

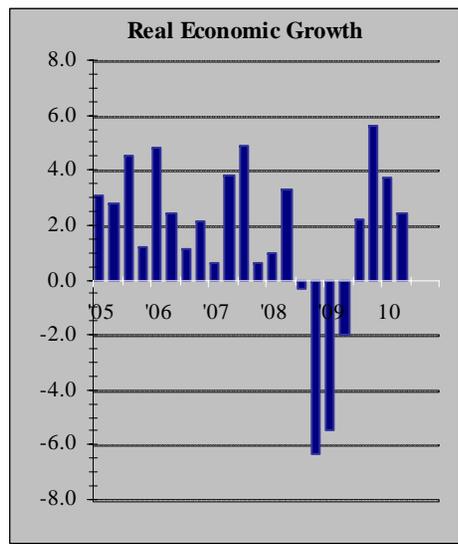
**CITY OF BURLINGTON EMPLOYEES
RETIREMENT PLAN
PERFORMANCE REVIEW
JUNE 2010**



ECONOMIC ENVIRONMENT

A Small Bump in the Road

The global economy continued to grow in spite of a media that bombarded investors with negative news 24/7 during the second quarter. The constant stream of news included: weak employment figures; weak housing statistics; the slow pace of stimulus spending; live video of the BP oil spill; the spillover from Europe's debt crisis; the possible slowing of the China juggernaut; waning consumer confidence; the Fed's concern about possible deflation; European deficit reduction programs; ongoing finger-pointing by both political parties; and war fatigue in Afghanistan and elsewhere. It is no wonder that consumer confidence fell. Nonetheless, the economic advance continues at its predictably slow pace. After the first quarter GDP grew at a 3.7% annual rate, the second quarter growth fell to 2.4%.



All of these (except for the oil spill) were part of the painful deleveraging that has been going on for the past eighteen months. Americans are most disheartened by the stubbornly high unemployment rate and the lack of a sustained housing rebound, but these are a part of the painful process. Unemployment eased back to 9.5% during the quarter, but there were a significant number of unemployed workers who simply gave up looking for jobs and were taken off the role of unemployed. In total,

652,000 workers dropped out of the labor market.

The housing market continues to pose major problems in some parts of the country. Housing prices have bottomed out in a number of areas, but

in most of the nation, home prices continue to fall. Efforts to mitigate foreclosures were not effective and relatively few new housing permits were issued. Termination of the first-time homebuyers' tax credit only added to the pessimism.

The Federal Reserve Board turned cautious in response to Europe's debt problems, the 9.5% domestic unemployment rate and other pessimistic indicators. The Fed's June 23rd policy statement noted that "financial conditions have become less supportive of economic growth" and that the pace "is likely to moderate for a time". Nonetheless, Fed watchers believe that the Board remains positive about eventual recovery. Recognizing the unfavorable economic climate, the Federal Open Market Committee (FOMC) reiterated that it would keep short-term rates near zero for an extended period.

First quarter corporate earnings (reported early in the second quarter) beat analysts' expectations. This was attributable to an improving economy, increasing demand for products and services and vigilance in controlling costs. Historically, higher earnings reports have translated into higher stock prices.

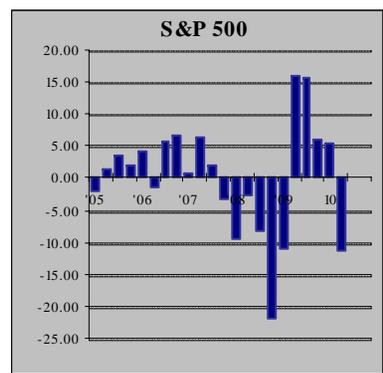
Abundant labor, moderating commodity prices, ample underutilized industrial capacity and higher labor productivity kept inflation in check. Prices also fell for some food items, as well as airfares, computers, phone service and personal care products. As a result, the CPI dipped 0.1% in June. For the twelve months ending June 30th, core inflation (excluding food and energy) has risen a very low 0.9%, the lowest rate in 44 years.

The flight to safety and away from the Euro led to a US dollar rally vs. all major currencies. Gold, traditionally a safe haven asset, rose 11.9% and finished at an all-time high price of \$1,258 per ounce. Often, gold demand signals inflationary expectations. However, this seems not to be the case now, as inflation is in check. The impact of high demand in India, the largest consumer of gold produced much of the upward pressure. The price of crude oil fell almost 10%, based on lower demand in a slow growth economy.

Against this difficult economic backdrop, equity indices around the world rolled into negative territory.

EQUITY MARKET

On May 6th, the Dow Jones Industrials briefly plummeted almost 1000 points as a computer glitch, possibly triggered by a trader at a mid-Western investment firm, produced freakishly low prices for major index components. While the problem was quickly repaired and normal



prices restored, the stock market remained in a funk for the rest of the quarter. The bellwether S&P 500 Index broke a four-quarter winning streak by falling 11.4%. Continuing a pattern of relative weakness, large-cap stocks lost more ground than mid caps and small caps. The Russell Mid Cap Index and the Russell Small Cap Index each slid 9.9%. Both growth and value stocks (more cyclical) performed poorly. One reason given

as to why value names did not perform better was that post-stimulus economic growth seemed less sustainable than it had a few months earlier. Clearly, the European malaise and the perception of slowing growth in China impacted large cap companies. The BP oil spill also may have cast a pall on the domestic market.

Investors hunkered down to minimize performance damage. Traditional utility, drug and retail stocks did not fall as much as economically sensitive names. Utility stocks lost “only” 4.2%; the service group was down 7.3% and consumer goods slid 8.3%. By comparison, financials dropped 13%; tech slumped 13.9%; basic industry and energy stocks fell between 11.5% and 12.6%. These results were essentially a 180-degree reversal from the performances of just three months earlier.

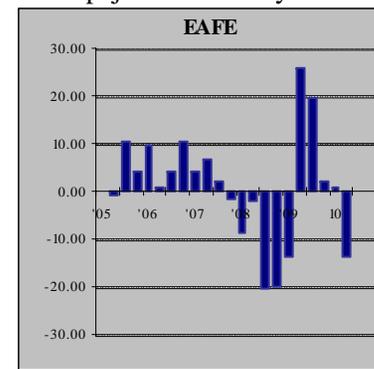
Surprisingly, REITs (real estate investment trusts) had the best performance among all equity market sectors, dipping a modest 4%.

This was a surprise for two reasons. First, this sector already had shot up over 100% in the one-year period ended March. The second reason was that high unemployment put a damper on office and other commercial property occupancy. The best explanation for the strength of this sector is that REIT managements continued to refinance their looming debt obligations, thereby signaling their long-term optimism.

The quarter end dividend yield for the S&P was 1.9%. Price/earnings ratios fell dramatically from a multiple of 18.4 in March to a multiple of 15.4 in June. The huge decline occurred because investors pushed stock prices down significantly even though earnings estimates were increasing.

INTERNATIONAL EQUITIES

International developed markets fared worse than US equities, as investors questioned the pace of economic growth in Europe and China. The EAFE Index was down 13.8% for the quarter. More importantly, Greece’s sovereign debt crisis and the contagion spreading to Spain, Italy and Portugal, effectively torpedoed performance in those countries. Their pejorative acronym “PIGS” seemed apt as the news media teemed



with bankruptcy rumors regarding Greece. Uncharacteristically, Brazil and other Latin American countries also experienced a pause in performance.

Some of the year-to-date details regarding PIGS’ results are eye-popping. The worst of these was, of course, Greece, as that country’s index sunk by almost half (-48.3%)! Spain, a much larger economic engine than Greece, plummeted 32.6% for the first two quarters. Italy and Portugal vied for third place: EAFE-Italy dropped 26.7%, while EAFE-Portugal declined 25.3%. Germany and France, the two largest European countries in

terms of GNP, also suffered. EAFE-Germany fell 14.4% and EAFE-France dropped 21.5%. Combined, the Eurozone Index tanked 17.2%.

Although investors were doubtful about the UK's turnaround and the newly elected coalition government, year-to-date performance for that country's index (-14.4%) was fairly in line with EAFE. The two pleasant surprises were in Japan and Hong Kong, down 2.7% and 3.5%, respectively. In Japan's case, investors liked the positive-looking export economy. Hong Kong continued to prosper on the coattails of China.

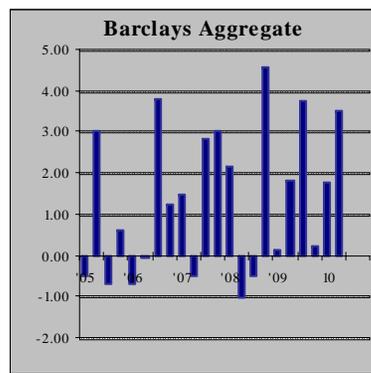
Emerging markets have become *the* place to invest because they suffered little from the recent global financial meltdown; additionally, their export-driven economies seemed to have no downside. True to form, the MSCI EM Index (-8.3%) fell less than the developed markets. The most observed countries in the group have been the BRICs (Brazil, Russia, India and China). As a group, BRIC declined 9.2%. However, two of the components, Brazil and Russia, slumped more than 15%; Brazil was again negatively impacted by the pending government takeover of Petrobras and by less buoyant commodity exports. The Russian economy also struggled.

BOND MARKET

The Barclays Aggregate Index posted a positive 3.5% return as investors sought safety in high quality bonds. Unlike first quarter results, higher credit quality securities handily beat their lower credit counterparts. For example, AA-rated corporates gained 3.3%, while BA names climbed only 0.4% and CAA issues fell 1.4%. Among all credit sectors, energy issues posted the worst numbers due to the BP oil spill; as a result, oil field services bonds lost 3.1%. Financials also underperformed, as investors pondered the future impact of the financial reform bill, which became law on July 21st. Bank bonds, in particular, gained a low 1.6%. Overall, the Investment Grade Credit Index added 3.3%. Mortgage-backed issues weren't far behind, earning 2.9%.

Still, Treasury bonds were the clear winners, particularly in the 5-year to 30-year maturity range. Five-year Treasuries added a healthy 4.7% and

the 30-year Treasury soared 15.3%! These gains reflected a serious flight-to-quality by both domestic and foreign investors. For reference, the 30-year Treasury yield fell from 4.72% to 3.91% during the quarter.



US bond markets overshadowed offshore markets. Aside from the flight-to-quality phenomenon, the dollar's rise in relative value vs. other currencies also drove down non-US returns. The European debt crisis was the most significant factor influencing currency moves. As a result, the Global Non-US Treasury

Index returned only 1.7% for the quarter and emerging market bonds added just 1%. Clearly, a bond investor had to focus on the highest quality US issues to perform well.

At quarter-end, the Barclays Aggregate Index yielded 2.83% (yield-to-worst), had an average maturity of 6.47 years and a modified duration of 4.3 years.

CASH EQUIVALENTS

Treasury bills and money market instruments earned virtually nothing for the period. For reference, the near zero yields have continued for well over a year. In response, some bond investors have sought higher yields by extending maturities and purchasing lower quality credits.

The 90-day T-Bills earned a paltry 0.04% and yielded only 0.12% for the trailing year ending June 30th. Net of fees, most money market funds earned no more.

MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	2.4	3.7
Unemployment	9.5	9.7
CPI Year/Year	1.05	2.31
Fed Funds Rate	0.25	0.25
Industrial Capacity	72.6	73.2
US Dollars per Euro	1.22	1.35

MAJOR INDEX QUARTER RETURNS

INDEX		PERFORMANCE
Russell 3000	-11.3	
S&P 500	-11.4	
Russell Mid	-9.9	
Russell 2000	-9.9	
MSCI EAFE	-13.8	
MSCI Emg Mkts	-8.3	
NCREIF ODCE	4.4	
Barclays Agg	3.5	
90 Day Tbills	0.0	

EQUITY RETURN DISTRIBUTIONS

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	-11.2	-11.4	-11.8	16.9	15.2	13.6
MC	-9.6	-9.9	-10.2	28.9	25.1	21.3
SC	-10.6	-9.9	-9.2	25.1	21.5	18.0

MARKET SUMMARY

- * The U.S. economy continued to grow in spite of constant negative media bombardment.
- * Unemployment eased slightly to 9.5%, but may reflect discouraged workers dropping from the workforce.
- * Effects of deleveraging still felt in weak housing market.
- * The US Dollar rallied, rising over 10% versus the euro.

INVESTMENT RETURN

On June 30th, 2010, the City of Burlington Employees Retirement Fund was valued at \$110,348,334, representing a decrease of \$5,216,040 relative to the March quarter's ending value of \$115,564,374. Last quarter, the Fund posted \$1,131,539 in net withdrawals in addition to net investment losses of \$4,084,501. Because there were no income receipts during the period, the portfolio's net investment losses were the result of capital losses (realized and unrealized).

Since December 2001, the portfolio has posted net withdrawals totaling \$15.6 million while posting \$27.0 million in net investment gains. For the period since December 2001, if the total fund earned a compounded nominal rate of 8.0% it would have been valued at \$165.7 million or \$55.3 million more than the actual value as of June 30th, 2010.

RELATIVE PERFORMANCE

Total Fund

During the second quarter, the Composite portfolio lost 3.6%, which was 2.2% above the Burlington Policy Index's return of -5.8% and ranked in the 19th percentile of the Public Fund universe. Over the trailing twelve-month period, this portfolio returned 18.7%, which was 6.4% greater than the benchmark's 12.3% performance, ranking in the 3rd percentile. Since December 2001, the portfolio returned 3.4% per annum and ranked in the 91st percentile. The Burlington Policy Index returned an annualized 4.2% over the same period.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 12/2001
Total Portfolio	-3.6	-0.1	18.7	-3.9	3.4
<i>PUBLIC FUND RANK</i>	(19)	(14)	(3)	(53)	(91)
POLICY INDEX	-5.8	-2.5	12.3	-3.0	4.2
LEGACY INDEX	-5.8	-2.5	12.3	-3.8	3.5
VPIC INDEX	-4.4	-2.0	12.7	-4.7	4.2
Diversified Asset	-3.1	0.8	22.8	----	----
<i>TOTAL CLIENT RANK</i>	(38)	(33)	(1)	----	----
60 MSCI/40 WGBI	-7.1	-5.7	8.2	-3.1	5.3
Equity	-10.3	-3.7	21.7	----	----
<i>ALL CAP RANK</i>	(44)	(41)	(30)	----	----
RUSSELL 3000	-11.3	-6.1	15.7	-9.5	1.4
Foreign Equity	-9.1	-7.7	14.1	----	----
<i>INTERNATIONAL EQUITY RANK</i>	(18)	(25)	(21)	----	----
MSCI EAFE	-13.8	-12.9	6.4	-12.9	4.9
MSCI EMG MKTS	-8.3	-6.0	23.5	-2.2	16.4
Commodity	-5.3	-11.2	----	----	----
Private Equity	0.0	2.4	9.5	----	----
CAMBRIDGE PE	0.0	4.4	17.3	-0.9	11.8
Real Estate	2.4	1.5	-8.3	----	----
NCREIF ODCE	4.4	5.2	-5.9	-11.0	4.2
Timber	-0.9	-1.3	6.0	----	----
NCREIF TIMBER	1.1	0.8	-3.5	6.1	8.9
Fixed Income	2.2	4.9	16.0	----	----
<i>BROAD MARKET FIXED RANK</i>	(62)	(57)	(31)	----	----
BARCLAYS AGG	3.5	5.3	9.5	7.5	5.7

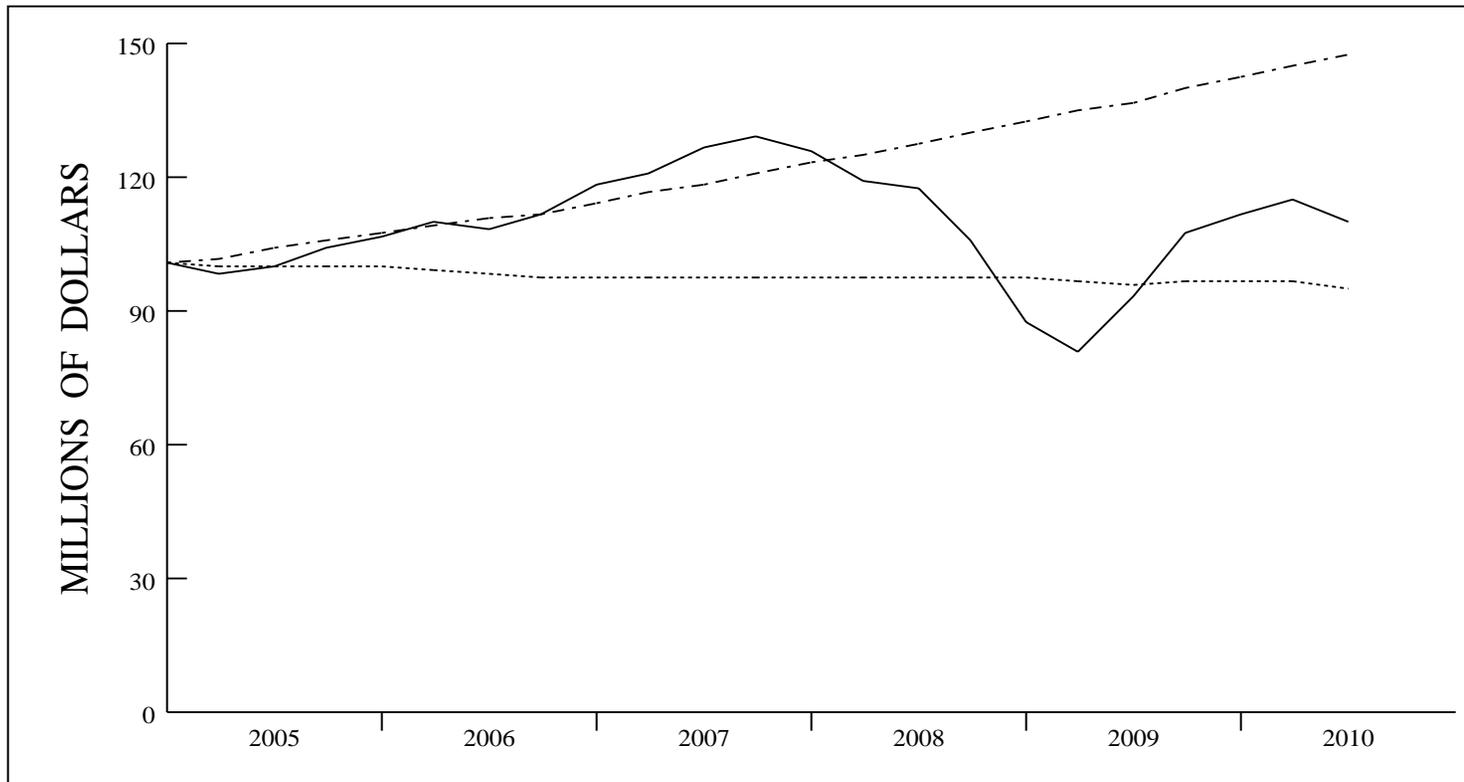
ASSET ALLOCATION

Diversified	7.3%	\$ 8,013,470
Equity	21.5%	23,712,703
Foreign Equity	17.1%	18,891,651
Commodity	1.8%	2,038,154
Private Equity	0.7%	800,929
Real Estate	4.0%	4,424,652
Timber	3.0%	3,326,414
Fixed Income	43.3%	47,743,897
Cash	1.3%	1,396,464
Total Portfolio	100.0%	\$ 110,348,334

INVESTMENT RETURN

Market Value 3/2010	\$ 115,564,374
Contribs / Withdrawals	- 1,131,539
Income	0
Capital Gains / Losses	- 4,084,501
Market Value 6/2010	\$ 110,348,334

INVESTMENT GROWTH

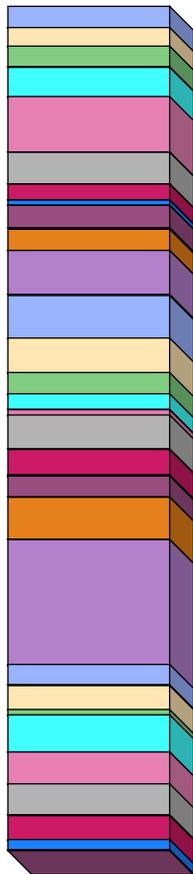


— ACTUAL RETURN
 - - - 8.0%
 . . . 0.0%

VALUE ASSUMING
 8.0% RETURN
 \$ 147,540,800

	LAST QUARTER	PERIOD 12/04 - 6/10
BEGINNING VALUE	\$ 115,564,374	\$ 101,545,896
NET CONTRIBUTIONS	- 1,131,539	- 5,837,898
INVESTMENT RETURN	- 4,084,501	14,640,336
ENDING VALUE	\$ 110,348,334	\$ 110,348,334
INCOME	0	8,159,795
CAPITAL GAINS (LOSSES)	- 4,084,501	6,480,541
INVESTMENT RETURN	- 4,084,501	14,640,336

MANAGER ALLOCATION SUMMARY



Name	Market Value	Percent
AQR (DIV)	\$2,821,065	2.6
Mellon (DIV)	\$2,502,965	2.3
Wellington GAA (DIV)	\$2,689,440	2.4
SSgA EqWeight (LCC)	\$3,939,825	3.6
T Rowe Price (LCC)	\$7,195,985	6.5
Pimco Stocks + (LC)	\$4,117,438	3.7
Champlain (SMID)	\$2,068,034	1.9
SSgA R2500 (SMID)	\$699,540	0.6
SSgA R2000G (SCG)	\$2,934,800	2.7
Wellington SCV (SCV)	\$2,757,081	2.5
Acadian (INEQ)	\$5,737,041	5.2
Mondrian (INEQ)	\$5,621,764	5.1
Aberdeen (EMKT)	\$4,634,505	4.2
Martin Currie (EMKT)	\$2,898,341	2.6
Schroders (CMDT)	\$2,038,154	1.8
Hamilton Lane (PREQ)	\$800,929	0.7
VPIC R E (REAL)	\$4,424,652	4.0
Molpus (TIMB)	\$3,326,414	3.0
Logan Circle (FIXD)	\$146,514	0.1
Oppenheimer (FIXD)	\$2,715,469	2.5
Pimco All Asset (FIXD)	\$5,497,769	5.0
Pimco Core Plus (FIXD)	\$16,371,854	14.8
Wellington FX (FIXD)	\$2,645,282	2.4
Barclays TIPS (TIPS)	\$3,187,269	2.9
KDP (HIYL)	\$795,612	0.7
Post HY Bonds (HIYL)	\$4,864,659	4.4
Brandywine (GLFX)	\$4,234,471	3.8
Mondrian Fixed (GLFX)	\$4,046,509	3.7
Wellington EmFx (EMFX)	\$3,238,489	2.9
Cash Account (CASH)	\$0	0.0
Cash (CASH)	\$1,336,980	1.2
VPIC Cash (CASH)	\$59,484	0.1
Total Fund	\$110,348,334	100.0

MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception
Total Portfolio	(Public Fund)	-3.6 (19)	-0.1 (14)	18.7 (3)	-3.9 (53)	2.9 (44)	3.4 (91) 12/01
<i>BURLINGTON POLICY INDEX</i>		<i>-5.8 ----</i>	<i>-2.5 ----</i>	<i>12.3 ----</i>	<i>-3.0 ----</i>	<i>2.7 ----</i>	<i>4.2 ----</i>
AQR	(Total)	3.2 (6)	7.9 (5)	----	----	----	13.3 (1) 09/09
<i>60%MSCI World/ 40% CITI WGBI</i>		<i>-7.1 ----</i>	<i>-5.7 ----</i>	<i>8.2 ----</i>	<i>-3.1 ----</i>	<i>3.0 ----</i>	<i>-4.2 ----</i>
Mellon Global Alpha I	(Total)	-5.9 (55)	-2.4 (52)	18.6 (23)	----	----	-7.6 (80) 12/07
<i>60%MSCI World/ 40% CITI WGBI</i>		<i>-7.1 ----</i>	<i>-5.7 ----</i>	<i>8.2 ----</i>	<i>-3.1 ----</i>	<i>3.0 ----</i>	<i>-5.4 ----</i>
Wellington Opportunistic GAA	(Total)	-6.3 (70)	-3.7 (70)	15.6 (45)	----	----	8.7 (23) 09/08
<i>65% MSCI World / 35% Agg</i>		<i>-6.6 ----</i>	<i>-4.0 ----</i>	<i>11.1 ----</i>	<i>-4.2 ----</i>	<i>2.8 ----</i>	<i>1.3 ----</i>
SSgA Equal Weighted Index	(LC Core)	-10.6 (18)	-3.2 (6)	25.7 (2)	----	----	-6.6 (5) 12/07
<i>Equal Weighted S&P 500</i>		<i>-10.7 ----</i>	<i>-3.4 ----</i>	<i>25.0 ----</i>	<i>-7.6 ----</i>	<i>1.4 ----</i>	<i>-6.5 ----</i>
T Rowe Price Enhanced Index	(LC Core)	-12.0 (72)	-7.2 (75)	13.8 (72)	----	----	-9.8 (21) 12/07
<i>S&P 500</i>		<i>-11.4 ----</i>	<i>-6.7 ----</i>	<i>14.4 ----</i>	<i>-9.8 ----</i>	<i>-0.8 ----</i>	<i>-11.2 ----</i>
Pimco Stocks +	(LC Core)	-11.8 (70)	-4.7 (13)	25.1 (3)	----	----	-9.5 (18) 12/07
<i>S&P 500</i>		<i>-11.4 ----</i>	<i>-6.7 ----</i>	<i>14.4 ----</i>	<i>-9.8 ----</i>	<i>-0.8 ----</i>	<i>-11.2 ----</i>
Champlain	(Smid Cap)	-7.1 (18)	-1.2 (40)	----	----	----	5.3 (32) 09/09
<i>Russell 2500</i>		<i>-10.0 ----</i>	<i>-1.7 ----</i>	<i>24.0 ----</i>	<i>-8.0 ----</i>	<i>1.0 ----</i>	<i>3.3 ----</i>
SSgA Russell 2500	(Smid Cap)	-10.0 (72)	-1.7 (54)	24.1 (34)	----	----	-7.0 (63) 12/07
<i>Russell 2500</i>		<i>-10.0 ----</i>	<i>-1.7 ----</i>	<i>24.0 ----</i>	<i>-8.0 ----</i>	<i>1.0 ----</i>	<i>-7.0 ----</i>
SSgA Russell 2000 Growth	(SC Growth)	-9.2 (68)	-2.3 (66)	18.1 (64)	----	----	-8.2 (61) 12/07
<i>Russell 2000 Growth</i>		<i>-9.2 ----</i>	<i>-2.3 ----</i>	<i>18.0 ----</i>	<i>-7.5 ----</i>	<i>1.1 ----</i>	<i>-8.2 ----</i>
Wellington Small Cap Value	(SC Value)	-9.0 (26)	0.6 (25)	30.2 (36)	----	----	-0.8 (34) 12/07
<i>Russell 2000 Value</i>		<i>-10.6 ----</i>	<i>-1.6 ----</i>	<i>25.1 ----</i>	<i>-9.9 ----</i>	<i>-0.5 ----</i>	<i>-6.6 ----</i>

MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception
Total Portfolio	(Public Fund)	-3.6 (19)	-0.1 (14)	18.7 (3)	-3.9 (53)	2.9 (44)	3.4 (91) 12/01
<i>BURLINGTON POLICY INDEX</i>		<i>-5.8 ---</i>	<i>-2.5 ---</i>	<i>12.3 ---</i>	<i>-3.0 ---</i>	<i>2.7 ---</i>	<i>4.2 ---</i>
Acadian	(Intl Eq)	-11.5 (34)	-8.7 (28)	9.2 (47)	--- ---	--- ---	-18.8 (94) 12/07
<i>MSCI EAFE Net</i>		<i>-14.0 ---</i>	<i>-13.2 ---</i>	<i>5.9 ---</i>	<i>-13.4 ---</i>	<i>0.9 ---</i>	<i>-16.0 ---</i>
Mondrian International	(Intl Eq)	-12.2 (50)	-13.7 (88)	5.2 (84)	--- ---	--- ---	-14.5 (59) 12/07
<i>MSCI EAFE Net</i>		<i>-14.0 ---</i>	<i>-13.2 ---</i>	<i>5.9 ---</i>	<i>-13.4 ---</i>	<i>0.9 ---</i>	<i>-16.0 ---</i>
Aberdeen Emerging Markets	(Emerging Mkt)	-4.0 (6)	1.2 (7)	33.6 (11)	--- ---	--- ---	6.1 (3) 03/08
<i>MSCI Emerging Markets</i>		<i>-8.3 ---</i>	<i>-6.0 ---</i>	<i>23.5 ---</i>	<i>-2.2 ---</i>	<i>13.1 ---</i>	<i>-5.4 ---</i>
Martin Currie	(Emerging Mkt)	-5.0 (13)	-4.5 (27)	19.5 (84)	--- ---	--- ---	41.2 (93) 03/09
<i>MSCI Emerging Markets</i>		<i>-8.3 ---</i>	<i>-6.0 ---</i>	<i>23.5 ---</i>	<i>-2.2 ---</i>	<i>13.1 ---</i>	<i>50.4 ---</i>
Schroders		-5.3 ---	-11.2 ---	--- ---	--- ---	--- ---	-11.2 --- 12/09
<i>Dow Jones UBS Index</i>		<i>-4.8 ---</i>	<i>-9.6 ---</i>	<i>2.8 ---</i>	<i>-8.4 ---</i>	<i>-1.3 ---</i>	<i>-9.6 ---</i>
Hamilton Lane		0.0 ---	2.4 ---	9.5 ---	--- ---	--- ---	19.3 --- 03/09
<i>Cambridge US Private Equity</i>		<i>0.0 ---</i>	<i>4.4 ---</i>	<i>17.3 ---</i>	<i>-0.9 ---</i>	<i>10.4 ---</i>	<i>17.6 ---</i>
VPIC Real Estate		2.4 ---	1.5 ---	-8.3 ---	--- ---	--- ---	-19.8 --- 12/07
<i>NCREIF NFI-ODCE Index</i>		<i>4.4 ---</i>	<i>5.2 ---</i>	<i>-5.9 ---</i>	<i>-11.0 ---</i>	<i>-0.2 ---</i>	<i>-15.1 ---</i>
Molpus		-0.9 ---	-1.3 ---	6.0 ---	--- ---	--- ---	6.0 --- 03/09
<i>NCREIF Timber Index</i>		<i>1.1 ---</i>	<i>0.8 ---</i>	<i>-3.5 ---</i>	<i>6.1 ---</i>	<i>9.9 ---</i>	<i>-3.8 ---</i>

MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception
Total Portfolio	(Public Fund)	-3.6 (19)	-0.1 (14)	18.7 (3)	-3.9 (53)	2.9 (44)	3.4 (91) 12/01
<i>BURLINGTON POLICY INDEX</i>		-5.8 ----	-2.5 ----	12.3 ----	-3.0 ----	2.7 ----	4.2 ----
Oppenheimer US Core Fixed	(Core Fixed)	-1.7 (99)	2.9 (99)	14.0 (21)	---- ----	---- ----	3.7 (97) 03/08
<i>Barclays Aggregate Index</i>		3.5 ----	5.3 ----	9.5 ----	7.5 ----	5.5 ----	6.4 ----
Pimco All Asset	(Core Fixed)	2.6 (83)	5.5 (48)	18.8 (6)	---- ----	---- ----	4.5 (99) 12/07
<i>Barclays Aggregate Index</i>		3.5 ----	5.3 ----	9.5 ----	7.5 ----	5.5 ----	6.6 ----
Pimco Core Plus	(Core Fixed)	3.9 (13)	7.0 (7)	---- ----	---- ----	---- ----	7.7 (18) 09/09
<i>Barclays Aggregate Index</i>		3.5 ----	5.3 ----	9.5 ----	7.5 ----	5.5 ----	5.5 ----
Wellington DAS Fixed	(Core Fixed)	3.0 (68)	5.5 (51)	9.0 (83)	---- ----	---- ----	10.2 (65) 09/08
<i>Barclays Aggregate Index</i>		3.5 ----	5.3 ----	9.5 ----	7.5 ----	5.5 ----	9.2 ----
Barclays TIPS	(Broad Fixed)	3.8 (18)	4.4 (66)	---- ----	---- ----	---- ----	4.4 (66) 12/09
<i>Barclays US TIPS</i>		3.8 ----	4.4 ----	9.5 ----	7.6 ----	5.0 ----	4.4 ----
KDP	(Hi Yield)	-0.7 (82)	2.8 (94)	---- ----	---- ----	---- ----	5.9 (94) 09/09
<i>CSFB High Yield</i>		0.2 ----	4.7 ----	26.9 ----	5.7 ----	6.8 ----	11.2 ----
Post High Yield Bonds	(Hi Yield)	0.8 (27)	4.4 (47)	20.0 (60)	---- ----	---- ----	7.4 (34) 12/07
<i>CSFB High Yield</i>		0.2 ----	4.7 ----	26.9 ----	5.7 ----	6.8 ----	7.3 ----
Brandywine	(Intl Fx)	1.7 (24)	4.2 (25)	16.0 (7)	---- ----	---- ----	6.3 (42) 12/07
<i>Citi World Gov't Bond Index</i>		0.3 ----	-1.0 ----	3.0 ----	7.8 ----	5.1 ----	4.8 ----
Mondrian Global FX	(Intl Fx)	1.0 (34)	1.7 (38)	8.5 (30)	---- ----	---- ----	8.3 (17) 12/07
<i>Citi World Gov't Bond Index</i>		0.3 ----	-1.0 ----	3.0 ----	7.8 ----	5.1 ----	4.8 ----
Wellington Emerging Debt		0.4 ----	5.1 ----	---- ----	---- ----	---- ----	5.1 ---- 12/09
<i>JP Morgan EMBI</i>		1.2 ----	5.6 ----	18.5 ----	8.3 ----	---- ----	5.6 ----

MANAGER VALUE ADDED

Most Recent Quarter

Manager	Benchmark	Value Added Vs. Benchmark
AQR	60 MSCI/40 WGBI	10.2 
Mellon	60 MSCI/40 WGBI	1.2 
Wellington GAA	65World/35Agg	0.3 
SSgA EqWeight	Equal Wtd S&P	0.0 
T Rowe Price	S&P 500	-0.5 
Pimco Stocks +	S&P 500	-0.4 
Champlain	Russell 2500	2.9 
SSgA R2500	Russell 2500	0.0 
SSgA R2000G	Russell 2000G	0.0 
Wellington SCV	Russell 2000V	1.6 
Acadian	EAFE Net	2.4 
Mondrian	EAFE Net	1.8 
Aberdeen	MSCI Emg Mkts	4.3 
Martin Currie	MSCI Emg Mkts	3.3 
Schroders	Dow Jones UBS	-0.5 
Hamilton Lane	Cambridge PE	0.0 
VPIC R E	NCREIF ODCE	-2.0 
Molpus	NCREIF Timber	-2.0 
Total Portfolio	Policy Index	2.3 

Trailing Twelve Months

Manager	Benchmark	Value Added Vs. Benchmark
AQR	60 MSCI/40 WGBI	N/A
Mellon	60 MSCI/40 WGBI	10.4 
Wellington GAA	65World/35Agg	4.6 
SSgA EqWeight	Equal Wtd S&P	0.7 
T Rowe Price	S&P 500	-0.6 
Pimco Stocks +	S&P 500	10.6 
Champlain	Russell 2500	N/A
SSgA R2500	Russell 2500	0.1 
SSgA R2000G	Russell 2000G	0.2 
Wellington SCV	Russell 2000V	5.2 
Acadian	EAFE Net	3.3 
Mondrian	EAFE Net	-0.7 
Aberdeen	MSCI Emg Mkts	10.2 
Martin Currie	MSCI Emg Mkts	-4.0 
Schroders	Dow Jones UBS	N/A
Hamilton Lane	Cambridge PE	-7.8 
VPIC R E	NCREIF ODCE	-2.4 
Molpus	NCREIF Timber	9.5 
Total Portfolio	Policy Index	6.3 

MANAGER VALUE ADDED

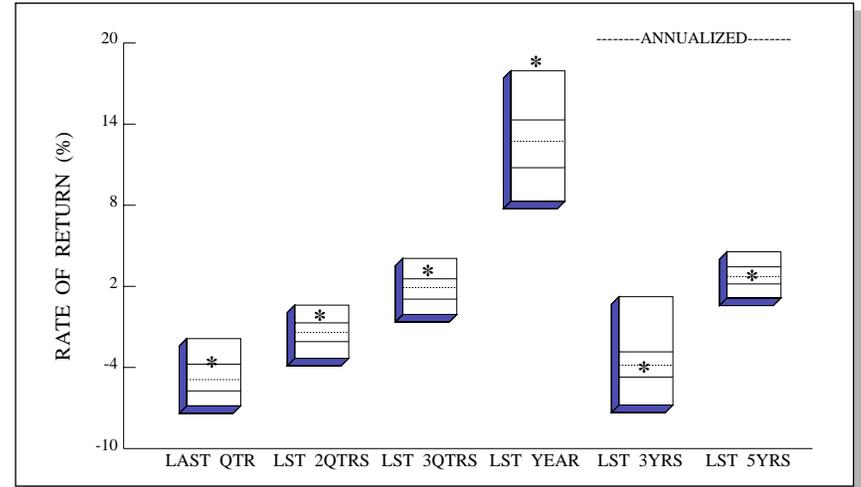
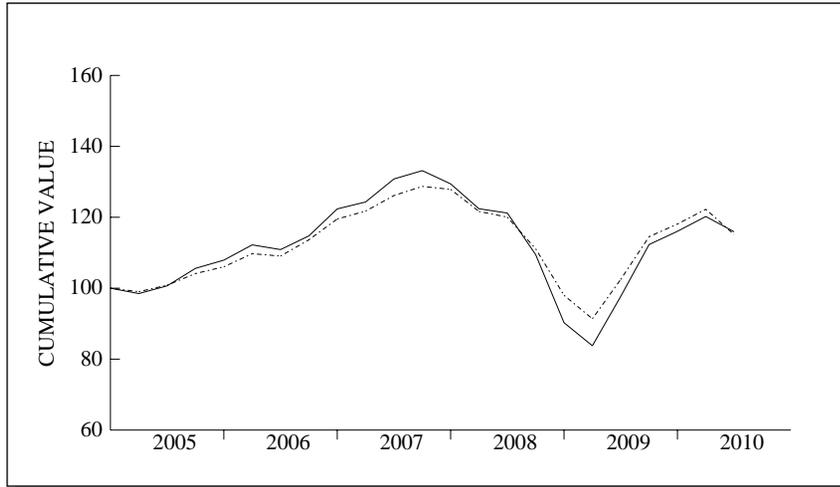
Most Recent Quarter

Manager	Benchmark	Value Added Vs. Benchmark
Oppenheimer	Barclays Agg	-5.2
Pimco All Asset	Barclays Agg	-0.9
Pimco Core Plus	Barclays Agg	0.4
Wellington FX	Barclays Agg	-0.5
Barclays TIPS	Barclays TIPS	0.0
KDP	CSFB High Yield	-0.9
Post HY Bonds	CSFB High Yield	0.5
Brandywine	Citi WGBI	1.4
Mondrian Fixed	Citi WGBI	0.7
Wellington EmFx	JPM EMBI	-0.8
Total Portfolio	Policy Index	2.3

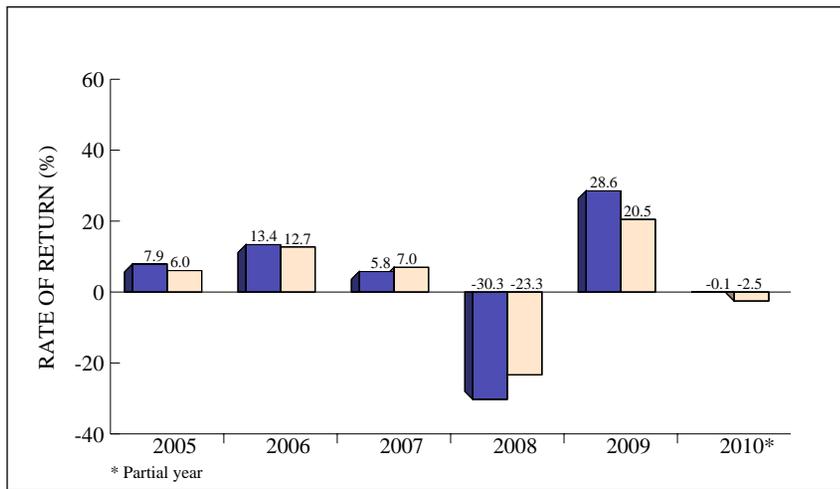
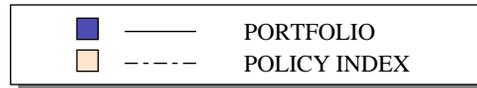
Trailing Twelve Months

Manager	Benchmark	Value Added Vs. Benchmark
Oppenheimer	Barclays Agg	4.5
Pimco All Asset	Barclays Agg	9.3
Pimco Core Plus	Barclays Agg	N/A
Wellington FX	Barclays Agg	-0.5
Barclays TIPS	Barclays TIPS	N/A
KDP	CSFB High Yield	N/A
Post HY Bonds	CSFB High Yield	-6.9
Brandywine	Citi WGBI	12.9
Mondrian Fixed	Citi WGBI	5.5
Wellington EmFx	JPM EMBI	N/A
Total Portfolio	Policy Index	6.3

TOTAL RETURN COMPARISONS



Public Fund Universe

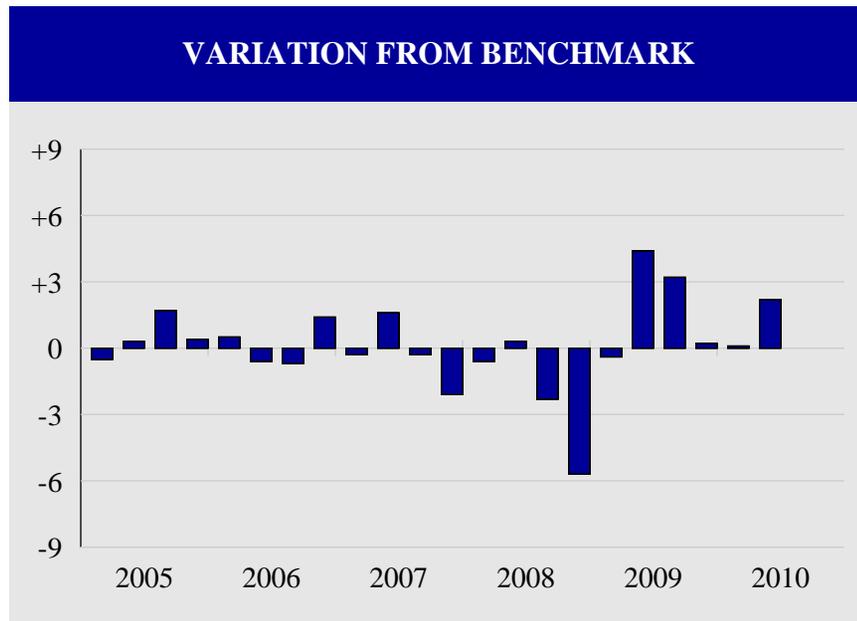


	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED-----	LST 3 YRS	LST 5YRS
RETURN	-3.6	-0.1	3.2	18.7	-3.9	2.9	
(RANK)	(19)	(14)	(15)	(3)	(53)	(44)	
5TH %ILE	-1.9	0.6	4.1	17.9	1.2	4.6	
25TH %ILE	-3.8	-0.7	2.6	14.3	-2.8	3.4	
MEDIAN	-4.9	-1.4	1.9	12.7	-3.8	2.7	
75TH %ILE	-5.7	-2.1	1.1	10.8	-4.7	2.2	
95TH %ILE	-6.8	-3.3	-0.1	8.3	-6.8	1.1	
<i>Policy Index</i>	<i>-5.8</i>	<i>-2.5</i>	<i>0.5</i>	<i>12.3</i>	<i>-3.0</i>	<i>2.7</i>	

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: BURLINGTON POLICY INDEX



Total Quarters Observed	22
Quarters At or Above the Benchmark	12
Quarters Below the Benchmark	10
Batting Average	.545

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	-3.6	-5.8	2.2	15.9	15.1	0.8

APPENDIX - MAJOR MARKET INDEX RETURNS

Domestic Equity	Style	QTR	YTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	-11.3	-6.1	15.7	-9.5	-0.5
S&P 500	Large Cap Core	-11.4	-6.7	14.4	-9.8	-0.8
Russell 1000	Large Cap Core	-11.4	-6.4	15.2	-9.5	-0.6
Russell 1000 Growth	Large Cap Growth	-11.8	-7.6	13.6	-6.9	0.4
Russell 1000 Value	Large Cap Value	-11.2	-5.1	16.9	-12.3	-1.6
Russell Midcap	Midcap	-9.9	-2.1	25.1	-8.2	1.2
Russell Midcap Growth	Midcap Growth	-10.2	-3.3	21.3	-7.5	1.4
Russell Midcap Value	Midcap Value	-9.6	-0.9	28.9	-9.4	0.7
Russell 2000	Small Cap	-9.9	-1.9	21.5	-8.6	0.4
Russell 2000 Growth	Small Cap Growth	-9.2	-2.3	18.0	-7.5	1.1
Russell 2000 Value	Small Cap Value	-10.6	-1.6	25.1	-9.9	-0.5

International Equity	Style	QTR	YTD	1 Year	3 years	5 Years
MSCI EAFE	Developed Markets	-13.8	-12.9	6.4	-12.9	1.3
MSCI EAFE Growth	Developed Markets Growth	-12.3	-10.5	8.9	-11.4	2.0
MSCI EAFE Value	Developed Markets Value	-15.2	-15.4	3.8	-14.6	0.6
MSCI Emerging Markets	Emerging Markets	-8.3	-6.0	23.5	-2.2	13.1

Domestic Fixed Income	Style	QTR	YTD	1 Year	3 years	5 Years
Barclays Aggregate Index	Core Fixed Income	3.5	5.3	9.5	7.5	5.5
Barclays Gov/Credit	Gov/Credit	3.9	5.5	9.6	7.4	5.3
Barclays Capital Gov't Bond	Treasuries	4.2	5.4	6.5	7.6	5.4
Barclays Capital Credit Bond	Corporate Bonds	3.3	5.6	15.4	8.2	5.8
Intermediate Aggregate	Core Intermediate	2.9	4.8	8.7	7.3	5.6
Intermediate Gov/Credit	Gov / Credit Intermediate	3.0	4.6	8.3	7.0	5.3
ML/BoA 1-3 Year Treasury	Short Term Treasuries	1.2	1.9	2.7	4.8	4.2
CSFB High Yield	High Yield Bonds	0.2	4.7	26.9	5.7	6.8

Alternative Assets	Style	QTR	YTD	1 Year	3 years	5 Years
Global Ex-US	International Treasuries	2.4	0.7	5.7	8.7	5.9
NCREIF NFI-ODCE Index	Real Estate	4.4	5.2	-5.9	-11.0	-0.2
HFRI FOF Composite	Hedge Funds	-2.4	-1.0	4.9	-3.1	2.9
HFRI FOF Conservative Index	Hedge Funds - Conservative	-1.5	0.4	5.9	-2.3	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.