

Deferred Compensation Plan

INVESTMENTS COMMITTEE REPORT 14-09

Date: November 14, 2014

To: Investments Committee

From: Staff

Subject: Investment Manager Search Finalist Reviews:
International Developed Markets, International
Emerging Markets, and International Small-Cap

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Recommendation:

That the Investments Committee review additional information in consideration of the finalist funds for the International Developed Markets, International Emerging Markets, and International Small-Cap mutual fund searches and select a provider in each category to recommend to the Board for formal selection.

Background:

At its October 22, 2014 and October 30, 2014 meetings, the Investments Committee reviewed the initial search conducted by the Plan's investment consultant, Mercer Investments Consulting ("Mercer"), for viable funds in the International Developed Markets, International Emerging Markets, and International Small-Cap categories. Upon review, the Committee asked Mercer to report back with additional information on the funds identified as finalists in each category.

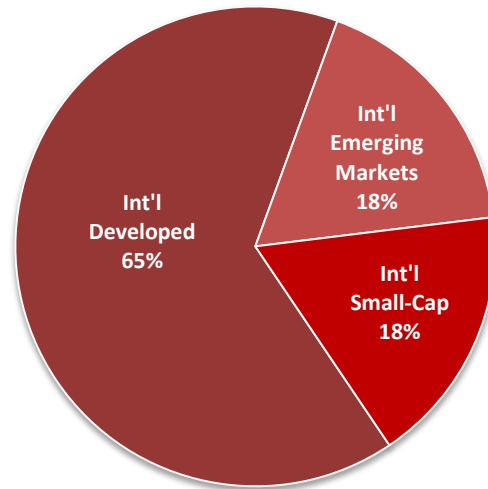
Mercer has provided a detailed analysis of the finalist funds, which is attached to this report. At the Committee meeting, Mercer will walk the Committee members through the additional information for the purpose of finalizing a fund selection to the Board.

Discussion:

Currently, the Plan offers two standalone international investment fund options within its core investment menu, the Fidelity Diversified International Fund (active option) and the DWS EAFE Equity Index Fund (passive option). The Plan however has been making strides to streamline its core investment option menu and will be introducing a single option for this asset class, the DCP International Fund.

To realize the intended investment profile for the option as indicated in the Plan's Investment Policy, the DCP International Fund will incorporate an underlying fund allocation that is 65% international developed markets, 17.5% emerging markets, and 17.5% international small-cap.

DCP INTERNATIONAL FUND



** Funds to be determined; to be reviewed by the Board in December 2014.*

Following is a basic overview of the finalist international funds in consideration.

INTERNATIONAL DEVELOPED MARKETS

The International Developed Markets category will make up 65% of the underlying allocation for the DCP International Fund. The estimated mandate size is \$214 million.

Of 16 funds reviewed, the following firms manage funds identified as finalists for additional review:

1. The Hartford Mutual Funds (Hartford)
2. MFS Investment Management (MFS)

INTERNATIONAL SMALL-CAP

The International Small-Cap category will make up 17.5% of the underlying allocation for the DCP International Fund. The estimated mandate size is \$58 million.

Of 11 funds reviewed, the following firms manage funds that were identified as finalists for additional review:

1. Brandes Investment Partners (Brandes)
2. Dimensional Fund Advisors (DFA IntISmCo)

INTERNATIONAL EMERGING MARKETS

The International Emerging Markets category will make up 17.5% of the underlying allocation for the DCP International Fund. The estimated mandate size is \$58 million.

Of 15 funds reviewed, the following firms manage funds that were identified as finalists for additional review:

1. Dimensional Fund Advisors (DFA EMAllCap)
2. Harding Loevner (HardingLoev)

Upon the Committee's review of the finalist funds, staff recommends the Committee select one provider for each category to recommend to the Board for formal selection at its regular meeting on December 16, 2014.

Submitted by: _____
Esther Chang

Approved by: _____
Steven Montagna

MANAGER SEARCH REPORT

City of Los Angeles

International Equity - World ex US/EAFE Equity – Core, International Equity - World ex US/EAFE Equity - Small Cap, Emerging Markets Equity

November 2014



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Risk Warnings

The value of your investments can go down as well as up, and you may not get back the amount you have invested. Investments denominated in a foreign currency will fluctuate with the value of the currency. Certain investments, such as securities issued by small capitalization, foreign and emerging market issuers, real property, and illiquid, leveraged or high-yield funds, carry additional risks that should be considered before choosing an investment manager or making an investment decision.

Style analysis graph time periods may differ reflecting the length of performance history available. Funds with three years or fewer of performance history will not appear in the style analysis section.

Investment advisory services provided by Mercer Investment Consulting, Inc.

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International Equity Finalists

The DCP International Stock Fund approved structure is 65.0% Active International Developed Markets Equity + 17.5% Active International Small Cap Equity + 17.5% Active Emerging Markets Equity. At the October 30,, 2014 Investment Committee meeting, Mercer presented a search report for World ex US/EAFE Equity – Core, World ex US/EAFE Equity - Small Cap, and Emerging Markets Equity funds which follow the principles outlined in the City of Los Angeles Investment Policy Statement’s Investment Selection and Termination section. Based on discussion at the meeting, the Committee chose the following candidates as finalists:

World ex US/EAFE Equity – Core

- Hartford Funds (Hartford)
- MFS Investment Management (MFS)

World ex US/EAFE Equity – Small Cap

- Brandes Investment Partners (Brandes)
- Dimensional Fund Advisors (DFA IntlSmCo)

Emerging Markets Equity

- Dimensional Fund Advisors (DFA EMAllCap)
- Harding Loevner (HardingLoev)

The contents of this report offer further analysis on the finalists. Along with key fund attributes provided again on pages 5-9 (World ex US/EAFE Equity – Core), pages 21-25 (World ex US/EAFE Equity - Small Cap), and pages 39-43 (Emerging Markets Equity), we provide additional information including:

- Updated performance of each of the finalists on a standalone basis (pages 10-15 World ex US/EAFE Equity – Core / pages 26-31 World ex US/EAFE Equity - Small Cap / pages 44-49 Emerging Markets Equity)
- Mercer’s qualitative assessments, where available, providing in-depth detail on each of the investment strategies (pages 16-20 World ex US/EAFE Equity – Core / pages 32-38 World ex US/EAFE Equity - Small Cap / pages 50-53 Emerging Markets Equity)
- Pro-forma fees for each possible manager combination within the DCP International Stock Fund (page 54)
- Correlations of the strategies with one another and the index (page 55)
- Pro-forma historical performance and quantitative analysis on each possible DCP International Stock Fund combination (pages 56-73).
 - Key pro-forma exhibits include:
 - Trailing performance of all possible permutations of the DCP International Stock Fund as of 9/30/2014 (page 56)

- Year by year performance for all possible combinations of finalists implemented in the DCP International Stock Fund mix (page 57)
- Long-term risk/return characteristics for all possible combinations of finalists implemented in the DCP International Stock Fund mix (page 60)
- Up/down market analysis of all possible DCP International Stock Fund mix (page 72)
- Performance consistency of all possible DCP International Stock Fund mix (page 73)

World ex US/EAFE Equity – Core Finalists

Firm Background

Firm	Year firm founded	Office location(s) in United States	Type of firm	Ownership/Affiliation
Hartford	1810	Boston, MA Boston, MA Hartford, CT Radnor, PA Simsbury, CT	Part of a financial conglomerate	The Hartford Financial Services Group 100%
MFS	1924	Boston, MA Phoenix, AZ Quincy, MA	Insurance or insurance affiliate	Sun Life Financial Inc. 78% Employee owned 22%

World ex US/EAFE Equity – Core Finalists

Fund Details

Firm	Strategy name	Strategy Inception Year	Mutual Fund Ticker	Net Expense Ratio ¹	On GreatWest Platform ²	Revenue Sharing	Net Expense Ratio less Revenue Sharing
Hartford	Hartford International Opportunities HLS Fund IA	1990	HIAOX	0.74%	No	0.00%	0.74%
MFS	MFS Institutional International Equity Fund	1996	MIEIX	0.74%	Yes	0.00%	0.74%

¹ Some expense ratios may currently have an expense cap or fee waiver that can be changed by the manager at any time.

² Funds not currently on the GreatWest platform can be added via an amendment if a current relationship exists with the manager and takes approximately 30-60 days or a new agreement with the manager which generally takes approximately 60-90 days.

World ex US/EAFE Equity – Core Finalists

Assets

Firm	Firm-wide assets (\$MM)	Firm-wide equity assets (\$MM)	Strategy Assets ending December 31				
			2013	2012	2011	2010	2009
Hartford ¹	96,735	63,304	8,005	6,658	5,242	6,276	4,298
MFS	412,159	332,200	22,910	17,380	13,243	14,772	14,518

¹ Strategy assets include those in the underlying Wellington strategy in addition to Hartford assets.

World ex US/EAFE Equity – Core Finalists

Selected Portfolio Guidelines

Firm	Minimum market cap (\$MM)	Number of stocks typically held	Average cash position over last 5 years (%)	Average portfolio turnover over last 5 years (%)	Use of currency hedging	Percent limit on hedging (%)	Maximum allocation to emerging markets (%)
Hartford	5,000	107	3	100	Occasional Hedging	No Formal Limit	25
MFS	1,000	60-80	1	30	No Hedging	N/A	15

World ex US/EAFE Equity – Core Finalists

Selected Portfolio Characteristics as of 12/31/13

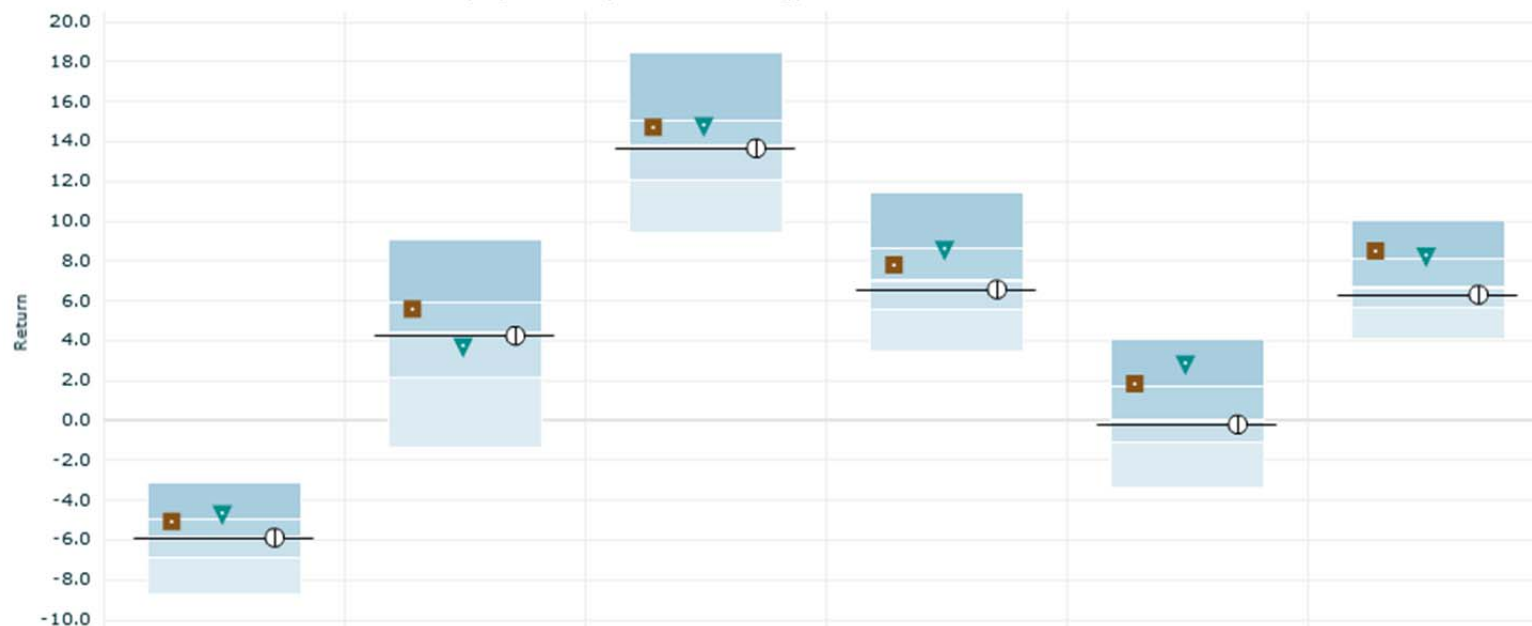
Firm	Market beta	Price to Earnings	Price to Book	Dividend yield (%)	Earnings growth	Return on equity	Debt / Equity	Market cap (\$MM)
Hartford	1.11	15.1	2.0	2.13	17.1	17.2	1.17	45,985
MFS	1.01	15.3	2.2	2.21	13.2	15.2	0.99	60,074
MSEAFEN	1.00	13.4	1.7	2.91	12.8	14.4	1.28	61,985

World ex US/EAFE Equity – Core Finalists

Quantitative Analysis

Return in \$US (after fees) over 3 mths, 1 yr, 3 yrs, 5 yrs, 7 yrs, 10 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe (Percentile Ranking)



	3 mths (%)	1 yr (%)	3 yrs (%pa)	5 yrs (%pa)	7 yrs (%pa)	10 yrs (%pa)
■ Hartford	-5.1 (29)	5.6 (31)	14.7 (31)	7.8 (36)	1.8 (23)	8.5 (20)
▼ MFS	-4.6 (18)	3.8 (57)	14.8 (29)	8.6 (26)	2.9 (12)	8.3 (22)
○ MSEAFEN	-5.9 (51)	4.3 (53)	13.6 (53)	6.6 (59)	-0.2 (56)	6.3 (61)
5th Percentile	-3.1	9.1	18.4	11.5	4.1	10.1
Upper Quartile	-5.0	5.9	15.1	8.7	1.7	8.1
Median	-5.8	4.4	13.8	7.1	0.0	6.7
Lower Quartile	-6.9	2.2	12.1	5.6	-1.0	5.7
95th Percentile	-8.7	-1.4	9.4	3.5	-3.4	4.1
Number	424	408	366	328	279	216

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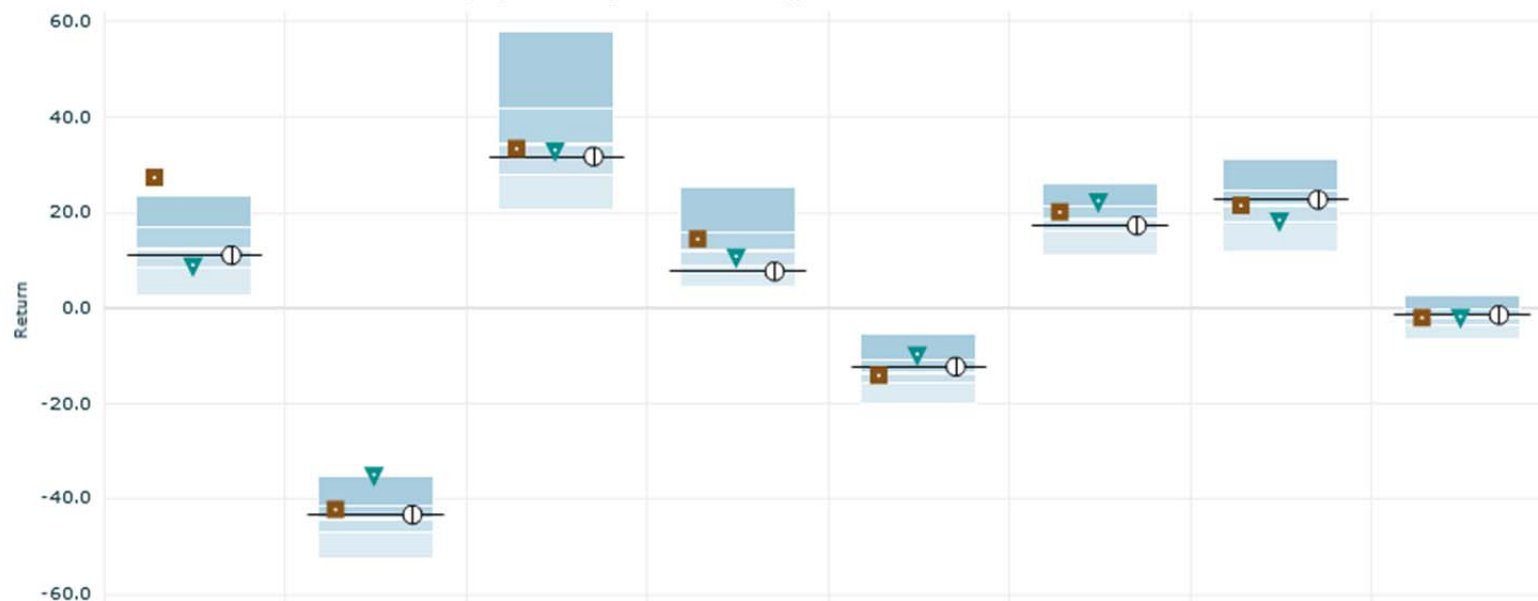


World ex US/EAFE Equity – Core Finalists

Quantitative Analysis

Return in \$US (after fees) over last 8 calendar years ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe (Percentile Ranking)



	2007 (%)	2008 (%)	2009 (%)	2010 (%)	2011 (%)	2012 (%)	2013 (%)	9 mths to 9/2014 (%)
■ Hartford	27.4 (3)	-42.2 (33)	33.5 (56)	14.5 (34)	-14.0 (56)	20.2 (33)	21.6 (51)	-1.9 (53)
▼ MFS	9.1 (71)	-35.0 (4)	33.1 (57)	11.0 (60)	-9.6 (16)	22.5 (16)	18.6 (72)	-1.6 (48)
⊕ MSEAFEN	11.2 (56)	-43.4 (42)	31.8 (62)	7.8 (82)	-12.1 (37)	17.3 (67)	22.8 (36)	-1.4 (43)
5th Percentile	23.6	-35.4	58.1	25.3	-5.2	26.1	31.3	2.9
Upper Quartile	17.1	-41.5	41.7	16.1	-10.9	21.4	24.6	-0.1
Median	12.4	-44.4	34.5	12.2	-13.6	18.7	21.6	-1.7
Lower Quartile	8.6	-47.1	28.1	9.1	-15.5	16.4	18.0	-3.4
95th Percentile	2.9	-52.5	20.9	4.6	-20.0	11.2	11.7	-6.5
Number	262	288	322	333	354	375	399	413

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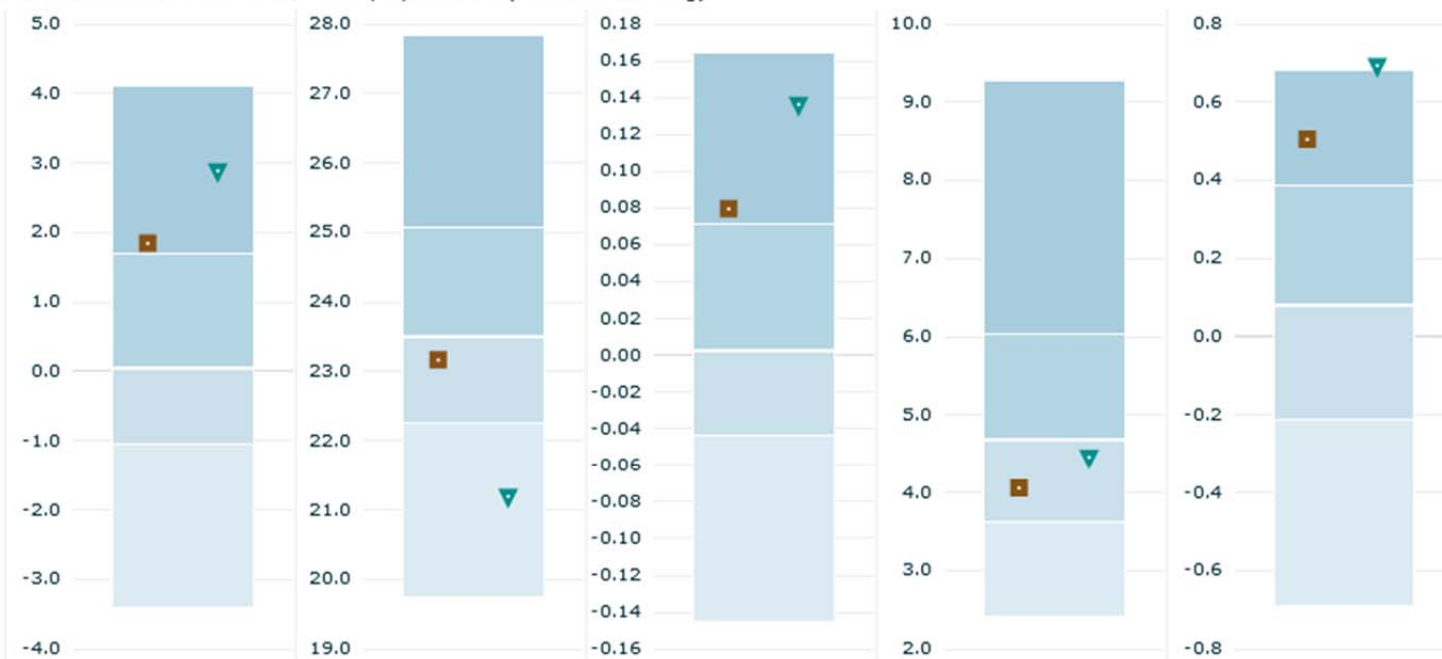


World ex US/EAFE Equity – Core Finalists

Quantitative Analysis

Performance characteristics vs. MSCI EAFE NET WHT in \$US (after fees) over 7 yrs ending September-14 (quarterly calculations)

Comparison with the Mutual Fund World ex US/EAFE Equity universe (Percentile Ranking)



	Ret (%pa)	Std Dev (%pa)	Ret/SD	TE (%pa)	IR
■ Hartford	1.8 (23)	23.2 (59)	0.1 (23)	4.1 (60)	0.5 (13)
▼ MFS	2.9 (12)	21.2 (88)	0.1 (9)	4.5 (51)	0.7 (4)
5th Percentile	4.1	27.8	0.2	9.3	0.7
Upper Quartile	1.7	25.1	0.1	6.0	0.4
Median	0.0	23.5	0.0	4.7	0.1
Lower Quartile	-1.0	22.3	0.0	3.6	-0.2
95th Percentile	-3.4	19.7	-0.1	2.4	-0.7
Number	279	279	279	279	279

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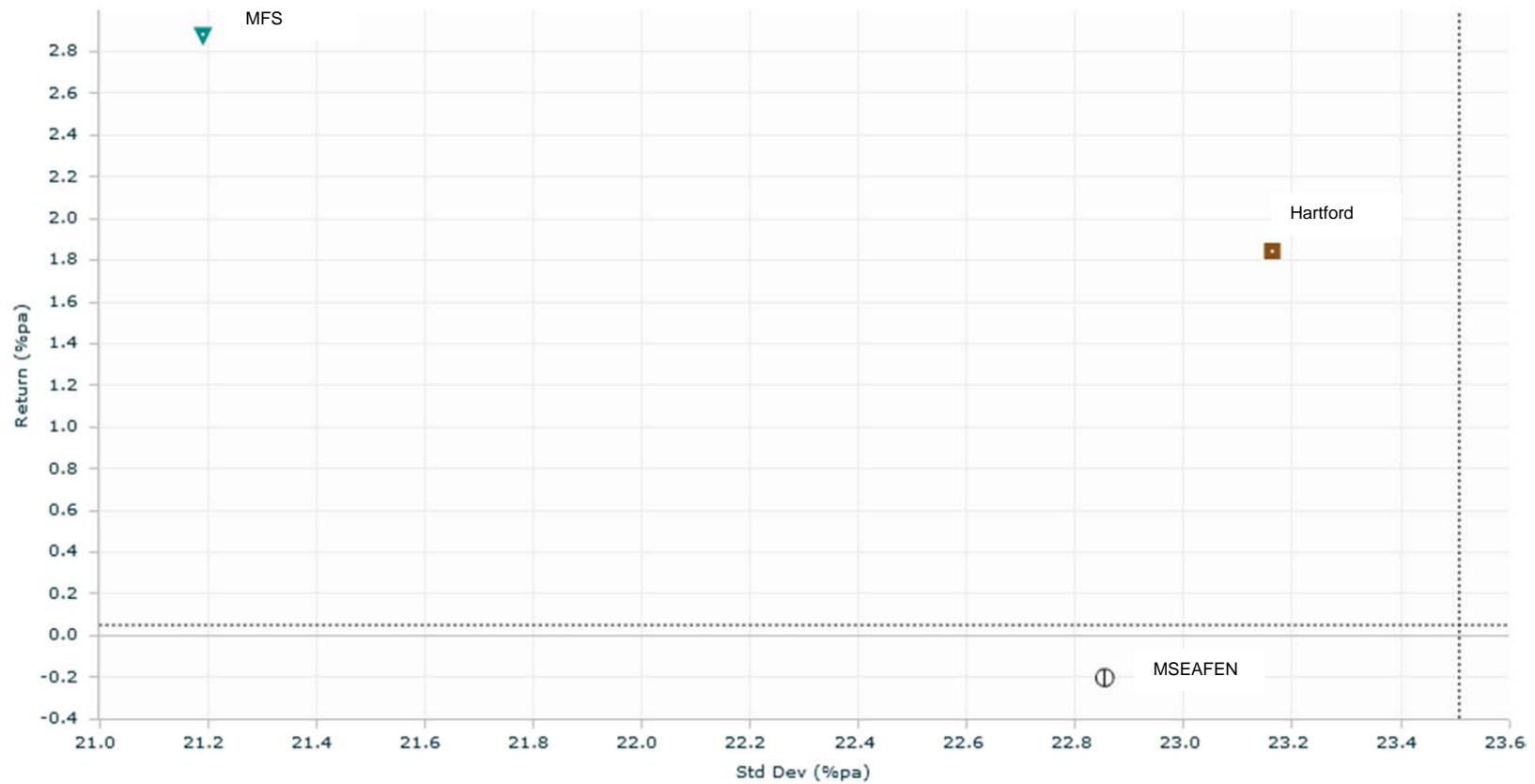


World ex US/EAFE Equity – Core Finalists

Quantitative Analysis

Return and Std Deviation in \$US (after fees) over 7 yrs ending September-14 (quarterly calculations)

Comparison with the Mutual Fund World ex US/EAFE Equity universe



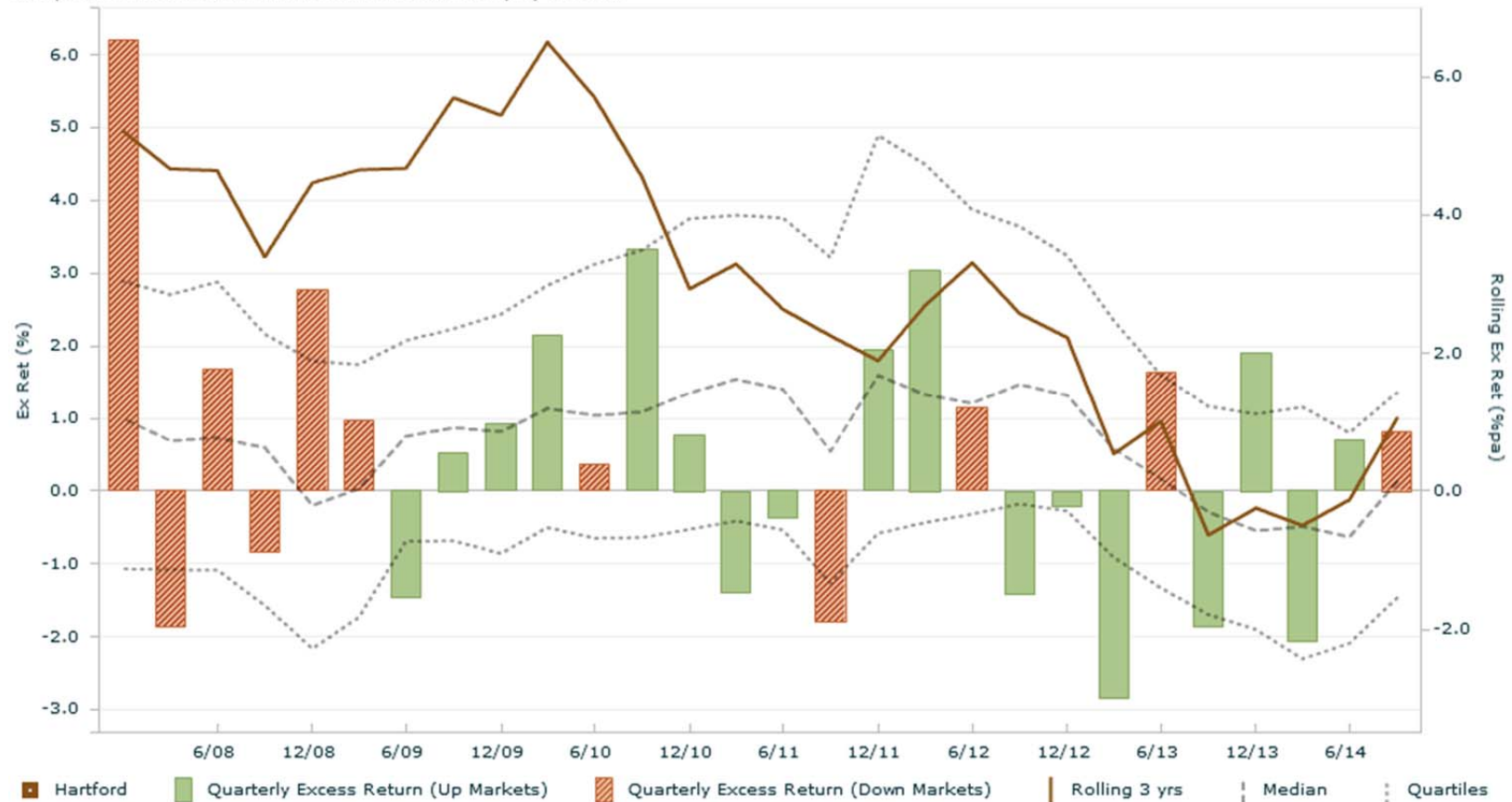
World ex US/EAFE Equity – Core Finalists

Quantitative Analysis

Hartford

Quarterly Excess Return vs. MSCI EAFE NET WHT with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe



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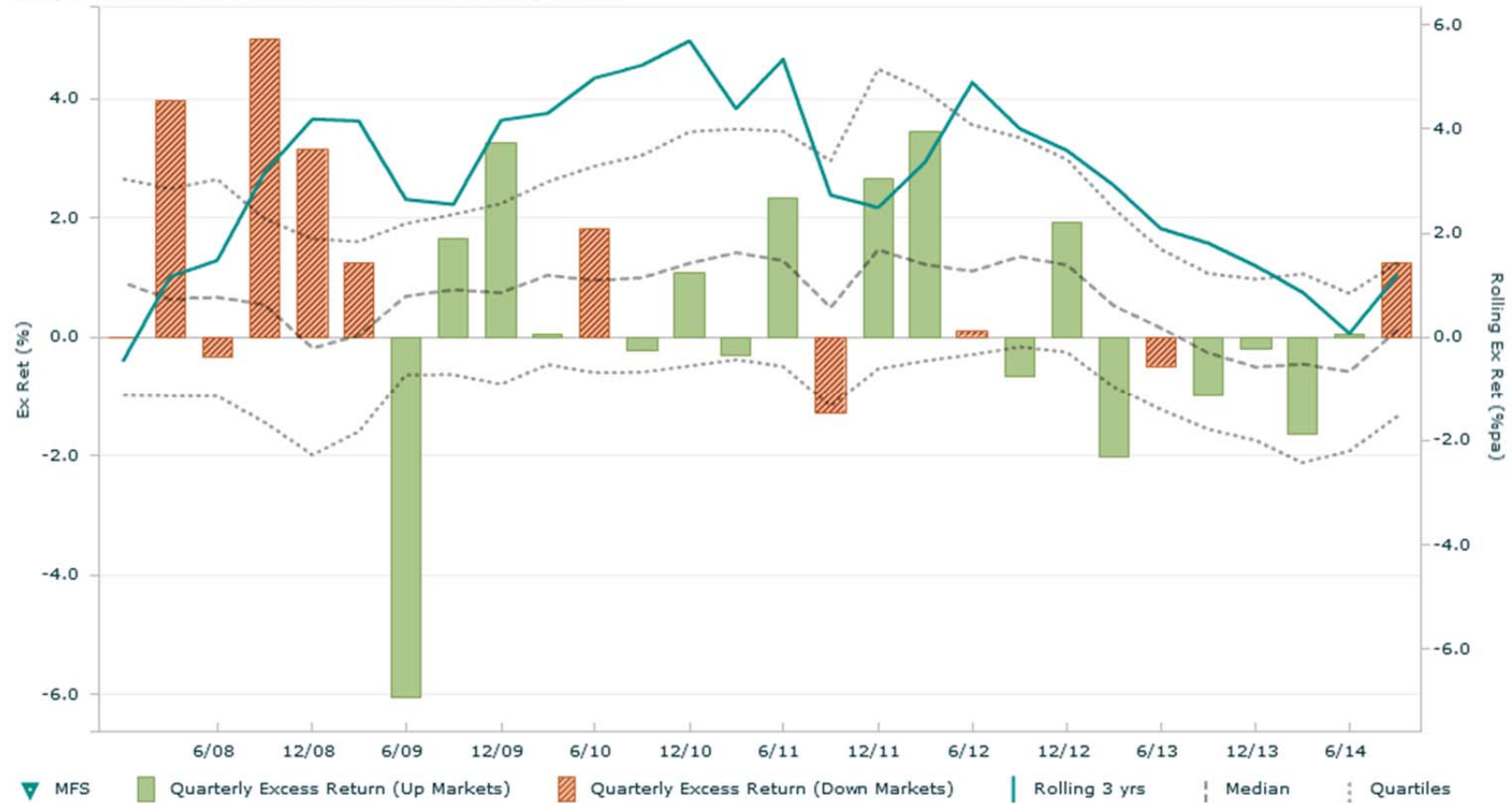
World ex US/EAFE Equity – Core Finalists

Quantitative Analysis

MFS

Quarterly Excess Return vs. MSCI EAFE NET WHT with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe



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World ex US/EAFE Equity – Core Finalists

Profile – Hartford International Opportunities HLS Fund

Firm Background and History: Hartford Investment Management Company (HIMCO) is an independent investment subsidiary of The Hartford Financial Services Group, Inc. (The Hartford). Originally an investment division of The Hartford, HIMCO was spun out in 1981 but only entered the institutional market in 1998. Approximately three-fourths of HIMCO's assets are the in-house general account assets of The Hartford.

Key Decision Makers: Nicolas Choumenkovitch (joined firm/industry in 1995/1987) manages the strategy and makes all the final buy and sell decisions. He is supported in his portfolio management duties by Tara Connolly Stilwell (2008/1994). The team includes three dedicated analysts, who are assigned by sector: Ruth Nagle (2006/1989) - financials; Anastasia Canty (2006/1997) - consumer discretionary, construction, infrastructure and utilities; Yaroslav Pan (2005/2004) - semiconductors, industrials, transportation. Choumenkovitch covers energy, materials, autos and services. Stilwell researches telecoms, health care, consumer staples and technology. The team draws on the resources of Wellington's global industry analysts, macroanalysts, fixed income credit analysts, quantitative analysts and various firm-wide investment teams.

Investment Style/Philosophy: The team applies a bottom-up, fundamental process to find companies with unique assets where opportunities to improve returns are misunderstood by the market place. Stock selection emphasizes cash flows and return on invested capital; it is often and most efficiently expressed through pure play companies, which exhibit high exposure to a specific investment insight. The approach is opportunistic, embracing ideas across the style spectrum; the strategy does not have a consistent style bias and holdings typically include growth and value ideas; hence, the strategy is most appropriately classified a core approach.

Investment Process: The team's universe of securities includes mid to large cap securities in the developed and emerging market economies with a minimum market capitalization of \$1 billion. Stocks with a market capitalization between \$10 billion and \$35 billion constitute prime hunting ground. The team sources ideas from various places. In addition, Choumenkovitch - with support from Wellington's quantitative team - built

and utilizes a rudimentary quantitative screen that identifies companies exhibiting characteristics that are of interest. The screens include cash flow statistics such as enterprise-value-to-free-cash-flows and other metrics.

The team looks for improving returns, e.g., accelerating earnings growth or positive earnings surprises, and seeks to identify drivers of future earnings and cash flows not yet priced into the market. The goal is to identify companies with hidden, underappreciated and/or under-managed assets, both tangible and intangible, where management has a clear plan to improve the shareholder returns on these assets or where the team expects the company to benefit from a cyclical tailwind.

The team conducts replacement value calculations for holdings in the portfolio. Its analysis includes discounted cash flow calculations (DCF) on companies held in the portfolio, which allows the team to arrive at a price target. The DCF includes a detailed three year forecast, a broader forecast from years three to six, with a fade value for longer term history. This allows the team to identify a stock's discount to current market prices. The team does not set a specific price upside; the amount of discount required depends on the industry, market, etc.

The resulting portfolio is generally a combination of stocks with either improving or sustainable returns. The team evaluates the trade-off between a stock's price to its return and strives for better-than-market trade-off. Stocks are sold when an idea has reached maturation, when the investment thesis changes or to fund other ideas.

The portfolio typically holds 70 to 110 stocks. The active weight of a stock depends on its favourable upside/downside potential and on the manager's conviction about the likelihood of achieving the upside. Position sizes are generally 0.5% to 3.0% with a maximum single stock weight of 5%. Region, country, and sector weights are +/-10% of benchmark weights. Emerging markets exposure can run up as high as +10% relative to the benchmark weight. Annual turnover is expected to be about 100%, but varies with market developments. Cash is typically under 5%. The strategy may hedge currencies, but rarely does.

World ex US/EAFE Equity – Core Finalists

Evaluation Summary – Hartford International Opportunities HLS Fund

Factor	Rating (-, =, + or ++)	Comments
Idea Generation	+	The strength of this product lies in portfolio manager Nicolas Choumenkovitch's global investment expertise, including notable experience with emerging markets. The investment philosophy and process are sound in their focus on sustainable and/or improving companies that exhibit a strong return on capital that is not recognized by the market. The approach is slightly differentiated in that the team is willing to consider both established and up-and-coming companies that are improving their returns on capital in a variety of sectors. The supporting team, most notably Connolly Stilwell, are experienced beyond their years with the team. The team brings a good amount of breadth to the research coverage and the Wellington global sector analysts provide additional depth, thus constituting a competitive edge.
Portfolio Construction	+	We are satisfied that portfolio holdings reflect the philosophy of the team: stock weights are calibrated in relation to their perceived return potential, subject to portfolio construction constraints within region, country, sector and stock ranges relative to the benchmark. Portfolio risk management appears adequate.
Implementation	+	We have no concerns about capacity at this time since assets in the strategy are well below capacity. We note that this strategy is one of many in Wellington's large arsenal of global/international equity strategies and that all products share the same trading desk. That said, we find this strategy reasonably differentiated from most other Wellington products we've seen, which suggests that idea-driven trading may be low. We believe that the team can implement the strategy effectively.
Business Management	+	Hartford Funds are sub-advised by Wellington Management. Wellington is one of the largest privately owned investment management firms in the industry, managed by over 100 partners. We believe the firm is well managed and has a partnership structure that supports the larger organization and helps retain top tier investment talent. However, Wellington's considerable growth could present challenges if not managed appropriately, making it more difficult for the firm to stay focused on client service and high performance standards. While we believe the firm is well equipped to handle it, we need to remain confident the growth does not stifle its unique culture, placing the firm at risk of key investment professional turnover.
Overall Rating (A, B+, B or C) B+		Portfolio manager Nicolas Choumenkovitch brings a broad, globally focused, investment experience to this bottom-up, fundamental equity strategy. His investment philosophy and process are sound. His team is adequately staffed, most with long experience that extends beyond their time on the team. The team members share the common philosophy of searching for companies delivering high or improving return on invested capital. The philosophy and process of the strategies give the team a wide opportunity set and flexibility to find investment ideas across the core/value/growth spectrum. Wellington's global research analyst platform provides a competitive edge. The strategy continues to receive strong support from the Wellington organization.
Additional Observations		Over the long term, the portfolio should be close to neutral relative to the benchmark in terms of country allocation, industry and capitalization range. The approach performs best in broadly-trending markets, but suffers at market extremes such as a flight-to-quality or strong momentum markets. It will also underperform when mega cap stocks are leading the markets.

World ex US/EAFE Equity – Core Finalists

Profile – MFS Institutional International Equity Fund

Firm Background and History: MFS Investment Management (MFS) was originally founded in 1924, and became a wholly-owned subsidiary of Sun Life Financial of Canada (Sun Life) in 1982. In 1996, MFS initiated a program that offers senior management and investment professionals the opportunity to participate in non-voting equity ownership of the firm. In 2011, Sun Life announced the transfer of another of its investment subsidiaries, Canadian-based McLean Budden, to MFS. This merger was finalized in November 2013. The firm is headquartered in Boston, and also has investment management offices in London, Tokyo, Singapore, Sydney, Hong Kong, Sao Paulo, Mexico City and Toronto.

Key Decision Makers: Marcus Smith (joined firm/industry 1994/1990) and Daniel Ling (2006/1999) are the co-portfolio managers of the international equity strategies. A long-time MFS professional, Smith has worked in various MFS offices and has held senior roles in the research team along with his portfolio management duties. Smith was introduced as co-portfolio manager 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 team, and Ling was assigned as co-portfolio manager. Previously a senior analyst in MFS' research platform, Ling was promoted to the role of co-portfolio manager of International Equity in 2009 and of International Concentrated in 2010. The team receives research support from global and US equity core portfolio managers as well as MFS' global equity analyst team, which includes over 50 investment professionals.

Investment Style/Philosophy: MFS' philosophy focuses on bottom-up, fundamental analysis to find stocks with above-average growth prospects trading at reasonable valuations. The firm uses quantitative screening tools to supplement traditional research but stresses internal fundamental research as its primary strength. The strategy is benchmark aware, typically has a quality bias, and is best classified as a core strategy, although it may tend to have a slight growth tilt.

Investment Process: The initial universe consists of securities that have a minimum daily trade volume of \$20 million, which typically leads to companies with at least \$4 billion market capitalization.

MFS has three main sources to generate investment ideas: the analyst platform, the analysts' own portfolios and screens. Portfolio managers review the fundamental research provided by MFS' global equity analysts. The objective is to find companies with sustainable above-average earnings growth, that are trading at a discount to expected earnings, who benefit from positive industry fundamentals, are of high quality as shown on the balance sheet and cash flow statements, are leaders in their respective industry, and have sufficient trade liquidity. For each stock, analysis is provided at an industry, company, and management level. MFS strives to identify growth rates, barriers to entry in the industry, competitive advantages, market share, pricing power, cost control, capital allocation, and corporate culture. A clear understanding of the business risks is a key part of the assessment, focusing on changes in demand, changes in supply and loss of competitive edge. A "quality growth" orientation favors companies in the top three of market share. MFS typically likes stocks that have a high return on invested capital, low capital expenditures, free cash flows greater than net income, and growth levels that are conservatively stated by management.

Next stage is to assess the market valuation to see if it reflects future growth returns and adequately incorporates the risks. Every stock is then assigned an earnings forecast, a price target, and a buy/hold/sell recommendation.

MFS establishes a sell price target for each stock at the time of purchase. The firm sells a stock when it reaches full valuation, when there is deterioration in fundamentals, or if better alternatives exist.

MFS allows the flexibility to hedge currency exposure for defensive purposes, but this liberty is rarely taken. When applied, the currency hedging decision is taken by MFS' risk management committee rather than at the individual product level.

The International Equity strategy includes 65 to 85 securities. Turnover ranges between 30% and 50%. Individual securities represent a maximum weight of 5% of the total portfolio at cost. Sector and country exposures are a residual of security selection. The strategy can hold up to 15% in emerging markets. The strategy has a maximum cash allocation of 10%, but it is generally fully invested.

World ex US/EAFE Equity – Core Finalists

Evaluation Summary – MFS Institutional International Equity Fund

Factor	Rating (-, =, + or ++)	Comments
Idea Generation	++	We have confidence in senior co-portfolio manager Marcus Smith and co-portfolio manager Daniel Ling, who are experienced, knowledgeable about a wealth of companies and their managements and apply a disciplined and repeatable earnings- and quality-oriented process. We observe good synergy between Smith and Ling; both work together on all aspects of managing the portfolio. They are part of the broader core portfolio management team, which includes MFS veteran Dave Mannheim and Roger Morley who contribute to healthy debates on potential and current holdings. We continue to believe the team shows market pragmatism, allowing it to identify not simply good companies, but also good stocks. It is well-supported by MFS' broad and experienced analyst platform and the firm's collaborative culture ensures the team is focused on delivering client performance.
Portfolio Construction	+	The portfolio generally reflects the stated philosophy of the team, which emphasizes quality, and its conviction in individual holdings. The strategy's bottom-up approach, emphasizing the most attractive companies, may lead to country over/underweights relative to the benchmark.
Implementation	=	MFS monitors potential capacity constraints and has historically closed strategies ahead of capacity limits. That said, there is a large overlap in names between the global and international core equity strategies and, while some products are closed or soft closed, others are not. Due to the high usage of research across global style products and asset classes throughout the firm, there is potential for notable overlap between global and international products with other regional or style-oriented strategies. While we believe assets are currently at manageable levels, we are pleased that MFS announced it is no longer accepting flows to separate accounts. We would have greater concerns if MFS was not being proactive at managing capacity on these strategies.
Business Management	+	MFS is solely focused on asset management. Portfolio managers are closely aligned to the long-term performance of their funds through equity participation and a well thought-through remuneration structure. We are pleased that MFS has a well-defined vision for its future and a plan to address challenges as well as develop resources necessary to obtain its goals, while vigilantly maintaining its collaborative, performance focused, culture. The firm is majority-owned by Sun Life Financial of Canada (Sun Life), a diversified financial services organization; the balance of ownership (over 20%) is held by MFS employees. Sun Life appears to be a supportive parent, but given the transfer in recent years of Canadian-based investment subsidiary, McLean Budden, to MFS, we question the extent of Sun Life's involvement in MFS' business.

World ex US/EAFE Equity – Core Finalists

Overall Rating
(A, B+, B or C)
A

Our conviction in MFS' global and international core equity strategies is based on our high regard for the portfolio management team and its disciplined and consistent process. Although each portfolio manager (Mannheim, Morley, Smith, and Ling) is assigned to a specific strategy, all four contribute ideas that are used across the global and international strategies managed by the team. Our confidence in senior portfolio managers Mannheim and Smith is driven by their deep experience investing in diverse market environments, knowledge of upsides/downsides associated with different business models, and history with company managements. While we believe they are the driving force behind idea generation and portfolio construction, the more junior portfolio managers Morley and Ling provide good insight and input into potential holdings. We like the synergy between team members and the firm's collaborative culture which we maintain ensures that the focus of both portfolio managers and research analysts is on the strategy's investment performance. We remain mindful of the effect of rapid asset growth on capacity, particularly given the high degree of overlap in holdings among these products as well as other MFS strategies. From our meetings with senior management at MFS we believe capacity is being managed in a sensible way.

Additional Observations

The high-quality nature of the strategy typically provides good performance in down markets. However, the strategy typically underperforms in very strong, speculatively-driven bull markets. The strategy could exhibit a modest growth tilt and generally has exposure to emerging markets up to a maximum of 15%.

World ex US/EAFE Equity – Small Cap Finalists

Firm Background

Firm	Year firm founded	Office location(s) in United States	Type of firm	Ownership/Affiliation
Brandes	1974	Brookfield, WI San Diego, CA	Independent investment firm	Senior Professionals of the Firm 100%
DFA IntlSmCo	1981	Austin, TX Santa Monica, CA	Independent investment firm	Employees and Directors 70% Other 30%

World ex US/EAFE Equity – Small Cap Finalists

Fund Details

Firm	Strategy name	Strategy inception year	Mutual Fund Ticker	Net Expense Ratio ¹	On GreatWest Platform	Revenue Sharing	Net Expense Ratio less Revenue Sharing
Brandes	Brandes International Small Cap Equity Fund I ²	1995	BISMX	1.15%	Yes	0.15%	1.00%
DFA IntlSmCo	DFA International Small Company Portfolio Inst	1995	DFISX	0.54%	Yes	0.00%	0.54%

¹ Some expense ratios may currently have an expense cap or fee waiver that can be changed by the manager at any time.

² Due to the shorter track record of the proposed mutual fund vehicle, the performance data for this fund reflects that of the composite (net of the 1.15% expense ratio).

World ex US/EAFE Equity – Small Cap Finalists

Assets

Firm	Firm-wide assets (\$MM)	Firm-wide equity assets (\$MM)	Strategy Assets ending December 31				
			2013	2012	2011	2010	2009
Brandes	27,205	26,443	636	407	276	333	284
DFA IntlSmCo	337,781	263,469	8,493	6,518	5,466	5,751	4,190

World ex US/EAFE Equity – Small Cap Finalists

Selected Portfolio Guidelines

Firm	Minimum market cap (\$MM)	Maximum market cap (\$MM)	Number of stocks typically held	Average cash position over last 5 years (%)	Average portfolio turnover over last 5 years (%)	Use of currency hedging	Percent limit on hedging (%)	Maximum allocation to emerging markets (%)
Brandes	250	2,500	55-85	4	32	No Hedging	N/A	30
DFA IntlSmCo	50	None stated ¹	4100-4700	2	19	No Hedging	N/A	0

¹ The portfolio targets the bottom 12.5% of market cap in each of the approved non-US developed countries.

World ex US/EAFE Equity – Small Cap Finalists

Selected Portfolio Characteristics as of 12/31/13

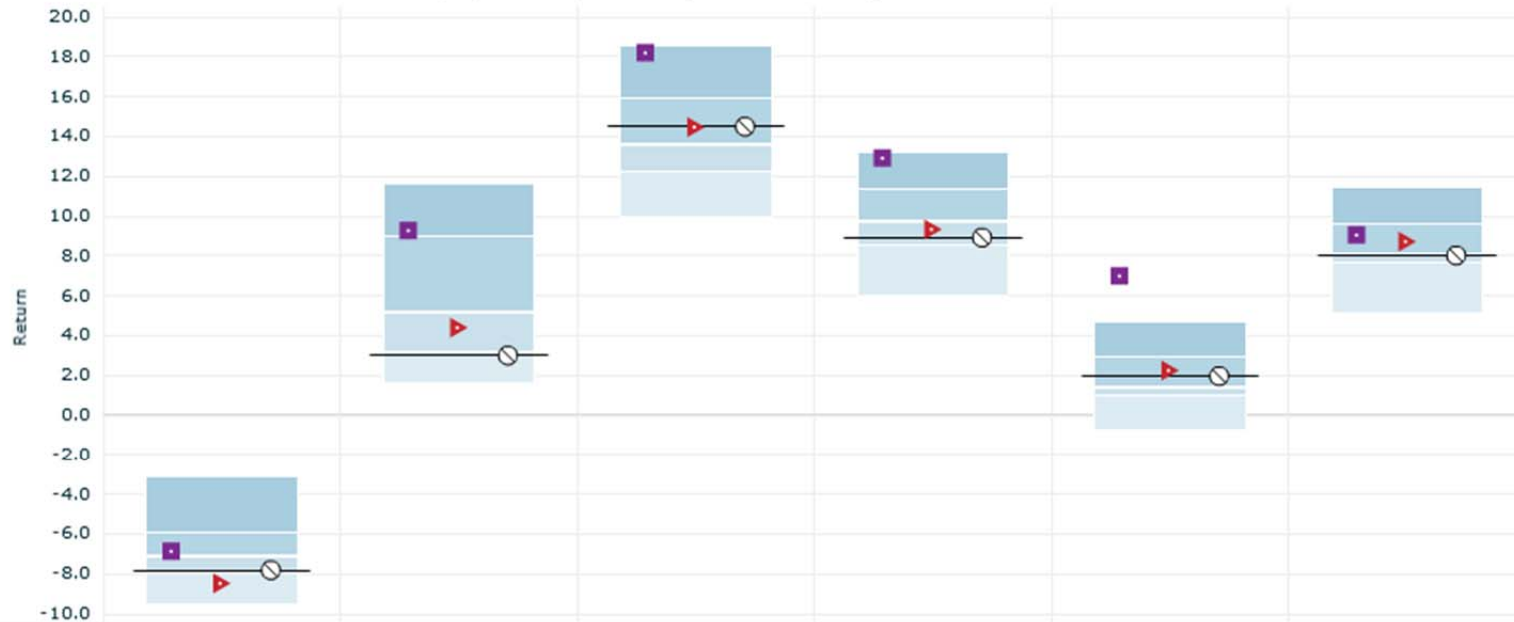
Firm	Market beta	Price to Earnings	Price to Book	Dividend yield (%)	Earnings growth	Return on equity	Debt / Equity	Market cap (\$MM)
Brandes	0.94	12.7	0.8	2.03	11.0	5.0	0.46	1,264
DFA IntlSmCo	1.04	15.8	1.4	2.23	15.0	10.6	0.77	2,172
MSEAFESCN	1.00	17.3	1.5	2.20	15.9	10.7	0.78	2,289

World ex US/EAFE Equity – Small Cap Finalists

Quantitative Analysis

Return in \$US (after fees) over 3 mths, 1 yr, 3 yrs, 5 yrs, 7 yrs, 10 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity Small Cap universe (Percentile Ranking)



	3 mths (%)	1 yr (%)	3 yrs (%pa)	5 yrs (%pa)	7 yrs (%pa)	10 yrs (%pa)
■ Brandes	-6.9 (36)	9.3(23)	18.2(18)	12.9 (6)	7.0(0)	9.1(29)
▶ DFA IntlSmCo	-8.5 (81)	4.4(59)	14.5(39)	9.3 (55)	2.3(28)	8.7(31)
○ MSEAFESCN	-7.8 (69)	3.0(83)	14.5(39)	8.9 (63)	2.0(29)	8.0(56)
5th Percentile	-3.1	11.6	18.6	13.2	4.7	11.5
Upper Quartile	-5.9	9.0	15.9	11.3	2.9	9.6
Median	-7.1	5.2	13.6	9.7	1.4	8.1
Lower Quartile	-8.0	3.2	12.3	8.5	1.0	7.7
95th Percentile	-9.5	1.7	9.9	6.0	-0.8	5.2
Number	23	21	18	13	11	7

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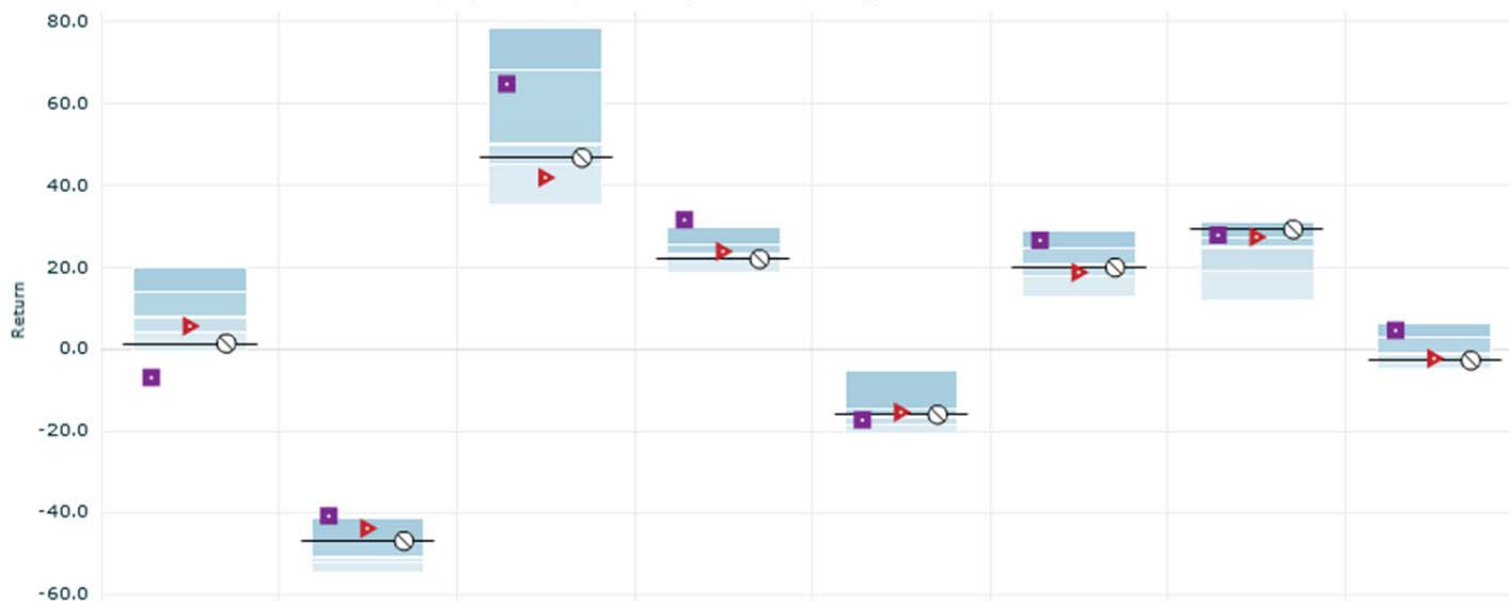


World ex US/EAFE Equity – Small Cap Finalists

Quantitative Analysis

Return in \$US (after fees) over last 8 calendar years ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity Small Cap universe (Percentile Ranking)



	2007 (%)	2008 (%)	2009 (%)	2010 (%)	2011 (%)	2012 (%)	2013 (%)	9 mths to 9/2014 (%)
■ Brandes	-6.9 (100)	-40.9 (4)	64.8 (38)	31.7 (3)	-17.2 (61)	26.7 (19)	27.9 (23)	4.6 (9)
▶ DFA IntlSmCo	5.7 (59)	-43.9 (9)	42.0 (82)	23.9 (43)	-15.3 (37)	18.9 (71)	27.4 (25)	-2.2 (60)
○ MSEAFESCN	1.4 (92)	-47.0 (26)	46.8 (65)	22.0 (78)	-15.9 (42)	20.0 (60)	29.3 (17)	-2.7 (76)
5th Percentile	20.1	-41.4	78.4	30.0	-4.9	29.0	31.0	6.4
Upper Quartile	13.9	-46.8	68.3	25.6	-14.6	25.0	27.4	3.0
Median	8.0	-51.2	50.3	23.5	-16.3	20.8	25.0	-0.8
Lower Quartile	4.3	-52.1	45.4	22.4	-18.3	17.9	19.3	-2.7
95th Percentile	-0.4	-54.5	35.2	18.9	-20.5	13.0	12.0	-4.6
Number	10	11	13	13	15	18	21	22

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World ex US/EAFE Equity – Small Cap Finalists

Quantitative Analysis

Performance characteristics vs. MSCI EAFE Small Cap NET WHT in \$US (after fees) over 7 yrs ending September-14 (quarterly calculations)

Comparison with the Mutual Fund World ex US/EAFE Equity Small Cap universe (Percentile Ranking)



	Ret (%pa)	Std Dev (%pa)	Ret/SD	TE (%pa)	IR
■ Brandes	7.0(0)	28.7(1)	0.2(0)	8.3(12)	0.6(0)
▶ DFA IntlSmCo	2.3(28)	25.2(87)	0.1(27)	2.3(91)	0.1(24)
5th Percentile	4.7	28.4	0.2	9.0	0.5
Upper Quartile	2.9	27.8	0.1	7.2	0.1
Median	1.4	26.5	0.1	6.2	-0.1
Lower Quartile	1.0	25.5	0.0	4.2	-0.3
95th Percentile	-0.8	24.5	0.0	2.2	-0.5
Number	11	11	11	11	11

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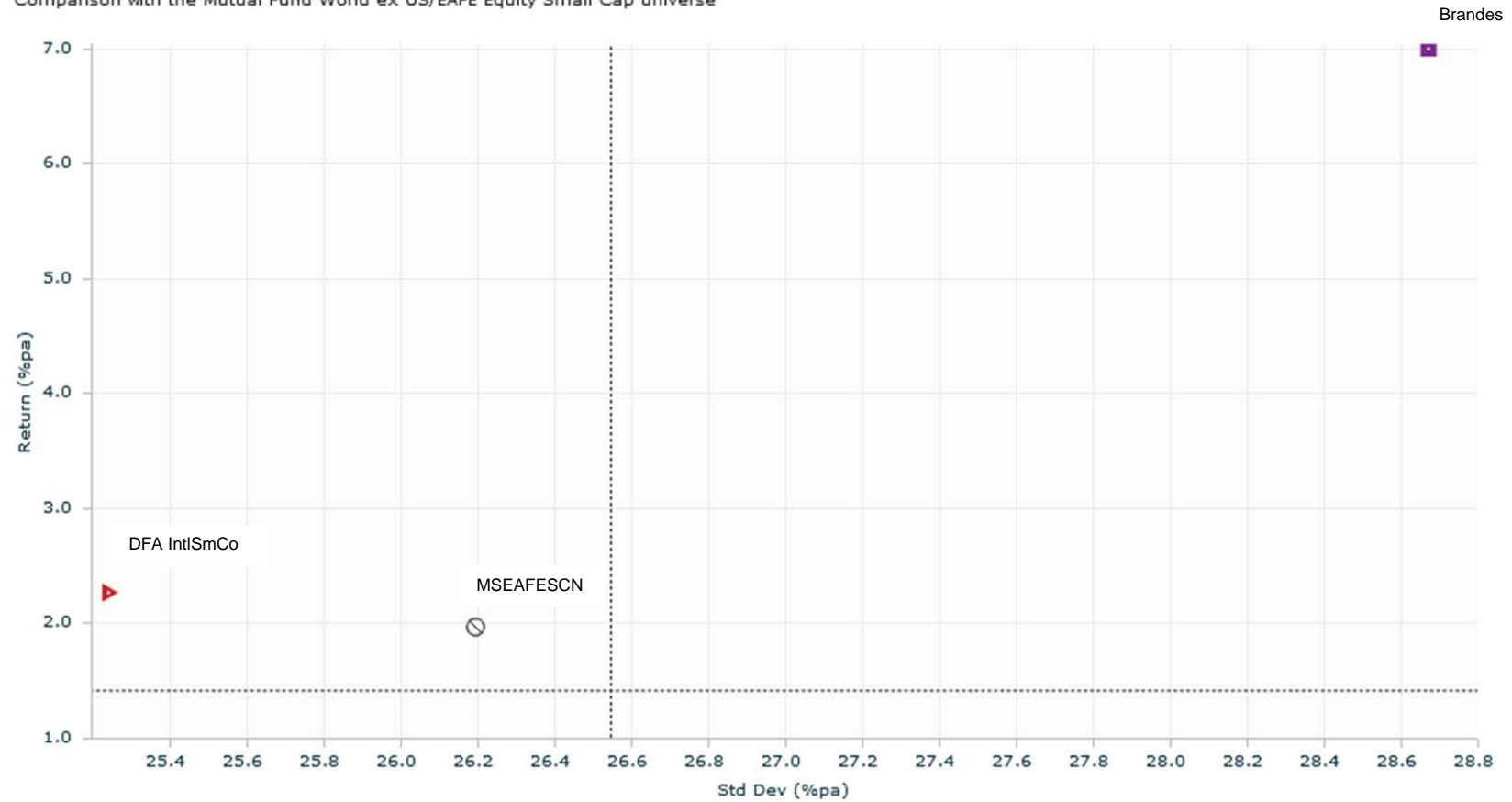


World ex US/EAFE Equity – Small Cap Finalists

Quantitative Analysis

Return and Std Deviation in \$US (after fees) over 7 yrs ending September-14 (quarterly calculations)

Comparison with the Mutual Fund World ex US/EAFE Equity Small Cap universe



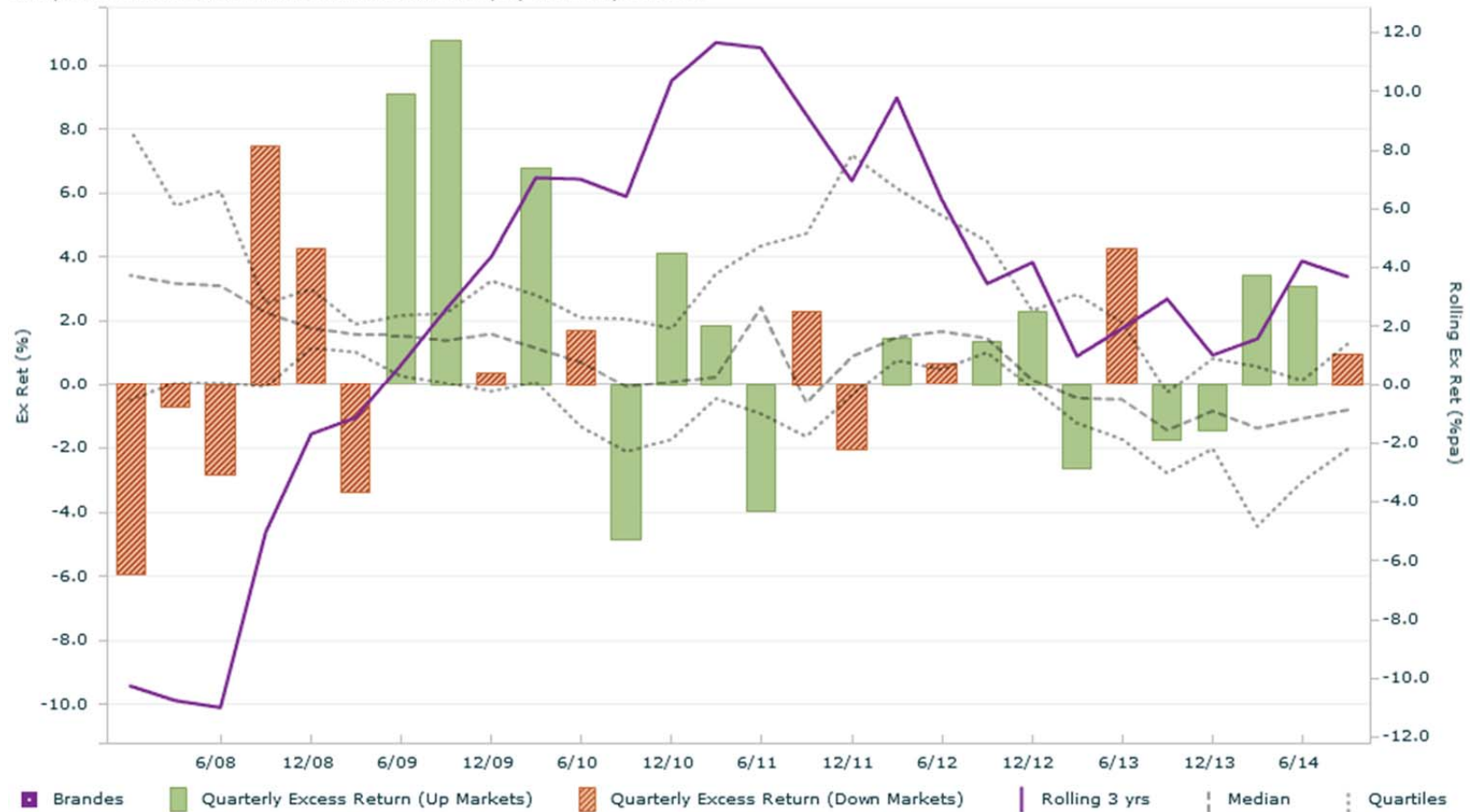
World ex US/EAFE Equity – Small Cap Finalists

Quantitative Analysis

Brades

Quarterly Excess Return vs. MSCI EAFE Small Cap NET WHT with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity Small Cap universe



World ex US/EAFE Equity – Small Cap Finalists

Quantitative Analysis

DFA IntlSmCo

Quarterly Excess Return vs. MSCI EAFE Small Cap NET WHT with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity Small Cap universe



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World ex US/EAFE Equity – Small Cap Finalists

Profile – Brandes International Small Cap Equity Fund

Firm Background and History: Brandes Investment Partners (Brandes), an independent investment advisor, was formed in 1974. In May 1996, the firm changed from a corporation to a limited partnership structure. The firm is wholly-owned by its employees, with a controlling stake held by senior professionals. Other active employees participate in a phantom equity program which allows them to participate in the economic benefits of the firm. Brandes is headquartered in San Diego, and it has a fixed income investment management team in Milwaukee.

Key Decision Makers: Brandes operates in a team fashion. Each strategy is governed by an Investment Committee (IC) comprised of senior research analysts. The Large Cap Investment Committee is responsible for choosing stocks for the European strategy. Each IC makes decisions by consensus, supported by research and analysis from Brandes' large global industry research teams. There is some overlap in personnel across ICs and each IC reports to a six-person Investment Oversight Committee, led by Charles Brandes, to ensure all products remain aligned. Brent Woods is the firm's Chief Investment Officer, and Glenn Carlson is its CEO.

Investment Style/Philosophy: Brandes believes that it can estimate the long-term intrinsic business value through company specific fundamental research. The manager purchases the stocks of companies trading at significant discounts to their analysts' estimation of intrinsic value (called the "margin of safety") and holds these stocks until the discount gap narrows. In most cases, these unpopular stocks can be characterized as contrarian investments. Over a full market cycle (three to five years), the team expects to earn disproportionate returns to the level of risk it assumes.

Investment Process: The investment process is bottom-up in nature, focusing initially on companies with low price-to-cash flow and low price-to-earnings ratios, but analysts are free to pursue ideas from a variety of

sources. Analysts are organized by global sector, which allows team members to develop deep industry experience and a wide network of contacts. In conducting fundamental research, the analysts' sole objective is to provide an assessment of the intrinsic business value of the company, not to give a recommendation on or forecast of the stock price. Potential buy candidates typically generate sustainable profits, have demonstrable brand strength and a competitive advantage, possess challenging barriers to entry, and offer a differentiated product or service. Often these companies have struggled with temporary setbacks or disruptions that enable Brandes to buy at deeply discounted prices. All buys and sells are determined exclusively by the IC, and portfolio managers are responsible for investing portfolios within the guidelines set forth by the IC and complying with any client restrictions. The IC meets at least weekly to review buy and sell candidates. Themes and top-down views are not used in determining country or industry weightings, and all stock selection is purely bottom-up.

At the time of purchase, Brandes determines an intrinsic value for a stock. Analysts review these estimates regularly, and stocks are sold when the margin of safety is substantially eliminated. Brandes also sells stocks when the financial fundamentals deteriorate or to provide funds for a better idea. Turnover ranges from 20% to 40% annually.

Portfolios typically hold 65 to 85 stocks diversified across a broad range of industries. No more than 5% is allowed in an individual position. Country and industry weightings are a residual of the stock selection process, but are limited to the greater of 20% of the portfolio or 150% of the relative benchmark weighting. Brandes is comfortable with having no exposure to a country or sector. Emerging market exposure is limited to 20% of the portfolio. Brandes does not employ currency hedging or use options or futures in global equity portfolios.

World ex US/EAFE Equity – Small Cap Finalists

Evaluation Summary – Brandes International Small Cap Equity Fund

Factor	Rating (-, =, + or ++)	Comments
Idea Generation	++	Deep company research is one of Brandes' strengths. It originates from intense bottom-up, fundamental company analysis. The firm employs a large and knowledgeable team of industry experts in the Graham-Dodd school of value investing. Research is meticulous and incorporates the full spectrum of sources which we consider beneficial. Brandes focuses solely on intrinsic value, ignoring where the stock is trading, which keeps the team from tailoring its analysis to make an investment case and differentiates Brandes from many of its competitors. While we have confidence in Brandes' research capabilities, we question if at times, within the non-US space, smaller cap companies may fall in priority relative to the larger cap names in support of the firm's flagship large cap Global and International Equity strategies, which prevents us from assigning a higher rating.
Portfolio Construction	=	The combination of broad guidelines and a highly concentrated portfolio produces a strategy that contains a higher than average tracking error. That said, Brandes is aware of the bets it is taking. Brandes strikes an appropriate balance between bottom-up stock research driving portfolio positioning and using portfolio construction tools to manage potential bets and exposures.
Implementation	+	Brandes is mindful of capacity and has exhibited prudence in the past by closing this product at a reasonable asset level on a stand-alone basis. However, Brandes also has several large multi-cap strategies that can influence its liquidity in this space.
Business Management	++	Brandes is a true partnership where the investment professionals run the organization. It offers a number of different strategies based upon the same investment philosophy so there are minimal distractions for the investment team. The firm treats its employees well, as evidenced by a historically low turnover rate amongst its investment staff. Research analysts are compensated based upon the quality and volume of their ideas, not strictly performance, so Brandes provides an appropriate incentive structure to get the desired outcome. Although Brandes' assets have declined in recent years, morale remains high and we believe that the firm has managed the business well through the downturn.
Overall Rating (A, B+, B or C) B+ (T)		Brandes' strengths are its deep team of sector specialist researchers, its rigid adherence to the Graham and Dodd style of value investing, and its culture, which fully supports these attributes. It has a singular focus in buying companies below its determination of intrinsic value, without concern about perceptions of quality or the presence of catalysts. In these ways, Brandes differentiates itself from other value investors, though the strategy may be susceptible to the value trap. While we have considerable confidence in Brandes' research capabilities, we question if on the margin, smaller cap stocks may take a lower priority to meet the needs of the firm's flagship Global and International Equity strategy, which are predominately large cap products. Given the concentrated nature of the portfolio, the combination of the loose portfolio construction guidelines and the team's heavy reliance on bottom-up research could create a fair amount of volatility.

World ex US/EAFE Equity – Small Cap Finalists

Additional
Observations

With its longer-term investment horizon and concentrated portfolios, Brandes' performance can veer from the benchmark over brief periods, especially when one sector drives most of the market's returns. Given that the strategy may exhibit large deviations from the benchmark, investors should try not to focus on shorter-term performance metrics when assessing Brandes. This strategy best suitable for long-term investors who are willing to stomach a level of return volatility. However, the firm's patient approach, founded on mean reversion, has tended to work well over the long term.

World ex US/EAFE Equity – Small Cap Finalists

Profile – DFA International Small Company Portfolio

Firm Background and History: Dimensional Fund Advisors (DFA) is a private corporation founded in 1981 to provide investment services to institutional investors. Rex Sinquefeld, David Booth, directors, and officers together own the majority of DFA's outstanding stock and exercise control over operation of the firm. External shareholders own 25% of the business, and approximately 20% is held by firm staff through its Long Term Incentive Plan. The firm is headquartered in Austin, Texas and has offices in London, Sydney, Tokyo, Singapore and Santa Monica, California.

Key Decision Makers: David Booth is Chairman and co-CEO of DFA, Eduardo Repetto is co-CEO and CIO, and Gerard O'Reilly is Head of Research. Booth co-founded DFA along with Rex Sinquefeld. Sinquefeld retired in 2005. Repetto joined DFA in 2001 with a background in engineering. Both Booth and Repetto are located in Santa Monica.

DFA's investment strategies are managed at both the committee and individual level. The firm's Investment Policy Committee (IPC), chaired by Kenneth French, is the guardian of the philosophy and process, with a focus on the long term, recommending strategy enhancements as well as new products. The Investment Committee (IC) approves strategy implementations and maintains daily oversight of the firm's strategies. Additionally, local Investment Committees are used to oversee implementation at a local level.

Investment Style/Philosophy: DFA's investment philosophy is rooted in a set of core beliefs developed from academic research: markets are efficient, effectively pricing risk in different areas of the market over the long term through higher expected returns than the broader market. The most persistent risk premia are in small company and value stocks, and it is in these areas that DFA seeks to capture the higher expected returns. They will therefore reflect exposures to small cap and value styles.

Investment Process: DFA do not seek to differentiate themselves through superior stock selection, but aim to capture return premia for small cap assets and value stocks through a diversified portfolio. They apply a disciplined process to define the universe and pay close attention to maximising the efficiency of the trading function.

DFA makes extensive use of screens, first to identify the defined universe according to the risk exposures they seek to exploit and then to exclude companies that pollute the capture of the risk premia.

For the size risk premium, the starting point is not a conventional small cap equity index - DFA define their own size universe in the first stage of the process by screening developed markets for eligible companies. The globe is split into five regions; North America, Europe, UK, Japan and Pacific Rim. Within each region companies are ranked by market cap, and a break-point selected to determine those defined as small cap. The break-points are adapted to account for differences in the structure of individual markets. The target market cap range for the small cap strategy is typically the bottom 12.5% of each country or region, as defined by market capitalization. Companies valued at less than \$25 million (a minimum of \$100 million may be used in segregated accounts) are excluded.

DFA apply rules to exclude companies whose stock prices are expected to be driven primarily by extraneous factors. These rules eliminate investment funds and holding companies. DFA applies another series of exclusion rules to eliminate acquisition targets, companies in financial distress, suspended or de-listed shares, companies with inadequate (less than 10%) free floats and shares trading on exchanges which are perceived to be relatively inefficient in institutional terms.

After these exclusions, DFA is left with a "buy" list. DFA is very conscious of the cost of trading smaller companies, especially at the bottom-end of the universe. DFA seeks to control transaction costs by limiting turnover and trading patiently to capture the benefits of momentum. Trades in new positions, and stocks to be sold, are implemented gradually. Transactions are executed by regional teams using the techniques most relevant to their markets. Program and block trades are used where possible, but DFA also maintains relationships with local brokers where they are an important source of liquidity.

The portfolio is broadly diversified at the stock level; small cap strategies have over 2,000 positions (large cap strategies have approximately 500 positions). Market and sector exposure are residuals of the stock selection

World ex US/EAFE Equity – Small Cap Finalists

process, but the manager does apply high level guidelines to ensure that portfolios do not become overly skewed to sectors or markets which begin to account for an unusually large proportion of the universe of companies passing value tests. Within the controls, divergences from standard index weights can be pronounced. Cash is limited to less than 5% of the value of the portfolio. Currency exposure is not hedged.

DFA's sell discipline is designed to minimize transaction costs and reduce portfolio turnover. On a continuous basis, the firm reviews holdings and determines which no longer meet size and value requirements. Stocks are sold when on a market capitalization basis they are more than one full decile larger than the company with the largest capitalization that is eligible for inclusion in a particular regional portfolio.

World ex US/EAFE Equity – Small Cap Finalists

Evaluation Summary – DFA International Small Company Portfolio

Factor	Rating (-, =, + or ++)	Comments
Idea Generation	++	All DFA's strategies seek to exploit basic investment principles through the capture of small cap and/or value risk premia. These principles are academically supported, and the affiliation of top academic researchers within finance with DFA strengthens the credibility of the adoption of this approach. The additional rules based screening and diversification of the portfolios mitigates stock specific risk despite no fundamental research being undertaken. Unlike most active managers, DFA are agnostic when it comes to stock selection within those two areas. DFA invests in on-going academic research, a hallmark of the firm, to ensure that maximum value is extracted from the investment process. This is reflected in modest enhancements to the process over time, most recently the inclusion of a profitability factor. Such developments should marginally enhance the process.
Portfolio Construction	+	The portfolio construction aims to efficiently capture the value and/or small cap risk premia (depending on the strategy) beyond a purely passive approach. The definition of value is narrow, focusing only on price to book ratios, but the rationale for this is academically supported. The definition of small cap is generally smaller than most small cap indices, translating into active risk from size, even in a small cap context. Close attention is paid to minimising "leakage" in the capture of the targeted risk premia by adopting boundaries and exclusion rules, and diversifying away stock specific risks. This however does generate a very long "tail" of small, relatively illiquid positions owned.
Implementation	+	DFA's sensitivity to implicit and explicit trading costs has led them to develop strong trading skills and the technology required to access all viable trading channels. The lack of attention to stock selection creates flexibility at the implementation stage, and traders are given scope, within clearly defined boundaries, to choose the most efficient implementation option and use liquidity patterns to the advantage of DFA-managed funds. This is especially seen in areas such as small cap, where the firm accounts for a considerable proportion of trading volume and sensible use is made of "buffers" to control portfolio turnover. Despite this, DFA's asset base has grown quickly, and there is no clear recognition of capacity constraints. We accept that the unique approach to implementation alleviates some of these pressures, but our view remains that DFA could struggle if faced with a period of sustained outflows from these funds.
Business Management	+	though DFA has appeared to be a well-run firm, providing resources and infrastructure to support growth in its various businesses, there has been a changing of the guard with the firm's leadership. The firm has introduced a more structured approach to business management and promoted the next generation of leaders to key positions. Succession planning appears to have been well thought through, and the transition to the next generation of investors appears to be going smoothly at this point, but there may be a shift in focus, and continued vigilance is required. We would also like further comfort that the firm, which remains majority-owned by the two founders, have put sufficient thought into the long term future of the company.

World ex US/EAFE Equity – Small Cap Finalists

Overall Rating (A, B+, B or C) A	The beliefs underpinning DFA's approach are robust, and the investment process, while simplistic, is well designed and consistently applied. Trading skills are strong and DFA is committed to remaining at the forefront in this area. Our enthusiasm is tempered by concerns over DFA's willingness to grow capacity constrained product lines. However, overall we continue believe that the firm's range of small cap products (with varying degrees of value bias) are a cost effective means for clients with a long-term investment horizon to gain exposure to those premia.
Additional Observations	Portfolios will have a bias to smaller companies, even within the small cap universe. The bias to value will vary by strategy depending on the mandate. Portfolios are highly diversified by number of stocks. Tracking errors are generally low except in the explicitly "value" strategies. The strategies should not be expected to perform well in periods when growth stocks and momentum are driving the market, or when risk aversion is high.

Emerging Markets Equity Finalists

Firm Background

Firm	Year firm founded	Office location(s) in United States	Type of firm	Ownership/Affiliation
DFA EMAIICap	1981	Austin, TX Santa Monica, CA	Independent investment firm	Employees and Directors 70% Other 30%
HardingLoev	1989	Bridgewater, NJ	Joint Venture	Affiliated Managers Group (AMG) 60% Other 17% David Loevner 15% Simon Hallett 8%

Emerging Markets Equity Finalists

Fund Details

Firm	Strategy Name	Strategy Inception Year	Mutual Fund Ticker	Net Expense Ratio ¹	On GreatWest Platform	Revenue Sharing	Net Expense Ratio less Revenue Sharing
DFA EMAIICap	DFA Emerging Markets Core Equity Portfolio Inst	2005	DFCEX	0.63%	Yes	0.00%	0.63%
HardingLoev	Harding Loevner Instl Emerging Markets Portfolio I ²	1998	HLMEX	1.30%	Yes	0.15%	1.15%

¹ Expense ratios may currently have an expense cap or fee waiver that can be changed at any time by the manager.

² Due to the shorter track record of the proposed share class, the performance data for this fund reflects that of the Advisor share class (expense ratio: 1.46%).

Emerging Markets Equity Finalists

Assets

Firm	Firm-wide assets (\$MM)	Firm-wide equity assets (\$MM)	Strategy Assets ending December 31				
			2013	2012	2011	2010	2009
DFA EMAIICap	337,781	263,469	12,716	9,452	5,354	4,353	2,759
HardingLoev	36,302	36,266	6,182	3,859	3,225	4,101	2,716

Emerging Markets Equity Finalists

Selected Portfolio Guidelines

Firm	Minimum market cap (\$MM)	Number of stocks typically held	Average cash position over last 5 years (%)	Average portfolio turnover over last 5 years (%)	Use of currency hedging	Percent limit on hedging (%)
DFA EMAIICap	50	3000-4000	1	3	No Hedging	N/A
HardingLoev	200	50-80	2	33	No Hedging	N/A

Emerging Markets Equity Finalists

Selected Portfolio Characteristics as of 12/31/13

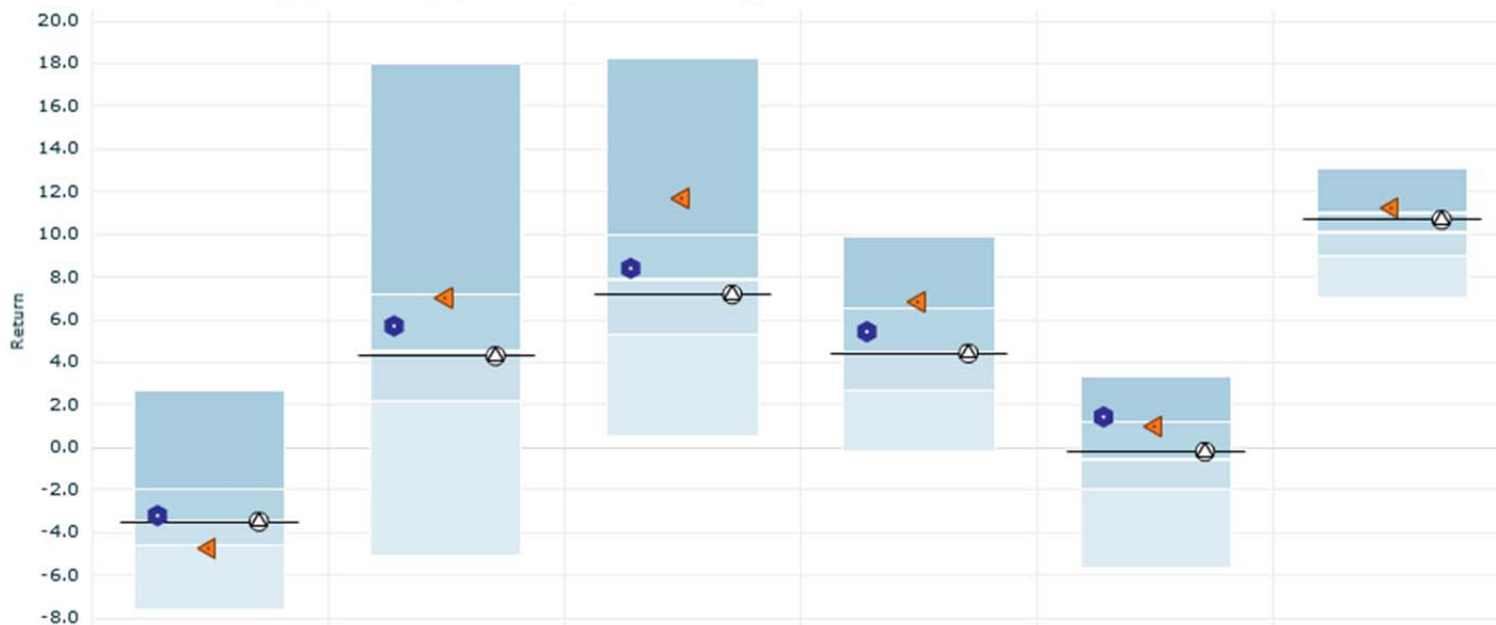
Firm	Market beta	Price to Earnings	Price to Book	Dividend yield (%)	Earnings growth	Return on equity	Debt / Equity	Market cap (\$MM)
DFA EMAllCap	1.05	12.3	1.4	2.29	Not Calculated	10.7	Not Calculated	27,309
HardingLoev	1.05	14.9	2.3	2.27	21.5	19.4	0.76	27,193
MSEMFN	1.00	11.4	1.6	2.61	15.2	17.6	0.97	34,780

Emerging Markets Equity Finalists

Quantitative Analysis

Return in \$US (after fees) over 3 mths, 1 yr, 3 yrs, 5 yrs, 7 yrs, 10 yrs ending September-14

Comparison with the Mutual Fund Emerging Markets Equity universe (Percentile Ranking)



	3 mths (%)	1 yr (%)	3 yrs (%pa)	5 yrs (%pa)	7 yrs (%pa)	10 yrs (%pa)
● DFA EMAllCap	-3.2 (41)	5.7 (40)	8.4 (43)	5.4 (35)	1.5 (20)	-
▲ HardingLoev	-4.8 (78)	7.0 (27)	11.7 (14)	6.8 (21)	1.0 (28)	11.2 (23)
△ MSEM FN	-3.5 (49)	4.3 (52)	7.2 (60)	4.4 (51)	-0.2 (41)	10.7 (33)
5th Percentile	2.7	18.0	18.2	9.9	3.4	13.1
Upper Quartile	-2.0	7.2	10.0	6.5	1.2	11.0
Median	-3.5	4.5	7.9	4.5	-0.6	10.1
Lower Quartile	-4.6	2.2	5.3	2.7	-1.9	9.0
95th Percentile	-7.6	-5.1	0.5	-0.2	-5.6	7.0
Number	290	253	184	130	94	62

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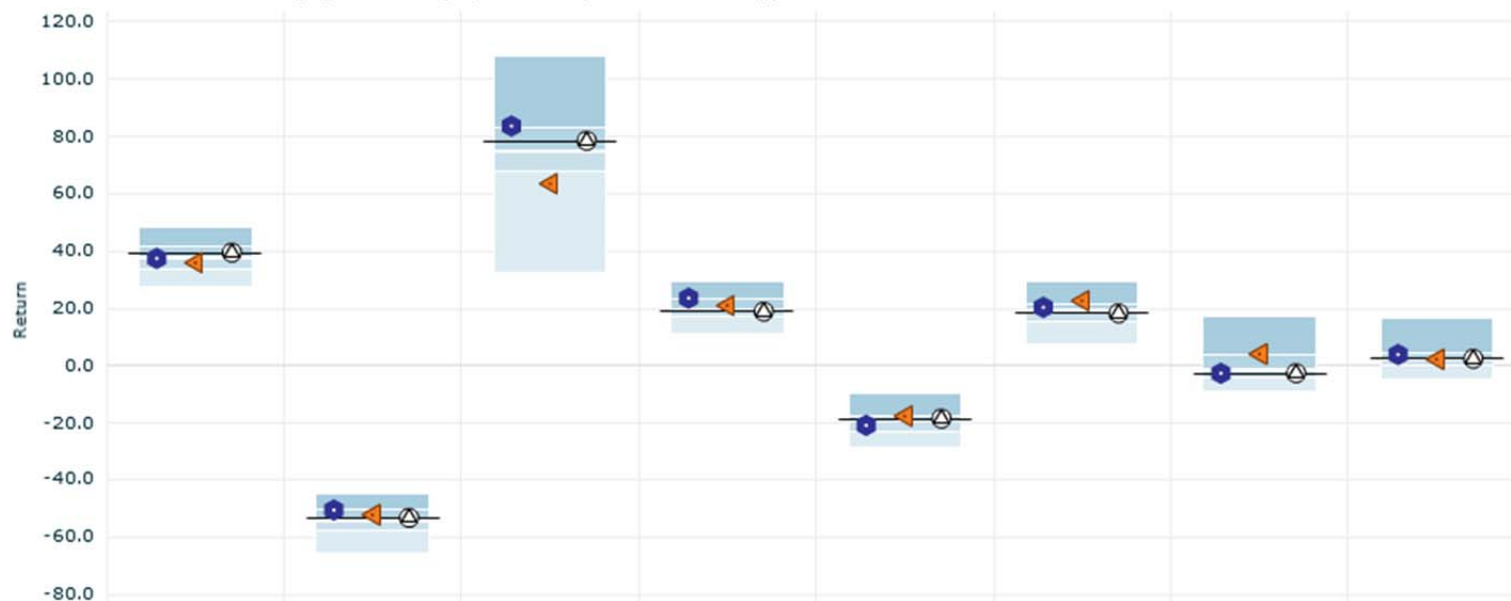


Emerging Markets Equity Finalists

Quantitative Analysis

Return in \$US (after fees) over last 8 calendar years ending September-14

Comparison with the Mutual Fund Emerging Markets Equity universe (Percentile Ranking)



	2007 (%)	2008 (%)	2009 (%)	2010 (%)	2011 (%)	2012 (%)	2013 (%)	9 mths to 9/2014 (%)
● DFA EMAllCap	37.5 (53)	-50.7 (28)	83.6(23)	23.6(21)	-20.6(58)	20.5(35)	-2.6 (61)	4.0(32)
▲ HardingLoev	35.9 (64)	-52.3 (41)	63.5(84)	21.0(40)	-17.5(28)	22.7(19)	4.2 (23)	2.3(50)
△ MSEMFN	39.4 (39)	-53.3 (47)	78.5(33)	18.9(51)	-18.4(38)	18.2(59)	-2.6 (61)	2.4(49)
5th Percentile	48.7	-44.8	107.9	29.4	-9.7	29.3	17.1	16.6
Upper Quartile	41.8	-50.4	83.3	23.3	-17.2	21.8	3.7	4.5
Median	38.0	-53.9	74.7	19.2	-19.3	19.4	-1.1	2.3
Lower Quartile	33.8	-57.7	68.1	17.2	-23.1	15.6	-4.1	0.0
95th Percentile	27.5	-65.5	32.7	11.3	-28.5	7.6	-9.2	-4.6
Number	79	99	125	133	159	195	232	271

The information contained within the exhibit was derived by Mercer using content supplied by Lipper, a Thomson Reuters Company.

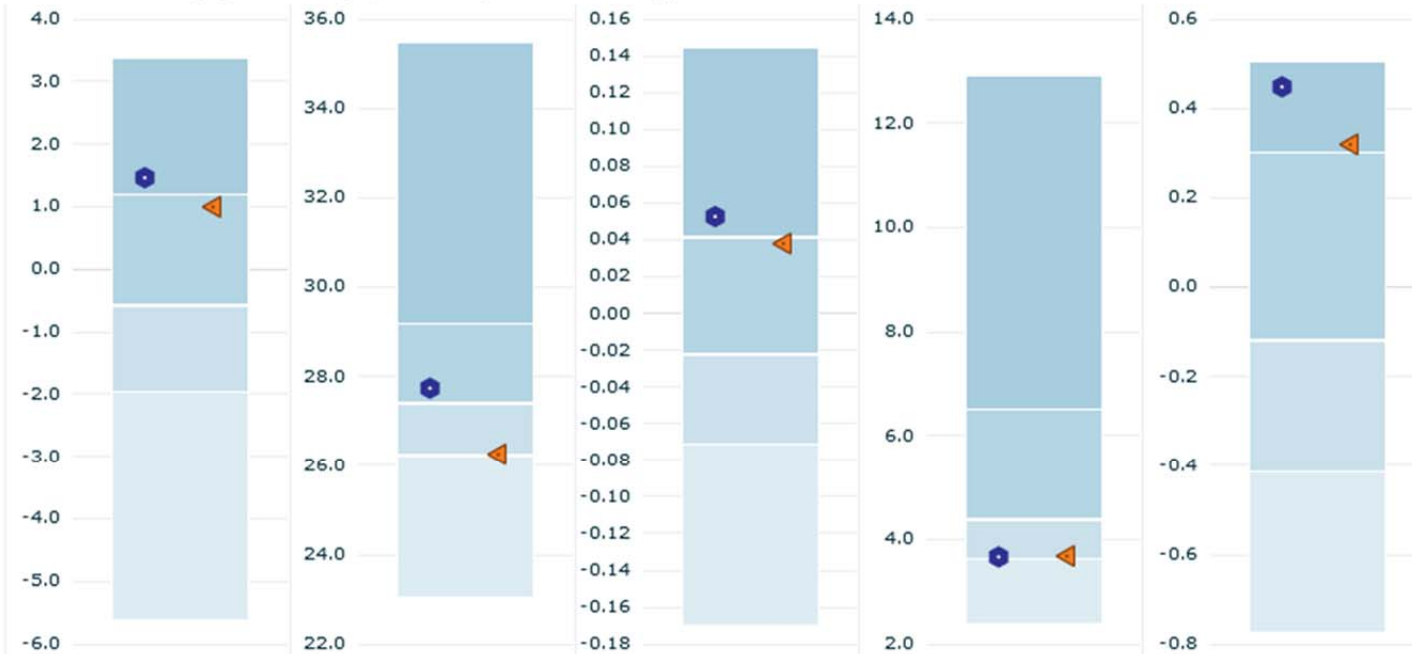


Emerging Markets Equity Finalists

Quantitative Analysis

Performance characteristics vs. MSCI EM Net in \$US (after fees) over 7 yrs ending September-14 (quarterly calculations)

Comparison with the Mutual Fund Emerging Markets Equity universe (Percentile Ranking)



	Ret (%pa)	Std Dev (%pa)	Ret/SD	TE (%pa)	IR
● DFA EMAllCap	1.5 (20)	27.7 (45)	0.1 (22)	3.7 (70)	0.4 (9)
▲ HardingLoev	1.0 (28)	26.3 (73)	0.0 (28)	3.7 (69)	0.3 (24)
5th Percentile	3.4	35.5	0.1	12.9	0.5
Upper Quartile	1.2	29.2	0.0	6.5	0.3
Median	-0.6	27.4	0.0	4.4	-0.1
Lower Quartile	-1.9	26.2	-0.1	3.6	-0.4
95th Percentile	-5.6	23.0	-0.2	2.4	-0.8
Number	94	94	94	94	94

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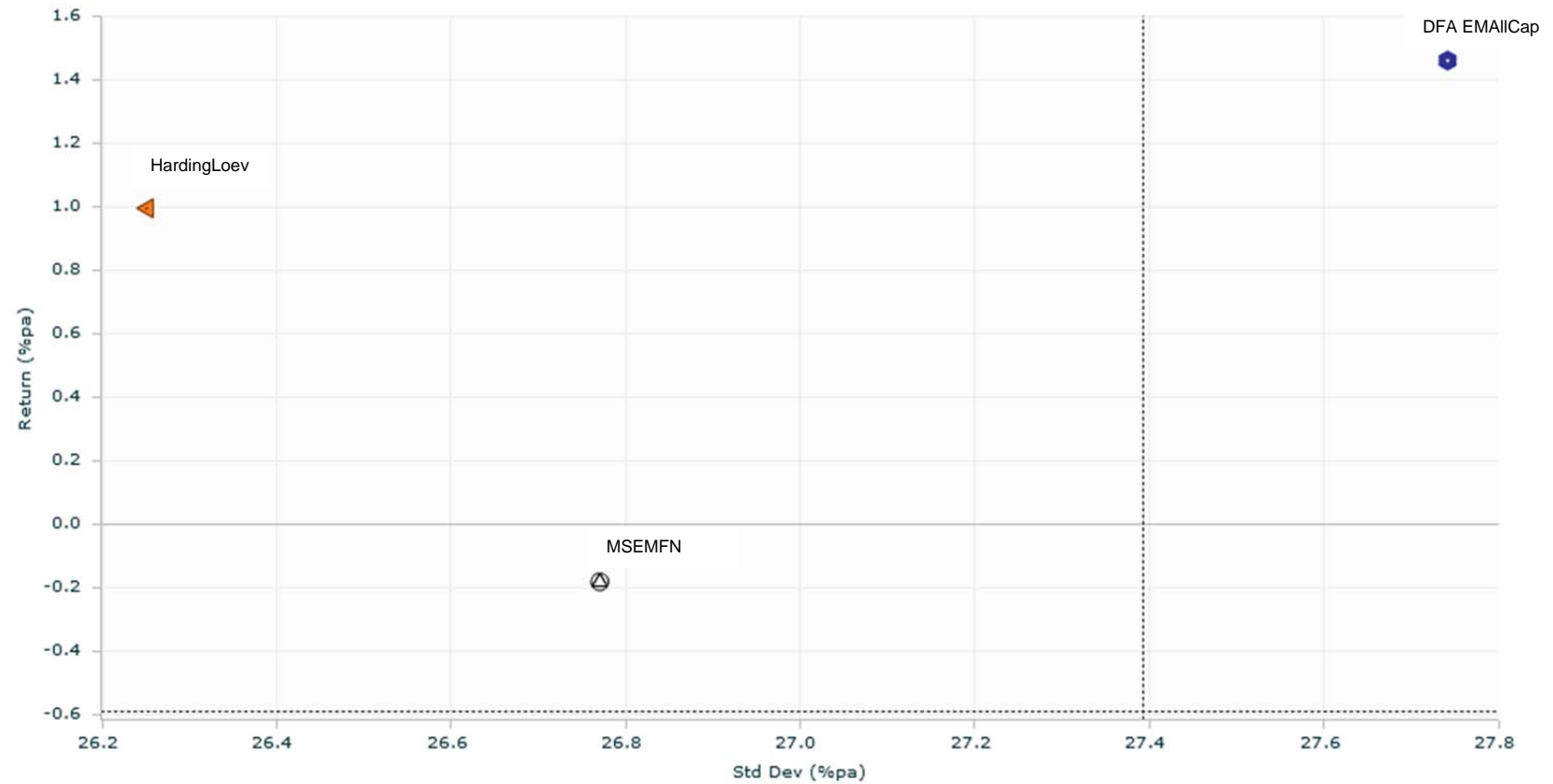


Emerging Markets Equity Finalists

Quantitative Analysis

Return and Std Deviation in \$US (after fees) over 7 yrs ending September-14 (quarterly calculations)

Comparison with the Mutual Fund Emerging Markets Equity universe



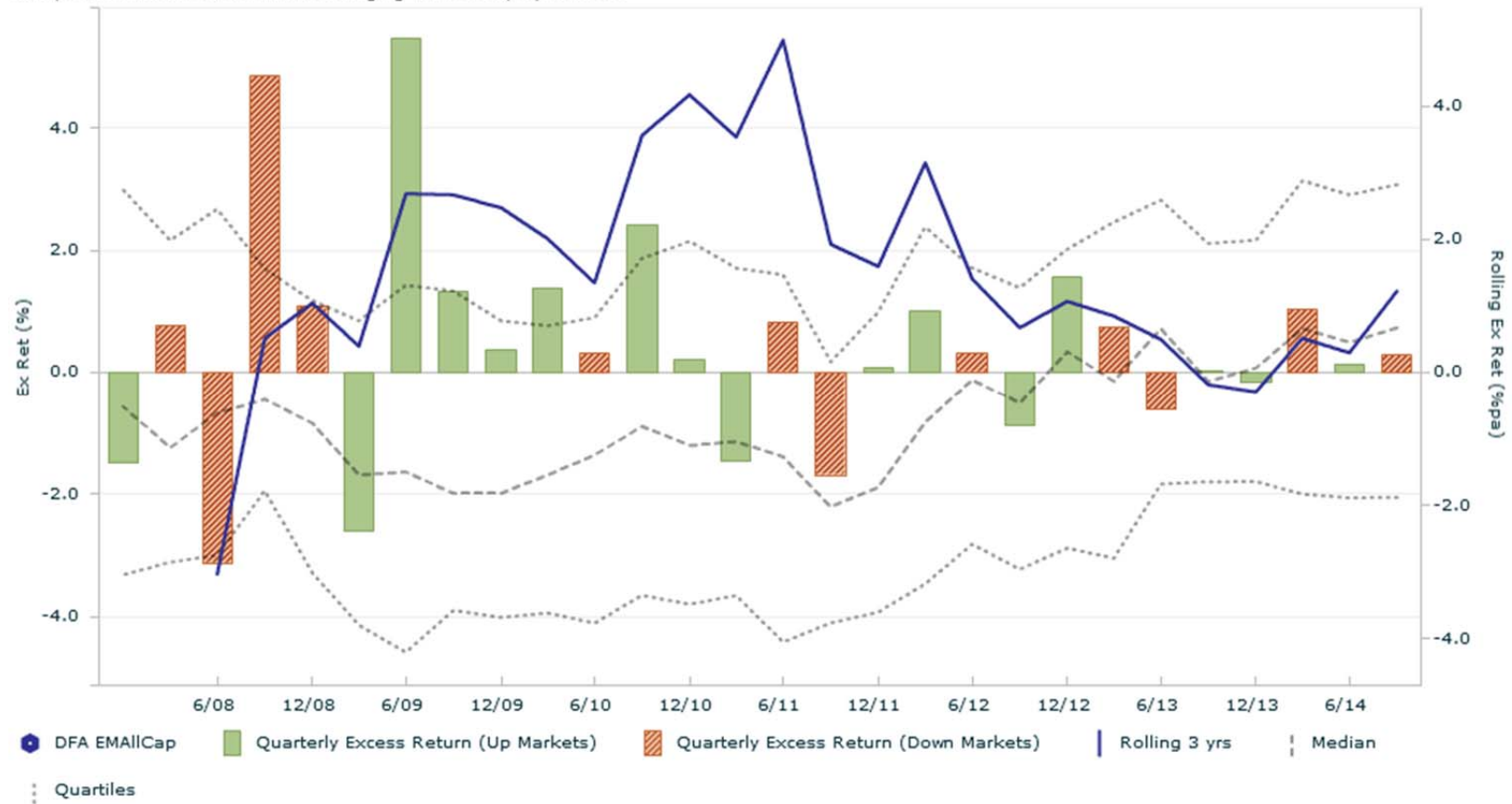
Emerging Markets Equity Finalists

Quantitative Analysis

DFA EMAllCap

Quarterly Excess Return vs. MSCI EM Net with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund Emerging Markets Equity universe



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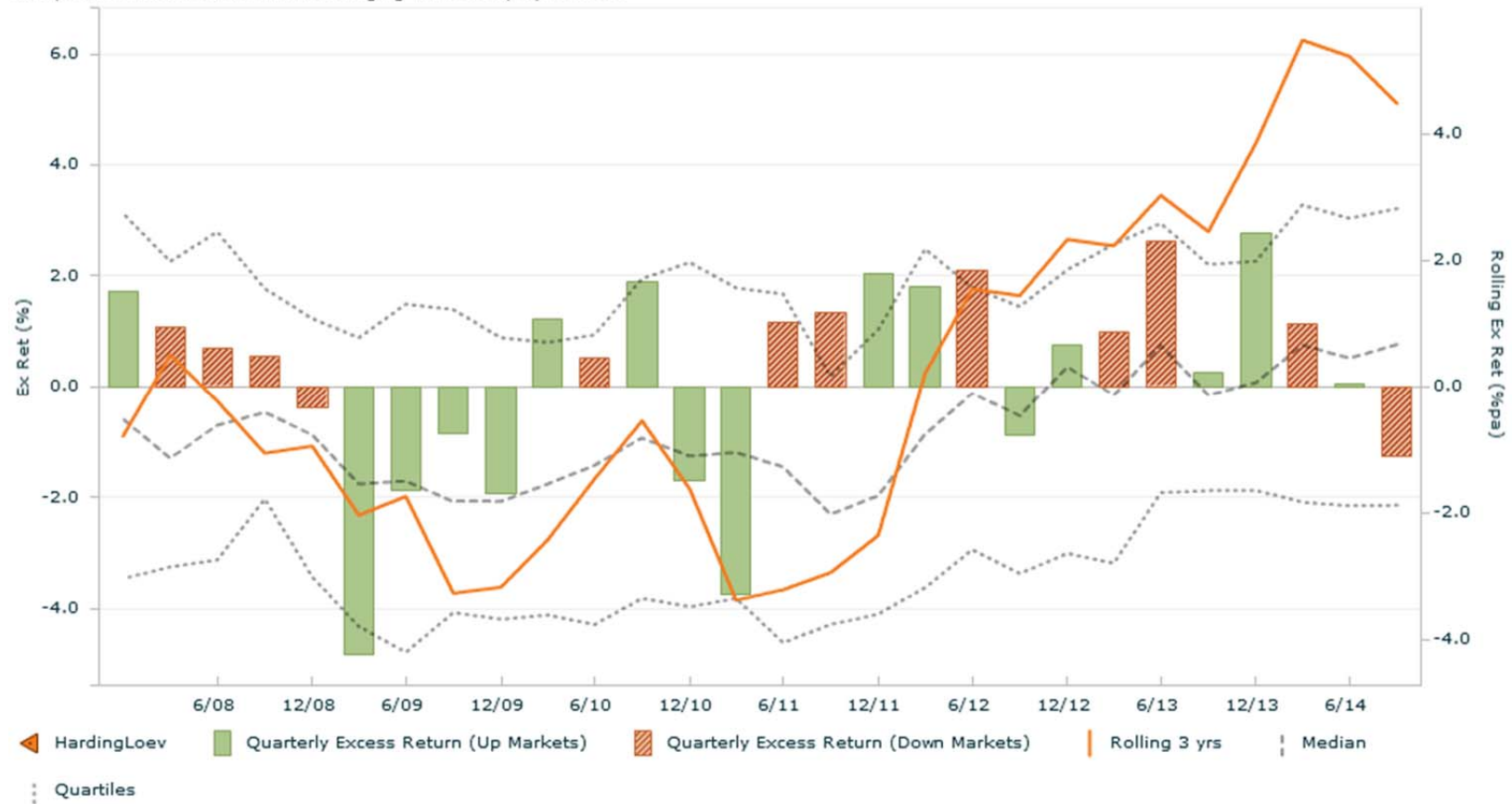
Emerging Markets Equity Finalists

Quantitative Analysis

HardingLoev

Quarterly Excess Return vs. MSCI EM Net with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund Emerging Markets Equity universe



The information contained within the exhibit was derived by Mercer using content supplied by Lipper, a Thomson Reuters Company.

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Emerging Markets Equity Finalists

Profile – DFA Emerging Markets Core Equity Portfolio

Firm Background and History: Dimensional Fund Advisors (DFA) is a private corporation founded in 1981 to provide investment services to institutional investors. Rex Sinquefeld, David Booth, directors, and officers together own the majority of DFA's outstanding stock and exercise control over operation of the firm. Sinquefeld and Booth own 50% of the firm, external shareholders own 30% and approximately 20% is held by firm staff through its Long Term Incentive Plan. The firm is headquartered in Austin, Texas and has offices focusing on both investment management and client service located globally.

Key Decision Makers: Comprised of senior investment professionals at DFA, including David Booth, Eduardo Repetto, Robert Deere, Henry Gray, David Plecha, Joseph Chi, Jed Fogdall, and Karen Umland, the Investment Committee (IC) creates the investment policy for emerging markets products, which is then carried out by the emerging markets team. Portfolio managers are located in Santa Monica, Austin, London and Sydney. Portfolio management is spread across these cities in order to provide adequate trading coverage of emerging equities in all regions, and management responsibilities are divided in accordance. The team also relies on dedicated support to assist in conducting research at both company and country levels.

Investment Style/Philosophy: DFA is known for its academic philosophy and approach to investment management, entrenched in which are the beliefs that markets are competitive and there is generally an efficient trade-off between risk and reward, and secondly that risk is mitigated by holding a diversified portfolio. The principal of applying the buy and hold DFA process to emerging markets equity is that companies in these markets have a higher cost of capital than similar companies in developed markets, and that cost of capital becomes the investment return. Increased risk and return is expected in this portfolio by tilting the portfolio to smaller cap and value stocks as well as those have a higher profitability relative to similarly valued peers.

Investment Process: DFA begins the investment process with country selection. The emerging markets team will present the case to include or exclude emerging countries to the IC, who makes the final decision. Each country must be deemed to have an adequate legal structure and market liquidity. A commitment to free markets, orderly market mechanism, good legal system, and equal treatment of foreign investors are additional requirements. Senior management and a portfolio manager visit each country and exchange before it is added to the portfolio. Country exposure is generally in-line with free float benchmark weights but capped at 12.5% for larger countries in order to maintain diversification.

Once the eligible countries have been determined, over 30 portfolio exclusion rules are applied to reduce the investable universe by eliminating companies that are not representative of the asset class or do not benefit the strategy. The exclusion rules are grouped as asset class, pricing, trading, and other concerns. Additionally, DFA ranks all emerging markets equities by capitalization on a country by country basis, by book to market ratio, and a measure of profitability. DFA then applies a multiplier to the various style capitalization buckets to overweight smaller stocks and those with value characteristics and underweight the larger growth stocks. Within the size and value dimensions, emphasis is given to those stocks that have a higher profitability. Eligible stocks are not automatically purchased. Trading opportunities for all stocks are monitored and must be favorable before purchase.

Portfolios are diversified among a large number of holdings. DFA targets market cap weights for stocks. Industry and sector weights are not constrained. Turnover is very low at approximately 10% annually. DFA's sell discipline is designed to minimize transaction costs and reduce portfolio turnover. On a continuous basis, the firm reviews each portfolio's holdings and determines which no longer meet value, liquidity, and quality requirements.

Emerging Markets Equity Finalists

Evaluation Summary – DFA Emerging Markets Core Equity Portfolio

Factor	Rating (-, =, + or ++)	Comments
Idea Generation	++	DFA's investment process is rooted in the theories of top academic researchers in finance, many of whom remain affiliated with the firm as members of its Investment Policy Committee (IPC). The beliefs underpinning DFA's approach are robust, and the investment process is well designed and consistently applied to exploit size and value risk premiums. An Investment Committee (IC), which includes representatives from DFA's research, portfolio management and trading teams, ensures the firm's core beliefs are fully integrated into each of the products. The link between the IPC, IC, and the underlying equity team members supports a solid commitment to ongoing research.
Portfolio Construction	+	Portfolios are geared towards longer time horizons and low turnover. Although portfolios are well diversified across an index-like number of holdings, there are active investment risks driven by the quantitative screens as well as qualitative market analysis. Portfolio construction is fully consistent with DFA's philosophy.
Implementation	+	DFA has strong trading skills and continues to invest in research into new trading initiatives and technology. Close attention is paid to implicit and explicit trading costs and DFA's approach to capacity focuses on the ability to implement trades without impacting the market. We believe this approach is consistent with the firm's investment philosophy that looks to add value for clients by being a liquidity provider to the market. Additionally, DFA has demonstrated a track record of closing strategies where it believes assets have grown too large. There does not appear to be an immediate capacity concern; however, potential clients need to understand that funding or redeeming may be a relatively slow process given the strategy's holdings in relatively less liquid segments of the emerging markets.
Business Management	+	Although DFA is a well-run firm providing resources and infrastructure to support growth in its various businesses, there has been a changing of the guard with the firm's leadership. Since 2007, the firm has introduced a more structured approach to business management and promoted the next generation of leaders to key positions. Succession planning appears to have been well thought through, and the transition to the next generation of investors appears to be progressing smoothly, but there may be a shift in focus, and continued vigilance is required. We would also like further comfort that the internal ownership of the company is being sufficiently broadened across the younger generation of investors.
Overall Rating (A, B+, B or C) A		DFA applies the same academic based philosophy to emerging markets equity management as it does to equities in various regions around the world. The beliefs underpinning DFA's approach are robust, and the investment process is well designed and consistently applied. The portfolio management process is directly linked to research and helps ensure that the firm's best thinking is reflected in its strategies. The firm's trading skills are strong and DFA is committed to remaining at the forefront in this area. DFA offers an effective means for clients with a long term investment horizon to gain diversified exposure to emerging markets equities and the value, size, and liquidity premiums.
Additional Observations		This is an all cap portfolio with a tilt to mid and smaller cap companies. The portfolio will have a modest value bias due to DFA's book to market criteria, but maintains exposure to growth stocks. We would expect the strategy to underperform in markets that favor growth or large cap stocks.

Emerging Markets Equity Finalists

Profile – Harding Loevner Instl Emerging Markets Portfolio

Firm Background and History: Harding Loevner (HL) was founded by David R. Loevner and Daniel D. Harding in 1989 to focus entirely on global equities. Loevner remains active with the firm as CEO and Simon Hallett assumed the role of CIO after Harding's retirement in 2003. HL was initially employee owned, but in July 2009, Affiliated Managers Group (AMG) purchased a 60% ownership stake, reducing all existing shareholders on a pro-rata basis. The balance remains employee owned. The firm is headquartered in Bridgewater, New Jersey.

Key Decision Makers: Co-Lead Portfolio Managers Rusty Johnson (1994/1985) and Craig Shaw (2001/1994) have been responsible for the Emerging Markets Equity strategy since June 2011. Johnson has been involved in managing the strategy since inception (1998), while Shaw has been a member of the portfolio management team since late 2005 (originally serving as a paper portfolio manager). The portfolio managers draw on the research of the global, sector-focused analysts.

Investment Style/Philosophy: HL believes that investing in shares of high-quality, growth businesses at reasonable prices leads to superior risk-adjusted returns over the long term. To that end, the firm seeks to identify high-quality growth companies worldwide that offer the prospect of faster long-term earnings growth than their peers, and which generate high margins and returns on assets, employ modest leverage, and exhibit low volatility of returns.

Investment Process: The investment universe includes 6,000 companies listed globally with market capitalizations above \$200 million. The due diligence process is conducted in two stages. HL begins by screening the universe of companies for those that have a competitive advantage (durability of margins and growth), quality management, financial strength (free cash flow, balance sheet strength), and sustainable growth (revenue,

cash flow, earnings). Analysts explicitly do not screen on stock price as part of the screening process. While price is an important consideration, the analysis of price occurs at the end of the research process, not at the beginning. This results in a universe of approximately 800 companies that are subject to further analysis.

HL then evaluates the durability of a company's earnings, using a set of ten criteria that are similar to Porter's Five Forces. Each company is ranked on each factor from 1 to 10. The industry factors include threat of new entrants, substitutions, buyers' and suppliers' bargaining power, and industry rivalry. The company specific analysis includes growth persistence and variability, strength of free cash flow, balance sheet strength, management quality, and corporate governance. A composite score is calculated for each company, and the universe is ranked according to the scores.

For the highly ranked companies, HL uses CFROI to approximate fair value. Analysts present the investment thesis and the company's mileposts to the entire investment team for discussion. This discussion results in a buy, hold, or, sell recommendation based on the views of the analyst and portfolio managers.

A company may be sold due to an unfavorable change in business prospects, unfavorable management action, substantial overvaluation, identification of a more attractive investment, or the position size approaches 5% of the portfolio.

The portfolio can own between 50 and 80 companies. HL will typically own stocks in 15 to 25 countries, and may only invest up to 15% in an industry and 25% in a sector. Portfolio turnover averages between 20% and 40% per annum. HL does not hedge currency exposures.

Emerging Markets Equity Finalists

Evaluation Summary – Harding Loevner Instl Emerging Markets Portfolio

Factor	Rating (-, =, + or ++)	Comments
Idea Generation	+	Our positive view reflects what we believe is a sound investment process that is well thought through at each stage and is diligently implemented. The fundamental analysis, in particular, is well structured and detailed. The assigned co-lead portfolio managers are all experienced and well versed in HL's disciplined approach. CIO Simon Hallett as the firm's thought leader brings considerable experience and thoughtfulness, challenging portfolio managers and analysts while enhancing and refining the process. The research team, which supports the firm's suite of equity products, is adequately staffed with a good mix of experience. However, we would still like to see more evidence that that the portfolio managers' insights are adding value before considering a higher rating.
Portfolio Construction	+	The dual portfolio manager structure allows the strategy to benefit from the experience and insights of more than one experienced manager, providing the client portfolio with a broader and more diverse set of ideas and potentially enhancing risk-adjusted returns. Appropriate risk controls are in place, and the portfolio adheres to reasonable stock, industry, and regional limits. This includes an awareness of risks of those stocks not held in the portfolio. Portfolios clearly display the quality/growth focused investment philosophy.
Implementation	+	At current asset levels, capacity is not a concern and the team retains the flexibility to execute the strategy. HL has set initial capacity targets for its strategies and conducts regular and on-going analysis of these targets, confirming their validity. The firm has five individuals dedicated to trading among its products, which should be more than sufficient given its low turnover approach.
Business Management	+	HL fosters a strong research driven culture with alignment mechanisms in place to drive performance. Key members of its investment team continue to have ownership participation through direct equity with other members participating in an equity-linked profit sharing plan. While the firm is majority owned by AMG, HL retains full control of its business. AMG has a reputation for allowing its boutiques to run autonomously without disruption to the investment team or process. The firm remains in excellent financial condition with an investment team free of any business-related distractions.
Overall Rating (A, B+, B or C) B+		This is an investment strategy with a clear quality growth philosophy. It benefits from a thorough and well-structured investment process, and a strong and experienced team of portfolio managers and analysts. We remain favorably impressed with CIO Hallett and his thought leadership and he remains the clear and driving force within HL, challenging its investment professionals. We believe the firm's dual portfolio manager structure incorporates an appropriate level of accountability into the decision-making process and promotes a diversity of ideas from multiple perspectives, potentially enhancing performance. Long-term incentive structures are in place and have helped the firm maintain a highly-experienced team of investment professionals. While favorably impressed with consistency and thoroughness of the investment process, we would still like to see more evidence that that the portfolio managers' insights are adding value before considering a higher rating.
Additional Observations		We classify the strategy as core with a growth/quality tilt and would expect its strategies to perform well when growth and quality are rewarded by the market. We do not propose adding the T designation to the ratings. Historically, the strategy's tracking error has been modest. The Global and International Equity strategies can invest up to 25% and 30%, respectively, in companies domiciled in the emerging markets.

DCP International Equity Fund

Firm	Strategy name	Net Expense Ratio ⁹	Revenue Sharing	Net Expense Ratio less Revenue Sharing
Hartford	Hartford International Opportunities HLS Fund IA	0.74%	0.00%	0.74%
MFS	MFS Institutional International Equity Fund	0.74%	0.00%	0.74%
Brandes	Brandes International Small Cap Equity Fund I	1.15%	0.15%	1.00%
DFA IntlSmCo	DFA International Small Company Portfolio Inst	0.54%	0.00%	0.54%
DFA EMAlIcap	DFA Emerging Markets Core Equity Portfolio Inst	0.63%	0.00%	0.63%
HardingLoev	Harding Loevner Instl Emerging Markets Portfolio I	1.30%	0.15%	1.15%

Composite Fee Comparison

	Net Expense Ratio	Revenue Sharing	Net Expense Ratio less Revenue Sharing
65.0% Hartford/ 17.5% Brandes/ 17.5% DFA EM Core	0.79%	0.03%	0.77%
65.0% Hartford/ 17.5% Brandes/ 17.5% Harding Loevner	0.91%	0.05%	0.86%
65.0% Hartford/ 17.5% DFA Intl SmCo/ 17.5% DFA EM Core	0.69%	0.00%	0.69%
65.0% Hartford/ 17.5% DFA Intl SmCo/ 17.5% Harding Loevner	0.80%	0.03%	0.78%
65.0% MFS/ 17.5% Brandes/ 17.5% DFA EM Core	0.79%	0.03%	0.77%
65.0% MFS/ 17.5% Brandes/ 17.5% Harding Loevner	0.91%	0.05%	0.86%
65.0% MFS/ 17.5% DFA Intl SmCo/ 17.5% DFA EM Core	0.69%	0.00%	0.69%
65.0% MFS/ 17.5% DFA Intl SmCo/ 17.5% Harding Loevner	0.80%	0.03%	0.78%

⁹ Some expense ratios may currently have an expense cap or fee waiver that can be changed by the manager at any time.

DCP International Equity Fund

Quantitative Analysis

Correlation of Returns in \$US over 7 yrs ending June-14 (quarterly calculations)

	Hartford	MFS	Brandes	DFA IntlSmCo	DFA EMAlIcap	HardingLoev	MSACWXUSF
Hartford		0.98	0.88	0.95	0.93	0.95	0.98
MFS	-0.1		0.89	0.96	0.92	0.93	0.97
Brandes	-0.8	-0.7		0.96	0.89	0.86	0.92
DFA IntlSmCo	-0.3	-0.3	-0.3		0.93	0.93	0.98
DFA EMAlIcap	-0.4	-0.5	-0.8	-0.5		0.99	0.96
HardingLoev	-0.3	-0.4	-1.0	-0.4	-0.1		0.97
MSACWXUSF	-0.1	-0.1	-0.5	-0.1	-0.2	-0.2	

← Correlation table*

Risk reduction table**

Notes:

*Correlation is shown in the right hand side of the table.

**Risk Reduction is shown in the left hand side of the table.

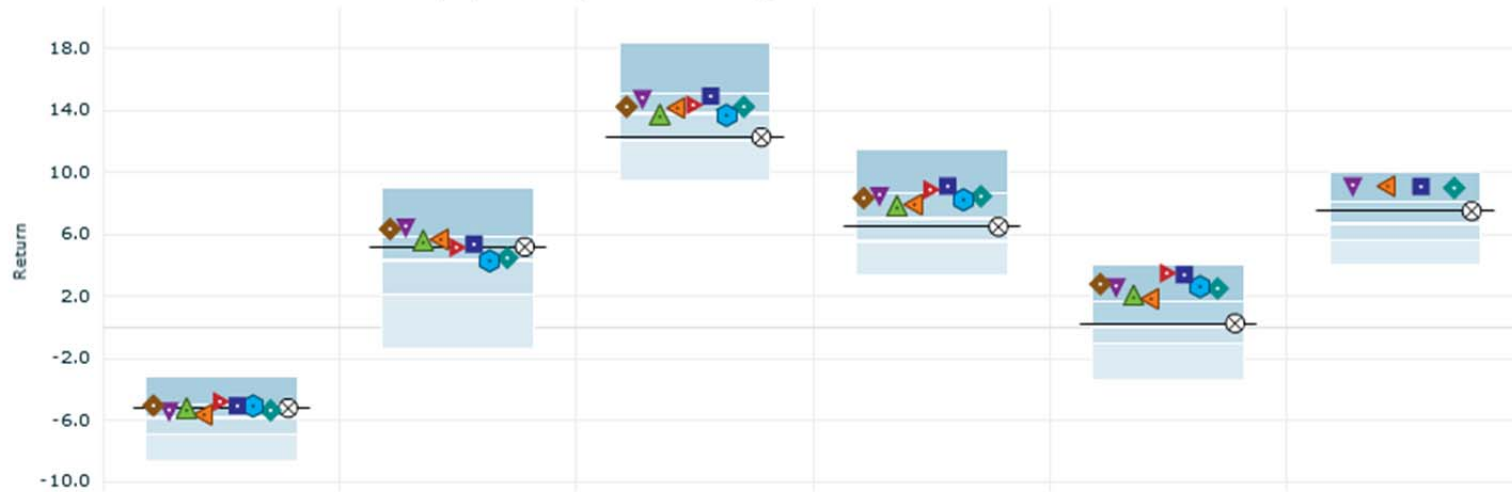
Risk Reduction is defined as the reduction in standard deviation from diversification when using a 50:50 mix of the two managers.

DCP International Equity Fund

Quantitative Analysis

Return in \$US (after fees) over 3 mths, 1 yr, 3 yrs, 5 yrs, 7 yrs, 10 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe (Percentile Ranking)



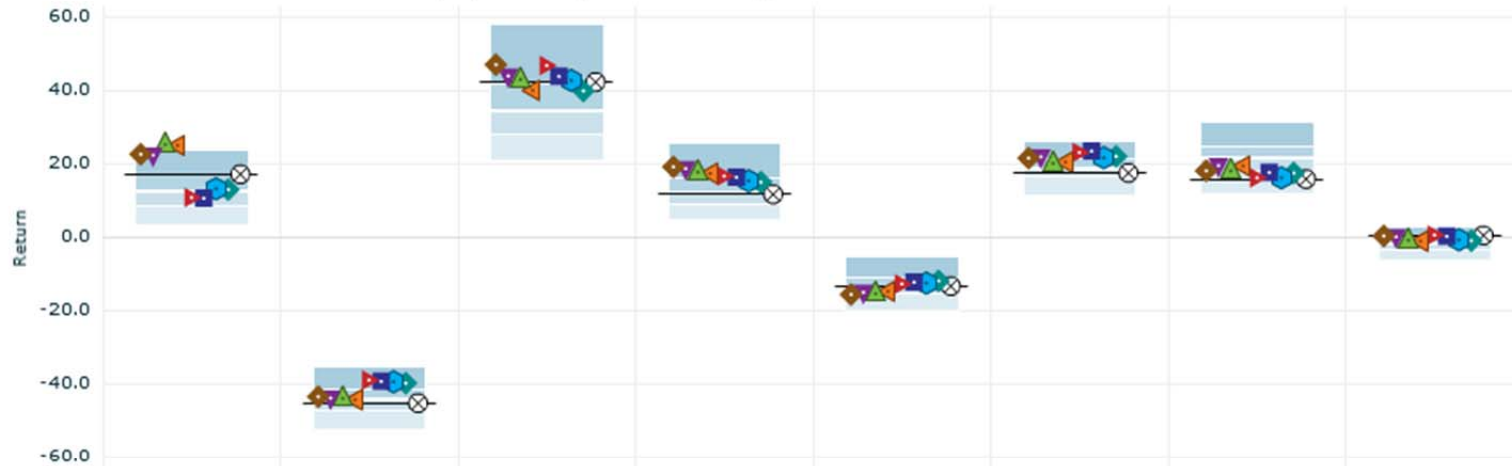
	3 mths (%)	1 yr (%)	3 yrs (%pa)	5 yrs (%pa)	7 yrs (%pa)	10 yrs (%pa)
◆ HF/Br/DFA	-5.0 (27)	6.4 (21)	14.3 (38)	8.4 (28)	2.8 (12)	-
▼ HF/Br/HL	-5.3 (36)	6.6 (19)	14.8 (29)	8.6 (26)	2.7 (12)	9.2 (12)
▲ HF/DFA/DFA	-5.3 (37)	5.5 (32)	13.6 (53)	7.7 (37)	2.0 (22)	-
◀ HF/DFA/HL	-5.6 (45)	5.7 (28)	14.2 (40)	7.9 (34)	1.9 (22)	9.1 (14)
▶ MFS/Br/DFA	-4.7 (20)	5.2 (37)	14.4 (36)	8.9 (21)	3.5 (8)	-
■ MFS/Br/HL	-5.0 (27)	5.4 (34)	14.9 (27)	9.1 (19)	3.4 (9)	9.1 (14)
⬢ MFS/DFA/DFA	-5.0 (28)	4.3 (51)	13.7 (51)	8.3 (29)	2.7 (13)	-
◆ MFS/DFA/HL	-5.3 (37)	4.5 (47)	14.3 (38)	8.5 (27)	2.6 (13)	9.0 (14)
⊗ MSACWXUSF	-5.2 (32)	5.2 (35)	12.3 (72)	6.5 (60)	0.3 (46)	7.5 (33)
5th Percentile	-3.1	9.1	18.4	11.5	4.1	10.1
Upper Quartile	-5.0	5.9	15.1	8.7	1.7	8.1
Median	-5.8	4.4	13.8	7.1	0.0	6.7
Lower Quartile	-6.9	2.2	12.1	5.6	-1.0	5.7
95th Percentile	-8.7	-1.4	9.4	3.5	-3.4	4.1
Number	424	408	366	328	279	216

DCP International Equity Fund

Quantitative Analysis

Return in \$US (after fees) over last 8 calendar years ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe (Percentile Ranking)



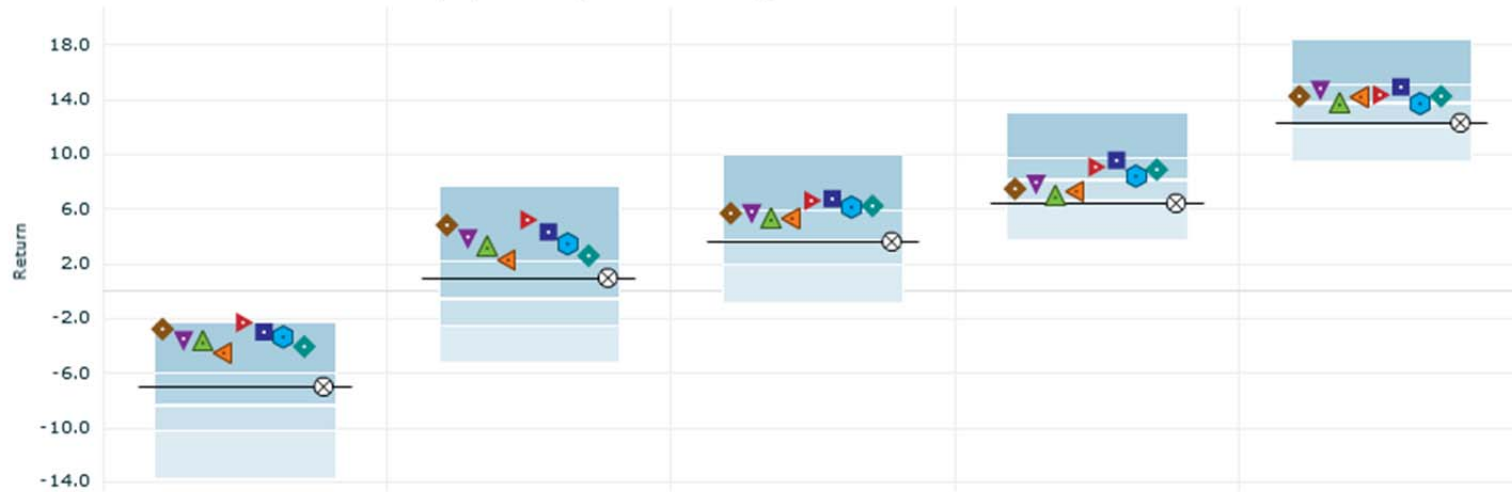
	2007 (%)	2008 (%)	2009 (%)	2010 (%)	2011 (%)	2012 (%)	2013 (%)	9 mths to 9/2014 (%)
◆ HF/Br/DFA	22.5 (6)	-43.5 (43)	46.9 (16)	19.1 (19)	-15.6 (76)	21.4 (25)	18.1 (75)	0.3 (20)
▼ HF/Br/HL	22.2 (8)	-43.8 (45)	43.9 (22)	18.6 (20)	-15.1 (68)	21.8 (22)	19.4 (65)	0.0 (24)
▲ HF/DFA/DFA	25.1 (4)	-44.0 (47)	42.9 (23)	17.7 (21)	-15.3 (73)	20.1 (34)	18.0 (76)	-0.9 (36)
◀ HF/DFA/HL	24.9 (4)	-44.3 (49)	39.9 (28)	17.3 (22)	-14.8 (66)	20.4 (32)	19.4 (66)	-1.2 (40)
▶ MFS/Br/DFA	10.7 (59)	-38.9 (12)	46.7 (17)	16.6 (23)	-12.8 (42)	23.0 (13)	16.2 (82)	0.5 (19)
■ MFS/Br/HL	10.5 (62)	-39.3 (14)	43.7 (22)	16.2 (25)	-12.2 (37)	23.3 (12)	17.5 (78)	0.2 (21)
⬢ MFS/DFA/DFA	13.2 (43)	-39.4 (14)	42.7 (24)	15.3 (29)	-12.5 (40)	21.6 (23)	16.1 (82)	-0.7 (33)
⬠ MFS/DFA/HL	13.0 (45)	-39.8 (15)	39.7 (29)	14.9 (31)	-11.9 (35)	22.0 (20)	17.4 (79)	-1.0 (38)
⊗ MSACWXUSF	17.1 (25)	-45.2 (58)	42.1 (24)	11.6 (55)	-13.3 (47)	17.4 (66)	15.8 (83)	0.4 (19)
5th Percentile	23.6	-35.4	58.1	25.3	-5.2	26.1	31.3	2.9
Upper Quartile	17.1	-41.5	41.7	16.1	-10.9	21.4	24.6	-0.1
Median	12.4	-44.4	34.5	12.2	-13.6	18.7	21.6	-1.7
Lower Quartile	8.6	-47.1	28.1	9.1	-15.5	16.4	18.0	-3.4
95th Percentile	2.9	-52.5	20.9	4.6	-20.0	11.2	11.7	-6.5
Number	262	288	322	333	354	375	399	413

DCP International Equity Fund

Quantitative Analysis

Return in \$US (after fees) over 5 annual rolling periods ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe (Percentile Ranking)



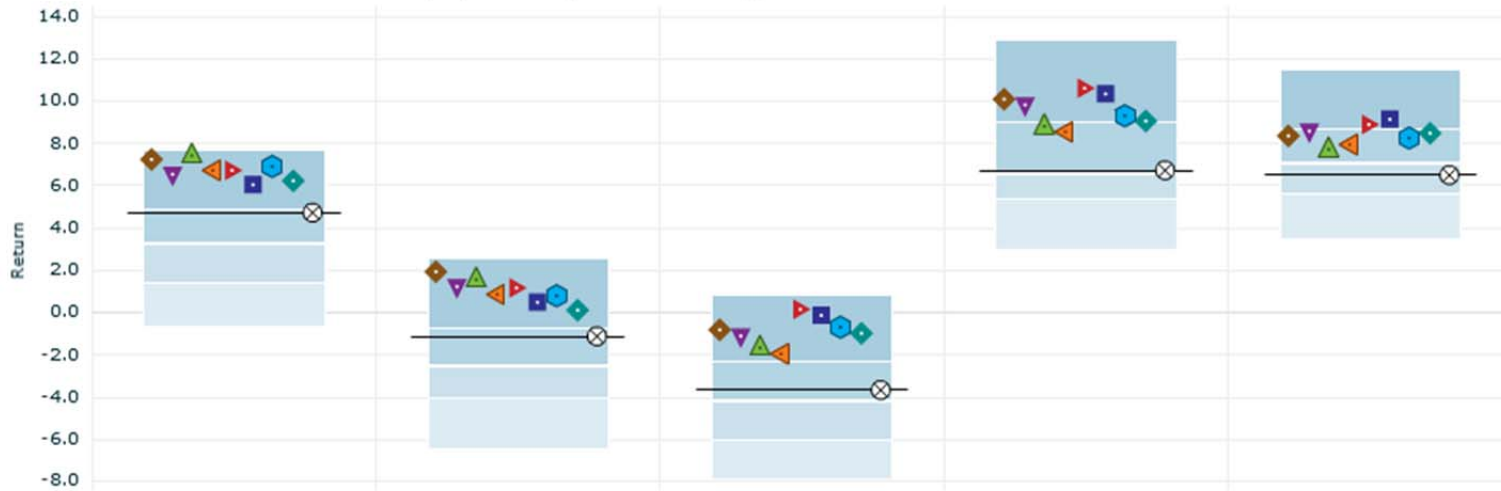
	3 yrs to 9/2010 (%pa)	3 yrs to 9/2011 (%pa)	3 yrs to 9/2012 (%pa)	3 yrs to 9/2013 (%pa)	3 yrs to 9/2014 (%pa)
◆ HF/Br/DFA	-2.8 (6)	4.9 (13)	5.7 (27)	7.5 (60)	14.3 (38)
▼ HF/Br/HL	-3.5 (8)	4.0 (17)	5.8 (27)	8.0 (51)	14.8 (29)
▲ HF/DFA/DFA	-3.8 (9)	3.1 (20)	5.2 (33)	6.8 (72)	13.6 (53)
▴ HF/DFA/HL	-4.5 (13)	2.3 (25)	5.3 (32)	7.3 (64)	14.2 (40)
▾ MFS/Br/DFA	-2.3 (5)	5.2 (11)	6.6 (21)	9.1 (34)	14.4 (36)
■ MFS/Br/HL	-3.0 (6)	4.3 (14)	6.8 (20)	9.6 (28)	14.9 (27)
● MFS/DFA/DFA	-3.3 (8)	3.5 (20)	6.1 (23)	8.4 (44)	13.7 (51)
◆ MFS/DFA/HL	-4.0 (11)	2.6 (24)	6.3 (23)	8.9 (36)	14.3 (38)
⊗ MSACWXUSF	-7.0 (34)	1.0 (35)	3.6 (51)	6.4 (79)	12.3 (72)
5th Percentile	-2.3	7.7	10.0	13.1	18.4
Upper Quartile	-6.0	2.3	5.9	9.7	15.1
Median	-8.4	-0.6	3.7	8.2	13.8
Lower Quartile	-10.2	-2.5	1.9	6.7	12.1
95th Percentile	-13.8	-5.3	-0.9	3.8	9.4
Number	279	313	328	345	366

DCP International Equity Fund

Quantitative Analysis

Return in \$US (after fees) over 5 annual rolling periods ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe (Percentile Ranking)



	5 yrs to 9/2010 (%pa)	5 yrs to 9/2011 (%pa)	5 yrs to 9/2012 (%pa)	5 yrs to 9/2013 (%pa)	5 yrs to 9/2014 (%pa)
◆ HF/Br/DFA	7.2 (6)	1.9 (6)	-0.8 (11)	10.1 (17)	8.4 (28)
▼ HF/Br/HL	6.5 (12)	1.2 (8)	-1.1 (13)	9.8 (19)	8.6 (26)
▲ HF/DFA/DFA	7.4 (5)	1.6 (7)	-1.7 (18)	8.8 (26)	7.7 (37)
◀ HF/DFA/HL	6.7 (9)	0.9 (10)	-2.0 (21)	8.5 (28)	7.9 (34)
▶ MFS/Br/DFA	6.7 (9)	1.2 (8)	0.2 (6)	10.6 (14)	8.9 (21)
■ MFS/Br/HL	6.0 (15)	0.5 (14)	-0.1 (7)	10.3 (16)	9.1 (19)
⬢ MFS/DFA/DFA	6.9 (8)	0.8 (11)	-0.7 (9)	9.3 (23)	8.3 (29)
◆ MFS/DFA/HL	6.2 (14)	0.1 (19)	-1.0 (12)	9.1 (24)	8.5 (27)
⊗ MSACWXUSF	4.7 (26)	-1.1 (29)	-3.7 (40)	6.7 (48)	6.5 (60)
5th Percentile	7.7	2.6	0.8	12.9	11.5
Upper Quartile	4.9	-0.8	-2.3	9.0	8.7
Median	3.3	-2.5	-4.2	6.6	7.1
Lower Quartile	1.4	-4.0	-6.0	5.4	5.6
95th Percentile	-0.7	-6.4	-7.9	3.0	3.5
Number	232	254	279	313	328

DCP International Equity Fund

Quantitative Analysis

Performance characteristics vs. Zero Benchmark in \$US (after fees) over 7 yrs ending September-14 (quarterly calculations)

Comparison with the Mutual Fund World ex US/EAFE Equity universe (Percentile Ranking)

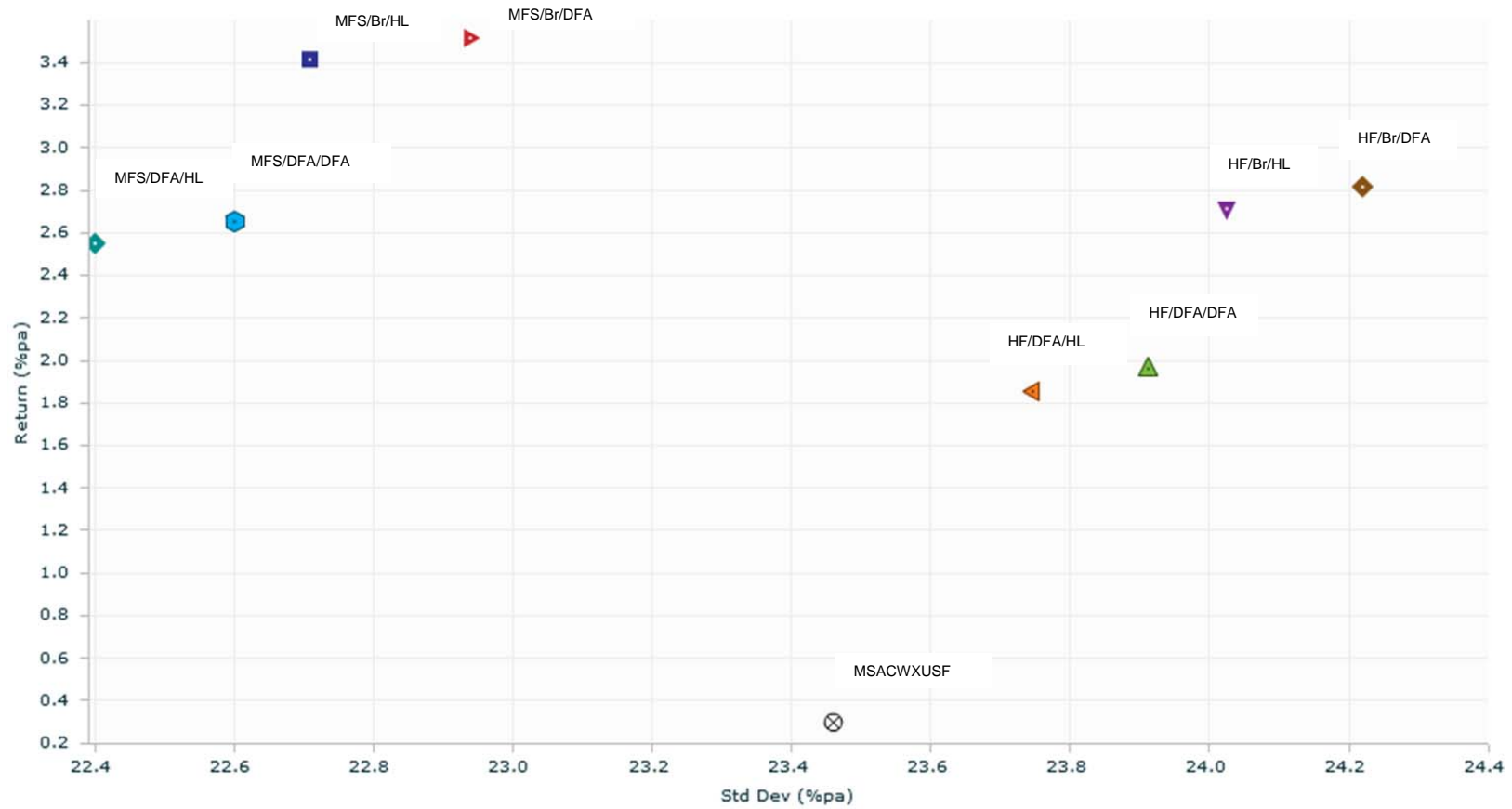


	Ret (%pa)	Std Dev (%pa)	Ret/SD	TE (%pa)	IR
◆ HF/Br/DFA	2.8 (12)	24.2 (37)	0.1 (12)	24.2 (37)	0.1 (12)
▼ HF/Br/HL	2.7 (12)	24.0 (42)	0.1 (12)	24.0 (42)	0.1 (12)
▲ HF/DFA/DFA	2.0 (22)	23.9 (43)	0.1 (23)	23.9 (43)	0.1 (23)
◀ HF/DFA/HL	1.9 (22)	23.7 (44)	0.1 (24)	23.7 (44)	0.1 (24)
▶ MFS/Br/DFA	3.5 (8)	22.9 (64)	0.2 (6)	22.9 (64)	0.2 (6)
■ MFS/Br/HL	3.4 (9)	22.7 (72)	0.2 (7)	22.7 (72)	0.2 (7)
⬢ MFS/DFA/DFA	2.7 (13)	22.6 (72)	0.1 (12)	22.6 (72)	0.1 (12)
◆ MFS/DFA/HL	2.6 (13)	22.4 (74)	0.1 (12)	22.4 (74)	0.1 (12)
5th Percentile	4.1	27.8	0.2	27.8	0.2
Upper Quartile	1.7	25.1	0.1	25.1	0.1
Median	0.0	23.5	0.0	23.5	0.0
Lower Quartile	-1.0	22.3	0.0	22.3	0.0
95th Percentile	-3.4	19.7	-0.1	19.7	-0.1
Number	279	279	279	279	279

DCP International Equity Fund

Quantitative Analysis

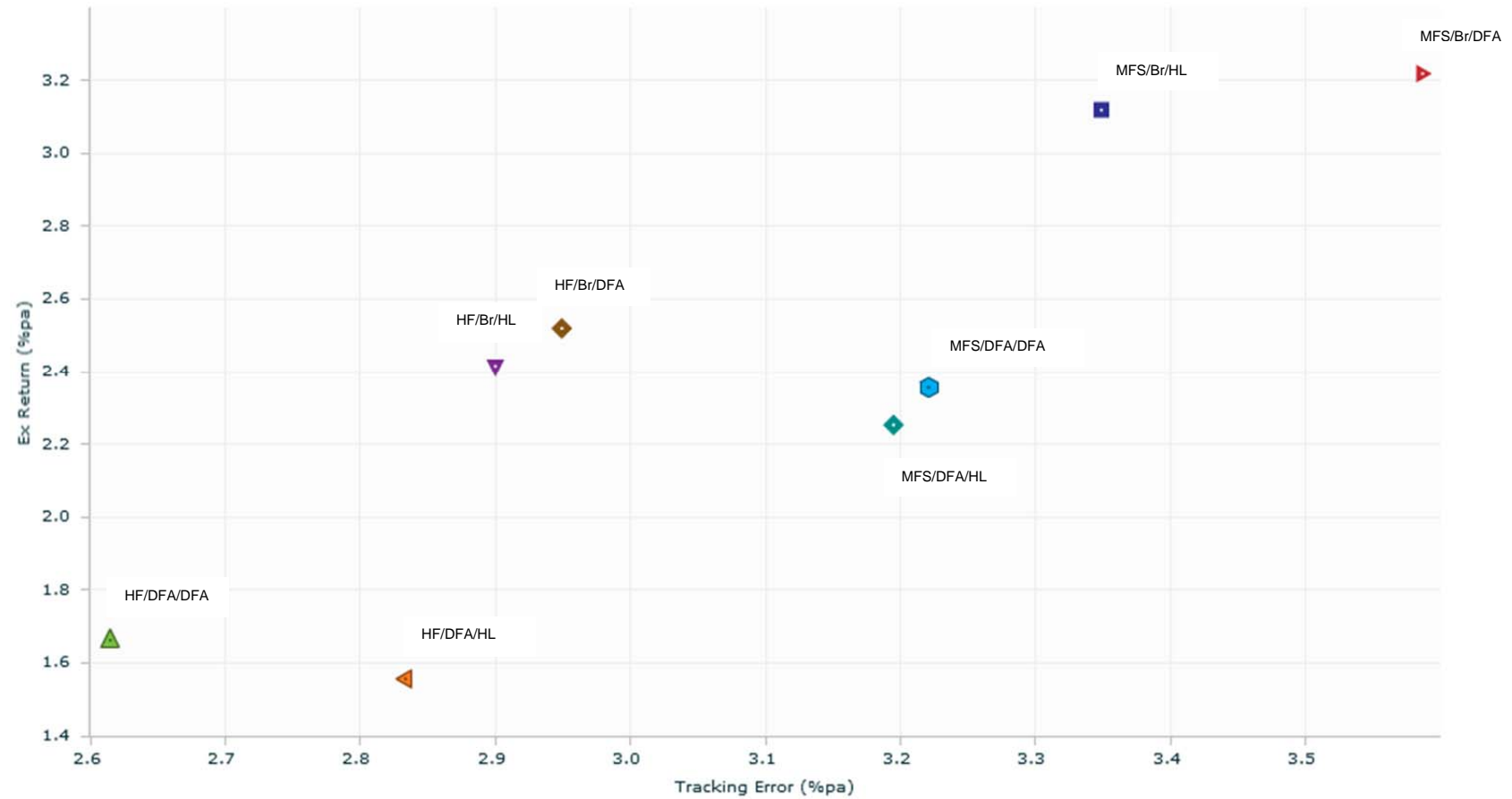
Return and Std Deviation in \$US (after fees) over 7 yrs ending September-14 (quarterly calculations)



DCP International Stock Fund

Quantitative Analysis

Excess Return and Tracking Error vs. MSCI AC Wld ex US in \$US (after fees) over 7 yrs ending September-14 (quarterly calculations)



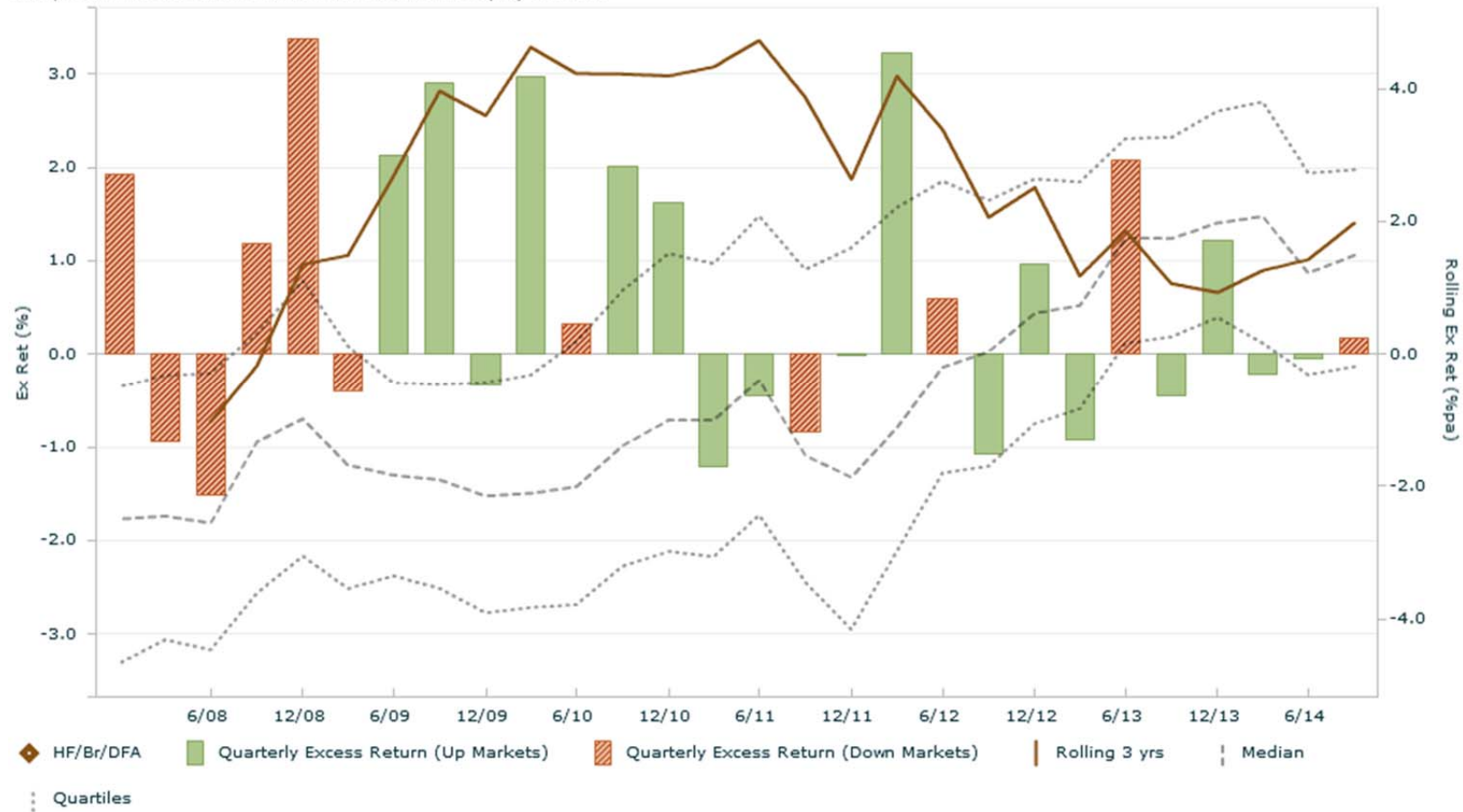
DCP International Stock Fund

Quantitative Analysis

HF/Br/DFA

Quarterly Excess Return vs. MSCI AC Wld ex US with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe



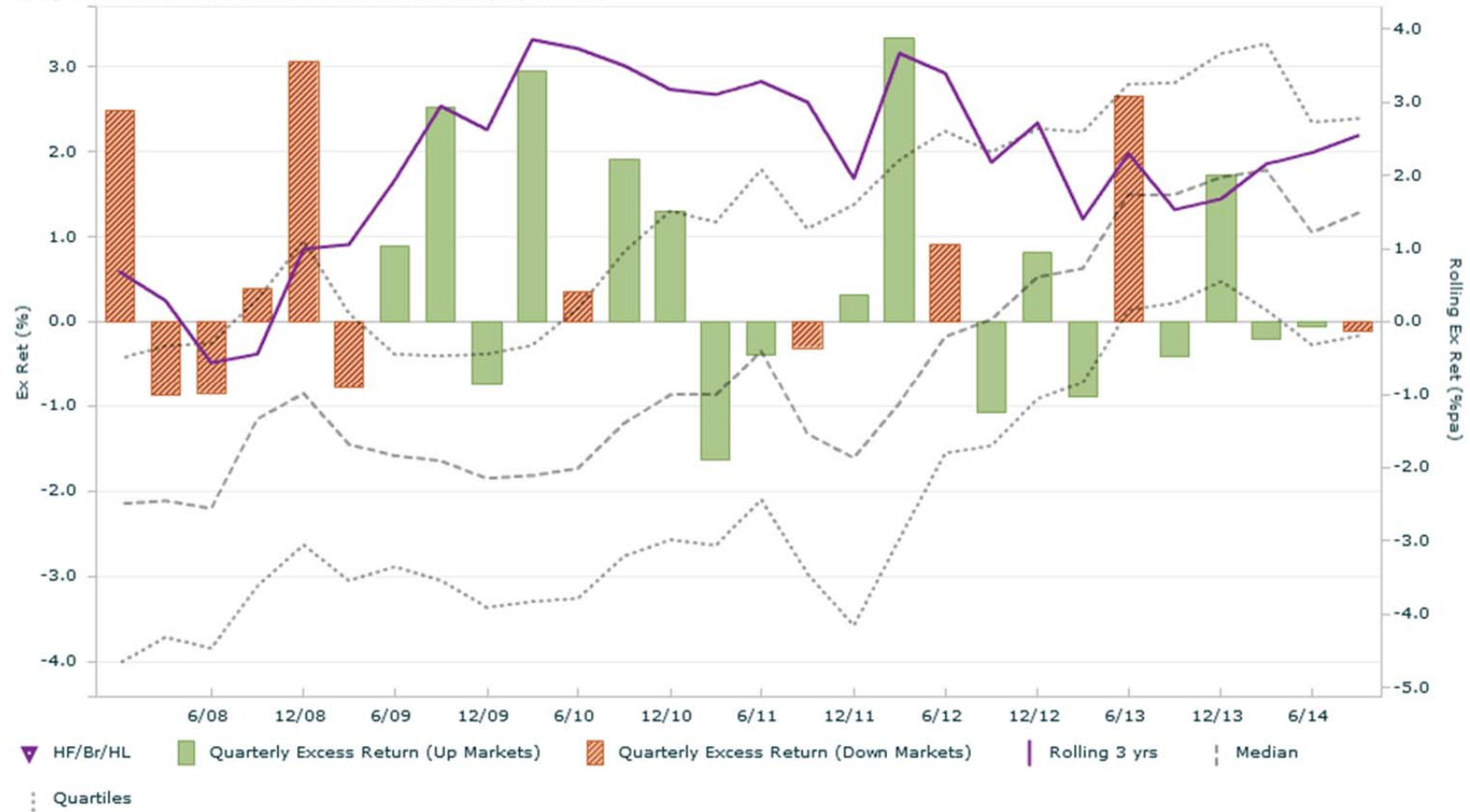
DCP International Stock Fund

Quantitative Analysis

HF/Br/HL

Quarterly Excess Return vs. MSCI AC Wld ex US with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe



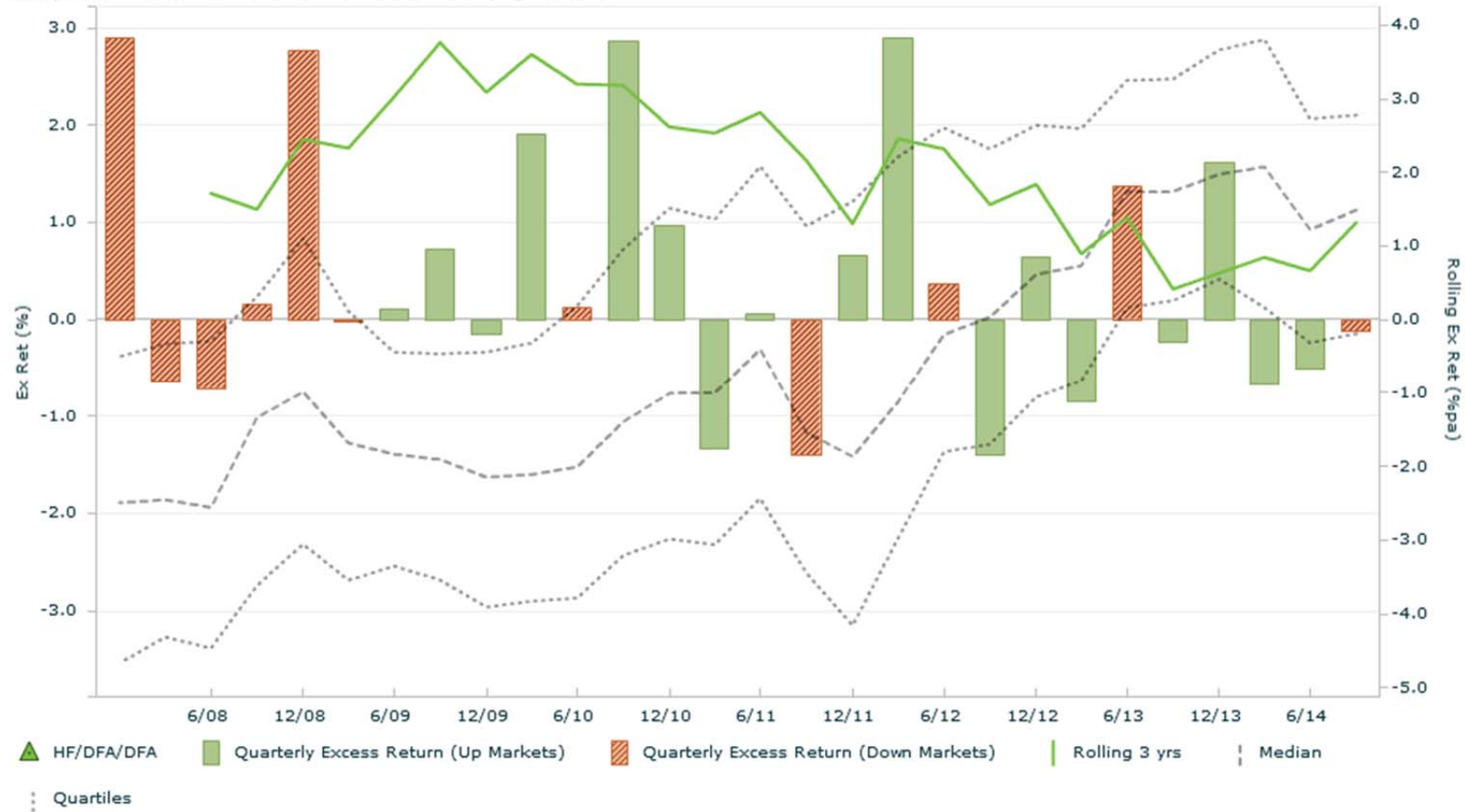
DCP International Stock Fund

Quantitative Analysis

HF/DFA/DFA

Quarterly Excess Return vs. MSCI AC Wld ex US with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe



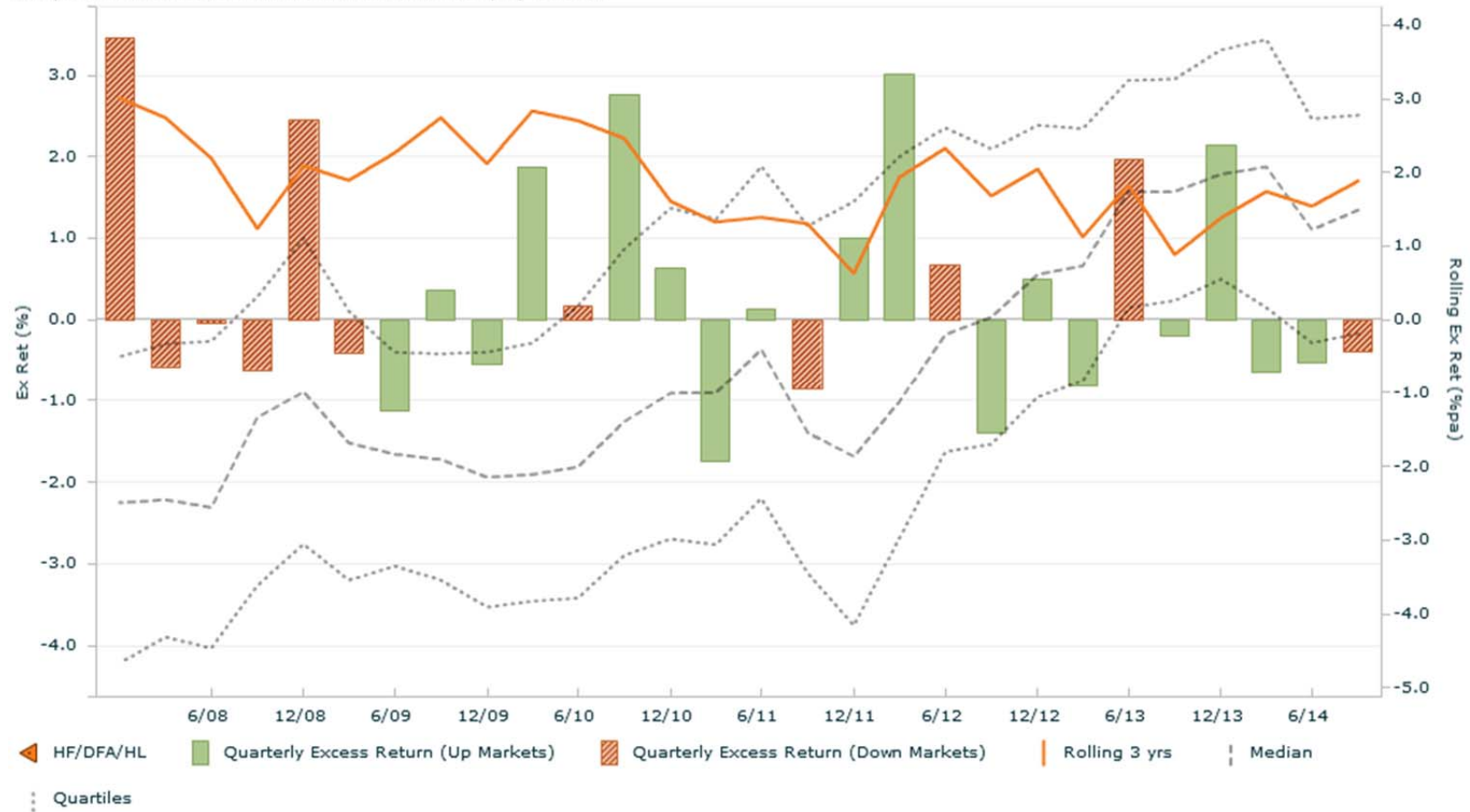
DCP International Stock Fund

Quantitative Analysis

HF/DFA/HL

Quarterly Excess Return vs. MSCI AC Wld ex US with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe



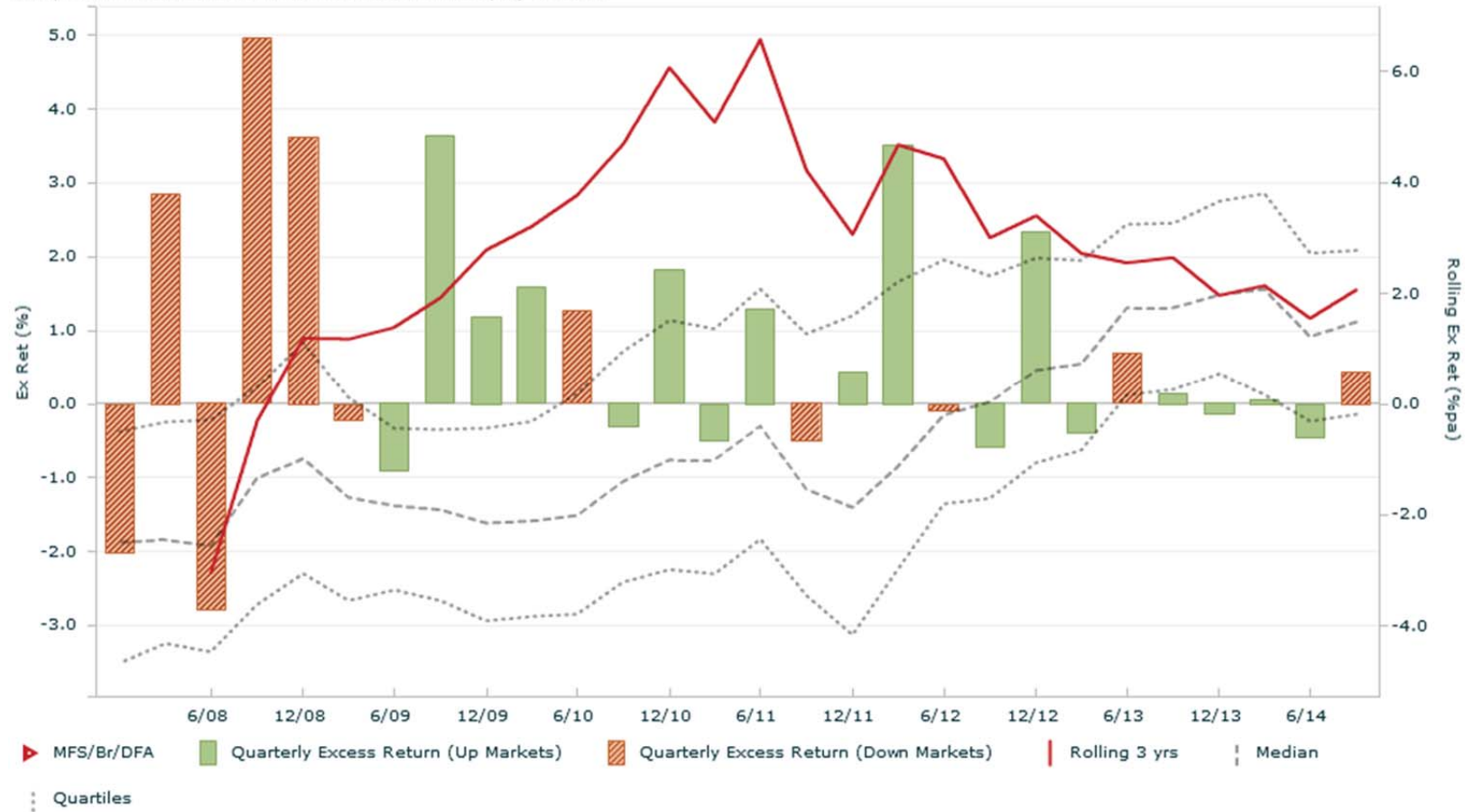
DCP International Stock Fund

Quantitative Analysis

MFS/Br/DFA

Quarterly Excess Return vs. MSCI AC Wld ex US with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe



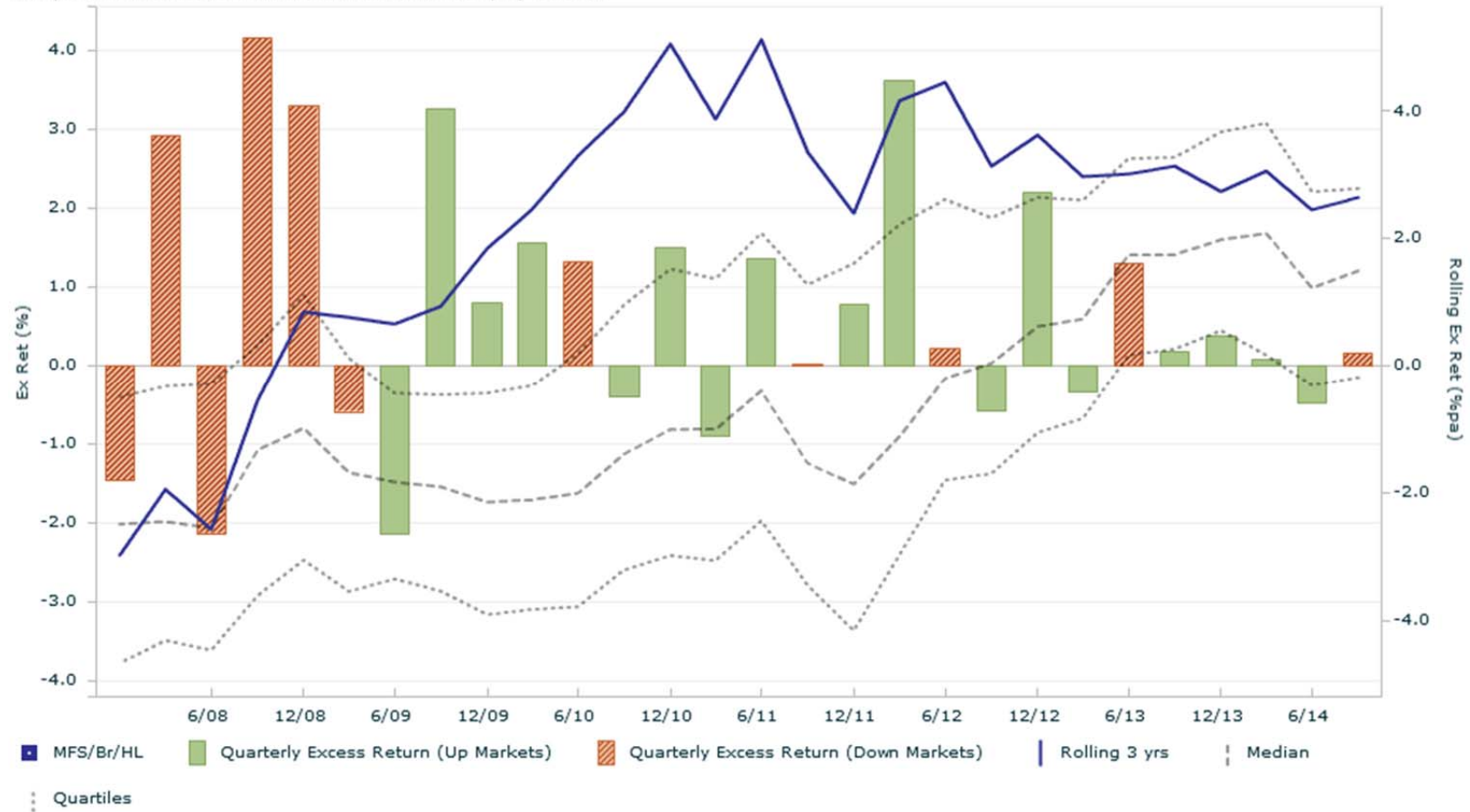
DCP International Stock Fund

Quantitative Analysis

MFS/Br/HL

Quarterly Excess Return vs. MSCI AC Wld ex US with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe



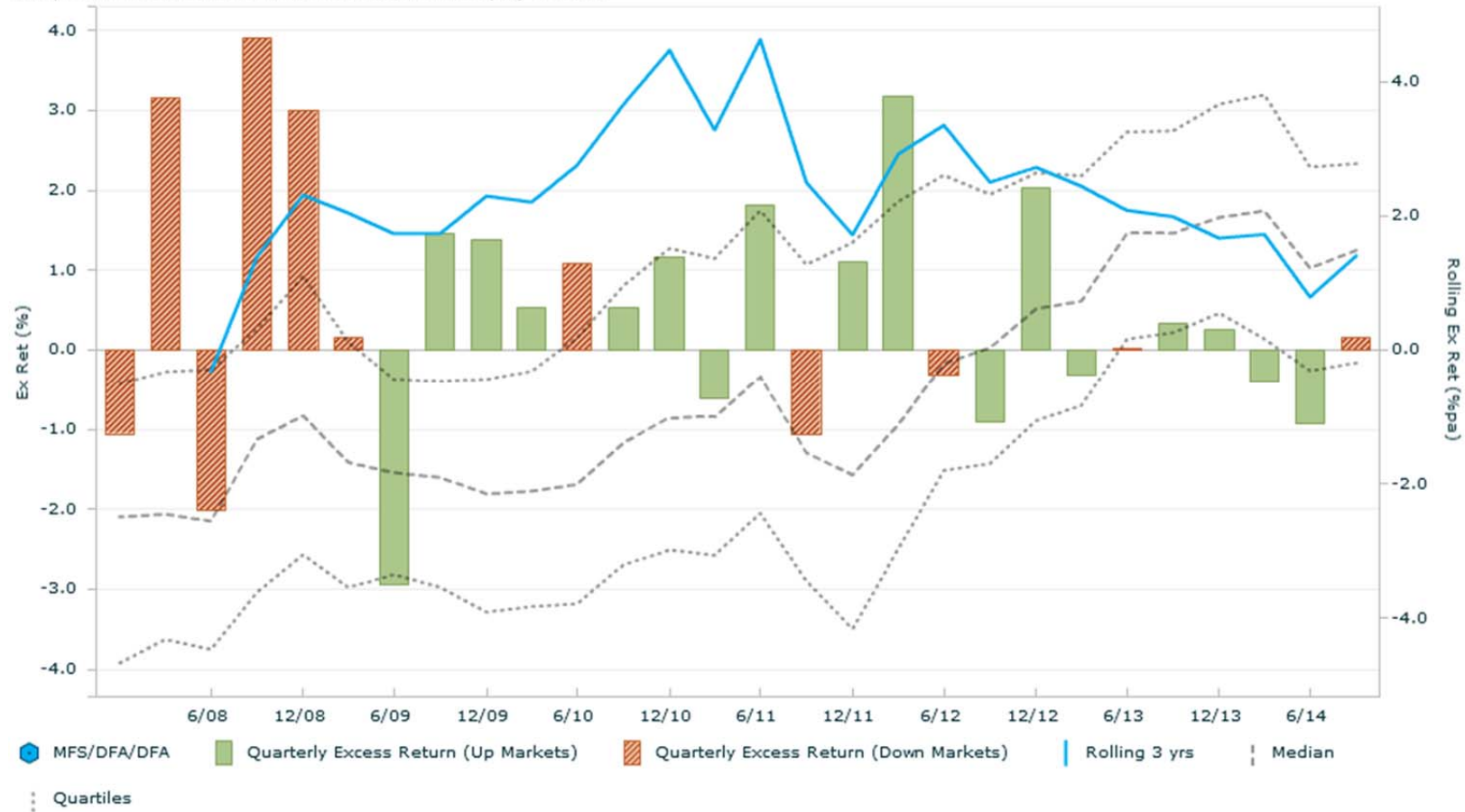
DCP International Stock Fund

Quantitative Analysis

MFS/DFA/DFA

Quarterly Excess Return vs. MSCI AC Wld ex US with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe



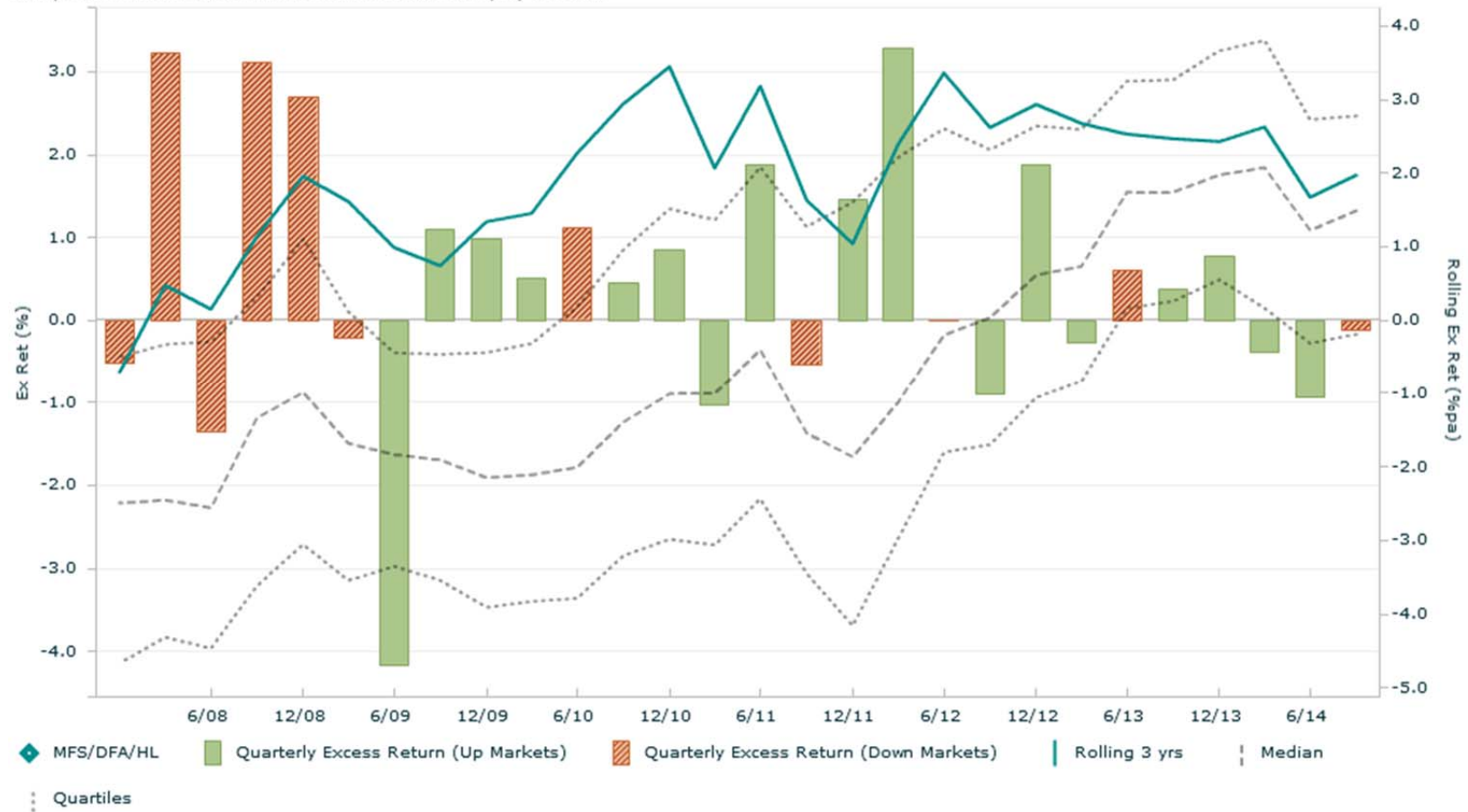
DCP International Stock Fund

Quantitative Analysis

MFS/DFA/HL

Quarterly Excess Return vs. MSCI AC Wld ex US with rolling 3 yr line in \$US (after fees) over 7 yrs ending September-14

Comparison with the Mutual Fund World ex US/EAFE Equity universe



DCP International Stock Fund

Quantitative Analysis

Performance characteristics vs. MSCI AC Wld ex US in \$US (after fees) over 7 yrs ending September-14 (quarterly calculations)

Comparison with the Mutual Fund World ex US/EAFE Equity universe

Name	Up Markets			Down Markets			All Markets				
	Outperform		Excess (Av) (%pq)	Outperform		Excess (Av) (%pq)	Outperform		Excess (Av) (%pq)	Outperform (Av) (%pq)	Underperform (Av) (%pq)
	No.	%		No.	%		No.	%			
65% HF/17.5% Br/17.5% DFAEM	8	47	0.7	7	64	0.5	15	54	0.7	1.8	-0.6
65% HF/17.5% Br/17.5% HL	9	53	0.6	6	55	0.6	15	54	0.6	1.7	-0.6
65% HF/17.5% DFA/17.5% DFAEM	10	59	0.4	6	55	0.4	16	57	0.4	1.3	-0.7
65% HF/17.5% DFA/17.5% HL	9	53	0.3	5	45	0.5	14	50	0.4	1.5	-0.7
65% MFS/17.5% Br/17.5% DFAEM	10	59	0.7	6	55	0.7	16	57	0.7	1.9	-0.7
65% MFS/17.5% Br/17.5% HL	11	65	0.6	8	73	0.8	19	68	0.7	1.5	-1.0
65% MFS/17.5% DFA/17.5% DFA EM	11	65	0.5	7	64	0.6	18	64	0.5	1.4	-1.1
65% MFS/17.5% DFA/17.5% HL	11	65	0.3	5	45	0.7	16	57	0.5	1.5	-0.9
Benchmarks											
MSCI AC Wld ex US	17	0	0.0	11	0	0.0	28	0	0.0	na	na
Group Statistics											
Upper Quartile	10	59	0.7	6	55	0.5	16	57	0.4	2.5	-1.6
Median	9	53	0.0	5	45	-0.1	14	50	-0.1	1.8	-1.9
Lower Quartile	7	41	-0.5	4	36	-0.8	12	43	-0.4	1.4	-2.4
Number	279	279	279	279	279	279	279	279	279	279	279

The benchmark results represent the total number of up markets, down markets and observations in the period.

DCP International Stock Fund

Quantitative Analysis

Performance characteristics vs. MSCI AC Wld ex US in \$US (after fees) over 7 yrs ending September-14 (quarterly calculations)

Comparison with the Mutual Fund World ex US/EAFE Equity universe

Name	1st Quartile		2nd Quartile		3rd Quartile		4th Quartile		Average Percentile Rank	Outperform	
	No.	%	No.	%	No.	%	No.	%		No.	%
65% HF/17.5% Br/17.5% DFAEM	9	32.1	8	28.6	9	32.1	2	7.1	43	15	54
65% HF/17.5% Br/17.5% HL	6	21.4	13	46.4	6	21.4	3	10.7	42	15	54
65% HF/17.5% DFA/17.5% DFAEM	5	17.9	11	39.3	9	32.1	3	10.7	45	16	57
65% HF/17.5% DFA/17.5% HL	5	17.9	14	50.0	6	21.4	3	10.7	45	14	50
65% MFS/17.5% Br/17.5% DFAEM	10	35.7	6	21.4	9	32.1	3	10.7	41	16	57
65% MFS/17.5% Br/17.5% HL	8	28.6	9	32.1	11	39.3	0	0.0	40	19	68
65% MFS/17.5% DFA/17.5% DFA EM	6	21.4	12	42.9	8	28.6	2	7.1	42	18	64
65% MFS/17.5% DFA/17.5% HL	5	17.9	13	46.4	9	32.1	1	3.6	42	16	57
Benchmarks											
MSCI AC Wld ex US	1	3.6	12	42.9	13	46.4	2	7.1	50	28	0

The benchmark result for Number Outperform represents the total number of observations in the period.

3

Appendix

Appendix A: Descriptions of performance exhibits

Description of Universe calculation

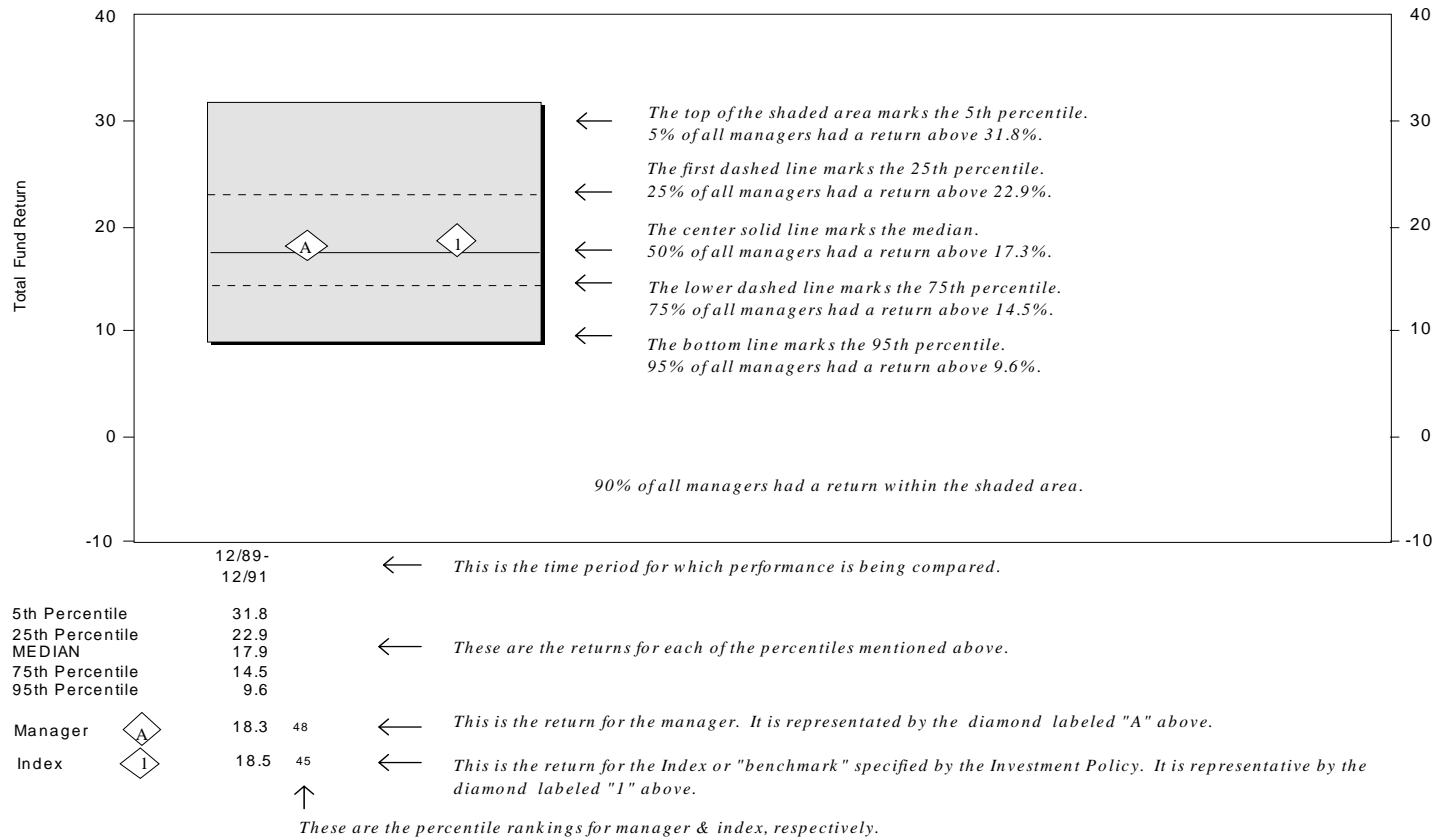
Mercer Manager Universes are constructed using the composite portfolios submitted by investment managers to the Research Unit for evaluation. Each portfolio is reviewed and, based on Mercer's professional judgment, placed within the appropriate universe, which contains similarly managed portfolios.

Universes are calculated by sorting the returns from highest to lowest for each unique time period independently. The highest return is assigned the rank of zero (0) and the lowest a rank of 100. Depending on the number of observations between these two points, the remaining results are normalized to create the percentile rankings.

Results longer than one year are annualized.

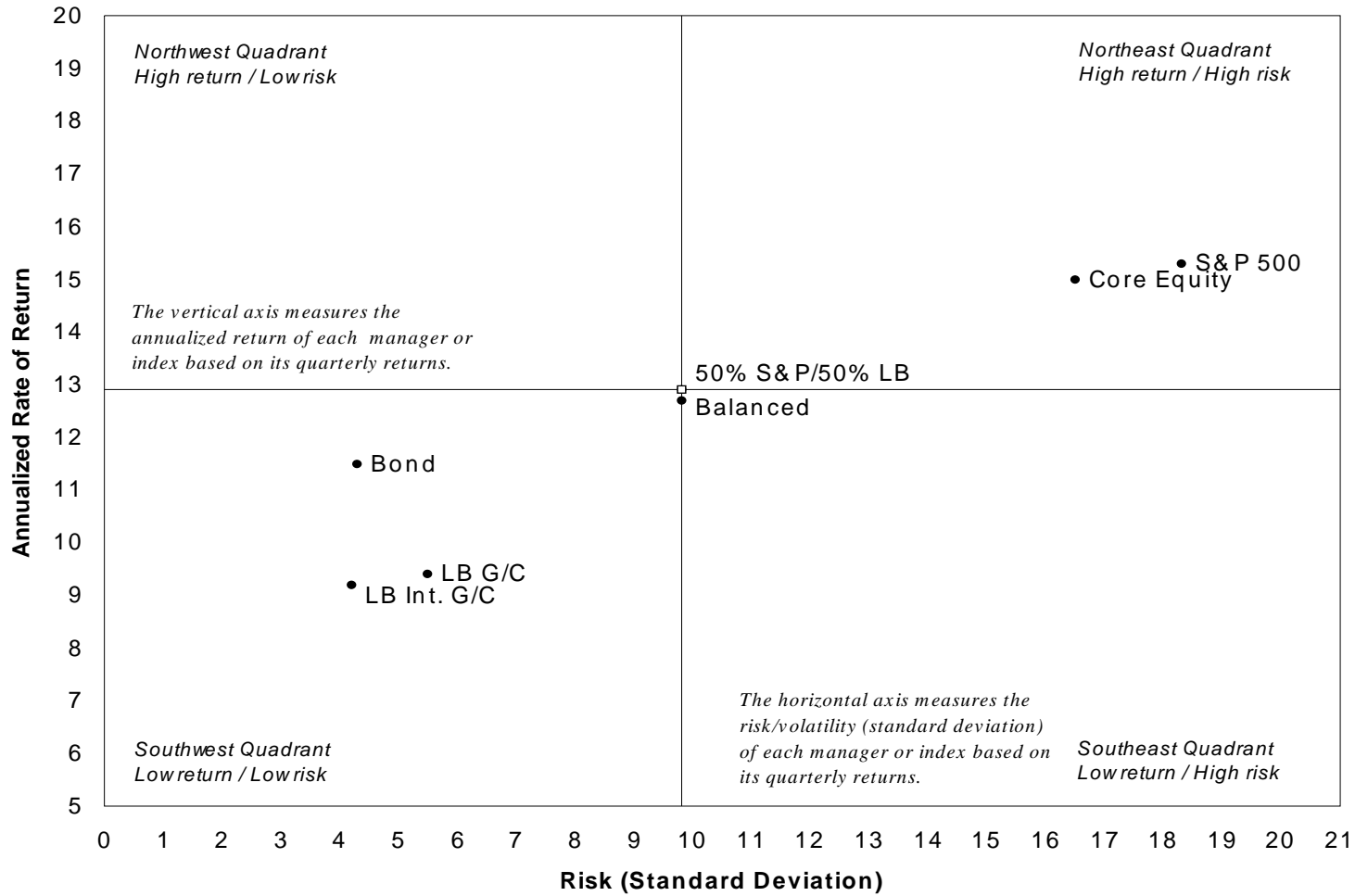
Appendix A

Description of performance graph



Appendix A

Description of Risk / Return graph



Appendix B: Glossary of terms

ADR American Depository Receipt is a receipt for shares of a foreign company held by a U.S. bank, facilitating receipt of dividends and simulating purchase of the stock.

Agency Bonds Debt obligations issued by government sponsored organizations such as the Federal Home Loan Bank and the Federal Land Bank. After Treasuries, agency bonds are considered to be the next highest quality securities in the domestic fixed income market.

Alpha A measure of value added provided by the manager. Specifically, alpha is the excess portfolio return compared to the risk-adjusted benchmark.

Asset Allocation The combination of assets in a portfolio to different asset types such as common stocks, bonds, cash, real estate, venture capital, etc. Different approaches to the asset allocation decision are employed such as strategic, dynamic or tactical.

Asset-Backed Security A collateralized fixed-income security which is supported by installment loans (autos, mobile homes, boats, etc.) or revolving lines of credit (credit cards). Asset-backed securities generally have AAA ratings based on recourse provisions or third-party credit enhancements. Most collateral behind asset-backed securities is subject to prepayment. However, unlike mortgage-backed securities, prepayments are virtually unaffected by changing market interest rate levels.

Association for Investment Manager Research (AIMR) An international, non-profit organization whose mission is to serve its members and investors as a global leader in educating and examining investment managers and analysts and sustaining high standards of professional conduct. AIMR's membership is global in scope, and its activities are worldwide.

AIMR Level I Verification Independent attestation that the requirements of the AIMR Performance Presentation Standards (PPS) have been met on a firm-wide basis.

AIMR Level II Verification Independent attestation that the performance results of specific composites have been calculated according to the AIMR-PPS standards, and that the requirements of the AIMR Performance Presentation Standards (PPS) have been met on a firm-wide basis.

Balanced (asset class) Investments in common stock, preferred stock and bonds which are combined in an effort to obtain the highest return consistent with a low-risk strategy. A balanced portfolio typically offers a higher yield than a pure stock fund and performs better than such a fund when stocks are falling. In a rising market, however, a balanced portfolio usually will not keep pace with an all-equity portfolio.

Base Currency The currency of an investor's home country.

Basic Industry A sector classification which includes securities of firms that convert raw materials into unfinished products.

Basis Point 1/100th of 1.0%, or 0.01%.

Blend An evaluation of securities using a combination of fundamental and quantitative methods.

Bottom-up A money-management style which begins with security selection.

Callable Bond A bond which can be "called" (i.e., redeemed) by the issuer at a date prior to maturity. If interest rates drop significantly below a callable bond's coupon, the issuer can call the bond and refinance it at a lower rate. From a bond investor's perspective, the proceeds received when the bond is called will have to be reinvested at a lower rate. Thus, callable bonds expose bondholders to reinvestment risk. The bond investor receives compensation for this disadvantage in the form of a higher yield.

Capital Goods A sector classification which include securities of firms that are involved in the production of other goods--industrial buildings, machinery, equipment--as well as highways, office buildings, government installations. In the aggregate such goods form a country's productive capacity.

Appendix B

Capitalization Market value times shares outstanding (common stock).

Cash Equivalents All fixed income securities that are highly liquid, with a known market value and a maturity, when acquired, of less than three months.

CMO Collateralized Mortgage Obligation is a security which groups mortgage pass-through bonds together and partitions the cash flows into successive maturity groups called tranches. CMOs attempt to mitigate prepayment risk by transferring the various degrees of prepayment risk among different tranches; thus, each tranche has different risk and return characteristics.

Commingled Fund An investment fund in which the manager pools the assets of several accounts to permit more efficient management and to reduce administrative cost. Also called collective investment funds, common funds or pooled funds.

Confidence Level The degree of certainty associated with a statistical measure, such as a t-statistic. In the context of this report, the confidence level provides insight into whether the manager's results were due to skill or luck. For example, with 20 or more observations, a t-statistic of 1.73 generally implies a confidence level of at least 95%; this means that there is only a 5% chance that the result was due to blind luck.

Consumer Durables A sector classification which includes securities of firms whose products, bought by consumers, are expected to last three years or more. These include automobiles, appliances, boats, and furniture. Economists look at the trend in consumer expenditure on durables as an important indicator of the strength of the economy, since consumers need confidence to make such large and expensive purchases.

Consumer Non-Durables A sector classification which includes securities of firms that provide consumable products such as food or drugs.

Consumer Services A sector classification which includes securities of firms that provide a service to the consumer rather than a product.

Convertible Securities These obligations include bonds, debentures, or preferred stock which may be exchanged by their owners for common stock -- usually in the same corporation. The terms which must be met to exercise this right of exchange are usually specified for each issue.

Convexity A measure of interest rate sensitivity. To demonstrate the concept, if bonds A and B have the same duration, but bond B has greater convexity, then the price of bond B will increase more than bond A if interest rates fall. Similarly, if rates increase, the price of bond B will fall less than the price of bond A. Investors who buy the price of bonds with a high degree of convexity will have to pay for convexity in the form of accepting a lower yield.

Core Style A strategy with investments in a large number of securities within a market capitalization range. Unlike an index strategy, a core strategy does try to exceed the return of the target index.

Corporates Debt obligations issued by private corporations. This type of debt instrument varies greatly in quality and liquidity as the terms of the obligation and the financial health of the issuer are factored in by the market.

Correlation Coefficient A statistical measure of the degree to which the movements of two variables are related. A correlation of 1.0 indicates that the two variables move perfectly in tandem. A correlation of 0.0 indicates a random relationship between the variables, and a correlation of -1.0 indicates perfect negative correlation (perfect tandem but in opposite directions). Combining assets in a portfolio with negative correlations or with positive correlations less than 1.0 will reduce total portfolio volatility.

Country Weighting The percentage exposure a portfolio has to the securities of a given country.

Coupon The annual rate of interest that the bond issuer promises to pay the bondholder.

CPI Consumer Price Index is a measure of the cost of a basket of consumer items. Changes in the index are generally accepted as a proxy for inflation.

Appendix B

Cross Hedging A cross hedge occurs when a foreign currency is hedged to another foreign currency instead of into the base currency (the U.S. dollar for U.S. investors). Managers may cross hedge when they want added currency exposure to a country.

Cross-Sectional Beta Beta is a measure of a portfolio's return volatility relative to the market (benchmark index). An estimate of the cross-sectional beta of a portfolio is a weighted average of the betas of the portfolio's component assets. A beta of 1.00 means a stock has exhibited the same volatility as the market over the period measured. A beta of 0.85 means, in general, a stock is less volatile than the market (moves 0.85% for each 1.00% move in the market) where a beta of 1.15 means a stock is more volatile than the market (moves 1.15% for each 1.00% move in the market).

Currency Hedging International managers may use currency hedges to minimize the effect of currency fluctuation against the U.S. dollar. A 100% hedge will neutralize the effect while a partial hedge will reduce the effect.

Current Yield A bond's coupon rate divided by the bond's current price.

Debt to Equity The ratio of long-term debt to total common equity.

Derivative A financial instrument whose value is "derived" from or based upon the value of other financial instruments or the level of a financial index. Also refers to financial instruments which have complex structures with option-like features. Futures, options and currency forward contracts are examples of derivatives.

Diversification The reduction in risk that is sought by investing in assets which are not perfectly positively correlated. Diversification is the spreading of risk among a number of different investment opportunities. Since the assets are not perfectly correlated, losses of any one asset tend to be offset by gains on other assets.

Dividend A payment to owners of common or preferred stock. Dividends are usually paid out of the current earnings of a corporation. On preferred stock shares, the dividend is usually a fixed amount. On common stock

shares, the dividend will vary with the fortunes of the corporation. Dividends are usually declared and paid quarterly.

Dividend Yield The current dividend per share of a stock divided by its current price per share. For example, a stock with a price of \$100 per share paying a dividend of \$5 per share would have a dividend yield of $\$5/\$100=5\%$.

Down Market A quarter in which the market return is negative.

Duration A measure of a bond's price volatility relative to a change in the general level of interest rates, measured in years. It is a measure of the number of years until the average dollar, in present value terms, is received from coupon and principal payments. In general, bonds with longer durations have greater sensitivity to interest rates and vice versa.

Duration - Active Average portfolio duration is allowed to vary outside of a 20% range around the benchmark's duration.

Duration - Controlled Average portfolio duration is maintained within a 20% range around the benchmark's duration.

Duration - Neutral Average portfolio duration is maintained close to the benchmark's duration.

Duration - Tightly Controlled Average portfolio duration is maintained within a 10% range around the benchmark's duration.

Dynamic Asset Allocation An approach (such as portfolio insurance) where investments are hedged through the use of derivatives to theoretically limit any losses beyond a floor level.

Earnings Per Share (EPS) That portion of a company's profit allocated to each outstanding share of common stock.

Earnings Per Share Growth Rate The rate at which the earnings per share grows over various time periods.

Appendix B

Economic Risk The probability that economic conditions will deteriorate and thereby affect the safety of a company.

Effective Asset Allocation Tool to discern style orientation of a portfolio. The concept of effective asset allocation was introduced by Professor William F. Sharpe in 1988. Mercer has applied Sharpe's concept by developing its own version of effective asset allocation. Mercer's model regresses a minimum of five years of quarterly returns on a maximum of five various style indices. The coefficients of the linear combination are fitted using a quadratic rather than a linear program in order for the coefficients to lie within a specified range. These coefficients must sum to one, but lie between zero and one. In addition, the constant term (alpha) is omitted. The resulting coefficients are interpreted as the "effective asset allocation" of the manager's investment style. With this model, we can distinguish the investment styles of both equity and fixed income managers.

Effective Duration Also known as option-adjusted duration, a measure of how sensitive a bond's price is to interest rate changes with the option and structural characteristics of the bond taken into account.

Energy A sector classification which includes securities of firms that produce and/or sell oil, oil service, gas, solar energy, coal companies and makers of energy saving devices.

Equity Investment or ownership interest possessed by shareholders in a corporation -- stock as opposed to bonds.

Eurodollar Bonds A U.S. dollar denominated bond issued and traded outside the jurisdiction of the United States.

Finance A sector classification which includes securities of firms that engage in making loans to individuals or businesses.

Fixed Income Debt instruments issued by corporations, governments or government agencies characterized by a fixed interest rate and stated maturity date. These represent the terms of the arrangement between someone who borrows money and someone who lends it.

Foreign Exchange Transactions involving the purchase and sale of currencies.

Forward Market A market in which participants agree to trade some commodity, security, or foreign exchange at a fixed price at some future date.

Forward Rate The rate at which forward transactions in some specific maturity are being made, e.g., the dollar price at which Deutschmarks can be bought for delivery three months hence.

Fundamental A qualitative method of evaluating securities by attempting to measure the underlying value of a particular stock using traditional security analysis.

Growth at a Reasonable Price Style An investment style employed by investment managers who invest in companies which have superior growth prospects. However, security selection techniques try to identify those companies that are underpriced relative to other companies in the same industry or sector.

Growth Style An investment style employed by investment managers who invest in companies that have superior growth prospects. Generally, these companies have higher price to earnings and price to book ratios and lower dividend yields.

Health Services A sector classification which includes securities of firms that provide health related services or products.

Hedging Strategy used to offset investment risk.

High Yield Bonds rated BB (Ba) or lower by Standard & Poor's Corporation and Moody's Investor Service. High yield bonds are lower quality than investment grade bonds and have greater credit risk.

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Historical Beta Beta is a measure of a stock's (or portfolio) return volatility relative to the market (benchmark index). A beta of 1.00 means a stock has exhibited the same volatility as the market over the period measured. A beta of 0.85 means, in general, a stock is less volatile than the market (moves 0.85% for each 1.00% move in the market) where a beta of 1.15 means a stock is more volatile than the market (moves 1.15% for each 1.00% move in the market). An estimate of the historical beta of a portfolio is based on a simple linear regression of the portfolio returns.

Information Ratio A measure of the consistency of value added by an investment manager. Specifically, the information ratio is the average alpha divided by the variability of alpha.

Intermediate-Term Bond Bonds with a maturity between three and ten years.

Investment Grade Bonds rated BBB (Baa) or higher by Standard & Poor's Corporation and Moody's Investment Services. Investment grade bonds are higher quality than high yield bonds and have lower credit risk.

Kurtosis A measure of the relative peakedness or flatness of a distribution compared to the normal distribution. Positive kurtosis indicates a relatively peaked distribution. Negative kurtosis indicates a relatively flat distribution.

Limited Partnership An organization made up of a general partner, who manages a project, and limited partners, who invest money but have limited liability, are not involved in day-to-day management, and usually cannot lose more than their capital contribution. Typically, public limited partnerships are sold through brokerage firms, for minimum investments of \$5,000, whereas private limited partnerships are put together with fewer than 35 limited partners who invest more than \$20,000 each.

Local Currency The currency of the same country as a security or index.

Long-Term Bond A bond with a maturity of ten years or more.

Market Average Capitalization The average market (equity) capitalization of an aggregate portfolio of equity securities weighted by the proportion of each security to the total portfolio.

Market Timing A practice whereby a manager shifts between asset classes depending on the expected performance of each class. Can include timing between stocks and cash, or an unlimited number of asset classes. (see Tactical Asset Allocation.)

Maturity The date on which the principal or stated value of a bond becomes due and payable in full to the bondholder.

Maturity Structure The distribution of bonds in a portfolio across the maturity spectrum.

Maturity Structure - Actively Managed The portfolio's distribution of bonds by maturity will vary over time in order to benefit from temporary valuation differences among maturity ranges or expected shifts in the yield curve.

Maturity Structure - Laddered Bonds held in a portfolio are evenly distributed across the maturity spectrum.

Maturity Structure - Neutral The distribution of bonds by maturity in a portfolio is similar to the benchmark.

Median Market Capitalization The middle market value in a distribution of stock holdings.

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Mortgage-Backed Security A collateralized fixed income security in which a group of mortgages are pooled together and act as collateral for the issuance of the security. Depending on the specific structure of the security, some combination of principal and interest payments of the underlying mortgages are “passed through” to the security holder. Types of mortgages that serve as collateral include: level payment fixed rate mortgages, adjustable rate mortgages, balloon mortgages, and graduated payment mortgages. The majority of these securities are issued and/or guaranteed by government agencies such as GNMA (Government National Mortgage Association - “Ginnie Mae”), FNMA (Federal National Mortgage Association - “Fannie Mae”), and FHLMC (Federal Home Loan Mortgage Corporation - “Freddie Mac”). Only GNMA is an arm of the US government and as such, is backed by the full faith and credit of the US government. FNMA and FHLMC, which are government-sponsored entities, are generally recognized as AAA quality due to their close ties to the US government.

Municipal Bonds Bonds issued by a state or local government or one of its agencies to supplement tax revenues for use in operating or capital expenditures. These debt instruments come in one of two forms, general obligation bonds and revenue bonds. Typically these bonds are exempt from federal and sometimes state and local taxes.

Mutual Fund An investment fund in which the investment company raises money from shareholders and invests in stocks, bonds, options, futures, currencies, or money market securities. These funds offer investors the advantages of diversification and professional management.

Non-U.S. Dollar Bonds Bonds issued by foreign governments, corporations or other entities whose value is denominated in a currency other than the U.S. dollar. Non-U.S. dollar bonds incur currency risk to a U.S. based investor.

Peer Group A narrowly defined group of investment managers who use a similar investment style, such as value investment managers.

Percentile Rank Time-weighted rates of return are ranked against Mercer universes or peer groups. For example, an investment manager’s return may rank at the 20th percentile of a particular Mercer universe or peer group. This indicates that 80% of the investment managers in the sample had lower performance. The highest percentile rank is 1 and the lowest is 100. Bars in graphic displays are divided by percentiles with the top of each bar denoting the 5th percentile followed by lines for the 25th, 50th (median), 75th, and 95th percentiles.

Political Risk The probability that a company will be affected by political actions.

Portfolio Turnover Volume of shares traded as a percentage of total shares currently held in the portfolio during a given period of time.

Price to Book Ratio (P/B) The current price of a stock divided by its book value per share. For instance a stock selling for \$20 a share whose book value is \$5 per share has a P/B of 4.

Price to Earnings Ratio (P/E) The current price of a stock divided by its earnings per share. For instance, a stock selling for \$20 a share that earned \$2 per share in the last 12 months has a P/E ratio of 10. Mercer excludes companies with negative earnings in its calculation.

Quality Rating A measure of a bond issuer’s credit quality, or its ability to meet future contractual obligations. Two widely used bond rating systems are those of Moody’s Investor Service and Standard & Poor’s Corporation.

Quantitative A systematic method of evaluating securities using a model composed of ranking or rating tools.

Quartile Represents a range of twenty-five percent of the outcomes. A first quartile rank means that the manager performed in the top twenty-five percent of its peer group or universe.

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Return on Equity (ROE) An amount, expressed as a percentage, earned on a company's common stock investment for a given period of time. It is calculated by dividing net income for the accounting period by common stock equity (net worth) at the beginning of the period.

Return/Risk Comparison Analysis that presents the rate of return in relation to the volatility of those returns as measured by the annualized standard deviation of quarterly returns.

Sector Biased The portfolio tends to have a concentration in a particular sector or maintains sector weightings which are significantly greater than or less than those of the benchmark's over all market environments.

Sector Neutral The portfolio's allocation among sectors is similar to that of the market.

Sector Rotation A portfolio's sector distribution will vary over time according to perceived valuation differences among different sectors and sub-sectors.

Semi Standard Deviation A measure of the downside volatility of returns.

Separate Account A single portfolio managed for a client.

Short-Term Bond A bond with a maturity less than three years.

Skewness A measure of the degree of asymmetry of a distribution around its mean. Positive skewness indicates a distribution of excess return over the benchmark with an asymmetric tail extending towards more positive values. Negative skewness indicates a distribution of excess return over the benchmark with an asymmetric tail extending towards more negative values.

Spot Market Market for immediate delivery (as opposed to future delivery). In the spot market for foreign exchange, settlement is two business days ahead.

Spot Price The current market price.

Standard Deviation A measure of the dispersion of a set of numbers around the average. In a regression analysis (which assumes a normal distribution), 68% of the data points fall between 1 standard deviation below the average and 1 standard deviation above.) Standard deviation is frequently used as a measure of risk (see Return/Risk Comparison).

Strategic Asset Allocation An approach where an asset allocation policy is established for the long run and the portfolio is invested at that static mix.

Systematic Risk The component of return that is associated with the broad-based market. Systematic risk is the volatility of rates of return on stocks or portfolios associated with changes in rates of return on the market as a whole.

T-Statistic Used to measure statistical significance, a t-statistic is a standardized ratio which measures how significantly far apart two measures are. To calculate the t-statistic of excess returns versus a benchmark, three measures are required: the average quarterly excess return over the benchmark, the standard deviation of quarterly excess returns and the square root of the number of observations. Divide the average excess return by the standard deviation, then multiply this ratio by the square root of one less than the number of observations.

Tactical Asset Allocation An approach where the weighting to different asset classes is changed frequently - up to several times per year - as a function of the expected performance from each asset class in the short run (see Market Timing).

Target Index Return The return derived from a portfolio invested in benchmark indices and weighted according to policy asset allocation targets.

Technology A sector classification which includes securities of firms that provide technology related services or products.

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Time-Weighted Rate of Return A rate of return calculation. The time-weighted method minimizes the impact of cash flows on rate of return calculations. Time-weighted returns are an appropriate measure of an investment manager's performance, since investment managers may not have direct control over the timing or amount of cash flows directed to them.

Top-Down A money management style which begins with an assessment of the economy as a whole.

Tracking Error A measure of how much a return series deviates from its benchmark. Mercer measures the tracking error by the annualized standard deviation of quarterly excess returns.

Transportation A sector classification which includes securities of firms that provide transportation related services or products.

Treasury Securities Bonds which are direct debt obligations of the U.S. government issued by the U.S. Treasury. Backed by the "full faith and credit" of the United States, these bonds are considered among the safest of investments carrying AAA/Aaa ratings. Treasury Bills are short-term securities issued with three-month, six-month, and one-year maturities. Notes are intermediate-term obligations available in maturities of one to ten years. Bonds are long-term obligations with maturities greater than ten years.

Universe A broadly defined group of investment managers. For example, a group of equity investment managers.

Unsystematic Risk The variability not explained by general market movements.

Up Market A quarter in which the market return is positive.

Utilities A sector classification which includes securities of firms that own or operate facilities used for the generation, transmission, or distribution of electric energy. Utilities distribute electricity, gas and water to their customers. Utility stocks usually offer above-average dividend yields to investors, but less capital appreciation potential than growth stocks. Utility stocks are also very sensitive to the direction of interest rates. Rising interest rates tend to harm the value of utility shares because higher rates provide a more attractive alternative to investors. In addition, utilities tend to be heavy borrowers, so higher interest rates add to their borrowing costs. Conversely, falling interest rates tend to buoy the value of utility stocks because utility dividends look more attractive and because the companies' borrowing costs will be reduced.

Value Style An investment style employed by investment managers who invest in companies that appear to be undervalued relative to the market. Generally, these companies have lower price to earnings and price to book ratios and higher dividend yields.

Yankee Bonds A U.S. dollar-denominated bond issued by foreign banks and corporations in the U.S. market.

Yield Curve A graph showing the relationship between yield and maturity for a set of similar securities.

Yield to Maturity Internal rate of return on a bond bought at the current price and held to maturity. This assumes that coupon income is reinvested at the yield to maturity.

Yield to Worst The yield to maturity under the least desirable of all possible bond repayment patterns under the assumption that market yields are unchanged. If market yields are higher than the coupon, the yield to worst would assume no prepayment. If market yields are below the coupon, yield to worst would assume prepayment at the earliest call date.

Appendix C: Description of Indices

Equity Indices

American Stock Exchange

The American Stock Exchange Index (AMEX) contains issues of medium and smaller-sized companies, representing less than 5% of the market value of all U.S. stocks. The index represents all major industry groups and includes American Depositary Receipts and warrants. The index is market value-weighted.

Dow Jones Industrial Average

The Dow Jones Industrial Average (DJIA) contains 30 actively traded blue-chip stocks. The 106-year-old average is the best-known U.S. stock average. The editors of the Wall Street Journal, which is owned by Dow Jones select the stocks. All but three of the stocks are listed on the New York Stock Exchange. In October of 1999, Microsoft Corp. and Intel Corp were the first NASDAQ Stock Market stocks to be included in the DJIA. The stocks are generally leaders in their industry. The DJIA purpose is to represent US listed equities, excluding transportation and utility stocks. The Dow is a price-weighted arithmetic average.

FTSE KLD 400 Social Index

The FTSE KLD 400 Social Index (KLD400) is a float-adjusted, market capitalization-weighted, common stock index of U.S. equities. Launched by KLD in May 1990, the KLD400 (formerly KLD's Domini 400 Social Index) is constructed using environmental, social and governance (ESG) factors. The Domini 400 Social Index was renamed the FTSE KLD 400 Social Index in July 2009. It is a widely recognized benchmark for measuring the impact of social and environmental screening on investment portfolios. The index consists of 400 U.S. stocks, which are screened on factors such as military contracting, alcohol and tobacco, gambling, nuclear power, environmental management and employee relations.

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MSCI EAFE

The MSCI Europe, Australasia and the Far East (EAFE) Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The index is market value-weighted and calculated both with net and gross dividends reinvested. The index consists of approximately 1,000 securities from the following 21 countries:

Australia	Denmark	Germany	Ireland	Netherlands	Portugal	Sweden
Austria	Finland	Greece	Italy	New Zealand	Singapore	Switzerland
Belgium	France	Hong Kong	Japan	Norway	Spain	United Kingdom

MSCI EAFE (GDP-Weighted)

The MSCI Europe, Australasia and the Far East (EAFE) GDP-Weighted Index is designed to reflect the size of a country's economy rather than the size of its equity market, by using country weights based on a country's gross domestic product (GDP)..

MSCI Emerging Markets

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The index consists of the following 22 emerging markets country indices:

Brazil	Czech Republic	Indonesia	Mexico	Poland	Thailand
Chile	Egypt	Israel	Morocco	Russia	Turkey
China	Hungary	Korea	Peru	South Africa	
Colombia	India	Malaysia	Philippines	Taiwan	

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MSCI World Index

The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The index measures the performance of stock markets in the United States, Europe, Canada, Australia, New Zealand and the Far East and currently consists of securities from the following 23 countries: The index is market value-weighted and calculated both with net and gross dividends reinvested.

Australia	Denmark	Greece	Japan	Portugal	Switzerland
Austria	Finland	Hong Kong	Netherlands	Singapore	United Kingdom
Belgium	France	Ireland	New Zealand	Spain	United States
Canada	Germany	Italy	Norway	Sweden	

NASDAQ Composite

The National Association of Securities Dealers, a network of brokers, sponsors the NASDAQ (National Association of Securities Dealers Automated Quotation system). It is often called the OTC (over-the-counter) market. Unlike the NYSE and AMEX, the OTC has no trading floor and no auction market. It is a dealer to dealer market that operates via an electronic network.

The NASDAQ Composite Index measures all NASDAQ domestic and non-U.S. based securities. The NASDAQ Composite includes over 3,000 issues. The composite is a market value-weighted index calculated on a total return basis including dividends. The index represents many small company stocks but is heavily influenced by about 100 of the largest NASDAQ issues.

NASDAQ 100

The NASDAQ 100 Index includes 100 of the largest domestic and international non-financial companies listed on The NASDAQ Stock Market based on market capitalization. The NASDAQ 100 Index is a modified capitalization-weighted index which is designed to limit domination of the index by a few large stocks while retaining the capitalization ranking of companies. To be eligible for inclusion in the index, a stock must have a minimum average daily trading volume of 200,000 shares. Component stocks are adjusted quarterly to reflect changes in market capitalization.

New York Stock Exchange

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The New York Stock Exchange Index (NYSE) is the largest equities marketplace in the world. It represents approximately 80% of the value of all publicly owned companies in America. The NYSE has the most stringent listing requirements of any stock exchange in the United States. Because of the Exchange listing requirements, the stocks tend to be larger, well established companies. The NYSE uses a specialist system of trading. The specialist brings buyers and sellers together on the Exchange floor and will buy or sell shares if there is an imbalance of orders. The index is market value-weighted and calculated on a total return basis with dividends re-invested.

Russell 1000

The Russell 1000 is intended to represent the universe of stocks in which most active equity managers invest. The index measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. The index is market value-weighted and restated annually based on May 31 market capitalization rankings.

Russell 1000 Growth

The Russell 1000 Growth Index is intended to be a benchmark for growth managers. The stocks are selected from the Russell 1000 Index, which currently contains approximately 1,000 of the largest U.S. equity stocks by market capitalization. The index includes those stocks, which have had high earnings per share growth rate, high dividends per share growth rate, high price earnings ratio, high price book ratio, and a low dividend yield relative to the market.

The Russell 1000 securities are ranked by adjusted book to price ratios and by the I/B/E/S (Institutional Brokers Estimate System) growth rate. These ranks are then normalized into common units and combined to arrive at a composite rank. A company's composite rank is then used to determine its probability of being growth or value.

Companies with probabilities of 100% growth are placed entirely in the growth index. Companies with probabilities of being partially growth and value are held in both indexes according to their probability, i.e., a company with an 80% probability of growth would have 80% of its available market cap in the growth index and 20% in the value index. Inception is 12/31/83.

Russell 1000 Value

The Russell 1000 Value Index is intended to be a benchmark for value managers. The securities are chosen from the Russell 1000 Index, which currently contains approximately 1,000 of the largest U.S. equity stocks by market capitalization. The index includes those stocks, which have a low price to book ratio, low price earnings ratio, high dividend yield and a low earnings per share growth rate.

The Russell 1000 securities are ranked by adjusted book to price ratios and by the I/B/E/S (Institutional Brokers Estimate System) growth rate. These ranks are then normalized into common units and combined to arrive at a composite rank. A company's composite rank is then used to determine its probability of being growth or value.

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Companies with probabilities of 100% value are placed entirely in the value index. Companies with probabilities of being partially growth and value are held in both indexes according to their probability, i.e., a company with an 80% probability of value would have 80% of its available market cap in the value index and 20% in the growth index. Inception is 12/31/83.

Russell 2000

The Russell 2000 is intended to be a small capitalization market proxy. The index currently consists of approximately the 2,000 smallest stocks in the Russell 3000, representing approximately 10% of the total U.S. equity market. The index is restated annually based on May 31 market capitalization rankings.

Russell 2000 Growth

The Russell 2000 Growth Index contains those Russell 2000 securities, which have a greater-than-average growth orientation. These securities generally have higher price-to-book and price-earnings ratios than those securities in the Russell 2000 Value Index.

The Russell 2000 securities are ranked by adjusted book to price ratios and by the I/B/E/S (Institutional Brokers Estimate System) growth rate. These ranks are then normalized into common units and combined to arrive at a composite rank. A company's composite rank is then used to determine its probability of being growth or value.

Companies with probabilities of 100% growth are placed entirely in the growth index. Companies with probabilities of being partially growth and value are held in both indexes according to their probability, i.e., a company with an 80% probability of growth would have 80% of its available market cap in the growth index and 20% in the value index. The index is restated annually based on May 31 market capitalization rankings. Inception is 12/31/83.

Russell 2000 Value

The Russell 2000 Value Index contains those Russell 2000 securities, which have a less-than-average growth orientation. These securities generally have lower price-to-book and price-earnings ratios than those securities in the Russell 2000 Growth Index.

The Russell 2000 securities are ranked by adjusted book to price ratios and by the I/B/E/S (Institutional Brokers Estimate System) growth rate. These ranks are then normalized into common units and combined to arrive at a composite rank. A company's composite rank is then used to determine its probability of being growth or value.

Companies with probabilities of 100% value are placed entirely in the value index. Companies with probabilities of being partially growth and value are held in both indexes according to their probability, i.e., a company with an 80% probability of value would have 80% of its available market cap in the value index and 20% in the growth index. The index is restated annually based on May 31 market capitalization rankings. Inception is 12/31/83.

Russell 2500

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The Russell 2500 Index measures the performance of the 2500 smallest companies in the Russell 3000 Index, which represents approximately 16% of the total market capitalization of the Russell 3000 Index.

Russell 3000

The Russell 3000 Index currently consists of the largest U.S. company stocks by market capitalization. The Russell 3000 represents approximately 99% of the investable U.S. equity market. The index is restated annually based on May 31 market capitalization rankings.

Russell Midcap

The Russell MidCap Index measures the performance of the 800 smallest companies in the Russell 1000 which represent approximately 35% of the total market capitalization of the Russell 1000 index.

S&P 500

The S&P 500 index contains a representative sample of common stocks that trade on the New York and American Stock Exchanges and some over-the-counter stocks. The index represents about 86% of the market value of all the issues traded on the NYSE.

The index does not contain the 500 largest stocks. It has many relatively small companies in it because it is constructed of industry groups. Standard and Poor's first identifies important industry categories and allocates a representative sample of stocks to each group. The companies chosen to be in the S&P 500 generally do have the largest market values within their industry group.

The industry categories are grouped into ten sectors: Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Telecommunication Services and Utilities. The index is weighted by market capitalization and calculated on a total return basis with dividends reinvested.

S&P 500 Value & Growth

The S&P Value and Growth indices were developed by Standard and Poor's in conjunction with BARRA using a method developed by William F. Sharpe of Stanford University.

The stocks in the S&P 500 are ranked from the lowest to highest price-to-book ratios. Then, starting with the company with the lowest price-to-book ratio, the market capitalization of each company is added until 50% of the total market capitalization of the S&P 500 has been reached. Those companies, which fall into this group, constitute the S&P Value Index and the remaining companies comprise the S&P Growth Index.

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Each index is capitalization-weighted and re-balanced semi-annually on January 1 and July 1. The indices are adjusted each month to reflect changes in the S&P 500. Companies, which are added to the S&P 500 are assigned to the Value or Growth Index, based on where their price-to-book ratio would have ranked at the most recent cut-off period.

S&P Midcap 400

The S&P MidCap 400 Index consists of 400 domestic stocks which are chosen by a committee at Standard & Poor's based on market capitalization, liquidity and industry group representation. The index is made up of companies listed on the NYSE, NASDAQ, and AMEX. None of the companies within the S&P MidCap overlap with those included in the S&P 500 index. The index is market value-weighted.

S&P Midcap Value & Growth

The S&P MidCap Value and Growth indices were developed by Standard and Poor's in conjunction with BARRA using a method developed by William F. Sharpe of Stanford University.

The stocks in the S&P MidCap 400 are ranked from the lowest to highest price-to-book ratios. Then, starting with the company with the lowest price-to-book ratio, the market capitalization of each company is added until 50% of the total market capitalization of the S&P 400 has been reached. Those companies, which fall into this group, constitute the S&P MidCap Value and the remaining companies comprise the S&P MidCap Growth Index.

Each index is capitalization-weighted and re-balanced semi-annually on January 1 and July 1. The indices are adjusted each month to reflect changes in the S&P MidCap 400. Companies which are added to the S&P MidCap 400 are assigned to the Value or Growth Index based on where their price-to-book ratio would have ranked at the most recent cut-off period.

S&P Smallcap 600

The S&P SmallCap 600 index is designed to be a benchmark of small capitalization stock performance and an investable portfolio for passive replication purposes. S&P began development of the index by surveying active and passive small cap managers, quantitative research analysts, academics and traders to determine a small cap market value definition.

S&P converted this market capitalization range into percentiles of the entire stock market in order to account for fluctuations in performance over time. The \$600 million level converted into the 50th percentile and the \$80 million lower level became the 83rd percentile. This percentile range was used to select the index back history and is used to select future index constituents.

S&P applied the target percentile range to their Index Selection Database to create a small cap universe of 1,850 stocks. The following screens were then used to select the 600 companies: 1. Companies must trade on the New York, NASDAQ or American stock exchanges, 2. Companies must have a trading history of at least six months, 3. Stocks that do not trade on any three days during a 12-month period are removed, 4. Companies with stock prices below \$1.00 are removed, 5. Share turnover has to exceed 20% on an annualized basis, 6. Companies with 50% or more of the common shares owned by another corporation or 60% owned by insiders

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are removed, 7. Companies in bankruptcy or financial distress are eliminated, 8. Bid/Ask spreads calculated for 30 days must be 5% or less. The index was started on December 31, 1993, and a simulation for back history was used for returns back to January 1984.

Wilshire 4500

The Wilshire 4500 Index measures the performance of all small and midcap U.S. equities. It is constructed using the Wilshire 5000 with the companies in the S&P 500 Composite excluded. The Wilshire 4500 is a misnomer, there are actually over 5,000 companies in the index. ADRs are excluded from the index. The Wilshire 4500 exchange distribution by market value is 35% NASDAQ, 63% NYSE and 2% AMEX.

Wilshire 5000

The Wilshire 5000 Equity Index was created by Wilshire Associates in 1974 and has historical data back to December 1970. The index measures the performance of all U.S. headquartered equity securities with readily available price data. The Wilshire 5000 is a misnomer, there are actually over 7,000 stocks in the Index. The Wilshire 5000 exchange distribution by market value is 80% NYSE, 20% NASDAQ, and 1% AMEX. Non-domiciled US stocks, foreign issues and ADRs are excluded from the index. The index is computed on both an equal-weighted and value-weighted basis.

Fixed Income Indices

Barclays Capital Global Aggregate

The Barclays Capital Global Aggregate Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate Index, the Pan-European Index and the Asian-Pacific Aggregate Index. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities. All issues must be fixed rate, nonconvertible and have at least one year remaining to maturity.

Barclays Capital Global Treasury

The Barclays Capital Global Treasury Index covers local currency-denominated debt of 30 countries. All issues must be fixed rate, nonconvertible and have at least one year remaining to maturity.

Barclays Capital U.S. Aggregate

The Barclays Capital U.S. Aggregate Index covers the U.S. investment-grade, fixed-rate bond market and includes government and corporate bonds, agency mortgage pass-through securities, asset-backed issues, and ERISA-qualified CMBS. Price, coupon and total return are reported on a month-end to month-end basis. All returns are market value-weighted inclusive of accrued income.

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Barclays Capital U.S. Intermediate Aggregate

The Barclays Capital U.S. Intermediate Aggregate Index consists of those bonds in the Government and Corporate Bond Indexes which have a maturity between one and ten years, and all Mortgage-Backed Securities and all Asset-Backed Securities within the Aggregate Index (i.e. the Aggregate Index less the Long Government/Corporate Index). The index was created to provide a broad based benchmark with a shorter duration than the Aggregate Index.

Price, coupon and total return are reported on a month-end to month-end basis. All returns are market value-weighted inclusive of accrued income.

Barclays Capital U.S. Agency

The Barclays Capital U.S. Agency Bond Index consists of all publicly issued debt of the U.S. Government, quasi-federal corporations and corporate debt guaranteed by the U.S. Government with a minimum outstanding of \$250 million. Price, coupon and total return are reported on a month-end to month-end basis. All returns are market value weighted inclusive of accrued interest.

Barclays Capital U.S. Credit

The Barclays Capital U.S. Credit Bond Index includes bonds issued by both U.S. and Non-U.S. corporations. To qualify all bonds must be SEC registered.

The Credit Index is subdivided into pure corporate (industrial, utility, and finance, including both U.S and Non U.S. corporations) and non-corporates (sovereign, supranational, foreign agencies, and foreign local governments). The first the sectors are composed of all publicly issued, non-convertible, investment grade domestic corporate debt. Issues must have a minimum rating of Baa by Moody's Investor Service, BBB by Standard and Poor's Corporation or BBB by Fitch Investor Services. Collateralized Mortgage Obligations (CMO's) and Asset-Backed securities are not included. All issues must have a maturity of at least one year and a par amount outstanding of at least \$250 million. Price, coupon and total return are reported on a month-end to month-end basis. All returns are market value weighted inclusive of accrued interest.

Barclays Capital U.S. Government Bond

The Barclays Capital U.S. Government Bond Index is made up of the Treasury Bond Index and the Agency Bond Index. The Treasury index consists of all publicly issued domestic debt of the US Government with maturity greater than one year. Flower bonds, targeted investor notes (TINs), and state and local government series are excluded. U.S. agency debt issues include both callable and noncallable securities. The Agency index includes publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government. Global issues associated with the World Bank are included. The largest issuers are Fannie Mae, the Resolution Trust Funding Corporation (REFCORP) and the Federal Home Loan Bank System (FHLB). All issues must have an outstanding par value of at least \$250 million and a maturity of at least one year. Price, coupon and total return are reported for all sectors on a month-end to month-end basis. All returns are market value-weighted inclusive of accrued interest. The index is rebalanced monthly by market capitalization.

Barclays Capital U.S. 1-3 Year Government

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The Barclays Capital U.S. 1-3 Year Government Index consists of those issues within the Government Bond Index which have a maturity greater than or equal to one year and less than or equal to three years. When an issue no longer meets the maturity criterion it is dropped from the index. All issues must have an outstanding par value greater than \$250 million.

Barclays Capital U.S. Government /Credit

The Barclays Capital U.S. Government/Credit Bond Index combines the U.S. Government and U.S Credit Bond Indices.

Barclays Capital U.S. Long Government/Credit

The Barclays Capital U.S. Long Government/Credit Index consists of those issues within the U.S. Government/Credit Index which have a maturity greater than ten years. Price, coupon and total return are reported on a month-end to month-end basis. All returns are market value weighted inclusive of accrued interest.

Barclays Capital U.S. High Yield

The Barclays Capital U.S. High Yield Bond Index covers fixed rate, publicly issued, below investment-grade debt registered with the SEC. Eurobonds and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included. The bonds must be dollar denominated and nonconvertible, have at least one year remaining to maturity and an outstanding par value of at least \$150 million. The bonds must be rated high-yield (Ba1/BB+ or lower) by at least two of the following ratings agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be high-yield. A small number of unrated bonds are included in the index; to be eligible they must have previously held a high yield rating or have been associated with a high yield issuer, and must trade accordingly.

Barclays Capital U.S. Mortgage Backed

The Barclays Capital U.S. Mortgage Backed Securities Index is composed of all 15- and 30-year fixed rate security issues backed by mortgage pools of the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC).

Balloon securities are included in the index. The index excludes graduated payment mortgages (GPMs), buydowns, graduated equity mortgages (GEMs), project loans and manufactured homes (GNMA). Non-agency (whole loan) jumbo and 20-year securities are also excluded. The MBS universe groups over 600,000 individual fixed rate MBS pools into approximately 3,500 generic aggregates. To qualify for inclusion in the index, the aggregate must have a weighted average maturity (WAM) of at least one year and a minimum \$250 million par amount outstanding.

Barclays Capital U.S. Treasury Bond

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The Barclays Capital U.S. Treasury Bond Index consists of all public obligations of the U.S. Treasury, including inflation-indexed securities. The index excludes flower bonds and foreign-targeted issues. All issues must have at least one year to maturity and a minimum amount outstanding of \$250 million. Price, coupon and total return are reported on a month-end to month-end basis. All returns are market value-weighted inclusive of accrued interest.

Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS)

The Barclays Capital U.S. Treasury Inflation Protected Securities (TIPS) Index measures the performance of inflation-protected bonds issued by the U.S. Treasury. The rules for inclusion in the index are as follows:

All bonds must be a U.S. Treasury Inflation Note.

The minimum amount outstanding is \$250 million.

All bonds must be dollar denominated and non-convertible.

All bonds must have more than 1 year to maturity.

Barclays Capital U.S. Universal

The Barclays Capital U.S. Universal Index consists of the Aggregate Index, plus dollar-denominated Eurobonds (Eurodollar Index), 144A Index, Non-ERISA CMBS Index, High Yield CMBS Index, US High-Yield Corporate Index, and dollar-denominated Emerging Markets Index. The Universal Index was designed to capture the entire portfolio management choice set of fixed-income securities issued in US Dollars.

BofA Merrill Lynch Corporate 1-3 Year

The BofA Merrill Lynch 1-3 Year Corporate Bond Index consists of all those issues in the Corporate Master Index with a maturity greater than or equal to one year and less than or equal to three years. When an issue no longer meets the maturity criterion it is dropped from the index.

BofA Merrill Lynch High Yield Master

The BofA Merrill Lynch High Yield Master Index consists of U.S. domestic and Yankee bonds which are rated less than BBB by Standard and Poor's or Baa by Moody's Investors Service but which are not in default (DDD1 or less). The issues must be publicly traded, nonconvertible and have a fixed coupon schedule. The issues must have a minimum maturity of 1 year and a par amount outstanding of at least \$100 million at the start and close of the performance measurement period. The index excludes private placements, Title II securities, equipment trust certificates, inflation linked securities, convertible bonds, deferred interest (DIB) and pay-in-kind (PIK) bonds.

BofA Merrill Lynch 1-3 Year Treasury

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The BofA Merrill Lynch 1-3 Year Treasury Index consists of those issues within the Treasury Master Index which have a maturity greater than or equal to one year and less than or equal to three years. When an issue no longer meets the maturity criterion it is dropped from the index.

Citigroup 3-Month Treasury Bill

The Citigroup 3-Month Treasury Bill Index is a monthly return equivalent of yield averages which are not marked to market. The calculation methodology is as follows: 1. Obtain discount yields for current month-end and two previous month-end dates. For example the January return requires the rates at the end of January, December and November. 2. Convert the discount rates to bond-equivalent yields. 3. Compute the simple average of the bond-equivalent yields. 4. Decompose to a monthly frequency using the actual number of days in the month in a 365-day year. Inception is 12/31/77.

Citigroup Broad Investment Grade

The Citigroup Broad Investment Grade (BIG) Bond Index measures the monthly total rate-of-return performance of the investment-grade universe of bonds issued in the United States. The BIG index includes institutionally traded U.S. Treasury (excluding inflation-indexed securities), Government-sponsored (agency and supranational), mortgage and credit (corporate) securities. For inclusion in the index, all issues must have fixed coupon rate and a minimum maturity of one year. Each issue is individually Citigroup trader priced on the bid side at month-end.

U. S. Treasury issues and mortgage pass-throughs have a required entry and exit minimum amount outstanding of \$1 billion. Credit and Government-sponsored securities must have a minimum amount outstanding of \$100 million to be included in the index and are dropped from the index if the amount outstanding falls below \$75 million. Credit bonds must be rated BBB-/Baa3 or better by either S&P or Moody's.

The index is market value-weighted. Total returns include price change, principal payments, coupon payments, accrued income and reinvestment income on intra-money cash flows. Coupon interest is put into 30-day T-bills until month-end when it is re-invested in the same issues. The index is re-weighted monthly. The inception date is December 31, 1979.

Citigroup High-Yield Cash-Pay

The Citigroup High-Yield Cash-Pay Index measures the performance of below investment-grade bonds issued in the United States. All of the bonds are publicly placed, have a fixed coupon and are nonconvertible. For inclusion in the index, an issue must have a minimum maturity of 1 year and a minimum amount outstanding of \$100 million. The maximum quality rating allowed is BB+/Ba1 by either S&P or Moody's. The index includes only cash-pay bonds. Deferred-interest and issues are excluded. The inception date is December 31, 1988.

Citigroup High-Yield Market

The Citigroup High-Yield Market Index captures performance of below investment-grade corporate bonds issued in the United States. All the bonds are publicly placed, have a fixed coupon and are nonconvertible. For inclusion in the index, an issue must have minimum maturity of 1 year, a minimum amount outstanding of \$100 million per issue when the issuer has a minimum of US\$400 million total outstanding debt that qualifies for inclusion, or US\$200 million minimum outstanding

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per issue when the issuer does not meet the US\$400 million minimum.. The maximum quality rating allowed is BB+/Ba1 by both S&P and Moody's. The index includes cash-pay and deferred-interest bonds. Defaulted issues are excluded. When an issuer misses or expects to miss an interest payment, or enters into Chapter 11, the corresponding bonds exit the index at month end, reflecting the loss of the coupon payment or accrued interest. The index inception date is December 31, 1988.

Citigroup High-Yield Market 7+ Year Index (formerly Composite High Yield)

The Citigroup High-Yield Market 7+ Year Index measures the performance of below investment-grade bonds issued in the United States. All of the bonds are publicly placed, have a fixed coupon and are nonconvertible. For inclusion in the index, an issue must have a minimum maturity of 7 years and a minimum amount outstanding of \$100 million. The maximum quality rating allowed is BB+/Ba1 by either S&P or Moody's. The index includes cash-pay and deferred-interest bonds. Defaulted issues are excluded. The inception date is December 31, 1984.

Citigroup World Government Bond

The Citigroup World Government Bond Index is designed to provide a measure of performance of fixed-rate securities in the world government bond market. Country eligibility is determined based on market capitalization and inevitability criteria. A market's eligible issues must total at least US\$20 billion, DM30 billion, and 2.5 trillion for three consecutive months for the market to be considered eligible for inclusion.

The index includes only Sovereign debt issued in each domestic market in the local currency. Foreign and Eurobonds are excluded from the index. Government securities that are floating- or variable-rate bonds, securities aimed principally at non-institutional investors or private placement-type securities are also excluded from the index. All issues must have a maturity of at least 1 year. The minimum amount outstanding required for index inclusion varies by each country since a local currency standard is used to determine eligibility. In the United States, the required minimum for each issue is \$5 billion public amount outstanding. The returns are calculated monthly in local currency, U.S. dollar terms and in non-base currency for each country and on a combined basis. The index is also available on a hedged-basis.

The index includes bonds from the following 23 countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Malaysia, Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, and United States

Citigroup World Government Bond (Currency-Hedged)

The Citigroup World Government Bond (Currency-Hedged) Index is designed to provide a measure of performance of fixed-rate securities in the world government bond market. The index includes only Sovereign debt issued in the domestic market in local currency. Foreign and Eurobonds are excluded from the index. Government securities that are floating- or variable-rate bonds, securities aimed principally at non-institutional investors or private placement-type securities are also excluded from the index. All issues must have a maturity of at least 1 year.

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The minimum amount outstanding required for index inclusion varies by each country since a local currency standard is used to determine eligibility. In the United States, the required minimum outstanding is \$5 billion. The returns are calculated by using a rolling one-month forward exchange contract as a hedging instrument.

The index includes bonds from the following 23 countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Malaysia, Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, and United States

CS First Boston High Yield

The CS First Boston High Yield Index is constructed to mirror the public high yield debt market. Issues must be BB rated by either Moody's or Standard and Poor's (Split BBB rated securities are included). New issues with par amounts greater than \$75 million are automatically added to the index at the time of issuance. There are no more than two issues of any one issuer. Fallen Angels with market values greater than \$75 million are added to the index three months after being downgraded. Defaulted issues are included after a company misses an interest and/or principal payment and defaults on its obligation, or when one or both Moody's and/or Standard and Poor's issue a D rating on an issue.

U.S. 91 Day Treasury Bill

The U.S. 91 Day Treasury Bill Index is based on the monthly auction average yield of the 91-Day Treasury Bill reported in the Federal Reserve Bulletin.

Real Estate Indices

FTSE NAREIT Equity Index

The FTSE NAREIT Equity Index is designed to provide the most comprehensive assessment of overall REIT industry performance, and includes all tax-qualified REITs with common shares that trade on the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market List. Companies with shares that trade on the NASDAQ Small Cap List or that trade over the counter are not included.

NCREIF Property Index

The National Council of Real Estate Investment Fiduciaries (NCREIF) and the Frank Russell Company NCREIF jointly developed the NCREIF Property Index. NCREIF is a non-profit association, which represents the institutional real estate industry. The NCREIF contributors include banks, insurance companies and independent advisors. Beginning with the first quarter of 1995, NCREIF has produced the index entirely on its own.

The purpose of the index is to serve as a benchmark for performance measurement of real estate owned by tax-exempt institutions and held in a fiduciary environment. The index tracks the income, appreciation and total return for a portfolio of unleveraged, institutional quality property. Sub-indices track the performance of five different property types (office, retail, industrial, hotel and apartment) within four geographical areas (east, west, south and midwest).

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The property in the index must be investment grade, non- agricultural, income-producing property. Developmental property is excluded. Qualifying properties are added to the database quarterly. Properties, which are sold, are deleted during the quarter in which the sale takes place (historical data remains). Returns are calculated quarterly on a pre-management fee basis. Each property return is weighted by its market value. The property market value is determined by real estate appraisal methodology, consistently applied.

Other Indices

Consumer Price Index (CPI-U)

The Consumer Price Index (CPI-U) is published by the United States Department of Labor, Bureau of Labor Statistics. The index measures the average change in prices over time of a fixed basket of goods and services. The CPI-U calculates this price change for all urban consumers.

All urban consumers is defined as all wage earners, clerical workers, professional, managerial and technical workers, the self-employed, short-term workers, the unemployed, retirees and others not in the labor force. The index does not include persons in the military services, institutions or people outside the urban area. The CPI-U covers approximately 80% of the total non-institutional civilian population.

The Consumer Price Index (CPI-U) is based on prices of food, clothing, shelter, fuels, transportation fares, medical fees drugs, and other day-to-day living expenses. Prices are collected in 88 urban areas across the United States from about 57,000 housing units and 19,000 department stores, supermarkets, hospitals, gas stations and other stores and service establishments.

The manner by which the index is created by calculating price changes of the various items in each location. These price changes are averaged together with weights, which represent the importance in the spending of the appropriate population group. The local data is then combined to obtain the U.S. city average.



Mercer Investment Consulting

777 South Figueroa Street

Los Angeles, CA 90017

Tel: +1 213 346 2200