



# City Of Burlington Employees Retirement Plan

Performance Review  
December 2019

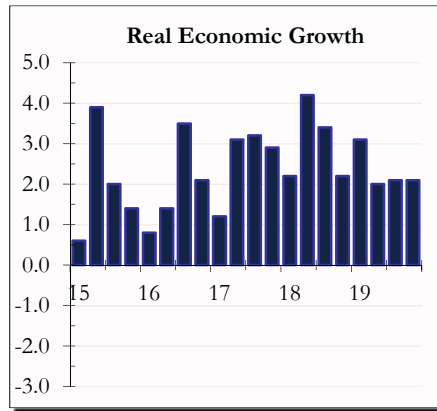


**DAHAB ASSOCIATES**  
New York   Massachusetts   Pennsylvania   Florida

## ECONOMIC ENVIRONMENT

### Contradicting Signals

In a stunning contradiction, the Federal Reserve cut rates in 2019, despite continued strength from the US economy. However, in



notes following the most recent meeting, the Fed indicated that “the current stance of monetary policy is appropriate.” Its new, acquiescent stance is unsurprising when taking into account stable economic data and the continued rise of asset prices. As of December 31, the

Fed Funds Rate was targeted at 1.50-1.75%.

Payroll growth was better than expected in the quarter and was firmer in the second half of 2019, relative to the first half. The labor force participation rate, unemployment rate, and employment-to-population rate were all unchanged. While continuing improvement in these statistics would be welcome, they are already at acceptable levels.

Housing activity indicators demonstrated improvement again this quarter. The decline of mortgage interest rates throughout the year has boosted both new and existing home sales due to their enhanced affordability across the nation. There is one spot of unease: while home-builder sentiment is near pre-crisis highs, single-family permits have lagged.

GDP grew at a seasonably and inflation adjusted annual rate of 2.1% in the fourth quarter. The economy’s expansion reflected a

boost from net trade, as imports dropped and exports increased sharply.

The ISM Manufacturing PMI decreased to 47.2, the lowest PMI in 10 years. Regional Fed surveys also point to sluggish manufacturing growth in most districts throughout the country.

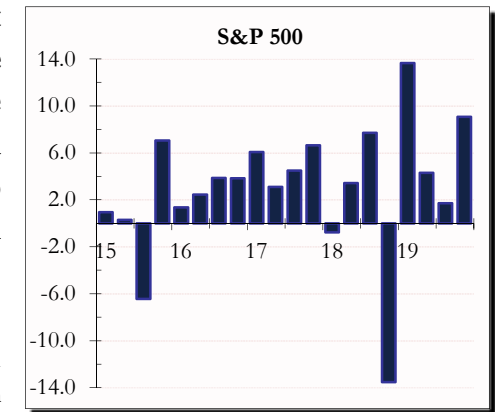
The 10-year breakeven inflation rate represents a measure of expected inflation, derived from 10-year constant maturity securities and the 10-year TIPS. That rate rose from 1.48% to 1.77%, still below the Fed’s target of 2%.

## DOMESTIC EQUITIES

### Incredible Year

Domestic equity markets ended a strong 2019 with robust gains as trade uncertainty faded. The large-cap S&P 500 Index rose 9%,

helping it solidify the best yearly gain (31%) since 2013. However, it should be noted that this was from a low established from steep declines suffered in December 2018. The small-cap section of the market, as measured by the Russell 2000, saw even larger 4<sup>th</sup> quarter gains (9.9%) than their large-cap counterparts.



Big gains in domestic stocks were led by the Technology and Health Care sectors, which saw gains of 14.0% and 14.9%, respectively. The Technology sector got a boost from easing trade tensions;

further, the tech sector would be among the principal beneficiaries, should trade talks continue to move forward. The Healthcare sector was strong across the board, with 75% of companies included in the Russell 3000 seeing positive returns.

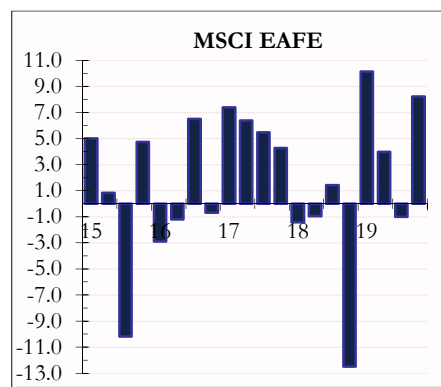
Growth stocks continued to outpace their value counterparts across all capitalization sizes. Among large-cap equities, growth outpaced value by 2.8% in the fourth quarter, and 9.9% for the year. The spread was a bit narrower within the small-cap universe, where growth outperformed value by 1.9% for the quarter and 6.0% for the year.

U.S. REITs were the lone soft spot in the quarter, losing 2.2%.

## INTERNATIONAL EQUITIES

### Strong Finish

International stocks, as measured by the MSCI EAFE, made strong gains during the quarter (8.2%). These gains were not led by any



single country, but through broad support. The top 14 weighted countries in the index all registered gains.

Notably, the U.K. market was up 10.5%, led by surges in Utilities and Real Estate stocks, which saw gains of over 20%. These domestically-

focused areas performed well amid the reduced political uncertainty that followed the general election victory of the Conservative party.

The Japanese market, the largest weighting in the index, rose in every month of the quarter to record a total return of 8.6%. Sentiment for Japanese equities has ebbed and flowed with geopolitical tensions throughout the year. However, sentiment grew stronger due to signs of easing tension between the U.S. and China, and the expectation that a phase one trade agreement would take place in January.

German equities gained 9.9%, led by better than expected economic data. The Ifo Business Climate Index, a highly-regarded early indicator of economic developments, improved to 96.3 from 94.6 in September.

France, the index's 3<sup>rd</sup> largest weighting, saw gains slightly above the index (8.3%). These returns are wholly attributable to the three largest sectors: Industrials, Consumer Discretionary, and Financials. Financials were led by BNP Paribas and Societe Generale, which saw gains of 21.8% and 27.0%, respectively. The Consumer Discretionary sector rose 12.7% and also saw a spike in M&A; one notable deal was luxury goods producer LVMH's purchase of U.S. jeweler Tiffany & Co. for \$16.6 billion.

Emerging Markets (EM) equities had an even stronger quarter than developed international equities, gaining 11.7% as measured by the MSCI EM Index. Nine out of the top 10 EM countries by weight saw positive returns, with Thailand being the lone outlier. All 11 sectors had positive gains.

Chinese equities, which make up nearly 30% of the EM Index, rose 15.5%. These gains were led by tech giants Alibaba, Baidu, and JD.com, which rose by 26.8%, 23.0%, and 24.9%, respectively. Decreasing trade tensions, as well as U.S. dollar weakness, provided support.

Tech heavy countries, South Korea and Taiwan, also saw large gains. Stocks of their largest companies, Samsung and Taiwan Semiconductor, appreciated 17.7%, and 26.9%, respectively, after earnings expectations were revised upwards following solid Q3 sales figures.

Russia, the index's 7<sup>th</sup> largest country by weighting, delivered stronger than expected performance (17.2%). The country, with its heavy dependence on energy companies, benefited from a rise in crude oil prices. These prices rose due to many oil-producing nations announcing further production cuts through the first quarter of 2020. By repeatedly slashing interest rates to jump-start growth, the Russian government provided another boost to assets.

Chilean equities (-9.3%) was the largest detractor to emerging market performance. Investors were rattled by mass protests that erupted in that country amid concerns over inequality.

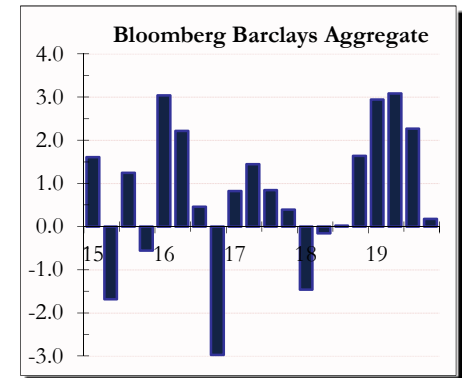
## BOND MARKET

### Slow and Steady

The broad fixed income market generated strong total returns in 2019. The Bloomberg Barclays US Aggregate, which acts as a bellwether for domestic investors, returned 8.7% for full-year 2019. This was an amazing result in a year where yields started at almost historic lows.

Q4 returns, however, were quite mixed. The market saw returns as high as 3.5% for Global High Yield and as low as -4.2% for Long-Dated Treasuries.

A slight sell-off in longer-dated Treasuries caused yields to rise, as progress from trade talks, accommodative monetary policy, and mostly positive economic news eased fears of a looming recession. There was a decline in shorter-term Treasury yields, instruments that are highly correlated to monetary policy expectations.



The closely watched 3-month/10-year yield spread, which had been inverted since May, returned to a more normal upwardly sloping curve.

Global bonds, while weak, still returned a positive 0.5% for the quarter, bringing the year-to-date return to 6.8%. Emerging market fixed income, converted to the U.S. dollar, saw solid returns of 2.1% in the quarter and 13.1% for 2019. Local currency bonds did even better, rising 16.1% for the year, as EM currencies rebounded.

## CASH EQUIVALENTS

### Higher but Still Low Yield

The three-month T-Bill returned 0.4% for the third quarter and 2.1% for full year 2019. Treasuries with maturities longer than one-year achieved a latest 12-month return of at least 3.5%. Expected future returns for cash equivalents remain dim, with the 30-year Treasury yield sitting near 2.4%. However, the yield was greater than what had been seen last quarter (2.1%).

## Economic Statistics

	Current Quarter	Previous Quarter
GDP	2.1%	2.1%
Unemployment	3.5%	3.7%
CPI All Items Year/Year	2.3%	1.7%
Fed Funds Rate	1.75%	2.00%
Industrial Capacity	77.1%	77.6%
US Dollars per Euro	1.12	1.09

## Major Index Returns

Index	Quarter	12 Months
Russell 3000	9.1%	31.0%
S&P 500	9.1%	31.5%
Russell Midcap	7.1%	30.5%
Russell 2000	9.9%	25.5%
MSCI EAFE	8.2%	22.7%
MSCI Emg Markets	11.9%	18.9%
NCREIF ODCE	1.5%	5.4%
U.S. Aggregate	0.2%	10.4%
90 Day T-bills	0.4%	2.3%

## Domestic Equity Return Distributions

Quarter	Trailing Year		
	VAL	COR	GRO
LC	7.4	9.0	10.6
MC	6.3	7.1	8.2
SC	8.5	9.9	11.4

## Market Summary

- All asset classes saw positive gains in 2019.
- Global equity markets continued their rise.
- The unemployment rate fell to 3.5%.
- Inflation remains subdued.
- Growth continues to outpace Value in the stock market.

## **INVESTMENT RETURN**

On December 31st, 2019, the City of Burlington Employees Retirement System was valued at \$206,539,559, representing an increase of \$12,124,016 from the September quarter's ending value of \$194,415,543. Last quarter, the Fund posted withdrawals totaling \$39,368, which partially offset the portfolio's net investment return of \$12,163,384. Income receipts totaling \$209,650 plus net realized and unrealized capital gains of \$11,953,734 combined to produce the portfolio's net investment return.

## **RELATIVE PERFORMANCE**

### **Total Fund**

For the fourth quarter, the portfolio returned 6.3%, which was 0.2% below the Burlington Manager Shadow Index's return of 6.5% and ranked in the 11th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 19.3%, which was 0.9% below the benchmark's 20.2% return, ranking in the 41st percentile. Since December 2016, the portfolio returned 9.9% annualized and ranked in the 34th percentile. The Burlington Manager Shadow Index returned an annualized 10.3% over the same period.

### **Equity**

The equity portion of the portfolio returned 9.0% last quarter; that return was 0.1% less than the MSCI All Country World index's return of 9.1% and ranked in the 42nd percentile of the Global Equity universe. Over the trailing twelve-month period, this component returned 27.0%, 0.3% below the benchmark's 27.3% performance, ranking in the 52nd percentile. Since December 2016, this component returned 12.7% on an annualized basis and ranked in the 51st percentile. The MSCI All Country World returned an annualized 13.1% during the same period.

### **Real Assets**

In the fourth quarter, the real assets component returned -0.6%, which was 2.6% less than the Real Assets Blended Index's return of 2.0%. Over the trailing year, this component returned -2.1%, which was 6.9% less than the benchmark's 4.8% return. Since December 2016, this component returned 3.0% annualized, while the Real Assets Blended Index returned an annualized 3.0% over the same period.

### **Fixed Income**

During the fourth quarter, the fixed income portion of the portfolio returned 0.4%, which was equal to the Intermediate Gov/Credit Index's return of 0.4% and ranked in the 73rd percentile of the Broad Market Fixed Income universe. Over the trailing twelve-month period, this segment's return was 6.8%, which was equal to the benchmark's 6.8% return, ranking in the 67th percentile. Since December 2016, this component returned 3.2% annualized and ranked in the 76th percentile. The Intermediate Gov/Credit returned an annualized 3.2% over the same time frame.

## **ASSET ALLOCATION**

At the end of the fourth quarter, equities comprised 70.8% of the total portfolio (\$146.3 million), while real assets totaled 9.2% (\$19.1 million). The account's fixed income component comprised 19.5% (\$40.3 million) of total value, while the remaining 0.4% was comprised of cash & equivalents (\$848,035).

The Retirement System also had a negative cash balance in the Pooled Account (not included in the valuations in this report) of -\$2,287,153.87

**EXECUTIVE SUMMARY****PERFORMANCE SUMMARY**

	Quarter	FYTD	YTD /1Y	3 Year	5 Year	10 Year
<b>Total Portfolio - Gross</b>	6.3	6.4	19.3	9.9	7.3	7.8
<i>PUBLIC FUND RANK</i>	(11)	(36)	(41)	(34)	(47)	(74)
<b>Total Portfolio - Net</b>	6.2	6.4	19.1	9.7	7.0	7.4
Manager Shadow	6.5	6.7	20.2	10.3	8.7	8.0
<b>Equity - Gross</b>	9.0	8.7	27.0	12.7	----	----
<i>GLOBAL EQUITY RANK</i>	(42)	(48)	(52)	(51)	----	----
MSCI AC World	9.1	9.2	27.3	13.1	9.0	9.4
ACWI Ex US	9.0	7.1	22.1	10.4	6.0	5.4
MSCI EAFE	8.2	7.1	22.7	10.1	6.2	6.0
MSCI EM Net	11.8	7.1	18.4	11.6	5.6	3.7
Russell 3000	9.1	10.4	31.0	14.6	11.2	13.4
Cambridge PE	0.0	2.2	13.8	14.2	12.3	14.0
<b>Real Assets - Gross</b>	-0.6	0.3	-2.1	3.0	----	----
Real Assets Idx	2.0	1.9	4.8	3.0	2.8	3.8
NCREIF ODCE	1.5	2.8	5.3	7.1	9.0	11.4
NCREIF Timber	0.0	0.1	1.3	2.7	3.1	4.4
BLP Commodity	4.4	2.5	7.7	-0.9	-3.9	-4.7
<b>Fixed Income - Gross</b>	0.4	1.8	6.8	3.2	----	----
<i>BROAD MARKET FIXED RANK</i>	(73)	(72)	(67)	(76)	----	----
Int Gov/Credit	0.4	1.7	6.8	3.2	2.6	3.1
Global Aggregate	0.5	1.2	6.8	4.3	2.3	2.5
Global Agg Ex US	0.7	0.1	5.1	4.4	1.6	1.5
Aggregate Index	0.2	2.5	8.7	4.0	3.1	3.8

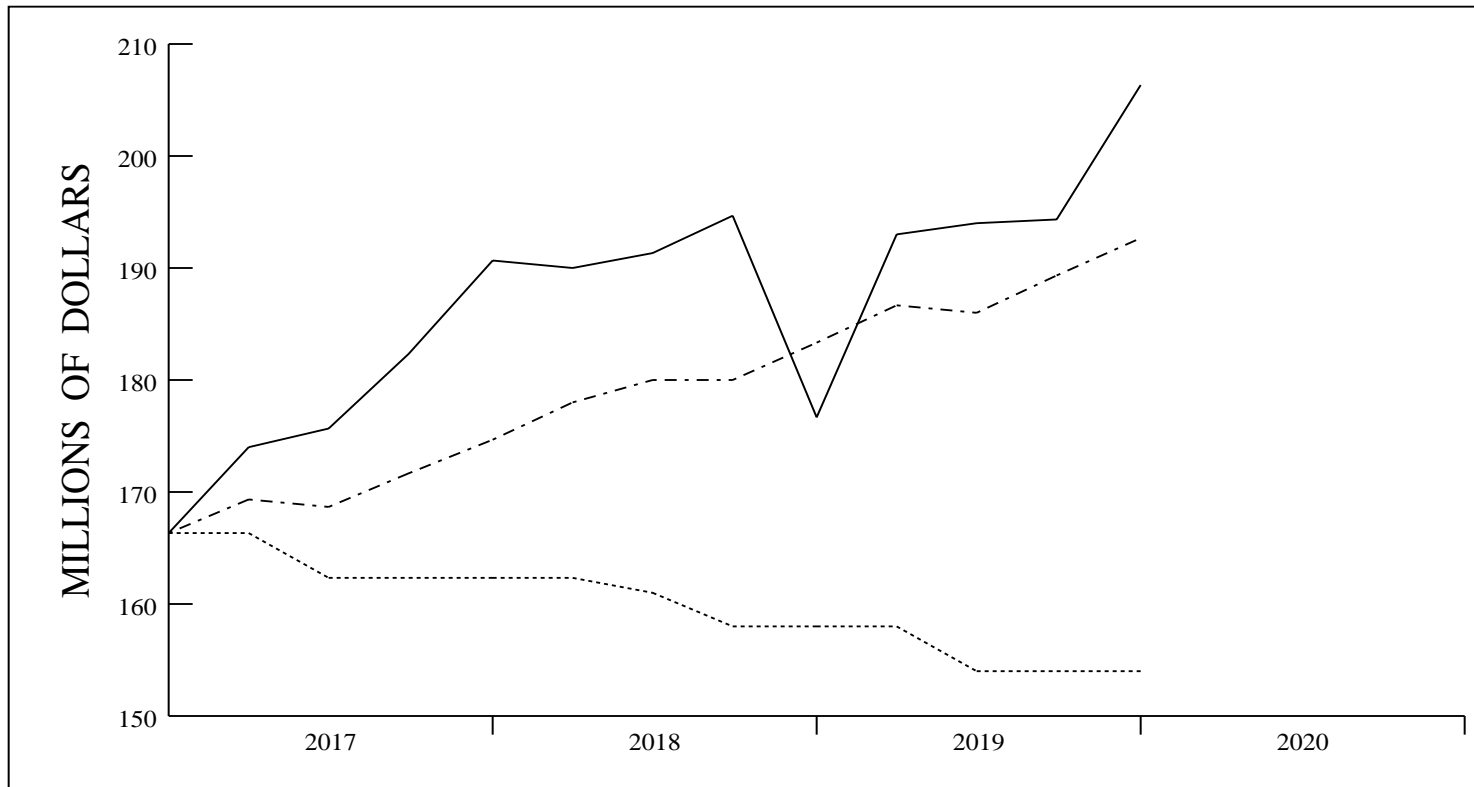
**ASSET ALLOCATION**

Equity	70.8%	\$ 146,301,705
Real Assets	9.2%	19,095,332
Fixed Income	19.5%	40,294,487
Cash	0.4%	848,035
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 206,539,559</b>

**INVESTMENT RETURN**

Market Value 9/2019	\$ 194,415,543
Contribs / Withdrawals	- 39,368
Income	209,650
Capital Gains / Losses	11,953,734
Market Value 12/2019	\$ 206,539,559

**INVESTMENT GROWTH**



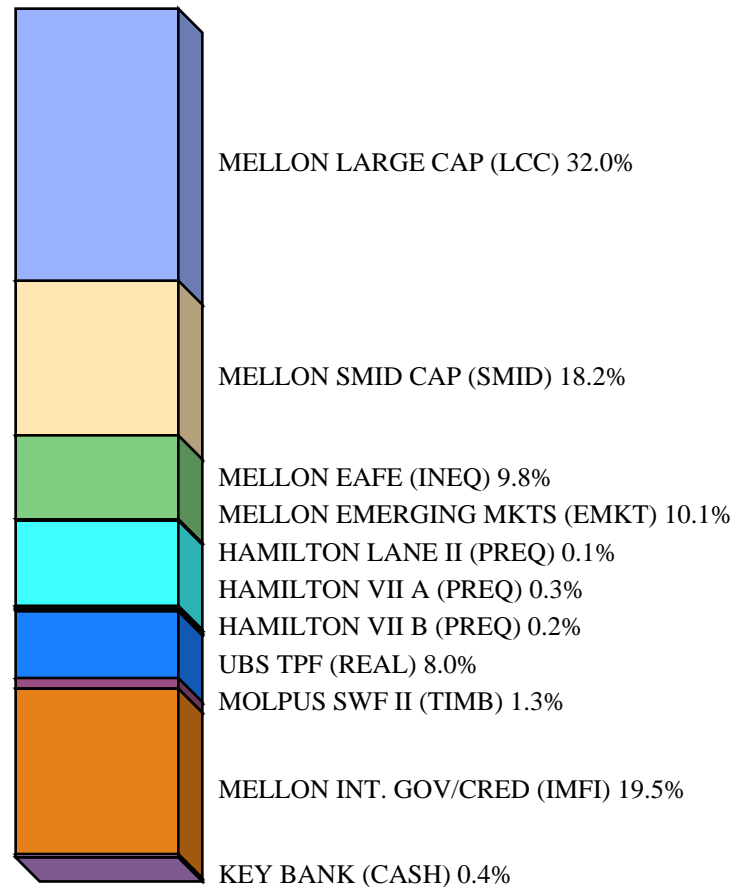
— ACTUAL RETURN  
 - - - 7.5%  
 ..... 0.0%

VALUE ASSUMING  
 7.5% RETURN \$ 192,867,396

	LAST QUARTER	THREE YEARS
BEGINNING VALUE	\$ 194,415,543	\$ 166,411,368
NET CONTRIBUTIONS	- 39,368	- 12,387,221
<u>INVESTMENT RETURN</u>	<u>12,163,384</u>	<u>52,515,412</u>
ENDING VALUE	\$ 206,539,559	\$ 206,539,559
INCOME	209,650	1,728,915
<u>CAPITAL GAINS (LOSSES)</u>	<u>11,953,734</u>	<u>50,786,497</u>
INVESTMENT RETURN	12,163,384	52,515,412



**MANAGER ALLOCATION AND TARGET SUMMARY**



Name	Market Value	Percent	Target
Mellon Large Cap (LCC)	\$66,047,936	32.0	30.0
Mellon Smid Cap (SMID)	\$37,659,430	18.2	18.0
Mellon EAFE (INEQ)	\$20,333,510	9.8	10.0
Mellon Emerging Mkts (EMKT)	\$20,848,060	10.1	10.0
Hamilton Lane II (PREQ)	\$195,020	0.1	0.5
Hamilton VII A (PREQ)	\$721,303	0.3	0.9
Hamilton VII B (PREQ)	\$496,446	0.2	0.6
UBS TPF (REAL)	\$16,450,990	8.0	8.0
Molpus SWF II (TIMB)	\$2,644,342	1.3	2.0
Mellon Int. Gov/Cred (IMFI)	\$40,294,487	19.5	20.0
Key Bank (CASH)	\$848,035	0.4	0.0
<b>Total Portfolio</b>	<b>\$206,539,559</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 September 30th, 2019</b>	<b>Net Cashflow</b>	<b>Net Investment Return</b>	<b>Market Value December 31st, 2019</b>
Mellon Large Cap (LCC)	9.1	60,555,649	0	5,492,287	66,047,936
Mellon Smid Cap (SMID)	8.5	34,693,437	0	2,965,993	37,659,430
Mellon EAFE (INEQ)	8.2	18,797,405	0	1,536,105	20,333,510
Mellon Emerging Mkts (EMKT)	11.8	18,648,623	0	2,199,437	20,848,060
Hamilton Lane II (PREQ)	-17.4	257,027	-17,889	-44,118	195,020
Hamilton VII A (PREQ)	0.1	775,358	-55,178	1,123	721,303
Hamilton VII B (PREQ)	-5.1	534,661	-11,224	-26,991	496,446
UBS TPF (REAL)	0.0	16,480,684	-37,408	7,714	16,450,990
Molpus SWF II (TIMB)	-4.0	2,860,973	-95,544	-121,087	2,644,342
Mellon Int. Gov/Cred (IMFI)	0.4	40,141,566	0	152,921	40,294,487
Key Bank (CASH)	---	670,160	177,875	0	848,035
<b>Total Portfolio</b>	<b>6.3</b>	<b>194,415,543</b>	<b>-39,368</b>	<b>12,163,384</b>	<b>206,539,559</b>










## MANAGER PERFORMANCE SUMMARY - GROSS OF FEES

Portfolio	(Universe)	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception
Total Portfolio	(Public Fund)	6.3 (11)	6.4 (36)	19.3 (41)	9.9 (34)	7.3 (47)	6.0 ---- 12/01
<i>Manager Shadow</i>		<i>6.5 ----</i>	<i>6.7 ----</i>	<i>20.2 ----</i>	<i>10.3 ----</i>	<i>8.7 ----</i>	<i>---- ---- 12/01</i>
Mellon Large Cap	(LC Core)	9.1 (30)	10.9 (21)	31.5 (28)	15.3 (32)	---- ----	15.1 (27) 03/16
<i>S&amp;P 500</i>		<i>9.1 ----</i>	<i>10.9 ----</i>	<i>31.5 ----</i>	<i>15.3 ----</i>	<i>11.7 ----</i>	<i>15.1 ---- 03/16</i>
Mellon Smid Cap	(Smid Cap)	8.5 (34)	7.2 (54)	27.9 (61)	10.5 (50)	---- ----	13.0 (45) 03/16
<i>Russell 2500</i>		<i>8.5 ----</i>	<i>7.1 ----</i>	<i>27.7 ----</i>	<i>10.3 ----</i>	<i>8.9 ----</i>	<i>12.8 ---- 03/16</i>
Mellon EAFE	(Intl Eq)	8.2 (81)	7.0 (65)	22.3 (54)	10.0 (60)	---- ----	9.1 (62) 03/16
<i>MSCI EAFE</i>		<i>8.2 ----</i>	<i>7.1 ----</i>	<i>22.7 ----</i>	<i>10.1 ----</i>	<i>6.2 ----</i>	<i>9.3 ---- 03/16</i>
Mellon Emerging Mkts	(Emerging Mkt)	11.8 (43)	7.0 (56)	18.4 (63)	11.5 (46)	---- ----	10.6 (52) 03/16
<i>MSCI EM Net</i>		<i>11.8 ----</i>	<i>7.1 ----</i>	<i>18.4 ----</i>	<i>11.6 ----</i>	<i>5.6 ----</i>	<i>10.6 ---- 03/16</i>
Hamilton Lane II		-17.4 ----	-11.5 ----	9.2 ----	2.5 ----	-0.9 ----	9.2 ---- 03/09
<i>Cambridge PE</i>		<i>0.0 ----</i>	<i>2.2 ----</i>	<i>13.8 ----</i>	<i>14.2 ----</i>	<i>12.3 ----</i>	<i>14.7 ---- 03/09</i>
Hamilton VII A		0.1 ----	3.7 ----	11.6 ----	11.5 ----	10.4 ----	12.6 ---- 09/11
<i>Cambridge PE</i>		<i>0.0 ----</i>	<i>2.2 ----</i>	<i>13.8 ----</i>	<i>14.2 ----</i>	<i>12.3 ----</i>	<i>13.7 ---- 09/11</i>
Hamilton VII B		-5.1 ----	-6.5 ----	-4.2 ----	1.9 ----	3.3 ----	5.5 ---- 09/11
<i>Cambridge PE</i>		<i>0.0 ----</i>	<i>2.2 ----</i>	<i>13.8 ----</i>	<i>14.2 ----</i>	<i>12.3 ----</i>	<i>13.7 ---- 09/11</i>
UBS TPF		0.0 ----	1.0 ----	-2.1 ----	3.6 ----	---- ----	3.8 ---- 09/16
<i>NCREIF ODCE</i>		<i>1.5 ----</i>	<i>2.8 ----</i>	<i>5.3 ----</i>	<i>7.1 ----</i>	<i>9.0 ----</i>	<i>7.2 ---- 09/16</i>
Molpus SWF II		-4.0 ----	-3.4 ----	-2.0 ----	-0.5 ----	1.6 ----	2.9 ---- 03/09
<i>NCREIF Timber</i>		<i>0.0 ----</i>	<i>0.1 ----</i>	<i>1.3 ----</i>	<i>2.7 ----</i>	<i>3.1 ----</i>	<i>3.6 ---- 03/09</i>
Mellon Int. Gov/Cred	(Int Fixed)	0.4 (67)	1.8 (66)	6.8 (58)	3.2 (76)	---- ----	2.5 (85) 03/16
<i>Int Gov/Credit</i>		<i>0.4 ----</i>	<i>1.7 ----</i>	<i>6.8 ----</i>	<i>3.2 ----</i>	<i>2.6 ----</i>	<i>2.5 ---- 03/16</i>

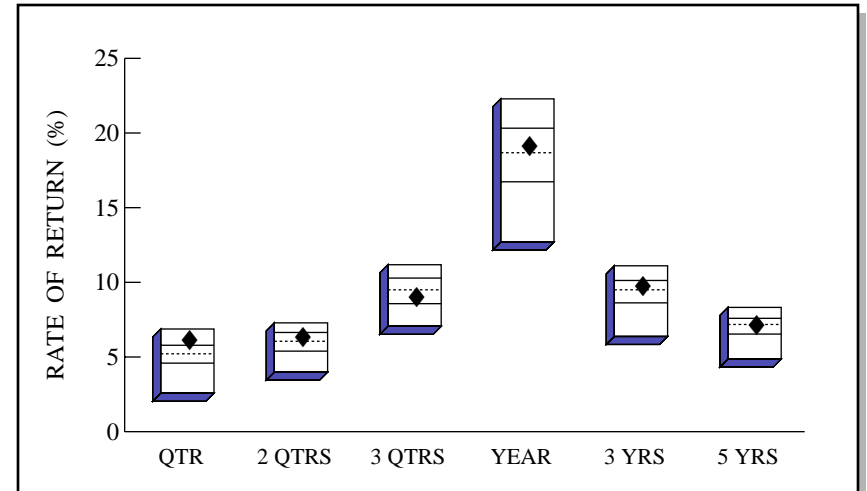
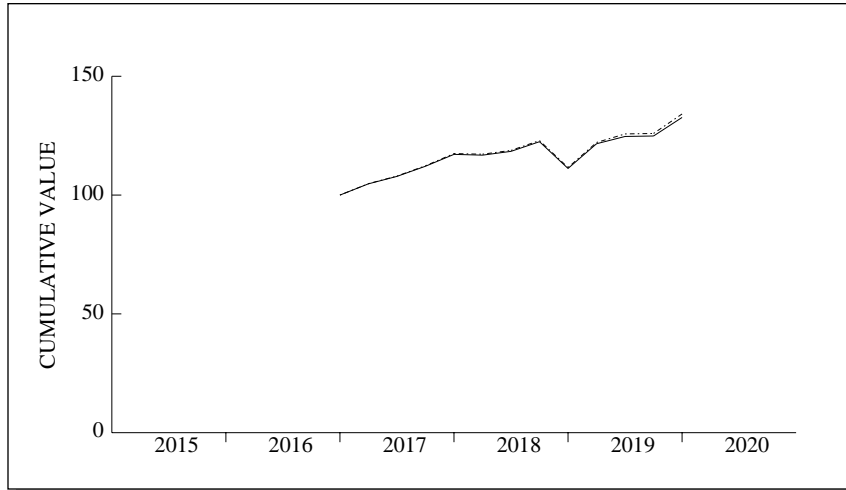
## MANAGER PERFORMANCE SUMMARY - NET OF FEES

Name	Quarter	FYTD	1 Year	3 Years	5 Years	Since Inception	
Total Portfolio	6.2	6.4	19.1	9.7	7.0	----	12/01
<i>Manager Shadow</i>	<i>6.5</i>	<i>6.7</i>	<i>20.2</i>	<i>10.3</i>	<i>8.7</i>	<i>----</i>	<i>12/01</i>
Mellon Large Cap	9.1	10.9	31.4	15.3	----	15.0	03/16
<i>S&amp;P 500</i>	<i>9.1</i>	<i>10.9</i>	<i>31.5</i>	<i>15.3</i>	<i>11.7</i>	<i>15.1</i>	<i>03/16</i>
Mellon Smid Cap	8.5	7.2	27.9	10.4	----	12.9	03/16
<i>Russell 2500</i>	<i>8.5</i>	<i>7.1</i>	<i>27.7</i>	<i>10.3</i>	<i>8.9</i>	<i>12.8</i>	<i>03/16</i>
Mellon EAFE	8.2	7.0	22.2	9.9	----	9.1	03/16
<i>MSCI EAFE</i>	<i>8.2</i>	<i>7.1</i>	<i>22.7</i>	<i>10.1</i>	<i>6.2</i>	<i>9.3</i>	<i>03/16</i>
Mellon Emerging Mkts	11.8	7.0	18.3	11.4	----	10.5	03/16
<i>MSCI EM Net</i>	<i>11.8</i>	<i>7.1</i>	<i>18.4</i>	<i>11.6</i>	<i>5.6</i>	<i>10.6</i>	<i>03/16</i>
Hamilton Lane II	-16.3	-11.7	4.0	-2.1	-4.7	6.7	03/09
<i>Cambridge PE</i>	<i>0.0</i>	<i>2.2</i>	<i>13.8</i>	<i>14.2</i>	<i>12.3</i>	<i>14.7</i>	<i>03/09</i>
Hamilton VII A	-0.2	3.0	10.1	10.1	9.0	10.7	09/11
<i>Cambridge PE</i>	<i>0.0</i>	<i>2.2</i>	<i>13.8</i>	<i>14.2</i>	<i>12.3</i>	<i>13.7</i>	<i>09/11</i>
Hamilton VII B	-5.4	-7.4	-5.6	0.5	2.0	3.7	09/11
<i>Cambridge PE</i>	<i>0.0</i>	<i>2.2</i>	<i>13.8</i>	<i>14.2</i>	<i>12.3</i>	<i>13.7</i>	<i>09/11</i>
UBS TPF	-0.2	0.5	-3.0	2.7	----	2.8	09/16
<i>NCREIF ODCE</i>	<i>1.5</i>	<i>2.8</i>	<i>5.3</i>	<i>7.1</i>	<i>9.0</i>	<i>7.2</i>	<i>09/16</i>
Molpus SWF II	-4.3	-3.9	-3.0	-1.5	0.5	2.0	03/09
<i>NCREIF Timber</i>	<i>0.0</i>	<i>0.1</i>	<i>1.3</i>	<i>2.7</i>	<i>3.1</i>	<i>3.6</i>	<i>03/09</i>
Mellon Int. Gov/Cred	0.4	1.7	6.8	3.2	----	2.4	03/16
<i>Int Gov/Credit</i>	<i>0.4</i>	<i>1.7</i>	<i>6.8</i>	<i>3.2</i>	<i>2.6</i>	<i>2.5</i>	<i>03/16</i>

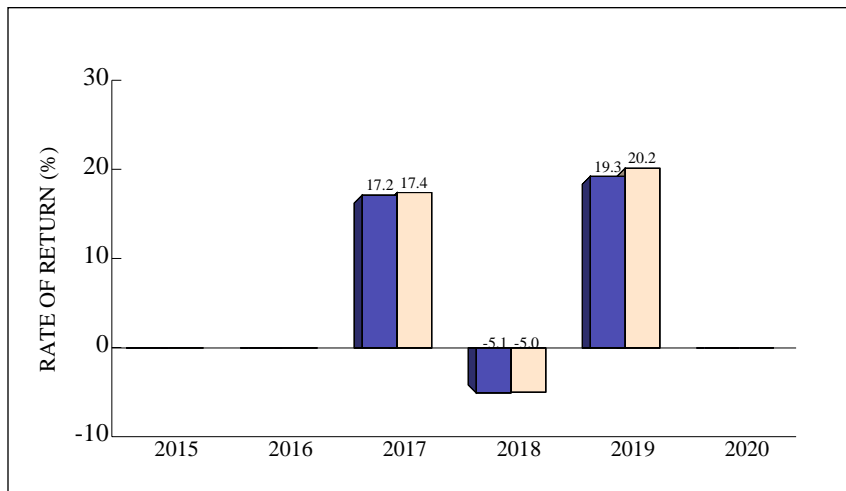
**MANAGER VALUE ADDED**

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
0.0	Mellon EAFE	MSCI EAFE	-0.4
0.0	Mellon Emerging Mkts	MSCI EM Net	0.0
 -17.4	Hamilton Lane II	Cambridge PE	 -4.6
0.1	Hamilton VII A	Cambridge PE	 -2.2
 -5.1	Hamilton VII B	Cambridge PE	 -18.0
 -1.5	UBS TPF	NCREIF ODCE	 -7.4
 -4.0	Molpus SWF II	NCREIF Timber	 -3.3
0.0	Mellon Int. Gov/Cred	Int Gov/Credit	0.0
-0.2	<b>Total Portfolio</b>	<b>Manager Shadow</b>	 -0.9

**TOTAL RETURN COMPARISONS**



Public Fund Universe

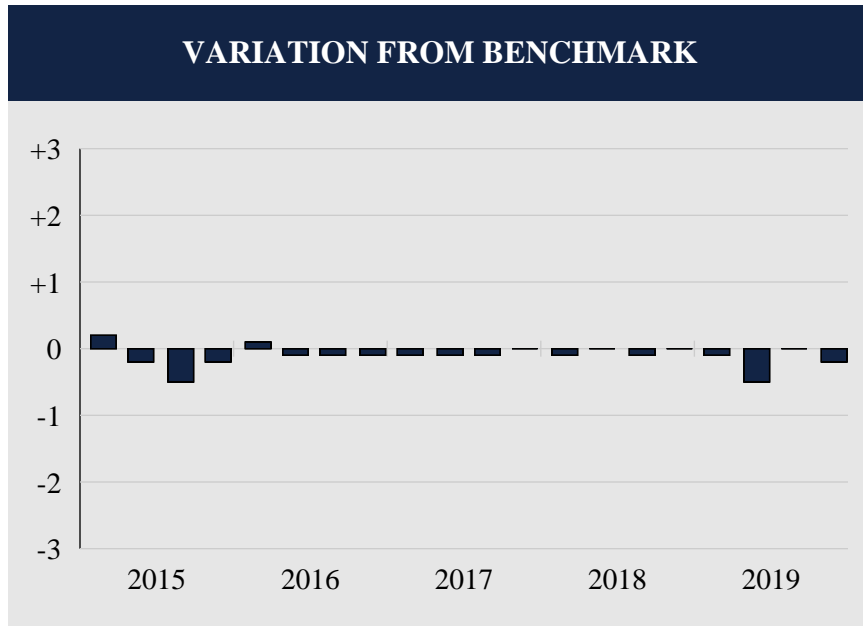


	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	6.3	6.4	9.1	19.3	9.9	7.3
(RANK)	(11)	(36)	(63)	(41)	(34)	(47)
5TH %ILE	6.9	7.3	11.2	22.3	11.1	8.3
25TH %ILE	5.8	6.7	10.3	20.3	10.1	7.6
MEDIAN	5.2	6.1	9.5	18.7	9.5	7.2
75TH %ILE	4.6	5.4	8.6	16.7	8.6	6.5
95TH %ILE	2.6	4.0	7.1	12.7	6.4	4.9
<i>Mgr Shadow</i>	<i>6.5</i>	<i>6.7</i>	<i>9.8</i>	<i>20.2</i>	<i>10.3</i>	<i>8.7</i>

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>

RATES OF RETURN						
Date	Portfolio	Bench	Diff	-----Cumulative-----		
				Portfolio	Bench	Diff
3/15	1.9	1.7	0.2	1.9	1.7	0.2
6/15	0.1	0.3	-0.2	2.1	2.0	0.1
9/15	-5.0	-4.5	-0.5	-3.0	-2.6	-0.4
12/15	1.3	1.5	-0.2	-1.7	-1.1	-0.6
3/16	1.1	1.0	0.1	-0.7	-0.1	-0.6
6/16	1.8	1.9	-0.1	1.1	1.8	-0.7
9/16	4.1	4.2	-0.1	5.3	6.2	-0.9
12/16	1.6	1.7	-0.1	7.0	7.9	-0.9
3/17	4.7	4.8	-0.1	12.1	13.1	-1.0
6/17	3.0	3.1	-0.1	15.4	16.6	-1.2
9/17	3.9	4.0	-0.1	19.9	21.3	-1.4
12/17	4.5	4.5	0.0	25.3	26.8	-1.5
3/18	-0.3	-0.2	-0.1	25.0	26.5	-1.5
6/18	1.4	1.4	0.0	26.7	28.2	-1.5
9/18	3.4	3.5	-0.1	31.0	32.7	-1.7
12/18	-9.2	-9.2	0.0	19.0	20.5	-1.5
3/19	9.3	9.4	-0.1	30.1	31.8	-1.7
6/19	2.5	3.0	-0.5	33.3	35.7	-2.4
9/19	0.2	0.2	0.0	33.6	36.0	-2.4
12/19	6.3	6.5	-0.2	41.9	44.8	-2.9

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

<b>IRR Since Inception</b>	<b>13.98%</b>	Annualized, Net of Fees			
<b>Market Value</b>	<b>\$ 195,020</b>	Last Statement Date:		12/31/2019	
Capital Commitment	\$ 3,400,000	100.00%		PME+	10.6%
Paid In Capital	\$ 2,982,695	87.73%		Fund Level LP Net IRR*	14.0%
Remaining Commitment	\$ 417,305	12.27%		MSCI World Index PME*	11.2%
		<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)
7/11/2018	\$ -	-	\$ -	-	\$ (34,203)
1/18/2019	\$ -	-	\$ -	-	\$ (43,682)
6/27/2019	\$ -	-	\$ -	-	\$ (19,298)
10/3/2019	\$ -	-	\$ -	-	\$ (20,653)
<b>Total</b>	<b>\$ 3,266,974</b>	<b>96.09%</b>	<b>\$ (284,279)</b>	<b>-8.36%</b>	<b>\$ (4,135,158)</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>9.89%</b>	Annualized, Net of Fees		
<b>Market Value</b>	<b>\$ 721,303</b>	Last Statement Date:		12/31/2019
Capital Commitment	\$ 1,500,000	100.00%	PME +	7.9%
Paid In Capital	\$ 1,304,825	86.99%	Fund Level LP Net IRR*	9.7%
Remaining Commitment	\$ 195,175	13.01%	MSCI World Index PME*	7.8%

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Distributions</b>	<b>% of Commitment</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)
12/16/2019	\$ -	-	\$ -	-	\$ (9,391)
<b>Total</b>	<b>\$ 1,304,825</b>	<b>86.99%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (1,233,290)</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>6.00%</b>	Annualized, Net of Fees		
<b>Market Value</b>	<b>\$ 496,446</b>	Last Statement Date:		12/31/2019
Capital Commitment	\$ 1,000,000	100.00%	PME+	7.5%
Paid In Capital	\$ 825,225	82.52%	Fund Level LP Net IRR*	4.9%
Remaining Commitment	\$ 174,775	17.48%	MSCI World Index PME*	7.6%

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Distributions</b>	<b>% of Commitment</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)
12/16/2019	\$ -	-	\$ -	-	\$ (52,287)
<b>Total</b>	<b>\$ 825,225</b>	<b>82.52%</b>	<b>\$ -</b>	<b>-</b>	<b>\$ (557,803)</b>

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

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

**Real Estate Investor Report**  
**UBS Trumbull Property Fund**

<b>IRR Since Inception</b>	<b>0.68%</b>	
<b>Market Value</b>	<b>\$ 16,450,990</b>	Last Appraisal Date: 12/31/2019
Initial Commitment	\$ 15,000,000	
Capital Committed	\$ 14,998,566	99.99%
Net Investment Income/(Loss)	\$ 14,144	

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Dividends Reinvested</b>	<b>% of Commitment</b>	<b>Distributions</b>
7/1/2016	\$ 14,998,566	441.1%	\$ -	0.00%	\$ -
10/17/2016	\$ -	0.0%	\$ -	0.00%	\$ (111,204)
1/17/2017	\$ -	0.0%	\$ -	0.00%	\$ (110,985)
4/17/2017	\$ -	0.0%	\$ 119,327	0.00%	\$ -
7/17/2017	\$ -	0.0%	\$ 123,507	0.00%	\$ -
10/16/2017	\$ -	0.0%	\$ 123,661	0.00%	\$ -
1/17/2018	\$ -	0.0%	\$ 126,836	0.00%	\$ -
4/16/2018	\$ -	0.0%	\$ 128,121	0.00%	\$ -
7/17/2018	\$ -	0.0%	\$ 132,081	0.00%	\$ -
10/15/2018	\$ -	0.0%	\$ 132,582	0.00%	\$ -
1/15/2019	\$ -	0.0%	\$ 133,478	0.00%	\$ -
4/15/2019	\$ -	0.0%	\$ 141,380	0.00%	\$ -
7/16/2019	\$ -	0.0%	\$ 143,138	0.00%	\$ -
<b>Total</b>	<b>\$ 14,998,566</b>	<b>99.99%</b>	<b>\$ 1,304,111</b>	<b>8.69%</b>	<b>\$ (222,189)</b>

## Timber Investor Report

### Molpus Sustainable Woodlands Fund II, LP

<b>IRR Since Inception</b>	<b>1.48%</b>	Annualized, Net of Fees	
<b>Market Value</b>	<b>\$ 2,644,342</b>	Last Statement Date:	12/31/2019
Capital Commitment	\$ 3,400,000	100.00%	
Paid In Capital	\$ 3,400,000	100.00%	
Remaining Commitment	\$ -	0.00%	
Net Investment Income/(Loss)	\$ (175,617)		
Net Unrealized Gain/(Loss)	\$ 551,521		

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Distributions</b>	<b>% of Commitment</b>	<b>Distributions</b>
Year 2009	\$ 3,400,000	100.00%	\$ -	-	\$ -
Year 2010	\$ -	-	\$ -	-	\$ (115,144)
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)
12/31/2019	\$ -	-	\$ -	-	\$ (95,544)
<b>Total</b>	<b>\$ 3,400,000</b>	<b>100.00%</b>	<b>\$ -</b>	<b>-</b>	<b>\$ (1,233,011)</b>

## APPENDIX - MAJOR MARKET INDEX RETURNS

Equity	Style	QTR	FYTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	9.1	10.4	31.0	14.6	11.2
S&P 500	Large Cap Core	9.1	10.9	31.5	15.3	11.7
Russell 1000	Large Cap Core	9.0	10.6	31.4	15.0	11.5
Russell 1000 Growth	Large Cap Growth	10.6	12.3	36.4	20.5	14.6
Russell 1000 Value	Large Cap Value	7.4	8.9	26.5	9.7	8.3
Russell 2000	Small Cap	9.9	7.3	25.5	8.6	8.2
Russell 2000 Growth	Small Cap Growth	11.4	6.7	28.4	12.5	9.3
Russell 2000 Value	Small Cap Value	8.5	7.9	22.4	4.8	7.0
MSCI EAFE	Developed Markets	8.2	7.1	22.7	10.1	6.2
MSCI EAFE Growth	Developed Markets Growth	8.5	8.0	28.4	13.3	8.1
MSCI EAFE Value	Developed Markets Value	7.9	6.1	16.8	6.9	4.2
MSCI Emerging Markets	Emerging Markets	11.9	7.3	18.9	12.0	6.0
MSCI All Country World	Global Equity	9.1	9.2	27.3	13.1	9.0
MSCI All Country World Ex US	Global Equity (ex. US)	9.0	7.1	22.1	10.4	6.0
Fixed Income	Style	QTR	FYTD	1 Year	3 years	5 Years
Bloomberg Barclays Aggregate Index	Core Fixed Income	0.2	2.5	8.7	4.0	3.1
Bloomberg Barclays Gov/Credit	Gov/Credit	0.0	2.6	9.7	4.3	3.2
Bloomberg Barclays Capital Gov't Bond	Treasuries	-0.8	1.6	6.8	3.3	2.4
Bloomberg Barclays Capital Credit Bond	Corporate Bonds	1.1	4.1	13.8	5.8	4.4
Intermediate Aggregate	Core Intermediate	0.5	1.9	6.7	3.3	2.6
Intermediate Gov/Credit	Gov / Credit Intermediate	0.4	1.7	6.8	3.2	2.6
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.5	1.1	3.6	1.8	1.4
Bloomberg Barclays Capital High Yield	High Yield Bonds	2.6	4.0	14.3	6.4	6.1
Bloomberg Barclays Global Treasury Ex US	International Treasuries	-0.2	0.2	5.2	4.5	2.0
Bloomberg Barclays Global Government Bond	International Fixed Income	-0.1	0.5	5.6	4.1	2.0
Bloomberg Barclays Global Aggregate	International Fixed Income	0.5	1.2	6.8	4.3	2.3
Bloomberg Barclays Global Aggregate Ex US	International Fixed Income	0.7	0.1	5.1	4.4	1.6
Alternative Assets	Style	QTR	FYTD	1 Year	3 years	5 Years
MSCI US REIT Index	REITs	-0.8	6.8	24.2	7.6	6.8
NCREIF NFI-ODCE Index	Real Estate	1.5	2.8	5.3	7.1	9.0
NCREIF Timber Index	Timber	0.0	0.1	1.3	2.7	3.1
Bloomberg Commodity Index	Commodities	4.4	2.5	7.7	-0.9	-3.9
HFRI FOF Composite	Hedge Funds	2.3	1.3	7.6	3.6	2.2

**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.