

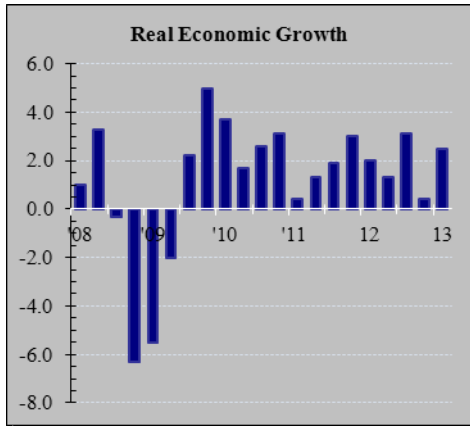
**CITY OF BURLINGTON EMPLOYEES  
RETIREMENT PLAN  
PERFORMANCE REVIEW  
MARCH 2013**



## ECONOMIC ENVIRONMENT

### *Solid Growth in the Face of the Sequester Headwind*

The US economy expanded at an estimated 2.5% during the first quarter amid legitimate corporate and consumer concerns that the US economy would stall. Sequestration cuts to government spending were especially worrisome coming on the heels of a prolonged political struggle leading up to the November election. Nonetheless, the economy climbed these “walls of worry” because there was more good news than bad:



- *Fourth quarter 2012 GDP was revised upwards from -0.1% to +0.4% and pundits now believe that 2013 GDP will exceed initial forecasts.*
- *The employment picture was quite positive in January and February, followed by only negligible change in March.*
- *Housing prices, sales and new construction took star billing – the best since 2006.*
- *Federal Reserve policy remained steady due to the bond buying program (quantitative easing) and the absence of meaningful inflation.*
- *Manufacturing and non-manufacturing output levels continue to grow.*

By contrast, consumer confidence fell noticeably in March, coinciding with the Sequester activation, calling for \$85.4 Billion in enforced budget reductions each year for the next 10-years. (Consumer

confidence is a highly volatile measure and the gradual implementation of the Sequester is likely to reduce investor anxiety.) Slow growth in the US is still a positive, especially when juxtaposed against the current European recession (the second of two back-to-back downturns) and the slowing of China’s growth engine.

March payroll gains were an anemic 88,000. Contributing to the weak numbers were job losses in the retail and postal sectors, which shrank by 24,000 and a 12,000, respectively. Even so, the unemployment rate fell slightly to 7.6%, as fewer job seekers more than offset the small number of new hires. Importantly, January’s 148,000 new jobs and February’s phenomenal 268,000 gains were encouraging. In spite of disappointing job gains both last fall and in March, there has been an average of 169,000 net hires since March 2012.

Home prices accelerated in January (latest data available), according to the S&P/Case-Shiller Price Index, which surged an unexpected 8.1% during the 12-months ending January. This gain represents the best report since early in 2006! Nineteen of the twenty large cities in the index participated in the advance. Only Detroit decelerated. Even there, housing prices were still absolutely positive. After more than two years of annualized declines, New York City’s housing prices finally turned positive in January. Low mortgage rates available to a growing workforce have pushed housing inventories to a post-recession low.

On March 20th, the Federal Reserve’s Open Market Committee voted to make no policy changes. In effect, the Fed will hold interest rates at historic lows by continuing its monthly \$85 billion bond buying program. Continued low inflation contributed to the Fed’s decision-making, with CPI at 1.5% on an unadjusted basis over the trailing 12 months.

Manufacturing activity increased for the 46th consecutive month in March. The overall manufacturing rate registered 51.3. Still, any figure above 50.0 signals net expansion. The non-manufacturing economy also grew for the 39th month. The related index reached a healthy 54.4% in March. Among 15 non-manufacturing sectors, only mining, healthcare and agriculture contracted.

## EQUITY MARKET

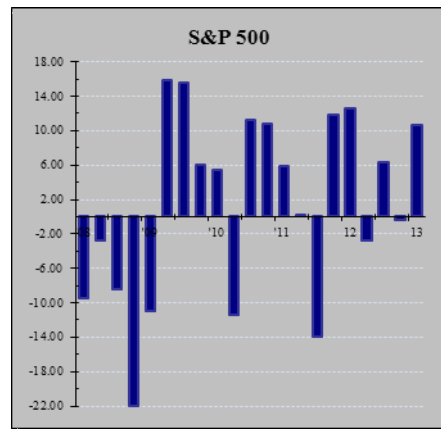
### *Ta-Da! New Record Closes*

At the end of the quarter, both the Dow Jones Industrial and the S&P 500 indices closed at all-time record highs (14,579 and 1,569 respectively). The combined hurdles of the fiscal cliff, the Sequester and the Cyprus bailout couldn't contain the domestic stock market! As evidence, all of the S&P and Russell indices advanced smartly, most by 10% or more. Among the Russell group, the Mid-Cap Value Index was the star performer, shooting up 14.2%. The 1000 Growth Index performed absolutely well, but, at 9.5%, brought up the rear.

The REIT sector also lagged a bit, returning 8.1%. Results for the three bellwether indices ranged from the Dow Jones Industrials (+11.9%) to the S&P 500 (+10.6%) to the NASDAQ (+8.2%).

Value names performed better than growth names among mid and large-cap companies. In contrast, growth stocks bested value stocks at the small end of the market. All of the S&P market sectors were in the black. The tiny transportation sector returned 17.2%, with consumer non-durables right behind at 16.2%. Amazingly, seven other sectors recorded double-digit returns between 10.7% and 12.4%. Only basic industries (6.0%) and consumer technology (4.9%) returned in the single-digit range.

In the first quarter of 2013, the S&P dividend rate declined slightly to 2.0%. This reflected a return to regular quarterly dividends, after many major corporations issued an extra tax-related dividend in the 4th quarter. The S&P P/E ratio rose from 18.4x to 19.2x based on soaring 1st quarter stock prices. As of quarter-end, 65% of stock holdings still had P/E ratios below 20x; yet the overall P/E suggests that earnings haven't quite caught up with recent price moves.



## INTERNATIONAL EQUITIES

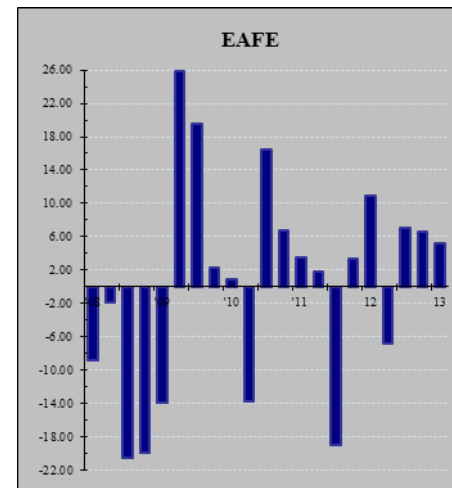
### *Developed Markets Did Okay; EM was Sub-Par; Both Far Behind US*

Performance among the developed overseas markets ranged from an approximate low of -10% to +14%, resulting in a very wide 24 percentage point performance gap. The MSCI EAFE Index, comprising Europe, Australia and the Far East, climbed a very respectable 5.2%. The European recession hit hard the bourses in that part of the world; but on a bright note, some countries that previously had to be bailed out of debt, now performed surprisingly well. The Far East component of the EAFE Index surged, buoyed by encouraging developments in Japan.

Australia and Hong Kong benefited from strength in their respective banking sectors.

European results were all over the map (pun intended). Among the problematic PIIGS countries, the Greek and Irish markets astounded investors on the heels of their bailouts. Both countries extended their 4th quarter gains, with Ireland advancing 12.9% and Greece jumping 14%. Unfortunately, Portugal was down 0.3% and Spain lost 5.4%, reflecting their shaky economies. That left Italy (-9.8%) as the worst performer among the major euro countries. The recession also impacted Europe's two largest players, Germany and France, as those stock markets fell fractionally. The UK fared better than most (+2.5%), reflecting the sentiment of some investors who considered it a safer haven.

Far East returns were the sweet spot for developed markets. This region returned over 10%. Japan, the largest sub-component, jumped 11.7%. The Japanese market benefited from a new political administration determined to fight the country's longstanding stagnation. A sizable



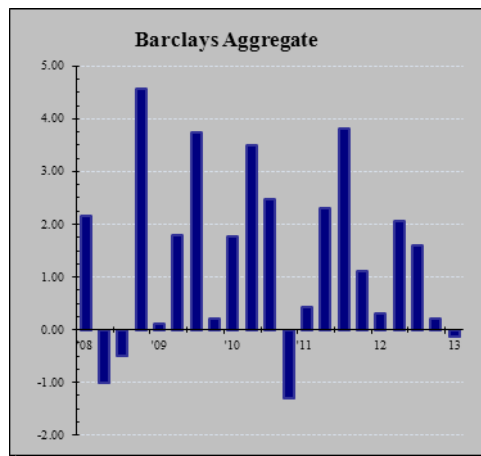
weakening of the yen against the dollar also helped its export economy. Like Australia, Hong Kong's strong bank stocks pushed its market ahead 3.5%. Reverses on the part of real estate companies held down Hong Kong's results. Singapore gained 3%.

Emerging markets (EM) stocks struggled, as investors grew concerned about several economies in the developing countries. The MSCI EM Index fell 1.6%, far more negative than the US and developed market indices. All four of the BRIC countries lost ground. The Brazilian market (-0.8%) suffered from a weak economy and continuing, rampant inflation. Russia's 3.2% loss reflected both falling commodity prices and its lending ties to the Cyprus banks. Investors in India (-2.6%) worried about a host of issues: political impasse; anger over the failure to prosecute crimes against women; a falling currency; and low corporate earnings. Chinese stocks (-4.5%) were impacted by credit tightening in that country's real estate market and questions about the rate of future economic expansion.

## BOND MARKET

### *A Small Decline*

The Barclays Aggregate Index spilled a drop of red ink, dipping 0.1% for the quarter. The decline, a recent rarity for the index, was attributable to two factors. First, an uptick in interest rates at the long maturity end of the yield curve caused both long Treasuries and corporates to lose ground. Additionally, there was a massive shift out of low-yielding bonds into a bullish stock market. Mortgage-backed securities (MBS), which comprise close to 30% of the index, also fell 0.1%. The one bright spot was the



high yield (junk bond) instruments, which continued to perform well.

Lower credit corporates again provided respite for investors. Bonds rated BA, one grade below BAA, advanced 2.0%. Moving further down, single B-rated issues averaged a 2.7% return. CAAs surged 5.8%. However, the very lowest rated credits lost 1.2%, suggesting that there are limits to taking credit risk in the current market environment. The quarter's winning strategy was a tilt toward high yield debt and away from Government debt.

At quarter-end, the Aggregate Index yielded 1.86%; this was a 12 basis point increase from December. Average maturity increased to 7.2-years and the related duration level lengthened modestly to 5.3-years. Total market value of the index was just below \$17 Trillion.

Sovereign returns among the G-6 (ex-US) repeated the prior quarter's negative pattern. Collectively, G-6 Treasuries fell 4.7%. These losses were in line with currency declines in the €, ¥ and £ against the US dollar. French, German and Italian sovereigns each lost between 2.3% and 2.8%. Both Japan and UK issues dropped approximately 6%. Canada was the notable exception, declining just 1.8%.

## CASH EQUIVALENTS

### *Nothing New Here*

Ultra-short Treasuries and money market funds offered essentially zero return during the quarter much as they have for three years.

**MARKET SUMMARY**

**ECONOMIC STATISTICS**

	CURRENT QTR	LAST QTR
GDP	2.5	0.4
Unemployment	7.6	7.8
CPI All Items Year/Year	1.47	1.74
Fed Funds Rate	0.25	0.25
Industrial Capacity	78.5	77.7
US Dollars per Euro	1.28	1.32

**MAJOR INDEX QUARTER RETURNS**

INDEX	PERFORMANCE
Russell 3000	11.1
S&P 500	10.6
Russell Mid	13.0
Russell 2000	12.4
MSCI EAFE	5.2
MSCI Emg Mkts	-1.6
NCREIF ODCE	2.7
Barclays Agg	-0.1
90 Day Tbills	0.0

**EQUITY RETURN DISTRIBUTIONS**

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	12.3	11.0	9.5	18.8	14.4	10.1
MC	14.2	13.0	11.5	21.5	17.3	12.8
SC	11.6	12.4	13.2	18.1	16.3	14.5

**MARKET SUMMARY**

- \* GDP is estimated to have expanded by 2.5% in Q1.
- \* The US unemployment rate fell slightly to 7.6%.
- \* Domestic Equity markets rallied, favoring Mid and Small Cap over Large Cap and Value over Growth. In the Small Cap space, Growth beat Value. Int'l Equity Markets did not do as well as Domestic Equity. Emerging countries fell behind Developed countries into negative territory.
- \* CPI increased 1.47% year over year.
- \* The US Dollar strengthened relative to the Euro.

## **INVESTMENT RETURN**

On March 31st, 2013, the City of Burlington Employees Retirement System was valued at \$148,371,261, representing an increase of \$3,035,189 from the December quarter's ending value of \$145,336,072. Last quarter, the Fund posted withdrawals totaling \$1,537,090, which offset the portfolio's net investment return of \$4,572,279. Since there were no income receipts for the first quarter, the portfolio's net investment return figure was the product of net realized and unrealized capital gains totaling \$4,572,279.

## **RELATIVE PERFORMANCE**

### **Total Fund**

For the first quarter, the Composite portfolio returned 3.2%, which was 0.2% greater than the Burlington Manager Shadow Index's return of 3.0% and ranked in the 95th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 9.7%, which was 2.2% above the benchmark's 7.5% performance, ranking in the 62nd percentile. Since March 2003, the account returned 7.8% on an annualized basis and ranked in the 49th percentile.

## EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	10 Years
<b>Total Portfolio</b>	3.2	3.2	9.7	9.6	7.8
<i>PUBLIC FUND RANK</i>	(95)	(95)	(62)	(35)	(49)
MANAGER SHADOW	3.0	3.0	7.5	7.6	----
POLICY INDEX	5.7	5.7	9.8	9.0	8.0
<b>Diversified Assets</b>	3.0	3.0	11.4	10.6	----
<i>BALANCED FUND RANK</i>	(99)	(99)	(43)	(17)	----
60 MSCI/40 WGBI	3.5	3.5	7.2	7.2	8.2
CPI + 5	2.6	2.6	6.7	7.5	7.5
<b>Equity</b>	6.5	6.5	11.6	10.9	----
<i>GLOBAL EQUITY RANK</i>	(72)	(72)	(58)	(35)	----
MSCI AC WORLD	6.6	6.6	11.2	8.3	9.9
AC WORLD EX-US	3.3	3.3	8.9	4.9	11.4
MSCI EAFE	5.2	5.2	11.8	5.5	10.2
MSCI EMG MKTS	-1.6	-1.6	2.3	3.6	17.4
RUSSELL 3000	11.1	11.1	14.6	13.0	9.2
CAMBRIDGE PE	0.0	0.0	7.1	13.1	15.1
<b>Absolute Return</b>	4.8	4.8	9.7	----	----
HFRI FOF	3.5	3.5	4.9	1.5	4.0
<b>Real Assets</b>	0.1	0.1	6.3	7.9	----
REAL ASSETS IDX	1.0	1.0	5.7	7.0	----
NCREIF ODCE	2.7	2.7	10.7	15.1	6.8
NCREIF TIMBER	1.5	1.5	9.0	3.6	8.3
DOW JONES UBS	-1.1	-1.1	-3.0	1.4	----
<b>Fixed Income</b>	0.4	0.4	7.7	8.6	----
<i>BROAD MARKET FIXED RANK</i>	(38)	(38)	(29)	(26)	----
GLOBAL AGGREGATE	-2.1	-2.1	1.2	4.5	5.5
GLOBAL AGG EX US	-3.5	-3.5	-0.7	3.8	5.8
BARCLAYS AGG	-0.1	-0.1	3.8	5.5	5.0

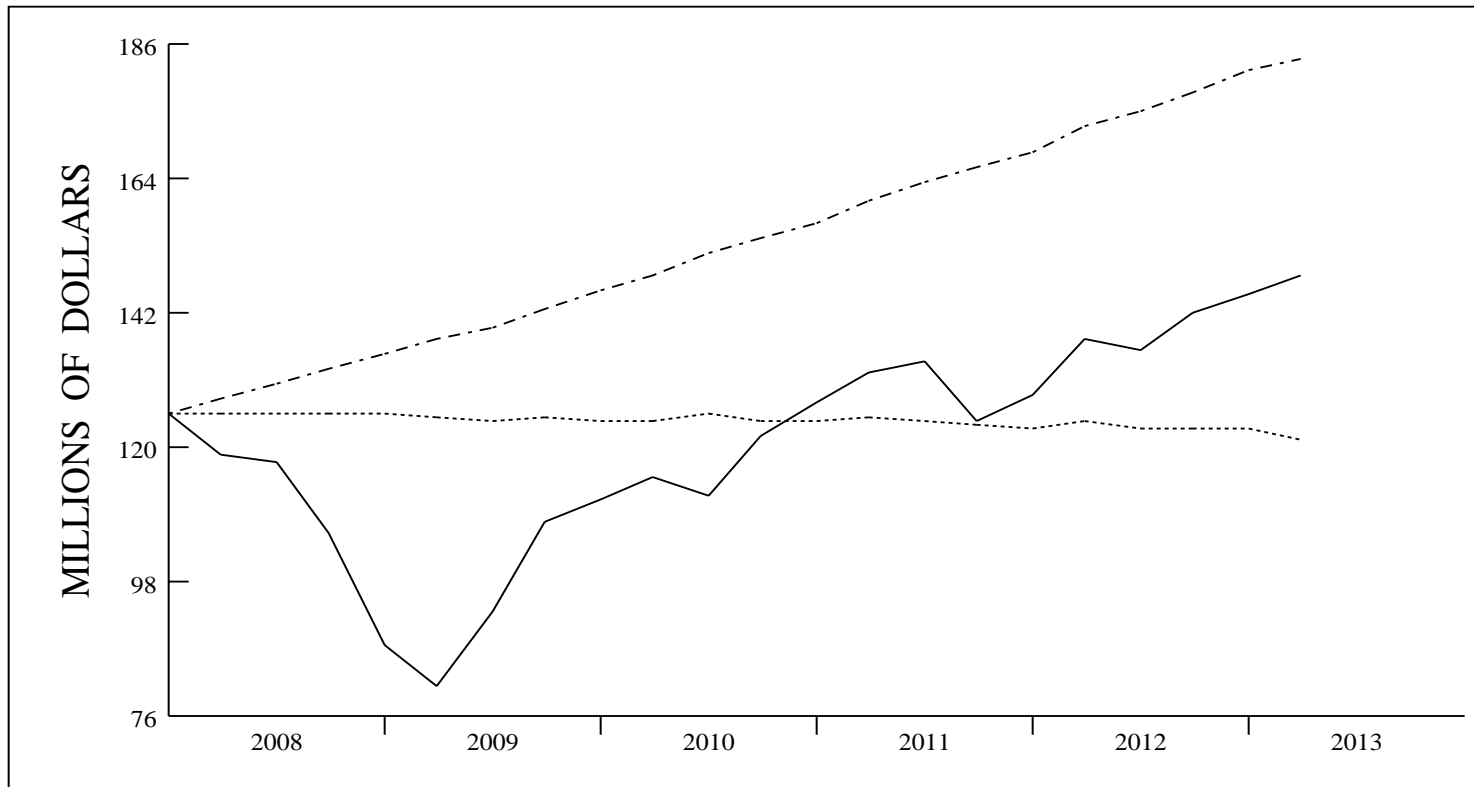
## ASSET ALLOCATION

Diversified	18.7%	\$ 27,746,917
Equity	36.4%	54,013,603
Absolute Retn	4.5%	6,610,547
Real Assets	10.2%	15,107,728
Fixed Income	29.4%	43,661,186
Cash	0.8%	1,231,270
<b>Total Portfolio</b>	<b>100.0%</b>	<b>\$ 148,371,261</b>

## INVESTMENT RETURN

Market Value 12/2012	\$ 145,336,072
Contribs / Withdrawals	- 1,537,090
Income	0
Capital Gains / Losses	4,572,279
Market Value 3/2013	\$ 148,371,261

**INVESTMENT GROWTH**



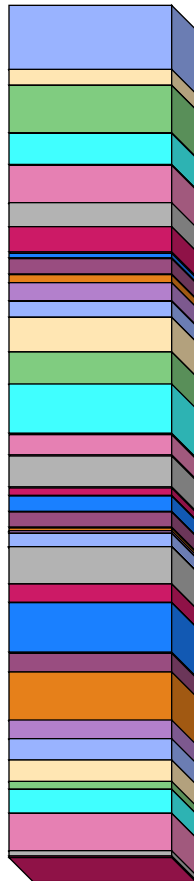
— ACTUAL RETURN  
 - - - 8.0%  
 ..... 0.0%

VALUE ASSUMING  
 8.0% RETURN  
 \$ 183,826,395

	LAST QUARTER	PERIOD 12/07 - 3/13
BEGINNING VALUE	\$ 145,336,072	\$ 126,047,968
NET CONTRIBUTIONS	- 1,537,090	- 4,287,556
<u>INVESTMENT RETURN</u>	<u>4,572,279</u>	<u>26,610,848</u>
ENDING VALUE	\$ 148,371,261	\$ 148,371,261
INCOME	0	181,603
<u>CAPITAL GAINS (LOSSES)</u>	<u>4,572,279</u>	<u>26,429,246</u>
INVESTMENT RETURN	4,572,279	26,610,848



**MANAGER ALLOCATION SUMMARY**



Name	Market Value	Percent
AQR (DIV)	\$11,281,835	7.6
Mellon (DIV)	\$2,769,016	1.9
Pimco All Asset (DIV)	\$8,268,710	5.6
Wellington GAA (DIV)	\$5,427,356	3.7
SSgA S&P 500 (LCC)	\$6,680,507	4.5
T Rowe Price (LCC)	\$4,241,822	2.9
SSgA EqWeight (LCC)	\$4,416,423	3.0
SSgA S&P 400 (MC)	\$800,749	0.5
Champlain (SMID)	\$2,697,830	1.8
SSgA R2000G (SCG)	\$1,446,649	1.0
Wellington SCV (SCV)	\$3,141,274	2.1
SSgA AC Ex-US (FORN)	\$2,790,148	1.9
Acadian (INEQ)	\$6,008,974	4.0
Mondrian Int'l Eq (INEQ)	\$5,663,093	3.8
Aberdeen (EMKT)	\$8,583,019	5.8
Martin Currie (EMKT)	\$3,505,904	2.4
Schroders (CMDT)	\$5,384,673	3.6
GAM (HEDG)	\$1,310,214	0.9
Grosvenor (HEDG)	\$2,668,429	1.8
Permal (HEDG)	\$2,631,904	1.8
Hamilton VII A (PREQ)	\$664,617	0.4
Hamilton VII B (PREQ)	\$457,282	0.3
Hamilton Lane II (PREQ)	\$2,540,503	1.7
Harbourvest Buyout (PREQ)	\$131,198	0.1
Harbourvest Credit (PREQ)	\$22,970	0.0
Harbourvest Venture (PREQ)	\$77,539	0.1
Harbourvest Dover (PREQ)	\$143,102	0.1
VPIC R E (REAL)	\$6,513,722	4.4
Molpus (TIMB)	\$3,209,333	2.2
Pimco Unc. (FIXD)	\$8,642,401	5.8
Allianz (FIXD)	\$3,276,407	2.2
Pimco Core Plus (FIXD)	\$8,538,112	5.8
Wellington FX (FIXD)	\$3,366,976	2.3
Mondrian Fixed (GLFX)	\$3,736,291	2.5
BlackRock TIPS (TIPS)	\$3,903,892	2.6
KDP (HIYL)	\$1,385,637	0.9
Post HY Bonds (HIYL)	\$4,167,728	2.8
Wellington EmFx (EMFX)	\$6,643,752	4.5
Cash (CASH)	\$974,200	0.7
VPIC Cash (CASH)	\$257,070	0.2
<b>Total</b>	<b>\$148,371,261</b>	<b>100.0</b>

## MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception
Total Portfolio	(Public Fund)	3.2 (95)	3.2 (95)	9.7 (62)	9.6 (35)	5.3 (53)	7.8 (49) 03/03
<i>Burlington Manager Shadow Index</i>		<b>3.0</b> ----	<b>3.0</b> ----	<b>7.5</b> ----	<b>7.6</b> ----	<b>4.2</b> ----	---- ----
AQR	(Balanced)	4.5 (96)	4.5 (96)	15.1 (2)	15.3 (1)	---- ----	16.1 (1) 09/09
<i>60%MSCI World/ 40% CITI WGBI</i>		<b>3.5</b> ----	<b>3.5</b> ----	<b>7.2</b> ----	<b>7.2</b> ----	<b>3.2</b> ----	<b>7.1</b> ----
Mellon Global Alpha I	(Balanced)	4.6 (96)	4.6 (96)	9.6 (72)	9.6 (44)	4.4 (91)	2.6 (91) 12/07
<i>60%MSCI World/ 40% CITI WGBI</i>		<b>3.5</b> ----	<b>3.5</b> ----	<b>7.2</b> ----	<b>7.2</b> ----	<b>3.2</b> ----	<b>2.8</b> ----
Pimco All Asset	(Balanced)	1.1 (99)	1.1 (99)	10.6 (52)	10.7 (16)	8.0 (8)	7.7 (6) 12/07
<i>CPI Plus 5</i>		<b>2.6</b> ----	<b>2.6</b> ----	<b>6.7</b> ----	<b>7.5</b> ----	<b>6.8</b> ----	<b>7.0</b> ----
Wellington Opportunistic GAA	(Balanced)	2.0 (99)	2.0 (99)	6.2 (94)	4.8 (97)	---- ----	8.1 (48) 09/08
<i>65% MSCI World / 35% Agg</i>		<b>5.0</b> ----	<b>5.0</b> ----	<b>9.6</b> ----	<b>8.1</b> ----	<b>4.2</b> ----	<b>7.5</b> ----
SSgA S&P 500 Cap-Weighted	(LC Core)	10.6 (56)	10.6 (56)	14.0 (54)	---- ----	---- ----	16.1 (52) 09/10
<i>S&amp;P 500</i>		<b>10.6</b> ----	<b>10.6</b> ----	<b>14.0</b> ----	<b>12.7</b> ----	<b>5.8</b> ----	<b>16.1</b> ----
T Rowe Price Enhanced Index	(LC Core)	10.4 (63)	10.4 (63)	13.5 (64)	12.4 (58)	6.5 (50)	4.3 (49) 12/07
<i>S&amp;P 500</i>		<b>10.6</b> ----	<b>10.6</b> ----	<b>14.0</b> ----	<b>12.7</b> ----	<b>5.8</b> ----	<b>3.5</b> ----
SSgA Equal Weighted Index	(LC Core)	12.4 (15)	12.4 (15)	17.2 (15)	14.1 (23)	8.9 (7)	6.7 (7) 12/07
<i>Equal Weighted S&amp;P 500</i>		<b>12.5</b> ----	<b>12.5</b> ----	<b>17.5</b> ----	<b>14.3</b> ----	<b>9.1</b> ----	<b>6.8</b> ----
SSgA S&P 400	(Mid Cap)	13.5 (22)	13.5 (22)	17.9 (26)	---- ----	---- ----	31.8 (24) 09/11
<i>S&amp;P 400</i>		<b>13.5</b> ----	<b>13.5</b> ----	<b>17.8</b> ----	<b>15.1</b> ----	<b>9.9</b> ----	<b>31.7</b> ----
Champlain	(Smid Cap)	14.8 (13)	14.8 (13)	16.1 (50)	15.7 (33)	---- ----	17.5 (39) 09/09
<i>Russell 2500</i>		<b>12.9</b> ----	<b>12.9</b> ----	<b>17.7</b> ----	<b>14.6</b> ----	<b>9.0</b> ----	<b>16.9</b> ----
SSgA Russell 2000 Growth	(SC Growth)	13.2 (45)	13.2 (45)	14.2 (48)	14.7 (64)	9.0 (59)	5.7 (53) 12/07
<i>Russell 2000 Growth</i>		<b>13.2</b> ----	<b>13.2</b> ----	<b>14.5</b> ----	<b>14.7</b> ----	<b>9.0</b> ----	<b>5.8</b> ----
Wellington Small Cap Value	(SC Value)	12.1 (61)	12.1 (61)	19.1 (37)	15.6 (29)	12.2 (20)	10.2 (19) 12/07
<i>Russell 2000 Value</i>		<b>11.6</b> ----	<b>11.6</b> ----	<b>18.1</b> ----	<b>12.1</b> ----	<b>7.3</b> ----	<b>5.6</b> ----

## MANAGER PERFORMANCE SUMMARY



















Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception	
Total Portfolio	(Public Fund)	3.2 (95)	3.2 (95)	9.7 (62)	9.6 (35)	5.3 (53)	7.8 (49)	03/03
<i>Burlington Manager Shadow Index</i>		<b>3.0</b> ----	<b>3.0</b> ----	<b>7.5</b> ----	<b>7.6</b> ----	<b>4.2</b> ----	----	----
SSgA ACWI Ex-US	(Intl Eq)	3.2 (66)	3.2 (66)	8.7 (66)	----	----	4.7 (70)	09/10
<i>MSCI All Country World Ex US</i>		<b>3.3</b> ----	<b>3.3</b> ----	<b>8.9</b> ----	<b>4.9</b> ----	<b>0.1</b> ----	<b>4.9</b> ----	
Acadian	(Intl Eq)	7.7 (19)	7.7 (19)	12.9 (35)	6.8 (49)	-2.0 (93)	-3.7 (93)	12/07
<i>MSCI EAFE Net</i>		<b>5.1</b> ----	<b>5.1</b> ----	<b>11.3</b> ----	<b>5.0</b> ----	<b>-0.9</b> ----	<b>-2.6</b> ----	
Mondrian International Equity	(Intl Eq)	4.4 (52)	4.4 (52)	7.5 (72)	5.3 (68)	-0.5 (79)	-2.0 (76)	12/07
<i>MSCI EAFE Net</i>		<b>5.1</b> ----	<b>5.1</b> ----	<b>11.3</b> ----	<b>5.0</b> ----	<b>-0.9</b> ----	<b>-2.6</b> ----	
Aberdeen Emerging Markets	(Emerging Mkt)	0.5 (49)	0.5 (49)	10.6 (14)	11.7 (3)	10.6 (2)	10.6 (2)	03/08
<i>MSCI Emerging Markets</i>		<b>-1.6</b> ----	<b>-1.6</b> ----	<b>2.3</b> ----	<b>3.6</b> ----	<b>1.4</b> ----	<b>1.4</b> ----	
Martin Currie	(Emerging Mkt)	-3.7 (94)	-3.7 (94)	1.9 (77)	6.5 (34)	----	18.6 (67)	03/09
<i>MSCI Emerging Markets</i>		<b>-1.6</b> ----	<b>-1.6</b> ----	<b>2.3</b> ----	<b>3.6</b> ----	<b>1.4</b> ----	<b>19.2</b> ----	
Schroders		-2.0 ----	-2.0 ----	-4.6 ----	3.5 ----	----	1.2 ----	12/09
<i>Dow Jones UBS Commodity Index</i>		<b>-1.1</b> ----	<b>-1.1</b> ----	<b>-3.0</b> ----	<b>1.4</b> ----	<b>-7.1</b> ----	<b>-0.3</b> ----	
GAM		4.5 ----	4.5 ----	8.6 ----	----	----	3.9 ----	03/11
<i>HFRI FOF Composite</i>		<b>3.5</b> ----	<b>3.5</b> ----	<b>4.9</b> ----	<b>1.5</b> ----	<b>0.0</b> ----	<b>0.7</b> ----	
Grosvenor		4.7 ----	4.7 ----	9.0 ----	----	----	4.2 ----	12/10
<i>HFRI FOF Composite</i>		<b>3.5</b> ----	<b>3.5</b> ----	<b>4.9</b> ----	<b>1.5</b> ----	<b>0.0</b> ----	<b>1.0</b> ----	
Permal		5.0 ----	5.0 ----	10.9 ----	----	----	3.9 ----	03/11
<i>HFRI FOF Composite</i>		<b>3.5</b> ----	<b>3.5</b> ----	<b>4.9</b> ----	<b>1.5</b> ----	<b>0.0</b> ----	<b>0.7</b> ----	
Hamilton Lane PE Fund VII Series A		-0.2 ----	-0.2 ----	7.2 ----	----	----	8.4 ----	09/11
<i>Cambridge US Private Equity</i>		<b>0.0</b> ----	<b>0.0</b> ----	<b>7.1</b> ----	<b>13.1</b> ----	<b>6.3</b> ----	<b>12.2</b> ----	
Hamilton Lane PE Fund VII Series B		3.1 ----	3.1 ----	5.8 ----	----	----	7.5 ----	09/11
<i>Cambridge US Private Equity</i>		<b>0.0</b> ----	<b>0.0</b> ----	<b>7.1</b> ----	<b>13.1</b> ----	<b>6.3</b> ----	<b>12.2</b> ----	
Hamilton Lane Secondary Fund II		1.6 ----	1.6 ----	4.4 ----	19.1 ----	----	20.4 ----	03/09
<i>Cambridge US Private Equity</i>		<b>0.0</b> ----	<b>0.0</b> ----	<b>7.1</b> ----	<b>13.1</b> ----	<b>6.3</b> ----	<b>15.4</b> ----	
VPIC Real Estate		1.0 ----	1.0 ----	10.8 ----	14.8 ----	-3.5 ----	-3.0 ----	12/07
<i>NCREIF NFI-ODCE Index</i>		<b>2.7</b> ----	<b>2.7</b> ----	<b>10.7</b> ----	<b>15.1</b> ----	<b>-0.8</b> ----	<b>-0.5</b> ----	
Molpus		0.0 ----	0.0 ----	6.5 ----	0.6 ----	----	2.5 ----	03/09
<i>NCREIF Timber Index</i>		<b>1.5</b> ----	<b>1.5</b> ----	<b>9.0</b> ----	<b>3.6</b> ----	<b>2.1</b> ----	<b>1.2</b> ----	

## MANAGER PERFORMANCE SUMMARY




















Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception
Total Portfolio	(Public Fund)	3.2 (95)	3.2 (95)	9.7 (62)	9.6 (35)	5.3 (53)	7.8 (49) 03/03
<i>Burlington Manager Shadow Index</i>		<i>3.0 ----</i>	<i>3.0 ----</i>	<i>7.5 ----</i>	<i>7.6 ----</i>	<i>4.2 ----</i>	<i>---- ----</i>
Pimco Unconstrained Bond Fund (Global Fixed)	(Global Fixed)	0.6 (37)	0.6 (37)	3.8 (68)	---- ----	---- ----	4.2 (72) 09/11
<i>3-Month LIBOR</i>		<i>0.1 ----</i>	<i>0.1 ----</i>	<i>0.4 ----</i>	<i>0.4 ----</i>	<i>0.8 ----</i>	<i>0.4 ----</i>
Allianz Structured Alpha	(Core Fixed)	1.3 (1)	1.3 (1)	13.4 (1)	9.1 (1)	7.5 (6)	7.5 (6) 03/08
<i>Barclays Aggregate Index</i>		<i>-0.1 ----</i>	<i>-0.1 ----</i>	<i>3.8 ----</i>	<i>5.5 ----</i>	<i>5.5 ----</i>	<i>5.5 ----</i>
Pimco Core Plus	(Core Fixed)	0.6 (6)	0.6 (6)	6.3 (8)	7.2 (12)	---- ----	7.2 (12) 09/09
<i>Barclays Aggregate Index</i>		<i>-0.1 ----</i>	<i>-0.1 ----</i>	<i>3.8 ----</i>	<i>5.5 ----</i>	<i>5.5 ----</i>	<i>5.3 ----</i>
Wellington DAS Fixed	(Core Fixed)	0.6 (6)	0.6 (6)	9.4 (1)	10.8 (1)	---- ----	10.5 (2) 09/08
<i>Barclays Aggregate Index</i>		<i>-0.1 ----</i>	<i>-0.1 ----</i>	<i>3.8 ----</i>	<i>5.5 ----</i>	<i>5.5 ----</i>	<i>6.5 ----</i>
Mondrian Global Fixed Income	(Intl Fx)	-3.9 (98)	-3.9 (98)	-2.0 (99)	3.9 (92)	4.2 (84)	6.0 (81) 12/07
<i>Citi World Gov't Bond Index</i>		<i>-2.8 ----</i>	<i>-2.8 ----</i>	<i>-0.7 ----</i>	<i>3.9 ----</i>	<i>2.8 ----</i>	<i>4.4 ----</i>
BlackRock TIPS	(Broad Fixed)	-0.4 (91)	-0.4 (91)	5.7 (45)	8.6 (26)	---- ----	8.1 (32) 12/09
<i>Barclays US TIPS</i>		<i>-0.4 ----</i>	<i>-0.4 ----</i>	<i>5.6 ----</i>	<i>8.5 ----</i>	<i>5.9 ----</i>	<i>8.0 ----</i>
KDP	(Hi Yield)	2.0 (86)	2.0 (86)	9.2 (87)	9.6 (86)	---- ----	10.2 (90) 09/09
<i>Citi High Yield BB &amp; B Index</i>		<i>2.4 ----</i>	<i>2.4 ----</i>	<i>12.1 ----</i>	<i>11.0 ----</i>	<i>8.8 ----</i>	<i>11.9 ----</i>
Post High Yield Bonds	(Hi Yield)	3.2 (32)	3.2 (32)	12.8 (49)	11.5 (47)	11.1 (58)	10.0 (58) 12/07
<i>Citi High Yield BB &amp; B Index</i>		<i>2.4 ----</i>	<i>2.4 ----</i>	<i>12.1 ----</i>	<i>11.0 ----</i>	<i>8.8 ----</i>	<i>7.9 ----</i>
Wellington Emerging Debt		-0.8 ----	-0.8 ----	12.3 ----	11.6 ----	---- ----	12.2 ---- 12/09
<i>JP Morgan EMBI</i>		<i>-2.3 ----</i>	<i>-2.3 ----</i>	<i>10.1 ----</i>	<i>9.9 ----</i>	<i>9.4 ----</i>	<i>10.5 ----</i>

## MANAGER VALUE ADDED

## Most Recent Quarter

Manager	Benchmark	Value Added Vs. Benchmark
AQR	60 MSCI/40 WGBI	1.0 
Mellon	60 MSCI/40 WGBI	1.0 
Pimco All Asset	CPI + 5	-1.6 
Wellington GAA	65World/35Agg	-3.1 
SSgA S&P 500	S&P 500	0.0
T Rowe Price	S&P 500	-0.2 
SSgA EqWeight	Equal Wtd S&P	-0.1 
SSgA S&P 400	S&P 400	0.0
Champlain	Russell 2500	1.9 
SSgA R2000G	Russell 2000G	0.0
Wellington SCV	Russell 2000V	0.4 
SSgA AC Ex-US	AC World Ex-US	-0.1 
Acadian	MSCI EAFE Net	2.6 
Mondrian Int'l Eq	MSCI EAFE Net	-0.7 
Aberdeen	MSCI Emg Mkts	2.1 
Martin Currie	MSCI Emg Mkts	-2.2 
Schroders	Dow Jones UBS	-0.8 
GAM	HFRI FOF	1.0 
Grosvenor	HFRI FOF	1.3 
Permal	HFRI FOF	1.5 
<b>Total Portfolio</b>	<b>Manager Shadow</b>	0.2 

## Trailing Twelve Months

Manager	Benchmark	Value Added Vs. Benchmark
AQR	60 MSCI/40 WGBI	7.8 
Mellon	60 MSCI/40 WGBI	2.4 
Pimco All Asset	CPI + 5	4.0 
Wellington GAA	65World/35Agg	-3.4 
SSgA S&P 500	S&P 500	0.1
T Rowe Price	S&P 500	-0.5 
SSgA EqWeight	Equal Wtd S&P	-0.3 
SSgA S&P 400	S&P 400	0.1
Champlain	Russell 2500	-1.6 
SSgA R2000G	Russell 2000G	-0.3 
Wellington SCV	Russell 2000V	1.0 
SSgA AC Ex-US	AC World Ex-US	-0.2 
Acadian	MSCI EAFE Net	1.7 
Mondrian Int'l Eq	MSCI EAFE Net	-3.7 
Aberdeen	MSCI Emg Mkts	8.3 
Martin Currie	MSCI Emg Mkts	-0.4 
Schroders	Dow Jones UBS	-1.6 
GAM	HFRI FOF	3.8 
Grosvenor	HFRI FOF	4.2 
Permal	HFRI FOF	6.0 
<b>Total Portfolio</b>	<b>Manager Shadow</b>	2.2 

**MANAGER VALUE ADDED**

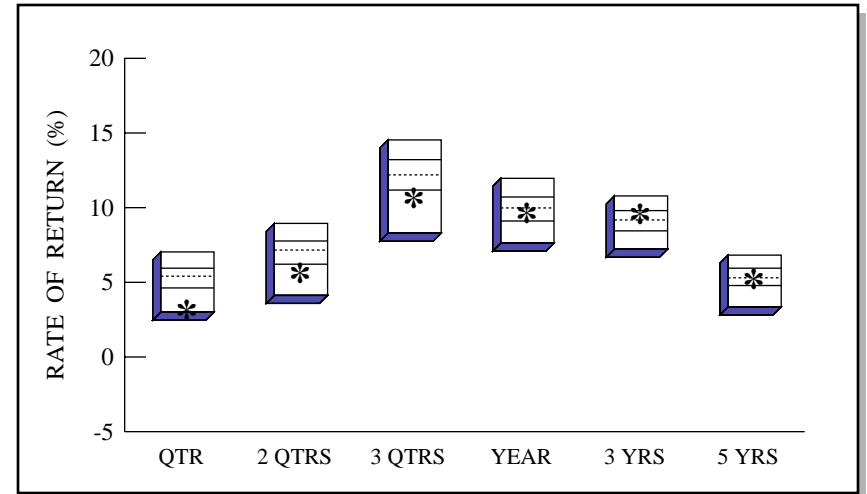
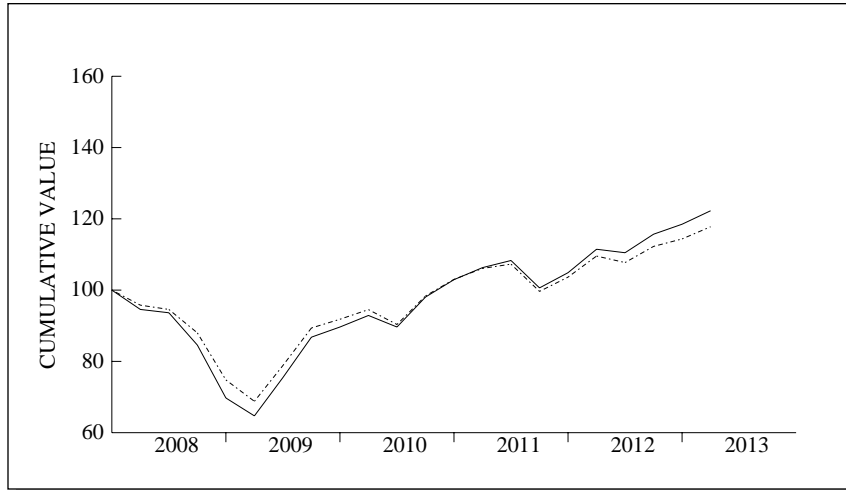
**Most Recent Quarter**

Manager	Benchmark	Value Added Vs. Benchmark
Hamilton VII A	Cambridge PE	-0.2
Hamilton VII B	Cambridge PE	3.1
Hamilton Lane II	Cambridge PE	1.6
VPIC R E	NCREIF ODCE	-1.7
Molpus	NCREIF Timber	-1.5
Pimco Unc.	3-Month LIBOR	0.5
Allianz	Barclays Agg	1.5
Pimco Core Plus	Barclays Agg	0.7
Wellington FX	Barclays Agg	0.7
Mondrian Fixed	Citi WGBI	-1.1
BlackRock TIPS	Barclays TIPS	0.0
KDP	BB & B Index	-0.4
Post HY Bonds	BB & B Index	0.8
Wellington EmFx	JPM EMBI	1.5
<b>Total Portfolio</b>	<b>Manager Shadow</b>	0.2

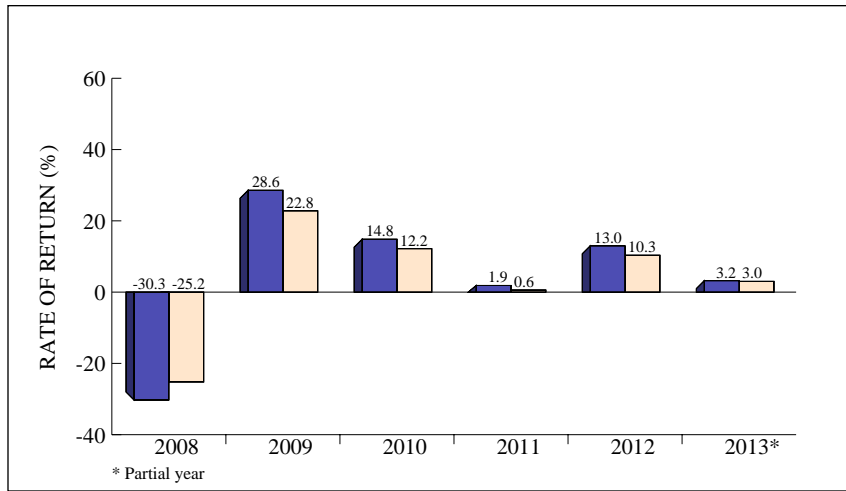
**Trailing Twelve Months**

Manager	Benchmark	Value Added Vs. Benchmark
Hamilton VII A	Cambridge PE	0.1
Hamilton VII B	Cambridge PE	-1.3
Hamilton Lane II	Cambridge PE	-2.7
VPIC R E	NCREIF ODCE	0.1
Molpus	NCREIF Timber	-2.5
Pimco Unc.	3-Month LIBOR	3.4
Allianz	Barclays Agg	9.6
Pimco Core Plus	Barclays Agg	2.5
Wellington FX	Barclays Agg	5.6
Mondrian Fixed	Citi WGBI	-1.3
BlackRock TIPS	Barclays TIPS	0.1
KDP	BB & B Index	-2.8
Post HY Bonds	BB & B Index	0.7
Wellington EmFx	JPM EMBI	2.1
<b>Total Portfolio</b>	<b>Manager Shadow</b>	2.2

**TOTAL RETURN COMPARISONS**



Public Fund Universe

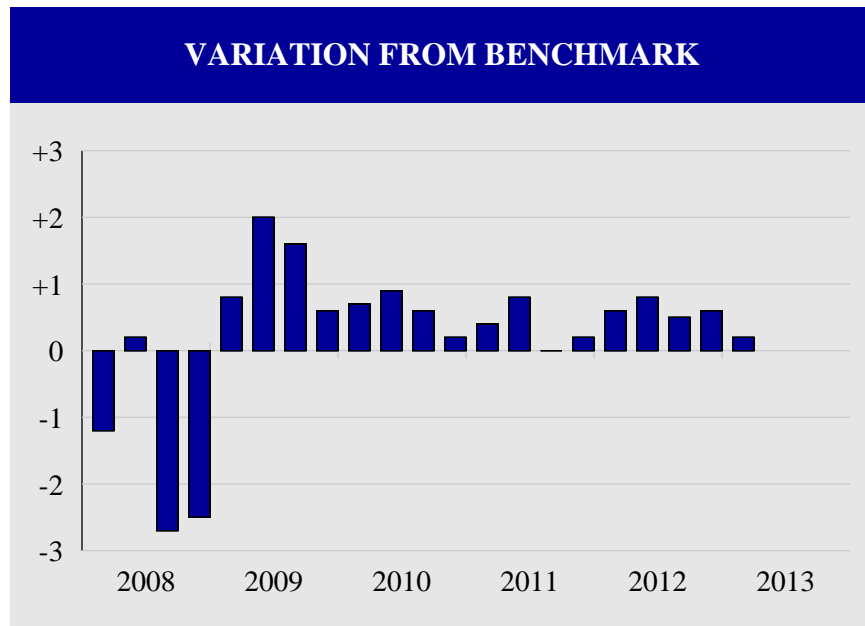


	QTR	2QTRS	3QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	3.2	5.7	10.7	9.7	9.6	5.3
(RANK)	(95)	(82)	(80)	(62)	(35)	(53)
5TH %ILE	7.0	9.0	14.5	12.0	10.8	6.8
25TH %ILE	6.0	7.8	13.2	10.7	9.8	5.9
MEDIAN	5.4	7.2	12.2	10.0	9.2	5.3
75TH %ILE	4.6	6.2	11.2	9.1	8.5	4.8
95TH %ILE	3.0	4.1	8.3	7.6	7.2	3.4
<b>Mgr Shadow</b>	<b>3.0</b>	<b>4.9</b>	<b>9.3</b>	<b>7.5</b>	<b>7.6</b>	<b>4.2</b>

Public Fund Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**

**COMPARATIVE BENCHMARK: BURLINGTON MANAGER SHADOW INDEX**



<b>Total Quarters Observed</b>	<b>21</b>
<b>Quarters At or Above the Benchmark</b>	<b>18</b>
<b>Quarters Below the Benchmark</b>	<b>3</b>
<b>Batting Average</b>	<b>.857</b>

RATES OF RETURN						
Date	Portfolio	Bench	Diff	-----Cumulative-----		
				Portfolio	Bench	Diff
3/08	-5.4	-4.2	-1.2	-5.4	-4.2	-1.2
6/08	-1.0	-1.2	0.2	-6.3	-5.4	-0.9
9/08	-9.7	-7.0	-2.7	-15.4	-12.0	-3.4
12/08	-17.5	-15.0	-2.5	-30.3	-25.2	-5.1
3/09	-7.2	-8.0	0.8	-35.3	-31.2	-4.1
6/09	16.6	14.6	2.0	-24.5	-21.1	-3.4
9/09	15.0	13.4	1.6	-13.2	-10.6	-2.6
12/09	3.3	2.7	0.6	-10.3	-8.2	-2.1
3/10	3.6	2.9	0.7	-7.1	-5.5	-1.6
6/10	-3.5	-4.4	0.9	-10.4	-9.6	-0.8
9/10	9.4	8.8	0.6	-2.0	-1.7	-0.3
12/10	5.0	4.8	0.2	2.9	3.0	-0.1
3/11	3.3	2.9	0.4	6.3	6.1	0.2
6/11	1.9	1.1	0.8	8.3	7.3	1.0
9/11	-7.1	-7.1	0.0	0.6	-0.4	1.0
12/11	4.2	4.0	0.2	4.9	3.6	1.3
3/12	6.3	5.7	0.6	11.5	9.6	1.9
6/12	-0.9	-1.7	0.8	10.5	7.7	2.8
9/12	4.7	4.2	0.5	15.7	12.3	3.4
12/12	2.4	1.8	0.6	18.5	14.3	4.2
3/13	3.2	3.0	0.2	22.3	17.8	4.5



**Private Equity Investor Report as of March 31, 2013**  
**Hamilton Lane Secondary Fund II LP**

<b>IRR Since Inception</b>	<b>17.6%</b> Annualized, Net of Fees	
<b>Market Value*</b>	<b>\$ 2,540,503</b>	Last Appraisal Date: 3/31/2013
Initial Commitment	\$ 3,400,000	100.00%
Capital Committed	\$ 2,991,328	87.98%
Remaining Commitment	\$ 408,672	12.02%
Net Investment Income/(Loss)	\$ (167,586)	
Net Unrealized Gain/(Loss)	\$ 916,147	

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Contributions</b>	<b>% of Commitment</b>	<b>Distributions</b>
3/20/2009	\$ 323,182	9.51%	\$ -	-	\$ -
4/14/2009	\$ 127,179	3.74%	\$ -	-	\$ -
5/26/2009	\$ 68,000	2.00%	\$ -	-	\$ -
7/2/2009	\$ -	-	\$ (113,343)	-3.33%	\$ -
8/25/2009	\$ -	-	\$ (38,561)	-1.13%	\$ -
1/20/2010	\$ 34,000	1.00%	\$ -	-	\$ (14,231)
4/8/2010	\$ 55,828	1.64%	\$ -	-	\$ (27,185)
5/20/2010	\$ 102,000	3.00%	\$ -	-	\$ -
6/23/2010	\$ 144,500	4.25%	\$ -	-	\$ (28,290)
7/28/2010	\$ 34,000	1.00%	\$ -	-	\$ -
10/28/2010	\$ 127,500	3.75%	\$ -	-	\$ -
12/14/2010	\$ 221,000	6.50%	\$ -	-	\$ (18,286)
12/27/2010	\$ 391,000	11.50%	\$ -	-	\$ -
2/11/2011	\$ -	-	\$ (115,109)	-3.39%	\$ -
4/29/2011	\$ 152,519	4.49%	\$ -	-	\$ (190,317)
7/8/2011	\$ 68,000	2.00%	\$ -	-	\$ (22,014)
7/22/2011	\$ 61,871	1.82%	\$ -	-	\$ (26,312)
8/29/2011	\$ 48,921	1.44%	\$ -	-	\$ -
9/26/2011	\$ 204,000	6.00%	\$ -	-	\$ (122,591)
10/27/2011	\$ 71,943	2.12%	\$ -	-	\$ -
1/27/2012	\$ 224,461	6.60%	\$ -	-	\$ (243,571)
3/26/2012	\$ 276,260	8.13%	\$ -	-	\$ -
6/26/2012	\$ 204,000	6.00%	\$ -	-	\$ (151,491)
8/6/2012	\$ 144,500	4.25%	\$ -	-	\$ (150,759)
10/31/2012	\$ 51,000	1.50%	\$ -	-	\$ (129,738)
12/27/2012	\$ 34,000	1.00%	\$ -	-	\$ (157,957)
2/26/2013	\$ 11,511	0.34%	\$ -	-	\$ 137,100
3/8/2013	\$ 34,000	1.00%	\$ -	-	\$ -
3/29/2013	\$ 43,166	1.27%	\$ -	-	\$ -
<b>Total</b>	<b>\$ 3,258,341</b>	<b>95.83%</b>	<b>\$ (267,013)</b>	<b>-7.85%</b>	<b>\$ (1,145,642)</b>

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

**Private Equity Investor Report as of March 31, 2013**  
**Hamilton Lane Private Equity Fund VII LP Series A Offshore**

<b>IRR Since Inception</b>	<b>4.60%</b> Annualized, Net of Fees	
<b>Market Value*</b>	<b>\$ 664,617</b>	Last Appraisal Date: 3/31/2013
Initial Commitment	\$ 1,500,000	100.00%
Capital Committed	\$ 719,737	47.98%
Remaining Commitment	\$ 780,263	52.02%
Net Investment Income/(Loss)	\$ (31,032)	
Net Unrealized Gain/(Loss)	\$ 30,856	

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Contributions</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	-	\$ -	-	\$ -
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	\$ 66,082	4.41%	\$ -	-	\$ (23,429)
11/21/2012	\$ 78,564	5.24%	\$ -	-	\$ -
3/12/2013	\$ 48,750	3.25%	\$ -	-	\$ 27,930
<b>Total</b>	<b>\$ 719,737</b>	<b>47.98%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (31,502)</b>

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

<b>IRR Since Inception</b>	<b>5.49%</b> Annualized, Net of Fees	
<b>Market Value*</b>	<b>\$ 457,282</b>	Last Appraisal Date: 3/31/2013
Initial Commitment	\$ 1,000,000	100.00%
Capital Committed	\$ 471,162	47.12%
Remaining Commitment	\$ 528,838	52.88%
Net Investment Income/(Loss)	\$ (28,314)	
Net Unrealized Gain/(Loss)	\$ 25,300	

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Contributions</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	\$ 28,994	2.90%	\$ -	-	\$ (16,717)
1/3/2013	\$ 40,000	4.00%	\$ -	-	\$ -
<b>Total</b>	<b>\$ 471,162</b>	<b>47.12%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (42,588)</b>

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

**Timber Investor Report as of March 31, 2013**  
**Molpus Sustainable Woodlands Fund II, LP**

<b>IRR Since Inception</b>	<b>-0.26%</b> Annualized, Net of Fees	
<b>Market Value*</b>	<b>\$ 3,209,333</b>	Last Appraisal Date: 12/31/2012
Initial Commitment	\$ 3,400,000	100.00%
Capital Committed	\$ 3,400,000	100.00%
Remaining Commitment	\$ -	0.00%
Net Investment Income/(Loss)	\$ (115,626)	
Net Unrealized Gain/(Loss)	\$ 145,203	

<b>Date</b>	<b>Contributions</b>	<b>% of Commitment</b>	<b>Recallable Contributions</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)
<b>Total</b>	<b>\$ 3,400,000</b>	<b>100.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>\$ (220,243)</b>

\*The Market Value reflects the last appraisal value adjusted for any contributions/distributions since that time

# BURLINGTON EMPLOYEES RETIREMENT SYSTEM

## Portfolio Returns as of Decemeber 31, 2012

Portfolio	4th Quarter	YTD	1-Year	Since 3/31/09	Since 12/31/07	Inception Date
Martin Currie	7.5	22.6	22.6	21.2	N/A	03/09
Hamilton Lane***	2.1	11.9	11.9	21.9	N/A	03/09
Molpus Timber	6.6	6.4	6.4	2.7	N/A	03/09
Non-VPIC Assets**	5.3	13.4	13.4	15.6	N/A	03/09
VPIC Assets*	2.1	13.1	13.1	17.6	3.5	12/07
Total Portfolio	2.4	13.0	13.0	17.5	3.5	12/07

\*Source: NEPC

\*\*Asset allocation on 9/30/12: 33.9% Emerging Markets, 35.8% Private Equity, 30.3% Timber

\*\*\*The Hamilton Lane portfolio represents the combined assets of the three Hamilton Lane investments.

## BURLINGTON EMPLOYEES RETIREMENT SYSTEM

### Portfolio Returns as of December 31, 2012

Portfolio	4Q 2012	Since 3/31/09
Non-VPIC Assets**	5.3	15.6
VPIC Assets*	2.1	17.6
<b>Total Portfolio</b>	<b>2.4</b>	<b>17.5</b>

*\*Source: NEPC*

*\*\*Asset allocation on 9/30/12: 33.9% Emerging Markets, 35.8% Private Equity, 30.3% Timber*

### Portfolio Returns as of September 30, 2012

Portfolio	3Q 2012	Since 3/31/09
Non-VPIC Assets**	2.7	15.1
VPIC Assets*	5.1	18.3
<b>Total Portfolio</b>	<b>4.7</b>	<b>18.1</b>

*\*Source: NEPC*

*\*\*Asset allocation on 6/30/12: 32.5% Emerging Markets, 36.1% Private Equity, 31.4% Timber*

### Portfolio Returns as of June 30, 2012

Portfolio	2Q 2012	Since 3/31/09
Non-VPIC Assets**	-2.8	15.4
VPIC Assets*	-0.8	18.0
<b>Total Portfolio</b>	<b>-0.9</b>	<b>17.9</b>

*\*Source: NEPC*

*\*\*Asset allocation on 3/31/12: 35.5% Emerging Markets, 33.3% Private Equity, 31.2% Timber*

### Portfolio Returns as of March 31, 2012

Portfolio	1Q 2012	Since 3/31/09
Non-VPIC Assets**	7.9	17.8
VPIC Assets*	6.3	20.0
<b>Total Portfolio</b>	<b>6.3</b>	<b>19.9</b>

*\*Source: NEPC*

*\*\*Asset allocation on 12/31/11: 34.0% Emerging Markets, 31.5% Private Equity, 34.6% Timber*

## BURLINGTON EMPLOYEES RETIREMENT SYSTEM

### Portfolio Returns as of December 31, 2011

Portfolio	4Q 2011	Since 3/31/09
Non-VPIC Assets**	-0.8	16.3
VPIC Assets*	4.6	19.3
<b>Total Portfolio</b>	<b>4.2</b>	<b>19.2</b>

*\*Source: NEPC*

*\*\*Asset allocation on 9/30/11: 32.9% Emerging Markets, 28.0% Private Equity, 39.1% Timber*

### Portfolio Returns as of September 30, 2011

Portfolio	3Q 2011	Since 3/31/09
Non-VPIC Assets**	-9.0	18.5
VPIC Assets*	-7.2	19.3
<b>Total Portfolio</b>	<b>-7.1</b>	<b>19.3</b>

*\*Source: NEPC*

*\*\*Asset allocation on 6/30/11: 40.9% Emerging Markets, 21.0% Private Equity, 38.1% Timber*

### Portfolio Returns as of June 30, 2011

Portfolio	2Q 2011	Since 3/31/09
Non-VPIC Assets**	2.0	25.9
VPIC Assets*	1.9	25.8
<b>Total Portfolio</b>	<b>1.9</b>	<b>25.7</b>

*\*Source: NEPC*

*\*\*Asset allocation on 3/31/11: 41.3% Emerging Markets, 20.1% Private Equity, 38.9% Timber*

### Portfolio Returns as of March 31, 2011

Portfolio	1Q 2011	Since 3/31/09
Non-VPIC Assets**	2.5	28.3
VPIC Assets*	3.4	28.2
<b>Total Portfolio</b>	<b>3.3</b>	<b>28.2</b>

*\*Source: NEPC*

*\*\*Asset allocation on 12/31/10: 41.3% Emerging Markets, 19.4% Private Equity, 39.3% Timber*

## BURLINGTON EMPLOYEES RETIREMENT SYSTEM

### Portfolio Returns as of December 31, 2010

Portfolio	4Q 2010	Since 3/31/09
Non-VPIC Assets**	7.5	31.1
VPIC Assets*	4.7	30.3
<b>Total Portfolio</b>	<b>5.0</b>	<b>30.4</b>

*\*Source: NEPC*

*\*\*Asset allocation on 9/30/10: 44.9% Emerging Markets, 11.9% Private Equity, 43.2% Timber*

### Portfolio Returns as of September 30, 2010

Portfolio	3Q 2010	Since 3/31/09
Non-VPIC Assets**	8.0	30.7
VPIC Assets*	9.7	32.1
<b>Total Portfolio</b>	<b>9.4</b>	<b>31.9</b>

*\*Source: NEPC*

*\*\*Asset allocation on 6/30/10: 41.0% Emerging Markets, 11.8% Private Equity, 47.1% Timber*

### Portfolio Returns as of June 30, 2010

Portfolio	2Q 2010	Since 3/31/09
Non-VPIC Assets**	-2.1	29.6
VPIC Assets*	-3.6	29.7
<b>Total Portfolio</b>	<b>-3.5</b>	<b>29.8</b>

*\*Source: NEPC*

*\*\*Asset allocation on 3/31/10: 43.5% Emerging Markets, 7.9% Private Equity, 48.6% Timber*

### Portfolio Returns as of March 31, 2010

Portfolio	1Q 2010	Since 3/31/09
Non-VPIC Assets**	0.3	41.3
VPIC Assets*	3.9	43.6
<b>Total Portfolio</b>	<b>3.6</b>	<b>43.5</b>

*\*Source: NEPC*

*\*\*Asset allocation on 12/31/09: 43.5% Emerging Markets, 7.4% Private Equity, 49.0% Timber*

## BURLINGTON EMPLOYEES RETIREMENT SYSTEM

### Portfolio Returns as of December 31, 2009

Portfolio	4Q 2009	Since 3/31/09
Non-VPIC Assets**	1.7	40.9
VPIC Assets*	3.4	38.2
<b>Total Portfolio</b>	<b>3.3</b>	<b>38.5</b>

*\*Source: NEPC*

*\*\*Asset allocation on 9/30/09: 42.7% Emerging Markets, 7.3% Private Equity, 50.0% Timber*

### Portfolio Returns as of September 30, 2009

Portfolio	3Q 2009	Since 3/31/09
Non-VPIC Assets**	13.6	38.5
VPIC Assets*	15.0	33.6
<b>Total Portfolio</b>	<b>15.0</b>	<b>34.1</b>

*\*Source: NEPC*

*\*\*Asset allocation on 6/30/09: 67.9% Emerging Markets, 17.8% Private Equity, 14.3% Timber*

### Portfolio Returns as of June 30, 2009

Portfolio	2Q 2009
Non-VPIC Assets**	21.9
VPIC Assets*	16.2
<b>Total Portfolio</b>	<b>16.6</b>

*\*Source: NEPC*

*\*\*Asset allocation on 3/31/09: 68.3% Emerging Markets, 13.5% Private Equity, 18.2% Timber*



## APPENDIX - MAJOR MARKET INDEX RETURNS

<b>Equity</b>	<b>Style</b>	<b>QTR</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Russell 3000	Broad Equity	11.1	11.1	14.6	13.0	6.3
S&P 500	Large Cap Core	10.6	10.6	14.0	12.7	5.8
Russell 1000	Large Cap Core	11.0	11.0	14.4	12.9	6.2
Russell 1000 Growth	Large Cap Growth	9.5	9.5	10.1	13.1	7.3
Russell 1000 Value	Large Cap Value	12.3	12.3	18.8	12.7	4.8
Russell 2000	Small Cap	12.4	12.4	16.3	13.5	8.2
Russell 2000 Growth	Small Cap Growth	13.2	13.2	14.5	14.7	9.0
Russell 2000 Value	Small Cap Value	11.6	11.6	18.1	12.1	7.3
MSCI EAFE	Developed Markets	5.2	5.2	11.8	5.5	-0.4
MSCI EAFE Growth	Developed Markets Growth	6.8	6.8	11.8	6.8	0.2
MSCI EAFE Value	Developed Markets Value	3.6	3.6	11.7	4.1	-1.1
MSCI Emerging Markets	Emerging Markets	-1.6	-1.6	2.3	3.6	1.4
MSCI All Country World	Global Equity	6.6	6.6	11.2	8.3	2.6
MSCI All Country World Ex US	Global Equity (ex. US)	3.3	3.3	8.9	4.9	0.1
<b>Fixed Income</b>	<b>Style</b>	<b>QTR</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Barclays Aggregate Index	Core Fixed Income	-0.1	-0.1	3.8	5.5	5.5
Barclays Gov/Credit	Gov/Credit	-0.2	-0.2	4.6	6.1	5.5
Barclays Capital Gov't Bond	Treasuries	-0.2	-0.2	3.0	5.0	4.4
Barclays Capital Credit Bond	Corporate Bonds	-0.1	-0.1	7.5	8.0	8.0
Intermediate Aggregate	Core Intermediate	0.1	0.1	3.0	4.6	4.9
Intermediate Gov/Credit	Gov / Credit Intermediate	0.3	0.3	3.5	4.7	4.6
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.1	0.1	0.1	1.1	1.6
CSFB High Yield	High Yield Bonds	2.9	2.9	12.4	10.9	10.8
Barclays Global Ex-US	International Treasuries	-3.9	-3.9	-2.8	0.6	0.7
Citi World Gov't Bond Index	International Fixed Income	-2.8	-2.8	-0.7	3.9	2.8
Barclays Global Aggregate	International Fixed Income	-2.1	-2.1	1.2	4.5	3.7
Barclays Global Aggregate Ex US	International Fixed Income	-3.5	-3.5	-0.7	3.8	2.5
<b>Alternative Assets</b>	<b>Style</b>	<b>QTR</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
NCREIF NFI-ODCE Index	Real Estate	2.7	2.7	10.7	15.1	-0.8
HFRI FOF Composite	Hedge Funds	3.5	3.5	4.9	1.5	0.0

**APPENDIX - DISCLOSURES**

- \* The Burlington Manager Shadow index is the weighted average of each manager portfolio's beginning value multiplied by its current quarter benchmark return.
- \* The Burlington Policy Index is a policy-weighted passive index constructed as follows:

35% S&P 500	10% Russell Midcap	15% MSCI EAFE
35% Barclays Aggregate	5% 91-Day TBills	
- \* The Real Assets Blended Index is comprised of equal parts:

NCREIF ODCE	NCREIF Timber	Dow Jones UBS Commodities
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- \* Returns presented in this report for periods prior to September 2004 have been incorporated into Dahab Associates performance databases from sources prior to our employment by the System. We believe these returns are reliable and accurate, but they have not been calculated directly by Dahab Associates, and may not necessarily reflect the capability of our performance measurement processes.
- \* 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 net of fees unless otherwise noted.
- \* All returns for periods greater than one year are annualized.
- \* All values are in US dollars.
- \* All values for the Pooled Cash account since June 2012 are estimated and subject to change.