



NEPC, LLC

YOU DEMAND MORE. *So do we.*<sup>SM</sup>

## VPIC - Municipal Employees

Investment Summary  
Quarter Ending June 30, 2012

One Main Street, Cambridge, MA 02142 | TEL: 617.374.1300 | FAX: 617.374.1313 | [www.nepc.com](http://www.nepc.com)

CAMBRIDGE | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | SAN FRANCISCO

HchU` : i bX

# Vermont Municipal Employees

## Total Fund Performance Summary

	Market Value	3 Mo	Rank	YTD	Rank	Fiscal YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Municipal Composite</b>	<b>\$410,567,487</b>	<b>-0.9%</b>	<b>12</b>	<b>5.4%</b>	<b>62</b>	<b>2.4%</b>	<b>27</b>	<b>2.4%</b>	<b>27</b>	<b>13.6%</b>	<b>5</b>	<b>2.4%</b>	<b>37</b>
<i>Policy Index</i>		-1.4%	25	4.4%	95	0.9%	63	0.9%	63	10.0%	82	2.2%	44
<i>Allocation Index</i>		-1.7%	42	3.9%	99	0.2%	84	0.2%	84	10.4%	71	2.1%	45
<i>ICC Public DB Median</i>		-1.8%		5.7%		1.2%		1.2%		11.5%		2.0%	

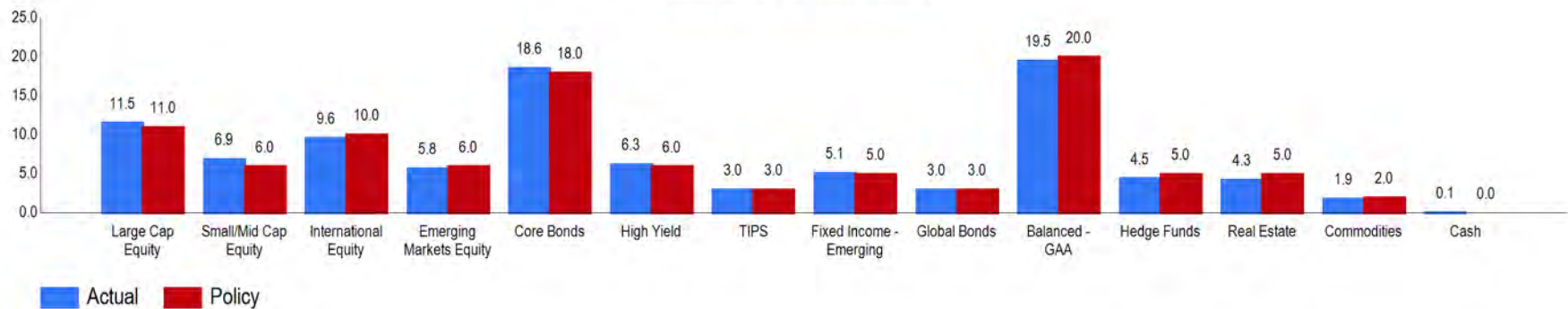
### 3 Years Ending June 30, 2012

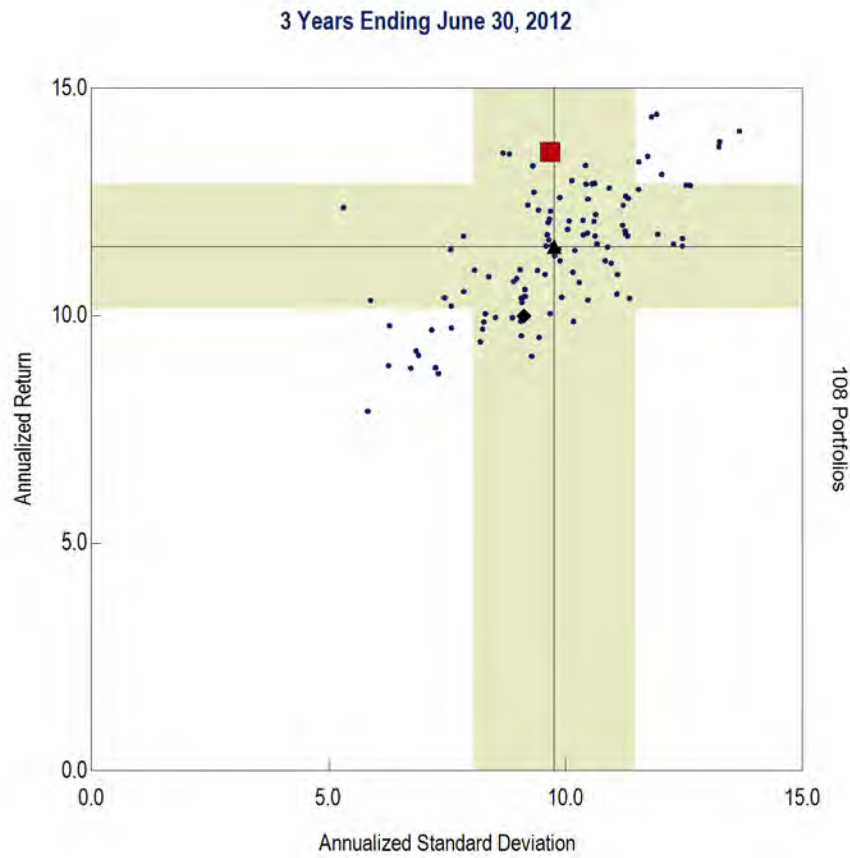
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Municipal Composite	13.59%	5	9.68%	47	1.40	8	2.35	12
Policy Index	9.99%	82	9.12%	33	1.09	72	1.87	56

### 5 Years Ending June 30, 2012

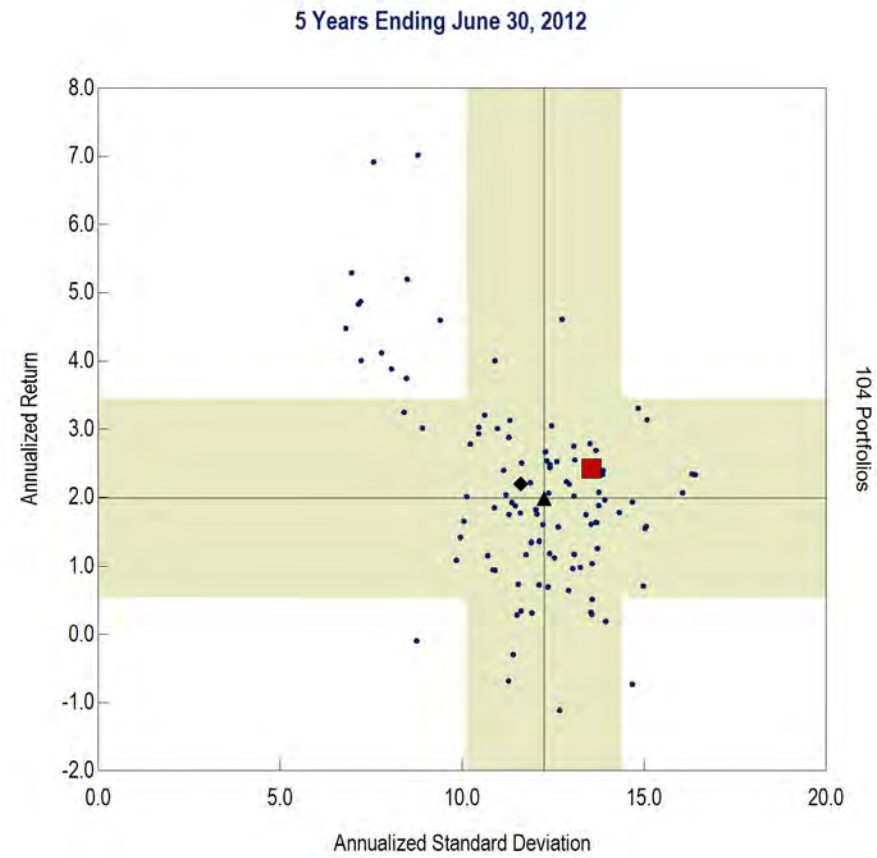
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Municipal Composite	2.42%	37	13.54%	75	0.13	39	0.15	43
Policy Index	2.20%	44	11.61%	40	0.13	38	0.16	39

### Actual vs Target Allocation (%)



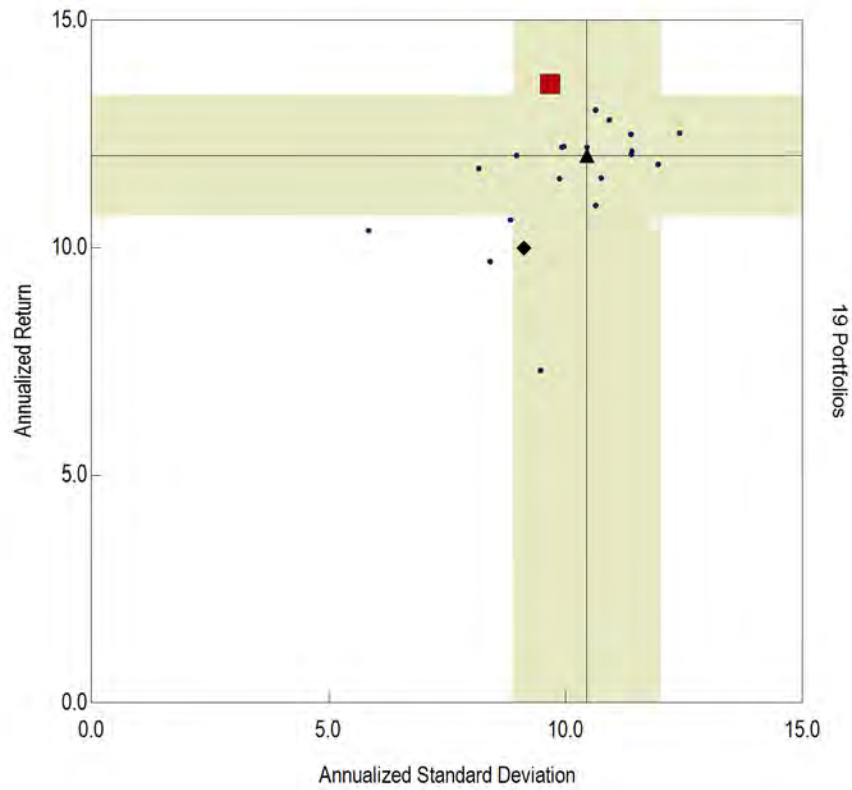


- Municipal Composite
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- ICC Public DB



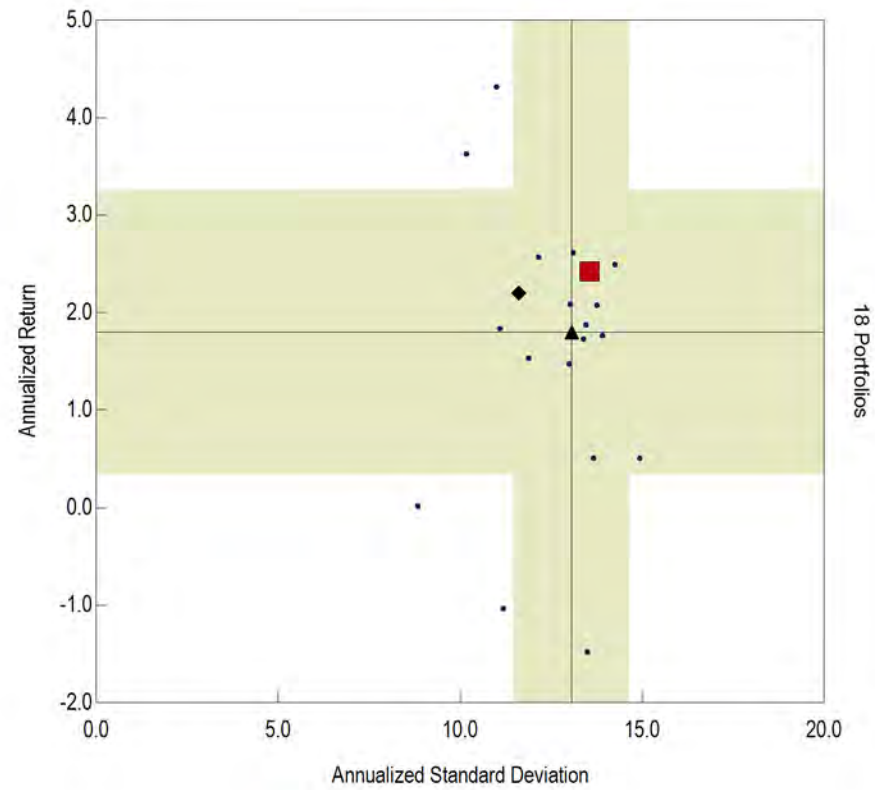
- Municipal Composite
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- ICC Public DB

3 Years Ending June 30, 2012



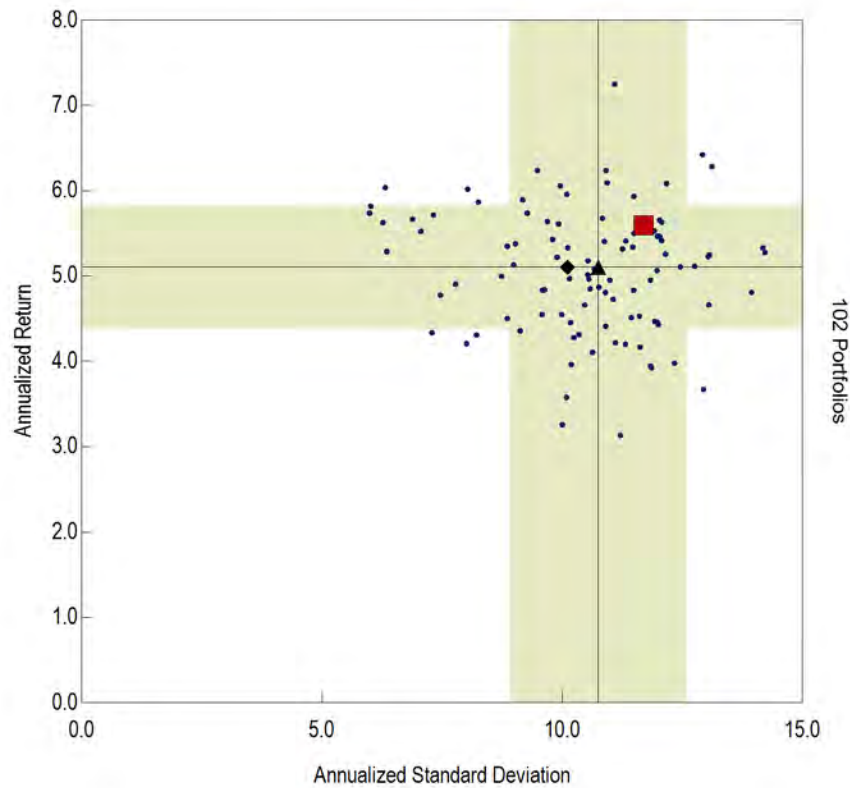
- Municipal Composite
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- IF Public DB > \$250mm Gross

5 Years Ending June 30, 2012



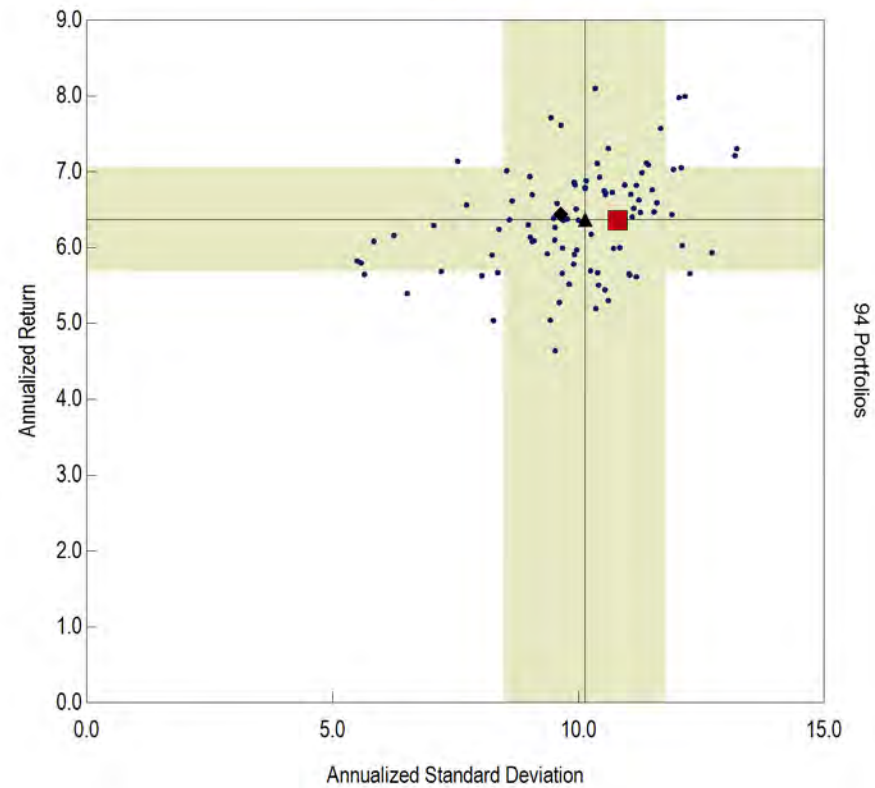
- Municipal Composite
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- IF Public DB > \$250mm Gross

7 Years Ending June 30, 2012



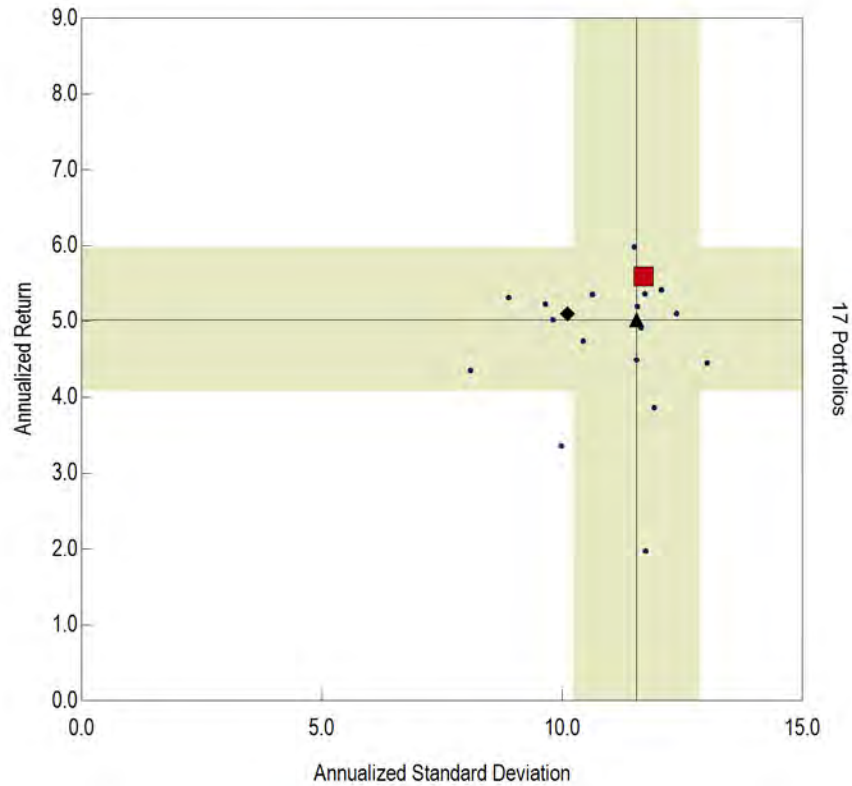
- Municipal Composite
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- ICC Public DB

10 Years Ending June 30, 2012



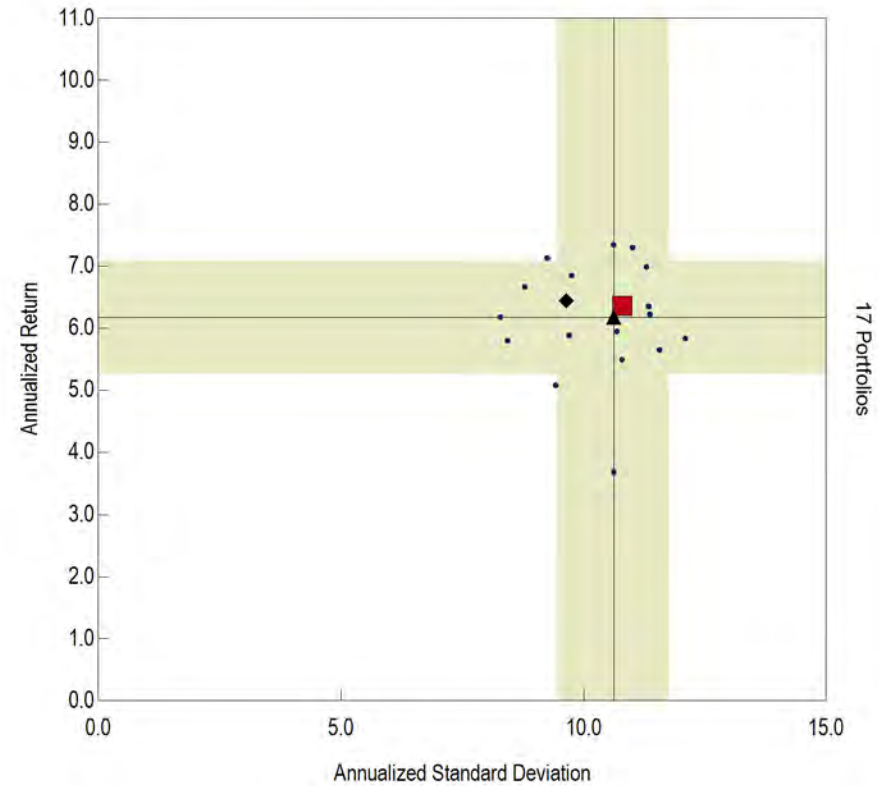
- Municipal Composite
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- ICC Public DB

7 Years Ending June 30, 2012



- Municipal Composite
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- IF Public DB > \$250mm Gross

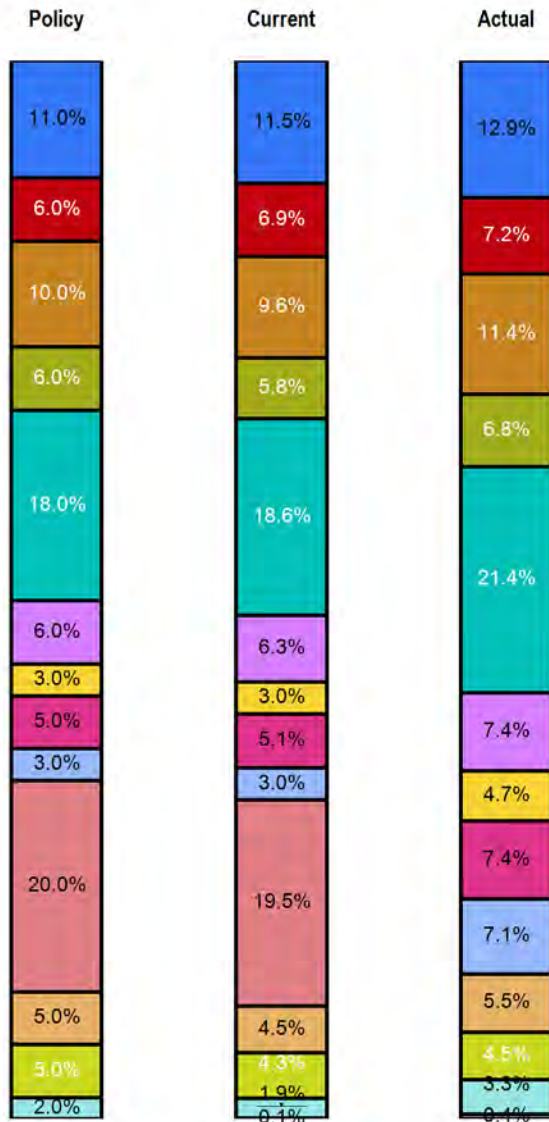
10 Years Ending June 30, 2012



- Municipal Composite
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- IF Public DB > \$250mm Gross

# Vermont Municipal Employees

## Total Fund Asset Allocation vs. Policy Targets

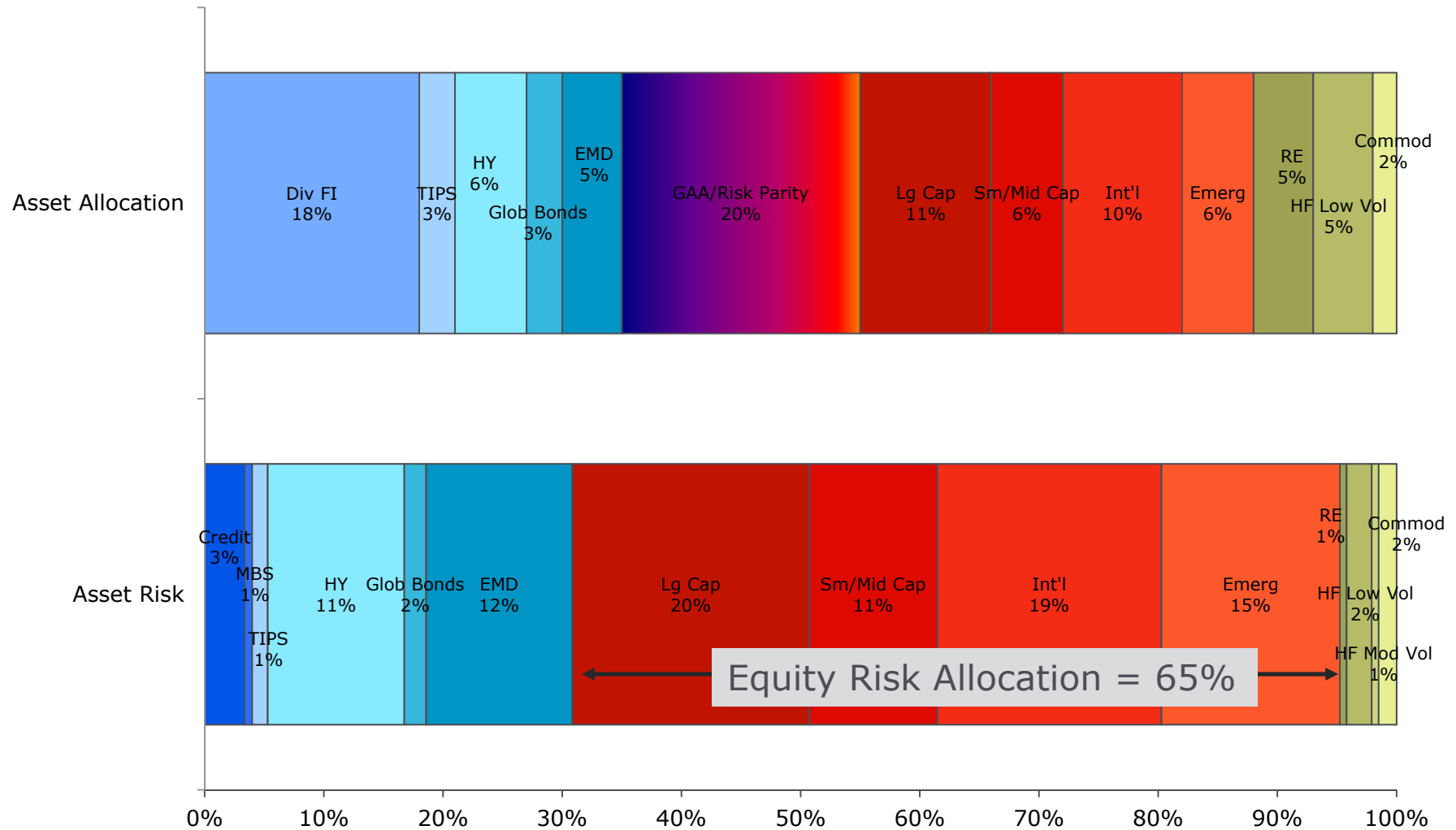


### Asset Allocation vs. Target

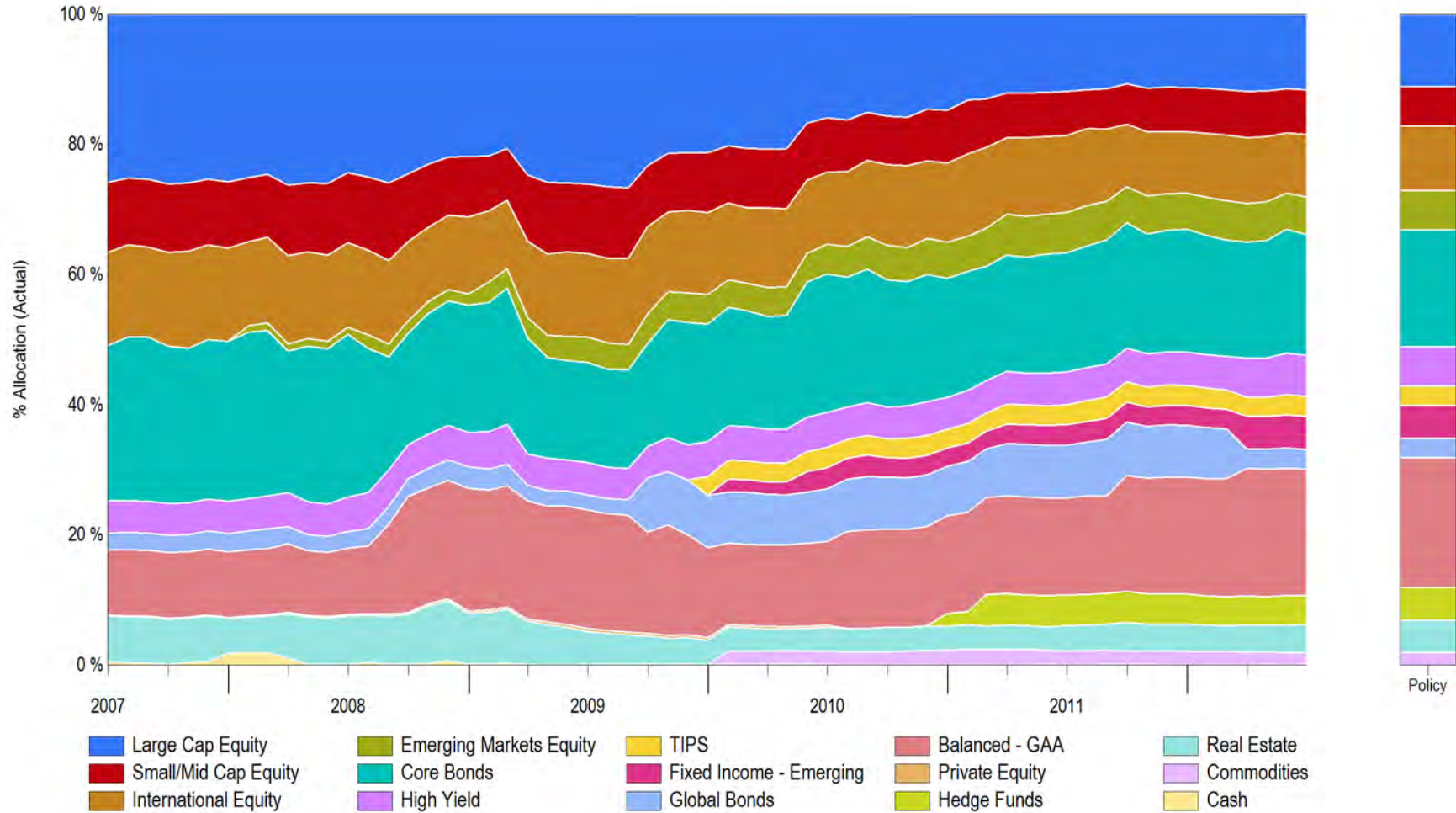
	Current	Policy	Current	Difference*
Large Cap Equity	\$47,313,841	11.0%	11.5%	0.5%
Small/Mid Cap Equity	\$28,414,656	6.0%	6.9%	0.9%
International Equity	\$39,341,146	10.0%	9.6%	-0.4%
Emerging Markets Equity	\$23,698,516	6.0%	5.8%	-0.2%
Core Bonds	\$76,252,059	18.0%	18.6%	0.6%
High Yield	\$25,785,211	6.0%	6.3%	0.3%
TIPS	\$12,480,288	3.0%	3.0%	0.0%
Fixed Income - Emerging	\$21,082,592	5.0%	5.1%	0.1%
Global Bonds	\$12,395,277	3.0%	3.0%	0.0%
Balanced - GAA	\$80,019,970	20.0%	19.5%	-0.5%
Hedge Funds	\$18,273,358	5.0%	4.5%	-0.5%
Real Estate	\$17,549,601	5.0%	4.3%	-0.7%
Commodities	\$7,650,012	2.0%	1.9%	-0.1%
Cash	\$310,979	--	0.1%	0.1%
<b>Total</b>	<b>\$410,567,505</b>	<b>100.0%</b>	<b>100.0%</b>	

\*Difference between Policy and Current Allocation

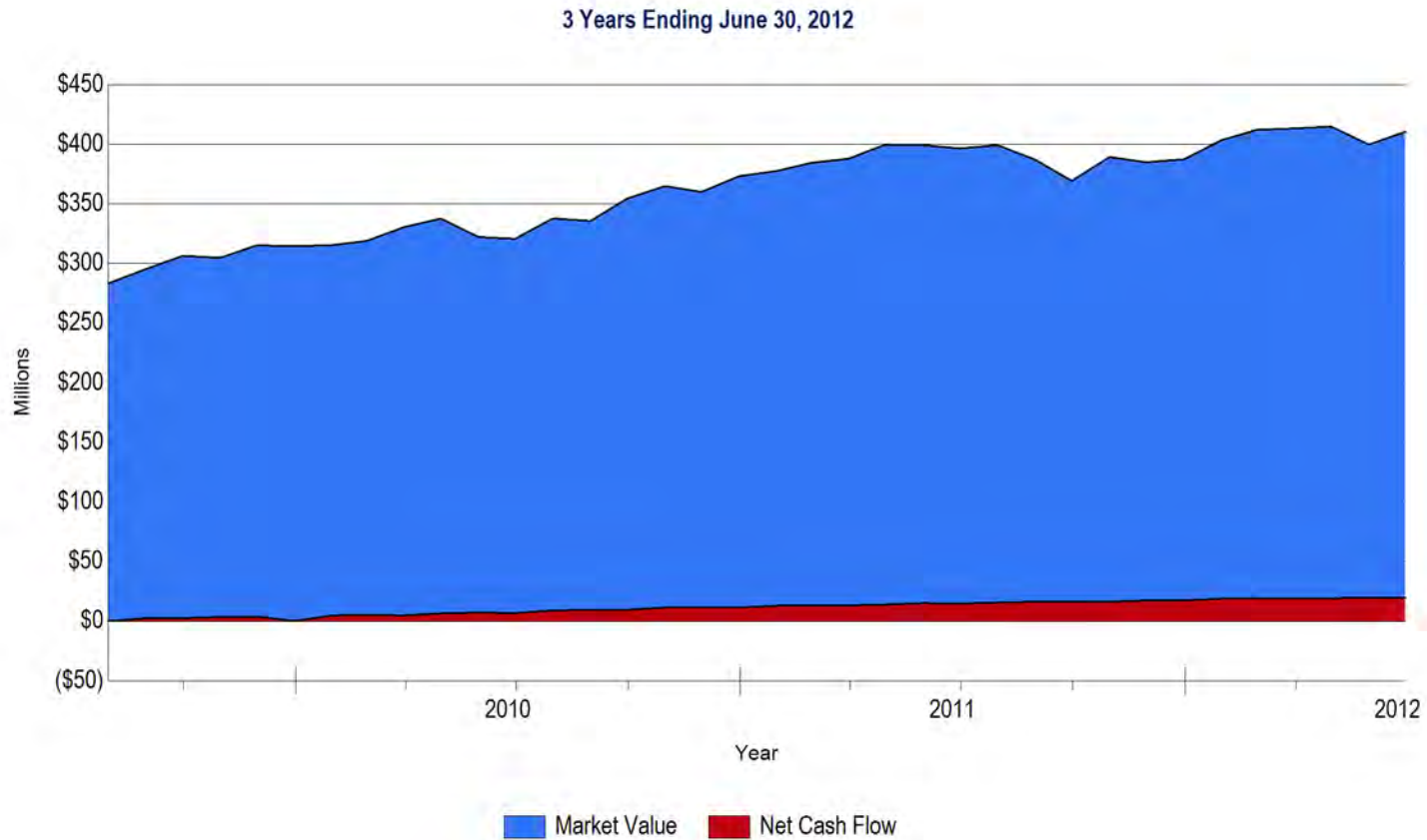




Asset Allocation History



Total Fund Asset Growth Summary



	Last Three Months	Year-To-Date	Fiscal Year-To-Date	One Year	Three Years
Beginning Market Value	\$413,358,527	\$387,418,022	\$396,503,827	\$396,503,827	\$265,852,975
- Withdrawals	-\$1,133,104	-\$40,486,083	-\$120,641,589	-\$120,641,589	-\$435,807,266
+ Contributions	\$1,994,707	\$42,869,055	\$125,646,909	\$125,646,909	\$455,535,160
= Net Cash Flow	\$861,603	\$2,382,971	\$5,005,320	\$5,005,320	\$19,727,895
+ Net Investment Change	-\$3,652,840	\$20,766,297	\$9,058,142	\$9,058,142	\$124,986,420
= Ending Market Value	\$410,567,290	\$410,567,290	\$410,567,290	\$410,567,290	\$410,567,290

**Cash Flows**  
3 Months Ending June 30, 2012

Month Ending	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	Ending Market Value
Apr-12	\$413,358,526.79	-\$917,799.61	\$1,261,880.46	\$344,080.85	\$1,174,917.79	\$414,877,525.43
May-12	\$414,877,507.74	-\$123,853.00	\$645,814.00	\$521,961.00	-\$15,613,936.70	\$399,785,532.04
Jun-12	\$399,794,974.81	-\$91,451.66	\$87,013.00	-\$4,438.66	\$10,776,753.88	\$410,567,290.03

## Vermont Municipal Employees

### Total Fund Asset Growth Summary by Manager

	Quarter Ending June 30, 2012					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
Aberdeen	\$24,774,618	\$0	\$0	\$0	-\$1,076,102	\$23,698,516
Acadian	\$17,496,670	\$0	\$0	\$0	-\$1,211,468	\$16,285,202
Allianz Structured Alpha	\$10,127,680	\$0	\$0	\$0	\$912,223	\$11,039,903
AQR Global Risk Premium	\$33,138,080	\$0	\$0	\$0	\$21,468	\$33,159,548
Barclays TIPS	\$12,098,129	\$0	\$0	\$0	\$382,160	\$12,480,288
Brandywine	\$353,327	-\$399,142	\$45,814	-\$353,328	\$1	\$0
Champlain	\$8,901,547	\$0	\$0	\$0	-\$323,608	\$8,577,939
GAM	\$3,719,209	\$0	\$0	\$0	-\$51,156	\$3,668,053
Grosvenor	\$7,341,722	\$0	\$0	\$0	-\$78,861	\$7,262,861
KDP	\$4,103,592	\$0	\$0	\$0	\$21,173	\$4,124,765
Mellon Global Expanded Alpha	\$8,142,629	\$0	\$0	\$0	-\$239,209	\$7,903,421
Mondrian	\$16,075,128	\$0	\$600,000	\$600,000	-\$1,010,163	\$15,664,965
Mondrian GFI	\$12,188,089	\$0	\$0	\$0	\$207,188	\$12,395,277
Morgan Stanley Prime Property	\$7,263,696	\$0	\$0	\$0	\$200,512	\$7,464,208
Permal	\$7,417,986	\$0	\$0	\$0	-\$75,541	\$7,342,445
PIMCO All Asset	\$23,172,609	\$0	\$0	\$0	-\$152,545	\$23,020,064
PIMCO Core Plus	\$26,168,259	\$0	\$0	\$0	\$705,627	\$26,873,885
PIMCO Stocks Plus	\$25,614	-\$25,147	\$0	-\$25,147	-\$467	--
PIMCO Unconstrained	\$25,954,626	\$0	\$0	\$0	\$366,102	\$26,320,729
Post Advisory	\$20,724,358	\$0	\$600,000	\$600,000	\$336,087	\$21,660,445
RREEF America REIT III	\$2,794,859	\$0	\$0	\$0	\$238,011	\$3,032,870
Schroder	\$8,175,190	\$0	\$0	\$0	-\$525,178	\$7,650,012
SSgA ACWI Ex US	\$7,987,405	\$0	\$0	\$0	-\$596,426	\$7,390,979
SSgA Russell 2000 Growth	\$8,968,557	\$0	\$0	\$0	-\$351,157	\$8,617,401
SSgA S&P 400	\$2,543,638	\$0	\$0	\$0	-\$123,872	\$2,419,765

## Vermont Municipal Employees

### Total Fund Asset Growth Summary by Manager

	Quarter Ending June 30, 2012					
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	Ending Market Value
SSgA S&P 500 Cap-Wgt	\$21,740,491	\$0	\$0	\$0	-\$594,795	\$21,145,697
SSgA S&P 500 Equal-Wgt	\$13,432,661	\$0	\$0	\$0	-\$574,814	\$12,857,847
T. Rowe	\$13,781,342	\$0	\$0	\$0	-\$471,045	\$13,310,297
Transwestern / Aslan III	\$81,853	\$0	\$0	\$0	\$0	\$81,853
UBS Trumbull	\$6,810,721	\$0	\$0	\$0	\$159,734	\$6,970,455
Vermont Cash	\$264,710	-\$703,496	\$748,893	\$45,398	\$872	\$310,979
Wellington	\$9,006,150	\$0	\$0	\$0	-\$206,599	\$8,799,552
Wellington DAS	\$11,353,358	\$0	\$0	\$0	\$664,184	\$12,017,542
Wellington OIF	\$16,572,064	\$0	\$0	\$0	-\$635,127	\$15,936,937
Wellington Opportunistic EMD	\$20,657,942	\$0	\$0	\$0	\$424,650	\$21,082,592
<b>Total</b>	<b>\$413,358,509</b>	<b>-\$1,127,785</b>	<b>\$1,994,707</b>	<b>\$866,923</b>	<b>-\$3,658,141</b>	<b>\$410,567,290</b>

# Vermont Municipal Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	2012 Q2 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Municipal Composite</b>	<b>410,567,487</b>	<b>100.0</b>	<b>-0.9</b>	<b>12</b>	<b>5.4</b>	<b>62</b>	<b>2.4</b>	<b>27</b>	<b>13.6</b>	<b>5</b>	<b>2.4</b>	<b>37</b>
<i>Policy Index</i>			-1.4	25	4.4	95	0.9	63	10.0	82	2.2	44
<i>Allocation Index</i>			-1.7	42	3.9	99	0.2	84	10.4	71	2.1	45
<i>ICC Public DB Median</i>			-1.8		5.7		1.2		11.5		2.0	
<b>Large Cap Comp</b>	<b>47,313,841</b>	<b>11.5</b>	<b>-3.4</b>	<b>34</b>	<b>9.1</b>	<b>40</b>	<b>3.4</b>	<b>43</b>	<b>18.4</b>	<b>12</b>	<b>1.3</b>	<b>45</b>
<i>S&amp;P 500</i>			-2.8	25	9.5	33	5.4	24	16.4	34	0.2	64
<i>eA US Large Cap Equity Gross Median</i>			-4.3		8.4		2.7		15.4		1.0	
T. Rowe	13,310,297	3.2	-3.4	35	9.8	29	5.5	23	16.0	40	0.9	51
SSgA S&P 500 Cap-Wgt	21,145,697	5.2	-2.7	24	9.5	33	5.5	24	--	--	--	--
<i>S&amp;P 500</i>			-2.8	25	9.5	33	5.4	24	16.4	34	0.2	64
SSgA S&P 500 Equal-Wgt	12,857,847	3.1	-4.3	51	7.8	60	-0.2	76	19.5	6	1.1	47
<i>S&amp;P 500 Equal Weighted</i>			-4.0	47	8.1	55	-0.1	75	19.4	6	1.6	39
<b>Small/Mid Cap Comp</b>	<b>28,414,656</b>	<b>6.9</b>	<b>-3.4</b>	<b>24</b>	<b>8.0</b>	<b>40</b>	<b>0.1</b>	<b>26</b>	<b>20.3</b>	<b>33</b>	<b>2.8</b>	<b>41</b>
<i>Russell 2000</i>			-3.5	25	8.5	33	-2.1	45	17.8	65	0.5	68
<i>eA US Small-Mid Cap Equity Gross Median</i>			-5.0		7.1		-2.9		18.8		2.0	
SSgA S&P 400	2,419,765	0.6	-4.9	50	8.0	47	--	--	--	--	--	--
<i>S&amp;P 400 MidCap</i>			-4.9	50	7.9	49	-2.3	49	19.4	38	2.5	44
<i>eA US Mid Cap Equity Gross Median</i>			-4.9		7.8		-2.4		18.5		2.1	
Champlain	8,577,939	2.1	-3.6	21	7.6	57	0.7	21	--	--	--	--
<i>Russell 2500</i>			-4.1	29	8.3	40	-2.3	49	19.1	40	1.2	60
<i>eA US Mid Cap Equity Gross Median</i>			-4.9		7.8		-2.4		18.5		2.1	
Wellington	8,799,552	2.1	-2.3	15	7.5	44	2.8	11	22.0	15	4.3	9
<i>Russell 2000 Value</i>			-3.0	24	8.2	33	-1.4	41	17.4	70	-1.0	89
<i>eA US Small Cap Value Equity Gross Median</i>			-4.4		7.1		-2.0		18.5		1.3	
SSgA Russell 2000 Growth	8,617,401	2.1	-3.9	33	8.9	43	-2.6	42	18.2	67	2.0	55
<i>Russell 2000 Growth</i>			-3.9	33	8.8	45	-2.7	42	18.1	69	2.0	55
<i>eA US Small Cap Growth Equity Gross Median</i>			-4.9		8.5		-3.5		19.6		2.3	

# Vermont Municipal Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	2012 Q2 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Int'l Equity Comp</b>	<b>39,341,146</b>	<b>9.6</b>	<b>-6.7</b>	<b>52</b>	<b>2.1</b>	<b>86</b>	<b>-13.0</b>	<b>56</b>	<b>7.0</b>	<b>75</b>	<b>-6.3</b>	<b>82</b>
<i>MSCI EAFE</i>			-7.1	62	3.0	79	-13.8	70	6.0	87	-6.1	81
<i>eA All EAFE Equity Gross Median</i>			-6.6		4.9		-12.3		8.7		-4.5	
Acadian	16,285,202	4.0	-6.9	57	3.8	65	-14.7	77	7.4	70	-8.0	95
Mondrian	15,664,965	3.8	-6.2	37	0.1	95	-10.8	37	6.8	77	-4.5	50
<i>MSCI EAFE</i>			-7.1	62	3.0	79	-13.8	70	6.0	87	-6.1	81
SSgA ACWI Ex US	7,390,979	1.8	-7.5	59	2.9	86	-14.3	80	--	--	--	--
<i>MSCI ACWI ex USA</i>			-7.6	64	2.8	87	-14.6	81	7.0	83	-4.6	74
<i>eA ACWI ex-US All Cap Equity Gross Median</i>			-7.0		4.8		-12.1		10.3		-3.6	
<b>Emerging Market Comp</b>	<b>23,698,516</b>	<b>5.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Aberdeen	23,698,516	5.8	-4.3	3	9.9	5	-3.3	4	18.8	6	--	--
<i>MSCI Emerging Markets</i>			-8.9	55	3.9	63	-15.9	59	9.8	64	-0.1	56
<i>eA Emg Mkts Equity Gross Median</i>			-8.5		4.8		-15.5		11.2		0.3	



# Vermont Municipal Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	2012 Q2 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Core Fixed</b>	<b>76,252,059</b>	<b>18.6</b>	<b>3.6</b>	<b>1</b>	<b>4.5</b>	<b>6</b>	<b>9.6</b>	<b>8</b>	<b>11.2</b>	<b>3</b>	<b>5.9</b>	<b>92</b>
Barclays Aggregate			2.1	65	2.4	88	7.5	72	6.9	82	6.8	79
eA US Core Fixed Inc Gross Median			2.2		3.2		8.0		8.0		7.4	
Allianz Structured Alpha	11,039,903	2.7	9.0	1	7.7	1	8.2	42	13.1	2	--	--
Citigroup 10 Year Treasury			5.8	1	3.5	36	17.4	1	9.0	20	9.3	1
PIMCO Core Plus	26,873,885	6.5	2.7	7	4.4	6	9.0	17	--	--	--	--
Barclays Aggregate			2.1	65	2.4	88	7.5	72	6.9	82	6.8	79
PIMCO Unconstrained	26,320,729	6.4	1.4	95	2.8	74	6.0	93	--	--	--	--
25% HY, 25% EMD, 50% BC Agg			2.1	59	4.9	4	8.4	33	10.9	4	8.1	21
3-Month Libor Total Return USD			0.1	99	0.3	99	0.4	99	0.4	99	1.5	99
Wellington DAS	12,017,542	2.9	5.9	1	5.6	1	21.1	1	11.8	2	--	--
Wellington Custom Benchmark			9.6	1	3.8	19	28.9	1	13.1	2	10.4	1
<b>High Yield Comp</b>	<b>25,785,211</b>	<b>6.3</b>	<b>1.4</b>	<b>67</b>	<b>6.9</b>	<b>50</b>	<b>7.6</b>	<b>39</b>	<b>13.9</b>	<b>76</b>	<b>8.3</b>	<b>35</b>
Barclays High Yield			1.8	35	7.3	39	7.3	48	16.3	32	8.4	31
eA US High Yield Fixed Inc Gross Median			1.6		6.9		7.1		15.3		7.9	
Post Advisory	21,660,445	5.3	1.6	54	7.2	42	7.5	44	14.1	68	8.4	31
KDP	4,124,765	1.0	0.5	92	5.8	81	8.7	14	--	--	--	--
Barclays High Yield			1.8	35	7.3	39	7.3	48	16.3	32	8.4	31
BofA Merrill Lynch US High Yield BB-B Rated			2.0	24	6.5	65	7.1	50	14.4	63	7.5	59
<b>Global Fixed Income Comp</b>	<b>12,395,277</b>	<b>3.0</b>	<b>1.7</b>	<b>19</b>	<b>3.3</b>	<b>49</b>	<b>5.5</b>	<b>35</b>	<b>10.2</b>	<b>31</b>	<b>9.4</b>	<b>12</b>
Citigroup WGBI			0.9	53	0.4	97	2.7	67	5.4	92	7.3	51
eA All Global Fixed Inc Gross Median			1.0		3.2		4.2		8.2		7.4	
Mondrian GFI	12,395,277	3.0	1.7	18	1.8	78	2.8	66	7.6	59	9.4	12
Citigroup WGBI			0.9	53	0.4	97	2.7	67	5.4	92	7.3	51
<b>Emerging Market Debt</b>	<b>21,082,592</b>	<b>5.1</b>										
Wellington Opportunistic EMD	21,082,592	5.1	2.1	13	8.1	33	10.5	10	--	--	--	--
JP Morgan EMBI Global TR			2.5	8	7.4	49	10.9	7	13.5	56	9.4	46
eA All Emg Mkts Fixed Inc Gross Median			0.5		7.4		4.4		14.0		9.2	
<b>TIPS</b>	<b>12,480,288</b>	<b>3.0</b>										
Barclays TIPS	12,480,288	3.0	3.2	--	4.0	--	11.7	--	--	--	--	--
Barclays US TIPS			3.2	--	4.0	--	11.7	--	9.6	--	8.4	--

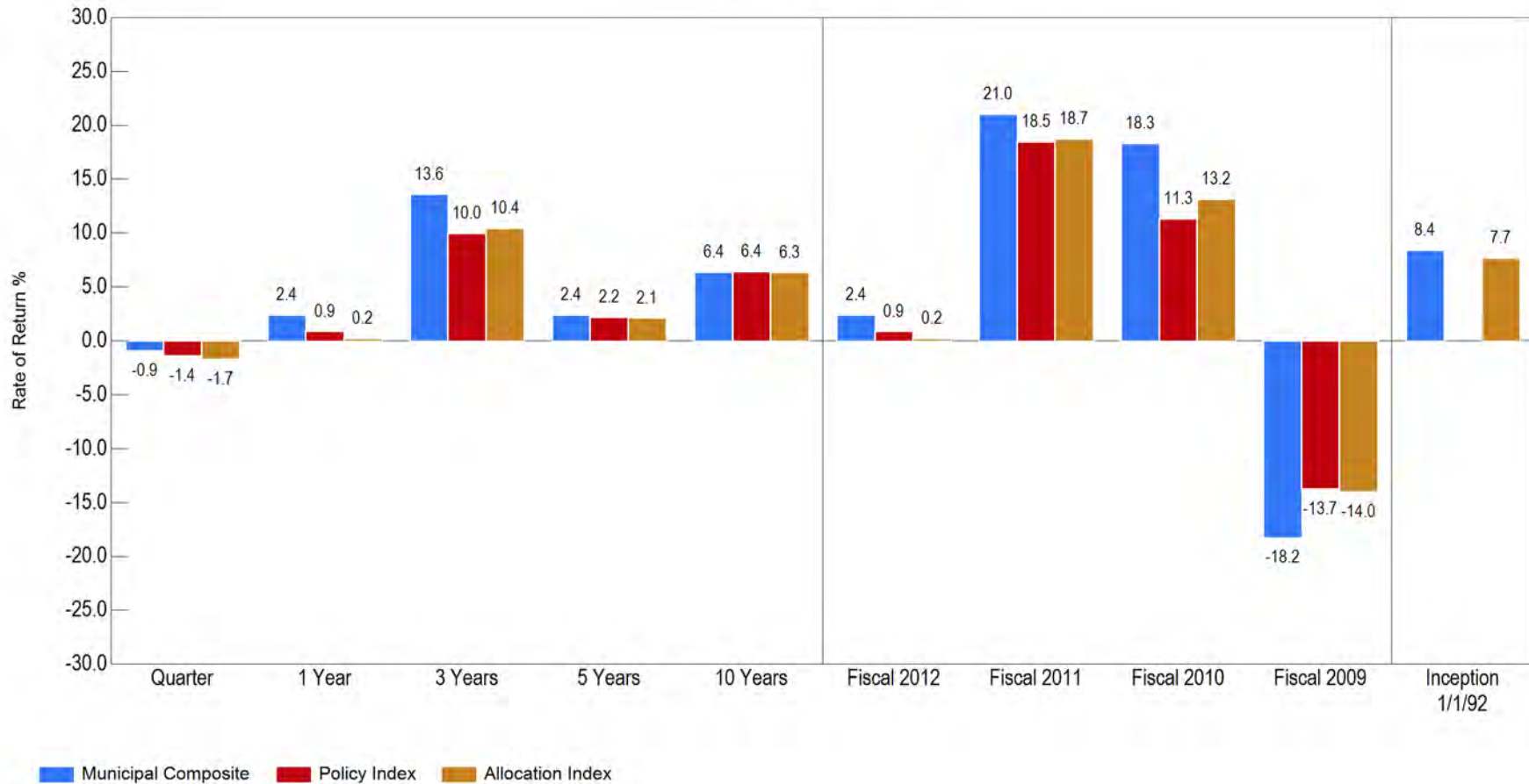
# Vermont Municipal Employees

## Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	2012 Q2 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
<b>Total Real Estate</b>	<b>17,549,582</b>	<b>4.3</b>										
Morgan Stanley Prime Property	7,464,205	1.8	2.7	--	5.6	--	14.8	--	8.4	--	-1.2	--
UBS Trumbull	6,970,655	1.7	2.3	--	5.4	--	11.2	--	8.9	--	0.9	--
RREEF America REIT III	3,032,870	0.7	8.7	--	12.6	--	20.7	--	12.4	--	-15.7	--
Transwestern / Aslan III	81,853	0.0	0.0	--	0.6	--	-12.6	--	-24.6	--	-46.3	--
<i>NCREIF Property Index</i>			2.7	--	5.3	--	12.0	--	8.8	--	2.5	--
<b>Hedge Fund Comp</b>	<b>18,273,358</b>	<b>4.5</b>	<b>-1.1</b>	<b>33</b>	<b>3.2</b>	<b>20</b>	<b>-2.3</b>	<b>43</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>eA HFN FOF - Multi-Strategy Net Median</i>			-1.7		1.8		-3.2		3.8		0.1	
Grosvenor	7,262,861	1.8	-1.1	33	3.1	23	-2.1	42	--	--	--	--
GAM	3,668,053	0.9	-1.4	39	2.7	28	-0.6	24	--	--	--	--
Permal	7,342,445	1.8	-1.0	31	3.6	14	-3.2	50	--	--	--	--
<i>HFRI Fund of Funds Composite Index</i>			-2.3	64	1.0	64	-4.5	67	2.2	71	-2.0	79
<b>GAA Comp</b>	<b>80,019,970</b>	<b>19.5</b>	<b>-1.2</b>	<b>40</b>	<b>5.1</b>	<b>47</b>	<b>1.3</b>	<b>43</b>	<b>13.6</b>	<b>23</b>	<b>4.5</b>	<b>30</b>
<i>eA Global TAA Gross Median</i>			-1.8		4.8		-0.5		10.1		2.3	
Mellon Global Expanded Alpha	7,903,421	1.9	-2.9	62	3.0	71	-1.0	54	13.6	23	0.1	84
<i>Mellon CF GEA Index</i>			-3.8	82	2.4	75	-6.4	85	7.5	86	0.9	74
AQR Global Risk Premium	33,159,548	8.1	0.1	14	5.2	47	5.2	18	--	--	--	--
<i>60% MSCI World / 40% CITI WGBI</i>			-2.5	58	4.1	59	-1.2	57	9.4	64	1.9	59
PIMCO All Asset	23,020,064	5.6	-0.6	24	5.8	31	3.8	27	12.2	37	7.0	10
<i>PIMCO All Asset Index</i>			1.4	9	4.2	59	7.4	14	9.7	61	6.9	12
Wellington OIF	15,936,937	3.9	-3.8	82	5.6	37	-8.3	94	8.8	76	--	--
<i>65% MSCI ACWI (Net) / 35% BC Agg</i>			-2.8	60	4.7	54	-1.3	58	9.9	57	1.1	73
<b>Commodities</b>	<b>7,650,012</b>	<b>1.9</b>										
Schroder	7,650,012	1.9	-6.4	17	-3.4	34	-10.7	1	--	--	--	--
<i>Dow Jones-UBS Commodity Index TR</i>			-4.5	2	-3.7	37	-14.3	2	3.5	99	-3.7	1
<i>eA Commodities Gross Median</i>			-10.9		-5.4		-20.9		10.5		-5.3	
<b>Cash</b>	<b>310,979</b>	<b>0.1</b>										
Vermont Cash	310,979	0.1	0.0	--	0.1	--	0.1	--	0.2	--	1.3	--
<i>91 Day T-Bills</i>			0.0	--	0.0	--	0.0	--	0.1	--	0.7	--
<b>Eqty Composite</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

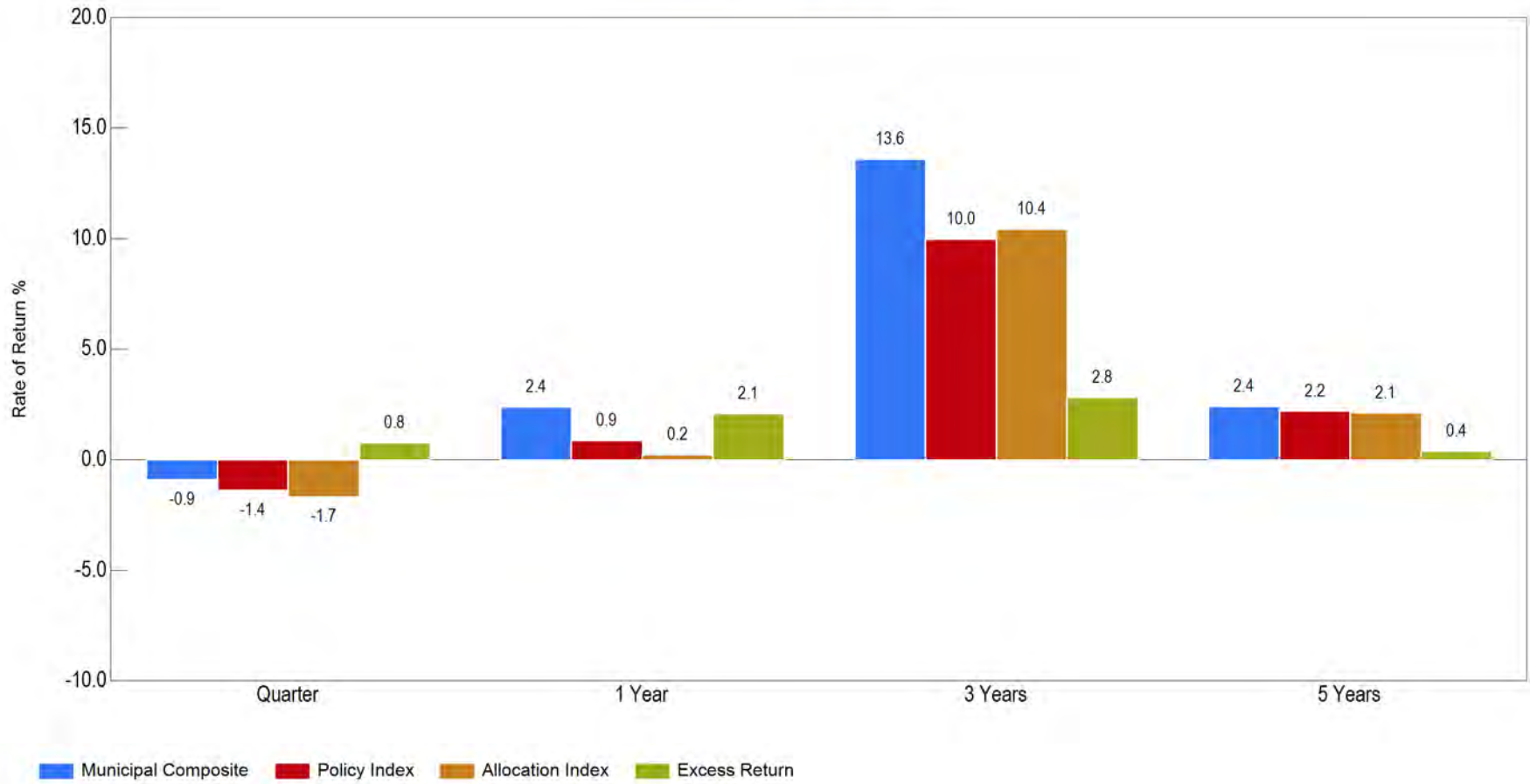
Vermont Municipal Employees  
**Total Fund Return Summary**

Return Summary Gross

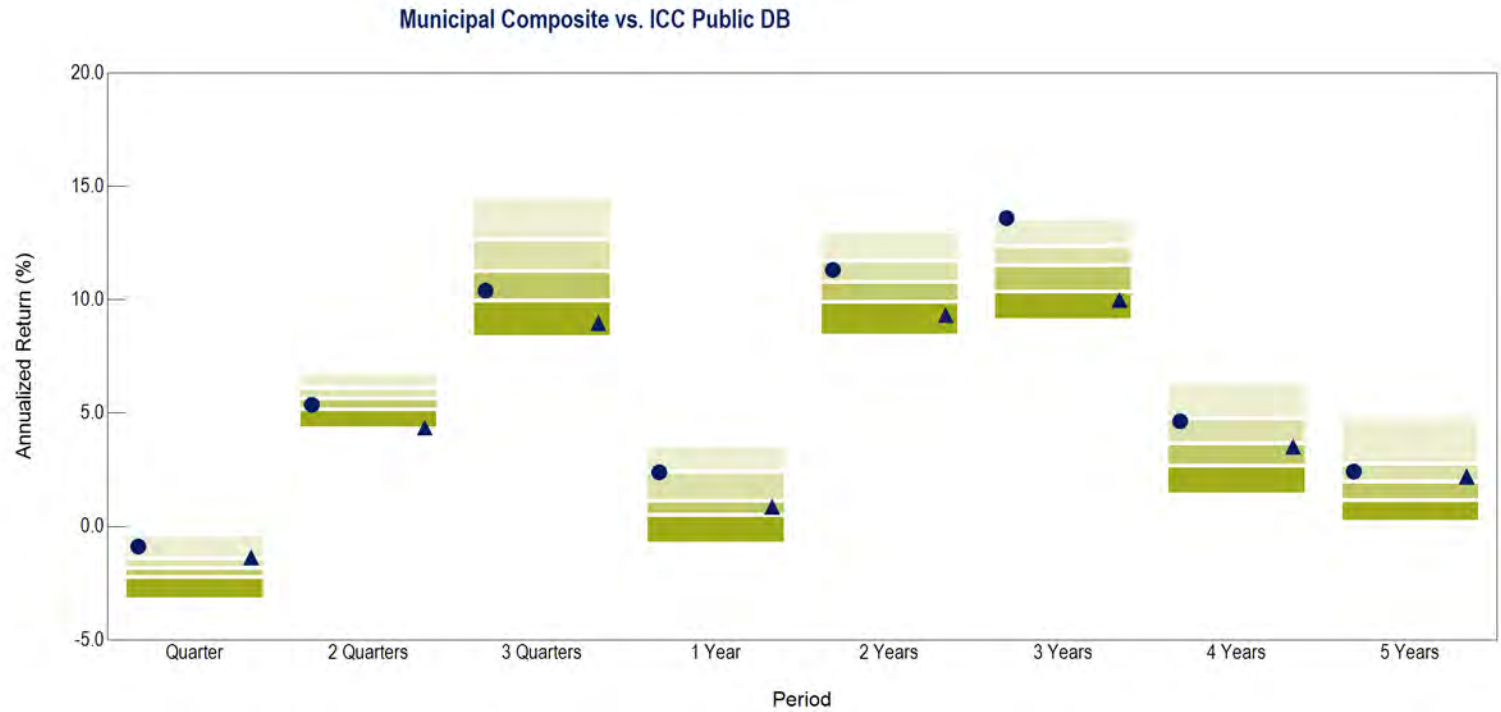


Vermont Municipal Employees  
**Total Fund Return Summary**

Return Summary Gross

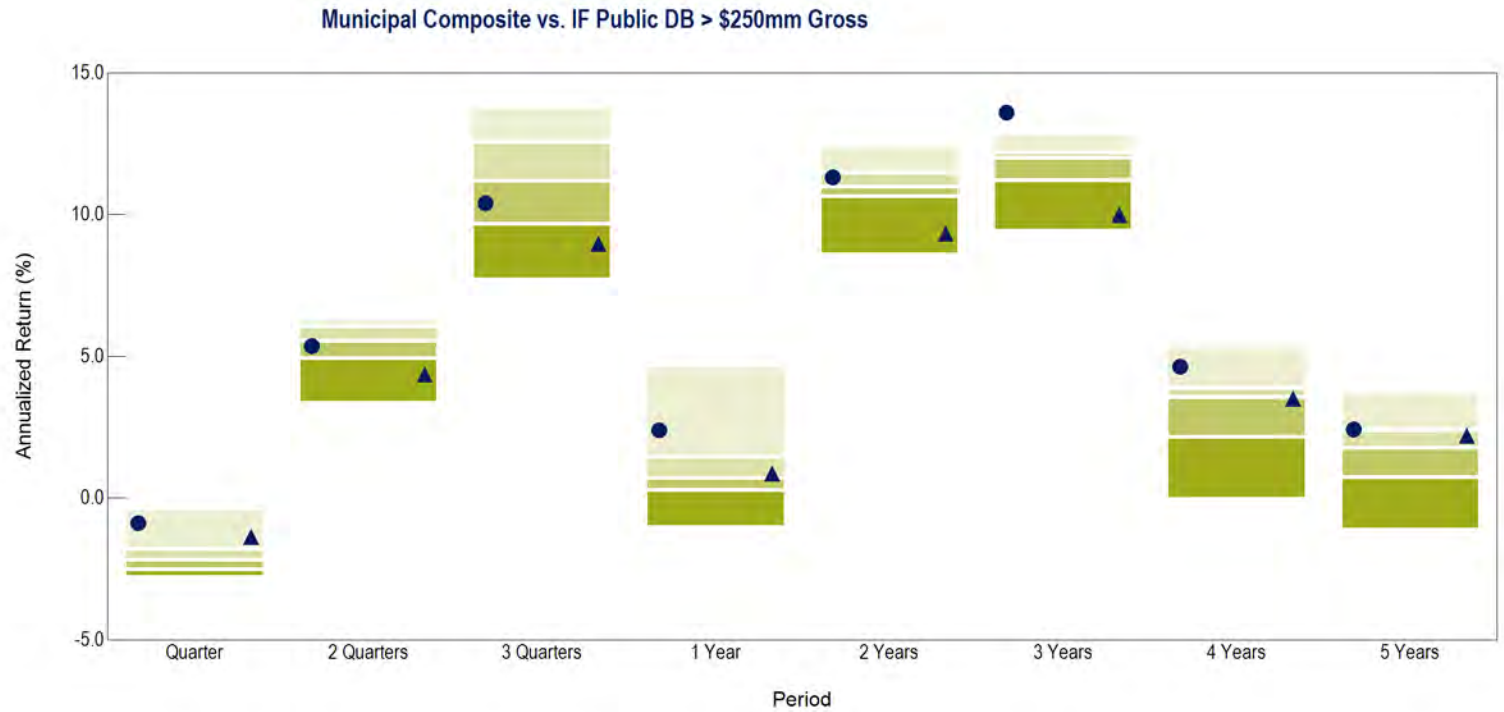


Total Fund Return Summary vs. Peer Universe



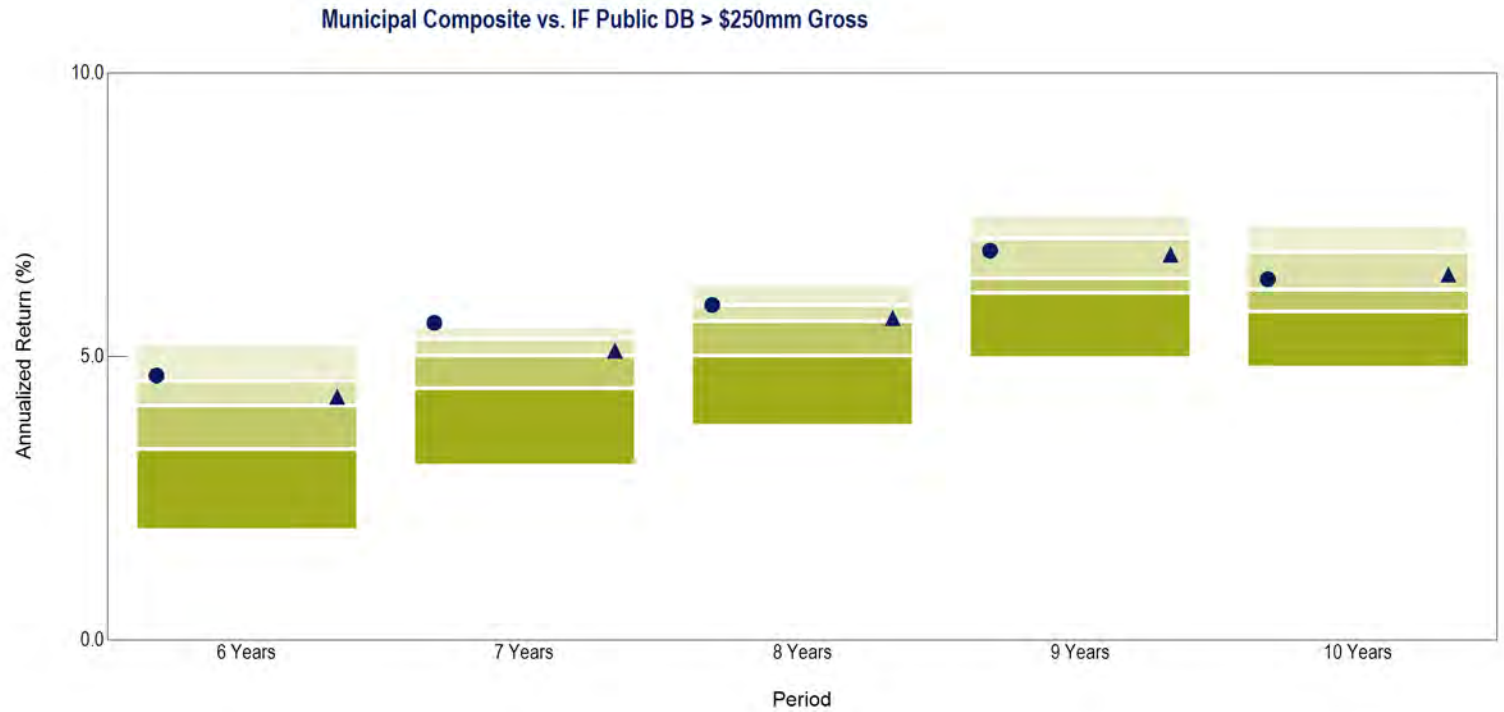
	Return (Rank)															
5th Percentile	-0.4	(12)	6.8	(62)	14.5	(65)	3.6	(27)	13.0	(41)	13.6	(5)	6.3	(27)	4.8	(37)
25th Percentile	-1.4	(25)	6.1	(95)	12.7	(92)	2.4	(63)	11.7	(85)	12.4	(82)	4.8	(58)	2.8	(44)
Median	-1.8		5.7		11.3		1.2		10.8		11.5		3.7		2.0	
75th Percentile	-2.2		5.2		10.0		0.5		9.9		10.4		2.7		1.2	
95th Percentile	-3.2		4.3		8.4		-0.7		8.4		9.1		1.4		0.2	
# of Portfolios	113		112		112		112		109		108		107		104	
● Municipal Composite	-0.9	(12)	5.4	(62)	10.4	(65)	2.4	(27)	11.3	(41)	13.6	(5)	4.6	(27)	2.4	(37)
▲ Policy Index	-1.4	(25)	4.4	(95)	9.0	(92)	0.9	(63)	9.3	(85)	10.0	(82)	3.5	(58)	2.2	(44)

Total Fund Return Summary vs. Peer Universe



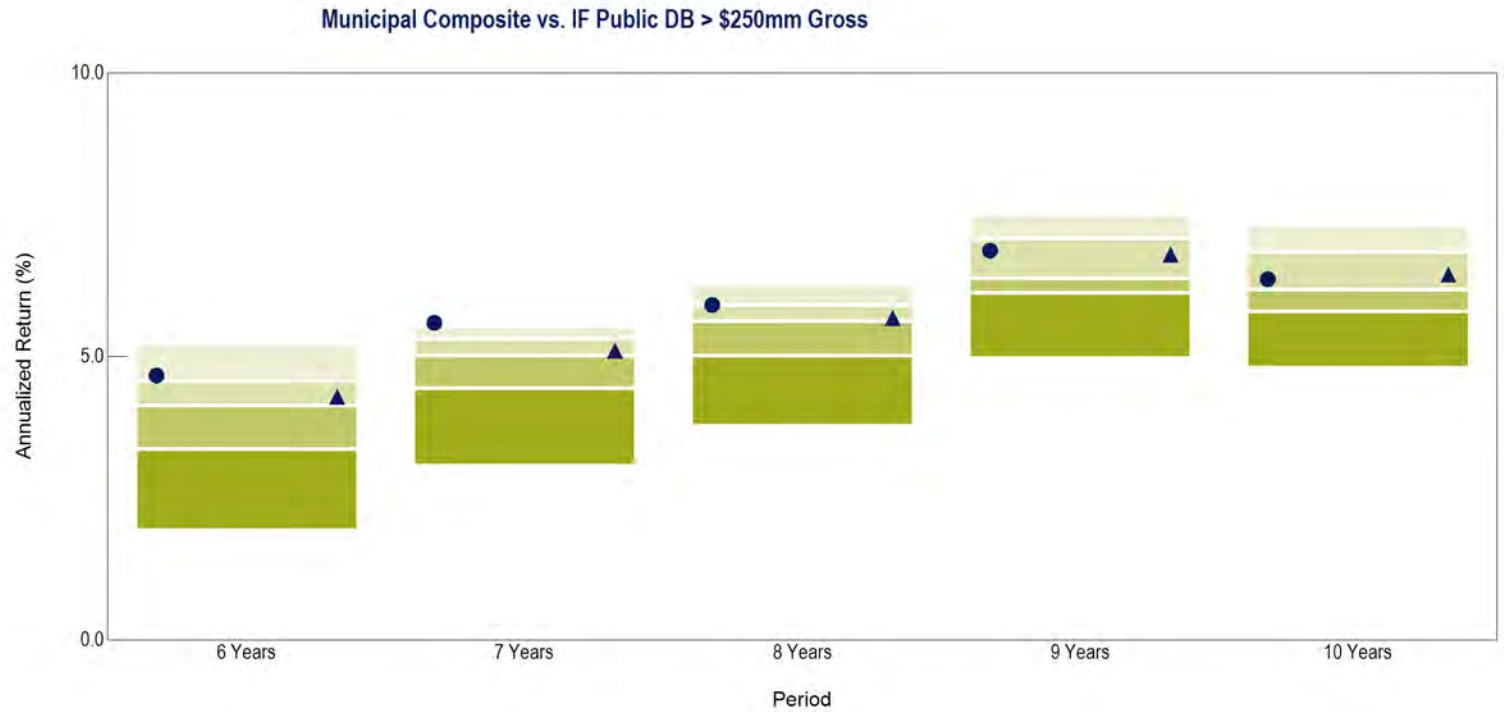
	Return (Rank)		Return (Rank)		Return (Rank)		Return (Rank)		Return (Rank)		Return (Rank)		Return (Rank)	
5th Percentile	-0.4	(8)	6.3	(58)	13.8	(70)	4.7	(20)	12.4	(37)	12.8	(1)	5.4	(13)
25th Percentile	-1.8	(16)	6.1	(91)	12.6	(80)	1.5	(45)	11.5	(89)	12.2	(93)	3.9	(57)
Median	-2.2		5.6		11.2		0.7		11.0		12.0		3.6	
75th Percentile	-2.5		4.9		9.7		0.3		10.7		11.2		2.2	
95th Percentile	-2.8		3.4		7.7		-1.0		8.6		9.4		0.0	
# of Portfolios	25		24		24		23		19		19		19	
● Municipal Composite	-0.9	(8)	5.4	(58)	10.4	(70)	2.4	(20)	11.3	(37)	13.6	(1)	4.6	(13)
▲ Policy Index	-1.4	(16)	4.4	(91)	9.0	(80)	0.9	(45)	9.3	(89)	10.0	(93)	3.5	(57)

Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
5th Percentile	5.2		5.5		6.3		7.5		7.3	
25th Percentile	4.6		5.3		5.9		7.1		6.8	
Median	4.1		5.0		5.6		6.4		6.2	
75th Percentile	3.4		4.4		5.0		6.1		5.8	
95th Percentile	1.9		3.1		3.8		5.0		4.8	
# of Portfolios	18		17		17		17		17	
● Municipal Composite	4.7	(20)	5.6	(5)	5.9	(26)	6.9	(30)	6.4	(38)
▲ Policy Index	4.3	(38)	5.1	(44)	5.7	(44)	6.8	(32)	6.4	(36)

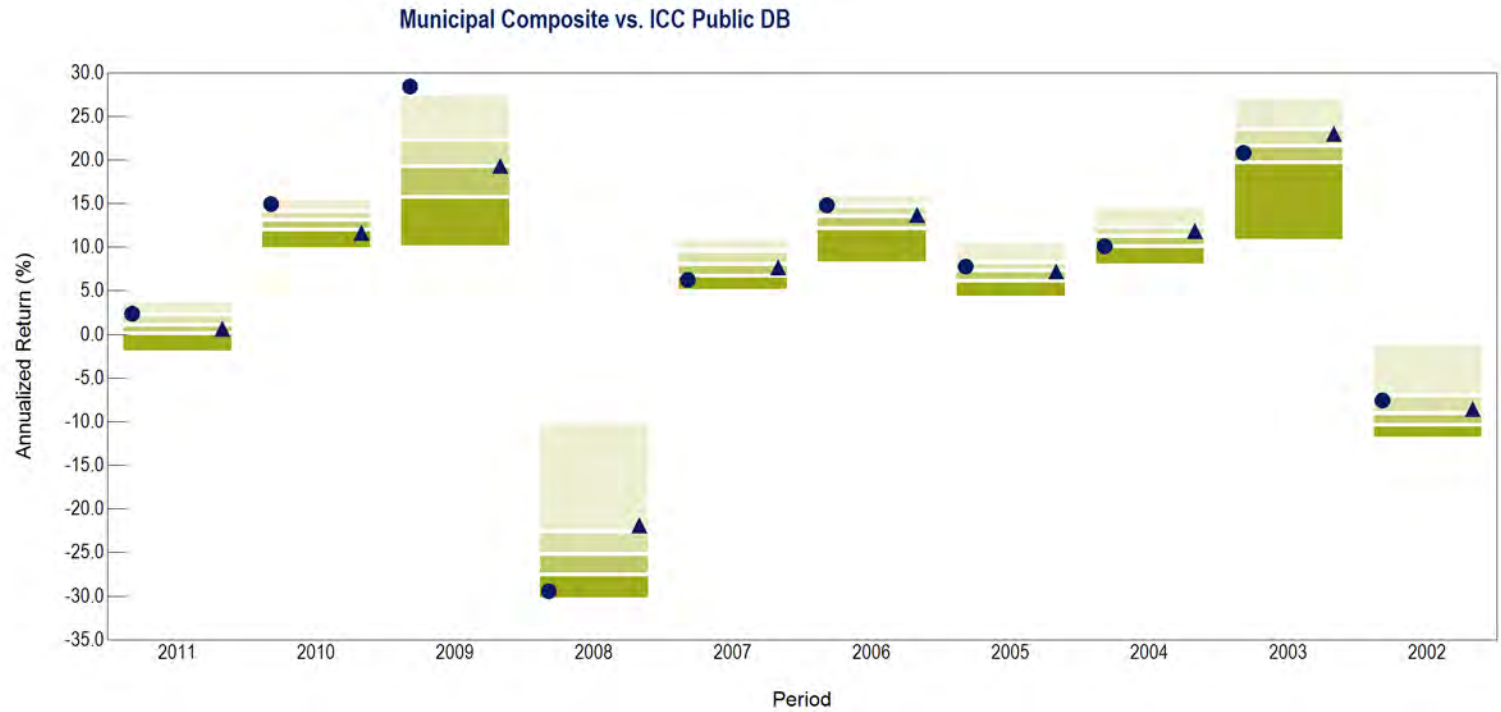
Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
5th Percentile	5.2		5.5		6.3		7.5		7.3	
25th Percentile	4.6		5.3		5.9		7.1		6.8	
Median	4.1		5.0		5.6		6.4		6.2	
75th Percentile	3.4		4.4		5.0		6.1		5.8	
95th Percentile	1.9		3.1		3.8		5.0		4.8	
# of Portfolios	18		17		17		17		17	
● Municipal Composite	4.7	(20)	5.6	(5)	5.9	(26)	6.9	(30)	6.4	(38)
▲ Policy Index	4.3	(38)	5.1	(44)	5.7	(44)	6.8	(32)	6.4	(36)

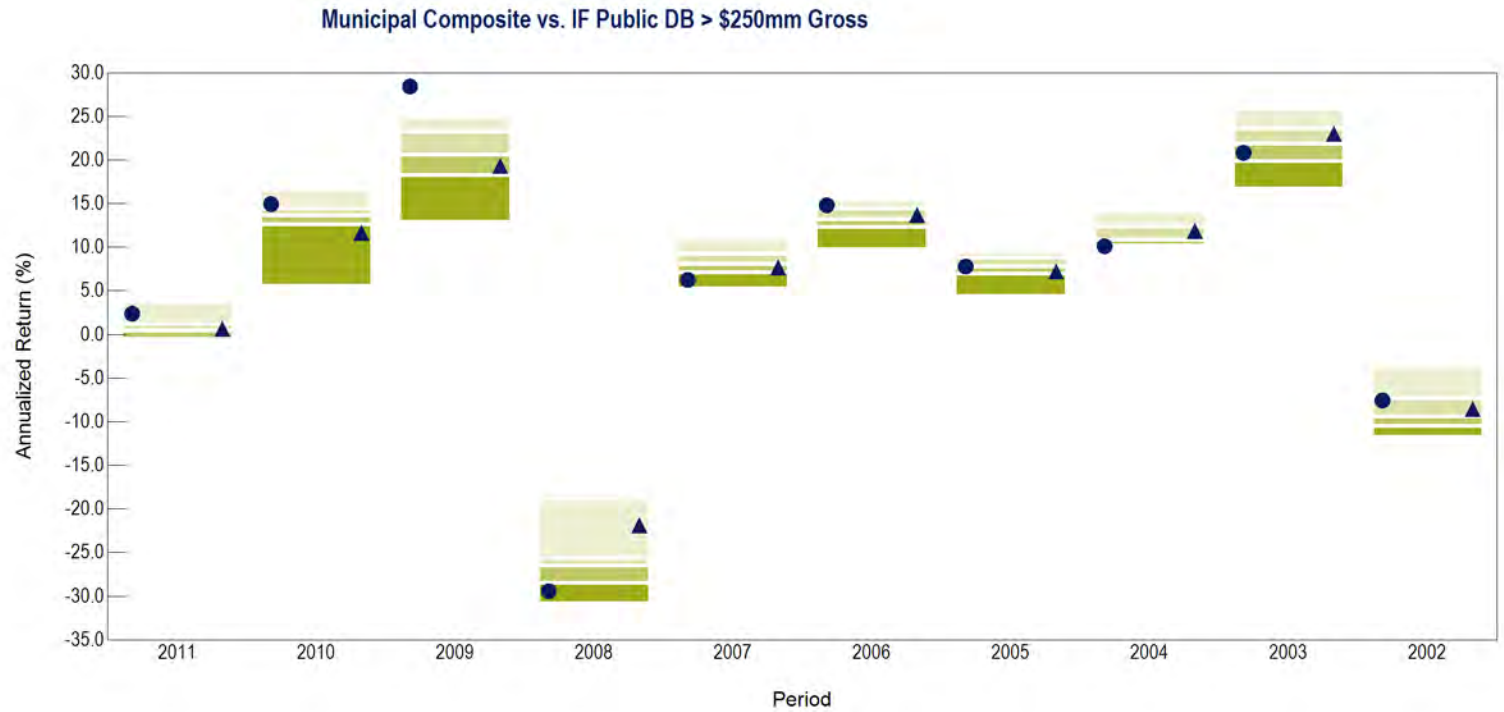


Total Fund Return Summary vs. Peer Universe



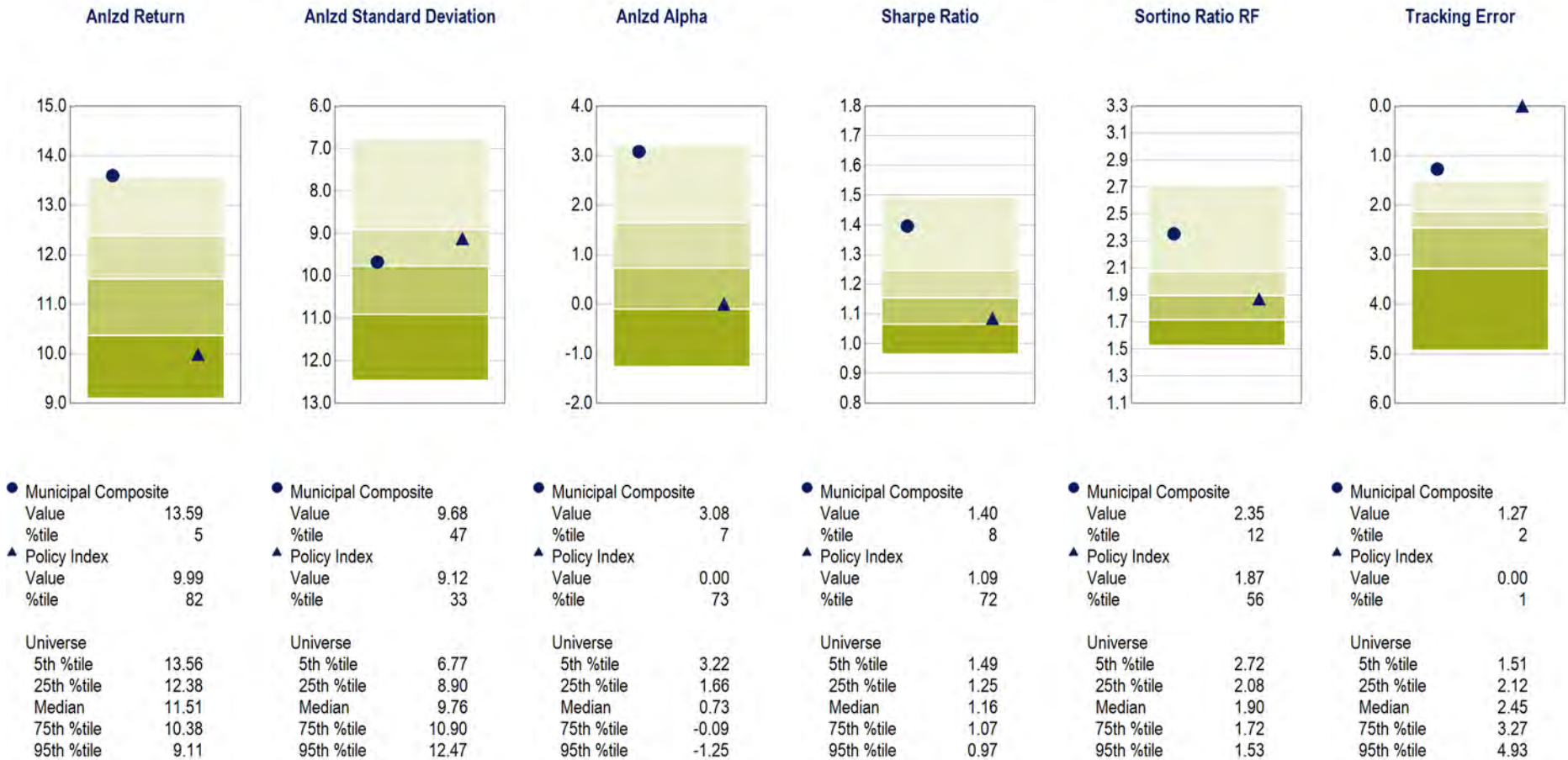
	Return (Rank)																			
5th Percentile	3.9	15.6	27.5	-10.0	11.0	16.1	10.5	14.6	27.2	-1.0	3.9	15.6	27.5	-10.0	11.0	16.1	10.5	14.6	27.2	-1.0
25th Percentile	2.3	14.2	22.3	-22.6	9.6	14.8	8.4	12.4	23.6	-6.9	2.3	14.2	22.3	-22.6	9.6	14.8	8.4	12.4	23.6	-6.9
Median	1.1	13.2	19.4	-25.1	8.1	13.6	7.4	11.4	21.7	-9.0	1.1	13.2	19.4	-25.1	8.1	13.6	7.4	11.4	21.7	-9.0
75th Percentile	0.2	12.1	15.8	-27.4	6.8	12.2	6.2	10.1	19.8	-10.3	0.2	12.1	15.8	-27.4	6.8	12.2	6.2	10.1	19.8	-10.3
95th Percentile	-2.0	9.8	10.1	-30.3	5.1	8.2	4.3	8.0	10.7	-11.9	-2.0	9.8	10.1	-30.3	5.1	8.2	4.3	8.0	10.7	-11.9
# of Portfolios	146	144	144	141	140	139	137	133	132	129	146	144	144	141	140	139	137	133	132	129
● Municipal Composite	2.4	(21)	14.9	(14)	28.4	(3)	-29.4	(90)	6.3	(85)	14.8	(24)	7.8	(37)	10.1	(76)	20.8	(65)	-7.6	(34)
▲ Policy Index	0.6	(70)	11.7	(82)	19.3	(51)	-21.9	(23)	7.7	(56)	13.7	(48)	7.2	(55)	11.9	(34)	23.0	(37)	-8.5	(47)

Total Fund Return Summary vs. Peer Universe



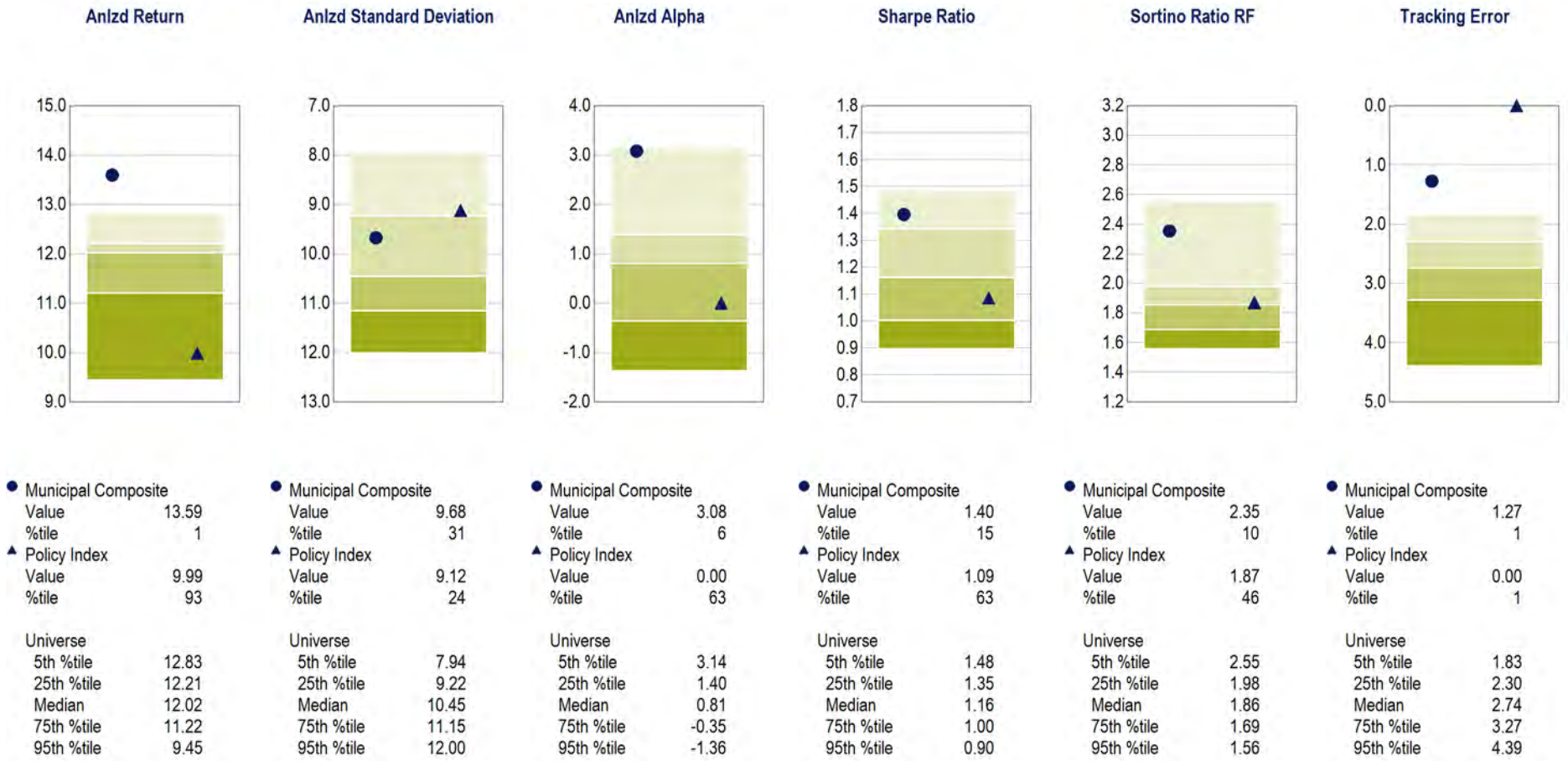
	Return (Rank)																			
5th Percentile	3.7	16.5	24.9	-18.9	10.9	15.5	9.5	14.1	25.8	-3.7										
25th Percentile	1.2	14.5	23.3	-25.7	9.3	14.5	8.8	12.4	23.7	-7.3										
Median	0.5	13.7	20.7	-26.4	8.1	13.2	7.8	10.9	21.9	-9.3										
75th Percentile	-0.5	12.7	18.3	-28.4	7.2	12.3	7.0	10.2	19.9	-10.4										
95th Percentile	-0.9	5.6	13.0	-30.7	5.4	9.8	4.5	9.8	16.8	-11.7										
# of Portfolios	21	19	19	19	18	17	17	17	17	17										
● Municipal Composite	2.4	(19)	14.9	(19)	28.4	(1)	-29.4	(88)	6.3	(89)	14.8	(13)	7.8	(54)	10.1	(88)	20.8	(67)	-7.6	(34)
▲ Policy Index	0.6	(44)	11.7	(90)	19.3	(64)	-21.9	(11)	7.7	(64)	13.7	(47)	7.2	(72)	11.9	(31)	23.0	(31)	-8.5	(41)

Municipal Composite vs. ICC Public DB  
3 Years

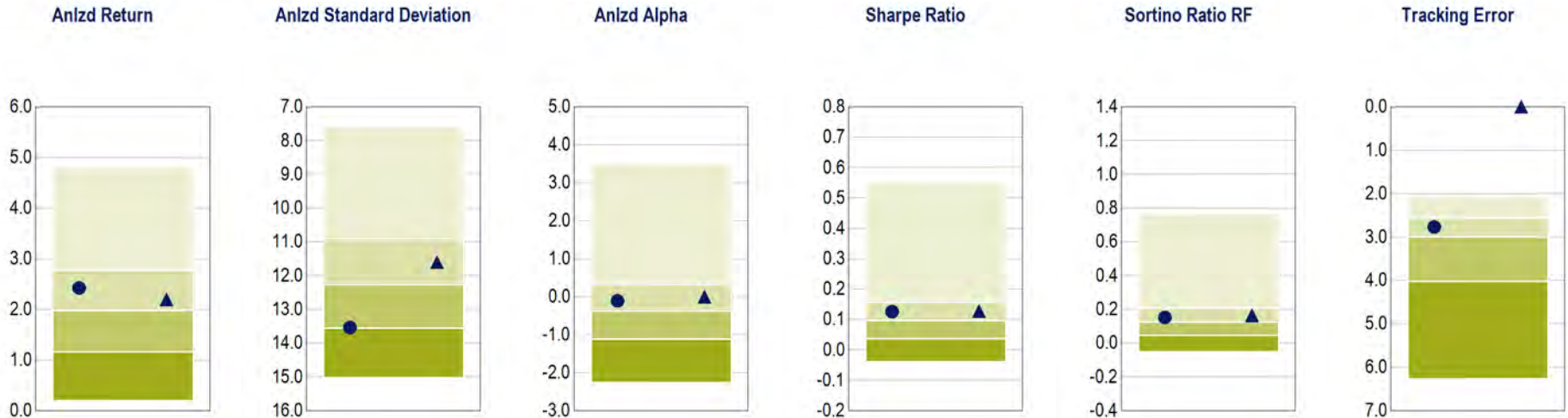


Total Fund Risk Statistics vs. Peer Universe

Municipal Composite vs. IF Public DB > \$250mm Gross  
3 Years



Municipal Composite vs. ICC Public DB  
5 Years



● Municipal Composite

Value 2.42  
%tile 37

▲ Policy Index

Value 2.20  
%tile 44

Universe  
5th %tile 4.80  
25th %tile 2.78  
Median 1.99  
75th %tile 1.17  
95th %tile 0.20

● Municipal Composite

Value 13.54  
%tile 75

▲ Policy Index

Value 11.61  
%tile 40

Universe  
5th %tile 7.59  
25th %tile 10.89  
Median 12.25  
75th %tile 13.54  
95th %tile 15.01

● Municipal Composite

Value -0.11  
%tile 40

▲ Policy Index

Value 0.00  
%tile 38

Universe  
5th %tile 3.51  
25th %tile 0.33  
Median -0.37  
75th %tile -1.10  
95th %tile -2.25

● Municipal Composite

Value 0.13  
%tile 39

▲ Policy Index

Value 0.13  
%tile 38

Universe  
5th %tile 0.55  
25th %tile 0.16  
Median 0.10  
75th %tile 0.04  
95th %tile -0.04

● Municipal Composite

Value 0.15  
%tile 43

▲ Policy Index

Value 0.16  
%tile 39

Universe  
5th %tile 0.77  
25th %tile 0.21  
Median 0.13  
75th %tile 0.05  
95th %tile -0.05

● Municipal Composite

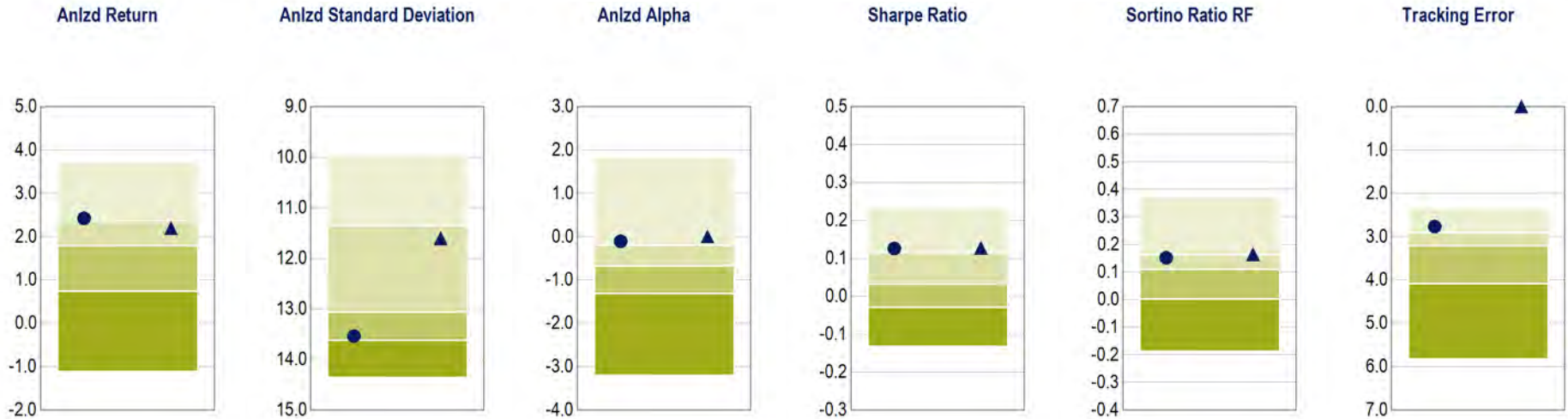
Value 2.77  
%tile 42

▲ Policy Index

Value 0.00  
%tile 1

Universe  
5th %tile 2.08  
25th %tile 2.56  
Median 2.98  
75th %tile 4.01  
95th %tile 6.26

Municipal Composite vs. IF Public DB > \$250mm Gross  
5 Years



● Municipal Composite

Value 2.42  
%tile 25  
▲ Policy Index  
Value 2.20  
%tile 28

Universe  
5th %tile 3.73  
25th %tile 2.39  
Median 1.80  
75th %tile 0.75  
95th %tile -1.10

● Municipal Composite

Value 13.54  
%tile 73  
▲ Policy Index  
Value 11.61  
%tile 28

Universe  
5th %tile 9.96  
25th %tile 11.35  
Median 13.06  
75th %tile 13.62  
95th %tile 14.35

● Municipal Composite

Value -0.11  
%tile 23  
▲ Policy Index  
Value 0.00  
%tile 21

Universe  
5th %tile 1.83  
25th %tile -0.19  
Median -0.67  
75th %tile -1.30  
95th %tile -3.19

● Municipal Composite

Value 0.13  
%tile 14  
▲ Policy Index  
Value 0.13  
%tile 14

Universe  
5th %tile 0.23  
25th %tile 0.12  
Median 0.03  
75th %tile -0.03  
95th %tile -0.13

● Municipal Composite

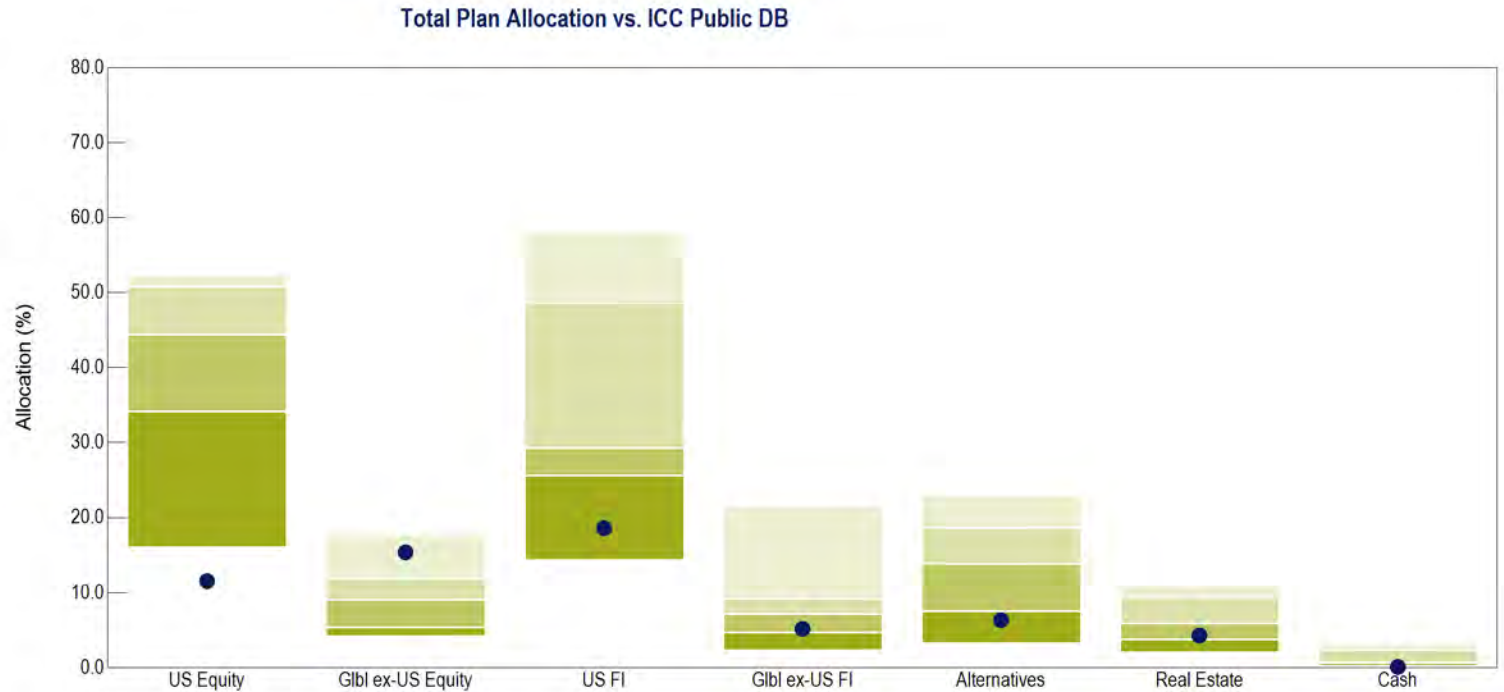
Value 0.15  
%tile 27  
▲ Policy Index  
Value 0.16  
%tile 25

Universe  
5th %tile 0.37  
25th %tile 0.16  
Median 0.11  
75th %tile 0.00  
95th %tile -0.19

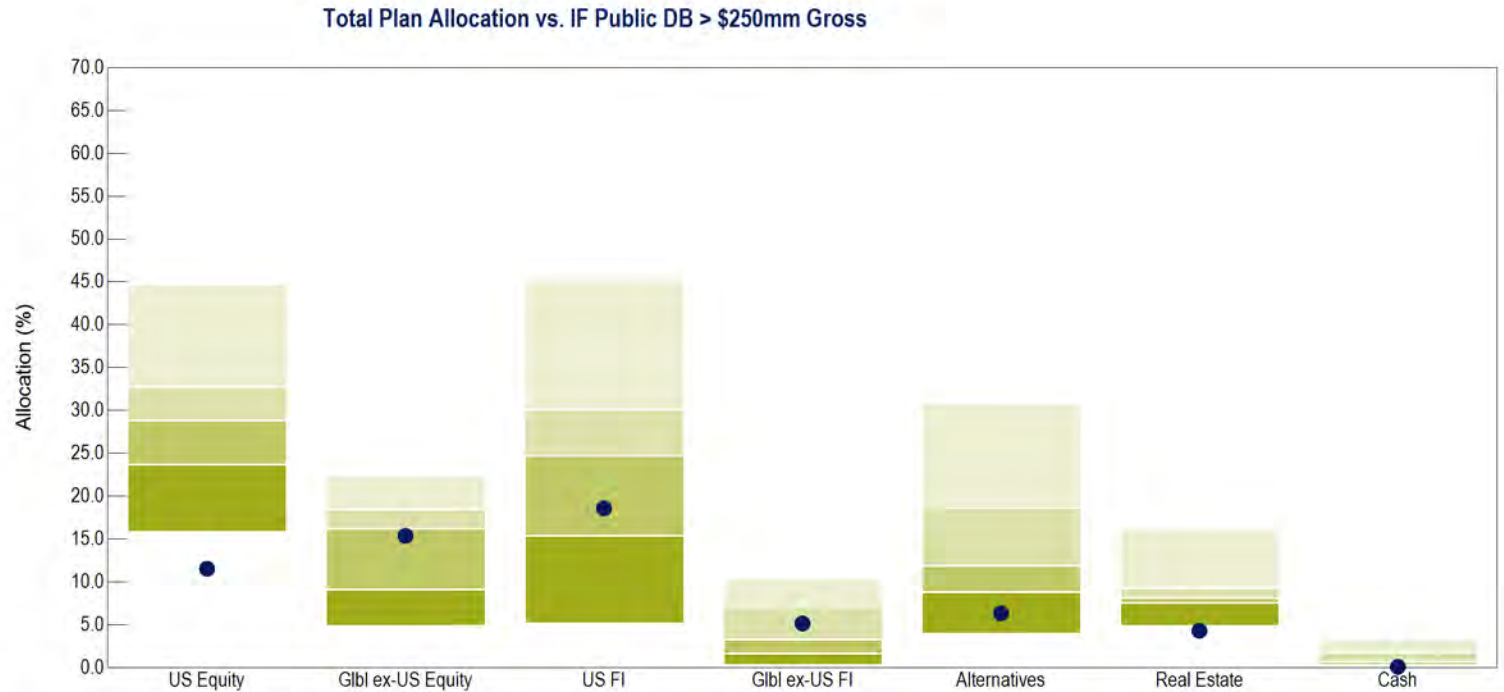
● Municipal Composite

Value 2.77  
%tile 17  
▲ Policy Index  
Value 0.00  
%tile 1

Universe  
5th %tile 2.33  
25th %tile 2.89  
Median 3.20  
75th %tile 4.08  
95th %tile 5.81



	Allocation (Rank)													
5th Percentile	52.3	17.7	58.0	21.6	22.9	10.9	3.1							
25th Percentile	50.8	12.0	48.7	9.3	18.7	9.4	2.4							
Median	44.4	9.1	29.3	7.2	13.9	5.9	0.8							
75th Percentile	34.2	5.5	25.7	4.7	7.6	3.8	0.2							
95th Percentile	16.2	4.3	14.4	2.4	3.3	2.1	0.0							
# of Portfolios	22	18	22	5	7	14	17							
● Municipal Composite	11.5	(99)	15.4	(17)	18.6	(83)	5.1	(71)	6.3	(87)	4.3	(68)	0.1	(81)

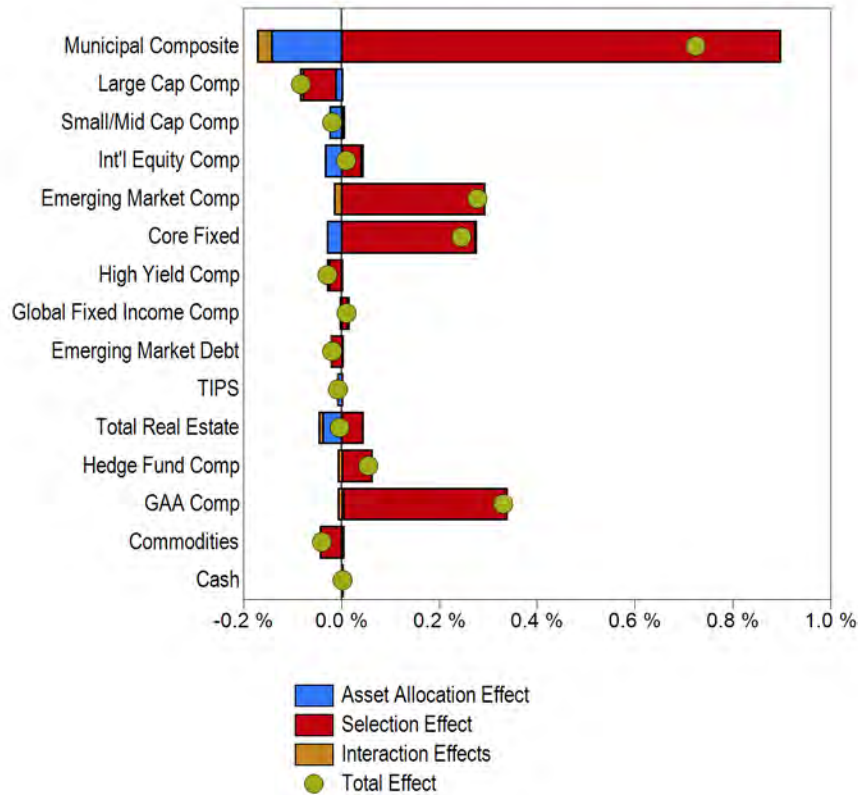


	Allocation (Rank)													
5th Percentile	44.7	22.3	45.4	10.4	30.8	16.2	3.2							
25th Percentile	32.8	18.5	30.2	7.3	18.6	9.3	1.8							
Median	28.9	16.2	24.8	3.4	11.9	8.2	0.7							
75th Percentile	23.7	9.1	15.4	1.7	8.9	7.6	0.4							
95th Percentile	15.9	4.9	5.2	0.3	4.0	4.9	0.1							
# of Portfolios	14	14	9	3	11	12	13							
● Municipal Composite	11.5 (99)	15.4 (56)	18.6 (65)	5.1 (39)	6.3 (88)	4.3 (97)	0.1 (99)							



Total Fund Attribution Analysis

Attribution Effects Relative to Policy Index  
3 Months Ending June 30, 2012



Attribution Summary  
3 Months Ending June 30, 2012

	Actual Return	Target Return	Relative Return	Selection Effect	Asset Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	-3.4%	-2.8%	-0.6%	-0.1%	0.0%	0.0%	-0.1%
Small/Mid Cap Comp	-3.4%	-3.5%	0.1%	0.0%	0.0%	0.0%	0.0%
Int'l Equity Comp	-6.7%	-7.1%	0.4%	0.0%	0.0%	0.0%	0.0%
Emerging Market Comp	-4.3%	-8.9%	4.5%	0.3%	0.0%	0.0%	0.3%
Core Fixed	3.6%	2.1%	1.5%	0.3%	0.0%	0.0%	0.2%
High Yield Comp	1.4%	1.8%	-0.4%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	1.7%	0.9%	0.7%	0.0%	0.0%	0.0%	0.0%
Emerging Market Debt	2.1%	2.5%	-0.4%	0.0%	0.0%	0.0%	0.0%
TIPS	3.2%	3.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	3.5%	2.7%	0.8%	0.0%	0.0%	0.0%	0.0%
Hedge Fund Comp	-1.1%	-2.3%	1.2%	0.1%	0.0%	0.0%	0.1%
GAA Comp	-1.2%	-2.9%	1.7%	0.3%	0.0%	0.0%	0.3%
Commodities	-6.4%	-4.5%	-1.9%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>-0.9%</b>	<b>-1.7%</b>	<b>0.8%</b>	<b>0.9%</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>0.7%</b>

Performance Attribution

	Last 3 Mo.	YTD	Fiscal YTD	1 Yr
Municipal Composite Return	-0.9%			
Policy Benchmark *	-1.7%			
<b>Excess Return</b>	<b>0.8%</b>			
Selection Effect	0.9%			
Asset Allocation Effect	-0.1%			
Interaction Effect	0.0%			
<b>Asset Class Returns</b>				
Municipal Composite	-0.9%	5.4%	2.4%	2.4%
Large Cap Comp	-3.4%	9.1%	3.4%	3.4%
Small/Mid Cap Comp	-3.4%	8.0%	0.1%	0.1%
Int'l Equity Comp	-6.7%	2.1%	-13.0%	-13.0%
Emerging Market Comp	-4.3%	9.9%	-3.3%	-3.3%
Core Fixed	3.6%	4.5%	9.6%	9.6%
High Yield Comp	1.4%	6.9%	7.6%	7.6%
Global Fixed Income Comp	1.7%	3.3%	5.5%	5.5%
Emerging Market Debt	2.1%	8.1%	10.5%	10.5%
TIPS	3.2%	4.0%	11.7%	11.7%
Total Real Estate	3.5%	6.7%	14.1%	14.1%
Hedge Fund Comp	-1.1%	3.2%	-2.3%	-2.3%
GAA Comp	-1.2%	5.1%	1.3%	1.3%
Commodities	-6.4%	-3.4%	-10.7%	-10.7%
Cash	0.0%	0.1%	0.1%	0.1%
Eqty Composite				
Mrs Re Comp CL				

\* Calculated from benchmark returns and weightings of each component.

# Vermont Municipal Employees

## Total Fund Risk Statistics

### 3 Years Ending June 30, 2012

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Municipal Composite	100.00%	13.59%	5	9.68%	47	3.08%	6	1.40	8	2.35	12	1.27%	2
Policy Index	--	9.99%	82	9.12%	33	0.00%	73	1.09	72	1.87	56	0.00%	1
Large Cap Comp	11.52%	18.38%	12	17.17%	63	0.96%	25	1.07	24	1.90	21	1.63%	1
S&P 500	--	16.40%	34	16.11%	35	0.00%	33	1.01	31	1.83	27	0.00%	1
Small/Mid Cap Comp	6.92%	20.26%	33	19.22%	36	4.68%	31	1.05	30	2.00	27	3.25%	3
Russell 2000	--	17.80%	65	21.87%	80	0.00%	82	0.81	80	1.48	73	0.00%	1
Int'l Equity Comp	9.58%	7.02%	75	18.89%	21	1.52%	71	0.37	70	0.57	69	2.35%	9
MSCI EAFE	--	5.96%	87	20.44%	58	0.00%	87	0.29	87	0.46	86	0.00%	1
Emerging Market Comp	5.77%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	--	--	--	--	--	--	--	--	--	--	--	--
Core Fixed	18.57%	11.16%	3	3.79%	96	3.57%	10	2.92	34	8.35	13	2.33%	94
Barclays Aggregate	--	6.93%	82	2.74%	36	0.00%	82	2.50	76	3.65	80	0.00%	1
High Yield Comp	6.28%	13.89%	76	6.41%	25	1.50%	35	2.15	34	3.59	42	2.35%	66
Barclays High Yield	--	16.28%	32	8.29%	71	0.00%	65	1.95	61	3.33	56	0.00%	1
Global Fixed Income Comp	3.02%	10.19%	31	6.67%	54	5.37%	41	1.52	38	2.22	40	2.89%	24
Citigroup WGBI	--	5.35%	92	6.73%	56	0.00%	96	0.78	91	0.92	93	0.00%	1
Emerging Market Debt	5.13%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	--	--	--	--	--	--	--	--	--	--	--	--
TIPS	3.04%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays US TIPS	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Real Estate	4.27%	--	--	--	--	--	--	--	--	--	--	--	--
NCREIF Property Index	--	--	--	--	--	--	--	--	--	--	--	--	--
Hedge Fund Comp	4.45%	--	--	--	--	--	--	--	--	--	--	--	--
HFRI Fund of Funds Composite Index	--	--	--	--	--	--	--	--	--	--	--	--	--
GAA Comp	19.49%	13.58%	23	9.58%	42	6.73%	26	1.41	19	2.20	30	3.87%	21
60% MSCI ACWI (Net)/40% CITI WGBI	--	8.97%	68	12.11%	63	0.00%	87	0.73	75	1.19	71	0.00%	1
Commodities	1.86%	--	--	--	--	--	--	--	--	--	--	--	--
Dow Jones-UBS Commodity Index TR	--	--	--	--	--	--	--	--	--	--	--	--	--
Cash	0.08%	--	--	--	--	--	--	--	--	--	--	--	--
91 Day T-Bills	--	--	--	--	--	--	--	--	--	--	--	--	--

# Vermont Municipal Employees

## Total Fund Risk Statistics

### 5 Years Ending June 30, 2012

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Municipal Composite	100.00%	2.42%	37	13.54%	75	0.00%	39	0.13	39	0.15	43	2.77%	42
Policy Index	--	2.20%	44	11.61%	40	0.00%	39	0.13	38	0.16	39	0.00%	1
Large Cap Comp	11.52%	1.27%	45	21.19%	82	1.10%	43	0.03	45	0.04	45	2.87%	9
S&P 500	--	0.22%	64	19.21%	45	0.00%	63	-0.03	63	-0.04	63	0.00%	1
Small/Mid Cap Comp	6.92%	2.77%	41	23.39%	51	2.22%	41	0.09	41	0.13	41	2.97%	1
Russell 2000	--	0.54%	68	24.90%	74	0.00%	68	-0.01	68	-0.01	68	0.00%	1
Int'l Equity Comp	9.58%	-6.25%	82	22.47%	25	-0.50%	85	-0.31	86	-0.43	86	2.40%	5
MSCI EAFE	--	-6.10%	81	23.58%	45	0.00%	81	-0.29	82	-0.42	84	0.00%	1
Emerging Market Comp	5.77%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	--	--	--	--	--	--	--	--	--	--	--	--
Core Fixed	18.57%	5.87%	92	6.72%	99	-2.40%	99	0.77	99	0.71	99	5.13%	99
Barclays Aggregate	--	6.79%	79	3.55%	31	0.00%	76	1.71	53	2.67	41	0.00%	1
High Yield Comp	6.28%	8.28%	35	10.33%	24	2.19%	26	0.73	25	0.68	42	5.21%	65
Barclays High Yield	--	8.45%	31	14.28%	91	0.00%	80	0.54	78	0.58	70	0.00%	1
Global Fixed Income Comp	3.02%	9.45%	12	8.26%	53	2.82%	39	1.06	27	1.52	23	4.33%	34
Citigroup WGBI	--	7.31%	51	7.90%	43	0.00%	75	0.83	49	1.27	38	0.00%	1
Emerging Market Debt	5.13%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	--	--	--	--	--	--	--	--	--	--	--	--
TIPS	3.04%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays US TIPS	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Real Estate	4.27%	--	--	--	--	--	--	--	--	--	--	--	--
NCREIF Property Index	--	--	--	--	--	--	--	--	--	--	--	--	--
Hedge Fund Comp	4.45%	--	--	--	--	--	--	--	--	--	--	--	--
HFRI Fund of Funds Composite Index	--	--	--	--	--	--	--	--	--	--	--	--	--
GAA Comp	19.49%	4.49%	30	13.43%	47	2.86%	31	0.28	33	0.32	34	4.14%	16
60% MSCI ACWI (Net)/40% CITI WGBI	--	1.74%	60	14.37%	58	0.00%	60	0.07	60	0.10	60	0.00%	1
Commodities	1.86%	--	--	--	--	--	--	--	--	--	--	--	--
Dow Jones-UBS Commodity Index TR	--	--	--	--	--	--	--	--	--	--	--	--	--
Cash	0.08%	--	--	--	--	--	--	--	--	--	--	--	--
91 Day T-Bills	--	--	--	--	--	--	--	--	--	--	--	--	--

@Uf[ Y·7Ud·8ca Ygh]W9ei ]hm

## Vermont Municipal Employees

### Large Cap Comp

#### 3 Years Ending June 30, 2012

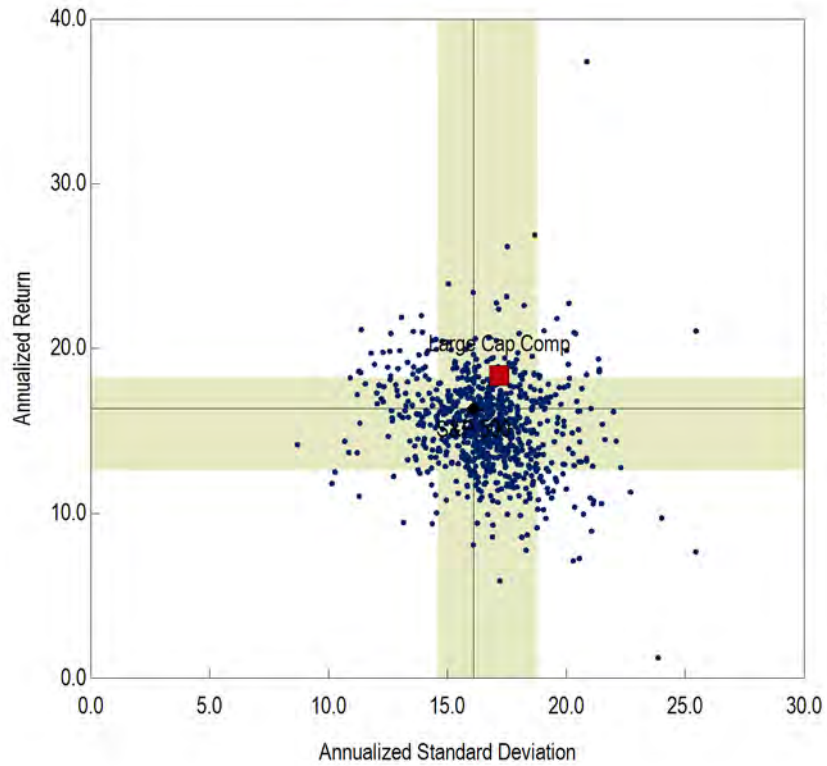
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Large Cap Comp	11.52%	18.38%	12	17.17%	63	0.96%	25	1.07	24	1.90	21	1.63%	1
S&P 500	--	16.40%	34	16.11%	35	0.00%	33	1.01	31	1.83	27	0.00%	1
T. Rowe	3.24%	16.03%	40	16.43%	43	-0.67%	40	0.97	39	1.71	39	0.94%	1
S&P 500	--	16.40%	34	16.11%	35	0.00%	33	1.01	31	1.83	27	0.00%	1
SSgA S&P 500 Cap-Wgt	5.15%	--	--	--	--	--	--	--	--	--	--	--	--
S&P 500	--	--	--	--	--	--	--	--	--	--	--	--	--
SSgA S&P 500 Equal-Wgt	3.13%	19.48%	6	18.65%	87	-0.11%	30	1.04	26	2.00	16	0.35%	1
S&P 500 Equal Weighted	--	19.43%	6	18.50%	85	0.00%	29	1.05	26	1.98	17	0.00%	1

## Vermont Municipal Employees

### Large Cap Comp

	5 Years Ending June 30, 2012												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Large Cap Comp	11.52%	1.27%	45	21.19%	82	1.10%	43	0.03	45	0.04	45	2.87%	9
S&P 500	--	0.22%	64	19.21%	45	0.00%	63	-0.03	63	-0.04	63	0.00%	1
T. Rowe	3.24%	0.91%	51	19.31%	48	0.69%	51	0.01	51	0.01	51	1.19%	1
S&P 500	--	0.22%	64	19.21%	45	0.00%	63	-0.03	63	-0.04	63	0.00%	1
SSgA S&P 500 Cap-Wgt	5.15%	--	--	--	--	--	--	--	--	--	--	--	--
S&P 500	--	--	--	--	--	--	--	--	--	--	--	--	--
SSgA S&P 500 Equal-Wgt	3.13%	1.13%	47	23.57%	96	-0.48%	51	0.02	49	0.03	48	1.10%	1
S&P 500 Equal Weighted	--	1.60%	39	23.21%	95	0.00%	43	0.04	42	0.06	42	0.00%	1

3 Year Risk Return



3 Year Style Analysis



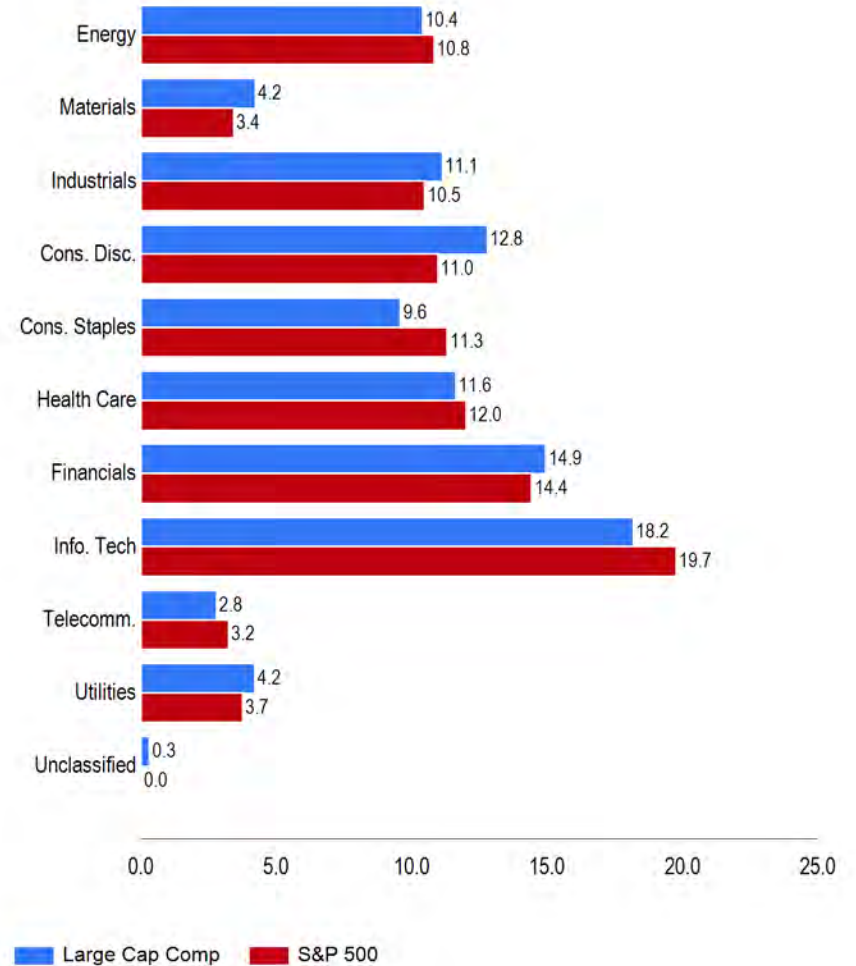


Large Cap Comp

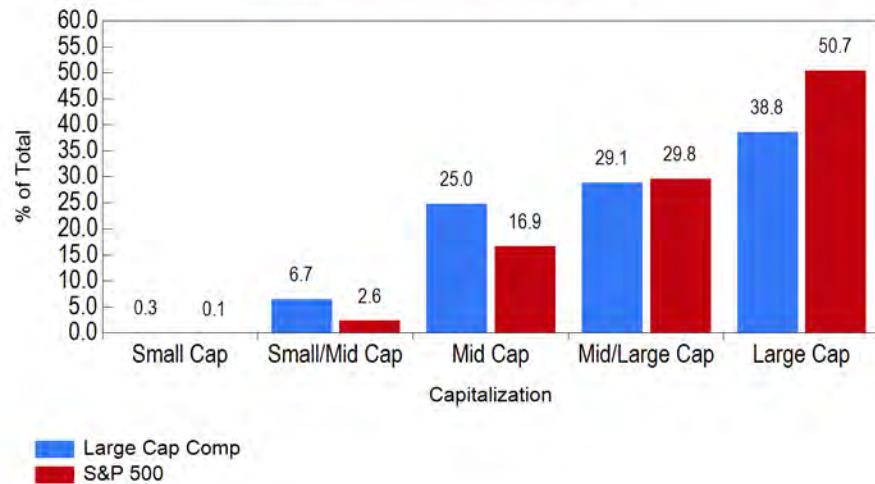
Equity Characteristics

	Portfolio	S&P 500
Number of Holdings	530	500
Weighted Avg. Market Cap. (\$B)	85.0	108.0
Median Market Cap. (\$B)	12.5	11.9
Price To Earnings	16.7	16.9
Price To Book	3.5	3.6
Price To Sales	2.2	2.1
Return on Equity (%)	21.0	20.8
Yield (%)	2.1	2.2
Beta	1.1	1.0
R-Squared	1.0	1.0

Equity Sector Allocation



Market Capitalization As Of June 30, 2012



# Vermont Municipal Employees

## Large Cap Comp

### Top Ten Holdings

APPLE	3.3%
EXXON MOBIL	2.5%
MICROSOFT	1.5%
AT&T	1.4%
CHEVRON	1.4%
GENERAL ELECTRIC	1.3%
INTERNATIONAL BUS.MCHS.	1.2%
JOHNSON & JOHNSON	1.1%
PROCTER & GAMBLE	1.1%
PFIZER	1.1%

### Top Positive Contributors

	Relative Contribution %	Return %
CISCO SYSTEMS	0.1%	-18.5%
QUALCOMM	0.1%	-17.8%
GOOGLE 'A'	0.1%	-9.5%
PROCTER & GAMBLE	0.1%	-8.1%
INTERNATIONAL BUS.MCHS.	0.1%	-5.9%
HCA HOLDINGS	0.1%	23.0%
BANK OF AMERICA	0.1%	-14.4%
AMERICAN CAPITAL AGENCY	0.1%	18.2%
CATERPILLAR	0.1%	-19.9%
GOLDMAN SACHS GP.	0.0%	-22.6%

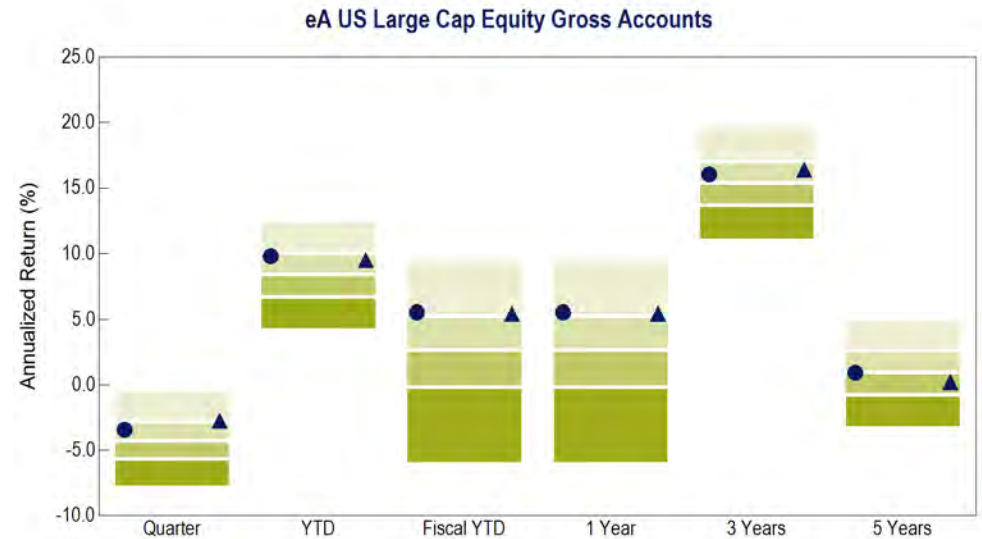
### Top Negative Contributors

	Relative Contribution %	Return %
AT&T	-0.1%	15.8%
CELANESE 'A'	-0.1%	-24.9%
SYMANTEC	-0.1%	-21.9%
MORGAN STANLEY	-0.1%	-25.5%
COACH	-0.1%	-24.0%
JUNIPER NETWORKS	-0.1%	-28.7%
HESS	-0.1%	-26.1%
ATMEL	-0.1%	-32.0%
NII HDG.	-0.1%	-44.1%
NETAPP	-0.1%	-28.9%

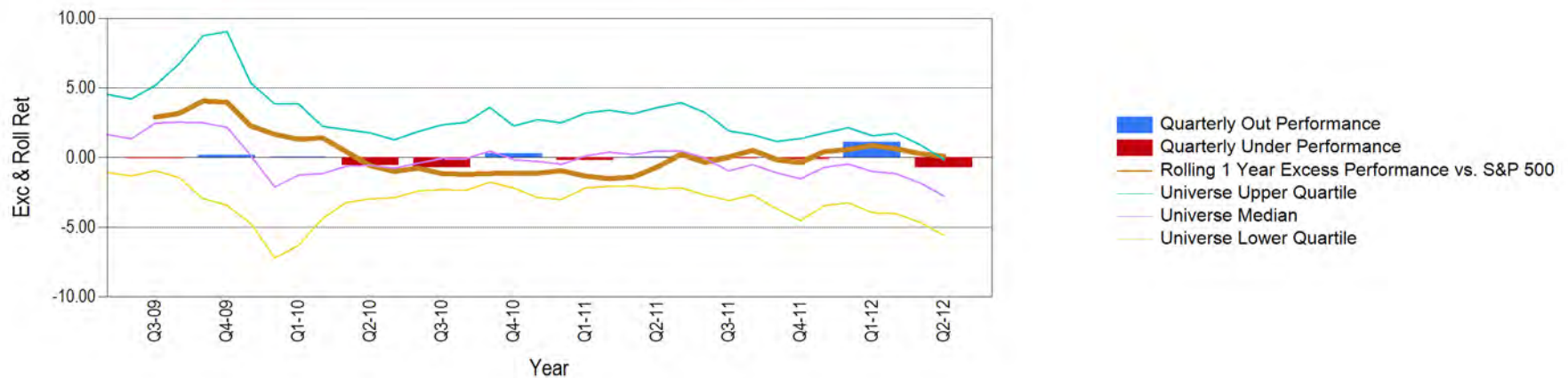
### Equity Sector Attribution

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.2%	-0.3%	0.0%	0.0%	-8.3%	-5.9%	10.4%	11.1%			
Materials	-0.2%	-0.1%	0.0%	0.0%	-8.3%	-4.2%	4.3%	3.5%			
Industrials	-0.1%	-0.1%	0.0%	0.0%	-4.4%	-3.6%	11.1%	10.6%			
Cons. Disc.	-0.2%	-0.2%	0.0%	0.0%	-3.9%	-2.4%	13.7%	11.0%			
Cons. Staples	-0.2%	0.0%	-0.2%	0.0%	3.1%	2.9%	7.7%	10.8%			
Health Care	-0.1%	-0.1%	0.0%	0.0%	0.5%	1.7%	11.7%	11.3%			
Financials	-0.3%	-0.2%	-0.1%	0.0%	-8.0%	-6.8%	16.6%	15.0%			
Info. Tech	-0.2%	-0.4%	0.1%	0.0%	-8.6%	-6.7%	18.0%	20.5%			
Telecomm.	-0.4%	-0.4%	-0.1%	0.1%	-0.1%	14.2%	2.1%	2.8%			
Utilities	0.1%	0.0%	0.1%	0.0%	7.3%	6.6%	4.1%	3.4%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.4%	0.0%			
<b>Portfolio</b>	<b>-1.8%</b>	<b>=</b>	<b>-1.7%</b>	<b>+</b>	<b>-0.1%</b>	<b>+</b>	<b>0.1%</b>	<b>-4.5%</b>	<b>-2.7%</b>	<b>100.0%</b>	<b>100.0%</b>

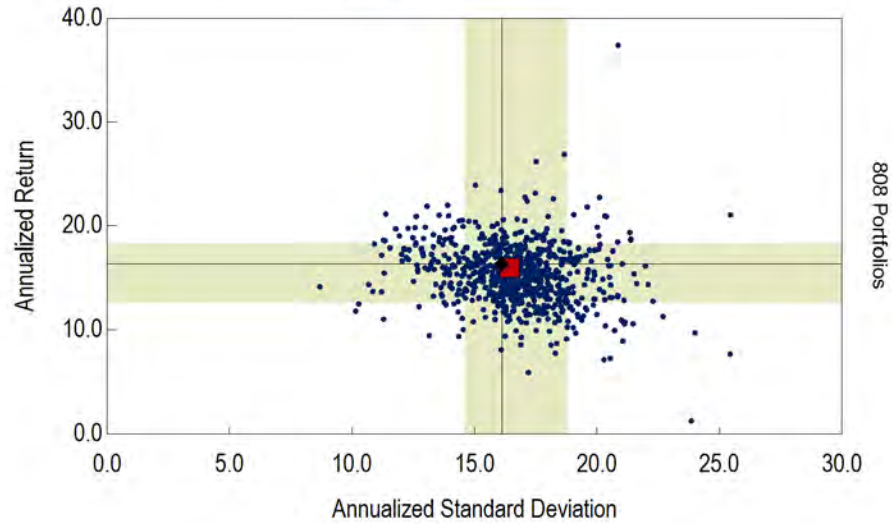
T. Rowe Price employs a fundamental, bottom-up approach to investing in equity assets. The strategy delivers a research portfolio managed by the firm's industry analysts and representing their best ideas. The Structured Research Strategy seeks to provide superior long-term returns and capture the style of the S&P 500 Stock Index by combining analyst-driven research and security selection with the benefits of disciplined portfolio construction. T. Rowe Price's approach results in an industry and sector neutral portfolio that aims to consistently and reliably provide alpha through bottom-up, fundamental research and stock selection, consistent excess returns, index like return volatility, low tracking error (below 175bps), and a high information ratio.



Annualized Excess Performance



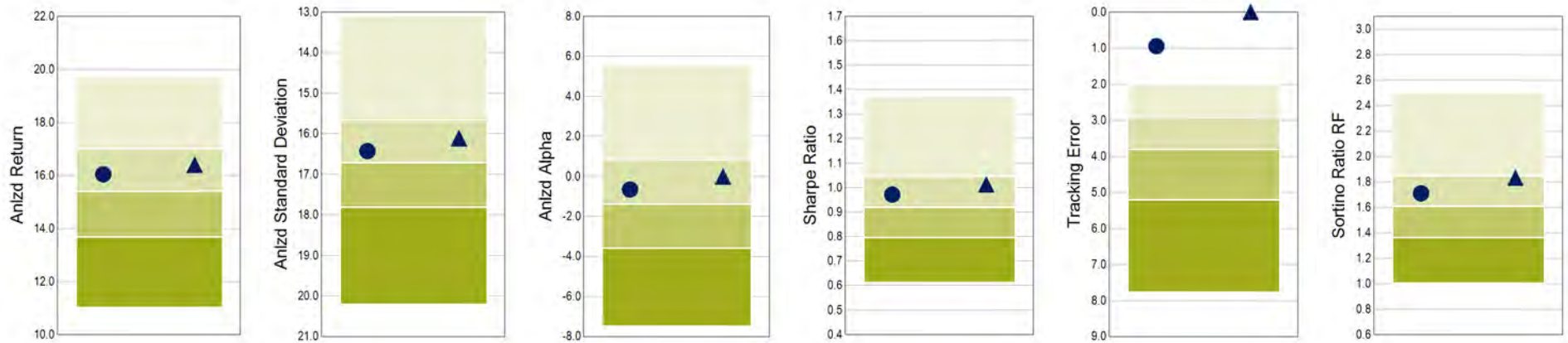
3 Year Risk Return



Characteristics

	Portfolio	S&P 500
Number of Holdings	268	500
Weighted Avg. Market Cap. (\$B)	106.5	108.0
Median Market Cap. (\$B)	16.8	11.9
Price To Earnings	16.5	16.9
Price To Book	3.6	3.6
Price To Sales	2.3	2.1
Return on Equity (%)	22.2	20.8
Yield (%)	1.9	2.2
Beta	1.0	1.0
R-Squared	1.0	1.0

3 Year Risk Statistics

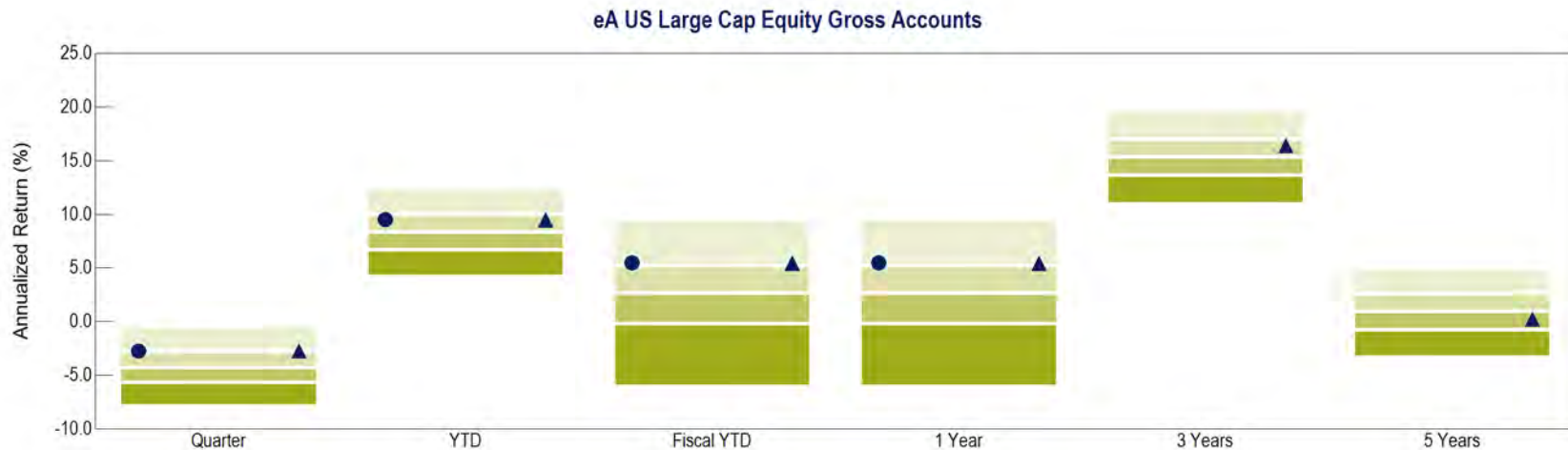


# SSgA S&P 500 Cap-Wgt

Using a replication process, we purchase each security for the Strategy in the same capitalization weight as it appears in the S&P 500 Index. Replication results in low turnover, accurate tracking, and low costs. SSgA's internal liquidity has allowed the firm to acquire many of the benchmark constituents for free. These free trading opportunities have allowed SSgA to gradually reduce security-level misweights while avoiding the open market. This process has resulted in portfolios that look and behave like the benchmark, and do so at a very low cost. SSgA's passive equity process objective is to remain fully invested in the equity market at all times. To accomplish this, it holds a small amount of unleveraged exchange-traded S&P 500® futures contracts to maintain full exposure. SSgA tends to hold approximately 1-3% of the strategy's value in suitable CFTC approved index futures contracts. This position in futures also allows the firm to accommodate cash flows into and out of the portfolio on a daily basis and to equitize dividend receivables to achieve closer tracking.

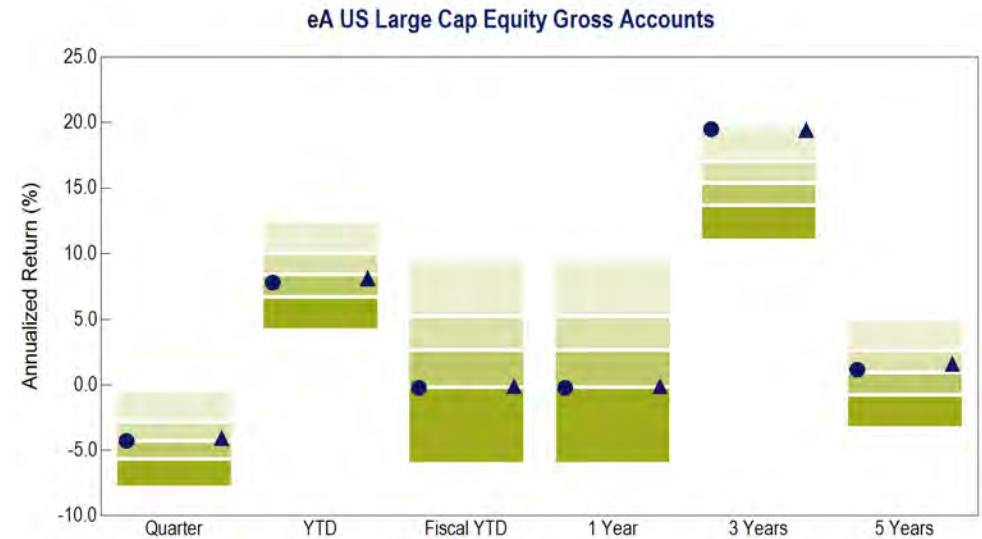
## Characteristics

	Portfolio	S&P 500
Number of Holdings	501	500
Weighted Avg. Market Cap. (\$B)	108.1	108.0
Median Market Cap. (\$B)	11.8	11.9
Price To Earnings	16.9	16.9
Price To Book	3.7	3.6
Price To Sales	2.3	2.1
Return on Equity (%)	23.0	20.8
Yield (%)	2.2	2.2
Beta		1.0
R-Squared		1.0

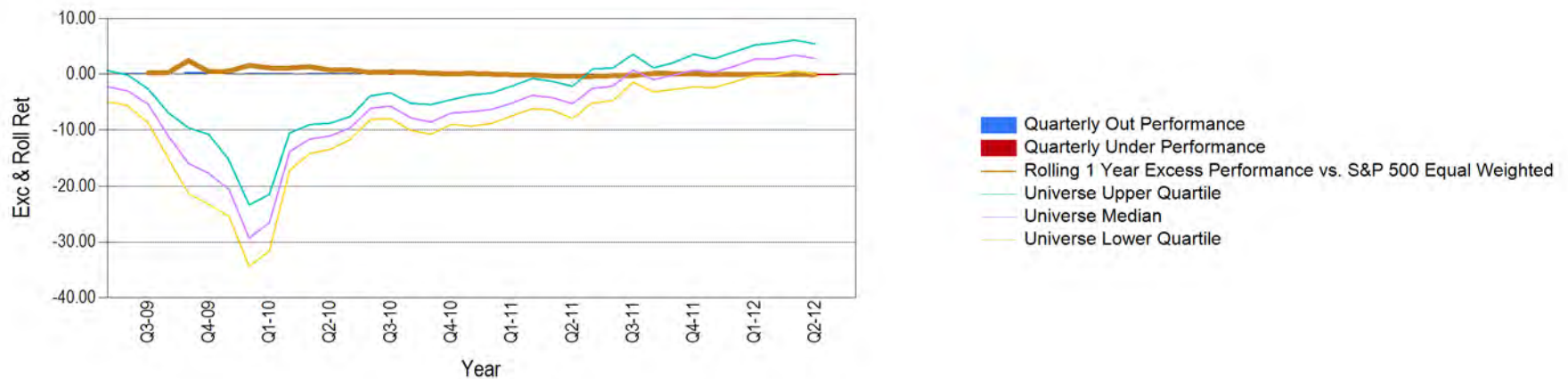


# SSgA S&P 500 Equal-Wgt

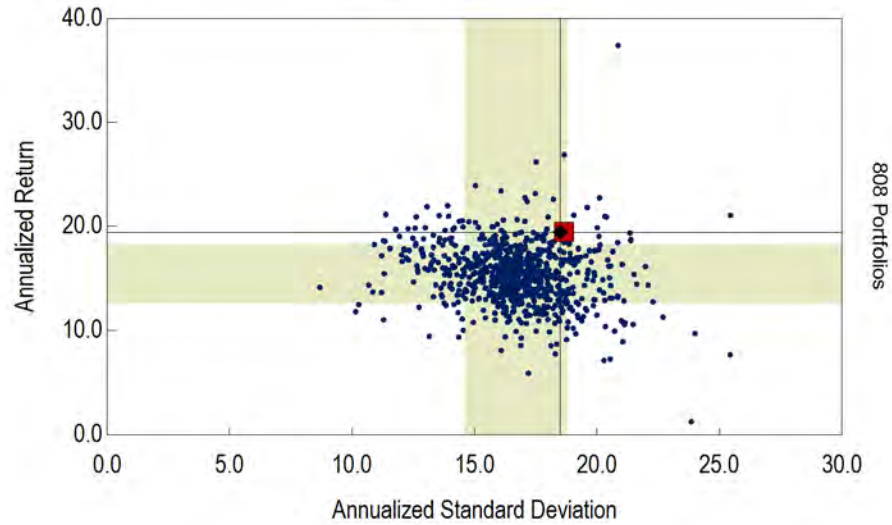
The Strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. From time to time securities are added to or removed from the Index. SSgA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, in anticipation of their removal from or addition to the Index. The Strategy may at times purchase or sell futures contracts on the Index, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index.



### Annualized Excess Performance



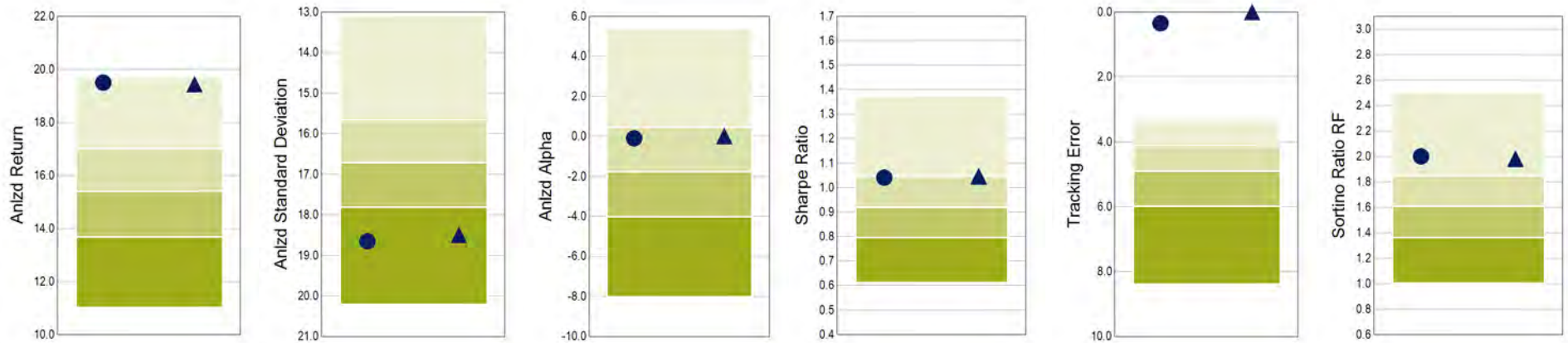
3 Year Risk Return



Characteristics

	Portfolio	S&P 500
Number of Holdings	496	500
Weighted Avg. Market Cap. (\$B)	24.8	108.0
Median Market Cap. (\$B)	11.6	11.9
Price To Earnings	16.8	16.9
Price To Book	3.1	3.6
Price To Sales	2.0	2.1
Return on Equity (%)	16.7	20.8
Yield (%)	2.0	2.2
Beta	1.1	1.0
R-Squared	1.0	1.0

3 Year Risk Statistics



Ga U`7Ud'8ca Ygh]W9ei ]hm



## Vermont Municipal Employees

### Small/Mid Cap Comp

#### 3 Years Ending June 30, 2012

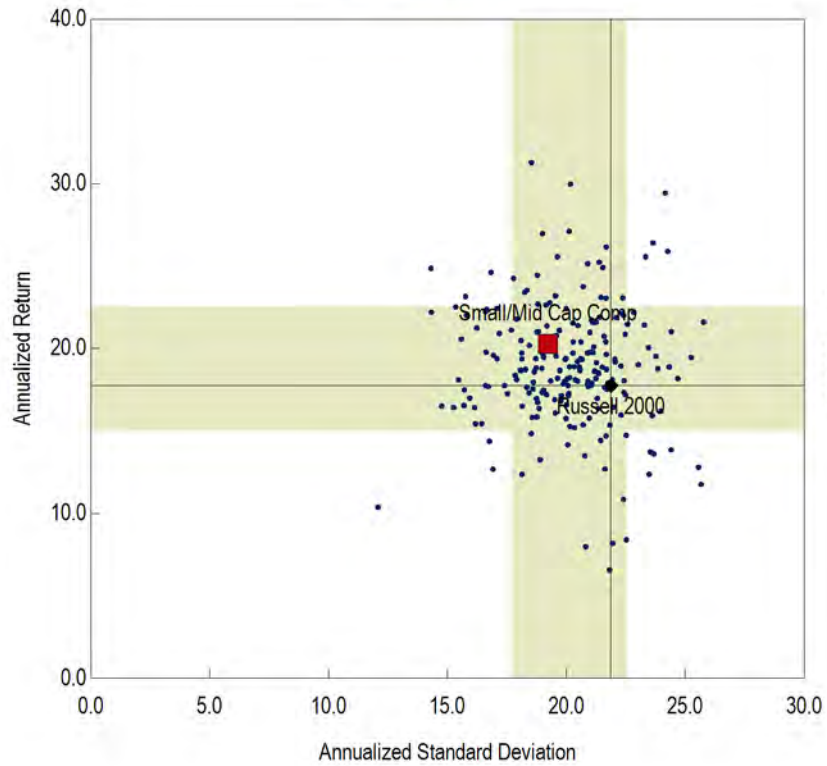
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Small/Mid Cap Comp	6.92%	20.26%	33	19.22%	36	4.68%	31	1.05	30	2.00	27	3.25%	3
Russell 2000	--	17.80%	65	21.87%	80	0.00%	82	0.81	80	1.48	73	0.00%	1
SSgA S&P 400	0.59%	20.61%	23	19.84%	67	0.94%	38	1.03	38	1.71	55	2.50%	2
S&P 400 MidCap	--	19.36%	38	19.38%	59	0.00%	48	0.99	45	1.76	51	0.00%	1
Champlain	2.09%	--	--	--	--	--	--	--	--	--	--	--	--
Russell 2500	--	--	--	--	--	--	--	--	--	--	--	--	--
Wellington	2.14%	22.00%	15	19.17%	20	6.95%	8	1.14	9	1.93	16	4.53%	30
Russell 2000 Value	--	17.43%	70	21.86%	66	0.00%	80	0.79	78	1.44	74	0.00%	1
SSgA Russell 2000 Growth	2.10%	18.18%	67	22.21%	65	0.09%	69	0.81	67	1.53	60	0.15%	1
Russell 2000 Growth	--	18.09%	69	22.21%	65	0.00%	70	0.81	68	1.51	61	0.00%	1

## Vermont Municipal Employees

### Small/Mid Cap Comp

	5 Years Ending June 30, 2012												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Small/Mid Cap Comp	6.92%	2.77%	41	23.39%	51	2.22%	41	0.09	41	0.13	41	2.97%	1
Russell 2000	--	0.54%	68	24.90%	74	0.00%	68	-0.01	68	-0.01	68	0.00%	1
SSgA S&P 400	0.59%	1.96%	53	23.53%	73	-0.62%	53	0.05	53	0.07	53	3.02%	1
S&P 400 MidCap	--	2.54%	44	22.90%	63	0.00%	46	0.08	45	0.11	45	0.00%	1
Champlain	2.09%	--	--	--	--	--	--	--	--	--	--	--	--
Russell 2500	--	--	--	--	--	--	--	--	--	--	--	--	--
Wellington	2.14%	4.34%	9	23.76%	42	5.26%	9	0.15	10	0.22	11	4.52%	14
Russell 2000 Value	--	-1.05%	89	25.25%	65	0.00%	88	-0.07	89	-0.10	90	0.00%	1
SSgA Russell 2000 Growth	2.10%	2.04%	55	25.09%	67	0.05%	56	0.05	55	0.08	55	0.18%	1
Russell 2000 Growth	--	1.99%	55	25.12%	68	0.00%	56	0.05	56	0.08	56	0.00%	1

3 Year Risk Return



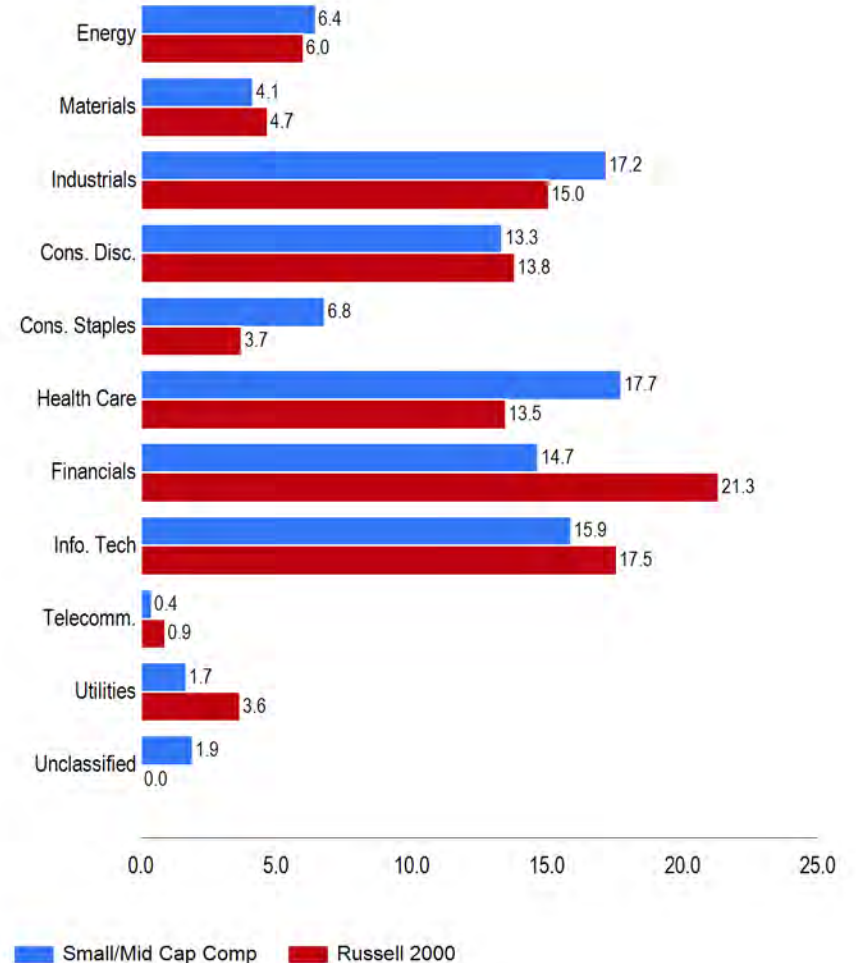
3 Year Style Analysis



Equity Characteristics

	Portfolio	Russell 2000
Number of Holdings	1,462	2,002
Weighted Avg. Market Cap. (\$B)	3.2	1.2
Median Market Cap. (\$B)	1.0	0.5
Price To Earnings	19.0	14.2
Price To Book	3.2	2.8
Price To Sales	2.5	2.2
Return on Equity (%)	13.0	6.2
Yield (%)	1.2	1.3
Beta	0.9	1.0
R-Squared	1.0	1.0

Equity Sector Allocation



Market Capitalization As Of June 30, 2012



# Vermont Municipal Employees

## Small/Mid Cap Comp

### Top Ten Holdings

CARLISLE COS.	1.2%
WILLIS GROUP HOLDINGS	0.9%
MAXIMUS	0.9%
LIFE TECHNOLOGIES	0.8%
CATO 'A'	0.8%
ICON SPN.ADR 1:1	0.8%
ALLIED WORLD ASR.CO.HDG.	0.8%
STAGE STORES	0.8%
INTUIT	0.7%
NORTHERN TRUST	0.7%

### Top Positive Contributors

	Relative Contribution %	Return %
GEN-PROBE	0.2%	23.8%
ARIBA	0.2%	36.8%
MAXIMUS	0.2%	27.5%
ALLIED WORLD ASR.CO.HDG.	0.1%	15.7%
CONCUR TECHS.	0.1%	18.7%
STAGE STORES	0.1%	13.4%
CATO 'A'	0.1%	11.1%
CARLISLE COS.	0.1%	6.6%
CORVEL	0.1%	22.8%
FLOWERS FOODS	0.1%	14.8%

### Top Negative Contributors

	Relative Contribution %	Return %
WHITING PTL.	-0.2%	-24.3%
KIRBY	-0.1%	-28.4%
SUPERIOR ENERGY SVS.	-0.1%	-23.3%
PENTAIR	-0.1%	-19.2%
MTS SYSTEMS	-0.1%	-26.9%
DENBURY RES.	-0.1%	-17.1%
DOVER	-0.1%	-14.4%
CHECK POINT SFTW.TECHS.	-0.1%	-22.3%
ACCO BRANDS	-0.1%	-16.7%
ARENA PHARMS.	-0.1%	224.4%

### Equity Sector Attribution

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.1%	0.0%	-0.1%	0.0%	-14.8%	-15.5%	7.3%	6.5%			
Materials	0.1%	0.1%	0.0%	0.0%	-6.5%	-7.6%	3.7%	4.7%			
Industrials	0.0%	0.1%	-0.1%	0.0%	-5.9%	-6.2%	18.3%	15.7%			
Cons. Disc.	0.3%	0.4%	0.0%	0.0%	-2.5%	-5.1%	12.9%	13.9%			
Cons. Staples	0.1%	0.0%	0.1%	0.0%	0.3%	1.2%	6.4%	3.5%			
Health Care	0.3%	0.0%	0.3%	0.0%	3.9%	3.8%	16.3%	12.5%			
Financials	-0.6%	-0.4%	-0.3%	0.1%	-0.8%	0.8%	14.8%	22.5%			
Info. Tech	0.4%	0.4%	0.0%	0.0%	-5.4%	-7.6%	17.1%	16.8%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	-1.9%	-4.8%	0.4%	0.8%			
Utilities	-0.1%	0.0%	-0.1%	0.0%	4.4%	3.2%	1.5%	3.2%			
Cash	0.1%	0.0%	0.1%	0.0%	0.0%	--	1.4%	0.0%			
<b>Portfolio</b>	<b>0.5%</b>	<b>=</b>	<b>0.6%</b>	<b>+</b>	<b>-0.1%</b>	<b>+</b>	<b>0.0%</b>	<b>-3.1%</b>	<b>-3.6%</b>	<b>100.0%</b>	<b>100.0%</b>

The Strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. From time to time securities are added to or removed from the Index. SSgA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, in anticipation of their removal from or addition to the Index. The Strategy may at times purchase or sell futures contracts on the Index, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index.

## Characteristics

	Portfolio	S&P 400 MidCap
Number of Holdings	401	400
Weighted Avg. Market Cap. (\$B)	3.8	3.8
Median Market Cap. (\$B)	2.6	2.6
Price To Earnings	20.7	20.1
Price To Book	3.2	3.1
Price To Sales	2.4	2.0
Return on Equity (%)	13.8	13.3
Yield (%)	1.5	1.5
Beta		1.0
R-Squared		1.0



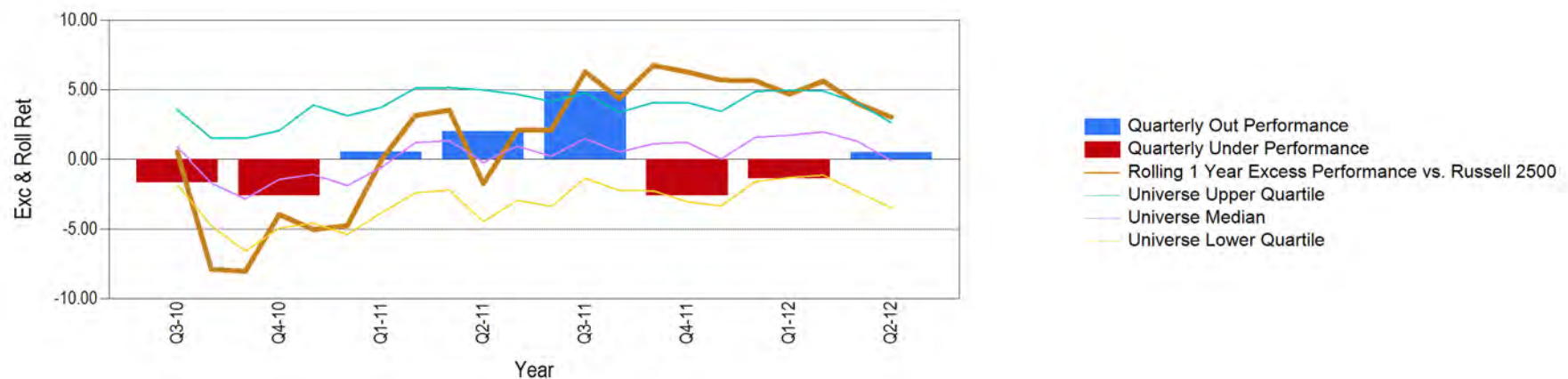
# Champlain

Champlain employs a fundamental, bottom-up approach to investing in equity assets. They believe that superior companies purchased at attractive valuations have the highest probability to wealth creation. Champlain seeks strong businesses with credible and sincere management and aims to buy shares of their stock at discounts to fair or intrinsic value. Portfolio construction applies sector weight guidelines and position size rules to manage risk. The portfolio will have some exposure to at least seven out of the eight largest sectors of the S&P 400, with a maximum weighting on 25% in any one sector. Individual positions will not represent more than 2% of the respective companies' outstanding shares and are limited to no more than 5% of assets under management. The portfolio typically holds 50-75 securities with average position sizes of 2%. The strategy's minimum market cap is \$1.5 billion at purchase and a maximum market cap of \$15 billion. In general, no more than 10% of portfolio in stocks with a market cap below \$2B and no more than 5% of portfolio in companies with market cap above \$20B.

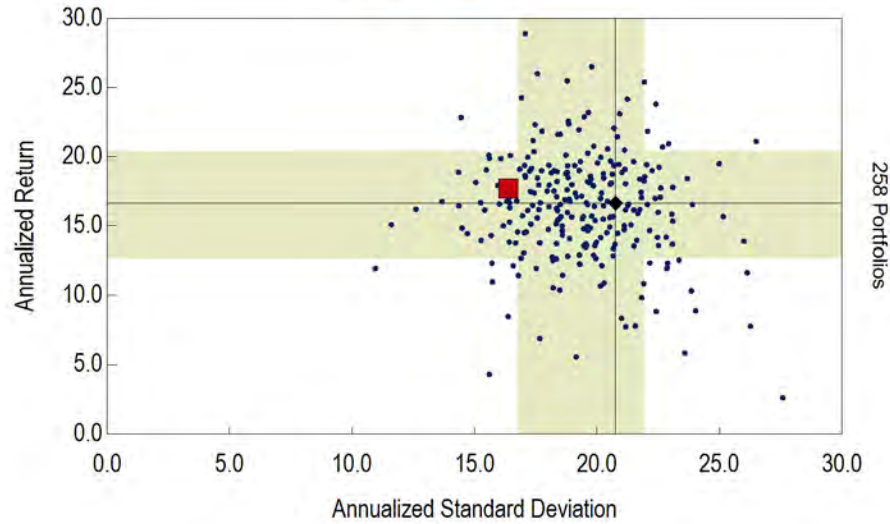
eA US Mid Cap Core Equity Gross Accounts



Annualized Excess Performance



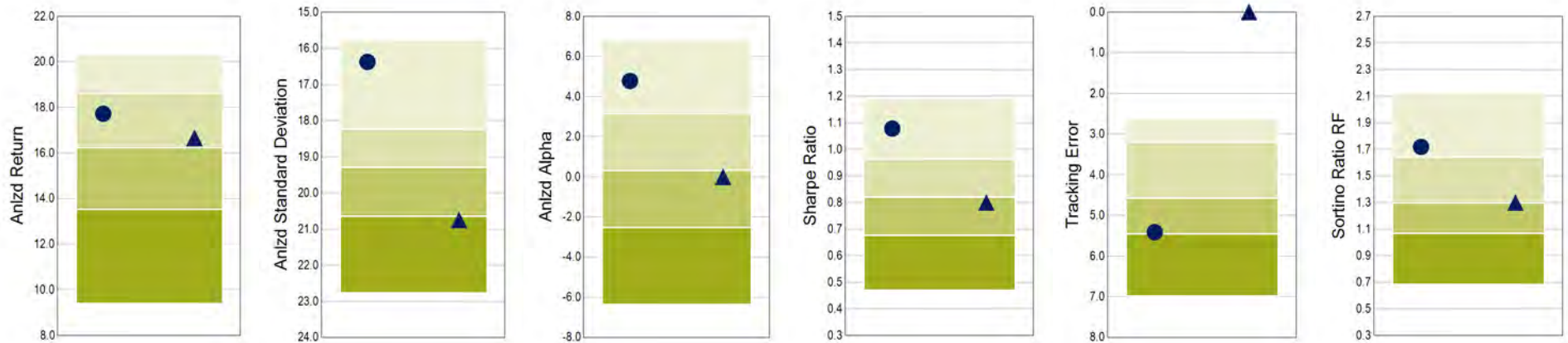
### 2 Year Risk Return



### Characteristics

	Portfolio	Russell 2500
Number of Holdings	71	2,504
Weighted Avg. Market Cap. (\$B)	6.6	2.6
Median Market Cap. (\$B)	4.5	0.7
Price To Earnings	20.6	16.4
Price To Book	3.2	2.6
Price To Sales	2.8	2.2
Return on Equity (%)	16.9	9.1
Yield (%)	1.2	1.4
Beta		1.0
R-Squared		1.0

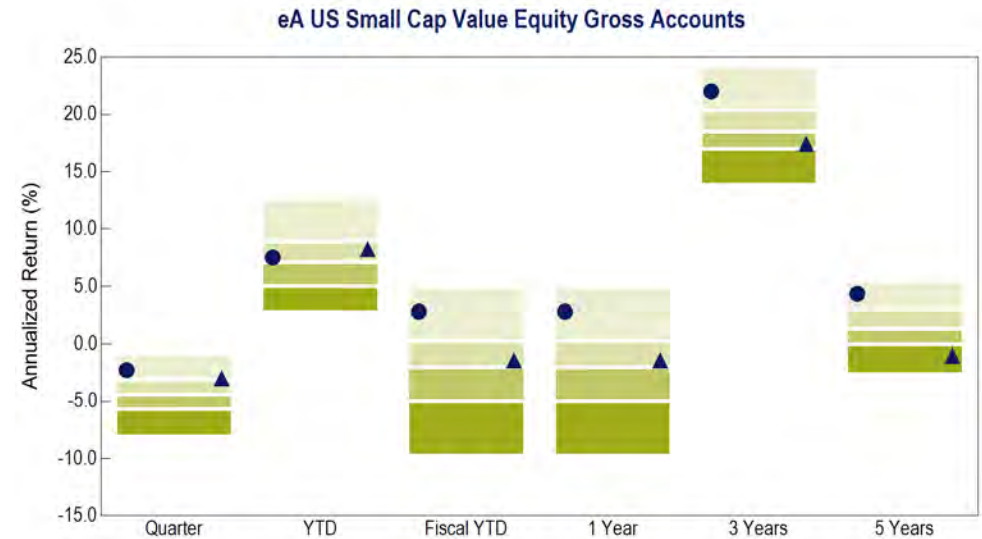
### 2 Year Risk Statistics



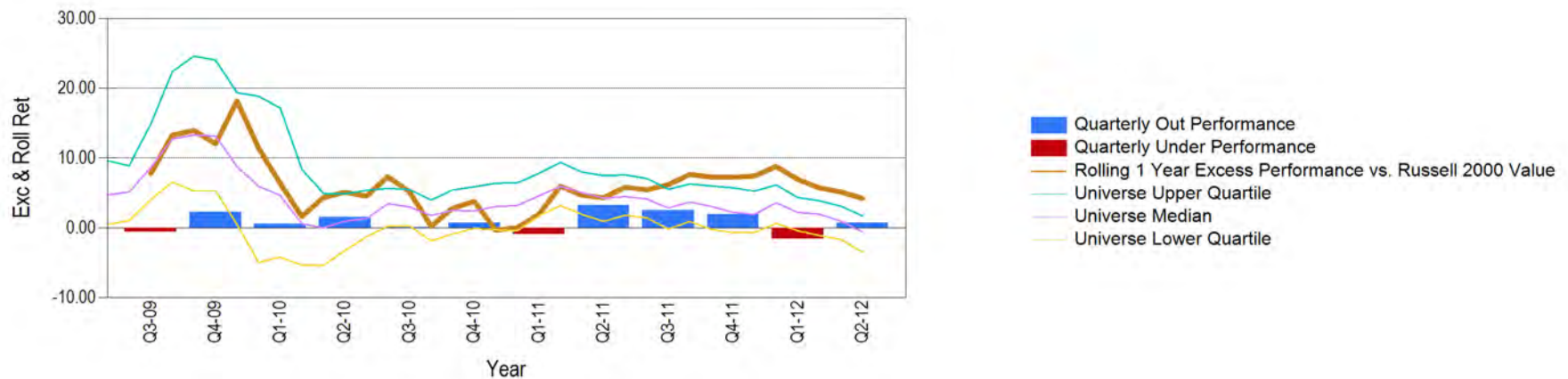


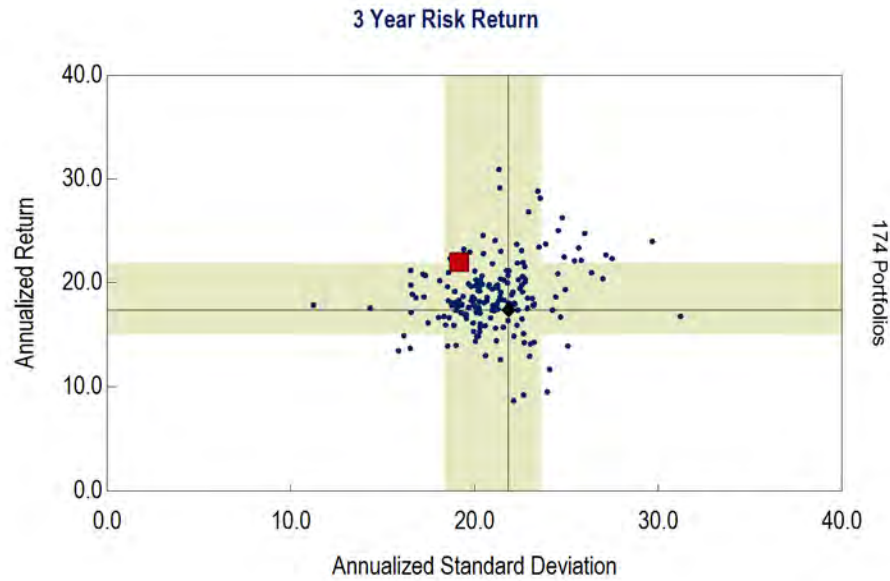
# Wellington

Wellington's investment objective is to seek long-term total returns in excess of the Russell 2000 Value Index by investing in conservatively-valued securities of high-quality, small cap companies. Wellington employ a bottom-up stock selection process that utilizes Wellington Management's proprietary, fundamental research to identify undervalued companies that have the potential for significant longer-term rewards. The investment universe consists of all stocks generally between US\$100 million and US\$2 billion in market capitalization. These stocks are reviewed for certain financial and valuation requirements that correspond with our investment process and philosophy. The Small Cap Value Team conducts their own proprietary research and leverages the broader research of the firm as appropriate. The Portfolio is expected to have a lower P/E ratio and other value-oriented characteristics relative to the overall small cap market, with a similar market capitalization. The return on equity is expected to be higher than the small cap value indexes, consistent with the high-quality focus.



## Annualized Excess Performance

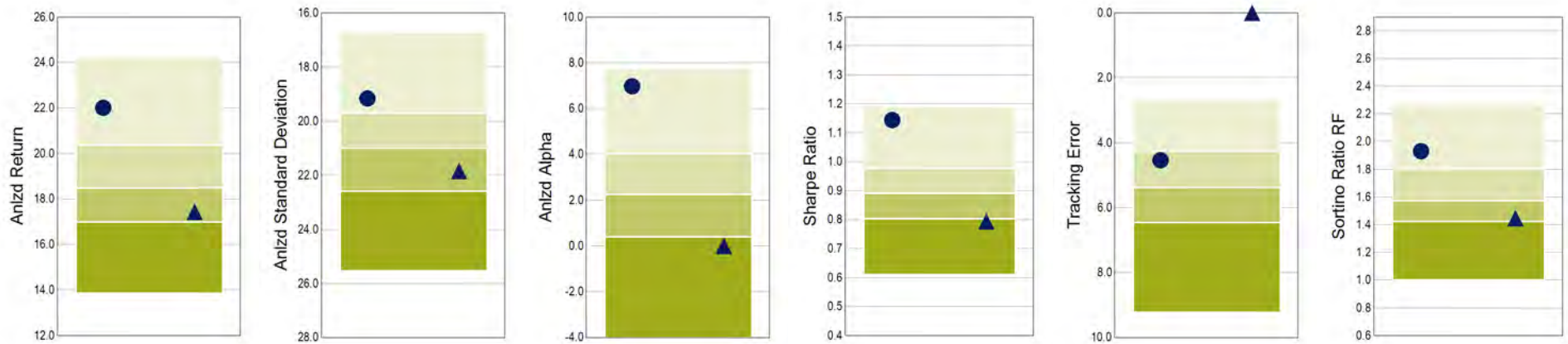




### Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	75	1,419
Weighted Avg. Market Cap. (\$B)	1.5	1.0
Median Market Cap. (\$B)	1.2	0.4
Price To Earnings	18.9	11.4
Price To Book	2.3	1.3
Price To Sales	1.5	1.7
Return on Equity (%)	13.7	5.7
Yield (%)	1.6	1.9
Beta		1.0
R-Squared		1.0

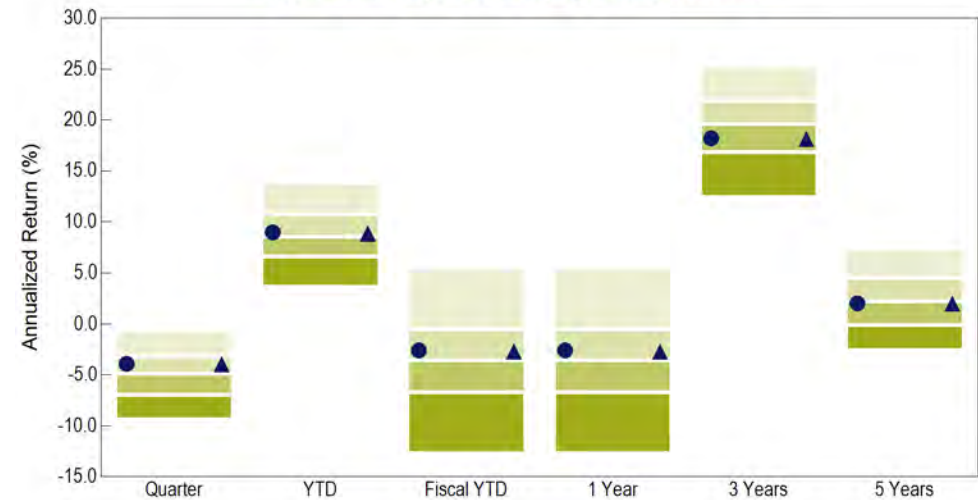
### 3 Year Risk Statistics



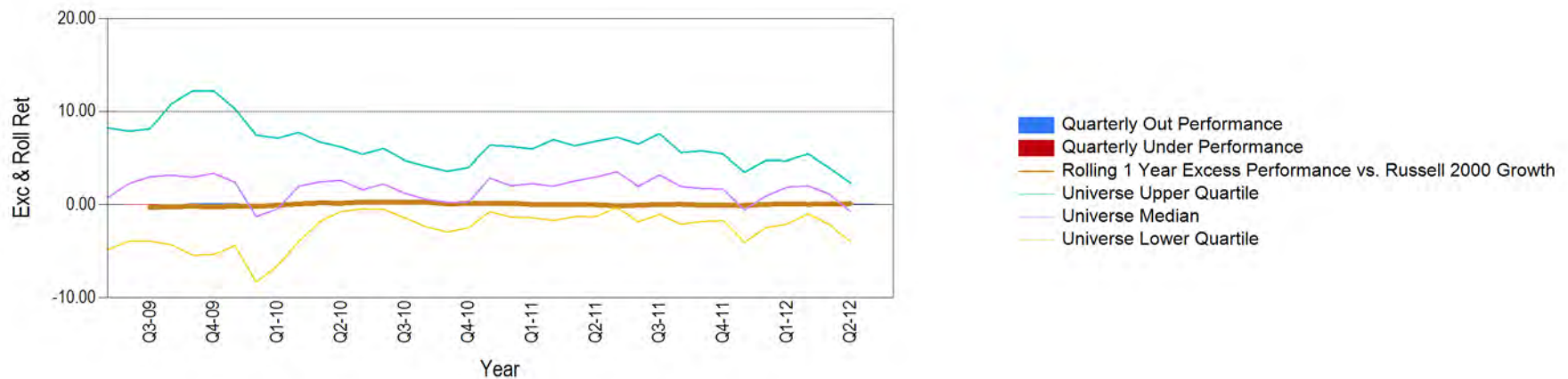
# SSgA Russell 2000 Growth

The Strategy is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index, in the same proportions as they are represented in the Index. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. From time to time securities are added to or removed from the Index. SSgA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, in anticipation of their removal from or addition to the Index. The Strategy may at times purchase or sell futures contracts on the Index, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index.

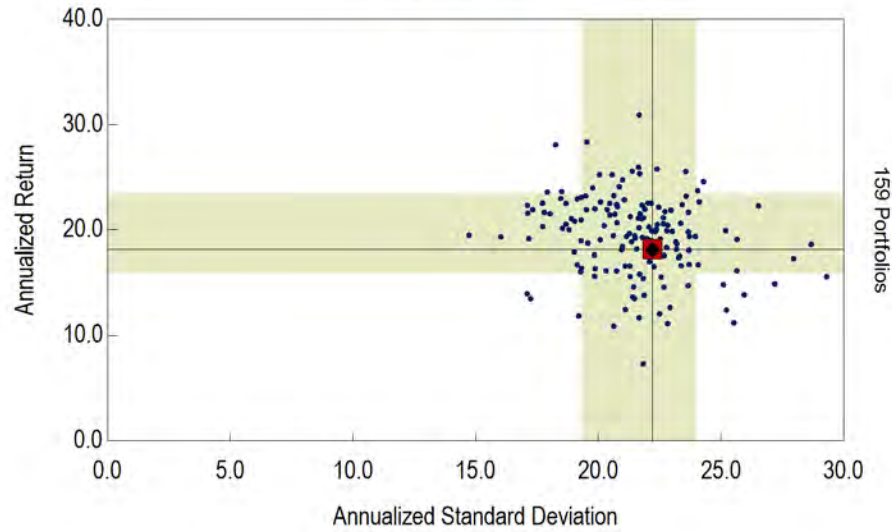
eA US Small Cap Growth Equity Gross Accounts



Annualized Excess Performance



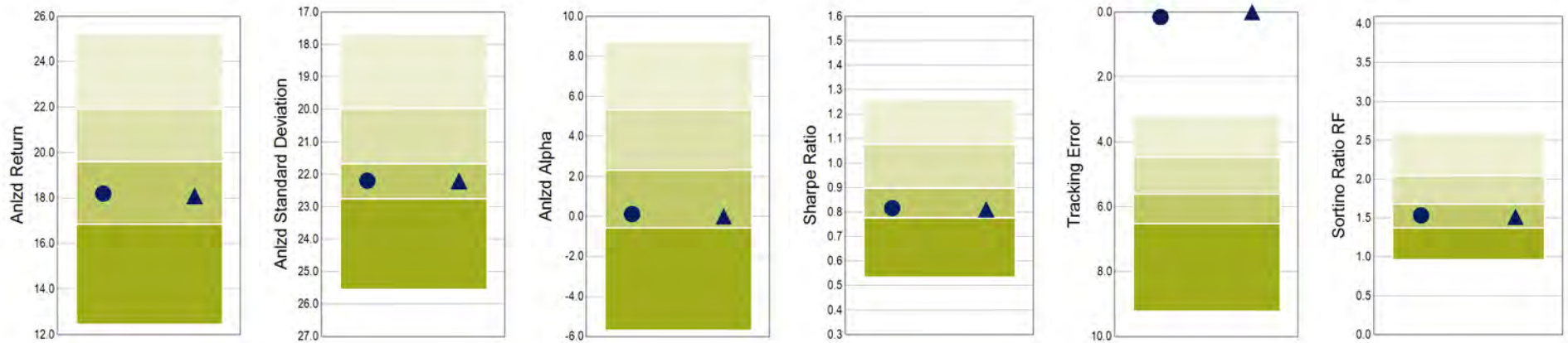
### 3 Year Risk Return



### Characteristics

	Portfolio	Russell 2000 Growth
Number of Holdings	1,050	1,135
Weighted Avg. Market Cap. (\$B)	1.4	1.4
Median Market Cap. (\$B)	0.6	0.6
Price To Earnings	17.0	17.0
Price To Book	4.4	4.3
Price To Sales	3.2	3.0
Return on Equity (%)	8.0	6.7
Yield (%)	0.7	0.6
Beta		1.0
R-Squared		1.0

### 3 Year Risk Statistics





## Vermont Municipal Employees

### Int'l Equity Comp

#### 3 Years Ending June 30, 2012

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Sortino Ratio RF	Rank	Down Mkt Cap Ratio	Rank
Int'l Equity Comp	9.58%	7.02%	75	18.89%	21	1.52%	71	2.35%	9	0.57	69	92.14%	45
MSCI EAFE	--	5.96%	87	20.44%	58	0.00%	87	0.00%	1	0.46	86	100.00%	79
Acadian	3.97%	7.38%	70	19.69%	38	1.73%	68	3.77%	35	0.54	73	92.26%	47
MSCI EAFE	--	5.96%	87	20.44%	58	0.00%	87	0.00%	1	0.46	86	100.00%	79
Mondrian	3.82%	6.83%	77	18.25%	12	1.62%	70	4.62%	49	0.60	60	90.45%	38
MSCI EAFE	--	5.96%	87	20.44%	58	0.00%	87	0.00%	1	0.46	86	100.00%	79
SSgA ACWI Ex US	1.80%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI ACWI ex USA	--	--	--	--	--	--	--	--	--	--	--	--	--

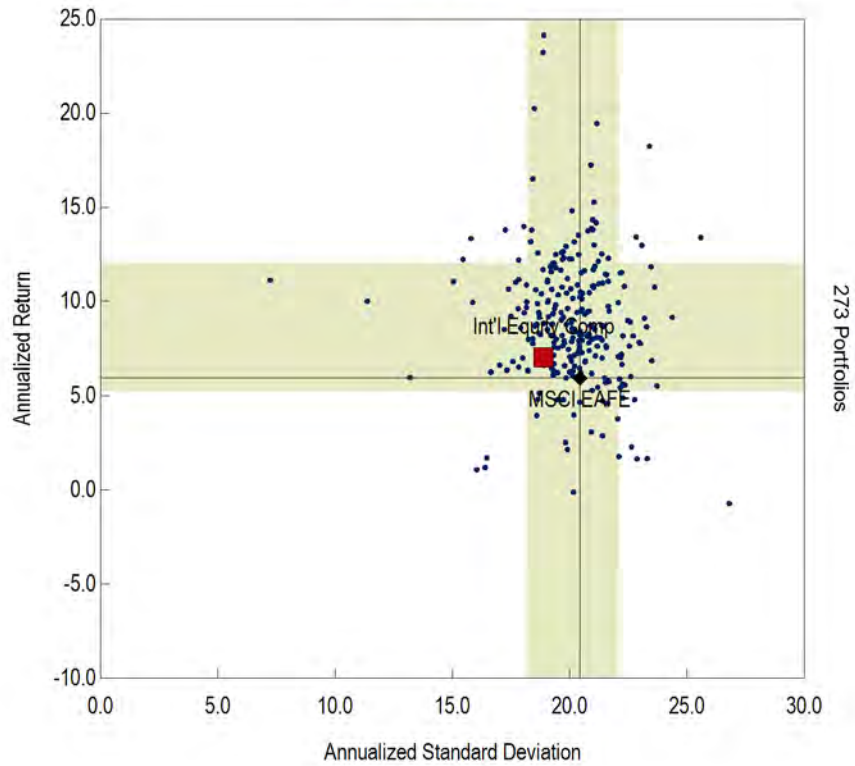
## Vermont Municipal Employees

### Int'l Equity Comp

#### 5 Years Ending June 30, 2012

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Sortino Ratio RF	Rank	Down Mkt Cap Ratio	Rank
Int'l Equity Comp	9.58%	-6.25%	82	22.47%	25	-0.50%	85	2.40%	5	-0.43	86	98.24%	47
MSCI EAFE	--	-6.10%	81	23.58%	45	0.00%	81	0.00%	1	-0.42	84	100.00%	65
Acadian	3.97%	-8.03%	95	24.72%	68	-1.72%	96	4.52%	39	-0.46	91	101.58%	82
MSCI EAFE	--	-6.10%	81	23.58%	45	0.00%	81	0.00%	1	-0.42	84	100.00%	65
Mondrian	3.82%	-4.46%	50	20.59%	8	0.68%	71	4.90%	44	-0.36	69	94.06%	16
MSCI EAFE	--	-6.10%	81	23.58%	45	0.00%	81	0.00%	1	-0.42	84	100.00%	65
SSgA ACWI Ex US	1.80%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI ACWI ex USA	--	--	--	--	--	--	--	--	--	--	--	--	--

3 Year Risk Return



3 Year Style Analysis





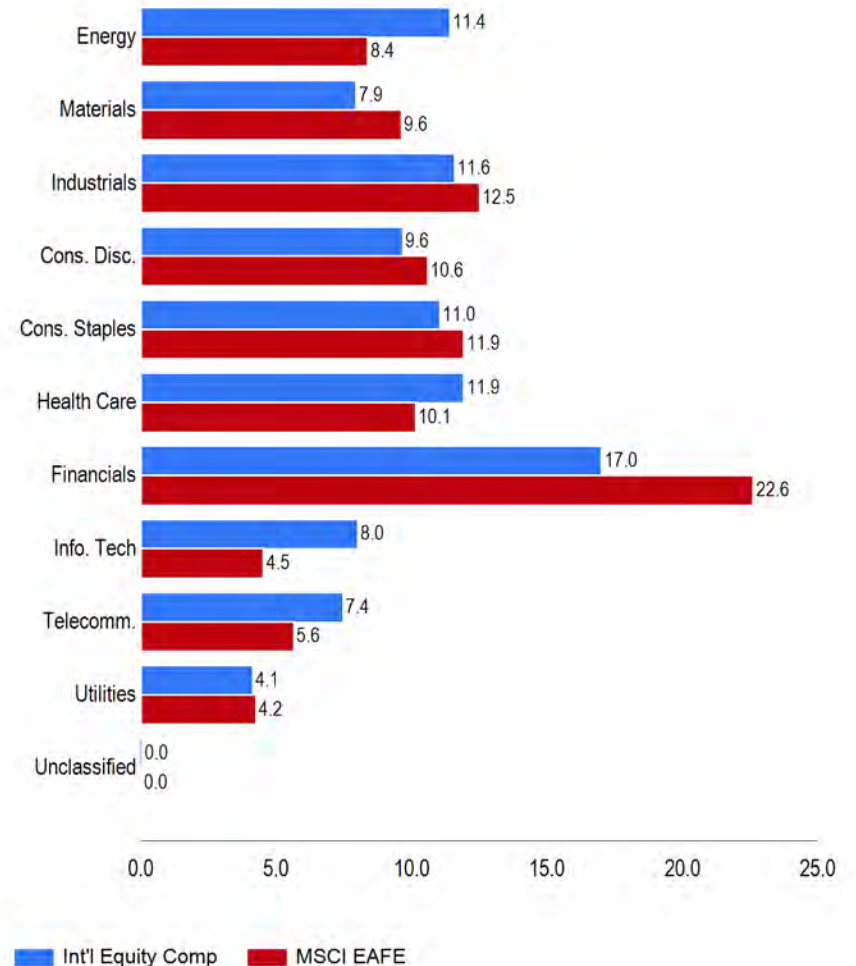
Equity Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	2,200	919
Weighted Avg. Market Cap. (\$B)	41.6	47.3
Median Market Cap. (\$B)	4.8	6.4
Price To Earnings	12.3	13.8
Price To Book	2.2	2.4
Price To Sales	1.3	1.6
Return on Equity (%)	16.0	14.5
Yield (%)	4.0	3.7
Beta	0.9	1.0
R-Squared	1.0	1.0

Regional Allocation

	Int'l Equity Comp	MSCI EAFE
Region Weighting		
North America ex U.S.	3.06	0.00
United States	0.03	0.00
Europe Ex U.K.	38.17	40.73
United Kingdom	16.19	23.20
Pacific Basin Ex Japan	10.56	13.71
Japan	22.61	21.78
Emerging Markets	7.93	0.00
Other	1.45	0.58

Equity Sector Allocation



# Vermont Municipal Employees

## Int'l Equity Comp

### Top Ten Holdings

ROYAL DUTCH SHELL A	2.4%
TOTAL	1.8%
BP	1.8%
NOVARTIS 'R'	1.4%
BHP BILLITON	1.4%
SANOFI	1.4%
RWE	1.3%
FRANCE TELECOM	1.3%
UNILEVER (UK)	1.2%
TESCO	1.2%

### Top Positive Contributors

	Relative Contribution %	Return %
SIEMENS	0.1%	-16.8%
BASF	0.1%	-17.4%
DAIMLER	0.1%	-22.1%
NOKIA	0.1%	-59.0%
CREDIT SUISSE GROUP N	0.1%	-33.5%
XSTRATA	0.1%	-25.5%
SAP	0.1%	-12.9%
UBS 'R'	0.1%	-15.9%
ABB 'R'	0.1%	-17.2%
STANDARD CHARTERED	0.1%	-12.9%

### Top Negative Contributors

	Relative Contribution %	Return %
CARREFOUR	-0.2%	-22.9%
ARKEMA	-0.2%	-28.1%
CANON	-0.1%	-16.5%
EURASIAN NATRES.CORP.	-0.1%	-31.2%
RWE	-0.1%	-10.3%
IBERDROLA	-0.1%	-16.7%
BEACH ENERGY	-0.1%	-36.7%
TEVA PHARM.INDS.ADR 1:1	-0.1%	-11.9%
CHINA PTL.& CHM. 'H'	-0.1%	-15.8%
TOTAL	-0.1%	-10.1%

### Equity Sector Attribution

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.1%	0.1%	0.0%	-0.1%	-8.9%	-8.8%	11.8%	8.5%			
Materials	0.1%	0.0%	0.1%	0.0%	-13.4%	-13.0%	8.6%	10.2%			
Industrials	0.1%	0.1%	0.0%	-0.1%	-8.8%	-9.3%	11.1%	12.7%			
Cons. Disc.	0.3%	0.1%	0.1%	0.1%	-6.7%	-8.9%	8.7%	10.8%			
Cons. Staples	-0.2%	-0.3%	-0.1%	0.1%	-2.9%	-1.3%	10.4%	11.2%			
Health Care	0.2%	-0.1%	0.2%	0.1%	1.3%	1.0%	11.3%	9.2%			
Financials	0.1%	-0.1%	0.0%	0.1%	-7.6%	-7.5%	17.4%	22.6%			
Info. Tech	0.1%	0.2%	-0.3%	0.2%	-9.5%	-14.2%	8.1%	4.8%			
Telecomm.	0.0%	-0.1%	0.2%	-0.1%	-1.9%	-0.2%	8.8%	5.4%			
Utilities	-0.1%	-0.1%	0.0%	0.0%	-8.1%	-4.7%	4.0%	4.3%			
Cash	0.0%	--	--	--	--	--	0.0%	0.0%			
<b>Portfolio</b>	<b>0.4%</b>	<b>=</b>	<b>-0.1%</b>	<b>+</b>	<b>0.3%</b>	<b>+</b>	<b>0.2%</b>	<b>-6.5%</b>	<b>-6.9%</b>	<b>100.0%</b>	<b>100.0%</b>

**Country Allocation**

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Brazil*	1.1%	0.0%	-16.6%	-18.9%
Canada	3.0%	0.0%	-6.2%	-7.8%
Chile*	0.1%	0.0%	-8.4%	-9.0%
Colombia*	0.1%	0.0%	-1.0%	-0.1%
Mexico*	0.2%	0.0%	-1.9%	-1.1%
Peru*	0.0%	0.0%	-3.2%	-3.3%
United States	0.0%	0.0%	-11.1%	-3.2%
<b>Total-Americas</b>	<b>4.6%</b>	<b>0.0%</b>	<b>-8.5%</b>	<b>--</b>
<b>Europe</b>				
Austria	0.3%	0.3%	-7.6%	-12.8%
Belgium	0.3%	1.0%	-5.0%	0.2%
Czech Republic*	0.0%	0.0%	-11.4%	-12.0%
Denmark	0.9%	1.1%	-11.2%	-3.1%
Finland	0.4%	0.9%	-14.7%	-20.6%
France	9.9%	9.3%	-9.7%	-8.1%
Germany	6.1%	8.6%	-6.8%	-12.0%
Greece	0.0%	0.1%	-36.5%	-20.7%
Hungary*	0.0%	0.0%	-7.4%	-7.3%
Ireland	0.0%	0.3%	-5.7%	-4.5%
Italy	2.2%	2.3%	-9.7%	-11.4%
Luxembourg	0.0%	0.0%	-0.5%	-6.9%
Netherlands	6.8%	2.5%	-5.6%	-6.8%
Norway	0.6%	1.0%	-10.2%	-9.2%
Poland*	0.2%	0.0%	-5.2%	-5.5%
Portugal	0.0%	0.2%	-15.0%	-18.2%
Russia*	0.2%	0.0%	-14.5%	-14.5%
Spain	2.7%	2.9%	-13.8%	-12.4%
Sweden	0.9%	3.2%	-4.7%	-7.3%
Switzerland	5.3%	8.5%	-6.1%	-5.7%
United Kingdom	16.1%	22.5%	-5.1%	-3.9%
<b>Total-Europe</b>	<b>53.2%</b>	<b>64.5%</b>	<b>-7.3%</b>	<b>-7.1%</b>

**Country Allocation  
Versus MSCI EAFE - Quarter Ending June 30, 2012**

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	7.5%	8.4%	-6.8%	-5.1%
China*	1.5%	0.0%	-9.0%	-5.5%
Hong Kong	1.1%	2.9%	-6.4%	-4.8%
India*	0.3%	0.0%	-9.4%	-9.5%
Indonesia*	0.1%	0.0%	-6.9%	-7.4%
Japan	22.1%	21.6%	-4.3%	-7.3%
Korea*	2.0%	0.0%	-7.7%	-8.6%
Malaysia*	0.2%	0.0%	-1.8%	-3.6%
New Zealand	0.1%	0.1%	-6.8%	-8.0%
Pakistan*	0.1%	0.0%	-3.5%	-6.9%
Philippines*	0.0%	0.0%	4.4%	3.9%
Singapore	3.6%	1.8%	-1.7%	-3.8%
Taiwan*	1.6%	0.0%	-8.1%	-9.5%
Thailand*	0.4%	0.0%	-8.6%	-5.5%
<b>Total-AsiaPacific</b>	<b>40.7%</b>	<b>34.8%</b>	<b>-5.1%</b>	<b>-6.4%</b>
<b>Other</b>				
Egypt*	0.0%	0.0%	-4.8%	-4.7%
Israel	0.1%	0.6%	-16.5%	-13.6%
Morocco*	0.0%	0.0%	-12.8%	-13.5%
Other Countries	1.0%	0.0%	-11.9%	-6.9%
South Africa*	0.4%	0.0%	-5.7%	-5.6%
Turkey*	0.1%	0.0%	1.8%	0.9%
<b>Total-Other</b>	<b>1.5%</b>	<b>0.6%</b>	<b>-10.1%</b>	<b>-13.6%</b>
<b>Totals</b>				
Developed	90.4%	100.0%	-6.2%	-6.9%
Emerging*	8.6%	0.0%	-8.7%	--
Other	1.0%		-11.9%	
Cash	0.0%		--	

# Vermont Municipal Employees

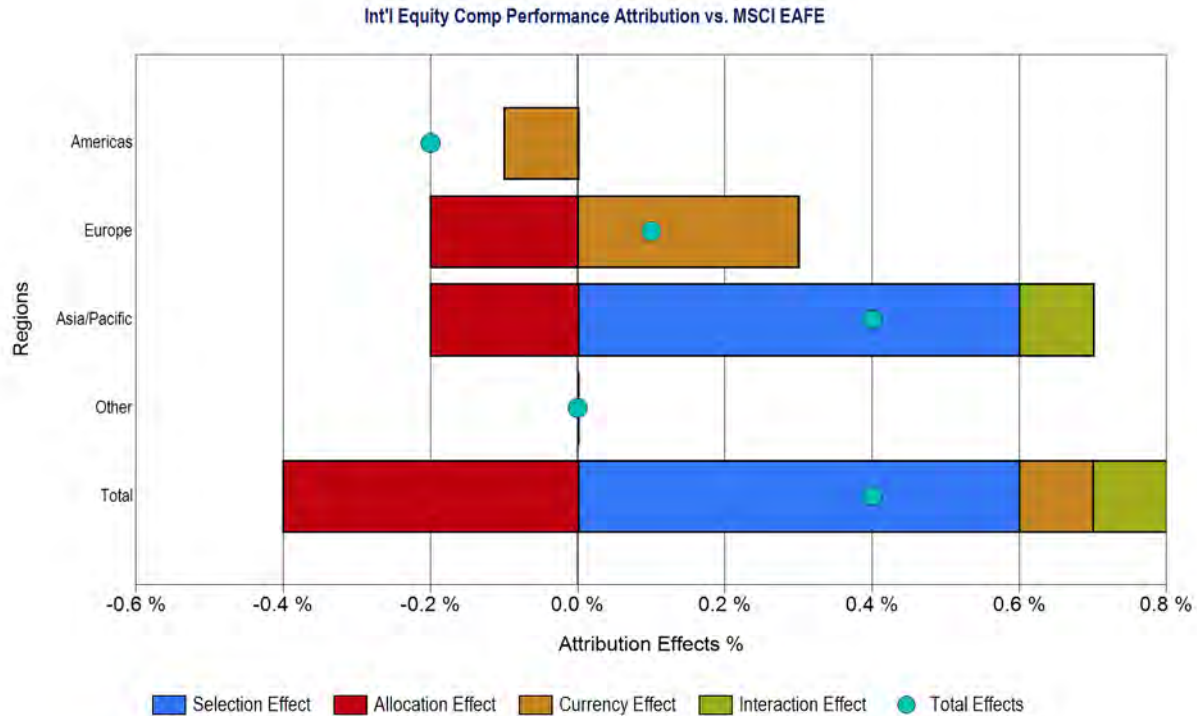
## Int'l Equity Comp

### International Equity Performance Attribution

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Europe</b>									
Austria	-7.6%	-12.8%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Belgium	-5.0%	0.2%	0.3%	1.0%	-0.1%	-0.1%	0.0%	0.0%	-0.1%
Czech Republic*	-11.4%	-12.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Denmark	-11.2%	-3.1%	0.9%	1.1%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Finland	-14.7%	-20.6%	0.4%	0.9%	0.1%	0.1%	0.0%	0.0%	0.1%
France	-9.7%	-8.1%	9.9%	9.3%	-0.1%	0.0%	0.0%	0.0%	-0.2%
Germany	-6.8%	-12.0%	6.1%	8.6%	0.5%	0.1%	0.1%	-0.1%	0.5%
Greece	-36.5%	-20.7%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Hungary*	-7.4%	-7.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ireland	-5.7%	-4.5%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Italy	-9.7%	-11.4%	2.2%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Netherlands	-5.6%	-6.8%	6.8%	2.5%	0.0%	0.1%	-0.2%	0.1%	0.0%
Norway	-10.2%	-9.2%	0.6%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	-5.2%	-5.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Portugal	-15.0%	-18.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia*	-14.5%	-14.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Spain	-13.8%	-12.4%	2.7%	2.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Sweden	-4.7%	-7.3%	0.9%	3.2%	0.1%	0.0%	0.1%	-0.1%	0.1%
Switzerland	-6.1%	-5.7%	5.3%	8.5%	0.0%	-0.1%	0.1%	0.0%	0.0%
United Kingdom	-5.1%	-3.9%	16.1%	22.5%	-0.3%	-0.2%	0.1%	0.1%	-0.3%
<b>Americas</b>									
Brazil*	-16.6%	-18.9%	1.1%	0.0%	0.0%	-0.1%	-0.1%	0.0%	-0.1%
Canada	-6.2%	-7.8%	3.0%	0.0%	0.0%	0.0%	-0.1%	0.0%	0.0%
Chile*	-8.4%	-9.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	-1.0%	-0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	-1.9%	-1.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Peru*	-3.2%	-3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	-11.1%	-3.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

### International Equity Performance Attribution

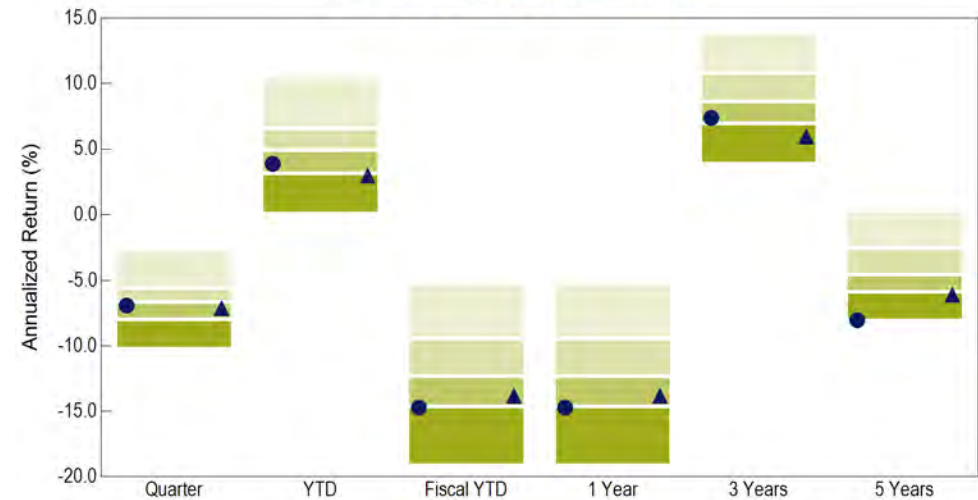
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>AsiaPacific</b>									
Australia	-6.8%	-5.1%	7.5%	8.4%	-0.1%	0.0%	0.0%	0.0%	-0.1%
China*	-9.0%	-5.5%	1.5%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%
Hong Kong	-6.4%	-4.8%	1.1%	2.9%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	-9.4%	-9.5%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Indonesia*	-6.9%	-7.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Japan	-4.3%	-7.3%	22.1%	21.6%	0.6%	0.0%	0.0%	0.0%	0.7%
Korea*	-7.7%	-8.6%	2.0%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Malaysia*	-1.8%	-3.6%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
New Zealand	-6.8%	-8.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Philippines*	4.4%	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	-1.7%	-3.8%	3.6%	1.8%	0.0%	0.0%	0.0%	0.0%	0.1%
Taiwan*	-8.1%	-9.5%	1.6%	0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%
Thailand*	-8.6%	-5.5%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Other</b>									
Egypt*	-4.8%	-4.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Israel	-16.5%	-13.6%	0.1%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Morocco*	-12.8%	-13.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Africa*	-5.7%	-5.6%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	1.8%	0.9%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Countries*	-11.9%	-6.9%	1.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%
<b>Totals</b>									
Developed	-6.2%	-6.9%	90.4%	100.0%	0.5%	0.0%	0.3%	0.0%	0.8%
Emerging*	-8.7%	--	8.6%	0.0%	0.0%	0.0%	-0.2%	-0.1%	-0.3%
Other	-11.9%	--	1.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%



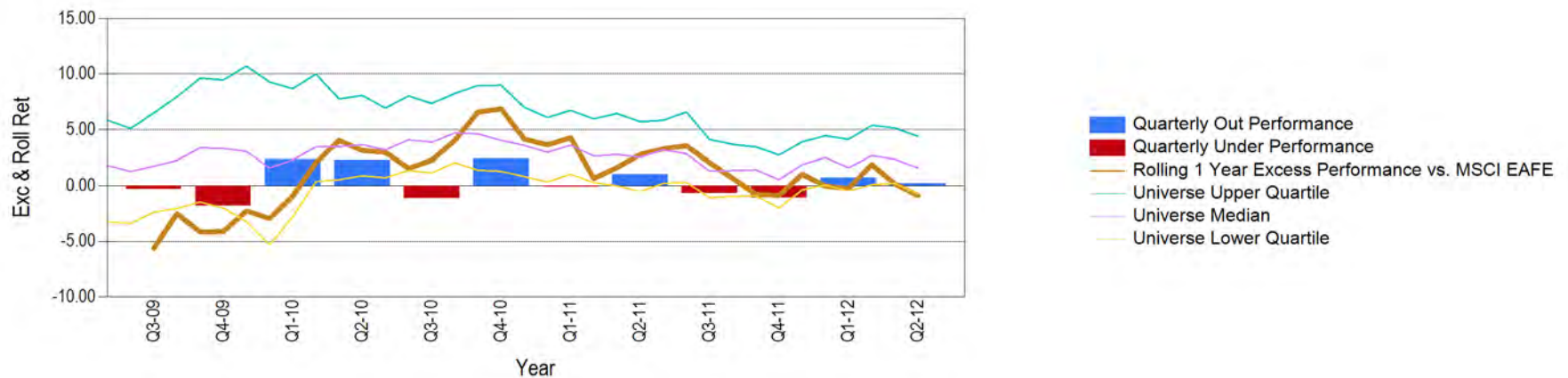
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Americas	-8.5%	--	4.6%	0.0%	0.0%	0.0%	-0.1%	0.0%	-0.2%
Europe	-7.3%	-7.1%	53.2%	64.5%	0.0%	-0.2%	0.3%	0.0%	0.1%
Asia/Pacific	-5.1%	-6.4%	40.7%	34.8%	0.6%	-0.2%	0.0%	0.1%	0.4%
Other	-10.1%	-13.6%	1.5%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>-6.5%</b>	<b>-6.9%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.6%</b>	<b>-0.4%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.4%</b>
<b>Totals</b>									
Developed	-6.2%	-6.9%	90.4%	100.0%	0.5%	0.0%	0.3%	0.0%	0.8%
Emerging*	-8.7%	--	8.6%	0.0%	0.0%	0.0%	-0.2%	-0.1%	-0.3%
Other	-11.9%	--	1.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%

Acadian believes that the larger the pool of potential investments, the greater the potential opportunity an active manager has to add value. They believe that stocks and markets have many attributes that are related to potential outperformance, and that a successful investment approach must be multi-faceted and highly adaptable. They believe that objectivity is crucial to investment success. Acadian's quantitative process and extensive database allows them to apply their valuation techniques to over 40,000 stocks worldwide. They do not limit the universe other than to employ screens based on invest-ability and availability of data. For example, they only evaluate stocks that have sufficient daily trading volume to be appropriate for institutional investment. Other than these practical considerations, they consider our investment universe to encompass all institutionally investable stocks in the world.

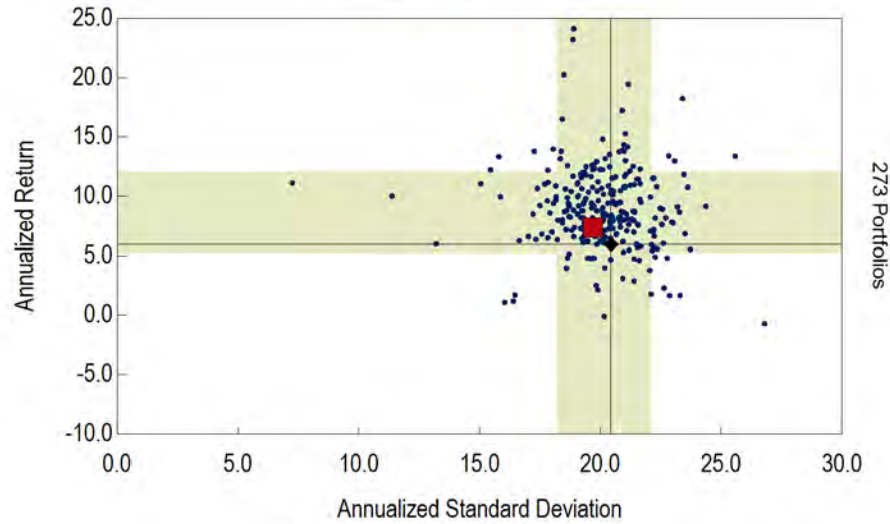
eA All EAFE Equity Gross Accounts



Annualized Excess Performance



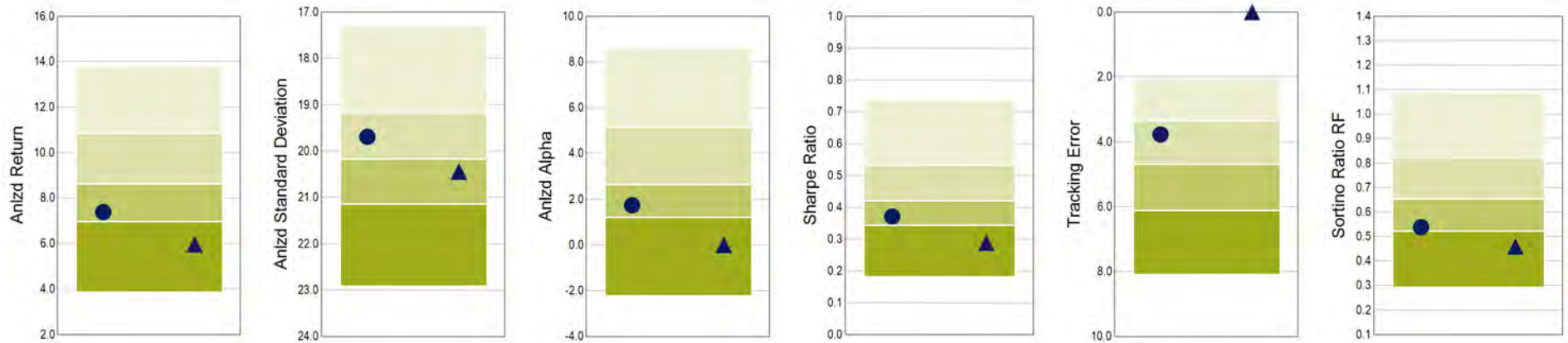
3 Year Risk Return



Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	424	919
Weighted Avg. Market Cap. (\$B)	32.5	47.3
Median Market Cap. (\$B)	0.6	6.4
Price To Earnings	11.0	13.8
Price To Book	1.7	2.4
Price To Sales	1.0	1.6
Return on Equity (%)	17.9	14.5
Yield (%)	3.2	3.7
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics



## Country Allocation

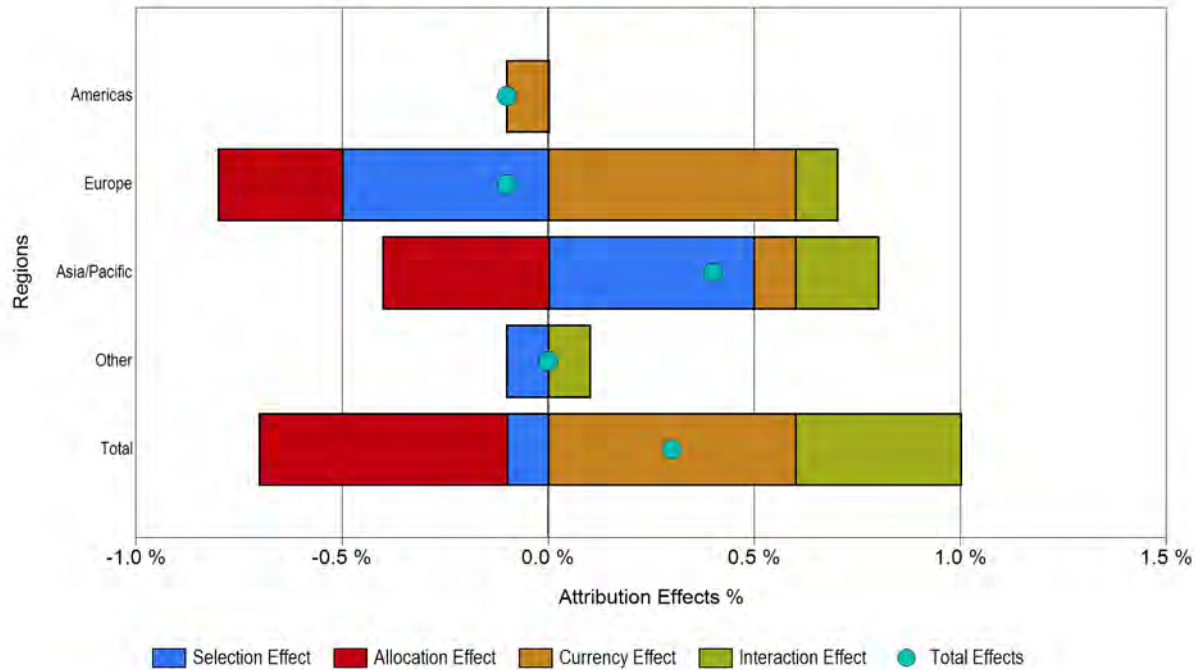
	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Brazil*	1.0%	0.0%	-13.1%	-18.9%
Canada	3.5%	0.0%	-4.7%	-7.8%
Chile*	0.0%	0.0%	--	--
Colombia*	0.0%	0.0%	--	--
Mexico*	0.1%	0.0%	-8.6%	-1.1%
Peru*	0.0%	0.0%	--	--
United States	0.0%	0.0%	7.1%	-3.2%
<b>Total-Americas</b>	<b>4.6%</b>	<b>0.0%</b>	<b>-6.5%</b>	<b>--</b>
<b>Europe</b>				
Austria	0.7%	0.3%	-7.1%	-12.8%
Belgium	0.5%	1.0%	-8.3%	0.2%
Czech Republic*	0.0%	0.0%	--	--
Denmark	1.7%	1.1%	-12.8%	-3.1%
Finland	0.7%	0.9%	-12.4%	-20.6%
France	6.4%	9.3%	-10.6%	-8.1%
Germany	6.2%	8.6%	-4.8%	-12.0%
Greece	0.1%	0.1%	-45.4%	-20.7%
Hungary*	0.0%	0.0%	--	--
Ireland	0.0%	0.3%	--	-4.5%
Italy	1.1%	2.3%	-9.2%	-11.4%
Netherlands	7.5%	2.5%	-3.9%	-6.8%
Norway	1.2%	1.0%	-10.4%	-9.2%
Poland*	0.4%	0.0%	-5.3%	-5.5%
Portugal	0.0%	0.2%	-10.6%	-18.2%
Russia*	0.0%	0.0%	--	--
Spain	0.1%	2.9%	-11.8%	-12.4%
Sweden	1.1%	3.2%	-2.4%	-7.3%
Switzerland	3.9%	8.5%	-9.7%	-5.7%
United Kingdom	14.6%	22.5%	-9.3%	-3.9%
<b>Total-Europe</b>	<b>46.3%</b>	<b>64.5%</b>	<b>-8.0%</b>	<b>-7.1%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	9.8%	8.4%	2.4%	-5.1%
China*	1.8%	0.0%	-0.6%	3.6%
Hong Kong	1.7%	2.9%	-0.2%	-4.8%
India*	0.0%	0.0%	--	--
Indonesia*	0.0%	0.0%	--	--
Japan	26.3%	21.6%	-1.1%	-7.3%
Korea*	3.2%	0.0%	7.0%	0.1%
Malaysia*	0.1%	0.0%	2.6%	-0.8%
New Zealand	0.2%	0.1%	4.6%	-8.0%
Pakistan*	0.2%	0.0%	2.0%	-1.9%
Philippines*	0.0%	0.0%	--	--
Singapore	4.4%	1.8%	-1.3%	-3.8%
Taiwan*	0.9%	0.0%	9.4%	-4.2%
Thailand*	0.7%	0.0%	2.6%	3.5%
<b>Total-AsiaPacific</b>	<b>49.0%</b>	<b>34.8%</b>	<b>0.4%</b>	<b>-6.4%</b>
<b>Other</b>				
Egypt*	0.0%	0.0%	--	--
Israel	0.1%	0.6%	-4.4%	-13.9%
Morocco*	0.0%	0.0%	--	--
South Africa*	0.0%	0.0%	--	--
Turkey*	0.0%	0.0%	--	--
<b>Total-Other</b>	<b>0.1%</b>	<b>0.6%</b>	<b>-4.4%</b>	<b>-13.9%</b>
<b>Totals</b>				
Developed	91.8%	100.0%	-0.7%	-6.9%
Emerging*	8.2%	0.0%	5.2%	--
Other	0.0%	--	--	--
Cash	0.0%	--	--	--



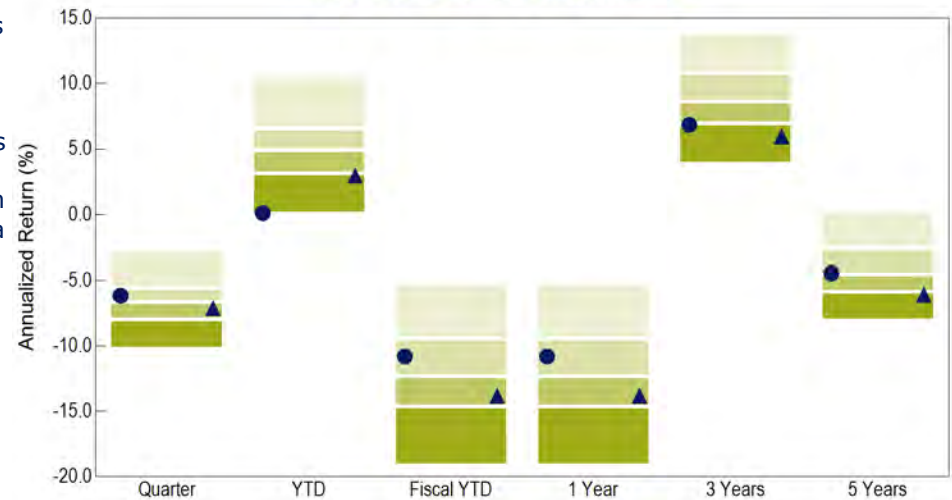
Acadian Performance Attribution vs. MSCI EAFE



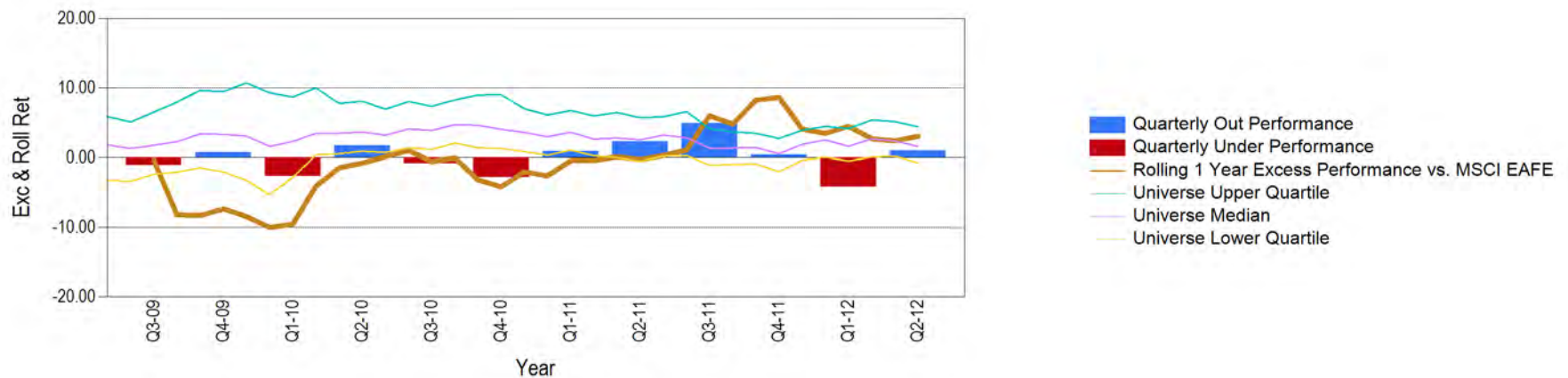
	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
<b>Totals</b>									
Americas	-6.5%	--	4.6%	0.0%	0.0%	0.0%	-0.1%	0.0%	-0.1%
Europe	-8.0%	-7.1%	46.3%	64.5%	-0.5%	-0.3%	0.6%	0.1%	-0.1%
Asia/Pacific	-5.3%	-6.4%	49.0%	34.8%	0.5%	-0.4%	0.1%	0.2%	0.4%
Other	-25.3%	-13.6%	0.1%	0.6%	-0.1%	0.0%	0.0%	0.1%	0.0%
<b>Total</b>	<b>-6.6%</b>	<b>-6.9%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.1%</b>	<b>-0.6%</b>	<b>0.6%</b>	<b>0.4%</b>	<b>0.3%</b>
<b>Totals</b>									
Developed	-6.4%	-6.9%	91.8%	100.0%	-0.1%	0.0%	0.7%	0.0%	0.6%
Emerging*	-9.6%	--	8.2%	0.0%	0.0%	0.0%	-0.1%	-0.3%	-0.4%

The firm is an active value-oriented defensive manager. The firm's value driven investment philosophy is based on the belief that investments need to be evaluated in terms of their fundamental long-term value. The firm believes that the value of a company lies in its future income stream as dividends represent the most direct form of cash flow to a shareholder. The firm uses an inflation adjusted dividend discount model to derive the underlying value of a company. This methodology is applied consistently to individual securities across all markets and industries. The universe spans markets covered in the MSCI Indices and those developing markets with adequate investor protection and good repatriation procedures. The firm will then narrow the universe to a list of more than 1000 securities on the basis of value criteria, and then further reduce this to a shorter list of approximately 250 securities annually, for detailed fundamental analysis. The screens include basic value characteristics such as price to book, price to cash flow ratio, price to earnings ratio, and yield, as well as liquidity considerations. A focus list of approximately 80 securities is then created from that list of approximately 250 through fundamental research and deliberations of the Equity Strategy Committee. It is this list of securities on which more detailed fundamental analysis and financial modeling is carried out utilizing the dividend discount model, which is based on an evaluation of a company's future income stream, which is then discounted in real terms.

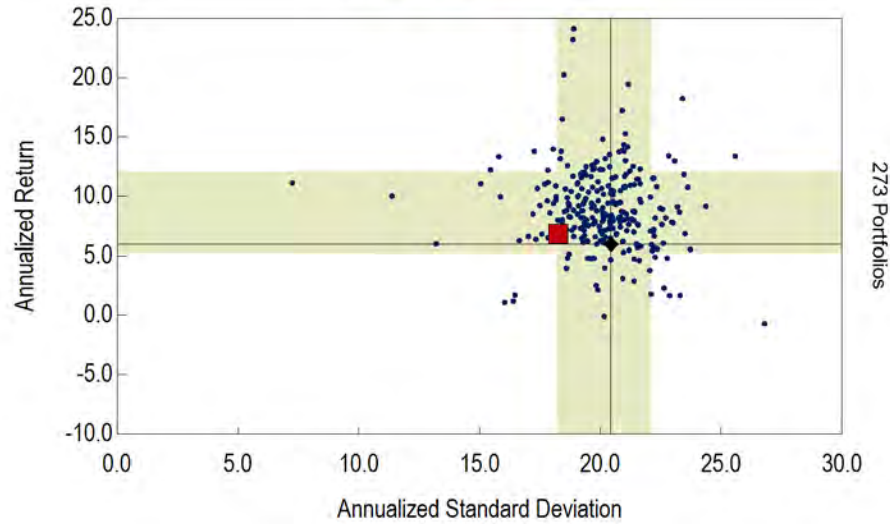
eA All EAFE Equity Gross Accounts



Annualized Excess Performance



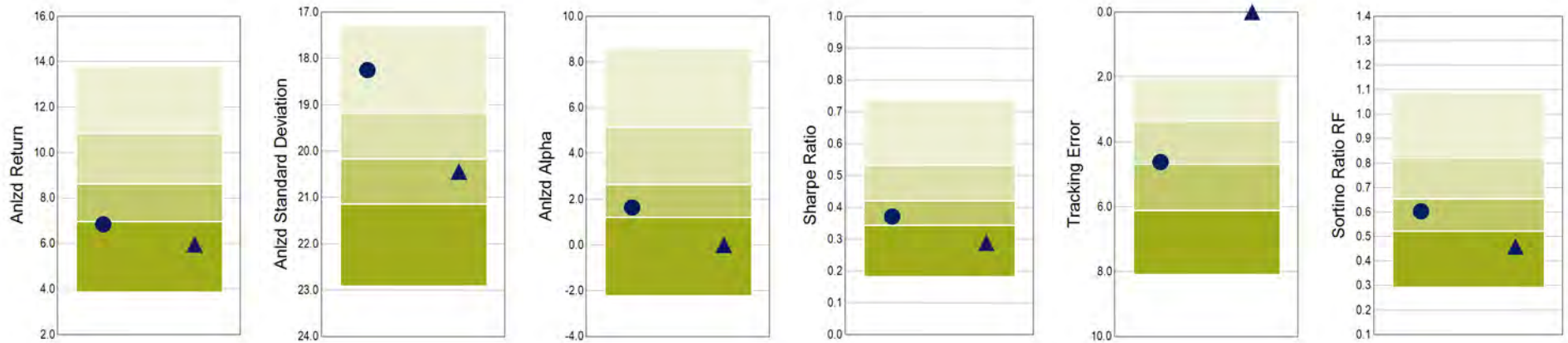
### 3 Year Risk Return



### Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	51	919
Weighted Avg. Market Cap. (\$B)	50.8	47.3
Median Market Cap. (\$B)	26.8	6.4
Price To Earnings	12.8	13.8
Price To Book	1.8	2.4
Price To Sales	1.2	1.6
Return on Equity (%)	13.2	14.5
Yield (%)	5.0	3.7
Beta		1.0
R-Squared		1.0

### 3 Year Risk Statistics

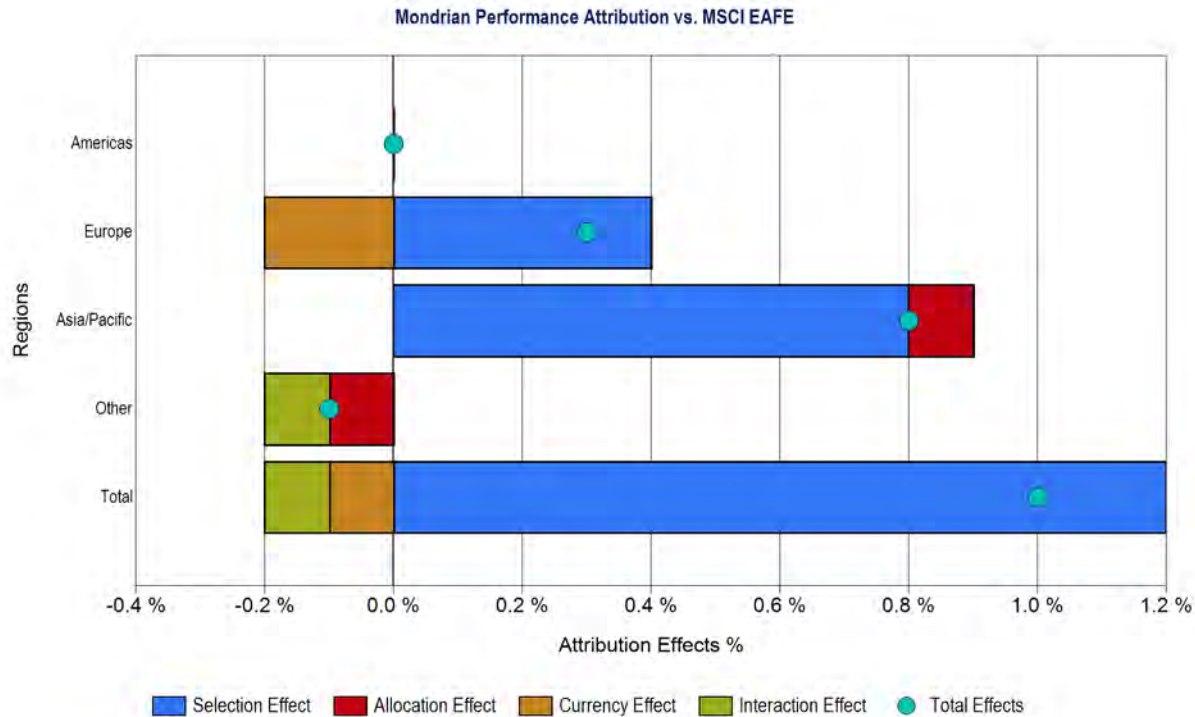


## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Brazil*	0.0%	0.0%	--	--
Canada	0.0%	0.0%	--	--
Chile*	0.0%	0.0%	--	--
Colombia*	0.0%	0.0%	--	--
Mexico*	0.0%	0.0%	--	--
Peru*	0.0%	0.0%	--	--
United States	0.0%	0.0%	--	--
<b>Total-Americas</b>	<b>0.0%</b>	<b>0.0%</b>	<b>--</b>	<b>--</b>
<b>Europe</b>				
Austria	0.0%	0.3%	--	-12.8%
Belgium	0.0%	1.0%	--	0.2%
Czech Republic*	0.0%	0.0%	--	--
Denmark	0.0%	1.1%	--	-3.1%
Finland	0.0%	0.9%	--	-20.6%
France	15.5%	9.3%	-9.6%	-8.1%
Germany	6.2%	8.6%	-6.5%	-12.0%
Greece	0.0%	0.1%	--	-20.7%
Hungary*	0.0%	0.0%	--	--
Ireland	0.0%	0.3%	--	-4.5%
Italy	3.8%	2.3%	-9.6%	-11.4%
Netherlands	8.1%	2.5%	-7.2%	-6.8%
Norway	0.0%	1.0%	--	-9.2%
Poland*	0.0%	0.0%	--	--
Portugal	0.0%	0.2%	--	-18.2%
Russia*	0.0%	0.0%	--	--
Spain	6.0%	2.9%	-14.1%	-12.4%
Sweden	0.0%	3.2%	--	-7.3%
Switzerland	6.6%	8.5%	-4.1%	-5.7%
United Kingdom	18.4%	22.5%	-2.0%	-3.9%
<b>Total-Europe</b>	<b>64.6%</b>	<b>64.5%</b>	<b>-6.7%</b>	<b>-7.1%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	5.9%	8.4%	-6.2%	-5.1%
China*	0.0%	0.0%	--	--
Hong Kong	0.0%	2.9%	--	-4.8%
India*	0.0%	0.0%	--	--
Indonesia*	0.0%	0.0%	--	--
Japan	21.1%	21.6%	-4.4%	-7.3%
Korea*	0.0%	0.0%	--	--
Malaysia*	0.0%	0.0%	--	--
New Zealand	0.0%	0.1%	--	-8.0%
Philippines*	0.0%	0.0%	--	--
Singapore	4.0%	1.8%	1.7%	-3.8%
Taiwan*	1.9%	0.0%	-5.4%	-9.5%
Thailand*	0.0%	0.0%	--	--
<b>Total-AsiaPacific</b>	<b>32.9%</b>	<b>34.8%</b>	<b>-4.0%</b>	<b>-6.4%</b>
<b>Other</b>				
Egypt*	0.0%	0.0%	--	--
Israel	2.5%	0.6%	-11.9%	-13.6%
Morocco*	0.0%	0.0%	--	--
South Africa*	0.0%	0.0%	--	--
Turkey*	0.0%	0.0%	--	--
<b>Total-Other</b>	<b>2.5%</b>	<b>0.6%</b>	<b>-11.9%</b>	<b>-13.6%</b>
<b>Totals</b>				
Developed	98.1%	100.0%	-5.9%	-6.9%
Emerging*	1.9%	0.0%	-5.4%	--
Other	0.0%	--	--	--
Cash	0.0%	--	--	--

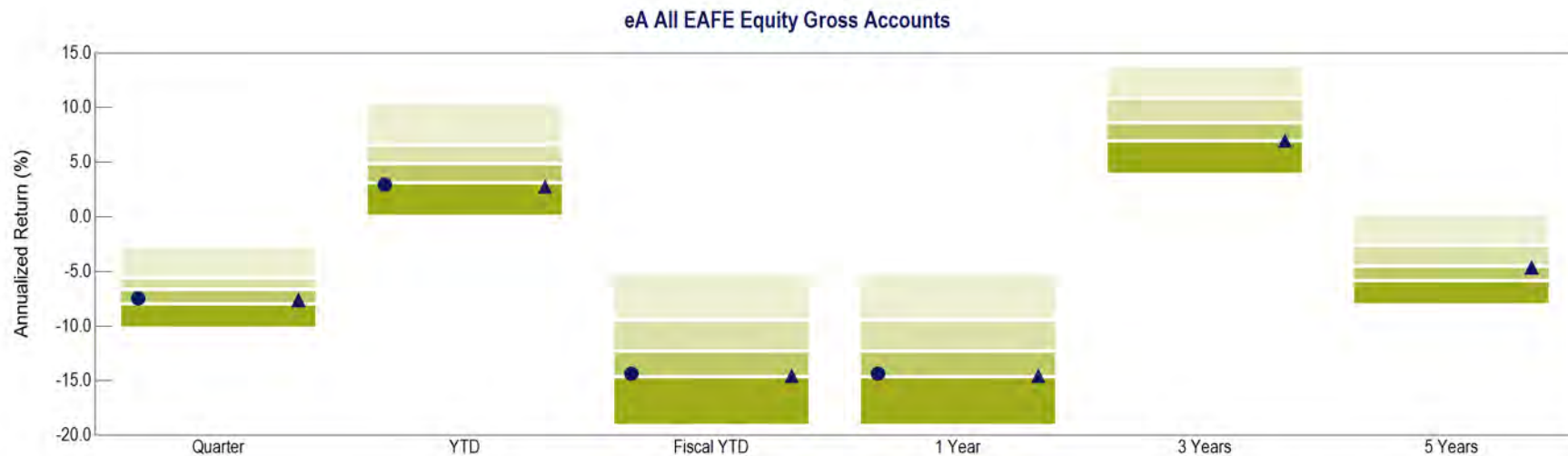


	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
<b>Totals</b>									
Americas	--	--	--	0.0%	--	0.0%	0.0%	--	0.0%
Europe	-6.7%	-7.1%	64.6%	64.5%	0.4%	0.0%	-0.2%	0.0%	0.3%
Asia/Pacific	-4.0%	-6.4%	32.9%	34.8%	0.8%	0.1%	0.0%	0.0%	0.8%
Other	-11.9%	-13.6%	2.5%	0.6%	0.0%	-0.1%	0.0%	-0.1%	-0.1%
<b>Total</b>	<b>-5.9%</b>	<b>-6.9%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.2%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>1.0%</b>
<b>Totals</b>									
Developed	-5.9%	-6.9%	98.1%	100.0%	1.1%	0.0%	-0.1%	0.0%	1.0%
Emerging*	-5.4%	--	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The MSCI ACWI ex US Index Strategy tends to hold each security that is held in the benchmark index, but the strategy will not be perfectly weighted in every index constituent on a daily basis. Holding securities in the perfect weights would require increased trading and therefore would incur costs. Thus, there will be securities in the fund that are either over- or under-weighted relative to the benchmark. The individual security mis-weights are very minimal, usually within 1 basis point. However, in aggregate, these small mis-weights can add up and result in tracking error if the mis-weighted securities' performance is volatile. SSgA seek to replicate the index by attempting to hold every security in the fund in its appropriate index weight. SSgA trade only when there is a change to the Index, when we have participant cash flows, or when we receive significant dividend income into the fund.

### Characteristics

	Portfolio	MSCI ACWI ex USA
Number of Holdings	1,874	1,840
Weighted Avg. Market Cap. (\$B)	42.1	42.3
Median Market Cap. (\$B)	5.5	5.5
Price To Earnings	14.2	13.9
Price To Book	2.5	2.5
Price To Sales	1.9	1.7
Return on Equity (%)	17.7	15.9
Yield (%)	3.6	3.4
Beta		1.0
R-Squared		1.0



## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Brazil*	3.6%	3.3%	-18.8%	-19.4%
Canada	8.1%	8.1%	-7.6%	-7.5%
Chile*	0.4%	0.4%	-8.4%	-8.4%
Colombia*	0.3%	0.3%	-1.0%	-1.0%
Mexico*	1.2%	1.1%	-1.1%	-1.3%
Peru*	0.2%	0.2%	-3.2%	-3.2%
United States	0.1%	0.0%	-18.1%	-3.2%
<b>Total-Americas</b>	<b>13.9%</b>	<b>13.3%</b>	<b>-9.9%</b>	<b>-9.7%</b>
<b>Europe</b>				
Austria	0.2%	0.2%	-12.8%	-12.8%
Belgium	0.7%	0.7%	0.2%	0.2%
Czech Republic*	0.1%	0.1%	-11.4%	-11.4%
Denmark	0.8%	0.8%	-3.1%	-3.1%
Finland	0.6%	0.6%	-20.6%	-20.6%
France	6.1%	6.3%	-7.9%	-8.1%
Germany	5.9%	5.9%	-12.0%	-12.0%
Greece	0.1%	0.1%	-20.7%	-20.7%
Hungary*	0.1%	0.1%	-7.4%	-7.4%
Ireland	0.1%	0.2%	-6.1%	-4.5%
Italy	1.5%	1.6%	-11.6%	-11.4%
Luxembourg	0.1%	0.0%	-3.9%	-7.4%
Netherlands	2.7%	1.7%	-6.0%	-6.8%
Norway	0.7%	0.7%	-9.2%	-9.2%
Poland*	0.3%	0.3%	-5.1%	-5.1%
Portugal	0.1%	0.1%	-18.2%	-18.2%
Russia*	0.8%	1.5%	-14.5%	-13.7%
Spain	2.0%	2.0%	-12.4%	-12.4%
Sweden	2.2%	2.2%	-7.3%	-7.3%
Switzerland	5.7%	5.8%	-5.4%	-5.7%
United Kingdom	14.6%	15.3%	-4.0%	-3.9%
<b>Total-Europe</b>	<b>45.2%</b>	<b>46.0%</b>	<b>-7.2%</b>	<b>-7.3%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	5.8%	5.7%	-5.0%	-5.1%
China*	4.0%	4.1%	-5.1%	-5.4%
Hong Kong	2.2%	2.0%	-5.3%	-4.8%
India*	1.6%	1.5%	-9.4%	-9.5%
Indonesia*	0.7%	0.7%	-6.9%	-6.8%
Japan	14.8%	14.8%	-7.3%	-7.3%
Korea*	3.7%	3.6%	-8.7%	-8.7%
Malaysia*	0.8%	0.8%	-3.4%	-3.4%
New Zealand	0.1%	0.1%	-8.0%	-8.0%
Philippines*	0.2%	0.2%	4.4%	4.4%
Singapore	1.2%	1.2%	-3.8%	-3.8%
Taiwan*	2.7%	2.7%	-9.4%	-9.4%
Thailand*	0.4%	0.5%	0.3%	-5.3%
<b>Total-AsiaPacific</b>	<b>38.2%</b>	<b>37.9%</b>	<b>-6.6%</b>	<b>-6.7%</b>
<b>Other</b>				
Egypt*	0.1%	0.1%	-4.8%	-4.8%
Israel	0.4%	0.4%	-13.9%	-13.6%
Morocco*	0.0%	0.0%	-12.8%	-12.8%
South Africa*	1.9%	1.8%	-5.7%	-5.7%
Turkey*	0.3%	0.3%	1.8%	1.8%
<b>Total-Other</b>	<b>2.7%</b>	<b>2.7%</b>	<b>-6.1%</b>	<b>-6.1%</b>
<b>Totals</b>				
Developed	76.7%	76.4%	-7.0%	-7.0%
Emerging*	23.3%	23.6%	-8.5%	-8.7%
Other	0.0%		--	
Cash	0.0%		--	

9a Yf[ ]b[ 'A Uf\_Yh'9ei ]hm



## Vermont Municipal Employees

### Emerging Market Comp

#### 3 Years Ending June 30, 2012

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Sortino Ratio RF	Rank	Down Mkt Cap Ratio	Rank
Emerging Market Comp	5.77%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	--	--	--	--	--	--	--	--	--	--	--	--
Aberdeen	5.77%	18.81%	6	21.06%	13	10.02%	7	4.81%	56	1.46	4	79.51%	8
MSCI Emerging Markets	--	9.78%	99	22.97%	99	0.00%	99	0.00%	99	0.67	99	100.00%	99

## Vermont Municipal Employees

### Emerging Market Comp

5 Years Ending June 30, 2012

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Sortino Ratio RF	Rank	Down Mkt Cap Ratio	Rank
Emerging Market Comp	5.77%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	--	--	--	--	--	--	--	--	--	--	--	--
Aberdeen	5.77%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	--	--	--	--	--	--	--	--	--	--	--	--

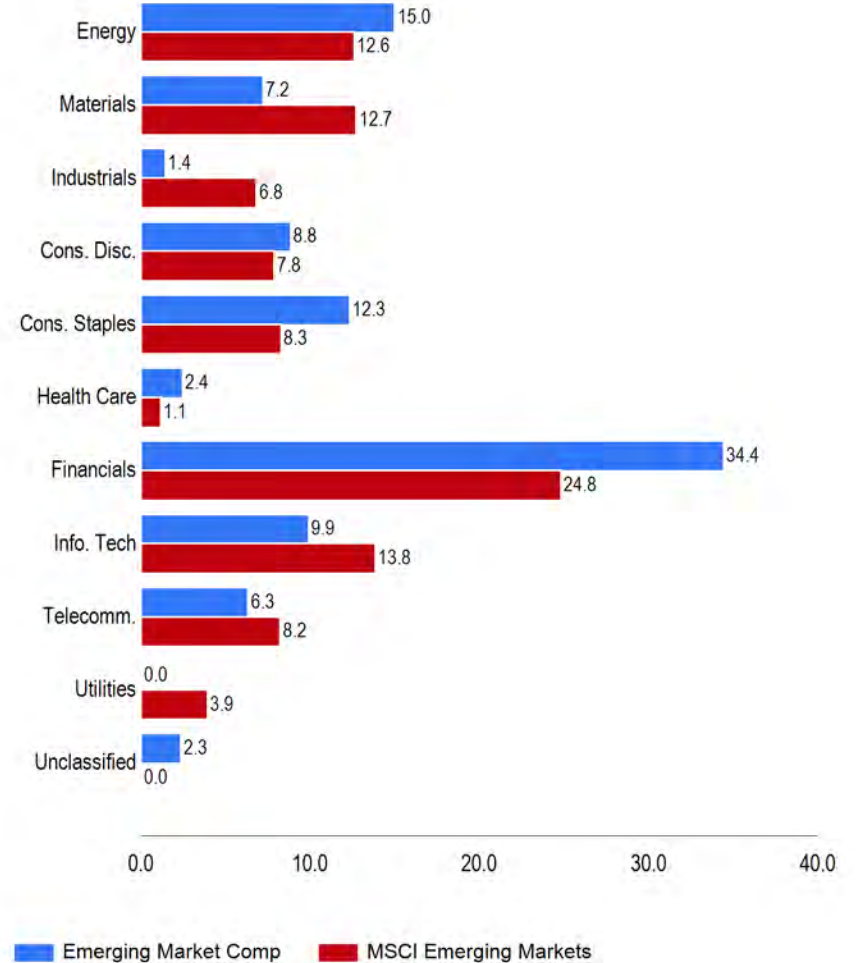
Equity Characteristics

	Portfolio	MSCI Emerging Markets
Number of Holdings	69	819
Weighted Avg. Market Cap. (\$B)	30.6	32.4
Median Market Cap. (\$B)	12.9	4.0
Price To Earnings	16.9	14.0
Price To Book	3.7	2.7
Price To Sales	2.5	1.8
Return on Equity (%)	23.4	20.0
Yield (%)	2.8	2.9
Beta		1.0
R-Squared		1.0

Regional Allocation

	Emerging Market Comp	MSCI Emerging Markets
Region Weighting		
North America ex U.S.	0.00	0.00
United States	2.16	0.00
Europe Ex U.K.	2.12	0.00
United Kingdom	3.89	0.00
Pacific Basin Ex Japan	7.03	0.00
Japan	0.00	0.00
Emerging Markets	84.35	100.00
Other	0.44	0.00

Equity Sector Allocation



# Vermont Municipal Employees

## Emerging Market Comp

### Top Ten Holdings

CHINA MOBILE	4.3%
SAMSUNG ELTN.PF.	4.1%
VALE PREFERRED ADR 1:1	3.5%
TAIWAN SEMICON.MNFG.	3.4%
FOM.ECO.MEXNO.SAB DE CV SPN.ADR 1:10	3.3%
BNC.BRADESCO PF.SPN.ADR 1:1	3.3%
GFNORTE 'O'	3.2%
ULTRAPAR PARTP.ON NM	3.1%
ASTRA INTERNATIONAL	3.0%
LUKOIL OAO SPN.ADR 1:1	2.7%

### Top Positive Contributors

	Relative Contribution %	Return %
PTT EXPLORATION & PRDN. FB	0.7%	37.7%
GFNORTE 'O'	0.4%	16.1%
FOM.ECO.MEXNO.SAB DE CV SPN.ADR 1:10	0.3%	9.4%
BIM BIRLESIK MAGAZALAR	0.2%	10.7%
GRUPO AEROPORTUARIO DEL SURESTE ADR 1:10	0.2%	17.9%
TRUWORTHS INTL.	0.1%	6.2%
SWIRE PACIFIC 'A'	0.1%	5.9%
TAIWAN MOBILE	0.1%	8.2%
AYALA LAND	0.1%	6.1%
SWIRE PROPERTIES	0.1%	21.4%

### Top Negative Contributors

	Relative Contribution %	Return %
PTRO.BRAO.ADR 1:2	-0.8%	-28.3%
BNC.BRADESCO PF.SPN.ADR 1:1	-0.5%	-14.3%
VALE PREFERRED ADR 1:1	-0.5%	-11.8%
INFOSYS	-0.3%	-19.1%
STANDARD CHARTERED	-0.3%	-12.9%
SIAM CEMENT FB	-0.3%	-14.0%
SAMSUNG ELTN.PF.	-0.3%	-6.8%
LOJAS RENNER ON	-0.2%	-16.5%
ASTRA INTERNATIONAL	-0.2%	-8.0%
HOUSING DEVELOPMENT FIN.	-0.2%	-10.0%

### Equity Sector Attribution

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	1.7%	1.3%	-0.1%	0.4%	-4.2%	-16.2%	15.0%	13.8%			
Materials	0.3%	-0.2%	0.1%	0.3%	-11.6%	-11.5%	7.8%	12.0%			
Industrials	0.5%	1.4%	0.1%	-1.0%	11.7%	-9.9%	1.2%	6.8%			
Cons. Disc.	0.4%	0.6%	0.0%	-0.2%	-5.1%	-9.7%	9.2%	8.1%			
Cons. Staples	1.0%	0.6%	0.2%	0.1%	3.9%	-3.7%	11.9%	8.0%			
Health Care	-0.1%	-0.1%	0.1%	-0.1%	-8.9%	-0.6%	2.0%	1.1%			
Financials	1.2%	0.7%	0.2%	0.3%	-2.6%	-6.7%	33.7%	24.3%			
Info. Tech	0.2%	0.1%	0.1%	0.0%	-9.1%	-9.1%	10.4%	14.2%			
Telecomm.	0.1%	0.1%	-0.1%	0.2%	0.5%	-2.4%	6.1%	8.1%			
Utilities	0.0%	--	-0.2%	--	--	-5.9%	0.0%	3.8%			
Cash	0.1%	0.0%	0.1%	0.0%	0.0%	--	2.6%	0.0%			
<b>Portfolio</b>	<b>5.3%</b>	<b>=</b>	<b>4.5%</b>	<b>+</b>	<b>0.6%</b>	<b>+</b>	<b>0.2%</b>	<b>-3.4%</b>	<b>-8.7%</b>	<b>100.0%</b>	<b>100.0%</b>

**Country Allocation**

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Brazil*	17.5%	13.8%	-11.3%	-19.4%
Canada	0.0%	0.0%	--	--
Chile*	1.9%	1.9%	-6.7%	-8.4%
Colombia*	0.0%	1.1%	--	-1.0%
Mexico*	7.9%	4.8%	12.3%	-1.3%
Peru*	0.0%	0.7%	--	-3.2%
United States	0.0%	0.0%	--	--
<b>Total-Americas</b>	<b>27.3%</b>	<b>22.2%</b>	<b>-4.1%</b>	<b>-13.1%</b>
<b>Europe</b>				
Austria	0.0%	0.0%	--	--
Belgium	0.0%	0.0%	--	--
Czech Republic*	0.0%	0.3%	--	-11.4%
Denmark	0.0%	0.0%	--	--
Finland	0.0%	0.0%	--	--
France	0.0%	0.0%	--	--
Germany	0.0%	0.0%	--	--
Greece	0.0%	0.0%	--	--
Hungary*	1.3%	0.3%	-1.8%	-7.4%
Ireland	0.0%	0.0%	--	--
Italy	0.0%	0.0%	--	--
Luxembourg	2.0%	0.0%	-7.2%	-8.7%
Netherlands	0.0%	0.0%	--	--
Norway	0.0%	0.0%	--	--
Poland*	1.6%	1.4%	-5.2%	-5.1%
Portugal	0.0%	0.0%	--	--
Russia*	2.6%	6.2%	-7.8%	-13.7%
Spain	0.0%	0.0%	--	--
Sweden	0.0%	0.0%	--	--
Switzerland	0.0%	0.0%	--	--
United Kingdom	3.8%	0.0%	-8.2%	-4.0%
<b>Total-Europe</b>	<b>11.3%</b>	<b>8.3%</b>	<b>-6.8%</b>	<b>-11.9%</b>

**Country Allocation**

**Versus MSCI Emerging Markets - Quarter Ending June 30, 2012**

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	0.0%	0.0%	--	--
China*	6.8%	17.5%	-2.2%	-5.4%
Hong Kong	6.4%	0.0%	0.0%	-4.9%
India*	11.9%	6.5%	-10.7%	-9.5%
Indonesia*	3.1%	2.8%	-8.0%	-6.8%
Japan	0.0%	0.0%	--	--
Korea*	5.8%	15.4%	-6.3%	-8.7%
Malaysia*	2.5%	3.4%	-4.3%	-3.4%
New Zealand	0.0%	0.0%	--	--
Philippines*	2.5%	0.8%	5.4%	4.4%
Singapore	0.0%	0.0%	--	--
Sri Lanka*	0.4%	0.0%	-7.5%	-8.7%
Taiwan*	5.1%	11.3%	-2.0%	-9.4%
Thailand*	5.2%	2.1%	8.8%	-5.3%
<b>Total-AsiaPacific</b>	<b>49.8%</b>	<b>59.8%</b>	<b>-3.4%</b>	<b>-7.3%</b>
<b>Other</b>				
Egypt*	0.0%	0.4%	--	-4.8%
Israel	0.0%	0.0%	--	--
Morocco*	0.0%	0.1%	--	-12.8%
Other Countries	0.0%	0.0%	-5.2%	-8.7%
South Africa*	3.7%	7.8%	3.2%	-5.7%
Turkey*	5.3%	1.4%	1.3%	1.8%
<b>Total-Other</b>	<b>9.0%</b>	<b>9.7%</b>	<b>2.1%</b>	<b>-4.7%</b>
<b>Totals</b>				
Developed	12.2%	0.0%	-3.7%	--
Emerging*	85.2%	100.0%	-3.4%	-8.7%
Other	0.0%		-5.2%	
Cash	2.6%		0.0%	

# Vermont Municipal Employees

## Emerging Market Comp

### International Equity Performance Attribution

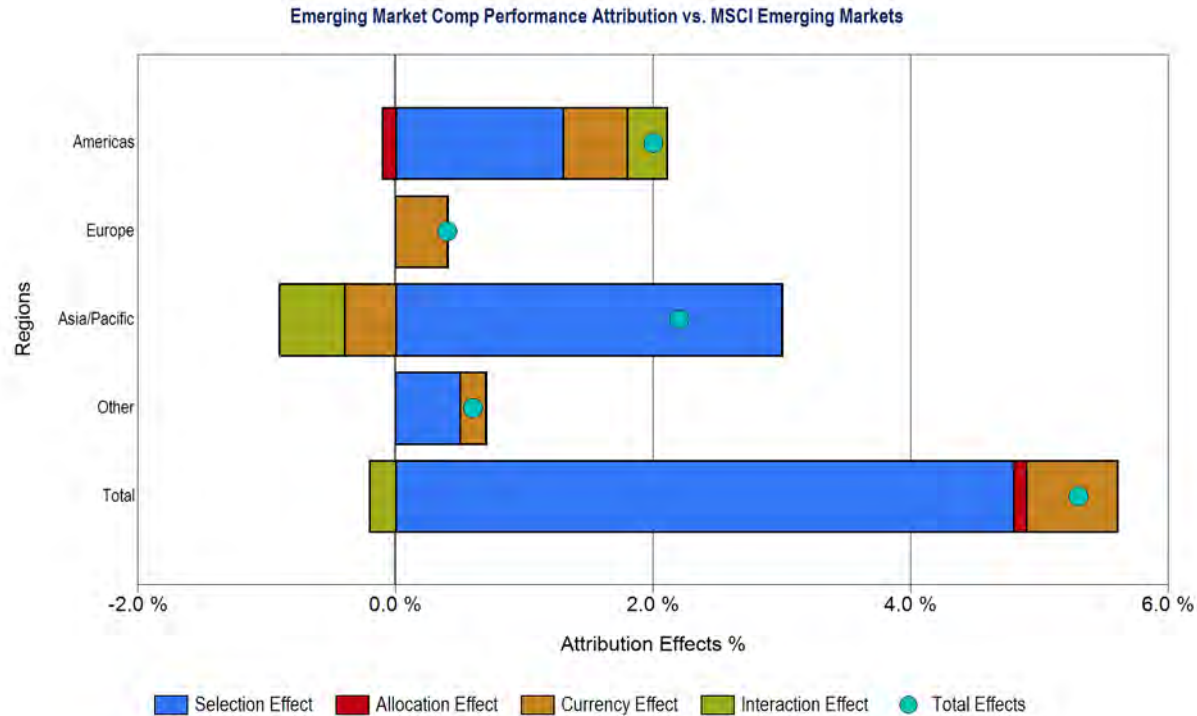
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Europe</b>									
Austria	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Belgium	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Czech Republic*	--	-11.4%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Denmark	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Finland	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
France	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Germany	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Greece	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Hungary*	-1.8%	-7.4%	1.3%	0.3%	0.0%	0.0%	0.0%	0.1%	0.0%
Ireland	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Italy	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Netherlands	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Norway	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Poland*	-5.2%	-5.1%	1.6%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Portugal	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Russia*	-7.8%	-13.7%	2.6%	6.2%	-0.1%	0.0%	0.5%	0.1%	0.5%
Spain	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Sweden	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Switzerland	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
United Kingdom	-8.2%	-4.0%	3.8%	0.0%	0.0%	0.1%	-0.1%	-0.1%	-0.1%
<b>Americas</b>									
Brazil*	-11.3%	-19.4%	17.5%	13.8%	0.5%	-0.2%	0.4%	0.1%	0.9%
Canada	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Chile*	-6.7%	-8.4%	1.9%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	--	-1.0%	0.0%	1.1%	--	0.0%	0.0%	--	0.0%
Mexico*	12.3%	-1.3%	7.9%	4.8%	0.5%	0.3%	0.0%	0.4%	1.2%
Peru*	--	-3.2%	0.0%	0.7%	--	0.0%	0.0%	--	0.0%
United States	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%

### International Equity Performance Attribution

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>AsiaPacific</b>									
Australia	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
China*	-2.2%	-5.4%	6.8%	17.5%	0.6%	0.0%	0.0%	-0.3%	0.3%
Hong Kong	0.0%	-4.9%	6.4%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%
India*	-10.7%	-9.5%	11.9%	6.5%	-0.1%	0.2%	-0.5%	-0.1%	-0.4%
Indonesia*	-8.0%	-6.8%	3.1%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Japan	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Korea*	-6.3%	-8.7%	5.8%	15.4%	0.4%	0.3%	0.1%	-0.2%	0.5%
Malaysia*	-4.3%	-3.4%	2.5%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%
New Zealand	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Philippines*	5.4%	4.4%	2.5%	0.8%	0.0%	0.1%	0.0%	0.0%	0.2%
Singapore	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Taiwan*	-2.0%	-9.4%	5.1%	11.3%	0.8%	0.2%	0.1%	-0.5%	0.6%
Thailand*	8.8%	-5.3%	5.2%	2.1%	0.3%	0.1%	-0.1%	0.5%	0.7%
<b>Other</b>									
Egypt*	--	-4.8%	0.0%	0.4%	--	0.0%	0.0%	--	0.0%
Israel	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Morocco*	--	-12.8%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
South Africa*	3.2%	-5.7%	3.7%	7.8%	0.7%	-0.2%	0.2%	-0.4%	0.4%
Turkey*	1.3%	1.8%	5.3%	1.4%	0.0%	0.3%	-0.1%	0.0%	0.2%
Other Countries*	-5.2%	-8.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Totals</b>									
Developed	-3.7%	--	12.2%	0.0%	0.0%	0.0%	-0.1%	0.3%	0.2%
Emerging*	-3.4%	-8.7%	85.2%	100.0%	5.0%	0.0%	0.8%	-0.7%	5.0%
Other	-5.2%	--	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	2.6%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%

# Vermont Municipal Employees

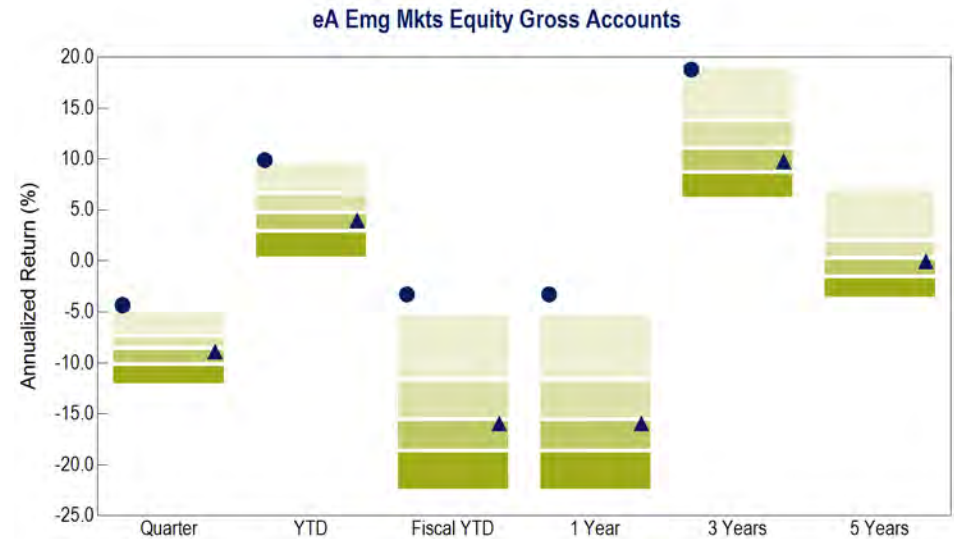
## Emerging Market Comp



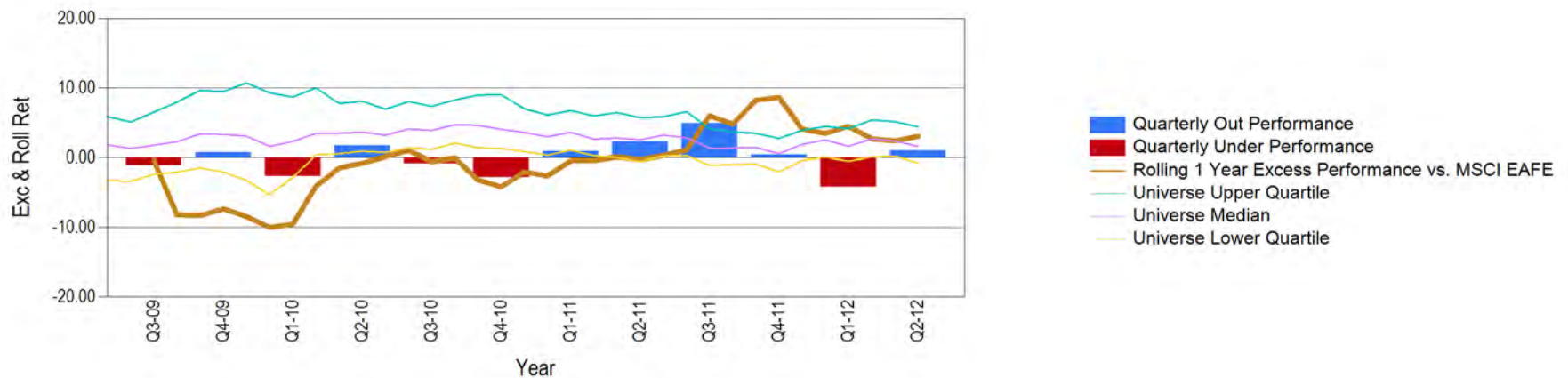
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Totals</b>									
Americas	-4.1%	-13.1%	27.3%	22.2%	1.3%	-0.1%	0.5%	0.3%	2.0%
Europe	-6.8%	-11.9%	11.3%	8.3%	0.0%	0.0%	0.4%	0.0%	0.4%
Asia/Pacific	-3.4%	-7.3%	49.8%	59.8%	3.0%	0.0%	-0.4%	-0.5%	2.2%
Other	2.1%	-4.7%	9.0%	9.7%	0.5%	0.0%	0.2%	0.0%	0.6%
Cash	0.0%	--	2.6%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
<b>Total</b>	<b>-3.4%</b>	<b>-8.7%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.8%</b>	<b>0.1%</b>	<b>0.7%</b>	<b>-0.2%</b>	<b>5.3%</b>
<b>Totals</b>									
Developed	-3.7%	--	12.2%	0.0%	0.0%	0.0%	-0.1%	0.3%	0.2%
Emerging*	-3.4%	-8.7%	85.2%	100.0%	5.0%	0.0%	0.8%	-0.7%	5.0%

# Aberdeen

Aberdeen believes, given the inefficiency of markets, that competitive long-term returns are achieved by identifying high quality stocks at attractive valuations and holding for the long term. It is their belief that sound fundamentals drive stock prices over time. They employ a fundamental bottom-up investment approach based upon a rigorous and disciplined proprietary research effort which originates with direct company due diligence visits. Portfolios are constructed to maximize their level of exposure to the most attractive companies filtered from the stock selection process. They run a representative or model' unconstrained portfolio that contains approximately 30 70 stocks at any given time. Once a stock has received unanimous approval by the team, the senior investment team members then decide which portfolio category it should enter (i.e. country, regional, Global Emerging Markets) and at what weighting. The Head of Global Emerging Markets then has responsibility to ensure that the decision is implemented.

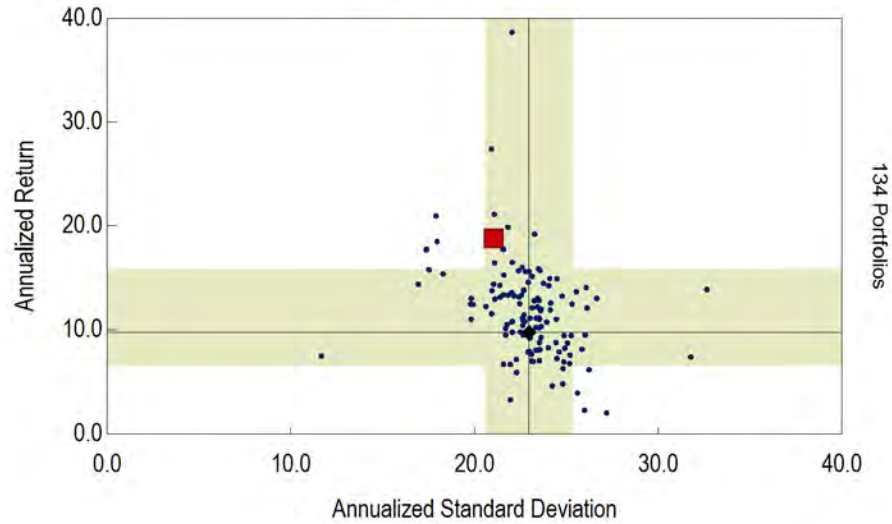


## Annualized Excess Performance





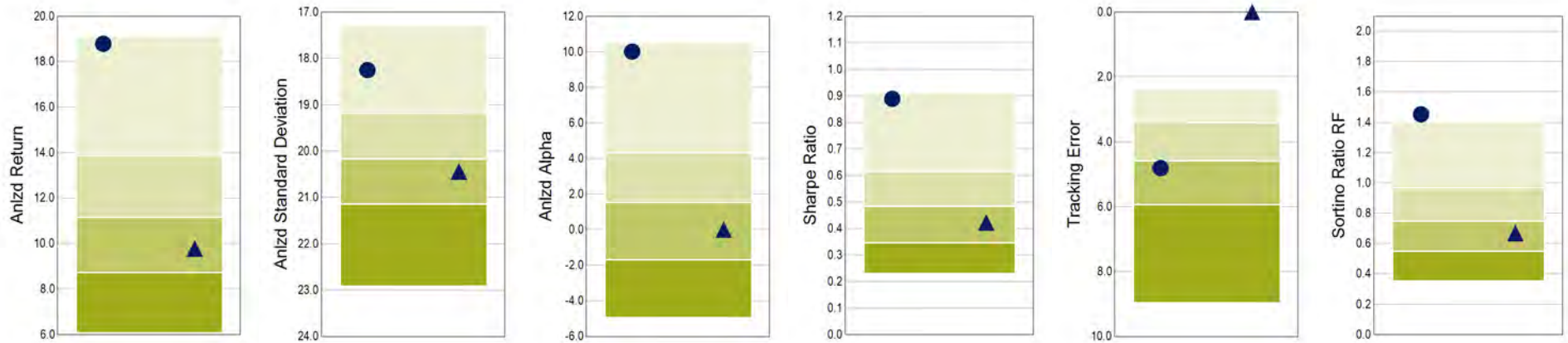
3 Year Risk Return



Characteristics

	Portfolio	MSCI Emerging Markets
Number of Holdings	69	819
Weighted Avg. Market Cap. (\$B)	30.6	32.4
Median Market Cap. (\$B)	12.9	4.0
Price To Earnings	16.9	14.0
Price To Book	3.7	2.7
Price To Sales	2.5	1.8
Return on Equity (%)	23.4	20.0
Yield (%)	2.8	2.9
Beta		1.0
R-Squared		1.0

3 Year Risk Statistics

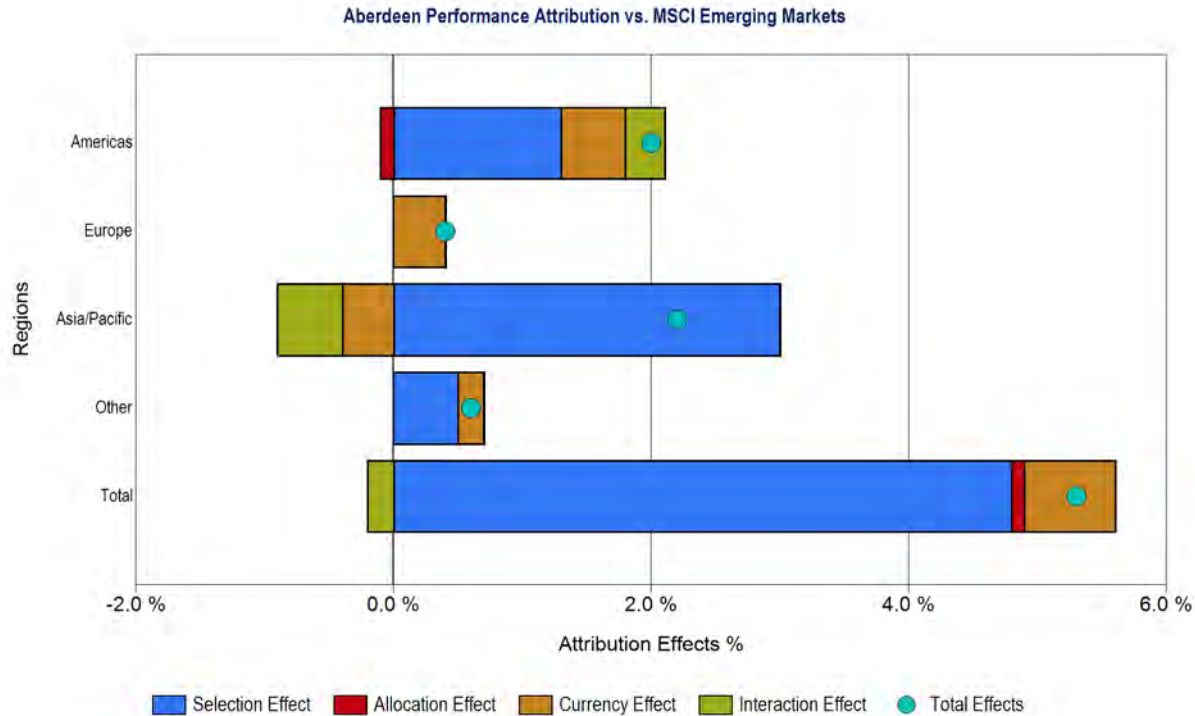


## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>Americas</b>				
Brazil*	17.5%	13.8%	-11.3%	-19.4%
Canada	0.0%	0.0%	--	--
Chile*	1.9%	1.9%	-6.7%	-8.4%
Colombia*	0.0%	1.1%	--	-1.0%
Mexico*	7.9%	4.8%	12.3%	-1.3%
Peru*	0.0%	0.7%	--	-3.2%
United States	0.0%	0.0%	--	--
<b>Total-Americas</b>	<b>27.3%</b>	<b>22.2%</b>	<b>-4.1%</b>	<b>-13.1%</b>
<b>Europe</b>				
Austria	0.0%	0.0%	--	--
Belgium	0.0%	0.0%	--	--
Czech Republic*	0.0%	0.3%	--	-11.4%
Denmark	0.0%	0.0%	--	--
Finland	0.0%	0.0%	--	--
France	0.0%	0.0%	--	--
Germany	0.0%	0.0%	--	--
Greece	0.0%	0.0%	--	--
Hungary*	1.3%	0.3%	-1.8%	-7.4%
Ireland	0.0%	0.0%	--	--
Italy	0.0%	0.0%	--	--
Luxembourg	2.0%	0.0%	-7.2%	-8.7%
Netherlands	0.0%	0.0%	--	--
Norway	0.0%	0.0%	--	--
Poland*	1.6%	1.4%	-5.2%	-5.1%
Portugal	0.0%	0.0%	--	--
Russia*	2.6%	6.2%	-7.8%	-13.7%
Spain	0.0%	0.0%	--	--
Sweden	0.0%	0.0%	--	--
Switzerland	0.0%	0.0%	--	--
United Kingdom	3.8%	0.0%	-8.2%	-4.0%
<b>Total-Europe</b>	<b>11.3%</b>	<b>8.3%</b>	<b>-6.8%</b>	<b>-11.9%</b>

## Country Allocation

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
<b>AsiaPacific</b>				
Australia	0.0%	0.0%	--	--
China*	6.8%	17.5%	-2.2%	-5.4%
Hong Kong	6.4%	0.0%	0.0%	-4.9%
India*	11.9%	6.5%	-10.7%	-9.5%
Indonesia*	3.1%	2.8%	-8.0%	-6.8%
Japan	0.0%	0.0%	--	--
Korea*	5.8%	15.4%	-6.3%	-8.7%
Malaysia*	2.5%	3.4%	-4.3%	-3.4%
New Zealand	0.0%	0.0%	--	--
Philippines*	2.5%	0.8%	5.4%	4.4%
Singapore	0.0%	0.0%	--	--
Sri Lanka*	0.4%	0.0%	-7.5%	-8.7%
Taiwan*	5.1%	11.3%	-2.0%	-9.4%
Thailand*	5.2%	2.1%	8.8%	-5.3%
<b>Total-AsiaPacific</b>	<b>49.8%</b>	<b>59.8%</b>	<b>-3.4%</b>	<b>-7.3%</b>
<b>Other</b>				
Egypt*	0.0%	0.4%	--	-4.8%
Israel	0.0%	0.0%	--	--
Morocco*	0.0%	0.1%	--	-12.8%
South Africa*	3.7%	7.8%	3.2%	-5.7%
Turkey*	5.3%	1.4%	1.3%	1.8%
<b>Total-Other</b>	<b>9.0%</b>	<b>9.7%</b>	<b>2.1%</b>	<b>-4.7%</b>
<b>Totals</b>				
Developed	12.2%	0.0%	-3.7%	--
Emerging*	85.2%	100.0%	-3.4%	-8.7%
Other	0.0%	--	--	--
Cash	2.6%	--	0.0%	--



	Returns and Weights				Attribution Effects				
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	Total Effects
<b>Totals</b>									
Americas	-4.1%	-13.1%	27.3%	22.2%	1.3%	-0.1%	0.5%	0.3%	2.0%
Europe	-6.8%	-11.9%	11.3%	8.3%	0.0%	0.0%	0.4%	0.0%	0.4%
Asia/Pacific	-3.4%	-7.3%	49.8%	59.8%	3.0%	0.0%	-0.4%	-0.5%	2.2%
Other	2.1%	-4.7%	9.0%	9.7%	0.5%	0.0%	0.2%	0.0%	0.6%
Cash	0.0%	--	2.6%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
<b>Total</b>	<b>-3.4%</b>	<b>-8.7%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.8%</b>	<b>0.1%</b>	<b>0.7%</b>	<b>-0.2%</b>	<b>5.3%</b>
<b>Totals</b>									
Developed	-3.7%	--	12.2%	0.0%	0.0%	0.0%	-0.1%	0.3%	0.2%
Emerging*	-3.4%	-8.7%	85.2%	100.0%	4.9%	0.0%	0.8%	-0.7%	5.0%

7cfY : jI YX =bWta Y

## Vermont Municipal Employees

### Core Fixed

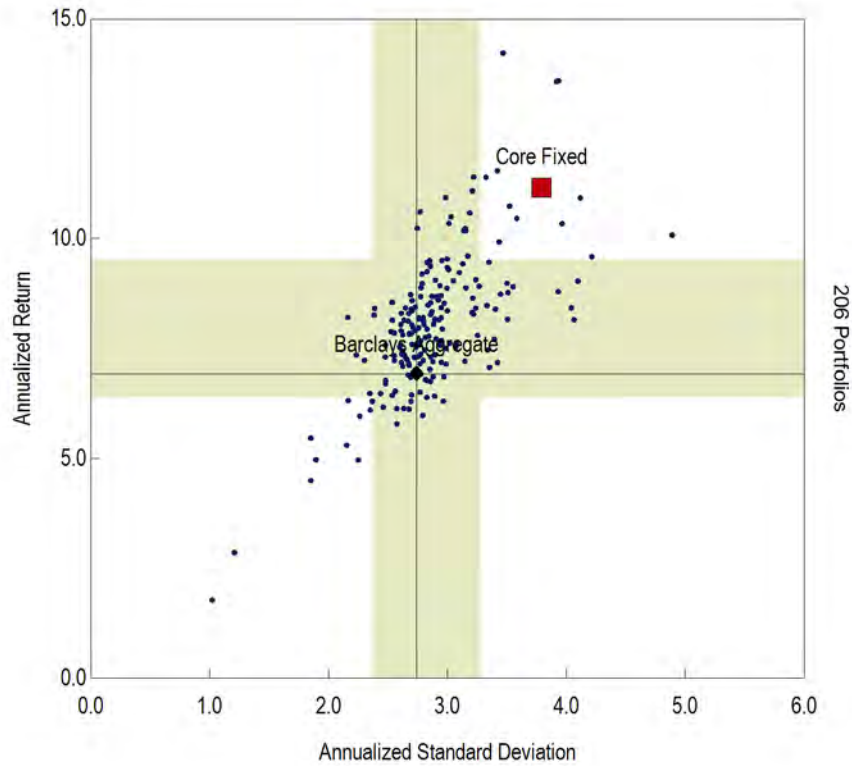
	3 Years Ending June 30, 2012												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Sortino Ratio RF	Rank	Down Mkt Cap Ratio	Rank
Core Fixed	18.57%	11.16%	3	3.79%	96	3.57%	10	2.33%	94	8.35	13	59.76%	18
Barclays Aggregate	--	6.93%	82	2.74%	36	0.00%	82	0.00%	1	3.65	80	100.00%	75
Allianz Structured Alpha	2.69%	13.06%	2	11.08%	99	14.62%	1	14.24%	99	0.84	99	-42.73%	1
Citigroup 10 Year Treasury	--	8.98%	20	7.64%	99	0.00%	99	0.00%	1	1.80	99	100.00%	99
PIMCO Core Plus	6.55%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	--	--	--	--	--	--	--	--	--	--	--	--	--
PIMCO Unconstrained	6.41%	--	--	--	--	--	--	--	--	--	--	--	--
25% HY, 25% EMD, 50% BC	--	--	--	--	--	--	--	--	--	--	--	--	--
Agg													
Wellington DAS	2.93%	11.83%	2	5.55%	99	4.77%	82	4.97%	1	4.68	55	44.13%	99
Wellington Custom Benchmark	--	13.08%	2	9.13%	99	0.00%	99	0.00%	1	3.34	88	100.00%	99

## Vermont Municipal Employees

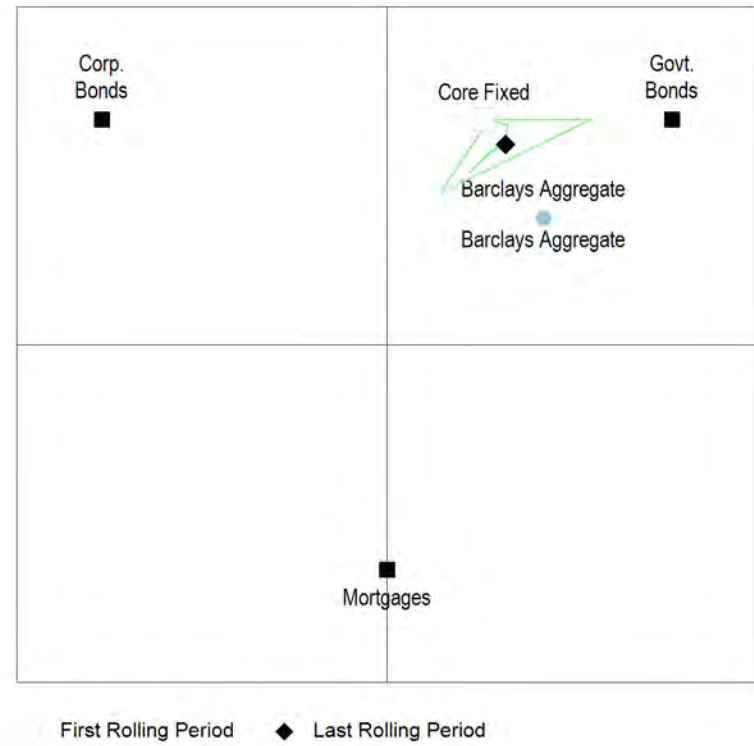
### Core Fixed

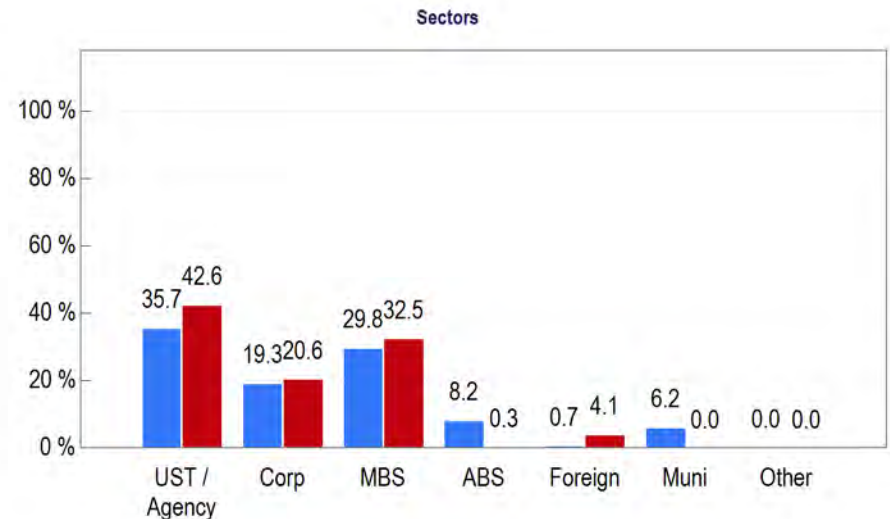
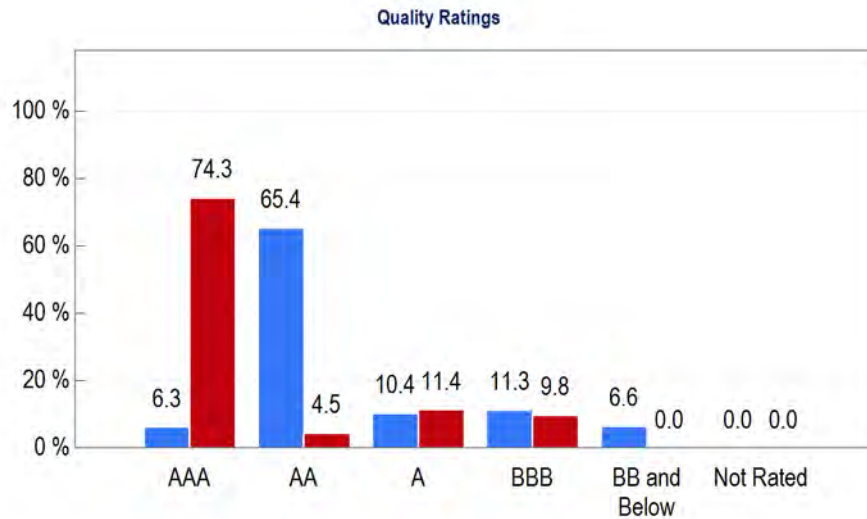
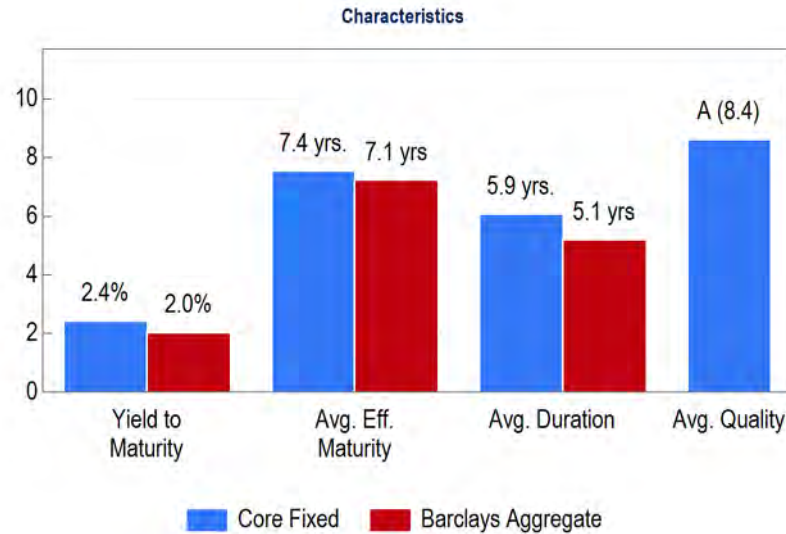
	5 Years Ending June 30, 2012												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Sortino Ratio RF	Rank	Down Mkt Cap Ratio	Rank
Core Fixed	18.57%	5.87%	92	6.72%	99	-2.40%	99	5.13%	99	0.71	99	183.47%	99
Barclays Aggregate	--	6.79%	79	3.55%	31	0.00%	76	0.00%	1	2.67	41	100.00%	59
Allianz Structured Alpha	2.69%	--	--	--	--	--	--	--	--	--	--	--	--
Citigroup 10 Year Treasury	--	--	--	--	--	--	--	--	--	--	--	--	--
PIMCO Core Plus	6.55%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	--	--	--	--	--	--	--	--	--	--	--	--	--
PIMCO Unconstrained	6.41%	--	--	--	--	--	--	--	--	--	--	--	--
25% HY, 25% EMD, 50% BC	--	--	--	--	--	--	--	--	--	--	--	--	--
Agg													
Wellington DAS	2.93%	--	--	--	--	--	--	--	--	--	--	--	--
Wellington Custom Benchmark	--	--	--	--	--	--	--	--	--	--	--	--	--

3 Year Risk Return



3 Year Style Analysis



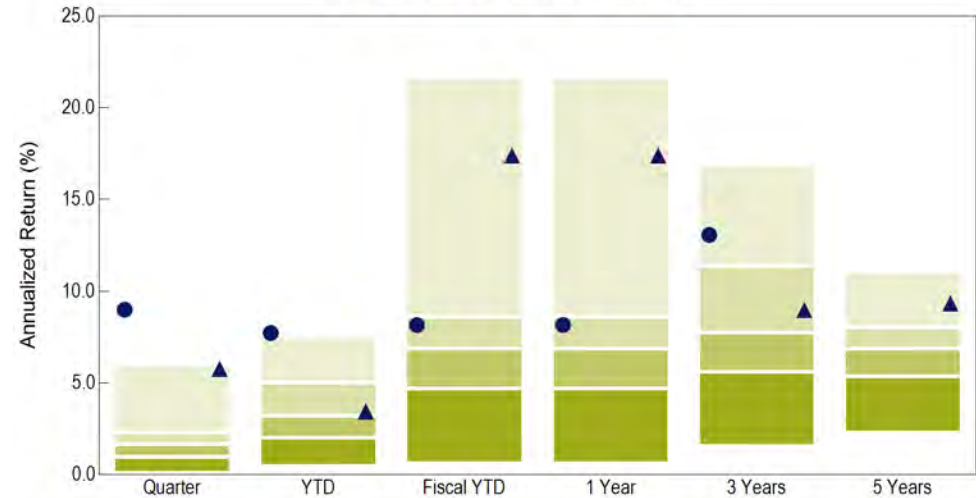




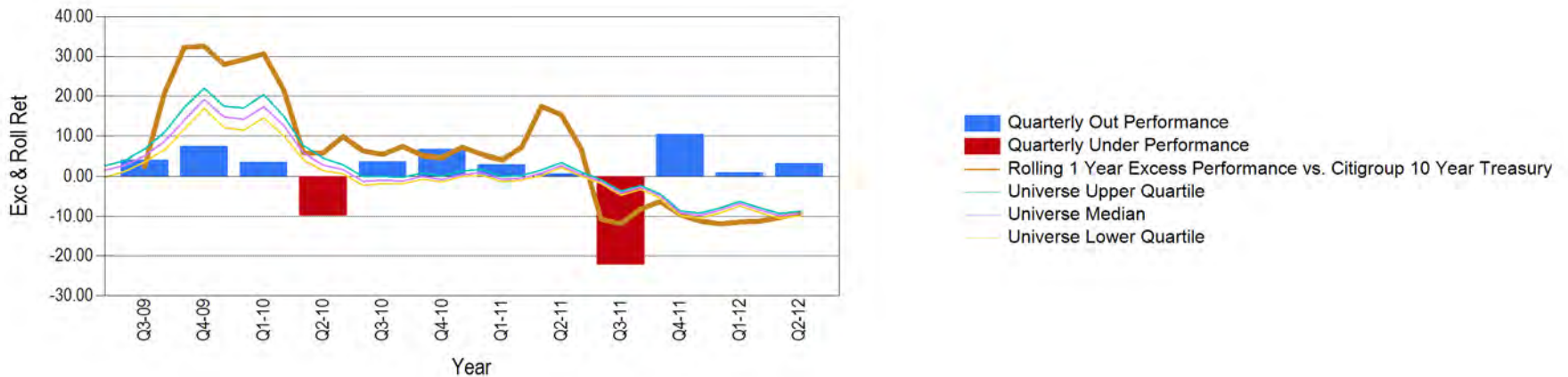
# Allianz Structured Alpha

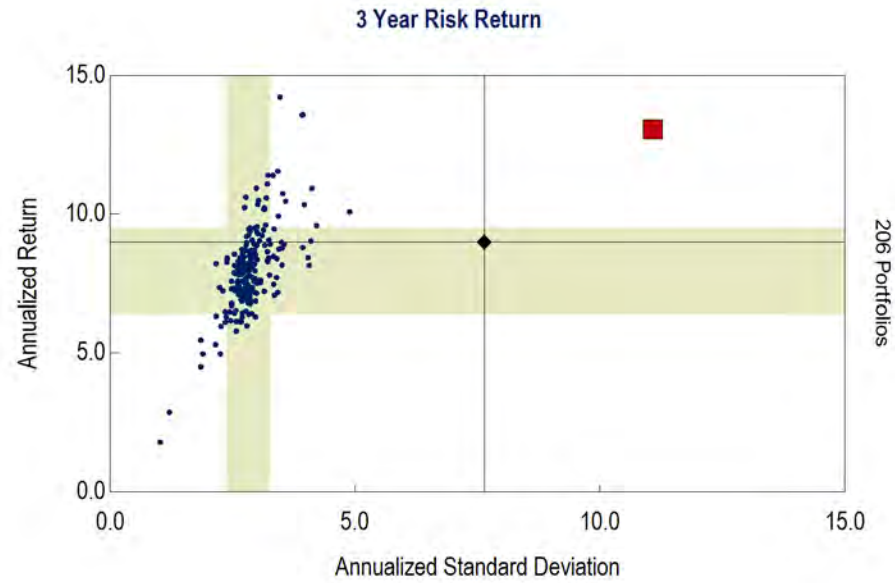
Allianz uses an alpha enhancement strategy that targets a return stream with low or no correlation with the underlying BC Aggregate benchmark. The objective of the fund seeks to deliver 5% net of fees annually on top of the benchmark with a tracking error of 2-4%. The strategy analyzes historical behavior of the S&P 500 Index and develops a distribution of expected returns, then the fund constructions profit zones using puts and calls which at expiration the underlying ends up in the profit zone. Strategies containing the buying or selling of options may produce losses and profits similar to leverage and may exposure the account to risk related to the underlying security and the option itself.

eA All US Fixed Inc Gross Accounts

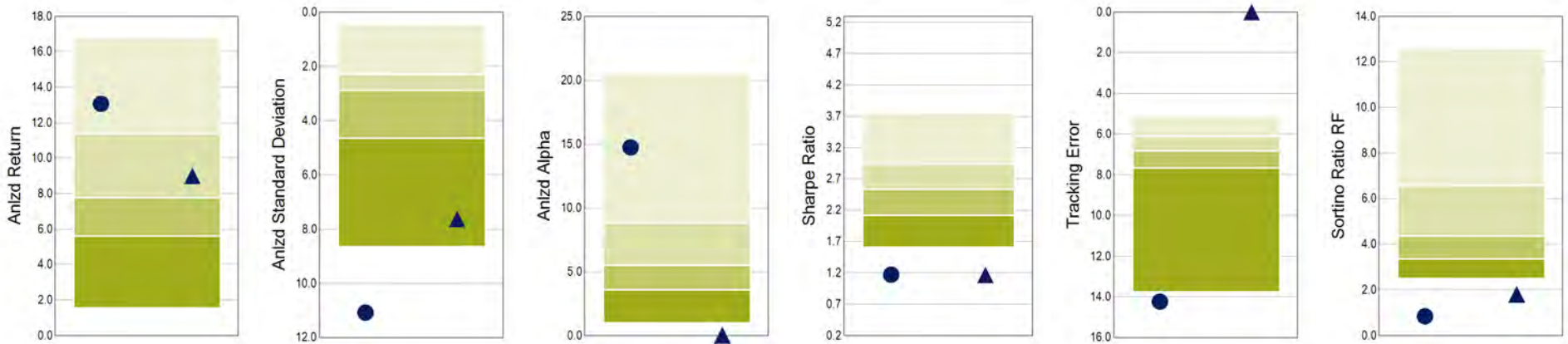


Annualized Excess Performance



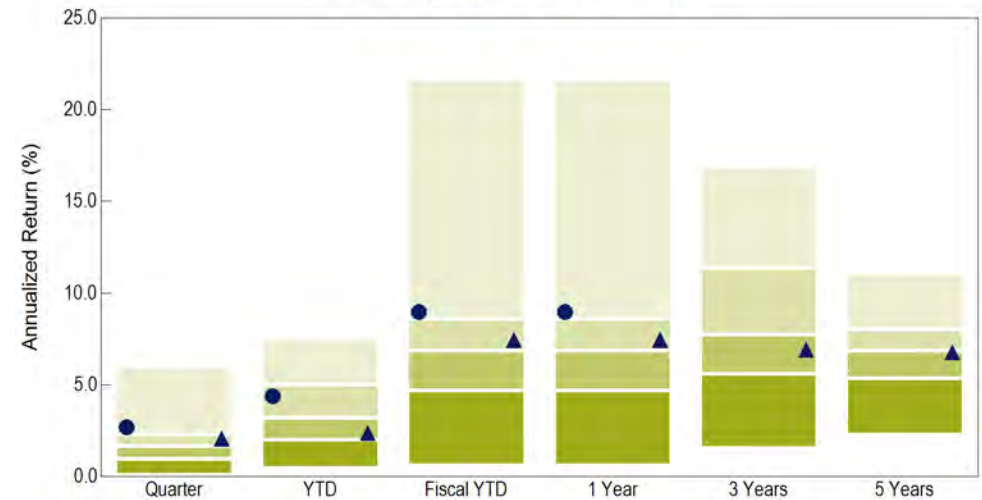


### 3 Year Risk Statistics

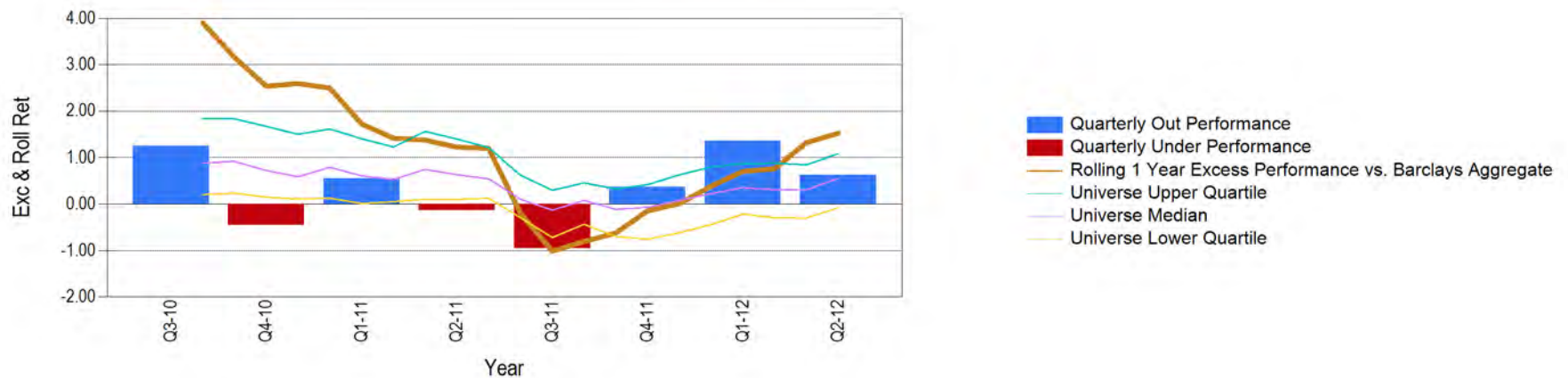


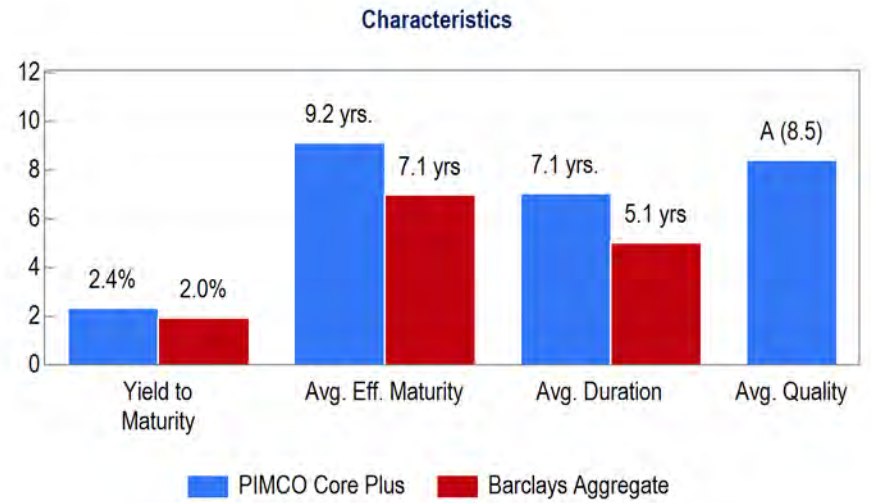
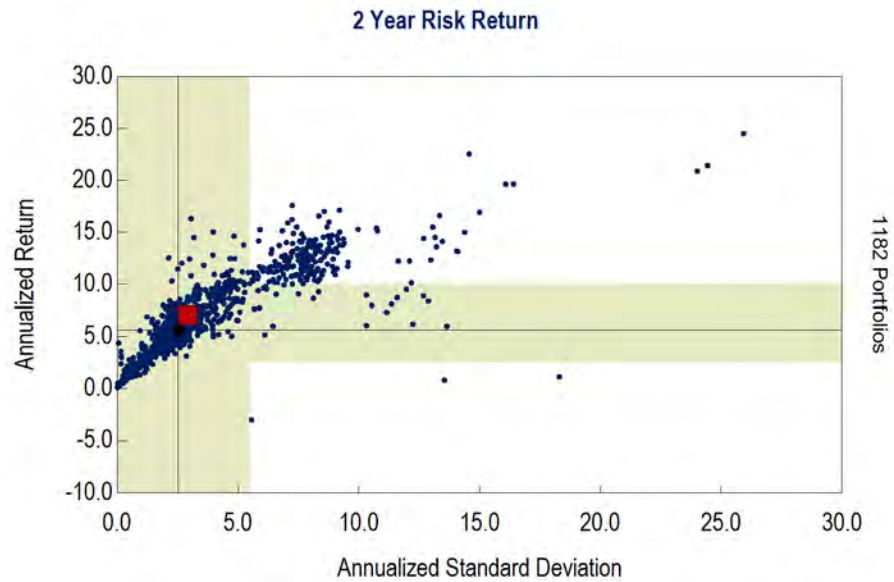
PIMCO's investment process expects to generate above-benchmark returns by building diversified, risk-averse portfolios based upon their long-term secular outlook. This is achieved by analyzing fundamental global trends in such areas as political factors, inflation, volatility, growth, and currency, amongst others. The three to five-year secular outlook is the core element of their decision-making process, and serves as a framework for portfolio implementation. In applying the secular outlook to the portfolio, such tools as duration position, yield curve posture and sector allocation are expressed to best represent the firm's view on the macro-economic environment. Bottom-up analysis of specific securities is also an important part of the firm's philosophy. Bonds are evaluated on a rich/cheap basis and fundamental research determines strong portfolio candidates.

eA All US Fixed Inc Gross Accounts

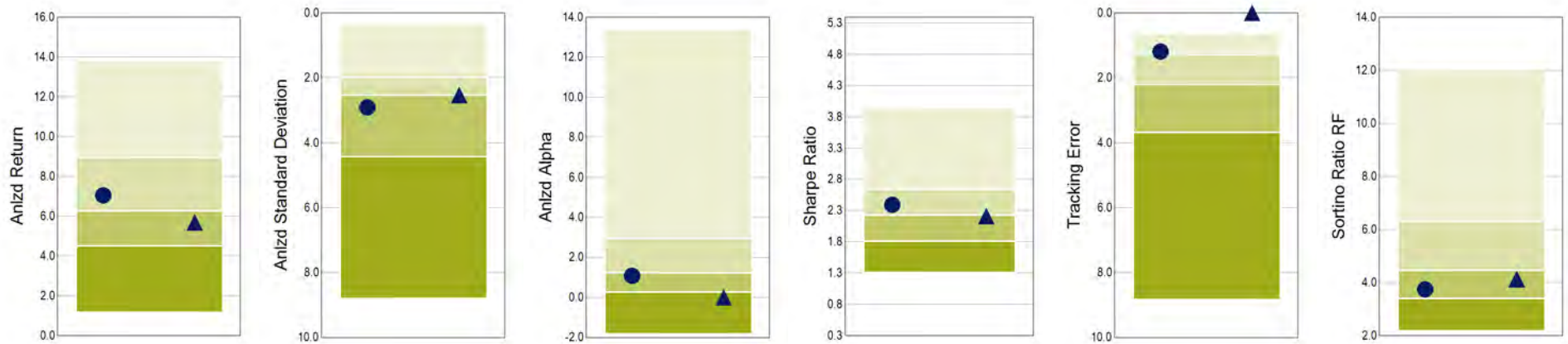


Annualized Excess Performance



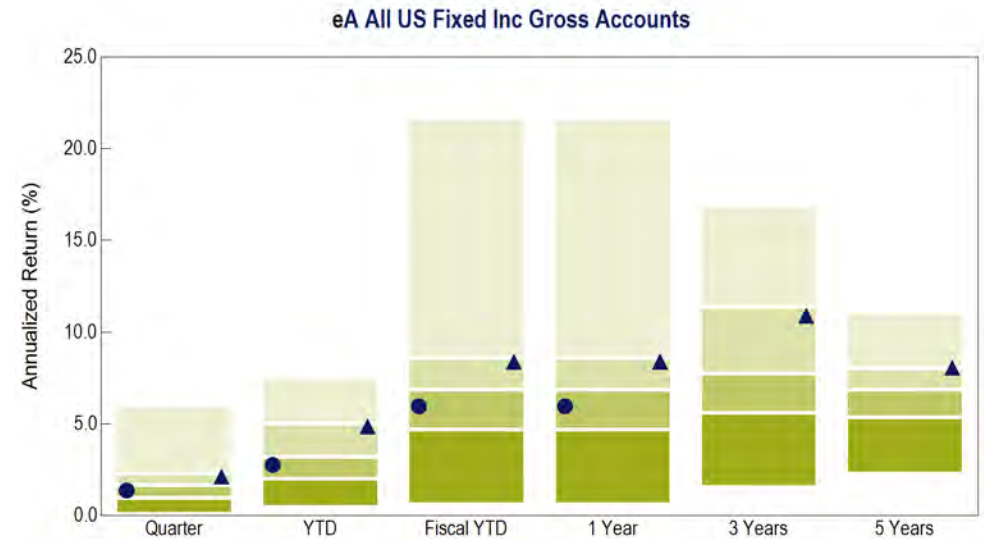


### 2 Year Risk Statistics

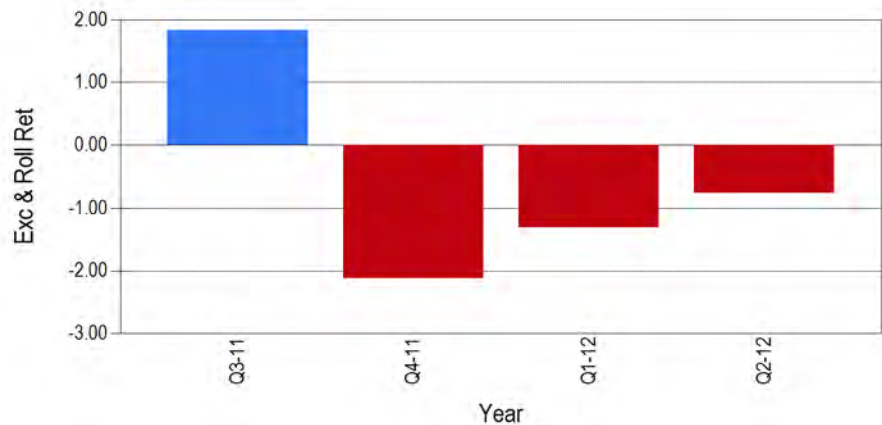


# PIMCO Unconstrained

The PIMCO Unconstrained Bond Strategy is an absolute return-oriented, investment grade quality fixed income strategy that embodies PIMCO's secular thinking, global themes, and integrated investment process without the constraints of a benchmark or significant sector/instrument limitations. The strategy is designed to offer the traditional benefits of a core bond portfolio seeks maximum long-term return consistent with capital preservation and prudent management but with higher potential alpha and the potential to mitigate downside risk to a greater degree than what is reasonably possible from traditional active fixed income management approaches as the strategy allows for more manager discretion to adjust duration exposure, allocate across sectors and otherwise express the firm's active views. The strategy is governed by PIMCO's investment philosophy and unique, disciplined secular investment process, which focuses on long-term economic, social and political trends that may have lasting impacts on investment returns.

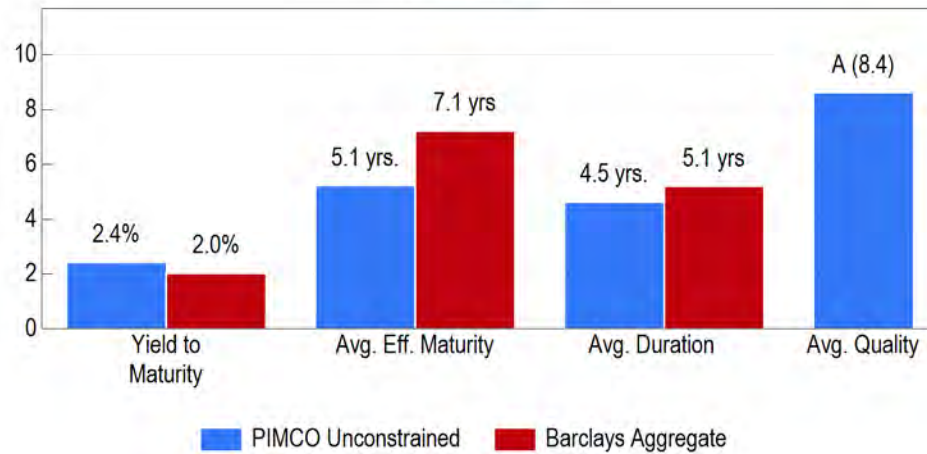


## Annualized Excess Performance

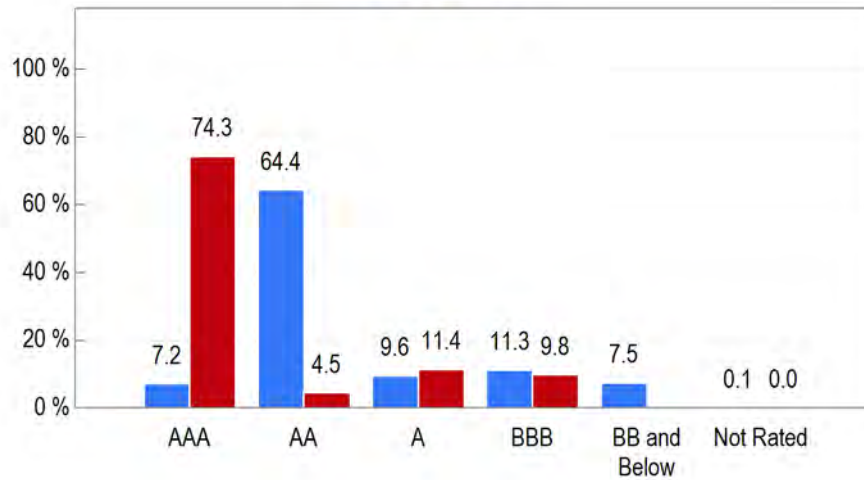


- Quarterly Out Performance
- Quarterly Under Performance
- Rolling 1 Year Excess Performance vs. 25% HY, 25% EMD, 50% BC Agg
- Universe Upper Quartile
- Universe Median
- Universe Lower Quartile

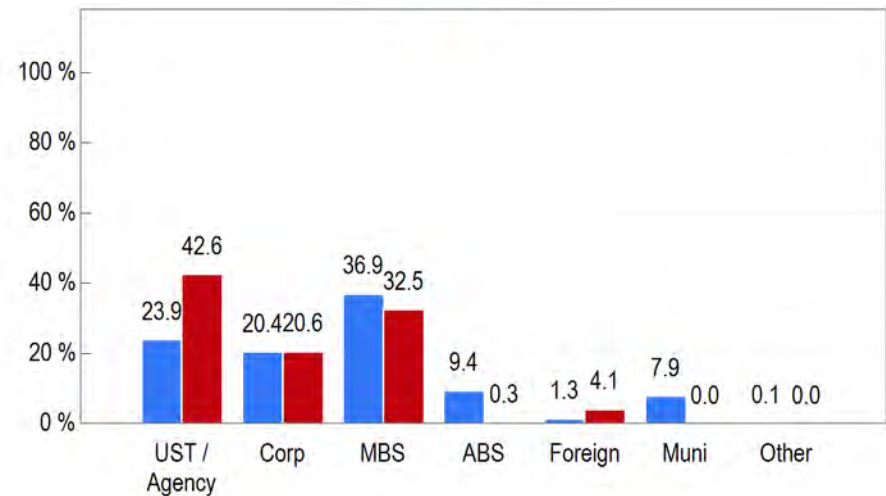
Characteristics



Quality Ratings

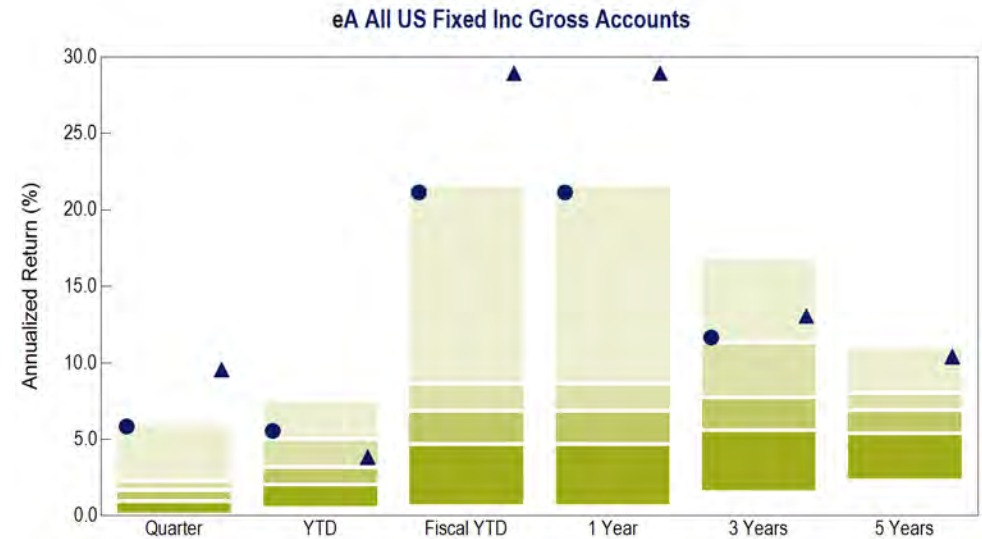


Sectors

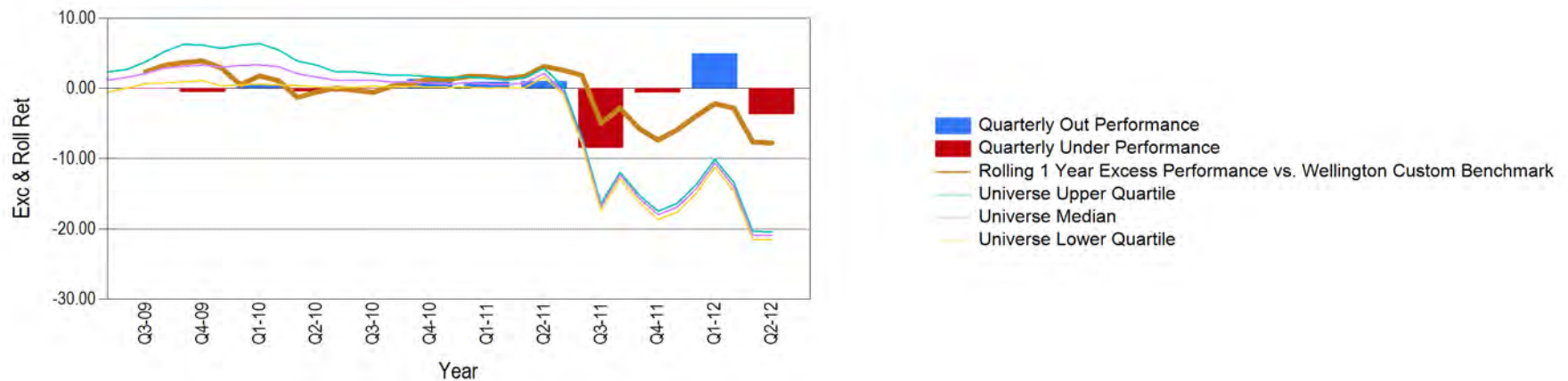


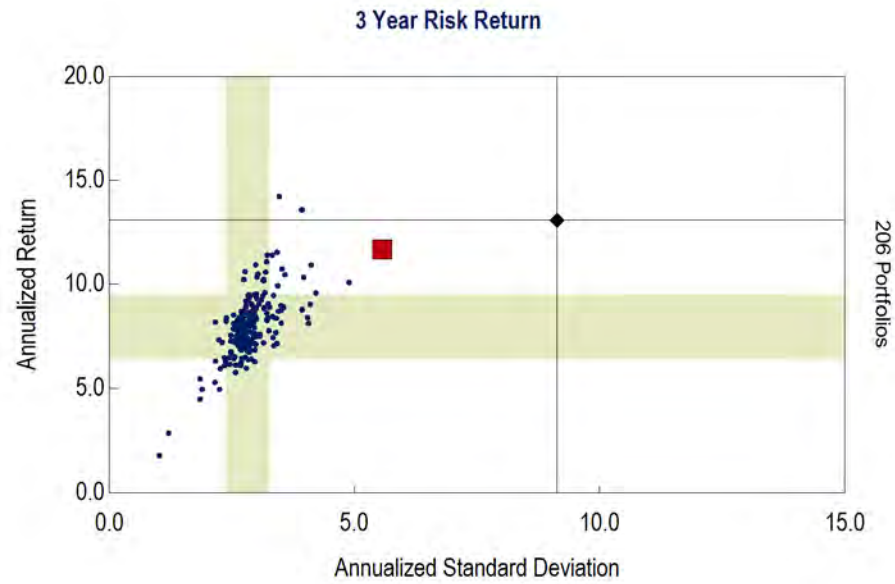
# Wellington DAS

The objective of the Diversified Alpha Strategies - Absolute Return (DAS) Portfolio is to provide positive absolute returns over cash or other market exposure (beta) over rolling 3-year periods with expected volatility of 3 to 6%. The DAS Portfolio aims to provide consistent returns by investing in diverse, market-neutral alpha sources that have low or negative correlations with each other. The mix of alpha sources is rebalanced periodically, and the target mix may change over time. The DAS Portfolio can be combined with desired market (beta) exposure through the use of derivative instruments. Drawing on a diversified basket of alpha sources from across a broad investment universe, rather than a single alpha source, should increase the efficiency of the return/risk ratio and increase the likelihood of achieving consistent returns. For this reason, the DAS Portfolio includes a variety of alpha sources: market neutral equity and fixed income strategies, overlay strategies (currency, fixed income, asset allocation), and long-only equity strategies from which they try to remove structural market risk through short equity index future or swap positions. The allocation to each alpha source is determined in a contribution to risk framework in the context of the expected aggregate DAS Portfolio characteristics. The target weights of the underlying alpha sources have been set using risk budgeting, with a goal of achieving a balanced contribution to risk across the alpha sources, rather than focusing only on the absolute or percent cash allocation.

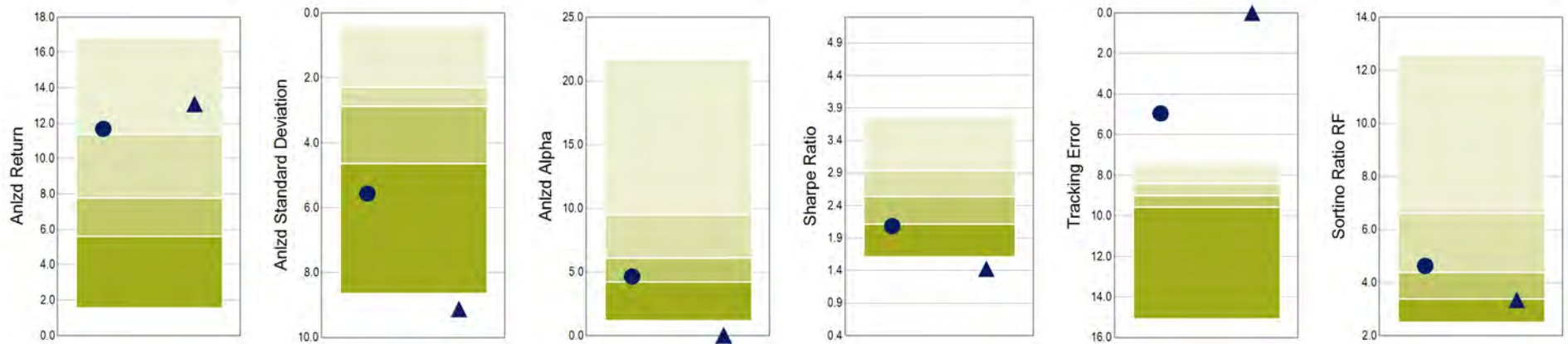


## Annualized Excess Performance





### 3 Year Risk Statistics







## Vermont Municipal Employees

### High Yield Comp

	3 Years Ending June 30, 2012												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Sortino Ratio RF	Rank	Down Mkt Cap Ratio	Rank
High Yield Comp	6.28%	13.89%	76	6.41%	25	1.50%	35	2.35%	66	3.59	42	75.84%	28
Barclays High Yield	--	16.28%	32	8.29%	71	0.00%	65	0.00%	1	3.33	56	100.00%	69
Post Advisory	5.28%	14.14%	68	6.37%	25	1.85%	26	2.41%	67	3.57	43	74.91%	27
Barclays High Yield	--	16.28%	32	8.29%	71	0.00%	65	0.00%	1	3.33	56	100.00%	69
KDP	1.00%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays High Yield	--	--	--	--	--	--	--	--	--	--	--	--	--

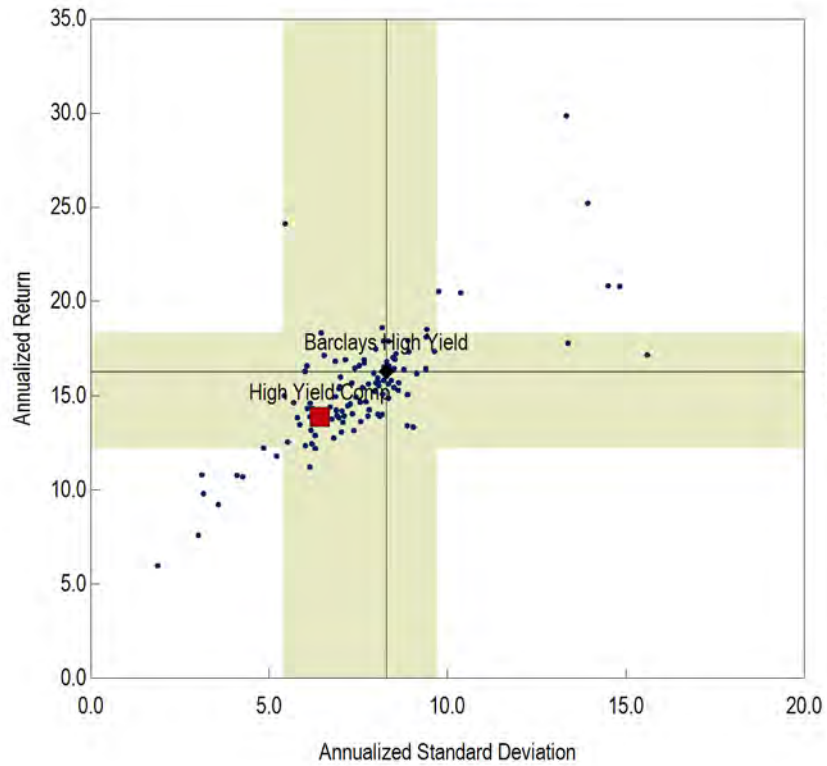
## Vermont Municipal Employees

### High Yield Comp

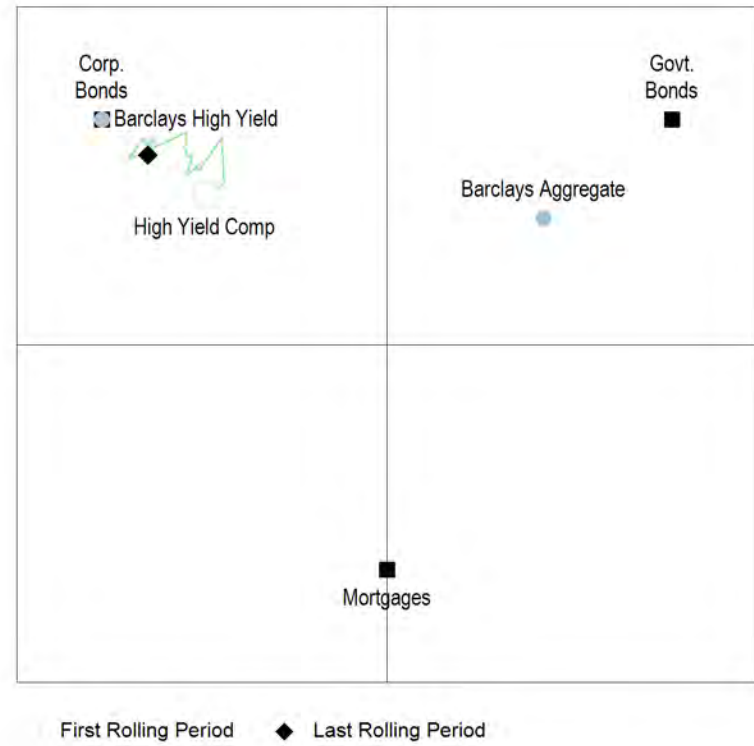
#### 5 Years Ending June 30, 2012

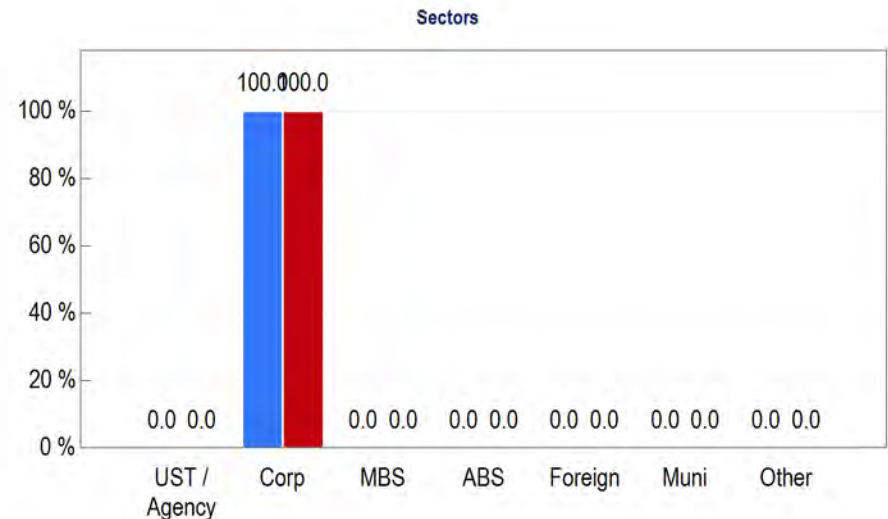
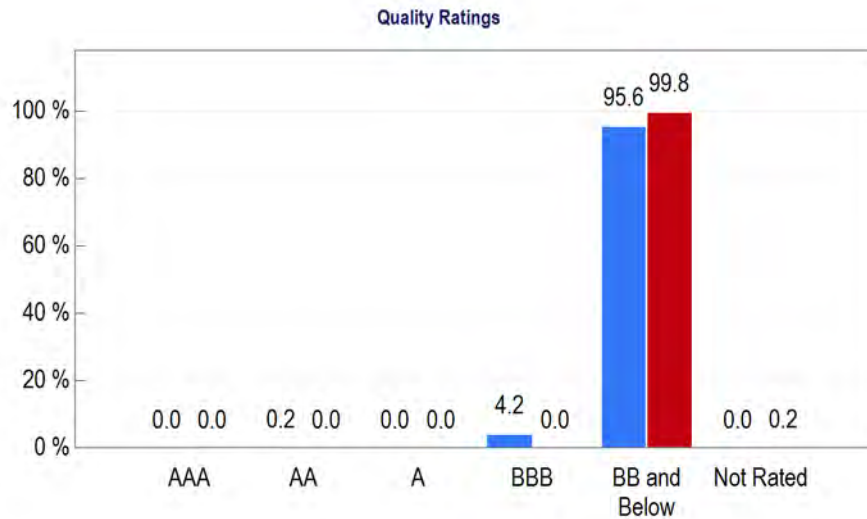
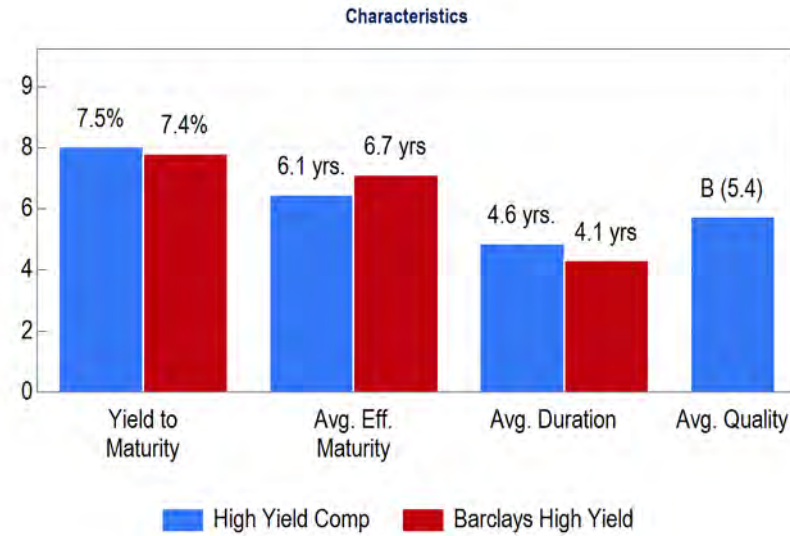
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Sortino Ratio RF	Rank	Down Mkt Cap Ratio	Rank
High Yield Comp	6.28%	8.28%	35	10.33%	24	2.19%	26	5.21%	65	0.68	42	71.89%	19
Barclays High Yield	--	8.45%	31	14.28%	91	0.00%	80	0.00%	1	0.58	70	100.00%	88
Post Advisory	5.28%	8.42%	31	10.32%	24	2.33%	21	5.22%	65	0.69	41	71.68%	19
Barclays High Yield	--	8.45%	31	14.28%	91	0.00%	80	0.00%	1	0.58	70	100.00%	88
KDP	1.00%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays High Yield	--	--	--	--	--	--	--	--	--	--	--	--	--

3 Year Risk Return



3 Year Style Analysis

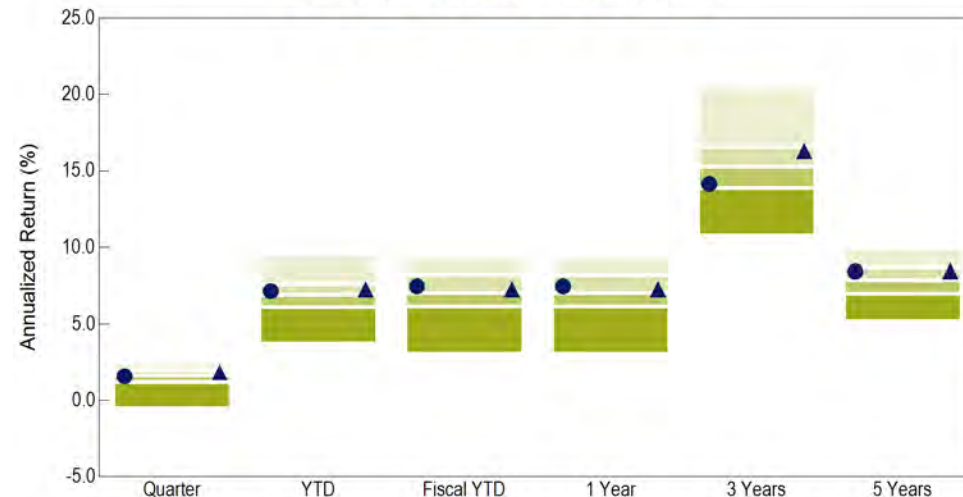




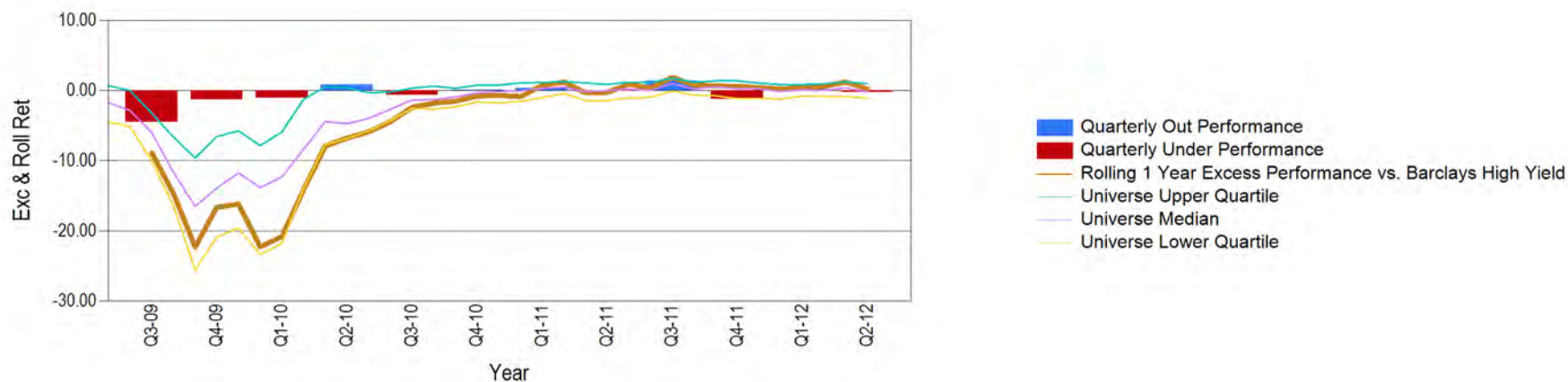
# Post Advisory

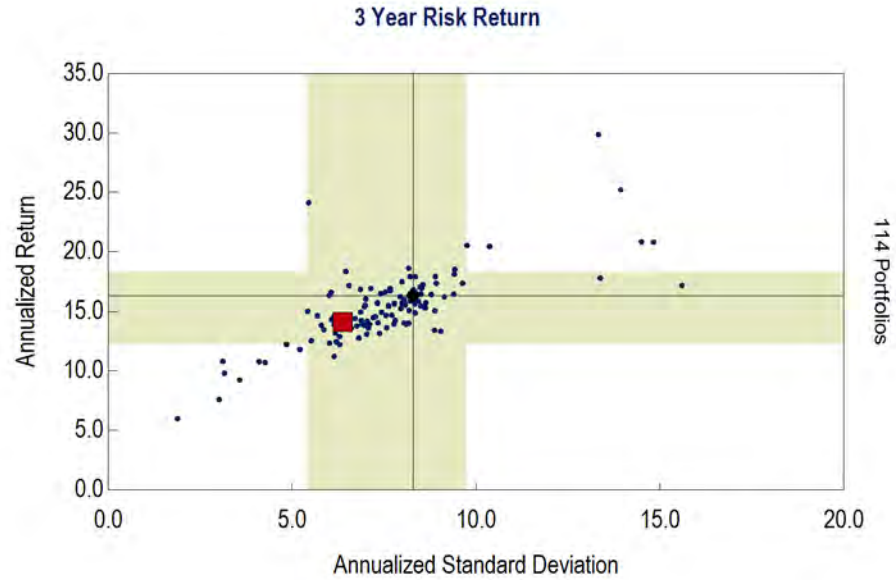
Post's team concentrate on under-followed and misunderstood credits as they believe that these securities have the highest probability of being mispriced by the consensus view. They also consider the downside protection afforded by a security. Post believe the downside risk is the most important factor to be aware of. It is through downside protection that they believe they avoid much of the volatility that exists in the high yield market. Their process is quantitative oriented. They generate ideas by looking for companies that are preferably not covered by Wall St. Having found a company they apply a value scoring model to review the issue. They look at both quantitative and qualitative factors, with the different factors being given different weights, although all factors apply across all industries to allow them to standardize. The most important quantitative factor is free cash flow and the most important qualitative factor is the management team and corporate structure. That said, the factors do gradually change over time, this is a result of constantly reviewing the model.

eA US High Yield Fixed Inc Gross Accounts

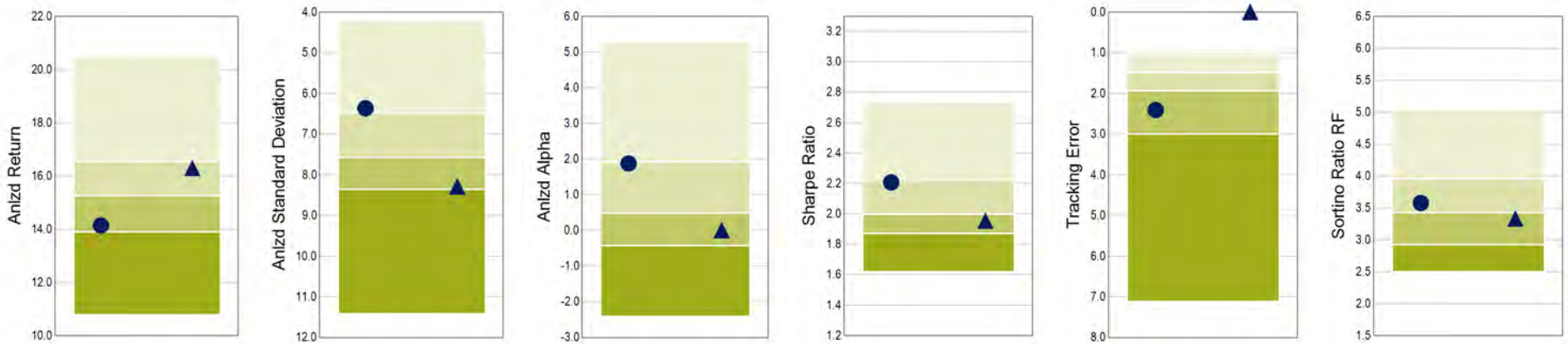


Annualized Excess Performance

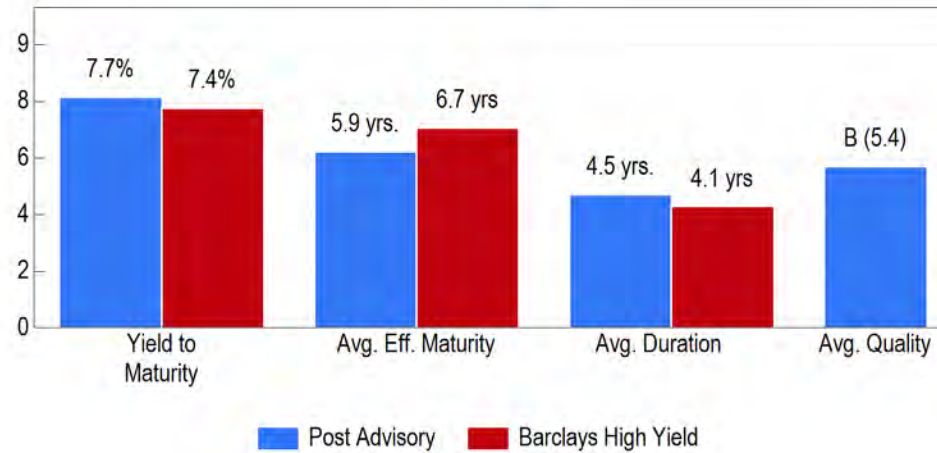




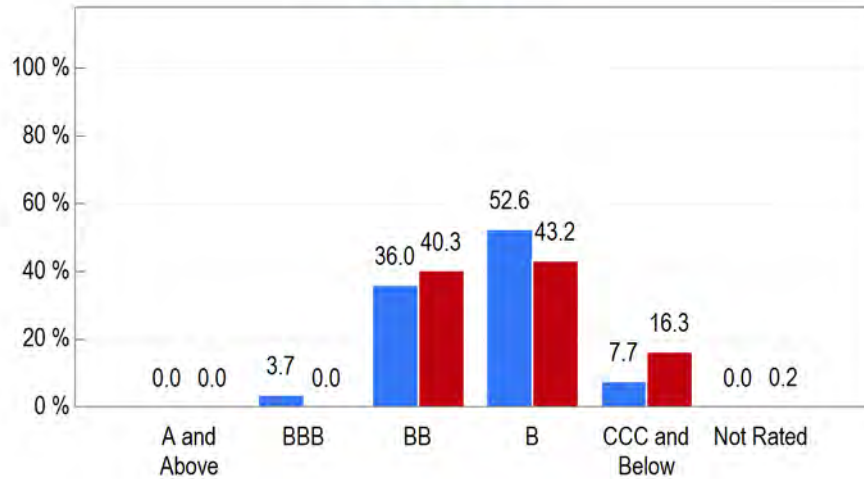
### 3 Year Risk Statistics



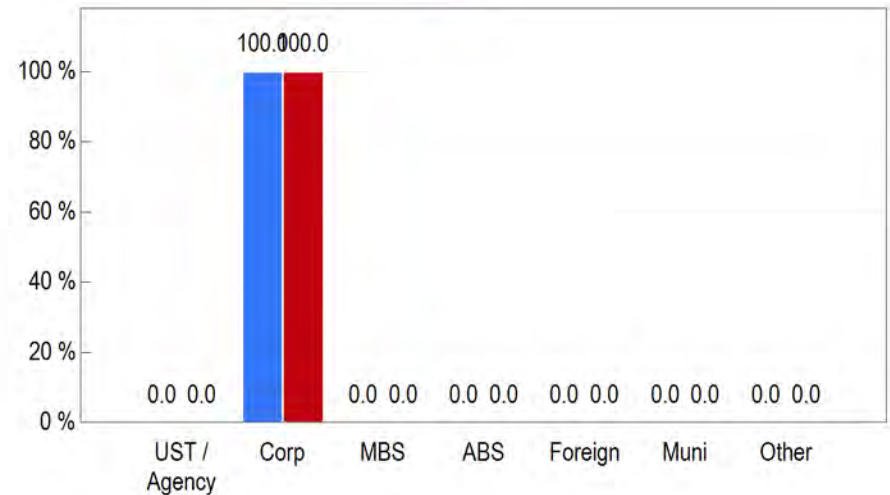
Characteristics



Quality Ratings



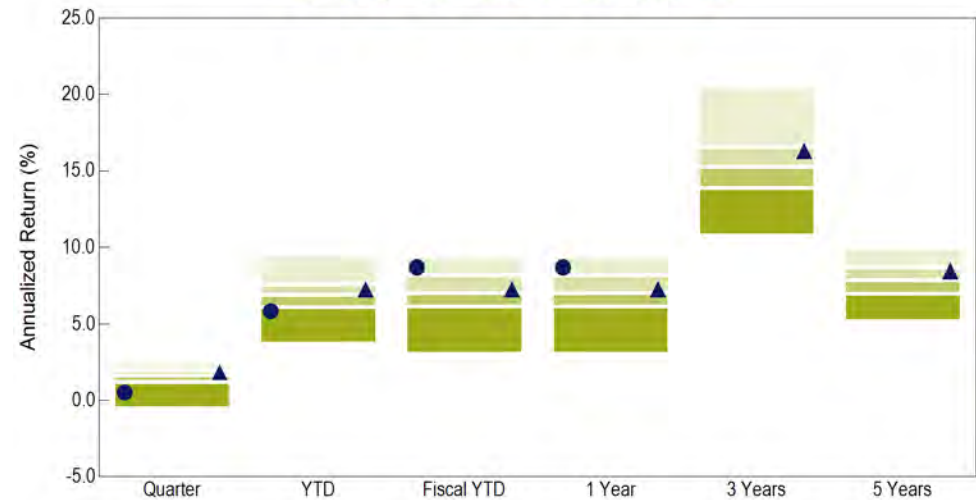
Sectors



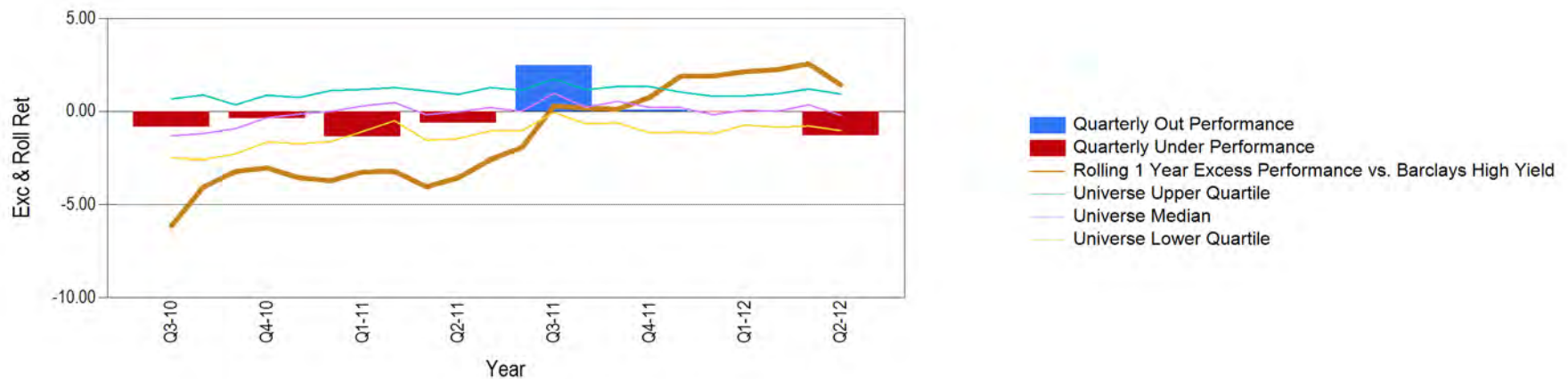


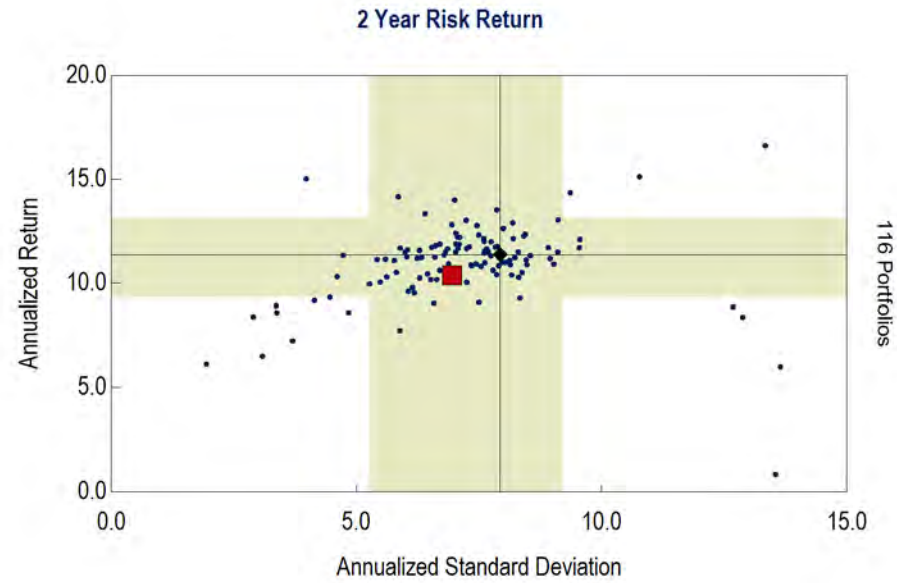
KDP believes that the key to delivering superior risk-adjusted returns lies in controlling credit risk. To do this the firm combines rigorous, bottom-up credit analysis with an active, top-down management approach that ensures a strong overall credit profile and broad portfolio diversification. KDP employs a value-oriented approach to investing that leverages our strong fundamental research capabilities, and seeks to take advantage of market inefficiencies and anomalies on an opportunistic basis in order to capture excess credit spread. KDP places a strong emphasis on issuer, industry and sector diversification, and tends to focus on larger companies, as they tend to be more resilient in times of difficulty and their securities tend to be more liquid. KDP uses a proprietary "Default Risk Ranking (DRR)" System to screen securities eligible for purchase in its portfolios. By assigning default risk probabilities to companies covered, the DRR system is used to identify securities that are overvalued or undervalued relative to the market. The firm minimizes portfolio volatility in part by investing in securities of companies that exhibit greater resilience in times of financial distress. KDP focuses on companies with good management, stable to improving earnings, good balance sheet liquidity and a strong competitive position in industries with favorable underlying fundamentals.

eA US High Yield Fixed Inc Gross Accounts

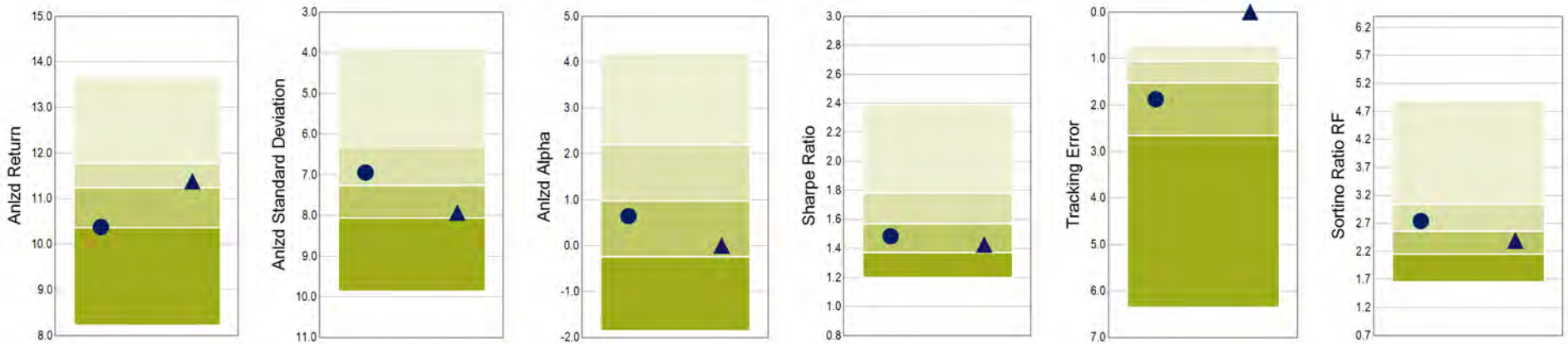


Annualized Excess Performance

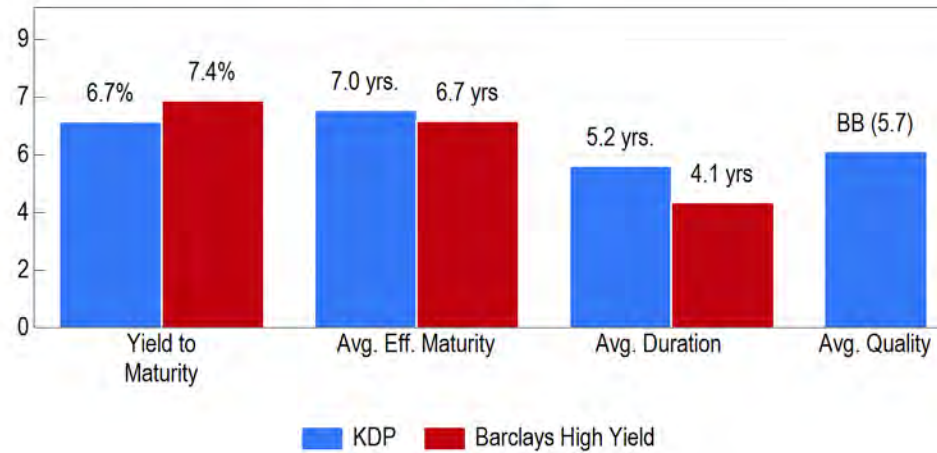




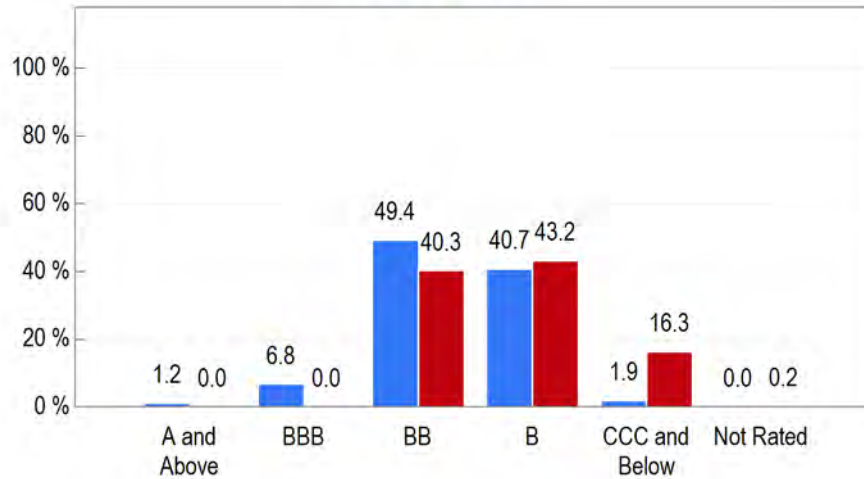
### 2 Year Risk Statistics



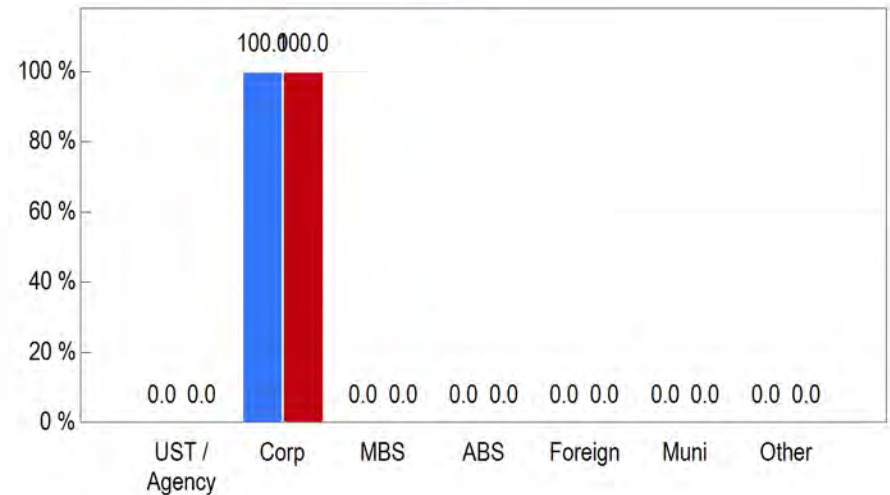
Characteristics



Quality Ratings



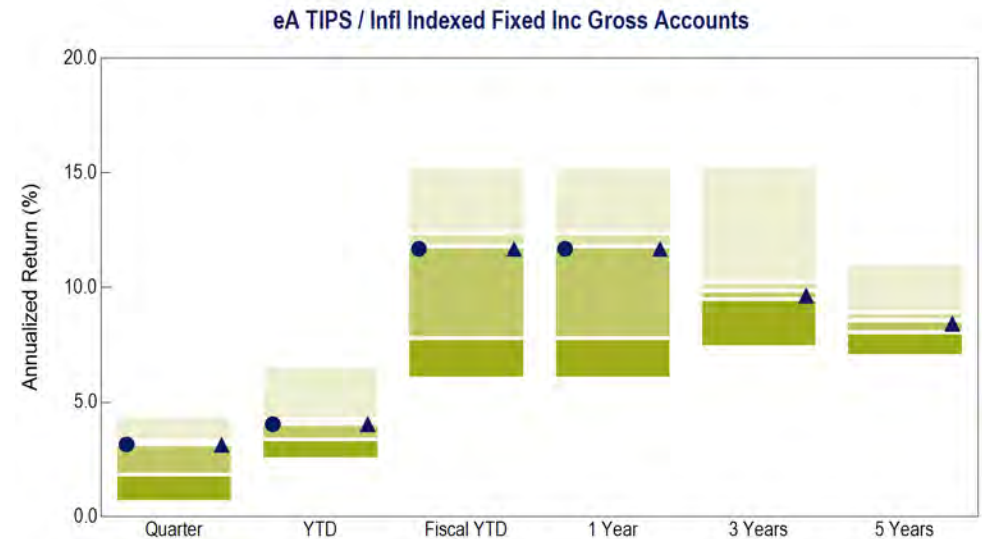
Sectors



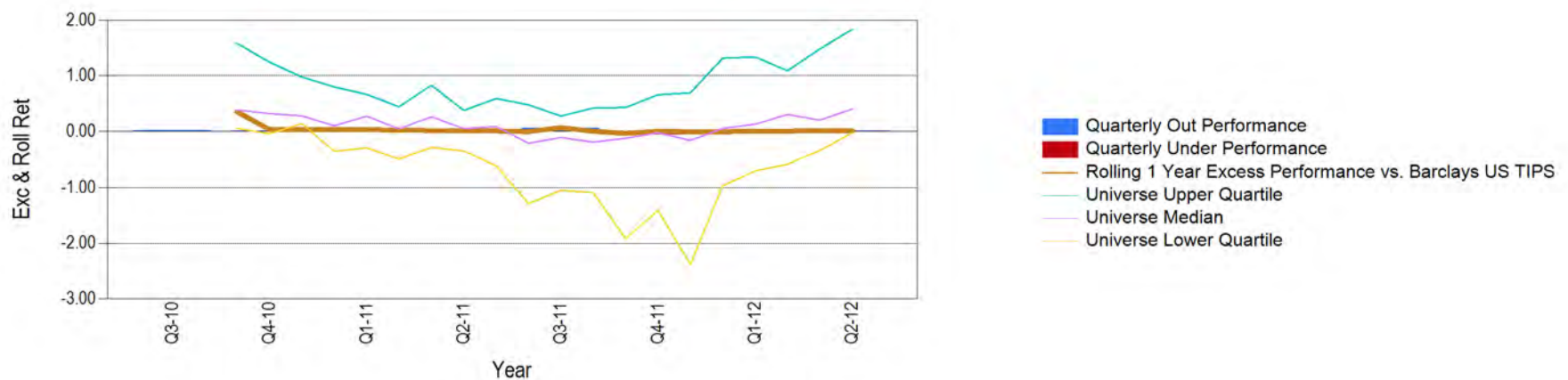


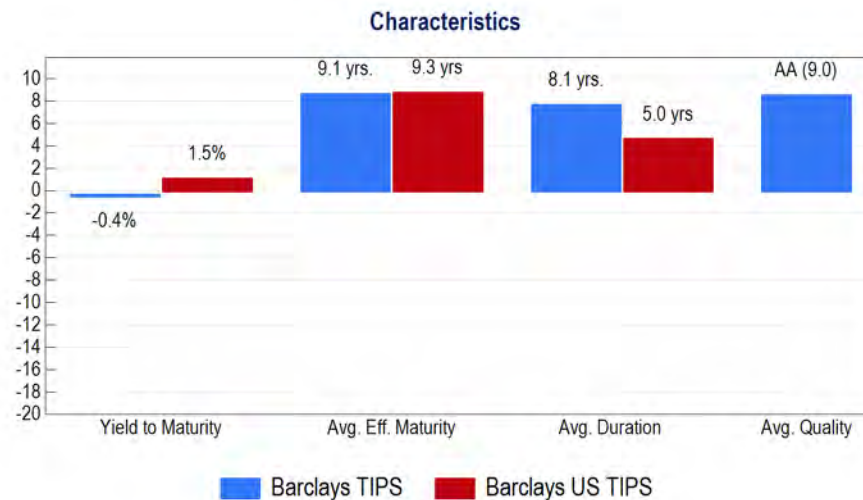
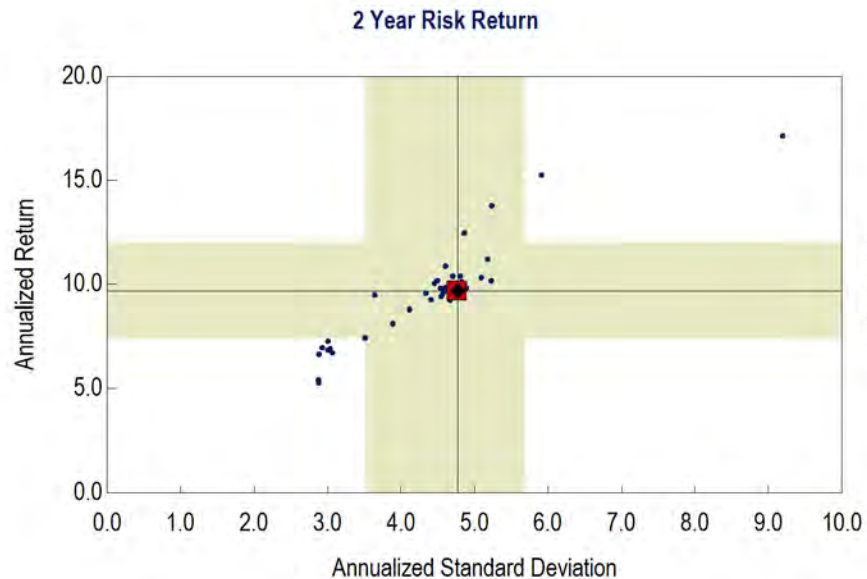
# Barclays TIPS

In the management of an inflation-linked bond portfolio, BlackRock/Barclays will utilize multiple strategies to outperform the index. These include: duration and yield curve positioning, technical supply/demand anomalies related primarily to the ILB auction cycle, seasonal factors related to non-seasonally adjusted inflation-linked indices, break-even spread between ILBs and nominal securities, and, if applicable, sector and country allocation. The team compares nominal yields with real yields and factor in their views on inflation. If the yield spread is less than the inflation rate, then ILBs are considered to trade cheaply to nominal bonds and have greater relative value. The portfolio currently holds about 31 positions, out of 27-29 issues in the benchmark. Turnover is moderate, at around 100-150%.

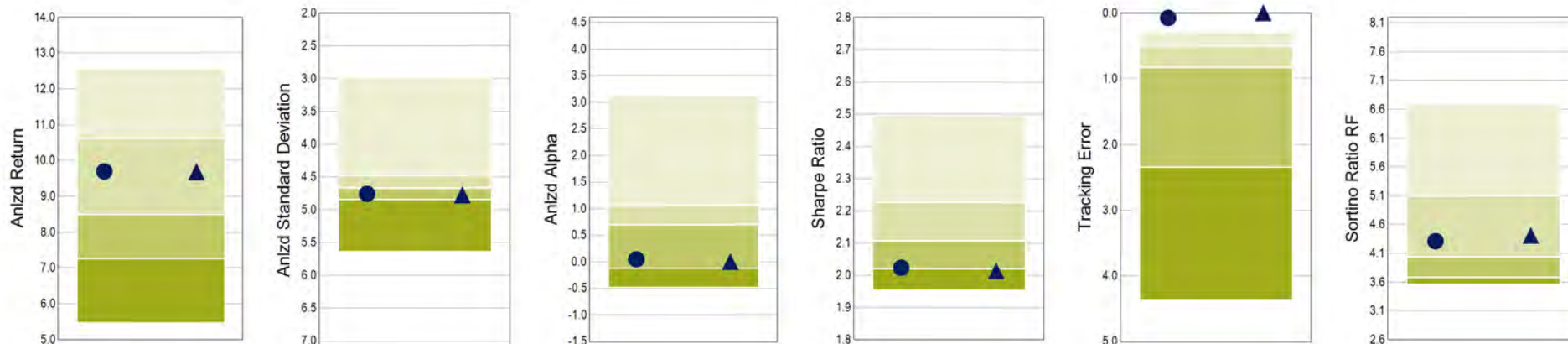


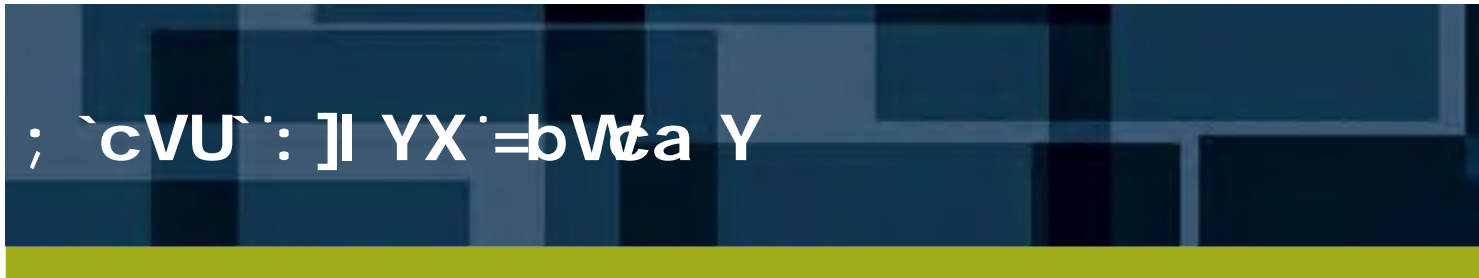
## Annualized Excess Performance





### 2 Year Risk Statistics





## Vermont Municipal Employees

### Global Fixed Income Comp

#### 3 Years Ending June 30, 2012

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Sortino Ratio RF	Rank	Down Mkt Cap Ratio	Rank
Global Fixed Income Comp	3.02%	10.19%	31	6.67%	54	5.37%	41	2.89%	24	2.22	40	74.81%	54
Citigroup WGBI	--	5.35%	92	6.73%	56	0.00%	96	0.00%	1	0.92	93	100.00%	88
Brandywine	0.00%	12.23%	18	6.89%	60	8.09%	27	4.79%	44	3.16	27	45.84%	41
Citigroup WGBI	--	5.35%	92	6.73%	56	0.00%	96	0.00%	1	0.92	93	100.00%	88
Mondrian GFI	3.02%	7.61%	59	7.02%	63	2.21%	75	1.78%	9	1.41	67	98.36%	86
Citigroup WGBI	--	5.35%	92	6.73%	56	0.00%	96	0.00%	1	0.92	93	100.00%	88

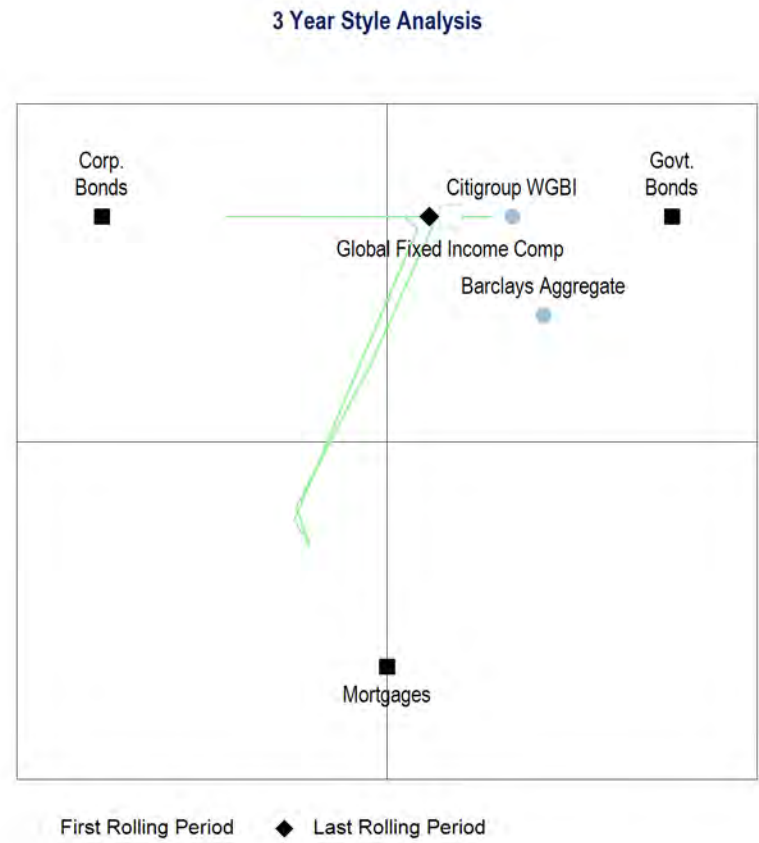
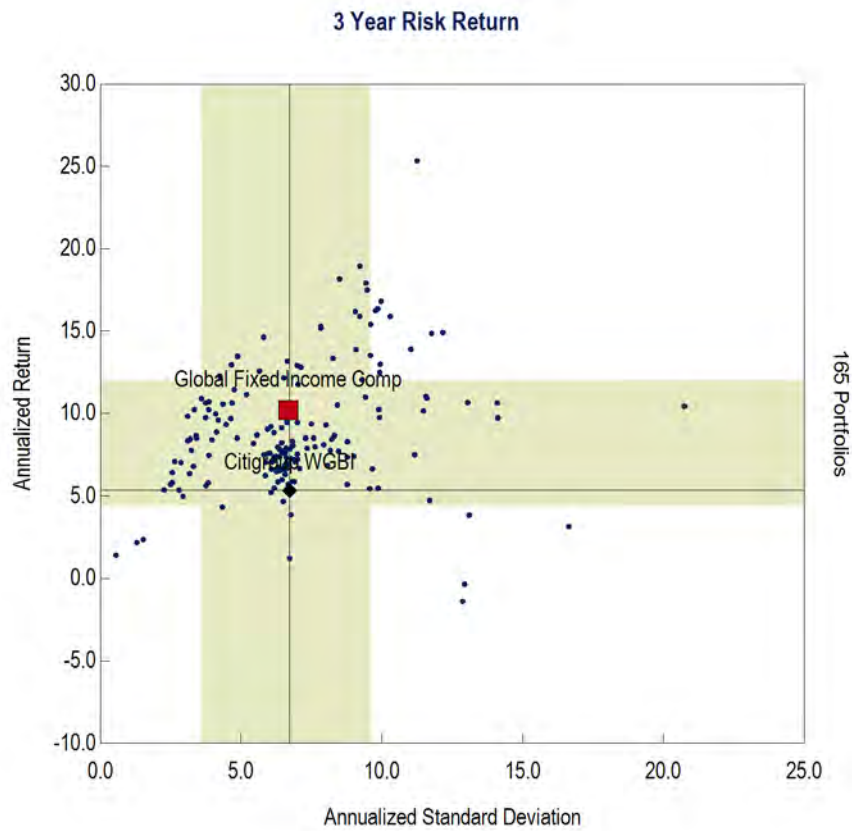


## Vermont Municipal Employees

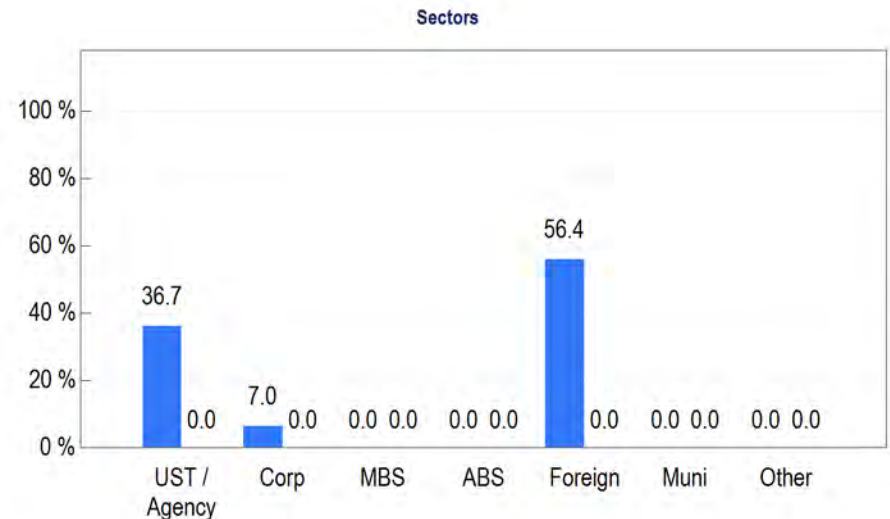
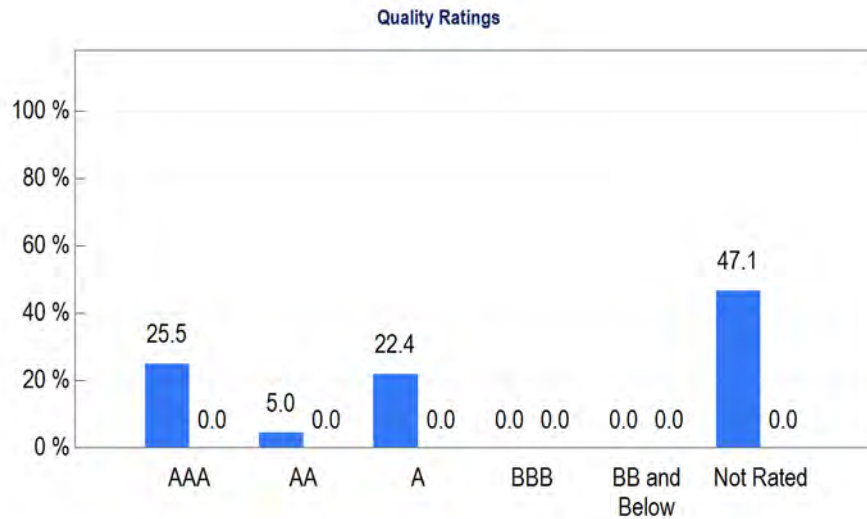
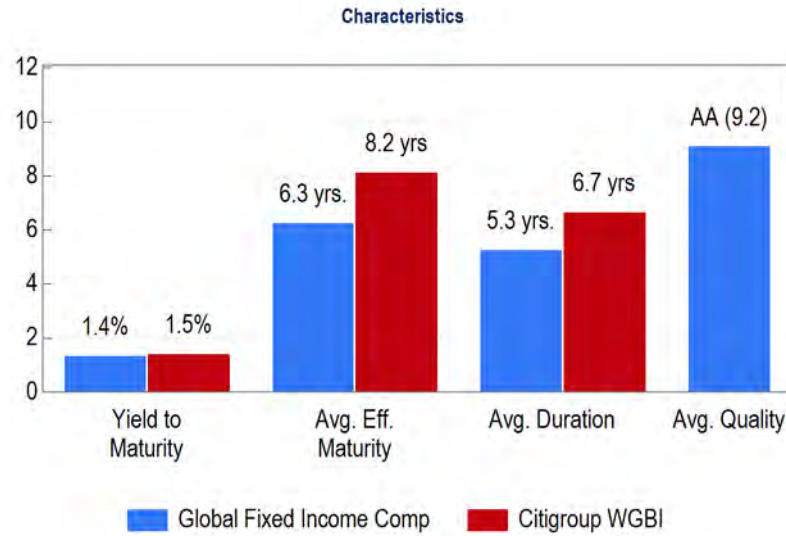
### Global Fixed Income Comp

#### 5 Years Ending June 30, 2012

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Sortino Ratio RF	Rank	Down Mkt Cap Ratio	Rank
Global Fixed Income Comp	3.02%	9.45%	12	8.26%	53	2.82%	39	4.33%	34	1.52	23	92.68%	54
Citigroup WGBI	--	7.31%	51	7.90%	43	0.00%	75	0.00%	1	1.27	38	100.00%	70
Brandywine	0.00%	9.03%	16	10.14%	72	2.81%	40	7.81%	65	0.94	59	90.36%	48
Citigroup WGBI	--	7.31%	51	7.90%	43	0.00%	75	0.00%	1	1.27	38	100.00%	70
Mondrian GFI	3.02%	9.43%	12	7.87%	42	2.39%	41	2.16%	9	1.77	16	94.64%	57
Citigroup WGBI	--	7.31%	51	7.90%	43	0.00%	75	0.00%	1	1.27	38	100.00%	70

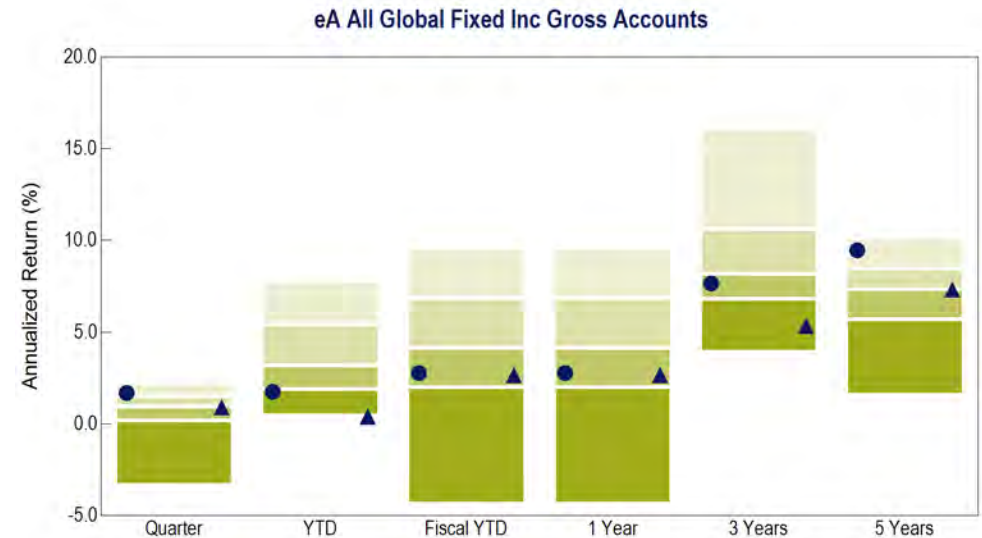


Vermont Municipal Employees  
Global Fixed Income Comp

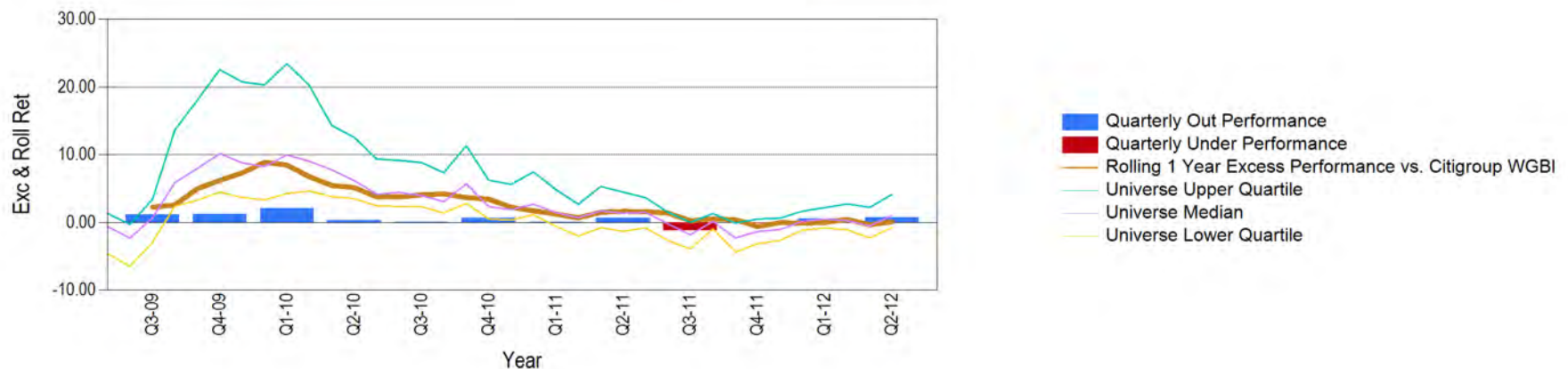


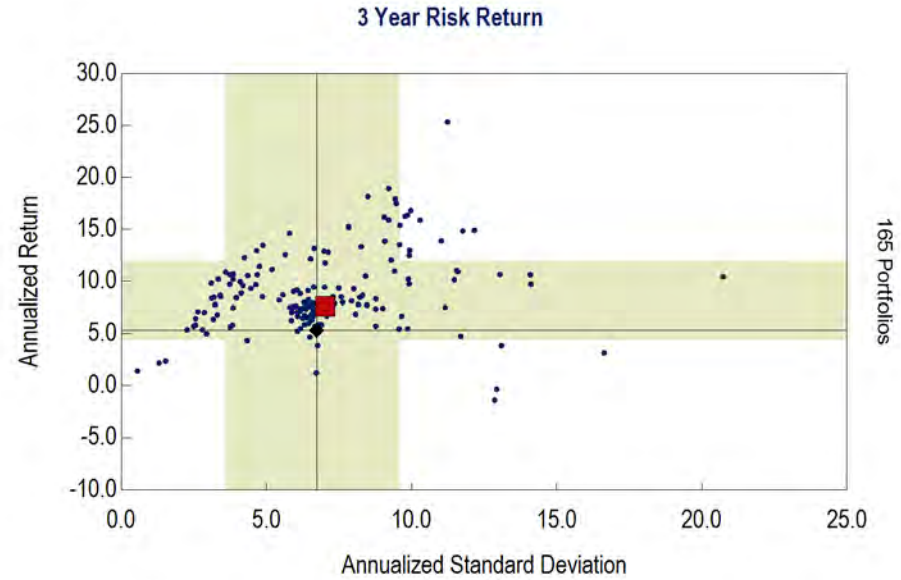
# Mondrian GFI

Bond yield for each market minus Mondrian's inflation forecast for that country. Mondrian will consider investing in the government debt of all countries within the Citigroup World Government Bond Index and other developed world bond markets. Within the emerging world most countries are researched and will include dollar denominated and local currency issuers. Mondrian's bond universe is constructed by selecting a range of bonds from the aforementioned regions at varying maturities, according to Mondrian's credit, liquidity and other specific criteria. A total of 150-200 issues are followed closely, although this list is not intended to be exhaustive. Mondrian bases its duration strategy on the size of potential long term "real" returns in a country's local market. This approach means that in practice, portfolio durations change gradually over time, and that Mondrian does not attempt to anticipate frequent interest rate changes. Mondrian's Credit Committee, chaired by John Kirk is responsible for sector recommendations in the various international markets. Each sector is assigned a prospective credit rating and current yield differentials where comparable government bonds are then assessed for their attractiveness. Mondrian seeks to add value through the use of non-governmental debt, although corporate bonds are a small part of the strategy and contribute a small portion to excess returns. Typically, sovereign and supranational issues comprise between 70% to 100% of a portfolio. High-quality foreign corporate debt is utilized, and may represent between 0% to 30% of a portfolio. In the case of corporate debt, the upper limit of 30% is strictly adhered to. A portfolio will typically hold between 30 and 40 securities.

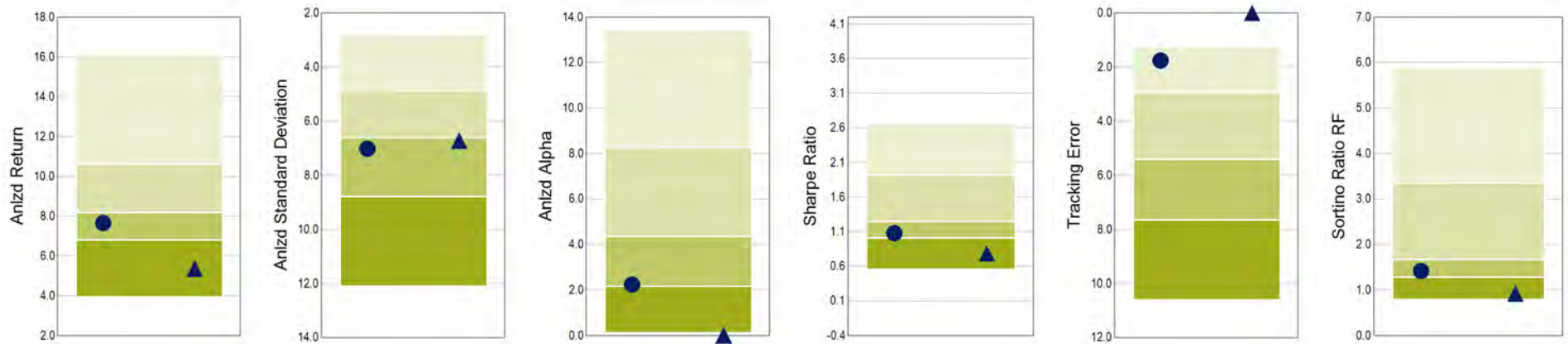


## Annualized Excess Performance

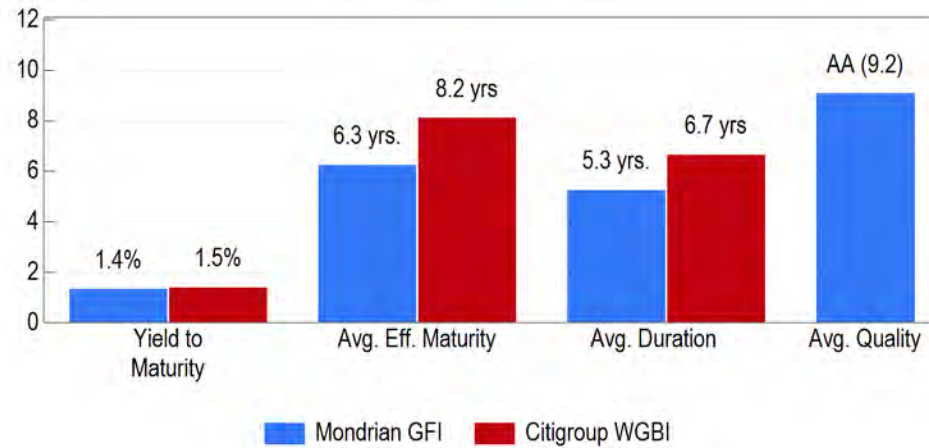




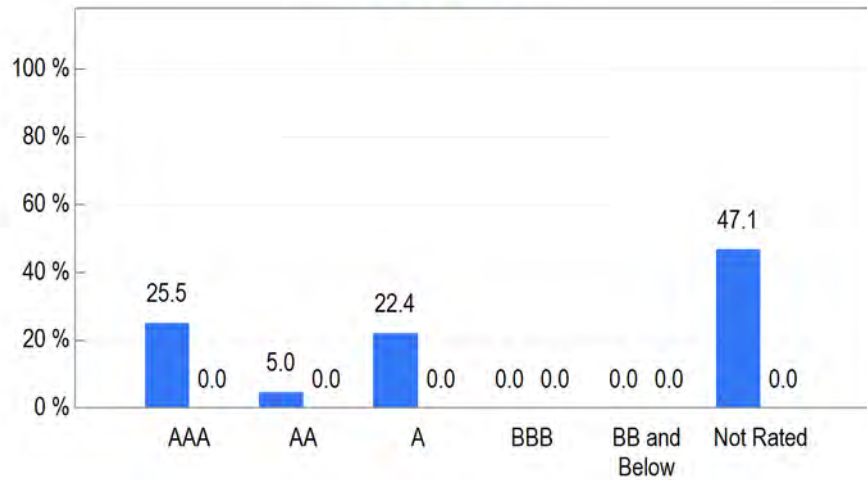
### 3 Year Risk Statistics



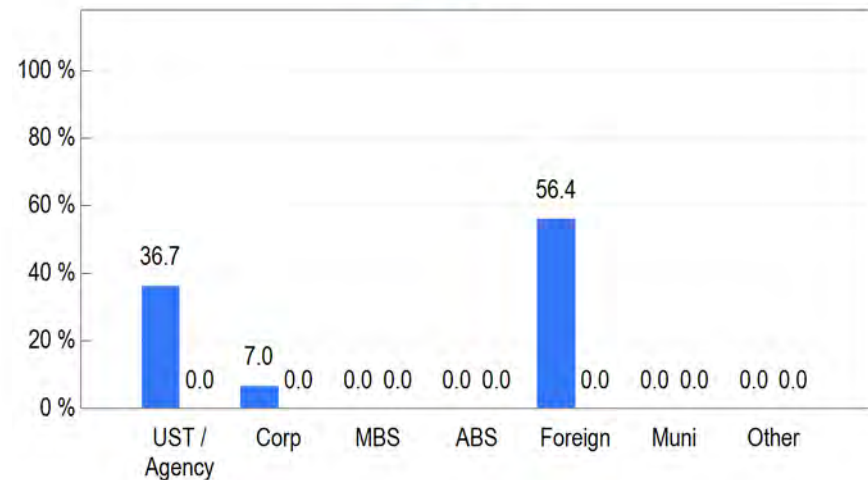
### Characteristics



### Quality Ratings



### Sectors



9a Yf[ ]b[ 'A Uf\_Yh'8YVh

## Vermont Municipal Employees

### Emerging Market Debt

	3 Years Ending June 30, 2012												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Sortino Ratio RF	Rank	Down Mkt Cap Ratio	Rank
Emerging Market Debt	5.13%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	--	--	--	--	--	--	--	--	--	--	--	--
Wellington Opportunistic EMD	5.13%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	--	--	--	--	--	--	--	--	--	--	--	--



## Vermont Municipal Employees

### Emerging Market Debt

	5 Years Ending June 30, 2012												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Tracking Error	Rank	Sortino Ratio RF	Rank	Down Mkt Cap Ratio	Rank
Emerging Market Debt	5.13%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	--	--	--	--	--	--	--	--	--	--	--	--
Wellington Opportunistic EMD	5.13%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	--	--	--	--	--	--	--	--	--	--	--	--

## Wellington Opportunistic Emerging Market Debt Information Disclosure

-The Opportunistic Emerging Markets Debt investment approach seeks to generate attractive returns relative to an emerging markets debt benchmark such as the J.P. Morgan Emerging Markets Bond Index Global ("EMBI Global"), or similar, independent of traditional benchmark constraints.

-Disciplined investment approach that integrates systematic research from both quantitative and fundamental perspective. Risk Management Due to the credit, currency, and local interest rate risks inherent in investing in these markets, and the structural complexity of some emerging markets debt instruments, a comprehensive system of risk controls is required to manage risks such as sovereign and corporate defaults, local currency volatility, and local debt yield curve inversions.

-The investment process begins with a thorough assessment of global economic, liquidity, and market conditions. Wellington combines comprehensive top-down quantitative and macroeconomic analysis with bottom-up sovereign credit research to identify key global factors and to determine the potential impact on emerging markets debt. The resulting market outlook determines the overall risk level of the portfolio.

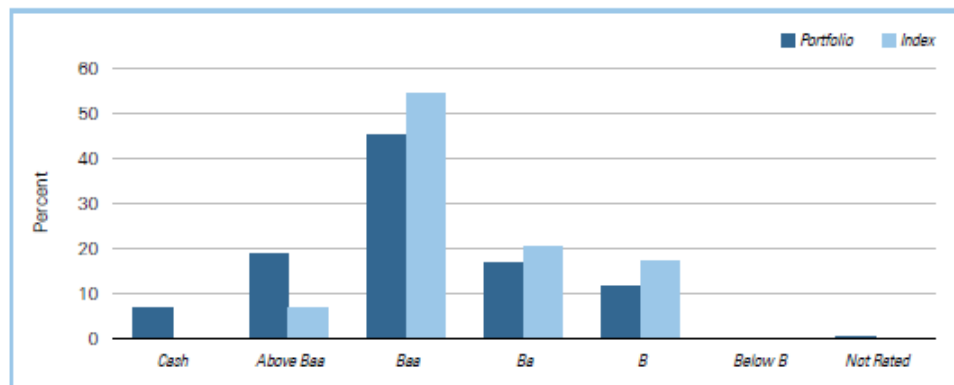
-Opportunistic Emerging Markets Debt is an unconstrained, "best ideas" approach that takes advantage of investment opportunities in emerging markets sovereign, corporate, and local markets to generate attractive total returns. It is managed by the same team that has been responsible for the Emerging Markets Debt approach since its inception.

# Wellington Opportunistic Emerging Market Debt

## Portfolio Statistics

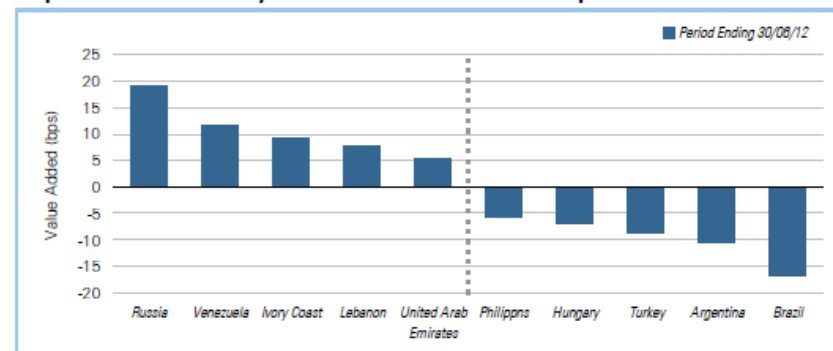
	Portfolio	Index
Beta	1.04	—
Yield	5.44%	5.20%
Effective Duration	6.71 Yrs	7.25 Yrs
Spread Duration	6.80	7.25

## Quality Distribution



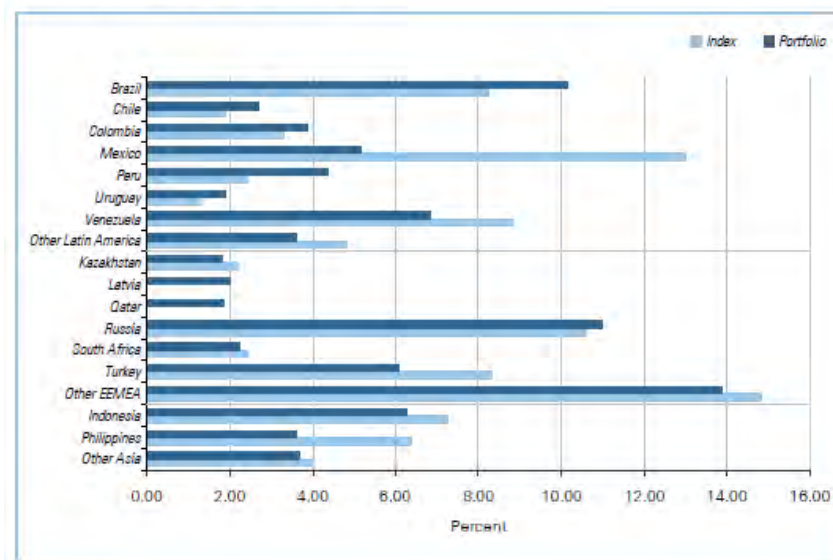
Index based on median or lower rating, as applicable, if security rated by two or more agencies

## Top/Bottom 5 Country Contributors to Portfolio Alpha



The attribution results are based on Wellington Management's internally calculated returns, which may differ from the official returns.

## Country Weights versus Index



Fund characteristics was provided by Wellington Management

; `cVU`'5ggYh'5``cWWh]cb

## Wellington Opportunistic Emerging Market Debt Information Disclosure

-The Opportunistic Emerging Markets Debt investment approach seeks to generate attractive returns relative to an emerging markets debt benchmark such as the J.P. Morgan Emerging Markets Bond Index Global ("EMBI Global"), or similar, independent of traditional benchmark constraints.

-Disciplined investment approach that integrates systematic research from both quantitative and fundamental perspective. Risk Management Due to the credit, currency, and local interest rate risks inherent in investing in these markets, and the structural complexity of some emerging markets debt instruments, a comprehensive system of risk controls is required to manage risks such as sovereign and corporate defaults, local currency volatility, and local debt yield curve inversions.

-The investment process begins with a thorough assessment of global economic, liquidity, and market conditions. Wellington combines comprehensive top-down quantitative and macroeconomic analysis with bottom-up sovereign credit research to identify key global factors and to determine the potential impact on emerging markets debt. The resulting market outlook determines the overall risk level of the portfolio.

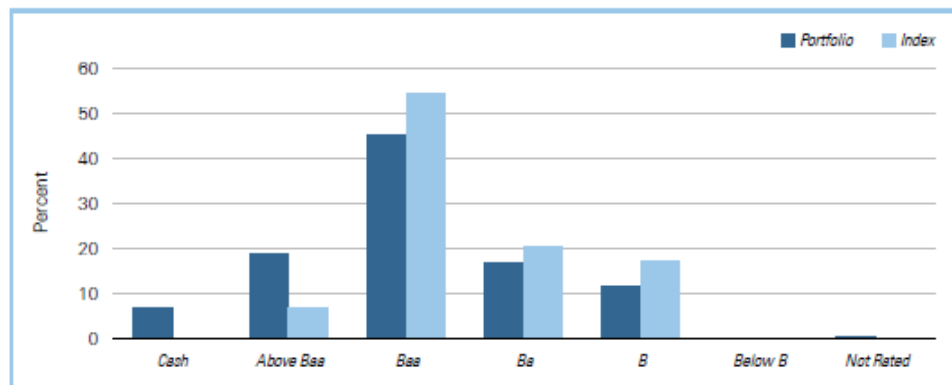
-Opportunistic Emerging Markets Debt is an unconstrained, "best ideas" approach that takes advantage of investment opportunities in emerging markets sovereign, corporate, and local markets to generate attractive total returns. It is managed by the same team that has been responsible for the Emerging Markets Debt approach since its inception.

# Wellington Opportunistic Emerging Market Debt

## Portfolio Statistics

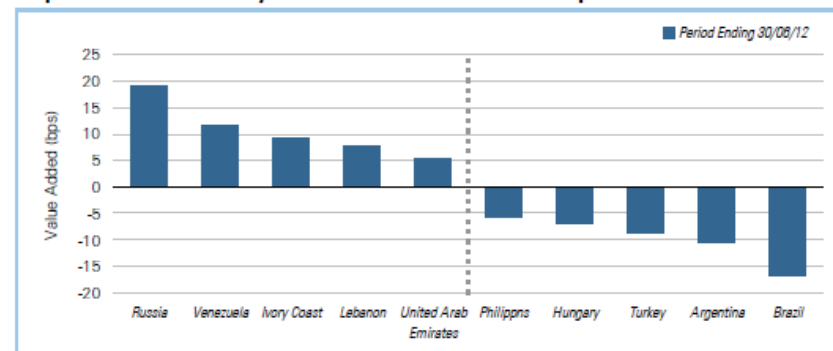
	Portfolio	Index
Beta	1.04	—
Yield	5.44%	5.20%
Effective Duration	6.71 Yrs	7.25 Yrs
Spread Duration	6.80	7.25

## Quality Distribution



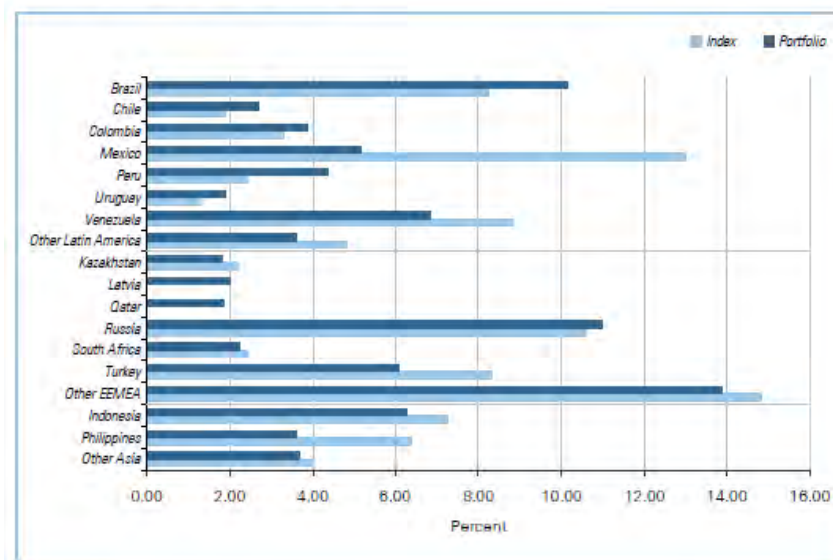
Index based on median or lower rating, as applicable, if security rated by two or more agencies

## Top/Bottom 5 Country Contributors to Portfolio Alpha



The attribution results are based on Wellington Management's internally calculated returns, which may differ from the official returns.

## Country Weights versus Index



Fund characteristics was provided by Wellington Management

## Mellon Global Expanded Alpha

The core philosophy behind Mellon's Global Expanded Alpha strategy is that global capital markets are an orderly and mostly rational structure over the long term and that prices reflect expected returns based on fundamentals. However while equilibrium exists there are factors in the capital markets which cause prices to deviate from the equilibrium. Mellon seeks to diversify investment exposure across many asset classes. Global Stocks, Global Bonds and Currencies are the broad asset classes in which Global Alpha 1 is exposed. Mellon determines expected returns, risks, and correlations for each asset class in the twelve major capital markets (Australia, Canada, France, Germany, Hong Kong, Italy, Japan, the Netherlands, Spain, Switzerland, the U.K., and the U.S.) where they actively allocate assets. Model has been expanded to new alpha sources: emerging markets and commodities. Alpha in the emerging market is extracted through both emerging market equities and currencies. Emerging market equity and currency models rely on similar signals to those employed in developed equities and currencies models. Relative Valuation is the basis for asset class investment decisions. Investment instruments used include Futures, Forwards, Options and Asset Class Funds. Mellon is capable of taking Long/Short positions in any instruments but must be Net Long Stocks and Bonds.

### Performance & Attribution – 2nd Quarter 2012

Period	Strategy Return	Benchmark Return	Alpha	Global Stock/Bond	Equity Country	Bond Country	Currency	Benchmark Replication	Commodity Allocation	Misc.	Total Alpha
Apr-12	0.14%	-0.39%	<b>0.53%</b>	-19	-40	58	31	-1	17	8	<b>53</b>
May-12	-5.84%	-4.70%	<b>-1.14%</b>	-89	55	-72	2	4	-17	3	<b>-114</b>
Jun-12	2.94%	2.76%	<b>0.18%</b>	44	-36	-17	14	6	3	4	<b>18</b>

### Performance & Attribution – Calendar Years & Annualized as of 6/30/2012

Period	Strategy Return	Benchmark Return	Alpha	Global Stock/Bond	Equity Country	Bond Country	Currency	Benchmark Replication	Commodity Allocation	Misc.	Total Alpha
YTD 2012	3.02%	4.14%	<b>-1.12%</b>	-55	-48	46	-86	11	17	3	<b>-112</b>
2011	-0.13%	-1.60%	<b>1.47%</b>	-168	136	139	56	26	2	-43	<b>147</b>
(Partial) 2010	10.43%	5.72%	<b>4.71%</b>	-137	71	185	291	65	-6	2	<b>471</b>
1 Year	-2.06%	-0.87%	<b>-1.19%</b>	-211	11	102	-37	35	12	-31	<b>-119</b>

Source: Mellon Capital Management

\*Index is 50% MSCI ACWI, 25% Citi WGBI, 10% BC Global Inflation Linked, 5% Russell 2000, 5% BC US Intermediate Credit, 5% DJ-UBS Commodity

## Market Exposures

### Equity Exposure

Country	Mellon %	Index %	Over %
Australia	8.9%	1.6%	7.3%
Brazil	0.7%	0.0%	0.7%
Canada	4.5%	2.1%	2.4%
China	0.8%	0.0%	0.8%
France	6.4%	1.6%	4.8%
Germany	7.5%	1.4%	6.1%
Hong Kong	-5.3%	0.5%	-5.8%
India	-0.1%	0.0%	-0.1%
Italy	0.5%	0.4%	0.1%
Japan	-4.2%	3.9%	-8.1%
Mexico	-0.8%	0.0%	-0.8%
Netherlands	8.0%	0.4%	7.6%
Poland	-0.1%	0.0%	-0.1%
South Africa	-0.2%	0.0%	-0.2%
South Korea	0.3%	0.0%	0.3%
Spain	0.6%	0.5%	0.1%
Switzerland	-4.8%	1.5%	-6.3%
Taiwan	-0.9%	0.0%	-0.9%
Turkey	0.3%	0.0%	0.3%
United Kingdom	0.8%	4.1%	-3.3%
United States	34.2%	28.8%	5.4%
Emerging Markets	6.3%	6.3%	0.0%
GAA Passive	1.9%	1.9%	0.0%
<b>Total</b>	<b>65.1%</b>	<b>55.0%</b>	<b>10.1%</b>

### Bond Exposure

Country	Mellon %	Index %	Over %
Australia	-1.7%	0.3%	-1.9%
Canada	-5.9%	0.5%	-6.4%
Europe ex UK	25.4%	7.3%	18.1%
International	10.0%	10.0%	0.0%
Japan	3.1%	8.1%	-4.9%
United Kingdom	-15.9%	1.4%	-17.3%
United States	15.5%	12.2%	3.3%
GAA Passive	0.3%	0.3%	0.0%
<b>Total</b>	<b>30.8%</b>	<b>40.0%</b>	<b>-9.2%</b>

### Commodity and Cash Exposure

	Mellon %	Index %	Over %
Commodity	4.9%	5.0%	-0.1%
Cash	-0.9%	0.0%	-0.9%
<b>Total</b>	<b>4.0%</b>	<b>5.0%</b>	<b>-1.0%</b>

## Currency Exposure

	Mellon %	Index %	Over %
Australia	5.3%	0.9%	4.4%
Brazil	0.8%	0.0%	0.8%
Canada	11.2%	1.5%	9.7%
Chile	-0.1%	0.0%	-0.1%
Denmark	0.4%	0.2%	0.2%
Euro	-21.5%	6.9%	-28.4%
Hong Kong	-0.1%	0.0%	-0.1%
India	0.5%	0.0%	0.5%
Israel	-0.7%	0.0%	-0.7%
Japan	9.4%	6.1%	3.3%
Mexico	-0.7%	0.0%	-0.7%
New Zealand	7.0%	0.0%	7.0%
Norway	5.8%	0.1%	5.7%
Poland	-0.6%	0.0%	-0.6%
Russia	0.1%	0.0%	0.1%
South Africa	0.8%	0.0%	0.8%
South Korea	-0.3%	0.0%	-0.3%
Sweden	10.9%	0.4%	10.5%
Switzerland	0.7%	0.8%	-0.1%
Taiwan	-0.5%	0.0%	-0.5%
Turkey	0.7%	0.0%	0.7%
United Kingdom	-3.8%	4.2%	-8.0%
United States	66.9%	72.1%	-5.2%
Emerging Markets	6.3%	6.3%	0.0%
GAA Passive	1.5%	0.6%	0.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

Source: Mellon Capital Management



- PIMCO's All Asset Fund uses a Fund of Mutual Funds approach. Investment funds are continuously reallocated between various PIMCO Mutual funds base on strategic allocation decisions made by the advisor to the investment manager. Because both by policy and practice fixed income related securities tend to dominate the All Asset Funds asset allocation, and also because historical risk return measures correlate highly to core fixed income portfolio's. This investment may be categorized as either global asset allocation or core fixed income.
- The underlying funds may at times invest in derivatives. Use of these instruments may involve risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk and the risk that a fund could not close out a position when it would be most advantageous to do so. Portfolios investing in derivatives can lose more than the principal amount invested.
- Shares of mutual funds that invest in Treasuries, TIPS and Government Bonds do not have the same guarantees as direct investments in these securities. Mortgage-backed securities are subject to prepayment risk. With corporate bonds there is no assurance that issuers will meet their obligations. An investment in high-yield securities generally involves greater risk to principal than an investment in higher-rated bonds. Investing in non-U.S. securities may entail risk as a result of non-U.S. economic and political developments, which may be increased when investing in emerging markets.
- No single fund may exceed 50% of the portfolio. There is a maximum exposure of 50% to StocksPLUS, StocksPLUS Total Return and International StocksPLUS TR Strategy Funds combined. There is a maximum exposure of 75% to CommodityRealReturn Strategy, Real Return, Real Return II, Real Return Asset and RealEstateRealReturn Strategy Funds combined.
- Leverage is permitted but is not expected to be used. Possible investment instruments are Stocks, Bonds, Currency, Commodities, Futures, Options, Options on Futures, and Swaps.
- The Fund is expected to outperform the Lehman Brothers U.S. TIPS 1-10 Year Index and CPI + 5% over a market cycle. The PIMCO All Asset Fund is a daily valued commingled fund.

# PIMCO All Asset

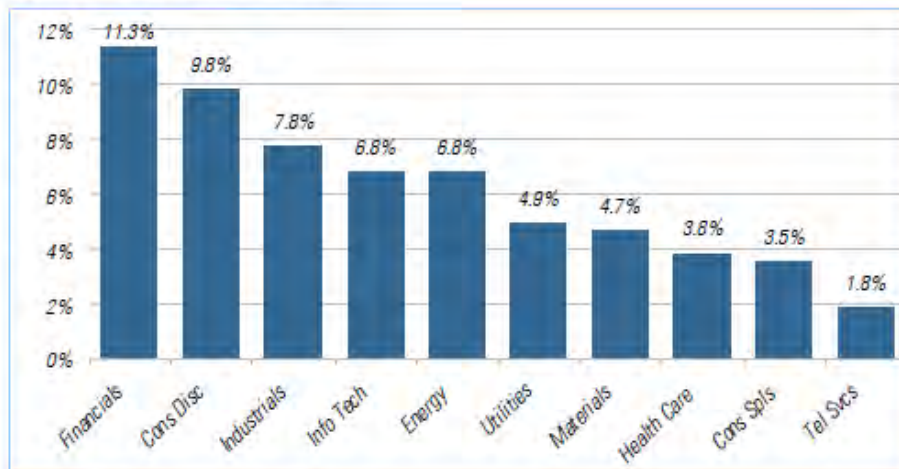
Fund Number	736										
Fund Name	<b>All Asset Fund</b>										
Total Fund Net Assets (\$US MM)	27,997.8										
	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	4/30/2012	5/31/2012	6/30/2012	
<b>Short-Term Strategies:</b>	<b>5.1%</b>	<b>0.7%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	
Low Duration Fund	2.6%	0.7%	0.0%	0.2%	0.0%	0.0%	0.0%				
Short Term Fund	2.5%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%				
<b>US Core and Long Maturity Bond Strategies:</b>	<b>12.4%</b>	<b>9.8%</b>	<b>8.0%</b>	<b>13.3%</b>	<b>8.4%</b>	<b>8.2%</b>	<b>6.3%</b>	<b>6.3%</b>	<b>7.2%</b>	<b>5.2%</b>	
GNMA Fund	-	-	-	-	-	-	-				
Investment Grade Corporate Bond Fund	5.7%	5.3%	4.8%	4.1%	5.0%	5.0%	3.2%				
Long Duration Total Return Fund	0.0%	0.0%	0.0%	1.3%	0.1%	0.1%	0.1%				
Long Term Credit Fund	6.1%	4.2%	3.1%	2.8%	3.1%	3.0%	2.8%				
Long-Term US Government Fund	0.1%	0.1%	0.1%	2.1%	0.1%	0.1%	0.0%				
Mortgage-Backed Securities Fund	-	-	-	-	-	-	-				
Total Return Fund	0.6%	0.2%	0.1%	2.9%	0.0%	0.0%	0.2%				
<b>EM and Global Bond Strategies:</b>	<b>11.8%</b>	<b>12.0%</b>	<b>12.1%</b>	<b>13.1%</b>	<b>19.4%</b>	<b>24.1%</b>	<b>28.3%</b>	<b>29.1%</b>	<b>30.6%</b>	<b>31.0%</b>	
Diversified Income Fund	3.5%	3.6%	4.2%	3.9%	4.2%	4.4%	4.1%				
Emerging Local Bond Fund	2.0%	1.5%	0.8%	1.5%	4.1%	5.7%	7.0%				
Emerging Markets Bond Fund	0.6%	0.6%	0.2%	0.3%	1.5%	2.7%	3.8%				
Emerging Markets Currency	3.4%	3.0%	3.9%	4.6%	6.5%	7.1%	7.7%				
Foreign Bond Fund (Unhedged)	0.1%	0.8%	0.7%	0.7%	0.7%	1.5%	2.5%				
Global Advantage Strategy Bond Fund	2.2%	2.6%	2.4%	2.2%	2.4%	2.7%	3.2%				
Global Bond Fund (Unhedged)	-	-	-	-	-	-	-				
<b>Credit Strategies:</b>	<b>18.9%</b>	<b>23.5%</b>	<b>27.8%</b>	<b>27.0%</b>	<b>28.9%</b>	<b>28.9%</b>	<b>28.2%</b>	<b>28.9%</b>	<b>29.9%</b>	<b>29.8%</b>	
Convertible Fund	3.6%	3.7%	4.2%	3.4%	3.5%	3.4%	3.2%				
Floating Income Fund	5.3%	6.1%	6.6%	7.6%	7.7%	7.4%	6.9%				
High Yield Fund	2.3%	3.9%	5.7%	4.6%	5.9%	6.5%	6.8%				
High Yield Spectrum Fund	0.4%	0.8%	1.4%	1.7%	1.6%	1.6%	1.9%				
Income Fund	7.4%	8.9%	9.8%	8.9%	9.4%	9.1%	8.6%				
Senior Floating Rate Fund	-	-	-	0.8%	0.9%	0.8%	0.7%				
<b>Inflation Related Strategies:</b>	<b>12.0%</b>	<b>18.7%</b>	<b>22.9%</b>	<b>15.3%</b>	<b>17.3%</b>	<b>17.6%</b>	<b>17.0%</b>	<b>15.4%</b>	<b>13.2%</b>	<b>12.6%</b>	
CommoditiesPLUS™ Strategy Fund	1.8%	3.1%	5.1%	2.6%	3.7%	4.5%	6.6%				
CommodityRealReturn Strategy Fund®	1.9%	4.2%	5.2%	1.6%	3.8%	4.5%	2.5%				
Real Return Asset Fund	6.0%	8.2%	8.1%	7.8%	7.3%	5.3%	4.5%				
Real Return Fund	1.3%	1.7%	1.5%	1.4%	0.0%	0.0%	0.0%				
RealEstateRealReturn Strategy Fund	1.0%	1.5%	3.1%	1.9%	2.6%	3.3%	3.3%				
<b>US Equity Strategies:</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>4.5%</b>	<b>1.3%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>0.9%</b>	<b>1.0%</b>	
Fundamental IndexPLUS™	0.1%	0.1%	0.1%	0.1%	-	-	-				
Fundamental IndexPLUS™ TR	0.4%	0.4%	0.4%	0.4%	1.8%	0.2%	0.1%				
Small Cap StocksPLUS® Total Return Fund	0.1%	0.1%	0.1%	0.2%	0.4%	0.1%	0.1%				
Small Company Fundamental IndexPLUS® TR Strategy Fund	-	-	-	-	0.1%	0.6%	0.6%				
StocksPLUS® Fund	0.1%	0.1%	0.1%	0.1%	1.5%	0.0%	0.0%				
StocksPLUS® Total Return Fund	0.3%	0.3%	0.3%	0.3%	0.7%	0.3%	0.1%				
<b>Global Equity Strategies:</b>	<b>7.8%</b>	<b>7.5%</b>	<b>9.6%</b>	<b>9.6%</b>	<b>12.3%</b>	<b>13.4%</b>	<b>14.8%</b>	<b>16.2%</b>	<b>15.7%</b>	<b>18.2%</b>	
EM Fundamental IndexPLUS™ TR Strategy Fund	6.0%	5.9%	7.1%	6.4%	8.2%	8.9%	9.4%				
EqS Dividend Fund	-	-	-	-	-	0.1%	0.1%				
EqS Emerging Markets Fund	-	-	0.2%	0.3%	0.3%	0.2%	0.2%				
EqS Pathfinder Fund	1.1%	1.1%	1.4%	1.9%	2.3%	2.3%	2.0%				
International Fundamental IndexPLUS® TR Strategy Fund	-	-	-	-	0.1%	0.8%	2.2%				
Int'l StocksPLUS® TR Strategy Fund (U.S Dollar Hedged)	0.4%	0.3%	0.4%	0.4%	0.4%	0.5%	0.2%				
Int'l StocksPLUS® TR Strategy Fund (Unhedged)	0.3%	0.3%	0.5%	0.6%	1.0%	0.6%	0.6%				
<b>Alternative Strategies:</b>	<b>31.0%</b>	<b>26.8%</b>	<b>18.7%</b>	<b>20.4%</b>	<b>9.0%</b>	<b>6.4%</b>	<b>4.4%</b>	<b>3.1%</b>	<b>2.3%</b>	<b>2.2%</b>	
Credit Absolute Return Fund	-	-	-	-	0.3%	0.2%	0.2%				
EqS Long/Short Fund	-	-	-	-	-	-	-				
Fundamental Advantage Total Return Strategy Fund	19.7%	15.7%	13.5%	14.5%	5.7%	3.6%	2.0%				
Unconstrained Bond Fund	11.4%	11.0%	5.2%	5.8%	3.1%	2.6%	2.1%				
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

Source: PIMCO

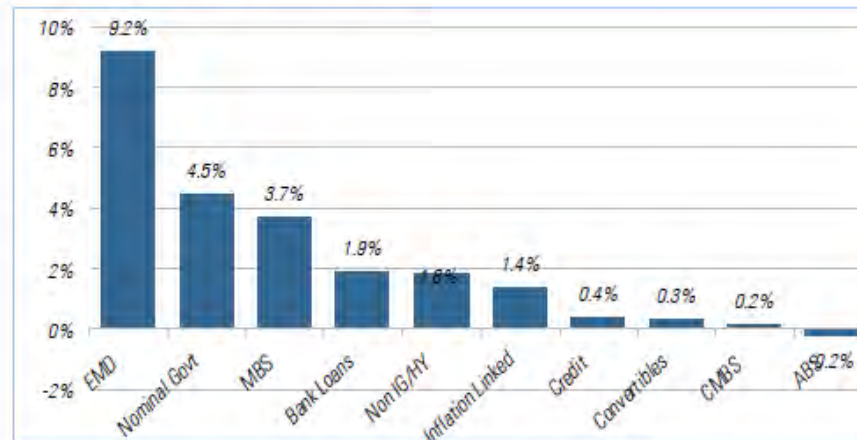
-The objective of the Opportunistic Investment Allocation approach is to outperform core markets by making timely investments in non-core areas that are attractively valued, have positive structural tailwinds, or are expected to benefit from the anticipated cyclical environment. Opportunistic Investment Allocation is an unconstrained, non-benchmark oriented investment approach.

-The Opportunistic Investment Allocation approach provides exposure to a variety of investment approaches that focus on non-core areas, such as non-US small cap, emerging markets equity, and sector funds. Non-core areas are inherently interesting as they are typically less efficient sectors of the market where active managers have a history of strong value added. However, a drawback to these investment areas is their high level of volatility. One source of high volatility is structural change, which results in instability of long-term performance characteristics. When performance characteristics are unstable over time it is difficult to address the asset class in a static long-term asset allocation policy. Assuming that historical performance characteristics are representative of future results often leads institutional investors to either buy these niche areas at high valuations (after positive structural surprises) or ignore (sell) them when they are out of favor (after a negative structural surprise). For these reasons, Wellington believes that allocations to these areas should not be strategic, but opportunistic in nature.

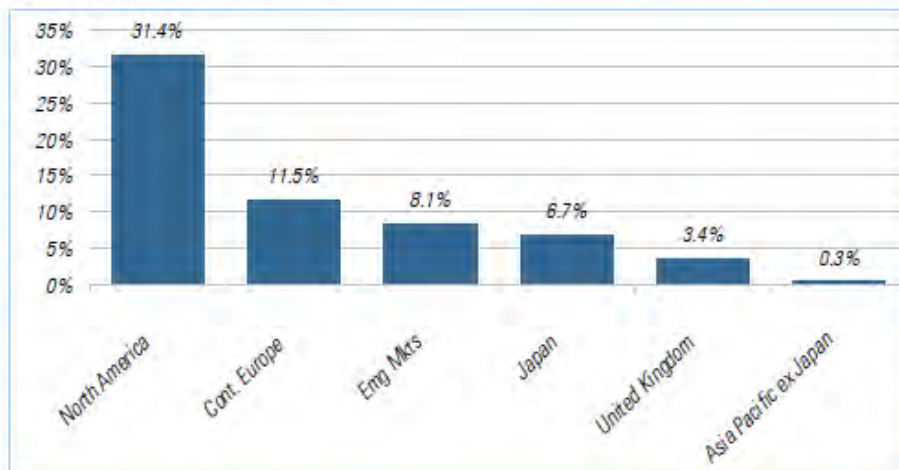
**Equity Sector Distribution**



**Fixed Income Sector Distribution**



**Equity Region Distribution**



**Fixed Income Statistics**

	<i>Portfolio</i>	<i>Barclays US Aggregate Bond</i>
Duration	3.7 yrs	4.5 yrs
OAS	133 bps	61 bps
YTM	2.4%	2.0%

Source: Wellington Management

## AQR Global Risk Premium Fund

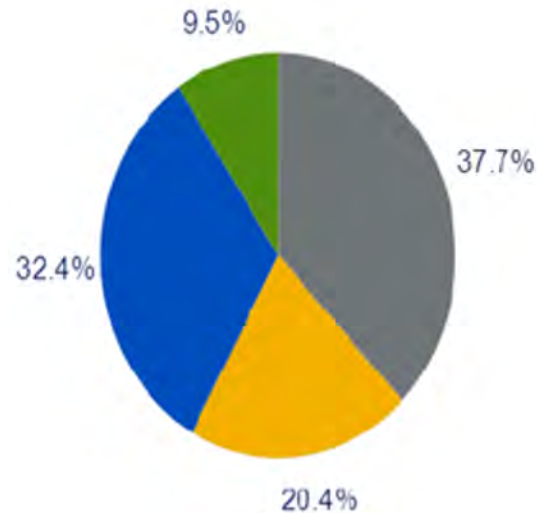
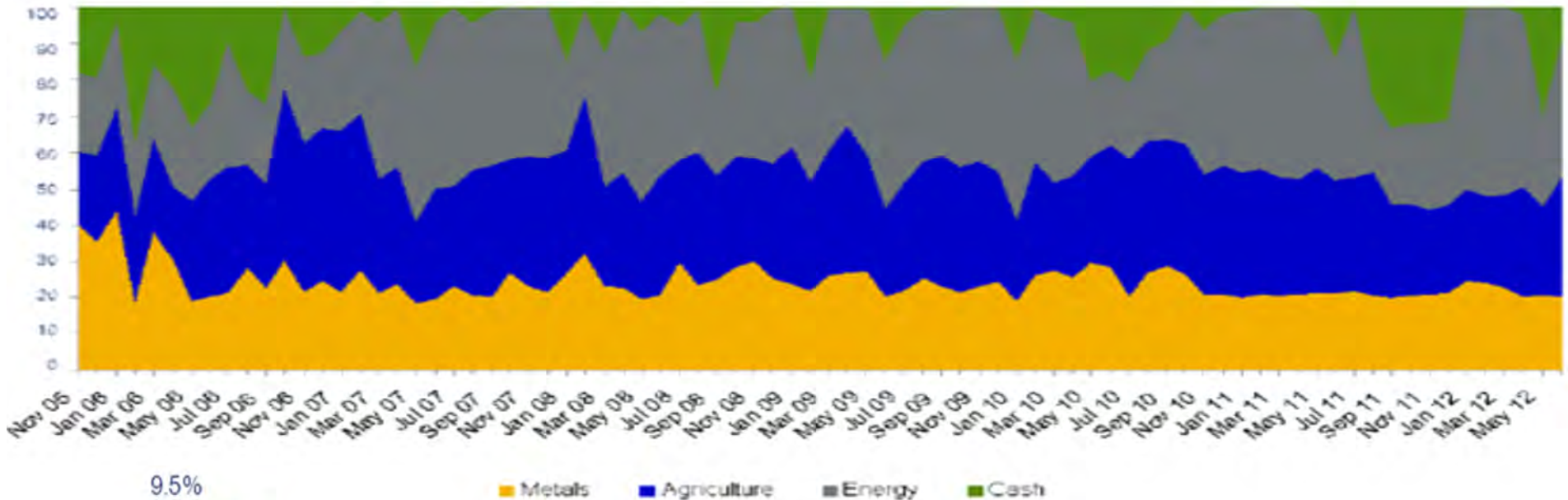
The AQR Global Risk Premium Fund is equally risk weighted between four major asset classes or risk exposures: equities, interest rates, inflation, and alternative risk exposures almost entirely spread/credit. By diversifying broadly & globally across the broadest possible set of liquid risk-bearing assets, diversifying risk rather than capital avoiding risk concentration by sizing broad risk exposures equally, the strategy develops a an efficient portfolio that is likely to outperform traditional asset allocations. Individual exposures are implemented through a variety of instruments, including: stock index futures and swaps, bond futures, interest rate swaps, global inflation-linked bonds, currency forwards, credit derivatives, and commodity futures & swaps. Implementation decisions include capital usage, liquidity, transaction costs, and counterparty exposure. Since the strategy is levered, there is limited available capital; therefore, derivative instruments such as swaps and futures, will be preferred to physical investment in a market, all else being equal. The majority of exposures are accessed synthetically generally, over 70% of the funds capital is invested in cash funds through SSgA and Dreyfus. These are money market funds meant to preserve capital, not meant to chase a spread above LIBOR as an additional source of return. The fund attempts to maintain a healthy liquidity profile, both from a risk management standpoint and in order to fulfill the promise of monthly liquidity to investors. Implementation with the most liquid instruments will be preferred and will help in limiting transaction costs. Swap agreements and forwards take on counterparty risk. Counterparties are chosen based on analysis from a separate counterparty committee who determine approved counterparties across AQR's, limitations to exposures to each counterparty, as well as presenting AQR's credit worthiness to counterparties. Counterparty exposure is spread across several firms in order to minimize this risk.

	Long Exposure (% of NAV)
<b>Equity Risk</b>	
Global Developed Equities	15%
Global Emerging Equities	4%
U.S. Mid Cap Equities	1%
U.S. Small Cap Equities	1%
<b>Total Equity Risk</b>	<b>20%</b>
<b>Nominal Interest Rate Risk</b>	
Global Developed Bonds	92%
Global Emerging Bonds	23%
<b>Total Nominal Interest Rate Risk</b>	<b>115%</b>
<b>Inflation Risk</b>	
Commodities - Production Weighted	7%
Commodities - Volatility Weighted	9%
Global Inflation-Linked Bonds	41%
<b>Total Inflation Risk</b>	<b>57%</b>
<b>Credit/Currency Risk</b>	
Global High Yield Spread	14%
Global Corporate Credit Spread	24%
Emerging Credit Spread	5%
Emerging Currencies	19%
Commercial Mortgage-Backed Spreads	1%
<b>Total Credit/Currency Risk</b>	<b>64%</b>
<b>Total Fund Exposures</b>	<b>255%</b>

Source: AQR Capital Management.

7ca a cX]h]Yg

## Asset Allocation as of June 30, 2012



The objective of the Schroders Commodities strategy is to provide investors with a diversified exposure to the Commodities asset class, through investments in commodity futures and commodity related equities. The strategy is a beta or beta-plus product and aims to use active management to exploit the inefficiencies inherent in the asset class. Schroders uses an active, long-only approach to commodities management. No leverage is used and all futures positions are fully collateralized through investments in T-bills of less than one year maturity. As a result of this policy, cash and cash collateral are not subject to any duration or credit risk. The strategy is benchmark unconstrained meaning investments are made based on in-house analysis and implemented when that analysis indicates an attractive risk/reward opportunity. Commodities are not included as a result of their weighting in an index. The focus of Schroders' fundamental commodity analysis is the determination of supply and demand and supply/demand balances and most importantly, how these balances may change in the future. Quantitative, technical and sentiment analyses support the fundamental analysis in terms of the timing and sizing of positions. The investment horizon for the strategy is three to 12 months. Schroders utilize strict diversification rules. The Schroders universe is comprised of over 60 commodities. Commodities are reviewed on an ongoing basis. A commodity will not be held unless the fundamental analysis is positive. Most exposures are held through futures positions although equities may be purchased; typically whereby a commodity does not have an associated futures contract.

Source: Schroder Investment Management.

F YU`9ghUhy



# Morgan Stanley Prime Property

-The Sponsor, on behalf of the Prime Property Fund, will endeavor to maintain a diversified investment in core U.S. real estate that offers stable, highly predictable cash flow returns. The focus is on high quality office buildings, Class A multifamily communities, warehouse distribution and storage facilities, and top tier super regional malls and shopping centers in targeted primary markets. The Sponsor favors investing in major metropolitan markets and selectively invests in secondary markets that are expected to achieve above-average economic performance. The Sponsor believes that these cities offer better liquidity, more diverse tenant bases and stronger resilience to market cycles.

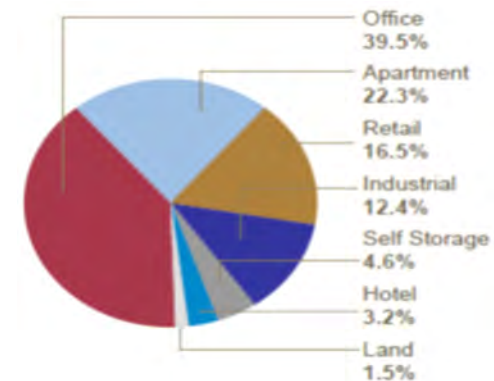
-The Sponsor maintains a strong research orientation and utilizes research as a risk mitigation tool. Research is used to assist in market selection, product selection and disposition, and portfolio weightings.

-Although the methodologies used to determine strategies have remained constant over time, the investment strategy guidelines developed for PRIME have been modified from time to time over the past five years to reflect changes in market conditions and future market expectations.

-Employment of these strategies have helped PRIME deliver strong relative returns including outperforming the NFI-ODCE benchmark over the trailing 1-year, 3-year, 5-year and 10-year periods

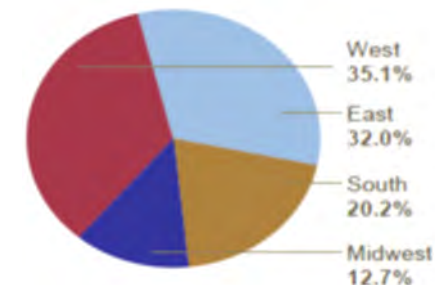
## PROPERTY SECTOR RETURNS<sup>(1,2)</sup>

%	Second Quarter		
	Income	Appreciation	Total
Office	1.3	1.6	2.9
Retail	1.5	1.9	3.5
Industrial	1.4	1.7	3.1
Self Storage	1.5	1.7	3.1
Apartment	1.2	2.1	3.3
Hotel	1.7	1.3	3.0



## GEOGRAPHIC REGION RETURNS<sup>(1,2)</sup>

%	Second Quarter		
	Income	Appreciation	Total
East	1.5	0.9	2.4
Midwest	0.7	0.3	0.9
South	1.4	2.3	3.7
West	1.3	2.6	3.9



Source: Morgan Stanley.

The UBS Trumbull Property Fund (UBS-TPF) is an actively managed core portfolio of equity real estate. The Fund seeks to provide attractive returns while limiting downside risk. The Fund has both relative and real return objectives. Its relative performance objective is to outperform the NFI-ODCE index over any given three-to five-year period. The Fund's real return performance objective is to achieve at least a 5% real rate of return (i.e., inflation-adjusted return), before advisory fees, over any given three- to five-year period.

All data as %	UBS-TPF	NFI-ODCE
Leverage	13.1	23.0
Leased (with hotels) <sup>1</sup>	92.3	89.9
Leased (excluding hotels) <sup>1</sup>	93.3	n/a
<b>Composition by property type</b>		
Apartments	33	24
Hotel	6	3
Industrial	9	15
Office	33	38
Retail	19	17
Other	0	3
<b>Composition by region</b>		
East	44	34
Midwest	11	10
South	17	19
West	28	37

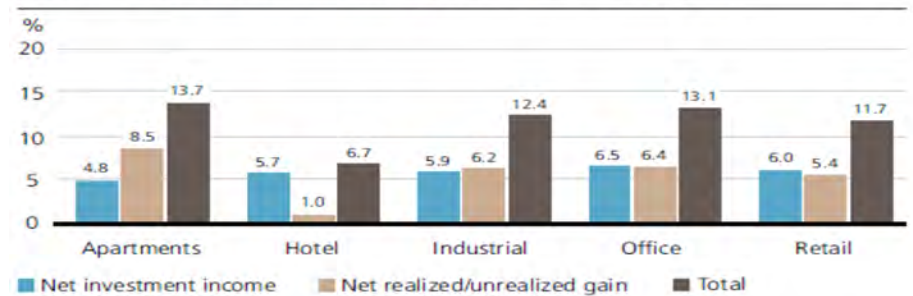
<sup>1</sup> Although we calculate the Fund's leased percentage excluding hotels, we also provide this statistic including hotels when comparing to the NFI-ODCE (which includes hotels). Leased percentages for hotels represent average occupancy for the quarter.

Source: UBS.



## Returns by property type

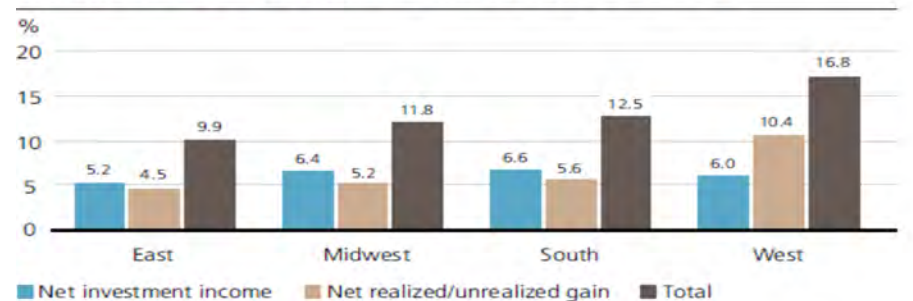
Returns for the 12 months ended June 30, 2012



	Apartments	Hotel	Industrial	Office	Retail
Number of investments	62	8	43	33	24
Net market value (USD m)	3,286.9	693.9	1,112.3	3,612.3	2,188.6

## Returns by geographic region

Returns for the 12 months ended June 30, 2012



	East	Midwest	South	West
Number of investments	47	41	35	47
Net market value (USD m)	4,778.9	1,251.5	1,715.2	3,148.4

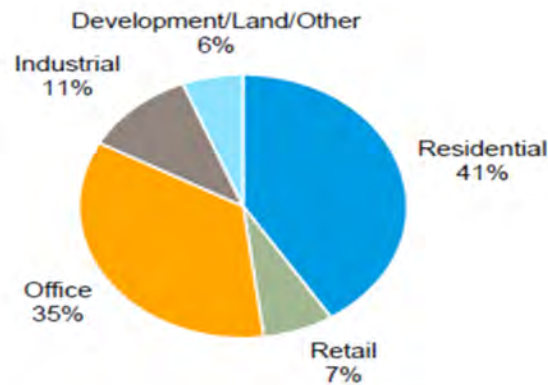
RREEF America III is an open-end, value-add fund with the objective of generating returns of 300-500 BPS above a core unlevered real estate portfolio. The fund aims to achieve these returns by upgrading the physical condition, occupancy and operating characteristics of the properties in which it invests. RREEF III will invest across all property types focusing on major metropolitan markets in the United States.



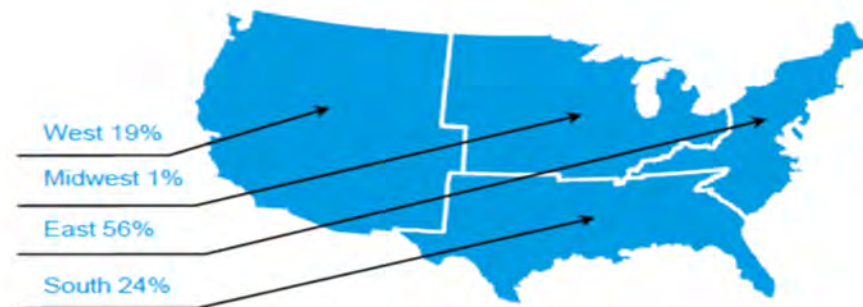
## Fund profile

- Open-End Value-Added Fund, Inception March 2003
- \$874M NAV, \$1.8 billion gross market value, 71 investments, 16 metros
- 11.6 million square feet, 2,505 apartment units, 37 condominium units
- 118 institutional investors
- 83 percent quarter-end occupancy
- \$1.1 billion total debt
- 59% loan to value<sup>1</sup>
- Cash balance of \$141 million

### Sector Diversification<sup>2</sup>



### Market Diversification<sup>2</sup>



<sup>1</sup> Loan to value is marked to market debt as a percentage of total gross asset value. Excludes debt held in unconsolidated joint ventures. Including debt held in unconsolidated joint ventures, Fund LTV is 64%.

<sup>2</sup> Percentages based on Fund's gross market value.

Diversification based on real estate market value and primary use of assets. Silicon Valley Portfolio properties represented on an unconsolidated basis. As of June 30, 2012. Unaudited.

Source: RREEF.

< YX[ Y: i bXg

# Grosvenor Institutional Partners, LP

Grosvenor Institutional Partners, LP  
Grosvenor Capital Management, LP

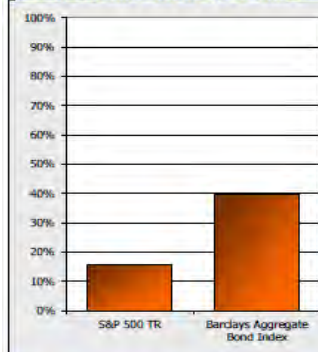


Benchmark 1 (BM1): S&P 500 TR  
Benchmark 2 (BM2): Barclays Aggregate Bond Index

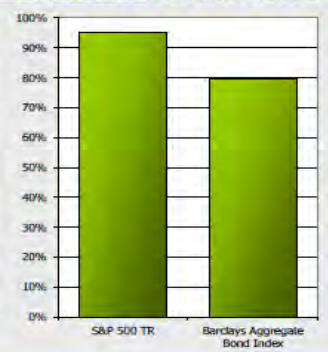
Monthly Performance (%) Net of Fees														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	
2012	1.6%	1.8%	0.9%	-0.1%	-1.4%	0.3%								3.1%
2011	0.9%	1.0%	0.0%	0.9%	-0.1%	-1.1%	-0.2%	-2.8%	-2.7%	1.7%	-0.7%	-0.6%		-3.7%
2010	0.7%	0.3%	1.6%	0.8%	-1.8%	-0.9%	0.7%	0.2%	1.7%	1.2%	0.5%	1.5%		6.5%
2009	1.2%	0.0%	-0.6%	0.1%	2.7%	0.9%	2.2%	1.8%	2.3%	0.7%	1.0%	1.0%		13.9%
2008	-2.4%	1.3%	-1.8%	0.2%	1.5%	-0.7%	-2.0%	-1.3%	-6.9%	-5.3%	-3.2%	-2.3%		-20.9%
2007	1.7%	0.8%	1.4%	1.4%	2.3%	0.4%	0.8%	-2.1%	1.2%	2.7%	-0.6%	0.5%		10.7%
2006	1.9%	0.4%	1.5%	1.1%	-0.9%	-0.6%	0.0%	0.8%	0.5%	1.3%	1.7%	1.4%		9.4%
2005	0.2%	1.2%	-0.3%	-1.0%	0.4%	1.2%	1.3%	0.9%	1.0%	-1.2%	1.3%	1.6%		6.8%
2004	1.5%	0.8%	0.4%	0.2%	-0.6%	0.1%	-0.5%	0.3%	0.8%	0.6%	1.8%	1.5%		6.9%
2003	1.2%	0.3%	0.4%	1.2%	1.3%	0.8%	0.5%	0.8%	0.9%	1.5%	0.7%	0.9%		11.2%

Statistical Analysis			
	Fund	BM1	BM2
<b>Returns</b>			
Annualized Compound ROR	5.1%	1.3%	6.4%
3 Yr Return	4.9%	16.4%	6.9%
5 Yr Return	-0.5%	0.2%	6.8%
Best Month	2.7%	10.9%	3.7%
Worst Month	-6.9%	-16.8%	-3.4%
% Positive Months	76.7%	58.7%	70.7%
<b>Risk</b>			
Standard Deviation	4.6%	16.2%	3.6%
3 Yr Standard Deviation	4.4%	16.1%	2.7%
5 Yr Standard Deviation	6.3%	19.2%	3.6%
Sharpe Ratio (3.5%)	0.4	-0.1	0.8
Sortino Ratio (7.0%)	-0.4	-0.4	-0.2
Downside Deviation (7.0%)	4.1%	12.8%	2.8%
Max Drawdown	-21.0%	-50.9%	-3.8%
Months In Maximum Drawdown	14	16	7
Months To Recover		37	2
<b>Comparison To Benchmark(s)</b>			
Monthly Alpha		0.4%	0.4%
Annualized Alpha		4.9%	5.4%
Beta		0.1	(0.0)
Correlation		0.5	(0.0)
R-Squared		23.8%	0.0%
<b>Annual Returns</b>			
2012-(YTD)	3.1%	9.5%	2.4%
2011	-3.7%	2.1%	7.9%
2010	6.5%	15.1%	6.6%
2009	13.9%	26.5%	5.9%
2008	-20.9%	-37.0%	5.2%
2007	10.7%	5.5%	7.0%

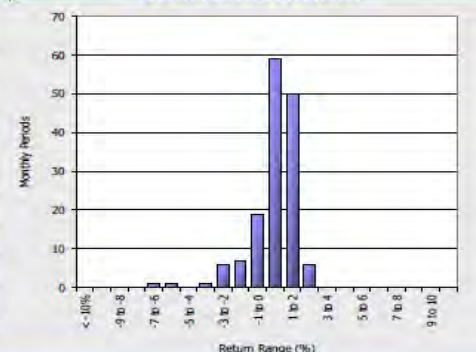
Outperform BM in Up Markets



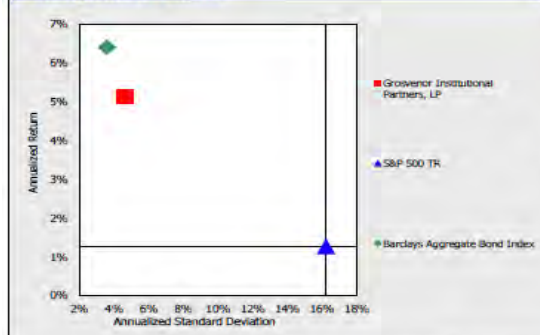
Outperform BM in Down Markets



Distribution of Returns



Risk/Return Profile



Underwater Drawdowns



Latest Returns

	Fund	BM1	BM2
Last Month	0.3%	4.1%	0.0%
Last 3 Months	-1.2%	-2.8%	2.1%
Last Year	-2.2%	5.4%	7.5%
2-Year	2.6%	17.4%	5.7%
3-Year	4.9%	16.4%	6.9%
4-Year	-0.7%	3.9%	6.7%
5-Year	-0.5%	0.2%	6.8%

Drawdown Analysis

	Fund	BM1	BM2
1	-21.0%	-50.9%	-3.8%
2	-2.4%	-44.7%	-3.6%
3	-2.1%	-6.8%	-3.0%
4	-1.5%	-6.6%	-2.0%
5	-1.2%	-5.0%	-1.8%

\*\*\*Past Performance is not indicative of future results. Ratios are calculated based on a risk-free rate of 3.5% Actual ratios may vary depending on the actual risk-free rate and life of the fund\*\*\*



-Generating consistent returns with low volatility and avoiding capital losses and headline risk, is the overall investment philosophy duly embedded in the business ethos of the firm. In enacting this philosophy, Grosvenor consciously pursues proven fundamentally driven strategies that are relatively liquid and have historically maintained a low correlation to traditional markets. However, Grosvenor avoids Macro/CTAs and some leveraged strategies. Low correlation and low volatility would necessarily imply a low equity beta (currently 0.2) Returns are targeted at T bills +5-10% with volatility in 6-7% range. It fears posting mediocre returns of 2-3% suggesting that Grosvenor values top line performance as much as managing volatility.

-Broadly speaking, the GIP portfolio can be visualized as 45% Long/Short equity, 40% fixed income and 15% opportunistic. Currently, the strategy allocation stands as: Equity Hedge 44%, Long/Short credit (incl. structured credit and distressed) 32%, Relative Value/Arbitrage 7%, Risk Arbitrage & Diversified Event 6%, Macro-oriented/vol. arbitrage and tail risk strategies 3%, Cash 8%.

-Grosvenor follows a conventional portfolio construction process which begins by setting investment objectives returns, volatility and correlation estimates and strategy constraints and manager limits. Concurrently, the investment committee outlines its broad investment themes in the context of a bigger opportunity set.

# Permal Fixed Income Holdings

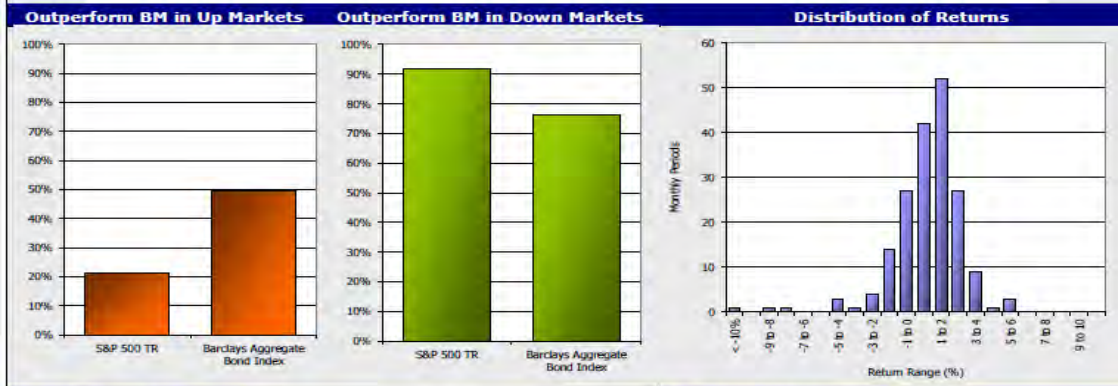
Permal Fixed Income Holdings N.V.  
Permal Group Ltd.



Benchmark 1 (BM1): S&P 500 TR  
Benchmark 2 (BM2): Barclays Aggregate Bond Index

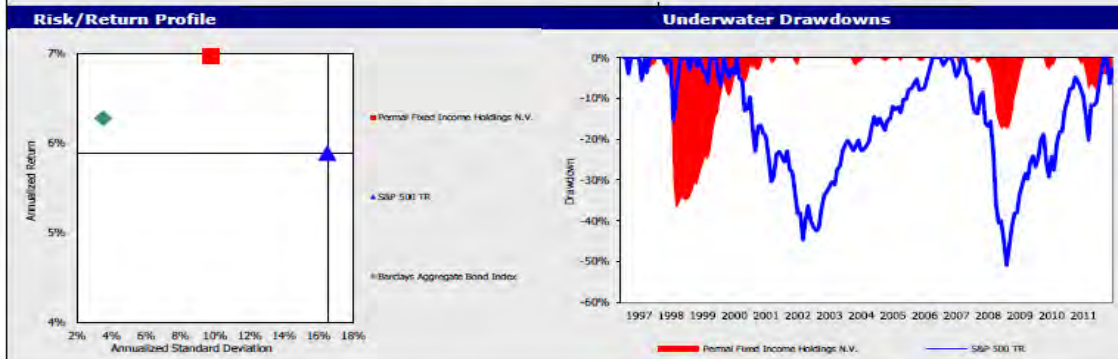
Monthly Performance (%) Net of Fees													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012	2.3%	2.0%	0.1%	-0.2%	-1.1%	0.1%							3.4%
2011	1.4%	1.3%	0.1%	1.2%	-0.2%	-1.4%	0.3%	-3.0%	-4.0%	1.9%	-0.9%	-1.0%	-4.5%
2010	1.2%	0.7%	2.4%	2.1%	-2.3%	-0.7%	1.0%	0.4%	1.9%	2.1%	0.1%	2.2%	11.5%
2009	1.1%	-0.8%	0.5%	2.8%	5.5%	2.9%	3.3%	2.9%	2.9%	1.2%	1.4%	2.0%	28.6%
2008	-0.7%	0.2%	-1.0%	0.5%	0.8%	0.3%	-1.8%	-1.1%	-4.0%	-7.4%	-2.8%	-2.0%	-17.5%
2007	1.5%	1.4%	0.6%	1.5%	0.9%	0.4%	0.7%	-1.8%	1.8%	2.2%	0.1%	0.0%	9.6%
2006	2.3%	0.6%	1.0%	1.9%	-0.8%	-0.2%	0.7%	0.7%	0.3%	1.5%	1.4%	1.6%	11.6%
2005	-0.2%	1.4%	-0.6%	-0.4%	0.4%	1.7%	1.4%	1.3%	1.4%	-1.0%	1.7%	1.5%	8.8%
2004	1.3%	0.8%	0.9%	-1.4%	-0.7%	1.0%	0.2%	1.2%	1.4%	1.5%	2.5%	1.5%	10.6%
2003	1.4%	1.8%	1.1%	2.4%	3.1%	0.8%	0.0%	0.9%	1.9%	1.1%	1.1%	1.9%	18.9%

Statistical Analysis	Fund	BM1	BM2
<b>Returns</b>			
Annualized Compound ROR	7.0%	5.9%	6.3%
3 Yr Return	8.0%	16.4%	6.9%
5 Yr Return	3.7%	0.2%	6.8%
Best Month	5.9%	10.9%	3.7%
Worst Month	-27.9%	-16.8%	-3.4%
% Positive Months	72.0%	60.8%	70.4%
<b>Risk</b>			
Standard Deviation	9.8%	16.5%	3.5%
3 Yr Standard Deviation	5.8%	16.1%	2.7%
5 Yr Standard Deviation	7.2%	19.2%	3.6%
Sharpe Ratio (3.5%)	0.4	0.2	0.8
Sortino Ratio (7.0%)	0.0	-0.1	-0.3
Downside Deviation (7.0%)	8.7%	12.4%	2.7%
Max Drawdown	-36.8%	-50.9%	-3.8%
Months In Maximum Drawdown	5	16	7
Months To Recover	33	37	2



Comparison To Benchmark(s)		
Monthly Alpha		0.4%
Annualized Alpha		5.4%
Beta		0.3
Correlation		0.5
R-Squared		22.9%

Annual Returns			
	2012-(YTD)	3.4%	9.5%
	2011	-4.5%	2.1%
	2010	11.5%	15.1%
	2009	28.6%	26.5%
	2008	-17.5%	-37.0%
	2007	9.6%	5.5%



Latest Returns			
	Last Month	0.1%	4.1%
	Last 3 Months	-1.1%	-2.8%
	Last Year	-3.5%	5.4%
	2-Year	3.2%	17.4%
	3-Year	8.0%	16.4%
	4-Year	3.9%	3.9%
	5-Year	3.7%	0.2%

Drawdown Analysis			
	1	-36.8%	-50.9%
	2	-17.7%	-44.7%
	3	-8.2%	-15.4%
	4	-3.0%	-6.8%
	5	-2.5%	-6.6%

\*\*\*Past Performance is not indicative of future results. Ratios are calculated based on a risk-free rate of 3.5%. Actual ratios may vary depending on the actual risk-free rate and life of the fund\*\*\*

## Permal Fixed Income Holdings

-PFIH is a global, multi-manager, multi-strategy diversified fixed income portfolio. Assets are invested in both credit (57%) and non-credit (41%) spread related strategies. Strategies in the credit spread portion are Developed Markets Fixed Income, Emerging Markets Fixed Income, and Hedged Fixed Income (managers that employ short positions). Strategies in the non-credit portion are Relative Value Arbitrage, Event-Driven, and Global Macro.

-The objective of PFIH is to deliver returns of 8-12% returns with 5-7% volatility. The fund typically invests with about 55-65 managers. Turnover is about 15%/year. This is lower (about 10%) within the group of established managers, and higher (30-35%) among new managers. Three of Permal's overriding philosophies are start small, diversify, and focus time and effort on existing positions.



# GAM U.S. Institutional Diversity

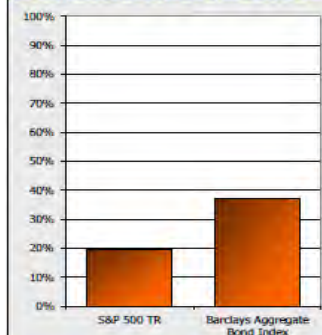
GAM U.S. Institutional Diversity  
GAM London Limited



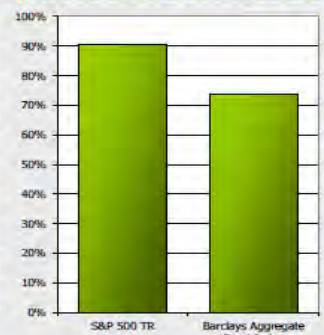
Benchmark 1 (BM1): S&P 500 TR  
Benchmark 2 (BM2): Barclays Aggregate Bond Index

Monthly Performance (%) Net of Fees														Statistical Analysis			
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Returns	Fund	BM1	BM2
2012	1.9%	1.6%	0.2%	-0.7%	-1.0%	-0.2%							1.8%	Annualized Compound ROR	7.4%	6.4%	6.4%
2011	-0.1%	0.9%	0.1%	0.8%	-0.9%	-1.0%	0.4%	-2.4%	-2.0%	0.7%	-0.4%	-0.1%	-4.0%	3 Yr Return	-0.1%	16.4%	6.9%
2010	-0.6%	0.4%	0.8%	-0.1%	-2.5%	-3.3%	0.1%	-0.2%	1.2%	1.1%	0.1%	1.0%	-2.1%	5 Yr Return	-3.1%	0.2%	6.8%
2009	0.8%	0.1%	-0.1%	-0.4%	1.1%	-0.2%	1.0%	1.1%	1.3%	-0.3%	1.1%	-0.1%	5.5%	Best Month	10.2%	10.9%	3.7%
2008	-2.1%	1.1%	-2.2%	-0.1%	0.9%	-0.4%	-1.8%	-1.2%	-4.7%	-2.5%	-2.1%	-0.9%	-15.0%	Worst Month	-7.9%	-16.8%	-3.4%
2007	0.1%	2.6%	-0.6%	2.2%	1.3%	1.1%	-0.7%	-3.0%	2.4%	2.6%	-1.8%	0.2%	6.4%	% Positive Months	66.7%	60.9%	70.3%
2006	3.8%	1.3%	1.3%	3.5%	-2.8%	-1.9%	1.2%	0.5%	0.6%	2.4%	1.6%	3.1%	15.3%	<b>Risk</b>			
2005	-0.4%	1.4%	-0.8%	-0.9%	-0.6%	1.4%	1.4%	1.1%	1.8%	-1.4%	2.9%	2.9%	9.1%	Standard Deviation	7.4%	16.5%	3.5%
2004	2.0%	0.6%	0.2%	0.1%	-2.0%	-0.1%	-1.2%	-0.4%	1.0%	0.6%	2.7%	1.4%	4.8%	3 Yr Standard Deviation	4.1%	16.1%	2.7%
2003	1.0%	0.6%	-0.3%	1.1%	3.9%	0.5%	0.2%	0.1%	1.4%	0.9%	0.1%	3.1%	13.2%	5 Yr Standard Deviation	5.0%	19.2%	3.6%
														Sharpe Ratio (3.5%)	0.5	0.3	0.8
														Sortino Ratio (7.0%)	0.1	0.0	-0.2
														Downside Deviation (7.0%)	4.8%	12.3%	2.7%
														Max Drawdown	-17.3%	-50.9%	-3.8%
														Months In Maximum Drawdown	47	16	7
														Months To Recover		37	2

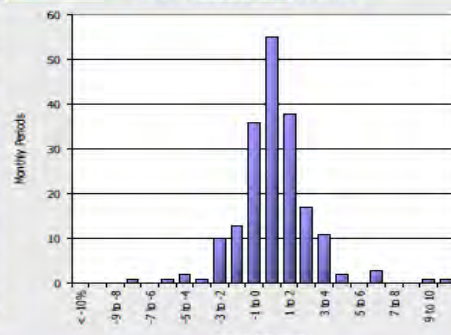
### Outperform BM in Up Markets



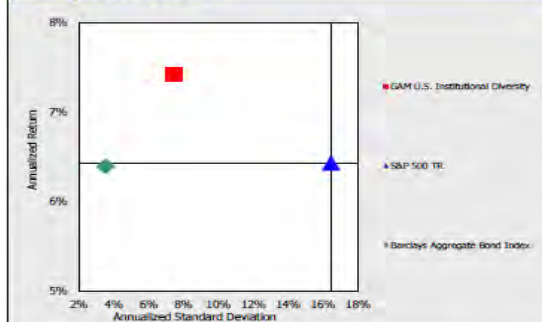
### Outperform BM in Down Markets



### Distribution of Returns



### Risk/Return Profile



### Underwater Drawdowns



### Comparison To Benchmark(s)

Monthly Alpha	0.5%	0.6%
Annualized Alpha	6.2%	7.6%
Beta	0.2	0.0
Correlation	0.4	0.0
R-Squared	18.2%	0.0%

### Annual Returns

2012-(YTD)	1.8%	9.5%	2.4%
2011	-4.0%	2.1%	7.9%
2010	-2.1%	15.1%	6.6%
2009	5.5%	26.5%	5.9%
2008	-15.0%	-37.0%	5.2%
2007	6.4%	5.5%	7.0%

### Latest Returns

Last Month	-0.2%	4.1%	0.0%
Last 3 Months	-1.8%	-2.8%	2.1%
Last Year	-2.0%	5.4%	7.5%
2-Year	0.5%	17.4%	5.7%
3-Year	-0.1%	16.4%	6.9%
4-Year	-3.1%	3.9%	6.7%
5-Year	-3.1%	0.2%	6.8%

### Drawdown Analysis

1	-17.3%	-50.9%	-3.8%
2	-11.8%	-44.7%	-3.6%
3	-5.3%	-15.4%	-3.0%
4	-5.0%	-6.8%	-2.5%
5	-4.6%	-6.6%	-2.0%

\*\*\*Past Performance is not indicative of future results. Ratios are calculated based on a risk-free rate of 3.5%. Actual ratios may vary depending on the actual risk-free rate and life of the fund\*\*\*

## GAM U.S. Institutional Diversity

-The GAM Diversity strategy aims seeks to achieve absolute returns with diversification of risk and low correlation to traditional asset classes such as equities and bonds. GAM strategy targets net returns of 9-13% net per annum with 5-7% volatility and 0.2-0.6 correlation to the S&P 500 and 0.0-0.2 correlation to the Barclays Capital US Aggregate Bond Index.

-The GAM portfolio construction process combines the structural discipline of clear return and risk targets with the bottom-up assessment of opportunity and risk across markets and strategies within a unified portfolio construction framework. GAM would not deviate from the portfolio construction process unless GAM felt the returns and risk characteristics being generated were not meeting GAM's expectations. If this were to happen GAM would take steps to reevaluate the process and make adjustments.

-Asset allocation for GAM Multi-Manager's portfolios allows each investment manager to draw on the synthesized views of the specialist investment teams and apply them to his or her own portfolios as appropriate. The views of the specialist investment teams are formed and captured on a quarterly basis, when all senior Multi-Manager investment managers gather for the three-day Quarterly Investment Meeting (QIM). The purpose of the QIM is to review formally the prior quarter's investment results, assess opportunities and consider changes to strategic and tactical views.

- **Past performance is no guarantee of future results.**
- **NEPC relies on the plan's custodian bank for portfolio pricing, calculation of accruals, and transaction information. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.**
- **This report is provided as a management aid for the client's internal use only. Performance contained in this report does not constitute a recommendation by NEPC.**
- **This report may contain confidential or proprietary information and may not be copied or redistributed.**

## Glossary of Investment Terminology

**# Of Portfolios/Observations<sup>1</sup>** – The total number of data points that make up a specified universe

**Allocation Index<sup>3</sup>** - The allocation index measures the value added (or subtracted) to each portfolio by active management. It is calculated monthly: The portfolio asset allocation to each category from the prior month-end is multiplied by a specified market index.

**Asset Allocation Effect<sup>2</sup>** - Measures an investment manager's ability to effectively allocate their portfolio's assets to various sectors. The allocation effect determines whether the overweighting or underweighting of sectors relative to a benchmark contributes positively or negatively to the overall portfolio return. Positive allocation occurs when the portfolio is over weighted in a sector that outperforms the benchmark and underweighted in a sector that underperforms the benchmark. Negative allocation occurs when the portfolio is over weighted in a sector that underperforms the benchmark and under weighted in a sector that outperforms the benchmark.

**Agency Bonds (Agencies)<sup>3</sup>** - The full faith and credit of the United States government is normally not pledged to payment of principal and interest on the majority of government agencies issuing these bonds, with maturities of up to ten years. Their yields, therefore, are normally higher than government and their marketability is good, thereby qualifying them as a low risk-high liquidity type of investment. They are eligible as security for advances to the member banks by the Federal Reserve, which attests to their standing.

**Asset Backed Securities (ABS)<sup>3</sup>** - Bonds which are similar to mortgage-backed securities but are collateralized by assets other than mortgages; commonly backed by credit card receivables, auto loans, or other types of consumer financing.

**Attribution<sup>3</sup>** - Attribution is an analytical technique that allows us to evaluate the performance of the portfolio relative to the benchmark. A proper attribution tells us where value was added or subtracted as a result of the manager's decisions.

**Average Effective Maturity<sup>4</sup>** - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called. In a pool of mortgages, this would also account for the likelihood of prepayments on the mortgages.

**Batting Average<sup>1</sup>** - A measurement representing an investment manager's ability to meet or beat an index.

*Formula: Divide the number of days (or months, quarters, etc.) in which the manager beats or matches the index by the total number of days (or months, quarters, etc.) in the period of question and multiply that factor by 100.*

**Brinson Fachler (BF) Attribution<sup>1</sup>** - The BF methodology is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance. The main advantage of the BF methodology is that rather than using the overall return of the benchmark, it goes a level deeper than BHB and measures whether the benchmark sector, country, etc. outperformed/or underperformed the overall benchmark.

**Brinson Hood Beebower (BHB) Attribution<sup>1</sup>** - The BHB methodology shows that excess return must be equal to the sum of all other factors (i.e., allocation effect, selection effect, interaction effect, etc.). The advantage to using the BHB methodology is that it is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance.

**Corporate Bond (Corp)<sup>4</sup>** - A debt security issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds.

**Correlation<sup>1</sup>** - A range of statistical relationships between two or more random variables or observed data values. A correlation is a single number that describes the degree of relationship between variables.

Data Source: <sup>1</sup>InvestorForce, <sup>2</sup>Interaction Effect Performance Attribution, <sup>3</sup>NEPC, LLC, <sup>4</sup>Investopedia, <sup>5</sup>Hedgeco.net

## Glossary of Investment Terminology

**Coupon<sup>4</sup>** – The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually. This is also referred to as the "coupon rate" or "coupon percent rate."

**Currency Effect<sup>1</sup>** - Is the effect that changes in currency exchange rates over time affect excess performance.

**Derivative Instrument<sup>3</sup>** - A financial obligation that derives its precise value from the value of one or more other instruments (or assets) at the same point of time. For example, the relationship between the value of an S&P 500 futures contract (the derivative instrument in this case) is determined by the value of the S&P 500 Index and the value of a U.S. Treasury bill that matures at the expiration of the futures contract.

**Downside Deviation<sup>1</sup>** - Equals the standard deviation of negative return or the measure of downside risk focusing on the standard deviation of negative returns.

*Formula:*

*Annualized Standard Deviation (Fund Return - Average Fund Return) where average fund return is greater than individual fund returns, monthly or quarterly.*

**Duration<sup>3</sup>** - Duration is a measure of interest rate risk. The greater the duration of a bond, or a portfolio of bonds, the greater its price volatility will be in response to a change in interest rates. A bond's duration is inversely related to interest rates and directly related to time to maturity.

**Equity/Debt/Cash Ratio<sup>1</sup>** – The percentage of an investment or portfolio that is in Equity, Debt, and/or Cash (i.e. A 7/89/4 ratio represents an investment that is made up of 7% Equity, 89% Debt, and 4% Cash).

**Foreign Bond<sup>3</sup>** - A bond that is issued in a domestic market by a foreign entity, in the domestic market's currency. A foreign bond is most often issued by a foreign firm to raise capital in a domestic market that would be most interested in purchasing the firm's debt. For foreign firms doing a large amount of business in the domestic market, issuing foreign bonds is a common practice.

**Hard Hurdle<sup>5</sup>** – is a hurdle rate that once beaten allows a fund manager to charge a performance fee on only the funds above the specified hurdle rate.

**High-Water Mark<sup>4</sup>** - The highest peak in value that an investment fund/account has reached. This term is often used in the context of fund manager compensation, which is performance based. Some performance-based fees only get paid when fund performance exceeds the high-water mark. The high-water mark ensures that the manager does not get paid large sums for poor performance.

**Hurdle Rate<sup>4</sup>** - The minimum rate of return on an investment required, in order for a manager to collect incentive fees from the investor, which is usually tied to a benchmark.

**Interaction Effects<sup>2</sup>** - The interaction effect measures the combined impact of an investment manager's selection and allocation decisions within a sector. For example, if an investment manager had superior selection and over weighted that particular sector, the interaction effect is positive. If an investment manager had superior selection, but underweighted that sector, the interaction effect is negative. In this case, the investment manager did not take advantage of the superior selection by allocating more assets to that sector. Since many investment managers consider the interaction effect to be part of the selection or the allocation, it is often combined with the either effect.

**Median<sup>3</sup>** - The value (rate of return, market sensitivity, etc.) that exceeds one-half of the values in the population and that is exceeded by one-half of the values. The median has a percentile rank of 50.

**Modified Duration<sup>3</sup>** - The percentage change in the price of a fixed income security that results from a change in yield.

**Mortgage Backed Securities (MBS)<sup>3</sup>** - Bonds which are a general obligation of the issuing institution but are also collateralized by a pool of mortgages.

**Municipal Bond (Muni)<sup>4</sup>** - A debt security issued by a state, municipality or county to finance its capital expenditures.

**Net Investment Change<sup>1</sup>** – Is the change in an investment after accounting for all Net Cash Flows.

**Performance Fee<sup>4</sup>** - A payment made to a fund manager for generating positive returns. The performance fee is generally calculated as a percentage of investment profits, often both realized and unrealized.

Data Source: <sup>1</sup>InvestorForce, <sup>2</sup>Interaction Effect Performance Attribution, <sup>3</sup>NEPC, LLC, <sup>4</sup>Investopedia, <sup>5</sup>Hedgeco.net

## Glossary of Investment Terminology

**Policy Index**<sup>3</sup> - A custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this investment policy statement.

**Price to Book (P/B)**<sup>4</sup> - A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share, also known as the "price-equity ratio".

**Price to Earnings (P/E)**<sup>3</sup> - The weighted equity P/E is based on current price and trailing 12 months earnings per share (EPS).

**Price to Sales (P/S)**<sup>4</sup> - A ratio for valuing a stock relative to its own past performance, other companies, or the market itself. Price to sales is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months.

**Return on Equity (ROE)**<sup>4</sup> - The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

**Selection (or Manager) Effect**<sup>2</sup> - Measures the investment manager's ability to select securities within a given sector relative to a benchmark. The over or underperformance of the portfolio is weighted by the benchmark weight, therefore, selection is not affected by the manager's allocation to the sector. The weight of the sector in the portfolio determines the size of the effect—the larger the sector, the larger the effect is, positive or negative.

**Soft Hurdle rate**<sup>5</sup> – is a hurdle rate that once beaten allows a fund manager to charge a performance fee based on the entire annualized return.

**Tiered Fee**<sup>1</sup> – A fee structure that is paid to fund managers based on the size of the investment (i.e. 1.00% fee on the first \$10M invested, 0.90% on the next \$10M, and 0.80% on the remaining balance).

**Total Effects**<sup>2</sup> - The active management (total) effect is the sum of the selection, allocation, and interaction effects. It is also the difference between the total portfolio return and the total benchmark return. You can use the active management effect to determine the amount the investment manager has added to a portfolio's return.

**Total Return**<sup>1</sup> - The actual rate of return of an investment over a specified time period. Total return includes interest, capital gains, dividends, and distributions realized over a defined time period.

**Universe**<sup>3</sup> - The list of all assets eligible for inclusion in a portfolio.

**Upside Deviation**<sup>1</sup> – Standard Deviation of Positive Returns

**Weighted Avg. Market Cap.**<sup>4</sup> - A stock market index weighted by the market capitalization of each stock in the index. In such a weighting scheme, larger companies account for a greater portion of the index. Most indexes are constructed in this manner, with the best example being the S&P 500.

**Yield (%)**<sup>3</sup> - The current yield of a security is the current indicated annual dividend rate divided by current price.

**Yield to Maturity**<sup>3</sup> -The discount rate that equates the present value of cash flows, both principal and interest, to market price.

Data Source: <sup>1</sup>InvestorForce, <sup>2</sup>Interaction Effect Performance Attribution, <sup>3</sup>NEPC, LLC, <sup>4</sup>Investopedia, <sup>5</sup>Hedgeco.net

## Glossary of Investment Terminology—Risk Statistics

**Alpha** - Measures the relationship between the fund performance and the performance of another fund or benchmark index and equals the excess return while the other fund or benchmark index is zero.

**Alpha Jensen** - The average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return. Also known as the abnormal return or the risk adjusted excess return.

**Annualized Excess Return over Benchmark** - Annualized fund return minus the annualized benchmark return for the calculated return.

**Annualized Return** - A statistical technique whereby returns covering periods greater than one year are converted to cover a 12 month time span.

**Beta** - Measures the volatility or systematic risk and is equal to the change in the fund's performance in relation to the change in the assigned index's performance.

**Information Ratio** - A measure of the risk adjusted return of a financial security, asset, or portfolio.

*Formula:*  
 $(\text{Annualized Return of Portfolio} - \text{Annualized Return of Benchmark}) / \text{Annualized Standard Deviation}(\text{Period Portfolio Return} - \text{Period Benchmark Return})$ . To annualize standard deviation, multiply the deviation by the square root of the number of periods per year where monthly returns per year equals 12 and quarterly returns is four periods per year.

**R-Squared** - Represents the percentage of a fund's movements that can be explained by movements in an index. R-Squared values range from 0 to 100. An R-Squared of 100 denotes that all movements of a fund are completely explained by movements in the index.

**Sharpe Ratio** - A measure of the excess return or risk premium per unit of risk in an investment asset or trading strategy.

**Sortino Ratio** - A method to differentiate between good and bad volatility in the Sharpe Ratio. The differentiation of up and down volatility allows the calculation to provide a risk adjusted measure of a security or fund's performance without upward price change penalties.

*Formula:*  
 $\text{Calculation Average } (X-Y) / \text{Downside Deviation } (X-Y) * 2$   
Where X=Return Series Y = Return Series Y which is the risk free return (91 day T-bills)

**Standard Deviation** - The standard deviation is a statistical term that describes the distribution of results. It is a commonly used measure of volatility of returns of a portfolio, asset class, or security. The higher the standard deviation the more volatile the returns are.

*Formula:*  
 $(\text{Annualized Return of Portfolio} - \text{Annualized Return of Risk Free}) / \text{Annualized Standard Deviation (Portfolio Returns)}$

**Tracking Error** - Tracking error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

*Formula:*  
 $\text{Tracking Error} = \text{Standard Deviation } (X-Y) * \sqrt{(\# \text{ of periods per year})}$   
Where X = periods portfolio return and Y = the period's benchmark return  
For monthly returns, the periods per year = 12  
For quarterly returns, the periods per year = 4

**Treynor Ratio** - A risk-adjusted measure of return based on systematic risk. Similar to the Sharpe ratio with the difference being the Treynor ratio uses beta as the measurement of volatility.

*Formula:*  
 $(\text{Portfolio Average Return} - \text{Average Return of Risk-Free Rate}) / \text{Portfolio Beta}$

**Up/Down Capture Ratio** - A measure of what percentage of a market's returns is "captured" by a portfolio. For example, if the market declines 10% over some period, and the manager declines only 9%, then his or her capture ratio is 90%. In down markets, it is advantageous for a manager to have as low a capture ratio as possible. For up markets, the higher the capture ratio the better. Looking at capture ratios can provide insight into how a manager achieves excess returns. A value manager might typically have a lower capture ratio in both up and down markets, achieving excess returns by protecting on the downside, whereas a growth manager might fall more than the overall market in down markets, but achieve above-market returns in a rising market.

$\text{Upside Capture} = \text{Total Return}(\text{Fund Returns}) / \text{Total Returns}(\text{BM Return})$  when Period Benchmark Return is  $> = 0$

$\text{Downside Capture} = \text{Total Return}(\text{Fund Returns}) / \text{Total Returns}(\text{BM Return})$  when Benchmark  $< 0$

Data Source: InvestorForce