



HMEPS Investments

Assets as of 6/30/11: \$2,129,441,342
Investment return for FY 2011: 22.2%
Assumed Rate of Return: 8.5%

HMEPS is well-positioned to deliver secure benefits to its members and value to taxpayers for many years to come. This is due in large part to its robust, well-managed investment portfolio. HMEPS currently has approximately \$2.1 billion in assets. Over the last 10 years, its investments have performed very strongly compared to other public funds. The System's 10-year annualized return is 7.75 percent compared to the median public fund's return of 5.59 percent. The System's twenty-year return is 9.26 percent.

Investments Overview:

- Investment returns are critical to the financial health of the system
- Investment returns have a major effect on the City's contribution rate
- Increases in HMEPS' investment performance reduce City's required contribution rate
- Reduced volatility in HMEPS' investment performance reduces volatility in City's required contribution rate

Investment Portfolio:

- 8 Asset Classes
- 52 Investment Managers (15% MWB)
- 99 Investment Portfolios

Highlights:

- Portfolio is designed with a long-term view
- Broad diversification reduces volatility

Objectives:

- Maximize the safety of promised benefits
- Minimize the cost of funding the benefits

Asset Allocation as of 6/30/2011:

