



City Of Burlington Employees Retirement Plan

Performance Review
December 2015

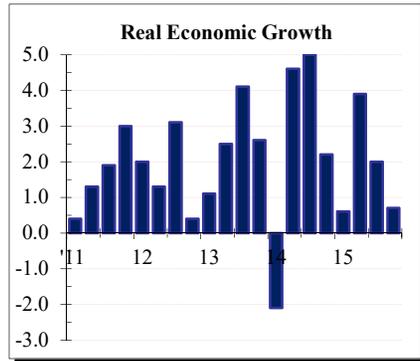


DAHAB ASSOCIATES
New York Massachusetts Pennsylvania Florida

ECONOMIC ENVIRONMENT

More jobs and a rate increase – finally

The advanced estimate for fourth quarter real GDP was a disappointing 0.7%, a significant drop off from the 2.0% rate in the third quarter. The



economy was robust enough that large numbers of new jobs were added. Buoyed by the job picture and cheap gasoline, consumers should have been more inclined to spend, but did so less than expected. The service sector showed strong growth. Inflation remained tame, as commodity prices declined (energy, metals and grain) and prices of imports fell because of a

strengthening dollar. The housing market continued to recover as well. Giving in to pressure to do so, the Federal Reserve Board raised the Fed Funds rate for the first time in seven years. More specifics follow:

- Q4 advanced-estimate real GDP grew 0.7%, a slowdown from the third quarter's 2.0% gain. Growth was driven by consumer and corporate spending and also state and local government expenditures. On the flip side, lower inventories and rising imports dampened growth. The Federal Reserve Board projects full year GDP at 2.1% and 2016 GDP at 2.4%, as modest, steady growth is the order of the day.
- Job gains could hardly have been better, with 292,000 new hires in December alone. The unemployment rate was unchanged at 5.0%, suggesting that some longer-term unemployed began to look for work again. For the year, 2.7 million new jobs were added to the rolls. Further, the labor force participation rate ticked up to 62.6%. Workers enjoyed an average annual salary bump of 2.5%.
- Home prices rose 6.3% for the year ended November, but still remain 7.3% below their April 2006 peak. Housing has enjoyed 45 consecutive months of price increases, with the current national median price at \$220,000. While the pace has recently subsided overall, the states of Colorado, Hawaii, Montana, and New York continued to post new highs.

- December's ISM Manufacturing Index slowed to 48.2, down slightly from November. Textiles, paper and chemical products, miscellaneous manufacturing and food advanced. The other 12 sectors declined, especially clothing and related. The Non-Manufacturing Index took up the slack, posting 55.3 (50 or higher represents growth). Eleven service sectors reported growth, especially lodging, food, healthcare and social assistance. Wholesale trade, public administration and transportation experienced declines. When all sectors are combined, the overall economy has been advancing for 77 straight months!
- The December Consumer Confidence Index climbed to 96.5 from 92.6 in November, largely due to continuing job growth. The Present Situation component jumped to 115.3 vs. 83.9 for the Expectations Index; this means that workers are happy with their immediate situation, but are far more cautious when looking ahead six months. Still, the optimists outnumbered the pessimists.
- Commodity producers expressed profound unhappiness with plummeting prices, while the consumer was overjoyed with the turn of events. Most commodities were in freefall for the fourth quarter (-4.4%) and the year (-17.5%). Energy was the biggest loser, followed by metals, grains, and animal protein. China's lower appetite for raw materials had a major dampening effect. The only price gains occurred among so-called soft commodities, such as orange juice, sugar, cotton, and coffee, which all gained ground during a record warm and rainy year.
- There was little sign of inflation, given cheap gas, stagnant salaries and competitively-priced imports (due largely to devalued foreign currencies). In December, CPI declined 0.1%. Inflation was tame during the year, at 0.7%.
- After seven long years, the Fed decided that employment had improved and inflation expectations had finally reached the tipping point; so, on December 16th, the Board unanimously voted for a ¼% Fed Funds rate hike. Fed Chair Janet Yellen clearly remained concerned about an inflation rate that was too weak, but was encouraged by at least modest salary increases. She was also pleased by the job gains and easing economic hardship among households. Still, it remains unclear if and when there will be further rate increases during 2016. Until then, the Fed's monetary stance is to watch and wait.

DOMESTIC EQUITIES

Q4 Rally, but a Flat Year

US stocks led a global rally as economic growth chugged along, the Fed finally acted and several prominent mergers took place. The bellwether S&P 500 rose 7% and the DJIA gained 7.7%. The NASDAQ Composite performed still better (+8.7%), led by Apple, Disney and Google. Real estate kept pace with the Wilshire REIT Index, rising 7.5%. Growth stocks of all sizes bested their value style counterparts for the quarter. For example, the Russell 1000 Growth Index rose 7.3% while the comparable Value Index added 5.6%. Among smaller-sized companies, the Russell 2000 Growth Index gained 4.3% vs. 2.9% for the small value index. The performance gaps were much wider for the full year, again favoring growth; the combined Russell 3000 Growth Index posted a 5.1% positive return vs. a 4.1% decline for value.

In a reversal from the third quarter, every S&P sector turned in positive performance for the fourth quarter. Manufacturing companies took first place by returning over 12%. Computer technology and broader tech firms returned an average of 11.9% and 8.7%, respectively. Reflecting robust 3rd quarter earnings, tech giants Microsoft and Alphabet (new parent of Google) soared in price. The broad consumer sector captured more than 7%, as Amazon streaked to a 32% gain and healthcare names shined, too. Financial names also had a strong showing (+6.4%).

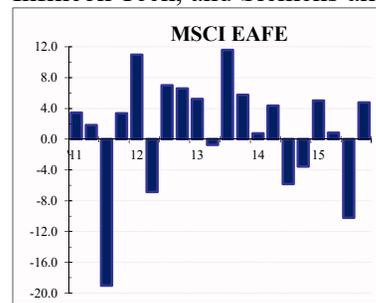
INTERNATIONAL EQUITIES

Developed Markets: Good Fourth Quarter but only a Marginal Year

Emerging Markets: Dismal

The MSCI EAFE Index advanced 4.75% for the quarter, with most countries contributing. The European component rose, but lagged the index, returning just 2.5%. Within Europe, Belgium was a 13.9% standout; its Anheuser-Busch shares climbed in sync with its takeover bid for SABMiller. Next in the ranking, after Finland, was the German market,

which rose 7.7% despite the enormous refugee influx. German-based SAP, Infineon Tech, and Siemens all advanced smartly. Irish shares rose 7% as



its economy successfully engineered an austerity program. By contrast, Italy failed in that regard and was down 2.3%. Spain, fighting Catalanian secession, fell 2.5%. The French bourse rose only 1.8% and the UK gained even less (+0.7%), exposed to a weaker pound sterling and its own refugee issues.

Australia's banking sector more than offset the continuing rout among commodity firms. All four of its largest banks raised lending rates, while mega-sized BHP Billiton not only suffered in the commodity markets, but also got hit with a Brazilian environmental lawsuit. Overall, the Australian market gained a healthy 10%.

The Pacific Rim scored a 9% increase, mostly driven by the large Japanese market where investors rewarded the Bank of Japan's continuing stimulus program. In addition, shares of Japanese pharma, telecom, and auto companies performed particularly well. Hong Kong added 6%, supported by China's efforts to revive its gambling industry. However, one of that market's few negatives was its slumping real estate development sector. Tiny Israel rose 9.1%, mainly on the strength of its tech industry.

Full year 2015 EAFE returns were similar US returns, declining -0.4%. European shares fell 2.3%, while Australia suffered a commodity-related 9.8% drop. The Pacific Rim fared better, gaining 3.2%.

For a very long time, emerging markets (EM) were investor favorites, historically offering both meaningful diversification and high-flying results, but not last year. Most country participants have issues ranging from commodity fatigue, political and financial turmoil, free-falling currencies and just plain disappointment, e.g. China. For the record, the EM Index did produce slightly positive fourth quarter results (+0.7%). However, the full year result was a stunning 14.6% loss! The biggest EM players are known as the BRIC countries - Brazil, Russia, India, and China. Brazil has every investment problem imaginable, including a legislative attempt to unseat the current President Rousseff. That country's fourth quarter damage was a relatively low 3.2% loss. However, given the

disastrous commodity slide, Brazil's yearly return was a staggering 41.2% loss! Russia lost 4% for the quarter, but gained 5% for the year. In doing so, Russia had to counter a plunge in the ruble. Investors had pinned great hopes on India, based on the business-oriented Prime Minister Modi. However, Indian shares languished, in part because Modi's vaunted reform program has become bogged down. India's fourth quarter return was -0.9% and yearly return, -6.1%. On the China front, the outcome wasn't much worse. The main reason for investor concern was the slowing of its vast economy. Still, China shares gained 4% in the fourth quarter and fell moderately for the year (-7.6%).

The smaller economies had their problems as well:

- Indonesian stocks surged almost 21% for the quarter as the government pressed forward many economic reforms, which resulted in a strengthening of its currency. Nonetheless, that market tumbled 19.1% for the year.
- Korean shares added 5.7% in the fourth quarter, powered by a Samsung share buyback announcement. For the year, Korea lost a moderate 6.3%.
- Turkey was able to stave off market ruin despite the downing of a Russian aircraft, the refugee crisis and a civil war with its Kurdish minority. Turkey's quarterly return was -0.2%; but its full-year 31.6% loss strongly suggested that all of these issues were major concerns for investors.
- South Africa was dealing with several liabilities such as political instability under President Zuma, a sagging rand currency and banking woes. As a result, its shares fell 10.5% for the quarter and more than 25% for the year.
- The Greek stock market seemed irredeemable, as it coped with a new austerity program under re-elected Prime Minister Tsipras. Greece's fourth quarter return was -19% and its 2015 loss of more than 61% was the worst in the index.

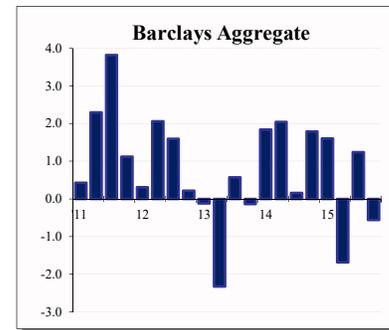
BOND MARKET

Poor Fourth Quarter and Marginal Full Year

Interest rates rose during the fourth quarter all along the yield curve. Minimal yields coupled with good employment numbers and fourth

quarter strength in the equity market led investors away from the bond market. But the main reason for higher yields was the Fed's decision to finally raise the Fed Funds rate by ¼%. The two-year Treasury yield climbed 42 basis points to 1.05%. Longer maturity Treasuries also climbed, but to a lesser extent; the 10-year rose 23 basis points and the 30-year 17 basis points. Residential mortgage rates ticked up accordingly.

The Barclays Aggregate Index gave back 0.6% during the quarter. Treasuries of all maturities lost 0.9%, while corporates dropped 0.6%. The



best-performing corporate sector (investment grade) was financials (+0.1%), benefiting from higher lending rates. Industrials and utility issues fell 1.0% and 0.7%, respectively. The residential mortgage-backed sector returned a negative 0.1%. By comparison, commercial mortgage-backed issues lost 1.2%. Full year return for the Aggregate Index was a disappointing +0.6%. Actually, that outcome masked a very volatile year for interest rates and was no worse than the broad equity market (+0.5%).

High yield bonds fared worse (-2.1%) than investment grade, especially within the suffering metals, mining and energy sectors. Single B credits fell 2%; CAAs dropped 7.5%; and lowest-rated names (CA-D) tumbled more than 22%! It did not help that a large high yield mutual fund closed its doors and temporarily froze investors' assets. Full-year return for high yields was -4.5%.

For the quarter, the G-6 (G7 x-US) Global Treasury declined 1.1%, roughly equal to US Treasuries. Year 2015 return for the G-6 was -3.6%. Emerging markets sovereign debt offered a pleasant surprise vs. developed markets for the quarter; the EM bond index gained 1.2%.

CASH EQUIVALENTS

Hardly Noticeable Change after the Fed Move

The ultra-short end of the yield curve didn't move during the quarter. The result was yet another essentially zero return for investors. Even the Fed's ¼% interest rate hike failed to move the cash equivalent market.

MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	0.7	2.0
Unemployment	5.0	5.1
CPI All Items Year/Year	0.70	0.00
Fed Funds Rate	0.50	0.25
Industrial Capacity	76.5	77.9
US Dollars per Euro	1.09	1.12

MAJOR INDEX QUARTER RETURNS

INDEX	PERFORMANCE
Russell 3000	6.3
S&P 500	7.0
Russell Mid	3.6
Russell 2000	3.6
MSCI EAFE	4.7
MSCI Emg Mkts	0.7
NCREIF ODCE	3.3
Barclays Agg	-0.6
90 Day Tbills	0.0

EQUITY RETURN DISTRIBUTIONS

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	5.6	6.5	7.3	-3.8	0.9	5.7
MC	3.1	3.6	4.1	-4.8	-2.4	-0.2
SC	2.9	3.6	4.3	-7.5	-4.4	-1.4

MARKET SUMMARY

- * **Advanced Estimate 4th quarter GDP was a mild 0.7%.**
- * **Unemployment fell to 5%.**
- * **CPI increased at a tame 0.7% year over year.**
- * **Domestic equities made up their 3rd quarter losses. Growth outperformed value across all cap sizes. Large cap stocks outperformed mid and small caps.**
- * **The US dollar strengthened relative to the Euro.**

INVESTMENT RETURN

On December 31st, 2015, the City of Burlington Employees Retirement System was valued at \$152,607,868, representing an increase of \$345,985 from the September quarter's ending value of \$152,261,883. Last quarter, the Fund posted withdrawals totaling \$1,673,778, which offset the portfolio's net investment return of \$2,019,763. Since there were no income receipts for the fourth quarter, the portfolio's net investment return figure was the product of net realized and unrealized capital gains totaling \$2,019,763.

For the cumulative period since December 2005, the account has posted net withdrawals totaling \$13.2 million and recorded net investment gains totaling \$58.7 million. Since December 2005, if the portfolio returned a compounded nominal rate of 8.0% it would have been valued at \$213.3 million or \$60.7 million more than its actual value as of December 31st, 2015.

RELATIVE PERFORMANCE

Total Fund

For the fourth quarter, the total portfolio returned 1.3%, which was 0.3% less than the Burlington Manager Shadow Index's return of 1.6% and ranked in the 97th percentile of the Public Fund universe. Over the trailing year, the portfolio returned -1.7%, which was 0.5% below the benchmark's -1.2% performance, ranking in the 90th percentile. Since December 2005, the account returned 4.7% on an annualized basis and ranked in the 95th percentile.

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	FYTD	1 Year	3 Year	5 Year	Since 12/05
Total Portfolio	1.3	-3.7	-1.7	3.6	5.1	4.7
<i>PUBLIC FUND RANK</i>	(97)	(87)	(90)	(99)	(95)	(95)
MANAGER SHADOW	1.6	-3.2	-1.2	4.2	4.6	----
POLICY INDEX	3.4	-0.9	0.6	8.1	7.5	6.0

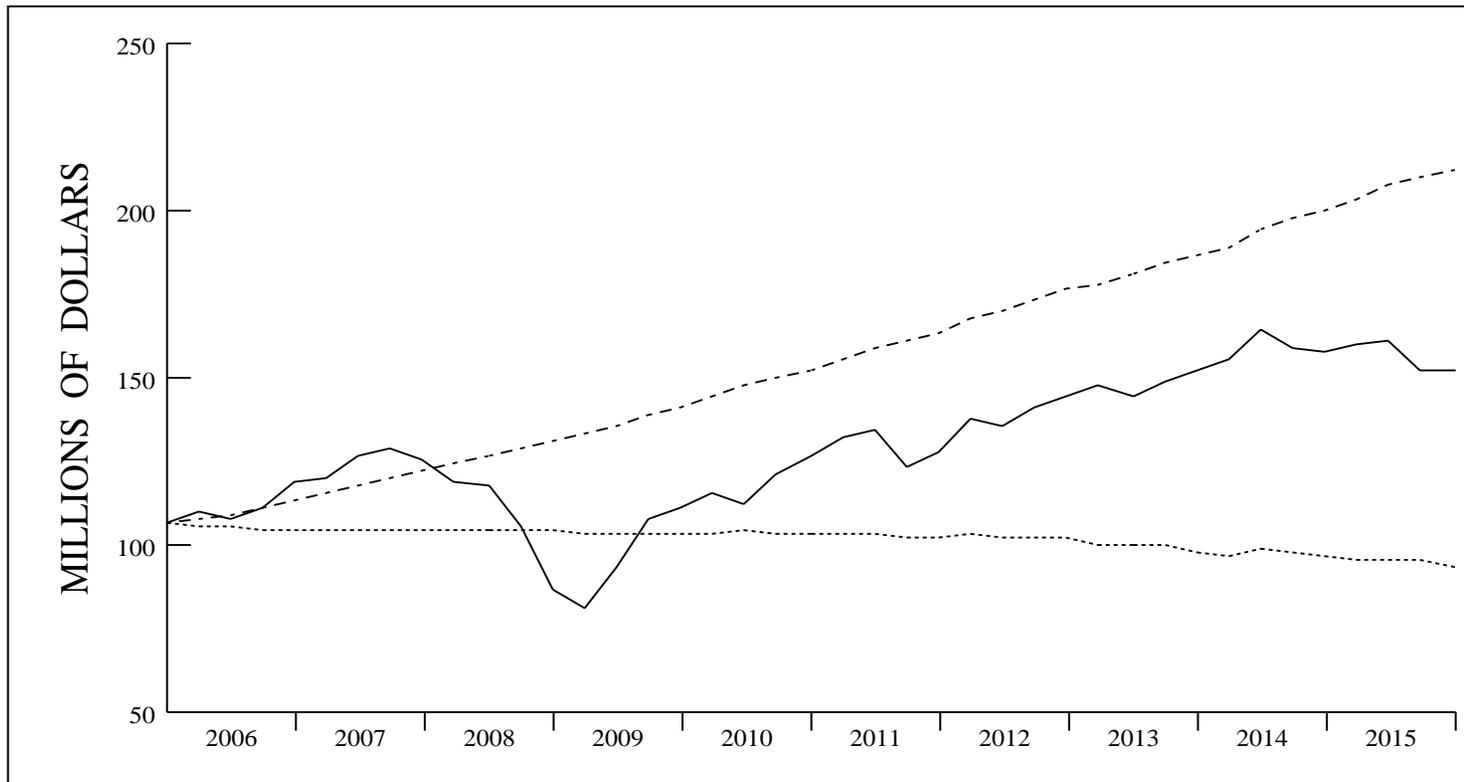
ASSET ALLOCATION

Diversified	0.1%	\$ 145,883
Equity	2.4%	3,612,524
Absolute Retn	0.0%	-2,484
Real Assets	2.2%	3,344,126
Fixed Income	0.0%	29,237
Cash	95.3%	145,478,582
Total Portfolio	100.0%	\$ 152,607,868

INVESTMENT RETURN

Market Value 9/2015	\$ 152,261,883
Contribs / Withdrawals	- 1,673,778
Income	0
Capital Gains / Losses	2,019,763
Market Value 12/2015	\$ 152,607,868

INVESTMENT GROWTH



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

VALUE ASSUMING
 8.0% RETURN \$ 213,318,142

	LAST QUARTER	PERIOD 12/05 - 12/15
BEGINNING VALUE	\$ 152,261,883	\$ 107,142,072
NET CONTRIBUTIONS	- 1,673,778	- 13,193,748
<u>INVESTMENT RETURN</u>	<u>2,019,763</u>	<u>58,659,544</u>
ENDING VALUE	\$ 152,607,868	\$ 152,607,868
INCOME	0	10,960,574
<u>CAPITAL GAINS (LOSSES)</u>	<u>2,019,763</u>	<u>47,698,968</u>
INVESTMENT RETURN	2,019,763	58,659,544

MANAGER ALLOCATION SUMMARY

Prior Quarter Market Value	%	Fund Name	Style	Current Quarter Market Value	%
\$10,870,588	7.1	AQR	(DIVE)	\$59,775	0.0
\$3,141,239	2.1	Mellon Dynamic Growth	(DIVE)	\$19,417	0.0
\$8,975,154	5.9	Pimco All Asset	(DIVE)	\$66,691	0.0
\$12	0.0	Wellington GAA	(DIVE)	\$0	0.0
\$4,482,375	2.9	SSgA Equal Weight	(LCOR)	\$121,536	0.1
\$11,789,512	7.7	SSgA S&P 500	(LCOR)	\$283,574	0.2
\$307	0.0	T Rowe Price	(LCOR)	\$307	0.0
\$988,788	0.6	SSgA S&P 400	(MIDC)	\$22,627	0.0
\$2,926,966	1.9	Champlain	(SMID)	\$77,804	0.1
\$760,194	0.5	SSgA R2000G	(SCGR)	\$12,495	0.0
\$3,010,818	2.0	Wellington SCV	(SCVA)	\$66,218	0.0
\$3,105,731	2.0	SSgA ACWI Ex-US	(FORN)	\$50,455	0.0
\$5,890,369	3.9	Acadian	(INEQ)	\$104,754	0.1
\$5,743,222	3.8	Mondrian Int'l Eq	(INEQ)	\$113,716	0.1
\$7,851,522	5.2	Aberdeen	(EMGM)	\$46,075	0.0
\$3,888,184	2.6	Schroder	(COMM)	\$63,530	0.0
\$18,022	0.0	GAM	(HEDG)	\$2	0.0
\$7,227,142	4.7	Grosvenor	(HEDG)	\$-2,486	0.0
\$1,075,876	0.7	Hamilton Lane II	(PREQ)	\$713,203	0.5
\$1,213,583	0.8	Hamilton VII A	(PREQ)	\$1,179,871	0.8
\$782,393	0.5	Hamilton VII B	(PREQ)	\$758,401	0.5
\$406,603	0.3	Harbourvest Buyout	(PREQ)	\$17,999	0.0
\$53,190	0.0	Harbourvest Credit	(PREQ)	\$1,218	0.0
\$619,891	0.4	Harbourvest Dover	(PREQ)	\$16,466	0.0
\$67,683	0.0	Harbourvest HIPEP VII	(PREQ)	\$-66	0.0
\$346,830	0.2	Harbourvest Venture	(PREQ)	\$25,871	0.0
\$871,879	0.6	Siguler Guff	(REAL)	\$0	0.0
\$7,773,921	5.1	VPIC R E	(REAL)	\$-22,969	0.0
\$3,159,367	2.1	Molpus	(TIMB)	\$3,303,565	2.2
\$4,122,708	2.7	Allianz Structured	(FIXD)	\$-18,995	0.0
\$6,865,788	4.5	GAM Unconstrained	(FIXD)	\$-15,875	0.0
\$7,670,236	5.0	Pimco Core Plus	(FIXD)	\$-19,164	0.0
\$4,007,553	2.6	Pimco Unconstrained	(FIXD)	\$8,230	0.0
\$4,531,082	3.0	SSgA Aggregate Bond	(FIXD)	\$-12,656	0.0
\$4,214,289	2.8	Wellington FX	(FIXD)	\$7,738	0.0
\$4,657,376	3.1	Mondrian Fixed	(GLFX)	\$-5,102	0.0
\$4,966,874	3.3	BlackRock TIPS	(TIPS)	\$2,569	0.0
\$4,511,873	3.0	Guggenheim	(HIYL)	\$36,007	0.0
\$1,443,084	0.9	KDP	(HIYL)	\$15,862	0.0
\$7,278,640	4.8	Wellington Emg Debt	(EMFX)	\$30,623	0.0
\$467,307	0.3	Cash	(CASH)	\$-715,888	-0.5
\$5,000	0.0	Key Bank	(CASH)	\$144,692,146	94.8
\$478,712	0.3	VPIC Cash	(CASH)	\$1,502,324	1.0
\$152,261,883	100.0	Composite	(TOTL)	\$152,607,868	100.0

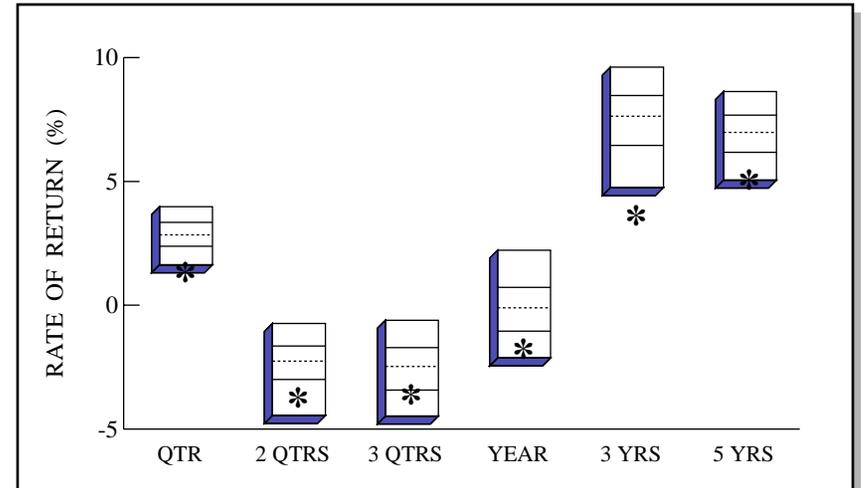
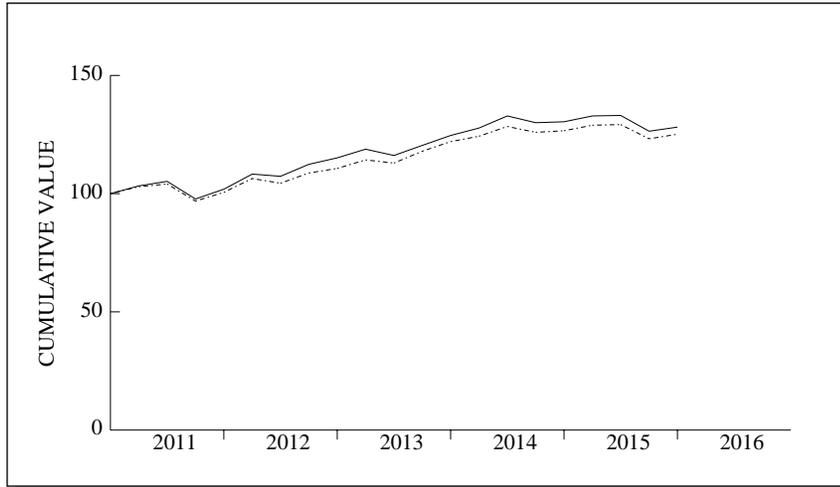
MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since 12/05 or Inception
Composite	(Public Fund)	1.3 (97)	-3.7 (87)	-1.7 (90)	3.6 (99)	5.1 (95)	4.7 (95) 12/05
<i>Manager Shadow</i>		<i>1.6 ----</i>	<i>-3.2 ----</i>	<i>-1.2 ----</i>	<i>4.2 ----</i>	<i>4.6 ----</i>	<i>---- ----</i>
Hamilton Lane II		-8.4 ----	-10.1 ----	-6.3 ----	6.8 ----	10.9 ----	10.9 ---- 12/10
<i>S&P Completion</i>		<i>3.1 ----</i>	<i>-7.8 ----</i>	<i>-3.3 ----</i>	<i>12.8 ----</i>	<i>10.4 ----</i>	<i>10.4 ----</i>
Hamilton VII A		-0.6 ----	2.1 ----	7.9 ----	15.8 ----	---- ----	14.1 ---- 09/11
<i>S&P Completion</i>		<i>3.1 ----</i>	<i>-7.8 ----</i>	<i>-3.3 ----</i>	<i>12.8 ----</i>	<i>10.4 ----</i>	<i>16.7 ----</i>
Hamilton VII B		-2.8 ----	1.9 ----	2.7 ----	7.9 ----	---- ----	7.5 ---- 09/11
<i>S&P Completion</i>		<i>3.1 ----</i>	<i>-7.8 ----</i>	<i>-3.3 ----</i>	<i>12.8 ----</i>	<i>10.4 ----</i>	<i>16.7 ----</i>
Molpus		6.3 ----	6.8 ----	7.5 ----	6.7 ----	3.2 ----	3.2 ---- 12/10
<i>NCREIF Timber</i>		<i>1.9 ----</i>	<i>2.6 ----</i>	<i>5.0 ----</i>	<i>8.4 ----</i>	<i>6.8 ----</i>	<i>6.8 ----</i>

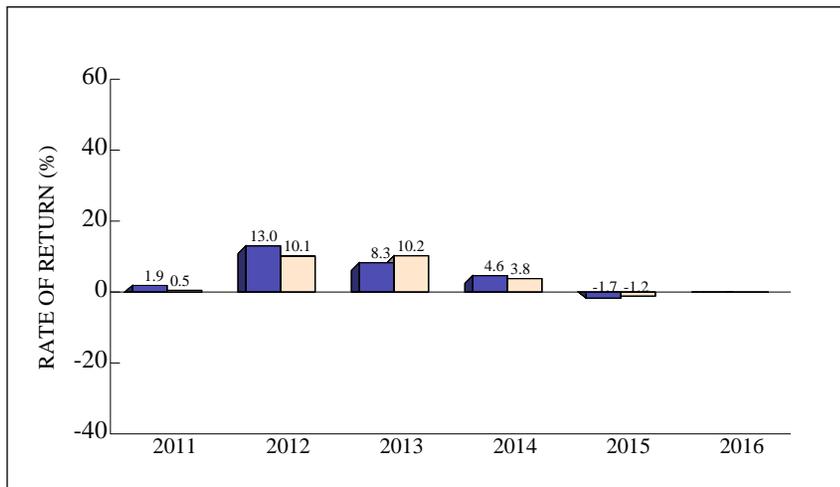
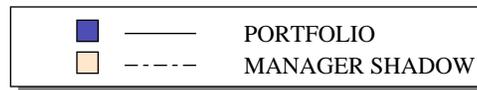
MANAGER VALUE ADDED

1 Quarter	Portfolio	Benchmark	1 Year
 -11.5	Hamilton Lane Secondary Fund II	S&P Completion	 -3.0
 -3.7	Hamilton Lane Private Equity Fund VII Series A Offshore	S&P Completion	11.2 
 -5.9	Hamilton Lane Private Equity Fund VII Series B Offshore	S&P Completion	6.0 
4.4 	Molpus Sustainable Woodlands Fund II	NCREIF Timber	2.5 
 -0.3	Total Portfolio	Manager Shadow	 -0.5

TOTAL RETURN COMPARISONS



Public Fund Universe

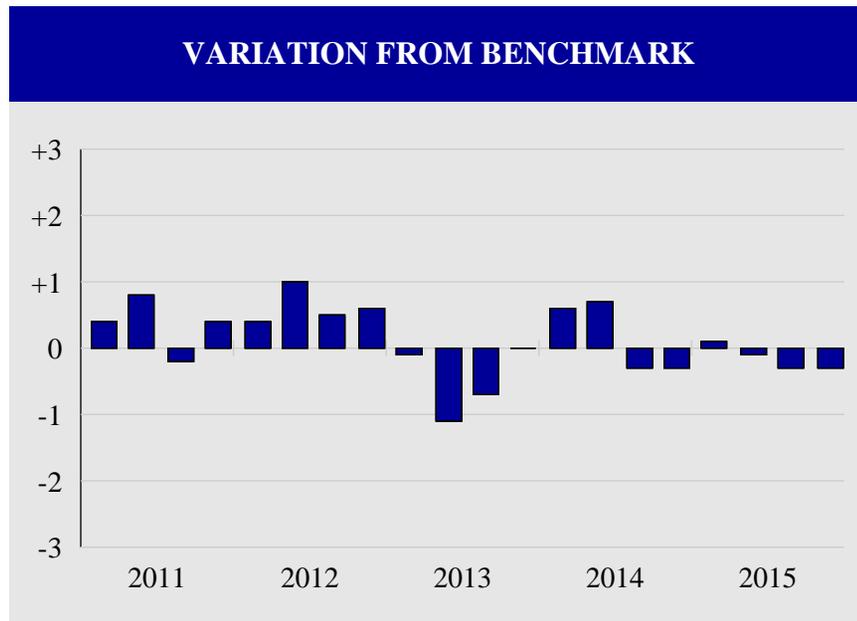


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	1.3	-3.7	-3.6	-1.7	3.6	5.1
(RANK)	(97)	(87)	(78)	(90)	(99)	(95)
5TH %ILE	4.0	-0.7	-0.6	2.2	9.6	8.6
25TH %ILE	3.4	-1.7	-1.7	0.7	8.5	7.7
MEDIAN	2.8	-2.3	-2.5	-0.1	7.6	7.0
75TH %ILE	2.4	-3.0	-3.4	-1.1	6.5	6.2
95TH %ILE	1.6	-4.5	-4.5	-2.1	4.8	5.1
Mgr Shadow	1.6	-3.2	-2.9	-1.2	4.2	4.6

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY - 5 YEARS

COMPARATIVE BENCHMARK: BURLINGTON MANAGER SHADOW INDEX



Total Quarters Observed	20
Quarters At or Above the Benchmark	11
Quarters Below the Benchmark	9
Batting Average	.550

RATES OF RETURN						
Date	Portfolio	Bench	Diff	-----Cumulative-----		
				Portfolio	Bench	Diff
3/11	3.3	2.9	0.4	3.3	2.9	0.4
6/11	1.9	1.1	0.8	5.2	4.1	1.1
9/11	-7.1	-6.9	-0.2	-2.3	-3.2	0.9
12/11	4.2	3.8	0.4	1.9	0.5	1.4
3/12	6.3	5.9	0.4	8.3	6.4	1.9
6/12	-0.9	-1.9	1.0	7.3	4.4	2.9
9/12	4.7	4.2	0.5	12.4	8.7	3.7
12/12	2.4	1.8	0.6	15.1	10.7	4.4
3/13	3.2	3.3	-0.1	18.8	14.3	4.5
6/13	-2.3	-1.2	-1.1	16.1	13.0	3.1
9/13	3.7	4.4	-0.7	20.4	17.9	2.5
12/13	3.5	3.5	0.0	24.6	22.0	2.6
3/14	2.5	1.9	0.6	27.7	24.3	3.4
6/14	4.0	3.3	0.7	32.9	28.4	4.5
9/14	-2.2	-1.9	-0.3	30.0	25.9	4.1
12/14	0.3	0.6	-0.3	30.4	26.6	3.8
3/15	1.9	1.8	0.1	32.9	28.9	4.0
6/15	0.1	0.2	-0.1	33.1	29.2	3.9
9/15	-5.0	-4.7	-0.3	26.4	23.2	3.2
12/15	1.3	1.6	-0.3	28.1	25.1	3.0

Private Equity Investor Report
Hamilton Lane Secondary Fund II LP

IRR Since Inception		15.79%	Annualized, Net of Fees
Market Value	\$	713,203	Last Statement Date:12/31/2015
Initial Commitment	\$	3,400,000	100.00%
Capital Committed	\$	2,982,695	87.73%
Remaining Commitment	\$	417,305	12.27%

Date	Contributions	% of Commitment	Recallable Distributions	% of Commitment	Distributions
Year 2009	\$ 518,361	15.25%	\$ (151,904)	-4.47%	\$ -
Year 2010	\$ 1,109,828	32.64%	\$ -	-	\$ (87,992)
Year 2011	\$ 607,254	17.86%	\$ (115,109)	-3.39%	\$ (361,234)
Year 2012	\$ 934,221	27.48%	\$ -	-	\$ (836,516)
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)
11/20/2015	\$ -	-	\$ -	-	\$ (278,361)
Total	\$ 3,266,974	96.09%	\$ (284,279)	-8.36%	\$ (3,691,597)

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

IRR Since Inception	12.04%	Annualized, Net of Fees
Market Value	\$ 1,179,871	Last Statement Date:12/31/2015
Initial Commitment	\$ 1,500,000	100.00%
Capital Committed	\$ 1,195,659	79.71%
Remaining Commitment	\$ 304,341	20.29%

Date	Contributions	% of Commitment	Recallable Distributions	% of Commitment	Distributions
7/27/2011	\$ 172,500	11.50%	\$ -	-	\$ -
9/27/2011	\$ 52,500	3.50%	\$ -	-	\$ -
11/15/2011	\$ 52,500	3.50%	\$ -	-	\$ -
12/30/2011	\$ 67,947	4.53%	\$ -	-	\$ -
4/24/2012	\$ 83,394	5.56%	\$ -	-	\$ (32,311)
6/24/2012	\$ 52,500	3.50%	\$ -	-	\$ -
8/23/2012	\$ 45,000	3.00%	\$ -	-	\$ (3,692)
10/15/2012	\$ 67,500	4.50%	\$ -	-	\$ (23,932)
11/21/2012	\$ 80,250	5.35%	\$ -	-	\$ -
3/12/2013	\$ 48,750	3.25%	\$ -	-	\$ (27,930)
2/14/2014	\$ 61,500	4.10%	\$ -	-	\$ -
5/20/2014	\$ 187,500	12.50%	\$ -	-	\$ (151,650)
7/14/2014	\$ 50,522	3.37%	\$ -	-	\$ (19,283)
1/6/2015	\$ 145,117	9.67%	\$ -	-	\$ (88,738)
12/8/2015	\$ 28,179	1.88%	\$ -	-	\$ (51,519)
Total	\$ 1,195,659	79.71%	\$ -	0.00%	\$ (399,055)

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

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

IRR Since Inception	5.29% Annualized, Net of Fees	
Market Value	\$ 758,401	Last Statement Date:12/31/2015
Initial Commitment	\$ 1,000,000	100.00%
Capital Committed	\$ 823,725	82.37%
Remaining Commitment	\$ 176,275	17.63%

Date	Contributions	% of Commitment	Recallable Distributions	% of Commitment	Distributions
7/27/2011	\$ 160,000	16.00%	\$ -	-	\$ -
9/27/2011	\$ 35,000	3.50%	\$ -	-	\$ -
12/28/2011	\$ 50,723	5.07%	\$ -	-	\$ -
4/24/2012	\$ 56,445	5.64%	\$ -	-	\$ (22,962)
6/24/2012	\$ 50,000	5.00%	\$ -	-	\$ -
8/23/2012	\$ 50,000	5.00%	\$ -	-	\$ (2,909)
11/21/2012	\$ 30,000	3.00%	\$ -	-	\$ (16,671)
1/3/2013	\$ 40,000	4.00%	\$ -	-	\$ -
8/12/2013	\$ 100,000	10.00%	\$ -	-	\$ (35,860)
2/14/2014	\$ 44,000	4.40%	\$ -	-	\$ -
5/20/2014	\$ 80,000	8.00%	\$ -	-	\$ (49,323)
7/14/2014	\$ 45,512	4.55%	\$ -	-	\$ (3,495)
12/8/2014	\$ 16,254	1.63%	\$ -	-	\$ (29,570)
1/20/2015	\$ 65,791	6.58%	\$ -	-	\$ (11,610)
8/3/2015	\$ -	-	\$ -	-	\$ (9,735)
Total	\$ 823,725	82.37%	\$ -	0.00%	\$ (182,135)

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

Timber Investor Report
Molpus Sustainable Woodlands Fund II, LP

IRR Since Inception	2.67% Annualized, Net of Fees	
Market Value	\$ 3,303,565	Last Appraisal Date: 12/31/2015
Initial Commitment	\$ 3,400,000	100.00%
Capital Committed	\$ 3,400,000	100.00%
Remaining Commitment	\$ -	0.00%

Date	Contributions	% of Commitment	Recallable Distributions	% of Commitment	Distributions
2/28/2009	\$ 510,000	15.00%	\$ -	-	\$ -
9/30/2009	\$ 2,890,000	85.00%	\$ -	-	\$ -
4/30/2010	\$ -	-	\$ -	-	\$ (19,365)
6/30/2010	\$ -	-	\$ -	-	\$ (67,116)
12/31/2010	\$ -	-	\$ -	-	\$ (28,663)
6/30/2011	\$ -	-	\$ -	-	\$ (19,109)
12/31/2011	\$ -	-	\$ -	-	\$ (38,218)
12/31/2012	\$ -	-	\$ -	-	\$ (47,772)
6/25/2013	\$ -	-	\$ -	-	\$ (76,435)
12/31/2013	\$ -	-	\$ -	-	\$ (114,653)
3/31/2014	\$ -	-	\$ -	-	\$ (47,772)
9/30/2014	\$ -	-	\$ -	-	\$ (47,772)
12/31/2014	\$ -	-	\$ -	-	\$ (28,663)
3/31/2015	\$ -	-	\$ -	-	\$ (38,218)
9/30/2015	\$ -	-	\$ -	-	\$ (47,772)
12/31/2015	\$ -	-	\$ -	-	\$ (47,772)
Total	\$ 3,400,000	100.00%	\$ -	0.00%	\$ (669,300)

BURLINGTON EMPLOYEES RETIREMENT SYSTEM

Portfolio Returns as of December 31, 2015

Portfolio	QTR	FYTD	1 Year	Since 3/31/09	Since 12/31/07	Inception Date
Total Portfolio	1.3	-3.7	-1.7	11.1	3.5	12/07
VPIC Assets*	1.3	-3.9	-1.8	11.2	3.6	12/07
Non-VPIC Assets**	1.5	2.5	5.5	10.8	N/A	03/09
Hamilton Lane***	-3.7	-2.1	1.6	16.7	N/A	03/09
Molpus Timber	6.3	6.8	7.5	4.5	N/A	03/09

Fiscal Year Start date: July 1st.

**Source: NEPC for periods prior to Q4 2015. The Q4 2015 return reflects Burlington's return during liquidation.*

***Asset allocation on 9/30/15: 49.3 Private Equity & 50.7% Timber. Cash accounts are excluded*

***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.*

APPENDIX - MAJOR MARKET INDEX RETURNS

Equity	Style	QTR	FYTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	6.3	-1.4	0.5	14.7	12.2
S&P 500	Large Cap Core	7.0	0.2	1.4	15.1	12.6
Russell 1000	Large Cap Core	6.5	-0.8	0.9	15.0	12.4
Russell 1000 Growth	Large Cap Growth	7.3	1.6	5.7	16.8	13.5
Russell 1000 Value	Large Cap Value	5.6	-3.2	-3.8	13.1	11.3
Russell 2000	Small Cap	3.6	-8.8	-4.4	11.7	9.2
Russell 2000 Growth	Small Cap Growth	4.3	-9.3	-1.4	14.3	10.7
Russell 2000 Value	Small Cap Value	2.9	-8.2	-7.5	9.1	7.7
MSCI EAFE	Developed Markets	4.7	-5.9	-0.4	5.5	4.0
MSCI EAFE Growth	Developed Markets Growth	6.7	-2.6	4.5	7.2	5.0
MSCI EAFE Value	Developed Markets Value	2.7	-9.3	-5.2	3.7	3.1
MSCI Emerging Markets	Emerging Markets	0.7	-17.2	-14.6	-6.4	-4.5
MSCI All Country World	Global Equity	5.2	-4.7	-1.8	8.3	6.7
MSCI All Country World Ex US	Global Equity (ex. US)	3.3	-9.2	-5.3	1.9	1.5
Fixed Income	Style	QTR	FYTD	1 Year	3 years	5 Years
Barclays Aggregate Index	Core Fixed Income	-0.6	0.7	0.6	1.4	3.3
Barclays Gov/Credit	Gov/Credit	-0.7	0.4	0.2	1.2	3.4
Barclays Capital Gov't Bond	Treasuries	-0.9	0.8	0.8	1.0	2.8
Barclays Capital Credit Bond	Corporate Bonds	-0.5	0.0	-0.8	1.5	4.4
Intermediate Aggregate	Core Intermediate	-0.5	0.6	1.2	1.4	2.7
Intermediate Gov/Credit	Gov / Credit Intermediate	-0.7	0.3	1.1	1.1	2.6
ML/BoA 1-3 Year Treasury	Short Term Treasuries	-0.4	-0.1	0.5	0.5	0.6
Citi High Yield BB & B Index	High Yield Bonds	-1.7	-6.8	-4.2	1.5	5.0
Barclays Global Ex US	International Treasuries	-1.1	0.3	-4.8	-4.2	-1.4
Citi World Gov't Bond Index	International Fixed Income	-1.2	0.5	-3.6	-2.7	-0.1
Barclays Global Aggregate	International Fixed Income	-0.9	-0.1	-3.2	-1.7	0.9
Barclays Global Aggregate Ex US	International Fixed Income	-1.3	-0.6	-6.0	-4.1	-0.8
Alternative Assets	Style	QTR	FYTD	1 Year	3 years	5 Years
MSCI US REIT Index	REITs	7.1	9.3	2.5	11.1	11.9
NCREIF NFI-ODCE Index	Real Estate	3.3	7.1	15.0	13.8	13.6
NCREIF Timber Index	Timber	1.9	2.6	5.0	8.4	6.8
Bloomberg Commodity Index	Commodities	-10.5	-23.5	-24.7	-17.3	-13.5
HFRI FOF Composite	Hedge Funds	0.7	-2.9	-0.3	3.9	2.1

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)
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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 subject to change. Audited statements are not provided for this account.