

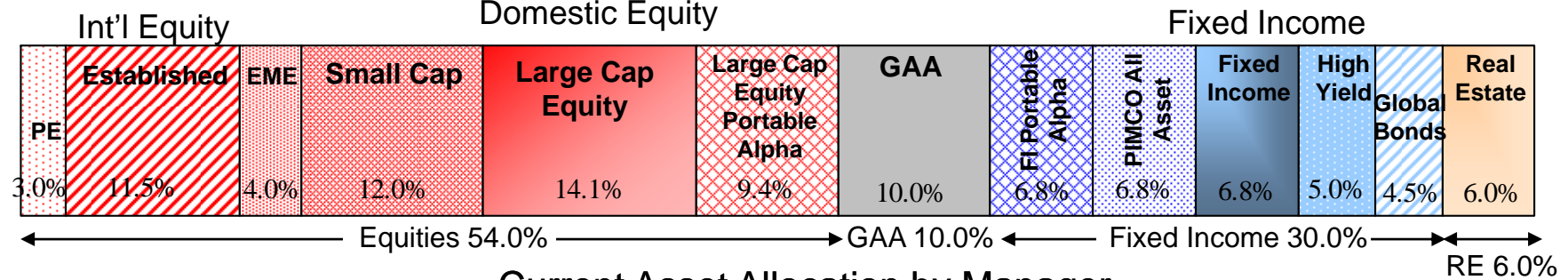
Vermont State Employees' Retirement System



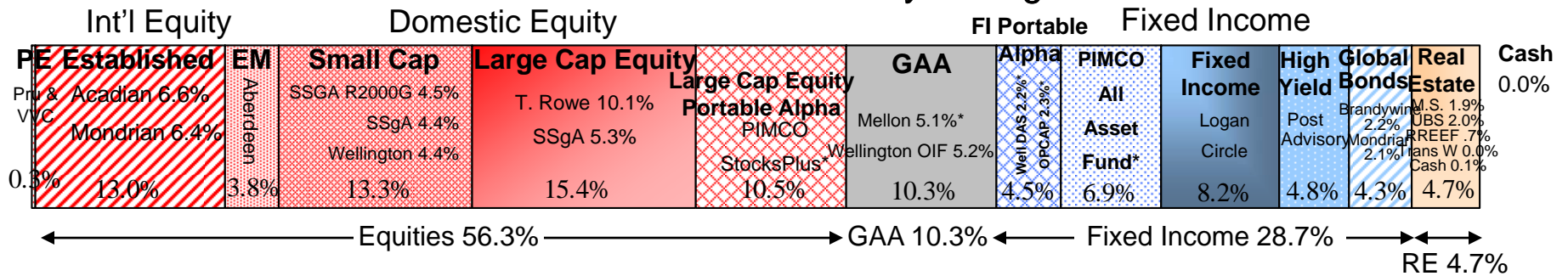
Plan Asset Allocation

As of June 30, 2009

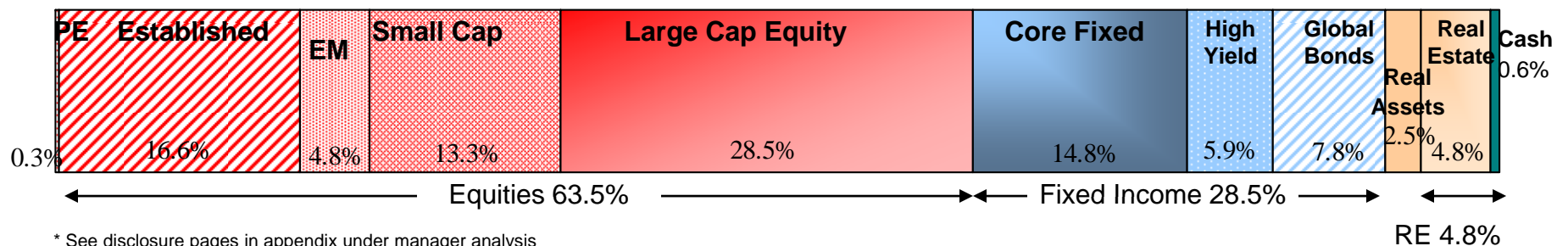
Target Asset Allocation



Current Asset Allocation by Manager



Current Asset Allocation by Asset Class



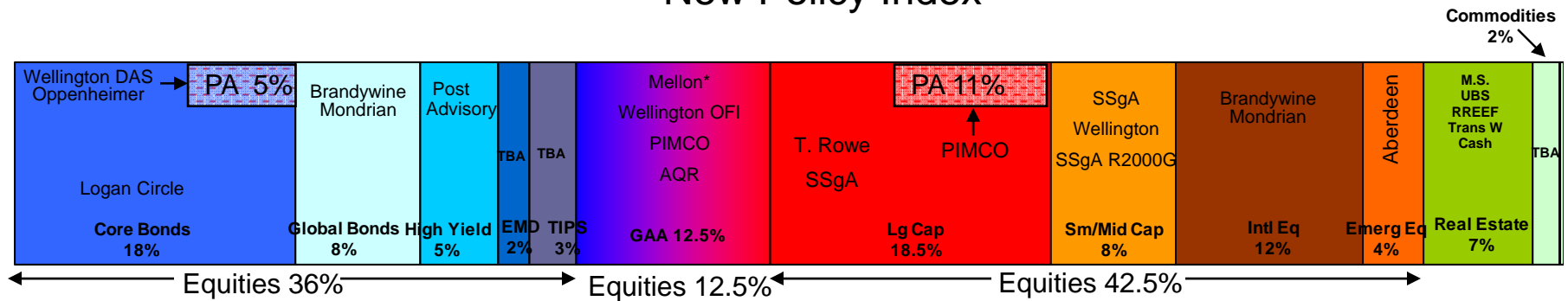
* See disclosure pages in appendix under manager analysis
Numbers may not add up to 100% due to rounding.



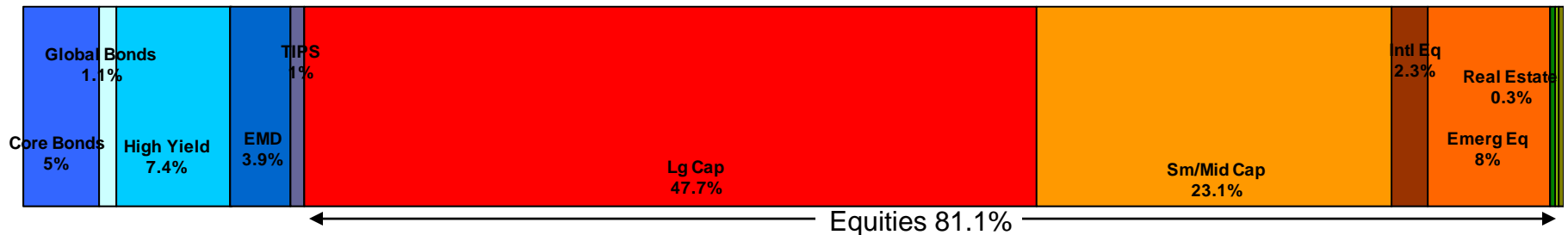
New Policy Asset Allocation and Risk Budgeting

As of July 1, 2009

New Policy Index



Asset Risk Allocation

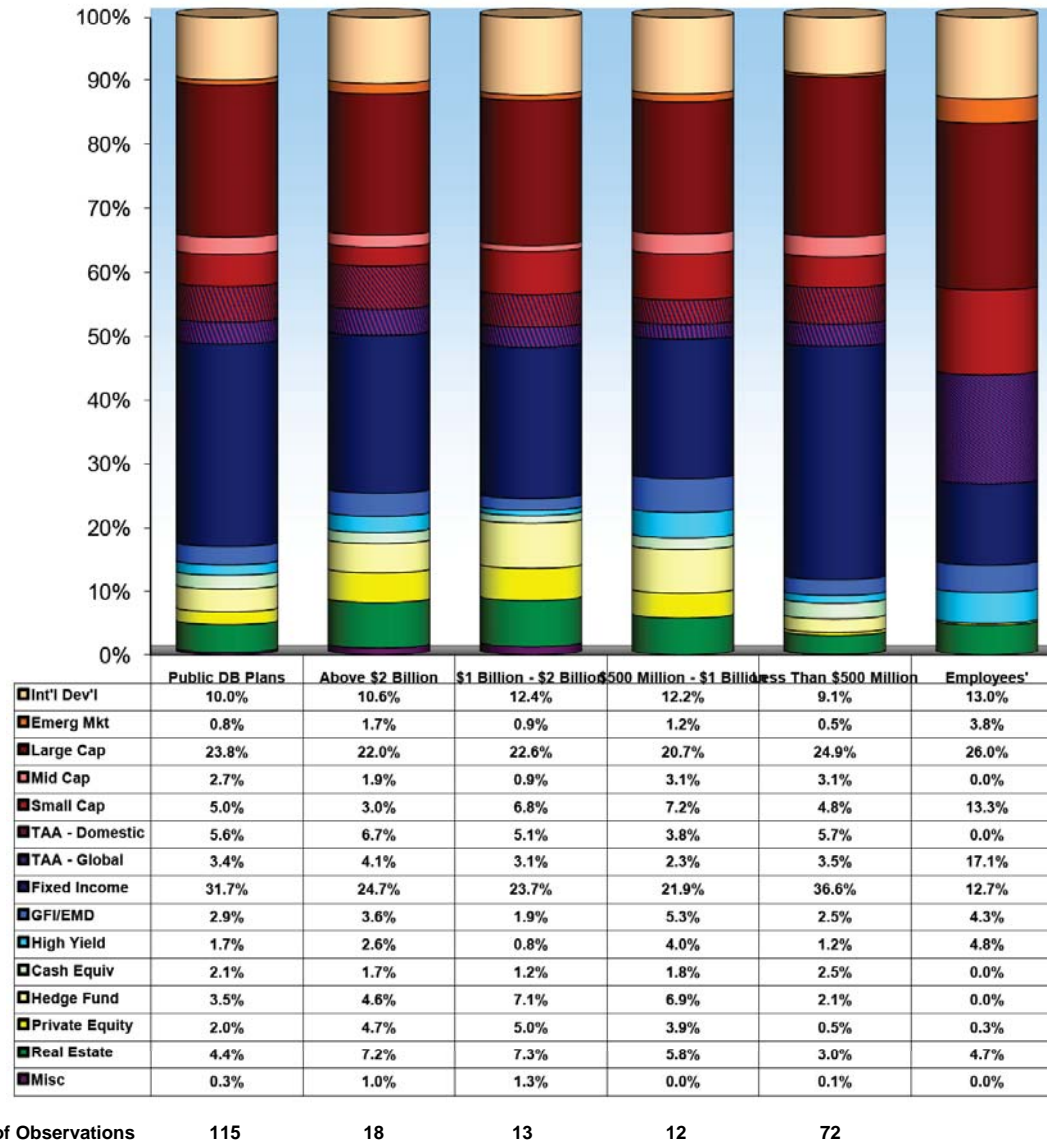


Numbers may not add up to 100% due to rounding.

* See disclosure pages in appendix under manager analysis



ICC Average Asset Allocation – Public Plans



Asset Breakdown

	Dom Large Cap	Dom Small Core	Dom Small Value	Dom Small Growth	Core Fixed	High Yield	Int'l Equity	Global Bonds	Real Estate	Private Investment	GAA	Cash	Total
Composite	\$262,235	\$43,969	\$45,128	\$45,206	\$128,768	\$48,618	\$169,344	\$43,913	\$47,096	\$2,840	\$172,988	\$494	\$1,010,599
T. Rowe	101,890	0	0	0	0	0	0	0	0	0	0	0	\$101,890
PIMCO	106,365	0	0	0	0	0	0	0	0	0	0	0	\$106,365
SSgA Equal Wgt	53,980	0	0	0	0	0	0	0	0	0	0	0	\$53,980
SSgA R-2000 Growth	0	0	0	45,206	0	0	0	0	0	0	0	0	\$45,206
SSgA R-2500	0	43,969	0	0	0	0	0	0	0	0	0	0	\$43,969
Wellington	0	0	45,128	0	0	0	0	0	0	0	0	0	\$45,128
Acadian	0	0	0	0	0	0	66,440	0	0	0	0	0	\$66,440
Mondrian	0	0	0	0	0	0	64,531	0	0	0	0	0	\$64,531
Aberdeen	0	0	0	0	0	0	38,373	0	0	0	0	0	\$38,373
Logan Circle	0	0	0	0	82,993	0	0	0	0	0	0	0	\$82,993
Oppenheimer	0	0	0	0	23,718	0	0	0	0	0	0	0	\$23,718
Wellington DAS	0	0	0	0	22,057	0	0	0	0	0	0	0	\$22,057
Post Advisory	0	0	0	0	0	48,618	0	0	0	0	0	0	\$48,618
Brandywine	0	0	0	0	0	0	0	22,801	0	0	0	0	\$22,801
Mondrian	0	0	0	0	0	0	0	21,112	0	0	0	0	\$21,112
Morgan Stanely	0	0	0	0	0	0	0	0	19,218	0	0	0	\$19,218
UBS Realty	0	0	0	0	0	0	0	0	19,816	0	0	0	\$19,816
RREEF	0	0	0	0	0	0	0	0	7,123	0	0	0	\$7,123
Transwestern	0	0	0	0	0	0	0	0	195	0	0	0	\$195
Real Estate Cash	0	0	0	0	0	0	0	0	744	0	0	0	\$744
PIMCO AA	0	0	0	0	0	0	0	0	0	0	69,355	0	\$69,355
Mellon GA 1	0	0	0	0	0	0	0	0	0	0	51,495	0	\$51,495
Wellington OIF	0	0	0	0	0	0	0	0	0	0	52,138	0	\$52,138
Vermont Investment	0	0	0	0	0	0	0	0	0	2,840	0	0	\$2,840
Vermont Cash	0	0	0	0	0	0	0	0	0	0	0	494	\$494

(Dollars in 000's)



Total Fund Asset Growth Summary

Periods Ending June 30, 2009

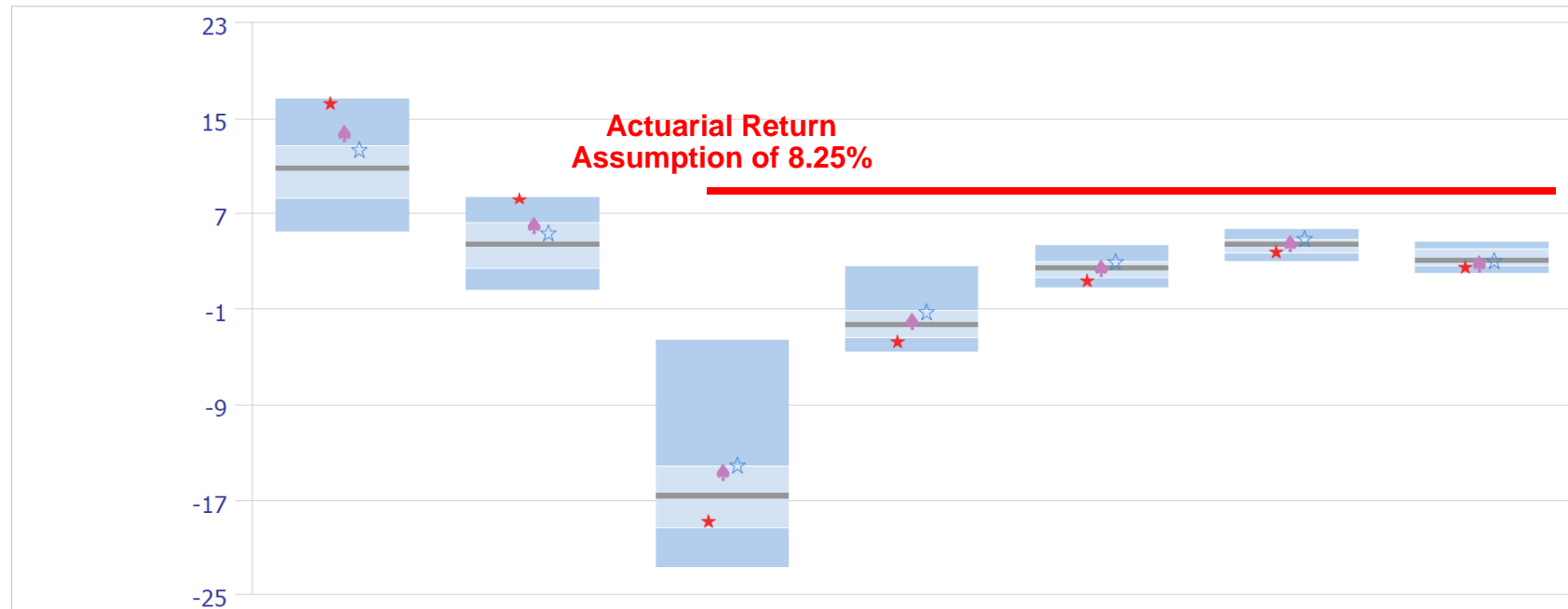
EMPLOYEES RETIREMENT SYSTEM COMPOSITE

	Last Quarter	Year to Date	Last Twelve Months	Since Inception 03/2001
Beginning Market Value	896,244	948,964	1,279,302	934,947
Net External Growth	-28,476	-17,649	-30,250	-185,111
Return on Investment	142,832	79,285	-238,452	260,764
Income Received	112	252	600	129,643
Gain/Loss	142,720	79,034	-239,052	131,120
Ending Market Value	1,010,600	1,010,600	1,010,600	1,010,600

Return 16.3% 8.3% -18.7%



Total Public Funds – Total Rates of Return



	One Quarter		Year to Date		One Year		Three Years		Five Years		Seven Years		Ten Years	
★ ERS COMPOSITE	16.3	8	8.3	5	-18.7	69	-3.7	83	1.4	77	3.8	73	2.5	76
♠ ALLOC INDEX	13.8	15	6.0	25	-14.6	30	-2.0	38	2.4	48	4.5	39	2.8	65
☆ POLICY INDEX	12.5	27	5.4	33	-14.0	23	-1.2	25	3.0	26	4.9	22	3.1	48
Median	10.9	--	4.4	--	-16.6	--	-2.3	--	2.4	--	4.4	--	3.1	--
Total Public Funds > \$1 Billion Median	10.9	--	4.0	--	-18.7	--	-3.0	--	2.3	--	4.3	--	2.9	--

• *Policy Index*: Measures the effectiveness of *Plan Structure*. (Target asset class weights X Return of the respective passive benchmark)

• *Allocation Index*: Measures the effectiveness of *deviating from the target policy weights*. (Policy Index - Allocation Index) Allocation Index = weighted average return of the actual asset class weights and the return of the respective passive benchmark.

• *Composite*: Actual composite return = actual asset class weights times the actual manager return. Measures the *effectiveness of the managers*. (Actual composite return - Allocation Index)



Total Public Funds – Total Rates of Return



	Calendar Yr 2008		Calendar Yr 2007		Calendar Yr 2006		Calendar Yr 2005		Calendar Yr 2004		Calendar Yr 2003		Calendar Yr 2002		Calendar Yr 2001	
★ ERS COMPOSITE	-29.6	91	6.4	81	14.9	23	6.6	61	11.3	43	23.4	29	-7.5	34	-6.6	89
♠ ALLOC INDEX	-23.7	32	6.2	85	14.1	36	6.0	71	11.5	39	23.6	27	-8.3	47	-6.0	84
☆ POLICY INDEX	-22.4	20	7.9	54	14.0	40	5.9	72	11.7	34	23.2	32	-8.3	47	-5.4	80
Median	-25.7	--	8.1	--	13.7	--	7.1	--	11.0	--	22.2	--	-8.8	--	-3.0	--

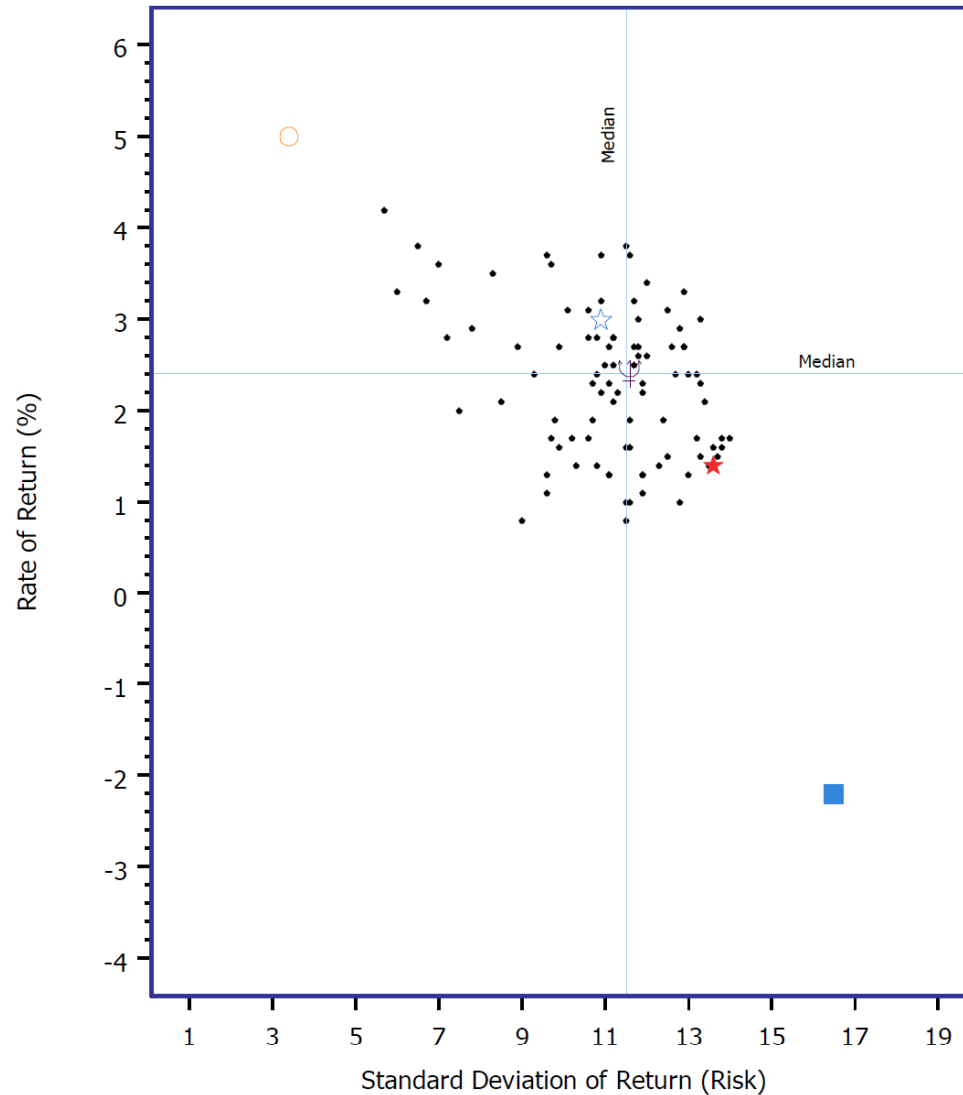
•Policy Index: Measures the effectiveness of Plan Structure. (Target asset class weights X Return of the respective passive benchmark)

•Allocation Index: Measures the effectiveness of deviating from the target policy weights. (Policy Index - Allocation Index) Allocation Index = weighted average return of the actual asset class weights and the return of the respective passive benchmark.

•Composite: Actual composite return = actual asset class weights times the actual manager return. Measures the effectiveness of the managers. (Actual composite return - Allocation Index)



Total Fund Risk / Return Analysis – 5 Years*

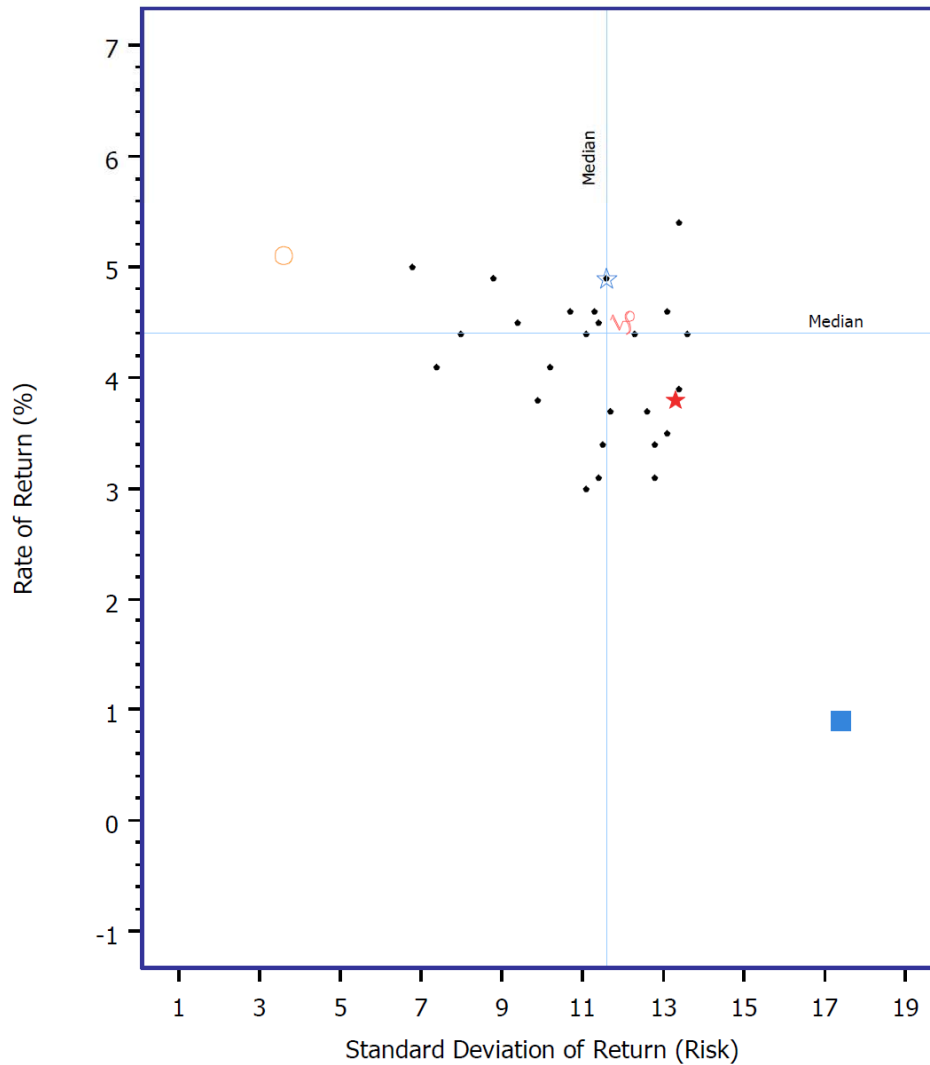


	Return		Standard Deviation		Sharpe Ratio
★ ERS COMPOSITE	1.4	77	13.6	91	-0.1
♣ ALLOC INDEX	2.4	48	11.6	55	-0.0
☆ POLICY INDEX	3.0	26	10.9	37	0.0
■ S&P 500	-2.2	100	16.5	100	-0.2
○ BC AGGREGATE	5.0	1	3.4	1	0.5
Median	2.4	--	11.5	--	-0.0

Funded status as of Fiscal Year 2007 = 100.8%



Total Fund Risk / Return Analysis – 7 Years*

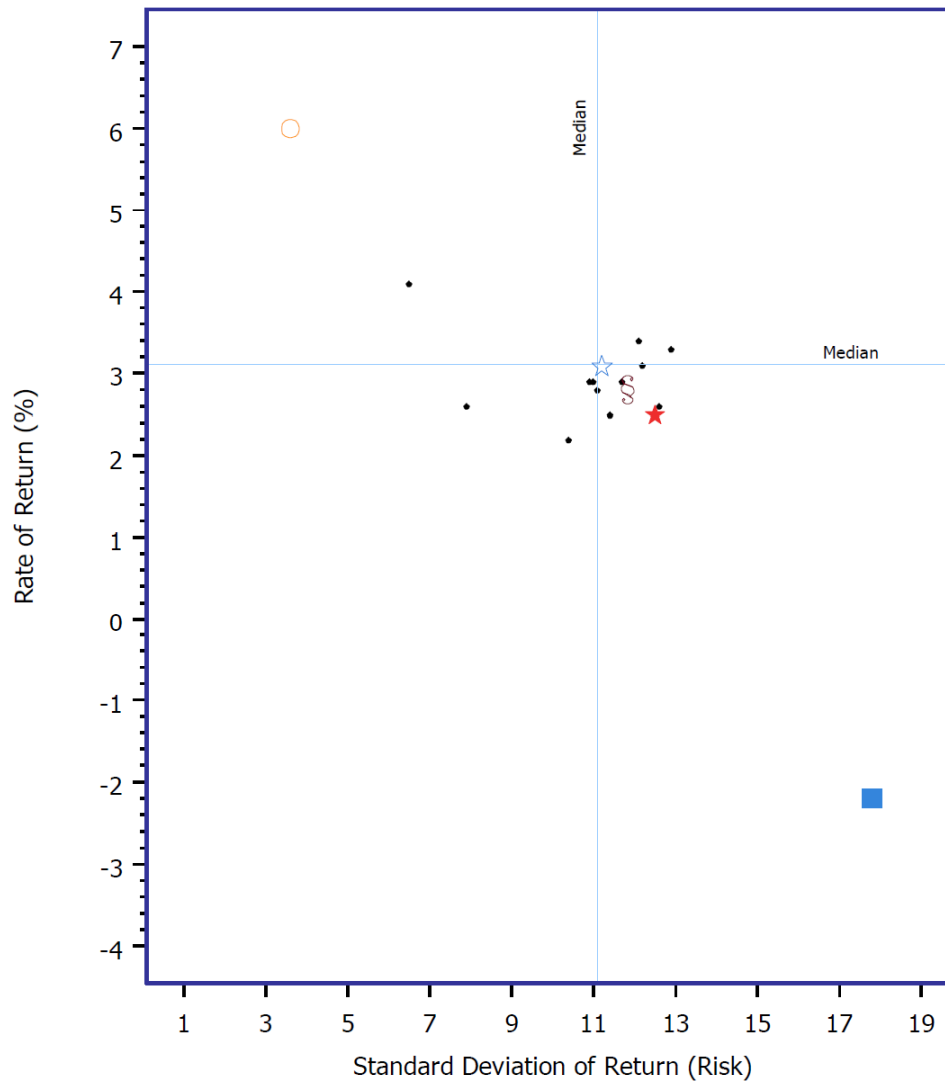


	Return		Standard Deviation		Sharpe Ratio	
★ ERS COMPOSITE	3.8	73	13.3	85	0.2	73
▽ ALLOC INDEX	4.5	39	12.0	55	0.2	44
☆ POLICY INDEX	4.9	22	11.6	49	0.2	28
■ S&P 500	0.9	100	17.4	100	-0.0	99
○ BC AGGREGATE	5.1	15	3.6	1	0.7	1
Median	4.4	--	11.6	--	0.2	--

Funded status as of Fiscal Year 2007 = 100.8%



Total Fund Risk / Return Analysis – 10 Years*



- ★ ERS COMPOSITE
- § ALLOC INDEX
- ☆ POLICY INDEX
- S&P 500
- BC AGGREGATE
- Median

	Return	Standard Deviation	Sharpe Ratio
★ ERS COMPOSITE	2.5	76	12.5
§ ALLOC INDEX	2.8	65	11.8
☆ POLICY INDEX	3.1	48	11.2
■ S&P 500	-2.2	100	17.8
○ BC AGGREGATE	6.0	2	3.6
Median	3.1	--	11.1

Funded status as of Fiscal Year 2007 = 100.8%



Equity Style Comparison

