



NEPC, LLC

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**City of Hartford Municipal  
Employees' Retirement Fund**  
**Second Quarter 2012  
Investment Performance Analysis**

July 2012

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# Executive Summary

# Investment Summary

## Portfolio Commentary

### Goals & Objectives

- The portfolios investment objective is to achieve a rate of return consistent that of the set asset allocation, while maintaining a long term investment horizon for the Fund
- As of June, 2012 the target allocation of the fund is 32% equities, 32% fixed income, 7% GAA, and 29% alternatives.

### Recent Decisions and Ongoing Activities

- NEPC's thoughts on the framework for MERF to manage their annual plan liquidity.
- Voted to replace Tygh with ING Small Cap Growth at May meeting.
- Real Estate Strategic Plan delivered mid July.
- Mondrian and Eaton Vance added to portfolio in June.
- Real Estate and Commodity IPS distributed in mid July for review.

### Total Fund Performance

- The Fund returned -1.0% for the Quarter, which ranked in the 16<sup>th</sup> percentile in the ICC Public Fund Universe.
- Trailing performance ranks above the median for the last quarter, one and five year period, but trails the median over the last three year period.

### Total Fund Asset Allocation

- Currently, the Fund is overweight to U.S. and International Equities and Fixed income, and underweight to Alternative Strategies, emerging markets and GAA relative to long term targets.

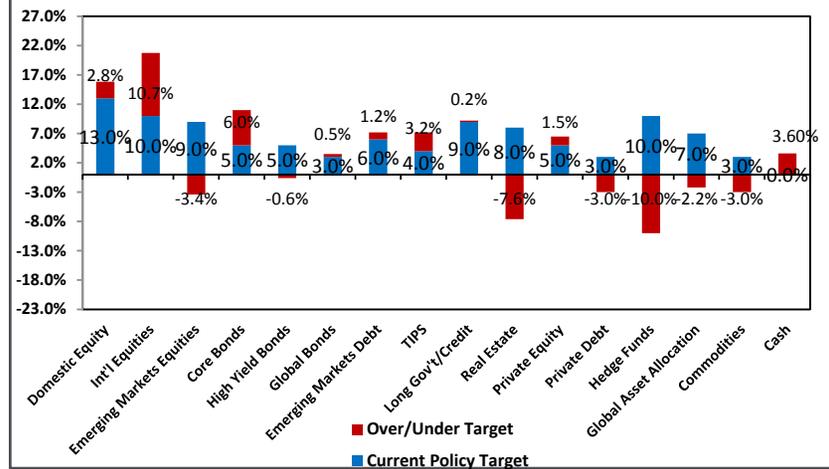
## Total Return

	Last Quarter	Last Year	Last 3 Years	Last 5 Years
Total Composite	-1.0	2.3	10.2	2.8
Rank	16	35	73	32
Median Public Funds	-1.6	1.5	11.1	2.0
Policy Index	-1.5	3.3	11.8	3.6

Periods longer than one year are annualized

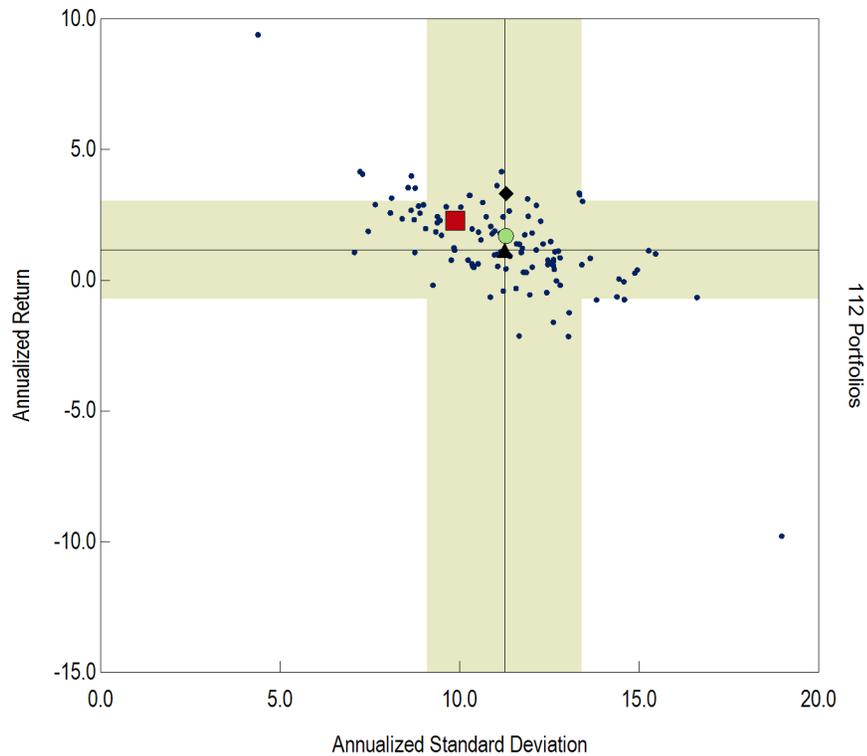
\*Rankings versus total Public Funds 1=best, 100=worst

## Current Allocation Total Composite



**Total Plan Risk/Return - 1 Years**

1 Years Ending June 30, 2012



- Composite
- ◆ Policy Index
- Allocation Index
- ▲ Universe Median
- 68% Confidence Interval
- ICC Public DB

1 Years Ending June 30, 2012

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Composite	2.29%	29	9.87%	26
Policy Index	3.32%	8	11.29%	51
Allocation Index	1.70%	42	11.29%	51

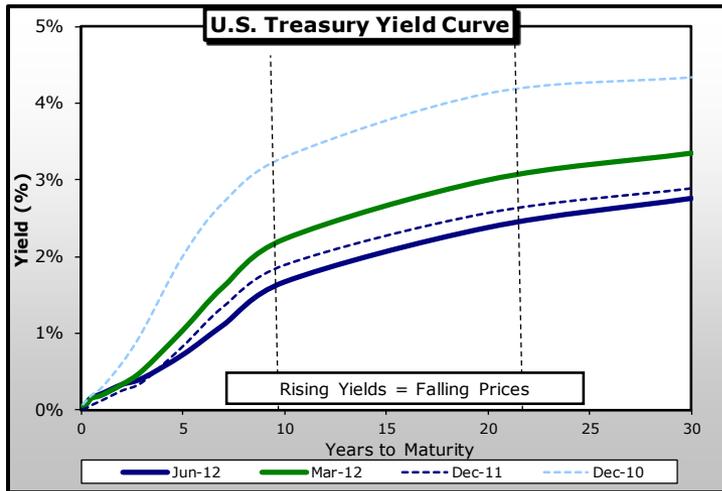
1 Years Ending June 30, 2012

	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Composite	0.23	28	0.49	14
Policy Index	0.29	15	0.52	11
Allocation Index	0.15	41	0.34	31

# Investment Market Update: As of June 30, 2012

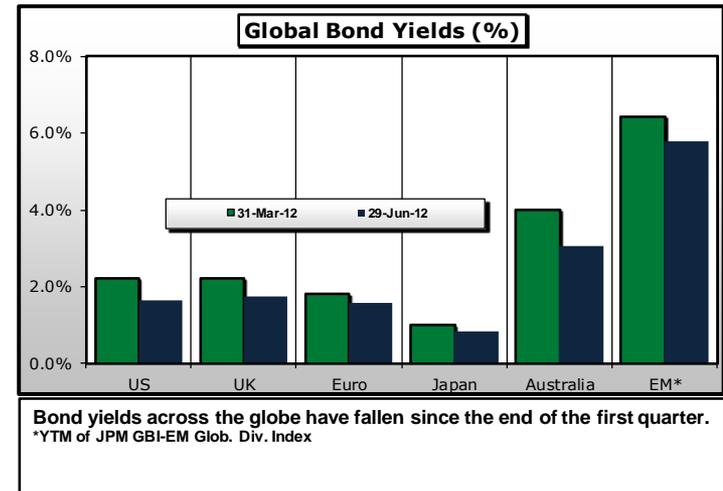
		Qtr.	Ytd	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Domestic Equity Benchmarks</b>							
S&P 500	Large Core	-2.8%	9.5%	5.4%	16.4%	0.2%	5.3%
Russell 2000	Small Core	-3.5%	8.5%	-2.1%	17.8%	0.5%	7.0%
Russell 2000 Growth	Small Growth	-3.9%	8.8%	-2.7%	18.1%	2.0%	7.4%
Russell 2000 Value	Small Value	-3.0%	8.2%	-1.4%	17.4%	-1.0%	6.5%
Russell 1000	Large Core	-3.1%	9.4%	4.4%	16.6%	0.4%	5.7%
Russell 1000 Growth	Large Growth	-4.0%	10.1%	5.8%	17.5%	2.9%	6.0%
Russell 1000 Value	Large Value	-2.2%	8.7%	3.0%	15.8%	-2.2%	5.3%
S&P Mid Cap 400	Mid Core	-4.9%	7.9%	-2.3%	19.4%	2.6%	8.2%
NAREIT Composite	REIT	4.5%	15.3%	12.4%	31.2%	2.0%	9.5%
		Qtr.	Ytd	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>International Equity Benchmarks</b>							
MSCI EAFE	International Developed	-7.1%	3.0%	-13.8%	6.0%	-6.1%	5.1%
MSCI EM	Emerging Equity	-8.9%	3.9%	-16.0%	9.8%	-0.1%	14.1%
S&P EPAC SmallCap	Small Cap Int'l	-8.1%	5.3%	-15.3%	9.1%	-5.1%	8.7%
MSCI ACWI ex-US	World ex-US	-7.6%	2.8%	-14.6%	7.0%	-4.6%	6.7%
		Qtr.	Ytd	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Domestic Fixed Income Benchmarks</b>							
Barclays Aggregate	Core Bonds	2.1%	2.4%	7.5%	6.9%	6.8%	5.6%
Barclays 1-10 Yr Muni.	Municipal Bond	1.3%	1.8%	6.1%	5.5%	5.6%	4.5%
Barclays US High Yield	High Yield	1.8%	7.3%	7.3%	16.3%	8.4%	10.2%
Barclays US TIPS 1-10 Yr	Inflation	1.3%	2.8%	6.3%	7.4%	7.0%	6.2%
Barclays Interm. Gov/Credit	Intermediate Gov/Cred	1.5%	2.1%	5.4%	5.8%	6.0%	5.1%
Barclays Long Gov/Credit	Long Gov/Credit	7.3%	5.0%	24.6%	14.4%	11.0%	8.7%
Barclays Long Credit	Long Credit	5.0%	5.8%	19.2%	15.1%	10.0%	8.6%
Barclays US 20+ Yr Treas	Long Treasuries	11.8%	4.3%	37.2%	14.1%	12.5%	9.3%
BofA ML US 3-Month T-Bill	Cash	0.0%	0.0%	0.1%	0.1%	1.0%	1.9%
Barclays 20+ Yr STRIPS	STRIPS	18.8%	5.3%	67.3%	20.1%	17.1%	n/a
		Qtr.	Ytd	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Global Fixed Income Benchmarks</b>							
Citigroup WGBI	World Gov. Bonds	0.9%	0.4%	2.7%	5.4%	7.3%	6.8%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local)	-1.2%	7.0%	-1.7%	10.8%	8.8%	n/a
		Qtr.	Ytd	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Diversified Benchmark</b>							
Balanced Index*	Balanced	-1.6%	6.4%	2.6%	13.0%	2.0%	6.4%
		Qtr.	Ytd	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Alternative Benchmarks</b>							
DJ UBS Commodity Index	Commodity	-4.6%	-3.7%	-14.3%	3.5%	-3.7%	5.0%
DJCS HF Composite	Hedge Fund	-1.8%	2.2%	-2.0%	6.9%	1.9%	6.5%
HFRI Fund of Funds	Fund of Funds	-2.0%	1.3%	-5.5%	2.4%	-1.9%	3.2%
DJCS Equity Market Neutral	Hedge Fund	-2.7%	-1.4%	-2.4%	1.7%	-8.0%	-0.3%
DJCS Event Driven	Hedge Fund	-2.8%	3.4%	-7.2%	6.1%	1.4%	7.5%
DJCS Long-Short	Hedge Fund	-5.7%	2.2%	-6.0%	4.6%	0.6%	6.2%

\* 35% LC, 10% SC, 12% Int'l, 3% Emerging, 25% FI, 5% HY, 5% Global FI, 5% REITS



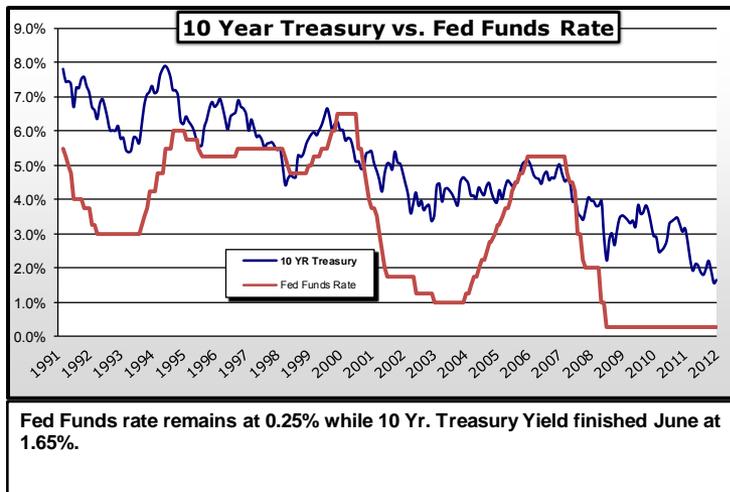
Source: U.S. Treasury

As of 6/30



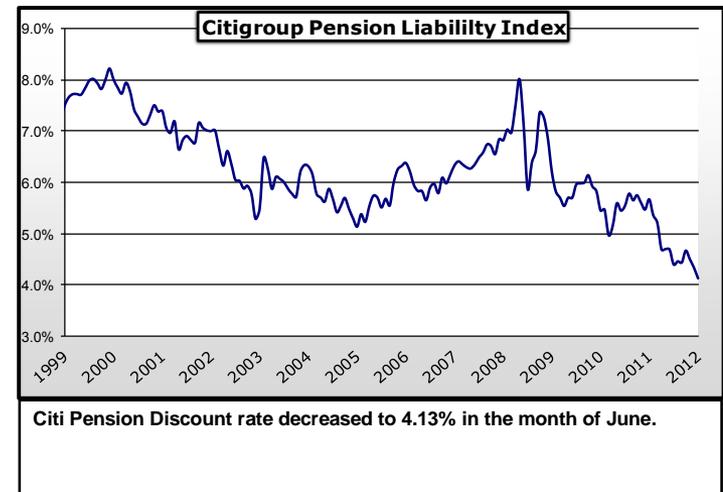
Source: Bloomberg

As of 6/30



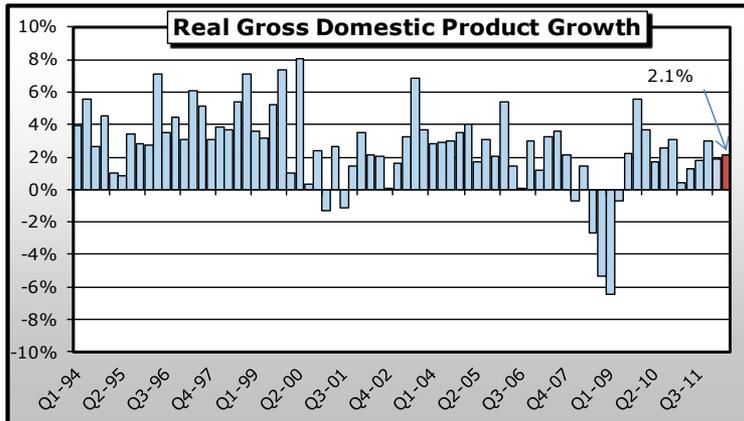
Source: Bloomberg

As of 6/30



Source: Citigroup

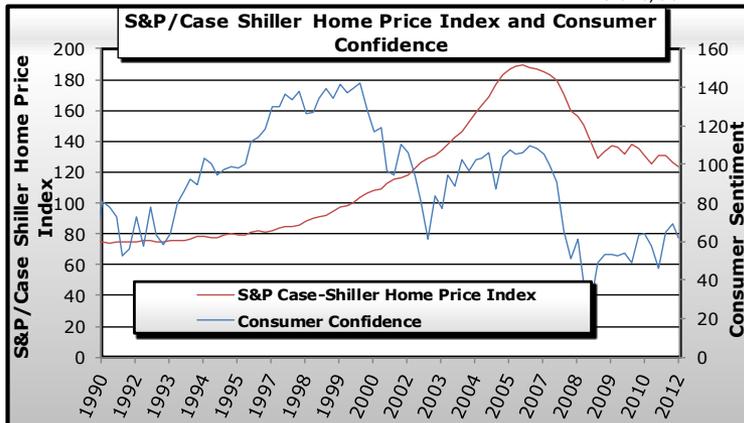
As of 6/30



**Consensus estimates for second quarter GDP growth is 2.1%.**

Source: Bloomberg

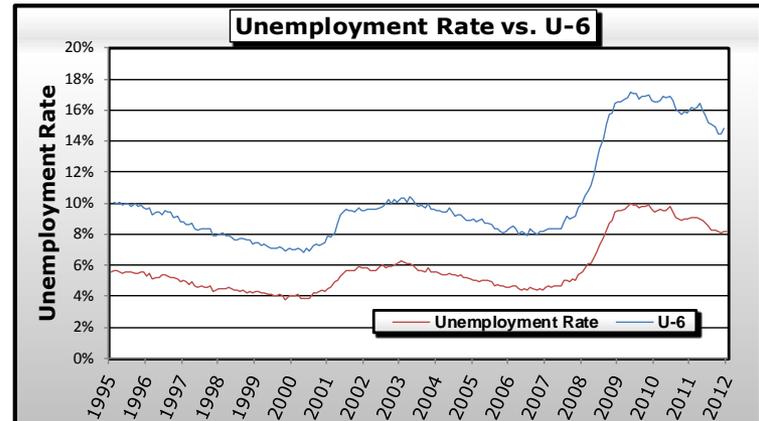
As of 6/30



**Consumer confidence rose for the third straight quarter in Q1; the Case-Shiller Home price index remains more than two times off its high levels.**

Source: Bloomberg

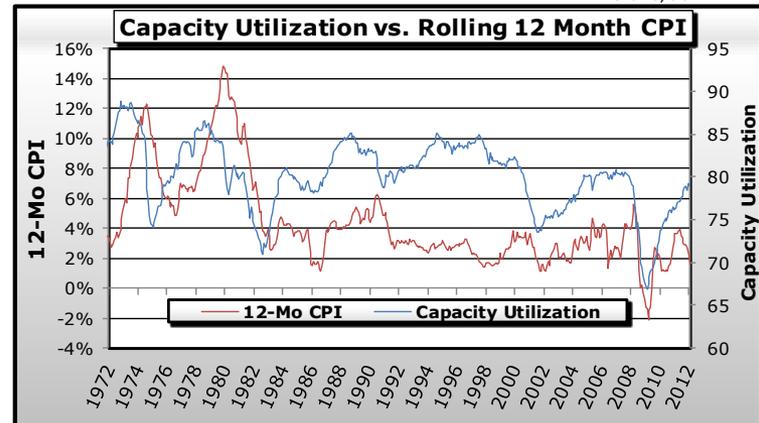
As of 3/31



**Unemployment remained at 8.2% in June, while U-6 - a measure of broader unemployment - increased to 14.9%.**

Source: Bloomberg

As of 6/30



**CPI fell to 1.7% in May; capacity utilization decreased to 79 in the month.**

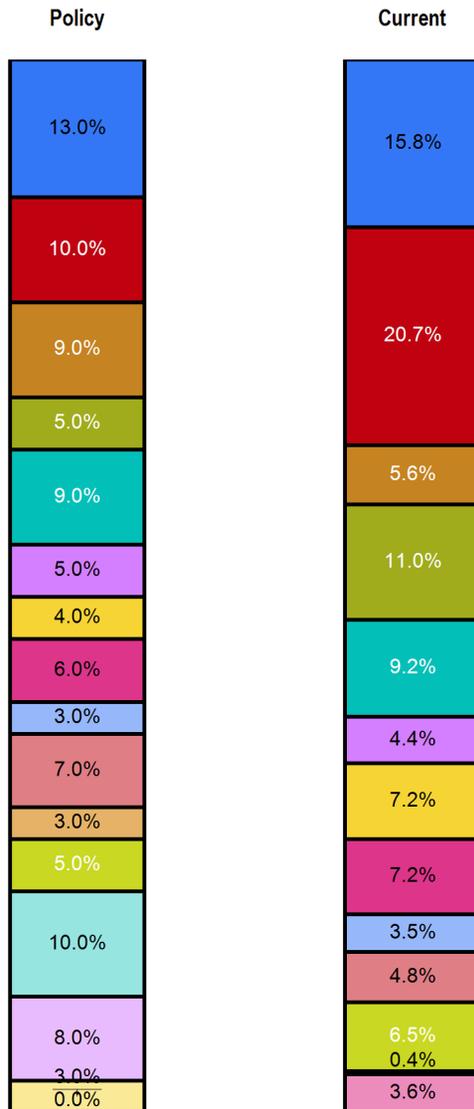
Source: Bloomberg

As of 5/31

# Asset Allocation

# City of Hartford Municipal Employees Retirement Fund

## Total Plan Asset Allocation vs. Policy Targets



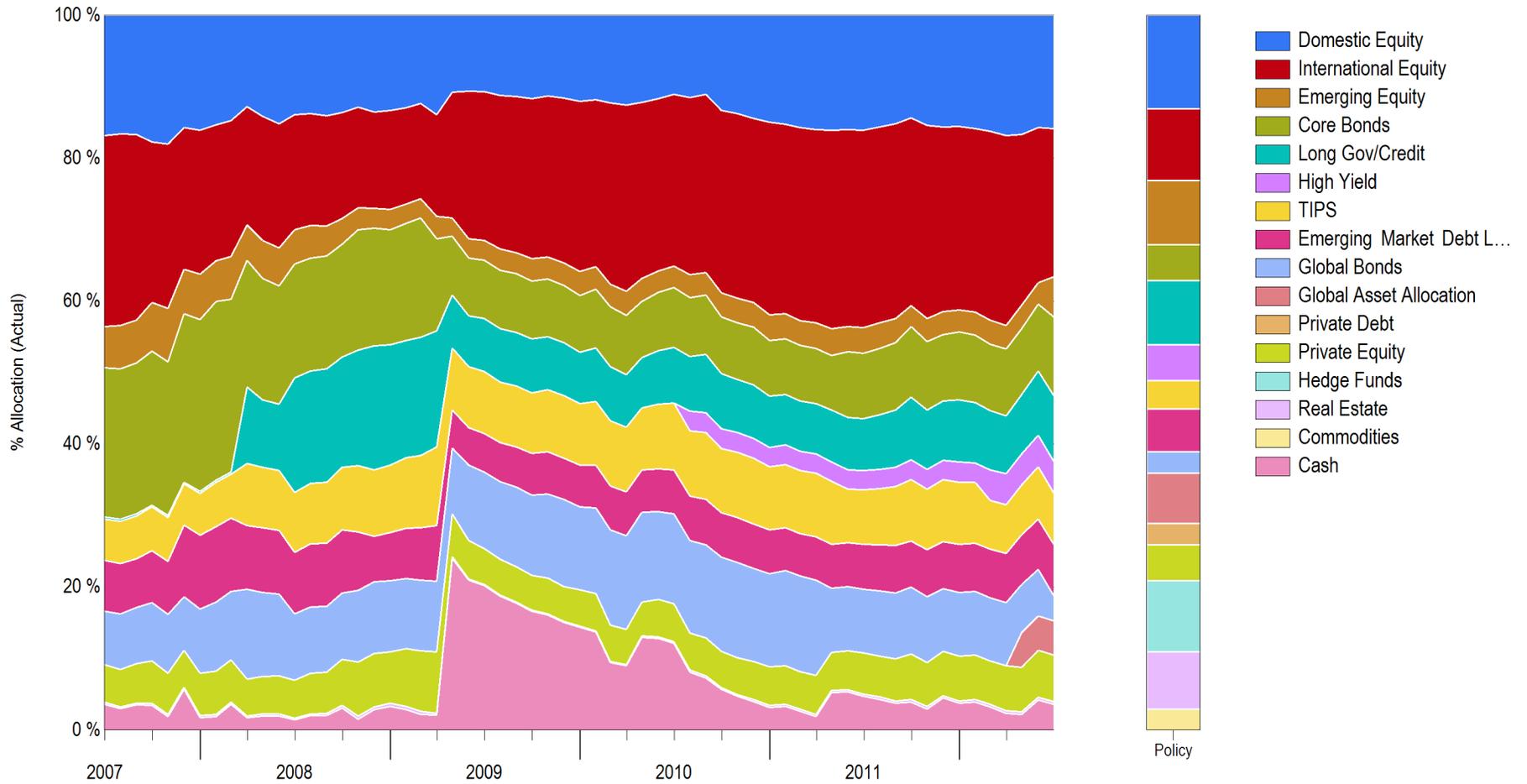
### Asset Allocation vs. Target

	Current	Policy	Current	Difference *	Policy Range	Within Range
Domestic Equity	\$147,325,643	13.0%	15.8%	2.8%	10.0% - 16.0%	Yes
International Equity	\$193,043,660	10.0%	20.7%	10.7%	8.0% - 12.0%	No
Emerging Equity	\$52,023,861	9.0%	5.6%	-3.4%	7.0% - 11.0%	No
Core Bonds	\$102,508,979	5.0%	11.0%	6.0%	3.5% - 6.5%	No
Long Gov/Credit	\$85,525,758	9.0%	9.2%	0.2%	7.0% - 11.0%	Yes
High Yield	\$41,333,982	5.0%	4.4%	-0.6%	3.5% - 6.5%	Yes
TIPS	\$66,619,315	4.0%	7.2%	3.2%	2.5% - 5.5%	No
Emerging Market Debt Local	\$66,921,600	6.0%	7.2%	1.2%	4.0% - 8.0%	Yes
Global Bonds	\$32,937,607	3.0%	3.5%	0.5%	2.0% - 4.0%	Yes
Global Asset Allocation	\$44,769,840	7.0%	4.8%	-2.2%	5.0% - 9.0%	No
Private Debt	--	3.0%	--	-3.0%	1.0% - 5.0%	No
Private Equity	\$60,575,334	5.0%	6.5%	1.5%	3.0% - 8.0%	Yes
Hedge Funds	--	10.0%	--	-10.0%	8.0% - 12.0%	No
Real Estate	\$3,295,731	8.0%	0.4%	-7.6%	5.0% - 11.0%	No
Commodities	--	3.0%	--	-3.0%	2.0% - 4.0%	No
Cash	\$33,582,453	0.0%	3.6%	3.6%	0.0% - 2.0%	No
<b>Total</b>	<b>\$930,463,764</b>	<b>100.0%</b>	<b>100.0%</b>			

\*Difference between Policy and Current Allocation

**Total Plan Asset Allocation History**

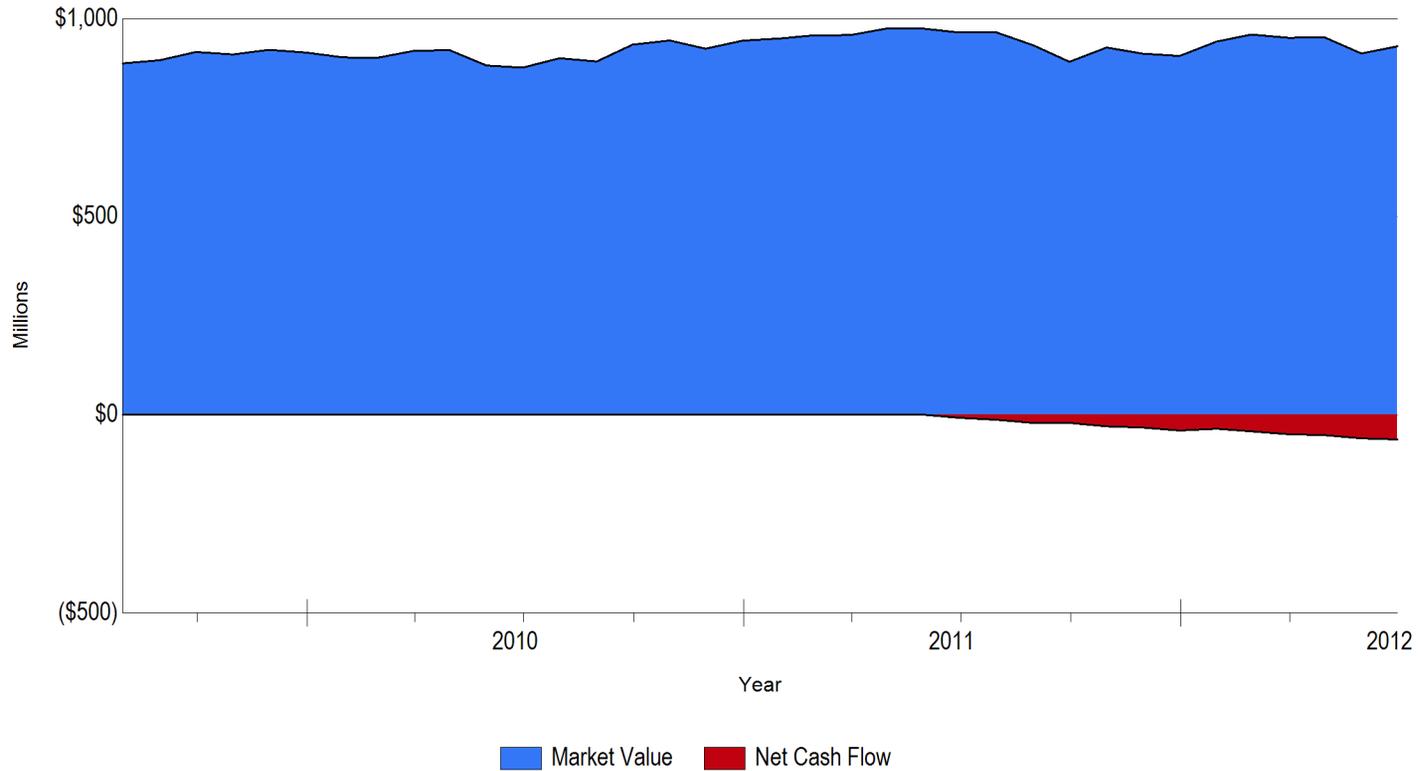
Asset Allocation History  
5 Years Ending June 30, 2012



City of Hartford Municipal Employees Retirement Fund

**Total Plan Asset Growth Summary**

3 Years Ending June 30, 2012



	Last Three Months	Year-To-Date	Fiscal Year-To-Date	One Year	Three Years
Beginning Market Value	\$952,085,997	\$906,157,168	\$964,218,265	\$964,218,265	\$862,347,919
- Withdrawals	-\$291,427,840	-\$366,549,177	-\$473,987,906	-\$473,987,906	-\$483,366,465
+ Contributions	\$278,315,549	\$344,041,955	\$419,462,840	\$419,462,840	\$420,925,512
= Net Cash Flow	-\$13,112,291	-\$22,507,223	-\$54,525,066	-\$54,525,066	-\$62,440,952
+ Net Investment Change	-\$8,509,941	\$46,813,819	\$20,770,565	\$20,770,565	\$130,556,798
= Ending Market Value	\$930,463,764	\$930,463,764	\$930,463,764	\$930,463,764	\$930,463,764

# Manager Pages

### Domestic Equity

- **Atlanta Capital Large Growth** portfolio underperformed the Russell 1000 Growth Index returning -6.1% versus the benchmark return of -4.0%. Underperformance for the second quarter was largely attributable to stock selection which was weakest in the Information Technology and Consumer Discretionary Sectors. Relative to the Russell 1000 Growth Index, contribution from sector weighting was slightly positive. Underweight in Consumer Staple sector was largest detractor and overweight in Health Care was largest contributor. Five stocks were added during the quarter- Coach, Intuit, McDonalds, Starbucks and Varian Medical. Two stocks were eliminated- Green Mountain Coffee Roasters and Oracle.
- **Eagle Capital Large Value** outperformed in the second quarter returning -0.7%, while the Russell 1000 Value returned -2.2%. Eagle will avoid the "risk on/risk off" market timing decision, and instead focus on valuation and prospects of each stock with a five-year prospective holding period in mind. Second quarter continued a longer term pattern: 1) continued underperformance of Eagle's energy stocks, all of which are exploration and production companies and 2) continued outperformance of their media-related stocks, which are focused on subscription-based broadband and content. No new positions added during the quarter, while National Instruments, Vodafone, and Waste Management were exited. Outperformance over longer time periods with notable outperformance over the three year returning 20.3% versus Russell 1000 Value return of 15.8% and the five year period returning 4.3% versus the Russell 1000 Value return of -2.2%.

## Manager Performance

- **Tygh Capital Smid Growth** returned -4.7% in the first quarter outperforming the Russell 2500 Growth benchmark of -5.4% outperforming by 70 bps. Outperformance due to stock selection in consumer discretionary, healthcare, industrials and telecomm. Smaller cap, nonearners and low ROE stocks led the way in June, making active management difficult. The effect of sector over and underweights were neutral for the quarter.
- **SouthernSun Smid Value** returned -8.3% in the quarter underperforming the Russell 2500 value which returned -3.0%. Most of the underperformance was due to May and June, with sector positioning being a detractor throughout the quarter. Health care was the leading sector of the Russell 2500 Index and the strategy maintains a significant underweight of over 6%. An overweight to Producer Durables hurt performance on a relative basis as names like Trinity Industries (TRN) & Pentair Inc. (PNR) sold off. Positive stock selection on the Consumer Discretionary sector helped offset some of the underperformance. Columbia Sportswear (COLM) was a top performer during the quarter. No new positions were added during the quarter, nor were any positions fully exited.

### International Equity

- **Walter Scott & Partners Int'l Large Growth** outperformed during the quarter returning -3.7% while the MSCI EAFE returned -7.1%. The strategy has continued its strong performance versus its benchmark as all trailing periods remain ahead of the MSCI EAFE index.
- **First Eagle Int'l All Cap Value** also held up better than the benchmark returning -4.5% versus the benchmarks more negative return of -7.1%. This outperformance was driven largely by an overweight to cash, as well as stock selection in Industrials, Materials, and Consumer Discretionary sectors. The industrials sector was led by one of the portfolio's top holdings in SMC Corp. IN the materials sector, Agnico Eagle Mines and the SPDR Gold ETF were strong relative performers. In Consumer Discretionary, our position in Shimano Inc. was a strong performer for the quarter. Japan was the strongest relative pocket of outperformance, while a large underweight to UK stocks detracted.
- Chris Kwan has left First Eagle Investment Management. Chris joined the firm in June 2011 as an Associate Portfolio Manager of the Global Value team's Gold Strategy. Because Chris did not have any primary analyst responsibilities for any sector or any gold mining equity, no transition of responsibilities will be required among the research team.
- **SSgA Emerging Markets** was terminated during the quarter, with proceeds being used to fund new positions in Eaton Vance and Mondrian Emerging Markets. The strategy was down more than the benchmark over the quarter, returning -12.5% versus -8.9% for the MSCI Emerging Markets Index.

### Emerging Markets Equity

- **Mondrian Focused Emerging Markets Equity** this strategy was added to the portfolio in June and outperformed by 70 bps over the month returning 4.6% versus the MSCI Emerging Markets Index return of 3.9%. European & Middle East region recovered strongly, gaining 11.9%, in response to positive announcements from the EU Summit in the last two trading days of the month. Hungary, Poland and Turkey were best performing markets, each rising by over 17.0%. Overweights to India and Turkey, which both outperformed, were the largest positive contributors to markets selection, as were underweight allocations to underperforming Korean and Taiwanese markets. The main characteristics of the strategy for this fund are:
  - A strong value stock orientation.
  - Underweight exposure to Korea, Taiwan, Russia and South Africa where valuations are not sufficiently attractive given their various risk profiles.
  - Overweight exposure to significantly undervalued markets in Asia such as China, the ASEAN region, and selective exposure in India. Overweight exposure to Brazil.
  - Overweight exposure to the utilities sector, where strong free cash flows support high dividend yields; and the energy sector, which provides attractive levels of dividend yield which should be sustainable alongside continued investment into production growth.
  - Underweight exposure to the materials sector where relative valuations remain challenging.

## Manager Performance

- **Eaton Vance Emerging Markets** also added to the portfolio in June, this strategy slightly underperformed in June returning 3.7% versus the 3.9% for the benchmark. The collective Investment Trust outperformed for the quarter with a structural underweight to Brazil being a positive contributor. The Fund's overweights to Thailand and Mexico, both of which outperformed the Index also contributed to the quarter's return. Exposure to China was a detractor, in addition to exposure to frontier markets of Argentina and Kazakhstan which are both not in the index. Eaton Vance believes that by managing risk by broad diversification, avoiding concentration, treating this current volatility as an asset and rebalancing intelligently are all key aspects that help address thoughtful investment decisions. Parametric's emerging markets investment strategy relies on a rules-based approach, in combination with a rebalancing discipline, to reduce concentration, while emphasizing broad diversification in seeking its objective of long-term capital appreciation.

## Domestic Fixed Income

- **The Hartford Core Plus Fixed Income** portfolio earned 2.4%, outperforming the Barclays Aggregate benchmark return of 2.1% by 30bps. Over the past 3 year period the portfolio has significantly outperformed the index by 190 bps, returning 8.8% versus the index return of 6.9%. Portfolio yield was 2.45% versus the benchmark yield of 1.68%, and its duration was 4.34 shorter than the 4.5 benchmark duration. Weak economic data in the U.S. and abroad as well as the continuing emphasis on the European debt crisis led to the return of volatility in the U.S. fixed income markets. Massive rally in rates and meaningful bull-flattening of the U.S. Treasury curve meant that the modest short duration bias having a negative impact to portfolio performance. Strong security selection within the Investment Grade and Mortgage-Backed Securities (MBS) sectors was the primary driver of positive return for the quarter.
- **Columbia Core Plus Fixed Income** portfolio was mostly liquidated and is now managed by Hartford Investment Management Company (HIMCO) as the remaining securities are paid down"

## Manager Performance

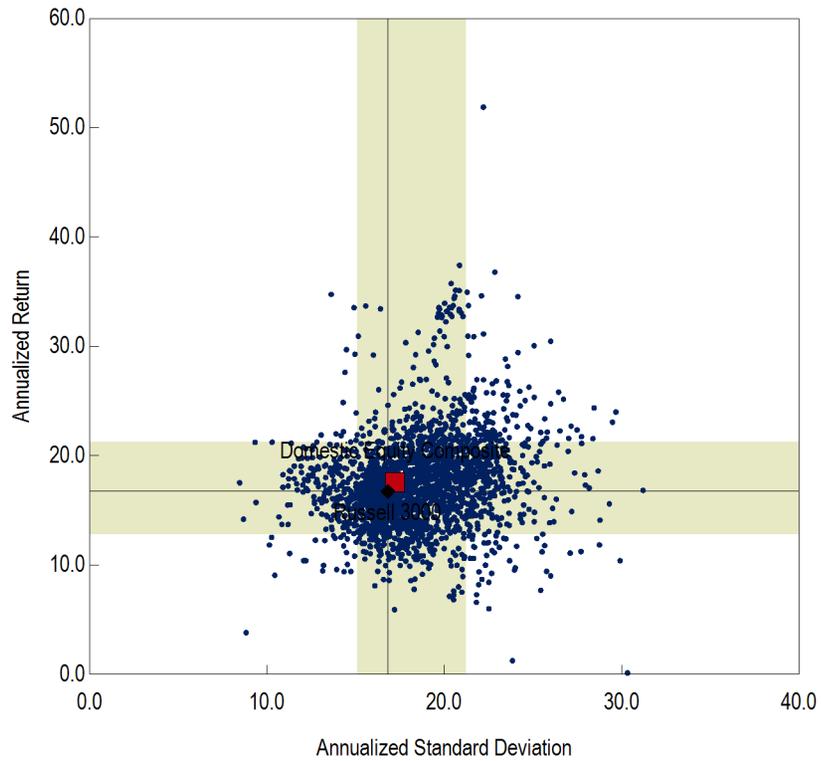
- **PIMCO Long Duration** was in line with the benchmark over the quarter returning 7.2% versus the Barclays Long Term Gov't/Credit Index return of 7.3%. The trailing one year return remains below the benchmark at 22.8% against the benchmark return of 24.6%, but the three year period is now ahead by 20 bps returning 14.6% versus the index return of 14.4%. Exposure to non-U.S. developed rates, especially Canada was a positive as rates fell in most developed markets. Also positive drivers of returns were an underweight to corporate bonds, an emphasis on financial firms which outperformed, exposure to local debt in Brazil and Mexico, as rates continued to fall and an allocation to select non-Agency mortgages amid continued investor demand, despite broader risk aversion. Detractors for the quarter include an underweight to U.S. interest rates, especially longer maturities, as U.S. yield curve flattened, holdings of real return bonds, which lagged nominal bonds, and an allocation to Build America Bonds (BABs) as spreads widened on credit concerns.
- **Shenkman Capital High Yield Fixed** slightly underperformed for the quarter returning 1.5% versus the Citigroup High Yield Market index which returned 1.8%. June saw the larger more liquid issues outperforming the overall market, which benefitted the portfolio due to its higher concentration of these types of securities. 21 out of the 25 industries in which the portfolio was invested showed positive performance, with largest contributors coming from security selection in Media-Cable, Gaming and Telecommunications. The entirety of the underperformance was due to holdings in convertible bonds and loans. Exposure to convertibles were reduced down to 1.5% of holdings by quarter end. A more conservative and defensive posture was the driver of underperformance in bank loans. As of June 30<sup>th</sup>, the portfolio contained holdings in 129 issuers, had 7.14% current yield, and maintained its high credit standard.

### International Fixed Income

- **Prudential Emerging Markets Debt Fund** was in line but slightly underperformed on the quarter returning 2.3% versus the JP Morgan EMBI Global TR index return of 2.5%. Year to date the strategy remains well ahead of the benchmark returning 9.6% versus the benchmark of 7.4%. Country overweights to Cote d'Ivoire (+23bps) and Qatar (+6bps) contributed most to performance. Underweighting to Lebanon (+12bps) also added, while overweights to Venezuela (-42bps) and Argentina (-22bps) detracted. EM currencies lagged the dollar so positions in the Brazilian real (-12bps), Malaysian ringgit (-6bps), Polish zloty (-5bps) and Mexican peso (-5bps) hurt performance while the Russian ruble (+14bps) was a positive contributor.
- **Mondrian Global Fixed Income** returned 0.8% for the quarter, slightly outperforming the Barclay's Global Aggregate of 0.6%. Strength of the strategy's overweighting to Poland and Mexico helped performance while underweights to the euro and the PIIGS and overweight to Japan, detracted. Another positive for the quarter was an overweighting to financial corporate bonds. As relative Prospective Real Yields changed during the quarter, the strategy increased exposure to Poland, Mexico and Japan in early June, which was funded by eliminating exposure to Australia. Following a tightening of the Dutch credit spread, exposure to the Netherlands was reduced, and there was an increase in exposure to Germany.

Domestic Equity Composite

3 Year Risk Return



2327 Portfolios

3 Year Style Analysis



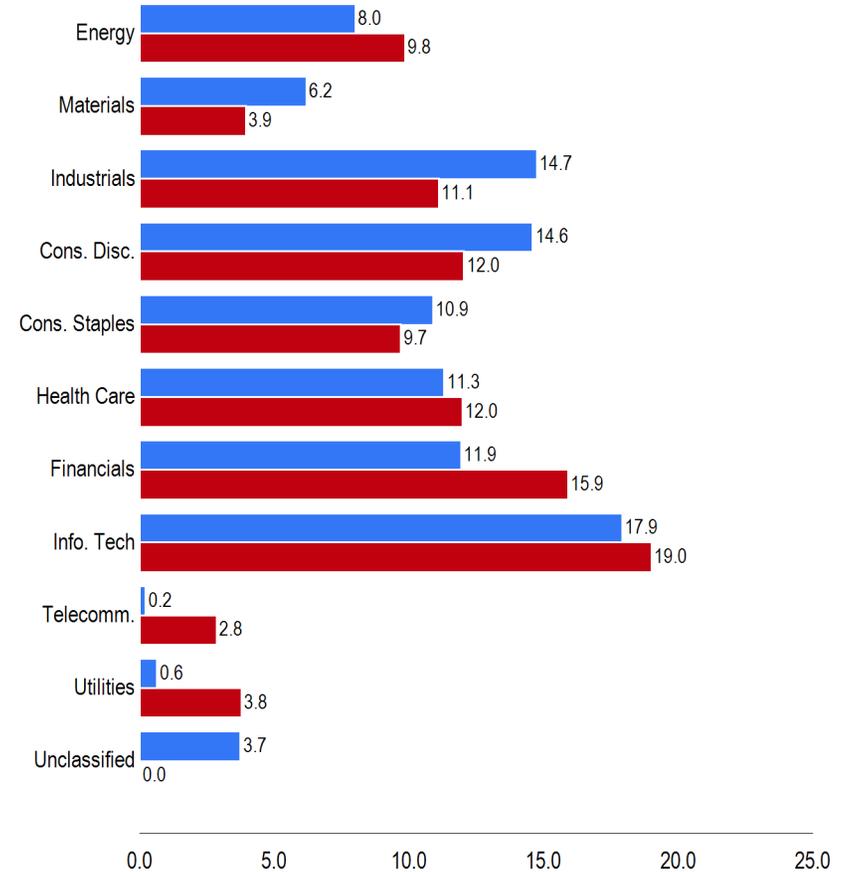
□ First Rolling Period    ◆ Last Rolling Period

**Domestic Equity Composite**

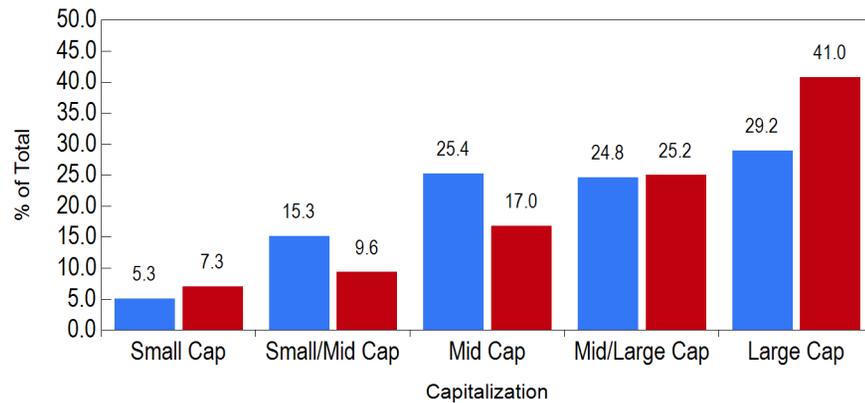
**Equity Characteristics**

	Portfolio	Russell 3000
Number of Holdings	183	2,993
Weighted Avg. Market Cap. (\$B)	60.2	88.4
Median Market Cap. (\$B)	5.8	0.9
Price To Earnings	19.1	16.9
Price To Book	3.7	3.5
Price To Sales	2.4	2.3
Return on Equity (%)	18.8	16.9
Yield (%)	1.2	2.0
Beta	1.0	1.0
R-Squared	1.0	1.0

**Equity Sector Allocation**



**Market Capitalization As Of June 30, 2012**



■ Domestic Equity Composite  
■ Russell 3000

■ Domestic Equity Composite ■ Russell 3000

# City of Hartford Municipal Employees Retirement Fund

## Domestic Equity Composite

### Top Ten Holdings

WF SHORT-TERM INVESTMENT FUND N	3.7%
COCA COLA	3.1%
APPLE	1.9%
GOOGLE 'A'	1.8%
PRAXAIR	1.8%
BERKSHIRE HATHAWAY 'B'	1.8%
WAL MART STORES	1.8%
MONSANTO	1.7%
MICROSOFT	1.7%
LIBERTY GLOBAL SR.C	1.7%

### Top Positive Contributors

	Relative Contribution %	Return %
EDWARDS LIFESCIENCES	0.3%	42.0%
ECOLAB	0.1%	11.4%
COCA COLA	0.1%	6.4%
WAL MART STORES	0.1%	14.7%
NEWS CORP.'A'	0.1%	13.1%
W R BERKLEY	0.1%	8.0%
PERRIGO	0.1%	14.2%
UNION PACIFIC	0.1%	11.6%
COLUMBIA SPORTSWEAR	0.1%	13.5%
MONSANTO	0.1%	4.2%

### Top Negative Contributors

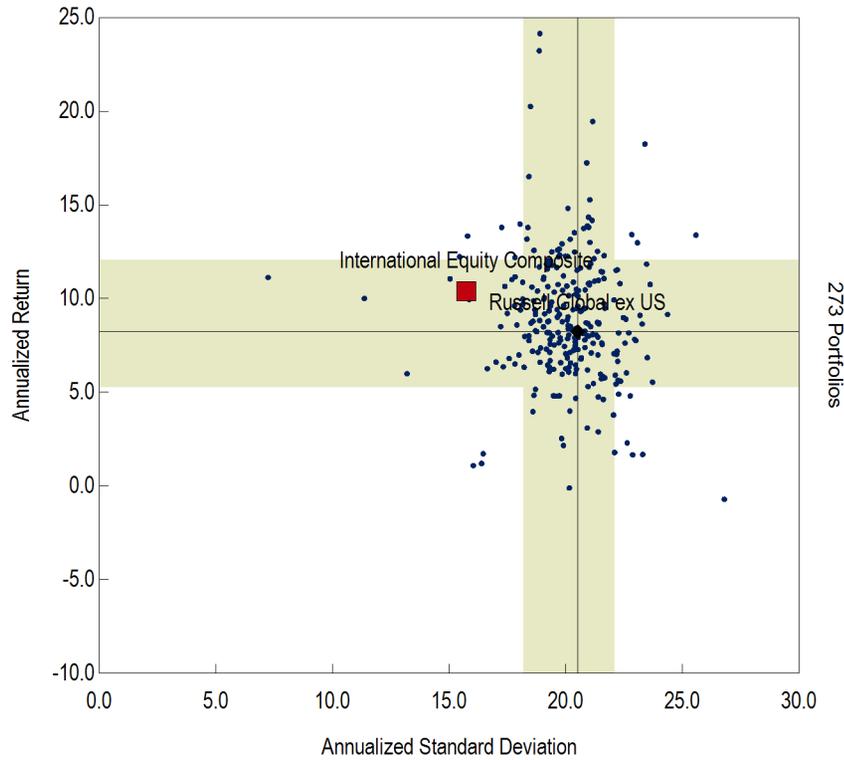
	Relative Contribution %	Return %
CARMAX	-0.3%	-25.1%
CAMERON INTERNATIONAL	-0.2%	-19.2%
COGNIZANT TECH.SLTN.'A'	-0.2%	-22.0%
NEWFIELD EXPLORATION	-0.2%	-15.5%
QUALCOMM	-0.2%	-17.8%
CENTENE	-0.2%	-38.4%
NOBLE ENERGY	-0.2%	-13.1%
JUNIPER NETWORKS	-0.2%	-28.7%
NATIONAL OILWELL VARCO	-0.2%	-18.8%
GOLDMAN SACHS GP.	-0.2%	-22.6%

### Equity Sector Attribution

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.4%	-0.6%	0.1%	0.1%	-13.1%	-7.0%	8.3%	10.5%			
Materials	0.4%	0.3%	0.0%	0.1%	2.3%	-5.3%	5.7%	4.0%			
Industrials	-0.2%	-0.1%	0.0%	0.0%	-5.3%	-4.2%	15.4%	11.2%			
Cons. Disc.	0.0%	0.0%	0.0%	0.0%	-3.6%	-3.8%	14.2%	12.1%			
Cons. Staples	0.1%	0.0%	0.0%	0.0%	2.7%	2.4%	10.1%	9.4%			
Health Care	-0.1%	0.0%	0.0%	0.0%	1.8%	1.9%	10.2%	11.3%			
Financials	0.4%	0.4%	0.1%	-0.1%	-2.3%	-5.1%	10.9%	15.9%			
Info. Tech	-1.0%	-0.9%	0.0%	0.0%	-11.8%	-7.1%	20.7%	19.7%			
Telecomm.	-0.3%	-0.1%	-0.2%	0.1%	6.9%	12.6%	1.0%	2.5%			
Utilities	-0.3%	-0.3%	-0.2%	0.2%	-2.5%	5.9%	0.6%	3.4%			
Cash	0.1%	0.0%	0.1%	0.0%	0.0%	--	3.0%	0.0%			
<b>Portfolio</b>	<b>-1.2%</b>	<b>=</b>	<b>-1.3%</b>	<b>+</b>	<b>-0.3%</b>	<b>+</b>	<b>0.4%</b>	<b>-4.3%</b>	<b>-3.1%</b>	<b>100.0%</b>	<b>100.0%</b>

City of Hartford Municipal Employees Retirement Fund  
**International Equity Composite**

3 Year Risk Return



3 Year Style Analysis



International Equity Composite

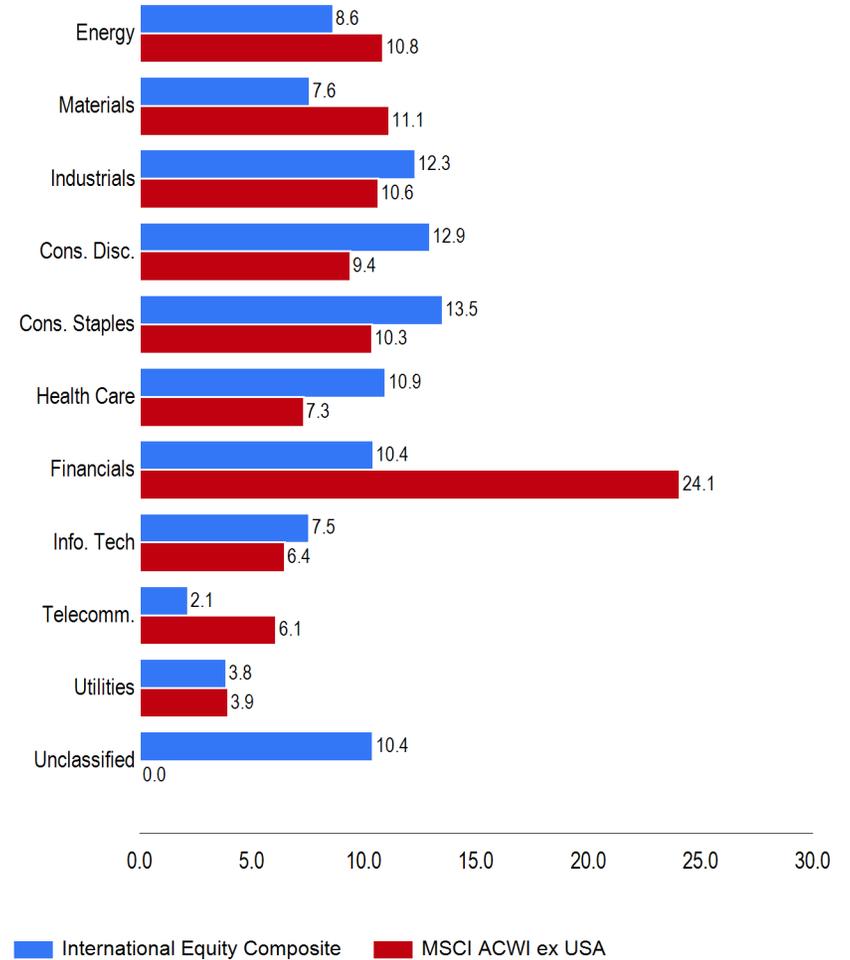
Equity Characteristics

	Portfolio	MSCI ACWI ex USA
Number of Holdings	193	1,840
Weighted Avg. Market Cap. (\$B)	34.9	42.3
Median Market Cap. (\$B)	7.6	5.5
Price To Earnings	16.9	13.9
Price To Book	2.4	2.5
Price To Sales	2.2	1.7
Return on Equity (%)	15.5	15.9
Yield (%)	2.8	3.4
Beta	0.8	1.0
R-Squared	1.0	1.0

Regional Allocation

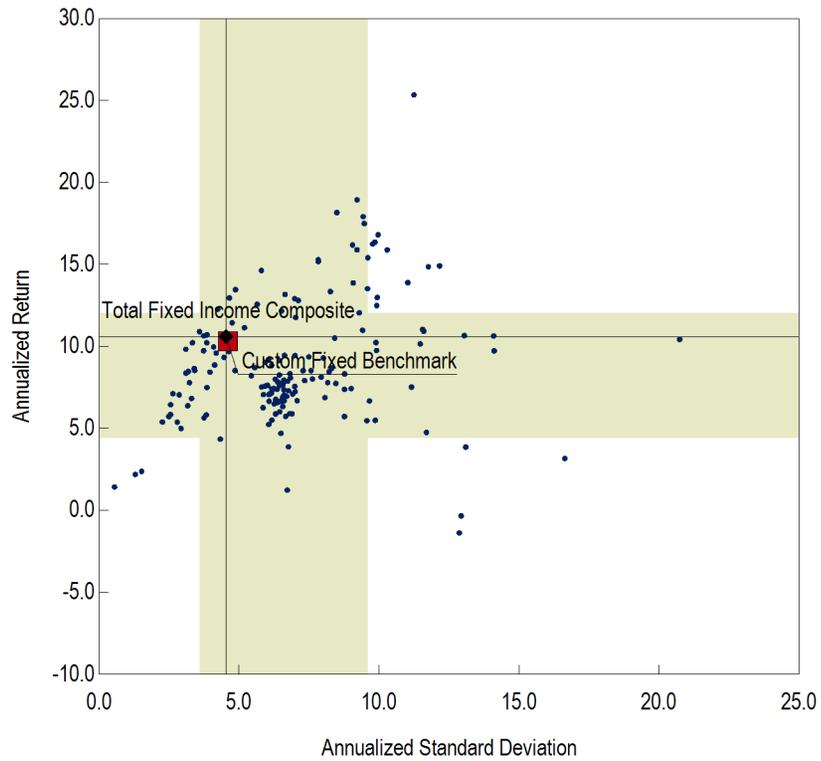
	International Equity Composite
Region Weighting	
North America ex U.S.	2.69
United States	18.54
Europe Ex U.K.	24.17
United Kingdom	9.88
Pacific Basin Ex Japan	12.73
Japan	22.82
Emerging Markets	8.99
Other	0.18

Equity Sector Allocation



Total Fixed Income Composite

3 Year Risk Return



3 Year Style Analysis



- **NEPC uses, as its data source, the plan's custodian bank or fund service company, and NEPC relies on those sources for security pricing, calculation of accruals, and all transactions, including income payments, splits, and distributions. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.**
- **The Investment Performance Analysis (IPA) is provided as a management aid for the client's internal use only. Portfolio performance reported in the IPA does not constitute a recommendation by NEPC.**
- **Information in this report on market indices and security characteristics is received from sources external to NEPC. While efforts are made to ensure that this external data is accurate, NEPC cannot accept responsibility for errors that may occur.**
- **S&P Index data is provided courtesy of Standard & Poor's Financial Services LLC.**