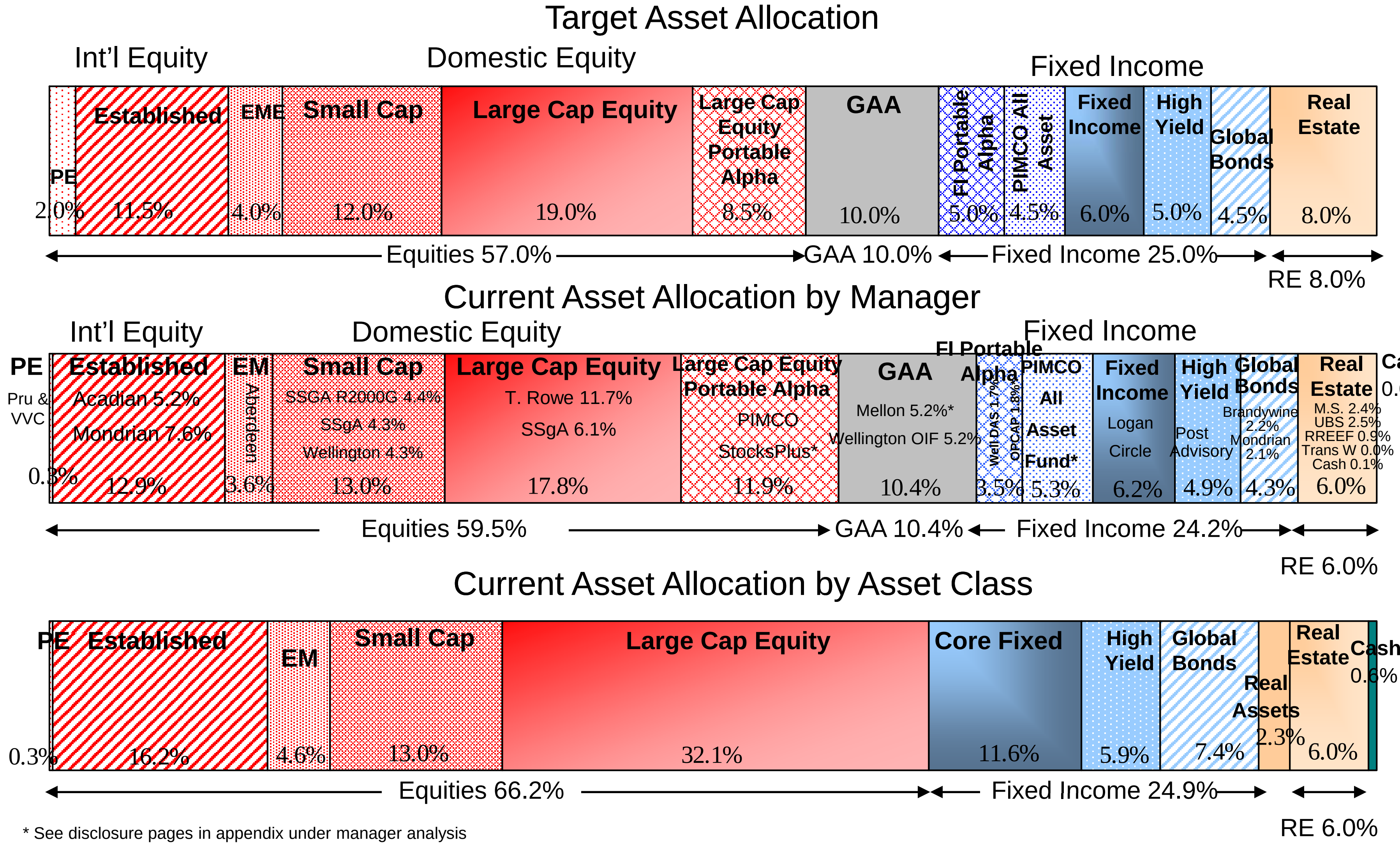
State Teachers' Retirement System of Vermont

Plan Asset Allocation

As of June 30, 2009

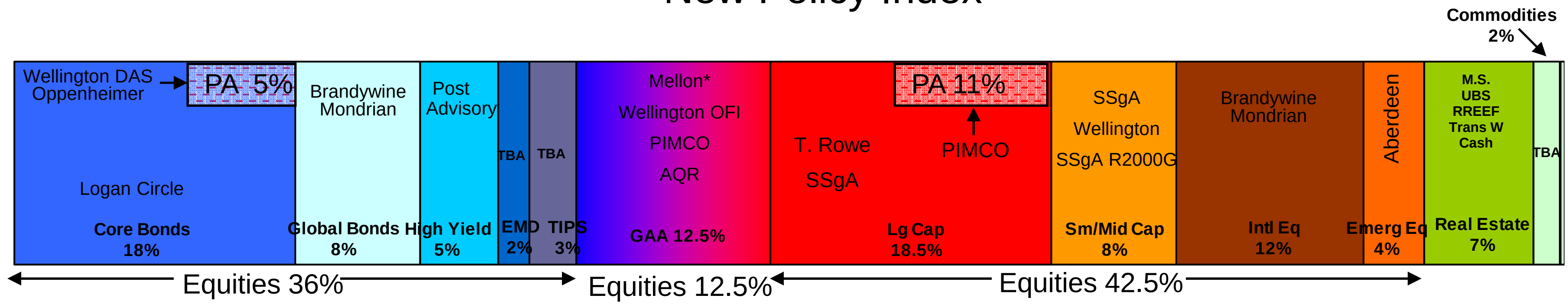


* See disclosure pages in appendix under manager analysis
Numbers may not add up to 100% due to rounding.

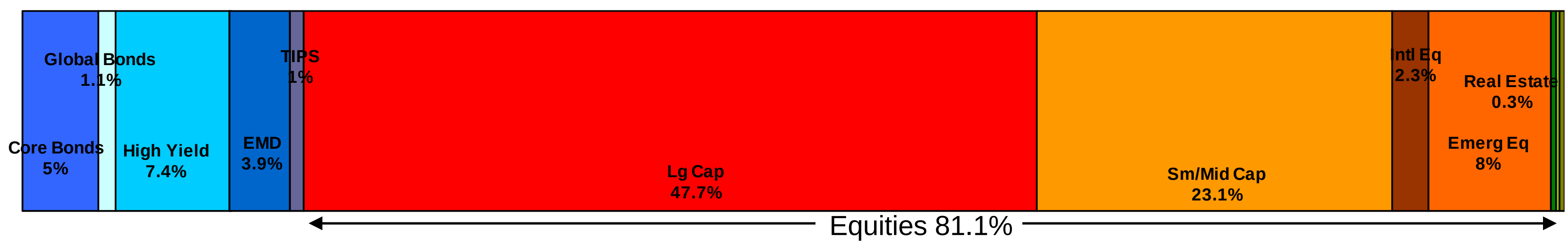
New Policy Asset Allocation and Risk Budgeting

As of July 1, 2009

New Policy Index



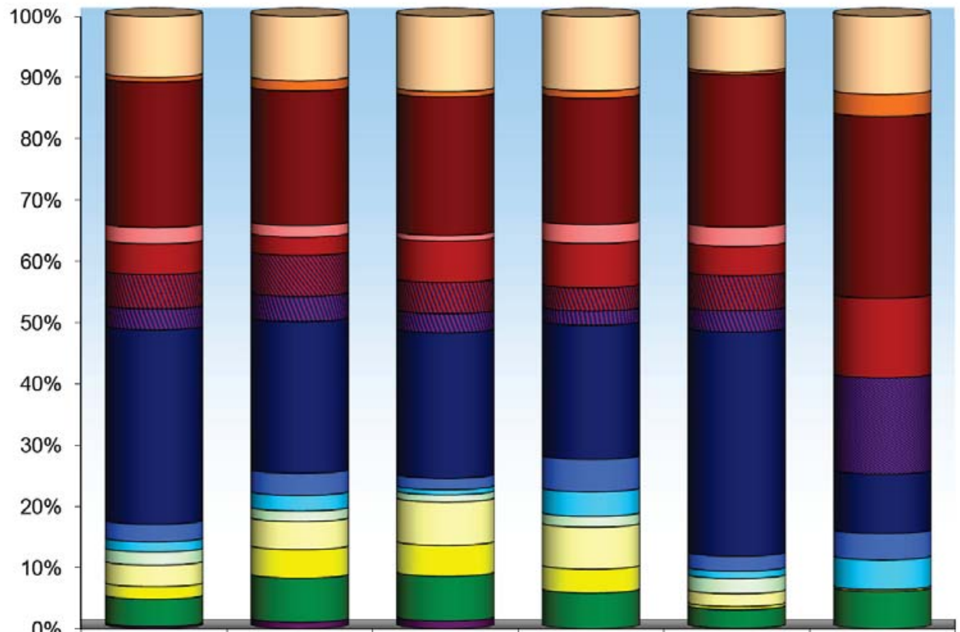
Asset Risk Allocation



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

* See disclosure pages in appendix under manager analysis

ICC Average Asset Allocation – Public Plans



	Public DB Plans	Above $2 Billion	$1 Billion - $2 Billion	$500 Million - $1 Billion	Less Than $500 Million	Teachers
Int'l Dev'l	10.0%	10.6%	12.4%	12.2%	9.1%	12.8%
Emerg Mkt	0.8%	1.7%	0.9%	1.2%	0.5%	3.6%
Large Cap	23.8%	22.0%	22.6%	20.7%	24.9%	29.7%
Mid Cap	2.7%	1.9%	0.9%	3.1%	3.1%	0.0%
Small Cap	5.0%	3.0%	6.8%	7.2%	4.8%	13.0%
TAA - Domestic	5.6%	6.7%	5.1%	3.8%	5.7%	0.0%
TAA - Global	3.4%	4.1%	3.1%	2.3%	3.5%	15.7%
Fixed Income	31.7%	24.7%	23.7%	21.9%	36.6%	9.7%
GFI/EMD	2.9%	3.6%	1.9%	5.3%	2.5%	4.3%
High Yield	1.7%	2.6%	0.8%	4.0%	1.2%	4.9%
Cash Equiv	2.1%	1.7%	1.2%	1.8%	2.5%	0.0%
Hedge Fund	3.5%	4.6%	7.1%	6.9%	2.1%	0.0%
Private Equity	2.0%	4.7%	5.0%	3.9%	0.5%	0.3%
Real Estate	4.4%	7.2%	7.3%	5.8%	3.0%	6.0%
Misc	0.3%	1.0%	1.3%	0.0%	0.1%	0.0%

# of Observations	115	18	13	12	72	

Asset Breakdown

	Domestic Large Core	Domestic Small Core	Domestic Small Value	Domestic Small Growth	Core Fixed	High Yield	Int'l Equity	Global Bonds	Real Estate	GAA	Private Investment	Cash	Total
Composite	$339,043	$48,901	$48,444	$50,199	$110,309	$55,422	$187,280	$49,024	$68,257	$178,611	$3,273	$556	$1,139,319
T. Rowe	133,299	0	0	0	0	0	0	0	0	0	0	0	$133,299
PIMCO	136,119	0	0	0	0	0	0	0	0	0	0	0	$136,119
SSgA Equal Wgt	69,625	0	0	0	0	0	0	0	0	0	0	0	$69,625
SSgA R-2500	0	48,901	0	0	0	0	0	0	0	0	0	0	$48,901
Wellington	0	0	48,444	0	0	0	0	0	0	0	0	0	$48,444
SSgA R-2000 Growth	0	0	0	50,199	0	0	0	0	0	0	0	0	$50,199
Acadian	0	0	0	0	0	0	59,674	0	0	0	0	0	$59,674
Mondrian	0	0	0	0	0	0	86,994	0	0	0	0	0	$86,994
Aberdeen	0	0	0	0	0	0	40,612	0	0	0	0	0	$40,612
Logan Circle	0	0	0	0	71,168	0	0	0	0	0	0	0	$71,168
Oppenheimer	0	0	0	0	20,287	0	0	0	0	0	0	0	$20,287
Wellington DAS	0	0	0	0	18,854	0	0	0	0	0	0	0	$18,854
Post Advisory	0	0	0	0	0	55,422	0	0	0	0	0	0	$55,422
Mondrian	0	0	0	0	0	0	0	23,594	0	0	0	0	$23,594
Brandywine	0	0	0	0	0	0	0	25,430	0	0	0	0	$25,430
Morgan Stanely	0	0	0	0	0	0	0	0	27,854	0	0	0	$27,854
UBS Realty	0	0	0	0	0	0	0	0	28,720	0	0	0	$28,720
RREEF	0	0	0	0	0	0	0	0	10,323	0	0	0	$10,323
Transwestern	0	0	0	0	0	0	0	0	281	0	0	0	$281
Real Estate Cash	0	0	0	0	0	0	0	0	1,079	0	0	0	$1,079
Mellon GA 1	0	0	0	0	0	0	0	0	0	58,938	0	0	$58,938
PIMCO AA	0	0	0	0	0	0	0	0	0	59,990	0	0	$59,990
Wellington OIF	0	0	0	0	0	0	0	0	0	59,683	0	0	$59,683
Pru & VVC	0	0	0	0	0	0	0	0	0	0	3,273	0	$3,273
Vermont Investment	0	0	0	0	0	0	0	0	0	0	0	556	$556
(Dollars in 000's)													

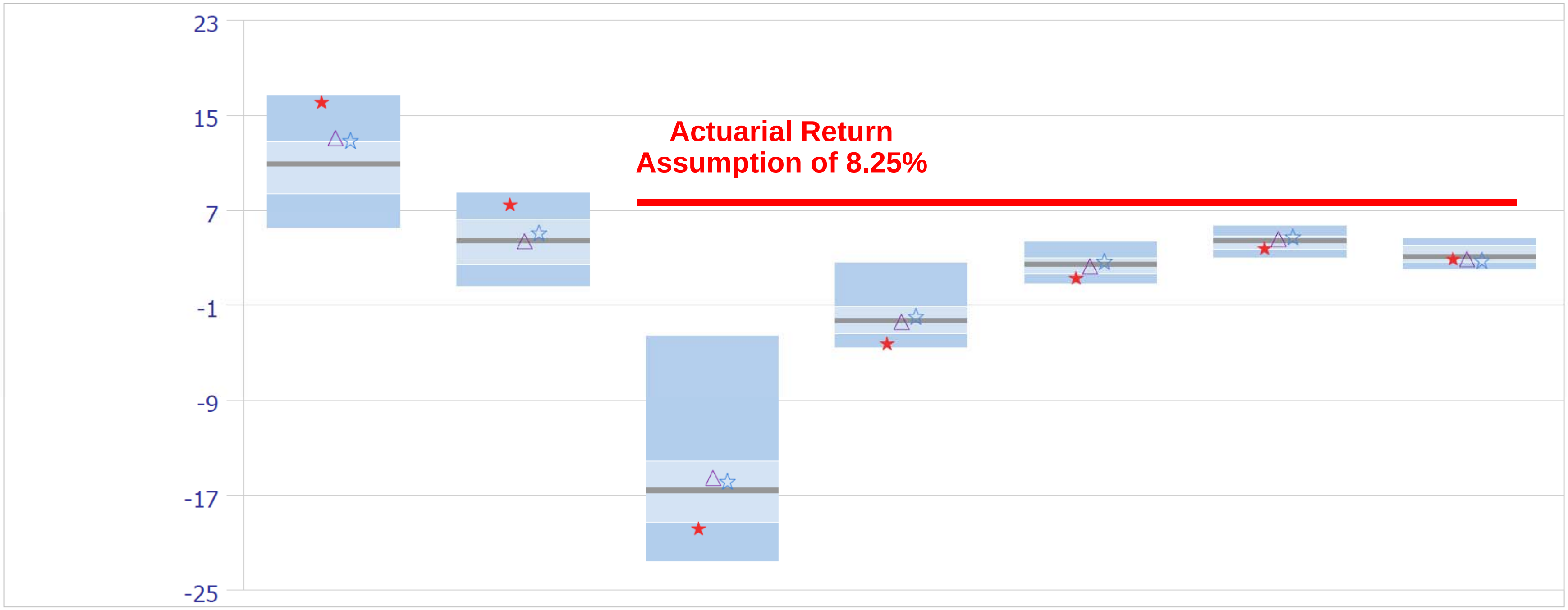
Total Fund Asset Growth Summary

Periods Ending June 30, 2009

TEACHERS' RETIREMENT SYSTEM COMPOSITE

	Last Quarter	Year to Date	Last Twelve Months	Since Inception 03/2001
Beginning Market Value	1,017,870	1,106,394	1,495,615	1,106,102
Net External Growth	-40,041	-46,308	-53,756	-273,478
Return on Investment	161,488	79,231	-302,541	306,693
Income Received	78	702	915	141,475
Gain/Loss	161,409	78,528	-303,456	165,218
Ending Market Value	1,139,317	1,139,317	1,139,317	1,139,317
Return	16.1%	7.5%	-19.8%	

Total Public Funds – Total Rates of Return



	One Quarter		Year to Date		One Year		Three Years		Five Years		Seven Years		Ten Years	
★ **TRS COMPOSITE**	16.1	10	7.5	12	-19.8	79	-4.2	89	1.3	87	3.8	72	2.9	61
△ *ALLOC INDEX*	13.1	19	4.4	49	-15.5	37	-2.4	54	2.3	52	4.6	32	2.9	55
☆ *POLICY INDEX*	12.9	22	5.1	37	-15.8	38	-1.9	34	2.7	36	4.8	24	2.8	63
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	--

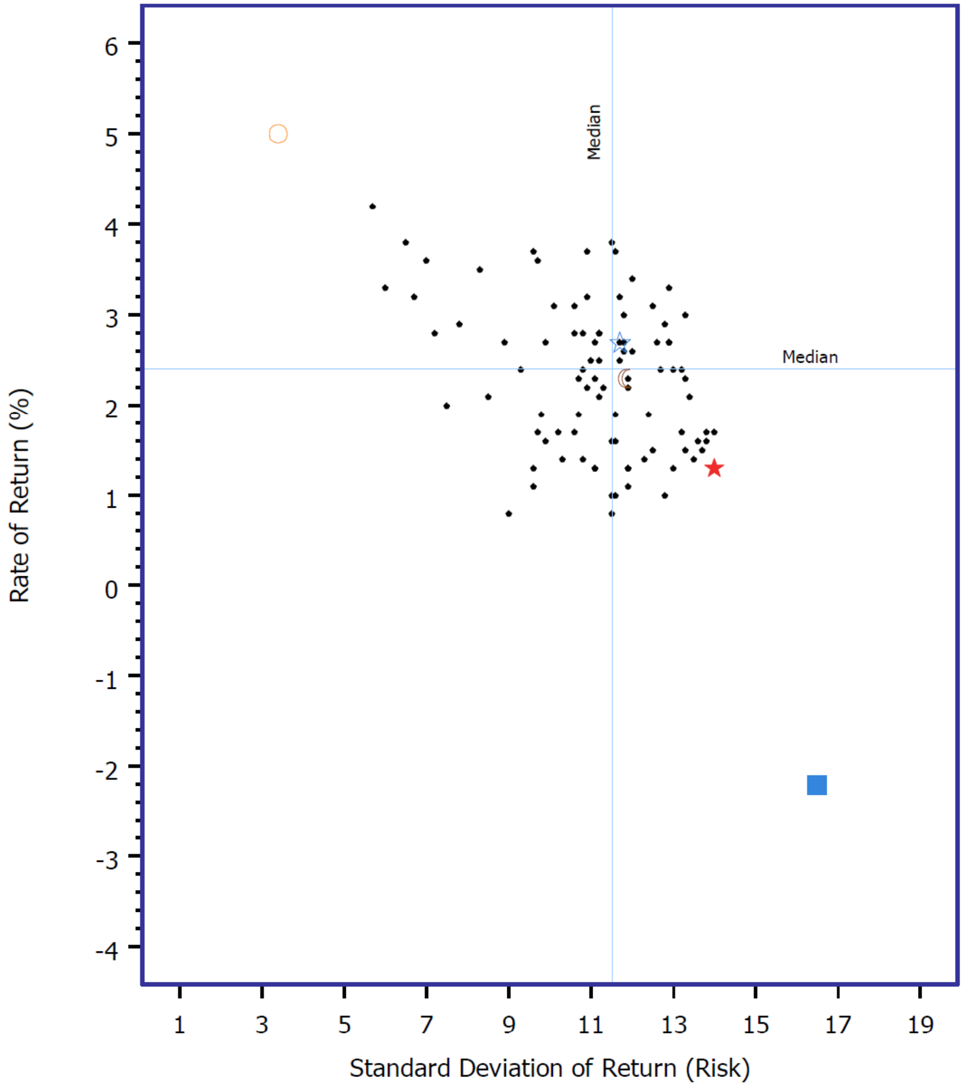
•*Policy Index: Measures the effectiveness of Plan Structure. (Target asset class weights X Return of the respective passive benchmark)*
•*Allocation Index: Measures the effectiveness of deviating from the target policy weights. (Policy Index - Allocation Index) Allocation Index = weighted average return 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	
★ **TRS COMPOSITE**	-30.1	92	6.3	84	15.7	10	5.6	79	12.4	21	23.8	25	-7.5	36	-4.1	60
ALLOC INDEX	-23.6	30	6.4	82	14.7	26	5.1	86	12.6	17	24.4	19	-8.0	42	-5.7	82
☆ *POLICY INDEX*	-24.2	37	7.9	54	14.6	29	6.6	63	12.2	26	23.7	26	-9.1	53	-6.0	83
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*

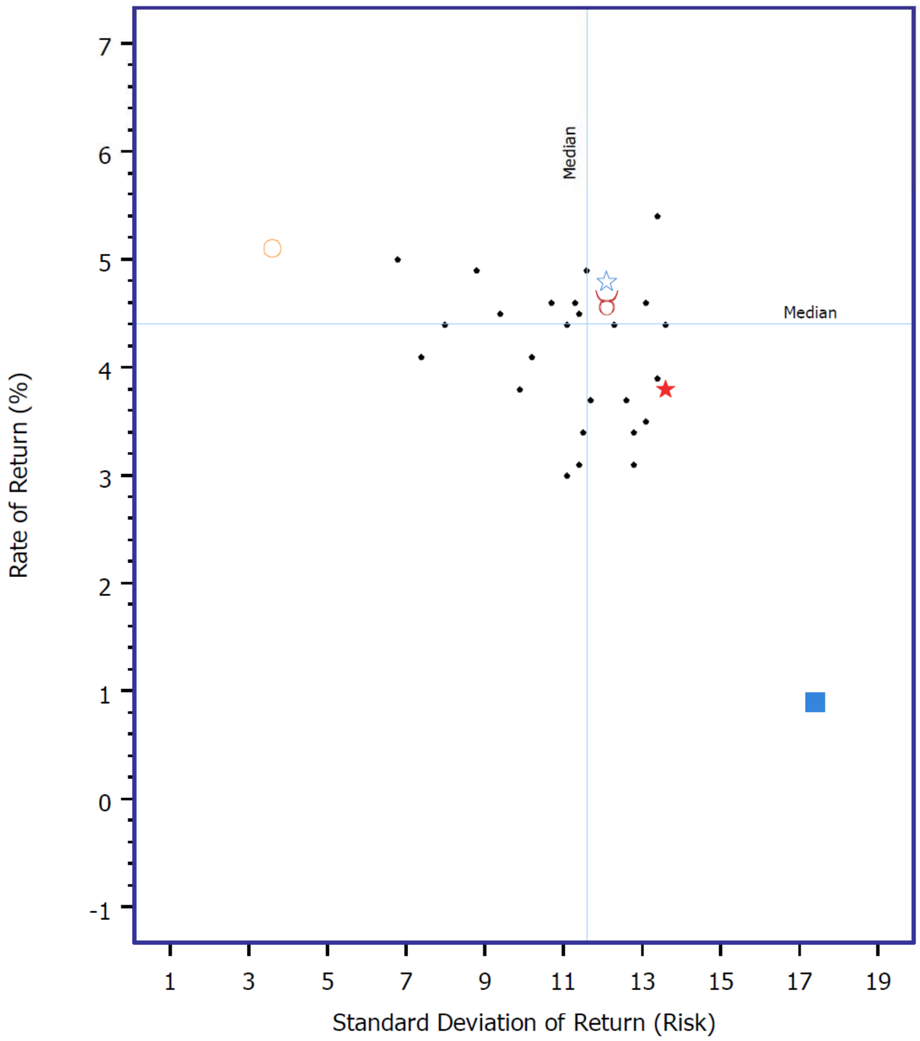


	Return		Standard Deviation		Sharpe Ratio	
★ **TRS COMPOSITE**	1.3	87	14.0	94	-0.1	67
☾ *ALLOC INDEX*	2.3	52	11.8	59	-0.0	47
☆ *POLICY INDEX*	2.7	36	11.7	58	0.0	32
■ *S&P 500*	-2.2	100	16.5	100	-0.2	99
○ *BC AGGREGATE*	5.0	1	3.4	1	0.5	1
Median	2.4	--	11.5	--	-0.0	--

Funded status as of Fiscal Year 2007 = 84.9%

*Ranked under Total Public Plans

Total Fund Risk / Return Analysis – 7 Years*

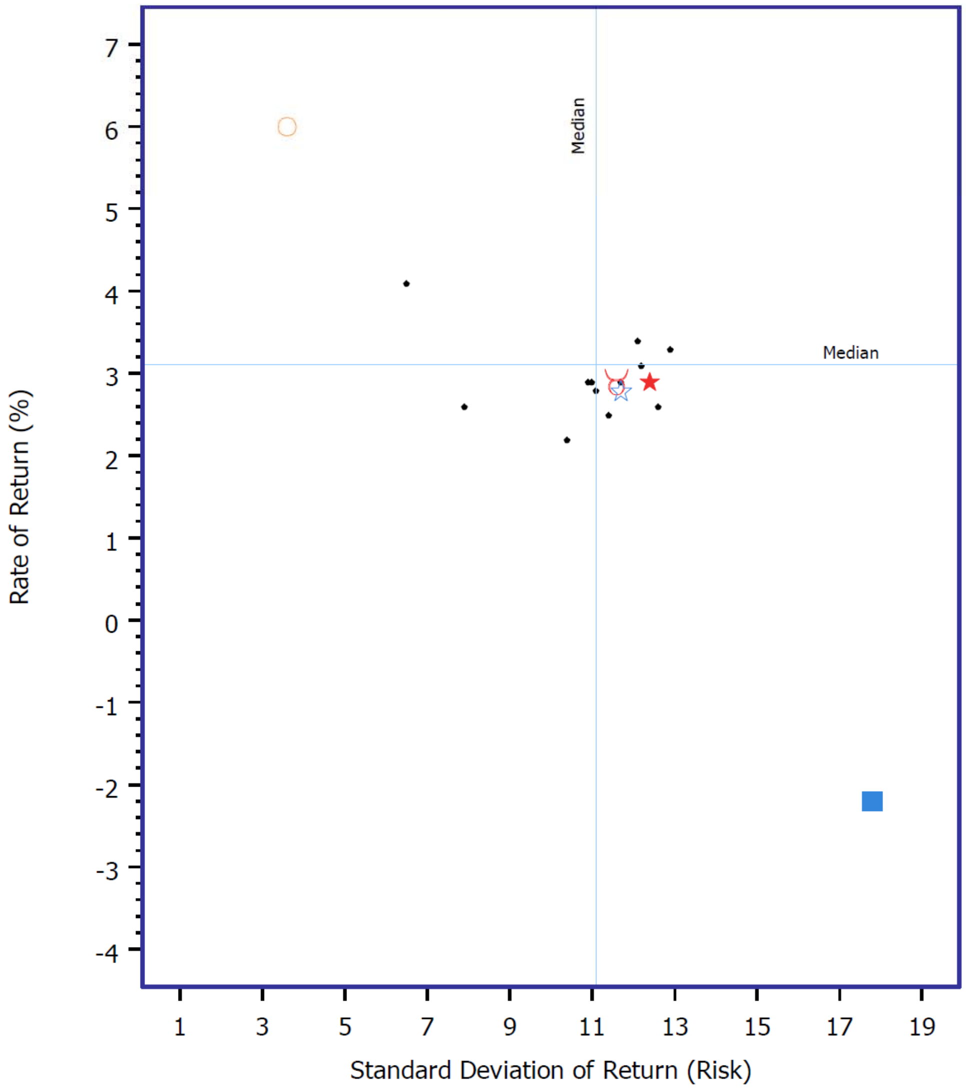


	Return		Standard Deviation		Sharpe Ratio	
★ **TRS COMPOSITE**	3.8	72	13.6	91	0.2	72
ALLOC INDEX	4.6	32	12.1	59	0.2	39
☆ *POLICY INDEX*	4.8	24	12.1	56	0.2	31
■ *S&P 500*	0.9	100	17.4	100	-0.0	99
○ *BC AGGREGATE*	5.1	15	3.6	1	0.7	1
Median	4.4	--	11.6	--	0.2	--

Funded status as of Fiscal Year 2007 = 84.9%

*Ranked under Total Public Plans

Total Fund Risk / Return Analysis – 10 Years*



	Return		Standard Deviation		Sharpe Ratio	
★ **TRS COMPOSITE**	2.9	61	12.4	77	0.0	52
♉ *ALLOC INDEX*	2.9	55	11.6	60	0.0	52
☆ *POLICY INDEX*	2.8	63	11.7	65	0.0	60
■ *S&P 500*	-2.2	100	17.8	100	-0.2	100
○ *BC AGGREGATE*	6.0	2	3.6	2	0.8	2
Median	3.1	--	11.1	--	0.0	--

Funded status as of Fiscal Year 2007 = 84.9%

*Ranked under Total Public Plans

Equity Style Comparison