



City Of Burlington Employees Retirement Plan

Performance Review
December 2018

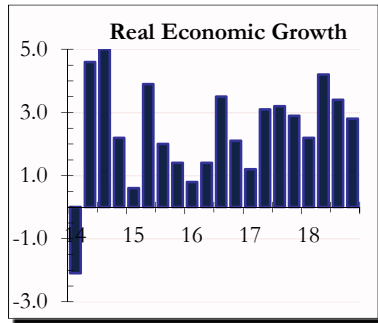


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ECONOMIC ENVIRONMENT

Staying Power

The US economy chugged along despite a trade war with China, entrenched beltway politics, higher short-term interest rates, and falling market prices. Third quarter GDP growth was 3.4% and the latest Q4 estimate is 2.8%. Why so healthy? Several factors contributed: government spending, corporate capital investment, inventory buildup, and consumer buying. Job growth was impressive in 2018, with 2.6 million more workers added to the rolls, and 312,000 new jobs added in December alone. While new and existing home sales fell during the quarter, existing home sales (*annualized as of November*) remained a robust 5.3 million. Importantly, inflation remained tame for both the quarter and the year.



Corporate manufacturing and services industries continued to expand, but the rate of growth diminished. Yet virtually all the individual industry sectors reported some growth. Consumer sentiment was off its recent high, but solidly above neutral. Consumers were happy with their current situation, but less so regarding the short-term future. In December, the Federal Reserve followed through on a final rate hike. Arguably, four increases in 2018 put a brake on the economy. However, Fed Chairman Jerome Powell also stated that additional increases may not occur because rates have already climbed to “the lower end of the neutral rate range.” Translation: expect no rate increases for a while!

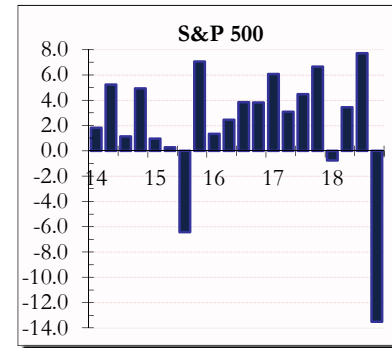
Commodity prices fell more than 9% for the quarter, mostly due to collapsing oil prices (-36%). The dollar’s strength and a slower Chinese economy also stymied the price of metals. Among commodities, the only bright lights were cocoa (+16.5%) and gold (+7.2%). While the economy accelerated during the quarter, the stock markets fell back. Brexit uncertainty and a simmering trade war were just two factors that contributed to an equities meltdown. Other contributors included a partial Government shutdown late in the year, lower anticipated corporate earnings, the huge and growing

Federal deficit, and very high stock prices at the beginning of October. Spoiler alert: cash became king.

DOMESTIC EQUITIES

Volatility and a Downward Slide

All of the major stock indices lost ground for the quarter. The NASDAQ’s tech stocks tumbled 17.3%. The S&P 500 lost 13.5%, and the DJIA, which is more defensive in nature, dropped 11.3%. Growth stocks, which had soared through September, fell more than value stocks. Among large companies, the Russell 1000 Growth Index lost 15.9% vs. the Russell 1000 Value Index, which was off 11.7%. The same pattern held true for smaller names, although declines were steeper. For example, the Russell Microcap Growth Index was pummeled 25% vs. a 19.5% drop for the Microcap Value Index. The growth–value disparity existed because growth stocks were already priced to “perfection,” but, this was not the case for value names.



With the exception of utilities, stocks in every other S&P sector ended in negative territory. Given the plunge in oil prices, the energy sector was the worst performer, down 23.8%. The IT sector, including the so-called FAANG (Apple added to the old FANG) stocks, gave back 17.3%. Industrials, consumer discretionary and telecom names weren’t far behind. Healthcare performed somewhat better (-8.7%) on the strength of new products and mergers. Consumer staples (-5.2%) benefited from sizable job growth. Finally, the “run for cover” utilities sector eked out a 1.4% gain. Even there, stocks of some utilities such as NextEra were in the black while others like PG&E were hemorrhaging. Overall, it was a tough quarter for stocks.

The market’s run-up through September partially offset the fourth quarter rout. For the full year, NASDAQ fell 2.8%, the S&P 500 dropped 4.4% and the DJIA lost 3.5%. Large-caps lost less than

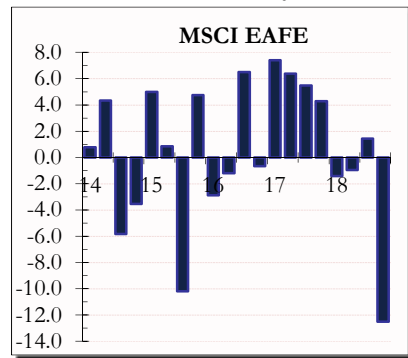
small-caps and growth fell a lot less than value. The Russell 1000 Growth was down 1.5% vs. an 8.3% loss for its value counterpart. The Russell 2000 Growth dropped 9.3% compared to the Russell 2000 Value, which lost 12.9%. Bottom line, the fourth quarter declines put a big dent in 2018 performance. But an unmitigated disaster it was not!

INTERNATIONAL EQUITIES

Falling Prices Far and Wide

A tightening US monetary policy and the trade impasse between the US and China have squeezed international developed stock markets. In addition, European economies have slumped and populist politicians have ascended to top positions. Australian shares weakened due to historic drought conditions and Japan suffered from lower exports and reduced tourism. The net effect: a 12.5% decline in the EAFE Index.

The Euro market fell 13.1% with Europe's two largest economies, France and Germany, each declining an average of 15%. France



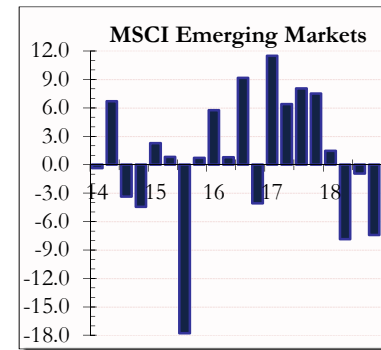
experienced civil unrest over a new green tax on fuel and Germany saw sinking auto sales. Italy, the third largest Euro economy, fell 11.8%, but mitigated its losses by adhering to a low annual projected deficit and making serious efforts to turn around its problem banks. Spain (-8.5%) enjoyed a more robust economy fueled by rising tourism and consumer spending. The UK

struggled with a slowing economy amid the ongoing Brexit crisis, but also employed many new workers. The net effect was a market loss of 11.8%. Ireland fell almost 18%, in anticipation of a possible closed UK border, post Brexit.

Australia, besieged by continued drought and reduced demand for its raw material, lost 10%. Japan shares dived 14%, reflecting a 2.5% GDP decline in the third quarter and natural disasters that dampened both exports and tourism. Singapore (-6.7%) suffered

from slow growth in its manufacturing and services sectors, but saw exports tick up. Hong Kong (-4.5%) was impacted both by China's slower growth and its own slumping property markets. It was surprising that shares didn't fall further. Israel (-14.3%) had healthy domestic growth and high consumer confidence; however, these positives were offset by corruption allegations against its long-time Prime Minister. Finally, Canada (not part of the EAFE Index) dealt with much lower oil export prices and slowing economic momentum, as well as its ties to the slumping US stock market. As a result, Canada's shares dropped more than 15%. For the full year, EAFE lost 12.5%, most of which occurred in the fourth quarter. For the larger countries, it was a particularly tough quarter and tough year.

Emerging market (EM) returns fell 7.4% for the quarter, continuing to fall far from its glory days through 2017. The reasons were obvious: the US tariff dispute with China, falling currencies, moderating China demand, new populist political leaders, and unique country issues. For full year 2018, the EM Index was 14.3% in the red. Excluding China, the loss was 12%, which was no worse than that of the EAFE. In the past, emerging market stocks have rebounded from worse situations to become top performers.



Brazil shined in an otherwise dismal EM performance array. Brazil is part of the BRIC country group that also includes Russia, India and China. This South American powerhouse made a dramatic turnaround for the quarter (+13.6%), due in part to the recent election of populist President Jair Bolsonaro, who is pro-business and has already begun to privatize some state-owned enterprises. In addition, oil giant Petrobras is under new leadership, with less state involvement. Russia (-8.8%), still mired in Ukraine-related sanctions, managed to gain some economic steam. A reduction in US sanctions against some major Russian companies helped, but the plunge in oil prices put a lid on any good news from the Russian economy. India was another positive performer (+2.5%), where lower oil prices proved a boon to its oil-importing economy. Still, weak agricultural output and bad banking loans acted as a brake on

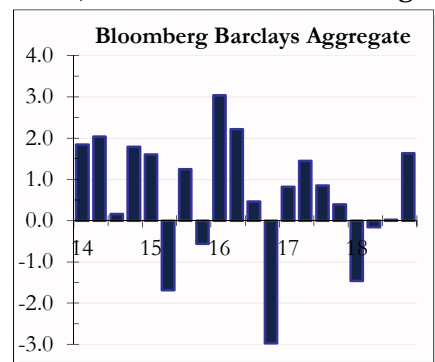
India's performance. China's economic story is familiar. Investors became net sellers as growth moderated from a very high base and investors feared potential disaster from the trade impasse with the US. Softening consumer demand for such items as autos and smart phones added to China's woes, sending its shares down 10.7%.

Among other emerging markets, Korean shares dropped 12.8% due to reduced electronics parts shipments and other issues. Taiwan's economy lost ground, by comparison (-13.7%), as China's renewed threats toward that island nation rattled investor confidence. Indonesian shares were surprisingly positive (+9.8%). Turkish shares turned positive (+4.8%) after a devastating drop earlier in the year. Still, the country's economy remains dismal. Finally, Mexico was down almost 19%. Compared to Brazil's new populist leader, Mexico's President Obrador is far to the political left, which has not helped the Mexican market. Not only has he threatened the role of private oil companies, but he has done so as oil prices were falling.

BOND MARKET

Modest Positive Returns in Some Sectors

In December, the Fed funds rate was raised for the fourth time in 2018; it now stands in the range of 2.25%–2.50%. In anticipation of the increase, rates all along the yield curve rose through November. Then, almost miraculously, rates dropped significantly. The 10-year Treasury bond fell almost 30 basis points in December and 36 basis points for the quarter. This was attributable to several events: a flight to safety, acknowledgement of the global economic slowdown, the steep decline in oil prices, and continued low inflation.



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While Treasury securities benefited from the 'risk off' sentiment, corporate credit spreads widened as investors began to question the strength of corporate earnings for the near-term. As a result, credits of BAA and below turned in negative returns. Even so, Treasuries

and higher-rated corporate credits performed decidedly better than most equities, incurring smaller losses or making modest gains.

The Barclays Aggregate Index returned 1.6% for the quarter, driven mainly by the heavy Treasury component. The Treasury sector alone rose 2.6%. 10-year and longer Treasuries added over 4%! Other positive performers were: residential mortgage paper (+2.1%), commercial mortgage instruments (+1.7%), and asset-backed securities (+1.3%). The highly leveraged 'junk' bond sector lost 4.5% due to investor concerns regarding future economic performance. The lowest-rated CA-D credits plunged 24.1%! Even BAA credits, a step above junk, lost 0.9%.

Major foreign bond markets again fared poorly in US dollar terms, as the Euro, UK pound, Canadian and Australian dollars lost value against the US dollar. However, the Japanese Yen rose 3.5%. Non-US investment-grade global bonds managed a 1.6% gain (unhedged), helped both by the stronger Yen and an anticipated ECB slowdown in raising its interest rates. The US dollar's strength and China trade issues dampened EM bond returns for an average 0.2% loss.

The Barclays Aggregate Index returned zero for the full year, while the High Yield Index was down 2.1%. Non-US investment grade bonds (unhedged) lost 1.7% and EM bonds gave back 2.5%. While bond returns were nothing to celebrate, they were an excellent counterweight to the more volatile equity markets.

CASH EQUIVALENTS

Cash Ruled

The three-month T-Bill returned 0.6% for the fourth quarter and 1.9% for the year. Six-month and one-year Treasuries had comparable results. By year-end, a few banks were offering one-year CDs at close to 3% annualized rate. Bottom line: cash equivalents were THE best-performing asset class in 2018.

Economic Statistics

	Current Quarter	Previous Quarter
GDP	2.8%	3.4%
Unemployment	3.9%	3.7%
CPI All Items Year/Year	1.9%	2.3%
Fed Funds Rate	2.50%	2.25%
Industrial Capacity	78.7%	78.4%
US Dollars per Euro	1.15	1.16

Major Index Returns

Index	Quarter	12 Months
Russell 3000	-14.3	-5.2
S&P 500	-13.5	-4.4
Russell Midcap	-15.4	-9.1
Russell 2000	-20.2	-11.0
MSCI EAFE	-12.5	-13.4
MSCI Emg Markets	-7.4	-14.3
NCREIF ODCE	1.8	8.3
U.S. Aggregate	1.6	0.0
90 Day T-bills	0.6	2.0

Domestic Equity Return Distributions

	Quarter			Trailing Year		
	VAL	COR	GRO	VAL	COR	GRO
LC	-11.7	-13.8	-15.9	-8.3	-4.8	-1.5
MC	-15.0	-15.4	-16.0	-12.3	-9.1	-4.8
SC	-18.7	-20.2	-21.7	-12.9	-11.0	-9.3

Market Summary

- The Atlanta Fed estimates a 2.8% GDP for Q4.
- Unemployment ticked up to 3.9%.
- Inflation during the calendar year was 1.9%.
- The US dollar continued to strengthen.
- Growth stocks, which had outpaced value for the first three quarters of the year, took a deeper dive as markets contracted in Q4, but were still ahead of their value counterparts for the full year.

INVESTMENT RETURN

On December 31st, 2018, the City of Burlington Employees Retirement System was valued at \$177,000,520, a decrease of \$17,829,821 from the September ending value of \$194,830,341. Last quarter, the account recorded total net contributions of \$101,156, which marginally offset the account's \$17,930,977 net investment loss for the period. The fund's net investment loss was a result of income receipts totaling \$132,581 and realized and unrealized capital losses totaling \$18,063,558.

RELATIVE PERFORMANCE

Total Fund

During the fourth quarter, the portfolio lost 9.2%, which was 0.2% greater than the Burlington Policy Index's return of -9.4% and ranked in the 76th percentile of the Public Fund universe. Over the trailing year, the portfolio returned -5.1%, which was 0.1% less than the benchmark's -5.0% performance, and ranked in the 69th percentile. Since December 2001, the account returned 5.2% per annum.

Equity

The equity segment lost 13.6% last quarter, 0.9% below the MSCI All Country World index's return of -12.7% and ranked in the 59th percentile of the Global Equity universe. Over the trailing twelve months, the equity portfolio returned -8.4%, 0.5% greater than the benchmark's -8.9% performance, and ranked in the 48th percentile.

Real Assets

For the fourth quarter, the real assets segment returned 1.5%, which was 3.8% above the Real Assets Blended Index's return of -2.3%.

Over the trailing twelve-month period, this segment returned 5.5%, which was 5.5% greater than the benchmark's 0.0% return.

Fixed Income

In the fourth quarter, the fixed income segment gained 1.7%, which was equal to the Intermediate Gov/Credit Index's return of 1.7% and ranked in the 13th percentile of the Broad Market Fixed Income universe. Over the trailing twelve-month period, this segment returned 0.9%, which was equal to the benchmark's 0.9% performance, and ranked in the 43rd percentile.

ASSET ALLOCATION

At the end of the fourth quarter, equities comprised 67.3% of the total portfolio (\$119.2 million), while real assets totaled 11.2% (\$19.8 million). The account's fixed income component comprised 21.3% (\$37.7 million), while the remaining 0.2% was comprised of cash & equivalents (\$325,973).

The Retirement System also had a negative cash balance in the Pooled Account (not included in the valuations in this report) of -\$2,207,584.03.

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	FYTD	YTD /1Y	3 Year	5 Year	10 Year	Since 12/01
Total Portfolio - Gross	-9.2	-6.1	-5.1	6.6	4.5	8.6	5.2
<i>PUBLIC FUND RANK</i>	(76)	(73)	(69)	(22)	(62)	(43)	----
Total Portfolio - Net	-9.2	-6.2	-5.2	6.4	4.1	8.2	----
Policy Index	-9.4	-6.2	-5.0	6.8	4.6	7.7	----
Manager Shadow	-9.4	-6.2	-5.1	6.9	4.6	7.7	----
Equity - Gross	-13.6	-9.6	-8.4	7.7	----	----	----
<i>GLOBAL EQUITY RANK</i>	(59)	(49)	(48)	(29)	----	----	----
MSCI AC World	-12.7	-8.8	-8.9	7.2	4.8	10.0	6.5
ACWI Ex US	-11.4	-10.7	-13.8	5.0	1.1	7.1	6.2
MSCI EAFE	-12.5	-11.3	-13.4	3.4	1.0	6.8	5.6
MSCI EM Net	-7.5	-8.5	-14.6	9.3	1.6	8.0	9.4
Russell 3000	-14.3	-8.2	-5.2	9.0	7.9	13.2	7.1
S&P Completion	-18.3	-14.7	-9.6	7.4	5.2	13.5	----
Real Assets - Gross	1.5	2.3	5.5	4.7	----	----	----
Real Assets Idx	-2.3	-1.9	0.0	4.0	2.1	2.6	5.6
NCREIF ODCE	1.8	3.9	8.3	8.2	10.4	7.0	8.1
NCREIF Timber	1.0	2.0	3.4	3.2	5.0	3.8	6.9
BLP Commodity	-9.4	-11.2	-11.2	0.3	-8.8	-3.8	0.4
Fixed Income - Gross	1.7	1.9	0.9	1.7	----	----	----
<i>BROAD MARKET FIXED RANK</i>	(13)	(12)	(43)	(84)	----	----	----
Int Gov/Credit	1.7	1.9	0.9	1.7	1.9	2.9	3.8
Global Aggregate	1.2	0.3	-1.2	2.7	1.1	2.5	4.6
Global Agg Ex US	0.9	-0.8	-2.1	3.2	0.0	1.7	4.8
Aggregate Index	1.6	1.7	0.0	2.1	2.5	3.5	4.3

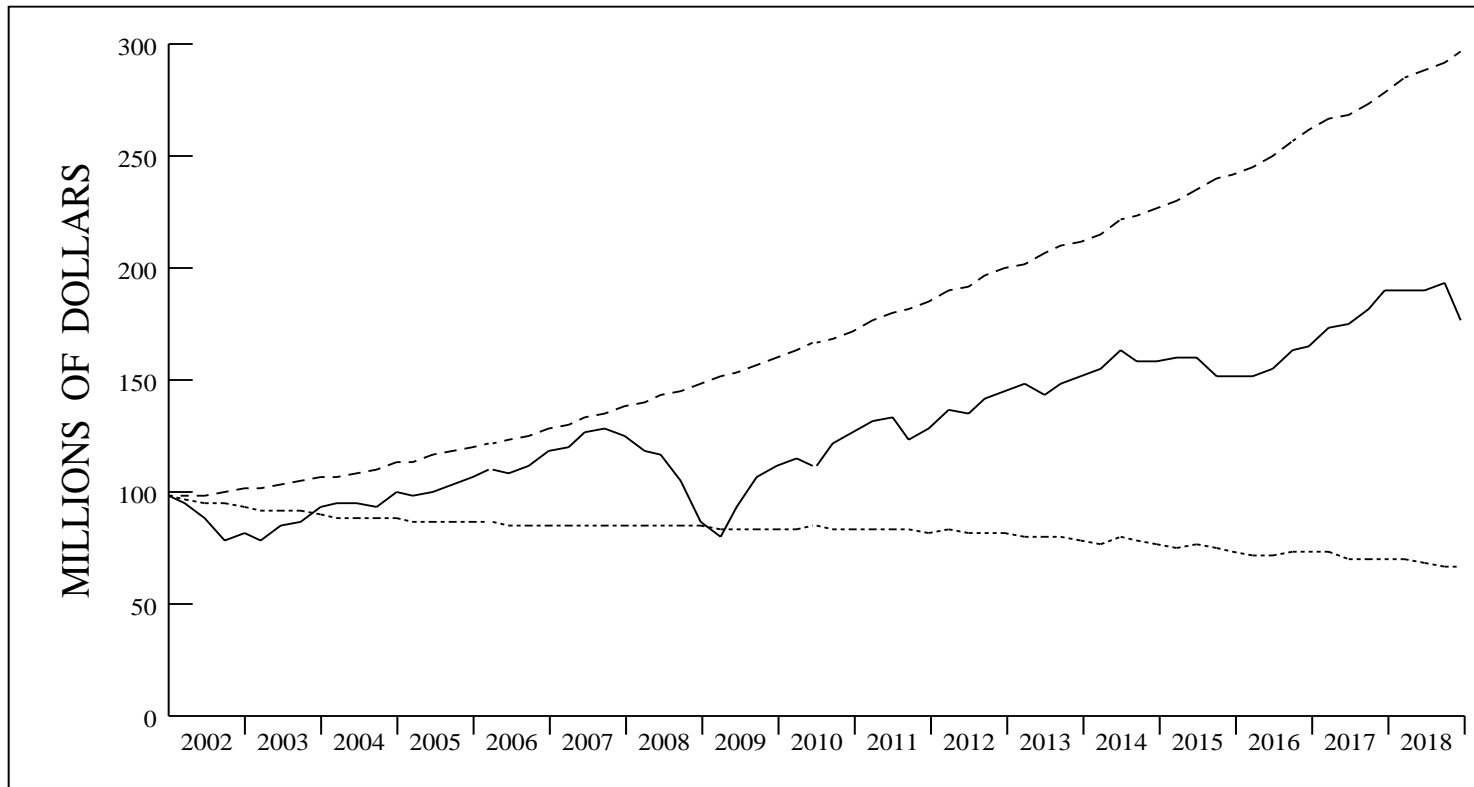
ASSET ALLOCATION

Equity	67.3%	\$ 119,163,832
Real Assets	11.2%	19,787,874
Fixed Income	21.3%	37,722,841
Cash	0.2%	325,973
Total Portfolio	100.0%	\$ 177,000,520

INVESTMENT RETURN

Market Value 9/2018	\$ 194,830,341
Contribs / Withdrawals	101,156
Income	132,581
Capital Gains / Losses	- 18,063,558
Market Value 12/2018	\$ 177,000,520

INVESTMENT GROWTH

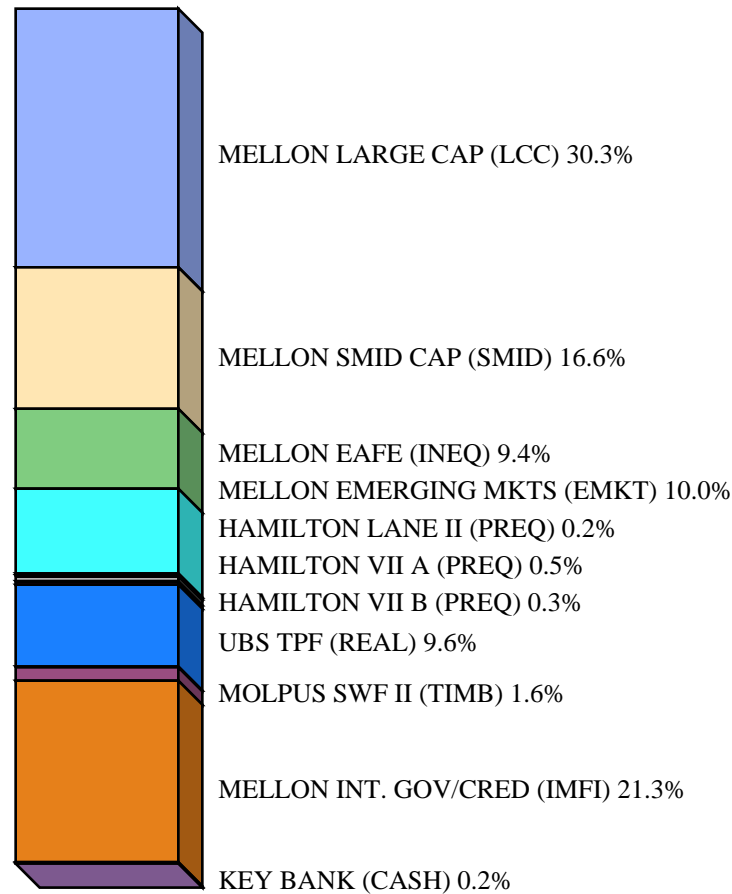


— ACTUAL RETURN
 - - - 8.0%
 . . . 0.0%

VALUE ASSUMING
 8.0% RETURN \$ 297,869,008

	LAST QUARTER	PERIOD 12/01 - 12/18
BEGINNING VALUE	\$ 194,830,341	\$ 98,885,312
NET CONTRIBUTIONS	101,156	- 32,017,148
<u>INVESTMENT RETURN</u>	<u>- 17,930,977</u>	<u>110,132,356</u>
ENDING VALUE	\$ 177,000,520	\$ 177,000,520
INCOME	132,581	15,603,965
<u>CAPITAL GAINS (LOSSES)</u>	<u>- 18,063,558</u>	<u>94,528,391</u>
INVESTMENT RETURN	- 17,930,977	110,132,356

MANAGER ALLOCATION AND TARGET SUMMARY



Name	Market Value	Percent	Target
Mellon Large Cap (LCC)	\$53,636,591	30.3	30.0
Mellon Smid Cap (SMID)	\$29,438,930	16.6	18.0
Mellon EAFE (INEQ)	\$16,626,739	9.4	10.0
Mellon Emerging Mkts (EMKT)	\$17,612,215	10.0	10.0
Hamilton Lane II (PREQ)	\$303,093	0.2	0.5
Hamilton VII A (PREQ)	\$937,870	0.5	0.9
Hamilton VII B (PREQ)	\$608,394	0.3	0.6
UBS TPF (REAL)	\$16,958,291	9.6	8.0
Molpus SWF II (TIMB)	\$2,829,583	1.6	2.0
Mellon Int. Gov/Cred (IMFI)	\$37,722,841	21.3	20.0
Key Bank (CASH)	\$325,973	0.2	0.0
Total Portfolio	\$177,000,520	100.0	100.0

INVESTMENT RETURN SUMMARY - ONE QUARTER

Name	Quarter Total Return	Market Value September 30th, 2018	Net Cashflow	Net Investment Return	Market Value December 31st, 2018
Mellon Large Cap (LCC)	-13.5	62,021,477	0	-8,384,886	53,636,591
Mellon Smid Cap (SMID)	-18.4	36,093,259	0	-6,654,329	29,438,930
Mellon EAFE (INEQ)	-12.5	19,001,458	0	-2,374,719	16,626,739
Mellon Emerging Mkts (EMKT)	-7.5	19,030,609	0	-1,418,394	17,612,215
Hamilton Lane II (PREQ)	-1.1	311,714	-5,302	-3,319	303,093
Hamilton VII A (PREQ)	0.0	937,870	0	0	937,870
Hamilton VII B (PREQ)	0.0	608,394	0	0	608,394
UBS TPF (REAL)	1.7	16,707,545	-37,800	288,546	16,958,291
Molpus SWF II (TIMB)	0.0	2,829,583	0	0	2,829,583
Mellon Int. Gov/Cred (IMFI)	1.7	37,106,717	0	616,124	37,722,841
Key Bank (CASH)	---	181,715	144,258	0	325,973
Total Portfolio	-9.2	194,830,341	101,156	-17,930,977	177,000,520










MANAGER PERFORMANCE SUMMARY - GROSS OF FEES

Portfolio	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception
Total Portfolio	(Public Fund)	-9.2 (76)	-6.1 (73)	-5.1 (69)	6.6 (22)	4.5 (62)	5.2 ---- 12/01
<i>Policy Index</i>		<i>-9.4 ----</i>	<i>-6.2 ----</i>	<i>-5.0 ----</i>	<i>6.8 ----</i>	<i>4.6 ----</i>	<i>---- ---- 12/01</i>
Mellon Large Cap	(LC Core)	-13.5 (43)	-6.9 (36)	-4.3 (37)	---- ----	---- ----	9.6 (33) 03/16
<i>S&P 500</i>		<i>-13.5 ----</i>	<i>-6.9 ----</i>	<i>-4.4 ----</i>	<i>9.3 ----</i>	<i>8.5 ----</i>	<i>9.6 ---- 03/16</i>
Mellon Smid Cap	(Smid Cap)	-18.4 (58)	-14.6 (58)	-9.9 (48)	---- ----	---- ----	8.0 (49) 03/16
<i>Russell 2500</i>		<i>-18.5 ----</i>	<i>-14.7 ----</i>	<i>-10.0 ----</i>	<i>7.3 ----</i>	<i>5.1 ----</i>	<i>7.8 ---- 03/16</i>
Mellon EAFE	(Intl Eq)	-12.5 (54)	-11.3 (43)	-13.5 (34)	---- ----	---- ----	4.7 (61) 03/16
<i>MSCI EAFE</i>		<i>-12.5 ----</i>	<i>-11.3 ----</i>	<i>-13.4 ----</i>	<i>3.4 ----</i>	<i>1.0 ----</i>	<i>4.8 ---- 03/16</i>
Mellon Emerging Mkts	(Emerging Mkt)	-7.5 (54)	-8.4 (41)	-14.5 (41)	---- ----	---- ----	7.9 (42) 03/16
<i>MSCI EM Net</i>		<i>-7.5 ----</i>	<i>-8.5 ----</i>	<i>-14.6 ----</i>	<i>9.3 ----</i>	<i>1.6 ----</i>	<i>7.9 ---- 03/16</i>
Hamilton Lane II		-1.1 ----	3.9 ----	7.3 ----	2.0 ----	1.1 ----	10.6 ---- 03/09
<i>S&P Completion</i>		<i>-18.3 ----</i>	<i>-14.7 ----</i>	<i>-9.6 ----</i>	<i>7.4 ----</i>	<i>5.2 ----</i>	<i>15.2 ---- 03/09</i>
Hamilton VII A		0.0 ----	7.3 ----	13.7 ----	11.4 ----	12.0 ----	13.0 ---- 09/11
<i>S&P Completion</i>		<i>-18.3 ----</i>	<i>-14.7 ----</i>	<i>-9.6 ----</i>	<i>7.4 ----</i>	<i>5.2 ----</i>	<i>12.8 ---- 09/11</i>
Hamilton VII B		0.0 ----	-3.6 ----	-0.4 ----	6.5 ----	5.7 ----	7.1 ---- 09/11
<i>S&P Completion</i>		<i>-18.3 ----</i>	<i>-14.7 ----</i>	<i>-9.6 ----</i>	<i>7.4 ----</i>	<i>5.2 ----</i>	<i>12.8 ---- 09/11</i>
UBS TPF		1.7 ----	3.2 ----	7.0 ----	---- ----	---- ----	6.6 ---- 09/16
<i>NCREIF ODCE</i>		<i>1.8 ----</i>	<i>3.9 ----</i>	<i>8.3 ----</i>	<i>8.2 ----</i>	<i>10.4 ----</i>	<i>8.1 ---- 09/16</i>
Molpus SWF II		0.0 ----	-2.6 ----	-2.5 ----	-0.7 ----	1.6 ----	2.9 ---- 03/09
<i>NCREIF Timber</i>		<i>1.0 ----</i>	<i>2.0 ----</i>	<i>3.4 ----</i>	<i>3.2 ----</i>	<i>5.0 ----</i>	<i>3.9 ---- 03/09</i>
Mellon Int. Gov/Cred	(Int Fixed)	1.7 (23)	1.9 (35)	0.9 (60)	---- ----	---- ----	0.9 (93) 03/16
<i>Int Gov/Credit</i>		<i>1.7 ----</i>	<i>1.9 ----</i>	<i>0.9 ----</i>	<i>1.7 ----</i>	<i>1.9 ----</i>	<i>1.0 ---- 03/16</i>

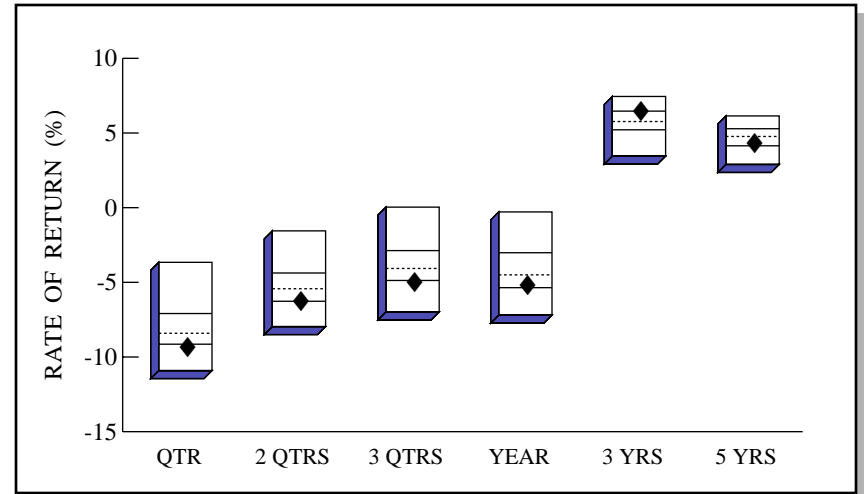
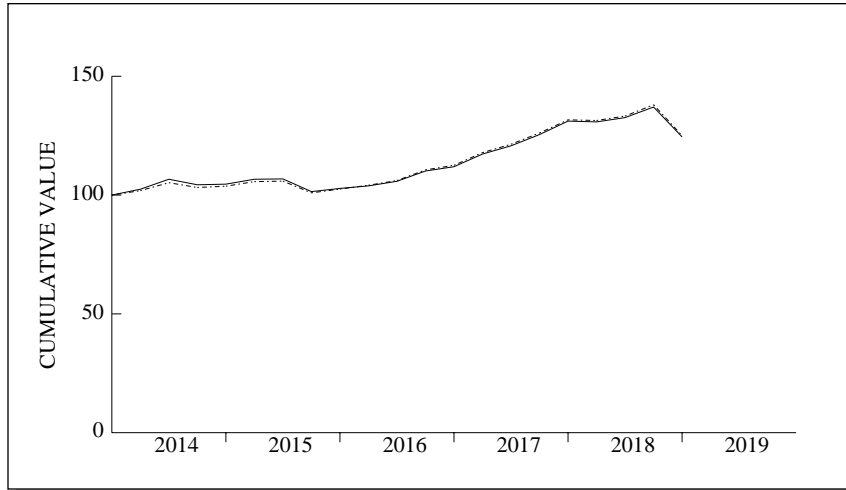
MANAGER PERFORMANCE SUMMARY - NET OF FEES

Name	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception	
Total Portfolio	-9.2	-6.2	-5.2	6.4	4.1	----	12/01
<i>Policy Index</i>	<i>-9.4</i>	<i>-6.2</i>	<i>-5.0</i>	<i>6.8</i>	<i>4.6</i>	<i>----</i>	<i>12/01</i>
Mellon Large Cap	-13.5	-6.9	-4.4	----	----	9.6	03/16
<i>S&P 500</i>	<i>-13.5</i>	<i>-6.9</i>	<i>-4.4</i>	<i>9.3</i>	<i>8.5</i>	<i>9.6</i>	<i>03/16</i>
Mellon Smid Cap	-18.4	-14.6	-9.9	----	----	8.0	03/16
<i>Russell 2500</i>	<i>-18.5</i>	<i>-14.7</i>	<i>-10.0</i>	<i>7.3</i>	<i>5.1</i>	<i>7.8</i>	<i>03/16</i>
Mellon EAFE	-12.5	-11.3	-13.5	----	----	4.7	03/16
<i>MSCI EAFE</i>	<i>-12.5</i>	<i>-11.3</i>	<i>-13.4</i>	<i>3.4</i>	<i>1.0</i>	<i>4.8</i>	<i>03/16</i>
Mellon Emerging Mkts	-7.5	-8.5	-14.6	----	----	7.8	03/16
<i>MSCI EM Net</i>	<i>-7.5</i>	<i>-8.5</i>	<i>-14.6</i>	<i>9.3</i>	<i>1.6</i>	<i>7.9</i>	<i>03/16</i>
Hamilton Lane II	-2.8	0.6	1.8	-2.3	-2.1	8.3	03/09
<i>S&P Completion</i>	<i>-18.3</i>	<i>-14.7</i>	<i>-9.6</i>	<i>7.4</i>	<i>5.2</i>	<i>15.2</i>	<i>03/09</i>
Hamilton VII A	0.0	6.9	12.5	10.1	10.7	11.1	09/11
<i>S&P Completion</i>	<i>-18.3</i>	<i>-14.7</i>	<i>-9.6</i>	<i>7.4</i>	<i>5.2</i>	<i>12.8</i>	<i>09/11</i>
Hamilton VII B	0.0	-3.9	-1.4	5.3	4.4	5.3	09/11
<i>S&P Completion</i>	<i>-18.3</i>	<i>-14.7</i>	<i>-9.6</i>	<i>7.4</i>	<i>5.2</i>	<i>12.8</i>	<i>09/11</i>
UBS TPF	1.5	2.7	6.0	----	----	5.5	09/16
<i>NCREIF ODCE</i>	<i>1.8</i>	<i>3.9</i>	<i>8.3</i>	<i>8.2</i>	<i>10.4</i>	<i>8.1</i>	<i>09/16</i>
Molpus SWF II	0.0	-2.9	-3.2	-1.6	0.7	2.1	03/09
<i>NCREIF Timber</i>	<i>1.0</i>	<i>2.0</i>	<i>3.4</i>	<i>3.2</i>	<i>5.0</i>	<i>3.9</i>	<i>03/09</i>
Mellon Int. Gov/Cred	1.7	1.9	0.8	----	----	0.9	03/16
<i>Int Gov/Credit</i>	<i>1.7</i>	<i>1.9</i>	<i>0.9</i>	<i>1.7</i>	<i>1.9</i>	<i>1.0</i>	<i>03/16</i>

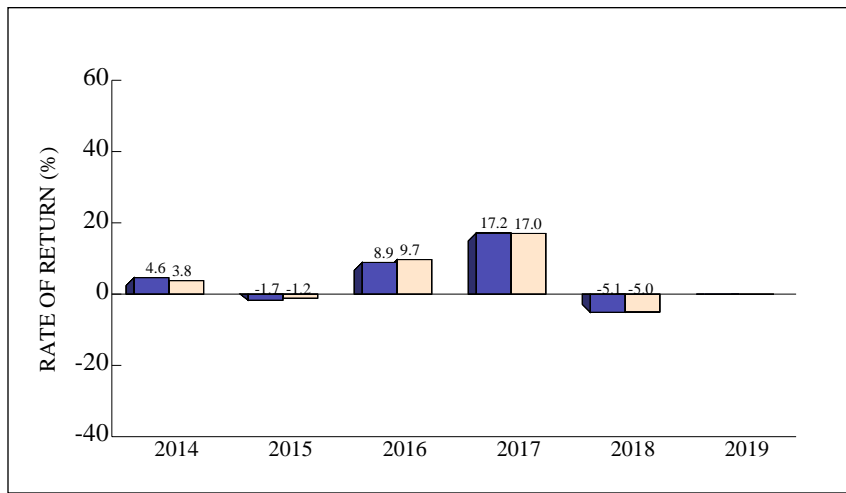
MANAGER VALUE ADDED

1 Quarter	Portfolio	Benchmark	1 Year
0.0	Mellon Large Cap	S&P 500	0.1
0.1	Mellon Smid Cap	Russell 2500	0.1
0.0	Mellon EAFE	MSCI EAFE	-0.1
0.0	Mellon Emerging Mkts	MSCI EM Net	0.1
17.2 	Hamilton Lane II	S&P Completion	16.9 
18.3 	Hamilton VII A	S&P Completion	23.3 
18.3 	Hamilton VII B	S&P Completion	9.2 
-0.1	UBS TPF	NCREIF ODCE	 -1.3
 -1.0	Molpus SWF II	NCREIF Timber	 -5.9
0.0	Mellon Int. Gov/Cred	Int Gov/Credit	0.0
0.2 	Total Portfolio	Policy Index	 -0.1

TOTAL RETURN COMPARISONS



Public Fund Universe

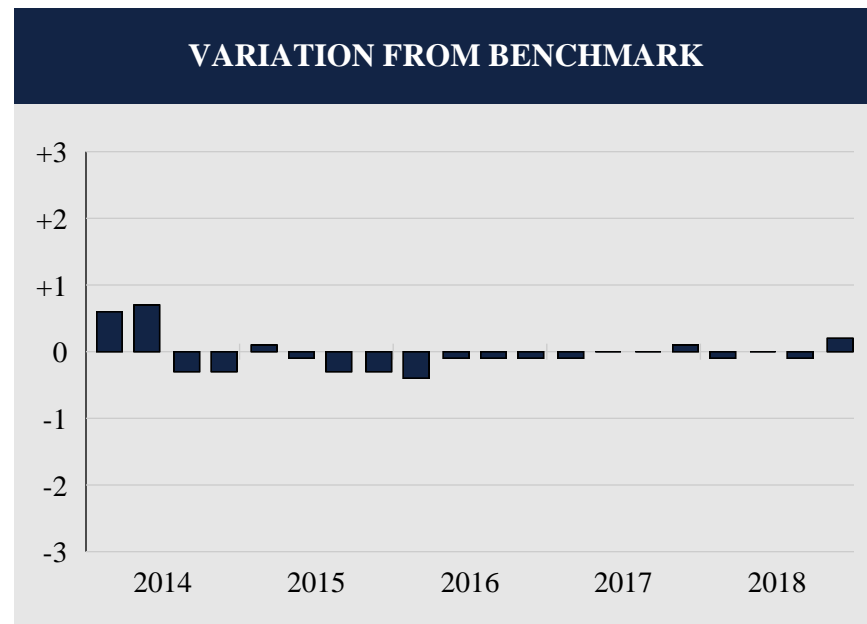


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	-9.2	-6.1	-4.8	-5.1	6.6	4.5
(RANK)	(76)	(73)	(74)	(69)	(22)	(62)
5TH %ILE	-3.7	-1.6	0.0	-0.3	7.5	6.1
25TH %ILE	-7.1	-4.4	-2.9	-3.0	6.5	5.3
MEDIAN	-8.4	-5.4	-4.1	-4.5	5.8	4.8
75TH %ILE	-9.2	-6.3	-4.9	-5.4	5.2	4.1
95TH %ILE	-10.9	-8.0	-7.0	-7.2	3.5	2.9
Policy	-9.4	-6.2	-4.8	-5.0	6.8	4.6

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY - 5 YEARS

COMPARATIVE BENCHMARK: BURLINGTON POLICY INDEX



Total Quarters Observed	20
Quarters At or Above the Benchmark	8
Quarters Below the Benchmark	12
Batting Average	.400

RATES OF RETURN						
Date	Portfolio	Bench	Diff	-----Cumulative-----		
				Portfolio	Bench	Diff
3/14	2.5	1.9	0.6	2.5	1.9	0.6
6/14	4.0	3.3	0.7	6.6	5.2	1.4
9/14	-2.2	-1.9	-0.3	4.3	3.2	1.1
12/14	0.3	0.6	-0.3	4.6	3.8	0.8
3/15	1.9	1.8	0.1	6.6	5.7	0.9
6/15	0.1	0.2	-0.1	6.8	5.9	0.9
9/15	-5.0	-4.7	-0.3	1.4	1.0	0.4
12/15	1.3	1.6	-0.3	2.8	2.6	0.2
3/16	1.1	1.5	-0.4	3.9	4.1	-0.2
6/16	1.8	1.9	-0.1	5.8	6.1	-0.3
9/16	4.1	4.2	-0.1	10.2	10.6	-0.4
12/16	1.6	1.7	-0.1	11.9	12.5	-0.6
3/17	4.7	4.8	-0.1	17.2	17.9	-0.7
6/17	3.0	3.0	0.0	20.8	21.4	-0.6
9/17	3.9	3.9	0.0	25.5	26.2	-0.7
12/17	4.5	4.4	0.1	31.1	31.7	-0.6
3/18	-0.3	-0.2	-0.1	30.8	31.4	-0.6
6/18	1.4	1.4	0.0	32.6	33.3	-0.7
9/18	3.4	3.5	-0.1	37.1	38.0	-0.9
12/18	-9.2	-9.4	0.2	24.5	25.1	-0.6

Private Equity Investor Report
Hamilton Lane Secondary Fund II LP

IRR Since Inception	14.25%	Annualized, Net of Fees			
Market Value	\$ 303,093	Last Statement Date:		12/31/2018	
Capital Commitment	\$ 3,400,000	100.00%			
Paid In Capital	\$ 2,982,695	87.73%	Fund Level LP Net IRR*		13.8%
Remaining Commitment	\$ 417,305	12.27%	MSCI World Index PME*		11.1%
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)
Year 2013	\$ 97,310	2.86%	\$ (17,266)	-0.51%	\$ (731,867)
Year 2014	\$ -	-	\$ -	-	\$ (1,140,848)
Year 2015	\$ -	-	\$ -	-	\$ (533,140)
1/28/2016	\$ -	-	\$ -	-	\$ (38,549)
5/20/2016	\$ -	-	\$ -	-	\$ (81,887)
8/19/2016	\$ -	-	\$ -	-	\$ (46,080)
12/28/2016	\$ -	-	\$ -	-	\$ (31,257)
6/1/2017	\$ -	-	\$ -	-	\$ (44,158)
11/20/2017	\$ -	-	\$ -	-	\$ (45,061)
1/29/2018	\$ -	-	\$ -	-	\$ (38,733)
7/11/2018	\$ -	-	\$ -	-	\$ (34,203)
Total	\$ 3,266,974	96.09%	\$ (284,279)	-8.36%	\$ (4,051,525)

*Provided by Hamilton Lane

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

IRR Since Inception	10.69%	Annualized, Net of Fees			
Market Value	\$ 937,870	Last Statement Date:		9/30/2018	
Capital Commitment	\$ 1,500,000	100.00%			
Paid In Capital	\$ 1,304,825	86.99%	Combined Net IRR*		9.5%
Remaining Commitment	\$ 195,175	13.01%	MSCI World Index PME*		10.4%
Date	Contributions	% of Commitment	Recallable Distributions	% of Commitment	Distributions
7/27/2011	\$ 172,500	11.50%	\$ -	-	\$ -
9/27/2011	\$ 52,500	3.50%	\$ -	-	\$ -
11/15/2011	\$ 52,500	3.50%	\$ -	-	\$ -
12/30/2011	\$ 67,947	4.53%	\$ -	-	\$ -
4/24/2012	\$ 83,394	5.56%	\$ -	-	\$ (32,311)
6/24/2012	\$ 52,500	3.50%	\$ -	-	\$ -
8/23/2012	\$ 45,000	3.00%	\$ -	-	\$ (3,692)
10/15/2012	\$ 67,500	4.50%	\$ -	-	\$ (23,932)
11/21/2012	\$ 80,250	5.35%	\$ -	-	\$ -
3/12/2013	\$ 48,750	3.25%	\$ -	-	\$ (27,930)
2/14/2014	\$ 61,500	4.10%	\$ -	-	\$ -
5/20/2014	\$ 187,500	12.50%	\$ -	-	\$ (151,650)
7/14/2014	\$ 50,522	3.37%	\$ -	-	\$ (19,283)
1/6/2015	\$ 145,117	9.67%	\$ -	-	\$ (88,738)
12/8/2015	\$ 28,179	1.88%	\$ -	-	\$ (51,519)
7/22/2016	\$ 75,000	5.00%	\$ -	-	\$ (53,805)
1/25/2017	\$ 34,166	2.28%	\$ -	-	\$ (216,102)
6/22/2017	\$ -	-	\$ -	-	\$ (96,706)
8/16/2017	\$ -	-	\$ -	-	\$ (31,846)
9/28/2017	\$ -	-	\$ -	-	\$ (6,487)
11/15/2017	\$ -	-	\$ -	-	\$ (80,964)
3/29/2018	\$ -	-	\$ -	-	\$ (138,746)
6/15/2018	\$ -	-	\$ -	-	\$ (39,985)
Total	\$ 1,304,825	86.99%	\$ -	0.00%	\$ (1,063,696)

*Provided by Hamilton Lane

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

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

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

IRR Since Inception	5.61%	Annualized, Net of Fees		
Market Value	\$ 608,394	Last Statement Date:		9/30/2018
Capital Commitment	\$ 1,000,000	100.00%		
Paid In Capital	\$ 825,225	82.52%	Combined LP Net IRR*	9.5%
Remaining Commitment	\$ 174,775	17.48%	MSCI World Index PME*	10.4%

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)
3/23/2016	\$ -	-	\$ -	-	\$ (67,664)
7/18/2016	\$ -	-	\$ -	-	\$ (10,836)
1/27/2017	\$ 1,500	0.15%	\$ -	-	\$ (64,973)
6/23/2017	\$ -	-	\$ -	-	\$ (43,902)
8/17/2017	\$ -	-	\$ -	-	\$ (15,753)
9/27/2017	\$ -	-	\$ -	-	\$ (5,960)
12/8/2017	\$ -	-	\$ -	-	\$ (20,240)
3/30/2018	\$ -	-	\$ -	-	\$ (18,393)
6/15/2018	\$ -	-	\$ -	-	\$ (11,983)
Total	\$ 825,225	82.52%	\$ -	0.00%	\$ (441,839)

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

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

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

Timber Investor Report

Molpus Sustainable Woodlands Fund II, LP

IRR Since Inception	1.51%	Annualized, Net of Fees	
Market Value	\$ 2,829,583	Last Statement Date:	9/30/2018
Capital Commitment	\$ 3,400,000	100.00%	
Paid In Capital	\$ 3,400,000	100.00%	
Remaining Commitment	\$ -	0.00%	

Date	Contributions	% of Commitment	Recallable Distributions	% of Commitment	Distributions
2/28/2009	\$ 510,000	15.00%	\$ -	-	\$ -
9/30/2009	\$ 2,890,000	85.00%	\$ -	-	\$ -
4/30/2010	\$ -	-	\$ -	-	\$ (19,365)
6/30/2010	\$ -	-	\$ -	-	\$ (67,116)
12/31/2010	\$ -	-	\$ -	-	\$ (28,663)
6/30/2011	\$ -	-	\$ -	-	\$ (19,109)
12/31/2011	\$ -	-	\$ -	-	\$ (38,218)
12/31/2012	\$ -	-	\$ -	-	\$ (47,772)
6/25/2013	\$ -	-	\$ -	-	\$ (76,435)
12/31/2013	\$ -	-	\$ -	-	\$ (114,653)
3/31/2014	\$ -	-	\$ -	-	\$ (47,772)
9/30/2014	\$ -	-	\$ -	-	\$ (47,772)
12/31/2014	\$ -	-	\$ -	-	\$ (28,663)
3/31/2015	\$ -	-	\$ -	-	\$ (38,218)
9/30/2015	\$ -	-	\$ -	-	\$ (47,772)
12/31/2015	\$ -	-	\$ -	-	\$ (47,772)
6/30/2016	\$ -	-	\$ -	-	\$ (28,663)
9/30/2016	\$ -	-	\$ -	-	\$ (76,435)
12/31/2016	\$ -	-	\$ -	-	\$ (95,544)
6/30/2017	\$ -	-	\$ -	-	\$ (38,218)
9/29/2017	\$ -	-	\$ -	-	\$ (38,218)
12/29/2017	\$ -	-	\$ -	-	\$ (57,327)
Total	\$ 3,400,000	100.00%	\$ -	0.00%	\$ (1,003,705)

APPENDIX - MAJOR MARKET INDEX RETURNS

Equity	Style	QTR	FYTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	-14.3	-8.2	-5.2	9.0	7.9
S&P 500	Large Cap Core	-13.5	-6.9	-4.4	9.3	8.5
Russell 1000	Large Cap Core	-13.8	-7.4	-4.8	9.1	8.2
Russell 1000 Growth	Large Cap Growth	-15.9	-8.2	-1.5	11.1	10.4
Russell 1000 Value	Large Cap Value	-11.7	-6.7	-8.3	6.9	5.9
Russell 2000	Small Cap	-20.2	-17.4	-11.0	7.3	4.4
Russell 2000 Growth	Small Cap Growth	-21.7	-17.3	-9.3	7.2	5.1
Russell 2000 Value	Small Cap Value	-18.7	-17.4	-12.9	7.4	3.6
MSCI EAFE	Developed Markets	-12.5	-11.3	-13.4	3.4	1.0
MSCI EAFE Growth	Developed Markets Growth	-13.3	-11.9	-12.5	3.3	2.0
MSCI EAFE Value	Developed Markets Value	-11.6	-10.5	-14.3	3.4	-0.1
MSCI Emerging Markets	Emerging Markets	-7.4	-8.3	-14.2	9.7	2.0
MSCI All Country World	Global Equity	-12.7	-8.8	-8.9	7.2	4.8
MSCI All Country World Ex US	Global Equity (ex. US)	-11.4	-10.7	-13.8	5.0	1.1
Fixed Income	Style	QTR	FYTD	1 Year	3 years	5 Years
Bloomberg Barclays Aggregate Index	Core Fixed Income	1.6	1.7	0.0	2.1	2.5
Bloomberg Barclays Gov/Credit	Gov/Credit	1.5	1.5	-0.4	2.2	2.5
Bloomberg Barclays Capital Gov't Bond	Treasuries	2.5	2.0	0.9	1.4	2.0
Bloomberg Barclays Capital Credit Bond	Corporate Bonds	0.0	0.9	-2.1	3.2	3.2
Intermediate Aggregate	Core Intermediate	1.8	1.9	0.9	1.7	2.1
Intermediate Gov/Credit	Gov / Credit Intermediate	1.7	1.9	0.9	1.7	1.9
ML/BoA 1-3 Year Treasury	Short Term Treasuries	1.3	1.5	1.6	1.0	0.8
Bloomberg Barclays Capital High Yield	High Yield Bonds	-4.5	-2.2	-2.1	7.2	3.8
Bloomberg Barclays Global Treasury Ex US	International Treasuries	1.9	-0.3	-0.9	3.3	0.4
Bloomberg Barclays Global Government Bond	International Fixed Income	1.9	0.2	-0.7	2.8	0.7
Bloomberg Barclays Global Aggregate	International Fixed Income	1.2	0.3	-1.2	2.7	1.1
Bloomberg Barclays Global Aggregate Ex US	International Fixed Income	0.9	-0.8	-2.1	3.2	0.0
Alternative Assets	Style	QTR	FYTD	1 Year	3 years	5 Years
MSCI US REIT Index	REITs	-6.7	-5.7	-4.6	2.9	7.8
NCREIF NFI-ODCE Index	Real Estate	1.8	3.9	8.3	8.2	10.4
NCREIF Timber Index	Timber	1.0	2.0	3.4	3.2	5.0
Bloomberg Commodity Index	Commodities	-9.4	-11.2	-11.2	0.3	-8.8
HFRI FOF Composite	Hedge Funds	-4.8	-4.6	-3.9	1.3	1.4

APPENDIX - DISCLOSURES

* The Burlington Policy Index was constructed as follows:

For periods since June 30, 2016:

30% S&P 500	18% Russell 2500	10% MSCI EAFE
10% MSCI EM	20% BC Intermediate Gov/Cred	
2% S&P Completion Index	2% NCREIF Timberland	8% NCREIF ODCE

For periods from December 31, 2015 through June 30, 2016:

30% S&P 500	18% Russell 2500	10% MSCI EAFE
10% MSCI EM	28% BC Intermediate Gov/Cred	
2% S&P Completion Index	2% NCREIF Timberland	

* The Burlington Manager Shadow index is the weighted average of each manager portfolio's beginning value multiplied by its current quarter benchmark return.

* The Real Assets Blended Index is comprised of equal parts:

NCREIF ODCE	NCREIF Timber	Bloomberg Commodities (Formerly known as Dow Jones UBS Commodities)
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* All values for the Pooled Cash account since June 2012 are subject to change. Audited statements are not provided for this account.

* Dahab Associates utilizes data provided by a custodian and other vendors it believes are reliable. However, it cannot assume responsibility for errors and omissions therefrom.

* All returns were calculated on a time-weighted basis, and are gross of fees unless otherwise noted.

* All returns for periods greater than one year are annualized.

* Dahab Associates uses the modified duration measure to present average duration.

* All values are in US dollars.