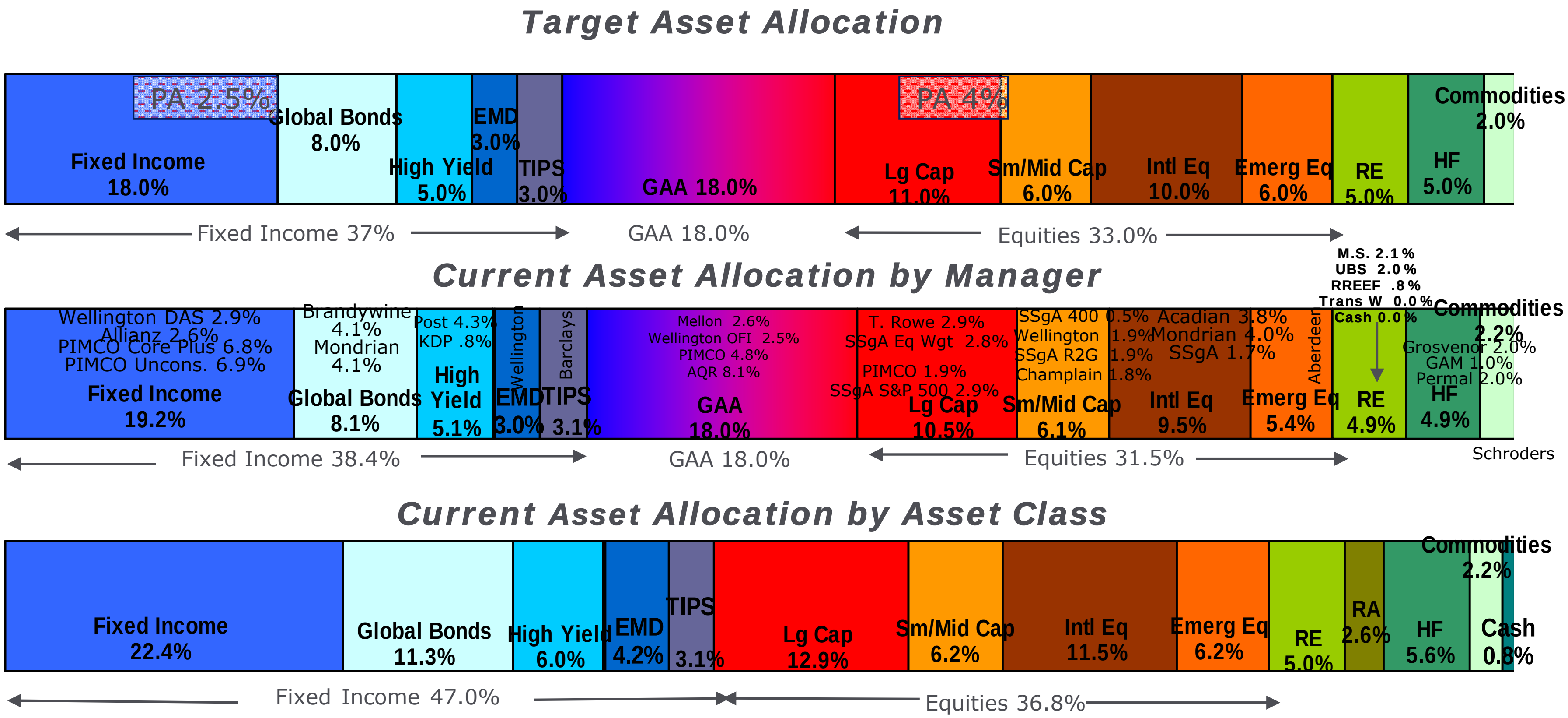
State Teachers' Retirement System of Vermont

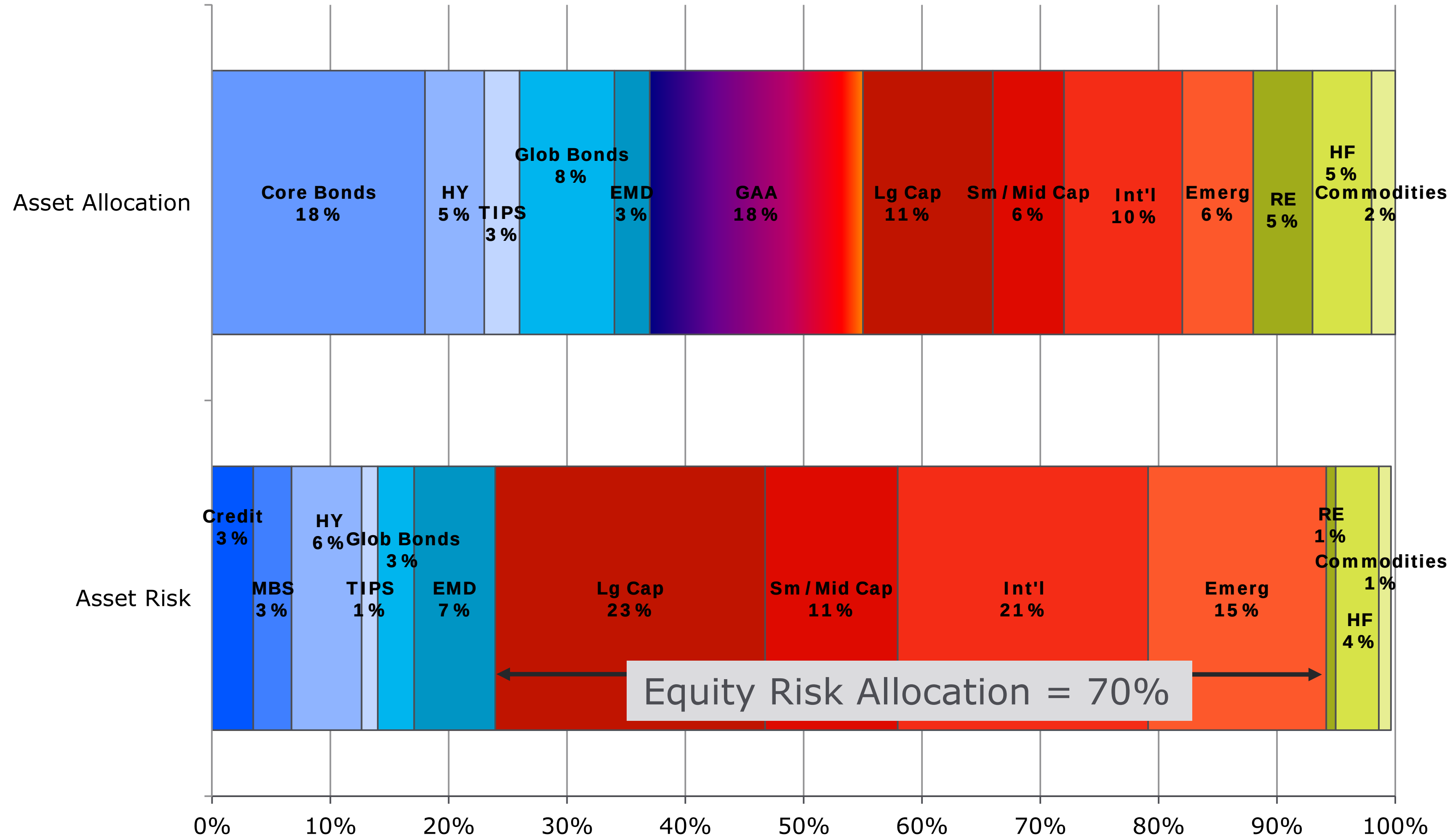
Total Plan Asset Allocation



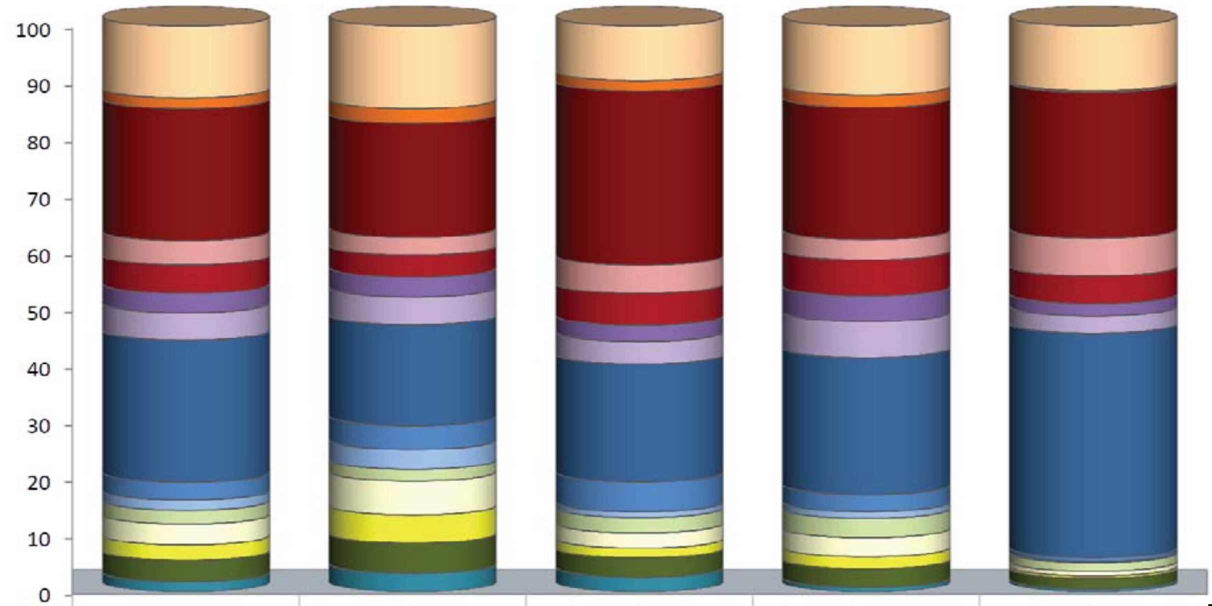
Numbers may not add up to 100% due to rounding.

New Target Asset Allocation is effective as of 10/1/2011.

Policy Asset Allocation and Risk Budgeting



ICC Public DB Plans – Average Asset Allocation



	ICC Public DB	Above $1Billion	$500M-$1 Billion	$100M-$500 Million	Less Than $100 Million	Teachers
Observations	114	43	10	34	27	
Int'l Dev'l	12.7	14.6	9.7	12.3	11.4	9.5
Emerg Mkt	1.9	2.7	1.8	2.2	0.3	5.4
Large Cap	23.4	20.1	30.7	23.4	25.8	10.5
Mid Cap	4.2	3.1	5.0	3.5	6.6	2.3
Small Cap	5.0	3.9	5.7	6.4	4.9	3.8
TAA - Domestic	3.4	3.5	2.9	4.5	2.2	0.0
TAA - Global	4.8	4.9	4.0	6.4	3.1	18.0
Fixed Income	25.2	17.8	20.8	24.2	39.7	22.3
GFI/EMD	3.2	4.3	5.3	3.0	0.7	11.1
High Yield	1.8	3.5	1.0	1.2	0.2	5.1
Cash Equiv	2.4	2.1	2.7	3.4	1.5	0.0
Hedge Fund	3.7	6.0	2.7	3.4	0.8	4.9
Private Equity	2.8	5.0	1.7	2.1	0.4	0.0
Real Estate	3.8	5.4	3.4	3.3	1.9	4.9
Misc	1.8	3.3	2.6	0.8	0.5	2.2

Disclosure:
Allocations may not add to 100% due to rounding. Average asset allocations shown include all portfolios submitted to the ICC universe as of 9/27/11 for periods ending 6/30/11. 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 Mid 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	$149,456	$25,902	$6,728	$26,893	$26,918	$273,085	$72,690	$44,630	$212,472	$42,996	$115,822	$69,553	$256,635	$100,585	$222	$1,424,587
T. Rowe	41,096	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$41,096
PIMCO	26,928	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$26,928
SSgA Equal Wgt	40,291	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$40,291
SSgA S&P 500	41,141	0	0	0	0	0	0	0	0	0	0	0	0	0	0	$41,141
Champlain	0	25,902	0	0	0	0	0	0	0	0	0	0	0	0	0	$25,902
SSgA Mid	0	0	6,728	0	0	0	0	0	0	0	0	0	0	0	0	$6,728
Wellington	0	0	0	26,893	0	0	0	0	0	0	0	0	0	0	0	$26,893
SSgA R-2000 Growth	0	0	0	0	26,918	0	0	0	0	0	0	0	0	0	0	$26,918
Acadian	0	0	0	0	0	0	0	0	53,655	0	0	0	0	0	0	$53,655
Mondrian	0	0	0	0	0	0	0	0	56,441	0	0	0	0	0	0	$56,441
SSgA ACWI ex US	0	0	0	0	0	0	0	0	24,767	0	0	0	0	0	0	$24,767
Aberdeen	0	0	0	0	0	0	0	0	77,609	0	0	0	0	0	0	$77,609
Allianz	0	0	0	0	0	37,046	0	0	0	0	0	0	0	0	0	$37,046
Wellington DAS	0	0	0	0	0	40,959	0	0	0	0	0	0	0	0	0	$40,959
PIMCO Core Plus	0	0	0	0	0	97,077	0	0	0	0	0	0	0	0	0	$97,077
PIMCO Unconst.	0	0	0	0	0	98,003	0	0	0	0	0	0	0	0	0	$98,003
Post Advisory	0	0	0	0	0	0	61,714	0	0	0	0	0	0	0	0	$61,714
KDP	0	0	0	0	0	0	10,976	0	0	0	0	0	0	0	0	$10,976
Welligton EMD	0	0	0	0	0	0	0	0	0	42,996	0	0	0	0	0	$42,996
Barclays	0	0	0	0	0	0	0	44,630	0	0	0	0	0	0	0	$44,630
Mondrian	0	0	0	0	0	0	0	0	0	0	57,720	0	0	0	0	$57,720
Brandywine	0	0	0	0	0	0	0	0	0	0	58,102	0	0	0	0	$58,102
Morgan Stanely	0	0	0	0	0	0	0	0	0	0	0	29,689	0	0	0	$29,689
UBS Realty	0	0	0	0	0	0	0	0	0	0	0	27,905	0	0	0	$27,905
RREEF	0	0	0	0	0	0	0	0	0	0	0	11,549	0	0	0	$11,549
Transwestern	0	0	0	0	0	0	0	0	0	0	0	410	0	0	0	$410
Mellon GA 1	0	0	0	0	0	0	0	0	0	0	0	0	36,911	0	0	$36,911
PIMCO AA	0	0	0	0	0	0	0	0	0	0	0	0	68,634	0	0	$68,634
Wellington OIF	0	0	0	0	0	0	0	0	0	0	0	0	35,885	0	0	$35,885
AQR	0	0	0	0	0	0	0	0	0	0	0	0	115,205	0	0	$115,205
Grosvenor	0	0	0	0	0	0	0	0	0	0	0	0	0	27,859	0	$27,859
GAM	0	0	0	0	0	0	0	0	0	0	0	0	0	14,202	0	$14,202
Permal	0	0	0	0	0	0	0	0	0	0	0	0	0	27,876	0	$27,876
Schroders	0	0	0	0	0	0	0	0	0	0	0	0	0	30,648	0	$30,648
Vermont Cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0	222	$222

(Dollars in 000's)

Total Fund Asset Growth Summary

VERMONT STATE TEACHERS

TEACHERS' RETIREMENT SYSTEM CO

Periods Ending September 30, 2011

Total Fund Asset Growth Summary ($000)

	One Quarter	Year to Date	One Year
TRS COMPOSITE			
Beginning Market Value	1,512,345	1,477,108	1,438,175
Net External Growth	25,427	-16,405	-42,903
Return on Investment	-113,184	-36,116	29,316
Income Received	6	17	29
Gain/Loss	-113,190	-36,132	29,287
Ending Market Value	1,424,588	1,424,588	1,424,588
Return	-7.5%	-2.6%	1.9%

Fund Performance vs. Benchmark

VERMONT STATE TEACHERS

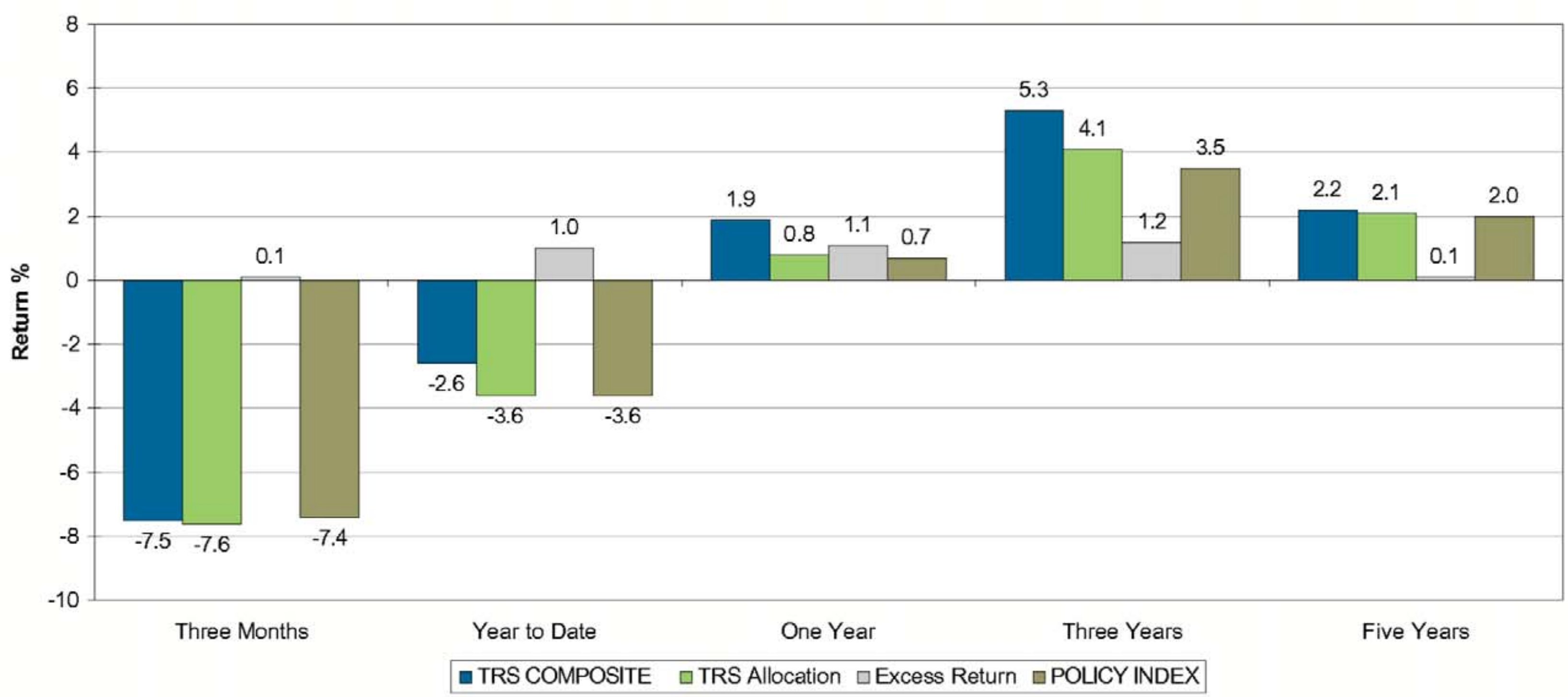
POLICY INDEX

Benchmark:

Periods Ending September 30, 2011

Fund Performance vs. Benchmark

TRS COMPOSITE



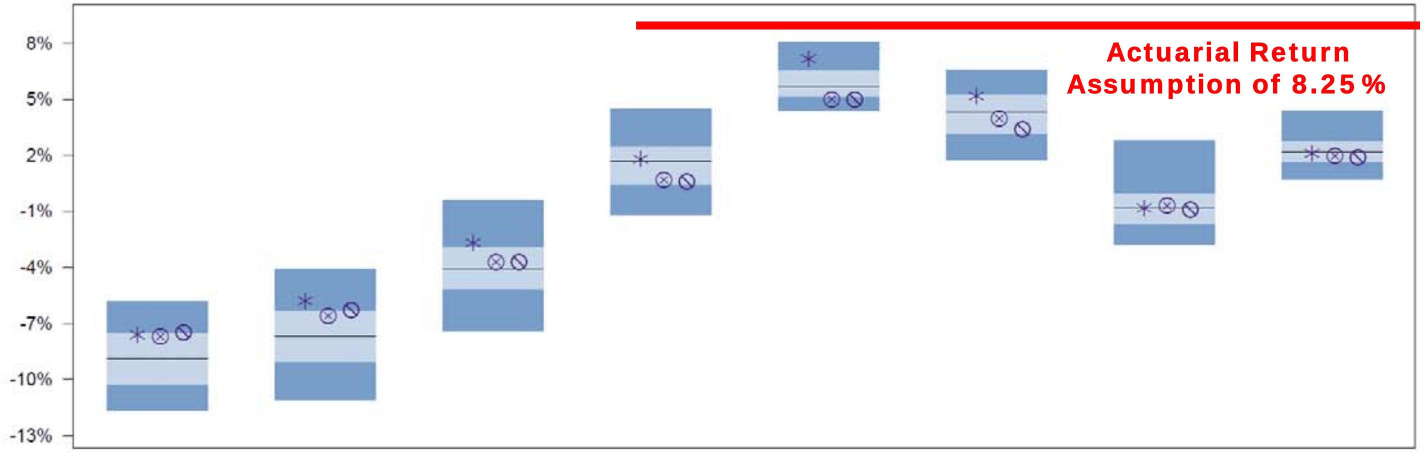
Total Public Funds Performance

VERMONT STATE TEACHERS

Total Fund - Universe: Public Funds (DB)

Periods Ending September 30, 2011

Total Fund Performance - Trailing Periods



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
TRS COMPOSITE	**-7.5**	**25**	**-5.7**	**20**	**-2.6**	**22**	**1.9**	**44**	**7.3**	**13**	**5.3**	**24**	**-0.7**	**47**	**2.2**	**51**
TRS Allocation	-7.6	26	-6.5	28	-3.6	42	0.8	70	5.1	73	4.1	56	-0.6	45	2.1	52
POLICY INDEX	**-7.4**	**24**	**-6.2**	**24**	**-3.6**	**42**	**0.7**	**71**	**5.1**	**73**	**3.5**	**70**	**-0.8**	**51**	**2.0**	**54**
5th Percentile	-5.8		-4.1		-0.4		4.5		8.1		6.6		2.8		4.4	
25th Percentile	-7.5		-6.3		-2.9		2.5		6.6		5.3		0.0		2.8	
50th Percentile	-8.9		-7.7		-4.1		1.7		5.7		4.3		-0.8		2.2	
75th Percentile	-10.3		-9.1		-5.2		0.4		5.1		3.1		-1.7		1.6	
95th Percentile	-11.7		-11.1		-7.4		-1.2		4.4		1.8		-2.8		0.7	

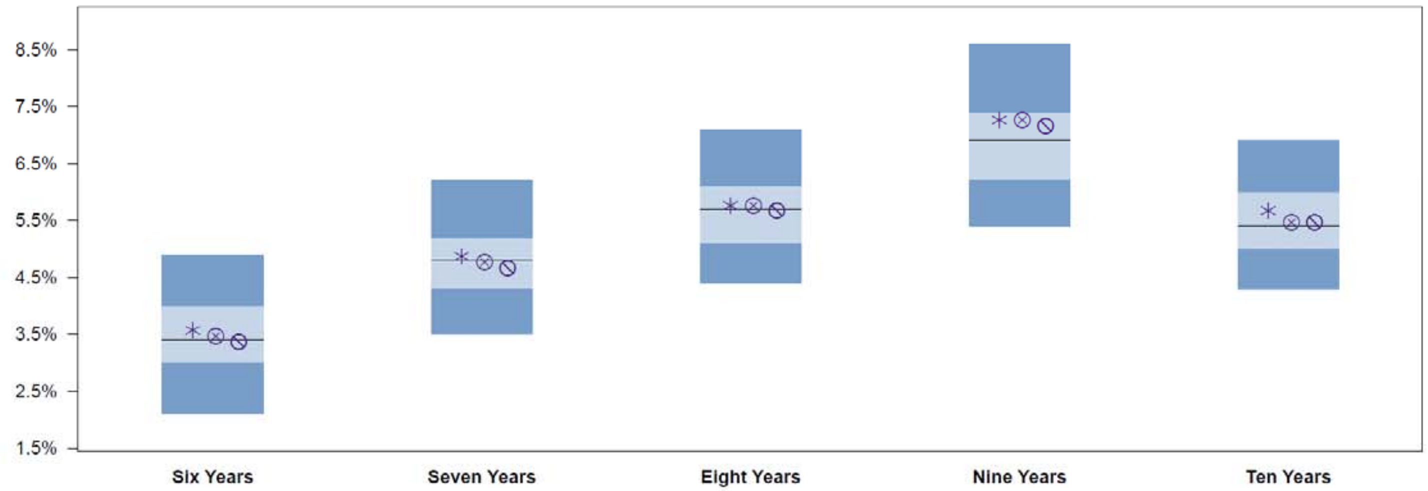
Total Public Funds Performance

VERMONT STATE TEACHERS

Total Fund - Universe: Public Funds (DB)

Periods Ending September 30, 2011

Total Fund Performance - Trailing Periods



	Six Years		Seven Years		Eight Years		Nine Years		Ten Years	
TRS COMPOSITE	**3.6**	**39**	**4.9**	**46**	**5.8**	**42**	**7.3**	**32**	**5.7**	**37**
TRS Allocation	3.5	48	4.8	55	5.8	45	7.3	36	5.5	47
POLICY INDEX	**3.4**	**53**	**4.7**	**55**	**5.7**	**49**	**7.2**	**40**	**5.5**	**47**
5th Percentile	4.9		6.2		7.1		8.6		6.9	
25th Percentile	4.0		5.2		6.1		7.4		6.0	
50th Percentile	3.4		4.8		5.7		6.9		5.4	
75th Percentile	3.0		4.3		5.1		6.2		5.0	
95th Percentile	2.1		3.5		4.4		5.4		4.3	

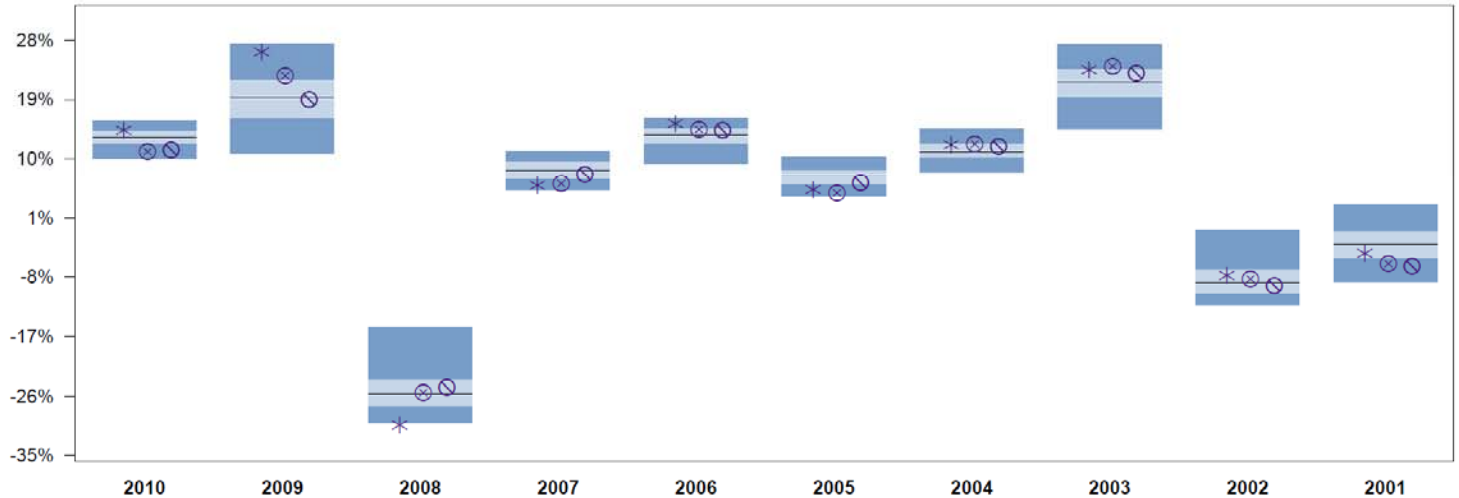
Total Public Funds Performance

VERMONT STATE TEACHERS

Total Fund - Universe: Public Funds (DB)

Period Ending December 31, 2010

Total Fund Performance - One Year Time Periods

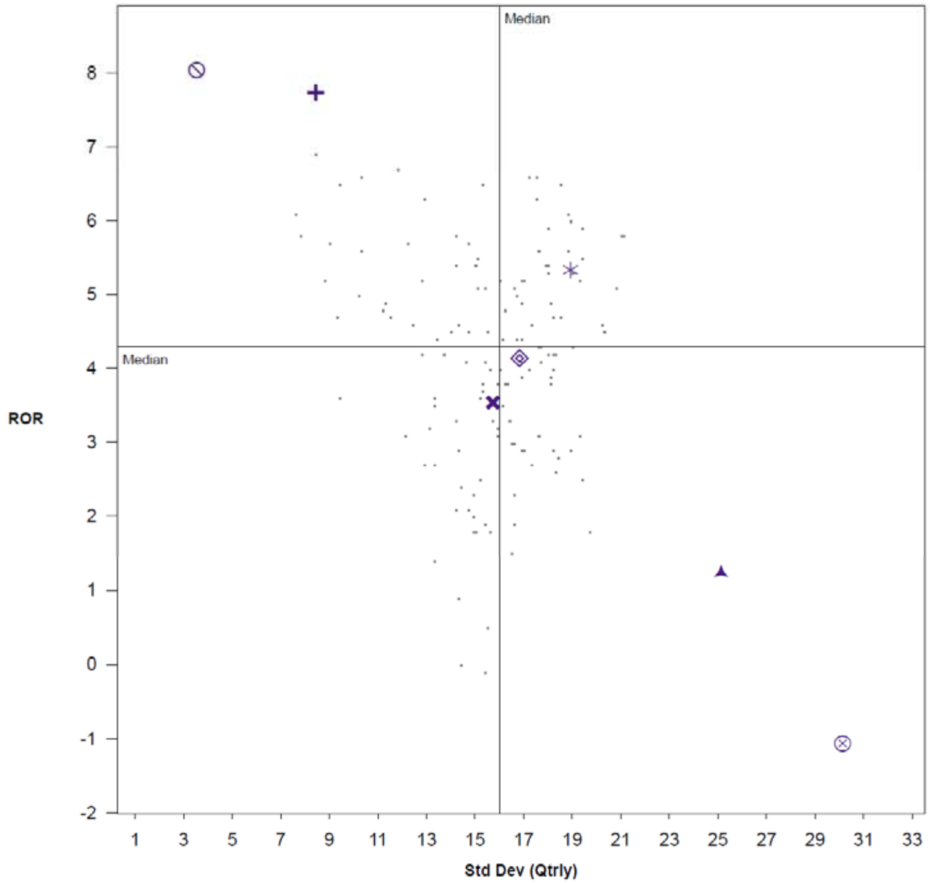


	2010		2009		2008		2007		2006		2005		2004		2003		2002		2001	
TRS COMPOSITE	**14.7**	**21**	**26.5**	**7**	**-30.1**	**95**	**6.3**	**86**	**15.7**	**8**	**5.6**	**82**	**12.4**	**22**	**23.8**	**25**	**-7.5**	**37**	**-4.1**	**62**
TRS Allocation	11.4	85	22.9	22	-25.2	48	6.5	83	14.8	24	5.1	88	12.6	18	24.4	19	-8.0	44	-5.7	82
POLICY INDEX	**11.7**	**82**	**19.3**	**51**	**-24.4**	**39**	**7.9**	**56**	**14.6**	**28**	**6.6**	**68**	**12.2**	**28**	**23.3**	**30**	**-9.0**	**53**	**-6.0**	**84**
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 STATE TEACHERS
Total Fund - Universe: Public Funds (DB)
Period Ending September 30, 2011

Risk vs. Return - 3 Year



NAME	Return		Standard Deviation		Sharpe Ratio	
TRS COMPOSITE	5.3	24	19.0	91	0.3	46
TRS Allocation	4.1	56	16.9	61	0.2	62
POLICY INDEX	3.5	70	15.8	48	0.2	72
S&P 500	*1.2*	*98*	*25.2*	*100*	*0.0*	*96*
BC AGGREGATE	*8.0*	*1*	*3.6*	*1*	*2.2*	*1*
MSCI EAFE (NET)	*-1.1*	*100*	*30.2*	*100*	*-0.0*	*99*
Citigroup WGBI (All Maturities)	*7.7*	*1*	*8.5*	*3*	*0.9*	*1*
Median	4.3		16.0		0.3	

Funded status as of July 1st, 2011 = 66.5%

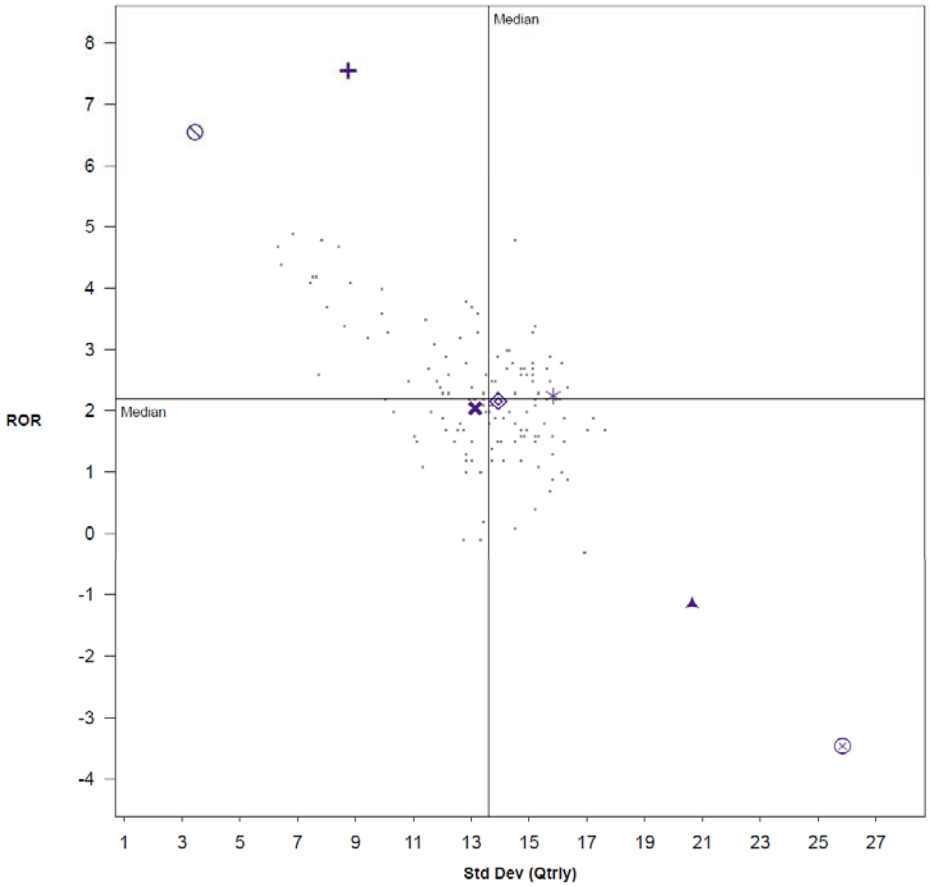
Risk vs. Return Analysis – 5 Years

VERMONT STATE TEACHERS

Total Fund - Universe: Public Funds (DB)

Period Ending September 30, 2011

Risk vs. Return - 5 Year



NAME	Return		Standard Deviation		Sharpe Ratio	
TRS COMPOSITE	**2.2**	**51**	**15.9**	**91**	**0.0**	**56**
TRS Allocation	2.1	52	14.0	57	0.0	55
POLICY INDEX	2.0	54	13.2	41	0.0	57
S&P 500	*-1.2*	*100*	*20.7*	*100*	*-0.1*	*99*
BC AGGREGATE	*6.5*	*1*	*3.5*	*1*	*1.4*	*1*
MSCI EAFE (NET)	*-3.5*	*100*	*25.9*	*100*	*-0.2*	*100*
Citigroup WGBI (All Maturities)	*7.5*	*1*	*8.8*	*9*	*0.7*	*1*
Median	2.2		13.6		0.0	

Funded status as of July 1st, 2011 = 66.5%

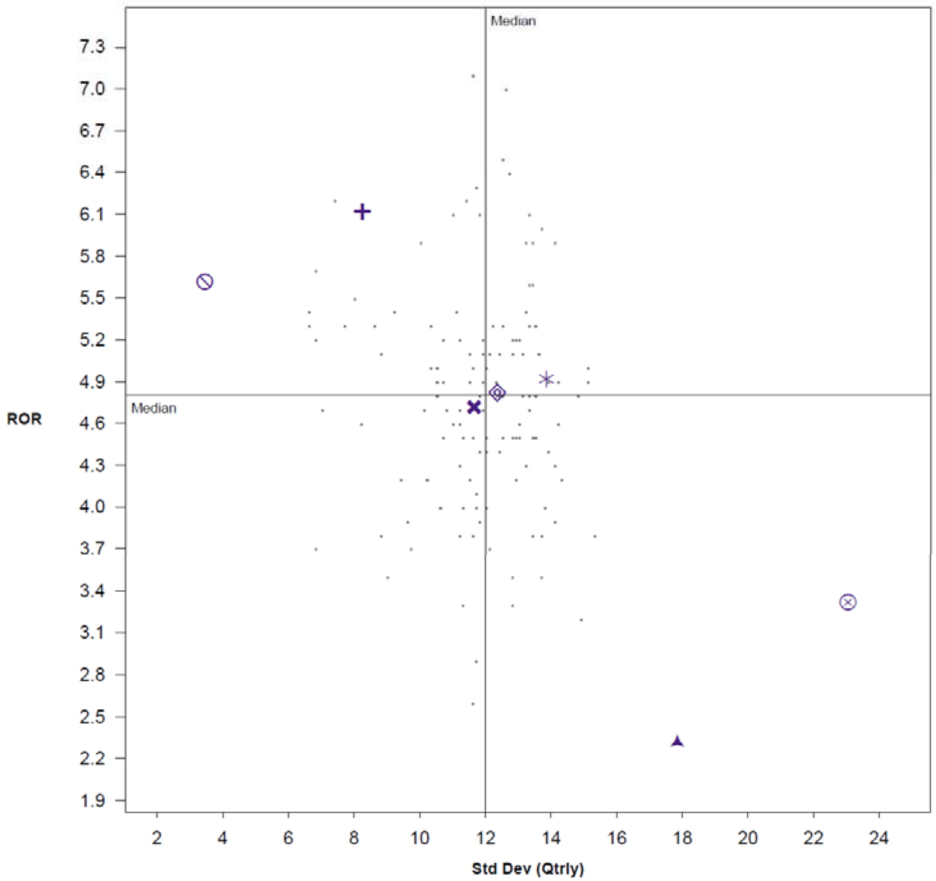
Risk vs. Return Analysis – 7 Years

VERMONT STATE TEACHERS

Total Fund - Universe: Public Funds (DB)

Period Ending September 30, 2011

Risk vs. Return - 7 Year



NAME	Return		Standard Deviation		Sharpe Ratio	
TRS COMPOSITE	**4.9**	**46**	**13.9**	**90**	**0.2**	**63**
TRS Allocation	4.8	55	12.4	56	0.2	58
POLICY INDEX	4.7	55	11.7	40	0.2	52
S&P 500	*2.3*	*100*	*17.9*	*100*	*0.0*	*99*
BC AGGREGATE	*5.6*	*15*	*3.5*	*1*	*1.0*	*1*
MSCI EAFE (NET)	*3.3*	*97*	*23.1*	*100*	*0.0*	*99*
Citigroup WGBI (All Maturities)	*6.1*	*6*	*8.3*	*8*	*0.5*	*6*
Median	4.8		12.0		0.2	

Funded status as of July 1st, 2011 = 66.5%

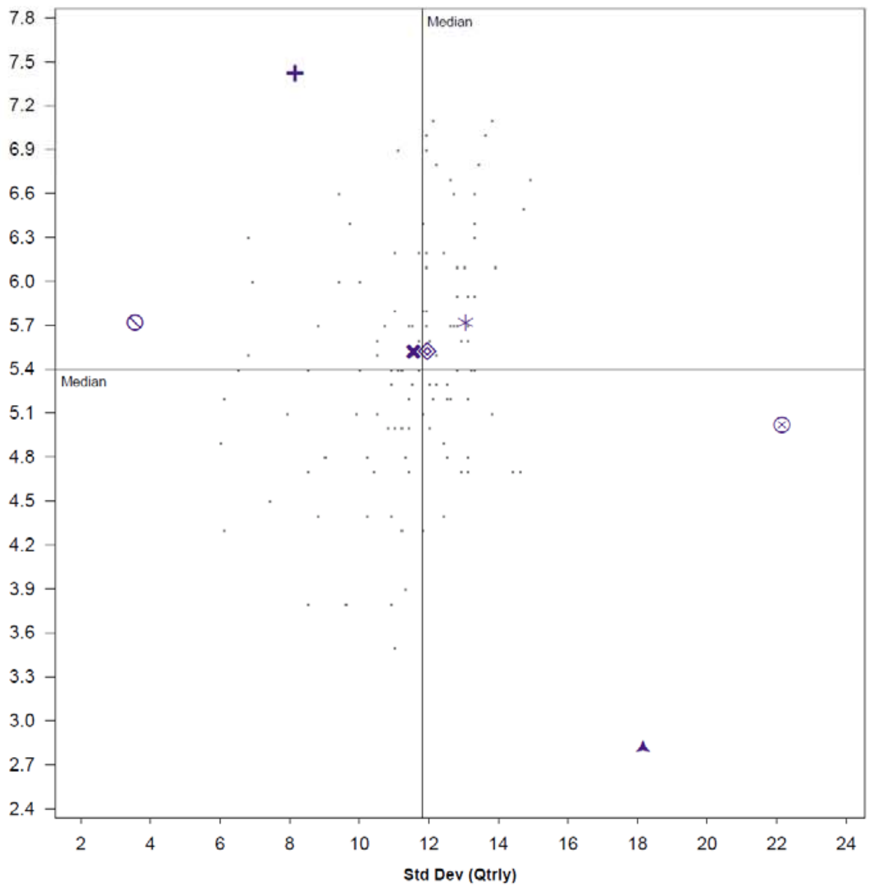
Risk vs. Return Analysis – 10 Years

VERMONT STATE TEACHERS

Total Fund - Universe: Public Funds (DB)

Period Ending September 30, 2011

Risk vs. Return - 10 Year



	NAME	Return		Standard Deviation		Sharpe Ratio	
✳	**TRS COMPOSITE**	5.7	37	13.1	81	0.3	65
◈	TRS Allocation	5.5	47	12.0	57	0.3	59
✖	POLICY INDEX	5.5	47	11.6	46	0.3	51
▲	*S&P 500*	2.8	100	18.2	100	0.0	100
⃠	*BC AGGREGATE*	5.7	41	3.6	1	1.0	1
⊗	*MSCI EAFE (NET)*	5.0	72	22.2	100	0.1	100
+	*Citigroup WGBI (All Maturities)*	7.4	1	8.2	8	0.7	1
	Median	5.4		11.8		0.3	

Funded status as of July 1st, 2011 = 66.5%