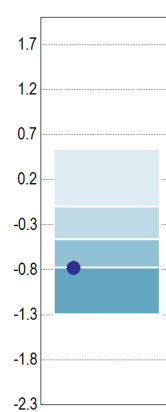
Beta



Sharpe Ratio

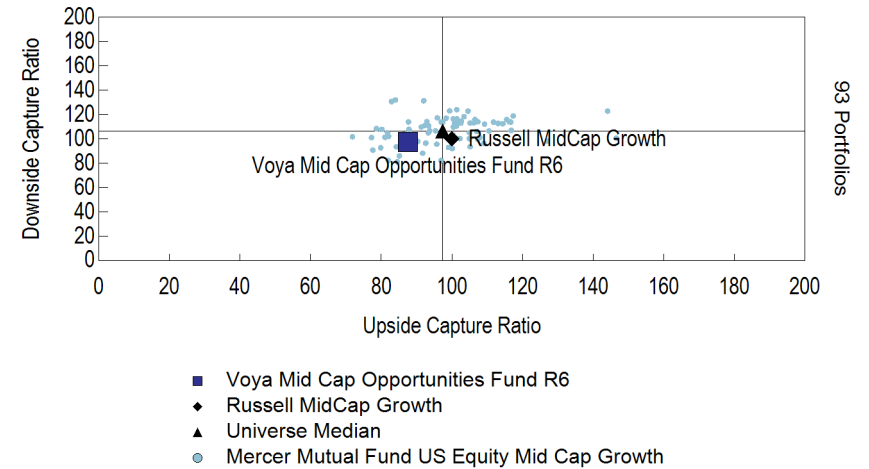


Information Ratio



MPT Statistics represent 5 year periods.

Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
Voya Mid Cap Opportunities Fund R6	10.08%	15.08%	1.87%	-1.19%	0.98	0.67	-0.78	87.53%	25.20%	97.31%	-25.16%
Russell MidCap Growth	11.54%	15.32%	0.00%	0.00%	1.00	0.75	--	100.00%	27.83%	100.00%	-25.89%



# Voya Mid Cap Opportunities Fund R6

## Historical - Fund Information

### Portfolio Fund Information as of 12/31/2015

Ticker	IMOZX
Morningstar Category	Mid-Cap Growth
Average Market Cap (\$mm)	12,202.06
Net Assets (\$mm)	107.42
% Assets in Top 10 Holdings	21.25
Total Number of Holdings	72
Manager Name	Jeff Bianchi
Manager Tenure	11
Expense Ratio	0.88%
Closed to New Investors	No

### Fund Characteristics as of 12/31/2015

Sharpe Ratio (3 Year)	1.25
Average Market Cap (\$mm)	12,202.06
Price/Earnings	21.68
Price/Book	4.15
Price/Sales	2.03
Price/Cash Flow	13.15
Dividend Yield	0.93
Number of Equity Holdings	69
R-Squared (3 Year)	0.96
Alpha (3 Year)	-0.29%

### Sector Allocation as of 12/31/2015

BASIC MATERIALS	1.34%
COMMUNICATION SERVICES	0.00%
CONSUMER CYCLICAL	22.99%
CONSUMER DEFENSIVE	9.91%
ENERGY	0.56%
FINANCIAL SERVICES	8.26%
HEALTHCARE	14.40%
INDUSTRIALS	21.02%
REAL ESTATE	1.61%
TECHNOLOGY	15.53%
UTILITIES	0.00%

### Portfolio Fund Information as of 09/30/2015

Ticker	IMOZX
Morningstar Category	Mid-Cap Growth
Average Market Cap (\$mm)	11,684.26
Net Assets (\$mm)	101.39
% Assets in Top 10 Holdings	21.79
Total Number of Holdings	74
Manager Name	Jeff Bianchi
Manager Tenure	11
Expense Ratio	0.88%
Closed to New Investors	No

### Fund Characteristics as of 09/30/2015

Sharpe Ratio (3 Year)	1.08
Average Market Cap (\$mm)	11,684.26
Price/Earnings	22.65
Price/Book	3.76
Price/Sales	1.93
Price/Cash Flow	12.65
Dividend Yield	0.96
Number of Equity Holdings	71
R-Squared (3 Year)	0.96
Alpha (3 Year)	-0.48%

### Sector Allocation as of 09/30/2015

BASIC MATERIALS	1.14%
COMMUNICATION SERVICES	0.00%
CONSUMER CYCLICAL	25.15%
CONSUMER DEFENSIVE	8.71%
ENERGY	0.74%
FINANCIAL SERVICES	8.32%
HEALTHCARE	14.90%
INDUSTRIALS	17.83%
REAL ESTATE	2.54%
TECHNOLOGY	18.43%
UTILITIES	0.00%

### Portfolio Fund Information as of 06/30/2015

Ticker	IMOZX
Morningstar Category	Mid-Cap Growth
Average Market Cap (\$mm)	12,595.78
Net Assets (\$mm)	112.30
% Assets in Top 10 Holdings	19.22
Total Number of Holdings	74
Manager Name	Jeff Bianchi
Manager Tenure	11
Expense Ratio	0.88%
Closed to New Investors	No

### Fund Characteristics as of 06/30/2015

Sharpe Ratio (3 Year)	1.95
Average Market Cap (\$mm)	12,595.78
Price/Earnings	23.03
Price/Book	3.92
Price/Sales	1.81
Price/Cash Flow	12.26
Dividend Yield	0.91
Number of Equity Holdings	73
R-Squared (3 Year)	0.94
Alpha (3 Year)	-0.80%

### Sector Allocation as of 06/30/2015

BASIC MATERIALS	2.98%
COMMUNICATION SERVICES	1.01%
CONSUMER CYCLICAL	25.35%
CONSUMER DEFENSIVE	8.38%
ENERGY	2.25%
FINANCIAL SERVICES	8.00%
HEALTHCARE	15.16%
INDUSTRIALS	16.16%
REAL ESTATE	1.39%
TECHNOLOGY	17.77%
UTILITIES	0.00%

# DCP Small Cap Stock Fund

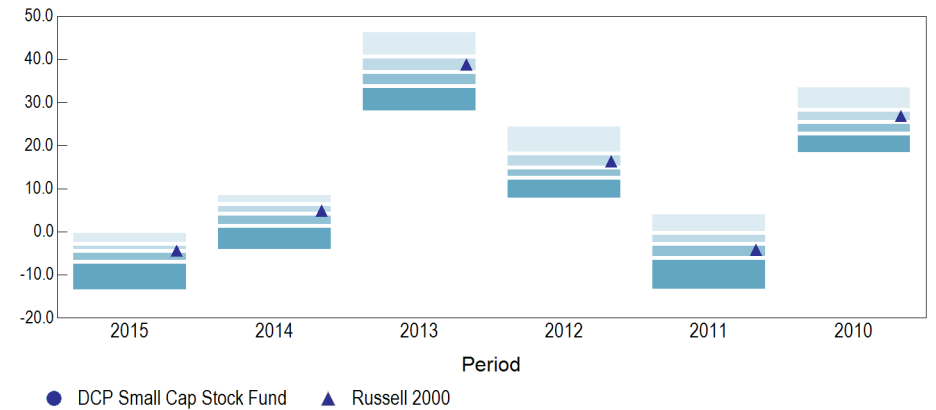
## Fund Information

Mercer Mutual Fund US Equity Small Cap Core Accounts



Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
DCP Small Cap Stock Fund	3.1%				
Russell 2000	3.6%	-4.4%	11.7%	9.2%	6.8%
Universe Median	2.6%	-4.3%	11.2%	9.1%	6.5%

Mercer Mutual Fund US Equity Small Cap Core Accounts



Annualized Returns	2015	2014	2013	2012	2011	2010
DCP Small Cap Stock Fund						
Russell 2000	-4.4%	4.9%	38.8%	16.3%	-4.2%	26.9%
Universe Median	-4.3%	4.3%	37.8%	15.2%	-2.8%	26.0%

# Vanguard Small-Cap Index Fund (US)

## Manager Commentary

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Plan	City of Los Angeles Deferred Compensation Plan
Strategy	Vanguard - Vanguard Small-Cap Index Fund (US)
Benchmark	CRSP US Small Cap Index

### Manager Philosophy and Process

Vanguard attempts to provide investment results that parallel the performance of the CRSP US Small Cap Index. Vanguard employs a full-replication approach, whereby it holds all stocks in the benchmark index at the same capitalization weight as the index. In some markets where low liquidity exists, they may employ optimized sampling to select substitute stocks. When the index changes, Vanguard monitors the changes and devises strategies to ensure it can re-align the portfolio at the lowest possible cost. Vanguard's Passive Equity Funds may invest, to a limited extent, in stock futures and options contracts, warrants, convertible securities, and swap agreements in order to keep cash on hand to meet shareholder redemptions or other needs while simulating full investment in stocks, or reduce costs by buying futures when they are less expensive than actual stocks. Typically, an index fund's derivatives exposure will be 2% or less. The Quantitative Equity Group (QEG) regularly conducts analysis to select the most appropriate future contracts in order to maintain an optimal trade-off between liquidity and tracking risk versus the fund benchmark.

### Quarterly Attribution

The Fund's benchmark was the Russell 2000 Index from inception through May 16, 2003; MSCI US Small Cap 1750 Index through January 30, 2013; CRSP US Small Cap Index thereafter.

Top Performing Index Sectors:

- Health care (+7.4%), industrials (+5.1%) and financials (+3.1%)

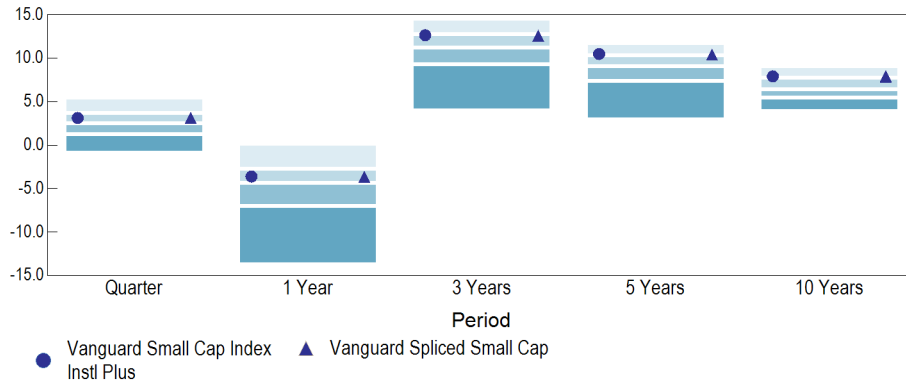
Bottom Performing Index Sectors:

- Oil & gas (-3.7%), consumer goods (-1.7%) and consumer services (-1.6%)

# Vanguard Small Cap Index Instl Plus

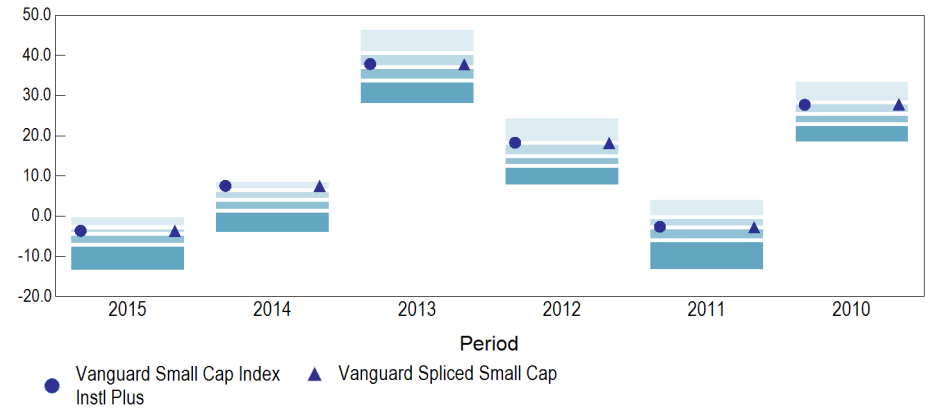
## Fund Information

Mercer Mutual Fund US Equity Small Cap Core Accounts



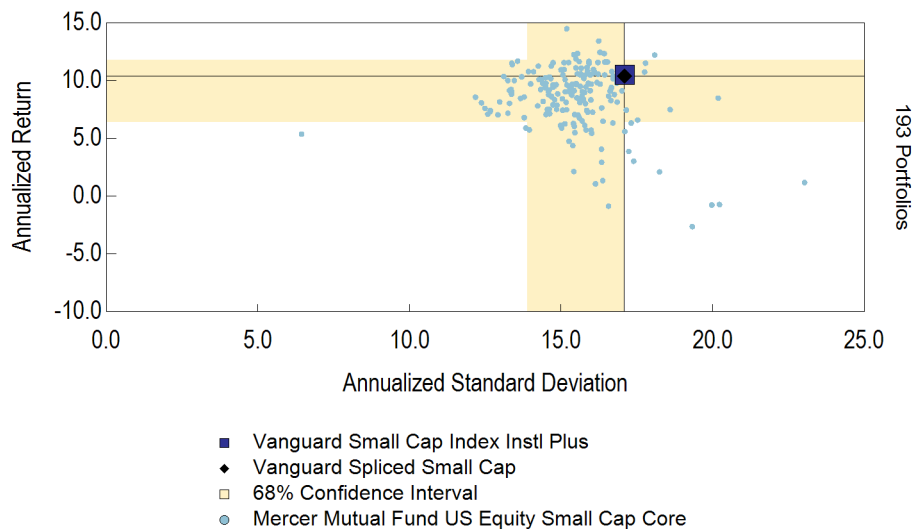
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
Vanguard Small Cap Index Instl Plus	3.1%	-3.6%	12.6%	10.5%	7.9%
Vanguard Spliced Small Cap	3.1%	-3.7%	12.6%	10.4%	7.9%
Universe Median	2.6%	-4.3%	11.2%	9.1%	6.5%

Mercer Mutual Fund US Equity Small Cap Core Accounts

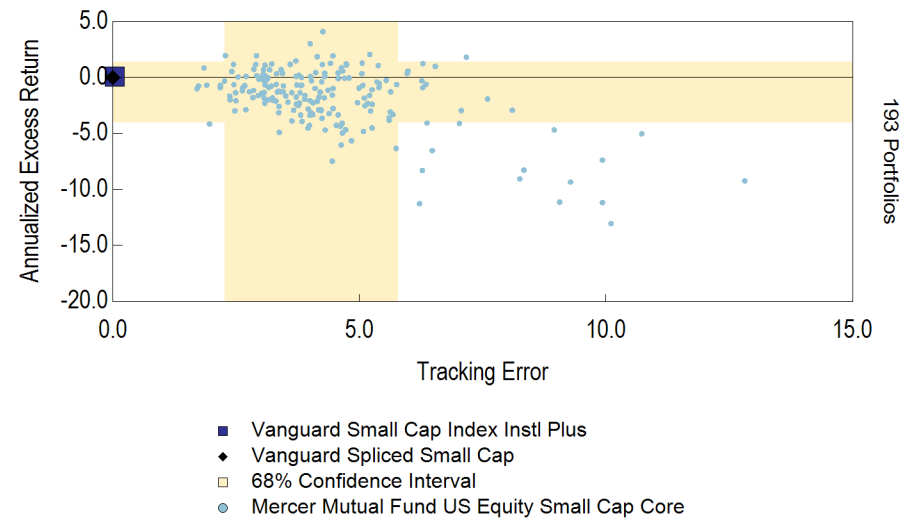


Annualized Returns	2015	2014	2013	2012	2011	2010
Vanguard Small Cap Index Instl Plus	-3.6%	7.5%	37.8%	18.3%	-2.6%	27.7%
Vanguard Spliced Small Cap	-3.7%	7.5%	37.8%	18.2%	-2.8%	27.8%
Universe Median	-4.3%	4.3%	37.8%	15.2%	-2.8%	26.0%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



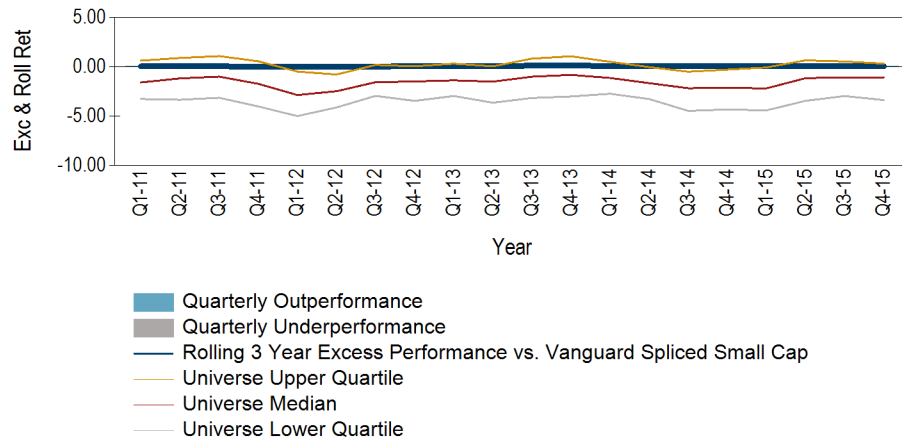
Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015



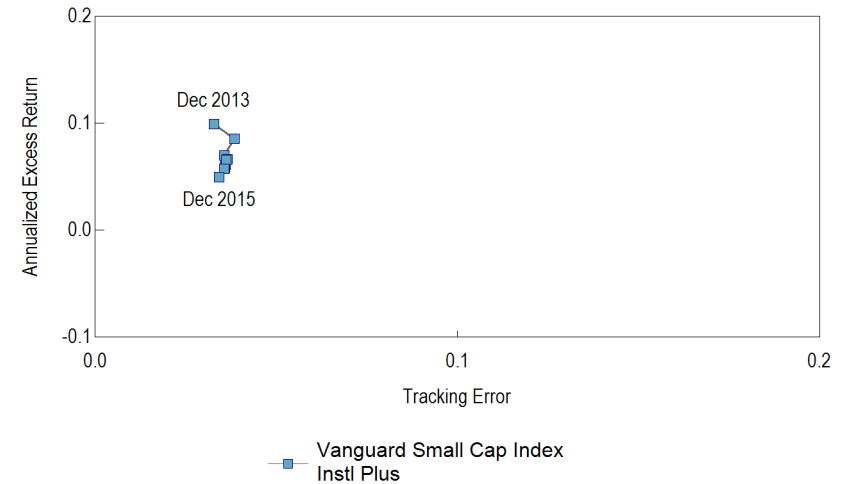
# Vanguard Small Cap Index Instl Plus

## Fund Information

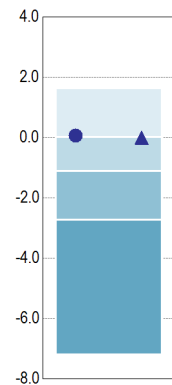
Annualized Excess Performance



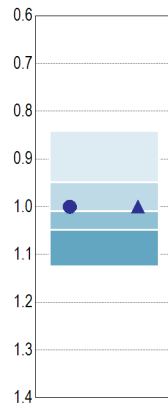
Rolling 3 Year Risk/Return vs. Vanguard Spliced Small Cap



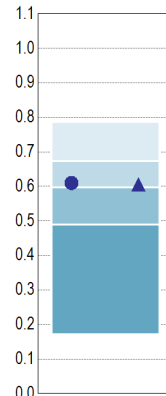
Annualized Alpha Jensen (%)



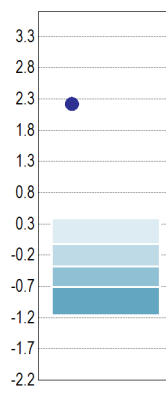
Beta



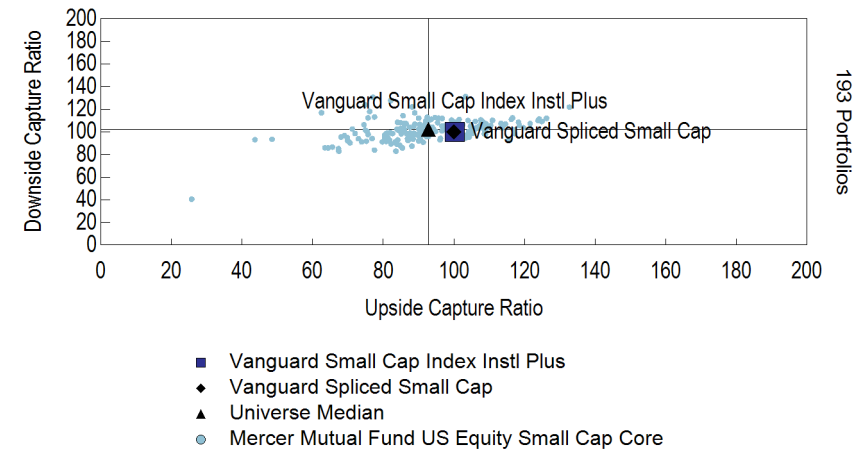
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
Vanguard Small Cap Index Instl Plus	10.47%	17.10%	0.03%	0.07%	1.00	0.61	2.22	100.34%	31.40%	99.81%	-26.30%
Vanguard Spliced Small Cap	10.40%	17.09%	0.00%	0.00%	1.00	0.61	--	100.00%	31.32%	100.00%	-26.35%

# Vanguard Small Cap Index Instl Plus

## Historical - Fund Information

### Portfolio Fund Information as of 12/31/2015

Ticker	VSCPX
Morningstar Category	Small Blend
Average Market Cap (\$mm)	2,816.03
Net Assets (\$mm)	6,924.53
% Assets in Top 10 Holdings	2.66
Total Number of Holdings	1,515
Manager Name	Michael H. Buek
Manager Tenure	24
Expense Ratio	0.06%
Closed to New Investors	No

### Fund Characteristics as of 12/31/2015

Sharpe Ratio (3 Year)	0.98
Average Market Cap (\$mm)	2,816.03
Price/Earnings	18.34
Price/Book	1.81
Price/Sales	1.05
Price/Cash Flow	7.60
Dividend Yield	2.00
Number of Equity Holdings	1,507
R-Squared (3 Year)	1.00
Alpha (3 Year)	0.01%

### Sector Allocation as of 12/31/2015

BASIC MATERIALS	4.21%
COMMUNICATION SERVICES	1.13%
CONSUMER CYCLICAL	14.40%
CONSUMER DEFENSIVE	4.09%
ENERGY	3.32%
FINANCIAL SERVICES	13.27%
HEALTHCARE	11.57%
INDUSTRIALS	15.29%
REAL ESTATE	12.56%
TECHNOLOGY	15.02%
UTILITIES	4.51%

### Portfolio Fund Information as of 09/30/2015

Ticker	VSCPX
Morningstar Category	Small Blend
Average Market Cap (\$mm)	2,766.14
Net Assets (\$mm)	6,566.34
% Assets in Top 10 Holdings	2.72
Total Number of Holdings	1,522
Manager Name	Michael H. Buek
Manager Tenure	24
Expense Ratio	0.06%
Closed to New Investors	No

### Fund Characteristics as of 09/30/2015

Sharpe Ratio (3 Year)	0.98
Average Market Cap (\$mm)	2,766.14
Price/Earnings	18.51
Price/Book	1.81
Price/Sales	1.04
Price/Cash Flow	7.75
Dividend Yield	1.95
Number of Equity Holdings	1,511
R-Squared (3 Year)	1.00
Alpha (3 Year)	0.01%

### Sector Allocation as of 09/30/2015

BASIC MATERIALS	4.30%
COMMUNICATION SERVICES	1.15%
CONSUMER CYCLICAL	15.32%
CONSUMER DEFENSIVE	4.09%
ENERGY	3.24%
FINANCIAL SERVICES	13.76%
HEALTHCARE	10.72%
INDUSTRIALS	15.38%
REAL ESTATE	12.69%
TECHNOLOGY	14.47%
UTILITIES	4.23%

### Portfolio Fund Information as of 06/30/2015

Ticker	VSCPX
Morningstar Category	Small Blend
Average Market Cap (\$mm)	3,037.79
Net Assets (\$mm)	6,947.80
% Assets in Top 10 Holdings	2.62
Total Number of Holdings	1,494
Manager Name	Michael H. Buek
Manager Tenure	24
Expense Ratio	0.06%
Closed to New Investors	No

### Fund Characteristics as of 06/30/2015

Sharpe Ratio (3 Year)	1.96
Average Market Cap (\$mm)	3,037.79
Price/Earnings	20.91
Price/Book	2.04
Price/Sales	1.17
Price/Cash Flow	8.77
Dividend Yield	1.73
Number of Equity Holdings	1,489
R-Squared (3 Year)	1.00
Alpha (3 Year)	0.01%

### Sector Allocation as of 06/30/2015

BASIC MATERIALS	4.56%
COMMUNICATION SERVICES	0.97%
CONSUMER CYCLICAL	15.20%
CONSUMER DEFENSIVE	4.08%
ENERGY	3.96%
FINANCIAL SERVICES	13.18%
HEALTHCARE	11.45%
INDUSTRIALS	16.11%
REAL ESTATE	11.53%
TECHNOLOGY	14.68%
UTILITIES	3.61%

# US Small Cap Value Strategy

## Manager Commentary

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Plan	City of Los Angeles Deferred Compensation Plan
Strategy	Dimensional Fund Advisors - US Small Cap Value Strategy
Benchmark	Russell 2000 Value

### Current Positioning

- Relative to the Russell 2000 Value, the Fund is overweight the industrials, consumer discretionary, information technology, energy, materials, and health care sectors.
- The Fund has no allocation to utilities and REIT and is underweight to financials sector.
- The top ten holdings comprise 9.9% of the total portfolio.
- The top five holdings of the Fund are Endurance Speciality Holdings, Amerco, CNO Financial Group, Synnex Corp, and Lifepoint Health Inc.

### Quarterly Attribution

#### Positive Impact on Performance:

- An overweight allocation to and security selection within the information technology sector
- An underweight allocation to and security selection within the financials sector
- An overweight allocation to the industrials and health care sectors
- Security selection within the energy, materials, and telecommunication services sectors
- Top contributors: Fairchild Semiconductor, Caci International, Pbf Energy Inc, Louisiana-Pacific Corp, and Wendy's Co

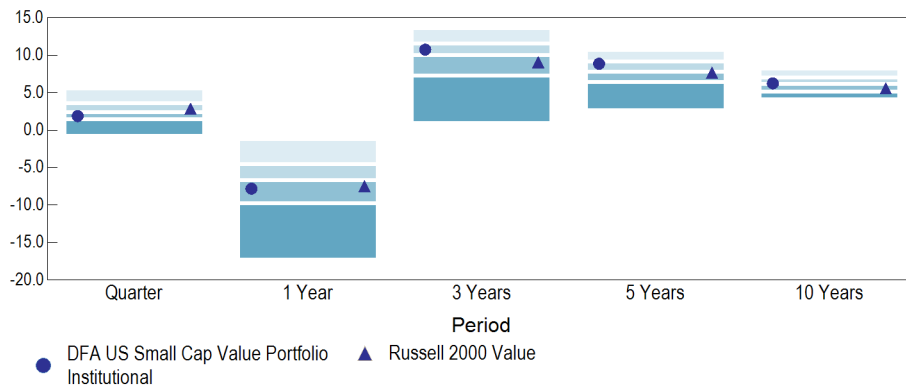
#### Negative Impact on Performance:

- An overweight allocation to and security selection within the consumer discretionary sector
- An overweight allocation to the energy and materials sectors
- An overweight allocation to and security selection within the consumer staples sector
- Security selection within the industrials and health care sectors
- No allocation to REIT
- An underweight allocation to the utilities sector
- Top detractors: Skechers USA Inc, Aaron's Inc, Rent-A-Center Inc, Ascena Retail Group, and Iconix Brand Group Inc

# DFA US Small Cap Value Portfolio Institutional

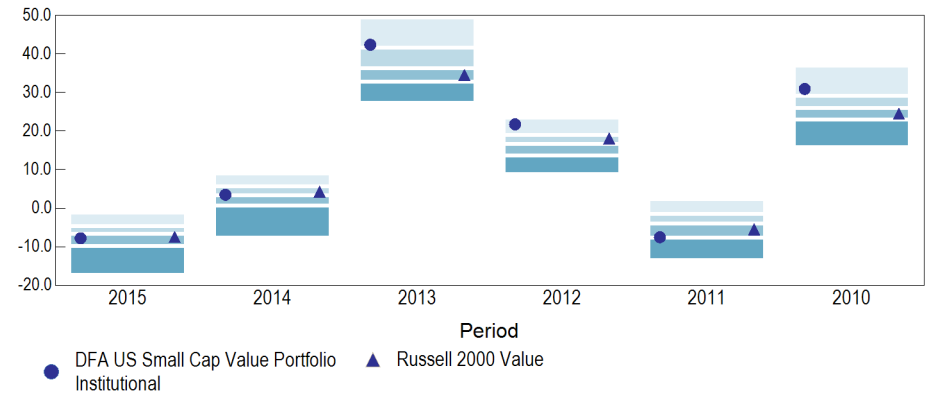
## Fund Information

Mercer Mutual Fund US Equity Small Cap Value Accounts



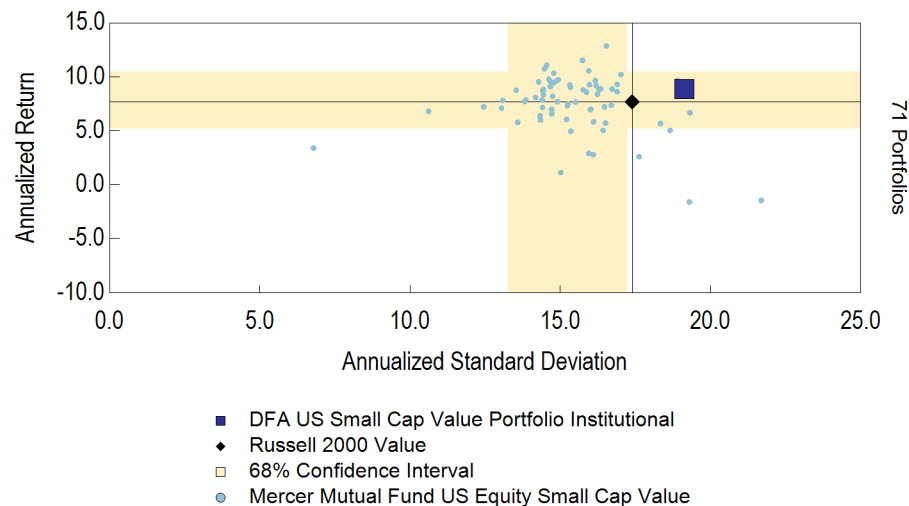
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
DFA US Small Cap Value Portfolio Institutional	1.9%	-7.8%	10.7%	8.9%	6.3%
Russell 2000 Value	2.9%	-7.5%	9.1%	7.7%	5.6%
Universe Median	2.4%	-6.6%	10.1%	7.8%	6.3%

Mercer Mutual Fund US Equity Small Cap Value Accounts

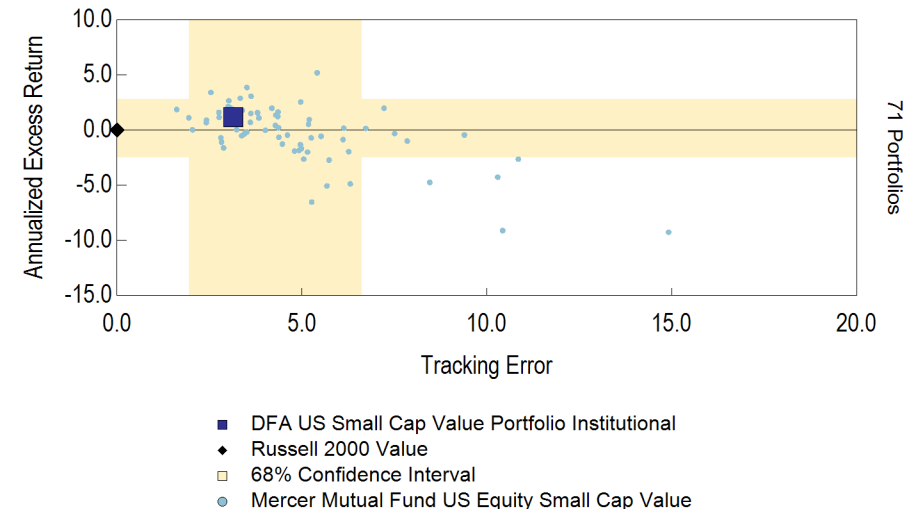


Annualized Returns	2015	2014	2013	2012	2011	2010
DFA US Small Cap Value Portfolio Institutional	-7.8%	3.5%	42.4%	21.7%	-7.5%	30.9%
Russell 2000 Value	-7.5%	4.2%	34.5%	18.1%	-5.5%	24.5%
Universe Median	-6.6%	3.2%	36.2%	16.6%	-4.1%	25.8%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015

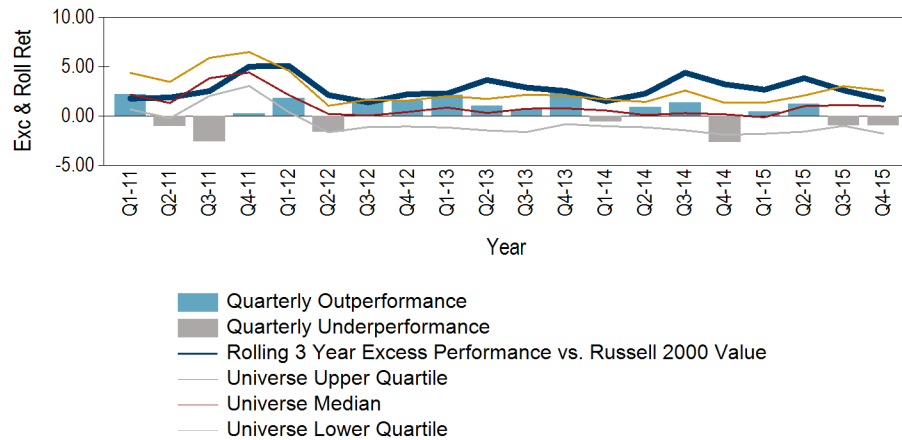




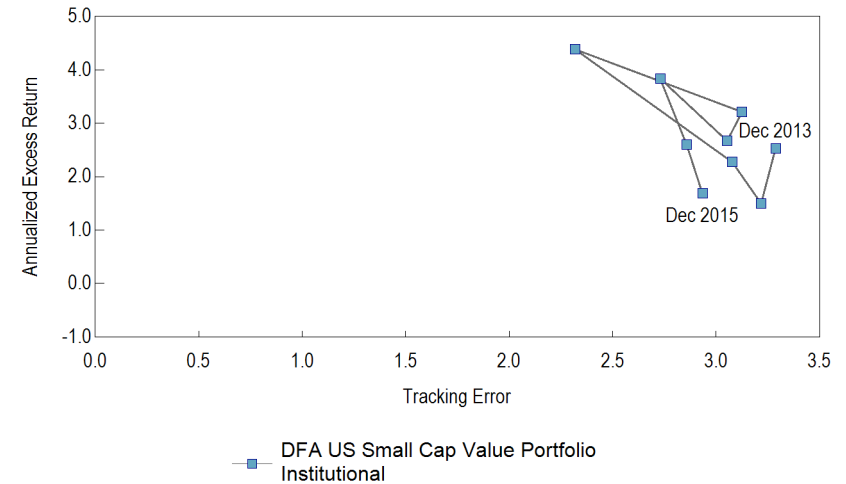
# DFA US Small Cap Value Portfolio Institutional

## Fund Information

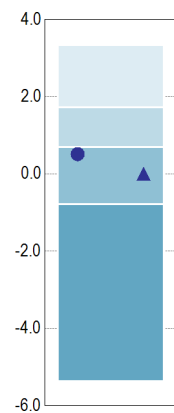
Annualized Excess Performance



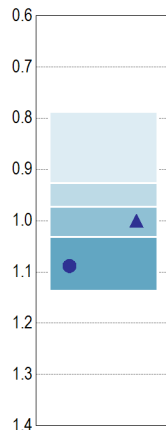
Rolling 3 Year Risk/Return vs. Russell 2000 Value



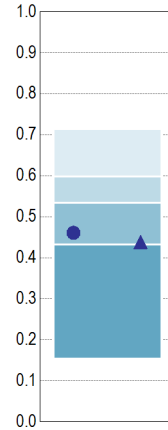
Annualized Alpha Jensen (%)



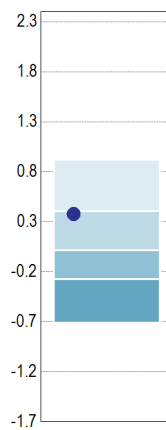
Beta



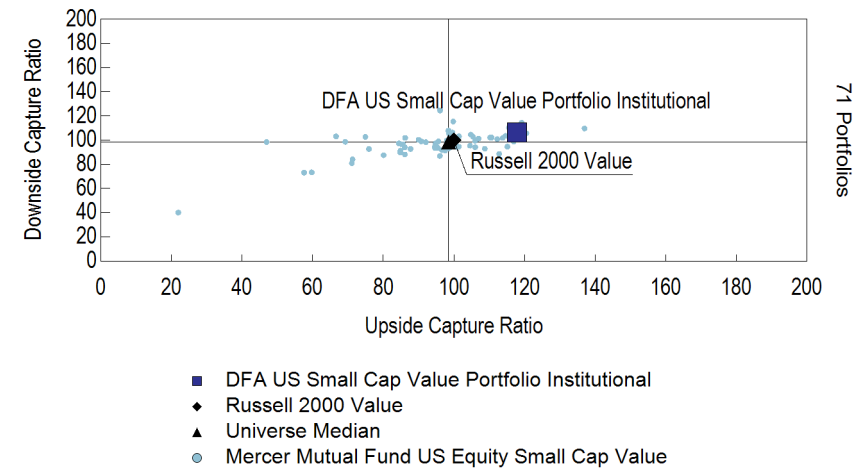
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
DFA US Small Cap Value Portfolio Institutional	8.86%	19.13%	3.15%	0.51%	1.09	0.46	0.38	117.83%	32.45%	106.51%	-31.12%
Russell 2000 Value	7.67%	17.39%	0.00%	0.00%	1.00	0.44	--	100.00%	28.73%	100.00%	-29.03%

# DFA US Small Cap Value Portfolio Institutional

## Historical - Fund Information

### Portfolio Fund Information as of 12/31/2015

Ticker	DFSVX
Morningstar Category	Small Value
Average Market Cap (\$mm)	1,364.29
Net Assets (\$mm)	11,279.24
% Assets in Top 10 Holdings	9.80
Total Number of Holdings	1,173
Manager Name	Joseph H. Chi
Manager Tenure	4
Expense Ratio	0.52%
Closed to New Investors	No

### Fund Characteristics as of 12/31/2015

Sharpe Ratio (3 Year)	0.75
Average Market Cap (\$mm)	1,364.29
Price/Earnings	14.53
Price/Book	1.11
Price/Sales	0.58
Price/Cash Flow	6.19
Dividend Yield	1.64
Number of Equity Holdings	1,165
R-Squared (3 Year)	0.96
Alpha (3 Year)	0.35%

### Sector Allocation as of 12/31/2015

BASIC MATERIALS	5.81%
COMMUNICATION SERVICES	0.91%
CONSUMER CYCLICAL	14.26%
CONSUMER DEFENSIVE	4.69%
ENERGY	7.12%
FINANCIAL SERVICES	27.46%
HEALTHCARE	5.90%
INDUSTRIALS	19.91%
REAL ESTATE	0.16%
TECHNOLOGY	12.96%
UTILITIES	0.11%

### Portfolio Fund Information as of 09/30/2015

Ticker	DFSVX
Morningstar Category	Small Value
Average Market Cap (\$mm)	1,372.04
Net Assets (\$mm)	11,030.56
% Assets in Top 10 Holdings	10.36
Total Number of Holdings	1,140
Manager Name	Joseph H. Chi
Manager Tenure	4
Expense Ratio	0.52%
Closed to New Investors	No

### Fund Characteristics as of 09/30/2015

Sharpe Ratio (3 Year)	0.82
Average Market Cap (\$mm)	1,372.04
Price/Earnings	15.02
Price/Book	1.10
Price/Sales	0.57
Price/Cash Flow	6.06
Dividend Yield	1.63
Number of Equity Holdings	1,134
R-Squared (3 Year)	0.96
Alpha (3 Year)	0.55%

### Sector Allocation as of 09/30/2015

BASIC MATERIALS	5.82%
COMMUNICATION SERVICES	0.82%
CONSUMER CYCLICAL	14.99%
CONSUMER DEFENSIVE	4.64%
ENERGY	7.06%
FINANCIAL SERVICES	26.54%
HEALTHCARE	6.21%
INDUSTRIALS	20.88%
REAL ESTATE	0.15%
TECHNOLOGY	12.29%
UTILITIES	0.08%

### Portfolio Fund Information as of 06/30/2015

Ticker	DFSVX
Morningstar Category	Small Value
Average Market Cap (\$mm)	1,449.66
Net Assets (\$mm)	12,430.47
% Assets in Top 10 Holdings	8.87
Total Number of Holdings	1,178
Manager Name	Joseph H. Chi
Manager Tenure	4
Expense Ratio	0.52%
Closed to New Investors	No

### Fund Characteristics as of 06/30/2015

Sharpe Ratio (3 Year)	1.74
Average Market Cap (\$mm)	1,449.66
Price/Earnings	16.68
Price/Book	1.24
Price/Sales	0.65
Price/Cash Flow	6.61
Dividend Yield	1.44
Number of Equity Holdings	1,172
R-Squared (3 Year)	0.94
Alpha (3 Year)	0.92%

### Sector Allocation as of 06/30/2015

BASIC MATERIALS	6.53%
COMMUNICATION SERVICES	0.78%
CONSUMER CYCLICAL	15.20%
CONSUMER DEFENSIVE	4.73%
ENERGY	8.12%
FINANCIAL SERVICES	25.12%
HEALTHCARE	6.11%
INDUSTRIALS	20.53%
REAL ESTATE	0.16%
TECHNOLOGY	12.42%
UTILITIES	0.08%

# Hartford SmallCap Growth HLS Fund

## Manager Commentary

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Plan	City of Los Angeles Deferred Compensation Plan
Strategy	Hartford Funds - Hartford SmallCap Growth HLS Fund
Benchmark	Russell 2000 Growth

### Current Positioning

- At the end of the period, the largest overweights were to the consumer staples and financials sectors, while the largest underweights were to the health care and information technology sectors, relative to the benchmark.
- Employment trends remain very solid, cheap gasoline should support consumption and housing is unlikely to be derailed by the Fed's gradual pace of interest rate hikes.
- The portfolio is positioned to better handle moderate economic growth and away from concerns in the manufacturing sector.

### Quarterly Attribution

#### Positive Impact on Performance:

- Sector allocation contributed to benchmark-relative results, largely due to an underweight in the industrials sector.
- Selection in the information technology and industrials sectors

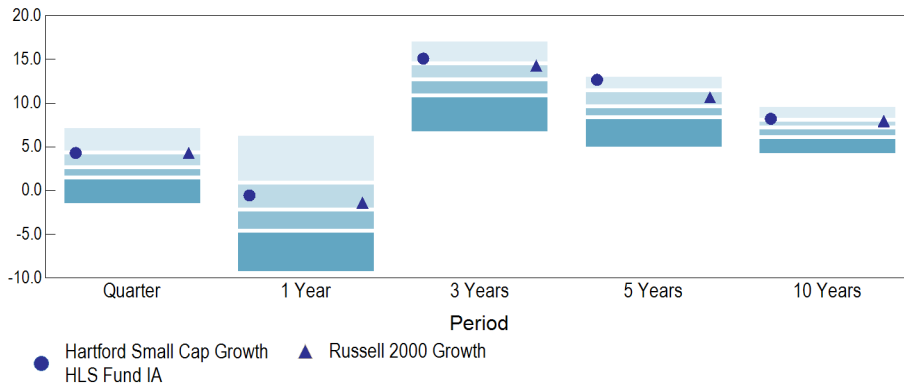
#### Negative Impact on Performance:

- Security selection in the consumer discretionary, health care and materials sectors were the primary drivers of underperformance.
- An underweight to health care and an overweight to energy detracted from performance.

# Hartford Small Cap Growth HLS Fund IA

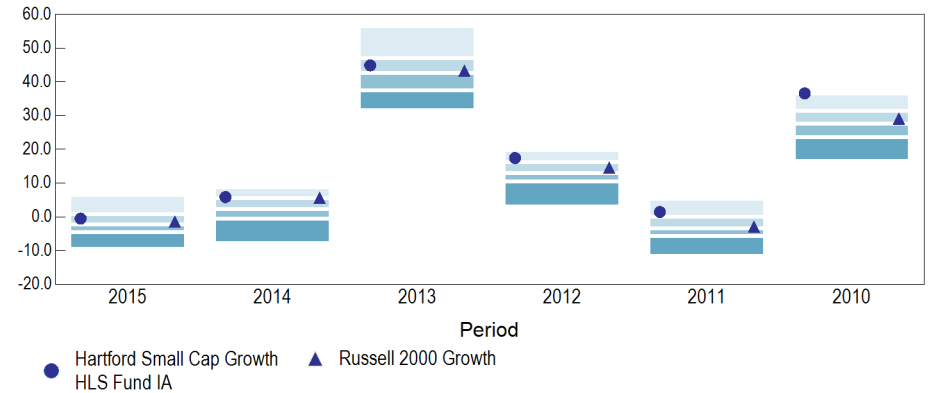
## Fund Information

Mercer Mutual Fund US Equity Small Cap Growth Accounts



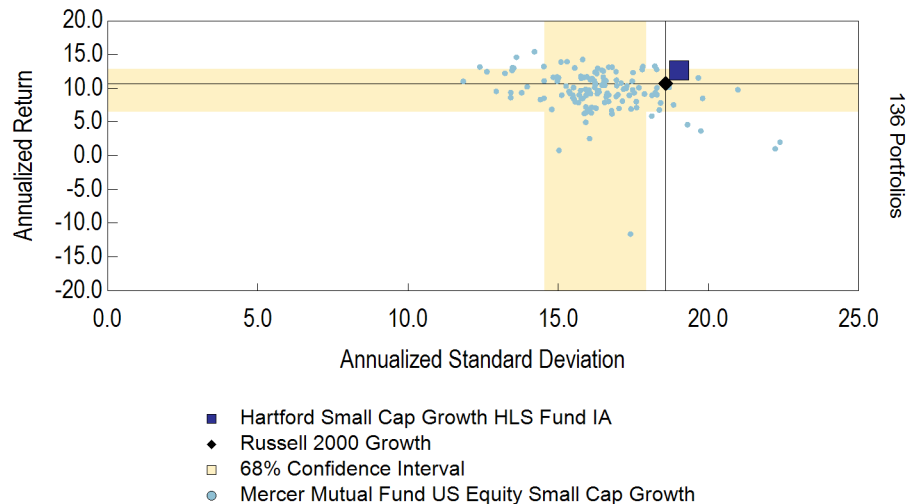
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
Hartford Small Cap Growth HLS Fund IA	4.3%	-0.5%	15.1%	12.7%	8.2%
Russell 2000 Growth	4.3%	-1.4%	14.3%	10.7%	8.0%
Universe Median	2.7%	-2.1%	12.8%	9.7%	7.2%

Mercer Mutual Fund US Equity Small Cap Growth Accounts

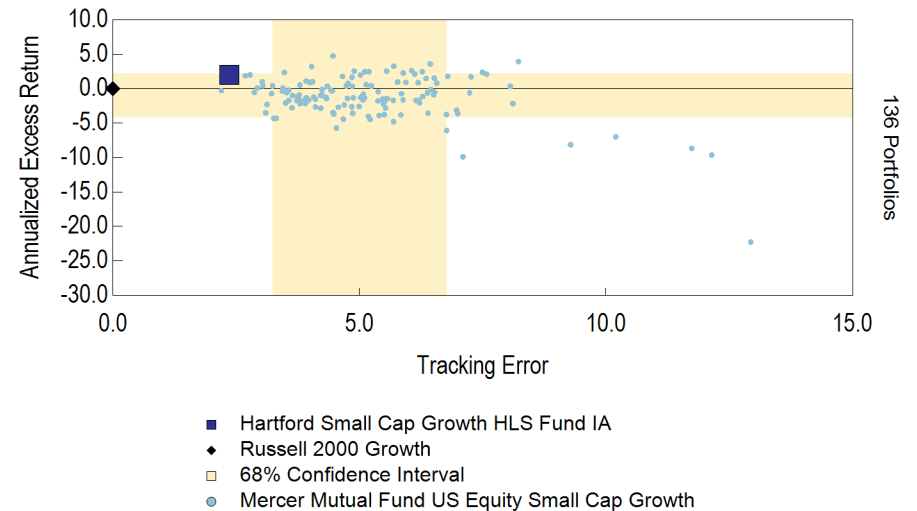


Annualized Returns	2015	2014	2013	2012	2011	2010
Hartford Small Cap Growth HLS Fund IA	-0.5%	5.8%	44.9%	17.4%	1.4%	36.6%
Russell 2000 Growth	-1.4%	5.6%	43.3%	14.6%	-2.9%	29.1%
Universe Median	-2.1%	2.4%	42.8%	14.0%	-2.4%	28.0%

Annualized Return vs. Annualized Standard Deviation  
 5 Years Ending December 31, 2015



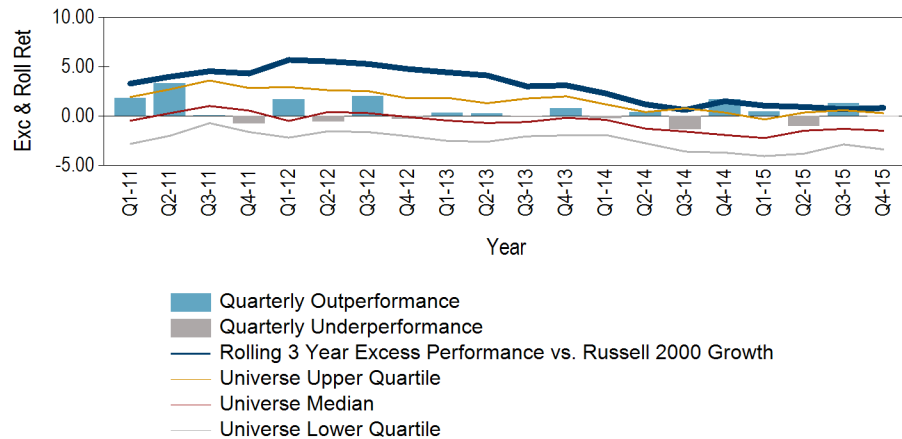
Annualized Excess Return vs. Tracking Error  
 5 Years Ending December 31, 2015



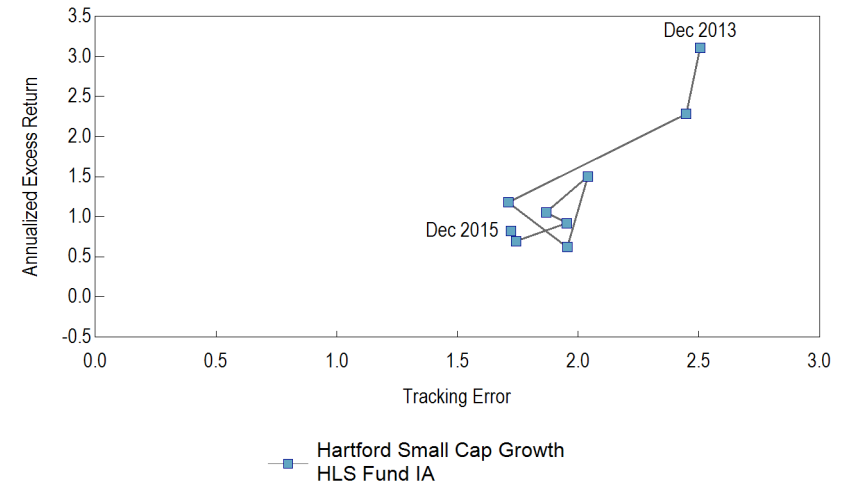
# Hartford Small Cap Growth HLS Fund IA

## Fund Information

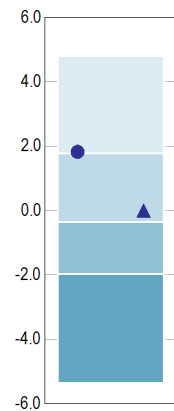
Annualized Excess Performance



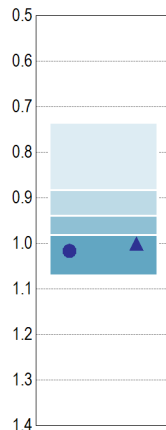
Rolling 3 Year Risk/Return vs. Russell 2000 Growth



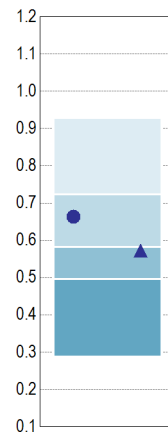
Annualized Alpha Jensen (%)



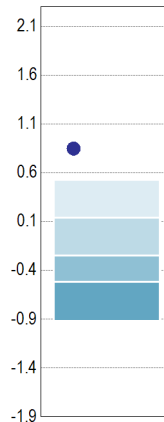
Beta



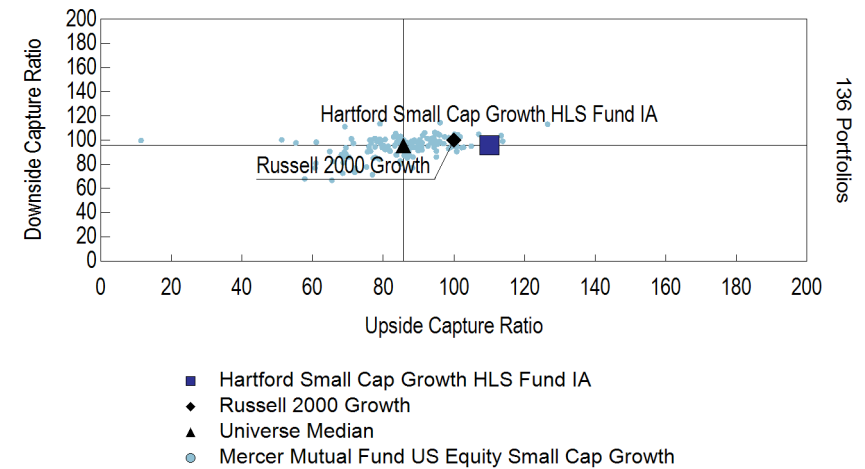
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
Hartford Small Cap Growth HLS Fund IA	12.67%	19.03%	2.36%	1.82%	1.02	0.66	0.85	110.07%	33.02%	95.74%	-31.54%
Russell 2000 Growth	10.67%	18.58%	0.00%	0.00%	1.00	0.57	--	100.00%	30.84%	100.00%	-33.02%

# Hartford Small Cap Growth HLS Fund IA

## Historical - Fund Information

### Portfolio Fund Information as of 12/31/2015

Ticker	HISCX
Morningstar Category	Small Growth
Average Market Cap (\$mm)	1,820.53
Net Assets (\$mm)	913.41
% Assets in Top 10 Holdings	11.60
Total Number of Holdings	360
Manager Name	Mammen Chally
Manager Tenure	7
Expense Ratio	0.65%
Closed to New Investors	No

### Fund Characteristics as of 12/31/2015

Sharpe Ratio (3 Year)	0.97
Average Market Cap (\$mm)	1,820.53
Price/Earnings	19.89
Price/Book	2.99
Price/Sales	1.21
Price/Cash Flow	9.22
Dividend Yield	0.79
Number of Equity Holdings	357
R-Squared (3 Year)	0.99
Alpha (3 Year)	0.13%

### Sector Allocation as of 12/31/2015

BASIC MATERIALS	3.76%
COMMUNICATION SERVICES	0.69%
CONSUMER CYCLICAL	15.22%
CONSUMER DEFENSIVE	6.84%
ENERGY	1.13%
FINANCIAL SERVICES	6.53%
HEALTHCARE	25.07%
INDUSTRIALS	16.78%
REAL ESTATE	2.15%
TECHNOLOGY	20.20%
UTILITIES	0.00%

### Portfolio Fund Information as of 09/30/2015

Ticker	HISCX
Morningstar Category	Small Growth
Average Market Cap (\$mm)	1,733.27
Net Assets (\$mm)	652.67
% Assets in Top 10 Holdings	11.22
Total Number of Holdings	357
Manager Name	Mammen Chally
Manager Tenure	7
Expense Ratio	0.65%
Closed to New Investors	No

### Fund Characteristics as of 09/30/2015

Sharpe Ratio (3 Year)	0.86
Average Market Cap (\$mm)	1,733.27
Price/Earnings	20.64
Price/Book	2.83
Price/Sales	1.16
Price/Cash Flow	8.74
Dividend Yield	0.80
Number of Equity Holdings	353
R-Squared (3 Year)	0.99
Alpha (3 Year)	0.10%

### Sector Allocation as of 09/30/2015

BASIC MATERIALS	3.11%
COMMUNICATION SERVICES	0.70%
CONSUMER CYCLICAL	16.28%
CONSUMER DEFENSIVE	7.05%
ENERGY	1.41%
FINANCIAL SERVICES	6.35%
HEALTHCARE	23.19%
INDUSTRIALS	17.26%
REAL ESTATE	2.23%
TECHNOLOGY	20.23%
UTILITIES	0.00%

### Portfolio Fund Information as of 06/30/2015

Ticker	HISCX
Morningstar Category	Small Growth
Average Market Cap (\$mm)	2,039.13
Net Assets (\$mm)	739.17
% Assets in Top 10 Holdings	10.81
Total Number of Holdings	348
Manager Name	Mammen Chally
Manager Tenure	7
Expense Ratio	0.65%
Closed to New Investors	No

### Fund Characteristics as of 06/30/2015

Sharpe Ratio (3 Year)	1.68
Average Market Cap (\$mm)	2,039.13
Price/Earnings	22.42
Price/Book	3.23
Price/Sales	1.28
Price/Cash Flow	9.31
Dividend Yield	0.73
Number of Equity Holdings	345
R-Squared (3 Year)	0.98
Alpha (3 Year)	-0.21%

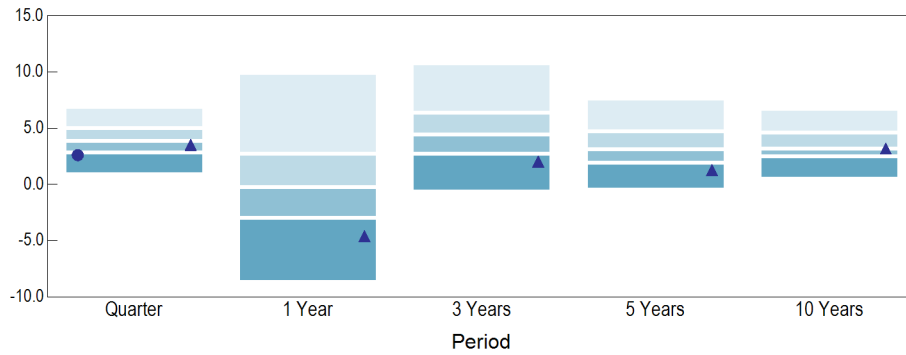
### Sector Allocation as of 06/30/2015

BASIC MATERIALS	3.76%
COMMUNICATION SERVICES	0.61%
CONSUMER CYCLICAL	17.09%
CONSUMER DEFENSIVE	6.80%
ENERGY	1.80%
FINANCIAL SERVICES	5.77%
HEALTHCARE	21.54%
INDUSTRIALS	16.72%
REAL ESTATE	2.01%
TECHNOLOGY	22.81%
UTILITIES	0.00%

# DCP International Stock Fund

## Fund Information

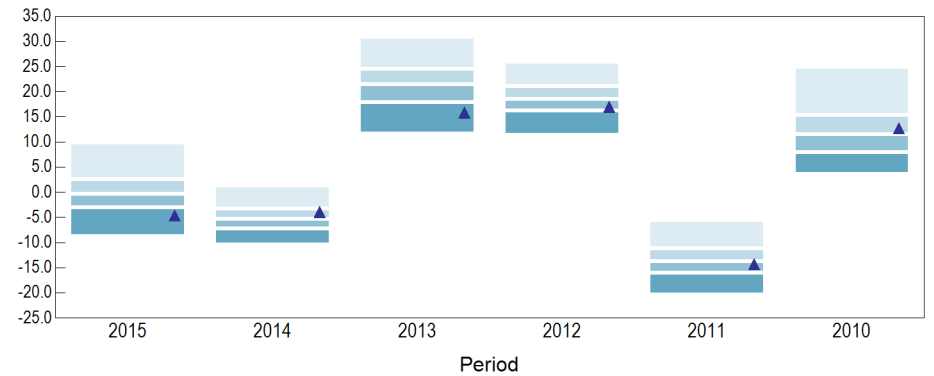
Mercer Mutual Fund World ex US/EAFE Equity Accounts



● DCP International Stock Fund ▲ MSCI ACWI ex USA IMI

Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
DCP International Stock Fund	2.6%				
MSCI ACWI ex USA IMI	3.5%	-4.6%	2.0%	1.3%	3.2%
Universe Median	3.9%	-0.2%	4.5%	3.2%	3.2%

Mercer Mutual Fund World ex US/EAFE Equity Accounts



● DCP International Stock Fund ▲ MSCI ACWI ex USA IMI

Annualized Returns	2015	2014	2013	2012	2011	2010
DCP International Stock Fund						
MSCI ACWI ex USA IMI	-4.6%	-3.9%	15.9%	17.0%	-14.3%	12.7%
Universe Median	-0.2%	-5.2%	21.7%	18.8%	-13.7%	12.2%

# MFS International Equity

## Manager Commentary

Plan	City of Los Angeles Deferred Compensation Plan
Strategy	MFS Investment Management - MFS International Equity
Benchmark	MSCI EAFE

### Current Positioning

- Relative to MSCI EAFE, the Fund continued to be overweight the consumer discretionary, consumer staples, information technology and health care sectors.
- The Fund has an underweight allocation to the financials, telecommunication services, industrials, and utilities sectors.
- From a country perspective, the Fund has an overweight allocation to France, Switzerland, and Netherlands.
- The Fund has an underweight allocation to Japan, Australia and Spain.
- The Fund has an out-of-benchmark allocation to Canada, the US, Taiwan, India, China and Brazil.
- The Fund has no allocation to Italy, Finland, Norway, Ireland, Austria, and Portugal.
- Top holdings: Bayer, Nestle, Compass Group, WPP, and Roche Holding.

### Quarterly Attribution

#### Positive Impact on Performance:

- Stock selection in the utilities sector
- An overweight allocation to information technology
- Stock selection in United Kingdom and Japan
- An underweight allocation to Spain
- No allocation in Italy
- Top contributors: HOYA, WPP Group, Denso, and Pernod Ricard

#### Negative Impact on Performance:

- Stock selection in the industrials, health care and materials sectors
- The portfolio's currency exposure had a negative impact on relative performance during the quarter. They do not actively manage currency in this strategy.
- An out-of-benchmark allocation to Canada
- An out-of-benchmark allocation to United States
- Security selection within Germany
- Top detractors: Yum!Brands



# MFS International Instl Equity Fund

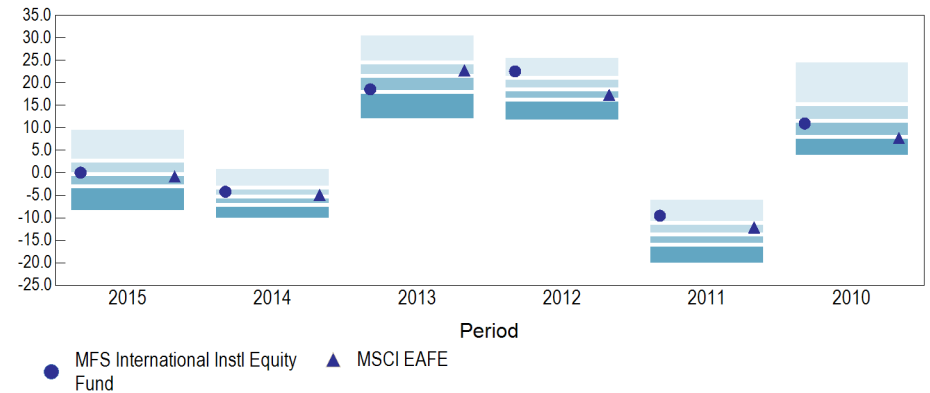
## Fund Information

Mercer Mutual Fund World ex US/EAFE Equity Accounts



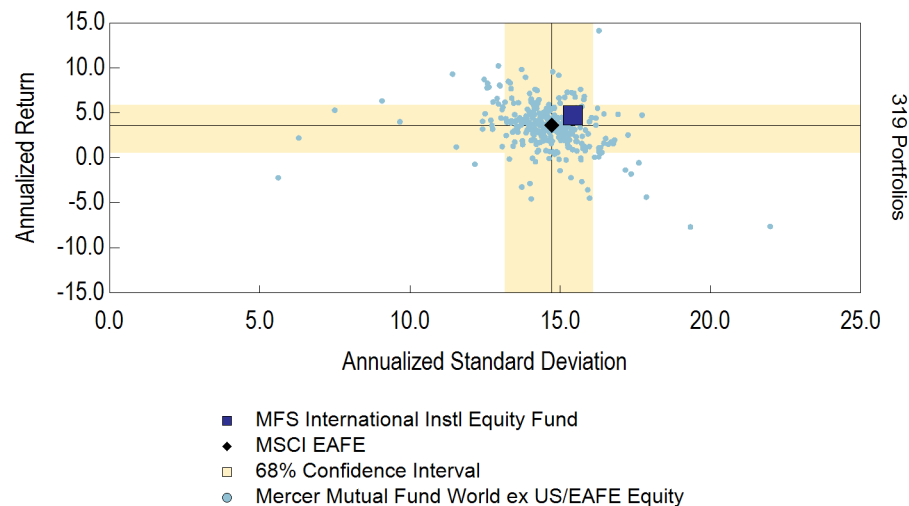
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
MFS International Instl Equity Fund	2.9%	0.0%	4.3%	4.7%	5.4%
MSCI EAFE	4.7%	-0.8%	5.0%	3.6%	3.0%
Universe Median	3.9%	-0.2%	4.5%	3.2%	3.2%

Mercer Mutual Fund World ex US/EAFE Equity Accounts

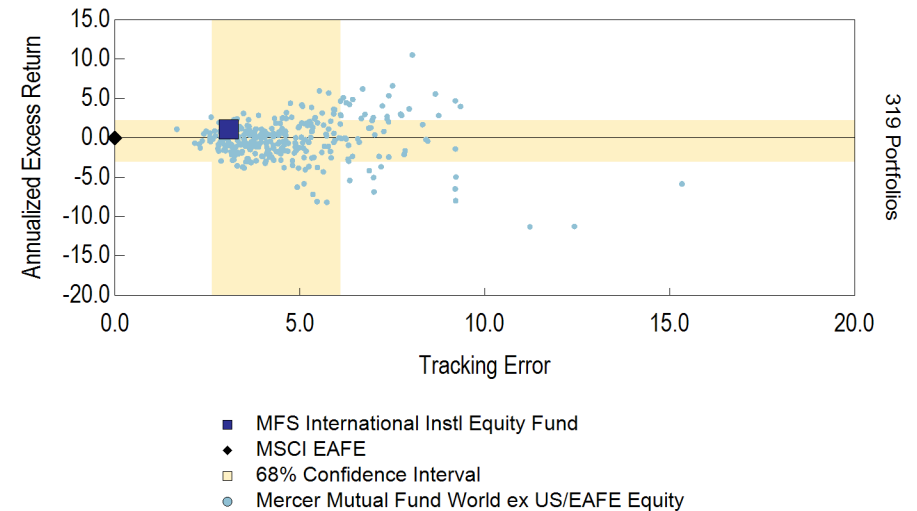


Annualized Returns	2015	2014	2013	2012	2011	2010
MFS International Instl Equity Fund	0.0%	-4.2%	18.6%	22.5%	-9.6%	11.0%
MSCI EAFE	-0.8%	-4.9%	22.8%	17.3%	-12.1%	7.8%
Universe Median	-0.2%	-5.2%	21.7%	18.8%	-13.7%	12.2%

Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015



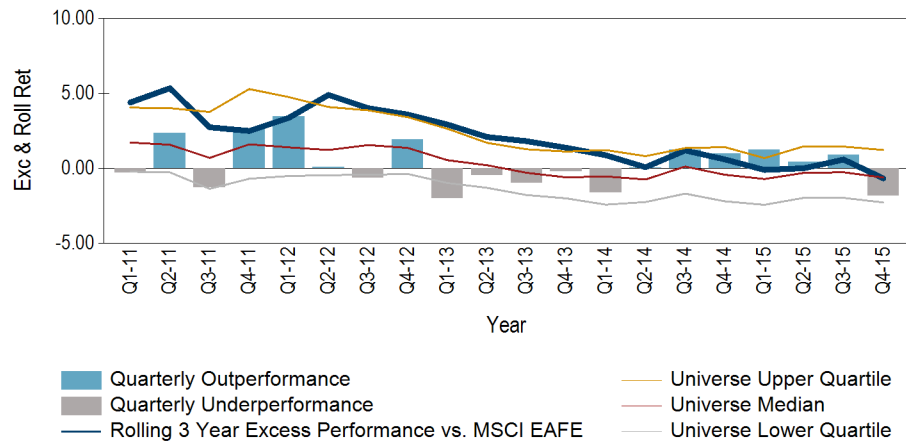
Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015



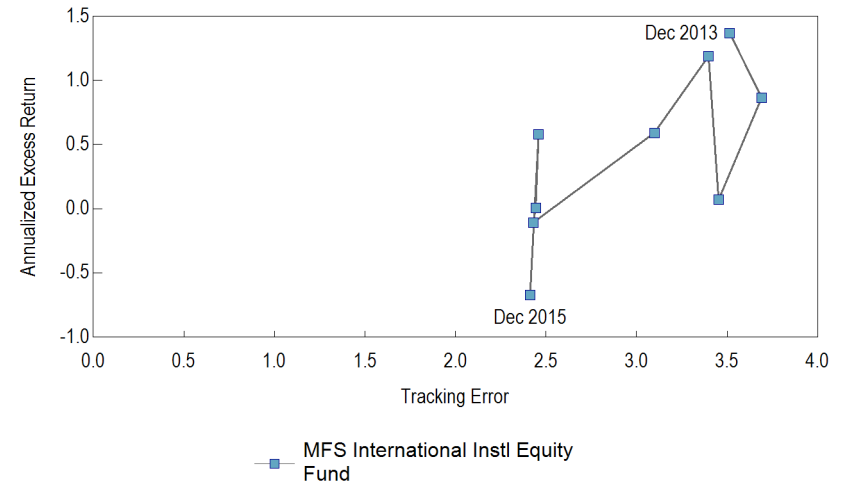
# MFS International Instl Equity Fund

## Fund Information

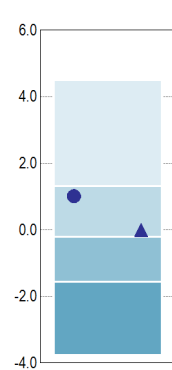
Annualized Excess Performance



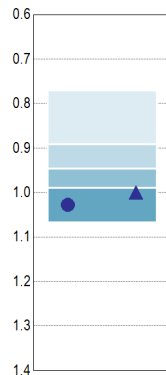
Rolling 3 Year Risk/Return vs. MSCI EAFE



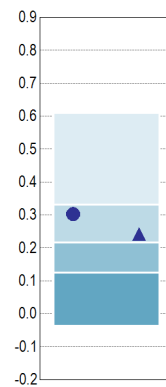
Annualized Alpha Jensen (%)



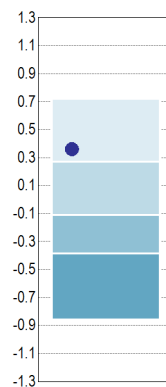
Beta



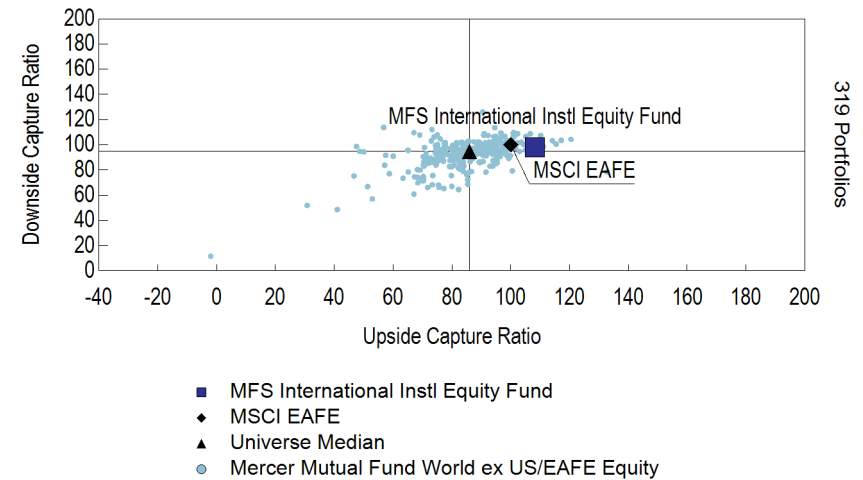
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
MFS International Instl Equity Fund	4.71%	15.43%	3.08%	1.01%	1.03	0.30	0.36	108.30%	22.72%	97.93%	-27.68%
MSCI EAFE	3.60%	14.71%	0.00%	0.00%	1.00	0.24	--	100.00%	21.32%	100.00%	-28.32%

# MFS International Instl Equity Fund

## Historical - Fund Information

### Portfolio Fund Information as of 12/31/2015

Ticker	MIEIX
Morningstar Category	Foreign Large Growth
Average Market Cap (\$mm)	40,398.28
Net Assets (\$mm)	7,538.64
% Assets in Top 10 Holdings	29.13
Total Number of Holdings	78
Manager Name	Marcus L. Smith
Manager Tenure	15
Expense Ratio	0.71%
Closed to New Investors	No

### Fund Characteristics as of 12/31/2015

Sharpe Ratio (3 Year)	0.40
Average Market Cap (\$mm)	40,398.28
Price/Earnings	17.38
Price/Book	2.22
Price/Sales	1.81
Price/Cash Flow	12.07
Dividend Yield	2.56
Number of Equity Holdings	76
R-Squared (3 Year)	0.96
Alpha (3 Year)	-0.04%

### Sector Allocation as of 12/31/2015

BASIC MATERIALS	6.52%
COMMUNICATION SERVICES	2.22%
CONSUMER CYCLICAL	18.24%
CONSUMER DEFENSIVE	17.97%
ENERGY	2.49%
FINANCIAL SERVICES	15.44%
HEALTHCARE	12.49%
INDUSTRIALS	9.60%
REAL ESTATE	0.00%
TECHNOLOGY	12.51%
UTILITIES	1.24%

### Portfolio Fund Information as of 09/30/2015

Ticker	MIEIX
Morningstar Category	Foreign Large Growth
Average Market Cap (\$mm)	38,803.30
Net Assets (\$mm)	7,177.36
% Assets in Top 10 Holdings	28.35
Total Number of Holdings	77
Manager Name	Marcus L. Smith
Manager Tenure	15
Expense Ratio	0.71%
Closed to New Investors	No

### Fund Characteristics as of 09/30/2015

Sharpe Ratio (3 Year)	0.54
Average Market Cap (\$mm)	38,803.30
Price/Earnings	17.12
Price/Book	2.08
Price/Sales	1.70
Price/Cash Flow	11.15
Dividend Yield	2.62
Number of Equity Holdings	75
R-Squared (3 Year)	0.96
Alpha (3 Year)	0.22%

### Sector Allocation as of 09/30/2015

BASIC MATERIALS	7.02%
COMMUNICATION SERVICES	2.20%
CONSUMER CYCLICAL	18.29%
CONSUMER DEFENSIVE	17.24%
ENERGY	2.50%
FINANCIAL SERVICES	15.99%
HEALTHCARE	12.93%
INDUSTRIALS	9.98%
REAL ESTATE	0.00%
TECHNOLOGY	11.61%
UTILITIES	1.16%

### Portfolio Fund Information as of 06/30/2015

Ticker	MIEIX
Morningstar Category	Foreign Large Growth
Average Market Cap (\$mm)	42,472.35
Net Assets (\$mm)	7,777.34
% Assets in Top 10 Holdings	27.06
Total Number of Holdings	77
Manager Name	Marcus L. Smith
Manager Tenure	15
Expense Ratio	0.72%
Closed to New Investors	No

### Fund Characteristics as of 06/30/2015

Sharpe Ratio (3 Year)	1.26
Average Market Cap (\$mm)	42,472.35
Price/Earnings	17.85
Price/Book	2.24
Price/Sales	1.77
Price/Cash Flow	10.85
Dividend Yield	2.36
Number of Equity Holdings	75
R-Squared (3 Year)	0.94
Alpha (3 Year)	0.21%

### Sector Allocation as of 06/30/2015

BASIC MATERIALS	7.35%
COMMUNICATION SERVICES	2.13%
CONSUMER CYCLICAL	18.42%
CONSUMER DEFENSIVE	15.49%
ENERGY	2.59%
FINANCIAL SERVICES	17.15%
HEALTHCARE	12.37%
INDUSTRIALS	10.51%
REAL ESTATE	0.00%
TECHNOLOGY	11.41%
UTILITIES	1.20%

# MFS International Instl Equity Fund

## Historical - Fund Information

### Top Countries as of 12/31/2015

United Kingdom	20.06%
France	13.86%
Japan	13.61%
Switzerland	13.22%
Germany	11.14%
Netherlands	5.24%
Canada	4.22%
Hong Kong	3.45%
Taiwan	2.83%
Singapore	1.86%

### Top Regions as of 12/31/2015

EUROZONE	32.05%
UNITED KINGDOM	20.06%
EUROPE EXEURO	15.11%
JAPAN	13.61%
ASIA DEVELOPED	8.15%

### Top Countries as of 09/30/2015

United Kingdom	20.58%
France	13.73%
Switzerland	13.43%
Japan	12.53%
Germany	11.29%
Netherlands	5.37%
Canada	4.63%
Hong Kong	3.42%
Taiwan	2.75%
United States	1.99%

### Top Regions as of 09/30/2015

EUROZONE	32.23%
UNITED KINGDOM	20.58%
EUROPE EXEURO	15.33%
JAPAN	12.53%
ASIA DEVELOPED	8.03%

### Top Countries as of 06/30/2015

United Kingdom	21.49%
France	13.21%
Japan	13.16%
Switzerland	12.40%
Germany	11.57%
Netherlands	5.43%
Canada	3.60%
Hong Kong	3.45%
Taiwan	2.77%
United States	2.14%

### Top Regions as of 06/30/2015

EUROZONE	31.86%
UNITED KINGDOM	21.49%
EUROPE EXEURO	14.26%
JAPAN	13.16%
ASIA DEVELOPED	8.99%

# International Small Cap Equity

## Manager Commentary

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Plan	City of Los Angeles Deferred Compensation Plan
Strategy	Brandes Investment Partners - International Small Cap Equity
Benchmark	S&P Developed Ex United States SmallCap Index

### Current Positioning

- Relative to the S&P Developed ex US SmallCap Index the Fund is overweight the consumer staples, telecom and utilities sectors.
- The Fund is underweight the materials, healthcare, energy, financials, information technology and industrials sectors.
- The Fund is significantly overweight emerging markets, with the largest overweights being Brazil, India and Greece.
- The Fund is significantly underweight developed countries, with the largest underweights being France, Australia, Germany and Switzerland.

### Quarterly Attribution

#### Positive Impact on Performance:

- Holdings in electric utilities, semiconductors and equipment and paper and forest products
- Exposures to India, Canada and Japan

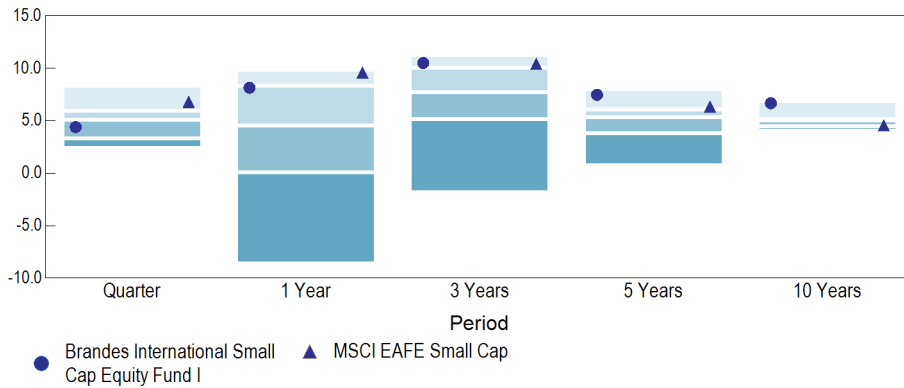
#### Negative Impact on Performance:

- Holdings in household durables, foods and staples retailing, and household durables
- Exposure to Hong Kong and Mexico

# Brandes International Small Cap Equity Fund I

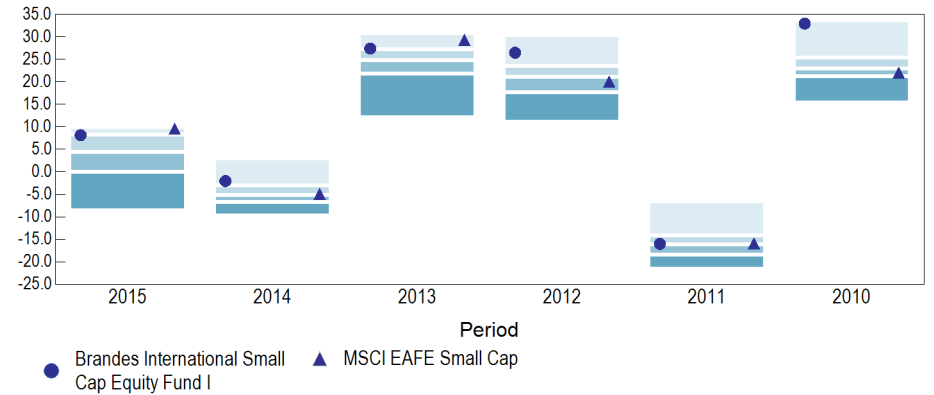
## Fund Information

**Mercer Mutual Fund World ex US/EAFE Equity Small Cap Accounts**



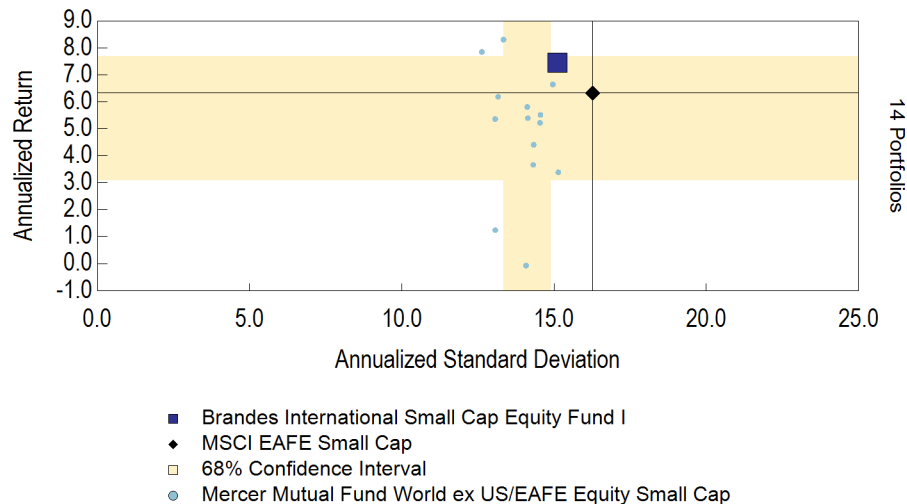
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
Brandes International Small Cap Equity Fund I	4.4%	8.1%	10.5%	7.5%	6.7%
MSCI EAFE Small Cap	6.8%	9.6%	10.4%	6.3%	4.6%
Universe Median	5.1%	4.6%	7.7%	5.4%	5.0%

**Mercer Mutual Fund World ex US/EAFE Equity Small Cap Accounts**

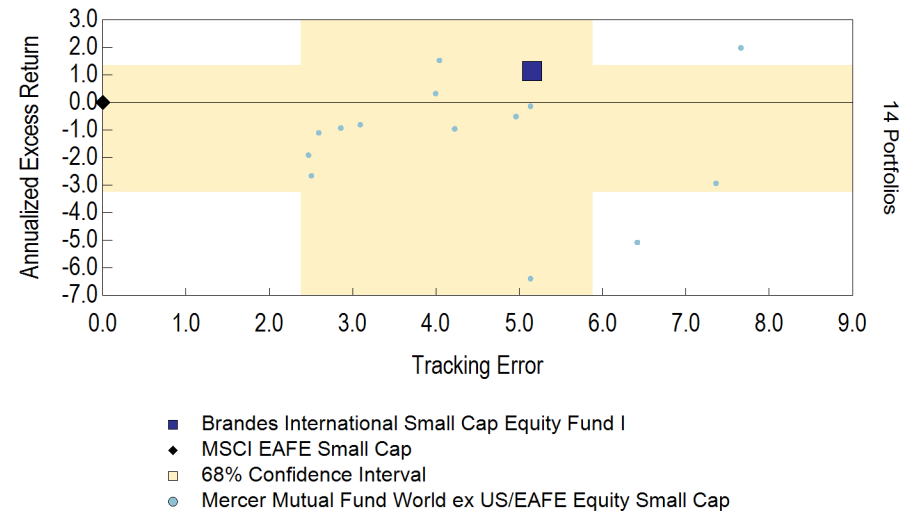


Annualized Returns	2015	2014	2013	2012	2011	2010
Brandes International Small Cap Equity Fund I	8.1%	-2.1%	27.4%	26.5%	-16.0%	32.9%
MSCI EAFE Small Cap	9.6%	-4.9%	29.3%	20.0%	-15.9%	22.0%
Universe Median	4.6%	-4.6%	25.0%	21.0%	-16.2%	23.1%

**Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2015**



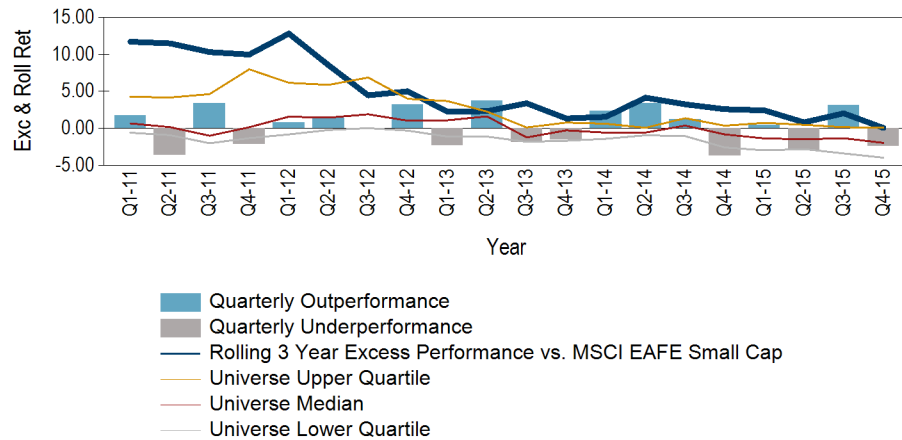
**Annualized Excess Return vs. Tracking Error  
5 Years Ending December 31, 2015**



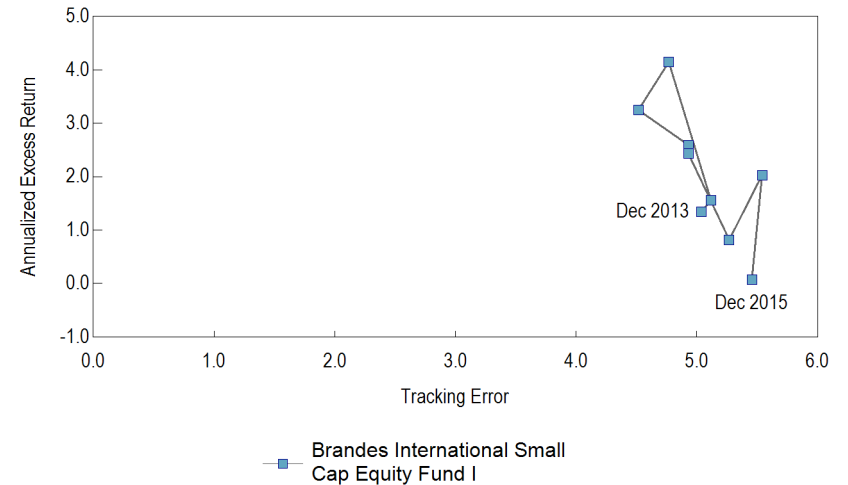
# Brandes International Small Cap Equity Fund I

## Fund Information

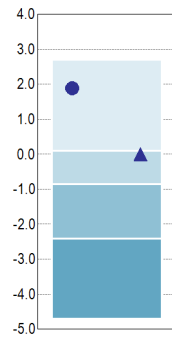
Annualized Excess Performance



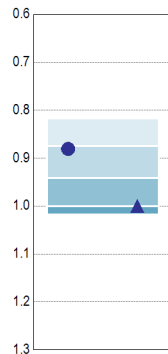
Rolling 3 Year Risk/Return vs. MSCI EAFE Small Cap



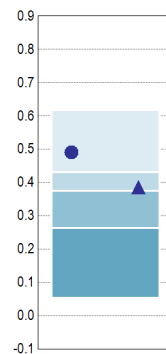
Annualized Alpha Jensen (%)



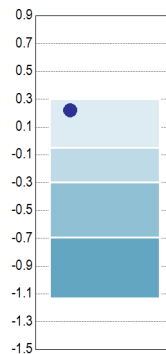
Beta



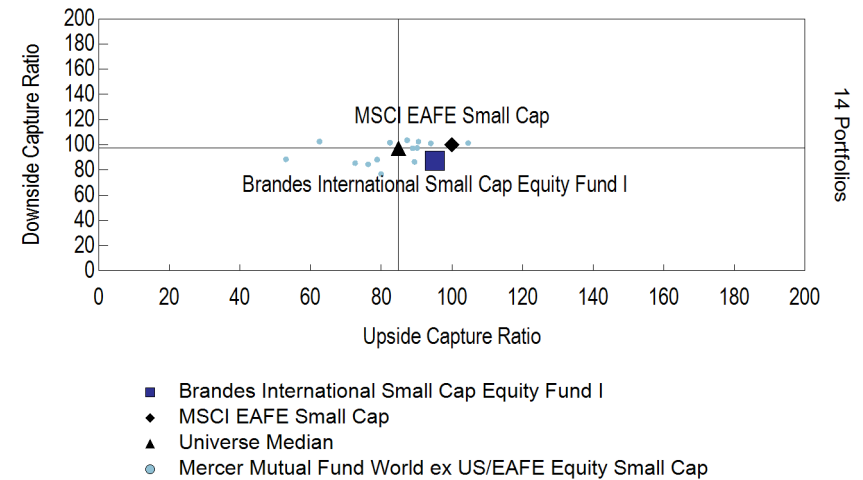
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
Brandes International Small Cap Equity Fund I	7.46%	15.10%	5.15%	1.88%	0.88	0.49	0.22	95.25%	27.21%	87.27%	-21.45%
MSCI EAFE Small Cap	6.32%	16.27%	0.00%	0.00%	1.00	0.39	--	100.00%	28.26%	100.00%	-24.95%

# Brandes International Small Cap Equity Fund I

## Historical - Fund Information

### Portfolio Fund Information as of 12/31/2015

Ticker	BISMX
Morningstar Category	Foreign Small/Mid Value
Average Market Cap (\$mm)	968.81
Net Assets (\$mm)	935.58
% Assets in Top 10 Holdings	29.42
Total Number of Holdings	83
Manager Name	Ralph Birchmeier
Manager Tenure	13
Expense Ratio	1.15%
Closed to New Investors	No

### Fund Characteristics as of 12/31/2015

Sharpe Ratio (3 Year)	0.90
Average Market Cap (\$mm)	968.81
Price/Earnings	12.04
Price/Book	0.69
Price/Sales	0.43
Price/Cash Flow	3.39
Dividend Yield	3.22
Number of Equity Holdings	75
R-Squared (3 Year)	0.83
Alpha (3 Year)	0.52%

### Sector Allocation as of 12/31/2015

BASIC MATERIALS	9.70%
COMMUNICATION SERVICES	6.07%
CONSUMER CYCLICAL	16.45%
CONSUMER DEFENSIVE	16.97%
ENERGY	0.00%
FINANCIAL SERVICES	4.23%
HEALTHCARE	2.70%
INDUSTRIALS	16.21%
REAL ESTATE	5.47%
TECHNOLOGY	10.26%
UTILITIES	11.59%

### Portfolio Fund Information as of 09/30/2015

Ticker	BISMX
Morningstar Category	Foreign Small/Mid Value
Average Market Cap (\$mm)	995.52
Net Assets (\$mm)	875.60
% Assets in Top 10 Holdings	28.40
Total Number of Holdings	89
Manager Name	Ralph Birchmeier
Manager Tenure	13
Expense Ratio	1.15%
Closed to New Investors	No

### Fund Characteristics as of 09/30/2015

Sharpe Ratio (3 Year)	1.00
Average Market Cap (\$mm)	995.52
Price/Earnings	12.46
Price/Book	0.70
Price/Sales	0.38
Price/Cash Flow	3.30
Dividend Yield	3.29
Number of Equity Holdings	82
R-Squared (3 Year)	0.83
Alpha (3 Year)	0.87%

### Sector Allocation as of 09/30/2015

BASIC MATERIALS	10.28%
COMMUNICATION SERVICES	5.65%
CONSUMER CYCLICAL	19.09%
CONSUMER DEFENSIVE	17.13%
ENERGY	0.00%
FINANCIAL SERVICES	5.24%
HEALTHCARE	3.35%
INDUSTRIALS	13.63%
REAL ESTATE	5.20%
TECHNOLOGY	8.82%
UTILITIES	11.48%

### Portfolio Fund Information as of 06/30/2015

Ticker	BISMX
Morningstar Category	Foreign Small/Mid Value
Average Market Cap (\$mm)	994.70
Net Assets (\$mm)	855.73
% Assets in Top 10 Holdings	26.86
Total Number of Holdings	92
Manager Name	Ralph Birchmeier
Manager Tenure	13
Expense Ratio	1.15%
Closed to New Investors	No

### Fund Characteristics as of 06/30/2015

Sharpe Ratio (3 Year)	1.41
Average Market Cap (\$mm)	994.70
Price/Earnings	11.98
Price/Book	0.73
Price/Sales	0.34
Price/Cash Flow	2.62
Dividend Yield	2.92
Number of Equity Holdings	83
R-Squared (3 Year)	0.81
Alpha (3 Year)	0.67%

### Sector Allocation as of 06/30/2015

BASIC MATERIALS	7.41%
COMMUNICATION SERVICES	6.04%
CONSUMER CYCLICAL	20.50%
CONSUMER DEFENSIVE	14.16%
ENERGY	0.00%
FINANCIAL SERVICES	5.22%
HEALTHCARE	5.14%
INDUSTRIALS	13.88%
REAL ESTATE	5.38%
TECHNOLOGY	9.54%
UTILITIES	12.20%



# Brandes International Small Cap Equity Fund I

## Historical - Fund Information

### Top Countries as of 12/31/2015

Japan	24.26%
United Kingdom	17.67%
Brazil	7.14%
Canada	6.83%
Italy	6.15%
India	5.70%
Ireland	3.49%
Belgium	3.37%
South Korea	3.33%
Greece	2.43%

### Top Regions as of 12/31/2015

JAPAN	24.26%
EUROZONE	19.91%
UNITED KINGDOM	17.67%
LATIN AMERICA	9.52%
ASIA EMERGING	8.52%

### Top Countries as of 09/30/2015

Japan	20.75%
United Kingdom	19.81%
Italy	8.53%
Brazil	7.20%
Canada	6.12%
India	4.43%
South Korea	3.76%
Belgium	3.14%
Ireland	3.06%
Mexico	2.71%

### Top Regions as of 09/30/2015

EUROZONE	21.64%
JAPAN	20.75%
UNITED KINGDOM	19.81%
LATIN AMERICA	9.86%
ASIA EMERGING	7.82%

### Top Countries as of 06/30/2015

Japan	22.61%
United Kingdom	20.16%
Italy	6.36%
Brazil	5.92%
Canada	5.81%
India	4.03%
South Korea	3.27%
China	3.23%
Mexico	2.96%
Belgium	2.91%

### Top Regions as of 06/30/2015

JAPAN	22.61%
UNITED KINGDOM	20.16%
EUROZONE	17.67%
LATIN AMERICA	8.87%
ASIA EMERGING	8.13%

# Emerging Markets All Cap Core Strategy

## Manager Commentary

Plan	City of Los Angeles Deferred Compensation Plan
Strategy	Dimensional Fund Advisors - Emerging Markets All Cap Core Strategy
Benchmark	MSCI Emerging Markets

### Current Positioning

- Relative to the MSCI Emerging Markets the Fund is overweight the industrials, materials, consumer discretionary, health care and utilities sectors.
- The Fund is underweight the financials, information technology, telecommunication services and energy sectors.
- From a country's perspective, the Fund is overweight to India, Taiwan, Brazil, Malaysia and Thailand.
- The Fund is underweight to China, Russia, South Korea, Peru and Greece.
- The Fund has no exposure to Qatar and the United Arab Emirates.
- The top ten holdings of the Fund represent approximately 12% of the portfolio.
- The top five holdings of the Fund are Samsung, Taiwan Semiconductor, Tencent, China Mobile and Hon Hai.

### Quarterly Attribution

#### Positive Impact on Performance:

- An overweight allocation to and security selection within the health care and consumer discretionary sectors
- An underweight allocation to and security selection within the energy sector
- An underweight allocation to the telecommunication services sector
- Security selection within the industrials, materials and utilities sectors
- An overweight allocation to and security selection within Taiwan and Malaysia
- An underweight allocation to and security selection within Russia and Colombia, and an overweight allocation to Indonesia
- No exposure to Qatar and the United Arab Emirates
- Security selection within India, China, Brazil, Thailand and Turkey
- Top contributors: Samsung, Tencent, Taiwan Semiconductor, Bank Rakyat Indonesia and Evergrande

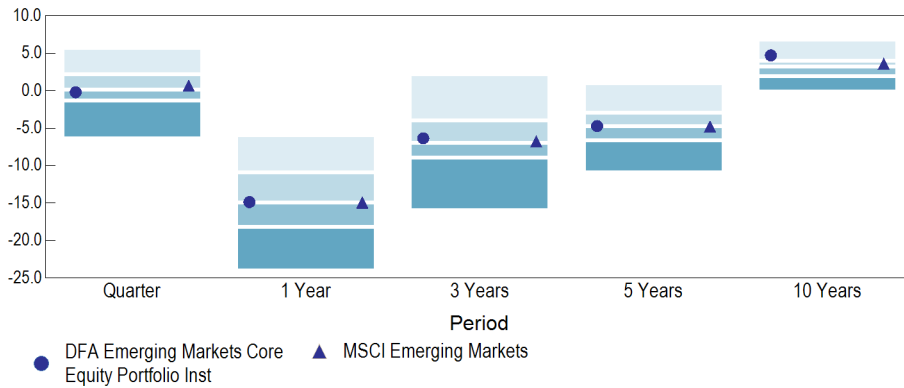
#### Negative Impact on Performance:

- An overweight allocation to and security selection within the consumer staples sector
- An underweight allocation to and security selection within the information technology and financials sectors
- An overweight allocation to the industrials and materials sectors
- Security selection within the telecommunication services sector
- An overweight allocation to and security selection within South Africa and Mexico
- An overweight allocation to Brazil, Thailand, Poland, India and Turkey, and an underweight allocation to China
- Security selection within Korea, Indonesia and Chile
- Top detractors: MTN, Standard Bank, FirstRand, CEMEX and Infosys

# DFA Emerging Markets Core Equity Portfolio Inst

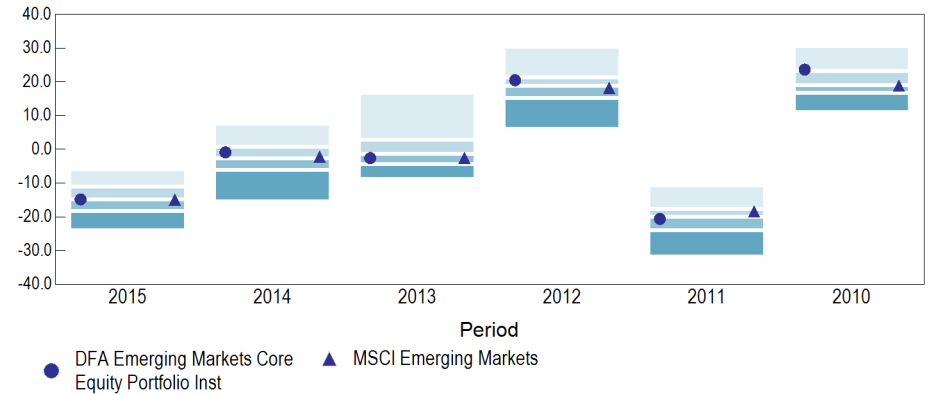
## Fund Information

Mercer Mutual Fund Emerging Markets Equity Accounts



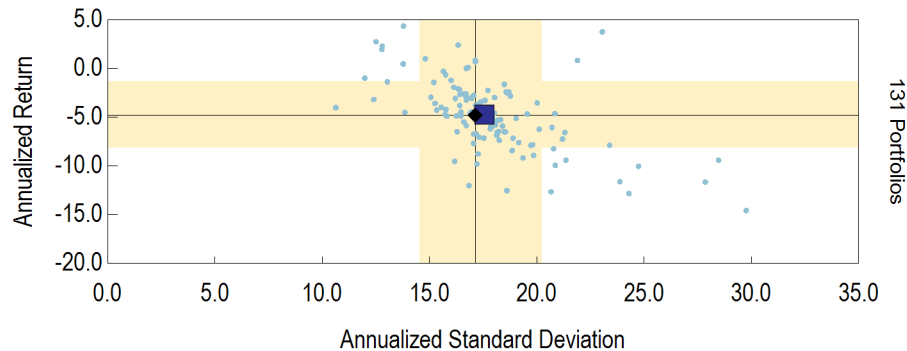
Annualized Returns	Last 3 Mo.	1 Yr	3 Yrs	5 Yrs	10 Yrs
DFA Emerging Markets Core Equity Portfolio Inst	-0.2%	-14.9%	-6.3%	-4.7%	4.7%
MSCI Emerging Markets	0.7%	-14.9%	-6.8%	-4.8%	3.6%
Universe Median	0.2%	-14.8%	-6.9%	-4.7%	3.2%

Mercer Mutual Fund Emerging Markets Equity Accounts

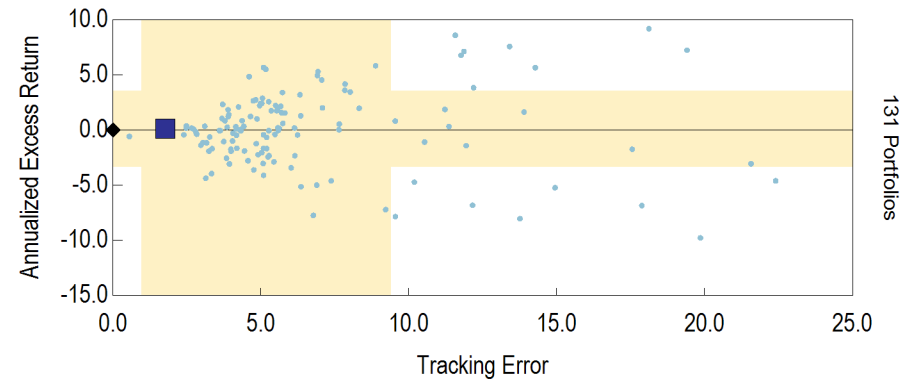


Annualized Returns	2015	2014	2013	2012	2011	2010
DFA Emerging Markets Core Equity Portfolio Inst	-14.9%	-0.9%	-2.6%	20.5%	-20.6%	23.6%
MSCI Emerging Markets	-14.9%	-2.2%	-2.6%	18.2%	-18.4%	18.9%
Universe Median	-14.8%	-2.5%	-1.2%	19.4%	-18.9%	20.0%

Annualized Return vs. Annualized Standard Deviation  
 5 Years Ending December 31, 2015



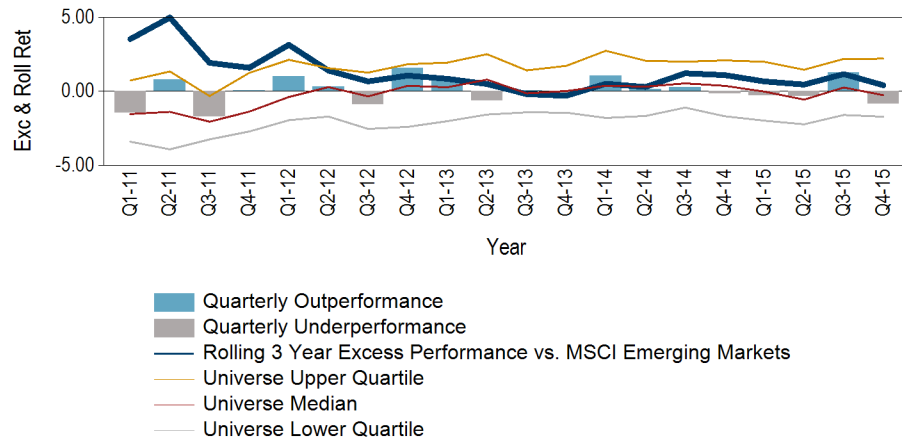
Annualized Excess Return vs. Tracking Error  
 5 Years Ending December 31, 2015



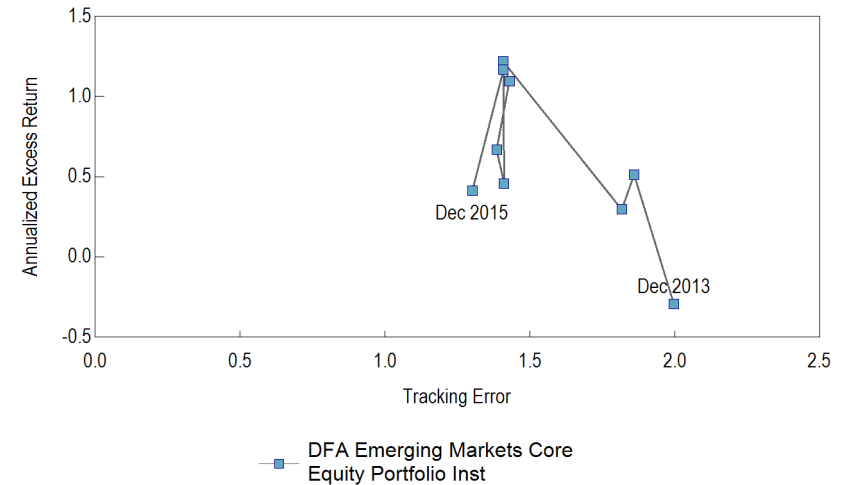
# DFA Emerging Markets Core Equity Portfolio Inst

## Fund Information

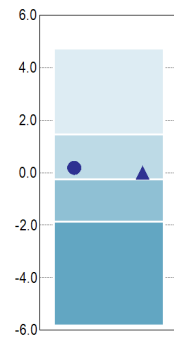
Annualized Excess Performance



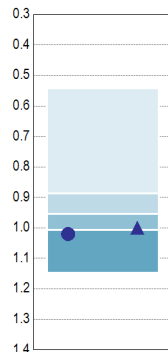
Rolling 3 Year Risk/Return vs. MSCI Emerging Markets



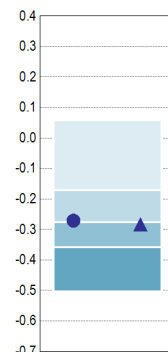
Annualized Alpha Jensen (%)



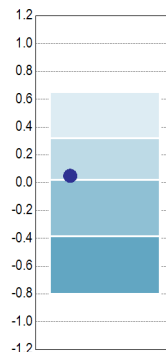
Beta



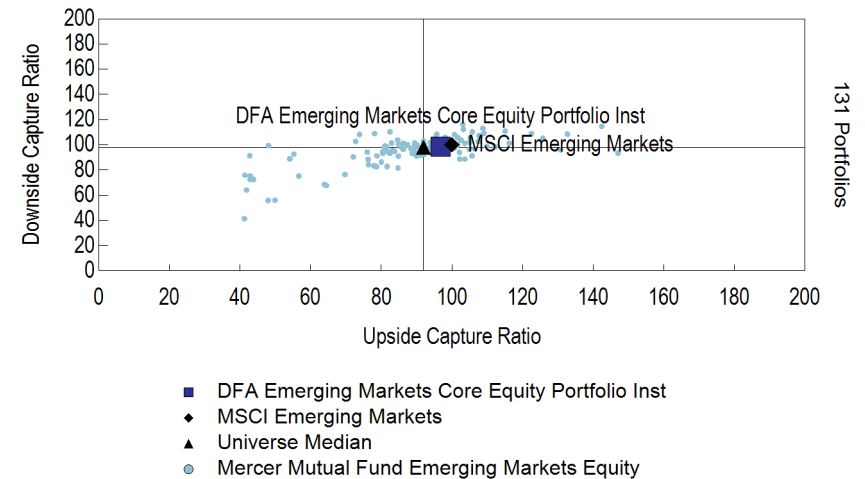
Sharpe Ratio



Information Ratio



Downside Capture Ratio vs. Upside Capture Ratio  
5 Years Ending December 31, 2015



MPT Statistics represent 5 year periods.

	Anlzd Return	Anlzd Standard Deviation	Tracking Error	Anlzd Alpha J	Beta	Sharpe Ratio	Information Ratio	Up Mkt Capture Ratio	Up Mkt Annual Return	Down Mkt Capture Ratio	Down Mkt Annual Return
DFA Emerging Markets Core Equity Portfolio Inst	-4.72%	17.57%	1.76%	0.18%	1.02	-0.27	0.05	96.73%	19.29%	98.41%	-27.60%
MSCI Emerging Markets	-4.80%	17.14%	0.00%	0.00%	1.00	-0.28	--	100.00%	19.85%	100.00%	-28.16%

# DFA Emerging Markets Core Equity Portfolio Inst

## Historical - Fund Information

### Portfolio Fund Information as of 12/31/2015

Ticker	DFCEX
Morningstar Category	Diversified Emerging Mkts
Average Market Cap (\$mm)	5,905.46
Net Assets (\$mm)	13,727.77
% Assets in Top 10 Holdings	10.61
Total Number of Holdings	4,058
Manager Name	Joseph H. Chi
Manager Tenure	6
Expense Ratio	0.61%
Closed to New Investors	No

### Fund Characteristics as of 12/31/2015

Sharpe Ratio (3 Year)	-0.50
Average Market Cap (\$mm)	5,905.46
Price/Earnings	11.32
Price/Book	1.27
Price/Sales	0.83
Price/Cash Flow	4.41
Dividend Yield	3.38
Number of Equity Holdings	3,794
R-Squared (3 Year)	0.99
Alpha (3 Year)	0.03%

### Sector Allocation as of 12/31/2015

BASIC MATERIALS	9.32%
COMMUNICATION SERVICES	4.97%
CONSUMER CYCLICAL	11.82%
CONSUMER DEFENSIVE	8.34%
ENERGY	4.87%
FINANCIAL SERVICES	18.29%
HEALTHCARE	3.76%
INDUSTRIALS	8.71%
REAL ESTATE	3.61%
TECHNOLOGY	19.06%
UTILITIES	3.92%

### Portfolio Fund Information as of 09/30/2015

Ticker	DFCEX
Morningstar Category	Diversified Emerging Mkts
Average Market Cap (\$mm)	5,817.12
Net Assets (\$mm)	13,773.51
% Assets in Top 10 Holdings	10.34
Total Number of Holdings	4,077
Manager Name	Joseph H. Chi
Manager Tenure	6
Expense Ratio	0.61%
Closed to New Investors	No

### Fund Characteristics as of 09/30/2015

Sharpe Ratio (3 Year)	-0.30
Average Market Cap (\$mm)	5,817.12
Price/Earnings	11.67
Price/Book	1.26
Price/Sales	0.83
Price/Cash Flow	4.44
Dividend Yield	3.41
Number of Equity Holdings	3,636
R-Squared (3 Year)	0.99
Alpha (3 Year)	0.28%

### Sector Allocation as of 09/30/2015

BASIC MATERIALS	9.24%
COMMUNICATION SERVICES	5.19%
CONSUMER CYCLICAL	11.62%
CONSUMER DEFENSIVE	8.02%
ENERGY	4.18%
FINANCIAL SERVICES	18.02%
HEALTHCARE	3.63%
INDUSTRIALS	8.81%
REAL ESTATE	3.15%
TECHNOLOGY	17.75%
UTILITIES	3.54%

### Portfolio Fund Information as of 06/30/2015

Ticker	DFCEX
Morningstar Category	Diversified Emerging Mkts
Average Market Cap (\$mm)	7,257.27
Net Assets (\$mm)	16,737.27
% Assets in Top 10 Holdings	10.56
Total Number of Holdings	4,015
Manager Name	Joseph H. Chi
Manager Tenure	6
Expense Ratio	0.61%
Closed to New Investors	No

### Fund Characteristics as of 06/30/2015

Sharpe Ratio (3 Year)	0.41
Average Market Cap (\$mm)	7,257.27
Price/Earnings	12.47
Price/Book	1.36
Price/Sales	0.92
Price/Cash Flow	4.79
Dividend Yield	3.04
Number of Equity Holdings	3,715
R-Squared (3 Year)	0.98
Alpha (3 Year)	0.10%

### Sector Allocation as of 06/30/2015

BASIC MATERIALS	9.89%
COMMUNICATION SERVICES	5.18%
CONSUMER CYCLICAL	11.25%
CONSUMER DEFENSIVE	7.28%
ENERGY	5.38%
FINANCIAL SERVICES	19.18%
HEALTHCARE	3.34%
INDUSTRIALS	9.09%
REAL ESTATE	3.31%
TECHNOLOGY	17.56%
UTILITIES	3.49%

# DFA Emerging Markets Core Equity Portfolio Inst

## Historical - Fund Information

### Top Countries as of 12/31/2015

Taiwan	15.33%
South Korea	14.95%
China	14.51%
India	13.34%
South Africa	7.14%
Brazil	6.60%
Mexico	5.30%
Malaysia	4.52%
Indonesia	3.08%
Turkey	2.09%

### Top Countries as of 09/30/2015

Taiwan	15.04%
South Korea	14.84%
China	13.61%
India	12.52%
South Africa	8.19%
Brazil	6.10%
Mexico	5.26%
Malaysia	3.98%
Indonesia	2.44%
Thailand	1.98%

### Top Countries as of 06/30/2015

China	15.67%
South Korea	14.90%
Taiwan	14.74%
India	10.73%
South Africa	8.49%
Brazil	7.24%
Mexico	4.82%
Malaysia	3.94%
Indonesia	2.68%
Thailand	2.08%

### Top Regions as of 12/31/2015

ASIA EMERGING	39.31%
ASIA DEVELOPED	30.39%
LATIN AMERICA	13.97%
AFRICA	7.23%
EUROPE EMERGING	5.42%

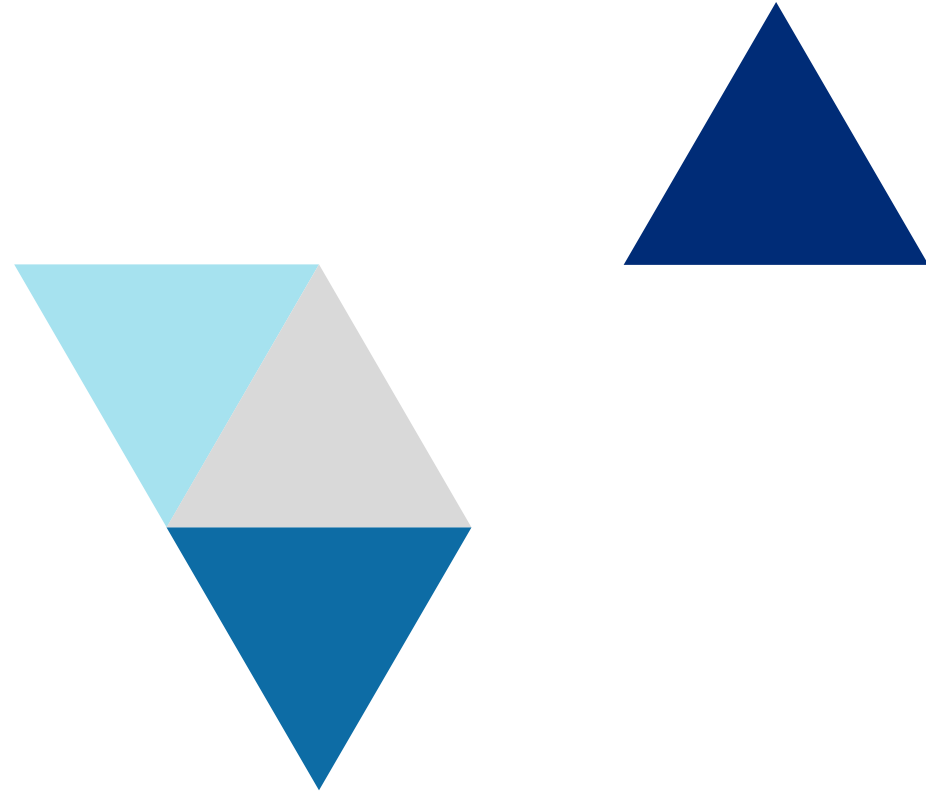
### Top Regions as of 09/30/2015

ASIA EMERGING	36.28%
ASIA DEVELOPED	29.98%
LATIN AMERICA	13.40%
AFRICA	8.28%
EUROPE EMERGING	4.84%

### Top Regions as of 06/30/2015

ASIA EMERGING	36.77%
ASIA DEVELOPED	29.76%
LATIN AMERICA	14.07%
AFRICA	8.58%
EUROPE EMERGING	5.35%

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