MARSH & MCLENNAN COMPANIES, INC.
Form 11-K
June 29, 2015

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE YEAR ENDED DECEMBER 31, 2014

SEC NO. 1-5998

A. Full title of the Plan:

MARSH & McLENNAN COMPANIES 401(k) SAVINGS & INVESTMENT PLAN

B. Name of issuer of the securities held pursuant to the Plan and the address of its principal executive office:

MARSH & McLENNAN COMPANIES, INC.
1166 Avenue of the Americas
New York, NY 10036-2774

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Marsh & McLennan Companies Benefits Administration Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

MARSH & McLENNAN COMPANIES 401(k) SAVINGS & INVESTMENT PLAN

Date: June 29, 2015

/s/ Alex P. Voitovich
Authorized Representative of the Benefits Administration Committee

MARSH & McLENNAN COMPANIES 401(k) SAVINGS & INVESTMENT PLAN

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Note: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Marsh & McLennan Companies, Inc.,
the Marsh & McLennan Companies Benefits Administration Committee
and the Participants in Marsh & McLennan Companies 401(k) Savings & Investment Plan:

We have audited the accompanying statements of net assets available for benefits of Marsh & McLennan Companies 401(k) Savings & Investment Plan (the "Plan") as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the year ended December 31, 2014. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2014 and 2013, and the changes in net assets available for benefits for the year ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedules of (1) assets (held at end of year) as of December 31, 2014 and (2) reportable transactions for the year ended December 31, 2014, have been subjected to audit procedures performed in conjunction with the audit of the Plan’s financial statements. The supplemental schedules are the responsibility of the Plan’s management. Our audit procedures included determining whether the supplemental schedules reconcile to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedules. In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, such schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ DELOITTE & TOUCHE LLP
Parsippany, New Jersey
June 29, 2015

MARSH & McLENNAN COMPANIES 401(k) SAVINGS & INVESTMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31,	2014	2013
ASSETS:		
PARTICIPANT DIRECTED INVESTMENTS:		
SHORT-TERM INVESTMENT FUND AT FAIR VALUE	$647,702	$647,550
OTHER INVESTMENTS AT FAIR VALUE (NOTES 2 and 4)	2,542,180,058	2,307,582,040
INVESTMENT IN MASTER TRUST, AT FAIR VALUE (NOTE 3)	1,005,080,325	1,030,698,824
TOTAL INVESTMENTS	3,547,908,085	3,338,928,414
RECEIVABLES:		
NOTES RECEIVABLE FROM PARTICIPANTS	37,301,184	36,213,978
DIVIDENDS AND INTEREST RECEIVABLE	330,729	217,028
TOTAL RECEIVABLES	37,631,913	36,431,006
NET ASSETS REFLECTING ALL INVESTMENTS AT FAIR VALUE	3,585,539,998	3,375,359,420
ADJUSTMENT FROM FAIR VALUE TO CONTRACT VALUE FOR FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS INCLUDED IN THE MASTER TRUST	(6,144,159)	(1,099,027)
NET ASSETS AVAILABLE FOR BENEFITS	$3,579,395,839	$3,374,260,393

See notes to financial statements.

MARSH & McLENNAN COMPANIES 401(k) SAVINGS & INVESTMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2014

INVESTMENT INCOME:	
NET APPRECIATION IN FAIR VALUE OF INVESTMENTS	$79,578,869
PLAN INTEREST IN MASTER TRUST	88,863,599
DIVIDENDS AND INVESTMENT INCOME	98,606,535
INTEREST	32,921
NET INVESTMENT INCOME	267,081,924
INTEREST INCOME ON NOTES RECEIVABLE FROM PARTICIPANTS	1,591,129
CONTRIBUTIONS:	
PARTICIPANT	144,698,575
EMPLOYER	39,674,473
ROLLOVERS	21,703,310
TOTAL CONTRIBUTIONS	206,076,358
OTHER INCOME (NOTE 10)	789,397
BENEFITS PAID TO AND WITHDRAWALS BY PARTICIPANTS	(268,837,013)
INCREASE IN NET ASSETS BEFORE PLAN TRANSFERS	206,701,795
TRANSFERS IN FROM OTHER PLANS (NOTE 6)	127,934
TRANSFERS OUT TO OTHER PLANS (NOTE 6)	(1,694,283)
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	3,374,260,393
End of year	$3,579,395,839

See notes to financial statements.

MARSH & McLENNAN COMPANIES 401(k) SAVINGS & INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2014 AND 2013 AND
FOR THE YEAR ENDED DECEMBER 31, 2014

(1)Description of the Plan

General

The Marsh & McLennan Companies 401(k) Savings & Investment Plan (the "Plan") is a defined contribution plan with 401(k), 401(m) and Employee Stock Ownership Plan features, which allows eligible participants to contribute from their eligible compensation through payroll deductions on a before-tax, after-tax or Roth 401(k) basis. Under the Plan, employees who are at least 18 years of age and classified as a U.S. regular or temporary employee, paid from U.S. payroll, as well as employees of any subsidiary or affiliate of Marsh & McLennan Companies, Inc. (the "Company" or “Marsh & McLennan Companies”), with the exception of any employee of Marsh & McLennan Agency LLC and its subsidiaries and affiliates, are eligible to contribute to the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). Employees can make rollover contributions to the Plan as soon as the employee is eligible to participate in the Plan.

The before-tax and/or Roth 401(k) contribution percentage limit is 75% of eligible compensation. The after-tax contribution percentage limit is 15% of eligible compensation. The aggregate limit on before-tax, after-tax and Roth 401(k) contributions is 75% of eligible compensation. Participants age 50 or older by the end of the calendar year are permitted to make additional “catch-up” contributions.

The Plan's assets are held in trust. The trustee for the Plan is the Northern Trust Company (the “Trustee”). The Trustee is responsible for maintaining the assets of the Plan and performing all other acts deemed necessary or proper to fulfill its responsibility as set forth in the trust agreement pertaining to the Plan. Mercer Benefits Administration is the Plan’s recordkeeper and is responsible for making distribution payments as directed by the Company.

The Marsh & McLennan Companies Benefits Administration Committee is the plan administrator responsible for the overall administration and operation of the Plan. Certain administrative functions are performed by employees of the Company or its subsidiaries. All such costs as well as administrative expenses are borne directly by the Company. The Company also pays certain investment management fees.

Contributions

The Company makes matching contributions, after completion of one year of service, of 50% on the first 6% of eligible compensation that participants contribute to the Plan in any pay period.

Participant and company contributions are subject to certain limitations in accordance with Federal income tax regulations. When a participant reaches the Internal Revenue Service (“IRS”) annual limit, the before-tax contributions are automatically made as after-tax contributions for the remainder of the calendar year unless the participant decides to discontinue contributions or the participant’s eligible compensation reaches the IRS compensation limit.

Participants are eligible to direct their company matching contributions and all of their employee contributions to any of the available investment options. If a participant does not choose an investment direction for his or her future company matching contributions or employee contributions, they are automatically invested in a default fund within the Plan. Since November 21, 2008, the BlackRock LifePath portfolios are the default funds within the Plan.

Participant Accounts

Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution and the Company's matching contribution, charged for withdrawals, and adjusted to reflect the performance of the investment options in which the account is invested. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting and Forfeitures

Participants are vested immediately in their contributions plus actual earnings thereon. Participants hired before January 1, 1998 are fully vested in the Company's matching contributions. Participants hired on or after January 1, 1998 and who terminated employment with the Company on or before June 30, 2002 vested in the Company's matching contribution as follows: 0% if less than three years of service, 33% after 3 years of service, 67% after 4 years of service, and 100% after 5 years of service. Participants who were hired on or after July 1, 2002 and who terminated employment with the Company on or before December 31, 2005, were subject to the following vesting schedule: 0% if less than two years of service, 20% after two years of service, 40% after three years of service, 67% after four years of service and 100% after five years of service. Participants who were active employees as of January 1, 2006, or participants who terminate employment on or after January 1, 2006 who have at least one hour of service on or after January 1, 2006, vest in the Company's matching contribution as follows: 0% if less than two years of service, 33-1/3% after two years of service, 66-2/3% after three years of service and 100% after four years of service. At December 31, 2014 and 2013, forfeited non-vested accounts totaled $6,529 and $9,058, respectively. The balances in forfeited non-vested accounts have been and will be used to fund future contributions due from the Company and/or reduce Plan expenses. During the year ended December 31, 2014, employer contributions of $1,725,447 were funded from forfeited non-vested accounts.

Payment of Benefits

Participants with vested balances greater than $1,000 who leave the Company may elect to leave their money in the Plan until April 1st of the year following the calendar year in which they attain the age of 70-1/2, or if later, the April 1st of the calendar year, following the calendar year in which they terminated employment. Payment of benefits on termination of service varies depending upon the vested amount in the participant's account balance, the reason for termination (i.e. retirement, death, disability, termination of service for other reasons) and the payment options available (i.e. immediate lump sum payment, deferral of lump sum payment, installment payments, etc.) for a particular type of termination.

Notes Receivable from Participants

Plan participants may borrow from their accounts up to a maximum amount equal to the lesser of $50,000 or 50% of the vested value of his or her Plan account. Outstanding loans, which are secured by the participants' interest in the Plan, are generally repaid through weekly and semi-monthly payroll deductions or may be paid in full without penalty. Loan repayments, which include principal and interest, are credited directly to the participant's Plan account. Interest is charged on the outstanding balance at prime rate plus 1% based on the prime rate in effect at the time the loan is processed. Loan terms range from 1 to 5 years; however, terms may exceed 5 years for the purchase of a primary residence. As of December 31, 2014, participant loans have maturities through 2033 at interest rates ranging from 4.0% to 10.5%.

The preceding description of the Plan provides only general information. Participants should refer to the plan document and the Marsh & McLennan Companies Benefits Handbook via https://connect.mmc.com for a more complete description of the Plan's provisions.

(2) Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

New Accounting Pronouncements

On May 1, 2015, the Financial Accounting Standards Board (the "FASB") issued new guidance which removes the requirement to present certain investments for which the practical expedient is used to measure fair value at net asset value within the fair value hierarchy table. Instead, an entity would be required to include those investments as a reconciling item so that the total fair value amount of investments in the disclosure is consistent with the fair value investment balance on the statement of net assets available for benefits. This guidance is effective for fiscal years beginning after December 13, 2015. The adoption of this new guidance will affect footnote disclosure only and is not expected to have a material impact on the Plan's financial statements.

Risks and Uncertainties

The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term investment funds composed of high-grade money market instruments with maturities less than ninety days.

Investment Valuation and Income Recognition

The Plan, along with the Mercer HR Services Retirement Plan and the Marsh & McLennan Agency 401(k) Savings & Investment Plan, participates in the Marsh & McLennan Companies, Inc. Master Retirement Savings Trust (the "Master Trust"). The Master Trust includes Marsh & McLennan Companies common stock, guaranteed investment contracts ("GICs"), security backed investment contracts ("synthetic GICs") and short-term investments. The fair value of the GICs and synthetic GICs are discussed in Note 3.

Investment contracts held by a defined contribution plan are required to be reported at fair value; however, contract value is the relevant measurement attribute for that portion of the net assets available for benefits that is attributable to fully-responsive investment contracts. Contract value is the amount Plan participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive contract from fair value to contract value. The statement of changes in net assets available for benefits is prepared using the contract value basis.

The Plan also has other investments outside the Master Trust that are stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The shares of mutual funds are reflected in the accompanying statements of net assets available for benefits at quoted market prices. Shares of common/collective trusts are valued at the net asset value ("NAV") of shares held by the Plan at year-end based upon the quoted market prices of the underlying investments.

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are recorded as distributions based on the terms of the plan document.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Investment income and dividends include capital gains paid during the period. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the period.

Administrative Expenses

Administrative expenses of the Plan are paid by the Company as provided in the plan document. Management fees and operating expenses charged to the Plan for investments in mutual funds and common/collective trusts are deducted from income earned on a daily basis and are reflected as a reduction of investment return for such investments. The Company also pays certain investment management fees.

Payment of Benefits

Benefit payments to participants are recorded upon distribution. Amounts allocated to persons who have elected to take a distribution from the Plan but had not yet been paid at December 31, 2014 and 2013 amounted to $3,112,650 and $89,148, respectively (Note 11).

Excess Contributions Payable

The Plan is required to return contributions received during the Plan year in excess of the Internal Revenue Code ("IRC") limits.

(3) Interest in Master Trust

The Master Trust holds investments consisting of Marsh & McLennan Companies common stock, GICs, synthetic GICs, and short-term investments. The Trustee holds the investment assets of the Master Trust as a commingled fund or commingled funds in which each separate plan is deemed to have a proportionate undivided interest in the investments in which they participate. The Plan's investment in the Master Trust consists of units owned in the Marsh & McLennan Companies Stock Fund or the Invesco Fixed Income Fund. At December 31, 2014 and 2013, the Plan's interest in the net assets of the Master Trust was approximately 97.6% and 98.0%, respectively.

The following table summarizes the net assets of the Master Trust as of December 31, 2014 and 2013:

	2014	2013
INVESTMENTS:		
Marsh & McLennan Companies Stock Fund		
Marsh & McLennan Companies common stock at fair value	$453,708,281	$444,268,280
Short-term investment fund at fair value	8,604,540	6,571,951
Receivable for sale of securities	—	2,470,435
Accrued interest receivable	257	192
	462,313,078	453,310,858
Stable Value Fund		
Guaranteed investment contracts at fair value	44,215,497	70,246,846
Security backed investment contracts at fair value	499,347,873	506,127,334
Short-term investment fund at fair value	24,087,899	22,647,045
Accrued interest receivable	579	579
Liability for expenses incurred	(113,921)	(119,967)
	567,537,927	598,901,837
NET ASSETS OF THE MASTER TRUST AT FAIR VALUE	1,029,851,005	1,052,212,695
ADJUSTMENT FROM FAIR VALUE TO CONTRACT VALUE	(6,330,782)	(1,128,569)
NET ASSETS OF THE MASTER TRUST	$1,023,520,223	$1,051,084,126

The ownership interests in the Master Trust as of December 31, 2014 and 2013 are as follows:

Marsh & McLennan Companies 401(k) Savings & Investment Plan	2014	2013
Investment in Marsh & McLennan Companies Stock Fund	$454,272,625	$447,474,153
Investment in Fixed Income Fund	544,663,541	582,125,644
Investment in Master Trust	$998,936,166	$1,029,599,797
Plan's Percentage Interest in Master Trust net assets	97.6%	98.0%
Other Plans' interest in Master Trust	$24,584,057	$21,484,329
Other Plans' Percentage Interest in Master Trust net assets	2.4%	2.0%

The following table summarizes the net investment income of the Master Trust for the year ended December 31, 2014:

INVESTMENT INCOME AND EXPENSES:	
Net appreciation in fair value of Marsh & McLennan Companies common stock	$73,384,390
Dividends	9,080,928
Interest	8,413,092
Expenses	(513,108)
NET INVESTMENT INCOME	$90,365,302
NET INVESTMENT INCOME FROM MASTER TRUST – BY PLAN:	
Marsh & McLennan Companies 401(k) Savings & Investment Plan	$88,863,599
Other plans' income from Master Trust	$1,501,703

Marsh & McLennan Companies Stock Fund Valuations

The Marsh & McLennan Companies Stock Fund consists of Marsh & McLennan Companies common stock and short-term investment funds. The Marsh & McLennan Companies common stock is reported at fair value based on the closing market price at December 31, 2014 and 2013. The short-term investment fund is composed of high-grade money market instruments with short maturities that are reported at NAV as of the reporting date.

Stable Value Fund Valuations

The stable value fund (the “Fund”) consists of guaranteed investment contracts (“GICs”), synthetic GICs, separate account GICs and short-term investment funds. The short-term investment funds primarily consist of high-grade money market instruments with short maturities that are reported at NAV as of the reporting date.

The investments in traditional GICs, synthetic GICs, and separate account GICs are part of the stable value fund managed by Invesco Advisers, Inc. Investments in traditional GICs, synthetic GICs, and separate account GICs (collectively, the “Investment Contracts”) are valued at fair value and adjusted to contract value (contract value representing invested principal plus contractual interest earned thereon). The Investment Contracts are non-transferable, but provide for benefit responsive withdrawals by Plan participants at contract value. In determining Investment Contracts’ fair value, factors considered include the benefit responsiveness of the Investment Contracts and, with respect to synthetic GICs and separate account GICs, the contingency provisions in the contract in the event of a default by the issuer of underlying securities.

Investment Contracts will normally be held to maturity and meet the fully benefit responsive requirements of the accounting guidance. The contract value of Investment Contracts will be adjusted to reflect any issuer defaults or other evidence of impairment of an Investment Contract should they occur.

Synthetic GICs consist of investment-grade fixed income securities (or units of commingled funds composed of such securities) owned by the Fund or, in the case of separate account GICs, owned by the insurance company. These underlying assets are “wrapped” by an insurance company, bank, or other financial institution (the “wrap provider”). With traditional GICs, the underlying assets are part of the general account of the issuing insurance company. The underlying securities of the synthetic GICs and separate account GICs are generally actively managed during the life of the contract. Under specified circumstances, the Investment Contracts provide liquidity for benefit payments to the Fund for the benefit of Plan participants at contract value.

The Fund purchases wrapped contracts from insurance companies, banks, or other financial institutions. The wrapped contract amortizes the realized and unrealized gains and losses on the underlying fixed income investments, typically over the duration of the investments, through adjustments to the future interest crediting rate. The issuer of the wrapped contract provides assurance that the adjustments to the interest crediting rate do not result in a future interest crediting rate that is less than zero. An interest crediting rate less than zero would result in a loss of principal or accrued interest. The crediting rate is calculated by a formula specified in each wrap agreement and is typically reset on a monthly or quarterly basis, depending on the contract. The key factors that influence future crediting rates for wrapped contracts include: the level of market interest rates, the amount and timing of participant contributions, transfers, and withdrawals into/out of the contract, the investment returns generated by the fixed income securities that back the wrapped contract, and the duration of the underlying investments backing the contract.

Because changes in market interest rates affect the yield to maturity and the market value of the underlying bonds, they can have a material impact on the contract's crediting rate. In addition, participant withdrawals and transfers from the Fund are paid at contract value but funded through the market value liquidation of the underlying investments, which also impacts the interest crediting rate. The resulting gains and losses in the market value of the underlying investments relative to the contract value are represented on the Fund's Statement of Assets and Liabilities as the "Adjustment from Fair Value to Contract Value". If the Adjustment from Fair Value to Contract Value is positive for a given contract, this indicates that the contract value is greater than the market value of the underlying investments. The embedded market value losses will be amortized in the future through a lower crediting interest rate than would otherwise be the case. If the Adjustment from Fair Value to Contract Value figure is negative, this indicates that the contract value is less than the market value of the underlying investments. The amortization of the embedded market value gains will cause the future interest crediting rate to be higher than it otherwise would have been. All wrapped contracts provide for a minimum interest crediting rate of zero percent.

Wrap contracts help to protect the Fund's principal by smoothing the price fluctuations in the securities that they cover. Wrap contract issuers agree to maintain the book value (principal plus interest) of the Fund's fixed income securities and other instruments covered by the contract, up to specified amounts and subject to certain limitations. In addition, under certain adverse market conditions and if the conditions of the contract are satisfied, the wrap issuer may be required to make payments to the Fund if the Fund's assets are insufficient to satisfy participant-initiated redemptions at book value.

Events that would permit a contract issuer to terminate a contract upon short notice include the Plan's loss of its qualified status, uncured material breaches of responsibilities, or material and adverse changes to the provisions of the Plan. If one of these events were to occur, the contract issuer could terminate the contract at the market value of the underlying investments (or, in the case of a traditional GIC, at the hypothetical market value based upon a contractual formula).

The average yield of the Investment Contracts based on annualized earnings was approximately 1.8% for the year ended December 31, 2014. The crediting interest rate of the Fund based on interest rate credited to participants was approximately 1.5% and 1.6% at December 31, 2014 and 2013, respectively.

(4) Fair Value Measurements

Guidance issued by the FASB related to Fair Value Measurements and Disclosures, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair values. The Plan classifies its investments into Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Plan’s policy is to recognize transfers between levels as of the beginning of the reporting period.
The following tables set forth, by level within the fair value hierarchy, a summary of the Plan’s other investments held outside the Master Trust measured at fair value at December 31, 2014 and 2013.

	Assets Held Outside the Master Trust Fair Value Measurements at December 31, 2014			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Short term investment funds	$647,702	$—	$—	$647,702
Mutual funds:				
Balanced/target retirement funds	189,833,143	—	—	189,833,143
Bond funds	145,151,034	—	—	145,151,034
Growth funds	335,803,333	—	—	335,803,333
International funds	245,095,933	—	—	245,095,933
Value funds	579,280,320	—	—	579,280,320
Total Mutual funds	1,495,163,763	—	—	1,495,163,763
Common collective trusts:				
Balanced/target retirement funds	—	316,944,718	—	316,944,718
Blend funds	—	356,989,633	—	356,989,633
Bond funds	—	100,281,284	—	100,281,284
Growth funds	—	217,919,722	—	217,919,722
International funds	—	54,880,938	—	54,880,938
Total Common collective trusts	—	1,047,016,295	—	1,047,016,295
Total	$1,495,811,465	$1,047,016,295	$—	$2,542,827,760

	Assets Held Outside the Master Trust Fair Value Measurements at December 31, 2013			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Short term investment funds	$647,550	$—	$—	$647,550
Mutual funds:				
Balanced/target retirement funds	135,661,137	—	—	135,661,137
Blend funds	37,310,092	—	—	37,310,092
Bond funds	161,395,959	—	—	161,395,959
Growth funds	554,287,860	—	—	554,287,860
International funds	262,532,506	—	—	262,532,506
Value funds	565,736,951	—	—	565,736,951
Total Mutual funds	1,716,924,505	—	—	1,716,924,505
Common collective trusts:				
Balanced/target retirement funds	—	271,395,709	—	271,395,709
Blend funds	—	263,592,786	—	263,592,786
Bond funds	—	55,669,040	—	55,669,040
Total Common collective trusts	—	590,657,535	—	590,657,535
Total	$1,717,572,055	$590,657,535	$—	$2,308,229,590

Following is a description of the valuation methodologies used for assets measured at fair value.

- Short-term investment funds: High-grade money market instruments valued at NAV at year-end.
- Mutual funds: Valued at quoted market prices at year-end on an active market.
- Common/collective trusts: Valued at NAV at year-end.

The following tables set forth, by level within the fair value hierarchy, a summary of the Master Trust's investments measured at fair value at December 31, 2014 and 2013.

	Master Trust Assets Fair Value Measurements at December 31, 2014			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Marsh & McLennan Companies common stock	$453,708,281	$—	$—	$453,708,281
Short-term investment fund	32,692,439	—	—	32,692,439
Guaranteed investment contracts	—	44,215,497	—	44,215,497
Security backed investment contracts	—	499,347,873	—	499,347,873
Total Master Trust	$486,400,720	$543,563,370	$—	$1,029,964,090

	Master Trust Assets Fair Value Measurements at December 31, 2013			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Marsh & McLennan Companies common stock	$444,268,280	$—	$—	$444,268,280
Short-term investment fund	29,218,996	—	—	29,218,996
Guaranteed investment contracts	—	70,246,846	—	70,246,846
Security backed investment contracts	—	506,127,334	—	506,127,334
Total Master Trust	$473,487,276	$576,374,180	$—	$1,049,861,456

Following is a description of the valuation methodologies used for assets measured at fair value.

- Common stock: Valued at the closing price reported on an active market where the securities are traded.
- Short-term investment funds: High-grade money market instruments valued at NAV at year-end.
- Guaranteed investment contracts: Valued at fair value based on discounted future cash flows using a yield curve interpolated from swap rates and adjusted for liquidity and credit quality.
- Security backed investment contracts: Valued based on the market value of the underlying investments and the replacement cost of the wrap contract.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2014 and 2013, there were no transfers between levels.

The following table provides additional information as of December 31, 2014 and 2013 for other investments in certain entities that report a NAV per share (or its equivalent):

	Fair Value				
	2014	2013	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
S&P 500 Index fund (a)	$356,361,966	$—	—	Daily	None
Putnam S&P 500 Index fund (a)	—	263,592,786	—	Daily	None
Target Retirement Funds (b)	316,944,718	271,395,709	—	Daily	None
US Bond Index Fund (c)	100,281,284	—	—	Daily	None
Putnam Bond Index Fund (c)	—	55,669,040	—	Daily	None
T. Rowe Blue Chip Growth Trust (d)	217,919,722	—	—	Daily	None
US Extended Equity Market Index Fund (e)	627,667	—	—	Daily	None
Non-U.S. Equity Index Fund (f)	54,880,938	—	—	Daily	None
	$1,047,016,295	$590,657,535			

(a) This category includes investments in U.S. equity securities and collective investment funds that seek to approximate the return of the S&P 500 Composite Stock Price Index. The fair value of the investment in this category has been estimated using the quoted market prices of the underlying securities.

(b) This category includes investments in a mix of index funds designed to provide income for selected retirement years. The fair value of the investments in this category has been estimated using the quoted market prices of the underlying securities.

(c) This category includes investments in U.S. government and agency securities, investment grade corporate and yankee bonds, and mortgage-backed and asset-backed securities. The fair value of the investments in this category has been estimated using the quoted market prices of the underlying securities.

(d) This category includes investments in U.S. and non-U.S. equity securities. The fair value of investments in this category has been estimated using the quoted market prices of the underlying securities.

(e) This includes investments in U.S. equity securities that seek to approximate the return of the Russell Small Cap Completion Index. The fair value of the investment in this category has been estimated using the quoted market prices of the underlying securities.

(f) This category included investments in non-U.S. equity securities that seek to approximate the return of the Morgan Stanley Capital International All Country World Ex-U.S. index (MSCI ACW Ex-USA Index). The fair value of the investment in this category has been estimated using the quoted market prices of the underlying securities.

There are no redemption restrictions on these investments. In addition, the registered investment company funds in the Plan have no unfunded commitments and can be redeemed daily with no notice period.

The market values of investments held by the Master Trust that represent 5% or more of the Master Trust's assets at the end of the plan year are as follows:

	December 31, 2014	December 31, 2013
Marsh & McLennan Companies common stock	$453,708,281	$444,268,280
Insurance Contract with Massachusetts Life Insurance Co., #SAGIC 20065	$93,402,972	$96,125,126
Insurance Contract with Metropolitan Life Insurance Co., #GAC 32774	$100,049,279	$101,951,776
Insurance Contract with Prudential Life Insurance Company of America, #GA-63085	$106,143,273	$106,659,026
Insurance Contract with RGA Reinsurance Company, #Marsh-0812-01	$99,572,905	$100,233,165

(5) Exempt Party in Interest Transactions

The Plan has a short-term investment fund managed by the Northern Trust Company, the Plan's trustee. The balance in the fund at December 31, 2014 and 2013 was $647,702 and $647,550, respectively. The Plan recorded interest income of $1,120 for the year ended December 31, 2014 related to this fund.

At December 31, 2014 and 2013, the Plan, through its interest in the Master Trust (see Note 3) was the beneficial owner of 7,788,565 and 9,068,404 shares of common stock of Marsh & McLennan Companies, Inc., the sponsoring employer. The fair value of the shares as of December 31, 2014 and 2013 was $445,817,481 and $438,548,005, respectively. The cost of these shares at December 31, 2014 and 2013 was $189,599,711 and $217,344,027, respectively. The Plan recorded dividend income of $8,951,108 for the year ended December 31, 2014 from shares of Marsh & McLennan Companies, Inc.

In December 2014 the Mercer Emerging Markets Fund was added as an available investment option for participants in the Plan. Investment fees for this fund are deducted from income earned on a daily basis and are reflected as a reduction of investment return of the fund.

Certain administrative and investment functions are performed by officers and employees of the Company (who may also be participants in the Plan) at no cost to the Plan. These transactions are not deemed prohibited party-in-interest transactions because they are covered by statutory and administrative exemptions from the IRC and ERISA's rules on prohibited transactions.

(6) Net Transfers to Other Plans

In 2014 certain employees transferred their balances between the Plan and the Marsh & McLennan Agency 401(k) Savings & Investment Plan ("Agency Plan"), sponsored by the Company. The net amount transferred from the Plan to the Agency Plan and reported in the statement of changes in net assets available for benefits was $1,566,349 which included transfers from the Plan of $1,694,283 and transfers to the Plan of $127,934.

(7) Investments

The following table presents the market values of investments (excluding the Master Trust, discussed above) that represent 5% or more of the Plan’s assets at the end of the plan-year:

Investments	December 31, 2014		December 31, 2013	
T. Rowe Price Institutional Mid Cap Equity Growth Fund	$271,816,158		$263,904,651	
Dodge & Cox Stock Fund	296,344,741		285,009,999	
Vanguard Wellington Fund	188,401,669		135,661,137	*
American Funds EuroPacific DV Fund	244,530,694		200,531,467	
T. Rowe Blue Chip Growth Trust	217,919,722		—	*
T. Rowe Blue Chip Growth Fund	—	*	180,783,279	
S&P 500 Index Fund	356,361,966		—	*
Putnam S&P 500 Index Fund	—	*	263,592,786	

*Investment does not represent 5% or more of the Plan’s net assets available for benefits as of the year end being reported but is included for informational purposes.

The Plan’s investments, including gains and losses on investments bought and sold, as well as held during the year, appreciated/(depreciated) in value as follows:

	Year Ended December 31, 2014	
Mutual Funds:		
Value Funds	$21,430,090	
Growth Funds	9,486,252	
International Funds	(14,993,507	)
Balanced/Target Retirement Funds	4,324,428	
Blend Funds	3,373,608	
Bond Funds	(109,249	)
Total Mutual Funds	23,511,622	
Common/Collective Trusts:		
Balanced/Target Retirement Funds	16,324,208	
Bond Funds	4,130,883	
International Funds	(220,227	)
Blend Funds	37,495,666	
Growth Funds	(1,663,283	)
Total Common/Collective Trusts	56,067,247	
Total Appreciation	$79,578,869	

(8) Federal Income Tax Status

The IRS has determined and informed the Company by a letter dated September 25, 2013, that the Plan is designed in accordance with applicable sections of the IRC. The Company and the Plan’s management believe that the Plan is currently designed and operated in compliance with the applicable requirements of the IRC and that the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan’s financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions;

however, there are currently no audits for any tax periods in progress. The Plan administrator believes that all Plan years remain open to examination by the IRS.

(9) Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, each participant would become 100% vested in his or her account.

(10) Other Income

On March 20, 2014 (the "Allocation Date") the Plan received $789,397 of investment services revenue (including without limitation, 12b-1 fees) and other administrative service payments from certain investment option alternatives available under the Plan. The amounts can be used for purposes which include covering certain Plan expenses and being allocated to Plan participants' accounts. This amount was allocated to all Plan participants with an account balance in the Plan as of the Allocation Date. This amount is included as Other income in the Statement of Changes in Net Assets Available for Benefits.

(11) Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31, 2014 and 2013:

	2014	2013
Statements of net assets available for benefits:		
Net assets available for benefits per the financial statements	$3,579,395,839	$3,374,260,393
Add/(less): Adjustment from contract value to fair value for fully benefit-responsive investment contracts	6,144,159	1,099,027
Less: Amounts allocated to withdrawing participants	(3,112,650)	(89,148)
Net assets available for benefits per the Form 5500, at fair value	$3,582,427,348	$3,375,270,272

The following is a reconciliation of benefits paid to participants per the financial statements to Form 5500 for the year ended December 31, 2014:

Benefits paid to participants per the financial statements	$268,837,013
Add: Amounts allocated to withdrawing participants and accrued on Form 5500	3,112,650
Less: Prior year amounts allocated to withdrawing participants	(89,148)
Benefits paid to participants per Form 5500	$271,860,515

Amounts allocated to withdrawing participants are recorded on Form 5500 for benefit distributions that have been processed and approved for payment prior to December 31, 2014 but not reflected as paid as of that date.

The following is a reconciliation of the increase in net assets available for benefits per the financial statements to Form 5500 for the year ended December 31, 2014:

Statement of changes in net assets available for benefits:	
Increase in net assets per the financial statements	206,701,795
Less: Amounts allocated to withdrawing participants	(3,023,502)
Plus: Net adjustment from contract value to fair value for fully benefit-responsive investment contracts	5,045,132
Net Income per Form 5500	$208,723,425

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MARSH & McLENNAN COMPANIES 401(k) SAVINGS & INVESTMENT PLAN
FORM 5500, SCHEDULE H, PART IV, LINE 4i
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2014
EIN #36-2668272
Plan #003

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	(e) Current Value
*	SHORT-TERM INVESTMENT FUND	Common/Collective Trust	$647,702
	S&P 500 INDEX FUND	Common/Collective Trust	356,361,966
	US BOND INDEX FUND	Common/Collective Trust	100,281,284
	T. ROWE PRICE BLUE CHIP GROWTH TRUST	Common/Collective Trust	217,919,722
	BLACKROCK LIFEPATH INDEX 2020 FUND	Common/Collective Trust	33,995,308
	BLACKROCK LIFEPATH INDEX 2025 FUND	Common/Collective Trust	40,133,736
	BLACKROCK LIFEPATH INDEX 2030 FUND	Common/Collective Trust	47,403,846
	BLACKROCK LIFEPATH INDEX 2035 FUND	Common/Collective Trust	41,603,028
	BLACKROCK LIFEPATH INDEX 2040 FUND	Common/Collective Trust	35,004,885
	BLACKROCK LIFEPATH INDEX 2045 FUND	Common/Collective Trust	31,891,630
	BLACKROCK LIFEPATH INDEX 2050 FUND	Common/Collective Trust	36,330,135
	BLACKROCK LIFEPATH INDEX 2055 FUND	Common/Collective Trust	17,622,604
	BLACKROCK LIFEPATH INDEX RETIREMENT FUND	Common/Collective Trust	32,959,545
	NON-US EQUITY INDEX FUND	Common/Collective Trust	54,880,938
	US EXTENDED EQUITY MARKET INDEX FUND	Common/Collective Trust	627,668
	PUTNAM EQUITY INCOME FUND	Registered Investment Company	71,114,913
	DODGE & COX STOCK FUND	Registered Investment Company	296,344,741
	GOLDMAN SACHS SMALL CAP FUND	Registered Investment Company	112,316,481
	PIMCO TOTAL RETURN FUND	Registered Investment Company	145,151,034
	T. ROWE PRICE INSTITUTIONAL MID CAP EQUITY GROWTH FUND	Registered Investment Company	271,816,158
	VANGUARD SELECTED VALUE ACCT FUND	Registered Investment Company	99,504,186
	CENTURY SMALL CAP SELECT FUND	Registered Investment Company	63,987,175
	AMERICAN FUNDS EUROPACIFIC GROWTH FUND	Registered Investment Company	244,530,694
	PIMCO INFLATION RESPONSE MULTI-ASSET FUND	Registered Investment Company	1,431,474
	MERCER EMERGING MARKETS EQUITY FUND	Registered Investment Company	565,238
	VANGUARD WELLINGTON FUND	Registered Investment Company	188,401,669
*	VARIOUS PARTICIPANTS	Participant Loans maturing through 2033 at interest rates from 4% to 10.5%.	37,301,184
			$2,580,128,944

Note: Cost information is not required for participant-directed investments and therefore is not included.

*Party-in-interest.

MARSH & McLENNAN COMPANIES 401(k) SAVINGS & INVESTMENT PLAN
FORM 5500, SCHEDULE H, PART IV, LINE 4j
SUPPLEMENTAL SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

Description of Asset	Acquisition Price	Disposition Price	Cost of Asset	Current Value of Asset on Transaction Date
Series of Transactions by Issue				
S&P 500 Index Fund				
6 acquisition transactions	$359,255,510	$—	$359,255,510	$359,255,510
3 disposition transactions	$—	$1,033,261	$1,027,814	$1,033,261
Putnam S&P 500 Index Fund				
136 acquisition transactions	$37,216,280	$—	$37,216,280	$37,216,280
124 disposition transactions	$—	$340,168,461	$199,582,596	$340,168,461
T Rowe Blue Chip Growth Fund				
92 acquisition transactions	$19,790,920	$—	$19,790,920	$19,790,920
169 disposition transactions	$—	$209,336,716	$132,389,971	$209,336,716
T Rowe Mid-Cap Equity Growth				
65 acquisition transactions	$33,635,784	$—	$33,635,784	$33,635,784
198 disposition transactions	$—	$308,842,494	$222,763,790	$308,842,494
T Rowe Blue Chip Growth Trust				
4 acquisition transactions	$220,322,716	$—	$220,322,716	$220,322,716
4 disposition transactions	$—	$739,710	$741,803	$739,710
T Rowe Mid-Cap Equity Growth				
4 acquisition transactions	$273,276,036	$—	$273,276,036	$273,276,036
4 disposition transactions	$—	$642,093	$638,964	$642,093