



BURLINGTON EMPLOYEES' RETIREMENT SYSTEM

James T. Strouse
Chairman of the Board
Robert Hooper
Vice-Chairman

Stephanie Hanker
Retirement Administrator
802-865-7097
VT Relay – dial 711 or
800-253-0191

Retirement Board Meeting Agenda Burlington Electric Department July 17, 2014 – 9:00 AM

1. Agenda
2. Approval of Minutes 06/19/2014 & 07/08/2014
3. Presentation with Barry Bryant
4. Approval of Bills
5. Consideration of Retirement Applications
6. Ratify Refund/Rollovers
7. Executive Session
8. Other Business
9. Adjournment

future items

Response to Mayors Letter concerning divestments in fossil fuels

THE CITY OF BURLINGTON EMPLOYEES' RETIREMENT SYSTEM

ASSET ALLOCATION PROJECT

JULY 2014

DAHAB ASSOCIATES, INC.

423 SOUTH COUNTRY ROAD
BAY SHORE, NY 11706
(631) 665-6181

13 MAIN STREET, SUITE 7B
FRANKLIN, MA 02038
(508) 520-3800

3800 S OCEAN DR, SUITE 921
HOLLYWOOD, FL 33019
(954) 458-7561

1113A WASHINGTON CROSSING BLVD
WASHINGTON CROSSING, PA 18977
(215) 915-1110





July 17, 2014

Board Members of the City of Burlington Employees' Retirement System
179 S Winooski Ave, Suite 100
Burlington, VT 05401

Ladies and Gentlemen:

Dahab Associates is pleased to present the results of the asset allocation study we conducted in order to evaluate various asset mixes on behalf of the City of Burlington Employees Retirement System. We obtained these results based upon assumptions that we believe to be reasonable.

The goal of this study is to identify those investment options for the System that achieve the highest rate of return within the specified portfolio limits. Please keep in mind that this study is a sensitivity analysis designed to identify the risk and return potential of various options and is not intended to identify a single optimal allocation.

Our study began with the System's December 31, 2013 market value. We used the latest actuarial reports as the source for the contributions, benefit payments, fund expenses, and the actuarial rate of return assumption of 8%. We further assumed a growth rate of 3% to approximate the effect of inflation upon the benefit payments and fund expenses. Projected annual market values, using the above assumptions, were calculated for the next 20 years.

The selection of an asset allocation is the end of a thought process involving 1) use of a Monte Carlo simulation with fixed values for mean returns and asset class correlations 2) tempering the output by eliminating allocations that might pose liquidity problems or could be deemed imprudent and 3) modifying final choices based on current asset class prospects.

SUMMARY

We would like to focus on are the following mixes:

Mix #	LCC	SMDC	EAFE	EM	PE	RE	Tim	Core FI	Int'l FI	GTAA	Equity	FI/Alts	Div	Mean	Std. Dev.	Sharpe	Beat %	T 50%	T 75%	T 95%
1	25	20	0	5	15	5	10	0	5	15	65	20	15	12.02	13.9	0.7	85	\$1,533	\$1,077	\$648
2	20	15	10	5	5	10	10	20	0	5	55	40	5	10.39	12.0	0.6	74	\$1,212	\$888	\$569
3	20	10	10	10	5	5	5	25	0	10	55	35	10	9.88	11.7	0.6	69	\$1,117	\$827	\$535
4	20	15	10	10	5	10	5	15	0	10	60	30	10	10.65	13.4	0.6	73	\$1,229	\$868	\$529
5	20	15	10	10	5	5	5	20	0	10	60	30	10	10.31	12.5	0.6	73	\$1,192	\$863	\$548
6	25	15	10	10	5	5	5	20	0	5	65	30	5	10.41	12.8	0.6	72	\$1,205	\$861	\$535
VPIC											40	36	24							

The mix we are recommending is Mix 5 highlighted in blue, as follows: 20% domestic large cap core equity, 15% domestic small/mid cap core equity, 10% foreign developed country equity, 10% foreign emerging market equity, 5% private equity, 5% real estate, 5% timber, 20% domestic core fixed income, 10% global tactical asset allocation. We look forward to exploring this and other potential allocation solutions with the Board Members.

SELECTION PROCESS

We used most major asset classes in running the model with the exception of the following: commodities, hedge funds, high yield fixed income, and currency. We placed constraints around the asset classes limiting the maximum and minimum values that they can assume as follows:

EQUITY		FIXED INCOME/ALT		DIVERSIFIED	
LCC	40% - 20%	Timber	10% - 0%	GTAA (tactical)	20% - 0%
SmidCC	20% - 5%	Real Estate	15% - 0%		
EAFE	15% - 5%	Fixed Income Domestic	40% - 20%		
EM	15% - 5%	Fixed Income Inter	20% - 0%		
Private Equity	10% - 0%				

We look forward to discussing these choices with the Board Members.

The model runs every possible combination of mixes with these asset classes and these ranges. The model also allows each asset class to assume a value of zero regardless of the lower bound placed upon it. The purpose of allowing zero values is to see what kind of allocation the model gives us on a relatively unconstrained basis. We chose the best mix among those allowing zero values to represent this relatively unconstrained return.

The model creates 20-year outcomes for each asset mix and sorts them by percentile. Terminal values are created for five percentiles: best case (5th percentile); good case (25th percentile); expected case (50th percentile); bad case (75th percentile), and worst case (95th percentile). The terminal value at the 75th confidence level for Mix 2 (yellow) of \$888 million means that with this asset allocation, you can expect to have a terminal portfolio value of \$888 million *or more* 75% of the time, and less than \$888 million 25% of the time. In the worst case, the 95th percent confidence level, you can expect to have \$569 *or more* 95% of the time. Certainty increases as the amount decreases.

This models the decision process of the typical plan sponsor. A plan sponsor must be sure the pension is well funded. But every dollar a plan sponsor puts into the pension plan is a dollar that must be raised in taxes or taken from other sources. To maintain public support, the plan sponsor wants to put in enough, but no more than necessary. Risk assets (like stocks) represent high return but high risk (boom or bust). Fixed income represents low but certain return. Choosing an asset allocation requires balancing return against certainty.

In creating this balance we select the 75th confidence level (bad case). The worst case confidence level (95th percentile) would be too conservative. The expected, good, or best cases have too high a chance of failure.

Orange Mix. Mix 1 runs the model allowing zero values. What Mix 1 shows is that that the model does not like core fixed income or EAFE (developed country foreign stocks) and emerging market stocks (EM) using the 20-year return scenario. We do not think it would be prudent to create a portfolio with zero fixed income; the potential decline in portfolio value for a year like 2008 would be so great, people funding the plan might lose confidence in it. On the other hand, the model likes private equity and timber, selecting maximum values for both. Were we to relax the upper bounds for private equity and timber, the model would use more of both. We choose not to allow this because private equity and timber are both illiquid and could throw the portfolio out of balance in a year like 2008. The Orange Mix shows why we place constraints on possible outcomes.

Yellow Mix. Mix 2, highlighted in yellow, represents the best mix at the 75th (bad case) terminal value using the constraints listed without allowing zero values. Comparing Mix 1 to Mix 2, we can see that we are losing 1.6 percentage points of mean return (12.0% vs. 10.4%) as a result of not allowing zero values. We deem this an acceptable tradeoff to avoid an excessively illiquid portfolio, and to limit short-term volatility. Mix 2 becomes our target portfolio. But Mix 2 has 25% in illiquid assets: private equity, real estate and timber. We are now going to fine tune Mix 2.

Green Mixes. We varied Mix 2 by changing the most important component, the amount of equity used. We tested a variety of scenarios around 55%, 60% and 65% equity, and then chose the best among them. The resulting choices are highlighted in green, Mixes 3, 4 and 6. We found that Mix 4 using 60% equity combined with 10% GTAA had the highest mean return, 10.7%. Mix 4, however, has 20% in illiquid assets. It also has only 15% in fixed income, an extremely low amount for a municipal pension plan.

Blue Mix. We then made one additional change to Mix 4, reducing real estate by 5% in order to reduce dependence on illiquid assets from 20% to 15%, and to increase core bonds from 15% to 20%. Although core bonds are expected to have mediocre returns over the next five years, having less than 20% would be outside the mainstream of fixed income allocation for small municipalities. This last mix, highlighted in blue, is our recommended mix.

MODEL DETAILS

We ran more than 120,000 mixes through our model against four sets of statistics to show the effects of varying market conditions: the most recent 20-year history, the 70-year history, a reversion-to-mean (RTM) projection of the capital markets, and a “special” scenario.

Our analytic process looked at four distinct investing environments. Initially, we chose two historical periods for the source of our market statistics – the last twenty years (one of the worst periods in history) and the last seventy years (a typical long term). Using the figures associated with those two we crafted two additional scenarios – the reversion to the mean (RTM) and the “special”.

The reversion to the mean scenario is derived from the two historical data sets. We calculated what rate of return for each individual asset class would be required in the next twenty years to balance out the past twenty year figure such that the combination of the two would equal the seventy year figure. As an example, if the twenty year figure for common stocks was 12% and the seventy year figure was 10%, then the RTM figure would be 8%. Conversely, if the twenty year figure were 8% and the seventy year figure was 10%, then the RTM figure would be 12%. The “special” scenario was derived from the seventy year statistics with the single modification of the bond returns to a much lower mean and standard deviation.

Please keep in mind that the mixes that we have presented are by no means the only possible choices. We intend to follow up with other mixes and options to help you make a well informed decision as to the new target allocations. The attached report details our process, findings, and conclusions. If there are any questions, please do not hesitate to give me a call at 631-665-6181.

Yours,

A handwritten signature in black ink, appearing to read 'Barry Bryant', written in a cursive style.

Barry Bryant, CFA
Senior Consultant

enc.

Background

The purpose of an asset allocation study is to develop an understanding of the interaction between risk and return. *It is not necessarily to identify an "optimal strategy" for the plan.* By producing probability distributions for various outcomes during a 20-year period, Board members can identify possible pitfalls and limitations to different allocation policies. The trade-offs between different risk/return levels is then a subjective decision within the context of the governing legislation, funding options, and the burden of varying contribution rates sustainable by the System.

Simulation Technique

Dahab Associates employs a "Monte Carlo" asset simulator to develop the investment simulations underlying the studies. A "Monte Carlo" type asset simulator employs a random number generator and a series of statistical distributions and tools to create a large number of hypothetical investment experience situations. Each situation corresponds to one possible return outcome due to fluctuating market conditions over a period of 20 years.

For example, the computer may hypothesize within one situation that this year the stock market will earn 8.6%, the bond market -12.2% and cash equivalents 6.0%. The portfolio is adjusted for the returns on each asset class and the annual contribution, and is rebalanced to the target allocations. The next year that simulation may include a decline in the stock market of 12.5% and a rise in the bond market of 1.0%. Again, the portfolio is adjusted for cash flows and investment performance. Each distribution-adjusted random situation is played out for 20 years.

The simulator produces a return for every possible asset combination based on the asset classes used and the allocation boundaries applied. For instance, we might allow large cap equity to assume values between 10% and 40% of the total portfolio, small cap equity to assume values between 0% and 30% of the total portfolio, and fixed income to assume values between 10% and 50% of the total portfolio. The model then runs every possible asset combination summing to 100% with those assets and within those specified boundaries usually using 5% increments. The model then selects the best asset mixes based on the return at the 75% confidence level within the 20-year scenario.

We explored a wide range of allocations for this study, but in the interest of brevity have only charted those that we feel to be most relevant.

Please note: The allocation numbers correspond to the page numbers of each chart.

PROJECTED CASH FLOW

A	B	C	D	E	F	G
Year End (06/30)	Beginning Value	BV * 8% GR (B*1.08)	Total Contribution (3.5% GR)	Benefit Payments (3% GR)	Ending Value (C+F+G)	Net Cash Flow (D+E)
2013	\$145.00	\$156.60	\$8.18	(\$5.46)	\$159.31	\$2.71
2014	\$156.14	\$168.63	\$8.36	(\$5.63)	\$171.36	\$2.73
2015	\$171.36	\$185.07	\$9.03	(\$5.80)	\$188.31	\$3.24
2016	\$188.31	\$203.37	\$9.14	(\$5.97)	\$206.55	\$3.17
2017	\$206.55	\$223.07	\$9.25	(\$6.15)	\$226.17	\$3.10
2018	\$226.17	\$244.26	\$9.37	(\$6.33)	\$247.30	\$3.03
2019	\$247.30	\$267.08	\$9.69	(\$6.52)	\$270.25	\$3.17
2020	\$270.25	\$291.87	\$10.03	(\$6.72)	\$295.19	\$3.32
2021	\$295.19	\$318.81	\$10.39	(\$6.92)	\$322.27	\$3.46
2022	\$322.27	\$348.05	\$10.75	(\$7.13)	\$351.67	\$3.62
2023	\$351.67	\$379.81	\$11.13	(\$7.34)	\$383.59	\$3.78
2024	\$383.59	\$414.28	\$11.51	(\$7.56)	\$418.23	\$3.95
2025	\$418.23	\$451.69	\$11.92	(\$7.79)	\$455.82	\$4.13
2026	\$455.82	\$492.28	\$12.33	(\$8.02)	\$496.59	\$4.31
2027	\$496.59	\$536.32	\$12.77	(\$8.26)	\$540.82	\$4.50
2028	\$540.82	\$584.09	\$13.21	(\$8.51)	\$588.79	\$4.70
2029	\$588.79	\$635.90	\$13.68	(\$8.77)	\$640.80	\$4.91
2030	\$640.80	\$692.07	\$14.15	(\$9.03)	\$697.19	\$5.12
2031	\$697.19	\$752.97	\$14.65	(\$9.30)	\$758.32	\$5.35
2032	\$758.32	\$818.98	\$15.16	(\$9.58)	\$824.57	\$5.58
2033	\$824.57	\$890.53	\$15.69	(\$9.87)	\$896.36	\$5.83
2034	\$896.36	\$968.07	\$16.24	(\$10.16)	\$974.15	\$6.08

ASSUMPTIONS:

Actuarial Growth Rate Assumption is 8% per year. (pg. 43)

Projected payroll is assumed to increase 3.5% per annum. (pg. 43)

Benefit payments are assumed to increase at 3% per annum.

Cells shaded yellow represent figures that have been taken directly from the System's 06/30/13 actuarial report.

Cells shaded blue represent figures that have been extracted from the System's corresponding performance reports.

Cells shaded gray represent historical figures.

THE TERMINAL VALUES OF THE SYSTEM IN 2034
AT VARIOUS ALLOCATIONS AND THEIR CORRESPONDING CONFIDENCE LEVELS
USING THE 20-YEAR SCENARIO STATISTICS (IN MILLIONS)

Mix #	LCC	SMIDC	EAFE	EM	RE	PE	TIMBER	HY FI	HEDGE	Comm	Core FI	GTAA	Int'l FI	Mean	SD	Sharpe	Chance to Beat	50% Terminal Value	75% Terminal Value	95% Terminal Value
1	25	20	0	5	5	15	10	0	0	0	0	15	5	12.01	13.94	0.66	85	\$1,529	\$1,073	\$639
2	20	15	10	5	10	5	10	0	0	0	20	5	0	10.38	12.01	0.62	74	\$1,208	\$888	\$568
3	20	10	10	10	5	5	5	0	0	0	25	10	0	9.91	11.73	0.6	69	\$1,119	\$832	\$540
4	20	15	10	10	10	5	5	0	0	0	15	10	0	10.58	13.38	0.58	72	\$1,217	\$860	\$525
5	20	15	10	10	5	5	5	0	0	0	20	10	0	10.28	12.46	0.59	72	\$1,176	\$856	\$543
6	25	15	10	10	5	5	5	0	0	0	20	5	0	10.39	12.79	0.59	72	\$1,193	\$860	\$534
7	20	10	10	10	10	5	10	0	0	0	20	5	0	10.35	12.43	0.6	73	\$1,195	\$869	\$546
8	20	10	10	10	5	5	10	0	0	0	20	10	0	10.18	11.97	0.61	72	\$1,163	\$861	\$554
9	20	10	10	10	5	5	5	0	0	0	25	10	0	9.92	11.7	0.6	70	\$1,123	\$832	\$540
10	20	15	10	10	10	0	10	0	0	0	20	5	0	10.15	12.6	0.58	70	\$1,153	\$832	\$522
11	20	10	10	15	10	0	10	0	0	0	20	5	0	10.08	13.39	0.54	67	\$1,119	\$793	\$483
12	20	10	10	15	5	0	10	0	0	0	20	10	0	9.95	12.94	0.55	66	\$1,106	\$792	\$493
13	20	10	10	10	5	5	5	0	0	0	15	10	10	10.21	14.26	0.51	66	\$1,131	\$783	\$459
14	20	10	10	15	5	0	5	0	0	0	25	10	0	9.63	12.73	0.53	63	\$1,046	\$760	\$475
15	20	10	10	15	5	0	5	0	0	0	15	10	10	9.88	15.09	0.46	60	\$1,053	\$707	\$405
16	20	15	10	10	5	5	5	0	0	0	20	10	0	10.3	12.43	0.6	72	\$1,182	\$855	\$548
17	20	15	10	10	10	5	5	0	0	0	20	5	0	10.44	12.9	0.59	72	\$1,201	\$863	\$535
18	20	15	5	15	5	5	5	0	0	0	20	10	0	10.4	13.24	0.57	71	\$1,179	\$838	\$516
19	25	15	10	10	5	0	5	0	0	0	20	10	0	10.05	12.8	0.56	68	\$1,125	\$811	\$507
20	25	15	10	10	5	5	5	0	0	0	15	10	0	10.59	13.34	0.58	73	\$1,221	\$869	\$531
21	20	15	10	15	10	5	5	0	0	0	10	10	0	10.88	14.74	0.54	72	\$1,241	\$853	\$492
22	20	15	10	15	5	5	5	0	0	0	20	5	0	10.41	13.43	0.56	71	\$1,184	\$836	\$506
23	10	5	8	7	5	6	4	3	5	4	18	18	7	9.93	12.88	0.55	66	\$1,099	\$791	\$495

- Values in **blue** reach the required value of **\$896.4 million** in 20 years at the corresponding probability.

THE TERMINAL VALUES OF THE SYSTEM IN 2034
AT VARIOUS ALLOCATIONS AND THEIR CORRESPONDING CONFIDENCE LEVELS
USING THE 70-YEAR SCENARIO STATISTICS (IN MILLIONS)

Mix #	LCC	SMIDC	EAFE	EM	RE	PE	TIMBER	HY FI	HEDGE	Comm	Core FI	GTAA	Int'l FI	Mean	SD	Sharpe	Chance to Beat	50% Terminal Value	75% Terminal Value	95% Terminal Value
1	25	20	0	5	5	15	10	0	0	0	0	15	5	9.56	7.81	0.74	77	\$1,117	\$913	\$687
2	20	15	10	5	10	5	10	0	0	0	20	5	0	10.16	6.63	0.96	91	\$1,254	\$1,056	\$823
3	20	10	10	10	5	5	5	0	0	0	25	10	0	9.57	6.27	0.92	84	\$1,133	\$970	\$766
4	20	15	10	10	10	5	5	0	0	0	15	10	0	9.96	6.72	0.92	88	\$1,211	\$1,018	\$795
5	20	15	10	10	5	5	5	0	0	0	20	10	0	9.98	6.8	0.91	88	\$1,211	\$1,015	\$789
6	25	15	10	10	5	5	5	0	0	0	20	5	0	10.55	7.46	0.9	92	\$1,326	\$1,092	\$833
7	20	10	10	10	10	5	10	0	0	0	20	5	0	10.12	6.18	1.02	92	\$1,249	\$1,065	\$847
8	20	10	10	10	5	5	10	0	0	0	20	10	0	9.82	6.14	0.98	89	\$1,186	\$1,014	\$809
9	20	10	10	10	5	5	5	0	0	0	25	10	0	9.58	6.26	0.92	84	\$1,137	\$968	\$774
10	20	15	10	10	10	0	10	0	0	0	20	5	0	10.22	6.83	0.94	90	\$1,264	\$1,061	\$820
11	20	10	10	15	10	0	10	0	0	0	20	5	0	10.2	6.55	0.98	92	\$1,261	\$1,069	\$837
12	20	10	10	15	5	0	10	0	0	0	20	10	0	9.9	6.5	0.94	88	\$1,198	\$1,014	\$797
13	20	10	10	10	5	5	5	0	0	0	15	10	10	8.98	5.99	0.87	73	\$1,031	\$885	\$709
14	20	10	10	15	5	0	5	0	0	0	25	10	0	9.65	6.63	0.88	84	\$1,151	\$970	\$757
15	20	10	10	15	5	0	5	0	0	0	15	10	10	9.05	6.35	0.83	73	\$1,042	\$882	\$697
16	20	15	10	10	5	5	5	0	0	0	20	10	0	9.98	6.79	0.91	88	\$1,212	\$1,018	\$790
17	20	15	10	10	10	5	5	0	0	0	20	5	0	10.27	6.82	0.95	91	\$1,274	\$1,069	\$828
18	20	15	5	15	5	5	5	0	0	0	20	10	0	9.88	6.89	0.88	86	\$1,193	\$1,001	\$775
19	25	15	10	10	5	0	5	0	0	0	20	10	0	9.99	7.42	0.83	86	\$1,211	\$997	\$758
20	25	15	10	10	5	5	5	0	0	0	15	10	0	10.25	7.35	0.88	89	\$1,264	\$1,045	\$796
21	20	15	10	15	10	5	5	0	0	0	10	10	0	10.34	7	0.93	91	\$1,285	\$1,075	\$829
22	20	15	10	15	5	5	5	0	0	0	20	5	0	10.64	7.14	0.96	94	\$1,348	\$1,126	\$869
23	10	5	8	7	5	6	4	3	5	4	18	18	7	6.97	3.89	0.81	10	\$744	\$675	\$585

- Values in **blue** reach the required value of **\$896.4 million** in 20 years at the corresponding probability.

THE TERMINAL VALUES OF THE SYSTEM IN 2034
AT VARIOUS ALLOCATIONS AND THEIR CORRESPONDING CONFIDENCE LEVELS
USING THE REVERSION-TO-MEAN SCENARIO STATISTICS (IN MILLIONS)

Mix #	LCC	SMIDC	EAFE	EM	RE	PE	TIMBER	HY FI	HEDGE	Comm	Core FI	GTAA	Int'l FI	Mean	SD	Sharpe	Chance to Beat	50% Terminal Value	75% Terminal Value	95% Terminal Value
1	25	20	0	5	5	15	10	0	0	0	0	15	5	9.46	7.82	0.61	75	\$1,097	\$897	\$673
2	20	15	10	5	10	5	10	0	0	0	20	5	0	10.98	6.64	0.94	97	\$1,440	\$1,213	\$951
3	20	10	10	10	5	5	5	0	0	0	25	10	0	10.58	6.25	0.94	96	\$1,348	\$1,147	\$911
4	20	15	10	10	10	5	5	0	0	0	15	10	0	10.78	6.71	0.9	96	\$1,390	\$1,172	\$918
5	20	15	10	10	5	5	5	0	0	0	20	10	0	11.01	6.8	0.93	97	\$1,442	\$1,210	\$940
6	25	15	10	10	5	5	5	0	0	0	20	5	0	11.59	7.46	0.92	98	\$1,577	\$1,308	\$992
7	20	10	10	10	10	5	10	0	0	0	20	5	0	11.02	6.19	1.02	98	\$1,458	\$1,241	\$988
8	20	10	10	10	5	5	10	0	0	0	20	10	0	10.91	6.15	1.01	98	\$1,425	\$1,219	\$972
9	20	10	10	10	5	5	5	0	0	0	25	10	0	10.57	6.27	0.93	96	\$1,347	\$1,146	\$908
10	20	15	10	10	10	0	10	0	0	0	20	5	0	11.37	6.83	0.97	98	\$1,533	\$1,292	\$1,003
11	20	10	10	15	10	0	10	0	0	0	20	5	0	11.42	6.55	1.02	99	\$1,552	\$1,309	\$1,026
12	20	10	10	15	5	0	10	0	0	0	20	10	0	11.31	6.52	1.01	98	\$1,523	\$1,293	\$1,015
13	20	10	10	10	5	5	5	0	0	0	15	10	10	9.95	5.98	0.87	91	\$1,214	\$1,044	\$838
14	20	10	10	15	5	0	5	0	0	0	25	10	0	10.98	6.64	0.94	97	\$1,440	\$1,215	\$946
15	20	10	10	15	5	0	5	0	0	0	15	10	10	10.36	6.36	0.89	94	\$1,296	\$1,101	\$871
16	20	15	10	10	5	5	5	0	0	0	20	10	0	11.01	6.8	0.92	97	\$1,438	\$1,210	\$943
17	20	15	10	10	10	5	5	0	0	0	20	5	0	11.11	6.83	0.94	97	\$1,466	\$1,234	\$960
18	20	15	5	15	5	5	5	0	0	0	20	10	0	10.64	6.9	0.86	94	\$1,359	\$1,136	\$877
19	25	15	10	10	5	0	5	0	0	0	20	10	0	11.23	7.42	0.88	96	\$1,489	\$1,231	\$931
20	25	15	10	10	5	5	5	0	0	0	15	10	0	11.29	7.36	0.89	97	\$1,505	\$1,247	\$948
21	20	15	10	15	10	5	5	0	0	0	10	10	0	11.27	7	0.94	97	\$1,505	\$1,258	\$970
22	20	15	10	15	5	5	5	0	0	0	20	5	0	11.79	7.18	0.98	99	\$1,637	\$1,365	\$1,048
23	10	5	8	7	5	6	4	3	5	4	18	18	7	7.48	3.9	0.71	25	\$813	\$735	\$638

- Values in **blue** reach the required value of **\$896.4 million** in 20 years at the corresponding probability.

THE TERMINAL VALUES OF THE SYSTEM IN 2034
AT VARIOUS ALLOCATIONS AND THEIR CORRESPONDING CONFIDENCE LEVELS
USING THE SPECIAL SCENARIO STATISTICS (IN MILLIONS)

Mix #	LCC	SMIDC	EAFE	EM	RE	PE	TIMBER	HY FI	HEDGE	Comm	Core FI	GTAA	Int'l FI	Mean	SD	Sharpe	Chance to Beat	50% Terminal Value	75% Terminal Value	95% Terminal Value
1	25	20	0	5	5	15	10	0	0	0	0	15	5	9.56	7.81	0.74	77	\$1,117	\$915	\$688
2	20	15	10	5	10	5	10	0	0	0	20	5	0	9.32	6.38	0.87	79	\$1,089	\$925	\$732
3	20	10	10	10	5	5	5	0	0	0	25	10	0	8.57	5.85	0.82	62	\$962	\$829	\$665
4	20	15	10	10	10	5	5	0	0	0	15	10	0	9.36	6.59	0.84	78	\$1,094	\$921	\$721
5	20	15	10	10	5	5	5	0	0	0	20	10	0	9.16	6.57	0.82	75	\$1,058	\$894	\$704
6	25	15	10	10	5	5	5	0	0	0	20	5	0	9.75	7.22	0.82	83	\$1,163	\$964	\$741
7	20	10	10	10	10	5	10	0	0	0	20	5	0	9.3	5.92	0.93	81	\$1,086	\$935	\$756
8	20	10	10	10	5	5	10	0	0	0	20	10	0	9.01	5.89	0.88	74	\$1,035	\$893	\$718
9	20	10	10	10	5	5	5	0	0	0	25	10	0	8.54	5.84	0.81	62	\$958	\$824	\$666
10	20	15	10	10	10	0	10	0	0	0	20	5	0	9.4	6.6	0.85	79	\$1,099	\$929	\$731
11	20	10	10	15	10	0	10	0	0	0	20	5	0	9.37	6.31	0.88	81	\$1,097	\$935	\$742
12	20	10	10	15	5	0	10	0	0	0	20	10	0	9.08	6.27	0.84	74	\$1,045	\$891	\$709
13	20	10	10	10	5	5	5	0	0	0	15	10	10	8.36	5.83	0.78	56	\$929	\$802	\$645
14	20	10	10	15	5	0	5	0	0	0	25	10	0	8.63	6.24	0.77	63	\$969	\$824	\$659
15	20	10	10	15	5	0	5	0	0	0	15	10	10	8.42	6.22	0.74	58	\$940	\$800	\$636
16	20	15	10	10	5	5	5	0	0	0	20	10	0	9.16	6.57	0.82	74	\$1,059	\$893	\$702
17	20	15	10	10	10	5	5	0	0	0	20	5	0	9.47	6.6	0.86	81	\$1,112	\$936	\$736
18	20	15	5	15	5	5	5	0	0	0	20	10	0	9.05	6.67	0.79	72	\$1,037	\$875	\$681
19	25	15	10	10	5	0	5	0	0	0	20	10	0	9.14	7.2	0.74	72	\$1,049	\$872	\$668
20	25	15	10	10	5	5	5	0	0	0	15	10	0	9.64	7.23	0.81	81	\$1,140	\$945	\$720
21	20	15	10	15	10	5	5	0	0	0	10	10	0	9.91	6.96	0.88	86	\$1,198	\$1,003	\$773
22	20	15	10	15	5	5	5	0	0	0	20	5	0	9.84	6.93	0.87	85	\$1,183	\$989	\$770
23	10	5	8	7	5	6	4	3	5	4	18	18	7	6.25	3.55	0.69	1	\$660	\$603	\$530

- Values in **blue** reach the required value of **\$896.4 million** in 20 years at the corresponding probability.

STATISTICAL SUMMARY OF ASSET CLASSES

STATISTICS AS OF DECEMBER 31, 2013

<u>20-YEAR PERIOD - HISTORICAL STATISTICS</u>						
Asset Class	Index Used	Mean	SD	Alpha	Beta	Cor
Large Cap Equity	S&P 500 Index	11.12	19.23	0.00	1.00	1.00
Large Cap Equity	Russell 1000 Index	11.32	19.35	0.14	1.01	1.00
Smid Cap Equity	Russell 2500 Index	12.61	19.19	2.92	0.87	0.87
International Equity	MSCI EAFE	8.21	19.92	(1.13)	0.84	0.81
Global Equity	MSCI All Country World Index	9.41	19.09	(0.66)	0.91	0.91
Emerging Markets Equity	MSCI Emerging Markets Index	10.81	32.97	2.42	0.76	0.44
Real Estate Equity	NCREIF NFI-ODCE Index	9.43	11.06	8.34	0.10	0.17
Private Equity	Cambridge US Private Equity Index	15.81	15.26	9.04	0.61	0.77
Timber	NCREIF Timberland Index	8.54	7.09	7.62	0.08	0.23
High Yield	CSFB High Yield Index	8.88	14.9	3.28	0.50	0.65
Hedge Funds	DJCS Hedge Fund Index	9.66	10.27	5.10	0.41	0.77
Commodities	S&P Goldman Sachs Commodity Index	7.77	25.66	5.62	0.19	0.15
International Fixed Income	Barclays Global Aggregate Ex USD Index	5.93	9.32	5.73	0.05	0.10
Global Tactical Asset Allocation	65% ACWI/35% Barclays Aggregate	8.08	12.44	1.39	0.60	0.62
Broad Market Bonds	Barclays Capital Aggregate Bond Index	5.85	4.79	5.91	(0.01)	(0.02)
Cash	90 Day US Treasury Bill	2.88	2.15	2.72	0.01	0.13

STATISTICAL SUMMARY OF ASSET CLASSES

STATISTICS AS OF DECEMBER 31, 2013

<u>70-YEAR SCENARIO</u>		
Asset Class	Mean	SD
Large Cap Equity	11.70	20.60
Mid Cap Equity	14.05	26.80
Small Cap Equity	16.40	33.00
All Cap Equity	15.00	25.23
International Equity	15.60	22.30
Real Estate	5.80	8.50
Emerging Markets Equity	13.29	20.48
Hedge Funds	8.00	8.44
Private Equity	11.83	14.48
Timberland	10.90	7.77
CPI plus 5%	8.10	4.20
GTAA	12.01	21.43
Long-term Gov't	6.10	9.40
US Treasury Bills	3.80	3.10

<u>REVERSION-TO-MEAN SCENARIO</u>		
Asset Class	Mean	SD
Large Cap Equity	12.28	20.60
Mid Cap Equity	14.90	26.80
Small Cap Equity	21.73	33.00
All Cap Equity	16.93	25.23
International Equity	22.99	22.30
Real Estate	2.17	8.50
Emerging Markets Equity	15.77	20.48
Hedge Funds	6.34	8.44
Private Equity	7.85	14.48
Timberland	13.26	7.77
CPI plus 5%	8.66	4.20
GTAA	15.94	21.43
Long-term Gov't	6.35	9.40
US Treasury Bills	4.72	3.10

STATISTICAL SUMMARY OF ASSET CLASSES
STATISTICS AS OF DECEMBER 31, 2013

<u>SPECIAL SCENARIO</u>		
Asset Class	Mean	SD
Large Cap Equity	11.70	20.60
Mid Cap Equity	14.05	26.80
Small Cap Equity	16.40	33.00
All Cap Equity	15.00	25.23
International Equity	15.60	22.30
Real Estate	5.80	8.50
Emerging Markets Equity	13.29	20.48
Hedge Funds	8.00	8.44
Private Equity	11.83	14.48
Timberland	10.90	7.77
CPI plus 5%	8.10	4.20
GTAA	12.01	21.43
Long-term Gov't	2.00	3.00
US Treasury Bills	3.80	3.10

20-YEAR SCENARIO ASSET ALLOCATION CHARTS

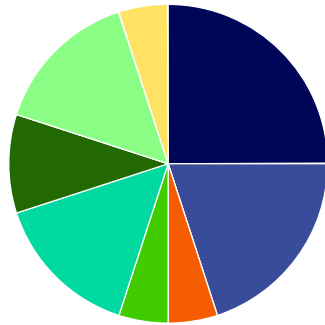
Burlington Employees' Retirement System

July 2014

20-Year Scenario

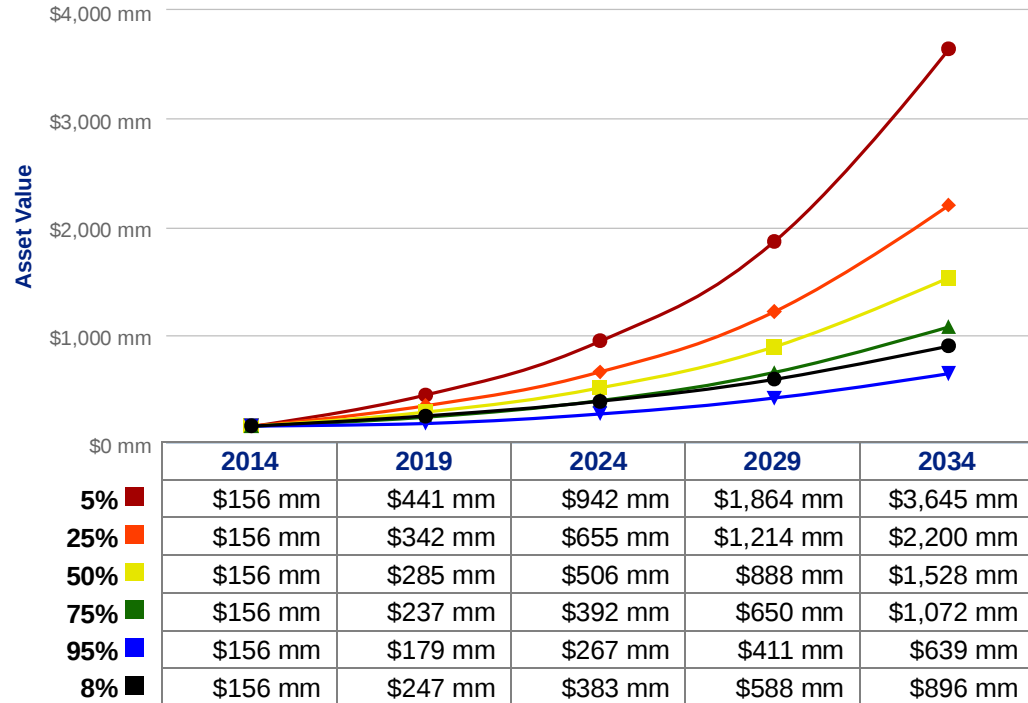
LCC: 25.0%, SMDC: 20.0%, EAFE: 0.0%, EM: 5.0%, RE: 5.0%, PE: 15.0%, TIMBER: 10.0%, CORE FI: 0.0%, GTAA: 15.0%, INTL FI: 5.0%

This Mix



LCC: 25.0%	SMDC: 20.0%
EAFE: 0.0%	EM: 5.0%
RE: 5.0%	PE: 15.0%
TIMBER: 10.0%	CORE FI: 0.0%
GTAA: 15.0%	INTL FI: 5.0%

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 12.01%
75% Year-20 Value: \$1,073 mm	Standard Deviation: 13.94
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.66
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 85%

Dahab Associates, Inc.
2014

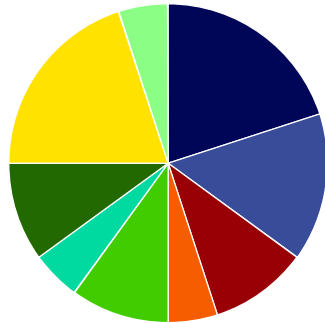
Burlington Employees' Retirement System

July 2014

20-Year Scenario

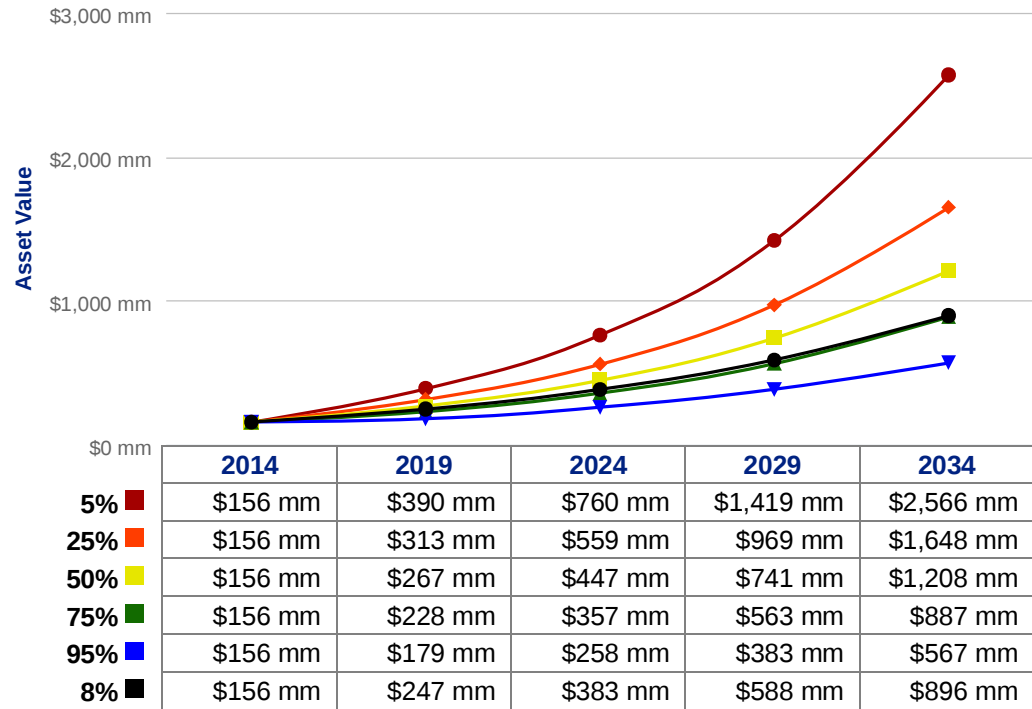
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 5.0%, RE: 10.0%, PE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 5.0%
RE: 10.0%	PE: 5.0%
TIMBER: 10.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.38%
75% Year-20 Value: \$888 mm	Standard Deviation: 12.01
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.62
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 74%

Dahab Associates, Inc.
2014

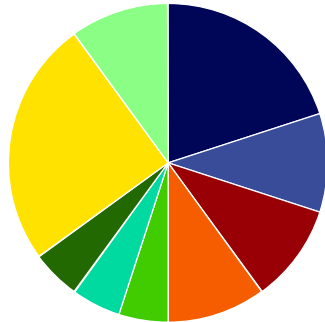
Burlington Employees' Retirement System

July 2014

20-Year Scenario

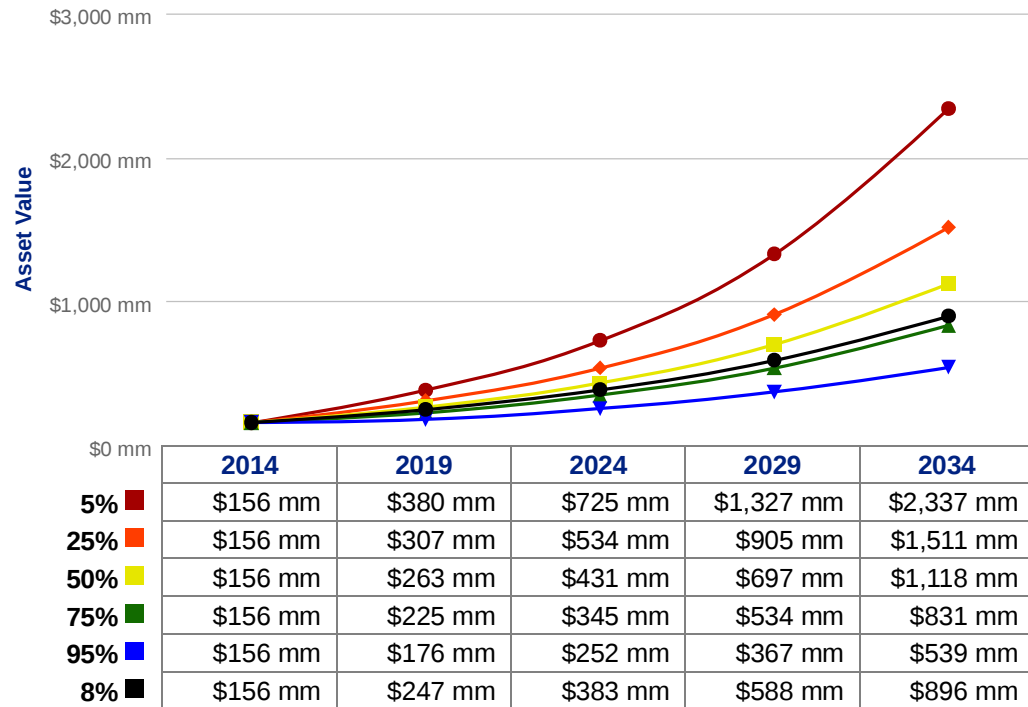
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 25.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 25.0%
GTAA: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 9.91%
75% Year-20 Value: \$832 mm	Standard Deviation: 11.73
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.60
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 69%

Dahab Associates, Inc.
2014

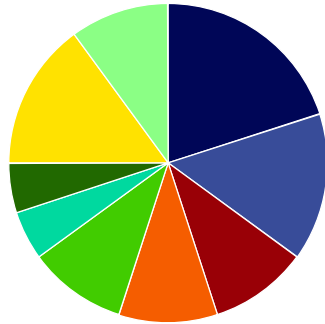
Burlington Employees' Retirement System

July 2014

20-Year Scenario

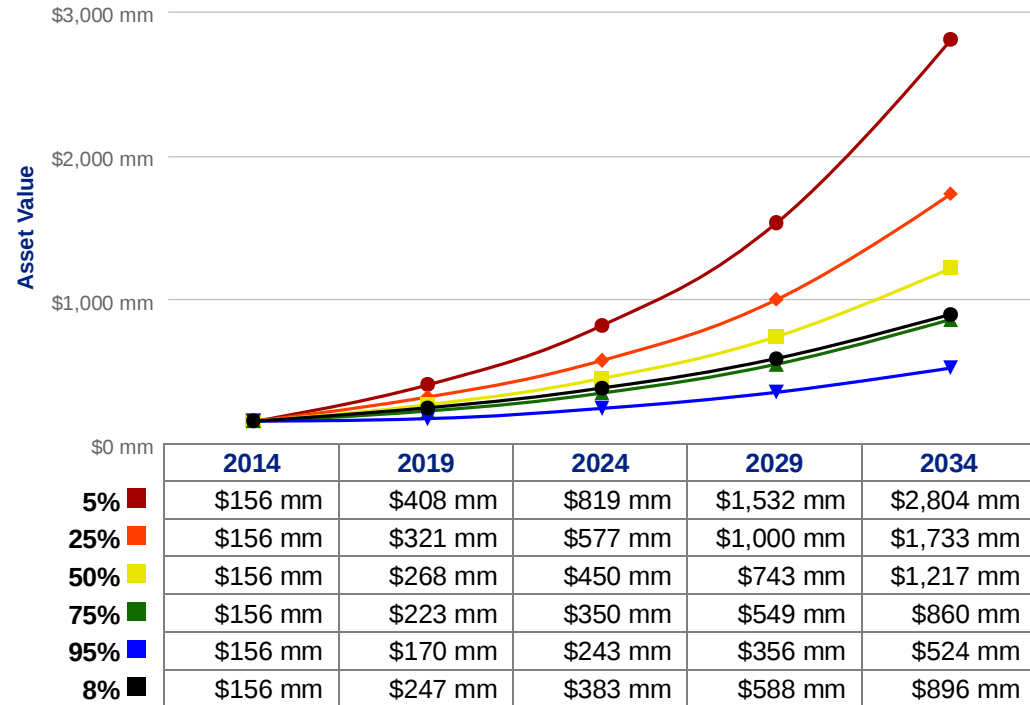
LCC: 20.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 10.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 15.0%
GTAA: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.58%
75% Year-20 Value: \$860 mm	Standard Deviation: 13.38
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.58
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 72%

Dahab Associates, Inc.
2014

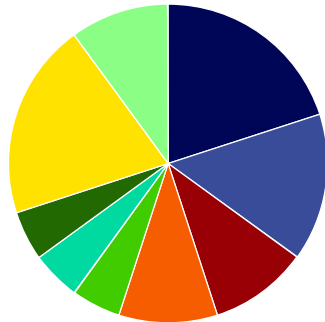
Burlington Employees' Retirement System

July 2014

20-Year Scenario

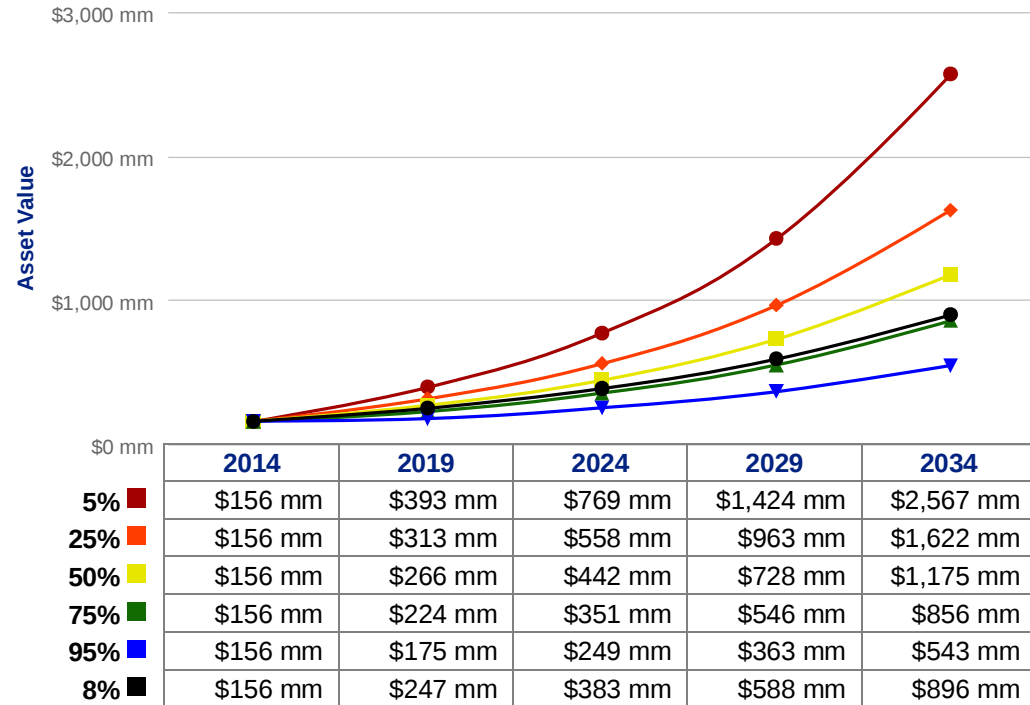
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.28%
75% Year-20 Value: \$856 mm	Standard Deviation: 12.46
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.59
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 72%

Dahab Associates, Inc.
2014

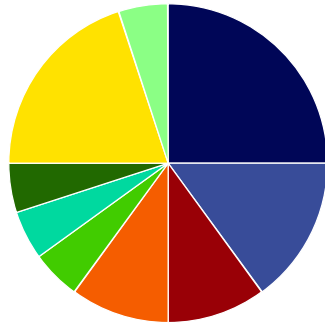
Burlington Employees' Retirement System

July 2014

20-Year Scenario

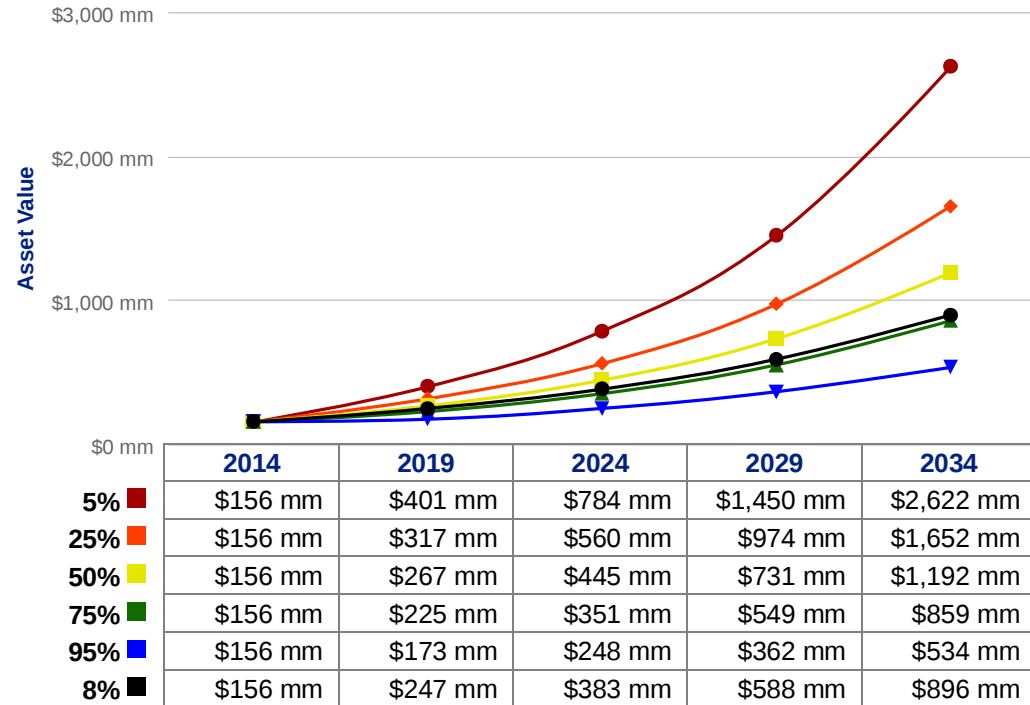
LCC: 25.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 25.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.39%
75% Year-20 Value: \$860 mm	Standard Deviation: 12.79
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.59
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 72%

Dahab Associates, Inc.
2014

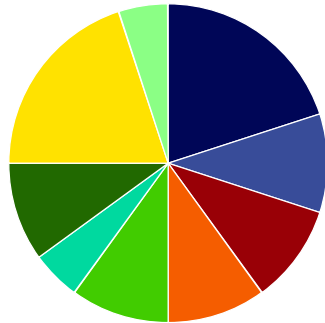
Burlington Employees' Retirement System

July 2014

20-Year Scenario

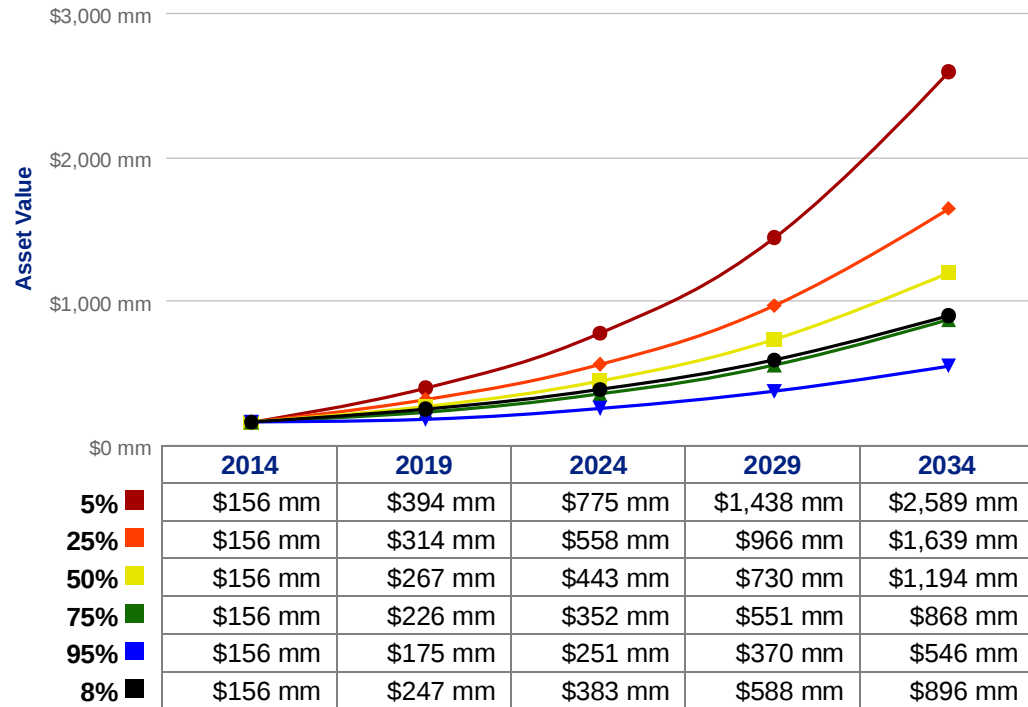
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, PE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 10.0%	PE: 5.0%
TIMBER: 10.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.35%
75% Year-20 Value: \$869 mm	Standard Deviation: 12.43
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.60
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 73%

Dahab Associates, Inc.
2014

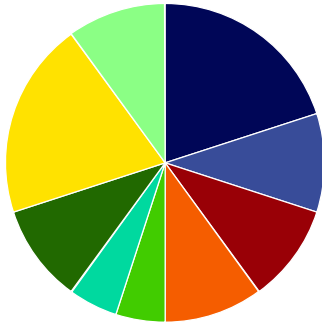
Burlington Employees' Retirement System

July 2014

20-Year Scenario

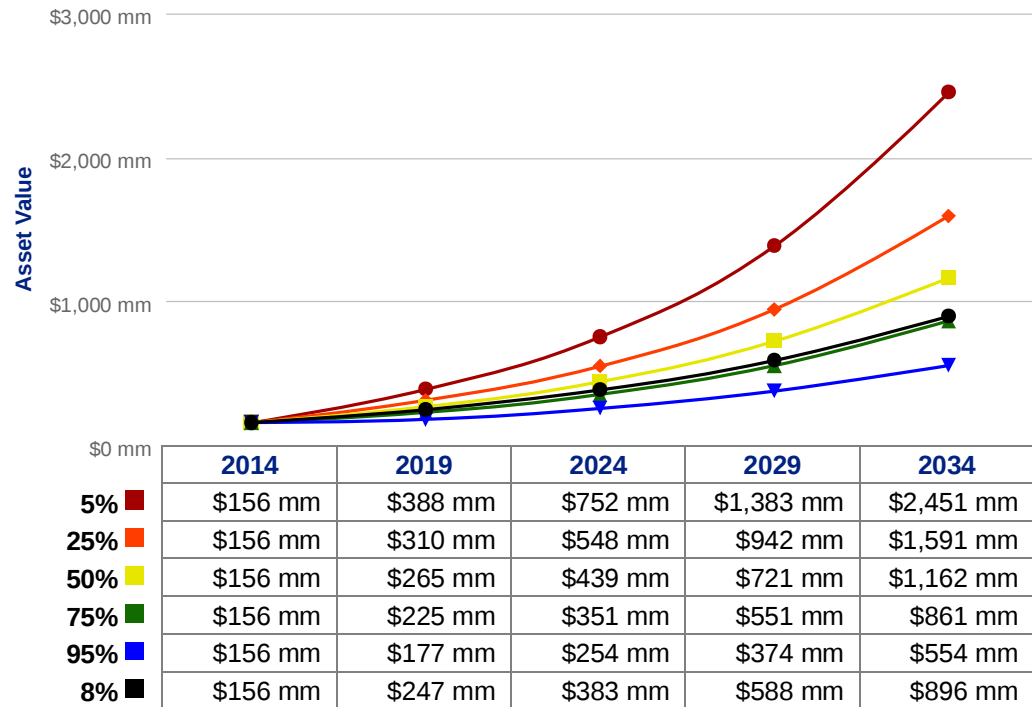
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 10.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.18%
75% Year-20 Value: \$861 mm	Standard Deviation: 11.97
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.61
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 72%

Dahab Associates, Inc.
2014

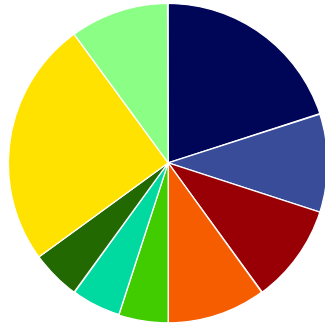
Burlington Employees' Retirement System

July 2014

20-Year Scenario

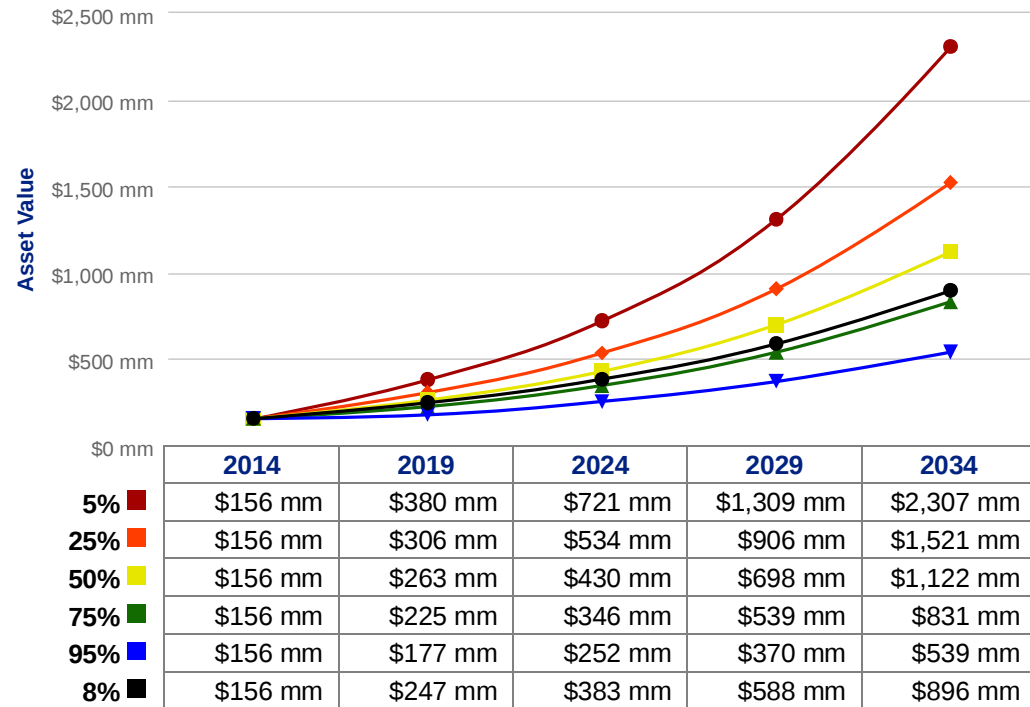
LCC: 20.0%, SMDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 25.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 25.0%
GTAA: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 9.92%
75% Year-20 Value: \$832 mm	Standard Deviation: 11.70
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.60
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 70%

Dahab Associates, Inc.
2014

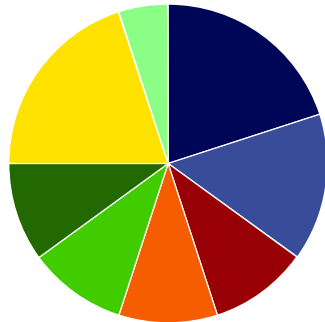
Burlington Employees' Retirement System

July 2014

20-Year Scenario

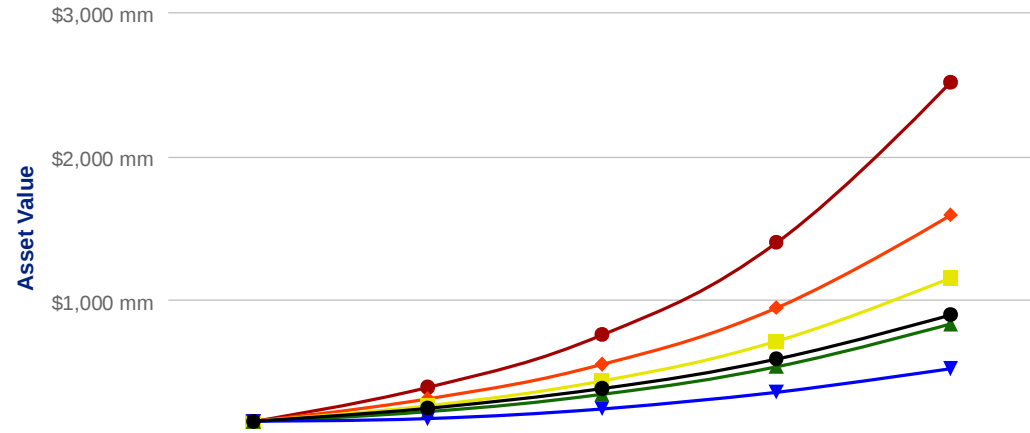
LCC: 20.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMIDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 10.0%	TIMBER: 10.0%
CORE FI: 20.0%	GTAA: 5.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$392 mm	\$757 mm	\$1,398 mm	\$2,510 mm
25% ■	\$156 mm	\$312 mm	\$552 mm	\$945 mm	\$1,589 mm
50% ■	\$156 mm	\$265 mm	\$438 mm	\$711 mm	\$1,152 mm
75% ■	\$156 mm	\$223 mm	\$345 mm	\$535 mm	\$832 mm
95% ■	\$156 mm	\$173 mm	\$242 mm	\$358 mm	\$521 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.15%
75% Year-20 Value: \$832 mm	Standard Deviation: 12.60
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.58
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 70%

Dahab Associates, Inc.
2014

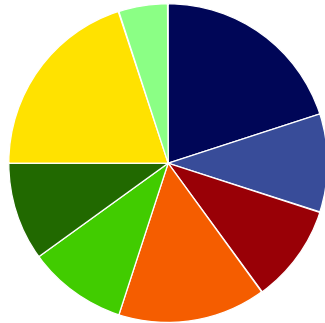
Burlington Employees' Retirement System

July 2014

20-Year Scenario

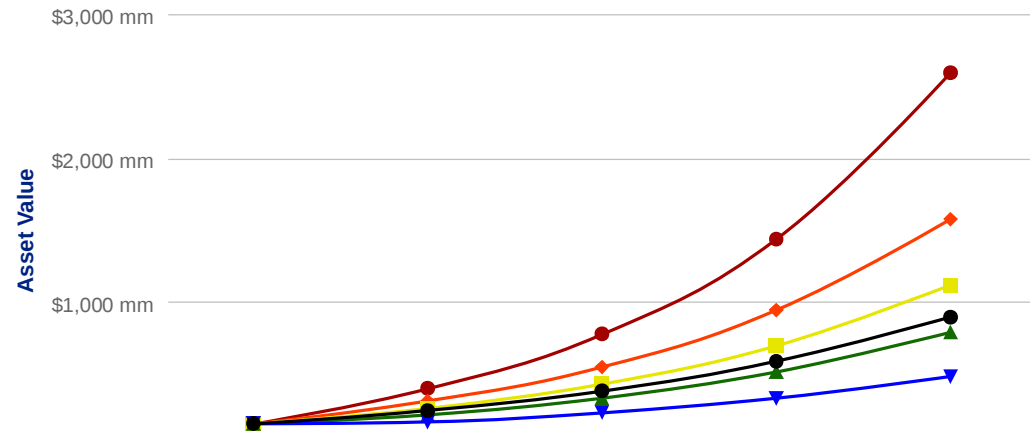
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 10.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 15.0%
RE: 10.0%	TIMBER: 10.0%
CORE FI: 20.0%	GTAA: 5.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5%	\$156 mm	\$400 mm	\$778 mm	\$1,438 mm	\$2,594 mm
25%	\$156 mm	\$313 mm	\$549 mm	\$944 mm	\$1,576 mm
50%	\$156 mm	\$263 mm	\$431 mm	\$698 mm	\$1,118 mm
75%	\$156 mm	\$219 mm	\$334 mm	\$516 mm	\$792 mm
95%	\$156 mm	\$166 mm	\$231 mm	\$332 mm	\$482 mm
8%	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.08%
75% Year-20 Value: \$793 mm	Standard Deviation: 13.39
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.54
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 67%

Dahab Associates, Inc.
2014

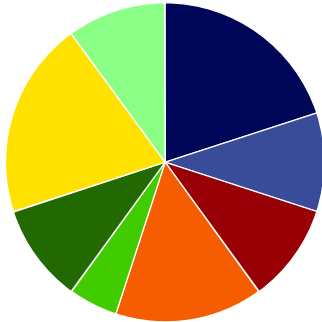
Burlington Employees' Retirement System

July 2014

20-Year Scenario

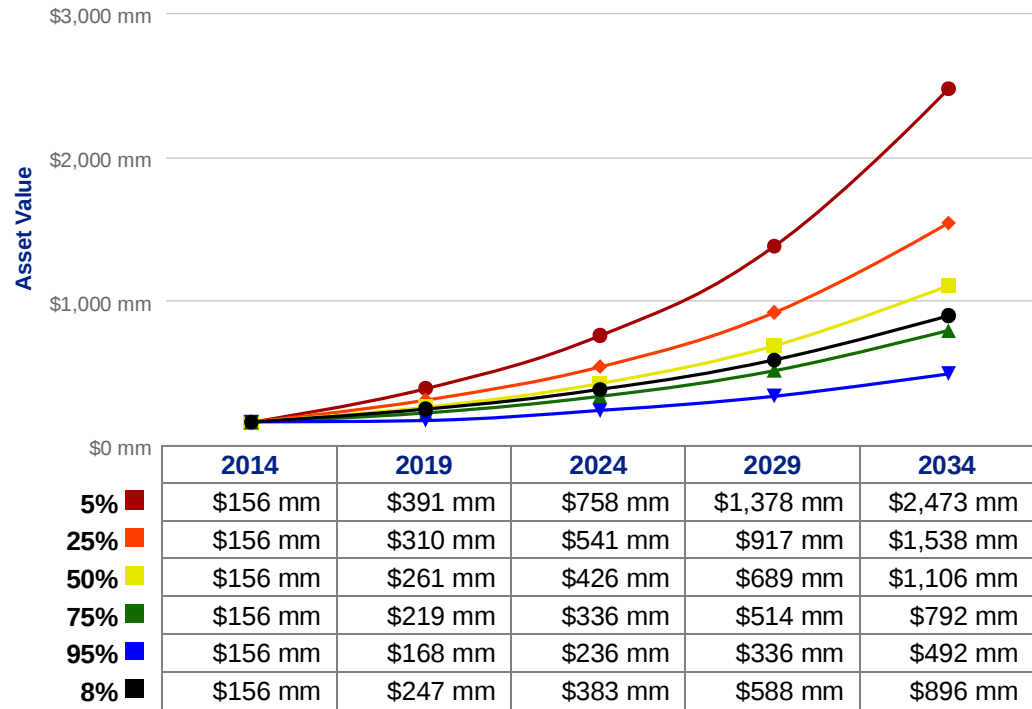
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 15.0%
RE: 5.0%	TIMBER: 10.0%
CORE FI: 20.0%	GTAA: 10.0%

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 9.95%
75% Year-20 Value: \$792 mm	Standard Deviation: 12.94
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.55
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 66%

Dahab Associates, Inc.
2014

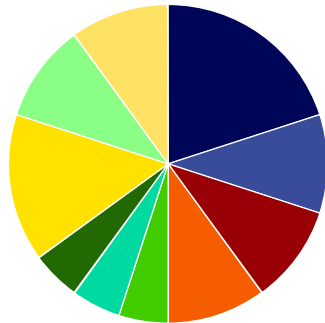
Burlington Employees' Retirement System

July 2014

20-Year Scenario

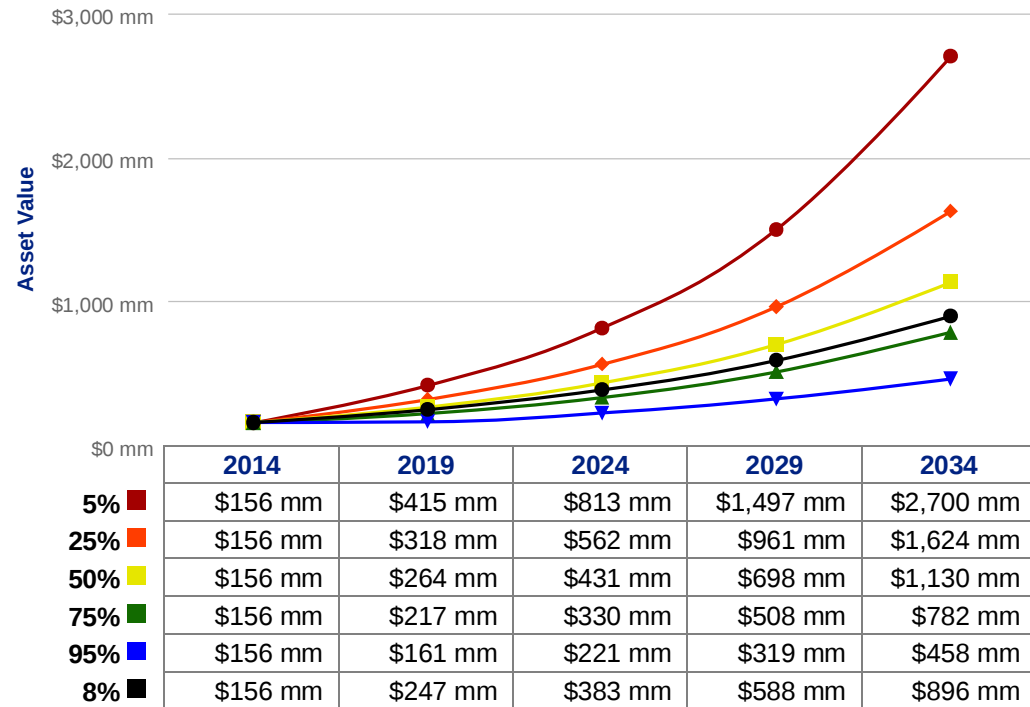
LCC: 20.0%, SMDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%, INTL FI: 10.0%

This Mix



LCC: 20.0%	SMDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 15.0%
GTAA: 10.0%	INTL FI: 10.0%

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.21%
75% Year-20 Value: \$783 mm	Standard Deviation: 14.26
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.51
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 66%

Dahab Associates, Inc.
2014

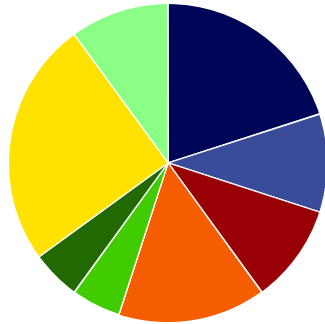
Burlington Employees' Retirement System

July 2014

20-Year Scenario

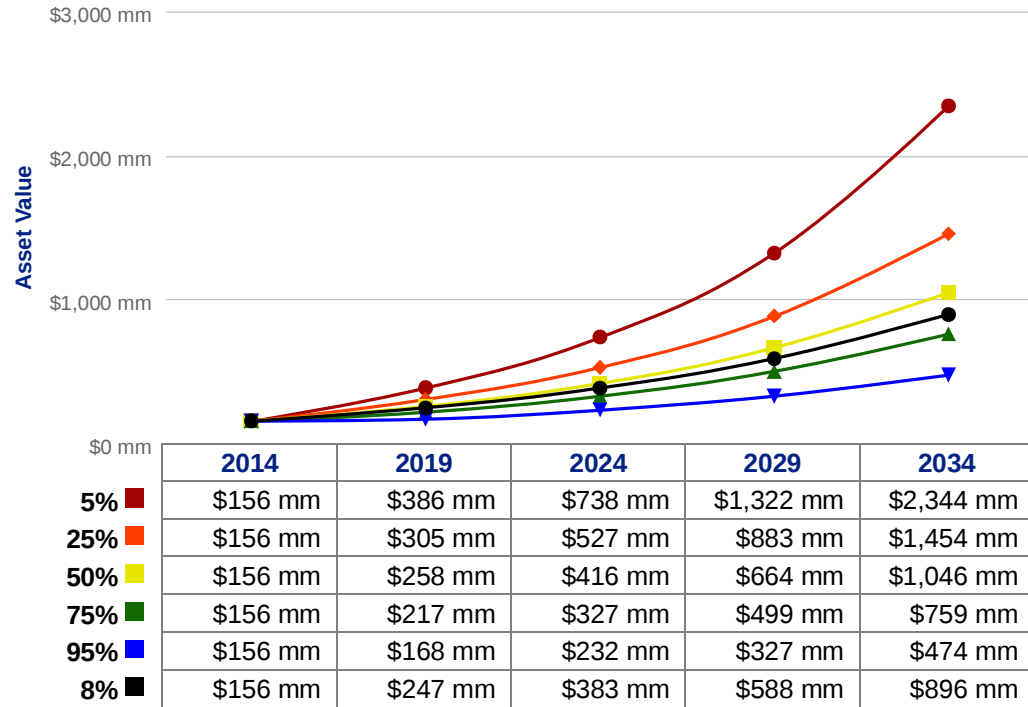
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, TIMBER: 5.0%, CORE FI: 25.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 15.0%
RE: 5.0%	TIMBER: 5.0%
CORE FI: 25.0%	GTAA: 10.0%

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 9.63%
75% Year-20 Value: \$760 mm	Standard Deviation: 12.73
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.53
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 63%

Dahab Associates, Inc.
2014

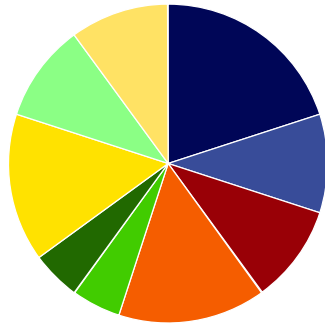
Burlington Employees' Retirement System

July 2014

20-Year Scenario

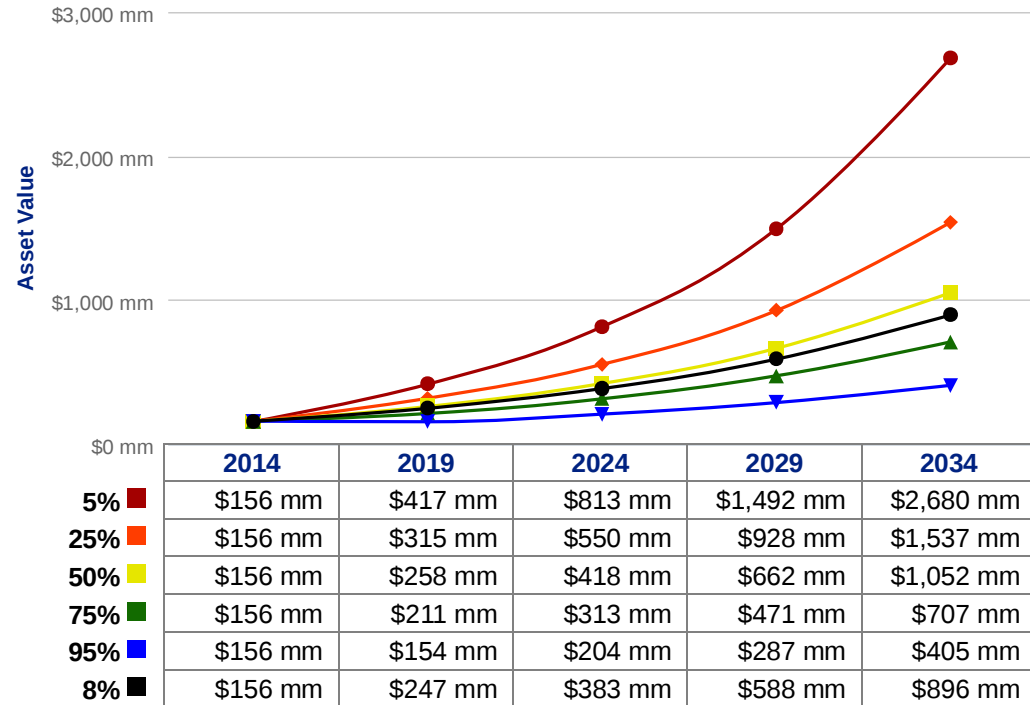
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%, INTL FI: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 15.0%
RE: 5.0%	TIMBER: 5.0%
CORE FI: 15.0%	GTAA: 10.0%
INTL FI: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 9.88%
75% Year-20 Value: \$707 mm	Standard Deviation: 15.09
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.46
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 60%

Dahab Associates, Inc.
2014

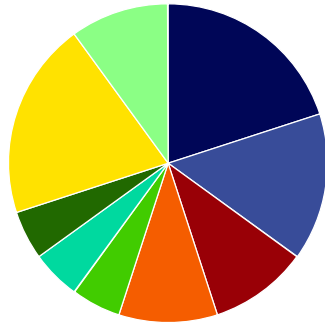
Burlington Employees' Retirement System

July 2014

20-Year Scenario

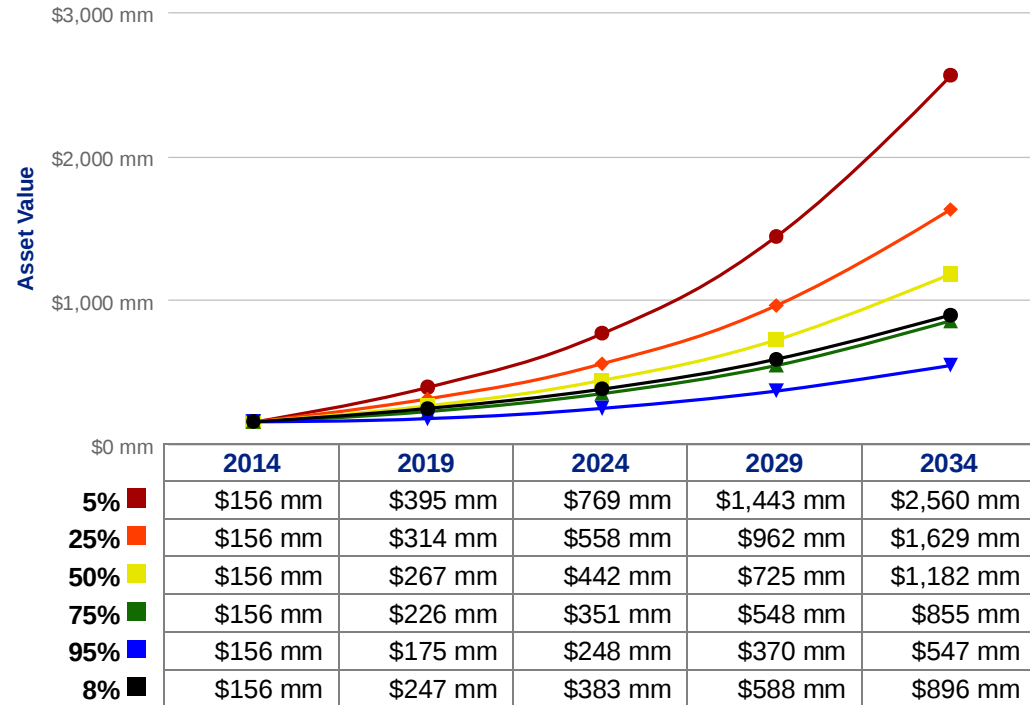
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.30%
75% Year-20 Value: \$855 mm	Standard Deviation: 12.43
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.60
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 72%

Dahab Associates, Inc.
2014

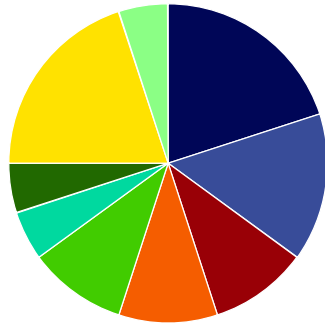
Burlington Employees' Retirement System

July 2014

20-Year Scenario

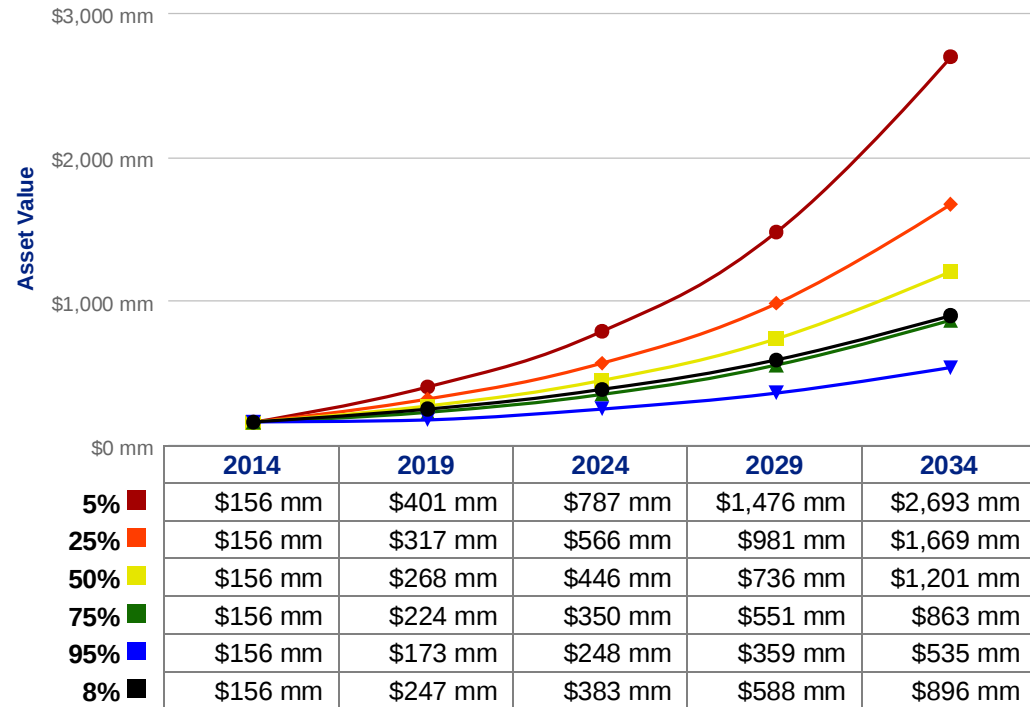
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 10.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.44%
75% Year-20 Value: \$863 mm	Standard Deviation: 12.90
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.59
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 72%

Dahab Associates, Inc.
2014

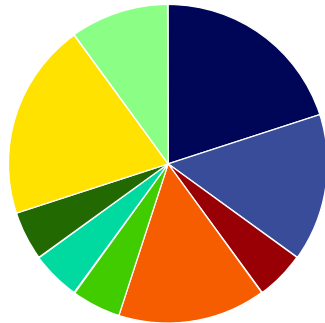
Burlington Employees' Retirement System

July 2014

20-Year Scenario

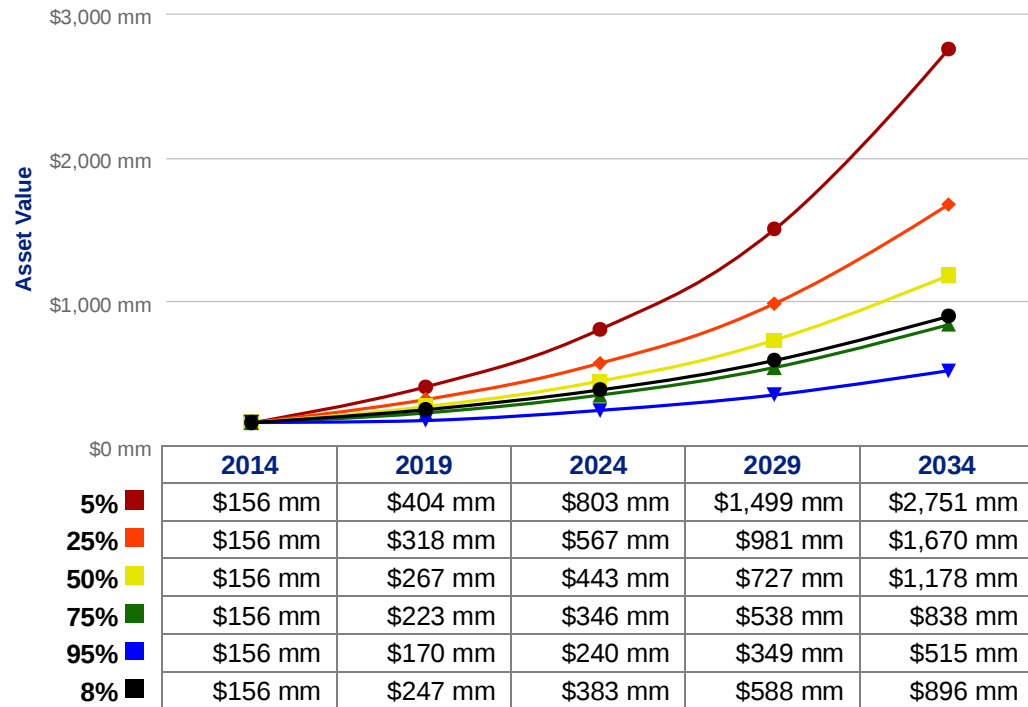
LCC: 20.0%, SMDC: 15.0%, EAFE: 5.0%, EM: 15.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 5.0%	EM: 15.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.40%
75% Year-20 Value: \$838 mm	Standard Deviation: 13.24
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.57
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 71%

Dahab Associates, Inc.
2014

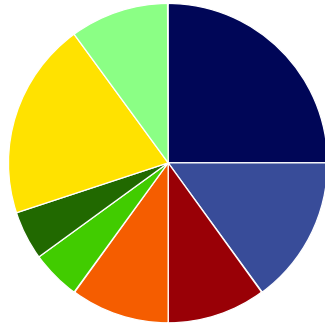
Burlington Employees' Retirement System

July 2014

20-Year Scenario

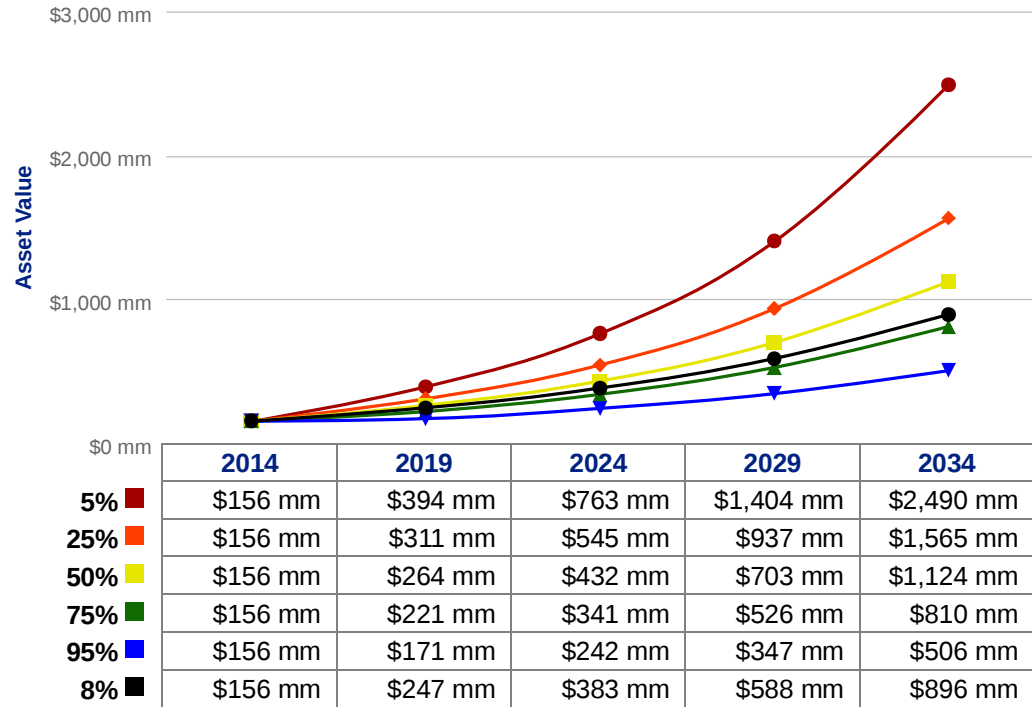
LCC: 25.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 25.0%	SMIDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	TIMBER: 5.0%
CORE FI: 20.0%	GTAA: 10.0%

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.05%
75% Year-20 Value: \$811 mm	Standard Deviation: 12.80
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.56
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 68%

Dahab Associates, Inc.
2014

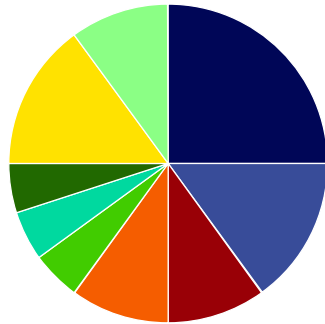
Burlington Employees' Retirement System

July 2014

20-Year Scenario

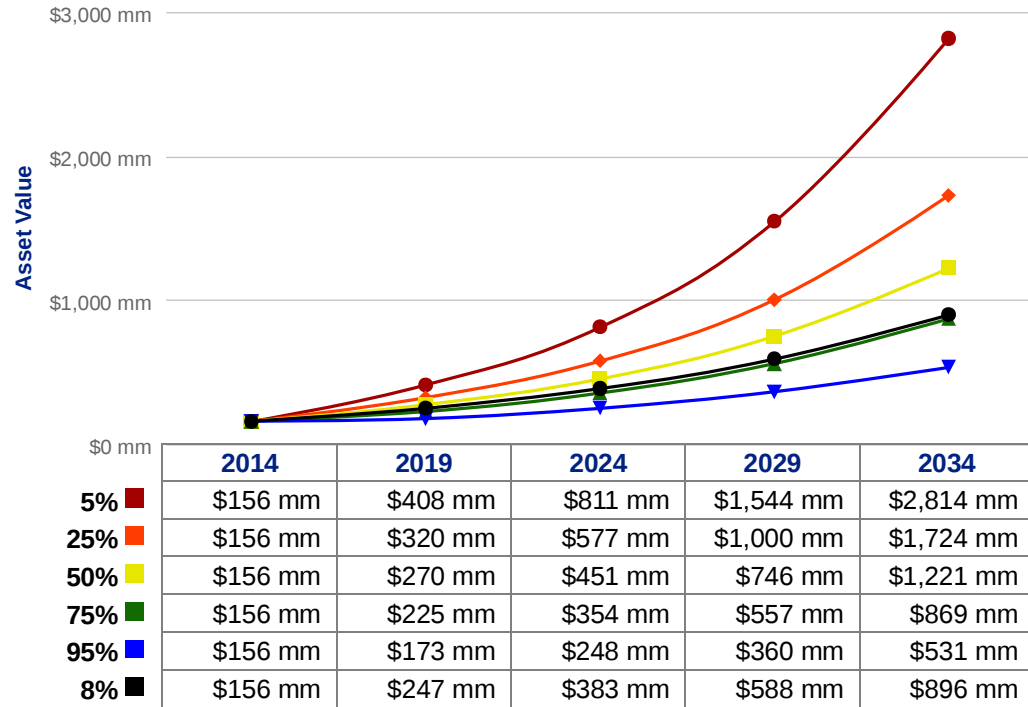
LCC: 25.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%

This Mix



LCC: 25.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 15.0%
GTAA: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.59%
75% Year-20 Value: \$869 mm	Standard Deviation: 13.34
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.58
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 73%

Dahab Associates, Inc.
2014

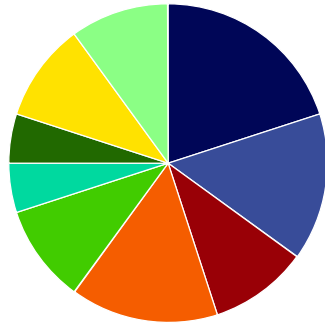
Burlington Employees' Retirement System

July 2014

20-Year Scenario

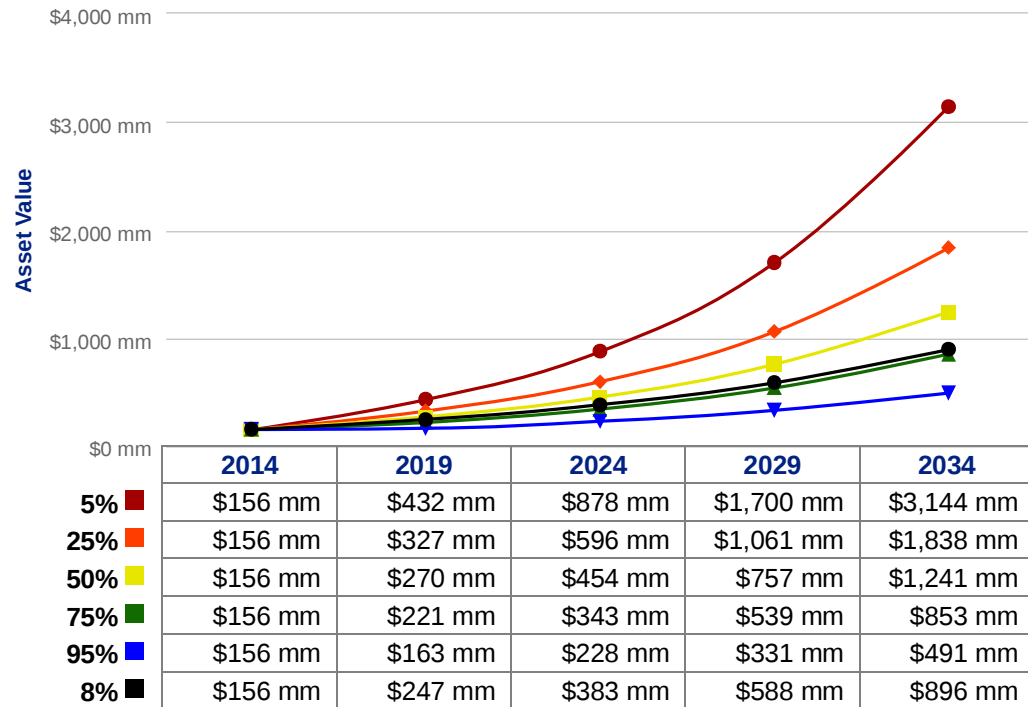
LCC: 20.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 15.0%, RE: 10.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 10.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 15.0%
EAFE: 10.0%	EM: 15.0%
RE: 10.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 10.0%
GTAA: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.88%
75% Year-20 Value: \$853 mm	Standard Deviation: 14.74
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.54
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 72%

Dahab Associates, Inc.
2014

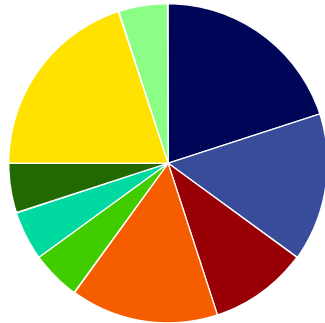
Burlington Employees' Retirement System

July 2014

20-Year Scenario

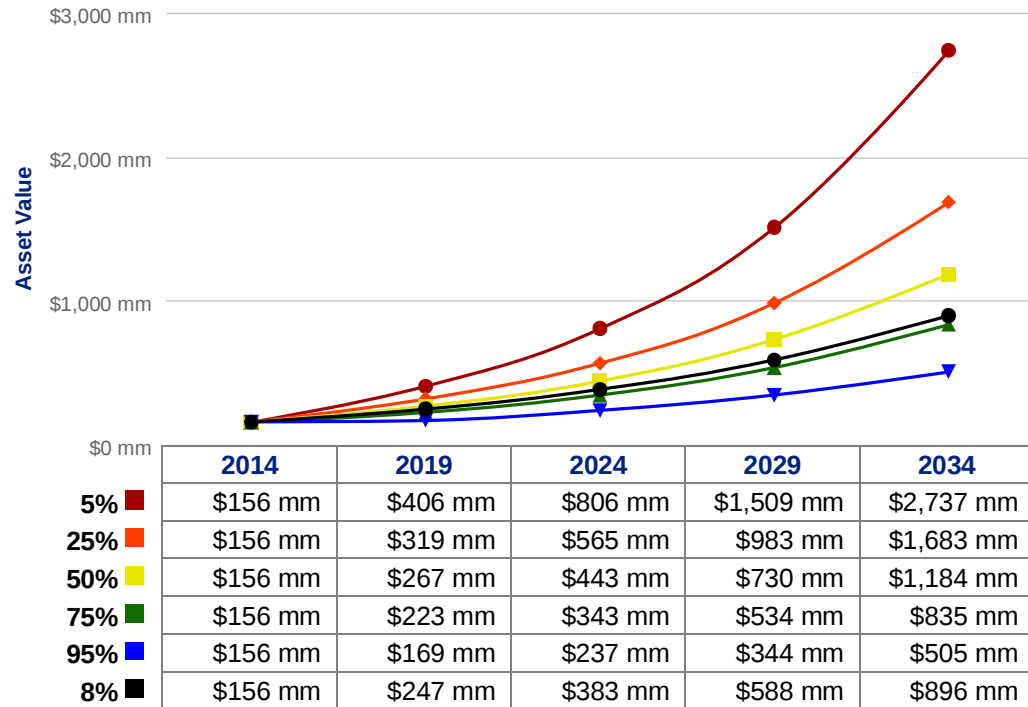
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 15.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.41%
75% Year-20 Value: \$836 mm	Standard Deviation: 13.43
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.56
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 71%

Dahab Associates, Inc.
2014

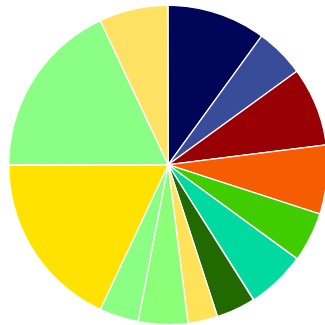
Burlington Employees' Retirement System

July 2014

20-Year Scenario

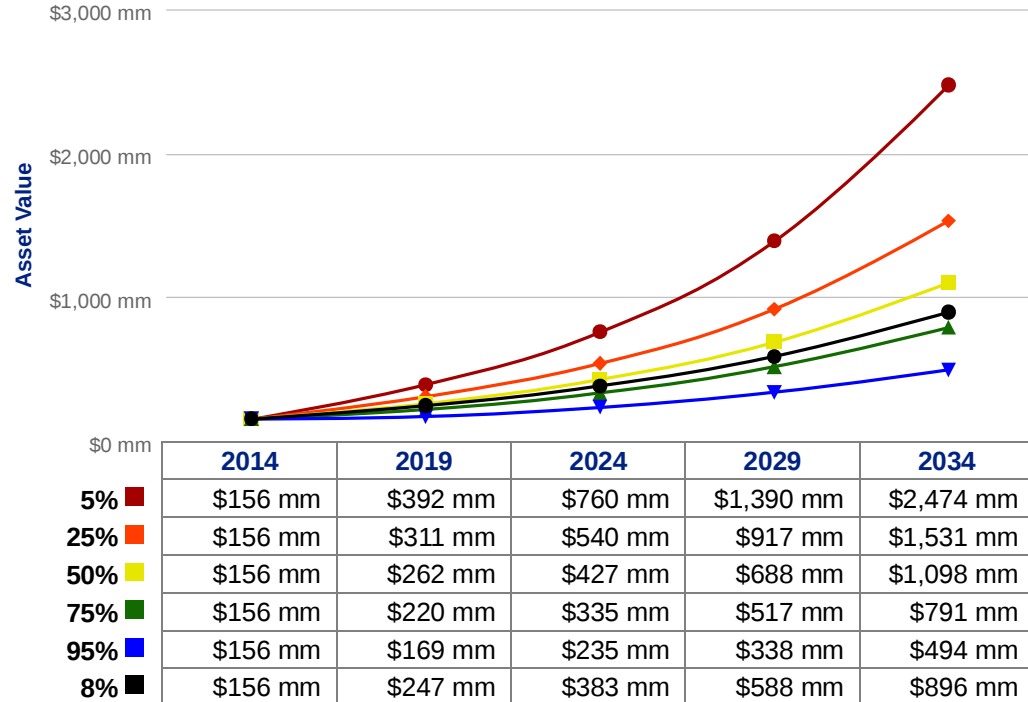
LCC: 10.0%, SMIDC: 5.0%, EAFE: 8.0%, EM: 7.0%, RE: 5.0%, PE: 6.0%, TIMBER: 4.0%, HY FI: 3.0%, HEDGE: 5.0%, COMMODITIES: 4.0%, CORE FI: 18.0%, GTAA: 18.0%, INTL FI: 7.0%

This Mix



LCC:	10.0%	SMIDC:	5.0%
EAFE:	8.0%	EM:	7.0%
RE:	5.0%	PE:	6.0%
TIMBER:	4.0%	HY FI:	3.0%
HEDGE:	5.0%	COMMODITIES:	4.0%
CORE FI:	18.0%	GTAA:	18.0%
INTL FI:	7.0%		

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 9.93%
75% Year-20 Value: \$791 mm	Standard Deviation: 12.88
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.55
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 66%

Dahab Associates, Inc.
2014

70-YEAR SCENARIO ASSET ALLOCATION CHARTS

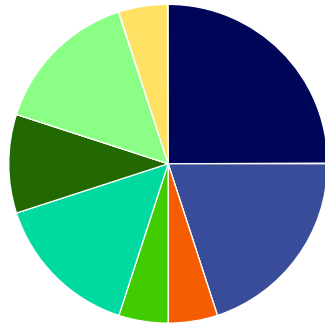
Burlington Employees' Retirement System

July 2014

70-Year Scenario

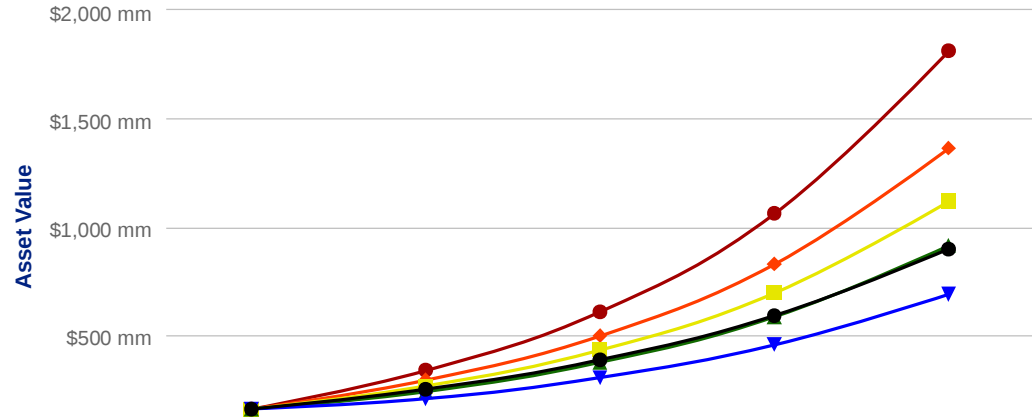
LCC: 25.0%, SMDC: 20.0%, EAFE: 0.0%, EM: 5.0%, RE: 5.0%, PE: 15.0%, TIMBER: 10.0%, CORE FI: 0.0%, GTAA: 15.0%, INTL FI: 5.0%

This Mix



LCC: 25.0%	SMDC: 20.0%
EAFE: 0.0%	EM: 5.0%
RE: 5.0%	PE: 15.0%
TIMBER: 10.0%	CORE FI: 0.0%
GTAA: 15.0%	INTL FI: 5.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$335 mm	\$606 mm	\$1,060 mm	\$1,814 mm
25% ■	\$156 mm	\$290 mm	\$495 mm	\$826 mm	\$1,363 mm
50% ■	\$156 mm	\$262 mm	\$429 mm	\$693 mm	\$1,116 mm
75% ■	\$156 mm	\$236 mm	\$371 mm	\$582 mm	\$913 mm
95% ■	\$156 mm	\$202 mm	\$300 mm	\$453 mm	\$686 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.56%
75% Year-20 Value: \$913 mm	Standard Deviation: 7.81
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.74
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 77%

Dahab Associates, Inc.
2014

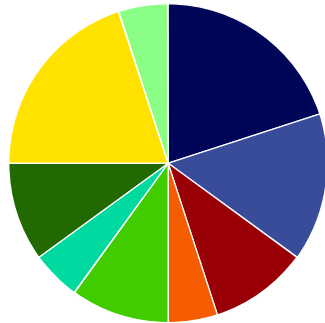
Burlington Employees' Retirement System

July 2014

70-Year Scenario

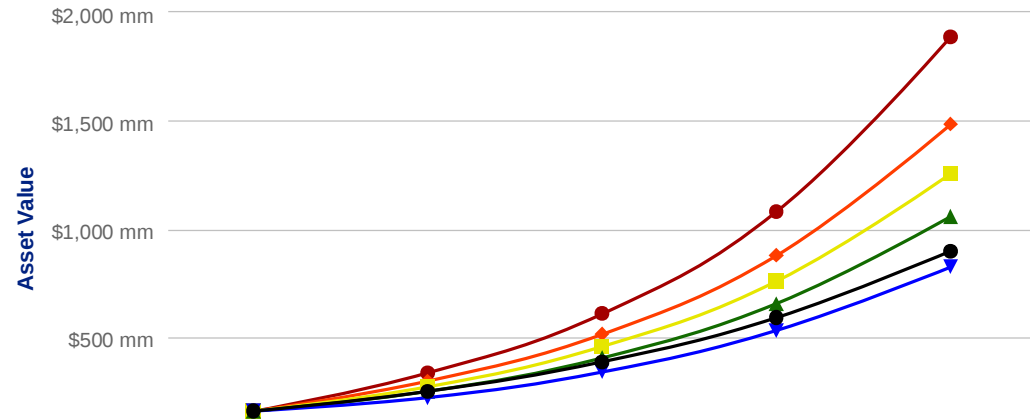
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 5.0%, RE: 10.0%, PE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 5.0%
RE: 10.0%	PE: 5.0%
TIMBER: 10.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$332 mm	\$607 mm	\$1,079 mm	\$1,888 mm
25% ■	\$156 mm	\$294 mm	\$512 mm	\$877 mm	\$1,484 mm
50% ■	\$156 mm	\$269 mm	\$454 mm	\$757 mm	\$1,253 mm
75% ■	\$156 mm	\$247 mm	\$402 mm	\$652 mm	\$1,056 mm
95% ■	\$156 mm	\$217 mm	\$337 mm	\$528 mm	\$822 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.16%
75% Year-20 Value: \$1,056 mm	Standard Deviation: 6.63
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.96
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 91%

Dahab Associates, Inc.
2014

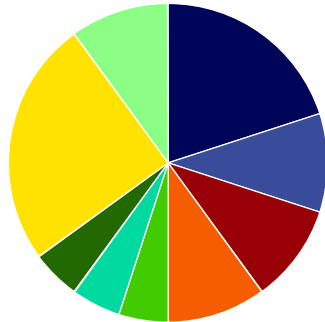
Burlington Employees' Retirement System

July 2014

70-Year Scenario

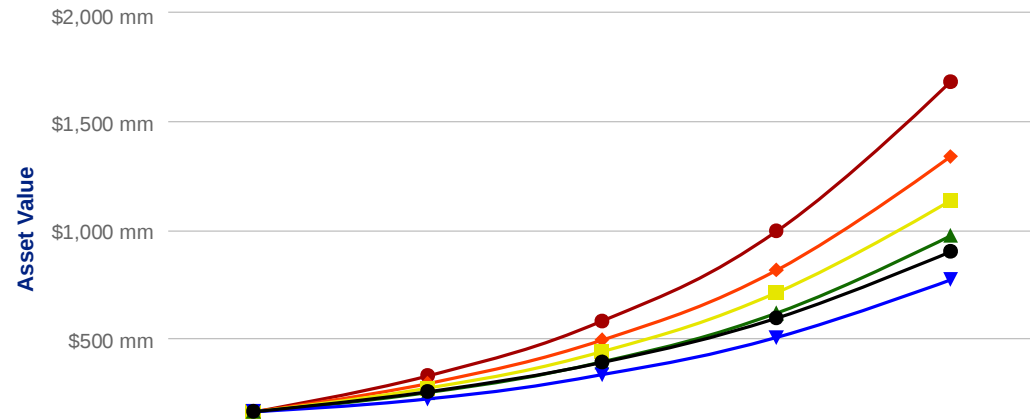
LCC: 20.0%, SMDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 25.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 25.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$321 mm	\$574 mm	\$990 mm	\$1,682 mm
25% ■	\$156 mm	\$286 mm	\$487 mm	\$810 mm	\$1,335 mm
50% ■	\$156 mm	\$263 mm	\$433 mm	\$705 mm	\$1,133 mm
75% ■	\$156 mm	\$242 mm	\$385 mm	\$611 mm	\$969 mm
95% ■	\$156 mm	\$213 mm	\$325 mm	\$498 mm	\$765 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.57%
75% Year-20 Value: \$970 mm	Standard Deviation: 6.27
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.92
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 84%

Dahab Associates, Inc.
2014

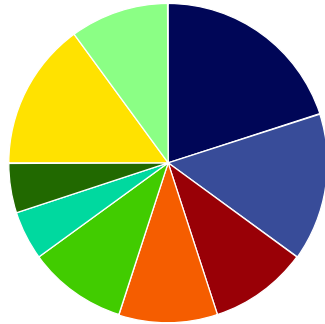
Burlington Employees' Retirement System

July 2014

70-Year Scenario

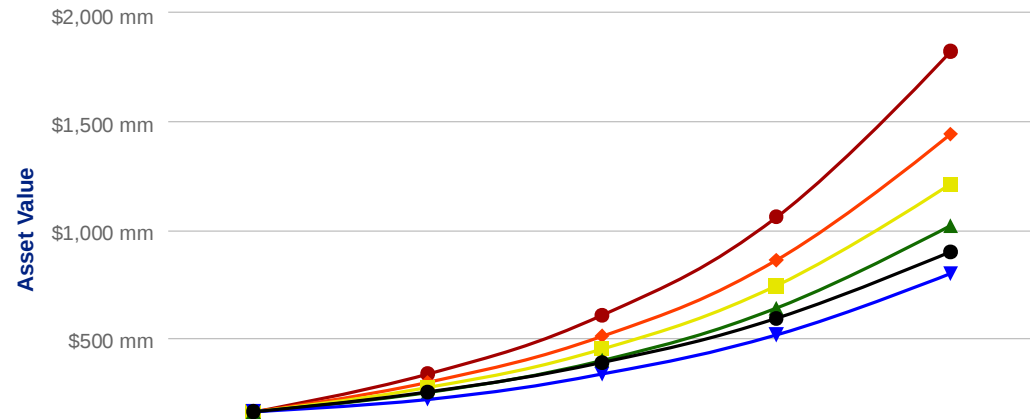
LCC: 20.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 10.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 15.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5%	\$156 mm	\$331 mm	\$603 mm	\$1,057 mm	\$1,824 mm
25%	\$156 mm	\$292 mm	\$506 mm	\$857 mm	\$1,441 mm
50%	\$156 mm	\$267 mm	\$447 mm	\$740 mm	\$1,210 mm
75%	\$156 mm	\$244 mm	\$394 mm	\$635 mm	\$1,018 mm
95%	\$156 mm	\$213 mm	\$329 mm	\$512 mm	\$795 mm
8%	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.96%
75% Year-20 Value: \$1,018 mm	Standard Deviation: 6.72
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.92
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 88%

Dahab Associates, Inc.
2014

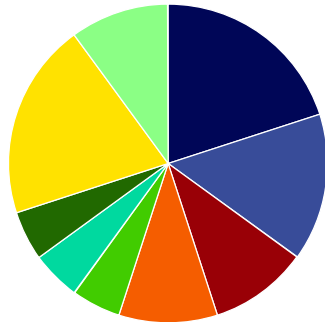
Burlington Employees' Retirement System

July 2014

70-Year Scenario

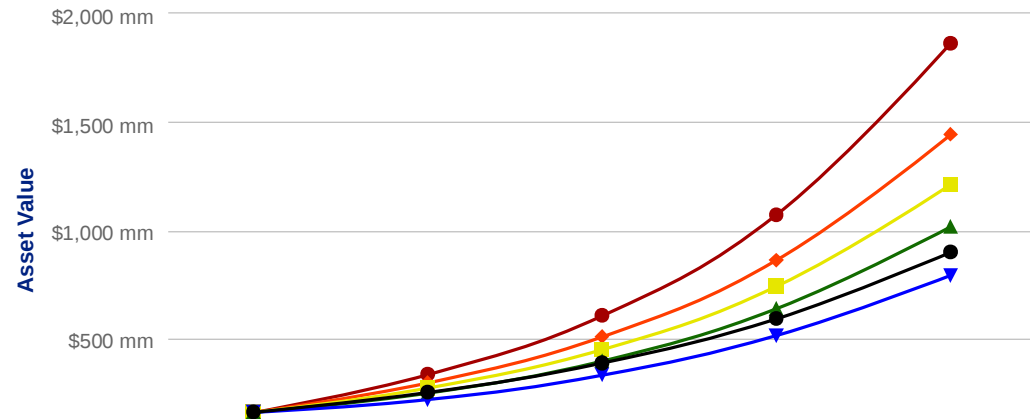
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$331 mm	\$603 mm	\$1,070 mm	\$1,864 mm
25% ■	\$156 mm	\$292 mm	\$505 mm	\$859 mm	\$1,441 mm
50% ■	\$156 mm	\$267 mm	\$446 mm	\$738 mm	\$1,210 mm
75% ■	\$156 mm	\$244 mm	\$393 mm	\$635 mm	\$1,015 mm
95% ■	\$156 mm	\$214 mm	\$327 mm	\$510 mm	\$788 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.98%
75% Year-20 Value: \$1,015 mm	Standard Deviation: 6.80
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.91
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 88%

Dahab Associates, Inc.
2014

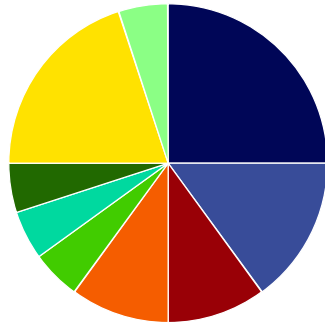
Burlington Employees' Retirement System

July 2014

70-Year Scenario

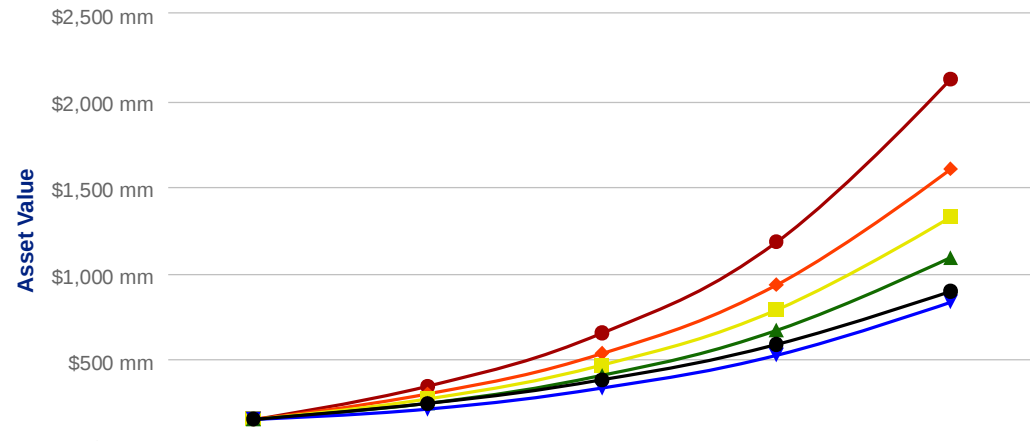
LCC: 25.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 25.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5%	\$156 mm	\$346 mm	\$655 mm	\$1,182 mm	\$2,124 mm
25%	\$156 mm	\$302 mm	\$537 mm	\$933 mm	\$1,604 mm
50%	\$156 mm	\$274 mm	\$469 mm	\$790 mm	\$1,326 mm
75%	\$156 mm	\$249 mm	\$409 mm	\$670 mm	\$1,091 mm
95%	\$156 mm	\$214 mm	\$336 mm	\$526 mm	\$833 mm
8%	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.55%
75% Year-20 Value: \$1,092 mm	Standard Deviation: 7.46
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.90
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 92%

Dahab Associates, Inc.
2014

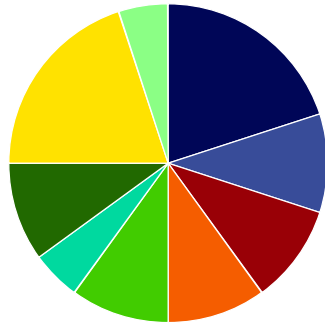
Burlington Employees' Retirement System

July 2014

70-Year Scenario

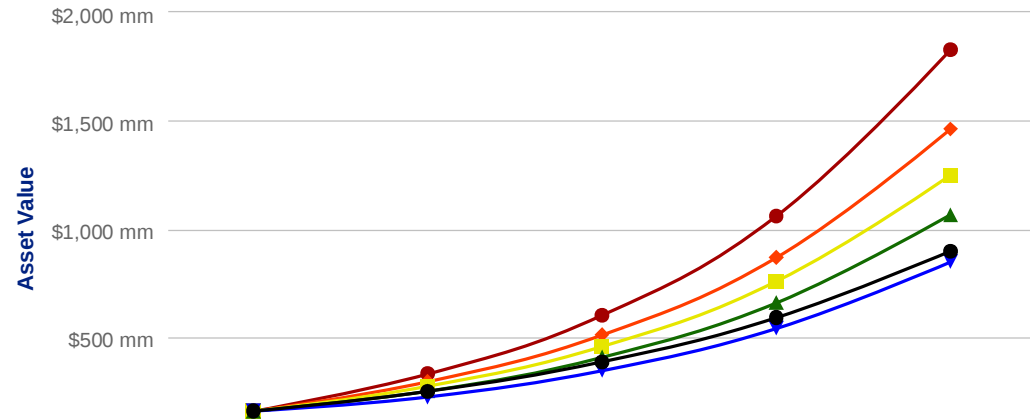
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, PE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 10.0%	PE: 5.0%
TIMBER: 10.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$328 mm	\$598 mm	\$1,058 mm	\$1,828 mm
25% ■	\$156 mm	\$292 mm	\$508 mm	\$866 mm	\$1,461 mm
50% ■	\$156 mm	\$270 mm	\$454 mm	\$756 mm	\$1,248 mm
75% ■	\$156 mm	\$248 mm	\$404 mm	\$657 mm	\$1,064 mm
95% ■	\$156 mm	\$220 mm	\$343 mm	\$539 mm	\$847 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.12%
75% Year-20 Value: \$1,065 mm	Standard Deviation: 6.18
Required Year-20 Value: \$896 mm	Sharpe Ratio: 1.02
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 92%

Dahab Associates, Inc.
2014

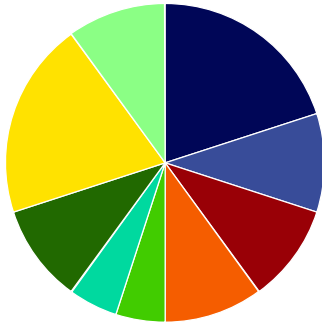
Burlington Employees' Retirement System

July 2014

70-Year Scenario

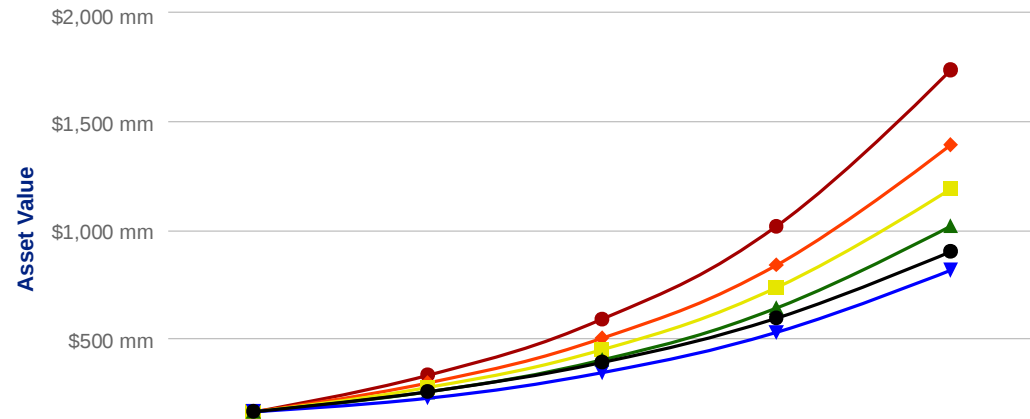
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 10.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$324 mm	\$583 mm	\$1,013 mm	\$1,736 mm
25% ■	\$156 mm	\$288 mm	\$495 mm	\$834 mm	\$1,390 mm
50% ■	\$156 mm	\$266 mm	\$442 mm	\$728 mm	\$1,186 mm
75% ■	\$156 mm	\$245 mm	\$395 mm	\$635 mm	\$1,014 mm
95% ■	\$156 mm	\$217 mm	\$335 mm	\$521 mm	\$809 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.82%
75% Year-20 Value: \$1,014 mm	Standard Deviation: 6.14
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.98
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 89%

Dahab Associates, Inc.
2014

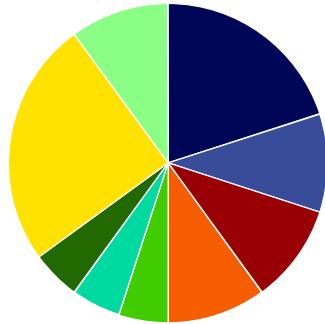
Burlington Employees' Retirement System

July 2014

70-Year Scenario

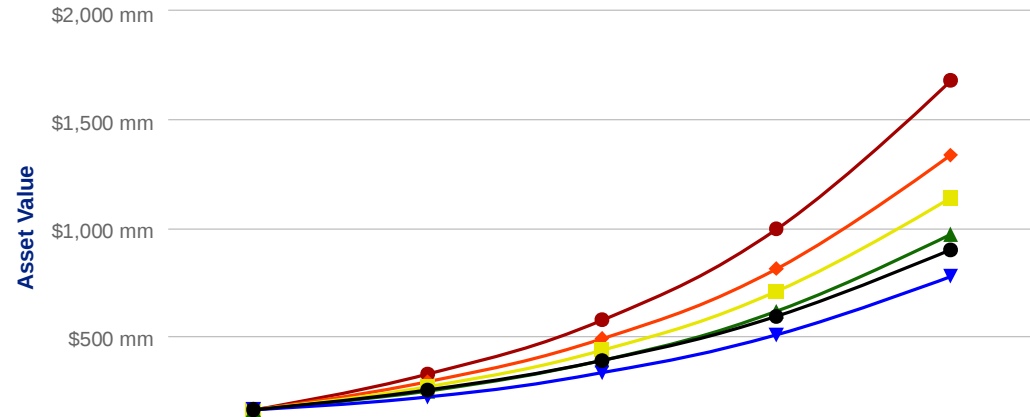
LCC: 20.0%, SMDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 25.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 25.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$320 mm	\$572 mm	\$993 mm	\$1,680 mm
25% ■	\$156 mm	\$285 mm	\$485 mm	\$809 mm	\$1,334 mm
50% ■	\$156 mm	\$262 mm	\$432 mm	\$704 mm	\$1,137 mm
75% ■	\$156 mm	\$242 mm	\$385 mm	\$611 mm	\$968 mm
95% ■	\$156 mm	\$214 mm	\$326 mm	\$502 mm	\$774 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.58%
75% Year-20 Value: \$968 mm	Standard Deviation: 6.26
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.92
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 84%

Dahab Associates, Inc.
2014

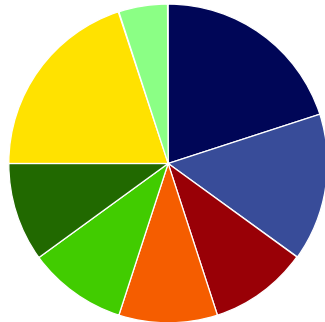
Burlington Employees' Retirement System

July 2014

70-Year Scenario

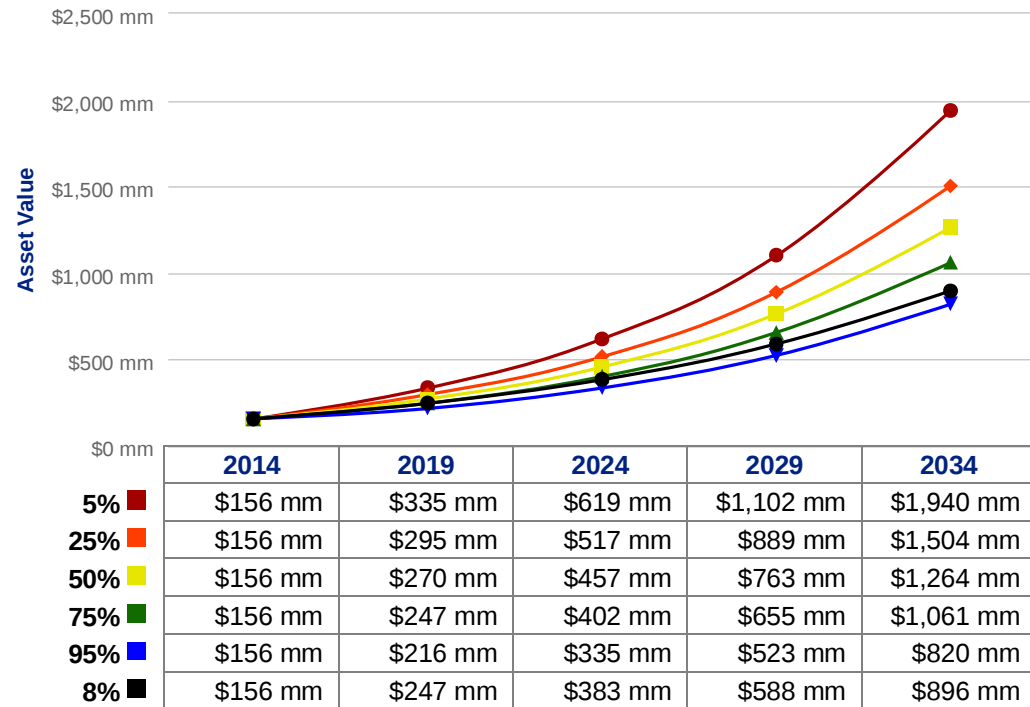
LCC: 20.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC:	20.0%	SMIDC:	15.0%
EAFE:	10.0%	EM:	10.0%
RE:	10.0%	TIMBER:	10.0%
CORE FI:	20.0%	GTAA:	5.0%

Asset Value Over Time



Statistics

Beginning Value:	\$156 mm	Mean Return:	10.22%
75% Year-20 Value:	\$1,061 mm	Standard Deviation:	6.83
Required Year-20 Value:	\$896 mm	Sharpe Ratio:	0.94
Actuarial Rate:	8.0%	Likelihood to Beat 8.0%:	90%

Dahab Associates, Inc.
2014

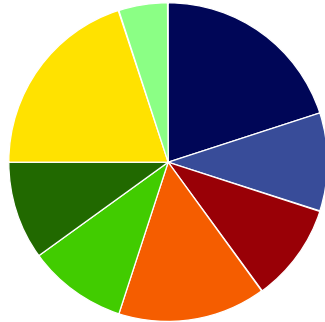
Burlington Employees' Retirement System

July 2014

70-Year Scenario

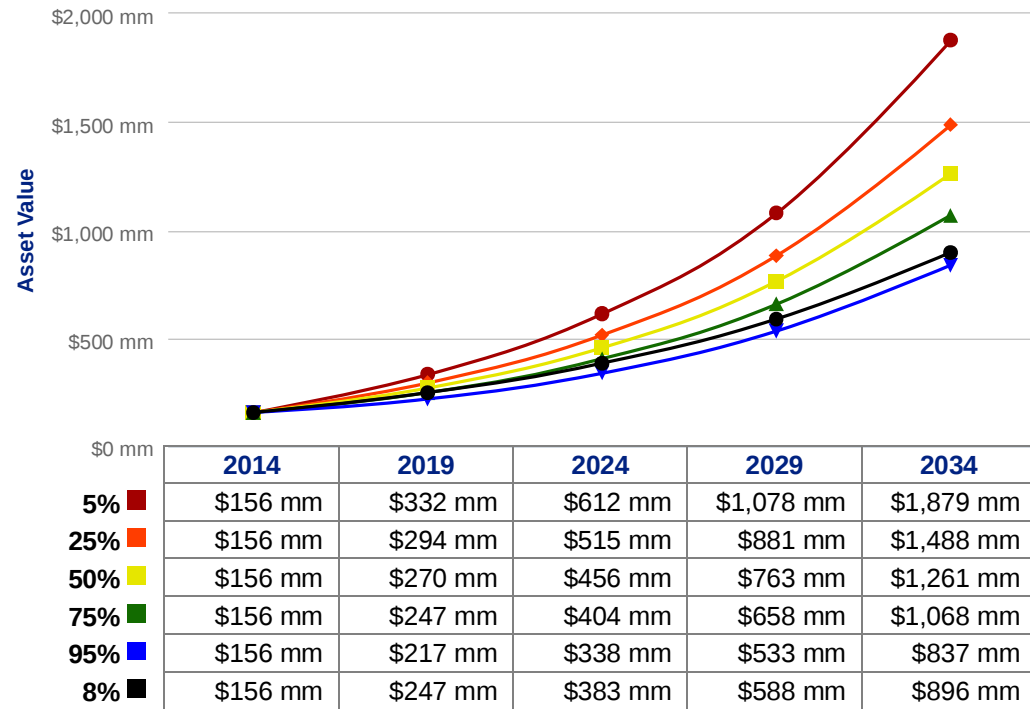
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 10.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 15.0%
RE: 10.0%	TIMBER: 10.0%
CORE FI: 20.0%	GTAA: 5.0%

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.20%
75% Year-20 Value: \$1,069 mm	Standard Deviation: 6.55
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.98
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 92%

Dahab Associates, Inc.
2014

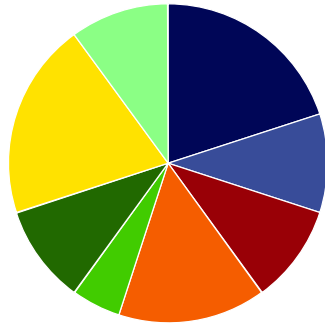
Burlington Employees' Retirement System

July 2014

70-Year Scenario

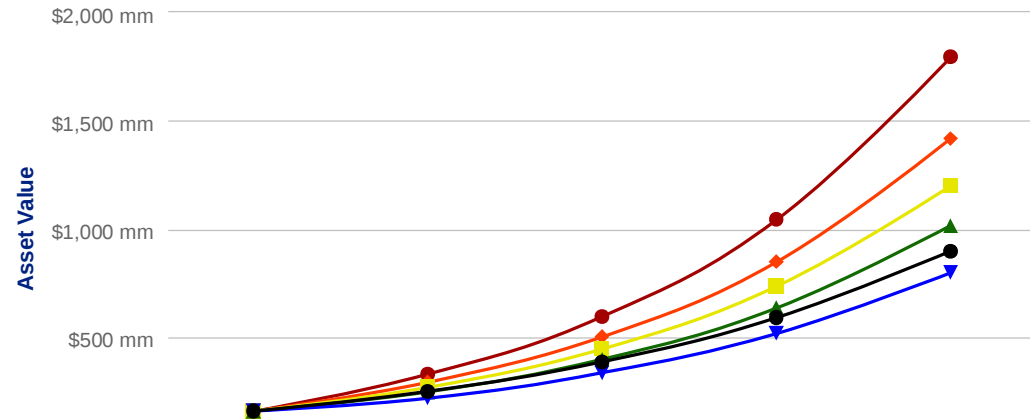
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 15.0%
RE: 5.0%	TIMBER: 10.0%
CORE FI: 20.0%	GTAA: 10.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5%	\$156 mm	\$327 mm	\$593 mm	\$1,042 mm	\$1,795 mm
25%	\$156 mm	\$290 mm	\$500 mm	\$847 mm	\$1,417 mm
50%	\$156 mm	\$266 mm	\$444 mm	\$733 mm	\$1,198 mm
75%	\$156 mm	\$244 mm	\$395 mm	\$633 mm	\$1,013 mm
95%	\$156 mm	\$215 mm	\$332 mm	\$514 mm	\$797 mm
8%	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.90%
75% Year-20 Value: \$1,014 mm	Standard Deviation: 6.50
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.94
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 88%

Dahab Associates, Inc.
2014

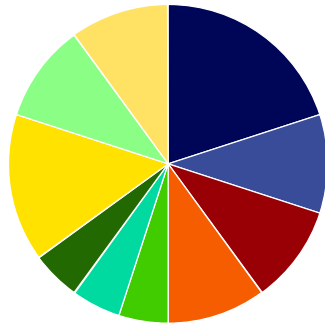
Burlington Employees' Retirement System

July 2014

70-Year Scenario

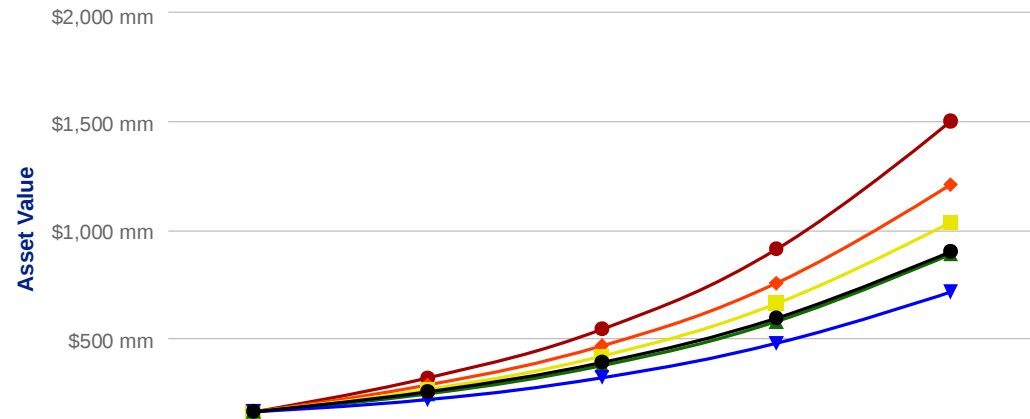
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%, INTL FI: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 15.0%
GTAA: 10.0%	INTL FI: 10.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$311 mm	\$537 mm	\$908 mm	\$1,499 mm
25% ■	\$156 mm	\$278 mm	\$461 mm	\$749 mm	\$1,204 mm
50% ■	\$156 mm	\$257 mm	\$412 mm	\$655 mm	\$1,031 mm
75% ■	\$156 mm	\$236 mm	\$369 mm	\$571 mm	\$884 mm
95% ■	\$156 mm	\$210 mm	\$312 mm	\$470 mm	\$708 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 8.98%
75% Year-20 Value: \$885 mm	Standard Deviation: 5.99
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.87
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 73%

Dahab Associates, Inc.
2014

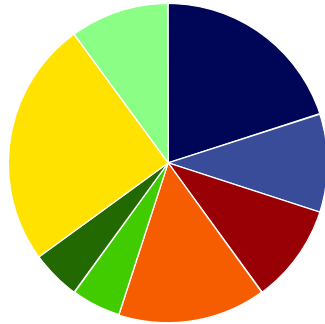
Burlington Employees' Retirement System

July 2014

70-Year Scenario

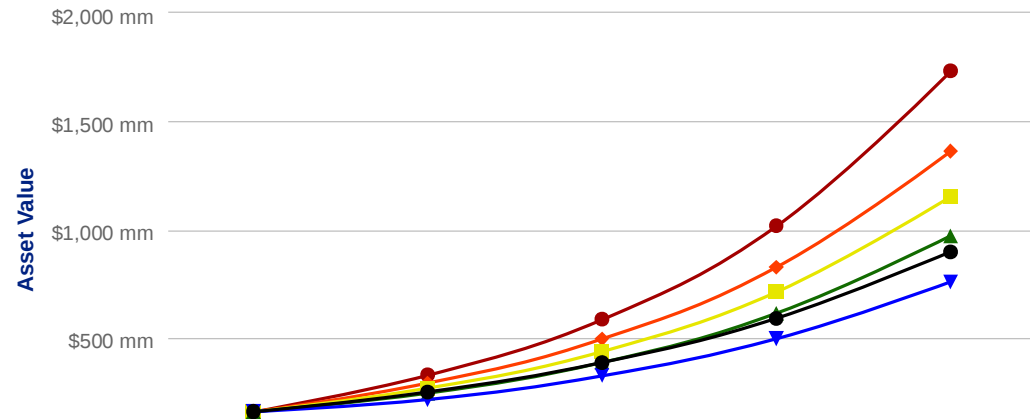
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, TIMBER: 5.0%, CORE FI: 25.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 15.0%
RE: 5.0%	TIMBER: 5.0%
CORE FI: 25.0%	GTAA: 10.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5%	\$156 mm	\$326 mm	\$584 mm	\$1,016 mm	\$1,733 mm
25%	\$156 mm	\$288 mm	\$492 mm	\$824 mm	\$1,362 mm
50%	\$156 mm	\$264 mm	\$436 mm	\$711 mm	\$1,150 mm
75%	\$156 mm	\$242 mm	\$384 mm	\$611 mm	\$969 mm
95%	\$156 mm	\$212 mm	\$323 mm	\$494 mm	\$757 mm
8%	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.65%
75% Year-20 Value: \$970 mm	Standard Deviation: 6.63
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.88
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 84%

Dahab Associates, Inc.
2014

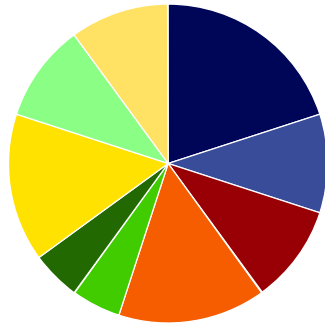
Burlington Employees' Retirement System

July 2014

70-Year Scenario

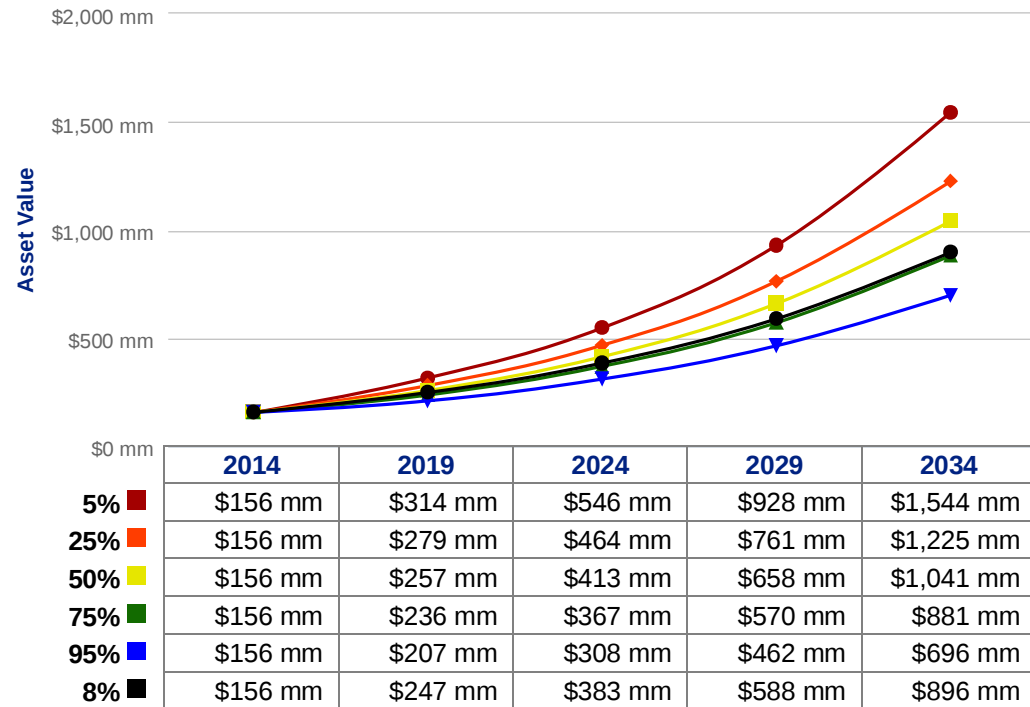
LCC: 20.0%, SMDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%, INTL FI: 10.0%

This Mix



LCC:	20.0%	SMDC:	10.0%
EAFE:	10.0%	EM:	15.0%
RE:	5.0%	TIMBER:	5.0%
CORE FI:	15.0%	GTAA:	10.0%
INTL FI:	10.0%		

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 9.05%
75% Year-20 Value: \$882 mm	Standard Deviation: 6.35
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.83
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 73%

Dahab Associates, Inc.
2014

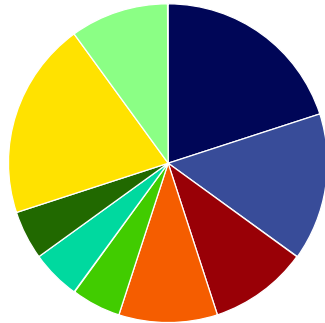
Burlington Employees' Retirement System

July 2014

70-Year Scenario

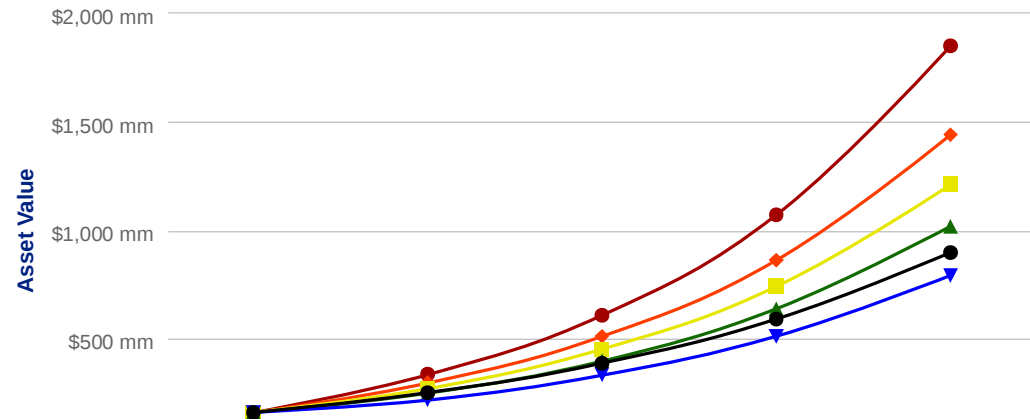
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$332 mm	\$606 mm	\$1,071 mm	\$1,853 mm
25% ■	\$156 mm	\$292 mm	\$508 mm	\$861 mm	\$1,441 mm
50% ■	\$156 mm	\$267 mm	\$449 mm	\$740 mm	\$1,211 mm
75% ■	\$156 mm	\$244 mm	\$394 mm	\$636 mm	\$1,018 mm
95% ■	\$156 mm	\$214 mm	\$329 mm	\$508 mm	\$789 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.98%
75% Year-20 Value: \$1,018 mm	Standard Deviation: 6.79
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.91
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 88%

Dahab Associates, Inc.
2014

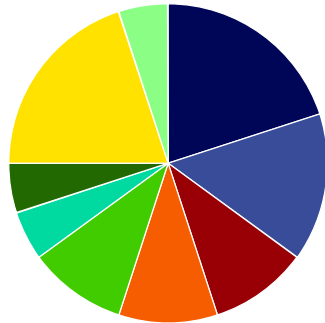
Burlington Employees' Retirement System

July 2014

70-Year Scenario

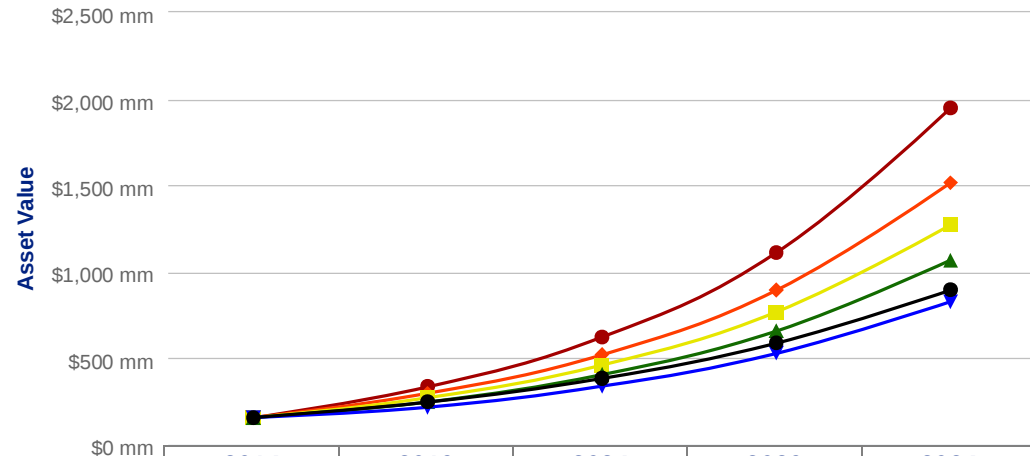
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 10.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$336 mm	\$622 mm	\$1,111 mm	\$1,949 mm
25% ■	\$156 mm	\$296 mm	\$521 mm	\$895 mm	\$1,516 mm
50% ■	\$156 mm	\$271 mm	\$460 mm	\$767 mm	\$1,274 mm
75% ■	\$156 mm	\$248 mm	\$406 mm	\$658 mm	\$1,068 mm
95% ■	\$156 mm	\$217 mm	\$337 mm	\$529 mm	\$827 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.27%
75% Year-20 Value: \$1,069 mm	Standard Deviation: 6.82
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.95
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 91%

Dahab Associates, Inc.
2014

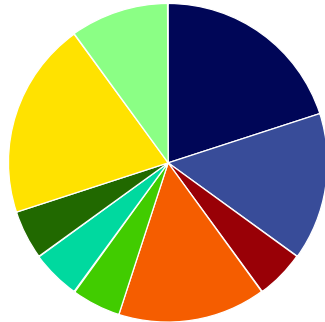
Burlington Employees' Retirement System

July 2014

70-Year Scenario

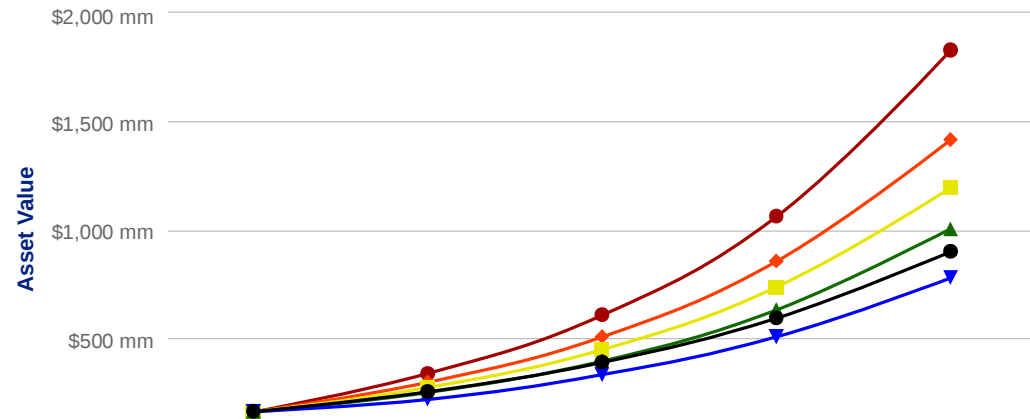
LCC: 20.0%, SMDC: 15.0%, EAFE: 5.0%, EM: 15.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 5.0%	EM: 15.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5%	\$156 mm	\$331 mm	\$602 mm	\$1,059 mm	\$1,828 mm
25%	\$156 mm	\$291 mm	\$502 mm	\$851 mm	\$1,414 mm
50%	\$156 mm	\$266 mm	\$443 mm	\$731 mm	\$1,192 mm
75%	\$156 mm	\$242 mm	\$390 mm	\$627 mm	\$1,000 mm
95%	\$156 mm	\$212 mm	\$325 mm	\$501 mm	\$774 mm
8%	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.88%
75% Year-20 Value: \$1,001 mm	Standard Deviation: 6.89
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.88
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 86%

Dahab Associates, Inc.
2014

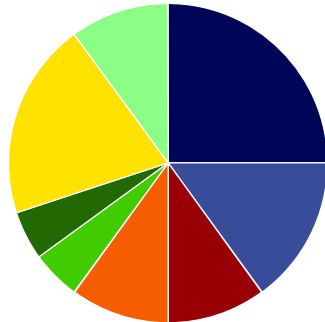
Burlington Employees' Retirement System

July 2014

70-Year Scenario

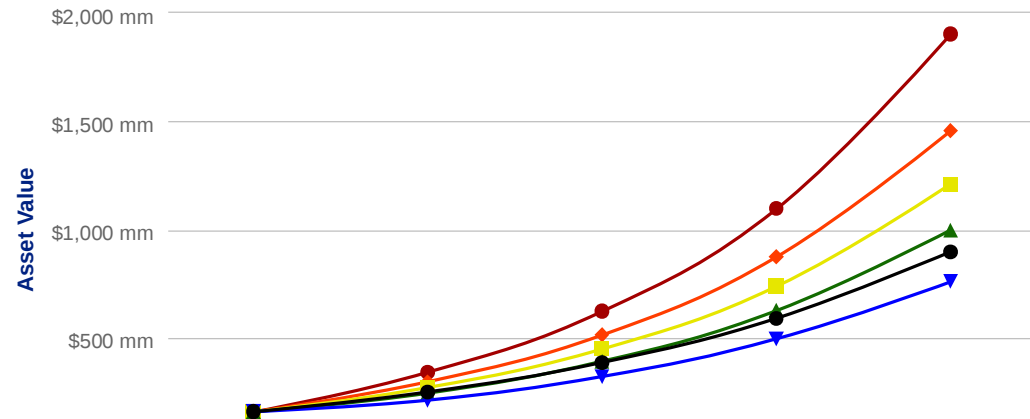
LCC: 25.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 25.0%	SMIDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	TIMBER: 5.0%
CORE FI: 20.0%	GTAA: 10.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$338 mm	\$621 mm	\$1,096 mm	\$1,904 mm
25% ■	\$156 mm	\$294 mm	\$512 mm	\$873 mm	\$1,457 mm
50% ■	\$156 mm	\$267 mm	\$447 mm	\$736 mm	\$1,210 mm
75% ■	\$156 mm	\$242 mm	\$389 mm	\$625 mm	\$996 mm
95% ■	\$156 mm	\$209 mm	\$318 mm	\$492 mm	\$758 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.99%
75% Year-20 Value: \$997 mm	Standard Deviation: 7.42
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.83
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 86%

Dahab Associates, Inc.
2014

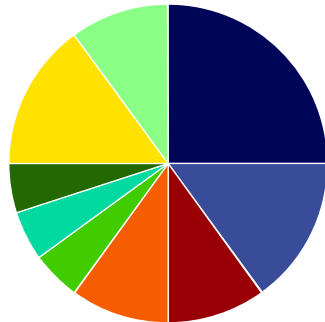
Burlington Employees' Retirement System

July 2014

70-Year Scenario

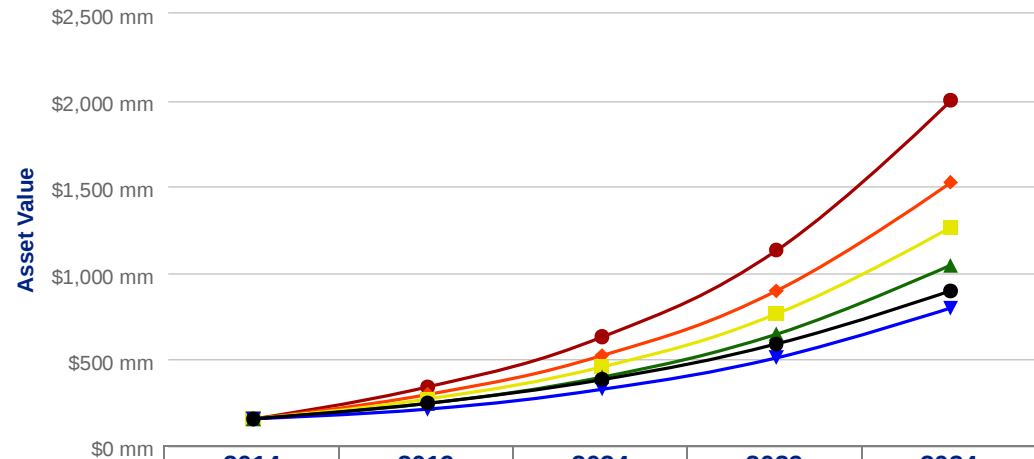
LCC: 25.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%

This Mix



LCC: 25.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 15.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5%	\$156 mm	\$340 mm	\$630 mm	\$1,132 mm	\$1,997 mm
25%	\$156 mm	\$297 mm	\$522 mm	\$896 mm	\$1,524 mm
50%	\$156 mm	\$270 mm	\$458 mm	\$762 mm	\$1,263 mm
75%	\$156 mm	\$245 mm	\$399 mm	\$647 mm	\$1,044 mm
95%	\$156 mm	\$212 mm	\$327 mm	\$510 mm	\$796 mm
8%	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.25%
75% Year-20 Value: \$1,045 mm	Standard Deviation: 7.35
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.88
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 89%

Dahab Associates, Inc.
2014

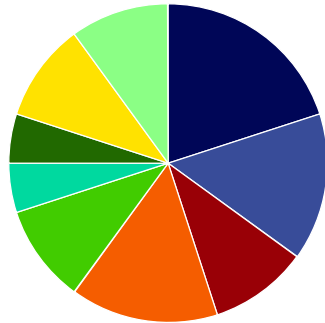
Burlington Employees' Retirement System

July 2014

70-Year Scenario

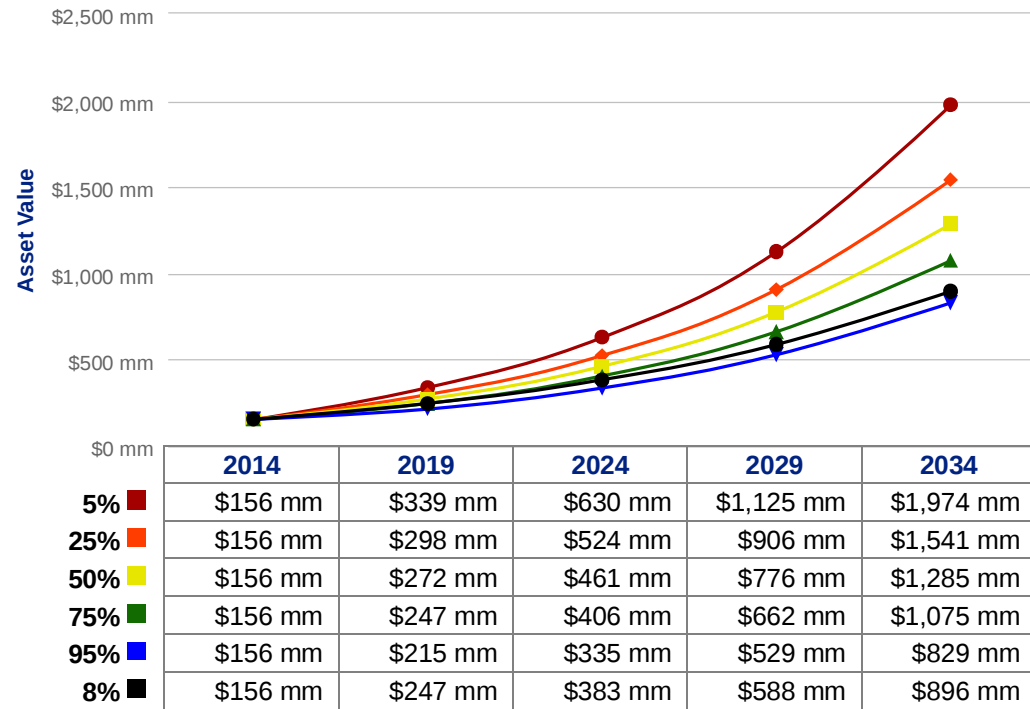
LCC: 20.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 15.0%, RE: 10.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 10.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 15.0%
EAFE: 10.0%	EM: 15.0%
RE: 10.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 10.0%
GTAA: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.34%
75% Year-20 Value: \$1,075 mm	Standard Deviation: 7.00
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.93
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 91%

Dahab Associates, Inc.
2014

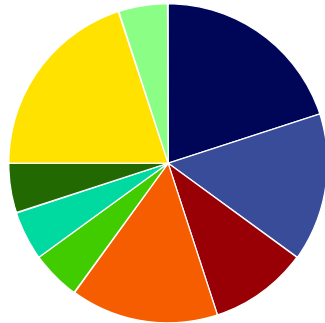
Burlington Employees' Retirement System

July 2014

70-Year Scenario

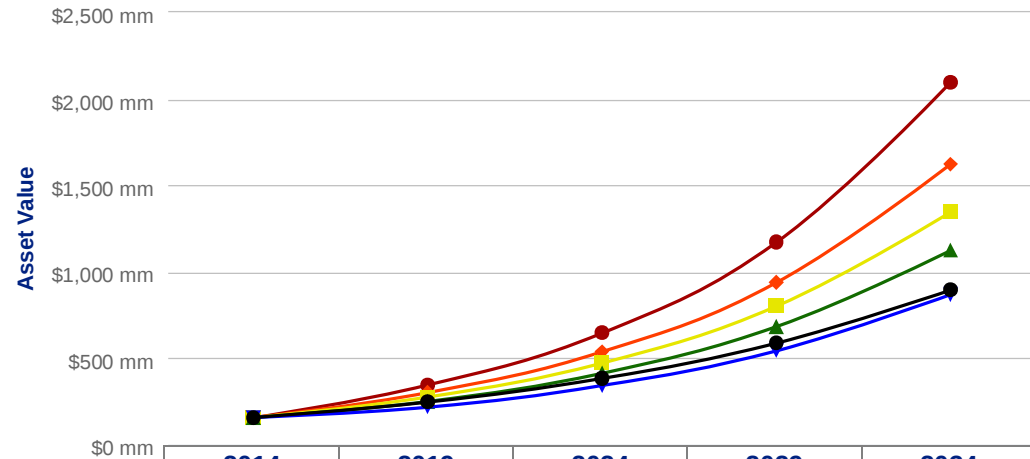
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 15.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5%	\$156 mm	\$345 mm	\$647 mm	\$1,172 mm	\$2,098 mm
25%	\$156 mm	\$302 mm	\$538 mm	\$939 mm	\$1,624 mm
50%	\$156 mm	\$275 mm	\$473 mm	\$802 mm	\$1,347 mm
75%	\$156 mm	\$250 mm	\$415 mm	\$683 mm	\$1,125 mm
95%	\$156 mm	\$218 mm	\$342 mm	\$544 mm	\$868 mm
8%	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.64%
75% Year-20 Value: \$1,126 mm	Standard Deviation: 7.14
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.96
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 94%

Dahab Associates, Inc.
2014

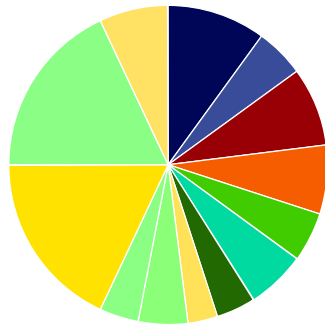
Burlington Employees' Retirement System

July 2014

70-Year Scenario

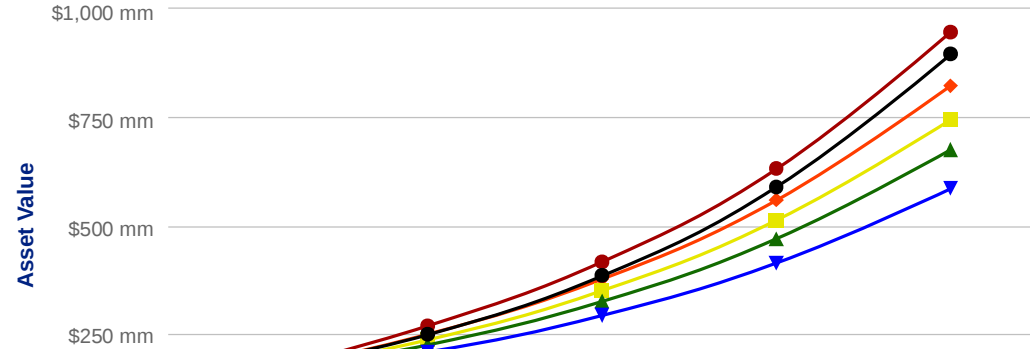
LCC: 10.0%, SMIDC: 5.0%, EAFE: 8.0%, EM: 7.0%, RE: 5.0%, PE: 6.0%, TIMBER: 4.0%, HY FI: 3.0%, HEDGE: 5.0%, COMMODITIES: 4.0%, CORE FI: 18.0%, GTAA: 18.0%, INTL FI: 7.0%

This Mix



■ LCC:	10.0%	■ SMIDC:	5.0%
■ EAFE:	8.0%	■ EM:	7.0%
■ RE:	5.0%	■ PE:	6.0%
■ TIMBER:	4.0%	■ HY FI:	3.0%
■ HEDGE:	5.0%	■ COMMODITIES:	4.0%
■ CORE FI:	18.0%	■ GTAA:	18.0%
■ INTL FI:	7.0%		

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$267 mm	\$415 mm	\$630 mm	\$947 mm
25% ■	\$156 mm	\$248 mm	\$375 mm	\$558 mm	\$822 mm
50% ■	\$156 mm	\$235 mm	\$348 mm	\$511 mm	\$744 mm
75% ■	\$156 mm	\$223 mm	\$324 mm	\$468 mm	\$674 mm
95% ■	\$156 mm	\$206 mm	\$291 mm	\$412 mm	\$585 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 6.97%
75% Year-20 Value: \$675 mm	Standard Deviation: 3.89
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.81
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 10%

Dahab Associates, Inc.
2014

REVERSION-TO-MEAN SCENARIO ASSET ALLOCATION CHARTS

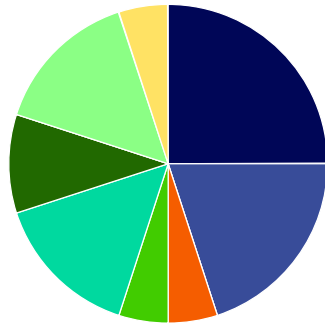
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

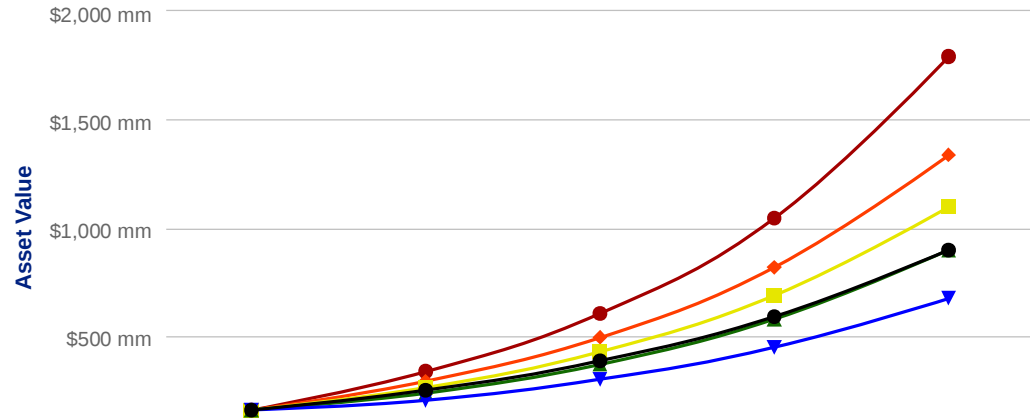
LCC: 25.0%, SMDC: 20.0%, EAFE: 0.0%, EM: 5.0%, RE: 5.0%, PE: 15.0%, TIMBER: 10.0%, CORE FI: 0.0%, GTAA: 15.0%, INTL FI: 5.0%

This Mix



LCC: 25.0%	SMDC: 20.0%
EAFE: 0.0%	EM: 5.0%
RE: 5.0%	PE: 15.0%
TIMBER: 10.0%	CORE FI: 0.0%
GTAA: 15.0%	INTL FI: 5.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$334 mm	\$603 mm	\$1,044 mm	\$1,792 mm
25% ■	\$156 mm	\$289 mm	\$492 mm	\$817 mm	\$1,337 mm
50% ■	\$156 mm	\$260 mm	\$426 mm	\$686 mm	\$1,097 mm
75% ■	\$156 mm	\$234 mm	\$368 mm	\$576 mm	\$897 mm
95% ■	\$156 mm	\$201 mm	\$297 mm	\$446 mm	\$673 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.46%
75% Year-20 Value: \$897 mm	Standard Deviation: 7.82
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.61
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 75%

Dahab Associates, Inc.
2014

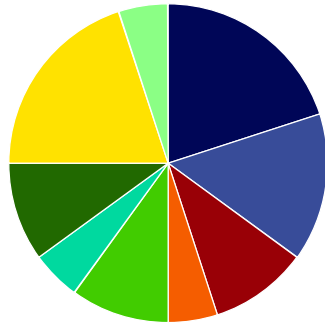
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

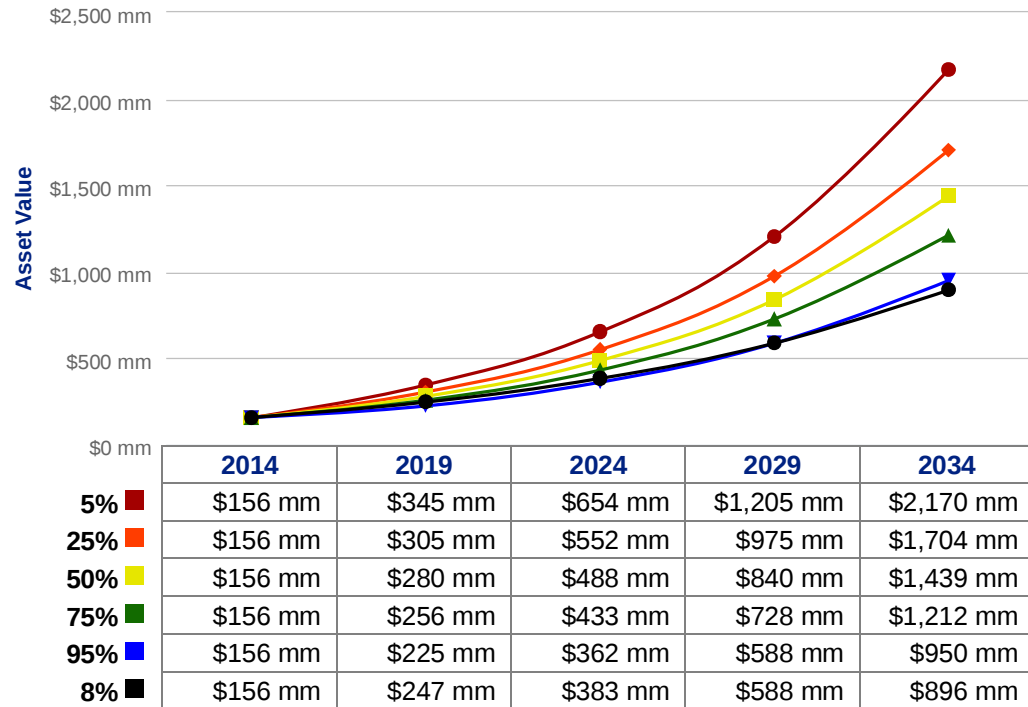
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 5.0%, RE: 10.0%, PE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 5.0%
RE: 10.0%	PE: 5.0%
TIMBER: 10.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 10.98%
75% Year-20 Value: \$1,213 mm	Standard Deviation: 6.64
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.94
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 97%

Dahab Associates, Inc.
2014

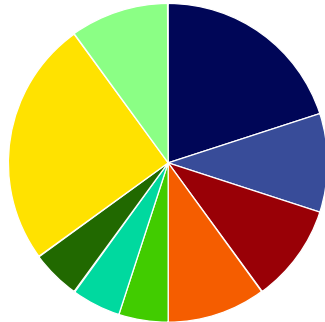
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

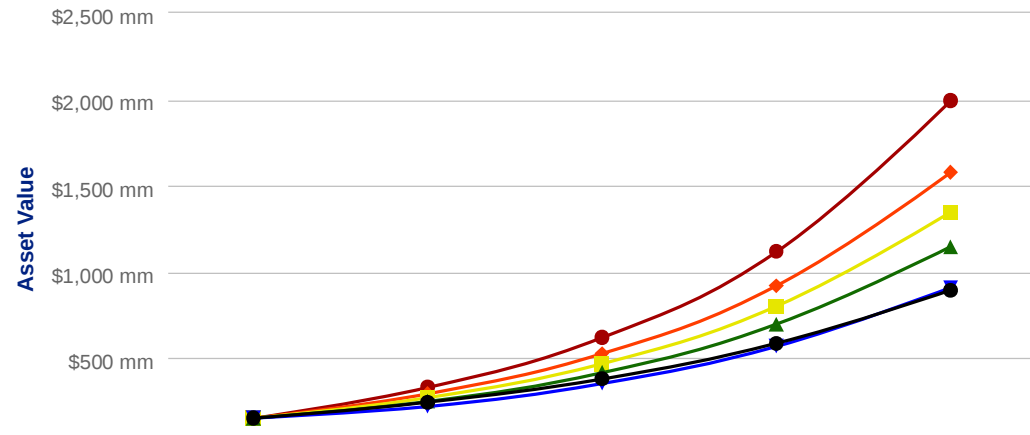
LCC: 20.0%, SMDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 25.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 25.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$335 mm	\$622 mm	\$1,120 mm	\$1,993 mm
25% ■	\$156 mm	\$298 mm	\$529 mm	\$921 mm	\$1,578 mm
50% ■	\$156 mm	\$275 mm	\$471 mm	\$803 mm	\$1,348 mm
75% ■	\$156 mm	\$253 mm	\$420 mm	\$698 mm	\$1,147 mm
95% ■	\$156 mm	\$224 mm	\$357 mm	\$571 mm	\$910 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.58%
75% Year-20 Value: \$1,147 mm	Standard Deviation: 6.25
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.94
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 96%

Dahab Associates, Inc.
2014

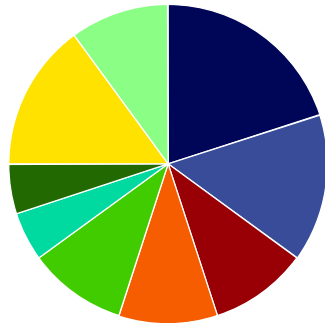
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

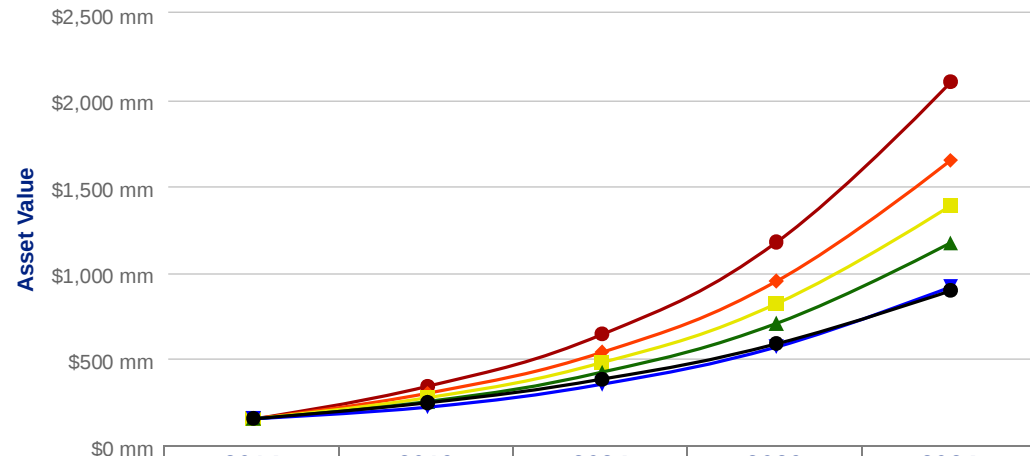
LCC: 20.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 10.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 15.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5%	\$156 mm	\$342 mm	\$644 mm	\$1,176 mm	\$2,103 mm
25%	\$156 mm	\$302 mm	\$541 mm	\$950 mm	\$1,649 mm
50%	\$156 mm	\$276 mm	\$478 mm	\$819 mm	\$1,389 mm
75%	\$156 mm	\$253 mm	\$423 mm	\$706 mm	\$1,171 mm
95%	\$156 mm	\$223 mm	\$354 mm	\$571 mm	\$917 mm
8%	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.78%
75% Year-20 Value: \$1,172 mm	Standard Deviation: 6.71
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.90
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 96%

Dahab Associates, Inc.
2014

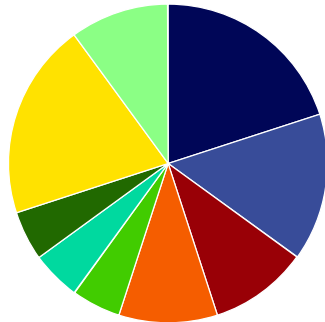
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

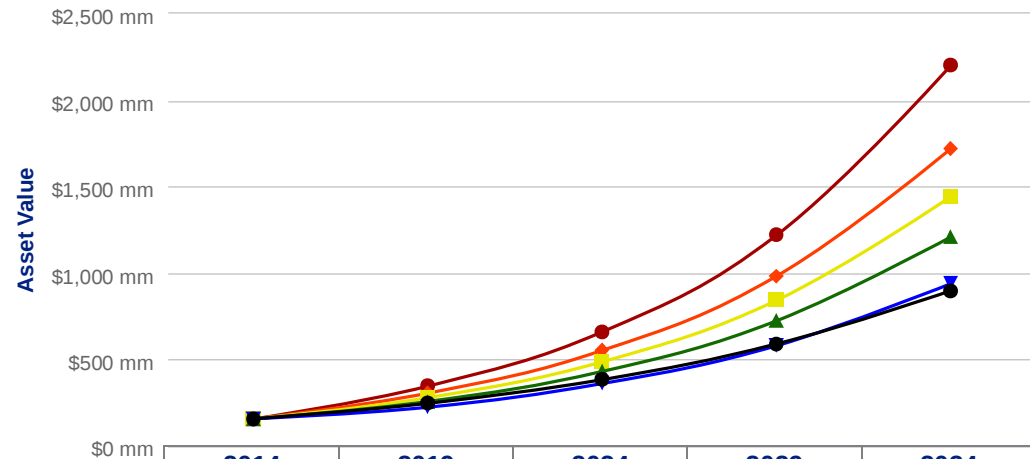
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$346 mm	\$660 mm	\$1,220 mm	\$2,202 mm
25% ■	\$156 mm	\$305 mm	\$552 mm	\$982 mm	\$1,719 mm
50% ■	\$156 mm	\$279 mm	\$487 mm	\$843 mm	\$1,442 mm
75% ■	\$156 mm	\$256 mm	\$430 mm	\$725 mm	\$1,209 mm
95% ■	\$156 mm	\$224 mm	\$361 mm	\$580 mm	\$939 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 11.01%
75% Year-20 Value: \$1,210 mm	Standard Deviation: 6.80
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.93
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 97%

Dahab Associates, Inc.
2014

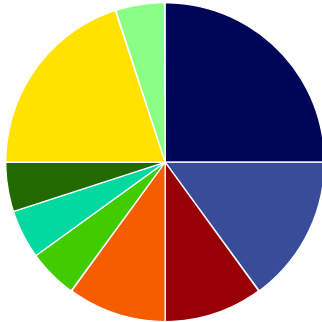
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

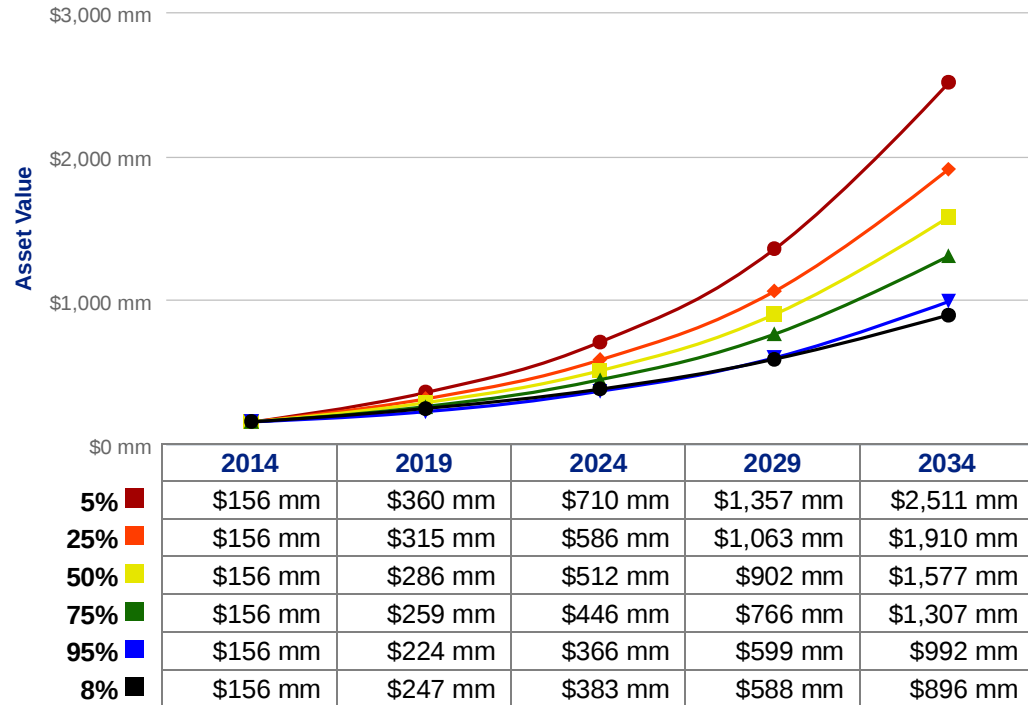
LCC: 25.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 25.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 11.59%
75% Year-20 Value: \$1,308 mm	Standard Deviation: 7.46
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.92
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 98%

Dahab Associates, Inc.
2014

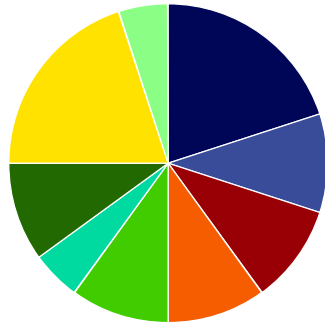
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

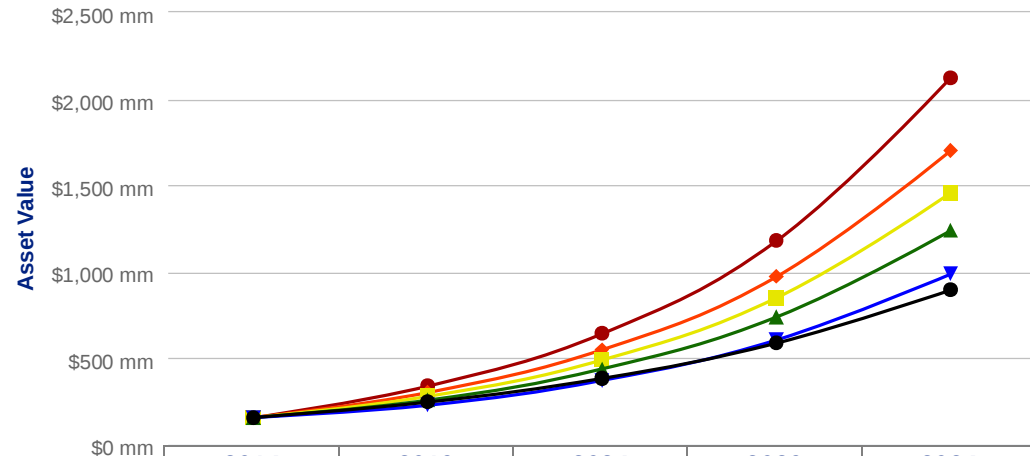
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, PE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC:	20.0%	SMIDC:	10.0%
EAFE:	10.0%	EM:	10.0%
RE:	10.0%	PE:	5.0%
TIMBER:	10.0%	CORE FI:	20.0%
GTAA:	5.0%		

Asset Value Over Time



	2014	2019	2024	2029	2034
5%	\$156 mm	\$340 mm	\$643 mm	\$1,181 mm	\$2,123 mm
25%	\$156 mm	\$303 mm	\$549 mm	\$974 mm	\$1,702 mm
50%	\$156 mm	\$280 mm	\$491 mm	\$850 mm	\$1,457 mm
75%	\$156 mm	\$258 mm	\$438 mm	\$739 mm	\$1,241 mm
95%	\$156 mm	\$229 mm	\$371 mm	\$606 mm	\$988 mm
8%	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value:	\$156 mm	Mean Return:	11.02%
75% Year-20 Value:	\$1,241 mm	Standard Deviation:	6.19
Required Year-20 Value:	\$896 mm	Sharpe Ratio:	1.02
Actuarial Rate:	8.0%	Likelihood to Beat 8.0%:	98%

Dahab Associates, Inc.
2014

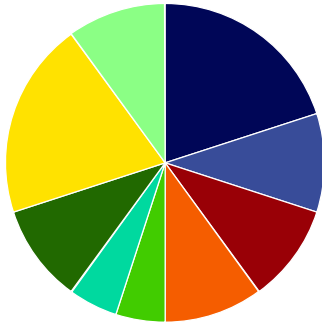
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

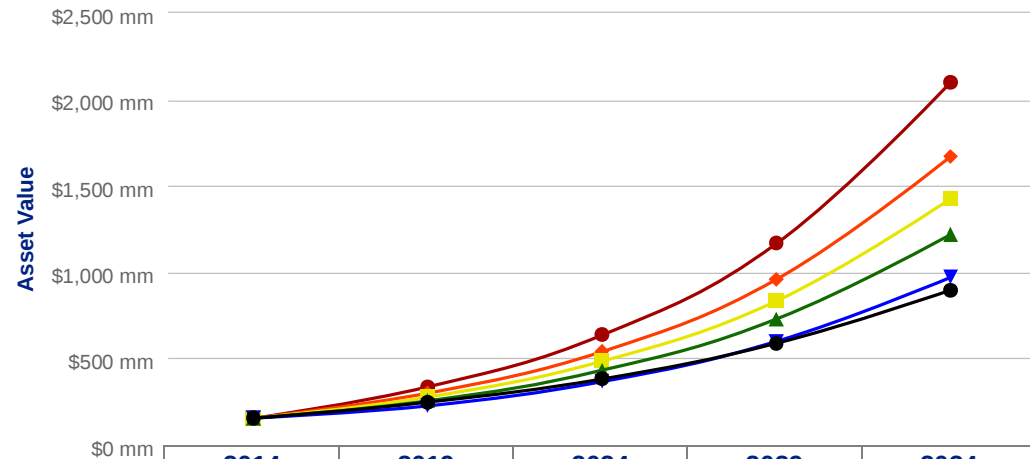
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 10.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$337 mm	\$638 mm	\$1,168 mm	\$2,099 mm
25% ■	\$156 mm	\$302 mm	\$542 mm	\$959 mm	\$1,669 mm
50% ■	\$156 mm	\$279 mm	\$486 mm	\$835 mm	\$1,425 mm
75% ■	\$156 mm	\$257 mm	\$433 mm	\$729 mm	\$1,219 mm
95% ■	\$156 mm	\$228 mm	\$367 mm	\$599 mm	\$972 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.91%
75% Year-20 Value: \$1,219 mm	Standard Deviation: 6.15
Required Year-20 Value: \$896 mm	Sharpe Ratio: 1.01
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 98%

Dahab Associates, Inc.
2014

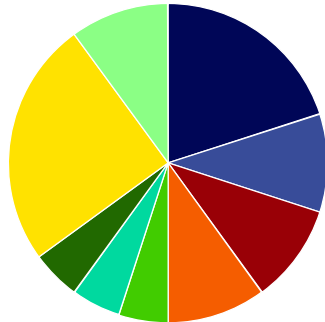
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

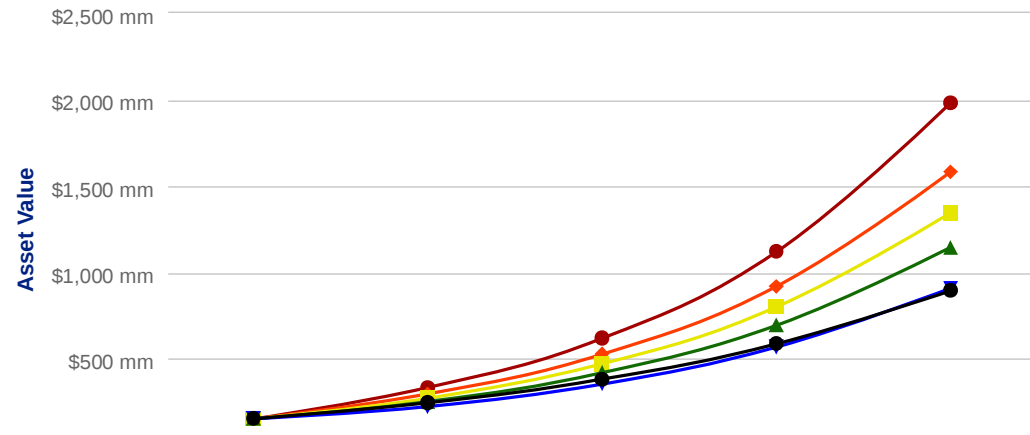
LCC: 20.0%, SMDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 25.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 25.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5%	\$156 mm	\$335 mm	\$621 mm	\$1,121 mm	\$1,983 mm
25%	\$156 mm	\$298 mm	\$528 mm	\$920 mm	\$1,583 mm
50%	\$156 mm	\$275 mm	\$472 mm	\$801 mm	\$1,347 mm
75%	\$156 mm	\$253 mm	\$421 mm	\$696 mm	\$1,146 mm
95%	\$156 mm	\$224 mm	\$355 mm	\$569 mm	\$908 mm
8%	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.57%
75% Year-20 Value: \$1,146 mm	Standard Deviation: 6.27
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.93
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 96%

Dahab Associates, Inc.
2014

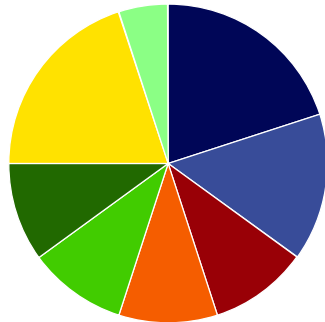
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

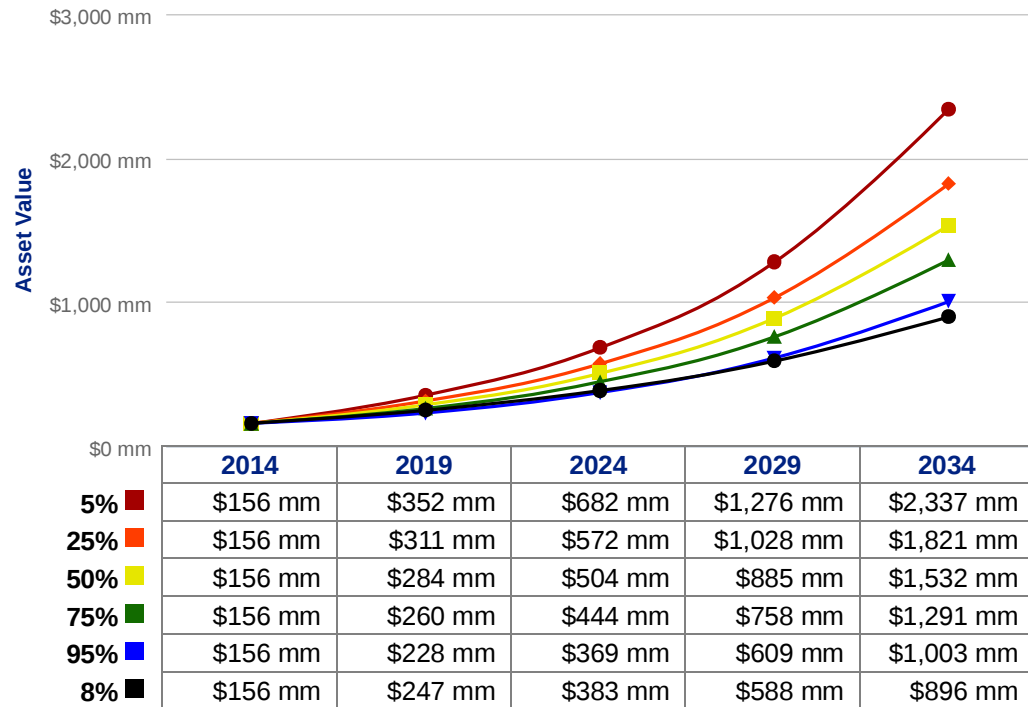
LCC: 20.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMIDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 10.0%	TIMBER: 10.0%
CORE FI: 20.0%	GTAA: 5.0%

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 11.37%
75% Year-20 Value: \$1,292 mm	Standard Deviation: 6.83
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.97
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 98%

Dahab Associates, Inc.
2014

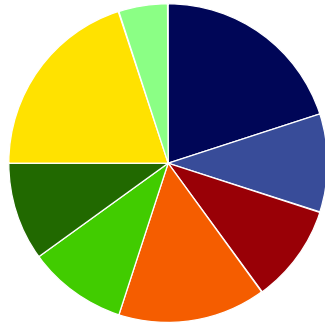
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

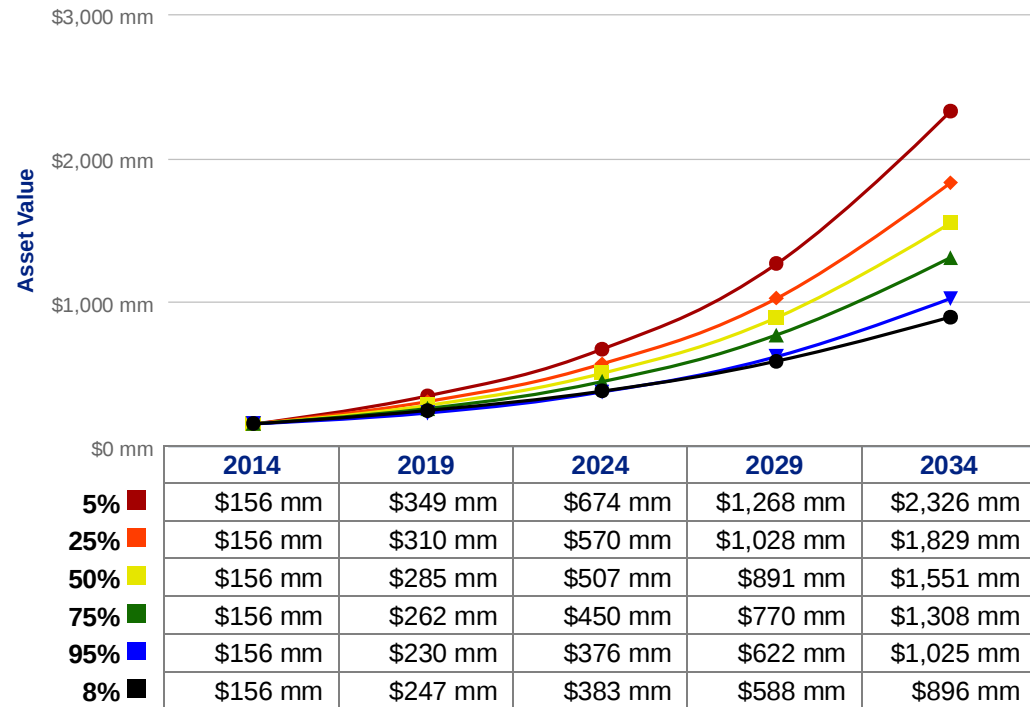
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 10.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC:	20.0%	SMIDC:	10.0%
EAFE:	10.0%	EM:	15.0%
RE:	10.0%	TIMBER:	10.0%
CORE FI:	20.0%	GTAA:	5.0%

Asset Value Over Time



Statistics

Beginning Value:	\$156 mm	Mean Return:	11.42%
75% Year-20 Value:	\$1,309 mm	Standard Deviation:	6.55
Required Year-20 Value:	\$896 mm	Sharpe Ratio:	1.02
Actuarial Rate:	8.0%	Likelihood to Beat 8.0%:	99%

Dahab Associates, Inc.
2014

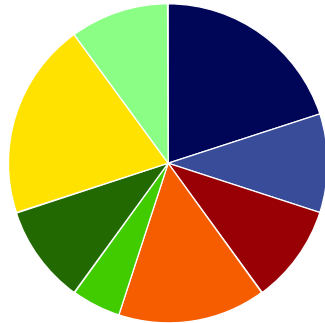
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

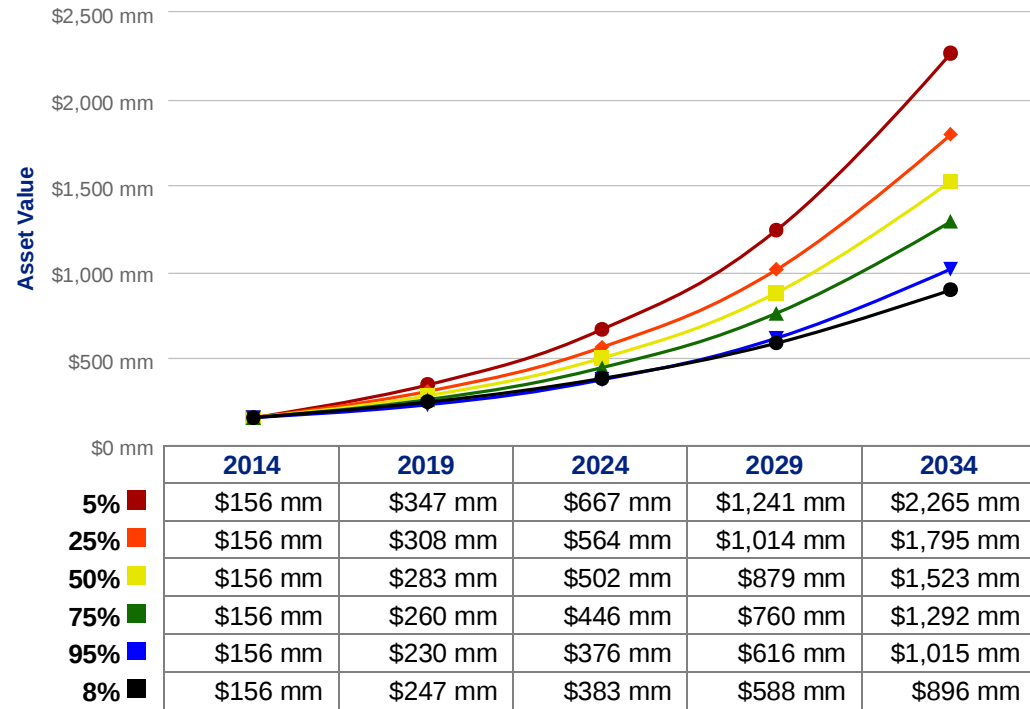
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC:	20.0%	SMIDC:	10.0%
EAFE:	10.0%	EM:	15.0%
RE:	5.0%	TIMBER:	10.0%
CORE FI:	20.0%	GTAA:	10.0%

Asset Value Over Time



Statistics

Beginning Value:	\$156 mm	Mean Return:	11.31%
75% Year-20 Value:	\$1,293 mm	Standard Deviation:	6.52
Required Year-20 Value:	\$896 mm	Sharpe Ratio:	1.01
Actuarial Rate:	8.0%	Likelihood to Beat 8.0%:	98%

Dahab Associates, Inc.
2014

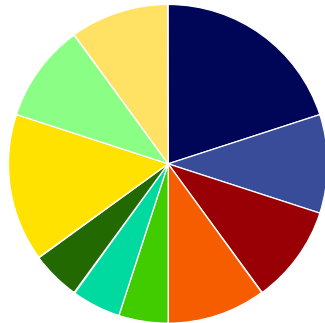
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

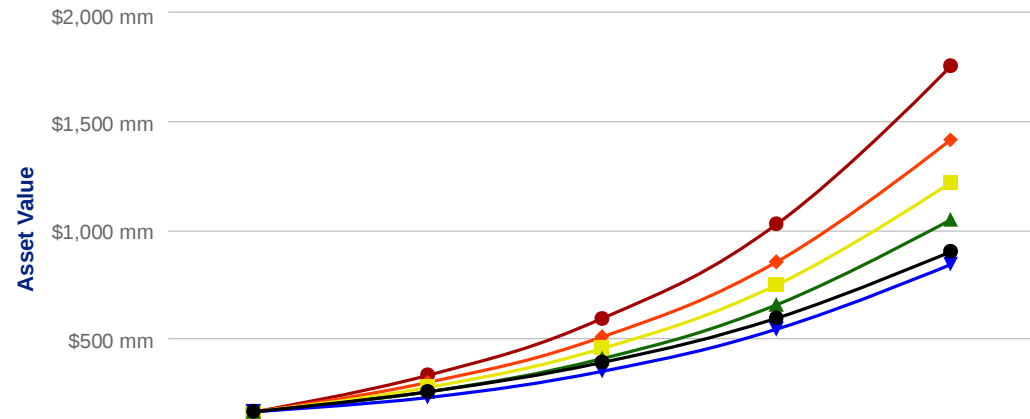
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%, INTL FI: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 15.0%
GTAA: 10.0%	INTL FI: 10.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$324 mm	\$585 mm	\$1,023 mm	\$1,755 mm
25% ■	\$156 mm	\$290 mm	\$501 mm	\$848 mm	\$1,413 mm
50% ■	\$156 mm	\$267 mm	\$448 mm	\$742 mm	\$1,213 mm
75% ■	\$156 mm	\$247 mm	\$401 mm	\$650 mm	\$1,044 mm
95% ■	\$156 mm	\$220 mm	\$342 mm	\$536 mm	\$837 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.95%
75% Year-20 Value: \$1,044 mm	Standard Deviation: 5.98
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.87
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 91%

Dahab Associates, Inc.
2014

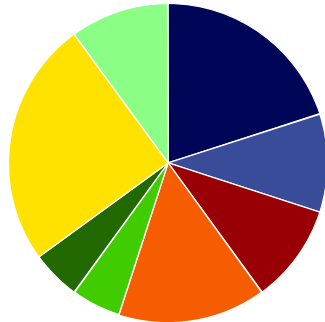
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

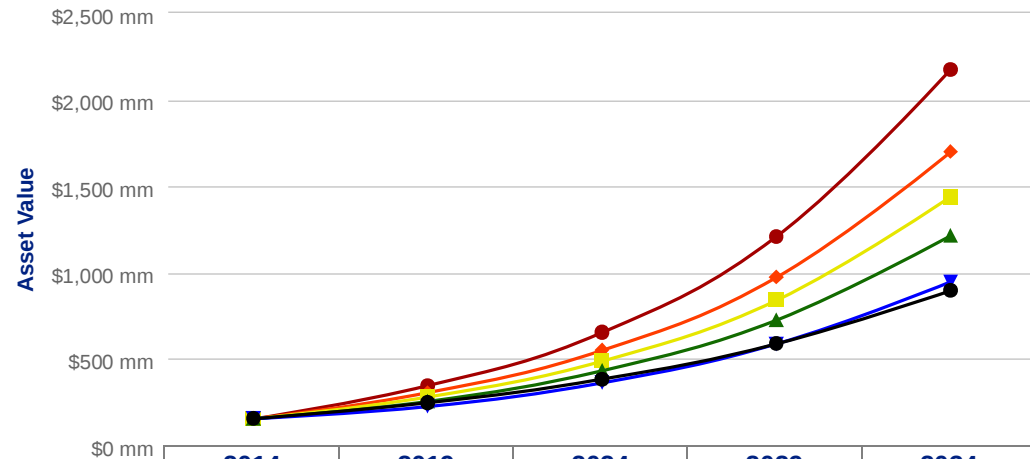
LCC: 20.0%, SMDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, TIMBER: 5.0%, CORE FI: 25.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 10.0%
EAFE: 10.0%	EM: 15.0%
RE: 5.0%	TIMBER: 5.0%
CORE FI: 25.0%	GTAA: 10.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$345 mm	\$654 mm	\$1,209 mm	\$2,175 mm
25% ■	\$156 mm	\$305 mm	\$551 mm	\$974 mm	\$1,700 mm
50% ■	\$156 mm	\$280 mm	\$489 mm	\$841 mm	\$1,439 mm
75% ■	\$156 mm	\$256 mm	\$432 mm	\$726 mm	\$1,215 mm
95% ■	\$156 mm	\$225 mm	\$363 mm	\$586 mm	\$945 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.98%
75% Year-20 Value: \$1,215 mm	Standard Deviation: 6.64
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.94
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 97%

Dahab Associates, Inc.
2014

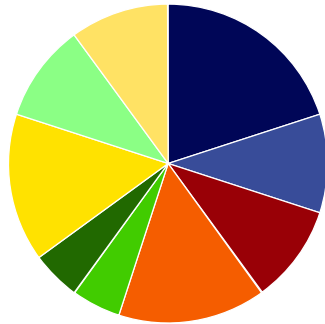
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

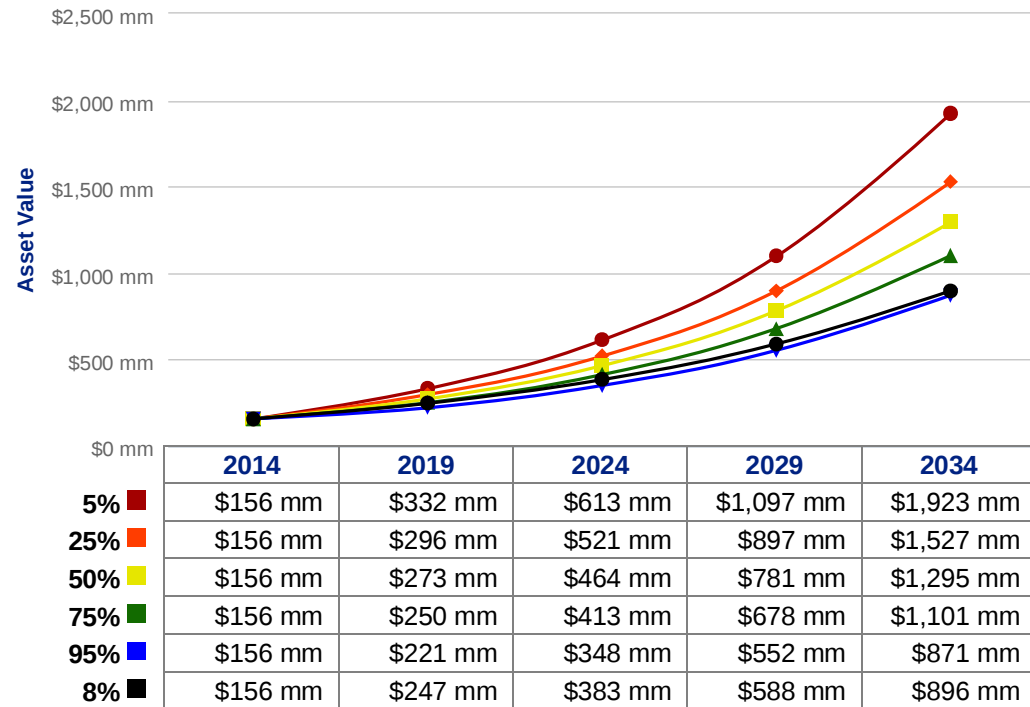
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%, INTL FI: 10.0%

This Mix



LCC:	20.0%	SMIDC:	10.0%
EAFE:	10.0%	EM:	15.0%
RE:	5.0%	TIMBER:	5.0%
CORE FI:	15.0%	GTAA:	10.0%
INTL FI:	10.0%		

Asset Value Over Time



Statistics

Beginning Value:	\$156 mm	Mean Return:	10.36%
75% Year-20 Value:	\$1,101 mm	Standard Deviation:	6.36
Required Year-20 Value:	\$896 mm	Sharpe Ratio:	0.89
Actuarial Rate:	8.0%	Likelihood to Beat 8.0%:	94%

Dahab Associates, Inc.
2014

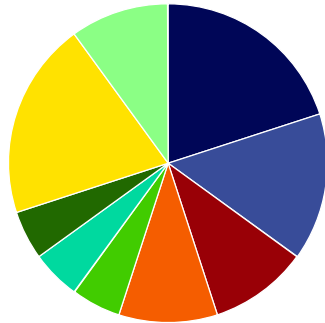
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

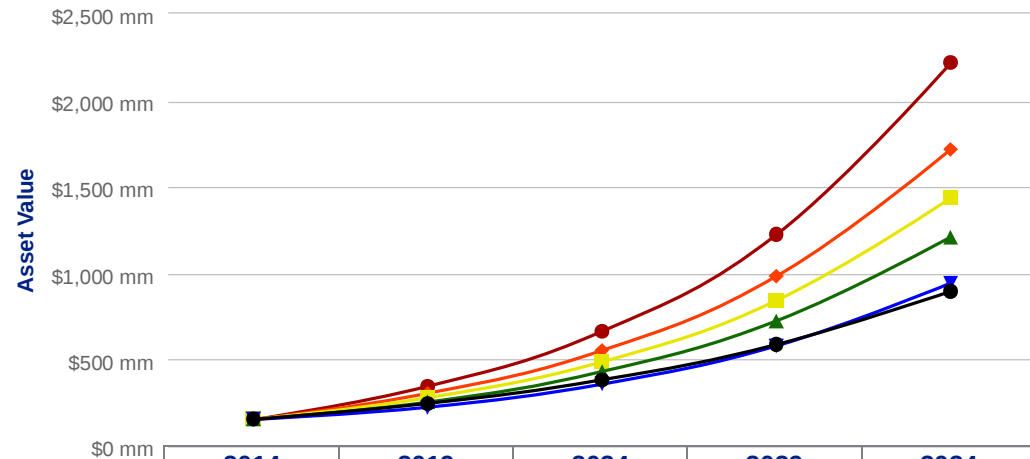
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$347 mm	\$664 mm	\$1,225 mm	\$2,219 mm
25% ■	\$156 mm	\$306 mm	\$553 mm	\$983 mm	\$1,717 mm
50% ■	\$156 mm	\$280 mm	\$489 mm	\$842 mm	\$1,437 mm
75% ■	\$156 mm	\$256 mm	\$431 mm	\$724 mm	\$1,209 mm
95% ■	\$156 mm	\$224 mm	\$360 mm	\$579 mm	\$942 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 11.01%
75% Year-20 Value: \$1,210 mm	Standard Deviation: 6.80
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.92
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 97%

Dahab Associates, Inc.
2014

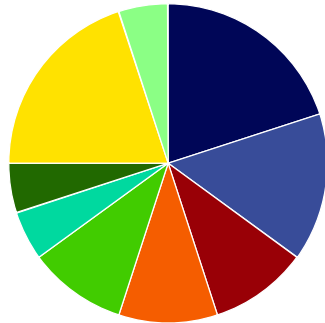
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

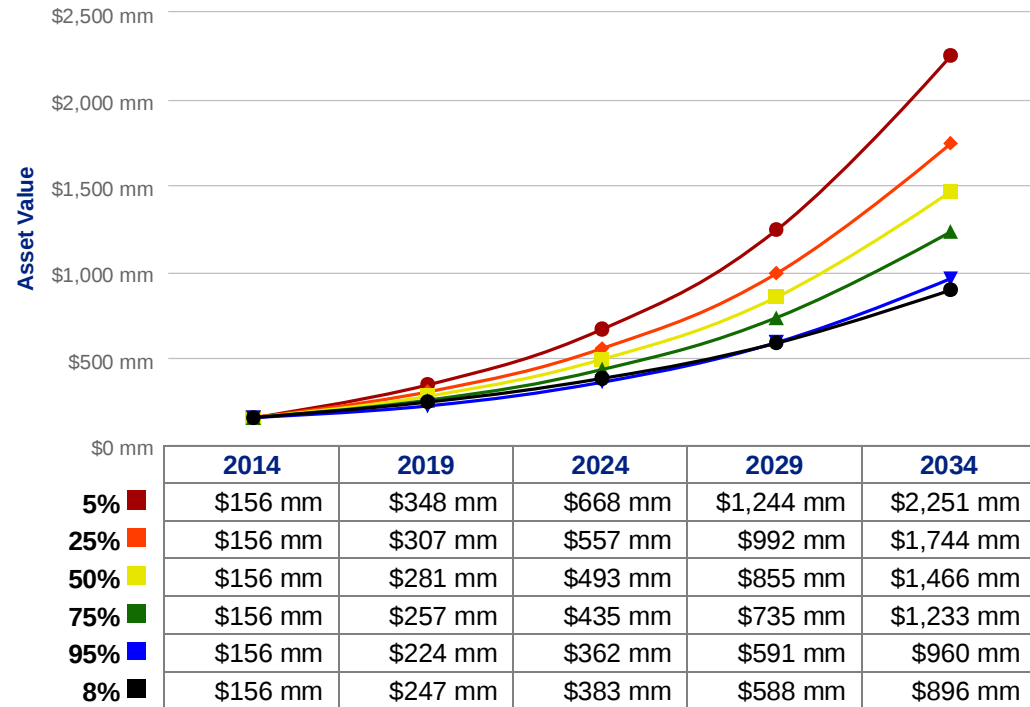
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 10.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 11.11%
75% Year-20 Value: \$1,234 mm	Standard Deviation: 6.83
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.94
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 97%

Dahab Associates, Inc.
2014

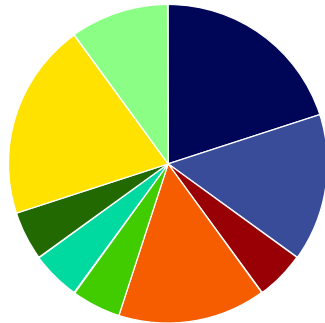
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

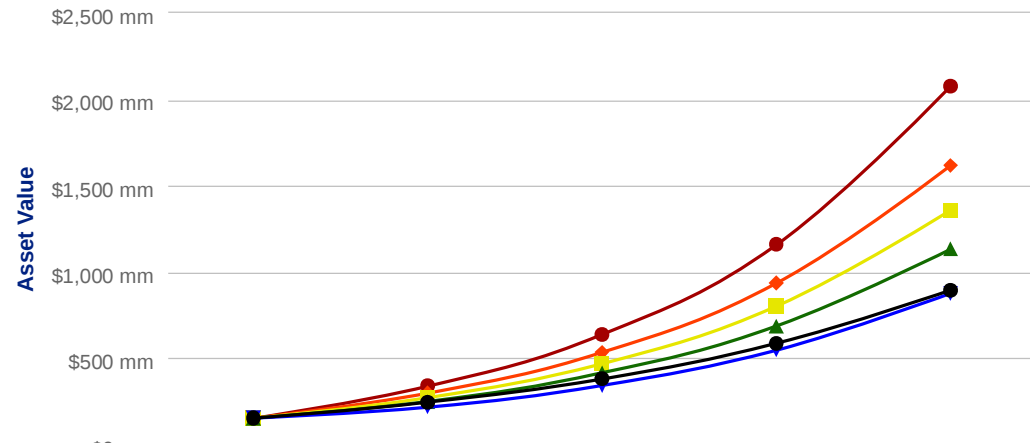
LCC: 20.0%, SMDC: 15.0%, EAFE: 5.0%, EM: 15.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 5.0%	EM: 15.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5%	\$156 mm	\$342 mm	\$640 mm	\$1,161 mm	\$2,077 mm
25%	\$156 mm	\$301 mm	\$536 mm	\$937 mm	\$1,617 mm
50%	\$156 mm	\$275 mm	\$472 mm	\$804 mm	\$1,358 mm
75%	\$156 mm	\$251 mm	\$417 mm	\$688 mm	\$1,135 mm
95%	\$156 mm	\$219 mm	\$345 mm	\$550 mm	\$877 mm
8%	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 10.64%
75% Year-20 Value: \$1,136 mm	Standard Deviation: 6.90
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.86
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 94%

Dahab Associates, Inc.
2014

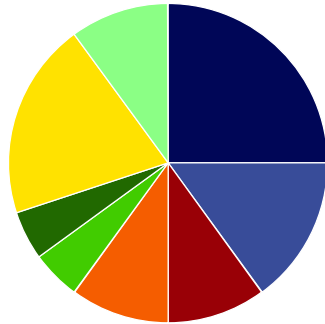
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

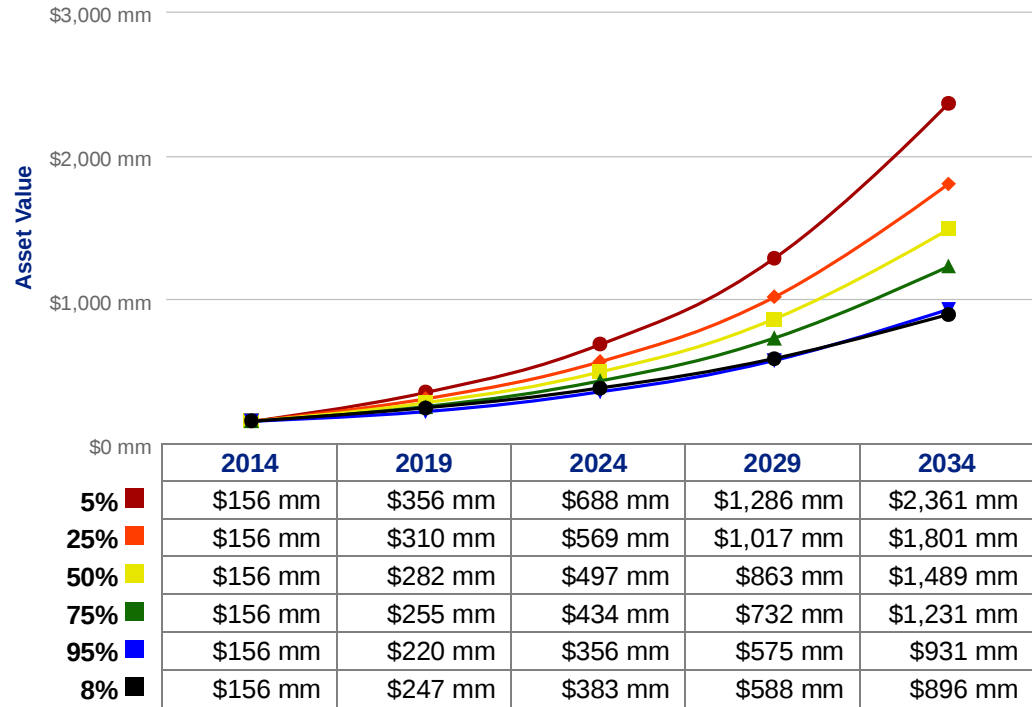
LCC: 25.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 25.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	TIMBER: 5.0%
CORE FI: 20.0%	GTAA: 10.0%

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 11.23%
75% Year-20 Value: \$1,231 mm	Standard Deviation: 7.42
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.88
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 96%

Dahab Associates, Inc.
2014

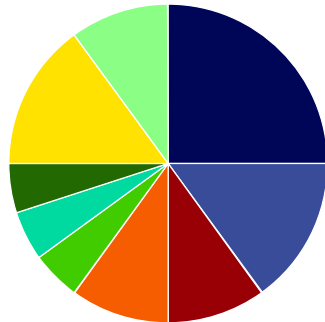
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

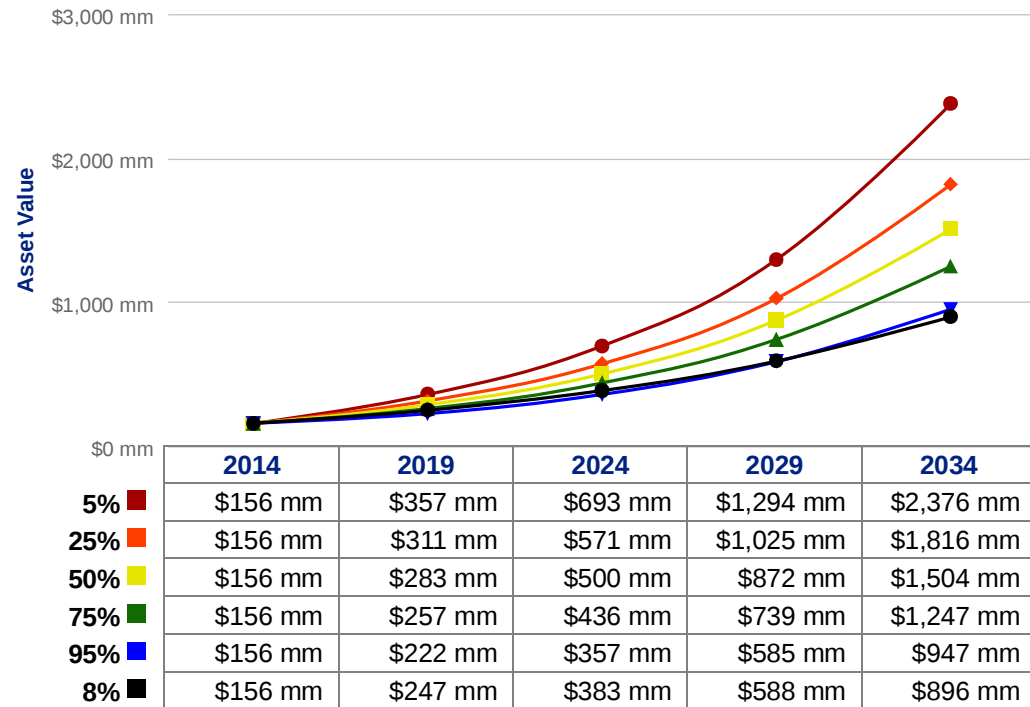
LCC: 25.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%

This Mix



LCC: 25.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 15.0%
GTAA: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 11.29%
75% Year-20 Value: \$1,247 mm	Standard Deviation: 7.36
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.89
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 97%

Dahab Associates, Inc.
2014

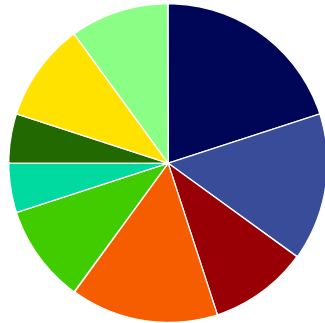
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

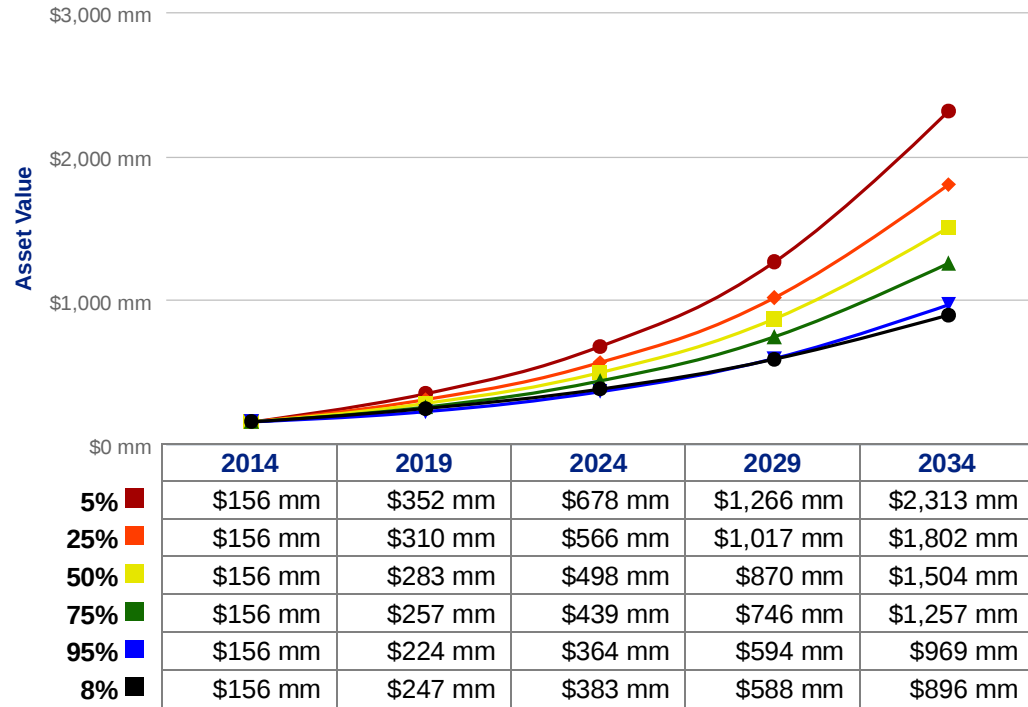
LCC: 20.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 15.0%, RE: 10.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 10.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 15.0%
EAFE: 10.0%	EM: 15.0%
RE: 10.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 10.0%
GTAA: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 11.27%
75% Year-20 Value: \$1,257 mm	Standard Deviation: 7.00
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.94
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 97%

Dahab Associates, Inc.
2014

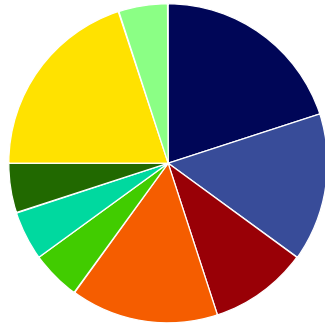
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

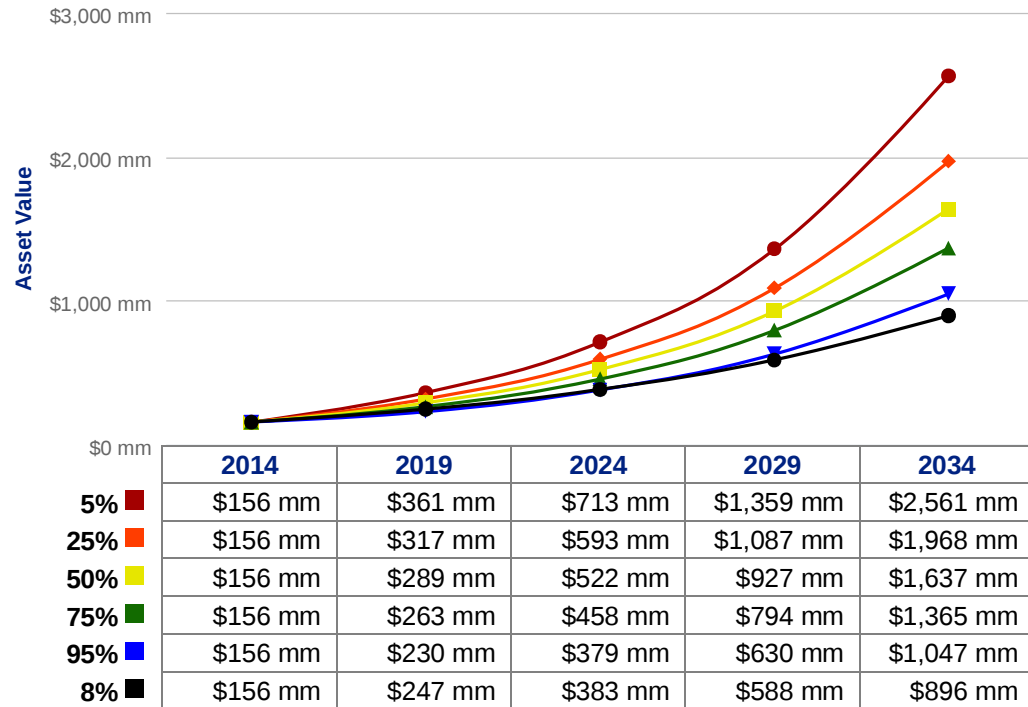
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 15.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 11.79%
75% Year-20 Value: \$1,365 mm	Standard Deviation: 7.18
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.98
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 99%

Dahab Associates, Inc.
2014

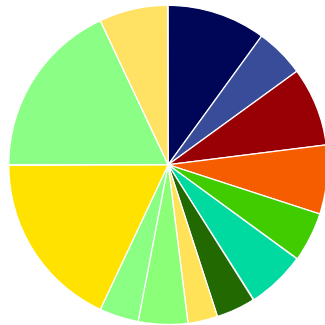
Burlington Employees' Retirement System

July 2014

Mean Reversion Scenario

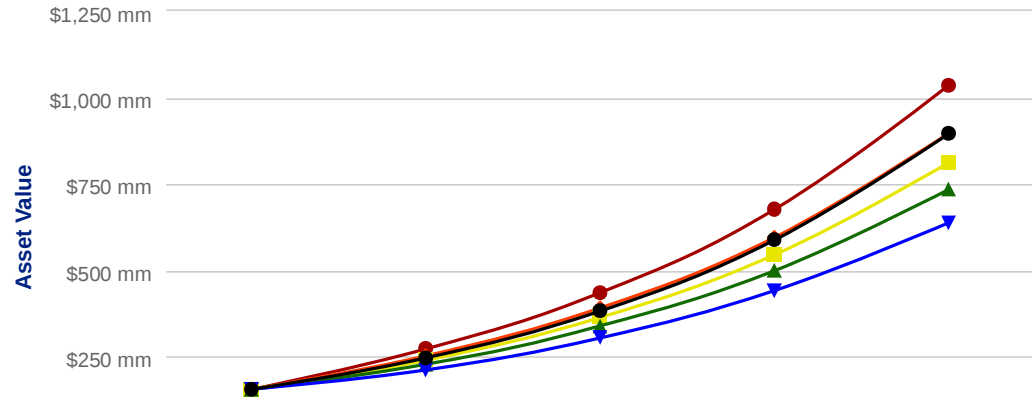
LCC: 10.0%, SMIDC: 5.0%, EAFE: 8.0%, EM: 7.0%, RE: 5.0%, PE: 6.0%, TIMBER: 4.0%, HY FI: 3.0%, HEDGE: 5.0%, COMMODITIES: 4.0%, CORE FI: 18.0%, GTAA: 18.0%, INTL FI: 7.0%

This Mix



LCC: 10.0%	SMIDC: 5.0%
EAFE: 8.0%	EM: 7.0%
RE: 5.0%	PE: 6.0%
TIMBER: 4.0%	HY FI: 3.0%
HEDGE: 5.0%	COMMODITIES: 4.0%
CORE FI: 18.0%	GTAA: 18.0%
INTL FI: 7.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5%	\$156 mm	\$273 mm	\$435 mm	\$677 mm	\$1,036 mm
25%	\$156 mm	\$253 mm	\$392 mm	\$596 mm	\$897 mm
50%	\$156 mm	\$241 mm	\$364 mm	\$545 mm	\$812 mm
75%	\$156 mm	\$228 mm	\$339 mm	\$500 mm	\$734 mm
95%	\$156 mm	\$211 mm	\$305 mm	\$441 mm	\$637 mm
8%	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 7.48%
75% Year-20 Value: \$735 mm	Standard Deviation: 3.90
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.71
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 25%

Dahab Associates, Inc.
2014

SPECIAL SCENARIO ASSET ALLOCATION CHARTS

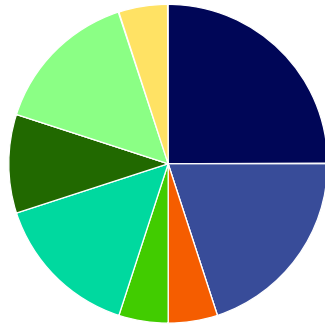
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

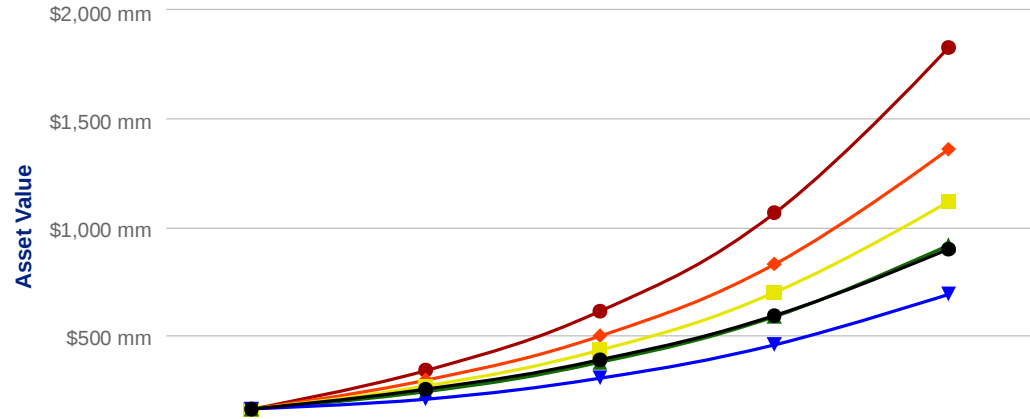
LCC: 25.0%, SMDC: 20.0%, EAFE: 0.0%, EM: 5.0%, RE: 5.0%, PE: 15.0%, TIMBER: 10.0%, CORE FI: 0.0%, GTAA: 15.0%, INTL FI: 5.0%

This Mix



LCC: 25.0%	SMDC: 20.0%
EAFE: 0.0%	EM: 5.0%
RE: 5.0%	PE: 15.0%
TIMBER: 10.0%	CORE FI: 0.0%
GTAA: 15.0%	INTL FI: 5.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$335 mm	\$609 mm	\$1,064 mm	\$1,830 mm
25% ■	\$156 mm	\$290 mm	\$495 mm	\$827 mm	\$1,358 mm
50% ■	\$156 mm	\$262 mm	\$429 mm	\$695 mm	\$1,117 mm
75% ■	\$156 mm	\$236 mm	\$371 mm	\$584 mm	\$914 mm
95% ■	\$156 mm	\$202 mm	\$300 mm	\$454 mm	\$687 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.56%
75% Year-20 Value: \$915 mm	Standard Deviation: 7.81
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.74
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 77%

Dahab Associates, Inc.

2014

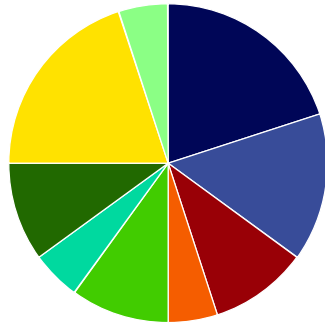
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

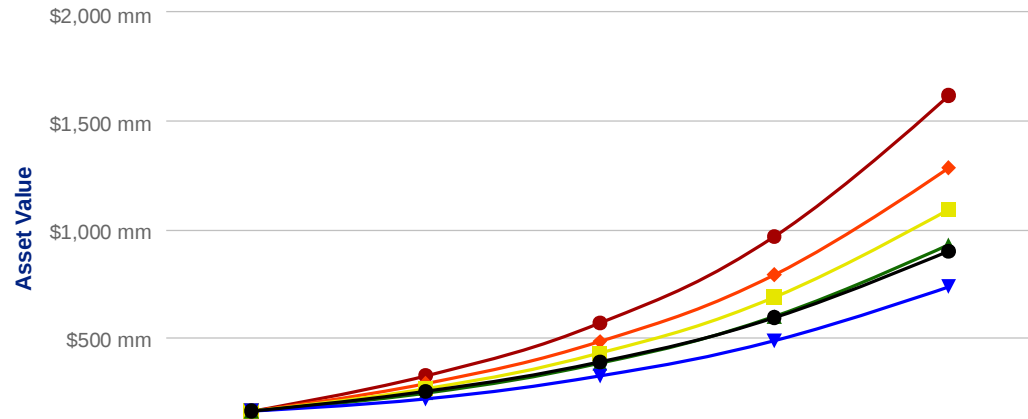
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 5.0%, RE: 10.0%, PE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 5.0%
RE: 10.0%	PE: 5.0%
TIMBER: 10.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$319 mm	\$564 mm	\$964 mm	\$1,616 mm
25% ■	\$156 mm	\$283 mm	\$477 mm	\$787 mm	\$1,281 mm
50% ■	\$156 mm	\$260 mm	\$424 mm	\$683 mm	\$1,088 mm
75% ■	\$156 mm	\$239 mm	\$376 mm	\$593 mm	\$924 mm
95% ■	\$156 mm	\$211 mm	\$318 mm	\$480 mm	\$731 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.32%
75% Year-20 Value: \$925 mm	Standard Deviation: 6.38
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.87
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 79%

Dahab Associates, Inc.
2014

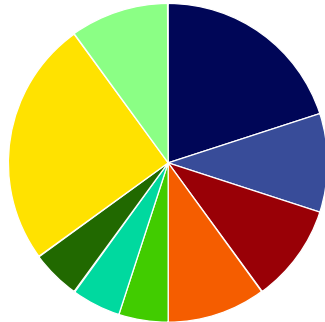
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

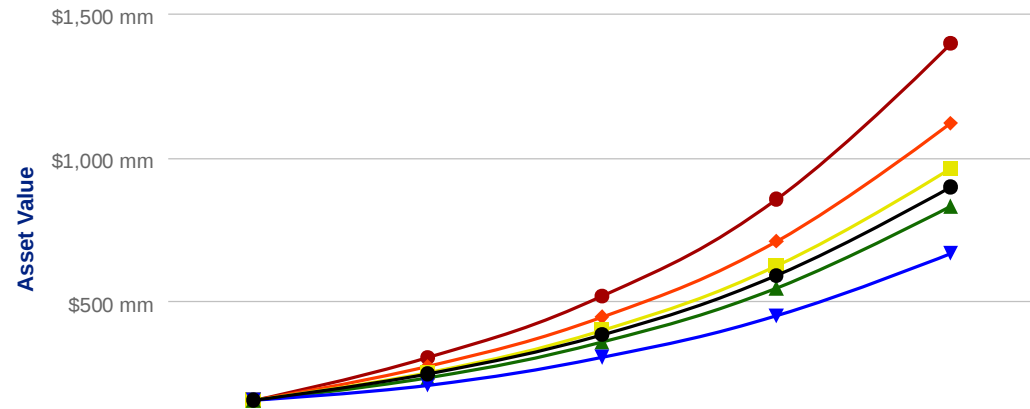
LCC: 20.0%, SMDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 25.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 25.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$304 mm	\$517 mm	\$853 mm	\$1,394 mm
25% ■	\$156 mm	\$272 mm	\$444 mm	\$708 mm	\$1,117 mm
50% ■	\$156 mm	\$252 mm	\$399 mm	\$621 mm	\$961 mm
75% ■	\$156 mm	\$233 mm	\$357 mm	\$545 mm	\$829 mm
95% ■	\$156 mm	\$207 mm	\$304 mm	\$448 mm	\$665 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 8.57%
75% Year-20 Value: \$829 mm	Standard Deviation: 5.85
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.82
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 62%

Dahab Associates, Inc.
2014

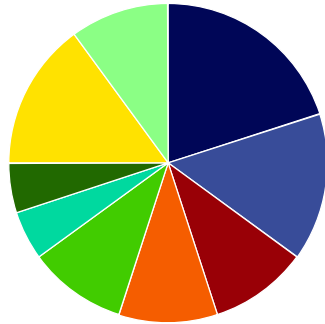
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

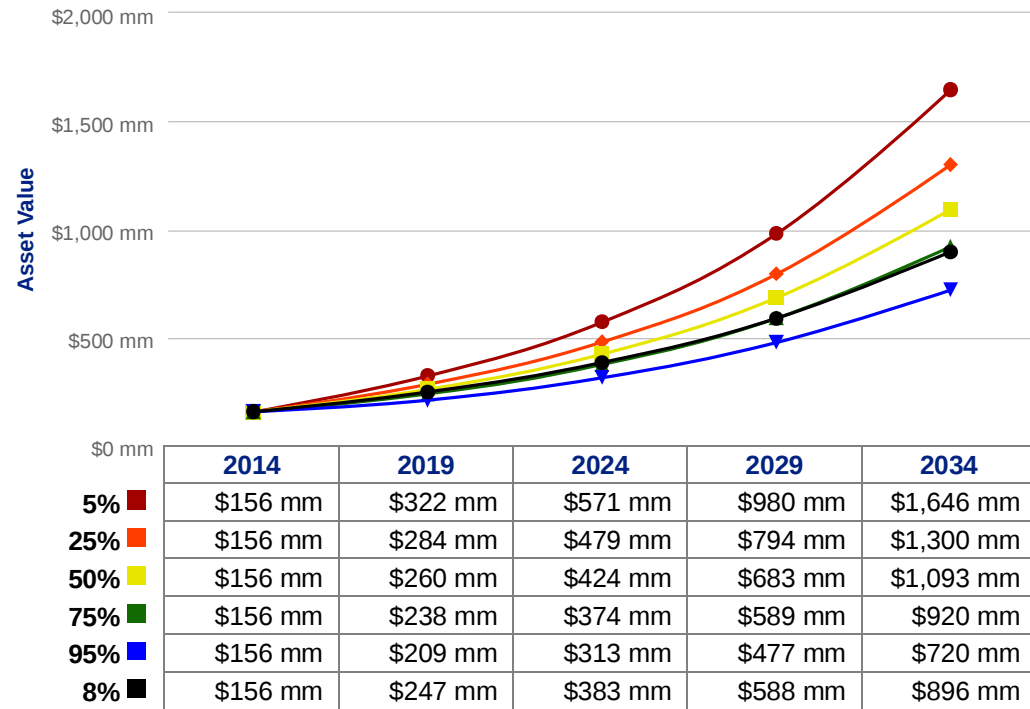
LCC: 20.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 10.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 15.0%
GTAA: 10.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 9.36%
75% Year-20 Value: \$921 mm	Standard Deviation: 6.59
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.84
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 78%

Dahab Associates, Inc.
2014

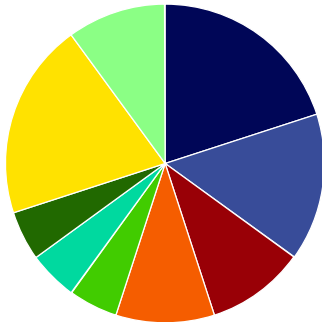
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

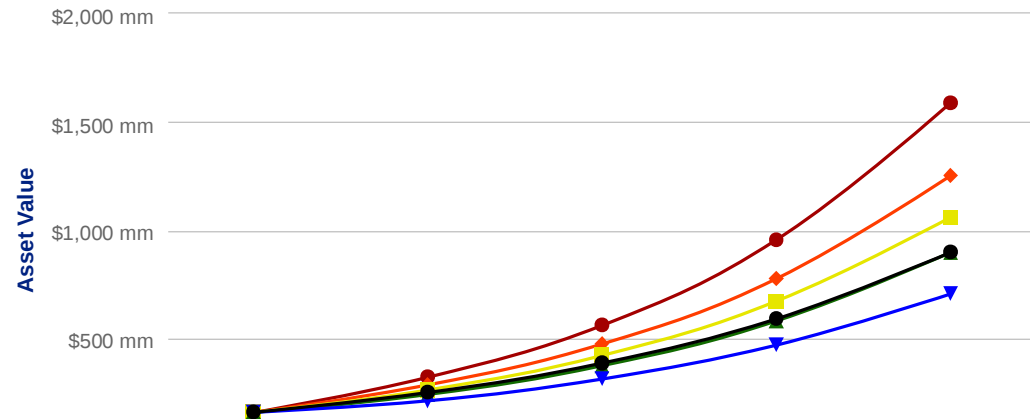
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$318 mm	\$559 mm	\$954 mm	\$1,588 mm
25% ■	\$156 mm	\$282 mm	\$472 mm	\$774 mm	\$1,251 mm
50% ■	\$156 mm	\$258 mm	\$418 mm	\$669 mm	\$1,058 mm
75% ■	\$156 mm	\$236 mm	\$370 mm	\$577 mm	\$894 mm
95% ■	\$156 mm	\$208 mm	\$309 mm	\$467 mm	\$703 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.16%
75% Year-20 Value: \$894 mm	Standard Deviation: 6.57
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.82
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 75%

Dahab Associates, Inc.
2014

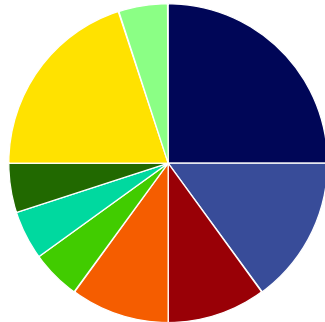
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

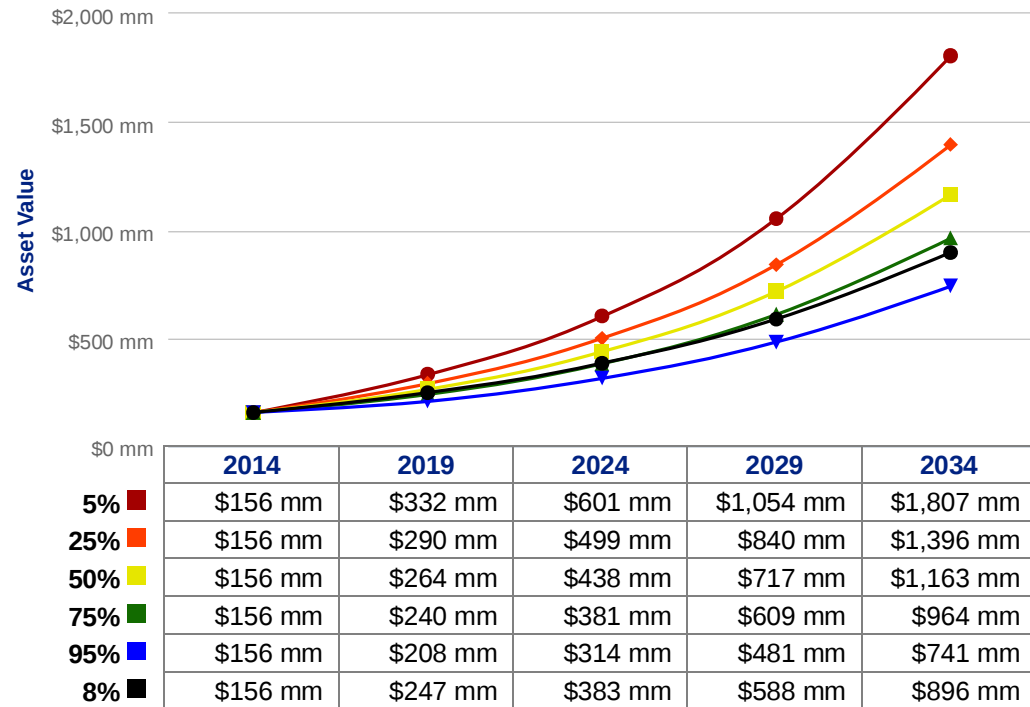
LCC: 25.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 25.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 9.75%
75% Year-20 Value: \$964 mm	Standard Deviation: 7.22
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.82
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 83%

Dahab Associates, Inc.
2014

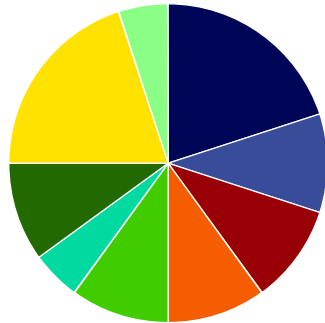
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

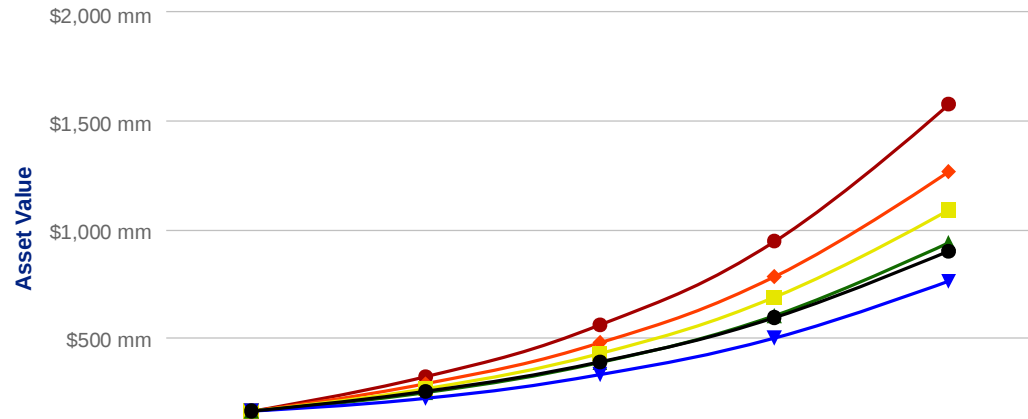
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, PE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 10.0%	PE: 5.0%
TIMBER: 10.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$314 mm	\$554 mm	\$941 mm	\$1,575 mm
25% ■	\$156 mm	\$281 mm	\$472 mm	\$778 mm	\$1,263 mm
50% ■	\$156 mm	\$260 mm	\$423 mm	\$682 mm	\$1,086 mm
75% ■	\$156 mm	\$240 mm	\$380 mm	\$597 mm	\$935 mm
95% ■	\$156 mm	\$214 mm	\$324 mm	\$493 mm	\$756 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.30%
75% Year-20 Value: \$935 mm	Standard Deviation: 5.92
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.93
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 81%

Dahab Associates, Inc.
2014

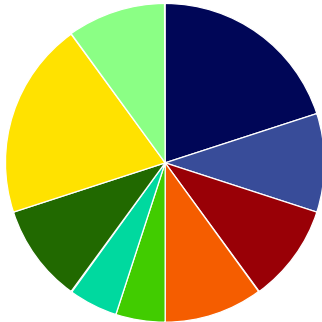
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

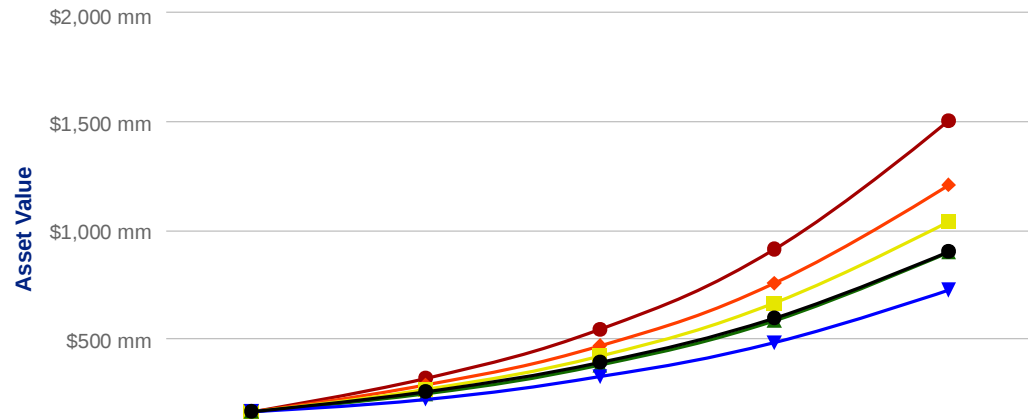
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 10.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$310 mm	\$536 mm	\$907 mm	\$1,502 mm
25% ■	\$156 mm	\$278 mm	\$459 mm	\$749 mm	\$1,203 mm
50% ■	\$156 mm	\$257 mm	\$413 mm	\$657 mm	\$1,035 mm
75% ■	\$156 mm	\$237 mm	\$370 mm	\$576 mm	\$892 mm
95% ■	\$156 mm	\$211 mm	\$316 mm	\$474 mm	\$717 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.01%
75% Year-20 Value: \$893 mm	Standard Deviation: 5.89
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.88
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 74%

Dahab Associates, Inc.
2014

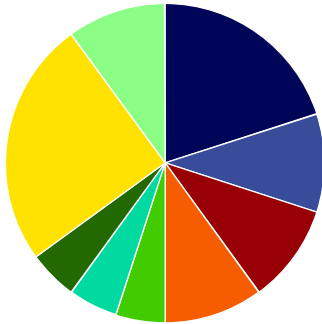
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

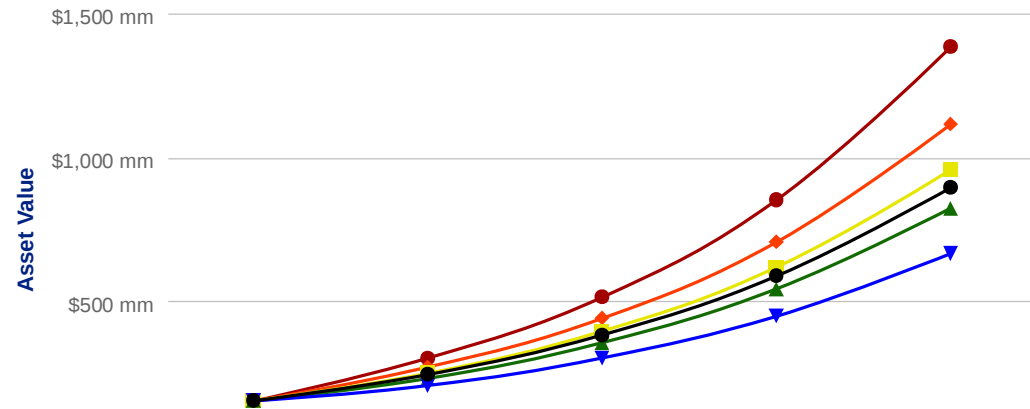
LCC: 20.0%, SMDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 25.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 25.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$303 mm	\$515 mm	\$852 mm	\$1,384 mm
25% ■	\$156 mm	\$272 mm	\$442 mm	\$707 mm	\$1,115 mm
50% ■	\$156 mm	\$251 mm	\$396 mm	\$619 mm	\$958 mm
75% ■	\$156 mm	\$232 mm	\$356 mm	\$543 mm	\$823 mm
95% ■	\$156 mm	\$207 mm	\$303 mm	\$448 mm	\$666 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 8.54%
75% Year-20 Value: \$824 mm	Standard Deviation: 5.84
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.81
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 62%

Dahab Associates, Inc.
2014

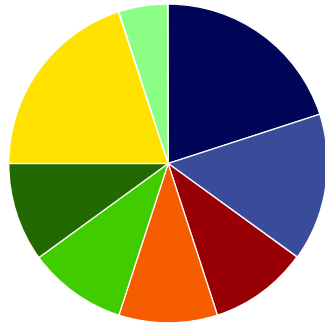
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

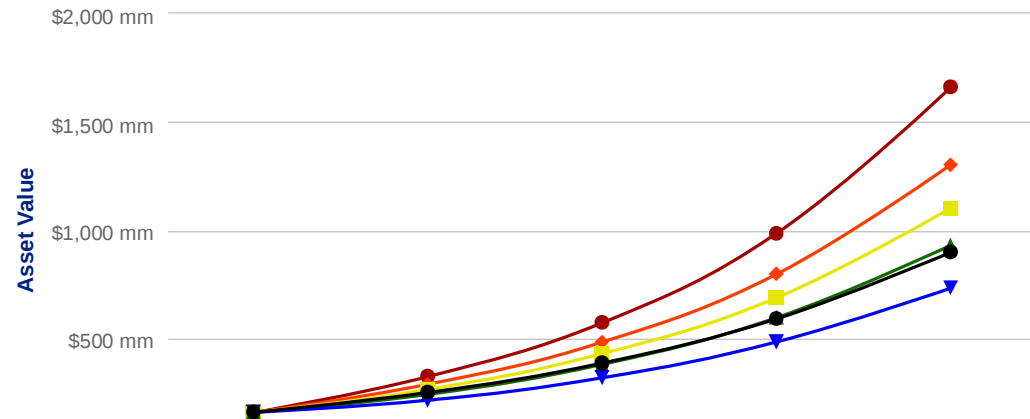
LCC: 20.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC:	20.0%	SMIDC:	15.0%
EAFE:	10.0%	EM:	10.0%
RE:	10.0%	TIMBER:	10.0%
CORE FI:	20.0%	GTAA:	5.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$321 mm	\$571 mm	\$983 mm	\$1,660 mm
25% ■	\$156 mm	\$284 mm	\$480 mm	\$796 mm	\$1,300 mm
50% ■	\$156 mm	\$260 mm	\$426 mm	\$686 mm	\$1,099 mm
75% ■	\$156 mm	\$239 mm	\$377 mm	\$594 mm	\$928 mm
95% ■	\$156 mm	\$210 mm	\$315 mm	\$481 mm	\$731 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.40%
75% Year-20 Value: \$929 mm	Standard Deviation: 6.60
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.85
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 79%

Dahab Associates, Inc.
2014

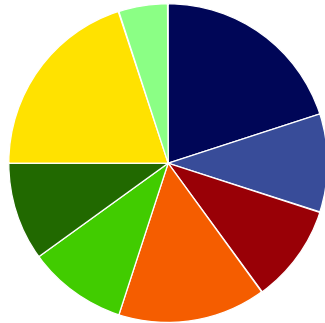
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

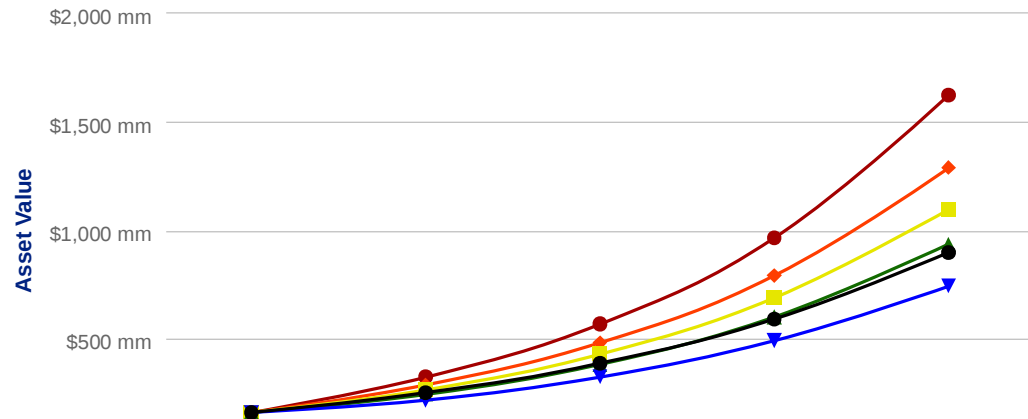
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 10.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC:	20.0%	SMIDC:	10.0%
EAFE:	10.0%	EM:	15.0%
RE:	10.0%	TIMBER:	10.0%
CORE FI:	20.0%	GTAA:	5.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$320 mm	\$565 mm	\$964 mm	\$1,625 mm
25% ■	\$156 mm	\$283 mm	\$479 mm	\$789 mm	\$1,289 mm
50% ■	\$156 mm	\$261 mm	\$427 mm	\$688 mm	\$1,097 mm
75% ■	\$156 mm	\$240 mm	\$379 mm	\$598 mm	\$935 mm
95% ■	\$156 mm	\$212 mm	\$320 mm	\$488 mm	\$741 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.37%
75% Year-20 Value: \$935 mm	Standard Deviation: 6.31
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.88
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 80%

Dahab Associates, Inc.
2014

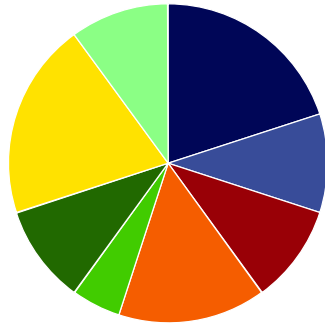
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

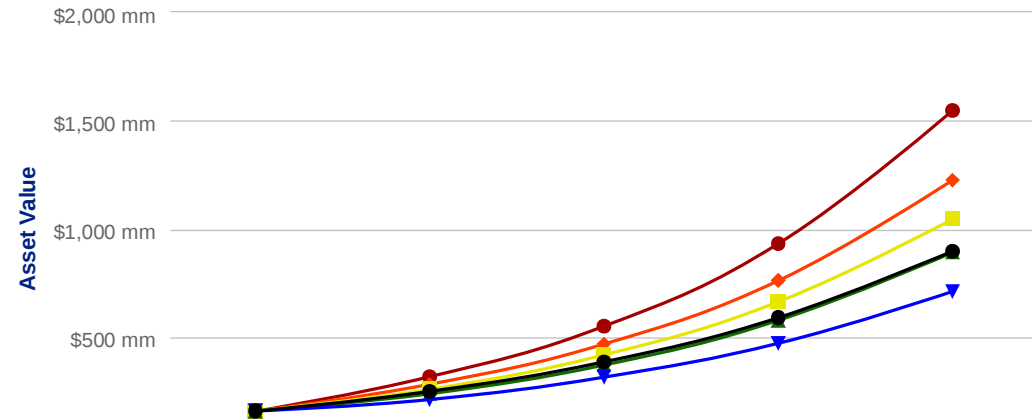
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, TIMBER: 10.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 15.0%
RE: 5.0%	TIMBER: 10.0%
CORE FI: 20.0%	GTAA: 10.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$314 mm	\$548 mm	\$931 mm	\$1,547 mm
25% ■	\$156 mm	\$279 mm	\$466 mm	\$760 mm	\$1,224 mm
50% ■	\$156 mm	\$257 mm	\$415 mm	\$661 mm	\$1,045 mm
75% ■	\$156 mm	\$236 mm	\$369 mm	\$575 mm	\$891 mm
95% ■	\$156 mm	\$209 mm	\$312 mm	\$469 mm	\$709 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.08%
75% Year-20 Value: \$891 mm	Standard Deviation: 6.27
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.84
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 74%

Dahab Associates, Inc.
2014

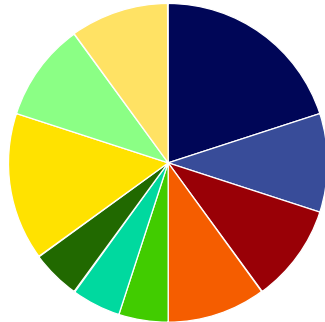
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

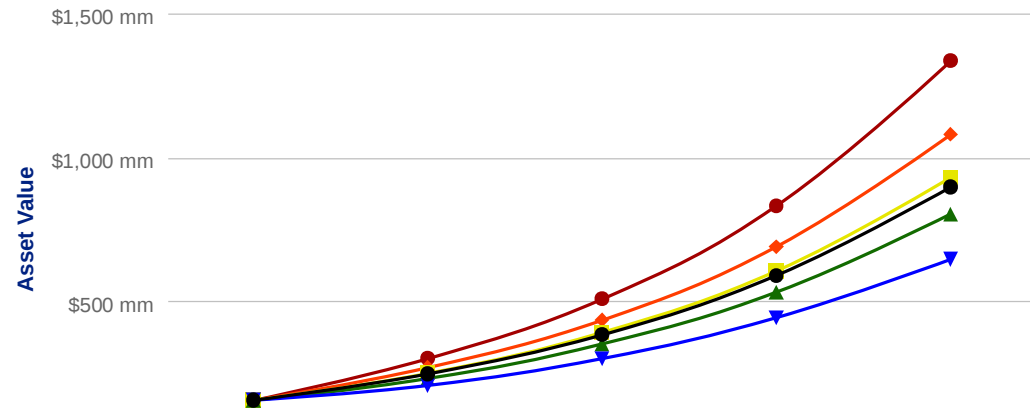
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%, INTL FI: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 15.0%
GTAA: 10.0%	INTL FI: 10.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$301 mm	\$507 mm	\$830 mm	\$1,334 mm
25% ■	\$156 mm	\$269 mm	\$434 mm	\$688 mm	\$1,078 mm
50% ■	\$156 mm	\$249 mm	\$390 mm	\$604 mm	\$928 mm
75% ■	\$156 mm	\$231 mm	\$351 mm	\$531 mm	\$801 mm
95% ■	\$156 mm	\$206 mm	\$300 mm	\$441 mm	\$644 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 8.36%
75% Year-20 Value: \$802 mm	Standard Deviation: 5.83
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.78
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 56%

Dahab Associates, Inc.
2014

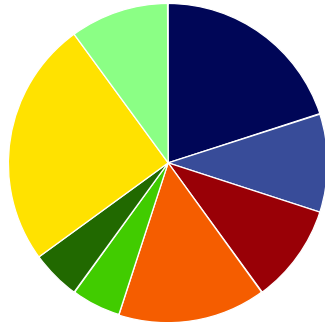
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

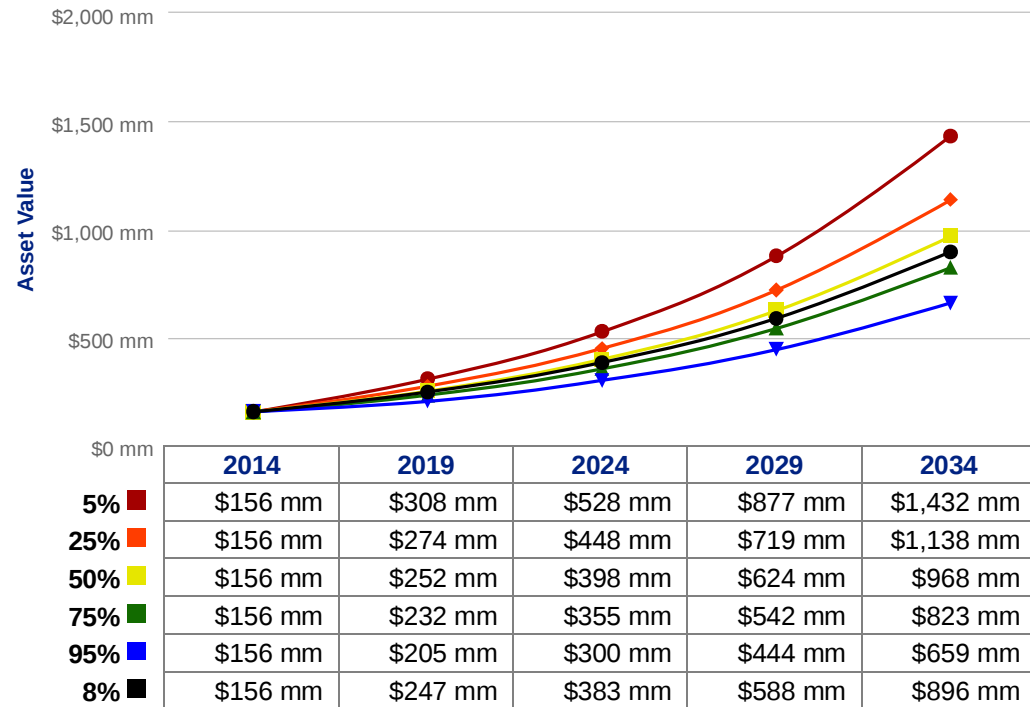
LCC: 20.0%, SMIDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, TIMBER: 5.0%, CORE FI: 25.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 10.0%
EAFE: 10.0%	EM: 15.0%
RE: 5.0%	TIMBER: 5.0%
CORE FI: 25.0%	GTAA: 10.0%

Asset Value Over Time



Statistics

Beginning Value: \$156 mm	Mean Return: 8.63%
75% Year-20 Value: \$824 mm	Standard Deviation: 6.24
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.77
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 63%

Dahab Associates, Inc.
2014

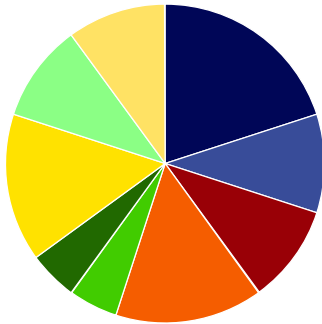
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

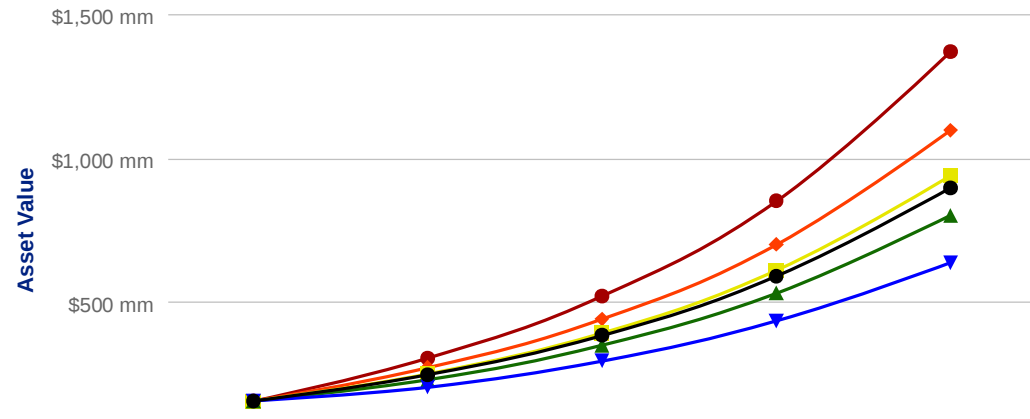
LCC: 20.0%, SMDC: 10.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%, INTL FI: 10.0%

This Mix



LCC:	20.0%	SMDC:	10.0%
EAFE:	10.0%	EM:	15.0%
RE:	5.0%	TIMBER:	5.0%
CORE FI:	15.0%	GTAA:	10.0%
INTL FI:	10.0%		

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$304 mm	\$519 mm	\$850 mm	\$1,369 mm
25% ■	\$156 mm	\$271 mm	\$439 mm	\$699 mm	\$1,095 mm
50% ■	\$156 mm	\$250 mm	\$391 mm	\$609 mm	\$939 mm
75% ■	\$156 mm	\$229 mm	\$349 mm	\$530 mm	\$800 mm
95% ■	\$156 mm	\$203 mm	\$295 mm	\$433 mm	\$635 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 8.42%
75% Year-20 Value: \$800 mm	Standard Deviation: 6.22
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.74
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 58%

Dahab Associates, Inc.
2014

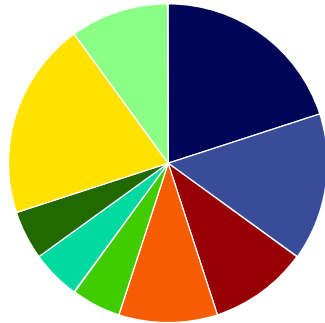
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

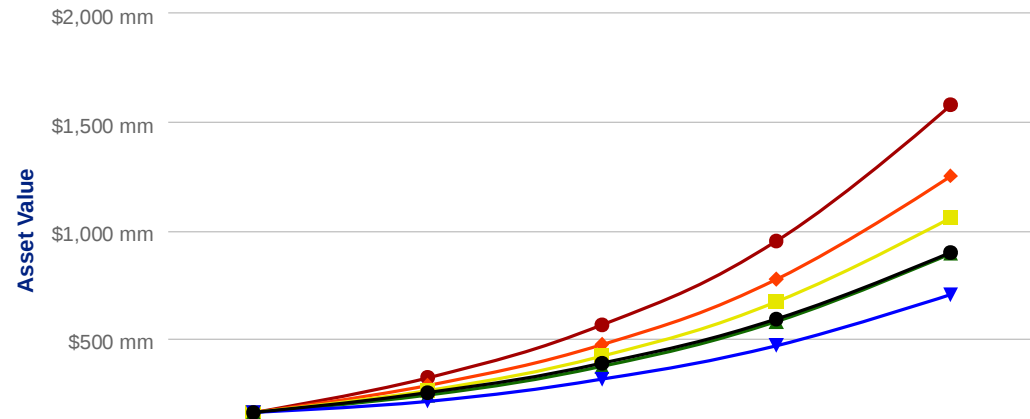
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$318 mm	\$561 mm	\$949 mm	\$1,579 mm
25% ■	\$156 mm	\$282 mm	\$471 mm	\$772 mm	\$1,250 mm
50% ■	\$156 mm	\$258 mm	\$417 mm	\$668 mm	\$1,058 mm
75% ■	\$156 mm	\$236 mm	\$370 mm	\$576 mm	\$892 mm
95% ■	\$156 mm	\$208 mm	\$309 mm	\$465 mm	\$701 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.16%
75% Year-20 Value: \$893 mm	Standard Deviation: 6.57
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.82
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 74%

Dahab Associates, Inc.
2014

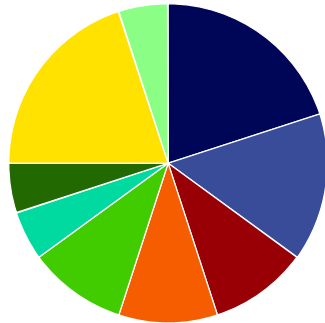
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

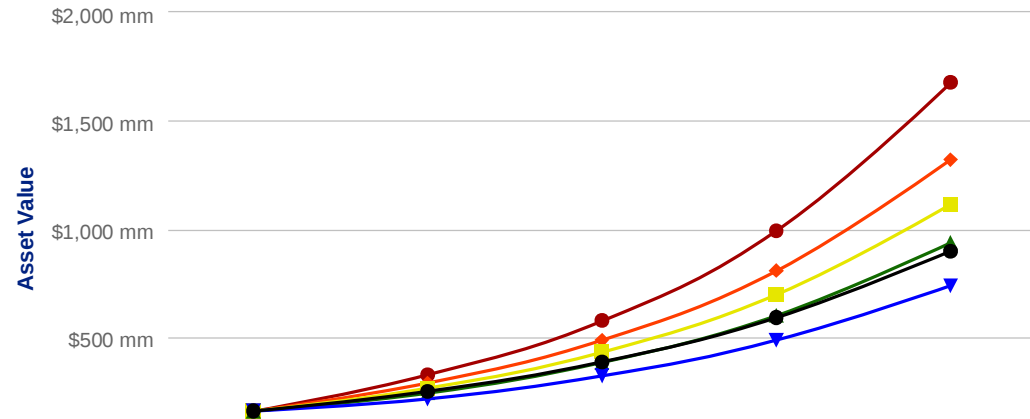
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 10.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 10.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$323 mm	\$574 mm	\$990 mm	\$1,677 mm
25% ■	\$156 mm	\$285 mm	\$484 mm	\$805 mm	\$1,319 mm
50% ■	\$156 mm	\$261 mm	\$429 mm	\$695 mm	\$1,112 mm
75% ■	\$156 mm	\$239 mm	\$380 mm	\$598 mm	\$936 mm
95% ■	\$156 mm	\$211 mm	\$318 mm	\$483 mm	\$735 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.47%
75% Year-20 Value: \$936 mm	Standard Deviation: 6.60
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.86
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 81%

Dahab Associates, Inc.
2014

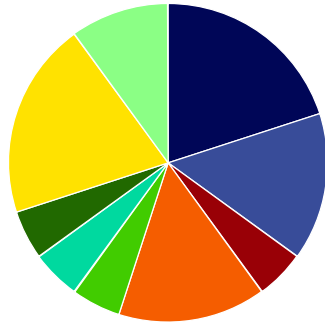
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

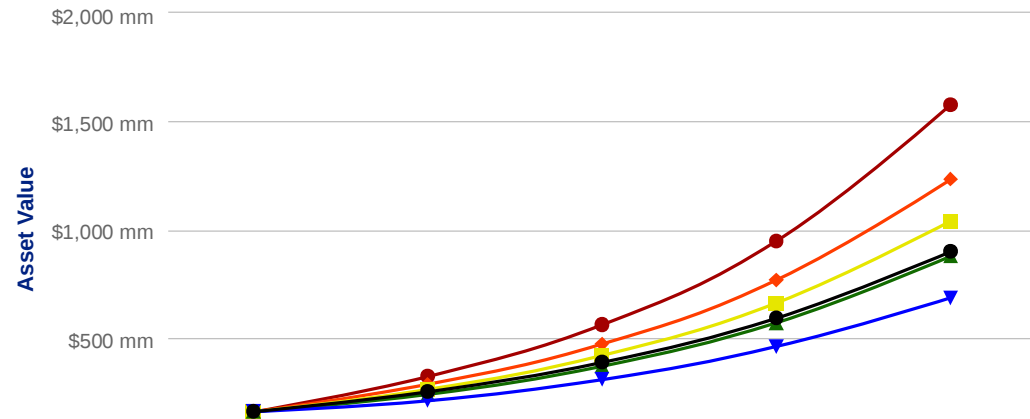
LCC: 20.0%, SMDC: 15.0%, EAFE: 5.0%, EM: 15.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 5.0%	EM: 15.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$318 mm	\$557 mm	\$944 mm	\$1,576 mm
25% ◆	\$156 mm	\$280 mm	\$467 mm	\$764 mm	\$1,230 mm
50% ■	\$156 mm	\$257 mm	\$414 mm	\$657 mm	\$1,037 mm
75% ■	\$156 mm	\$235 mm	\$366 mm	\$566 mm	\$875 mm
95% ■	\$156 mm	\$205 mm	\$304 mm	\$456 mm	\$681 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.05%
75% Year-20 Value: \$875 mm	Standard Deviation: 6.67
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.79
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 72%

Dahab Associates, Inc.
2014

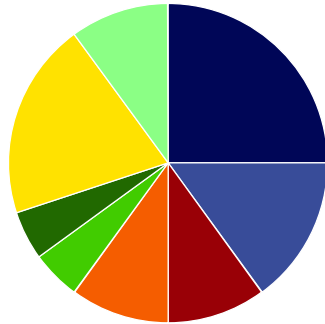
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

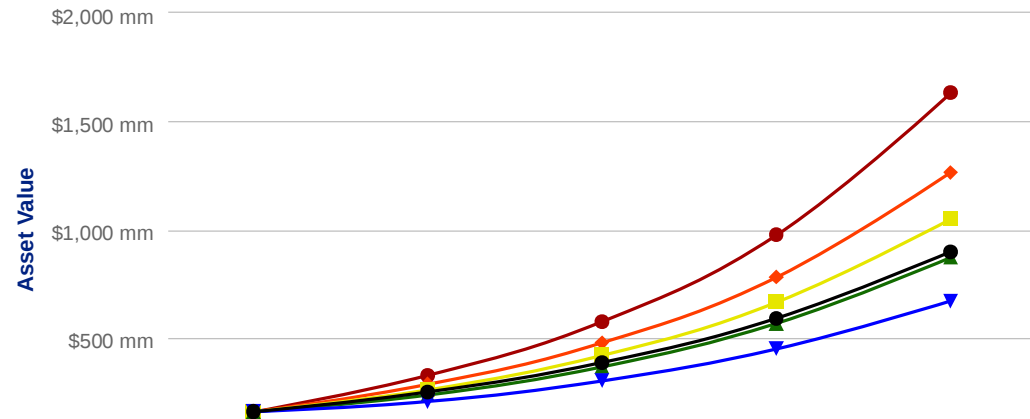
LCC: 25.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 10.0%

This Mix



LCC: 25.0%	SMIDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	TIMBER: 5.0%
CORE FI: 20.0%	GTAA: 10.0%

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$324 mm	\$573 mm	\$975 mm	\$1,632 mm
25% ■	\$156 mm	\$283 mm	\$475 mm	\$779 mm	\$1,263 mm
50% ■	\$156 mm	\$258 mm	\$416 mm	\$663 mm	\$1,049 mm
75% ■	\$156 mm	\$234 mm	\$364 mm	\$565 mm	\$871 mm
95% ■	\$156 mm	\$202 mm	\$299 mm	\$447 mm	\$667 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.14%
75% Year-20 Value: \$872 mm	Standard Deviation: 7.20
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.74
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 72%

Dahab Associates, Inc.
2014

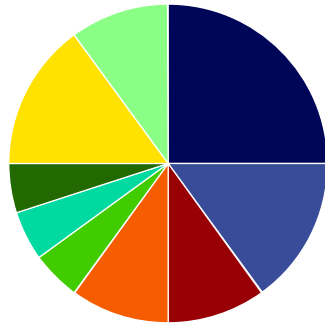
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

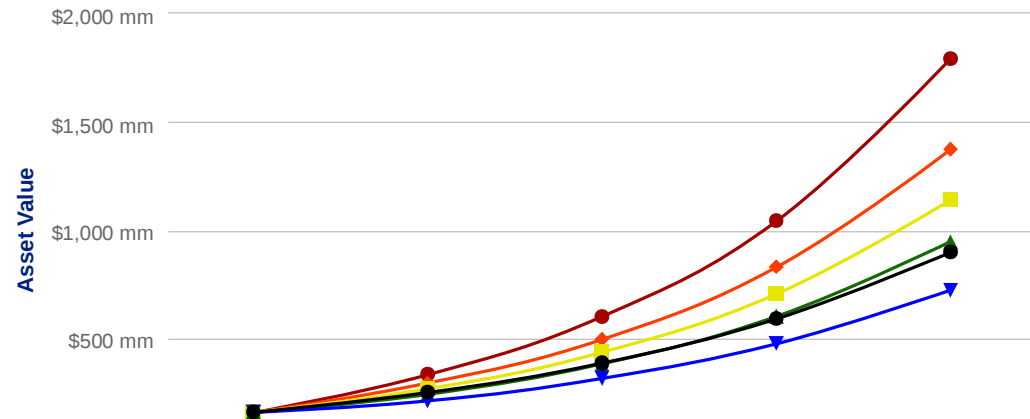
LCC: 25.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 10.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 15.0%, GTAA: 10.0%

This Mix



LCC: 25.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 10.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 15.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$331 mm	\$598 mm	\$1,041 mm	\$1,793 mm
25% ■	\$156 mm	\$289 mm	\$493 mm	\$828 mm	\$1,372 mm
50% ■	\$156 mm	\$263 mm	\$433 mm	\$704 mm	\$1,139 mm
75% ■	\$156 mm	\$239 mm	\$379 mm	\$599 mm	\$944 mm
95% ■	\$156 mm	\$207 mm	\$312 mm	\$472 mm	\$720 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.64%
75% Year-20 Value: \$945 mm	Standard Deviation: 7.23
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.81
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 81%

Dahab Associates, Inc.
2014

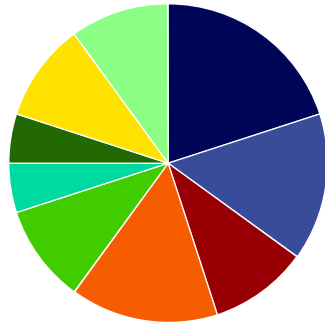
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

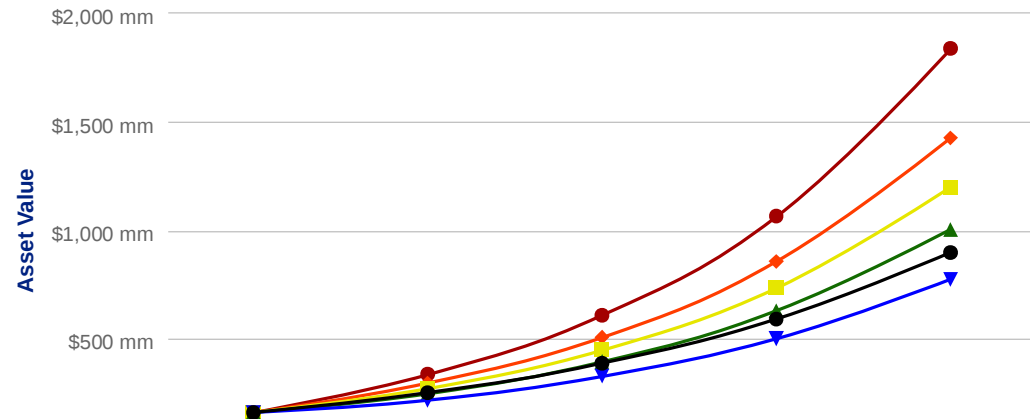
LCC: 20.0%, SMIDC: 15.0%, EAFE: 10.0%, EM: 15.0%, RE: 10.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 10.0%, GTAA: 10.0%

This Mix



LCC: 20.0%	SMIDC: 15.0%
EAFE: 10.0%	EM: 15.0%
RE: 10.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 10.0%
GTAA: 10.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$332 mm	\$606 mm	\$1,063 mm	\$1,841 mm
25% ■	\$156 mm	\$292 mm	\$504 mm	\$855 mm	\$1,427 mm
50% ■	\$156 mm	\$267 mm	\$444 mm	\$732 mm	\$1,198 mm
75% ■	\$156 mm	\$243 mm	\$390 mm	\$627 mm	\$1,002 mm
95% ■	\$156 mm	\$211 mm	\$323 mm	\$497 mm	\$772 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.91%
75% Year-20 Value: \$1,003 mm	Standard Deviation: 6.96
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.88
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 86%

Dahab Associates, Inc.
2014

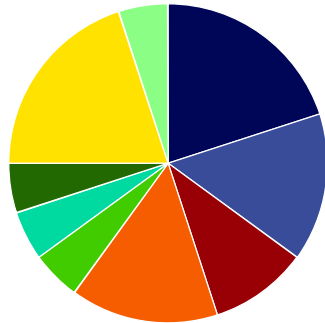
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

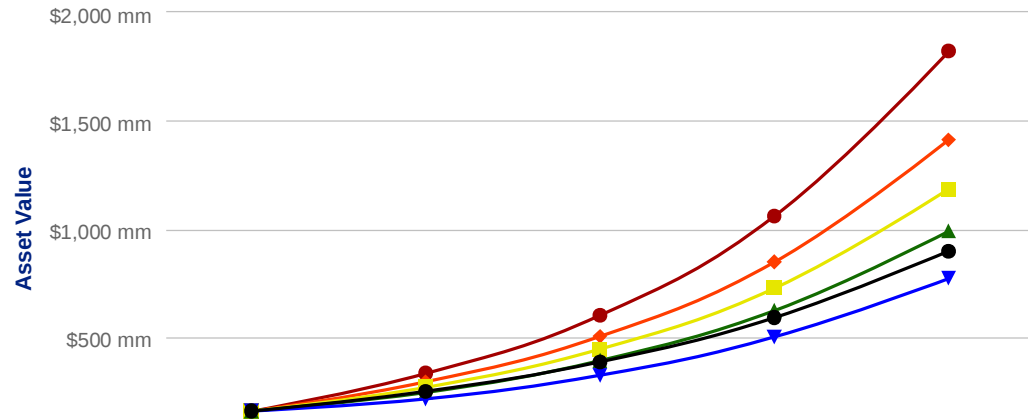
LCC: 20.0%, SMDC: 15.0%, EAFE: 10.0%, EM: 15.0%, RE: 5.0%, PE: 5.0%, TIMBER: 5.0%, CORE FI: 20.0%, GTAA: 5.0%

This Mix



LCC: 20.0%	SMDC: 15.0%
EAFE: 10.0%	EM: 15.0%
RE: 5.0%	PE: 5.0%
TIMBER: 5.0%	CORE FI: 20.0%
GTAA: 5.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$330 mm	\$599 mm	\$1,059 mm	\$1,821 mm
25% ■	\$156 mm	\$291 mm	\$501 mm	\$846 mm	\$1,410 mm
50% ■	\$156 mm	\$266 mm	\$442 mm	\$725 mm	\$1,183 mm
75% ■	\$156 mm	\$242 mm	\$389 mm	\$621 mm	\$989 mm
95% ■	\$156 mm	\$211 mm	\$321 mm	\$498 mm	\$769 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 9.84%
75% Year-20 Value: \$989 mm	Standard Deviation: 6.93
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.87
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 85%

Dahab Associates, Inc.
2014

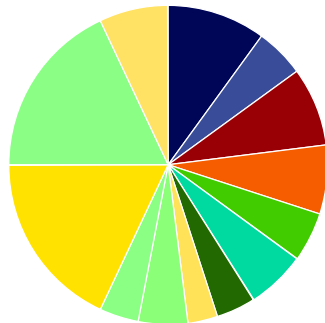
Burlington Employees' Retirement System

July 2014

70-Year Special Scenario

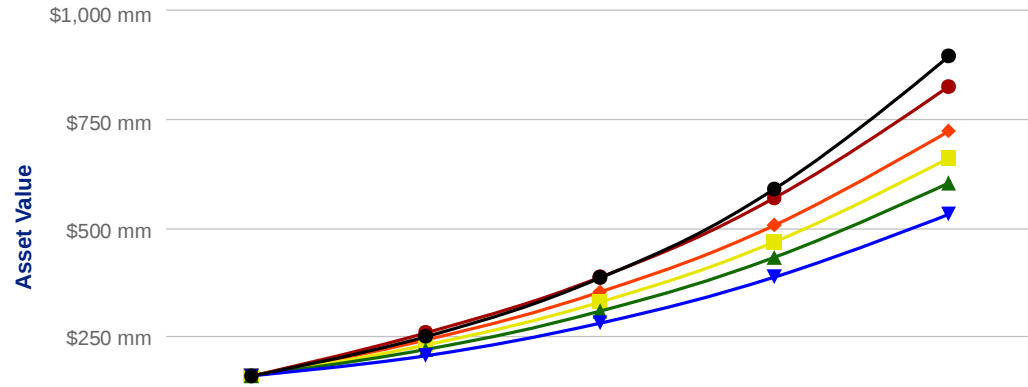
LCC: 10.0%, SMDC: 5.0%, EAFE: 8.0%, EM: 7.0%, RE: 5.0%, PE: 6.0%, TIMBER: 4.0%, HY FI: 3.0%, HEDGE: 5.0%, COMMODITIES: 4.0%, CORE FI: 18.0%, GTAA: 18.0%, INTL FI: 7.0%

This Mix



■ LCC: 10.0%	■ SMDC: 5.0%
■ EAFE: 8.0%	■ EM: 7.0%
■ RE: 5.0%	■ PE: 6.0%
■ TIMBER: 4.0%	■ HY FI: 3.0%
■ HEDGE: 5.0%	■ COMMODITIES: 4.0%
■ CORE FI: 18.0%	■ GTAA: 18.0%
■ INTL FI: 7.0%	

Asset Value Over Time



	2014	2019	2024	2029	2034
5% ■	\$156 mm	\$256 mm	\$384 mm	\$567 mm	\$825 mm
25% ■	\$156 mm	\$239 mm	\$349 mm	\$505 mm	\$723 mm
50% ■	\$156 mm	\$227 mm	\$327 mm	\$466 mm	\$660 mm
75% ■	\$156 mm	\$217 mm	\$306 mm	\$430 mm	\$602 mm
95% ■	\$156 mm	\$202 mm	\$278 mm	\$384 mm	\$530 mm
8% ■	\$156 mm	\$247 mm	\$383 mm	\$588 mm	\$896 mm

Statistics

Beginning Value: \$156 mm	Mean Return: 6.25%
75% Year-20 Value: \$603 mm	Standard Deviation: 3.55
Required Year-20 Value: \$896 mm	Sharpe Ratio: 0.69
Actuarial Rate: 8.0%	Likelihood to Beat 8.0%: 1%

Dahab Associates, Inc.
2014

July 17, 2014
Burlington Employees' Retirement Board
Burlington Electric Department

Board Members Present: Jim Strouse Robert Hooper
 Munir Kasti Matt Dow
 Daniel (via phone)

Others Present: Stephanie Hanker
 Barry Bryant – Dahab Associates

The meeting convened the meeting at 9:00am

1. **Agenda:**

Jim Strouse added agenda item 1.1, Appointment of Board Chair, Vice Chair and Board Secretary, and under other business he would like to discuss the annual report to the City Council and discuss sending a board member to the NCPERS conference. Robert Hooper moved to approve the agenda with the changes proposed. Munir Kasti 2nd. Motion carries 5:0

1.1 Appointment of Board Secretary:

Matt Dow moved to nominate Jim Strouse as Board Chair and Robert Hooper as Board Vice Chair. Munir Kasti 2nd. Motion carries 5:0
Robert Hooper moved to appoint Stephanie Hanker as Board Secretary. Matt Dow 2nd. Motion carries 5:0

2. **Approval of Minutes 06/19/2014 & 07/08/2014:**

Robert Hooper moved to approve the minutes as presented. Matt Dow 2nd. Motion carries 5:0

3. **Presentation with Barry Bryant**

Barry Bryant of Dahab Associates presented the Board with an asset allocation study to evaluate various asset mixes. Barry stated that the results are based upon assumptions that he believed to be reasonable. Barry stated the goal of the study is to identify those investment options for the System that achieve the highest rate of return within the specified portfolio limits. Barry stated the study began with the December 31, 2013 market value. Barry stated that the latest actuarial reports were used as the source for the contributions, benefit payments, fund expenses and the actuarial rate of return assumption of 8%, in addition an assumed growth rate of 3% was used to approximate the effect of inflation upon the benefit payments and fund expenses. Barry stated the projected annual market values, using the assumptions stated previously, were calculated for the next 20 years. Barry

stated the selection of an asset allocation is the end of a thought process involving, 1. Use of a Monte Carlo simulation with fixed values for mean returns and asset class correlations, 2. Tempering the output by elimination allocations that might pose liquidity problems or could be deemed imprudent and 3. Modifying final choices based on current asset class prospects. Barry focused on 6 proposed mixes, the recommended mix is 20% domestic large cap core equity, 15% domestic small/mid cap core equity, 10% foreign developed country equity, 10% foreign emerging market equity, 5% private equity, 5% real estate, 5% timber, 20% domestic core fixed income, 10% global tactical asset allocation. Barry stated that the mixes that were presented are by no means the only possible choices and he intends to follow up with other mixes and options to help the board make a well informed decision as to the new target allocations. (This report can be found under the July 17th Retirement Board information online) Jim Strouse stated the board will be working towards doing something by the end of the year. Robert Hooper moved to approve the increase of fees for Dahab while they are being used as a full consultant. Munir Kasti 2nd. Motion carries 5:0

4. **Approval of Bills:**

Robert Hooper moved to approve the bills presented. Matt Dow 2nd. Motion carries 5:0

5. **Consideration of Retirement Application:**

Jim Strouse stated this will be reviewed next month as there were changes in the employment dates and the benefit would need to be recalculated.

6. **Ratify Refunds/Rollovers:**

Robert Hooper moved to approve the refund/rollover of contributions presented. Munir Kasti 2nd. Motion carries 5:0

7. **Executive Session:**

The Board entered executive session to discuss the disability retirement application of a Class B member at 10:40am. The Board exited executive session at 10:45am

Robert Hooper moved to approve the one disability retirement application presented. Matt Dow 2nd. Motion carries 5:0

8. **Other Business:**

Jim Strouse stated he would like to send a Class A member to the NCPERS conference. Robert Hooper stated more money is needed in the training budget for next year. MD moved to send a Class A member to the NCPERS conference. Robert Hooper 2nd. Motion carries 5:0

Jim Strouse stated he has spoken to the actuaries about reconfiguring the spreadsheets, previously presented to the board and retirement committee, to look at several other variables and would like to review these at a special meeting of the retirement board to be held to August.

Meeting Adjourned 10:46am.