

# City Of Burlington Employees Retirement Plan

Performance Review  
March 2018

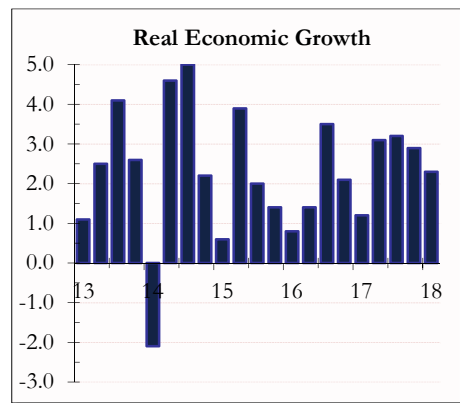


**DAHAB ASSOCIATES**  
New York   Massachusetts   Pennsylvania   Florida

## ECONOMIC ENVIRONMENT

### The Good News Continued

Global expansion continued unabated into 2018. Domestically, there was lots of good news. Real GDP expanded 2.3% in the first



quarter, according to the BEA advance estimate, a slight deceleration from the fourth quarter's 2.9% growth. Job growth supported the GDP gain, averaging more than 200,000 during the quarter; this level of hiring took place despite a weather-related dip to 103,000 new jobs in March. Reflecting the

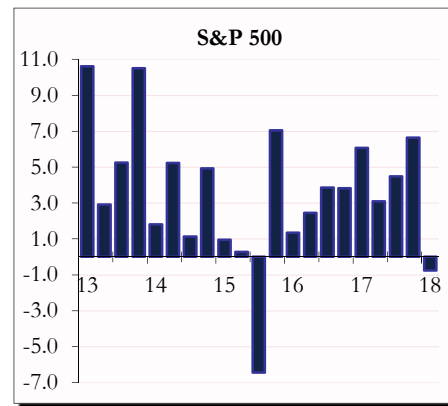
optimism, sales of new and existing homes were brisk and prices of each rose. Manufacturing and services output also expanded. In addition, the University of Michigan's Consumer Sentiment Index was the most positive in 14 years (101.4) and its Current Conditions Component Index stood at an all-time high (121.2). The Fed played its role by once again raising short-term rates from 1.5% to 1.75%. Core inflation reached an annualized 2.1% in March, just above the Fed's 2% sweet spot. Including food and energy, the annualized rate rose to 2.4%.

The economic picture was quite rosy for the first quarter, but there were some hiccups. Commodity prices for liquid natural gas and for many agricultural products temporarily swooned. A greater concern for the longer term was the Trump team's announcement of possible tariffs on steel, aluminum and a host of other products. That fueled uncertainty, leading to a rather chaotic quarter for stock and bond markets.

## DOMESTIC EQUITIES

### Volatility Rattled the Markets

There was no mistaking a pattern of clearly volatile S&P 500 returns. Most of January was uneventful, followed briefly by



inflation fears; next, investors felt that inflation was under control. That sense of relief gave way to worries over a likely tariff war. By the end of the quarter, investors relaxed again, viewing the tariff issue as nothing more than the opening salvo in trade negotiations. It was quite a ride and one seldom seen in

the previous nine years of bull market.

The intra-quarter volatility resulted in the S&P's 0.8% loss, as well as the Dow's 2.0% loss. However, the NASDAQ managed a positive 2.6% return as tech stocks provided ballast. Growth stocks again bested value stocks in all size categories. For example, the Russell 1000 Growth Index was up 1.4%, while the Russell 1000 Value Index was down 2.8%. In the small-cap space, the Russell 2000 Growth Index gained 2.3% vs. 2.6% in lost return for the Russell 2000 Value. Overall, small caps performed modestly better than their mid-cap or large-cap counterparts, but most stocks paused from their 2017 upward paths.

Consumer service stocks earned the highest return (+5.1%). The computer technology sector, bolstered by Amazon, Netflix and Microsoft, posted a 4% gain. However, all other sectors were in the red. Higher interest rates hurt utility stocks, which were off 4.5%; falling liquid natural gas prices drove energy stocks down 5.1%;

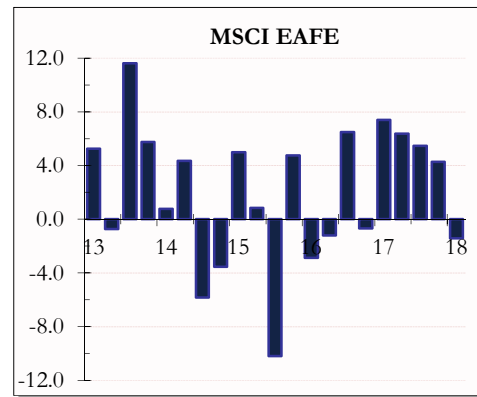
and the specter of a looming trade war sent basic industrial stocks tumbling 6.6%. Finally, REIT prices continued to struggle (-8.5%), impacted by interest rate hikes and especially by retail store closings.

## INTERNATIONAL EQUITIES

### US Pullback Dampened Overseas Markets

Many economies around the world were either ramping up or continuing to do well. The GDPs of China, Japan, the Euro region and lately, Brazil, led the way. Consumer spending, rising exports and currency strength vs. the US dollar generally helped those economies. Nonetheless, the volatility in US markets affected the bourses of most countries.

For the quarter, the MSCI EAFE Index dipped 1.4%. Markets in the Eurozone, the UK, Australia and the Pacific region all slipped.

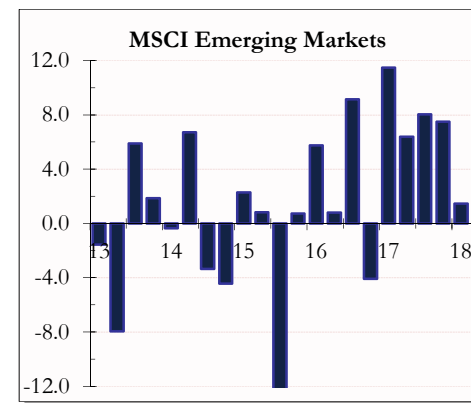


Within the Eurozone, the Italian market did surprisingly well (+5.4%), reflecting consumer confidence and job growth despite its hung parliament. French stocks were slightly positive (+0.4%), even as unions tested President Macron's reforms. German shares fell 3.5% after five months of political uncertainty, heedless of its strong economy. On the other hand, Spanish shares fell just 1.7%, with economic gains offsetting Catalan independence issues. The UK market dropped 3.9% as it continued to grapple with Brexit issues.

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The Australian market slumped 6.1% amid lower construction investment and weak bank shares. In the Pacific, Singapore stood out with the highest GDP growth rate in three years. Its market moved up 2.8%, accordingly. Japan (+1.0%) experienced the lowest unemployment rate in two decades! That milestone plus an expanding manufacturing sector pushed back against a surging Yen (and effectively raised export prices). Hong Kong shares eased back 1.4%. The Israel market was hit by a series of government corruption scandals that sent shares tumbling 5.3%. Canada sank 7.2% amid declining consumer purchases, NAFTA re-negotiations and a dramatically weakening currency.

EM market returns varied all over the lot, but overall inched up 1.5%. Among the big four BRIC countries, there were surprises. Brazil continued its turnaround, climbing 12.5%, led by strong



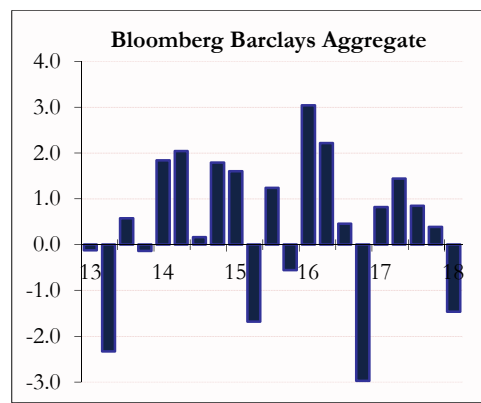
business confidence. Shares of Brazil's state-owned Petrobras rocketed 38% on the strength of rising oil prices. Russia provided another surprise, gaining 9.4% despite new global sanctions. India's shares dropped 7%, largely due to fraud scandals at its public sector banks. China's shares, which gained 1.8%, benefited from sustained economic growth and rising middle class consumer spending.

## BOND MARKET

### Rates Rose and Prices Fell (Modestly)

As expected, the Federal Reserve Board raised the Fed funds rate to a range of 1.5% - 1.75%. As a result, the yield curve rose along all maturities and bond prices fell accordingly. Returns were modestly negative except in the ultra-short space (where they were modestly positive) and the very long space (where they were significantly negative). As inflation fears subsided, the yield curve flattened at the long end.

The Barclays Aggregate Index returned -1.5%. Treasuries, representing the largest fraction of the index, declined 1.2%.



Mortgage-backed issues did the same. However, 20-year and longer Treasury issues fell 3.4%. Corporate bond returns were also in the red (-2.1%). AAA names fell 1.1%, while single A issues were down 2.5%. High yield credits held up under the pressure, losing an average of just 0.9%; low default

rates acted as a floor for high yield prices.

The G-6 Index (sovereign bonds among six developed economies) actually climbed 4.9% due largely to their strengthening currencies vs. the US dollar. Canada was the only G-6 component to decline (-2.4%), reflecting both its weakened currency and faltering economy. Emerging market bond losses were muted, easing back 1.5%; generally, stronger currencies and economies dampened losses for EM securities.

## CASH EQUIVALENTS

### Another Fed Rate Hike Helped

A higher 90-day T-bill return was attributable to the latest Fed funds increase — the fourth since early last year. The T-bill gave investors 0.33% for the quarter and just over 1% for the fiscal year. With more Fed funds increases likely this year, cash equivalents are finally providing at least some return to ultra-conservative investors.

## Economic Statistics

	Current Quarter	Previous Quarter
GDP	2.3	2.9
Unemployment	4.1	4.1
CPI All Items Year/Year	2.1	2.4
Fed Funds Rate	1.75	1.50
Industrial Capacity	78.0	77.3
US Dollars per Euro	1.23	1.20

## Major Index Quarter Returns

Index	Quarter	Year
Russell 3000	-0.6	13.8
S&P 500	-0.8	14.0
Russell Midcap	-0.5	12.2
Russell 2000	-0.1	11.8
MSCI EAFE	-1.4	15.3
MSCI Emg Markets	1.4	25.3
NCREIF ODCE	2.2	8.1
U.S. Aggregate	-1.5	1.2
90 Day T-bills	0.4	1.2

## Domestic Equity Return Distributions

	Quarter			Trailing Year		
	VAL	COR	GRO	VAL	COR	GRO
LC	-2.8	-0.7	1.4	6.9	14.0	21.3
MC	-2.5	-0.5	2.2	6.5	12.2	19.7
SC	-2.6	-0.1	2.3	5.2	11.8	18.6

## Market Summary

- The BEA estimates a 2.3% growth for GDP in the first quarter.
- Unemployment remained at 4.1%.
- Year over year CPI for all items expanded 2.4%.
- The dollar weakened slightly relative to the euro
- Growth continued to outperform value in the stock market. Smaller cap stocks fared better than large and mid-sized companies.

## **INVESTMENT RETURN**

On March 31st, 2018, the City of Burlington Employees Retirement System was valued at \$190,116,363, a decrease of \$565,602 from the December ending value of \$190,681,965. Last quarter, the account recorded total net withdrawals of \$48,887 in addition to \$516,715 in net investment losses. The fund's net investment loss was a result of income receipts totaling \$126,835 and realized and unrealized capital losses totaling \$643,550.

## **RELATIVE PERFORMANCE**

### **Total Fund**

During the first quarter, the total portfolio lost 0.3%, which was 0.1% less than the Burlington Policy Index's return of -0.2% and ranked in the 47th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 11.5%, which was equal to the benchmark's 11.5% performance, and ranked in the 20th percentile. Since December 2001, the account returned 5.8% per annum.

### **Equity**

The equity segment lost 0.4% last quarter, 0.4% above the MSCI All Country World index's return of -0.8% and ranked in the 40th percentile of the Global Equity universe. Over the trailing twelve months, the equity portfolio returned 15.3%, 0.1% less than the benchmark's 15.4% performance, and ranked in the 47th percentile.

### **Real Assets**

In the first quarter, the real assets portion of the portfolio gained 1.6%, which was 0.7% above the Real Assets Blended Index's return of 0.9%. Over the trailing twelve-month period, this component returned 5.6%, which was 0.4% greater than the benchmark's 5.2% return.

### **Fixed Income**

In the first quarter, the fixed income segment lost 1.0%, which was equal to the Intermediate Gov/Credit Index's return of -1.0% and ranked in the 58th percentile of the Broad Market Fixed Income universe. Over the trailing twelve-month period, this segment returned 0.3%, which was 0.1% less than the benchmark's 0.4% performance, and ranked in the 97th percentile.

## **ASSET ALLOCATION**

At the end of the first quarter, equities comprised 73.3% of the total portfolio (\$139.3 million), while real assets totaled 10.1% (\$19.2 million). The account's fixed income component comprised 16.0% (\$30.5 million) of total value, while the remaining 0.6% was comprised of cash & equivalents (\$1.2 million).

The Retirement System also had a negative cash balance in the Pooled Account (not included in the valuations in this report) of -\$3,127,259.85.

## EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

	Qtr / YTD	FYTD	1 Year	3 Year	5 Year	10 Year	Since 12/01
<b>Total Portfolio - Gross</b>	-0.3	8.3	11.5	7.0	6.5	5.9	5.8
<i>PUBLIC FUND RANK</i>	(47)	(15)	(20)	(24)	(89)	(85)	----
<b>Total Portfolio - Net</b>	-0.3	8.2	11.4	6.7	6.1	5.5	----
Policy Index	-0.2	8.2	11.5	7.5	7.0	5.6	----
<b>Equity - Gross</b>	-0.4	11.1	15.3	----	----	----	----
<i>GLOBAL EQUITY RANK</i>	(40)	(37)	(47)	----	----	----	----
MSCI AC World	-0.8	10.5	15.4	8.7	9.8	6.2	7.3
ACWI Ex US	-1.1	10.4	17.1	6.7	6.4	3.2	7.4
MSCI EAFE	-1.4	8.4	15.3	6.0	7.0	3.2	6.7
MSCI EM Net	1.4	17.6	24.9	8.8	5.0	3.0	11.0
Russell 3000	-0.6	10.5	13.8	10.2	13.0	9.6	7.8
S&P Completion	0.1	10.2	13.1	8.0	11.8	10.3	----
<b>Real Assets - Gross</b>	1.6	4.5	5.6	----	----	----	----
Real Assets Idx	0.9	5.4	5.2	3.5	3.0	0.9	5.9
NCREIF ODCE	2.2	6.3	8.1	10.0	11.4	5.1	8.1
NCREIF Timber	0.9	3.1	3.8	3.4	6.1	4.1	7.1
BLP Commodity	-0.4	6.9	3.7	-3.2	-8.3	-7.7	1.1
<b>Fixed Income - Gross</b>	-1.0	-0.6	0.3	----	----	----	----
<i>BROAD MARKET FIXED RANK</i>	(58)	(98)	(97)	----	----	----	----
Int Gov/Credit	-1.0	-0.6	0.4	0.9	1.2	2.9	3.8
Global Aggregate	1.4	4.3	7.0	3.1	1.5	2.6	5.0
Global Agg Ex US	3.6	7.9	11.7	4.6	1.2	1.8	5.4
Aggregate Index	-1.5	-0.2	1.2	1.2	1.8	3.6	4.4

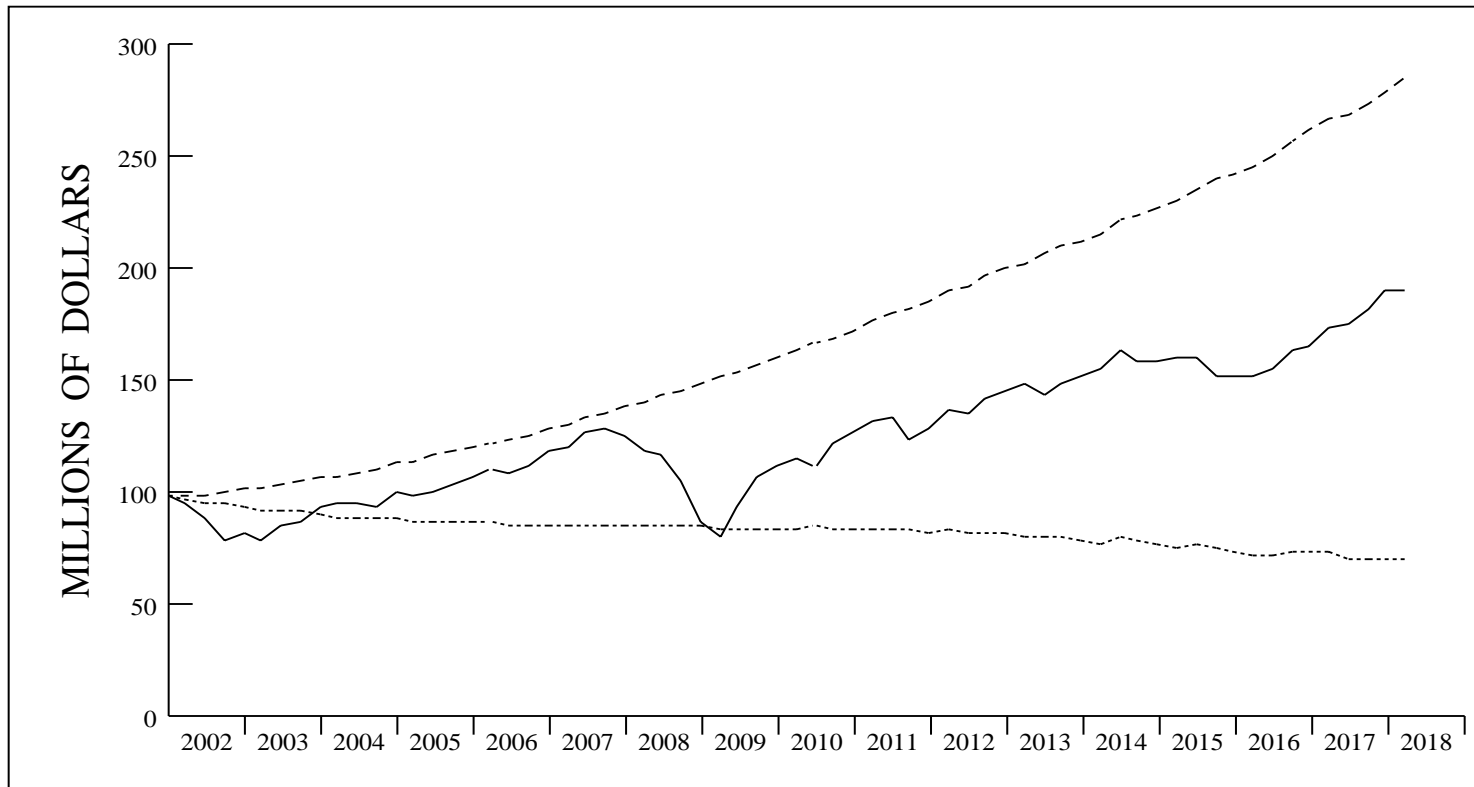
## ASSET ALLOCATION

Equity	73.3%	\$ 139,292,670
Real Assets	10.1%	19,187,108
Fixed Income	16.0%	30,473,260
Cash	0.6%	1,163,325
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 190,116,363</b>

## INVESTMENT RETURN

Market Value 12/2017	\$ 190,681,965
Contribs / Withdrawals	-48,887
Income	126,835
Capital Gains / Losses	-643,550
Market Value 3/2018	\$ 190,116,363

**INVESTMENT GROWTH**



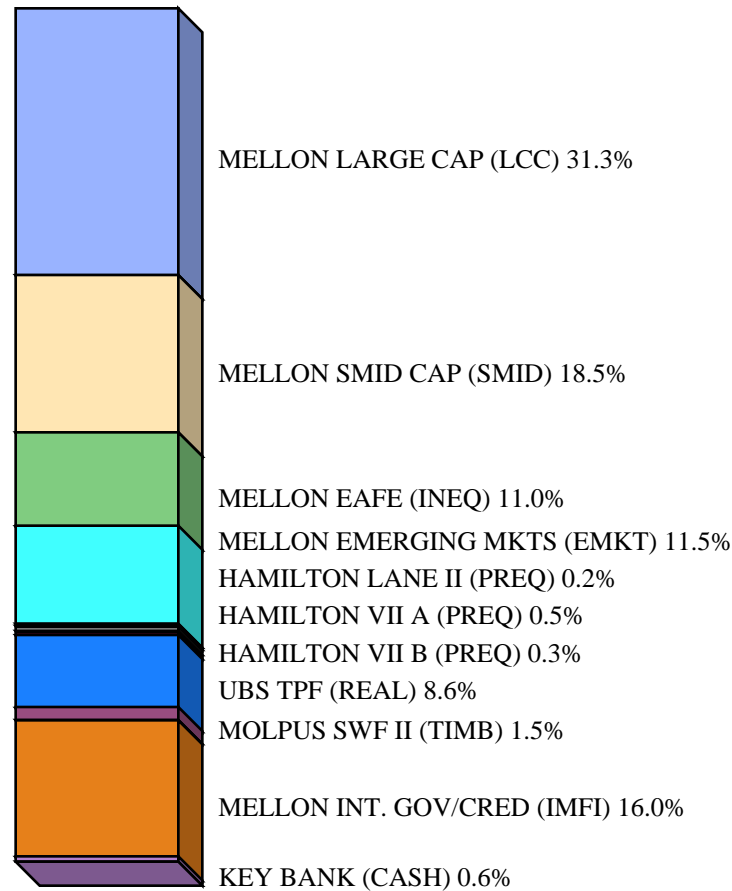
— ACTUAL RETURN  
 - - - 8.0%  
 . . . 0.0%

VALUE ASSUMING  
 8.0% RETURN \$ 285,256,575

	LAST QUARTER	PERIOD 12/01 - 3/18
BEGINNING VALUE	\$ 190,681,965	\$ 98,885,312
NET CONTRIBUTIONS	- 48,887	- 27,857,778
<u>INVESTMENT RETURN</u>	<u>-516,715</u>	<u>119,088,829</u>
ENDING VALUE	\$ 190,116,363	\$ 190,116,363
INCOME	126,835	15,210,260
<u>CAPITAL GAINS (LOSSES)</u>	<u>-643,550</u>	<u>103,878,569</u>
INVESTMENT RETURN	-516,715	119,088,829



**MANAGER ALLOCATION AND TARGET SUMMARY**



Name	Market Value	Percent	Target
Mellon Large Cap (LCC)	\$59,456,454	31.3	30.0
Mellon Smid Cap (SMID)	\$35,082,458	18.5	18.0
Mellon EAFE (INEQ)	\$20,962,409	11.0	10.0
Mellon Emerging Mkts (EMKT)	\$21,889,517	11.5	10.0
Hamilton Lane II (PREQ)	\$344,457	0.2	0.5
Hamilton VII A (PREQ)	\$916,855	0.5	0.9
Hamilton VII B (PREQ)	\$640,520	0.3	0.6
UBS TPF (REAL)	\$16,262,893	8.6	8.0
Molpus SWF II (TIMB)	\$2,924,215	1.5	2.0
Mellon Int. Gov/Cred (IMFI)	\$30,473,260	16.0	20.0
Key Bank (CASH)	\$1,163,325	0.6	0.0
<b>Total Portfolio</b>	<b>\$190,116,363</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 December 31st, 2017</b>	<b>Net Cashflow</b>	<b>Net Investment Return</b>	<b>Market Value March 31st, 2018</b>
Mellon Large Cap (LCC)	-0.8	59,911,673	0	-455,219	59,456,454
Mellon Smid Cap (SMID)	-0.2	35,155,699	0	-73,241	35,082,458
Mellon EAFE (INEQ)	-1.6	21,312,171	0	-349,762	20,962,409
Mellon Emerging Mkts (EMKT)	1.3	21,611,789	0	277,728	21,889,517
Hamilton Lane II (PREQ)	5.3	370,936	-44,550	18,071	344,457
Hamilton VII A (PREQ)	5.5	1,004,725	-142,300	54,430	916,855
Hamilton VII B (PREQ)	2.3	646,792	-21,289	15,017	640,520
UBS TPF (REAL)	1.9	15,998,526	-36,620	300,987	16,262,893
Molpus SWF II (TIMB)	0.0	2,924,215	0	0	2,924,215
Mellon Int. Gov/Cred (IMFI)	-1.0	30,777,986	0	-304,726	30,473,260
Key Bank (CASH)	---	967,453	195,872	0	1,163,325
<b>Total Portfolio</b>	<b>-0.3</b>	<b>190,681,965</b>	<b>-48,887</b>	<b>-516,715</b>	<b>190,116,363</b>










## MANAGER PERFORMANCE SUMMARY - GROSS OF FEES

Portfolio	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception
Total Portfolio	(Public Fund)	-0.3 (47)	8.3 (15)	11.5 (20)	7.0 (24)	6.5 (89)	5.8 ---- 12/01
<i>Policy Index</i>		<i>-0.2 ----</i>	<i>8.2 ----</i>	<i>11.5 ----</i>	<i>7.5 ----</i>	<i>7.0 ----</i>	<i>---- ---- 12/01</i>
Mellon Large Cap	(LC Core)	-0.8 ----	10.6 ----	14.0 ----	---- ----	---- ----	15.6 ---- 03/16
<i>S&amp;P 500</i>		<i>-0.8 ----</i>	<i>10.6 ----</i>	<i>14.0 ----</i>	<i>10.8 ----</i>	<i>13.3 ----</i>	<i>15.6 ---- 03/16</i>
Mellon Smid Cap	(Smid Cap)	-0.2 ----	10.1 ----	12.5 ----	---- ----	---- ----	17.0 ---- 03/16
<i>Russell 2500</i>		<i>-0.2 ----</i>	<i>10.0 ----</i>	<i>12.3 ----</i>	<i>8.1 ----</i>	<i>11.5 ----</i>	<i>16.8 ---- 03/16</i>
Mellon EAFE	(Intl Eq)	-1.6 ----	8.4 ----	15.2 ----	---- ----	---- ----	13.6 ---- 03/16
<i>MSCI EAFE</i>		<i>-1.4 ----</i>	<i>8.4 ----</i>	<i>15.3 ----</i>	<i>6.0 ----</i>	<i>7.0 ----</i>	<i>13.8 ---- 03/16</i>
Mellon Emerging Mkts	(Emerging Mkt)	1.3 ----	17.4 ----	24.7 ----	---- ----	---- ----	20.9 ---- 03/16
<i>MSCI EM Net</i>		<i>1.4 ----</i>	<i>17.6 ----</i>	<i>24.9 ----</i>	<i>8.8 ----</i>	<i>5.0 ----</i>	<i>21.0 ---- 03/16</i>
Hamilton Lane II		5.3 ----	8.5 ----	2.7 ----	-0.7 ----	4.5 ----	11.3 ---- 03/09
<i>S&amp;P Completion</i>		<i>0.1 ----</i>	<i>10.2 ----</i>	<i>13.1 ----</i>	<i>8.0 ----</i>	<i>11.8 ----</i>	<i>17.9 ---- 03/09</i>
Hamilton VII A		5.5 ----	9.0 ----	14.1 ----	10.7 ----	14.8 ----	13.3 ---- 09/11
<i>S&amp;P Completion</i>		<i>0.1 ----</i>	<i>10.2 ----</i>	<i>13.1 ----</i>	<i>8.0 ----</i>	<i>11.8 ----</i>	<i>16.2 ---- 09/11</i>
Hamilton VII B		2.3 ----	9.7 ----	14.2 ----	7.6 ----	8.6 ----	8.4 ---- 09/11
<i>S&amp;P Completion</i>		<i>0.1 ----</i>	<i>10.2 ----</i>	<i>13.1 ----</i>	<i>8.0 ----</i>	<i>11.8 ----</i>	<i>16.2 ---- 09/11</i>
UBS TPF		1.9 ----	5.8 ----	7.1 ----	---- ----	---- ----	6.5 ---- 09/16
<i>NCREIF ODCE</i>		<i>2.2 ----</i>	<i>6.3 ----</i>	<i>8.1 ----</i>	<i>10.0 ----</i>	<i>11.4 ----</i>	<i>8.0 ---- 09/16</i>
Molpus SWF II		0.0 ----	-2.1 ----	-1.8 ----	2.5 ----	4.0 ----	3.4 ---- 03/09
<i>NCREIF Timber</i>		<i>0.9 ----</i>	<i>3.1 ----</i>	<i>3.8 ----</i>	<i>3.4 ----</i>	<i>6.1 ----</i>	<i>3.9 ---- 03/09</i>
Mellon Int. Gov/Cred	(Int Fixed)	-1.0 ----	-0.6 ----	0.3 ----	---- ----	---- ----	0.4 ---- 03/16
<i>Int Gov/Credit</i>		<i>-1.0 ----</i>	<i>-0.6 ----</i>	<i>0.4 ----</i>	<i>0.9 ----</i>	<i>1.2 ----</i>	<i>0.4 ---- 03/16</i>

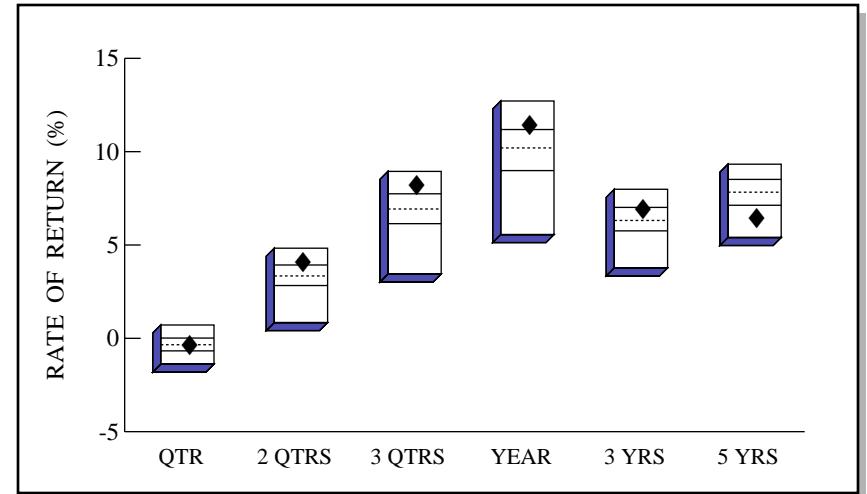
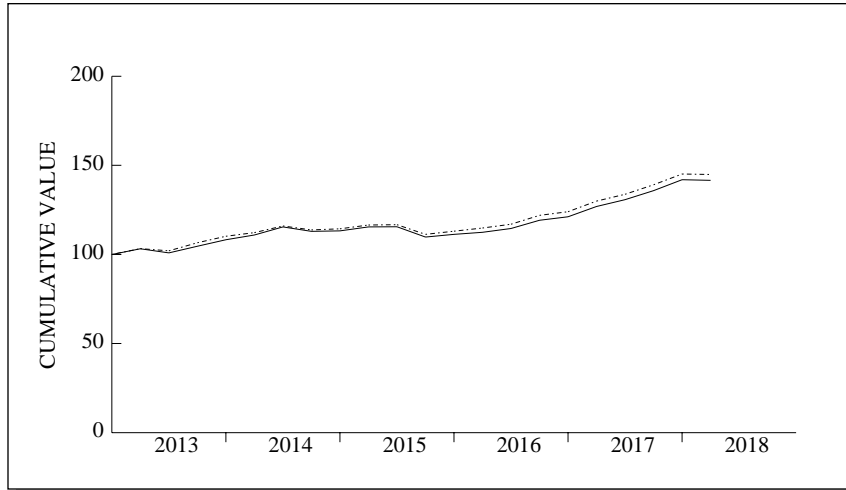
## MANAGER PERFORMANCE SUMMARY - NET OF FEES

Name	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception	
Total Portfolio	-0.3	8.2	11.4	6.7	6.1	----	12/01
<i>Policy Index</i>	<i>-0.2</i>	<i>8.2</i>	<i>11.5</i>	<i>7.5</i>	<i>7.0</i>	<i>----</i>	<i>12/01</i>
Mellon Large Cap	-0.8	10.5	14.0	----	----	15.5	03/16
<i>S&amp;P 500</i>	<i>-0.8</i>	<i>10.6</i>	<i>14.0</i>	<i>10.8</i>	<i>13.3</i>	<i>15.6</i>	<i>03/16</i>
Mellon Smid Cap	-0.2	10.0	12.4	----	----	16.9	03/16
<i>Russell 2500</i>	<i>-0.2</i>	<i>10.0</i>	<i>12.3</i>	<i>8.1</i>	<i>11.5</i>	<i>16.8</i>	<i>03/16</i>
Mellon EAFE	-1.7	8.3	15.1	----	----	13.5	03/16
<i>MSCI EAFE</i>	<i>-1.4</i>	<i>8.4</i>	<i>15.3</i>	<i>6.0</i>	<i>7.0</i>	<i>13.8</i>	<i>03/16</i>
Mellon Emerging Mkts	1.3	17.3	24.6	----	----	20.8	03/16
<i>MSCI EM Net</i>	<i>1.4</i>	<i>17.6</i>	<i>24.9</i>	<i>8.8</i>	<i>5.0</i>	<i>21.0</i>	<i>03/16</i>
Hamilton Lane II	3.8	4.5	-1.1	-4.1	1.8	9.3	03/09
<i>S&amp;P Completion</i>	<i>0.1</i>	<i>10.2</i>	<i>13.1</i>	<i>8.0</i>	<i>11.8</i>	<i>17.9</i>	<i>03/09</i>
Hamilton VII A	5.2	8.0	12.8	9.4	13.2	11.3	09/11
<i>S&amp;P Completion</i>	<i>0.1</i>	<i>10.2</i>	<i>13.1</i>	<i>8.0</i>	<i>11.8</i>	<i>16.2</i>	<i>09/11</i>
Hamilton VII B	1.9	8.6	12.1	6.2	7.2	6.5	09/11
<i>S&amp;P Completion</i>	<i>0.1</i>	<i>10.2</i>	<i>13.1</i>	<i>8.0</i>	<i>11.8</i>	<i>16.2</i>	<i>09/11</i>
UBS TPF	1.7	5.1	6.0	----	----	5.4	09/16
<i>NCREIF ODCE</i>	<i>2.2</i>	<i>6.3</i>	<i>8.1</i>	<i>10.0</i>	<i>11.4</i>	<i>8.0</i>	<i>09/16</i>
Molpus SWF II	0.0	-2.6	-2.5	1.6	3.1	2.6	03/09
<i>NCREIF Timber</i>	<i>0.9</i>	<i>3.1</i>	<i>3.8</i>	<i>3.4</i>	<i>6.1</i>	<i>3.9</i>	<i>03/09</i>
Mellon Int. Gov/Cred	-1.0	-0.6	0.3	----	----	0.3	03/16
<i>Int Gov/Credit</i>	<i>-1.0</i>	<i>-0.6</i>	<i>0.4</i>	<i>0.9</i>	<i>1.2</i>	<i>0.4</i>	<i>03/16</i>

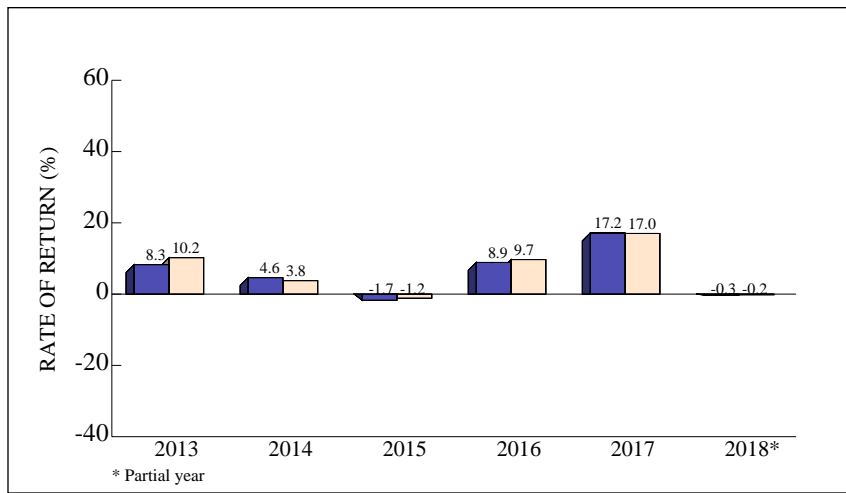
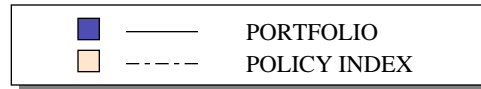
## MANAGER VALUE ADDED

1 Quarter	Portfolio	Benchmark	1 Year
0.0	Mellon Large Cap	S&P 500	0.0
0.0	Mellon Smid Cap	Russell 2500	0.2
-0.2	Mellon EAFE	MSCI EAFE	-0.1
-0.1	Mellon Emerging Mkts	MSCI EM Net	-0.2
5.2 	Hamilton Lane II	S&P Completion	 -10.4
5.4 	Hamilton VII A	S&P Completion	1.0 
2.2 	Hamilton VII B	S&P Completion	1.1 
-0.3	UBS TPF	NCREIF ODCE	 -1.0
 -0.9	Molpus SWF II	NCREIF Timber	 -5.6
0.0	Mellon Int. Gov/Cred	Int Gov/Credit	-0.1
-0.1	<b>Total Portfolio</b>	<b>Policy Index</b>	<b>0.0  </b>

**TOTAL RETURN COMPARISONS**



Public Fund Universe



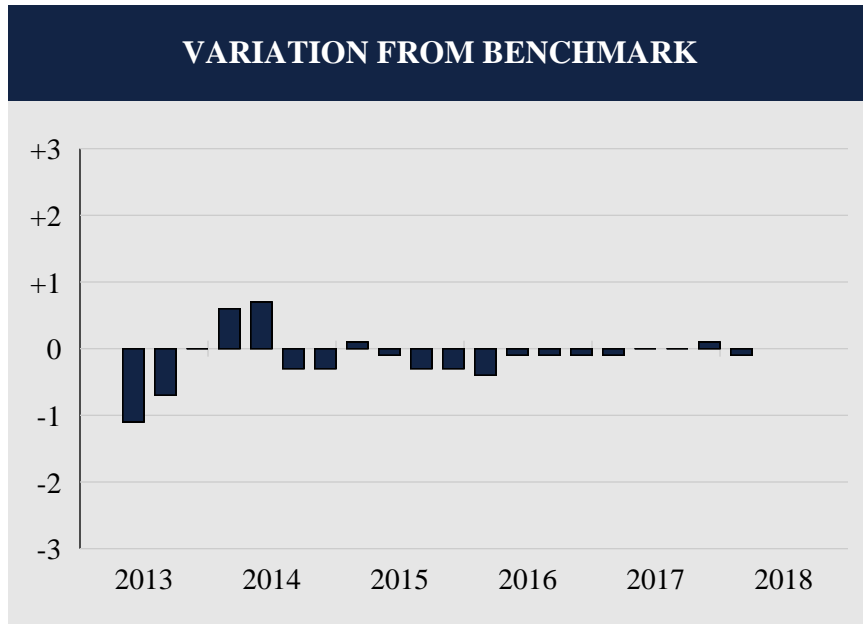
\* Partial year

	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	-0.3	4.2	8.3	11.5	7.0	6.5
(RANK)	(47)	(15)	(15)	(20)	(24)	(89)
5TH %ILE	0.7	4.8	8.9	12.7	8.0	9.3
25TH %ILE	0.0	3.9	7.7	11.2	7.0	8.5
MEDIAN	-0.3	3.3	6.9	10.2	6.3	7.8
75TH %ILE	-0.7	2.8	6.1	9.0	5.8	7.1
95TH %ILE	-1.4	0.8	3.4	5.6	3.8	5.4
<b>Policy</b>	<b>-0.2</b>	<b>4.1</b>	<b>8.2</b>	<b>11.5</b>	<b>7.5</b>	<b>7.0</b>

Public Fund Universe

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

**COMPARATIVE BENCHMARK: BURLINGTON POLICY INDEX**



<b>Total Quarters Observed</b>	<b>20</b>
<b>Quarters At or Above the Benchmark</b>	<b>7</b>
<b>Quarters Below the Benchmark</b>	<b>13</b>
<b>Batting Average</b>	<b>.350</b>

RATES OF RETURN						
Date	Portfolio	Bench	Diff	-----Cumulative-----		
				Portfolio	Bench	Diff
6/13	-2.3	-1.2	-1.1	-2.3	-1.2	-1.1
9/13	3.7	4.4	-0.7	1.4	3.2	-1.8
12/13	3.5	3.5	0.0	4.9	6.8	-1.9
3/14	2.5	1.9	0.6	7.5	8.8	-1.3
6/14	4.0	3.3	0.7	11.9	12.3	-0.4
9/14	-2.2	-1.9	-0.3	9.4	10.2	-0.8
12/14	0.3	0.6	-0.3	9.7	10.8	-1.1
3/15	1.9	1.8	0.1	11.9	12.8	-0.9
6/15	0.1	0.2	-0.1	12.0	13.1	-1.1
9/15	-5.0	-4.7	-0.3	6.4	7.8	-1.4
12/15	1.3	1.6	-0.3	7.8	9.5	-1.7
3/16	1.1	1.5	-0.4	9.0	11.2	-2.2
6/16	1.8	1.9	-0.1	11.0	13.3	-2.3
9/16	4.1	4.2	-0.1	15.5	18.1	-2.6
12/16	1.6	1.7	-0.1	17.4	20.1	-2.7
3/17	4.7	4.8	-0.1	23.0	25.9	-2.9
6/17	3.0	3.0	0.0	26.7	29.6	-2.9
9/17	3.9	3.9	0.0	31.6	34.7	-3.1
12/17	4.5	4.4	0.1	37.5	40.6	-3.1
3/18	-0.3	-0.2	-0.1	37.2	40.3	-3.1

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

<b>IRR Since Inception</b>	<b>14.46%</b>	Annualized, Net of Fees			
<b>Market Value</b>	<b>\$ 344,457</b>	Last Statement Date:		3/31/2018	
Capital Commitment	\$ 3,400,000	100.00%			
Paid In Capital	\$ 2,982,695	87.73%			
Remaining Commitment	\$ 417,305	12.27%			
		<b>% of</b>	<b>Recallable</b>	<b>% of</b>	
<b>Date</b>	<b>Contributions</b>	<b>Commitment</b>	<b>Distributions</b>	<b>Commitment</b>	<b>Distributions</b>
Year 2009	\$ 518,361	15.25%	\$ (151,904)	-4.47%	\$ -
Year 2010	\$ 1,109,828	32.64%	\$ -	-	\$ (87,992)
Year 2011	\$ 607,254	17.86%	\$ (115,109)	-3.39%	\$ (361,234)
Year 2012	\$ 934,221	27.48%	\$ -	-	\$ (836,516)
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)
<b>Total</b>	<b>\$ 3,266,974</b>	<b>96.09%</b>	<b>\$ (284,279)</b>	<b>-8.36%</b>	<b>\$ (4,017,322)</b>



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

<b>IRR Since Inception</b>	<b>11.31%</b>	Annualized, Net of Fees	
<b>Market Value</b>	<b>\$ 916,855</b>	Last Statement Date:	3/31/2018
Capital Commitment	\$ 1,500,000	100.00%	
Paid In Capital	\$ 1,304,825	86.99%	
Remaining Commitment	\$ 195,175	13.01%	

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Distributions</b>	<b>% of Commitment</b>	<b>Distributions</b>
7/27/2011	\$ 172,500	11.50%	\$ -	-	\$ -
9/27/2011	\$ 52,500	3.50%	\$ -	-	\$ -
11/15/2011	\$ 52,500	3.50%	\$ -	-	\$ -
12/30/2011	\$ 67,947	4.53%	\$ -	-	\$ -
4/24/2012	\$ 83,394	5.56%	\$ -	-	\$ (32,311)
6/24/2012	\$ 52,500	3.50%	\$ -	-	\$ -
8/23/2012	\$ 45,000	3.00%	\$ -	-	\$ (3,692)
10/15/2012	\$ 67,500	4.50%	\$ -	-	\$ (23,932)
11/21/2012	\$ 80,250	5.35%	\$ -	-	\$ -
3/12/2013	\$ 48,750	3.25%	\$ -	-	\$ (27,930)
2/14/2014	\$ 61,500	4.10%	\$ -	-	\$ -
5/20/2014	\$ 187,500	12.50%	\$ -	-	\$ (151,650)
7/14/2014	\$ 50,522	3.37%	\$ -	-	\$ (19,283)
1/6/2015	\$ 145,117	9.67%	\$ -	-	\$ (88,738)
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)
<b>Total</b>	<b>\$ 1,304,825</b>	<b>86.99%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (1,023,711)</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**

<b>IRR Since Inception</b>	<b>6.46%</b>	Annualized, Net of Fees	
<b>Market Value</b>	<b>\$ 640,520</b>	Last Statement Date:	3/31/2018
Capital Commitment	\$ 1,000,000	100.00%	
Paid In Capital	\$ 825,225	82.52%	
Remaining Commitment	\$ 174,775	17.48%	

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Distributions</b>	<b>% of Commitment</b>	<b>Distributions</b>
7/27/2011	\$ 160,000	16.00%	\$ -	-	\$ -
9/27/2011	\$ 35,000	3.50%	\$ -	-	\$ -
12/28/2011	\$ 50,723	5.07%	\$ -	-	\$ -
4/24/2012	\$ 56,445	5.64%	\$ -	-	\$ (22,962)
6/24/2012	\$ 50,000	5.00%	\$ -	-	\$ -
8/23/2012	\$ 50,000	5.00%	\$ -	-	\$ (2,909)
11/21/2012	\$ 30,000	3.00%	\$ -	-	\$ (16,671)
1/3/2013	\$ 40,000	4.00%	\$ -	-	\$ -
8/12/2013	\$ 100,000	10.00%	\$ -	-	\$ (35,860)
2/14/2014	\$ 44,000	4.40%	\$ -	-	\$ -
5/20/2014	\$ 80,000	8.00%	\$ -	-	\$ (49,323)
7/14/2014	\$ 45,512	4.55%	\$ -	-	\$ (3,495)
12/8/2014	\$ 16,254	1.63%	\$ -	-	\$ (29,570)
1/20/2015	\$ 65,791	6.58%	\$ -	-	\$ (11,610)
8/3/2015	\$ -	-	\$ -	-	\$ (9,735)
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)
<b>Total</b>	<b>\$ 825,225</b>	<b>82.52%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (429,856)</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**

<b>IRR Since Inception</b>	<b>1.95%</b>	Annualized, Net of Fees	
<b>Market Value</b>	<b>\$ 2,924,215</b>	Last Statement Date:	12/31/2017
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 Commitment</b>	<b>Distributions</b>
2/28/2009	\$ 510,000	15.00%	\$ -	-	\$ -
9/30/2009	\$ 2,890,000	85.00%	\$ -	-	\$ -
4/30/2010	\$ -	-	\$ -	-	\$ (19,365)
6/30/2010	\$ -	-	\$ -	-	\$ (67,116)
12/31/2010	\$ -	-	\$ -	-	\$ (28,663)
6/30/2011	\$ -	-	\$ -	-	\$ (19,109)
12/31/2011	\$ -	-	\$ -	-	\$ (38,218)
12/31/2012	\$ -	-	\$ -	-	\$ (47,772)
6/25/2013	\$ -	-	\$ -	-	\$ (76,435)
12/31/2013	\$ -	-	\$ -	-	\$ (114,653)
3/31/2014	\$ -	-	\$ -	-	\$ (47,772)
9/30/2014	\$ -	-	\$ -	-	\$ (47,772)
12/31/2014	\$ -	-	\$ -	-	\$ (28,663)
3/31/2015	\$ -	-	\$ -	-	\$ (38,218)
9/30/2015	\$ -	-	\$ -	-	\$ (47,772)
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)
<b>Total</b>	<b>\$ 3,400,000</b>	<b>100.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (1,003,705)</b>

## APPENDIX - MAJOR MARKET INDEX RETURNS

Equity	Style	QTR	FYTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	-0.6	10.5	13.8	10.2	13.0
S&P 500	Large Cap Core	-0.8	10.6	14.0	10.8	13.3
Russell 1000	Large Cap Core	-0.7	10.6	14.0	10.4	13.2
Russell 1000 Growth	Large Cap Growth	1.4	15.8	21.3	12.9	15.5
Russell 1000 Value	Large Cap Value	-2.8	5.5	6.9	7.9	10.8
Russell 2000	Small Cap	-0.1	9.1	11.8	8.4	11.5
Russell 2000 Growth	Small Cap Growth	2.3	13.6	18.6	8.7	12.9
Russell 2000 Value	Small Cap Value	-2.6	4.5	5.2	7.9	10.0
MSCI EAFE	Developed Markets	-1.4	8.4	15.3	6.0	7.0
MSCI EAFE Growth	Developed Markets Growth	-1.0	9.5	17.9	7.1	7.5
MSCI EAFE Value	Developed Markets Value	-1.9	7.4	12.8	4.9	6.4
MSCI Emerging Markets	Emerging Markets	1.5	17.8	25.4	9.2	5.4
MSCI All Country World	Global Equity	-0.8	10.5	15.4	8.7	9.8
MSCI All Country World Ex US	Global Equity (ex. US)	-1.1	10.4	17.1	6.7	6.4
Fixed Income	Style	QTR	FYTD	1 Year	3 years	5 Years
Bloomberg Barclays Aggregate Index	Core Fixed Income	-1.5	-0.2	1.2	1.2	1.8
Bloomberg Barclays Gov/Credit	Gov/Credit	-1.6	-0.3	1.4	1.2	1.8
Bloomberg Barclays Capital Gov't Bond	Treasuries	-1.2	-0.7	0.4	0.5	1.1
Bloomberg Barclays Capital Credit Bond	Corporate Bonds	-2.1	0.2	2.6	2.2	2.8
Intermediate Aggregate	Core Intermediate	-1.1	-0.4	0.5	1.0	1.5
Intermediate Gov/Credit	Gov / Credit Intermediate	-1.0	-0.6	0.4	0.9	1.2
ML/BoA 1-3 Year Treasury	Short Term Treasuries	-0.1	-0.1	0.0	0.4	0.5
Bloomberg Barclays Capital High Yield	High Yield Bonds	-0.9	1.6	3.8	5.2	5.0
Bloomberg Barclays Global Treasury Ex US	International Treasuries	4.5	8.2	11.2	4.8	1.3
Bloomberg Barclays Global Government Bond	International Fixed Income	2.7	5.6	8.2	3.5	1.1
Bloomberg Barclays Global Aggregate	International Fixed Income	1.4	4.3	7.0	3.1	1.5
Bloomberg Barclays Global Aggregate Ex US	International Fixed Income	3.6	7.9	11.7	4.6	1.2
Alternative Assets	Style	QTR	FYTD	1 Year	3 years	5 Years
MSCI US REIT Index	REITs	-8.1	-5.9	-4.4	0.9	5.9
NCREIF NFI-ODCE Index	Real Estate	2.2	6.3	8.1	10.0	11.4
NCREIF Timber Index	Timber	0.9	3.1	3.8	3.4	6.1
Bloomberg Commodity Index	Commodities	-0.4	6.9	3.7	-3.2	-8.3
HFRI FOF Composite	Hedge Funds	0.6	5.0	5.9	1.9	3.4

**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	

For periods through December 31, 2015, this index uses the returns of the Manager Shadow Index.

- \* 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.