

Memorandum

Date: December 4, 2012
To: CCCERA
From: Jeff Youngman and Bob Helliesen
Subject: Review of INTECH CEO Resignation

Overview

Milliman received a call from Gregg Kerr, the managing director of consultant relations at Intech, on the evening of Wednesday, November 28. Gregg notified Milliman that, effectively immediately, Jennifer Young, the Chief Executive Officer of Intech is leaving the firm, and that Adrian Banner is succeeding her as CEO. Adrian is currently the chief investment officer at Intech, and will continue to fill this role while taking on the role of chief executive officer, though Adrian will not take on all of Jennifer's responsibilities. Adrian will continue to oversee day-to-day investment operations alongside Deputy Chief Investment Officer Dr. Vassilios Papathanakos and Director of Research Dr. Phillip Whitman. Jennifer's executive responsibilities have been transitioned to Adrian and other members of Intech's senior leadership team, as detailed below:

- Justin Wright has been appointed to the new position of Chief Administrative Officer, in addition to his current role as General Counsel. Justin will oversee all business operations with the exception of investments
- John Brown, as Head of Global Client Development, will manage client and consultant relations
- David Schofield continues as President of INTECH's international division
- Lance Campbell continues in his role as Chief Financial Officer

December 3, 2012 Conference Call

After being notified of Jennifer's resignation, Milliman set up a conference call with Adrian Banner on December 3, 2012. During this call Adrian said that Intech had been considering moving investment personnel into company leadership roles for the past six months. Adrian mentioned that he felt such a move would allow Intech to take advantage of more business opportunities and that-in the end- Jennifer agreed that the firm could be better served with investment personnel managing the firm. Adrian stated that Jennifer left the firm to allow this transition to take place.

Conclusion

CCCERA has two portfolios managed by Intech. The Intech Large Cap Core portfolio had a market value of \$187.5 million as of September 30, 2012 (3.2% of Total Fund assets) and the recently funded Global Low Volatility portfolio had a September 30, 2012 market value of \$17.9 million, which was 0.3% of Total Fund assets. Milliman does not believe that Jennifer's resignation will have a material impact on the portfolios used by CCCERA. Adrian stated the investment process and personnel of all Intech portfolios are unchanged as a result of Jennifer's resignation. However, this is a significant change in senior management. Milliman believes it is prudent that both the Intech Large Cap Core and Global Low Volatility portfolios be put on watch for personnel change. Milliman will closely follow these portfolios to evaluate the impact, if any, of Jennifer Young's resignation as CEO of Intech.