

Large Cap Stock Index

Retiree Health Funding Vehicle (RHFV) and
Investment Services Program (ISP)



Total Fund Assets: **\$599 million**

Fund Category: **Large Cap Index**

Total Annual Operating Expense: **0.30%***

Investment Objective

Large Cap Stock Index seeks to replicate the total return of the S&P 500® Index.

Portfolio Management

MERS manages the asset allocation and monitors the underlying investment managers of the Large Cap Stock Index. The Large Cap Stock Index is part of the MERS Total Market Portfolio.

* Fee and Expense Information

| | |
|--|--------------|
| Administrative Fees: Costs to run the day-to-day operations of the plan, which include legal, accounting, auditing, compliance, printing, and overhead costs, as well as costs related to bookkeeping, settling trade activity, and holding assets in custody at a bank. | 0.25% |
| Investment Management Expense: All costs incurred in the overall management of the fund. The Investment Management Expense varies based on the level of assets. As assets increase, the Investment Management Expense is expected to decline. | 0.05% |
| Total Annual Operating Expense: The Total Annual Operating Expense reduces the rate of return of the fund. A Total Annual Operating Expense of 0.30% means that for every \$1,000 invested in the Large Cap Stock Index, a participant is charged \$3.00 in fees a year. | 0.30% |

Fund Restrictions

The Large Cap Stock Index has no restrictions.

Performance Information (as of September 30, 2016)

| | Quarter | Year to Date | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------------------|---------|--------------|--------|---------|---------|----------|
| Large Cap Stock Index | 3.83% | 7.70% | 15.30% | 10.87% | 16.05% | 7.27% |
| S&P 500® Index | 3.85% | 7.84% | 15.43% | 11.16% | 16.37% | 7.24% |
| Standard Deviation | -- | -- | 12.44% | 10.83% | 11.08% | 15.02% |

Returns are presented Net of the Total Annual Operating Expense. Returns for periods greater than one year are annualized.

Return information prior to 10/1/2014 are presented after the Total Annual Operating Expense. After 10/1/2014, returns are presented net of Investment Manager expenses only. Returns for periods greater than one year are annualized. The component returns from the MERS Defined Benefit Portfolio are Net of Investment Management Expenses only. Past performance is no guarantee of future results. Current performance may be higher or lower. Investment returns and values will fluctuate, and shares when redeemed, may be worth more or less than their original cost. Please visit the MERS website at www.mersofmich.com for more recent performance information.

Standard Deviation measures the distribution of returns around the average return. The more spread apart the data, the higher the deviation.

Target Asset Allocation



Ten Largest Holdings (as of September 30, 2016)

| | |
|------------------------------|-------|
| Apple Inc. | 3.28% |
| Microsoft Corporation | 2.40% |
| Exxon Mobil Corporation | 1.91% |
| Johnson & Johnson | 1.72% |
| Amazon.com, Inc. | 1.71% |
| Facebook.com, Inc. | 1.57% |
| General Electric Company | 1.44% |
| Berkshire Hathaway Inc. CL B | 1.43% |
| AT&T, Inc. | 1.32% |
| JP Morgan Chase | 1.29% |

Performance by year

| | 2012 | 2013 | 2014 | 2015 |
|-----------------------|--------|--------|--------|--------|
| Large Cap Stock Index | 15.59% | 32.13% | 13.30% | 1.06% |
| S&P 500® Index | 16.00% | 32.39% | 13.69% | 1.38% |
| Standard Deviation | 10.43% | 8.48% | 8.25% | 13.70% |

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This summary is designed to provide descriptive information only. Investors should research all possible investment choices. Please make independent investment decisions carefully and seek the assistance of independent experts where appropriate. We recommend investors define their goals, risk tolerance, time horizon, and investment objectives to determine whether this fund is appropriate for you. Please make independent investment decisions carefully and seek the assistance of independent experts where appropriate.

State Street Bank and Trust, as the custodian for the MERS Funds, calculates the unit value as of the close of business each day. The MERS Funds invest in a broad selection of securities. Some securities may not be priced daily or prices may be determined on a delayed basis. These securities are reflected in the unit value of the fund at their most recent market value adjusted for interim cash flows.

MERS Funds are constructed utilizing several underlying investment strategies within a particular asset class. Consequently, a fund's asset allocation may vary over time as a result of underlying manager activity.

Funds are subject to investment risks from a number of sources, including the management style of the fund and market volatility. Markets are volatile and can rise or decline significantly in response to company, political, regulatory, market or economic developments. A fund's total return, like securities prices generally, will fluctuate within a wide range. As a result, an investor could lose money over short or even long periods. Funds are also subject to investment-related risk, which is the chance that returns from companies invested in by the fund will trail returns from other asset classes or the overall market.

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