

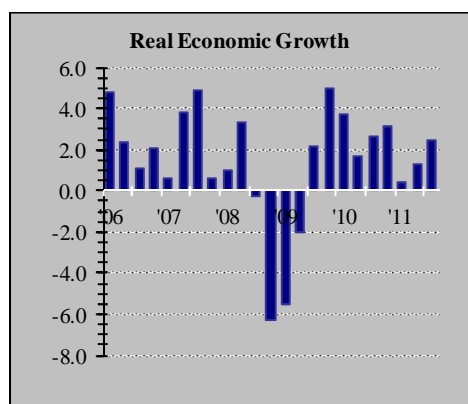
**CITY OF BURLINGTON EMPLOYEES
RETIREMENT PLAN
PERFORMANCE REVIEW
SEPTEMBER 2011**



ECONOMIC ENVIRONMENT

A Bit Better, But Still Tough Times

After a rough first half of 2011, domestic economic progress improved a bit in the third quarter. Manufacturing output increased, employment remained fairly steady, housing bottomed out, and consumers finally got a break at the gas pump. Inflation as measured by the CPI (up 1.2% for the quarter) was up significantly, but did not pose an immediate threat to the Fed's plans to keep interest rates low.



The advance estimate for third quarter GDP growth was 2.5%, up from the second quarter's GDP 1.3% annual rate. While not spectacular, a gain is still a gain. Corporate, federal government and personal spending were all up. Offsetting these positives were higher imports and lower government spending at the

state and local levels. There were more positives to report.

For September, the manufacturing sector had expanded 0.4%, bringing output to a level that was 3.9% over last September. Retail sales rebounded 1.1% in September, approximately 8.0% above last year.

The jury is still out on any real employment turnaround. Importantly, the overall employment picture didn't deteriorate. There were some private sector employment gains, but layoffs in the public sector offset most of those gains. The unemployment rate has held at 9.1% since July. The latest payroll data is mildly encouraging as non-farm employment edged up by 103,000 in September, which included the return to work of 45,000 striking Verizon workers.

Housing remained in the doldrums as prices fell slightly and foreclosures increased. Despite record low mortgage rates new mortgages go begging: lenders largely demand excellent credit ratings, and many potential home seekers who do qualify are having difficulties in getting high enough appraisals for the homes they wish to purchase. Yet others are waiting for still better deals.

The Goldman Sachs Commodity Index (GSCI) fell an extraordinary 11.7% during the quarter. The macro explanation was slowing global growth, with the most striking example related to copper prices. Chinese demand represents 40% of total demand for the metal, thus a big drop off in Chinese demand was the key factor contributing to its 25.8% price decline. Wholesale food prices generally declined as much as 10%, more a reflection of weather than falling demand. Livestock prices climbed as they are less prone to weather and changing consumer demand.

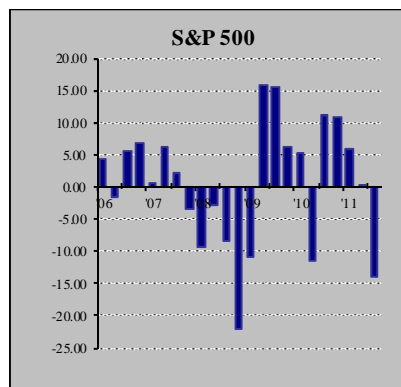
The Federal Reserve was highly active during the quarter. First, Chairman Bernanke announced that the Fed would hold lending rates to an absolutely low level, at least through mid-2013. This was an effort to induce bank lending, to spur home sales and to encourage corporate borrowers to seek new project financing. While this was certainly innovative, it simply extended an effort that was already in place.

The Fed also introduced Operation Twist, a federal purchasing program intended to bring down long term interest rates. (The last time a Twist program was used by the Fed was in the 1960's when the dance of the same name was in vogue, hence the name.) Under this program, the Fed would take the proceeds from its maturing short-term Treasuries and reinvest them in long-maturity Treasuries (6-year and longer). Results occurred quickly as the Treasury yield curve sharply contracted on the long end. Bernanke and the Treasury Secretary also encouraged their Eurozone counterparts to create more permanent umbrella financing in an effort to forestall any Euro country and commercial bank defaults. Led by Germany and France, progress was made on a Euro 440 Billion European Financial Stability Fund (EFSF).

EQUITY MARKET

Nowhere to run, nowhere to hide

Returns last quarter were simply awful. In general, every major index fell more than 10% and most indices fell far more. The bellwether S&P 500 index fell 13.9%. Growth stocks bested value stocks and large-cap names performed better than small-caps, but only on a relative basis. The Russell 3000 (total market) Growth Index fell 13.9% and the Russell 3000 Value Index slumped 16.6%. The large-cap Russell 1000 Index fell 14.7%, while the small-cap Russell 2000 plummeted 21.9%.



Sector-wise, there was almost nowhere to hide. Traditional utility stocks resisted the rout by losing only 1.2%. Utilities fared better due because of their high, reinvested cash dividends. The consumer durable sector saw the greatest decline (26.5%) as employed and unemployed Americans pulled back on discretionary spending. Not too far behind were the basic industries,

financials and energy sectors, which fell 22.5%, 20.0% and 18.1%, respectively. Lower demand accounted for most of the basic industry and energy declines. Banking problems in the mortgage and underwriting areas accounted for the flight from that sector. Consumer non-durable spending was up and helped mitigate the decline (4.9%) in that sector and in the computer technology sector, which was down 4.2%.

The S&P dividend rate rose 0.4% to 2.2%, due mainly to the collapse in the prices of underlying stocks. For the same reason, its P/E ratio also fell significantly from 18.6 times to 16.6. Of the 500 names, 61.6% had moderate P/E ratios between 10 and 20 and close to 20% were trading at

10 times or less, suggesting that the market is reasonably priced, if not cheap.

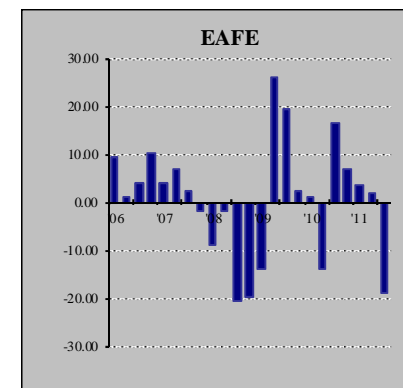
INTERNATIONAL EQUITIES

Overseas Diversification Didn't Help

Offshore markets fared just as poorly as they did at home. The MSCI EAFE Index, representing developed markets, dropped 19%. Not unexpectedly, the Eurozone countries as a group dropped 28%. Germany's 31% plunge looked good compared to Greece's 46.6% falloff. Greece, with its small-sized 11 million population, produced only 2% of Eurozone GDP, and was the tipping point for the debt crisis

Australia, part of the EAFE equation, declined 20.1%. However, the Far East portion of the Index lost far less (8.7%). The key to the better performance was Japan's rebound after its tragic March hurricane and tsunami. Since Japan's stock market is a major component of the Index, its 6.4% loss cushioned overall Far East results. By comparison, Hong Kong lost 19.9% and Singapore dropped 18.2%. EAFE sectors again mirrored the performance of their domestic equivalents.

The MSCI Emerging Market Index (EM) dropped more than EAFE. EM lost 22.5% vs. EAFE's 19.0% loss. The severe drop-off among the BRIC countries best exemplifies the lack of investor confidence. Brazil lost 26.9%; Russia fell a full 31%; India sank 19.9%; China gave back 25.2%. The only relative safe havens in EM space were three micro-sized markets in the Far East, Middle East and South America, specifically, the Philippines (-6.9%); Peru (-4.7%); and Morocco (-9.2%).

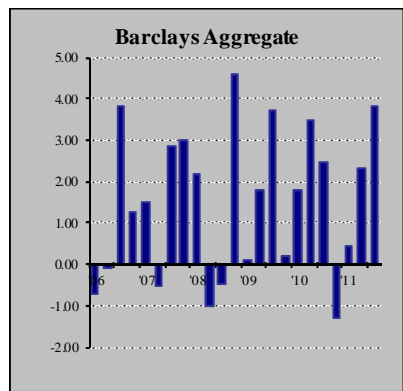


Whether an investor's portfolio included the US, EAFE, EM or any combination of the three major global market segments, there was one commonality: red ink.

BOND MARKET

Long Treasuries, by a Landslide

The Barclays Aggregate Index advanced a healthy 3.8% last quarter. Partially hidden within the combined index return was the long Treasury bond's phenomenal return, up 29.2%, for those with 20-year-or-longer maturities. Five-year-or-longer Treasuries earned at least 6%. Given that Treasuries of all maturities constitute 34% of the Index, Treasuries were THE performance driver. There were two components of this spectacular rise. First, equity investors fled the market and moved assets to their traditional stalwart, old-fashioned US Government instruments. The downgrading of the U.S. Treasuries by S&P had no effect on the overall perception of safety in the Treasury's ability to pay its bills. Second, Operation Twist indeed twisted the yield curve downward and long duration investors benefited directly.



The Barclays (corporate) Credit Index also gained ground, advancing 3.0%. Long maturity credits soared 9.1%, in sync with Operation Twist. Within the credit component, utilities led the pack (+7.1%). Industrial names were a distant second (+4.9%). But financial debt was in the negative camp, losing 1.4%. Money Center banks suffered from higher capital requirements, mortgage foreclosures that just wouldn't go away and from lower profits in the investment banking sector.

Residential mortgage bonds gained 2.4%. By comparison, commercial mortgage debt (CMBS) lost 0.9%. Investors were more sensitive to the persistently high unemployment rate, which would impact commercial property, especially office occupancy.

Corporate high yield bonds with credit ratings of BA or lower fared poorly, reflecting the struggle by highly leveraged companies to survive current, near recession conditions. The Barclays High Yield Index dropped 6.1%. Returns were progressively more negative for bonds with lower credit ratings. Single B bonds averaged a negative 5.2% return, but CA-D credits collapsed 25%!

As of September 30th, the Aggregate Index yielded 2.35% (yield-to-worst), had an average maturity of 7.2-years, and a modified adjusted duration of 5.0-years. Total assets comprising the Index are currently valued at \$15.8 Trillion. For reference, the yield, maturity and duration declined and the Index value grew from the prior quarter due to the very favorable return of long maturity (investment grade) bonds.

CASH EQUIVALENTS

Zero was Good

Last quarter, one-to-three-month Treasury Bills earned 0.01%, or essentially zero. The 3-month Treasury Bill is earning "double" that or two basis points. The six-month Treasury Bill is only earning eight basis points.

MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	2.5	1.3
Unemployment	9.1	9.2
CPI All Items Year/Year	3.87	3.56
Fed Funds Rate	0.25	0.25
Industrial Capacity	77.4	76.6
US Dollars per Euro	1.36	1.45

MAJOR INDEX QUARTER RETURNS

INDEX		PERFORMANCE
Russell 3000	-15.3	
S&P 500	-13.9	
Russell Mid	-18.9	
Russell 2000	-21.9	
MSCI EAFE	-19.0	
MSCI Emg Mkts	-22.5	
NCREIF ODCE	3.6	
Barclays Agg	3.8	
90 Day Tbills	0.0	

EQUITY RETURN DISTRIBUTIONS

	QUARTER			TRAILING YEAR			
	VAL	COR	GRO	VAL	COR	GRO	
LC	-16.2	-14.7	-13.1	LC	-1.9	0.9	3.8
MC	-18.5	-18.9	-19.3	MC	-2.4	-0.9	0.8
SC	-21.5	-21.9	-22.3	SC	-6.0	-3.5	-1.1

MARKET SUMMARY

- * GDP growth was 2.5%, reflecting increases in corporate, federal, and personal spending.
- * Modest private sector job gains were offset by public sector layoffs, leaving the unemployment rate unchanged.
- * Most equity markets declined sharply on fears of European debt default contagion.
- * Year-over-year CPI increased by 3.87%.
- * The US dollar strengthened relative to the euro.

INVESTMENT RETURN

On September 30th, 2011, the City of Burlington Employees Retirement System was valued at \$124,401,632, a decrease of \$10,207,941 from the June ending value of \$134,609,573. Last quarter, the account recorded total net withdrawals of \$666,013 in addition to \$9,541,928 in net investment losses. Because there were no income receipts during the third quarter, the portfolio's net investment losses were entirely made up of capital losses (realized and unrealized).

For the cumulative period since December 2001, the portfolio has posted net withdrawals totaling \$15.1 million and recorded net investment gains totaling \$40.6 million. For the period since December 2001, if the fund had returned a compounded nominal rate of 8.0% it would have been valued at \$183.0 million or \$58.6 million more than the actual value as of September 30th, 2011.

RELATIVE PERFORMANCE

Total Fund

For the third quarter, the Composite portfolio returned -7.1%, which was equal to the Burlington Manager Shadow Index's return of -7.1% and ranked in the 25th percentile of the Public Fund universe. Over the trailing year, this portfolio returned 2.6%, which was 1.3% above the benchmark's 1.3% return, ranking in the 25th percentile. Since December 2001, the account returned 4.2% on an annualized basis and ranked in the 84th percentile.

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 12/2001
Total Portfolio	-7.1	-2.3	2.6	6.0	4.2
<i>PUBLIC FUND RANK</i>	(25)	(23)	(25)	(11)	(84)
MANAGER SHADOW	-7.1	-3.3	1.3	4.2	---
POLICY INDEX	-8.6	-4.3	1.1	4.4	4.7
Diversified Assets	-7.5	-3.2	0.8	9.3	---
<i>BALANCED FUND RANK</i>	(57)	(54)	(39)	(3)	---
CPI + 5	1.8	7.5	9.2	6.1	7.7
60 MSCI/40 WGBI	-9.8	-5.2	-0.8	3.9	5.7
Equity	-16.6	-10.3	1.0	3.8	---
<i>ALL CAP RANK</i>	(50)	(45)	(40)	(30)	---
RUSSELL 3000	-15.3	-9.9	0.5	1.4	2.4
Foreign Equity	-17.6	-13.7	-8.2	2.5	---
<i>INTERNATIONAL EQUITY RANK</i>	(25)	(27)	(33)	(27)	---
MSCI EAFE	-19.0	-14.7	-9.0	-0.7	4.9
MSCI EMG MKTS	-22.5	-21.7	-15.9	6.6	14.1
MSCI AC WORLD	-17.3	-13.2	-5.6	1.1	4.1
AC WORLD EX-US	-19.8	-16.5	-10.4	1.0	6.5
Commodity	-8.8	-8.0	6.5	---	---
DOW JONES UBS	-11.3	-13.6	0.1	-5.6	---
Hedge Fund	-5.5	-4.1	---	---	---
HFRI FOF	-4.7	-5.0	-1.6	0.2	3.5
Private Equity	0.0	21.4	31.8	---	---
CAMBRIDGE PE	0.0	10.1	18.5	8.1	12.8
Real Estate	3.5	14.7	20.7	-5.4	---
NCREIF ODCE	3.5	12.6	18.3	-6.4	6.0
Timber	-0.2	-0.6	6.5	---	---
NCREIF TIMBER	-0.3	1.0	0.2	-0.4	7.7
Fixed Income	1.0	5.5	4.9	10.7	---
<i>BROAD MARKET FIXED RANK</i>	(50)	(39)	(39)	(26)	---
GLOBAL AGGREGATE	1.0	5.4	4.0	7.8	7.3
GLOBAL AGG EX US	-0.7	4.7	3.3	7.7	8.6
BARCLAYS AGG	3.8	6.7	5.3	8.0	5.8

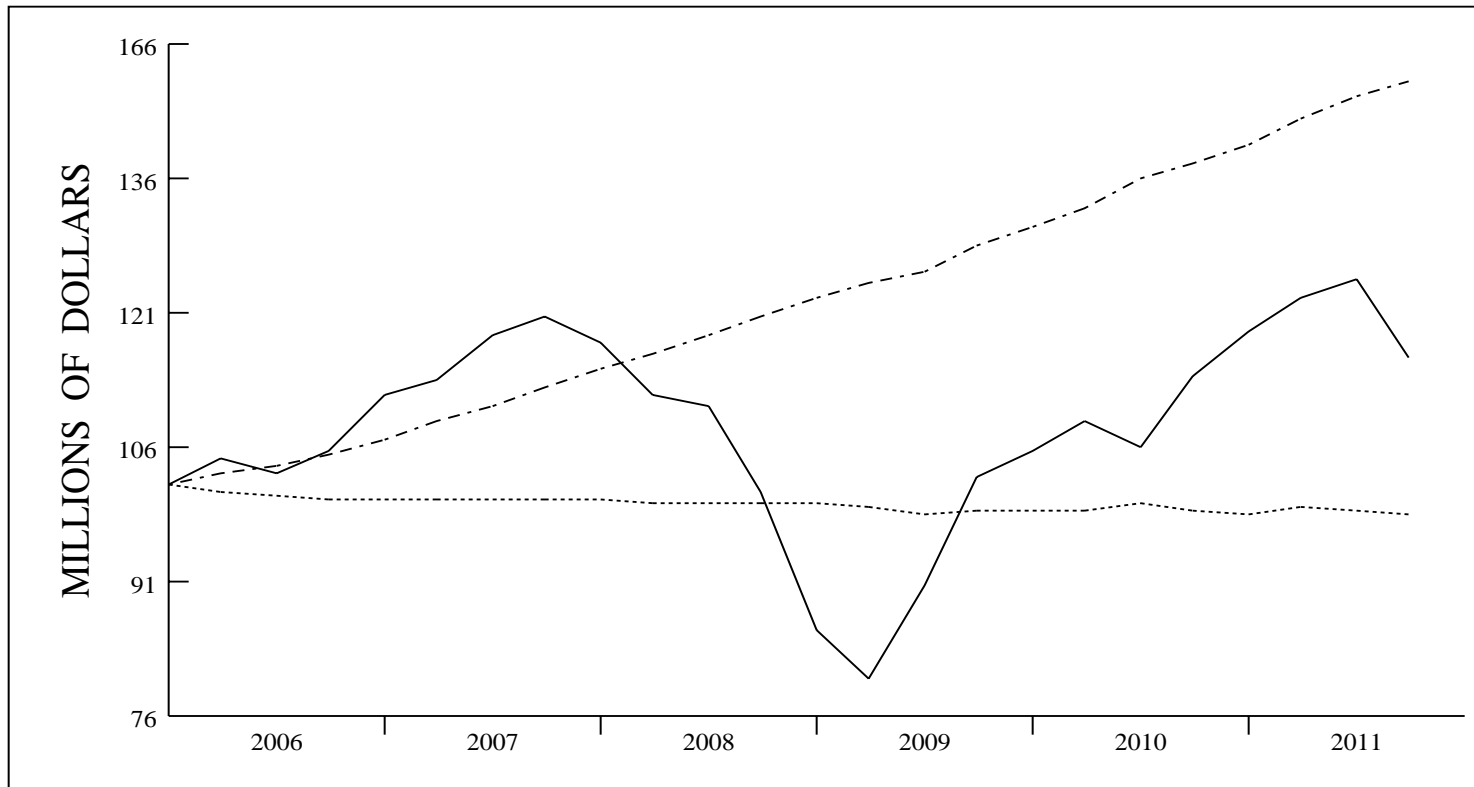
ASSET ALLOCATION

Diversified	16.5%	\$ 20,501,281
Equity	15.1%	18,748,850
Foreign Equity	16.4%	20,364,207
Commodity	1.9%	2,393,374
Hedge Fund	4.6%	5,757,253
Private Equity	2.0%	2,543,006
Real Estate	4.5%	5,589,229
Timber	2.8%	3,449,689
Fixed Income	35.5%	44,130,198
Cash	0.7%	924,545
Total Portfolio	100.0%	\$ 124,401,632

INVESTMENT RETURN

Market Value 6/2011	\$ 134,609,573
Contribs / Withdrawals	-666,013
Income	0
Capital Gains / Losses	-9,541,928
Market Value 9/2011	\$ 124,401,632

INVESTMENT GROWTH

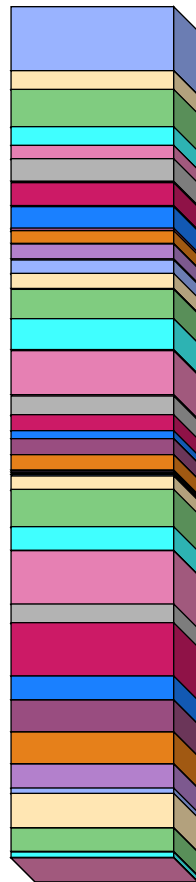


— ACTUAL RETURN
 - - - 8.0%
 0.0%

VALUE ASSUMING
 8.0% RETURN
 \$ 161,454,962

	LAST QUARTER	PERIOD 12/05 - 9/11
BEGINNING VALUE	\$ 134,609,573	\$ 107,142,072
NET CONTRIBUTIONS	-666,013	- 3,945,086
<u>INVESTMENT RETURN</u>	<u>- 9,541,928</u>	<u>21,204,646</u>
ENDING VALUE	\$ 124,401,632	\$ 124,401,632
INCOME	0	5,892,108
<u>CAPITAL GAINS (LOSSES)</u>	<u>- 9,541,928</u>	<u>15,312,538</u>
INVESTMENT RETURN	- 9,541,928	21,204,646

MANAGER ALLOCATION SUMMARY



Name	Market Value	Percent
AQR (DIV)	\$9,318,236	7.5
Mellon (DIV)	\$2,832,433	2.3
Pimco All Asset (DIV)	\$5,585,081	4.5
Wellington GAA (DIV)	\$2,765,531	2.2
Pimco Stocks + (LC)	\$2,106,225	1.7
SSgA S&P 500 (LCC)	\$3,311,075	2.7
T Rowe Price (LCC)	\$3,350,819	2.7
SSgA EqWeight (LCC)	\$3,294,427	2.6
SSgA S&P 400 (MC)	\$529,249	0.4
Champlain (SMID)	\$1,859,091	1.5
SSgA R2000G (SCG)	\$2,188,873	1.8
Wellington SCV (SCV)	\$2,109,091	1.7
SSgA ACWI Ex-US (FORN)	\$2,224,521	1.8
Acadian (INEQ)	\$4,315,507	3.5
Mondrian (INEO)	\$4,492,765	3.6
Aberdeen (EMKT)	\$6,425,673	5.2
Martin Currie (EMKT)	\$2,905,741	2.3
Schroders (CMDT)	\$2,393,374	1.9
GAM (HEDG)	\$1,151,497	0.9
Grosvenor (HEDG)	\$2,337,852	1.9
Permal (HEDG)	\$2,267,904	1.8
Hamilton Lane VII A (PREQ)	\$225,000	0.2
Hamilton Lane VII B (PREQ)	\$195,000	0.2
Hamilton Lane II (PREO)	\$2,123,006	1.7
VPIC R E (REAL)	\$5,589,229	4.5
Molpus (TIMB)	\$3,449,689	2.8
Pimco Unconstrained (FIXD)	\$7,842,810	6.3
Allianz (FIXD)	\$2,861,566	2.3
Pimco Core Plus (FIXD)	\$7,794,710	6.3
Wellington FX (FIXD)	\$3,512,416	2.8
Brandywine (GLFX)	\$4,662,406	3.7
Mondrian Fixed (GLFX)	\$4,616,935	3.7
Barclays TIPS (TIPS)	\$3,568,821	2.9
KDP (HIYL)	\$863,490	0.7
Post HY Bonds (HIYL)	\$5,005,024	4.0
Wellington EmFx (EMFX)	\$3,402,020	2.7
Cash (CASH)	\$859,218	0.7
VPIC Cash (CASH)	\$65,327	0.1
Total	\$124,401,632	100.0

MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception
Total Portfolio	(Public Fund)	-7.1 (25)	-2.3 (23)	2.6 (25)	6.0 (11)	2.6 (36)	4.2 (84) 12/01
<i>Burlington Manager Shadow Index</i>		-7.1 ----	-3.3 ----	1.3 ----	4.2 ----	---- ----	---- ----
AQR	(Balanced)	-4.5 (21)	1.7 (10)	5.8 (7)	---- ----	---- ----	15.3 (5) 09/09
<i>60%MSCI World/ 40% CITI WGBI</i>		-9.8 ----	-5.2 ----	-0.8 ----	3.9 ----	2.4 ----	3.0 ----
Mellon Global Alpha I	(Balanced)	-9.5 (66)	-4.9 (62)	0.5 (43)	6.8 (30)	---- ----	-2.0 (76) 12/07
<i>60%MSCI World/ 40% CITI WGBI</i>		-9.8 ----	-5.2 ----	-0.8 ----	3.9 ----	2.4 ----	-1.0 ----
Pimco All Asset	(Balanced)	-6.2 (45)	-1.2 (41)	0.2 (61)	8.9 (18)	---- ----	4.9 (18) 12/07
<i>CPI Plus 5</i>		1.8 ----	7.5 ----	9.2 ----	6.1 ----	7.3 ----	7.1 ----
Wellington Opportunistic GAA	(Balanced)	-15.3 (93)	-15.9 (98)	-8.8 (98)	5.9 (44)	---- ----	5.9 (44) 09/08
<i>65% MSCI World / 35% Agg</i>		-10.3 ----	-6.1 ----	-1.0 ----	3.6 ----	1.5 ----	3.6 ----
Pimco Stocks +	(LC Core)	-16.0 (70)	-9.5 (58)	0.6 (56)	4.8 (5)	---- ----	-3.1 (15) 12/07
<i>S&P 500</i>		-13.9 ----	-8.7 ----	1.2 ----	1.2 ----	-1.2 ----	-4.6 ----
SSgA S&P 500 Cap-Weighted	(LC Core)	-13.9 (37)	-8.7 (44)	1.1 (40)	---- ----	---- ----	1.1 (40) 09/10
<i>S&P 500</i>		-13.9 ----	-8.7 ----	1.2 ----	1.2 ----	-1.2 ----	1.2 ----
T Rowe Price Enhanced Index	(LC Core)	-13.9 (37)	-8.8 (47)	1.3 (25)	2.0 (21)	---- ----	-3.8 (22) 12/07
<i>S&P 500</i>		-13.9 ----	-8.7 ----	1.2 ----	1.2 ----	-1.2 ----	-4.6 ----
SSgA Equal Weighted Index	(LC Core)	-17.9 (87)	-11.4 (76)	-0.8 (66)	5.3 (4)	---- ----	-1.6 (7) 12/07
<i>Equal Weighted S&P 500</i>		-17.8 ----	-11.2 ----	-0.5 ----	5.0 ----	0.6 ----	-1.4 ----
Champlain	(Smid Cap)	-16.4 (16)	-7.4 (11)	4.0 (33)	---- ----	---- ----	10.0 (29) 09/09
<i>Russell 2500</i>		-21.2 ----	-14.9 ----	-2.2 ----	2.2 ----	0.2 ----	6.5 ----
SSgA Russell 2000 Growth	(SC Growth)	-22.2 (66)	-15.6 (70)	-1.2 (73)	2.0 (81)	---- ----	-2.7 (65) 12/07
<i>Russell 2000 Growth</i>		-22.3 ----	-15.6 ----	-1.1 ----	2.1 ----	1.0 ----	-2.8 ----
Wellington Small Cap Value	(SC Value)	-18.9 (19)	-13.7 (12)	0.2 (8)	3.7 (30)	---- ----	2.1 (12) 12/07
<i>Russell 2000 Value</i>		-21.5 ----	-18.5 ----	-6.0 ----	-2.8 ----	-3.1 ----	-3.7 ----

MANAGER PERFORMANCE SUMMARY















Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception
Total Portfolio	(Public Fund)	-7.1 (25)	-2.3 (23)	2.6 (25)	6.0 (11)	2.6 (36)	4.2 (84) 12/01
<i>Burlington Manager Shadow Index</i>		<i>-7.1 ----</i>	<i>-3.3 ----</i>	<i>1.3 ----</i>	<i>4.2 ----</i>	<i>---- ----</i>	<i>---- ----</i>
SSgA ACWI Ex-US	(Intl Eq)	-19.8 (50)	-16.7 (63)	-10.6 (65)	---- ----	---- ----	-10.6 (65) 09/10
<i>MSCI All Country World Ex US</i>		<i>-19.8 ----</i>	<i>-16.5 ----</i>	<i>-10.4 ----</i>	<i>1.0 ----</i>	<i>-1.1 ----</i>	<i>-10.4 ----</i>
Acadian	(Intl Eq)	-19.7 (48)	-14.9 (39)	-7.3 (29)	-1.5 (75)	---- ----	-11.4 (88) 12/07
<i>MSCI EAFE Net</i>		<i>-19.0 ----</i>	<i>-15.0 ----</i>	<i>-9.3 ----</i>	<i>-1.1 ----</i>	<i>-3.5 ----</i>	<i>-9.6 ----</i>
Mondrian International	(Intl Eq)	-14.1 (13)	-7.0 (8)	-3.4 (12)	0.7 (45)	---- ----	-7.2 (36) 12/07
<i>MSCI EAFE Net</i>		<i>-19.0 ----</i>	<i>-15.0 ----</i>	<i>-9.3 ----</i>	<i>-1.1 ----</i>	<i>-3.5 ----</i>	<i>-9.6 ----</i>
Aberdeen Emerging Markets	(Emerging Mkt)	-16.3 (10)	-14.9 (11)	-10.1 (14)	14.8 (4)	---- ----	6.3 (5) 03/08
<i>MSCI Emerging Markets</i>		<i>-22.5 ----</i>	<i>-21.7 ----</i>	<i>-15.9 ----</i>	<i>6.6 ----</i>	<i>5.2 ----</i>	<i>-3.7 ----</i>
Martin Currie	(Emerging Mkt)	-20.2 (32)	-18.6 (25)	-12.4 (23)	---- ----	---- ----	21.3 (70) 03/09
<i>MSCI Emerging Markets</i>		<i>-22.5 ----</i>	<i>-21.7 ----</i>	<i>-15.9 ----</i>	<i>6.6 ----</i>	<i>5.2 ----</i>	<i>22.3 ----</i>
Schroders		-8.8 ----	-8.0 ----	6.5 ----	---- ----	---- ----	2.4 ---- 12/09
<i>Dow Jones UBS Index</i>		<i>-11.3 ----</i>	<i>-13.6 ----</i>	<i>0.1 ----</i>	<i>-5.6 ----</i>	<i>-1.1 ----</i>	<i>0.6 ----</i>
GAM		-3.8 ----	---- ----	---- ----	---- ----	---- ----	-5.0 ---- 03/11
<i>HFRI FOF Composite</i>		<i>-4.7 ----</i>	<i>-5.0 ----</i>	<i>-1.6 ----</i>	<i>0.2 ----</i>	<i>0.6 ----</i>	<i>-5.9 ----</i>
Grosvenor		-5.5 ----	-3.8 ----	---- ----	---- ----	---- ----	-3.8 ---- 12/10
<i>HFRI FOF Composite</i>		<i>-4.7 ----</i>	<i>-5.0 ----</i>	<i>-1.6 ----</i>	<i>0.2 ----</i>	<i>0.6 ----</i>	<i>-5.0 ----</i>
Permal		-6.5 ----	---- ----	---- ----	---- ----	---- ----	-6.9 ---- 03/11
<i>HFRI FOF Composite</i>		<i>-4.7 ----</i>	<i>-5.0 ----</i>	<i>-1.6 ----</i>	<i>0.2 ----</i>	<i>0.6 ----</i>	<i>-5.9 ----</i>
Hamilton Lane Secondary Fund II		0.0 ----	21.4 ----	31.8 ----	---- ----	---- ----	27.1 ---- 03/09
<i>Cambridge US Private Equity</i>		<i>0.0 ----</i>	<i>10.1 ----</i>	<i>18.5 ----</i>	<i>8.1 ----</i>	<i>9.6 ----</i>	<i>19.0 ----</i>
VPIC Real Estate		3.5 ----	14.7 ----	20.7 ----	-10.7 ----	---- ----	-8.1 ---- 12/07
<i>NCREIF NFI-ODCE Index</i>		<i>3.5 ----</i>	<i>12.6 ----</i>	<i>18.3 ----</i>	<i>-6.4 ----</i>	<i>0.0 ----</i>	<i>-4.9 ----</i>
Molpus		-0.2 ----	-0.6 ----	6.5 ----	---- ----	---- ----	5.3 ---- 03/09
<i>NCREIF Timber Index</i>		<i>-0.3 ----</i>	<i>1.0 ----</i>	<i>0.2 ----</i>	<i>-0.4 ----</i>	<i>5.8 ----</i>	<i>-1.9 ----</i>

MANAGER PERFORMANCE SUMMARY















Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception
Total Portfolio	(Public Fund)	-7.1 (25)	-2.3 (23)	2.6 (25)	6.0 (11)	2.6 (36)	4.2 (84) 12/01
<i>Burlington Manager Shadow Index</i>		<i>-7.1 ---</i>	<i>-3.3 ---</i>	<i>1.3 ---</i>	<i>4.2 ---</i>	<i>--- ---</i>	<i>--- ---</i>
Allianz Structured Alpha	(Core Fixed)	-10.0 (99)	-3.8 (99)	-2.6 (99)	7.4 (89)	--- ---	4.0 (99) 03/08
<i>Barclays Aggregate Index</i>		<i>3.8 ---</i>	<i>6.7 ---</i>	<i>5.3 ---</i>	<i>8.0 ---</i>	<i>6.5 ---</i>	<i>6.3 ---</i>
Pimco Core Plus	(Core Fixed)	2.9 (52)	6.1 (47)	4.3 (69)	--- ---	--- ---	7.9 (29) 09/09
<i>Barclays Aggregate Index</i>		<i>3.8 ---</i>	<i>6.7 ---</i>	<i>5.3 ---</i>	<i>8.0 ---</i>	<i>6.5 ---</i>	<i>6.7 ---</i>
Wellington DAS Fixed	(Core Fixed)	13.4 (1)	16.9 (1)	16.9 (1)	12.4 (5)	--- ---	12.4 (5) 09/08
<i>Barclays Aggregate Index</i>		<i>3.8 ---</i>	<i>6.7 ---</i>	<i>5.3 ---</i>	<i>8.0 ---</i>	<i>6.5 ---</i>	<i>8.0 ---</i>
Brandywine	(Intl Fx)	2.3 (35)	7.8 (10)	6.7 (14)	12.6 (4)	--- ---	8.6 (16) 12/07
<i>Citi World Gov't Bond Index</i>		<i>2.4 ---</i>	<i>6.5 ---</i>	<i>4.6 ---</i>	<i>7.7 ---</i>	<i>7.5 ---</i>	<i>6.6 ---</i>
Mondrian Global FX	(Intl Fx)	1.2 (45)	6.0 (41)	4.8 (39)	10.0 (34)	--- ---	9.1 (5) 12/07
<i>Citi World Gov't Bond Index</i>		<i>2.4 ---</i>	<i>6.5 ---</i>	<i>4.6 ---</i>	<i>7.7 ---</i>	<i>7.5 ---</i>	<i>6.6 ---</i>
Barclays TIPS	(Broad Fixed)	4.6 (11)	10.6 (9)	9.9 (9)	--- ---	--- ---	9.7 (16) 12/09
<i>Barclays US TIPS</i>		<i>9.5 ---</i>	<i>15.9 ---</i>	<i>15.1 ---</i>	<i>9.8 ---</i>	<i>8.1 ---</i>	<i>12.6 ---</i>
KDP	(Hi Yield)	-3.6 (26)	-0.8 (62)	2.0 (73)	--- ---	--- ---	7.0 (92) 09/09
<i>Citi High Yield BB & B Index</i>		<i>-4.2 ---</i>	<i>0.5 ---</i>	<i>3.1 ---</i>	<i>9.7 ---</i>	<i>5.0 ---</i>	<i>9.2 ---</i>
Post High Yield Bonds	(Hi Yield)	-4.7 (49)	0.3 (38)	3.6 (36)	10.9 (57)	--- ---	7.6 (35) 12/07
<i>Citi High Yield BB & B Index</i>		<i>-4.2 ---</i>	<i>0.5 ---</i>	<i>3.1 ---</i>	<i>9.7 ---</i>	<i>5.0 ---</i>	<i>5.0 ---</i>
Wellington Emerging Debt		-2.2 ---	2.8 ---	1.8 ---	--- ---	--- ---	9.3 --- 12/09
<i>JP Morgan EMBI</i>		<i>-2.1 ---</i>	<i>2.6 ---</i>	<i>0.8 ---</i>	<i>11.6 ---</i>	<i>--- ---</i>	<i>8.4 ---</i>

MANAGER VALUE ADDED

Most Recent Quarter








Manager	Benchmark	Value Added Vs. Benchmark
AQR	60 MSCI/40 WGBI	5.3 
Mellon	60 MSCI/40 WGBI	0.2
Pimco All Asset	CPI + 5	 -8.0
Wellington GAA	65World/35Agg	 -5.0
Pimco Stocks +	S&P 500	 -2.1
SSgA S&P 500	S&P 500	0.0
T Rowe Price	S&P 500	0.0
SSgA EqWeight	Equal Wtd S&P	-0.1
Champlain	Russell 2500	4.8 
SSgA R2000G	Russell 2000G	0.1
Wellington SCV	Russell 2000V	2.6 
SSgA ACWI Ex-USAC World Ex-US		0.0
Acadian	MSCI EAFE Net	 -0.7
Mondrian	MSCI EAFE Net	4.9 
Aberdeen	MSCI Emg Mkts	6.1 
Martin Currie	MSCI Emg Mkts	2.3 
Schroders	Dow Jones UBS	2.6 
GAM	HFRI FOF	0.9 
Grosvenor	HFRI FOF	 -0.8
Permal	HFRI FOF	 -1.8
Hamilton Lane II	Cambridge PE	0.0
Total Portfolio	Manager Shadow	0.0

Trailing Twelve Months












Manager	Benchmark	Value Added Vs. Benchmark
AQR	60 MSCI/40 WGBI	6.6 
Mellon	60 MSCI/40 WGBI	1.3 
Pimco All Asset	CPI + 5	 -8.9
Wellington GAA	65World/35Agg	 -7.8
Pimco Stocks +	S&P 500	 -0.5
SSgA S&P 500	S&P 500	0.0
T Rowe Price	S&P 500	0.1
SSgA EqWeight	Equal Wtd S&P	-0.3
Champlain	Russell 2500	6.2 
SSgA R2000G	Russell 2000G	0.0
Wellington SCV	Russell 2000V	6.2 
SSgA ACWI Ex-USAC World Ex-US		-0.2
Acadian	MSCI EAFE Net	2.1 
Mondrian	MSCI EAFE Net	5.9 
Aberdeen	MSCI Emg Mkts	5.8 
Martin Currie	MSCI Emg Mkts	3.5 
Schroders	Dow Jones UBS	6.5 
GAM	HFRI FOF	N/A
Grosvenor	HFRI FOF	N/A
Permal	HFRI FOF	N/A
Hamilton Lane II	Cambridge PE	13.2 
Total Portfolio	Manager Shadow	1.3 

MANAGER VALUE ADDED

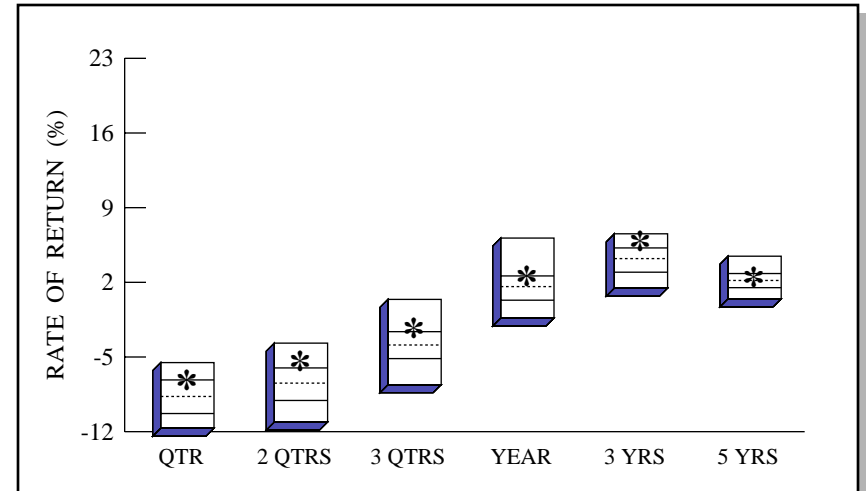
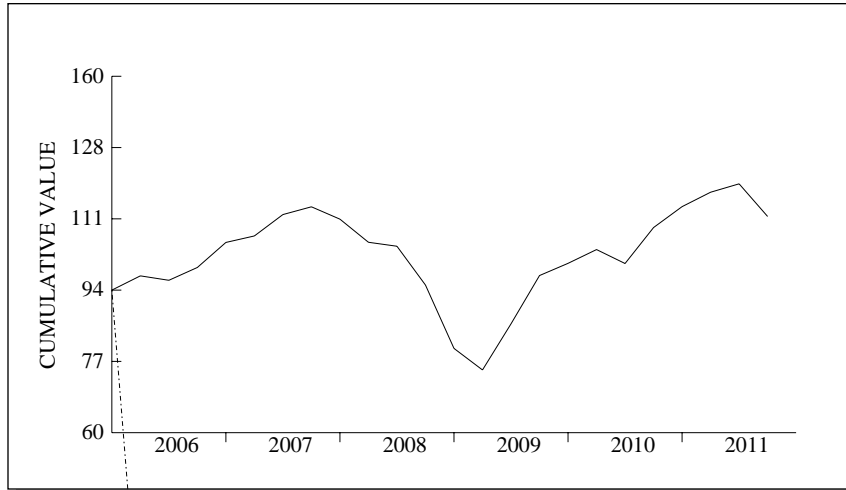
Most Recent Quarter

Manager	Benchmark	Value Added Vs. Benchmark
VPIC R E	NCREIF ODCE	0.0
Molpus	NCREIF Timber	0.2
Allianz	Barclays Agg	 -13.8
Pimco Core Plus	Barclays Agg	 -0.9
Wellington FX	Barclays Agg	9.6 
Brandywine	Citi WGBI	-0.1
Mondrian Fixed	Citi WGBI	 -1.2
Barclays TIPS	Barclays TIPS	 -4.9
KDP	BB & B Index	0.6 
Post HY Bonds	BB & B Index	 -0.5
Wellington EmFx	JPM EMBI	-0.1
Total Portfolio	Manager Shadow	0.0

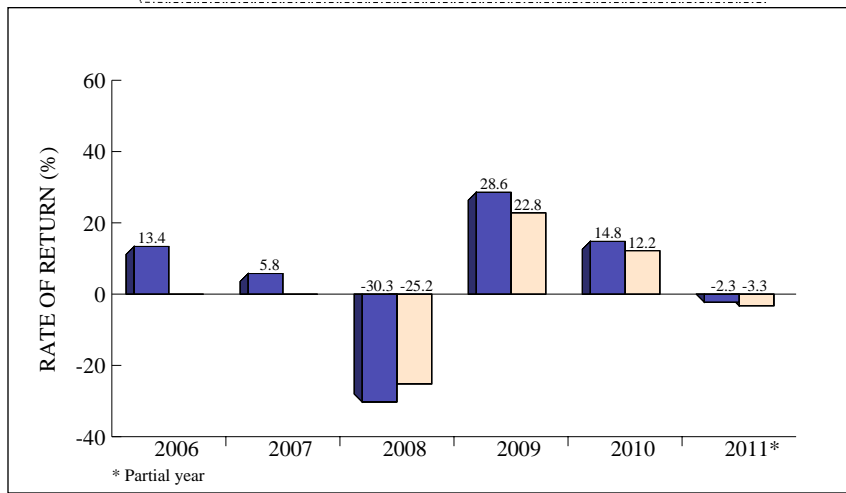
Trailing Twelve Months

Manager	Benchmark	Value Added Vs. Benchmark
VPIC R E	NCREIF ODCE	2.4 
Molpus	NCREIF Timber	6.2 
Allianz	Barclays Agg	 -7.9
Pimco Core Plus	Barclays Agg	 -1.0
Wellington FX	Barclays Agg	11.6 
Brandywine	Citi WGBI	2.1 
Mondrian Fixed	Citi WGBI	0.2
Barclays TIPS	Barclays TIPS	 -5.2
KDP	BB & B Index	 -1.0
Post HY Bonds	BB & B Index	0.5 
Wellington EmFx	JPM EMBI	1.1 
Total Portfolio	Manager Shadow	1.3 

TOTAL RETURN COMPARISONS



Public Fund Universe

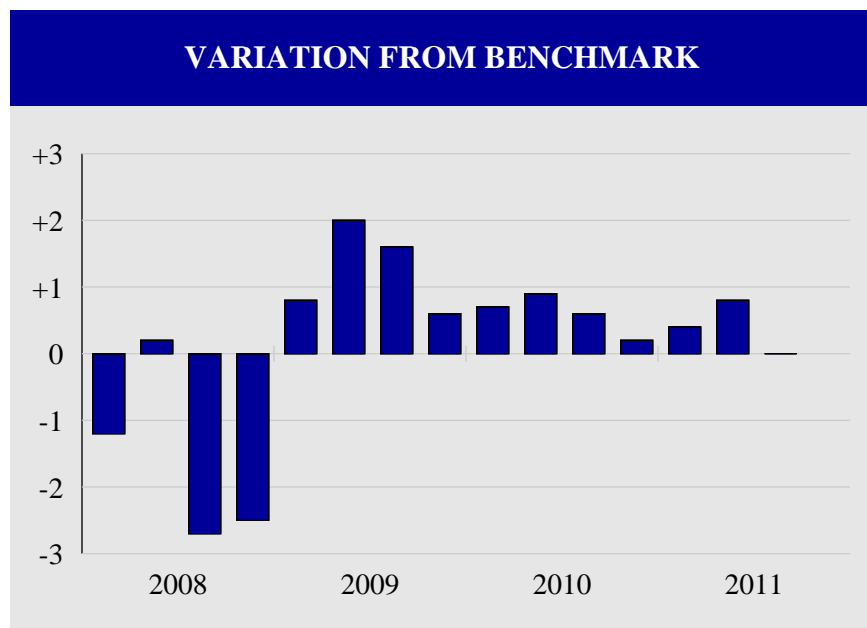


	QTR	2QTRS	3QTRS	YEAR	3 YRS	5 YRS
RETURN	-7.1	-5.4	-2.3	2.6	6.0	2.6
(RANK)	(25)	(22)	(23)	(25)	(11)	(36)
5TH %ILE	-5.5	-3.7	0.4	6.1	6.5	4.5
25TH %ILE	-7.1	-6.0	-2.6	2.6	5.2	2.8
MEDIAN	-8.7	-7.4	-3.9	1.6	4.2	2.2
75TH %ILE	-10.3	-9.1	-5.2	0.3	3.0	1.5
95TH %ILE	-11.7	-11.1	-7.6	-1.4	1.5	0.4
Mgr Shadow	-7.1	-6.1	-3.3	1.3	4.2	----

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: BURLINGTON MANAGER SHADOW INDEX



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

Total Quarters Observed	15
Quarters At or Above the Benchmark	12
Quarters Below the Benchmark	3
Batting Average	.800

Private Equity Investor Report
Hamilton Lane Secondary Fund II LP
As of September 30, 2011

IRR Since Inception	31.09%	Annualized, Net of Fees
Market Value*	\$ 2,123,006	Last Appraisal Date: 06/30/2011
Initial Commitment	\$ 3,400,000	100.00%
Capital Committed	\$ 1,896,487	55.78%
Remaining Commitment	\$ 1,503,513	44.22%
Net Investment Income/(Loss)	\$ (112,589)	
Net Unrealized Gain/(Loss)	\$ 759,450	

Date	Contributions	% of Commitment	Recallable Contributions	% of Commitment	Distributions
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)
Total	\$ 2,163,500	63.63%	\$ (267,013)	-7.85%	\$ (449,226)

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

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

Private Equity Investor Report
Hamilton Lane Private Equity Fund VII LP Series A Offshore
As of September 30, 2011

IRR Since Inception		10.05% Annualized, Net of Fees
Market Value*	\$ 172,500	Last Appraisal Date: 06/30/2011
Initial Commitment	\$ 1,500,000	100.00%
Capital Committed	\$ 225,000	15.00%
Remaining Commitment	\$ 1,275,000	85.00%
Net Investment Income/(Loss)	\$ (103,288)	
Net Unrealized Gain/(Loss)	\$ 627,819	

Date	Contributions	% of Commitment	Recallable Contributions	% of Commitment	Distributions
7/27/2011	\$ 172,500	11.50%	\$ -	-	\$ -
9/27/2011	\$ 52,500	3.50%	\$ -	-	\$ -
Total	\$ 225,000	15.00%	\$ -	0.00%	\$ -

Private Equity Investor Report
Hamilton Lane Private Equity Fund VII LP Series B Offshore
As of September 30, 2011

IRR Since Inception		11.62% Annualized, Net of Fees
Market Value*	\$ 160,000	Last Appraisal Date: 06/30/2011
Initial Commitment	\$ 1,000,000	100.00%
Capital Committed	\$ 195,000	19.50%
Remaining Commitment	\$ 805,000	80.50%
Net Investment Income/(Loss)	\$ (103,288)	
Net Unrealized Gain/(Loss)	\$ 627,819	

Date	Contributions	% of Commitment	Recallable Contributions	% of Commitment	Distributions
7/27/2011	\$ 160,000	16.00%	\$ -	-	\$ -
9/27/2011	\$ 35,000	3.50%	\$ -	-	\$ -
Total	\$ 195,000	19.50%	\$ -	0.00%	\$ -

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

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

APPENDIX - MAJOR MARKET INDEX RETURNS

Equity	Style	QTR	YTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	-15.3	-9.9	0.5	1.4	-0.9
S&P 500	Large Cap Core	-13.9	-8.7	1.2	1.2	-1.2
Russell 1000	Large Cap Core	-14.7	-9.2	0.9	1.6	-0.9
Russell 1000 Growth	Large Cap Growth	-13.1	-7.2	3.8	4.7	1.6
Russell 1000 Value	Large Cap Value	-16.2	-11.3	-1.9	-1.5	-3.5
Russell 2000	Small Cap	-21.9	-17.0	-3.5	-0.4	-1.0
Russell 2000 Growth	Small Cap Growth	-22.3	-15.6	-1.1	2.1	1.0
Russell 2000 Value	Small Cap Value	-21.5	-18.5	-6.0	-2.8	-3.1
MSCI EAFE	Developed Markets	-19.0	-14.7	-9.0	-0.7	-3.0
MSCI EAFE Growth	Developed Markets Growth	-18.9	-15.2	-8.5	-0.3	-1.8
MSCI EAFE Value	Developed Markets Value	-19.0	-14.1	-9.5	-1.1	-4.3
MSCI Emerging Markets	Emerging Markets	-22.5	-21.7	-15.9	6.6	5.2
MSCI All Country World	Global Equity	-17.3	-13.2	-5.6	1.1	-1.1
MSCI All Country World Ex US	Global Equity (ex. US)	-19.8	-16.5	-10.4	1.0	-1.1
Fixed Income	Style	QTR	YTD	1 Year	3 years	5 Years
Barclays Aggregate Index	Core Fixed Income	3.8	6.7	5.3	8.0	6.5
Barclays Gov/Credit	Gov/Credit	4.7	7.5	5.1	8.4	6.5
Barclays Capital Gov't Bond	Treasuries	5.8	8.1	5.6	6.4	6.6
Barclays Capital Credit Bond	Corporate Bonds	2.9	6.1	4.2	12.4	7.1
Intermediate Aggregate	Core Intermediate	2.3	5.0	4.2	7.1	6.2
Intermediate Gov/Credit	Gov / Credit Intermediate	2.4	4.9	3.4	7.0	5.9
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.5	1.4	1.2	2.4	3.8
CSFB High Yield	High Yield Bonds	-5.1	-0.5	2.6	12.5	6.8
Barclays Global Ex-US	International Treasuries	-0.7	3.9	-0.4	5.0	6.0
Citi World Gov't Bond Index	International Fixed Income	2.4	6.5	4.6	7.7	7.5
Barclays Global Aggregate	International Fixed Income	1.0	5.4	4.0	7.8	6.8
Barclays Global Aggregate Ex US	International Fixed Income	-0.7	4.7	3.3	7.7	7.0
Alternative Assets	Style	QTR	YTD	1 Year	3 years	5 Years
NCREIF NFI-ODCE Index	Real Estate	3.5	12.6	18.3	-6.4	0.0
HFRI FOF Composite	Hedge Funds	-4.7	-5.0	-1.6	0.2	0.6
HFRI FOF Conservative Index	Hedge Funds - Conservative	-3.7	-3.4	-0.9	0.7	0.9

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	
- * 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 gross of fees unless otherwise noted.
- * All returns for periods greater than one year are annualized.
- * All values are in US dollars.