



Manager: Hartford Financial Services Group (Sub-Advised by Wellington Management Company)
Product: US Equity - Other - Hartford Advisers HLS Fund
 US Equity - Other - Hartford Stock HLS Fund

Key Observations

Mercer Rating: N

The City of LA is currently invested in Hartford Advisers and Hartford Stock, which have been on monitor since the second quarter of 2006. Both funds are sub-advised by Wellington Management Company, and were placed on watch upon review of third quarter 2008 performance. Given Wellington's December 4, 2008 announcement of a global staff reduction of 10% and the watch status of the funds, concern was voiced over the retention of these funds. With regard to the Wellington layoffs, we do not believe the departures should have a material affect on how these portfolios are managed. The investment team members that are leaving were neither pivotal to the investment process nor significant contributors to these investment strategies. However, in addition to the performance concerns, an issue that should be considered is the asset class redundancy within the Plan's structure. Hartford Advisers is a balanced fund; currently the Plan also offers target-risk based lifecycle funds designed to meet a participant's risk tolerance through a single fund. Hartford Stock is an active large cap core equity fund; in addition to this fund two other large cap funds (one active and one passive) are available for participants to choose from. We will continue to monitor both Hartford Advisers and Hartford Stock, but recommend consideration of removal of these funds from the Plan given their continued poor performance and asset class redundancy within the Plan.

Firm Assets under Management at June 2008 (Hartford)

Total Assets: \$US106 billion

Breakdown by Region			Breakdown by Asset Class		
United States	\$106 billion	100.0%	Equity	\$81.4 billion	76.9%
Canada			Fixed Interest	\$16.8 billion	15.9%
UK			Balanced/Multi-Asset	\$7.5 billion	7.1%
Europe			Other	\$106 million	0.1%
Japan					
Asia ex Japan			Breakdown by Client Type		
Australia/NZ			Institutional	\$76.7 billion	72.5%
Other			Retail	\$29.1 billion	27.5%

Headquarters Locations (Hartford)

Boston, MA, United States Hartford, CT, United States Simsbury, CT, United States

Number of Staff (firm-wide)

Fund Managers: 50
 Analysts: 52
 Client Servicing/Marketing: 34
 Other Investment Professionals: 239
 Total Investment Professionals: 375
Total Staff: 32,000



Product Details (Hartford Advisers)

Inception Year:	1983
Open?	Open to All Investors
Benchmark:	S&P 500 Index/Barclays Capital Gov't/Credit Bond Index
Portfolio Manager:	Steve Irons
Assets:	\$5.1 billion
Clients:	1 (Mutual Fund)

Product Details (Hartford Stock)

Inception Year:	1977
Open?	Open to All Investors
Benchmark:	S&P 500
Portfolio Manager:	Steve Irons
Assets:	\$2.9 billion
Clients:	1 (Mutual Fund)

Key Team Members

Name	Title	Location	Joined Firm	Joined Industry
Steve Irons (Hartford Advisers and Hartford Stock)	Senior Vice President	Boston, MA	1993	1985
Peter Higgins (Hartford Advisers and Hartford Stock)	Senior Vice President	Boston, MA	2005	1986
John Keogh (Hartford Advisers)	Senior Vice President	Boston, MA	1983	1979
Christopher Gootkind (Hartford Advisers)	Vice President	Boston, MA	2000	1983

Comments on the Hartford Stock Strategy (Sub-Advisor Wellington)

Firm Background and History: Hartford Life is owned by The Hartford Financial Services Group, Inc., one of the nation's largest insurance and financial service operations. Wellington Management Company (Wellington) is the investment subadvisor to Hartford Advisers and Hartford Stock fund. Wellington is a professional investment counselling firm that provides services to investment companies, employee benefit plans, endowments, foundations and other institutions and individuals. Wellington Management and its predecessor organizations have provided investment advisory services to clients since 1928.

Wellington Management Company, LLP (Wellington) is an independent investment management firm with approximately 100 active partners. Wellington began operations in 1928 and created America's first balanced mutual fund the following year. In 1967, Wellington merged with Thorndike, Doran, Paine & Lewis, an investment counseling firm, and at one time was part of the Vanguard organization. Vanguard continues to be a large client of the firm. Wellington's employees purchased the firm in 1979. Wellington is headquartered in Boston, and has an additional investment management office in Radnor, Pennsylvania, as well as client servicing offices in several other locations around the world. Wellington has begun to build a larger European presence by allocating investment personnel in London.

Key Decision Makers: The Hartford Stock fund is sub-advised by Wellington and managed by Wellington portfolio manager, Steve Irons who been managing this strategy for approximately 4 years. Wellington's global industry analysts provide fundamental research while the quantitative research department provides quantitative security valuation.

Product Review

Investment Style/Philosophy: The Hartford Stock fund's objective is to provide long-term growth of capital, with income as a secondary consideration, seeking total returns in excess of the S&P 500 Index. In order to achieve its objective, Wellington constructs portfolios that combine the fundamental research provided by its global industry analysts with valuation techniques provided by its quantitative group in a disciplined framework. The fund normally invests at least 65% of the fund's total assets in the common stocks of high-quality growth companies. Many of the companies in which the fund invests have a history of paying dividends and are expected to continue paying dividends in the future. The fund may invest up to 20% of its total assets in securities of non-U.S. issuers.

Investment Process

Buy Discipline: Acting as industry specialists, Wellington's analysts apply various techniques to develop earnings forecasts and investment ratings for each covered stock in their industry. With each industry having its own unique dynamics, valuation techniques will vary from analyst to analyst. Beyond the fundamental input provided by the industry specialists, Wellington uses a quantitative valuation process based on valuation and momentum factors to determine a security's attractiveness. Wellington's quantitative model favors stocks that appear to be both inexpensive according to the valuation factors and timely according to the earnings and price momentum factors. The weight of each factor varies by industry. Wellington constructs its portfolios to maximize the expected outperformance relative to the benchmark based upon the combined rating of the fundamental and quantitative analyses while controlling tracking risk. As a result, U.S. Intersection portfolios will consist of stocks that are both highly rated by the global industry analysts and that rank favorably based upon Wellington's proprietary quantitative analysis. The firm monitors its portfolios daily for changes in rankings. The portfolio construction process explicitly focuses on active stock selection decisions versus the benchmark, so that tracking risk is controlled and unintended bets are minimized.

Sell Discipline: Wellington will sell a stock when its rating drops below a minimum level or another stock becomes more attractively rated, for quantitative or fundamental reasons. Wellington will continue to hold underweight positions in stocks that are less highly rated but that represent a large percentage of the index for risk control purposes.

Portfolio Construction: Wellington uses the S&P 500 as the universe and benchmark for the Hartford Stock fund. Wellington uses a disciplined portfolio construction process to ensure that the portfolio holdings and characteristics are consistent with the benchmark over time and to avoid surprises from unintended and unrewarded exposures.

Published Fee Schedule

Vehicle Name: Hartford Advisers HLS IA Fund
(Institutional)

Vehicle Type: US Institutional Mutual Fund

Expense Ratio: 0.62%

**Average Mercer Mutual Fund
Expense Ratio: 0.96%**

Published Fee Schedule

Vehicle Name: Hartford Stock HLS IA Fund
(Institutional)

Vehicle Type: US Institutional Mutual Fund

Expense Ratio: 0.48%

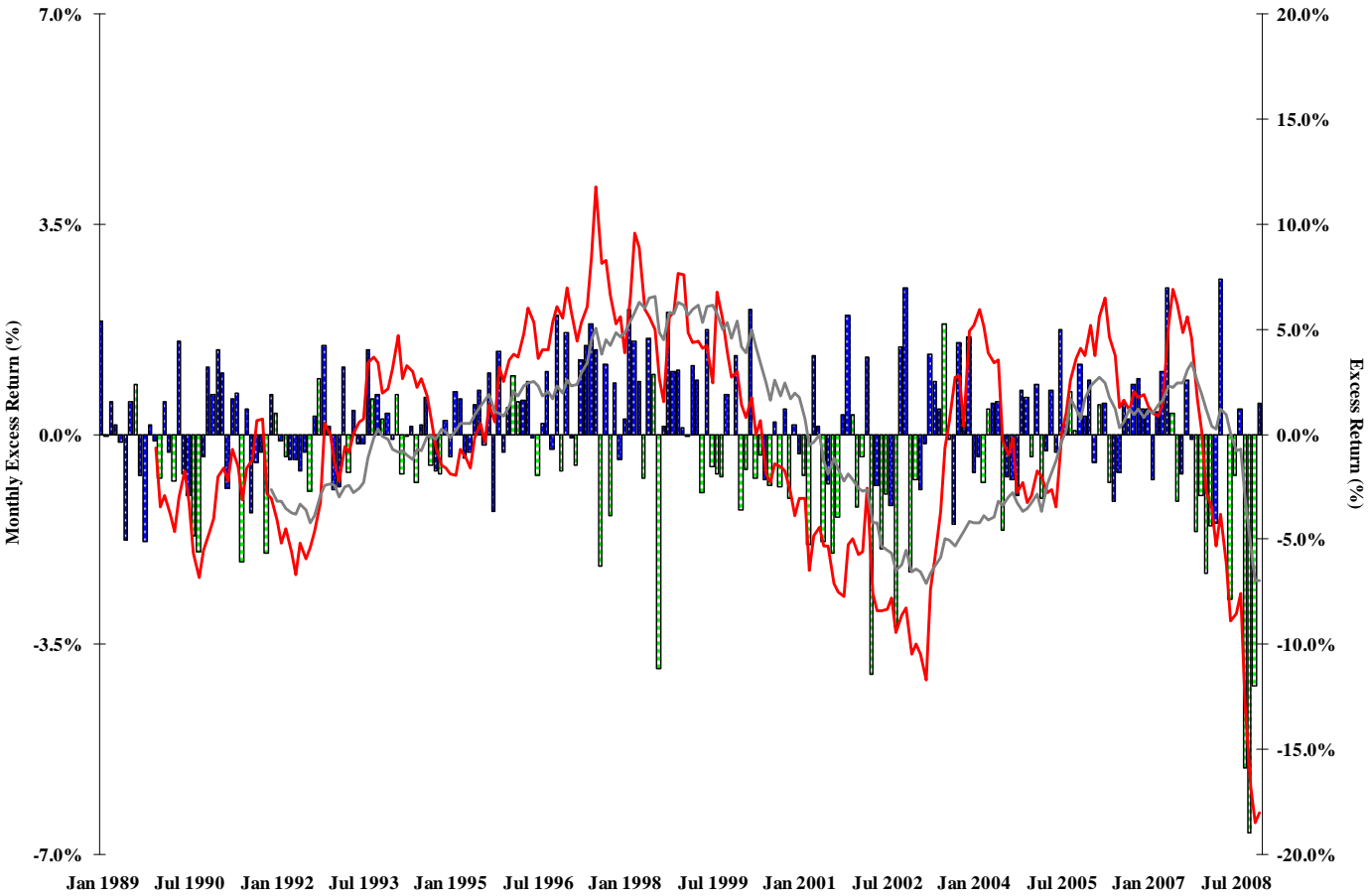
**Average Mercer Mutual Fund
Expense Ratio: 0.90%**

Hartford Advisers - Past Investment Performance

Track Record Name: Hartford Advisers HLS Fund Class IA (Institutional)
 Track Record Type: Representative Account
 Benchmark Name: Russell 1000 (RU1000USD)
 Currency: \$US
 End Date for Analysis: 31 Dec 2008

Rolling Period Chart

Hartford Advisers HLS IA
 Excess Return in Mutual Fund US Balanced from Jan 1989 to Dec 2008
 HartfordAdv versus S&PBarCap (after fees)

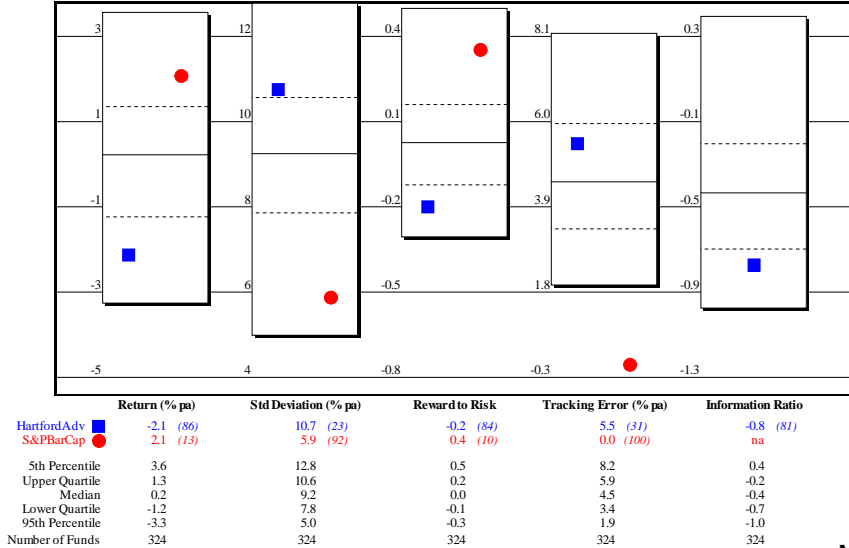


Data Source: Morningstar
 Legend: Rising Markets (blue bars), Falling Markets (green bars), 12 Month Rolling Excess Return (red line), 3 Year Rolling Excess Return (grey line)



Risk and Return Characteristics

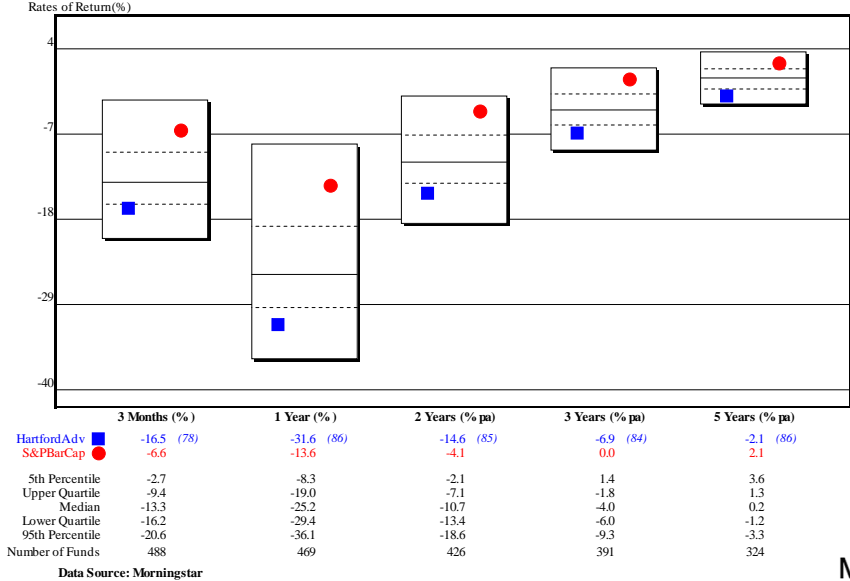
Hartford Advisers HLS IA
 Comparison with the Mercer Mutual Fund US Balanced Universe
 Risk and Return Characteristics (calculated monthly) versus S&PBarCap for the period from Jan 2004 to Dec 2008



MERCER

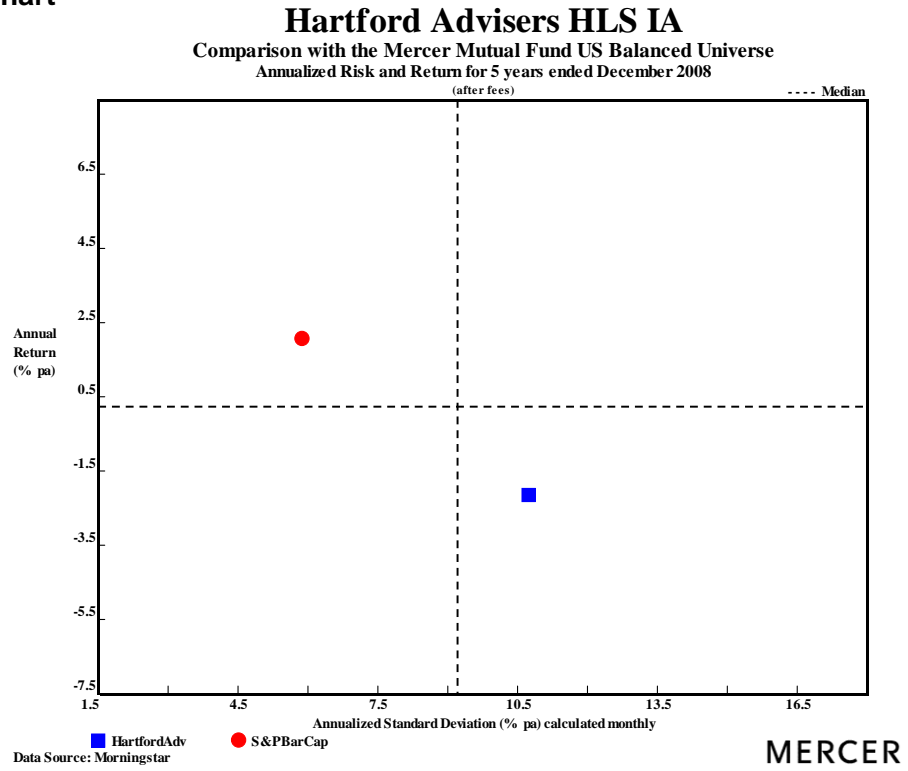
Floating Bar Chart

Hartford Advisers HLS IA
 Comparison with the Mercer Mutual Fund US Balanced Universe
 Performance after fees for periods ended December 2008



MERCER

Risk / Return Chart



Returns Consistency

Mutual Fund US Balanced Monthly Returns - after fees
 Rolling 3 Year returns for periods ended from Jan 2004 to Dec 2008

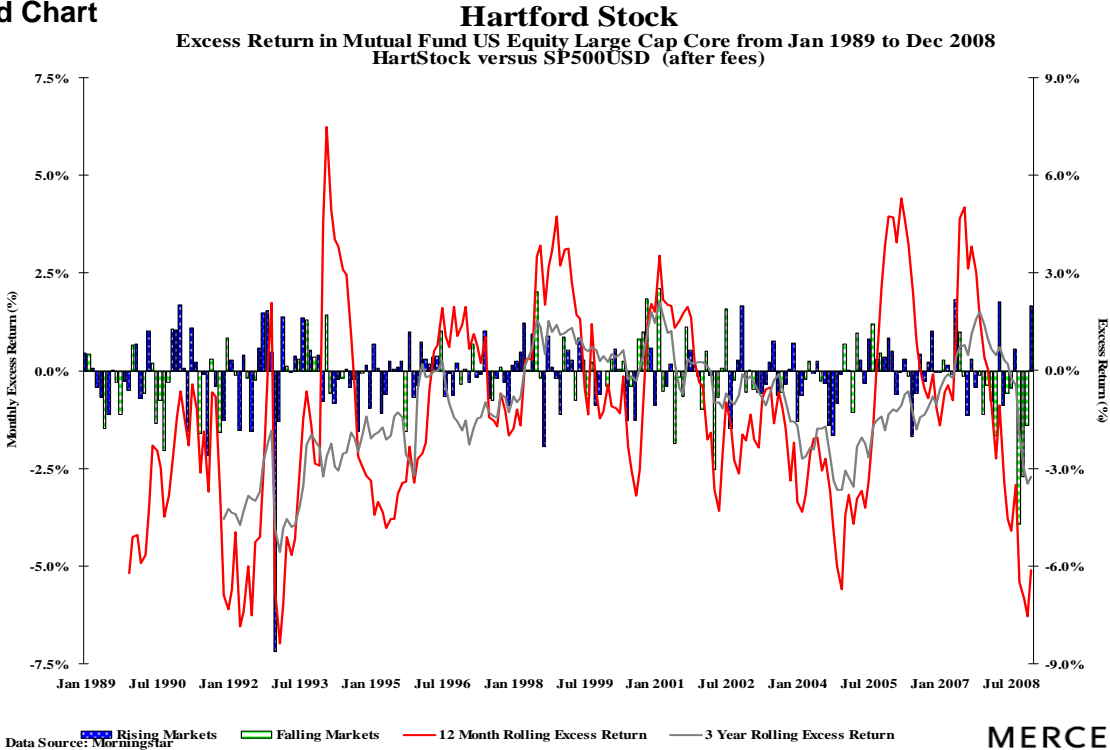
Manager	Number of Obs	First Quartile		Second Quartile		Third Quartile		Fourth Quartile		Avg Percentile Ranking	> Benchmark	
		Number	%	Number	%	Number	%	Number	%		Number	%
HartfordAdv	60	0	0%	13	22%	21	35%	26	43%	69	35	58%
Benchmark:												
S&PBarCap	60	4	7%	20	33%	8	13%	28	47%	60		

Data Source: Morningstar

Hartford Stock – Past Investment Performance

Track Record Name: Hartford Stock HLS Fund Class IA (Institutional)
 Track Record Type: Representative Account
 Benchmark Name: Russell 1000 (RU1000USD)
 Currency: \$US
 End Date for Analysis: 31 Dec 2008

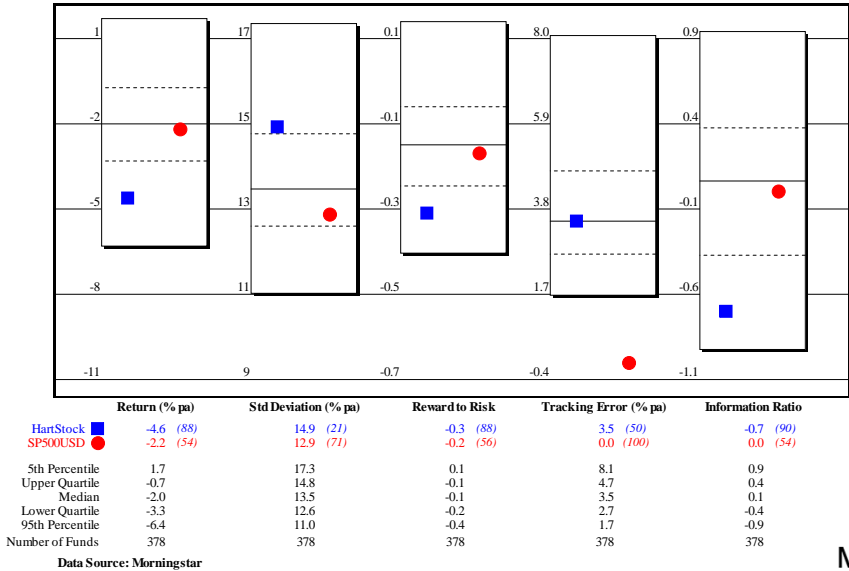
Rolling Period Chart



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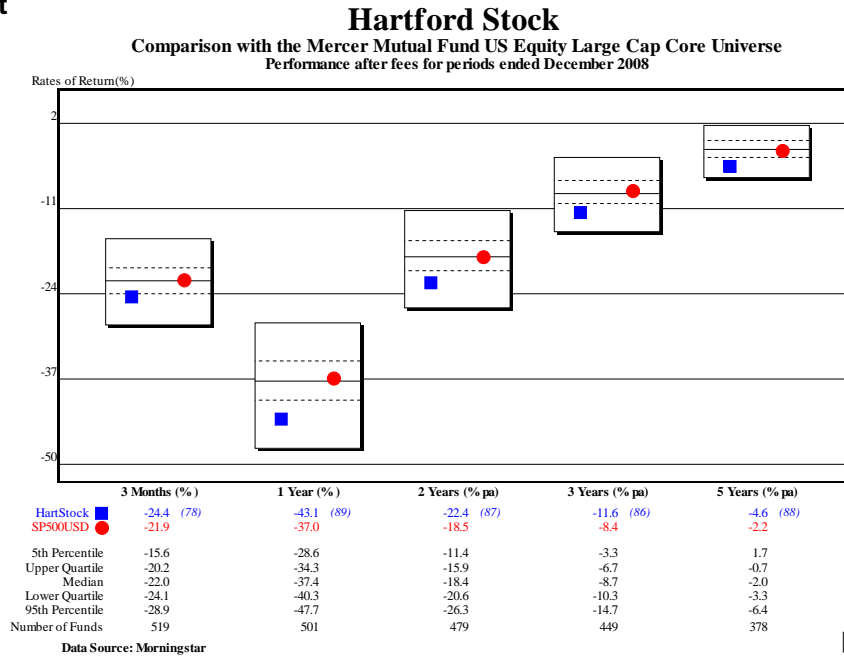
Risk and Return Characteristics

Hartford Stock
 Comparison with the Mercer Mutual Fund US Equity Large Cap Core Universe
 Risk and Return Characteristics (calculated monthly) versus SP500USD for the period from Jan 2004 to Dec 2008



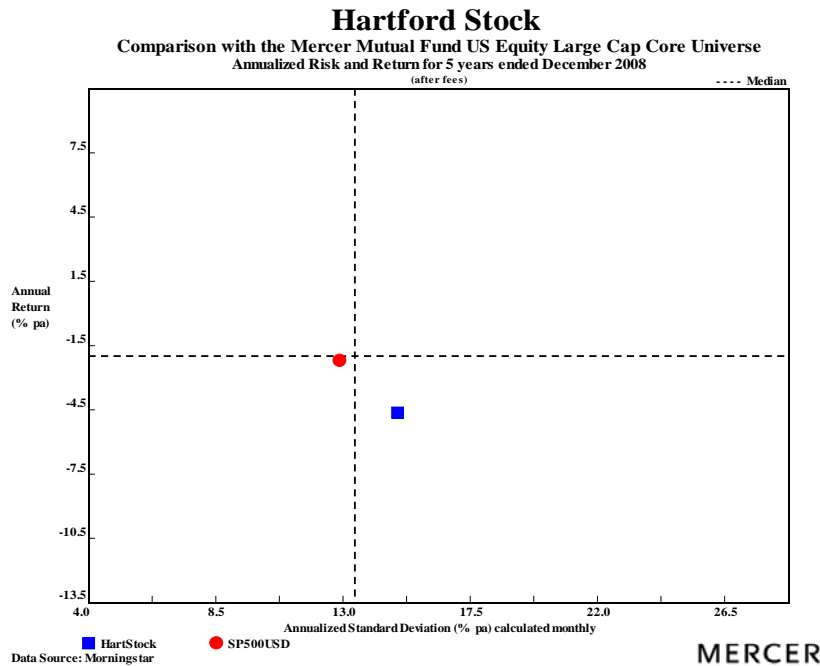
MERCER

Floating Bar Chart



MERCER

Risk / Return Chart



MERCER

Returns Consistency

Mutual Fund US Equity Large Cap Core Monthly Returns - after fees

Rolling 3 Year returns for periods ended from Jan 2004 to Dec 2008

Manager	Number of Obs	First Quartile		Second Quartile		Third Quartile		Fourth Quartile		Avg Percentile Ranking	> Benchmark	
		Number	%	Number	%	Number	%	Number	%		Number	%
HartfordSt	60	1	2%	12	20%	22	37%	25	42%	68	14	23%
Benchmark:												
SP500USD	60	0	0%	15	25%	45	75%	0	0%	53		

Data Source: Morningstar

Appendix – Wellington Management Company

Firm Assets under Management at December 2008

Total Assets: \$US420 billion

Breakdown by Region

United States	\$352 billion	83.8%
Canada	\$6.0 billion	1.4%
UK	\$15.5 billion	3.7%
Europe	\$17.7 billion	4.2%
Japan	\$8.0 billion	1.9%
Asia ex Japan	\$6.3 billion	1.5%
Australia/NZ	\$5.3 billion	1.3%
Other	\$9.0 billion	2.2%

Breakdown by Asset Class

Equity	\$201 billion	48.0%
Fixed Interest	\$159 billion	38.0%
Balanced/Multi-Asset	\$58.7 billion	14.0%
Other		

Breakdown by Client Type

Institutional	\$419 billion	100.0%
Retail	\$183 million	0.0%

Headquarters Locations

Boston, MA, United States

Number of Staff (firm-wide)

Fund Managers:	97
Analysts:	272
Client Servicing/Marketing:	57
Other Investment Professionals:	70
Total Investment Professionals:	496
Total Staff:	1,842

Risk Warnings

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- The value of Gilts, bonds, and other fixed income investments including unit trusts can go down as well as up and you may not get back the amount you have invested;
- Investments denominated in a foreign currency will fluctuate with the value of the currency;
- The value of investments in real property can go down as well as up, and you may not get back the amount you have invested. Valuation is generally a matter of a valuer's opinion, rather than fact. It may be difficult or impossible to realize an investment because the property concerned may not be readily saleable; and,
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