

City Of Burlington Employees Retirement Plan

Performance Review
September 2017

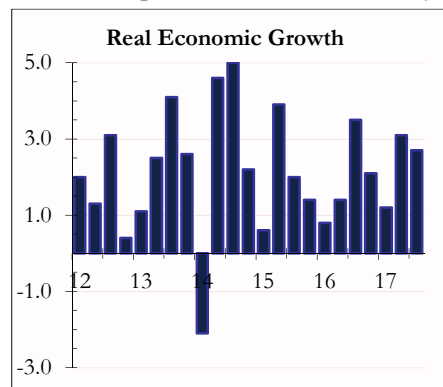


DAHAB ASSOCIATES
New York Massachusetts Pennsylvania Florida

ECONOMIC ENVIRONMENT

Three Devastating Hurricanes

This summer brought destruction and uncertainty to the South and Puerto Rico, with Hurricanes Harvey, Irma, and Maria all causing major damage. The full impact of those storms may be years in the unfolding. In spite of the damage and uncertainty, the US economy was surprisingly strong. Annualized Q3 GDP (advance estimate) rose 3.0% and the most recent manufacturing statistics were at or near record highs. Domestic employment gains surged until September, when the hurricanes dampened service jobs. Consumer confidence was high, especially for the months ahead. Finally, the Fed announced an end to quantitative easing, beginning in October. Investors liked what they heard, sending equity markets higher.



- Q3 GDP increased at an annualized 3.0%, following a 3.1% expansion in Q2. There were substantial gains in personal consumption; corporate investment; decelerating imports; and federal government spending. Losses stemmed from lower homeowner investment, declining state and local government spending, and decelerating exports.
- Jobs-wise, there were 172,000 hires per month over the 12-months ending in August. However, in September, the hurricanes essentially stopped third quarter job growth in its tracks, resulting in a loss of 33,000 jobs for the month. At the same time, the September unemployment rate dipped to 4.2% as The Bureau of Labor Statistics included the same service employees as if they were still employed. Average earnings are also on the rise and have grown almost 3% for the year ended August.
- Home prices advanced 6.9%, year-over-year through August. Utah (+11.2%) and Washington (+13%) were the two hottest markets in

the country. Only West Virginia experienced price drops. The best-performing metropolitan markets were Las Vegas (+8.4), Denver (+8.3%), San Francisco (+7.7%), and San Diego (+7.4%).

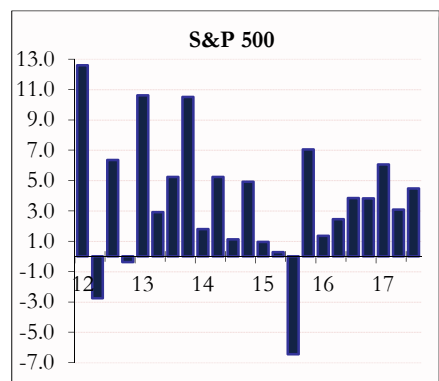
- Manufacturing was an economic leader in the third quarter, as the ISM Manufacturing Index expanded for the 100th consecutive month! The September index reading was 60.8% (greater than 50% indicates growth), up 2% from August. Seventeen of the eighteen manufacturing industries reported growth. Only furniture and related products contracted.
- The September ISM Services Index climbed for the 93rd consecutive month (59.8%), up 4.5% from August. Further, 15 of the service industries gained momentum. Arts/entertainment and mining services were the only two declining sectors.
- Consumer confidence was near the high in September, posting 119.8 (where 100 is the base).
- Buoyed by higher oil prices and metals demand, the Q3 Commodities Index was up 2.5%. Excluding energy, however, the index was essentially flat. Petroleum products, including unleaded gas, rose a whopping 15%. Metals, such as nickel and zinc, enjoyed double-digit gains, reflecting Chinese and EU demand. Yet prices of agricultural products, especially grains, fell 9.5% in sync with abundant supply. Overall, commodity prices continue their volatility.
- After remaining virtually flat in the 2nd quarter, all-item seasonally adjusted CPI ticked up 1% during the 3rd quarter, bringing the trailing 12-month rise to 2.2%. Much of this was due to Hurricane Harvey's impact on energy supplies, as the energy CPI saw a sharp rise of 9.0% during the quarter.
- In a momentous move, the Fed announced that it will begin withdrawing the \$4.5 trillion it purchased since the 2008 financial crisis. This decision was based on the Fed's expectation for continued GDP growth and low unemployment. In other words, the Fed believes that the economy has emerged from the crisis. The \$10 billion per month in expected bond sales should induce somewhat higher interest rates. In addition, there is an expectation of one more

increase in the Fed Funds rate this December. As a footnote, Chair Yellen noted that the ongoing low inflation rate (under 2% per year) remains a mystery. The Fed strongly prefers a 2% rate to ensure against disinflation.

DOMESTIC EQUITIES

Stocks Again Hit Record Levels

The Q3 stock market continued to defy logic. Amidst the US political uncertainty, environmental disasters, terrorism here and abroad, and a stock



market that has already climbed so high for so long, how did stocks continue their ascent? The answer includes strong corporate earnings, healthy consumer and government spending, and business confidence. As a result, all of the major US indices advanced. The broad market Russell 3000 was up 4.6%. The S&P 500 gained 4.5%. The DJIA added 5.6%, with dividends. The NASDAQ Tech Index rose

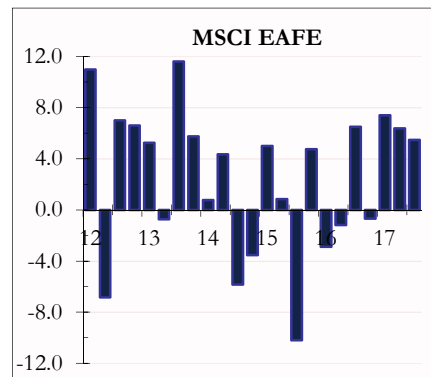
6.1%. As in Q2, growth stocks rose more than cyclicals. For example, among large-cap names, the Growth Index was up 5.9% vs. 3.1% for the Value Index. The style differences were less in the small-cap arena. Small-cap growth stocks were up 6.2% compared to 5.1% for the equivalent value stocks. REITs brought up the rear, with the NAREIT Index gaining only 1.1%.

Each of the S&P sectors added value. Tech gained 6.5% as the likes of Apple and Amazon shares reached record highs. Energy, reflecting the hurricane-related price surge, posted 7.5%. Financial stocks, with stable capital bases and hints of higher interest rates ahead, added 5.3%. The transportation sector trailed, but still rose 2.3%. If all of the positive news suggested the markets were pricey, they were! More than 60% of the stocks had P/E ratios of 20 or more. However, many investors expect upcoming earnings releases to keep pace with the heady prices.

INTERNATIONAL EQUITIES

Economic and Political News Spurred Developed Markets Commodity Prices and Tech Sales Drove EM

European economies continued to recover, as corporate earnings accelerated and political uncertainty diminished everywhere, with the sole



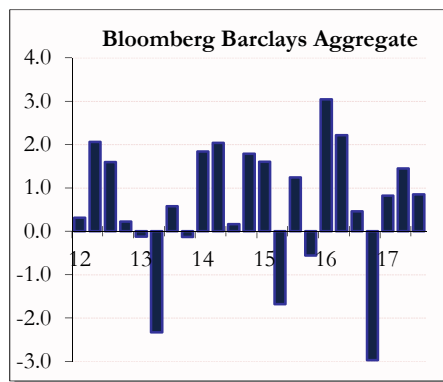
exception of Spain. Asian economies also gained ground. The MSCI EAFE Index of developed countries rose 5.5%. Euro countries generated an 8.1% return vs. 4.2% for the Far East. Within Europe, Italy was the star (+13.9%), as Italian production was at a 6-year high. Portugal was right behind, gaining 13.4%, as that country's sovereign debt was upgraded to investment grade and

tourism is on the uptick. Austria's 12.8% return reflected a more market-friendly government. The two key European players, France and Germany, contributed 8.4% and 7.7%, respectively. Nearby, the UK market rose 5.2%. While its economy was steady, the Brexit overhang remained a dampening factor. Australia (+3.2%) advanced less because of weak telecom services stocks and lower anticipated government infrastructure spending.

Tech stocks performed best in the newly expanding Japanese market, which climbed 4.1%. Hong Kong added 5.1% due in part to casino stock performance. Israel was the only EAFE country market in the red, losing 12.6%. Aside from ongoing political issues, Israeli exports were down and Teva Pharmaceuticals performed poorly. Canada, not part of EAFE, rose 8.1% in sync with rising energy and metals prices. Finally, the Euro, Pound and Yen all strengthened relative to the US dollar.

Emerging markets continued their blistering pace, supported by a weaker dollar. The EM Index scored an 8.0% return, higher than either US or EAFE markets. Collectively, the BRIC country markets delivered a huge 13.9%. Brazil, a typically volatile market, soared 23%. These results were attributable to reduced political uncertainty; higher exports; and stock performance both by banks and heavy hitter Petrobras (+30%). Russian shares climbed 18.1%

on the strength of much higher oil prices, ongoing infrastructure projects and bank stock results. India was the also-ran among the BRICs, rising a



relatively low 3%. India is still adjusting to a massive goods and service tax placed on its vast cash economy. China's GDP was robust, close to 7%. In addition, prices of Chinese consumer tech companies Tencent and Alibaba rose to record highs. Overall, the Chinese stock market climbed 14.8%. Building on export growth, Thailand posted a double-digit stock return of 10.6%.

Latin American EM markets delivered very strong results (+15.1%), mainly because of the pickup in mining operations and the spike in copper prices. Accordingly, Chilean prices (+16.9%) and Peruvian prices (+14.1%) advanced smartly. By comparison, Mexico's 1.5% stock market gain was miniscule, as investors were wary of the protracted NAFTA negotiations with the US.

BOND MARKET

An Unmoved Yield Curve

The Federal Reserve announced in September that it would finally start to reduce its balance sheet, after nine years, in October. It amassed \$4.5 trillion in assets after the financial crisis, and will drop those assets by \$10 billion per month. Traders also are expecting an increase in the fed funds rate of 0.25% in December, a change from their previous expectations of no new rate rises. However, some uncertainty has entered the dialogue as some contenders to replace Chairwoman Janet Yellen may lack the skill and care to lead the Fed. Pundits are watching for an announcement in November, with fears that the wrong choice could wreak havoc in the bond markets and wider economy.

The yield curve stayed almost completely unchanged at the end of quarter, with short and long-term rates all virtually the same. The Barclays Aggregate

Index returned a modest 0.8% for the quarter, bringing the cumulative year-to-date return up to 3.1%. Agencies were up 0.4% on the whole. ABS rose 0.4%, CMBS up 0.8%, and MBS grew 1.0%. US Corporate bonds rose 2.3% during the quarter, providing a YTD performance of 7.5%. High yield bonds provided modestly stronger returns, as BB stocks rose 2.0%, resulting in a YTD rise of 7.0%.

G-6 countries' sovereign debt outperformed the United States (un-hedged) for the quarter, with a combined return of 1.8%, for a YTD of 6.6%. France, Germany, and Italy led the way for another quarter, with returns of 4.2%, 4.2%, and 4.5% respectively. Canada gained 2.0%, Japan was flat, and the UK returned 2.9%.

CASH EQUIVALENTS

No Increases to the Fed Funds Rate

For the first time this year there was no rise to the fed funds rate, as the rate stayed at 1-1.25%, and it looked until the end of the quarter that there would be no more for 2017. However, at the September 20th meeting it became apparent that there may be one more in December. The 3-month T-Bill returned 0.3% as cash continues to only provide the most modest of returns.

MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	3.0	3.1
Unemployment	4.2	4.4
CPI All Items Year/Year	2.20	1.60
Fed Funds Rate	1.25	1.25
Industrial Capacity	76.0	76.6
US Dollars per Euro	1.18	1.14

MAJOR INDEX QUARTER RETURNS

INDEX	PERFORMANCE
Russell 3000	4.6
S&P 500	4.5
Russell Mid	3.5
Russell 2000	5.7
MSCI EAFE	5.5
MSCI Emg Mkts	8.0
NCREIF ODCE	1.9
Aggregate Index	0.8
90 Day Tbills	0.3

EQUITY RETURN DISTRIBUTIONS

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	3.1	4.5	5.9	15.1	18.5	21.9
MC	2.1	3.5	5.3	13.4	15.3	17.8
SC	5.1	5.7	6.2	20.5	20.7	20.9

MARKET SUMMARY

- * GDP expanded at a 3% rate in Q3.
- * Unemployment continued to decrease to 4.2%.
- * Year over year CPI expanded at a 2.2% rate.
- * The dollar weakened against the Euro.
- * Growth stocks were again ahead of value stocks. The spreads between growth and value were widest among large cap stocks. Small cap stocks had the strongest returns last quarter, with mid caps in the rear.

INVESTMENT RETURN

On September 30th, 2017, the City of Burlington Employees Retirement System was valued at \$182,544,230, representing an increase of \$6,853,367 from the June quarter's ending value of \$175,690,863. Last quarter, the Fund posted withdrawals totaling \$46,149, which partially offset the portfolio's net investment return of \$6,899,516. Income receipts totaling \$123,506 plus net realized and unrealized capital gains of \$6,776,010 combined to produce the portfolio's net investment return.

For the cumulative period since December 2001, the fund has recorded net withdrawals totaling \$27.8 million and posted net investment gains of \$111.4 million. For the period since December 2001, if the total fund returned a compound annual rate of 8.0% it would have been valued at \$274.6 million or \$92.0 million more than the actual value as of September 30th, 2017.

RELATIVE PERFORMANCE

Total Fund

In the third quarter, the total portfolio gained 3.9%, which was equal to the Burlington Policy Index's return of 3.9% and ranked in the 17th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 13.9%, which was 0.1% less than the benchmark's 14.0% performance, and ranked in the 14th percentile. Since December 2001, the portfolio returned 5.7% on an annualized basis.

Equity

The equity portfolio returned 5.2% in the third quarter, 0.1% less than the MSCI All Country World index's return of 5.3% and ranked in the 48th percentile of the Global Equity universe. Over the trailing twelve-month period, the equity portfolio returned 19.1%; that return was

0.2% less than the benchmark's 19.3% return, and ranked in the 48th percentile.

Real Assets

In the third quarter, the real assets segment returned 1.3%, which was 0.4% less than the Real Assets Blended Index's return of 1.7%. Over the trailing twelve-month period, this segment returned 4.8%, which was 1.3% greater than the benchmark's 3.5% performance.

Fixed Income

The fixed income portfolio returned 0.6% last quarter; that return was 0.1% below the Intermediate Aggregate Index's return of 0.7% and ranked in the 79th percentile of the Broad Market Fixed Income universe. Over the trailing year, this component returned 0.2%, equal to the benchmark's 0.2% performance, ranking in the 87th percentile.

ASSET ALLOCATION

On September 30th, 2017, equities comprised 72.4% of the total portfolio (\$132.2 million), while real assets totaled 10.3% (\$18.7 million). The account's fixed income component comprised 16.9% (\$30.8 million) of total value, while the remaining 0.4% was comprised of cash & equivalents (\$763,861).

The Retirement System also had a negative cash balance in the Pooled Account (not included in the valuations in this report) of -\$1,306,416.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Qtr / FYTD	1 Year	3 Year	5 Year	10 Year	Since 12/01
Total Portfolio - Gross	3.9	13.9	6.4	6.8	4.6	5.7
<i>PUBLIC FUND RANK</i>	(17)	(14)	(70)	(94)	(90)	----
Total Portfolio - Net	3.9	13.7	6.0	6.4	----	----
Policy Index	3.9	14.0	6.9	7.2	----	----
Equity - Gross	5.2	19.1	----	----	----	----
<i>GLOBAL EQUITY RANK</i>	(48)	(48)	----	----	----	----
MSCI AC World	5.3	19.3	8.0	10.8	4.4	7.3
ACWI Ex US	6.3	20.1	5.2	7.5	1.7	7.3
MSCI EAFE	5.5	19.7	5.5	8.9	1.8	6.7
MSCI EM Net	7.9	22.5	4.9	4.0	1.3	10.7
Russell 3000	4.6	18.7	10.7	14.2	7.6	7.6
S&P Completion	5.0	18.9	10.3	14.1	8.2	----
Real Assets - Gross	1.3	4.8	----	----	----	----
Real Assets Idx	1.7	3.5	1.7	2.5	1.6	5.8
NCREIF ODCE	1.9	7.6	10.8	11.6	5.0	8.1
NCREIF Timber	0.6	3.3	5.2	7.1	5.2	7.2
BLP Commodity	2.5	-0.3	-10.4	-10.5	-6.8	0.9
Fixed Income - Gross	0.6	0.2	----	----	----	----
<i>BROAD MARKET FIXED RANK</i>	(79)	(87)	----	----	----	----
Int Aggregate	0.7	0.2	2.3	1.7	3.8	4.2
Global Aggregate	1.8	-1.3	1.3	0.5	3.3	5.0
Global Agg Ex US	2.5	-2.4	0.2	-0.7	2.6	5.3
Aggregate Index	0.8	0.1	2.7	2.1	4.3	4.6

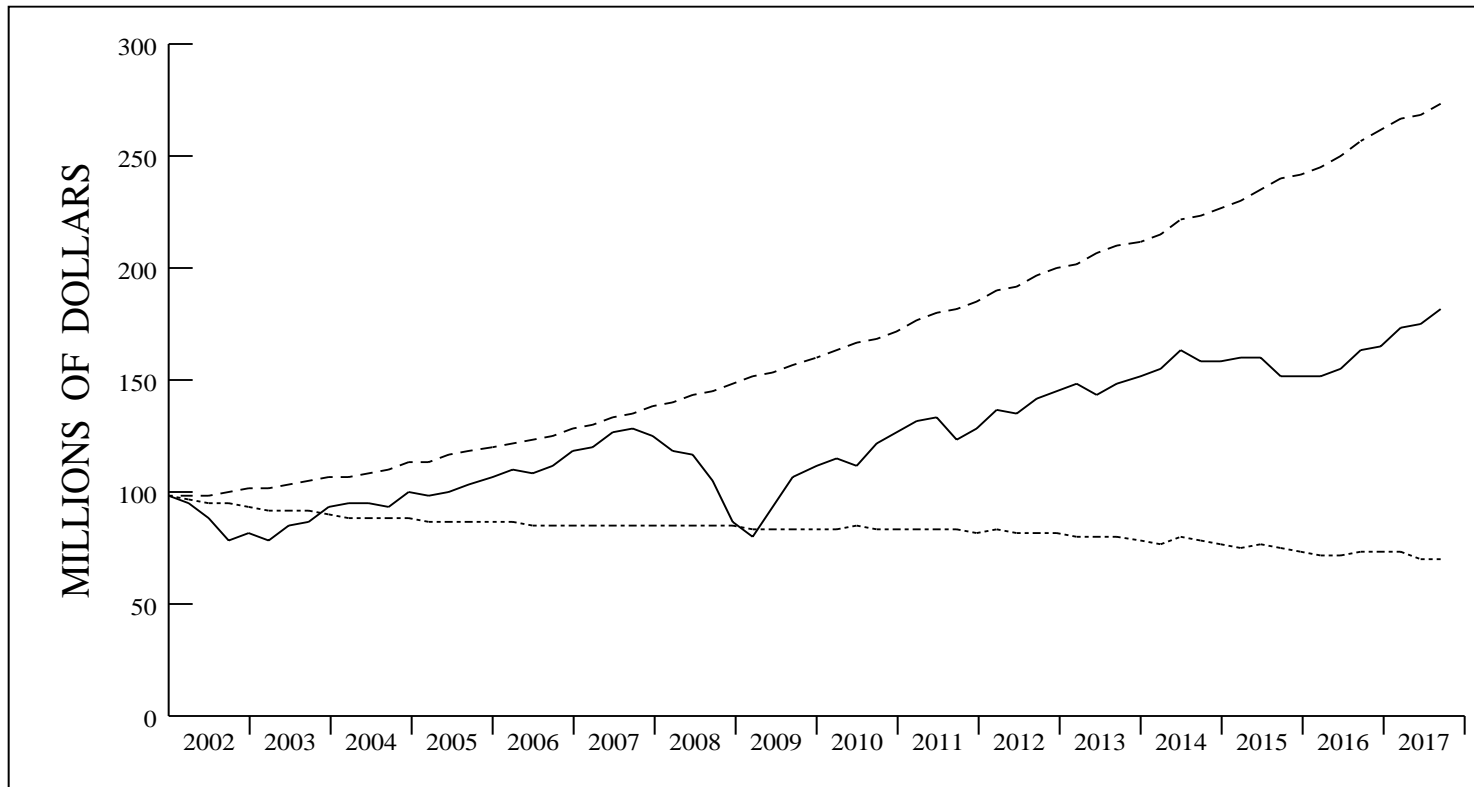
ASSET ALLOCATION

Equity	72.4%	\$ 132,206,249
Real Assets	10.3%	18,732,826
Fixed Income	16.9%	30,841,294
Cash	0.4%	763,861
Total Portfolio	100.0%	\$ 182,544,230

INVESTMENT RETURN

Market Value 6/2017	\$ 175,690,863
Contribs / Withdrawals	-46,149
Income	123,506
Capital Gains / Losses	6,776,010
Market Value 9/2017	\$ 182,544,230

INVESTMENT GROWTH

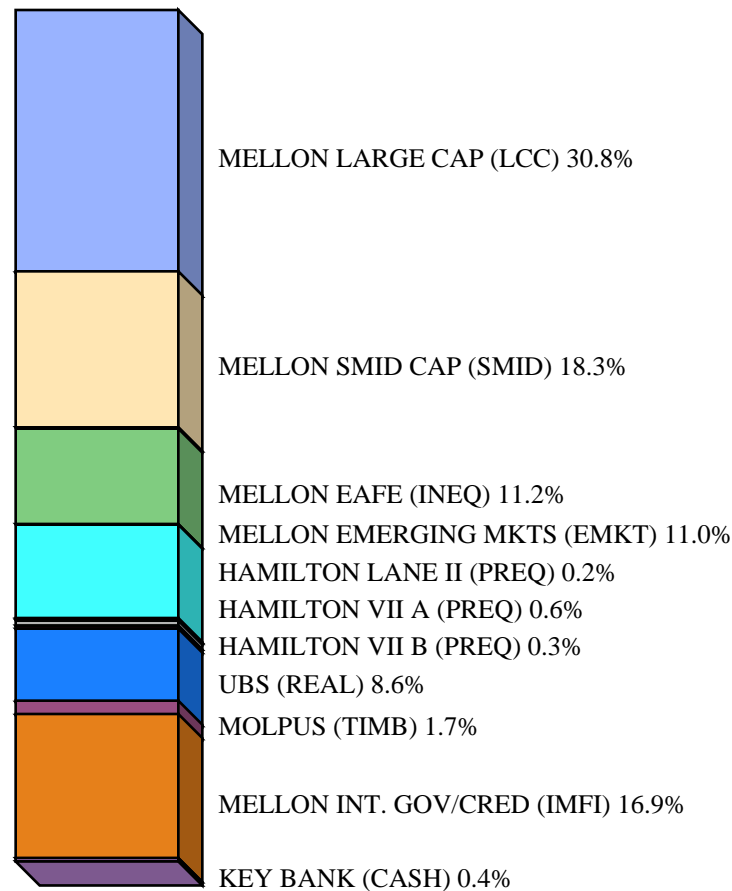


— ACTUAL RETURN
 - - - 8.0%
 . . . 0.0%

VALUE ASSUMING
 8.0% RETURN \$ 274,583,141

	LAST QUARTER	PERIOD 12/01 - 9/17
BEGINNING VALUE	\$ 175,690,863	\$ 98,885,312
NET CONTRIBUTIONS	- 46,149	- 27,761,400
<u>INVESTMENT RETURN</u>	<u>6,899,516</u>	<u>111,420,318</u>
ENDING VALUE	\$ 182,544,230	\$ 182,544,230
INCOME	123,506	14,959,763
<u>CAPITAL GAINS (LOSSES)</u>	<u>6,776,010</u>	<u>96,460,555</u>
INVESTMENT RETURN	6,899,516	111,420,318

MANAGER ALLOCATION AND TARGET SUMMARY



Name	Market Value	Percent	Target
Mellon Large Cap (LCC)	\$56,178,757	30.8	30.0
Mellon Smid Cap (SMID)	\$33,394,321	18.3	18.0
Mellon EAFE (INEQ)	\$20,395,326	11.2	10.0
Mellon Emerging Mkts (EMKT)	\$20,121,697	11.0	10.0
Hamilton Lane II (PREQ)	\$419,900	0.2	0.5
Hamilton VII A (PREQ)	\$1,061,230	0.6	0.9
Hamilton VII B (PREQ)	\$635,018	0.3	0.6
UBS (REAL)	\$15,669,025	8.6	8.0
Molpus (TIMB)	\$3,063,801	1.7	2.0
Mellon Int. Gov/Cred (IMFI)	\$30,841,294	16.9	20.0
Key Bank (CASH)	\$763,861	0.4	0.0
Total Portfolio	\$182,544,230	100.0	100.0

INVESTMENT RETURN SUMMARY - ONE QUARTER

Name	Quarter Total Return	Market Value June 30th, 2017	Net Cashflow	Net Investment Return	Market Value September 30th, 2017
Mellon Large Cap (LCC)	4.5	53,766,431	0	2,412,326	56,178,757
Mellon Smid Cap (SMID)	4.8	31,874,587	0	1,519,734	33,394,321
Mellon EAFE (INEQ)	5.4	19,344,046	0	1,051,280	20,395,326
Mellon Emerging Mkts (EMKT)	7.9	18,651,478	0	1,470,219	20,121,697
Hamilton Lane II (PREQ)	2.9	413,090	-5,273	12,083	419,900
Hamilton VII A (PREQ)	0.5	1,097,094	-41,635	5,771	1,061,230
Hamilton VII B (PREQ)	1.8	647,307	-23,947	11,658	635,018
UBS (REAL)	1.5	15,477,947	-37,359	228,437	15,669,025
Molpus (TIMB)	0.4	3,098,281	-38,218	3,738	3,063,801
Mellon Int. Gov/Cred (IMFI)	0.6	30,657,024	0	184,270	30,841,294
Key Bank (CASH)	---	663,578	100,283	0	763,861
Total Portfolio	3.9	175,690,863	-46,149	6,899,516	182,544,230











MANAGER PERFORMANCE SUMMARY - GROSS OF FEES

Portfolio	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception
Total Portfolio	(Public Fund)	3.9 (17)	3.9 (17)	13.9 (14)	6.4 (70)	6.8 (94)	5.7 ---- 12/01
<i>Policy Index</i>		<i>3.9 ----</i>	<i>3.9 ----</i>	<i>14.0 ----</i>	<i>6.9 ----</i>	<i>7.2 ----</i>	<i>---- ---- 12/01</i>
Mellon Large Cap	(LC Core)	4.5 (58)	4.5 (58)	18.6 (49)	---- ----	---- ----	16.8 (44) 03/16
<i>S&P 500</i>		<i>4.5 ----</i>	<i>4.5 ----</i>	<i>18.6 ----</i>	<i>10.8 ----</i>	<i>14.2 ----</i>	<i>16.8 ---- 03/16</i>
Mellon Smid Cap	(Smid Cap)	4.8 (37)	4.8 (37)	18.0 (61)	---- ----	---- ----	19.3 (39) 03/16
<i>Russell 2500</i>		<i>4.7 ----</i>	<i>4.7 ----</i>	<i>17.8 ----</i>	<i>10.6 ----</i>	<i>13.9 ----</i>	<i>19.1 ---- 03/16</i>
Mellon EAFE	(Intl Eq)	5.4 (68)	5.4 (68)	19.4 (61)	---- ----	---- ----	16.4 (71) 03/16
<i>MSCI EAFE</i>		<i>5.5 ----</i>	<i>5.5 ----</i>	<i>19.7 ----</i>	<i>5.5 ----</i>	<i>8.9 ----</i>	<i>16.6 ---- 03/16</i>
Mellon Emerging Mkts	(Emerging Mkt)	7.9 (45)	7.9 (45)	22.4 (54)	---- ----	---- ----	21.7 (57) 03/16
<i>MSCI EM Net</i>		<i>7.9 ----</i>	<i>7.9 ----</i>	<i>22.5 ----</i>	<i>4.9 ----</i>	<i>4.0 ----</i>	<i>21.8 ---- 03/16</i>
Hamilton Lane II		2.9 ----	2.9 ----	4.9 ----	-2.2 ----	4.1 ----	11.3 ---- 03/09
<i>S&P Completion</i>		<i>5.0 ----</i>	<i>5.0 ----</i>	<i>18.9 ----</i>	<i>10.3 ----</i>	<i>14.1 ----</i>	<i>18.3 ---- 03/09</i>
Hamilton VII A		0.5 ----	0.5 ----	13.6 ----	9.6 ----	13.4 ----	12.9 ---- 09/11
<i>S&P Completion</i>		<i>5.0 ----</i>	<i>5.0 ----</i>	<i>18.9 ----</i>	<i>10.3 ----</i>	<i>14.1 ----</i>	<i>16.7 ---- 09/11</i>
Hamilton VII B		1.8 ----	1.8 ----	10.2 ----	6.5 ----	8.5 ----	7.8 ---- 09/11
<i>S&P Completion</i>		<i>5.0 ----</i>	<i>5.0 ----</i>	<i>18.9 ----</i>	<i>10.3 ----</i>	<i>14.1 ----</i>	<i>16.7 ---- 09/11</i>
UBS		1.5 ----	1.5 ----	5.4 ----	---- ----	---- ----	5.4 ---- 09/16
<i>NCREIF ODCE</i>		<i>1.9 ----</i>	<i>1.9 ----</i>	<i>7.6 ----</i>	<i>10.8 ----</i>	<i>11.6 ----</i>	<i>7.6 ---- 09/16</i>
Molpus		0.4 ----	0.4 ----	2.2 ----	4.6 ----	6.0 ----	3.9 ---- 03/09
<i>NCREIF Timber</i>		<i>0.6 ----</i>	<i>0.6 ----</i>	<i>3.3 ----</i>	<i>5.2 ----</i>	<i>7.1 ----</i>	<i>3.8 ---- 03/09</i>
Mellon Int. Gov/Cred	(Int Fixed)	0.6 (81)	0.6 (81)	0.2 (90)	---- ----	---- ----	1.3 (81) 03/16
<i>Int Gov/Credit</i>		<i>0.6 ----</i>	<i>0.6 ----</i>	<i>0.2 ----</i>	<i>2.1 ----</i>	<i>1.6 ----</i>	<i>1.3 ---- 03/16</i>

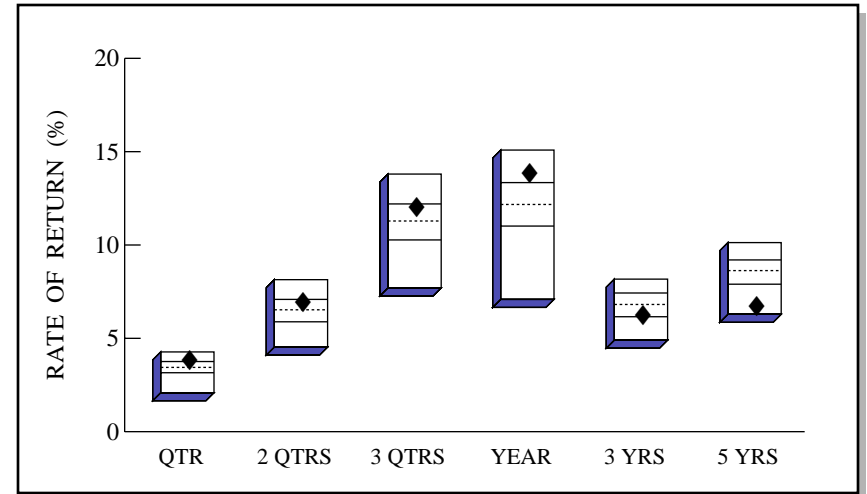
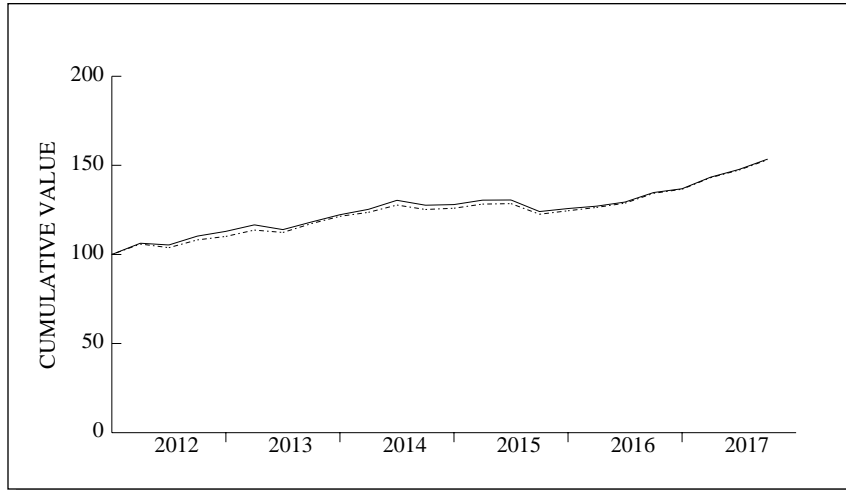
MANAGER PERFORMANCE SUMMARY - NET OF FEES

Name	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception	
Total Portfolio	3.9	3.9	13.7	6.0	6.4	----	12/01
<i>Policy Index</i>	<i>3.9</i>	<i>3.9</i>	<i>14.0</i>	<i>6.9</i>	<i>7.2</i>	<i>----</i>	<i>12/01</i>
Mellon Large Cap	4.5	4.5	18.6	----	----	16.7	03/16
<i>S&P 500</i>	<i>4.5</i>	<i>4.5</i>	<i>18.6</i>	<i>10.8</i>	<i>14.2</i>	<i>16.8</i>	<i>03/16</i>
Mellon Smid Cap	4.8	4.8	17.9	----	----	19.2	03/16
<i>Russell 2500</i>	<i>4.7</i>	<i>4.7</i>	<i>17.8</i>	<i>10.6</i>	<i>13.9</i>	<i>19.1</i>	<i>03/16</i>
Mellon EAFE	5.4	5.4	19.4	----	----	16.3	03/16
<i>MSCI EAFE</i>	<i>5.5</i>	<i>5.5</i>	<i>19.7</i>	<i>5.5</i>	<i>8.9</i>	<i>16.6</i>	<i>03/16</i>
Mellon Emerging Mkts	7.9	7.9	22.3	----	----	21.6	03/16
<i>MSCI EM Net</i>	<i>7.9</i>	<i>7.9</i>	<i>22.5</i>	<i>4.9</i>	<i>4.0</i>	<i>21.8</i>	<i>03/16</i>
Hamilton Lane II	1.7	1.7	0.9	-5.1	1.8	9.5	03/09
<i>S&P Completion</i>	<i>5.0</i>	<i>5.0</i>	<i>18.9</i>	<i>10.3</i>	<i>14.1</i>	<i>18.3</i>	<i>03/09</i>
Hamilton VII A	0.2	0.2	12.4	8.3	11.8	10.9	09/11
<i>S&P Completion</i>	<i>5.0</i>	<i>5.0</i>	<i>18.9</i>	<i>10.3</i>	<i>14.1</i>	<i>16.7</i>	<i>09/11</i>
Hamilton VII B	1.5	1.5	8.8	5.2	6.9	5.8	09/11
<i>S&P Completion</i>	<i>5.0</i>	<i>5.0</i>	<i>18.9</i>	<i>10.3</i>	<i>14.1</i>	<i>16.7</i>	<i>09/11</i>
UBS	1.2	1.2	4.2	----	----	4.2	09/16
<i>NCREIF ODCE</i>	<i>1.9</i>	<i>1.9</i>	<i>7.6</i>	<i>10.8</i>	<i>11.6</i>	<i>7.6</i>	<i>09/16</i>
Molpus	0.1	0.1	1.2	3.6	5.0	3.1	03/09
<i>NCREIF Timber</i>	<i>0.6</i>	<i>0.6</i>	<i>3.3</i>	<i>5.2</i>	<i>7.1</i>	<i>3.8</i>	<i>03/09</i>
Mellon Int. Gov/Cred	0.6	0.6	0.1	----	----	1.3	03/16
<i>Int Gov/Credit</i>	<i>0.6</i>	<i>0.6</i>	<i>0.2</i>	<i>2.1</i>	<i>1.6</i>	<i>1.3</i>	<i>03/16</i>

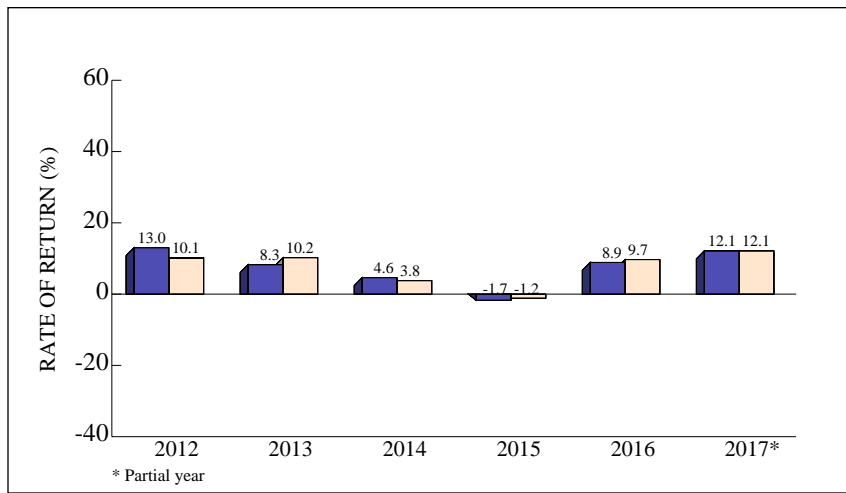
MANAGER VALUE ADDED

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
-0.1	Mellon EAFE	MSCI EAFE	-0.3
0.0	Mellon Emerging Mkts	MSCI EM Net	-0.1
 -2.1	Hamilton Lane II	S&P Completion	 -14.0
 -4.5	Hamilton VII A	S&P Completion	 -5.3
 -3.2	Hamilton VII B	S&P Completion	 -8.7
 -0.4	UBS	NCREIF ODCE	 -2.2
 -0.2	Molpus	NCREIF Timber	 -1.1
0.0	Mellon Int. Gov/Cred	Int Gov/Credit	0.0
0.0 	Total Portfolio	Policy Index	 -0.1

TOTAL RETURN COMPARISONS



Public Fund Universe

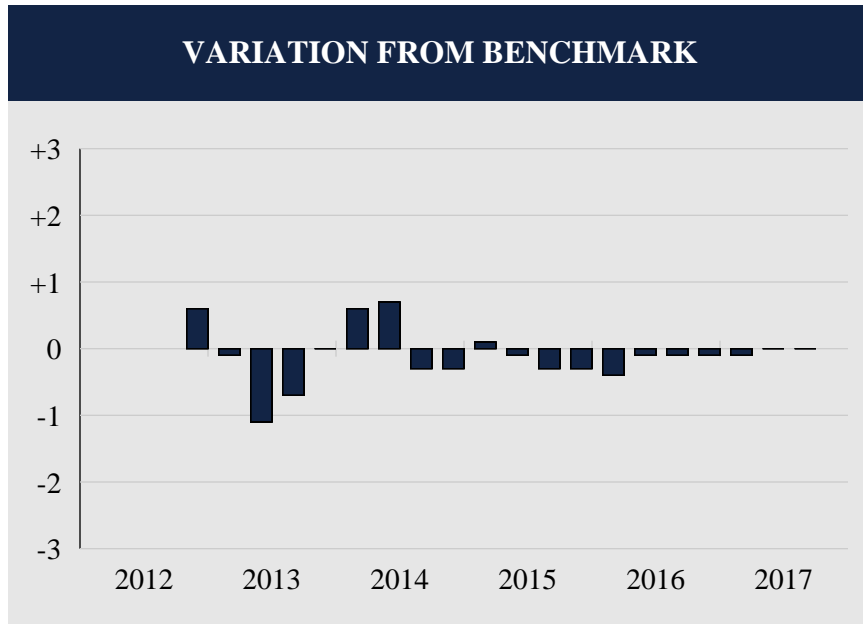


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	3.9	7.0	12.1	13.9	6.4	6.8
(RANK)	(17)	(27)	(28)	(14)	(70)	(94)
5TH %ILE	4.3	8.1	13.8	15.1	8.2	10.1
25TH %ILE	3.8	7.1	12.2	13.3	7.4	9.2
MEDIAN	3.4	6.5	11.3	12.2	6.8	8.6
75TH %ILE	3.2	5.9	10.3	11.0	6.2	7.9
95TH %ILE	2.1	4.5	7.7	7.1	4.9	6.3
Policy	3.9	7.0	12.1	14.0	6.9	7.2

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
12/12	2.4	1.8	0.6	2.4	1.8	0.6
3/13	3.2	3.3	-0.1	5.7	5.1	0.6
6/13	-2.3	-1.2	-1.1	3.3	3.9	-0.6
9/13	3.7	4.4	-0.7	7.1	8.5	-1.4
12/13	3.5	3.5	0.0	10.9	12.2	-1.3
3/14	2.5	1.9	0.6	13.6	14.3	-0.7
6/14	4.0	3.3	0.7	18.2	18.1	0.1
9/14	-2.2	-1.9	-0.3	15.7	15.8	-0.1
12/14	0.3	0.6	-0.3	16.0	16.4	-0.4
3/15	1.9	1.8	0.1	18.2	18.6	-0.4
6/15	0.1	0.2	-0.1	18.4	18.8	-0.4
9/15	-5.0	-4.7	-0.3	12.5	13.3	-0.8
12/15	1.3	1.6	-0.3	14.0	15.1	-1.1
3/16	1.1	1.5	-0.4	15.2	16.9	-1.7
6/16	1.8	1.9	-0.1	17.3	19.1	-1.8
9/16	4.1	4.2	-0.1	22.1	24.1	-2.0
12/16	1.6	1.7	-0.1	24.1	26.3	-2.2
3/17	4.7	4.8	-0.1	30.0	32.3	-2.3
6/17	3.0	3.0	0.0	33.9	36.2	-2.3
9/17	3.9	3.9	0.0	39.1	41.6	-2.5

Private Equity Investor Report
Hamilton Lane Secondary Fund II LP

IRR Since Inception		14.56%	Annualized, Net of Fees		
Market Value	\$	419,900	Last Statement Date:	9/30/2017	
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)
Total	\$ 3,266,974	96.09%	\$ (284,279)	-8.36%	\$ (3,933,528)

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

IRR Since Inception	11.00%	Annualized, Net of Fees	
Market Value	\$ 1,061,230	Last Statement Date:	9/30/2017
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)
Total	\$ 1,304,825	86.99%	\$ -	0.00%	\$ (804,001)

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		5.86%	Annualized, Net of Fees			
Market Value	\$	635,018	Last Statement Date:	9/30/2017		
Capital Commitment	\$	1,000,000	100.00%			
Paid In Capital	\$	825,225	82.52%			
Remaining Commitment	\$	174,775	17.48%			
			% of	Recallable	% of	
Date		Contributions	Commitment	Distributions	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)
Total	\$	825,225	82.52%	\$ -	0.00%	\$ (391,223)

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	2.28% 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)
Total	\$ 3,400,000	100.00%	\$ -	0.00%	\$ (946,378)

APPENDIX - MAJOR MARKET INDEX RETURNS

Equity	Style	QTR	FYTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	4.6	4.6	18.7	10.7	14.2
S&P 500	Large Cap Core	4.5	4.5	18.6	10.8	14.2
Russell 1000	Large Cap Core	4.5	4.5	18.5	10.6	14.3
Russell 1000 Growth	Large Cap Growth	5.9	5.9	21.9	12.7	15.3
Russell 1000 Value	Large Cap Value	3.1	3.1	15.1	8.5	13.2
Russell 2000	Small Cap	5.7	5.7	20.7	12.2	13.8
Russell 2000 Growth	Small Cap Growth	6.2	6.2	20.9	12.2	14.3
Russell 2000 Value	Small Cap Value	5.1	5.1	20.5	12.1	13.3
MSCI EAFE	Developed Markets	5.5	5.5	19.7	5.5	8.9
MSCI EAFE Growth	Developed Markets Growth	5.0	5.0	16.1	6.9	9.3
MSCI EAFE Value	Developed Markets Value	5.9	5.9	23.2	4.1	8.4
MSCI Emerging Markets	Emerging Markets	8.0	8.0	22.9	5.3	4.4
MSCI All Country World	Global Equity	5.3	5.3	19.3	8.0	10.8
MSCI All Country World Ex US	Global Equity (ex. US)	6.3	6.3	20.1	5.2	7.5
Fixed Income	Style	QTR	FYTD	1 Year	3 years	5 Years
Bloomberg Barclays Aggregate Index	Core Fixed Income	0.8	0.8	0.1	2.7	2.1
Bloomberg Barclays Gov/Credit	Gov/Credit	0.8	0.8	0.0	2.8	2.1
Bloomberg Barclays Capital Gov't Bond	Treasuries	0.4	0.4	-1.6	2.0	1.2
Bloomberg Barclays Capital Credit Bond	Corporate Bonds	1.4	1.4	2.0	3.9	3.2
Intermediate Aggregate	Core Intermediate	0.7	0.7	0.2	2.3	1.7
Intermediate Gov/Credit	Gov / Credit Intermediate	0.6	0.6	0.2	2.1	1.6
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.2	0.2	0.2	0.8	0.5
Citi High Yield BB & B Index	High Yield Bonds	2.0	2.0	8.1	5.3	5.8
Bloomberg Barclays Global Treasury Ex US	International Treasuries	2.1	2.1	-4.4	0.4	-1.2
Citi World Gov't Bond Index	International Fixed Income	1.8	1.8	-2.7	0.9	-0.4
Bloomberg Barclays Global Aggregate	International Fixed Income	1.8	1.8	-1.3	1.3	0.5
Bloomberg Barclays Global Aggregate Ex US	International Fixed Income	2.5	2.5	-2.4	0.2	-0.7
Alternative Assets	Style	QTR	FYTD	1 Year	3 years	5 Years
MSCI US REIT Index	REITs	0.9	0.9	0.5	9.7	9.6
NCREIF NFI-ODCE Index	Real Estate	1.9	1.9	7.6	10.8	11.6
NCREIF Timber Index	Timber	0.6	0.6	3.3	5.2	7.1
Bloomberg Commodity Index	Commodities	2.5	2.5	-0.3	-10.4	-10.5
HFRI FOF Composite	Hedge Funds	2.3	2.3	6.5	2.2	3.8

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.