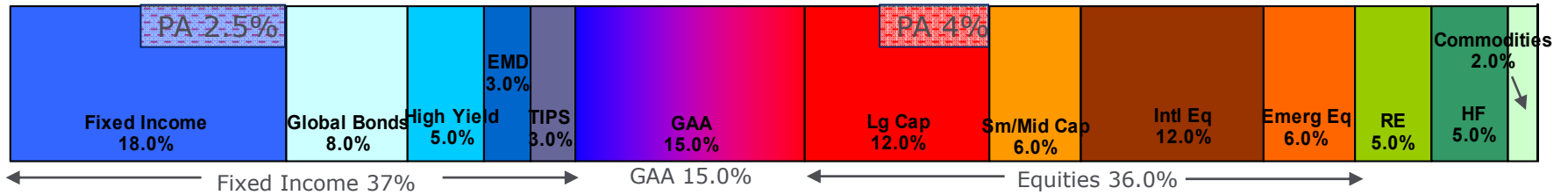


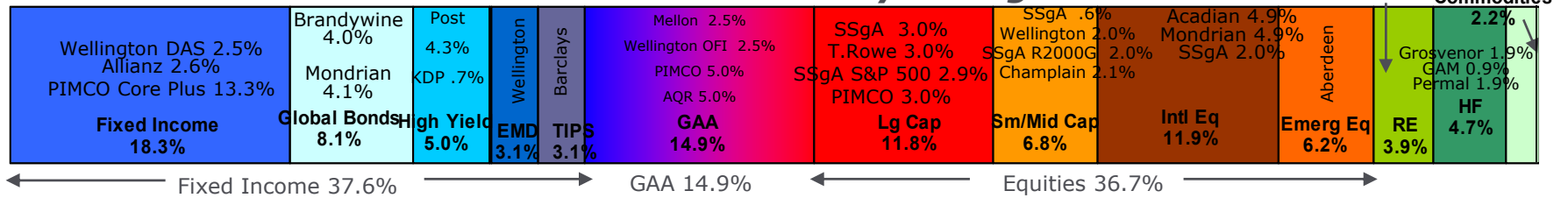
Vermont Municipal Employees' Retirement System

Total Plan Asset Allocation

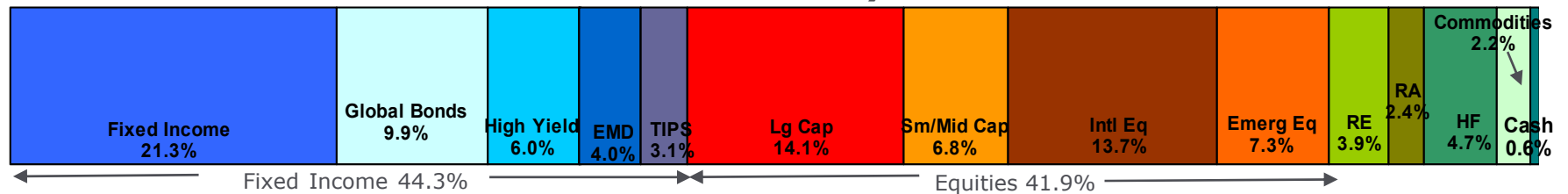
Target Asset Allocation



Current Asset Allocation by Manager



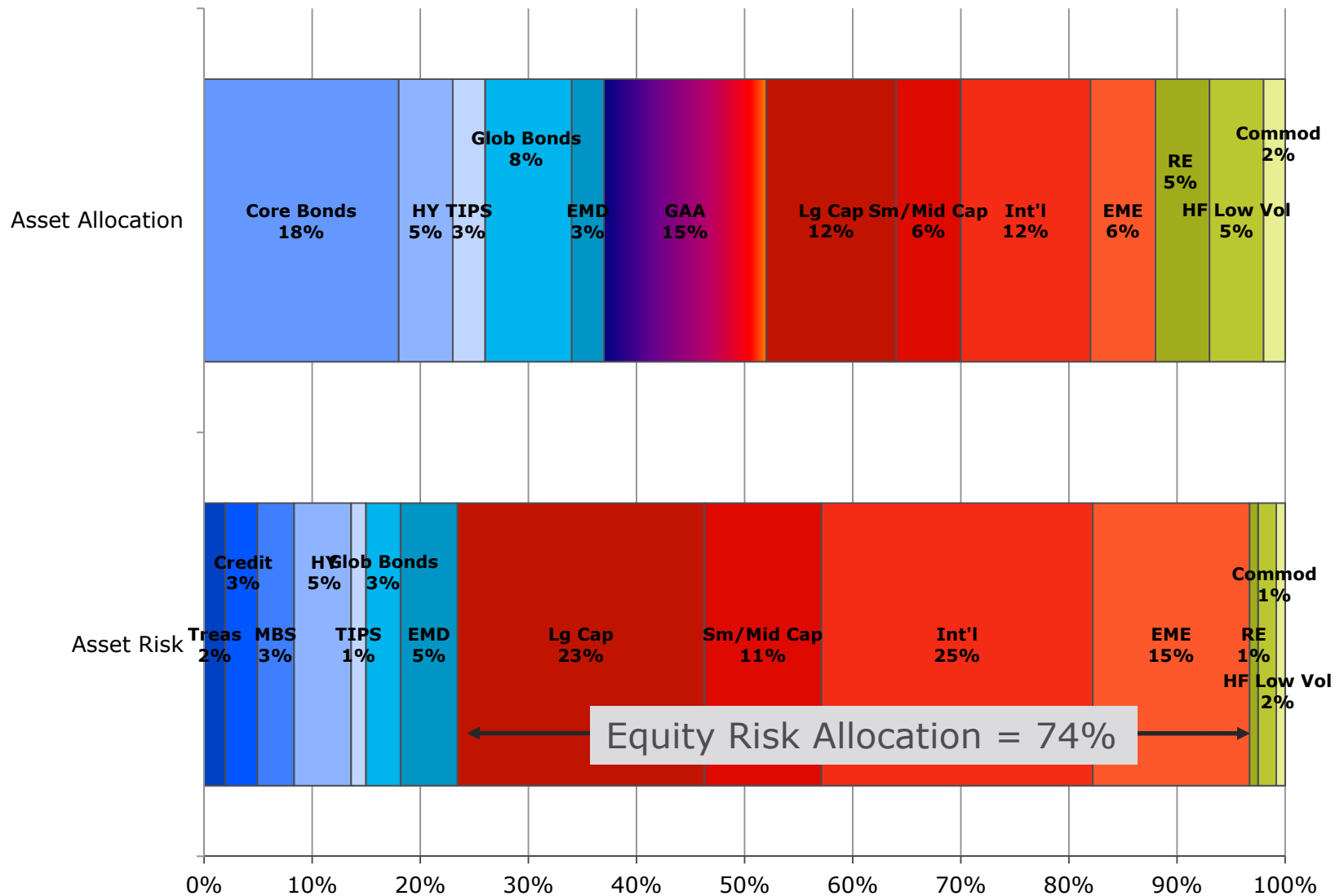
Current Asset Allocation by Asset Class



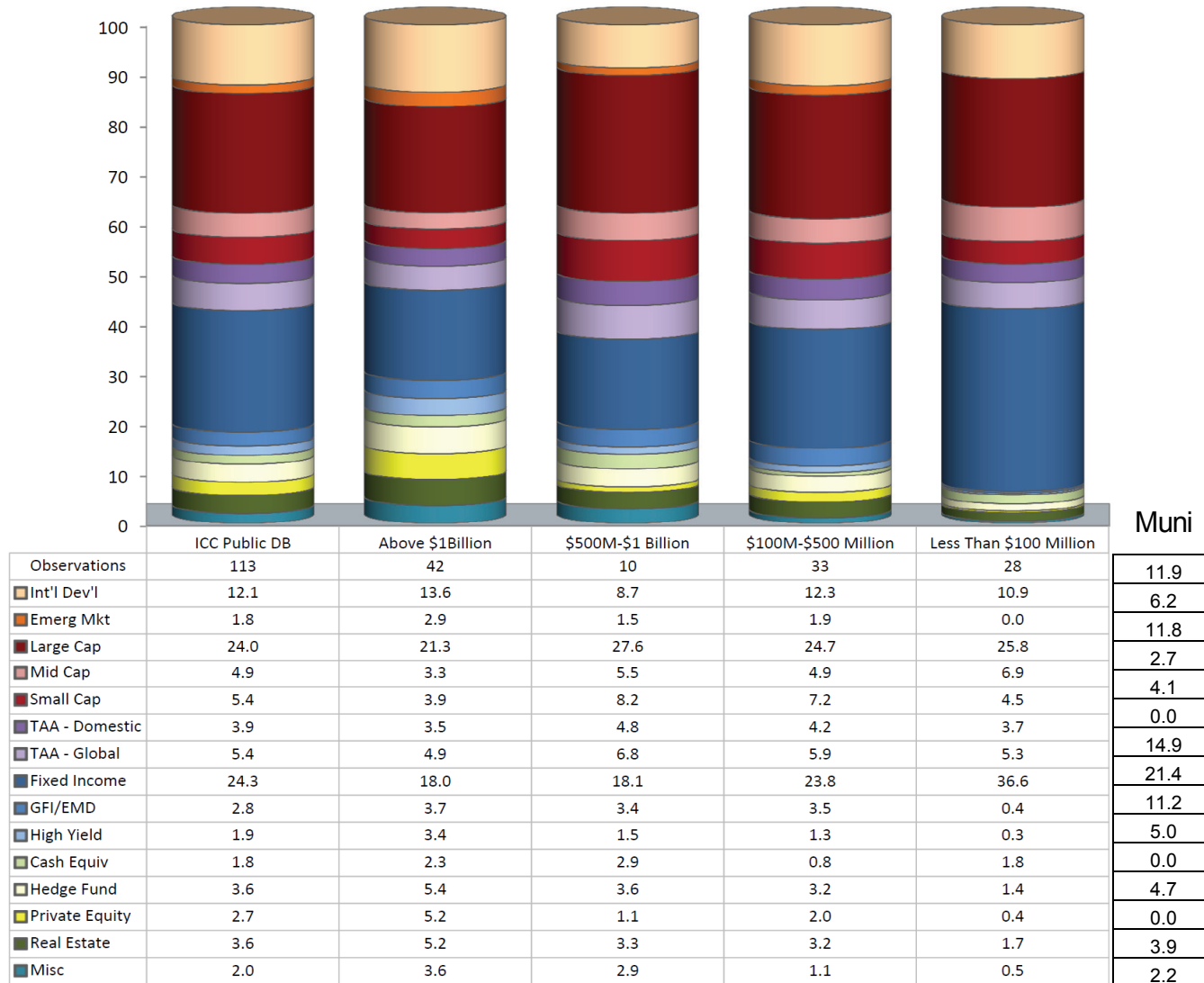
Numbers may not add up to 100% due to rounding.



Policy Asset Allocation and Risk Budgeting



ICC Public DB Plans – Average Asset Allocation



Disclosure:

Allocations may not add to 100% due to rounding. Average asset allocations shown include all portfolios submitted to the ICC universe as of 6/29/11 for periods ending 3/31/11. Portfolios included correspond with the ICC universe requirements and exclude portfolios meeting the following criteria: 1) An allocation greater than 95% to one asset class and 2) Portfolios not providing an asset allocation.



Asset Breakdown

	Domestic Large Core	Domestic Smid	Domestic Small Core	Domestic Small Value	Domestic Small Growth	Core Fixed	High Yield	TIPS	Int'l Equity	EMD	Global Bonds	Real Estate	GAA	Other	Cash	Total
Composite	\$46,851	\$8,158	\$2,479	\$8,070	\$8,081	\$72,678	\$19,899	\$12,228	\$71,650	\$12,328	\$32,143	\$15,429	\$59,144	\$27,310	\$53	\$396,501
T. Rowe	11,699	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$11,699
PIMCO	11,807	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$11,807
SSgA Equal Wgt	11,749	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$11,749
SSgA S&P 500	11,596	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$11,596
Champlain	0	8,158	0	0	0	0	0	0	0	0	0	0	0	0	0	\$8,158
SSgA R-2500	0	0	2,479	0	0	0	0	0	0	0	0	0	0	0	0	\$2,479
Wellington	0	0	0	8,070	0	0	0	0	0	0	0	0	0	0	0	\$8,070
SSgA R-2000 Growth	0	0	0	0	8,081	0	0	0	0	0	0	0	0	0	0	\$8,081
Acadian	0	0	0	0	0	0	0	0	19,548	0	0	0	0	0	0	\$19,548
Mondrian	0	0	0	0	0	0	0	0	19,582	0	0	0	0	0	0	\$19,582
SSgA ACWI ex US	0	0	0	0	0	0	0	0	8,007	0	0	0	0	0	0	\$8,007
Aberdeen	0	0	0	0	0	0	0	0	24,513	0	0	0	0	0	0	\$24,513
Allianz	0	0	0	0	0	10,206	0	0	0	0	0	0	0	0	0	\$10,206
Wellington DAS	0	0	0	0	0	9,920	0	0	0	0	0	0	0	0	0	\$9,920
PIMCO Core Plus	0	0	0	0	0	52,552	0	0	0	0	0	0	0	0	0	\$52,552
Post Advisory	0	0	0	0	0	0	16,936	0	0	0	0	0	0	0	0	\$16,936
KDP	0	0	0	0	0	0	2,963	0	0	0	0	0	0	0	0	\$2,963
Welligton EMD	0	0	0	0	0	0	0	0	0	12,328	0	0	0	0	0	\$12,328
Barclays	0	0	0	0	0	0	0	12,228	0	0	0	0	0	0	0	\$12,228
Mondrian	0	0	0	0	0	0	0	0	0	0	16,209	0	0	0	0	\$16,209
Brandywine	0	0	0	0	0	0	0	0	0	0	15,934	0	0	0	0	\$15,934
Morgan Stanley	0	0	0	0	0	0	0	0	0	0	0	6,535	0	0	0	\$6,535
UBS Realty	0	0	0	0	0	0	0	0	0	0	0	6,268	0	0	0	\$6,268
RREEF	0	0	0	0	0	0	0	0	0	0	0	2,533	0	0	0	\$2,533
Transwestern	0	0	0	0	0	0	0	0	0	0	0	93	0	0	0	\$93
Real Estate Cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0
Mellon GA 1	0	0	0	0	0	0	0	0	0	0	0	0	9,761	0	0	\$9,761
PIMCO AA	0	0	0	0	0	0	0	0	0	0	0	0	19,838	0	0	\$19,838
Wellington OIF	0	0	0	0	0	0	0	0	0	0	0	0	9,867	0	0	\$9,867
AQR	0	0	0	0	0	0	0	0	0	0	0	0	19,678	0	0	\$19,678
Alt. Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	50	0	\$50
Grosvenor	0	0	0	0	0	0	0	0	0	0	0	0	0	7,421	0	\$7,421
GAM	0	0	0	0	0	0	0	0	0	0	0	0	0	3,692	0	\$3,692
Permal	0	0	0	0	0	0	0	0	0	0	0	0	0	7,583	0	\$7,583
Schroders	0	0	0	0	0	0	0	0	0	0	0	0	0	8,564	0	\$8,564
Vermont Cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53	\$53

(Dollars in 000's)



Total Fund Asset Growth Summary

VERMONT MUNICIPAL EMPLOYEES

MUNICIPAL SYSTEM COMPOSITE

Periods Ending June 30, 2011

Total Fund Asset Growth Summary (\$000)

	One Quarter	Year to Date	One Year
MUNI COMPOSITE			
Beginning Market Value	387,971	373,312	320,728
Net External Growth	1,520	3,335	7,933
Return on Investment	7,012	19,856	67,842
Income Received	1	1	15
Gain/Loss	7,012	19,855	67,827
Ending Market Value	396,502	396,502	396,502

Return

1.8% 5.4% 21.0%

Fund Performance vs. Benchmark

VERMONT MUNICIPAL EMPLOYEES

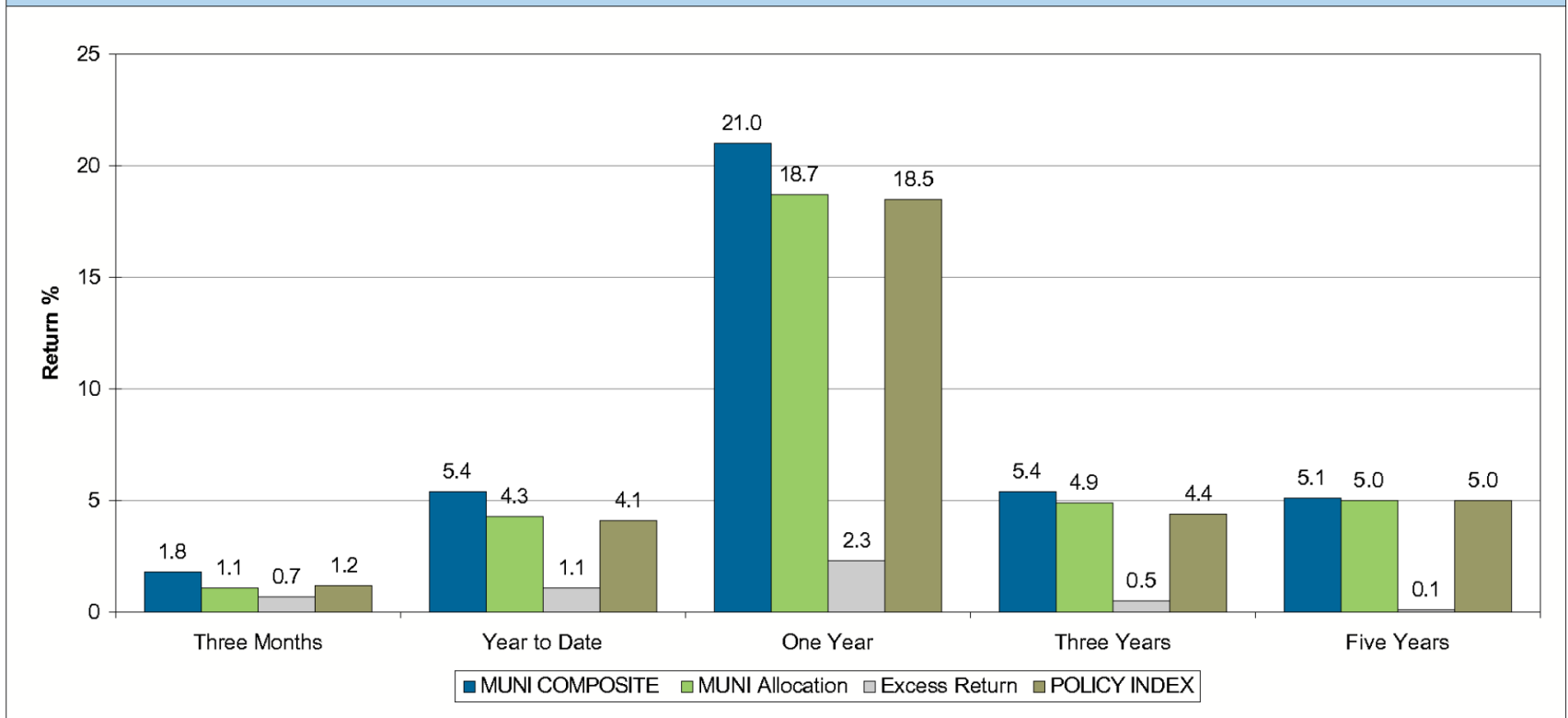
POLICY INDEX

Benchmark:

Periods Ending June 30, 2011

Fund Performance vs. Benchmark

MUNI COMPOSITE



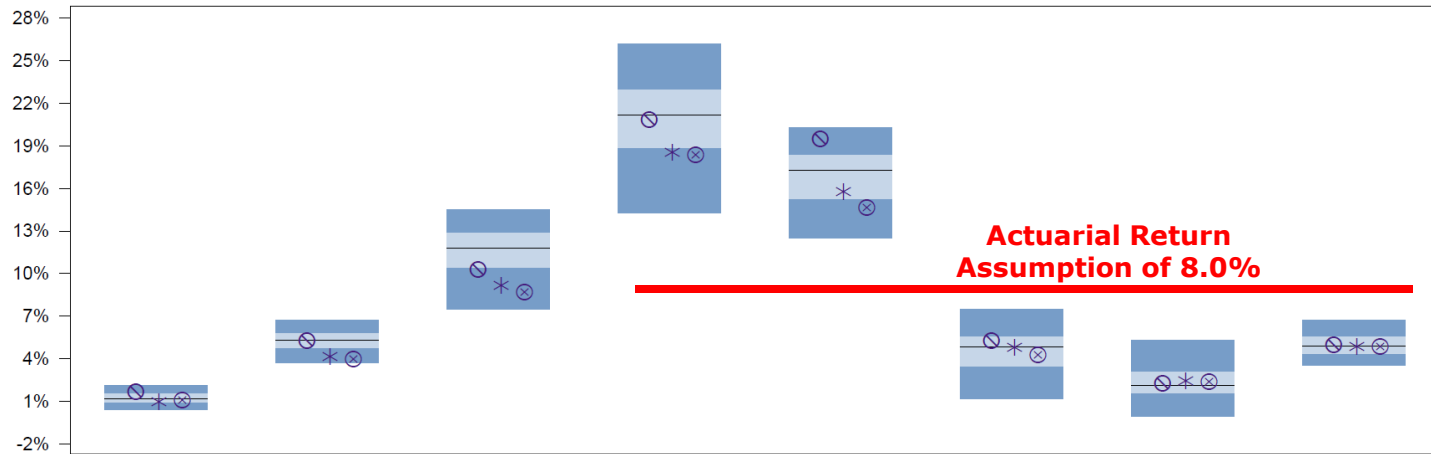
Total Public Funds Performance

VERMONT MUNICIPAL EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Periods Ending June 30, 2011

Total Fund Performance - Trailing Periods



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
○ MUNI COMPOSITE	1.8	12	5.4	46	10.4	77	21.0	58	19.6	12	5.4	30	2.4	41	5.1	42
* MUNI Allocation	1.1	55	4.3	84	9.3	87	18.7	77	15.9	65	4.9	46	2.6	37	5.0	45
⊗ POLICY INDEX	1.2	43	4.1	90	8.8	91	18.5	81	14.8	80	4.4	57	2.5	38	5.0	46
5th Percentile	2.1		6.7		14.5		26.2		20.3		7.5		5.3		6.7	
25th Percentile	1.6		5.8		12.9		23.0		18.4		5.6		3.1		5.6	
50th Percentile	1.2		5.3		11.8		21.2		17.3		4.8		2.1		4.9	
75th Percentile	0.9		4.7		10.4		18.8		15.2		3.4		1.5		4.3	
95th Percentile	0.4		3.7		7.5		14.3		12.5		1.2		-0.1		3.5	

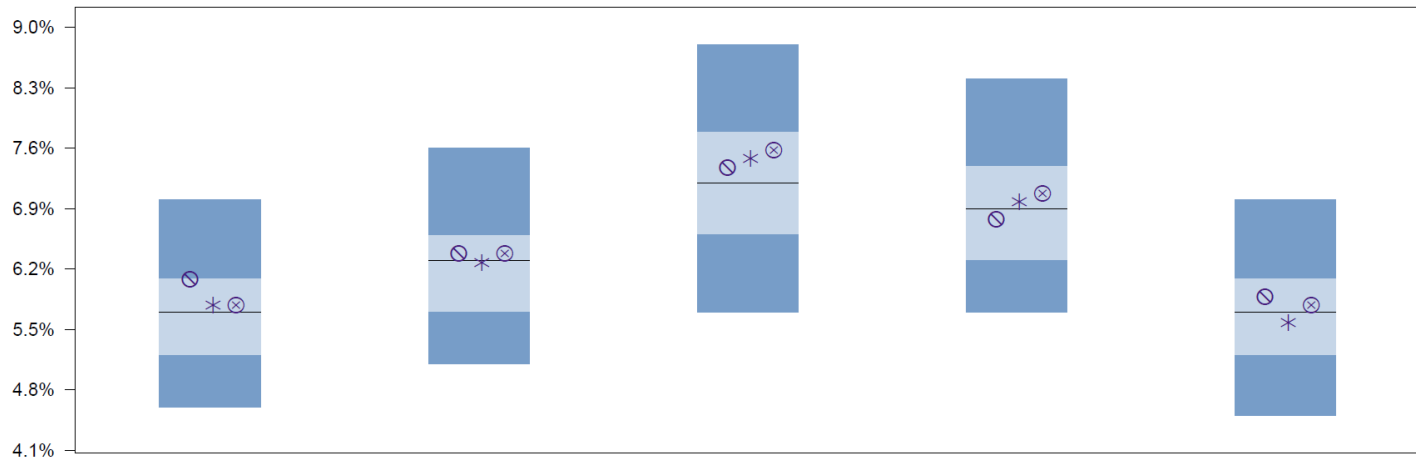
Total Public Funds Performance

VERMONT MUNICIPAL EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Periods Ending June 30, 2011

Total Fund Performance - Trailing Periods



	Six Years	Seven Years	Eight Years	Nine Years	Ten Years
○ MUNI COMPOSITE	6.1 25	6.4 38	7.4 40	6.8 53	5.9 32
* MUNI Allocation	5.8 46	6.3 45	7.5 33	7.0 42	5.6 53
⊗ POLICY INDEX	5.8 45	6.4 38	7.6 33	7.1 39	5.8 38
5th Percentile	7.0	7.6	8.8	8.4	7.0
25th Percentile	6.1	6.6	7.8	7.4	6.1
50th Percentile	5.7	6.3	7.2	6.9	5.7
75th Percentile	5.2	5.7	6.6	6.3	5.2
95th Percentile	4.6	5.1	5.7	5.7	4.5

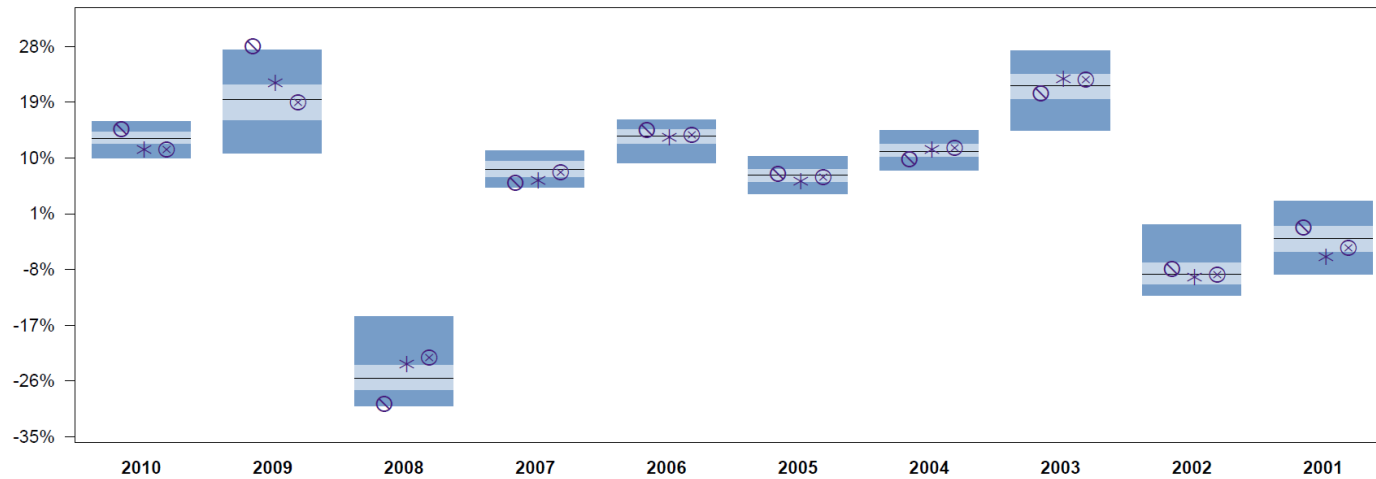
Total Public Funds Performance

VERMONT MUNICIPAL EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Period Ending December 31, 2010

Total Fund Performance - One Year Time Periods



	2010		2009		2008		2007		2006		2005		2004		2003		2002		2001	
○ MUNI COMPOSITE	15.0	15	28.4	3	-29.4	90	6.3	87	14.8	23	7.8	36	10.1	74	20.8	62	-7.6	37	-0.9	25
* MUNI Allocation	11.7	82	22.5	22	-23.0	22	6.7	80	13.6	51	6.5	68	11.7	37	23.1	35	-8.9	51	-5.6	81
⊗ POLICY INDEX	11.7	82	19.3	51	-21.9	14	8.0	56	14.1	35	7.2	52	11.9	33	23.0	36	-8.5	48	-4.2	64
5th Percentile	15.9		27.5		-15.6		11.2		16.2		10.3		14.5		27.3		-0.8		3.1	
25th Percentile	14.3		22.0		-23.4		9.6		14.7		8.3		12.4		23.7		-6.8		-0.9	
50th Percentile	13.2		19.4		-25.6		8.2		13.6		7.3		11.1		21.7		-8.8		-3.0	
75th Percentile	12.2		16.1		-27.6		6.9		12.2		6.0		10.1		19.4		-10.5		-5.2	
95th Percentile	10.0		10.8		-30.1		5.3		9.2		4.3		8.0		14.5		-12.2		-8.7	

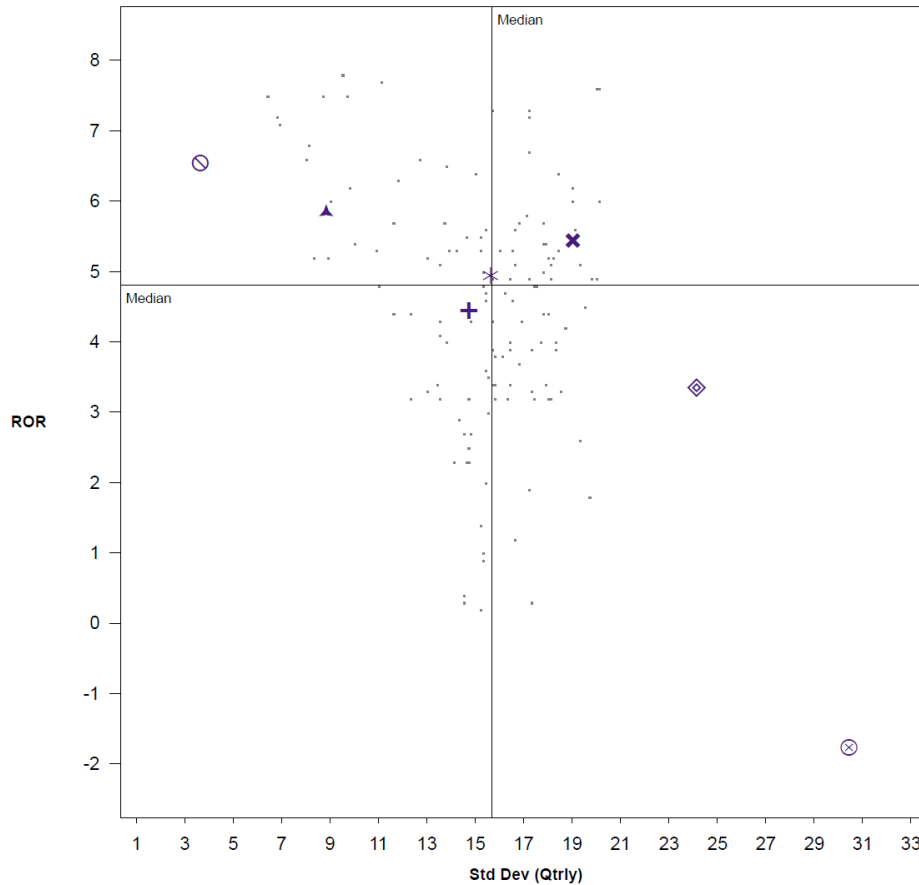
Risk vs. Return Analysis – 3 Years

VERMONT MUNICIPAL EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Period Ending June 30, 2011

Risk vs. Return - 3 Year



NAME	Return	Standard Deviation	Sharpe Ratio
* MUNI COMPOSITE	5.4 30	19.1 92	0.3 55
* MUNI Allocation	4.9 46	15.7 48	0.3 40
+ POLICY INDEX	4.4 57	14.8 34	0.3 47
◇ S&P 500	3.3 76	24.2 100	0.1 90
○ BC AGGREGATE	6.5 14	3.7 1	1.7 1
⊗ MSCI EAFE (NET)	-1.8 100	30.5 100	-0.1 100
▲ Citigroup WGBI (All Maturities)	5.8 20	8.9 6	0.6 9
Median	4.8	15.7	0.3

Funded status as of Fiscal Year 2010 = 92.0%

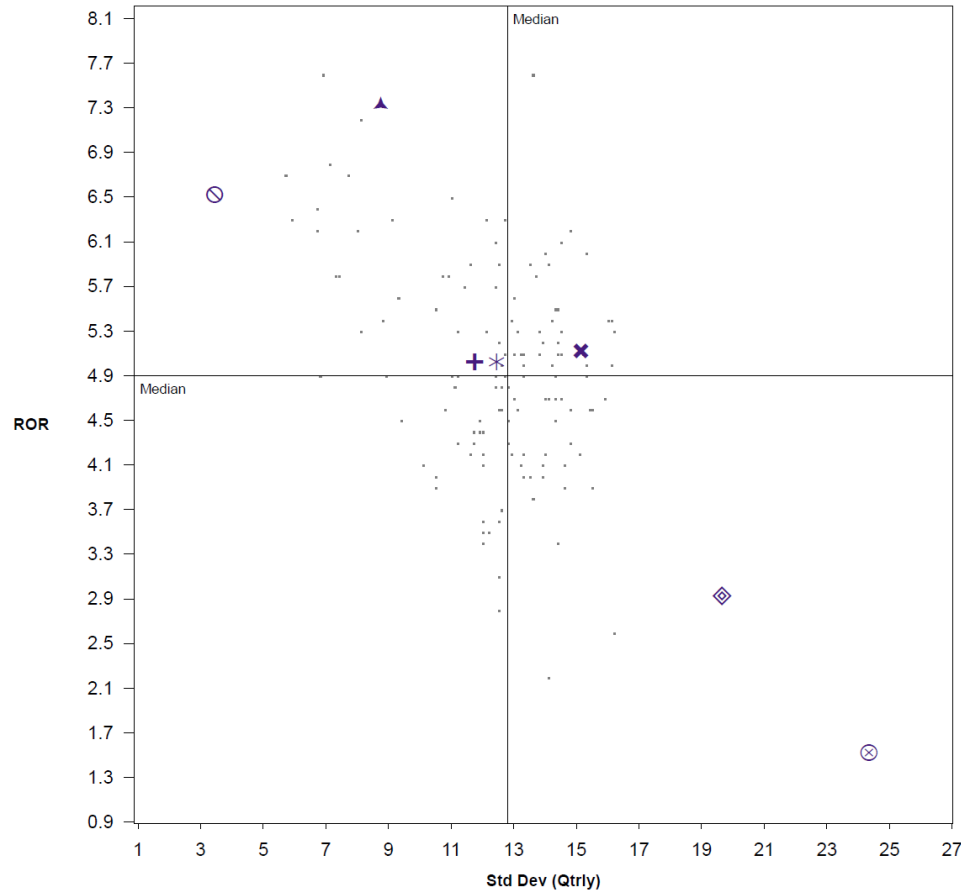


Risk vs. Return Analysis – 5 Years

VERMONT MUNICIPAL EMPLOYEES

Total Fund - Universe: Public Funds (DB)
 Period Ending June 30, 2011

Risk vs. Return - 5 Year



NAME	Return	Standard Deviation	Sharpe Ratio
✖ MUNI COMPOSITE	5.1 42	15.2 90	0.2 60
* MUNI Allocation	5.0 45	12.5 42	0.2 41
+ POLICY INDEX	5.0 46	11.8 27	0.3 37
◇ S&P 500	2.9 98	19.7 100	0.0 97
⊖ BC AGGREGATE	6.5 6	3.5 1	1.3 1
⊗ MSCI EAFE (NET)	1.5 100	24.4 100	-0.0 99
▲ Citigroup WGBI (All Maturities)	7.3 3	8.8 10	0.6 5
Median	4.9	12.8	0.2

Funded status as of Fiscal Year 2010 = 92.0%



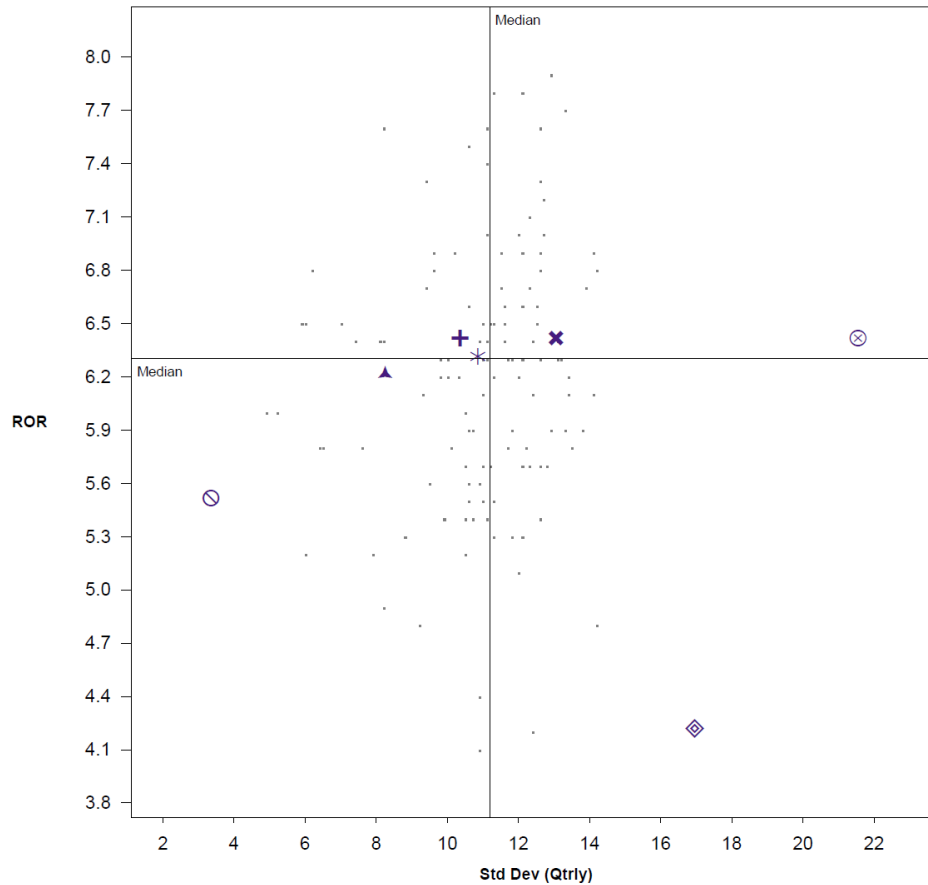
Risk vs. Return Analysis – 7 Years

VERMONT MUNICIPAL EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Period Ending June 30, 2011

Risk vs. Return - 7 Year



NAME	Return	Standard Deviation	Sharpe Ratio
* MUNI COMPOSITE	6.4 38	13.1 88	0.3 70
* MUNI Allocation	6.3 45	10.9 39	0.4 46
+ POLICY INDEX	6.4 38	10.4 26	0.4 34
◇ S&P 500	4.2 100	17.0 100	0.1 99
⊗ BC AGGREGATE	5.5 84	3.4 1	0.9 1
⊗ MSCI EAFE (NET)	6.4 36	21.6 100	0.2 97
▲ Citigroup WGBI (All Maturities)	6.2 52	8.3 13	0.5 18
Median	6.3	11.2	0.4

Funded status as of Fiscal Year 2010 = 92.0%



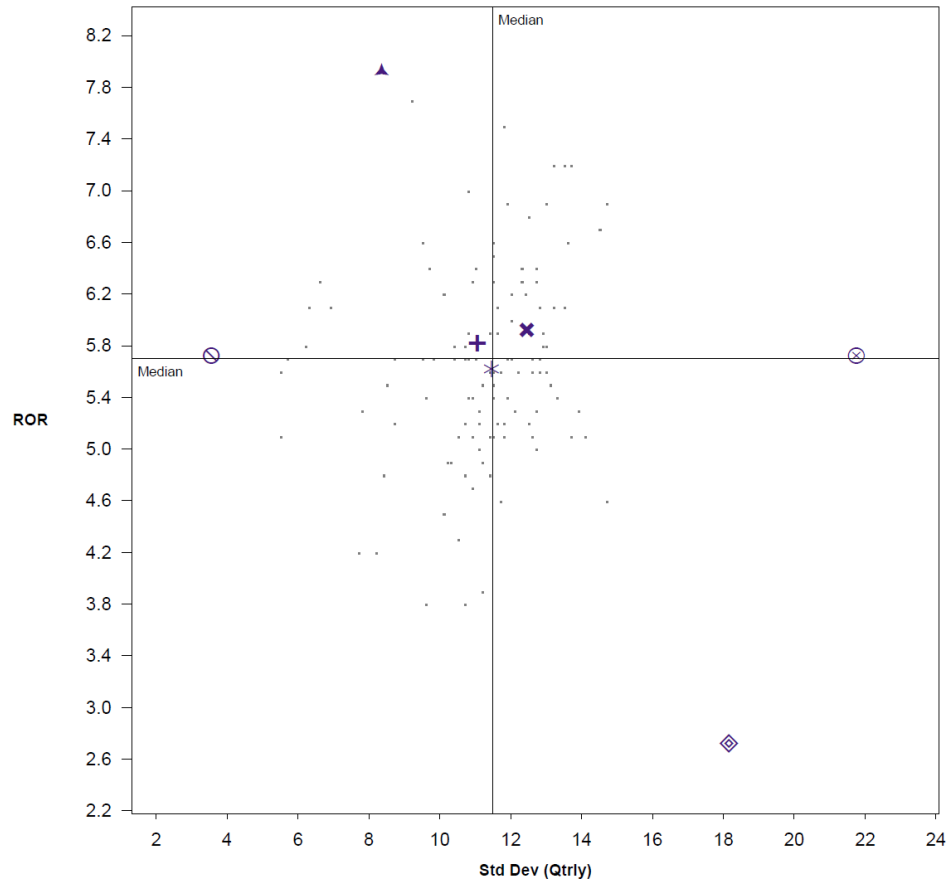
Risk vs. Return Analysis – 10 Years

VERMONT MUNICIPAL EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Period Ending June 30, 2011

Risk vs. Return - 10 Year



NAME	Return	Standard Deviation	Sharpe Ratio
x MUNI COMPOSITE	5.9 32	12.5 73	0.3 55
* MUNI Allocation	5.6 53	11.5 47	0.3 53
+ POLICY INDEX	5.8 38	11.1 40	0.3 44
◇ S&P 500	2.7 100	18.2 100	0.0 99
⊖ BC AGGREGATE	5.7 39	3.6 1	1.0 2
⊗ MSCI EAFE (NET)	5.7 48	21.8 100	0.2 99
▲ Citigroup WGBI (All Maturities)	7.9 1	8.4 9	0.7 2
Median	5.7	11.5	0.3

Funded status as of Fiscal Year 2010 = 92.0%

