



MERCER

Investment Consulting

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Parallel Sessions

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Marsh & McLennan Companies

Profile of Mercer Investment Consulting

Marsh & McLennan Companies

- Over 57,000 employees
- Financial stability
- Corporate commitment

Mercer Human Resource

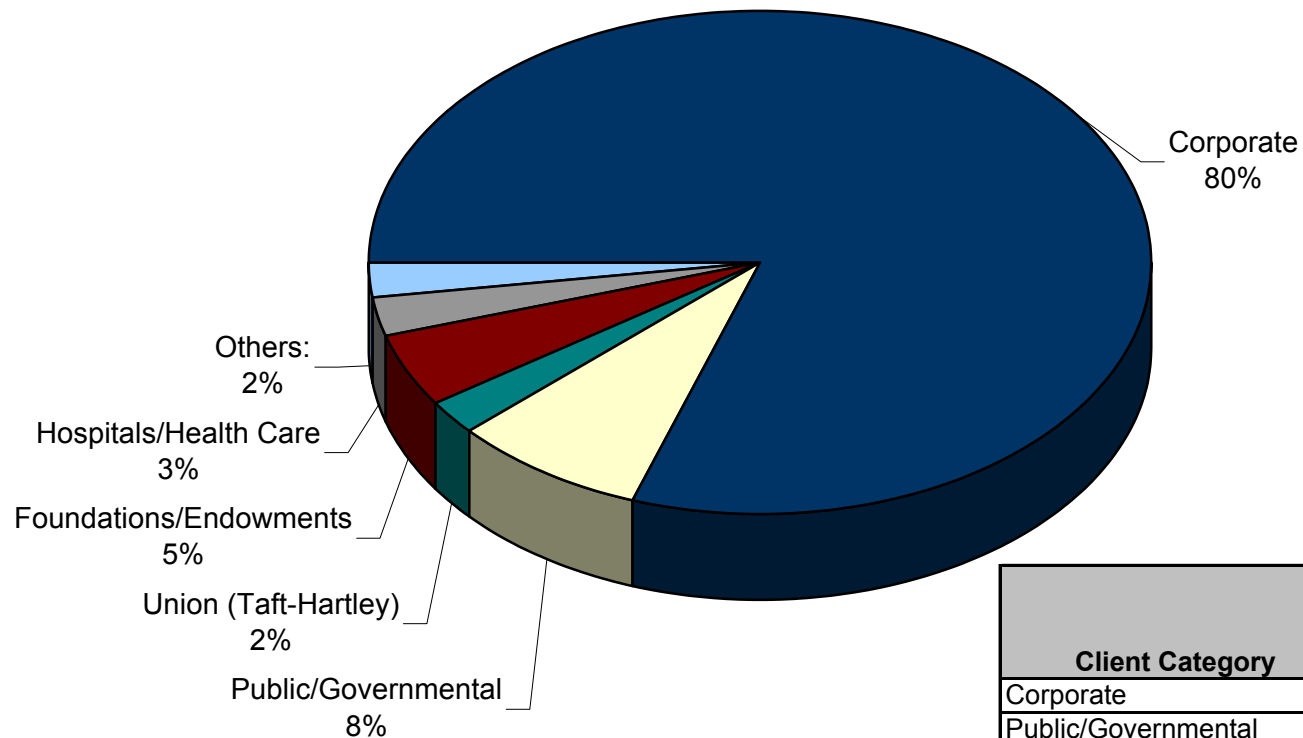
- Over 13,700 employees
- Global Benefits Consulting

Mercer Investment Consulting, Inc.

- Over 600 employees
- Global investment consulting organization
- Established in 1972

Profile of Mercer Investment Consulting: Global

**Client Category - Global Figures
as of December, 2001**



Client Category	# of Accounts	Assets Represented \$MM (US Dollars)
Corporate	2,130	\$ 556,949
Public/Governmental	215	\$ 793,360
Union (Taft-Hartley)	52	\$ 11,231
Foundations/Endowments	129	\$ 37,775
Hospitals/Health Care	68	\$ 23,444
Others:	57	\$ 8,022
GLOBAL TOTAL:	2,651	\$ 1,430,781

Profile of Mercer Investment Consulting: Services Provided

- Asset Allocation Modeling
- Asset/Liability Modeling
- Investment Policy Review
- Manager Structure Review
- **Manager Selection/Review**
 - **On a global basis, 661 manager searches were completed in 2001, placing \$40.7 billion in assets.**
- Performance Evaluation
- Educational Presentations
- Evaluation of Defined Contribution Product Providers

The State of SRI Investing at Mercer

- Estimated 37 SRI Mandates were requested in 2001 in US (approximately 30% of total searches that were conducted)
- SRI mandates spanned most asset classes in US
 - US Large Cap, Mid Cap, Small Cap
 - International, Global
 - Defined Contribution, Defined Benefit
- Collecting performance data for a selection of pooled SRI funds in UK
 - both UK equity and Balanced

Key Issues about SRI for Pension Sponsors

- Fiduciary Responsibility
- What is Risk of SRI?
- To clarify the policy of SRI on the statement of investment policy
- “Shareholder Advocacy” might become more popular

Japanese DC Market

- 174 firms have already adopted DC at the end of Sep. 2002
 - 33% of total firms have less than 99 employees
 - 45% of total firms have 100 - 999 employees
- There are 225 investment trusts for DC in Japan at the end of July, 2002(*)
 - 103 of 225 are balanced funds

* source: Nikkei Financial News Paper on August 29, 2002