

**CITY OF BURLINGTON EMPLOYEES
RETIREMENT PLAN
PERFORMANCE REVIEW
JUNE 2009**



ECONOMIC ENVIRONMENT

Stabilization?

After a terrifying first quarter, during which the economic crisis looked like it would never end, the second quarter looked really good by comparison. There certainly were a number of worrisome events during the quarter: the GM and Chrysler bankruptcies; growing unemployment; the swine flu epidemic; bank stress tests; rising defaults among homeowners and corporations; a skyrocketing federal deficit; and rising interest rates (at the long end), yet analysts and the general public found some reason for optimism after several quarters of precipitous declines. That optimism sprang largely from a less negative outlook for such economic sectors as employment and new housing starts.

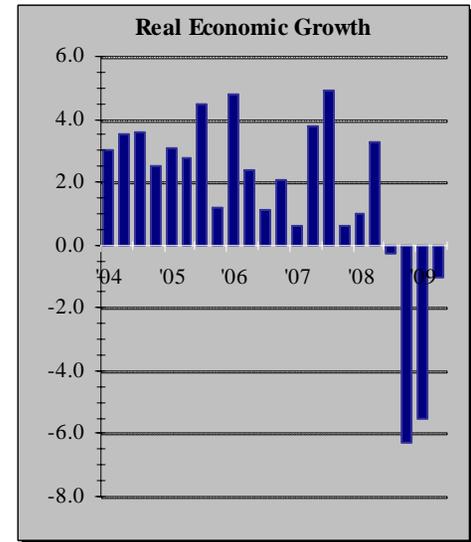
The renewed optimism came as fears of another Great Depression began to subside, giving way to hope that the frenetic US Government spending and savings guarantee programs were helping. The results of the bank stress tests were encouraging, suggesting that the wobbly banking sector would survive. Further, lower mortgage rates began to stimulate the faltering housing market and the ISM reported that new manufacturer orders had risen for the sixth straight month. Importantly, the \$787 billion U.S. stimulus program was in sync with similar programs in the UK, China and other recession-impacted countries. This good news helped materially to avoid a global financial meltdown.

The American economy contracted 5.5% during the first quarter – the worst GDP performance in 50 years. Early data confirms that contraction during the second quarter was far less, at negative 2%. Inflation was up 0.8% during the quarter (3.3% annualized) but actually down 1.4% for the trailing year. In this environment, the Federal Reserve was free to keep the targeted fed funds rate near zero percent. In June, job losses rose to 467,000 from 322,000 a month earlier. Accordingly, the unemployment rate rose to a 26-year high of 9.5% and is expected to exceed 10% by year-end.

U.S. sales, inflation and currency data provided a very mixed picture. Retail sales were lifted by purchases at gasoline stations. Both producer prices and the CPI fell dramatically through May, but ratcheted up again in June. The U.S. Treasury successfully sold \$500 billion in new debt; this occurred despite the U.S. dollar weakening approximately 6% against the Euro and despite China questioning the safety of its

\$1 trillion in U.S. dollar reserves. However, the new debt offerings drove up yields 83 basis points on the bellwether 10-year Treasuries. These issues posted their worst performance (-6.2%) since 1981.

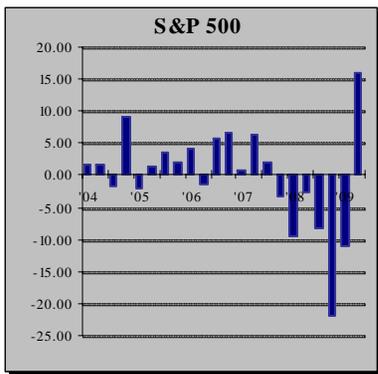
During the quarter, the economy's base building led to sharp price gains in US stocks and corporate bonds. The story was similar around the world. Bottom line: the panic appears to be over, but the underlying reasons for concern are still very much with us.



EQUITY MARKET

The stock market turned around rapidly, posting the best results since the 4th quarter of 1998. Stock indices rose at a double-digit pace for both the smallest of small cap to the largest of large cap, whether value or growth style. With the S&P (+15.9%) as a reference, small-cap growth stocks fared particularly well (+23.4%). While REITs represent a tiny percentage of the total market, the S&P US REIT index staged a phenomenal 30.2% comeback. Large cap growth and value stocks fared equally well gaining 16.3% and 16.7%

respectively. Mid-cap growth stocks fared the best, returning 30.0%, while the mega-cap stocks in the S&P 100 brought up the rear, climbing 14.6%.



Financial names posted a 44% gain, the highest among S&P sectors, as investors bet heavily that banks and brokerages would return to profitability. The technology sector advanced approximately 19% in anticipation of an economic recovery. IBM, Google and Intel second quarter earnings were higher than expected, supporting the case for a turnaround.

Lest we forget, one quarter of great results wasn't enough to offset the red ink that flowed in the prior three quarters. The S&P lost 26.2% for the latest 12-months and was down a depressing 2.2% per year for the latest 10-years. Equity investors still have a long way to go before returning to long-term positive territory.

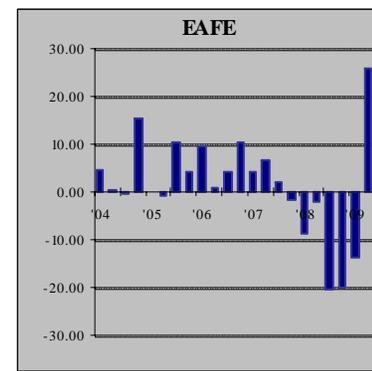
At quarter end, the average stock in the S&P 500 yielded 3.2%, and sold at a p/e of 12.4.

INTERNATIONAL EQUITIES

Most international markets rallied even more than the U.S. The EAFE Index, comprised of mature country stocks, gained 25.9% in U.S. dollar terms. EAFE Index's three regional indices also fared well. Japan climbed 23.1% and Europe was up 25.9%; the Far East X-Japan outperformed by 32.0%. All three benefited from the depreciation of the U.S. dollar vs. other major currencies.

The really big winners were in emerging markets. Overall, the Emerging Markets Index soared 34.8%. While China's growth rate

declined from prior years, it still gained 7.9 % in the second quarter. Likewise, neither India nor Brazil felt the full effects of the global slowdown.

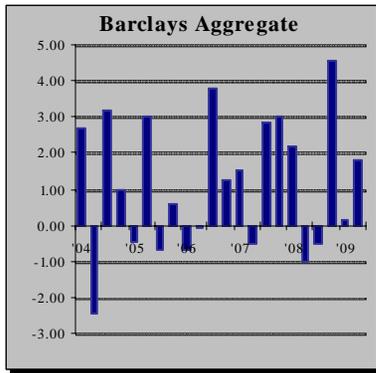


Ranked from high to low, the EAFE Index's sector performance was strikingly similar to that of the S&P with financials leading the charge for both indices. The EAFE Index's financials shot up a breathtaking 41.5%. Likewise, its defensive sectors, including health care and utilities were relative laggards. Clearly, non-U.S. stocks no longer march to their own beat and are for now more closely aligned with their U.S. counterparts.

BOND MARKET

Risk-taking paid off for aggressive bond investors last quarter. The lower the credit quality, the better the outcome! Top honors went to the Barclays CAA quality index, which jumped approximately 38.8%. BAA names, representing the lowest end of the investment grade index, added 12.8%. Corporate bonds, in general, came back from the dead, as the Barclays Credit Index rose 8.8%. Even the much-maligned CMBS (commercial mortgage-backed securities) corner of the market rose 12.5%.

A good bit of this corporate bond turnaround reflected the unwinding of the flight-to-quality trade. Just as important was the partial return of liquidity that had all but frozen up last year. Alphabet soup programs, including TALF, BAB (Buy America Bonds), TARP and most recently PPIP (Public-Private Investment Program) boosted the confidence of the most frightened traders and bond managers.



In such a hopeful mood, investors sold Treasuries to fund their purchases of corporates. That tactic and global concern over the US government's ballooning federal deficit led to distinctly higher interest rates. Ten-year maturity Treasuries lost 6.2% total return and 30-year Treasuries plummeted 11.4%. Importantly, however, the US

was able to sell a record amount of debt to fund its stimulus programs. In the week of June 22, alone, Treasury sales totaled \$104 billion.

As Treasuries and Agency bond sectors comprise more than half of the domestic market, the Barclays Aggregate Index eked out a modest 1.8% return. That was because more meaningful gains resided in the spread product, namely corporate bonds of all stripes and quality.

The average maturity of the Barclays Aggregate index was 6.7 years at the end of the quarter. The interest rate sensitivity (duration) was 4.30 years (on an adjusted basis) and the average yield was 4.1%.

CASH EQUIVALENTS

Treasury bills returned 0.05% for the quarter, producing a trailing 12-month total return on cash and equivalents of only 0.63%.

MARKET SUMMARY

ECONOMIC STATISTICS

| | CURRENT QTR | LAST QTR |
|---------------------|-------------|----------|
| GDP | -1.0 | -5.5 |
| Unemployment | 9.5 | 8.5 |
| CPI Year/Year | -1.40 | -0.40 |
| Fed Funds Rate | 0.25 | 0.25 |
| Industrial Capacity | 68.0 | 69.5 |
| US Dollars per Euro | 1.41 | 1.32 |

MAJOR INDEX QUARTER RETURNS

| INDEX | PERFORMANCE |
|---------------|-------------|
| Russell 3000 | 16.8 |
| S&P 500 | 15.9 |
| Russell Mid | 20.8 |
| Russell 2000 | 20.7 |
| MSCI EAFE | 25.9 |
| MSCI Emg Mkts | 34.8 |
| NCREIF ODCE | -9.3 |
| Barclays Agg | 1.8 |
| 90 Day Tbills | 0.0 |

EQUITY RETURN DISTRIBUTIONS

| | QUARTER | | | TRAILING YEAR | | |
|----|---------|------|------|---------------|-------|-------|
| | VAL | COR | GRO | VAL | COR | GRO |
| LC | 16.7 | 16.5 | 16.3 | -29.0 | -26.7 | -24.5 |
| MC | 20.9 | 20.8 | 20.7 | -30.5 | -30.4 | -30.3 |
| SC | 18.0 | 20.7 | 23.4 | -25.2 | -25.0 | -24.9 |

MARKET SUMMARY

- * The equity markets recovered a portion of their losses, reflecting cautious optimism among investors.
- * Unemployment reached 9.5% as production capacity leveled off.
- * The US dollar weakened amid an expanding federal debt.
- * The CPI has declined over the trailing twelve months.

INVESTMENT RETURN

On June 30th, 2009, the City of Burlington Employees Retirement Fund was valued at \$93,495,895, which represented a \$12,333,935 increase over the March ending value of \$81,161,960. Over the last three months, the portfolio recorded \$1,030,581 in net withdrawals, which partially offset the portfolio's net investment gain of \$13,364,520. Barring income receipts during the second quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$13,364,520.

Since December 2001, the account has recorded net withdrawals totaling \$14.9 million and recorded net investment gains totaling \$9.6 million. For the period since December 2001, if the portfolio earned a compounded nominal rate of 8.0% it would have been worth \$154.0 million or \$60.5 million more than its actual value as of June 30th, 2009.

RELATIVE PERFORMANCE

Total Fund

For the second quarter, the Composite portfolio returned 16.5%, which was 4.3% greater than the Burlington Policy Index's return of 12.2% and ranked in the 8th percentile of the Public Fund universe. Over the trailing twelve-month period, the portfolio returned -19.5%, which was 4.9% less than the benchmark's -14.6% performance, ranking in the 78th percentile. Since December 2001, the account returned 1.5% per annum and ranked in the 97th percentile. The Burlington Policy Index returned an annualized 3.2% over the same time frame.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

| | Quarter | Y-T-D | 12 Months | Annualized | |
|-------------------------|---------|--------|-----------|------------|---------------|
| | | | | 3-Years | Since 12/2001 |
| Total Portfolio | 16.5% | 8.1% | - 19.5% | - 4.2% | 1.5% |
| <i>PUBLIC FUND RANK</i> | (8) | (7) | (78) | (90) | (97) |
| POLICY INDEX | 12.2 | 4.6 | - 14.6 | - 2.1 | 3.2 |
| LEGACY INDEX | 12.2 | 4.6 | - 14.6 | - 2.2 | 2.4 |
| VPIC INDEX | 12.9 | 4.7 | - 19.9 | - 3.7 | 3.1 |
| Diversified | 16.7 | 11.1 | - 19.1 | ---- | ---- |
| <i>BALANCED RANK</i> | (20) | (10) | (65) | | |
| 60 MSCI/40 WGBI | 13.7 | 3.4 | - 16.1 | - 1.0 | 4.9 |
| Equity | 21.3 | 9.2 | - 25.4 | ---- | ---- |
| <i>BROAD EQ RANK</i> | (26) | (32) | (41) | | |
| RUSSELL 3000 | 16.8 | 4.2 | - 26.6 | - 8.3 | - 0.4 |
| Foreign Equity | 26.8 | 7.8 | - 30.0 | ---- | ---- |
| <i>INTL EQ RANK</i> | (30) | (55) | (52) | | |
| MSCI EAFE | 25.9 | 8.4 | - 31.0 | - 7.5 | 4.7 |
| MSCI EMG MKTS | 34.8 | 36.2 | - 27.9 | 3.2 | 15.4 |
| Private Equity | 0.0 | ---- | ---- | ---- | ---- |
| CAMBRIDGE PE | 0.0 | - 3.2 | - 24.7 | 1.8 | 10.4 |
| Real Estate | - 14.8 | - 28.5 | - 25.5 | ---- | ---- |
| NCREIF ODCE | - 9.3 | - 21.9 | - 30.9 | - 4.2 | 5.6 |
| Timber | 1.5 | ---- | ---- | ---- | ---- |
| NCREIF TIMBER | - 1.2 | - 0.5 | 3.3 | 11.5 | 10.7 |
| Fixed Income | 11.0 | 11.9 | - 2.4 | ---- | ---- |
| <i>BROAD FIXED RANK</i> | (19) | (16) | (87) | | |
| BARCLAYS AGG | 1.8 | 1.9 | 6.1 | 6.4 | 5.2 |

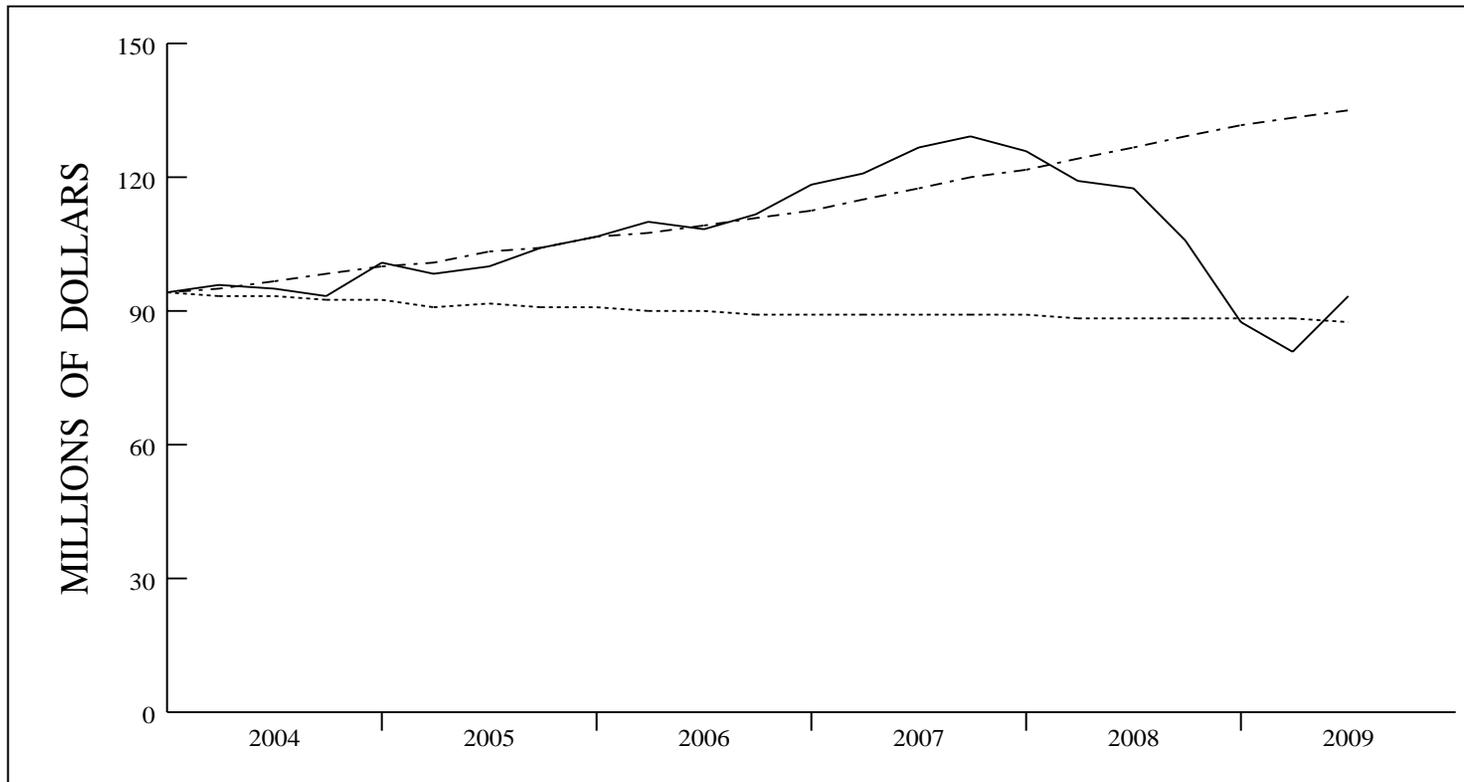
ASSET ALLOCATION

| | | |
|------------------------|---------------|------------------------|
| Diversified | 9.9% | \$ 9, 273, 236 |
| Equity | 42.1% | 39, 395, 991 |
| Foreign Equity | 18.7% | 17, 446, 040 |
| Private Equity | 0.6% | 572, 203 |
| Real Estate | 5.2% | 4, 823, 328 |
| Timber | 0.6% | 517, 621 |
| Fixed Income | 22.8% | 21, 348, 471 |
| Cash | 0.1% | 119, 005 |
| Total Portfolio | 100.0% | \$ 93, 495, 895 |

INVESTMENT RETURN

| | |
|------------------------|---------------|
| Market Value 3/2009 | \$ 81,161,960 |
| Contribs / Withdrawals | - 1,030,581 |
| Income | 0 |
| Capital Gains / Losses | 13,364,516 |
| Market Value 6/2009 | \$ 93,495,895 |

INVESTMENT GROWTH



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

VALUE ASSUMING
 8.0% RETURN
 \$ 135,649,000

| | LAST QUARTER | PERIOD 12/03 - 6/09 |
|--------------------------|-------------------|------------------------|
| BEGINNING VALUE | \$ 81,161,960 | \$ 94,895,952 |
| NET CONTRIBUTIONS | - 1,030,581 | - 7,147,644 |
| <u>INVESTMENT RETURN</u> | <u>13,364,520</u> | <u>5,747,587</u> |
| ENDING VALUE | \$ 93,495,895 | \$ 93,495,895 |
| INCOME | 0 | 8,600,452 |
| CAPITAL GAINS (LOSSES) | <u>13,364,520</u> | <u>- 2,852,865</u> |
| <u>INVESTMENT RETURN</u> | <u>13,364,520</u> | <u>5,747,587</u> |

MANAGER PERFORMANCE SUMMARY

| Name | (Universe) | Quarter | 1 Year |
|---|--------------------|-------------|--------------|
| Mellon | --- | 15.1 | -23.7 |
| <i>60% MSCI World / 40% CITI WGBI</i> | | <i>13.7</i> | <i>-16.8</i> |
| Wellington GAA | --- | 18.2 | --- |
| <i>65% MSCI World / 35% Barclays Agg.</i> | | <i>14.9</i> | <i>-17.6</i> |
| SSgA Equal Weight | (Large Cap Core) | 25.3 | -24.3 |
| <i>Equal Weight S&P 500</i> | | <i>25.1</i> | <i>-23.6</i> |
| T Rowe Price | (Large Cap Core) | 16.8 | -24.4 |
| Pimco Stocks + | (Large Cap Core) | 23.7 | -29.2 |
| <i>S&P 500</i> | | <i>15.9</i> | <i>-26.2</i> |
| SSgA R2500 | (SMid Cap) | 19.9 | -27.0 |
| <i>Russell 2500</i> | | <i>20.3</i> | <i>-26.7</i> |
| SSgA R2000 Growth | (Small Cap Growth) | 23.2 | -24.9 |
| <i>Russell 2000 Growth</i> | | <i>23.4</i> | <i>-24.8</i> |
| Wellington SCV | (Small Cap Value) | 19.8 | -20.5 |
| <i>Russell 2000 Value</i> | | <i>18.0</i> | <i>-25.2</i> |
| Acadian | (Int'l Equity) | 24.4 | -39.1 |
| Mondrian | (Int'l Equity) | 21.0 | -27.2 |
| <i>MSCI EAFE Net</i> | | <i>25.4</i> | <i>-31.4</i> |

| Name | (Universe) | Quarter | 1 Year |
|------------------------------------|--------------------|-------------|--------------|
| Aberdeen | (Emerging Markets) | 41.7 | -14.9 |
| Martin Currie | (Emerging Markets) | 28.9 | --- |
| <i>MSCI Emerging Markets</i> | | <i>34.7</i> | <i>-28.1</i> |
| VPIC Real Estate | --- | -14.8 | -37.2 |
| <i>NCREIF NFI-ODCE</i> | | <i>-9.3</i> | <i>-11.6</i> |
| Molpus | --- | 1.5 | --- |
| <i>NCREIF Timber</i> | | <i>-1.2</i> | <i>1.1</i> |
| Logan / Delaware | (Core Fixed) | 11.7 | -4.5 |
| Oppenheimer | (Core Fixed) | 7.2 | -4.3 |
| Pimco All Asset | (Core Fixed) | 12.9 | -6.3 |
| Wellington Fixed | (Core Fixed) | 3.5 | --- |
| <i>Barclays Aggregate Index</i> | | <i>1.8</i> | <i>6.1</i> |
| Post High Yield Bond | (High Yield Bond) | 13.7 | -0.7 |
| <i>Barclays High Yield</i> | | <i>23.1</i> | <i>-2.4</i> |
| Brandywine | (Global Fixed) | 13.2 | -0.2 |
| Mondrian Fixed | (Global Fixed) | 6.8 | 7.3 |
| <i>Citi World Gov't Bond Index</i> | | <i>3.5</i> | <i>4.0</i> |
| Total Portfolio | (Public Fund) | 16.5 | -19.5 |
| <i>Burlington Policy Index</i> | | <i>12.2</i> | <i>-5.1</i> |

MANAGER VALUE ADDED

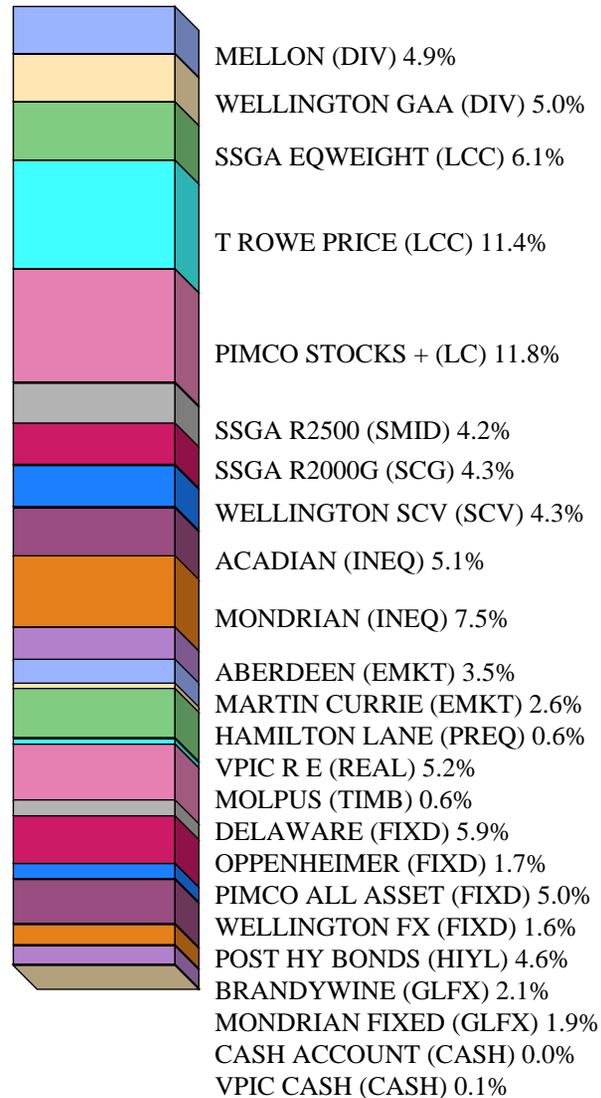
Most Recent Quarter

| Manager | Benchmark | Value Added Vs. Benchmark |
|------------------------|---------------------|---------------------------|
| Mellon | 60 MSCI/40 WGBI | 1.4 |
| Wellington GAA | 65World/35Agg | 4.2 |
| SSgA EqWeight | Equal Wtd S&P | 0.1 |
| T Rowe Price | S&P 500 | 0.9 |
| Pimco Stocks + | S&P 500 | 7.8 |
| SSgA R2500 | Russell 2500 | -0.4 |
| SSgA R2000G | Russell 2000G | -0.2 |
| Wellington SCV | Russell 2000V | 1.8 |
| Acadian | EAFE Net | -1.1 |
| Mondrian | EAFE Net | -4.4 |
| Aberdeen | MSCI Emg Mkts | 6.9 |
| Martin Currie | MSCI Emg Mkts | -6.0 |
| Hamilton Lane | Cambridge PE | 0.0 |
| VPIC R E | NCREIF ODCE | -5.5 |
| Molpus | NCREIF Timber | 2.7 |
| Delaware | Barclays Agg | 9.9 |
| Oppenheimer | Barclays Agg | 5.4 |
| Pimco All Asset | Barclays Agg | 11.1 |
| Wellington FX | Barclays Agg | 1.7 |
| Post HY Bonds | CSFB High Yield | -6.6 |
| Brandywine | Citi WGBI | 9.8 |
| Mondrian Fixed | Citi WGBI | 3.3 |
| Total Portfolio | Policy Index | 4.4 |

Trailing Twelve Months

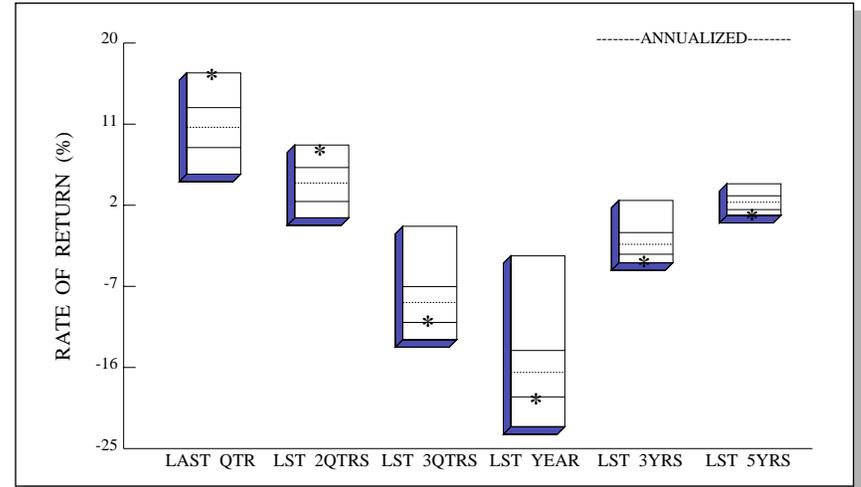
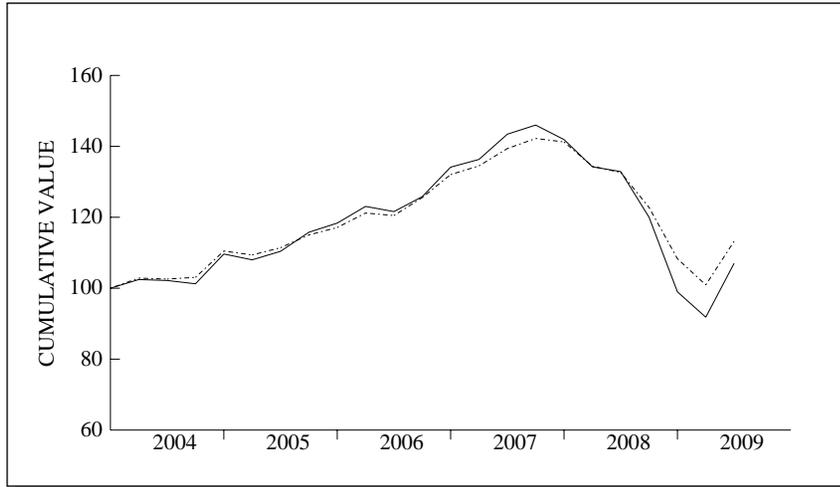
| Manager | Benchmark | Value Added Vs. Benchmark |
|------------------------|---------------------|---------------------------|
| Mellon | 60 MSCI/40 WGBI | -7.5 |
| Wellington GAA | 65World/35Agg | N/A |
| SSgA EqWeight | Equal Wtd S&P | -0.2 |
| T Rowe Price | S&P 500 | 1.8 |
| Pimco Stocks + | S&P 500 | -3.0 |
| SSgA R2500 | Russell 2500 | -0.3 |
| SSgA R2000G | Russell 2000G | -0.1 |
| Wellington SCV | Russell 2000V | 4.8 |
| Acadian | EAFE Net | -7.7 |
| Mondrian | EAFE Net | 4.2 |
| Aberdeen | MSCI Emg Mkts | 13.0 |
| Martin Currie | MSCI Emg Mkts | N/A |
| Hamilton Lane | Cambridge PE | N/A |
| VPIC R E | NCREIF ODCE | -6.4 |
| Molpus | NCREIF Timber | N/A |
| Delaware | Barclays Agg | -10.6 |
| Oppenheimer | Barclays Agg | -10.4 |
| Pimco All Asset | Barclays Agg | -12.3 |
| Wellington FX | Barclays Agg | N/A |
| Post HY Bonds | CSFB High Yield | 4.3 |
| Brandywine | Citi WGBI | -4.2 |
| Mondrian Fixed | Citi WGBI | 3.3 |
| Total Portfolio | Policy Index | -4.8 |

MANAGER ALLOCATION SUMMARY

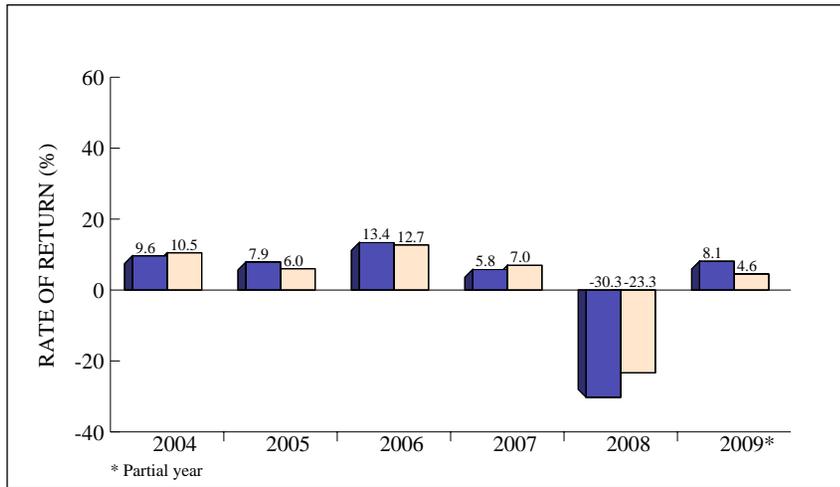
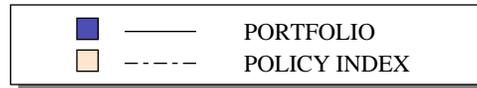


| Name | Market Value | Percent |
|------------------------|---------------------|--------------|
| Mellon (DIV) | \$4,609,048 | 4.9 |
| Wellington GAA (DIV) | \$4,664,188 | 5.0 |
| SSgA EqWeight (LCC) | \$5,702,115 | 6.1 |
| T Rowe Price (LCC) | \$10,622,032 | 11.4 |
| Pimco Stocks + (LC) | \$11,051,515 | 11.8 |
| SSgA R2500 (SMID) | \$3,948,388 | 4.2 |
| SSgA R2000G (SCG) | \$4,045,311 | 4.3 |
| Wellington SCV (SCV) | \$4,026,630 | 4.3 |
| Acadian (INEQ) | \$4,759,863 | 5.1 |
| Mondrian (INEQ) | \$6,980,684 | 7.5 |
| Aberdeen (EMKT) | \$3,244,103 | 3.5 |
| Martin Currie (EMKT) | \$2,461,390 | 2.6 |
| Hamilton Lane (PREQ) | \$572,203 | 0.6 |
| VPIC R E (REAL) | \$4,823,328 | 5.2 |
| Molpus (TIMB) | \$517,621 | 0.6 |
| Delaware (FIXD) | \$5,523,405 | 5.9 |
| Oppenheimer (FIXD) | \$1,584,614 | 1.7 |
| Pimco All Asset (FIXD) | \$4,668,202 | 5.0 |
| Wellington FX (FIXD) | \$1,463,247 | 1.6 |
| Post HY Bonds (HIYL) | \$4,311,102 | 4.6 |
| Brandywine (GLFX) | \$1,977,286 | 2.1 |
| Mondrian Fixed (GLFX) | \$1,820,615 | 1.9 |
| Cash Account (CASH) | \$22,942 | 0.0 |
| VPIC Cash (CASH) | \$96,063 | 0.1 |
| Total Fund | \$93,495,895 | 100.0 |

TOTAL RETURN COMPARISONS



Public Fund Universe



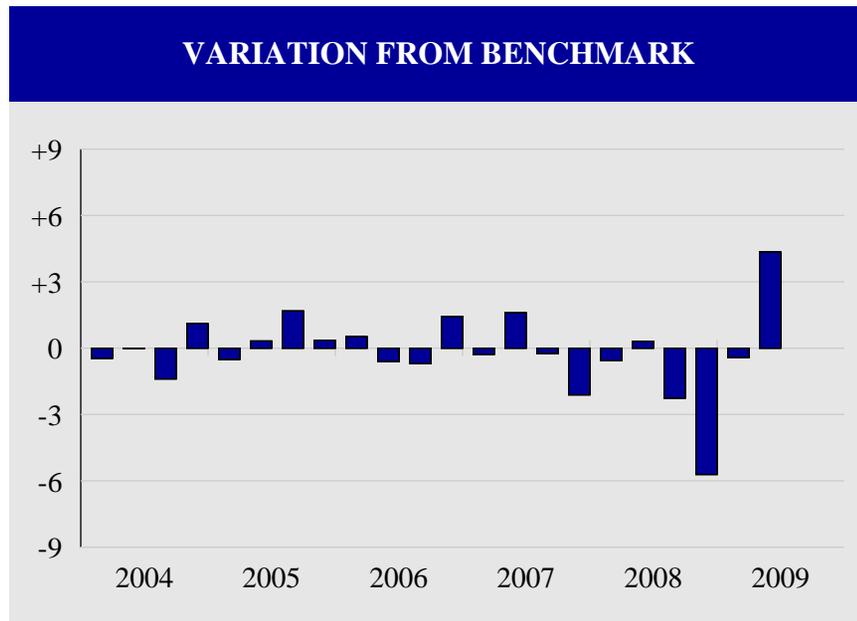
* Partial year

| | LAST QTR | LST 2QTRS | LST 3QTRS | LST YEAR | -----ANNUALIZED----- | |
|---------------------|-------------|------------|-------------|--------------|----------------------|------------|
| | | | | | LST 3YRS | LST 5YRS |
| RETURN | 16.5 | 8.1 | -10.8 | -19.5 | -4.2 | 0.9 |
| (RANK) | 8 | 7 | 74 | 78 | 90 | 94 |
| HIGHEST | 16.7 | 8.7 | -0.3 | -3.6 | 2.5 | 4.4 |
| 25TH %ILE | 12.8 | 6.2 | -7.0 | -14.1 | -1.0 | 3.1 |
| MEDIAN | 10.7 | 4.5 | -8.8 | -16.6 | -2.3 | 2.3 |
| 75TH %ILE | 8.4 | 2.4 | -11.0 | -19.3 | -3.4 | 1.5 |
| LOWEST | 5.5 | 0.6 | -12.9 | -22.6 | -4.4 | 0.9 |
| Policy Index | 12.2 | 4.6 | -7.8 | -14.6 | -2.1 | 2.0 |

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: BURLINGTON POLICY INDEX



| RATES OF RETURN | | | |
|-----------------|-----------|-----------|------------|
| Date | Portfolio | Benchmark | Difference |
| 3/04 | 2.4 | 2.9 | -0.5 |
| 6/04 | -0.3 | -0.3 | 0.0 |
| 9/04 | -0.9 | 0.5 | -1.4 |
| 12/04 | 8.3 | 7.2 | 1.1 |
| 3/05 | -1.5 | -1.0 | -0.5 |
| 6/05 | 2.2 | 1.9 | 0.3 |
| 9/05 | 4.9 | 3.2 | 1.7 |
| 12/05 | 2.2 | 1.8 | 0.4 |
| 3/06 | 4.0 | 3.5 | 0.5 |
| 6/06 | -1.2 | -0.6 | -0.6 |
| 9/06 | 3.5 | 4.2 | -0.7 |
| 12/06 | 6.6 | 5.2 | 1.4 |
| 3/07 | 1.6 | 1.9 | -0.3 |
| 6/07 | 5.2 | 3.6 | 1.6 |
| 9/07 | 1.8 | 2.0 | -0.2 |
| 12/07 | -2.8 | -0.7 | -2.1 |
| 3/08 | -5.4 | -4.8 | -0.6 |
| 6/08 | -1.0 | -1.3 | 0.3 |
| 9/08 | -9.7 | -7.4 | -2.3 |
| 12/08 | -17.5 | -11.8 | -5.7 |
| 3/09 | -7.2 | -6.8 | -0.4 |
| 6/09 | 16.5 | 12.2 | 4.3 |

| | |
|---|-------------|
| Total Quarters Observed | 22 |
| Quarters At or Above the Benchmark | 10 |
| Quarters Below the Benchmark | 12 |
| Batting Average | .455 |

APPENDIX - MAJOR MARKET INDEX RETURNS

| Domestic Equity | Style | QTR | YTD | 1 Year | 3 Years | 5 Years |
|------------------------------|----------------------------|------------|------------|---------------|----------------|----------------|
| Russell 3000 | Broad Equity | 16.8 | 4.2 | -26.6 | -8.3 | -1.8 |
| S&P 500 | Large Cap Core | 15.9 | 3.2 | -26.2 | -8.2 | -2.2 |
| Russell 1000 | Large Cap Core | 16.5 | 4.3 | -26.7 | -8.2 | -1.9 |
| Russell 1000 Growth | Large Cap Growth | 16.3 | 11.5 | -24.5 | -5.4 | -1.8 |
| Russell 1000 Value | Large Cap Value | 16.7 | -2.9 | -29.0 | -11.1 | -2.1 |
| Russell Midcap | Midcap | 20.8 | 10.0 | -30.4 | -9.3 | -0.1 |
| Russell Midcap Growth | Midcap Growth | 20.7 | 16.6 | -30.3 | -7.9 | -0.4 |
| Russell Midcap Value | Midcap Value | 20.9 | 3.2 | -30.5 | -11.1 | -0.4 |
| Russell 2000 | Small Cap | 20.7 | 2.6 | -25.0 | -9.9 | -1.7 |
| Russell 2000 Growth | Small Cap Growth | 23.4 | 11.4 | -24.9 | -7.8 | -1.3 |
| Russell 2000 Value | Small Cap Value | 18.0 | -5.2 | -25.2 | -12.1 | -2.3 |
| International Equity | Style | QTR | YTD | 1 Year | 3 Years | 5 Years |
| MSCI EAFE | Developed Markets | 25.9 | 8.4 | -31.0 | -7.5 | 2.8 |
| MSCI EAFE Growth | Developed Markets Growth | 21.7 | 6.7 | -33.4 | -7.0 | 2.6 |
| MSCI EAFE Value | Developed Markets Value | 30.8 | 10.5 | -28.2 | -8.0 | 3.0 |
| MSCI Emerging Markets | Emerging Markets | 34.8 | 36.2 | -27.9 | 3.2 | 15.1 |
| Domestic Fixed Income | Style | QTR | YTD | 1 Year | 3 Years | 5 Years |
| Barclays Aggregate Index | Core Fixed Income | 1.8 | 1.9 | 6.1 | 6.4 | 5.0 |
| Barclays Gov/Credit | Gov/Credit | 1.8 | 0.5 | 5.2 | 6.2 | 4.8 |
| Barclays Capital Gov't Bond | Treasuries | -2.2 | -3.2 | 6.6 | 7.3 | 5.4 |
| Barclays Capital Credit Bond | Corporate Bonds | 10.5 | 8.5 | 5.6 | 5.4 | 4.4 |
| Intermediate Aggregate | Core Intermediate | 1.7 | 2.6 | 6.1 | 6.4 | 4.9 |
| Intermediate Gov/Credit | Gov / Credit Intermediate | 1.7 | 1.6 | 5.3 | 6.1 | 4.6 |
| ML 1-3 Year Treasury | Short Term Treasuries | -0.1 | 0.0 | 4.4 | 5.6 | 4.1 |
| CSFB High Yield | High Yield Bonds | 20.2 | 27.2 | -5.0 | 1.4 | 3.8 |
| Alternate Assets | Style | QTR | YTD | 1 Year | 3 Years | 5 Years |
| Global Ex-US | International Treasuries | 5.6 | -0.6 | 3.4 | 8.0 | 6.3 |
| NCREIF NFI-ODCE Index | Real Estate | -9.3 | -21.9 | -30.9 | -4.2 | 4.3 |
| HFRI FOF Composite | Hedge Funds | 5.0 | 5.5 | -12.8 | -0.2 | 3.2 |
| HFRI FOF Conservative Index | Hedge Funds - Conservative | 4.0 | 4.4 | -11.8 | -0.7 | 2.3 |

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.

CITY OF BURLINGTON EMPLOYEES RETIREMENT SYSTEM
MARTIN CURRIE
PERFORMANCE REVIEW
JUNE 2009

INVESTMENT RETURN

As of June 30th, 2009, the City of Burlington Employees Retirement System's Martin Currie account was valued at \$2,461,390, representing a \$551,351 increase over the March quarter's ending value of \$1,910,039. Over the last three months, the portfolio posted no net contributions or withdrawals and recorded \$551,351 in net investment returns. Barring income receipts during the quarter, the portfolio's net investment return was the result of \$551,351 in realized and unrealized capital gains.

For the cumulative period since March 2009, the portfolio has recorded \$551,351 in net investment gains. For the period since March 2009, if the fund earned a compounded nominal rate of 8.0% it would have been worth \$1.9 million or \$514,245 less than its actual value as of June 30th, 2009.

RELATIVE PERFORMANCE

Total Fund

During the second quarter, the Martin Currie portfolio gained 28.9%, which was 5.9% less than the MSCI Emerging Market Index's return of 34.8% and ranked in the 93rd percentile of the Emerging Markets universe.

ASSET ALLOCATION

This account was fully invested.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

| | Quarter | Y-T-D | 12 Months | 3 Years* | Since 3/2009 |
|--------------------------|---------|-------|-----------|----------|--------------|
| Total Portfolio | 28.9% | ---- | ---- | ---- | 28.9% |
| <i>EMERGING MKT RANK</i> | (93) | | | | (93) |
| MSCI EMG MKTS | 34.8 | 36.2 | -27.9 | 3.2 | 34.8 |
| Foreign Equity | 28.9 | ---- | ---- | ---- | 28.9 |
| <i>EMERGING MKT RANK</i> | (93) | | | | (93) |
| MSCI EMG MKTS | 34.8 | 36.2 | -27.9 | 3.2 | 34.8 |

ASSET ALLOCATION

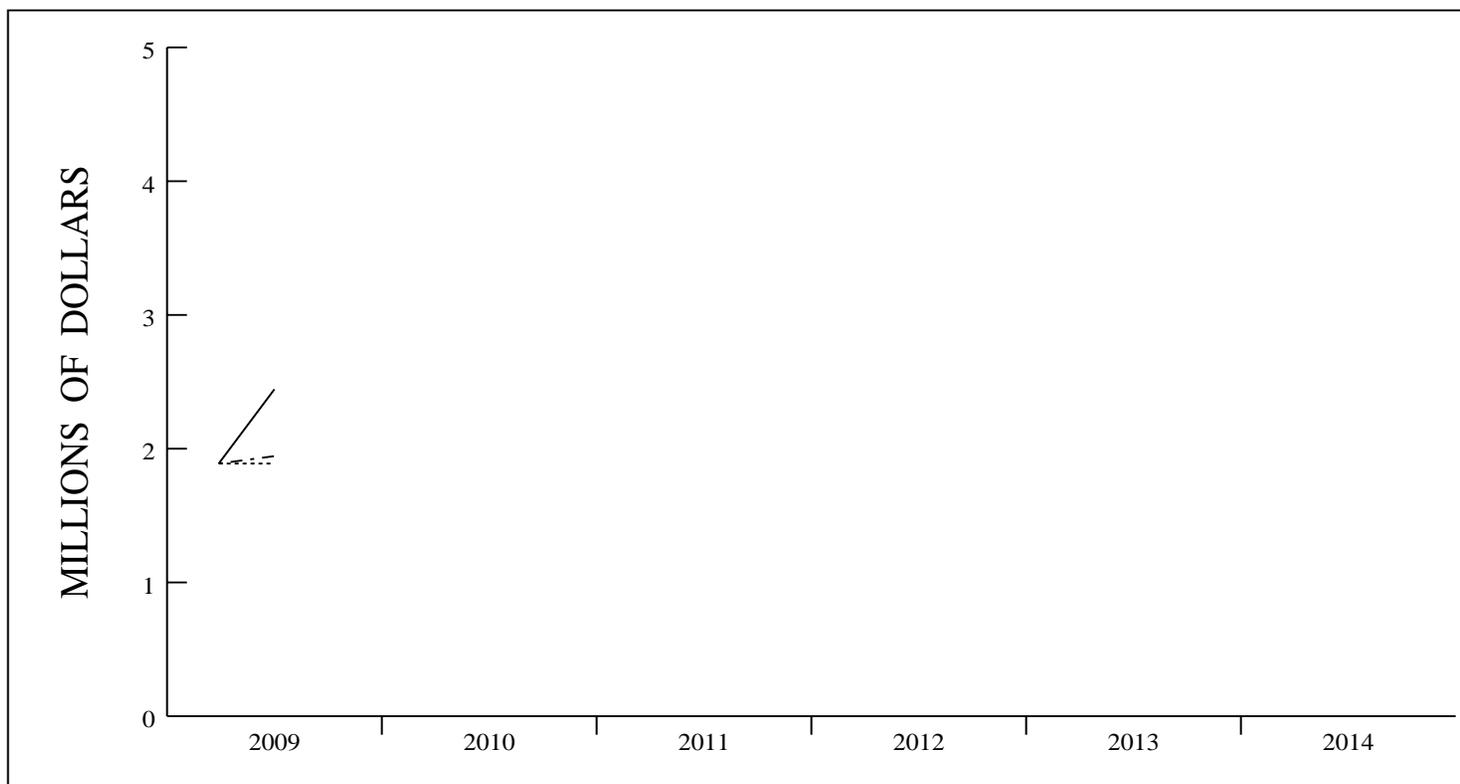
| | | |
|------------------------|---------------|---------------------|
| Diversified | 0.0% | \$ 0 |
| Equity | 0.0% | 0 |
| Foreign Equity | 100.0% | 2,461,390 |
| Real Estate | 0.0% | 0 |
| Fixed Income | 0.0% | 0 |
| Other | 0.0% | 0 |
| Cash | 0.0% | 0 |
| Total Portfolio | 100.0% | \$ 2,461,390 |

INVESTMENT RETURN

| | |
|------------------------|--------------|
| Market Value 3/2009 | \$ 1,910,039 |
| Contribs / Withdrawals | 0 |
| Income | 0 |
| Capital Gains / Losses | 551,351 |
| Market Value 6/2009 | \$ 2,461,390 |

* Annualized Return

INVESTMENT GROWTH

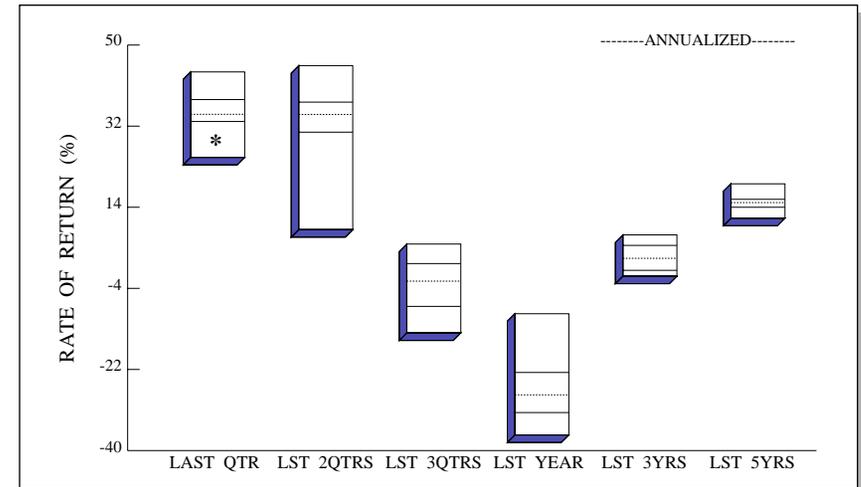
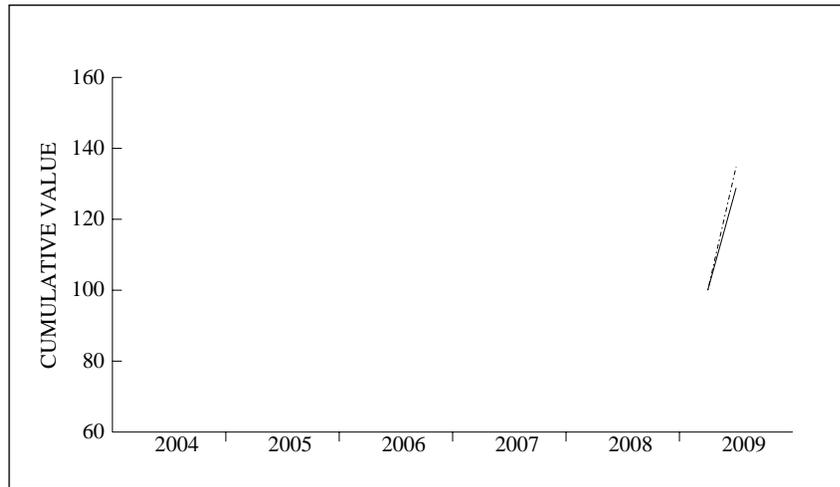


| | |
|-------|---------------|
| ———— | ACTUAL RETURN |
| ----- | 8.0% |
| | 0.0% |

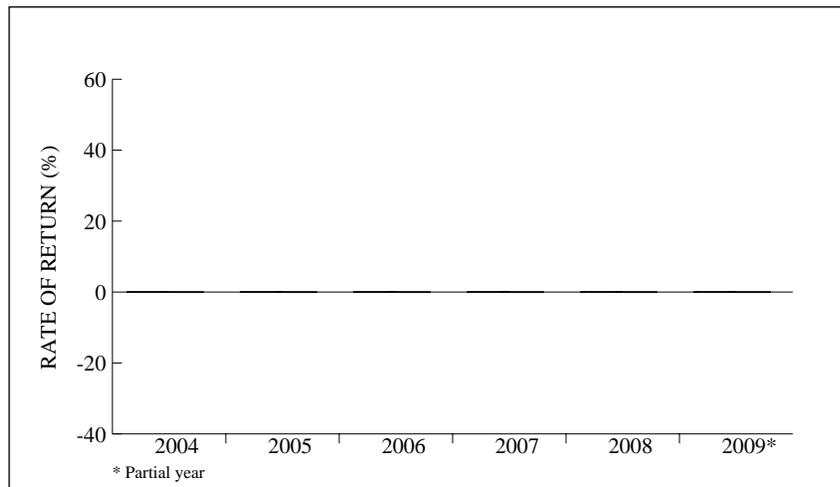
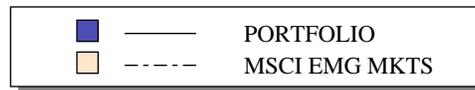
| |
|-------------------------------|
| VALUE ASSUMING 8.0% RETURN |
| \$ 1,947,145 |

| | LAST QUARTER | PERIOD 3/09 - 6/09 |
|------------------------|-----------------|-----------------------|
| BEGINNING VALUE | \$ 1,910,039 | \$ 1,910,039 |
| NET CONTRIBUTIONS | 0 | 0 |
| INVESTMENT RETURN | <u>551,351</u> | <u>551,351</u> |
| ENDING VALUE | \$ 2,461,390 | \$ 2,461,390 |
| INCOME | 0 | 0 |
| CAPITAL GAINS (LOSSES) | <u>551,351</u> | <u>551,351</u> |
| INVESTMENT RETURN | 551,351 | 551,351 |

TOTAL RETURN COMPARISONS



Emerging Markets Universe



| | LAST QTR | LST 2QTRS | LST 3QTRS | LST YEAR | -----ANNUALIZED----- | |
|----------------------|-------------|-------------|-------------|--------------|----------------------|-------------|
| | | | | | LST 3YRS | LST 5YRS |
| RETURN | 28.9 | ***** | ***** | ***** | ***** | ***** |
| (RANK) | 93 | | | | | |
| HIGHEST | 44.0 | 45.4 | 5.8 | -9.6 | 7.9 | 19.2 |
| 25TH %ILE | 37.9 | 37.3 | 1.5 | -22.7 | 5.5 | 15.8 |
| MEDIAN | 34.6 | 34.6 | -2.4 | -27.6 | 2.7 | 15.0 |
| 75TH %ILE | 33.0 | 30.7 | -8.0 | -31.6 | 0.0 | 14.0 |
| LOWEST | 25.1 | 9.0 | -13.9 | -36.5 | -1.3 | 11.6 |
| MSCI Emg Mkts | 34.8 | 36.2 | -1.4 | -27.9 | 3.2 | 15.1 |

Emerging Markets Universe

CITY OF BURLINGTON EMPLOYEES RETIREMENT SYSTEM
HAMILTON LANE
PERFORMANCE REVIEW
JUNE 2009

INVESTMENT RETURN

On June 30th, 2009, the City of Burlington Employees Retirement System's Hamilton Lane account was valued at \$572,203, which represented an increase of \$195,179 in net contributions over the March ending value of \$377,024.

For the cumulative period since March 2009, the account has posted net contributions totaling \$195,179 and no net investment returns. Since March 2009, if the total fund earned a compounded nominal rate of 8.0% it would have been valued at \$581,607 or \$9,404 more than its actual value as of June 30th, 2009.

RELATIVE PERFORMANCE

Total Fund

The Hamilton Lane Private Equity Fund II, as well as its benchmark, the Cambridge US Private Equity index, are appraised quarterly with a 90-day lag. Current quarter returns are not available for performance reports. A flat return of 0% will be assumed.

ASSET ALLOCATION

This account was fully invested in the Hamilton Lane Private Equity Fund II.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

| | Quarter | Y-T-D | 12 Months | 3 Years* | Since 3/2009 |
|------------------------|---------|-------|-----------|----------|--------------|
| Total Portfolio | 0.0% | ---- | ---- | ---- | 0.0% |
| CAMBRIDGE PE | 0.0 | -3.2 | -24.7 | 1.8 | 0.0 |

ASSET ALLOCATION

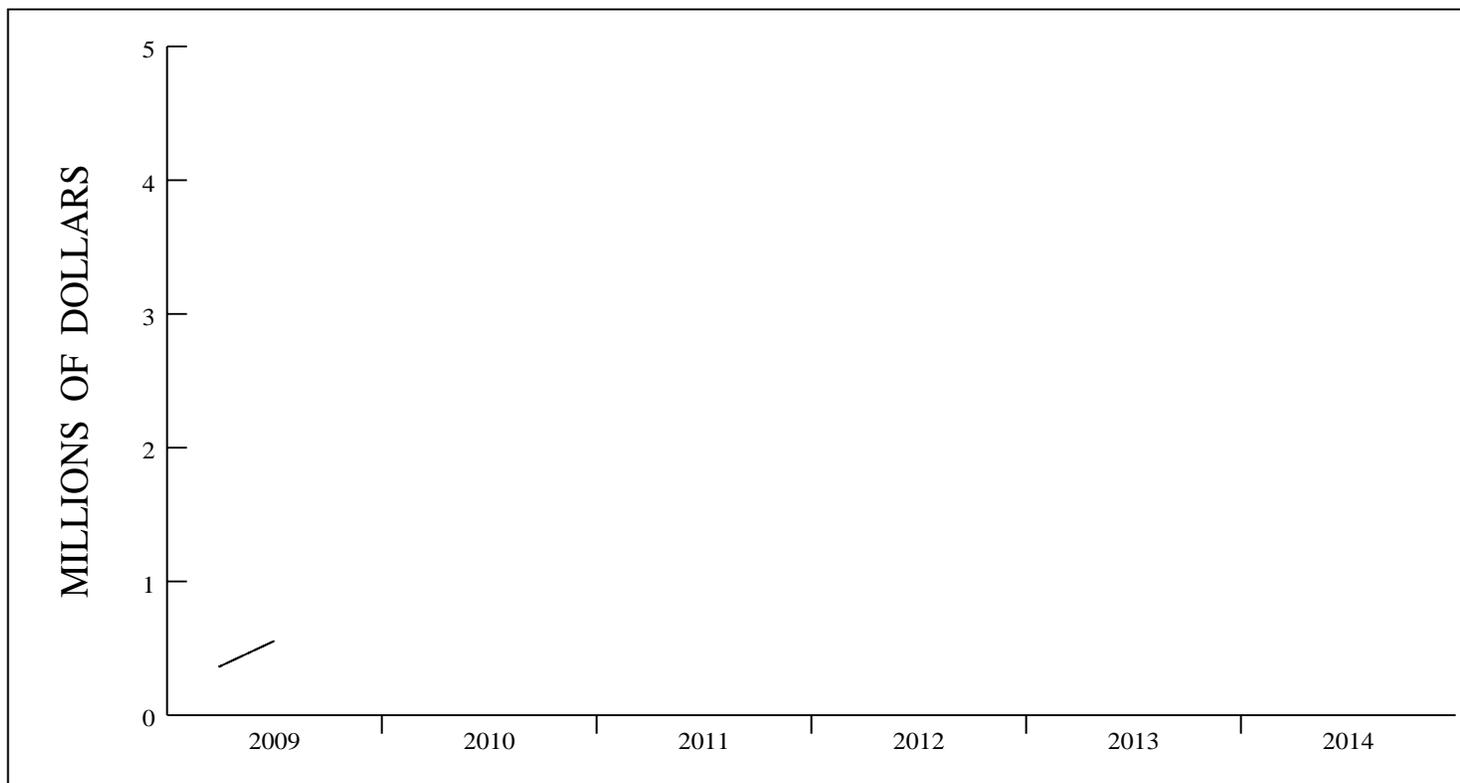
| | | |
|------------------------|---------------|-------------------|
| Diversified | 0.0% | \$ 0 |
| Equity | 0.0% | 0 |
| Foreign Equity | 0.0% | 0 |
| Real Estate | 0.0% | 0 |
| Fixed Income | 0.0% | 0 |
| Private Equity | 100.0% | 572,203 |
| Cash | 0.0% | 0 |
| Total Portfolio | 100.0% | \$ 572,203 |

INVESTMENT RETURN

| | |
|------------------------|------------|
| Market Value 3/2009 | \$ 377,024 |
| Contribs / Withdrawals | 195,179 |
| Income | 0 |
| Capital Gains / Losses | 0 |
| Market Value 6/2009 | \$ 572,203 |

* Annualized Return

INVESTMENT GROWTH



| | |
|-------|---------------|
| —— | ACTUAL RETURN |
| ----- | 8.0% |
| | 0.0% |

| |
|-------------------------------|
| VALUE ASSUMING 8.0% RETURN |
| \$ 581,607 |

| | LAST QUARTER | PERIOD 3/09 - 6/09 |
|------------------------|-------------------|-----------------------|
| BEGINNING VALUE | \$ 377,024 | \$ 377,024 |
| NET CONTRIBUTIONS | 195,179 | 195,179 |
| INVESTMENT RETURN | 0 | 0 |
| ENDING VALUE | <u>\$ 572,203</u> | <u>\$ 572,203</u> |
| INCOME | 0 | 0 |
| CAPITAL GAINS (LOSSES) | 0 | 0 |
| INVESTMENT RETURN | <u>0</u> | <u>0</u> |

CITY OF BURLINGTON EMPLOYEES RETIREMENT SYSTEM
MOLPUS
PERFORMANCE REVIEW
JUNE 2009

INVESTMENT RETURN

As of June 30th, 2009, the City of Burlington Employees Retirement System's Molpus portfolio was valued at \$517,621, an increase of \$7,621 from the March ending value of \$510,000. There were no net contributions or withdrawals recorded to the account last quarter, making the entire increase in value the direct result of net investment returns. Barring income receipts during the second quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$7,621.

For the cumulative period since March 2009, the account has recorded net investment gains totaling \$7,621. For the period since March 2009, if the total account had returned a compounded nominal rate of 8.0% it would have been worth \$519,908 or \$2,287 more than the actual value as of June 30th, 2009.

RELATIVE PERFORMANCE

Total Fund

In the second quarter, the Molpus account returned 1.5%, which was 2.7% above the NCREIF Timber Index's return of -1.2%.

ASSET ALLOCATION

This account was fully invested in the Molpus Sustainable Woodlands Fund II.

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

| | Quarter | Y-T-D | 12 Months | 3 Years* | Since 3/2009 |
|------------------------|---------|-------|-----------|----------|--------------|
| Total Portfolio | 1.5% | ---- | ---- | ---- | 1.5% |
| NCREIF TIMBER | - 1.2 | -0.5 | 3.3 | 11.5 | - 1.2 |

ASSET ALLOCATION

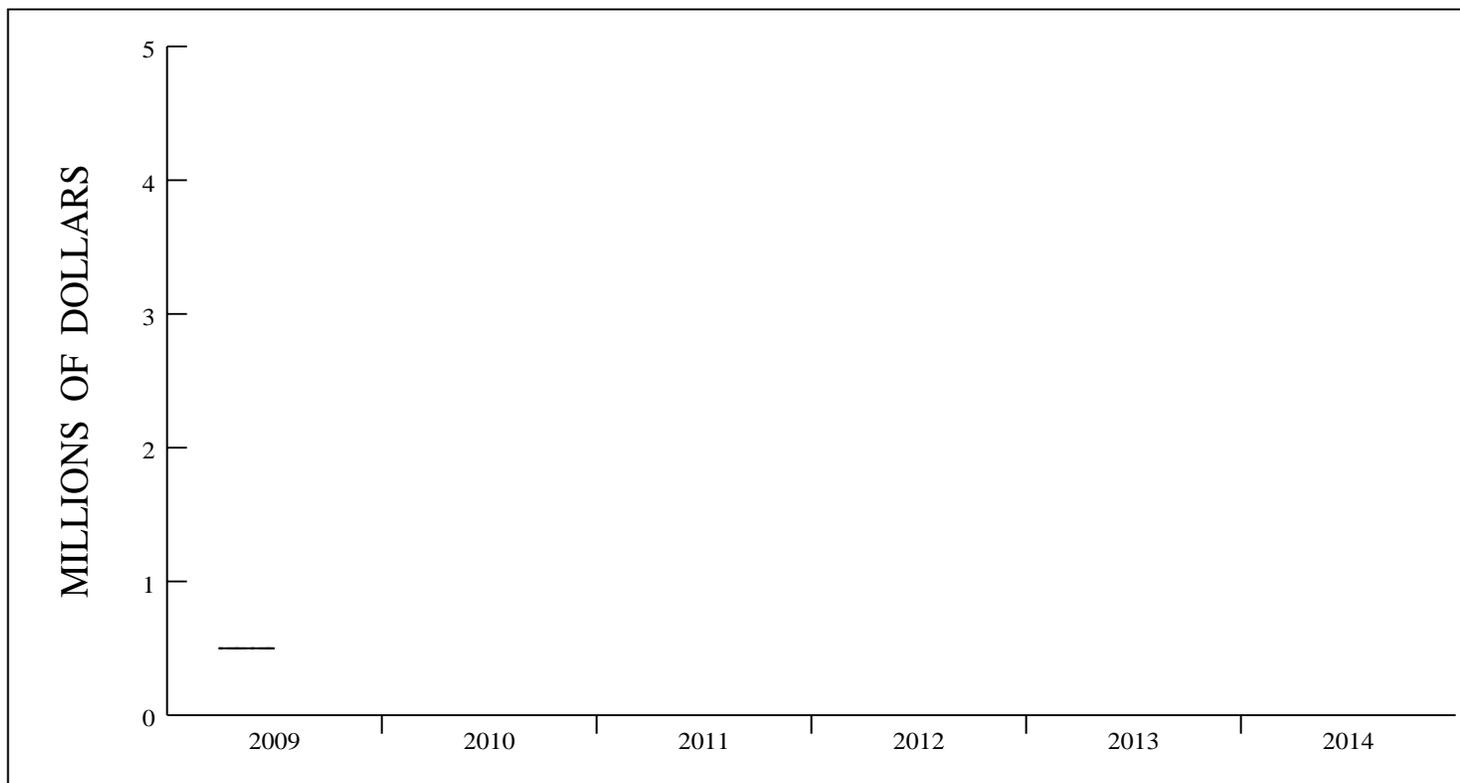
| | | |
|------------------------|---------------|--------------------|
| Diversified | 0.0% | \$ 0 |
| Equity | 0.0% | 0 |
| Foreign Equity | 0.0% | 0 |
| Real Estate | 0.0% | 0 |
| Fixed Income | 0.0% | 0 |
| Timber | 100.0% | 517, 621 |
| Cash | 0.0% | 0 |
| Total Portfolio | 100.0% | \$ 517, 621 |

INVESTMENT RETURN

| | |
|------------------------|------------|
| Market Value 3/2009 | \$ 510,000 |
| Contribs / Withdrawals | 0 |
| Income | 0 |
| Capital Gains / Losses | 7,621 |
| Market Value 6/2009 | \$ 517,621 |

* Annualized Return

INVESTMENT GROWTH



| | |
|-------|---------------|
| — | ACTUAL RETURN |
| --- | 8.0% |
| | 0.0% |

| |
|-------------------------------|
| VALUE ASSUMING 8.0% RETURN |
| \$ 519,908 |

| | LAST QUARTER | PERIOD 3/09 - 6/09 |
|------------------------|-------------------|-----------------------|
| BEGINNING VALUE | \$ 510,000 | \$ 510,000 |
| NET CONTRIBUTIONS | 0 | 0 |
| INVESTMENT RETURN | 7,621 | 7,621 |
| ENDING VALUE | <u>\$ 517,621</u> | <u>\$ 517,621</u> |
| INCOME | 0 | 0 |
| CAPITAL GAINS (LOSSES) | 7,621 | 7,621 |
| INVESTMENT RETURN | <u>7,621</u> | <u>7,621</u> |