

**CITY OF BURLINGTON EMPLOYEES
RETIREMENT PLAN
PERFORMANCE REVIEW
SEPTEMBER 2010**

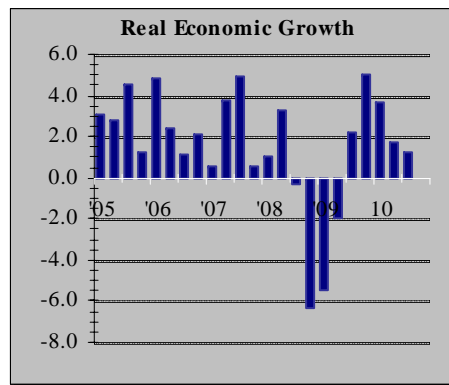


ECONOMIC ENVIRONMENT

Slow Growth – but still positive

Investors digested a continuing stream of mixed economic data from around the globe, although more was positive than negative.

The good news was that the National Bureau of Economic Research (NBER) declared the Great Recession officially over as of June 2009. Furthermore, the second quarter of 2010 was the fourth consecutive quarter of GDP growth and the third quarter was expected to be positive as well. Good news came from payroll and durable goods orders, which looked healthier in the 3rd quarter. A flurry of corporate takeover activity was another positive sign. September's ISM manufacturing index stood at 54.4, indicating moderating but positive growth in the manufacturing sector. Inflation remained quite tame, with the third quarter CPI (all items) rising only 0.2%. Adjusting for the more volatile food and energy components, inflation was essentially zero for the period.



The growth pattern, however, moved in the wrong direction, falling from a 5% annual level at the end of 2009 to only 1.7% for Q2 of this year. One reason for the decay was that most consumers continued to defer discretionary purchases and remained skeptical of a long lasting turnaround. As evidence, the Consumer Confidence Index was 48.5 in September,

well below normal. Housing activity also continued to struggle despite mortgage rates at record lows; even the average 30-year mortgage rate of approximately 4.3% failed to excite buyers. In fact, the pace of existing home sales is the lowest in a generation. Finally, unemployment remained at a stubbornly high 9.6%.

After absorbing all of the 3rd quarter data, the Federal Reserve decided to maintain its huge balance sheet of investments by reinvesting the

proceeds of maturing Treasuries and other bonds. The Federal Open Market Committee (FOMC) also shifted to an easing bias, fully prepared to become net buyers of bonds once again. This action is designed to push down interest rates, and in turn, encourage corporate borrowing. The Fed appeared to be pulling out all stops to prevent a double dip recession.

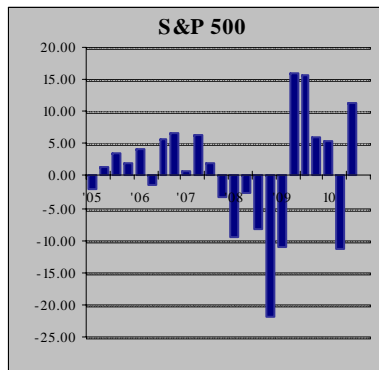
In Europe, the sovereign debt crises in Greece, Spain, Portugal and Ireland weighed on the minds of investors and central bankers, both here and abroad. The possibility of modestly lower Chinese GDP growth was of concern because slower growth might reduce US overseas sales. Still, investors and the Fed seemed to grow more comfortable with the notion that these issues would be overcome. By quarter-end, Greece, Spain and Ireland had deficit reduction programs in place and China's growth may have surpassed that of Japan, thereby easing concerns.

The price of precious metals soared in the face of a weakening US dollar; the dollar fell approximately 8.5% against a blend of other major currencies. Lower consumer confidence was another driver. As a result, gold reached a record high \$1,317/ounce before closing the quarter at \$1,310. The price of wheat soared almost 29% due to the Russian drought and export ban. Of note, wholesale prices for sugar, cotton and coffee rose significantly because of lower expected supply. Energy was the only commodity to fall in price due to lower demand.

EQUITY MARKET

Month of September carries the day

Investor confidence, which was strong in July as corporate earnings came in above expectations, fell in August as investors worried about a double dip recession, and then soared in September as investment banking activity picked up. In fact, September was the strongest month for the S&P 500 since 1939! The S&P rose 8.9% in September and 11.3% for the quarter.



The S&P's double-digit gain was shared by virtually all the major indices. The DJIA, small-cap Russell 2000 and tech based NASDAQ each rose between 11.3% and 12.3%. Unlike 2nd quarter's results, growth stocks advanced far more than value stocks in all cap ranges. For example, the Russell 1000 Growth Index posted a 13.0% advance versus 10.1% for the Russell 1000 Value.

The same pattern applied to mid-cap and small-cap stocks. This rebound among growth stocks suggests that companies with strong fundamental earnings and balance sheets have begun to replace cyclical names (whose share prices had bounced back after 2008) on analysts' buy lists.

On a sector basis, each and every sector delivered positive returns. Underlying investor caution probably helped prices of dividend-producing sectors, including energy (+13.7%) and tried and true utilities (+15.0%). The big winner was the basic industries sector, including manufacturing, food processing and metals, which soared 18.0%. Surprisingly, consumer durables defied consumer buying reticence to rise 16.2%. Technology also did well (+13.1%). The only relative laggard was financials (+5.4%), hampered by the weak level of borrowing, questionable balance sheet strength and the newly passed financial regulation bill.

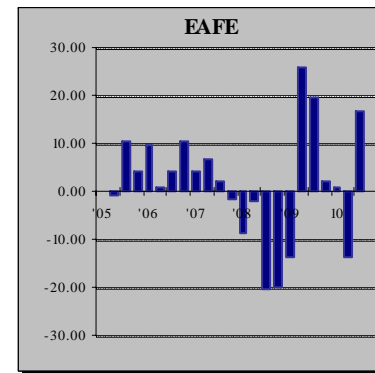
Once again, REITs continued to advance strongly, with the S&P REIT Index gaining 13.1% for the quarter and more than 30% for the latest fiscal year. The primary driver continued to be the sector's access to both debt and equity markets. Those financings and re-financings pushed out maturities of looming debt repayments beyond 2010 and 2011 and have brought the sector back from its 2007-2008 wipeout.

Dividend increases during the quarter resulted in a 2.1% S&P 500 yield, up from June's 1.9%. The price/earnings rate nudged up from 15.4 times to 16.1 times, reflecting higher share prices that more than offset higher earnings.

INTERNATIONAL EQUITIES

More typical outperformance versus US market

The MSCI EAFE Index rose 16.5%, as all of the major offshore regions rallied. European equities were up 19.4%. The advance was based on increased economic activity in northern Europe, successful stress tests for the region's banks and mitigation of the deficit crises in several EU countries. MSCI-UK did comparably well, adding 19.8%. About one third of that gain can be attributed to the weakening US dollar.



The Far East's 8.0% performance was in positive territory, but paled against Europe's results. Japan, representing the lion's share of the Asian market, rose a relatively modest 5.9%. As the Japanese yen continued to appreciate, currency issues hurt the country's export areas. As has been the case for some time, Japanese consumer spending remained tepid. That said, not all countries in the region fared poorly.

Australia (+23.7%), Hong Kong (+21.9%) and Singapore (+15.8%) benefited from strong, stable economies and investor interest.

On a sector basis, EAFE's economically sensitive groups experienced higher returns than defensive groups. Energy, materials and consumer discretionary stocks benefited from strong earnings gains. On the other hand, utility, healthcare and consumer non-durables were constrained by lower earnings gains. Solid gains among telecom stocks bucked the underperforming defensive trend.

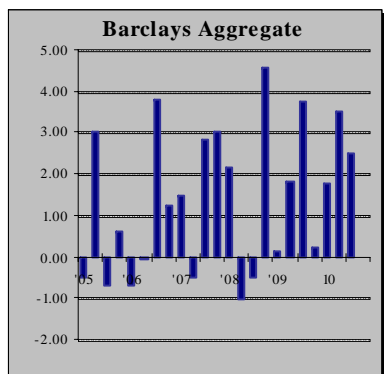
Emerging market returns performed still better than EAFE. The EM Index provided an 18.2% return. The most notable segment was among Latin American countries, with a 21.0% combined performance. Brazil, Chile and Peru gained 21.8%, 32.6% and 24.9%, respectively. The only problematic performance came from Mexico, which gained a lesser

11.5%. Mexico continues to have major political/drug cartel terrorism issues, which bred investor uncertainty.

The China, Russia and India components of the so-called BRIC countries (including Brazil) performed adequately, but did not lead the pack as in recent quarters. China, in particular, rose a relatively tame 10.7% this time around. Eastern Europe x-Russia was a sleeper by gaining over 30%. While comprising only a small percentage of the EM Index, this region has politically and economically come into its own.

BOND MARKET

Reaching For Yield Spurs Prices



Thus far in 2010, bond prices have appreciated non-stop. The Barclays Aggregate Index moved up 2.5% in the quarter. Importantly, the nine month 7.9% return was double that of the S&P as investors made record allocation moves from cash and equities to bonds of all kinds. During an up market for stocks, such fixed income security moves were highly unusual and reflected continuing investor hesitation to

commit funds after a brutal 18-month down market.

Amid signs of slowing economic growth and residual fears, investors were net buyers of intermediate and long Treasuries. This buying was coupled with the expectation that the Federal Reserve would follow suit (the Fed actually announced the program on October 15th). This resulted in a gain of 4.2% for 5-10 year Treasuries and 5.5% for 10-20 year issues.

Investment grade corporates have performed strongly all year and posted a 4.7% third quarter return. Ten year and longer corporates rocketed 6.2%, as investors locked up higher coupons vs. new issues such as IBM's 1% offering. There was only a modest difference in results among industrial (4.5%) and utility (4.7%) corporates. Reflecting

investor confidence in the banks, financial credits rose a bit more (5.1%).

Lower credit quality bonds also performed well, indicating that junk bond issuers were perceived as being able to pay the coupons and still generate profits. BA credits did best, gaining 7.3%. However, B and CAA names added a credible 6.2% and 5.8% each. Overall, corporate high yield sectors returned 6.7%.

In sharp contrast to the second quarter, Government Agency residential mortgage-backed securities (RMBS) returned only 0.6%. The main reason for this shortfall is that the Fed decided to reinvest proceeds from its own RMBS portfolio into Treasuries. Investors also hesitated because of a possible Federal refinancing program at lower rates; such a move would effectively dilute RMBS interest income. The low performance of this major index component significantly dampened the overall Barclays Aggregate return.

The Global Treasury Index added 2.5%, modestly below US Treasuries (2.7%). The weaker US dollar and relatively strong economies propelled Global Emerging Market bonds, which earned a much higher 9.3% combined return.

As of September 30th, the Barclays Aggregate Index yielded 2.6% (yield-to-worst), had an average maturity of 6.6 years and a modified adjusted duration of 4.7 years. For reference, the Index is currently valued at \$15.4 Trillion.

CASH EQUIVALENTS

Fed Keeping Rates Near Zero

Treasury-bills and other cash equivalents offered investors security, but no income. Again this quarter, earnings were essentially zero. Ninety-one day T-bills returned a hardly measurable 0.04% and yielded only 0.16% as of September 30th. High credit quality money market funds fared no better.

MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	1.2	1.7
Unemployment	9.6	9.5
CPI Year/Year	0.20	1.05
Fed Funds Rate	0.25	0.25
Industrial Capacity	74.7	74.2
US Dollars per Euro	1.36	1.22

MAJOR INDEX QUARTER RETURNS

INDEX	PERFORMANCE
Russell 3000	11.5
S&P 500	11.3
Russell Mid	13.3
Russell 2000	11.3
MSCI EAFE	16.5
MSCI Emg Mkts	18.2
NCREIF ODCE	6.0
Barclays Agg	2.5
90 Day Tbills	0.0

EQUITY RETURN DISTRIBUTIONS

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	10.1	11.6	13.0	8.9	10.8	12.7
MC	12.1	13.3	14.7	16.9	17.5	18.3
SC	9.7	11.3	12.8	11.8	13.3	14.8

MARKET SUMMARY

- * The U.S. economy continued its moderate expansion with a projected 1.2% growth rate.
- * Unemployment remained stubbornly high at 9.6%.
- * The housing market remained weak despite government stimulus and record-low interest rates.
- * The US Dollar slid versus the ruoro, erasing its gains from last quarter.

INVESTMENT RETURN

On September 30th, 2010, the City of Burlington Employees Retirement Fund was valued at \$121,947,460, representing a \$9,673,016 increase over the June ending value of \$112,274,444. Over the last three months, the fund posted withdrawals totaling \$780,456, which only partially offset the fund's net investment return of \$10,453,470. Barring income receipts during the quarter, the portfolio's net investment return was the product of \$10,453,470 in realized and unrealized capital gains.

For the cumulative period since December 2001, the account has recorded net withdrawals totaling \$14.4 million while posting \$37.5 million in net investment gains. For the period since December 2001, if the total fund had earned a compounded nominal rate of 8.0% it would have been worth \$170.1 million or \$48.1 million more than its actual value as of September 30th, 2010.

RELATIVE PERFORMANCE

Total Fund

During the third quarter, the Composite portfolio gained 9.3%, which was 0.6% greater than the Burlington Policy Index's return of 8.7% and ranked in the 26th percentile of the Public Fund universe. Over the trailing twelve-month period, the portfolio returned 12.9%, which was 3.6% greater than the benchmark's 9.3% return, and ranked in the 7th percentile. Since December 2001, the portfolio returned 4.4% per annum and ranked in the 87th percentile. For comparison, the Burlington Policy Index returned an annualized 5.1% over the same period.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 12/2001
Total Portfolio	9.3	9.3	12.9	-1.6	4.4
<i>PUBLIC FUND RANK</i>	(26)	(3)	(7)	(55)	(87)
POLICY INDEX	8.7	6.0	9.3	-0.9	5.1
LEGACY INDEX	8.7	6.0	9.3	-1.7	4.4
VPIC INDEX	8.9	6.7	10.0	-2.6	5.1
Diversified Asset	11.4	12.2	18.3	----	----
<i>BALANCED FUND RANK</i>	(28)	(26)	(5)	----	----
60 MSCI/40 WGBI	11.6	5.2	6.9	-0.9	6.5
Equity	11.7	7.7	14.2	----	----
<i>ALL CAP RANK</i>	(38)	(38)	(34)	----	----
RUSSELL 3000	11.5	4.8	11.0	-6.6	2.6
Foreign Equity	17.5	8.5	12.2	----	----
<i>INTERNATIONAL EQUITY RANK</i>	(21)	(16)	(12)	----	----
MSCI EAFE	16.5	1.4	3.7	-9.1	6.6
MSCI EMG MKTS	18.2	11.0	20.5	-1.2	18.1
Commodity	10.2	-2.1	----	----	----
Private Equity	0.0	8.0	11.6	----	----
CAMBRIDGE PE	0.0	6.0	12.3	-0.8	11.6
Real Estate	4.6	6.2	1.6	----	----
NCREIF ODCE	5.4	10.9	7.1	-10.5	4.7
Timber	-0.6	-1.9	-2.2	----	----
NCREIF TIMBER	-0.1	0.7	-3.9	4.7	8.6
Fixed Income	5.9	11.1	12.6	----	----
<i>BROAD MARKET FIXED RANK</i>	(19)	(24)	(33)	----	----
BARCLAYS AGG	2.5	8.0	8.2	7.4	5.9

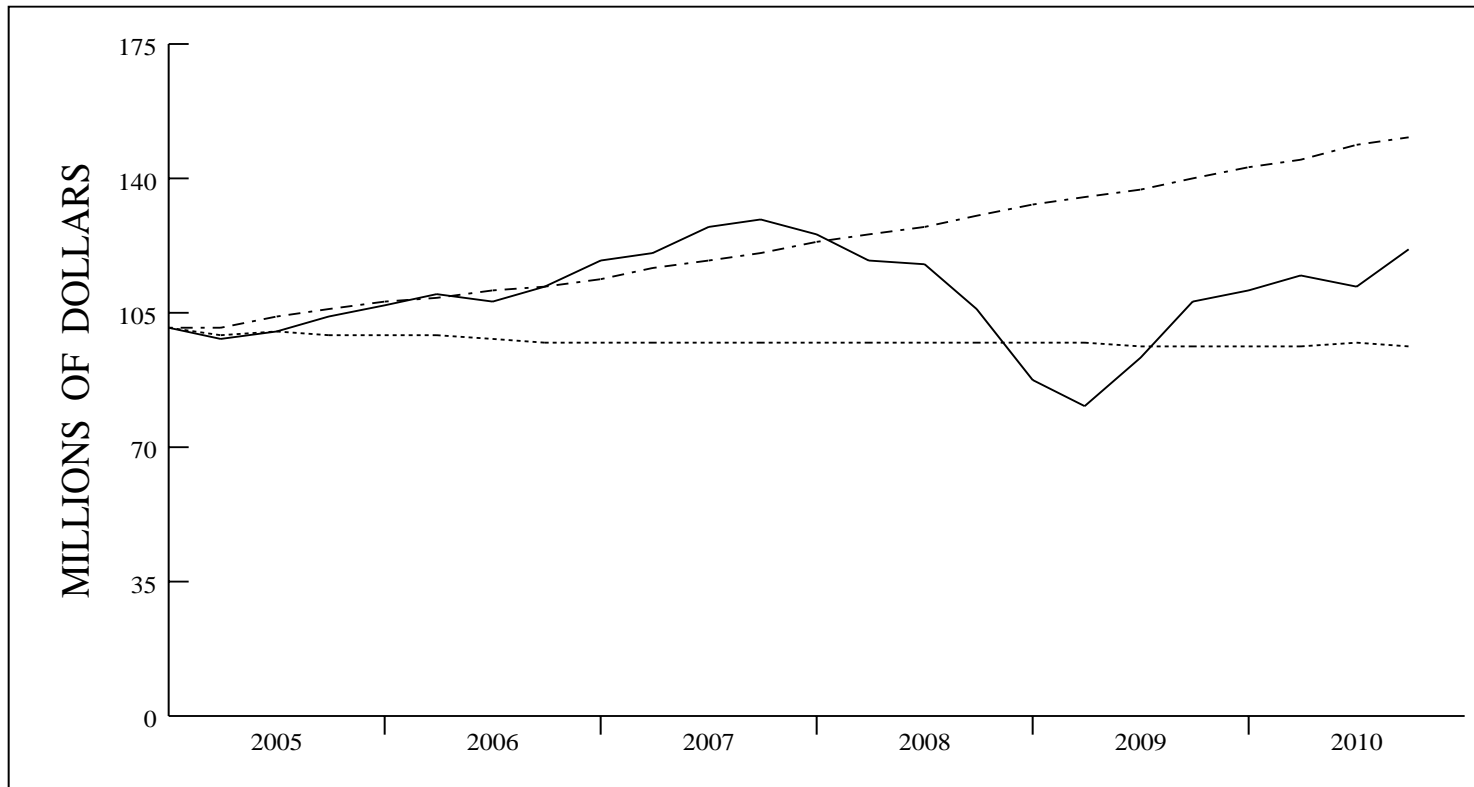
ASSET ALLOCATION

Diversified	9.4%	\$ 11,442,346
Equity	21.3%	25,927,468
Foreign Equity	19.5%	23,730,124
Commodity	1.8%	2,246,630
Private Equity	0.7%	870,267
Real Estate	3.8%	4,630,071
Timber	2.7%	3,305,602
Fixed Income	40.2%	48,997,328
Cash	0.7%	797,624
Total Portfolio	100.0%	\$ 121,947,460

INVESTMENT RETURN

Market Value 6/2010	\$ 112,274,444
Contribs / Withdrawals	-780,456
Income	0
Capital Gains / Losses	10,453,472
Market Value 9/2010	\$ 121,947,460

INVESTMENT GROWTH



— ACTUAL RETURN
 - - - 8.0%
 0.0%

VALUE ASSUMING
 8.0% RETURN
 \$ 151,549,100

	LAST QUARTER	PERIOD 12/04 - 9/10
BEGINNING VALUE	\$ 112,274,444	\$ 101,545,896
NET CONTRIBUTIONS	-780,456	-4,727,582
<u>INVESTMENT RETURN</u>	<u>10,453,472</u>	<u>25,129,146</u>
ENDING VALUE	\$ 121,947,460	\$ 121,947,460
INCOME	0	8,159,795
<u>CAPITAL GAINS (LOSSES)</u>	<u>10,453,472</u>	<u>16,969,352</u>
INVESTMENT RETURN	10,453,472	25,129,146

MANAGER ALLOCATION SUMMARY

Name	Market Value	Percent
AQR (DIV)	\$5,592,273	4.6
Mellon (DIV)	\$2,816,975	2.3
Wellington GAA (DIV)	\$3,033,098	2.5
Pimco Stocks + (LC)	\$4,651,907	3.8
T Rowe Price (LCC)	\$5,569,733	4.6
SSgA EqWeight (LCC)	\$3,534,143	2.9
SSgA S&P 500 (LCC)	\$3,598,059	3.0
Champlain (SMID)	\$2,286,849	1.9
SSgA R2500 (SMID)	\$785,088	0.6
SSgA R2000G (SCG)	\$2,784,608	2.3
Wellington SCV (SCV)	\$2,717,081	2.2
SSgA ACWI Ex-US (FORN)	\$2,417,994	2.0
Acadian (INEO)	\$5,963,602	4.9
Mondrian (INEQ)	\$5,870,083	4.8
Aberdeen (EMKT)	\$6,045,847	5.0
Martin Currie (EMKT)	\$3,432,598	2.8
Schroders (CMDT)	\$2,246,630	1.8
Hamilton Lane (PREO)	\$870,267	0.7
VPIC R E (REAL)	\$4,630,071	3.8
Molpus (TIMB)	\$3,305,602	2.7
Oppenheimer (FIXD)	\$2,938,804	2.4
Pimco All Asset (FIXD)	\$5,876,648	4.8
Pimco Core Plus (FIXD)	\$16,157,803	13.2
Wellington FX (FIXD)	\$2,707,819	2.2
Brandywine (GLFX)	\$4,645,985	3.8
Mondrian Fixed (GLFX)	\$4,380,992	3.6
Barclays TIPS (TIPS)	\$3,266,962	2.7
KDP (HIYL)	\$842,257	0.7
Post HY Bonds (HIYL)	\$4,643,529	3.8
Wellington EmFx (EMFX)	\$3,536,529	2.9
Cash (CASH)	\$646,068	0.5
VPIC Cash (CASH)	\$151,556	0.1
Total	\$121,947,460	100.0

MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception
Total Portfolio	(Public Fund)	9.3 (26)	9.3 (3)	12.9 (7)	-1.6 (55)	3.7 (56)	4.4 (87) 12/01
<i>BURLINGTON POLICY INDEX</i>		<i>8.7 ----</i>	<i>6.0 ----</i>	<i>9.3 ----</i>	<i>-0.9 ----</i>	<i>3.7 ----</i>	<i>5.1 ----</i>
AQR	(Balanced)	10.9 (29)	19.7 (1)	25.6 (1)	---- ----	---- ----	25.6 (1) 09/09
<i>60%MSCI World/ 40% CITI WGBI</i>		<i>11.6 ----</i>	<i>5.2 ----</i>	<i>6.9 ----</i>	<i>-0.9 ----</i>	<i>4.5 ----</i>	<i>6.9 ----</i>
Mellon Global Alpha I	(Balanced)	12.5 (19)	9.8 (31)	12.2 (38)	---- ----	---- ----	-2.9 (77) 12/07
<i>60%MSCI World/ 40% CITI WGBI</i>		<i>11.6 ----</i>	<i>5.2 ----</i>	<i>6.9 ----</i>	<i>-0.9 ----</i>	<i>4.5 ----</i>	<i>-1.0 ----</i>
Wellington Opportunistic GAA	(Balanced)	12.8 (6)	8.7 (41)	15.9 (10)	---- ----	---- ----	14.2 (3) 09/08
<i>65% MSCI World / 35% Agg</i>		<i>9.9 ----</i>	<i>5.5 ----</i>	<i>8.3 ----</i>	<i>-2.0 ----</i>	<i>3.8 ----</i>	<i>6.0 ----</i>
Pimco Stocks +	(LC Core)	13.1 (6)	7.8 (4)	16.9 (1)	---- ----	---- ----	-4.5 (14) 12/07
<i>S&P 500</i>		<i>11.3 ----</i>	<i>3.9 ----</i>	<i>10.2 ----</i>	<i>-7.2 ----</i>	<i>0.6 ----</i>	<i>-6.6 ----</i>
SSgA Equal Weighted Index	(LC Core)	12.6 (10)	9.0 (2)	16.3 (2)	---- ----	---- ----	-1.8 (4) 12/07
<i>Equal Weighted S&P 500</i>		<i>12.7 ----</i>	<i>8.8 ----</i>	<i>15.8 ----</i>	<i>-3.2 ----</i>	<i>2.8 ----</i>	<i>-1.7 ----</i>
T Rowe Price Enhanced Index	(LC Core)	10.6 (77)	2.6 (78)	9.0 (69)	---- ----	---- ----	-5.5 (23) 12/07
<i>S&P 500</i>		<i>11.3 ----</i>	<i>3.9 ----</i>	<i>10.2 ----</i>	<i>-7.2 ----</i>	<i>0.6 ----</i>	<i>-6.6 ----</i>
Champlain	(Smid Cap)	10.6 (73)	9.3 (65)	16.4 (55)	---- ----	---- ----	16.4 (55) 09/09
<i>Russell 2500</i>		<i>12.2 ----</i>	<i>10.3 ----</i>	<i>15.9 ----</i>	<i>-3.6 ----</i>	<i>2.4 ----</i>	<i>15.9 ----</i>
SSgA Russell 2500	(Smid Cap)	12.2 (46)	10.3 (51)	16.3 (57)	---- ----	---- ----	-2.4 (67) 12/07
<i>Russell 2500</i>		<i>12.2 ----</i>	<i>10.3 ----</i>	<i>15.9 ----</i>	<i>-3.6 ----</i>	<i>2.4 ----</i>	<i>-2.3 ----</i>
SSgA Russell 2000 Growth	(SC Growth)	12.9 (33)	10.3 (39)	15.1 (56)	---- ----	---- ----	-3.3 (63) 12/07
<i>Russell 2000 Growth</i>		<i>12.8 ----</i>	<i>10.2 ----</i>	<i>14.8 ----</i>	<i>-3.8 ----</i>	<i>2.3 ----</i>	<i>-3.3 ----</i>
Wellington Small Cap Value	(SC Value)	9.8 (57)	10.5 (36)	17.0 (15)	---- ----	---- ----	2.7 (31) 12/07
<i>Russell 2000 Value</i>		<i>9.7 ----</i>	<i>7.9 ----</i>	<i>11.8 ----</i>	<i>-5.0 ----</i>	<i>0.7 ----</i>	<i>-2.8 ----</i>

MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception
Total Portfolio	(Public Fund)	9.3 (26)	9.3 (3)	12.9 (7)	-1.6 (55)	3.7 (56)	4.4 (87) 12/01
<i>BURLINGTON POLICY INDEX</i>		<i>8.7 ----</i>	<i>6.0 ----</i>	<i>9.3 ----</i>	<i>-0.9 ----</i>	<i>3.7 ----</i>	<i>5.1 ----</i>
Acadian	(Intl Eq)	15.3 (73)	5.2 (33)	5.6 (51)	---- ----	---- ----	-12.8 (95) 12/07
<i>MSCI EAFE Net</i>		<i>16.5 ----</i>	<i>1.1 ----</i>	<i>3.3 ----</i>	<i>-9.5 ----</i>	<i>2.0 ----</i>	<i>-9.7 ----</i>
Mondrian International	(Intl Eq)	15.7 (62)	-0.2 (90)	2.7 (83)	---- ----	---- ----	-8.6 (62) 12/07
<i>MSCI EAFE Net</i>		<i>16.5 ----</i>	<i>1.1 ----</i>	<i>3.3 ----</i>	<i>-9.5 ----</i>	<i>2.0 ----</i>	<i>-9.7 ----</i>
Aberdeen Emerging Markets	(Emerging Mkt)	20.7 (20)	22.2 (3)	31.9 (5)	---- ----	---- ----	13.7 (3) 03/08
<i>MSCI Emerging Markets</i>		<i>18.2 ----</i>	<i>11.0 ----</i>	<i>20.5 ----</i>	<i>-1.2 ----</i>	<i>13.1 ----</i>	<i>1.7 ----</i>
Martin Currie	(Emerging Mkt)	19.0 (52)	14.3 (24)	19.5 (65)	---- ----	---- ----	50.7 (88) 03/09
<i>MSCI Emerging Markets</i>		<i>18.2 ----</i>	<i>11.0 ----</i>	<i>20.5 ----</i>	<i>-1.2 ----</i>	<i>13.1 ----</i>	<i>57.0 ----</i>
<i>Schroders</i>		<i>10.2 ----</i>	<i>-2.1 ----</i>	<i>---- ----</i>	<i>---- ----</i>	<i>---- ----</i>	<i>-2.1 ---- 12/09</i>
<i>Dow Jones UBS Index</i>		<i>11.6 ----</i>	<i>0.9 ----</i>	<i>10.0 ----</i>	<i>-6.8 ----</i>	<i>-2.3 ----</i>	<i>0.9 ----</i>
<i>Hamilton Lane</i>		<i>0.0 ----</i>	<i>8.0 ----</i>	<i>11.6 ----</i>	<i>---- ----</i>	<i>---- ----</i>	<i>20.0 ---- 03/09</i>
<i>Cambridge US Private Equity</i>		<i>0.0 ----</i>	<i>6.0 ----</i>	<i>12.3 ----</i>	<i>-0.8 ----</i>	<i>9.3 ----</i>	<i>15.7 ----</i>
<i>VPIC Real Estate</i>		<i>4.6 ----</i>	<i>6.2 ----</i>	<i>1.6 ----</i>	<i>---- ----</i>	<i>---- ----</i>	<i>-16.8 ---- 12/07</i>
<i>NCREIF NFI-ODCE Index</i>		<i>5.4 ----</i>	<i>10.9 ----</i>	<i>7.1 ----</i>	<i>-10.5 ----</i>	<i>-0.1 ----</i>	<i>-12.1 ----</i>
<i>Molpus</i>		<i>-0.6 ----</i>	<i>-1.9 ----</i>	<i>-2.2 ----</i>	<i>---- ----</i>	<i>---- ----</i>	<i>4.5 ---- 03/09</i>
<i>NCREIF Timber Index</i>		<i>-0.1 ----</i>	<i>0.7 ----</i>	<i>-3.9 ----</i>	<i>4.7 ----</i>	<i>9.6 ----</i>	<i>-3.2 ----</i>

MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception
Total Portfolio	(Public Fund)	9.3 (26)	9.3 (3)	12.9 (7)	-1.6 (55)	3.7 (56)	4.4 (87) 12/01
<i>BURLINGTON POLICY INDEX</i>		8.7 ----	6.0 ----	9.3 ----	-0.9 ----	3.7 ----	5.1 ----
Oppenheimer US Core Fixed	(Core Fixed)	8.2 (1)	11.3 (7)	15.6 (4)	---- ----	---- ----	6.7 (75) 03/08
<i>Barclays Aggregate Index</i>		2.5 ----	8.0 ----	8.2 ----	7.4 ----	6.2 ----	6.8 ----
Pimco All Asset	(Core Fixed)	7.1 (3)	13.1 (4)	15.8 (4)	---- ----	---- ----	6.7 (80) 12/07
<i>Barclays Aggregate Index</i>		2.5 ----	8.0 ----	8.2 ----	7.4 ----	6.2 ----	7.0 ----
Pimco Core Plus	(Core Fixed)	3.7 (16)	11.0 (7)	11.7 (15)	---- ----	---- ----	11.7 (15) 09/09
<i>Barclays Aggregate Index</i>		2.5 ----	8.0 ----	8.2 ----	7.4 ----	6.2 ----	8.2 ----
Wellington DAS Fixed	(Core Fixed)	2.4 (88)	8.0 (62)	7.6 (91)	---- ----	---- ----	10.2 (66) 09/08
<i>Barclays Aggregate Index</i>		2.5 ----	8.0 ----	8.2 ----	7.4 ----	6.2 ----	9.4 ----
Brandywine	(Intl Fx)	9.7 (57)	14.3 (2)	15.1 (3)	---- ----	---- ----	9.3 (29) 12/07
<i>Citi World Gov't Bond Index</i>		8.2 ----	7.1 ----	5.0 ----	8.2 ----	7.0 ----	7.4 ----
Mondrian Global FX	(Intl Fx)	8.3 (65)	10.1 (18)	9.4 (28)	---- ----	---- ----	10.7 (13) 12/07
<i>Citi World Gov't Bond Index</i>		8.2 ----	7.1 ----	5.0 ----	8.2 ----	7.0 ----	7.4 ----
Barclays TIPS	(Broad Fixed)	2.5 (68)	7.0 (74)	---- ----	---- ----	---- ----	7.0 (74) 12/09
<i>Barclays US TIPS</i>		2.5 ----	7.0 ----	8.9 ----	6.9 ----	5.5 ----	7.0 ----
KDP	(Hi Yield)	5.9 (67)	8.9 (91)	12.2 (94)	---- ----	---- ----	12.2 (94) 09/09
<i>CSFB High Yield</i>		6.0 ----	10.9 ----	17.9 ----	7.7 ----	7.9 ----	17.9 ----
Post High Yield Bonds	(Hi Yield)	6.1 (56)	10.7 (47)	16.1 (48)	---- ----	---- ----	9.1 (39) 12/07
<i>CSFB High Yield</i>		6.0 ----	10.9 ----	17.9 ----	7.7 ----	7.9 ----	8.9 ----
Wellington Emerging Debt		9.2 ----	14.8 ----	---- ----	---- ----	---- ----	14.8 ---- 12/09
<i>JP Morgan EMBI</i>		8.2 ----	14.2 ----	16.1 ----	10.3 ----	---- ----	14.2 ----

MANAGER VALUE ADDED

Most Recent Quarter












Manager	Benchmark	Value Added Vs. Benchmark
AQR	60 MSCI/40 WGBI	-0.7
Mellon	60 MSCI/40 WGBI	0.9
Wellington GAA	65World/35Agg	2.9
Pimco Stocks +	S&P 500	1.8
SSgA EqWeight	Equal Wtd S&P	-0.1
T Rowe Price	S&P 500	-0.7
Champlain	Russell 2500	-1.6
SSgA R2500	Russell 2500	0.0
SSgA R2000G	Russell 2000G	0.1
Wellington SCV	Russell 2000V	0.1
Acadian	EAFE Net	-1.2
Mondrian	EAFE Net	-0.8
Aberdeen	MSCI Emg Mkts	2.5
Martin Currie	MSCI Emg Mkts	0.8
Schroders	Dow Jones UBS	-1.4
Hamilton Lane	Cambridge PE	0.0
VPIC R E	NCREIF ODCE	-0.8
Molpus	NCREIF Timber	-0.5
Total Portfolio	Policy Index	0.7

Trailing Twelve Months










Manager	Benchmark	Value Added Vs. Benchmark
AQR	60 MSCI/40 WGBI	18.7
Mellon	60 MSCI/40 WGBI	5.3
Wellington GAA	65World/35Agg	7.6
Pimco Stocks +	S&P 500	6.8
SSgA EqWeight	Equal Wtd S&P	0.4
T Rowe Price	S&P 500	-1.2
Champlain	Russell 2500	0.5
SSgA R2500	Russell 2500	0.3
SSgA R2000G	Russell 2000G	0.3
Wellington SCV	Russell 2000V	5.2
Acadian	EAFE Net	2.3
Mondrian	EAFE Net	-0.5
Aberdeen	MSCI Emg Mkts	11.3
Martin Currie	MSCI Emg Mkts	-1.1
Schroders	Dow Jones UBS	N/A
Hamilton Lane	Cambridge PE	-0.6
VPIC R E	NCREIF ODCE	-5.5
Molpus	NCREIF Timber	1.7
Total Portfolio	Policy Index	3.6

MANAGER VALUE ADDED

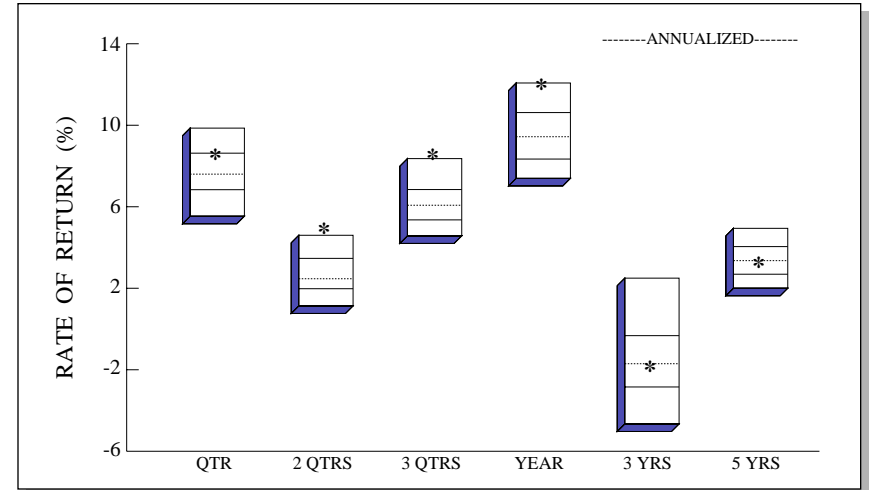
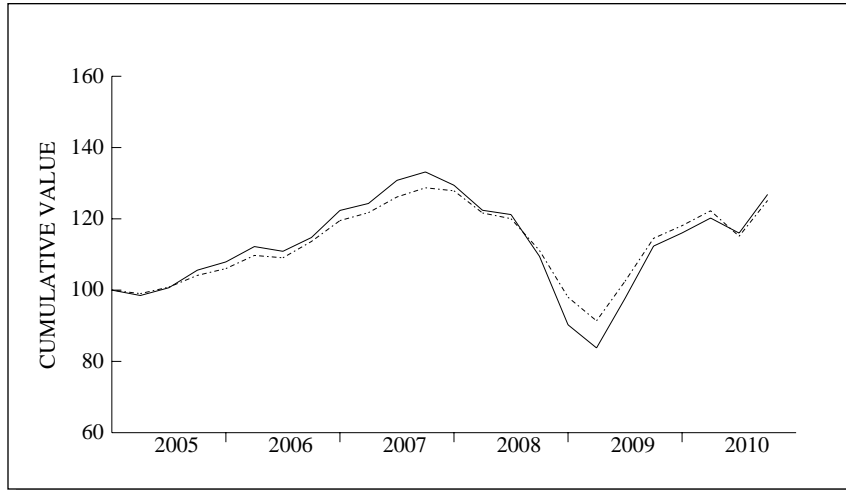
Most Recent Quarter

Manager	Benchmark	Value Added Vs. Benchmark
Oppenheimer	Barclays Agg	5.7 
Pimco All Asset	Barclays Agg	4.7 
Pimco Core Plus	Barclays Agg	1.2 
Wellington FX	Barclays Agg	-0.1 
Brandywine	Citi WGBI	1.5 
Mondrian Fixed	Citi WGBI	0.1 
Barclays TIPS	Barclays TIPS	0.0 
KDP	CSFB High Yield	-0.1 
Post HY Bonds	CSFB High Yield	0.1 
Wellington EmFx	JPM EMBI	1.0 
Total Portfolio	Policy Index	0.7 

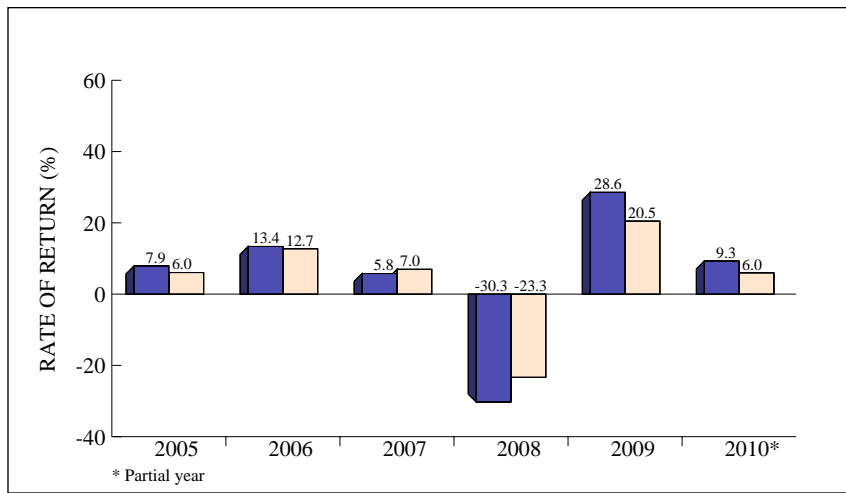
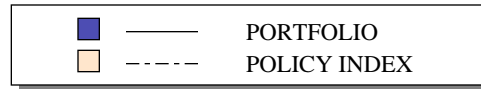
Trailing Twelve Months

Manager	Benchmark	Value Added Vs. Benchmark
Oppenheimer	Barclays Agg	7.5 
Pimco All Asset	Barclays Agg	7.6 
Pimco Core Plus	Barclays Agg	3.5 
Wellington FX	Barclays Agg	-0.6 
Brandywine	Citi WGBI	10.2 
Mondrian Fixed	Citi WGBI	4.4 
Barclays TIPS	Barclays TIPS	N/A
KDP	CSFB High Yield	-5.7 
Post HY Bonds	CSFB High Yield	-1.8 
Wellington EmFx	JPM EMBI	N/A
Total Portfolio	Policy Index	3.6 

TOTAL RETURN COMPARISONS



Public Fund Universe



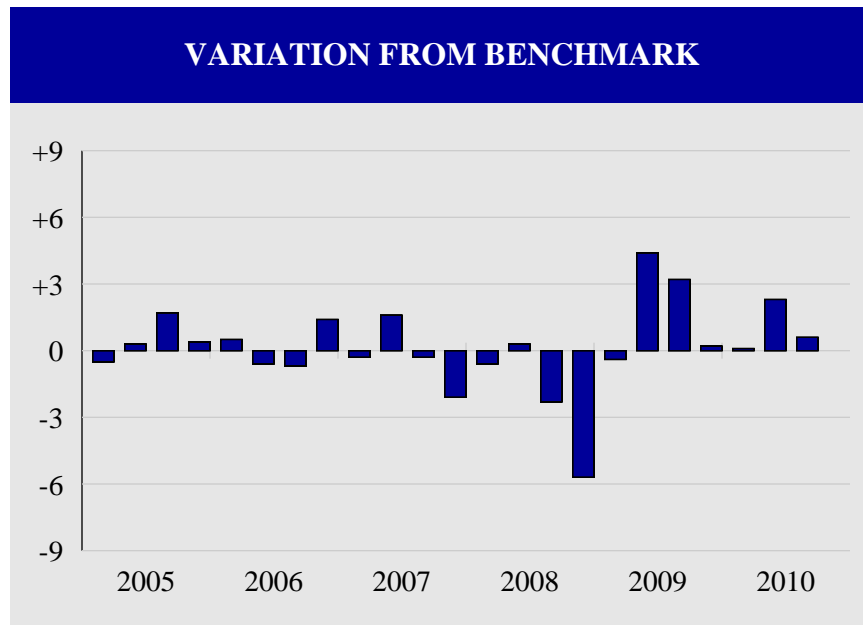
* Partial year

	<u>QTR</u>	<u>2QTRS</u>	<u>3QTRS</u>	<u>YEAR</u>	<u>3 YRS</u>	<u>5 YRS</u>
RETURN	9.3	5.5	9.3	12.9	-1.6	3.7
(RANK)	(26)	(2)	(3)	(7)	(55)	(56)
5TH %ILE	10.7	5.1	9.1	13.0	2.9	5.5
25TH %ILE	9.4	3.9	7.5	11.5	0.0	4.6
MEDIAN	8.3	2.9	6.7	10.2	-1.5	3.8
75TH %ILE	7.5	2.4	5.9	9.1	-2.7	3.1
95TH %ILE	6.1	1.5	5.1	8.1	-4.6	2.4
Policy Idx	8.7	2.4	6.0	9.3	-0.9	3.7

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: BURLINGTON POLICY INDEX



Total Quarters Observed	23
Quarters At or Above the Benchmark	13
Quarters Below the Benchmark	10
Batting Average	.565

RATES OF RETURN						
Date	Portfolio	Bench	Diff	-----Cumulative-----		
				Portfolio	Bench	Diff
3/05	-1.5	-1.0	-0.5	-1.5	-1.0	-0.5
6/05	2.2	1.9	0.3	0.7	0.9	-0.2
9/05	4.9	3.2	1.7	5.6	4.1	1.5
12/05	2.2	1.8	0.4	7.9	6.0	1.9
3/06	4.0	3.5	0.5	12.2	9.7	2.5
6/06	-1.2	-0.6	-0.6	10.9	9.1	1.8
9/06	3.5	4.2	-0.7	14.8	13.6	1.2
12/06	6.6	5.2	1.4	22.3	19.5	2.8
3/07	1.6	1.9	-0.3	24.3	21.8	2.5
6/07	5.2	3.6	1.6	30.8	26.1	4.7
9/07	1.8	2.1	-0.3	33.2	28.7	4.5
12/07	-2.8	-0.7	-2.1	29.4	27.9	1.5
3/08	-5.4	-4.8	-0.6	22.4	21.7	0.7
6/08	-1.0	-1.3	0.3	21.2	20.1	1.1
9/08	-9.7	-7.4	-2.3	9.5	11.1	-1.6
12/08	-17.5	-11.8	-5.7	-9.7	-2.0	-7.7
3/09	-7.2	-6.8	-0.4	-16.2	-8.6	-7.6
6/09	16.6	12.2	4.4	-2.3	2.5	-4.8
9/09	15.0	11.8	3.2	12.3	14.5	-2.2
12/09	3.3	3.1	0.2	16.0	18.1	-2.1
3/10	3.6	3.5	0.1	20.2	22.3	-2.1
6/10	-3.5	-5.8	2.3	16.0	15.1	0.9
9/10	9.3	8.7	0.6	26.8	25.1	1.7

APPENDIX - MAJOR MARKET INDEX RETURNS

Domestic Equity	Style	QTR	YTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	11.5	4.8	11.0	-6.6	0.9
S&P 500	Large Cap Core	11.3	3.9	10.2	-7.2	0.6
Russell 1000	Large Cap Core	11.6	4.4	10.8	-6.8	0.9
Russell 1000 Growth	Large Cap Growth	13.0	4.4	12.7	-4.4	2.1
Russell 1000 Value	Large Cap Value	10.1	4.5	8.9	-9.4	-0.5
Russell Midcap	Midcap	13.3	11.0	17.5	-4.2	2.6
Russell Midcap Growth	Midcap Growth	14.7	10.9	18.3	-3.9	2.9
Russell Midcap Value	Midcap Value	12.1	11.2	16.9	-4.8	2.0
Russell 2000	Small Cap	11.3	9.1	13.3	-4.3	1.6
Russell 2000 Growth	Small Cap Growth	12.8	10.2	14.8	-3.8	2.3
Russell 2000 Value	Small Cap Value	9.7	7.9	11.8	-5.0	0.7

International Equity	Style	QTR	YTD	1 Year	3 years	5 Years
MSCI EAFE	Developed Markets	16.5	1.4	3.7	-9.1	2.4
MSCI EAFE Growth	Developed Markets Growth	16.6	4.4	8.7	-8.0	3.1
MSCI EAFE Value	Developed Markets Value	16.4	-1.5	-1.2	-10.2	1.7
MSCI Emerging Markets	Emerging Markets	18.2	11.0	20.5	-1.2	13.1

Domestic Fixed Income	Style	QTR	YTD	1 Year	3 years	5 Years
Barclays Aggregate Index	Core Fixed Income	2.5	8.0	8.2	7.4	6.2
Barclays Gov/Credit	Gov/Credit	3.3	9.0	8.7	7.5	6.1
Barclays Capital Gov't Bond	Treasuries	2.5	8.1	7.0	7.2	6.1
Barclays Capital Credit Bond	Corporate Bonds	4.6	10.6	11.7	9.1	6.9
Intermediate Aggregate	Core Intermediate	2.1	7.0	7.5	7.1	6.1
Intermediate Gov/Credit	Gov / Credit Intermediate	2.8	7.4	7.8	6.9	5.9
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.6	2.5	2.5	4.1	4.3
CSFB High Yield	High Yield Bonds	6.0	10.9	17.9	7.7	7.9

Alternative Assets	Style	QTR	YTD	1 Year	3 years	5 Years
Global Ex-US	International Treasuries	2.0	2.7	0.6	6.7	6.6
NCREIF NFI-ODCE Index	Real Estate	5.4	10.9	7.1	-10.5	-0.1
HFRI FOF Composite	Hedge Funds	3.4	2.3	3.8	-2.1	2.8
HFRI FOF Conservative Index	Hedge Funds - Conservative	3.0	3.4	4.5	-1.2	2.5

APPENDIX - DISCLOSURES

- * 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 Burlington Legacy Index represents the actual returns of the Burlington Employees Retirement System for all periods through 12/31/2007. For all periods since then, it is the Burlington Policy Index.
This index approximates what the portfolio's performance would have been if it never entered into the VPIC program.
- * 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.