

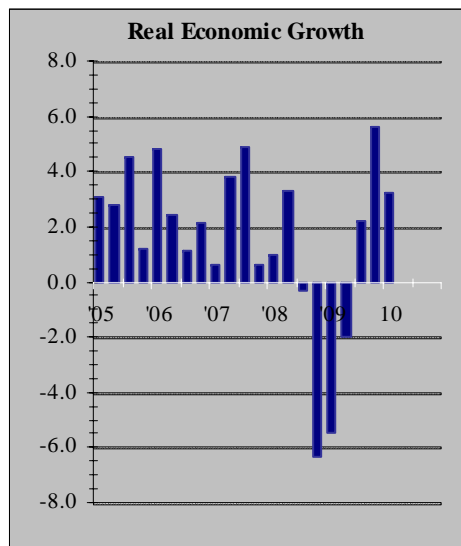
**CITY OF BURLINGTON EMPLOYEES
RETIREMENT PLAN
PERFORMANCE REVIEW
MARCH 2010**



ECONOMIC ENVIRONMENT

Evidence of a Recovering Economy

The new year dawned with much brighter economic statistics than last year. Solid and diversified retail sales (auto sales up 15% year over year) and stabilizing residential home prices heralded a turnaround both economically and psychologically. GDP was up 5.6% in the fourth quarter of 2009 and 3.2% for the first quarter as well. These statistics accompanied low inflation numbers and growing production figures in the manufacturing sector. The unemployment rate stopped climbing and actually stabilized at 9.7%, another hopeful sign. In March, the economy actually generated 162,000 new jobs. (This good news was mitigated by the fact that some of the new hires were very temporary US Census positions.) The same month, the leading economic indicators index rose by 1.5%, portending an extended recovery.



Sharply higher corporate earnings and related commercial spending gave a further boost to the recovery news. Fourth quarter earnings were far stronger than analysts estimated. While it is true that the higher actual and expected earnings are being generated from a low recessionary base, the numbers are quite good in nominal terms. Corporate profit improvements so far have been due in part to cost-cutting, while further earnings increases should induce more hiring and capital expenditures

– both beneficial to GDP.

The Federal Reserve made the tough decision to keep short-term interest rates close to zero percent last quarter. This was in an effort not to

interrupt the early stages of the economic turnaround and to combat the possibility of more real estate foreclosures, especially in the commercial area. Prudently, the Fed also began to wind down support for the residential mortgage market and raised the discount rate between banks to 0.75%. As a result, overall monetary policy moved modestly away from quantitative easing, which is preparing the stage for more bank lending.

Although domestic investors tended to avoid new Treasury offerings during the quarter, many non-US participants helped the Treasury auctions to sell out. The dollar strengthened in most currency markets, as it appeared to have fewer problems than the Euro, and there was good evidence of a US economic turnaround. The downside of a richer dollar was a tougher sell for American exports.

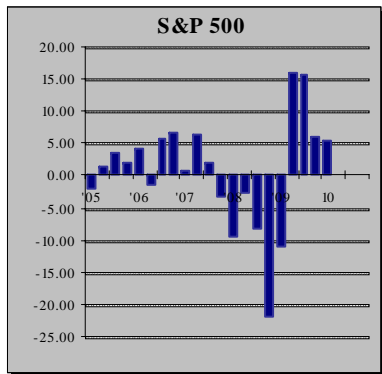
On the inflation front, first quarter (annualized) CPI was a moderate 2.3%. Excluding food and energy, the annualized rate was only 1.1%. The hold over from the recession was largely responsible for these benign levels. The ISM Manufacturing Index (Institute for Supply Management) reached its highest level since mid-2004 and industrial production rose for the eighth straight month, as well. Consumer sales strength was unusually broad, up 1.6% for the month of March and +7.6%, year-over-year. The auto sector benefited from increased sales, as did clothing, furniture, restaurants and garden supplies. Annualized auto sales in March, alone, were 11.8 million units.

Commodity markets were mixed for the period. The DJ Industrial Metals Index jumped 6.1%, reflecting higher emerging market demand. On the other hand, the DJ Energy Index fell 8.3% due to temporarily weak demand, especially for natural gas. Food commodity indices were significantly lower after farm inventories were revised upward.

The one dark cloud in the sky was the Greek debt crisis and its impact upon the EU economy as a whole. Other lesser (but not insignificant) concerns for the long-term were the US healthcare overhaul, the \$1.4 Trillion FY 2010 budget deficit, and the ongoing debates over US regulatory reform. However, all of these concerns combined were not enough to shut down the current economic recovery.

EQUITY MARKET

The S&P 500 has rallied 77% from its March 9th, 2009 low and close to 50% for the latest twelve-month period. For the last quarter, the broad market stock index was up 5.4%, the best 1st quarter result in 12 years. The mid-cap and small-cap indices did even better. The Russell Mid Cap advanced 8.7% and the Small Cap was up 8.9%. In every case,



value stocks (typically those with a more cyclical performance pattern) posted higher returns than their growth counterparts. The most dramatic difference was between small-cap value and growth; the Small Cap Value Index gained 10.0% vs. 7.6% for Small Cap Growth. To summarize, small outperformed large and value beat growth among the Russell indices.

Not only did value stocks outperform their growth counterparts, but economically sensitive market sectors beat more defensive ones. Financials and consumer durable stocks led the pack with each gaining 13.0%. On the financials front, investors became more comfortable with the improving health of banks; they also viewed moderately increased lending as a positive sign. Consumer durables got a boost from sales of autos and electronic devices. Basic industry stocks, which include raw materials and processing, rose 11.5%; they benefited from increased spending for operations and noticeably higher capital expenditures.

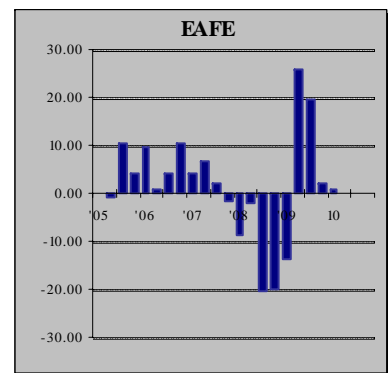
Defensive sectors did not fare as well. Healthcare and other services added 4.9%, consumer non-durables rose 4.3% and traditional utilities actually lost 1.6%, on average. Energy stocks added a modest 0.2%, in part because investors observed low domestic demand and questioned the sustainability of high prices at the pump. All told, higher corporate earnings and positive soundings in the economy were enough to give the equity market its fourth quarterly gain in a row.

The biggest winner among narrow market segment indices was the REIT (real estate investment trust) segment. (REITs are a component of the small cap value stock index.) The S&P US REIT Index shot up more than 100% during the latest year and more than 10% this past quarter. With commercial real estate in disarray, this does not seem logical, but there are two pieces that combine to explain the performance. First, having plummeted in 2008 and early 2009, REITs have bounced back from a severe oversold position. A second and more tangible reason is that many REIT managements have successfully refinanced their maturing debt and have issued more equity to allow for future property acquisitions.

The quarter-end dividend yield for the S&P was 1.9% and the price/earnings ratio was 18.4 times. Yields have continued to fall and the P/E ratio has continued to grow, mostly reflecting the continued rise in stock prices.

INTERNATIONAL EQUITIES

Non-US stocks took a pause from their breathtaking 2009 advances. The MSCI EAFE Index underperformed all major US indices, gaining 0.94%. In local currencies, the equivalent return was a higher 4.4%. The



difference was due to the US dollar's rapid appreciation against most major currencies.

EAFE Europe (excluding the UK) dipped 2.3% last quarter, caused by the Greek credit crisis, its impact on the Euro and the need for some form of bailout. The Greek component of the index dropped 13.2%. The UK didn't escape investor concern, dropping 0.6%. Its debt is also high in

relation to GDP and the economic turnaround there is slow in coming. The sarcastic PIGS mnemonic for Europe's weak sister economies has recently morphed into PIIGS: Portugal, Ireland, Italy, Greece and Spain.

Except for Ireland (-0.2%), which has taken significant deficit reduction steps, the PIIGS were deeply underwater for the quarter. The worst of the lot was Spain (-15.2%), followed by Greece (-13.2%), Portugal (-10.3%) and Italy (-7.3%).

Pacific stocks gained 6.3%. Japan, one of the worst country performers last year, had the biggest rally for the quarter (+8.3%). Aside from finding value among depressed Japanese names, investors were encouraged by that country's surging exports and easy monetary policy. Japan's stock market ascendance is all the more amazing as Toyota became mired in faulty car safety issues and JAL (Japan Airlines) filed the country's largest, non-financial company bankruptcy. Hong Kong stocks rose 2.4%, Singapore names slipped 1.3% and Australian shares climbed 4.2%, as China's demand for Australian commodities continued unabated.

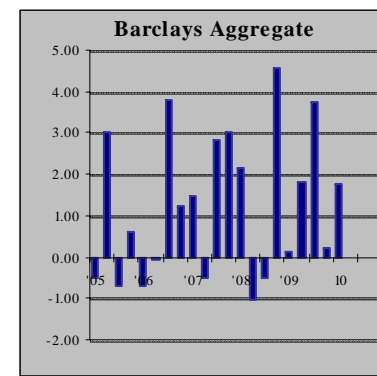
MSCI Emerging Markets gains were quite muted compared to 2009. The EM Index gained 2.45%. Brazil and China, two of the so-called BRIC countries, disappointed. Brazil was flat and China was down 1.6%. Brazil's pullback was tied to oil producer Petrobras, as the company remained in discussion with the Brazilian Government to swap control for drilling rights. In China's case, the Central Government tightened credit to ward off inflation and moderate the pace of economic growth. Indian stocks gained a healthy 5% as its government published a tight fiscal budget to reduce debt, while still allowing for infrastructure spending. Indonesia and Malaysia rose 10% and 9%, respectively, as these countries were only minimally impacted by the global recession and their economies were advancing. Finally, the technology-based Israeli stock market rose 10%.

BOND MARKET

The Barclays Aggregate Bond Index rose for the sixth straight quarter, returning 1.8%. Treasuries, representing close to 30% of the index, returned 1.1%. The weak performance was a function of a very large issuance to pay for the stimulus program and to offset falling

revenue. Faced with the record size of the Government deficit and the overall debt level, investors exacted higher rates on the long maturity issues. That pressure reduced prices of pre-existing Treasuries. The Long-term government index rose 0.9% for the quarter.

In sharp contrast to Government debt, all major corporate bond indices rose far more. Continuing the junk bond rally, lower-rated issues outdistanced investment grade names. For example, the average BA corporate gained 4.5% and CAA returned 5.3%. By contrast, BAA and above (investment grade) returned just 2.3%.



Financials were the best-performing sub-sector within investment grade, advancing 2.9%. The relatively small CMBS market (commercial real estate securities) defied all odds to advance a dramatic 9.1%. This gain was in addition to double digit advances during the prior three quarters.

At quarter-end, the Barclays Aggregate Index yielded 3.47%, had an average maturity of 6.95 years and a modified duration of 4.68 years.

CASH EQUIVALENTS









Again in the first quarter, 91 day Treasury-bills effectively yielded nothing (+0.03%). The trailing one-year return of 0.12% wasn't much better. On an inflation-adjusted basis, investors actually lost over 2% in buying power.

MARKET SUMMARY

ECONOMIC STATISTICS

| | CURRENT QTR | LAST QTR |
|---------------------|-------------|----------|
| GDP | 3.2 | 5.6 |
| Unemployment | 9.7 | 10.0 |
| CPI Year/Year | 2.30 | 2.72 |
| Fed Funds Rate | 0.25 | 0.25 |
| Industrial Capacity | 73.2 | 72.0 |
| US Dollars per Euro | 1.35 | 1.44 |

MAJOR INDEX QUARTER RETURNS

| INDEX | PERFORMANCE |
|---------------|---|
| Russell 3000 | 5.9  |
| S&P 500 | 5.4  |
| Russell Mid | 8.7  |
| Russell 2000 | 8.9  |
| MSCI EAFE | 0.9  |
| MSCI Emg Mkts | 2.5  |
| NCREIF ODCE | 0.8  |
| Barclays Agg | 1.8  |
| 90 Day Tbills | 0.0 |

EQUITY RETURN DISTRIBUTIONS

| | QUARTER | | | TRAILING YEAR | | |
|----|---------|-----|-----|---------------|------|------|
| | VAL | COR | GRO | VAL | COR | GRO |
| LC | 6.8 | 5.7 | 4.7 | 53.6 | 51.6 | 49.8 |
| MC | 9.6 | 8.7 | 7.7 | 72.4 | 67.7 | 63.0 |
| SC | 10.0 | 8.9 | 7.6 | 65.1 | 62.8 | 60.3 |

MARKET SUMMARY

* The U.S. continued its robust expansion with a 3.2% growth in GDP.

* The nation's unemployment rate has stabilized at 9.7%.

* Short-term interest rates remain near 0.0% to keep pressure off the recovering real estate markets.

* Inflation remains modest, likely held in check by the recent recession and relatively high unemployment.

INVESTMENT RETURN

On March 31st, 2010, the City of Burlington Employees Retirement Fund was valued at \$115,551,390, representing a \$3,833,700 increase from the December ending value of \$111,717,690. During the last three months, the portfolio posted net contributions of \$13,402 in addition to net investment returns of \$3,820,298. Since there were no income receipts for the first quarter, the portfolio's net investment return figure was the product of net realized and unrealized capital gains totaling \$3,820,298.

Since December 2001, the fund has recorded net withdrawals totaling \$14.4 million and posted \$31.1 million in net investment gains. Since December 2001, if the fund earned a compounded nominal rate of 8.0% it would have been worth \$163.7 million or \$48.1 million more than the actual value as of March 31st, 2010.

RELATIVE PERFORMANCE

Total Fund

During the first quarter, the Composite portfolio returned 3.6%, which was 0.1% above the Burlington Policy Index's return of 3.5% and ranked in the 47th percentile of the Public Fund universe. Over the trailing year, this portfolio returned 43.5%, which was 9.7% above the benchmark's 33.8% performance, and ranked in the 5th percentile. Since December 2001, the account returned 4.0% on an annualized basis and ranked in the 91st percentile. The Burlington Policy Index returned an annualized 5.1% over the same time frame.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

| | Quarter | YTD | 1 Year | -----Annualized----- | |
|----------------------------------|---------|------|--------|----------------------|---------------|
| | | | | 3 Years | Since 12/2001 |
| Total Portfolio | 3.6 | 3.6 | 43.5 | -1.1 | 4.0 |
| <i>PUBLIC FUND RANK</i> | (47) | (47) | (5) | (71) | (91) |
| POLICY INDEX | 3.5 | 3.5 | 33.8 | 0.1 | 5.1 |
| LEGACY INDEX | 3.5 | 3.5 | 33.8 | -0.2 | 4.4 |
| VPIC INDEX | 2.5 | 2.5 | 33.1 | -2.0 | 4.9 |
| Diversified Asset | 4.0 | 4.0 | 47.8 | ---- | ---- |
| <i>TOTAL CLIENT RANK</i> | (18) | (18) | (12) | ---- | ---- |
| 60 MSCI/40 WGBI | 1.4 | 1.4 | 32.6 | 0.4 | 6.4 |
| Equity | 7.4 | 7.4 | 64.7 | ---- | ---- |
| <i>ALL CAP RANK</i> | (33) | (33) | (21) | ---- | ---- |
| RUSSELL 3000 | 5.9 | 5.9 | 52.4 | -4.0 | 2.9 |
| Foreign Equity | 1.5 | 1.5 | 59.1 | ---- | ---- |
| <i>INTERNATIONAL EQUITY RANK</i> | (51) | (51) | (31) | ---- | ---- |
| MSCI EAFE | 0.9 | 0.9 | 55.2 | -6.6 | 7.0 |
| MSCI EMG MKTS | 2.5 | 2.5 | 81.6 | 5.4 | 18.2 |
| Commodity | -6.2 | -6.2 | ---- | ---- | ---- |
| Private Equity | 0.0 | 0.0 | 21.7 | ---- | ---- |
| CAMBRIDGE PE | 0.0 | 0.0 | 14.2 | -0.8 | 11.2 |
| Real Estate | -0.9 | -0.9 | -23.6 | ---- | ---- |
| NCREIF ODCE | 0.8 | 0.8 | -18.0 | -10.7 | 3.8 |
| Timber | -0.4 | -0.4 | 8.5 | ---- | ---- |
| NCREIF TIMBER | -0.2 | -0.2 | -5.7 | 6.6 | 9.0 |
| Fixed Income | 2.6 | 2.6 | 26.0 | ---- | ---- |
| <i>BROAD MARKET FIXED RANK</i> | (41) | (41) | (23) | ---- | ---- |
| BARCLAYS AGG | 1.8 | 1.8 | 7.7 | 6.1 | 5.5 |

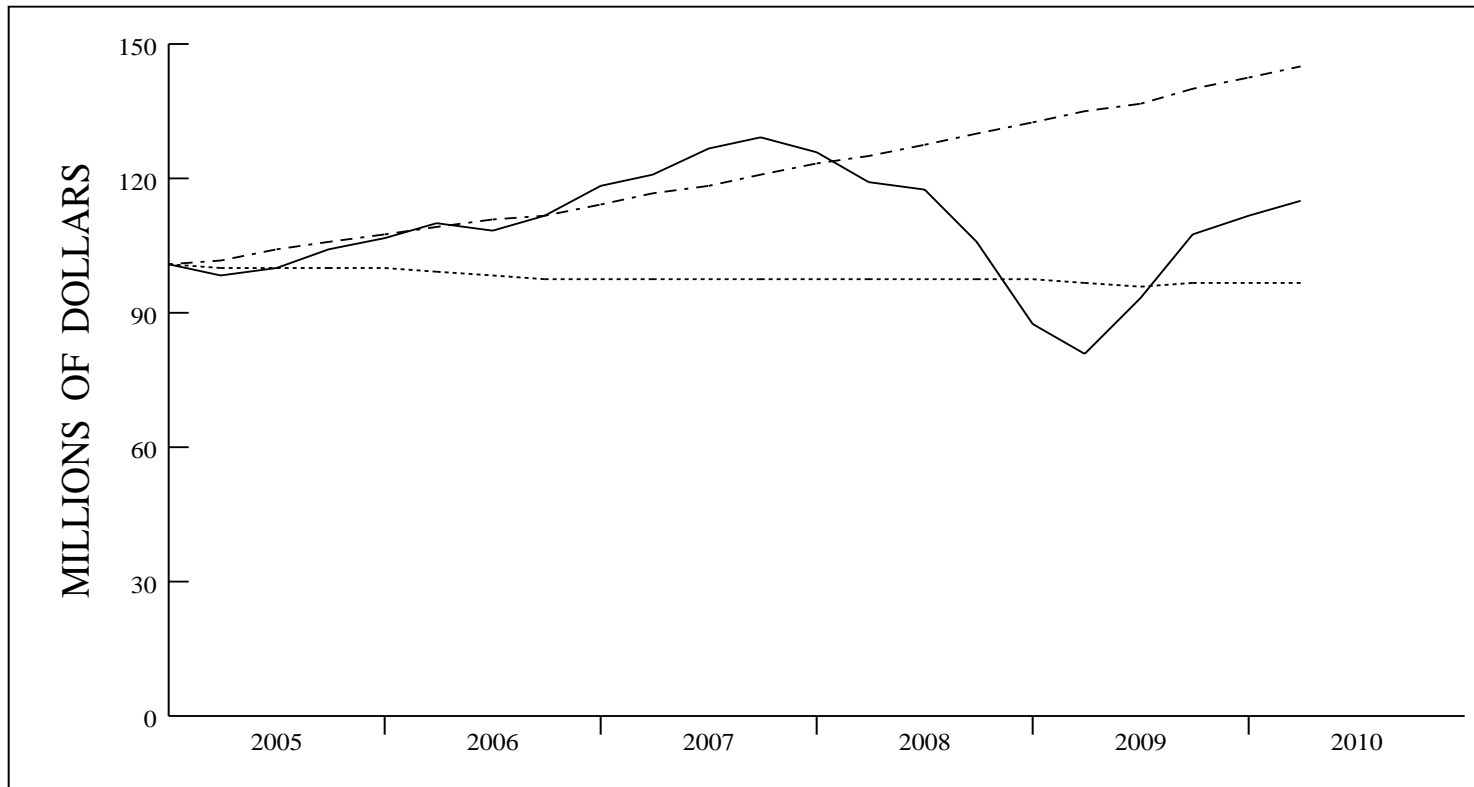
ASSET ALLOCATION

| | | |
|------------------------|---------------|-----------------------|
| Diversified | 7.2% | \$ 8,262,142 |
| Equity | 26.3% | 30,340,278 |
| Foreign Equity | 17.8% | 20,577,643 |
| Commodity | 1.9% | 2,153,176 |
| Private Equity | 0.5% | 541,092 |
| Real Estate | 3.7% | 4,322,726 |
| Timber | 3.0% | 3,424,205 |
| Fixed Income | 37.4% | 43,250,125 |
| Cash | 2.3% | 2,680,003 |
| Total Portfolio | 100.0% | \$ 115,551,390 |

INVESTMENT RETURN

| | |
|------------------------|----------------|
| Market Value 12/2009 | \$ 111,717,690 |
| Contribs / Withdrawals | 13,402 |
| Income | 0 |
| Capital Gains / Losses | 3,820,298 |
| Market Value 3/2010 | \$ 115,551,390 |

INVESTMENT GROWTH

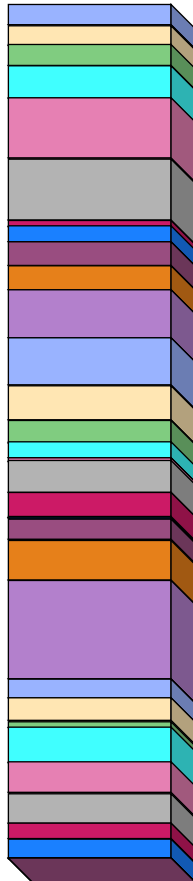


— ACTUAL RETURN
 - - - 8.0%
 0.0%

VALUE ASSUMING
 8.0% RETURN
 \$ 145,849,600

| | LAST QUARTER | PERIOD 12/04 - 3/10 |
|-------------------------------|------------------|------------------------|
| BEGINNING VALUE | \$ 111,717,690 | \$ 101,545,896 |
| NET CONTRIBUTIONS | 13,402 | - 4,706,359 |
| <u>INVESTMENT RETURN</u> | <u>3,820,298</u> | <u>18,711,852</u> |
| ENDING VALUE | \$ 115,551,390 | \$ 115,551,390 |
| INCOME | 0 | 8,159,795 |
| <u>CAPITAL GAINS (LOSSES)</u> | <u>3,820,298</u> | <u>10,552,058</u> |
| INVESTMENT RETURN | 3,820,298 | 18,711,852 |

MANAGER ALLOCATION SUMMARY



| Name | Market Value | Percent |
|------------------------|----------------------|--------------|
| AQR (DIV) | \$2,734,359 | 2.4 |
| Mellon (DIV) | \$2,658,598 | 2.3 |
| Wellington GAA (DIV) | \$2,869,185 | 2.5 |
| SSgA EqWeight (LCC) | \$4,408,509 | 3.8 |
| T Rowe Price (LCC) | \$8,174,352 | 7.1 |
| Pimco Stocks + (LC) | \$8,280,117 | 7.2 |
| Champlain (SMID) | \$849,771 | 0.7 |
| SSgA R2500 (SMID) | \$2,161,257 | 1.9 |
| SSgA R2000G (SCG) | \$3,231,545 | 2.8 |
| Wellington SCV (SCV) | \$3,234,727 | 2.8 |
| Acadian (INEQ) | \$6,493,927 | 5.6 |
| Mondrian (INEQ) | \$6,404,407 | 5.5 |
| Aberdeen (EMKT) | \$4,614,013 | 4.0 |
| Martin Currie (EMKT) | \$3,065,296 | 2.7 |
| Schroders (CMDT) | \$2,153,176 | 1.9 |
| Hamilton Lane (PREQ) | \$541,092 | 0.5 |
| VPIC R E (REAL) | \$4,322,726 | 3.7 |
| Molpus (TIMB) | \$3,424,205 | 3.0 |
| Logan Circle (FIXD) | \$226,529 | 0.2 |
| Oppenheimer (FIXD) | \$2,761,309 | 2.4 |
| Pimco All Asset (FIXD) | \$5,371,810 | 4.6 |
| Pimco Core Plus (FIXD) | \$13,328,722 | 11.5 |
| Wellington FX (FIXD) | \$2,568,488 | 2.2 |
| Barclays TIPS (TIPS) | \$3,069,462 | 2.7 |
| KDP (HIYL) | \$799,525 | 0.7 |
| Post HY Bonds (HIYL) | \$4,830,832 | 4.2 |
| Brandywine (GLFX) | \$4,166,342 | 3.6 |
| Mondrian Fixed (GLFX) | \$4,020,867 | 3.5 |
| Wellington EmFx (EMFX) | \$2,106,239 | 1.8 |
| Cash (CASH) | \$2,638,283 | 2.3 |
| VPIC Cash (CASH) | \$41,720 | 0.0 |
| Total Fund | \$115,551,390 | 100.0 |

MANAGER PERFORMANCE SUMMARY

| Name | (Universe) | Quarter | YTD | 1 Year | 3 Years | 5 Years | Inception |
|--|---------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|
| Total Portfolio | (Public Fund) | 3.6 (47) | 3.6 (47) | 43.5 (5) | -1.1 (71) | 4.1 (66) | 4.0 (91) 12/01 |
| <i>BURLINGTON POLICY INDEX</i> | | <i>3.5 ----</i> | <i>3.5 ----</i> | <i>33.8 ----</i> | <i>0.1 ----</i> | <i>4.3 ----</i> | <i>5.1 ----</i> |
| AQR | (Total) | 4.6 (6) | 4.6 (6) | ---- | ---- | ---- | 9.8 (7) 09/09 |
| <i>60%MSCI World/ 40% CITI WGBI</i> | | <i>1.4 ----</i> | <i>1.4 ----</i> | <i>32.6 ----</i> | <i>0.4 ----</i> | <i>4.4 ----</i> | <i>3.1 ----</i> |
| Mellon Global Alpha I | (Total) | 3.6 (28) | 3.6 (28) | 45.0 (21) | ---- | ---- | -5.9 (84) 12/07 |
| <i>60%MSCI World/ 40% CITI WGBI</i> | | <i>1.4 ----</i> | <i>1.4 ----</i> | <i>32.6 ----</i> | <i>0.4 ----</i> | <i>4.4 ----</i> | <i>-2.8 ----</i> |
| Wellington Opportunistic GAA | (Total) | 2.8 (69) | 2.8 (69) | 45.9 (16) | ---- | ---- | 15.0 (3) 09/08 |
| <i>65% MSCI World / 35% Agg</i> | | <i>2.7 ----</i> | <i>2.7 ----</i> | <i>35.6 ----</i> | <i>-0.7 ----</i> | <i>4.5 ----</i> | <i>6.2 ----</i> |
| SSgA Equal Weighted Index | (LC Core) | 8.3 (3) | 8.3 (3) | 76.2 (1) | ---- | ---- | -2.5 (4) 12/07 |
| <i>Equal Weighted S&P 500</i> | | <i>8.1 ----</i> | <i>8.1 ----</i> | <i>75.1 ----</i> | <i>-2.2 ----</i> | <i>4.2 ----</i> | <i>-2.4 ----</i> |
| T Rowe Price Enhanced Index | (LC Core) | 5.4 (65) | 5.4 (65) | 51.0 (35) | ---- | ---- | -5.6 (19) 12/07 |
| <i>S&P 500</i> | | <i>5.4 ----</i> | <i>5.4 ----</i> | <i>49.8 ----</i> | <i>-4.2 ----</i> | <i>1.9 ----</i> | <i>-7.5 ----</i> |
| Pimco Stocks + | (LC Core) | 8.1 (4) | 8.1 (4) | 75.4 (1) | ---- | ---- | -5.3 (15) 12/07 |
| <i>S&P 500</i> | | <i>5.4 ----</i> | <i>5.4 ----</i> | <i>49.8 ----</i> | <i>-4.2 ----</i> | <i>1.9 ----</i> | <i>-7.5 ----</i> |
| Champlain | (Smidcap) | 6.4 (77) | 6.4 (77) | ---- | ---- | ---- | 13.3 (66) 09/09 |
| <i>Russell 2500</i> | | <i>9.2 ----</i> | <i>9.2 ----</i> | <i>65.7 ----</i> | <i>-3.2 ----</i> | <i>4.0 ----</i> | <i>14.8 ----</i> |
| SSgA Russell 2500 | (Smidcap) | 9.2 (35) | 9.2 (35) | 65.3 (31) | ---- | ---- | -3.3 (64) 12/07 |
| <i>Russell 2500</i> | | <i>9.2 ----</i> | <i>9.2 ----</i> | <i>65.7 ----</i> | <i>-3.2 ----</i> | <i>4.0 ----</i> | <i>-3.3 ----</i> |
| SSgA Russell 2000 Growth | (SC Growth) | 7.6 (47) | 7.6 (47) | 60.3 (42) | ---- | ---- | -5.1 (65) 12/07 |
| <i>Russell 2000 Growth</i> | | <i>7.6 ----</i> | <i>7.6 ----</i> | <i>60.3 ----</i> | <i>-2.4 ----</i> | <i>3.8 ----</i> | <i>-5.1 ----</i> |
| Wellington Small Cap Value | (SC Value) | 10.6 (41) | 10.6 (41) | 71.5 (70) | ---- | ---- | 3.4 (38) 12/07 |
| <i>Russell 2000 Value</i> | | <i>10.0 ----</i> | <i>10.0 ----</i> | <i>65.1 ----</i> | <i>-5.7 ----</i> | <i>2.7 ----</i> | <i>-2.6 ----</i> |

MANAGER PERFORMANCE SUMMARY













| Name | (Universe) | Quarter | YTD | 1 Year | 3 Years | 5 Years | Inception |
|------------------------------------|----------------|------------------|------------------|-------------------|-------------------|------------------|-------------------|
| Acadian | (Intl Eq) | 3.2 (27) | 3.2 (27) | 53.5 (57) | ---- ---- | ---- ---- | -16.2 (96) 12/07 |
| <i>MSCI EAFE Net</i> | | <i>0.9 ----</i> | <i>0.9 ----</i> | <i>54.5 ----</i> | <i>-7.0 ----</i> | <i>3.8 ----</i> | <i>-11.9 ----</i> |
| Mondrian International | (Intl Eq) | -1.8 (97) | -1.8 (97) | 44.9 (92) | ---- ---- | ---- ---- | -11.0 (59) 12/07 |
| <i>MSCI EAFE Net</i> | | <i>0.9 ----</i> | <i>0.9 ----</i> | <i>54.5 ----</i> | <i>-7.0 ----</i> | <i>3.8 ----</i> | <i>-11.9 ----</i> |
| Aberdeen Emerging Markets | (Emerging Mkt) | 5.4 (17) | 5.4 (17) | 97.2 (19) | ---- ---- | ---- ---- | 9.0 (5) 03/08 |
| <i>MSCI Emerging Markets</i> | | <i>2.5 ----</i> | <i>2.5 ----</i> | <i>81.6 ----</i> | <i>5.4 ----</i> | <i>16.0 ----</i> | <i>-1.8 ----</i> |
| Martin Currie | (Emerging Mkt) | 0.5 (94) | 0.5 (94) | 62.1 (91) | ---- ---- | ---- ---- | 62.1 (91) 03/09 |
| <i>MSCI Emerging Markets</i> | | <i>2.5 ----</i> | <i>2.5 ----</i> | <i>81.6 ----</i> | <i>5.4 ----</i> | <i>16.0 ----</i> | <i>81.6 ----</i> |
| Schroders | | -6.2 ---- | -6.2 ---- | ---- ---- | ---- ---- | ---- ---- | -6.2 ---- 12/09 |
| <i>Dow Jones UBS Index</i> | | <i>-5.0 ----</i> | <i>-5.0 ----</i> | <i>20.5 ----</i> | <i>-6.9 ----</i> | <i>-1.4 ----</i> | <i>-5.0 ----</i> |
| Hamilton Lane | | 0.0 ---- | 0.0 ---- | 17.8 ---- | ---- ---- | ---- ---- | 17.8 ---- 03/09 |
| <i>Cambridge US Private Equity</i> | | <i>0.0 ----</i> | <i>0.0 ----</i> | <i>14.2 ----</i> | <i>-0.8 ----</i> | <i>10.6 ----</i> | <i>14.2 ----</i> |
| VPIC Real Estate | | -0.9 ---- | -0.9 ---- | -23.6 ---- | ---- ---- | ---- ---- | -22.5 ---- 12/07 |
| <i>NCREIF NFI-ODCE Index</i> | | <i>0.8 ----</i> | <i>0.8 ----</i> | <i>-18.0 ----</i> | <i>-10.7 ----</i> | <i>0.0 ----</i> | <i>-18.2 ----</i> |
| Molpus | | -0.4 ---- | -0.4 ---- | 8.5 ---- | ---- ---- | ---- ---- | 8.5 ---- 03/09 |
| <i>NCREIF Timber Index</i> | | <i>-0.2 ----</i> | <i>-0.2 ----</i> | <i>-5.7 ----</i> | <i>6.6 ----</i> | <i>10.4 ----</i> | <i>-5.7 ----</i> |

MANAGER PERFORMANCE SUMMARY













| Name | (Universe) | Quarter | YTD | 1 Year | 3 Years | 5 Years | Inception |
|------------------------------------|---------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Oppenheimer US Core Fixed | (Core Fixed) | 4.6 (2) | 4.6 (2) | 24.3 (5) | ---- ---- | ---- ---- | 5.1 (81) 03/08 |
| <i>Barclays Aggregate Index</i> | | <i>1.8 ----</i> | <i>1.8 ----</i> | <i>7.7 ----</i> | <i>6.1 ----</i> | <i>5.4 ----</i> | <i>5.4 ----</i> |
| Pimco All Asset | (Core Fixed) | 2.9 (19) | 2.9 (19) | 30.7 (2) | ---- ---- | ---- ---- | 3.8 (97) 12/07 |
| <i>Barclays Aggregate Index</i> | | <i>1.8 ----</i> | <i>1.8 ----</i> | <i>7.7 ----</i> | <i>6.1 ----</i> | <i>5.4 ----</i> | <i>5.8 ----</i> |
| Pimco Core Plus | (Core Fixed) | 3.1 (17) | 3.1 (17) | ---- ---- | ---- ---- | ---- ---- | 3.7 (34) 09/09 |
| <i>Barclays Aggregate Index</i> | | <i>1.8 ----</i> | <i>1.8 ----</i> | <i>7.7 ----</i> | <i>6.1 ----</i> | <i>5.4 ----</i> | <i>2.0 ----</i> |
| Wellington DAS Fixed | (Core Fixed) | 2.4 (40) | 2.4 (40) | 9.5 (67) | ---- ---- | ---- ---- | 9.9 (60) 09/08 |
| <i>Barclays Aggregate Index</i> | | <i>1.8 ----</i> | <i>1.8 ----</i> | <i>7.7 ----</i> | <i>6.1 ----</i> | <i>5.4 ----</i> | <i>8.3 ----</i> |
| Barclays TIPS | (Broad Fixed) | 0.6 (90) | 0.6 (90) | ---- ---- | ---- ---- | ---- ---- | 0.6 (90) 12/09 |
| <i>Barclays US TIPS</i> | | <i>0.6 ----</i> | <i>0.6 ----</i> | <i>6.2 ----</i> | <i>6.0 ----</i> | <i>4.8 ----</i> | <i>0.6 ----</i> |
| KDP | (Hi Yield) | 3.5 (64) | 3.5 (64) | ---- ---- | ---- ---- | ---- ---- | 6.6 (93) 09/09 |
| <i>CSFB High Yield</i> | | <i>4.5 ----</i> | <i>4.5 ----</i> | <i>52.3 ----</i> | <i>5.8 ----</i> | <i>7.2 ----</i> | <i>11.0 ----</i> |
| Post High Yield Bonds | (Hi Yield) | 3.6 (59) | 3.6 (59) | 35.4 (62) | ---- ---- | ---- ---- | 7.9 (39) 12/07 |
| <i>CSFB High Yield</i> | | <i>4.5 ----</i> | <i>4.5 ----</i> | <i>52.3 ----</i> | <i>5.8 ----</i> | <i>7.2 ----</i> | <i>8.0 ----</i> |
| Brandywine | (Intl Fx) | 2.5 (14) | 2.5 (14) | 29.2 (8) | ---- ---- | ---- ---- | 6.3 (55) 12/07 |
| <i>Citi World Gov't Bond Index</i> | | <i>-1.3 ----</i> | <i>-1.3 ----</i> | <i>6.3 ----</i> | <i>7.2 ----</i> | <i>4.8 ----</i> | <i>5.2 ----</i> |
| Mondrian Global FX | (Intl Fx) | 0.7 (47) | 0.7 (47) | 14.8 (49) | ---- ---- | ---- ---- | 8.8 (17) 12/07 |
| <i>Citi World Gov't Bond Index</i> | | <i>-1.3 ----</i> | <i>-1.3 ----</i> | <i>6.3 ----</i> | <i>7.2 ----</i> | <i>4.8 ----</i> | <i>5.2 ----</i> |
| Wellington Emerging Debt | | 4.6 ---- | 4.6 ---- | ---- ---- | ---- ---- | ---- ---- | 4.6 ---- 12/09 |
| <i>JP Morgan EMBI</i> | | <i>4.3 ----</i> | <i>4.3 ----</i> | <i>30.4 ----</i> | <i>---- ----</i> | <i>---- ----</i> | <i>4.3 ----</i> |

MANAGER VALUE ADDED

Most Recent Quarter










| Manager | Benchmark | Value Added Vs. Benchmark |
|------------------------|---------------------|--|
| AQR | 60 MSCI/40 WGBI | 3.2  |
| Mellon | 60 MSCI/40 WGBI | 2.2  |
| Wellington GAA | 65World/35Agg | 0.1 |
| SSgA EqWeight | Equal Wtd S&P | 0.2 |
| T Rowe Price | S&P 500 | 0.0 |
| Pimco Stocks + | S&P 500 | 2.7  |
| Champlain | Russell 2500 |  -2.8 |
| SSgA R2500 | Russell 2500 | 0.0 |
| SSgA R2000G | Russell 2000G | 0.0 |
| Wellington SCV | Russell 2000V | 0.6  |
| Acadian | EAFE Net | 2.3  |
| Mondrian | EAFE Net |  -2.7 |
| Aberdeen | MSCI Emg Mkts | 2.9  |
| Martin Currie | MSCI Emg Mkts |  -1.9 |
| Schroders | Dow Jones UBS |  -1.2 |
| Hamilton Lane | Cambridge PE | 0.0 |
| VPIC R E | NCREIF ODCE |  -1.7 |
| Molpus | NCREIF Timber |  -0.2 |
| Total Portfolio | Policy Index | 0.1 |

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 | 10.2  |
| SSgA EqWeight | Equal Wtd S&P | 1.1 |
| T Rowe Price | S&P 500 | 1.2 |
| Pimco Stocks + | S&P 500 | 25.6  |
| Champlain | Russell 2500 | N/A |
| SSgA R2500 | Russell 2500 | -0.4 |
| SSgA R2000G | Russell 2000G | 0.0 |
| Wellington SCV | Russell 2000V | 6.4  |
| Acadian | EAFE Net |  -0.9 |
| Mondrian | EAFE Net |  -9.6 |
| Aberdeen | MSCI Emg Mkts | 15.6  |
| Martin Currie | MSCI Emg Mkts |  -19.5 |
| Schroders | Dow Jones UBS | N/A |
| Hamilton Lane | Cambridge PE | 3.5  |
| VPIC R E | NCREIF ODCE |  -5.7 |
| Molpus | NCREIF Timber | 14.2  |
| Total Portfolio | Policy Index | 9.7  |

MANAGER VALUE ADDED

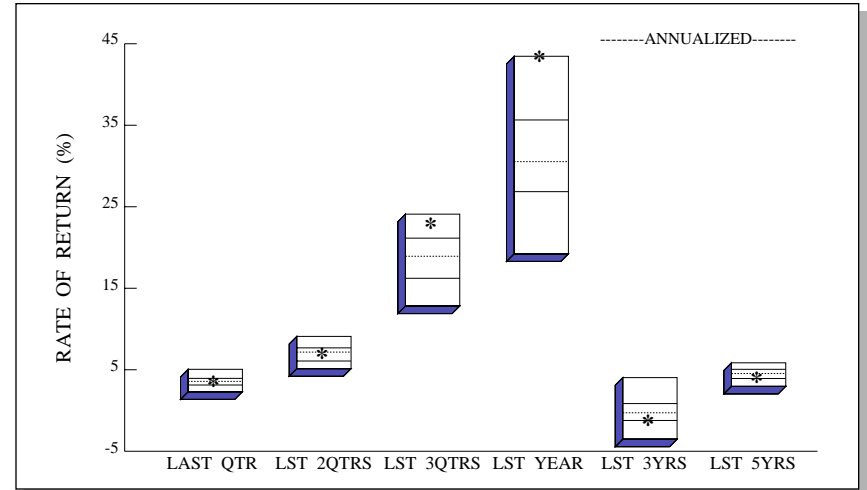
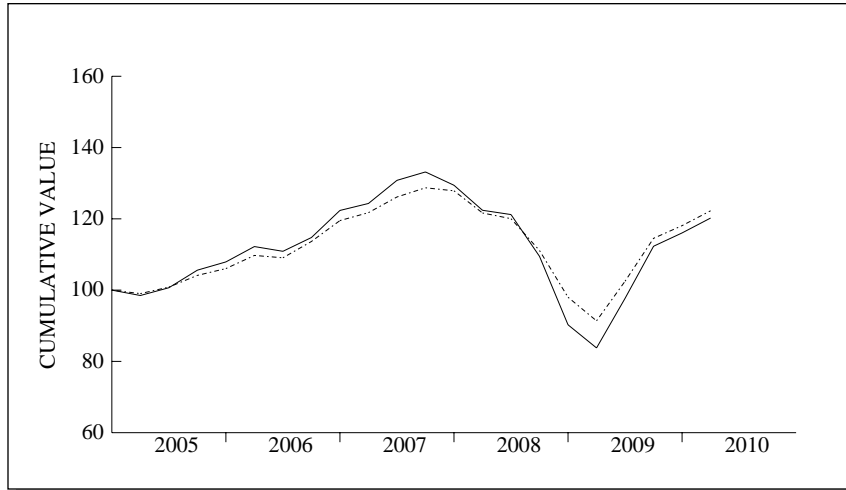
Most Recent Quarter

| Manager | Benchmark | Value Added Vs. Benchmark |
|------------------------|---------------------|--|
| Oppenheimer | Barclays Agg | 2.8  |
| Pimco All Asset | Barclays Agg | 1.1  |
| Pimco Core Plus | Barclays Agg | 1.3  |
| Wellington FX | Barclays Agg | 0.6  |
| Barclays TIPS | Barclays TIPS | 0.0 |
| KDP | CSFB High Yield |  -1.0 |
| Post HY Bonds | CSFB High Yield |  -0.9 |
| Brandywine | Citi WGBI | 3.8  |
| Mondrian Fixed | Citi WGBI | 2.1  |
| Wellington EmFx | JPM EMBI | 0.4  |
| Total Portfolio | Policy Index | 0.1 |

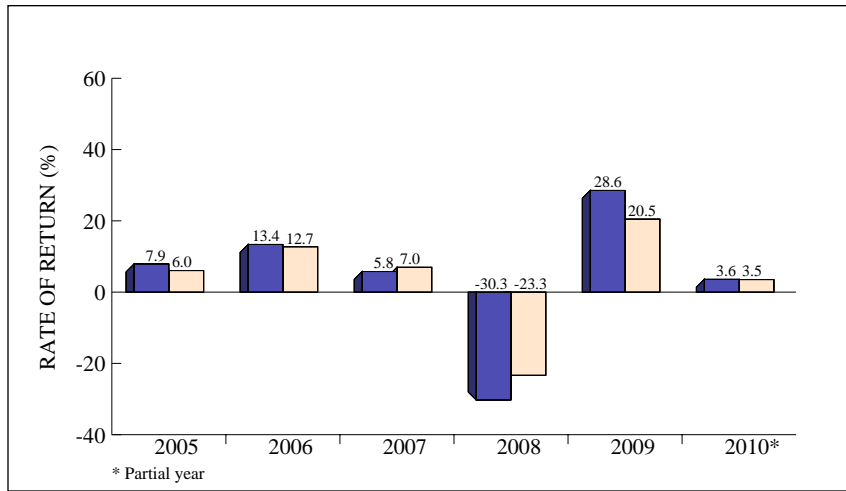
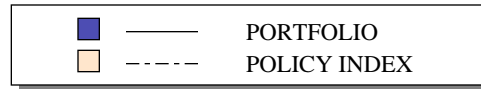
Trailing Twelve Months

| Manager | Benchmark | Value Added Vs. Benchmark |
|------------------------|---------------------|---|
| Oppenheimer | Barclays Agg | 16.6  |
| Pimco All Asset | Barclays Agg | 23.0  |
| Pimco Core Plus | Barclays Agg | N/A |
| Wellington FX | Barclays Agg | 1.8  |
| Barclays TIPS | Barclays TIPS | N/A |
| KDP | CSFB High Yield | N/A |
| Post HY Bonds | CSFB High Yield |  -16.9 |
| Brandywine | Citi WGBI | 22.9  |
| Mondrian Fixed | Citi WGBI | 8.5  |
| Wellington EmFx | JPM EMBI | N/A |
| Total Portfolio | Policy Index | 9.7  |

TOTAL RETURN COMPARISONS



Public Fund Universe



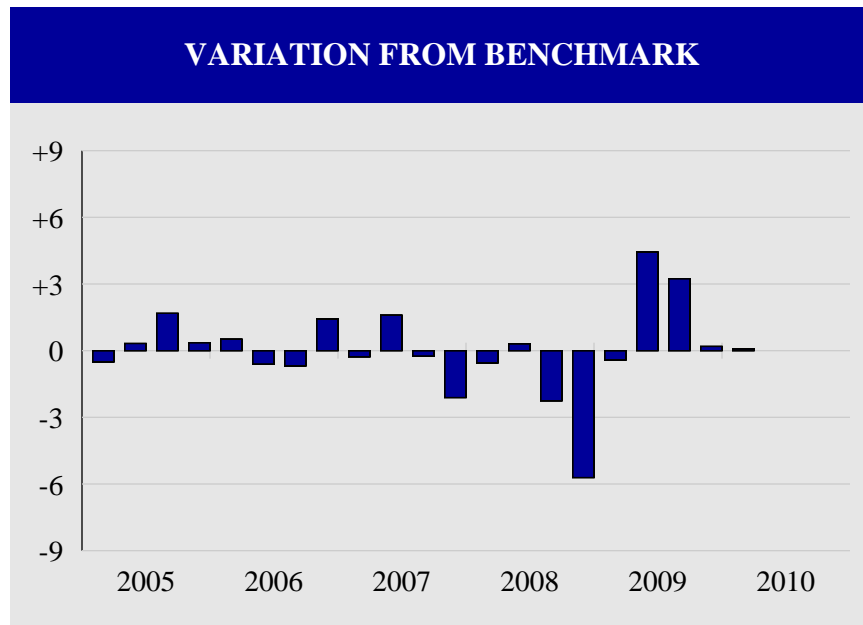
* Partial year

| | <u>LAST QTR</u> | <u>LST 2QTRS</u> | <u>LST 3QTRS</u> | <u>LST YEAR</u> | <u>-----ANNUALIZED-----</u> <u>LST 3 YRS</u> | <u>LST 5YRS</u> |
|---------------------|-----------------|------------------|------------------|-----------------|---|-----------------|
| RETURN | 3.6 | 7.0 | 23.1 | 43.5 | -1.1 | 4.1 |
| (RANK) | (47) | (57) | (9) | (5) | (71) | (66) |
| 5TH %ILE | 5.1 | 9.1 | 24.1 | 43.5 | 4.0 | 5.9 |
| 25TH %ILE | 4.0 | 7.7 | 21.1 | 35.6 | 0.9 | 5.1 |
| MEDIAN | 3.6 | 7.2 | 18.9 | 30.5 | -0.3 | 4.5 |
| 75TH %ILE | 3.1 | 6.1 | 16.2 | 26.9 | -1.2 | 3.9 |
| 95TH %ILE | 2.3 | 5.1 | 12.8 | 19.2 | -3.5 | 3.0 |
| Policy Index | 3.5 | 6.7 | 19.3 | 33.8 | 0.1 | 4.3 |

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: BURLINGTON POLICY INDEX



| | |
|---|-------------|
| Total Quarters Observed | 21 |
| Quarters At or Above the Benchmark | 11 |
| Quarters Below the Benchmark | 10 |
| Batting Average | .524 |

| 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 |

APPENDIX - MAJOR MARKET INDEX RETURNS

| Domestic Equity | Style | QTR | YTD | 1 Year | 3 years | 5 Years |
|------------------------------|----------------------------|------------|------------|---------------|----------------|----------------|
| Russell 3000 | Broad Equity | 5.9 | 5.9 | 52.4 | -4.0 | 2.4 |
| S&P 500 | Large Cap Core | 5.4 | 5.4 | 49.8 | -4.2 | 1.9 |
| Russell 1000 | Large Cap Core | 5.7 | 5.7 | 51.6 | -4.0 | 2.3 |
| Russell 1000 Growth | Large Cap Growth | 4.7 | 4.7 | 49.8 | -0.8 | 3.4 |
| Russell 1000 Value | Large Cap Value | 6.8 | 6.8 | 53.6 | -7.3 | 1.0 |
| Russell Midcap | Midcap | 8.7 | 8.7 | 67.7 | -3.3 | 4.2 |
| Russell Midcap Growth | Midcap Growth | 7.7 | 7.7 | 63.0 | -2.0 | 4.3 |
| Russell Midcap Value | Midcap Value | 9.6 | 9.6 | 72.4 | -5.2 | 3.7 |
| Russell 2000 | Small Cap | 8.9 | 8.9 | 62.8 | -4.0 | 3.4 |
| Russell 2000 Growth | Small Cap Growth | 7.6 | 7.6 | 60.3 | -2.4 | 3.8 |
| Russell 2000 Value | Small Cap Value | 10.0 | 10.0 | 65.1 | -5.7 | 2.7 |
| International Equity | Style | QTR | YTD | 1 Year | 3 years | 5 Years |
| MSCI EAFE | Developed Markets | 0.9 | 0.9 | 55.2 | -6.6 | 4.2 |
| MSCI EAFE Growth | Developed Markets Growth | 2.0 | 2.0 | 51.1 | -5.3 | 4.6 |
| MSCI EAFE Value | Developed Markets Value | -0.2 | -0.2 | 59.5 | -7.8 | 3.8 |
| MSCI Emerging Markets | Emerging Markets | 2.5 | 2.5 | 81.6 | 5.4 | 16.0 |
| Domestic Fixed Income | Style | QTR | YTD | 1 Year | 3 years | 5 Years |
| Barclays Aggregate Index | Core Fixed Income | 1.8 | 1.8 | 7.7 | 6.1 | 5.4 |
| Barclays Gov/Credit | Gov/Credit | 1.5 | 1.5 | 7.5 | 5.8 | 5.2 |
| Barclays Capital Gov't Bond | Treasuries | 1.1 | 1.1 | -0.1 | 6.0 | 5.2 |
| Barclays Capital Credit Bond | Corporate Bonds | 2.3 | 2.3 | 23.4 | 6.7 | 5.8 |
| Intermediate Aggregate | Core Intermediate | 1.8 | 1.8 | 7.4 | 6.2 | 5.5 |
| Intermediate Gov/Credit | Gov / Credit Intermediate | 1.5 | 1.5 | 6.9 | 5.9 | 5.2 |
| ML/BoA 1-3 Year Treasury | Short Term Treasuries | 0.7 | 0.7 | 1.4 | 4.6 | 4.2 |
| CSFB High Yield | High Yield Bonds | 4.5 | 4.5 | 52.3 | 5.8 | 7.2 |
| Alternate Assets | Style | QTR | YTD | 1 Year | 3 years | 5 Years |
| Global Ex-US | International Treasuries | -1.6 | -1.6 | 9.1 | 7.5 | 4.9 |
| NCREIF NFI-ODCE Index | Real Estate | 0.8 | 0.8 | -18.0 | -10.7 | 0.0 |
| HFRI FOF Composite | Hedge Funds | 1.5 | 1.5 | 12.7 | -0.8 | 3.5 |
| HFRI FOF Conservative Index | Hedge Funds - Conservative | 1.9 | 1.9 | 11.7 | -0.8 | 2.8 |

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.