

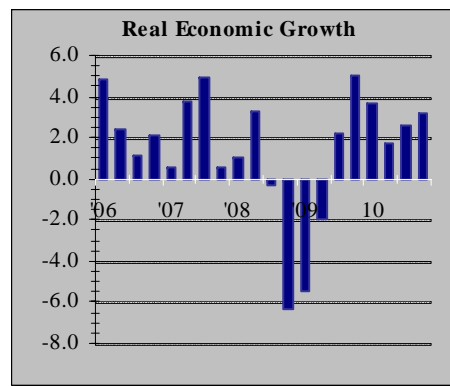
**CITY OF BURLINGTON EMPLOYEES
RETIREMENT PLAN
PERFORMANCE REVIEW
DECEMBER 2010**



ECONOMIC ENVIRONMENT

A Solid, but Slow Recovery

The U.S. economy has now expanded for six consecutive quarters, completely offsetting the declines in 2008 and 2009. Economic data continued to improve during the last quarter, all but erasing fears of a double-dip recession. The Federal Reserve noted improvements in both holiday consumer spending and the pace of manufacturing last fall. Gains were spread among most of the twelve Fed regions. In sync with the good news, third quarter final GDP grew at a decent 2.6% annual rate. Preliminary fourth quarter growth was 3.2%.



Consumers aggressively sought bargains during the holiday shopping season and found them in abundance. The Commerce Department reported that December's retail sales numbers were up for the sixth consecutive month, providing the best one-year gain (+6.7%) since 1999. The ISM Manufacturing Index climbed from 54.4 in September to 58.5 in December, its highest reading in eight months

Inflation remains in check. Although the December CPI (all items) increased by 0.5%, when the highly volatile food and energy components are excluded, December inflation was a tame 0.1%. More importantly, core inflation for the full year was just 0.8%. The very low CPI increase was mainly attributed to the persistent high unemployment rate and corporate willingness to absorb higher costs at the wholesale level to stay competitive. The 2010 CPI change was the smallest since 1958, when record-keeping started!

High unemployment and weak housing sales were the two big drags on economic growth

December's employment statistics were a bit encouraging as they showed the official unemployment rate dip from 9.8% to 9.4%. While the economy added 103,000 jobs, that increase disappointed economists and wasn't enough to offset the number of new entrants into the labor market. The real reason for the 0.4% decline in unemployment was that many job seekers simply gave up looking for work.

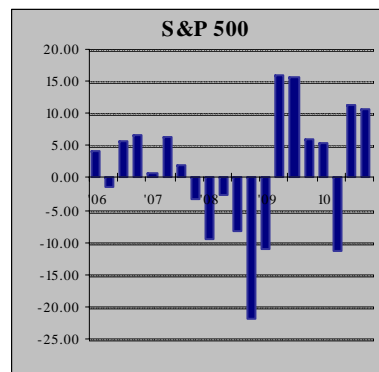
Housing also pulled down the GDP numbers as home foreclosures continued at a record pace through the fall. Foreclosures slowed dramatically when fraudulent or merely sloppy documenting procedures came to light and led to a temporary freeze on most pending foreclosures. A meaningful housing turnaround is probably at least a year away, as new home construction is running at only a quarter of the 2006 rate. In addition, existing home prices are still weak and potential buyers remain wary about buying foreclosed properties at any price.

Early in the quarter, the Federal Reserve implemented a second round of quantitative easing measures known as QE II. This Treasury bond purchase program was designed to lower long term interest rates from their already low levels by: providing a floor for residential real estate; liquefying the money center banks; stimulating lending to small businesses; and encouraging job creation. It remains to be seen whether QE II will benefit the 2011 economy.

Inflationary expectations and emerging market demand directly impacted commodity prices. The DJ Metals Index soared 17.2% for the quarter and a staggering 42.7% for the year. The price of oil rose 8.5% for the quarter, but actually declined 10.5% for the year. Foodstuffs, especially grains, became more costly because of the continuing Russian export ban and higher demand around the globe. While American consumers may applaud the CPI numbers, they find little comfort at the gas pump or in the grocery store.

EQUITY MARKET

Good News despite the Volatility



Buoyed by glowing corporate profits, performance was strong among all of the major indices. Fourth quarter returns ranged from 10.8% for the S&P 500 up to 17.1% for the Russell 2000 Growth Index. Growth stocks did better than their value counterparts; but the more notable differences were between small-cap and large-cap names. Small company

stocks trumped the large caps. For example, the Russell 2000 posted a 16.3% gain vs. 11.2% for the Russell 1000. The gap widened for the full year, as the R-2000 surged 26.9% vs. 16.1% for the R-1000. Smaller-sized companies were able to contain costs and increase sales while also managing to deleverage their balance sheets.

On a sector basis, cyclical stocks again led the way. Energy climbed 21% and Basic was up 16.1%. The Consumer Durables sector climbed 23.4% while Technology and Financials added 12.4% and 12.8%, respectively. Defensive sectors, including utilities, healthcare and non-discretionary consumer, also gained ground, but to a lesser extent. The S&P REIT Index rose 7.4%, which represented a slowing from its feverish pace earlier in the year. In summary, bullish sentiment raised all boats.

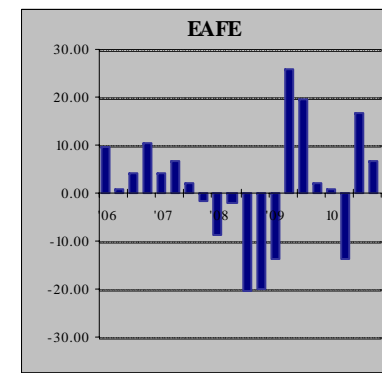
INTERNATIONAL EQUITIES

Most Off-Shore Investors Applied the Brakes

The MSCI EAFE Index rose a healthy 6.7% in the fourth quarter, but performance was not as strong as in the US stock market. The Euro market segment, up only 1.6%, was a drag on the index. This was attributable to the performance of the weakest European stock markets.

Suffering from years of profligate spending, each of their governments averted bankruptcy at the eleventh hour thanks to EMU bailouts and forced belt tightening. The hard-hit country markets (PIIGS) included Portugal (-0.6%); Italy (-2.3%); Ireland (+6.5%); Spain (-8.4%); and Greece (-10.1%). The Irish market was positive only because that country had previously implemented deficit cutting measures; nonetheless, MSCI Ireland fell 17.7% for the year. Despite this loss, Ireland fared well compared to Greece, whose 2010 financial collapse led to a 44.7% shortfall. The only European market to perform well was export-oriented Germany (+9.5%).

Far East performance was a bright spot, climbing 10.9%. Key among the players was Japan, which continued to dominate the Pacific market region. MSCI Japan gained over 12%, marking a real turnaround. However, the main reason for the gain was the Yen's appreciation vs. the US Dollar.



Canada, which is not an EAFE Index component, surged 12.3%. That market is largely comprised of energy, food and other commodity companies whose products are in great demand. Therefore, the gain was in sync with comparable US companies.

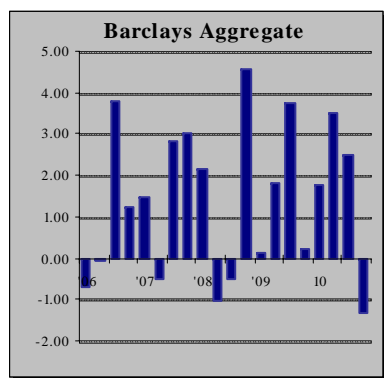
The emerging markets performed a tad better than the developed countries' EAFE Index. The MSCI Emerging Markets Index returned 7.4%. Except for Russia, the so-called BRIC country returns reflected investors' inflation concerns and at least temporarily halted their steam rolling advances. China's performance was only 0.7%; India added a low 2.2% and Brazil, 3.6%. Russia surged 16.5%, as investors returned to that market and the country's grain crisis eased. South Korea gained 12.8%, having benefited from increased auto exports and the deflection of North Korean military aggression. Mexico gained 16.7% despite

continuing drug terrorism. Finally, Eastern Europe x-Russia was up 0.7%, and South Africa gained 13.1%.

Although emerging market gains appear to have slowed, some of 2010's biggest Initial Public Offerings (IPOs) have taken place in China, South Korea, India, Poland and Singapore (an EAFE component). Clearly, investors remain enamored of the developing world economies.

BOND MARKET

Head Fake from QE II



Bond prices abruptly reversed course during the quarter. As noted above, QE II was supposed to lower interest rates. Instead, Federal and state deficit concerns and a shift to potentially higher return asset classes pushed up interest rates all along the yield curve. The ten-year rate rose from 2.5% in September to 3.3% at year-end. The 30-year climbed from 3.7% to 4.3%.

Returns were nasty, with the 10-year bellwether Treasury down 5.6% and the 30-year Treasury down 9.9%.

Other components of the Barclays Aggregate Index fared better than Treasuries. Investment grade corporates lost far less (-1.6%), while mortgage bonds rose 24 basis points and non-Government-backed mortgages were up more. Further, the relatively small-sized commercial mortgage-backed securities (CMBS) added close to 1%. Combined, the Aggregate Index declined 1.3%.

High yield/junk bonds were in the black, as the lowest credit ratings provided the highest returns. While BA credits returned an average +1.7%, more risky CA-D names earned an average of +9.3%. Contributing to this low credit rating and high return environment was the absolutely low 0.8% default rate in 2010. Higher profits, cleaner

balance sheets, higher equity and a focus on expenses helped boost bond prices for less credit worthy companies.

The G7 Global x-US Treasury Index returned 3.0%. Driving the high return were Japanese and Canadian Treasuries, which were up 4.0% and 3.3%, respectively.

Highlighting bond performance for 2010, the Aggregate Index returned 6.5%, with the best gains posted by investment grade corporates (+9.0%) and especially CMBS (+20.4%). In the high yield space, BA credits gained 14.6% and the far more volatile CA-D issues blew away the competition (+31.3%). The general consensus is for equities to beat bonds in 2011. That's a tall order, considering how well several bond sectors performed in 2010.

CASH EQUIVALENTS

Cash equivalents were not the place to be in 2010. Ninety day T-bills returned 14 basis points and yielded only 0.13% as of December 31st.

MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	3.2	2.6
Unemployment	9.4	9.8
CPI Year/Year	0.34	0.22
Fed Funds Rate	0.25	0.25
Industrial Capacity	76.0	75.3
US Dollars per Euro	1.34	1.36

MAJOR INDEX QUARTER RETURNS

INDEX	PERFORMANCE
Russell 3000	11.6
S&P 500	10.8
Russell Mid	13.1
Russell 2000	16.3
MSCI EAFE	6.7
MSCI Emg Mkts	7.4
NCREIF ODCE	5.0
Barclays Agg	-1.3
90 Day Tbills	0.0

EQUITY RETURN DISTRIBUTIONS

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	10.5	11.2	11.8	15.5	16.1	16.7
MC	12.2	13.1	14.0	24.8	25.5	26.4
SC	15.4	16.3	17.1	24.5	26.9	29.1

MARKET SUMMARY

- * GDP grew at a 3.2% rate during the fourth quarter.
- * Unemployment remains stubbornly high, despite a moderate drop to 9.4%.
- * Backed by strong retail sales, U.S. stock markets climbed during the quarter and throughout the year.
- * Interest rates rose despite QE2 and a steady Fed rate in response to deficit concerns and investor appetite for riskier assets.

INVESTMENT RETURN

On December 31st, 2010, the City of Burlington Employees Retirement System was valued at \$127,731,823, representing an increase of \$5,740,346 over the September quarter's ending value of \$121,991,477. Over the last three months, the Fund recorded withdrawals totaling \$230,364, which marginally offset the portfolio's net investment return of \$5,970,710. In the absence of income receipts for the fourth quarter, the portfolio's net investment return was the product of net realized and unrealized capital gains totaling \$5,970,710.

For the cumulative period since December 2001, the account has posted net withdrawals totaling \$14.7 million and posted \$43.5 million in net investment gains. For the period since December 2001, if the total fund had returned a compounded nominal rate of 8.0% it would have been valued at \$173.1 million or \$45.4 million more than the actual value as of December 31st, 2010.

RELATIVE PERFORMANCE

Total Fund

For the fourth quarter, the Composite portfolio returned 4.9%, which was 0.2% greater than the Burlington Manager Shadow Index's return of 4.7% and ranked in the 77th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 14.7%, which was 2.6% above the benchmark's 12.1% return, and ranked in the 13th percentile. Since December 2001, the account returned 4.8% on an annualized basis and ranked in the 87th percentile. For comparison, the Burlington Manager Shadow Index returned an annualized -99.9% over the same period.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	-----Annualized-----	
				3 Years	Since 12/2001
Total Portfolio	4.9	14.7	14.7	0.9	4.8
<i>PUBLIC FUND RANK</i>	(77)	(13)	(13)	(50)	(87)
MANAGER SHADOW	4.7	12.1	12.1	1.0	----
POLICY INDEX	5.6	11.9	11.9	1.1	5.6
Diversified Assets	4.1	17.2	17.2	3.4	----
<i>BALANCED FUND RANK</i>	(53)	(13)	(13)	(32)	----
CPI + 5	4.1	17.8	17.8	12.9	9.7
60 MSCI/40 WGBI	4.7	10.1	10.1	0.6	6.8
Equity	12.6	21.2	21.2	1.3	----
<i>ALL CAP RANK</i>	(44)	(40)	(40)	(39)	----
RUSSELL 3000	11.6	16.9	16.9	-2.0	3.8
Foreign Equity	6.4	15.4	15.4	-3.9	----
<i>INTERNATIONAL EQUITY RANK</i>	(68)	(23)	(23)	(34)	----
MSCI EAFE	6.7	8.2	8.2	-6.5	7.2
MSCI EMG MKTS	7.4	19.2	19.2	-0.1	18.5
MSCI AC WORLD	8.8	13.2	13.2	-3.8	6.1
AC WORLD EX-US	7.3	11.6	11.6	-4.6	9.3
Commodity	15.8	13.3	13.3	----	----
DOW JONES UBS	15.8	16.8	16.8	-3.7	----
Private Equity	0.0	13.5	13.5	----	----
CAMBRIDGE PE	0.0	11.5	11.5	-0.5	11.9
Real Estate	5.2	11.7	11.7	-9.0	----
NCREIF ODCE	5.0	16.5	16.5	-9.7	5.2
Timber	7.1	5.0	5.0	----	----
NCREIF TIMBER	-0.8	-0.1	-0.1	1.4	8.3
Fixed Income	-0.5	10.4	10.4	6.3	----
<i>BROAD MARKET FIXED RANK</i>	(49)	(31)	(31)	(57)	----
GLOBAL AGGREGATE	-1.3	5.5	5.5	5.8	7.3
GLOBAL AGG EX US	-1.3	5.0	5.0	5.6	8.7
BARCLAYS AGG	-1.3	6.6	6.6	5.9	5.5

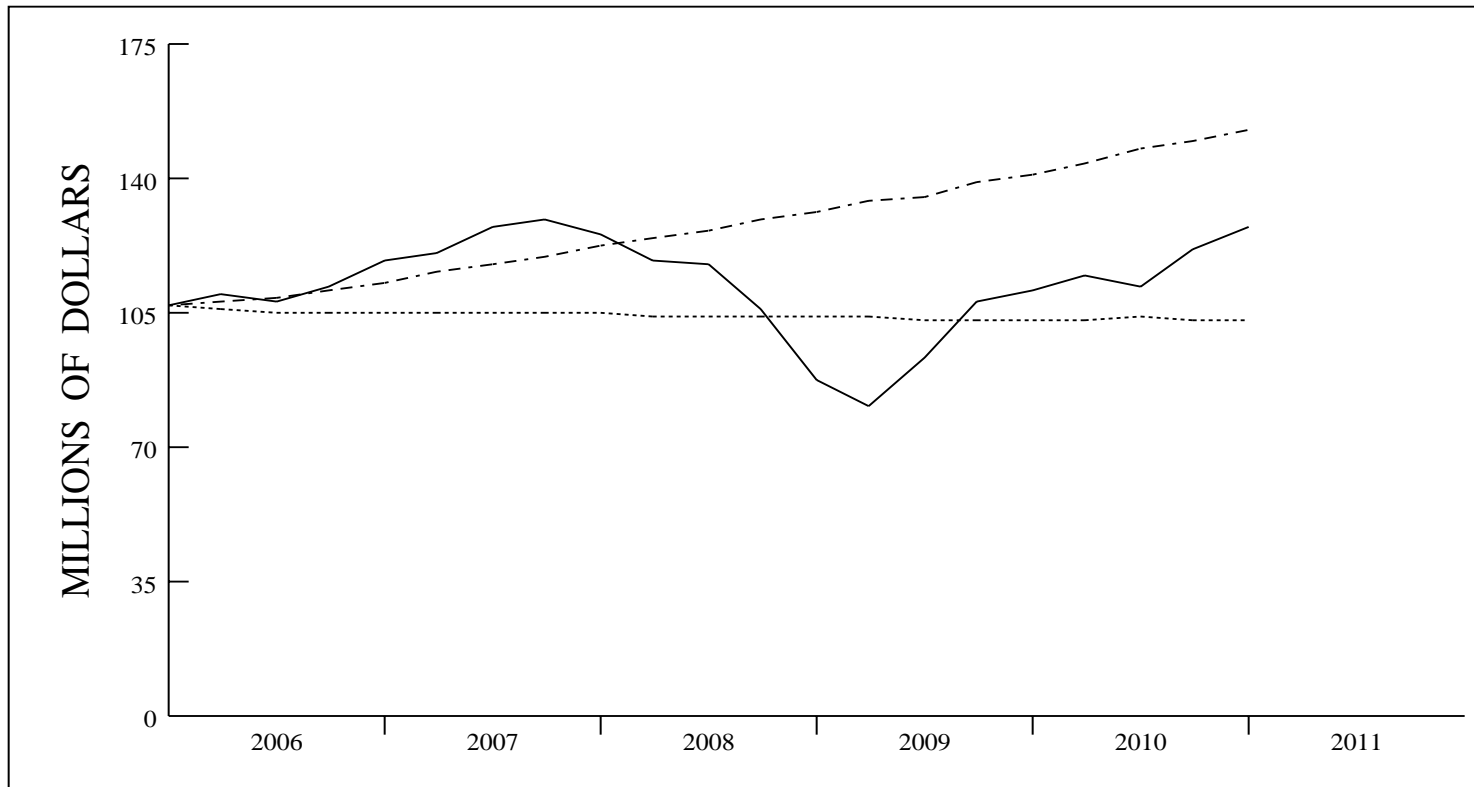
ASSET ALLOCATION

Diversified	14.1%	\$ 18,033,749
Equity	20.5%	26,137,568
Foreign Equity	19.3%	24,712,401
Commodity	2.0%	2,601,905
Hedge Fund	1.9%	2,431,273
Private Equity	1.3%	1,635,186
Real Estate	3.8%	4,872,074
Timber	2.7%	3,510,837
Fixed Income	33.6%	42,901,759
Cash	0.7%	895,071
Total Portfolio	100.0%	\$ 127,731,823

INVESTMENT RETURN

Market Value 9/2010	\$ 121,991,477
Contribs / Withdrawals	-230,364
Income	0
Capital Gains / Losses	5,970,710
Market Value 12/2010	\$ 127,731,823

INVESTMENT GROWTH



— ACTUAL RETURN
 - - - 8.0%
 0.0%

VALUE ASSUMING
 8.00% RETURN
 \$ 152,812,500

	LAST QUARTER	PERIOD 12/05 - 12/10
BEGINNING VALUE	\$ 121,991,477	\$ 107,142,072
NET CONTRIBUTIONS	-230,364	- 3,512,278
<u>INVESTMENT RETURN</u>	<u>5,970,710</u>	<u>24,102,028</u>
ENDING VALUE	\$ 127,731,823	\$ 127,731,823
INCOME	0	5,931,386
<u>CAPITAL GAINS (LOSSES)</u>	<u>5,970,710</u>	<u>18,170,644</u>
INVESTMENT RETURN	5,970,710	24,102,028

MANAGER ALLOCATION SUMMARY

Name	Market Value	Percent
AQR (DIV)	\$5,818,642	4.6
Mellon (DIV)	\$2,979,687	2.3
Pimco All Asset (DIV)	\$5,945,750	4.7
Wellington GAA (DIV)	\$3,289,670	2.6
Pimco Stocks + (LC)	\$3,786,575	3.0
T Rowe Price (LCC)	\$6,187,897	4.8
SSgA EqWeight (LCC)	\$3,958,040	3.1
SSgA S&P 500 (LCC)	\$3,985,022	3.1
Champlain (SMID)	\$2,567,662	2.0
SSgA R2500 (SMID)	\$680,607	0.5
SSgA R2000G (SCG)	\$2,441,054	1.9
Wellington SCV (SCV)	\$2,530,711	2.0
SSgA ACWI Ex-US (FORN)	\$2,592,873	2.0
Acadian (INEQ)	\$6,065,425	4.7
Mondrian (INEQ)	\$5,775,028	4.5
Aberdeen (EMKT)	\$6,594,890	5.2
Martin Currie (EMKT)	\$3,684,185	2.9
Schroders (CMDT)	\$2,601,905	2.0
Grosvenor (HEDG)	\$2,431,273	1.9
Hamilton Lane (PREQ)	\$1,635,186	1.3
VPIC R E (REAL)	\$4,872,074	3.8
Molpus (TIMB)	\$3,510,837	2.7
Oppenheimer (FIXD)	\$2,975,807	2.3
Pimco Core Plus (FIXD)	\$15,874,867	12.4
Wellington FX (FIXD)	\$2,707,043	2.1
Brandywine (GLFX)	\$4,597,884	3.6
Mondrian Fixed (GLFX)	\$4,334,735	3.4
Barclays TIPS (TIPS)	\$3,246,044	2.5
KDP (HIYL)	\$866,206	0.7
Post HY Bonds (HIYL)	\$4,797,202	3.8
Wellington EmFx (EMFX)	\$3,501,971	2.7
Cash (CASH)	\$641,527	0.5
VPIC Cash (CASH)	\$253,544	0.2
Total	\$127,731,823	100.0

MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception
Total Portfolio	(Public Fund)	4.9 (77)	14.7 (13)	14.7 (13)	0.9 (50)	4.3 (58)	4.8 (87) 12/01
<i>Burlington Manager Shadow Index</i>		4.7 ----	12.1 ----	12.1 ----	1.0 ----	---- ----	---- ----
AQR	(Balanced)	4.0 (55)	24.6 (1)	24.6 (1)	---- ----	---- ----	23.9 (1) 09/09
<i>60%MSCI World/ 40% CITI WGBI</i>		4.7 ----	10.1 ----	10.1 ----	0.6 ----	5.2 ----	9.5 ----
Mellon Global Alpha I	(Balanced)	5.8 (42)	16.1 (17)	16.1 (17)	-0.8 (80)	---- ----	-0.8 (80) 12/07
<i>60%MSCI World/ 40% CITI WGBI</i>		4.7 ----	10.1 ----	10.1 ----	0.6 ----	5.2 ----	0.6 ----
Pimco All Asset	(Balanced)	1.4 (76)	14.7 (48)	14.7 (48)	6.6 (16)	---- ----	6.6 (16) 12/07
<i>CPI Plus 5</i>		4.1 ----	17.8 ----	17.8 ----	12.9 ----	11.2 ----	12.9 ----
Wellington Opportunistic GAA	(Balanced)	8.5 (18)	17.8 (8)	17.8 (8)	---- ----	---- ----	16.6 (4) 09/08
<i>65% MSCI World / 35% Agg</i>		5.4 ----	11.2 ----	11.2 ----	-0.1 ----	4.5 ----	7.8 ----
Pimco Stocks +	(LC Core)	11.2 (30)	20.0 (5)	20.0 (5)	-0.6 (12)	---- ----	-0.6 (12) 12/07
<i>S&P 500</i>		10.8 ----	15.1 ----	15.1 ----	-2.9 ----	2.3 ----	-2.9 ----
SSgA S&P 500 Cap-Weighted	(LC Core)	10.8 (46)	---- ----	---- ----	---- ----	---- ----	10.8 (46) 09/10
<i>S&P 500</i>		10.8 ----	15.1 ----	15.1 ----	-2.9 ----	2.3 ----	10.8 ----
SSgA Equal Weighted Index	(LC Core)	12.0 (11)	22.1 (3)	22.1 (3)	2.1 (3)	---- ----	2.1 (3) 12/07
<i>Equal Weighted S&P 500</i>		12.0 ----	21.9 ----	21.9 ----	2.2 ----	4.7 ----	2.2 ----
T Rowe Price Enhanced Index	(LC Core)	11.0 (37)	14.0 (77)	14.0 (77)	-1.7 (25)	---- ----	-1.7 (25) 12/07
<i>S&P 500</i>		10.8 ----	15.1 ----	15.1 ----	-2.9 ----	2.3 ----	-2.9 ----
Champlain	(Smid Cap)	12.3 (93)	22.8 (81)	22.8 (81)	---- ----	---- ----	23.9 (71) 09/09
<i>Russell 2500</i>		14.8 ----	26.7 ----	26.7 ----	2.5 ----	4.9 ----	25.7 ----
SSgA Russell 2500	(Smid Cap)	14.9 (60)	26.8 (54)	26.8 (54)	2.5 (72)	---- ----	2.5 (72) 12/07
<i>Russell 2500</i>		14.8 ----	26.7 ----	26.7 ----	2.5 ----	4.9 ----	2.5 ----
SSgA Russell 2000 Growth	(SC Growth)	17.1 (41)	29.2 (43)	29.2 (43)	2.2 (65)	---- ----	2.2 (65) 12/07
<i>Russell 2000 Growth</i>		17.1 ----	29.1 ----	29.1 ----	2.2 ----	5.3 ----	2.2 ----
Wellington Small Cap Value	(SC Value)	16.2 (46)	28.3 (38)	28.3 (38)	7.7 (27)	---- ----	7.7 (27) 12/07
<i>Russell 2000 Value</i>		15.4 ----	24.5 ----	24.5 ----	2.2 ----	3.5 ----	2.2 ----

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Total Portfolio	(Public Fund)	4.9 (77)	14.7 (13)	14.7 (13)	0.9 (50)	4.3 (58)	4.8 (87) 12/01
<i>Burlington Manager Shadow Index</i>		<i>4.7 ---</i>	<i>12.1 ---</i>	<i>12.1 ---</i>	<i>1.0 ---</i>	<i>--- ---</i>	<i>--- ---</i>
SSgA ACWI Ex-US	(Intl Eq)	7.2 (45)	--- ---	--- ---	--- ---	--- ---	7.2 (45) 09/10
<i>MSCI All Country World Ex US</i>		<i>7.3 ---</i>	<i>11.6 ---</i>	<i>11.6 ---</i>	<i>-4.6 ---</i>	<i>5.3 ---</i>	<i>7.3 ---</i>
Acadian	(Intl Eq)	8.9 (16)	14.6 (27)	14.6 (27)	-9.3 (94)	--- ---	-9.3 (94) 12/07
<i>MSCI EAFE Net</i>		<i>6.6 ---</i>	<i>7.8 ---</i>	<i>7.8 ---</i>	<i>-7.0 ---</i>	<i>2.5 ---</i>	<i>-7.0 ---</i>
Mondrian International	(Intl Eq)	3.9 (94)	3.6 (95)	3.6 (95)	-6.7 (74)	--- ---	-6.7 (74) 12/07
<i>MSCI EAFE Net</i>		<i>6.6 ---</i>	<i>7.8 ---</i>	<i>7.8 ---</i>	<i>-7.0 ---</i>	<i>2.5 ---</i>	<i>-7.0 ---</i>
Aberdeen Emerging Markets	(Emerging Mkt)	5.6 (75)	29.1 (4)	29.1 (4)	--- ---	--- ---	14.6 (3) 03/08
<i>MSCI Emerging Markets</i>		<i>7.4 ---</i>	<i>19.2 ---</i>	<i>19.2 ---</i>	<i>-0.1 ---</i>	<i>13.1 ---</i>	<i>4.2 ---</i>
Martin Currie	(Emerging Mkt)	7.7 (31)	23.1 (21)	23.1 (21)	--- ---	--- ---	48.3 (86) 03/09
<i>MSCI Emerging Markets</i>		<i>7.4 ---</i>	<i>19.2 ---</i>	<i>19.2 ---</i>	<i>-0.1 ---</i>	<i>13.1 ---</i>	<i>53.3 ---</i>
Schroders		15.8 ---	13.3 ---	13.3 ---	--- ---	--- ---	13.3 --- 12/09
<i>Dow Jones UBS Index</i>		<i>15.8 ---</i>	<i>16.8 ---</i>	<i>16.8 ---</i>	<i>-3.7 ---</i>	<i>1.2 ---</i>	<i>16.8 ---</i>
Hamilton Lane		0.0 ---	13.5 ---	13.5 ---	--- ---	--- ---	20.3 --- 03/09
<i>Cambridge US Private Equity</i>		<i>0.0 ---</i>	<i>11.5 ---</i>	<i>11.5 ---</i>	<i>-0.5 ---</i>	<i>8.8 ---</i>	<i>16.6 ---</i>
VPIC Real Estate		5.2 ---	11.7 ---	11.7 ---	-14.1 ---	--- ---	-14.1 --- 12/07
<i>NCREIF NFI-ODCE Index</i>		<i>5.0 ---</i>	<i>16.5 ---</i>	<i>16.5 ---</i>	<i>-9.7 ---</i>	<i>-0.1 ---</i>	<i>-9.7 ---</i>
Molpus		7.1 ---	5.0 ---	5.0 ---	--- ---	--- ---	8.0 --- 03/09
<i>NCREIF Timber Index</i>		<i>-0.8 ---</i>	<i>-0.1 ---</i>	<i>-0.1 ---</i>	<i>1.4 ---</i>	<i>7.0 ---</i>	<i>-3.2 ---</i>

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Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years	Inception
Total Portfolio	(Public Fund)	4.9 (77)	14.7 (13)	14.7 (13)	0.9 (50)	4.3 (58)	4.8 (87) 12/01
<i>Burlington Manager Shadow Index</i>		<i>4.7 ---</i>	<i>12.1 ---</i>	<i>12.1 ---</i>	<i>1.0 ---</i>	<i>--- ---</i>	<i>--- ---</i>
Oppenheimer US Core Fixed	(Core Fixed)	1.3 (3)	12.7 (3)	12.7 (3)	--- ---	--- ---	6.5 (49) 03/08
<i>Barclays Aggregate Index</i>		<i>-1.3 ---</i>	<i>6.6 ---</i>	<i>6.6 ---</i>	<i>5.9 ---</i>	<i>5.8 ---</i>	<i>5.6 ---</i>
Pimco Core Plus	(Core Fixed)	-1.7 (93)	9.1 (19)	9.1 (19)	--- ---	--- ---	7.7 (28) 09/09
<i>Barclays Aggregate Index</i>		<i>-1.3 ---</i>	<i>6.6 ---</i>	<i>6.6 ---</i>	<i>5.9 ---</i>	<i>5.8 ---</i>	<i>5.4 ---</i>
Wellington DAS Fixed	(Core Fixed)	0.0 (18)	7.9 (33)	7.9 (33)	--- ---	--- ---	9.0 (56) 09/08
<i>Barclays Aggregate Index</i>		<i>-1.3 ---</i>	<i>6.6 ---</i>	<i>6.6 ---</i>	<i>5.9 ---</i>	<i>5.8 ---</i>	<i>7.7 ---</i>
Brandywine	(Intl Fx)	-1.0 (55)	13.1 (7)	13.1 (7)	8.2 (35)	--- ---	8.2 (35) 12/07
<i>Citi World Gov't Bond Index</i>		<i>-1.8 ---</i>	<i>5.1 ---</i>	<i>5.1 ---</i>	<i>6.1 ---</i>	<i>7.1 ---</i>	<i>6.1 ---</i>
Mondrian Global FX	(Intl Fx)	-1.1 (65)	8.8 (30)	8.8 (30)	9.3 (12)	--- ---	9.3 (12) 12/07
<i>Citi World Gov't Bond Index</i>		<i>-1.8 ---</i>	<i>5.1 ---</i>	<i>5.1 ---</i>	<i>6.1 ---</i>	<i>7.1 ---</i>	<i>6.1 ---</i>
Barclays TIPS	(Broad Fixed)	-0.6 (52)	6.3 (73)	6.3 (73)	--- ---	--- ---	6.3 (73) 12/09
<i>Barclays US TIPS</i>		<i>-0.6 ---</i>	<i>6.3 ---</i>	<i>6.3 ---</i>	<i>5.0 ---</i>	<i>5.3 ---</i>	<i>6.3 ---</i>
KDP	(Hi Yield)	2.8 (68)	12.0 (88)	12.0 (88)	--- ---	--- ---	12.1 (92) 09/09
<i>Citi High Yield BB & B Index</i>		<i>2.6 ---</i>	<i>13.3 ---</i>	<i>13.3 ---</i>	<i>6.1 ---</i>	<i>6.2 ---</i>	<i>14.6 ---</i>
Post High Yield Bonds	(Hi Yield)	3.3 (51)	14.3 (49)	14.3 (49)	9.4 (34)	--- ---	9.4 (34) 12/07
<i>Citi High Yield BB & B Index</i>		<i>2.6 ---</i>	<i>13.3 ---</i>	<i>13.3 ---</i>	<i>6.1 ---</i>	<i>6.2 ---</i>	<i>6.1 ---</i>
Wellington Emerging Debt		-1.0 ---	13.7 ---	13.7 ---	--- ---	--- ---	13.7 --- 12/09
<i>JP Morgan EMBI</i>		<i>-1.8 ---</i>	<i>12.2 ---</i>	<i>12.2 ---</i>	<i>8.6 ---</i>	<i>--- ---</i>	<i>12.2 ---</i>

MANAGER VALUE ADDED

Most Recent Quarter










Manager	Benchmark	Value Added Vs. Benchmark
AQR	60 MSCI/40 WGBI	-0.7
Mellon	60 MSCI/40 WGBI	1.1
Pimco All Asset	CPI + 5	-2.7
Wellington GAA	65World/35Agg	3.0
Pimco Stocks +	S&P 500	0.5
SSgA S&P 500	S&P 500	0.0
SSgA EqWeight	Equal Wtd S&P	0.0
T Rowe Price	S&P 500	0.3
Champlain	Russell 2500	-2.5
SSgA R2500	Russell 2500	0.1
SSgA R2000G	Russell 2000G	0.0
Wellington SCV	Russell 2000V	0.8
SSgA ACWI Ex-US	AC World Ex-US	0.0
Acadian	EAFE Net	2.3
Mondrian	EAFE Net	-2.8
Aberdeen	MSCI Emg Mkts	-1.7
Martin Currie	MSCI Emg Mkts	0.3
Schroders	Dow Jones UBS	0.0
Hamilton Lane	Cambridge PE	0.0
VPIC R E	NCREIF ODCE	0.2
Molpus	NCREIF Timber	7.9
Total Portfolio	Manager Shadow	0.2

Trailing Twelve Months










Manager	Benchmark	Value Added Vs. Benchmark
AQR	60 MSCI/40 WGBI	14.4
Mellon	60 MSCI/40 WGBI	6.0
Pimco All Asset	CPI + 5	-3.1
Wellington GAA	65World/35Agg	6.6
Pimco Stocks +	S&P 500	4.9
SSgA S&P 500	S&P 500	N/A
SSgA EqWeight	Equal Wtd S&P	0.1
T Rowe Price	S&P 500	-1.1
Champlain	Russell 2500	-3.9
SSgA R2500	Russell 2500	0.1
SSgA R2000G	Russell 2000G	0.1
Wellington SCV	Russell 2000V	3.8
SSgA ACWI Ex-US	AC World Ex-US	N/A
Acadian	EAFE Net	6.9
Mondrian	EAFE Net	-4.1
Aberdeen	MSCI Emg Mkts	9.9
Martin Currie	MSCI Emg Mkts	3.9
Schroders	Dow Jones UBS	-3.5
Hamilton Lane	Cambridge PE	2.0
VPIC R E	NCREIF ODCE	-4.7
Molpus	NCREIF Timber	5.1
Total Portfolio	Manager Shadow	2.6

MANAGER VALUE ADDED

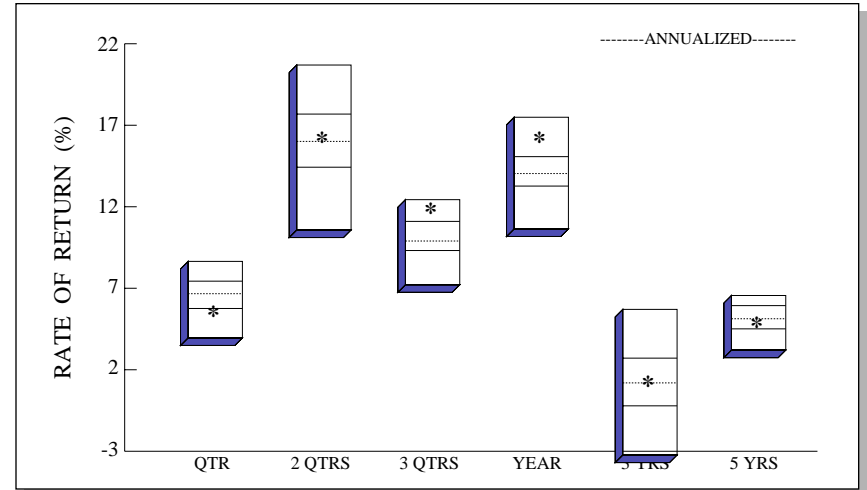
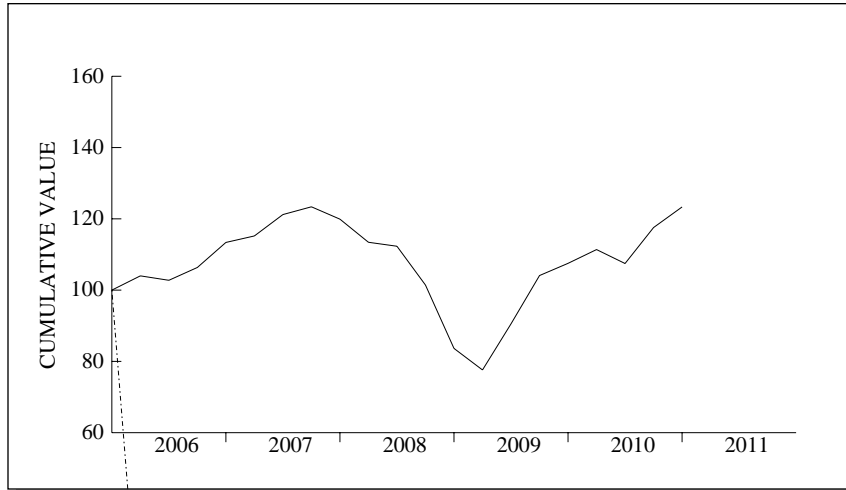
Most Recent Quarter

Manager	Benchmark	Value Added Vs. Benchmark
Oppenheimer	Barclays Agg	2.5 
Pimco Core Plus	Barclays Agg	-0.5 
Wellington FX	Barclays Agg	1.3 
Brandywine	Citi WGBI	0.8 
Mondrian Fixed	Citi WGBI	0.7 
Barclays TIPS	Barclays TIPS	0.0
KDP	BB & B Index	0.3 
Post HY Bonds	BB & B Index	0.7 
Wellington EmFx	JPM EMBI	0.8 
Total Portfolio	Manager Shadow	0.2 

Trailing Twelve Months

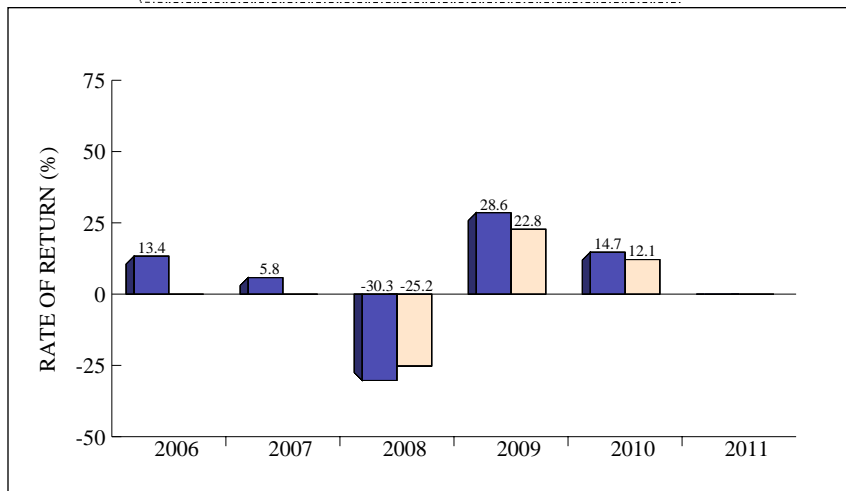
Manager	Benchmark	Value Added Vs. Benchmark
Oppenheimer	Barclays Agg	6.2 
Pimco Core Plus	Barclays Agg	2.5 
Wellington FX	Barclays Agg	1.4 
Brandywine	Citi WGBI	8.0 
Mondrian Fixed	Citi WGBI	3.7 
Barclays TIPS	Barclays TIPS	0.1
KDP	BB & B Index	-1.3 
Post HY Bonds	BB & B Index	1.0 
Wellington EmFx	JPM EMBI	1.4 
Total Portfolio	Manager Shadow	2.6 

TOTAL RETURN COMPARISONS



Public Fund Universe

——— PORTFOLIO
 - - - - MANAGER SHADOW

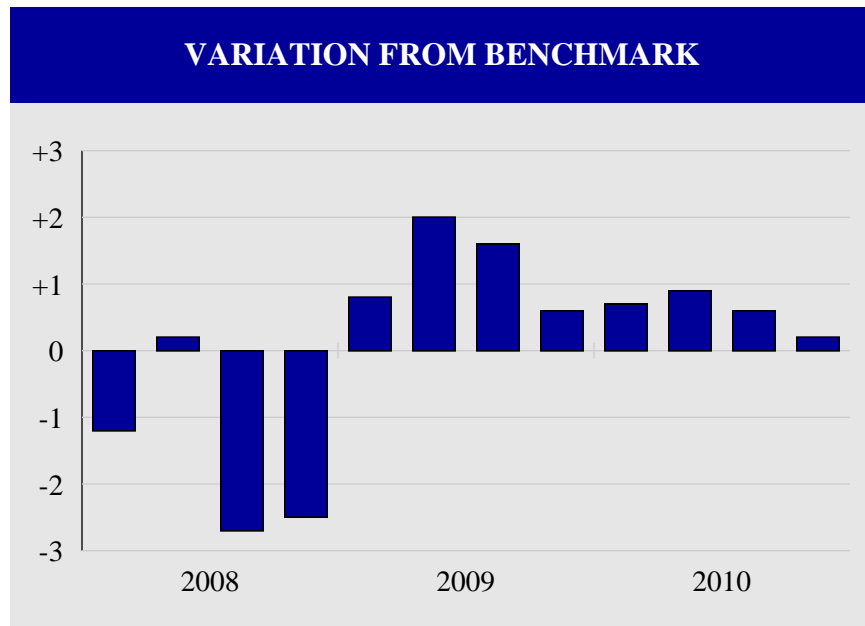


	<u>QTR</u>	<u>2QTRS</u>	<u>3QTRS</u>	<u>YEAR</u>	-----ANNUALIZED-----	
					<u>3 YRS</u>	<u>5 YRS</u>
RETURN	4.9	14.8	10.7	14.7	0.9	4.3
(RANK)	(77)	(45)	(7)	(13)	(50)	(58)
5TH %ILE	7.7	18.8	11.2	15.9	5.0	5.8
25TH %ILE	6.6	16.0	10.0	13.6	2.3	5.2
MEDIAN	5.9	14.5	8.9	12.7	0.9	4.5
75TH %ILE	5.1	13.0	8.3	12.0	-0.4	3.9
95TH %ILE	3.4	9.5	6.4	9.6	-3.2	2.7
<i>Manager Shadow</i>	<i>4.7</i>	<i>14.0</i>	<i>8.9</i>	<i>12.1</i>	<i>1.0</i>	<i>---</i>

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: BURLINGTON MANAGER SHADOW INDEX



RATES OF RETURN						
Date	Portfolio	Bench	Diff	-----Cumulative-----		
				Portfolio	Bench	Diff
3/08	-5.4	-4.2	-1.2	-5.4	-4.2	-1.2
6/08	-1.0	-1.2	0.2	-6.3	-5.4	-0.9
9/08	-9.7	-7.0	-2.7	-15.4	-12.0	-3.4
12/08	-17.5	-15.0	-2.5	-30.3	-25.2	-5.1
3/09	-7.2	-8.0	0.8	-35.3	-31.2	-4.1
6/09	16.6	14.6	2.0	-24.5	-21.1	-3.4
9/09	15.0	13.4	1.6	-13.2	-10.6	-2.6
12/09	3.3	2.7	0.6	-10.3	-8.2	-2.1
3/10	3.6	2.9	0.7	-7.1	-5.5	-1.6
6/10	-3.5	-4.4	0.9	-10.4	-9.6	-0.8
9/10	9.4	8.8	0.6	-2.0	-1.7	-0.3
12/10	4.9	4.7	0.2	2.8	3.0	-0.2

Total Quarters Observed	12
Quarters At or Above the Benchmark	9
Quarters Below the Benchmark	3
Batting Average	.750

APPENDIX - MAJOR MARKET INDEX RETURNS

Equity	Style	QTR	YTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	11.6	16.9	16.9	-2.0	2.7
S&P 500	Large Cap Core	10.8	15.1	15.1	-2.9	2.3
Russell 1000	Large Cap Core	11.2	16.1	16.1	-2.4	2.6
Russell 1000 Growth	Large Cap Growth	11.8	16.7	16.7	-0.5	3.8
Russell 1000 Value	Large Cap Value	10.5	15.5	15.5	-4.4	1.3
Russell 2000	Small Cap	16.3	26.9	26.9	2.2	4.5
Russell 2000 Growth	Small Cap Growth	17.1	29.1	29.1	2.2	5.3
Russell 2000 Value	Small Cap Value	15.4	24.5	24.5	2.2	3.5
MSCI EAFE	Developed Markets	6.7	8.2	8.2	-6.5	2.9
MSCI EAFE Growth	Developed Markets Growth	7.9	12.6	12.6	-5.6	3.8
MSCI EAFE Value	Developed Markets Value	5.4	3.8	3.8	-7.6	2.0
MSCI Emerging Markets	Emerging Markets	7.4	19.2	19.2	-0.1	13.1
MSCI All Country World	Global Equity	8.8	13.2	13.2	-3.8	4.0
MSCI All Country World Ex US	Global Equity (ex. US)	7.3	11.6	11.6	-4.6	5.3

Fixed Income	Style	QTR	YTD	1 Year	3 years	5 Years
Barclays Aggregate Index	Core Fixed Income	-1.3	6.6	6.6	5.9	5.8
Barclays Gov/Credit	Gov/Credit	-2.2	6.6	6.6	5.6	5.6
Barclays Capital Gov't Bond	Treasuries	-2.3	5.5	5.5	5.1	5.5
Barclays Capital Credit Bond	Corporate Bonds	-1.9	8.5	8.5	7.6	6.4
Intermediate Aggregate	Core Intermediate	-0.8	6.1	6.1	5.8	5.8
Intermediate Gov/Credit	Gov / Credit Intermediate	-1.4	5.9	5.9	5.4	5.5
ML/BoA 1-3 Year Treasury	Short Term Treasuries	-0.1	2.3	2.3	3.2	4.2
CSFB High Yield	High Yield Bonds	3.1	14.4	14.4	9.2	8.4
Global Ex-US	International Treasuries	-4.1	-1.5	-1.5	4.0	6.2
Citi World Gov't Bond Index	International Fixed Income	-1.8	5.1	5.1	6.1	7.1
Barclays Global Aggregate	International Fixed Income	-1.3	5.5	5.5	5.8	6.7
Barclays Global Aggregate Ex US	International Fixed Income	-1.3	5.0	5.0	5.6	7.2

Alternative Assets	Style	QTR	YTD	1 Year	3 years	5 Years
Commodities Index	Commodities	----	----	----	----	----
NCREIF NFI-ODCE Index	Real Estate	5.0	16.5	16.5	-9.7	-0.1
HFRI FOF Composite	Hedge Funds	3.4	5.8	5.8	-1.6	3.0
HFRI FOF Conservative Index	Hedge Funds - Conservative	2.6	6.1	6.1	-0.9	2.8

APPENDIX - DISCLOSURES

- * The Burlington Manager Shadow index is the weighted average of each manager portfolio's beginning value multiplied by its current quarter benchmark return.
- * 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	
- * 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.