MERCER

TALENT • HEALTH • RETIREMENT • INVESTMENTS

City of Los Angeles

City of Los Angeles Deferred Compensation Plan

Defined Contribution Performance Evaluation

Third Quarter 2012

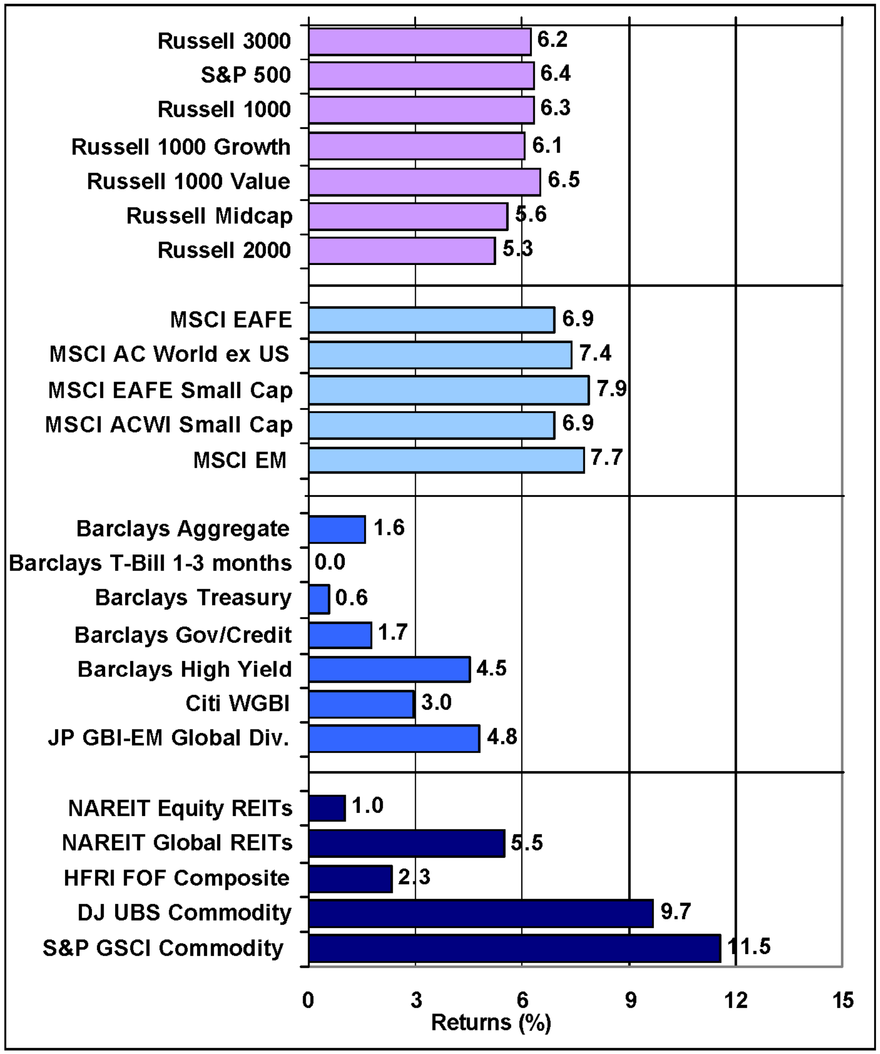
Services provided by Mercer Investment Consulting, Inc.

MARSH & McLENNAN COMPANIES

Contents

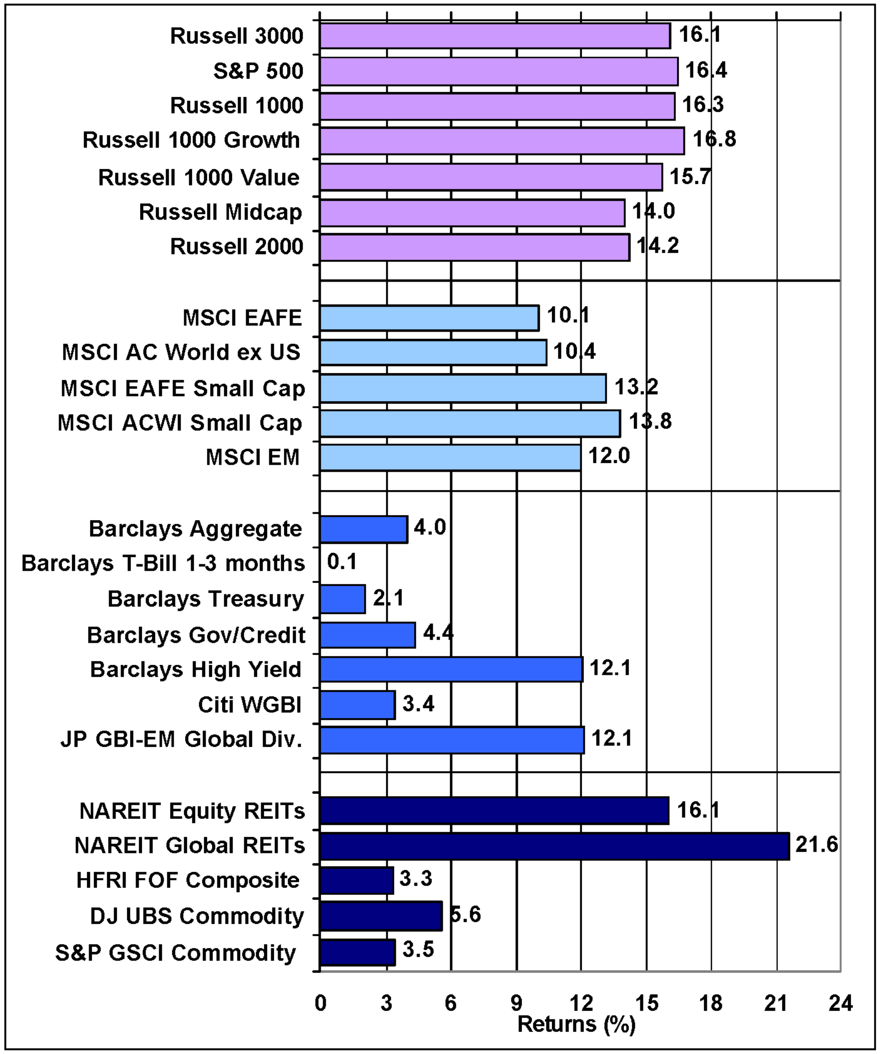
Performance Summary: Quarter in Review

Market Performance
Third Quarter 2012



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

Market Performance
Year-to-Date



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

Macro Environment: Economic Review

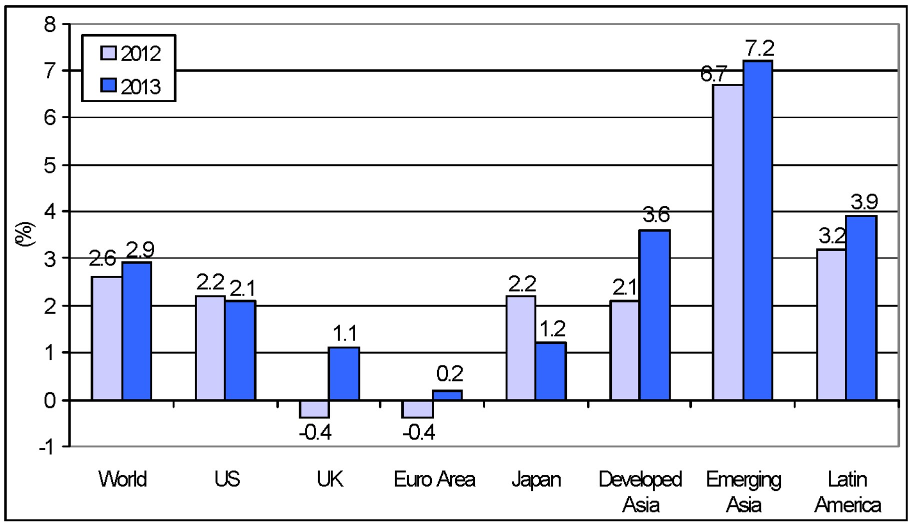
US GDP Growth

	Q3 2012 Growth (%)	Contribution to Q3 2012 Growth (%)
Personal Consumption Expenditures	2.0	1.4
Residential Fixed Investment	14.4	0.3
Non-Residential Fixed Investment	(1.3)	(0.1)
Government Consumption	3.7	0.7
Change in Inventories	-	(0.1)
Trade Balance	-	(0.2)
GDP		2.0

Source: Bureau of Economic Analysis

World Economic Growth

(Projections as of September 2012)

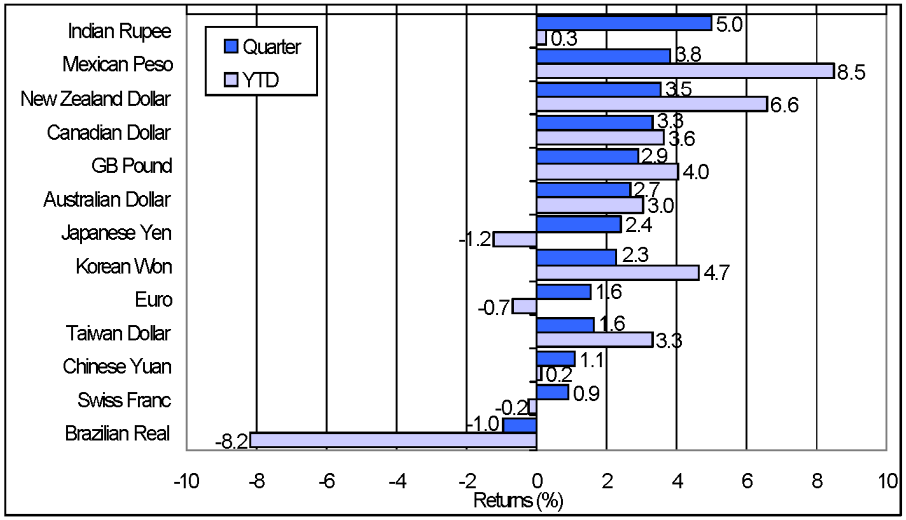


Source: IMF

- The economy grew by an estimated 2.0% in the third quarter. The economy added an average of 146,000 jobs per month in the third quarter, which represents an improvement from the 66,000 pace of the second quarter. The unemployment rate also declined from 8.2% to 7.8%, its lowest level since January 2009.
- The Federal Reserve embarked on another round of quantitative easing at its September meeting. Under QE3, the Fed will purchase $40B a month in agency MBS on a open-ended basis. The Fed also announced that they would keep interest rates at near zero until at least mid-2015. However, QE3 seems unlikely to significantly improve the economic outlook. The trend of weak growth and elevated unemployment is likely to remain in place due ongoing private sector deleveraging.
- Depending on the extent of the fiscal cliff, a recession is a potential risk in 2013. The hope is that a deal is reached to limit the amount of spending cuts and tax hikes.
- The ECBs announced outright monetary transactions (OMT) program involves buying unlimited quantities of short-term sovereign bonds. This has reduced tail-risks and lead to a sharp decline in Spanish bond yields. Despite lowered short-term risk, the crisis is likely to persist given the complex economic and political challenges.
- The IMF expects growth in China to improve in 2013 due to stimulus measures, although the risk of a hard landing remains due to existing credit and fixed investment excesses. In the near term, issues in the developed world are likely to weigh on EM economic growth. However, the secular growth outlook remains bright given their structural advantages.

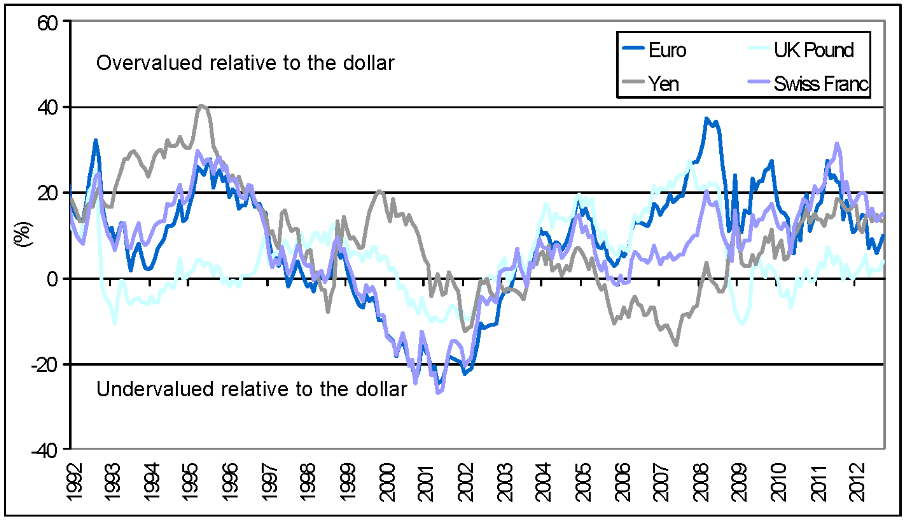
Macro Environment: Currencies

Performance of Foreign Currencies versus the US Dollar



Source: Bloomberg

Currency Valuation versus US Dollar (Based on Relative PPP)



Source: Bloomberg

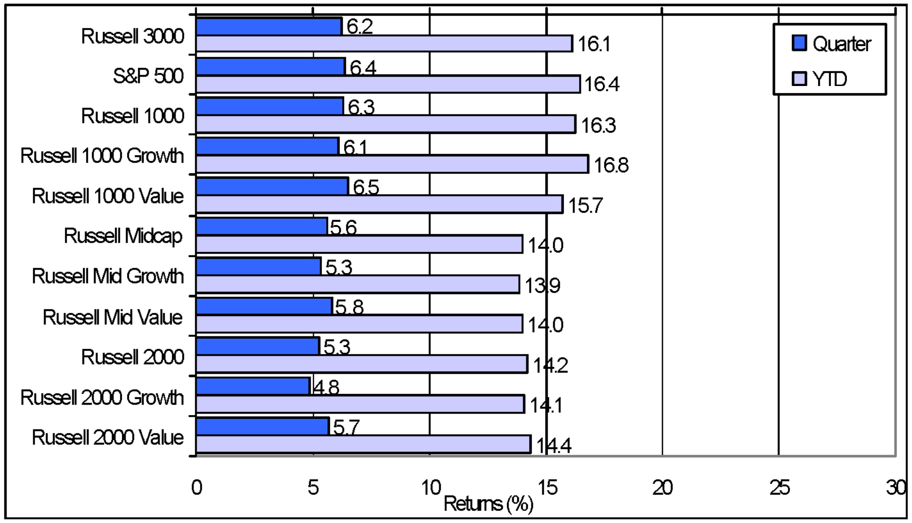
- Reduced macro tensions and another round of monetary easing contributed to a decline in the dollar On a trade-weighted basis, the dollar depreciated by 2.9% during the third quarter. The euro rose 1.6% and the Japanese yen appreciated 2.4% relative to the dollar. EM market currencies also enjoyed a strong quarter.

- Ultra-loose monetary policies, persistent current account deficits, and a massive fiscal deficit could continue to weigh on the dollar. However, the dollar remains a safe haven currency and could benefit from bouts of risk aversion. From a long-term valuation perspective, the dollar appears inexpensive against developed market currencies, trading at a discount based on purchasing power parity (PPP). However, given US monetary policies, the dollar could continue to trade at a discount to PPP.

- Aggressive easing measures taken by developed world central banks could be supportive of EM currencies in the near-term. While their short-term performance is likely to remain highly sensitive to macro sentiment, the outlook for emerging market currencies is positive as they are experiencing faster economic growth and have lower levels of debt.

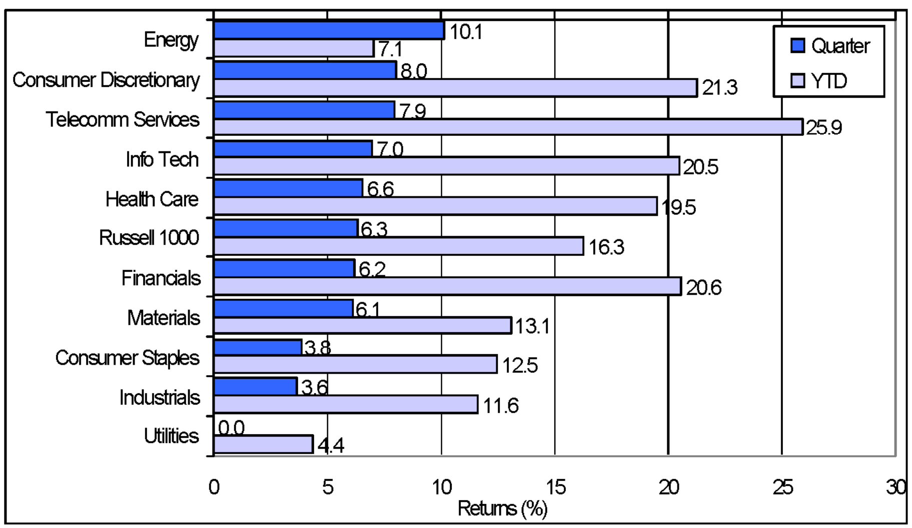
Asset Class: US Equities – Style, Sector, Cap Performance

Style and Capitalization Market Performance



Source: Standard & Poor's, Russell, Bloomberg

Sector Performance



Source: Russell 1000 GICs Sector

Broad Market

- Easing macro tensions and an aggressive round of global monetary stimulus pushed global equity markets higher for the quarter. Domestically, the Russell 3000 index returned 6.2% during the third quarter and is up 16.1% year-to-date.

Market Cap

- **Large Caps:** The S&P 500 gained 6.4% in Q3. Large caps outperformed mid caps and small caps for both the quarter and year-to-date periods.
- **Mid Caps:** The Russell Midcap index rose 5.6% for the quarter, lagging the S&P 500 by 80 basis points.
- **Small Caps:** The Russell 2000 index returned 5.3% in the third quarter, trailing the S&P 500 by 110 bps. YTD, small caps lagged large caps by 220 basis points.

Style

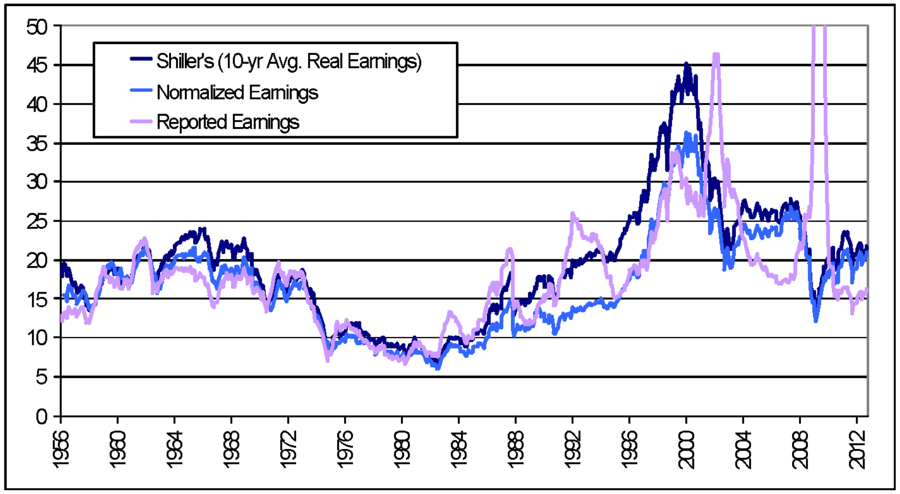
- **Value vs. Growth:** Value stocks outperformed growth stocks across all capitalization segments during the third quarter. Large cap value was the best performing style for the quarter, gaining 6.5%. However, the Russell 1000 Growth index outperformed the Russell 1000 Value index by 110 bps YTD.

Sector

- In Q3, the energy sector posted robust gains, while utilities lagged the index. Telecom stocks were the top performer YTD, returning 25.9%.

Asset Class: US Equities – Valuation Review

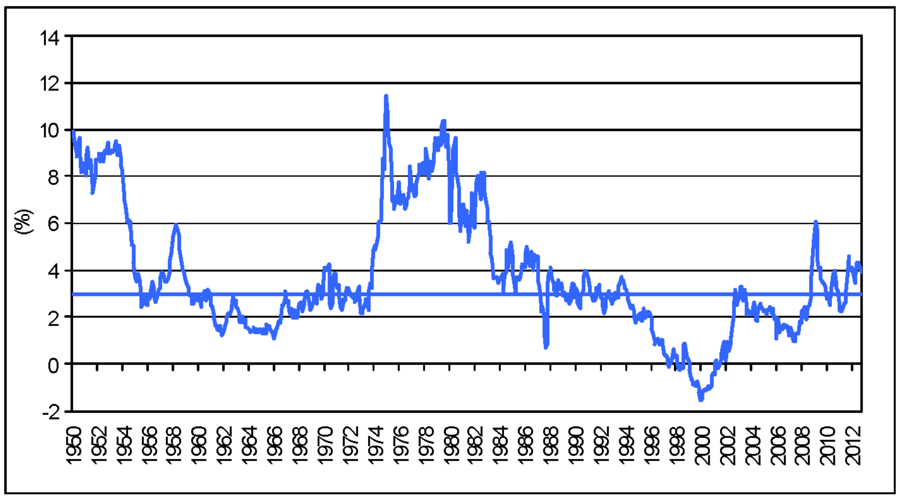
S&P500 – P/E Ratio



Source: S&P, Federal Reserve, Mercer

S&P500 – Estimated Equity Risk Premium[1]

Versus Long-Term Treasuries



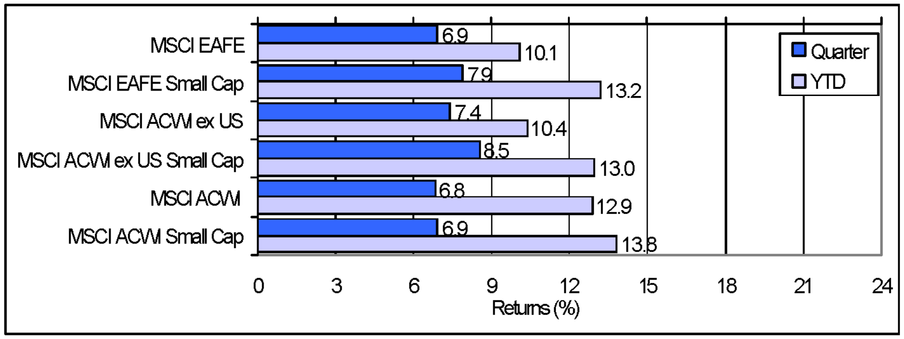
Source: S&P, Federal Reserve, Mercer

- The P/E ratio on trailing reported earnings was a relatively attractive 16.4 at quarter-end. However, current earnings continue to be aided by abnormally high profit margins. Cyclically-adjusted valuations remain elevated. The normalized earnings P/E stood at 21.0, which is above the historical median of 16.4 (since 1956). The P/E based on average 10-year real earnings, finished the quarter at 21.7.
- Based on analysts estimates, earnings per share for S&P 500 firms are expected to decline by 2.7% in Q3. Excluding financials, earnings are expected to fall 5.0%. It appears that corporate profit margins, near multi-decade highs, are being pinched by stagnating top line growth and rising input costs. Still, profit margins could remain above historic averages for an extended period of time given the lack of wage pressures, although a recession would likely act as a drag on profitability.
- While modest economic growth could weigh on sales and earnings growth, equities could earn reasonable returns in a slow growth environment. Corporate balance sheets remain fairly healthy and the trend of returning more earnings to shareholders through dividends, buybacks and cash mergers is likely to persist.
- While less appealing in absolute terms, US equities still appear fairly reasonable in light of ultra low bond yields. Based on the normalized P/E ratio of 21, the S&P 500 is priced to provide a real return of approximately 4.5%. This compares quite favorably to Treasuries and corporate bonds. We estimate that the equity risk premium over long-term Treasuries stood at 3.9% at quarter-end, well above the historical average of 2.9% (since 1950).

[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

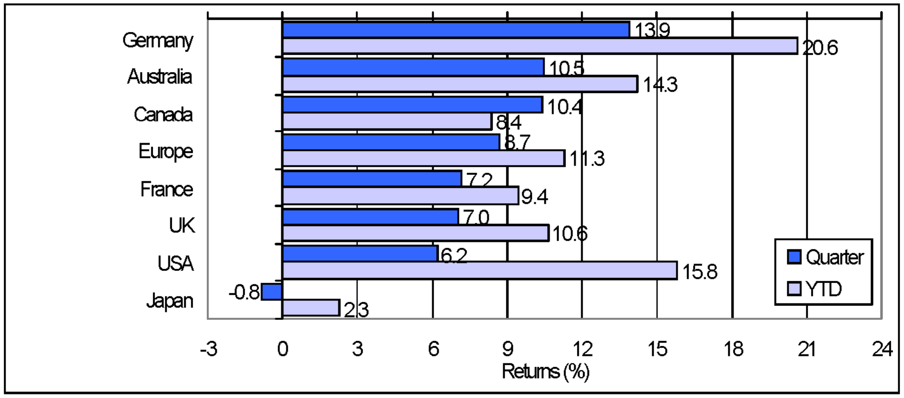
Asset Class: International Equities – Performance Review

International Equity Performance



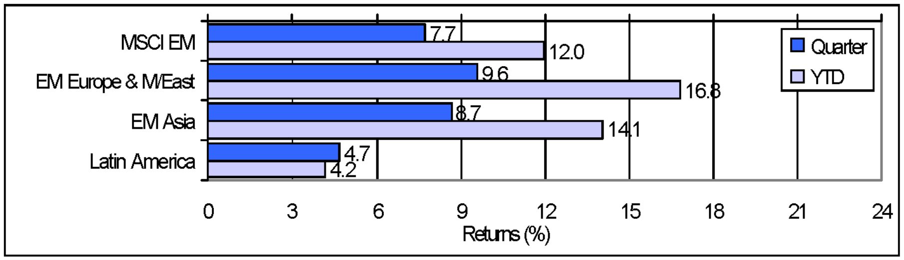
Source: MSCI, Bloomberg

Developed Country Performance



Source: MSCI, Bloomberg

Emerging Market Performance

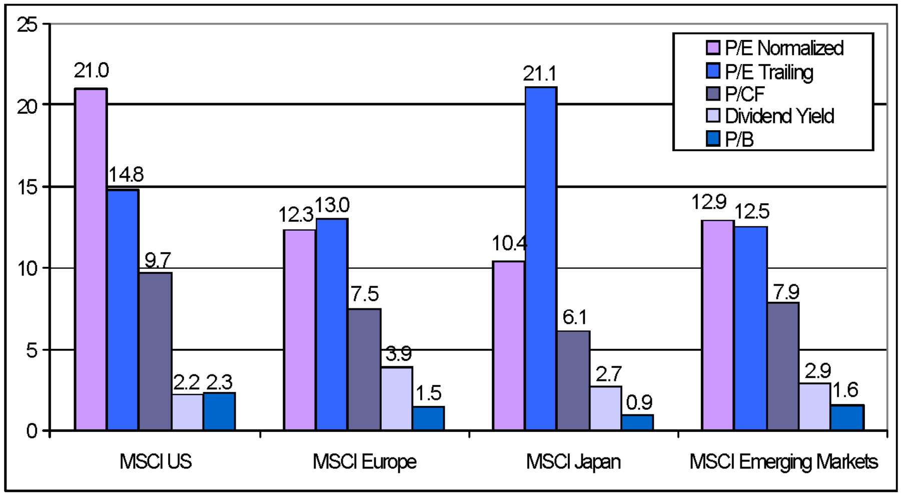


Source: MSCI, Bloomberg

- **International** equities outperformed domestic equities in the third quarter. The MSCI ACWI-ex US index rose 7.4% versus a 6.4% gain for the S&P 500. However, year-to-date US equities still remain the top performer, outpacing international equities by 600 bps.
- **International small cap stocks,** as proxied by the MSCI ACWI-ex US Small cap index, outperformed international large cap stocks by 110 bps in the third quarter. YTD, international small caps gained 13.0%.
- **International developed stocks** rose 6.9%, outperforming domestic stocks by 50 basis points. YTD, however, the S&P 500 has outperformed the MSCI EAFE index by 630 basis points. The ECB's OMT proposal pushed European stocks to a 8.7% gain during Q3. Germany rose 13.9% and is up 20.6% YTD. Japanese stocks bucked the global trend, declining 0.8% for the quarter.
- **Emerging markets** outperformed developed markets in Q3, rising 7.7%. YTD, emerging markets have returned 12.0%, outperforming the MSCI EAFE index, but lagging the S&P 500.

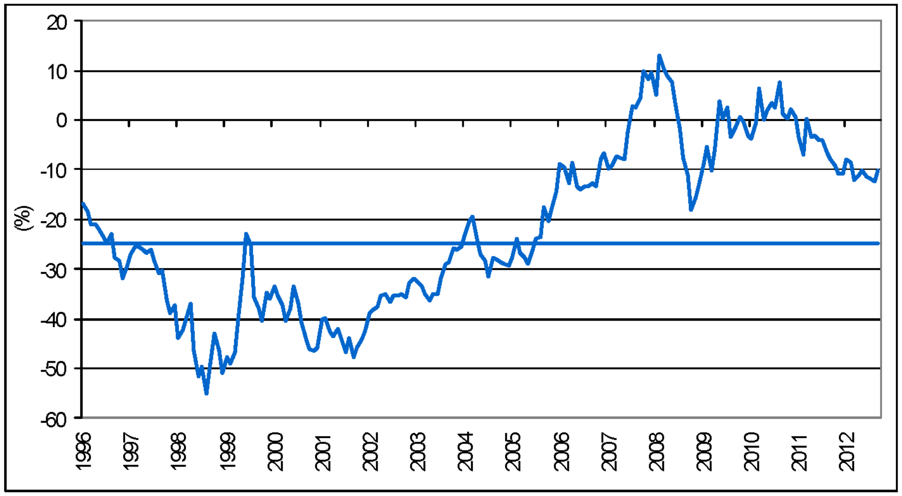
Asset Class: International Equities – Valuation Review

Global Valuations



Source: MSCI, Bloomberg

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

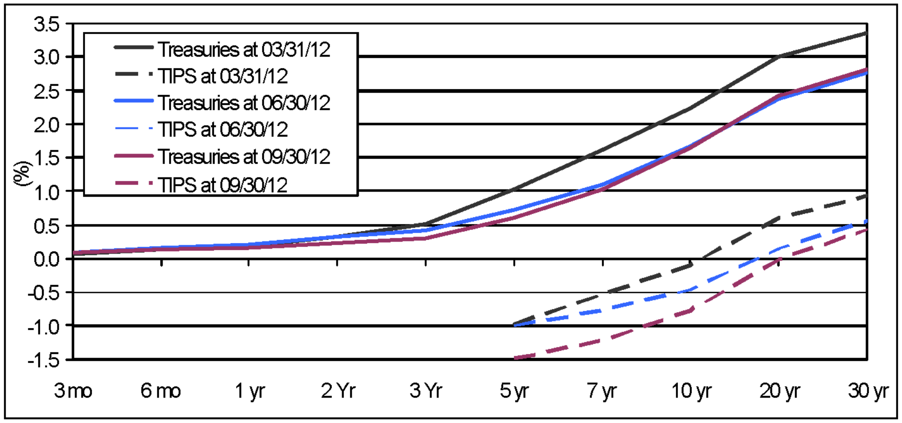


Source: MSCI, Bloomberg

- The ECB's willingness to act as lender of last resort lowered short-term left-tail risk in the region. While the economic outlook remains poor and is likely to weigh on profit margins, the index is dominated by multinationals with significant exposure outside Europe. For example, emerging economies account for 28% of sales for European firms and companies garner 55% of sales from outside the region.
- Eurozone equities also remain attractively valued in absolute and relative terms. Based on 10-year average real earnings, European stocks traded at a of P/E of 12, a 28% discount relative to its historical median and 43% discount to US stocks. Europe traded at 7.5x cash flows, which is in-line with their historic median, but a 23% discount to the US.
- The absolute and relative performance of European stocks is likely to be highly correlated to macro sentiment regarding the crisis as well as the actions of monetary and fiscal policy makers. However, cheaper valuations offer investors a margin a safety as well as upside potential if conditions stabilize.
- Slowing growth in China and the developed world along with a strong yen are likely to weigh on Japan. However, valuations are at attractive levels in absolute and relative terms. Japan traded at less than book value and just 6x cash flows. Based on Shiller's P/E, Japan traded at a 25% discount to the US.
- Based on normalized earnings, EM stocks traded at a P/E of just 13, 17% below our estimate of fair value. While they traded at a slight premium to Europe and Japan, they traded at a 40% discount to US stocks on this measure. EM equities are likely to remain highly sensitive to macro sentiment given their high beta and significant exposure to globally-cyclical sectors, but appear attractively valued in absolute and relative terms.

Asset Class: Fixed Income – Interest Rates and Yield Curve

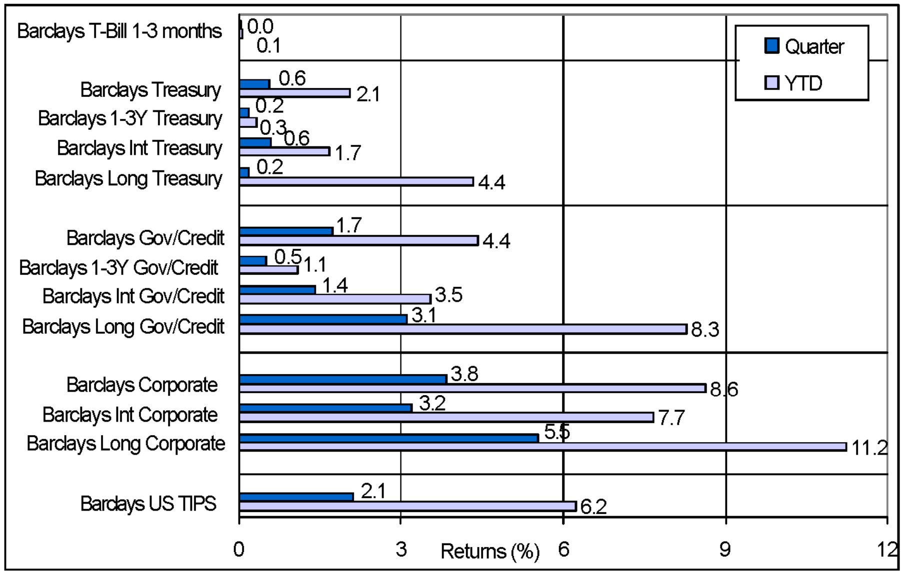
Treasury Yield Curve



Source: Federal Reserve

- QE3 contributed to a rise in inflation breakeven rates and a drop in real yields during the quarter. While the yield on the 10-year Treasury was relatively unchanged, the real yield on 10-year TIPS declined by 33 basis points to -0.77% as inflation breakeven rates rose from 2.13% to 2.41%. The real yield on 5-year TIPS fell to a miserable -1.5% as 5-year inflation breakeven rates rose by 40 basis points to 2.1%. Given Fed policy, interest rates are likely to remain at ultra-low levels for at least the next several years.

Bond Performance by Duration

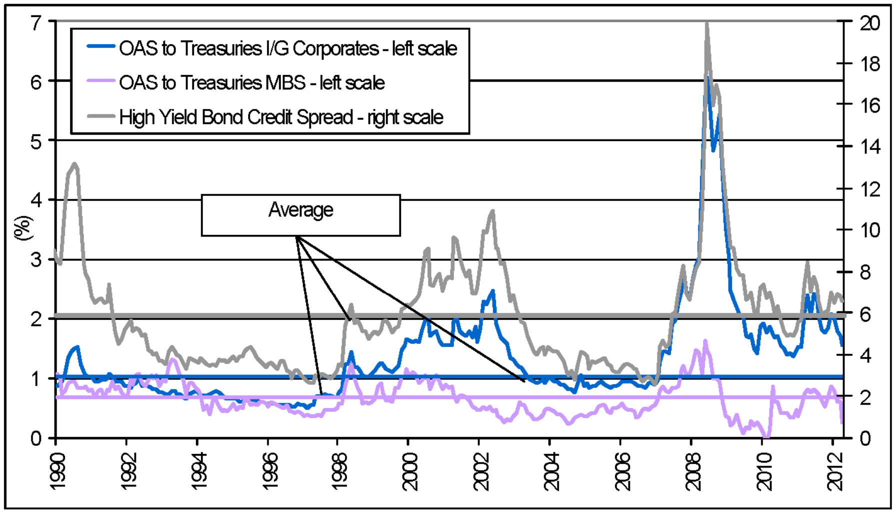


Source: Barclays, Bloomberg

- **US Bond** markets continued to post gains as the Fed launched a third round of quantitative easing.
- **Long-Duration Bonds** benefited from shifts in the yield curve. The Long Treasury, Government/Credit and Corporate indexes returned 0.2%, 3.1% and 5.5%, respectively, for the quarter.
- **Corporate bonds** rallied and outperformed **Treasuries** by 320 bps for the quarter as credit spreads decreased. Year to date long corporate bonds were top performer, returning 11.2%.
- **TIPS** rose 2.1% during the quarter as real yields plunged. TIPS continued to outpace Treasuries for both the quarter and the year-to-date periods.

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

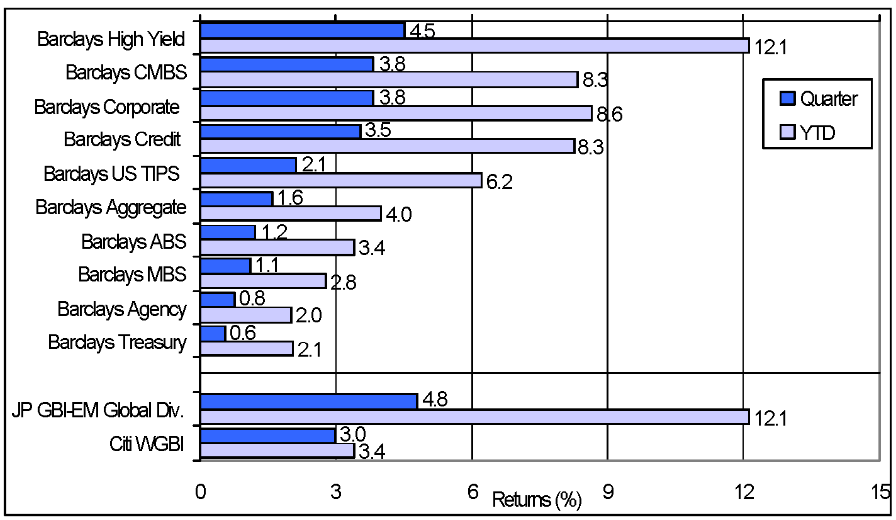
Credit Spreads



Source: Barclays

- Credit spreads decreased during the quarter and investment grade and high yield bonds outperformed Treasuries.
- Investment grade bond yields declined by 49 basis points and finished the quarter at a near record low 2.8%. However, their option-adjusted spread of 1.6% remains above the 1% historical median. The option-adjusted spreads on high yield bonds fell by 64 basis points to 5.5%, which remains above our equilibrium estimate of fair value. However, HY bonds yield just 6.5%, a record low.

Sector, Credit, and Global Bond Performance

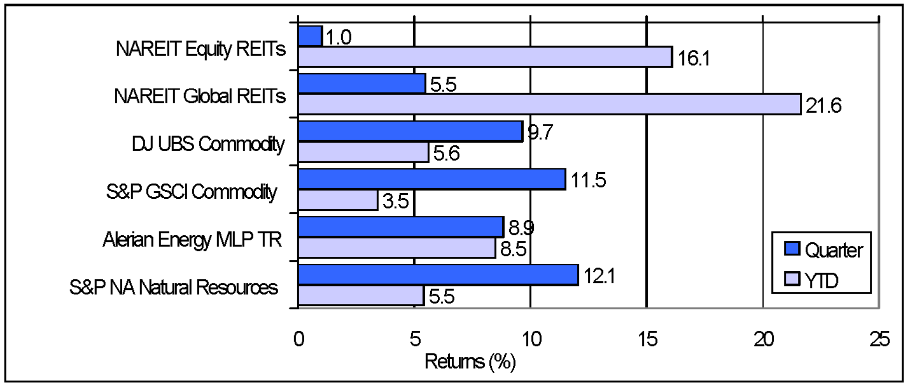


Source: Barclays, Citigroup, JP Morgan, Bloomberg

- **US High Yield, CMBS, Corporate and Credit** returned 4.5%, 3.8%, 3.8% and 3.5%, respectively, in Q3.
- **US ABS, MBS and Agency** indexes posted returns between 1.2% and 0.8% for the quarter.
- **Local currency EMD** increased 4.8% during the third quarter as EM currencies appreciated relative to the dollar.
- The **Citigroup World Government Bond** index rose 3.0%, outpacing US Treasuries by 240 bps for the quarter as the dollar declined against most developed currencies.

Asset Class: Alternatives – Performance Review

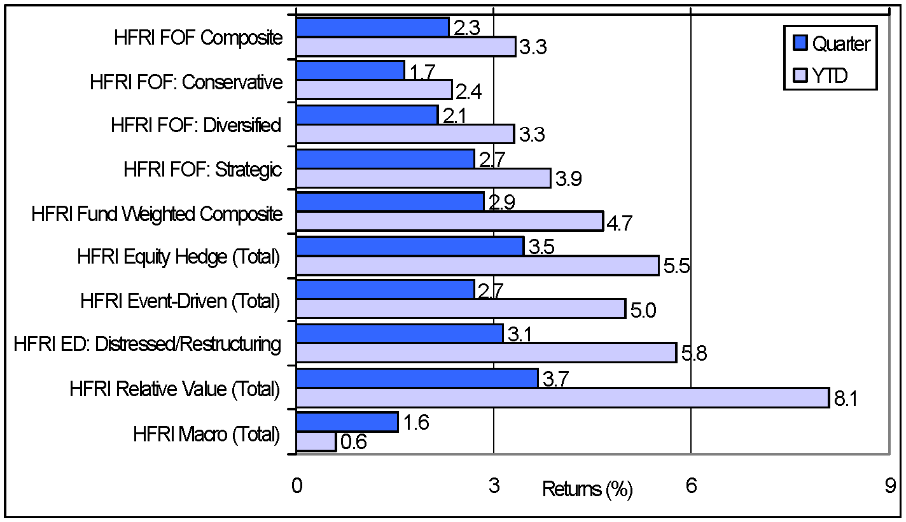
Real Asset Performance



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

- **US and Global REITs** underperformed the broad equity markets for the quarter, posting gains of 1.0% and 5.5%, respectively. YTD, US REITs returned 16.1% and global REITs surged 21.6%.
- **Commodities:** Energy prices increased in Q3, pushing the S&P GSCI to a 11.5% gain. The DJ-UBS Commodity index, which has a lower weighting to energy, increased a more muted by 9.7%. Natural resource stocks returned 12.1%.

Hedge Fund Performance



Source: HFR

- **Hedge funds** trailed equities, but outperformed bonds in the third quarter. The HFRI Fund of Funds Composite index returned 2.3%, while the Russell 3000 Index rose 6.2% and the Barclays Aggregate index gained 1.6%. Year-to-date, hedge funds have trailed both the Russell 3000 and the Barclays Aggregate.
- The HFRI macro index was the worst performer, gaining 1.6% for the quarter, while HFRI Relative Value index posted a robust gain of 3.7%.

Summary – Investment Option Array

Conservative

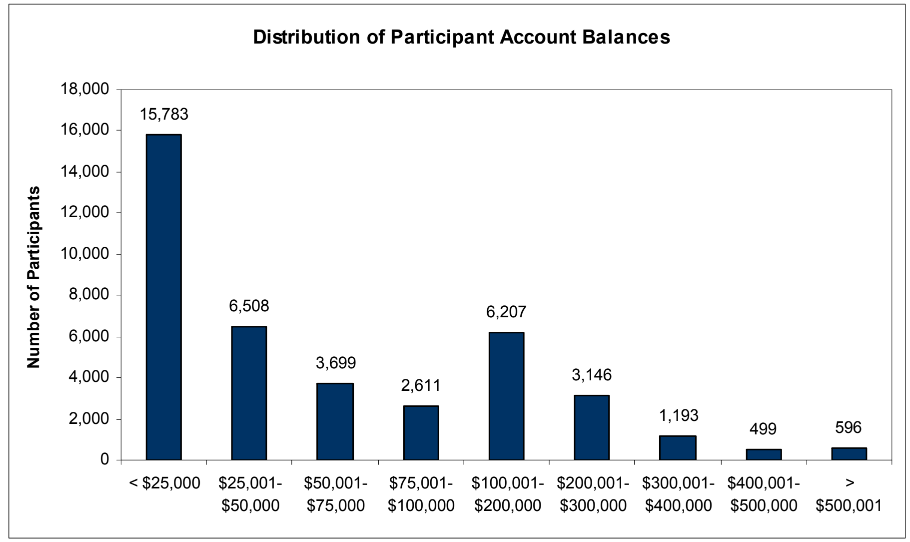
Tier I Asset Allocation Risk-Profile Funds	Tier II Core Options	Tier III Specialty Options
	Capital Preservation FDIC-Insured Savings Account JP Morgan Chase Certificates of Deposit	
	DCP Stable Value (100% Galliard Separate Account)	
DCP Ultra Conservative	**DCP Bond Fund** (50% Vanguard Total Bond 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 $3,539.5 million, increasing $147.9 million (4.4%) from $3,391.6 million at the previous quarter-end as a result of investment gains and net cash inflows. Contributions (including other deposits) for the quarter totaled $70.7 million compared to withdrawals (including fees) of $53.4 million. Investment gains totaled $130.6 million.
- As of September 30, 2012, there were 40,242 participants with ending account balances. The average account balance was $87,954, while the median account balance was $39,716. The distribution of participant balances is shown to the right; 39.2% of participants had a balance less than $25,000 and 1.5% had a balance greater than $500,000.
- The Deferred Compensation Plan (DCP) Large Cap Stock Fund held the highest percentage of Plan assets (32.1%), followed by the DCP Stable Value Fund (23.2%), FDIC-Insured Savings Account (8.4%), DCP Bond Fund (6.2%), and Schwab PCRA Self-Directed Brokerage Account (6.0%). All other funds each held less than 5.0% of Plan assets.
- Assets in the Profile funds (5 customized risk-based Profile funds ranging from Ultra Conservative to Ultra Aggressive) totaled $456.2 million (12.9%) at quarter end; this was an increase of $36.1 million from $420.1 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. One notable performer was the Fidelity Diversified International Fund which exceeded the index and universe median during the quarter, bringing longer term results above the index and near the universe median.

Summary – Plan Highlights, Key Observations and Recommendations

Key Observations and Recommendations

- On April 20, 2012, Phase I of the Investment Menu Implementation was completed. The following changes took place:
  - DCP Bond Fund was formed, which is 50% Vanguard Total Bond Market Index Fund and 50% PIMCO Total Return Fund
  - The Vanguard Institutional Index Fund was transitioned to the newly formed DCP Large-Cap Stock Fund, which is 100% passively managed
  - The Hartford Capital Appreciation, American Funds Growth Fund of America, and American Funds Investment Company of America were terminated and assets were mapped to the newly created DCP Large-Cap Stock Fund
  - Investments in the Vanguard Mid-Cap Index Fund were mapped to the newly created DCP Mid-Cap Stock Fund as part of Phase I. Future procurements for active mid value and mid growth managers will occur this year
  - The Lazard US Mid Cap Equity Fund was terminated and assets were mapped to the DCP Mid-Cap Stock Fund

- The next phase of the new line-up configuration will be the procurement process for new managers to build out the DCP Mid-Cap, Small-Cap, and International Stock Funds.

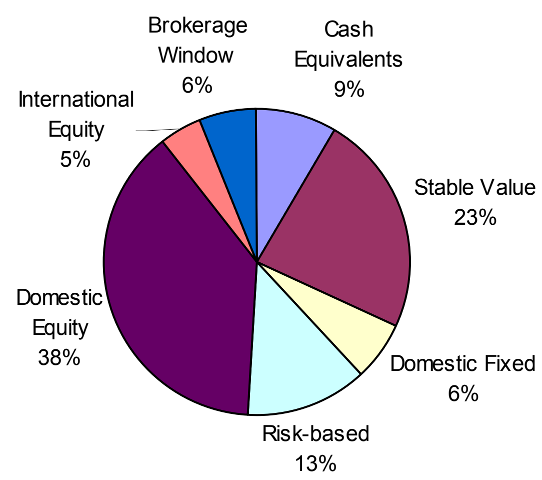
- On November 1, 2012 Bank of the West reduced its declared rate to 0.75% from 1.00%. The banks have an equal 1/3 weighting each in the FDIC option; for the quarter ending September 30, 2012 their declared rates were as follows: Bank of America = 0.12%, Bank of the West = 1.00% and City National Bank = 0.15% yielding a 0.42% APR.

- As a result of the sweeping fee disclosure requirements implemented by the Department of Labor earlier this year, there has been a notable change in how stable value managers report investment expenses. Historically, stable value managers only disclosed their management fees. Since August 30, 2012 (when fee disclosures went into effect), however, they have moved to a more holistic representation which includes annual operating expenses of the fund (e.g., custody, audit, etc.) and wrap insurance costs. We think this change is a positive development for stable value investors since they have always been subject to these fees, and this affords a greater level of transparency. With regards to the DCP Stable Value Fund, total annual operating expenses are now presented as 0.28% as opposed to 0.09% of investment management fees under the previous convention. It is important to note that economically there has been no change in the cost of the fund, as these seemingly incremental fees have always been deducted from Fund performance.

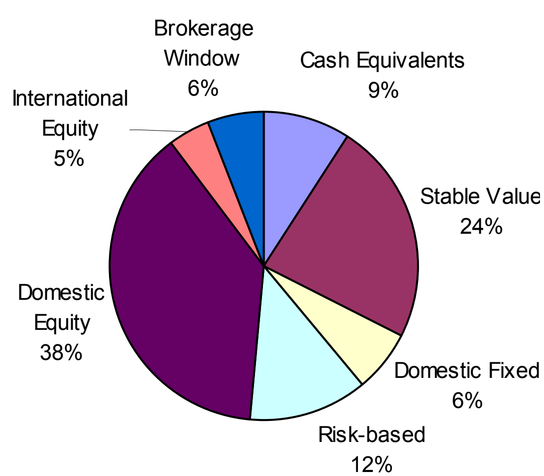
Summary – Asset Allocation

Investment Option	Current Balance	Prior Balance	% of Plan	% Chg vs. Prior
Cash Equivalents	**$304,920,066**	**$306,598,602**	**8.6%**	**-0.4%**
FDIC-Insured Savings Account	$296,354,124	$297,027,459	8.4%	-0.4%
JPMorgan Chase Certificates of Deposit	$8,565,942	$9,571,143	0.2%	0.0%
Stable Value	**$821,127,274**	**$797,933,196**	**23.2%**	**-0.3%**
Deferred Compensation Stable Value Fund (Net)	$821,127,274	$797,933,196	23.2%	-0.3%
Domestic Fixed	**$220,856,218**	**$214,817,210**	**6.2%**	**-0.1%**
DCP Bond Fund	$220,856,218	$214,817,210	6.2%	-0.1%
Risk-based	**$456,215,737**	**$420,122,142**	**12.9%**	**0.5%**
Ultra Conservative Profile	$32,641,812	$30,328,527	0.9%	0.0%
Conservative Profile	$63,602,667	$57,774,245	1.8%	0.1%
Moderate Profile	$169,507,145	$158,237,233	4.8%	0.1%
Aggressive Profile	$151,715,332	$137,245,367	4.3%	0.2%
Ultra Aggressive Profile	$38,748,781	$36,536,769	1.1%	0.0%
Domestic Equity	**$1,360,727,103**	**$1,303,680,836**	**38.4%**	**0.0%**
DCP Large Cap Stock Fund	$1,137,094,385	$1,090,828,964	32.1%	0.0%
DCP Mid Cap Stock Fund	$87,417,024	$84,118,824	2.5%	0.0%
SSgA Russell Small Cap Index Non-Lending Series Fund	$136,215,693	$128,733,048	3.8%	0.1%
International Equity	**$163,003,839**	**$153,742,068**	**4.6%**	**0.1%**
DWS EAFE Equity Index Fund Institutional	$30,898,281	$29,176,357	0.9%	0.0%
Fidelity Diversified International Fund	$132,105,558	$124,565,711	3.7%	0.1%
Brokerage Window	**$212,608,893**	**$194,722,307**	**6.0%**	**0.3%**
Schwab PCRA Self-Directed Brokerage Account	$212,608,893	$194,722,307	6.0%	0.3%
Total Plan	**$3,539,459,130**	**$3,391,616,360**	**100%**	

Current Asset Allocation - September 30, 2012



Prior Asset Allocation - June 30, 2012



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[1]	Net Expense Diff.	Expense Reimbursement	Investment Management Fee
FDIC-Insured Savings Account	Cash Equivalents	$296,354,124	N/A	N/A	N/A	N/A	N/A	N/A
JPMorgan Chase Certificates of Deposit	Cash Equivalents	$8,565,942	N/A	N/A	N/A	N/A	N/A	N/A
Deferred Compensation Stable Value Fund	Stable Value	$821,127,274	$2,299,156	0.28%	0.45%	-0.17%	0.00%	0.28%
DCP Bond Fund	US Fixed	$220,856,218	$574,226	0.26%	0.53%	-0.27%	0.00%	0.26%
Ultra Conservative Profile	Risk-based	$32,641,812	$62,019	0.19%	0.85%	-0.66%	0.00%	0.19%
Conservative Profile	Risk-based	$63,602,667	$139,926	0.22%	0.85%	-0.63%	0.00%	0.22%
Moderate Profile	Risk-based	$169,507,145	$305,113	0.18%	0.88%	-0.70%	0.00%	0.18%
Aggressive Profile	Risk-based	$151,715,332	$273,088	0.18%	0.95%	-0.77%	0.00%	0.18%
Ultra Aggressive Profile	Risk-based	$38,748,781	$69,748	0.18%	0.95%	-0.77%	0.00%	0.18%
DCP Large Cap Stock Fund	US Large Cap Equity	$1,137,094,385	$227,419	0.02%	0.20%	-0.18%	0.00%	0.02%
DCP Mid Cap Stock Fund	US Mid Cap Equity	$87,417,024	$69,934	0.08%	0.28%	-0.20%	0.00%	0.08%
SSgA Russell Small Cap Index Non-Lending Series Fund	US Small Cap Equity	$136,215,693	$81,729	0.06%	0.30%	-0.24%	0.00%	0.06%
DWS EAFE Equity Index Fund Institutional	International Equity	$30,898,281	$154,491	0.50%	0.40%	0.10%	0.00%	0.50%
Fidelity Diversified International Fund	International Equity	$132,105,558	$1,188,950	0.90%	1.04%	-0.14%	0.25%	0.65%
Schwab PCRA Self-Directed Brokerage Account	Brokerage Window	$212,608,893	N/A	N/A	N/A	N/A	N/A	N/A
Total		**$3,539,459,130**	**$5,445,799**	**0.18%**[2]			**0.01%**	**0.17%**[2]
Total with Fixed Per Participant Fee		**$3,539,459,130**	**$7,722,446**	**0.26%**[3]				

[1] 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 by screening Mercer's proprietary Global Investment Manager Database (GIMD) for stable value fund fees. Profile funds are compared to the median institutional expense ratio of the corresponding Mercer Mutual Fund Target Risk Universe.
[2] Total excludes assets in the FDIC-Insured Savings Account, JPMorgan Chase Certificates of Deposit, and Schwab Self-Directed Brokerage Account.
[3] Total estimated annual asset-based fee is $2,276,647, reflecting a quarterly per participant fee of 0.025% on the first $125,000 of balance. The number of participants with less than a $125k balance during the quarter was 30,658, and total assets for this group amounted to $1,078,646,824. There were 9,584 participants with balances in excess of $125k with an aggregate balance of $1,198,000,000. The total participant count is 40,242.

Summary – Compliance with Investment Policy Performance Standards

Periods ending September 30, 2012

✓ = Outperformed or matched performance
✗ = Underperformed
T = Tracking the index within an appropriate range
□ = Prior Quarter

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	T	N/A	T	N/A	N/A	N/A	N/A	N/A	No changes to allocations.
Conservative Profile	T	N/A	T	N/A	T	N/A	T	N/A	No changes to allocations.
Moderate Profile	T	N/A	T	N/A	T	N/A	T	N/A	No changes to allocations.
Aggressive Profile	T	N/A	T	N/A	✗	N/A	✗	N/A	No changes to allocations. Slight underperformance due to fees and rebalancing effects.
Ultra Aggressive Profile	T	N/A	T	N/A	N/A	N/A	N/A	N/A	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	T	N/A	T	N/A	Fund will be eliminated upon completion of investment menu consolidation.
Fidelity Diversified International Fund	✓	✓	✓	✗	✓	✗	✓	✗	On Monitor due to performance and capacity concerns. May be eligible to compete in DCP international equity procurement process.

Summary – Performance

Periods ending September 30, 2012

	% of Plan	3 Months	YTD	1 Year	3 Years	5 Years	Recommendation
Money Market							
FDIC-Insured Savings Account (Blended Rate – 0.42% APY)[1]	**8.4%**	**0.1%**	**0.3%**	**0.4%**	**0.4%**	**NA**	**Retention**
JPMorgan Chase Certificates of Deposit	**0.2%**	**NA**	**NA**	**NA**	**NA**	**NA**	**Retention**
Stable Value							
Deferred Compensation Stable Value Fund (Net)[2]	**23.2%**	**0.7%**	**2.2%**	**3.0%**	**3.4%**	**3.9%**	**Retention**
3 Yr Constant Maturity Treasury +50bps		0.2%	0.7%	0.9%	1.3%	1.8%	
iMoneyNet All Taxable+100bps		0.3%	0.8%	1.0%	1.0%	1.7%	
Mercer Stable Value Universe Median		*0.6%*	*1.8%*	*2.5%*	*3.2%*	*3.6%*	
Fund Rank in Universe		*11*	*15*	*16*	*38*	*31*	
Domestic Fixed							
DCP Bond Fund	**6.2%**	**2.4%**	**6.6%**	**8.3%**	**6.9%**	**7.7%**	**Retention**
Barclays US Aggregate		1.6%	4.0%	5.2%	6.2%	6.5%	
Mercer MF US Fixed Core Universe Median		*2.3%*	*5.7%*	*7.1%*	*6.8%*	*6.4%*	
Fund Rank in Universe		*48*	*38*	*33*	*46*	*16*	
Vanguard Total Bond Market Index Fund Inst Plus[3]		**1.6%**	**4.0%**	**5.1%**	**6.1%**	**6.6%**	**Retention**
Barclays US Aggregate		1.6%	4.0%	5.2%	6.2%	6.5%	
PIMCO Total Return Fund Institutional		**3.2%**	**9.1%**	**11.5%**	**7.7%**	**8.9%**	**Retention**
Barclays US Aggregate		1.6%	4.0%	5.2%	6.2%	6.5%	
Mercer MF US Fixed Core Universe Median		*2.3%*	*5.7%*	*7.1%*	*6.8%*	*6.4%*	
Fund Rank in Universe		*22*	*11*	*11*	*30*	*5*	
Risk-based[4]							
Ultra Conservative	**0.9%**	**2.3%**	**5.4%**	**7.6%**	**6.0%**	**NA**	**No Changes to allocations**
Ultra Conservative Profile Custom Index[5]		*1.8%*	*4.3%*	*6.5%*	*5.2%*	*4.1%*	

[1] The blended rate is as of 9/30/2012. The banks have an equal 1/3 weighting each in the fund; their declared rates at the end of the quarter are as follows: Bank of America = 0.12%, Bank of the West = 1.00% and City National Bank = 0.15%. On November 1, 2012 Bank of the West reduced the declared rate to 0.75%.
[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] Due to shorter track record for Institutional Plus shares, performance for Institutional shares is shown for the 3-year period and longer.
[4] Allocation to the profile funds changed June 1, 2009 with the inclusion of a US mid cap equity component.
[5] For periods after June 1, 2009, the following composite index is used: 35.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays Capital 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 Capital 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	YTD	1 Year	3 Years	5 Years	Recommendation
Conservative Profile	**1.8%**	**3.4%**	**7.6%**	**11.6%**	**7.2%**	**4.2%**	**No Changes to allocations**
Conservative Profile Custom Index[6]		*3.0%*	*6.9%*	*11.1%*	*7.0%*	*3.8%*	
Moderate Profile	**4.8%**	**4.4%**	**10.2%**	**17.1%**	**8.8%**	**2.9%**	**No Changes to allocations**
Moderate Profile Custom Index[7]		*4.2%*	*9.7%*	*16.9%*	*8.7%*	*2.6%*	
Aggressive Profile	**4.3%**	**5.0%**	**11.4%**	**20.1%**	**9.4%**	**1.3%**	**No Changes to allocations**
Aggressive Profile Custom Index[8]		*4.9%*	*11.1%*	*20.0%*	*9.4%*	*1.7%*	
Ultra Aggressive Profile	**1.1%**	**5.5%**	**12.6%**	**23.2%**	**9.9%**	**NA**	**No Changes to allocations**
Ultra Aggressive Profile Custom Index[9]		*5.6%*	*12.5%*	*23.1%*	*10.1%*	*0.7%*	
Domestic Equity							
DCP Large Cap Stock Fund[10]	**32.1%**	**6.4%**	**16.4%**	**30.2%**	**13.2%**	**1.1%**	**Retention**
S&P 500		6.4%	16.4%	30.2%	13.2%	1.1%	
DCP Mid Cap Stock Fund[11]	**2.5%**	**5.2%**	**12.8%**	**26.5%**	**14.0%**	**1.9%**	**Retention**
DCP Mid Cap Stock Fund Composite Index		5.2%	12.8%	26.5%	14.0%	1.9%	
SSgA Russell Small Cap Index Non-Lending Series Fund	**3.8%**	**5.2%**	**14.2%**	**31.9%**	**12.9%**	**2.1%**	**Retention**
Russell 2000		5.3%	14.2%	31.9%	13.0%	2.2%	
International Equity							
DWS EAFE Equity Index Fund Institutional	**0.9%**	**6.4%**	**10.2%**	**14.5%**	**1.9%**	**-5.4%**	**Retention**
MSCI EAFE NET WHT		6.9%	10.1%	13.8%	2.1%	-5.2%	
Fidelity Diversified International Fund	**3.7%**	**7.3%**	**13.7%**	**19.2%**	**3.6%**	**-5.0%**	**Monitor; may be eligible to compete in procurement process**
MSCI EAFE NET WHT		6.9%	10.1%	13.8%	2.1%	-5.2%	
Mercer MF Intl Equity Universe Median		*6.9%*	*11.5%*	*16.3%*	*3.4%*	*-4.4%*	
Fund Rank in Universe		*39*	*26*	*23*	*48*	*59*	

[6] For periods after June 1, 2009, the following composite index is used: 15.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays Capital 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 Capital US Aggregate Index / 25% S&P 500 Index / 5% Russell 2000 Index / 5% MSCI EAFE (NWHT) Index.

[7] For periods after June 1, 2009, the following composite index is used: 10.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 30.0% Barclays Capital 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 Capital US Aggregate Index / 40.0% S&P 500 Index / 10.0% Russell 2000 Index / 10.0% MSCI EAFE (NWHT) Index.

[8] For periods after June 1, 2009, the following composite index is used: 5.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 20.0% Barclays Capital 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 Capital US Aggregate Index / 50% S&P 500 Index / 15% Russell 2000 Index / 15% MSCI EAFE (NWHT) Index.

[9] For periods after June 1, 2009, the following composite index is used: 10.0% Barclays Capital 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.

[10] The fund is 100% allocated to the Vanguard Institutional Index Fund Inst Pl; performance is shown and will be updated accordingly with the addition of underlying funds.

[11] The fund is 100% allocated to the Vanguard Mid Cap Index. Performance is shown and will be updated accordingly with the addition of underlying funds. For the Composite Index, the S&P MidCap 400 Index used through May 16, 2003; MSCI US Mid Cap 450 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 September 30, 2012

	3 Months	YTD	1 Year	3 Years	5 Years
DCP Stable Value Index (100% 3-Yr CMT + 50bps)	**0.2%**	**0.7%**	**0.9%**	**1.3%**	**1.8%**
DCP Bond Fund Index (100% BC Aggregate Bond Index)	**1.6%**	**4.0%**	**5.2%**	**6.2%**	**6.5%**
DCP Large-Cap Stock Fund Index (100% S&P 500 Index)	**6.4%**	**16.4%**	**30.2%**	**13.2%**	**1.1%**
DCP Mid-Cap Stock Fund Composite Index	**5.6%**	**14.0%**	**28.0%**	**14.3%**	**2.2%**
Russell Midcap Index (50%)	*5.6%*	*14.0%*	*28.0%*	*14.3%*	*2.2%*
Russell Midcap Value Index (25%)	*5.8%*	*14.0%*	*29.3%*	*13.9%*	*1.7%*
Russell Midcap Growth Index (25%)	*5.4%*	*13.9%*	*26.7%*	*14.7%*	*2.5%*
DCP Small-Cap Stock Fund Composite Index	**5.3%**	**14.2%**	**31.9%**	**13.0%**	**2.3%**
Russell 2000 Index (34%)	*5.3%*	*14.2%*	*31.9%*	*13.0%*	*2.2%*
Russell 2000 Value Index (33%)	*5.7%*	*14.4%*	*32.6%*	*11.7%*	*1.3%*
Russell 2000 Growth Index (33%)	*4.8%*	*14.1%*	*31.2%*	*14.2%*	*3.0%*
DCP International Fund Composite Index	**7.2%**	**11.0%**	**14.1%**	**3.2%**	**-4.1%**
MSCI EAFE Index (65%)	*6.9%*	*10.1%*	*13.8%*	*2.1%*	*-5.2%*
MSCI EM Index (17.5%)	*7.7%*	*12.0%*	*16.9%*	*5.6%*	*-1.3%*
MSCI EAFE Small Cap Index (17.5%)	*7.9%*	*13.2%*	*12.6%*	*4.7%*	*-3.0%*

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 seeks safety of principal and consistency of returns, with minimal volatility while maintaining a stable crediting rate. The fund is 100% invested in book value investment instruments: GICs, BICs, security-backed contracts (i.e., synthetics) and certain money market instruments, with a focus on highly rated instruments and broad diversification among contract issuers and underlying securities. The fund emphasizes security-backed investment contracts (synthetics) to enhance credit quality, diversification and investment returns, while structuring portfolio liquidity to provide for daily participant transactions. The target weighted average duration of the fund is within a range of 2.5 to 3.5 years with a target of 3 years.

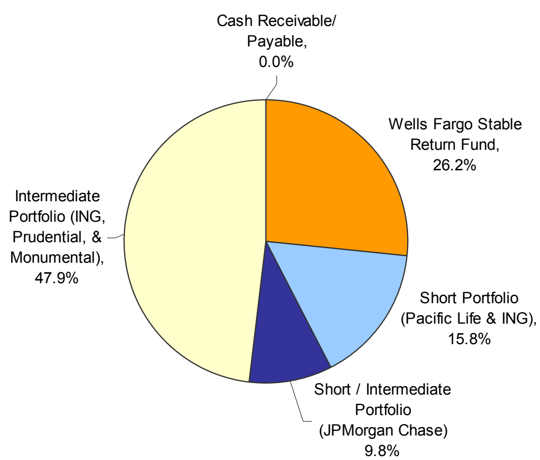
Fund Characteristics

	3Q12	2Q12	1Q12	4Q11
Mkt/Book Value Ratio	104.4%	104.0%	103.9%	103.8%
Avg. Credit Quality	A1/A+	A1/A+	A1/A+	A1/A+
Effective Duration (yrs)	2.47	2.62	2.75	2.65
Crediting Rate	2.9%	3.0%	3.1%	3.2%

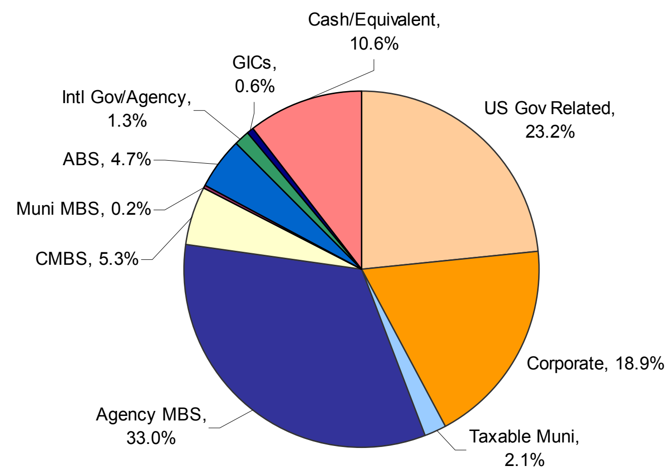
Fund Observations

- The Fund had net inflows of $19.4 million during the quarter, representing an increase of 2.3% in total stable value assets
- Number of contract issuers: 5
- Credit quality remains strong with 80.1% of fixed income in AAA rated securities and 0.1% in BBB rated or below
- Duration distribution ranged between 2.0 – 3.5 years

Fund Composition as of September 30, 2012



Underlying Fixed Income Asset Allocation as of September 30, 2012 (% 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 / 0.03% Sub-Advisor Fee / 0.137% Wrap Fee / .056% Other Fees)

Mercer Median Expense Ratio (Net): 0.45%

Fund Profile

Domestic Fixed - DCP Bond Fund

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

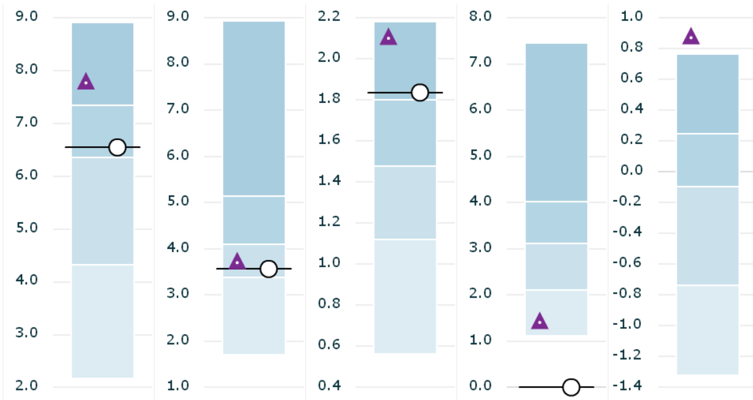
Investment Philosophy

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 September 30, 2012

Performance characteristics vs. Barclays US Aggregate in $US (after fees) over 5 yrs ending September-12 (monthly calculations)

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

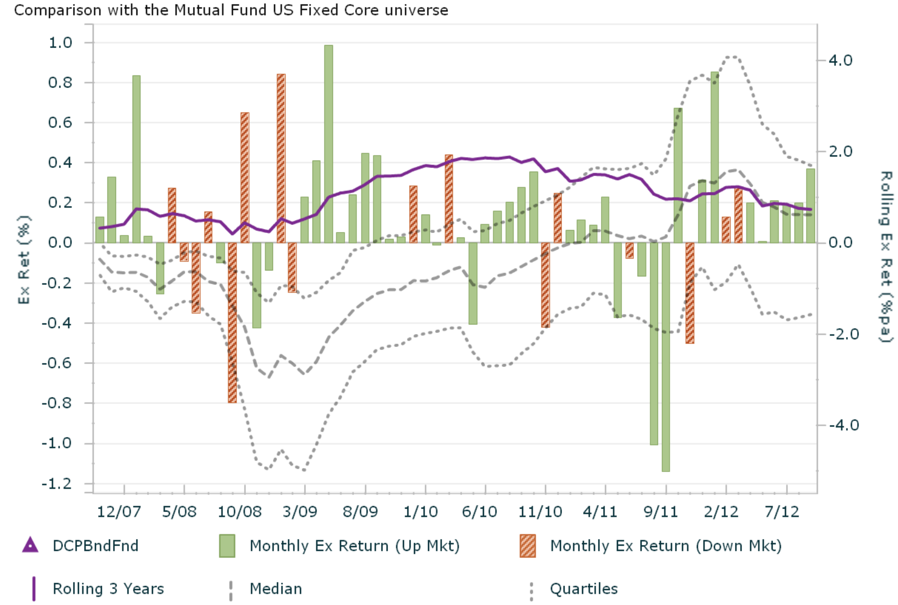


	Ret (%pa)	Std Dev (%pa)	Ret/SD	TE (%pa)	IR
DCPBndFnd	7.8*(16)*	3.7*(63)*	2.1*(7)*	1.4*(90)*	0.9*(2)*
BCUSAG	6.5*(42)*	3.6*(67)*	1.8*(23)*	0.0*(100)*	-
5th Percentile	8.9	8.9	2.2	7.4	0.8
Upper Quartile	7.3	5.1	1.8	4.0	0.2
Median	6.4	4.1	1.5	3.1	-0.1
Lower Quartile	4.3	3.4	1.1	2.1	-0.7
95th Percentile	2.2	1.7	0.6	1.1	-1.3
Number	329	329	329	329	329

Excess Return

Monthly Excess Return vs. Barclays US Aggregate with rolling 3 yr line in $US (after fees) over 5 yrs ending September-12

Comparison with the Mutual Fund US Fixed Core universe



Key Facts and Figures

Expense Ratio (Net): 0.26%

Mercer Median Expense Ratio (Net): 0.53%

Fund Profile

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

Share Class: Inst Plus | **Benchmark: Barclays US Aggregate**

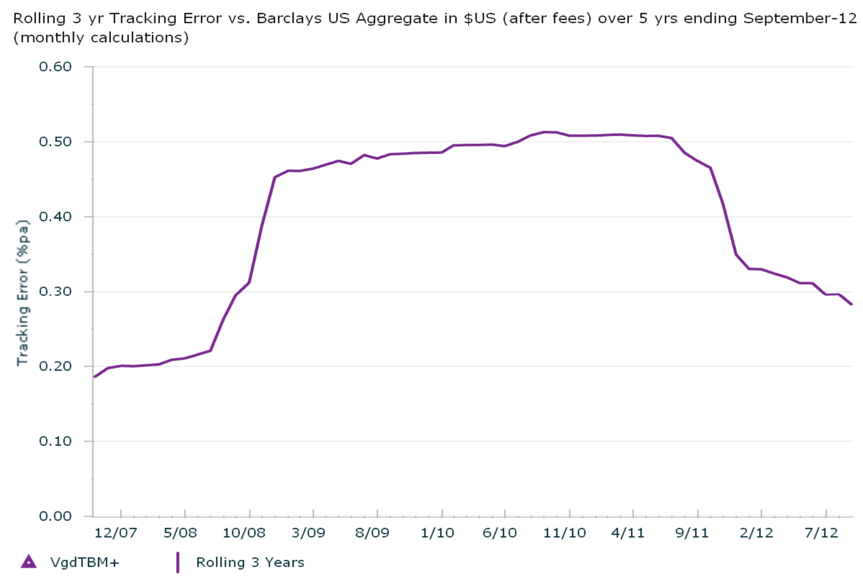
Investment Philosophy

The Fund seeks to track the performance of the Barclays Capital U.S. Aggregate Bond Index. The Fund maintains a broadly diversified exposure to the investment-grade U.S. bond market. The Fund is passively managed using index sampling. This intermediate-duration portfolio provides moderate current income with high credit quality.

Sector Allocation as of September 30, 2012

Sector	Vanguard Total Bond Market Index Fund	Barclays US Aggregate Index
US Treasury/Agency	43.8%	41.2%
Mortgages	26.1%	30.0%
Industrials	12.4%	11.9%
Financials	7.3%	6.8%
Non-Corporates	5.6%	5.5%
Utilities	2.4%	2.4%
CMBS	2.1%	1.9%
ABS	0.2%	0.3%
Other	0.1%	0.0%

Tracking Error



Key Facts and Figures

Portfolio Manager (Advised Since): Kenneth E. Volpert (1992) and Gregory Davis (2008)	Total Fund Assets: $114,638 Million Total Share Class Assets: $14,775 Million	Expense Ratio (Net): 0.05% Mercer Median Expense Ratio (Net): 0.21%

Fund Profile

Domestic Fixed - PIMCO Total Return Fund Institutional - PTTRX

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

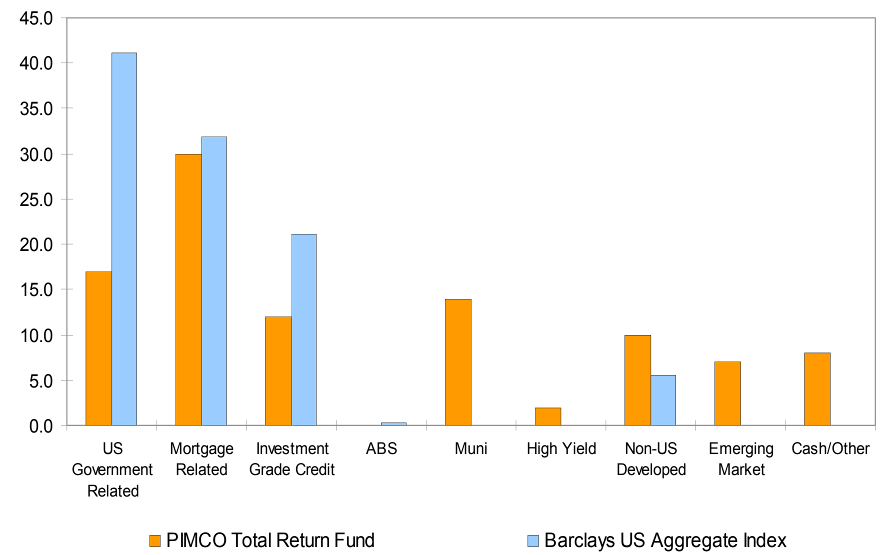
Investment Philosophy

PIMCO's approach to fixed income management is to position the portfolio with exposure to a series of moderate risks, ensuring that no single strategy overwhelms the portfolio. The firm continually evaluates new techniques for adding value. Emphasis is on long-term secular trends and the avoidance of extreme swings in portfolio duration. The Total Return strategy invests opportunistically in non-investment grade and non-dollar bonds, with up to 10% of total assets in high yield securities and 30% in securities denominated in foreign currencies. The Fund may invest beyond this limited in U.S. dollar-denominated securities of foreign issuers, but limits itself to no more than 15% in securities that are economically tied to emerging market countries.

Fund Characteristics as of September 30, 2012

- Effective Duration: 4.0 years
- Effective Maturity: 5.9 years
- SEC 30-Day Annual Yield: 1.8%
- Distribution Yield: 2.6%
- Average Coupon: 3.6%

Sector Allocation (Duration Weighted) as of September 30, 2012



Key Facts and Figures

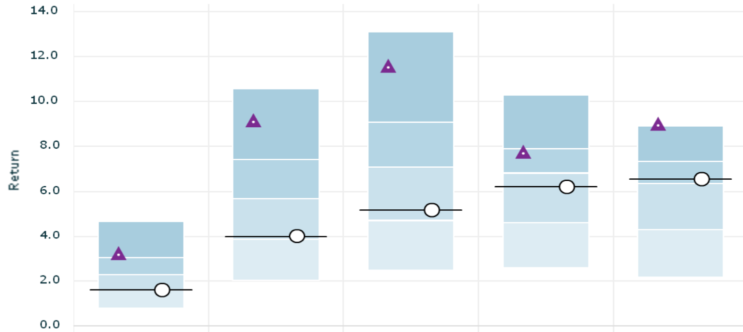
Portfolio Manager (Advised Since): William H. Gross (1987)	Total Fund Assets: $277,679 Million Total Share Class Assets: $169,318 Million	Expense Ratio (Net): 0.46% Mercer Median Expense Ratio (Net): 0.53%

Fund Profile

Domestic Fixed - PIMCO Total Return Fund Institutional - PTTRX

Return in $US (after fees) over 3 mths, 9 mths, 1 yr, 3 yrs, 5 yrs ending September-12

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



	3 mths (%)	YTD 9 mths (%)	1 yr (%)	3 yrs (%pa)	5 yrs (%pa)
PimcoTR	3.2*(22)*	9.1*(11)*	11.5*(11)*	7.7*(30)*	8.9*(5)*
BCUSAG	1.6*(76)*	4.0*(73)*	5.2*(71)*	6.2*(60)*	6.5*(42)*
5th Percentile	4.7	10.6	13.1	10.3	8.9
Upper Quartile	3.0	7.4	9.1	7.9	7.3
Median	2.3	5.7	7.1	6.8	6.4
Lower Quartile	1.6	3.8	4.7	4.6	4.3
95th Percentile	0.8	2.0	2.5	2.6	2.2
Number	397	391	385	350	329

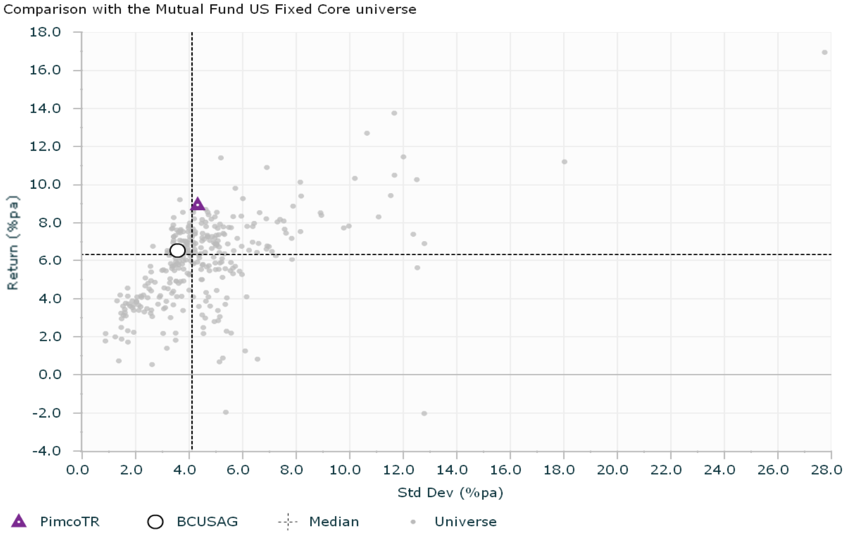
Performance characteristics vs. Barclays US Aggregate in $US (after fees) over 5 yrs ending September-12 (monthly calculations)

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

	Ret (%pa)	Std Dev (%pa)	Ret/SD	TE (%pa)	IR
PimcoTR	8.9*(5)*	4.3*(45)*	2.1*(9)*	2.9*(61)*	0.8*(3)*
BCUSAG	6.5*(42)*	3.6*(67)*	1.8*(23)*	0.0*(100)*	-
5th Percentile	8.9	8.9	2.2	7.4	0.8
Upper Quartile	7.3	5.1	1.8	4.0	0.2
Median	6.4	4.1	1.5	3.1	-0.1
Lower Quartile	4.3	3.4	1.1	2.1	-0.7
95th Percentile	2.2	1.7	0.6	1.1	-1.3
Number	329	329	329	329	329

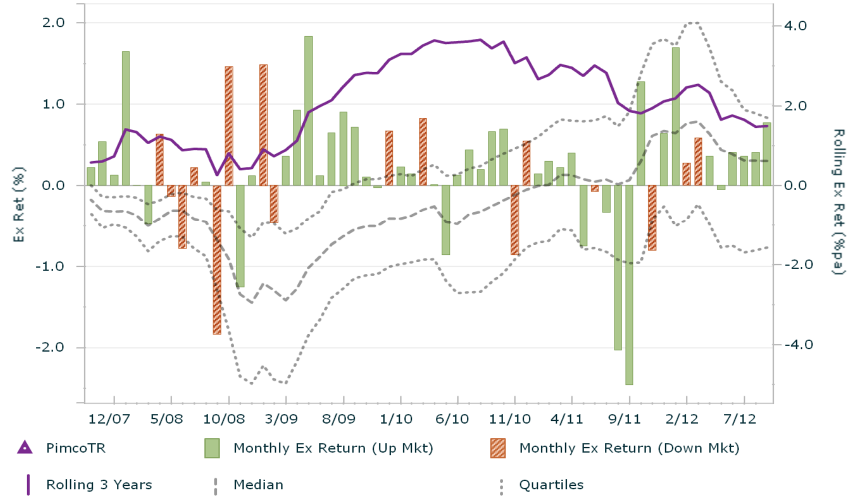
Return and Std Deviation in $US (after fees) over 5 yrs ending September-12 (monthly calculations)

Comparison with the Mutual Fund US Fixed Core universe



Monthly Excess Return vs. Barclays US Aggregate with rolling 3 yr line in $US (after fees) over 5 yrs ending September-12

Comparison with the Mutual Fund US Fixed Core universe



Risk-based Profile Funds

Profile Funds – Target Allocations

	3Q 2012 Fund Return (%)	3Q 2012 Benchmark Return (%)	Excess Return (%)	Ultra Conservative Profile	Conservative Profile	Moderate Profile	Aggressive Profile	Ultra Aggressive Profile
Stable Value								
DCP Stable Value	0.7%	0.2%	0.5%	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								
Vanguard Total Bond Mkt Idx Instl Plus	1.6%	1.6%	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%***
Vanguard Instl Index Instl Plus	6.4%	6.4%	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%***
Vanguard Mid Cap Index Instl	5.2%	5.2%	0.0%	2.5%	5.0%	10.0%	15.0%	20.0%
SSgA Russell Sm Cap NL Series S	5.2%	5.3%	-0.1%	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	6.4%	6.9%	-0.5%	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%**

Fund Profile

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

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

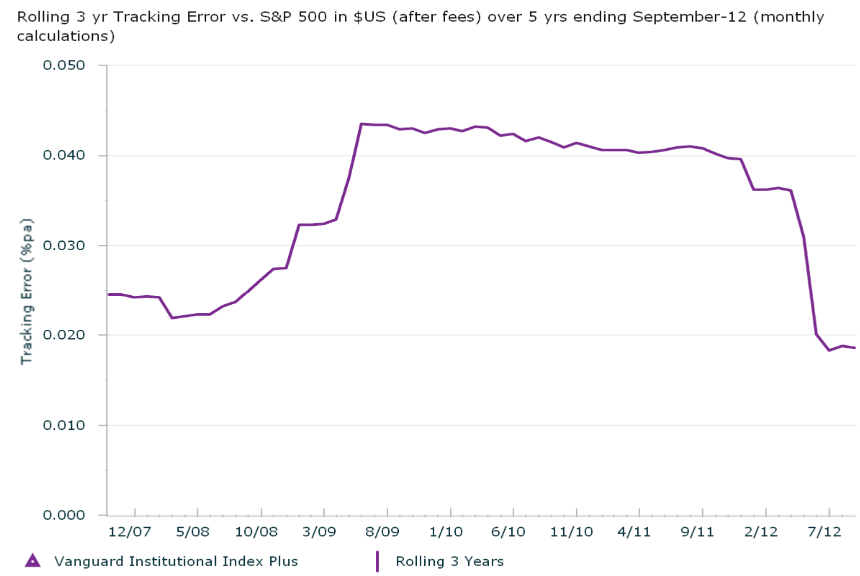
Investment Philosophy

The DCP Large Cap Stock Fund is 100% allocated to the Vanguard Institutional Index Fund which 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.

Sector Allocation as of September 30, 2012

Sector	Vanguard Institutional Index Fund	S&P 500 Index
Info Tech	20.1%	20.1%
Financials	14.6%	14.6%
Health Care	12.0%	12.0%
Energy	11.3%	11.3%
Consumer Disc	11.0%	11.0%
Consumer Staples	10.9%	10.9%
Industrials	9.8%	9.8%
Utilities	3.5%	3.5%
Materials	3.5%	3.5%
Telecom	3.3%	3.3%

Tracking Error



Key Facts and Figures

Portfolio Manager (Advised Since): Donald M. Butler (2000)	Total Fund Assets: $116,873 Million Total Share Class Assets: $48,114 Million	Expense Ratio (Net): 0.02% Mercer Median Expense Ratio (Net): 0.20%

Fund Profile

Domestic Equity – DCP Mid Cap Stock Fund (100% Vanguard Mid-Cap Index Fund Institutional – VMCIX)

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

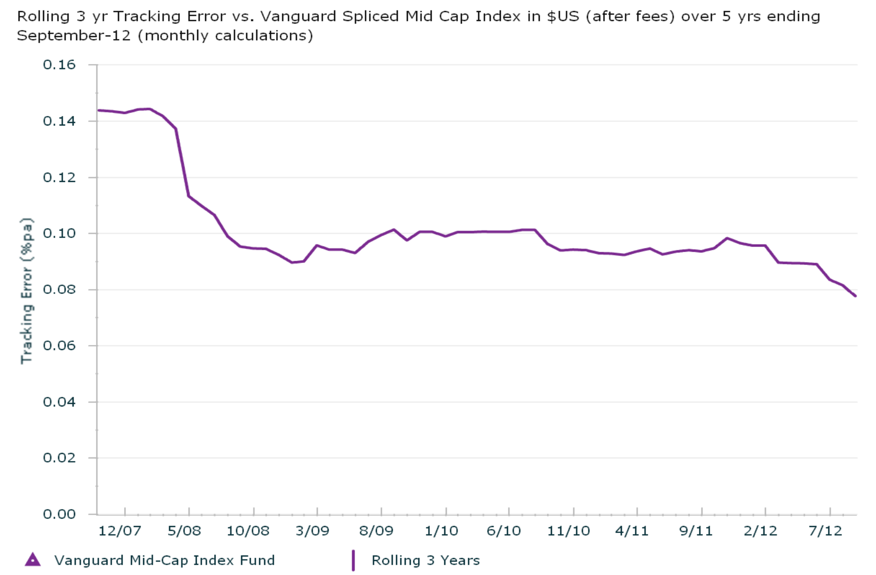
Investment Philosophy

The DCP Mid Cap Stock Fund is 100% allocated to the Vanguard Mid-Cap Index Fund which seeks to track the investment performance of the Morgan Stanley Capital International (MSCI) US Mid Cap 450 Index, an unmanaged benchmark representing medium-sized US companies. Using full replication, the portfolio holds all stocks in the same capitalization weighting as the Index. Prior to May 16, 2003, the fund replicated the S&P 400 Index.

Sector Allocation as of September 30, 2012

Sector	Vanguard Mid-Cap Index Fund	MSCI US Mid Cap 450 Index
Consumer Disc	18.6%	18.6%
Financials	18.1%	18.1%
Info Tech	14.5%	14.5%
Industrials	12.1%	12.1%
Health Care	10.0%	10.0%
Energy	8.1%	8.1%
Materials	6.9%	6.9%
Utilities	5.7%	5.7%
Consumer Staples	4.8%	4.8%
Telecom	1.2%	1.2%

Tracking Error



Key Facts and Figures

Portfolio Manager (Advised Since): Donald M. Butler (1998)	Total Fund Assets: $31,004 Million Total Share Class Assets: $6,829 Million	Expense Ratio (Net): 0.08% Mercer Median Expense Ratio (Net): 0.28%

Fund Profile

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

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

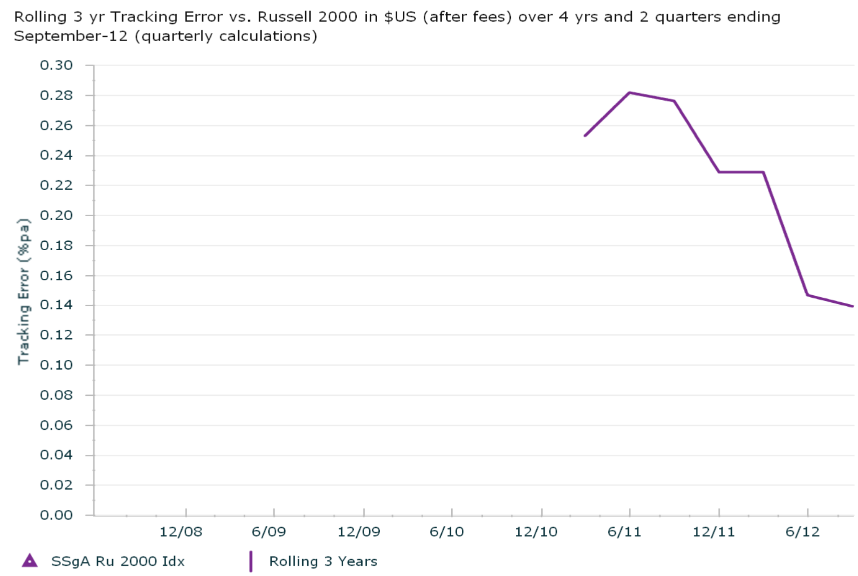
Investment Philosophy

SSgA's passive equity process objective is to remain fully invested in the equity market at all times. To accomplish this, SSgA holds a small amount of unleveraged exchange-traded Russell 2000 index futures contracts to maintain full exposure. The portfolio tends to hold approximately 1% to 3% of the strategy's value in suitable CFTC-approved index futures contracts. This position in futures allows SSgA to accommodate cash flows into and out of the portfolio on a daily basis and to equitize dividend receivables to achieve closer tracking.

Sector Allocation as of September 30, 2012

Sector	SSgA Russell Small Cap Index Non-Lending Series Fund	Russell 2000 Index
Financials	21.7%	21.7%
Info Tech	17.0%	17.1%
Industrials	14.8%	14.7%
Consumer Disc	13.9%	13.9%
Health Care	13.4%	13.4%
Energy	6.1%	6.1%
Materials	5.0%	5.0%
Utilities	3.6%	3.6%
Consumer Staples	3.6%	3.6%
Telecom	0.8%	0.8%

Tracking Error



Key Facts and Figures

Portfolio Manager: SSgA Portfolio Inception: August 1999	Total Strategy Assets: $10,400 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**

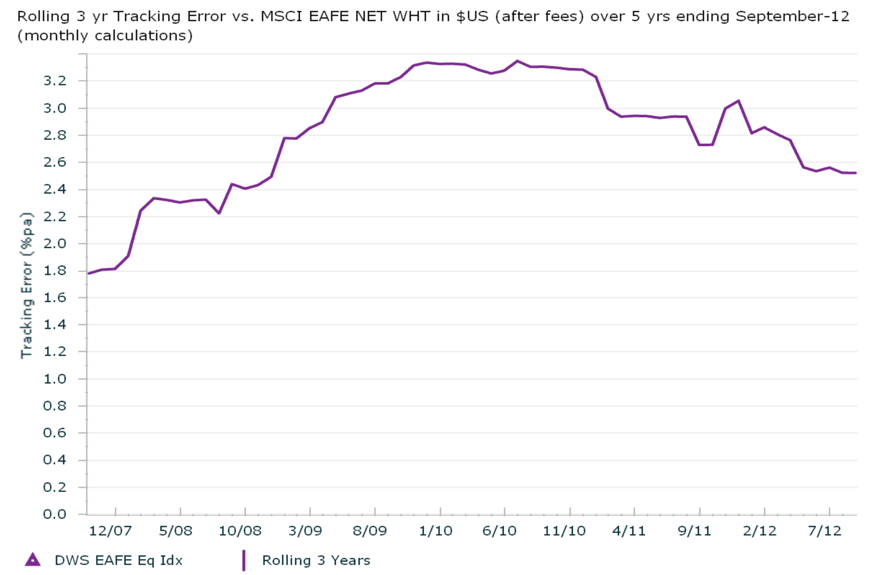
Investment Philosophy

The fund seeks to replicate as closely as possible, before the deduction of expenses, the performance of the Morgan Stanley Capital International EAFE Index, which emphasizes stocks of companies in major markets in Europe, Australasia and the Far East. The manager invests in a statistically selected sample of the securities found in the MSCI EAFE Index, with typically 80% of the fund in index securities and select derivative instruments relating to the index.

Sector Allocation as of September 30, 2012

Sector	DWS EAFE Equity Index Fund	MSCI EAFE Index NET WHT
Financials	23.1%	23.5%
Industrials	12.1%	12.4%
Consumer Staples	11.8%	12.0%
Health Care	10.1%	10.2%
Consumer Disc	9.9%	10.1%
Materials	9.5%	9.6%
Energy	8.2%	8.3%
Telecom	5.3%	5.4%
Info Tech	4.2%	4.3%
Utilities	4.0%	4.0%
Cash/Other	1.8%	0.0%

Tracking Error



Key Facts and Figures

Portfolio Manager (Advised Since): Shaun Murphy (2007)	Total Fund Assets: $253 Million Total Share Class Assets: $253 Million	Expense Ratio (Net): 0.50% Mercer Median Expense Ratio (Net): 0.40%

Fund Profile

International Equity - Fidelity Diversified International Fund - FDIVX

Share Class: N/A	**Benchmark: MSCI EAFE NET WHT**

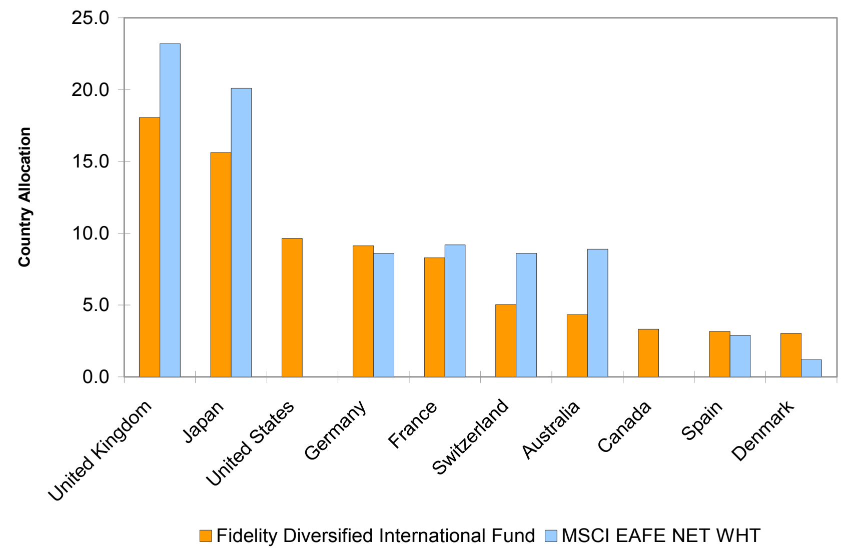
Investment Philosophy

The Fund seeks capital growth by typically investing in non-U.S. securities, allocating investments across countries and regions by considering the size of the market in each country and region relative to the size of the international market as a whole.

Sector Allocation as of September 30, 2012

Sector	Fidelity Diversified International Fund	MSCI EAFE NET WHT Index
Consumer Disc	15.8%	10.1%
Financials	14.7%	23.5%
Consumer Staples	13.6%	12.0%
Health Care	12.3%	10.2%
Info Tech	11.0%	4.3%
Materials	8.1%	9.6%
Industrials	7.9%	12.4%
Energy	7.0%	8.3%
Telecom	5.2%	5.4%
Utilities	0.4%	4.0%
Cash/Other	4.0%	0.0%

Country Analysis as of September 30, 2012



Key Facts and Figures

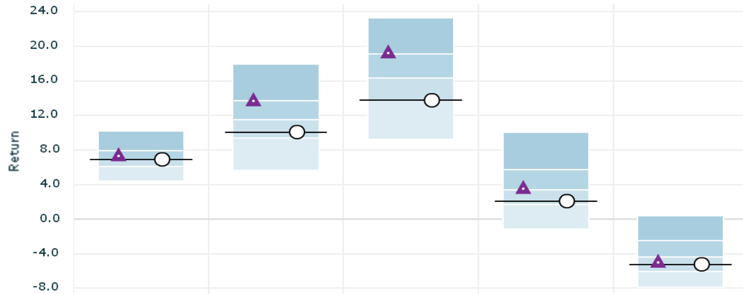
Portfolio Manager (Advised Since): William Bower (2001)	Total Fund Assets: $22,230 Million Total Share Class Assets: $13,416 Million	Expense Ratio (Net): 0.90% Mercer Median Expense Ratio (Net): 1.04%

Fund Profile

International Equity - Fidelity Diversified International Fund - FDIVX

Return in $US (after fees) over 3 mths, 9 mths, 1 yr, 3 yrs, 5 yrs ending September-12

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

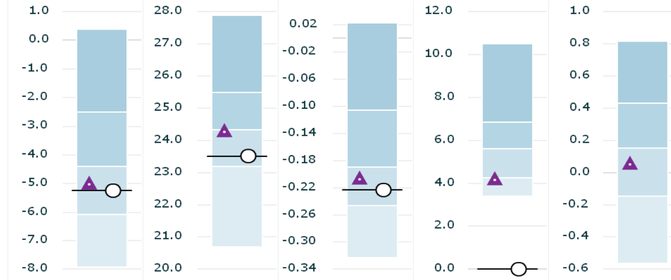


	3 mths (%)	YTD 9 mths (%)	1 yr (%)	3 yrs (%pa)	5 yrs (%pa)
▲	7.3(39)	13.7(26)	19.2(23)	3.6(48)	-5.0(59)
○	6.9(51)	10.1(68)	13.8(75)	2.1(70)	-5.2(63)
5th Percentile	10.2	18.0	23.2	10.1	0.4
Upper Quartile	7.9	13.7	19.1	5.8	-2.5
Median	6.9	11.5	16.3	3.4	-4.4
Lower Quartile	6.1	9.4	13.8	1.7	-6.1
95th Percentile	4.4	5.7	9.2	-1.1	-7.9
Number	421	409	401	355	306

▲ Fidelity Diversified International ○ MSEAFENUSD

Performance characteristics vs. MSCI EAFE NET WHT in $US (after fees) over 5 yrs ending September-12 (monthly calculations)

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

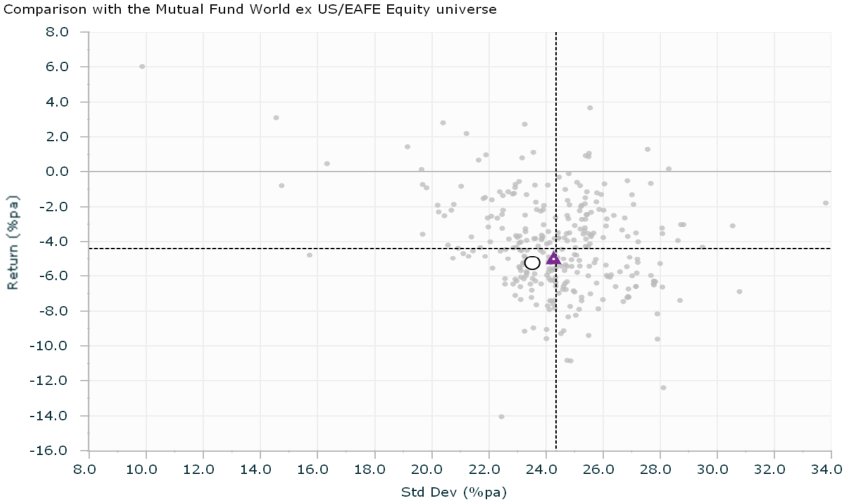


	Ret (%pa)	Std Dev (%pa)	Ret/SD	TE (%pa)	IR
▲	-5.0(59)	24.3(53)	-0.2(58)	4.2(78)	0.1(57)
○	-5.2(63)	23.5(69)	-0.2(65)	0.0(100)	-
5th Percentile	0.4	27.9	0.0	10.5	0.8
Upper Quartile	-2.5	25.5	-0.1	6.9	0.4
Median	-4.4	24.3	-0.2	5.6	0.2
Lower Quartile	-6.1	23.2	-0.2	4.3	-0.1
95th Percentile	-7.9	20.7	-0.3	3.4	-0.6
Number	306	306	306	306	306

▲ Fidelity Diversified International ○ MSEAFENUSD

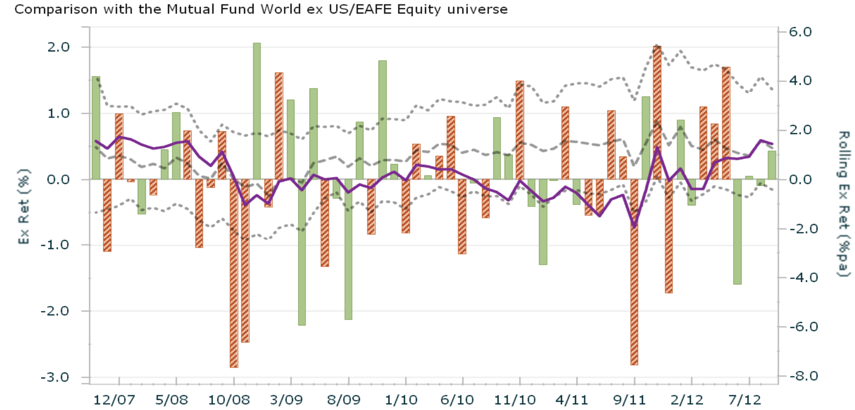
Return and Std Deviation in $US (after fees) over 5 yrs ending September-12 (monthly calculations)

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



Monthly Excess Return vs. MSCI EAFE NET WHT with rolling 3 yr line in $US (after fees) over 5 yrs ending September-12

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



Appendix A – Investment Manager Updates

Fidelity Management & Research Company

Update on Diversified International Equity Strategy – October 29, 2012

We recently conducted our annual review of the Diversified International strategy. We confirmed our conviction in the strategy and we continue to hold Bill Bower (portfolio manager) in high regard, the amount of assets and the very large number of securities he needs to manage, along with frequent team and resource reorganizations hold us back from considering the strategy among the best ideas. Bower has always been the sole decision maker for the strategy, but he has periodically engaged the services of specialty analysts within the firm to assist him in sourcing ideas from areas of particular interest. Over the years, Bower has cast his net widely in determining the type of support he desires and, apart from Matt Mulgary, who provided support for several years, the arrangements appear project based and transitory. At our 2011 meeting, Bower discussed a dedicated two-year commitment to receive support from analyst Ashish Swarup who was helping Bower identify ideas in the emerging markets. Bower now reports that Swarup was never exclusive to him but, in any event, Swarup now runs his own emerging market portfolios and is no longer providing direct support to Bower. Likewise, Ramona Persaud, who was helping him assess stocks within the financial sector also moved on to a portfolio management role (managing income products) in the first quarter of 2012. These changes appear to have been led by management, who has been busy reorganizing its investment teams to meet changing client demands.

Bower suggests he continues to keep contact with his network of analysts and appears unconcerned about the changes in their roles. He did not identify any new supporting resources at this time. We believe Bower is in full control of his portfolio. However, with the large number of securities held, we expect there is a benefit to having additional support in sifting through the vast research to find the best investment ideas.

The broader firm has done some soul searching in response to generally lacklustre performance since the market downturn in 2008. Bower is no exception. Lessons learned that Bower is now striving to reflect in his approach to the portfolio include: Greater focus on the longer-term outlook for stocks rather than attempting to chase market. Bower cites his attempts to follow the market, particularly within the higher volatility financials and materials sectors, materially contributed to the mediocre results. Working with CIO, Bruce Herring, Bower concluded he adds the most value when investing in companies with longer-term (three- to five-years) growth prospects. Recent discussions with Herring revealed the longer-term approach is a firm-wide initiative, not unique to Bower, and compensation rewards are aligned accordingly. Although Bower demonstrated changes in his portfolio construction that supported a longer-term view (lower turnover, fewer stocks), he also noted that he continues to have the same degree of focus on six-month earnings growth. His change in approach is manifested primary by consciously striving to reduce momentum influences. The more disciplined approach has not caused him to shape the portfolio differently. Its influence comes more in terms of setting target stock weights. In any event, Bower attributes this recalibration of his approach for the stronger recent performance. It will be interesting to see if he sustains this discipline over the longer term.

Greater emphasis on quality - strong balance sheets and higher conviction in the company’s industry position. Relative to his peer group within FMRCo, Bower suggests he is more quality oriented (typically manifested via a higher return on equity) and is now more vigilant in ensuring these characteristics exist.Herring has encouraged analysts to also take a longer-term approach in their views, and has adjusted the compensation incentives to encourage this (greater emphasis on two- and three-year stock selection results). This aligns better with the analyst rotation structure (two- to three-years) but is still shorter-term than the longer-term outlook of many portfolio managers. Therefore, portfolio managers, such as Bower, need to spend time with the analysts ensuring they fully understand his investment philosophy and can guide him with stock selection accordingly.

Pacific Investment Management Company (PIMCO)

PIMCO New Investment Committee Rotating Members – September 12, 2012

PIMCO has just announced three new members of its Investment Committee (IC): Joshua Anderson, Brad Kinkelaar, and Qi Wang. Anderson is an executive vice president and portfolio manager in the Newport Beach office, focusing on global structured credit investments. Before joining PIMCO in 2003, he was an analyst at Merrill Lynch, where he covered residential asset backed securities (ABS) and collateralized debt obligation (CDO) sectors. Brad Kinkelaar is an executive vice president and global equity portfolio manager in the Newport Beach office. He joined PIMCO last year from Thornburg Investment Management, where he was a managing director and global equity portfolio manager. Qi Wang also resides in the Newport Beach office and is a managing director and portfolio manager. She focuses on PIMCO’s global macro hedge fund strategies and relative value trading in interest rate markets. She joined PIMCO in 2010 and was previously responsible for the developed market fixed income business at HBK Capital Management for 12 years. There are currently 11 members on PIMCO’s Investment Committee, of which the three aforementioned individuals are the rotating members. For further reference, the full PIMCO committee list can be found below. We note this constitutes the first time that an equity team member has been included in the firm’s IC. We view this positively and believe that the addition of an equity portfolio manager to the committee allows its existing members to benefit as Kinkelaar adds a different perspective. Moreover, Anderson’s appointment is of no surprise to us given the Total Return Fund overweight allocation to securitized assets.

Vanguard

Vanguard Announces Benchmark Changes for Several Index Funds – October 2, 2012

Vanguard has announced plans to transition six non-U.S. stock index funds to existing FTSE benchmarks and sixteen U.S. stock and balanced index funds to new benchmarks developed by the University of Chicago’s Center for Research in Security Prices (CRSP). This move primarily stems from an effort to reduce costs through negotiating lower-cost index licensing deals for benchmarks covering certain segments of the stock market that the funds track. Vanguard anticipates these long-term pricing contracts with the index providers will result in significant cost savings over the next few decades, which should translate into lower expense ratios for its index fund shareholders over time. The transition will not take place until 2013 and is expected to be completed within the first half of the year.

No index changes are planned for other Vanguard U.S. stock index funds tracking benchmarks from Russell and Standard & Poor’s. This announcement also does not affect Vanguard’s actively managed strategies that are currently benchmarked against an MSCI index for performance comparisons. Vanguard will continue to use certain MSCI indices for some of its index funds whose benchmarks are more esoteric in nature, such as the firm’s sector funds.

Founded in 1960, CRSP has historically been a provider of research and historical market data and returns. The CRSP indices were officially launched on October 1, 2012. Vanguard is the first investment management firm to use CRSP’s suite of benchmarks and has been engaged with CRSP since 2009 in the funding and development of the new index series. Approximately $367 billion in assets under management will be moved to track the new CRSP benchmarks. With regard to the CRSP index methodology, the investable CRSP U.S. Equity Indexes are designed to capture broad U.S. equity market coverage. They encompass securities, including common stocks and REITs traded on the NYSE, AMEX, NASDAQ, or ARCA exchanges. Overall, there appears to be a high degree of correlation between the methods used by MSCI and CRSP in constructing their indexes. However, there are two notable differences between the two index providers and their methodologies.

The first difference is CRSP’s market-cap segmentation approach, which uses breakpoints based on a cumulative market cap rather than a fixed number of securities. For example, under the CRSP approach, mega-cap names constitute the top 70% (currently 282 names) of the market. In contrast, mega-cap names are a static representation of the top 300 names in the MSCI Index. The second major difference is the usage of “packeting,” an approach employed by CRSP to help cushion movements between adjacent indexes. CRSP defines a packet as 50% of the total holdings of a company. A packet is moved between indexes when a company passes completely through to the other side of a shared band between indexes into the core of the adjacent index. This approach allows holdings to be shared simultaneously between the two indexes, and Vanguard believes this should help in reducing index turnover and transaction costs during index rebalances, while still maintaining style purity.

Vanguard has used FTSE indexes since 2003 and now employs the firm's benchmarks for more than 20 index portfolios. The six Vanguard non-U.S. stock index funds, which hold roughly $170 billion, will transition to benchmarks within the FTSE Global Equity Index Series. The notable difference in the classification between the MSCI and FTSE is that South Korea is a developed market with the FTSE Index. The switch to these new indexes will involve small changes in the stocks that the funds own.

Vanguard's passive equity index offerings are currently among the most preferred index providers in the marketplace. While this announcement is somewhat surprising, Mercer still has a high degree of confidence in the firm's ability to closely track various indices while still minimizing its transaction costs. The transition of certain index funds to the CRSP and FTSE indices should also help position Vanguard as a low cost index provider for the future.

Appendix B – Disclosures

Important notices

References to Mercer shall be construed to include Mercer LLC and/or its associated companies.

This contains confidential and proprietary information of Mercer and is intended for the exclusive use of the parties to whom it was provided by Mercer. Its content may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's prior written permission.

The findings, ratings and/or opinions expressed herein are the intellectual property of Mercer and are subject to change without notice. They are not intended to convey any guarantees as to the future performance of the investment products, asset classes or capital markets discussed. Past performance does not guarantee future results. Mercer's ratings do not constitute individualized investment advice.

Information contained herein has been obtained from a range of third party sources. While the information is believed to be reliable, Mercer has not sought to verify it independently. As such, Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party.

This does not constitute an offer or a solicitation of an offer to buy or sell securities, commodities and/or any other financial instruments or products or constitute a solicitation on behalf of any of the investment managers, their affiliates, products or strategies that Mercer may evaluate or recommend.

For the most recent approved ratings of an investment strategy, and a fuller explanation of their meanings, contact your Mercer representative.

For Mercer's conflict of interest disclosures, contact your Mercer representative or see www.mercer.com/conflictsofinterest.

Mercer universes: Mercer's universes are intended to provide collective samples of strategies that best allow for robust peer group comparisons over a chosen timeframe. Mercer does not assert that the peer groups are wholly representative of and applicable to all strategies available to investors.

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.

Returns for periods greater than one year are annualized. Returns are calculated net of investment management fees, unless noted as gross of fees.

Style analysis graph time periods may differ reflecting the length of performance history available.

THE FOLLOWING PROVISIONS APPLY TO DATA OR OTHER SERVICES PROVIDED BY THE FOLLOWING COMPANIES: Where "End User" appears before the Vendor name, a direct end-user license with the Vendor is required to receive some indices. You are responsible for ensuring you have in place all such licenses as are required by Vendors.

BARCLAYS: © Barclays Bank PLC 2012. This data is provided by Barclays Bank PLC. Barclays Bank PLC and its affiliated companies accept no liability for the accuracy, timeliness or completeness of such data which is provided "as is." All warranties in relation to such data are hereby extended to the fullest extent permitted under applicable law.

BARCLAYS CAPITAL: The Barclays Indices are a proprietary product of Barclays. Barclays shall maintain exclusive ownership of and rights to the Barclays Indices and that inclusion of the Barclays Indices in this Service shall not be construed to vest in the subscriber any rights with respect to the Indices. The subscriber agrees that it will not remove any copyright notice or other notification or trade name or marks of Barclays that may appear in the Barclays Indices and that any reproduction and/or distribution of the Barclays Indices (if authorized) shall contain such notices and/or marks.

BLOOMBERG L.P.: © 2012 Bloomberg L.P. All rights reserved. BLOOMBERG, BLOOMBERG PROFESSIONAL, BLOOMBERG FINANCIAL MARKETS, BLOOMBERG NEWS, BLOOMBERG TRADEMARK, BLOOMBERG BONDTRADER, AND BLOOMBERG TELEVISION are trademarks and service marks of Bloomberg L.P. a Delaware Limited Partnership.

BNY Mellon Asset Servicing: Source: © 2012 BNY Mellon Performance Risk and Analytics, LLC. All Rights Reserved.

CITIGROUP GLOBAL MARKETS (formerly SALOMON SMITH BARNEY): Smith Barney^sm and Citigroup Global Equity Index^sm are service marks of Citigroup Inc. "BECAUSE ACCURACY COUNTS®" is a registered service mark of Citigroup Inc. FloatWatch© is a trade mark of Citigroup Inc. Citigroup Global Equity Index System^sm, Citigroup Broad Market Index^sm, Citigroup Primary Market Index^sm, Citigroup Extended Market Index^sm, Citigroup Cap-Range Index^sm, Citigroup Internet Index (NIX)^sm, Citigroup Style Indices (Growth/Value)^sm, Citigroup Property Index^sm are service marks of Citigroup Inc. ©2012 Citigroup Inc All rights reserved. Any unauthorized use, duplication or disclosure is prohibited by law and may result in prosecution. Citigroup, including its parent, subsidiaries and/or affiliates ("the Firm"), usually makes a market in the securities discussed or recommended in its report and may sell to or buy from customers, as principal, securities discussed or recommended in its report. The Firm or employees preparing its report may have a position in securities or options of any company discussed or recommended in its report. An employee of the Firm may be a director of a company discussed or recommended in its report. The Firm may perform or solicit investment banking or other services from any company discussed or recommended in its report. Securities recommended, offered, or sold by SSB: (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations of any insured depository institution (including Citibank); and (iii) are subject to investment risks, including the possible loss of the principal amount invested. Although information has been obtained from and is based upon sources SSB believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute SSB's judgment as of the date of the report and are subject to change without notice. Its report is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Its report does not take into account the investment objectives or financial situation of any particular person. Investors should obtain advice based on their own individual circumstances before making an investment decision.

DataStream : Source: ThomsonReuters Datastream

Dow Jones: The Dow Jones Indexes℠ are proprietary to and distributed by Dow Jones & Company, Inc. and have been licensed for use. All content of Dow Jones Indexes℠ © 2012 is proprietary to Dow Jones & Company, Inc.

"End User" FTSE™ : is a trade mark of the London Stock Exchange PLC and The Financial Times Limited and is used by FTSE International Limited under license. Russell Investment Group Europe Ltd is licensed by FTSE International Limited to distribute FTSE Advanced Service and other FTSE indices. FTSE shall not be responsible for any error or omission in FTSE data. All copyright and database rights in FTSE products belong to FTSE or its licensors. Redistribution of the data comprising the FTSE products is not permitted. You agree to comply with any restrictions or conditions imposed upon the use, access, or storage of the data as may be notified to you by FTSE or Russell/Mellon Europe Ltd. You are not permitted to receive the FTSE Advanced Service unless you have a separate agreement with FTSE. "FTSE™", "FT-SE™" and "Footsie™" are trade marks of London Stock Exchange PLC and The Financial Times Limited and are used by FTSE International Limited under license.

The FTSE Private Investor Indices are owned and calculated by FTSE International and are produced in association with APCIMS (Association of Private Client Investment Managers and Stockbrokers). © FTSE International Limited 2012

The UK Value and Growth Indices are owned and calculated by FTSE International Limited in association with Russell Investment Group. © FTSE International Limited 2012.

RUSSELL INVESTMENT GROUP: Russell Investment Group is the source and owner of certain of the data contained or reflected in this material and all trademarks and copyrights related thereto. The material may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a user presentation of the data. Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in presentation thereof. Returns and security data for the Russell indices are provided by Mellon Analytical Solutions. Russell indices are trademarks/service marks of the Russell Investment Group. Russell® is a trademark of the Russell Investment Group.

HFRI: Source: Hedge Fund Research, Inc., © HFR, Inc. 2012, www.hedgefundresearch.com

JPMORGAN: The JPMorgan EMBI Index (i) is protected by copyright and JPMorgan claims trade secret rights, (ii) is and shall remain the sole property of JPMorgan, and (iii) title and full ownership in the JPMorgan EMBI Index is reserved to and shall remain with JPMorgan. All proprietary and intellectual property rights of any nature, including patents, copyrights, trademarks and trade secrets regarding the JPMorgan EMBI Index, and any and all parts, copies, modifications, enhancements and derivative works are owned by, and shall remain the property of JPMorgan and its affiliates. The JPMorgan EMBI Index and related materials and software were developed, compiled, prepared and arranged by JPMorgan through expenditure of substantial time, effort and money and constitute valuable intellectual property and trade secrets of JPMorgan. The JPMorgan EMBI Index shall not be used in a manner that would infringe the property rights of JPMorgan or others or violate the laws, tariffs, or regulations of any country.

LIPPER: Performance data was supplied by Lipper, A Thomson Reuters Company, subject to the following: Copyright 2012 © Thomson Reuters. All rights reserved. Any copying, republication or redistribution of Lipper Information, including by caching, framing or similar means, is expressly prohibited without the prior written consent of Lipper. Lipper shall not be liable for any errors or delays in the Information, or for any actions taken in reliance thereon. Lipper performance data is total return, and is preliminary and subject to revision. The data contained herein has been obtained from company reports, financial reporting services, periodicals, and other resources believed to be reasonable. Although carefully verified, data on compilations is not guaranteed by Lipper Inc. - A Reuters Company and may be incomplete. No offer or solicitations to buy or sell any of the securities herein is being made by Lipper. Portions of the information contained in this report was derived by Mercer using Content supplied by Lipper, A Thomson Reuters Company.

MERRILL LYNCH: The Merrill Lynch Indices are used with permission. Copyright 2012, Merrill Lynch, Pierce, Fenner & Smith Incorporated. All rights reserved. The Merrill Lynch Indices may not be copied, used, or distributed without Merrill Lynch's prior written approval.

This Product is not sponsored, endorsed, sold or promoted by Merrill Lynch. Merrill Lynch makes no guarantees, representations or warranties of any kind, express or implied, to any person, including, without limitation, any member of the public regarding the use of the Indices in the Product, the advisability of investing in securities generally or of the ability of the Index to track any market performance. Merrill Lynch's only relationship to Mellon Analytical Solutions or any other person or entity in respect to this Product is limited to the licensing of the Merrill Lynch Indices, which are determined, composed, and calculated by Merrill Lynch without regard to Mellon Analytical Solutions or this Product. Merrill Lynch retains exclusive ownership of the Indices and the programs and trademarks used in connection with the Indices. Merrill Lynch has no obligation to take the needs of Mellon Analytical Solutions or the purchasers, investors or participants in the Product into consideration in determining, composing or calculating the Indices, nor shall Merrill Lynch have any obligation to continue to calculate or provide the Indices in the future. Merrill Lynch may, in its absolute discretion and without prior notice, revise or terminate the Indices at any time. IN NO EVENT SHALL MERRILL LYNCH OR ANY OF ITS PARTNERS, AFFILIATES, EMPLOYEES, OFFICERS, DIRECTORS OR AGENTS HAVE ANY LIABILITY TO ANY PERSON OR ENTITY FOR ANY INDIRECT, PUNITIVE, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS.

MOODY'S INVESTORS SERVICE: Moody's © Copyright 2012, Moody's Investors Service, Inc. ("Moody's). Moody's ratings ("Ratings") are proprietary to Moody's or its affiliates and are protected by copyright and other intellectual property laws. Ratings are licensed to Distributor by Moody's. RATINGS MAY NOT BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER

Mercer (US) Inc.
777 South Figueroa Street
Suite 1900
Los Angeles, CA 90017
+1 213 346 2200