

# City Of Burlington Employees Retirement Plan

Performance Review  
March 2019

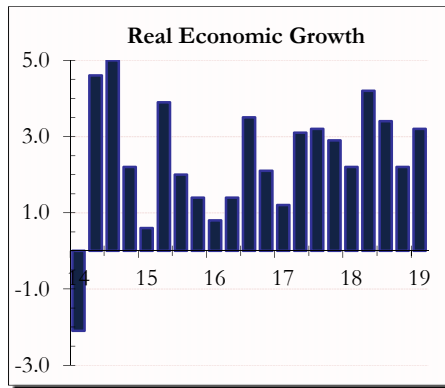


**DAHAB ASSOCIATES**  
New York   Massachusetts   Pennsylvania   Florida

## ECONOMIC ENVIRONMENT

### Slowing but still growing

The Q1 GDP number continues a pattern of solid growth, coming in at 3.2%. This number is stronger than many expected, and up from the 4<sup>th</sup> quarter's 2.2%. The economy keeps chugging along, with strong federal spending, exports and personal consumption, though tempered by diminishing state and local spending. The ongoing US trade war with China continued to loom, but a resolution seemed more likely. The 2018 full year GDP growth came in at 2.9%, a quite healthy number.



While new hires in February were only 33,000, March came in with a much higher-than-expected 196,000 jobs. This added to the spectacular January number of 312,000 jobs, for an average of 180,000 jobs per month in the 1<sup>st</sup> quarter. This was down from the average for all of 2018 of 223,000 per month. That said, at this stage of economic growth, the historically low unemployment (3.8%) was welcome. Average hourly earnings were 3.1% higher than a year earlier, which should lead to higher personal spending.

The housing market did its share as existing home sales had the largest month-over-month gain (+11.8%) in February since 2015. New home sales were also up 4.9% from January. The median price for an existing home rose to \$230,100 and \$315,300 for new homes.

Corporate manufacturing and service industries remained in growth mode. The March manufacturing Index rebounded to 55.3% from a two-year low of 54.2% in February (above 50% is expansion). Most manufacturing sectors grew, with only clothing and paper products disappointing. On the services side, the Non-Manufacturing Index was a solid 56.1% in March, but down from 59.7% in February.

The Consumer Confidence Index was down from February's 131.4 to 124.1 in March. Bad weather, stock market volatility, a partial Government shutdown in January and the weak February jobs

report all contributed to the lower sentiment. Consumers were modestly concerned about current conditions, yet continued to expect good outcomes in the near-term future.

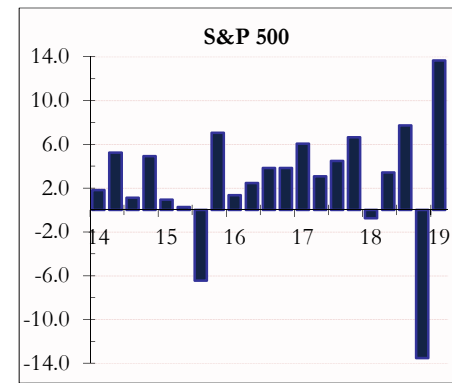
Commodity prices advanced during the quarter, driven by a 15.9% climb in energy prices. Unleaded gasoline prices alone rose 26.7%! Industrial metals rose 12.9% and the price of gold was steady. Agricultural prices fell 3.2%, with coffee and grain prices dropping the most. Those low prices provided additional pain to the mid-west, which experienced devastating flooding.

The Federal Reserve Board gave a strong boost to the stock market by finally turning dovish, after it had increased the federal funds rate quarter-after-quarter throughout 2018. This quarter, the Fed called a halt to the policy and doesn't expect to increase the current 2 1/4%-2 1/2% rate for the rest of this year. Further, the Fed will stop selling its massive inventory of bonds after September, helping to keep rates low. The rationale for the changes include currently low 2% inflation, and slowing growth in jobs, household spending, and GDP.

## DOMESTIC EQUITIES

### V-shaped Recovery

After 4<sup>th</sup> quarter 2018's dismal returns, the domestic equity market bounced right back in Q1. The Dow was up 11.8% vs. the previous quarter's -11.3%. The S&P 500 was up 13.6% vs. -13.5% in Q4. The NASDAQ was up 16.8% vs. -17.3%, and the Russell 2000 was up 14.6% vs. -20.2%. While the markets didn't get all the way back to their previous highs, they recovered enough to offset most equity losses for investors who didn't panic. Investors who rebalanced to their asset allocations or increased their equity allocations in light of "cheap equity" were rewarded. Even the quarter's lowest-performing domestic equity index, the Russell Microcap Value, climbed 10.4%.



Arguably, the chief cause of the Q4 drop and Q1 rise was panic and momentum. While there were many factors that can be used to explain such volatility, none really satisfies. It seems that investors, and perhaps more importantly algorithmic traders sold in response to selling, and then bought in response to buying. That said, progress in the US-China trade talks, and the Federal Reserve pause in rate hikes helped things along.

During the bounce-back, growth stocks and tech stocks saw the biggest gains. Among large companies, the Russell 1000 Growth Index added 16.1%, while large cap value names rose less or 11.9%. The Russell Mid-Cap Growth Index rocketed 19.6%, the highest performance among the major indices. The gap between growth and value suggested a “risk-on” mentality had returned. Overall, investors who stayed the course after the near disastrous Q4 were suitably rewarded!

Every S&P sector advanced. Riding highest was the IT sector, which soared almost 20%. Many IT companies earned 30% or better, such as AMD, which rose 38%! Real estate (REITs) was another sector winner, gaining 17.5%. The relatively positive economy provided a healthy background for high occupancy rates in commercial and apartment property, and lower interest rates also made REIT dividends look more attractive. All of the major REITs performed well, accordingly. Energy gained 16.4%, as oil prices kept climbing. Exxon, a major player, rose 20% and Hess rose an amazing 49%. The only sectors to rise below 10% were financials (+8.6%) and healthcare (+6.6%). Continuing low interest rates impacted lending profitability of financials. Wells Fargo, US Bancorp and PNC limped along with 6% gains. Health care dealt with the back and forth regarding Obamacare and individual company drug issues. Pfizer, AbbVie and CVS lost ground, while Celgene and Intuitive Surgical soared in price. Overall, the “rising tide” lifted all market sectors.

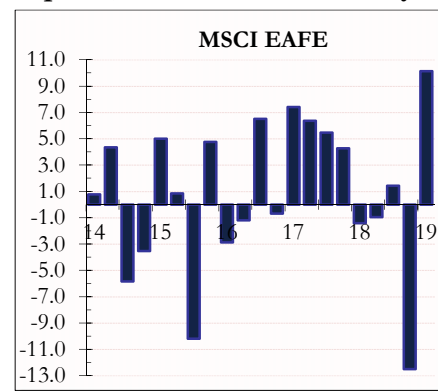
## INTERNATIONAL EQUITIES

### Some Encouragement

The same factors that helped the US markets (apparent progress on the US-China trade front, dovish steps by the Federal Reserve), and similar easing steps by the EU and China together helped shares in the developed and emerging markets. The MSCI EAFE Index earned

10.1%. While not as high as US stock indices, country-by-country and combined results were generally solid.

The Euro market gained 9.9% on the whole. The France market, hurt by Yellow Vest demonstrations, but helped by higher manufacturing exports, rose 10.8%. Germany, with its struggling auto and other



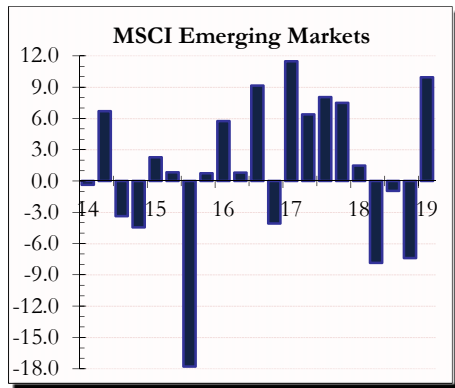
manufacturing exports, gained a lower 7.0%. The Italian economy still floundered, but endorsed China’s Belt and Road program, generating a 14.7% lift. Spain, despite political gridlock and sagging exports, added 7.1%. Possibly the biggest country surprise was the UK, which rose 11.9%. Hope for a Brexit solution and a surprisingly tight labor market

helped. The Irish market was another positive surprise, gaining 11.6%. Irish investors were expecting Brexit to leave an open border between the Ireland and its key trading partner, the UK. The expectation offset sluggish domestic demand.

Australian companies enjoyed healthy year-end profits and investors expected a pickup in raw materials sales to China, leading to a gain of 11.4%. Japan, close to being a recession economy, gained 6.9%. The saving grace was a sharp turnaround in its iconic electronics companies. Keyence gained 24%; Hitachi rose 23%; and Tokyo electron added 30%. Singapore experienced almost the reverse among its IT companies as output sagged and its economy rose only 6.2%. In Hong Kong, shares rose an astounding 15.6%. Israeli shares climbed 10.1%. Canada (not in the EAFE Index) bounced up 15.6%. Its market strength lay in a stronger currency against the US dollar, rising oil prices and a trade agreement with the US. Prime Minister Trudeau’s political fallout with some of his ministers didn’t hinder the market.

Emerging market (EM) return rebounded 10.0%, in sync with EAFE’s 9.9%. EM stocks benefited from progress in the US-China trade impasse and the easing actions by the US and European economic policy makers. Still, the Index has a long way to go before it returns to its glory days.

Brazil gained 8.2% for the quarter. While its economy is in flux, newly elected President Jair Bolsonaro's ambitious plans have given Brazilians and outside investors some confidence. Rising oil prices



were another lift for the Brazilian economy. Russia, with all its political problems, reaped the benefits from rising oil prices and higher household spending in general. Russian shares were up 12.2%. India's market was reasonably strong, based largely on higher exports and Prime Minister Modi's adroit handling of the Kashmir terrorist attack. Lastly, China

rocketed up 17.7%. IT and internet firms drove the advance. Alibaba rose 33% and Tencent gained 15%. The steady addition of China A shares into the index was another plus. Of course, expectations for a mutually satisfying resolution to the trade dispute with the US lurked in the background. Mexican shares rose a relatively low 5.6%, while the country continued dealing with an argument over immigration with the US. Yet, investors have confidence in Mexican President Obrador.

## BOND MARKET

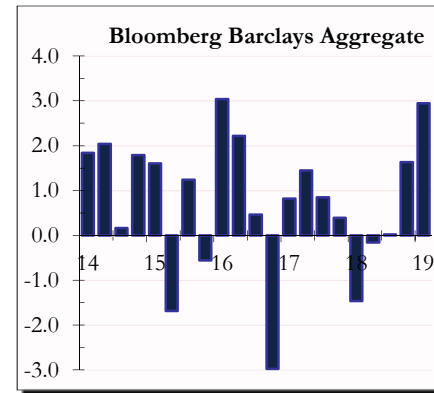
### Price Gains All Around

The bond market, spurred on by Fed moves to keep interest rates low, experienced significant price gains. Accordingly, the 10-year Treasury bond fell 29 basis points and the 30-year dropped 26 basis points in March. Those drops translated into 3.1% and 5.0% first quarter returns, respectively. Low to negative sovereign bond rates in Europe and Japan were other influences that led global investors to buy US Treasuries – the best developed market rates available in the healthiest economy.

The "risk on" rally benefited investment grade corporate issues even more. The US Credit Index shot up 4.9%. Within that index, industrial company bonds rose 5.5%, beating out utilities' and financials' 4.6% returns. Not to be outdone, the US High Yield Index

earned 7.3%; BB, B and CCC credits all returned approximately 7.2%. The least-liquid and lowest rated credits (CC - D) returned a whopping 17.5% - as high as or higher than many stock indices! Residential mortgage bonds didn't fare as well (+2.2%), due in part to rising prepayments and homeowner refinancing. Commercial mortgages gained 3.2%, while shorter maturity asset-backed paper was up 1.5%.

The US dollar continued to gain ground vs. the Euro, Japanese and Swiss currencies. This strength reduced performance of these markets in US dollar terms. However, the British Pound, Canadian



and Australian dollars rose against the US dollar. Because of key US dollar strength and economic weakness in Europe and Japan, the JPMorgan developed markets Non-US Global Bond Index advanced a relatively low 1.6%. Yet the JPM Emerging Markets bond Index rallied 7.0%; investors were hoping for an end to the US-China trade war and for a

turnaround in China's economy; China is the major buyer of raw materials from other EM countries. All-in-all, global bond investors were happy with results.

## CASH EQUIVALENTS

### Inching Ahead

The 90-day T-Bill returned 0.6% for the first quarter and 2.2% for the trailing year. Six-month and one-year Treasuries had slightly higher results. At least, money market investments offset the currently low inflation rate. Yet given the results from stock and bonds for the quarter, money markets were definitely not the asset class of choice. But only one quarter ago (Q4 2018), in a risk off market, cash was THE place to be.

### Economic Statistics

|                                | Current Quarter | Previous Quarter |
|--------------------------------|-----------------|------------------|
| <b>GDP</b>                     | <b>3.2%</b>     | <b>2.2%</b>      |
| <b>Unemployment</b>            | <b>3.8%</b>     | <b>3.9%</b>      |
| <b>CPI All Items Year/Year</b> | <b>1.9%</b>     | <b>1.9%</b>      |
| <b>Fed Funds Rate</b>          | <b>2.50%</b>    | <b>2.50%</b>     |
| <b>Industrial Capacity</b>     | <b>78.8%</b>    | <b>79.5%</b>     |
| <b>US Dollars per Euro</b>     | <b>1.12</b>     | <b>1.15</b>      |

### Major Index Returns

| Index                   | Quarter      | 12 Months    |
|-------------------------|--------------|--------------|
| <b>Russell 3000</b>     | <b>14.0%</b> | <b>8.8%</b>  |
| <b>S&amp;P 500</b>      | <b>13.6%</b> | <b>9.5%</b>  |
| <b>Russell Midcap</b>   | <b>16.5%</b> | <b>6.5%</b>  |
| <b>Russell 2000</b>     | <b>14.6%</b> | <b>2.0%</b>  |
| <b>MSCI EAFE</b>        | <b>10.1%</b> | <b>-3.2%</b> |
| <b>MSCI Emg Markets</b> | <b>10.0%</b> | <b>-7.1%</b> |
| <b>NCREIF ODCE</b>      | <b>1.4%</b>  | <b>7.5%</b>  |
| <b>U.S. Aggregate</b>   | <b>2.9%</b>  | <b>4.5%</b>  |
| <b>90 Day T-bills</b>   | <b>0.6%</b>  | <b>2.2%</b>  |

### Domestic Equity Return Distributions

|           | Quarter     |             |             | Trailing Year |            |            |             |
|-----------|-------------|-------------|-------------|---------------|------------|------------|-------------|
|           | VAL         | COR         | GRO         | VAL           | COR        | GRO        |             |
| <b>LC</b> | <b>11.9</b> | <b>14.0</b> | <b>16.1</b> | <b>LC</b>     | <b>5.7</b> | <b>9.3</b> | <b>12.7</b> |
| <b>MC</b> | <b>14.4</b> | <b>16.5</b> | <b>19.6</b> | <b>MC</b>     | <b>2.9</b> | <b>6.5</b> | <b>11.5</b> |
| <b>SC</b> | <b>11.9</b> | <b>14.6</b> | <b>17.1</b> | <b>SC</b>     | <b>0.1</b> | <b>2.0</b> | <b>3.8</b>  |

### Market Summary

- The BEA “advance” estimate placed GDP at 3.2%.
- Unemployment remains low at 3.8%.
- Inflation during last 12 months was 1.9%.
- The US dollar continued to strengthen against the euro.
- After taking the brunt of the downturn in Q4, growth stocks rebounded with greater velocity than their value counterparts in Q1, and continue to lead over a trailing 12 month time frame.

## **INVESTMENT RETURN**

As of March 31st, 2019, the City of Burlington Employees Retirement System was valued at \$193,271,386, which represented an increase of \$16,350,523 over the December ending value of \$176,920,863. Over the last three months, the Fund recorded withdrawals totaling \$38,269, which partially offset the fund's net investment gain of \$16,388,792. Income receipts totaling \$133,478 plus realized and unrealized capital gains of \$16,255,314 combined to produce the portfolio's net investment return figure.

## **RELATIVE PERFORMANCE**

### **Total Fund**

For the first quarter, the portfolio gained 9.3%, which was 0.2% below the Burlington Manager Shadow Index's return of 9.5% and ranked in the 27th percentile of the Public Fund universe. Over the trailing year, this portfolio returned 4.0%, which was 0.1% less than the benchmark's 4.1% return, ranking in the 54th percentile. Since December 2001, the account returned 5.7% on an annualized basis.

### **Equity**

In the first quarter, the equity segment returned 12.9%, which was 0.6% above the MSCI All Country World index's return of 12.3% and ranked in the 45th percentile of the Global Equity universe. Over the trailing twelve-month period, this component returned 3.7%, which was 0.5% above the benchmark's 3.2% performance, and ranked in the 45th percentile.

### **Real Assets**

For the first quarter, the real assets segment returned 0.6%, which was 2.0% less than the Real Assets Blended Index's return of 2.6%. Over the trailing year, this component returned 5.2%, which was 3.6% above the benchmark's 1.6% performance.

### **Fixed Income**

The fixed income portion of the portfolio returned 2.3% last quarter; that return was equal to the Intermediate Gov/Credit Index's return of 2.3% and ranked in the 72nd percentile of the Broad Market Fixed Income universe. Over the trailing twelve-month period, the fixed income portfolio returned 4.2%, equal to the benchmark's 4.2% return, ranking in the 63rd percentile.

## **ASSET ALLOCATION**

At the end of the first quarter, equities comprised 69.5% of the total portfolio (\$134.3 million), while real assets totaled 10.3% (\$19.9 million). The account's fixed income component comprised 20.0% (\$38.6 million), while the remaining 0.2% was comprised of cash & equivalents (\$430,814).

The Retirement System also had a negative cash balance in the Pooled Account (not included in the valuations in this report) of -\$2,687,200.06.

## EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

|                                | Qtr / YTD | FYTD | 1 Year | 3 Year | 5 Year | 10 Year | Since 12/01 |
|--------------------------------|-----------|------|--------|--------|--------|---------|-------------|
| <b>Total Portfolio - Gross</b> | 9.3       | 2.6  | 4.0    | 9.4    | 5.8    | 10.4    | 5.7         |
| <i>PUBLIC FUND RANK</i>        | (27)      | (69) | (54)   | (12)   | (62)   | (32)    | ----        |
| <b>Total Portfolio - Net</b>   | 9.2       | 2.5  | 3.9    | 9.2    | 5.5    | 10.0    | ----        |
| Manager Shadow                 | 9.5       | 2.7  | 4.1    | 9.6    | 6.1    | 9.6     | ----        |
| <b>Equity - Gross</b>          | 12.9      | 2.0  | 3.7    | 12.0   | ----   | ----    | ----        |
| <i>GLOBAL EQUITY RANK</i>      | (45)      | (49) | (45)   | (31)   | ----   | ----    | ----        |
| MSCI AC World                  | 12.3      | 2.4  | 3.2    | 11.3   | 7.0    | 12.6    | 7.1         |
| ACWI Ex US                     | 10.4      | -1.4 | -3.7   | 8.6    | 3.0    | 9.3     | 6.7         |
| MSCI EAFE                      | 10.1      | -2.3 | -3.2   | 7.8    | 2.8    | 9.5     | 6.1         |
| MSCI EM Net                    | 9.9       | 0.6  | -7.4   | 10.7   | 3.7    | 8.9     | 9.8         |
| Russell 3000                   | 14.0      | 4.7  | 8.8    | 13.5   | 10.4   | 16.0    | 7.8         |
| Cambridge PE                   | 0.0       | 1.7  | 7.2    | 13.5   | 10.8   | 14.1    | 12.7        |
| <b>Real Assets - Gross</b>     | 0.6       | 3.6  | 5.2    | 5.1    | ----   | ----    | ----        |
| Real Assets Idx                | 2.6       | 0.6  | 1.6    | 4.6    | 1.9    | 3.5     | 5.6         |
| NCREIF ODCE                    | 1.4       | 5.4  | 7.5    | 8.0    | 10.2   | 8.7     | 8.1         |
| NCREIF Timber                  | 0.1       | 1.9  | 2.4    | 3.3    | 4.6    | 3.7     | 6.8         |
| BLP Commodity                  | 6.3       | -5.6 | -5.3   | 2.2    | -8.9   | -2.6    | 0.8         |
| <b>Fixed Income - Gross</b>    | 2.3       | 4.2  | 4.2    | 1.6    | ----   | ----    | ----        |
| <i>BROAD MARKET FIXED RANK</i> | (72)      | (55) | (63)   | (88)   | ----   | ----    | ----        |
| Int Gov/Credit                 | 2.3       | 4.2  | 4.2    | 1.7    | 2.1    | 3.1     | 3.8         |
| Global Aggregate               | 2.2       | 2.5  | -0.4   | 1.5    | 1.0    | 3.0     | 4.6         |
| Global Agg Ex US               | 1.5       | 0.7  | -4.1   | 1.0    | -0.3   | 2.5     | 4.9         |
| Aggregate Index                | 2.9       | 4.6  | 4.5    | 2.0    | 2.7    | 3.8     | 4.4         |

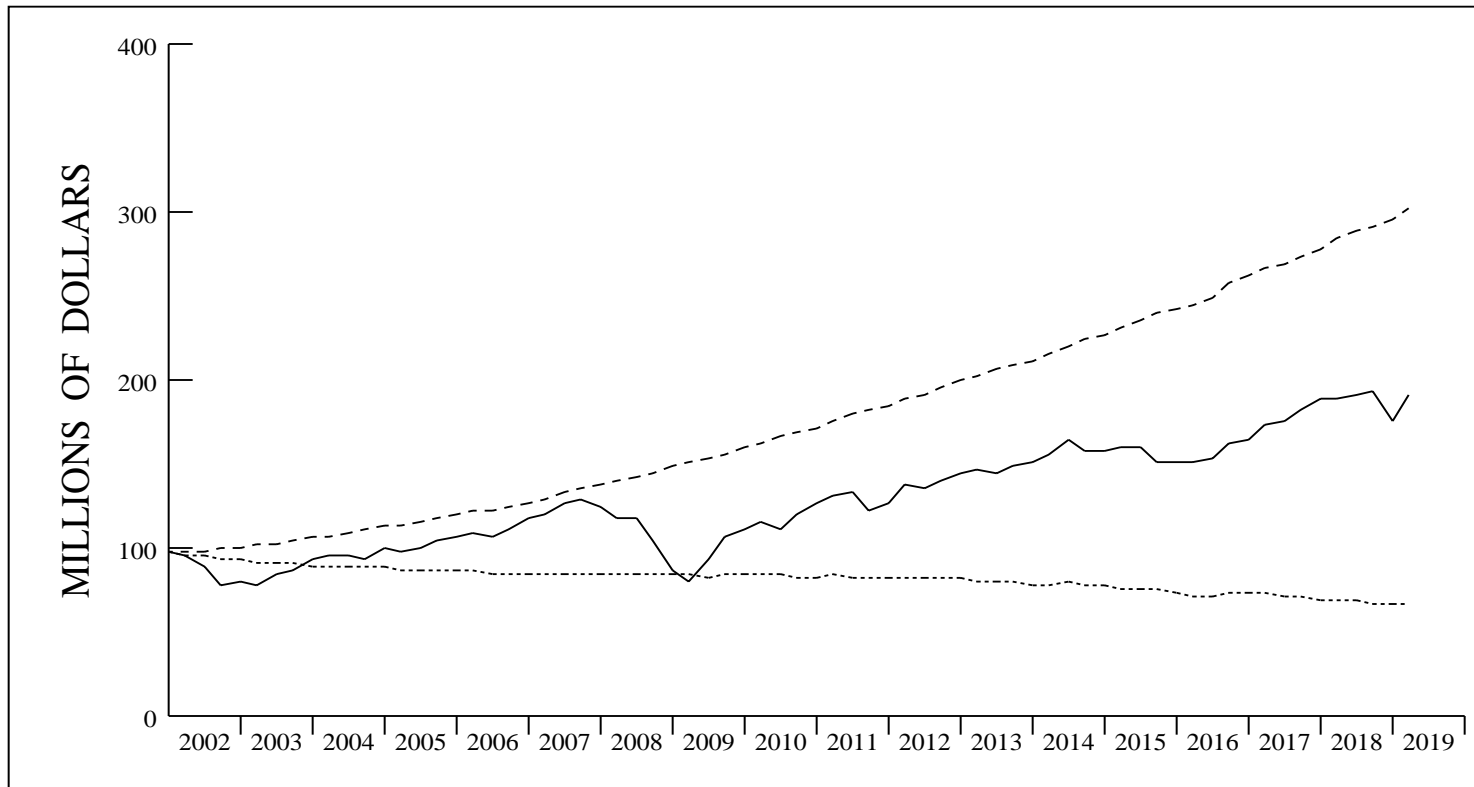
## ASSET ALLOCATION

|                        |               |                       |
|------------------------|---------------|-----------------------|
| Equity                 | 69.5%         | \$ 134,325,976        |
| Real Assets            | 10.3%         | 19,915,150            |
| Fixed Income           | 20.0%         | 38,599,446            |
| Cash                   | 0.2%          | 430,814               |
| <b>Total Portfolio</b> | <b>100.0%</b> | <b>\$ 193,271,386</b> |

## INVESTMENT RETURN

|                        |                |
|------------------------|----------------|
| Market Value 12/2018   | \$ 176,920,863 |
| Contribs / Withdrawals | - 38,269       |
| Income                 | 133,478        |
| Capital Gains / Losses | 16,255,314     |
| Market Value 3/2019    | \$ 193,271,386 |

**INVESTMENT GROWTH**



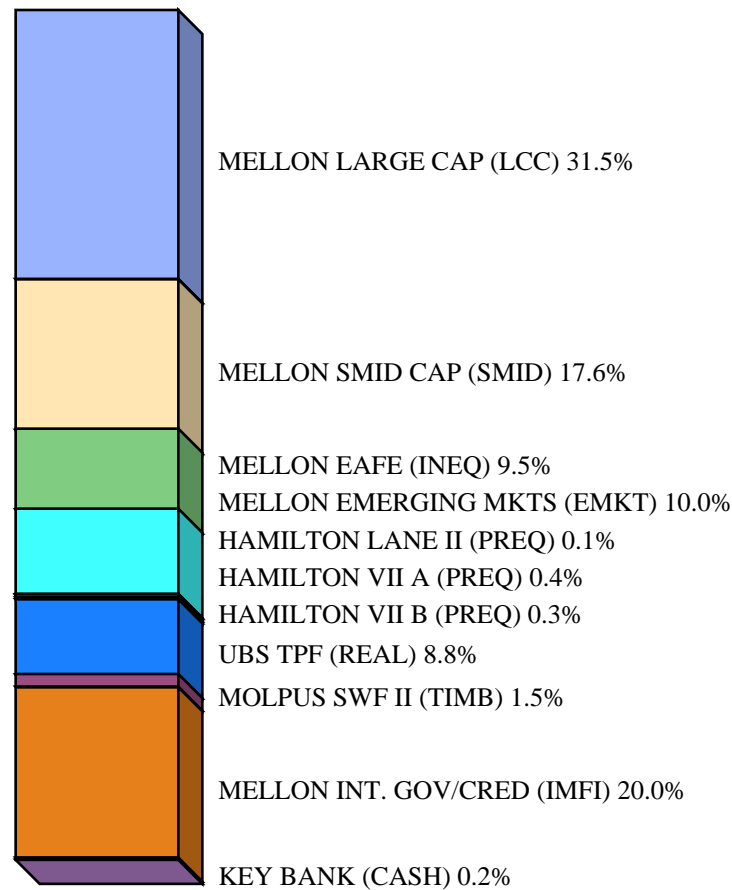
— ACTUAL RETURN  
 - - - 8.0%  
 . . . 0.0%

VALUE ASSUMING  
 8.0% RETURN \$ 303,465,967

|                               | LAST<br>QUARTER   | PERIOD<br>12/01 - 3/19 |
|-------------------------------|-------------------|------------------------|
| BEGINNING VALUE               | \$ 176,920,863    | \$ 98,885,312          |
| NET CONTRIBUTIONS             | - 38,269          | - 32,203,828           |
| <u>INVESTMENT RETURN</u>      | <u>16,388,792</u> | <u>126,589,902</u>     |
| ENDING VALUE                  | \$ 193,271,386    | \$ 193,271,386         |
| INCOME                        | 133,478           | 15,737,443             |
| <u>CAPITAL GAINS (LOSSES)</u> | <u>16,255,314</u> | <u>110,852,459</u>     |
| INVESTMENT RETURN             | 16,388,792        | 126,589,902            |



**MANAGER ALLOCATION AND TARGET SUMMARY**



| Name                        | Market Value         | Percent      | Target       |
|-----------------------------|----------------------|--------------|--------------|
| Mellon Large Cap (LCC)      | \$60,959,834         | 31.5         | 30.0         |
| Mellon Smid Cap (SMID)      | \$34,096,937         | 17.6         | 18.0         |
| Mellon EAFE (INEQ)          | \$18,296,843         | 9.5          | 10.0         |
| Mellon Emerging Mkts (EMKT) | \$19,358,138         | 10.0         | 10.0         |
| Hamilton Lane II (PREQ)     | \$224,516            | 0.1          | 0.5          |
| Hamilton VII A (PREQ)       | \$791,107            | 0.4          | 0.9          |
| Hamilton VII B (PREQ)       | \$598,601            | 0.3          | 0.6          |
| UBS TPF (REAL)              | \$17,036,303         | 8.8          | 8.0          |
| Molpus SWF II (TIMB)        | \$2,878,847          | 1.5          | 2.0          |
| Mellon Int. Gov/Cred (IMFI) | \$38,599,446         | 20.0         | 20.0         |
| Key Bank (CASH)             | \$430,814            | 0.2          | 0.0          |
| <b>Total Portfolio</b>      | <b>\$193,271,386</b> | <b>100.0</b> | <b>100.0</b> |

**INVESTMENT RETURN SUMMARY - ONE QUARTER**

| <b>Name</b>                 | <b>Quarter<br/>Total<br/>Return</b> | <b>Market<br/>Value<br/>December 31st, 2018</b> | <b>Net<br/>Cashflow</b> | <b>Net<br/>Investment<br/>Return</b> | <b>Market<br/>Value<br/>March 31st, 2019</b> |
|-----------------------------|-------------------------------------|---|-------------------------|--------------------------------------|--|
| Mellon Large Cap (LCC)      | 13.7                                | 53,636,591                                      | 0                       | 7,323,243                            | 60,959,834                                   |
| Mellon Smid Cap (SMID)      | 15.8                                | 29,438,930                                      | 0                       | 4,658,007                            | 34,096,937                                   |
| Mellon EAFE (INEQ)          | 10.0                                | 16,626,739                                      | 0                       | 1,670,104                            | 18,296,843                                   |
| Mellon Emerging Mkts (EMKT) | 9.9                                 | 17,612,215                                      | 0                       | 1,745,923                            | 19,358,138                                   |
| Hamilton Lane II (PREQ)     | 0.0                                 | 268,198   | -43,682                 | 0                                    | 224,516                                      |
| Hamilton VII A (PREQ)       | 0.0                                 | 852,266   | -61,159                 | 0                                    | 791,107                                      |
| Hamilton VII B (PREQ)       | 0.0                                 | 598,601   | 0                       | 0                                    | 598,601                                      |
| UBS TPF (REAL)              | 0.7                                 | 16,958,291                                      | -38,269                 | 116,281                              | 17,036,303                                   |
| Molpus SWF II (TIMB)        | 0.2                                 | 2,880,218                                       | 0                       | -1,371                               | 2,878,847                                    |
| Mellon Int. Gov/Cred (IMFI) | 2.3                                 | 37,722,841                                      | 0                       | 876,605                              | 38,599,446                                   |
| Key Bank (CASH)             | ---                                 | 325,973   | 104,841                 | 0                                    | 430,814                                      |
| <b>Total Portfolio</b>      | <b>9.3</b>                          | <b>176,920,863</b>                              | <b>-38,269</b>          | <b>16,388,792</b>                    | <b>193,271,386</b>                           |









## MANAGER PERFORMANCE SUMMARY - GROSS OF FEES

| Portfolio             | (Universe)     | Quarter         | FYTD            | 1 Year          | 3 Years         | 5 Years         | Since Inception        |
|-----------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------|
| Total Portfolio       | (Public Fund)  | 9.3 (27)        | 2.6 (69)        | 4.0 (54)        | 9.4 (12)        | 5.8 (62)        | 5.7 ---- 12/01         |
| <i>Manager Shadow</i> |                | <i>9.5 ---</i>  | <i>2.7 ---</i>  | <i>4.1 ---</i>  | <i>9.6 ---</i>  | <i>6.1 ---</i>  | <i>---- ---- 12/01</i> |
| Mellon Large Cap      | (LC Core)      | 13.7 (38)       | 5.9 (32)        | 9.6 (24)        | 13.5 (32)       | ---- ----       | 13.5 (32) 03/16        |
| <i>S&amp;P 500</i>    |                | <i>13.6 ---</i> | <i>5.9 ---</i>  | <i>9.5 ---</i>  | <i>13.5 ---</i> | <i>10.9 ---</i> | <i>13.5 --- 03/16</i>  |
| Mellon Smid Cap       | (Smid Cap)     | 15.8 (42)       | -1.1 (51)       | 4.6 (40)        | 12.7 (45)       | ---- ----       | 12.7 (45) 03/16        |
| <i>Russell 2500</i>   |                | <i>15.8 ---</i> | <i>-1.2 ---</i> | <i>4.5 ---</i>  | <i>12.5 ---</i> | <i>7.8 ---</i>  | <i>12.5 --- 03/16</i>  |
| Mellon EAFE           | (Intl Eq)      | 10.0 (61)       | -2.4 (50)       | -3.2 (28)       | 7.7 (64)        | ---- ----       | 7.7 (64) 03/16         |
| <i>MSCI EAFE</i>      |                | <i>10.1 ---</i> | <i>-2.3 ---</i> | <i>-3.2 ---</i> | <i>7.8 ---</i>  | <i>2.8 ---</i>  | <i>7.8 --- 03/16</i>   |
| Mellon Emerging Mkts  | (Emerging Mkt) | 9.9 (56)        | 0.6 (44)        | -7.3 (43)       | 10.7 (48)       | ---- ----       | 10.7 (48) 03/16        |
| <i>MSCI EM Net</i>    |                | <i>9.9 ---</i>  | <i>0.6 ---</i>  | <i>-7.4 ---</i> | <i>10.7 ---</i> | <i>3.7 ---</i>  | <i>10.7 --- 03/16</i>  |
| Hamilton Lane II      |                | 0.0 ----        | -8.2 ----       | -10.1 ----      | -0.7 ----       | -2.4 ----       | 9.0 ---- 03/09         |
| <i>Cambridge PE</i>   |                | <i>0.0 ---</i>  | <i>1.7 ---</i>  | <i>7.2 ---</i>  | <i>13.5 ---</i> | <i>10.8 ---</i> | <i>14.1 --- 03/09</i>  |
| Hamilton VII A        |                | 0.0 ----        | 5.6 ----        | 6.0 ----        | 9.9 ----        | 10.2 ----       | 12.3 ---- 09/11        |
| <i>Cambridge PE</i>   |                | <i>0.0 ---</i>  | <i>1.7 ---</i>  | <i>7.2 ---</i>  | <i>13.5 ---</i> | <i>10.8 ---</i> | <i>12.9 --- 09/11</i>  |
| Hamilton VII B        |                | 0.0 ----        | -4.7 ----       | -3.8 ----       | 5.0 ----        | 4.3 ----        | 6.7 ---- 09/11         |
| <i>Cambridge PE</i>   |                | <i>0.0 ---</i>  | <i>1.7 ---</i>  | <i>7.2 ---</i>  | <i>13.5 ---</i> | <i>10.8 ---</i> | <i>12.9 --- 09/11</i>  |
| UBS TPF               |                | 0.7 ----        | 3.9 ----        | 5.7 ----        | ---- ----       | ---- ----       | 6.2 ---- 09/16         |
| <i>NCREIF ODCE</i>    |                | <i>1.4 ---</i>  | <i>5.4 ---</i>  | <i>7.5 ---</i>  | <i>8.0 ---</i>  | <i>10.2 ---</i> | <i>7.8 --- 09/16</i>   |
| Molpus SWF II         |                | 0.2 ----        | 2.2 ----        | 2.4 ----        | 0.9 ----        | 2.6 ----        | 3.3 ---- 03/09         |
| <i>NCREIF Timber</i>  |                | <i>0.1 ---</i>  | <i>1.9 ---</i>  | <i>2.4 ---</i>  | <i>3.3 ---</i>  | <i>4.6 ---</i>  | <i>3.7 --- 03/09</i>   |
| Mellon Int. Gov/Cred  | (Int Fixed)    | 2.3 (69)        | 4.2 (57)        | 4.2 (67)        | 1.6 (91)        | ---- ----       | 1.6 (91) 03/16         |
| <i>Int Gov/Credit</i> |                | <i>2.3 ---</i>  | <i>4.2 ---</i>  | <i>4.2 ---</i>  | <i>1.7 ---</i>  | <i>2.1 ---</i>  | <i>1.7 --- 03/16</i>   |

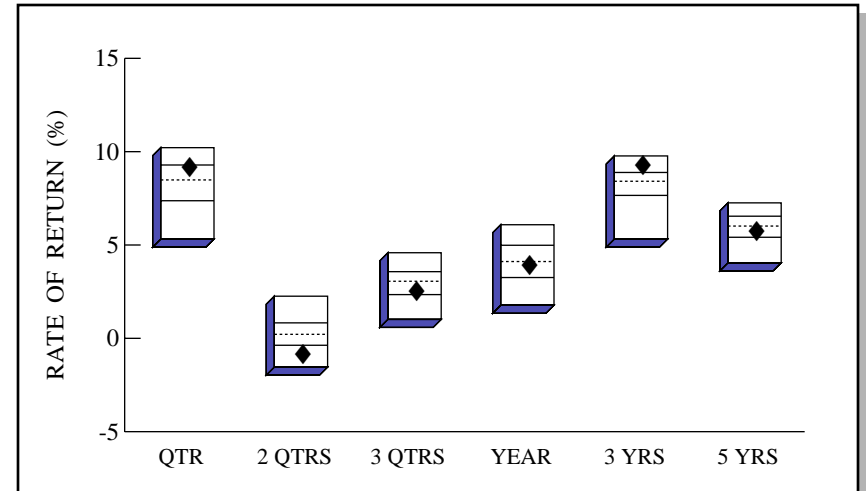
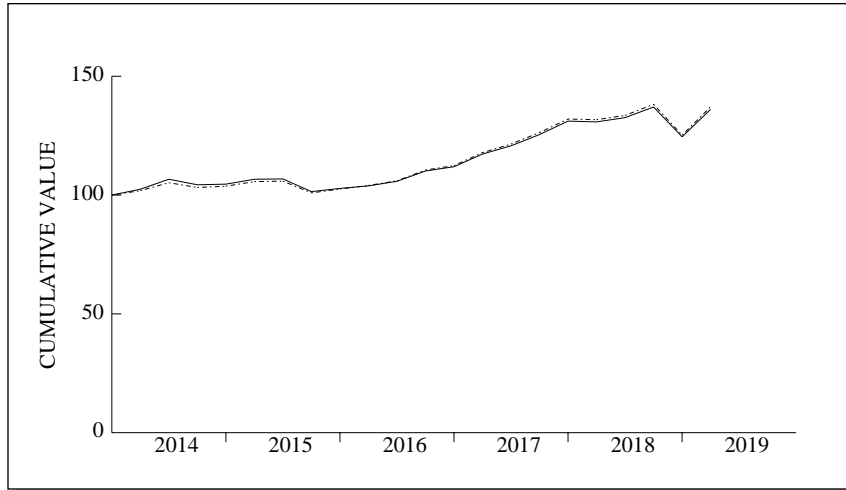
## MANAGER PERFORMANCE SUMMARY - NET OF FEES

| Name                  | Quarter     | FYTD        | 1 Year      | 3 Years     | 5 Years     | Since Inception |              |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-----------------|--------------|
| Total Portfolio       | 9.2         | 2.5         | 3.9         | 9.2         | 5.5         | ----            | 12/01        |
| <i>Manager Shadow</i> | <i>9.5</i>  | <i>2.7</i>  | <i>4.1</i>  | <i>9.6</i>  | <i>6.1</i>  | ----            | <i>12/01</i> |
| Mellon Large Cap      | 13.6        | 5.8         | 9.5         | 13.5        | ----        | 13.5            | 03/16        |
| <i>S&amp;P 500</i>    | <i>13.6</i> | <i>5.9</i>  | <i>9.5</i>  | <i>13.5</i> | <i>10.9</i> | <i>13.5</i>     | <i>03/16</i> |
| Mellon Smid Cap       | 15.8        | -1.1        | 4.6         | 12.7        | ----        | 12.7            | 03/16        |
| <i>Russell 2500</i>   | <i>15.8</i> | <i>-1.2</i> | <i>4.5</i>  | <i>12.5</i> | <i>7.8</i>  | <i>12.5</i>     | <i>03/16</i> |
| Mellon EAFE           | 10.0        | -2.4        | -3.2        | 7.6         | ----        | 7.6             | 03/16        |
| <i>MSCI EAFE</i>      | <i>10.1</i> | <i>-2.3</i> | <i>-3.2</i> | <i>7.8</i>  | <i>2.8</i>  | <i>7.8</i>      | <i>03/16</i> |
| Mellon Emerging Mkts  | 9.9         | 0.6         | -7.3        | 10.6        | ----        | 10.6            | 03/16        |
| <i>MSCI EM Net</i>    | <i>9.9</i>  | <i>0.6</i>  | <i>-7.4</i> | <i>10.7</i> | <i>3.7</i>  | <i>10.7</i>     | <i>03/16</i> |
| Hamilton Lane II      | 0.0         | -11.0       | -13.3       | -4.5        | -5.5        | 6.8             | 03/09        |
| <i>Cambridge PE</i>   | <i>0.0</i>  | <i>1.7</i>  | <i>7.2</i>  | <i>13.5</i> | <i>10.8</i> | <i>14.1</i>     | <i>03/09</i> |
| Hamilton VII A        | 0.0         | 4.8         | 4.8         | 8.7         | 8.9         | 10.4            | 09/11        |
| <i>Cambridge PE</i>   | <i>0.0</i>  | <i>1.7</i>  | <i>7.2</i>  | <i>13.5</i> | <i>10.8</i> | <i>12.9</i>     | <i>09/11</i> |
| Hamilton VII B        | 0.0         | -5.4        | -4.7        | 3.8         | 3.1         | 4.9             | 09/11        |
| <i>Cambridge PE</i>   | <i>0.0</i>  | <i>1.7</i>  | <i>7.2</i>  | <i>13.5</i> | <i>10.8</i> | <i>12.9</i>     | <i>09/11</i> |
| UBS TPF               | 0.5         | 3.2         | 4.8         | ----        | ----        | 5.1             | 09/16        |
| <i>NCREIF ODCE</i>    | <i>1.4</i>  | <i>5.4</i>  | <i>7.5</i>  | <i>8.0</i>  | <i>10.2</i> | <i>7.8</i>      | <i>09/16</i> |
| Molpus SWF II         | 0.0         | 1.4         | 1.4         | -0.1        | 1.6         | 2.5             | 03/09        |
| <i>NCREIF Timber</i>  | <i>0.1</i>  | <i>1.9</i>  | <i>2.4</i>  | <i>3.3</i>  | <i>4.6</i>  | <i>3.7</i>      | <i>03/09</i> |
| Mellon Int. Gov/Cred  | 2.3         | 4.2         | 4.2         | 1.6         | ----        | 1.6             | 03/16        |
| <i>Int Gov/Credit</i> | <i>2.3</i>  | <i>4.2</i>  | <i>4.2</i>  | <i>1.7</i>  | <i>2.1</i>  | <i>1.7</i>      | <i>03/16</i> |

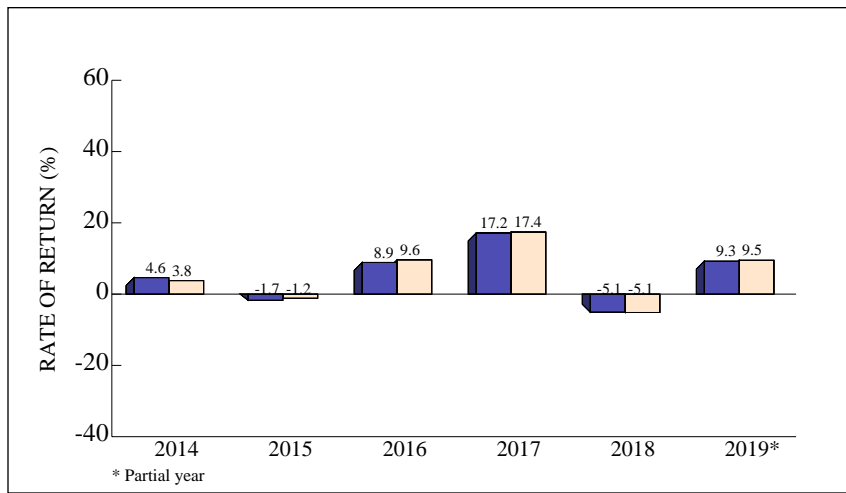
**MANAGER VALUE ADDED**

| 1 Quarter  | Portfolio              | Benchmark             | 1 Year  |
|--|------------------------|-----------------------|---|
| 0.1   | Mellon Large Cap       | S&P 500               | 0.1   |
| 0.0  | Mellon Smid Cap        | Russell 2500          | 0.1   |
|  -0.1 | Mellon EAFE            | MSCI EAFE             | 0.0   |
| 0.0  | Mellon Emerging Mkts   | MSCI EM Net           | 0.1   |
| 0.0  | Hamilton Lane II       | Cambridge PE          |  -17.3 |
| 0.0  | Hamilton VII A         | Cambridge PE          |  -1.2  |
| 0.0  | Hamilton VII B         | Cambridge PE          |  -11.0 |
|  -0.7 | UBS TPF                | NCREIF ODCE           |  -1.8  |
| 0.1   | Molpus SWF II          | NCREIF Timber         | 0.0   |
| 0.0  | Mellon Int. Gov/Cred   | Int Gov/Credit        | 0.0   |
|  -0.2 | <b>Total Portfolio</b> | <b>Manager Shadow</b> | <b>-0.1</b>   |

**TOTAL RETURN COMPARISONS**



Public Fund Universe



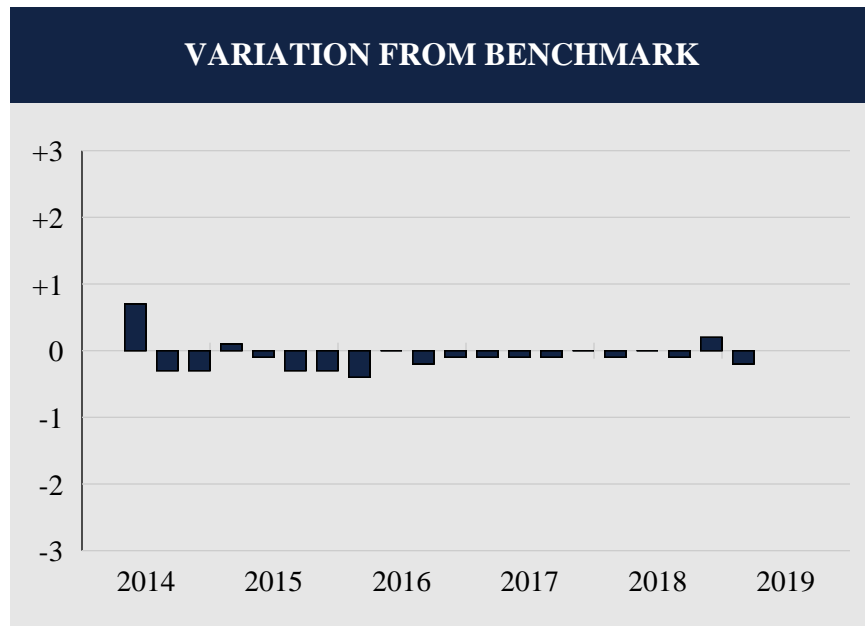
\* Partial year

|                   | QTR        | 2 QTRS      | 3 QTRS     | YEAR       | -----ANNUALIZED-----<br>3 YRS | 5 YRS      |
|-------------------|------------|-------------|------------|------------|-------------------------------|------------|
| RETURN            | 9.3        | -0.7        | 2.6        | 4.0        | 9.4                           | 5.8        |
| (RANK)            | (27)       | (85)        | (69)       | (54)       | (12)                          | (62)       |
| 5TH %ILE          | 10.2       | 2.3         | 4.6        | 6.1        | 9.8                           | 7.3        |
| 25TH %ILE         | 9.3        | 0.8         | 3.6        | 5.0        | 8.9                           | 6.5        |
| MEDIAN            | 8.5        | 0.2         | 3.1        | 4.1        | 8.4                           | 6.0        |
| 75TH %ILE         | 7.4        | -0.4        | 2.3        | 3.3        | 7.7                           | 5.4        |
| 95TH %ILE         | 5.3        | -1.6        | 1.0        | 1.8        | 5.3                           | 4.0        |
| <b>Mgr Shadow</b> | <b>9.5</b> | <b>-0.8</b> | <b>2.7</b> | <b>4.1</b> | <b>9.6</b>                    | <b>6.1</b> |

Public Fund Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY - 5 YEARS**

**COMPARATIVE BENCHMARK: BURLINGTON MANAGER SHADOW INDEX**



|   |             |
|---|-------------|
| <b>Total Quarters Observed</b>            | <b>20</b>   |
| <b>Quarters At or Above the Benchmark</b> | <b>6</b>    |
| <b>Quarters Below the Benchmark</b>       | <b>14</b>   |
| <b>Batting Average</b>                    | <b>.300</b> |

| RATES OF RETURN |           |       |      |                      |       |      |
|-----------------|-----------|-------|------|----------------------|-------|------|
| Date            | Portfolio | Bench | Diff | -----Cumulative----- |       |      |
|                 |           |       |      | Portfolio            | Bench | Diff |
| 6/14            | 4.0       | 3.3   | 0.7  | 4.0                  | 3.3   | 0.7  |
| 9/14            | -2.2      | -1.9  | -0.3 | 1.8                  | 1.3   | 0.5  |
| 12/14           | 0.3       | 0.6   | -0.3 | 2.1                  | 1.9   | 0.2  |
| 3/15            | 1.9       | 1.8   | 0.1  | 4.1                  | 3.7   | 0.4  |
| 6/15            | 0.1       | 0.2   | -0.1 | 4.2                  | 4.0   | 0.2  |
| 9/15            | -5.0      | -4.7  | -0.3 | -1.0                 | -0.9  | -0.1 |
| 12/15           | 1.3       | 1.6   | -0.3 | 0.3                  | 0.7   | -0.4 |
| 3/16            | 1.1       | 1.5   | -0.4 | 1.4                  | 2.2   | -0.8 |
| 6/16            | 1.8       | 1.8   | 0.0  | 3.2                  | 4.0   | -0.8 |
| 9/16            | 4.1       | 4.3   | -0.2 | 7.5                  | 8.5   | -1.0 |
| 12/16           | 1.6       | 1.7   | -0.1 | 9.2                  | 10.4  | -1.2 |
| 3/17            | 4.7       | 4.8   | -0.1 | 14.4                 | 15.7  | -1.3 |
| 6/17            | 3.0       | 3.1   | -0.1 | 17.8                 | 19.2  | -1.4 |
| 9/17            | 3.9       | 4.0   | -0.1 | 22.5                 | 24.0  | -1.5 |
| 12/17           | 4.5       | 4.5   | 0.0  | 27.9                 | 29.6  | -1.7 |
| 3/18            | -0.3      | -0.2  | -0.1 | 27.6                 | 29.3  | -1.7 |
| 6/18            | 1.4       | 1.4   | 0.0  | 29.3                 | 31.1  | -1.8 |
| 9/18            | 3.4       | 3.5   | -0.1 | 33.7                 | 35.7  | -2.0 |
| 12/18           | -9.2      | -9.4  | 0.2  | 21.5                 | 22.9  | -1.4 |
| 3/19            | 9.3       | 9.5   | -0.2 | 32.7                 | 34.6  | -1.9 |

**Private Equity Investor Report**  
**Hamilton Lane Secondary Fund II LP**

|                            |                      |                         |                        |                   |                       |
|----------------------------|----------------------|-------------------------|------------------------|-------------------|-----------------------|
| <b>IRR Since Inception</b> | <b>14.03%</b>        | Annualized, Net of Fees |                        |                   |                       |
| <b>Market Value</b>        | <b>\$ 224,516</b>    | Last Statement Date:    |                        | 12/31/2018        |                       |
| Capital Commitment         | \$ 3,400,000         | 100.00%                 |                        |                   |                       |
| Paid In Capital            | \$ 2,982,695         | 87.73%                  | Fund Level LP Net IRR* |                   | 13.6%                 |
| Remaining Commitment       | \$ 417,305           | 12.27%                  | MSCI World Index PME*  |                   | 11.1%                 |
|                            |                      | <b>% of</b>             | <b>Recallable</b>      | <b>% of</b>       |                       |
| <b>Date</b>                | <b>Contributions</b> | <b>Commitment</b>       | <b>Distributions</b>   | <b>Commitment</b> | <b>Distributions</b>  |
| 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)           |
| 1/29/2018                  | \$ -                 | -                       | \$ -                   | -                 | \$ (38,733)           |
| 7/11/2018                  | \$ -                 | -                       | \$ -                   | -                 | \$ (34,203)           |
| 1/18/2019                  | \$ -                 | -                       | \$ -                   | -                 | \$ (43,682)           |
| <b>Total</b>               | <b>\$ 3,266,974</b>  | <b>96.09%</b>           | <b>\$ (284,279)</b>    | <b>-8.36%</b>     | <b>\$ (4,095,207)</b> |

\*Provided by Hamilton Lane



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

|                            |                      |                         |                                 |                        |                       |
|----------------------------|----------------------|-------------------------|---------------------------------|------------------------|-----------------------|
| <b>IRR Since Inception</b> | <b>9.86%</b>         | Annualized, Net of Fees |                                 |                        |                       |
| <b>Market Value</b>        | <b>\$ 791,107</b>    | Last Statement Date:    |                                 | 12/31/2018             |                       |
| Capital Commitment         | \$ 1,500,000         | 100.00%                 |                                 |                        |                       |
| Paid In Capital            | \$ 1,304,825         | 86.99%                  | Combined Net IRR*               |                        | 9.2%                  |
| Remaining Commitment       | \$ 195,175           | 13.01%                  | MSCI World Index PME*           |                        | 8.5%                  |
| <b>Date</b>                | <b>Contributions</b> | <b>% of Commitment</b>  | <b>Recallable Distributions</b> | <b>% of Commitment</b> | <b>Distributions</b>  |
| 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)           |
| 3/29/2018                  | \$ -                 | -                       | \$ -                            | -                      | \$ (138,746)          |
| 6/15/2018                  | \$ -                 | -                       | \$ -                            | -                      | \$ (39,985)           |
| 3/6/2019                   | \$ -                 | -                       | \$ -                            | -                      | \$ (61,159)           |
| <b>Total</b>               | <b>\$ 1,304,825</b>  | <b>86.99%</b>           | <b>\$ -</b>                     | <b>0.00%</b>           | <b>\$ (1,124,855)</b> |

\*Provided by Hamilton Lane

Combined Net IRR is a combination of both series A & B

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**

|                            |                      |                         |                       |                   |                      |
|----------------------------|----------------------|-------------------------|-----------------------|-------------------|----------------------|
| <b>IRR Since Inception</b> | <b>5.08%</b>         | Annualized, Net of Fees |                       |                   |                      |
| <b>Market Value</b>        | <b>\$ 598,601</b>    | Last Statement Date:    |                       | 12/31/2018        |                      |
| Capital Commitment         | \$ 1,000,000         | 100.00%                 |                       |                   |                      |
| Paid In Capital            | \$ 825,225           | 82.52%                  | Combined LP Net IRR*  |                   | 9.2%                 |
| Remaining Commitment       | \$ 174,775           | 17.48%                  | MSCI World Index PME* |                   | 8.5%                 |
|                            |                      | <b>% of</b>             | <b>Recallable</b>     | <b>% of</b>       |                      |
| <b>Date</b>                | <b>Contributions</b> | <b>Commitment</b>       | <b>Distributions</b>  | <b>Commitment</b> | <b>Distributions</b> |
| 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)          |
| 3/30/2018                  | \$ -                 | -                       | \$ -                  | -                 | \$ (18,393)          |
| 6/15/2018                  | \$ -                 | -                       | \$ -                  | -                 | \$ (11,983)          |
| <b>Total</b>               | <b>\$ 825,225</b>    | <b>82.52%</b>           | <b>\$ -</b>           | <b>0.00%</b>      | <b>\$ (441,839)</b>  |

\*Provided by Hamilton Lane (Net IRR is combined both series A & B)

Combined Net IRR is a combination of both series A & B

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

|                            |                     |                         |           |
|----------------------------|---------------------|-------------------------|-----------|
| <b>IRR Since Inception</b> | <b>1.83%</b>        | Annualized, Net of Fees |           |
| <b>Market Value</b>        | <b>\$ 2,878,847</b> | Last Statement Date:    | 3/31/2019 |
| Capital Commitment         | \$ 3,400,000        | 100.00%                 |           |
| Paid In Capital            | \$ 3,400,000        | 100.00%                 |           |
| Remaining Commitment       | \$ -                | 0.00%                   |           |

| <b>Date</b>  | <b>Contributions</b> | <b>% of<br/>Commitment</b> | <b>Recallable<br/>Distributions</b> | <b>% of<br/>Commitment</b> | <b>Distributions</b>  |
|--------------|----------------------|----------------------------|-------------------------------------|----------------------------|-----------------------|
| 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)           |
| 12/28/2018   | \$ -                 | -                          | \$ -                                | -                          | \$ (76,435)           |
| <b>Total</b> | <b>\$ 3,400,000</b>  | <b>100.00%</b>             | <b>\$ -</b>                         | <b>0.00%</b>               | <b>\$ (1,080,140)</b> |

## APPENDIX - MAJOR MARKET INDEX RETURNS

| Equity                                    | Style                      | QTR  | FYTD | 1 Year | 3 years | 5 Years |
|---|----------------------------|------|------|--------|---------|---------|
| Russell 3000                              | Broad Equity               | 14.0 | 4.7  | 8.8    | 13.5    | 10.4    |
| S&P 500                                   | Large Cap Core             | 13.6 | 5.9  | 9.5    | 13.5    | 10.9    |
| Russell 1000                              | Large Cap Core             | 14.0 | 5.5  | 9.3    | 13.5    | 10.6    |
| Russell 1000 Growth                       | Large Cap Growth           | 16.1 | 6.6  | 12.7   | 16.5    | 13.5    |
| Russell 1000 Value                        | Large Cap Value            | 11.9 | 4.4  | 5.7    | 10.4    | 7.7     |
| Russell 2000                              | Small Cap                  | 14.6 | -5.3 | 2.0    | 12.9    | 7.0     |
| Russell 2000 Growth                       | Small Cap Growth           | 17.1 | -3.2 | 3.8    | 14.8    | 8.4     |
| Russell 2000 Value                        | Small Cap Value            | 11.9 | -7.5 | 0.1    | 10.8    | 5.6     |
| MSCI EAFE                                 | Developed Markets          | 10.1 | -2.3 | -3.2   | 7.8     | 2.8     |
| MSCI EAFE Growth                          | Developed Markets Growth   | 12.2 | -1.2 | -0.9   | 8.0     | 4.3     |
| MSCI EAFE Value                           | Developed Markets Value    | 8.1  | -3.3 | -5.6   | 7.5     | 1.2     |
| MSCI Emerging Markets                     | Emerging Markets           | 10.0 | 0.9  | -7.1   | 11.1    | 4.1     |
| MSCI All Country World                    | Global Equity              | 12.3 | 2.4  | 3.2    | 11.3    | 7.0     |
| MSCI All Country World Ex US              | Global Equity (ex. US)     | 10.4 | -1.4 | -3.7   | 8.6     | 3.0     |
| Fixed Income                              | Style                      | QTR  | FYTD | 1 Year | 3 years | 5 Years |
| Bloomberg Barclays Aggregate Index        | Core Fixed Income          | 2.9  | 4.6  | 4.5    | 2.0     | 2.7     |
| Bloomberg Barclays Gov/Credit             | Gov/Credit                 | 3.3  | 4.8  | 4.5    | 2.1     | 2.8     |
| Bloomberg Barclays Capital Gov't Bond     | Treasuries                 | 2.1  | 4.1  | 4.2    | 1.1     | 2.1     |
| Bloomberg Barclays Capital Credit Bond    | Corporate Bonds            | 4.9  | 5.8  | 4.9    | 3.5     | 3.6     |
| Intermediate Aggregate                    | Core Intermediate          | 2.3  | 4.2  | 4.3    | 1.7     | 2.3     |
| Intermediate Gov/Credit                   | Gov / Credit Intermediate  | 2.3  | 4.2  | 4.2    | 1.7     | 2.1     |
| ML/BoA 1-3 Year Treasury                  | Short Term Treasuries      | 1.0  | 2.5  | 2.7    | 1.0     | 1.0     |
| Bloomberg Barclays Capital High Yield     | High Yield Bonds           | 7.3  | 4.9  | 5.9    | 8.6     | 4.7     |
| Bloomberg Barclays Global Treasury Ex US  | International Treasuries   | 1.4  | 1.1  | -3.8   | 0.9     | 0.1     |
| Bloomberg Barclays Global Government Bond | International Fixed Income | 1.6  | 1.8  | -1.7   | 1.0     | 0.5     |
| Bloomberg Barclays Global Aggregate       | International Fixed Income | 2.2  | 2.5  | -0.4   | 1.5     | 1.0     |
| Bloomberg Barclays Global Aggregate Ex US | International Fixed Income | 1.5  | 0.7  | -4.1   | 1.0     | -0.3    |
| Alternative Assets                        | Style                      | QTR  | FYTD | 1 Year | 3 years | 5 Years |
| MSCI US REIT Index                        | REITs                      | 16.3 | 9.6  | 20.7   | 6.0     | 9.0     |
| NCREIF NFI-ODCE Index                     | Real Estate                | 1.4  | 5.4  | 7.5    | 8.0     | 10.2    |
| NCREIF Timber Index                       | Timber                     | 0.1  | 1.9  | 2.4    | 3.3     | 4.6     |
| Bloomberg Commodity Index                 | Commodities                | 6.3  | -5.6 | -5.3   | 2.2     | -8.9    |
| HFRI FOF Composite                        | Hedge Funds                | 4.6  | -0.4 | 0.1    | 3.9     | 2.2     |

**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         |               |

\* 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.