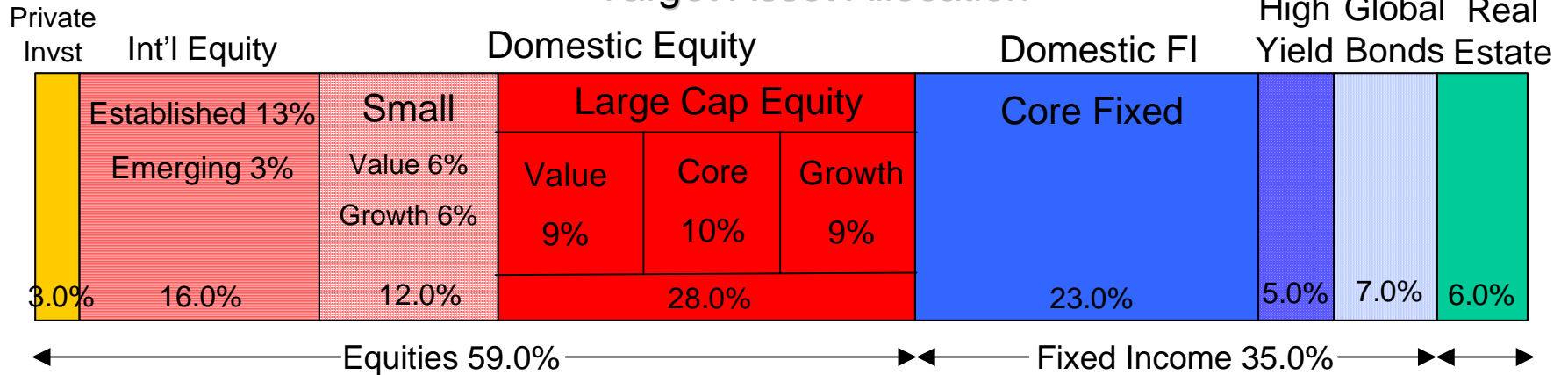


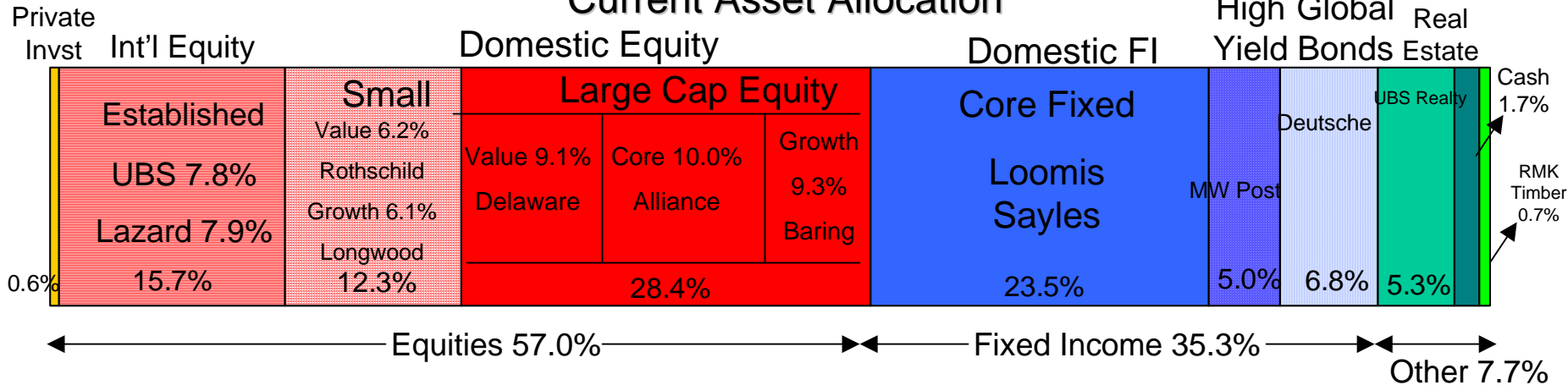
Plan Asset Allocation

As of June 30, 2005

Target Asset Allocation



Current Asset Allocation



Asset Breakdown

	Dom Large Core	Dom Large Value	Dom Large Growth	Dom Small Value	Dom Small Growth	Core Fixed	High Yield	Int'l Equity	Global Bonds	Real Estate	Private Investment	Misc	Cash	Total
Composite	\$110,834	\$100,380	\$103,918	\$132,720	\$0	\$257,530	\$55,032	\$174,424	\$62,904	\$58,838	\$5,630	\$8,350	\$46,598	\$1,117,158
Alliance	110,834	0	0	0	0	0	0	0	0	0	0	0	598	\$111,432
Delaware	0	100,380	0	0	0	0	0	0	0	0	0	0	765	\$101,145
Baring	0	0	103,918	0	0	0	0	0	0	0	0	0	0	\$103,918
Rothschild	0	0	0	69,414	0	0	0	0	0	0	0	0	825	\$70,239
Longwood	0	0	0	63,306	0	0	0	0	0	0	0	0	4,317	\$67,623
Loomis	0	0	0	0	0	257,530	0	0	0	0	0	0	5,471	\$263,001
MW Post	0	0	0	0	0	0	55,032	0	0	0	0	0	710	\$55,742
UBS	0	0	0	0	0	0	0	86,507	0	0	0	0	837	\$87,344
Lazard	0	0	0	0	0	0	0	87,917	0	0	0	0	0	\$87,917
Deutsche	0	0	0	0	0	0	0	0	62,904	0	0	0	13,553	\$76,457
UBS Realty	0	0	0	0	0	0	0	0	0	58,838	0	0	0	\$58,838
Henderson	0	0	0	0	0	0	0	0	0	0	0	0	18,148	\$18,148
Vermont Inv	0	0	0	0	0	0	0	0	0	0	5,630	0	892	\$6,522
RMK Timber	0	0	0	0	0	0	0	0	0	0	0	8,350	0	\$8,350
Cash	0	0	0	0	0	0	0	0	0	0	0	0	482	\$482

(Dollars in 000's)

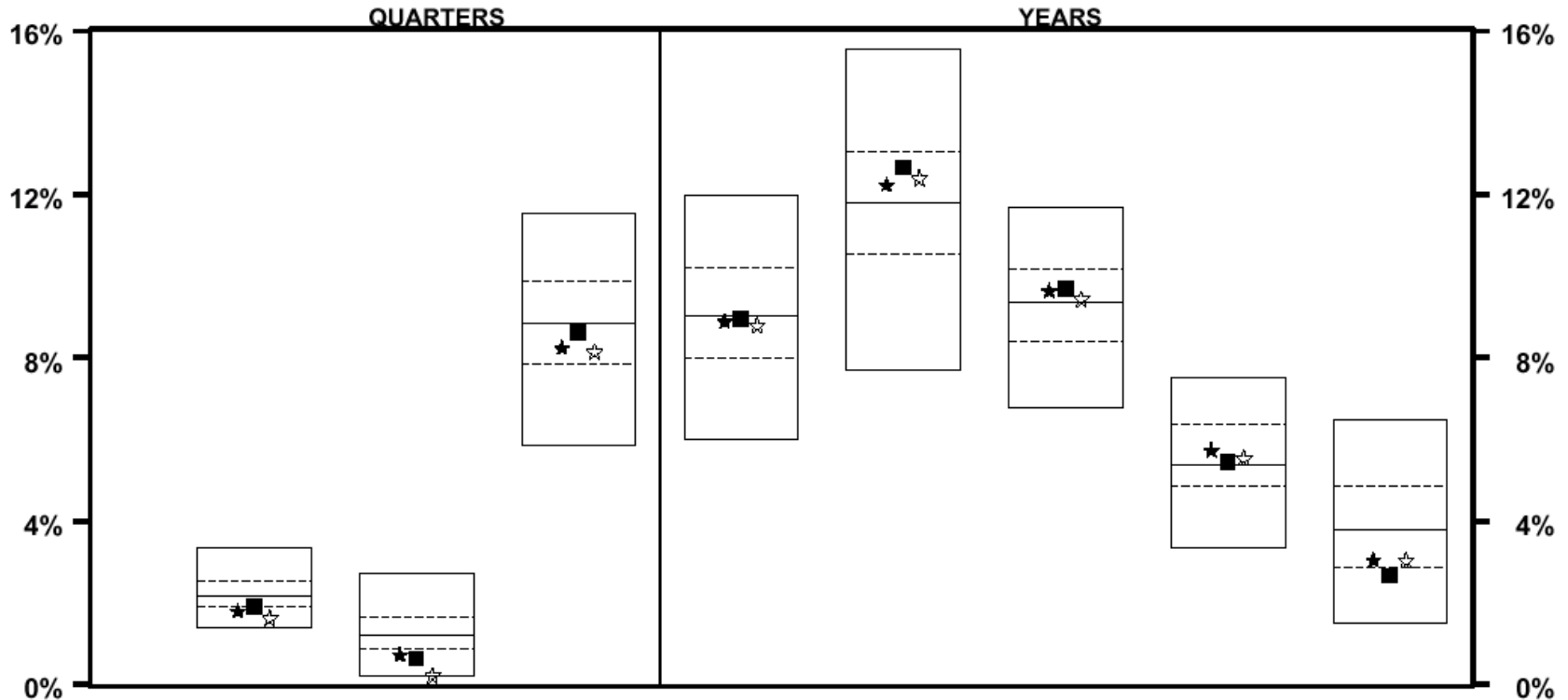
Total Fund Asset Growth Summary

As of June 30, 2005

	<u>LAST QUARTER</u>	<u>YEAR TO DATE</u>	<u>LAST 12 MONTHS</u>	<u>SINCE INCEPTION 3/01</u>
BEGINNING MARKET VALUE	1, 104, 011	1, 118, 630	1, 040, 634	934, 947
NET EXTERNAL GROWTH	- 6, 542	- 9, 377	- 15, 990	- 80, 900
RETURN ON INVESTMENT	19, 689	7, 905	92, 514	263, 111
INCOME RECEIVED	8, 258	15, 429	29, 882	101, 821
GAIN/LOSS	11, 431	- 7, 524	62, 632	161, 290
ENDING MARKET VALUES	1, 117, 158	1, 117, 158	1, 117, 158	1, 117, 158
Return	+1.8%	+0.7%	+8.9%	

Total Public Funds – Total Rates of Return

As of June 30, 2005

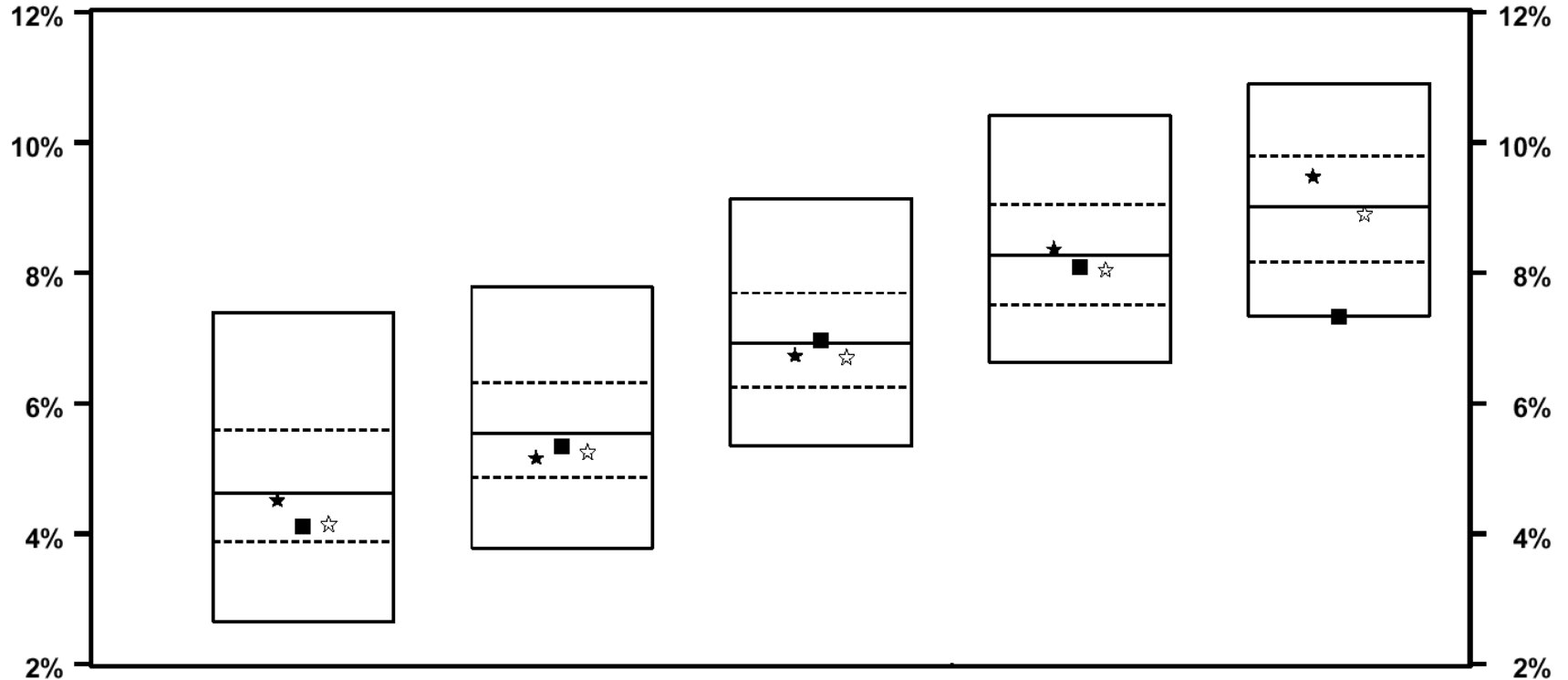


	LAST QTR	LAST 2 QTRS	LAST 3 QTRS	LAST YEAR	LAST 2 YEARS	LAST 3 YEARS	LAST 4 YEARS	LAST 5 YEARS
★ ERS COMPOSITE	1.8 77	0.7 79	8.2 68	8.9 53	12.2 41	9.6 37	5.7 37	3.0 68
■ ALLOC INDEX	1.9 74	0.6 83	8.6 58	8.9 53	12.7 31	9.7 34	5.4 46	2.7 79
☆ POLICY INDEX	1.6 85	0.2 94	8.2 70	8.8 58	12.4 36	9.4 44	5.6 43	3.0 68
MEDIAN	2.2	1.2	8.8	9.0	11.8	9.3	5.4	3.8

- **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

As of June 30, 2005



	LAST 6 YEARS		LAST 7 YEARS		LAST 8 YEARS		LAST 9 YEARS		LAST 10 YEARS	
★ ERS COMPOSITE	4.5	55	5.2	60	6.7	57	8.4	45	9.5	36
■ ALLOC INDEX	4.1	69	5.3	56	7.0	48	8.1	54	7.3	95
☆ POLICY INDEX	4.2	68	5.3	57	6.7	58	8.1	55	8.9	53
MEDIAN	4.6		5.5		6.9		8.3		9.0	

• **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)

Performance Detail (as of 6/30/05)

	2Q05	Public Rank	Large Rank	YTD	Public Rank	Large Rank	Last 1 Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Market Value	% of Portfolio	Annual Fee	
Vermont Composite (GROSS)	1.8%	77	82	0.7%	79	83	8.9%	53	72	9.6%	37	55	3.0%	68	65	\$1,117,158,467	100.0%	0.39%	
Vermont Composite (NET)	1.8%			0.7%			8.8%			9.6%			N/A						
Median Public Fund	2.2%			1.2%			9.0%			9.3%			3.8%						
Median Large Fund	2.3%			1.6%			9.8%			9.7%			3.6%						
Allocation Index	1.9%			0.6%			8.9%			9.7%			2.7%						
Policy Index	1.6%			0.2%			8.8%			9.4%			3.0%						
Large Cap Equity																			
Total Large Cap Equity																\$316,495,474	28.4%		
Alliance	1.4%	45		(0.9%)	83		6.0%	84		8.2%	78		(2.5%)	86		\$111,432,384	10.0%	0.06%	
Standard & Poors 500	1.4%			(0.8%)			6.3%			8.3%			(2.4%)						
Delaware	1.3%	62		0.0%	83		7.4%	81		8.5%	78		7.4%	55		\$101,145,325	9.1%	0.43%	
Russell 1000 Value	1.7%			1.8%			14.1%			11.0%			6.6%						
Baring	3.9%	34		0.2%	33		4.4%	57		7.7%	47		(11.0%)	92		\$103,917,765	9.3%	0.39%	
Russell 1000 Growth	2.5%			(1.7%)			1.7%			7.3%			(10.4%)						
Small Cap Equity																			
Total Small Cap Equity																\$137,861,482	12.3%		
Rothschild	3.5%	64		1.8%	57		14.4%	62		14.4%	76		17.2%	63		\$70,238,403	6.3%	0.63%	
Russell 2500 Value	5.3%			3.1%			17.4%			16.1%			15.8%						
Longwood	3.9%	50		0.4%	43		8.1%	50		N/A			N/A			\$67,623,079	6.1%	0.81%	
Russell 2000 Growth	3.5%			(3.6%)			4.3%			11.4%			(4.5%)						
Russell 2000	4.3%			(1.3%)			9.4%			12.8%			5.7%						
Int'l Equity																			
Total Int'l Equity																\$175,260,976	15.6%		
UBS	(1.0%)	71		(1.5%)	82		14.1%	57		10.9%	72		2.7%	51		\$87,343,585	7.8%	0.60%	
Lazard	(1.0%)	71		(0.9%)	65		14.7%	54		12.1%	62		1.0%	66		\$87,917,391	7.9%	0.50%	
EAFE (After Taxes)	(1.0%)			(1.2%)			13.7%			12.1%			(0.5%)						
CITI EPAC	(0.6%)			(0.7%)			14.7%			12.5%			0.0%						



Note: Results for periods longer than one year are annualized
There may be a slight or no dispersion between Gross-of-fee and Net-of-fee returns. This is due to management fee's being paid from an account not included in the plan.

Performance Detail (as of 6/30/05)

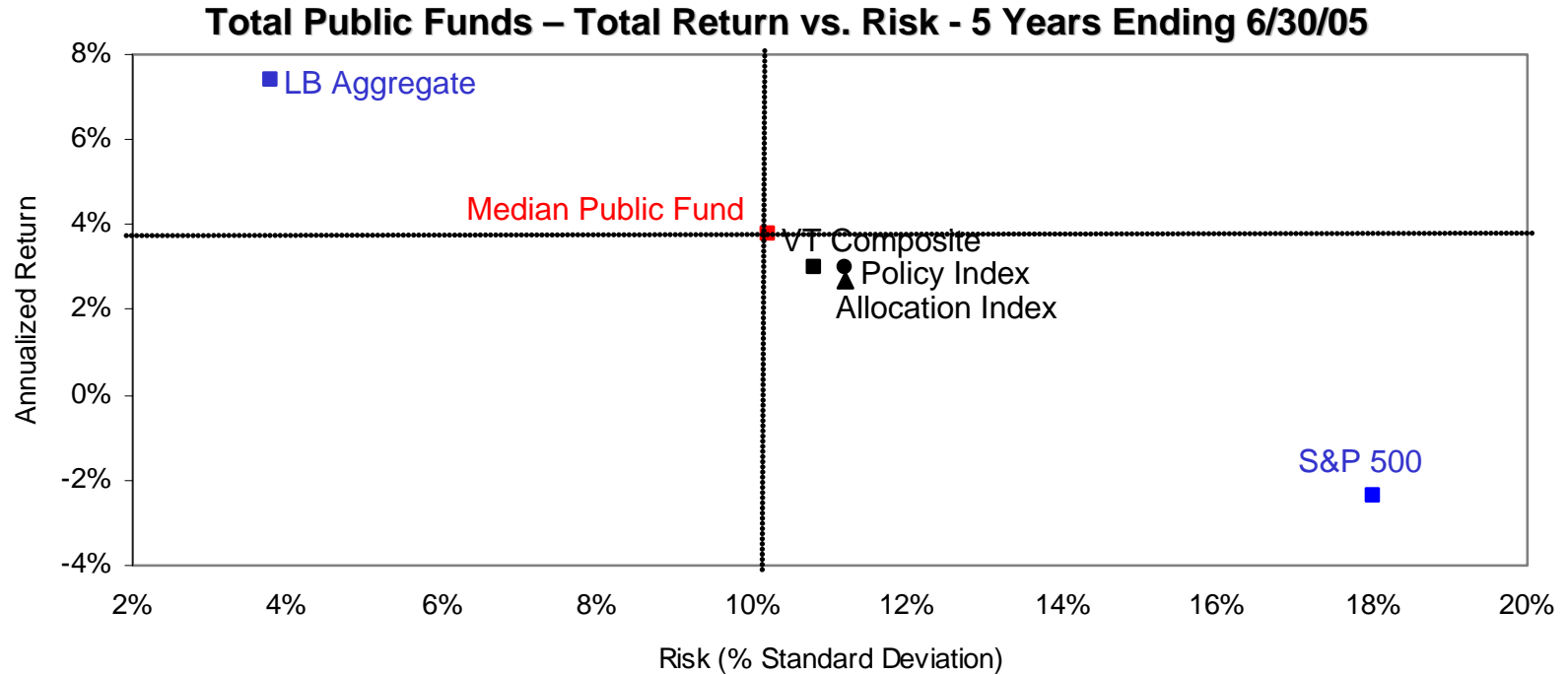
	2Q05	Public Rank	Large Rank	YTD	Public Rank	Large Rank	Last 1 Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Market Value	% of Portfolio	Annual Fee
Core Fixed																		
Total Core Fixed Income																\$263,000,663	23.5%	
Loomis, Sayles	2.6%	80		1.6%	93		6.0%	83		7.4%	11		7.6%	62		\$263,000,663	23.5%	0.15%
Lehman Aggregate Bond	3.0%			2.5%			6.8%			5.8%			7.4%					
Lehman U.S. Credit	3.6%			2.5%			8.2%			7.8%			8.6%					
High Yield Fixed																		
Total High Yield Fixed Income																\$55,741,537	5.0%	
MW Post	2.4%	69		1.5%	27		8.9%	67		N/A			N/A			\$55,741,537	5.0%	0.46%
Lehman High Yield	2.8%			1.1%			10.9%			14.5%			7.5%					
Global Bonds																		
Total Global Bonds																\$76,457,014	6.8%	
Deutsche	(1.7%)	88		(4.3%)	84		7.9%	57		10.1%	52		8.1%	51		\$76,457,014	6.8%	0.28%
CITI World Gov't Bond	(1.4%)			(4.0%)			7.6%			9.8%			7.9%					
Real Estate																		
Total Real Estate																\$58,838,373	5.3%	
UBS Realty	6.5%	26		11.6%	20		20.8%	32		13.7%	32		11.1%	38		\$58,838,373	5.3%	0.90%
NCREIF Property Index	3.5%			7.1%			14.9%			10.0%			9.2%					
Private Investment																		
Vermont Investments	(8.3%)			4.6%			15.7%			(0.2%)			(0.2%)			\$6,522,384	0.6%	
Miscellaneous																		
RMK Timber	0.3%			3.6%			3.8%			4.2%			5.0%			\$8,349,594	0.7%	1%
NCREIF Timber Index	1.8%			7.9%			10.9%			7.0%			3.7%					
Cash																		
Vermont Cash	0.7%			2.4%			3.7%			2.2%			3.6%			\$18,630,970	1.7%	
90 Day U.S. T-Bills	0.7%			1.3%			2.2%			1.6%			2.6%					

Note: Results for periods longer than one year are annualized

There may be a slight or no dispersion between Gross-of-fee and Net-of-fee returns. This is due to management fee's being paid from an account not included in the plan.



Total Fund Risk / Return Analysis



	Annualized Return		Standard Deviation	
	<u>Value</u>	<u>Rank</u>	<u>Value</u>	<u>Rank</u>
Composite	3.0	68	10.8	32
Allocation Index	2.7	79	11.2	25
Policy Index	3.0	68	11.2	25
S&P 500	-2.4		18.0	
LB Aggregate	7.4		3.8	
Median Public Fund	3.8		10.2	