

# City Of Burlington Employees Retirement Plan

Performance Review  
September 2019

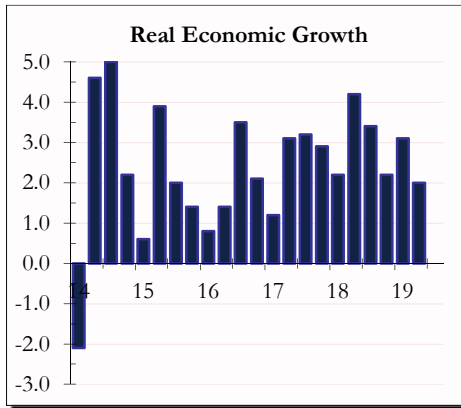


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## ECONOMIC ENVIRONMENT

### Mixed Reviews

US economic data was largely stable, though it continues to moderate. While some market forecasters point to the (slightly)



inverted yield curve as indicative of a downturn, most of the well-known leading indicators remain upbeat. The Federal Reserve, however, did lower its benchmark interest rate twice in the quarter, citing weaker global growth and modest inflation.

GDP increased 1.9% in the third quarter, a slight decline from the 2nd quarter's 2.0%

gain. This expected drop can be attributed to the slump in the ISM Manufacturing Index. In September, the index fell from 49.1 to a decade low of 47.8. Some economists attribute this decline partly to a strike at General Motors, which began in mid-September; yet it remains to be seen if this decline was a one-off or a precursor of things to come.

Unemployment remains very low at 3.7% and while wage growth has started to pick up, it is still lower than anticipated. On the other hand, new non-farm jobs came in lower than expected: 130,000 versus the predicted 158,000. Labor force participation stayed at 63.2%. It's noteworthy that women have accounted for most of the new jobs in the labor force during the past few years, while the male labor force participation rate has hovered around 68% during the same period.

In August, the Congressional Budget Office (CBO) updated its projections for federal tax receipts and disbursements during the period of Fiscal Year (FY) 2019 through FY 2029. For FY 2019, the CBO projects a significant deficit of \$960 billion, which is approximately 4.5% of GDP. This deficit compares to the long run average deficit, running at 2.1% of GDP. Making the assumption that

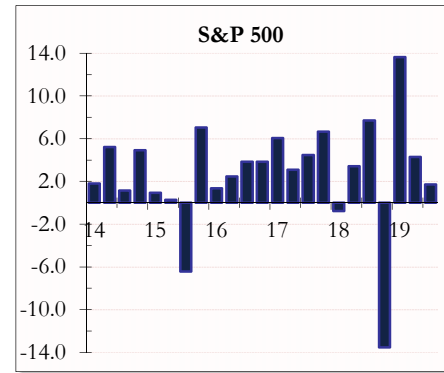
deficits will continue to rise in dollar terms, they should remain fairly stable as a percent of GDP.

The American consumer continues to be a bright spot for the economy. Real personal consumption expenditures rose at a 4.6% annual rate. In addition, real government consumption and gross investment grew robustly at both federal and state levels.

## DOMESTIC EQUITIES

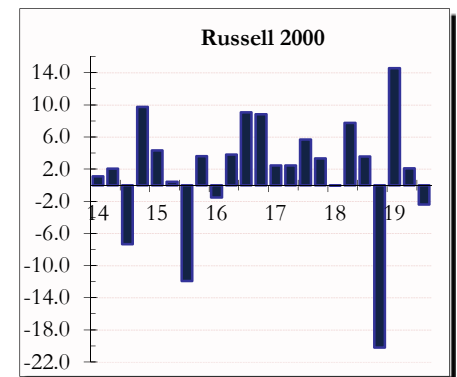
### Large Caps Lead the Way

Domestic equity markets ended the quarter slightly up, continuing the uptrend seen year-to-date. However, the positive returns seen at



quarter-end masked the inter-quarter volatility that was experienced. Most of the gain can be attributed to large capitalization companies, which saw positive returns in line with the broad market. In contrast, small capitalization companies saw declines of nearly twice the magnitude of their large-cap counterparts.

While the energy sector was a huge drag to small-cap performance, down 22%, the other sectors did not perform much better. 8 of 11 sectors saw losses in the quarter. The three sectors that outperformed (Consumer Staples, Utilities, and Real Estate) are typically seen as "risk-off" sectors and could signal a change to a more defensive posture by investors.

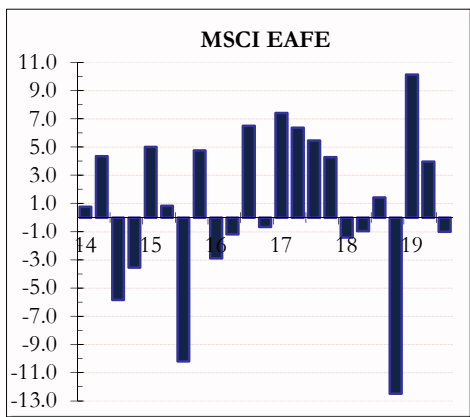


Much ink has been spilled about the death of Value investing, but it saw a resurgence this quarter, especially when moving down the cap spectrum. In the small-cap space the value benchmark beat its counterpart in growth by 360 basis points. Large cap growth names bucked the trend, however, and saw gains that barely beat their value equivalents. Growth has been on an incredible run over the past ten years, and has been led by large cap technology names.

## INTERNATIONAL EQUITIES

### Concerns on Trade

International stocks faltered slightly in the third quarter. Not only was the MSCI EAFE Index down 1.0%, but declines were widespread, with losses suffered by 72% of countries represented in the index. Hong Kong stocks declined the most (-11.9%), triggered by the ongoing political protests there. The protests contributed to its weakest economy in nearly a decade. Retail sales declined 23% year-over-year with no end in sight to the demonstrations.



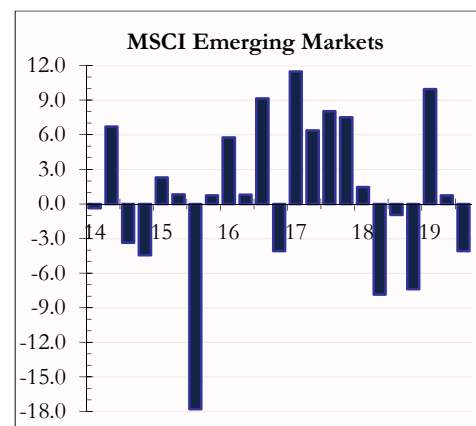
As a result, Fitch downgraded Hong Kong's credit rating, denting the island's reputation for stability and ease of doing business.

Singapore securities also detracted, as US-China trade deliberations weighed on that market. In Europe, Sweden's market was down 4.8% due to a government budget that hinted at smaller-than-expected spending increases.

Belgium enjoyed the largest gains in the index (+3.5%) due to a rebound in fixed investment. Japan was another bright spot (+3.3%). Some commentators attributed this gain to the election win

by the incumbent Liberal Democratic Party -- a win that confirmed the continuation of current fiscal policy. In turn, the steady policy helped return market stability after a rise in Japan's consumption tax. One point of caution regarding Japan's performance is that its year-to-date return has significantly outpaced company earnings. The Netherlands (+2.5%) was another key contributor in stemming European market losses. Retail sales and manufacturing picked up despite elevated inflation. Against this backdrop, the Dutch government unveiled an expansionary 2020 budget.

Emerging Markets (EM) gave up a good portion of year-to-date return during the volatile third quarter. The US-China trade dispute



reduced investors' appetite for risk in the emerging market equity space. China (-3.7%) modestly underperformed the broader EM market (-3.0%) as the US implemented 10% trade tariffs on \$300 billion of Chinese goods. Following this announcement, the renminbi weakened beyond the symbolic seven-per-

dollar threshold. In response, the US Treasury labeled the country a currency manipulator.

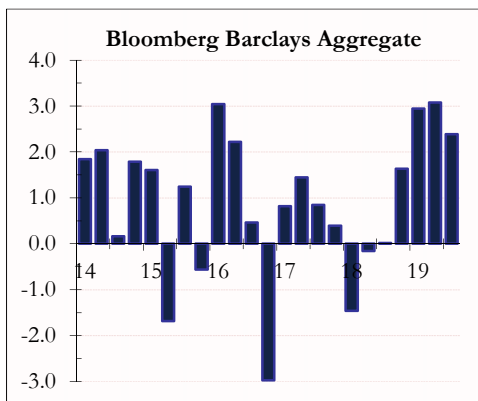
Argentina was by far the weakest performer in the EM Index, as a surprising primary election result triggered a sharp sell-off in equities (-46.8%). US dollar strength continues to move markets that are sensitive to it, notably South Africa and Indonesia. Saudi Arabia and Colombia underperformed due to oil price weakness.

Turkey saw robust gains (+11.7%), as its central bank cut interest rates by an unexpected 7.5%. Taiwan also outperformed (+5.9%), driven by strong performance in technology stocks.

## BOND MARKET

### Low Yields Get Lower

Bond markets continue to see positive returns this year. The Bloomberg Barclays Capital Aggregate and the Bloomberg Barclays



Global Aggregate were up 2.4% and 0.7%, respectively in the third quarter. Corporate bonds continue to outperform government bonds. They benefited from a decline in global yields. Higher yielding, less credit-worthy bonds continue to do better than their less risky counterparts.

Declines in global yields led to a number of records: Germany issues negative-yielding 30-year bonds for the first time, while US and UK 30-year yields likewise fell to all-time lows. In the US, the yield curve inverted between the 2- and 10-year Treasury yields for the first time since 2006.

The Fed cut interest rates by 25 basis points in both July and September, citing weakening global growth and modest inflation.

Due to the lower yields, corporate bond issuance continue to pick up. The first week in September \$74 billion worth of new investment grade bonds were sold, setting a record for the amount of issuance. Apple and Disney issued noteworthy deals of \$7 billion each.

European government bonds rallied on the European Central Bank's (ECB) rate cut and the resumption of a €20 billion per month bond-buying program. ECB President Mario Draghi said aggressive stimulus measures are necessary to help offset the damaging effects of trade wars and slowing economic growth. Germany in particular, teetered on the edge of recession during the quarter as its auto industry was hit hard by global trade disruptions.

## CASH EQUIVALENTS

### Keeping Pace with CPI

The three-month T-Bill returned 0.5% for the third quarter and 2.3% for the latest one-year. Treasuries with maturities longer than one-year achieved a latest 12-month return of at least 4%. Future returns for cash equivalents seem dim, with the 30-year Treasury yield sitting near 2%.

## Economic Statistics

	Current Quarter	Previous Quarter
GDP	1.9%	2.0%
Unemployment	3.5%	3.7%
CPI All Items Year/Year	1.7%	1.6%
Fed Funds Rate	2.00%	2.50%
Industrial Capacity	77.5%	77.9%
US Dollars per Euro	1.12	1.14

## Major Index Returns

Index	Quarter	12 Months
Russell 3000	1.2%	2.9%
S&P 500	1.7%	4.3%
Russell Midcap	0.5%	3.2%
Russell 2000	-2.4%	-8.9%
MSCI EAFE	-1.0%	-0.8%
MSCI Emg Markets	-4.1%	-1.6%
NCREIF ODCE	1.3%	5.6%
U.S. Aggregate	2.4%	10.4%
90 Day T-bills	0.5%	2.3%

## Domestic Equity Return Distributions

Quarter	Trailing Year		
	VAL	COR	GRO
LC	1.4	1.4	1.5
MC	1.2	0.5	-0.7
SC	-0.6	-2.4	-4.2

## Market Summary

- Domestic equity markets continue their strong run
- Unemployment decreased to 3.5%.
- The US dollar continued to strengthen.
- Value performed equal or better than their growth counterparts across all cap sizes.
- Large cap equities continue to perform better than their smaller competitors.

## **INVESTMENT RETURN**

On September 30th, 2019, the City of Burlington Employees Retirement System's portfolio was valued at \$194,415,543, representing an increase of \$252,171 from the June quarter's ending value of \$194,163,372. Last quarter, the Fund posted withdrawals totaling \$47,997, which partially offset the portfolio's net investment return of \$300,168. Income receipts totaling \$196,426 plus net realized and unrealized capital gains of \$103,742 combined to produce the portfolio's net investment return.

## **RELATIVE PERFORMANCE**

### **Total Fund**

For the third quarter, the portfolio returned 0.2%, which was equal to the Burlington Manager Shadow Index's return of 0.2% and ranked in the 88th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 2.0%, which was 0.3% below the benchmark's 2.3% return, ranking in the 94th percentile. Since December 2016, the portfolio returned 8.4% annualized and ranked in the 51st percentile. The Burlington Manager Shadow Index returned an annualized 8.7% over the same period.

### **Equity**

The equity portion of the portfolio returned -0.3% last quarter; that return was 0.4% less than the MSCI All Country World index's return of 0.1% and ranked in the 57th percentile of the Global Equity universe. Over the trailing twelve-month period, this component returned 0.5%, 1.4% below the benchmark's 1.9% performance, ranking in the 60th percentile. Since December 2016, this component returned 10.4% on an annualized basis and ranked in the 52nd percentile. The MSCI All Country World returned an annualized 10.8% during the same period.

### **Real Assets**

In the third quarter, the real assets component returned 0.9%, which was 1.0% greater than the Real Assets Blended Index's return of -0.1%. Over the trailing year, this component returned 0.6%, which was 0.2% greater than the benchmark's 0.4% return. Since December 2016, this component returned 3.4% annualized, while the Real Assets Blended Index returned an annualized 2.5% over the same period.

### **Fixed Income**

During the third quarter, the fixed income portion of the portfolio returned 1.4%, which was equal to the Intermediate Gov/Credit Index's return of 1.4% and ranked in the 58th percentile of the Broad Market Fixed Income universe. Over the trailing twelve-month period, this segment's return was 8.2%, which was equal to the benchmark's 8.2% return, ranking in the 46th percentile. Since December 2016, this component returned 3.4% annualized and ranked in the 75th percentile. The Intermediate Gov/Credit returned an annualized 3.4% over the same time frame.

## **ASSET ALLOCATION**

At the end of the third quarter, equities comprised 69.1% of the total portfolio (\$134.3 million), while real assets totaled 9.9% (\$19.3 million). The account's fixed income component comprised 20.6% (\$40.1 million) of total value, while the remaining 0.3% was comprised of cash & equivalents (\$670,160).

The Retirement System also had a negative cash balance in the Pooled Account (not included in the valuations in this report) of -\$947,956.58

## EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

	Qtr / FYTD	1 Year	3 Year	5 Year	10 Year	Since 12/16
<b>Total Portfolio - Gross</b>	0.2	2.0	8.3	6.0	7.5	8.4
<i>PUBLIC FUND RANK</i>	(88)	(94)	(37)	(70)	(73)	(51)
<b>Total Portfolio - Net</b>	0.1	1.8	8.1	5.7	7.1	8.2
Manager Shadow	0.2	2.3	8.5	6.5	7.1	8.7
<b>Equity - Gross</b>	-0.3	0.5	10.4	----	----	10.4
<i>GLOBAL EQUITY RANK</i>	(57)	(60)	(42)	----	----	(52)
MSCI AC World	0.1	1.9	10.3	7.2	8.9	10.8
ACWI Ex US	-1.7	-0.7	6.8	3.4	4.9	8.0
MSCI EAFE	-1.0	-0.8	7.0	3.8	5.4	7.9
MSCI EM Net	-4.2	-2.0	6.0	2.3	3.4	8.2
Russell 3000	1.2	2.9	12.8	10.4	13.1	12.4
Cambridge PE	0.0	9.5	15.1	12.0	14.4	14.7
<b>Real Assets - Gross</b>	0.9	0.6	3.7	----	----	3.4
Real Assets Idx	-0.1	0.4	3.0	2.1	3.6	2.5
NCREIF ODCE	1.3	5.6	7.3	9.3	10.9	7.2
NCREIF Timber	0.2	2.1	3.1	4.4	4.0	3.0
BLP Commodity	-1.8	-6.6	-1.5	-7.2	-4.3	-2.6
<b>Fixed Income - Gross</b>	1.4	8.2	2.4	----	----	3.4
<i>BROAD MARKET FIXED RANK</i>	(58)	(46)	(79)	----	----	(75)
Int Gov/Credit	1.4	8.2	2.4	2.7	3.0	3.4
Global Aggregate	0.7	7.6	1.6	2.0	2.3	4.5
Global Agg Ex US	-0.6	5.3	0.4	0.9	1.3	4.5
Aggregate Index	2.3	10.3	2.9	3.4	3.8	4.3

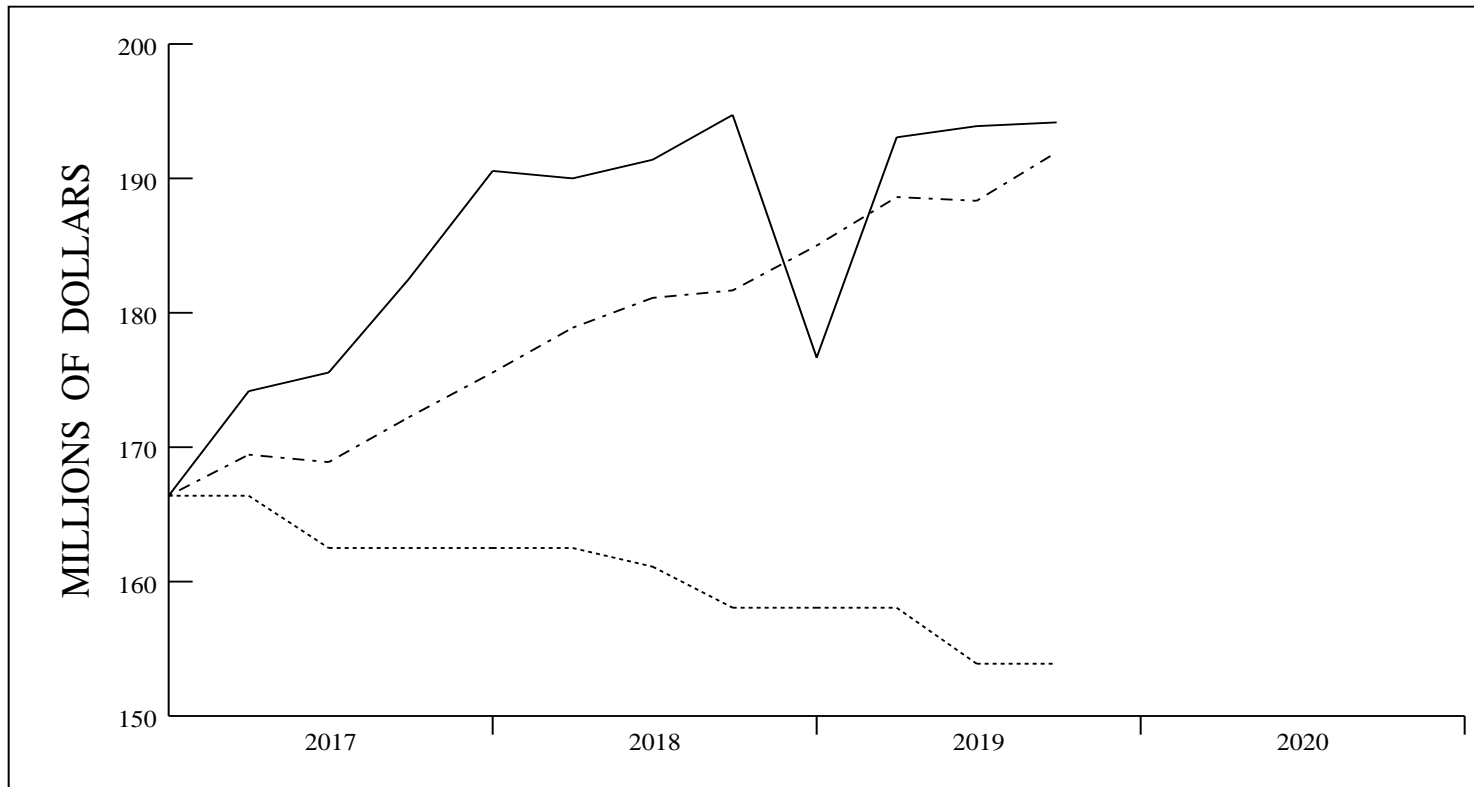
## ASSET ALLOCATION

Equity	69.1%	\$ 134,262,160
Real Assets	9.9%	19,341,657
Fixed Income	20.6%	40,141,566
Cash	0.3%	670,160
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 194,415,543</b>

## INVESTMENT RETURN

Market Value 6/2019	\$ 194,163,372
Contribs / Withdrawals	- 47,997
Income	196,426
Capital Gains / Losses	103,742
Market Value 9/2019	\$ 194,415,543

**INVESTMENT GROWTH**



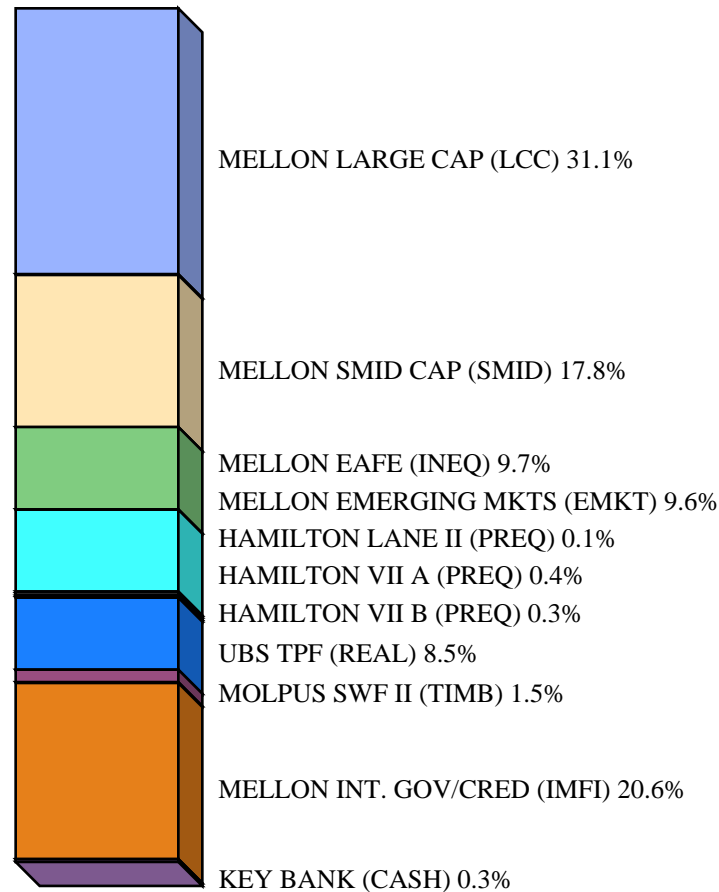
— ACTUAL RETURN  
 - - - 8.0%  
 ..... 0.0%

VALUE ASSUMING  
 8.0% RETURN \$ 191,972,950

	LAST QUARTER	PERIOD 12/16 - 9/19
BEGINNING VALUE	\$ 194,163,372	\$ 166,411,368
NET CONTRIBUTIONS	- 47,997	- 12,347,824
<u>INVESTMENT RETURN</u>	<u>300,168</u>	<u>40,351,999</u>
ENDING VALUE	\$ 194,415,543	\$ 194,415,543
INCOME	196,426	1,519,265
<u>CAPITAL GAINS (LOSSES)</u>	<u>103,742</u>	<u>38,832,734</u>
INVESTMENT RETURN	300,168	40,351,999



**MANAGER ALLOCATION AND TARGET SUMMARY**



Name	Market Value	Percent	Target
Mellon Large Cap (LCC)	\$60,555,649	31.1	30.0
Mellon Smid Cap (SMID)	\$34,693,437	17.8	18.0
Mellon EAFE (INEQ)	\$18,797,405	9.7	10.0
Mellon Emerging Mkts (EMKT)	\$18,648,623	9.6	10.0
Hamilton Lane II (PREQ)	\$257,027	0.1	0.5
Hamilton VII A (PREQ)	\$775,358	0.4	0.9
Hamilton VII B (PREQ)	\$534,661	0.3	0.6
UBS TPF (REAL)	\$16,480,684	8.5	8.0
Molpus SWF II (TIMB)	\$2,860,973	1.5	2.0
Mellon Int. Gov/Cred (IMFI)	\$40,141,566	20.6	20.0
Key Bank (CASH)	\$670,160	0.3	0.0
<b>Total Portfolio</b>	<b>\$194,415,543</b>	<b>100.0</b>	<b>100.0</b>

**INVESTMENT RETURN SUMMARY - ONE QUARTER**

<b>Name</b>	<b>Quarter Total Return</b>	<b>Market Value June 30th, 2019</b>	<b>Net Cashflow</b>	<b>Net Investment Return</b>	<b>Market Value September 30th, 2019</b>
Mellon Large Cap (LCC)	1.7	59,542,425	0	1,013,224	60,555,649
Mellon Smid Cap (SMID)	-1.2	35,116,834	0	-423,397	34,693,437
Mellon EAFE (INEQ)	-1.1	18,996,950	0	-199,545	18,797,405
Mellon Emerging Mkts (EMKT)	-4.3	19,477,165	0	-828,542	18,648,623
Hamilton Lane II (PREQ)	7.1	243,675	-4,000	17,352	257,027
Hamilton VII A (PREQ)	3.6	817,531	-71,079	28,906	775,358
Hamilton VII B (PREQ)	-1.5	568,031	-25,028	-8,342	534,661
UBS TPF (REAL)	0.9	16,370,180	-37,498	148,002	16,480,684
Molpus SWF II (TIMB)	0.6	2,850,741	0	10,232	2,860,973
Mellon Int. Gov/Cred (IMFI)	1.4	39,599,288	0	542,278	40,141,566
Key Bank (CASH)	---	580,552	89,608	0	670,160
<b>Total Portfolio</b>	<b>0.2</b>	<b>194,163,372</b>	<b>-47,997</b>	<b>300,168</b>	<b>194,415,543</b>









## MANAGER PERFORMANCE SUMMARY - GROSS OF FEES

Portfolio	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception
Total Portfolio	(Public Fund)	0.2 (88)	0.2 (88)	2.0 (94)	8.3 (37)	6.0 (70)	5.7 ---- 12/01
<i>Manager Shadow</i>		<i>0.2 ----</i>	<i>0.2 ----</i>	<i>2.3 ----</i>	<i>8.5 ----</i>	<i>6.5 ----</i>	<i>---- ---- 12/01</i>
Mellon Large Cap	(LC Core)	1.7 (43)	1.7 (43)	4.3 (41)	13.4 (30)	---- ----	13.4 (31) 03/16
<i>S&amp;P 500</i>		<i>1.7 ----</i>	<i>1.7 ----</i>	<i>4.3 ----</i>	<i>13.4 ----</i>	<i>10.8 ----</i>	<i>13.4 ---- 03/16</i>
Mellon Smid Cap	(Smid Cap)	-1.2 (63)	-1.2 (63)	-3.9 (62)	9.7 (53)	---- ----	11.3 (49) 03/16
<i>Russell 2500</i>		<i>-1.3 ----</i>	<i>-1.3 ----</i>	<i>-4.1 ----</i>	<i>9.5 ----</i>	<i>8.6 ----</i>	<i>11.2 ---- 03/16</i>
Mellon EAFE	(Intl Eq)	-1.1 (33)	-1.1 (33)	-1.1 (47)	6.9 (43)	---- ----	7.4 (55) 03/16
<i>MSCI EAFE</i>		<i>-1.0 ----</i>	<i>-1.0 ----</i>	<i>-0.8 ----</i>	<i>7.0 ----</i>	<i>3.8 ----</i>	<i>7.5 ---- 03/16</i>
Mellon Emerging Mkts	(Emerging Mkt)	-4.3 (67)	-4.3 (67)	-2.0 (72)	6.0 (51)	---- ----	7.9 (57) 03/16
<i>MSCI EM Net</i>		<i>-4.2 ----</i>	<i>-4.2 ----</i>	<i>-2.0 ----</i>	<i>6.0 ----</i>	<i>2.3 ----</i>	<i>7.9 ---- 03/16</i>
Hamilton Lane II		7.1 ----	7.1 ----	15.3 ----	9.5 ----	3.2 ----	11.4 ---- 03/09
<i>Cambridge PE</i>		<i>0.0 ----</i>	<i>0.0 ----</i>	<i>9.5 ----</i>	<i>15.1 ----</i>	<i>12.0 ----</i>	<i>14.8 ---- 03/09</i>
Hamilton VII A		3.6 ----	3.6 ----	9.6 ----	13.3 ----	11.0 ----	13.0 ---- 09/11
<i>Cambridge PE</i>		<i>0.0 ----</i>	<i>0.0 ----</i>	<i>9.5 ----</i>	<i>15.1 ----</i>	<i>12.0 ----</i>	<i>13.9 ---- 09/11</i>
Hamilton VII B		-1.5 ----	-1.5 ----	-0.3 ----	4.9 ----	4.8 ----	6.4 ---- 09/11
<i>Cambridge PE</i>		<i>0.0 ----</i>	<i>0.0 ----</i>	<i>9.5 ----</i>	<i>15.1 ----</i>	<i>12.0 ----</i>	<i>13.9 ---- 09/11</i>
UBS TPF		0.9 ----	0.9 ----	-0.5 ----	4.1 ----	---- ----	4.1 ---- 09/16
<i>NCREIF ODCE</i>		<i>1.3 ----</i>	<i>1.3 ----</i>	<i>5.6 ----</i>	<i>7.3 ----</i>	<i>9.3 ----</i>	<i>7.3 ---- 09/16</i>
Molpus SWF II		0.6 ----	0.6 ----	7.0 ----	1.3 ----	3.1 ----	3.3 ---- 03/09
<i>NCREIF Timber</i>		<i>0.2 ----</i>	<i>0.2 ----</i>	<i>2.1 ----</i>	<i>3.1 ----</i>	<i>4.4 ----</i>	<i>3.7 ---- 03/09</i>
Mellon Int. Gov/Cred	(Int Fixed)	1.4 (65)	1.4 (65)	8.2 (39)	2.4 (87)	---- ----	2.5 (83) 03/16
<i>Int Gov/Credit</i>		<i>1.4 ----</i>	<i>1.4 ----</i>	<i>8.2 ----</i>	<i>2.4 ----</i>	<i>2.7 ----</i>	<i>2.6 ---- 03/16</i>

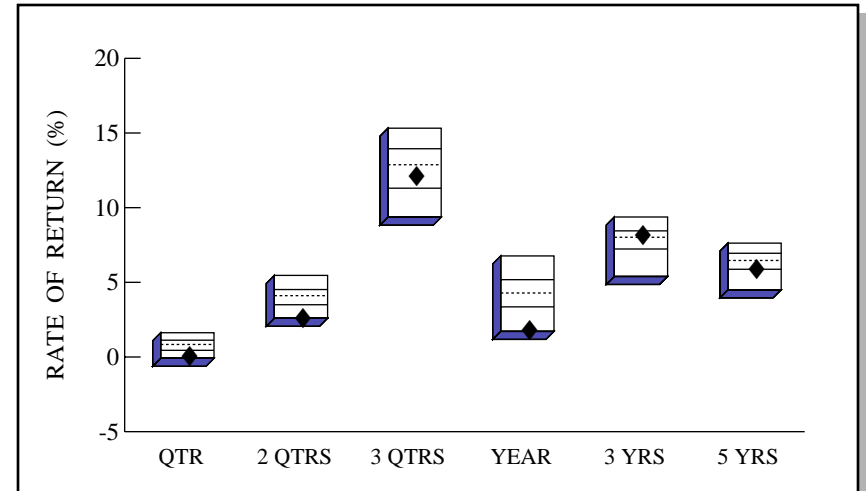
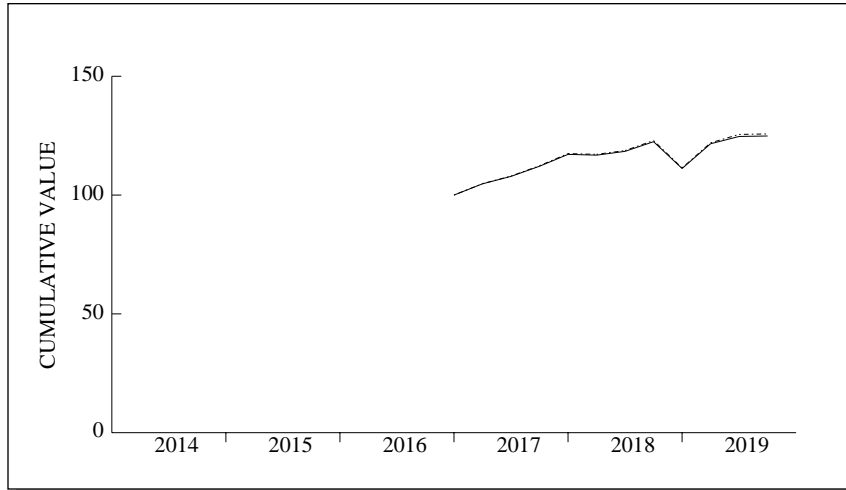
## MANAGER PERFORMANCE SUMMARY - NET OF FEES

Name	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception	
Total Portfolio	0.1	0.1	1.8	8.1	5.7	----	12/01
<i>Manager Shadow</i>	<i>0.2</i>	<i>0.2</i>	<i>2.3</i>	<i>8.5</i>	<i>6.5</i>	<i>----</i>	<i>12/01</i>
Mellon Large Cap	1.7	1.7	4.2	13.4	----	13.3	03/16
<i>S&amp;P 500</i>	<i>1.7</i>	<i>1.7</i>	<i>4.3</i>	<i>13.4</i>	<i>10.8</i>	<i>13.4</i>	<i>03/16</i>
Mellon Smid Cap	-1.2	-1.2	-3.9	9.6	----	11.3	03/16
<i>Russell 2500</i>	<i>-1.3</i>	<i>-1.3</i>	<i>-4.1</i>	<i>9.5</i>	<i>8.6</i>	<i>11.2</i>	<i>03/16</i>
Mellon EAFE	-1.1	-1.1	-1.1	6.8	----	7.3	03/16
<i>MSCI EAFE</i>	<i>-1.0</i>	<i>-1.0</i>	<i>-0.8</i>	<i>7.0</i>	<i>3.8</i>	<i>7.5</i>	<i>03/16</i>
Mellon Emerging Mkts	-4.3	-4.3	-2.1	5.9	----	7.8	03/16
<i>MSCI EM Net</i>	<i>-4.2</i>	<i>-4.2</i>	<i>-2.0</i>	<i>6.0</i>	<i>2.3</i>	<i>7.9</i>	<i>03/16</i>
Hamilton Lane II	5.5	5.5	6.9	3.8	-1.1	8.7	03/09
<i>Cambridge PE</i>	<i>0.0</i>	<i>0.0</i>	<i>9.5</i>	<i>15.1</i>	<i>12.0</i>	<i>14.8</i>	<i>03/09</i>
Hamilton VII A	3.2	3.2	8.1	11.9	9.6	11.0	09/11
<i>Cambridge PE</i>	<i>0.0</i>	<i>0.0</i>	<i>9.5</i>	<i>15.1</i>	<i>12.0</i>	<i>13.9</i>	<i>09/11</i>
Hamilton VII B	-2.1	-2.1	-1.7	3.5	3.5	4.6	09/11
<i>Cambridge PE</i>	<i>0.0</i>	<i>0.0</i>	<i>9.5</i>	<i>15.1</i>	<i>12.0</i>	<i>13.9</i>	<i>09/11</i>
UBS TPF	0.7	0.7	-1.4	3.1	----	3.1	09/16
<i>NCREIF ODCE</i>	<i>1.3</i>	<i>1.3</i>	<i>5.6</i>	<i>7.3</i>	<i>9.3</i>	<i>7.3</i>	<i>09/16</i>
Molpus SWF II	0.4	0.4	5.9	0.3	2.1	2.5	03/09
<i>NCREIF Timber</i>	<i>0.2</i>	<i>0.2</i>	<i>2.1</i>	<i>3.1</i>	<i>4.4</i>	<i>3.7</i>	<i>03/09</i>
Mellon Int. Gov/Cred	1.4	1.4	8.1	2.3	----	2.5	03/16
<i>Int Gov/Credit</i>	<i>1.4</i>	<i>1.4</i>	<i>8.2</i>	<i>2.4</i>	<i>2.7</i>	<i>2.6</i>	<i>03/16</i>

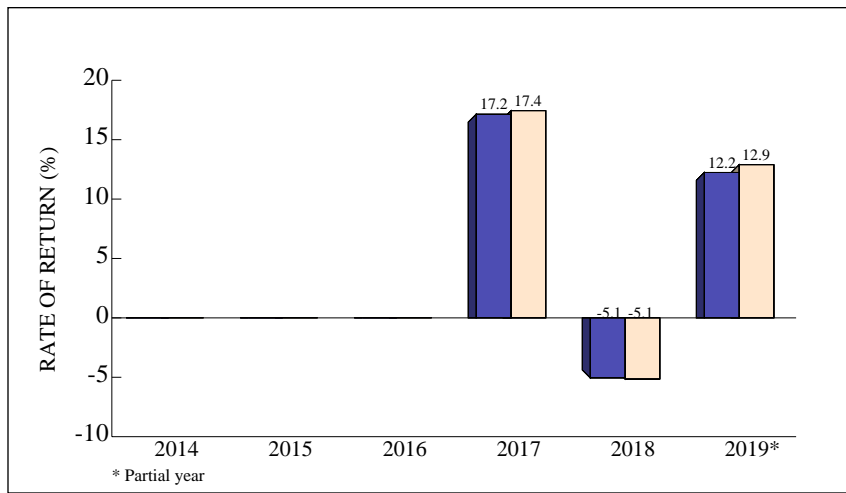
**MANAGER VALUE ADDED**

1 Quarter	Portfolio	Benchmark	1 Year
0.0	Mellon Large Cap	S&P 500	0.0
0.1	Mellon Smid Cap	Russell 2500	0.2
-0.1	Mellon EAFE	MSCI EAFE	-0.3
-0.1	Mellon Emerging Mkts	MSCI EM Net	0.0
7.1 	Hamilton Lane II	Cambridge PE	5.8 
3.6 	Hamilton VII A	Cambridge PE	0.1
 -1.5	Hamilton VII B	Cambridge PE	 -9.8
 -0.4	UBS TPF	NCREIF ODCE	 -6.1
0.4	Molpus SWF II	NCREIF Timber	4.9 
0.0	Mellon Int. Gov/Cred	Int Gov/Credit	0.0
<b>0.0  </b>	<b>Total Portfolio</b>	<b>Manager Shadow</b>	<b>  -0.3</b>

**TOTAL RETURN COMPARISONS**



Public Fund Universe

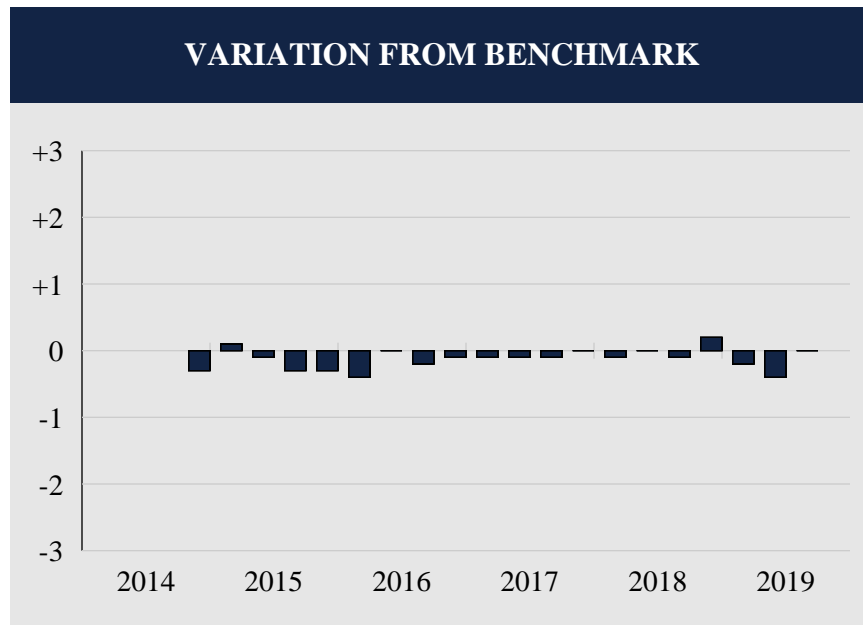


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	0.2	2.7	12.2	2.0	8.3	6.0
(RANK)	(88)	(95)	(61)	(94)	(37)	(70)
5TH %ILE	1.6	5.5	15.3	6.8	9.4	7.6
25TH %ILE	1.1	4.5	13.9	5.2	8.4	7.0
MEDIAN	0.8	4.1	12.9	4.3	8.0	6.5
75TH %ILE	0.4	3.5	11.3	3.4	7.2	5.9
95TH %ILE	-0.1	2.6	9.4	1.7	5.4	4.5
<b>Mgr Shadow</b>	<b>0.2</b>	<b>3.1</b>	<b>12.9</b>	<b>2.3</b>	<b>8.5</b>	<b>6.5</b>

Public Fund Universe

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

**COMPARATIVE BENCHMARK: BURLINGTON MANAGER SHADOW INDEX**



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

<b>RATES OF RETURN</b>						
Date	Portfolio	Bench	Diff	-----Cumulative-----		
				Portfolio	Bench	Diff
12/14	0.3	0.6	-0.3	0.3	0.6	-0.3
3/15	1.9	1.8	0.1	2.2	2.4	-0.2
6/15	0.1	0.2	-0.1	2.3	2.6	-0.3
9/15	-5.0	-4.7	-0.3	-2.8	-2.2	-0.6
12/15	1.3	1.6	-0.3	-1.5	-0.6	-0.9
3/16	1.1	1.5	-0.4	-0.4	0.8	-1.2
6/16	1.8	1.8	0.0	1.4	2.7	-1.3
9/16	4.1	4.3	-0.2	5.6	7.1	-1.5
12/16	1.6	1.7	-0.1	7.3	8.9	-1.6
3/17	4.7	4.8	-0.1	12.4	14.2	-1.8
6/17	3.0	3.1	-0.1	15.7	17.7	-2.0
9/17	3.9	4.0	-0.1	20.3	22.4	-2.1
12/17	4.5	4.5	0.0	25.7	27.9	-2.2
3/18	-0.3	-0.2	-0.1	25.3	27.6	-2.3
6/18	1.4	1.4	0.0	27.1	29.4	-2.3
9/18	3.4	3.5	-0.1	31.4	33.9	-2.5
12/18	-9.2	-9.4	0.2	19.3	21.4	-2.1
3/19	9.3	9.5	-0.2	30.4	32.9	-2.5
6/19	2.5	2.9	-0.4	33.7	36.8	-3.1
9/19	0.2	0.2	0.0	33.9	37.0	-3.1

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

<b>IRR Since Inception</b>	<b>14.21%</b>	Annualized, Net of Fees			
<b>Market Value</b>	<b>\$ 257,027</b>	Last Statement Date:		9/30/2019	
Capital Commitment	\$ 3,400,000	100.00%		PME+	10.4%
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%
		<b>% of</b>	<b>Recallable</b>	<b>% of</b>	
<b>Date</b>	<b>Contributions</b>	<b>Commitment</b>	<b>Distributions</b>	<b>Commitmen</b>	<b>Distributions</b>
Year 2009	\$ 518,361	15.25%	\$ (151,904)	-4.47%	\$ -
Year 2010	\$ 1,109,828	32.64%	\$ -	-	\$ (87,992)
Year 2011	\$ 607,254	17.86%	\$ (115,109)	-3.39%	\$ (361,234)
Year 2012	\$ 934,221	27.48%	\$ -	-	\$ (836,516)
Year 2013	\$ 97,310	2.86%	\$ (17,266)	-0.51%	\$ (731,867)
Year 2014	\$ -	-	\$ -	-	\$ (1,140,848)
Year 2015	\$ -	-	\$ -	-	\$ (533,140)
1/28/2016	\$ -	-	\$ -	-	\$ (38,549)
5/20/2016	\$ -	-	\$ -	-	\$ (81,887)
8/19/2016	\$ -	-	\$ -	-	\$ (46,080)
12/28/2016	\$ -	-	\$ -	-	\$ (31,257)
6/1/2017	\$ -	-	\$ -	-	\$ (44,158)
11/20/2017	\$ -	-	\$ -	-	\$ (45,061)
1/29/2018	\$ -	-	\$ -	-	\$ (38,733)
7/11/2018	\$ -	-	\$ -	-	\$ (34,203)
1/18/2019	\$ -	-	\$ -	-	\$ (43,682)
6/27/2019	\$ -	-	\$ -	-	\$ (19,298)
<b>Total</b>	<b>\$ 3,266,974</b>	<b>96.09%</b>	<b>\$ (284,279)</b>	<b>-8.36%</b>	<b>\$ (4,114,505)</b>

\*Provided by Hamilton Lane



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

<b>IRR Since Inception</b>	<b>10.58%</b>	Annualized, Net of Fees		
<b>Market Value</b>	<b>\$ 775,358</b>	Last Statement Date:	9/30/2019	
Capital Commitment	\$ 1,500,000	100.00%	PME +	7.3%
Paid In Capital	\$ 1,304,825	86.99%	Fund Level LP Net IRR*	10.8%
Remaining Commitment	\$ 195,175	13.01%	MSCI World Index PME*	11.1%

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Distributions</b>	<b>% of Commitmen</b>	<b>Distributions</b>
Year 2011	\$ 345,447	23.03%	\$ -	-	\$ -
4/24/2012	\$ 83,394	5.56%	\$ -	-	\$ (32,311)
6/24/2012	\$ 52,500	3.50%	\$ -	-	\$ -
8/23/2012	\$ 45,000	3.00%	\$ -	-	\$ (3,692)
10/15/2012	\$ 67,500	4.50%	\$ -	-	\$ (23,932)
11/21/2012	\$ 80,250	5.35%	\$ -	-	\$ -
3/12/2013	\$ 48,750	3.25%	\$ -	-	\$ (27,930)
2/14/2014	\$ 61,500	4.10%	\$ -	-	\$ -
5/20/2014	\$ 187,500	12.50%	\$ -	-	\$ (151,650)
7/14/2014	\$ 50,522	3.37%	\$ -	-	\$ (19,283)
1/6/2015	\$ 145,117	9.67%	\$ -	-	\$ (88,738)
12/8/2015	\$ 28,179	1.88%	\$ -	-	\$ (51,519)
7/22/2016	\$ 75,000	5.00%	\$ -	-	\$ (53,805)
1/25/2017	\$ 34,166	2.28%	\$ -	-	\$ (216,102)
6/22/2017	\$ -	-	\$ -	-	\$ (96,706)
8/16/2017	\$ -	-	\$ -	-	\$ (31,846)
9/28/2017	\$ -	-	\$ -	-	\$ (6,487)
11/15/2017	\$ -	-	\$ -	-	\$ (80,964)
3/29/2018	\$ -	-	\$ -	-	\$ (138,746)
6/15/2018	\$ -	-	\$ -	-	\$ (39,985)
3/6/2019	\$ -	-	\$ -	-	\$ (61,159)
6/26/2019	\$ -	-	\$ -	-	\$ (31,022)
9/24/2019	\$ -	-	\$ -	-	\$ (68,022)
<b>Total</b>	<b>\$ 1,304,825</b>	<b>86.99%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (1,223,899)</b>

\*Provided by Hamilton Lane

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

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

<b>IRR Since Inception</b>	<b>5.88%</b>	Annualized, Net of Fees		
<b>Market Value</b>	<b>\$ 534,661</b>	Last Statement Date:	9/30/2019	
Capital Commitment	\$ 1,000,000	100.00%	PME+	6.9%
Paid In Capital	\$ 825,225	82.52%	Fund Level LP Net IRR*	4.7%
Remaining Commitment	\$ 174,775	17.48%	MSCI World Index PME*	11.1%

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>% of Recallable Distributions</b>	<b>% of Commitmen</b>	<b>Distributions</b>
Year 2011	\$ 245,723	24.57%	\$ -	-	\$ -
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)
6/25/2019	\$ -	-	\$ -	-	\$ (42,091)
9/25/2019	\$ -	-	\$ -	-	\$ (21,586)
<b>Total</b>	<b>\$ 825,225</b>	<b>82.52%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (505,516)</b>

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

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

**Timber Investor Report**  
**Molpus Sustainable Woodlands Fund II, LP**

<b>IRR Since Inception</b>	<b>1.87%</b>	Annualized, Net of Fees	
<b>Market Value</b>	<b>\$ 2,860,973</b>	Last Statement Date:	9/30/2019
Capital Commitment	\$ 3,400,000	100.00%	
Paid In Capital	\$ 3,400,000	100.00%	
Remaining Commitment	\$ -	0.00%	

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Distributions</b>	<b>% of Commitmen</b>	<b>Distributions</b>
2/28/2009	\$ 510,000	15.00%	\$ -	-	\$ -
9/30/2009	\$ 2,890,000	85.00%	\$ -	-	\$ -
4/30/2010	\$ -	-	\$ -	-	\$ (19,365)
6/30/2010	\$ -	-	\$ -	-	\$ (67,116)
12/31/2010	\$ -	-	\$ -	-	\$ (28,663)
6/30/2011	\$ -	-	\$ -	-	\$ (19,109)
12/31/2011	\$ -	-	\$ -	-	\$ (38,218)
12/31/2012	\$ -	-	\$ -	-	\$ (47,772)
6/25/2013	\$ -	-	\$ -	-	\$ (76,435)
12/31/2013	\$ -	-	\$ -	-	\$ (114,653)
3/31/2014	\$ -	-	\$ -	-	\$ (47,772)
9/30/2014	\$ -	-	\$ -	-	\$ (47,772)
12/31/2014	\$ -	-	\$ -	-	\$ (28,663)
3/31/2015	\$ -	-	\$ -	-	\$ (38,218)
9/30/2015	\$ -	-	\$ -	-	\$ (47,772)
12/31/2015	\$ -	-	\$ -	-	\$ (47,772)
6/30/2016	\$ -	-	\$ -	-	\$ (28,663)
9/30/2016	\$ -	-	\$ -	-	\$ (76,435)
12/31/2016	\$ -	-	\$ -	-	\$ (95,544)
6/30/2017	\$ -	-	\$ -	-	\$ (38,218)
9/29/2017	\$ -	-	\$ -	-	\$ (38,218)
12/29/2017	\$ -	-	\$ -	-	\$ (57,327)
12/28/2018	\$ -	-	\$ -	-	\$ (76,435)
6/30/2019	\$ -	-	\$ -	-	\$ (57,327)
<b>Total</b>	<b>\$ 3,400,000</b>	<b>100.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (1,137,467)</b>

## APPENDIX - MAJOR MARKET INDEX RETURNS

Equity	Style	QTR	FYTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	1.2	1.2	2.9	12.8	10.4
S&P 500	Large Cap Core	1.7	1.7	4.3	13.4	10.8
Russell 1000	Large Cap Core	1.4	1.4	3.9	13.2	10.6
Russell 1000 Growth	Large Cap Growth	1.5	1.5	3.7	16.9	13.4
Russell 1000 Value	Large Cap Value	1.4	1.4	4.0	9.4	7.8
Russell 2000	Small Cap	-2.4	-2.4	-8.9	8.2	8.2
Russell 2000 Growth	Small Cap Growth	-4.2	-4.2	-9.7	9.8	9.1
Russell 2000 Value	Small Cap Value	-0.6	-0.6	-8.3	6.5	7.2
MSCI EAFE	Developed Markets	-1.0	-1.0	-0.8	7.0	3.8
MSCI EAFE Growth	Developed Markets Growth	-0.4	-0.4	2.6	8.2	5.9
MSCI EAFE Value	Developed Markets Value	-1.6	-1.6	-4.3	5.7	1.6
MSCI Emerging Markets	Emerging Markets	-4.1	-4.1	-1.6	6.4	2.7
MSCI All Country World	Global Equity	0.1	0.1	1.9	10.3	7.2
MSCI All Country World Ex US	Global Equity (ex. US)	-1.7	-1.7	-0.7	6.8	3.4
Fixed Income	Style	QTR	FYTD	1 Year	3 years	5 Years
Bloomberg Barclays Aggregate Index	Core Fixed Income	2.3	2.3	10.3	2.9	3.4
Bloomberg Barclays Gov/Credit	Gov/Credit	2.6	2.6	11.3	3.2	3.6
Bloomberg Barclays Capital Gov't Bond	Treasuries	2.4	2.4	10.4	2.3	2.9
Bloomberg Barclays Capital Credit Bond	Corporate Bonds	3.0	3.0	12.6	4.3	4.5
Intermediate Aggregate	Core Intermediate	1.4	1.4	8.1	2.4	2.7
Intermediate Gov/Credit	Gov / Credit Intermediate	1.4	1.4	8.2	2.4	2.7
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.6	0.6	4.4	1.5	1.3
Bloomberg Barclays Capital High Yield	High Yield Bonds	1.3	1.3	6.4	6.1	5.4
Bloomberg Barclays Global Treasury Ex US	International Treasuries	0.4	0.4	7.5	0.5	1.4
Bloomberg Barclays Global Government Bond	International Fixed Income	0.6	0.6	7.6	0.9	1.7
Bloomberg Barclays Global Aggregate	International Fixed Income	0.7	0.7	7.6	1.6	2.0
Bloomberg Barclays Global Aggregate Ex US	International Fixed Income	-0.6	-0.6	5.3	0.4	0.9
Alternative Assets	Style	QTR	FYTD	1 Year	3 years	5 Years
MSCI US REIT Index	REITs	7.7	7.7	16.8	6.8	9.8
NCREIF NFI-ODCE Index	Real Estate	1.3	1.3	5.6	7.3	9.3
NCREIF Timber Index	Timber	0.2	0.2	2.1	3.1	4.4
Bloomberg Commodity Index	Commodities	-1.8	-1.8	-6.6	-1.5	-7.2
HFRI FOF Composite	Hedge Funds	-0.9	-0.9	0.6	3.4	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 Real Assets Blended Index is comprised of equal parts:  
NCREIF ODCE                      NCREIF Timber                      Bloomberg Commodities (Formerly known as Dow Jones UBS Commodities)
- \* All values for the Pooled Cash account since June 2012 are subject to change. Audited statements are not provided for this account.
- \* Dahab Associates utilizes data provided by a custodian and other vendors it believes are reliable. However, it cannot assume responsibility for errors and omissions therefrom.
- \* All returns were calculated on a time-weighted basis, and are gross of fees unless otherwise noted.
- \* All returns for periods greater than one year are annualized.
- \* Dahab Associates uses the modified duration measure to present average duration.
- \* All values are in US dollars.