



# City Of Burlington Employees Retirement Plan

Performance Review  
September 2015

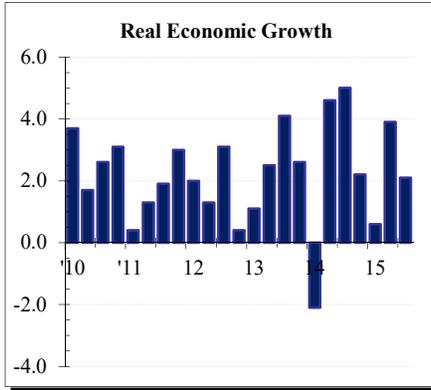


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## ECONOMIC ENVIRONMENT

### *Troubles abroad but Positive News at Home*

Global concerns dominated the news during the summer. While the Greek crisis was averted early in the quarter and a nuclear deal with Iran seemed likely, there remained several worrisome developments. ISIS military gains and Russian involvement in Syria dominated daily headlines and a slower Chinese economy and havoc among raw materials-driven emerging market countries also caused investor angst. Domestically, the 2<sup>nd</sup> and 3<sup>rd</sup> quarters brought mostly good news. Corporations as well as the average consumer expressed confidence through increased spending. Housing starts and sales of preexisting homes strengthened. On the other hand, job growth appeared to be losing momentum and inflation remained tame, in part because of a strong dollar and absolutely low energy prices. The Fed's uncertainty about this mix of statistics and events troubled investors greatly. Details follow:



- Third quarter real GDP expanded by a disappointing 2.1% (about a half point below expectations), according to the BEA's second estimate, significantly slower than the second quarter GDP's 3.9%. The slower pace was attributed primarily to a reduction in inventories.
- Jobs increased a disappointing 142,000 in September. Together with a downwardly revised July and August jobs reports, the third quarter averaged 167,000 jobs per month. [Anything less than 200,000 per month is considered weak]. In September, the strongest gains were in health care, IT and retail sectors. By comparison, the mining sector was the weakest link, losing 10,000 jobs. The average workweek and payroll were steady at 34.5 hours/week and \$25.09/hour, respectively.
- Home prices rose a modest 1.2% in August and close to 7%, year-over-year. The greatest regional growth occurred in Colorado, Washington, Oregon and New York. While Nevada, Florida, Arizona

and Rhode Island home prices advanced, more than all other states, they still remain the furthest off their previous peaks. Importantly, demand still exceeds supply, as the median home price is predicted to be \$220,000 by year-end.

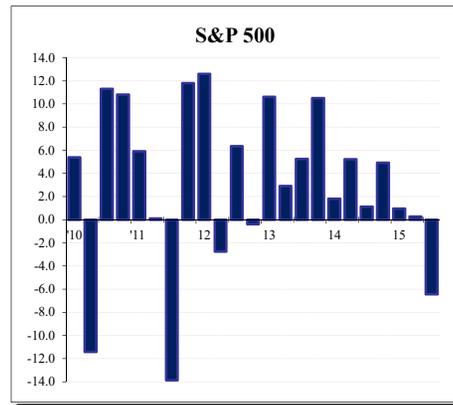
- September represented the 33<sup>rd</sup> consecutive month of manufacturing expansion. All of the ISM manufacturing indices registered more than 50%, indicating continued growth. However, the number of sectors reporting growth fell to seven out of 18. Printing, textiles, furniture and food were strongest, while metals, apparel, oil and coal were weakest.
- Consumer confidence increased still more in September, despite the weak jobs report. Consumers are particularly encouraged about their present job situations as the Present Situation Index climbed from 116 to 121 in September. The one note of caution came from those consumers claiming that jobs are "hard to get;" that indicator increased from 21.7% to 24.3% in one month.
- After stabilizing in Q2, a composite of 33 commodities fell 9.3% in the third quarter and 13.3% Y-T-D. This was mainly attributable to China's weaker economy. As the world index's chief raw materials importer, China has a disproportionate impact on commodity markets. As a result, China's slowing demand drove falling prices. Precious metals fell 7.7%, energy plunged almost 20% and grains dipped 5.8%. Only tin, sugar and rice appreciated in price.
- Inflation remained tame throughout the third quarter, still below the 2% per year trigger for a possible Fed rate hike. Stagnant wage growth, cheaper imports, falling oil prices and steady prices among other consumer products and services again kept down the September CPI (-0.2%).
- After assessing economic conditions at its September meetings, the Fed again decided against an interest rate increase. Board members did applaud increases in consumer and corporate spending as well as strong housing demand. However, they also expressed concern about slowing jobs growth and a CPI stuck at levels well below the 2% threshold. The meeting minutes also took note of the weak global economy. In the end, Janet Yellen and her team wanted to see more robust global and domestic data before raising rates.

## DOMESTIC EQUITIES

### *The Worst in a Long While*

Bad news in the market swamped good news this past quarter. Three negative events, all involving China, dominated the financial news: (1) China's obvious economic slowdown to 6.9%, (2) its surprise devaluation of the renminbi (RMB), and (3) its tepid responses to crashing Chinese stock prices. The economic slowdown mainly impacted emerging markets and their stock prices, but also the US commodity sector. The RMB devaluation further boosted the dollar, partially dampening US exports. Falling Chinese stock prices caused investor apprehension far beyond its borders, while the Fed's own global economic worries added fuel to the negative market tone.

Following ten consecutive quarterly advances for the S&P 500, the index dropped 6.4%. Further, the S&P was technically in correction territory (>10% decline) from its May peak through September 29<sup>th</sup>.



The DJIA (-7.0%) and NASDAQ (-7.1%) results fared no better. Larger-sized companies outperformed the smaller names, as the Russell 1000 fell 6.8% and the Russell 2000 dropped almost 12%. Large growth stocks lost less than their value counterparts: -5.3% vs. -8.4%. However, small growth stocks performed far worse than small value stocks: -13.1% vs. -10.7%. Real estate stocks were the one

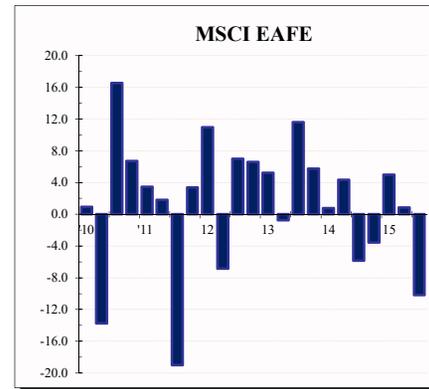
notable exception, with the Wilshire REIT Index posting a +2.9% return. REIT investors looked favorably on the sector's high dividends and strong demand.

As of quarter-end, the S&P 500 dividend rate ticked up to 2.2%, with 54% of the S&P components showing payout rates above 2%. Price/earnings ratios (using trailing 12-month earnings) declined modestly to 22.0, but still remain high. However, because of stock price declines, almost half of the companies now have P/Es between 10 and 20.

## INTERNATIONAL EQUITIES

### *A Sea of Red Ink*

The MSCI EAFE Index dropped 10.2% and no component country escaped the red ink. The Euro regional market dropped 8.9% and Germany, its biggest player, dropped more than the region as a whole (-10.9%).



Contributing to Germany's decline was the announcement of Volkswagen's willful deception regarding diesel engine emissions. The French market fell 6.4% and Italy's was down 4.3%. Portugal and Spain's weak economies each dropped more than 11%. In spite of a successful election for the Conservatives and a growing economy, the UK market slid 10%. Australia's heavy tilt toward commodity companies resulted in a 15.3% shortfall. Due to

significant trading relationships with China the Japan and Singapore markets dropped 11.7% and 19.5%, respectively. Predictably, Hong Kong's ties to mainland China cost 16.2% in lost return.

The Canadian market, which is not an EAFE component, shed 14%. Its story is similar to Australia's, in which energy and other commodities make up a significant share of its GDP.

Emerging markets suffered worst of all, compared to the US and developed markets. MSCI EM plummeted a staggering 17.8%. Just like the developed markets, each EM country component experienced a loss. The BRIC Index, which includes the four largest EM countries, was pummeled 21%. Brazil incurred the greatest loss, dropping almost 34%! Brazil's market was hit so hard because it is a commodities based economy with heavy reliance on its Chinese trading partner. Alleged corruption at the very top levels of Brazil's government and a collapsing real currency added fuel to Brazil's mounting woes. On the Russian front, stocks lost 14.4% amidst ongoing western sanctions and military meddling in both the Ukraine and Syria. As expected, China's market plunged 22.7%, in sync with its economic troubles.

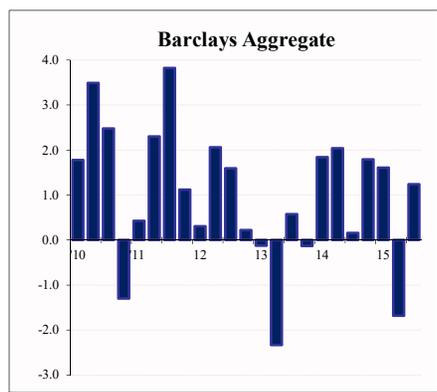
Greece held a snap election, re-electing PM Tsipras who convincingly vowed to implement more reforms. In turn, the EU granted Greece much-needed bailout funds, but despite the new calm, the Greek stock market plunged 35.8%. Turkish shares plummeted 19.5%. Turkey experienced major political unrest as it dealt with a flood of Syrian refugees and also found itself besieged by both ISIS and PKK rebels. The Malaysian market also incurred a hefty loss (-18.2%), which reflected a slowing economy and widening political scandal. Equities in Taiwan (-16.4%) and South Korea (-11.8%) were not spared. Taiwan's losses, in particular, reflected its ties to the mainland. Even excluding Brazil, the Latin America's markets nose-dived more than 24%. The markets of Columbia and Peru fell 23.2% and 21.5%, respectively. By comparison, Chile (-13.6%) and Mexico (-11.9%) almost looked good.

There is an old economic saying that “when America sneezes, the rest of the world gets the flu.” However, in the third quarter, China was the source of the contagion.

## BOND MARKET

### *Flight-to-Quality*

A pronounced flight-to-quality on the part of investors moved interest rates down all across the Treasury yield curve. The desire for safer investments



pushed treasury and investment grade corporate issues up in price. Further, the Fed's inaction on interest rates and its concern about the global economy extended longer maturity gains. Except for two-year Treasury's which only dropped 2 basis points in yield, the rest of the yield curve declined roughly 30 basis points. The 10-year yield fell from 2.33% in June to 2.06% by quarter-end.

The Barclays Aggregate Index gained 1.2% after losing 1.7% in the June quarter. The large Treasury bond component performed better, gaining 1.8%. Corporates added just 0.8%, but masked a wide spread among industrials (0.3%), financials (1.5%) and utilities (2.0%). Clearly,

investors favored the relative certainty of longer-maturity utilities in a volatile market environment. Among corporates, the top three credit ratings averaged gains between 1.3% and 1.5%. However, BAA issues lost 0.7%. The mortgage-backed sector advanced 1.3% on strong fundamentals

High yield bonds went the way of equities during the quarter, as the average return was -4.9%. Energy and metals/mining bonds took huge losses of 15.9% and 13.2%, respectively. Together, these two sectors comprise over 17% of the high yield index. The lower the credit rating the worse was the return. The lowest-rated CA-D category collapsed 28.6%.

The G-6 (G7 x-US) Global Treasury Index rose 2.2% and was somewhat higher than the US Treasury return. Italy (4.3%) and Japan (3.0%) were the clear leaders. The UK and Canada were in negative territory, losing 0.5% and 5.9%, respectively.

While emerging market bonds lost ground, the amount was a surprisingly low -2.4%. The loss could easily been much worse among EM countries given the volatility around the world, i.e. hemorrhaging economies, sporadic military adventures, political dysfunction, and continued currency weakness. Results varied wildly, from a low of -18.6% to a high of +46.9%. Two Latin American countries represented the lows. Ecuador gave up 18.6% and troubled Brazil was close behind with a loss of 14.5%. Ukrainian bonds averaged a 46.9% advance, after gaining 35.8% in the prior quarter as the new military cease fire negotiated with Russia continued to hold. For now, Greek bonds continue to be untradeable.

## CASH EQUIVALENTS

### *Zero, Especially after the Fed Balked*

T-bills and money market funds continued to produce negligible yields. When the Fed finally does raise the Fed Funds rate, these short-term instruments may produce a measurable return.

**MARKET SUMMARY**

**ECONOMIC STATISTICS**

	<b>CURRENT QTR</b>	<b>LAST QTR</b>
GDP	2.1	3.9
Unemployment	5.1	5.3
CPI All Items Year/Year	0.00	0.10
Fed Funds Rate	0.25	0.25
Industrial Capacity	77.7	77.6
US Dollars per Euro	1.12	1.12

**MAJOR INDEX QUARTER RETURNS**

<b>INDEX</b>		<b>PERFORMANCE</b>
Russell 3000	-7.2	
S&P 500	-6.4	
Russell Mid	-8.0	
Russell 2000	-11.9	
MSCI EAFE	-10.2	
MSCI Emg Mkts	-17.8	
NCREIF ODCE	3.7	
Barclays Agg	1.2	
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	-8.4	-6.8	-5.3	LC	-4.4	-0.6	3.2
MC	-8.0	-8.0	-8.0	MC	-2.1	-0.2	1.5
SC	-10.7	-11.9	-13.1	SC	-1.6	1.2	4.1

**MARKET SUMMARY**

- \* 3rd quarter GDP growth was revised to 2.1%.
- \* Seasonally adjusted unemployment fell to 5.1%.
- \* CPI was flat year over year.
- \* Domestic Equities lost ground across the board. Large cap names fared better than small cap stocks. In the large cap space, growth outperformed value, while the reverse was true for small cap.
- \* The US dollar weakened slightly relative to the Euro.

## **INVESTMENT RETURN**

On September 30th, 2015, the City of Burlington Employees Retirement System was valued at \$150,785,067, a decrease of \$10,598,708 from the June ending value of \$161,383,775. Last quarter, the account recorded total net withdrawals of \$2,517,127 in addition to \$8,081,581 in net investment losses. Because there were no income receipts during the third quarter, the portfolio's net investment losses were entirely made up of capital losses (realized and unrealized).

For the cumulative period since September 2005, the portfolio has posted net withdrawals totaling \$13.0 million and recorded net investment gains totaling \$58.9 million. For the period since September 2005, if the fund had returned a compounded nominal rate of 8.0% it would have been valued at \$208.9 million or \$58.1 million more than the actual value as of September 30th, 2015.

## **RELATIVE PERFORMANCE**

### **Total Fund**

For the third quarter, the total portfolio returned -5.0%, which was 0.7% less than the Burlington Manager Shadow Index's return of -4.3% and ranked in the 50th percentile of the Public Fund universe. Over the trailing year, this portfolio returned -2.8%, which was 0.6% below the benchmark's -2.2% return, ranking in the 87th percentile. Since September 2005, the account returned 4.8% on an annualized basis and ranked in the 91st percentile.

## EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

	-----Annualized-----					
	Quarter	FYTD	1 Year	3 Years	5 Years	Since 09/05
<b>Total Portfolio</b>	-5.0	-5.0	-2.8	4.0	5.8	4.8
<i>PUBLIC FUND RANK</i>	(50)	(50)	(87)	(97)	(95)	(91)
MANAGER SHADOW	-4.3	-4.3	-2.2	4.0	5.1	----
POLICY INDEX	-4.2	-4.2	-0.3	7.3	7.9	5.8
<b>Diversified Assets</b>	-7.7	-7.7	-6.5	1.5	4.3	----
<i>BALANCED FUND RANK</i>	(86)	(86)	(86)	(90)	(95)	----
60 MSCI/40 WGBI	-4.4	-4.4	-4.1	4.3	5.3	4.9
CPI + 5%	0.9	0.9	5.0	6.0	6.8	6.9
<b>Equity</b>	-8.8	-8.8	-4.6	7.5	8.3	5.5
<i>GLOBAL EQUITY RANK</i>	(52)	(52)	(62)	(73)	(67)	(64)
MSCI AC WORLD	-9.3	-9.3	-6.2	7.5	7.4	5.1
ACWI EX US	-12.1	-12.1	-11.8	2.8	2.3	3.5
MSCI EAFE	-10.2	-10.2	-8.3	6.1	4.4	3.4
MSCI EMG MKTS	-17.8	-17.8	-19.0	-4.9	-3.3	4.6
RUSSELL 3000	-7.2	-7.2	-0.5	12.5	13.3	6.9
CAMBRIDGE PE	0.0	0.0	7.4	14.2	14.6	12.3
<b>Absolute Return</b>	-2.5	-2.5	-1.1	5.9	----	----
HFRI FOF	-3.6	-3.6	0.0	4.2	2.7	2.4
<b>Real Assets</b>	-3.5	-3.5	-4.3	1.5	4.2	----
REAL ASSETS IDX	-3.5	-3.5	-1.9	1.8	3.8	3.4
NCREIF ODCE	3.7	3.7	14.9	13.4	14.0	6.7
NCREIF TIMBER	0.8	0.8	9.3	9.8	6.3	7.9
BLP COMMODITY	-14.5	-14.5	-26.0	-16.0	-8.9	-5.7
<b>Fixed Income</b>	-0.8	-0.8	0.9	1.5	4.0	----
<i>BROAD MARKET FIXED RANK</i>	(81)	(81)	(75)	(78)	(43)	----
GLOBAL AGGREGATE	0.9	0.9	-3.3	-1.6	0.8	3.7
GLOBAL AGG EX US	0.6	0.6	-7.7	-4.0	-0.9	3.0
BARCLAYS AGG	1.2	1.2	2.9	1.7	3.1	4.6

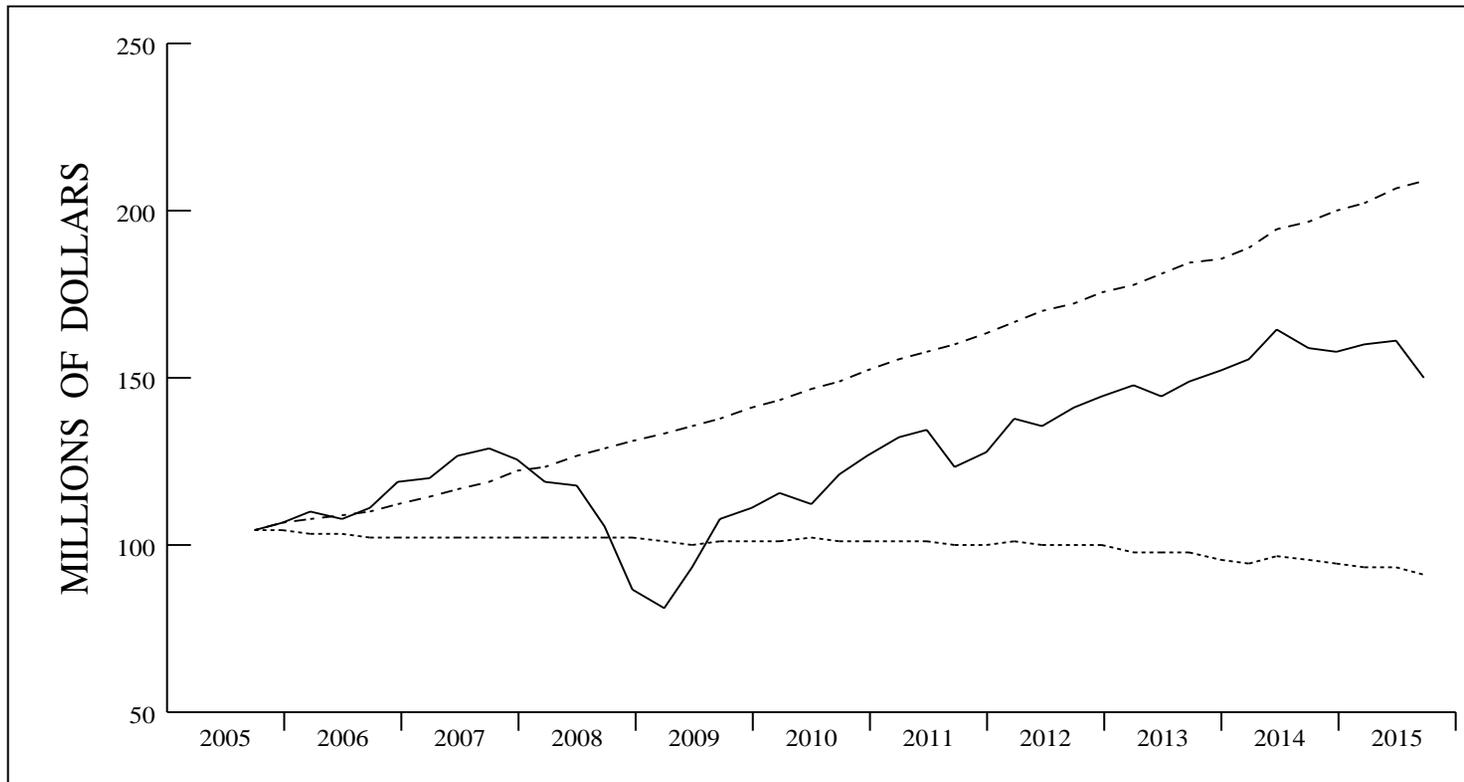
## ASSET ALLOCATION

Diversified	15.2%	\$ 22,986,993
Equity	33.9%	51,115,853
Absolute Retn	4.8%	7,245,164
Real Assets	10.4%	15,693,351
Fixed Income	36.0%	54,269,503
Cash	-0.3%	-525,797
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 150,785,067</b>

## INVESTMENT RETURN

Market Value 6/2015	\$ 161,383,775
Contribs / Withdrawals	-2,517,127
Income	0
Capital Gains / Losses	-8,081,581
Market Value 9/2015	\$ 150,785,067

**INVESTMENT GROWTH**



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

VALUE ASSUMING  
 8.0% RETURN \$ 208,927,400

	LAST QUARTER	PERIOD 9/05 - 9/15
BEGINNING VALUE	\$ 161,383,775	\$ 104,872,304
NET CONTRIBUTIONS	- 2,517,127	- 12,996,786
<u>INVESTMENT RETURN</u>	<u>- 8,081,581</u>	<u>58,909,548</u>
ENDING VALUE	\$ 150,785,067	\$ 150,785,067
INCOME	0	11,664,804
<u>CAPITAL GAINS (LOSSES)</u>	<u>- 8,081,581</u>	<u>47,244,744</u>
INVESTMENT RETURN	- 8,081,581	58,909,548

## MANAGER ALLOCATION SUMMARY

Prior Quarter Market Value	%	Fund Name	Style	Current Quarter Market Value	%
\$11,764,798	7.3	AQR	(DIVE)	\$10,870,588	7.2
\$3,360,130	2.1	Mellon Dynamic Growth	(DIVE)	\$3,141,239	2.1
\$8,723,309	5.4	Pimco All Asset	(DIVE)	\$8,975,154	6.0
\$12	0.0	Wellington GAA	(DIVE)	\$12	0.0
\$4,323,854	2.7	SSgA Equal Weight	(LCOR)	\$4,482,375	3.0
\$12,139,431	7.5	SSgA S&P 500	(LCOR)	\$11,789,512	7.8
\$307	0.0	T Rowe Price	(LCOR)	\$307	0.0
\$1,080,283	0.7	SSgA S&P 400	(MIDC)	\$988,788	0.7
\$3,229,811	2.0	Champlain	(SMID)	\$2,926,966	1.9
\$2,542,549	1.6	SSgA R2000G	(SCGR)	\$760,194	0.5
\$3,354,571	2.1	Wellington SCV	(SCVA)	\$3,010,818	2.0
\$3,534,054	2.2	SSgA ACWI Ex-US	(FORN)	\$3,105,731	2.1
\$6,602,675	4.1	Acadian	(INEQ)	\$5,890,369	3.9
\$6,614,931	4.1	Mondrian Int'l Eq	(INEQ)	\$5,743,222	3.8
\$9,212,185	5.7	Aberdeen	(EMGM)	\$7,851,522	5.2
\$4,503,816	2.8	Schroder	(COMM)	\$3,888,184	2.6
\$15,213	0.0	GAM	(HEDG)	\$18,022	0.0
\$7,414,861	4.6	Grosvenor	(HEDG)	\$7,227,142	4.8
\$1,180,114	0.7	Hamilton Lane II	(PREQ)	\$1,075,876	0.7
\$1,184,559	0.7	Hamilton VII A	(PREQ)	\$1,213,583	0.8
\$758,108	0.5	Hamilton VII B	(PREQ)	\$782,393	0.5
\$366,253	0.2	Harbourvest Buyout	(PREQ)	\$406,603	0.3
\$49,983	0.0	Harbourvest Credit	(PREQ)	\$53,190	0.0
\$561,377	0.3	Harbourvest Dover	(PREQ)	\$619,891	0.4
\$49,259	0.0	Harbourvest HIPEP VII	(PREQ)	\$67,683	0.0
\$307,232	0.2	Harbourvest Venture	(PREQ)	\$346,830	0.2
\$614,750	0.4	Siguler Guff	(REAL)	\$871,879	0.6
\$8,001,973	5.0	VPIC R E	(REAL)	\$7,773,921	5.2
\$3,202,146	2.0	Molpus	(TIMB)	\$3,159,367	2.1
\$4,071,260	2.5	Allianz Structured	(FIXD)	\$4,122,708	2.7
\$6,522,209	4.0	GAM Unconstrained	(FIXD)	\$6,865,788	4.6
\$8,634,690	5.4	Pimco Core Plus	(FIXD)	\$7,670,236	5.1
\$4,138,681	2.6	Pimco Unconstrained	(FIXD)	\$4,007,553	2.7
\$4,475,883	2.8	SSgA Aggregate Bond	(FIXD)	\$4,531,082	3.0
\$4,013,745	2.5	Wellington FX	(FIXD)	\$4,214,289	2.8
\$4,615,709	2.9	Mondrian Fixed	(GLFX)	\$4,657,376	3.1
\$5,028,012	3.1	BlackRock TIPS	(TIPS)	\$4,966,874	3.3
\$4,686,472	2.9	Guggenheim	(HIYL)	\$4,511,873	3.0
\$1,508,441	0.9	KDP	(HIYL)	\$1,443,084	1.0
\$7,539,024	4.7	Wellington Emg Debt	(EMFX)	\$7,278,640	4.8
\$1,361,214	0.8	Cash	(CASH)	\$-1,004,509	-0.7
\$95,891	0.1	VPIC Cash	(CASH)	\$478,712	0.3
<b>\$161,383,775</b>	<b>100.0</b>	<b>Composite</b>	<b>(TOTL)</b>	<b>\$150,785,067</b>	<b>100.0</b>

## MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since 09/05 or Inception
Composite	(Public Fund)	-5.0 (50)	-5.0 (50)	-2.8 (87)	4.0 (97)	5.8 (95)	4.8 (91) 09/05
<i>Manager Shadow</i>		<i>-4.3 ----</i>	<i>-4.3 ----</i>	<i>-2.2 ----</i>	<i>4.0 ----</i>	<i>5.1 ----</i>	<i>---- ----</i>
AQR	(Balanced)	-7.6 (85)	-7.6 (85)	-7.9 (90)	0.3 (92)	5.0 (94)	8.1 (73) 09/09
<i>60 MSCI/40 WGBI</i>		<i>-4.4 ----</i>	<i>-4.4 ----</i>	<i>-4.1 ----</i>	<i>4.3 ----</i>	<i>5.3 ----</i>	<i>5.5 ----</i>
Mellon Dynamic Growth	(Balanced)	-6.5 (70)	-6.5 (70)	4.3 (2)	6.1 (79)	7.1 (84)	3.5 (94) 12/07
<i>60 MSCI/40 WGBI</i>		<i>-4.4 ----</i>	<i>-4.4 ----</i>	<i>-4.1 ----</i>	<i>4.3 ----</i>	<i>5.3 ----</i>	<i>3.0 ----</i>
Pimco All Asset	(Balanced)	-8.4 (93)	-8.4 (93)	-10.5 (95)	-0.7 (94)	3.0 (98)	4.3 (86) 12/07
<i>CPI + 5%</i>		<i>0.9 ----</i>	<i>0.9 ----</i>	<i>5.0 ----</i>	<i>6.0 ----</i>	<i>6.8 ----</i>	<i>6.7 ----</i>
SSgA Equal Weight	(LC Core)	-7.8 (74)	-7.8 (74)	-1.6 (69)	14.2 (28)	13.7 (49)	7.9 (13) 12/07
<i>Equal Wtd S&amp;P</i>		<i>-7.5 ----</i>	<i>-7.5 ----</i>	<i>-1.2 ----</i>	<i>14.3 ----</i>	<i>13.8 ----</i>	<i>8.1 ----</i>
SSgA S&P 500	(LC Core)	-6.4 (45)	-6.4 (45)	-0.5 (60)	12.5 (60)	13.4 (56)	13.4 (56) 09/10
<i>S&amp;P 500</i>		<i>-6.4 ----</i>	<i>-6.4 ----</i>	<i>-0.6 ----</i>	<i>12.4 ----</i>	<i>13.3 ----</i>	<i>13.3 ----</i>
SSgA S&P 400	(Mid Cap)	-8.5 (52)	-8.5 (52)	1.5 (53)	13.2 (60)	---- ----	16.9 (56) 09/11
<i>S&amp;P 400</i>		<i>-8.5 ----</i>	<i>-8.5 ----</i>	<i>1.4 ----</i>	<i>13.1 ----</i>	<i>12.9 ----</i>	<i>16.8 ----</i>
Champlain	(Smid Cap)	-9.4 (48)	-9.4 (48)	1.8 (41)	13.3 (49)	13.5 (45)	14.0 (47) 09/09
<i>Russell 2500</i>		<i>-10.3 ----</i>	<i>-10.3 ----</i>	<i>0.4 ----</i>	<i>12.4 ----</i>	<i>12.7 ----</i>	<i>13.2 ----</i>
SSgA R2000G	(SC Growth)	-13.0 (68)	-13.0 (68)	4.1 (48)	12.8 (55)	13.2 (67)	7.0 (56) 12/07
<i>Russell 2000G</i>		<i>-13.1 ----</i>	<i>-13.1 ----</i>	<i>4.1 ----</i>	<i>12.9 ----</i>	<i>13.3 ----</i>	<i>7.1 ----</i>
Wellington SCV	(SC Value)	-10.2 (59)	-10.2 (59)	6.1 (9)	12.8 (45)	13.8 (30)	9.7 (20) 12/07
<i>Russell 2000V</i>		<i>-10.7 ----</i>	<i>-10.7 ----</i>	<i>-1.6 ----</i>	<i>9.2 ----</i>	<i>10.2 ----</i>	<i>5.4 ----</i>

## MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since 09/05 or Inception
Composite	(Public Fund)	-5.0 (50)	-5.0 (50)	-2.8 (87)	4.0 (97)	5.8 (95)	4.8 (91) 09/05
<i>Manager Shadow</i>		<i>-4.3 ----</i>	<i>-4.3 ----</i>	<i>-2.2 ----</i>	<i>4.0 ----</i>	<i>5.1 ----</i>	<i>---- ----</i>
SSgA ACWI Ex-US	(Intl Eq)	-12.1 (63)	-12.1 (63)	-12.0 (69)	2.6 (71)	2.1 (73)	2.1 (73) 09/10
<i>ACWI Ex US</i>		<i>-12.1 ----</i>	<i>-12.1 ----</i>	<i>-11.8 ----</i>	<i>2.8 ----</i>	<i>2.3 ----</i>	<i>2.3 ----</i>
Acadian	(Intl Eq)	-7.8 (21)	-7.8 (21)	-5.4 (38)	8.2 (31)	6.0 (38)	-1.1 (79) 12/07
<i>MSCI EAFE Net</i>		<i>-10.2 ----</i>	<i>-10.2 ----</i>	<i>-8.7 ----</i>	<i>5.6 ----</i>	<i>4.0 ----</i>	<i>-1.1 ----</i>
Mondrian Int'l Eq	(Intl Eq)	-10.2 (47)	-10.2 (47)	-9.6 (60)	7.5 (36)	5.7 (41)	0.4 (51) 12/07
<i>MSCI EAFE Net</i>		<i>-10.2 ----</i>	<i>-10.2 ----</i>	<i>-8.7 ----</i>	<i>5.6 ----</i>	<i>4.0 ----</i>	<i>-1.1 ----</i>
Aberdeen	(Emerging Mkt)	-14.8 (25)	-14.8 (25)	-18.3 (62)	-5.1 (75)	-0.9 (36)	3.8 (4) 03/08
<i>MSCI Emg Mkts</i>		<i>-17.8 ----</i>	<i>-17.8 ----</i>	<i>-19.0 ----</i>	<i>-4.9 ----</i>	<i>-3.3 ----</i>	<i>-1.6 ----</i>
Schroder		-13.7 ----	-13.7 ----	-33.2 ----	-18.3 ----	-8.9 ----	-8.1 ---- 12/09
<i>BLP Commodity</i>		<i>-14.5 ----</i>	<i>-14.5 ----</i>	<i>-26.0 ----</i>	<i>-16.0 ----</i>	<i>-8.9 ----</i>	<i>-7.6 ----</i>
Grosvenor		-2.5 ----	-2.5 ----	0.3 ----	6.8 ----	---- ----	4.7 ---- 12/10
<i>HFRI FOF</i>		<i>-3.6 ----</i>	<i>-3.6 ----</i>	<i>0.0 ----</i>	<i>4.2 ----</i>	<i>2.7 ----</i>	<i>2.1 ----</i>
Hamilton Lane II		-1.8 ----	-1.8 ----	3.4 ----	10.6 ----	14.8 ----	15.3 ---- 12/09
<i>Cambridge PE</i>		<i>0.0 ----</i>	<i>0.0 ----</i>	<i>7.4 ----</i>	<i>14.2 ----</i>	<i>14.6 ----</i>	<i>14.7 ----</i>
Hamilton VII A		2.7 ----	2.7 ----	11.9 ----	16.9 ----	---- ----	15.2 ---- 09/11
<i>Cambridge PE</i>		<i>0.0 ----</i>	<i>0.0 ----</i>	<i>7.4 ----</i>	<i>14.2 ----</i>	<i>14.6 ----</i>	<i>14.6 ----</i>
Hamilton VII B		4.8 ----	4.8 ----	8.0 ----	10.4 ----	---- ----	8.8 ---- 09/11
<i>Cambridge PE</i>		<i>0.0 ----</i>	<i>0.0 ----</i>	<i>7.4 ----</i>	<i>14.2 ----</i>	<i>14.6 ----</i>	<i>14.6 ----</i>

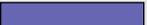
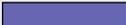
## MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since 09/05 or Inception
Composite	(Public Fund)	-5.0 (50)	-5.0 (50)	-2.8 (87)	4.0 (97)	5.8 (95)	4.8 (91) 09/05
<i>Manager Shadow</i>		<b>-4.3</b> ----	<b>-4.3</b> ----	<b>-2.2</b> ----	<b>4.0</b> ----	<b>5.1</b> ----	---- ----
Harbourvest Buyout		4.8 ----	4.8 ----	14.6 ----	---- ----	---- ----	12.6 ---- 12/12
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>0.0</b> ----	<b>7.4</b> ----	<b>14.2</b> ----	<b>14.6</b> ----	<b>14.1</b> ----
Harbourvest Credit		18.4 ----	18.4 ----	24.1 ----	---- ----	---- ----	18.0 ---- 12/12
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>0.0</b> ----	<b>7.4</b> ----	<b>14.2</b> ----	<b>14.6</b> ----	<b>14.1</b> ----
Harbourvest Dover		10.4 ----	10.4 ----	24.5 ----	---- ----	---- ----	13.7 ---- 12/12
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>0.0</b> ----	<b>7.4</b> ----	<b>14.2</b> ----	<b>14.6</b> ----	<b>14.1</b> ----
Harbourvest HIPEP VII		2.7 ----	2.7 ----	---- ----	---- ----	---- ----	-1.6 ---- 12/14
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>0.0</b> ----	<b>7.4</b> ----	<b>14.2</b> ----	<b>14.6</b> ----	<b>6.5</b> ----
Harbourvest Venture		6.1 ----	6.1 ----	26.6 ----	---- ----	---- ----	17.9 ---- 12/12
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>0.0</b> ----	<b>7.4</b> ----	<b>14.2</b> ----	<b>14.6</b> ----	<b>14.1</b> ----
Siguler Guff		3.0 ----	3.0 ----	-1.4 ----	---- ----	---- ----	-1.6 ---- 06/14
<i>Cambridge PE</i>		<b>0.0</b> ----	<b>0.0</b> ----	<b>7.4</b> ----	<b>14.2</b> ----	<b>14.6</b> ----	<b>7.0</b> ----
VPIC R E		0.0 ----	0.0 ----	15.1 ----	13.3 ----	14.3 ----	2.1 ---- 12/07
<i>NCREIF ODCE</i>		<b>3.7</b> ----	<b>3.7</b> ----	<b>14.9</b> ----	<b>13.4</b> ----	<b>14.0</b> ----	<b>4.0</b> ----
Molpus		0.4 ----	0.4 ----	4.5 ----	6.9 ----	3.3 ----	2.7 ---- 12/09
<i>NCREIF Timber</i>		<b>0.8</b> ----	<b>0.8</b> ----	<b>9.3</b> ----	<b>9.8</b> ----	<b>6.3</b> ----	<b>5.6</b> ----
Allianz Structured	(Core Fixed)	1.6 (5)	1.6 (5)	10.8 (1)	6.3 (1)	7.6 (1)	7.3 (1) 03/08
<i>Barclays Agg</i>		<b>1.2</b> ----	<b>1.2</b> ----	<b>2.9</b> ----	<b>1.7</b> ----	<b>3.1</b> ----	<b>4.3</b> ----
GAM Unconstrained	(Global Fixed)	-2.3 (67)	-2.3 (67)	---- ----	---- ----	---- ----	-2.3 (67) 06/15
<i>3-Month LIBOR</i>		<b>0.1</b> ----	<b>0.1</b> ----	<b>0.5</b> ----	<b>0.3</b> ----	<b>0.3</b> ----	<b>0.1</b> ----
Pimco Core Plus	(Core Fixed)	0.1 (98)	0.1 (98)	2.6 (77)	1.4 (97)	3.3 (68)	4.7 (35) 09/09
<i>Barclays Agg</i>		<b>1.2</b> ----	<b>1.2</b> ----	<b>2.9</b> ----	<b>1.7</b> ----	<b>3.1</b> ----	<b>3.9</b> ----
Pimco Unconstrained	(Global Fixed)	-3.2 (71)	-3.2 (71)	-2.9 (52)	-0.3 (60)	---- ----	1.0 (70) 09/11
<i>3-Month LIBOR</i>		<b>0.1</b> ----	<b>0.1</b> ----	<b>0.5</b> ----	<b>0.3</b> ----	<b>0.3</b> ----	<b>0.4</b> ----
SSgA Aggregate Bond	(Core Fixed)	1.2 (42)	1.2 (42)	---- ----	---- ----	---- ----	-0.5 (52) 03/15
<i>Barclays Agg</i>		<b>1.2</b> ----	<b>1.2</b> ----	<b>2.9</b> ----	<b>1.7</b> ----	<b>3.1</b> ----	<b>-0.5</b> ----
Wellington FX	(Core Fixed)	5.0 (1)	5.0 (1)	11.1 (1)	5.6 (1)	8.1 (1)	8.7 (1) 09/08
<i>Barclays Agg</i>		<b>1.2</b> ----	<b>1.2</b> ----	<b>2.9</b> ----	<b>1.7</b> ----	<b>3.1</b> ----	<b>4.9</b> ----
Mondrian Fixed	(Intl Fx)	0.9 (5)	0.9 (5)	-3.1 (33)	-3.7 (64)	-0.4 (69)	3.4 (63) 12/07
<i>Citi WGBI</i>		<b>1.7</b> ----	<b>1.7</b> ----	<b>-3.8</b> ----	<b>-2.8</b> ----	<b>-0.2</b> ----	<b>2.4</b> ----
BlackRock TIPS	(Broad Fixed)	-1.2 (84)	-1.2 (84)	-0.8 (88)	-1.9 (99)	2.5 (78)	3.4 (77) 12/09
<i>Barclays TIPS</i>		<b>-1.1</b> ----	<b>-1.1</b> ----	<b>-0.8</b> ----	<b>-1.8</b> ----	<b>2.5</b> ----	<b>3.4</b> ----
Guggenheim	(Hi Yield)	-3.7 (49)	-3.7 (49)	-1.6 (51)	---- ----	---- ----	1.6 (31) 12/13
<i>BB &amp; B Index</i>		<b>-5.2</b> ----	<b>-5.2</b> ----	<b>-3.3</b> ----	<b>3.1</b> ----	<b>5.9</b> ----	<b>0.1</b> ----
KDP	(Hi Yield)	-4.3 (60)	-4.3 (60)	-2.0 (55)	2.9 (87)	5.4 (85)	6.5 (92) 09/09
<i>BB &amp; B Index</i>		<b>-5.2</b> ----	<b>-5.2</b> ----	<b>-3.3</b> ----	<b>3.1</b> ----	<b>5.9</b> ----	<b>7.4</b> ----
Wellington Emg Debt		-3.5 ----	-3.5 ----	-3.7 ----	0.4 ----	4.5 ----	6.5 ---- 12/09
<i>JPM EMBI</i>		<b>-2.1</b> ----	<b>-2.1</b> ----	<b>-1.1</b> ----	<b>1.4</b> ----	<b>4.6</b> ----	<b>6.5</b> ----

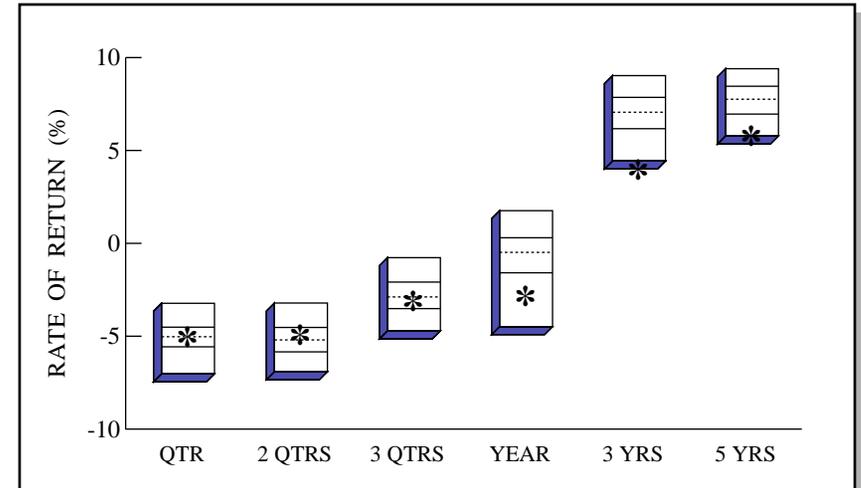
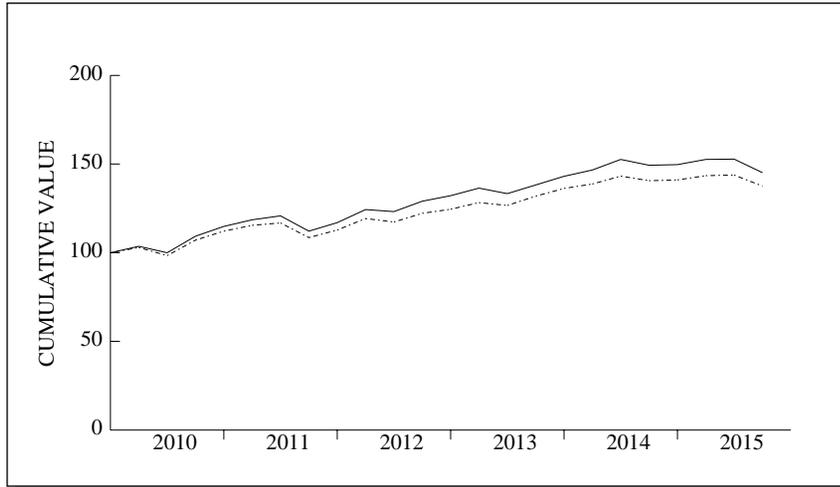
## MANAGER VALUE ADDED

1 Quarter	Portfolio	Benchmark	1 Year
-3.2	AQR Global Risk Premium	60 MSCI/40 WGBI	-3.8
-2.1	Mellon Dynamic Growth	60 MSCI/40 WGBI	8.4
-9.3	Pimco All Asset	CPI + 5%	-15.5
-0.3	SSgA S&P Equal Weighted Index Fund	Equal Wtd S&P	-0.4
0.0	SSgA S&P 500 Cap-Weighted	S&P 500	0.1
0.0	SSgA S&P 400	S&P 400	0.1
0.9	Champlain	Russell 2500	1.4
0.1	SSgA Russell 2000 Growth	Russell 2000G	0.0
0.5	Wellington Small Cap Value	Russell 2000V	7.7
0.0	SSgA ACWI Ex-US	ACWI Ex US	-0.2
2.4	Acadian	MSCI EAFE Net	3.3
0.0	Mondrian International Equity	MSCI EAFE Net	-0.9
3.0	Aberdeen Emerging Markets	MSCI Emg Mkts	0.7
0.8	Schroder	BLP Commodity	-7.2
1.1	Grosvenor	HFRI FOF	0.3
-1.8	Hamilton Lane Secondary Fund II	Cambridge PE	-4.0
2.7	Hamilton Lane Private Equity Fund VII Series A Offshore	Cambridge PE	4.5
4.8	Hamilton Lane Private Equity Fund VII Series B Offshore	Cambridge PE	0.6
-0.7	<b>Total Portfolio</b>	<b>Manager Shadow</b>	<b>-0.6</b>

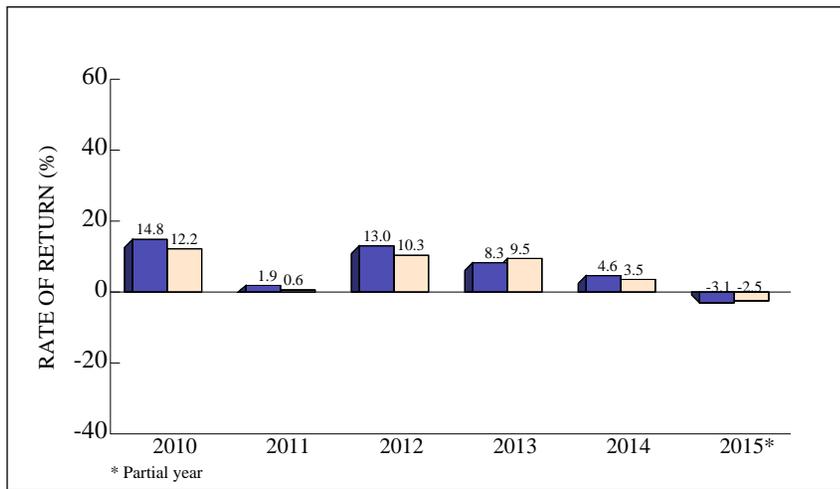
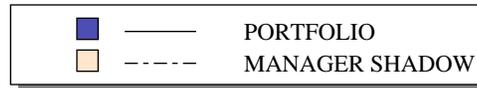
## MANAGER VALUE ADDED

1 Quarter	Portfolio	Benchmark	1 Year
4.8 	Harbourvest Primary Fund IX Buyout	Cambridge PE	7.2 
18.4 	Harbourvest Primary Fund IX Credit Opportunities	Cambridge PE	16.7 
10.4 	Harbourvest Secondary Fund VIII Dover	Cambridge PE	17.1 
2.7 	Harbourvest HIPEP VII	Cambridge PE	N/A
6.1 	Harbourvest Primary Fund IX Venture	Cambridge PE	19.2 
3.0 	Siguler Guff Distressed Real Estate	Cambridge PE	 -8.8
 -3.7	VPIC Real Estate	NCREIF ODCE	0.2
-0.4	Molpus Sustainable Woodlands Fund II	NCREIF Timber	 -4.8
0.4	Allianz Structured Alpha	Barclays Agg	7.9 
 -2.4	GAM Unconstrained Bond Fund	3-Month LIBOR	N/A
 -1.1	Pimco Core Plus	Barclays Agg	-0.3
 -3.3	Pimco Unconstrained Bond Fund	3-Month LIBOR	 -3.4
0.0	SSgA U.S. Aggregate Bond	Barclays Agg	N/A
3.8 	Wellington DAS Fixed	Barclays Agg	8.2 
 -0.8	Mondrian Global Fixed Income	Citi WGBI	0.7
-0.1	BlackRock TIPS	Barclays TIPS	0.0
1.5 	Guggenheim High Yield	BB & B Index	1.7 
0.9 	KDP	BB & B Index	1.3 
 -1.4	Wellington Emerging Markets Debt	JPM EMBI	 -2.6
 -0.7	<b>Total Portfolio</b>	<b>Manager Shadow</b>	 -0.6

**TOTAL RETURN COMPARISONS**



Public Fund Universe

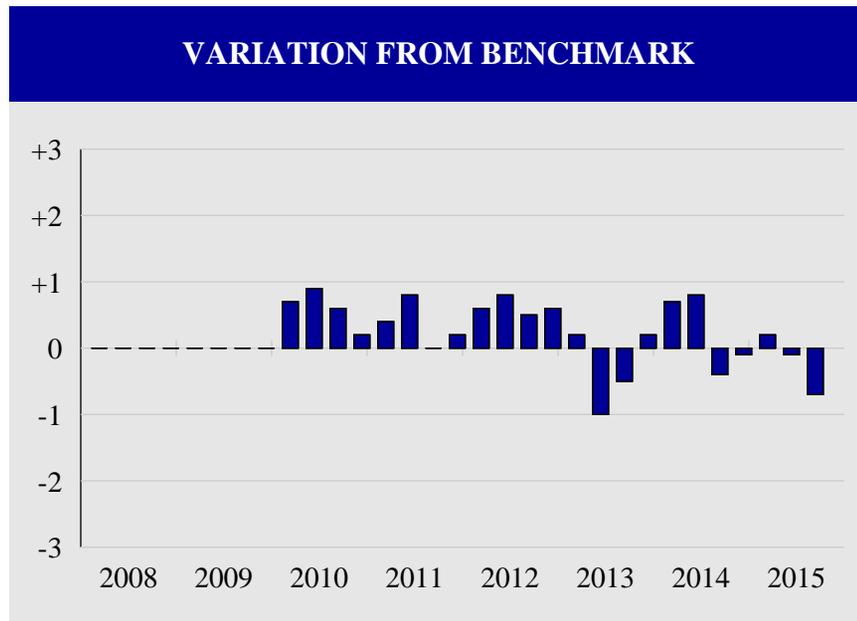


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	-5.0	-4.9	-3.1	-2.8	4.0	5.8
(RANK)	(50)	(41)	(58)	(87)	(97)	(95)
5TH %ILE	-3.2	-3.2	-0.8	1.8	9.0	9.4
25TH %ILE	-4.5	-4.5	-2.1	0.3	7.9	8.5
MEDIAN	-5.0	-5.2	-2.9	-0.5	7.1	7.8
75TH %ILE	-5.6	-5.9	-3.5	-1.6	6.2	7.0
95TH %ILE	-7.0	-6.9	-4.7	-4.5	4.4	5.8
<b>Mgr Shadow</b>	<b>-4.3</b>	<b>-4.1</b>	<b>-2.5</b>	<b>-2.2</b>	<b>4.0</b>	<b>5.1</b>

Public Fund Universe

### TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: BURLINGTON MANAGER SHADOW INDEX



<b>Total Quarters Observed</b>	<b>31</b>
<b>Quarters At or Above the Benchmark</b>	<b>22</b>
<b>Quarters Below the Benchmark</b>	<b>9</b>
<b>Batting Average</b>	<b>.710</b>

RATES OF RETURN						
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
9/15	-5.0	-4.3	-0.7	45.1	37.6	7.5

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

<b>IRR Since Inception</b>		<b>16.11%</b>	Annualized, Net of Fees		
<b>Market Value</b>	<b>\$ 1,075,876</b>	Last Appraisal Date: 9/30/2015 (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)
7/17/2015	\$ -	-	\$ -	-	\$ (78,675)
<b>Total</b>	<b>\$ 3,266,974</b>	<b>96.09%</b>	<b>\$ (284,279)</b>	<b>-8.36%</b>	<b>\$ (3,413,236)</b>

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

<b>IRR Since Inception</b>	<b>13.67%</b>	Annualized, Net of Fees
<b>Market Value</b>	<b>\$ 1,213,583</b>	Last Appraisal Date: 9/30/2015 (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 September 30, 2015**  
**Hamilton Lane Private Equity Fund VII LP Series B Offshore**

<b>IRR Since Inception</b>		<b>7.11%</b>	Annualized, Net of Fees
<b>Market Value</b>	\$	<b>782,393</b>	Last Appraisal Date: 9/30/2015 (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)
8/3/2015	\$ -	-	\$ -	-	\$ (9,735)
<b>Total</b>	<b>\$ 823,725</b>	<b>82.37%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (182,135)</b>

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

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

<b>IRR Since Inception</b>	<b>1.88%</b> Annualized, Net of Fees	
<b>Market Value</b>	<b>\$ 3,159,367</b>	Last Appraisal Date: 9/30/2015 (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)
9/30/2015	\$ -	-	\$ -	-	\$ (47,772)
<b>Total</b>	<b>\$ 3,400,000</b>	<b>100.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (621,528)</b>

# BURLINGTON EMPLOYEES RETIREMENT SYSTEM

## Portfolio Returns as of September 30, 2015

Portfolio	QTR	FYTD	1 Year	Since 3/31/09	Since 12/31/07	Inception Date
Hamilton Lane***	1.6	1.6	7.6	18.1	N/A	03/09
Molpus Timber	0.4	0.4	4.5	3.7	N/A	03/09
Non-VPIC Assets**	1.0	1.0	4.3	11.0	N/A	03/09
VPIC Assets*	-5.2	-5.2	-3.2	11.5	3.5	12/07
<b>Total Portfolio</b>	<b>-5.0</b>	<b>-5.0</b>	<b>-2.8</b>	<b>11.3</b>	<b>3.5</b>	<b>12/07</b>

*Fiscal Year Start date: July 1st.*

*\*Source: NEPC*

*\*\*Asset allocation on 6/30/15: 49.4 Private Equity & 50.6% Timber*

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

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

## 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
Total Portfolio	0.3	13.5

*\*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
Total Portfolio	-2.2	14.1

*\*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
Total Portfolio	4.0	15.3

*\*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
Total Portfolio	2.5	15.2

*\*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
Total Portfolio	3.5	15.5

*\*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
Total Portfolio	3.7	15.5

*\*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
Total Portfolio	-2.3	15.5

*\*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
Total Portfolio	3.2	17.2

*\*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	-7.2	-7.2	-0.5	12.5	13.3
S&P 500	Large Cap Core	-6.4	-6.4	-0.6	12.4	13.3
Russell 1000	Large Cap Core	-6.8	-6.8	-0.6	12.7	13.4
Russell 1000 Growth	Large Cap Growth	-5.3	-5.3	3.2	13.6	14.5
Russell 1000 Value	Large Cap Value	-8.4	-8.4	-4.4	11.6	12.3
Russell 2000	Small Cap	-11.9	-11.9	1.2	11.0	11.7
Russell 2000 Growth	Small Cap Growth	-13.1	-13.1	4.1	12.9	13.3
Russell 2000 Value	Small Cap Value	-10.7	-10.7	-1.6	9.2	10.2
MSCI EAFE	Developed Markets	-10.2	-10.2	-8.3	6.1	4.4
MSCI EAFE Growth	Developed Markets Growth	-8.7	-8.7	-4.3	6.9	5.2
MSCI EAFE Value	Developed Markets Value	-11.7	-11.7	-12.2	5.2	3.6
MSCI Emerging Markets	Emerging Markets	-17.8	-17.8	-19.0	-4.9	-3.3
MSCI All Country World	Global Equity	-9.3	-9.3	-6.2	7.5	7.4
MSCI All Country World Ex US	Global Equity (ex. US)	-12.1	-12.1	-11.8	2.8	2.3
<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	1.2	1.2	2.9	1.7	3.1
Barclays Gov/Credit	Gov/Credit	1.2	1.2	2.8	1.6	3.1
Barclays Capital Gov't Bond	Treasuries	1.7	1.7	3.7	1.3	2.5
Barclays Capital Credit Bond	Corporate Bonds	0.5	0.5	1.5	2.0	4.1
Intermediate Aggregate	Core Intermediate	1.1	1.1	3.0	1.6	2.7
Intermediate Gov/Credit	Gov / Credit Intermediate	1.0	1.0	2.7	1.4	2.4
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.3	0.3	1.2	0.5	0.7
CSFB High Yield	High Yield Bonds	-5.2	-5.2	-4.0	3.3	5.9
Barclays Global Ex US	International Treasuries	1.4	1.4	-6.8	-4.6	-2.0
Citi World Gov't Bond Index	International Fixed Income	1.7	1.7	-3.8	-2.8	-0.2
Barclays Global Aggregate	International Fixed Income	0.9	0.9	-3.3	-1.6	0.8
Barclays Global Aggregate Ex US	International Fixed Income	0.6	0.6	-7.7	-4.0	-0.9
<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	2.1	2.1	9.5	9.5	12.0
NCREIF NFI-ODCE Index	Real Estate	3.7	3.7	14.9	13.4	14.0
NCREIF Timber Index	Timber	0.8	0.8	9.3	9.8	6.3
Bloomberg Commodity Index	Commodities	-14.5	-14.5	-26.0	-16.0	-8.9
HFRI FOF Composite	Hedge Funds	-3.6	-3.6	0.0	4.2	2.7

**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)
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- \* 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.
- \* All values for the Pooled Cash account since June 2012 are estimated and subject to change.