

Item 1 – Cover Page

NEPC, LLC

One Main Street
Cambridge, MA 02142

617-374-1300

www.NEPC.com

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Contacts:

William Y. Bogle - Chief Compliance Officer
Steven F. Charlton, CFA - Director of Consulting Services

This Brochure provides information about the qualifications and business practices of NEPC, LLC ("NEPC"). If you have any questions about the contents of this Brochure, please contact us at 617-374-1300. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

NEPC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about NEPC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. Effective 3/31/2011, this Brochure is a new type of document prepared according to the SEC’s latest requirements and rules. As such, this document is materially different in structure and requires certain new information that our brochures prepared prior to 3/31/2011 did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting William Bogle, Chief Compliance Officer, at 617-374-1300 or BBogle@NEPC.com.

Additional information about NEPC is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with NEPC who are registered, or are required to be registered, as investment adviser representatives of NEPC.

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Item 4 – Advisory Business

NEPC is a full service, independent investment consulting firm. NEPC has been providing consulting services as its sole line of business since 1986, based on three main principles: maintain independence, provide proactive counsel to help clients exceed their goals and objectives, and service our clients with seasoned professionals. NEPC is owned and controlled by its employees, including NEPC's Chairman and only principal owner, Mr. Richard M. Charlton.

NEPC provides traditional financial and alternative asset consulting services including:

- the development and/or refinement of each client's investment policies, objectives and guidelines and their periodic review, thereafter;
- liability-based asset allocation studies every three to five years, the length of a typical planning cycle;
- asset-based asset allocation studies;
- manager and custodian searches;
- quarterly investment performance analysis reports and accompanying executive summaries;
- monthly flash reports;
- advice on proxy voting services;
- educational seminars;
- our annual client conference;
- attendance at meetings;
- and other projects and reports, as requested.

In addition to traditional consulting services, NEPC provides some clients with discretionary consulting services, which typically include the services listed above along with additional discretionary services described in Item 16.

In general, NEPC does not manage client assets as an investment manager would; rather, NEPC provides customized investment advice. NEPC provides its consulting services to 308 clients with total assets of approximately \$667 billion as of 3/31/2012.

Each client is unique and, as a result, has unique investment goals. We listen closely and customize our solutions to pursue goals with intelligence and rigor. In fact, customization is an aspect of collaboration, as we see it, and it's a hallmark of who we are.

Of our 80 consultants, 65 have advanced degrees and/or are professionally certified, the highest concentration of professionally certified employees of any firm in the investment consulting industry. Our 54 senior consultants average over 20 years of investment experience.

Item 5 – Fees and Compensation

The specific manner in which fees are charged by NEPC is established in a client's written agreement. NEPC will generally bill its fees on a quarterly basis, to be paid in arrears. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Fees are generally quoted on a full retainer basis, encompassing all of the consulting services provided by NEPC. On occasion, fees are quoted on a project basis for a defined time period or scope of work.

In addition to fixed, hourly and asset-based fees, we offer Liability Driven Investment (LDI) related performance fees. These fees tie our compensation to our success in closing the gap in a client's funded status. The fee schedule is agreed upon prior to NEPC's retention and is specified in each applicable client contract.

All of our fees are quoted, paid and received in hard dollars. NEPC does not have a standard fee schedule, and all fees are subject to negotiation.

Item 6 – Performance-Based Fees and Side-By-Side Management

As noted in Item 5, in addition to fixed, hourly and asset-based fees, we offer Liability Driven Investment (LDI) related performance fees. These fees tie our compensation to our success in closing the gap in a client's funded status. The fee schedule is agreed upon prior to NEPC's retention and is specified in each applicable client contract.

Performance-based fee arrangements may create an incentive for NEPC to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. NEPC has procedures designed and implemented to ensure that all clients are treated fairly, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

NEPC provides investment advice to a variety of clients, including corporations, charitable organizations, healthcare organizations, public funds, Taft-Hartley Funds and high net worth individuals. These clients include several plan types including defined benefit, defined contribution, endowment, foundation, health and welfare, insurance, operating and taxable assets.

NEPC does not have a minimum account size for its clients.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Our client portfolios are designed to achieve specified target rates of return at predetermined risk levels. Accordingly, these portfolios may contain domestic equities, fixed income and cash equivalents, international equities and global fixed income, real estate, alternative assets and various hedging strategies.

As consultants, NEPC seldom becomes involved at the security level with a client. Rather, we focus on the asset class, the interaction among asset classes and alternative asset strategies and the traditional and alternative asset investment managers who have demonstrated proficiency managing the various asset classes.

Investing in securities involves a risk of loss that clients should be prepared to bear. Clients should also understand that alternative assets (including hedge funds, real estate and private equity) may be illiquid or subject to lock-ups, and are not subject to the same regulatory requirements as registered investment vehicles.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of NEPC or the integrity of NEPC's management. NEPC has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

NEPC is an independent firm and has no information applicable to this Item.

Item 11 – Code of Ethics

NEPC maintains a Code of Ethics that provides all employees with guidance on proper conduct in fulfilling its obligations as fiduciaries to its clients and in complying with SEC rules. The Code of Ethics stresses the importance of avoiding activities, interests and relationships that might interfere with, or give the appearance of interfering with, making decisions in the best interests of NEPC clients. Employees are reminded that they must at all times (1) place the interests of clients first, (2) conduct all personal securities transactions in full compliance with the Code of Ethics, and (3) avoid taking inappropriate advantage of their position. Among other things, the Code of Ethics requires employees to:

- disclose material facts and actual or potential conflicts that may affect the services provided to clients;
- act in the best interests of clients and place the interests of clients above the interests of NEPC personnel whenever a conflict may be present;
- not engage in any activity that conflicts with the interests of clients;
- avoid taking inappropriate advantage of their position (e.g., by using knowledge of a client's portfolio transactions to profit by the market effect of those transactions); and
- conduct all personal trading in full compliance with the Code of Ethics, including all pre-trade clearance and reporting requirements.

The Code of Ethics also requires employees to make certain disclosures regarding their trading and personal portfolios, restricts investments in private placements and new issues, and restricts the acceptance of gifts.

NEPC's Code of Ethics is administered and enforced by its Chief Compliance Officer. All employees must acknowledge the terms of the Code of Ethics annually, or as amended.

A copy of the Code of Ethics will be provided to any client or potential client upon request.

NEPC's officers and employees may purchase, sell or hold investment accounts or interests in privately offered investment funds that are managed by third party investment advisory firms recommended from time to time by NEPC to its clients. This may present a potential conflict of interest to NEPC. Accordingly, NEPC has implemented policies pursuant to which such accounts and investments are reviewed prior to opening and periodically thereafter. In addition, securities trading by employees (including any investments in privately offered funds) is subject to the requirements of NEPC's Code of Ethics.

Item 12 – Brokerage Practices

NEPC has no information applicable to this Item.

Item 13 – Review of Accounts

NEPC reviews client accounts on a periodic basis and provides an in-depth performance measurement report to most of our clients on a quarterly basis. Personal presentations are scheduled at the request of each client, and normally occur at least quarterly. All client relationships are covered on a team basis, ensuring both continuity and consistency.

Account reviews evaluate traditional and alternative manager performance, the impact of policy and fund structure on overall plan performance, and the overall market environment. The performance appraisal process focuses initially on plan structure and diversification, and subsequently on the performance (risk and return) of managers within each asset class and their interactivity with one-another. In conducting these reviews, market and peer group comparisons are used extensively, not only in the return dimension but also in the risk dimension.

In servicing our clients, we use our Investment Performance Analysis (IPA) report, designed to our specifications, but programmed and maintained by State Street Bank, or a similar report maintained by InvestorForce. These reports feature extensive risk diagnostics, including various measures of volatility, market sub effects, risk-adjusted returns, a wide variety of portfolio characteristics and their respective influences on performance.

As stated above, reviews normally occur on a periodic basis. In addition to regular meetings with clients, NEPC will schedule supplementary meetings upon the occurrence of extraordinary events within the client's portfolio, such as the loss of key personnel by an investment manager.

Item 14 – Client Referrals and Other Compensation

NEPC does not use a third party to solicit business and does not accept or pay referral fees or commissions. NEPC has no information applicable to this Item.

Item 15 – Custody

NEPC has no information applicable to this Item.

Item 16 – Investment Discretion

In general, NEPC acts on an advisory basis and does not manage client assets. For certain clients, however, NEPC may act as a discretionary advisor. These “discretionary services” could include responsibility for such functions as manager selection or termination, rebalancing, and asset sourcing. In all instances we rely on an investment policy statement approved by the client, and follow NEPC’s standard procedures to formulate advice. Before our advice is implemented, it is reviewed by a centralized internal decision-making group to maintain appropriate checks and balances.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, NEPC does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. NEPC may from time to time provide advice to clients regarding proxy voting services or the clients' voting of proxies.

NEPC may vote mutual fund proxies for certain discretionary clients. In these cases, NEPC will vote in the best interest of shareholders, as determined by NEPC. NEPC authorizes the clients' investment managers to vote proxies for individual securities.

Item 18 – Financial Information

As a registered investment adviser NEPC is required in this Item to provide you with certain financial information or disclosures about its financial condition. NEPC has no financial condition that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.