

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2014 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>MASERGY COMMUNICATIONS, INC. 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2001</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/2001</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/2001</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>MASERGY COMMUNICATIONS, INC.</u> <u>2740 NORTH DALLAS PARKWAY</u> <u>SUITE 260</u> <u>PLANO, TX 75093</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>75-2899198</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>214-442-5673</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>517000</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>75-2899198</u>	2c Plan Sponsor's telephone number <u>214-442-5673</u>	2d Business code (see instructions) <u>517000</u>	
2b Employer Identification Number (EIN) <u>75-2899198</u>					
2c Plan Sponsor's telephone number <u>214-442-5673</u>					
2d Business code (see instructions) <u>517000</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2015	JENNIFER HENRY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2015	GARRY GAY
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 254
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1) 212 6a(2) 292 6b 0 6c 49 6d 341 6e 0 6f 341 6g 333 6h 23
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 3D 2T 2S b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection

For calendar plan year 2014 or fiscal plan year beginning **01/01/2014** and ending **12/31/2014**

A Name of plan MASERGY COMMUNICATIONS, INC. 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 MASERGY COMMUNICATIONS, INC.	D Employer Identification Number (EIN) 75-2899198	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	40393	341	01/01/2014	12/31/2014

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	3581

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

LOCKTON FINANCIAL ADVISORS, LLC **444 WEST 47TH ST. SUITE 900**
KANSAS CITY, MO 64112

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
	3581	SERVICES TO INSURER OR PLAN	4

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule A (Form 5500) 2014
v. 140124

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	1930414
5 Current value of plan's interest under this contract in separate accounts at year end	5	0

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT**

b Balance at the end of the previous year	7b	1680698
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c Additions: (1) Contributions deposited during the year	7c(1)	382588	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	33646	
(4) Transferred from separate account	7c(4)		
(5) Other (specify below)	7c(5)	365189	
▶ LOAN REPAYMENTS TRANSFERS IN FORFEITURE CREDITS			

(6) Total additions	7c(6)	781423
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d Total of balance and additions (add lines 7b and 7c(6))	7d	2462121
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	431489	
(2) Administration charge made by carrier	7e(2)	183	
(3) Transferred to separate account	7e(3)		
(4) Other (specify below)	7e(4)	100035	
▶ LOAN INITIATIONS TRANSFERS OUT MISCELLANEOUS OUT, FORFEITURES DEBIT			

(5) Total deductions	7e(5)	531707
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	1930414
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan MASERGY COMMUNICATIONS, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 MASERGY COMMUNICATIONS, INC.	D Employer Identification Number (EIN) 75-2899198	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINTPACK INC

20-3247391

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
33 71	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	28520	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 37 50 64	NONE	3550	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

THE PRUDENTIAL INSURANCE COMPANY OF

22-1211670

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 50 64	NONE	0	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND	15 64	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRUDENTIAL RETIREMENT INSURANCE AND 06-1050034	40.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2014 TO 12/31/2014 GUARANTEED INCOME FUND	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
THE PRUDENTIAL INSURANCE COMPANY OF	61 72	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRUDENTIAL INVESTMENTS, LLC 22-3468527	22.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2014 TO 7/31/2014 PRU JENN MID-CAP GRW Z	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
THE PRUDENTIAL INSURANCE COMPANY OF	61 72	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRUDENTIAL INVESTMENTS, LLC 22-3468527	27.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 8/1/2014 TO 12/31/2014 PRU JENN MID-CAP GRW Z	

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
THE PRUDENTIAL INSURANCE COMPANY OF	15 60 64	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PRUDENTIAL INVESTMENTS, LLC 22-3468527	22.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2014 TO 12/31/2014 PRU JENN NAT RESOURCES A

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
THE PRUDENTIAL INSURANCE COMPANY OF	15 60 64	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PRUDENTIAL INVESTMENTS, LLC 22-3468527	22.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2014 TO 12/31/2014 PRU JENN SMALL COMPANY Z

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014	
A Name of plan MASERGY COMMUNICATIONS, INC. 401(K) PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 MASERGY COMMUNICATIONS, INC.	D Employer Identification Number (EIN) 75-2899198

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)	369320	429410
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	12810161	15305620
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	1680698	1930414
(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	14860179	17665444

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	14860179	17665444
---	-----------	----------	----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	682430	
(B) Participants	2a(1)(B)	2080702	
(C) Others (including rollovers)	2a(1)(C)	958045	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3721177
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	15137	
(F) Other	2b(1)(F)	33646	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		48783
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	243246	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		243246
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		534828
c Other income.....	2c		1054
d Total income. Add all income amounts in column (b) and enter total.....	2d		4549088

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	1740073	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		1740073
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	3750	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		3750
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1743823

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		2805265
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PERKINS, DEXTER, SINOPOLI & HAMM

(2) EIN: 75-1969466

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c			
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
4d			
e Was this plan covered by a fidelity bond?	X		500000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation		Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.		OMB No. 1210-0110 2014 This Form is Open to Public Inspection.	
For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014					
A Name of plan MASERGY COMMUNICATIONS, INC. 401(K) PLAN				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 MASERGY COMMUNICATIONS, INC.				D Employer Identification Number (EIN) 75-2899198	
Part I Distributions					
All references to distributions relate only to payments of benefits during the plan year.					
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....				1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 22-1211670					
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.					
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....				3	
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☐ No ☐ N/A					
If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____					
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....				6a	
b Enter the amount contributed by the employer to the plan for this plan year.....				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... ☐ Yes ☐ No ☐ N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☐ N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No					
Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No					
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.				Schedule R (Form 5500) 2014 v. 140124	

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2014 AND 2013 AND YEAR ENDED DECEMBER 31, 2014
WITH INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Administrative Committee
Masergy Communications, Inc. 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Masergy Communications, Inc. 401(k) Plan, which comprise the statements of net assets available for benefits - modified cash basis as of December 31, 2014 and 2013, and the related statement of changes in net assets available for benefits - modified cash basis for the year ended December 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Bank & Trust, FSB, the trustee and a custodian of the Plan and Prudential Retirement Insurance and Annuity Company, a custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee and custodians hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained a certification from the trustee and custodians as of December 31, 2014 and 2013, and for the year ended December 31, 2014, that the information provided to the Plan administrator by the trustee and custodians is complete and accurate.

Basis of Accounting

We draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedule H, Line 4i, Schedule of Assets (Held At End of Year) – Modified Cash Basis as of the year ended December 31, 2014, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee and custodians, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, 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.

Perkins, Dexter, Sinopoli & Hamm, P.C.

Perkins, Dexter, Sinopoli & Hamm, P.C.
Certified Public Accountants

Richardson, Texas
October 13, 2015

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS –
MODIFIED CASH BASIS
December 31, 2014

	<u>2014</u>	<u>2013</u>
ASSETS:		
Investments, at fair value	\$ 15,305,620	\$ 12,810,162
Investment, at contract value	1,930,414	1,680,698
Notes receivable from participants	<u>429,410</u>	<u>369,320</u>
Net assets available for benefits	<u>\$ 17,665,444</u>	<u>\$ 14,860,180</u>

See accompanying notes to financial statements.

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS –
MODIFIED CASH BASIS
Year Ended December 31, 2014

ADDITIONS:

Net investment income:	
Net appreciation in fair value of investments	\$ 534,828
Interest and dividends	<u>277,944</u>
	<u>812,772</u>

Interest income on notes receivable from participants	15,137
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Contributions:

Participants	2,080,702
Employer	682,430
Rollovers	<u>958,045</u>
	<u>3,721,177</u>

Total additions	4,549,086
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DEDUCTIONS:

Benefit payments	1,740,073
Administration expenses	<u>3,750</u>

Total deductions	<u>1,743,823</u>
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Net increase	2,805,264
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Net assets available for benefits:

Beginning of year	<u>14,860,180</u>
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End of year	<u><u>\$ 17,665,444</u></u>
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See accompanying notes to financial statements.

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 – DESCRIPTION OF PLAN

The following description of the Masergy Communications, Inc. 401(k) Plan (the “Plan”) provides general information about the Plan’s provisions. Masergy Communications, Inc. (the Company) is the Plan sponsor. Participants should refer to the original Plan document and summary Plan description for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan established under the provisions of Section 401(a) of the Internal Revenue Code (“IRC”), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. All employees, age 20 or older, of the Company are eligible to participate in the Plan on the first day of the month following 30 days of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. Effective April 1, 2014 the Plan was amended to allow the employees acquired under the Global DataGuard acquisition to be immediately eligible to participate in the Plan.

Plan Administration

The Company is the administrator of the Plan. The Administrative Committee, appointed by the board of directors of the Company, provides oversight of the Plan for the Company. Prudential Bank & Trust, FSB, serves as trustee and a custodian of the Plan and Prudential Retirement Insurance and Annuity Company serves as a custodian of the Plan, collectively (Prudential).

Contributions

Each year, a participant may contribute up to 75 percent of pretax annual compensation, as defined by the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Eligible participants will automatically defer three percent of their compensation, unless they elect otherwise, and all participants’ deferral rates shall be increased by 1% of compensation each January 1 thereafter until a maximum deferral rate of 10% is reached, unless the Participant elects otherwise. Participants may also contribute amounts representing distributions from other qualified plans. Effective January 1, 2014, the Company matches 40 percent of participant contributions up to the first 8 percent of employee compensation deferred (as defined) or a maximum Company match of 3.20 percent. Additional non-elective amounts may be contributed at the option of the Company to the Plan. Participant and Company contributions are subject to certain limitations under the IRC. Participants may direct their contributions and Company matching contributions and Company nonelective contributions into any of the investment fund options offered by the Plan.

Participant Accounts

An individual account is maintained for each of the Plan’s participants to reflect the participant’s contributions as well as allocations of the Company’s contributions and an allocation of the Plan’s earnings and any related administrative expenses. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 – DESCRIPTION OF PLAN – continued

participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct their investments to any of the available investment options under the Plan.

Vesting

Participants are fully vested in their deferral and rollover accounts at all times plus actual earnings thereon. Participants are vested in Company contributions on a graduated basis based on years of continuous service, becoming fully vested after three years of service.

Benefits

Upon termination of service due to death, full and permanent disability, termination of employment, or retirement, a participant or their beneficiary may elect to receive an amount equal to the value of the participant's vested interest in their account. Distributions may be made in a lump-sum payment.

Notes Receivable from Participants

A participant may borrow the lesser of \$50,000 or 50 percent of their vested account balance with a minimum loan amount of \$1,000. The loans are secured by the balance in the participant's account. Loans are repayable over periods ranging up to 60 months unless the loan qualifies as a home loan. The interest rate is based on the prime interest rate, as defined, at the time the loan is made plus one percent and is fixed over the life of the loan. Principal and interest is paid ratably through payroll deductions.

Forfeited Accounts

Upon termination of employment, participants forfeit their nonvested balances. At December 31, 2014 and 2013, forfeited nonvested accounts totaled \$32,497 and \$12,895, respectively. These amounts will be used to reduce future employer contributions and to pay administrative expenses. In 2014, employer contributions were reduced by \$17,948 from forfeited nonvested accounts.

Plan Termination

Although it has not expressed intent 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 of ERISA. In the event of Plan termination, participants would become 100 percent vested in their accounts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –continued

in the United States of America (GAAP). That basis differs from the accrual basis of accounting under GAAP in that contributions are recognized when received instead of when earned.

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on the notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2014 or 2013. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Investment Valuation and Income Recognition

Investments held by the Plan are reported at fair value, except for fully benefit-responsive investment contracts. Fair value is defined as 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 (an exit price). Contract value is the relevant measure for the portion of net assets available for benefits of the Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan (see Note 5). The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisers and Prudential. See note 4 for discussion and disclosures related to fair value measurement.

The Plan's investment option offered to participants, the Prudential Guaranteed Income Fund, is a group annuity contract and is subject to the provisions of the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 946-210, which addresses reporting of fully benefit-responsive investment contracts held by an investment company. An investment contract is considered fully benefit responsive if, to the extent it is fully benefit responsive if 1) it is effected directed between the Prudential Guaranteed Income Fund and the contract issuer, 2) the contract issuer provides assurance that the contract crediting rate will not be adjusted to less than zero, 3) the contract requires all permitted participant-initiated transactions with the Prudential Guaranteed Income Fund at contract value without limitation, 4) it is improbable that an event will occur that would limit the ability of the Prudential Guaranteed Income Fund to transact at contract value with both the issuer and the Prudential Guaranteed Income Fund unit holder to meet participant initiated permitted truncations, and 5) the Prudential Guaranteed Income Fund allows unit holders reasonable access to their funds.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Income from investment contracts is recorded at the contract crediting rate determined in accordance with contract terms, net of investment related costs. Dividends are recorded on the ex-dividend date. Net appreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –continued

Administrative Expenses

The Plan's administrative expenses are paid by either the Company (and are excluded from these financial statements) or are paid by the Plan and allocated pro-rata to participant's accounts as provided by the Plan's provisions. Administrative expenses paid by the Plan include recordkeeping, trustee and custodian fees. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Expenses relating to purchases, sales or transfers of the Plan's investments are charged to the particular investment fund to which the expenses relate. Investment related expenses are included in net appreciation of fair value of investments. All other administrative expenses of the Plan are paid by the Company.

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with the basis of accounting described above requires Plan management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from these estimates.

Accounting Standards Issued but not yet Adopted

In May 2015, the FASB issued Accounting Standards Update (ASU) 2015-07 *Fair Value Measurements and Disclosures (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2015-07). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy certain investments for which fair value is not readily available but is measured using the net asset value per share. The guidance is effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years and requires retrospective presentation. The Company expects the new standard will have no impact on the financial statements.

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II of the ASU eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –continued

no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III of the ASU allows a plan with a fiscal year end that doesn't coincide with the end of a calendar month to measure its investments and investment-related accounts using the month end closest to its fiscal year end. The ASU is effective for fiscal years beginning after December 15, 2015. Parts I and II are to be applied retrospectively. Part III is to be applied prospectively. Plans can early adopt any of the ASU's three parts without early adopting the other parts. Management has elected to adopt Part I and II of the ASU early. Part III is not applicable to the Plan.

Subsequent Events

The Plan Administrator has evaluated events or transactions for potential recognition or disclosure through the date on which the financial statements were issued and no items were noted.

NOTE 3 – CERTIFIED INVESTMENT INFORMATION

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments held and notes receivable from participants at December 31, 2014 and 2013, and net appreciation in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the year ended December 31, 2014, was obtained or derived from information provided to the Plan administrator and certified as complete and accurate by Prudential.

Investments:	2014	2013
Mutual Funds, at fair value	\$ 15,305,620	\$ 12,810,162
Prudential Guaranteed Income Fund, at contract value	1,930,414	1,680,698
	<u>\$ 17,236,034</u>	<u>\$ 14,490,860</u>
Notes receivable from participants	<u>\$ 429,410</u>	<u>\$ 369,320</u>
Net appreciation in fair value of investments	<u>\$ 534,828</u>	
Interest and dividends	<u>\$ 277,944</u>	
Interest on notes receivable from participants	<u>\$ 15,137</u>	

NOTE 4 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 4 – FAIR VALUE MEASUREMENTS –continued

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at the measurement date.

Level 2 - Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable inputs for the asset or liability.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2014 and 2013:

	Fair Value Measurements Using:			
	Total	(Level 1)	(Level 2)	(Level 3)
<u>December 31, 2014</u>				
Mutual Funds	<u>\$ 15,305,620</u>	<u>\$ 15,305,620</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2013</u>				
Mutual Funds	<u>\$ 12,810,162</u>	<u>\$ 12,810,162</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – INVESTMENTS VALUED AT CONTRACT VALUE

Group Annuity Contract: The Plan invests in the Prudential Guaranteed Income Fund that is a Prudential general account backed evergreen (no maturity date) group annuity spread product that is valued at contract value and qualifies as a fully benefit responsive guaranteed investment contract. Upon discontinuance of the contract, the contract value would be paid no later than 90 days from the date the Plan sponsor provides notice to discontinue and as such, there is no fair value adjustment upon discontinuance. Under this contract the Plan owns a promise to pay interest at crediting rates, net of administrative fees, which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contract (minimum rate of 1.5%) and participants may direct permitted withdrawal and/or transfer transactions of all or a

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 5 – INVESTMENTS VALUED AT CONTRACT VALUE –continued

portion of their account balance at contract value. Certain events such as a temporary absence or break in service under the Plan, transfer or other change of position resulting in employment by an entity controlling, controlled by or under common control with the Company, separation from employment resulting from a reorganization, merger, layoff or the sale or discontinuance of all or any part of the Company's business, removal from the plan of one or more groups or classifications of participants, partial or complete Plan terminations, or Plan disqualification may limit the ability of the Plan to transact at contract value. The Plan administrator believes that any events that would limit the Plan's ability to transact at contract value with participants are not probable of occurring.

There are no reserves against contract value for credit risk of the contract issuer or otherwise as the contract is backed by the full faith and creditworthiness of the issuer. Guarantees are based on the claims-paying ability of the issuer and not on the value of the securities within the insurer's general account. Interest is credited on contract balances using a single "portfolio rate" approach and is applied to all contributions regardless of the timing of those contributions. Interest crediting rates are reviewed on a semi-annual basis for resetting. Crediting rates are set based on current economic and market conditions, the general interest rate environment and both the expected and actual experience of a reference portfolio within Prudential's general account.

NOTE 6 - TAX STATUS

The underlying non-standardized prototype plan has received an opinion letter from the Internal Revenue Service (IRS) dated March 31, 2008 stating that the form of the plan is qualified under Section 401(a) of the IRC and therefore, the related trust is tax-exempt. In accordance with Revenue Procedures 2012-6 and 2011-49, the Plan administrator has determined that it is eligible to and has chosen to rely on the current IRS prototype Plan opinion letter. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualified status. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and therefore believes the Plan is qualified and the related trust is tax-exempt.

GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdiction; however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

NOTE 7 – RELATED PARTY TRANSACTIONS

Certain plan investments are shares of mutual funds or units of group annuity contracts managed by the Prudential. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transaction rules under ERISA.

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 8 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities, in general, are exposed to various risks, including credit interest rate and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

SUPPLEMENTAL SCHEDULE

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
SCHEDULE H, LINE 4i, SCHEDULE OF ASSETS (HELD AT END OF YEAR) –
MODIFIED CASH BASIS
PLAN #001 EIN 75-2899198
Year Ended December 31, 2014

(a)	(b)	(c)	(d)	(e)
Identity of issuer, borrower, lessor, or similar party	Description of investment	Cost	Current	Value
Allianz Global Investment Fund Management LLC	AllianzGI NFJ International Value Fund A	**		1,029,840
	Allianzgi NFJ SC Val Admin			666,647
Capital Research & Management Co.	American Funds EuroPacific Growth R3	**		1,272,947
Clearbridge	Clearbridg SM CAP GRO I	**		789,400
Columbia Wanger Asset Management, LLC	Columbia Large Cap Index Z	**		170,732
Franklin Advisers, Inc.	Franklin Growth Fund R	**		2,319,830
John Hancock	John Hancock Disc R2	**		2,134,690
Loomis Sayles & Company L.P.	Loomis Sayles Bond Fund Admin	**		1,428,178
Lord Abbett & Co LLC	Lord Abbett Fundamental Equity A	**		70,513
Harris Associates L.P.	Oakmark Equity & Income Fund II	**		45,938
OppenheimerFunds, Inc.	Oppenheimer Developing Markets A	**		1,048,455
OppenheimerFunds, Inc.	Oppenheimer Intl Sm Co Y	**		200,752
Pacific Investment Management Co. LLC	Pimco Real Return Fund Institutional	**		5,818
Pacific Investment Management Co. LLC	Pimco Total Return A	**		103,279
Pacific Investment Management Co. LLC	Pimco All Asset Admin Fund	**		1,083,522
* Prudential Retirement Insurance and Annuity Company	Prudential Guaranteed Income Fund	**		1,930,414
* Prudential Investments LLC	Prudential Jennison Mid Cap Growth Z	**		756,323
* Prudential Investments LLC	Prudential Jennison National Resources	**		25,359
Franklin Templeton Investments	Templeton Global Bond Fund	**		576,632
Vanguard Group, Inc.	Vanguard Mid Cap Index Signal	**		252,287
Vanguard Group, Inc.	Vanguard Total Stock Market Index	**		352,027
Vanguard Group, Inc.	Vanguard Small Cap Index Fund	**		191,602
Victory Capital Management Inc.	Victory Established Value Fund	**		721,902
Voya	Voya Global Real Estate A	**		58,947
* Participants	Notes Receivable with varying maturity dates at a 4.25% interest rate			429,410
				<u>\$ 17,665,444</u>

* - Indicates party-in-interest

** - Participant-directed.

See accompanying independent auditor's report.

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2014 AND 2013 AND YEAR ENDED DECEMBER 31, 2014
WITH INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Administrative Committee
Masergy Communications, Inc. 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Masergy Communications, Inc. 401(k) Plan, which comprise the statements of net assets available for benefits - modified cash basis as of December 31, 2014 and 2013, and the related statement of changes in net assets available for benefits - modified cash basis for the year ended December 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Bank & Trust, FSB, the trustee and a custodian of the Plan and Prudential Retirement Insurance and Annuity Company, a custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee and custodians hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained a certification from the trustee and custodians as of December 31, 2014 and 2013, and for the year ended December 31, 2014, that the information provided to the Plan administrator by the trustee and custodians is complete and accurate.

Basis of Accounting

We draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedule H, Line 4i, Schedule of Assets (Held At End of Year) – Modified Cash Basis as of the year ended December 31, 2014, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee and custodians, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, 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.

Perkins, Dexter, Sinopoli & Hamm, P.C.

Perkins, Dexter, Sinopoli & Hamm, P.C.
Certified Public Accountants

Richardson, Texas
October 13, 2015

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS –
MODIFIED CASH BASIS
December 31, 2014

	<u>2014</u>	<u>2013</u>
ASSETS:		
Investments, at fair value	\$ 15,305,620	\$ 12,810,162
Investment, at contract value	1,930,414	1,680,698
Notes receivable from participants	<u>429,410</u>	<u>369,320</u>
Net assets available for benefits	<u>\$ 17,665,444</u>	<u>\$ 14,860,180</u>

See accompanying notes to financial statements.

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS –
MODIFIED CASH BASIS
Year Ended December 31, 2014

ADDITIONS:

Net investment income:	
Net appreciation in fair value of investments	\$ 534,828
Interest and dividends	<u>277,944</u>
	<u>812,772</u>

Interest income on notes receivable from participants	15,137
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Contributions:

Participants	2,080,702
Employer	682,430
Rollovers	<u>958,045</u>
	<u>3,721,177</u>

Total additions	4,549,086
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DEDUCTIONS:

Benefit payments	1,740,073
Administration expenses	<u>3,750</u>

Total deductions	<u>1,743,823</u>
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Net increase	2,805,264
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Net assets available for benefits:

Beginning of year	<u>14,860,180</u>
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End of year	<u><u>\$ 17,665,444</u></u>
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See accompanying notes to financial statements.

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 – DESCRIPTION OF PLAN

The following description of the Masergy Communications, Inc. 401(k) Plan (the “Plan”) provides general information about the Plan’s provisions. Masergy Communications, Inc. (the Company) is the Plan sponsor. Participants should refer to the original Plan document and summary Plan description for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan established under the provisions of Section 401(a) of the Internal Revenue Code (“IRC”), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. All employees, age 20 or older, of the Company are eligible to participate in the Plan on the first day of the month following 30 days of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. Effective April 1, 2014 the Plan was amended to allow the employees acquired under the Global DataGuard acquisition to be immediately eligible to participate in the Plan.

Plan Administration

The Company is the administrator of the Plan. The Administrative Committee, appointed by the board of directors of the Company, provides oversight of the Plan for the Company. Prudential Bank & Trust, FSB, serves as trustee and a custodian of the Plan and Prudential Retirement Insurance and Annuity Company serves as a custodian of the Plan, collectively (Prudential).

Contributions

Each year, a participant may contribute up to 75 percent of pretax annual compensation, as defined by the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Eligible participants will automatically defer three percent of their compensation, unless they elect otherwise, and all participants’ deferral rates shall be increased by 1% of compensation each January 1 thereafter until a maximum deferral rate of 10% is reached, unless the Participant elects otherwise. Participants may also contribute amounts representing distributions from other qualified plans. Effective January 1, 2014, the Company matches 40 percent of participant contributions up to the first 8 percent of employee compensation deferred (as defined) or a maximum Company match of 3.20 percent. Additional non-elective amounts may be contributed at the option of the Company to the Plan. Participant and Company contributions are subject to certain limitations under the IRC. Participants may direct their contributions and Company matching contributions and Company nonelective contributions into any of the investment fund options offered by the Plan.

Participant Accounts

An individual account is maintained for each of the Plan’s participants to reflect the participant’s contributions as well as allocations of the Company’s contributions and an allocation of the Plan’s earnings and any related administrative expenses. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 – DESCRIPTION OF PLAN – continued

participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct their investments to any of the available investment options under the Plan.

Vesting

Participants are fully vested in their deferral and rollover accounts at all times plus actual earnings thereon. Participants are vested in Company contributions on a graduated basis based on years of continuous service, becoming fully vested after three years of service.

Benefits

Upon termination of service due to death, full and permanent disability, termination of employment, or retirement, a participant or their beneficiary may elect to receive an amount equal to the value of the participant's vested interest in their account. Distributions may be made in a lump-sum payment.

Notes Receivable from Participants

A participant may borrow the lesser of \$50,000 or 50 percent of their vested account balance with a minimum loan amount of \$1,000. The loans are secured by the balance in the participant's account. Loans are repayable over periods ranging up to 60 months unless the loan qualifies as a home loan. The interest rate is based on the prime interest rate, as defined, at the time the loan is made plus one percent and is fixed over the life of the loan. Principal and interest is paid ratably through payroll deductions.

Forfeited Accounts

Upon termination of employment, participants forfeit their nonvested balances. At December 31, 2014 and 2013, forfeited nonvested accounts totaled \$32,497 and \$12,895, respectively. These amounts will be used to reduce future employer contributions and to pay administrative expenses. In 2014, employer contributions were reduced by \$17,948 from forfeited nonvested accounts.

Plan Termination

Although it has not expressed intent 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 of ERISA. In the event of Plan termination, participants would become 100 percent vested in their accounts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –continued

in the United States of America (GAAP). That basis differs from the accrual basis of accounting under GAAP in that contributions are recognized when received instead of when earned.

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on the notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2014 or 2013. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Investment Valuation and Income Recognition

Investments held by the Plan are reported at fair value, except for fully benefit-responsive investment contracts. Fair value is defined as 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 (an exit price). Contract value is the relevant measure for the portion of net assets available for benefits of the Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan (see Note 5). The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisers and Prudential. See note 4 for discussion and disclosures related to fair value measurement.

The Plan's investment option offered to participants, the Prudential Guaranteed Income Fund, is a group annuity contract and is subject to the provisions of the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 946-210, which addresses reporting of fully benefit-responsive investment contracts held by an investment company. An investment contract is considered fully benefit responsive if, to the extent it is fully benefit responsive if 1) it is effected directed between the Prudential Guaranteed Income Fund and the contract issuer, 2) the contract issuer provides assurance that the contract crediting rate will not be adjusted to less than zero, 3) the contract requires all permitted participant-initiated transactions with the Prudential Guaranteed Income Fund at contract value without limitation, 4) it is improbable that an event will occur that would limit the ability of the Prudential Guaranteed Income Fund to transact at contract value with both the issuer and the Prudential Guaranteed Income Fund unit holder to meet participant initiated permitted truncations, and 5) the Prudential Guaranteed Income Fund allows unit holders reasonable access to their funds.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Income from investment contracts is recorded at the contract crediting rate determined in accordance with contract terms, net of investment related costs. Dividends are recorded on the ex-dividend date. Net appreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –continued

Administrative Expenses

The Plan's administrative expenses are paid by either the Company (and are excluded from these financial statements) or are paid by the Plan and allocated pro-rata to participant's accounts as provided by the Plan's provisions. Administrative expenses paid by the Plan include recordkeeping, trustee and custodian fees. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Expenses relating to purchases, sales or transfers of the Plan's investments are charged to the particular investment fund to which the expenses relate. Investment related expenses are included in net appreciation of fair value of investments. All other administrative expenses of the Plan are paid by the Company.

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with the basis of accounting described above requires Plan management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from these estimates.

Accounting Standards Issued but not yet Adopted

In May 2015, the FASB issued Accounting Standards Update (ASU) 2015-07 *Fair Value Measurements and Disclosures (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2015-07). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy certain investments for which fair value is not readily available but is measured using the net asset value per share. The guidance is effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years and requires retrospective presentation. The Company expects the new standard will have no impact on the financial statements.

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II of the ASU eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –continued

no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III of the ASU allows a plan with a fiscal year end that doesn't coincide with the end of a calendar month to measure its investments and investment-related accounts using the month end closest to its fiscal year end. The ASU is effective for fiscal years beginning after December 15, 2015. Parts I and II are to be applied retrospectively. Part III is to be applied prospectively. Plans can early adopt any of the ASU's three parts without early adopting the other parts. Management has elected to adopt Part I and II of the ASU early. Part III is not applicable to the Plan.

Subsequent Events

The Plan Administrator has evaluated events or transactions for potential recognition or disclosure through the date on which the financial statements were issued and no items were noted.

NOTE 3 – CERTIFIED INVESTMENT INFORMATION

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments held and notes receivable from participants at December 31, 2014 and 2013, and net appreciation in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the year ended December 31, 2014, was obtained or derived from information provided to the Plan administrator and certified as complete and accurate by Prudential.

Investments:	2014	2013
Mutual Funds, at fair value	\$ 15,305,620	\$ 12,810,162
Prudential Guaranteed Income Fund, at contract value	1,930,414	1,680,698
	<u>\$ 17,236,034</u>	<u>\$ 14,490,860</u>
Notes receivable from participants	<u>\$ 429,410</u>	<u>\$ 369,320</u>
Net appreciation in fair value of investments	<u>\$ 534,828</u>	
Interest and dividends	<u>\$ 277,944</u>	
Interest on notes receivable from participants	<u>\$ 15,137</u>	

NOTE 4 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 4 – FAIR VALUE MEASUREMENTS –continued

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at the measurement date.

Level 2 - Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable inputs for the asset or liability.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2014 and 2013:

	Fair Value Measurements Using:			
	Total	(Level 1)	(Level 2)	(Level 3)
<u>December 31, 2014</u>				
Mutual Funds	<u>\$ 15,305,620</u>	<u>\$ 15,305,620</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2013</u>				
Mutual Funds	<u>\$ 12,810,162</u>	<u>\$ 12,810,162</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – INVESTMENTS VALUED AT CONTRACT VALUE

Group Annuity Contract: The Plan invests in the Prudential Guaranteed Income Fund that is a Prudential general account backed evergreen (no maturity date) group annuity spread product that is valued at contract value and qualifies as a fully benefit responsive guaranteed investment contract. Upon discontinuance of the contract, the contract value would be paid no later than 90 days from the date the Plan sponsor provides notice to discontinue and as such, there is no fair value adjustment upon discontinuance. Under this contract the Plan owns a promise to pay interest at crediting rates, net of administrative fees, which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contract (minimum rate of 1.5%) and participants may direct permitted withdrawal and/or transfer transactions of all or a

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 5 – INVESTMENTS VALUED AT CONTRACT VALUE –continued

portion of their account balance at contract value. Certain events such as a temporary absence or break in service under the Plan, transfer or other change of position resulting in employment by an entity controlling, controlled by or under common control with the Company, separation from employment resulting from a reorganization, merger, layoff or the sale or discontinuance of all or any part of the Company's business, removal from the plan of one or more groups or classifications of participants, partial or complete Plan terminations, or Plan disqualification may limit the ability of the Plan to transact at contract value. The Plan administrator believes that any events that would limit the Plan's ability to transact at contract value with participants are not probable of occurring.

There are no reserves against contract value for credit risk of the contract issuer or otherwise as the contract is backed by the full faith and creditworthiness of the issuer. Guarantees are based on the claims-paying ability of the issuer and not on the value of the securities within the insurer's general account. Interest is credited on contract balances using a single "portfolio rate" approach and is applied to all contributions regardless of the timing of those contributions. Interest crediting rates are reviewed on a semi-annual basis for resetting. Crediting rates are set based on current economic and market conditions, the general interest rate environment and both the expected and actual experience of a reference portfolio within Prudential's general account.

NOTE 6 - TAX STATUS

The underlying non-standardized prototype plan has received an opinion letter from the Internal Revenue Service (IRS) dated March 31, 2008 stating that the form of the plan is qualified under Section 401(a) of the IRC and therefore, the related trust is tax-exempt. In accordance with Revenue Procedures 2012-6 and 2011-49, the Plan administrator has determined that it is eligible to and has chosen to rely on the current IRS prototype Plan opinion letter. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualified status. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and therefore believes the Plan is qualified and the related trust is tax-exempt.

GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdiction; however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

NOTE 7 – RELATED PARTY TRANSACTIONS

Certain plan investments are shares of mutual funds or units of group annuity contracts managed by the Prudential. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transaction rules under ERISA.

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 8 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities, in general, are exposed to various risks, including credit interest rate and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

SUPPLEMENTAL SCHEDULE

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
SCHEDULE H, LINE 4i, SCHEDULE OF ASSETS (HELD AT END OF YEAR) –
MODIFIED CASH BASIS
PLAN #001 EIN 75-2899198
Year Ended December 31, 2014

(a)	(b)	(c)	(d)	(e)
Identity of issuer, borrower, lessor, or similar party	Description of investment	Cost	Current	Value
Allianz Global Investment Fund Management LLC	AllianzGI NFJ International Value Fund A	**		1,029,840
	Allianzgi NFJ SC Val Admin			666,647
Capital Research & Management Co.	American Funds EuroPacific Growth R3	**		1,272,947
Clearbridge	Clearbridg SM CAP GRO I	**		789,400
Columbia Wanger Asset Management, LLC	Columbia Large Cap Index Z	**		170,732
Franklin Advisers, Inc.	Franklin Growth Fund R	**		2,319,830
John Hancock	John Hancock Disc R2	**		2,134,690
Loomis Sayles & Company L.P.	Loomis Sayles Bond Fund Admin	**		1,428,178
Lord Abbett & Co LLC	Lord Abbett Fundamental Equity A	**		70,513
Harris Associates L.P.	Oakmark Equity & Income Fund II	**		45,938
OppenheimerFunds, Inc.	Oppenheimer Developing Markets A	**		1,048,455
OppenheimerFunds, Inc.	Oppenheimer Intl Sm Co Y	**		200,752
Pacific Investment Management Co. LLC	Pimco Real Return Fund Institutional	**		5,818
Pacific Investment Management Co. LLC	Pimco Total Return A	**		103,279
Pacific Investment Management Co. LLC	Pimco All Asset Admin Fund	**		1,083,522
* Prudential Retirement Insurance and Annuity Company	Prudential Guaranteed Income Fund	**		1,930,414
* Prudential Investments LLC	Prudential Jennison Mid Cap Growth Z	**		756,323
* Prudential Investments LLC	Prudential Jennison National Resources	**		25,359
Franklin Templeton Investments	Templeton Global Bond Fund	**		576,632
Vanguard Group, Inc.	Vanguard Mid Cap Index Signal	**		252,287
Vanguard Group, Inc.	Vanguard Total Stock Market Index	**		352,027
Vanguard Group, Inc.	Vanguard Small Cap Index Fund	**		191,602
Victory Capital Management Inc.	Victory Established Value Fund	**		721,902
Voya	Voya Global Real Estate A	**		58,947
* Participants	Notes Receivable with varying maturity dates at a 4.25% interest rate			429,410
				<u>\$ 17,665,444</u>

* - Indicates party-in-interest

** - Participant-directed.

See accompanying independent auditor's report.

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
DECEMBER 31, 2014 AND 2013 AND YEAR ENDED DECEMBER 31, 2014
WITH INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Administrative Committee
Masergy Communications, Inc. 401(k) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Masergy Communications, Inc. 401(k) Plan, which comprise the statements of net assets available for benefits - modified cash basis as of December 31, 2014 and 2013, and the related statement of changes in net assets available for benefits - modified cash basis for the year ended December 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Bank & Trust, FSB, the trustee and a custodian of the Plan and Prudential Retirement Insurance and Annuity Company, a custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee and custodians hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained a certification from the trustee and custodians as of December 31, 2014 and 2013, and for the year ended December 31, 2014, that the information provided to the Plan administrator by the trustee and custodians is complete and accurate.

Basis of Accounting

We draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedule H, Line 4i, Schedule of Assets (Held At End of Year) – Modified Cash Basis as of the year ended December 31, 2014, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee and custodians, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, 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.

Perkins, Dexter, Sinopoli & Hamm, P.C.

Perkins, Dexter, Sinopoli & Hamm, P.C.
Certified Public Accountants

Richardson, Texas
October 13, 2015

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS –
MODIFIED CASH BASIS
December 31, 2014

	<u>2014</u>	<u>2013</u>
ASSETS:		
Investments, at fair value	\$ 15,305,620	\$ 12,810,162
Investment, at contract value	1,930,414	1,680,698
Notes receivable from participants	<u>429,410</u>	<u>369,320</u>
Net assets available for benefits	<u>\$ 17,665,444</u>	<u>\$ 14,860,180</u>

See accompanying notes to financial statements.

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS –
MODIFIED CASH BASIS
Year Ended December 31, 2014

ADDITIONS:

Net investment income:	
Net appreciation in fair value of investments	\$ 534,828
Interest and dividends	<u>277,944</u>
	<u>812,772</u>

Interest income on notes receivable from participants	15,137
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Contributions:

Participants	2,080,702
Employer	682,430
Rollovers	<u>958,045</u>
	<u>3,721,177</u>

Total additions	4,549,086
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DEDUCTIONS:

Benefit payments	1,740,073
Administration expenses	<u>3,750</u>

Total deductions	<u>1,743,823</u>
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Net increase	2,805,264
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Net assets available for benefits:

Beginning of year	<u>14,860,180</u>
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End of year	<u><u>\$ 17,665,444</u></u>
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See accompanying notes to financial statements.

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 – DESCRIPTION OF PLAN

The following description of the Masergy Communications, Inc. 401(k) Plan (the “Plan”) provides general information about the Plan’s provisions. Masergy Communications, Inc. (the Company) is the Plan sponsor. Participants should refer to the original Plan document and summary Plan description for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan established under the provisions of Section 401(a) of the Internal Revenue Code (“IRC”), which includes a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Company. All employees, age 20 or older, of the Company are eligible to participate in the Plan on the first day of the month following 30 days of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended. Effective April 1, 2014 the Plan was amended to allow the employees acquired under the Global DataGuard acquisition to be immediately eligible to participate in the Plan.

Plan Administration

The Company is the administrator of the Plan. The Administrative Committee, appointed by the board of directors of the Company, provides oversight of the Plan for the Company. Prudential Bank & Trust, FSB, serves as trustee and a custodian of the Plan and Prudential Retirement Insurance and Annuity Company serves as a custodian of the Plan, collectively (Prudential).

Contributions

Each year, a participant may contribute up to 75 percent of pretax annual compensation, as defined by the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Eligible participants will automatically defer three percent of their compensation, unless they elect otherwise, and all participants’ deferral rates shall be increased by 1% of compensation each January 1 thereafter until a maximum deferral rate of 10% is reached, unless the Participant elects otherwise. Participants may also contribute amounts representing distributions from other qualified plans. Effective January 1, 2014, the Company matches 40 percent of participant contributions up to the first 8 percent of employee compensation deferred (as defined) or a maximum Company match of 3.20 percent. Additional non-elective amounts may be contributed at the option of the Company to the Plan. Participant and Company contributions are subject to certain limitations under the IRC. Participants may direct their contributions and Company matching contributions and Company nonelective contributions into any of the investment fund options offered by the Plan.

Participant Accounts

An individual account is maintained for each of the Plan’s participants to reflect the participant’s contributions as well as allocations of the Company’s contributions and an allocation of the Plan’s earnings and any related administrative expenses. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 – DESCRIPTION OF PLAN – continued

participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct their investments to any of the available investment options under the Plan.

Vesting

Participants are fully vested in their deferral and rollover accounts at all times plus actual earnings thereon. Participants are vested in Company contributions on a graduated basis based on years of continuous service, becoming fully vested after three years of service.

Benefits

Upon termination of service due to death, full and permanent disability, termination of employment, or retirement, a participant or their beneficiary may elect to receive an amount equal to the value of the participant's vested interest in their account. Distributions may be made in a lump-sum payment.

Notes Receivable from Participants

A participant may borrow the lesser of \$50,000 or 50 percent of their vested account balance with a minimum loan amount of \$1,000. The loans are secured by the balance in the participant's account. Loans are repayable over periods ranging up to 60 months unless the loan qualifies as a home loan. The interest rate is based on the prime interest rate, as defined, at the time the loan is made plus one percent and is fixed over the life of the loan. Principal and interest is paid ratably through payroll deductions.

Forfeited Accounts

Upon termination of employment, participants forfeit their nonvested balances. At December 31, 2014 and 2013, forfeited nonvested accounts totaled \$32,497 and \$12,895, respectively. These amounts will be used to reduce future employer contributions and to pay administrative expenses. In 2014, employer contributions were reduced by \$17,948 from forfeited nonvested accounts.

Plan Termination

Although it has not expressed intent 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 of ERISA. In the event of Plan termination, participants would become 100 percent vested in their accounts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –continued

in the United States of America (GAAP). That basis differs from the accrual basis of accounting under GAAP in that contributions are recognized when received instead of when earned.

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on the notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2014 or 2013. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Investment Valuation and Income Recognition

Investments held by the Plan are reported at fair value, except for fully benefit-responsive investment contracts. Fair value is defined as 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 (an exit price). Contract value is the relevant measure for the portion of net assets available for benefits of the Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan (see Note 5). The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisers and Prudential. See note 4 for discussion and disclosures related to fair value measurement.

The Plan's investment option offered to participants, the Prudential Guaranteed Income Fund, is a group annuity contract and is subject to the provisions of the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic 946-210, which addresses reporting of fully benefit-responsive investment contracts held by an investment company. An investment contract is considered fully benefit responsive if, to the extent it is fully benefit responsive if 1) it is effected directed between the Prudential Guaranteed Income Fund and the contract issuer, 2) the contract issuer provides assurance that the contract crediting rate will not be adjusted to less than zero, 3) the contract requires all permitted participant-initiated transactions with the Prudential Guaranteed Income Fund at contract value without limitation, 4) it is improbable that an event will occur that would limit the ability of the Prudential Guaranteed Income Fund to transact at contract value with both the issuer and the Prudential Guaranteed Income Fund unit holder to meet participant initiated permitted truncations, and 5) the Prudential Guaranteed Income Fund allows unit holders reasonable access to their funds.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Income from investment contracts is recorded at the contract crediting rate determined in accordance with contract terms, net of investment related costs. Dividends are recorded on the ex-dividend date. Net appreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –continued

Administrative Expenses

The Plan's administrative expenses are paid by either the Company (and are excluded from these financial statements) or are paid by the Plan and allocated pro-rata to participant's accounts as provided by the Plan's provisions. Administrative expenses paid by the Plan include recordkeeping, trustee and custodian fees. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Expenses relating to purchases, sales or transfers of the Plan's investments are charged to the particular investment fund to which the expenses relate. Investment related expenses are included in net appreciation of fair value of investments. All other administrative expenses of the Plan are paid by the Company.

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with the basis of accounting described above requires Plan management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from these estimates.

Accounting Standards Issued but not yet Adopted

In May 2015, the FASB issued Accounting Standards Update (ASU) 2015-07 *Fair Value Measurements and Disclosures (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2015-07). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy certain investments for which fair value is not readily available but is measured using the net asset value per share. The guidance is effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years and requires retrospective presentation. The Company expects the new standard will have no impact on the financial statements.

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II of the ASU eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –continued

no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III of the ASU allows a plan with a fiscal year end that doesn't coincide with the end of a calendar month to measure its investments and investment-related accounts using the month end closest to its fiscal year end. The ASU is effective for fiscal years beginning after December 15, 2015. Parts I and II are to be applied retrospectively. Part III is to be applied prospectively. Plans can early adopt any of the ASU's three parts without early adopting the other parts. Management has elected to adopt Part I and II of the ASU early. Part III is not applicable to the Plan.

Subsequent Events

The Plan Administrator has evaluated events or transactions for potential recognition or disclosure through the date on which the financial statements were issued and no items were noted.

NOTE 3 – CERTIFIED INVESTMENT INFORMATION

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments held and notes receivable from participants at December 31, 2014 and 2013, and net appreciation in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the year ended December 31, 2014, was obtained or derived from information provided to the Plan administrator and certified as complete and accurate by Prudential.

Investments:	2014	2013
Mutual Funds, at fair value	\$ 15,305,620	\$ 12,810,162
Prudential Guaranteed Income Fund, at contract value	1,930,414	1,680,698
	<u>\$ 17,236,034</u>	<u>\$ 14,490,860</u>
Notes receivable from participants	<u>\$ 429,410</u>	<u>\$ 369,320</u>
Net appreciation in fair value of investments	<u>\$ 534,828</u>	
Interest and dividends	<u>\$ 277,944</u>	
Interest on notes receivable from participants	<u>\$ 15,137</u>	

NOTE 4 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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NOTE 4 – FAIR VALUE MEASUREMENTS –continued

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at the measurement date.

Level 2 - Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable inputs for the asset or liability.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2014 and 2013:

	Fair Value Measurements Using:			
	Total	(Level 1)	(Level 2)	(Level 3)
<u>December 31, 2014</u>				
Mutual Funds	<u>\$ 15,305,620</u>	<u>\$ 15,305,620</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2013</u>				
Mutual Funds	<u>\$ 12,810,162</u>	<u>\$ 12,810,162</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 – INVESTMENTS VALUED AT CONTRACT VALUE

Group Annuity Contract: The Plan invests in the Prudential Guaranteed Income Fund that is a Prudential general account backed evergreen (no maturity date) group annuity spread product that is valued at contract value and qualifies as a fully benefit responsive guaranteed investment contract. Upon discontinuance of the contract, the contract value would be paid no later than 90 days from the date the Plan sponsor provides notice to discontinue and as such, there is no fair value adjustment upon discontinuance. Under this contract the Plan owns a promise to pay interest at crediting rates, net of administrative fees, which are announced in advance and guaranteed for a specified period of time as outlined in the group annuity contract (minimum rate of 1.5%) and participants may direct permitted withdrawal and/or transfer transactions of all or a

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NOTE 5 – INVESTMENTS VALUED AT CONTRACT VALUE –continued

portion of their account balance at contract value. Certain events such as a temporary absence or break in service under the Plan, transfer or other change of position resulting in employment by an entity controlling, controlled by or under common control with the Company, separation from employment resulting from a reorganization, merger, layoff or the sale or discontinuance of all or any part of the Company's business, removal from the plan of one or more groups or classifications of participants, partial or complete Plan terminations, or Plan disqualification may limit the ability of the Plan to transact at contract value. The Plan administrator believes that any events that would limit the Plan's ability to transact at contract value with participants are not probable of occurring.

There are no reserves against contract value for credit risk of the contract issuer or otherwise as the contract is backed by the full faith and creditworthiness of the issuer. Guarantees are based on the claims-paying ability of the issuer and not on the value of the securities within the insurer's general account. Interest is credited on contract balances using a single "portfolio rate" approach and is applied to all contributions regardless of the timing of those contributions. Interest crediting rates are reviewed on a semi-annual basis for resetting. Crediting rates are set based on current economic and market conditions, the general interest rate environment and both the expected and actual experience of a reference portfolio within Prudential's general account.

NOTE 6 - TAX STATUS

The underlying non-standardized prototype plan has received an opinion letter from the Internal Revenue Service (IRS) dated March 31, 2008 stating that the form of the plan is qualified under Section 401(a) of the IRC and therefore, the related trust is tax-exempt. In accordance with Revenue Procedures 2012-6 and 2011-49, the Plan administrator has determined that it is eligible to and has chosen to rely on the current IRS prototype Plan opinion letter. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualified status. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and therefore believes the Plan is qualified and the related trust is tax-exempt.

GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdiction; however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

NOTE 7 – RELATED PARTY TRANSACTIONS

Certain plan investments are shares of mutual funds or units of group annuity contracts managed by the Prudential. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transaction rules under ERISA.

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NOTE 8 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities, in general, are exposed to various risks, including credit interest rate and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

SUPPLEMENTAL SCHEDULE

MASERGY COMMUNICATIONS, INC. 401(k) PLAN
SCHEDULE H, LINE 4i, SCHEDULE OF ASSETS (HELD AT END OF YEAR) –
MODIFIED CASH BASIS
PLAN #001 EIN 75-2899198
Year Ended December 31, 2014

(a)	(b)	(c)	(d)	(e)
Identity of issuer, borrower, lessor, or similar party	Description of investment	Cost	Current	Value
Allianz Global Investment Fund Management LLC	AllianzGI NFJ International Value Fund A	**		1,029,840
	Allianzgi NFJ SC Val Admin			666,647
Capital Research & Management Co.	American Funds EuroPacific Growth R3	**		1,272,947
Clearbridge	Clearbridg SM CAP GRO I	**		789,400
Columbia Wanger Asset Management, LLC	Columbia Large Cap Index Z	**		170,732
Franklin Advisers, Inc.	Franklin Growth Fund R	**		2,319,830
John Hancock	John Hancock Disc R2	**		2,134,690
Loomis Sayles & Company L.P.	Loomis Sayles Bond Fund Admin	**		1,428,178
Lord Abbett & Co LLC	Lord Abbett Fundamental Equity A	**		70,513
Harris Associates L.P.	Oakmark Equity & Income Fund II	**		45,938
OppenheimerFunds, Inc.	Oppenheimer Developing Markets A	**		1,048,455
OppenheimerFunds, Inc.	Oppenheimer Intl Sm Co Y	**		200,752
Pacific Investment Management Co. LLC	Pimco Real Return Fund Institutional	**		5,818
Pacific Investment Management Co. LLC	Pimco Total Return A	**		103,279
Pacific Investment Management Co. LLC	Pimco All Asset Admin Fund	**		1,083,522
* Prudential Retirement Insurance and Annuity Company	Prudential Guaranteed Income Fund	**		1,930,414
* Prudential Investments LLC	Prudential Jennison Mid Cap Growth Z	**		756,323
* Prudential Investments LLC	Prudential Jennison National Resources	**		25,359
Franklin Templeton Investments	Templeton Global Bond Fund	**		576,632
Vanguard Group, Inc.	Vanguard Mid Cap Index Signal	**		252,287
Vanguard Group, Inc.	Vanguard Total Stock Market Index	**		352,027
Vanguard Group, Inc.	Vanguard Small Cap Index Fund	**		191,602
Victory Capital Management Inc.	Victory Established Value Fund	**		721,902
Voya	Voya Global Real Estate A	**		58,947
* Participants	Notes Receivable with varying maturity dates at a 4.25% interest rate			429,410
				<u>\$ 17,665,444</u>

* - Indicates party-in-interest

** - Participant-directed.

See accompanying independent auditor's report.