

NOTICE TO INTERESTED PARTIES

Mercer Trust Company, Mercer Inc., and any direct and indirect subsidiary of Mercer Inc. (collectively, Mercer) has filed a request for final authorization under Prohibited Transaction Class Exemption 96-62 (PTE 96-62) (61 FR 39988 (July 31, 1996), as amended by 67 FR 44,622 (July 3, 2002)) with the United States Department of Labor (the Department) to permit certain in-kind purchases of shares of mutual funds to which Mercer or any affiliate of Mercer serves as investment adviser that might otherwise be prohibited transactions under the Employee Retirement Income Security Act of 1974, as amended (ERISA) and the Internal Revenue Code of 1986, as amended (the Code).

The submission has met the requirements for tentative authorization under PTE 96-62. You are hereby notified that the Department is considering whether to provide final authorization for the above-described proposed transactions pursuant to PTE 96-62. Upon final authorization by the Department, the restrictions of section 406 of ERISA and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) through (D) of the Code, shall not apply to the above-described proposed transactions. The submission's proposed transactions and proposed conditions, as well as, the summary of facts and representations surrounding the proposed transactions are explained in detail in the enclosed appendices I and II, respectively.

As a person who may be affected by this request for final authorization, you have the right to comment by March 10, 2006. The Department will make no final decision on the final authorization of this submission until it reviews all comments that are timely received in response to this notice. Any transactions described above will only take place following final authorization by the Department.

All written comments by interested persons can be made to:

U.S. Department of Labor
Employee Benefits Security Administration
Office of Exemption Determinations
Division of Individual Exemptions
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Attention: Silvia Quezada, Room N-5700
Submission Number: E-00512

Alternatively, interested persons may furnish their comments to the Department either via facsimile to (202) 219-0204 or via e-mail to Quezada.Silvia@dol.gov, to the attention of Silvia Quezada.

PTE 96-62 requires that the submission be substantially similar to two other administrative exemptions previously granted approval by the Department. Mercer has relied on SEI Investments Company (SEI), PTE 2001-04, 66 FR 7786 (January 25, 2001) and Pacific Investment Management Company LLC (PIMCO), PTE 2002-21, 67 FR 14986 (March 28, 2002) to satisfy this requirement and has provided the following summaries.

SEI permitted the purchase of shares of one or more open-end management investment companies registered under the Investment Company Act of 1940, to which SEI or its affiliates served as investment adviser and provided other services, by an employee benefit plan whose assets were held by SEI as trustee, investment manager, or as a discretionary fiduciary, in exchange for securities held by the Plan in an account with SEI.

PIMCO permitted an employee benefit plan, whose assets were managed by PIMCO, as trustee, investment manager or discretionary fiduciary, to purchase shares of one or more open-end management investment companies registered under the Investment Company Act of 1940, to which PIMCO or any affiliate of PIMCO served as an investment adviser and provided other services, in exchange for securities held by the employee benefit plan in an account or sub-Account with PIMCO.

ATTACHMENT I

Submission No. E-00512 - Authorization

Mercer Trust Company (MTC), Mercer Inc. and any direct or indirect subsidiaries of Mercer Inc. (collectively, Mercer), Located in New York, NY

Section I. Authorization for the Purchase of Mutual Fund Shares With Assets Transferred in Kind From a Plan Account

The restrictions of section 406(a) and section 406(b) of the Act and the sanctions resulting from the application of section 4975 of the Code,¹ by reason of section 4975(c)(1)(A) through (F) of the Code, shall not apply to the purchase (i) of shares of one or more open-end investment companies (the Fund or Funds) registered under the Investment Company Act of 1940 (the ICA), to which Mercer or any affiliate of Mercer (the Mercer Affiliate or Mercer Affiliates) serves as investment adviser and may provide other services, (ii) by an employee benefit plan (the Plan or Plans) whose assets are held by Mercer as trustee, investment manager, or as a discretionary fiduciary, (iii) either directly in an account (the Account) with Mercer or indirectly through the Plan's investment in a common or collective investment fund (the Collective Fund or Collective Funds) that is exempt from registration under the ICA and that is maintained, sponsored or managed by Mercer or any Mercer Affiliate that is a bank, trust company or investment adviser registered under the Investment Advisers Act of 1940 (the Advisers Act), and (iv) in exchange for securities held by the Plan either directly in an Account or indirectly through a Collective Fund (the Purchase Transactions), provided the following conditions are met:

- (a) A fiduciary (the Second Fiduciary) who is acting on behalf of each affected Plan and who is independent of and unrelated to Mercer, as defined in paragraph (i) of Section III below, receives written notice prior to the first Purchase Transaction and full and written information concerning the Funds which includes the following:
 - (1) A current prospectus for each Fund to which the Plan's assets may be transferred;
 - (2) A statement describing the fees to be charged to, or paid by, the Plan and the Funds to Mercer and any Mercer Affiliate, including the nature and extent of any differential between the rates of the fees paid by the Fund and the rates of the fees otherwise payable by the Plan to Mercer and any Mercer Affiliate;
 - (3) A statement of the reasons why Mercer may consider the Purchase Transaction to be appropriate for the Plan;
 - (4) A statement of whether there are any limitations on Mercer with respect to which Plan assets may be invested in the Funds;
 - (5) The identity of all securities that are deemed suitable by the Funds' sub-advisers for

¹ For purposes of this submission, references to provisions of Title I of the Act, unless otherwise specified, refer also to corresponding provisions of the Code.

transfer to the Funds;

- (6) The identity of all such securities that will be valued in accordance with the procedures set forth in Rule 17a-7(b)(4) under the ICA; and
- (7) Upon such fiduciary's request, a copy of the authorization.
- (b) On the basis of the foregoing information, the Second Fiduciary gives Mercer either—
 - (1) A standing written approval (subject to unilateral revocation by the Second Fiduciary at any time) for—
 - (i) The Strategy (as defined below) and the management, by Mercer, of client Plan assets in Accounts in the implementation of the Strategy;
 - (ii) The investment of a certain portion (or portions) of the Accounts directly, or indirectly through Collective Funds, in specified Funds, as part of Mercer's ongoing implementation of the Strategy; and
 - (iii) The acquisition of shares directly, or indirectly through a Collective Fund, of Funds in cash or in-kind, from time to time; or
 - (2) Advance written approval for—
 - (i) Each Purchase Transaction, consistent with the responsibilities, obligations, and duties imposed on fiduciaries by Part 4 of Title I of the Act; and
 - (ii) The receipt of confirmation statements, described below in paragraph (g)(1) and (g)(2), by facsimile or electronic mail.
- (c) No sales commissions or other fees are paid by the Plans (or the Collective Funds, if applicable) in connection with a Purchase Transaction.
- (d) All transferred assets are securities for which market quotations are readily available, or cash.
- (e) The transferred assets consist of assets transferred to the Plan's Account at the direction of the Second Fiduciary. With respect to any Plan assets transferred in-kind to an Account that are to be invested directly, or indirectly through a Collective Fund, in the Funds and that are not suitable for acquisition by the Funds, such assets are liquidated as soon as reasonably practicable and the cash proceeds are invested directly, or indirectly through a Collective Fund, in Fund shares.
- (f) With respect to assets transferred in-kind, each Plan (or Collective Fund, if applicable) receives shares of a Fund which have a total net asset value that is equal to the value of the assets of the Plan exchanged for such shares, based on the current market value of such assets at the close of the business day on which such Purchase Transaction occurs,

using independent sources in accordance with the procedures set forth in Rule 17a-7(b) (Rule 17a-7) under the ICA and the procedures established by the Funds pursuant to Rule 17a-7 for the valuation of such assets. Such procedures must require that all securities for which a current market price cannot be obtained by reference to the last sale price for transactions reported on a recognized securities exchange or NASDAQ be valued based on an average of the highest current independent bid and lowest current independent offer, as of the close of business on the last business day prior to the Purchase Transaction determined on the basis of reasonable inquiry from at least three sources that are broker-dealers or pricing services independent of Mercer and the Mercer Affiliates.

- (g) Mercer sends by regular mail, personal delivery, facsimile or electronic mail to the Second Fiduciary of each Plan that engages in a Purchase Transaction, the following information with respect to such Purchase Transaction:
- (1) Not later than 30 business days after completion of each Purchase Transaction, a written confirmation which contains—
 - (i) The identity of each of the assets that was valued for purposes of the transaction in accordance with Rule 17a-7(b)(4) under the ICA;
 - (ii) The current market price, as of the date of the Purchase Transaction, of each of the assets involved in the Purchase Transaction; and
 - (iii) The identity of each pricing service or market maker consulted in determining the value of such assets.
 - (2) Not later than 90 days after completion of each Purchase Transaction, a written confirmation which contains—
 - (i) The aggregate dollar value of the assets held in the Account immediately before the Purchase Transaction; and
 - (ii) The number of shares of the Mutual Funds that are held by the Account following the Purchase Transaction (and the related per share net asset value and the aggregate dollar value of the shares received).
- (h) With respect to each of the Funds in which a Plan continues to hold shares acquired in connection with a Purchase Transaction, Mercer provides the Second Fiduciary with—
- (1) A copy of an updated prospectus of such Fund, at least annually; and
 - (2) Upon request of the Second Fiduciary, a report or statement (which may take the form of the most recent financial report, the current statement of additional information, or some other statement) containing a description of all fees paid by the Fund to Mercer and any Mercer Affiliate.
- (i) As to each Plan, the combined total of all fees received by Mercer and any Mercer

Affiliate for the provision of services to the Plan, and in connection with a Purchase Transaction, is not in excess of “reasonable compensation” within the meaning of section 408(b)(2) of the Act.

- (j) All dealings in connection with the Purchase Transaction between the Plan (or the Collective Fund, if applicable) and the Fund are on a basis no less favorable to the Plan (or the Collective Fund, if applicable) than dealings between the Fund and other shareholders.
- (k) Mercer maintains, or causes to be maintained, for a period of six years from the date of the covered transactions, such records as are necessary to enable the persons described in paragraph (l) of this Section I to determine whether the conditions of this authorization were met, except that—
 - (1) If the records necessary to enable the persons described in paragraph (l) to determine whether the conditions of the authorization have been met are lost or destroyed, due to circumstances beyond the control of Mercer, then no prohibited transaction will be considered to have occurred solely on the basis of the unavailability of those records; and
 - (2) No party in interest, other than Mercer, shall be subject to the civil penalty that may be assessed under section 502(i) of the Act or to the taxes imposed by section 4975(a) and (b) of the Code if the records have not been maintained or are not available for examination as required by paragraph (l) of this Section I.
- (l)(1) Except as provided in paragraph (l)(2) of this Section I and notwithstanding the provisions of subsections (a)(2) and (b) of section 504 of the Act, the records referred to above in paragraph (k) of this Section I are unconditionally available for examination during normal business hours at their customary location to the following persons or an authorized representative thereof—
 - (i) Any duly authorized employee or representative of the Department or the Internal Revenue Service;
 - (ii) Mercer or any other fiduciary of a Plan; or
 - (iii) Any participant or beneficiary of the Plans or any duly authorized employee or representative of such participant or beneficiary.
- (2) None of the persons described above in paragraphs (l)(1)(ii) and (iii) of this Section I shall be authorized to examine trade secrets of Mercer or any Mercer Affiliate, or any commercial or financial information, which is privileged or confidential.

Section II. Availability of Prohibited Transaction Exemption 77-4 (PTE 77-4)

Any purchase of Fund shares that complies with the conditions of Section I of this authorization shall be treated as a “purchase or sale” of shares of an open-end investment company for purposes of PTE 77-4 and shall be deemed to have satisfied paragraphs (a), (d) and (e) of

Section II of PTE 77-4 (42 FR 18732, April 3, 1977).²

Section III. Definitions

For purposes of this authorization,

- (a) The term "Mercer" means Mercer Trust Company, Mercer Inc. and any direct or indirect subsidiary of Mercer Inc.
- (b) The term "Mercer Affiliate" means any affiliate of Mercer.
- (c) An "affiliate" of a person includes:
 - (1) Any person directly or indirectly through one or more intermediaries, controlling, controlled by, or under common control with the person;
 - (2) Any officer, director, employee, relative, or partner in any such person; and
 - (3) Any corporation or partnership of which such person is an officer, director, partner, or employee.
- (d) The term "Collective Fund" or "Collective Funds" means any common or collective investment fund that is exempt from registration under the ICA that is maintained, sponsored or managed by Mercer or any Mercer Affiliate that is a bank, trust company or investment adviser registered under the Advisers Act.
- (e) The term "control" means the power to exercise a controlling influence over the management or policies of a person other than an individual.
- (f) The term "Fund" or "Funds" means any open-end investment company or companies registered under the ICA for which Mercer or any Mercer Affiliate serves as investment adviser, and may also provide custodial or other services as approved by such Funds.
- (g) The term "net asset value" means the amount for purposes of pricing all purchases and sales calculated by dividing the value of all securities, determined by a method as set forth in a Fund's prospectus and statement of additional information, and other assets belonging to each of the portfolios in such Fund, less the liabilities charged to each portfolio, by the number of outstanding shares.

² In relevant part, PTE 77-4 permits the purchase and sale by an employee benefit plan of shares of a registered open-end investment company when a fiduciary with respect to such plan is also the investment adviser for the fund. Section II(a) of PTE 77-4 requires that a plan does not pay a sales commission in connection with such purchase or sale. Section II(d) describes the disclosures that are to be received by an independent plan fiduciary. For example, the plan fiduciary must receive a current prospectus for the fund as well as full and detailed written disclosure of the investment advisory and other fees that are charged to or paid by the plan and the investment company. Section II(e) requires that the independent plan fiduciary approve, in writing, purchases and sales of fund shares on the basis of the disclosures given.

(h) The term “relative” means a “relative” as that term is defined in section 3(15) of the Act (or a “member of the family” as that term is defined in section 4975(e)(6) of the Code), or a brother, a sister, or a spouse of a brother or a sister.

(i) The term “Second Fiduciary” means a fiduciary of a plan who is independent of and unrelated to Mercer and any Mercer Affiliate. For purposes of this authorization, the Second Fiduciary will not be deemed to be independent of and unrelated to Mercer and any Mercer Affiliate if—

(1) Such Second Fiduciary directly or indirectly controls, is controlled by, or is under common control with Mercer or any Mercer Affiliate;

(2) Such Second Fiduciary, or any officer, director, partner, employee, or relative of such Second Fiduciary is an officer, director, partner, or employee of Mercer or any Mercer Affiliate (or is a relative of such persons); or

(3) Such Second Fiduciary directly or indirectly receives any compensation or other consideration from Mercer or any Mercer Affiliate for his or her own personal account in connection with any transaction described in this authorization.

If an officer, director, partner, or employee of Mercer or any Mercer Affiliate (or a relative of such persons), is a director of such Second Fiduciary, and if he or she abstains from participation in (A) the choice of the Plan’s investment manager/trustee/discretionary fiduciary; (B) the approval of any purchase, continued holding or redemption by the Plan of shares of the Funds; and (C) the approval of any change of fees charged to or paid by the Plan (or Collective Fund, if applicable), in connection with the transactions described above in Section I, then paragraph (i)(2) of this Section III, shall not apply.

(j) The term “Strategy” refers to the set of investment guidelines that have been established in advance to govern the Account. The Strategy is created by Mercer in collaboration with the Second Fiduciary of a client Plan and may be mutually amended, from time to time.

ATTACHMENT II

Summary of Facts and Representations

Description of the Parties

1. MTC, a New Hampshire trust company, is a subsidiary of Mercer Inc., the parent of a group of companies referred to in this Summary of Facts and Representations as "Mercer." Mercer Inc. is a Delaware Corporation based in New York City, New York, and is a subsidiary of Marsh & McLennan Companies, Inc., a Delaware corporation also based in New York City, New York, that is publicly-traded on the New York Stock Exchange.

2. Mercer is one of the world's largest consulting firms and a leading provider of human resource and investment consulting services. Mercer provides a wide range of investment, human resource and management consulting services to companies of all sizes. Mercer manages on a global basis mutual funds, collective funds, and separate accounts with aggregate assets as of September 30, 2005, in excess of \$8 billion. Mercer provides trustee, custodial, investment management, participant recordkeeping, actuarial and/or other related services to employee benefit plans, including the Plans.

3. The Plans are employee benefit plans within the meaning of Section 3(3) of ERISA and/or are plans within the meaning of Section 4975(e)(1) of the Code. The Plans do not include any plans sponsored by Mercer or any affiliate of Mercer (the Mercer Affiliate or Mercer Affiliates).

The Funds

4. The funds to which the requested authorization will apply consist of the Collective Funds and the Mutual Funds. The Collective Funds are common or collective investment funds maintained, sponsored, or managed by Mercer. The Mutual Funds are open-end investment companies registered under the ICA for which Mercer or any Mercer Affiliate serves as an investment adviser (in such capacity, the "Mutual Fund Adviser"). Mercer or a Mercer Affiliate may also provide custodial or other services as approved by such Mutual Funds. The Plans will generally invest in the Collective Funds, which in turn will invest in the Mutual Funds and/or other investments. The Collective Funds are intended to assist Mercer in the efficient implementation of the Strategy for a Plan.

5. The Mutual Funds are offered and sold exclusively through the use of prospectuses and materials (which have been, or will be, filed, as required with the various federal and state securities regulatory authorities prior to their distribution) and are offered and sold in full compliance with regulations of the Securities and Exchange Commission (the "SEC"). Shareholders of the Mutual Funds will periodically receive a copy of the prospectus, which is updated at least annually. No sales loads or fees payable under Rule 12b-1 promulgated by the SEC under the ICA will be paid with respect to Mutual Fund shares acquired by any Plan pursuant to the authorization.

6. The Mutual Fund Adviser may retain sub-advisers to manage, or advise the Mutual Fund Adviser in managing, the Mutual Funds. The Mutual Fund Adviser will receive an investment advisory fee from each Mutual Fund and will be responsible for paying the sub-advisers. The Mutual Funds may also pay certain transfer agent and administrative fees to Mercer or a Mercer Affiliate.

Investment Strategy

7. The Strategy for a Plan is essentially a set of investment guidelines developed in advance by Mercer in collaboration with a second fiduciary who is independent of and unrelated to Mercer and any Mercer affiliates (the Second Fiduciary) to govern the securities held by the Plan, either directly or indirectly, in an account (the Account) with Mercer. Any proposed Strategy must then be reviewed, approved, and adopted by the Second Fiduciary, and may be amended from time to time by mutual agreement of Mercer and the Second Fiduciary. In implementing the Strategy for the Plan, the Second Fiduciary retains Mercer to exercise investment discretion with respect to the Plan's assets in the Account. In such event, Mercer will invest all or a portion of such assets in the Mutual Funds, either directly through an Account or indirectly through a Collective Fund.

8. From time to time, individual securities may be transferred by a Plan to the Account in-kind at the direction of the Second Fiduciary. To the extent such securities are to be invested in a Mutual Fund, either directly or indirectly through a Collective Fund, it may be appropriate to transfer such securities in-kind to the Mutual Fund in order to avoid transaction costs and adverse market impact.

9. Since the Mutual Funds are advised by Mercer or a Mercer Affiliate, Mercer will generally rely on PTE 77-4 in connection with the purchase and holding of such Mutual Fund shares by the Plans, either directly or indirectly through the Collective Funds. However, because PTE 77-4 does not permit the in-kind purchase of affiliated mutual fund shares, the requested relief is necessary. Absent the requested relief, it would be necessary for Mercer to liquidate all of the assets of the Account that are to be invested in the Mutual Funds, generating cash that can then be applied to the purchase of the Mutual Fund shares. Since many of the securities held by the Account may be suitable investments for the Mutual Funds, additional transaction costs will be incurred directly by the Plan in liquidating the assets in the first instance, and by the Mutual Fund (and therefore indirectly by the Plan) in repurchasing such securities in the second instance. In addition, these transactions may generate adverse market impacts.

Compliance with PTE 77-4

10. It is anticipated that most Purchase Transactions (*i.e.*, the in-kind transactions) will occur when a Plan initially retains Mercer as a discretionary fiduciary, or when a Plan increases the amount of Plan assets over which Mercer acts as a discretionary fiduciary. Thus, once the Purchase Transactions are completed, Mercer intends to continue to manage the Account under the exemptive relief afforded by PTE 77-4 with respect to future cash purchases and sales of Mutual Fund shares.

Conditions for Authorization

11. If approved, the requested authorization will be subject to the satisfaction of certain general conditions that will further protect the interests of the Plans. For example, the Purchase Transactions will be subject to the prior authorization of the independent Second Fiduciary, acting on behalf of each of the Plans, who will have been provided with full written disclosure by Mercer. The Second Fiduciary will generally be the administrator, sponsor, or a committee appointed by the sponsor to act as a named fiduciary for a Plan.

12. The Second Fiduciary who is acting on behalf of each affected Plan must receive written notice prior to the first purchase by a Plan, either directly or indirectly through a Collective Fund, of shares of a Mutual Fund in exchange for securities held by the Plan (a Purchase Transaction) and full and written information concerning the Mutual Funds. This information regarding a Plan's first Purchase Transaction will include (1) a current prospectus for each Mutual Fund to which the Plan's assets may be transferred; (2) a statement describing the fees to be charged to, or paid by, the Plan and the Mutual Funds to Mercer and any Mercer Affiliate, including the nature and extent of any differential between the rates of the fees paid by the Mutual Fund and the rates of the fees otherwise payable by the Plan to Mercer and any Mercer Affiliate; (3) a statement of the reasons why Mercer may consider the Purchase Transaction to be appropriate for the Plan; (4) a statement of whether there are any limitations on Mercer with respect to which Plan assets may be invested in the Mutual Funds; (5) the identity of all securities that are deemed suitable by the Mutual Funds' sub-advisers for transfer to the Mutual Funds; (6) the identity of all such securities that will be valued in accordance with the procedures set forth in Rule 17a-7(b) under the ICA; and (7) upon such fiduciary's request, a copy of the authorization.

13. On the basis of the foregoing information, the Second Fiduciary gives Mercer either (1) a standing written approval (subject to unilateral revocation by the Second Fiduciary at any time) for (i) the Strategy and the management, by Mercer, of client Plan assets in Accounts in the implementation of the Strategy; (ii) the investment of a certain portion (or portions) of the Accounts directly, or indirectly through Collective Funds, as part of Mercer's ongoing implementation of the Strategy; and (iii) the acquisition of shares directly, or indirectly through a Collective Fund, of Mutual Funds in cash or in-kind, from time to time; or (2) advance written approval for (i) each Purchase Transaction, consistent with the responsibilities, obligations, and duties imposed on fiduciaries by Part 4 of Title I of the Act; and (ii) the receipt of confirmation statements, by facsimile or electronic mail.

14. The transferred assets will consist of assets transferred to the Plan's Account at the direction of the Second Fiduciary. With respect to any Plan assets transferred in-kind to an Account that are to be invested directly in an Account, or indirectly through a Collective Fund, in the Mutual Funds and that are not suitable for acquisition by the Mutual Funds, such assets will be liquidated as soon as reasonably practicable and the cash proceeds will be invested directly in an Account, or indirectly through a Collective Fund, in Mutual Fund shares. Only securities for which market quotations are readily available may be invested in-kind in Mutual Fund shares, and no sales commissions or other fees will be paid by the Plans (or the Collective Funds) in connection with any such in-kind investment.

15. With respect to assets invested in-kind, each Plan (or Collective Fund, if applicable) will receive shares of a Mutual Fund which have a total net asset value that is equal to the value of the assets of the Plan exchanged for such shares, based on the current market value of such assets at the close of the business day on which such Purchase Transaction occurs, using independent sources in accordance with the procedures set forth in Rule 17a-7(b) under the ICA and the procedures established by the Mutual Funds pursuant to Rule 17a-7 for the valuation of such assets. Such procedures must require that all securities for which a current market price cannot be obtained by reference to the last sale price for transactions reported on a recognized securities exchange or NASDAQ be valued based on an average of the highest current independent bid and lowest current independent offer, as of the close of business on the last business day prior to the Purchase Transaction determined on the basis of reasonable inquiry from at least three sources that are broker-dealers or pricing services independent of Mercer and the Mercer Affiliates.

16. Mercer will send by regular mail, personal delivery, facsimile or electronic mail to the Second Fiduciary of each Plan that engages in a Purchase Transaction the following information with respect to such Purchase Transaction: (1) not later than 30 business days after the completion of each Purchase Transaction, a written confirmation which contains (A) the identity of each of the assets that was valued for purposes of the transaction in accordance with Rule 17a-7(b)(4) under the ICA, (B) the current market price, as of the date of the Purchase Transaction, of each of the assets involved in the Purchase Transaction, and (C) the identity of each pricing service or market maker consulted in determining the value of such assets; (2) not later than 90 days after completion of each Purchase Transaction, a written confirmation which contains (A) the aggregate dollar value of the assets held in the Account immediately before the Purchase Transaction, and (B) the number of shares of the Mutual Funds that are held by the Account following the Purchase Transaction (and the related per share net asset value and the aggregate dollar value of the shares received). With respect to each of the Mutual Funds in which a Plan continues to hold shares acquired in connection with a Purchase Transaction, Mercer provides the Second Fiduciary with (1) a copy of an updated prospectus of such Mutual Fund, at least annually; and (2) upon request of the Second Fiduciary, a report or statement (which may take the form of the most recent financial report, the current statement of additional information, or some other statement) containing a description of all fees paid by the Mutual Fund to Mercer and any Mercer Affiliate.

17. Mercer will maintain, or will cause to be maintained, for a period of six years from the date of the covered transactions, such records as are necessary to enable any duly authorized employee or representative of the Department of Labor or the Internal Revenue Service, any fiduciary of a Plan, any participant or beneficiary of the Plans or any duly authorized employee or representative of such participant or beneficiary to determine whether the conditions of this authorization were met, except that (1) if the records necessary to enable such persons to determine whether the conditions of the authorization have been met are lost or destroyed, due to circumstances beyond the control of Mercer, then no prohibited transaction will be considered to have occurred solely on the basis of the unavailability of those records; and (2) no party in interest, other than Mercer, shall be subject to the civil penalty that may be assessed under Section 502(i) of ERISA or to the taxes imposed by Section 4975(a) and (b) of the Code if the records have not been maintained or are not available for examination as required

by this authorization. The foregoing records will be available for examination during normal business hours at their customary location to the foregoing persons or an authorized representative thereof. However, none of the foregoing persons (other than the Department of Labor and the Internal Revenue Service) shall be authorized to examine trade secrets of Mercer or any Mercer Affiliate, or any commercial or financial information, which is privileged or confidential.

18. As to each Plan, the combined total of all fees received by Mercer and any Mercer Affiliate for the provision of services to the Plan, and in connection with a Purchase Transaction, will not be in excess of "reasonable compensation" within the meaning of Section 408(b)(2) of ERISA. All dealings in connection with the Purchase Transactions between the Plans (or the Collective Funds, if applicable) and the Mutual Funds will be on a basis no less favorable to the Plans (or to the Collective Funds, if applicable) than dealings between the Mutual Funds and other shareholders.

Conclusion

19. Mercer believes the requested authorization will be in the interests of the Plans and their participants and beneficiaries because the Plans will incur fewer transaction costs, and avoid potential adverse market impact, in connection with their investment, directly or indirectly through the Collective Funds, in the Mutual Funds, and the Plans will experience fewer, if any, delays in effecting their investments in the Mutual Funds. Further, the requested authorization is protective of the rights of participants and beneficiaries because in-kind investments covered by the requested authorization will contain adequate safeguards, including without limitation the following: (1) a Second Fiduciary will receive written notice prior to the first Purchase Transaction and will provide advance written authorization to Mercer to engage in the Purchase Transactions; (2) the securities invested in-kind will be valued in accordance with the procedures set forth in Rule 17a-7(b) under the ICA; and (3) no sales commissions or other fees will be paid by the Plans (or the Collective Funds) in connection with the Purchase 1/27/2006 2:52:00 PM Transactions.