



# **Fiscal 2014 Pension & OPEB Equity Account Review**

Prepared for: East Hartford Town Council

# Disclosure

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3D Asset Management, Inc. ("3D") is a SEC registered investment advisory firm. The firm uses no-load asset class funds and exchange-traded funds ("ETFs") to structure globally diversified portfolios. 3D's strategic investment approach is a prudent solution for fiduciary stewards of qualified retirement plans including defined benefit, 401(k), money purchase and profit sharing plans, in which 3D serves as an ERISA section 3(38) defined "investment manager". 3D also offers separately managed investment accounts to individual investors, family trusts and IRA accounts through a nationwide network of select financial professionals who serve the broad investment and financial planning needs of their clients.

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# Firm Overview

3D Asset Management (“3D”) works with investment advisors to deliver the benefits of Exchange-Traded Funds (“ETFs”) to both institutional and individual investors. 3D provides services for national broker/dealers, fiduciary investors, retirement plans, trusts, Taft-Hartley plans, municipalities, corporations and private individual accounts.

- Firm Specialty: ETF Portfolio Strategist
- Category: Global Asset Allocation
- Style: Strategic
- Founded in 2006
- Offers managed ETF portfolios for pensions and 401(k) retirement plan sponsors, individual investors and pooled investment funds
- Market leader in outsourced portfolio management, qualified plan capabilities and retirement income planning



An East Hartford-based Company



# Stock Asset Class or “Style” Breakdown

## Equity Investment Style %

18	17	15	Large Mid Small
12	10	6	
9	8	5	
Value	Core	Growth	
0-10	10-25	25-50	>50

Total Stock Holdings

12413

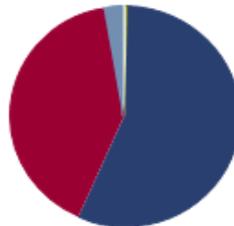
Not Classified %

0.00

## Pension Account

(OPEB is similar but not identical)

### Asset Allocation

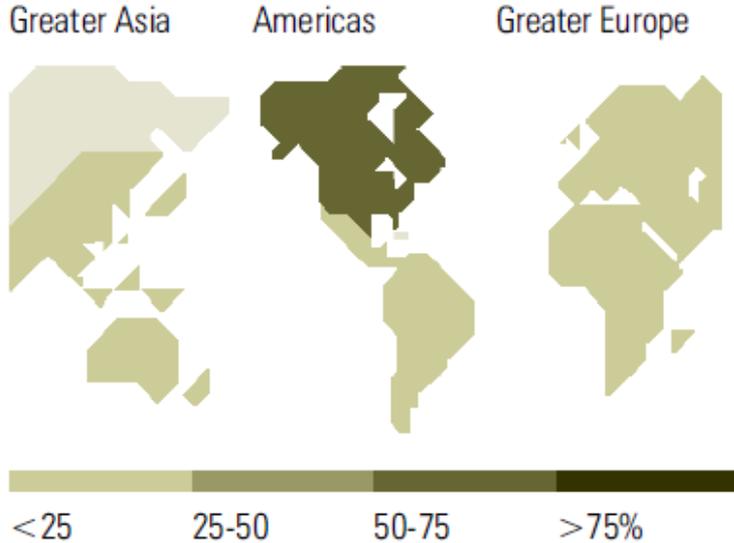


Asset Allocation	Acct %	B-mark %
Cash	0.44	0.00
US Stock	56.15	51.84
Non US Stock	40.67	47.63
Bond	0.00	0.00
Other	2.74	0.53
Not Classified	0.00	0.00
	<b>100.00</b>	<b>100.00</b>



# Stock Regional Breakdown

## Stock Regions



**Pension Account** (OPEB is similar but not identical)

	Portfolio %	Bmark %
<b>Americas</b>	<b>62.34</b>	<b>57.18</b>
North America	59.88	55.78
Central/Latin	2.46	1.40
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<b>Greater Asia</b>	<b>18.46</b>	<b>18.84</b>
Japan	4.36	7.60
Australasia	2.31	2.60
Asia Developed	5.54	4.54
Asia emerging	6.25	4.10
<hr/>		
<b>Greater Europe</b>	<b>19.21</b>	<b>23.99</b>
United Kingdom	4.40	7.31
Europe Developed	11.54	14.77
Europe Emerging	1.28	0.67
Africa/Middle East	1.99	1.24



# Stock Sector or Industry Breakdown

		Portfolio %	Bmark %
	<b>Defen</b>	<b>21.21</b>	<b>23.84</b>
	Cons Defensive	8.05	9.02
	Healthcare	9.48	11.55
	Utilities	3.68	3.27
<hr/>			
	<b>Sens</b>	<b>34.28</b>	<b>36.56</b>
	Comm Svcs	3.56	4.33
	Energy	5.71	7.36
	Industrials	12.64	11.43
	Technology	12.37	13.44
<hr/>			
	<b>Cycl</b>	<b>44.50</b>	<b>39.61</b>
	Basic Matls	6.01	5.87
	Cons Cyclical	13.03	11.53
	Financial Svcs	14.75	18.18
	Real Estate	10.71	4.03

**Pension Account**  
(OPEB is similar but not identical)



# Fiscal Year 2014 Performance - Pension

7/1/2013 - 6/30/2014

	<b>Beginning MV</b>	<b>Net Flows</b>	<b>Ending MV</b>	<b>Gain / Loss</b>	<b>Return</b>
Equity Account	\$122,039,198	(\$12,093,580)	\$136,456,152	\$26,510,534	22.40% <sup>1</sup>
Cash Account	\$1,117,844	(\$202,530)	\$915,532	\$217	0.01% <sup>1</sup>
	<b>\$123,157,042</b>	<b>(\$12,296,110)</b>	<b>\$137,371,683</b>	<b>\$26,510,751</b>	<b>22.06%<sup>1</sup></b>



# Longer Term Performance - Pension

	FY 2014	3 Yrs	5 Yrs	Since Inception
	Ending 6/30/14	Ending 6/30/14	Ending 6/30/14	11/3/2008 Ending 6/30/14
<b>Beginning Market Value</b>	\$123,157,042	\$119,820,166	\$86,412,233	\$0
<b>Cash Flow</b>	-\$12,296,110	-\$23,592,004	-\$41,949,241	\$40,555,265
<b>Gain/Loss</b>	\$26,510,751	\$41,143,521	\$92,908,691	\$96,816,418
<b>Ending Market Value</b>	\$137,371,683	\$137,371,683	\$137,371,683	\$137,371,683
<b>Portfolio Return</b>	22.06%	11.32%	17.53%	17.27%
<b>Benchmark: MSCI ACWI</b>	24.71%	12.45%	15.62%	14.23%



# Fiscal Year 2014 Performance - OPEB

7/1/2013 - 6/30/2014

Beginning MV	Net Flows	Ending MV	Gain / Loss	Return
\$2,633,312	(\$2,706,785)	\$517,925	\$591,398	19.44% <sup>1</sup>
<b>\$2,633,312</b>	<b>(\$2,706,785)</b>	<b>\$517,925</b>	<b>\$591,398</b>	<b>19.44%<sup>1</sup></b>



# Longer Term Performance - OPEB

	FY 2014	3 Yrs	5 Yrs	Since Inception
	Ending 6/30/14	Ending 6/30/14	Ending 6/30/14	6/23/2009 Ending 6/30/14
<b>Beginning Market Value</b>	\$2,637,369	\$1,996,946	\$1,470,673	\$0
<b>Cash Flow</b>	-\$2,706,785	-\$2,265,373	\$2,876,436	\$1,448,436
<b>Gain/Loss</b>	\$591,398	\$786,351	\$1,923,688	\$1,966,361
<b>Ending Market Value</b>	\$517,925	\$517,925	\$517,925	\$517,925
<b>Portfolio Return</b>	19.44%	11.27%	17.20%	17.80%
<b>Benchmark: MSCI ACWI</b>	24.71%	12.45%	15.62%	14.23%



# Disclosure

Risks associated with investing in individual asset classes used in 3D Global ETF Portfolios may include one or more of the following:

- Market risk, small companies risk, risk of concentrating in the real estate industry, foreign securities and currencies risk, emerging markets risk, banking concentration risk, interest rate risk, risk of investing for inflation protection, risk of municipal securities, and/or fund of funds risk. To more fully understand the risks related to an investment in the funds, investors should carefully read each fund's prospectus.
- Investments in foreign issuers are subject to certain considerations that are not associated with investments in US public companies. Investments in the asset classes of: International Stocks, Small and Large, Emerging Market Stocks Blend and Value will be denominated in foreign currencies. Changes in the relative values of these foreign currencies and the US dollar, therefore, will affect the value of investments in the ETF's. Further, foreign issuers are not generally subject to uniform accounting, auditing, and financial reporting standards comparable to those of US public corporations and there may be less publicly available information about such companies than comparable US companies. Also, legal, political, or diplomatic actions of foreign governments, including expropriation, confiscatory taxation, and limitations on the removal of securities, property, or other assets of the Portfolios, could adversely affect the value of the assets of these Portfolios.
- Securities of US Small Cap, Int'l Small Cap are often less liquid than those of large companies. As a result, small company stocks and the ETF's which invest in them may fluctuate relatively more in price. Although securities of larger firms, including US Large Cap Blend, US Mid Cap Blend, and Int'l Large Cap Blend fluctuate relatively less, economic, political and issuer specific events will cause the value of all securities and the funds which invest in them to fluctuate as well.
- Real Estate investments through REITS and Real Estate Stocks are concentrated in the real estate industry. The ETF's exclusive focus on the real estate industry may cause its risk to approximate the general risks of direct real estate ownership. Their performance may be materially different from the broad US equity market.

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