

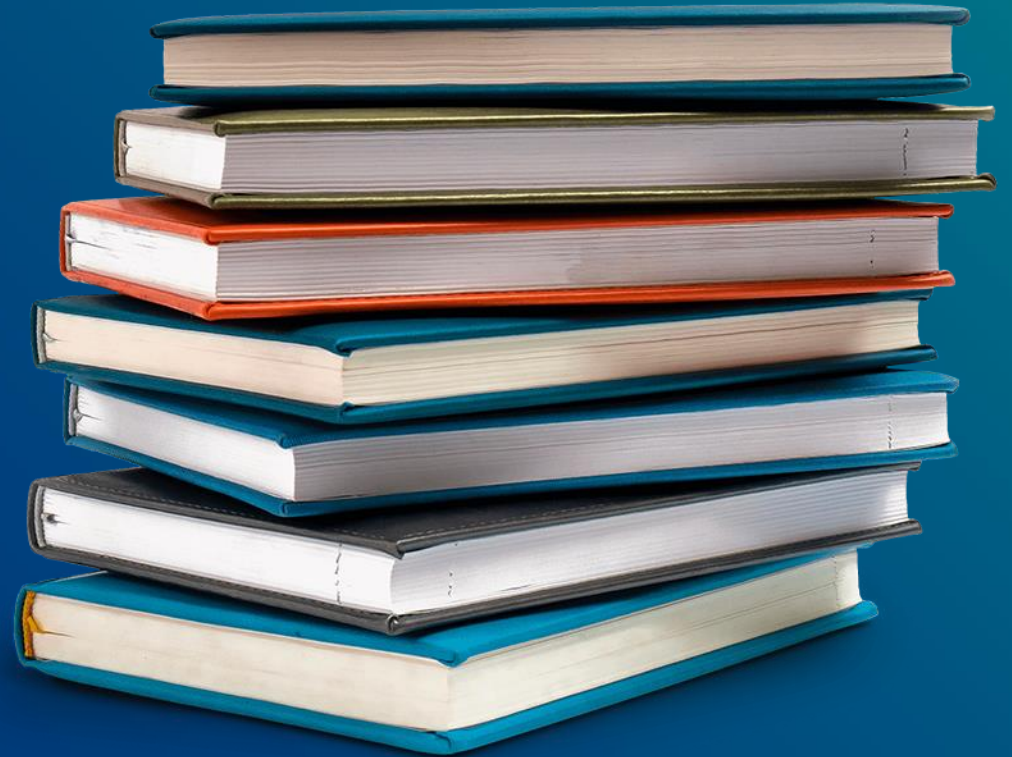
Partnering to achieve your mission and your vision

Foundation for Lincoln Public Schools

January 10th, 2025

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A business of Marsh McLennan



1. Partnership
2. Portfolio
3. Pricing

Agenda

Partnership

Foundation for Lincoln Public Schools mission and impact



Helping all students experience meaningful educational moments that leads to successful academic careers.



Impact

- 74 Schools served
- 42,282 Students empowered
- 6,625 Teachers & staff supported



Growth

- Increased net assets by ~\$5M over the last 5 years
- Avg. contributions of ~\$3M/yr over the last 6 years
- Highest contributions in 2023 of over \$4.2M



Portfolio

- Exploring OCIO services; currently have 3(21) advice
- Target allocation of 63% equity, 7% alts, 30% fixed income
- Public charity; not required to make a minimum distribution

Data and information on this slide sourced from Foundation for Lincoln Public Schools website and Foundation for Lincoln Public Schools staff.



Why clients partner with us

Institutionally focused

We are committed to providing tailored, high-level support for institutional clients to effectively address their unique challenges and stakeholder needs

Service excellence

We act as an extension of your staff, offering proactive support and leveraging Marsh McLennan's extensive resources to meet your needs with responsiveness and operational scale

Time-tested

Trust Mercer, a global leader in OCIO assets and investment consulting, to expertly help guide you through market uncertainties, as we have for like-minded organizations over the past thirty years



Curated expertise

Our philosophy is to bring the right expertise at the right time directly to you from a team of investment research and portfolio professionals around the world to help meet your needs

Differentiated investment ideas

Leverage our 200+ global asset manager research team to access unique investment solutions and help enhance your portfolio's long-term success through experienced manager selection and fee negotiation¹

¹ Data as of June 30, 2024. Mercer cannot guarantee access to opportunities. Access is at the discretion of the investment manager.

A boutique structure of support

Core Team



Michael Doyle, CFA®, CAIA

Senior Investment Consultant

Michael will focus on strategic investment planning, portfolio construction, spending and liquidity analysis, and more



Matthew Burke, CFA®

Investment Consultant

Matthew helps with portfolio oversight, investment objectives, asset allocation, spending, fund selection, and investment performance

Specialist Support



Bill Burns, CFA®

Not-for-Profit Central Leader

Responsible for client outcomes and client satisfaction across the Central territory



Lucy Momjian, CFA®, CAIA

Senior Education Strategist

Researches trends in the education space to help tie portfolio risk profiles to the operating environment



Jeremy Tennenbaum, CFA®

Senior Nonprofit Strategist

Researches topics such as fundraising, spending, and governance



Not-for-profit
specialists



Dedicated analyst and
performance analyst



Investment
manager research



Global
strategic research



Operations and
implementation

Trusted partner for OCIO services

Mercer's Not-for-Profit (NFP) Investment Practice

- Providing OCIO solutions globally since **1995**
- **163** US NFP Team Members
 - 76 Consultants
 - 72 Strategists, Associates, Analysts and Administration
 - 15 Business Development
- Managing over **\$68B** in OCIO assets
- Average NFP client has been with Mercer for over **12 years**

We work with many organizations like you

- Partnering with **191 Education** clients, **112** of which are **Independent Schools**
- **357** number of accounts with **assets between \$10-\$20M**
- **4** nonprofit clients in **Lincoln**

Pensions&Investments

Mercer ranks **1st globally by institutional outsourced assets under management**, in a 2024 survey of outsourced CIO providers. Source is Pensions & Investments October 2024, based on data as of June 30, 2024.¹

95% client retention rate²

95% in favorable satisfaction scores³

Data as of June 30, 2024, unless noted otherwise.

1 Source: "Pension & Investment" magazine's 2024 Consultants Survey, worldwide outsourced assets under management as of June 30, 2024 as reported by 32 participating firms to P&I (<https://researchcenter.pionline.com/rankings/consultant/datatable>). Global AUM: \$492.4 billion; US AUM: \$202 billion. Mercer did not pay a fee to be included in this survey. This survey is not indicative of the adviser's future performance.

2 Retention based on client counts from June 30, 2022 - June 30, 2023, excluding annuity purchases.

3 Client satisfaction based on Mercer's 2024 Client Satisfaction Survey. All responses are sourced from the Client Satisfaction Survey obtained on 5/8/2024. Responses provided in the testimonials were given by current clients. It is important to note that these clients did not receive any form of compensation for providing their testimonials. Additionally, Mercer has not identified any material conflicts of interest that would affect the clients' responses. The responses provided may not be representative or typical of all Mercer clients. If you have any further inquiries or require additional information, please do not hesitate to contact us. For a comprehensive list of questions & responses pertaining to this survey results, please reach out to [Mercer Client Survey Inquiries](#).

Please see Important Notices for important information about Assets under Management (AUM) and Assets under Advisory (AUA).

How we partner with education-focused clients

By working with Mercer, you are joining a community of like-minded organizations with access to extensive resources and networking opportunities¹



Dedicated education focus

- Focused attention on Mercer's **education best practices and trends**, including sponsorships of higher education events including The National Association of College and University Business Officers and Association of Governing Boards of Universities and Colleges



Key stakeholder support & engagement

- Extensive support for key stakeholders including Boards, donors, students and other constituents to help clients **efficiently fulfill their fiduciary duties and increasing stakeholder engagement**



Peer Networking

- Partner with **US education institutions** to complement your efforts
- **Unique events** for clients to support the advancement of your mission



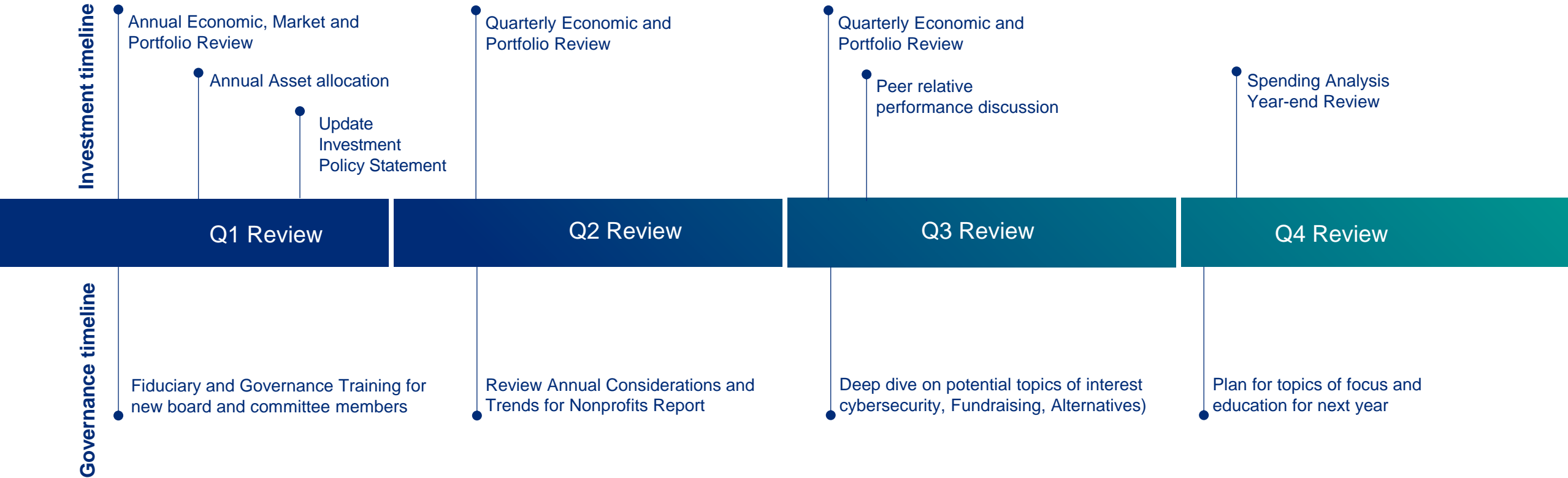
Extension of Staff

- Dedicated operational support team to **alleviate the burden on staff**
- Complete access to **Mercer's thought leaders** highlighted during Investment Committee meetings and as needed¹



¹ Mercer cannot guarantee access to opportunities. Access is at the discretion of the investment manager.

Strategic communication plan



On-going Ad-hoc communications

- Periodic calls with staff and committee members
- Support for donor conversations and events (if applicable)
- One-off education opportunities for committee members
- Invites to attend upcoming webinars focused on investments and nonprofit thought leadership
- Proactive sharing of updated investment and nonprofit research

Services

FIDUCIARY PORTFOLIO MANAGEMENT

Advise on strategic asset allocation _____

Implement strategic / dynamic asset allocation strategy _____

Select, hire, monitor and terminate managers

Design and implement alternatives portfolios

Provide risk management _____

Rebalance portfolios

Monitor, invest and report cash flows

ONGOING MONITORING AND REPORTING

Provide performance evaluation/risk monitoring/proprietary research _____

Provide monthly and quarterly investment reports and market commentary _____

Provide quarterly market environment reports and conference calls _____

Present client education and training _____

POLICY AND GOVERNANCE

Develop asset allocation ranges

Develop responsible investing strategy, if desired _____

Implement Mercer's best practices for fund governance

Develop and review investment policy _____

Perform spending policy analysis _____

OPERATIONAL AND ADMINISTRATIVE SUPPORT

Reconcile monthly returns

Establish and maintain client web portal _____

Manager contracting and oversight

Work with auditors and assist with fund documents _____

Establish connectivity with client custodians for assets and trading reconciliation

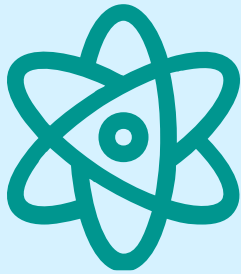
Advisory

OCIO

OCIO provides extensive operational support

Enhanced Staff Oversight

Centralized
operational support



- Sub advisor contract management
- Account implementation and coordination
- Trading, rebalancing and cash flow management
- Vendor coordination and oversight
- Timely manager appointment and transitions
- Audit support, reporting and finance



Investment and Risk
Management



Operations and
Audit Support



Legal¹



Compliance



Operational Risk
Assessment



Transition
Management

Robust ongoing execution outsourced to Mercer's team of **83** specialists²

¹ Mercer does not provide legal advice.

² Operation staff includes more than 61 employees in the US and more than 22 employees in Canada. Data provided as of December 31, 2023.

Portfolio

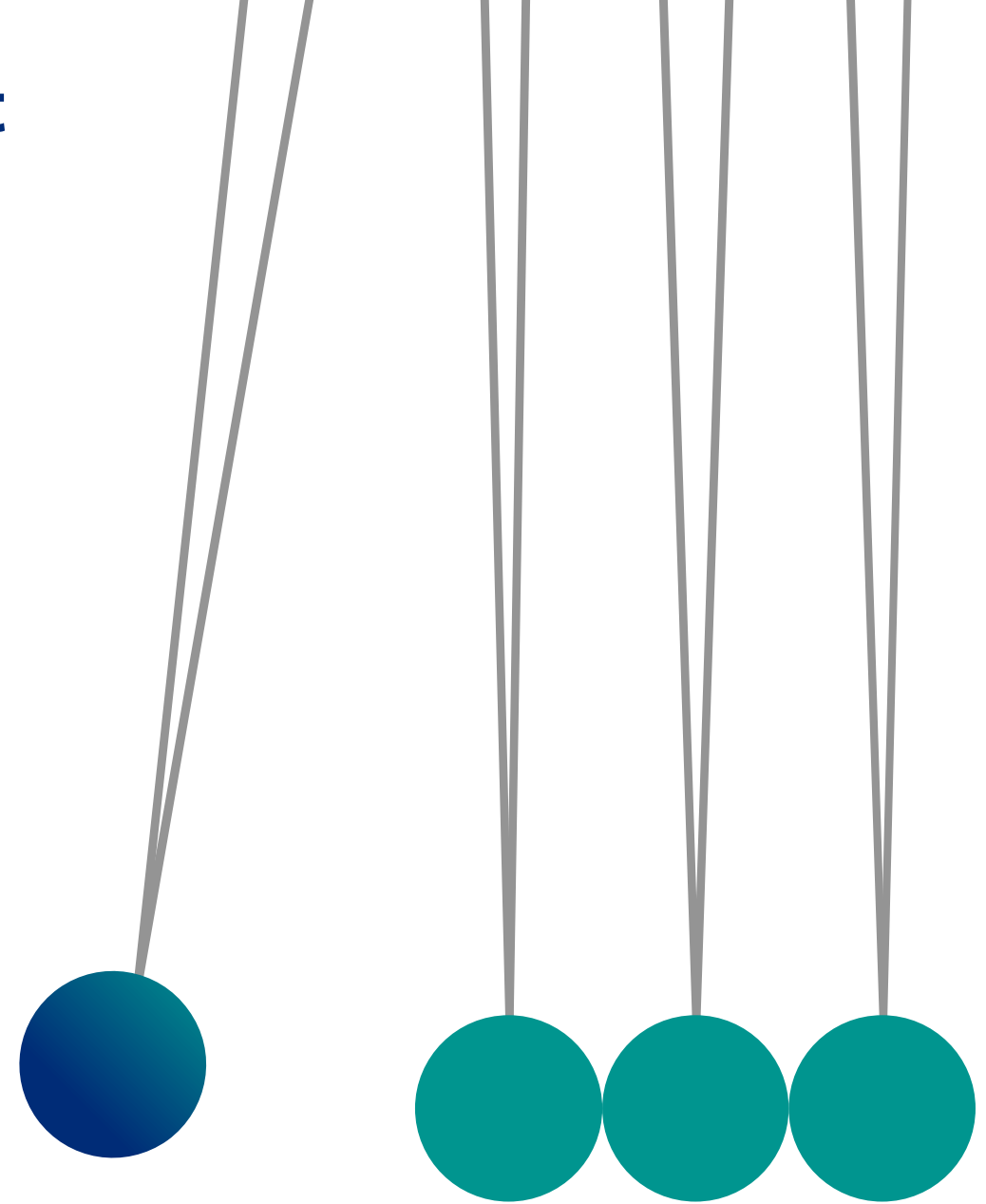
Part I: Portfolio construction

Investment policy statement support

Goal: Write with long-term strategic focus, include actionable information, and revise infrequently.

The Investment Policy Statement should include:

- Statement of purpose
 - Investment objectives
 - Investment guidelines
- Asset allocation policy ranges
 - Committee membership and responsibility
 - Spending/distribution policies
- Risk constraints
 - Rebalancing policy
 - Portfolio monitoring guidelines and procedures
 - Criteria for assessing performance



Client objectives: Core of how we construct portfolios

Leveraging nonprofit knowledge, investment experience, and a robust global investment platform to seek better long-term returns for **Foundation for Lincoln Public Schools**

Strategic Asset Allocation

Simulation & Optimization
Risk Factor Analysis
Stress Testing

1

Manager Selection

Equity, Fixed Income,
Alternatives, Index

2

Investing with Conviction

Active portfolio oversight via segment investment committees & CIO Office

3

Risk Management

Occurs at every step of the portfolio design process including manager selection, trading and implementation

4



For illustrative purposes only.

Aligning the right products and balance to match your objective

The active-passive balance in your portfolio is customized to your unique needs



Supported by the spectrum of passive and active investment strategies



Indexing

- Domestic equity
- International equity
- Domestic fixed income
- International fixed income
- Extended duration



Traditional active

- Domestic equity
- International equity
- Long credit



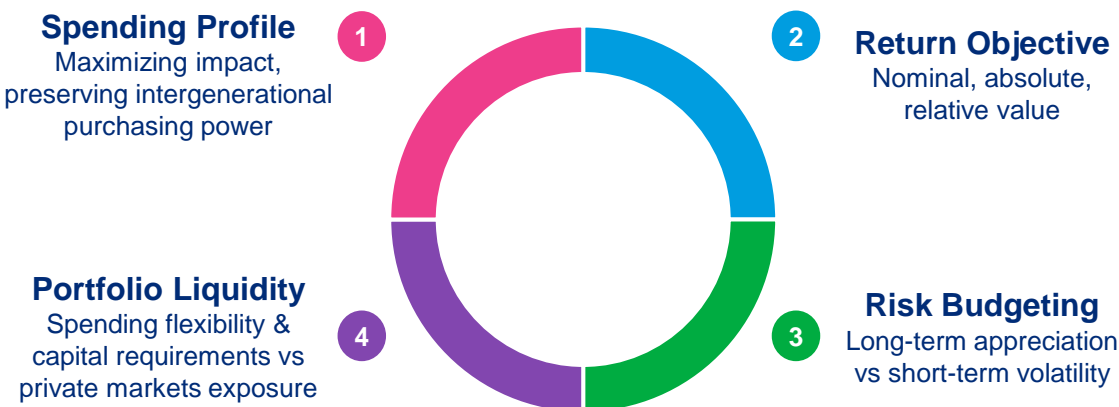
Factor tilts

- Global minimum volatility
- Liquidity
- Momentum
- Multifactor
- Quality
- Value

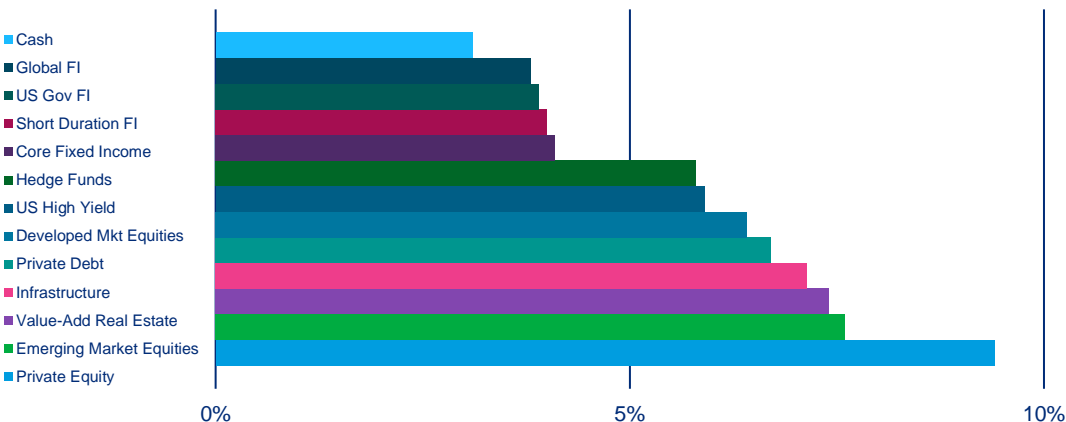
Mercer's investment process for Not-for-Profits

Begins with understanding our clients

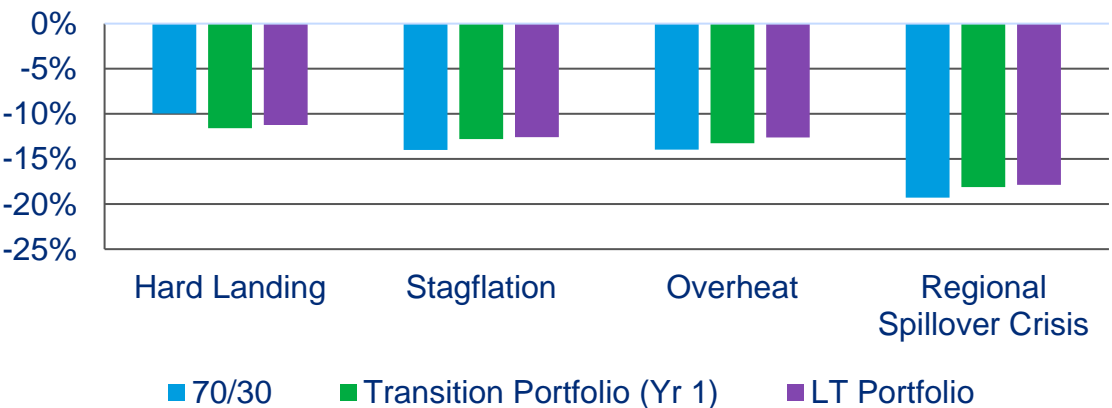
Client objectives



Determine asset class universe



Stress-testing & spending analysis



Finalize strategic asset allocation

Asset Class	Weight
Public Equity	xx%
Aggregate Bonds	xx%
Sub-Investment Grade Bonds	xx%
Hedge Fund Strategies	xx%
Private Debt	xx%
Real-Estate	xx%
Infrastructure	xx%
Private Equity	xx%

For illustrative purposes only.

Portfolio

Part II: Manager research capabilities

Mercer's global research at a glance

Depth and breadth of our global research resources

There are 215 staff¹ directly involved in the research process, in addition there are multiple investments professionals globally involved in the research process

Teams of asset class specialists operate independently but with a consistent philosophy/framework. We believe this provides all the benefits of a focused boutique, with the resources of a large, global consultancy

Specialised Mercer Alternatives group dedicated to private markets manager research, portfolio management, and investment operations

Research specialists with an average of 17 years of experience in the financial services industry²

The majority (56%) of research specialists have an MBA, CFA®, actuarial, or master's degree

¹ Includes central leadership and support/admin staff.

² Average years of experience excludes analysts and support/admin staff.

All data as of June 30, 2024.

Research investment beliefs

Active management can help generate excess return (although it is rare). Mercer believes the probability of identifying alpha is enhanced by using a manager research process that is:

Research driven

A fundamental, forward-looking, and research-intensive process, which builds on a deep understanding of each investment strategy covered



Repeatable

A robust and consistent framework that assesses each strategy's capabilities in four areas: idea generation, portfolio construction, implementation, and business management¹



Evidence based

Focused on characteristics of investment strategies that have been shown to help enhance the probability of sustainable alpha generation, which can vary over time, and by the asset class



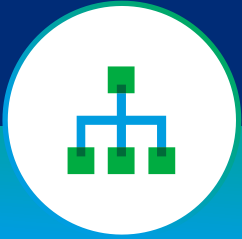
Flexible

There is no single answer – flexibility and experience are required to focus on the relevant characteristics for a given strategy



¹ Different factors used for certain asset classes such as private markets, LDI and passive.

Investment selection is key for success



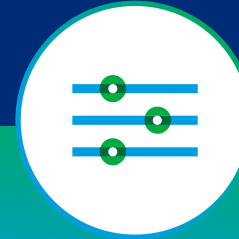
Business management

- Team expertise and experience
- Team capacity and stability
- Organizational structure



Alignment

- Measure of mutual interest between fund managers and investors
- Fund terms for fund under evaluation and changes from previous fund(s)



Strategy

- Investment focus and process
- Value creation / protection capabilities
- Fund size
- Relevance of track record for the investment strategy



Track record

- Sourcing / allocation of capital
- Investment pacing
- Return components
- Realized and unrealized track record

Thorough investment selection is a time and resource intensive task

Mercer manager research

Breadth and depth

Representative performance of managers who have been given an A-rating: 1.5% since inception¹



Idea generation

How strong is the manager's ability to generate value-adding investment ideas?



Portfolio construction

How effectively are these investment ideas translated into weightings within portfolios?



Implementation

How much of the value-add is given back in the form of transaction costs and opportunity costs?



Business management

Well-managed investment firms are more likely to maintain and enhance the competitiveness of their investment strategies over time.

Across Mercer - 215 investment research professionals³

Private markets	Fixed income	Equity	Diversifying alternatives	Wealth management research
62	23	32	36	4

Manager and strategy statistics²



¹ Manager and Strategy Statistics as of June 30, 2024, includes sub-advised strategies. This is a hypothetical analysis that's designed to reflect Mercer's manager research capabilities. This analysis is performed across an aggregate of 71 different product categories and is not specific to one asset class/segment. This data and information is not intended to represent Mercer performance. Since inception refers to when we began formal audited ratings in 1995. Our coverage has grown to include additional product categories. The 1.5% figure represents an aggregate of each product group's performance since their inception years. The product categories must have a minimum of three years of running track record performance in order for the Information Ratio to be calculated. Please see following slide for further important information regarding this analysis. Please see the [Guide to Mercer's Investment Strategy Ratings](#).

² Manager and Strategy statistics as June 30, 2024; includes sub-advised strategies. Investment Professionals exclude Financial Services and are FTE (not count of employees).

³ Investment Research Professionals as of June 30, 2024; excludes 18 central leadership & support staff.

Important Information on Representative Performance of Managers who have been given an A-Rating

As of 6/30/2024. This hypothetical analysis is presented for informational purposes only. The information contained herein is that of third-party managers which Mercer has given an “A-rating” and is not intended to present Mercer performance. While Mercer commits considerable resources to manager research, we do not provide any guarantees as to the future performance of the investment strategies that we recommend to our clients.

Mercer’s Investments business has developed and implemented a methodology for the hypothetical analysis of their manager research recommendations. For most investment strategies that we research, we arrive at a rating on a four-tier scale in which the possible ratings are A, B+, B and C. When we formulate short lists of candidates for clients to consider in manager searches, these are generally drawn from the list of strategies rated A within the relevant product category. We first began maintaining formal ratings on this basis in 1995, replacing less formal methods in place, and have extended this to cover all product categories that we actively research, over the period since. Our methodology for measuring the performance of our ratings entails calculating the average performance of the strategies that we rated A within each product category each quarter, based on the ratings as they stood at the end of the previous quarter. Therefore, there is no element of hindsight in the analysis. We then compound these quarterly results together to calculate performance over longer periods. Finally, we subtract the return for an appropriate and widely accepted benchmark index for the product category concerned to calculate illustrative performance of Mercer’s A-Rated Managers. We also calculate a risk-adjusted measure of the value added known as the information ratio. A typical client would not invest in all strategies in all of the categories, as some may not be relevant to a particular client for a variety of reasons. Therefore, the actual performance of strategies selected by a client would vary from the results depicted here. Three types of strategy are excluded from the analysis. First, we exclude strategies that are sub-advised by other investment managers, to avoid double-counting. Second, where a manager offers two variants of what is essentially just one strategy, we only include one of these in the analysis (we used to use the one with the longer track record but in 2011 we assigned the decision on which track record to use to the researcher responsible for the strategy), once again to avoid double counting. Third, if a strategy’s track record relates to a benchmark that is materially different to the benchmark used in the analysis for the product category concerned, it will be excluded from the analysis to avoid distortions that could arise solely as a result of the non-standard benchmark. Where a manager offers equity strategies in a typical long only format and a variant which includes the ability to short, we only include the long-only version. For some product categories, where the use of custom benchmarks is prevalent, there is no single widely accepted benchmark that can be used as a basis for this analysis. We therefore use a slightly different methodology for these categories. In these cases, we carry out the analysis by first calculating performance each quarter for each track record relative to its custom benchmark, then calculating the average of these figures each quarter, and then compounding the quarterly illustrative figures to calculate performance of Mercer’s A – Rated Managers over longer periods. **We have carried out these calculations for most of the product categories where we both maintain ratings and for which we have reliable performance data (currently 71 categories), going back in each case to when we first had a reasonable spread of ratings for the product category concerned. Past performance cannot be relied on as a guide to future performance.**

All of the figures have been calculated by Mercer but are based upon performance data provided to Mercer by the investment managers concerned. Mercer generally does not independently verify the performance information provided by investment managers. The methodology described above does not allow for transaction costs that an investor would have incurred if it had actually changed its panel of investment managers every quarter in line with changes to the list of products rated A by Mercer within the product category concerned. In practice, the turnover of managers incurred by such an investor would have averaged about 14% per annum. We have not attempted to estimate the transaction costs that would have been incurred as this would require assumptions on a number of factors, including the investor’s cash flow position and how the changes had been implemented.

All investment performance data used was reported gross of investment management fees and certain other expenses, such as custody and administration. All the illustrative performance figures are also quoted before deduction of such fees. The figures are however net of all transaction costs that the managers concerned have incurred within their investment portfolios. As described above, the results of the analysis are based on performance data provided to Mercer by the investment managers concerned and other sources. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of information presented, and no responsibility or liability, including for consequential or incidental damages, can be accepted for any error, omission or inaccuracy in this information. We have strived to obtain performance data for all investment products that have ever been rated A by Mercer for inclusion in the analysis, but in some cases this has not been possible. Where data could not be obtained, we have no option but to exclude the product from the analysis. We will continue to strive to obtain missing data for future updates of the analysis. This may result in some changes to the historic figures in future updates of the results.

Risk management process

We do not believe in a “silver bullet” risk system or approach. Instead, we believe in embedding risk management across every step of the investment process – creating layers of accountability and oversight.

Client engagement and communication

Strategy and monitoring

Liquidity

Volatility (absolute & relative)

Principal Preservation

Capital market knowledge

Asset class portfolio specialists

Global capital markets team

Strategic research committee

Enterprise-wide Inputs

- Risk tolerance
- Return need
- Complexity
- Investment beliefs
- Peers
- Liabilities
- Foundation Granting
- Liquidity
- Cash Flow Management
- Capital sensitivity
- Strategic Financial Plan

Manager selection

Idea Generation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Portfolio Construction	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Business Management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Capital markets assumptions

COMPONENT

a Shiller's P/E Ratio at Equilibrium

b Upper Shiller P/E Band

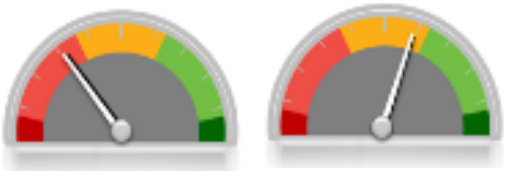
c Lower Shiller P/E Band

d Earnings Yield at Equilibrium (1/a)

e Payout Ratio

f Dividend Yield (d*e)

Dynamic market views



Tools, Analytics and Monitoring

MercerInsight®
An alliance with EVESTMENT

InvestmentMetrics

Operations

Mercer Sentinel

An investment industry leader in operational risk

Asset class best thinking

Investment grade private credit

It fit for purpose

Strategic views

2023 top investment considerations

Webinar
February 15, 2023 12:00pm ET

Register now



For illustrative purposes only.

Portfolio

Part III: Outlook, allocation, and sample portfolio

Asset class return outlooks

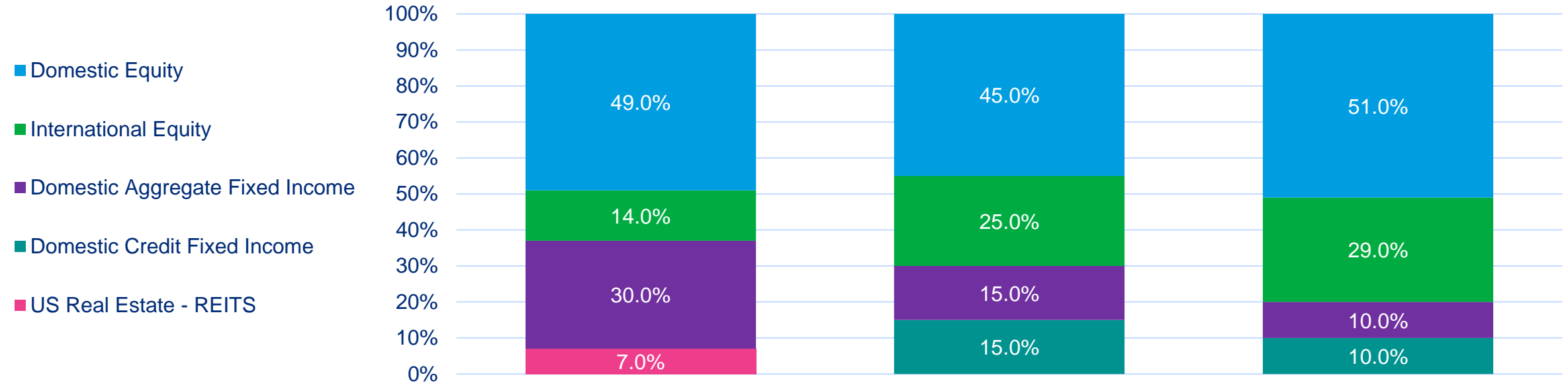
Mercer's Capital Market Assumptions as of September 30, 2024 (10-year)

Equities	Return Projection	Volatility
US All Cap Equity	5.6%	18.7%
US Large Cap Equity	5.5%	18.3%
US Small/Mid Cap Equity	5.9%	21.4%
Global Real Estate - REITS	6.4%	20.7%
AC World ex-US All Cap Equity Unhedged	6.6%	22.2%
Non-US Developed All Cap Equity Unhedged	6.5%	21.5%
Emerging Markets Equity Unhedged	7.0%	26.0%
Fixed Income	Return Projection	Volatility
US Aggregate Fixed Income	4.4%	6.3%
US Government Fixed Income	4.2%	6.4%
US Credit Fixed Income	4.6%	7.1%
US High Yield Fixed Income	5.3%	8.5%
US Inflation Indexed Fixed Income	4.3%	4.9%
US Cash	3.2%	2.1%
Non-US Broad Fixed Income Hedged	4.5%	5.4%
Emerging Markets Fixed Income – Hard Currency	6.3%	10.5%
Inflation	2.2%	2.2%

Source: Mercer Capital Market Assumptions, as of 9/30/2024. All expected returns are gross of fees, unless indicated otherwise. There are no guarantees Mercer assumptions are or will be accurate. Actual performance is likely to vary.

Portfolio allocation profiles

10-year outlook



Forward looking analysis	Current Portfolio	70/30 Active / Passive Sample Portfolio	80/20 Passive Index Portfolio
10-year expected nominal return	5.95%	6.23%	6.09%
Nominal return ranges (25 th to 75 th percentiles)	4.08 – 7.68%	4.27 – 8.08%	3.87 – 8.18%
Standard deviation	13.43%	14.09%	15.51%
Max drawdown	-34.24%	-36.41%	-40.68%

Asset allocations shown are for illustration purposes. Actual asset allocations may vary from those shown. Current portfolio allocations based on data provided by Foundation for Lincoln Public Schools staff. See following slide for important information and risk disclosures regarding hypothetical expected returns. Expected net returns are hypothetical average returns of economic asset classes derived using Mercer's 9/30/2024 Market Assumptions ("CMAs"). There can be no assurance that these returns can be achieved. Actual returns are likely to vary. Diversification does not guarantee a profit or protect against a loss.

Hypothetical returns based on Capital Market Assumptions

Expected Return and Risk Statistics

Portfolio expectations are forward looking and reflective of Mercer's Capital Market Assumptions, as defined by asset class and incorporating return, standard deviation, and correlations. Our process for setting asset class expected returns begins with developing an estimate of the long term normal level of economic growth and inflation. From these two key assumptions, we develop an estimate for corporate earnings growth and the natural level of interest rates. From these values, we then estimate the expected long term return of the core asset classes, equity and government bonds. We combine current valuations with our expectations for long term normal valuations and incorporate a reversion to normal valuations over a period of up to five years. Volatility and correlation assumptions are based more directly on historical experience except in cases in which the market environment has clearly changed.

Return expectations are intended to illustrate the hypothetical performance of a recommended asset allocation, based on the expected return (derived as described above) of passive indices considered by Mercer to be representative of each asset class. Return expectations do not incorporate performance impact of active management. The views expressed are provided for discussion purposes and do not provide any assurance or guarantee of future returns.

Expected return is shown net of the proposed Mercer fee, and underlying investment manager fees. It also assumes the reinvestment of dividends and other earnings. Periods over one year are annualized.

Hypothetical performance results and any related statistics do not represent the results of actual trading using client assets. Actual results may significantly differ from the hypothetical returns being presented. Investors may experience loss. The time periods shown represent a variety of economic and market conditions, including the unpredictability of such conditions and includes periods of market volatility. There are limitations with the data presented below as each client would have its own investment objectives, risk tolerance, goals and benchmarks for its portfolios, and the hypothetical performance shown is intended only to illustrate return expectations for different asset class allocations and does not attempt to account for active management within those allocations. Performance results for individual client portfolios will vary depending on active management decisions, as well as due to possible inclusion of cash and

There are substantial risks associated with investments classified as alternative investments. Investors should have the ability, investing sophistication and experience to bear the risks associated with such investments.

Sample portfolio construction

Investment	Portfolio weight	Investment Style	Fund type	Management type	Underlying manager(s)	Expense ratio ¹
Equity	70.0%					
Vanguard S&P 500 Institutional Index Fund	39.0%	500 Index	Mutual Fund	Passive	Vanguard Equity Investment Group	0.04%
Mercer US Small/Mid Cap Equity Fund	6.0%	Small/Mid Cap Blend	Mutual Fund	Active	LSV Asset Management GW&K Investment Management Westfield Capital Management Loomis, Sayles & Company River Road Asset Management Parametric Portfolio Associates	0.48%
Mercer Non-US Core Equity Fund	18.0%	International Core Equity	Mutual Fund	Active	Arrowstreet Capital LSV Asset Management Massachusetts Financials Services Company American Century Investment Management Parametric Portfolio Associates	0.38%
Ninety One Emerging Markets Equity Fund	4.2%	Emerging Markets	Mutual Fund	Active	Ninety One	0.85%
RBC Emerging Markets Equity Fund	2.8%	Emerging Markets	Mutual Fund	Active	RBC	0.88%
Fixed Income	30.0%					
Mercer Core Fixed Income	15.0%	Intermediate Core-Plus Bond	Mutual Fund	Active	PGIM, Inc Manulife Investment Management LLC Income Research & Management	0.14%
Vanguard Short-Term Investment Grade	6.0%	Active Short-Term Corporate Bond	Mutual Fund	Active	Vanguard Fixed Income Group	0.10%
Vanguard Intermediate-Term Investment Grade	6.0%	Active Intermediate-Term Corporate Bond	Mutual Fund	Active	Vanguard Fixed Income Group	0.10%
Vanguard Long-Term Investment Grade	3.0%	Active Long-Term Corporate Bond	Mutual Fund	Active	Wellington Management Company LLP Vanguard Fixed Income Group	0.11%
					Portfolio weighted annual expense ratio:	0.21%

Expense ratio is charged in addition to an advisory/OCIO fee.
 Actual portfolio construction may vary. Portfolios are subject to change.
 1 Expense ratio as reported in most recent prospectus.

Pricing

Fees

Estimated fee breakdown	
OCIO fees on \$12 million	0.33%
Investment fees ¹	0.05 – 0.21%
Approximate all-in fees	0.38 – 0.54%

OCIO fee schedule	
First \$25 million ²	0.25%
Next \$75 million	0.15%
Next \$200 million	0.10%

Advisory fee schedule	
First \$100 million ³	0.15%

Data as of December 31, 2024.

¹ The exact expense ratio will be determined by the custom portfolio solution provided.

² Minimum OCIO fee: \$40,000.

³ Minimum Advisory fee - \$90,000.

Services

Portfolio management services

- Fiduciary support and resources
- Investment policy consulting and advice
- Asset allocation analysis with risk modeling
- Cash flow and spending policy analysis and consulting
- Global asset manager search and evaluation
- Fully customized portfolio construction
- Dedicated operational support
- Daily portfolio oversight, monitoring, and rebalancing

Additional services

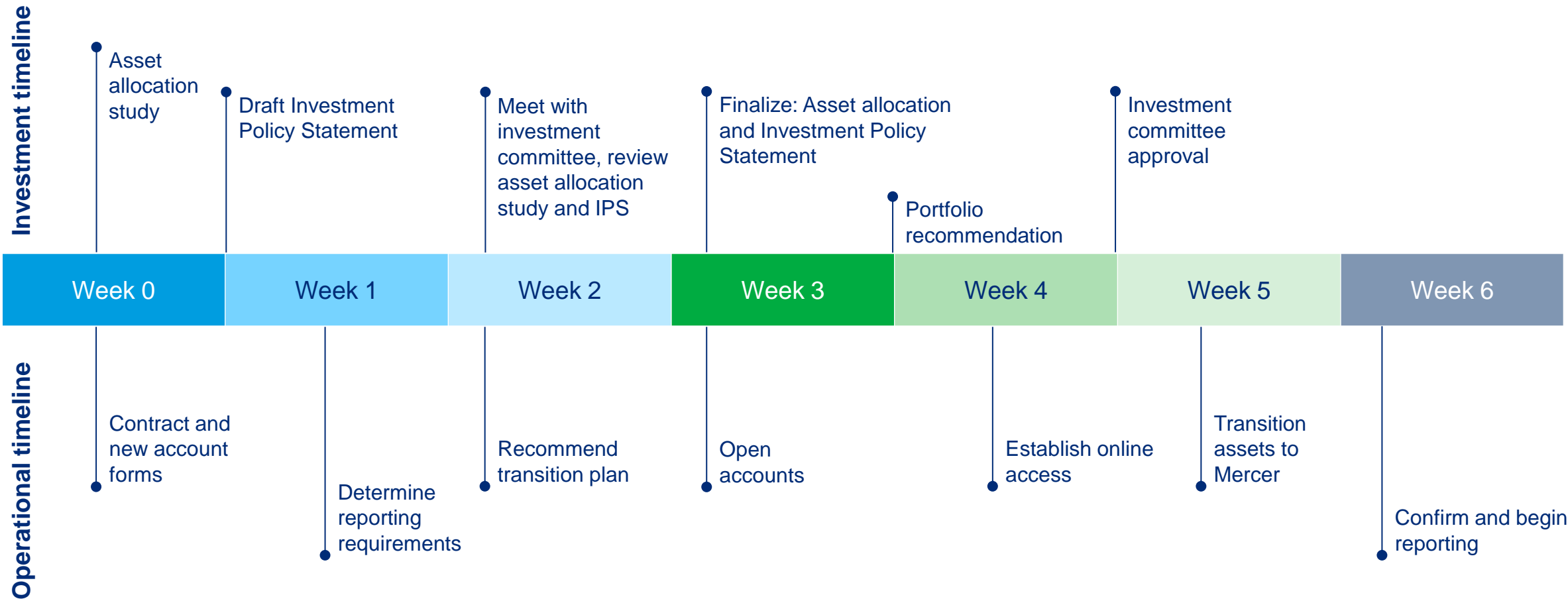
- Tailored outreach, audit, and meeting support
- Donor relation support
- Engagement with all stakeholders
- Performance reporting
- Staff, committee, and board investment/fiduciary education
- Nonprofit thought leadership, insights, and regional symposiums
- Views on all asset classes and strategies
- Global economic and investment research

Annual client conference

Monthly and weekly market commentary

White papers and intellectual capital

Onboarding process



The right partner for a stronger future



Appendix

How Mercer is best positioned for OCIO

Mercer is transparent and operates with a focus on integrity, striving to distinguish ourselves from many competitors

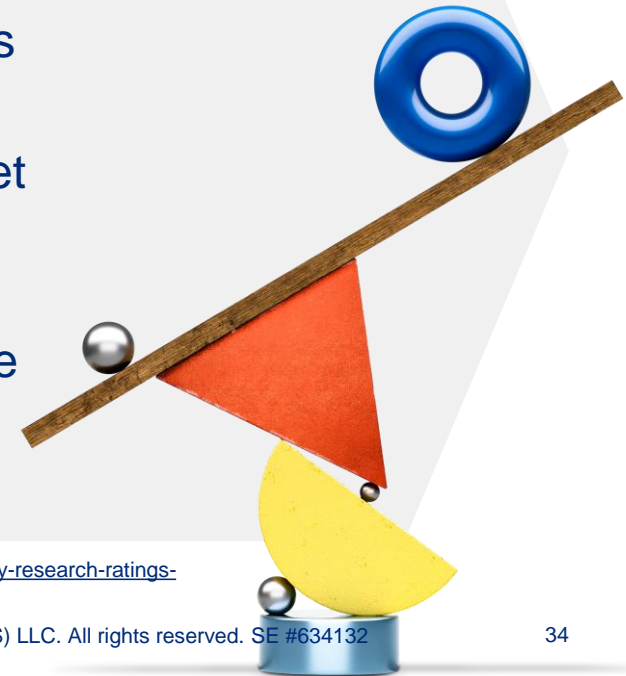
Our role seeks to provides clients with compelling advice and implementation

We are not:

- A securities manager
- A prime broker
- A transition manager
- An investment bank
- A custodian

This allows us:

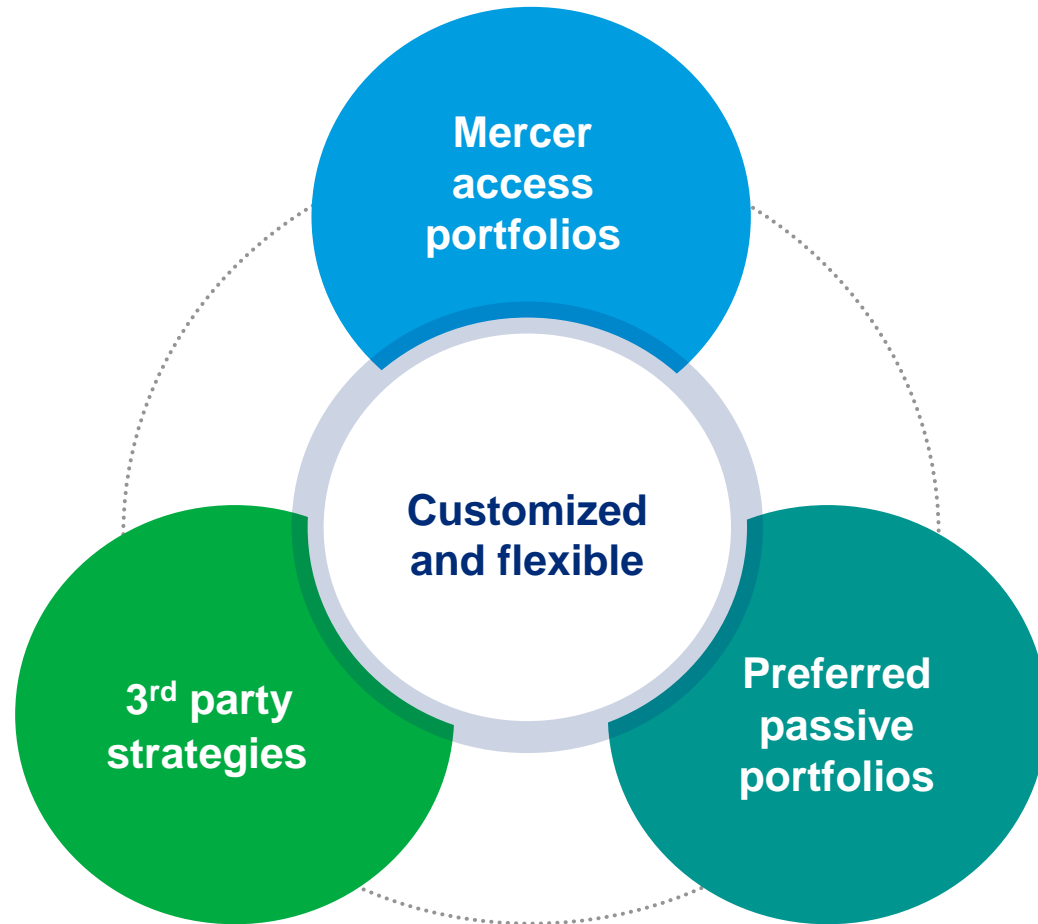
- To **act in your best interest and be transparent** in the advice and services we provide
- **Access and innovation** from the asset management community
- To **transition to high-conviction, highly rated managers** as competitive edge and innovation shifts¹



¹ Please see the Guide to Mercer's Investment Strategy Ratings: https://www.mercer.com/assets/us/en_us/shared-assets/local/attachments/pdf-wealth-guide-to-mercers-investment-strategy-research-ratings-merc-2023.pdf

OCIO implementation via open architecture

Customization and flexibility



¹ Please see the Guide to Mercer's Investment Strategy Ratings: https://www.mercer.com/assets/us/en_us/shared-assets/local/attachments/pdf-wealth-guide-to-mercers-investment-strategy-research-ratings-merc-2023.pdf

² Mercer cannot guarantee access to opportunities. Access is at the discretion of the investment manager.

³ Savings are estimated and cannot be guaranteed.

Mercer access portfolios

- Curated, multi-manager portfolios
- Select active strategies, highly rated managers¹
- Access to preferred/closed strategies²
- Potential cost savings from Mercer's negotiated fees³

3rd party strategies

- Custom solutions
- Niche access
- Sustainability and impact investing
- Mercer research support

Preferred passive portfolios

- Low-cost market exposure

Investment manager fees

Utilizing Mercer's scale for our clients

Potential fee savings across BOTH passive and active strategies						
Asset class	Passive			Active		
	Mercer	Category median	Potential fee savings	Mercer	Category median	Potential fee savings
US large-cap equities	0.01%	0.08%	0.07%	n/m	0.68%	--
US small/mid-cap equities	0.02%	0.08%	0.05%	0.55%	0.80%	0.25%
Int'l developed equities	0.04%	0.09%	0.05%	0.38%	0.83%	0.45%
Emerging market equities	0.09%	0.15%	0.07%	0.47%	1.05%	0.58%
Opportunistic fixed income	n/m	n/m	--	0.43%	0.67%	0.24%
Core fixed income	0.02%	0.05%	0.03%	0.15%	0.39%	0.24%

Fee savings are estimated and cannot be guaranteed. "n/m" = not meaningful. These are investment-level fees only. OCIO clients would also be subject to Mercer's OCIO fee. If applicable, rounding occurs at the hundredth decimal place of the percentage. For mutual fund investments and common trust funds, the rates noted are based on Total Expense Ratios (TERs) and any administrative costs would be included in those TERs. Any separate account mandates would include only the investment management fee; no separate account mandates were considered for these examples. Category median fees are based on Mercer's 2024 Global Asset Manager Fee Survey (sourced from Mercer's GIMD™ database as of June 30, 2024). If multiple vehicle options were available for an asset category, the selection was based on the best available and reasonable option. The Active Fee information represents the current Net Total Expense Ratio for mutual funds offered by Mercer Investments in the respective asset categories. To the extent that client portfolios do not engage Mercer mutual fund or commingled fund solutions in a given asset class, the management fees may be higher or lower.

Sample size/respondents for each asset category median (and respective vehicle):

US large-cap equities: Passive - 14 (institutional mutual fund); Active - 20 (institutional mutual fund)
 US small/mid-cap equities: Passive - 8 (institutional mutual fund); Active - 13 (institutional/retail mutual fund)
 Int'l developed equities: Passive - 6 (non-ERISA institutional pooled fund); Active - 15 (institutional mutual fund)
 Emerging market equities: Passive - 8 (ERISA institutional pooled fund); Active - 18 (institutional mutual fund)
 Opportunistic fixed income: Passive - N/A; Active - 19 (institutional mutual fund)
 Core fixed income: Passive - 10 (institutional mutual fund); Active - 18 (institutional mutual fund)

Customized performance reporting

We design our materials with the following in mind:

- Customizable
- Clear and concise
- Informative
- Collaborative



Reporting, data and analytics



Performance



Analytical



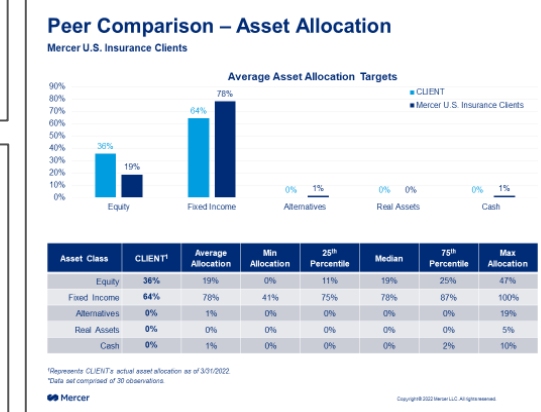
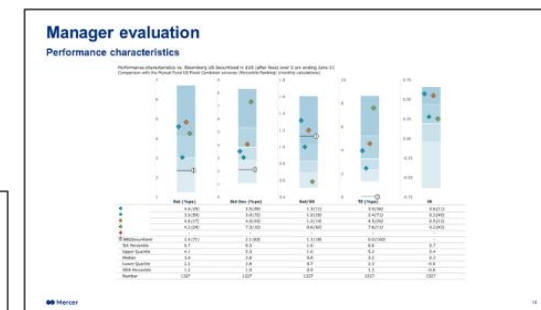
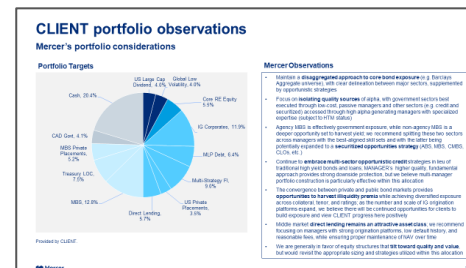
Risk



Compliance

Aggregated reporting

- Monthly and quarterly performance reporting versus market benchmarks
- Economic and market commentary for context around the portfolio performance
- Attribution analysis at the total fund, asset class and individual manager-level
- Analyze the asset allocation versus policy targets and ranges
- Compliance monitoring
- Highly flexible and customized reporting
 - Executive Summary (Core Meeting Packet)
 - Supplemental Document (Additional Detailed Information)



Equity lens reporting

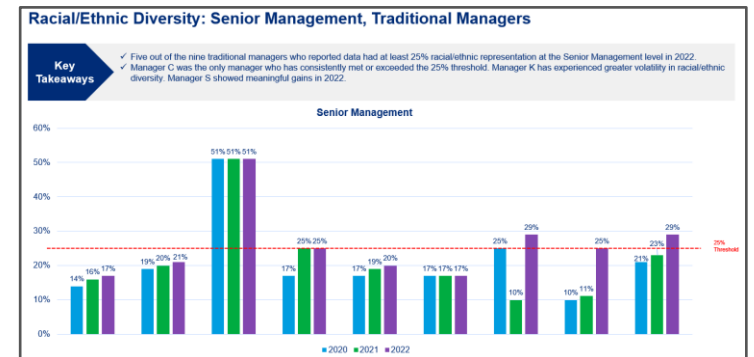
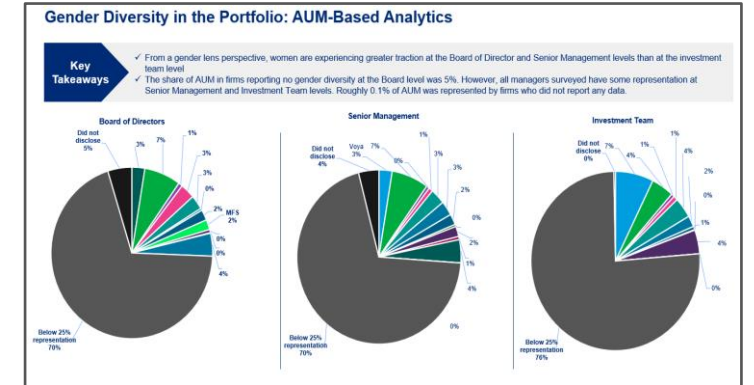
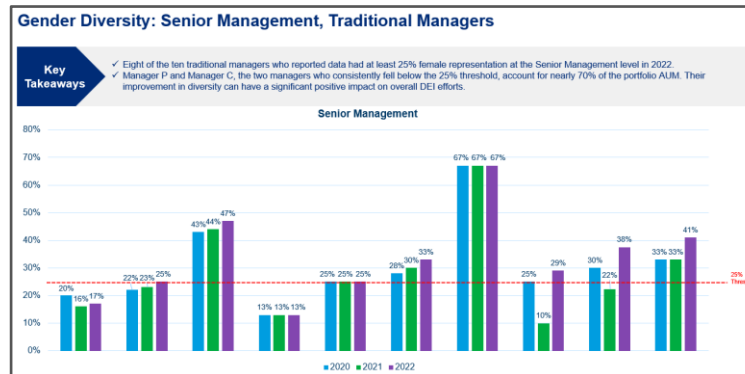
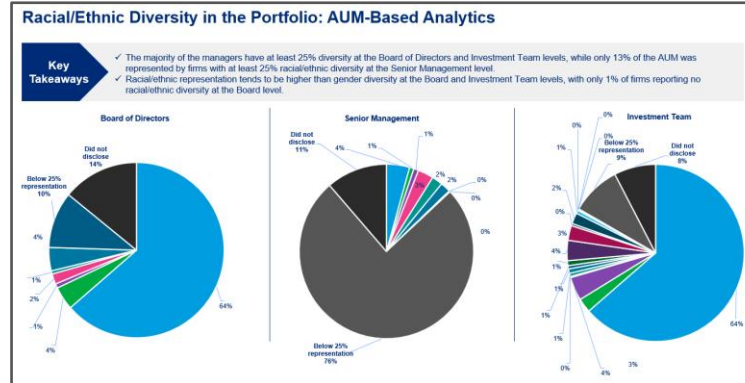
Leveraging fact-based analytics to support manager engagement:

AUM-based analytics:

- Portfolio level insights on diversity and equity across board, executive leadership, and investment teams across underlying fund management firms

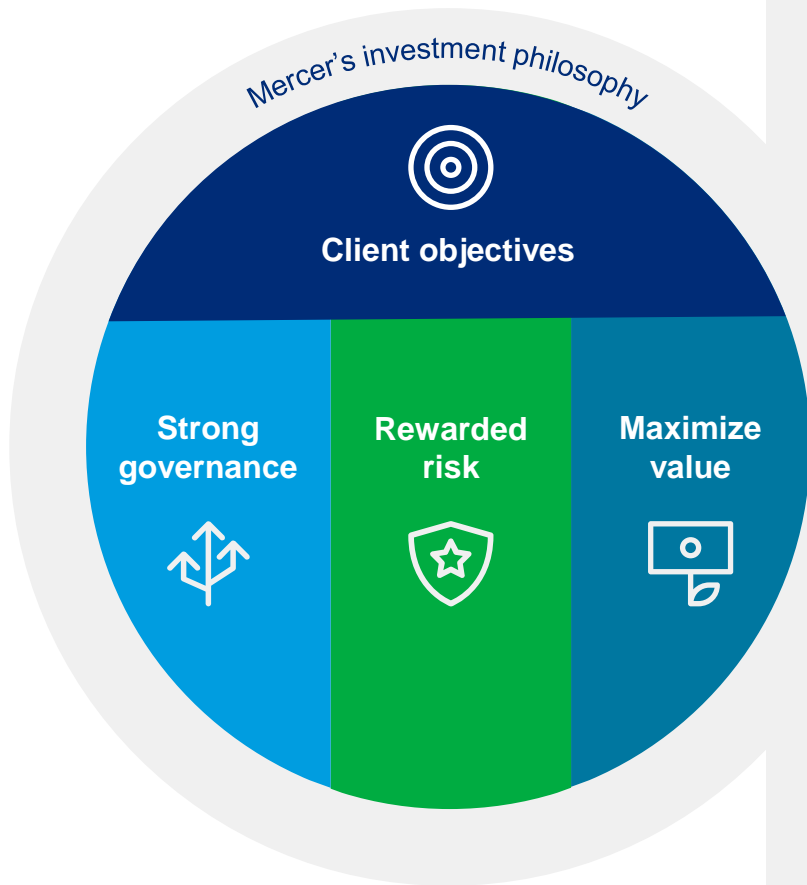
Asset-class based analytics:

- Transparency on diversity and equity that allows for comparisons within and across asset classes, and peer analytics and trends



Sample images are provided for illustrative purposes only.

Mercer's investment philosophy 2024



Client objectives

- Investment success is dependent on clearly defined investment goals.
- An investor's true risk is not being able to meet their primary objective.
- Aligned governance processes drive investment performance.

Strong governance

- Robust and high-quality governance processes are essential for successful investment outcomes.
- Strong governance is most necessary in times of crisis.
- Establishing clear accountability for results promotes disciplined decision-making and risk-taking.
- Effective stewardship can improve investment outcomes.

Rewarded risk

- Asset allocation is the most important decision and is the primary driver of risk and return outcomes.
- Risk and return are related, but the relationship can vary over time.
- It is important to understand how risks interact.
- Investors should focus on the risks that matter most.
- Portfolio resilience can be enhanced by integrating financially material sustainability, transition and socio-economic risks into investment decision-making.

Maximize value

- Strategic asset allocation is the most significant determinant of value creation.
- Active management can be employed where expected return benefits justify risks and fees.
- Private markets can offer certain advantages over public markets for long-term investors.
- Dynamic asset allocation can add value to investment strategies.
- Investing to solve long-term systemic issues may provide opportunities to improve risk-adjusted returns.

Support through relevant thought leadership

Peer and event resources

- **Regional Investment Summits**
 - Local events designed for E&F allocators to connect
 - Panel discussions on timely and relevant investment trends and topics
- **Global Endowment and Foundation Investment Survey**
 - Survey to understand organizations' concerns, recent investment allocations and plans for the future is the principal aim of this study

Intellectual capital resources

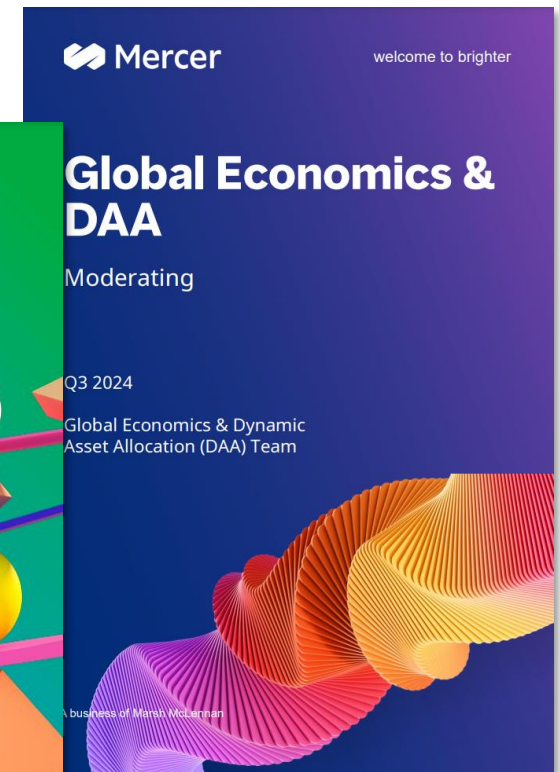
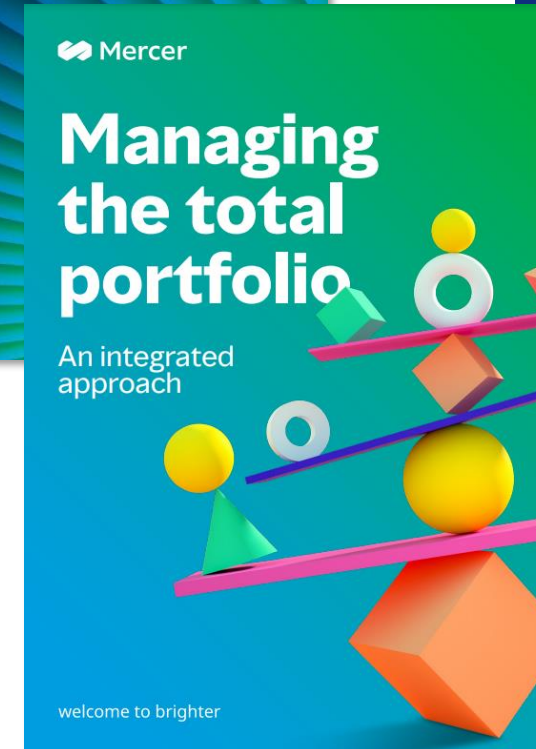
- **Quarterly Market Environment Report** — Broad overview across markets and asset classes
- **Capital Markets Outlook** — Updated quarterly
- **Capital Markets Webcast** — Open to all clients
- **Dynamic Asset Allocation Report** — Intermediate-term valuation-based signals
- **Specialized white papers** on investment and issues facing endowment and foundation entities

Human capital resources

- **Global professionals in each asset class**
- **Capital markets research team**
- **Senior E&F and Values-Aligned team members**



MercerInsight® Community



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Endowment and Foundation research

E&F Clients benefit from research that is developed across our teams

Highlighted

- [Top Considerations for Endowments and Foundations 2024](#)
- [Weathering any Storm – Developing a Spending Policy...](#)
- [The Return on Governance](#)
- [2023 Global Endowment and Foundation Investment Survey](#)
- [How Endowments and Foundations can manage Inflation \(Article\)](#)
- [Navigating the New Normal: E&F Investing in an Evolving Market \(Podcast, Episode 68\)](#)
- [Diversity dressing: The hidden figures](#)
- [Mercer Investments' Large Asset Owner Barometer 2024](#)
- [Cryptocurrency – Why we remain cautious](#)

Traditional Asset Class Research

- [Managing climate-transition risk in equity portfolios](#)
- [After the Perfect Storm - Active Management Recovers](#)
- [Credit investing – Finding the right fit](#)
- [The role of starting yield in short duration credit performance](#)

Alternative Asset Class Research

- [Top Investment Considerations for Alternative Investments 2024](#)
- [A guide to increasing allocations to private markets](#)
- [How to approach a top quartile private market portfolio](#)
- [Venture Capital Then & Now](#)
- [Should you skip vintages?](#)
- [Systematic macro – Trending into the new regime](#)
- [Managing a hedge fund allocation – What is the recipe for success?](#)

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2024 E&F Top Considerations (and client actions)



Adapting to the
higher inflation
environment



Driving long-term
performance across
short-term instability



Assessing exposure
in new and emerging
areas



Sustainability:
aligning to values



Governance:
the key to agility

Action Items:

Asset allocation

- **Maintain or build out the size of your private market exposure**, depending on your unique illiquidity budget. Lean into private credit.
- **Ensure exposure to real assets** to help protect against the risk of long-term heightened inflation above consensus expectations
- **Assess your mix of fixed income investments** to optimize risk/return

Stress testing

- **Look under the hood on how the portfolio could react** during different inflationary environments and market shocks

Governance

- **Evaluate the current spending policy. Is it still appropriate in light of any organizational needs?**
- **Evaluate if there are areas of further portfolio alignment when it comes to sustainability, DEI and impact investing**

Trends

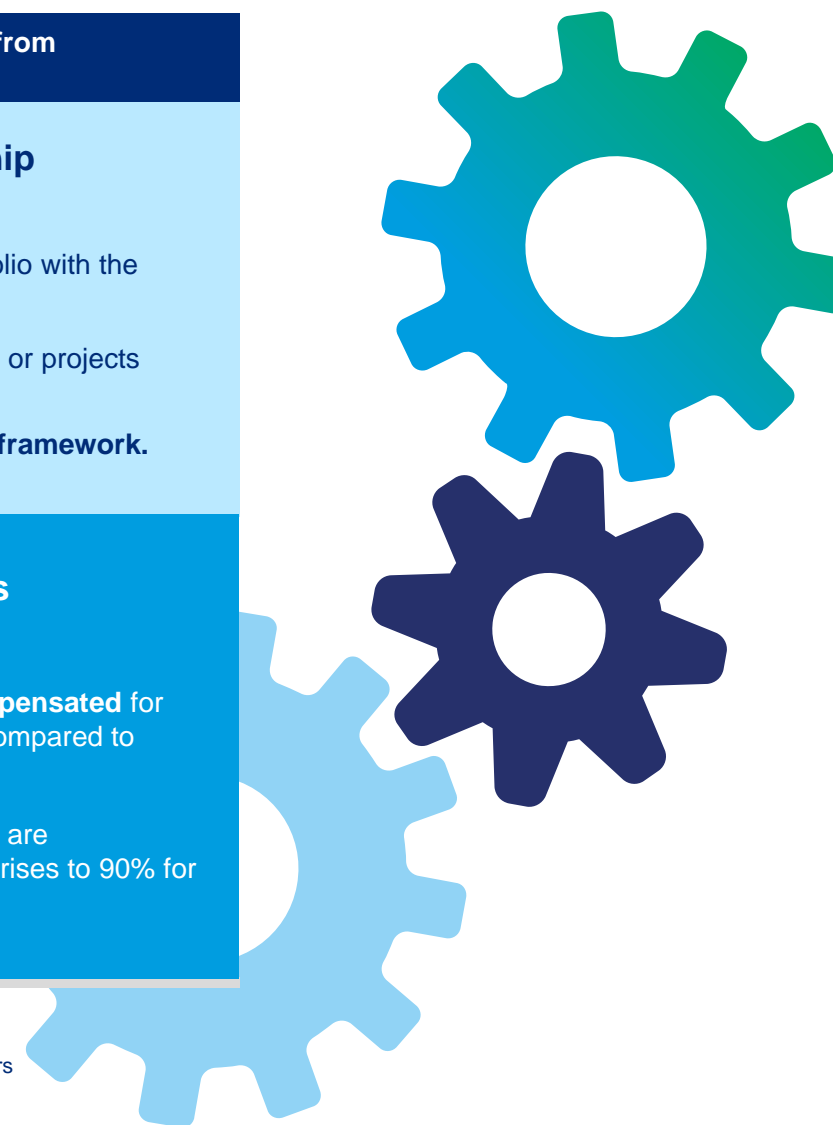
Keep an eye out for opportunities that take advantage of AI and renewable asset tailwinds

Global Not-for-Profit investment survey

Key findings in 2023

115 organizations responded across North America, Asia, Europe, and LatAm	Respondents varied by portfolio size from <\$50 million to over \$1 billion
Portfolio Risk and Operational Resilience Near-term risks of inflation, recession, the environment, and market volatility are front of mind for E&F investors 54% deem climate change to be a significant risk 52% anticipate a rise in spending targets over the next three years 54% regard delivering a level of return sufficient to meet spending needs as a significant risk	Aligning Corporate Citizenship 26% use impact investing to align the portfolio with the organization's broader mission 46% have an allocation to impact strategies or projects One fifth of respondents have implemented a DEI framework .
Asset Allocation Trends Private equity and climate change remains a focus for investors 68% have increased allocations to private equity over the last three years, although smaller organizations are less likely to participate 41% plan on increasing allocations to ESG and sustainable strategies as climate transition is the most cited societal issue that investors believe can be supported through asset allocation	Experience in Private Markets 79% believe they have been adequately compensated for taking on illiquidity risk and higher fees compared to traditional assets 58% are invested in private market assets or are considering it in the next 12 months (this rises to 90% for asset owners over \$1 billion)

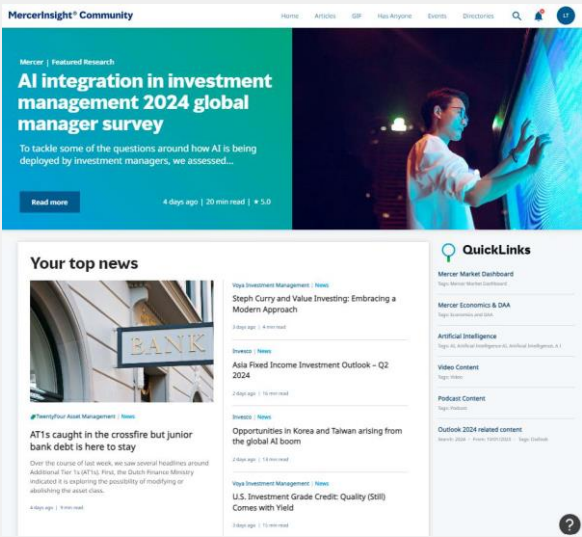
All responses are sourced from the 2023 Global Endowment and Foundation Investment Survey obtained on November 30, 2023. Responses provided were provided by 115 Endowment & Foundation investors from 24 countries across 7 regions. It is important to note that the participants in this survey did not receive any form of compensation. It is also important to recognize that survey results are subject to inherent limitations and uncertainties. The survey results may not capture all relevant factors or market conditions. These results should not be construed as personalized investment advice. The full survey can be accessed here: <https://www.mercer.com/insights/investments/market-outlook-and-trends/endowment-and-foundation-survey-results/>



MercerInsight® Community: Focused research. Strategic intelligence.

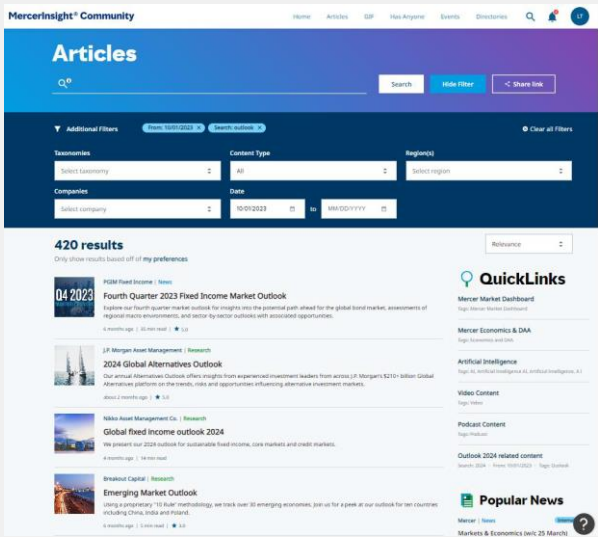
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 **11,880** published

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Stay up to date



Access industry events, including Mercer's Global Investment Forum

¹ As of 31 December 2023. For illustrative and discussion purposes only.

Putting it all together: Asset allocation process

- **Determine Objectives and Risk Tolerances**

- Understand and establish portfolio objectives and risk tolerances.
- Objectives/risk tolerances can be quantitative or qualitative in nature.

- **Establish Strategic Allocation (long-term)**

- Determine the blend of market constituents accessed based on portfolio objectives and constraints.

- **Overlay Market Outlook (intermediate-term)**

- A review of the macroeconomic environment should advise how the portfolio tilts are implemented.
- Deviations should be compared versus opportunity costs/funding sources. The larger the deviation from market weights the greater tracking error (good and bad) that may arise. Understanding tracking error should allow for a proper evaluation of risk and reward.
- Stress testing should be completed to determine the underlying changes in portfolio risks.

- **Implementation (manager selection & weighting)**

- Strike a balance between long-term and short-term objectives.
- Select managers representing desired characteristics.

- **Monitoring**

- Periodically assess each element of the asset allocation lifecycle.

Objectives & constraints

Strategic allocation

Monitoring

Outlook

Implementation



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