TALENT • HEALTH • RETIREMENT • INVESTMENTS

City of Los Angeles

City of Los Angeles Deferred Compensation Plan

Defined Contribution Performance Evaluation

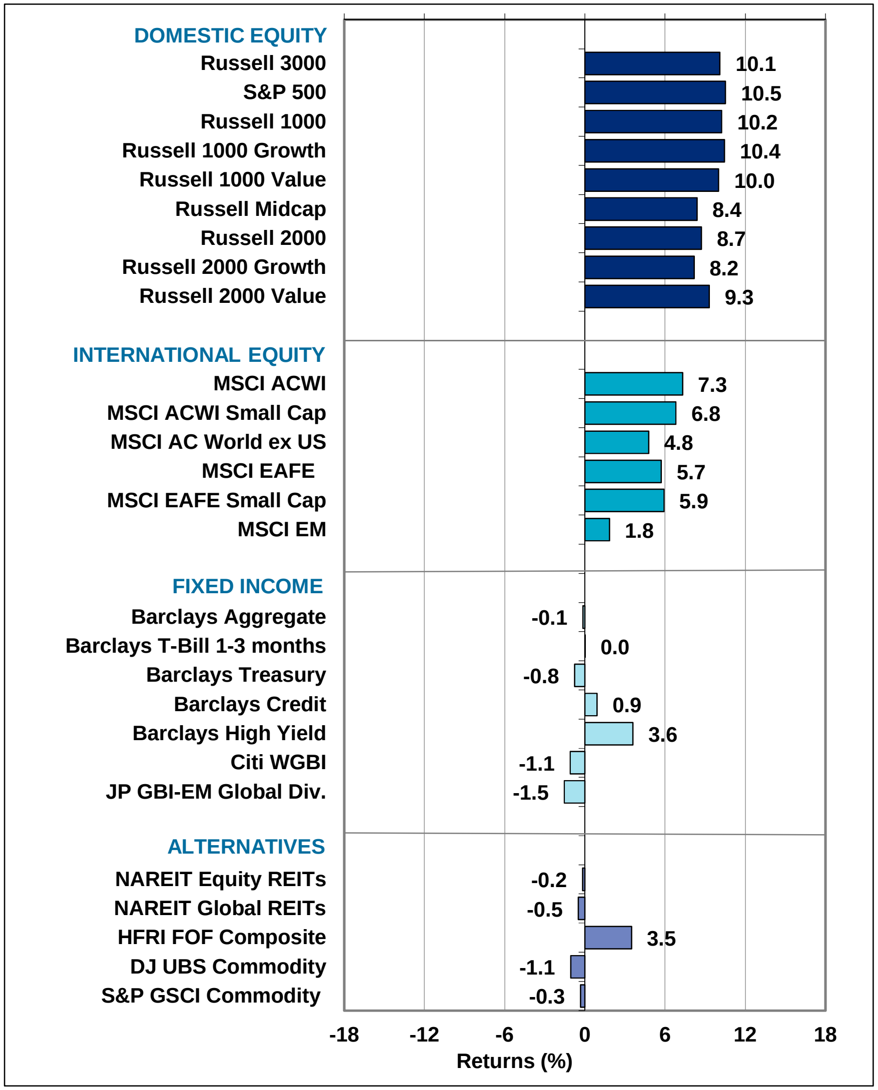
Fourth Quarter 2013

Services provided by Mercer Investment Consulting, Inc.

Contents

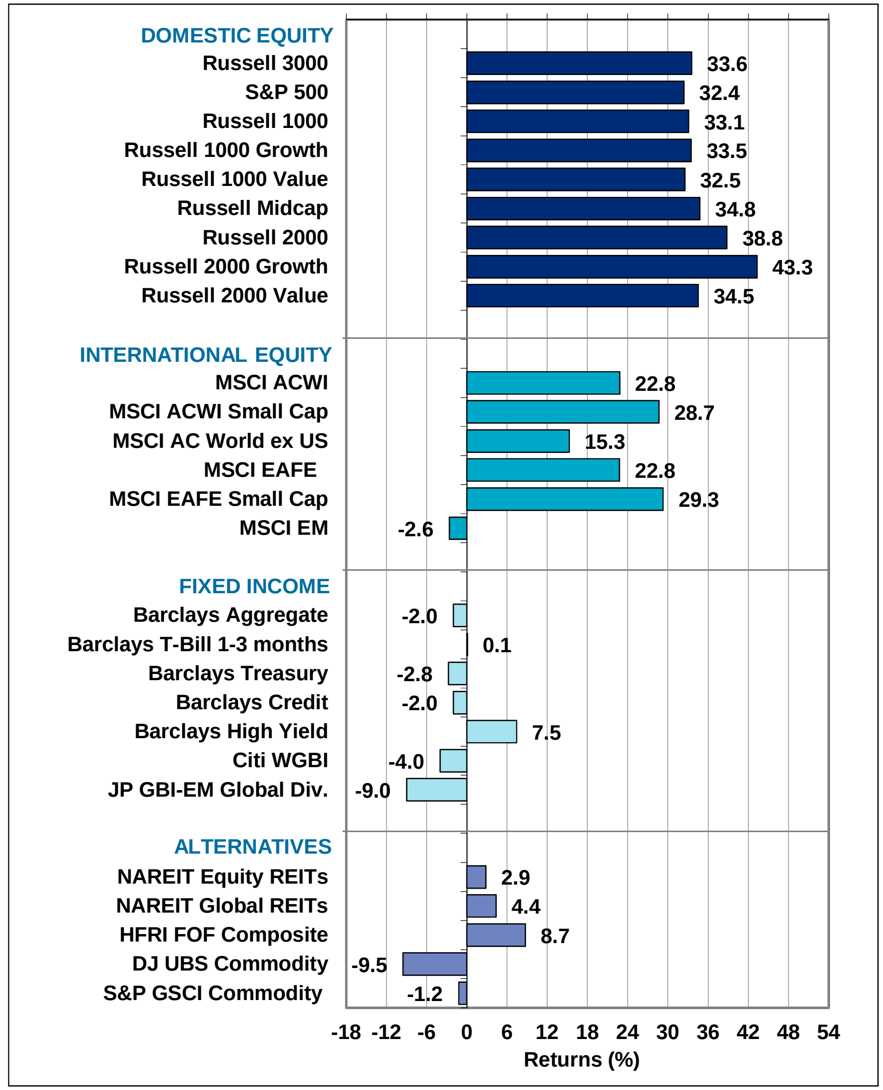
Performance Summary: Quarter in Review

Market Performance
Fourth Quarter 2013



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

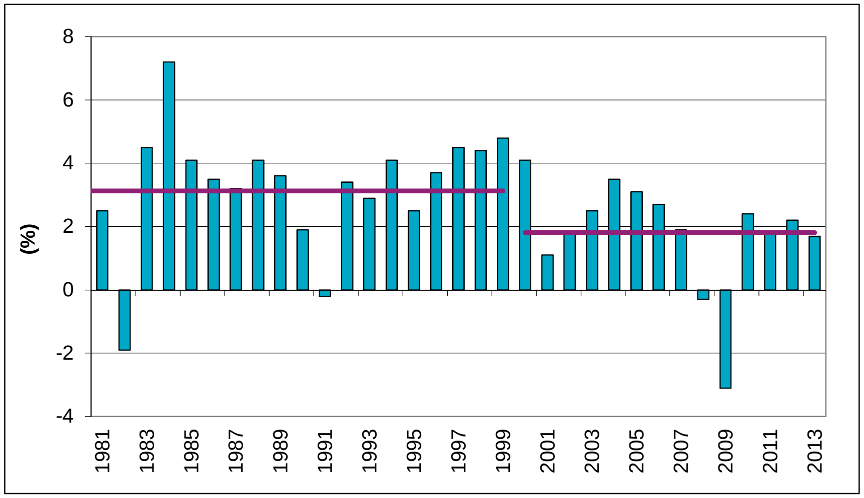
Market Performance
2013



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

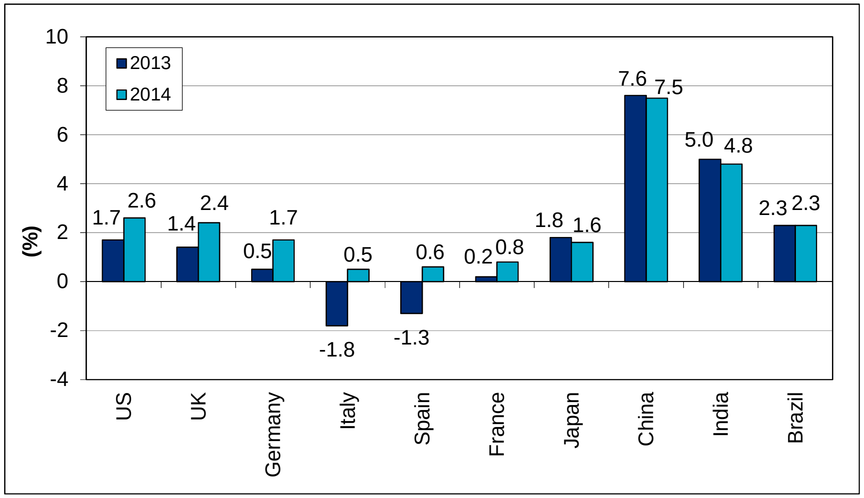
Macro Environment: Economic Review

Annual GDP Growth



Source: Bureau of Economic Analysis

World Economic Growth
(Projections as of December 2013)

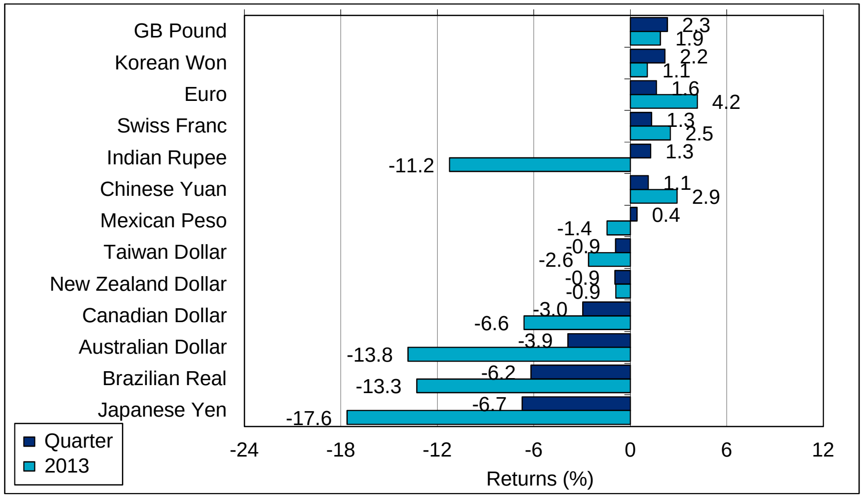


Source: Bloomberg

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

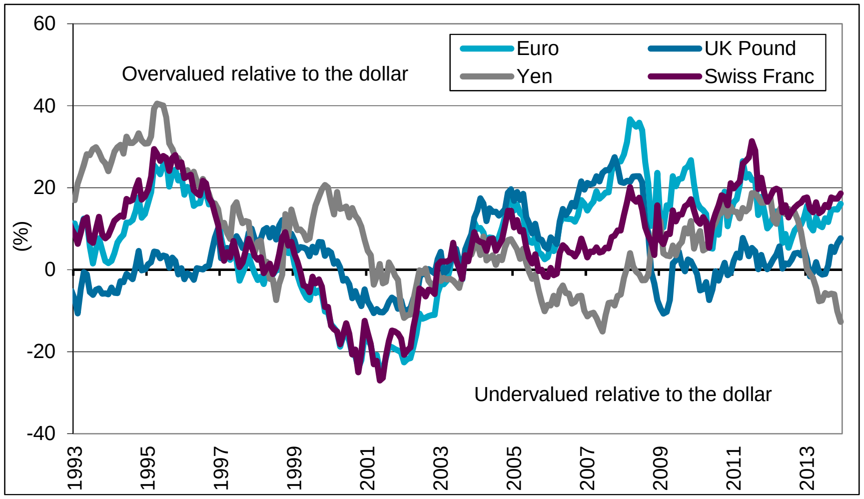
Macro Environment: Currencies

Performance of Foreign Currencies versus the US Dollar



Source: Bloomberg

Currency Valuation versus US Dollar (Based on Relative PPP)

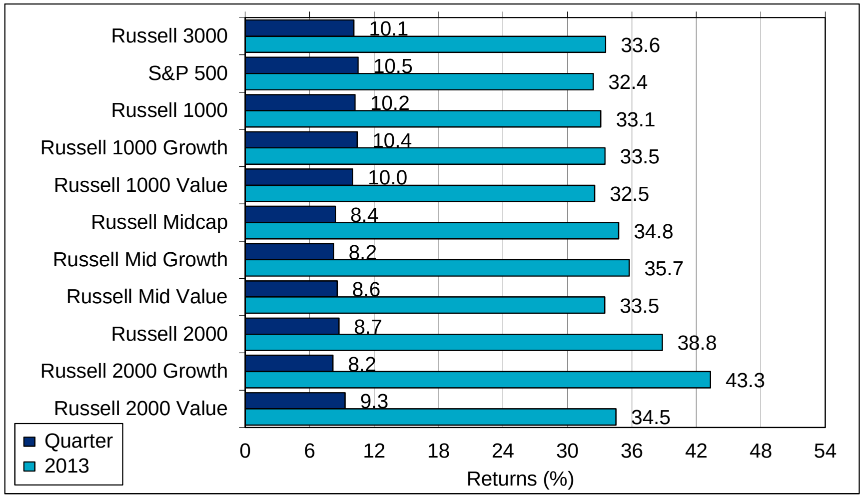


Source: Bloomberg

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

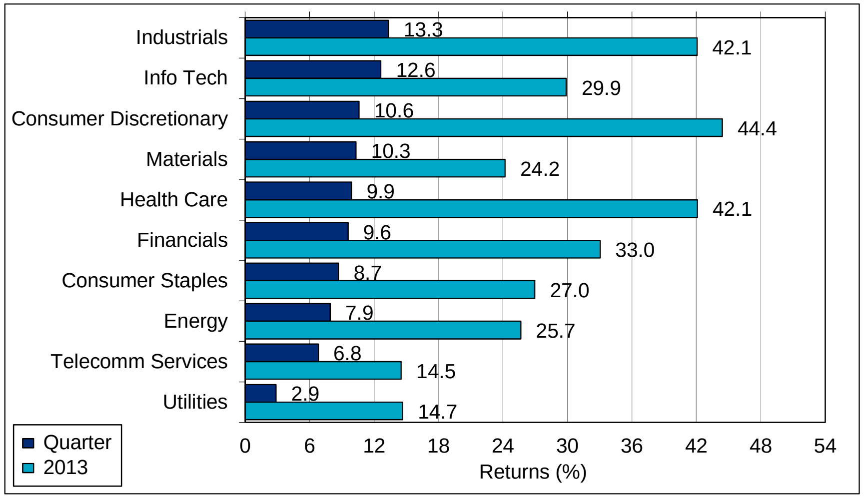
Asset Class: US Equities – Style, Sector, Cap Performance

Style and Capitalization Market Performance



Source: Standard & Poor's, Russell, Bloomberg

Sector Performance



Source: Russell 1000 GICs Sector

Broad Market

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

Market Cap

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

Style

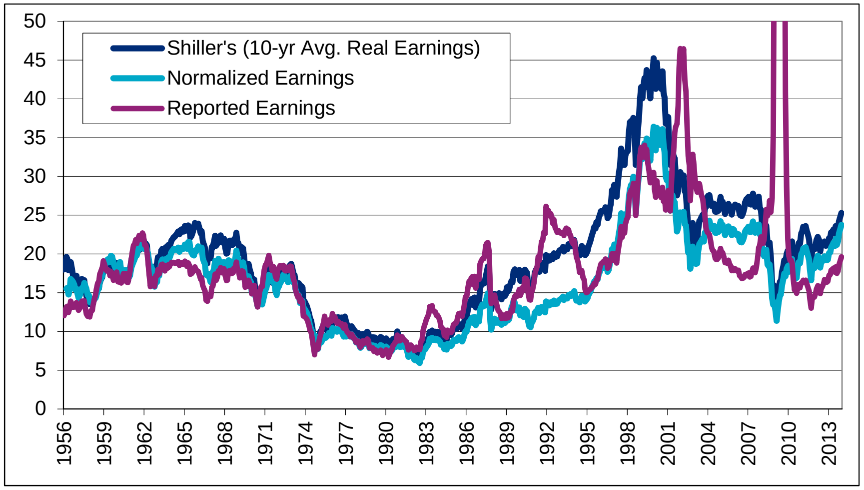
- **Value vs. Growth:** Growth stocks surpassed value across all capitalizations in 2013. Small cap growth was the best performing style, gaining 43.3% for the year.

Sector

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

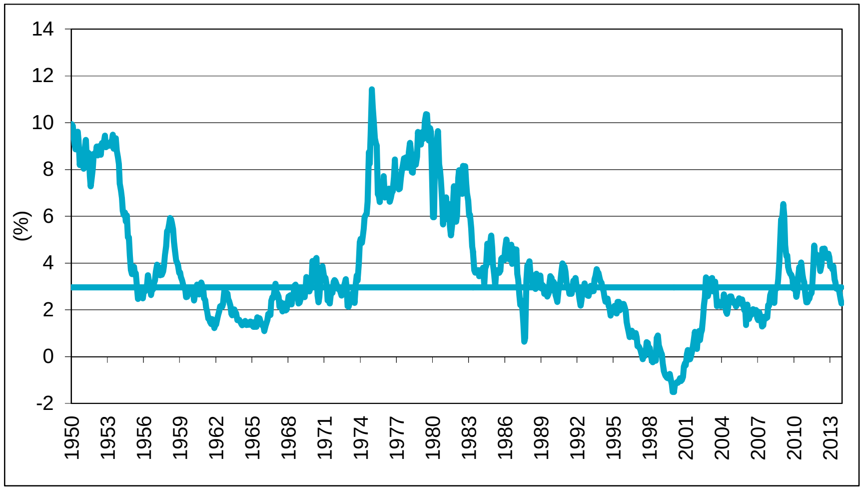
Asset Class: US Equities – Valuation Review

S&P500 – P/E Ratio



Source: S&P, Bloomberg, Mercer

S&P500 – Estimated Equity Risk Premium[1]
Versus Long-Term Treasuries



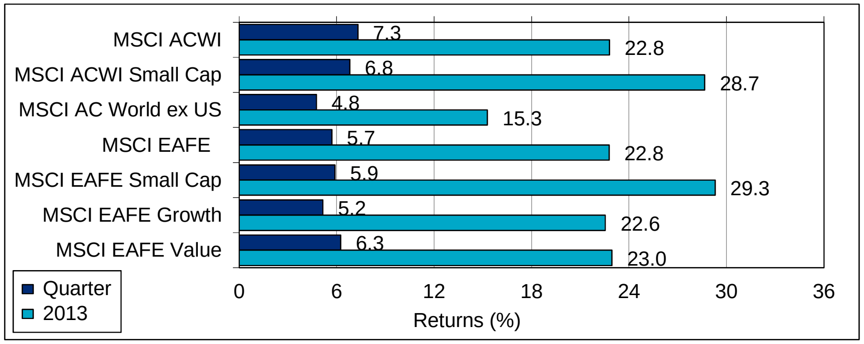
Source: S&P, Bloomberg, Mercer

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

[1] Definitions:
Shiller's P/E= Current S&P 500 price/average 10-year real earnings
Normalized P/E= Current S&P 500 price/(current trailing twelve month sales * 6.6% profit margin)
Equity Risk Premium= Earnings yield (1/PE) minus the real yield on long-term Treasuries

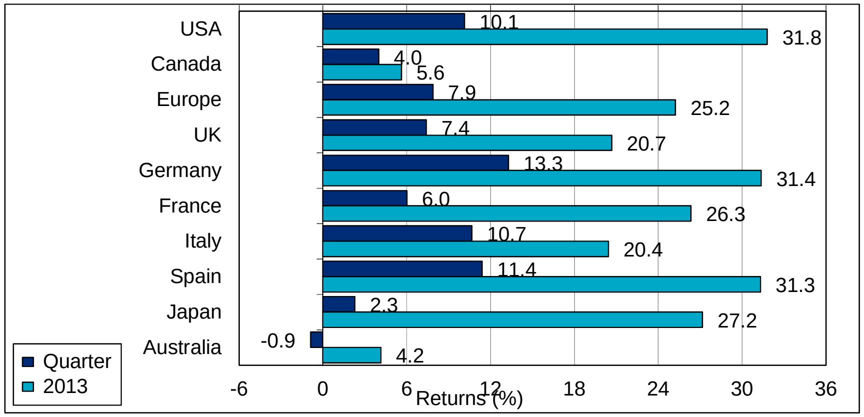
Asset Class: International Equities – Performance Review

International Equity Performance



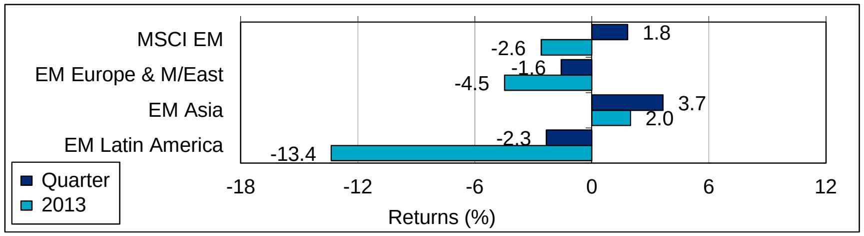
Source: MSCI, Bloomberg

Developed Country Performance



Source: MSCI, Bloomberg

Emerging Market Performance

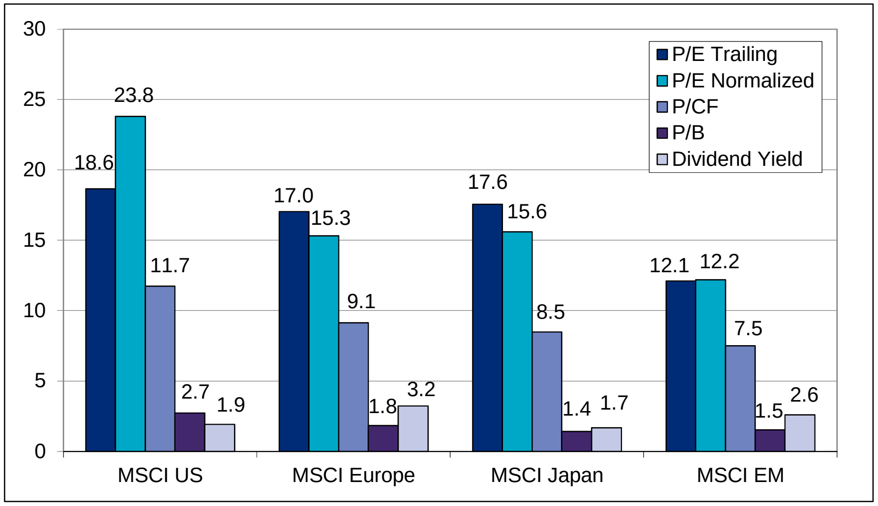


Source: MSCI, Bloomberg

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

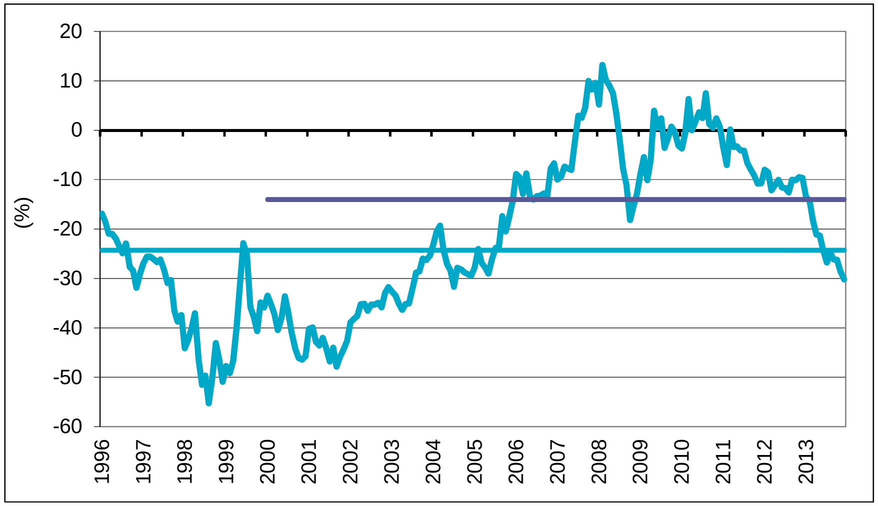
Asset Class: International Equities – Valuation Review

Global Valuations



Source: MSCI, Bloomberg

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

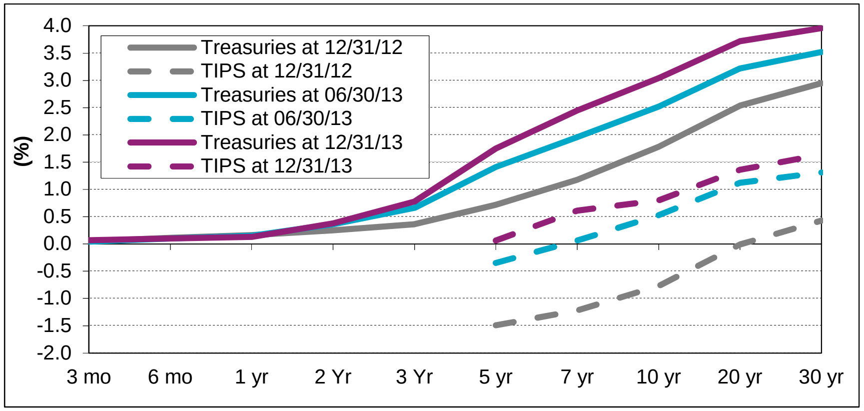


Source: MSCI, Bloomberg

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

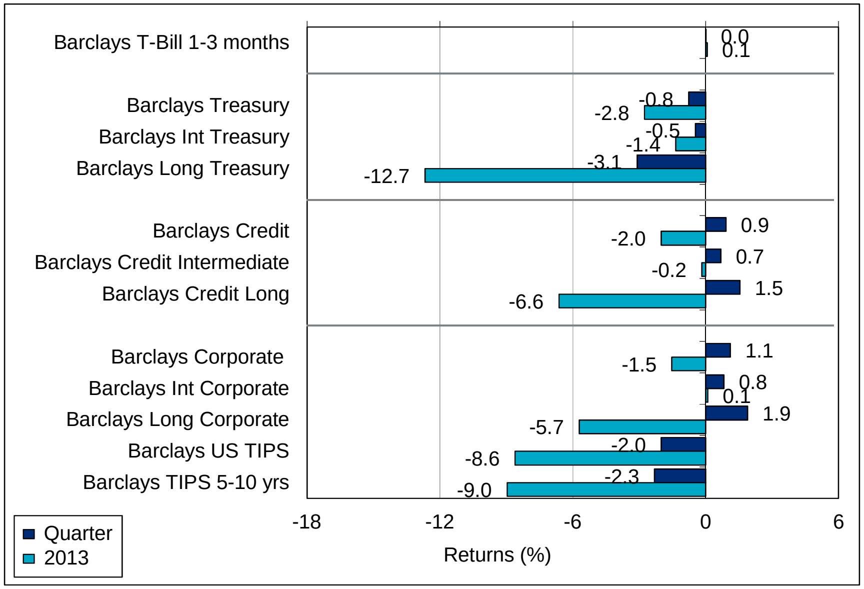
Asset Class: Fixed Income – Interest Rates and Yield Curve

Treasury Yield Curve



Source: Federal Reserve

Bond Performance by Duration

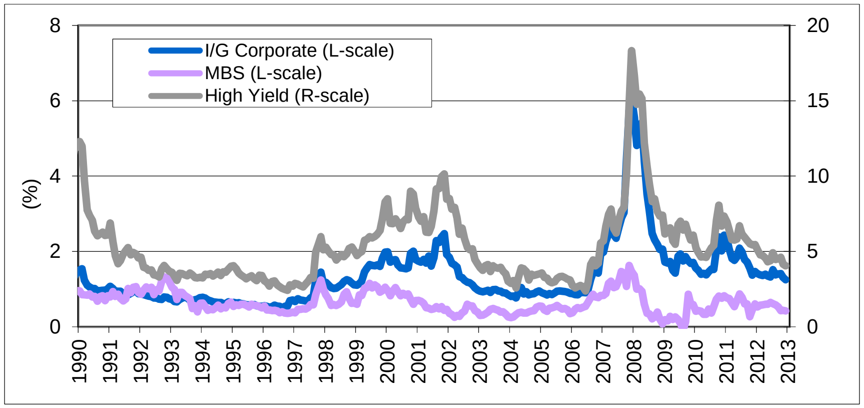


Source: Barclays, Bloomberg

- Interest rates continued their upward march in the fourth quarter with the 10-year Treasury yield rising from 2.64% to 3.04%. At its December meeting, the FOMC decided to taper QE3 purchases by $10B, cutting monthly purchases to $75B. The Fed is likely to reduce QE3 further and end the program by the end of 2014. For the year, the 10-year yield spiked by 126 basis points. The real yield on 10-year TIPS jumped from -0.67% to 0.85% last year and the inflation breakeven rate fell from 2.5% to 2.2%.
- The yield curve remains very steep as short-term yields remain near zero, while intermediate and long-term rates have increased. During the fourth quarter, the yield on the 5-year Treasury rose 36 basis points during the quarter and the yield on the 30-year Treasury increased by 27 basis points.
- We suspect the Treasury bond market has largely priced in the end of QE3. The key issue to watch now is the timing and pace of interest rate increases. Based on US economic data and Fed guidance, we expect short term rates to remain near zero until at least 2015.
- **US Bonds** were mixed in the fourth quarter with Treasuries and MBS moving lower, while I/G bonds rose as spreads tightened. The Barclays Aggregate index lost 0.1% and 2.0% for the quarter and 2013, respectively.
- **Long-Duration Bonds** posted losses as the yield on 30-year Treasury increased by 101 basis points in 2013. The Barclays Long Treasury Index fell 3.1% in the fourth quarter and dropped 12.7% in 2013.
- **TIPS** underperformed Treasuries due to their longer duration and a fall in inflation breakeven rates. TIPS shed 2.0% in the fourth quarter and 8.6% during the year.

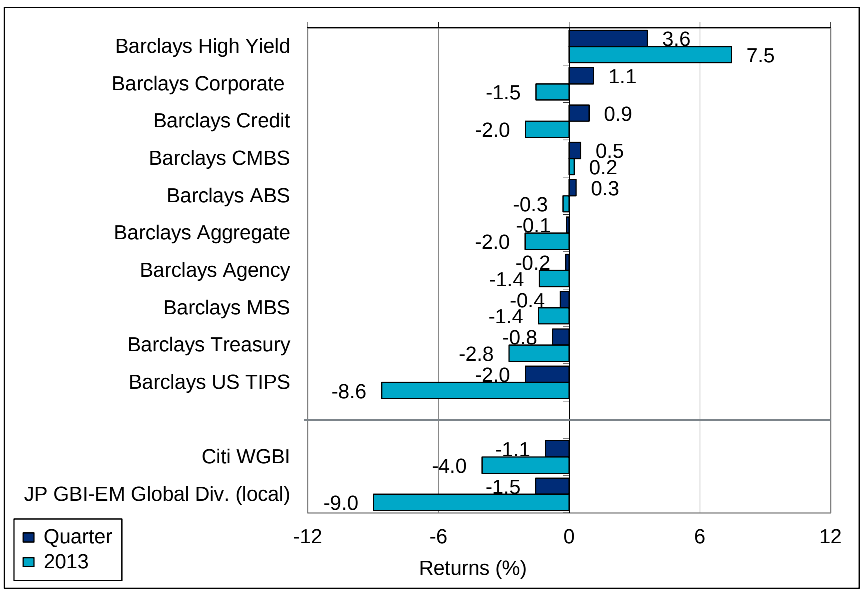
Asset Class: Fixed Income – Credit and Non-US Bonds

Credit Spreads



Source: Barclays

Sector, Credit, and Global Bond Performance

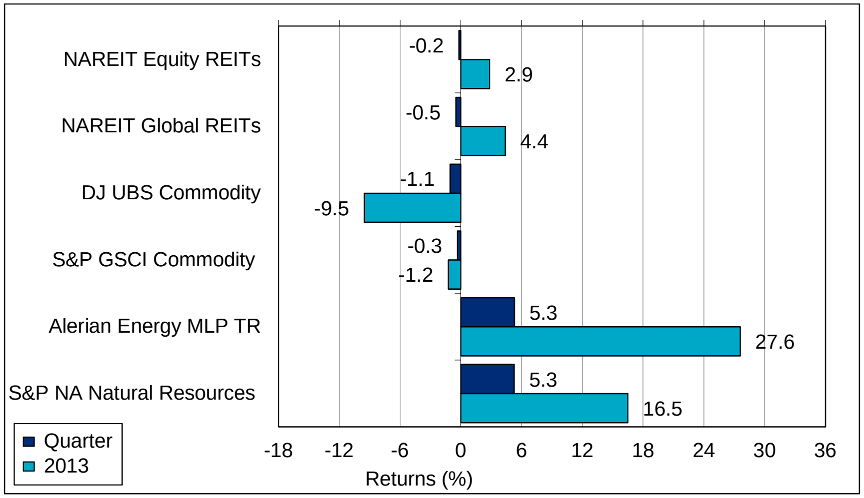


Source: Barclays, Citigroup, JP Morgan, Bloomberg

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

Asset Class: Alternatives – Performance Review

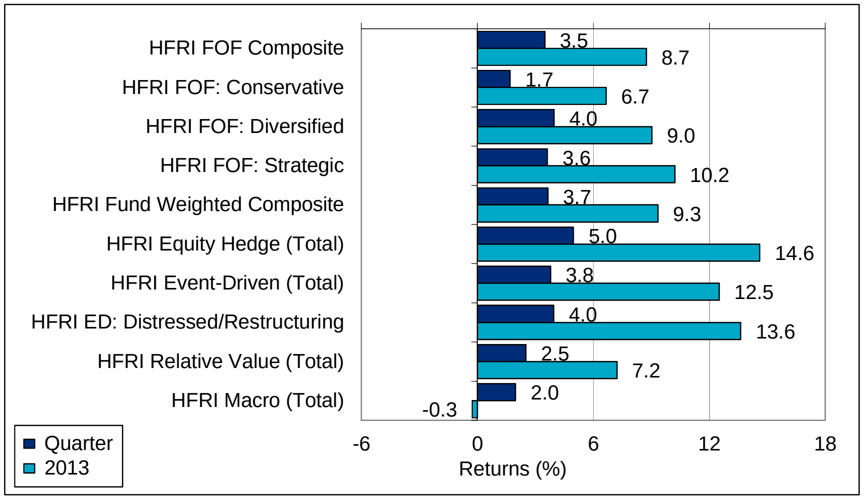
Real Asset Performance



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

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

Hedge Fund Performance



Source: HFR

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

Summary – Investment Option Array

Conservative

Tier I Asset Allocation Risk-Profile Funds	Tier II Core Options	Tier III Specialty Options
	Capital Preservation FDIC-Insured Savings Account JP Morgan Chase Certificates of Deposit	
	DCP Stable Value (100% Galliard Separate Account)	
DCP Ultra Conservative	**DCP Bond Fund** (50% Vanguard Total Bond Market Index Fund + 50% PIMCO Total Return Fund)	
DCP Conservative	**DCP Large-Cap Stock Fund** (100% Vanguard Institutional Index Fund)	
DCP Moderate	**DCP Mid-Cap Stock Fund*** (100% Vanguard Mid-Cap Index Fund)	
DCP Aggressive	**Small-Cap Equity***** (100% SSgA Russell Small Cap Index Non-Lending Series)	
DCP Ultra Aggressive	**International Equity**** DWS EAFE Equity Index Fund Fidelity Diversified International Fund	**Brokerage Window** Schwab PCRA Self-Directed Brokerage Account

Aggressive

* DCP Mid-Cap Stock approved structure is 50% Mid Cap Core + 25% Mid Cap Value + 25% Mid Cap Growth upon completion of Phase II implementation
** Upon completion of Phase II new DCP International Equity Fund with approved structure of 65% International Developed + 17.5% Emerging Markets + 17.5% International Small Cap
***Upon completion of Phase II new DCP Small-Cap Stock with approved structure is 34% Small Cap Core + 33% Small Cap Value + 33% Small Cap Growth

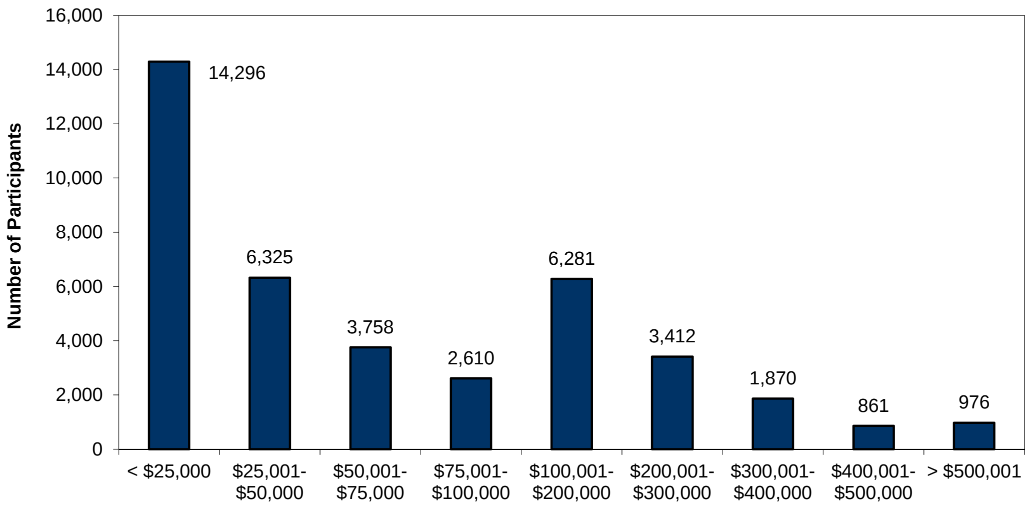
Summary – Plan Highlights, Key Observations and Recommendations

Deferred Compensation Plan Assets

- At quarter-end, assets in the Deferred Compensation Plan totaled $4,276.2 million, increasing $252.3 million (6.3%) from $4,023.9 million at the previous quarter-end as a result of investment gains and net cash inflows. Contributions (including other deposits) for the quarter totaled $78.8 million compared to withdrawals (including fees) of $57.6 million. Investment gains totaled $231.1 million.

- As of December 31, 2013, there were 40,389 participants with ending account balances. The average account balance was $105,875, while the median account balance was $47,745. The distribution of participant balances is shown to the right; 35.4% of participants had a balance less than $25,000 and 2.4% had a balance greater than $500,000.

Distribution of Participant Account Balances



- The Deferred Compensation Plan (DCP) Large Cap Stock Fund held the highest percentage of Plan assets (32.7%), followed by the DCP Stable Value Fund (20.9%), FDIC-Insured Savings Account (7.0%), and Schwab PCRA Self-Directed Brokerage Account (6.4%). All other funds held less than 6.0% of Plan assets.

- Assets in the Profile funds (5 customized risk-based Profile funds ranging from Ultra Conservative to Ultra Aggressive) totaled $651.2 million (15.2%) at quarter end; this was an increase of $50.0 million from $601.2 million at the prior quarter end.

Performance

- The Plan's investments are generally meeting performance objectives, and we are recommending no changes at this time.

- The DCP Bond fund matched its index during the quarter; the underlying allocation to the PIMCO Total Return Fund helped but was offset by the slightly trailing Vanguard Total Bond Market Index Fund. An underweight allocation to the long-end of the U.S. yield curve, exposure to non-agency mortgages, Build America municipal bonds, and high yield corporate bonds, as well as currency positioning in Japanese yen and Brazilian real benefitted performance.

- The Fidelity Diversified International Fund outperformed its index by 260 basis points during the quarter. This was due in part by an overweight allocation and stock selection in the consumer discretionary sector and stock selection in the information technology sector.

Key Observations and Recommendations

- Over the next several months, we will be conducting searches for the active components of the Plan's investment options.

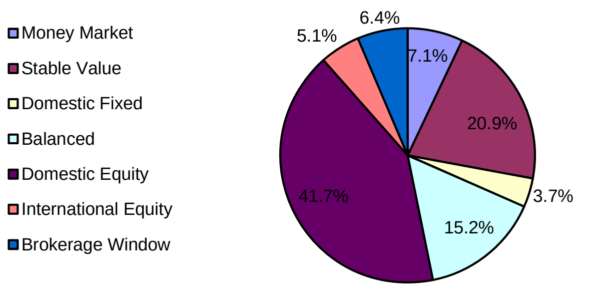
- For the FDIC-Insured Savings Account, Bank of the West, Bank of America, and City National Bank have weightings of 50%, 25%, and 25%, respectively. For the quarter ending December 31, 2013 their declared rates were as follows: Bank of the West = 0.75% Bank of America = 0.07% and City National Bank = 0.15% yielding a blended rate of 0.43%.

- PIMCO recently announced the resignation of its CEO and co-CIO, Mohamed El-Erian. We provide further detail on the Investment Manager Updates section of this report. Bill Gross, the Portfolio Manager of the Total Return Fund, will continue to lead the fund and maintain his role as CIO, above 6 newly appointed deputy CIOs. PIMCO will assign El-Erian's management duties to other individuals within the firm. While El-Erian's departure is unexpected, he has left the firm before to pursue other interests only to return about 5 years ago. The change is disruptive in the immediate term, but we see organizational benefits over the long-term of splitting the duties of CEO and CIO and adding additional perspectives to the CIO function. We are monitoring these developments, and we will keep the Board apprised of material developments we learn along the way.

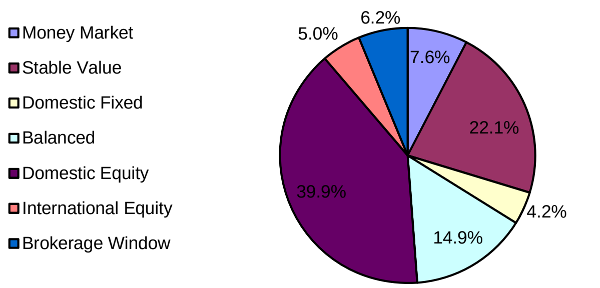
Summary – Asset Allocation

Investment Option	Current Balance	Prior Balance	% of Plan	% Chg vs. Prior
Money Market	**$301,487,217**	**$306,748,374**	**7.1%**	**-0.6%**
FDIC-Insured Savings Account	$300,729,982	$304,540,711	7.0%	-0.5%
JPMorgan Chase Certificates of Deposit	$757,235	$2,207,663	0.0%	0.0%
Stable Value	**$892,044,453**	**$888,410,969**	**20.9%**	**-1.2%**
Deferred Compensation Stable Value Fund (Net)	$892,044,453	$888,410,969	20.9%	-1.2%
Domestic Fixed	**$157,466,831**	**$167,406,974**	**3.7%**	**-0.5%**
DCP Bond Fund	$157,466,831	$167,406,974	3.7%	-0.5%
Risk-based	**$651,189,590**	**$601,195,419**	**15.2%**	**0.3%**
Ultra Conservative Profile	$36,616,262	$37,371,274	0.9%	-0.1%
Conservative Profile	$86,871,500	$83,340,403	2.0%	0.0%
Moderate Profile	$236,949,074	$220,674,286	5.5%	0.1%
Aggressive Profile	$218,898,278	$197,565,264	5.1%	0.2%
Ultra Aggressive Profile	$71,854,475	$62,244,191	1.7%	0.1%
Domestic Equity	**$1,781,607,321**	**$1,607,469,121**	**41.7%**	**1.7%**
DCP Large Cap Stock Fund	$1,398,825,728	$1,278,096,721	32.7%	0.9%
DCP Mid Cap Stock Fund	$157,821,088	$136,266,056	3.7%	0.3%
SSgA Russell Small Cap Index Non-Lending Series Fund	$224,960,505	$193,106,344	5.3%	0.5%
International Equity	**$219,075,430**	**$201,187,832**	**5.1%**	**0.1%**
DWS EAFE Equity Index Fund Institutional	$44,326,985	$41,158,805	1.0%	0.0%
Fidelity Diversified International Fund	$174,748,446	$160,029,028	4.1%	0.1%
Brokerage Window	**$273,333,415**	**$251,465,386**	**6.4%**	**0.1%**
Schwab PCRA Self-Directed Brokerage Account	$273,333,415	$251,465,386	6.4%	0.1%
Total Plan	**$4,276,204,257**[1]	**$4,023,884,075**[2]	**100%**	

Current Asset Allocation - December 31, 2013



Prior Asset Allocation - September 30, 2013



[1] Total Plan Balance as of 12/31/13 excludes $2.8 million in the Forfeiture/Asset Holding Account and $171.9 million in the Participant Loan Account.
[2] Total Plan Balance as of 9/30/13 excludes $3.0 million in the Forfeiture/Asset Holding Account and $169.1 million in the Participant Loan Account.

Summary – Asset Allocation of Underlying Core Funds[1]

	Ultra Conservative Profile	Conservative Profile	Moderate Profile	Aggressive Profile	Ultra Aggressive Profile	Standalone Totals	TOTAL
FDIC-Insured Savings Account	**$0**	**$0**	**$0**	**$0**	**$0**	**$300,855,537**	**$300,855,537**
JPMorgan Chase Certificates of Deposit	**$0**	**$0**	**$0**	**$0**	**$0**	**$757,235**[2]	**$757,235**
DCP Stable Value Fund	**$12,799,351**	**$12,947,532**	**$23,195,344**	**$10,640,586**	**$0**	**$892,044,453**[2]	**$951,627,266**
DCP Bond Fund	**$17,863,156**	**$42,101,126**	**$68,739,457**	**$41,961,871**	**$6,770,543**	**$157,192,549**	**$334,628,703**
Vanguard Total Bond Market Index Fund	$8,951,787.43	$21,098,194	$34,447,496	$21,028,408	$3,392,931	$78,774,112	$167,692,929
PIMCO Total Return Fund	$8,911,369	$21,002,933	$34,291,961	$20,933,463	$3,377,612	$78,418,437	$166,935,775
DCP Large Cap Stock Fund	**$1,889,128**	**$11,146,962**	**$60,618,048**	**$55,627,260**	**$17,939,793**	**$1,399,316,459**	**$1,546,537,651**
DCP Mid Cap Stock Fund	**$940,809**	**$4,440,817**	**$24,148,521**	**$33,208,694**	**$14,282,061**	**$157,998,422**	**$235,019,325**
SSgA Russell Sm Cap NL Series S	**$969,343**	**$4,574,758**	**$24,603,080**	**$33,832,658**	**$14,600,499**	**$224,960,505**[2]	**$303,540,843**
DWS EAFE Equity Index Fund Instl	**$1,878,338**	**$11,083,095**	**$35,745,110**	**$43,738,512**	**$17,699,749**	**$44,326,985**[2]	**$154,471,790**
Fidelity Diversified International Fund	**$0**	**$0**	**$0**	**$0**	**$0**	**$174,748,446**[2]	**$174,748,446**
Schwab PCRA Self-Directed Brokerage Account	**$0**	**$0**	**$0**	**$0**	**$0**	**$273,333,415**[2]	**$273,333,415**
TOTAL	**$36,340,126**	**$86,294,290**	**$237,049,560**	**$219,009,582**	**$71,292,646**	**$3,625,534,007**	**$4,275,520,212**

[1] Balances will not match figures from the recordkeeping system provided in the quarterly reports (Summary – Asset Allocation in previous page), as the figures shown here unless otherwise noted, are from the Great-West Investment Team reporting system which is based on settlement date and does not include accruals.
[2] Figure is not available in the Great-West Investment Team reporting system, therefore it is taken from the Summary – Asset Allocation in previous page (recordkeeping system).

Summary – Investment Expense Analysis

Analysis reflects investment expenses only and does not include an evaluation of plan recordkeeping costs.

Fund	Style	Fund Balance	Estimated Fund Expense	Fund Net Expense Ratio	Median Net Expense Ratio[3]	Net Expense Diff.	Expense Reimbursement	Investment Management Fee
FDIC-Insured Savings Account	Cash Equivalents	$300,729,982	N/A	N/A	N/A	N/A	N/A	N/A
JPMorgan Chase Certificates of Deposit	Cash Equivalents	$757,235	N/A	N/A	N/A	N/A	N/A	N/A
Deferred Compensation Stable Value Fund (Net)	Stable Value	$892,044,453	$2,497,724	0.28%	0.48%	-0.20%	0.00%	0.28%
DCP Bond Fund	US Fixed	$157,466,831	$409,414	0.26%	0.52%	-0.26%	0.00%	0.26%
Ultra Conservative	Risk-based	$36,616,262	$95,202	0.26%	0.85%	-0.59%	0.00%	0.26%
Conservative Profile	Risk-based	$86,871,500	$217,179	0.25%	0.85%	-0.60%	0.00%	0.25%
Moderate Profile	Risk-based	$236,949,074	$473,898	0.20%	0.88%	-0.68%	0.00%	0.20%
Aggressive Profile	Risk-based	$218,898,278	$437,797	0.20%	0.94%	-0.74%	0.00%	0.20%
Ultra Aggressive Profile	Risk-based	$71,854,475	$136,524	0.19%	0.94%	-0.75%	0.00%	0.19%
DCP Large Cap Stock Fund	US Large Cap Equity	$1,398,825,728	$279,765	0.02%	0.20%	-0.18%	0.00%	0.02%
DCP Mid Cap Stock Fund	US Mid Cap Equity	$157,821,088	$94,693	0.06%	0.28%	-0.22%	0.00%	0.06%
SSgA Russell Small Cap Index Non-Lending Series Fund	US Small Cap Equity	$224,960,505	$134,976	0.06%	0.30%	-0.24%	0.00%	0.06%
DWS EAFE Equity Index Fund Institutional	International Equity	$44,326,985	$239,366	0.54%	0.40%	0.14%	0.00%	0.54%
Fidelity Diversified International Fund	International Equity	$174,748,446	$1,660,110	0.95%	1.00%	-0.05%	0.25%	0.70%
Schwab PCRA Self-Directed Brokerage Account	Brokerage Window	$273,333,415	N/A	N/A	N/A	N/A	N/A	N/A
Total		**$4,276,204,257**	**$6,676,648**	**0.18%[4]**			**0.01%[2]**	**0.17%[2]**
Total with Fixed Per Participant Fee		**$4,276,204,257**	**$9,159,657**	**0.25%[5]**				

[3] Median institutional share class net expense ratio as defined by the respective Mercer Mutual Fund Universe and Lipper institutional share class categorizations. The median stable value management fee is derived from Mercer's quarterly stable value survey. Profile funds are compared to the median institutional expense ratio of the corresponding Mercer Mutual Fund Target Risk Universe.
[4] Total excludes assets in the FDIC-Insured Savings Account, JPMorgan Chase Certificates of Deposit, and Schwab Self-Directed Brokerage Account.
[5] Total estimated annual asset-based fee is $2,483,010 reflecting a quarterly per participant fee of 0.025% on the first $125,000 of balance. The number of participants with a $125k balance or less during the quarter was 29,071, and total assets for this group amounted to $1,068,259,837. There were 11,318 participants with balances in excess of $125k with a billable balance of $1,414,750,000. The total participant count is 40,389.

Summary – Compliance with Investment Policy Performance Standards

Periods ending December 31, 2013

I – Index **U – Universe Median**	**3 Years**				**5 Years**				**Comments**
	I	**U**	**I**	**U**	**I**	**U**	**I**	**U**	
Deferred Compensation Stable Value Fund (Net)	✓	✓	✓	✓	✓	✓	✓	✓	Retain.
DCP Bond Fund	✓	✗	✓	✓	✓	✗	✓	✓	Retain. Fund inception was on April 20, 2012 with 50% allocated to PIMCO Total Return Fund Institutional and 50% allocated to Vanguard Total Bond Market Index Fund Inst Plus.
Ultra Conservative Profile	✓	N/A	✓	N/A	✓	N/A	✓	N/A	Retain. No changes to allocations.
Conservative Profile	✓	N/A	✓	N/A	T	N/A	T	N/A	Retain. No changes to allocations.
Moderate Profile	T	N/A	T	N/A	T	N/A	T	N/A	Retain. No changes to allocations.
Aggressive Profile	T	N/A	T	N/A	T	N/A	T	N/A	Retain. No changes to allocations.
Ultra Aggressive Profile	T	N/A	T	N/A	T	N/A	T	N/A	Retain. No changes to allocations.
DCP Large Cap Stock Fund	T	N/A	T	N/A	T	N/A	T	N/A	Retain.
DCP Mid Cap Stock Fund	T	N/A	T	N/A	T	N/A	T	N/A	Retain.
SSgA Russell Small Cap Index Non-Lending Series Fund	T	N/A	T	N/A	T	N/A	T	N/A	Retain.
DWS EAFE Equity Index Fund Institutional	T	N/A	T	N/A	✗	N/A	✗	N/A	Retain. However, the Fund will be eliminated upon completion of investment menu consolidation.
Fidelity Diversified International Fund	✓	✓	✓	✓	✓	✓	✗	✗	Retain. However, this investment category will be addressed once investment procurements and restructuring are completed.

✓ = **Outperformed or matched performance** ✗ = **Underperformed** T = **Index Fund** □ = **Prior Quarter**

Summary – Performance

Periods ending December 31, 2013

	% of Plan	3 Months	1 Year	3 Years	5 Years	10 Years
Money Market						
FDIC-Insured Savings Account (Blended Rate – 0.43%)[1]	**7.0%**	**0.1%**	**0.4%**	**0.4%**	**NA**	**NA**
JPMorgan Chase Certificates of Deposit	**0.0%**	**NA**	**NA**	**NA**	**NA**	**NA**
Stable Value						
Deferred Compensation Stable Value Fund (Net)[2]	**20.9%**	**0.5%**	**2.2%**	**2.8%**	**3.2%**	**3.9%**
3 Yr Constant Maturity Treasury +50bps		0.3%	1.1%	1.1%	1.3%	2.7%
iMoneyNet All Taxable+100bps		NA	NA	NA	NA	NA
Mercer Stable Value Universe Median		*0.5%*	*1.9%*	*2.7%*	*3.1%*	*4.0%*
Fund Rank in Universe		*35*	*32*	*39*	*38*	*60*
Domestic Fixed						
DCP Bond Fund[3]	**3.7%**	**-0.1%**	**-2.0%**	**3.6%**	**5.7%**	**5.3%**
Barclays US Aggregate		-0.1%	-2.0%	3.3%	4.5%	4.6%
Mercer MF US Fixed Core Universe Median		*0.4%*	*-0.8%*	*3.7%*	*6.1%*	*4.3%*
Fund Rank in Universe		*86*	*80*	*51*	*56*	*20*
Vanguard Total Bond Market Index Fund Inst Plus[4]	**-----**	**-0.2%**	**-2.1%**	**3.2%**	**4.4%**	**4.6%**
Vanguard Spliced Barclays USAgg Float Adj Idx[5]		-0.1%	-2.0%	3.3%	4.5%	4.6%
PIMCO Total Return Fund Institutional	**-----**	**0.0%**	**-1.9%**	**4.1%**	**6.9%**	**6.0%**
Barclays US Aggregate		-0.1%	-2.0%	3.3%	4.5%	4.6%
Mercer MF US Fixed Core Universe Median		*0.4%*	*-0.8%*	*3.7%*	*6.1%*	*4.3%*
Fund Rank in Universe		*82*	*78*	*38*	*35*	*7*
Risk- based[6]						
Ultra Conservative Profile	**0.9%**	**1.4%**	**4.0%**	**5.0%**	**6.1%**	**NA**
Ultra Conservative Profile Custom Index[7]		1.3%	3.5%	4.1%	5.4%	NA

[1] The blended rate is as of 12/31/2013. Bank of the West, Bank of America, and City National Bank have weightings of 50%, 25%, and 25%, respectively; their declared rates at the end of the quarter are as follows: Bank of America = 0.07%, Bank of the West = 0.75% and City National Bank = 0.15%.
[2] The inception date of the Galliard Stable Value fund is July 1, 2008. Returns prior to the inception date are linked to the Wells Fargo Stable Return fund.
[3] Performance prior to April 2012 is simulated, with a weighting of 50% PIMCO Total Return Fund and 50% Vanguard Total Bond Market Index Fund.
[4] Due to its longer history, performance of the Vanguard Total Bond Market Index Fund Institutional share class is shown for the 5-year period.
[5] Barclays U.S. Aggregate Bond Index through December 31, 2009; Barclays U.S. Aggregate Float Adjusted Index thereafter.
[6] Allocation to the profile funds changed June 1, 2009 with the inclusion of a US mid cap equity component.
[7] Effective June 1, 2009, the following composite index is used: 35.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 5% S&P 500 Index / 2.5% MSCI US Mid Cap 450 Index/ 2.5% Russell 2000 Index / 5% MSCI EAFE (NWHT) Index. Prior to June 1, 2009, the following composite index is used: 35.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 5.0% S&P 500 Index / 5.0% Russell 2000 Index / 5.0% MSCI EAFE (NWHT) Index.

Fund: Outperformed Benchmark Underperformed Benchmark Tracked Benchmark   **Universe Ranking:** 0% - 50% 51% - 75% 76% - 100%

	% of Plan	3 Months	1 Year	3 Years	5 Years	10 Years
Conservative Profile	**2.0%**	**2.9%**	**9.1%**	**7.1%**	**8.8%**	**NA**
Conservative Profile Custom Index[8]		2.8%	9.0%	6.6%	8.6%	NA
Moderate Profile	**5.5%**	**5.2%**	**17.6%**	**9.9%**	**12.2%**	**NA**
Moderate Profile Custom Index[9]		5.2%	17.6%	9.7%	12.3%	NA
Aggressive Profile	**5.1%**	**6.3%**	**22.6%**	**11.4%**	**14.3%**	**NA**
Aggressive Profile Custom Index[10]		6.4%	22.8%	11.3%	14.3%	NA
Ultra Aggressive Profile	**1.7%**	**7.5%**	**27.7%**	**12.8%**	**16.2%**	**NA**
Ultra Aggressive Profile Custom Index[11]		7.5%	28.2%	12.8%	16.4%	NA
Domestic Equity						
DCP Large Cap Stock Fund[12]	**32.7%**	**10.5%**	**32.4%**	**16.2%**	**18.0%**	**7.4%**
S&P 500		10.5%	32.4%	16.2%	17.9%	7.4%
DCP Mid Cap Stock Fund[13]	**3.7%**	**8.6%**	**35.2%**	**15.4%**	**22.1%**	**10.1%**
Vanguard Spliced Mid Cap Index[14]		8.6%	35.2%	15.4%	22.1%	10.1%
SSgA Russell Small Cap Index Non-Lending Series Fund	**5.3%**	**8.7%**	**38.7%**	**15.7%**	**19.9%**	**NA**
Russell 2000		8.7%	38.8%	15.7%	20.1%	9.1%
International Equity						
DWS EAFE Equity Index Fund Institutional	**1.0%**	**5.6%**	**21.6%**	**8.0%**	**11.9%**	**6.7%**
MSCI EAFE NET WHT		5.7%	22.8%	8.2%	12.4%	6.9%
Fidelity Diversified International Fund	**4.1%**	**8.3%**	**25.2%**	**8.8%**	**13.2%**	**7.4%**
MSCI EAFE NET WHT		5.7%	22.8%	8.2%	12.4%	6.9%
Mercer MF Intl Equity Universe Median		*6.1%*	*21.6%*	*7.6%*	*13.1%*	*7.4%*
Fund Rank in Universe		*8*	*21*	*30*	*47*	*52*

[8] Effective June 1, 2009, the following composite index is used: 15.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 12.5% S&P 500 Index / 5% MSCI US Mid Cap 450 Index/ 5.0% Russell 2000 Index / 12.5% MSCI EAFE (NWHT) Index. Prior to June 1, 2009, the following composite index is used: 15.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50% Barclays US Aggregate Index / 25% S&P 500 Index / 5% Russell 2000 Index / 5% MSCI EAFE (NWHT) Index.

[9] Effective June 1, 2009, the following composite index is used: 10.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 30.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 10.0% MSCI US Mid Cap 450 Index/ 10.0% Russell 2000 Index / 15.0% MSCI EAFE (NWHT) Index. Prior to June 1, 2009, the following composite index is used: 5.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 35.0% Barclays US Aggregate Index / 40.0% S&P 500 Index / 10.0% Russell 2000 Index / 10.0% MSCI EAFE (NWHT) Index.

[10] Effective June 1, 2009, the following composite index is used: 5.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 20.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 15.0% MSCI US Mid Cap 450 Index/ 15.0% Russell 2000 Index / 20.0% MSCI EAFE (NWHT) Index. For periods prior to June 1, 2009, the following composite index is used: 20% Barclays US Aggregate Index / 50% S&P 500 Index / 15% Russell 2000 Index / 15% MSCI EAFE (NWHT) Index.

[11] Effective June 1, 2009, the following composite index is used: 10.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 20.0% MSCI US Mid Cap 450 Index/ 20.0% Russell 2000 Index / 25.0% MSCI EAFE (NWHT) Index. For periods prior to June 1, 2009, the following composite index is used: 60.0% S&P 500 Index / 20.0% Russell 2000 Index / 20.0% MSCI EAFE (NWHT) Index.

[12] The fund is 100% allocated to the Vanguard Institutional Index Fund Inst Pl; performance for the Instl share class shown for the 3-year period and longer due to the shorter history of the Instl Pl shares. Performance shown will be updated accordingly with the addition of underlying funds.

[13] The fund is 100% allocated to the Vanguard Mid Cap Index Fund Instl Pl; performance for the Instl share class shown for the 5-year period and longer due to the shorter history of the Instl Pl shares. Performance shown will be updated accordingly with the addition of underlying funds.

[14] S&P MidCap 400 Index through May 16, 2003; MSCI US Mid Cap 450 Index through January 30, 2013; CRSP US Mid Cap Index thereafter.

Fund: Outperformed Benchmark Underperformed Benchmark Tracked Benchmark **Universe Ranking:** 0% - 50% 51% - 75% 76% - 100%

Summary – Performance of DCP Investment Menu Composite Benchmarks

Periods ending December 31, 2013

	3 Months	1 Year	3 Years	5 Years	10 Years
DCP Stable Value Index (100% 3-Yr CMT + 50bps)	**0.3%**	**1.1%**	**1.1%**	**1.3%**	**2.7%**
DCP Bond Fund Index (100% BC Aggregate Bond Index)	**-0.1%**	**-2.0%**	**3.3%**	**4.5%**	**4.6%**
DCP Large-Cap Stock Fund Index (100% S&P 500 Index)	**10.5%**	**32.4%**	**16.2%**	**17.9%**	**7.4%**
DCP Mid-Cap Stock Fund Composite Index	**8.4%**	**34.7%**	**15.9%**	**22.4%**	**10.2%**
Russell Midcap Index (50%)	*8.4%*	*34.8%*	*15.9%*	*22.4%*	*10.2%*
Russell Midcap Value Index (25%)	*8.6%*	*33.5%*	*16.0%*	*21.2%*	*10.3%*
Russell Midcap Growth Index (25%)	*8.2%*	*35.7%*	*15.6%*	*23.4%*	*9.8%*
DCP Small-Cap Stock Fund Composite Index	**8.7%**	**38.9%**	**15.7%**	**20.1%**	**9.1%**
Russell 2000 Index (34%)	*8.7%*	*38.8%*	*15.7%*	*20.1%*	*9.1%*
Russell 2000 Value Index (33%)	*9.3%*	*34.5%*	*14.5%*	*17.6%*	*8.6%*
Russell 2000 Growth Index (33%)	*8.2%*	*43.3%*	*16.8%*	*22.6%*	*9.4%*
DCP International Fund Composite Index	**5.1%**	**19.1%**	**6.5%**	**14.0%**	**8.2%**
MSCI EAFE Index (65%)	*5.7%*	*22.8%*	*8.2%*	*12.4%*	*6.9%*
MSCI EM Index (17.5%)	*1.8%*	*-2.6%*	*-2.1%*	*14.8%*	*11.2%*
MSCI EAFE Small Cap Index (17.5%)	*5.9%*	*29.3%*	*9.3%*	*18.5%*	*9.5%*

Fund Profile

Stable Value - Deferred Compensation Stable Value Fund (Net)

Share Class: Separate Account	**Benchmark: 3 Yr Constant Maturity Treasury Index + 50 bps**

Investment Philosophy

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

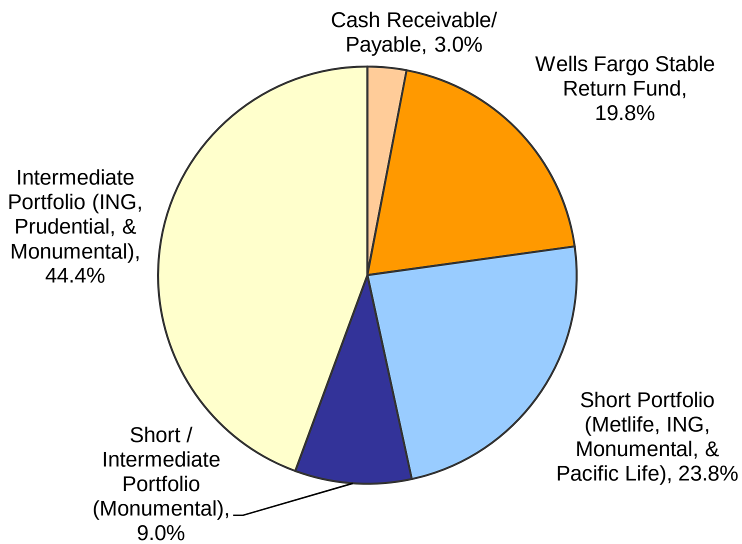
Fund Characteristics

	4Q13	3Q13	2Q13	1Q13
Mkt/Book Value Ratio	101.2%	101.7%	101.7%	103.5%
Avg. Credit Quality	A1/AA-	A1/AA-	A1/AA-	A1/AA-
Effective Duration (yrs)	2.93	2.95	2.95	2.77
Blended Yield	2.0%	2.1%	2.4%	2.6%

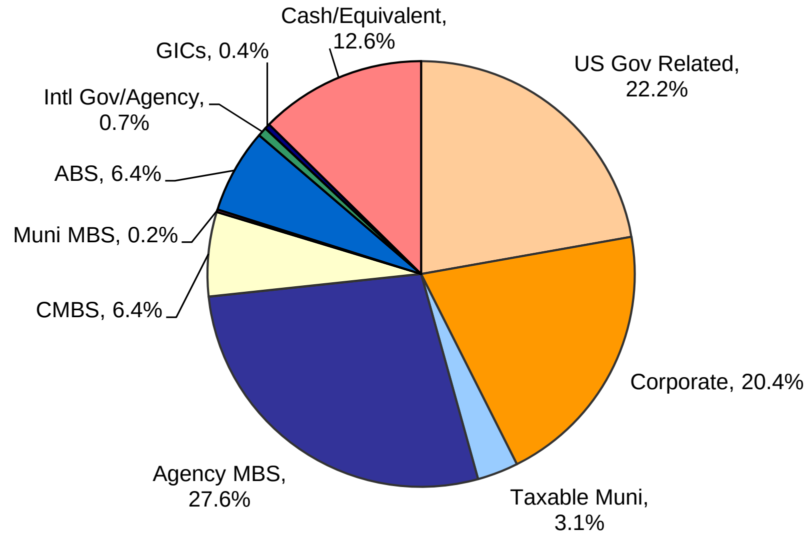
- The Fund had net inflows of $0.5 million during the quarter, representing an increase of 0.1% in total fund assets. During the quarter, a new investment contract with Met Life Insurance was added to the fund
- Number of contract issuers: 5
- Credit quality remains strong with 77.4% of fixed income in AAA rated securities and 99.9% within investment grade securities
- Duration distribution guidelines ranged between 2.0 – 3.5 years with a target of 3.0 years.

Stable Value - Deferred Compensation Stable Value Fund (Net)

Fund Composition as of December 31, 2013



Underlying Fixed Income Asset Allocation as of December 31, 2013 (% of MV)



Key Facts and Figures

Portfolio Manager: Galliard Capital Management Inception (in Plan): July 2008	Expense Ratio (Net): 0.28% (0.06% Investment Management Fees / 0.019% Sub-Advisor Fee / 0.152% Wrap Fee / 0.044% Other Fees) Mercer Median Expense Ratio (Net): 0.48%

Fund Profile

Domestic Fixed - DCP Bond Fund

Share Class: N/A	**Benchmark: Barclays US Aggregate**

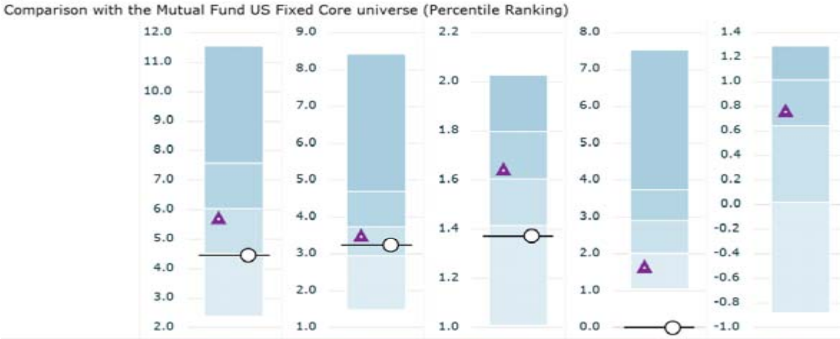
Investment Philosophy

The DCP Bond Fund is a multi-manager strategy using passive and active management. The fund has a 50% allocation to the Vanguard Total Bond Market Index Fund and 50% to the PIMCO Total Return Fund.

Performance Characteristics* as of December 31, 2013

Performance characteristics vs. Barclays US Aggregate in $US (after fees) over 5 yrs ending December-13 (quarterly calculations)

Comparison with the Mutual Fund US Fixed Core universe (Percentile Ranking)

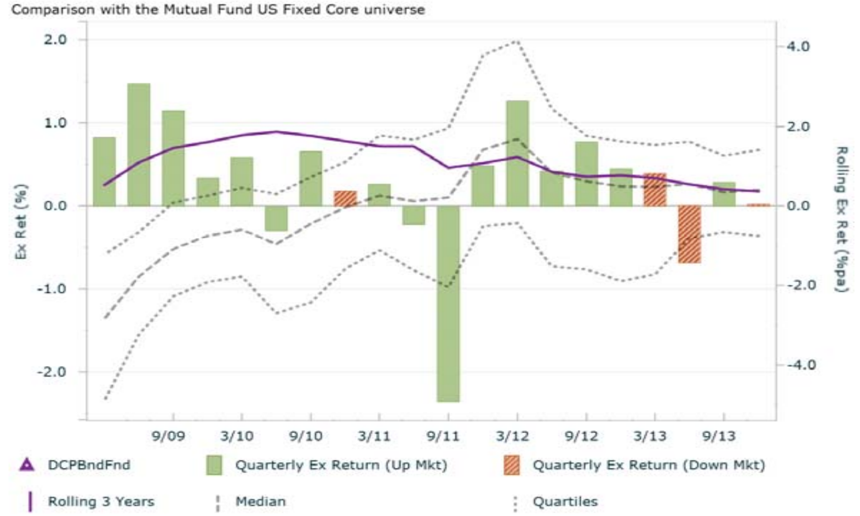


	Ret (%pa)	Std Dev (%pa)	Ret/SD	TE (%pa)	IR
▲ DCPBndFnd	5.7 *(56)*	3.5 *(56)*	1.6 *(45)*	1.6 *(83)*	0.8 *(44)*
○ BCUSAG	4.5 *(76)*	3.2 *(65)*	1.4 *(79)*	0.0 *(100)*	-
5th Percentile	11.6	8.4	2.0	7.5	1.3
Upper Quartile	7.6	4.7	1.8	3.7	1.0
Median	6.1	3.7	1.6	2.9	0.6
Lower Quartile	4.5	3.0	1.4	2.0	0.0
95th Percentile	2.4	1.5	1.0	1.0	-0.9
Number	321	321	321	321	321

Excess Return*

Quarterly Excess Return vs. Barclays US Aggregate with rolling 3 yr line in $US (after fees) over 5 yrs ending December-13

Comparison with the Mutual Fund US Fixed Core universe



Key Facts and Figures

Expense Ratio (Net): 0.26%

Mercer Median Expense Ratio (Net): 0.52%

* Performance prior to April 2012 is simulated, with a weighting of 50% PIMCO Total Return Fund and 50% Vanguard Total Bond Market Index Fund.

Fund Profile

Domestic Fixed - Passive - Vanguard Total Bond Market Index Fund Inst Plus - VBMPX

Share Class: Institutional Plus	**Benchmark: Vanguard Spliced Barclays USAgg Float Adj Idx**

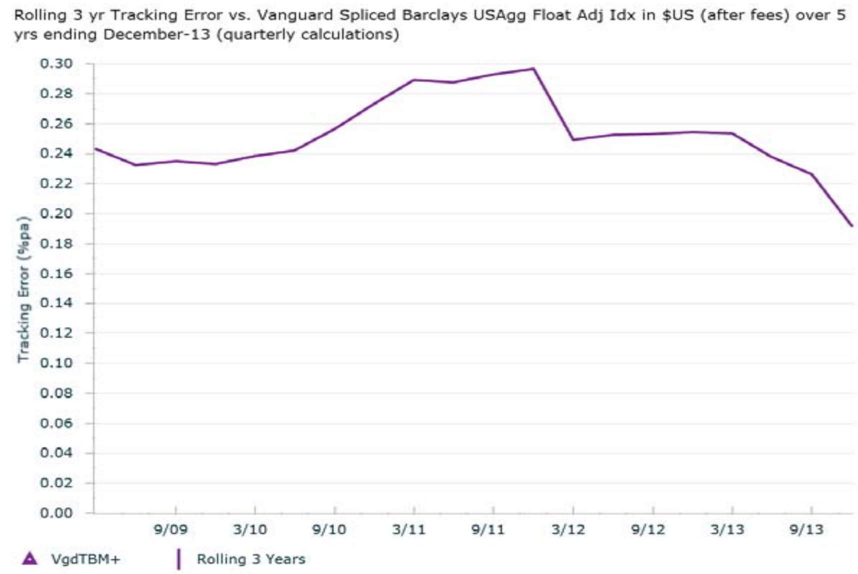
Investment Philosophy

The fund is designed to provide investors with a low-cost method of consistently capturing the return of the U.S. bond market, as defined by the Spliced Barclays US Aggregate Float Adjusted Bond Index. The target index for Vanguard Total Bond Market Index Fund, the Spliced Barclays US Aggregate Float Adjusted Bond Index, provides extensive coverage of the major sectors of the debt market. This unmanaged index consists of government, corporate and mortgage-backed securities. The fund is passively-managed using sampling techniques. Securities are selected that will keep the fund's characteristics in-line with those of the index. The key index characteristics that the fund strives to match are sector weightings, coupon, maturity, effective duration, convexity and quality. To ensure good tracking with the index, the fund attempts to remain fully invested, while maintaining characteristics consistent with those of the index.

Portfolio Analysis & Key Observations

- For the fourth quarter, the Vanguard Total Bond Market Index Fund performed in line with its Barclays U.S. Aggregate Float Adjusted Bond Index benchmark
- Within the corporate sector, lower-quality bonds outpaced higher-quality. For example, Baa-rated bonds returned 1.34% and AAA-rated bonds returned '0.50% for the quarter.
- Bonds of financial companies returned 1.36%, outperforming those of industrials (+1.04%) and utilities (+0.74%).

Tracking Error



Key Facts and Figures

Portfolio Manager: Kenneth E. Volpert; Joshua C. Barrickman Portfolio Manager Average Tenure: 11.5 Years	Total Fund Assets: $108,115 Million Total Share Class Assets: $18,607 Million	Expense Ratio (Net): 0.05% Mercer Median Expense Ratio (Net): 0.20%

Fund Profile

Domestic Fixed - PIMCO Total Return Fund Institutional - PTTRX

Share Class: Institutional | **Benchmark: Barclays US Aggregate**

Investment Philosophy

PIMCO's philosophy emphasizes diversity through multiple strategies, an emphasis on structuring for a long investment horizon and an opportunity set that includes both traditional and non-traditional sectors.

PIMCO's investment process starts with an annual Secular Forum at which the firm's investment professionals from around the globe gather to analyze longer-term economic, political and demographic trends. Leading external analysts and scholars are invited to the Forum to augment the firm's internal research. The goal is to look beyond the current business cycle and determine how secular forces will influence the global economy and financial markets over the next three to five years. Quarterly, PIMCO holds Economic Forums to forecast shorter-term economic performance in individual economies. Following PIMCO's Secular and Economic Forums, the PIMCO Investment Committee (IC), establishes the key themes that anchor many of the firm's investment decisions. PIMCO consider both the "top-down" conclusions from PIMCO's Forums, as well as the "bottom-up" market intelligence provided by the firm's teams of sector specialist portfolio managers. Through an iterative series of meetings, the IC defines a set of consistent strategies that are then implemented across the firm's account base, after being tailored to reflect individual client requirements. A team of seasoned investment professionals, including a portfolio manager and account manager, is assigned to each portfolio.

Portfolio Analysis & Key Observations

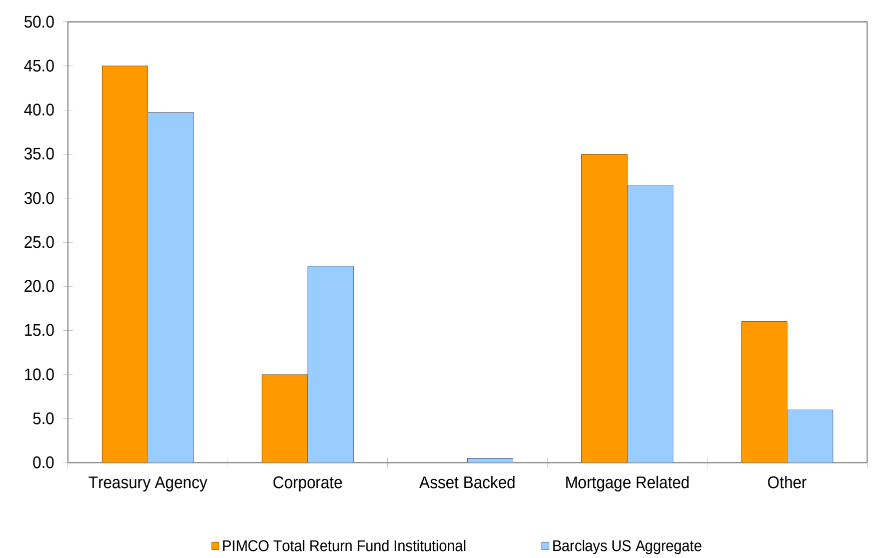
Positive Impact on Performance

- An underweight to the long-end of the U.S. yield curve, as long maturity yields rose
- An allocation to non-Agency mortgages which benefited from limited supply and a recovery in the housing sector
- Exposure to Build America municipal bonds which benefitted from investor demand for attractive yields
- Modest exposure to high yield corporate bonds as spreads tightened amid risk-on sentiment
- Currency positions that benefit from the depreciation of the Japanese yen and Brazilian real against the U.S. dollar

Negative Impact on Performance

- An underweight to investment-grade corporate bonds which outperformed like-duration Treasuries
- A modest underweight to Agency mortgage-backed securities (MBS) as spreads narrowed
- Modest exposure to Brazilian local interest rates as yields rose on inflation concerns

Sector Allocation as of December 31, 2013



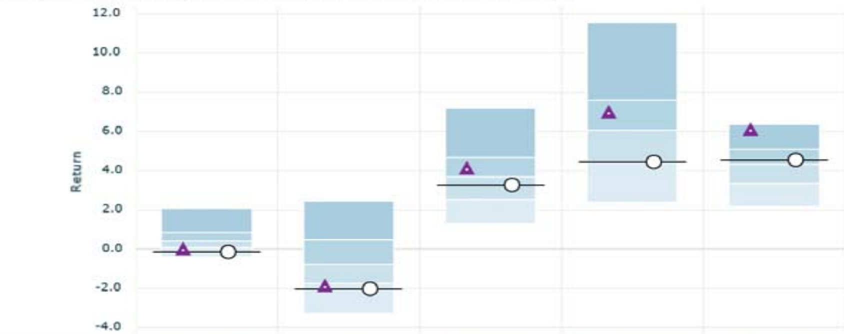
Key Facts and Figures

Portfolio Manager: William H. Gross	Total Fund Assets: $237,264 Million	Expense Ratio (Net): 0.46%
Portfolio Manager Average Tenure: 27.0 Years	Total Share Class Assets: $150,959 Million	Mercer Median Expense Ratio (Net): 0.52%

Fund Profile

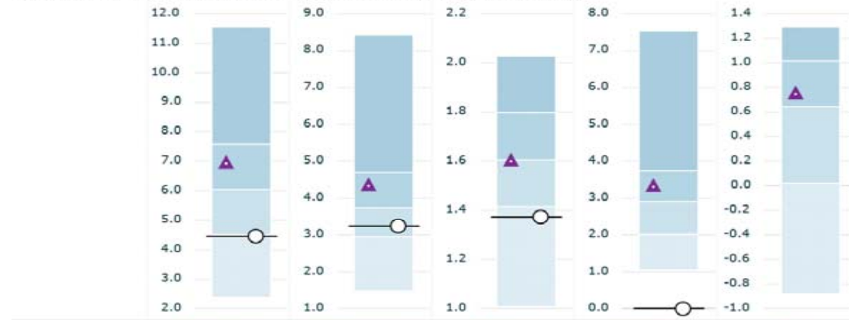
Domestic Fixed - PIMCO Total Return Fund Institutional - PTTRX

Return in $US (after fees) over 3 mths, 1 yr, 3 yrs, 5 yrs, 10 yrs ending December-13
Comparison with the Mutual Fund US Fixed Core universe (Percentile Ranking)



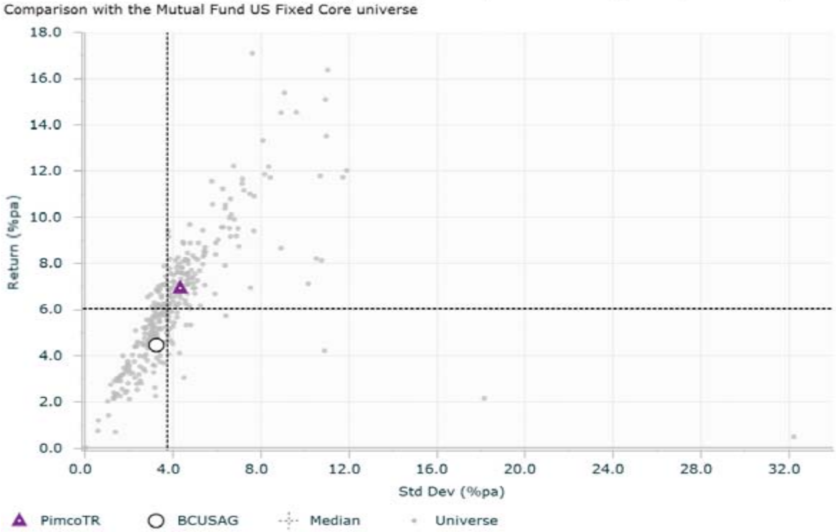
	3 mths (%)	1 yr (%)	3 yrs (%pa)	5 yrs (%pa)	10 yrs (%pa)
▲ PimcoTR	0.0 *(82)*	-1.9 *(78)*	4.1 *(38)*	6.9 *(35)*	6.0 *(7)*
○ BCUSAG	-0.1 *(87)*	-2.0 *(80)*	3.3 *(61)*	4.5 *(76)*	4.6 *(42)*
5th Percentile	2.1	2.5	7.2	11.6	6.4
Upper Quartile	0.9	0.5	4.7	7.6	5.1
Median	0.4	-0.8	3.7	6.1	4.3
Lower Quartile	0.1	-1.7	2.5	4.5	3.4
95th Percentile	-0.4	-3.3	1.3	2.4	2.2
Number	391	383	353	321	257

Performance characteristics vs. Barclays US Aggregate in $US (after fees) over 5 yrs ending December-13 (quarterly calculations)
Comparison with the Mutual Fund US Fixed Core universe (Percentile Ranking)

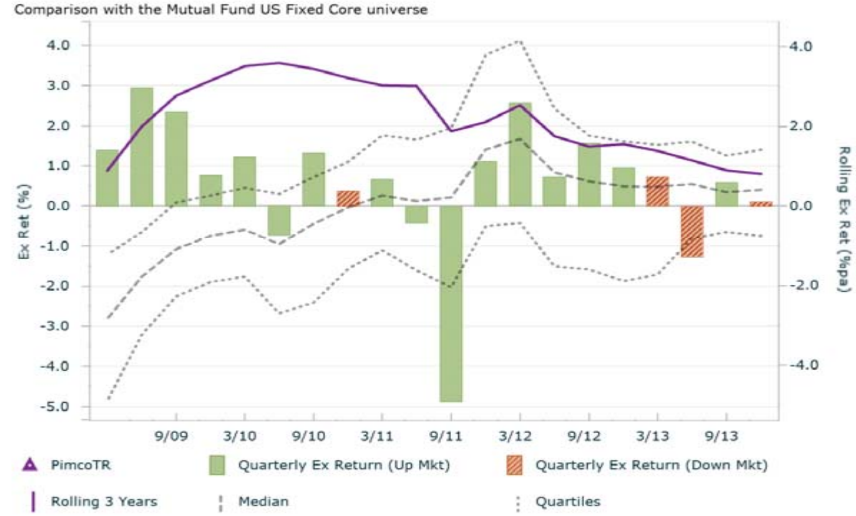


	Ret (%pa)	Std Dev (%pa)	Ret/SD	TE (%pa)	IR
▲ PimcoTR	6.9 *(35)*	4.3 *(33)*	1.6 *(52)*	3.3 *(36)*	0.7 *(44)*
○ BCUSAG	4.5 *(76)*	3.2 *(65)*	1.4 *(79)*	0.0 *(100)*	-
5th Percentile	11.6	8.4	2.0	7.5	1.3
Upper Quartile	7.6	4.7	1.8	3.7	1.0
Median	6.1	3.7	1.6	2.9	0.6
Lower Quartile	4.5	3.0	1.4	2.0	0.0
95th Percentile	2.4	1.5	1.0	1.0	-0.9
Number	321	321	321	321	321

Return and Std Deviation in $US (after fees) over 5 yrs ending December-13 (quarterly calculations)
Comparison with the Mutual Fund US Fixed Core universe



Quarterly Excess Return vs. Barclays US Aggregate with rolling 3 yr line in $US (after fees) over 5 yrs ending December-13
Comparison with the Mutual Fund US Fixed Core universe



Risk-based Profile Funds

Profile Funds – Target Allocations

	4Q 2013 Fund Return (%)	*4Q 2013 Benchmark Return (%)*	*Excess Return (%)*	*Ultra Conservative Profile*	*Conservative Profile*	*Moderate Profile*	*Aggressive Profile*	*Ultra Aggressive Profile*
Stable Value								
DCP Stable Value	0.5%	0.3%	0.2%	35.0%	15.0%	10.0%	5.0%	0.0%
Total Stable Value				**35.0%**	**15.0%**	**10.0%**	**5.0%**	**0.0%**
US Fixed Income								
DCP Bond Fund[1]	-0.1%	-0.1%	0.0%	50.0%	50.0%	30.0%	20.0%	10.0%
Total US Fixed Income				**50.0%**	**50.0%**	**30.0%**	**20.0%**	**10.0%**
US Equity								
Total US Large Cap Equity				***5.0%***	***12.5%***	***25.0%***	***25.0%***	***25.0%***
DCP Large Cap Stock Fund[2]	10.5%	10.5%	0.0%	5.0%	12.5%	25.0%	25.0%	25.0%
Total US Mid/Small Cap Equity				***5.0%***	***10.0%***	***20.0%***	***30.0%***	***40.0%***
DCP Mid Cap Stock Fund[3]	8.6%	8.6%	0.0%	2.5%	5.0%	10.0%	15.0%	20.0%
SSgA Russell Sm Cap NL Series S	8.7%	8.7%	0.0%	2.5%	5.0%	10.0%	15.0%	20.0%
Total US Equity				**10.0%**	**22.5%**	**45.0%**	**55.0%**	**65.0%**
Non-US Equity								
DWS EAFE Equity Index Fund Instl	5.6%	5.7%	-0.1%	5.0%	12.5%	15.0%	20.0%	25.0%
Total Non-US Equity				**5.0%**	**12.5%**	**15.0%**	**20.0%**	**25.0%**
Total				**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

[1] Composed of 50% PIMCO Total Return Fund / 50% Vanguard Total Bond Market Index Fund
[2] Composed of 100% Vanguard Institutional Index Fund
[3] Composed of 100% Vanguard Mid-Cap Index Fund

Fund Profile

Domestic Equity – DCP Large Cap Stock Fund – (100% Vanguard Institutional Index Fund Inst Plus – VIIIX)

Share Class: Institutional Plus	**Benchmark: S&P 500**

Investment Philosophy

The Fund seeks to track the investment performance of the Standard & Poors 500 Index, an unmanaged benchmark representing U.S. large-capitalization stocks. Using full replication, the portfolio holds all stocks in the same capitalization weighting as the index. The Fund uses proprietary software to implement trading decisions that accommodate cash flow and maintain close correlation with index characteristics. Vanguards refined indexing process, combined with low management fees and efficient trading, has provided tight tracking (net of expenses).

Portfolio Analysis & Key Observations

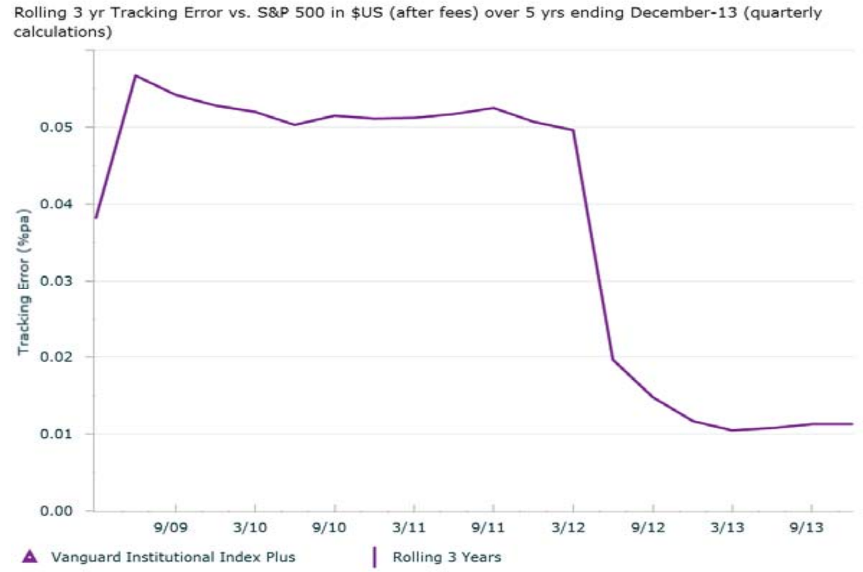
Top Performing Index Sectors

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

Bottom Performing Index Sectors

- Utilities (2.8%), telecommunications (5.5%) and energy (8.4%)

Tracking Error



Key Facts and Figures

Portfolio Manager: Donald M. Butler	Total Fund Assets: $162,758 Million	Expense Ratio (Net): 0.02%
Portfolio Manager Average Tenure: 14.0 Years	Total Share Class Assets: $74,915 Million	Mercer Median Expense Ratio (Net): 0.20%

Fund Profile

Domestic Equity – DCP Mid Cap Stock Fund – (100% Vanguard Mid-Cap Index Fund Inst Plus – VMCPX)

Share Class: Institutional Plus	**Benchmark: Vanguard Spliced Mid Cap Index***

Investment Philosophy

Vanguard Mid-Cap Index Fund seeks to track the investment performance of the CRSP US Mid Cap Index, an unmanaged benchmark representing medium-size U.S. firms. Using full replication, the portfolio holds all stocks in the same capitalization weighting as the index. The experience and stability of Vanguard's Quantitative Equity Group have permitted continuous refinement of techniques for reducing tracking error. The group uses proprietary software to implement trading decisions that accommodate cash flow and maintain close correlation with index characteristics. Vanguard Mid-Cap Index Fund is managed internally by Vanguard Quantitative Equity Group. Donald Butler, CFA, is the Portfolio Manager and has been advising the fund since 2004.

Portfolio Analysis & Key Observations

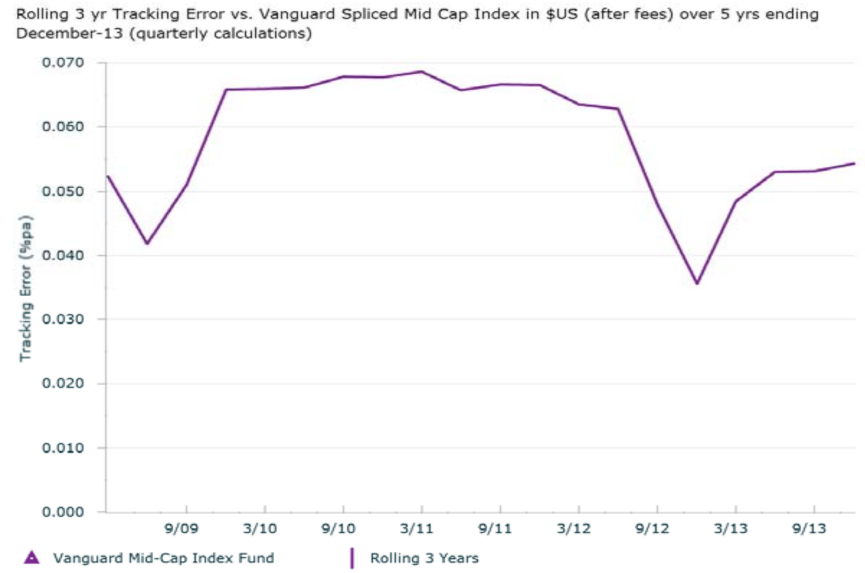
Top Performing Index Sectors

- Industrials (+11.8%), health care (+9.5%) and materials (+8.9%)

Bottom Performing Index Sectors

- Utilities (+2.7%) and energy (+3.3%)

Tracking Error†



Key Facts and Figures

Portfolio Manager: Donald M. Butler	Total Fund Assets: $46,724 Million	Expense Ratio (Net): 0.06%
Portfolio Manager Average Tenure: 16.0 Years	Total Share Class Assets: $8,468 Million	Mercer Median Expense Ratio (Net): 0.28%

* S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter

† The chart displayed represents the Institutional share class performance

Fund Profile

Domestic Equity - Passive - SSgA Russell Small Cap Index Non-Lending Series Fund

Share Class: S	**Benchmark: Russell 2000**

Investment Philosophy

SSgA's aim is to achieve returns as close to the index as possible, but in a cost effective manner. Market anomalies will be exploited where they can be, at very low risk levels. SSgA manages the Russell 2000 Index strategy using a full replication process. With regard to the replication approach, securities in the benchmark are purchased in the weights they represent in the benchmark. However, SSgA does allow for small mis-weights in the portfolio, recognizing that the cost of trading to avoid small mis-weights may be greater than any potential improvement in tracking error.

Portfolio Analysis & Key Observations

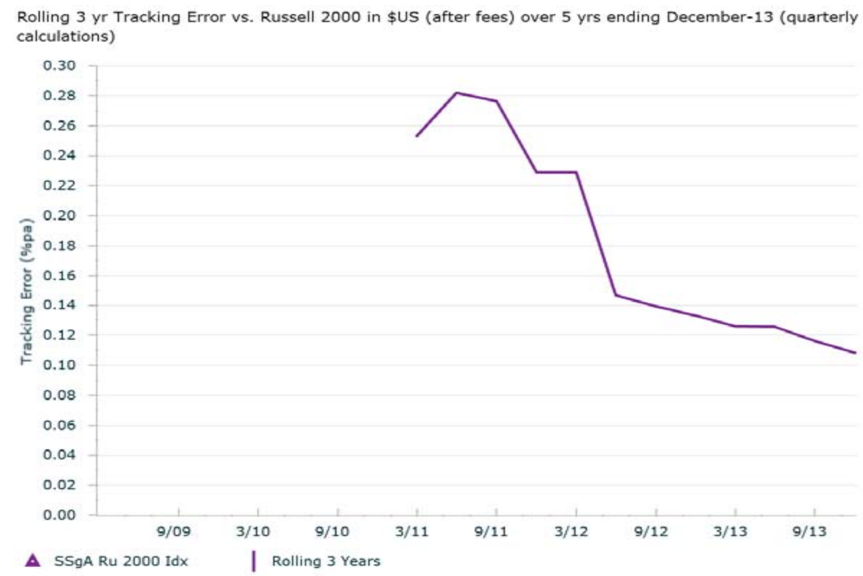
Top Performing Index Sectors

- Industrials (+11.3%), materials (+11.1%) and financials (+9.1%)

Bottom Performing Index Sectors

- Telecommunications (+5.3%), energy (+6.1%) and consumer staples (+6.2%)

Tracking Error



Key Facts and Figures

Portfolio Manager (Advised Since): David Chin (1999)	Total Fund Assets: $304 Million	Expense Ratio (Net): 0.06% Mercer Median Expense Ratio (Net): 0.30%

Fund Profile

International Equity - Passive - DWS EAFE Equity Index Fund Institutional - BTAEX

Share Class: Institutional	**Benchmark: MSCI EAFE NET WHT**

Investment Philosophy

The fund seeks to replicate, as closely as possible, before the deduction of expenses, the performance of the Morgan Stanley Capital International (MSCI) EAFE Index, which emphasizes stocks of companies in major markets in Europe, Australasia and the Far East. The fund invests for capital appreciation, not income; any dividend and interest income is incidental to the pursuit of its objective.

Portfolio Analysis & Key Observations

Top Performing Index Sectors

- Telecommunication services, information technology and health care sectors

Top Performing Countries

- Germany, Finland and Spain Negative Impact to Performance

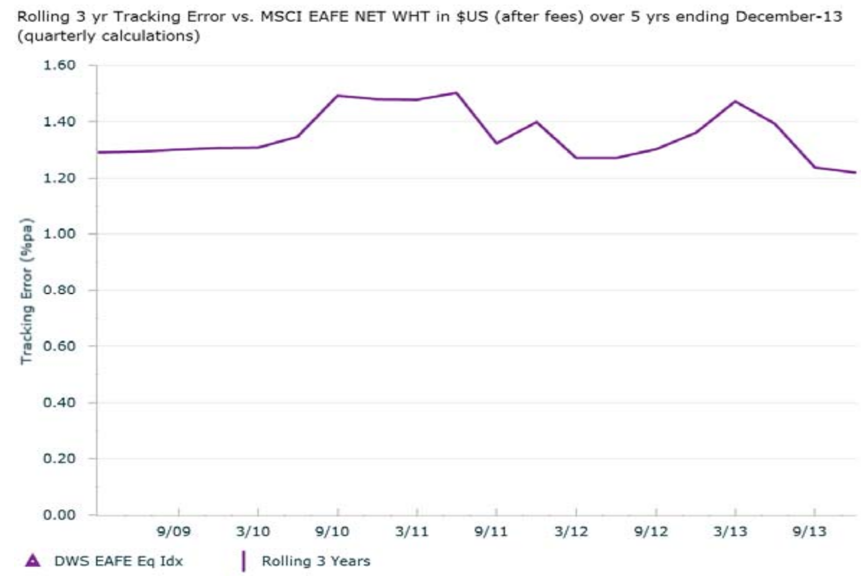
Bottom Performing Index Sectors

- Utilities, materials and consumer staples sectors

Bottom Performing Countries

- New Zealand, Australia and Singapore

Tracking Error



Key Facts and Figures

Portfolio Manager: Thomas O'Brien; Joseph LaPorta Portfolio Manager Average Tenure: 1.0 Years	Total Fund Assets: $267 Million Total Share Class Assets: $267 Million	Expense Ratio (Net): 0.54% Mercer Median Expense Ratio (Net): 0.40%

Fund Profile

International Equity - Fidelity Diversified International Fund - FDIVX

Share Class: Standard	**Benchmark: MSCI EAFE NET WHT**

Investment Philosophy

The Diversified International Fund is constructed in a bottom-up fashion by which sector and country weights are driven from individual stock selection, The Fund is constructed with concern for diversification and industry risks, and is highly diversified holding between 200 and 300 companies. The Fund has the flexibility to invest in developed and emerging markets; however, emerging market exposure is generally less than 15% of the Fund. While the process is based on fundamental research and stock selection, thoughtful portfolio construction is important in creating a Fund that strives to be consistent and risk aware.

Bill Bower, along with Fidelity's domestic and international equity analysts based in Boston, Tokyo, London, and Hong Kong are actively involved in this research process. While the domestic and international research departments play an integral role in both the buy and sell decisions for the portfolio, the Portfolio Manager has ultimate responsibility for all investment decisions. When analyzing equity securities for inclusion in the portfolio, the fund manager evaluates cash flow multiples, balance sheet leverage relative to potential earnings growth, and valuation relative to historic levels. The fund manager also scrutinizes the quality of management, the alignment of management and shareholders' interests, and the stability of the underlying business. Finally, the manager pays close attention to the differences in accounting standards between countries, and takes these differences into account when selecting securities.

Portfolio Analysis & Key Observations

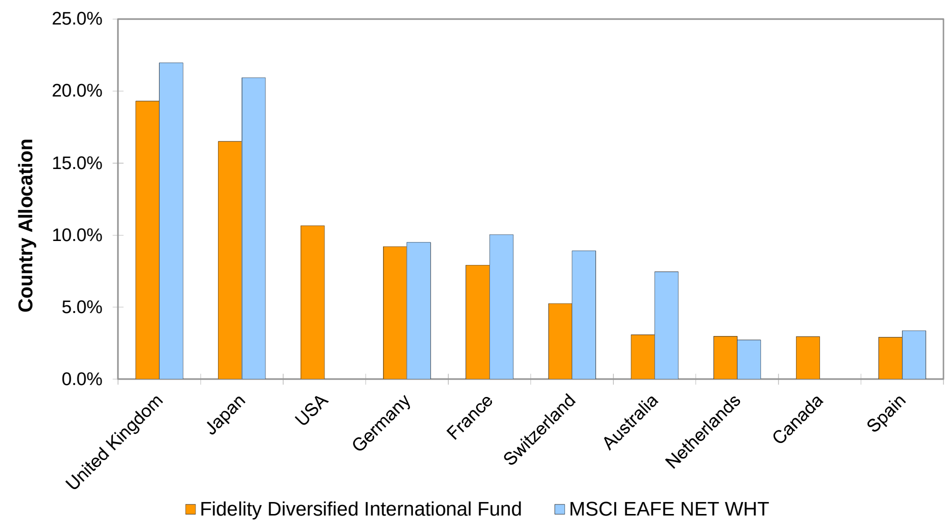
Positive Impact on Performance

- Stock selection within, and an overweight allocation to, the consumer discretionary sector
- Stock selection within the information technology sector
- Individual contributors to performance: SoftBank, Sands China, Galaxy Entertainment Group, NAVER, and Mastercard

Negative Impact on Performance

- Stock selection within, and an underweight allocation to, the energy sector
- Stock selection within the financials sector
- An allocation to cash
- Individual detractors from performance: Japan Tobacco, UBS, Credit Suisse Group

Country Analysis as of December 31, 2013



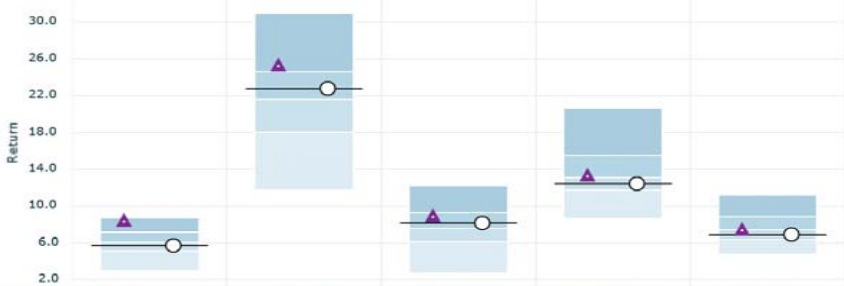
Key Facts and Figures

Portfolio Manager: William Bower	Total Fund Assets: $26,924 Million	Expense Ratio (Net): 0.95%
Portfolio Manager Average Tenure: 13.0 Years	Total Share Class Assets: $14,907 Million	Mercer Median Expense Ratio (Net): 1.00%

Fund Profile

International Equity - Fidelity Diversified International Fund - FDIVX

Return in $US (after fees) over 3 mths, 1 yr, 3 yrs, 5 yrs, 10 yrs ending December-13
Comparison with the Mutual Fund World ex US/EAFE Equity universe (Percentile Ranking)



	3 mths (%)	1 yr (%)	3 yrs (%pa)	5 yrs (%pa)	10 yrs (%pa)
▲	8.3(8)	25.2(21)	8.8(30)	13.2(47)	7.4(52)
○	5.7(60)	22.8(36)	8.2(41)	12.4(62)	6.9(60)
5th	8.8	30.9	12.2	20.6	11.2
25th	7.1	24.6	9.3	15.5	8.9
50th	6.1	21.6	7.6	13.1	7.4
75th	5.1	18.0	6.1	11.8	6.4
95th	3.0	11.7	2.7	8.7	4.7
#	417	406	361	331	218

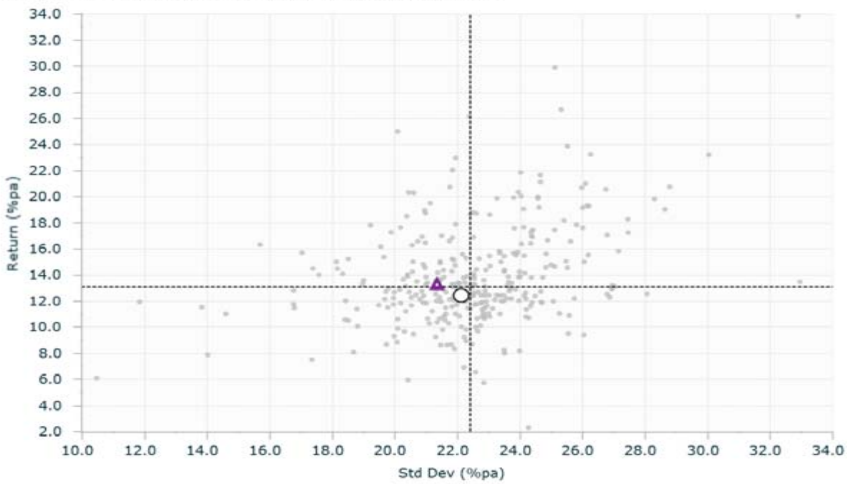
▲ Fidelity Diversified International ○ MSEAFENUSD

Performance characteristics vs. MSCI EAFE NET WHT in $US (after fees) over 5 yrs ending December-13 (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
▲	13.2(47)	21.3(73)	0.6(42)	3.0(87)	0.3(43)
○	12.4(62)	22.1(56)	0.6(62)	0.0(100)	-
5th	20.6	26.8	0.9	9.5	1.4
25th	15.5	24.0	0.7	5.8	0.6
50th	13.1	22.4	0.6	4.4	0.2
75th	11.8	21.2	0.5	3.4	-0.2
95th	8.7	18.4	0.4	2.3	-0.8
#	331	331	331	331	331

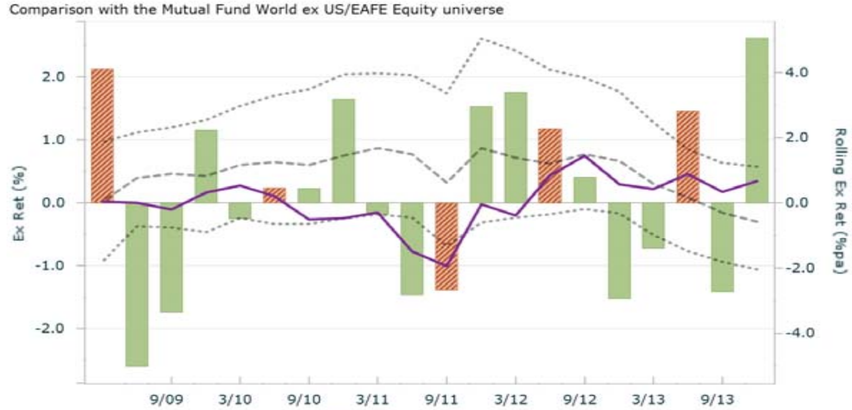
▲ Fidelity Diversified International ○ MSEAFENUSD

Return and Std Deviation in $US (after fees) over 5 yrs ending December-13 (quarterly calculations)
Comparison with the Mutual Fund World ex US/EAFE Equity universe



▲ Fidelity Diversified International ○ MSEAFENUSD Median Universe

Quarterly Excess Return vs. MSCI EAFE NET WHT with rolling 3 yr line in $US (after fees) over 5 yrs ending December-13
Comparison with the Mutual Fund World ex US/EAFE Equity universe



▲ Fidelity Diversified International Quarterly Ex Return (Up Mkt)
Quarterly Ex Return (Down Mkt) Rolling 3 Years
Median Quartiles

Appendix A – Investment Manager Updates

Fidelity Investments/Pyramis Global Advisors

Ron O’Hanley Departure and Charlie Morrison Appointment – February 21, 2014

- Fidelity announced that Charlie Morrison will replace outgoing Ron O’Hanley as President of its Asset Management business. Ron O’Hanley will retire from the firm at the end of February 2014. Asset Management encompasses both the institutional (Pyramis) and US retail (FRMCo) business units.
- *Mercer View*: The announcement does not come as a surprise. Morrison is currently President of the Fixed Income business. As such, it was logical that he would have been one of the candidates for the head position. Morrison’s appointment now creates the opportunity for another promotion from within the Fixed Income business. Fidelity tells us it will announce the new appointment in the near future. It remains unclear to us why the announcements could not have been communicated at the same time, and we wonder whether this is a sign that other changes within the firm structure may be announced at a later date or that additional changes in responsibilities may take place.

Pacific Investment Management Company (PIMCO)

Senior Team Changes – January 30, 2014

- Mohamed El-Erian, the CEO and Co-CIO of PIMCO announced, on relatively short notice, his resignation from PIMCO. The other co-CIO is Bill Gross. The firm continues to move quickly and sensibly to reassign El-Erian’s responsibilities, primarily by drawing from its deep portfolio management and analytical resources. While these actions answer many of our questions, we prefer to see stability among the senior ranks at the firm, which would signal that the changes have been widely accepted by other team members.
- At the investment level, the firm initially appointed two Deputy CIOs: Dan Ivascyn and Andrew Balls. Subsequently, PIMCO has appointed four more Deputy CIOs: Mark Kiesel, Head of Corporate Bond Portfolio Management; Virginie Maisonneuve, Global Head of Equities Portfolio Management; Scott Mather, Head of Global Portfolio Management; and Mihir Worah, Head of Real Return Portfolio Management. The six Deputy CIOs now serve as Investment Committee members, and each will act as Chairperson on a rotating basis. In terms of depth and succession, this new structure is an improvement over the old one, as it spreads the firm’s investment leadership over a greater number of experienced professionals.
- To fill a void on the Investment Committee, PIMCO appointed Tony Crescenzi, a portfolio manager who has been a rotating Investment Committee member multiple times, to the Investment Committee on a full time basis. Related to that move, Rich Clarida, strategist, is taking on leadership of PIMCO’s secular forum. Again, we believe these moves are sensible, from the perspective of spreading more of the firm’s critical activities among a diversified group of investment professionals.
- PIMCO also announced that Sudi Mariappa will re-join the firm as a generalist portfolio manager. He returns to PIMCO after spending the past two years at GLG; previous to this, Mariappa was at PIMCO for over ten years and acted as a global generalist portfolio manager. Mariappa replaces Marc Seidner, a US generalist portfolio manager that has resigned to join a competitor. We know Mariappa from his previous stint at PIMCO; under his leadership, PIMCO’s global sovereign and aggregate strategies were A rated, as they continue to be. As such, we do not have an issue with this transition of responsibilities.
- It appears that Curtis Mewbourne will assume lead portfolio management responsibilities for most of El-Erian’s accounts. Exceptions include Global Multi-Asset portfolios and Global Advantage accounts. In the case of the former, PIMCO is searching for a new portfolio manager, and also expects Mohir Worah to take over responsibilities to some extent. Regarding Global Advantage, co-lead portfolio managers Ramin Toloui and Balls will absorb El-Erian’s assignments.

- In terms of business management, the firm has appointed a new executive leadership team, including Doug Hodge as CEO, Jay Jacobs as President, Craig Dawson as Head of Strategic Business Management, and Kim Stafford as Head of Talent Management.
  - Based in Newport Beach, Hodge previously served as COO. In his new role, Hodge will be responsible for the business affairs of the firm, as well as setting the short and long-term business plan for the firm. He will also chair PIMCO's Executive Committee. Finally, he will also serve as the firm's primary business liaison with Allianz Group and he is a member of the Management Board of Allianz Asset Management.
  - Jacobs is also based in Newport Beach, and is currently the (global) Head of Talent Management. Previously, he was the Head of PIMCO's German business, based in Munich. In his new role, Jacobs will be responsible for the internal facing areas of the firm. He will become a permanent member of the Executive Committee, and will be responsible for developing the firm's operating plan, budgeting and finance, and compensation structure.
  - Dawson is based in PIMCO's Munich office, and is currently responsible for PIMCO's business in Germany, Austria, Switzerland and Italy. He is also Head of Product Management for Europe. In his new role, Dawson will be responsible for the continued build out of PIMCO's initiatives.
  - Lastly, Stafford is based in Newport Beach and is currently a senior member of the firm's Executive Office. In her new role, she will succeed Jacobs as Head of Talent Management globally.
- We will continue to monitor events at PIMCO, and report to the field as warranted. We are undertaking meetings in multiple regions this quarter; in doing so, we expect to gain confidence that relevant portfolio managers are comfortable with the new investment and business leadership.

State Street Global Advisors (SSgA)

Review of Passive Equity – January 24, 2014

- Like Many of SSgA's peers, the firm has recently developed several Smart Beta products (Low Volatility, Fundamental Indexing, etc.), along with its continued management of the SPDR brand of ETFs and traditional indexing. The growth in offerings creates complexity across the Global Equity Beta Solutions (GEBS) platform, which is compounded by the fact that portfolio managers must manage across a diverse range of strategies. While we have concerns that this could impact the quality of traditional indexing, it has not been reflected in the performance or tracking error of our Preferred Provider-rated strategies. Still, product proliferation remains an area to watch, and will be addressed in future meetings.
- Retirement of Erik Brandhorst. On 17 January, 2014, SSgA announced that Erik Brandhorst, Director of Advanced Beta Research will retire on March 31, 2014. Brandhorst had communicated his desire to retire to CIO Lynn Blake in early 2013. Thus, Brandhorst had an active role in hiring his successor, Jenn Bender, who filled a similar role at MSCI. Bender brings years of experience and a PhD and will also work alongside Brandhorst for a two month period. We believe Brandhorst is a meaningful loss to the team, but should not impair the GEBS platform in the long term. Bender appears to be a suitable replacement and good fit within the firm, and we will address her leadership of the group and its impact in future meetings.
- As of 30 September 2013, the GEBS platform manages $1.19 trillion in assets across traditional indexing, ETFs and Smart Beta mandates. Regionally, $633 billion is managed in US Equity, $499 billion in Global and International Equity, and $61 billion in Emerging Markets Equity. By provider, S&P indices make up nearly 75% of the US assets; MSCI indices make up about 67% of the Non-US indices; and MSCI also makes up around 85% of the Emerging indices. Feehily estimates that GEBS manages approximately 25% of its total asset base in institutional accounts, with the remaining 75% of assets held in the retail-oriented SPDR ETFs. Asset flows have held fairly consistent since 2009 despite what might be perceived as an increasing trend towards indexing among plan sponsors.
- SSgA retains its Preferred Provider rating given its strong and experienced team, superior execution due to scale, and competitive fees. While product proliferation has been and remains a concern, the firm has taken steps to alleviate the responsibilities of the passive equity team.

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