

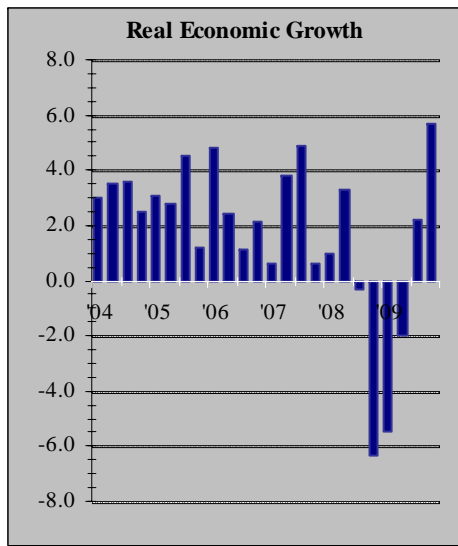
**CITY OF BURLINGTON EMPLOYEES
RETIREMENT PLAN
PERFORMANCE REVIEW
DECEMBER 2009**



ECONOMIC ENVIRONMENT

The Road to Recovery

The U.S. and other major global economies continued to gain strength during the fourth quarter of 2009. While credit remained tight, there were clear signs that most areas were improving. The U.S. and many other countries' stimulus programs have boosted economic activity. While the programs have varied in their approaches the broad consensus is that the "Great Recession" is either over or nearly so thanks to massive government spending.



Domestically, economists claim that the stimulus has saved roughly 2.5 million jobs. At the same time, the average consumer has begun to pay down personal debt and is actually in a net savings mode. Surprisingly, consumer spending is up slightly too, having risen one percent in December from a year ago. Existing home sales appear to have bottomed

and sale prices have crept up in some regions of the country thanks to an \$8,000 incentive for first time homebuyers. Unfortunately, while the Government's first time homebuyer tax credit stimulated sales, many more foreclosures are still expected in 2010.

On the credit front, major banks recently have returned some or all of their Government loans. One hundred and forty U.S. banks were closed down in 2009 by the regulators. The credit markets continue to re-liquify and reflect narrowing interest rate spreads between Treasuries and corporate bonds of all stripes. Corporations are again able to borrow in the public market. Even highly leveraged REITs have raised billions of dollars throughout 2009, thus staving off collapse of the property sector. While there is great uncertainty about commercial property refinancing in the next year, the impact of defaults in this sector has not been great to date.

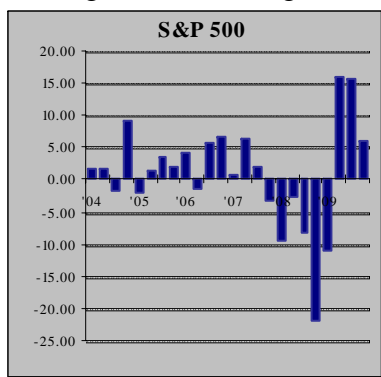
All of the stimulus spending is leading to growing budget deficits, which will either lead to higher taxes or inflation at some future date. For now, inflation remains reasonably contained, in large part because of high unemployment. Recent figures indicate that unemployment may have peaked at 10%. If that figure begins to drop significantly, some action may be needed to forestall inflationary pressures.

The Federal Reserve has sustained its near zero interest rate stance for short-term rates. Ten year Treasuries ended 2009 well below 4%. These historically low rates helped drive corporate borrowing, which in turn, led to increased manufacturing activity. Besides benefiting from low borrowing rates, corporations also reduced their costs. These steps helped to improve profits. In addition, the falling U.S. dollar has helped to push up exports and dampened imports.

For the full year, the Consumer Price Index (CPI) rose 2.7%. When food and energy are excluded, 2009 inflation was a more modest 1.8%. Despite persistent economic headwinds and a risk-averse American consumer, stocks and bonds continued to perform well during the quarter.

EQUITY MARKET

While fourth quarter returns were muted compared to those of the two prior quarters, they were still healthy. The S&P 500 returned 6.0%, including dividends. All but one of the S&P sectors returned 6% or more. Consumer Durables (+16.2%) and Computer Technology (+12.3%) led the way; sparking these gains were higher than expected consumer holiday



purchases and capital expenditures in the technology sector. Consumer Services rallied 9.6% as there was less uncertainty surrounding healthcare reform. The financial sector (-1.9%) suffered partly due to new regulatory concerns and the distinct possibility of further asset write-downs. Profit

taking also impacted this sector, which had rocketed up 31% just one quarter ago.

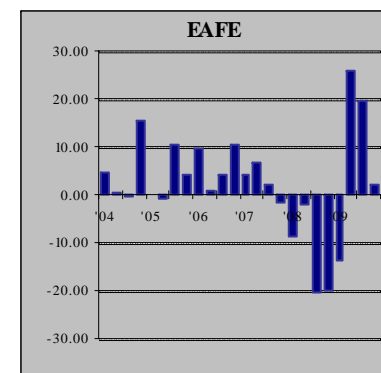
The Russell 2000, representing small-cap stocks, gained less than the S&P, or 3.9%. However, the Russell 2000 small caps bested S&P 500 large caps for the year: 27.2% vs. 26.5%. Continuing the pattern since March, growth stocks beat value stocks across market caps during the quarter. As evidence, the Russell 3000 Growth Index added 7.7% compared to 4.2% for the Russell 3000 Value Index.

The year-end dividend yield for the S&P was 2.3% and the price/earnings ratio was 17.3 times. The yield was lower and the P/E higher than three months earlier, reflecting higher stock prices.

The investment “sweet spot” for year 2009 was in the mid-cap growth space. The Russell Mid Cap Growth Index posted a breathtaking 46.3% advance. Still, virtually all domestic stock indices rose 20% or more. Bottom line: the selling frenzy of 2008 and early 2009 turned into a buying stampede for the latest nine-months.

INTERNATIONAL EQUITIES

Again, for the fourth straight quarter, emerging markets trounced their developed country counterparts. MSCI Emerging Markets roared ahead 8.6% (in U.S. dollar terms) while the EAFE returned only 2.2%. For year 2009, EAFE outperformed most U.S. stock markets, returning 32.5%. Emerging markets soared 79% during the same period. Increased domestic demand for products, less financial sector stress, and rising commodity exports helped many EM countries to surpass EAFE in the last quarter and for the year as a whole. The BRIC countries (Brazil, Russia, India and China) were featured players in these spectacular results. The best performer of all was Brazil, gaining 13.1% for the quarter and 128.6% for the year.

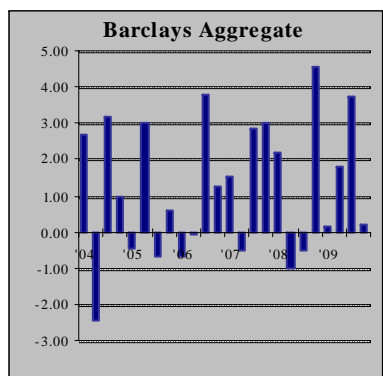


Among EAFE country components, the UK gained a solid 7.0%. By comparison, EAFE Europe excluding the UK turned in a modest 1.6% return. Dragging down results were Greece, Austria and to a lesser extent Finland, Denmark, Japan and

Ireland. Investors shunned Greece and Ireland, in particular, as their crushing sovereign debt loads led to ratings downgrades. Those latter two countries lost 22.4% and 2.7%, respectively.

EAFE Asia excluding Japan added a respectable 5.2%, mainly due to advances in the Philippines, Hong Kong and especially Singapore (+9.8%). On the other hand, Japanese stocks actually lost 2.8%. The decline was due to falling exports (negatively impacted by a super strong Yen), political uncertainty regarding the newly elected Democratic Party of Japan and relatively low domestic consumption.

BOND MARKET



This was a highly negative quarter for Treasury investors, who saw long maturity Treasury yields rise and corresponding returns fall. From December 2008 to December 2009, treasury yields for the portion of the yield curve beyond 10 years rose almost 2%. On the other hand, bond investors who did take

credit risk were handsomely rewarded as corporate yields declined all along the credit spectrum. The yield compression (vs. comparable Treasuries) translated into highly positive results.

The Barclays Aggregate Index earned a nominal 0.2% return for the fourth quarter. Losses in the large Treasury and weakness in the residential mortgage-backed sectors clearly

dampened performance. The Treasury sector, including T-bills and maturities out to 30-year issues, lost 1.3% and Agency MBS offered a modest +0.6%. The Aggregate Index includes just investment grade or BBB and higher names. Those investment grade corporates gained only 1.4%, much less than BB and lower quality issues. Two smaller sectors boosted overall return: ABS (asset-backed securities) and CMBS (commercial mortgage-backed securities) advanced 1.3% and 3.3%, respectively.

U.S. high yield or junk bonds (+6.2%) continued to perform better than many domestic stock indices. The explanation was straightforward: investors were quite willing to take risk after the non-Treasury bond market had been beaten down to unprecedented lows by early 2009. Financials, media companies and retailers were the high yield sector leaders. Full year 2009 returns were nothing short of spectacular; the High Yield Index rose 58.2% and the very low quality CCC Index component rose 90.7%.

At year-end, the Aggregate index yielded 3.68%, had an average maturity of 6.8 years and duration of 4.57 years.

CASH EQUIVALENTS

T-bill return was hardly measurable for the quarter. Investors gained one basis point or +0.01%. The twelve-month result was a paltry +0.15%. Adjusted for CPI, the return was actually a negative 2.5%. A totally risk-averse posture provided little benefit during the year.

MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	5.7	2.2
Unemployment	10.0	9.8
CPI Year/Year	2.72	-1.29
Fed Funds Rate	0.25	0.25
Industrial Capacity	72.0	70.5
US Dollars per Euro	1.44	1.46

MAJOR INDEX QUARTER RETURNS

INDEX		PERFORMANCE
Russell 3000	5.9	
S&P 500	6.0	
Russell Mid	5.9	
Russell 2000	3.9	
MSCI EAFE	2.2	
MSCI Emg Mkts	8.6	
NCREIF ODCE	-3.4	
Barclays Agg	0.2	
90 Day Tbills	0.0	

EQUITY RETURN DISTRIBUTIONS

QUARTER				TRAILING YEAR			
	VAL	COR	GRO		VAL	COR	GRO
LC	4.2	6.1	7.9	LC	19.7	28.4	37.2
MC	5.2	5.9	6.7	MC	34.2	40.5	46.3
SC	3.6	3.9	4.1	SC	20.6	27.2	34.5

MARKET SUMMARY

- * The broad consensus is that the Great Recession is either over or nearly so thanks to massive government spending.
- * Early GDP measures indicate a 5.7% growth rate.
- * Unemployment may have peaked at 10%.
- * The Federal Reserve has sustained its near zero interest rate stance for short-term rates.
- * While fourth quarter returns were muted compared to those of the two prior quarters, they were still healthy.

INVESTMENT RETURN

On December 31st, 2009, the City of Burlington Employees Retirement System was valued at \$111,700,692, representing a \$3,414,929 increase from the September quarter's ending value of \$108,285,763. Last quarter, the fund posted a net withdrawal of \$115,779, which only partially offset the fund's net investment gain of \$3,530,708. Income receipts totaling \$51,988 and net realized and unrealized capital gains of \$3,478,720 combined to produce last quarter's net investment return.

Since December 2001, the account has posted net withdrawals totaling \$14.4 million while posting net investment gains totaling \$27.3 million. Since December 2001, if the account returned a compounded nominal rate of 8.0% it would have been valued at \$160.5 million or \$48.8 million more than its actual value as of December 31st, 2009.

RELATIVE PERFORMANCE

Total Fund

In the fourth quarter, the Composite portfolio returned 3.3%, which was 0.2% above the Burlington Policy Index's return of 3.1% and ranked in the 52nd percentile of the Public Fund universe. Over the trailing year, this portfolio returned 28.6%, which was 8.1% above the benchmark's 20.5% return, ranking in the 4th percentile. Since December 2001, the account returned 3.7% annualized and ranked in the 93rd percentile. For comparison, the Burlington Policy Index returned an annualized 4.8% over the same period.

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	Y-T-D	12 Months	Annualized	
				3-Years	Since 12/2001
Total Portfolio	3.3%	28.6%	28.6%	- 1.8%	3.7%
<i>PUBLIC FUND RANK</i>	(52)	(4)	(4)	(71)	(93)
POLICY INDEX	3.1	20.5	20.5	- 0.4	4.8
LEGACY INDEX	3.1	20.5	20.5	- 0.8	4.1
VPIC INDEX	3.1	20.4	20.4	- 2.2	4.7
Diversified	5.4	35.3	35.3	----	----
<i>BALANCED RANK</i>	(12)	(10)	(10)		
60 MSCI/40 WGBI	1.7	18.8	18.8	0.6	6.4
Equity	6.1	38.0	38.0	----	----
<i>BROAD EQ RANK</i>	(37)	(24)	(24)		
RUSSELL 3000	5.9	28.3	28.3	- 5.4	2.3
Foreign Equity	3.3	33.2	33.2	----	----
<i>INTL EQ RANK</i>	(35)	(51)	(51)		
MSCI EAFE	2.2	32.5	32.5	- 5.6	7.1
MSCI EMG MKTS	8.6	79.0	79.0	5.4	18.4
Private Equity	0.0	----	----	----	----
CAMBRIDGE PE	0.0	7.3	7.3	0.1	11.1
Real Estate	- 4.4	- 35.4	- 35.4	----	----
NCREIF ODCE	- 3.5	- 29.8	- 29.8	- 9.8	3.8
Timber	- 0.3	----	----	----	----
NCREIF TIMBER	- 4.5	- 4.8	- 4.8	7.3	9.4
Fixed Income	1.4	23.8	23.8	----	----
<i>BROAD FIXED RANK</i>	(40)	(19)	(19)		
BARCLAYS AGG	0.2	5.9	5.9	6.0	5.4

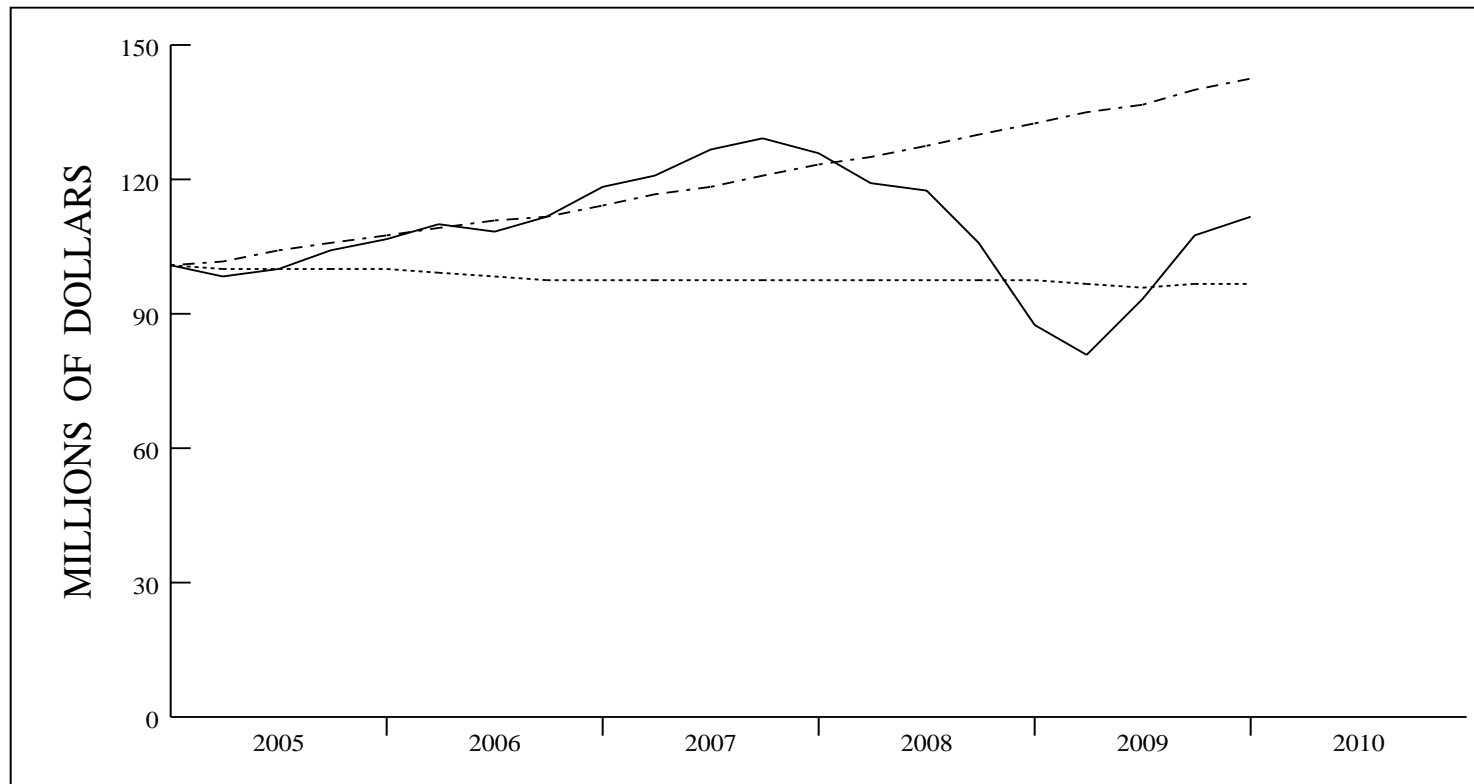
ASSET ALLOCATION

Diversified	7.8%	\$ 8,757,207
Equity	27.2%	30,380,983
Foreign Equity	18.6%	20,792,201
Commoditiy	1.1%	1,260,005
Private Equity	0.5%	504,325
Real Estate	3.9%	4,360,438
Timber	3.1%	3,438,172
Fixed Income	37.7%	42,058,517
Cash	0.1%	148,844
Total Portfolio	100.0%	\$ 111,700,692

INVESTMENT RETURN

Market Value 9/2009	\$ 108,285,763
Contribs / Withdrawals	-115,779
Income	51,988
Capital Gains / Losses	3,478,720
Market Value 12/2009	\$ 111,700,692

INVESTMENT GROWTH

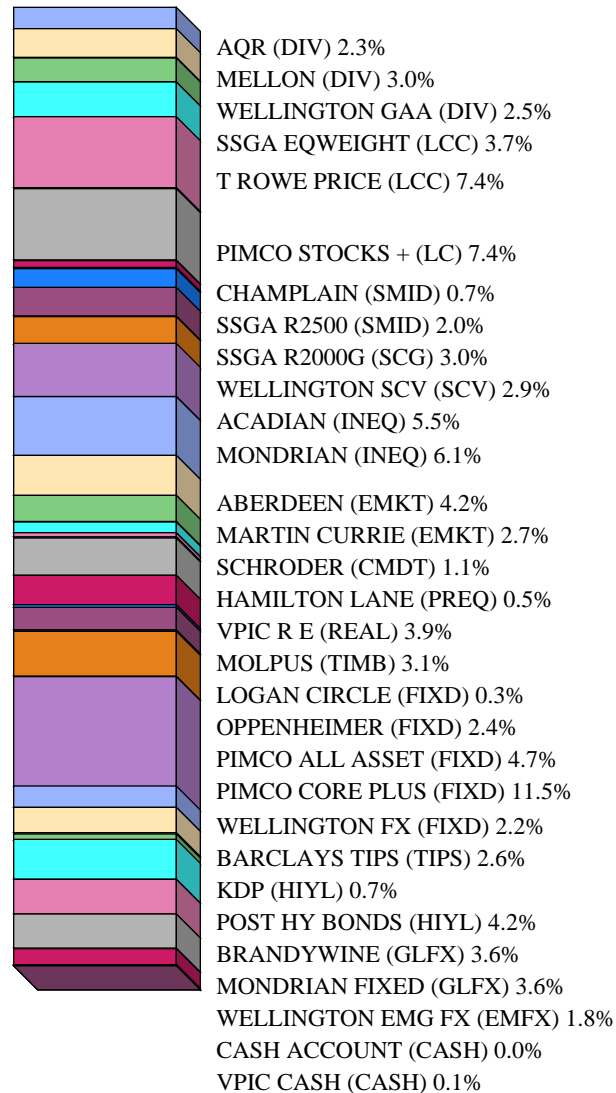


— ACTUAL RETURN
 - - - 8.0%
 0.0%

VALUE ASSUMING
 8.0% RETURN
 \$ 143,061,500

	LAST QUARTER	PERIOD 12/04 - 12/09
BEGINNING VALUE	\$ 108,285,763	\$ 101,545,896
NET CONTRIBUTIONS	-115,779	-4,719,761
<u>INVESTMENT RETURN</u>	<u>3,530,708</u>	<u>14,874,557</u>
ENDING VALUE	\$ 111,700,692	\$ 111,700,692
INCOME	51,988	8,159,795
<u>CAPITAL GAINS (LOSSES)</u>	<u>3,478,720</u>	<u>6,714,762</u>
INVESTMENT RETURN	3,530,708	14,874,557

MANAGER ALLOCATION SUMMARY



Name	Market Value	Percent
AQR (DIV)	\$2,613,274	2.3
Mellon (DIV)	\$3,352,435	3.0
Wellington GAA (DIV)	\$2,791,498	2.5
SSgA EqWeight (LCC)	\$4,164,537	3.7
T Rowe Price (LCC)	\$8,263,466	7.4
Pimco Stocks + (LC)	\$8,310,862	7.4
Champlain (SMID)	\$798,639	0.7
SSgA R2500 (SMID)	\$2,238,847	2.0
SSgA R2000G (SCG)	\$3,349,064	3.0
Wellington SCV (SCV)	\$3,255,568	2.9
Acadian (INEQ)	\$6,195,349	5.5
Mondrian (INEQ)	\$6,860,758	6.1
Aberdeen (EMKT)	\$4,684,154	4.2
Martin Currie (EMKT)	\$3,051,940	2.7
Schroder (CMDT)	\$1,260,005	1.1
Hamilton Lane (PREQ)	\$504,325	0.5
VPIC R E (REAL)	\$4,360,438	3.9
Molpus (TIMB)	\$3,438,172	3.1
Logan Circle (FIXD)	\$350,330	0.3
Oppenheimer (FIXD)	\$2,639,955	2.4
Pimco All Asset (FIXD)	\$5,232,032	4.7
Pimco Core Plus (FIXD)	\$12,867,928	11.5
Wellington FX (FIXD)	\$2,509,002	2.2
Barclays TIPS (TIPS)	\$2,952,859	2.6
KDP (HIYL)	\$772,698	0.7
Post HY Bonds (HIYL)	\$4,663,702	4.2
Brandywine (GLFX)	\$4,066,283	3.6
Mondrian Fixed (GLFX)	\$3,990,875	3.6
Wellington Emg Fx (EMFX)	\$2,012,853	1.8
Cash Account (CASH)	\$13,801	0.0
VPIC Cash (CASH)	\$135,043	0.1
Total Fund	\$111,700,692	100.0

MANAGER RETURN SUMMARY


















Universe		Quarter	YTD	1 year	3 Years	5 years	Inception
Total Portfolio	(Public Fund)	3.3 (52)	28.6 (4)	28.6 (4)	-1.8 (71)	3.0 (64)	12/01 3.7 (93)
<i>BURLINGTON POLICY INDEX</i>		<i>3.1 ---</i>	<i>20.5 ---</i>	<i>20.5 ---</i>	<i>-0.4 ---</i>	<i>3.4 ---</i>	<i>4.8 ---</i>
AQR	(Balanced)	4.9 (14)	---	---	---	---	09/09 4.9 (14)
<i>60%MSCI World/ 40% CITI WGBI</i>		<i>1.7 ---</i>	<i>18.8 ---</i>	<i>18.8 ---</i>	<i>0.6 ---</i>	<i>3.8 ---</i>	<i>1.7 ---</i>
Mellon	(Balanced)	2.2 (81)	31.4 (22)	31.4 (22)	---	---	12/07 -8.3 (85)
<i>60%MSCI World/ 40% CITI WGBI</i>		<i>1.7 ---</i>	<i>18.8 ---</i>	<i>18.8 ---</i>	<i>0.6 ---</i>	<i>3.8 ---</i>	<i>-3.9 ---</i>
Wellington GAA	(Balanced)	6.7 (5)	36.8 (5)	36.8 (5)	---	---	09/08 15.7 (2)
<i>65% MSCI World / 35% Agg</i>		<i>2.7 ---</i>	<i>21.9 ---</i>	<i>21.9 ---</i>	<i>-0.8 ---</i>	<i>3.8 ---</i>	<i>5.2 ---</i>
SSgA EqWeight	(LC Core)	6.7 (14)	46.6 (1)	46.6 (1)	---	---	12/07 -6.6 (6)
<i>Equal Weighted S&P 500</i>		<i>6.4 ---</i>	<i>45.4 ---</i>	<i>45.4 ---</i>	<i>-3.8 ---</i>	<i>2.2 ---</i>	<i>-6.4 ---</i>
T Rowe Price	(LC Core)	6.2 (26)	30.3 (19)	30.3 (19)	---	---	12/07 -8.7 (19)
<i>S&P 500</i>		<i>6.0 ---</i>	<i>26.5 ---</i>	<i>26.5 ---</i>	<i>-5.6 ---</i>	<i>0.4 ---</i>	<i>-10.7 ---</i>
Pimco Stocks +	(LC Core)	8.5 (4)	47.7 (1)	47.7 (1)	---	---	12/07 -9.5 (24)
<i>S&P 500</i>		<i>6.0 ---</i>	<i>26.5 ---</i>	<i>26.5 ---</i>	<i>-5.6 ---</i>	<i>0.4 ---</i>	<i>-10.7 ---</i>
Champlain	(Smidcap)	6.5 (26)	---	---	---	---	09/09 6.5 (26)
<i>Russell 2500</i>		<i>5.1 ---</i>	<i>34.4 ---</i>	<i>34.4 ---</i>	<i>-4.9 ---</i>	<i>1.6 ---</i>	<i>5.1 ---</i>
SSgA R2500	(Smidcap)	5.4 (50)	34.0 (58)	34.0 (58)	---	---	12/07 -7.9 (67)
<i>Russell 2500</i>		<i>5.1 ---</i>	<i>34.4 ---</i>	<i>34.4 ---</i>	<i>-4.9 ---</i>	<i>1.6 ---</i>	<i>-7.8 ---</i>
SSgA R2000G	(SC Growth)	4.3 (71)	34.2 (60)	34.2 (60)	---	---	12/07 -9.1 (60)
<i>Russell 2000 Growth</i>		<i>4.1 ---</i>	<i>34.5 ---</i>	<i>34.5 ---</i>	<i>-4.0 ---</i>	<i>0.9 ---</i>	<i>-9.1 ---</i>
Wellington SCV	(SC Value)	5.9 (31)	32.6 (74)	32.6 (74)	---	---	12/07 -1.3 (32)
<i>Russell 2000 Value</i>		<i>3.6 ---</i>	<i>20.6 ---</i>	<i>20.6 ---</i>	<i>-8.2 ---</i>	<i>0.0 ---</i>	<i>-7.4 ---</i>
Acadian	(Intl Eq)	0.4 (91)	27.7 (68)	27.7 (68)	---	---	12/07 -19.3 (97)
<i>MSCI EAFE Net</i>		<i>2.2 ---</i>	<i>31.8 ---</i>	<i>31.8 ---</i>	<i>-6.0 ---</i>	<i>3.5 ---</i>	<i>-13.6 ---</i>
Mondrian	(Intl Eq)	3.0 (43)	24.5 (82)	24.5 (82)	---	---	12/07 -11.5 (44)
<i>MSCI EAFE Net</i>		<i>2.2 ---</i>	<i>31.8 ---</i>	<i>31.8 ---</i>	<i>-6.0 ---</i>	<i>3.5 ---</i>	<i>-13.6 ---</i>

MANAGER RETURN SUMMARY














Universe		Quarter		YTD		1 year		3 Years		5 years		Inception	
Total Portfolio	(Public Fund)	3.3	(52)	28.6	(4)	28.6	(4)	-1.8	(71)	3.0	(64)	12/01	3.7 (93)
<i>BURLINGTON POLICY INDEX</i>		<i>3.1</i>	<i>---</i>	<i>20.5</i>	<i>---</i>	<i>20.5</i>	<i>---</i>	<i>-0.4</i>	<i>---</i>	<i>3.4</i>	<i>---</i>		<i>4.8</i> <i>---</i>
Aberdeen	(Emerging Mkt)	7.9	(41)	81.6	(21)	81.6	(21)	---	---	---	---	03/08	7.1 (3)
<i>MSCI Emerging Markets</i>		<i>8.6</i>	<i>---</i>	<i>79.0</i>	<i>---</i>	<i>79.0</i>	<i>---</i>	<i>5.4</i>	<i>---</i>	<i>15.9</i>	<i>---</i>		<i>-3.5</i> <i>---</i>
Martin Currie	(Emerging Mkt)	4.5	(93)	---	---	---	---	---	---	---	---	03/09	61.2 (92)
<i>MSCI Emerging Markets</i>		<i>8.6</i>	<i>---</i>	<i>79.0</i>	<i>---</i>	<i>79.0</i>	<i>---</i>	<i>5.4</i>	<i>---</i>	<i>15.9</i>	<i>---</i>		<i>77.2</i> <i>---</i>
Hamilton Lane		0.0	---	---	---	---	---	---	---	---	---	03/09	17.8 ---
<i>Cambridge US Private Equity</i>		<i>0.0</i>	<i>---</i>	<i>7.3</i>	<i>---</i>	<i>7.3</i>	<i>---</i>	<i>0.1</i>	<i>---</i>	<i>10.3</i>	<i>---</i>		<i>10.8</i> <i>---</i>
VPIC R E		-4.4	---	-35.4	---	-35.4	---	---	---	---	---	12/07	-24.7 ---
<i>NCREIF NFI-ODCE Index</i>		<i>-3.5</i>	<i>---</i>	<i>-29.8</i>	<i>---</i>	<i>-29.8</i>	<i>---</i>	<i>-9.8</i>	<i>---</i>	<i>0.7</i>	<i>---</i>		<i>-20.5</i> <i>---</i>
Molpus		0.0	---	---	---	---	---	---	---	---	---	03/09	9.3 ---
<i>NCREIF Timber Index</i>		<i>-4.5</i>	<i>---</i>	<i>-4.8</i>	<i>---</i>	<i>-4.8</i>	<i>---</i>	<i>7.3</i>	<i>---</i>	<i>10.9</i>	<i>---</i>		<i>-5.5</i> <i>---</i>
Oppenheimer	(Core Fixed)	3.9	(1)	22.6	(5)	22.6	(5)	---	---	---	---	03/08	3.2 (95)
<i>Barclays Aggregate Index</i>		<i>0.2</i>	<i>---</i>	<i>5.9</i>	<i>---</i>	<i>5.9</i>	<i>---</i>	<i>6.0</i>	<i>---</i>	<i>5.0</i>	<i>---</i>		<i>5.1</i> <i>---</i>
Pimco All Asset	(Core Fixed)	2.4	(9)	24.1	(4)	24.1	(4)	---	---	---	---	12/07	2.8 (97)
<i>Barclays Aggregate Index</i>		<i>0.2</i>	<i>---</i>	<i>5.9</i>	<i>---</i>	<i>5.9</i>	<i>---</i>	<i>6.0</i>	<i>---</i>	<i>5.0</i>	<i>---</i>		<i>5.6</i> <i>---</i>
Pimco Core Plus	(Core Fixed)	0.6	(64)	---	---	---	---	---	---	---	---	09/09	0.6 (64)
<i>Barclays Aggregate Index</i>		<i>0.2</i>	<i>---</i>	<i>5.9</i>	<i>---</i>	<i>5.9</i>	<i>---</i>	<i>6.0</i>	<i>---</i>	<i>5.0</i>	<i>---</i>		<i>0.2</i> <i>---</i>
Wellington FX	(Core Fixed)	-0.3	(95)	9.8	(61)	9.8	(61)	---	---	---	---	09/08	9.8 (66)
<i>Barclays Aggregate Index</i>		<i>0.2</i>	<i>---</i>	<i>5.9</i>	<i>---</i>	<i>5.9</i>	<i>---</i>	<i>6.0</i>	<i>---</i>	<i>5.0</i>	<i>---</i>		<i>8.5</i> <i>---</i>
KDP	(Hi Yield)	3.0	(88)	---	---	---	---	---	---	---	---	09/09	3.0 (88)
<i>CSFB High Yield</i>		<i>6.2</i>	<i>---</i>	<i>54.2</i>	<i>---</i>	<i>54.2</i>	<i>---</i>	<i>5.3</i>	<i>---</i>	<i>6.0</i>	<i>---</i>		<i>6.2</i> <i>---</i>
Post HY Bonds	(Hi Yield)	4.9	(51)	41.6	(51)	41.6	(51)	---	---	---	---	12/07	7.1 (40)
<i>CSFB High Yield</i>		<i>6.2</i>	<i>---</i>	<i>54.2</i>	<i>---</i>	<i>54.2</i>	<i>---</i>	<i>5.3</i>	<i>---</i>	<i>6.0</i>	<i>---</i>		<i>6.7</i> <i>---</i>
Brandywine	(Intl Fx)	0.7	---	23.5	---	23.5	---	---	---	---	---	12/07	5.7 ---
<i>Citi World Gov't Bond Index</i>		<i>-1.9</i>	<i>---</i>	<i>2.6</i>	<i>---</i>	<i>2.6</i>	<i>---</i>	<i>8.1</i>	<i>---</i>	<i>4.5</i>	<i>---</i>		<i>6.6</i> <i>---</i>
Mondrian Fixed	(Intl Fx)	-0.6	---	8.8	---	8.8	---	---	---	---	---	12/07	9.5 ---
<i>Citi World Gov't Bond Index</i>		<i>-1.9</i>	<i>---</i>	<i>2.6</i>	<i>---</i>	<i>2.6</i>	<i>---</i>	<i>8.1</i>	<i>---</i>	<i>4.5</i>	<i>---</i>		<i>6.6</i> <i>---</i>

MANAGER VALUE ADDED

Most Recent Quarter










Manager	Benchmark	Value Added Vs. Benchmark
AQR	60 MSCI/40 WGBI	3.3 
Mellon	60 MSCI/40 WGBI	0.6 
Wellington GAA	65World/35Agg	4.0 
SSgA EqWeight	Equal Wtd S&P	0.3 
T Rowe Price	S&P 500	0.2 
Pimco Stocks +	S&P 500	2.5 
Champlain	Russell 2500	1.4 
SSgA R2500	Russell 2500	0.3 
SSgA R2000G	Russell 2000G	0.2 
Wellington SCV	Russell 2000V	2.3 
Acadian	EAFE Net	-1.8 
Mondrian	EAFE Net	0.8 
Aberdeen	MSCI Emg Mkts	-0.6 
Martin Currie	MSCI Emg Mkts	-4.1 
Hamilton Lane	Cambridge PE	0.0
VPIC R E	NCREIF ODCE	-0.9 
Molpus	NCREIF Timber	4.5 
Total Portfolio	Policy Index	0.2 

Trailing Twelve Months








Manager	Benchmark	Value Added Vs. Benchmark
AQR	60 MSCI/40 WGBI	N/A
Mellon	60 MSCI/40 WGBI	12.5 
Wellington GAA	65World/35Agg	14.9 
SSgA EqWeight	Equal Wtd S&P	1.3 
T Rowe Price	S&P 500	3.9 
Pimco Stocks +	S&P 500	21.2 
Champlain	Russell 2500	N/A
SSgA R2500	Russell 2500	-0.4 
SSgA R2000G	Russell 2000G	-0.3 
Wellington SCV	Russell 2000V	12.0 
Acadian	EAFE Net	-4.1 
Mondrian	EAFE Net	-7.3 
Aberdeen	MSCI Emg Mkts	2.6 
Martin Currie	MSCI Emg Mkts	N/A
Hamilton Lane	Cambridge PE	N/A
VPIC R E	NCREIF ODCE	-5.6 
Molpus	NCREIF Timber	N/A
Total Portfolio	Policy Index	8.1 

MANAGER VALUE ADDED

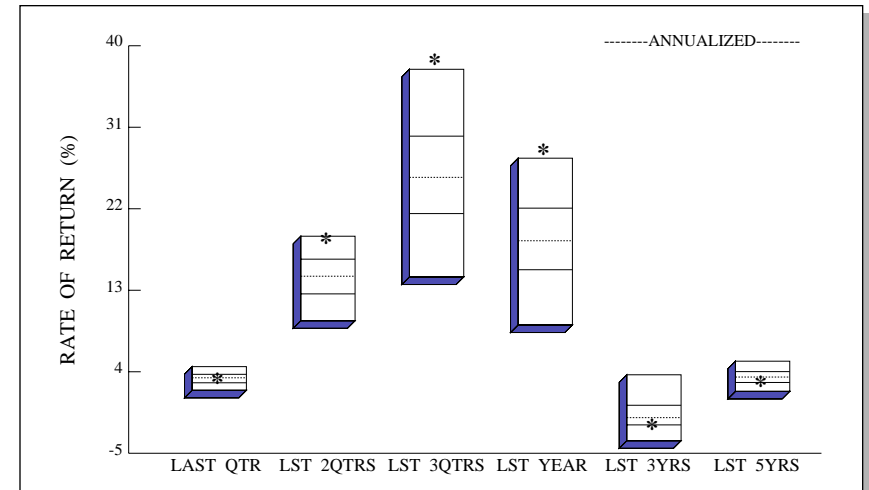
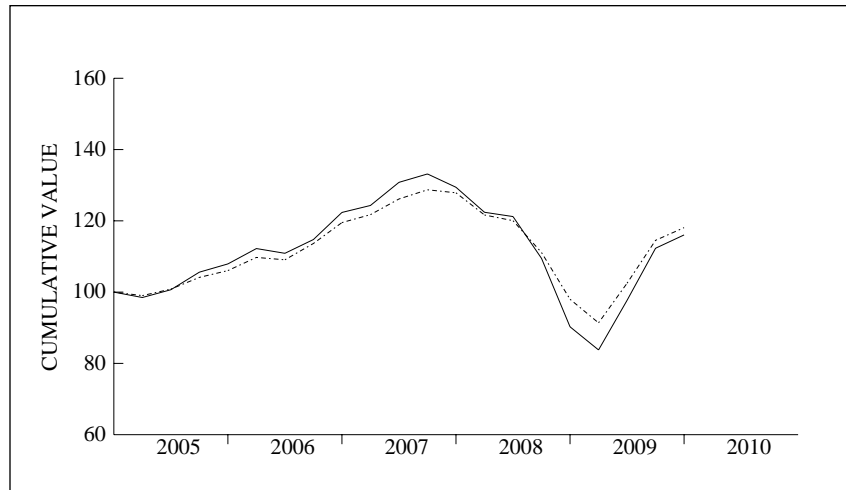
Most Recent Quarter

Manager	Benchmark	Value Added Vs. Benchmark
Oppenheimer	Barclays Agg	3.7 
Pimco All Asset	Barclays Agg	2.2 
Pimco Core Plus	Barclays Agg	0.4 
Wellington FX	Barclays Agg	-0.5 
KDP	CSFB High Yield	-3.2 
Post HY Bonds	CSFB High Yield	-1.4 
Brandywine	Citi WGBI	2.7 
Mondrian Fixed	Citi WGBI	1.3 
Total Portfolio	Policy Index	0.2 

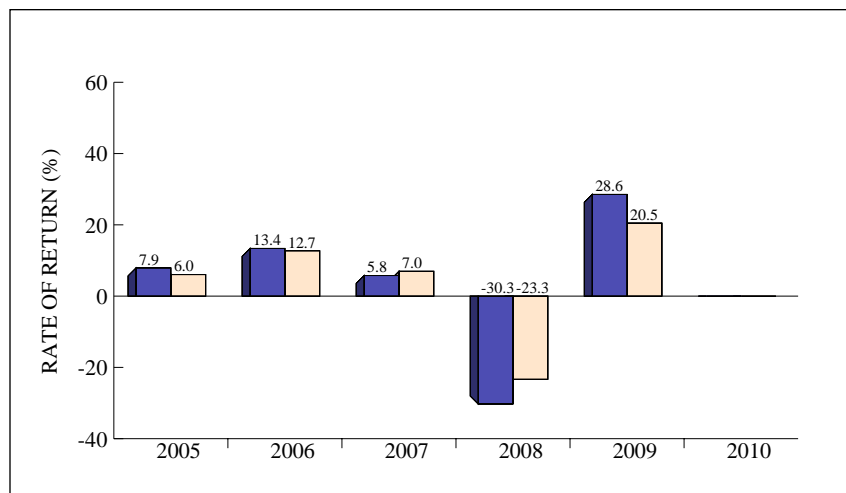
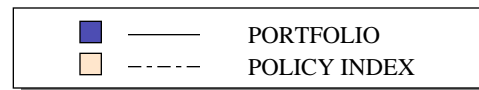
Trailing Twelve Months

Manager	Benchmark	Value Added Vs. Benchmark
Oppenheimer	Barclays Agg	16.7 
Pimco All Asset	Barclays Agg	18.1 
Pimco Core Plus	Barclays Agg	N/A
Wellington FX	Barclays Agg	3.9 
KDP	CSFB High Yield	N/A
Post HY Bonds	CSFB High Yield	-12.6 
Brandywine	Citi WGBI	21.0 
Mondrian Fixed	Citi WGBI	6.3 
Total Portfolio	Policy Index	8.1 

TOTAL RETURN COMPARISONS

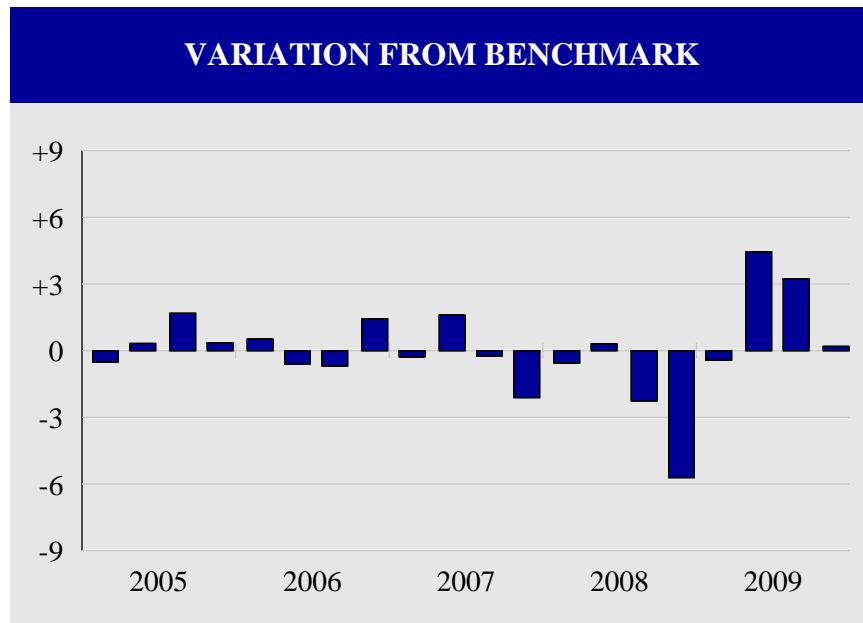


Public Fund Universe



	LAST QTR	LST 2QTRS	LST 3QTRS	LST YEAR	-----ANNUALIZED-----	
					LST 3YRS	LST 5YRS
RETURN	3.3	18.8	38.5	28.6	- 1.8	3.0
(RANK)	52	7	3	4	71	64
HIGHEST	4.6	19.0	37.4	27.6	3.7	5.2
25TH %ILE	3.7	16.4	30.0	22.1	0.3	4.0
MEDIAN	3.3	14.6	25.5	18.5	- 1.1	3.4
75TH %ILE	2.8	12.6	21.5	15.3	- 1.9	2.8
LOWEST	2.0	9.6	14.5	9.2	- 3.6	1.8
Policy Index	3.1	15.2	29.3	20.5	- 0.4	3.4

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: BURLINGTON POLICY INDEX**

Total Quarters Observed	20
Quarters At or Above the Benchmark	10
Quarters Below the Benchmark	10
Batting Average	.500

Date	Portfolio	Benchmark	Difference
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	2.1	-0.3
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	16.6	12.2	4.4
9/09	15.0	11.8	3.2
12/09	3.3	3.1	0.2

APPENDIX - MAJOR MARKET INDEX RETURNS

Domestic Equity	Style	QTR	YTD	1 Year	3 Years	5 Years
Russell 3000	Broad Equity	5.9	28.3	28.3	-5.4	0.8
S&P 500	Large Cap Core	6.0	26.5	26.5	-5.6	0.4
Russell 1000	Large Cap Core	6.1	28.4	28.4	-5.4	0.8
Russell 1000 Growth	Large Cap Growth	7.9	37.2	37.2	-1.9	1.6
Russell 1000 Value	Large Cap Value	4.2	19.7	19.7	-9.0	-0.3
Russell Midcap	Midcap	5.9	40.5	40.5	-4.6	2.4
Russell Midcap Growth	Midcap Growth	6.7	46.3	46.3	-3.2	2.4
Russell Midcap Value	Midcap Value	5.2	34.2	34.2	-6.6	2.0
Russell 2000	Small Cap	3.9	27.2	27.2	-6.1	0.5
Russell 2000 Growth	Small Cap Growth	4.1	34.5	34.5	-4.0	0.9
Russell 2000 Value	Small Cap Value	3.6	20.6	20.6	-8.2	0.0
International Equity	Style	QTR	YTD	1 Year	3 Years	5 Years
MSCI EAFE	Developed Markets	2.2	32.5	32.5	-5.6	4.0
MSCI EAFE Growth	Developed Markets Growth	4.2	29.9	29.9	-4.4	4.0
MSCI EAFE Value	Developed Markets Value	0.3	35.1	35.1	-6.8	4.0
MSCI Emerging Markets	Emerging Markets	8.6	79.0	79.0	5.4	15.9
Domestic Fixed Income	Style	QTR	YTD	1 Year	3 Years	5 Years
Barclays Aggregate Index	Core Fixed Income	0.2	5.9	5.9	6.0	5.0
Barclays Gov/Credit	Gov/Credit	-0.2	4.5	4.5	5.8	4.7
Barclays Capital Gov't Bond	Treasuries	-1.0	-2.2	-2.2	6.1	4.9
Barclays Capital Credit Bond	Corporate Bonds	1.0	18.5	18.5	6.5	5.1
Intermediate Aggregate	Core Intermediate	0.5	6.5	6.5	6.1	5.0
Intermediate Gov/Credit	Gov / Credit Intermediate	0.3	5.2	5.2	5.9	4.7
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.0	0.8	0.8	4.9	4.0
CSFB High Yield	High Yield Bonds	6.2	54.2	54.2	5.3	6.0
Alternate Assets	Style	QTR	YTD	1 Year	3 Years	5 Years
Global Ex-US	International Treasuries	-5.6	0.6	0.6	7.2	3.8
NCREIF NFI-ODCE Index	Real Estate	-3.5	-29.8	-29.8	-9.8	0.7
HFRI FOF Composite	Hedge Funds	1.5	12.0	12.0	-0.1	3.4
HFRI FOF Conservative Index	Hedge Funds - Conservative	1.0	10.1	10.1	-0.4	2.6

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
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35% Barclays Aggregate	5% 91-Day TBills
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- * 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.

- * Because of the large number of index funds present in the large cap core universe, there was a very large cluster of near-index returns occupying the 35th through the 65th percentiles of the universe during the most recent quarter.

- * All returns for periods greater than one year are annualized.

- * All values are in US dollars.