



# City Of Burlington Employees Retirement Plan

Performance Review  
June 2015

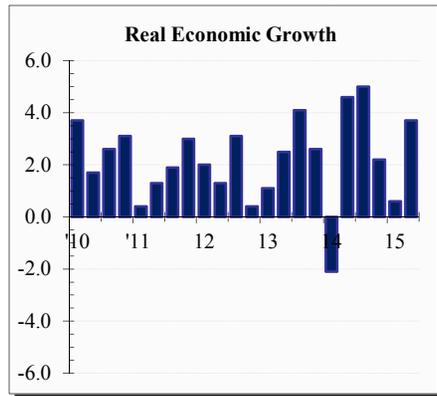


**DAHAB ASSOCIATES**  
New York   Massachusetts   Pennsylvania   Florida

## ECONOMIC ENVIRONMENT

### A Stressful Quarter, but Mostly Positive

The Bureau of Economic Analysis estimates the economy expanded at a rate of 3.7% in the second quarter, following a revised expansion of 0.6% in the first quarter. The second quarter saw very good job growth. Even more positive was the housing story. Finally, new and existing home sales were on a tear and at their highest levels since before the Great Recession. Consumer confidence soared; manufacturing and services data show definite growth trends; and both the US dollar and commodity prices stabilized.



Consumer confidence soared; manufacturing and services data show definite growth trends; and both the US dollar and commodity prices stabilized.

The Fed remained wary, ever mindful of the Greek debt crisis, weak emerging market economies, and stagnant wages. Factoring in troubling geopolitical issues, particularly in the Middle East, it is little wonder that investors remained jittery. Below are more details:

- Q2 real GDP expanded at a 3.7% annual rate. This second estimate comes with a revised 0.6% figure for first quarter growth, which was up from the previous Q1 estimate of -0.2%.
- The June jobs report was encouraging, with 223,000 new hires and an unemployment rate of only 5.3%. However, the Bureau of Labor Statistics made a 60,000 downward revision to job gains for April and May. The number of unemployed seeking work dropped 375,000 to 8.3 million and the number of long-term unemployed (longer than 27 weeks) fell significantly, to 2.1 million. These declines reflected job seekers who stopped looking for employment as well as baby boomers beginning to retire in large numbers. Very modest 2% wage gains, for the latest 12-month period, suggest that the demand for workers is running barely ahead of supply.
- Existing home sales increased to 5.35 million, the highest in six-years. These gains were fueled, in part, by sales to first-time buyers. Supply remained tight, leading to the median existing home price of

\$228,700, 7.9% higher than just one year ago. During May, existing homes were on the market for an average of only 40-days.

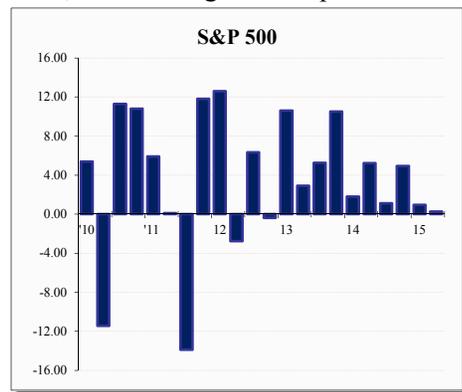
- The Institute of Supply Management (ISM) provided encouraging news for both the manufacturing and service sectors. The Manufacturing Index has now expanded for the 30<sup>th</sup> straight month and registered 53.5%, a 0.7% increase from May (any percentage above 50% indicates expansion). New orders climbed to 56%, with 11 out of eighteen industries showing growth. Only oil, coal, metals, plastics and machinery declined appreciably. On the service front, the Non-Manufacturing Index stood at 56%, up 0.3% in June. New service-related orders rose 0.4% to 58.3%, with most service sectors participating in the growth. Overall, the service part of the economy has shown growth for 65 consecutive months!
- Consumer confidence rose sharply from May to June; the Consumer Confidence Index climbed from 94.6 to 101.4. At the same time, consumers voiced more confidence regarding business conditions for the next six-months. Combined, the confidence data suggests that retail spending will rise further. The apparent peaking of gasoline prices, at levels well below a year ago, also may help to spur spending.
- In general, commodity prices turned the corner after a disastrous first quarter. The composite of 33 commodity prices was up 3.2%. Various metals were the only commodity sectors in the red. Precious metals fell 5.3% while the gold component fell just 1%. Tin incurred the greatest loss (-16.7%) and energy earned the biggest gain (+13.8%). Grains were in 2<sup>nd</sup> place, gaining 8.3%, with the wheat and corn components climbing 20.3% and 14.7%, respectively. Soft commodities rose 5.5%, with coffee essentially unchanged. Finally, livestock prices were mixed as hog prices soared 19%, while cattle dropped 8.2%.
- June saw a 0.3% increase for CPI, on a seasonally adjusted basis. That translates to 0.1% over the last 12 months. Miniscule wage growth and a stabilizing of oil prices contributed to continuously low CPI numbers. The US dollar didn't see further price appreciation vs. other major currencies, but still kept a lid on import price inflation.

- As of June 17<sup>th</sup>, Federal Reserve Board Chair Yellen stated that economic activity was expanding moderately. She also noted that inflation was tame and that both capital expenditures and exports were weak. She probably viewed the July 3<sup>rd</sup> jobs report as net positive, but not necessarily sustaining. The Board's minutes also revealed several concerns: (1) the Greek debt crisis; (2) painfully slow growth among emerging market countries; and (3) a possible market and economic bubble in China, the world's second largest economy. All told, it is now unclear whether the long-anticipated interest rate hike will occur anytime soon. Despite positive economic indicators, US and off-shore equity markets were volatile and weak amidst the uncertainty.

## DOMESTIC EQUITIES

### Greek Turmoil Kept Investors Skittish

Domestic equities were quite volatile during the quarter, especially in June, but managed to squeeze out a slight gain. The broad market



(captured by the Russell 3000 Index) was just above zero, or 0.1%. The other three bellwether indices were also subdued. The S&P 500 moved up 0.3%, the DJIA fell 0.3% and the tech-laden NASDAQ posted the best result of +2.0%. Small cap stocks did relatively better than large caps (+0.4% vs. +0.1%), yet mid-caps were the worst performers (-1.5%).

Growth style indices overall performed better than the value indices, but the differences were small. However, within small caps, the growth index was up 2% while the value segment was down 1.2%. The primary reason for the decline in the small cap value index was that REIT stocks within the sector plummeted; the NAREIT Equity Index dropped 9.1%, as interest rates rose.

Only a minority of S&P sectors provided any zip in the second quarter. Basic industries gained 3.1%, buoyed by firmer commodity prices and

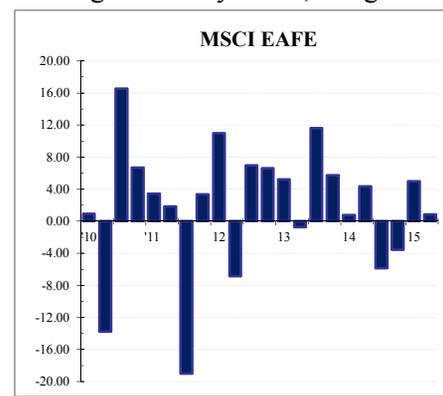
manufacturing growth. Financial stocks also did relatively well, advancing 2.7%, as investors were betting that higher interest rates would ultimately boost bank earnings. Consumer services and non-durable consumer goods each added slightly more than 2%, in sync with moderately higher consumer spending. The energy, technology, and utilities sectors were all in the red, with utilities dropping 4.7%. Note that utility losses typically have an inverse correlation with higher interest rates.

As of quarter-end, the S&P 500 dividend rate remained steady at 2.0%. Price/earnings ratios (using trailing 12-month earnings) inched up to 22.4, which is clearly high.

## INTERNATIONAL EQUITIES

### China and Greece Set the Slow Pace

The MSCI EAFE Index landed in positive territory, but not by much. The index gained only 0.8%, weighed down by Greek debt concerns and a



gradually slowing Chinese economy. Germany's market, awash in Greek debt, was the big loser within the Euro Zone, falling 5.1%. Investors were also concerned about the level of German exports to Russia and China. Surprisingly, investors did not tie Greece to the other peripheral Euro countries that had their own bailout issues. Ireland (+8.5%), Italy (+3.0%) and

Portugal (+2.7%) each saw positive returns. Only the Spanish market lost ground and that damage was small (-1.9%). France, the other major Euro country, advanced 1%. The EU's newly initiated quantitative easing program might have provided a tail wind for European stocks. However, the Greek crisis proved to be a spoiler, especially for the German and French markets.

The British stock market gained 3%, as that economy is growing and a bitterly-fought national election ended with the unexpected victory of the Conservative Party. The Party rhetoric, distancing that country from the EU's problems, may also have been investor-positive.

Australia and New Zealand were in investors' crosshairs and not favorably. Both countries provide resources to China and investors anticipated that China's insatiable demand for raw materials would slacken. In addition, the New Zealand dollar depreciated almost 10%. The bottom line was a 6.2% fall in the Aussie market and almost double that or an 11.9% decline in New Zealand shares.

Japan, and to a lesser extent Hong Kong, were bright spots within EAFE. The Japanese economy was turning around in response to Prime Minister Abe's stimulus program and Japanese consumers were loosening their purse strings a bit. Further, the yen weakened modestly against the US dollar, aiding its export-driven economy. As a result, Japanese stocks rose 3.1%. Hong Kong gained 5.6%, benefiting from an infusion of money from mainland Chinese investors into Hong Kong stocks. The Chinese investments more than offset continued problems with Macau-based casinos.

Emerging markets earned 0.8%, equaling that of the non-US developed markets and exceeding that of the broad US market. While there were exceptions, most EM returns were unexciting.

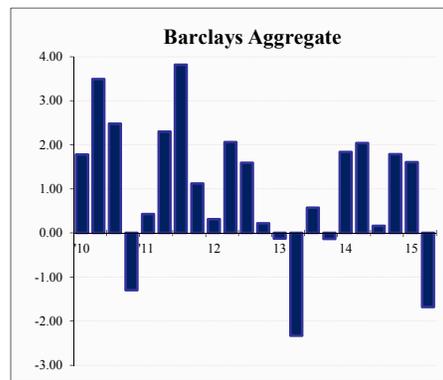
The BRIC Index, which includes the four largest EM countries, climbed 4.7%. Brazil fended off continued high inflation and slow growth to bounce back 7%. Its huge energy company, Petrobras, rebounded due to internal reforms and steady oil prices. President Rousseff's June visit to the US also sent an encouraging signal. Russia earned 7.7%, reflecting a bottoming of its energy export prices, its own monetary easing and somewhat diminished Ukrainian military fears. India disappointed with a loss of 3.6%, which came on the heels of a tremendous run up after last year's election of a business-friendly, reform-minded government. Lastly, China advanced 6.2% despite a moderately slowing economy; however, its stock market was buoyed by accommodative banking policies and steamy real estate construction.

Combined, Latin American markets, excluding Brazil, were flat for the quarter. Columbia performed relatively well, gaining 3.5%, after plunging 19% in the prior quarter. By comparison, Mexico and Peru rose only fractionally and Chile lost 3%.

## BOND MARKET

### Rates Up and Returns Down

Interest rates were quite volatile, ending the quarter higher, which depressed bond prices and returns for the quarter. There were three contributing factors: (1) a rebound in economic activity after a negative first quarter, (2) less-than-normal liquidity among corporate bonds, and most importantly (3) investor expectation that the Fed would finally raise



rates before year-end. Higher rates impacted the long end far more significantly than short-duration instruments. While the two-year Treasury yield rose by nine basis points, the 10-year climbed 43 basis points and the 30-year shot up 58 basis points.

The Barclays Aggregate Index lost 1.7%, breaking a string of quarterly gains.

High yield bonds broke even for the quarter, as the price declines offset the high income. Energy bonds, representing more than 14% of all high yield issues, performed best. That sector gained 2% compared to fractional gains or losses in other sectors. There was no obvious return pattern among the high yield credit ratings. BAs, the highest-rated junk bonds, lost a nominal 0.4%. Yet single Bs gained 0.4% and CAAs, 0.5%. The true junk, rated CA down to single D, crashed 18.8%!

The G-6 (G7 x-US) Global Treasury Index fell 1.4%, in line with US Treasuries. The worst performers were Italy (-2.6%) and Japan (-2.2%), reflecting their weaker currencies. Canada lost a fractional 0.1%, while Germany and France lost 1% and 1.6% each. The UK was the only country to avoid the red ink, as its sovereign debt climbed 2.1%. British currency appreciation was a contributing factor.

## CASH EQUIVALENTS

### Waiting for the Fed

Once again, T-bill returns were dead in the water.

**MARKET SUMMARY**

**ECONOMIC STATISTICS**

	<b>CURRENT QTR</b>	<b>LAST QTR</b>
GDP	3.7	0.6
Unemployment	5.3	5.5
CPI All Items Year/Year	0.10	-0.10
Fed Funds Rate	0.25	0.25
Industrial Capacity	78.4	79.0
US Dollars per Euro	1.12	1.07

**MAJOR INDEX QUARTER RETURNS**

<b>INDEX</b>		<b>PERFORMANCE</b>
Russell 3000	0.1	
S&P 500	0.3	
Russell Mid	-1.5	
Russell 2000	0.4	
MSCI EAFE	0.8	
MSCI Emg Mkts	0.8	
NCREIF ODCE	3.8	
Barclays Agg	-1.7	
90 Day Tbills	0.0	

**EQUITY RETURN DISTRIBUTIONS**

	<b>QUARTER</b>			<b>TRAILING YEAR</b>		
	<b>VAL</b>	<b>COR</b>	<b>GRO</b>	<b>VAL</b>	<b>COR</b>	<b>GRO</b>
LC	0.1	0.1	0.1	4.1	7.4	10.6
MC	-2.0	-1.5	-1.1	3.7	6.6	9.5
SC	-1.2	0.4	2.0	0.8	6.5	12.4

**MARKET SUMMARY**

- \* The BEA estimates GDP expanded at a rate of 3.7% in Q2.
- \* Seasonally adjusted unemployment dropped to 5.3%
- \* CPI increased by 0.1% year over year.
- \* Large cap stocks grew by a paltry 10 basis points, while mid cap names lost ground in the 1 - 2% range. Small caps had mixed results with growth earning 2% and value slipping -1.2%.
- \* The US dollar weakened relative to the Euro.

## **INVESTMENT RETURN**

On June 30th, 2015, the City of Burlington Employees Retirement System was valued at \$159,598,595, a decrease of \$1,060,439 from the March ending value of \$160,659,034. Last quarter, the account recorded a net withdrawal of \$1,199,821, which overshadowed the fund's net investment return of \$139,382. Barring income receipts during the second quarter, the portfolio's net investment return figure was the product of \$139,382 in realized and unrealized capital gains.

For the cumulative period since June 2005, the fund has recorded net withdrawals totaling \$12.7 million and posted net investment gains of \$71.9 million. For the period since June 2005, if the total fund returned a compounded nominal rate of 8.0% it would have been valued at \$199.5 million or \$39.9 million more than the actual value as of June 30th, 2015.

## **RELATIVE PERFORMANCE**

### **Total Fund**

In the second quarter, the total portfolio gained 0.1%, which was 0.1% below the Burlington Manager Shadow Index's return of 0.2% and ranked in the 29th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 0.1%, which was 0.3% less than the benchmark's 0.4% performance, and ranked in the 97th percentile. Since June 2005, the portfolio returned 5.8% on an annualized basis and ranked in the 89th percentile.

*A final value for the City Pooled Cash account was not available for the month of June at the time of this report. The value for May was carried forward, and adjusted upward for the \$1.2 million withdrawal from VPIC.*

## EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

	Quarter	FYTD	1 Year	-----Annualized-----		
				3 Years	5 Years	Since 06/05
<b>Total Portfolio</b>	0.1	0.1	0.1	7.4	8.9	5.8
<i>PUBLIC FUND RANK</i>	(29)	(97)	(97)	(97)	(93)	(89)
MANAGER SHADOW	0.2	0.4	0.4	7.0	7.9	----
POLICY INDEX	-0.5	3.4	3.4	10.4	10.7	6.6
<b>Diversified Assets</b>	-0.9	-1.4	-1.4	6.6	8.0	----
<i>BALANCED FUND RANK</i>	(87)	(93)	(93)	(89)	(91)	----
60 MSCI/40 WGBI	-0.3	-2.5	-2.5	7.7	8.6	5.7
CPI + 5%	2.3	5.1	5.1	6.4	6.9	7.2
<b>Equity</b>	0.3	1.5	1.5	13.0	13.3	6.9
<i>GLOBAL EQUITY RANK</i>	(68)	(57)	(57)	(78)	(62)	(75)
MSCI AC WORLD	0.5	1.2	1.2	13.6	12.5	7.0
ACWI EX US	0.7	-4.8	-4.8	9.9	8.2	6.0
MSCI EAFE	0.8	-3.8	-3.8	12.5	10.0	5.6
MSCI EMG MKTS	0.8	-4.8	-4.8	4.1	4.0	8.4
RUSSELL 3000	0.1	7.3	7.3	17.7	17.5	8.2
CAMBRIDGE PE	0.0	5.1	5.1	14.3	14.7	12.7
<b>Absolute Return</b>	0.5	1.0	1.0	8.0	----	----
HFRI FOF	0.2	4.0	4.0	6.3	4.1	3.2
<b>Real Assets</b>	4.3	-4.9	-4.9	3.6	5.8	----
REAL ASSETS IDX	3.0	-0.9	-0.9	4.5	5.7	4.6
NCREIF ODCE	3.8	14.4	14.4	13.1	14.4	6.9
NCREIF TIMBER	0.5	10.0	10.0	9.8	6.1	8.0
BLP COMMODITY	4.7	-23.7	-23.7	-8.8	-3.9	-2.6
<b>Fixed Income</b>	-0.8	1.2	1.2	2.8	5.4	----
<i>BROAD MARKET FIXED RANK</i>	(58)	(66)	(66)	(46)	(34)	----
GLOBAL AGGREGATE	-1.2	-7.1	-7.1	-0.8	2.1	3.5
GLOBAL AGG EX US	-0.8	-13.2	-13.2	-2.8	1.1	2.8
BARCLAYS AGG	-1.7	1.8	1.8	1.8	3.4	4.4

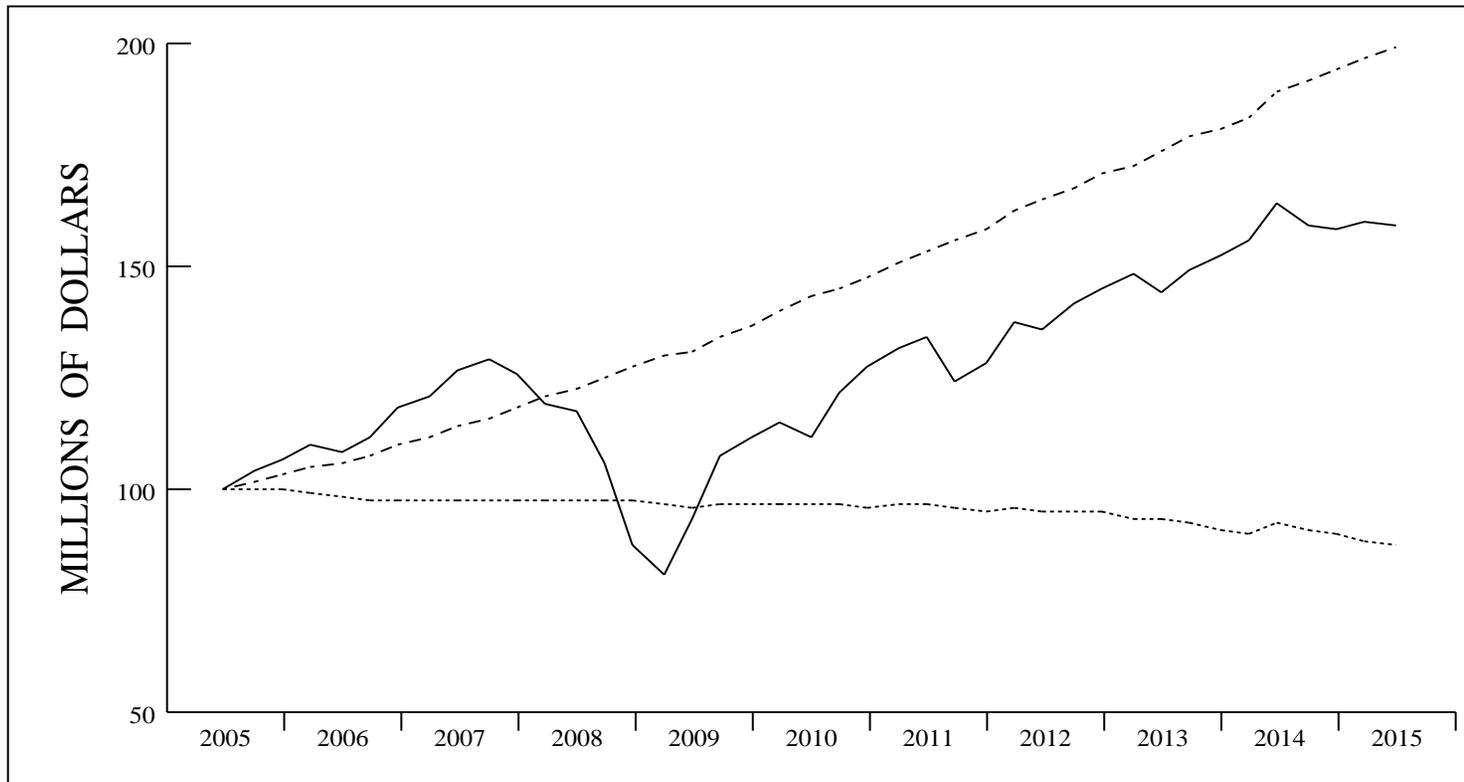
## ASSET ALLOCATION

Diversified	14.9%	\$ 23,848,249
Equity	35.8%	57,091,536
Absolute Retn	4.7%	7,430,074
Real Assets	10.2%	16,322,685
Fixed Income	34.6%	55,234,126
Cash	-0.2%	-328,075
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 159,598,595</b>

## INVESTMENT RETURN

Market Value 3/2015	\$ 160,659,034
Contribs / Withdrawals	- 1,199,821
Income	0
Capital Gains / Losses	139,382
Market Value 6/2015	\$ 159,598,595

**INVESTMENT GROWTH**



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

VALUE ASSUMING  
 8.0% RETURN \$ 199,463,224

	LAST QUARTER	PERIOD 6/05 - 6/15
BEGINNING VALUE	\$ 160,659,034	\$ 100,428,912
NET CONTRIBUTIONS	- 1,199,821	- 12,689,380
<u>INVESTMENT RETURN</u>	<u>139,382</u>	<u>71,859,064</u>
ENDING VALUE	\$ 159,598,595	\$ 159,598,595
INCOME	0	12,330,574
<u>CAPITAL GAINS (LOSSES)</u>	<u>139,382</u>	<u>59,528,488</u>
INVESTMENT RETURN	139,382	71,859,064

## MANAGER ALLOCATION SUMMARY

Prior Quarter Market Value	%	Fund Name	Style	Current Quarter Market Value	%
\$12,078,425	7.5	AQR	(DIVE)	\$11,764,798	7.4
\$3,420,983	2.1	Mellon Dynamic Growth	(DIVE)	\$3,360,130	2.1
\$8,744,152	5.4	Pimco All Asset	(DIVE)	\$8,723,309	5.5
\$5,786,605	3.6	Wellington GAA	(DIVE)	\$12	0.0
\$4,371,604	2.7	SSgA Equal Weight	(LCOR)	\$4,323,854	2.7
\$12,026,102	7.5	SSgA S&P 500	(LCOR)	\$12,139,431	7.6
\$14,296	0.0	T Rowe Price	(LCOR)	\$307	0.0
\$1,091,758	0.7	SSgA S&P 400	(MIDC)	\$1,080,283	0.7
\$3,240,074	2.0	Champlain	(SMID)	\$3,229,811	2.0
\$2,488,183	1.5	SSgA R2000G	(SCGR)	\$2,542,549	1.6
\$3,317,009	2.1	Wellington SCV	(SCVA)	\$3,354,571	2.1
\$2,178,480	1.4	SSgA ACWI Ex-US	(FORN)	\$3,534,054	2.2
\$6,520,192	4.1	Acadian	(INEQ)	\$6,602,675	4.1
\$6,591,405	4.1	Mondrian Int'l Eq	(INEQ)	\$6,614,931	4.1
\$9,394,255	5.8	Aberdeen	(EMGM)	\$9,212,185	5.8
\$4,268,270	2.7	Schroders	(COMM)	\$4,503,816	2.8
\$1,483,090	0.9	GAM	(HEDG)	\$15,213	0.0
\$5,973,329	3.7	Grosvenor	(HEDG)	\$7,414,861	4.6
\$19	0.0	Permal	(HEDG)	\$0	0.0
\$1,249,685	0.8	Hamilton Lane II	(PREQ)	\$1,180,114	0.7
\$1,147,497	0.7	Hamilton VII A	(PREQ)	\$1,184,559	0.7
\$772,793	0.5	Hamilton VII B	(PREQ)	\$758,108	0.5
\$321,693	0.2	Harbourvest Buyout	(PREQ)	\$366,253	0.2
\$52,117	0.0	Harbourvest Credit	(PREQ)	\$49,983	0.0
\$512,701	0.3	Harbourvest Dover	(PREQ)	\$561,377	0.4
\$39,354	0.0	Harbourvest HIPEP VII	(PREQ)	\$49,259	0.0
\$277,036	0.2	Harbourvest Venture	(PREQ)	\$307,232	0.2
\$550,605	0.3	Siguler Guff	(REAL)	\$614,750	0.4
\$7,642,458	4.8	VPIC R E	(REAL)	\$8,001,973	5.0
\$3,193,970	2.0	Molpus	(TIMB)	\$3,202,146	2.0
\$4,163,035	2.6	Allianz Structured	(FIXD)	\$4,071,260	2.6
\$0	0.0	GAM Unconstrained	(FIXD)	\$6,522,209	4.1
\$8,762,947	5.5	Pimco Core Plus	(FIXD)	\$8,634,690	5.4
\$10,634,624	6.6	Pimco Unconstrained	(FIXD)	\$4,138,681	2.6
\$1,514,251	0.9	SSgA Aggregate Bond	(FIXD)	\$4,475,883	2.8
\$4,125,891	2.6	Wellington FX	(FIXD)	\$4,013,745	2.5
\$4,628,127	2.9	Mondrian Fixed	(GLFX)	\$4,615,709	2.9
\$5,082,522	3.2	BlackRock TIPS	(TIPS)	\$5,028,012	3.2
\$4,637,701	2.9	Guggenheim	(HIYL)	\$4,686,472	2.9
\$1,501,871	0.9	KDP	(HIYL)	\$1,508,441	0.9
\$7,641,335	4.8	Wellington Emg Debt	(EMFX)	\$7,539,024	4.7
\$-1,026,181	-0.6	Cash	(CASH)	\$-423,966	-0.3
\$244,771	0.2	VPIC Cash	(CASH)	\$95,891	0.1
<b>\$160,659,034</b>	<b>100.0</b>	<b>Composite</b>	<b>(TOTL)</b>	<b>\$159,598,595</b>	<b>100.0</b>

## MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since 06/05 or Inception
Composite	(Public Fund)	0.1 (29)	0.1 (97)	0.1 (97)	7.4 (97)	8.9 (93)	5.8 (89) 06/05
<i>Manager Shadow</i>		<i>0.2 ----</i>	<i>0.4 ----</i>	<i>0.4 ----</i>	<i>7.0 ----</i>	<i>7.9 ----</i>	<i>---- ----</i>
AQR	(Balanced)	-2.6 (99)	-3.8 (94)	-3.8 (94)	5.7 (91)	8.9 (85)	10.0 (59) 09/09
<i>60 MSCI/40 WGBI</i>		<i>-0.3 ----</i>	<i>-2.5 ----</i>	<i>-2.5 ----</i>	<i>7.7 ----</i>	<i>8.6 ----</i>	<i>6.6 ----</i>
Mellon Dynamic Growth	(Balanced)	-1.8 (97)	13.6 ( 1)	13.6 ( 1)	11.1 (57)	11.1 (60)	4.5 (83) 12/07
<i>60 MSCI/40 WGBI</i>		<i>-0.3 ----</i>	<i>-2.5 ----</i>	<i>-2.5 ----</i>	<i>7.7 ----</i>	<i>8.6 ----</i>	<i>3.7 ----</i>
Pimco All Asset	(Balanced)	0.0 (43)	-5.0 (96)	-5.0 (96)	4.5 (96)	6.3 (98)	5.7 (67) 12/07
<i>CPI + 5%</i>		<i>2.3 ----</i>	<i>5.1 ----</i>	<i>5.1 ----</i>	<i>6.4 ----</i>	<i>6.9 ----</i>	<i>6.8 ----</i>
SSgA Equal Weight	(LC Core)	-1.1 (83)	6.1 (76)	6.1 (76)	19.5 (23)	18.3 (35)	9.4 ( 8) 12/07
<i>Equal Wtd S&amp;P</i>		<i>-1.1 ----</i>	<i>6.1 ----</i>	<i>6.1 ----</i>	<i>19.6 ----</i>	<i>18.4 ----</i>	<i>9.5 ----</i>
SSgA S&P 500	(LC Core)	0.3 (47)	7.4 (62)	7.4 (62)	17.3 (65)	---- ----	15.7 (63) 09/10
<i>S&amp;P 500</i>		<i>0.3 ----</i>	<i>7.4 ----</i>	<i>7.4 ----</i>	<i>17.3 ----</i>	<i>17.3 ----</i>	<i>15.7 ----</i>
SSgA S&P 400	(Mid Cap)	-1.1 (72)	6.5 (69)	6.5 (69)	18.7 (55)	---- ----	21.0 (55) 09/11
<i>S&amp;P 400</i>		<i>-1.1 ----</i>	<i>6.4 ----</i>	<i>6.4 ----</i>	<i>18.6 ----</i>	<i>17.8 ----</i>	<i>20.8 ----</i>
Champlain	(Smid Cap)	2.8 (11)	10.3 (24)	10.3 (24)	18.5 (62)	18.2 (55)	16.6 (51) 09/09
<i>Russell 2500</i>		<i>-0.3 ----</i>	<i>5.9 ----</i>	<i>5.9 ----</i>	<i>18.7 ----</i>	<i>17.9 ----</i>	<i>16.0 ----</i>
SSgA R2000G	(SC Growth)	2.0 (53)	12.3 (35)	12.3 (35)	20.0 (51)	19.3 (59)	9.3 (54) 12/07
<i>Russell 2000G</i>		<i>2.0 ----</i>	<i>12.4 ----</i>	<i>12.4 ----</i>	<i>20.1 ----</i>	<i>19.3 ----</i>	<i>9.3 ----</i>
Wellington SCV	(SC Value)	1.1 (29)	11.8 ( 3)	11.8 ( 3)	18.7 (49)	18.5 (33)	11.7 (17) 12/07
<i>Russell 2000V</i>		<i>-1.2 ----</i>	<i>0.8 ----</i>	<i>0.8 ----</i>	<i>15.5 ----</i>	<i>14.8 ----</i>	<i>7.2 ----</i>

## MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since 06/05 or Inception
Composite	(Public Fund)	0.1 (29)	0.1 (97)	0.1 (97)	7.4 (97)	8.9 (93)	5.8 (89) 06/05
<i>Manager Shadow</i>		<b>0.2</b> ----	<b>0.4</b> ----	<b>0.4</b> ----	<b>7.0</b> ----	<b>7.9</b> ----	---- ----
SSgA ACWI Ex-US	(Intl Eq)	0.6 (73)	-5.1 (77)	-5.1 (77)	9.7 (72)	---- ----	5.0 (74) 09/10
<i>ACWI Ex US</i>		<b>0.7</b> ----	<b>-4.8</b> ----	<b>-4.8</b> ----	<b>9.9</b> ----	<b>8.2</b> ----	<b>5.2</b> ----
Acadian	(Intl Eq)	1.3 (55)	-5.5 (80)	-5.5 (80)	13.7 (38)	10.8 (44)	-0.1 (87) 12/07
<i>MSCI EAFE Net</i>		<b>0.6</b> ----	<b>-4.2</b> ----	<b>-4.2</b> ----	<b>12.0</b> ----	<b>9.5</b> ----	<b>0.3</b> ----
Mondrian Int'l Eq	(Intl Eq)	0.4 (76)	-5.2 (78)	-5.2 (78)	13.6 (38)	11.2 (40)	1.8 (55) 12/07
<i>MSCI EAFE Net</i>		<b>0.6</b> ----	<b>-4.2</b> ----	<b>-4.2</b> ----	<b>12.0</b> ----	<b>9.5</b> ----	<b>0.3</b> ----
Aberdeen	(Emerging Mkt)	-1.9 (96)	-7.5 (73)	-7.5 (73)	2.7 (89)	6.3 (38)	6.2 (6) 03/08
<i>MSCI Emg Mkts</i>		<b>0.8</b> ----	<b>-4.8</b> ----	<b>-4.8</b> ----	<b>4.1</b> ----	<b>4.0</b> ----	<b>1.0</b> ----
Schroders		5.5 ----	-31.6 ----	-31.6 ----	-11.4 ----	-4.3 ----	-6.0 ---- 12/09
<i>BLP Commodity</i>		<b>4.7</b> ----	<b>-23.7</b> ----	<b>-23.7</b> ----	<b>-8.8</b> ----	<b>-3.9</b> ----	<b>-5.3</b> ----
GAM		-0.3 ----	1.8 ----	1.8 ----	7.6 ----	---- ----	4.8 ---- 03/11
<i>HFRI FOF</i>		<b>0.2</b> ----	<b>4.0</b> ----	<b>4.0</b> ----	<b>6.3</b> ----	<b>4.1</b> ----	<b>3.0</b> ----
Grosvenor		0.7 ----	2.9 ----	2.9 ----	8.7 ----	---- ----	5.6 ---- 12/10
<i>HFRI FOF</i>		<b>0.2</b> ----	<b>4.0</b> ----	<b>4.0</b> ----	<b>6.3</b> ----	<b>4.1</b> ----	<b>3.0</b> ----
Hamilton Lane II		4.6 ----	7.5 ----	7.5 ----	11.3 ----	16.4 ----	16.4 ---- 12/09
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>5.1</b> ----	<b>5.1</b> ----	<b>14.3</b> ----	<b>14.7</b> ----	<b>14.5</b> ----
Hamilton VII A		3.5 ----	15.7 ----	15.7 ----	17.0 ----	---- ----	15.5 ---- 09/11
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>5.1</b> ----	<b>5.1</b> ----	<b>14.3</b> ----	<b>14.7</b> ----	<b>14.4</b> ----
Hamilton VII B		-1.6 ----	-0.7 ----	-0.7 ----	8.4 ----	---- ----	8.0 ---- 09/11
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>5.1</b> ----	<b>5.1</b> ----	<b>14.3</b> ----	<b>14.7</b> ----	<b>14.4</b> ----

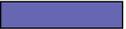
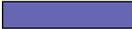
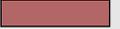
## MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since 06/05 or Inception
Composite	(Public Fund)	0.1 (29)	0.1 (97)	0.1 (97)	7.4 (97)	8.9 (93)	5.8 (89) 06/05
<i>Manager Shadow</i>		<b>0.2</b> ----	<b>0.4</b> ----	<b>0.4</b> ----	<b>7.0</b> ----	<b>7.9</b> ----	---- ----
Harbourvest Buyout		4.8 ----	15.9 ----	15.9 ----	---- ----	---- ----	11.8 ---- 12/12
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>5.1</b> ----	<b>5.1</b> ----	<b>14.3</b> ----	<b>14.7</b> ----	<b>13.8</b> ----
Harbourvest Credit		1.9 ----	9.7 ----	9.7 ----	---- ----	---- ----	12.1 ---- 12/12
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>5.1</b> ----	<b>5.1</b> ----	<b>14.3</b> ----	<b>14.7</b> ----	<b>13.8</b> ----
Harbourvest Dover		4.6 ----	24.4 ----	24.4 ----	---- ----	---- ----	10.7 ---- 12/12
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>5.1</b> ----	<b>5.1</b> ----	<b>14.3</b> ----	<b>14.7</b> ----	<b>13.8</b> ----
Harbourvest HIPEP VII		-3.5 ----	---- ----	---- ----	---- ----	---- ----	-4.3 ---- 12/14
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>5.1</b> ----	<b>5.1</b> ----	<b>14.3</b> ----	<b>14.7</b> ----	<b>2.6</b> ----
Harbourvest Venture		5.4 ----	26.1 ----	26.1 ----	---- ----	---- ----	17.0 ---- 12/12
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>5.1</b> ----	<b>5.1</b> ----	<b>14.3</b> ----	<b>14.7</b> ----	<b>13.8</b> ----
Siguler Guff		-4.1 ----	-4.8 ----	-4.8 ----	---- ----	---- ----	-4.8 ---- 06/14
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>5.1</b> ----	<b>5.1</b> ----	<b>14.3</b> ----	<b>14.7</b> ----	<b>5.1</b> ----
VPIC R E		5.8 ----	15.0 ----	15.0 ----	13.7 ----	15.3 ----	2.2 ---- 12/07
<i>NCREIF ODCE</i>		<b>3.8</b> ----	<b>14.4</b> ----	<b>14.4</b> ----	<b>13.1</b> ----	<b>14.4</b> ----	<b>3.6</b> ----
Molpus		0.5 ----	3.9 ----	3.9 ----	6.7 ----	3.1 ----	2.7 ---- 12/09
<i>NCREIF Timber</i>		<b>0.5</b> ----	<b>10.0</b> ----	<b>10.0</b> ----	<b>9.8</b> ----	<b>6.1</b> ----	<b>5.7</b> ----
Allianz Structured	(Core Fixed)	-1.3 (14)	11.7 ( 1)	11.7 ( 1)	6.5 ( 1)	8.9 ( 1)	7.3 ( 1) 03/08
<i>Barclays Agg</i>		<b>-1.7</b> ----	<b>1.8</b> ----	<b>1.8</b> ----	<b>1.8</b> ----	<b>3.4</b> ----	<b>4.3</b> ----
Pimco Core Plus	(Core Fixed)	-1.5 (26)	2.3 (25)	2.3 (25)	2.1 (61)	4.1 (35)	4.9 (26) 09/09
<i>Barclays Agg</i>		<b>-1.7</b> ----	<b>1.8</b> ----	<b>1.8</b> ----	<b>1.8</b> ----	<b>3.4</b> ----	<b>3.9</b> ----
Pimco Unconstrained	(Global Fixed)	-0.3 (33)	0.6 (30)	0.6 (30)	1.2 (73)	---- ----	2.0 (67) 09/11
<i>3-Month LIBOR</i>		<b>0.1</b> ----	<b>0.4</b> ----	<b>0.4</b> ----	<b>0.3</b> ----	<b>0.4</b> ----	<b>0.4</b> ----
SSgA Aggregate Bond	(Core Fixed)	-1.7 (71)	---- ----	---- ----	---- ----	---- ----	-1.7 (71) 03/15
<i>Barclays Agg</i>		<b>-1.7</b> ----	<b>1.8</b> ----	<b>1.8</b> ----	<b>1.8</b> ----	<b>3.4</b> ----	<b>-1.7</b> ----
Wellington FX	(Core Fixed)	-2.7 (99)	6.0 ( 1)	6.0 ( 1)	4.1 ( 2)	7.6 ( 1)	8.3 ( 2) 09/08
<i>Barclays Agg</i>		<b>-1.7</b> ----	<b>1.8</b> ----	<b>1.8</b> ----	<b>1.8</b> ----	<b>3.4</b> ----	<b>4.8</b> ----
Mondrian Fixed	(Intl Fx)	-0.3 (51)	-6.6 (55)	-6.6 (55)	-3.0 (85)	1.0 (93)	3.4 (78) 12/07
<i>Citi WGBI</i>		<b>-1.5</b> ----	<b>-9.0</b> ----	<b>-9.0</b> ----	<b>-2.4</b> ----	<b>1.0</b> ----	<b>2.3</b> ----
BlackRock TIPS	(Broad Fixed)	-1.1 (64)	-1.7 (96)	-1.7 (96)	-0.8 (99)	3.3 (68)	3.8 (68) 12/09
<i>Barclays TIPS</i>		<b>-1.1</b> ----	<b>-1.7</b> ----	<b>-1.7</b> ----	<b>-0.8</b> ----	<b>3.3</b> ----	<b>3.8</b> ----
Guggenheim	(Hi Yield)	1.1 (18)	2.1 (12)	2.1 (12)	---- ----	---- ----	4.5 (21) 12/13
<i>BB &amp; B Index</i>		<b>0.3</b> ----	<b>0.3</b> ----	<b>0.3</b> ----	<b>6.3</b> ----	<b>8.4</b> ----	<b>3.7</b> ----
KDP	(Hi Yield)	0.4 (45)	1.0 (34)	1.0 (34)	5.8 (82)	7.6 (82)	7.6 (87) 09/09
<i>BB &amp; B Index</i>		<b>0.3</b> ----	<b>0.3</b> ----	<b>0.3</b> ----	<b>6.3</b> ----	<b>8.4</b> ----	<b>8.8</b> ----
Wellington Emg Debt		-1.3 ----	-2.2 ----	-2.2 ----	3.9 ----	7.1 ----	7.4 ---- 12/09
<i>JPM EMBI</i>		<b>-0.3</b> ----	<b>0.5</b> ----	<b>0.5</b> ----	<b>4.3</b> ----	<b>6.8</b> ----	<b>7.2</b> ----

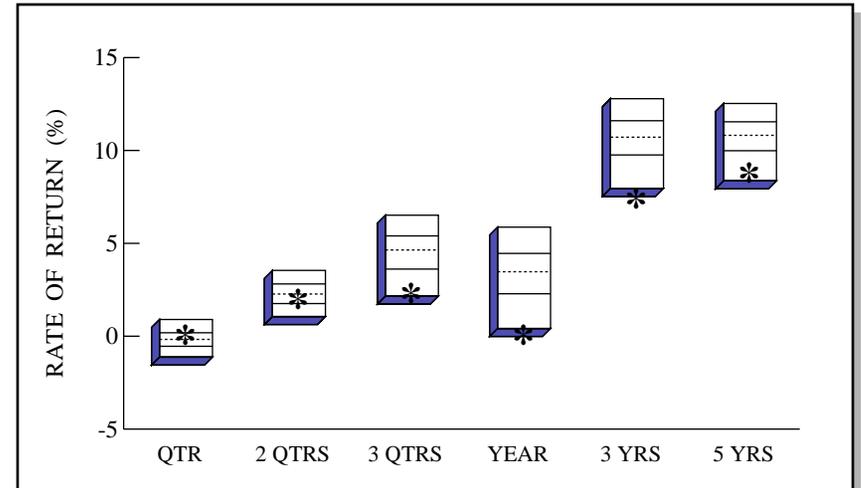
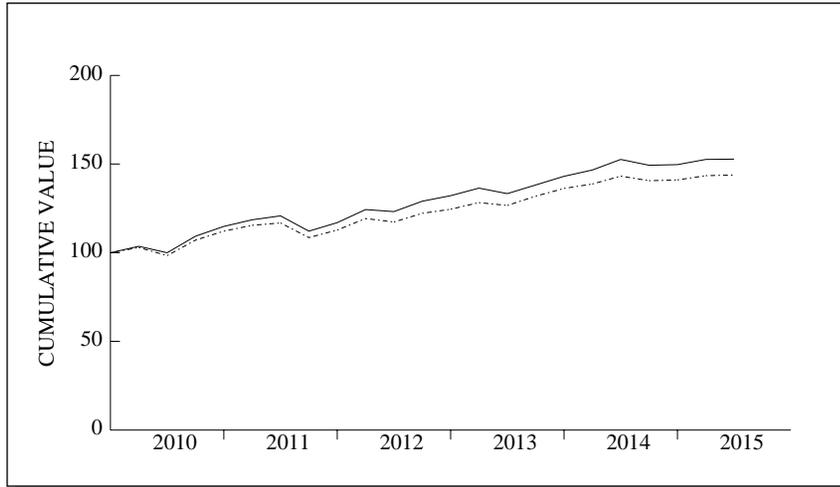
## MANAGER VALUE ADDED

1 Quarter	Portfolio	Benchmark	1 Year
-2.3	AQR Global Risk Premium	60 MSCI/40 WGBI	-1.3
-1.5	Mellon Dynamic Growth	60 MSCI/40 WGBI	16.1
-2.3	Pimco All Asset	CPI + 5%	-10.1
0.0	SSgA S&P Equal Weighted Index Fund	Equal Wtd S&P	0.0
0.0	SSgA S&P 500 Cap-Weighted	S&P 500	0.0
0.0	SSgA S&P 400	S&P 400	0.1
3.1	Champlain	Russell 2500	4.4
0.0	SSgA Russell 2000 Growth	Russell 2000G	-0.1
2.3	Wellington Small Cap Value	Russell 2000V	11.0
-0.1	SSgA ACWI Ex-US	ACWI Ex US	-0.3
0.7	Acadian	MSCI EAFE Net	-1.3
-0.2	Mondrian International Equity	MSCI EAFE Net	-1.0
-2.7	Aberdeen Emerging Markets	MSCI Emg Mkts	-2.7
0.8	Schroders	BLP Commodity	-7.9
-0.5	GAM	HFRI FOF	-2.2
0.5	Grosvenor	HFRI FOF	-1.1
4.6	Hamilton Lane Secondary Fund II	Cambridge PE	2.4
3.5	Hamilton Lane Private Equity Fund VII Series A Offshore	Cambridge PE	10.6
-1.6	Hamilton Lane Private Equity Fund VII Series B Offshore	Cambridge PE	-5.8
-0.1	<b>Total Portfolio</b>	<b>Manager Shadow</b>	-0.3

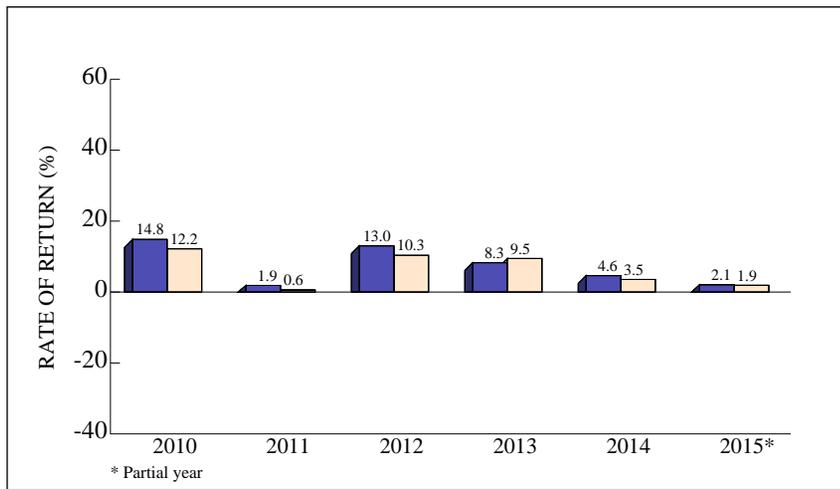
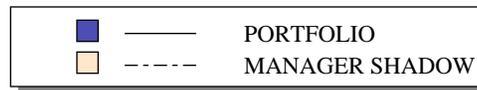
## MANAGER VALUE ADDED

1 Quarter	Portfolio	Benchmark	1 Year
4.8 	Harbourvest Primary Fund IX Buyout	Cambridge PE	10.8 
1.9 	Harbourvest Primary Fund IX Credit Opportunities	Cambridge PE	4.6 
4.6 	Harbourvest Secondary Fund VIII Dover	Cambridge PE	19.3 
 -3.5	Harbourvest HIPEP VII	Cambridge PE	N/A
5.4 	Harbourvest Primary Fund IX Venture	Cambridge PE	21.0 
 -4.1	Siguler Guff Distressed Real Estate	Cambridge PE	 -9.9
2.0 	VPIC Real Estate	NCREIF ODCE	0.6
0.0	Molpus Sustainable Woodlands Fund II	NCREIF Timber	 -6.1
0.4	Allianz Structured Alpha	Barclays Agg	9.9 
0.2	Pimco Core Plus	Barclays Agg	0.5
 -0.4	Pimco Unconstrained Bond Fund	3-Month LIBOR	0.2
0.0	SSgA U.S. Aggregate Bond	Barclays Agg	N/A
 -1.0	Wellington DAS Fixed	Barclays Agg	4.2 
1.2 	Mondrian Global Fixed Income	Citi WGBI	2.4 
0.0	BlackRock TIPS	Barclays TIPS	0.0
0.8 	Guggenheim High Yield	BB & B Index	1.8 
0.1	KDP	BB & B Index	0.7
 -1.0	Wellington Emerging Markets Debt	JPM EMBI	 -2.7
-0.1	<b>Total Portfolio</b>	<b>Manager Shadow</b>	-0.3

**TOTAL RETURN COMPARISONS**



Public Fund Universe



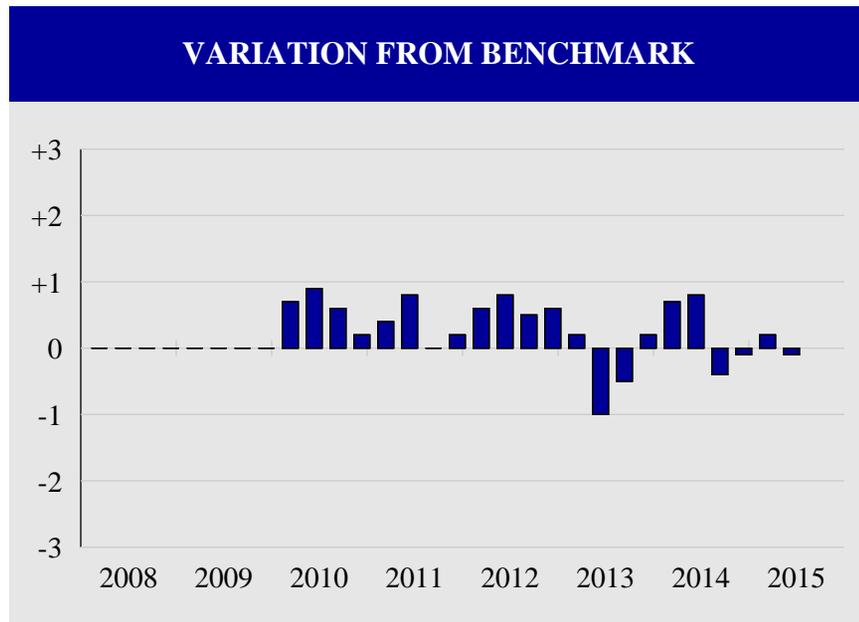
\* Partial year

	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	0.1	2.1	2.3	0.1	7.4	8.9
(RANK)	(29)	(64)	(94)	(97)	(97)	(93)
5TH %ILE	0.9	3.5	6.5	5.9	12.8	12.5
25TH %ILE	0.2	2.8	5.4	4.5	11.6	11.5
MEDIAN	-0.2	2.3	4.6	3.5	10.7	10.8
75TH %ILE	-0.5	1.8	3.6	2.3	9.8	10.0
95TH %ILE	-1.1	1.1	2.2	0.4	8.0	8.4
<b>Mgr Shadow</b>	<b>0.2</b>	<b>1.9</b>	<b>2.3</b>	<b>0.4</b>	<b>7.0</b>	<b>7.9</b>

Public Fund Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: BURLINGTON MANAGER SHADOW INDEX**



<b>Total Quarters Observed</b>	<b>30</b>
<b>Quarters At or Above the Benchmark</b>	<b>22</b>
<b>Quarters Below the Benchmark</b>	<b>8</b>
<b>Batting Average</b>	<b>.733</b>

<b>RATES OF RETURN</b>						
Date	Portfolio	Bench	Diff	-----Cumulative-----		
				Portfolio	Bench	Diff
3/10	3.6	2.9	0.7	3.6	2.9	0.7
6/10	-3.5	-4.4	0.9	0.0	-1.6	1.6
9/10	9.4	8.8	0.6	9.4	7.1	2.3
12/10	5.0	4.8	0.2	14.8	12.2	2.6
3/11	3.3	2.9	0.4	18.6	15.5	3.1
6/11	1.9	1.1	0.8	20.8	16.8	4.0
9/11	-7.1	-7.1	0.0	12.2	8.5	3.7
12/11	4.2	4.0	0.2	17.0	12.8	4.2
3/12	6.3	5.7	0.6	24.4	19.3	5.1
6/12	-0.9	-1.7	0.8	23.2	17.3	5.9
9/12	4.7	4.2	0.5	29.1	22.3	6.8
12/12	2.4	1.8	0.6	32.2	24.5	7.7
3/13	3.2	3.0	0.2	36.4	28.3	8.1
6/13	-2.3	-1.3	-1.0	33.3	26.6	6.7
9/13	3.7	4.2	-0.5	38.3	31.9	6.4
12/13	3.5	3.3	0.2	43.1	36.3	6.8
3/14	2.5	1.8	0.7	46.7	38.7	8.0
6/14	4.0	3.2	0.8	52.6	43.2	9.4
9/14	-2.2	-1.8	-0.4	49.3	40.6	8.7
12/14	0.3	0.4	-0.1	49.7	41.1	8.6
3/15	1.9	1.7	0.2	52.6	43.5	9.1
6/15	0.1	0.2	-0.1	52.8	43.8	9.0

**Private Equity Investor Report as of June 30, 2015**  
**Hamilton Lane Secondary Fund II LP**

<b>IRR Since Inception</b>		<b>16.61%</b>	Annualized, Net of Fees		
<b>Market Value</b>	<b>\$ 1,180,114</b>	Last Appraisal Date: 6/30/2015 (unaudited)			
Initial Commitment	\$ 3,400,000	100.00%			
Capital Committed	\$ 2,982,695	87.73%			
Remaining Commitment	\$ 417,305	12.27%			
		<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)
2/26/2013	\$ 11,511	0.34%	\$ -	-	\$ (137,100)
3/8/2013	\$ 34,000	1.00%	\$ -	-	\$ -
3/29/2013	\$ 43,166	1.27%	\$ -	-	\$ -
6/10/2013	\$ -	-	\$ -	-	\$ (144,307)
8/14/2013	\$ -	-	\$ -	-	\$ (167,406)
9/26/2013	\$ 8,633	0.25%	\$ -	-	\$ (132,375)
10/18/2013	\$ -	-	\$ -	-	\$ (110,666)
11/14/2013	\$ -	-	\$ (17,266)	-0.51%	\$ (40,013)
1/14/2014	\$ -	-	\$ -	-	\$ (143,432)
3/5/2014	\$ -	-	\$ -	-	\$ (120,864)
3/31/2014	\$ -	-	\$ -	-	\$ (63,310)
5/28/2014	\$ -	-	\$ -	-	\$ (172,662)
6/27/2014	\$ -	-	\$ -	-	\$ (71,978)
8/14/2014	\$ -	-	\$ -	-	\$ (115,109)
9/11/2014	\$ -	-	\$ -	-	\$ (132,375)
10/15/2014	\$ -	-	\$ -	-	\$ (187,101)
11/21/2014	\$ -	-	\$ -	-	\$ (44,892)
12/30/2014	\$ -	-	\$ -	-	\$ (89,125)
2/26/2015	\$ -	-	\$ -	-	\$ (59,245)
4/20/2015	\$ -	-	\$ -	-	\$ (116,859)
<b>Total</b>	<b>\$ 3,266,974</b>	<b>96.09%</b>	<b>\$ (284,279)</b>	<b>-8.36%</b>	<b>\$ (3,334,561)</b>

**Private Equity Investor Report as of June 30, 2015**  
**Hamilton Lane Private Equity Fund VII LP Series A Offshore**

<b>IRR Since Inception</b>	<b>13.82%</b>	Annualized, Net of Fees
<b>Market Value</b>	<b>\$ 1,184,559</b>	Last Appraisal Date: 6/30/2015 (unaudited)
Initial Commitment	\$ 1,500,000	100.00%
Capital Committed	\$ 1,167,480	77.83%
Remaining Commitment	\$ 332,520	22.17%

<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)
<b>Total</b>	<b>\$ 1,167,480</b>	<b>77.83%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (347,536)</b>

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

**Private Equity Investor Report as of June 30, 2015**  
**Hamilton Lane Private Equity Fund VII LP Series B Offshore**

<b>IRR Since Inception</b>	<b>5.96%</b> Annualized, Net of Fees	
<b>Market Value</b>	<b>\$ 758,108</b>	Last Appraisal Date: 6/30/2015 (unaudited)
Initial Commitment	\$ 1,000,000	100.00%
Capital Committed	\$ 823,725	82.37%
Remaining Commitment	\$ 176,275	17.63%

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Distributions</b>	<b>% of 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)
<b>Total</b>	<b>\$ 823,725</b>	<b>82.37%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (172,400)</b>

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

**Timber Investor Report as of June 30, 2015**  
**Molpus Sustainable Woodlands Fund II, LP**

<b>IRR Since Inception</b>	<b>1.93%</b> Annualized, Net of Fees	
<b>Market Value</b>	<b>\$ 3,202,146</b>	Last Appraisal Date: 6/30/2015 (unaudited)
Initial Commitment	\$ 3,400,000	100.00%
Capital Committed	\$ 3,400,000	100.00%
Remaining Commitment	\$ -	0.00%

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Distributions</b>	<b>% of 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)
<b>Total</b>	<b>\$ 3,400,000</b>	<b>100.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (573,756)</b>

# BURLINGTON EMPLOYEES RETIREMENT SYSTEM

## Portfolio Returns as of June 30, 2015

Portfolio	QTR	FYTD	1 Year	Since 3/31/09	Since 12/31/07	Inception Date
Hamilton Lane***	2.6	8.1	8.1	18.5	N/A	03/09
Molpus Timber	0.5	3.9	3.9	3.8	N/A	03/09
Non-VPIC Assets**	1.6	1.7	1.7	11.3	N/A	03/09
VPIC Assets*	0.0	-0.1	-0.1	12.8	4.3	12/07
<b>Total Portfolio</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>12.7</b>	<b>4.3</b>	<b>12/07</b>

*Fiscal Year Start date: July 1st.*

*\*Source: NEPC*

*\*\*Asset allocation on 3/31/15: 49.8 Private Equity & 50.2% Timber*

*\*\*\*The Hamilton Lane portfolio represents the combined assets of the three Hamilton Lane investments.*

*Please note that the Martin Currie Emerging Markets portfolio was liquidated in January 2015.*

## BURLINGTON EMPLOYEES RETIREMENT SYSTEM

### Portfolio Returns as of June 30, 2015

Portfolio	2Q 2015	Since 3/31/09
Non-VPIC Assets**	1.6	11.3
VPIC Assets*	0.0	12.8
<b>Total Portfolio</b>	<b>0.1</b>	<b>12.7</b>

*\*Source: NEPC*

*\*\*Asset allocation on 3/31/15: 49.8 Private Equity & 50.2% Timber*

### Portfolio Returns as of March 31, 2015

Portfolio	1Q 2015	Since 3/31/09
Non-VPIC Assets**	1.3	11.5
VPIC Assets*	2.1	13.4
<b>Total Portfolio</b>	<b>1.9</b>	<b>13.9</b>

*\*Source: NEPC*

*\*\*Asset allocation on 12/31/14: 33.1% Emerging Markets, 32.7% Private Equity, 34.2% Timber*

## BURLINGTON EMPLOYEES RETIREMENT SYSTEM

### Portfolio Returns as of December 31, 2014

Portfolio	4Q 2014	Since 3/31/09
Non-VPIC Assets**	0.4	11.8
VPIC Assets*	-0.1	13.6
<b>Total Portfolio</b>	<b>0.3</b>	<b>13.5</b>

*\*Source: NEPC*

*\*\*Asset allocation on 9/30/14: 33.4% Emerging Markets, 34.4% Private Equity, 32.2% Timber*

### Portfolio Returns as of September 30, 2014

Portfolio	3Q 2014	Since 3/31/09
Non-VPIC Assets**	-1.5	12.3
VPIC Assets*	-2.1	14.3
<b>Total Portfolio</b>	<b>-2.2</b>	<b>14.1</b>

*\*Source: NEPC*

*\*\*Asset allocation on 6/30/14: 34.4% Emerging Markets, 34.0% Private Equity, 31.6% Timber*

### Portfolio Returns as of June 30, 2014

Portfolio	2Q 2014	Since 3/31/09
Non-VPIC Assets**	2.1	13.2
VPIC Assets*	4.0	15.5
<b>Total Portfolio</b>	<b>4.0</b>	<b>15.3</b>

*\*Source: NEPC*

*\*\*Asset allocation on 3/31/14: 32.2% Emerging Markets, 36.2% Private Equity, 31.6% Timber*

### Portfolio Returns as of March 31, 2014

Portfolio	1Q 2014	Since 3/31/09
Non-VPIC Assets**	0.6	13.4
VPIC Assets*	2.6	15.4
<b>Total Portfolio</b>	<b>2.5</b>	<b>15.2</b>

*\*Source: NEPC*

*\*\*Asset allocation on 12/31/13: 32.9% Emerging Markets, 35.6% Private Equity, 31.4% Timber*

## BURLINGTON EMPLOYEES RETIREMENT SYSTEM

### Portfolio Returns as of December 31, 2013

Portfolio	4Q 2013	Since 3/31/09
Non-VPIC Assets**	7.9	14.1
VPIC Assets*	3.1	15.6
<b>Total Portfolio</b>	<b>3.5</b>	<b>15.5</b>

*\*Source: NEPC*

*\*\*Asset allocation on 9/30/13: 33.8% Emerging Markets, 35.2% Private Equity, 31.0% Timber*

### Portfolio Returns as of September 30, 2013

Portfolio	3Q 2013	Since 3/31/09
Non-VPIC Assets**	2.4	13.0
VPIC Assets*	3.9	15.8
<b>Total Portfolio</b>	<b>3.7</b>	<b>15.5</b>

*\*Source: NEPC*

*\*\*Asset allocation on 6/30/13: 31.8% Emerging Markets, 37.2% Private Equity, 31.1% Timber*

### Portfolio Returns as of June 30, 2013

Portfolio	2Q 2013	Since 3/31/09
Non-VPIC Assets**	-1.0	13.1
VPIC Assets*	-2.4	15.7
<b>Total Portfolio</b>	<b>-2.3</b>	<b>15.5</b>

*\*Source: NEPC*

*\*\*Asset allocation on 3/31/13: 33.8% Emerging Markets, 35.3% Private Equity, 30.9% Timber*

### Portfolio Returns as of March 31, 2013

Portfolio	1Q 2013	Since 3/31/09
Non-VPIC Assets**	-0.8	14.3
VPIC Assets*	3.6	17.5
<b>Total Portfolio</b>	<b>3.2</b>	<b>17.2</b>

*\*Source: NEPC*

*\*\*Asset allocation on 12/31/12: 34.9% Emerging Markets, 34.5% Private Equity, 30.6% Timber*

## BURLINGTON EMPLOYEES RETIREMENT SYSTEM

### Portfolio Returns as of December 31, 2012

Portfolio	4Q 2012	Since 3/31/09
Non-VPIC Assets**	5.3	15.6
VPIC Assets*	2.1	17.6
Total Portfolio	2.4	17.5

*\*Source: NEPC*

*\*\*Asset allocation on 9/30/12: 33.9% Emerging Markets, 35.8% Private Equity, 30.3% Timber*

### Portfolio Returns as of September 30, 2012

Portfolio	3Q 2012	Since 3/31/09
Non-VPIC Assets**	2.7	15.1
VPIC Assets*	5.1	18.3
Total Portfolio	4.7	18.1

*\*Source: NEPC*

*\*\*Asset allocation on 6/30/12: 32.5% Emerging Markets, 36.1% Private Equity, 31.4% Timber*

### Portfolio Returns as of June 30, 2012

Portfolio	2Q 2012	Since 3/31/09
Non-VPIC Assets**	-2.8	15.4
VPIC Assets*	-0.8	18.0
Total Portfolio	-0.9	17.9

*\*Source: NEPC*

*\*\*Asset allocation on 3/31/12: 35.5% Emerging Markets, 33.3% Private Equity, 31.2% Timber*

### Portfolio Returns as of March 31, 2012

Portfolio	1Q 2012	Since 3/31/09
Non-VPIC Assets**	7.9	17.8
VPIC Assets*	6.3	20.0
Total Portfolio	6.3	19.9

*\*Source: NEPC*

*\*\*Asset allocation on 12/31/11: 34.0% Emerging Markets, 31.5% Private Equity, 34.6% Timber*

## BURLINGTON EMPLOYEES RETIREMENT SYSTEM

### Portfolio Returns as of December 31, 2011

Portfolio	4Q 2011	Since 3/31/09
Non-VPIC Assets**	-0.8	16.3
VPIC Assets*	4.6	19.3
<b>Total Portfolio</b>	<b>4.2</b>	<b>19.2</b>

*\*Source: NEPC*

*\*\*Asset allocation on 9/30/11: 32.9% Emerging Markets, 28.0% Private Equity, 39.1% Timber*

### Portfolio Returns as of September 30, 2011

Portfolio	3Q 2011	Since 3/31/09
Non-VPIC Assets**	-9.0	18.5
VPIC Assets*	-7.2	19.3
<b>Total Portfolio</b>	<b>-7.1</b>	<b>19.3</b>

*\*Source: NEPC*

*\*\*Asset allocation on 6/30/11: 40.9% Emerging Markets, 21.0% Private Equity, 38.1% Timber*

### Portfolio Returns as of June 30, 2011

Portfolio	2Q 2011	Since 3/31/09
Non-VPIC Assets**	2.0	25.9
VPIC Assets*	1.9	25.8
<b>Total Portfolio</b>	<b>1.9</b>	<b>25.7</b>

*\*Source: NEPC*

*\*\*Asset allocation on 3/31/11: 41.3% Emerging Markets, 20.1% Private Equity, 38.9% Timber*

### Portfolio Returns as of March 31, 2011

Portfolio	1Q 2011	Since 3/31/09
Non-VPIC Assets**	2.5	28.3
VPIC Assets*	3.4	28.2
<b>Total Portfolio</b>	<b>3.3</b>	<b>28.2</b>

*\*Source: NEPC*

*\*\*Asset allocation on 12/31/10: 41.3% Emerging Markets, 19.4% Private Equity, 39.3% Timber*

## BURLINGTON EMPLOYEES RETIREMENT SYSTEM

### Portfolio Returns as of December 31, 2010

Portfolio	4Q 2010	Since 3/31/09
Non-VPIC Assets**	7.5	31.1
VPIC Assets*	4.7	30.3
Total Portfolio	5.0	30.4

*\*Source: NEPC*

*\*\*Asset allocation on 9/30/10: 44.9% Emerging Markets, 11.9% Private Equity, 43.2% Timber*

### Portfolio Returns as of September 30, 2010

Portfolio	3Q 2010	Since 3/31/09
Non-VPIC Assets**	8.0	30.7
VPIC Assets*	9.7	32.1
Total Portfolio	9.4	31.9

*\*Source: NEPC*

*\*\*Asset allocation on 6/30/10: 41.0% Emerging Markets, 11.8% Private Equity, 47.1% Timber*

### Portfolio Returns as of June 30, 2010

Portfolio	2Q 2010	Since 3/31/09
Non-VPIC Assets**	-2.1	29.6
VPIC Assets*	-3.6	29.7
Total Portfolio	-3.5	29.8

*\*Source: NEPC*

*\*\*Asset allocation on 3/31/10: 43.5% Emerging Markets, 7.9% Private Equity, 48.6% Timber*

### Portfolio Returns as of March 31, 2010

Portfolio	1Q 2010	Since 3/31/09
Non-VPIC Assets**	0.3	41.3
VPIC Assets*	3.9	43.6
Total Portfolio	3.6	43.5

*\*Source: NEPC*

*\*\*Asset allocation on 12/31/09: 43.5% Emerging Markets, 7.4% Private Equity, 49.0% Timber*

## BURLINGTON EMPLOYEES RETIREMENT SYSTEM

### Portfolio Returns as of December 31, 2009

Portfolio	4Q 2009	Since 3/31/09
Non-VPIC Assets**	1.7	40.9
VPIC Assets*	3.4	38.2
<b>Total Portfolio</b>	<b>3.3</b>	<b>38.5</b>

*\*Source: NEPC*

*\*\*Asset allocation on 9/30/09: 42.7% Emerging Markets, 7.3% Private Equity, 50.0% Timber*

### Portfolio Returns as of September 30, 2009

Portfolio	3Q 2009	Since 3/31/09
Non-VPIC Assets**	13.6	38.5
VPIC Assets*	15.0	33.6
<b>Total Portfolio</b>	<b>15.0</b>	<b>34.1</b>

*\*Source: NEPC*

*\*\*Asset allocation on 6/30/09: 67.9% Emerging Markets, 17.8% Private Equity, 14.3% Timber*

### Portfolio Returns as of June 30, 2009

Portfolio	2Q 2009
Non-VPIC Assets**	21.9
VPIC Assets*	16.2
<b>Total Portfolio</b>	<b>16.6</b>

*\*Source: NEPC*

*\*\*Asset allocation on 3/31/09: 68.3% Emerging Markets, 13.5% Private Equity, 18.2% Timber*

## APPENDIX - MAJOR MARKET INDEX RETURNS

<b>Equity</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Russell 3000	Broad Equity	0.1	7.3	7.3	17.7	17.5
S&P 500	Large Cap Core	0.3	7.4	7.4	17.3	17.3
Russell 1000	Large Cap Core	0.1	7.4	7.4	17.7	17.6
Russell 1000 Growth	Large Cap Growth	0.1	10.6	10.6	18.0	18.6
Russell 1000 Value	Large Cap Value	0.1	4.1	4.1	17.3	16.5
Russell 2000	Small Cap	0.4	6.5	6.5	17.8	17.1
Russell 2000 Growth	Small Cap Growth	2.0	12.4	12.4	20.1	19.3
Russell 2000 Value	Small Cap Value	-1.2	0.8	0.8	15.5	14.8
MSCI EAFE	Developed Markets	0.8	-3.8	-3.8	12.5	10.0
MSCI EAFE Growth	Developed Markets Growth	1.2	-1.0	-1.0	12.5	10.5
MSCI EAFE Value	Developed Markets Value	0.5	-6.6	-6.6	12.4	9.5
MSCI Emerging Markets	Emerging Markets	0.8	-4.8	-4.8	4.1	4.0
MSCI All Country World	Global Equity	0.5	1.2	1.2	13.6	12.5
MSCI All Country World Ex US	Global Equity (ex. US)	0.7	-4.8	-4.8	9.9	8.2
<b>Fixed Income</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Barclays Aggregate Index	Core Fixed Income	-1.7	1.8	1.8	1.8	3.4
Barclays Gov/Credit	Gov/Credit	-2.1	1.7	1.7	1.8	3.5
Barclays Capital Gov't Bond	Treasuries	-1.5	2.3	2.3	0.9	2.6
Barclays Capital Credit Bond	Corporate Bonds	-2.9	0.9	0.9	3.0	4.9
Intermediate Aggregate	Core Intermediate	-0.7	1.9	1.9	1.7	2.9
Intermediate Gov/Credit	Gov / Credit Intermediate	-0.6	1.7	1.7	1.6	2.8
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.1	0.9	0.9	0.5	0.7
CSFB High Yield	High Yield Bonds	0.3	-0.7	-0.7	6.6	8.3
Barclays Global Ex US	International Treasuries	-1.5	-12.9	-12.9	-3.8	-1.9
Citi World Gov't Bond Index	International Fixed Income	-1.5	-9.0	-9.0	-2.4	1.0
Barclays Global Aggregate	International Fixed Income	-1.2	-7.1	-7.1	-0.8	2.1
Barclays Global Aggregate Ex US	International Fixed Income	-0.8	-13.2	-13.2	-2.8	1.1
<b>Alternative Assets</b>	<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
MSCI US REIT Index	REITs	-10.4	3.9	3.9	8.7	14.3
NCREIF NFI-ODCE Index	Real Estate	3.8	14.4	14.4	13.1	14.4
NCREIF Timber Index	Timber	0.5	10.0	10.0	9.8	6.1
Bloomberg Commodity Index	Commodities	4.7	-23.7	-23.7	-8.8	-3.9
HFRI FOF Composite	Hedge Funds	0.2	4.0	4.0	6.3	4.1

**APPENDIX - DISCLOSURES**

- \* The Burlington Manager Shadow index is the weighted average of each manager portfolio's beginning value multiplied by its current quarter benchmark return.
- \* The Burlington Policy Index is a policy-weighted passive index constructed as follows:

35% S&P 500	10% Russell Midcap	15% MSCI EAFE
35% Barclays Aggregate	5% 91-Day TBills	
- \* The Real Assets Blended Index is comprised of equal parts:

NCREIF ODCE	NCREIF Timber	Bloomberg Commodities (Formerly known as Dow Jones UBS Commodities)
-------------	---------------	---
- \* 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 net 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.
- \* All values for the Pooled Cash account since June 2012 are estimated and subject to change.