HEALTH WEALTH CAREER

MERCER WEBCAST

CHALLENGED BY YOUR 401(K) PLAN?

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TODAY'S SPEAKERS

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Mercer Wise 401(k) Proposition Leader

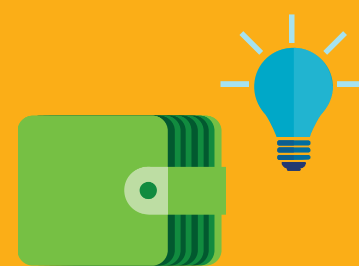
MURIEL KNAPP, PRINCIPAL
US DCFW Segment Leader

ARE YOU CHALLENGED BY YOUR 401(K)?
WHAT DC PLAN SPONSORS ARE SAYING

INCREASINGLY COMPLEX REGULATORY CLIMATE

LIMITED TIME AND RESOURCES

INCREASED SCRUTINY AROUND FEE TRANSPARENCY AND REASONABLENESS



NEED FOR ENHANCED RETIREMENT AND FINANCIAL WELLNESS OUTCOMES

THE OLD FRONTIER OF PLAN MANAGEMENT
INHERENT RISKS

PROPRIETARY FUNDS

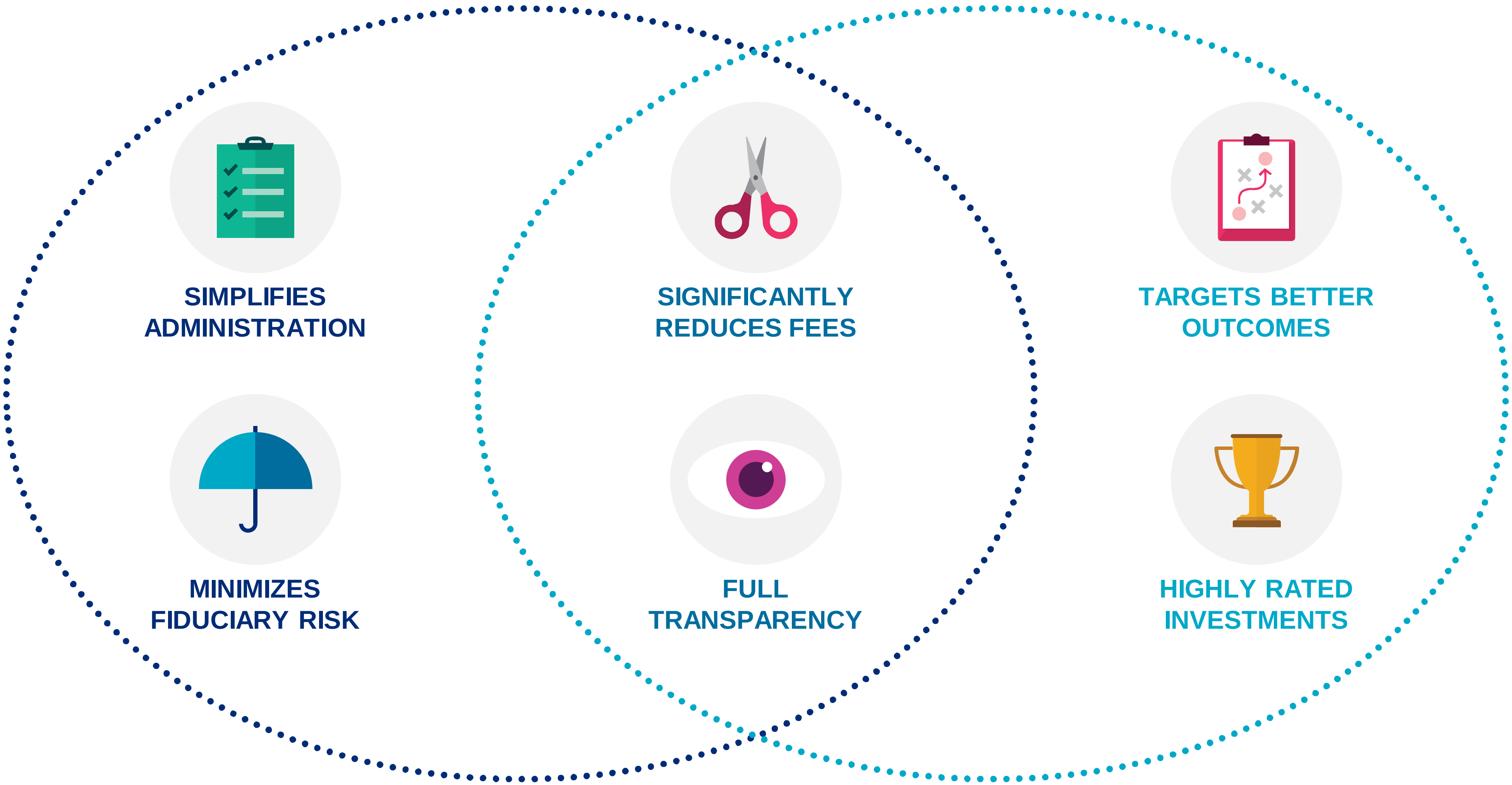
POOR FEE TRANSPARENCY

REVENUE SHARING

LIMITED PARTICIPANT RESOURCES

LACK OF ADMINISTRATIVE SUPPORT

THE NEXT FRONTIER
MERCER WISE 401(K)SM



FOR PLAN SPONSORS | **OVERALL** | **FOR PLAN PARTICIPANTS**

NAMED FIDUCIARY AND PLAN ADMINISTRATOR

ACT AS NAMED FIDUCIARY UNDER ERISA

PREPARE, SIGN, AND FILE 5500/8955 SSA

CONDUCT COMPLIANCE TESTING AND OVERSEE ACCURACY OF PLAN RECORDS

OVERSEE CONTRIBUTIONS/ DISTRIBUTIONS, INCLUDING ALL REQUIRED NOTICES

MONITOR ELIGIBILITY DETERMINATION

APPROVE PLAN TRANSACTIONS

RESOLVE QUESTIONS OF PLAN INTERPRETATION AND ANY QUERIES OR COMPLAINTS

OVERSEE AND MANAGE SERVICE PROVIDERS

ROLES AND RESPONSIBILITIES

	FIDUCIARY ROLE	MERCER WISE 401(K)	
	CLIENT	CLIENT	MERCER
STRATEGY DEVELOPMENT			
Define Objectives/Plan Design	●	●	●
Set Policies (IPS, fees)	●	●	●
Define Investment Structure	●	●	●
INVESTMENTS			
Manager Selection & Termination	●	○	●
Coordination of Manager Transition	●	○	●
Contract & Fee Negotiation	●	○	●
Performance Monitoring & Reporting	●	○	●
Compliance Oversight	●	○	●
PLAN ADMINISTRATION & COMPLIANCE			
Recordkeeper Management & Oversight	●	○	●
5500 Filing & Testing	●	○	●
Eligibility Determination & Transaction Approval	●	○	●
Contribution/Distribution Monitoring	●	○	●

MERCER INVESTMENTS BRINGS SIGNIFICANT EXPERTISE AND SCALE

The information above is as of Dec 30, 2015 and includes worldwide personnel, assets under management, and assets under advisement across Mercer's Investment Consulting business and Fiduciary Management business.

1. Source: Pensions & Investments survey as of June 30, 2015
2. Source: aiCIO- 2016 OCIO Survey (http://www.ai-cio.com/2016-Outsourced-Chief-Investment-Officer-Buyers-Guide) AUM Data as of September 30, 2015
3. Source: Greenwich Associates survey as of May 18, 2016
4. "Value added (as of 3/31/2016) is calculated as the average return per annum of the A rated strategies over the period concerned, less the average return per annum for the stated benchmark index over the same period. The quarterly return of the A rated products is calculated as the unweighted average performance over the quarter of all products rated A by Mercer within the product category concerned as at the start of that quarter. Results for longer periods are calculated by compounding together the quarterly figures.
5. Please see Important Notices for further information on Assets Under Management and Assets Under Advisement

DELIVERING ECONOMIES OF SCALE

ASSET CLASS NAME	MERCER FEES	MEDIAN MUTUAL FUND FEES[1]	ESTIMATED SAVINGS
Core Fixed Income	0.3%	0.49%	39%
US Large Cap Equity (Active)	0.4%	0.70%	43%
US Large Cap Equity Index	0.005%	0.20%	97%
US SMID Cap Equity	0.6%	0.95%	37%
International Equity	0.55%	0.90%	39%

Potential manager fee savings will depend on fees currently being paid, current asset allocation and the managers employed under the existing and discretionary models. There is no guarantee that such fee savings will be available.

1. Data provided by Lipper. Median fees based on institutional share class.

INVESTMENT PHILOSOPHY

INSTITUTIONAL APPROACH WITH DIVERSIFIED INVESTMENT OPTIONS

STREAMLINED LINEUP

HIGHLY-RATED MANAGERS

BROAD USE OF
INSTITUTIONAL VEHICLES

USE OF
MULTI-MANAGER FUNDS

CUSTOMIZED
TO EMPLOYEE PROFILE

FEE TRANSPARENCY

WHAT IS FINANCIAL WELLNESS?
MERCER'S VIEW – A LIFELONG JOURNEY

CONSUMER FINANCE PROTECTION BUREAU'S (CFPB) FOUR ELEMENTS OF INDIVIDUAL FINANCIAL WELLNESS

Have control over day-to-day, month-to-month finances	Have the capacity to absorb a financial shock	Are on track to meet financial goals	Have financial freedom to make choices to enjoy life

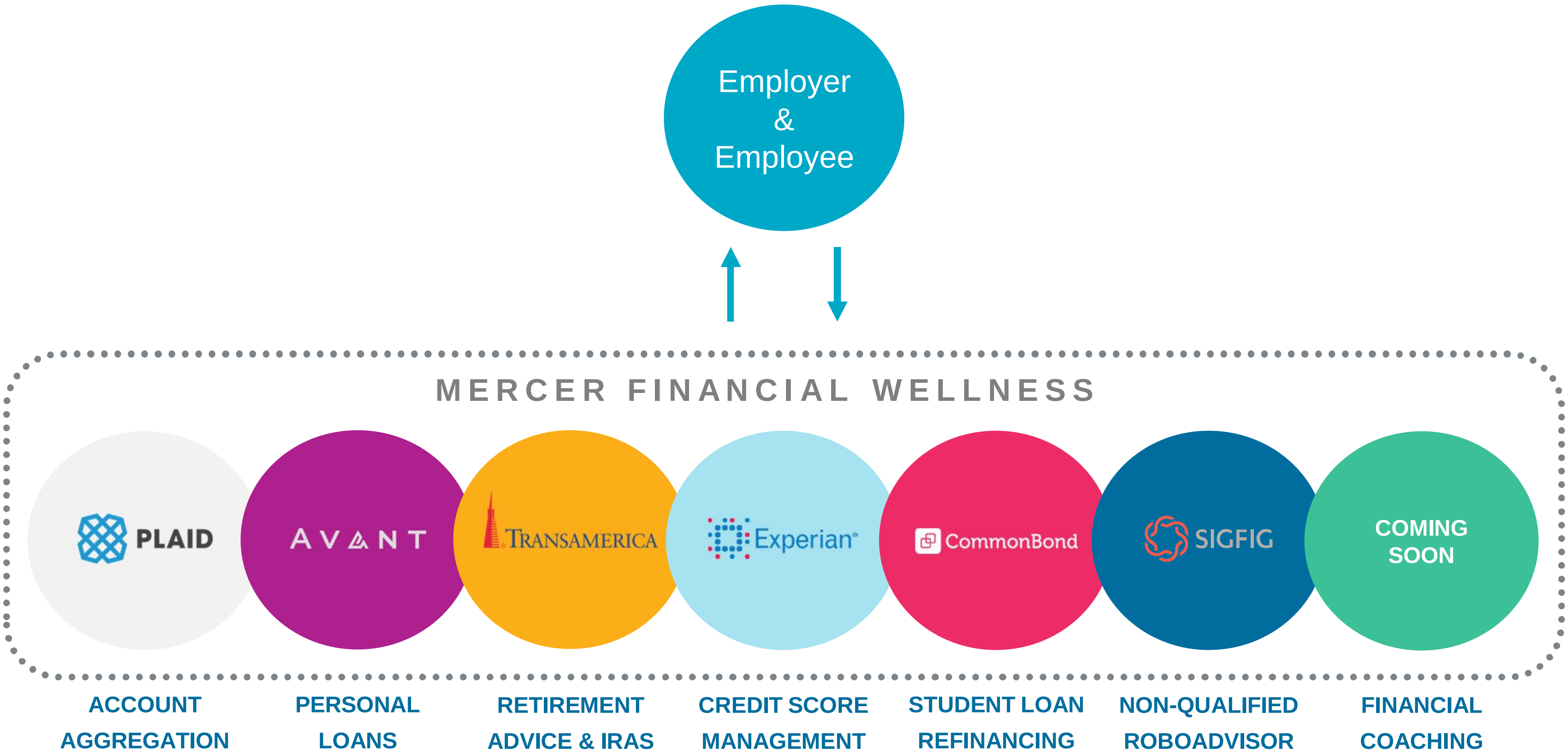
FINANCIAL WELLNESS NEEDS

- Participant enters workforce
- Life event occurs and an intervention is needed
- Phase of employment changes (e.g. nearing retirement, leaving company)
- Participant enters retirement, drawdown phase

COMPREHENSIVE EMPLOYER FINANCIAL WELLNESS PROGRAMS HELP EMPLOYEES WITH:

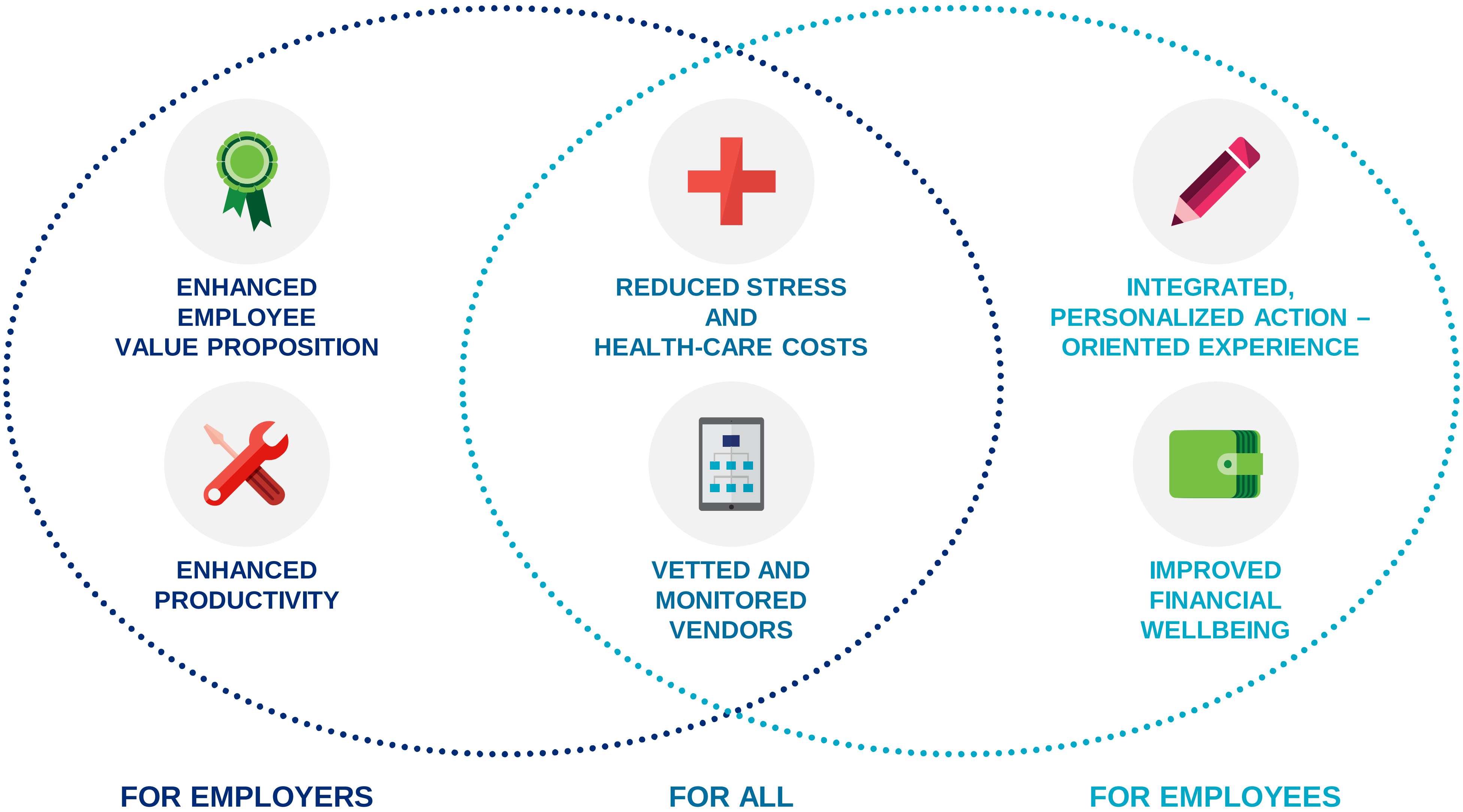
ASSETS	LIABILITIES	INCOME/ EXPENSES	INSURANCE/ PROTECTION

MERCER'S INTEGRATED SOLUTION



Due to the recent tightening of capital in the secondary loan market and the resulting declines in loan capacity for providers, Mercer has temporarily suspended the Avant personal loan offering at this time. Mercer will continue to monitor market conditions and will review this decision as conditions change and capacity returns.

THE NEXT FRONTIER
MERCER FINANCIAL WELLNESS



MERCER WISE 401(K) – A SMARTER SOLUTION THAT ASPIRES TO DELIVER BETTER OUTCOMES FOR ALL

SUPPORTING OUR CLIENTS

CLIENT TEAM

Plan design • Investment strategy, including QDIA • Regular client meetings • Compliance testing results & consulting

TRANSITION MANAGEMENT

- Establish Conversion Timeline
- Manage Conversion Process
- Provide Weekly Status Updates

PLAN OPERATIONS & COMPLIANCE

- Daily Reconciliation
- Monitor Eligibility & Plan Transactions
- Vendor Management Updates
- Reporting & Testing
- Deliver Required Notices
- Hire Plan Auditor

PORTFOLIO MANAGEMENT

- Select & Monitor Managers
- Portfolio Construction
- Execute Manager Changes
- Performance Reporting

FINANCIAL WELLNESS

- Support Platform
- Strategic Engagement
- Utilization Reporting

QUESTIONS?

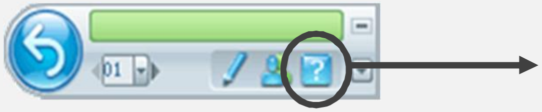
JESSE DANIELS, PRINCIPAL
Mercer Wise 401(k) Proposition Leader

MURIEL KNAPP, PRINCIPAL
US DCFW Segment Leader

QUESTIONS

Please type your questions in the Q&A section of the toolbar and we will do our best to answer as many questions as we have time for.

To submit a question while in full screen mode, use the Q&A button, on the floating panel, on the top of your screen.



CLICK HERE TO ASK A QUESTION TO "ALL PANELISTS"

FEEDBACK

Please take the time to fill out the feedback form at the end of this webcast so we can continue to improve. The feedback form will pop-up in a new window when the session ends.

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TOMORROW,
TODAY

MERCER