

City Of Burlington Employees Retirement Plan

Performance Review
December 2017



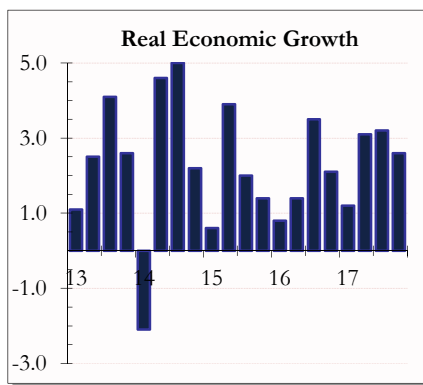
DAHAB ASSOCIATES
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ECONOMIC ENVIRONMENT

Pretty Darn Good

The fourth quarter brought a broad global economic expansion, most notably in China, Japan, Europe and the US. Domestic GDP rose 3.2% in the third quarter, followed by a 2.6% (advance estimate) expansion in the fourth quarter. The strengthening economic picture was also fueled by low inflation, slow and transparent Fed rate increases and investors' optimism regarding the new tax bill.

- Q3 GDP was the second consecutive quarter with gains above three percent, a high mark last reached in 2014. The BEA's advance estimate of 2.6% represents a deceleration of GDP



growth in the fourth quarter. Third quarter gains were attributable to several factors: higher consumer spending and corporate inventory investment, as well as exports capitalizing on the cheaper dollar and government spending at all levels.

- While jobs growth slowed to 148,000 in December, the average monthly gain for Q4 was more than 200,000. As of year-end, unemployment stood at a near record low of 4.1%. December saw meaningful job gains in healthcare, construction and manufacturing. For the year, there were comparable sector job gains, namely: 300,000 in healthcare, 210,000 in construction and an unanticipated 196,000 in manufacturing. New jobs totaled 2.1 million in 2017. Average hourly wages rose 2.5%, suggesting a tighter labor market.
- Home prices were up 7%, year-over-year, through November (latest available), with a 1% increase in the month of November alone. For the first time in many years, all 50 states experienced yearly price appreciations. Once again, Washington State led the

way with a 12.2% yearly increase, followed closely by Utah, Idaho, and Nevada. On the low end, Alaska, Connecticut, Kansas, New Mexico, and Oklahoma saw yearly price hikes in the 2% range.

- Manufacturing activity expanded for the 16th straight month in December. New orders registered 69.4%, climbing more than 5% from November. Productivity was also up, as 16 of the 18 manufacturing sectors grew and only wood products and textiles contracted. Non-manufacturing sectors expanded for the 96th straight month, as this index registered 55.9% — slightly lower than in November, but well into the growth range. Fourteen of the 17 non-manufacturing sectors advanced while information, education services, and support services were the only three to contract.
- The Conference Board reported that the consumer confidence level reached 122.1% for December; this was down from November, but still close to a 17-year high! The Present Situation Index was up slightly, while the Expectation Index dropped to 99.1 from 111.1 the prior month. This drop indicated uncertainty over the sustainability of further job gains and some confusion concerning the new tax law's impact on workers' take-home pay.
- Bloomberg's Commodity Index was 4.7% higher in the fourth quarter, but rose just 1.7% for the year. Energy prices made the greatest impact on the index: an 8.9% energy gain in Q4 was offset by a 4.3% yearly loss. Bumper crops led the agricultural component down 2% for the quarter and down 11% for the year. Metals performed well, rising 6.8% for the fourth quarter and almost 21% for 2017. Industrial metals were the high flyers, gaining more than 29% for the year.
- In December, the Fed initiated its third rate hike to prevent inflation from growing too fast and core CPI rose only 1.8% for the year. However, the month of December's 0.3% CPI increase was the largest since January.
- For the third time in 2017, the Federal Reserve Board hiked the Fed funds rate to 1¼% –1½%. The Federal Open Market Committee (FOMC) noted that job growth continued to expand as did household and business spending, despite a low inflation

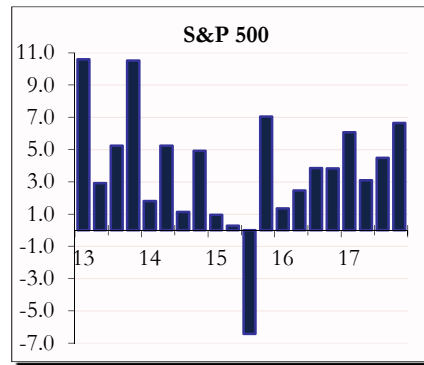
environment. It is noteworthy that the FOMC viewed the three hurricanes as only mildly impacting the national economy. Going forward, the Fed “expects that economic conditions will evolve in a manner that will warrant (further) gradual (rate) increases...”

- Fed Chair, Janet Yellen, is stepping down at the end of her term and Jerome Powell, a current Fed Board Governor, will replace her as Chair.

DOMESTIC EQUITIES

Up Big-Time

US stock indices posted strong advances during the quarter, thanks to a strengthening economy, corporate earnings and the new tax bill that lowered corporate taxes from 35% to 21%.



The DJIA led the way, gaining 11.0%, while the S&P 500 and NASDAQ each added 6.6%. Large caps beat smaller caps, and growth did better than value.

The three major indices scored double-digit returns for the year, as the NASDAQ, DJIA and S&P climbed 29.7%, 28.1% and 21.8%, respectively. The same size and style

pattern applied to the full year; larger-sized and growth style stock returns dwarfed the smaller/value style names. A tilt toward mega-cap growth stocks was one of the year’s smartest bets, as the Russell Top 200 Growth Index returned almost 32%!

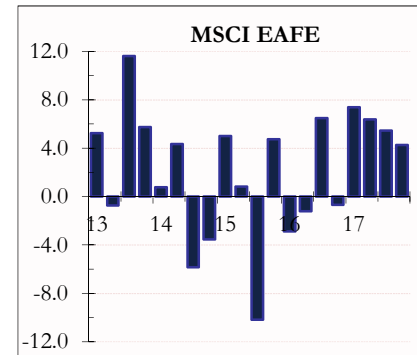
Every S&P sector was positive for the year. Computer tech names were in a league of their own, rocketing 42.1%. The star performers in this booming sector included: Apple (48%); Microsoft (40%); video game maker Activision (76%); and Cadence Design (66%). Consumer Services (34.9%) was another glowing sector, with Amazon (56%) and Wal-Mart (46%) just two of the brightest stars. At the opposite end of the ranking, basic industry stocks gained a relatively lower 15.1%; undoubtedly, GE’s whopping 42%

loss dragged down this sector’s results. Utilities (10.1%) proved to be the second worst sector, with many names in the red. Energy (1.3%) came in dead last. REITs, as a stand-alone category, earned only 4.3%. Almost one-third of the S&P companies have price/earnings ratios of 30 or above, as investors had very high 2018 earnings expectations for the market.

INTERNATIONAL EQUITIES

Developed Markets Advanced... But EM Stole the Show

The US was not the only economy to be humming lately. The GDPs of China, Japan and especially Europe were also faring well. Healthy economic



gains and strong earnings among global companies were typical, as were aggressive central bank measures and non-populist election outcomes in France, Germany and Japan.

In the fourth quarter, the EAFE Index gained 4.3%. The EAFE return was lower than that of the key US indices, but nonetheless a solid advance. Markets in the Pacific

region were the top performers, up 8% overall; in particular, Singapore advanced 10.1%, Japan grew 8.5% and Hong Kong climbed 6.6%. These healthy gains were mainly attributable to consumer spending in Singapore and a surge in Japanese electronics exports, as well as an upturn in Hong Kong tourism. The Australian market was also abuzz, moving up 6.9% due, in part, to rising metals’ commodity prices. In Europe, UK stocks added 5.7%, as investors warmed to the first phase of the Brexit Agreement and an expansionary federal budget.

For the full year, EAFE scored a stellar 25.6%. Returns for Singapore and Hong Kong were each in the 36% range. Denmark earned a comparable 35.6% due to Novo Nordisk’s 53% return, which made all the difference in that small market. Germany (28.5%) enjoyed record production and France (29.9%) had the best consumer confidence level in 10 years. The Italian

market soared 29.6%, reflecting a robust economy, with the exception of some problem banks. Spanish stocks (27.7%) soared, despite the political unrest in Catalonia. The UK jumped 22.4% and Australia climbed 20.2%. Canada, not part of EAFE, posted a 16.9% return.

If the US and EAFE markets were bullish, the emerging markets (EM) were the hottest ticket around. The MSCI Emerging Markets Index rose 7.5% for the quarter and 37.8% for the year! The growth stock component of the index rose even more for the year, up a spectacular 47.1%. Focusing on full-year results, Poland shot up 55.3%, on the strength of its low unemployment and solid GDP growth, as well as its production and consumer spending numbers.

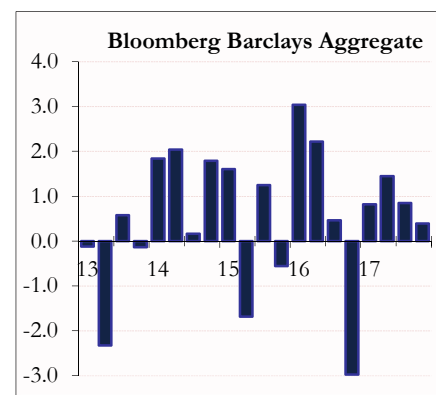
In the Pacific region, China was easily the year's market winner, galloping ahead 54.3%. China's exports, solidified political leadership and rapidly rising middle class consumption supported a 6+% GDP growth. In addition, Alibaba, Tencent and Baidu performances added measurably to market results. The South Korean market took the second-highest honors, returning 47.8%, amidst GDP growth of almost 4% and ballooning exports to China. India, now a prominent manufacturing and consumer spending powerhouse, saw its market climb 38.8%, as investors overcame doubts regarding the growing political difficulties of Prime Minister Modi. Russia, mired in UN sanctions and low oil prices for most of the year, trailed with a 6.1% return. South African shares jumped an unexpected 36.8%, in sync with higher commodity prices. In Latin America, country returns were mixed. Chilean (43.6%) and Peruvian (38.4%) corporations profited from higher commodity prices as did Brazil (24.5%), which also benefited from a better political environment.

BOND MARKET

Fed Funds Hike Set the Tone

In December, the Federal Reserve Board capped its 2017 activities by instituting a third hike in the Federal Funds rate. This action led to a further flattening of the yield curve, with higher rates at the short end and lower rates at the long end. For the quarter, short-to-intermediate maturity Treasury returns were fractionally negative. However, 20-year and longer issues earned 2.6% due to increased investor demand for whatever yield was

available. The investment grade Barclays Aggregate Bond Index, which includes a significant share of Treasuries, returned 0.4%. The Treasury and



mortgage components each earned just 0.1%, while corporate credit gained 1.0%. Commercial mortgage-backed securities (CMBS) provided 0.4% and asset-backed securities (ABS) returned essentially zero. Non-investment grade or high yield bonds earned 0.5%.

For the year, the Aggregate Index picked up 3.5%, with investors receiving modestly higher yield at the short end and significant price appreciation at the long end. Corporate credit generated the best sector return (6.2%) and utility corporates (7.6%) were the top performers within the category. High yield corporates rated BA and below also turned in good numbers. The best high-yield performers featured the weakest credit quality, specifically CAA and CA-D, which earned 10.4% and 13.8%, respectively. EM bonds, including both corporate and sovereign, earned 7.5% (USD) for the year.

CASH EQUIVALENTS

Higher Fed Rate Proved Favorable

December marked the third Fed funds increase, which slightly boosted the yield on money market instruments. As a result, the 3-month T-Bill earned 0.3% for the quarter and 1.0% for the year. Still, it would take many more such increases or an inverted yield curve (i.e. higher yields at the short end and lower yields at the long end) to make cash equivalents a viable longer-term investment vehicle.

MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	2.6	3.2
Unemployment	4.1	4.2
CPI All Items Year/Year	2.10	2.20
Fed Funds Rate	1.50	1.25
Industrial Capacity	77.9	76.1
US Dollars per Euro	1.20	1.18

MAJOR INDEX QUARTER RETURNS

INDEX	PERFORMANCE
Russell 3000	6.3
S&P 500	6.6
Russell Mid	6.1
Russell 2000	3.3
MSCI EAFE	4.3
MSCI Emg Mkts	7.5
NCREIF ODCE	2.1
Aggregate Index	0.4
90 Day Tbills	0.3

EQUITY RETURN DISTRIBUTIONS

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	5.3	6.6	7.9	13.6	21.7	30.2
MC	5.5	6.1	6.8	13.3	18.5	25.3
SC	2.0	3.3	4.6	7.8	14.6	22.1

MARKET SUMMARY

- * The BEA’s advance estimate places 4th quarter GDP growth at 2.6%, which marks a slowing down from the previous two quarters.
- * Unemployment was at a near record low of 4.1%.
- * Year over year CPI expanded at a 2.1% rate.
- * The dollar slightly weakened relative to the Euro.
- * Growth stocks continued to best value names. Large cap stocks out performed small caps.

INVESTMENT RETURN

On December 31st, 2017, the City of Burlington Employees Retirement System was valued at \$190,821,551, representing an increase of \$8,277,321 from the September quarter's ending value of \$182,544,230. Last quarter, the Fund posted withdrawals totaling \$47,491, which partially offset the portfolio's net investment return of \$8,324,812. Income receipts totaling \$123,662 plus net realized and unrealized capital gains of \$8,201,150 combined to produce the portfolio's net investment return.

RELATIVE PERFORMANCE

Total Fund

For the fourth quarter, the Composite portfolio returned 4.6%, which was 0.2% above the Burlington Policy Index's return of 4.4% and ranked in the 5th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 17.2%, which was 0.2% above the benchmark's 17.0% return, ranking in the 15th percentile. Since December 2001, the portfolio returned 5.9% annualized.

Equity

The equity portion of the portfolio returned 6.0% last quarter; that return was 0.2% greater than the MSCI All Country World index's return of 5.8% and ranked in the 31st percentile of the Global Equity universe. Over the trailing twelve-month period, this component returned 23.1%, 1.5% below the benchmark's 24.6% performance, ranking in the 53rd percentile.

Real Assets

In the fourth quarter, the real assets segment returned 2.3%, which was 0.5% less than the Real Assets Blended Index's return of 2.8%. Over the trailing twelve-month period, this component returned 5.7%, which was 1.4% greater than the benchmark's 4.3% performance.

Fixed Income

Last quarter, the fixed income component returned -0.2%, which was equal to the Intermediate Gov/Credit Index's return of -0.2% and ranked in the 95th percentile of the Broad Market Fixed Income universe. Over the trailing year, this component returned 2.1%, which was equal to the benchmark's 2.1% performance, and ranked in the 81st percentile.

ASSET ALLOCATION

At the end of the fourth quarter, equities comprised 73.4% of the total portfolio (\$140.0 million), while real assets totaled 10.0% (\$19.1 million). The account's fixed income component comprised 16.1% (\$30.8 million) of total value, while the remaining 0.5% was comprised of cash & equivalents (\$967,453).

The Retirement System also had a negative cash balance in the Pooled Account (not included in the valuations in this report) of -\$2,099,041.73.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	FYTD	YTD /1Y	3 Year	5 Year	10 Year	Since 12/01
Total Portfolio - Gross	4.6	8.7	17.2	7.8	7.3	5.3	5.9
<i>PUBLIC FUND RANK</i>	(5)	(8)	(15)	(34)	(91)	(87)	----
Total Portfolio - Net	4.5	8.6	17.0	7.5	6.8	4.9	----
Policy Index	4.4	8.5	17.0	8.3	7.7	5.2	----
Equity - Gross	6.0	11.5	23.1	----	----	----	----
<i>GLOBAL EQUITY RANK</i>	(31)	(40)	(53)	----	----	----	----
MSCI AC World	5.8	11.5	24.6	9.9	11.4	5.2	7.5
ACWI Ex US	5.1	11.6	27.8	8.3	7.3	2.3	7.6
MSCI EAFE	4.3	10.0	25.6	8.3	8.4	2.4	6.9
MSCI EM Net	7.4	15.9	37.3	9.1	4.3	1.7	11.1
Russell 3000	6.3	11.2	21.1	11.1	15.6	8.6	7.9
S&P Completion	4.8	10.0	18.1	9.8	14.5	9.2	----
Real Assets - Gross	2.3	3.6	5.7	----	----	----	----
Real Assets Idx	2.8	4.5	4.3	3.0	3.0	1.3	5.9
NCREIF ODCE	2.1	4.0	7.6	10.4	11.5	5.0	8.1
NCREIF Timber	1.5	2.1	3.6	3.7	6.2	4.4	7.2
BLP Commodity	4.7	7.3	1.7	-5.0	-8.5	-6.8	1.2
Fixed Income - Gross	-0.2	0.4	2.1	----	----	----	----
<i>BROAD MARKET FIXED RANK</i>	(95)	(92)	(81)	----	----	----	----
Int Gov/Credit	-0.2	0.4	2.1	1.8	1.5	3.3	3.9
Global Aggregate	1.1	2.9	7.4	2.0	0.8	3.1	4.9
Global Agg Ex US	1.6	4.1	10.5	1.8	-0.2	2.4	5.3
Aggregate Index	0.4	1.2	3.5	2.3	2.1	4.0	4.5

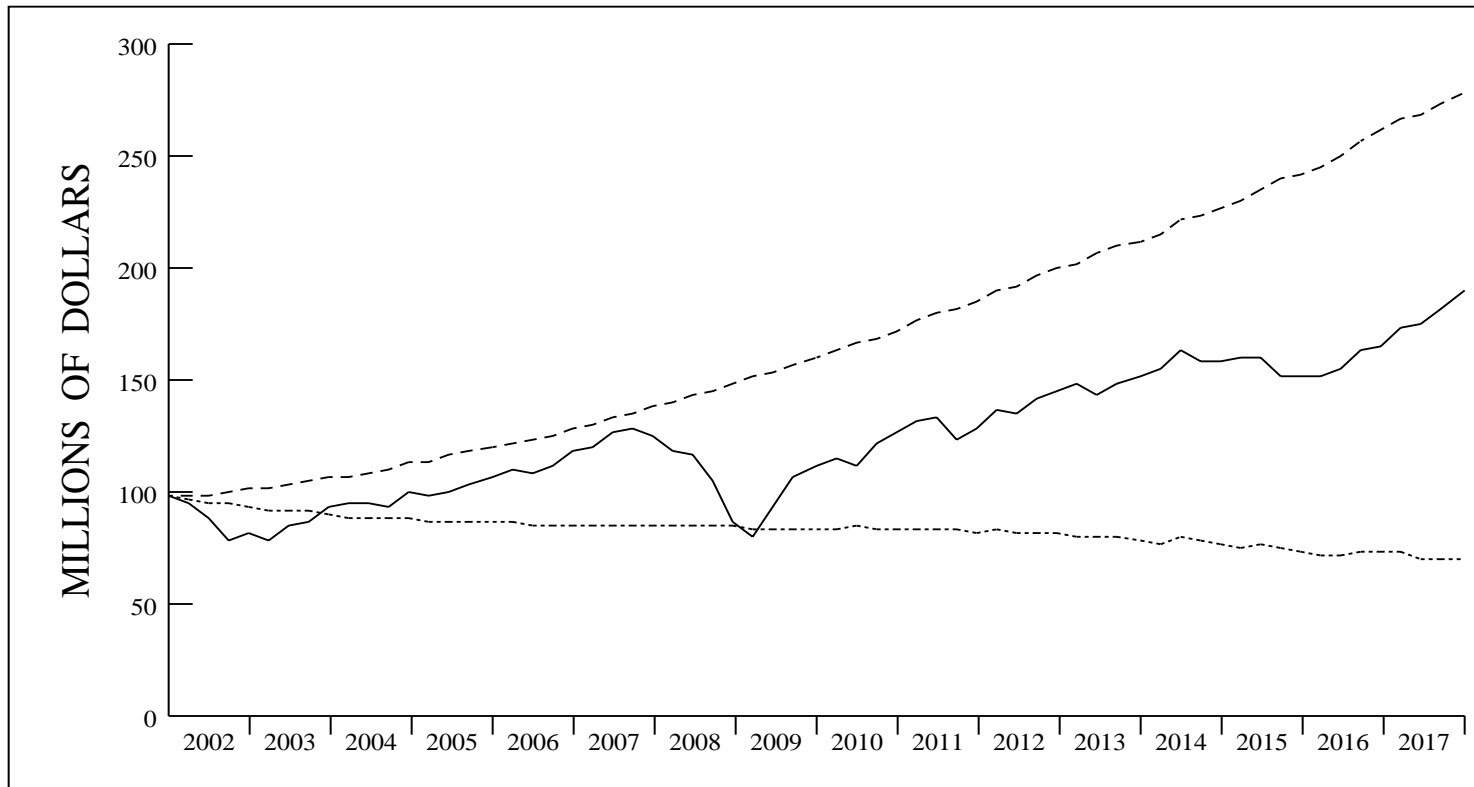
ASSET ALLOCATION

Equity	73.4%	\$ 140,013,785
Real Assets	10.0%	19,062,327
Fixed Income	16.1%	30,777,986
Cash	0.5%	967,453
Total Portfolio	100.0%	\$ 190,821,551

INVESTMENT RETURN

Market Value 9/2017	\$ 182,544,230
Contribs / Withdrawals	- 47,491
Income	123,662
Capital Gains / Losses	8,201,150
Market Value 12/2017	\$ 190,821,551

INVESTMENT GROWTH

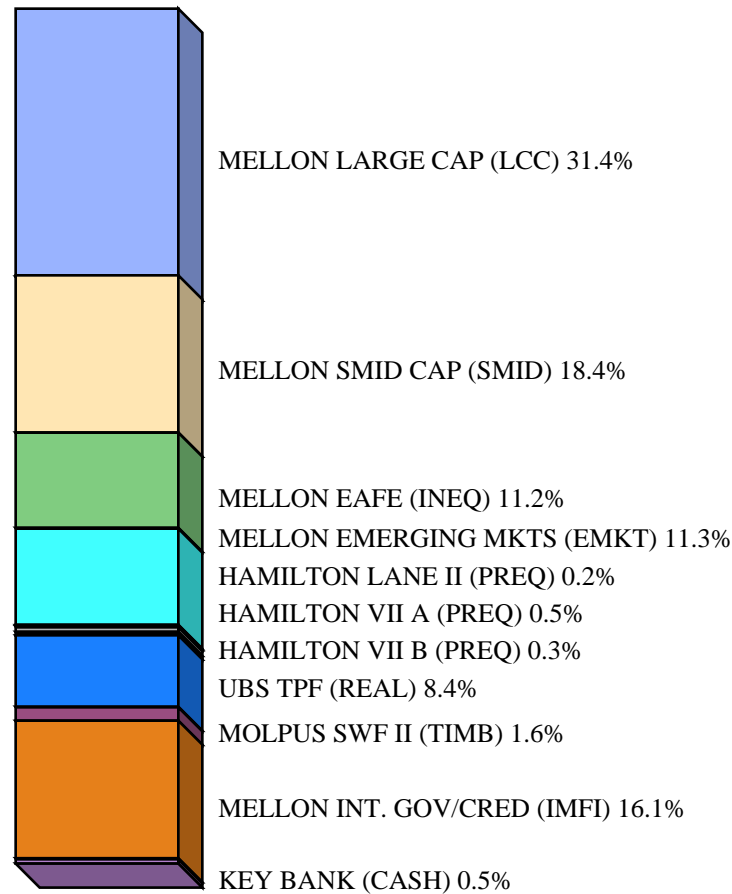


— ACTUAL RETURN
 - - - 8.0%
 . . . 0.0%

VALUE ASSUMING
 8.0% RETURN \$ 279,869,201

	LAST QUARTER	PERIOD 12/01 - 12/17
BEGINNING VALUE	\$ 182,544,230	\$ 98,885,312
NET CONTRIBUTIONS	- 47,491	- 27,808,891
<u>INVESTMENT RETURN</u>	<u>8,324,812</u>	<u>119,745,130</u>
ENDING VALUE	\$ 190,821,551	\$ 190,821,551
INCOME	123,662	15,083,425
<u>CAPITAL GAINS (LOSSES)</u>	<u>8,201,150</u>	<u>104,661,705</u>
INVESTMENT RETURN	8,324,812	119,745,130

MANAGER ALLOCATION AND TARGET SUMMARY



Name	Market Value	Percent	Target
Mellon Large Cap (LCC)	\$59,911,673	31.4	30.0
Mellon Smid Cap (SMID)	\$35,155,699	18.4	18.0
Mellon EAFE (INEQ)	\$21,312,171	11.2	10.0
Mellon Emerging Mkts (EMKT)	\$21,611,789	11.3	10.0
Hamilton Lane II (PREQ)	\$370,936	0.2	0.5
Hamilton VII A (PREQ)	\$1,004,725	0.5	0.9
Hamilton VII B (PREQ)	\$646,792	0.3	0.6
UBS TPF (REAL)	\$15,998,526	8.4	8.0
Molpus SWF II (TIMB)	\$3,063,801	1.6	2.0
Mellon Int. Gov/Cred (IMFI)	\$30,777,986	16.1	20.0
Key Bank (CASH)	\$967,453	0.5	0.0
Total Portfolio	\$190,821,551	100.0	100.0

INVESTMENT RETURN SUMMARY - ONE QUARTER

Name	Quarter Total Return	Market Value September 30th, 2017	Net Cashflow	Net Investment Return	Market Value December 31st, 2017
Mellon Large Cap (LCC)	6.6	56,178,757	0	3,732,916	59,911,673
Mellon Smid Cap (SMID)	5.3	33,394,321	0	1,761,378	35,155,699
Mellon EAFE (INEQ)	4.5	20,395,326	0	916,845	21,312,171
Mellon Emerging Mkts (EMKT)	7.4	20,121,697	0	1,490,092	21,611,789
Hamilton Lane II (PREQ)	0.0	419,900	-49,136	172	370,936
Hamilton VII A (PREQ)	2.7	1,061,230	-84,306	27,801	1,004,725
Hamilton VII B (PREQ)	5.3	635,018	-21,814	33,588	646,792
UBS TPF (REAL)	2.4	15,669,025	-38,500	368,001	15,998,526
Molpus SWF II (TIMB)	1.9	3,063,801	-57,327	57,327	3,063,801
Mellon Int. Gov/Cred (IMFI)	-0.2	30,841,294	0	-63,308	30,777,986
Key Bank (CASH)	---	763,861	203,592	0	967,453
Total Portfolio	4.6	182,544,230	-47,491	8,324,812	190,821,551








MANAGER PERFORMANCE SUMMARY - GROSS OF FEES

Portfolio	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception
Total Portfolio	(Public Fund)	4.6 (5)	8.7 (8)	17.2 (15)	7.8 (34)	7.3 (91)	5.9 ---- 12/01
<i>Policy Index</i>		<i>4.4 ----</i>	<i>8.5 ----</i>	<i>17.0 ----</i>	<i>8.3 ----</i>	<i>7.7 ----</i>	<i>---- ---- 12/01</i>
Mellon Large Cap	(LC Core)	6.6 (49)	11.4 (47)	21.8 (48)	---- ----	---- ----	18.5 (47) 03/16
<i>S&P 500</i>		<i>6.6 ----</i>	<i>11.4 ----</i>	<i>21.8 ----</i>	<i>11.4 ----</i>	<i>15.8 ----</i>	<i>18.5 ---- 03/16</i>
Mellon Smid Cap	(Smid Cap)	5.3 (62)	10.3 (47)	17.0 (57)	---- ----	---- ----	19.8 (39) 03/16
<i>Russell 2500</i>		<i>5.2 ----</i>	<i>10.2 ----</i>	<i>16.8 ----</i>	<i>10.1 ----</i>	<i>14.3 ----</i>	<i>19.6 ---- 03/16</i>
Mellon EAFE	(Intl Eq)	4.5 (66)	10.2 (73)	25.7 (77)	---- ----	---- ----	16.8 (70) 03/16
<i>MSCI EAFE</i>		<i>4.3 ----</i>	<i>10.0 ----</i>	<i>25.6 ----</i>	<i>8.3 ----</i>	<i>8.4 ----</i>	<i>16.8 ---- 03/16</i>
Mellon Emerging Mkts	(Emerging Mkt)	7.4 (39)	15.9 (39)	37.2 (50)	---- ----	---- ----	23.3 (55) 03/16
<i>MSCI EM Net</i>		<i>7.4 ----</i>	<i>15.9 ----</i>	<i>37.3 ----</i>	<i>9.1 ----</i>	<i>4.3 ----</i>	<i>23.4 ---- 03/16</i>
Hamilton Lane II		0.0 ----	3.0 ----	4.1 ----	-2.5 ----	3.8 ----	11.0 ---- 03/09
<i>S&P Completion</i>		<i>4.8 ----</i>	<i>10.0 ----</i>	<i>18.1 ----</i>	<i>9.8 ----</i>	<i>14.5 ----</i>	<i>18.4 ---- 03/09</i>
Hamilton VII A		2.7 ----	3.3 ----	11.1 ----	9.4 ----	13.5 ----	12.9 ---- 09/11
<i>S&P Completion</i>		<i>4.8 ----</i>	<i>10.0 ----</i>	<i>18.1 ----</i>	<i>9.8 ----</i>	<i>14.5 ----</i>	<i>16.8 ---- 09/11</i>
Hamilton VII B		5.3 ----	7.2 ----	12.1 ----	7.6 ----	8.8 ----	8.3 ---- 09/11
<i>S&P Completion</i>		<i>4.8 ----</i>	<i>10.0 ----</i>	<i>18.1 ----</i>	<i>9.8 ----</i>	<i>14.5 ----</i>	<i>16.8 ---- 09/11</i>
UBS TPF		2.4 ----	3.9 ----	6.3 ----	---- ----	---- ----	6.2 ---- 09/16
<i>NCREIF ODCE</i>		<i>2.1 ----</i>	<i>4.0 ----</i>	<i>7.6 ----</i>	<i>10.4 ----</i>	<i>11.5 ----</i>	<i>7.8 ---- 09/16</i>
Molpus SWF II		1.9 ----	2.3 ----	2.7 ----	4.1 ----	5.0 ----	4.0 ---- 03/09
<i>NCREIF Timber</i>		<i>1.5 ----</i>	<i>2.1 ----</i>	<i>3.6 ----</i>	<i>3.7 ----</i>	<i>6.2 ----</i>	<i>3.9 ---- 03/09</i>
Mellon Int. Gov/Cred	(Int Fixed)	-0.2 (96)	0.4 (96)	2.1 (85)	---- ----	---- ----	1.0 (90) 03/16
<i>Int Gov/Credit</i>		<i>-0.2 ----</i>	<i>0.4 ----</i>	<i>2.1 ----</i>	<i>1.8 ----</i>	<i>1.5 ----</i>	<i>1.0 ---- 03/16</i>

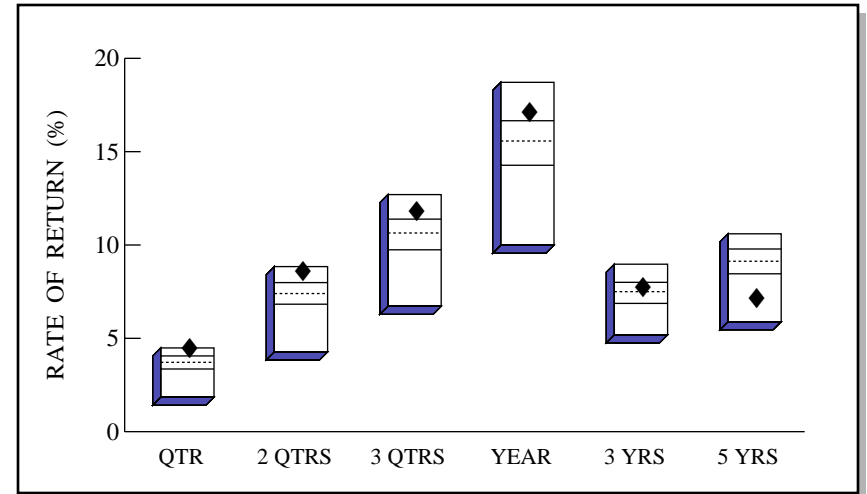
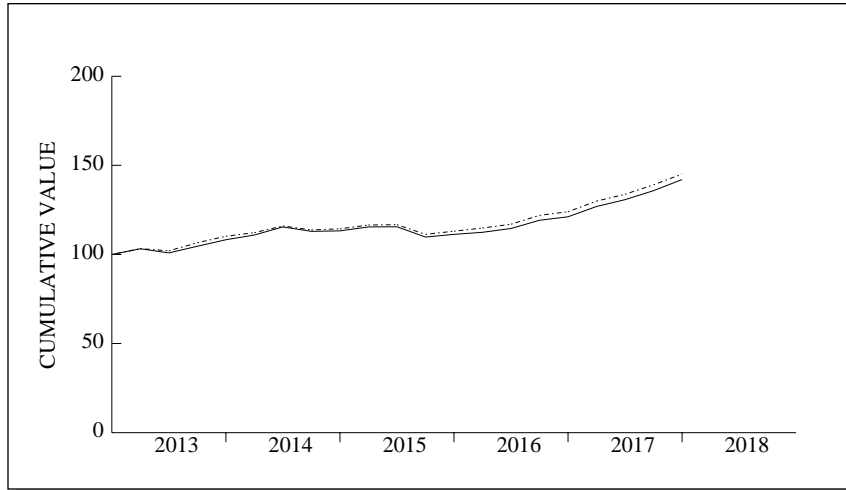
MANAGER PERFORMANCE SUMMARY - NET OF FEES

Name	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception	
Total Portfolio	4.5	8.6	17.0	7.5	6.8	----	12/01
<i>Policy Index</i>	<i>4.4</i>	<i>8.5</i>	<i>17.0</i>	<i>8.3</i>	<i>7.7</i>	<i>----</i>	<i>12/01</i>
Mellon Large Cap	6.6	11.4	21.8	----	----	18.5	03/16
<i>S&P 500</i>	<i>6.6</i>	<i>11.4</i>	<i>21.8</i>	<i>11.4</i>	<i>15.8</i>	<i>18.5</i>	<i>03/16</i>
Mellon Smid Cap	5.3	10.3	16.9	----	----	19.7	03/16
<i>Russell 2500</i>	<i>5.2</i>	<i>10.2</i>	<i>16.8</i>	<i>10.1</i>	<i>14.3</i>	<i>19.6</i>	<i>03/16</i>
Mellon EAFE	4.5	10.1	25.6	----	----	16.7	03/16
<i>MSCI EAFE</i>	<i>4.3</i>	<i>10.0</i>	<i>25.6</i>	<i>8.3</i>	<i>8.4</i>	<i>16.8</i>	<i>03/16</i>
Mellon Emerging Mkts	7.4	15.8	37.1	----	----	23.2	03/16
<i>MSCI EM Net</i>	<i>7.4</i>	<i>15.9</i>	<i>37.3</i>	<i>9.1</i>	<i>4.3</i>	<i>23.4</i>	<i>03/16</i>
Hamilton Lane II	-0.9	0.7	0.2	-5.6	1.3	9.1	03/09
<i>S&P Completion</i>	<i>4.8</i>	<i>10.0</i>	<i>18.1</i>	<i>9.8</i>	<i>14.5</i>	<i>18.4</i>	<i>03/09</i>
Hamilton VII A	2.4	2.6	9.9	8.2	11.9	10.8	09/11
<i>S&P Completion</i>	<i>4.8</i>	<i>10.0</i>	<i>18.1</i>	<i>9.8</i>	<i>14.5</i>	<i>16.8</i>	<i>09/11</i>
Hamilton VII B	5.1	6.6	10.7	6.3	7.3	6.4	09/11
<i>S&P Completion</i>	<i>4.8</i>	<i>10.0</i>	<i>18.1</i>	<i>9.8</i>	<i>14.5</i>	<i>16.8</i>	<i>09/11</i>
UBS TPF	2.1	3.4	5.2	----	----	5.1	09/16
<i>NCREIF ODCE</i>	<i>2.1</i>	<i>4.0</i>	<i>7.6</i>	<i>10.4</i>	<i>11.5</i>	<i>7.8</i>	<i>09/16</i>
Molpus SWF II	1.9	2.0	2.0	3.1	4.0	3.3	03/09
<i>NCREIF Timber</i>	<i>1.5</i>	<i>2.1</i>	<i>3.6</i>	<i>3.7</i>	<i>6.2</i>	<i>3.9</i>	<i>03/09</i>
Mellon Int. Gov/Cred	-0.2	0.4	2.1	----	----	0.9	03/16
<i>Int Gov/Credit</i>	<i>-0.2</i>	<i>0.4</i>	<i>2.1</i>	<i>1.8</i>	<i>1.5</i>	<i>1.0</i>	<i>03/16</i>

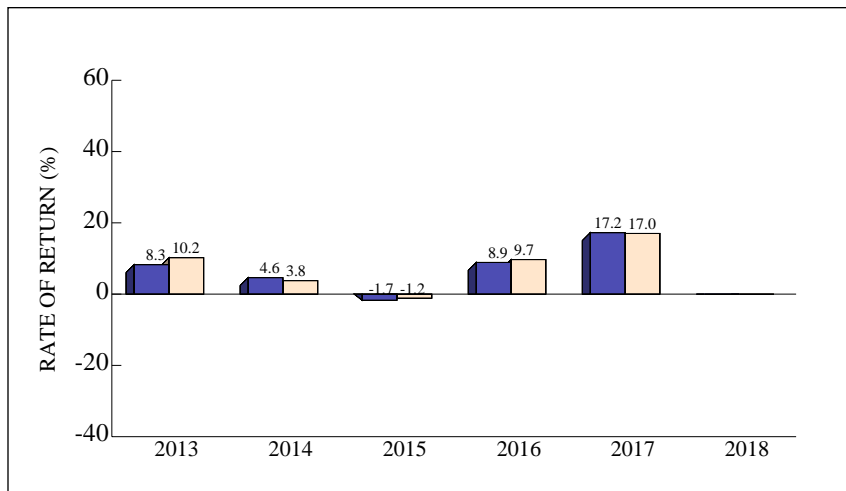
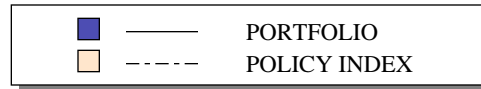
MANAGER VALUE ADDED

1 Quarter	Portfolio	Benchmark	1 Year
0.0	Mellon Large Cap	S&P 500	0.0
0.1	Mellon Smid Cap	Russell 2500	0.2
0.2	Mellon EAFE	MSCI EAFE	0.1
0.0	Mellon Emerging Mkts	MSCI EM Net	-0.1
 -4.8	Hamilton Lane II	S&P Completion	 -14.0
 -2.1	Hamilton VII A	S&P Completion	 -7.0
0.5	Hamilton VII B	S&P Completion	 -6.0
0.3	UBS TPF	NCREIF ODCE	 -1.3
0.4	Molpus SWF II	NCREIF Timber	 -0.9
0.0	Mellon Int. Gov/Cred	Int Gov/Credit	0.0
0.2 	Total Portfolio	Policy Index	0.2

TOTAL RETURN COMPARISONS



Public Fund Universe

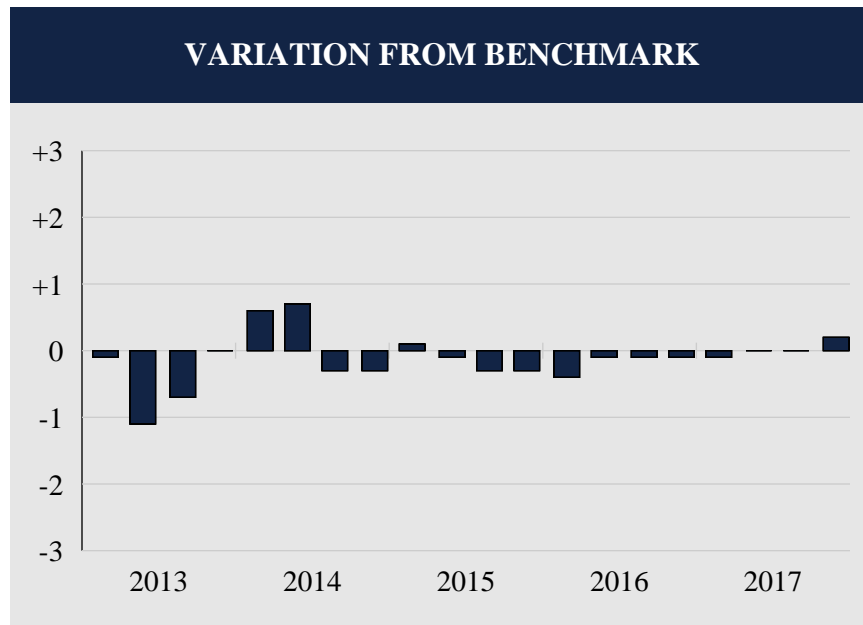


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	4.6	8.7	11.9	17.2	7.8	7.3
(RANK)	(5)	(8)	(14)	(15)	(34)	(91)
5TH %ILE	4.5	8.8	12.7	18.7	9.0	10.6
25TH %ILE	4.1	8.0	11.4	16.7	8.0	9.8
MEDIAN	3.7	7.4	10.6	15.6	7.5	9.1
75TH %ILE	3.4	6.8	9.7	14.3	6.9	8.5
95TH %ILE	1.8	4.3	6.7	10.0	5.2	5.9
<i>Policy</i>	<i>4.4</i>	<i>8.5</i>	<i>11.7</i>	<i>17.0</i>	<i>8.3</i>	<i>7.7</i>

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY - 5 YEARS

COMPARATIVE BENCHMARK: BURLINGTON POLICY INDEX



Total Quarters Observed	20
Quarters At or Above the Benchmark	7
Quarters Below the Benchmark	13
Batting Average	.350

RATES OF RETURN						
Date	Portfolio	Bench	Diff	-----Cumulative-----		
				Portfolio	Bench	Diff
3/13	3.2	3.3	-0.1	3.2	3.3	-0.1
6/13	-2.3	-1.2	-1.1	0.9	2.0	-1.1
9/13	3.7	4.4	-0.7	4.6	6.6	-2.0
12/13	3.5	3.5	0.0	8.3	10.2	-1.9
3/14	2.5	1.9	0.6	10.9	12.3	-1.4
6/14	4.0	3.3	0.7	15.4	16.0	-0.6
9/14	-2.2	-1.9	-0.3	12.9	13.8	-0.9
12/14	0.3	0.6	-0.3	13.3	14.4	-1.1
3/15	1.9	1.8	0.1	15.4	16.5	-1.1
6/15	0.1	0.2	-0.1	15.6	16.7	-1.1
9/15	-5.0	-4.7	-0.3	9.8	11.3	-1.5
12/15	1.3	1.6	-0.3	11.3	13.1	-1.8
3/16	1.1	1.5	-0.4	12.5	14.8	-2.3
6/16	1.8	1.9	-0.1	14.5	17.0	-2.5
9/16	4.1	4.2	-0.1	19.2	22.0	-2.8
12/16	1.6	1.7	-0.1	21.2	24.0	-2.8
3/17	4.7	4.8	-0.1	26.9	29.9	-3.0
6/17	3.0	3.0	0.0	30.7	33.8	-3.1
9/17	3.9	3.9	0.0	35.9	39.1	-3.2
12/17	4.6	4.4	0.2	42.1	45.1	-3.0

Private Equity Investor Report
Hamilton Lane Secondary Fund II LP

IRR Since Inception	14.46%	Annualized, Net of Fees			
Market Value	\$ 370,936	Last Statement Date:		12/31/2017	
Capital Commitment	\$ 3,400,000	100.00%			
Paid In Capital	\$ 2,982,695	87.73%			
Remaining Commitment	\$ 417,305	12.27%			
		% of	Recallable	% of	
Date	Contributions	Commitment	Distributions	Commitment	Distributions
Year 2009	\$ 518,361	15.25%	\$ (151,904)	-4.47%	\$ -
Year 2010	\$ 1,109,828	32.64%	\$ -	-	\$ (87,992)
Year 2011	\$ 607,254	17.86%	\$ (115,109)	-3.39%	\$ (361,234)
Year 2012	\$ 934,221	27.48%	\$ -	-	\$ (836,516)
Year 2013	\$ 97,310	2.86%	\$ (17,266)	-0.51%	\$ (731,867)
Year 2014	\$ -	-	\$ -	-	\$ (1,140,848)
Year 2015	\$ -	-	\$ -	-	\$ (533,140)
1/28/2016	\$ -	-	\$ -	-	\$ (38,549)
5/20/2016	\$ -	-	\$ -	-	\$ (81,887)
8/19/2016	\$ -	-	\$ -	-	\$ (46,080)
12/28/2016	\$ -	-	\$ -	-	\$ (31,257)
6/1/2017	\$ -	-	\$ -	-	\$ (44,158)
11/20/2017	\$ -	-	\$ -	-	\$ (45,061)
Total	\$ 3,266,974	96.09%	\$ (284,279)	-8.36%	\$ (3,978,589)

Private Equity Investor Report
Hamilton Lane Private Equity Fund VII LP Series A Offshore

IRR Since Inception	10.96%	Annualized, Net of Fees	
Market Value	\$ 1,004,725	Last Statement Date:	12/31/2017
Capital Commitment	\$ 1,500,000	100.00%	
Paid In Capital	\$ 1,304,825	86.99%	
Remaining Commitment	\$ 195,175	13.01%	

Date	Contributions	% of Commitment	Recallable Distributions	% of Commitment	Distributions
7/27/2011	\$ 172,500	11.50%	\$ -	-	\$ -
9/27/2011	\$ 52,500	3.50%	\$ -	-	\$ -
11/15/2011	\$ 52,500	3.50%	\$ -	-	\$ -
12/30/2011	\$ 67,947	4.53%	\$ -	-	\$ -
4/24/2012	\$ 83,394	5.56%	\$ -	-	\$ (32,311)
6/24/2012	\$ 52,500	3.50%	\$ -	-	\$ -
8/23/2012	\$ 45,000	3.00%	\$ -	-	\$ (3,692)
10/15/2012	\$ 67,500	4.50%	\$ -	-	\$ (23,932)
11/21/2012	\$ 80,250	5.35%	\$ -	-	\$ -
3/12/2013	\$ 48,750	3.25%	\$ -	-	\$ (27,930)
2/14/2014	\$ 61,500	4.10%	\$ -	-	\$ -
5/20/2014	\$ 187,500	12.50%	\$ -	-	\$ (151,650)
7/14/2014	\$ 50,522	3.37%	\$ -	-	\$ (19,283)
1/6/2015	\$ 145,117	9.67%	\$ -	-	\$ (88,738)
12/8/2015	\$ 28,179	1.88%	\$ -	-	\$ (51,519)
7/22/2016	\$ 75,000	5.00%	\$ -	-	\$ (53,805)
1/25/2017	\$ 34,166	2.28%	\$ -	-	\$ (216,102)
6/22/2017	\$ -	-	\$ -	-	\$ (96,706)
8/16/2017	\$ -	-	\$ -	-	\$ (31,846)
9/28/2017	\$ -	-	\$ -	-	\$ (6,487)
11/15/2017	\$ -	-	\$ -	-	\$ (80,964)
Total	\$ 1,304,825	86.99%	\$ -	0.00%	\$ (884,965)

Valuations of non-public securities are provided by Hamilton Lane, based on current market and company conditions.

Private Equity Investor Report
Hamilton Lane Private Equity Fund VII LP Series B Offshore

IRR Since Inception	6.41%	Annualized, Net of Fees	
Market Value	\$ 646,792	Last Statement Date:	12/31/2017
Capital Commitment	\$ 1,000,000	100.00%	
Paid In Capital	\$ 825,225	82.52%	
Remaining Commitment	\$ 174,775	17.48%	

Date	Contributions	% of Commitment	Recallable Distributions	% of Commitment	Distributions
7/27/2011	\$ 160,000	16.00%	\$ -	-	\$ -
9/27/2011	\$ 35,000	3.50%	\$ -	-	\$ -
12/28/2011	\$ 50,723	5.07%	\$ -	-	\$ -
4/24/2012	\$ 56,445	5.64%	\$ -	-	\$ (22,962)
6/24/2012	\$ 50,000	5.00%	\$ -	-	\$ -
8/23/2012	\$ 50,000	5.00%	\$ -	-	\$ (2,909)
11/21/2012	\$ 30,000	3.00%	\$ -	-	\$ (16,671)
1/3/2013	\$ 40,000	4.00%	\$ -	-	\$ -
8/12/2013	\$ 100,000	10.00%	\$ -	-	\$ (35,860)
2/14/2014	\$ 44,000	4.40%	\$ -	-	\$ -
5/20/2014	\$ 80,000	8.00%	\$ -	-	\$ (49,323)
7/14/2014	\$ 45,512	4.55%	\$ -	-	\$ (3,495)
12/8/2014	\$ 16,254	1.63%	\$ -	-	\$ (29,570)
1/20/2015	\$ 65,791	6.58%	\$ -	-	\$ (11,610)
8/3/2015	\$ -	-	\$ -	-	\$ (9,735)
3/23/2016	\$ -	-	\$ -	-	\$ (67,664)
7/18/2016	\$ -	-	\$ -	-	\$ (10,836)
1/27/2017	\$ 1,500	0.15%	\$ -	-	\$ (64,973)
6/23/2017	\$ -	-	\$ -	-	\$ (43,902)
8/17/2017	\$ -	-	\$ -	-	\$ (15,753)
9/27/2017	\$ -	-	\$ -	-	\$ (5,960)
12/8/2017	\$ -	-	\$ -	-	\$ (20,240)
Total	\$ 825,225	82.52%	\$ -	0.00%	\$ (411,463)

Valuations of non-public securities are provided by Hamilton Lane, based on current market and company conditions.

Timber Investor Report
Molpus Sustainable Woodlands Fund II, LP

IRR Since Inception	2.48%	Annualized, Net of Fees	
Market Value	\$ 3,063,801	Last Statement Date:	9/30/2017
Capital Commitment	\$ 3,400,000	100.00%	
Paid In Capital	\$ 3,400,000	100.00%	
Remaining Commitment	\$ -	0.00%	

Date	Contributions	% of Commitment	Recallable Distributions	% of Commitment	Distributions
2/28/2009	\$ 510,000	15.00%	\$ -	-	\$ -
9/30/2009	\$ 2,890,000	85.00%	\$ -	-	\$ -
4/30/2010	\$ -	-	\$ -	-	\$ (19,365)
6/30/2010	\$ -	-	\$ -	-	\$ (67,116)
12/31/2010	\$ -	-	\$ -	-	\$ (28,663)
6/30/2011	\$ -	-	\$ -	-	\$ (19,109)
12/31/2011	\$ -	-	\$ -	-	\$ (38,218)
12/31/2012	\$ -	-	\$ -	-	\$ (47,772)
6/25/2013	\$ -	-	\$ -	-	\$ (76,435)
12/31/2013	\$ -	-	\$ -	-	\$ (114,653)
3/31/2014	\$ -	-	\$ -	-	\$ (47,772)
9/30/2014	\$ -	-	\$ -	-	\$ (47,772)
12/31/2014	\$ -	-	\$ -	-	\$ (28,663)
3/31/2015	\$ -	-	\$ -	-	\$ (38,218)
9/30/2015	\$ -	-	\$ -	-	\$ (47,772)
12/31/2015	\$ -	-	\$ -	-	\$ (47,772)
6/30/2016	\$ -	-	\$ -	-	\$ (28,663)
9/30/2016	\$ -	-	\$ -	-	\$ (76,435)
12/31/2016	\$ -	-	\$ -	-	\$ (95,544)
6/30/2017	\$ -	-	\$ -	-	\$ (38,218)
9/29/2017	\$ -	-	\$ -	-	\$ (38,218)
12/29/2017	\$ -	-	\$ -	-	\$ (57,327)
Total	\$ 3,400,000	100.00%	\$ -	0.00%	\$ (1,003,705)

APPENDIX - MAJOR MARKET INDEX RETURNS

Equity	Style	QTR	FYTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	6.3	11.2	21.1	11.1	15.6
S&P 500	Large Cap Core	6.6	11.4	21.8	11.4	15.8
Russell 1000	Large Cap Core	6.6	11.4	21.7	11.2	15.7
Russell 1000 Growth	Large Cap Growth	7.9	14.2	30.2	13.8	17.3
Russell 1000 Value	Large Cap Value	5.3	8.6	13.6	8.6	14.0
Russell 2000	Small Cap	3.3	9.2	14.6	9.9	14.1
Russell 2000 Growth	Small Cap Growth	4.6	11.1	22.1	10.3	15.2
Russell 2000 Value	Small Cap Value	2.0	7.3	7.8	9.5	13.0
MSCI EAFE	Developed Markets	4.3	10.0	25.6	8.3	8.4
MSCI EAFE Growth	Developed Markets Growth	5.3	10.5	29.4	9.6	9.2
MSCI EAFE Value	Developed Markets Value	3.3	9.4	22.1	7.0	7.5
MSCI Emerging Markets	Emerging Markets	7.5	16.1	37.8	9.5	4.7
MSCI All Country World	Global Equity	5.8	11.5	24.6	9.9	11.4
MSCI All Country World Ex US	Global Equity (ex. US)	5.1	11.6	27.8	8.3	7.3
Fixed Income	Style	QTR	FYTD	1 Year	3 years	5 Years
Bloomberg Barclays Aggregate Index	Core Fixed Income	0.4	1.2	3.5	2.3	2.1
Bloomberg Barclays Gov/Credit	Gov/Credit	0.5	1.3	4.0	2.4	2.1
Bloomberg Barclays Capital Gov't Bond	Treasuries	0.0	0.4	2.3	1.4	1.3
Bloomberg Barclays Capital Credit Bond	Corporate Bonds	1.0	2.4	6.2	3.6	3.2
Intermediate Aggregate	Core Intermediate	-0.1	0.7	2.3	1.8	1.7
Intermediate Gov/Credit	Gov / Credit Intermediate	-0.2	0.4	2.1	1.8	1.5
ML/BoA 1-3 Year Treasury	Short Term Treasuries	-0.3	0.0	0.4	0.6	0.6
Citi High Yield BB & B Index	High Yield Bonds	0.5	2.5	7.0	5.8	5.2
Bloomberg Barclays Global Treasury Ex US	International Treasuries	1.5	3.6	9.3	2.0	-0.4
Citi World Gov't Bond Index	International Fixed Income	1.0	2.9	7.5	1.7	0.1
Bloomberg Barclays Global Aggregate	International Fixed Income	1.1	2.9	7.4	2.0	0.8
Bloomberg Barclays Global Aggregate Ex US	International Fixed Income	1.6	4.1	10.5	1.8	-0.2
Alternative Assets	Style	QTR	FYTD	1 Year	3 years	5 Years
MSCI US REIT Index	REITs	1.4	2.3	5.1	5.4	9.3
NCREIF NFI-ODCE Index	Real Estate	2.1	4.0	7.6	10.4	11.5
NCREIF Timber Index	Timber	1.5	2.1	3.6	3.7	6.2
Bloomberg Commodity Index	Commodities	4.7	7.3	1.7	-5.0	-8.5
HFRI FOF Composite	Hedge Funds	2.0	4.4	7.7	2.6	4.0

APPENDIX - DISCLOSURES

- * The Burlington Policy Index was constructed as follows:

For periods since June 30, 2016:

30% S&P 500	18% Russell 2500	10% MSCI EAFE
10% MSCI EM	20% BC Intermediate Gov/Cred	
2% S&P Completion Index	2% NCREIF Timberland	8% NCREIF ODCE

For periods from December 31, 2015 through June 30, 2016:

30% S&P 500	18% Russell 2500	10% MSCI EAFE
10% MSCI EM	28% BC Intermediate Gov/Cred	
2% S&P Completion Index	2% NCREIF Timberland	

For periods through December 31, 2015, this index uses the returns of the Manager Shadow Index.

- * The Burlington Manager Shadow index is the weighted average of each manager portfolio's beginning value multiplied by its current quarter benchmark return.
- * The Real Assets Blended Index is comprised of equal parts:

NCREIF ODCE	NCREIF Timber	Bloomberg Commodities (Formerly known as Dow Jones UBS Commodities)
-------------	---------------	---
- * All values for the Pooled Cash account since June 2012 are subject to change. Audited statements are not provided for this account.
- * Dahab Associates utilizes data provided by a custodian and other vendors it believes are reliable. However, it cannot assume responsibility for errors and omissions therefrom.
- * All returns were calculated on a time-weighted basis, and are gross of fees unless otherwise noted.
- * All returns for periods greater than one year are annualized.
- * Dahab Associates uses the modified duration measure to present average duration.
- * All values are in US dollars.