Fourth Quarter 2010

Defined Contribution Performance Evaluation

State of Nevada

Deferred Compensation - Hartford
Deferred Compensation - ING

MERCER

All services provided by Mercer Investment Consulting, Inc.

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Executive Summary – Plan Highlights

Assets and Participant Activity[1]

Combined Providers – Total Assets

- The Total Plan assets totaled $539.5 million at December 31, 2010, increasing $29.1 million (up 5.7%) from the prior quarter-end.
- The Plan's total assets were invested 43.6% in Hartford General Account, 6.7% in Hartford MidCap HLS, 5.7% in Invesco Van Kampen Equity and Income, 5.7% in ING Stable Value, and 5.3% in Victory Diversified Stock Fund. The other investment options each held less than 5% of the plan's total assets.

Deferred Compensation – Hartford

- Assets in Hartford totaled $444.1 million at December 31, 2010, increasing $23.3 million (up 5.5%) from the prior quarter-end.
- As of quarter-end, there were 9,164 participants with an account balance on the Hartford platform. Of those participants, 5,175 are actively contributing to the plan. The average account balance is $48,463.

Deferred Compensation – ING

- Assets in ING totaled $95.3 million at December 31, 2010, increasing $5.8 million (up 6.5%) from the prior quarter-end.
- As of quarter-end, there were 3,672 participants with an account balance on the ING platform. Of those participants, 2,490 are actively contributing to the plan. The average account balance is $25,964.

[1] Hartford assets (and Total Assets) exclude the FICA plans.

Executive Summary

Watch List

Hartford General Account (Hartford)

- This fund was placed on Watch in June 2009 due to a decline in credit ratings by major rating agencies. The Committee removed the Hartford General Account from Watch in November 2010.

- The stated annual crediting rate decreased in 2010 to 4.75%, from 5.00% in 2009. In December 2010, Hartford declared the 2011 crediting rate is 4.5%, exceeding the minimum contract amount of 4.0%.

- Assets in the General Account are pooled, and participants are subject to the credit risk of the insurance company. The Committee should be cognizant of the inherent transparency risks involved with a general account. The February 6, 2009 downgrade of The Hartford Life Insurance Company from Aa3 to A1 (Moody's) triggered the removal of Hartford from the Mercer universe of annuity and GIC providers. Ratings from the three rating agencies have remained unchanged during the recent quarter. The ratings currently stand at A- (Fitch), A3 (Moody's), and A (S&P).

- As part of the full transparency promised by The Hartford at the August 2009 Nevada Committee meeting, The Hartford has directed Mercer to review the quarterly filings (10Qs and supplemental reports) for information on the general account's composition and performance. The "security profile report," which shows the general account sector breakdown, was discontinued effective 3Q 2009. The exhibits found in these filings are specific to the Life company (of Hartford Financial Services Group, Inc.) and are not precise figures relevant to the general account assets. These exhibits provide an estimate of the holdings and performance of the general account assets and do not fully capture all the exposures and risks.

Invesco Van Kampen Equity & Income Fund (Hartford)

- This fund was placed on Watch in February 2010 due to the manager change on the fixed income sleeve post the Invesco acquisition of Van Kampen funds.

- Tom Bastian remains the lead manager of the equity and convertible bonds portion, and the fixed-income portion has been taken over by Chuck Burge and Cynthia Brien of Invesco. The majority of the fixed income portfolio will include government bonds and high-grade corporates.

- The fund outperformed its index and the Mercer Mutual Fund US Balanced Universe median for all periods evaluated. For the quarter, an overweight allocation to equities benefited relative performance in a favorable equity environment. Stock selection in the financials sector contributed as well, as did an overweight allocation and stock selection in the energy sector, and an underweight allocation and stock selection in the health care sector. While performance has improved markedly, Mercer recommends keeping Invesco Van Kampen Equity & Income fund on Watch to further assess the strategy in its new environment.

Lazard U.S. Mid Cap Equity Fund (ING)

- This fund was placed on Watch in May 2008 due to the fund's underperformance in 2007. Additionally, in early 2009, co-portfolio manager Gary Busser transferred off the strategy to the centralized research team.
- Lazard underperformed the Russell Midcap index and ranked in the bottom half of the Mercer Mutual Fund US Equity Mid Cap Core Universe for the quarter, 1- and 5-year periods. The fund outperformed both benchmarks for the 3- and 10-year periods. For the quarter, an overweight allocation to the consumer staples sector detracted from performance.

- Mercer would like to see a sustained period of improved performance before removing this fund from Watch.

Munder Mid-Cap Core Growth Fund (Hartford)

- This fund was placed on Watch in November 2010 due to the fund's underperformance.

- The fund underperformed the Russell Midcap Growth index and the Mercer Mutual Fund US Equity Mid Cap Growth Universe median for the quarter, 1- and 3-year periods. The fund outperformed both benchmarks for the 7- and 10-year periods. For the quarter, an overweight allocation to the utilities sector detracted from performance, as did stock selection in the information technology, industrials, materials and telecommunications sectors.

- Mercer would like to see a sustained period of improved performance before removing this fund from Watch.

Oppenheimer Main Street Small- & Mid-Cap Fund (Hartford)

- Effective 11/1/10, the fund expanded its investment opportunities to include companies with market capitalization within the range of the Russell 2500 Index and was renamed to the Main Street Small- & Mid-Cap Fund.

- This fund was placed on Watch in August 2009 due to the investment team's departure in May 2009. The prior team was replaced by a new 12-member investment team, with several members coming from RS Investment Management. OppenheimerFunds did not retain any members of the team that previously managed these strategies.

- The portfolio transition has gone smoothly so far, with positions trimmed from ~1,500 stocks (with the old team) to the current 500 – 700 range (with the new team). The team intends to mitigate risk by adopting sector weights similar to those of the benchmark, while adding value through its stock selection process. Matthew Siehl and Raman Vardharaj are the two co–portfolio managers running the Main Street Small - & Mid-Cap Fund, with Mani Govil as the team leader for all strategies. They adopted a blended approach of running two "sleeves," one based on purely quantitative factors and another based on fundamental screens. This bottom-up process produces roughly 400 – 600 stocks under the quantitative sleeve, and an additional 50 – 125 stocks using the fundamental sleeve.

- The fund underperformed the Russell 2000 index and ranked in the bottom half of the Mercer Mutual Fund US Equity Small Cap Core Universe for the quarter, 1-, 3- and 5-year periods. The fund outperformed both benchmarks for the 7- and 10-year periods. Mercer recommends keeping this fund on Watch and will continue to monitor the investment process of the new team and its change to include mid-cap companies.

KEELEY Small Cap Value Fund (ING)

- This fund was placed on Watch in November 2010 due to the fund's underperformance.

- The fund outperformed the Russell 2000 index and the Mercer Mutual Fund US Equity Small Cap Core Universe Median for the recent quarter, 7- and 10-year periods, but is underperforming both benchmarks for the 3- and 5-year periods. For the quarter, overweight allocations to the industrials, energy and materials sectors detracted from performance, as did an underweight allocation to the health care sector.

- Mercer would like to see a sustained period of improved performance before removing this fund from Watch.

Mutual Global Discovery Fund (Hartford)

- This fund was placed on Watch in February 2010 due to the investment team's departure. In December 2009, portfolio managers Anne Gudefin and Chuck Lahr left the fund to start up a fundamental equity platform at PIMCO, a large fixed-income based firm. Co-managers Peter Langerman and Phillippe Brugere-Trelat took over the management of the Mutual Global Discovery fund. Langerman also serves as the firm's CEO and CIO.

- The fund underperformed the MSCI World Index and placed in the bottom half of the Mercer Mutual Fund Global Equity Universe for the quarter and 1-year period. The fund outperformed the index and placed in the top quintile for all other periods evaluated. Since the management change, cash allocation has been trending downward (from 28.0% at the end of 2009 to 10.6% at the end of 2q10 to 5.2% at the end of 3q10), but recently increased to 11.5% at the end of the fourth quarter. The cash position during a strong equity rally in the fourth quarter contributed to its 360 basis points underperformance for the quarter.

- Mercer recommends keeping this fund on Watch until it is certain that key professional turnover has not negatively affected fund performance.

Terminate

ING Nevada Lifesytle Portfolios (ING)

- At the November 2010 meeting, the Committee approved the replacement of ING Nevada Lifestyle Portfolios with the Vanguard Target Retirement Funds. The mapping is expected to take place on February 18, 2011.

AllianceBernstein International Value Fund (Hartford)

- In July 2010, AllianceBernstein announced that Lisa Shalett, Head of Growth Equities, will leave the firm to become the head of Bank of America's private wealth business. Sharon Fay, Head of Value Equities, has been named CIO of Equities and will oversee both the Growth and Value products. While the creation of this role may be a positive step for the firm, we believe that it will serve to lessen Fay's focus on the international value strategy.

- AllianceBernstein underperformed the MSCI EAFE Index and the Mercer Mutual Fund International Equity Universe Median for all periods evaluated, with the exception of the most recent quarter where the fund matched the index. Longer-term performance has been dragged down by poor results in 2007 and 2008, with both periods placing at or close to the bottom decile of its universe.

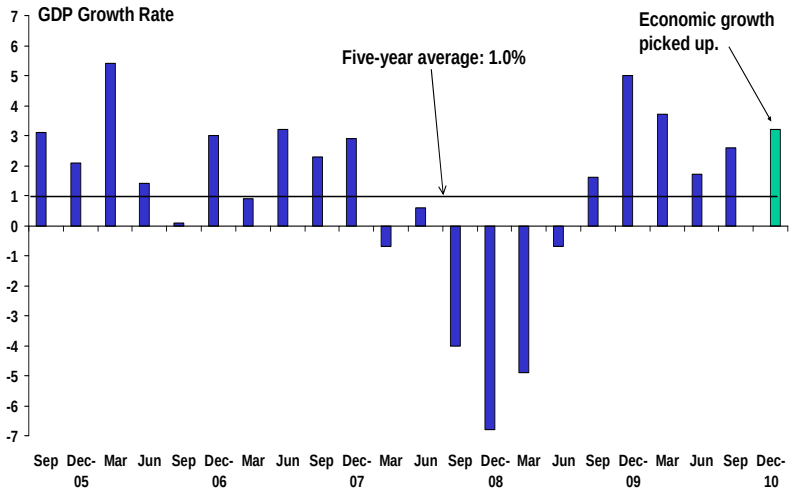
- At the August meeting, the Committee approved the replacement of AllianceBernstein International Value Fund. Mercer presented search candidates for a new international equity manager at the November meeting.

Economic Environment

For Periods Ending December 2010

Economic Profile

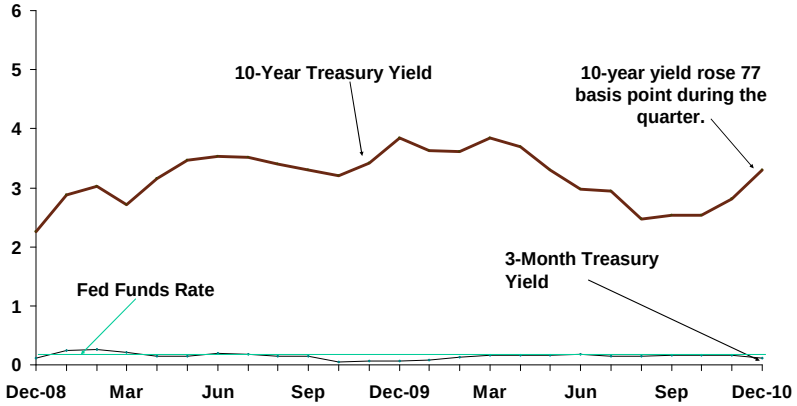
GDP Growth Rate



- Ending fears of a double dip recession, economic growth accelerated during the quarter as the manufacturing, retail and service industries improved sharply. The Bureau of Economic Analysis' advanced estimate shows that GDP grew during the fourth quarter at an annual rate of 3.2%.
- However, unemployment remained high as private sector hiring continued at a modest pace. The unemployment rate fell to 9.4%, but the decline was in part a result of people dropping out of the workforce.
- Retail sales were solidly higher in November and December as stores reported strong holiday season sales. For the full year, retail sales jumped 6.6%, the largest annual gain since 1999.
- The housing market remained bleak as home prices dropped in October, with some markets reaching their lowest levels since 2006. Home sales continued to lag and inventories remain high. Banks repossessed 1 million homes in 2010, and the number is expected to increase in 2011.

Interest Rates and Inflation

Treasury Yields



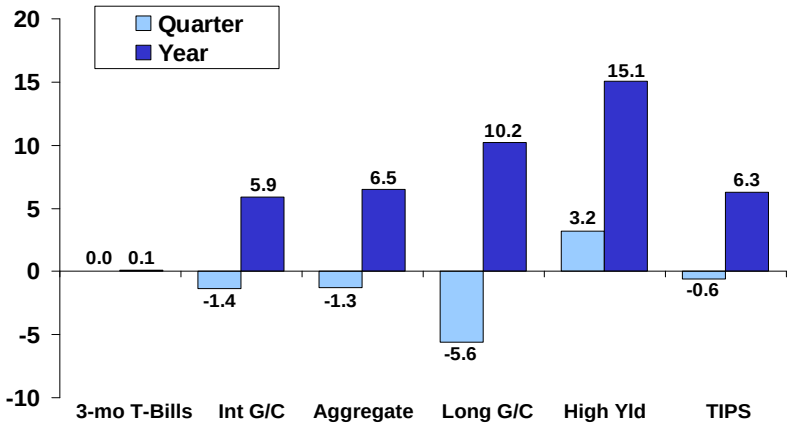
- The Fed implemented a second round of quantitative easing in November, promising to purchase over $600 billion of Treasury bonds by June 2011. The target range for the federal funds rate remained at 0% to 0.25%.
- Short-term rates edged down as the 3-month T-bill yield decreased four basis points, ending the quarter at 0.12%.
- The yield on 10-year Treasuries ended the quarter at 3.30%, up 77 basis points since September. The 2-year yield increased 19 basis points to 0.61%. The 2- to 10-year yield spread reached 269 basis points, near a ten-year high.
- The yield on 30-year Treasuries increased 65 basis points to 4.34%.
- Consumer prices remained subdued, increasing 1.5% on a year-over-year basis. Core prices rose a record low 0.8% in 2010.

Fixed Income Market Performance

For Periods Ending December 2010

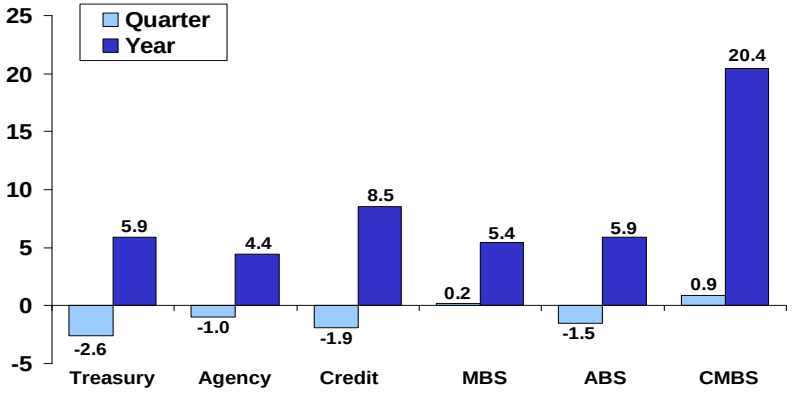
Fixed Income Market Performance

Performance by Maturity and Sector

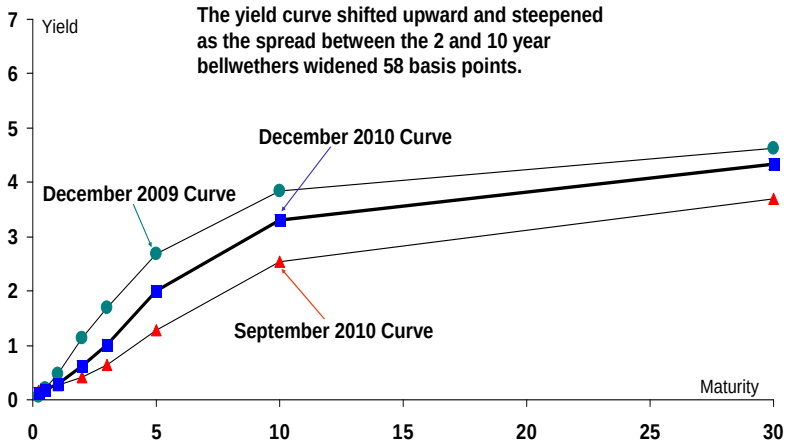


- Yields rose during the fourth quarter, resulting in negative returns for most segments of the bond market The Barclays Capital Aggregate Bond Index fell 1.3%, resulting in a 6.5% gain for the year.
- Treasuries were down 2.6% for the quarter, resulting in a 5.9% gain for the year.
- The Barclays Capital Credit Index was down 1.9% for the quarter and returned 8.5% for the year. Long-term bonds suffered the steepest losses during the quarter, but offered the best results for the year. By quality, BAA-rated securities were the strongest performers during the quarter and year. On average, credit spreads narrowed 3 basis points during the quarter and 96 basis points during the year.
- Within the securitized sector, CMBS issues posted the strongest results during the quarter and year, surging 20.4% in 2010. The Barclays Capital MBS Index edged up 0.2% during the quarter and returned 5.4% for the year.

Performance by Issuer



Treasury Yield Curves

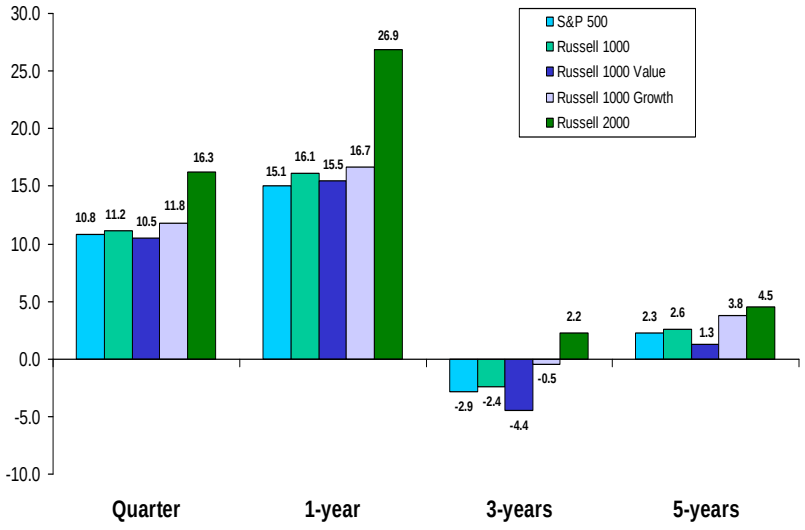


Equity Market Performance

For Periods Ending December 2010

Domestic Equity Market Performance

Market Index Performance



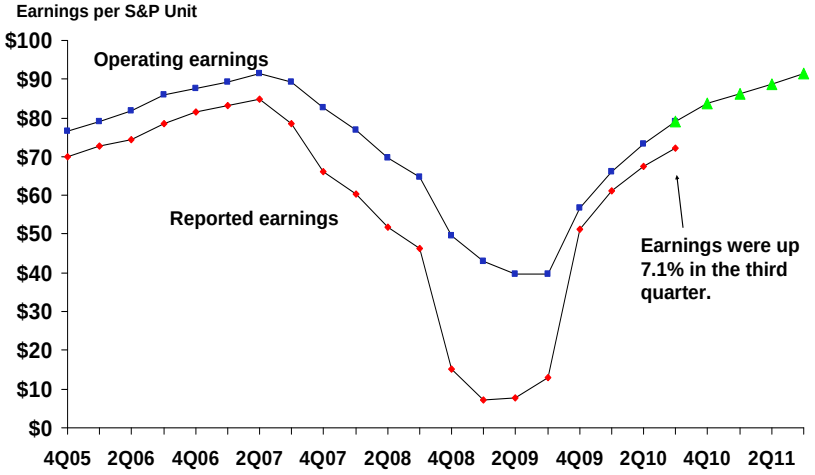
- The stock market rallied during the quarter as investors were encouraged by signs of economic improvement and robust corporate earnings. The S&P 500 Index gained 10.8% during the quarter, ending the year up 15.1%. The Russell 1000 Index gained 11.2% and 16.1% for the same periods.
- Small cap stocks, up 16.3%, outperformed mid and large cap stocks during the quarter and posted the strongest performance in 2010, gaining 26.9%.
- Growth outperformed value across all market capitalizations during the quarter and year, particularly in the small cap space.
- Economically sensitive sectors performed best within the Russell 1000 Index during the quarter. Energy was the strongest-performing sector, helped by a jump in oil prices and strong company profits. Cyclical stocks performed well as the materials sector benefited from rising prices for metals and agricultural commodities, and increased consumer spending boosted consumer discretionary stocks.

Russell 1000 Sector Returns

Sector	Qtr Return	Weight*
Consumer Discretionary	13.3	11.2
Consumer Staples	6.3	9.7
Energy	21.9	11.7
Financials	11.0	16.1
Health Care	4.4	11.2
Industrials	12.9	11.2
Information Technology	10.8	18.3
Materials	19.2	4.2
Telecommunication Services	6.8	3.0
Utilities	1.9	3.4

Source: Returns and security data for the Russell indices are provided by Russell/Mellon Analytical Services. Russell indices are trademarks/service marks of the Frank Russell Company. Russell® is a trademark of the Frank Russell Company. *May not add to 100% due to rounding.

S&P 500 Trailing 4-Quarter Earnings per Unit



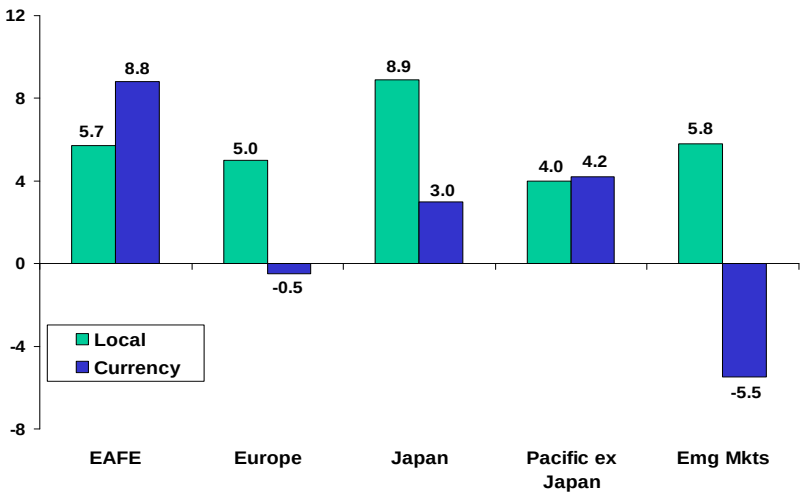
Source: Standard & Poor's

Other Markets

For Periods Ending December 2010

International Equity Market Performance

Regional Performance for the Quarter



- International equity markets underperformed US markets as the MSCI EAFE Index gained 6.7% in US dollar terms, resulting in an 8.2% gain for the year. The Index was up 5.7% and 5.3% in local currency terms for the same periods.
- Led by Japan, the Pacific region posted strong results, gaining 10.7% during the quarter. For the year, the region was up 16.1% as all countries except New Zealand saw double-digit gains.
- The European region delivered positive returns despite renewed concerns over the sovereign debt crisis. The region was up 4.6% for the quarter and 4.5% for the year. Performance across the region was mixed as countries with financial problems, including Spain, Portugal, Greece and Italy posted negative results.
- Emerging market stocks delivered solid results, gaining 7.4% for the quarter and 19.2% for the year. Country returns varied widely during the quarter, but all the major regions produced double-digit gains in 2010.

Other Asset Classes

High Yield Bonds

- The high yield market continued to perform well as the Barclays Capital High Yield Bond Index posted a 3.2% gain for the quarter, ending the year up 15.1%. New bond issuance was very strong and default rates declined significantly in 2010.
- In 2010, long-term bonds outperformed intermediate-term issues, and lower-quality bonds outperformed higher-rated bonds.

Real Estate

- Equity REITS, as measured by the FTSE NAREIT Index, returned 7.4% for the quarter, resulting in a 27.9% gain for the year.
- The latest data available for the private real estate market showed a third-quarter gain of 3.9% for the NCREIF Property Index.

Inflation Indexed Bonds

- Treasury Inflation-Protected Securities (TIPS) were down 0.6% for the quarter. For the year, TIPS gained 6.3%, outperforming Treasuries by 44 basis points.

Commodities

- The S&P GSCI Index was up 13.4% during the quarter, ending the year with a gain of 9.0%. In 2010, precious metals and agriculture were the leading sectors, gaining 34.5% and 34.2% respectively.

International Bonds

- The Citigroup Non–U.S. Government Bond Index declined 1.5% during the quarter amid concerns over Europe's sovereign debt crisis, resulting in 5.2% gain for the year.
- The Barclays Capital Emerging Markets Bond Index declined 1.2% during the quarter, but ended the year up 12.8%.

Market Returns Summary

For Periods Ending December 2010

Market Returns (%) for Periods Ending December 31, 2010

		QTR	YTD	1 YR	3 YRS*	5 YRS*	10 YRS*
Equity	S&P 500	10.8	15.1	15.1	-2.9	2.3	1.4
	Russell 1000 Value	10.5	15.5	15.5	-4.4	1.3	3.3
	Russell 1000 Growth	11.8	16.7	16.7	-0.5	3.8	0.0
	Russell MidCap	13.1	25.5	25.5	1.1	4.7	6.5
	Russell MidCap Value	12.2	24.8	24.8	1.0	4.1	8.1
	Russell MidCap Growth	14.0	26.4	26.4	1.0	4.9	3.1
	Russell 2000	16.3	26.9	26.9	2.2	4.5	6.3
	Russell 2000 Value	15.4	24.5	24.5	2.2	3.5	8.4
	Russell 2000 Growth	17.1	29.1	29.1	2.2	5.3	3.8
	Russell 3000	11.6	16.9	16.9	-2.0	2.7	2.2
	*Mercer Large Cap Value Equity Peer Group median***	10.6	14.3	14.3	-2.7	2.6	4.5
	*Mercer Large Cap Growth Equity Peer Group median***	12.0	16.2	16.2	-1.2	3.8	1.4
	*Mercer Small Cap Value Equity Peer Group median***	16.1	27.1	27.1	5.3	6.2	11.2
	*Mercer Small Cap Growth Equity Peer Group median***	17.0	28.7	28.7	0.9	5.3	5.7
Fixed Income	Citigroup 3-Month T-Bill	0.0	0.1	0.1	0.7	2.3	2.3
	Barclays Capital Int. Gov't/Credit	-1.4	5.9	5.9	5.4	5.5	5.5
	Barclays Capital Gov't/Credit	-2.2	6.6	6.6	5.6	5.6	5.8
	Barclays Capital Aggregate	-1.3	6.5	6.5	5.9	5.8	5.8
	Barclays Capital Intermediate Government	-1.6	5.0	5.0	4.9	5.4	5.1
	Barclays Capital Long Gov't/Credit	-5.6	10.2	10.2	6.8	5.9	7.1
	Barclays Capital MBS	0.2	5.4	5.4	6.5	6.3	5.9
	Barclays Capital TIPS	-0.6	6.3	6.3	5.0	5.3	7.0
	Barclays Capital High Yield	3.2	15.1	15.1	10.4	8.9	8.9
	*Mercer Core Fixed Income Peer Group median***	-0.9	7.9	7.9	6.9	6.4	6.3
International	MSCI EAFE	6.7	8.2	8.2	-6.5	2.9	3.9
	MSCI Emerging Markets	7.4	19.2	19.2	0.0	13.1	16.2
	Citigroup Non-US Gov't Bond	-1.5	5.2	5.2	6.5	7.6	7.4
	Citigroup Non-US Gov't Bond - Hedged	-2.1	2.5	2.5	4.3	4.1	4.6
	*Mercer International Equity Universe median***	7.7	11.7	11.7	-5.0	4.3	5.8
Miscellaneous	NCREIF Property Index***	3.9	5.8	5.8	-4.6	3.7	7.2
	FTSE NAREIT (Equity REITS)	7.4	27.9	27.9	0.7	3.0	10.8
	BofA Merrill Lynch Inv. Grade Convertible	4.4	7.4	7.4	5.4	6.3	4.3
	Goldman Sachs Commodity Index	13.4	9.0	9.0	-12.8	-5.7	1.8
Inflation	CPI	0.3	1.5	1.5	1.4	2.2	2.3

Index at 9/30/10	**Dow Jones**	**NASDAQ**	**S&P 500**	**Russell 2000**	**Wilshire 5000**
	10,788.05	2,368.62	1,141.20	676.14	12,020.91
Index at 12/31/10	**Dow Jones**	**NASDAQ**	**S&P 500**	**Russell 2000**	**Wilshire 5000**
	11,577.51	2,652.87	1,257.64	783.65	13,360.12

* Annualized
** Preliminary
*** The NCREIF Property returns are one quarter in arrears.

Domestic Equity – Largest Positive & Negative Contributors to S&P 500

For Fourth Quarter 2010

Domestic Equity - Largest Positive & Negative Contributors to S&P 500
For Periods Ending December 31, 2010

S&P 500 Quarterly Return = 10.76%

25 Largest Positive Contributors

Stock	Return (%)	End of Quarter Weight	Cap Rank
EXXON MOBIL CORP	19.08%	3.11%	1
APPLE INC	13.68%	2.50%	2
WELLS FARGO & CO	23.62%	1.37%	13
MICROSOFT CORP	14.69%	2.01%	3
SCHLUMBERGER LTD	35.90%	0.96%	21
CITIGROUP INC	20.97%	1.16%	18
GENERAL ELECTRIC CO	13.42%	1.64%	5
ORACLE CORP	16.77%	1.33%	14
CHEVRON CORP	13.59%	1.55%	7
COCA-COLA CO	13.17%	1.29%	15
JPMORGAN CHASE & CO	11.60%	1.40%	12
FREEPORT-MCMORAN COP&GOLD	42.26%	0.48%	42
GOOGLE INC	12.97%	1.25%	16
CONOCOPHILLIPS	19.68%	0.84%	27
INTL BUSINESS MACHINES CORP	9.91%	1.54%	8
OCCIDENTAL PETROLEUM CORP	25.77%	0.67%	33
FORD MOTOR CO	37.17%	0.48%	41
PROCTER & GAMBLE CO	8.08%	1.52%	9
AMERICAN INTERNATIONAL GROUP	47.37%	0.33%	67
GOLDMAN SACHS GROUP INC	16.57%	0.73%	29
MONSANTO CO	45.98%	0.32%	71
INTEL CORP	10.35%	0.99%	20
COMCAST CORP	22.07%	0.51%	38
VERIZON COMMUNICATIONS INC	11.44%	0.85%	26
U S BANCORP	24.98%	0.44%	46

25 Largest Negative Contributors

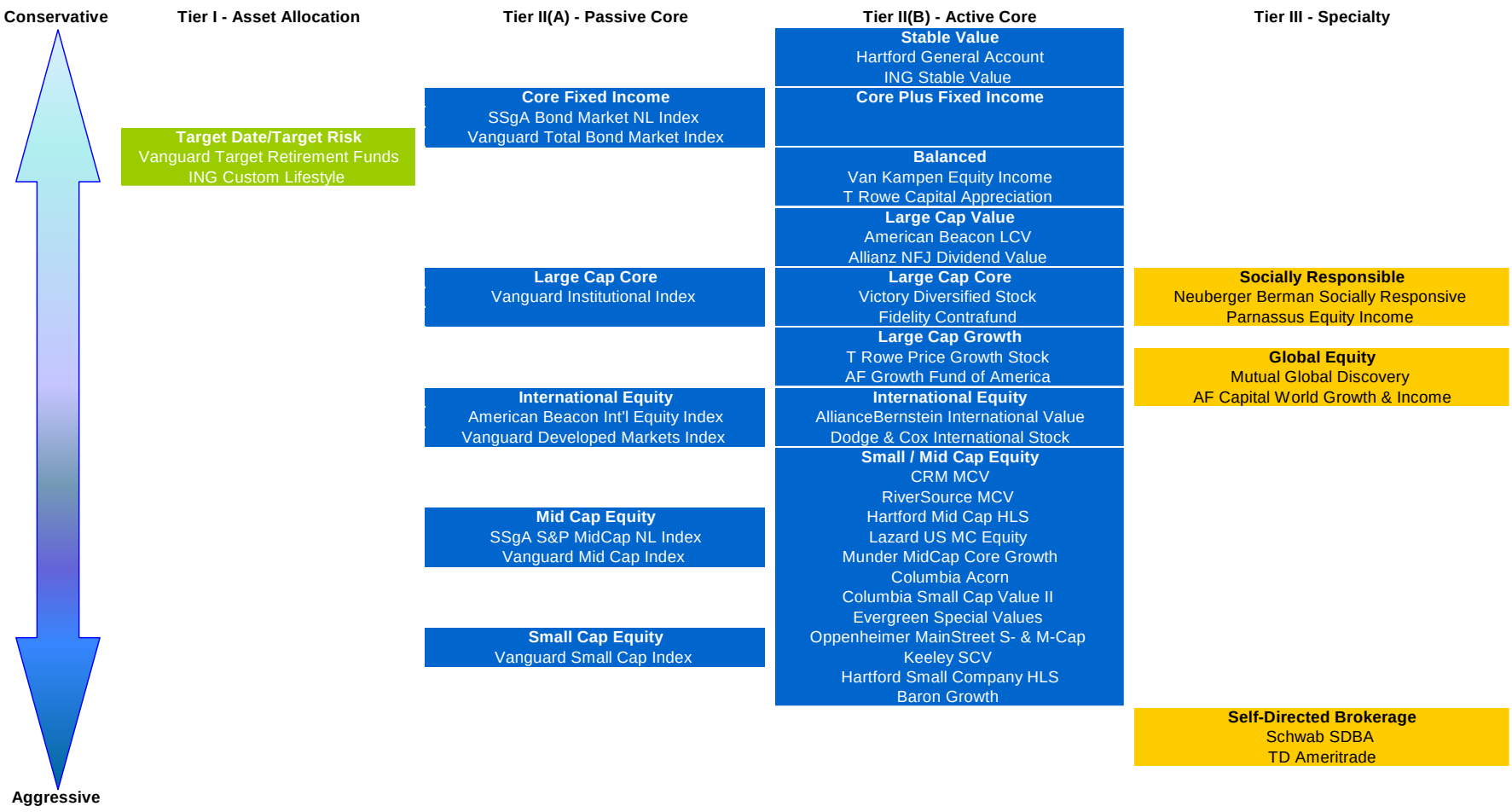
Stock	Return (%)	End of Quarter Weight	Cap Rank
CISCO SYSTEMS INC	-7.63%	0.95%	22
BERKSHIRE HATHAWAY	-3.11%	1.67%	4
ABBOTT LABORATORIES	-7.50%	0.62%	34
BEST BUY CO INC	-15.36%	0.12%	202
VISA INC	-5.03%	0.30%	77
APOLLO GROUP INC -CL A	-23.10%	0.05%	399
FIRST SOLAR INC	-11.68%	0.09%	250
DIRECTV	-4.08%	0.28%	80
AVON PRODUCTS	-8.80%	0.11%	225
MERCK & CO	-1.06%	0.94%	23
SPRINT NEXTEL CORP	-8.64%	0.11%	224
LILLY (ELI) & CO	-2.68%	0.34%	61
BRISTOL-MYERS SQUIBB CO	-2.32%	0.38%	54
ARCHER-DANIELS-MIDLAND CO	-5.28%	0.16%	147
INTUITIVE SURGICAL INC	-9.16%	0.09%	268
PEPSICO INC	-0.95%	0.87%	25
ENTERGY CORP	-6.37%	0.11%	216
NEXTERA ENERGY INC	-3.47%	0.18%	130
EXPEDIA INC	-10.89%	0.05%	380
LEXMARK INTL INC -CL A	-21.96%	0.02%	483
BOEING CO	-1.28%	0.40%	49
NEWMONT MINING CORP	-1.96%	0.25%	87
AKAMAI TECHNOLOGIES INC	-6.24%	0.07%	311
KIMBERLY-CLARK CORP	-2.08%	0.22%	108
TITANIUM METALS CORP	-13.93%	0.03%	474

Data Source: Compustat

Report Date: January 14, 2011

Plan Review – Investment Option Array

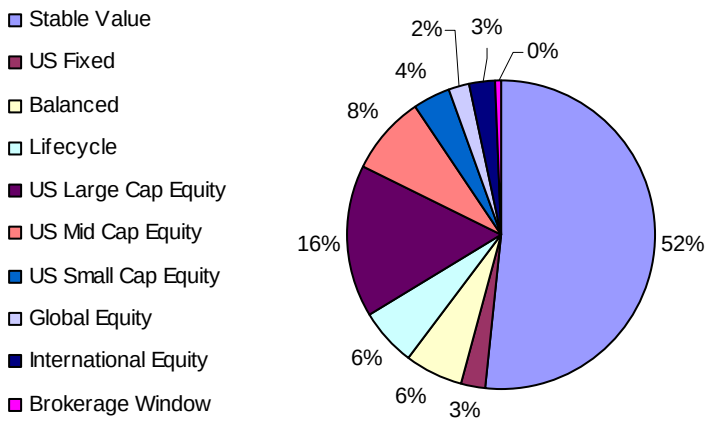
Deferred Compensation Plan – Combined Providers



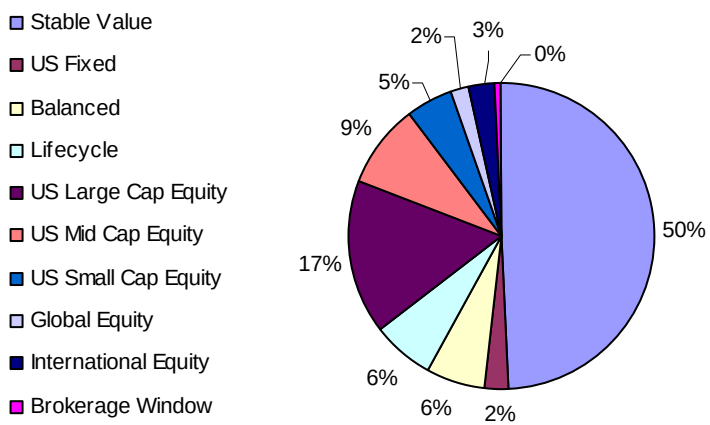
Plan Review – Asset Allocation

Combined Providers – Total Assets

Prior Asset Allocation - September 30, 2010



Current Asset Allocation - December 31, 2010

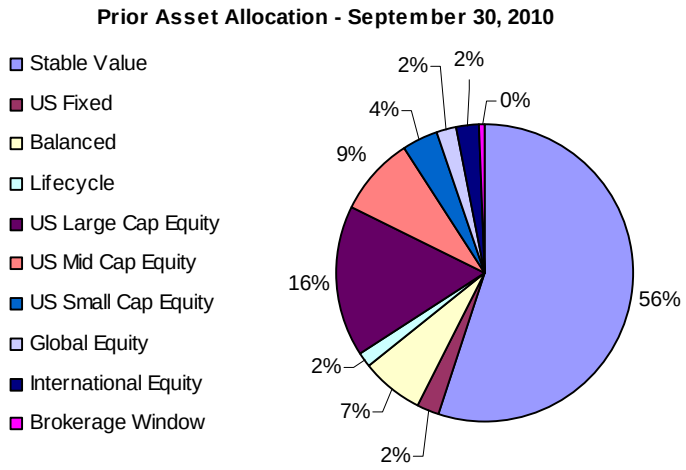


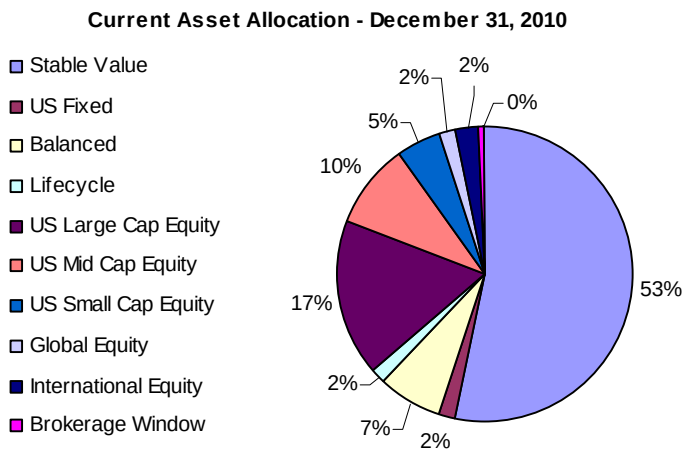
Provider	Investment Option	Asset Class	Fund Balance	% of Plan	% Chg vs. Prior
Hartford	Vanguard Target Retirement Income Fund Investor	Target Date	$596,396	0.1%	0.0%
Hartford	Vanguard Target Retirement 2015 Fund Investor	Target Date	$2,087,390	0.4%	0.0%
Hartford	Vanguard Target Retirement 2025 Fund Investor	Target Date	$2,117,981	0.4%	0.0%
Hartford	Vanguard Target Retirement 2035 Fund Investor	Target Date	$1,135,705	0.2%	0.0%
Hartford	Vanguard Target Retirement 2045 Fund Investor	Target Date	$1,165,280	0.2%	0.0%
ING	Nevada Conservative Lifestyle	Target Risk	$2,364,219	0.4%	0.0%
ING	Nevada Moderate Lifestyle	Target Risk	$13,880,469	2.6%	0.1%
ING	Nevada Aggressive Lifestyle	Target Risk	$11,301,354	2.1%	0.1%
Hartford	SSgA Bond Market NL Series	US Fixed	$9,614,001	1.8%	-0.2%
ING	Vanguard Total Bond Market Index Fund Inst	US Fixed	$3,304,234	0.6%	-0.1%
Hartford/ING	Vanguard Institutional Index Fund Institutional	US Large Cap Equity	$16,959,933	3.1%	0.1%
Hartford	American Beacon International Equity Index Fd Inst	International Equity	$1,248,250	0.2%	0.0%
ING	Vanguard Developed Markets Index Fund Investor	International Equity	$349,642	0.1%	0.0%
Hartford	SSgA S&P Midcap NL Series	US Mid Cap Equity	$1,416,447	0.3%	0.1%
ING	Vanguard Mid-Cap Index Fund Signal	US Mid Cap Equity	$976,229	0.2%	0.0%
Hartford/ING	Vanguard Small-Cap Index Fund Signal	US Small Cap Equity	$4,820,733	0.9%	0.4%

Provider	Investment Option	Asset Class	Fund Balance	% of Plan	% Chg vs. Prior
Hartford	Hartford General Account	Stable Value	$235,086,614	43.6%	-1.8%
ING	ING Stable Value Fund	Stable Value	$30,659,171	5.7%	-0.5%
Hartford	Invesco Van Kampen Equity & Income Fund Y	Balanced	$30,675,031	5.7%	0.0%
ING	ING T. Rowe Price Cap Apprec I	Balanced	$2,945,336	0.5%	0.1%
Hartford	American Beacon Large Cap Value Fund Investor	US Large Cap Equity	$10,421,710	1.9%	0.0%
ING	Allianz NFJ Dividend Value Fund Institutional	US Large Cap Equity	$2,945,207	0.5%	0.0%
Hartford	Victory Diversified Stock Fund I	US Large Cap Equity	$28,515,168	5.3%	0.2%
ING	Fidelity Contrafund	US Large Cap Equity	$1,236,719	0.2%	0.1%
Hartford	T Rowe Price Growth Stock Fund	US Large Cap Equity	$20,217,145	3.7%	0.3%
ING	American Funds Growth Fund of America R-3	US Large Cap Equity	$5,120,883	0.9%	0.0%
Hartford	AllianceBernstein International Value Fund Advisor	International Equity	$9,670,234	1.8%	0.0%
ING	Dodge & Cox International Stock Fund	International Equity	$3,693,110	0.7%	-0.1%
Hartford	CRM Mid Cap Value Fund Institutional	US Mid Cap Equity	$2,795,860	0.5%	0.0%
ING	Columbia Mid Cap Value Opportunity Fund R4	US Mid Cap Equity	$2,293,239	0.4%	0.0%
Hartford	Hartford MidCap HLS IA	US Mid Cap Equity	$36,114,542	6.7%	0.5%
ING	Lazard US Mid Cap Equity Portfolio Open	US Mid Cap Equity	$1,242,129	0.2%	-0.1%
Hartford	Munder Mid-Cap Core Growth Fund Y	US Mid Cap Equity	$2,073,412	0.4%	0.0%
ING	Columbia Acorn Fund A	US Mid Cap Equity	$1,766,691	0.3%	0.0%
Hartford	Columbia Small Cap Value Fund II Z	US Small Cap Equity	$7,117,169	1.3%	0.1%
ING	Wells Fargo Advantage Special Small Cap Val Fd A	US Small Cap Equity	$1,066,630	0.2%	0.0%
Hartford	Oppenheimer Main Street Small- & Mid-Cap Fund Y	US Small Cap Equity	$8,065,047	1.5%	0.1%
ING	KEELEY Small Cap Value Fund A	US Small Cap Equity	$421,702	0.1%	0.0%
Hartford	Hartford Small Company HLS IA	US Small Cap Equity	$3,336,544	0.6%	0.1%
ING	Baron Growth Fund Retail	US Small Cap Equity	$1,410,346	0.3%	0.0%
Hartford	Neuberger Berman Socially Responsive Fund Investor	US Large Cap Equity	$3,424,092	0.6%	0.1%
ING	Parnassus Equity Income Fund Investor	US Large Cap Equity	$155,504	0.0%	0.0%
Hartford	Mutual Global Discovery Fund A	Global Equity	$9,707,424	1.8%	0.0%
ING	American Funds Capital World Gro & Inc Fd R-3	Global Equity	$1,411,704	0.3%	0.0%
Hartford	Schwab Self-Directed Brokerage Account	Brokerage Window	$2,139,640	0.4%	0.0%
ING	TD Ameritrade Brokerage Account	Brokerage Window	$386,810	0.1%	0.0%
	Total Plan		**$539,453,076**	**100%**	

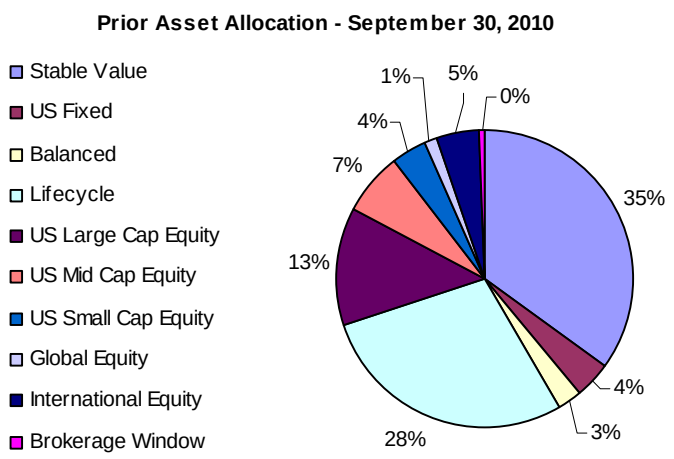
Plan Review – Asset Allocation

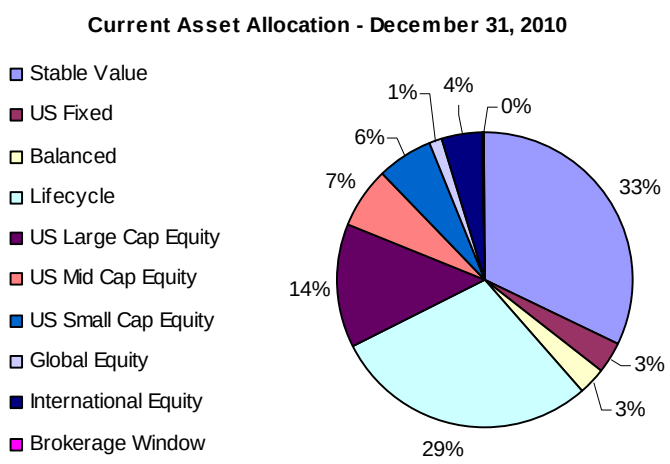
Deferred Compensation - Hartford





Deferred Compensation - ING





Plan Review – Investment Expense Analysis

Combined Providers – Total Assets[1]

Provider	Fund	Fund Balance	Fees to Investmt Manager ($)	Fees to Investmt Manager (%)	Fees to Record-keeper ($)	Fees to Record-keeper (%)	Total Fund Expense ($)	Total Fund Expense (%)	Median Net Expense Ratio[2]	Net Expense Diff.
Hartford	Vanguard Target Retirement Income Fund	$596,396	$1,014	0.17%	$895	0.15%	$1,908	0.32%	0.85%	-0.53%
Hartford	Vanguard Target Retirement 2015 Fund	$2,087,390	$3,549	0.17%	$3,131	0.15%	$6,680	0.32%	0.75%	-0.43%
Hartford	Vanguard Target Retirement 2025 Fund	$2,117,981	$3,812	0.18%	$3,177	0.15%	$6,989	0.33%	0.74%	-0.41%
Hartford	Vanguard Target Retirement 2035 Fund	$1,135,705	$2,158	0.19%	$1,704	0.15%	$3,861	0.34%	0.78%	-0.44%
Hartford	Vanguard Target Retirement 2045 Fund	$1,165,280	$2,214	0.19%	$1,748	0.15%	$3,962	0.34%	0.80%	-0.46%
ING	Nevada Conservative Lifestyle	$2,364,219	$7,093	0.30%	$10,639	0.45%	$17,732	0.75%	1.00%	-0.25%
ING	Nevada Moderate Lifestyle	$13,880,469	$43,029	0.31%	$51,358	0.37%	$94,387	0.68%	1.01%	-0.33%
ING	Nevada Aggressive Lifestyle	$11,301,354	$38,425	0.34%	$35,034	0.31%	$73,459	0.65%	1.03%	-0.38%
Hartford	SSgA Bond Market NL Series	$9,614,001	$5,768	0.06%	$8,653	0.09%	$14,421	0.15%	0.24%	-0.09%
ING	Vanguard Total Bond Market Index Fund	$3,304,234	$2,313	0.07%	$1,983	0.06%	$4,296	0.13%	0.24%	-0.11%
Hartford	Vanguard Institutional Index Fund	$13,442,552	$6,721	0.05%	$0	0.00%	$6,721	0.05%	0.21%	-0.16%
ING	Vanguard Institutional Index Fund	$3,517,381	$1,759	0.05%	$2,110	0.06%	$3,869	0.11%	0.21%	-0.10%
Hartford	American Beacon International Equity	$1,248,250	$2,871	0.23%	$0	0.00%	$2,871	0.23%	0.48%	-0.25%
ING	Vanguard Developed Markets Index Fund	$349,642	$769	0.22%	$210	0.06%	$979	0.28%	0.48%	-0.20%
Hartford	SSgA S&P Midcap NL Series	$1,416,447	$708	0.05%	$0	0.00%	$708	0.05%	0.30%	-0.25%
ING	Vanguard Mid-Cap Index Fund Signal	$976,229	$1,367	0.14%	$586	0.06%	$1,952	0.20%	0.30%	-0.10%
Hartford	Vanguard Small-Cap Index Fund Signal	$1,928,044	$2,506	0.13%	$0	0.00%	$2,506	0.13%	0.30%	-0.17%
ING	Vanguard Small-Cap Index Fund Signal	$2,892,689	$4,050	0.14%	$1,736	0.06%	$5,785	0.20%	0.30%	-0.10%
Hartford	Hartford General Account	$235,086,614	$1,057,890	0.45%	$352,630	0.15%	$1,410,520	0.60%	0.30%	0.30%
ING	ING Stable Value Fund	$30,659,171	$61,318	0.20%	$168,625	0.55%	$229,944	0.75%	0.30%	0.45%
Hartford	Invesco Van Kampen Equity & Income	$30,675,031	$128,835	0.42%	$46,013	0.15%	$174,848	0.57%	0.91%	-0.34%
ING	ING T. Rowe Price Cap Apprec I	$2,945,336	$12,076	0.41%	$7,363	0.25%	$19,439	0.66%	0.91%	-0.25%
Hartford	American Beacon Large Cap Value Fund	$10,421,710	$60,446	0.58%	$26,054	0.25%	$86,500	0.83%	0.80%	0.03%
ING	Allianz NFJ Dividend Value Fund	$2,945,207	$18,555	0.63%	$2,945	0.10%	$21,500	0.73%	0.80%	-0.07%
Hartford	Victory Diversified Stock Fund I	$28,515,168	$182,497	0.64%	$42,773	0.15%	$225,270	0.79%	0.82%	-0.03%
ING	Fidelity Contrafund	$1,236,719	$9,523	0.77%	$3,092	0.25%	$12,615	1.02%	0.82%	0.20%
Hartford	T Rowe Price Growth Stock Fund	$20,217,145	$117,259	0.58%	$30,326	0.15%	$147,585	0.73%	0.90%	-0.17%
ING	American Funds Growth Fund of America	$5,120,883	$17,411	0.34%	$33,286	0.65%	$50,697	0.99%	0.90%	0.09%
Hartford	AllianceBernstein International Value Fund	$9,670,234	$69,626	0.72%	$24,176	0.25%	$93,801	0.97%	1.07%	-0.10%

[1] Totals may not add up due to rounding
[2] Median institutional share class net expense ratio as defined by the respective Mercer Mutual Fund Universe

Provider	Fund	Fund Balance	Fees to Investmt Manager ($)	Fees to Investmt Manager (%)	Fees to Record-keeper ($)	Fees to Record-keeper (%)	Total Fund Expense ($)	Total Fund Expense (%)	Median Net Expense Ratio[2]	Net Expense Diff.
ING	Dodge & Cox International Stock Fund	$3,693,110	$20,312	0.55%	$3,693	0.10%	$24,005	0.65%	1.07%	-0.42%
Hartford	CRM Mid Cap Value Fund Institutional	$2,795,860	$19,012	0.68%	$2,796	0.10%	$21,808	0.78%	0.96%	-0.18%
Hartford	Hartford MidCap HLS IA	$36,114,542	$86,675	0.24%	$162,515	0.45%	$249,190	0.69%	0.98%	-0.29%
Hartford	Munder Mid-Cap Core Growth Fund Y	$2,073,412	$17,417	0.84%	$5,184	0.25%	$22,600	1.09%	0.98%	0.11%
Hartford	Oppenheimer MS Small- & Mid-Cap Y[1]	$8,065,047	$27,337	0.34%	$39,603	0.49%	$66,940	0.83%	1.06%	-0.23%
Hartford	Columbia Small Cap Value Fund II Z	$7,117,169	$57,649	0.81%	$17,793	0.25%	$75,442	1.06%	1.09%	-0.03%
Hartford	Hartford Small Company HLS IA	$3,336,544	$10,010	0.30%	$15,014	0.45%	$25,024	0.75%	1.12%	-0.37%
ING	Columbia Mid Cap Value Opportunity Fund	$2,293,239	$14,218	0.62%	$8,026	0.35%	$22,244	0.97%	0.96%	0.01%
ING	Lazard US Mid Cap Equity Portfolio Open	$1,242,129	$9,564	0.77%	$4,969	0.40%	$14,533	1.17%	0.98%	0.19%
ING	Columbia Acorn Fund A	$1,766,691	$10,070	0.57%	$8,833	0.50%	$18,904	1.07%	0.98%	0.09%
ING	Wells Fargo Advantage Special Small Cap	$1,066,630	$10,666	1.00%	$3,733	0.35%	$14,400	1.35%	1.09%	0.26%
ING	KEELEY Small Cap Value Fund A	$421,702	$4,386	1.04%	$1,476	0.35%	$5,862	1.39%	1.06%	0.33%
ING	Baron Growth Fund Retail	$1,410,346	$13,398	0.95%	$5,641	0.40%	$19,040	1.35%	1.12%	0.23%
Hartford	Neuberger Berman Socially Responsive	$3,424,092	$28,762	0.84%	$3,424	0.10%	$32,186	0.94%	0.90%	0.04%
ING	Parnassus Equity Income Fund Investor	$155,504	$1,151	0.74%	$389	0.25%	$1,539	0.99%	0.90%	0.09%
Hartford	Mutual Global Discovery Fund A[2]	$9,707,424	$78,717	0.81%	$50,392	0.52%	$129,109	1.33%	1.09%	0.24%
ING	American Funds Capital World Gro & Inc	$1,411,704	$6,776	0.48%	$9,176	0.65%	$15,952	1.13%	1.09%	0.04%
Hartford	Schwab Self-Directed Brokerage Account	$2,139,640	NA	NA	NA	NA	NA	NA	NA	NA
ING	TD Ameritrade Brokerage Account	$386,810	NA	NA	NA	NA	NA	NA	NA	NA
Hartford	**Total Excluding Schwab Brokerage[3]**	**$441,972,038**	**$1,973,454**	**0.45%**	**$837,998**	**0.19%**	**$2,811,452**	**0.64%**		
ING	**Total Excluding TDA Brokerage**	**$94,954,588**	**$308,229**	**0.32%**	**$364,903**	**0.38%**	**$673,132**	**0.71%**		
Combined	**Total Excluding Brokerage Accounts**	**$536,926,626**	**$2,281,682**	**0.42%**	**$1,202,902**	**0.22%**	**$3,484,584**	**0.65%**		

[1] Oppenheimer Main Street Small- & Mid-Cap revenue sharing is based on the formula: 0.25% plus lesser of (0.25% or $12 per participant)
[2] Mutual Global Discovery revenue sharing is based on the formula: 0.35% plus $12 per participant
[3] Total Hartford (and Total Combined) assets exclude the FICA plans

Plan Review – Compliance Table

Periods ending December 31, 2010

✓ = Outperformed or matched performance T = Index tracked benchmark within appropriate range ✗ = Underperformed		3 Years		5 Years		7 Years		Comments
		Index	Universe Median	Index	Universe Median	Index	Universe Median	
Hartford	Vanguard Target Retirement Income	T	✓	T	✓	T	✓	Retain
Hartford	Vanguard Target Retirement 2015	T	✓	T	✓	T	✓	Retain
Hartford	Vanguard Target Retirement 2025	T	✓	T	✓	T	✓	Retain
Hartford	Vanguard Target Retirement 2035	T	✓	T	✓	T	✓	Retain
Hartford	Vanguard Target Retirement 2045	T	✓	T	✓	T	✓	Retain
ING	Nevada Conservative Lifestyle	✓	N/A	✗ (9 consecutive quarters)	N/A	N/A	N/A	Replace with Vanguard Target Retirement Fund
ING	Nevada Moderate Lifestyle	✗ (9 consecutive quarters)	N/A	✗ (9 consecutive quarters)	N/A	N/A	N/A	Replace with Vanguard Target Retirement Fund
ING	Nevada Aggressive Lifestyle	✗ (9 consecutive quarters)	N/A	✗ (9 consecutive quarters)	N/A	N/A	N/A	Replace with Vanguard Target Retirement Fund
Hartford	SSgA Bond Market NL Series (Inception Oct 2007)	T	N/A	N/A	N/A	N/A	N/A	Retain
ING	Vanguard Total Bond Market Index Fund Institutional	T	N/A	T	N/A	T	N/A	Retain
Hartford & ING	Vanguard Institutional Index Fund	T	N/A	T	N/A	T	N/A	Retain
Hartford	American Beacon International Equity Index Fd Inst	T	N/A	T	N/A	T	N/A	Retain

✓ = Outperformed or matched performance T = Index tracked benchmark within appropriate range ✗ = Underperformed		3 Years		5 Years		7 Years		Comments
		Index	Universe Median	Index	Universe Median	Index	Universe Median	
ING	Vanguard Developed Markets Index Fund Investor	T	N/A	T	N/A	T	N/A	Retain
Hartford	SSgA S&P Midcap NL Series	T	N/A	T	N/A	T	N/A	Retain
ING	Vanguard Mid-Cap Index Fund Signal	T	N/A	T	N/A	T	N/A	Retain
Hartford & ING	Vanguard Small-Cap Index Fund Signal	T	N/A	T	N/A	T	N/A	Retain
Hartford	Hartford General Account	✓	N/A	✓	N/A	N/A	N/A	Removed from Watch in 11/2010
ING	ING Stable Value Fund (Inception Jun 2009)	N/A	N/A	N/A	N/A	N/A	N/A	Retain
Hartford	Invesco Van Kampen Equity & Income Fund Y	✓	✓	✓	✓	N/A	N/A	**Maintain on Watch**
ING	ING T. Rowe Price Cap Apprec I	✓	✓	✓	✓	✓	✓	Retain
Hartford	American Beacon Large Cap Value Fund Investor	✓	✗ (2 consecutive quarters)	✓	✗ (1 consecutive quarter)	✓	✓	Retain
ING	Allianz NFJ Dividend Value Fund Institutional	✗ (4 consecutive quarters)	✗ (9 consecutive quarters)	✓	✗ (1 consecutive quarter)	✓	✓	Retain
Hartford	Victory Diversified Stock Fund I	✗ (3 consecutive quarters)	✗ (3 consecutive quarters)	✓	✓	✓	✓	Retain
ING	Fidelity Contrafund	✓	✓	✓	✓	✓	✓	Retain
Hartford	T Rowe Price Growth Stock Fund	✗ (7 consecutive quarters)	✓	✓	✓	✓	✓	Retain

✓ = Outperformed or matched performance T = Index tracked benchmark within appropriate range ✗ = Underperformed		3 Years		5 Years		7 Years		Comments
		Index	Universe Median	Index	Universe Median	Index	Universe Median	
ING	American Funds Growth Fund of America R-3	✗ (9 consecutive quarters)	✗ (7 consecutive quarters)	✗ (2 consecutive quarters)	✗ (1 quarter)	✓	✓	**Mercer recommends adding to Watch**
Hartford	AllianceBernstein International Value Fund Advisor	✗ (9 consecutive quarters)	✗ (9 consecutive quarters)	✗ (9 consecutive quarters)	✗ (9 consecutive quarters)	✗ (5 consecutive quarters)	✗ (5 consecutive quarters)	**Replace**
ING	Dodge & Cox International Stock Fund	✓	✓	✓	✓	✓	✓	Retain
Hartford	CRM Mid Cap Value Fund Institutional	✗ (1 quarter)	✗ (1 quarter)	✓	✓	✓	✓	Retain
ING	Columbia Mid Cap Value Opportunity Fund R4	✗ (3 consecutive quarters)	✗ (9 consecutive quarters)	✓	✗ (1 quarter)	✓	✓	Retain
Hartford	Hartford MidCap HLS IA	✓	✓	✓	✓	✓	✓	**Mercer recommends adding to Watch**
ING	Lazard US Mid Cap Equity Portfolio Open	✓	✓	✗ (9 consecutive quarters)	✗ (9 consecutive quarters)	✗ (9 consecutive quarters)	✓	**Maintain on Watch**
Hartford	Munder Mid-Cap Core Growth Fund Y	✗ (4 consecutive quarters)	✗ (7 consecutive quarters)	✓	✗ (3 consecutive quarters)	✓	✓	**Maintain on Watch**
ING	Columbia Acorn Fund A	✓	✓	✓	✓	✓	✓	Retain
Hartford	Columbia Small Cap Value Fund II Z	✗ (1 quarter)	✗ (7 consecutive quarters)	✓	✓	✓	✓	Retain
ING	Wells Fargo Advantage Special Small Cap Value Fund A	✓	✗ (7 consecutive quarters)	✓	✗ (4 consecutive quarters)	✓	✗ (7 consecutive quarters)	Retain
Hartford	Oppenheimer Main Street Small- & Mid-Cap Fund Y	✗ (1 quarter)	✗ (1 quarter)	✗ (1 quarter)	✗ (1 quarter)	✓	✓	**Maintain on Watch**
ING	KEELEY Small Cap Value Fund A	✗ (9 consecutive quarters)	✗ (9 consecutive quarters)	✗ (4 consecutive quarters)	✗ (4 consecutive quarters)	✓	✓	**Maintain on Watch**

✓ = Outperformed or matched performance T = Index tracked benchmark within appropriate range ✘ = Underperformed		3 Years		5 Years		7 Years		Comments
		Index	Universe Median	Index	Universe Median	Index	Universe Median	
Hartford	Hartford Small Company HLS IA	✘ (7 consecutive quarters)	✘ (3 consecutive quarters)	✘ (1 quarter)	✘ (1 quarter)	✓	✓	Retain
ING	Baron Growth Fund Retail	✘ (2 consecutive quarters)	✓	✘ (4 consecutive quarters)	✘ (1 quarter)	✓	✓	Retain
Hartford	Neuberger Berman Socially Responsive Fund Investor	✘ (9 consecutive quarters)	✓	✓	✓	✓	✓	Retain
ING	Parnassus Equity Income Fund Investor	✓	✓	✓	✓	✓	✓	Retain
Hartford	Mutual Global Discovery Fund A	✓	✘ (1 quarter)	✓	✓	✓	✓	**Maintain on Watch**
ING	American Funds Capital World Gro & Inc Fd R-3	✓	✓	✓	✓	✓	✓	Retain

Plan Review – Performance Summary

Periods ending December 31, 2010

Red numbers indicate fund underperformed both primary index and universe median
Blue numbers indicate fund performed between the primary index and universe median
Green numbers indicate fund matched or outperformed both primary index and universe median
Black numbers indicate index fund tracked the primary index within appropriate range

Tier I – Asset Allocation

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
Vanguard Target Retirement Income Fund Investor	**2.5%**	**9.4%**	**3.6%**	**5.1%**	**5.1%**	**NA**
Vanguard Target Income Composite Index	2.4%	9.4%	3.5%	5.0%	5.0%	NA
Mercer Mutual Fund Lifecycle Income Universe Median	*2.9%*	*9.6%*	*3.1%*	*4.6%*	*4.6%*	*4.1%*
Fund Rank in Universe	*67*	*55*	*37*	*32*	*32*	*NA*
Vanguard Target Retirement 2015 Fund Investor	**5.7%**	**12.5%**	**1.2%**	**4.4%**	**5.1%**	**NA**
Vanguard Target 2015 Composite Index	5.8%	12.6%	1.1%	4.4%	5.1%	NA
Mercer Mutual Fund Lifecycle 2015 Universe Median	*5.5%*	*11.7%*	*0.7%*	*3.6%*	*3.9%*	*2.5%*
Fund Rank in Universe	*42*	*33*	*32*	*14*	*0*	*NA*
Vanguard Target Retirement 2025 Fund Investor	**7.7%**	**13.8%**	**-0.2%**	**3.9%**	**5.0%**	**NA**
Vanguard Target 2025 Composite Index	7.6%	13.9%	-0.3%	3.9%	5.0%	NA
Mercer Mutual Fund Lifecycle 2025 Universe Median	*7.6%*	*13.8%*	*-0.5%*	*3.6%*	*NA*	*NA*
Fund Rank in Universe	*48*	*43*	*41*	*25*	*NA*	*NA*
Vanguard Target Retirement 2035 Fund Investor	**9.5%**	**15.1%**	**-1.2%**	**3.6%**	**5.2%**	**NA**
Vanguard Target 2035 Composite Index	9.4%	15.2%	-1.3%	3.6%	5.1%	NA
Mercer Mutual Fund Lifecycle 2035 Universe Median	*9.1%*	*14.8%*	*-1.5%*	*2.9%*	*NA*	*NA*
Fund Rank in Universe	*33*	*37*	*35*	*25*	*NA*	*NA*
Vanguard Target Retirement 2045 Fund Investor	**9.5%**	**15.2%**	**-1.1%**	**3.8%**	**5.5%**	**NA**
Vanguard Target 2045 Composite Index	9.5%	15.2%	-1.3%	3.7%	5.5%	NA
Mercer Mutual Fund Lifecycle 2045 Universe Median	*9.7%*	*15.2%*	*-1.8%*	*3.8%*	*NA*	*NA*
Fund Rank in Universe	*57*	*52*	*31*	*50*	*NA*	*NA*
Nevada Conservative Lifestyle	**3.1%**	**8.3%**	**3.1%**	**4.2%**	**NA**	**NA**
Nevada Custom Conservative Benchmark	2.9%	7.5%	2.6%	4.5%	4.4%	4.3%
Nevada Moderate Lifestyle	**6.4%**	**12.9%**	**1.3%**	**3.8%**	**NA**	**NA**
Nevada Custom Moderate Benchmark	6.7%	12.6%	1.6%	4.6%	5.4%	4.3%
Nevada Aggressive Lifestyle	**9.1%**	**16.6%**	**-0.7%**	**3.1%**	**NA**	**NA**
Nevada Custom Aggressive Benchmark	9.9%	17.4%	0.4%	4.2%	5.9%	4.3%

Tier II (A) – Passive Core

Domestic Fixed

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
SSgA Bond Market NL Series – Inception Oct 2007	**-1.3%**	**6.5%**	**5.8%**	**NA**	**NA**	**NA**
Barclays Capital US Aggregate	-1.3%	6.6%	5.9%	5.8%	5.1%	5.8%
Vanguard Total Bond Market Index Fund Inst	**-1.3%**	**6.6%**	**6.0%**	**5.9%**	**5.2%**	**5.7%**
Barclays Capital US Aggregate	-1.3%	6.6%	5.9%	5.8%	5.1%	5.8%

Large Cap Domestic Equity

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
Vanguard Institutional Index Fund Institutional	**10.7%**	**15.0%**	**-2.8%**	**2.3%**	**3.9%**	**1.4%**
S&P 500	10.8%	15.1%	-2.9%	2.3%	3.8%	1.4%

International Equity[7]

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
American Beacon International Equity Index Fd Inst	**6.5%**	**7.6%**	**-7.0%**	**2.4%**	**6.3%**	**3.4%**
MSCI EAFE NET WHT	6.6%	7.8%	-7.0%	2.5%	6.4%	3.5%
Vanguard Developed Markets Index Fund Investor	**6.7%**	**8.5%**	**-6.7%**	**2.6%**	**6.5%**	**3.5%**
MSCI EAFE NET WHT	6.6%	7.8%	-7.0%	2.5%	6.4%	3.5%

Small/Mid Cap Domestic Equity

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
SSgA S&P Midcap NL Series	**13.4%**	**26.6%**	**3.3%**	**5.4%**	**8.2%**	**6.8%**
S&P 400 MidCap	13.5%	26.6%	3.5%	5.7%	8.2%	7.2%
Vanguard Mid-Cap Index Fund Signal	**13.6%**	**25.6%**	**0.9%**	**4.4%**	**7.9%**	**NA**
Vanguard Spliced Mid Cap Index	13.6%	25.7%	0.9%	4.4%	7.9%	6.8%
Vanguard Small-Cap Index Fund Signal	**15.6%**	**27.9%**	**3.7%**	**5.5%**	**7.8%**	**7.3%**
Vanguard Spliced Small Cap Index	15.6%	27.8%	3.6%	5.4%	7.7%	7.1%

[7] American Beacon International Equity Index and Vanguard Developed Markets Index may not track the index because of fair-value pricing used in the calculation of these funds' NAV, whereas the MSCI EAFE Index uses the closing prices of the securities in their local markets.

Tier II (B) – Active Core

Stable Value

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
Hartford General Account	**1.2%**	**4.7%**	**5.0%**	**4.8%**	**NA**	**NA**
Citigroup TBill + 100 bp Premium	0.3%	1.1%	1.7%	3.3%	3.3%	3.3%
ING Stable Value Fund – Inception June 2009	**0.7%**	**2.8%**	**NA**	**NA**	**NA**	**NA**
Citigroup TBill + 100 bp Premium	0.3%	1.1%	1.7%	3.3%	3.3%	3.3%

Balanced

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
Invesco Van Kampen Equity & Income Fund Y	**8.7%**	**12.7%**	**1.7%**	**4.2%**	**NA**	**NA**
S&P 500 60% / 40% BC Aggregate	5.9%	12.1%	1.1%	4.1%	4.7%	3.5%
Mercer Mutual Fund US Balanced Universe Median	*5.6%*	*11.6%*	*1.1%*	*4.0%*	*4.7%*	*3.7%*
Fund Rank in Universe	*6*	*33*	*40*	*46*	*NA*	*NA*
ING T. Rowe Price Cap Apprec I	**9.1%**	**14.3%**	**3.5%**	**5.9%**	**7.7%**	**NA**
S&P 500 60% / 40% BC Aggregate	5.9%	12.1%	1.1%	4.1%	4.7%	3.5%
Mercer Mutual Fund US Balanced Universe Median	*5.6%*	*11.6%*	*1.1%*	*4.0%*	*4.7%*	*3.7%*
Fund Rank in Universe	*5*	*13*	*13*	*8*	*2*	*NA*

Large Cap Domestic Equity

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
American Beacon Large Cap Value Fund Investor	**10.0%**	**14.1%**	**-4.3%**	**1.4%**	**4.9%**	**4.9%**
Russell 1000 Value	10.5%	15.5%	-4.4%	1.3%	4.1%	3.3%
Mercer Mutual Fund US Equity Large Cap Value Universe Median	*10.6%*	*13.2%*	*-3.9%*	*1.5%*	*3.8%*	*3.0%*
Fund Rank in Universe	*65*	*33*	*55*	*53*	*27*	*15*
Allianz NFJ Dividend Value Fund Institutional	**8.6%**	**13.6%**	**-6.3%**	**1.4%**	**4.6%**	**6.7%**
Russell 1000 Value	10.5%	15.5%	-4.4%	1.3%	4.1%	3.3%
Mercer Mutual Fund US Equity Large Cap Value Universe Median	*10.6%*	*13.2%*	*-3.9%*	*1.5%*	*3.8%*	*3.0%*
Fund Rank in Universe	*91*	*41*	*84*	*51*	*34*	*0*

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
Victory Diversified Stock Fund I	**11.9%**	**13.1%**	**-3.0%**	**NA**	**NA**	**NA**
S&P 500	10.8%	15.1%	-2.9%	2.3%	3.8%	1.4%
Mercer Mutual Fund US Equity Large Cap Core Universe Median	*10.5%*	*13.1%*	*-2.9%*	*2.2%*	*3.7%*	*1.6%*
Fund Rank in Universe	*18*	*51*	*54*	*NA*	*NA*	*NA*
Fidelity Contrafund	**9.5%**	**16.9%**	**-1.7%**	**4.9%**	**7.8%**	**5.5%**
S&P 500	10.8%	15.1%	-2.9%	2.3%	3.8%	1.4%
Mercer Mutual Fund US Equity Large Cap Core Universe Median	*10.5%*	*13.1%*	*-2.9%*	*2.2%*	*3.7%*	*1.6%*
Fund Rank in Universe	*73*	*7*	*27*	*7*	*2*	*3*
T Rowe Price Growth Stock Fund	**11.3%**	**16.9%**	**-1.1%**	**4.0%**	**5.2%**	**2.7%**
Russell 1000 Growth	11.8%	16.7%	-0.5%	3.8%	4.3%	0.0%
Mercer Mutual Fund US Equity Large Cap Growth Universe Median	*11.8%*	*15.3%*	*-2.2%*	*2.5%*	*4.1%*	*0.2%*
Fund Rank in Universe	*62*	*30*	*30*	*22*	*20*	*8*
American Funds Growth Fund of America R-3	**10.2%**	**12.0%**	**-3.0%**	**2.2%**	**5.1%**	**NA**
Russell 1000 Growth	11.8%	16.7%	-0.5%	3.8%	4.3%	0.0%
Mercer Mutual Fund US Equity Large Cap Growth Universe Median	*11.8%*	*15.3%*	*-2.2%*	*2.5%*	*4.1%*	*0.2%*
Fund Rank in Universe	*79*	*77*	*62*	*59*	*23*	*NA*

International Equity

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
AllianceBernstein International Value Fund Advisor	**6.6%**	**3.7%**	**-13.4%**	**-1.6%**	**4.4%**	**NA**
MSCI EAFE NET WHT	6.6%	7.8%	-7.0%	2.5%	6.4%	3.5%
MSCI EAFE Value NET WHT	5.3%	3.2%	-8.1%	1.4%	6.1%	4.2%
Mercer Mutual Fund Intl Equity Universe Median	*7.4%*	*11.6%*	*-6.0%*	*3.4%*	*7.0%*	*4.5%*
Fund Rank in Universe	*72*	*95*	*99*	*98*	*94*	*NA*
Dodge & Cox International Stock Fund	**8.0%**	**13.7%**	**-3.7%**	**5.0%**	**10.2%**	**NA**
MSCI EAFE NET WHT	6.6%	7.8%	-7.0%	2.5%	6.4%	3.5%
MSCI EAFE Value NET WHT	5.3%	3.2%	-8.1%	1.4%	6.1%	4.2%
Mercer Mutual Fund Intl Equity Universe Median	*7.4%*	*11.6%*	*-6.0%*	*3.4%*	*7.0%*	*4.5%*
Fund Rank in Universe	*39*	*37*	*25*	*23*	*12*	*NA*

Small/Mid Cap Domestic Equity

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
CRM Mid Cap Value Fund Institutional	**12.4%**	**18.9%**	**-0.2%**	**5.2%**	**8.2%**	**9.4%**
Russell Midcap Value	12.2%	24.8%	1.0%	4.1%	7.9%	8.1%
Mercer Mutual Fund US Equity Mid Cap Value Universe Median	*12.7%*	*23.2%*	*1.8%*	*4.7%*	*7.4%*	*7.9%*
Fund Rank in Universe	*55*	*82*	*76*	*46*	*26*	*22*
Columbia Mid Cap Value Opportunity Fund R4	**14.0%**	**23.0%**	**-1.4%**	**4.4%**	**8.7%**	**NA**
Russell Midcap Value	12.2%	24.8%	1.0%	4.1%	7.9%	8.1%
Mercer Mutual Fund US Equity Mid Cap Value Universe Median	*12.7%*	*23.2%*	*1.8%*	*4.7%*	*7.4%*	*7.9%*
Fund Rank in Universe	*33*	*53*	*86*	*56*	*20*	*NA*
Hartford MidCap HLS IA	**13.0%**	**23.4%**	**1.5%**	**6.1%**	**9.0%**	**7.6%**
Russell Midcap	13.1%	25.5%	1.1%	4.7%	7.9%	6.5%
S&P 400 MidCap	13.5%	26.6%	3.5%	5.7%	8.2%	7.2%
Mercer Mutual Fund US Equity Mid Cap Core Universe Median	*13.3%*	*23.4%*	*0.8%*	*4.0%*	*6.7%*	*6.2%*
Fund Rank in Universe	*55*	*48*	*41*	*20*	*10*	*24*
Lazard US Mid Cap Equity Portfolio Open	**11.4%**	**23.1%**	**1.5%**	**3.0%**	**6.6%**	**6.8%**
Russell Midcap	13.1%	25.5%	1.1%	4.7%	7.9%	6.5%
S&P 400 MidCap	13.5%	26.6%	3.5%	5.7%	8.2%	7.2%
Mercer Mutual Fund US Equity Mid Cap Core Universe Median	*13.3%*	*23.4%*	*0.8%*	*4.0%*	*6.7%*	*6.2%*
Fund Rank in Universe	*87*	*53*	*40*	*67*	*50*	*37*
Munder Mid-Cap Core Growth Fund Y	**13.5%**	**25.5%**	**-2.0%**	**5.0%**	**8.4%**	**7.2%**
Russell Midcap Growth	14.0%	26.4%	1.0%	4.9%	7.4%	3.1%
Mercer Mutual Fund US Equity Mid Cap Growth Universe Median	*14.2%*	*26.7%*	*0.0%*	*5.0%*	*7.2%*	*3.5%*
Fund Rank in Universe	*67*	*56*	*64*	*51*	*28*	*11*
Columbia Acorn Fund A	**14.5%**	**25.6%**	**2.3%**	**5.6%**	**8.7%**	**9.0%**
Russell Midcap Growth	14.0%	26.4%	1.0%	4.9%	7.4%	3.1%
Mercer Mutual Fund US Equity Mid Cap Growth Universe Median	*14.2%*	*26.7%*	*0.0%*	*5.0%*	*7.2%*	*3.5%*
Fund Rank in Universe	*43*	*55*	*24*	*43*	*22*	*1*
Columbia Small Cap Value Fund II Z	**16.4%**	**25.6%**	**1.4%**	**4.7%**	**7.9%**	**NA**
Russell 2000 Value	15.4%	24.5%	2.2%	3.5%	6.2%	8.4%
Mercer Mutual Fund US Equity Small Cap Value Universe Median	*16.2%*	*26.1%*	*3.9%*	*4.6%*	*7.1%*	*9.2%*
Fund Rank in Universe	*48*	*63*	*82*	*48*	*32*	*NA*

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
Wells Fargo Advantage Special Small Cap Val Fd A	**14.8%**	**22.6%**	**2.8%**	**3.9%**	**7.0%**	**9.1%**
Russell 2000 Value	15.4%	24.5%	2.2%	3.5%	6.2%	8.4%
Mercer Mutual Fund US Equity Small Cap Value Universe Median	*16.2%*	*26.1%*	*3.9%*	*4.6%*	*7.1%*	*9.2%*
Fund Rank in Universe	*73*	*77*	*66*	*64*	*54*	*54*
Oppenheimer Main Street Small- & Mid-Cap Fund Y	**13.8%**	**23.7%**	**1.7%**	**3.7%**	**6.8%**	**8.4%**
Russell 2000	16.3%	26.9%	2.2%	4.5%	6.4%	6.3%
Mercer Mutual Fund US Equity Small Cap Core Universe Median	*15.8%*	*25.6%*	*2.0%*	*4.2%*	*6.6%*	*7.6%*
Fund Rank in Universe	*77*	*69*	*53*	*57*	*47*	*37*
KEELEY Small Cap Value Fund A	**18.0%**	**26.0%**	**-2.8%**	**3.3%**	**8.9%**	**10.1%**
Russell 2000	16.3%	26.9%	2.2%	4.5%	6.4%	6.3%
Mercer Mutual Fund US Equity Small Cap Core Universe Median	*15.8%*	*25.6%*	*2.0%*	*4.2%*	*6.6%*	*7.6%*
Fund Rank in Universe	*13*	*46*	*94*	*62*	*20*	*19*
Hartford Small Company HLS IA	**15.9%**	**24.1%**	**-1.6%**	**4.5%**	**7.8%**	**4.6%**
Russell 2000 Growth	17.1%	29.1%	2.2%	5.3%	6.4%	3.8%
Mercer Mutual Fund US Equity Small Cap Growth Universe Median	*16.5%*	*27.7%*	*0.5%*	*4.5%*	*5.7%*	*3.8%*
Fund Rank in Universe	*62*	*72*	*70*	*53*	*22*	*38*
Baron Growth Fund Retail	**15.5%**	**24.0%**	**0.4%**	**4.5%**	**7.6%**	**8.1%**
Russell 2000 Growth	17.1%	29.1%	2.2%	5.3%	6.4%	3.8%
Mercer Mutual Fund US Equity Small Cap Growth Universe Median	*16.5%*	*27.7%*	*0.5%*	*4.5%*	*5.7%*	*3.8%*
Fund Rank in Universe	*68*	*73*	*50*	*52*	*24*	*9*

Tier III – Specialty

Socially Responsible

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
Neuberger Berman Socially Responsive Fund Investor	**12.8%**	**22.8%**	**-0.6%**	**3.9%**	**5.7%**	**5.2%**
Russell 1000 Growth	11.8%	16.7%	-0.5%	3.8%	4.3%	0.0%
Mercer Mutual Fund US Equity Large Cap Growth Universe Median	*11.8%*	*15.3%*	*-2.2%*	*2.5%*	*4.1%*	*0.2%*
Fund Rank in Universe	*19*	*3*	*26*	*24*	*12*	*2*
Parnassus Equity Income Fund Investor	**8.0%**	**8.9%**	**2.6%**	**7.2%**	**6.8%**	**6.9%**
Russell 1000 Growth	11.8%	16.7%	-0.5%	3.8%	4.3%	0.0%
Mercer Mutual Fund US Equity Large Cap Growth Universe Median	*11.8%*	*15.3%*	*-2.2%*	*2.5%*	*4.1%*	*0.2%*
Fund Rank in Universe	*96*	*94*	*3*	*0*	*5*	*1*

Global Equity

	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
American Funds Capital World Gro & Inc Fd R-3	**5.0%**	**7.4%**	**-4.5%**	**4.4%**	**7.7%**	**NA**
MSCI World NET WHT	8.9%	11.8%	-4.9%	2.4%	5.1%	2.3%
Mercer Mutual Fund Global Equity Universe Median	*9.0%*	*13.0%*	*-3.9%*	*3.2%*	*5.7%*	*3.4%*
Fund Rank in Universe	*95*	*92*	*61*	*34*	*18*	*NA*
Mutual Global Discovery Fund A	**5.3%**	**11.1%**	**-0.5%**	**6.1%**	**9.1%**	**8.2%**
MSCI World NET WHT	8.9%	11.8%	-4.9%	2.4%	5.1%	2.3%
Mercer Mutual Fund Global Equity Universe Median	*9.0%*	*13.0%*	*-3.9%*	*3.2%*	*5.7%*	*3.4%*
Fund Rank in Universe	*93*	*68*	*19*	*16*	*8*	*7*

Plan Review – Performance Summary

Calendar Year Returns

Red numbers indicate fund underperformed both primary index and universe median
Blue numbers indicate fund performed between the primary index and universe median
Green numbers indicate fund matched or outperformed both primary index and universe median
Black numbers indicate index fund tracked the primary index within appropriate range

Tier I – Asset Allocation

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Vanguard Target Retirement Income Fund Investor	**9.4%**	**14.3%**	**-10.9%**	**8.2%**	**6.4%**	**3.3%**	**6.8%**
Vanguard Target Income Composite Index	9.4%	14.3%	-11.3%	8.1%	6.4%	3.4%	6.9%
Mercer Mutual Fund Lifecycle Income Universe Median	*9.6%*	*19.0%*	*-16.5%*	*5.5%*	*8.0%*	*3.8%*	*6.5%*
Fund Rank in Universe	*55*	*81*	*17*	*6*	*82*	*64*	*38*
Vanguard Target Retirement 2015 Fund Investor	**12.5%**	**21.3%**	**-24.1%**	**7.5%**	**11.4%**	**4.9%**	**9.0%**
Vanguard Target 2015 Composite Index	12.6%	21.4%	-24.5%	7.5%	11.5%	5.0%	9.1%
Mercer Mutual Fund Lifecycle 2015 Universe Median	*11.7%*	*24.8%*	*-26.3%*	*6.7%*	*10.4%*	*4.9%*	*7.2%*
Fund Rank in Universe	*33*	*66*	*32*	*30*	*21*	*46*	*14*
Vanguard Target Retirement 2025 Fund Investor	**13.8%**	**24.8%**	**-30.1%**	**7.6%**	**13.2%**	**5.4%**	**10.1%**
Vanguard Target 2025 Composite Index	13.9%	25.1%	-30.5%	7.6%	13.4%	5.5%	10.1%
Mercer Mutual Fund Lifecycle 2025 Universe Median	*13.8%*	*28.5%*	*-33.6%*	*7.6%*	*12.7%*	*7.2%*	*NA*
Fund Rank in Universe	*43*	*79*	*24*	*50*	*38*	*86*	*NA*
Vanguard Target Retirement 2035 Fund Investor	**15.1%**	**28.2%**	**-34.7%**	**7.5%**	**15.2%**	**6.3%**	**12.0%**
Vanguard Target 2035 Composite Index	15.2%	28.5%	-35.1%	7.5%	15.4%	6.5%	11.9%
Mercer Mutual Fund Lifecycle 2035 Universe Median	*14.8%*	*31.0%*	*-35.7%*	*7.5%*	*14.0%*	*7.9%*	*NA*
Fund Rank in Universe	*37*	*74*	*24*	*50*	*25*	*86*	*NA*
Vanguard Target Retirement 2045 Fund Investor	**15.2%**	**28.2%**	**-34.6%**	**7.5%**	**16.0%**	**6.9%**	**12.9%**
Vanguard Target 2045 Composite Index	15.2%	28.5%	-35.1%	7.5%	16.2%	7.0%	13.0%
Mercer Mutual Fund Lifecycle 2045 Universe Median	*15.2%*	*31.5%*	*-37.4%*	*7.5%*	*16.1%*	*NA*	*NA*
Fund Rank in Universe	*52*	*90*	*13*	*50*	*75*	*NA*	*NA*
Nevada Conservative Lifestyle	**8.3%**	**15.1%**	**-12.3%**	**4.4%**	**7.4%**	**3.9%**	**7.6%**
Nevada Custom Conservative Benchmark	7.5%	10.1%	-8.6%	6.7%	8.2%	3.2%	5.2%
Nevada Moderate Lifestyle	**12.9%**	**23.0%**	**-25.1%**	**5.4%**	**10.1%**	**6.6%**	**10.6%**
Nevada Custom Moderate Benchmark	12.6%	20.6%	-22.7%	7.2%	11.3%	5.4%	9.1%
Nevada Aggressive Lifestyle	**16.6%**	**31.3%**	**-36.1%**	**5.7%**	**12.4%**	**7.9%**	**13.0%**
Nevada Custom Aggressive Benchmark	17.4%	28.3%	-32.9%	6.1%	14.7%	7.2%	13.3%

Tier II (A) – Passive Core

Domestic Fixed

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
SSgA Bond Market NL Series	**6.5%**	**6.1%**	**5.0%**	**NA**	**NA**	**NA**	**NA**
Barclays Capital US Aggregate	6.6%	5.9%	5.2%	7.0%	4.3%	2.4%	4.3%
Vanguard Total Bond Market Index Fund Inst	**6.6%**	**6.1%**	**5.2%**	**7.0%**	**4.4%**	**2.4%**	**4.2%**
Barclays Capital US Aggregate	6.6%	5.9%	5.2%	7.0%	4.3%	2.4%	4.3%

Large Cap Domestic Equity

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Vanguard Institutional Index Fund Institutional	**15.0%**	**26.6%**	**-37.0%**	**5.5%**	**15.8%**	**4.9%**	**10.9%**
S&P 500	15.1%	26.5%	-37.0%	5.5%	15.8%	4.9%	10.9%

International Equity

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
American Beacon International Equity Index Fd Inst	**7.6%**	**28.7%**	**-41.8%**	**10.7%**	**26.5%**	**13.6%**	**20.1%**
MSCI EAFE NET WHT	7.8%	31.8%	-43.4%	11.2%	26.3%	13.5%	20.2%
Vanguard Developed Markets Index Fund Investor	**8.5%**	**28.2%**	**-41.6%**	**11.0%**	**26.2%**	**13.3%**	**20.2%**
MSCI EAFE NET WHT	7.8%	31.8%	-43.4%	11.2%	26.3%	13.5%	20.2%

Small/Mid Cap Domestic Equity

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
SSgA S&P Midcap NL Series	**26.6%**	**37.2%**	**-36.1%**	**8.0%**	**10.3%**	**12.7%**	**16.5%**
S&P 400 MidCap	26.6%	37.4%	-36.2%	8.0%	10.3%	12.6%	16.5%
Vanguard Mid-Cap Index Fund Signal	**25.6%**	**40.5%**	**-41.8%**	**6.2%**	**13.7%**	**14.0%**	**NA**
Vanguard Spliced Mid Cap Index	25.7%	40.5%	-41.8%	6.2%	13.8%	13.9%	20.5%
Vanguard Small-Cap Index Fund Signal	**27.9%**	**36.3%**	**-36.0%**	**1.2%**	**15.8%**	**7.5%**	**NA**
Vanguard Spliced Small Cap Index	27.8%	36.2%	-36.2%	1.2%	15.8%	7.5%	20.0%

Tier II (B) – Active Core

Stable Value

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Hartford General Account	**4.75%**	**5.00%**	**5.30%**	**4.50%**	**4.25%**	**4.00%**	**4.25%**
Citigroup TBill + 100 bp Premium	1.1%	1.2%	2.8%	5.7%	5.8%	4.0%	2.2%
ING Stable Value Fund – Inception Jun 2009	**2.8%**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Citigroup TBill + 100 bp Premium	1.1%	1.2%	2.8%	5.7%	5.8%	4.0%	2.2%

Balanced

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Invesco Van Kampen Equity & Income Fund Y	**12.7%**	**23.8%**	**-24.7%**	**3.5%**	**12.7%**	**8.3%**	**NA**
S&P 500 60% / 40% BC Aggregate	12.1%	18.4%	-22.1%	6.2%	11.1%	4.0%	8.3%
Mercer Mutual Fund US Balanced Universe Median	*11.6%*	*22.6%*	*-25.3%*	*6.1%*	*10.7%*	*4.9%*	*8.5%*
Fund Rank in Universe	*33*	*42*	*46*	*82*	*25*	*9*	*NA*
ING T. Rowe Price Cap Apprec I	**14.3%**	**33.6%**	**-27.3%**	**4.7%**	**14.9%**	**8.0%**	**16.9%**
S&P 500 60% / 40% BC Aggregate	12.1%	18.4%	-22.1%	6.2%	11.1%	4.0%	8.3%
Mercer Mutual Fund US Balanced Universe Median	*11.6%*	*22.6%*	*-25.3%*	*6.1%*	*10.7%*	*4.9%*	*8.5%*
Fund Rank in Universe	*13*	*7*	*63*	*72*	*11*	*10*	*2*

Large Cap Domestic Equity

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
American Beacon Large Cap Value Fund Investor	**14.1%**	**27.2%**	**-39.6%**	**3.0%**	**18.7%**	**9.7%**	**19.1%**
Russell 1000 Value	15.5%	19.7%	-36.8%	-0.2%	22.2%	7.1%	16.5%
Mercer Mutual Fund US Equity Large Cap Value Universe Median	*13.2%*	*24.2%*	*-36.5%*	*1.7%*	*19.0%*	*6.4%*	*14.1%*
Fund Rank in Universe	*33*	*29*	*72*	*34*	*54*	*23*	*4*
Allianz NFJ Dividend Value Fund Institutional	**13.6%**	**13.3%**	**-36.1%**	**4.7%**	**24.6%**	**11.9%**	**14.5%**
Russell 1000 Value	15.5%	19.7%	-36.8%	-0.2%	22.2%	7.1%	16.5%
Mercer Mutual Fund US Equity Large Cap Value Universe Median	*13.2%*	*24.2%*	*-36.5%*	*1.7%*	*19.0%*	*6.4%*	*14.1%*
Fund Rank in Universe	*41*	*98*	*39*	*21*	*1*	*3*	*42*

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Victory Diversified Stock Fund I	**13.1%**	**27.0%**	**-36.5%**	**NA**	**NA**	**NA**	**NA**
S&P 500	15.1%	26.5%	-37.0%	5.5%	15.8%	4.9%	10.9%
Mercer Mutual Fund US Equity Large Cap Core Universe Median	*13.1%*	*27.0%*	*-36.1%*	*6.2%*	*14.6%*	*5.6%*	*10.2%*
Fund Rank in Universe	*51*	*50*	*54*	*NA*	*NA*	*NA*	*NA*
Fidelity Contrafund	**16.9%**	**29.2%**	**-37.2%**	**19.8%**	**11.5%**	**16.2%**	**15.1%**
S&P 500	15.1%	26.5%	-37.0%	5.5%	15.8%	4.9%	10.9%
Mercer Mutual Fund US Equity Large Cap Core Universe Median	*13.1%*	*27.0%*	*-36.1%*	*6.2%*	*14.6%*	*5.1%*	*10.0%*
Fund Rank in Universe	*7*	*35*	*60*	*2*	*81*	*1*	*4*
T Rowe Price Growth Stock Fund	**16.9%**	**43.2%**	**-42.3%**	**10.4%**	**14.0%**	**6.6%**	**10.2%**
Russell 1000 Growth	16.7%	37.2%	-38.4%	11.8%	9.1%	5.3%	6.3%
Mercer Mutual Fund US Equity Large Cap Growth Universe Median	*15.3%*	*34.6%*	*-40.1%*	*14.4%*	*7.2%*	*7.0%*	*8.6%*
Fund Rank in Universe	*30*	*16*	*66*	*78*	*5*	*56*	*35*
American Funds Growth Fund of America R-3	**12.0%**	**34.1%**	**-39.2%**	**10.6%**	**10.6%**	**13.9%**	**11.6%**
Russell 1000 Growth	16.7%	37.2%	-38.4%	11.8%	9.1%	5.3%	6.3%
Mercer Mutual Fund US Equity Large Cap Growth Universe Median	*15.3%*	*34.6%*	*-40.1%*	*14.4%*	*7.2%*	*7.0%*	*8.6%*
Fund Rank in Universe	*77*	*54*	*43*	*78*	*15*	*12*	*29*

International Equity

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
AllianceBernstein International Value Fund Advisor	**3.7%**	**34.7%**	**-53.4%**	**5.6%**	**34.6%**	**17.1%**	**24.9%**
MSCI EAFE NET WHT	7.8%	31.8%	-43.4%	11.2%	26.3%	13.5%	20.2%
MSCI EAFE Value NET WHT	3.2%	34.2%	-44.1%	6.0%	30.4%	13.8%	24.3%
Mercer Mutual Fund Intl Equity Universe Median	*11.6%*	*33.8%*	*-44.7%*	*12.3%*	*25.6%*	*15.4%*	*19.0%*
Fund Rank in Universe	*95*	*46*	*96*	*87*	*2*	*34*	*18*
Dodge & Cox International Stock Fund	**13.7%**	**47.5%**	**-46.7%**	**11.7%**	**28.0%**	**16.7%**	**32.5%**
MSCI EAFE NET WHT	7.8%	31.8%	-43.4%	11.2%	26.3%	13.5%	20.2%
MSCI EAFE Value NET WHT	3.2%	34.2%	-44.1%	6.0%	30.4%	13.8%	24.3%
Mercer Mutual Fund Intl Equity Universe Median	*11.6%*	*33.8%*	*-44.7%*	*12.3%*	*25.6%*	*15.4%*	*19.0%*
Fund Rank in Universe	*37*	*13*	*67*	*52*	*28*	*39*	*1*

Small/Mid Cap Domestic Equity

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
CRM Mid Cap Value Fund Institutional	**18.9%**	**28.7%**	**-35.0%**	**10.4%**	**17.3%**	**8.0%**	**25.0%**
Russell Midcap Value	24.8%	34.2%	-38.4%	-1.4%	20.2%	12.6%	23.7%
Mercer Mutual Fund US Equity Mid Cap Value Universe Median	*23.2%*	*35.4%*	*-36.5%*	*1.6%*	*16.5%*	*10.8%*	*20.7%*
Fund Rank in Universe	*82*	*84*	*39*	*0*	*37*	*83*	*11*
Columbia Mid Cap Value Opportunity Fund R4	**23.0%**	**39.9%**	**-44.3%**	**10.5%**	**17.1%**	**16.9%**	**23.9%**
Russell Midcap Value	24.8%	34.2%	-38.4%	-1.4%	20.2%	12.6%	23.7%
Mercer Mutual Fund US Equity Mid Cap Value Universe Median	*23.2%*	*35.4%*	*-36.5%*	*1.6%*	*16.5%*	*10.8%*	*20.7%*
Fund Rank in Universe	*53*	*31*	*94*	*0*	*38*	*0*	*12*
Hartford MidCap HLS IA	**23.4%**	**31.0%**	**-35.3%**	**15.3%**	**11.7%**	**16.8%**	**16.4%**
Russell Midcap	25.5%	40.5%	-41.5%	5.6%	15.3%	12.7%	20.2%
S&P 400 MidCap	26.6%	37.4%	-36.2%	8.0%	10.3%	12.6%	16.5%
Mercer Mutual Fund US Equity Mid Cap Core Universe Median	*23.4%*	*35.1%*	*-38.9%*	*6.9%*	*13.5%*	*9.9%*	*16.6%*
Fund Rank in Universe	*48*	*73*	*28*	*11*	*69*	*8*	*52*
Lazard US Mid Cap Equity Portfolio Open	**23.1%**	**38.3%**	**-38.5%**	**-3.2%**	**14.6%**	**8.5%**	**24.6%**
Russell Midcap	25.5%	40.5%	-41.5%	5.6%	15.3%	12.7%	20.2%
S&P 400 MidCap	26.6%	37.4%	-36.2%	8.0%	10.3%	12.6%	16.5%
Mercer Mutual Fund US Equity Mid Cap Core Universe Median	*23.4%*	*35.1%*	*-38.9%*	*6.9%*	*13.5%*	*9.9%*	*16.6%*
Fund Rank in Universe	*53*	*37*	*49*	*91*	*40*	*64*	*4*
Munder Mid-Cap Core Growth Fund Y	**25.5%**	**32.8%**	**-43.5%**	**21.0%**	**11.8%**	**13.1%**	**22.3%**
Russell Midcap Growth	26.4%	46.3%	-44.3%	11.4%	10.7%	12.1%	15.5%
Mercer Mutual Fund US Equity Mid Cap Growth Universe Median	*26.7%*	*39.7%*	*-43.6%*	*17.8%*	*9.0%*	*10.7%*	*14.3%*
Fund Rank in Universe	*56*	*69*	*49*	*37*	*34*	*28*	*3*
Columbia Acorn Fund A	**25.6%**	**39.3%**	**-38.7%**	**7.4%**	**14.1%**	**12.8%**	**21.1%**
Russell Midcap Growth	26.4%	46.3%	-44.3%	11.4%	10.7%	12.1%	15.5%
Mercer Mutual Fund US Equity Mid Cap Growth Universe Median	*26.7%*	*39.7%*	*-43.6%*	*17.8%*	*9.0%*	*10.7%*	*14.3%*
Fund Rank in Universe	*55*	*53*	*19*	*92*	*20*	*32*	*9*
Columbia Small Cap Value Fund II Z	**25.6%**	**25.1%**	**-33.6%**	**3.0%**	**17.0%**	**9.0%**	**24.2%**
Russell 2000 Value	24.5%	20.6%	-28.9%	-9.8%	23.5%	4.7%	22.2%
Mercer Mutual Fund US Equity Small Cap Value Universe Median	*26.1%*	*33.9%*	*-33.8%*	*-4.9%*	*17.3%*	*8.1%*	*20.1%*
Fund Rank in Universe	*63*	*83*	*48*	*18*	*54*	*34*	*21*

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Wells Fargo Advantage Special Small Cap Val Fd A	**22.6%**	**29.9%**	**-31.8%**	**-8.1%**	**21.4%**	**10.4%**	**20.0%**
Russell 2000 Value	24.5%	20.6%	-28.9%	-9.8%	23.5%	4.7%	22.2%
Mercer Mutual Fund US Equity Small Cap Value Universe Median	*26.1%*	*33.9%*	*-33.8%*	*-4.9%*	*17.3%*	*8.1%*	*20.1%*
Fund Rank in Universe	*77*	*68*	*37*	*72*	*16*	*21*	*53*
Oppenheimer Main Street Small- & Mid-Cap Fund Y	**23.7%**	**37.4%**	**-38.0%**	**-1.1%**	**15.2%**	**10.5%**	**19.8%**
Russell 2000	26.9%	27.2%	-33.8%	-1.6%	18.4%	4.6%	18.3%
Mercer Mutual Fund US Equity Small Cap Core Universe Median	*25.6%*	*29.5%*	*-35.7%*	*-0.8%*	*14.8%*	*7.3%*	*19.6%*
Fund Rank in Universe	*69*	*26*	*65*	*52*	*47*	*23*	*49*
KEELEY Small Cap Value Fund A	**26.0%**	**21.7%**	**-40.2%**	**7.2%**	**19.6%**	**16.1%**	**32.9%**
Russell 2000	26.9%	27.2%	-33.8%	-1.6%	18.4%	4.6%	18.3%
Mercer Mutual Fund US Equity Small Cap Core Universe Median	*25.6%*	*29.5%*	*-35.7%*	*-0.8%*	*14.8%*	*7.3%*	*19.6%*
Fund Rank in Universe	*46*	*84*	*80*	*15*	*17*	*6*	*1*
Hartford Small Company HLS IA	**24.1%**	**29.3%**	**-40.6%**	**14.2%**	**14.4%**	**21.0%**	**12.2%**
Russell 2000 Growth	29.1%	34.5%	-38.5%	7.0%	13.3%	4.2%	14.3%
Mercer Mutual Fund US Equity Small Cap Growth Universe Median	*27.7%*	*35.4%*	*-41.0%*	*9.5%*	*11.1%*	*6.8%*	*12.4%*
Fund Rank in Universe	*72*	*76*	*46*	*28*	*22*	*1*	*52*
Baron Growth Fund Retail	**24.0%**	**34.2%**	**-39.2%**	**6.6%**	**15.5%**	**5.7%**	**26.6%**
Russell 2000 Growth	29.1%	34.5%	-38.5%	7.0%	13.3%	4.2%	14.3%
Mercer Mutual Fund US Equity Small Cap Growth Universe Median	*27.7%*	*35.4%*	*-41.0%*	*9.5%*	*11.1%*	*6.8%*	*12.4%*
Fund Rank in Universe	*73*	*54*	*32*	*66*	*18*	*58*	*1*

Tier III – Specialty

Socially Responsible

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
Neuberger Berman Socially Responsive Fund Investor	**22.8%**	**30.6%**	**-38.8%**	**7.5%**	**14.4%**	**7.6%**	**13.6%**
Russell 1000 Growth	16.7%	37.2%	-38.4%	11.8%	9.1%	5.3%	6.3%
Mercer Mutual Fund US Equity Large Cap Growth Universe Median	*15.3%*	*34.6%*	*-40.1%*	*14.4%*	*7.2%*	*7.0%*	*8.6%*
Fund Rank in Universe	*3*	*70*	*39*	*90*	*3*	*45*	*15*
Parnassus Equity Income Fund Investor	**8.9%**	**28.7%**	**-23.0%**	**14.1%**	**14.7%**	**2.6%**	**9.3%**
Russell 1000 Growth	16.7%	37.2%	-38.4%	11.8%	9.1%	5.3%	6.3%
Mercer Mutual Fund US Equity Large Cap Growth Universe Median	*15.3%*	*34.6%*	*-40.1%*	*14.4%*	*7.2%*	*7.0%*	*8.6%*
Fund Rank in Universe	*94*	*77*	*0*	*53*	*3*	*89*	*43*

Global Equity

	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)
American Funds Capital World Gro & Inc Fd R-3	**7.4%**	**31.9%**	**-38.6%**	**17.1%**	**21.8%**	**14.3%**	**18.9%**
MSCI World NET WHT	11.8%	30.0%	-40.7%	9.0%	20.1%	9.5%	14.7%
Mercer Mutual Fund Global Equity Universe Median	*13.0%*	*32.7%*	*-41.1%*	*9.3%*	*20.1%*	*11.5%*	*15.5%*
Fund Rank in Universe	*92*	*56*	*34*	*20*	*31*	*24*	*20*
Mutual Global Discovery Fund A	**11.1%**	**20.9%**	**-26.7%**	**11.0%**	**23.0%**	**15.3%**	**19.0%**
MSCI World NET WHT	11.8%	30.0%	-40.7%	9.0%	20.1%	9.5%	14.7%
Mercer Mutual Fund Global Equity Universe Median	*13.0%*	*32.7%*	*-41.1%*	*9.3%*	*20.1%*	*11.5%*	*15.5%*
Fund Rank in Universe	*68*	*94*	*3*	*41*	*22*	*17*	*20*

Fund Profile

Lifecycle - Vanguard Target Retirement Funds

Investment Philosophy

Simple fund of funds structure seeks to build appropriate asset allocation from preselected stock, bond, and money market portfolios. The allocation between funds and asset classes automatically becomes more conservative over time. The fund handles investment selection, asset allocation, and rebalancing through retirement. 100% of assets invested in index funds.

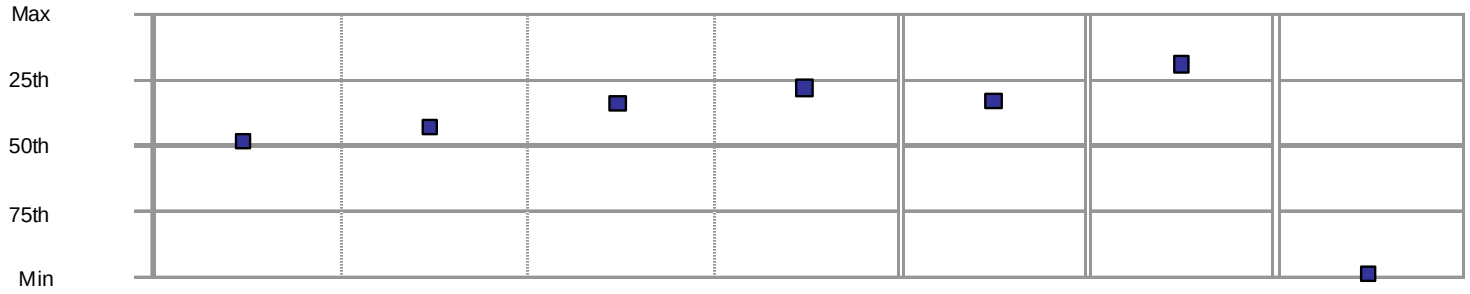
Portfolio Analysis & Key Observations

Impact on Performance

- Tracking their respective indices

Family Snapshot

Vanguard Target Retirement Funds Family vs. Universe of Lifecycle Families



The family ranking for each statistic reflects the average of the rankings of the individual lifecycle funds included in the plan(s) within lifecycle universes of relevant maturity.

	3 Months	1 Year	3 Years	5 Years	Excess Return	Equity Allocation	Expense Ratio (Net)
	Total Return ending 12/31/10	Total Return ending 12/31/10	Total Return ending 12/31/10	Total Return ending 12/31/10	3 years ending 12/31/10	as of 12/31/10	as of 12/31/10
Mercer Rank (%)	49	44	35	29	34	20	100
# of Funds	53	50	38	26	17	14	39

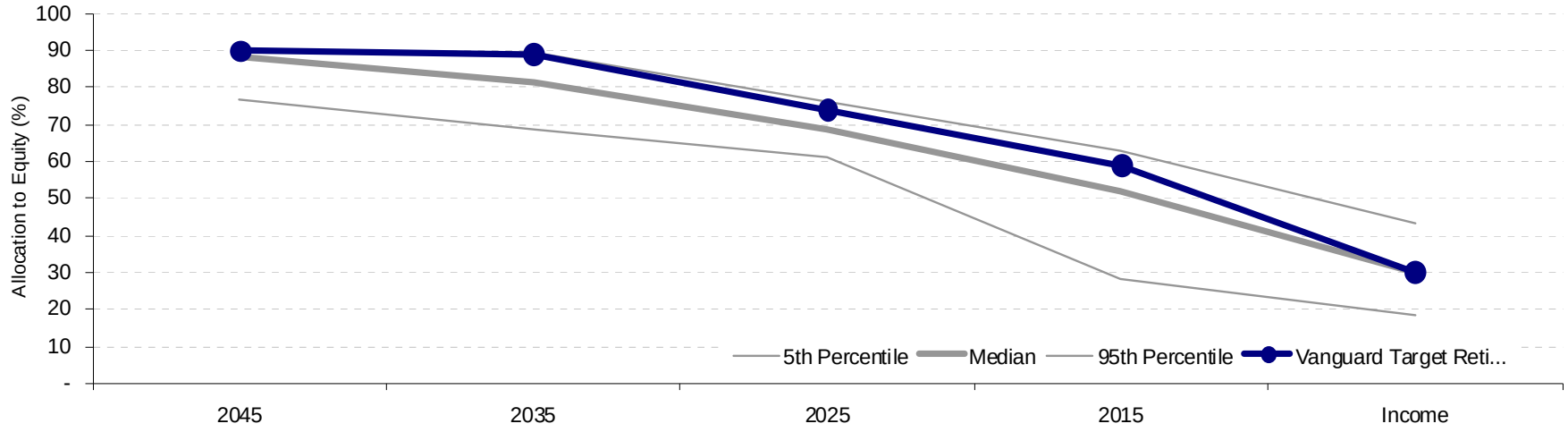
Key Facts and Figures

Portfolio Manager: Duane R. Kelly	Total Program Assets: $78,871 Million	Expense Ratio (Net): 0.32% - 0.34%
Portfolio Manager Average Tenure: 7.4 Years		Mercer Median Expense Ratio (Net): 0.74 - 0.85%

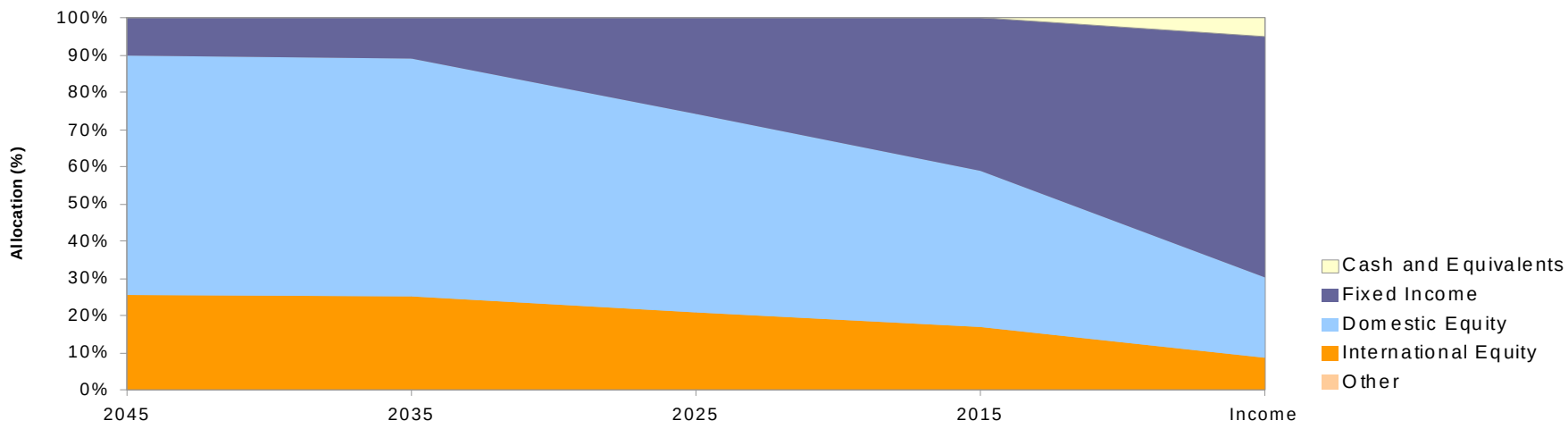
Fund Profile

Lifecycle - Vanguard Target Retirement Funds

Glide Path Comparison vs. Universe of Lifecycle Families (as of 12/31/2010)



Family Asset Allocation (as of 12/31/2010)



Fund Profile

Lifecycle - Vanguard Target Retirement Funds

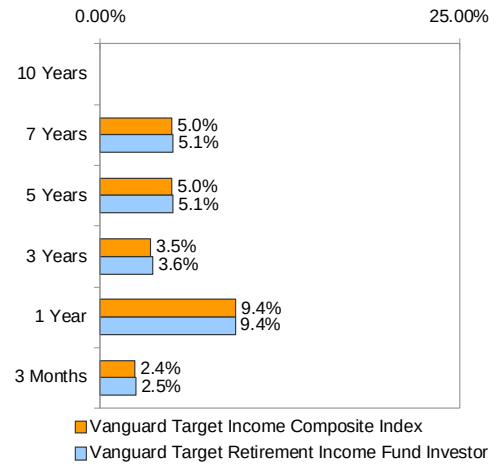
As of 12/31/2010					4Q 2010 Quarter-End Weight %											
Fund	Benchmark	Quarter Fund Return%	Quarter Benchmark Return%	Excess Return	Income	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050	2055
Domestic Equity Funds	**MSCI Broad Market Index**		**11.7%**		**21.0%**	**25.0%**	**35.0%**	**40.0%**	**47.0%**	**52.0%**	**57.0%**	**63.0%**	**63.0%**	**63.0%**	**63.0%**	**63.0%**
Vanguard Total Stock Market Index Fund	MSCI US Broad Market Index	11.7%	11.7%	0.0%	21.1%	23.7%	33.8%	41.0%	46.5%	51.9%	57.1%	62.5%	62.8%	62.8%	62.9%	62.7%
					21.1%	**23.7%**	**33.8%**	**41.0%**	**46.5%**	**51.9%**	**57.1%**	**62.5%**	**62.8%**	**62.8%**	**62.9%**	**62.7%**
International Equity Funds	**MSCI ACWI ex US Investable Market Index (IMI)**		**7.1%**		**9.0%**	**11.0%**	**15.0%**	**18.0%**	**20.0%**	**23.0%**	**25.0%**	**27.0%**	**27.0%**	**27.0%**	**27.0%**	**27.0%**
Vanguard Total International Stock Index Fund	MSCI ACWI ex US Investable Market Index (IMI)	7.1%	7.1%	0.1%	9.0%	10.5%	14.6%	17.7%	20.0%	22.2%	24.5%	26.7%	27.1%	27.1%	27.0%	27.2%
					9.0%	**10.5%**	**14.6%**	**17.7%**	**20.0%**	**22.2%**	**24.5%**	**26.7%**	**27.1%**	**27.1%**	**27.0%**	**27.2%**
Fixed Income Funds	**Barclays U.S. Aggregate Bond Index**		**-1.4%**		**45.0%**	**43.0%**	**40.0%**	**42.0%**	**33.0%**	**25.0%**	**18.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**
Vanguard Total Bond Market II Index Fund	Barclays US Aggregate Bond Index	-1.4%	-1.4%	0.0%	45.0%	44.1%	40.5%	40.3%	33.5%	25.9%	18.4%	10.8%	10.1%	10.1%	10.1%	10.1%
Fixed Income Funds	**Barclays U.S. Treasury Inflation Protected Index**		**-0.7%**		**20.0%**	**18.0%**	**10.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Vanguard Inflation-Protected Securities Fund	Barclays U.S. Treasury Inflation Protected Index	-0.7%	-0.7%	-0.1%	19.9%	17.8%	10.7%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
					64.9%	**61.9%**	**51.2%**	**41.3%**	**33.5%**	**25.9%**	**18.4%**	**10.8%**	**10.1%**	**10.1%**	**10.1%**	**10.1%**
Short Term Funds	**CG 3-Month T-bill**		**0.0%**		**5.0%**	**3.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Vanguard Prime Money Market Fund	Average Money Market Fund	0.0%	0.0%	0.0%	5.0%	3.9%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
					5.0%	**3.9%**	**0.4%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

Target Allocation
Actual Allocation

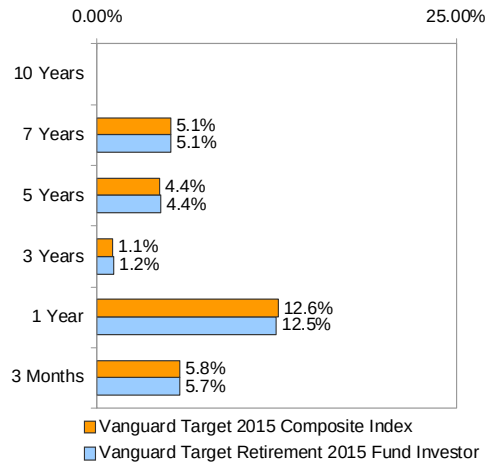
Fund Profile

Lifecycle - Vanguard Target Retirement Funds

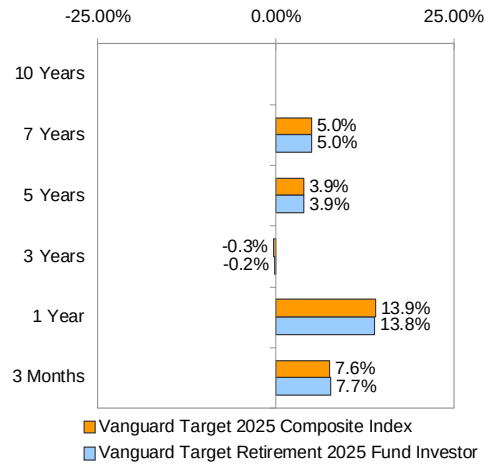
Vanguard Target Retirement Income Fund Investor



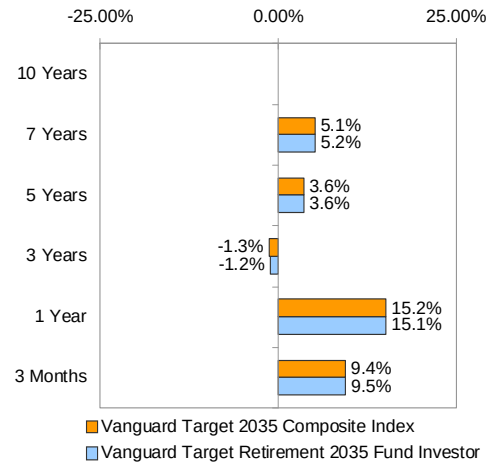
Vanguard Target Retirement 2015 Fund Investor



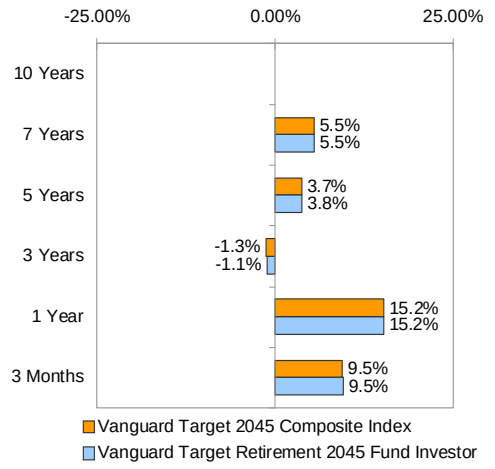
Vanguard Target Retirement 2025 Fund Investor



Vanguard Target Retirement 2035 Fund Investor

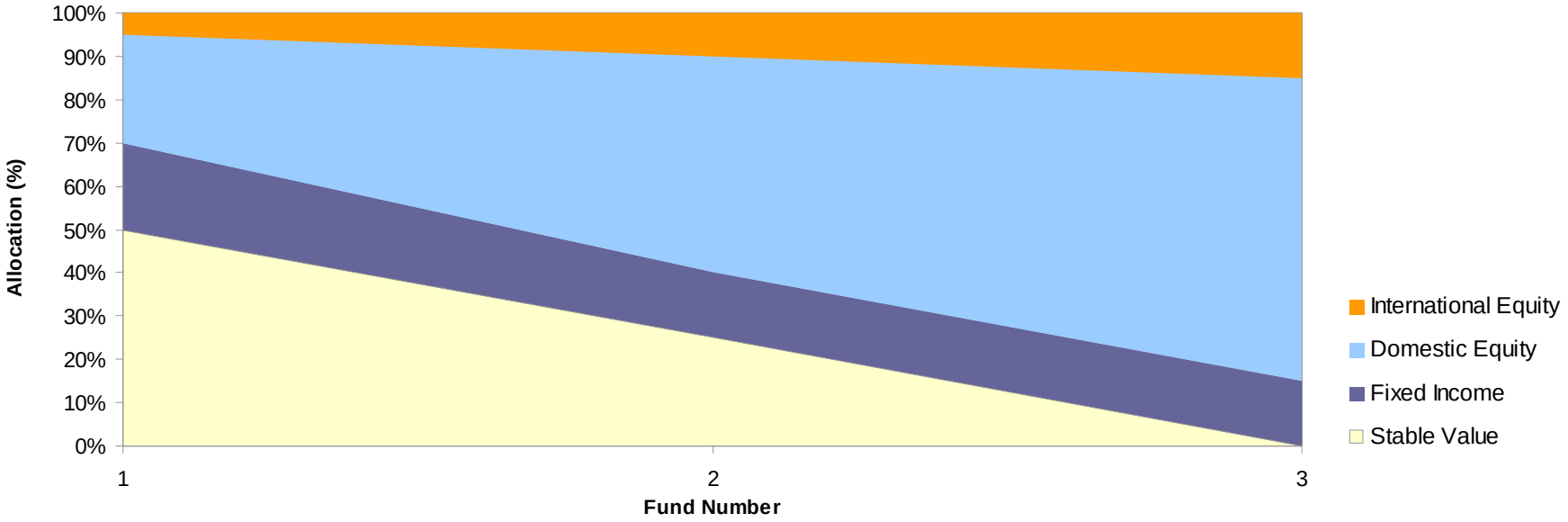


Vanguard Target Retirement 2045 Fund Investor



Fund Profile

ING Nevada Lifestyle – Asset Class Allocation



		Stable Value	Fixed Income	Domestic Equity	International Equity
1	Nevada Conservative Lifestyle	50.0%	20.0%	25.0%	5.0%
2	Nevada Moderate Lifestyle	25.0%	15.0%	50.0%	10.0%
3	Nevada Aggressive Lifestyle	0.0%	15.0%	70.0%	15.0%

Fund Profile

ING Nevada Lifestyle – Portfolio Level Allocation

Underlying Funds	Conservative	Moderate	Aggressive
ING Stable Value	50.0%	25.0%	0.0%
Vanguard Total Bond Market Index	20.0%	15.0%	15.0%
Fidelity Contrafund	20.0%	10.0%	10.0%
Allianz NFJ Dividend Value Fund	0.0%	10.0%	10.0%
American Funds Growth Fund of America	0.0%	10.0%	20.0%
Vanguard Mid-Cap Index	0.0%	10.0%	15.0%
Vanguard Small-Cap Index	5.0%	10.0%	15.0%
Dodge & Cox International Stock Fund	5.0%	10.0%	15.0%
Total	**100.0%**	**100.0%**	**100.0%**

Fund Profile

Domestic Fixed - Passive - SSgA Bond Market NL Series

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

Investment Philosophy

SSgA Bond Market Series seeks to match the performance of the Barclays Capital US Aggregate Index by investing in government, corporate, mortgage-backed, commercial mortgage-backed, and asset-backed securities in the same proportion as the index. The fund is invested in a well-diversified portfolio that is representative of the broad domestic bond market.

Portfolio Analysis & Key Observations

The following comments relate to the performance of the *Barclays Capital US Aggregate Bond Index*.

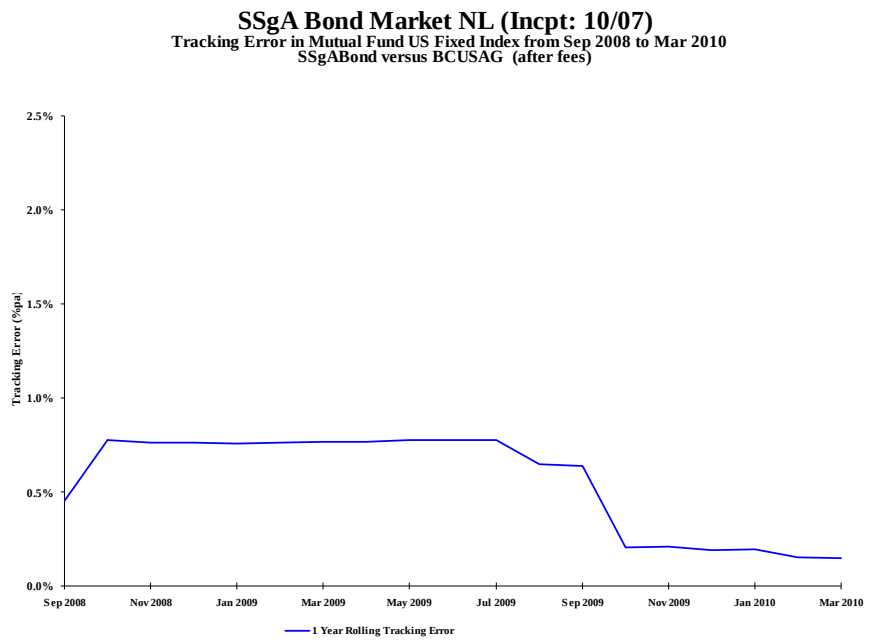
Positive Impact on Performance

- Higher quality bonds generally outperformed lower quality bonds
- Strongest performing sectors included CMBS (0.9% return) and MBS Passthroughs (0.2% return)

Negative Impact on Performance

- Weakest performing sectors were treasuries (-2.6% return), government related (-1.7% return), utilities (-2.5% return) and industrials (-2.1% return) within corporate bonds

Tracking Error



Key Facts and Figures

Portfolio Manager: Multiple	Total Fund Assets: $1,737 Million	Expense Ratio (Net): 0.15% Mercer Median Expense Ratio (Net): 0.24%

Fund Profile

Domestic Fixed - Passive - Vanguard Total Bond Market Index Fund Inst - VBTIX

Share Class: Inst	**Benchmark: Barclays Capital 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.

Portfolio Analysis & Key Observations

The following comments relate to the performance of the *Barclays Capital US Aggregate Bond Index*.

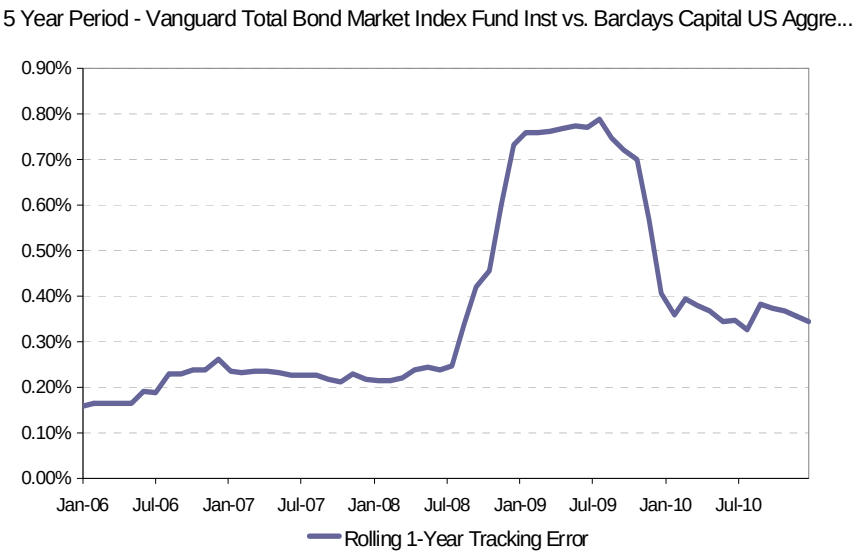
Positive Impact on Performance

- Higher quality bonds generally outperformed lower quality bonds
- Strongest performing sectors included CMBS (0.9% return) and MBS Passthroughs (0.2% return)

Negative Impact on Performance

- Weakest performing sectors were treasuries (-2.6% return), government related (-1.7% return), utilities (-2.5% return) and industrials (-2.1% return) within corporate bonds

Tracking Error



Key Facts and Figures

Portfolio Manager: Kenneth E. Volpert; Gregory Davis	Total Fund Assets: $86,275 Million	Expense Ratio (Net): 0.13%
Portfolio Manager Average Tenure: 10.0 Years	Total Share Class Assets: $20,419 Million	Mercer Median Expense Ratio (Net): 0.24%

Fund Profile

Domestic Equity - Passive - Vanguard Institutional Index Fund Institutional - VINIX

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

Investment Philosophy

The Fund attempts to provide investment results that parallel the performance of the S&P 500 Index. Given this objective, the portfolio is expected to provide investors with long-term growth of capital and income as well as a reasonable level of current income. The Fund employs a "passive management" - or indexing - investment approach designed to track the performance of the Standard & Poor 500 Index, a widely recognized benchmark of US stock market performance that is dominated by the stocks of large US companies. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

Portfolio Analysis & Key Observations

The following comments relate to the performance of the *S&P 500 Index.*

Positive Impact on Performance

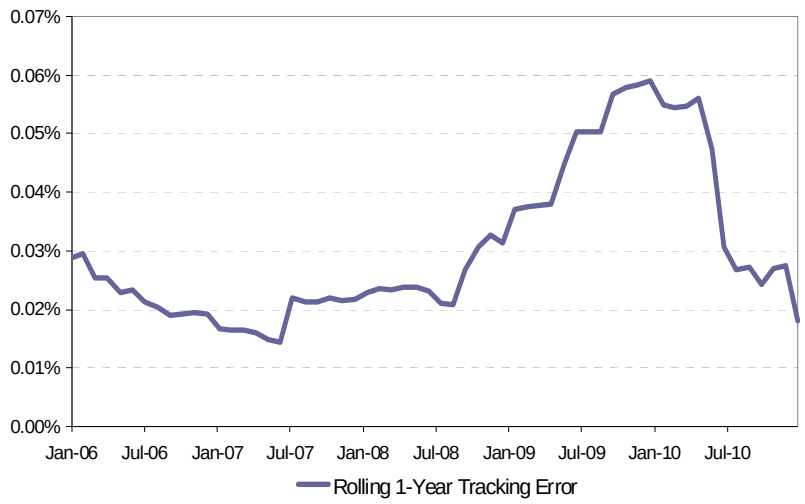
- Top performing sectors were energy (21.5% return), materials (19.0% return), and consumer discretionary (12.6% return)
- Individual contributors to performance: Exxon Mobil (19.1% return), Apple (13.7% return), and Schlumberger (35.9% return)

Negative Impact on Performance

- Weakest performing sectors were utilities (1.1% return), health care (3.5% return), and consumer staples (6.1% return)
- Individual detractors from performance: Cisco Systems (-7.6% return), Abbott Laboratories (-7.5% return), and Berkshire Hathaway (-3.1% return)

Tracking Error

5 Year Period - Vanguard Institutional Index Fund Institutional vs. S&P 500

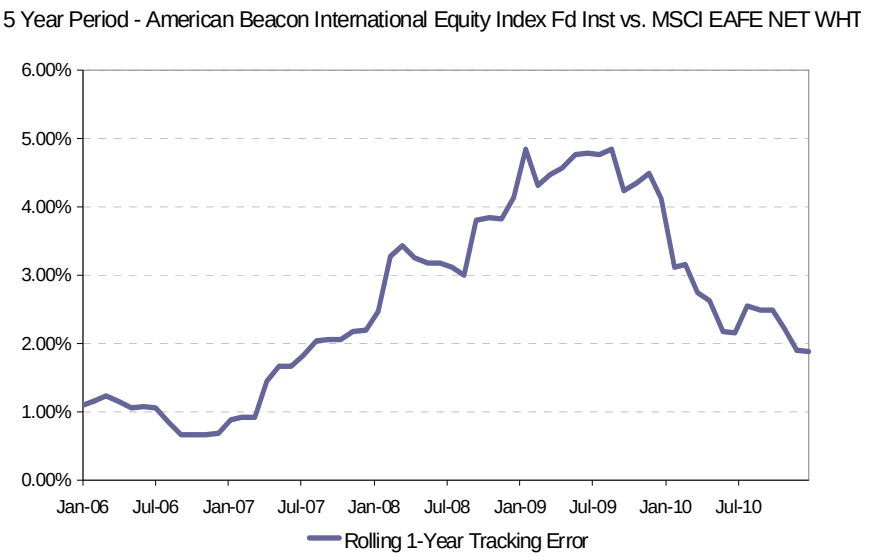


Key Facts and Figures

Portfolio Manager: Donald M. Butler	Total Fund Assets: $88,329 Million	Expense Ratio (Net): 0.05% (Hartford); 0.11% (ING)
Portfolio Manager Average Tenure: 10.0 Years	Total Share Class Assets: $54,686 Million	Mercer Median Expense Ratio (Net): 0.21%

Fund Profile

International Equity - Passive - American Beacon International Equity Index Fd Inst - AIIIX

Share Class: Inst	**Benchmark: MSCI EAFE NET WHT**
Investment Philosophy	
The fund attempts to provide investment results that parallel the performance of the MSCI EAFE Index.	
Portfolio Analysis & Key Observations	**Tracking Error**
The following comments relate to the performance of the MSCI EAFE Index **Positive Impact on Performance** ▪ Top-performing sectors included materials (17.9% return), information technology (10.8% return), industrials (10.6%), energy (10.1% return) and consumer discretionary (9.1% return) **Negative Impact on Performance** ▪ Worst-performing sectors included financials (1.5% return), telecommunications (2.1% return), utilities (2.4% return), health care (2.6% return) and consumer staples (3.9% return)	

Key Facts and Figures		
Portfolio Manager: Cynthia Thatcher; Debra L. Jelilian; Wyatt Crumpler Portfolio Manager Average Tenure: 3.5 Years	Total Fund Assets: $326 Million Total Share Class Assets: $326 Million	Expense Ratio (Net): 0.23% Mercer Median Expense Ratio (Net): 0.48%

Fund Profile

International Equity - Passive - Vanguard Developed Markets Index Fund Investor - VDMIX

Share Class: Investor	**Benchmark: MSCI EAFE NET WHT**
Investment Philosophy	
The fund attempts to provide investment results that parallel the performance of the MSCI EAFE Index.	
Portfolio Analysis & Key Observations	**Tracking Error**

The following comments relate to the performance of the MSCI EAFE Index

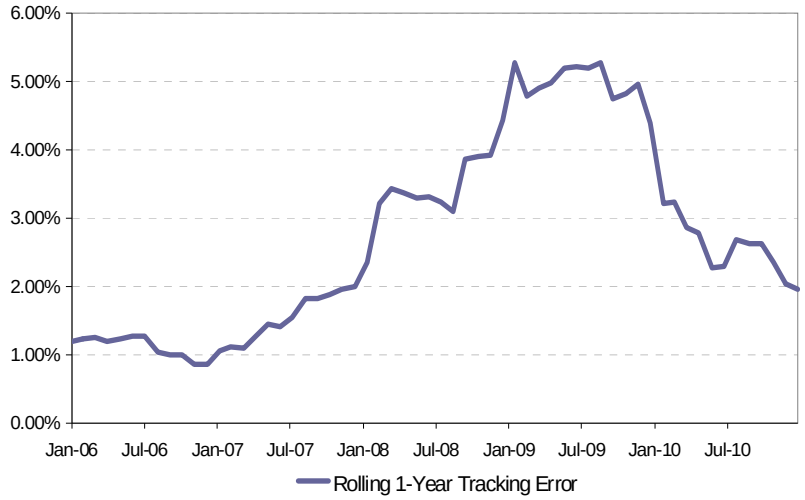
Positive Impact on Performance

- Top-performing sectors included materials (17.9% return), information technology (10.8% return), industrials (10.6%), energy (10.1% return) and consumer discretionary (9.1% return)

Negative Impact on Performance

- Worst-performing sectors included financials (1.5% return), telecommunications (2.1% return), utilities (2.4% return), health care (2.6% return) and consumer staples (3.9% return)

5 Year Period - Vanguard Developed Markets Index Fund Investor vs. MSCI EAFE NET WHT



Key Facts and Figures

Portfolio Manager: Donald M. Butler	Total Fund Assets: $9,078 Million	Expense Ratio (Net): 0.28%
Portfolio Manager Average Tenure: 0.0 Years	Total Share Class Assets: $3,265 Million	Mercer Median Expense Ratio (Net): 0.48%

Fund Profile

Domestic Equity - Passive - SSgA S&P Midcap NL Series

Share Class:	**Benchmark: S&P 400 MidCap**

Investment Philosophy

SSgA S&P Midcap Index seeks to gain exposure to mid-size capitalization U.S. companies by replicating the returns and characteristics of the S&P MidCap 400 Index. Using a replication process, we purchase each security for the S&P Mid Cap 400 Index Strategy in the same capitalization weight as it appears in the S&P MidCap 400 Index. Replication results in low turnover, accurate tracking and low costs. The approach is to buy and hold securities, trading only when there is a change in the composition of the Index or when cash flow activity occurs in the Strategy.

Portfolio Analysis & Key Observations

The following comments relate to the performance of the S&P MidCap 400 Index.

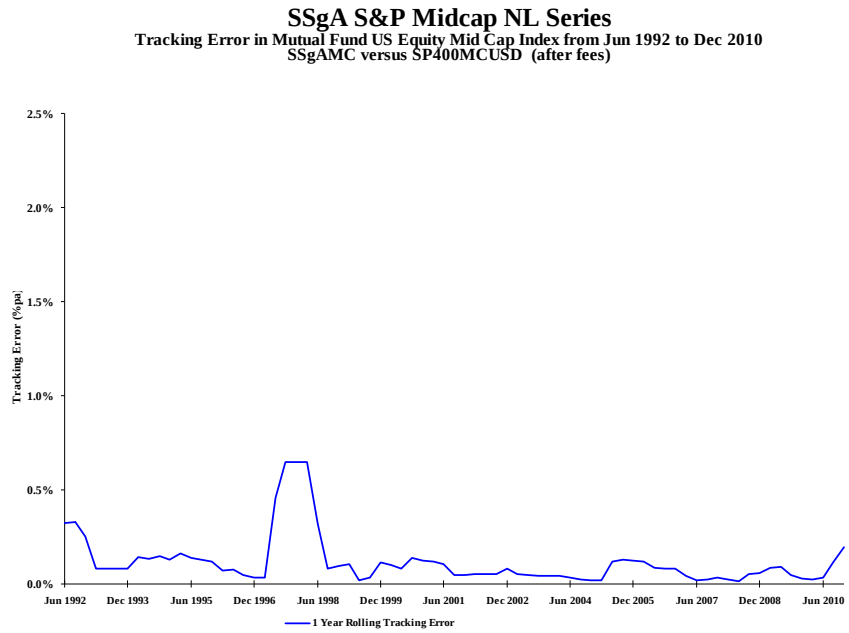
Positive Impact on Performance

- Top-performing sectors included energy (24% return), industrials (19% return) and information technology (17% return)

Negative Impact on Performance

- Weakest-performing sectors included utilities (6% return), financials (9% return) and telecommunications (9% return)

Tracking Error



Key Facts and Figures

Portfolio Manager: Multiple	Total Fund Assets: $3,392 Million	Expense Ratio (Net): 0.05% Mercer Median Expense Ratio (Net): 0.30%

Fund Profile

Domestic Equity - Passive - Vanguard Mid-Cap Index Fund Signal - VMISX

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

Investment Philosophy

The fund seeks to track the investment performance of the Morgan Stanley Capital International (MSCI) US Mid Cap 450 Index, an unmanaged benchmark representing medium-sized U.S. 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.

Portfolio Analysis & Key Observations

The following comments relate to the MSCI US Mid Cap 450 Index

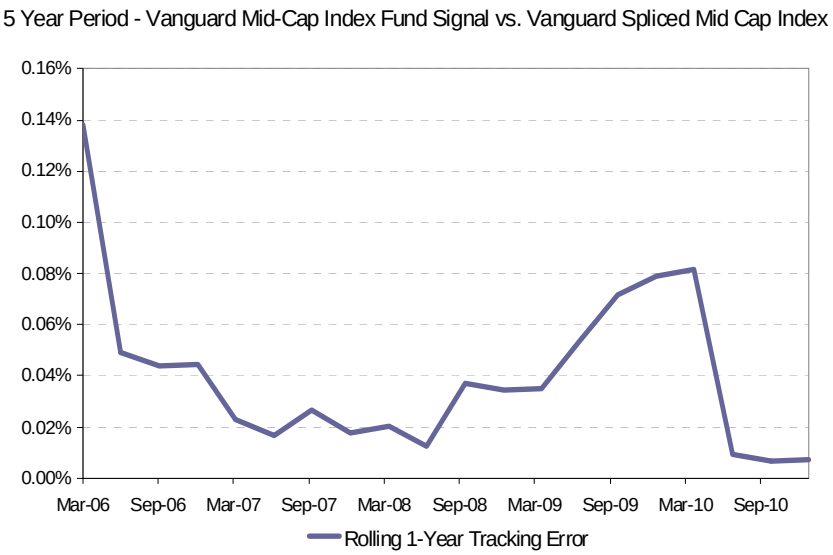
Positive Impact on Performance

- All ten sectors posted positive gains
- The top-performing sector was energy (>25% return) followed by industrials, materials and consumer discretionary (each 16%-17%)

Negative Impact on Performance

- The weakest-performing sector was utilities (about 4% return)

Tracking Error



Key Facts and Figures

Portfolio Manager: Donald M. Butler	Total Fund Assets: $25,620 Million	Expense Ratio (Net): 0.20%
Portfolio Manager Average Tenure: 12.0 Years	Total Share Class Assets: $2,831 Million	Mercer Median Expense Ratio (Net): 0.30%

Fund Profile

Domestic Equity - Passive - Vanguard Small-Cap Index Fund Signal - VSISX

Share Class: Signal	**Benchmark: Vanguard Spliced Small Cap Index**

Investment Philosophy

The Fund seeks to track the investment performance of the Morgan Stanley Capital International (MSCI) US Small Cap 1750 Index, an unmanaged benchmark representing small U.S. 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 Russell 2000 Index.

Portfolio Analysis & Key Observations

The following comments relate to the MSCI US Small Cap 1750 Index.

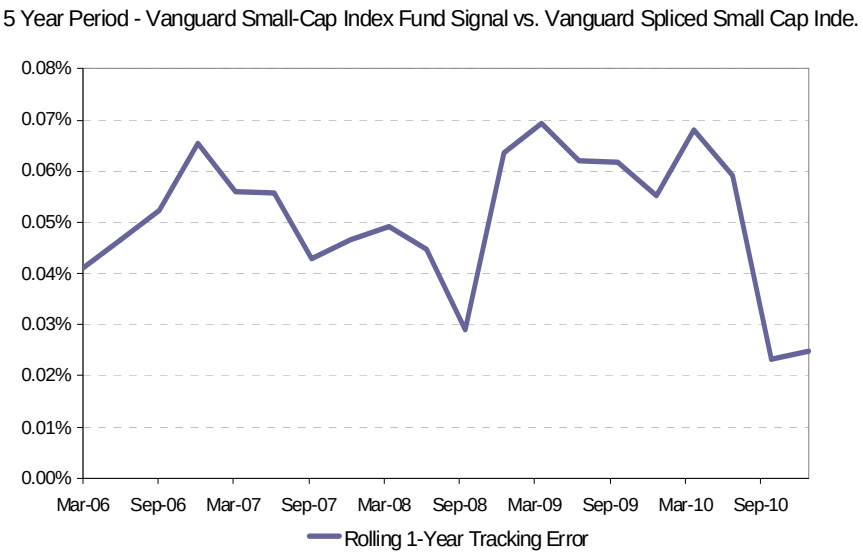
Positive Impact on Performance

- Top-performing sectors included materials (18.9% return), industrials (18.6% return) and information technology (17.3% return)

Negative Impact on Performance

- Weakest-performing sectors included telecommunications (7.9% return) and utilities (5.1% return)

Tracking Error



Key Facts and Figures

Portfolio Manager: Michael H. Buek	Total Fund Assets: $23,677 Million	Expense Ratio (Net): 0.13% (Hartford); 0.20% (ING)
Portfolio Manager Average Tenure: 19.0 Years	Total Share Class Assets: $2,300 Million	Mercer Median Expense Ratio (Net): 0.30%

Fund Profile

Stable Value - Hartford General Account

Share Class: N/A	**Benchmark: Citigroup TBill + 100 bp Premium**

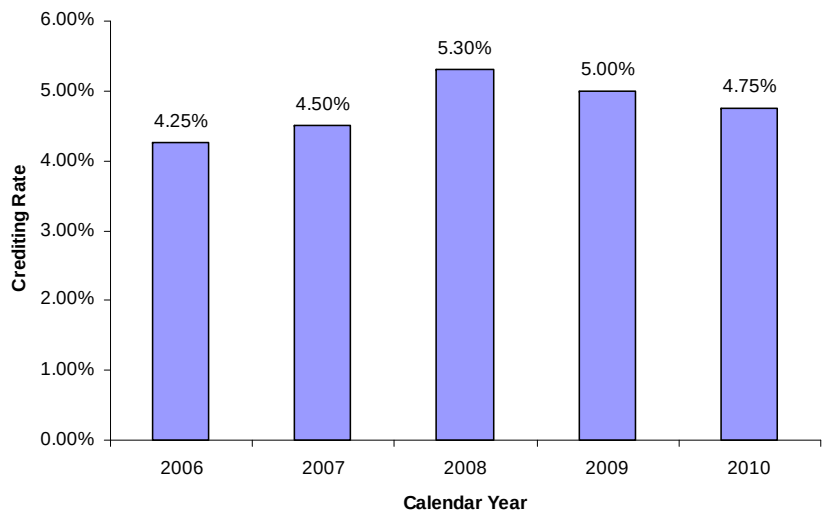
Investment Philosophy

The primary investment objective of Hartford Life's General Account is to maximize economic value consistent with acceptable risk parameters, including the management of credit risk and interest rate sensitivity of invested assets, while generating sufficient after-tax income to support policyholder and corporate obligations. The General (Declared Rate) Account is available through a group annuity contract or group funding agreement. The General (Declared Rate) Account investment choice is part of Hartford's General Account, which includes its company assets. General Account rates are guaranteed by the claims-paying ability of Hartford Life Insurance Company. Hartford credits interest on contributions made to the General Account at a rate declared for the calendar quarter in which they are received. The assets in the General (Declared Rate) Account are pooled. The fund is managed to a duration of 4 to 4.5 years.

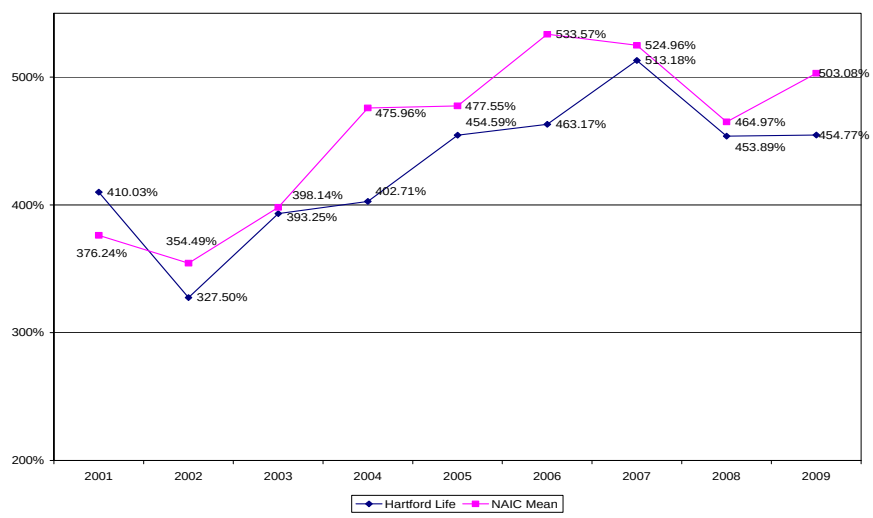
Financial Strength Ratings/Outlook for Hartford Life Insurance Co. (Date of Last Rating Agency Action)

Fitch	**Moody's**	**Standard & Poor's**
A- (3/16/10) Affirmed; Strong	A3 (03/30/09) Downgraded from A1; Good	A (6/15/09) Affirmed; Strong

Crediting Rate as of December 31, 2010



Risk-Based Capital Ratio*



Key Facts and Figures

Portfolio Manager: Hartford Investment Management Company (HIMCO)	Hartford Life Insurance Company and Subsidiaries Total Investments: $61,423 Million	Expense Ratio (Net): 0.60% Mercer Median Expense Ratio (Net): 0.30%

* 4Q 2010 data will be released by March 31, 2010.

Hartford Financial Strength Report

Financial Strength Ratings

In discussing the financial viability of insurance companies, consideration is given to the financial strength ratings or comparable ratings provided by the major rating agencies such as A.M. Best Company, Fitch, Moody's, and Standard & Poor's. The rating from each of these firms reflects each firm's opinion concerning the ability of an insurance company to meet its contractual obligations in the future. Each rating is based on both quantitative and qualitative considerations unique to each rating agency.

With respect to fixed annuity products, it is Mercer's preference for such companies to maintain "A" or higher ratings from A.M. Best and "A+/A1" or higher ratings from the other rating agencies.

The following table summarizes Hartford Life's ratings from A.M. Best, Fitch, Moody's, and S&P. A table is also provided that reflects the range of ratings assigned by those rating services.

Current Ratings of Underwriting Insurance Companies*

Underwriting Insurance Company	A.M. Best[1]	Fitch	Moody's	Standard & Poor's
Hartford Life Insurance Company	Ag (03/24/10)	A- (03/16/10)	A3 (03/30/09)	A (06/15/2009)
	Affirmed	Affirmed	Downgraded from A1	Affirmed
	Excellent	Strong	Good	Strong

* *Ratings as of 05/05/2010.*

(1) *A.M. Best Notes: g = Group rating; p = Pooled rating; u = Under review.*

Investment Grade Ratings of Various Rating Services

A.M. Best	Fitch*	Moody's*	S&P*
A++	AAA	Aaa	AAA
A+	AA+	Aa1	AA+
A	AA	Aa2	AA
A-	AA-	Aa3	AA-
B++	A+	A1	A+
B+	**A**	**A2**	**A**
B	A-	A3	A-
B-	BBB+	Baa1	BBB+
C++	BBB	Baa2	BBB
C+	BBB-	Baa3	BBB-

***Companies having ratings of "BBB-/Baa3" or higher are considered to be investment grade.**

Risk Based Capital Ratio

The risk based capital ratio is a regulatory calculation that evaluates the amount of capital a firm should maintain given the assets and the liabilities maintained by the insurance company. The higher a company's risk based capital ratio the better.

For a company's risked based capital ratio it is Mercer's expectation that this ratio be 150% or higher. This represents a premium above the minimum regulatory requirement of 125%.

	2006 Risk-Based Capital Ratio %[2]	Percentile[3]	2007 Risk-Based Capital Ratio %[2]	Percentile[3]	2008 Risk-Based Capital Ratio %[2]	Percentile[3]	2009 Risk-Based Capital Ratio %[2]	Percentile[3]
Hartford Life Insurance Company	463.17	64	513.18	72	453.89	73	454.77	62

[2] *Data Source: National Association of Insurance Commissioners, by permission. The NAIC does not endorse any analysis or conclusion based upon the use of its data. Data as of December 31 for each year.*
[3] *This Peer Group contains the largest life insurance companies based on invested assets. There were 211 companies in 2009, 212 companies in 2008, 217 companies in 2007 and 225 companies in 2006.*

Invested Assets

Invested assets is a measurement of the size of an insurance company where the insurance company bears the investment risk and mortality risk of a product rather than the policyholder. Any short fall in investment performance or mortality is borne by the insurance company rather than the policyholder.

	2007 Invested Assets Millions($)[4]	Percentile[5]	2008 Invested Assets Millions($)[4]	Percentile[5]	2009 Invested Assets Millions($)[4]	Percentile[5]	3rd Qtr 2010 Invested Assets Millions($)[4]	Percentile[5]
Hartford Life Insurance Company	37,498	89	39,252	90	34,872	89	$34,151	91

[4] *Data Source: National Association of Insurance Commissioners, by permission. The NAIC does not endorse any analysis or conclusion based upon the use of its data. Data as of December 31 for each year.*
[5] *This Peer Group contains the largest life insurance companies based on invested assets. There were 211 companies in 3rd Quarter 2010, 211 companies in 2009, 212 companies in 2008 and 217 companies in 2007.*

Adjusted Capital and Surplus

Adjusted capital and surplus reflects the amount by which the assets of a company exceeds its liabilities. This measure reflects the net worth of the company. The larger the adjusted capital and surplus position the better.

	2007 Adj. C&S $[4]	Percentile[5]	2008 Adj. C&S $[4]	Percentile[5]	2009 Adj. C&S $[4]	Percentile[5]	3rd Qtr 2010 Adj. C&S $[4]	Percentile[5]
Hartford Life Insurance Company	4,881	92	4,109	92	5,367	92	$6,040	95

[4] *Data Source: National Association of Insurance Commissioners, by permission. The NAIC does not endorse any analysis or conclusion based upon the use of its data. Data as of December 31 for each year.*
[5] *This Peer Group contains the largest life insurance companies based on invested assets. There were 211 companies in 3rd Quarter 2010, 211 companies in 2009, 212 companies in 2008 and 217 companies in 2007.*

Adjusted Capital and Surplus/ Invested Assets

Adjusted capital and surplus as a percentage of invested assets reflects the net worth of a company relative to its size. The expectation is that this ratio exceed 6%.

	2007 Adj. C & S/ Invested Assets %[4]	Percentile[5]	2008 Adj. C & S/ Invested Assets %[4]	Percentile[5]	2009 Adj. C & S/ Invested Assets %[4]	Percentile[5]	3rd Qtr 2010 Adj. C & S/ Invested Assets %[4]	Percentile[5]
Hartford Life Insurance Company	13.02	58	10.47	50	15.39	70	17.69	77

[4] *Data Source: National Association of Insurance Commissioners, by permission. The NAIC does not endorse any analysis or conclusion based upon the use of its data. Data as of December 31 for each year.*
[5] *This Peer Group contains the largest life insurance companies based on invested assets. There were 211 companies in 3rd Quarter 2010, 211 companies in 2009, 212 companies in 2008 and 217 companies in 2007.*

***Note**: Mercer (US) Inc. (Mercer) advises benefit plan trustees and others in connection with the selection of annuity providers. While it is our business to collect, summarize and explain information that is useful in such decisions and to assist in completing the transaction once a client has made a placement decision, we cannot guarantee or make representations regarding the solvency of particular financial institutions. Published financial strength ratings cited in our reports are supplied by independent ratings agencies, based in part on information not available to Mercer. All information is gathered from sources considered reliable, but Mercer cannot warrant the accuracy of such information, nor are we responsible in any way for changes in the financial condition of the financial institution(s) chosen subsequent to the transaction. We encourage you to place your business with institutions that have received high ratings and are in good financial standing. High ratings and financial strength are not guarantees of future solvency, but they can be key indicators of an institution's future ability to meet its obligations.*

Fund Profile

Stable Value - ING Stable Value Fund

Share Class: Instl	**Benchmark: Citigroup TBill + 100 bp Premium**

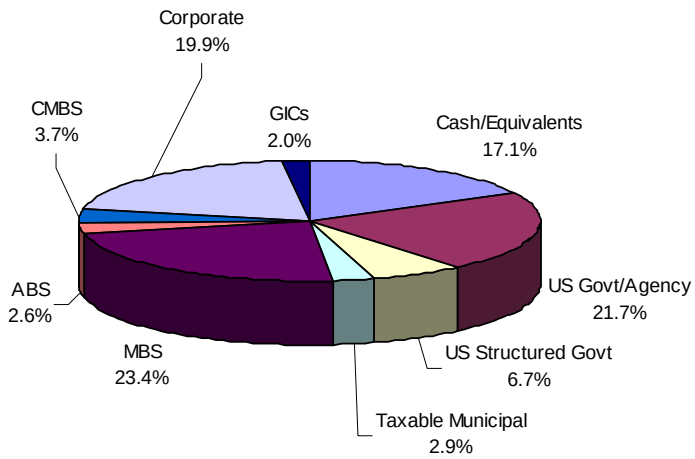
Investment Philosophy

The fund is designed to provide safety of principal, adequate liquidity and competitive yield with low return volatility. The fund intend to achieve this objective by investing in a variety of stable value investments such as Guaranteed Investment Contracts and security backed investment contracts issued by high quality financial institutions (AA rated or higher) as well as stable value collective funds and money market funds. Security backed contracts are backed by high quality, marketable fixed income securities which provide a credited rate of interest based on the yields of the underlying securities. The underlying fixed income security exposure is obtained by investing in collective funds managed by the sub-advisor for this purpose or may be purchased directly by the sub-advisor. Securities backing investment contracts are all investment grade at time of purchase with a minimum average quality rating of AA.

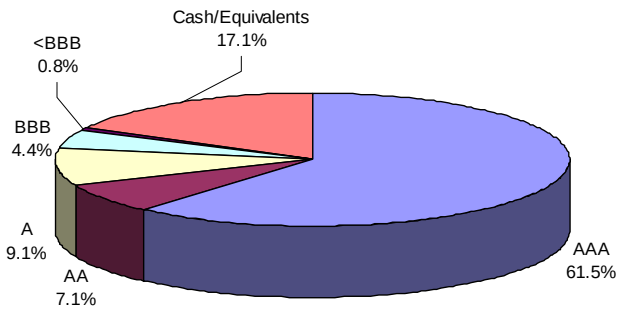
Characteristics

- MV/BV: 102.5%
- Gross Yield: 3.34%
- Effective Duration: 2.99 years
- Ave. Quality of Underlying: AA+
- Ave. Contract Quality: AA-

Sector Allocation as of December 31, 2010



Quality Allocation as of December 31, 2010



Key Facts and Figures

Portfolio Manager: Multiple	Total Fund Assets: $243 million	Expense Ratio (Net): 0.75% Mercer Median Expense Ratio: 0.30%

Fund Profile

Stable Value - Wells Fargo Stable Return (sub-advisor of ING Stable Value Fund)

Share Class: N/A | **Benchmark: Citigroup TBill + 100 bp Premium**

Investment Philosophy

The Wells Fargo Stable Return fund aims to produce consistent returns with minimal volatility. The fund focuses on highly rated book value investment instruments and diversifies broadly among contract issuers and underlying securities. The fund places an emphasis on security backed investment contracts to enhance quality, diversification, and investment returns.

Portfolio Analysis & Key Observations

- Market-to-book decreased from 102.9% to 101.7%
- Duration increased slightly

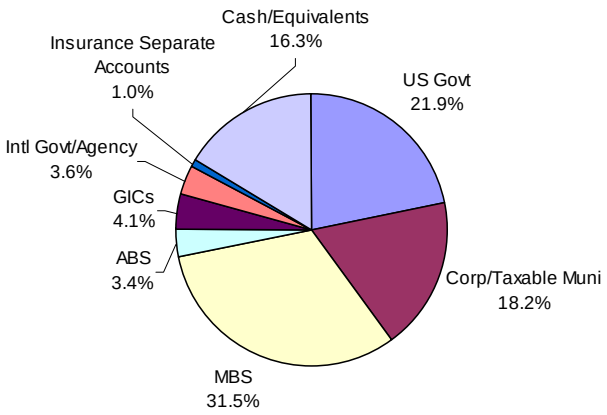
Characteristics as of December 31, 2010

- Blended Yield (before fees): 2.88%
- Effective Duration: 2.67 years
- Number of Contract Issuers: 15 (3424 underlying issuers)
- Average Quality (underlying assets): Aa1/AA+
- MV/BV Ratio: 101.7%

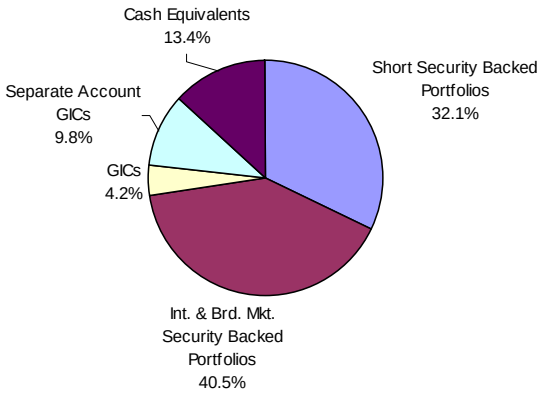
Top 5 Issuers as of December 31, 2010

- JP Morgan Chase Bank
- Monumental Life Insurance Co.
- Metropolitan Life Insurance Co.
- Pacific Life Insurance Co.
- Prudential

Fund Composition as of December 31, 2010



Portfolio Distribution (contract level) as of December 31, 2010



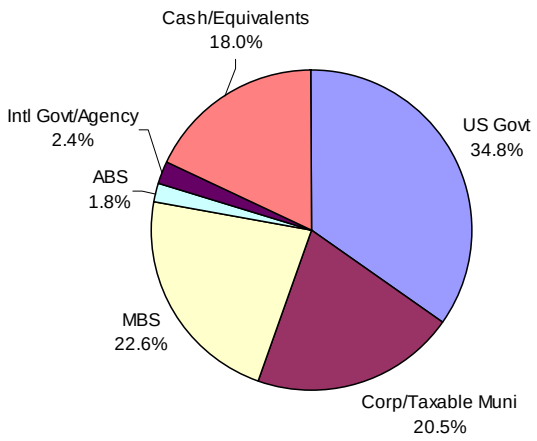
Key Facts and Figures

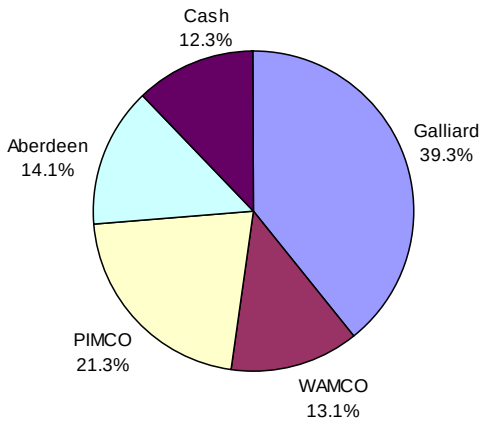
Portfolio Advisor: Galliard Capital Management	Total Fund Assets: $21,377 Million	Portfolio Managers: Karl Touville and John Caswell

Fund Profile

Stable Value – Galliard Managed Income Fund (sub-advisor of ING Stable Value Fund)

Share Class: N/A	**Benchmark: Citigroup TBill + 100 bp Premium**
Investment Philosophy	
The Galliard Managed Income Fund aims to produce consistent returns with minimal volatility. The fund employs a multi-manager strategy for style diversification. All fund assets are rated investment grade at time of purchase with an average portfolio quality of AA or better. The fund uses benefit responsive wrap contracts issued by four financial institutions providing for stability of return and investor payments at book value.	
Characteristics as of December 31, 2010	**Contract Issuers** as of September 30, 2010
▪ Blended Yield (before fees): 3.79% ▪ Effective Duration: 3.30 years ▪ Average Quality (contract level): Aa3/ AA- ▪ MV/BV Ratio: 103.4%	▪ Monumental Life Insurance Co. ▪ J.P. Morgan Chase Bank N.A. ▪ Bank of America N.A. ▪ Natixis Financial Products Inc.
Sector Allocation (underlying assets) as of December 31, 2010	**Fund Diversification** as of September 30, 2010





Key Facts and Figures		
Portfolio Advisor: Galliard Capital Management, Inc.; PIMCO; Aberdeen; Western Asset Management	Total Fund Assets: $2,537 Million	Portfolio Managers: Erol Sonderegger; Andrea Johnson

Fund Profile

Balanced - Invesco Van Kampen Equity & Income Fund Y - ACETX

Share Class: Y	**Benchmark: S&P 500 60% / 40% BC Aggregate**

Investment Philosophy

The fund invests primarily in income-producing equity instruments (including common stocks, preferred stocks and convertible securities) and investment grade quality debt securities. The Equity & Income Fund emphasizes a value style of investing; seeking well established, undervalued companies that offer the potential for income with safety of principal and long term growth of capital.

Portfolio Analysis & Key Observations

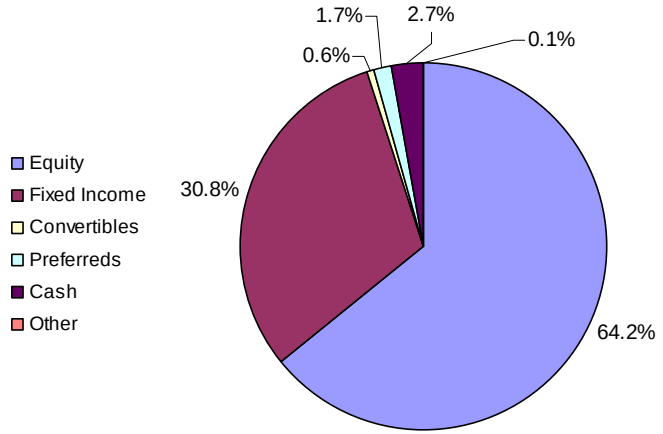
Positive Impact on Performance

- Overweight allocation to equities in a favorable equity environment
- Stock selection in financials
- Overweight allocation and stock selection in energy; underweight allocation and stock selection in health care
- Top 10 holdings: Anadarko Petroleum (33.7% return), Occidental Petroleum (25.8% return), and Marsh & McLennan (14.3% return)

Negative Impact on Performance

- Stock selection in information technology
- Top 10 holdings: American Electric Power (0.6% return), Viacom (9.9% return), and JPMorgan Chase & Co. (11.6% return)

Asset Allocation as of December 31, 2010



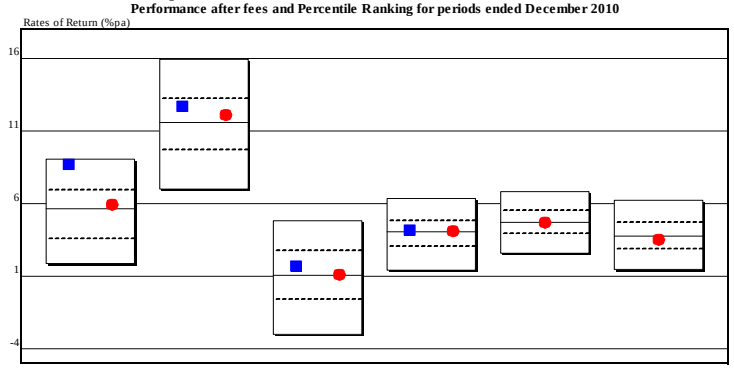
Key Facts and Figures

Portfolio Manager: James O. Roeder; Thomas B. Bastian; Sergio Marchelli Portfolio Manager Average Tenure: 4.3 Years	Total Fund Assets: $11,680 Million Total Share Class Assets: $466 Million	Expense Ratio (Net): 0.57% Mercer Median Expense Ratio (Net): 0.91%

Fund Profile

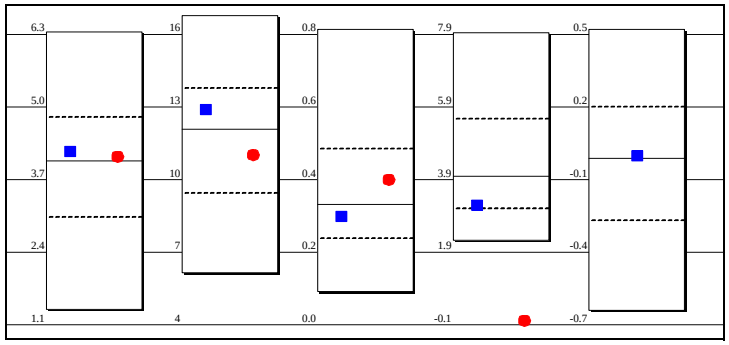
Balanced - Invesco Van Kampen Equity & Income Fund Y - ACETX

Comparison with the Mercer Mutual Fund US Balanced Universe
Performance after fees and Percentile Ranking for periods ended December 2010



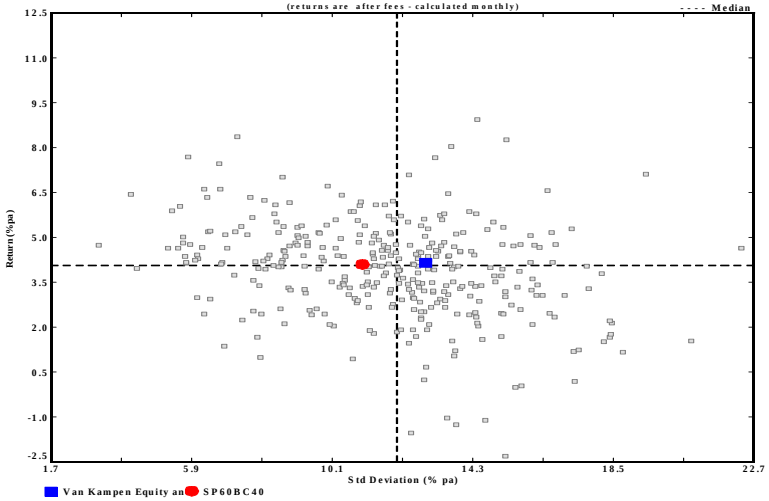
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
ity and Income I	8.7 *(6)*	12.7 *(33)*	1.7 *(40)*	4.2 *(46)*	na	na
SP60BC40	5.9	12.1	1.1	4.1	4.7	3.5
5th Percentile	9.1	15.9	4.8	6.3	6.8	6.2
Upper Quartile	6.9	13.2	2.8	4.8	5.5	4.7
Median	5.6	11.6	1.1	4.0	4.7	3.7
Lower Quartile	3.6	9.7	-0.6	3.0	3.9	2.9
95th Percentile	1.9	6.9	-3.0	1.4	2.6	1.4
Number of Funds	434	424	384	343	276	216

Comparison with the Mercer Mutual Fund US Balanced Universe
Risk and Return Characteristics vs. SP60BC40 and Percentile Ranking for the 5 years ended Dec 2010

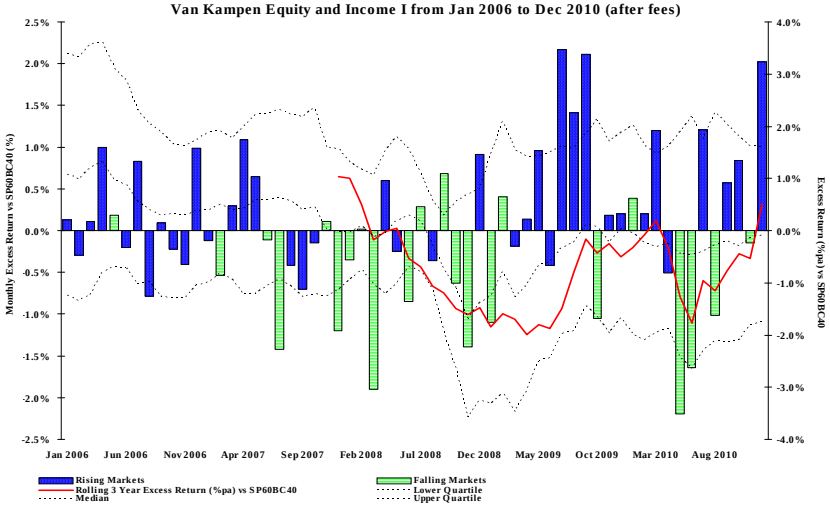


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
ity and Income I	4.2 *(46)*	12.9 *(37)*	0.3 *(54)*	3.2 *(72)*	0.0 *(46)*
SP60BC40	4.1 *(49)*	11.0 *(63)*	0.4 *(40)*	0.0 *(100)*	na
5th Percentile	6.3	16.8	0.8	7.9	0.5
Upper Quartile	4.8	13.7	0.5	5.6	0.2
Median	4.0	12.1	0.3	4.0	0.0
Lower Quartile	3.0	9.4	0.2	3.1	-0.3
95th Percentile	1.4	6.1	0.1	2.2	-0.6
Number of Funds	343	343	343	343	343

Comparison with the Mercer Mutual Fund US Balanced Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



Excess Return vs SP60BC40 in the Mercer Mutual Fund US Balanced Universe
Van Kampen Equity and Income I from Jan 2006 to Dec 2010 (after fees)



Fund Profile

Balanced - ING T. Rowe Price Cap Apprec I - ITRIX

Share Class: Inst	**Benchmark: S&P 500 60% / 40% BC Aggregate**

Investment Philosophy

The fund pursues an active asset allocation strategy allocated among equities, fixed income, and money market instruments. Within equity, management invests primarily in the common stocks of established companies believed to have above-average potential for capital growth. Remaining of the assets are invested in other securities, including convertibles, warrants, preferred stocks, corporate and government debt, futures, and options. Debt securities and convertible bonds may constitute a significant portion of the fund.

Portfolio Analysis & Key Observations

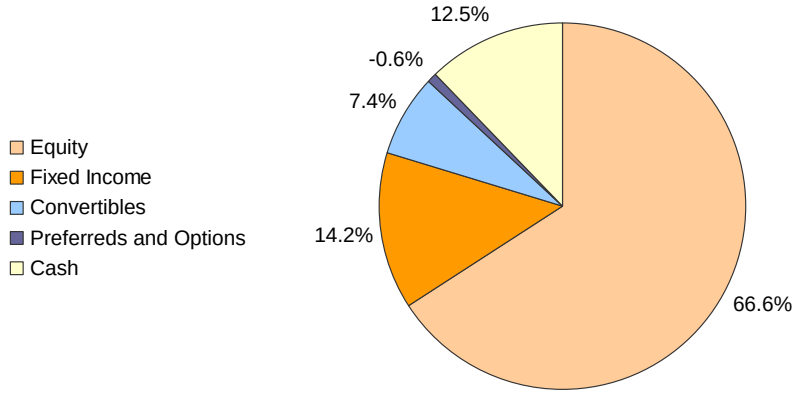
Positive Impact on Performance

- Overweight equities and convertibles in a favorable equity environment
- Top 10 holdings US Bancorp (25.0% return), Wells Fargo (23.6% return) and Thermo Fisher Scientific (15.6% return)

Negative Impact on Performance

- Underweight allocation to energy and materials; overweight allocation to consumer staples
- Top 10 holdings PepsiCo (-0.9% return), Pfizer (3.1% return) and Time Warner (5.7% return)

Asset Allocation as of December 31, 2010



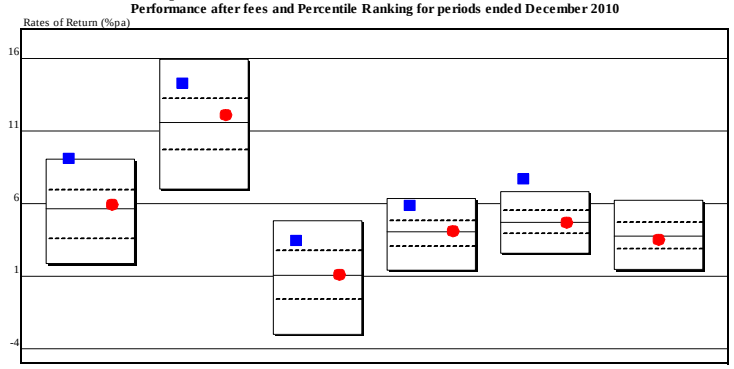
Key Facts and Figures

Portfolio Manager: David R. Giroux	Total Fund Assets: $4.1 billion	Expense Ratio (Net): 0.66%
Portfolio Manager Average Tenure: 2.8 Years		Mercer Median Expense Ratio (Net): 0.91%

Fund Profile

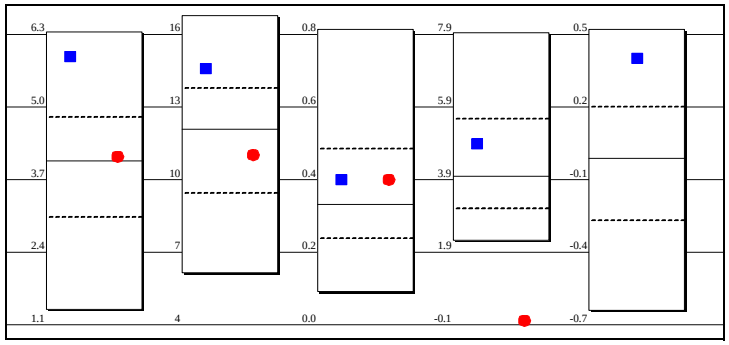
Balanced - ING T. Rowe Price Cap Apprec I - ITRIX

Comparison with the Mercer Mutual Fund US Balanced Universe
Performance after fees and Percentile Ranking for periods ended December 2010



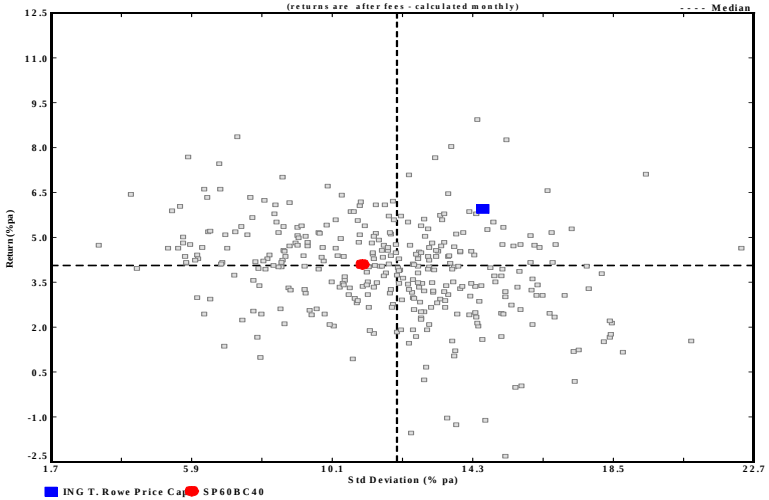
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
ice Cap Apprec I	9.1 *(5)*	14.3 *(13)*	3.5 *(13)*	5.9 *(8)*	7.7 *(2)*	na
SP60BC40	5.9	12.1	1.1	4.1	4.7	3.5
5th Percentile	9.1	15.9	4.8	6.3	6.8	6.2
Upper Quartile	6.9	13.2	2.8	4.8	5.5	4.7
Median	5.6	11.6	1.1	4.0	4.7	3.7
Lower Quartile	3.6	9.7	-0.6	3.0	3.9	2.9
95th Percentile	1.9	6.9	-3.0	1.4	2.6	1.4
Number of Funds	434	424	384	343	276	216

Comparison with the Mercer Mutual Fund US Balanced Universe
Risk and Return Characteristics vs. SP60BC40 and Percentile Ranking for the 5 years ended Dec 2010

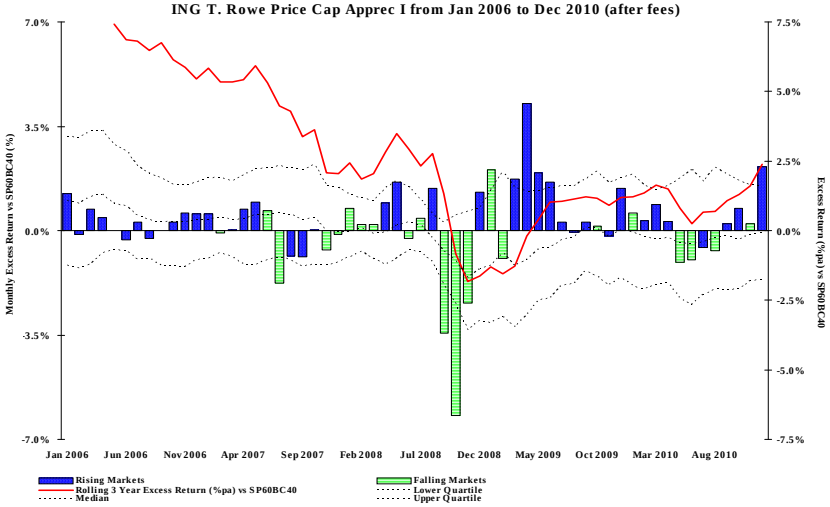


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
ice Cap Apprec I	5.9 *(8)*	14.6 *(17)*	0.4 *(35)*	4.9 *(36)*	0.4 *(11)*
SP60BC40	4.1 *(49)*	11.0 *(63)*	0.4 *(40)*	0.0 *(100)*	na
5th Percentile	6.3	16.8	0.8	7.9	0.5
Upper Quartile	4.8	13.7	0.5	5.6	0.2
Median	4.0	12.1	0.3	4.0	0.0
Lower Quartile	3.0	9.4	0.2	3.1	-0.3
95th Percentile	1.4	6.1	0.1	2.2	-0.6
Number of Funds	343	343	343	343	343

Comparison with the Mercer Mutual Fund US Balanced Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



Excess Return vs SP60BC40 in the Mercer Mutual Fund US Balanced Universe
ING T. Rowe Price Cap Apprec I from Jan 2006 to Dec 2010 (after fees)



Fund Profile

Domestic Equity - American Beacon Large Cap Value Fund Investor - AAGPX

Share Class: Investor	**Benchmark: Russell 1000 Value**

Investment Philosophy

The American Beacon Large Cap Value Fund seeks long-term capital appreciation and current income through a multi-manager approach. The Fund uses four subadvisers: Barrow, Hanley, Mewhinney & Strauss; Brandywine Asset Management; Hotchkis and Wiley Capital Management; and MFS Investment Management. Each of the advisers pursues a value style of investing by selecting stocks that have above-average earnings growth potential and are also selling at a discount to the market. The value determination is based on each company's financial profile, including price-to-earnings ratio, price-to-book-value ratio, assets carried below book value, dividend yield, and growth expectations. American Beacon Advisers' subadvisory approach offers clients the combined talent and experience of multiple well-known managers.

Portfolio Analysis & Key Observations

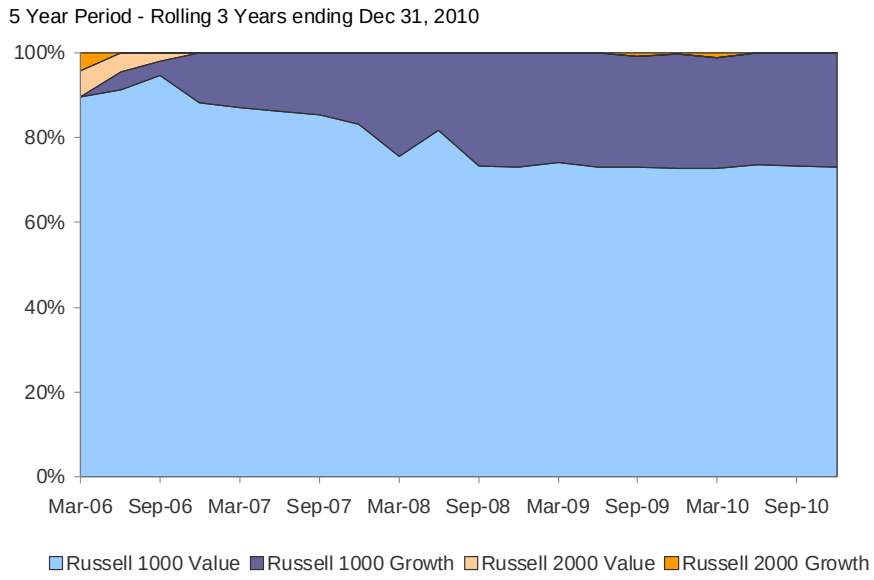
Positive Impact on Performance

- Stock selection in consumer discretionary
- Underweight allocations to utilities and health care; overweight allocation to information technology
- Notable contributors included ConocoPhillips (19.7% return), Wells Fargo (23.6% return) and JPMorgan Chase (11.6% return)

Negative Impact on Performance

- Stock selection in energy, industrials, financials, health care and utilities
- Notable detractors included Entergy (-6.4% return), Cisco Systems (-7.6% return) and Nextera Energy (-3.5% return)

Style Analysis



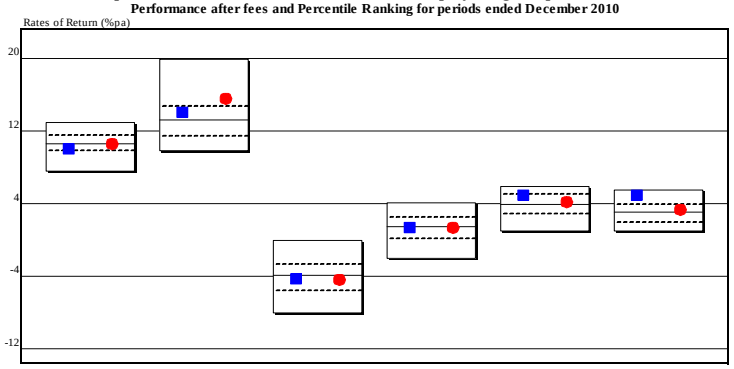
Key Facts and Figures

Portfolio Manager: James P. Barrow; George Davis; Paul R. Lesutis Portfolio Manager Average Tenure: 9.4 Years	Total Fund Assets: $8,707 Million Total Share Class Assets: $4,419 Million	Expense Ratio (Net): 0.83% Mercer Median Expense Ratio (Net): 0.80%

Fund Profile

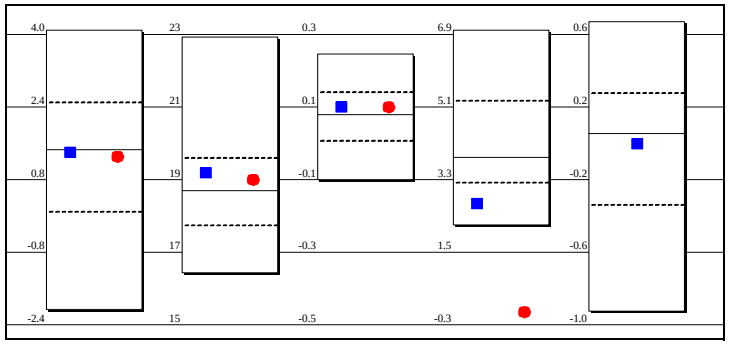
Domestic Equity - American Beacon Large Cap Value Fund Investor - AAGPX

Comparison with the Mercer Mutual Fund US Equity Large Cap Value Universe
Performance after fees and Percentile Ranking for periods ended December 2010



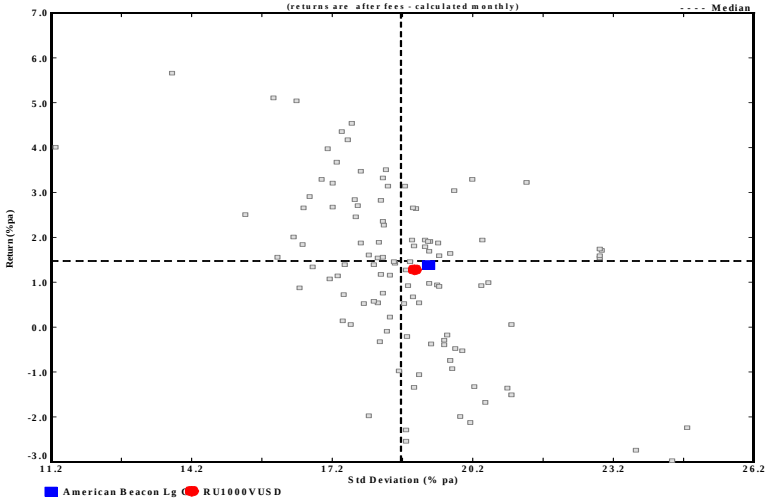
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
-g Cap Value Pln	10.0 *(65)*	14.1 *(33)*	-4.3 *(55)*	1.4 *(53)*	4.9 *(27)*	4.9 *(15)*
RU1000VUSD	10.5	15.5	-4.4	1.3	4.1	3.3
5th Percentile	12.9	19.8	-0.1	4.1	5.9	5.4
Upper Quartile	11.5	14.7	-2.7	2.5	5.0	3.9
Median	10.6	13.2	-3.9	1.5	3.8	3.0
Lower Quartile	9.8	11.4	-5.6	0.1	2.8	1.9
95th Percentile	7.4	9.7	-8.1	-2.1	0.9	0.8
Number of Funds	127	125	118	110	102	81

Comparison with the Mercer Mutual Fund US Equity Large Cap Value Universe
Risk and Return Characteristics vs. RU1000VUSD and Percentile Ranking for the 5 years ended Dec 2010

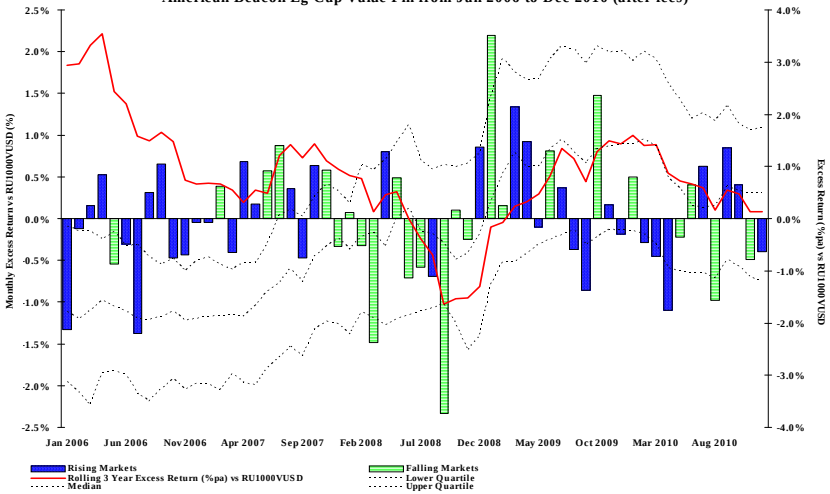


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
-g Cap Value Pln	1.4 *(53)*	19.2 *(33)*	0.1 *(53)*	2.7 *(89)*	0.0 *(51)*
RU1000VUSD	1.3 *(55)*	19.0 *(38)*	0.1 *(54)*	0.0 *(100)*	na
5th Percentile	4.1	22.9	0.2	7.0	0.7
Upper Quartile	2.5	19.6	0.1	5.2	0.3
Median	1.5	18.7	0.1	3.8	0.0
Lower Quartile	0.1	17.7	0.0	3.2	-0.3
95th Percentile	-2.1	16.4	-0.1	2.2	-0.9
Number of Funds	110	110	110	110	110

Comparison with the Mercer Mutual Fund US Equity Large Cap Value Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



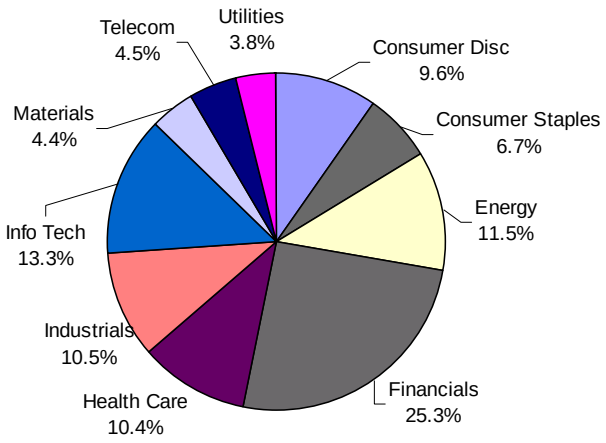
Excess Return vs RU1000VUSD in the Mercer Mutual Fund US Equity Large Cap Value Universe
American Beacon Lg Cap Value Pln from Jan 2006 to Dec 2010 (after fees)



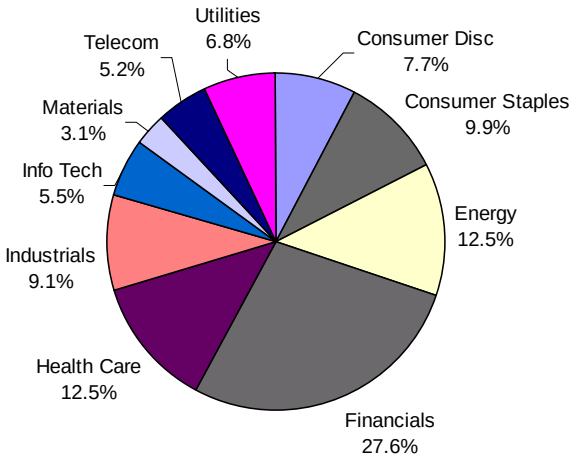
Fund Profile

Domestic Equity - American Beacon Large Cap Value Fund Investor - AAGPX

Fund Sector Allocation as of December 31, 2010



Russell 1000 Value Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - Allianz NFJ Dividend Value Fund Institutional - NFJEX

Share Class: Institutional	**Benchmark: Russell 1000 Value**

Investment Philosophy

NFJ's investment philosophy is based upon the foundation of market inefficiency. NFJ attempts to capitalize on systematic mental mistakes made by investors that are caused by behavioral biases. These mental mistakes can be broadly classified as underreaction and overreaction to information. They result in the market developing biased expectations of future profitability and earnings of companies which, in turn, cause the securities of these companies to be mispriced. NFJ looks for companies that are selling below intrinsic value, have a business whose value will grow over time and have a strong dividend history.

Portfolio Analysis & Key Observations

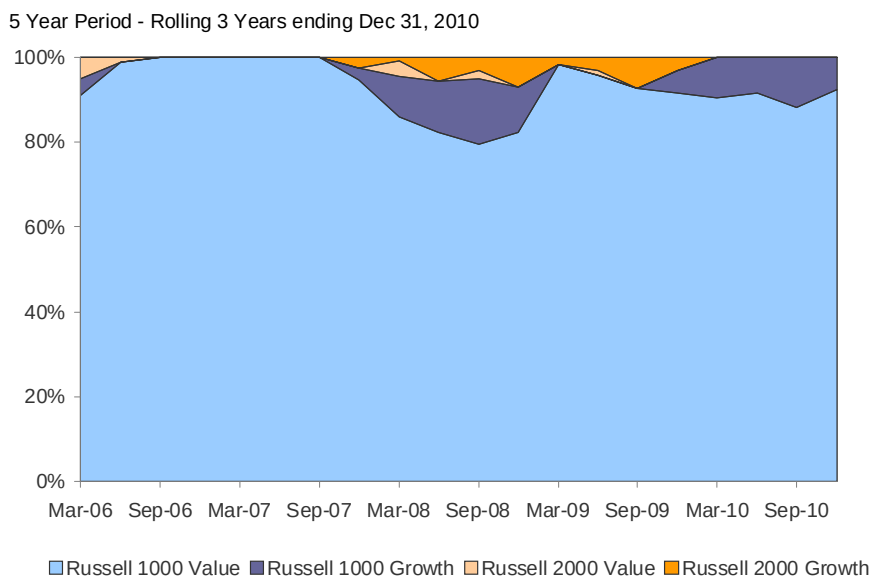
Positive Impact on Performance

- Overweight allocation to the energy sector; underweight allocation to the utilities sector
- Top 10 holdings: Conoco Phillips (19.7% return), Chesapeake Energy Corp. (14.7% return), General Electric Co. (13.4% return)

Negative Impact on Performance

- Underweight allocation to the consumer discretionary sector
- Top 10 holdings: Diamond Offshore Drilling (-0.0% return), Pfizer Inc. (3.1% return), and Altria Group Inc. (4.1% return)

Style Analysis



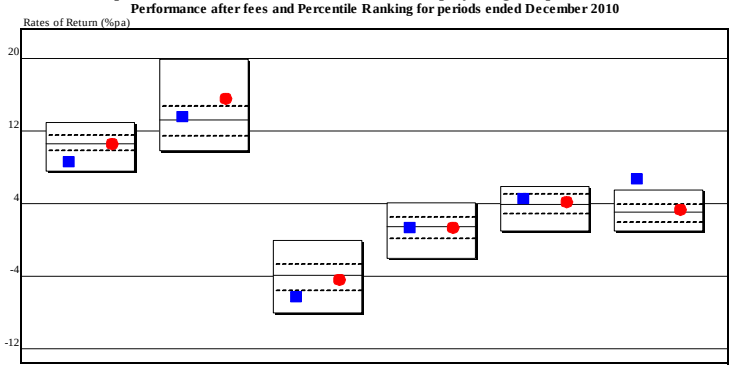
Key Facts and Figures

Portfolio Manager: Benno J. Fischer; Thomas W. Oliver; R. Burns McKinney Portfolio Manager Average Tenure: 3.8 Years	Total Fund Assets: $7,492 Million Total Share Class Assets: $2,297 Million	Expense Ratio (Net): 0.73% Mercer Median Expense Ratio (Net): 0.80%

Fund Profile

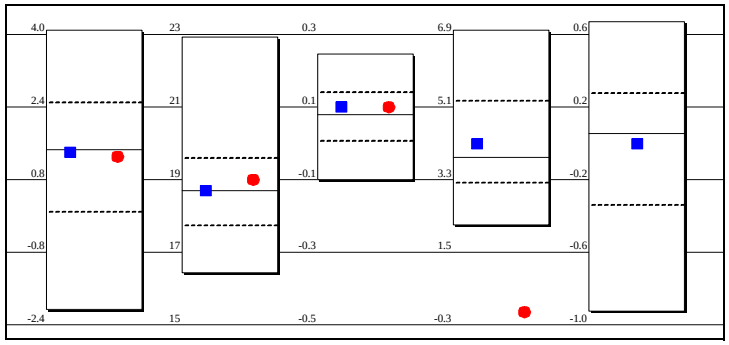
Domestic Equity - Allianz NFJ Dividend Value Fund Institutional - NFJEX

Comparison with the Mercer Mutual Fund US Equity Large Cap Value Universe
Performance after fees and Percentile Ranking for periods ended December 2010



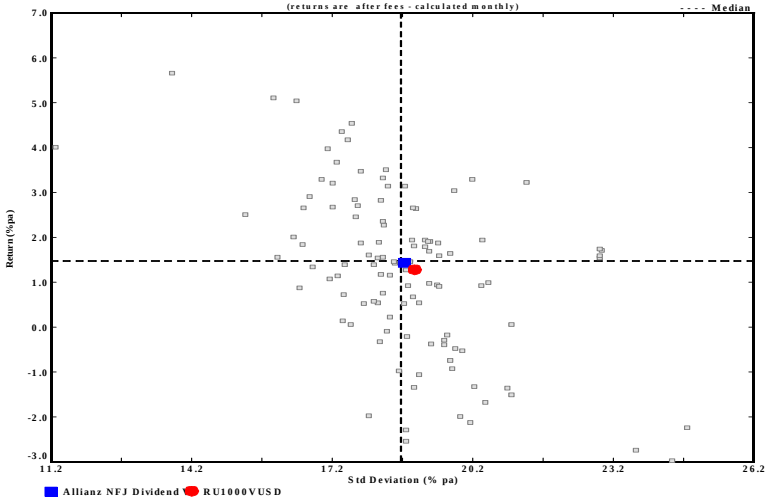
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
dend Value Instl	8.6 *(91)*	13.6 *(41)*	-6.3 *(84)*	1.4 *(51)*	4.6 *(34)*	6.7 *(0)*
RU1000VUSD	10.5	15.5	-4.4	1.3	4.1	3.3
5th Percentile	12.9	19.8	-0.1	4.1	5.9	5.4
Upper Quartile	11.5	14.7	-2.7	2.5	5.0	3.9
Median	10.6	13.2	-3.9	1.5	3.8	3.0
Lower Quartile	9.8	11.4	-5.6	0.1	2.8	1.9
95th Percentile	7.4	9.7	-8.1	-2.1	0.9	0.8
Number of Funds	127	125	118	110	102	81

Comparison with the Mercer Mutual Fund US Equity Large Cap Value Universe
Risk and Return Characteristics vs. RU1000VUSD and Percentile Ranking for the 5 years ended Dec 2010

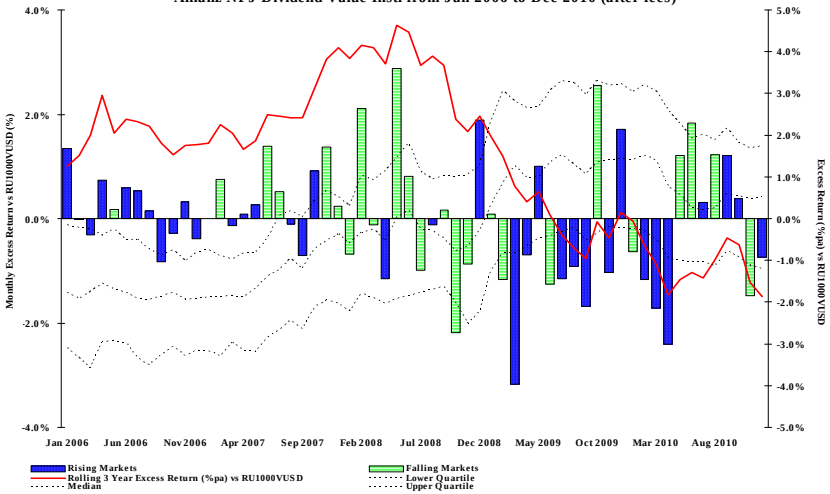


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
dend Value Instl	1.4 *(51)*	18.7 *(49)*	0.1 *(51)*	4.2 *(41)*	0.0 *(53)*
RU1000VUSD	1.3 *(55)*	19.0 *(38)*	0.1 *(54)*	0.0 *(100)*	na
5th Percentile	4.1	22.9	0.2	7.0	0.7
Upper Quartile	2.5	19.6	0.1	5.2	0.3
Median	1.5	18.7	0.1	3.8	0.0
Lower Quartile	0.1	17.7	0.0	3.2	-0.3
95th Percentile	-2.1	16.4	-0.1	2.2	-0.9
Number of Funds	110	110	110	110	110

Comparison with the Mercer Mutual Fund US Equity Large Cap Value Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



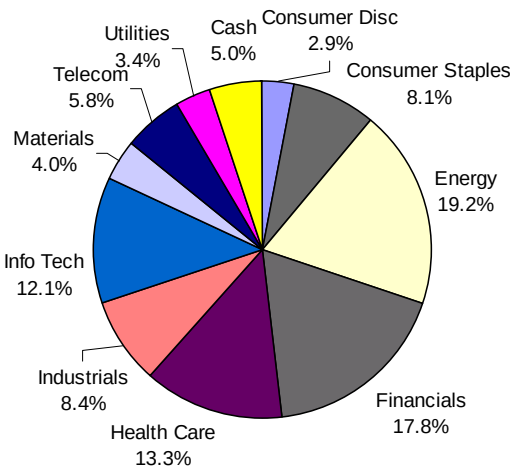
Excess Return vs RU1000VUSD in the Mercer Mutual Fund US Equity Large Cap Value Universe
Allianz NFJ Dividend Value Instl from Jan 2006 to Dec 2010 (after fees)



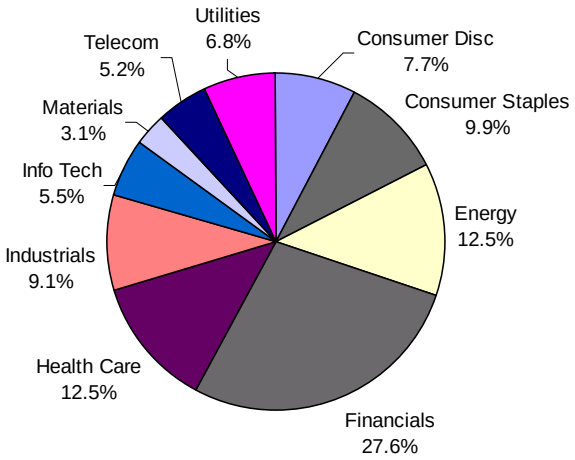
Fund Profile

Domestic Equity - Allianz NFJ Dividend Value Fund Institutional - NFJEX

Fund Sector Allocation as of December 31, 2010



Russell 1000 Value Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - Victory Diversified Stock Fund I - VDSIX

Share Class: I	**Benchmark: S&P 500**

Investment Philosophy

The Fund seeks to provide long-term growth of capital by investing primarily in equity securities and securities convertible into common stocks traded on U.S. exchanges and issued by large, established companies. The Advisor seeks to invest in both growth and value securities.

Portfolio Analysis & Key Observations

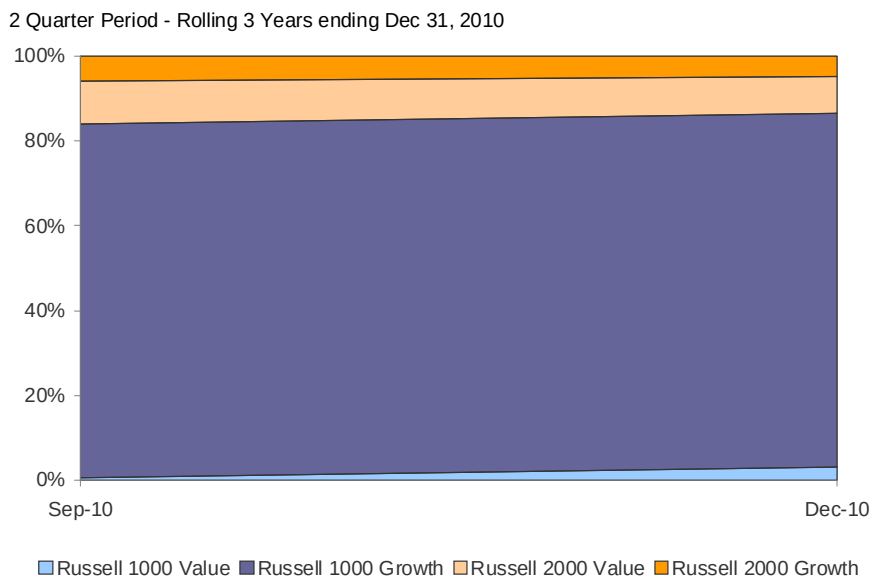
Positive Impact on Performance

- Overweight allocation to the materials, consumer discretionary, and energy sectors
- Top 10 holdings: Schlumberger Ltd. (36.0% return), Exxon Mobil Corp. (19.1% return), and Oracle Corp. (16.8% return)

Negative Impact on Performance

- Overweight allocation to the consumer staples sector
- Top 10 holdings: Pfizer Inc. (3.1% return), UPS Inc. (9.6% return), and Qualcomm Inc. (10.1% return)

Style Analysis



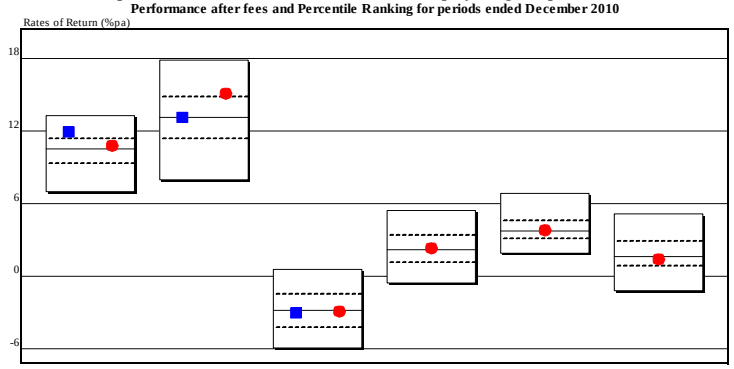
Key Facts and Figures

Portfolio Manager: Lawrence G. Babin; Paul D. Danes; Carolyn M. Rains Portfolio Manager Average Tenure: 13.7 Years	Total Fund Assets: $3,749 Million Total Share Class Assets: $353 Million	Expense Ratio (Net): 0.79% Mercer Median Expense Ratio (Net): 0.82%

Fund Profile

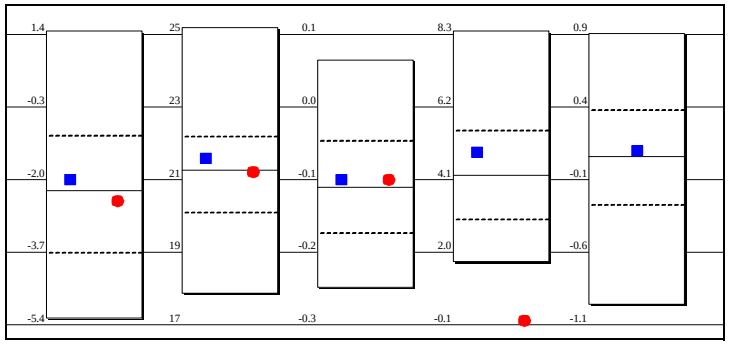
Domestic Equity - Victory Diversified Stock Fund I - VDSIX

Comparison with the Mercer Mutual Fund US Equity Large Cap Core Universe
Performance after fees and Percentile Ranking for periods ended December 2010



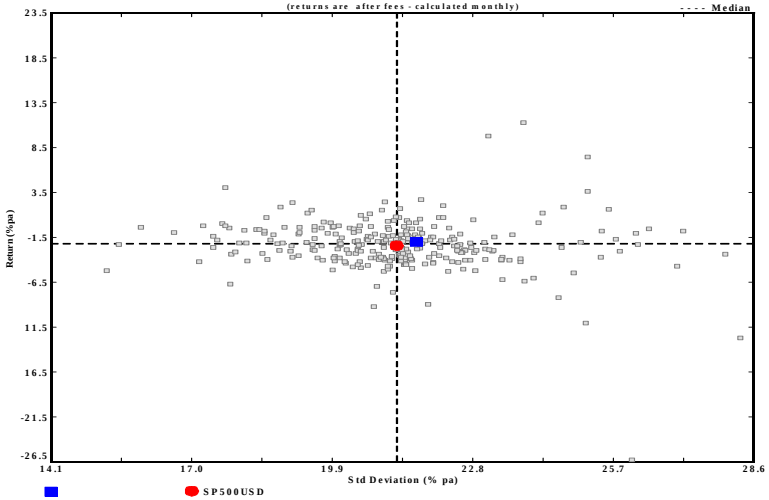
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
DC48202	11.9 *(18)*	13.1 *(51)*	-3.0 *(54)*	na	na	na
SP500USD	10.8	15.1	-2.9	2.3	3.8	1.4
5th Percentile	13.2	17.8	0.6	5.4	6.8	5.1
Upper Quartile	11.3	14.8	-1.5	3.4	4.6	2.9
Median	10.5	13.1	-2.9	2.2	3.7	1.6
Lower Quartile	9.3	11.3	-4.2	1.1	3.1	0.8
95th Percentile	6.9	7.9	-6.0	-0.7	1.8	-1.2
Number of Funds	319	315	289	261	234	210

Comparison with the Mercer Mutual Fund US Equity Large Cap Core Universe
Risk and Return Characteristics vs. SP500USD and Percentile Ranking for the 3 years and 4 months ended Dec 2010

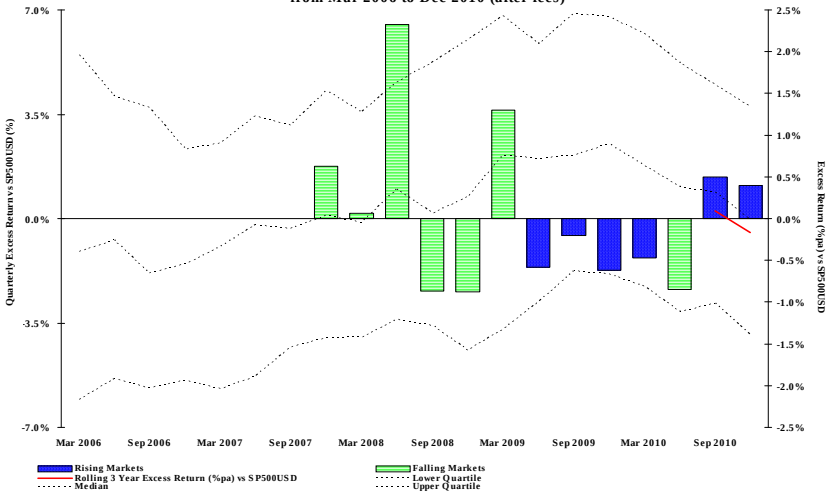


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
DC48202	-2.0 *(44)*	21.6 *(35)*	-0.1 *(43)*	4.9 *(35)*	0.1 *(45)*
SP500USD	-2.5 *(54)*	21.2 *(50)*	-0.1 *(53)*	0.0 *(100)*	na
5th Percentile	1.5	25.2	0.1	8.4	0.9
Upper Quartile	-1.0	22.2	0.0	5.5	0.4
Median	-2.3	21.2	-0.1	4.2	0.1
Lower Quartile	-3.7	20.1	-0.2	2.9	-0.3
95th Percentile	-5.3	17.8	-0.2	1.7	-1.0
Number of Funds	283	283	283	283	283

Comparison with the Mercer Mutual Fund US Equity Large Cap Core Universe
Return and Std Deviation for the period from Sep 2007 to Dec 2010
(returns are after fees - calculated monthly)



Excess Return vs SP500USD in the Mercer Mutual Fund US Equity Large Cap Core Universe from Mar 2006 to Dec 2010 (after fees)



Fund Profile

Domestic Equity - Fidelity Contrafund - FCNTX

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

Investment Philosophy

The Contrafund seeks capital appreciation by investing in stocks whose value Fidelity believes is not fully recognized by the market. The Fund may invest in growth or value stocks that offer long-term growth potential.

Portfolio Analysis & Key Observations

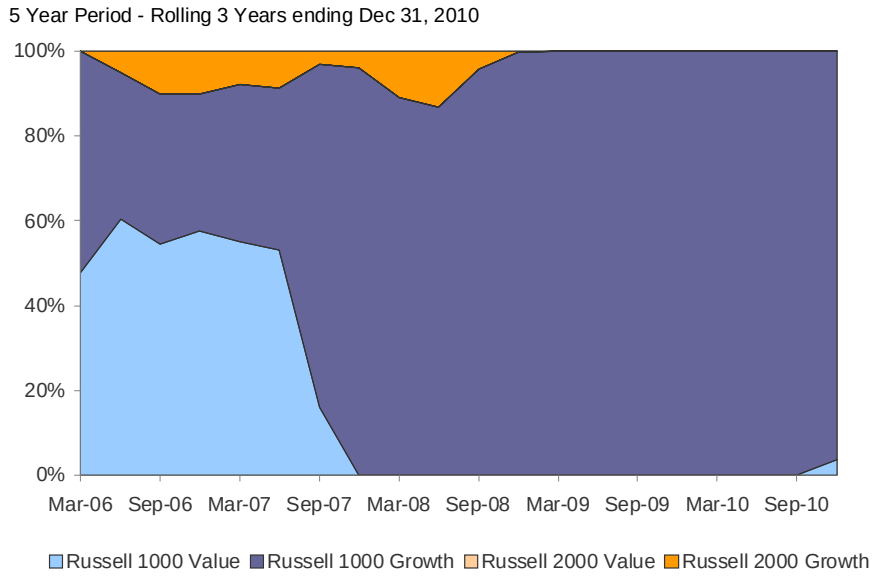
Positive Impact on Performance

- Overweight allocation to the materials sector; underweight allocation to the utilities sector
- Top 10 holdings: Wells Fargo & Co. (23.6% return), Noble Energy (14.9% return), and Amazon.com (14.6% return)

Negative Impact on Performance

- Underweight allocation to the energy sector
- Top 10 holdings: Berkshire Hathaway (-3.1% return), McDonalds Corp. (3.8% return), and Nike Inc. (7.0% return)

Style Analysis



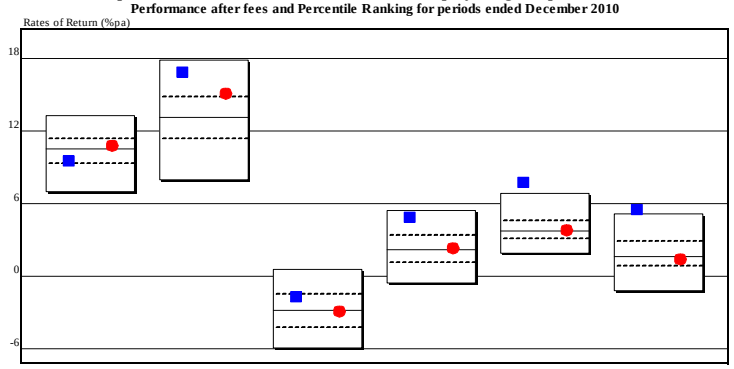
Key Facts and Figures

Portfolio Manager: Will Danoff	Total Fund Assets: $75,517 Million	Expense Ratio (Net): 1.02%
Portfolio Manager Average Tenure: 20.0 Years	Total Share Class Assets: $61,431 Million	Mercer Median Expense Ratio (Net): 0.82%

Fund Profile

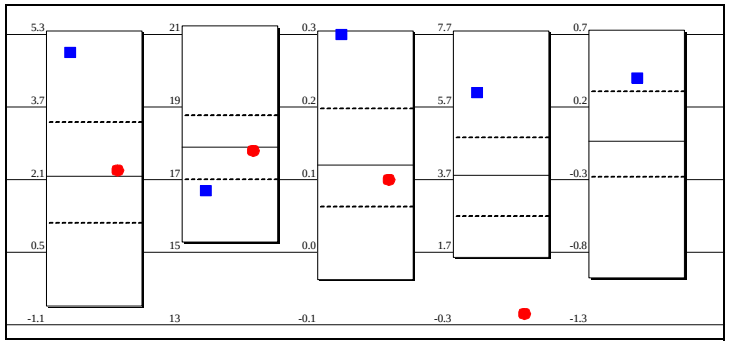
Domestic Equity - Fidelity Contrafund - FCNTX

Comparison with the Mercer Mutual Fund US Equity Large Cap Core Universe
Performance after fees and Percentile Ranking for periods ended December 2010



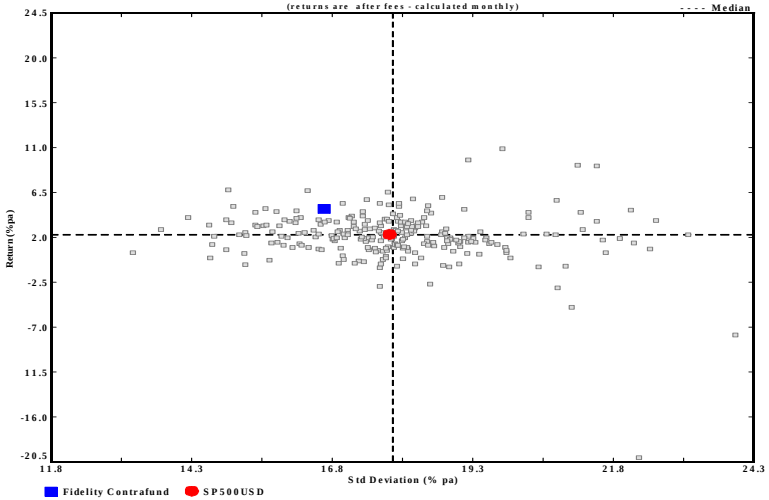
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
elity Contrafund	9.5 *(73)*	16.9 *(7)*	-1.7 *(27)*	4.9 *(7)*	7.8 *(2)*	5.5 *(3)*
SP500USD	10.8	15.1	-2.9	2.3	3.8	1.4
5th Percentile	13.2	17.8	0.6	5.4	6.8	5.1
Upper Quartile	11.3	14.8	-1.5	3.4	4.6	2.9
Median	10.5	13.1	-2.9	2.2	3.7	1.6
Lower Quartile	9.3	11.3	-4.2	1.1	3.1	0.8
95th Percentile	6.9	7.9	-6.0	-0.7	1.8	-1.2
Number of Funds	319	315	289	261	234	210

Comparison with the Mercer Mutual Fund US Equity Large Cap Core Universe
Risk and Return Characteristics vs. SP500USD and Percentile Ranking for the 5 years ended Dec 2010

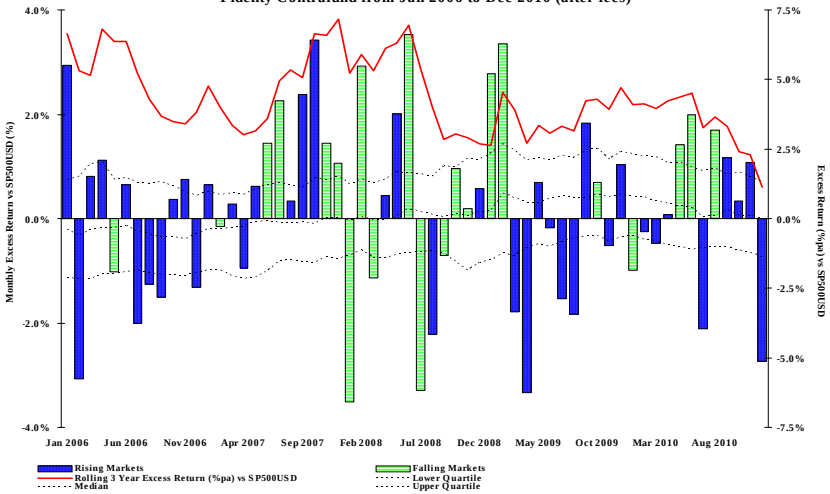


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
elity Contrafund	4.9 *(7)*	16.7 *(80)*	0.3 *(6)*	6.1 *(12)*	0.4 *(16)*
SP500USD	2.3 *(46)*	17.8 *(52)*	0.1 *(47)*	0.0 *(100)*	na
5th Percentile	5.4	21.2	0.3	7.8	0.7
Upper Quartile	3.4	18.8	0.2	4.9	0.3
Median	2.2	17.9	0.1	3.8	0.0
Lower Quartile	1.1	17.0	0.1	2.7	-0.3
95th Percentile	-0.7	15.2	0.0	1.6	-1.0
Number of Funds	261	261	261	261	261

Comparison with the Mercer Mutual Fund US Equity Large Cap Core Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



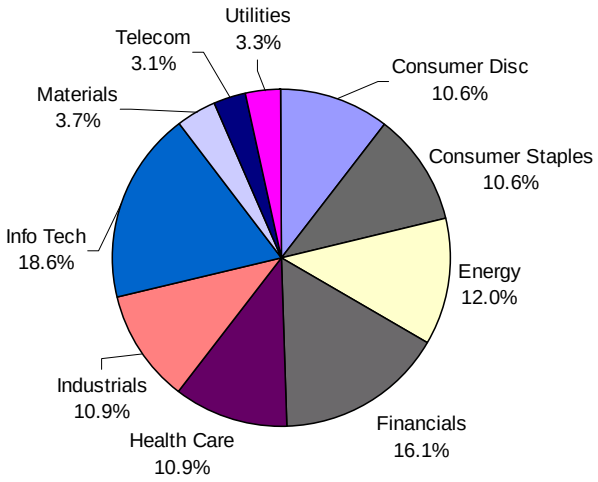
Excess Return vs SP500USD in the Mercer Mutual Fund US Equity Large Cap Core Universe
Fidelity Contrafund from Jan 2006 to Dec 2010 (after fees)



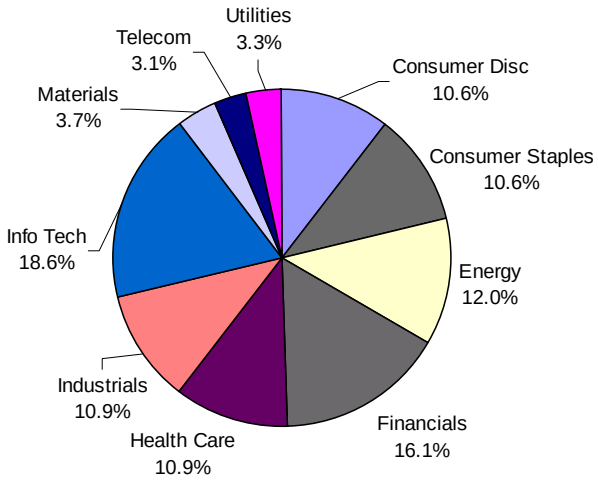
Fund Profile

Domestic Equity - Fidelity Contrafund - FCNTX

Fund Sector Allocation as of December 31, 2010



S&P 500 Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - T Rowe Price Growth Stock Fund - PRGFX

Share Class:	**Benchmark: Russell 1000 Growth**

Investment Philosophy

The Growth Stock Fund philosophy is based on the belief that a company capable of increasing its earnings faster than both inflation and the overall economy will, over time, demonstrate superior performance. T. Rowe favors those companies which are growing at above-average rates, operating in strong sectors, financed conservatively, and relatively unaffected by government regulation. The Fund pays close attention to valuation and relies on bottom-up fundamental research and stock selection.

Portfolio Analysis & Key Observations

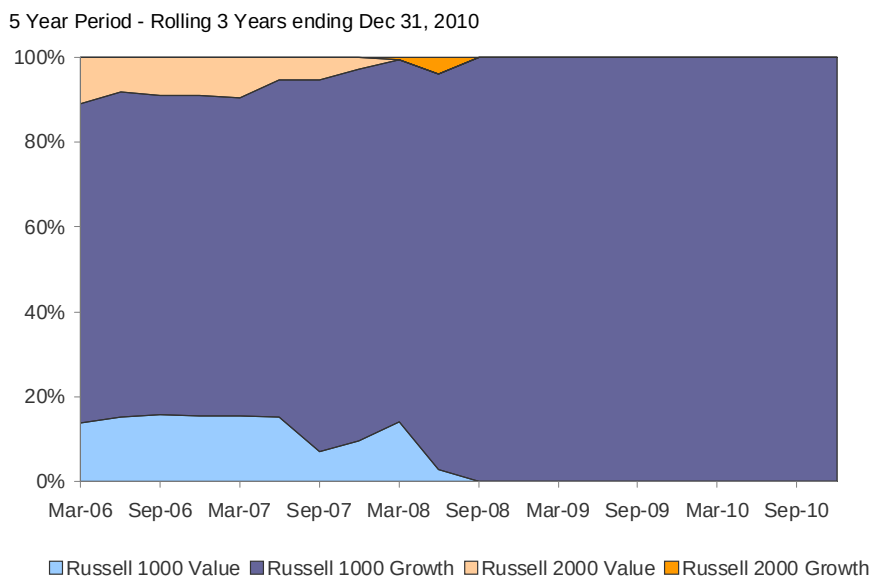
Positive Impact on Performance

- Underweight allocation to the consumer staples and health care sectors
- Top ten holding Schlumberger (35.9% return)

Negative Impact on Performance

- Overweight allocation to telecommunications sector; underweight allocation to energy sector
- Top ten holdings Visa (-5.0% return), Baidu (-5.9% return)

Style Analysis



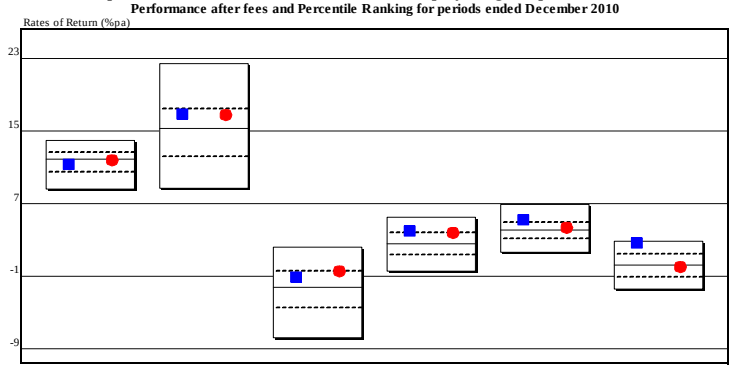
Key Facts and Figures

Portfolio Manager: P. Robert Bartolo	Total Fund Assets: $24,769 Million	Expense Ratio (Net): 0.73%
Portfolio Manager Average Tenure: 3.0 Years	Total Share Class Assets: $21,237 Million	Mercer Median Expense Ratio (Net): 0.90%

Fund Profile

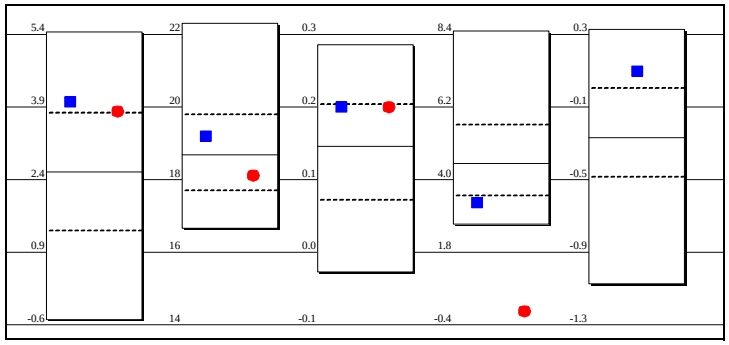
Domestic Equity - T Rowe Price Growth Stock Fund - PRGFX

Comparison with the Mercer Mutual Fund US Equity Large Cap Growth Universe
Performance after fees and Percentile Ranking for periods ended December 2010



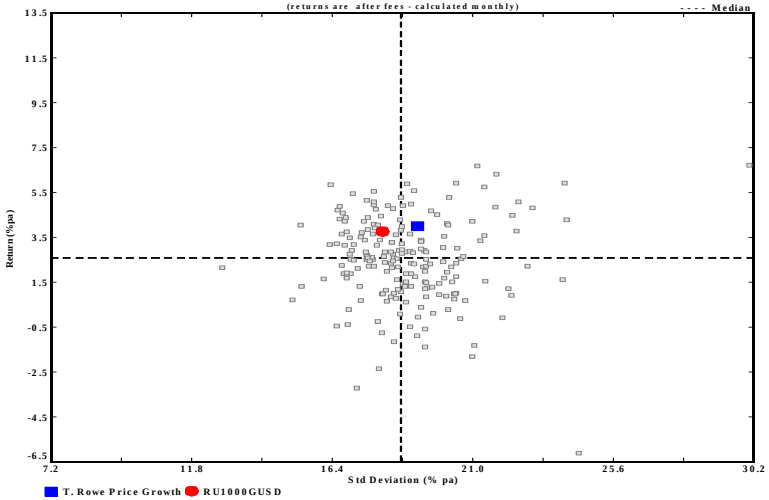
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
ce Growth Stock	11.3 (62)	16.9 (30)	-1.1 (30)	4.0 (22)	5.2 (20)	2.7 (8)
RU1000GUSD	11.8	16.7	-0.5	3.8	4.3	0.0
5th Percentile	13.9	22.4	2.1	5.4	6.8	2.8
Upper Quartile	12.6	17.4	-0.5	3.8	4.9	1.4
Median	11.8	15.3	-2.2	2.5	4.1	0.2
Lower Quartile	10.5	12.2	-4.6	1.3	3.1	-1.1
95th Percentile	8.5	8.6	-7.9	-0.5	1.5	-2.5
Number of Funds	242	234	218	199	178	158

Comparison with the Mercer Mutual Fund US Equity Large Cap Growth Universe
Risk and Return Characteristics vs. RU1000GUSD and Percentile Ranking for the 5 years ended Dec 2010

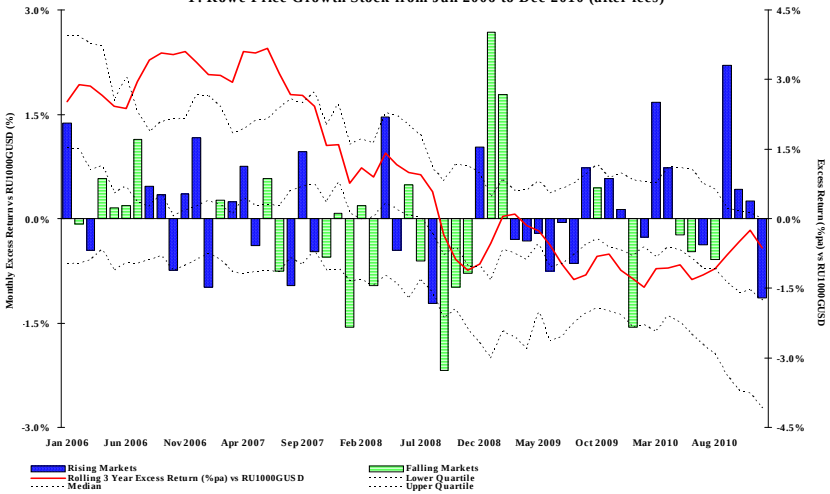


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
ce Growth Stock	4.0 (22)	19.2 (37)	0.2 (23)	3.3 (82)	0.1 (20)
RU1000GUSD	3.8 (25)	18.1 (66)	0.2 (23)	0.0 (100)	na
5th Percentile	5.4	22.3	0.3	8.5	0.3
Upper Quartile	3.8	19.8	0.2	5.6	0.0
Median	2.5	18.7	0.1	4.5	-0.3
Lower Quartile	1.3	17.7	0.1	3.5	-0.5
95th Percentile	-0.5	16.6	0.0	2.6	-1.1
Number of Funds	199	199	199	199	199

Comparison with the Mercer Mutual Fund US Equity Large Cap Growth Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



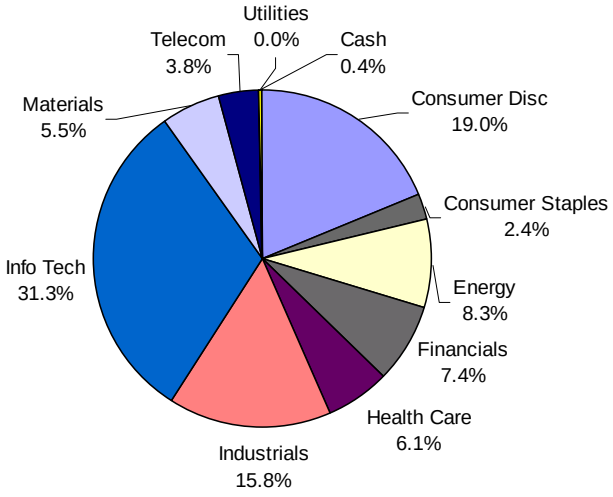
Excess Return vs RU1000GUSD in the Mercer Mutual Fund US Equity Large Cap Growth Universe
T. Rowe Price Growth Stock from Jan 2006 to Dec 2010 (after fees)



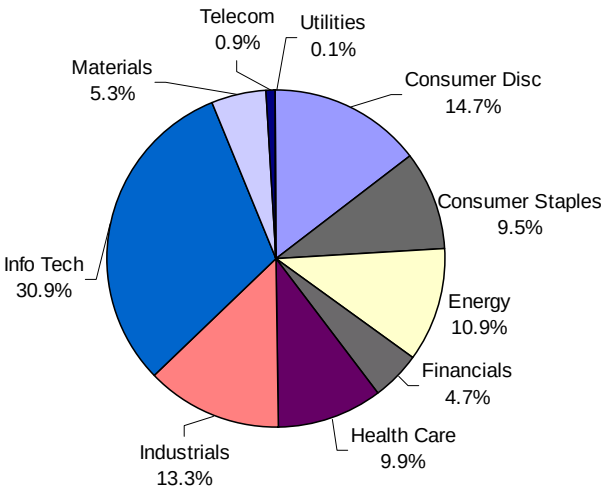
Fund Profile

Domestic Equity - T Rowe Price Growth Stock Fund - PRGFX

Fund Sector Allocation as of December 31, 2010



Russell 1000 Growth Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - American Funds Growth Fund of America R-3 - RGACX

Share Class: R-3	**Benchmark: Russell 1000 Growth**

Investment Philosophy

The Fund seeks to provide long-term growth of capital through a diversified portfolio of common stocks. The Fund has the flexibility to invest wherever the best growth opportunities may be. It emphasizes companies that appear to offer opportunities for long-term growth, and may invest in cyclical companies, turnarounds and value situations. The Fund may invest up to 25% of assets in securities of issuers domiciled outside the US, and it may invest up to 10% of assets in debt securities rated below investment-grade.

Portfolio Analysis & Key Observations

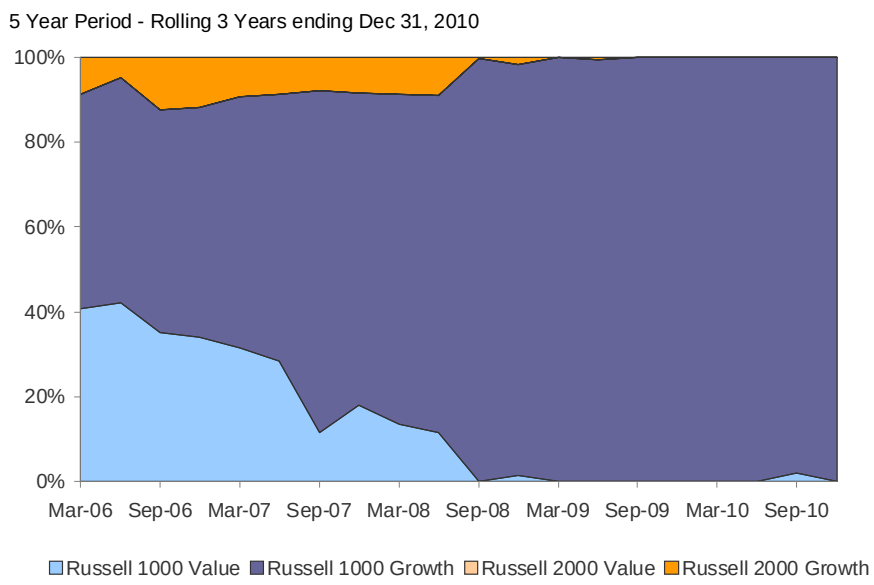
Positive Impact on Performance

- Overweight allocation to the materials sector; underweight allocation to the consumer staples sector
- Top ten holdings: Schlumberger (35.9% return), Comcast (22.1% return), and Suncor (17.9% return)

Negative Impact on Performance

- Overweight allocation to the financials sector
- Foreign holdings of 17.4% as international equities underperformed domestic equities
- Cash holdings of 5.6% in a positive equity environment
- Top ten holding: Philip Morris International (5.6% return)

Style Analysis



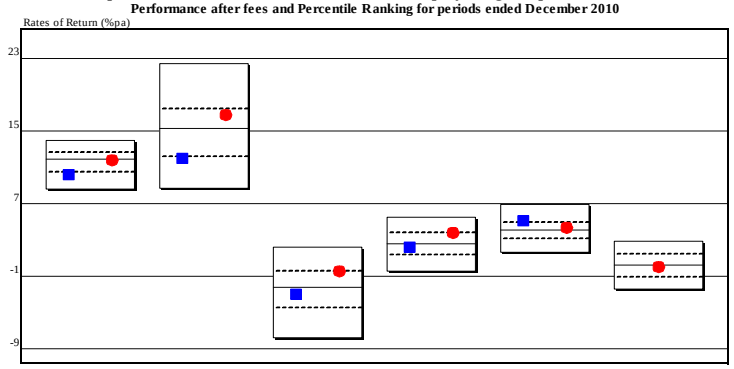
Key Facts and Figures

Portfolio Manager: James E. Drasdo; James F. Rothenberg; Gordon Crawford Portfolio Manager Average Tenure: 13.9 Years	Total Fund Assets: $161,799 Million Total Share Class Assets: $13,179 Million	Expense Ratio (Net): 0.99% Mercer Median Expense Ratio (Net): 0.90%

Fund Profile

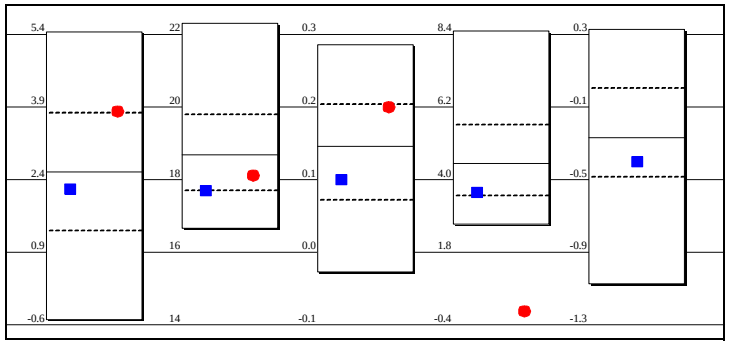
Domestic Equity - American Funds Growth Fund of America R-3 - RGACX

Comparison with the Mercer Mutual Fund US Equity Large Cap Growth Universe
Performance after fees and Percentile Ranking for periods ended December 2010



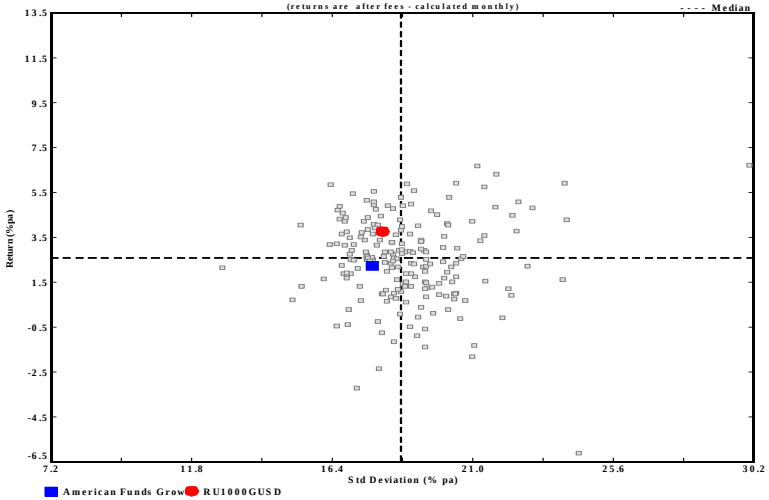
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
Fund of Amer R3	10.2 *(79)*	12.0 *(77)*	-3.0 *(62)*	2.2 *(59)*	5.1 *(23)*	na
RU1000GUSD	11.8	16.7	-0.5	3.8	4.3	0.0
5th Percentile	13.9	22.4	2.1	5.4	6.8	2.8
Upper Quartile	12.6	17.4	-0.5	3.8	4.9	1.4
Median	11.8	15.3	-2.2	2.5	4.1	0.2
Lower Quartile	10.5	12.2	-4.6	1.3	3.1	-1.1
95th Percentile	8.5	8.6	-7.9	-0.5	1.5	-2.5
Number of Funds	242	234	218	199	178	158

Comparison with the Mercer Mutual Fund US Equity Large Cap Growth Universe
Risk and Return Characteristics vs. RU1000GUSD and Percentile Ranking for the 5 years ended Dec 2010

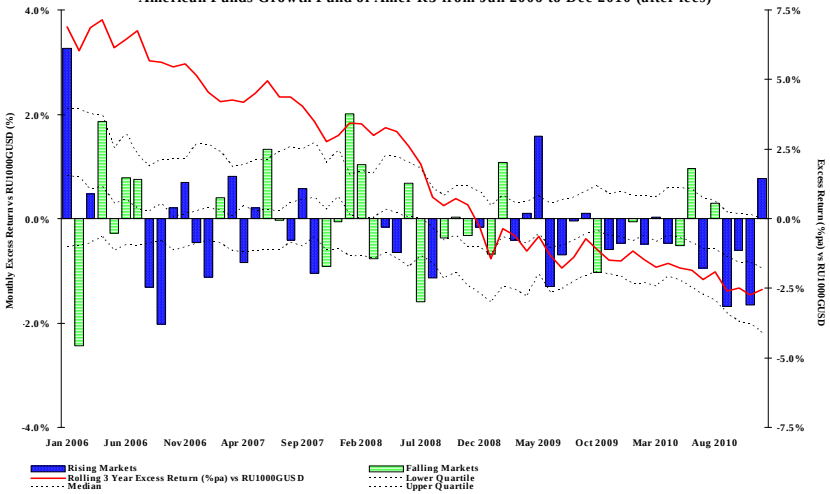


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
Fund of Amer R3	2.2 *(59)*	17.7 *(74)*	0.1 *(56)*	3.6 *(74)*	-0.4 *(66)*
RU1000GUSD	3.8 *(25)*	18.1 *(66)*	0.2 *(23)*	0.0 *(100)*	na
5th Percentile	5.4	22.3	0.3	8.5	0.3
Upper Quartile	3.8	19.8	0.2	5.6	0.0
Median	2.5	18.7	0.1	4.5	-0.3
Lower Quartile	1.3	17.7	0.1	3.5	-0.5
95th Percentile	-0.5	16.6	0.0	2.6	-1.1
Number of Funds	199	199	199	199	199

Comparison with the Mercer Mutual Fund US Equity Large Cap Growth Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



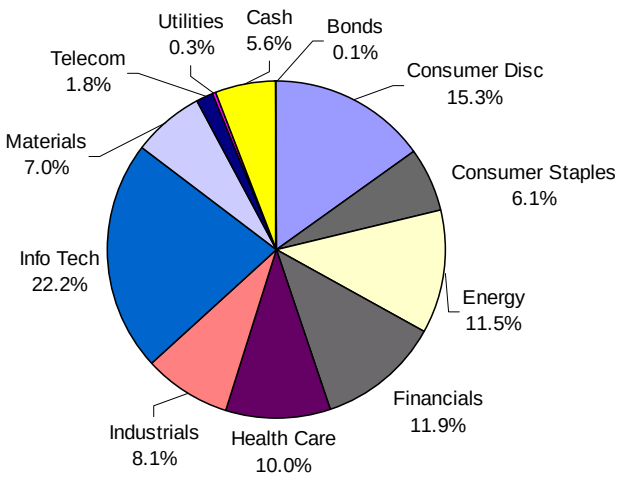
Excess Return vs RU1000GUSD in the Mercer Mutual Fund US Equity Large Cap Growth Universe
American Funds Growth Fund of Amer R3 from Jan 2006 to Dec 2010 (after fees)



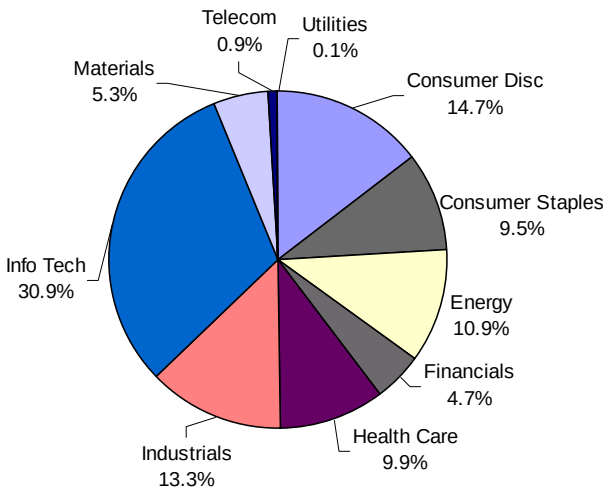
Fund Profile

Domestic Equity - American Funds Growth Fund of America R-3 - RGACX

Fund Sector Allocation as of December 31, 2010



Russell 1000 Growth Sector Allocation as of December 31, 2010



Fund Profile

International Equity - AllianceBernstein International Value Fund Advisor - ABIYX

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

Investment Philosophy

The International Equity Investment Policy Group (IPG), chaired by Sharon Fay, centrally manages the AllianceBernstein International Value Fund as a team. AllianceBernstein attempts to capitalize on mispricings through intensive bottom-up fundamental research and a disciplined valuation process. Through extensive field research, AllianceBernstein's staff of analysts estimates the long-term earnings power and dividend growth of companies and assesses each company within a given industry, studying demand, growth, market share trends, and cost-to-price relationships for each product line. The IPG then constructs a portfolio from the most undervalued stocks available. The portfolio holds 30 to 50 stocks with no explicit constraints on country or sector concentration. The team has an aversion to aggressive market timing and tends to keep the cash level under 5%. The firm invests opportunistically in emerging markets up to a maximum of 25%.

Portfolio Analysis & Key Observations

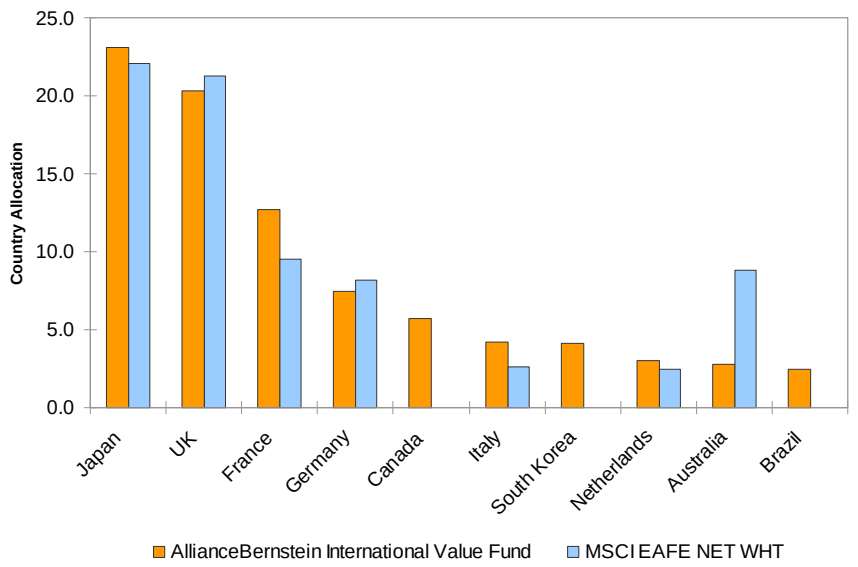
Positive Impact on Performance

- Overweight allocation to materials, energy and consumer discretionary; underweight allocation to financials and consumer staples
- On a regional basis, out-of-exposure allocation to Canada, Korea, Taiwan and Russia
- Top 10 holdings Xstrata (22.8% return), Rio Tinto (22.0% return) and Royal Dutch Shell (12.3% return)

Negative Impact on Performance

- Underweight allocation to industrials; overweight allocation to telecommunications
- Underweight allocation to Australia; overweight allocation to France and Italy
- On a regional basis, out-of-benchmark allocation to Turkey
- Top 10 holdings AstraZeneca (-8.9% return), Novartis (2.2% return) and E.On (3.5% return)

Country Analysis as of December 31, 2010



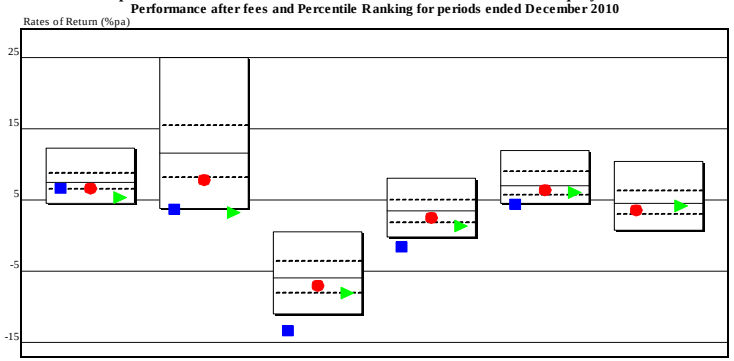
Key Facts and Figures

Portfolio Manager: Kevin F. Sims; Henry S. D'Auria; Sharon E. Fay Portfolio Manager Average Tenure: 6.3 Years	Total Fund Assets: $2,740 Million Total Share Class Assets: $841 Million	Expense Ratio (Net): 0.97% Mercer Median Expense Ratio (Net): 1.07%

Fund Profile

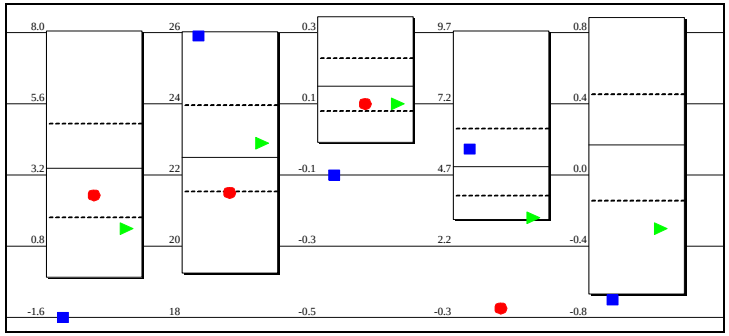
International Equity - AllianceBernstein International Value Fund Advisor - ABIYX

Comparison with the Mercer Mutual Fund World ex US/EAFE Equity Universe
Performance after fees and Percentile Ranking for periods ended December 2010



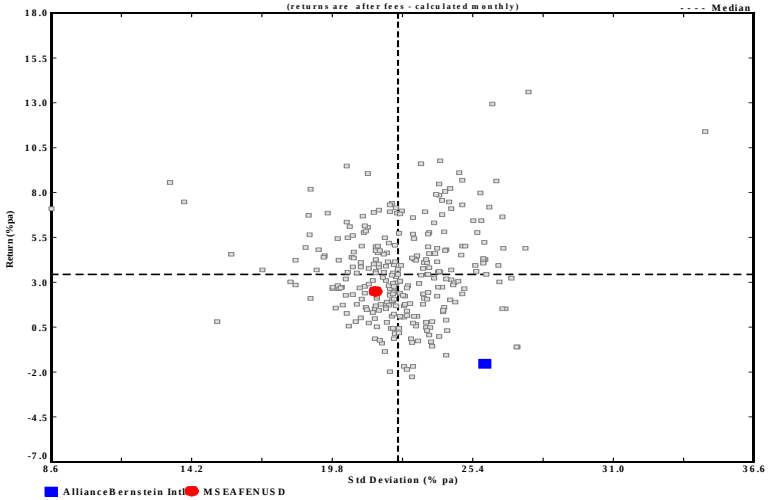
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
tein Intl Val Adv	6.6 *(72)*	3.7 *(95)*	-13.4 *(99)*	-1.6 *(98)*	4.4 *(94)*	na
MSEAFENUSD	6.6	7.8	-7.0	2.5	6.4	3.5
MSEAFEVN	5.3	3.2	-8.1	1.4	6.1	4.2
5th Percentile	12.3	24.9	0.4	8.0	11.8	10.3
Upper Quartile	8.7	15.4	-3.7	4.9	8.9	6.3
Median	7.4	11.6	-6.0	3.4	7.0	4.5
Lower Quartile	6.5	8.1	-8.1	1.7	5.7	2.9
95th Percentile	4.4	3.7	-11.1	-0.3	4.3	0.6
Number of Funds	412	402	352	289	253	210

Comparison with the Mercer Mutual Fund World ex US/EAFE Equity Universe
Risk and Return Characteristics vs. MSEAFENUSD and Percentile Ranking for the 5 years ended Dec 2010

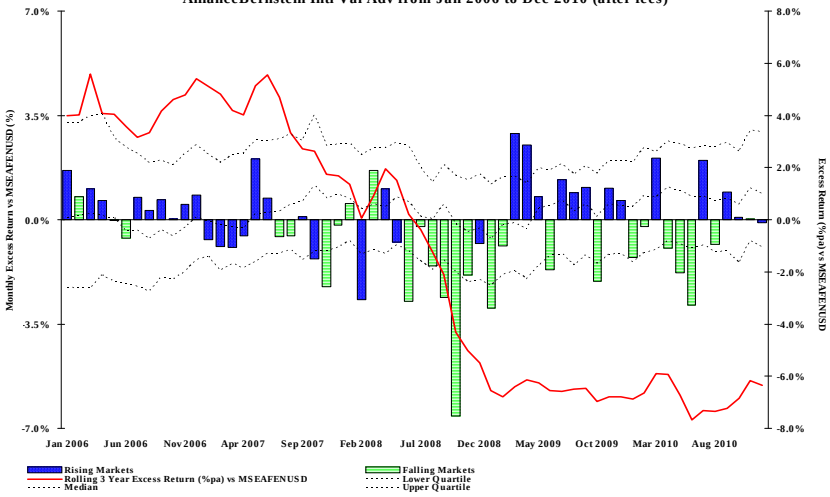


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
tein Intl Val Adv	-1.6 *(98)*	25.9 *(6)*	-0.1 *(98)*	5.6 *(35)*	-0.7 *(95)*
MSEAFENUSD	2.5 *(64)*	21.5 *(74)*	0.1 *(63)*	0.0 *(100)*	na
MSEAFEVN	1.4 *(81)*	22.9 *(43)*	0.1 *(80)*	3.2 *(93)*	-0.3 *(86)*
5th Percentile	8.0	26.0	0.3	9.7	0.9
Upper Quartile	4.9	23.9	0.2	6.3	0.4
Median	3.4	22.5	0.1	5.0	0.2
Lower Quartile	1.7	21.5	0.1	3.9	-0.1
95th Percentile	-0.3	19.2	0.0	3.1	-0.7
Number of Funds	289	289	289	289	289

Comparison with the Mercer Mutual Fund World ex US/EAFE Equity Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



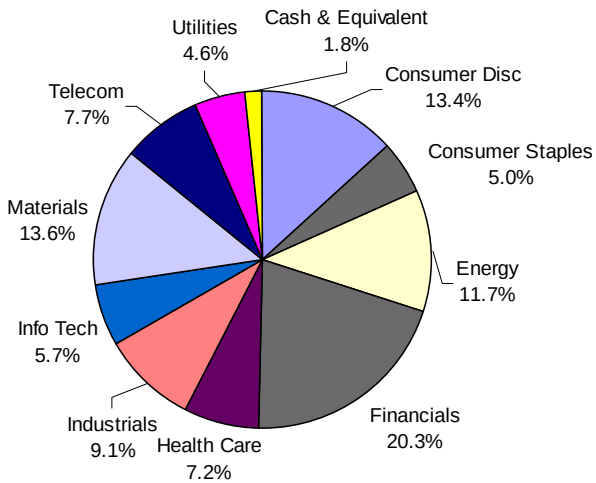
Excess Return vs MSEAFENUSD in the Mercer Mutual Fund World ex US/EAFE Equity Universe
AllianceBernstein Intl Val Adv from Jan 2006 to Dec 2010 (after fees)



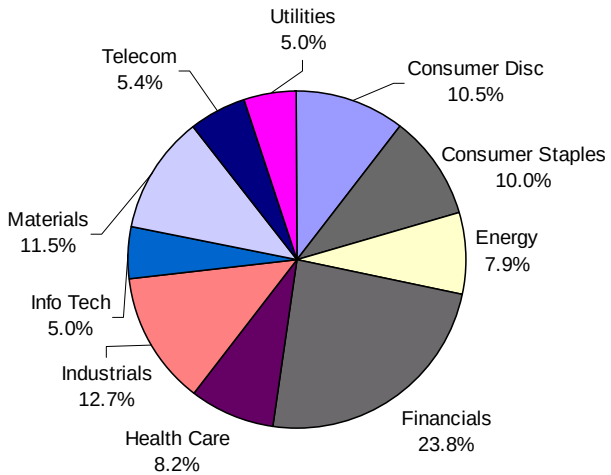
Fund Profile

International Equity - AllianceBernstein International Value Fund Advisor - ABIYX

Fund Sector Allocation as of December 31, 2010



MSCI EAFE Sector Allocation as of December 31, 2010



Fund Profile

International Equity - Dodge & Cox International Stock Fund - DODFX

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

Investment Philosophy

The fund seeks long-term growth of principal and income. It invests primarily in a diversified portfolio of equity securities issued by non-U.S. companies from at least three different foreign countries, including emerging markets. It focuses on countries whose economic and political systems appear more stable and are believed to provide some protection to foreign shareholders. The fund invests primarily in medium-to-large, well-established companies based on standards of the applicable market.

Portfolio Analysis & Key Observations

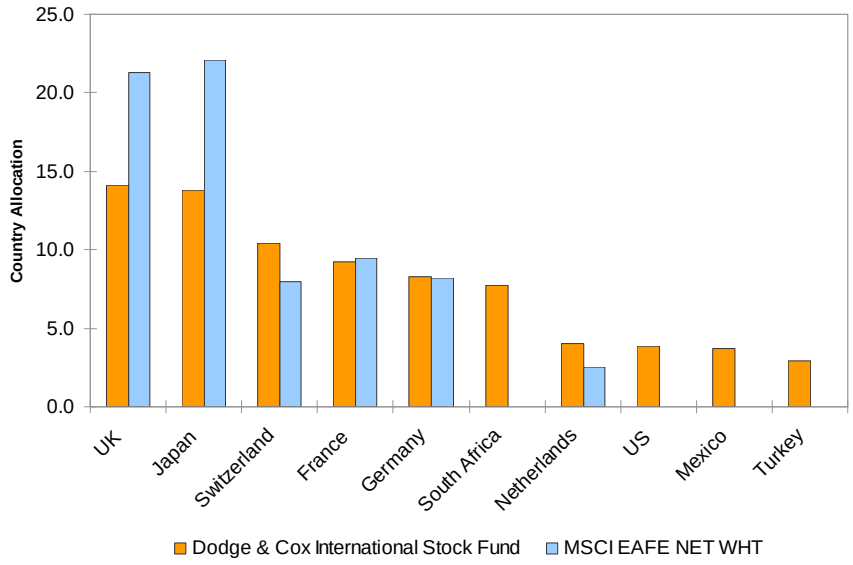
Positive Impact on Performance

- Overweight allocation to information technology and consumer discretionary; underweight allocation to consumer staples, utilities and financials
- On a regional basis, out-of-benchmark allocation to South Africa, Mexico, Spain and the US
- Individual contributors to performance included Grup Televisa (37.1% return), Infineon Technologies (35.8% return) and Naspers (20.0% return)

Negative Impact on Performance

- Underweight allocation to materials and industrials; overweight allocation to health care and telecommunications
- On a regional basis, underweight allocation to Japan; overweight allocation to the Netherlands
- Out-of-benchmark exposure to Turkey and Brazil
- Individual detractors from performance included Unicredit (-18.8% return) and Sanofi-Aventis (-3.1% return)

Country Analysis as of December 31, 2010



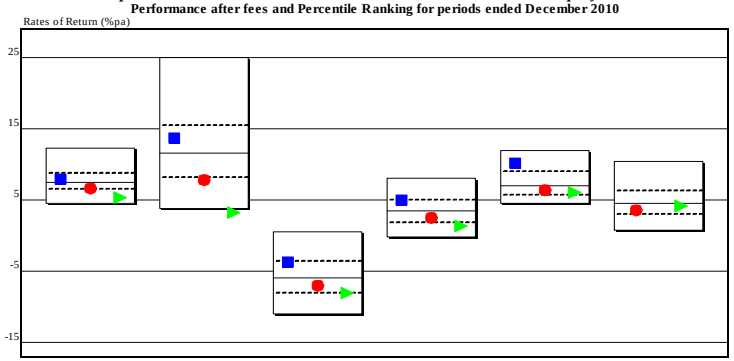
Key Facts and Figures

Portfolio Manager: Diana S. Strandberg; John A. Gunn	Total Fund Assets: $43,406 Million	Expense Ratio (Net): 0.65%
Portfolio Manager Average Tenure: 7.0 Years	Total Share Class Assets: $41,949 Million	Mercer Median Expense Ratio (Net): 1.07%

Fund Profile

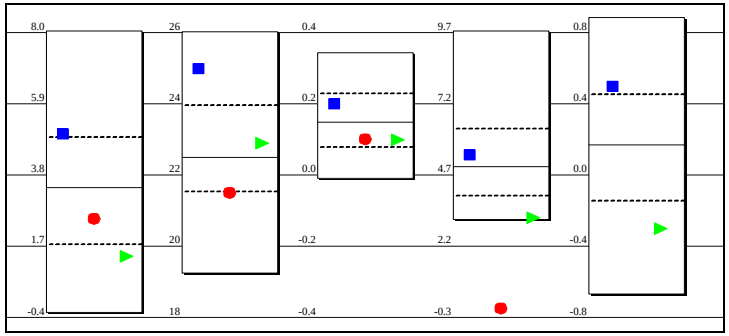
International Equity - Dodge & Cox International Stock Fund - DODFX

Comparison with the Mercer Mutual Fund World ex US/EAFE Equity Universe
Performance after fees and Percentile Ranking for periods ended December 2010



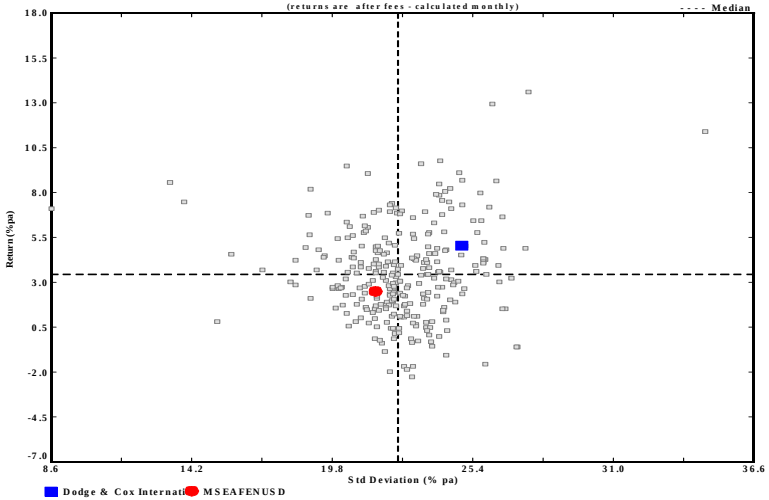
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
ernational Stock	8.0 (39)	13.7 (37)	-3.7 (25)	5.0 (23)	10.2 (12)	na
MSEAFENUSD	6.6	7.8	-7.0	2.5	6.4	3.5
MSEAFEVN	5.3	3.2	-8.1	1.4	6.1	4.2
5th Percentile	12.3	24.9	0.4	8.0	11.8	10.3
Upper Quartile	8.7	15.4	-3.7	4.9	8.9	6.3
Median	7.4	11.6	-6.0	3.4	7.0	4.5
Lower Quartile	6.5	8.1	-8.1	1.7	5.7	2.9
95th Percentile	4.4	3.7	-11.1	-0.3	4.3	0.6
Number of Funds	412	402	352	289	253	210

Comparison with the Mercer Mutual Fund World ex US/EAFE Equity Universe
Risk and Return Characteristics vs. MSEAFENUSD and Percentile Ranking for the 5 years ended Dec 2010

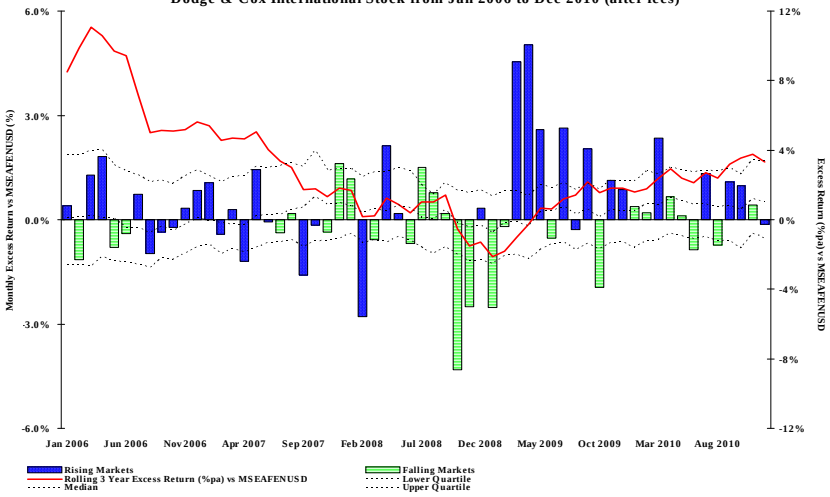


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
ernational Stock	5.0 (23)	25.0 (12)	0.2 (30)	5.4 (40)	0.5 (24)
MSEAFENUSD	2.5 (64)	21.5 (74)	0.1 (63)	0.0 (100)	na
MSEAFEVN	1.4 (81)	22.9 (43)	0.1 (80)	3.2 (93)	-0.3 (86)
5th Percentile	8.0	26.0	0.3	9.7	0.9
Upper Quartile	4.9	23.9	0.2	6.3	0.4
Median	3.4	22.5	0.1	5.0	0.2
Lower Quartile	1.7	21.5	0.1	3.9	-0.1
95th Percentile	-0.3	19.2	0.0	3.1	-0.7
Number of Funds	289	289	289	289	289

Comparison with the Mercer Mutual Fund World ex US/EAFE Equity Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



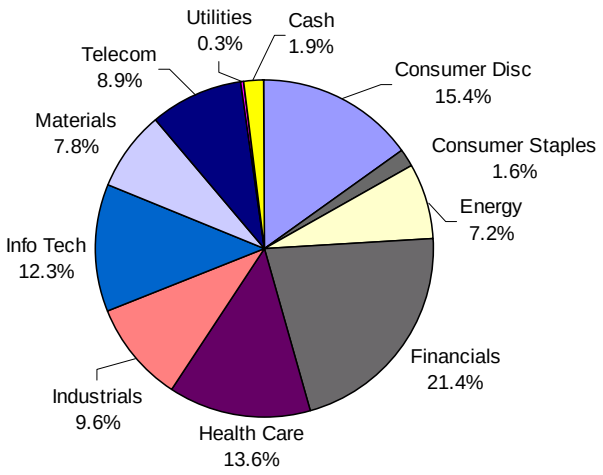
Excess Return vs MSEAFENUSD in the Mercer Mutual Fund World ex US/EAFE Equity Universe
Dodge & Cox International Stock from Jan 2006 to Dec 2010 (after fees)



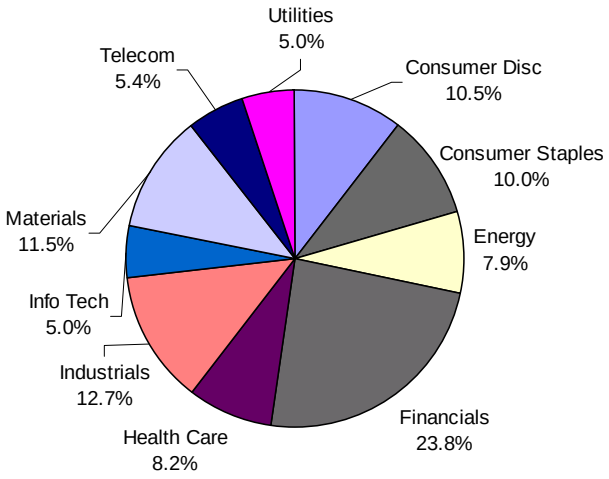
Fund Profile

International Equity - Dodge & Cox International Stock Fund - DODFX

Fund Sector Allocation as of December 31, 2010



MSCI EAFE Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - CRM Mid Cap Value Fund Institutional - CRIMX

Share Class: Institutional	**Benchmark: Russell Midcap Value**

Investment Philosophy

The Fund, under normal circumstances, invests at least 80% of its assets in a diversified portfolio of equity and equity related securities of companies with market capitalizations at the time of initial purchase similar to those in the Russell Midcap Value Index that are publicly traded on a U.S. securities market. CRM invests in under-followed, out-of-favor companies that are undergoing strategic changes such as divestitures, new products, new management, mergers, and acquisitions. CRM tries to invest in these companies before other investors recognize the beneficial impacts of the changes.

Portfolio Analysis & Key Observations

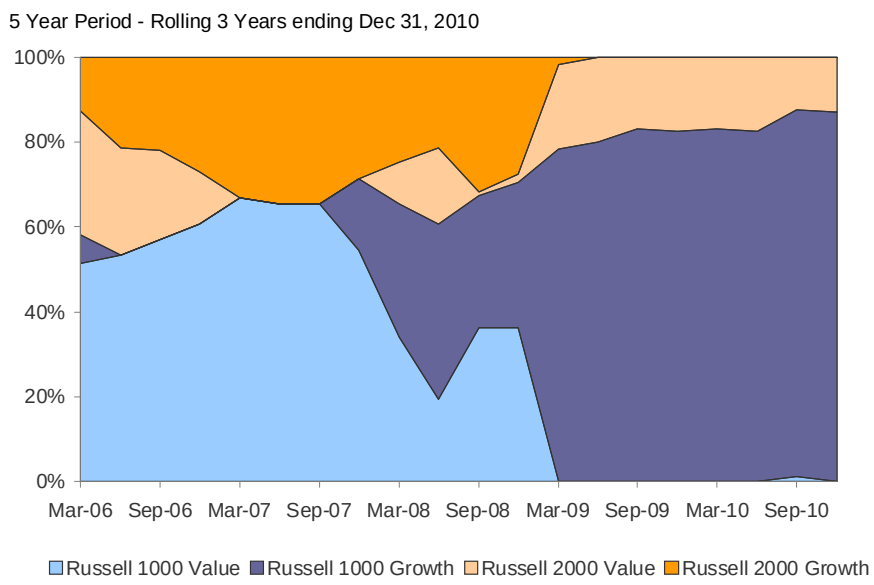
Positive Impact on Performance

- Underweight allocation and stock selection in financials
- Underweight allocation to utilities
- Stock selection in information technology, energy and consumer staples
- Top 10 holdings: Baker Hughes Inc. (34.6% return), Cooper Industries (19.7% return), and BMC Software (16.5% return)

Negative Impact on Performance

- Stock selection in health care, industrials and consumer discretionary
- Top 10 holdings: XL Group Plc. (1.2% return), Zimmer Holdings (2.6% return), and NYSE Euronext Inc. (6.0% return)

Style Analysis



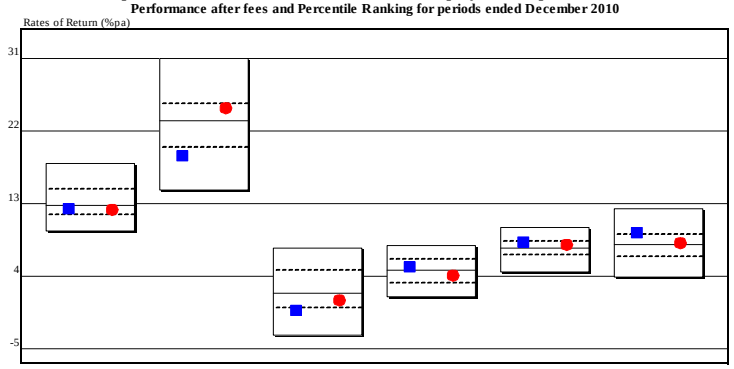
Key Facts and Figures

Portfolio Manager: Jay B. Abramson; Robert L. Rewey III Portfolio Manager Average Tenure: 9.5 Years	Total Fund Assets: $3,741 Million Total Share Class Assets: $2,394 Million	Expense Ratio (Net): 0.78% Mercer Median Expense Ratio (Net): 0.96%

Fund Profile

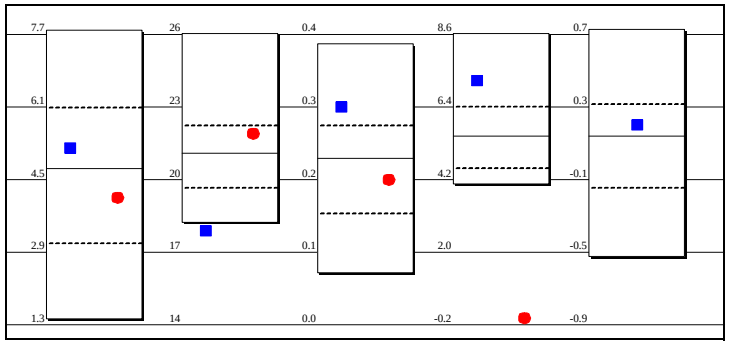
Domestic Equity - CRM Mid Cap Value Fund Institutional - CRIMX

Comparison with the Mercer Mutual Fund US Equity Mid Cap Value Universe
Performance after fees and Percentile Ranking for periods ended December 2010



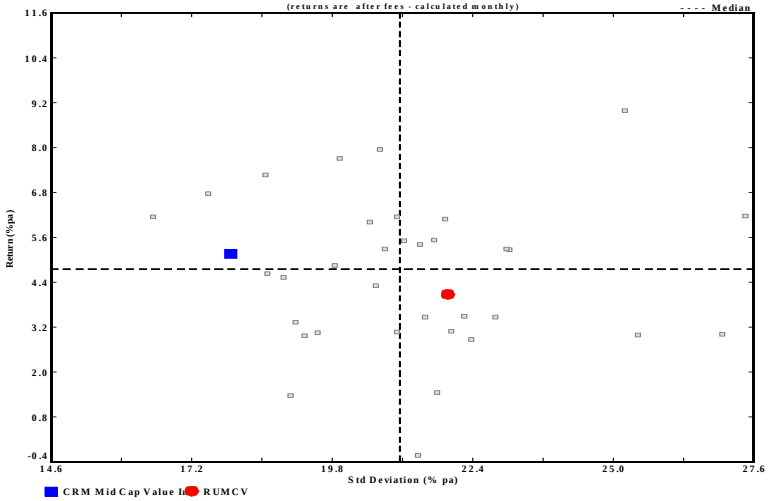
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
I Cap Value Instl	12.4 *(55)*	18.9 *(82)*	-0.2 *(76)*	5.2 *(46)*	8.2 *(26)*	9.4 *(22)*
RUMCV	12.2	24.8	1.0	4.1	7.9	8.1
5th Percentile	17.9	31.0	7.4	7.8	10.0	12.3
Upper Quartile	14.8	25.3	4.7	6.1	8.3	9.1
Median	12.7	23.2	1.8	4.7	7.4	7.9
Lower Quartile	11.6	20.0	0.0	3.1	6.6	6.4
95th Percentile	9.6	14.6	-3.4	1.4	4.5	3.7
Number of Funds	52	51	45	34	28	19

Comparison with the Mercer Mutual Fund US Equity Mid Cap Value Universe
Risk and Return Characteristics vs. RUMCV and Percentile Ranking for the 5 years ended Dec 2010

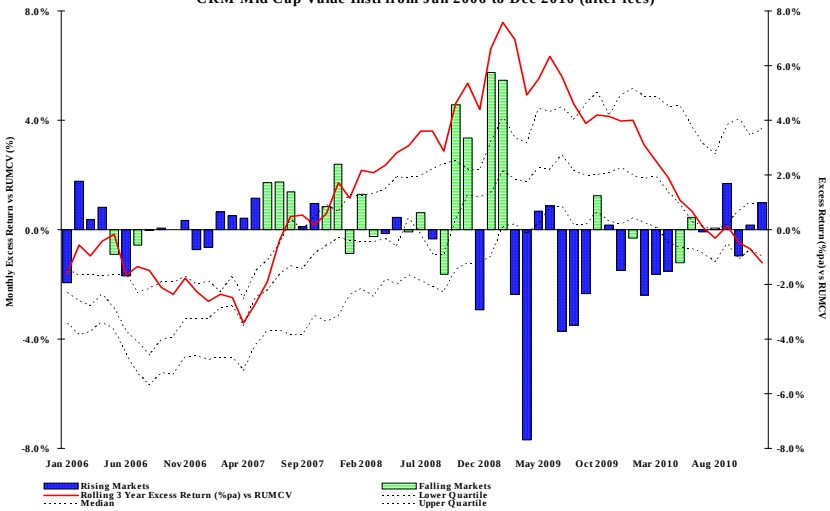


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
I Cap Value Instl	5.2 *(46)*	17.9 *(96)*	0.3 *(22)*	7.2 *(13)*	0.2 *(47)*
RUMCV	4.1 *(58)*	21.9 *(29)*	0.2 *(60)*	0.0 *(100)*	na
5th Percentile	7.8	26.0	0.4	8.6	0.7
Upper Quartile	6.1	22.2	0.3	6.4	0.3
Median	4.7	21.1	0.2	5.5	0.1
Lower Quartile	3.1	19.6	0.2	4.5	-0.2
95th Percentile	1.4	18.2	0.1	4.0	-0.5
Number of Funds	34	34	34	34	34

Comparison with the Mercer Mutual Fund US Equity Mid Cap Value Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)

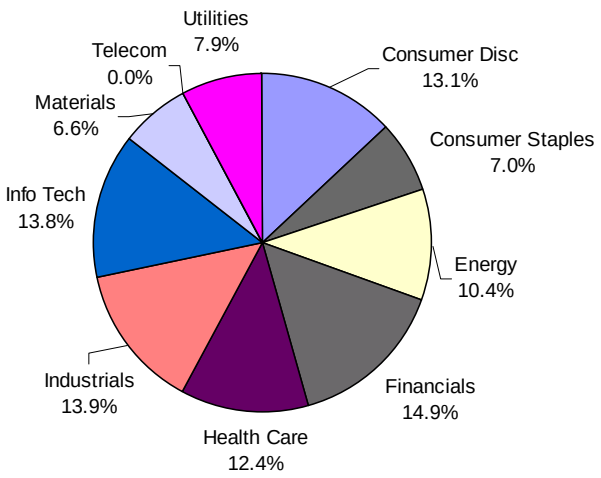
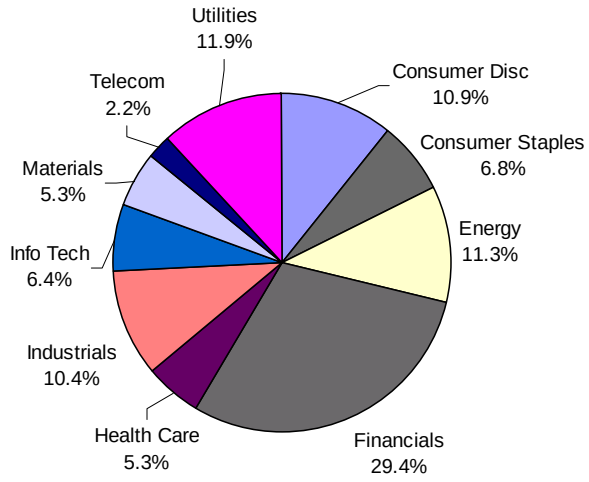


Excess Return vs RUMCV in the Mercer Mutual Fund US Equity Mid Cap Value Universe
CRM Mid Cap Value Instl from Jan 2006 to Dec 2010 (after fees)



Fund Profile

Domestic Equity - CRM Mid Cap Value Fund Institutional - CRIMX

Fund Sector Allocation as of December 31, 2010	**Russell Midcap Value Sector Allocation** as of September 30, 2010
	

Fund Profile

Domestic Equity - Columbia Mid Cap Value Opportunity Fund R4 - RMCVX

Share Class: R4	**Benchmark: Russell Midcap Value**

Investment Philosophy

The investment seeks long-term capital appreciation. The fund normally invests at least 80% of assets in equity securities of medium-sized companies whose market capitalizations at the time of purchase fall within the range of the Russell Midcap Value index. It may invest up to 25% of assets in foreign investments. The fund may invest up to 20% of assets in stocks of smaller or larger companies, preferreds, convertibles, or both

Portfolio Analysis & Key Observations

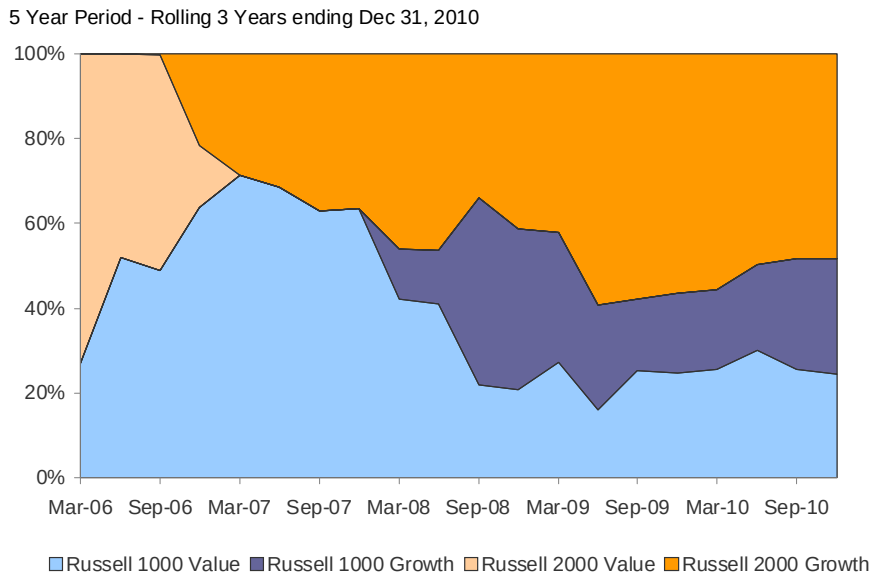
Positive Impact on Performance

- Overweight allocation and stock selection in industrials and materials
- Stock selection in information technology, energy and health care
- Underweight allocation to utilities
- Top 10 holdings LSI (31.6% return), Newfield Exploration (25.5% return), Agilent Technologies (24.2% return), Cooper Industries (19.7% return) and Life Technologies (18.9% return)

Negative Impact on Performance

- Stock selection in consumer discretionary and financials
- Top 10 holdings XL Group (1.2% return), Lorillard (3.6% return) and Macy's (9.8% return)

Style Analysis



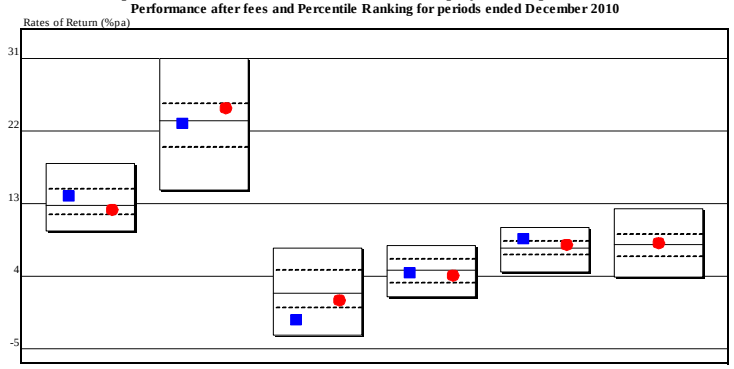
Key Facts and Figures

Portfolio Manager: Steve Schroll; Laton Spahr; Paul Stocking Portfolio Manager Average Tenure: 6.0 Years	Total Fund Assets: $2,305 Million Total Share Class Assets: $441 Million	Expense Ratio (Net): 0.97% Mercer Median Expense Ratio (Net): 0.96%

Fund Profile

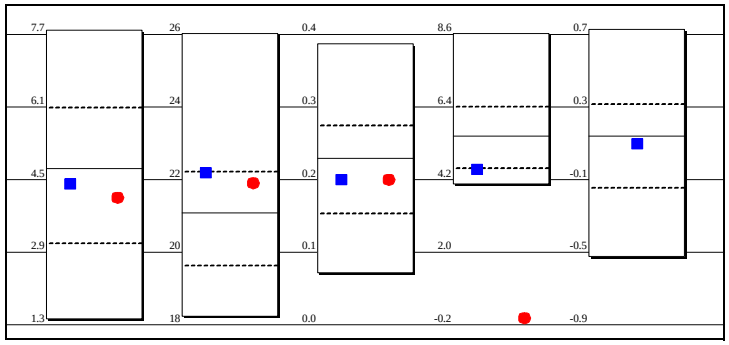
Domestic Equity - Columbia Mid Cap Value Opportunity Fund R4 - RMCVX

Comparison with the Mercer Mutual Fund US Equity Mid Cap Value Universe
Performance after fees and Percentile Ranking for periods ended December 2010



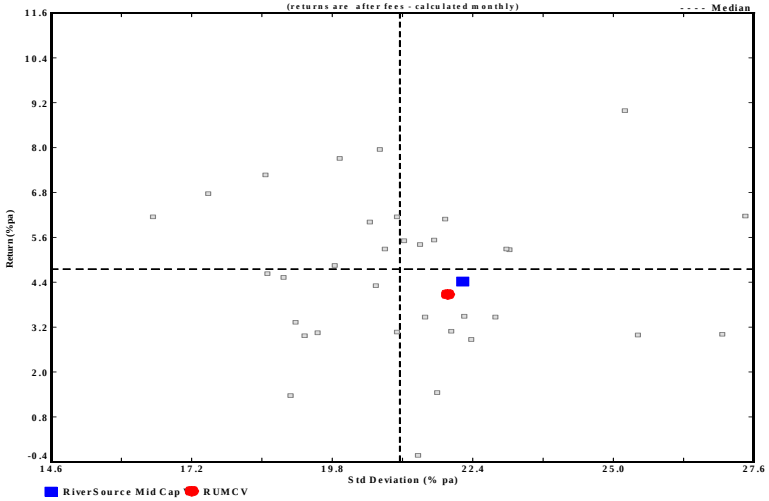
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
lid Cap Value R4	14.0 *(33)*	23.0 *(53)*	-1.4 *(86)*	4.4 *(56)*	8.7 *(20)*	na
RUMCV	12.2	24.8	1.0	4.1	7.9	8.1
5th Percentile	17.9	31.0	7.4	7.8	10.0	12.3
Upper Quartile	14.8	25.3	4.7	6.1	8.3	9.1
Median	12.7	23.2	1.8	4.7	7.4	7.9
Lower Quartile	11.6	20.0	0.0	3.1	6.6	6.4
95th Percentile	9.6	14.6	-3.4	1.4	4.5	3.7
Number of Funds	52	51	45	34	28	19

Comparison with the Mercer Mutual Fund US Equity Mid Cap Value Universe
Risk and Return Characteristics vs. RUMCV and Percentile Ranking for the 5 years ended Dec 2010

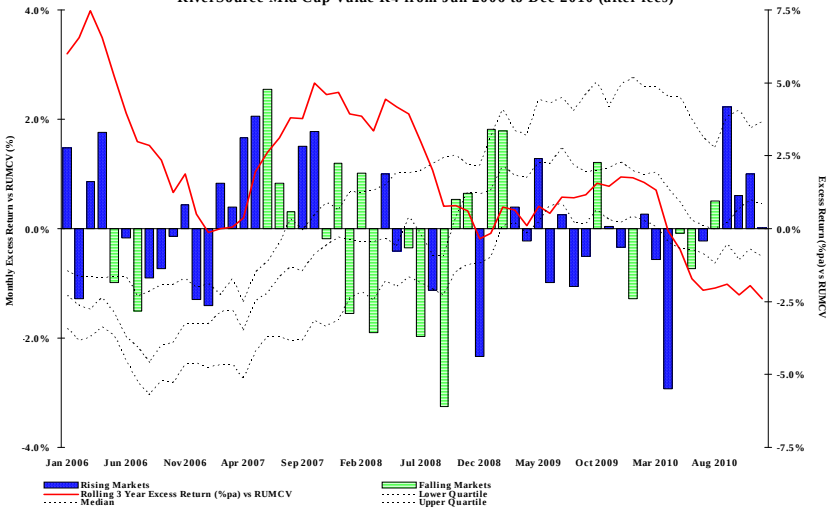


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
lid Cap Value R4	4.4 *(56)*	22.2 *(25)*	0.2 *(58)*	4.5 *(82)*	0.1 *(55)*
RUMCV	4.1 *(58)*	21.9 *(29)*	0.2 *(60)*	0.0 *(100)*	na
5th Percentile	7.8	26.0	0.4	8.6	0.7
Upper Quartile	6.1	22.2	0.3	6.4	0.3
Median	4.7	21.1	0.2	5.5	0.1
Lower Quartile	3.1	19.6	0.2	4.5	-0.2
95th Percentile	1.4	18.2	0.1	4.0	-0.5
Number of Funds	34	34	34	34	34

Comparison with the Mercer Mutual Fund US Equity Mid Cap Value Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



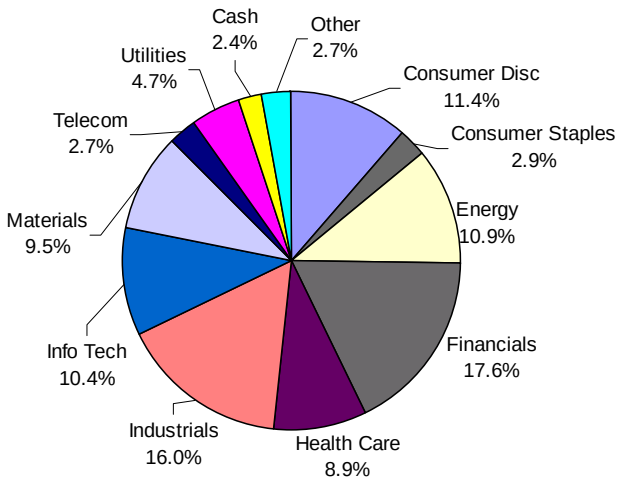
Excess Return vs RUMCV in the Mercer Mutual Fund US Equity Mid Cap Value Universe
RiverSource Mid Cap Value R4 from Jan 2006 to Dec 2010 (after fees)



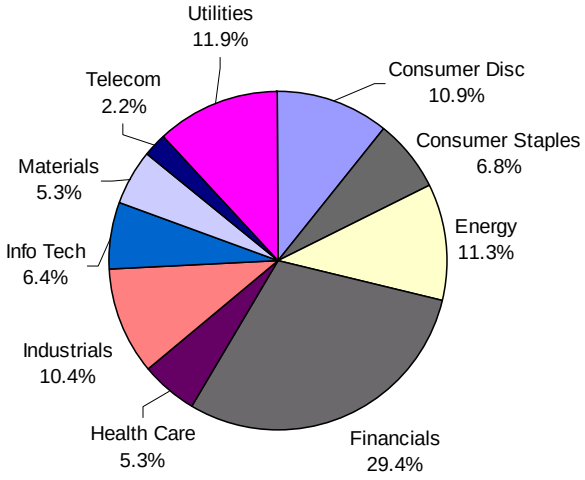
Fund Profile

Domestic Equity - Columbia Mid Cap Value Opportunity Fund R4 - RMCVX

Fund Sector Allocation as of December 31, 2010



Russell Midcap Value Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - Hartford MidCap HLS IA - HIMCX

Share Class: Inst	**Benchmark: Russell Midcap**

Investment Philosophy

The fund typically invests in high quality, established mid cap companies with good balance sheets, strong management teams, and market leadership in their industry.

Portfolio Analysis & Key Observations

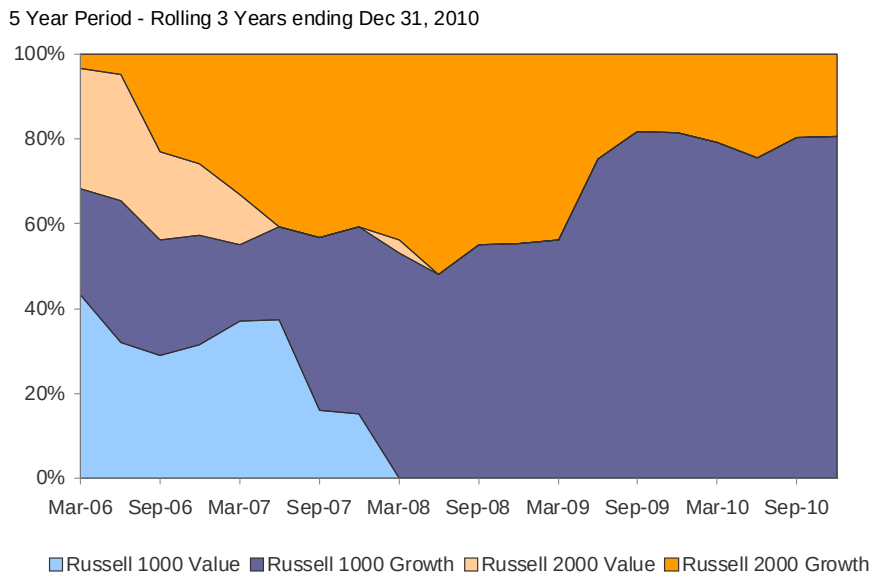
Positive Impact on Performance

- Overweight allocation to the industrial sector; underweight allocation to the utilities and consumer staples sectors
- Top 10 holdings: Beckman Coulter Inc. (54.7% return), CF Industries Holdings Inc. (41.6% return), Harley-Davidson Inc. (22.3% return)

Negative Impact on Performance

- Underweight allocation to the energy sector; overweight allocation to the health care sector
- Top 10 holdings: Southwest Airlines Co. (-0.7% return), M&T Bank Corp. (7.4% return), and Verisign Inc. (12.4% return)

Style Analysis



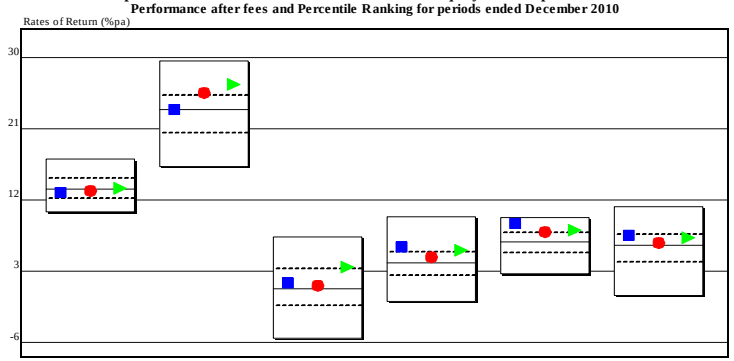
Key Facts and Figures

Portfolio Manager: Phillip H. Perelmuter	Total Fund Assets: $1.9 Billion	Expense Ratio (Net): 0.69%
Portfolio Manager Average Tenure: 11.8 Years		Mercer Median Expense Ratio (Net): 0.98%

Fund Profile

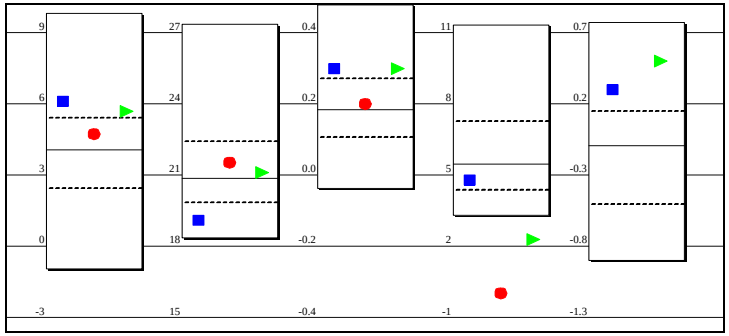
Domestic Equity - Hartford MidCap HLS IA - HIMCX

Comparison with the Mercer Mutual Fund US Equity Mid Cap Core Universe
Performance after fees and Percentile Ranking for periods ended December 2010



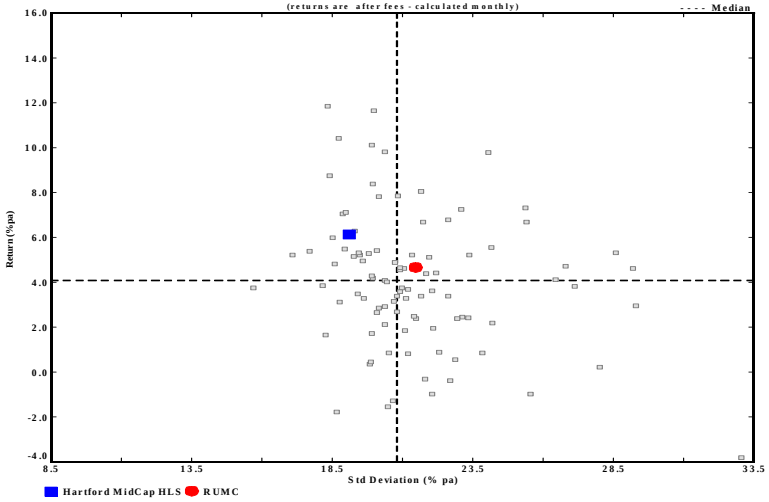
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
MidCap HLS IA	13.0 *(55)*	23.4 *(48)*	1.5 *(41)*	6.1 *(20)*	9.0 *(10)*	7.6 *(24)*
RUMC	13.1	25.5	1.1	4.7	7.9	6.5
SP400MCUSD	13.5	26.6	3.5	5.7	8.2	7.2
5th Percentile	17.2	29.6	7.3	9.8	9.7	11.1
Upper Quartile	14.7	25.1	3.3	5.4	7.8	7.6
Median	13.3	23.4	0.8	4.0	6.7	6.2
Lower Quartile	12.2	20.4	-1.4	2.4	5.2	4.1
95th Percentile	10.4	16.2	-5.6	-1.0	2.6	-0.1
Number of Funds	133	130	117	96	83	63

Comparison with the Mercer Mutual Fund US Equity Mid Cap Core Universe
Risk and Return Characteristics vs. RUMC and Percentile Ranking for the 5 years ended Dec 2010

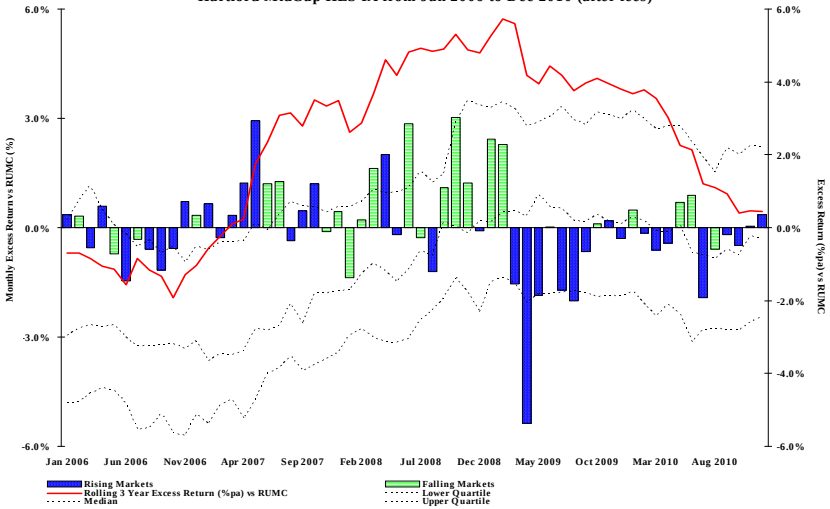


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
MidCap HLS IA	6.1 *(20)*	19.1 *(84)*	0.3 *(16)*	4.8 *(67)*	0.3 *(16)*
RUMC	4.7 *(40)*	21.5 *(37)*	0.2 *(41)*	0.0 *(100)*	na
SP400MCUSD	5.7 *(22)*	21.1 *(42)*	0.3 *(25)*	2.3 *(100)*	0.5 *(11)*
5th Percentile	9.8	27.3	0.5	11.3	0.8
Upper Quartile	5.4	22.4	0.3	7.3	0.1
Median	4.0	20.8	0.2	5.4	-0.1
Lower Quartile	2.4	19.8	0.1	4.3	-0.5
95th Percentile	-1.0	18.3	0.0	3.3	-0.9
Number of Funds	96	96	96	96	96

Comparison with the Mercer Mutual Fund US Equity Mid Cap Core Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



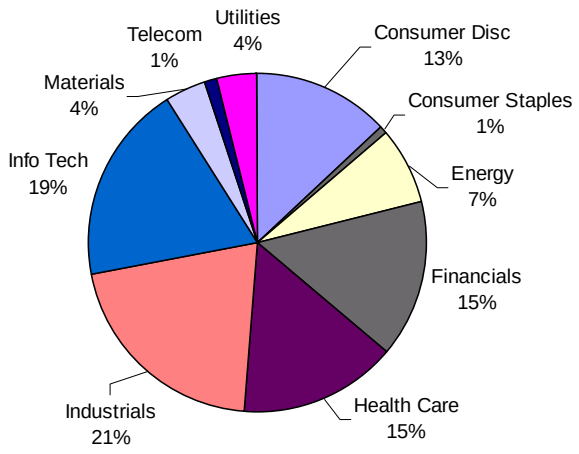
Excess Return vs RUMC in the Mercer Mutual Fund US Equity Mid Cap Core Universe
Hartford MidCap HLS IA from Jan 2006 to Dec 2010 (after fees)



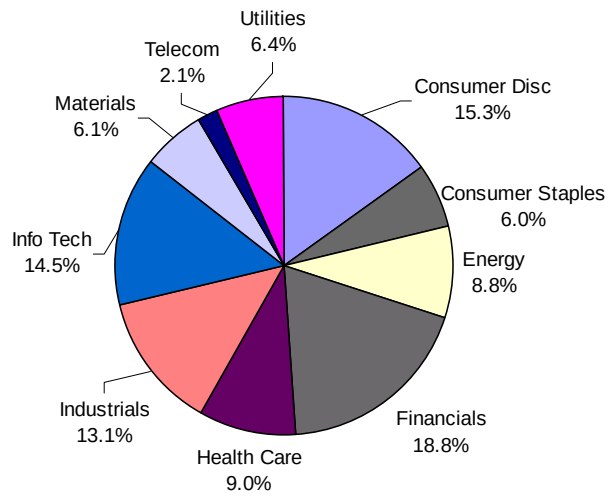
Fund Profile

Domestic Equity - Hartford MidCap HLS IA - HIMCX

Fund Sector Allocation as of December 31, 2010



Russell Midcap Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - Lazard US Mid Cap Equity Portfolio Open - LZMOX

Share Class: Open	**Benchmark: Russell Midcap**

Investment Philosophy

The Mid Cap Equity strategy is based on bottom-up stock selection with an emphasis on undervalued sectors and industries. Lazard seeks inexpensively priced companies that are financially productive with a catalyst that should create sustainable returns over the long term. The firm focuses on financial productivity and the long-term sustainability of returns rather than just price to earnings multiples and earnings projections. In-house fundamental research and financial analysis is key to the stock selection process. Macro, political, and economic factors are also considered.

Portfolio Analysis & Key Observations

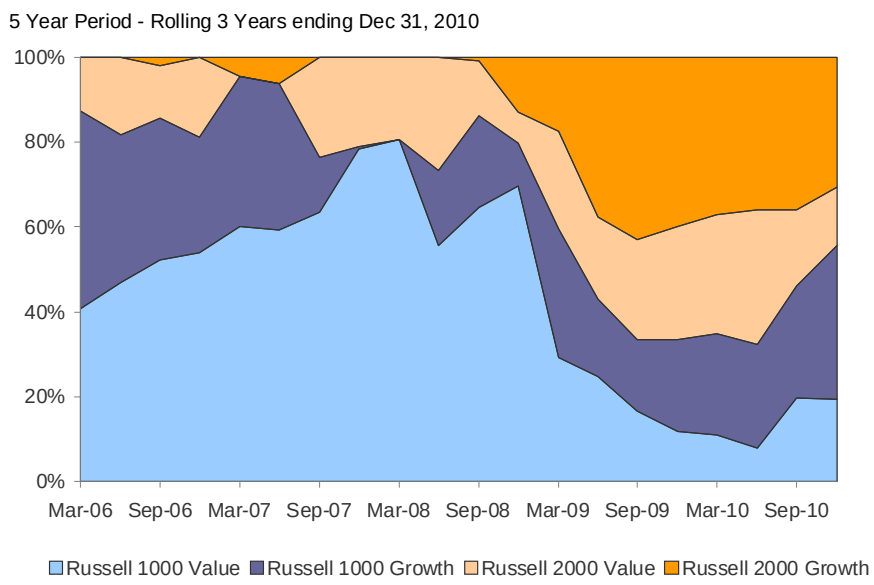
Positive Impact on Performance

- Overweight allocation to the utilities and financials sectors; overweight allocation to the energy sector
- Top 10 holdings: Ameriprise Financial (22.0% return), Analog Devices (20.7% return), and City National (15.8% return)

Negative Impact on Performance

- Overweight allocation to the consumer staples sector
- Top 10 holdings: Rockwell Collins (0.4% return), American Electric Power (0.6% return), and Newell Rubbermaid (2.4% return)

Style Analysis



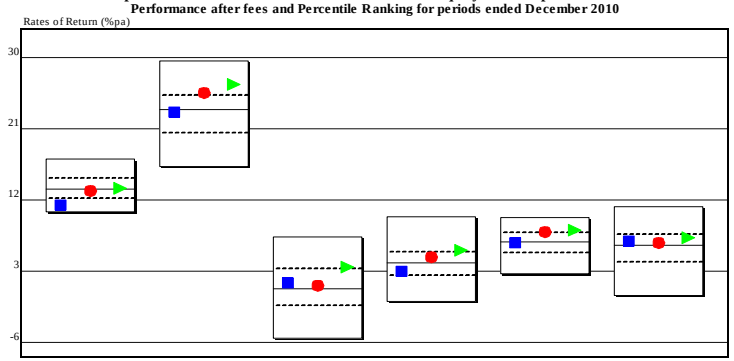
Key Facts and Figures

Portfolio Manager: Andrew D. Lacey; Christopher H. Blake; Robert A. Failla Portfolio Manager Average Tenure: 5.8 Years	Total Fund Assets: $194 Million Total Share Class Assets: $68 Million	Expense Ratio (Net): 1.17% Mercer Median Expense Ratio (Net): 0.98%

Fund Profile

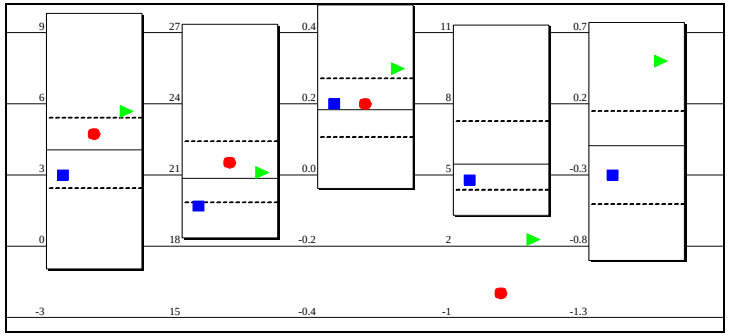
Domestic Equity - Lazard US Mid Cap Equity Portfolio Open - LZMOX

Comparison with the Mercer Mutual Fund US Equity Mid Cap Core Universe
Performance after fees and Percentile Ranking for periods ended December 2010



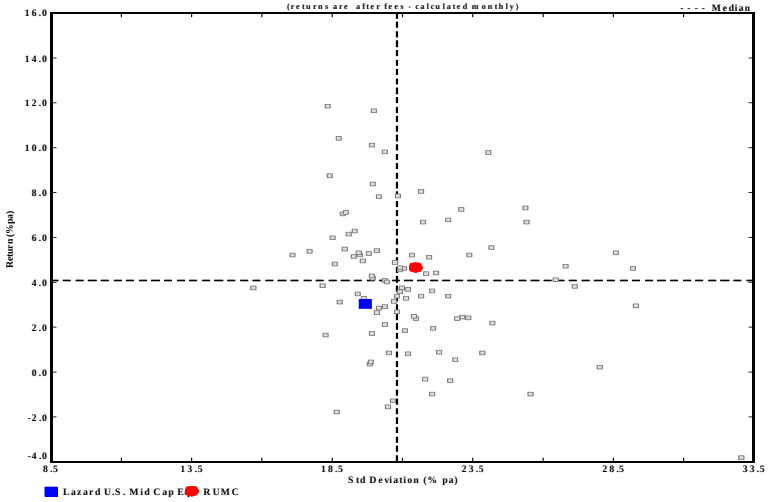
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
Cap Equity Open	11.4 *(87)*	23.1 *(53)*	1.5 *(40)*	3.0 *(67)*	6.6 *(50)*	6.8 *(37)*
RUMC	13.1	25.5	1.1	4.7	7.9	6.5
SP400MCUSD	13.5	26.6	3.5	5.7	8.2	7.2
5th Percentile	17.2	29.6	7.3	9.8	9.7	11.1
Upper Quartile	14.7	25.1	3.3	5.4	7.8	7.6
Median	13.3	23.4	0.8	4.0	6.7	6.2
Lower Quartile	12.2	20.4	-1.4	2.4	5.2	4.1
95th Percentile	10.4	16.2	-5.6	-1.0	2.6	-0.1
Number of Funds	133	130	117	96	83	63

Comparison with the Mercer Mutual Fund US Equity Mid Cap Core Universe
Risk and Return Characteristics vs. RUMC and Percentile Ranking for the 5 years ended Dec 2010

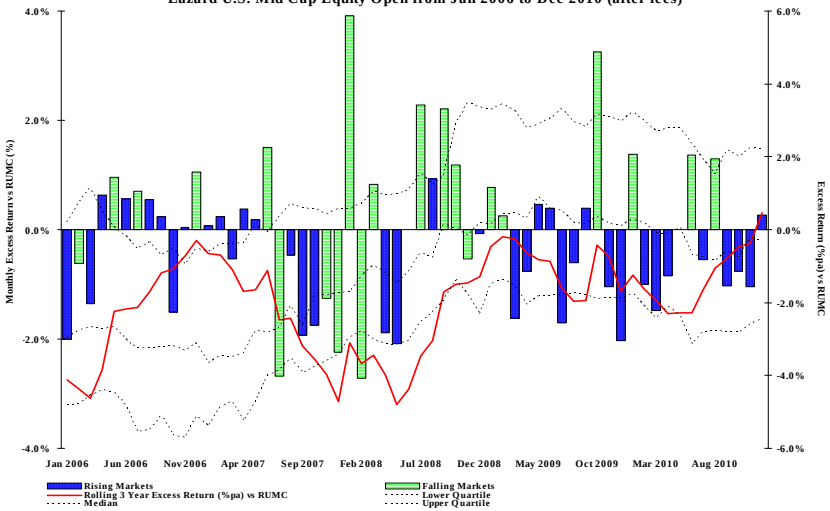


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
Cap Equity Open	3.0 *(67)*	19.7 *(77)*	0.2 *(64)*	4.8 *(65)*	-0.3 *(69)*
RUMC	4.7 *(40)*	21.5 *(37)*	0.2 *(41)*	0.0 *(100)*	na
SP400MCUSD	5.7 *(22)*	21.1 *(42)*	0.3 *(25)*	2.3 *(100)*	0.5 *(11)*
5th Percentile	9.8	27.3	0.5	11.3	0.8
Upper Quartile	5.4	22.4	0.3	7.3	0.1
Median	4.0	20.8	0.2	5.4	-0.1
Lower Quartile	2.4	19.8	0.1	4.3	-0.5
95th Percentile	-1.0	18.3	0.0	3.3	-0.9
Number of Funds	96	96	96	96	96

Comparison with the Mercer Mutual Fund US Equity Mid Cap Core Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



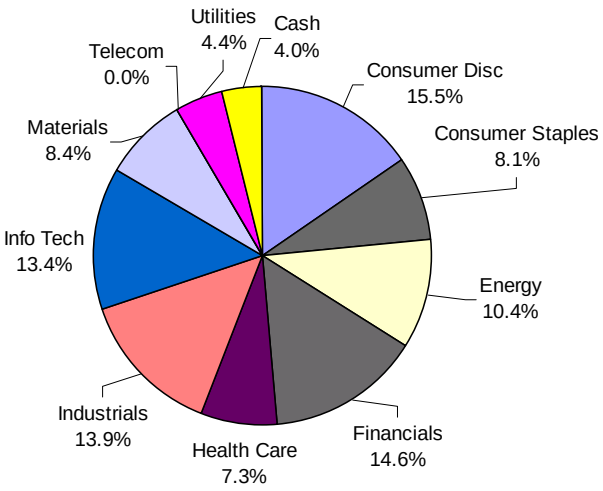
Excess Return vs RUMC in the Mercer Mutual Fund US Equity Mid Cap Core Universe
Lazard U.S. Mid Cap Equity Open from Jan 2006 to Dec 2010 (after fees)



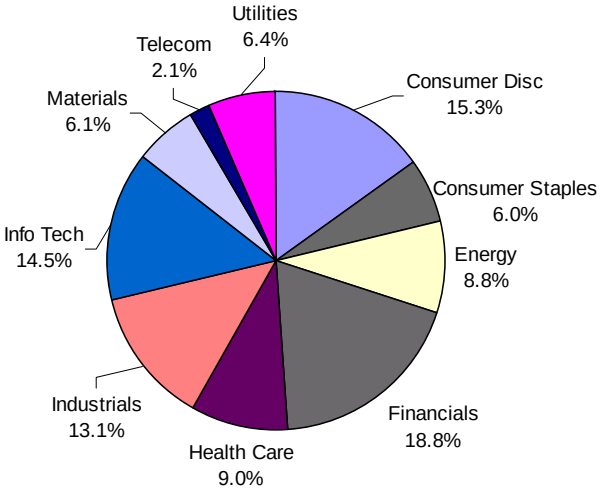
Fund Profile

Domestic Equity - Lazard US Mid Cap Equity Portfolio Open - LZMOX

Fund Sector Allocation as of December 31, 2010



Russell Midcap Sector Allocation as of September 30, 2010



Fund Profile

Domestic Equity - Munder Mid-Cap Core Growth Fund Y - MGOYX

Share Class: Y	**Benchmark: Russell Midcap Growth**

Investment Philosophy

The Mid Cap Select Fund is managed by Tony Dong. The strategy employs a growth-at-a-reasonable price philosophy using a process that combines a multi-factor model with fundamental research. Munder screens for stocks in a capitalization range of $750 million to $10 billion for a variety of growth factors then scores the stocks using a multi-factor model. Fundamental analysis is then conducted on stocks that score well in the model. Sector weights are similar to those of the S&P MidCap 400 benchmark and the median market capitalization is typically in line with the S&P 400 and Russell Mid-Cap benchmarks.

Portfolio Analysis & Key Observations

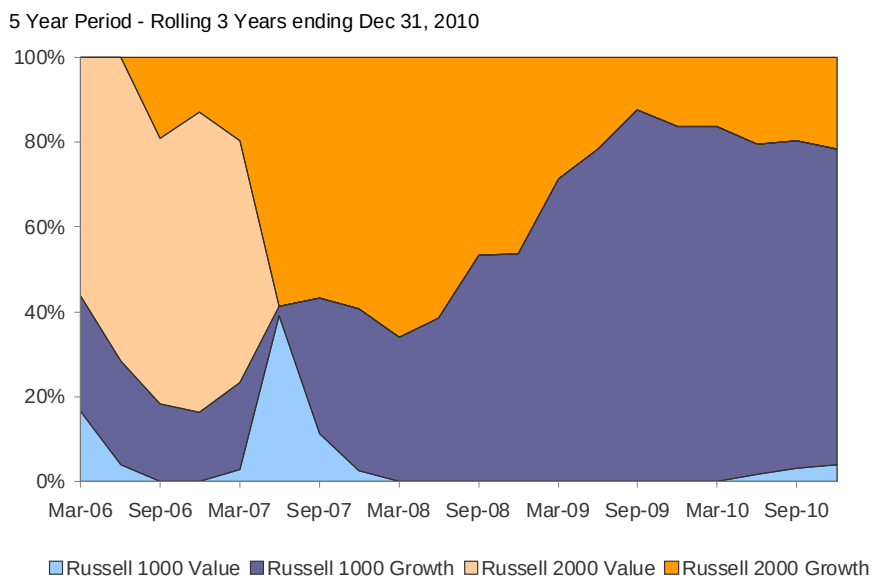
Positive Impact on Performance

- Underweight allocation and stock selections within the health care and consumer staples sectors
- Holdings in the financials sector
- Top 10 holdings Affiliated Managers Group, Inc. (27.2% return), BorgWarner Inc. (37.5% return), Gentex Corporation (52.2% return), and Kansas City Southern (27.9% return)

Negative Impact on Performance

- Overweight allocation to the utilities sector
- Stock selection in the information technology, industrials, materials and telecommunications sectors

Style Analysis



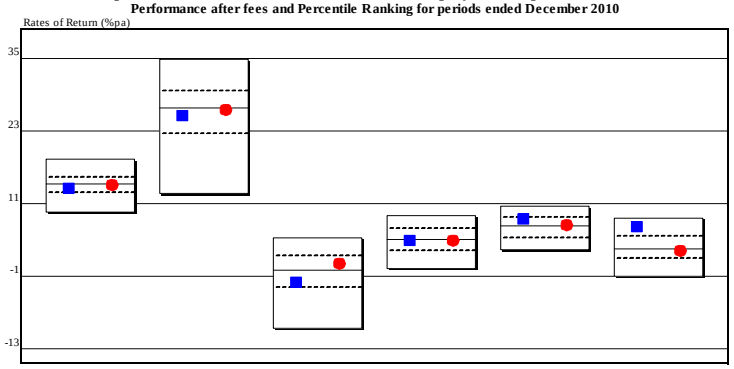
Key Facts and Figures

Portfolio Manager: Tony Y. Dong; Brian S. Matuszak; Andy Y. Mui Portfolio Manager Average Tenure: 5.8 Years	Total Fund Assets: $4,069 Million Total Share Class Assets: $2,335 Million	Expense Ratio (Net): 1.09% Mercer Median Expense Ratio (Net): 0.98%

Fund Profile

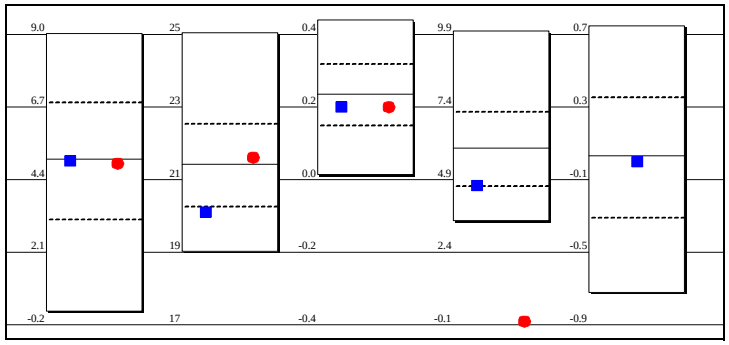
Domestic Equity - Munder Mid-Cap Core Growth Fund Y - MGOYX

Comparison with the Mercer Mutual Fund US Equity Mid Cap Growth Universe
Performance after fees and Percentile Ranking for periods ended December 2010



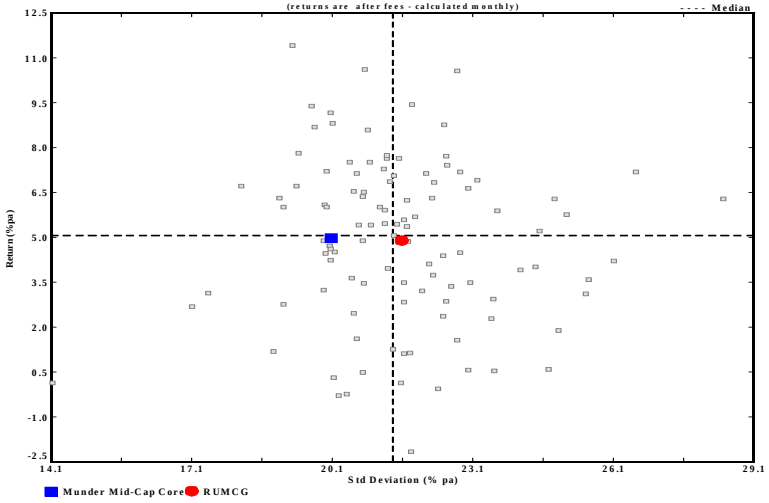
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
p Core Growth Y	13.5 *(67)*	25.5 *(56)*	-2.0 *(64)*	5.0 *(51)*	8.4 *(28)*	7.2 *(11)*
RUMCG	14.0	26.4	1.0	4.9	7.4	3.1
5th Percentile	18.3	34.8	5.2	9.0	10.6	8.6
Upper Quartile	15.3	29.6	2.3	6.8	8.6	5.6
Median	14.2	26.7	0.0	5.0	7.2	3.5
Lower Quartile	12.7	22.5	-2.9	3.1	5.3	1.9
95th Percentile	9.4	12.6	-9.9	0.2	3.3	-1.0
Number of Funds	127	124	119	109	95	80

Comparison with the Mercer Mutual Fund US Equity Mid Cap Growth Universe
Risk and Return Characteristics vs. RUMCG and Percentile Ranking for the 5 years ended Dec 2010

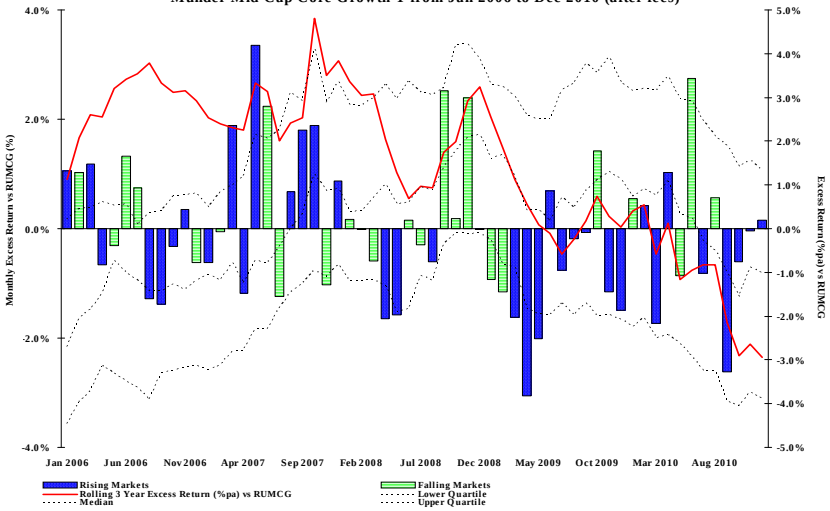


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
p Core Growth Y	5.0 *(51)*	20.1 *(81)*	0.2 *(46)*	4.7 *(75)*	0.0 *(51)*
RUMCG	4.9 *(53)*	21.6 *(46)*	0.2 *(54)*	0.0 *(100)*	na
5th Percentile	9.0	25.0	0.4	10.0	0.7
Upper Quartile	6.8	22.5	0.3	7.2	0.3
Median	5.0	21.4	0.2	6.0	0.0
Lower Quartile	3.1	20.2	0.1	4.7	-0.3
95th Percentile	0.2	19.0	0.0	3.4	-0.7
Number of Funds	109	109	109	109	109

Comparison with the Mercer Mutual Fund US Equity Mid Cap Growth Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



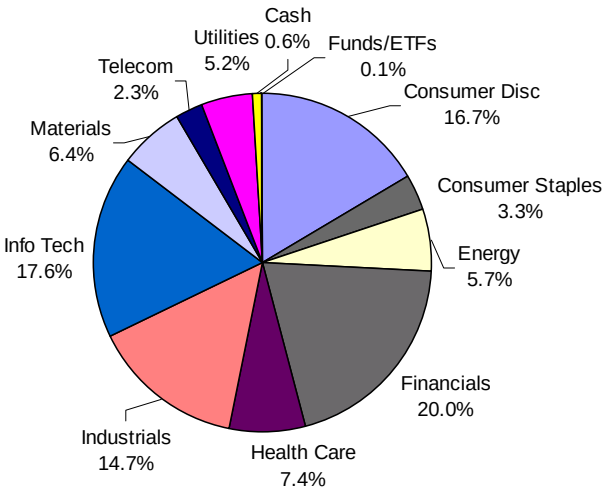
Excess Return vs RUMCG in the Mercer Mutual Fund US Equity Mid Cap Growth Universe
Munder Mid-Cap Core Growth Y from Jan 2006 to Dec 2010 (after fees)



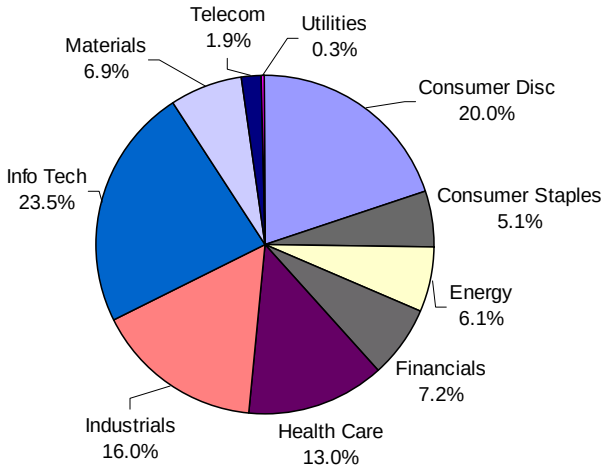
Fund Profile

Domestic Equity - Munder Mid-Cap Core Growth Fund Y - MGOYX

Fund Sector Allocation as of September 30, 2010



Russell Midcap Growth Sector Allocation as of September 30, 2010



Fund Profile

Domestic Equity - Columbia Acorn Fund A - LACAX

Share Class: A	**Benchmark: Russell Midcap Growth**

Investment Philosophy

Wanger follows the same bottom-up, GARP investment philosophy for all its products. The firm looks for stocks of lesser-known companies that show healthy growth of economic value and some type of sustainable economic advantage.

Portfolio Analysis & Key Observations

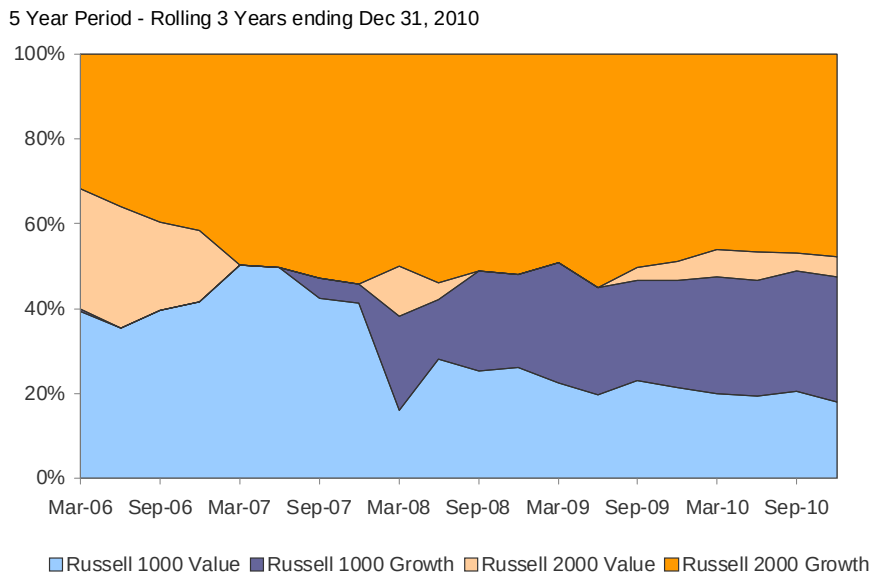
Positive Impact on Performance

- Overweight allocation to the energy and industrials sectors; underweight allocation to the consumer staples sector
- Top 10 holdings: Lululemon Athletica (53.0% return), FMC Technologies (30.2% return), and Donaldson Inc. (23.9% return)

Negative Impact on Performance

- Overweight allocation to the telecommunications sector
- Top 10 holdings: Crown Castle International (7.8% return)

Style Analysis



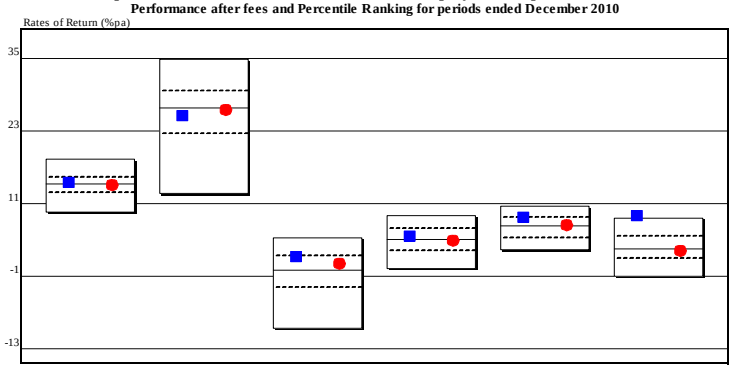
Key Facts and Figures

Portfolio Manager: Charles P. McQuaid; Robert A. Mohn; P. Zachary Egan Portfolio Manager Average Tenure: 16.7 Years	Total Fund Assets: $15,796 Million Total Share Class Assets: $3,155 Million	Expense Ratio (Net): 1.07% Mercer Median Expense Ratio (Net): 0.98%

Fund Profile

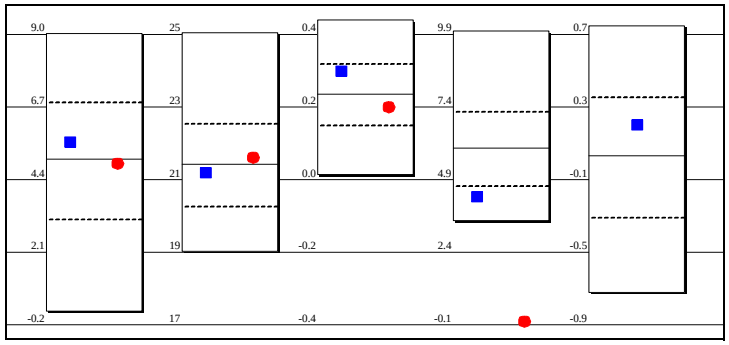
Domestic Equity - Columbia Acorn Fund A - LACAX

Comparison with the Mercer Mutual Fund US Equity Mid Cap Growth Universe
Performance after fees and Percentile Ranking for periods ended December 2010



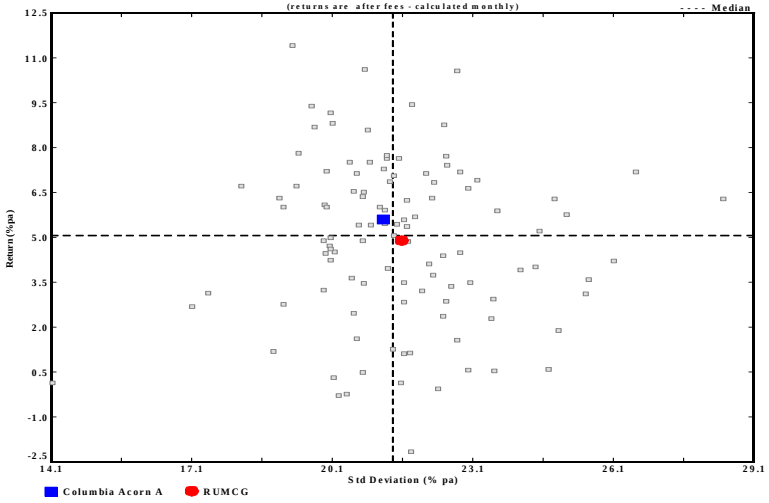
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
lumbia Acorn A	14.5 *(43)*	25.6 *(55)*	2.3 *(24)*	5.6 *(43)*	8.7 *(22)*	9.0 *(1)*
RUMCG	14.0	26.4	1.0	4.9	7.4	3.1
5th Percentile	18.3	34.8	5.2	9.0	10.6	8.6
Upper Quartile	15.3	29.6	2.3	6.8	8.6	5.6
Median	14.2	26.7	0.0	5.0	7.2	3.5
Lower Quartile	12.7	22.5	-2.9	3.1	5.3	1.9
95th Percentile	9.4	12.6	-9.9	0.2	3.3	-1.0
Number of Funds	127	124	119	109	95	80

Comparison with the Mercer Mutual Fund US Equity Mid Cap Growth Universe
Risk and Return Characteristics vs. RUMCG and Percentile Ranking for the 5 years ended Dec 2010

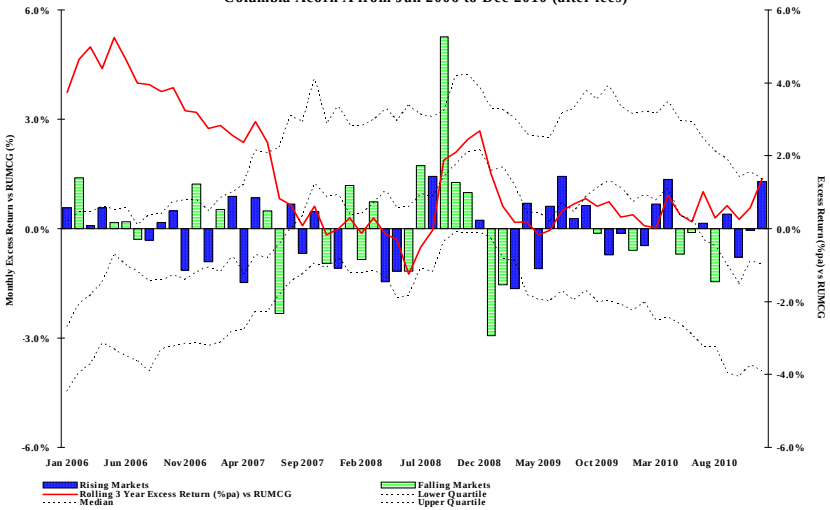


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
lumbia Acorn A	5.6 *(43)*	21.2 *(58)*	0.3 *(39)*	4.3 *(82)*	0.2 *(42)*
RUMCG	4.9 *(53)*	21.6 *(46)*	0.2 *(54)*	0.0 *(100)*	na
5th Percentile	9.0	25.0	0.4	10.0	0.7
Upper Quartile	6.8	22.5	0.3	7.2	0.3
Median	5.0	21.4	0.2	6.0	0.0
Lower Quartile	3.1	20.2	0.1	4.7	-0.3
95th Percentile	0.2	19.0	0.0	3.4	-0.7
Number of Funds	109	109	109	109	109

Comparison with the Mercer Mutual Fund US Equity Mid Cap Growth Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



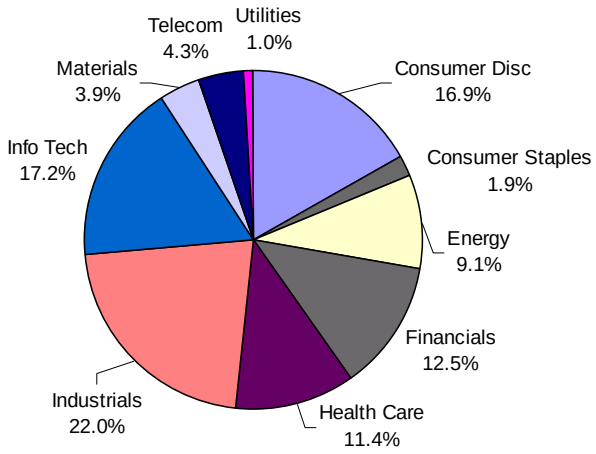
Excess Return vs RUMCG in the Mercer Mutual Fund US Equity Mid Cap Growth Universe
Columbia Acorn A from Jan 2006 to Dec 2010 (after fees)



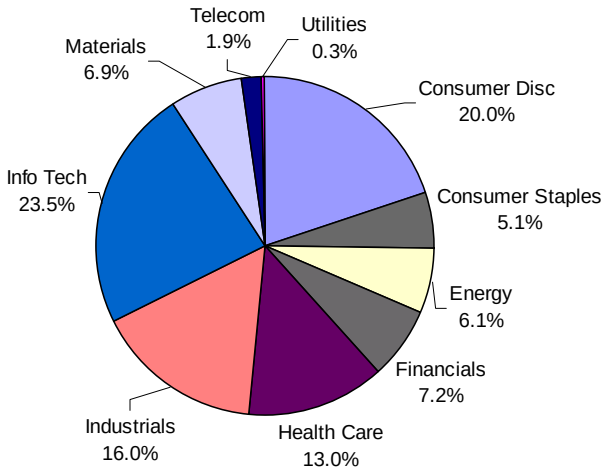
Fund Profile

Domestic Equity - Columbia Acorn Fund A - LACAX

Fund Sector Allocation as of December 31, 2010



Russell Midcap Growth Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - Columbia Small Cap Value Fund II Z - NSVAX

Share Class: Z	**Benchmark: Russell 2000 Value**

Investment Philosophy

The objective of the fund is to seek long-term growth of capital by investing in companies believed to be undervalued. The fund employs a disciplined investment process that combines quantitative value screens with proprietary fundamental research and risk management.

Portfolio Analysis & Key Observations

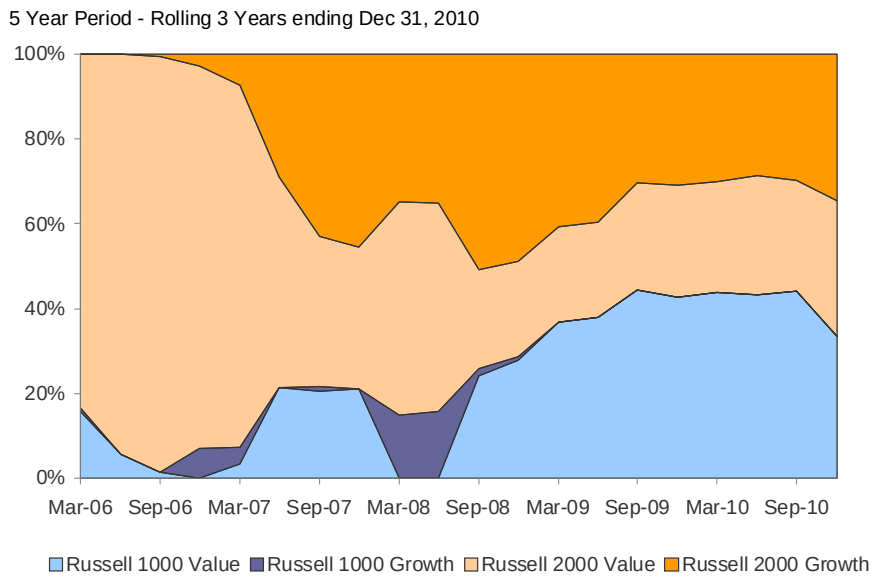
Positive Impact on Performance

- Stock selection in consumer discretionary, information technology, health care and energy
- Overweight industrials; underweight utilities and financials
- Top 10 holdings United Rentals (53.3% return), Wabash National (46.5% return), and Kindred Healthcare (41.1% return)

Negative Impact on Performance

- Stock selection in materials and financials
- Underweight the energy sector
- Top 10 holdings Textainer Group (7.6% return) and New Jersey Resources (10.8% return)

Style Analysis



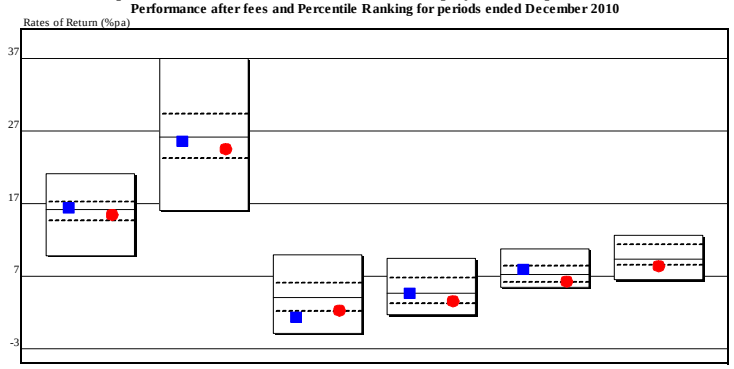
Key Facts and Figures

Portfolio Manager: Christian K. Stadlinger; Jarl Ginsberg Portfolio Manager Average Tenure: 7.5 Years	Total Fund Assets: $1,552 Million Total Share Class Assets: $1,029 Million	Expense Ratio (Net): 1.06% Mercer Median Expense Ratio (Net): 1.09%

Fund Profile

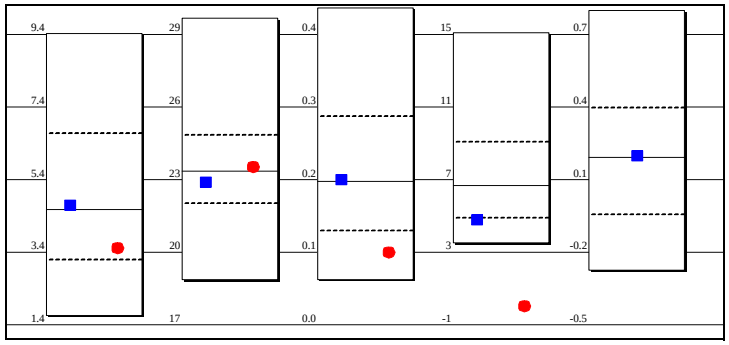
Domestic Equity - Columbia Small Cap Value Fund II Z - NSVAX

Comparison with the Mercer Mutual Fund US Equity Small Cap Value Universe
Performance after fees and Percentile Ranking for periods ended December 2010



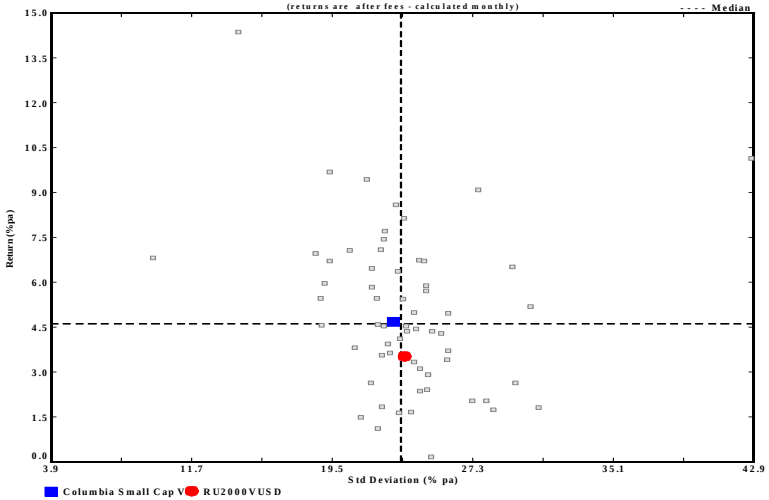
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
ıll Cap Value II Z	16.4 *(48)*	25.6 *(63)*	1.4 *(82)*	4.7 *(48)*	7.9 *(32)*	na
RU2000VUSD	15.4	24.5	2.2	3.5	6.2	8.4
5th Percentile	21.1	36.9	9.8	9.4	10.7	12.6
Upper Quartile	17.2	29.3	6.1	6.7	8.4	11.3
Median	16.2	26.1	3.9	4.6	7.1	9.2
Lower Quartile	14.6	23.1	2.1	3.2	6.2	8.4
95th Percentile	9.8	15.9	-1.0	1.6	5.4	6.4
Number of Funds	81	79	72	62	51	38

Comparison with the Mercer Mutual Fund US Equity Small Cap Value Universe
Risk and Return Characteristics vs. RU2000VUSD and Percentile Ranking for the 5 years ended Dec 2010

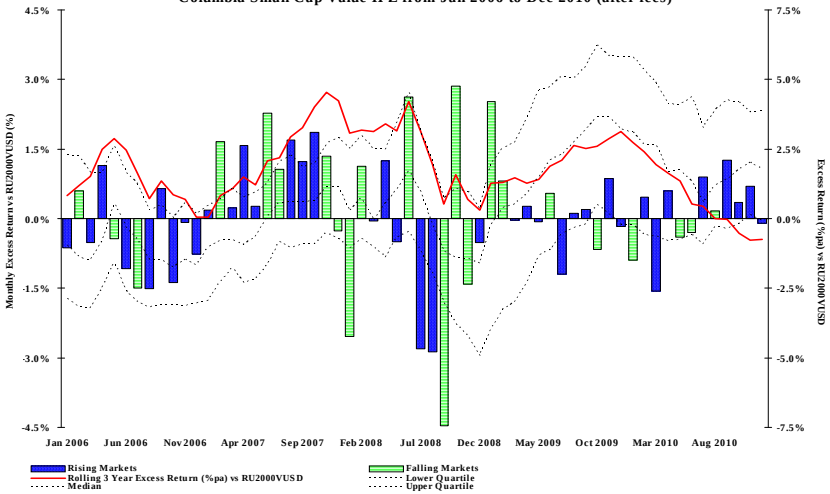


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
ıll Cap Value II Z	4.7 *(48)*	22.9 *(57)*	0.2 *(48)*	4.8 *(77)*	0.2 *(39)*
RU2000VUSD	3.5 *(71)*	23.5 *(47)*	0.1 *(70)*	0.0 *(100)*	na
5th Percentile	9.4	29.6	0.4	15.1	0.8
Upper Quartile	6.7	24.8	0.3	9.0	0.4
Median	4.6	23.3	0.2	6.6	0.2
Lower Quartile	3.2	22.0	0.1	4.9	0.0
95th Percentile	1.6	18.8	0.1	3.5	-0.3
Number of Funds	62	62	62	62	62

Comparison with the Mercer Mutual Fund US Equity Small Cap Value Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



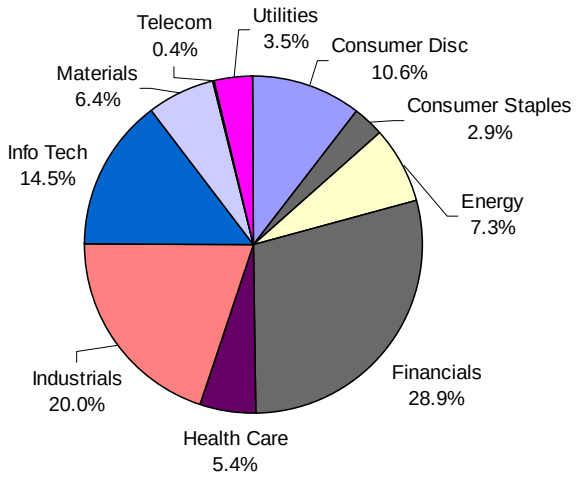
Excess Return vs RU2000VUSD in the Mercer Mutual Fund US Equity Small Cap Value Universe
Columbia Small Cap Value II Z from Jan 2006 to Dec 2010 (after fees)



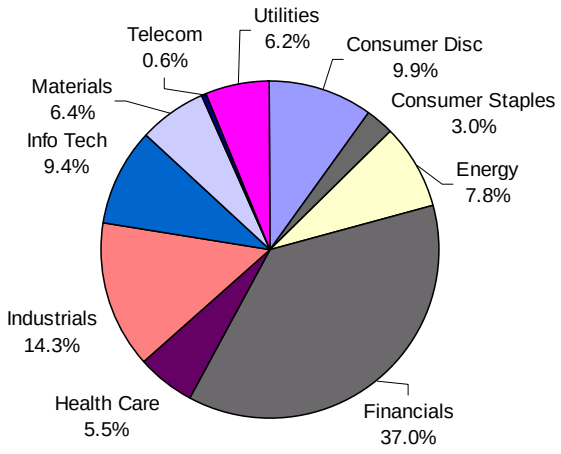
Fund Profile

Domestic Equity - Columbia Small Cap Value Fund II Z - NSVAX

Fund Sector Allocation as of December 31, 2010



Russell 2000 Value Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - Wells Fargo Advantage Special Small Cap Val Fd A - ESPAX

Share Class: A | **Benchmark: Russell 2000 Value**

Investment Philosophy

Jim Tringas, who had been an analyst on the team, assumed the role of portfolio manager in April 2002. The philosophy of management has been the one constant at the fund since inception; a focus on companies selling at heavy discounts to their intrinsic value that have strong cash flow or high return on equity. Tringas typically favors traditional value sectors, such as industrials and finance. Portfolio holdings have risen as a result of the increase in assets under management, but are expected to settle in at approximately 140 stocks going forward.

Portfolio Analysis & Key Observations

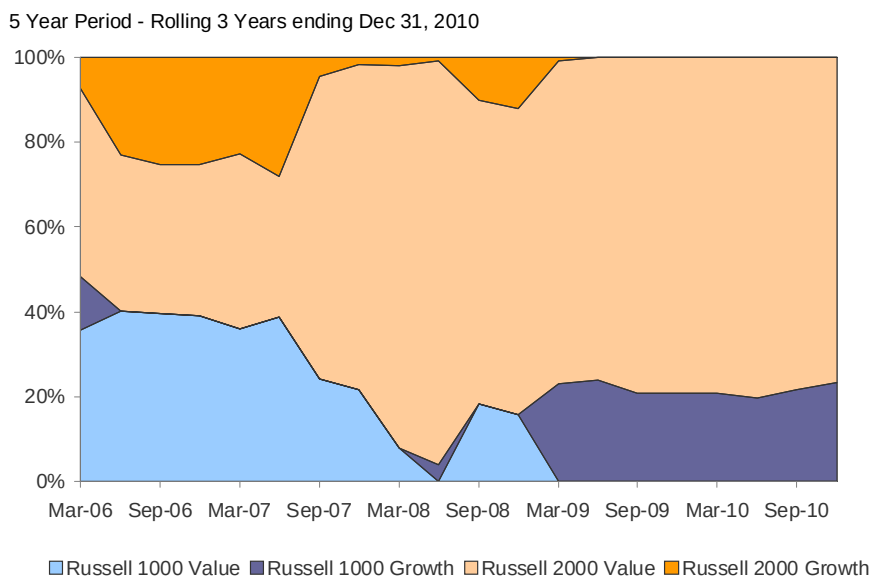
Positive Impact on Performance

- Underweight allocation to financials and health care; overweight to industrials
- Top 10 holdings Quantum (75.5% return), Heidrick & Struggles Intl. (48.0% return), and Kadant (24.6% return)

Negative Impact on Performance

- Underweight allocation to energy; overweight to consumer staples
- Top 10 holdings First Citizens BancShare (2.2% return), Allete Inc. (3.6% return), and Comstock Resources (9.2% return)

Style Analysis



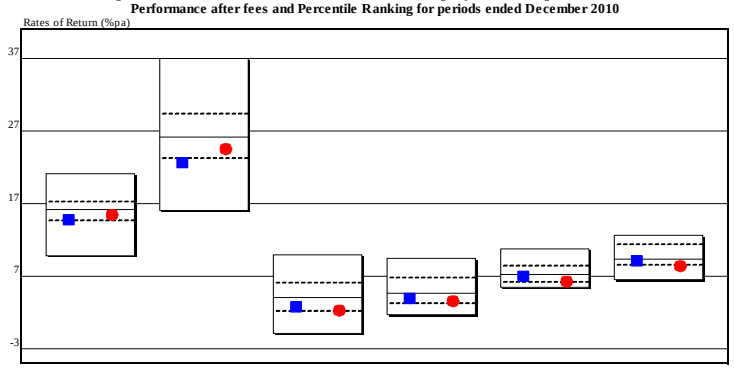
Key Facts and Figures

Portfolio Manager: James M. Tringas; Robert Rifkin Portfolio Manager Average Tenure: 4.0 Years	Total Fund Assets: $870 Million Total Share Class Assets: $468 Million	Expense Ratio (Net): 1.35% Mercer Median Expense Ratio (Net): 1.09%

Fund Profile

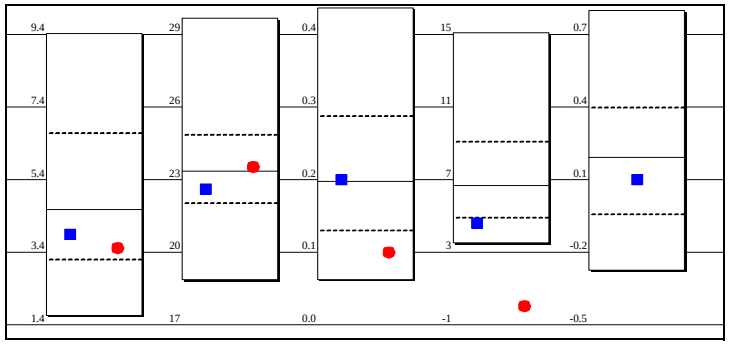
Domestic Equity - Wells Fargo Advantage Special Small Cap Val Fd A - ESPAX

Comparison with the Mercer Mutual Fund US Equity Small Cap Value Universe
Performance after fees and Percentile Ranking for periods ended December 2010



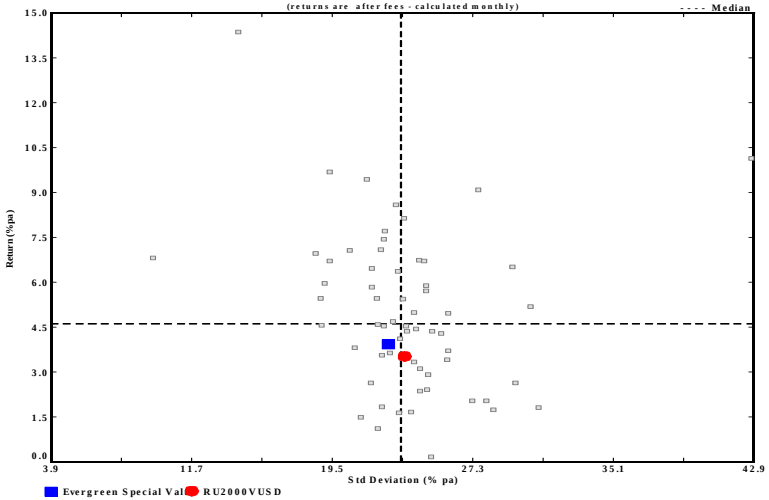
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
Special Values A	14.8 *(73)*	22.6 *(77)*	2.8 *(66)*	3.9 *(64)*	7.0 *(54)*	9.1 *(54)*
RU2000VUSD	15.4	24.5	2.2	3.5	6.2	8.4
5th Percentile	21.1	36.9	9.8	9.4	10.7	12.6
Upper Quartile	17.2	29.3	6.1	6.7	8.4	11.3
Median	16.2	26.1	3.9	4.6	7.1	9.2
Lower Quartile	14.6	23.1	2.1	3.2	6.2	8.4
95th Percentile	9.8	15.9	-1.0	1.6	5.4	6.4
Number of Funds	81	79	72	62	51	38

Comparison with the Mercer Mutual Fund US Equity Small Cap Value Universe
Risk and Return Characteristics vs. RU2000VUSD and Percentile Ranking for the 5 years ended Dec 2010

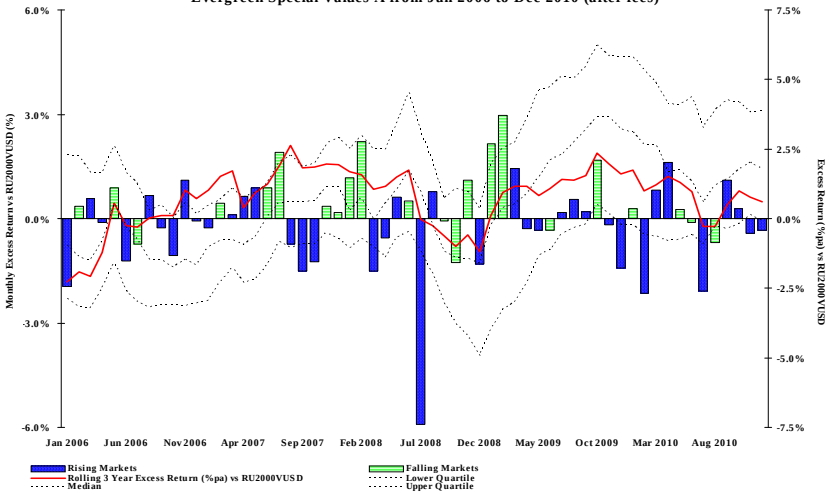


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
Special Values A	3.9 *(64)*	22.6 *(61)*	0.2 *(62)*	4.6 *(80)*	0.1 *(64)*
RU2000VUSD	3.5 *(71)*	23.5 *(47)*	0.1 *(70)*	0.0 *(100)*	na
5th Percentile	9.4	29.6	0.4	15.1	0.8
Upper Quartile	6.7	24.8	0.3	9.0	0.4
Median	4.6	23.3	0.2	6.6	0.2
Lower Quartile	3.2	22.0	0.1	4.9	0.0
95th Percentile	1.6	18.8	0.1	3.5	-0.3
Number of Funds	62	62	62	62	62

Comparison with the Mercer Mutual Fund US Equity Small Cap Value Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



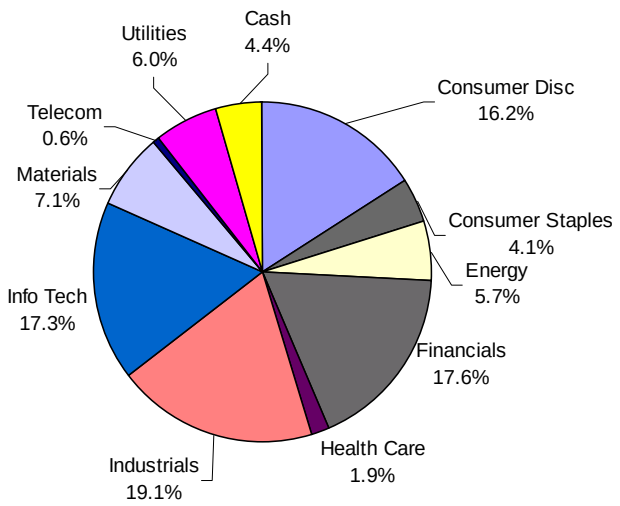
Excess Return vs RU2000VUSD in the Mercer Mutual Fund US Equity Small Cap Value Universe
Evergreen Special Values A from Jan 2006 to Dec 2010 (after fees)



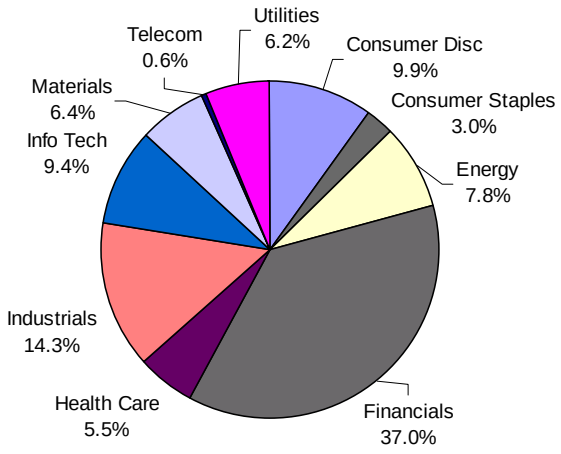
Fund Profile

Domestic Equity - Wells Fargo Advantage Special Small Cap Val Fd A - ESPAX

Fund Sector Allocation as of December 31, 2010



Russell 2000 Value Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - Oppenheimer Main Street Small- & Mid-Cap Fund Y - OPMYX

Share Class: Y	**Benchmark: Russell 2000**

Investment Philosophy

The Fund's objective is to provide long-term growth of capital by investing in a broad spectrum of primarily small-cap value and growth stocks (defined as companies with market capitalizations less than or equal to the largest company in the Russell 2000 index). The Fund invests in the stocks of smaller, dynamic companies. The Fund typically holds 1,000 or more growth and value stocks. The disciplined investment process evaluates stocks using multiple factors that can impact the price of stock. Time-tested for over 30 years, this method is designed to adapt to changes in the marketplace.

Portfolio Analysis & Key Observations

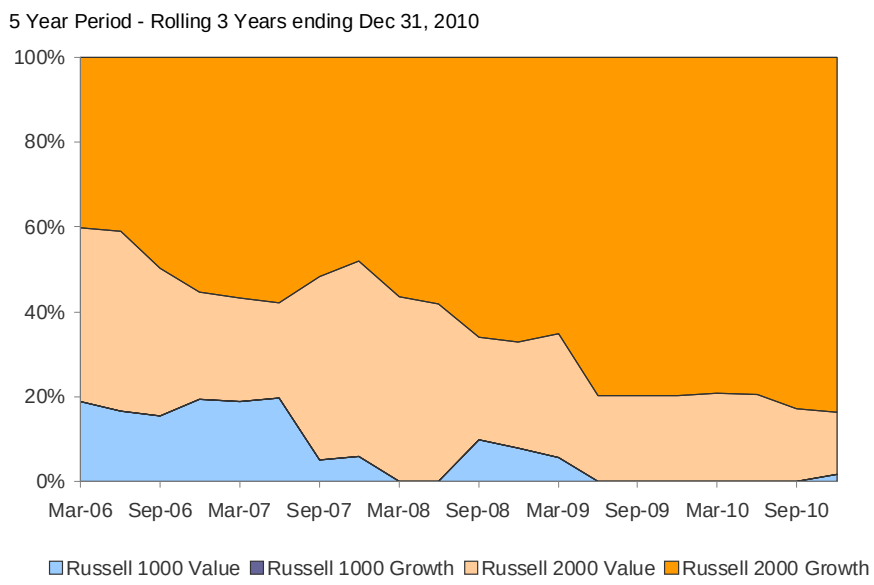
Positive Impact on Performance

- Overweight information technology
- Top contributors included Holly Corp (42.3% return), IMAX Corp (66.5% return), and Atheros Communication (36.3% return)

Negative Impact on Performance

- Underweight energy
- Overweight and stock selection in financials
- Top detractors from performance included Savient Pharmaceutical (-51.3% return), Capella Education (-14.2% return), and Digital Realty (-15.6% return)

Style Analysis



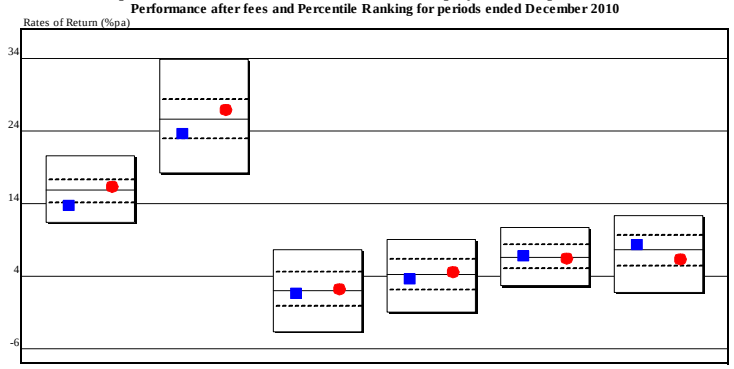
Key Facts and Figures

Portfolio Manager: Matthew P. Ziehl; Raman Vardharaj; Benjamin Ram Portfolio Manager Average Tenure: 0.7 Years	Total Fund Assets: $3,569 Million Total Share Class Assets: $921 Million	Expense Ratio (Net): 0.83% Mercer Median Expense Ratio (Net): 1.06%

Fund Profile

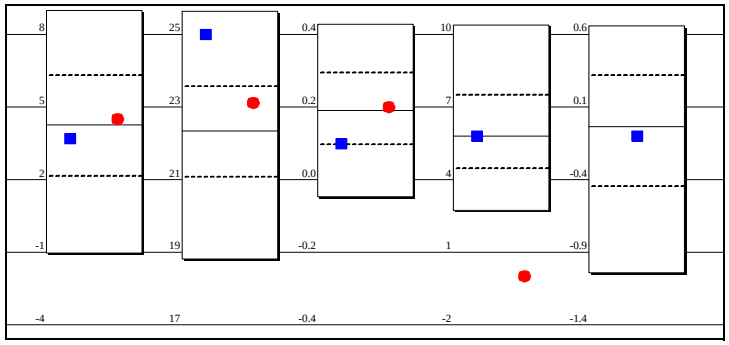
Domestic Equity - Oppenheimer Main Street Small- & Mid-Cap Fund Y - OPMYX

Comparison with the Mercer Mutual Fund US Equity Small Cap Core Universe
Performance after fees and Percentile Ranking for periods ended December 2010



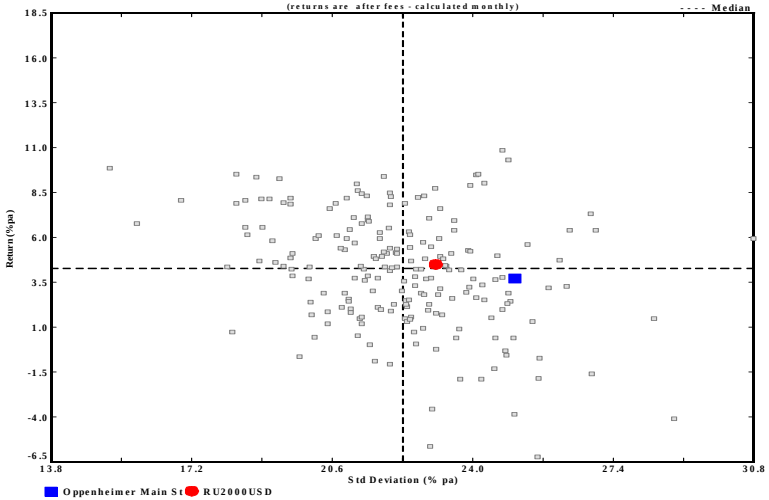
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
n St Small Cap Y	13.8 *(77)*	23.7 *(69)*	1.7 *(53)*	3.7 *(57)*	6.8 *(47)*	8.4 *(37)*
RU2000USD	16.3	26.9	2.2	4.5	6.4	6.3
5th Percentile	20.6	33.8	7.6	9.0	10.6	12.3
Upper Quartile	17.2	28.3	4.5	6.3	8.4	9.6
Median	15.8	25.6	2.0	4.2	6.6	7.6
Lower Quartile	14.1	22.9	-0.1	2.1	5.0	5.4
95th Percentile	11.4	18.1	-3.7	-1.1	2.6	1.7
Number of Funds	242	240	227	201	178	142

Comparison with the Mercer Mutual Fund US Equity Small Cap Core Universe
Risk and Return Characteristics vs. RU2000USD and Percentile Ranking for the 5 years ended Dec 2010

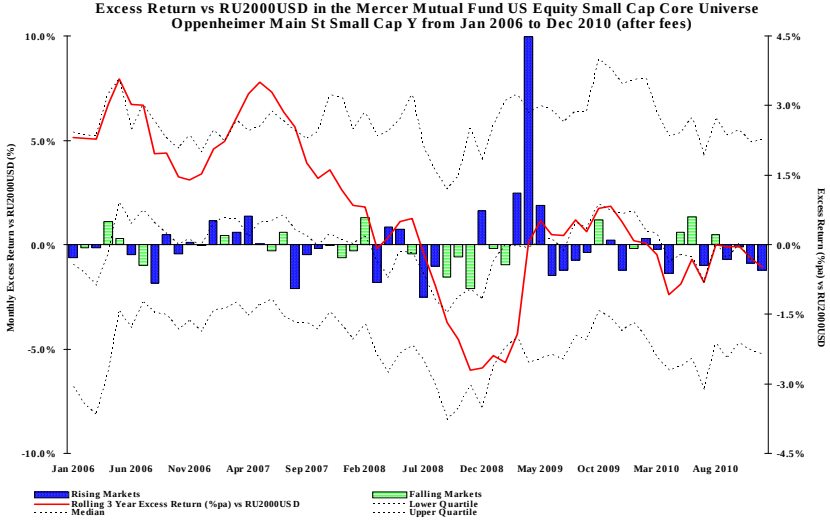


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
n St Small Cap Y	3.7 *(57)*	25.0 *(8)*	0.1 *(60)*	5.8 *(50)*	-0.1 *(57)*
RU2000USD	4.5 *(45)*	23.1 *(32)*	0.2 *(49)*	0.0 *(100)*	na
5th Percentile	9.0	25.6	0.4	10.4	0.7
Upper Quartile	6.3	23.5	0.3	7.5	0.3
Median	4.2	22.3	0.2	5.8	0.0
Lower Quartile	2.1	21.1	0.1	4.4	-0.5
95th Percentile	-1.1	18.8	0.0	2.7	-1.0
Number of Funds	201	201	201	201	201

Comparison with the Mercer Mutual Fund US Equity Small Cap Core Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



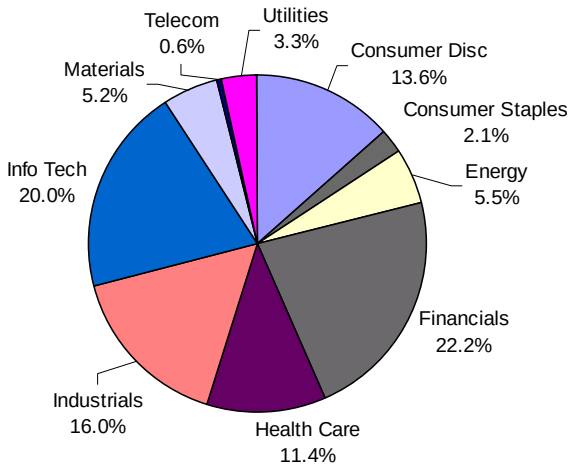
Excess Return vs RU2000USD in the Mercer Mutual Fund US Equity Small Cap Core Universe
Oppenheimer Main St Small Cap Y from Jan 2006 to Dec 2010 (after fees)



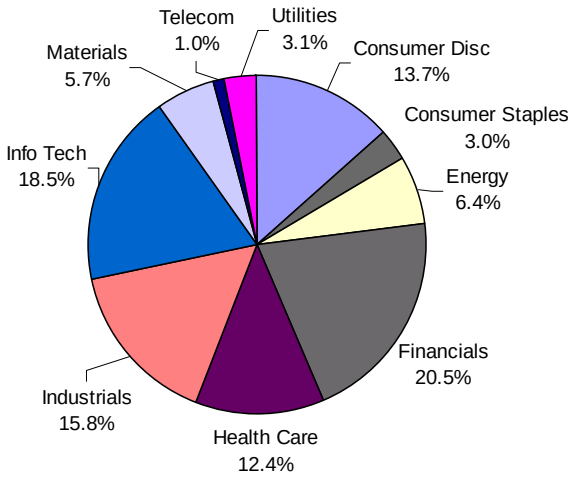
Fund Profile

Domestic Equity - Oppenheimer Main Street Small- & Mid-Cap Fund Y - OPMYX

Fund Sector Allocation as of December 31, 2010



Russell 2000 Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - KEELEY Small Cap Value Fund A - KSCVX

Share Class: A	**Benchmark: Russell 2000**

Investment Philosophy

The fund seeks long-term capital appreciation through investments in small-capitalization companies (generally $3.5 billion and below at time of purchase) that are undervalued, but have stable or improving earnings records and stable balance sheet. The fund managers focus on evaluating companies with financial productivity, solid management, a sound business model, and competitive advantages.

Portfolio Analysis & Key Observations

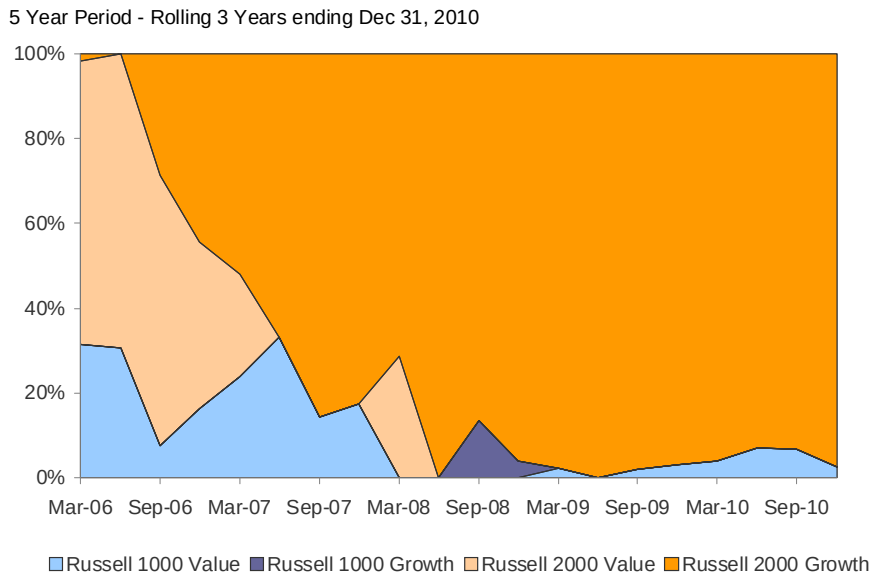
Positive Impact on Performance

- Overweight allocations to industrials, energy and materials; underweight allocation to health care
- Top contributors included Walter Energy (57.5% return), Texas Industries (45.5% return), and Lufkin Industries (42.5% return)

Negative Impact on Performance

- Underweight allocations to information technology
- Top detractors included Maidenform Brands (-17.6% return), Pultegroup Inc. (-14.2% return), and AZZ Inc. (-6.0% return)

Style Analysis



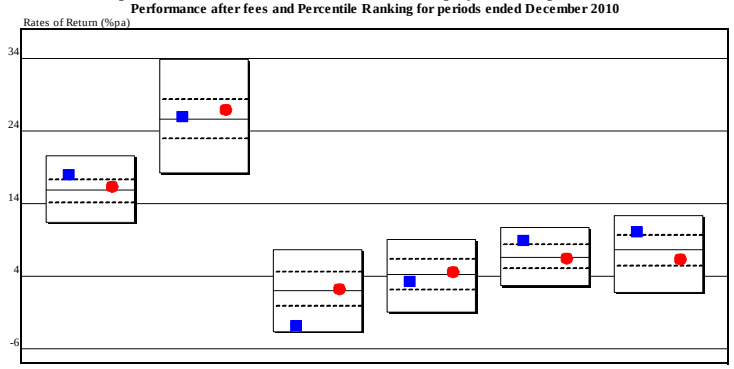
Key Facts and Figures

Portfolio Manager: John L. Keeley, Jr.	Total Fund Assets: $3,851 Million	Expense Ratio (Net): 1.39%
Portfolio Manager Average Tenure: 17.0 Years	Total Share Class Assets: $3,327 Million	Mercer Median Expense Ratio (Net): 1.06%

Fund Profile

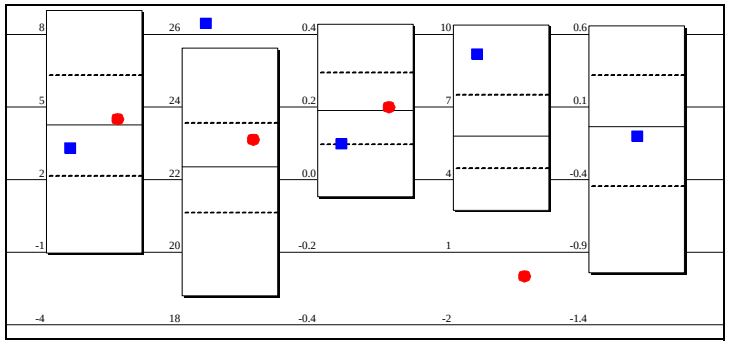
Domestic Equity - KEELEY Small Cap Value Fund A - KSCVX

Comparison with the Mercer Mutual Fund US Equity Small Cap Core Universe
Performance after fees and Percentile Ranking for periods ended December 2010



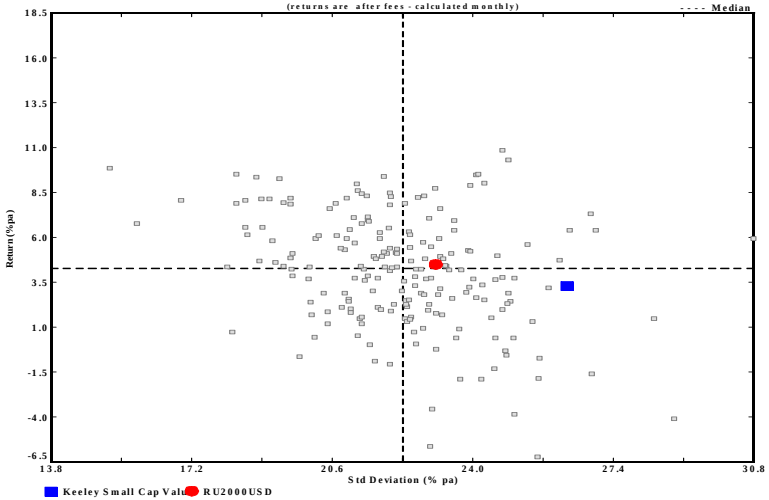
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
nall Cap Value A	18.0 *(13)*	26.0 *(46)*	-2.8 *(94)*	3.3 *(62)*	8.9 *(20)*	10.1 *(19)*
RU2000USD	16.3	26.9	2.2	4.5	6.4	6.3
5th Percentile	20.6	33.8	7.6	9.0	10.6	12.3
Upper Quartile	17.2	28.3	4.5	6.3	8.4	9.6
Median	15.8	25.6	2.0	4.2	6.6	7.6
Lower Quartile	14.1	22.9	-0.1	2.1	5.0	5.4
95th Percentile	11.4	18.1	-3.7	-1.1	2.6	1.7
Number of Funds	242	240	227	201	178	142

Comparison with the Mercer Mutual Fund US Equity Small Cap Core Universe
Risk and Return Characteristics vs. RU2000USD and Percentile Ranking for the 5 years ended Dec 2010

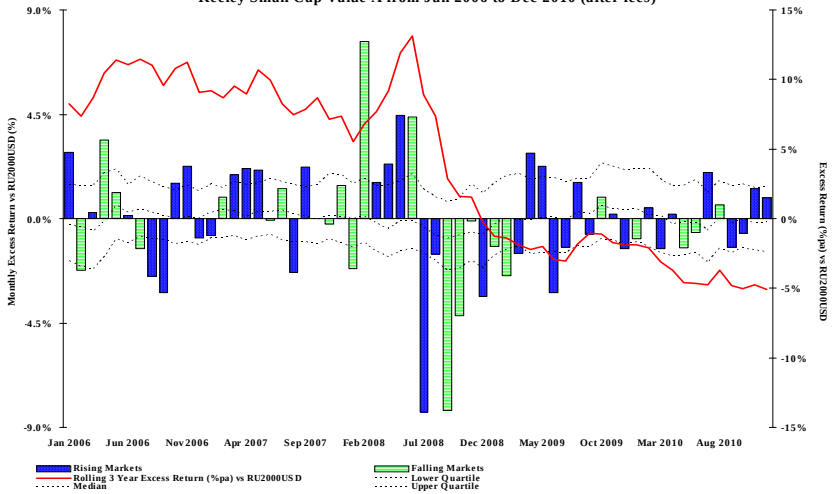


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
nall Cap Value A	3.3 *(62)*	26.3 *(4)*	0.1 *(65)*	9.2 *(10)*	-0.1 *(56)*
RU2000USD	4.5 *(45)*	23.1 *(32)*	0.2 *(49)*	0.0 *(100)*	na
5th Percentile	9.0	25.6	0.4	10.4	0.7
Upper Quartile	6.3	23.5	0.3	7.5	0.3
Median	4.2	22.3	0.2	5.8	0.0
Lower Quartile	2.1	21.1	0.1	4.4	-0.5
95th Percentile	-1.1	18.8	0.0	2.7	-1.0
Number of Funds	201	201	201	201	201

Comparison with the Mercer Mutual Fund US Equity Small Cap Core Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



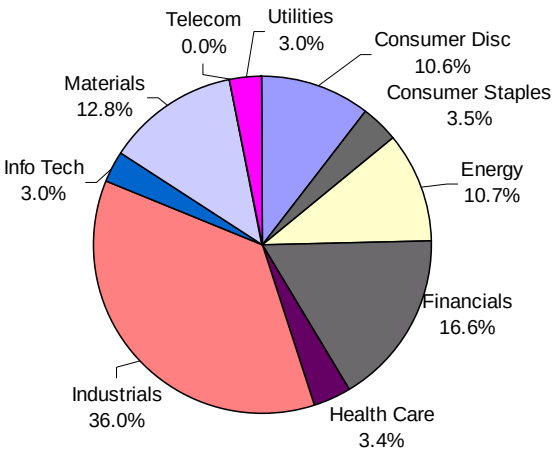
Excess Return vs RU2000USD in the Mercer Mutual Fund US Equity Small Cap Core Universe
Keeley Small Cap Value A from Jan 2006 to Dec 2010 (after fees)



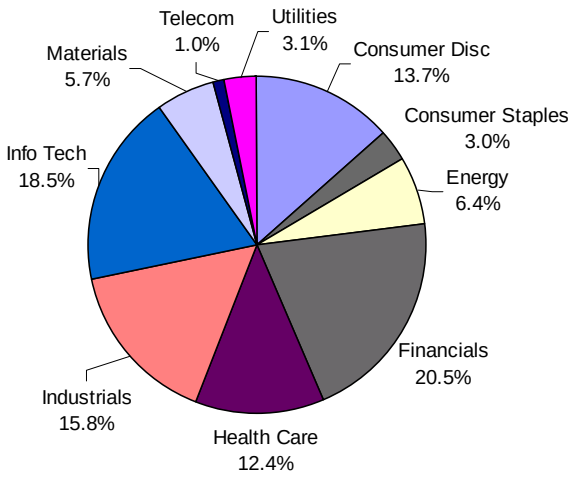
Fund Profile

Domestic Equity - KEELEY Small Cap Value Fund A - KSCVX

Fund Sector Allocation as of December 31, 2010



Russell 2000 Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - Hartford Small Company HLS IA - HIASX

Share Class: Inst	**Benchmark: Russell 2000 Growth**

Investment Philosophy

The Hartford Small Company HLS Fund is subadvised by three Wellington Management Company strategies: Small Cap Growth, Small Cap Intersection, and Smaller Companies. Portfolio manager Steve Angeli of Wellington manages a majority of the assets in the Small Cap Growth strategy, while the remaining funds are divided between the Small Cap Intersection team with a larger percentage of assets and the Smaller Companies strategy with a smaller percentage. Angeli attempts to find companies that are at an inflection point in their business life cycle. The team focuses on finding emerging growth companies that exhibit high revenue growth, accelerating profitability, and gaining and/or leading market positions. Angeli will buy fallen angels and turnaround stocks, provided he sees a catalyst for change.

Portfolio Analysis & Key Observations

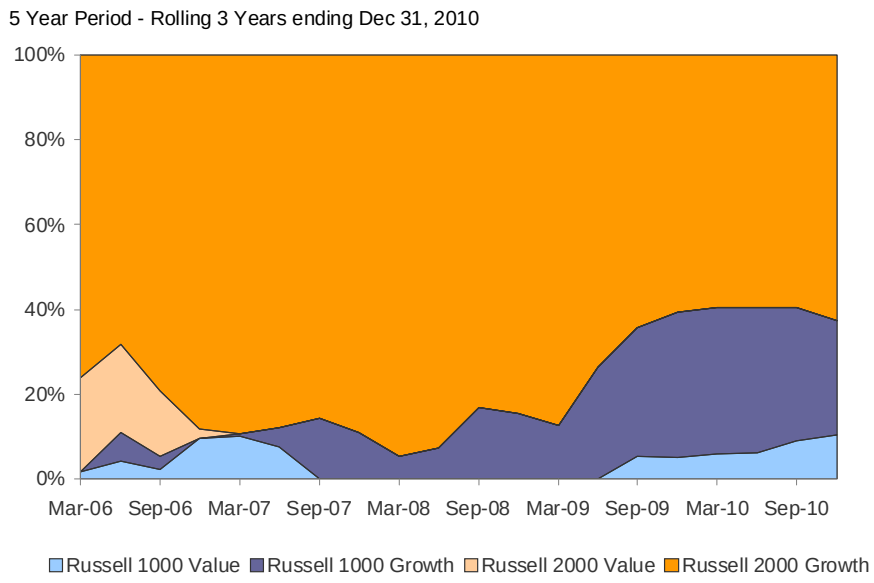
Positive Impact on Performance

- Overweight energy; underweight health care
- Top 10 holdings Polycom (42.9% return), Jabil Circuit (40.1% return), Skyworks Solutions (38.5% return)

Negative Impact on Performance

- Overweight utilities
- Top 10 holdings Hanesbrands Inc (-1.8% return) and Pharmaceutical Products (10.1% return)

Style Analysis



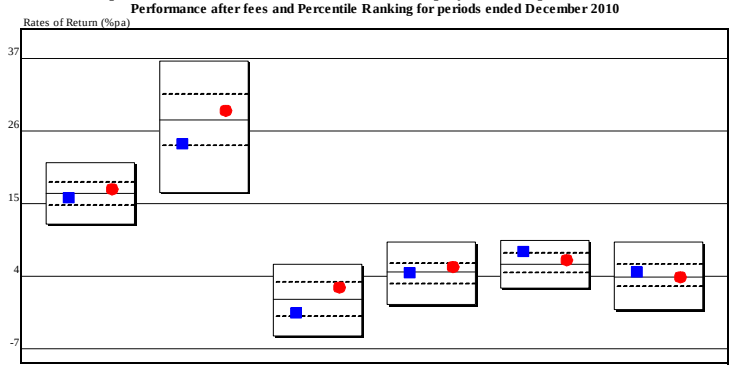
Key Facts and Figures

Portfolio Manager: Multiple	Total Fund Assets: $578 Million	Expense Ratio (Net): 0.75%
Portfolio Manager Average Tenure: 4.3 Years		Mercer Median Expense Ratio (Net): 1.12%

Fund Profile

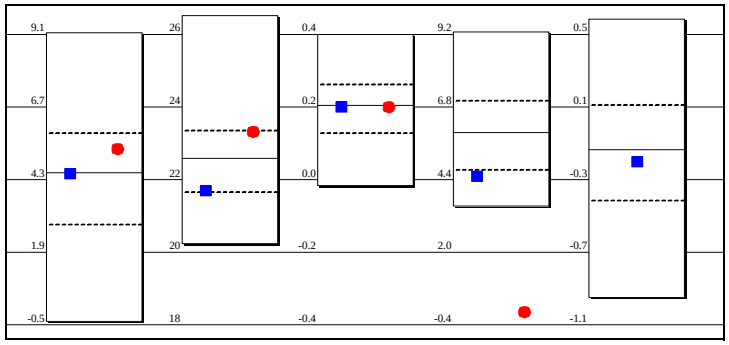
Domestic Equity - Hartford Small Company HLS IA - HIASX

Comparison with the Mercer Mutual Fund US Equity Small Cap Growth Universe
Performance after fees and Percentile Ranking for periods ended December 2010



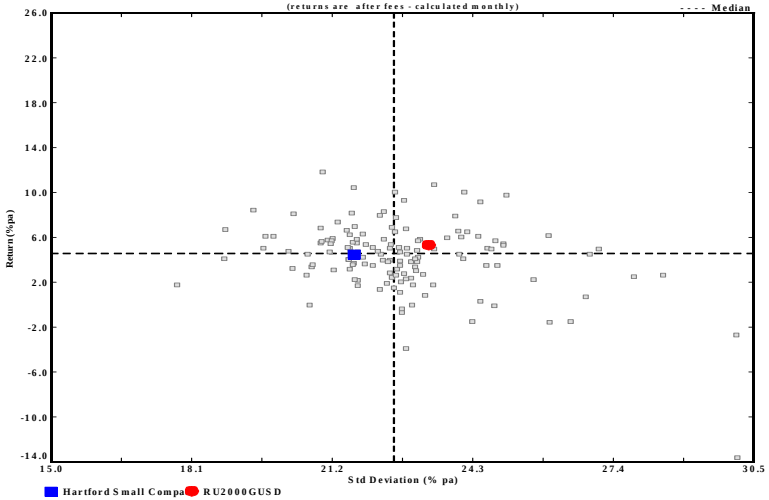
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
Company HLS IA	15.9 *(62)*	24.1 *(72)*	-1.6 *(70)*	4.5 *(53)*	7.8 *(22)*	4.6 *(38)*
RU2000GUSD	17.1	29.1	2.2	5.3	6.4	3.8
5th Percentile	21.2	36.5	5.8	9.2	9.3	9.1
Upper Quartile	18.2	31.5	3.1	5.8	7.5	5.8
Median	16.5	27.7	0.5	4.5	5.7	3.8
Lower Quartile	14.7	23.7	-2.1	2.8	4.5	2.4
95th Percentile	11.7	16.6	-5.2	-0.4	2.0	-1.2
Number of Funds	160	156	146	139	123	109

Comparison with the Mercer Mutual Fund US Equity Small Cap Growth Universe
Risk and Return Characteristics vs. RU2000GUSD and Percentile Ranking for the 5 years ended Dec 2010

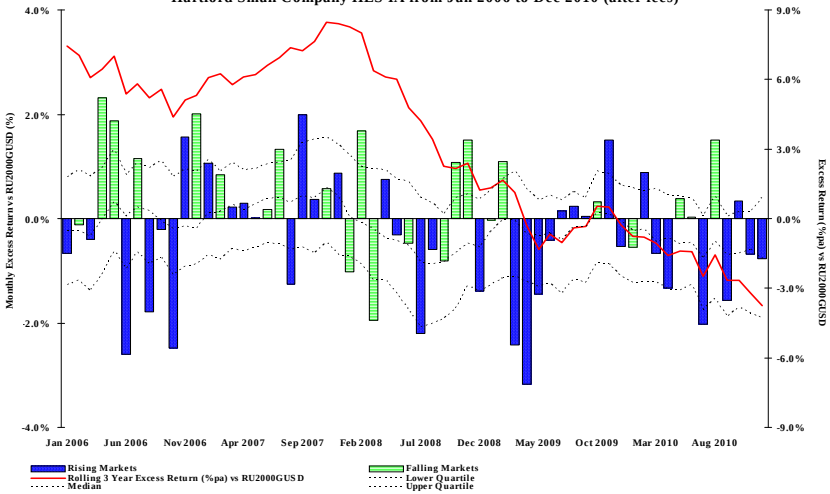


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
Company HLS IA	4.5 *(53)*	21.7 *(72)*	0.2 *(48)*	4.5 *(81)*	-0.2 *(54)*
RU2000GUSD	5.3 *(36)*	23.3 *(25)*	0.2 *(38)*	0.0 *(100)*	na
5th Percentile	9.2	26.5	0.4	9.3	0.6
Upper Quartile	5.8	23.3	0.3	7.0	0.1
Median	4.5	22.6	0.2	5.9	-0.1
Lower Quartile	2.8	21.6	0.1	4.7	-0.4
95th Percentile	-0.4	20.2	0.0	3.5	-1.0
Number of Funds	139	139	139	139	139

Comparison with the Mercer Mutual Fund US Equity Small Cap Growth Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



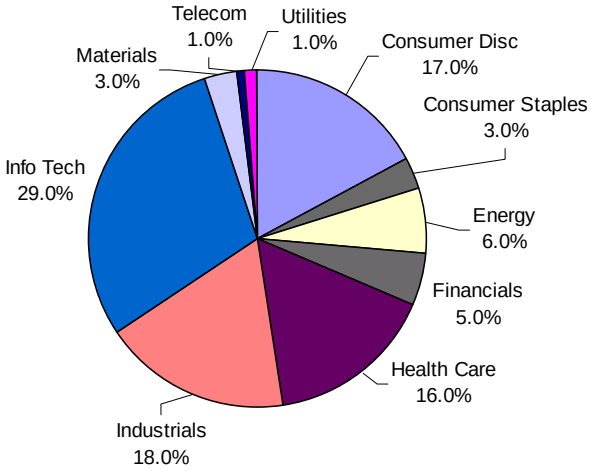
Excess Return vs RU2000GUSD in the Mercer Mutual Fund US Equity Small Cap Growth Universe
Hartford Small Company HLS IA from Jan 2006 to Dec 2010 (after fees)



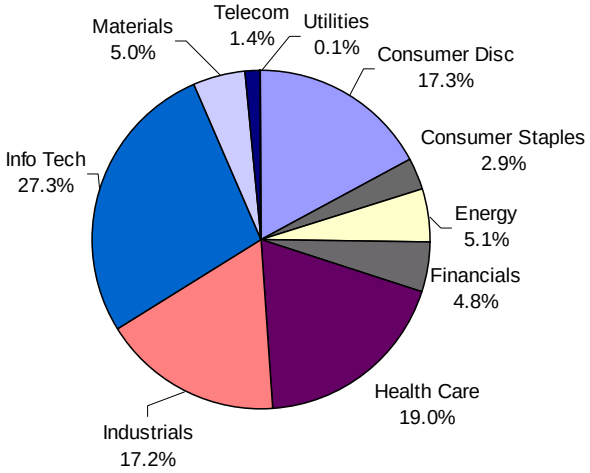
Fund Profile

Domestic Equity - Hartford Small Company HLS IA - HIASX

Fund Sector Allocation as of December 31, 2010



Russell 2000 Growth Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - Baron Growth Fund Retail - BGRFX

Share Class: Retail	**Benchmark: Russell 2000 Growth**

Investment Philosophy

Baron seeks to invest in companies that are currently undervalued or overlooked by the broad investment market. To be considered for the portfolio, such companies must have stable or improving fundamentals, clear competitive advantages, and strong growth potential. Baron's approach is long term in scope and the firm will hold out of favor names providing the investment thesis remains compelling.

Portfolio Analysis & Key Observations

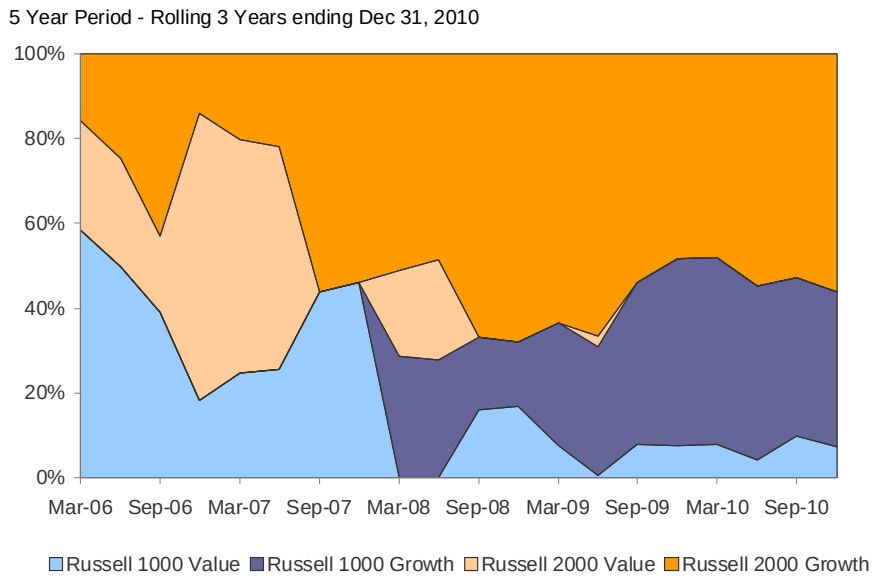
Positive Impact on Performance

- Overweight allocation to energy, underweight allocation to health care
- Top contributors included Molycorp Inc (76.4% return), Dick's Sporting Goods (33.7% return), and Edwards Lifesciences Corp (20.6% return)

Negative Impact on Performance

- Overweight allocations to utilities and consumer discretionary; underweight allocations to industrials and information technology
- Top detractors included Equinix (-20.6% return), Strayer Education (-12.1% return) and Devry Inc (-2.3% return)

Style Analysis



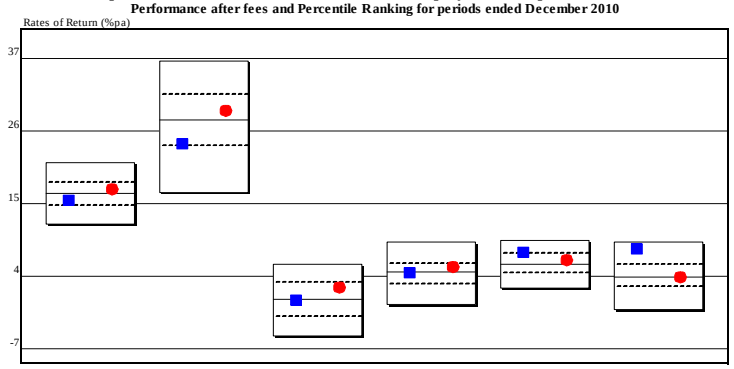
Key Facts and Figures

Portfolio Manager: Ronald Baron	Total Fund Assets: $5,572 Million	Expense Ratio (Net): 1.35%
Portfolio Manager Average Tenure: 16.0 Years	Total Share Class Assets: $4,430 Million	Mercer Median Expense Ratio (Net): 1.12%

Fund Profile

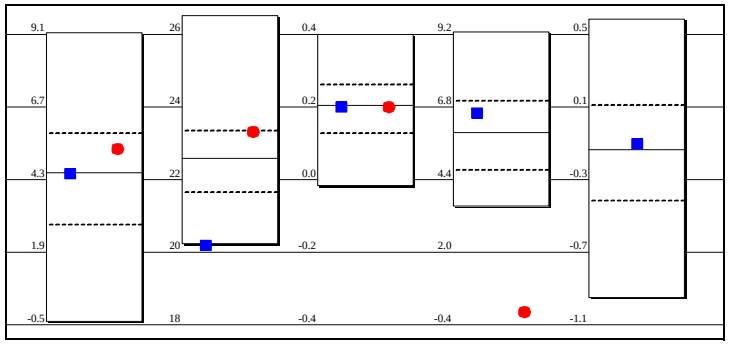
Domestic Equity - Baron Growth Fund Retail - BGRFX

Comparison with the Mercer Mutual Fund US Equity Small Cap Growth Universe
Performance after fees and Percentile Ranking for periods ended December 2010



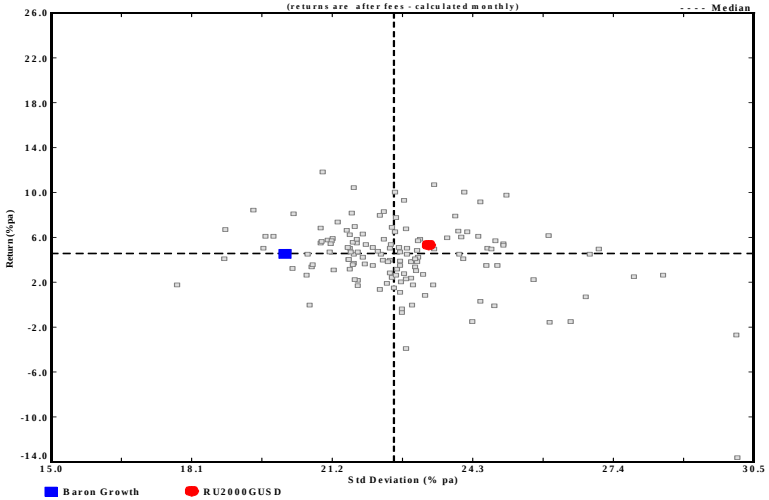
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
Baron Growth	15.5 *(68)*	24.0 *(73)*	0.4 *(50)*	4.5 *(52)*	7.6 *(24)*	8.1 *(9)*
RU2000GUSD	17.1	29.1	2.2	5.3	6.4	3.8
5th Percentile	21.2	36.5	5.8	9.2	9.3	9.1
Upper Quartile	18.2	31.5	3.1	5.8	7.5	5.8
Median	16.5	27.7	0.5	4.5	5.7	3.8
Lower Quartile	14.7	23.7	-2.1	2.8	4.5	2.4
95th Percentile	11.7	16.6	-5.2	-0.4	2.0	-1.2
Number of Funds	160	156	146	139	123	109

Comparison with the Mercer Mutual Fund US Equity Small Cap Growth Universe
Risk and Return Characteristics vs. RU2000GUSD and Percentile Ranking for the 5 years ended Dec 2010

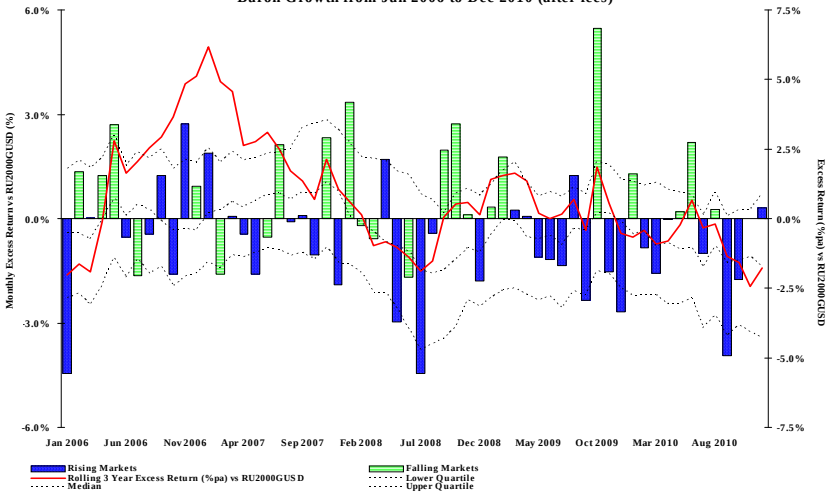


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
Baron Growth	4.5 *(52)*	20.2 *(95)*	0.2 *(39)*	6.6 *(38)*	-0.1 *(50)*
RU2000GUSD	5.3 *(36)*	23.3 *(25)*	0.2 *(38)*	0.0 *(100)*	na
5th Percentile	9.2	26.5	0.4	9.3	0.6
Upper Quartile	5.8	23.3	0.3	7.0	0.1
Median	4.5	22.6	0.2	5.9	-0.1
Lower Quartile	2.8	21.6	0.1	4.7	-0.4
95th Percentile	-0.4	20.2	0.0	3.5	-1.0
Number of Funds	139	139	139	139	139

Comparison with the Mercer Mutual Fund US Equity Small Cap Growth Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



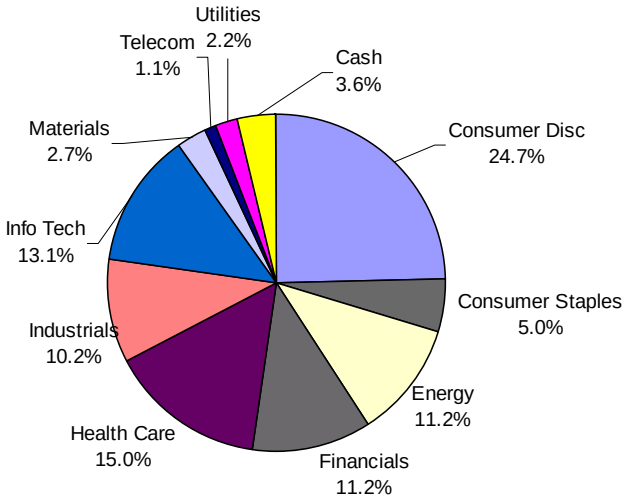
Excess Return vs RU2000GUSD in the Mercer Mutual Fund US Equity Small Cap Growth Universe
Baron Growth from Jan 2006 to Dec 2010 (after fees)



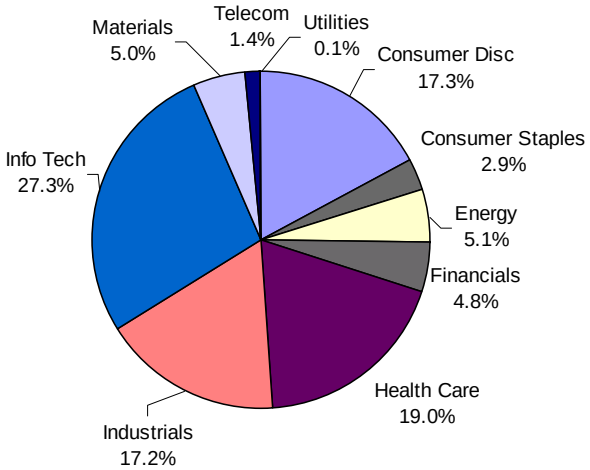
Fund Profile

Domestic Equity - Baron Growth Fund Retail - BGRFX

Fund Sector Allocation as of December 31, 2010



Russell 2000 Growth Sector Allocation as of December 31, 2010



Fund Profile

Domestic Equity - Neuberger Berman Socially Responsive Fund Investor - NBSRX

Share Class: Investor	**Benchmark: Russell 1000 Growth**

Investment Philosophy

The Socially Responsible Investment product blends quantitative screens with qualitative analysis to identify stocks for the portfolio. Portfolios are created from the bottom up, with social screens applied to the universe of strong investment candidates according to client guidelines.

Portfolio Analysis & Key Observations

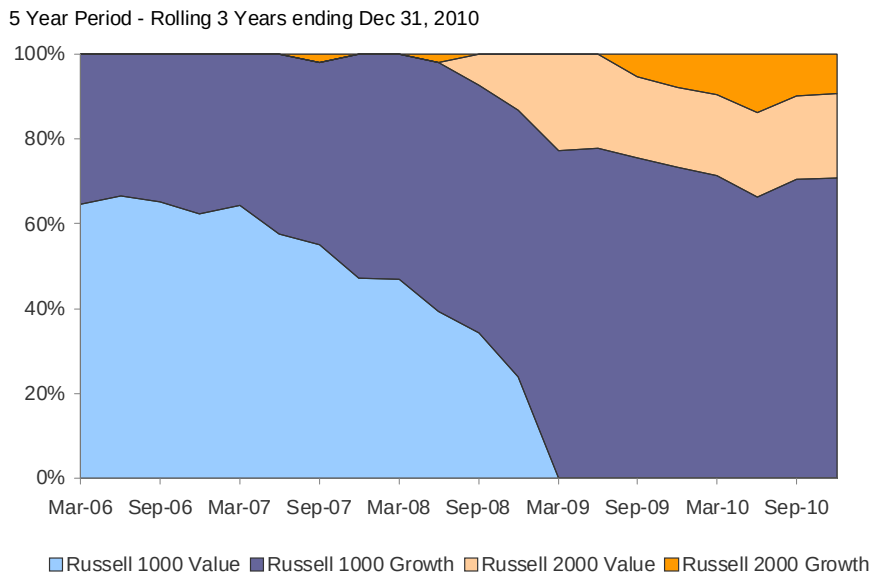
Positive Impact on Performance

- Underweight allocation to information technology and telecommunications; overweight allocation to energy
- Notable contributors included Newfield Exploration (25.5% return), Texas Instruments (20.3% return) and Charles Schwab (23.6% return)

Negative Impact on Performance

- Overweight allocation to health care and financials; underweight allocation to materials and consumer discretionary
- Notable detractors included Hospira (-2.3% return), Progressive (0.0% return) and 3M (0.1% return)

Style Analysis



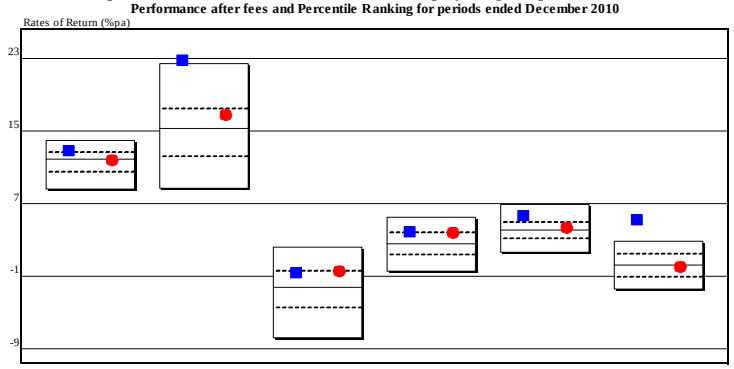
Key Facts and Figures

Portfolio Manager: Arthur Morretti; Ingrid S. Dyott; Sajjad S. Ladiwala Portfolio Manager Average Tenure: 6.3 Years	Total Fund Assets: $1,240 Million Total Share Class Assets: $637 Million	Expense Ratio (Net): 0.94% Mercer Median Expense Ratio (Net): 0.90%

Fund Profile

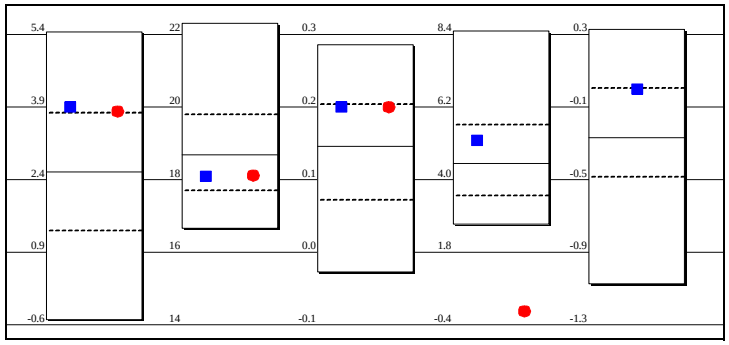
Domestic Equity - Neuberger Berman Socially Responsive Fund Investor - NBSRX

Comparison with the Mercer Mutual Fund US Equity Large Cap Growth Universe
Performance after fees and Percentile Ranking for periods ended December 2010



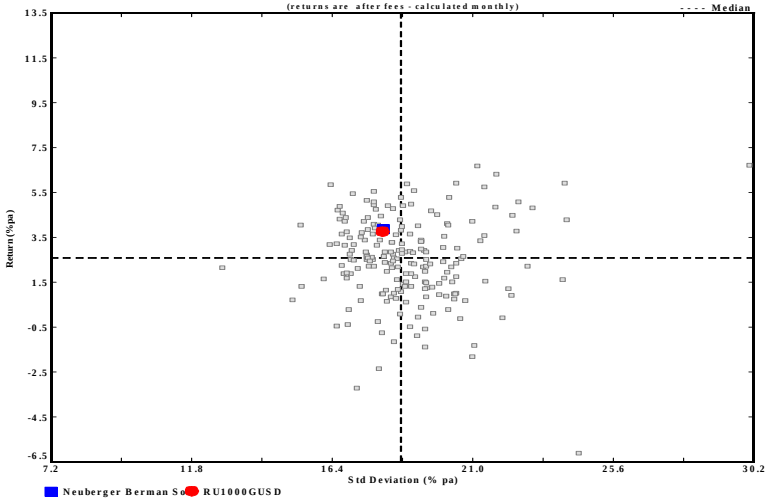
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
ocially Resp Inv	12.8 *(19)*	22.8 *(3)*	-0.6 *(26)*	3.9 *(24)*	5.7 *(12)*	5.2 *(2)*
RU1000GUSD	11.8	16.7	-0.5	3.8	4.3	0.0
5th Percentile	13.9	22.4	2.1	5.4	6.8	2.8
Upper Quartile	12.6	17.4	-0.5	3.8	4.9	1.4
Median	11.8	15.3	-2.2	2.5	4.1	0.2
Lower Quartile	10.5	12.2	-4.6	1.3	3.1	-1.1
95th Percentile	8.5	8.6	-7.9	-0.5	1.5	-2.5
Number of Funds	242	234	218	199	178	158

Comparison with the Mercer Mutual Fund US Equity Large Cap Growth Universe
Risk and Return Characteristics vs. RU1000GUSD and Percentile Ranking for the 5 years ended Dec 2010

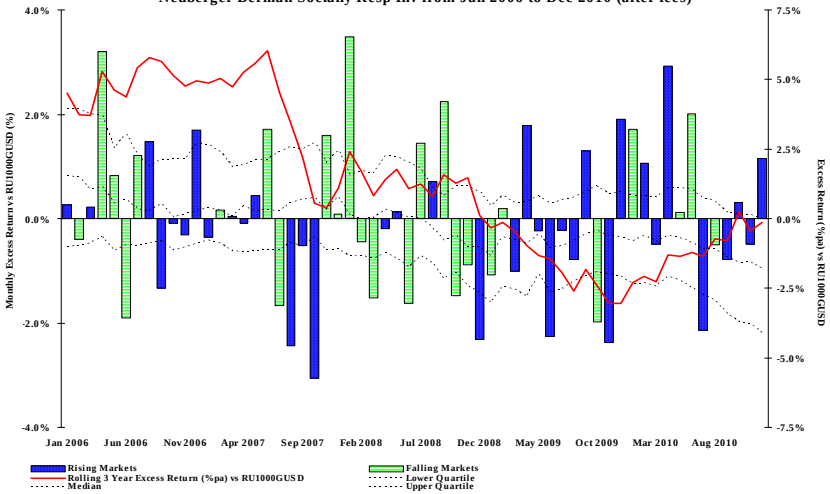


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
ocially Resp Inv	3.9 *(24)*	18.1 *(65)*	0.2 *(22)*	5.2 *(34)*	0.0 *(24)*
RU1000GUSD	3.8 *(25)*	18.1 *(66)*	0.2 *(23)*	0.0 *(100)*	na
5th Percentile	5.4	22.3	0.3	8.5	0.3
Upper Quartile	3.8	19.8	0.2	5.6	0.0
Median	2.5	18.7	0.1	4.5	-0.3
Lower Quartile	1.3	17.7	0.1	3.5	-0.5
95th Percentile	-0.5	16.6	0.0	2.6	-1.1
Number of Funds	199	199	199	199	199

Comparison with the Mercer Mutual Fund US Equity Large Cap Growth Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)

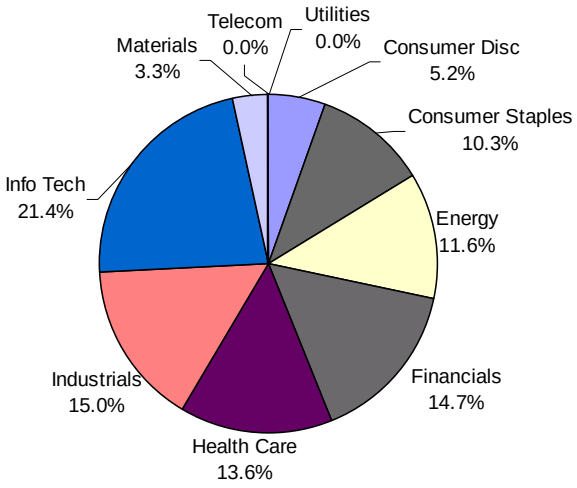
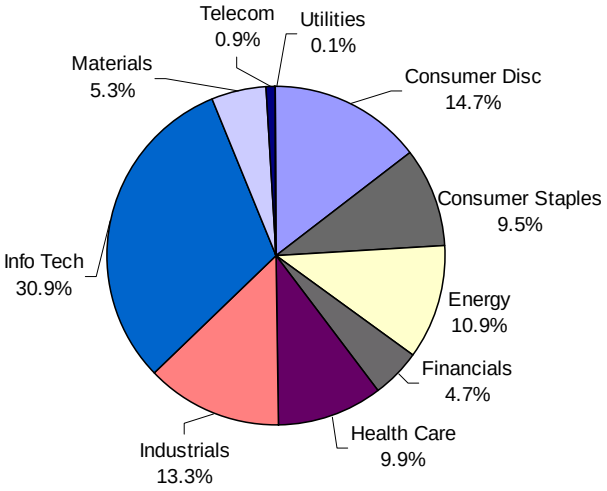


Excess Return vs RU1000GUSD in the Mercer Mutual Fund US Equity Large Cap Growth Universe
Neuberger Berman Socially Resp Inv from Jan 2006 to Dec 2010 (after fees)



Fund Profile

Domestic Equity - Neuberger Berman Socially Responsive Fund Investor - NBSRX

Fund Sector Allocation as of December 31, 2010	**Russell 1000 Growth Sector Allocation** as of December 31, 2010
	

Fund Profile

Domestic Equity - Parnassus Equity Income Fund Investor - PRBLX

Share Class: Investor	**Benchmark: Russell 1000 Growth**

Investment Philosophy

The fund seeks to invest in good businesses that have high returns on capital, above-average growth prospects, ethical business practices, and sustainable competitive advantages. The team believes the most attractive opportunities for investments are when companies with good business fundamentals become temporarily undervalued due to market sentiments. The investment philosophy dictates that sound macroeconomic analysis combined with fundamental research is the most effective way to indentify attractive investments. The portfolio manager likes to buy companies that are growing faster than the rest of the economy, and at attractive valuations.

Portfolio Analysis & Key Observations

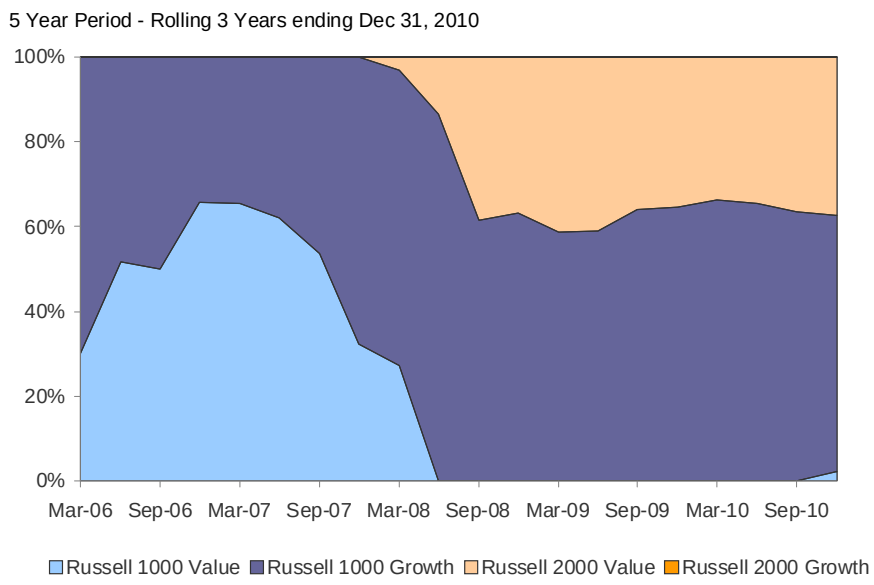
Positive Impact on Performance

- Overweight allocation to the energy sector; underweight allocation to the telecommunications sector
- Top 10 holdings: Bank of NY Mellon (16.0% return), Microsoft Corp. (14.7% return), and JPMorgan Chase & Co. (11.6% return)

Negative Impact on Performance

- Overweight allocation to the utilities and health care sectors; underweight allocation to the materials sector
- Top 10 holdings: Cisco Systems (-7.6% return), Teleflex Inc. (-4.6% return), and MasterCard Inc. (0.1% return)

Style Analysis



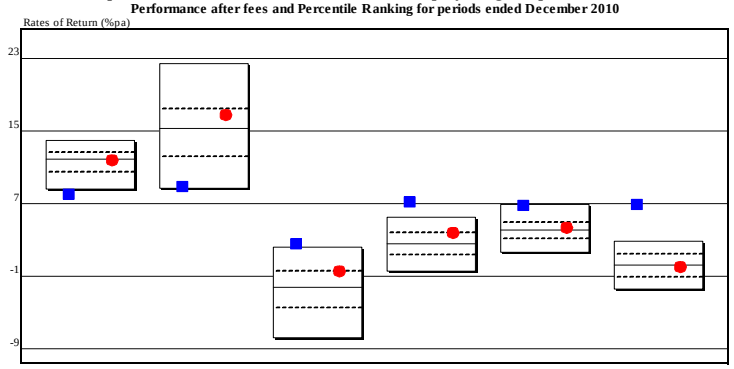
Key Facts and Figures

Portfolio Manager: Todd Ahlsten	Total Fund Assets: $3,162 Million	Expense Ratio (Net): 0.99%
Portfolio Manager Average Tenure: 9.0 Years	Total Share Class Assets: $2,913 Million	Mercer Median Expense Ratio (Net): 0.90%

Fund Profile

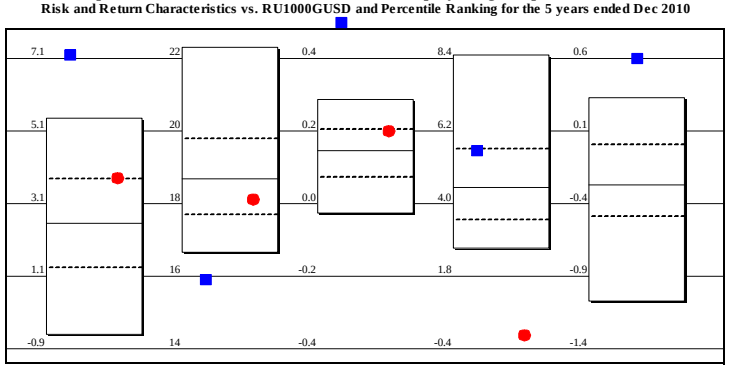
Domestic Equity - Parnassus Equity Income Fund Investor - PRBLX

Comparison with the Mercer Mutual Fund US Equity Large Cap Growth Universe
Performance after fees and Percentile Ranking for periods ended December 2010



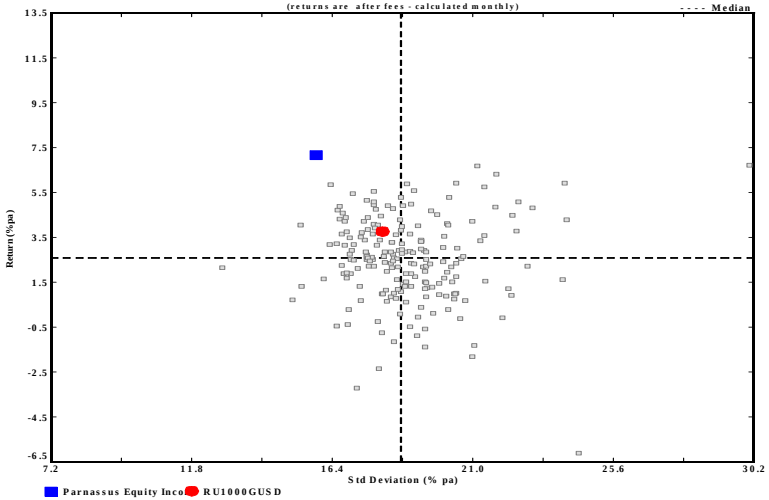
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
ity Income - Inv	8.0 *(96)*	8.9 *(94)*	2.6 *(3)*	7.2 *(0)*	6.8 *(5)*	6.9 *(1)*
RU1000GUSD	11.8	16.7	-0.5	3.8	4.3	0.0
5th Percentile	13.9	22.4	2.1	5.4	6.8	2.8
Upper Quartile	12.6	17.4	-0.5	3.8	4.9	1.4
Median	11.8	15.3	-2.2	2.5	4.1	0.2
Lower Quartile	10.5	12.2	-4.6	1.3	3.1	-1.1
95th Percentile	8.5	8.6	-7.9	-0.5	1.5	-2.5
Number of Funds	242	234	218	199	178	158

Comparison with the Mercer Mutual Fund US Equity Large Cap Growth Universe
Risk and Return Characteristics vs. RU1000GUSD and Percentile Ranking for the 5 years ended Dec 2010

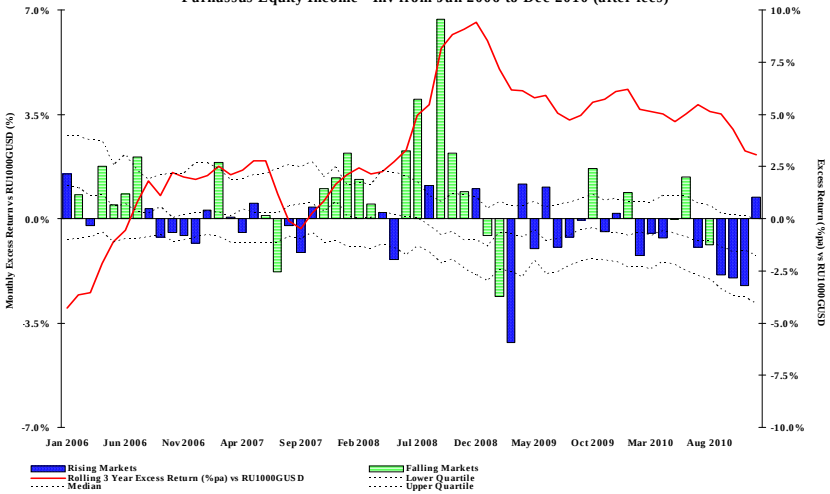


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
ity Income - Inv	7.2 *(0)*	15.9 *(98)*	0.5 *(0)*	5.6 *(25)*	0.6 *(0)*
RU1000GUSD	3.8 *(25)*	18.1 *(66)*	0.2 *(23)*	0.0 *(100)*	na
5th Percentile	5.4	22.3	0.3	8.5	0.3
Upper Quartile	3.8	19.8	0.2	5.6	0.0
Median	2.5	18.7	0.1	4.5	-0.3
Lower Quartile	1.3	17.7	0.1	3.5	-0.5
95th Percentile	-0.5	16.6	0.0	2.6	-1.1
Number of Funds	199	199	199	199	199

Comparison with the Mercer Mutual Fund US Equity Large Cap Growth Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



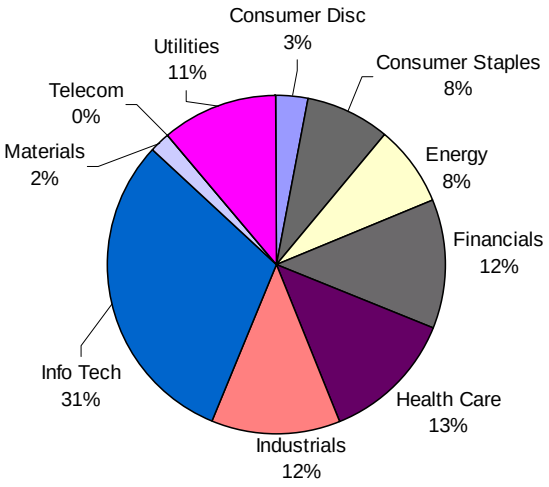
Excess Return vs RU1000GUSD in the Mercer Mutual Fund US Equity Large Cap Growth Universe
Parnassus Equity Income - Inv from Jan 2006 to Dec 2010 (after fees)



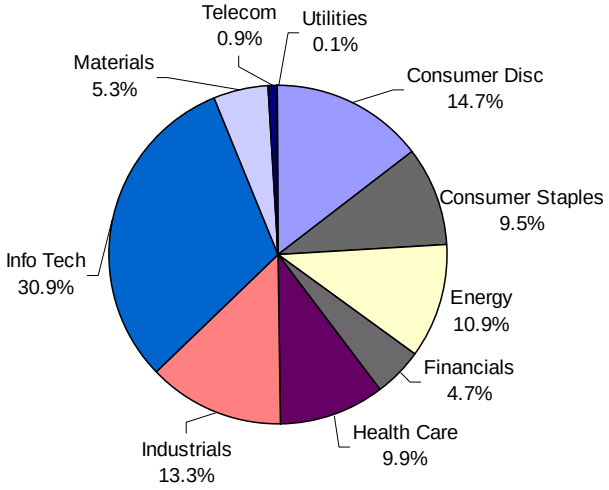
Fund Profile

Domestic Equity - Parnassus Equity Income Fund Investor - PRBLX

Fund Sector Allocation as of September 30, 2010



Russell 1000 Growth Sector Allocation as of September 30, 2010



Fund Profile

Global Equity - Mutual Global Discovery Fund A - TEDIX

Share Class: A	**Benchmark: MSCI World NET WHT**

Investment Philosophy

The investment seeks capital appreciation. The fund invests the equity portion of its portfolio primarily to predominantly in mid- and large cap companies, with the remaining portion of its equity portfolio in smaller companies. Mid- and large cap companies are considered to be those with market capitalization values greater than $1.5 billion. It expects to invest substantially and may invest up to 100% of assets in foreign securities, which may include sovereign debt and participations in foreign government debt. The fund does not intend to invest more than a portion (no more than 25%) of assets in securities of issuers located in emerging market countries.

Portfolio Analysis & Key Observations

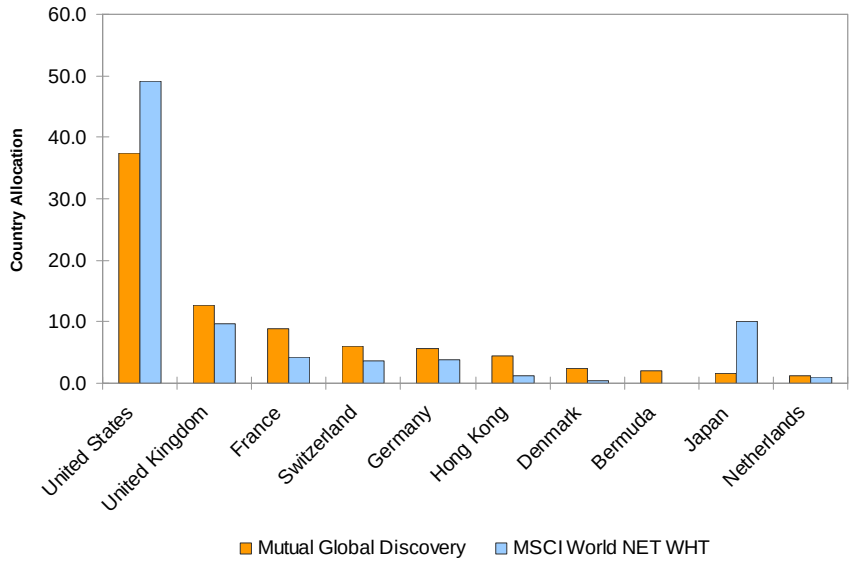
Positive Impact on Performance

- Notable contributors included Volkswagen (28.2% return), Seadrill (19.2% return) and Microsoft (14.7% return)

Negative Impact on Performance

- Overweight allocation to consumer staples and utilities; underweight allocation to materials, energy and information technology
- On a regional basis, overweight allocation to France, Hong Kong and the UK; underweight allocation to Japan, Canada and the US
- Cash holdings (11.5%)
- Notable detractors included Intesa Sanpaolo (-16.3% return), UBS (-3.3% return) and Carrefour (-23.1% return)

Country Analysis as of December 31, 2010



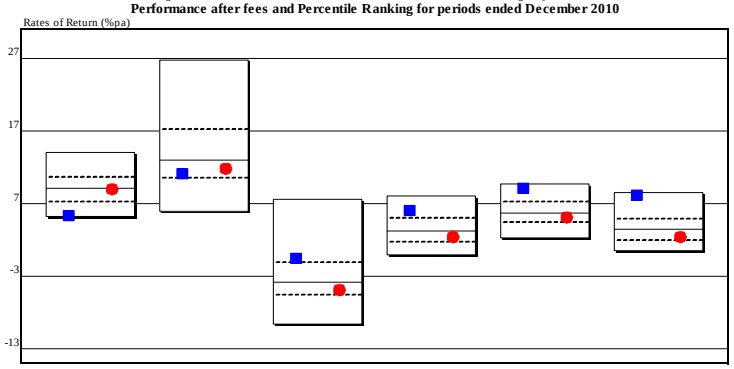
Key Facts and Figures

Portfolio Manager: Peter Langerman; Philippe Brugere-Trelat Portfolio Manager Average Tenure: 3.0 Years	Total Fund Assets: $17,247 Million Total Share Class Assets: $7,578 Million	Expense Ratio (Net): 1.33% Mercer Median Expense Ratio (Net): 1.09%

Fund Profile

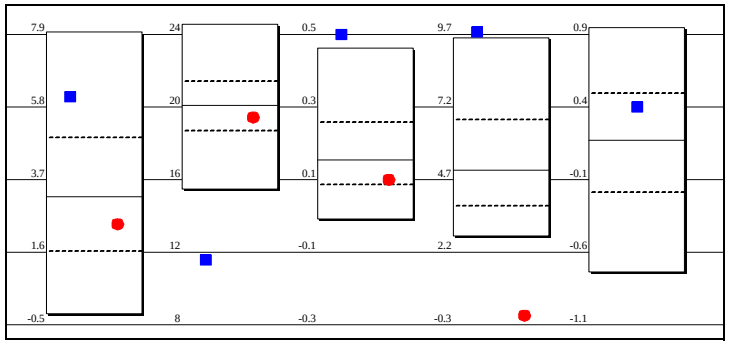
Global Equity - Mutual Global Discovery Fund A - TEDIX

Comparison with the Mercer Mutual Fund Global Equity Universe
Performance after fees and Percentile Ranking for periods ended December 2010



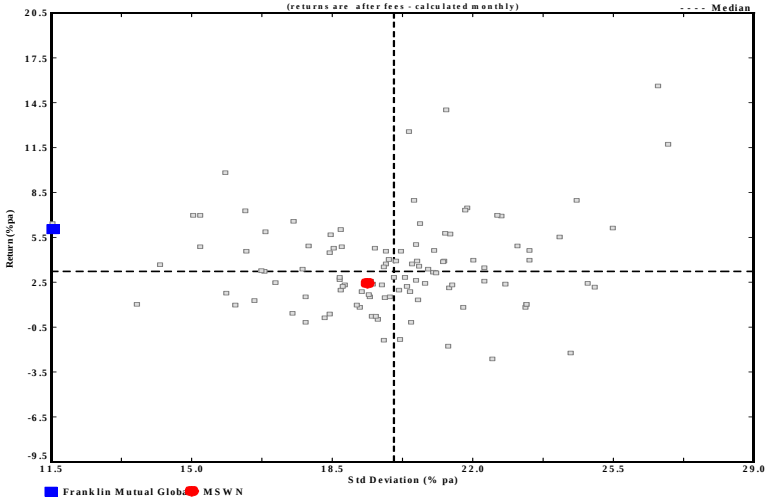
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
bal Discovery A	5.3 *(93)*	11.1 *(68)*	-0.5 *(19)*	6.1 *(16)*	9.1 *(8)*	8.2 *(7)*
MSWN	8.9	11.8	-4.9	2.4	5.1	2.3
5th Percentile	14.0	26.7	7.5	8.0	9.7	8.5
Upper Quartile	10.6	17.2	-1.2	4.9	7.2	4.8
Median	9.0	13.0	-3.9	3.2	5.7	3.4
Lower Quartile	7.2	10.4	-5.7	1.6	4.3	1.8
95th Percentile	5.1	5.8	-9.7	-0.2	2.1	0.4
Number of Funds	203	189	139	108	87	70

Comparison with the Mercer Mutual Fund Global Equity Universe
Risk and Return Characteristics vs. MSWN and Percentile Ranking for the 5 years ended Dec 2010

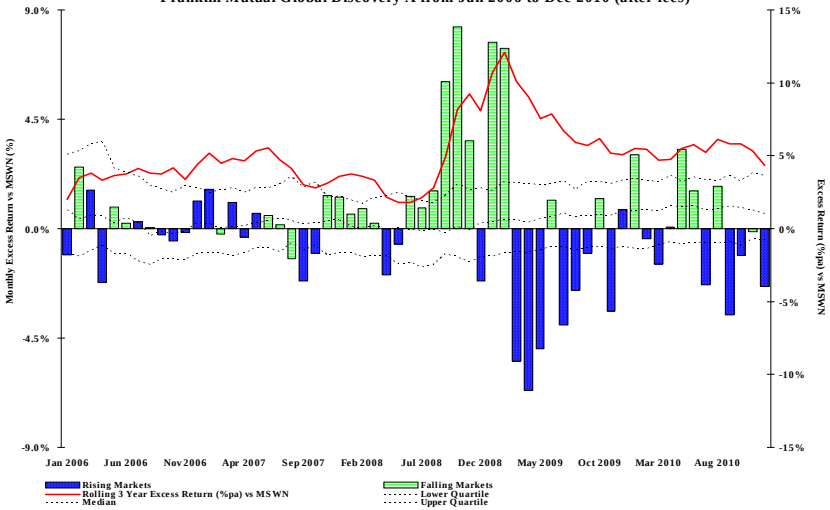


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
bal Discovery A	6.1 *(16)*	11.6 *(100)*	0.5 *(4)*	9.8 *(4)*	0.4 *(33)*
MSWN	2.4 *(60)*	19.4 *(66)*	0.1 *(59)*	0.0 *(100)*	na
5th Percentile	8.0	24.5	0.5	9.6	0.9
Upper Quartile	4.9	21.4	0.3	6.7	0.5
Median	3.2	20.1	0.2	5.0	0.2
Lower Quartile	1.6	18.7	0.1	3.8	-0.2
95th Percentile	-0.2	15.4	0.0	2.7	-0.7
Number of Funds	108	108	108	108	108

Comparison with the Mercer Mutual Fund Global Equity Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



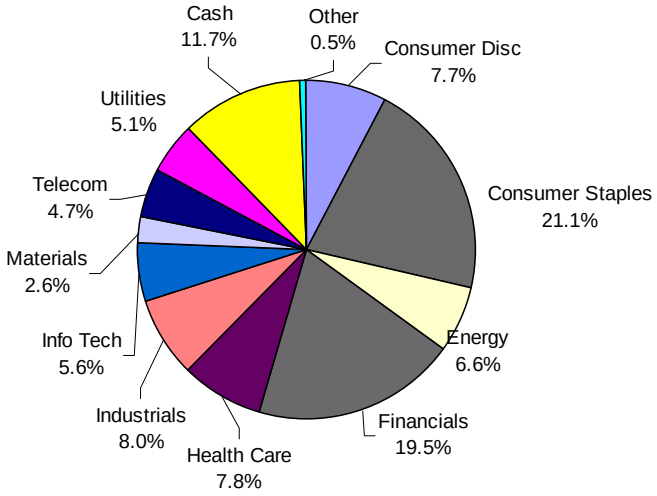
Excess Return vs MSWN in the Mercer Mutual Fund Global Equity Universe
Franklin Mutual Global Discovery A from Jan 2006 to Dec 2010 (after fees)



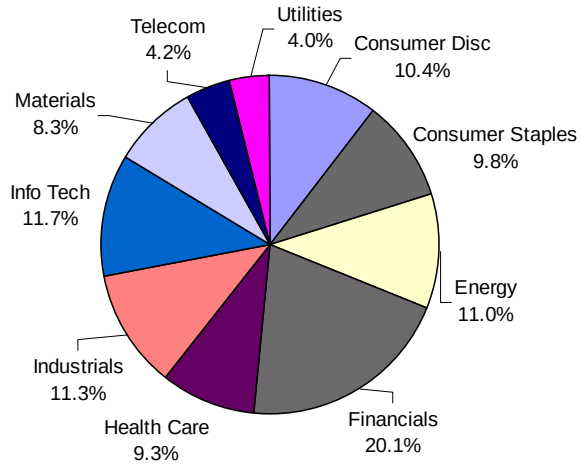
Fund Profile

Global Equity - Mutual Global Discovery Fund A - TEDIX

Fund Sector Allocation as of December 31, 2010



MSCI World Sector Allocation as of December 31, 2010



Fund Profile

Global Equity - American Funds Capital World Gro & Inc Fd R-3 - RWICX

Share Class: R-3	**Benchmark: MSCI World NET WHT**

Investment Philosophy

CR&M's investment philosophy is that extensive global research and a flat organizational structure encouraging participatory decision-making will produce superior investment portfolios. The goal is for each portfolio manager to invest according to his own convictions in order to produce a portfolio that is diversified by portfolio management style.

Portfolio Analysis & Key Observations

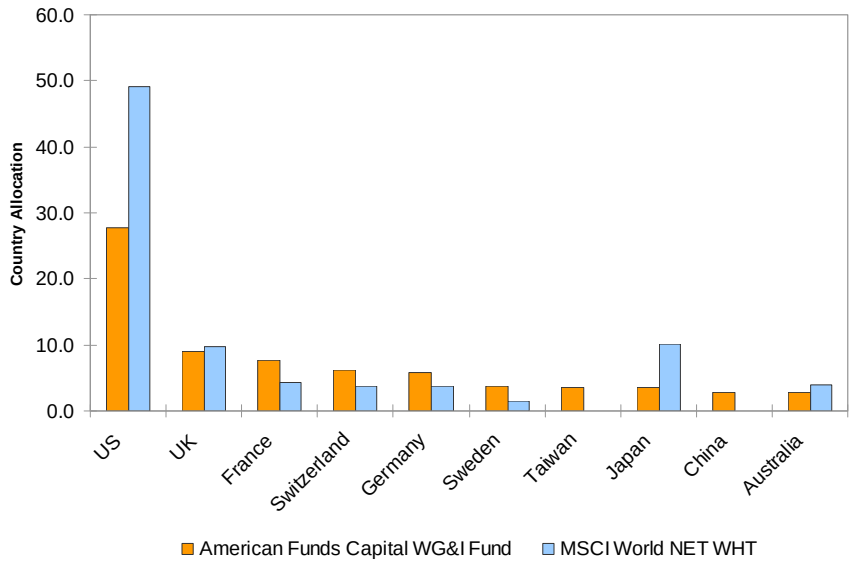
Positive Impact on Performance

- Underweight allocation to the financials and health care sectors
- Top 10 holding Microsoft Corp (14.7% return)

Negative Impact on Performance

- Underweight allocation to the materials and energy sectors; overweight allocation to the telecommunications and utilities sectors
- Top 10 holdings Novartis (2.2% return), GDF Suez (3.5% return), Banco Santander SA (-15.3 return), and Merck & Co. (-1.1% return)

Country Analysis as of December 31, 2010



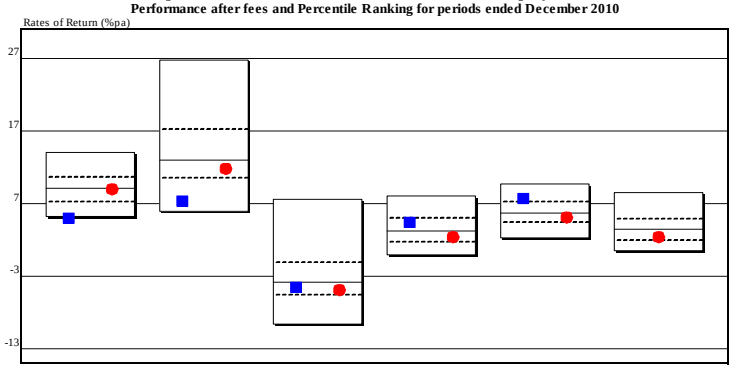
Key Facts and Figures

Portfolio Manager: Stephen E. Bepler; Mark E. Denning; Jeanne K. Carroll Portfolio Manager Average Tenure: 6.1 Years	Total Fund Assets: $78,812 Million Total Share Class Assets: $2,348 Million	Expense Ratio (Net): 1.13% Mercer Median Expense Ratio (Net): 1.09%

Fund Profile

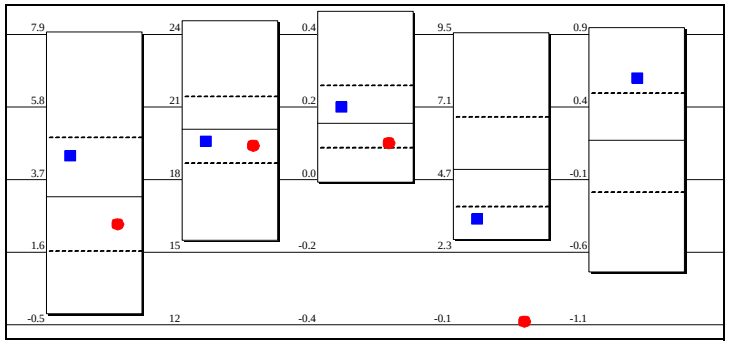
Global Equity - American Funds Capital World Gro & Inc Fd R-3 - RWICX

Comparison with the Mercer Mutual Fund Global Equity Universe
Performance after fees and Percentile Ranking for periods ended December 2010



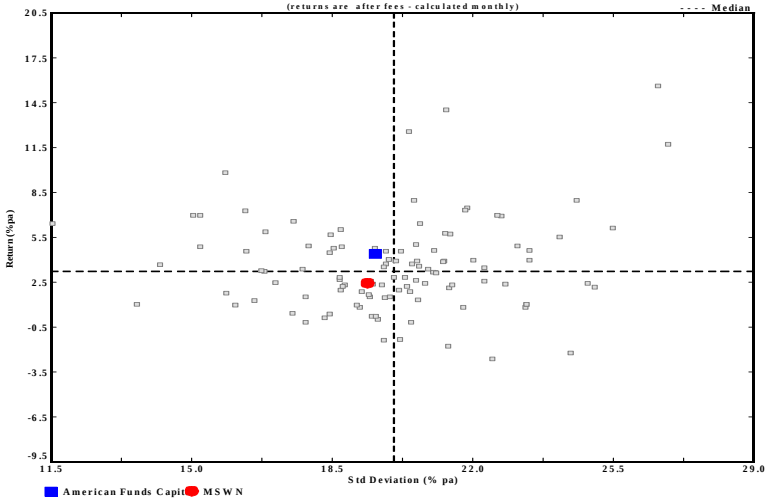
	3 Months	1 Year	3 Years	5 Years	7 Years	10 Years
ital World G/I R3	5.0 *(95)*	7.4 *(92)*	-4.5 *(61)*	4.4 *(34)*	7.7 *(18)*	na
MSWN	8.9	11.8	-4.9	2.4	5.1	2.3
5th Percentile	14.0	26.7	7.5	8.0	9.7	8.5
Upper Quartile	10.6	17.2	-1.2	4.9	7.2	4.8
Median	9.0	13.0	-3.9	3.2	5.7	3.4
Lower Quartile	7.2	10.4	-5.7	1.6	4.3	1.8
95th Percentile	5.1	5.8	-9.7	-0.2	2.1	0.4
Number of Funds	203	189	139	108	87	70

Comparison with the Mercer Mutual Fund Global Equity Universe
Risk and Return Characteristics vs. MSWN and Percentile Ranking for the 5 years ended Dec 2010

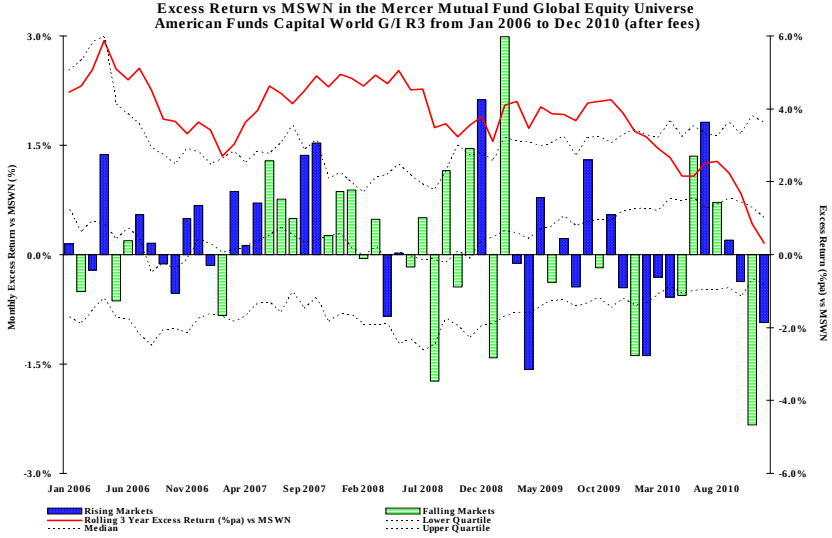


	Return (% pa)	Std Deviation (% pa)	Reward to Risk Ratio	Tracking Error (% pa)	Information Ratio
ital World G/I R3	4.4 *(34)*	19.6 *(61)*	0.2 *(32)*	3.4 *(83)*	0.6 *(23)*
MSWN	2.4 *(60)*	19.4 *(66)*	0.1 *(59)*	0.0 *(100)*	na
5th Percentile	8.0	24.5	0.5	9.6	0.9
Upper Quartile	4.9	21.4	0.3	6.7	0.5
Median	3.2	20.1	0.2	5.0	0.2
Lower Quartile	1.6	18.7	0.1	3.8	-0.2
95th Percentile	-0.2	15.4	0.0	2.7	-0.7
Number of Funds	108	108	108	108	108

Comparison with the Mercer Mutual Fund Global Equity Universe
Return and Std Deviation for the 5 Years ended Dec 2010
(returns are after fees - calculated monthly)



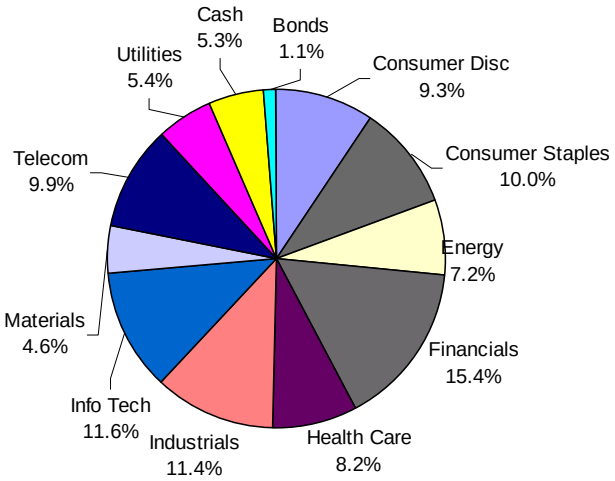
Excess Return vs MSWN in the Mercer Mutual Fund Global Equity Universe
American Funds Capital World G/I R3 from Jan 2006 to Dec 2010 (after fees)



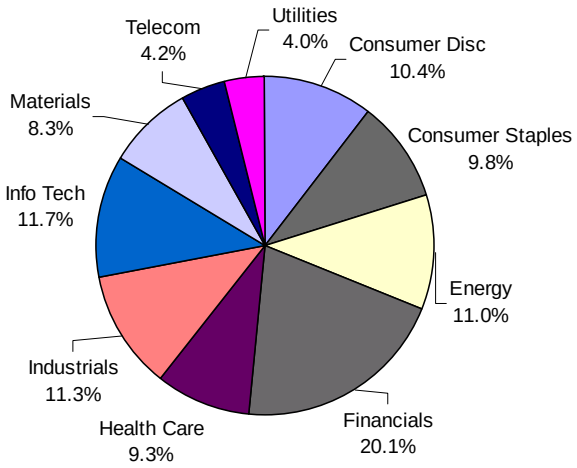
Fund Profile

Global Equity - American Funds Capital World Gro & Inc Fd R-3 - RWICX

Fund Sector Allocation as of December 31, 2010



MSCI World Sector Allocation as of December 31, 2010



Appendix A – Legislative, Regulatory, and Judicial Updates

Crafting Participant Fee Notices for 401(k)-type Plans

- Starting in 2012 for calendar-year plans, administrators of ERISA-covered plans must comply with specific content, timing and delivery requirements for participant fee notices, as outlined in final DOL regulations
- Compliance will require a coordinated effort by internal staff, outside experts and nearly all plan service providers
- Highlights of the final regulations include:
  - Effective Date – the DOL is giving fiduciaries just over a year to comply - the regulations apply to plan years starting on or after 11/01/11
  - General information about investments and fees - on or before the date a participant or beneficiary can first direct investments and annually thereafter, the plan administrator must provide general information about investment options, administrative expenses and fees charged on an individual basis – to the extent not reflected in total annual operating expenses
  - Comparative chart of investment-related information - the initial/annual notice must compare the plan's investment options in terms of fees and expenses, past performance data and benchmark returns
  - Quarterly statements - participants must be informed of the total dollar amount charged to their accounts for plan-wide administrative services, plus the amount charged for individual services, plus a brief description of any revenue sharing
  - Fiduciary responsibility - The regulations apply regardless of whether the plan relies on ERISA Section 404(c) to limit fiduciary liability for participants' investment decisions. Plan administrators may reasonably rely on information supplied by a service provider or fund manager
- The DOL is expected to issue additional regulations requiring disclosure of plan expense detail to participants

Target Date Funds Update

DOL proposed enhanced target-date fund (TDF) disclosure – November 2010

- Would amend QDIA regulations (2007) and plan sponsor-to-participant fee disclosure rules (issued October 2010)
- Would require plan administrators to disclose the following information about TDFs:
  - Name of investment's issuer
  - Description of investment's objectives or goals
  - Principal strategies and risks (including general description of types of assets held)
  - Historical performance (e.g., 1-, 5-, and 10-year returns) and statement indicating that past performance is not necessarily an indication of future returns
  - Fees and expenses
  - Comprehensive information for TDFs that apply age or target retirement-based asset allocations
- This disclosure would be made in participant fee disclosure statements and included in QDIA notices
- Regulation would take effect 90 days after publication in final form – comments were due by 01/14/11

Appendix B – Investment Manager Updates

Allianz Global Investors Capital (AGIC)/NFJ – News Item Dated November 23, 2010: Portfolio Manager Jeff Partenheimer to Leave NFJ

AGIC announced that portfolio manager/analyst Jeff Partenheimer will be leaving the firm on December 31, 2010 to pursue non-investment related interests. Ben Fischer will continue to serve as the lead portfolio manager on the Dividend Value strategy, and there are no plans to replace Partenheimer at this time.

Mercer View

Given Partenheimer's personal decision to relocate to Illinois earlier this year and the fact that he is the only investment team member who works remotely, the news of his upcoming departure is not all that surprising. In the most recent research note posted August 9, 2010, Mercer specifically noted Partenheimer's move as an issue to watch, citing a potential disruption to the overall team dynamic and communication process. While there were no indications of him pursuing non-investment related interests at that time, the circumstances would suggest that the challenges of maintaining team synergies is a factor that resulted in both Partenheimer and NFJ coming to a mutual decision to part ways.

In addition, Mercer had questioned NFJ's succession plans as it pertains to the Dividend Value strategy. Given that Partenheimer has a significant amount of experience and had worked most closely with Fischer, it was puzzling that Partenheimer was not named a likely successor to the strategy. As such, this may have been another reason for his decision. Mercer believes the confluence of these factors has contributed to a development that does not appear to be coincidental only a couple months following his relocation.

Given that Fischer will continue in his role as lead portfolio manager on the Dividend Value strategy and that Partenheimer had already begun to disengage from things when Mercer rated the strategy a B (per our research note in August of 2010), Mercer is not recommending any change to the rating. Additionally, while Partenheimer's immediate plans are unkown, Mercer has no intention to meet with the NFJ team on this topic or inquire further about his future plans at this time.

American Beacon Advisors (MetWest) – News Item Dated November 3, 2010: MetWest Capital Announces Departure of CEO/CIO and Managing Partner

MetWest Capital announced that Howard Gleicher, CEO/CIO/Lead Strategist for the MWCM Large Cap Intrinsic Value strategy and Steven Borowski, Managing Partner, are no longer with the firm. Gary Lisenbee, MetWest Capital's President, has taken over the roles of CEO and CIO and Jeffrey Peck, currently Director of Research, has assumed the Lead Strategist role for the Large Cap Intrinsic Value strategy. Sandra Incontro, currently Managing Director, has assumed the role of President.

Outside of Howard's departure, MetWest Capital's investment team of nine professionals remains intact.

Mercer View

Mercer view this news as significant and negative, particularly for the MWCM Large Cap Intrinsic Value strategy currently rated B+(T). Mercer recommends downgrading the MWCM Large Cap Intrinsic Value strategy to B (T) (W) and recommends clients invested in the strategy to seek other options. Gleicher was the lead portfolio manager for the strategy and his sudden departure is troubling. As of Mercer's most recent note, one item highlighted as an issue to watch was the key person risk of Gleicher and resolution for the pending contract renewals, but there were no indications of his pending departure. Approximately 90% of the MetWest Capital's assets are in the MWCM Large Cap Intrinsic Value strategy so the departure has

significant firm profitability implications as well. Although Mercer has not met with Peck, Mercer has met with Lisenbee in the past and views his continued involvement as a positive as well as the other investment professionals remaining on board. But, if Gleicher were to set up another investment firm, there is risk that others may leave. Mercer does not know Gleicher's and Borowski's intentions on this front. There are non-compete/non-solicit arrangements in place for Gleicher, Borowski and Lisenbee that expire in 2013 and new retention packages provided by Wells Capital for the entire investment team, which should help but are not a guarantee.

The firm's MWCM Small Cap Intrinsic Value strategy is currently rated B+ and will not be as directly impacted since Samir Sikka will continue as lead portfolio manager on that strategy. But, firm level concerns such as the potential for loss of investment professionals as well as the potential for a significant decline in firm level assets do apply, and therefore, Mercer recommends assigning a W designation to this strategy.

Borowski's departure alone does not have significant impact on the ratings of the firm's strategies given his role was focused more on marketing and client service, but to the extent he had close client relationships, particularly on the MWCM Large Cap Intrinsic Value strategy, this would be an additional negative.

American Beacon Advisors (MetWest) – News Item Dated December 1, 2010: Former MetWest Capital CEO/CIO, Howard Gleicher, Named CEO/CIO of Aristotle

Howard Gleicher, former CEO/CIO and Founder of Metropolitan West Capital Management (MetWest Capital), informed colleagues that he is now the CEO and CIO of Aristotle Capital Management, LLC (Aristotle). According to Gleicher, Aristotle is the investment advisor to the Saul Fund, LP, which is the predecessor investment fund of MetWest Capital that Gleicher has managed since 1992. Current clients include Gleicher, Gleicher's family members, and Steve Borowski, former Managing Partner of MetWest Capital, whom also departed from MetWest Capital.

Mercer View

This news is a follow up to the News Item posted in November 2010 regarding Gleicher's departure from MetWest Capital. At that time Mercer did not know Gleicher's intentions regarding setting up a new firm, but Mercer had lowered the rating of the MWCM Large Cap Intrinsic Value strategy to B (T) (W), given that Gleicher was the lead portfolio manager for the strategy and suggested clients seek other options. In addition, Mercer assigned a (W) designation to the firm's MWCM Small Cap Intrinsic Value strategy, led by Samir Sikka, to reflect the potential for firm level risk of investment professional departures if Gleicher were to start a new firm as well as a potential decline in firm level assets as approximately 90% of MetWest Capital's assets are in the MWCM Large Cap Intrinsic Value strategy.

Given the news of Gleicher's new firm, there may be a heightened risk of both investment professional departures from MetWest as well as increased risk of asset losses if clients seek to follow Gleicher and his firm offers institutional strategies. Mercer believes the (W) designation for both strategies is still appropriate. Wells Capital, the parent to MetWest Capital, has non-compete/non-solicit arrangements in place for Gleicher that expire in 2013 and has offered new retention packages to the entire investment team, which should help but are not a guarantee in Mercer's opinion.

American Beacon Advisors – News Item Dated December 2, 2010: American Beacon Drops MetWest from Large Cap Value and Small Cap Value

American Beacon has dropped MetWest from its roster of sub-advisors. MetWest had managed approximately 30% of the American Beacon Large Cap Value Fund in its Large Cap Intrinsic Value strategy and less than 1% of the American Beacon Small Cap Value Fund in its Small Cap Intrinsic Value Equity strategy.

Roughly 10% of the assets that had been managed by MetWest for the Large Cap Value Fund will be reallocated to newly appointed MFS Investment Management. The remaining 20% will be allocated to one of the existing sub-advisors, Hotchkis & Wiley (Hotchkis), such that Hotchkis will now manage approximately 30% of the Fund's assets. The resulting sub-advisor line-up, ratings, and allocations for the Large Cap Value Fund are as follows:

Barrow, Hanley, Mewhinney & Strauss (BHMS) Large Cap Value (30%) – B+

Brandywine Global Investment Management Classic Large Cap Value (30%) – B+

Hotchkis & Wiley Capital Management Large Cap Diversified Value (30%) – B+ (T)

MFS Investment Management Large Cap Value (10%) – B

Mercer View

This announcement was not unexpected as American Beacon's decision shortly follows MetWest's recent announcement of several senior level departures from the firm, specifically Howard Gleicher who was the lead portfolio manager for the MetWest Large Cap Intrinsic Value strategy (see News Item dated November 3, 2010).

Mercer does not anticipate the B+ rating on the Large Cap Value Fund, which is an average of the underlying strategies' ratings, will change as a result of the replacement of MetWest. Although the MFS Large Cap Value Equity strategy is currently rated B, the majority of MetWest's portion will be reallocated to Hotchkis, which is rated B+ (T).

Cramer Rosenthal McGlynn (CRM) – News Item Dated November 3, 2010: Change in Ownership Structure

M&T Bank Corporation (M&T) announced that it will be acquiring Wilmington Trust Corporation (WTC) in a deal that is expected to close by mid 2011. Wilmington Trust Investments, Inc. (WTI) is a subsidiary of WTC and is an investor in CRM with a primary ownership stake of approximately 80%. The remaining 20% is owned by CRM's employees and founders.

Mercer View

Mercer views this news as a non-event as it relates to CRM and its highly rated Large Cap Opportunity, Mid Cap Value, and Small/Mid Cap Value strategies. WTI's ownership in CRM is purely financial in that CRM has always operated as an independent entity and maintained autonomy with respect to business management and investment decisions. Assuming the transaction closes as expected, M&T will assume all the arrangements and rights of WTC pursuant to the original agreement between CRM and WTI. Given that Mercer does not expect any change to occur in the daily management of CRM, Mercer is not assigning a Watch (W) designation to the firm's strategies. Mercer fully expects CRM to remain a focused organization going forward.

Invesco – News Item Dated November 18, 2010

The Invesco Funds Board of Trustees recently approved a realignment of the firm's U.S. mutual fund products as a result of the firm's acquisition of Morgan Stanley's retail asset management business, which includes Van Kampen Investments, earlier this year. Invesco's intent is to streamline its suite of offerings and enhance the efficiency across its platform for the benefit of shareholders. The proposed fund changes are expected to take between six to nine months to complete as they still need to go through the regulatory and fund shareholder approval process. This timeline is as follows:

- Fund proxy statement filings (November/December 2010)
- Proxy statement mailings to fund shareholders (January 2011)
- Fund shareholder meetings (second quarter 2011)
- Realignment complete (target second quarter 2011)

Mercer Comment

Mercer expected Invesco to review its product line-up and conduct a rationalization exercise following the integration of the Morgan Stanley/Van Kampen retail businesses. Given that Invesco made portfolio management team changes shortly after completing the transaction on June 1, 2010, Mercer does not anticipate there will be further changes to the various product teams as a result of the realignment process. However, the potential for team defections in the future remains a legitimate risk.

Munder Capital Management – News Item Dated December 1, 2010: Munder to Acquire Integrity Asset Management

Munder announced that it is acquiring Integrity and the deal is expected to close by the end of 2010. Under the agreement, Integrity will become a wholly owned subsidiary of Munder. Integrity's investment strategies and management teams will remain in place, and it will retain its current name, location, and brand.

Munder is an institutional investment management firm providing domestic and international equity as well as fixed income investment solutions. With over $14 billion in assets, the firm manages investments on behalf of corporations, retirement plans, insurance companies, municipalities, Taft-Hartley, and mutual fund investors. Based in Birmingham, MI with an office in Boston, MA, Munder is an independently owned firm and its employees represent a significant percentage of ownership.

Founded in 2003, Integrity is a Louisville, KY-based firm with investment offices in Rocky River, OH which specializes in managing value-oriented equity strategies for institutional clients. Integrity, with more than $3.0 billion in assets under management, provides investment management services to a diverse group of corporate, public, endowment, foundation, Taft-Hartley, and sub-advisory clients.

Mercer View

Currently, Integrity's Small, Small/Mid and Mid Cap Value strategies are A rated with the Large Cap Value strategy rated B. Mercer is recommending adding a Watch (W) designation to all of Integrity's investment strategies given the recent acquisition announcement.

It appears Integrity will remain autonomous and continue to invest and operate with minimal changes or interruptions to its investment team or process as a result of the acquisition. Munder's international core team was a lift-out from The Boston Company in 2007 and has successfully operated independently within Munder. Therefore, Mercer believes Munder will allow Integrity this same type of relationship.

Integrity will leverage Munder's operations, compliance and distribution platforms allowing them to focus on stock research. Mercer believes this to be a positive as Munder's back office operations are more robust than Integrity's. There will be no change in Munder's overall ownership structure and Integrity's employees will become shareholders in Munder. It is still undisclosed as to what extent or percentage it will be at this time. Mercer does not expect the compensation structure to change for either Munder or Integrity's investment professionals.

For the overlapping Small Cap Value strategies, Integrity will eventually be assuming management of those assets. As of September 30, 2010 Munder and Integrity's Small Cap Value strategies have $132 million and $1.7 billion in assets under management respectively. Integrity has a stated capacity of $2 billion in the Small Cap Value strategy and it is currently only open to existing investors.

Mercer is maintaining the rating for Munder's Mid Cap Core Growth strategy which is currently rated B. Mercer does not anticipate any changes to directly impact this strategy as Munder will only leverage Integrity for its Value capabilities.

Mercer plans on meeting with Integrity in the first quarter of 2011 for our annual onsite due diligence and will address the implications of the acquisition in greater detail at this time. More specifically, Mercer will address any capacity concerns with the Small Cap Value strategy and get more specifics regarding Integrity's equity ownership in Munder.

State Street Global Advisors (SSgA) – News Item Dated November 1, 2010: Meeting with Bank of Ireland Asset Management (BIAM) and SSgA

Mercer had the opportunity to meet with the senior team of SSgA following the announcement that SSgA is to acquire BIAM subject to regulatory approval. The new company will become known as SSgA Ireland. Some of the highlights of the meeting are detailed below:

- Scott Powers spoke about the desire for SSgA to have an active fundamental equity offering for their clients. He spoke about the fact that quant type strategies have had a tough time of late and it was an attractive proposition for them to have a fundamental offering. They looked at BIAM when it was announced that they were for sale and were impressed with the strategy and investment team that Chris Johns (CIO) has built.
- Powers spoke about the BIAM brand and how it had been successful in the international context for some time. He spoke of the challenge that lies ahead in terms of educating the SSgA sales team about BIAM's fundamental strategy but is confident this will be a success given the caliber and expertise of the team in SSgA.
- Powers also spoke about the opportunities that they believe are present in the Irish marketplace for the new SSgA Ireland to grow. Some of the areas raised included Target Date Funds for the Defined Contribution market (which accounts for 70% to 80% of the DC cash flows in the US) and Liability Driven Investment (LDI) for the Defined Benefit Market.
- Powers confirmed that SSgA is continually looking at other active fundamental strategies that are out there that they could potentially acquire but there was nothing on the table in the short to medium term. With his new title as CIO of Fundamental Active Equities, Johns would obviously be best placed to take any potential acquired strategy under his remit but Powers said that this does not necessarily have to be the case.
- Powers confirmed that Peter Wood would be the country head for SSgA Ireland reporting into Greg Ehret (Head of EMEA) and that this is in line with the structure that is currently in place within SSgA.
- Ehret confirmed that once the deal has received regulatory approval, rebranding to SSgA Ireland will happen almost immediately and the company is expected to move into its new premises on Hatch Street, Dublin 2 in the spring of 2011.

Mercer View

Mercer views this as a positive development for BIAM. There had been a great deal of uncertainty regarding the ownership of BIAM for the last number of years and this acquisition puts an end to that uncertainty.

SSgA is looking to market BIAM's concentrated equity strategy internationally but they equally spoke of growing the business in Ireland which Mercer finds encouraging.

State Street Global Advisors (SSgA) – News Item Dated January 12, 2011: Confirmation of sale of BIAM to SSgA

Mercer has received official confirmation that the acquisition of BIAM by State Street Global Advisors has been completed.

State Street Global Advisors (SSgA) – Research View Dated January 13, 2011: Update on Advanced Research Centre

The purpose of this meeting was to receive an update on the Advanced Research Centre (ARC) and on the activities that they have been undertaking. Much of their work of late has been on the incorporation of signals that identify when to vary the allocation to the various factors in their models. This has been covered in previous notes on meetings with Mark Reinganum.

The ARC research team is now 32 strong with an additional three open positions. Staff numbers peaked at 44 in early 2008 and fell back as SSGA sought to reduce cost during the global financial crisis. ARC now has a researcher based in Tokyo.

There has been some turnover in the London team but elsewhere the team has been relatively stable (bar the cut backs). Hooker noted how the remuneration structure had changed so that ARC members now do get paid on how well their developments to models work in practice. This change had been detailed in notes in 2009 – suffice it to say this is a good thing and not before time.

Several years ago members of ARC were assigned to specific product teams. More recently (Q4 2008) they introduced a small Research Innovation team which looks to do a bit more 'Blue Sky' thinking and aims to test any innovations on a global basis. Recent research has included looking into avoiding 'step changes' in models. For example, in the UK they have varied the factor weightings by sector. This has been somewhat crude and ignores the fact stocks do not always neatly fit into a particular category. Hooker says, the most significant difference in value/growth and they have found evidence to support the hypothesis that in building models you should split stocks into a graduated range of categories value/growth rather than just assign to one bucket. Apparently this innovation works best in enhanced products. Another area of work has involved looking at momentum look-back periods and varying these by the volume of stock traded. For more actively traded stocks any reference pricing point is likely to be more recent. For thinly traded stocks it may well be further back.

Hooker also talked about the Equity Research Council (also set up in Q4 2008). This consists of Hooker, Rick Lacaille (CIO), Ali Lowe (Equity CIO), three senior managers and three senior ARC researchers. Originally the ERC's role was to set priorities and resources allocation areas for the firm. The idea was to co-ordinate research and where possible make it applicable across the firm. The individual teams within ARC had become a little too silo oriented. More recently Hooker acknowledges the importance of the group has declined. Most of the recent work has been on the dynamic factor allocation work prompted by Reinganum which has been co-ordinated. Hooker also argues co-ordination comes more naturally now – the group's workload has lessened. The ERC now meets less frequently than monthly.

A full listing of some of the more recent and current ARC projects is in the presentation document.

Most of the firm's recent work has been on dynamic factor allocation. This has been discussed in previous notes. It has been a major exercise not least in gathering and cleaning data. To date they have introduced the dynamic element into a US small cap product. This came first for commercial reasons. They felt they could sell a small cap product – many existing products favoured by the market are closed, not an ideal reason but understandable. They say they will roll out revised models in the coming months for all the affected products. To date they have stuck to their proposed timescales so this may well happen.

Of note, they are not waiting until any revised model is perfect. There does seem to be some internal debate over a number of aspects. Previous notes have highlighted how Reinganum believes a six month window is optimal and it is over this period that the team has been looking for signals on factor rotation. At Oppenheimer where he worked previously he used to rebalance every six months. SSGA will run models monthly but will limit monthly activity. They seem to be aiming for six monthly rebalancing but recognize significant market events may need rebalancing more frequently.

Finally, it does seem that the firm is going/has gone through something of a culture change. Under Arlene Rockerfeller each product team had considerable freedom, Lowe is very keen on gaining efficiencies. They have been moving to common platforms and common attribution systems. Hooker acknowledged they had to win hearts and minds over. They tried to avoid forcing the Boston model on all but instead encouraged the whole global team to come up with the best of which SSGA had across the world. Hooker did say a lot of work went into this.

Vanguard – Research Note Dated November 30, 2010: Update on Global, International and Emerging Markets Passive Strategies

Issues to watch

Vanguard is beginning a long-term initiative to grow its business globally, which includes expansion outside the US. It expects a three-year transition period. How realistic is Vanguard's goal? Will it be successful recruiting and/or transitioning existing staff with minimal internal disruption? How much disruption will this effort create for clients, particularly in terms of client service?

How successful will the firm be in continuing its low key/low cost culture under a structure that is more regionally focused?

Highlights

Vanguard is in the beginning stages of evolving the firm from a US-oriented company to a global organization. It intends to build a business structure that offers an effective balance between centralization and regional autonomy. The firm strives for a cross-border flow of investment talent, with two- to three-year rotations between regions, which requires a high degree of systems and people integration. Because the firm is in the very early stages of this venture, very few details are available. It is still in the thinking and planning stage so many decisions have not yet been made.

As part of this effort, Vanguard intends to move its European investment office from the firm's Belgium' office to London. It has applied for registration in London and is slowly working through the legality of withdrawing from Belgium. The latter effort is a highly complex and lengthy process (i.e. requires lengthy disclosure to, and counseling for, employees). It is also working with employees to determine who, if any, are willing to relocate. Mercer's update discussion in November revealed that little progress had been made on these efforts. It is not clear how many, or if any, of the Belgium staff will migrate to London. Investors should expect minimal transparency on this event until all the people decisions have been worked through. Vanguard expects Christine Franquin, the listed manager for most of the Dublin-based UCIT funds, to remain with the firm. While she will leave Belgium, decisions about where she would relocate to had not been made. It is possible that her role will change concurrent with the relocation.

It is very likely Vanguard will need to hire substantially to build the London office. Jeff Molitor, a 23-year Vanguard veteran, relocated to London for this purpose. Molitor assumed the European CIO role from Peter Lohrey, who recently left the firm to join a competitor. In this role, Molitor will oversee portfolio management and risk controls.

Vanguard has a good history of cross-region cooperation and support, and it already shares systems across the US and Europe. Despite regional specialties, the entire investment team contributes to all portfolios, which reduces key person dependency, and the majority of the firm's investment professionals are located in the US at this time. Mercer has seen examples in the past where the US office provided portfolio management services while Franquin was on leave. Strategies currently managed in Belgium will be managed from the US until the London office is fully established. Therefore, Mercer expects Vanguard to retain its high standards for investment management. For this reason, Mercer continues to have enough confidence in the firm to continue the preferred provider designation.

Over the shorter term, investors should be aware they could face some change and potential disruption in client service, although global integration does not extend to client reporting and account reconciliations. These will continue to vary according to local market customs and requirements. Keeping consultant databases up to date is already a challenge for the firm, and there is a good chance this could persist for some time. Mercer believes the firm will be successful in accomplishing its goal over time, although growing pains should be anticipated. Mercer continues to be impressed with the US-based investment professionals, their loyalty to the firm, and their dedication to controlling costs.

Wellington Asset Management (Hartford) – News Item Dated January 11, 2011: Wellington Announces New Director of Research and Portfolio Manager on U.S. Mid Cap Opportunities, Select Mid Cap Growth, and Opportunistic Growth (mid cap portion) Portfolios

Wellington has announced that the firm's current Director of Investment Research (DIR), Spencer Glendon, will be stepping down from his role and begin an extended medical leave on January 15, 2011. The firm has worked with Spencer in an effort to plan an orderly succession for his areas of responsibility, and the senior professionals that report to Spencer will report directly to CEO Perry Traquina during the interim. As of May 1, 2011, Phil Perelmuter will step into Glendon's role as DIR. At that time, Perelmuter will transition his portfolio management responsibilities on the U.S. Mid Cap Opportunities, Select Mid Cap Growth, and Opportunistic Growth (mid cap input) strategies to Phil Ruedi (existing assistant portfolio manager on all mentioned strategies). Dedicated research analyst Mark Whitaker will step into Ruedi's role as assistant portfolio manager, and Joseph Sicilian will continue as a dedicated research analyst.

Mercer View

The news about Glendon's departure is unfortunate given that Mercer thought highly of his DIR abilities. Perelmuter is a suitable choice as successor for Glendon and will do a fine job in his place, but Perelmuter's departure on the U.S. Mid Cap Opportunities, Select Mid Cap Growth, and Opportunistic Growth strategies is a significant loss. That being said, Mercer is recommending that the A ratings on the U.S. Mid Cap Opportunities and U.S. Opportunistic Growth strategies are assigned a Provisional (P) rating until the situation is further assessed.

At this time it is not clear whether a downgrade to the strategies is warranted because Mercer has expressed confidence in the abilities of Ruedi and the rest of the dedicated Mid Cap Opportunities research staff in prior research documents, and that Ruedi and his team can competently step up in Perelmuter's absence. Ruedi has been an assistant portfolio manager on the strategy for over four years, and Whitaker has been working with the team over that span as a senior analyst. Their investment insights and contributions are as much of a factor in the strategies' recommended ratings as Perelmuter's abilities are. However, Perelmuter was the driving force/team leader, and it is hard to ignore his absence. Thus, until Mercer has had the opportunity to speak at length with Perelmuter and the remaining team members about the direction of the strategies and intentions of the team, a Provisional rating is best suited for all recommended strategies that are involved.

Mercer plans on holding a conference call with the entire team over the next few days and also plans on seeing them on-site before the transition officially becomes complete. At the conclusion of those meetings, Mercer hopes to have a clear opinion of the strategies and will recommend further action as necessary.

Wellington Asset Management (Hartford) – Research View Dated January 14, 2011: Update on Mid Cap Opportunities Changes

Rating Expectation

Mercer had a call with the Mid Cap Opportunities investment team to discuss details of the change in portfolio management leadership from Phil Perelmuter to Phil Ruedi and Mark Whitaker following Perelmuter's appointment to become the firm's Director of Research. As summarized in the Meeting Highlights below, Wellington has laid out an orderly succession plan. In addition, Mercer believes that Ruedi and Whitaker will be able to absorb the research workload from Perelmuter and make the transition from co-portfolio manager to lead portfolio manager with no disruption to the strategies. Therefore, Mercer recommends removing the strategies' Provisional (P) designation.

However, since the transition will not take place until May 1, 2011, Mercer recommends replacing the both strategies' Provisional (P) designation with the Watch (W) modifier. Mercer will reassess whether the W is appropriate at the next annual review, which will be conducted in the second quarter after the changes take place.

Meeting Highlights

Wellington's Mid Cap Opportunities strategy is currently managed by Phil Perelmuter (lead portfolio manager), Phil Ruedi (co-portfolio manager), and research analysts Mark Whitaker and Joe Sicilian. This team also manages three portfolios that are variations or subsets of Mid Cap Opportunities: Select Mid Cap Opportunities, Select Mid Cap Growth, and the mid cap sleeve of the firm's Opportunistic Growth strategy.

Effective May 1, 2011, Ruedi will assume the lead manager role for Mid Cap Opportunities, Select Mid Cap Growth, and the mid cap sleeve of Opportunistic Growth. Whitaker will assume the lead role for Select Mid Cap Opportunities. In addition, he will become the co-portfolio manager of Ruedi's three strategies. Analyst Joe Sicilian will continue to provide research support to all strategies.

Currently, Perelmuter has research responsibilities for energy, materials, semiconductors, telecom, and media stocks. These names represent approximately 20% of the strategies' holdings. Ruedi, Whitaker and Sicilian cover the remaining 80%, with the lion's share under the egis of Ruedi and Whitaker. Ruedi covers securities in health care, business services and technology, Whitaker covers industrials, finance, consumer sectors, and utilities, and Sicilian covers certain internet, videoconferencing, and insurance brokerage stocks.

Going forward, Ruedi will pick up coverage of Perelmuter's energy, materials, and semiconductor stocks. Whitaker will assume coverage of telecom, and Sicilian will add media stocks to his research load. After the transition is complete, the team estimates that Ruedi and Whitaker will each have responsibility for 46% of the strategies' holdings (up from about 40%), and Sicilian will be responsible for the remaining 8%.

Up to now, Perelmuter had been the lead manager for all portfolios in the Mid Cap Opportunities suite. The firm decided going forward to split the lead roles between Ruedi and Whitaker, primarily in formal recognition of their capabilities and contributions to the strategies' success, and to a lesser extent to align each manager's research experience and investment bias to the applicable portfolio. For example, much of Ruedi's research experience has been with industries with secular growth characteristics, so he was chosen to run the flagship Mid Cap Opportunities portfolio and the "growthy" variations. On the other hand, Whitaker has more experience with mature, historically "valuey" sectors so he was chosen to manage Select Mid Cap Opportunities. However, Ruedi and Whitaker both stressed that their differences in investment philosophy are minor and that they have shared the same overall mindset with Perelmuter since they joined the team in 2004.

Over the next three months, Ruedi, Whitaker, and Sicilian will work closely with Perelmuter, as well as Wellington's Global Industry Analysts (GIAs) to get up to speed on his names. This should give them enough time to acclimate to their new responsibilities. Ruedi and Whitaker say they do not need to spend more time with Perelmuter on portfolio construction and risk control issues since they have always been intimately involved in those discussions, and Perelmuter has always actively welcomed their input. Even though Perelmuter has had the ultimate say on investment decisions, instances where the three disagreed have been very rare. Mercer has always been impressed by the team's close-knit and collaborative nature, and believes that it will serve the members well as they adapt to their new roles and responsibilities.

Issues to Watch

Wellington's transition plan is well thought out and should provide sufficient time for everyone to adapt to their new roles. However, in the interim period, there is the potential for the team to be distracted by requests from clients to meet and explain the changes. Wellington has assured Mercer that it will keep the team focused on investing and delegate all non-investment related matters to the team's product specialist (Josh Berger).

Although Ruedi and Whitaker are well-versed in "big picture" portfolio management issues, time will tell if they are truly comfortable being the decision makers on their respective strategies and whether they make the transition without any hitches.

Next Steps

Mercer will conduct an onsite meeting shortly after the transition is complete and issue a full research note at that time.

Appendix C – Mercer Update

Mercer completed its acquisition of Hammond Associates, effective January 3, 2011.

- Combines the global reach and extensive resources of Mercer with the market leading consulting resources of Hammond in endowments, foundations, healthcare, and wealth management
- Expands Mercer's capabilities in alternatives investment, an area of growing client demand – ability to provide strategic consulting in alternative investments such as private equity, hedge funds, and infrastructure
- Augments Hammond's US expertise with Mercer's international research capabilities

Mercer's Global Investment Forums 2011 (Adjusting to new realities)

- Melbourne:28 February - 1 March
- Singapore:4 March
- Dublin:12-13 April
- Chicago:8-9 June
- Stockholm:15-16 September
- Montreal:17-18 November

Intellectual Capital – White Papers/Surveys

- Let's Stay Together? Points to Ponder Before Firing Your Fund Manager
- Perspectives on Equity Investment – Making the most of your equity investments
- '10' for 2011' New Year's resolutions that DC plan sponsors should make now
- Introduction to Gold Investing
- Global Fee Survey 2010
- Perspectives on Real Estate Investments

Coming Soon…..

- Table of Asset Returns - from 1991 to 2010
- Mercer videos on global vs. domestic equity, defined contribution and pension risk management
- Mercer's 2010 Global Search Trends Report

Appendix D – Disclosures

Important notices

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