

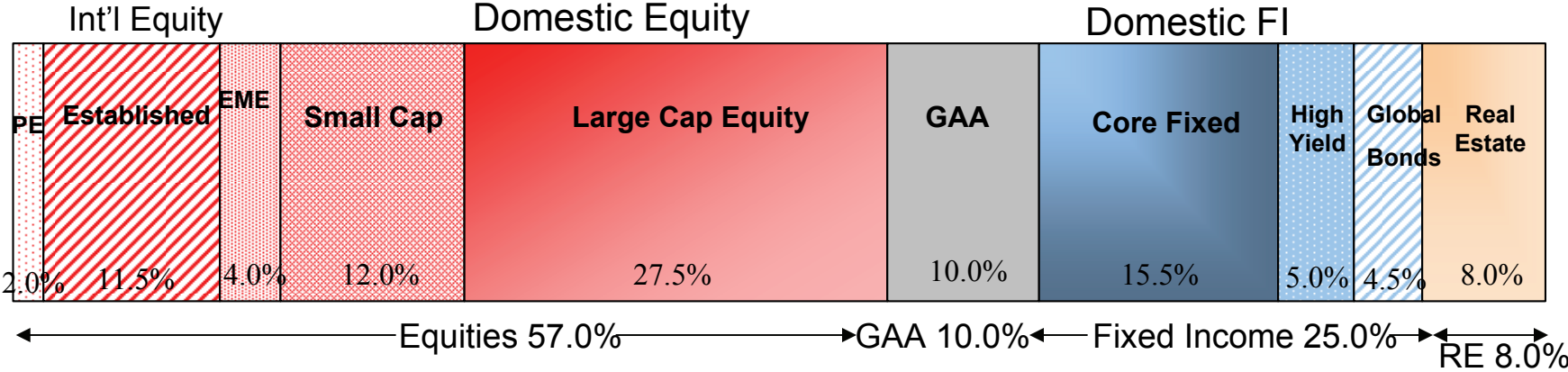
State Teachers' Retirement System of Vermont



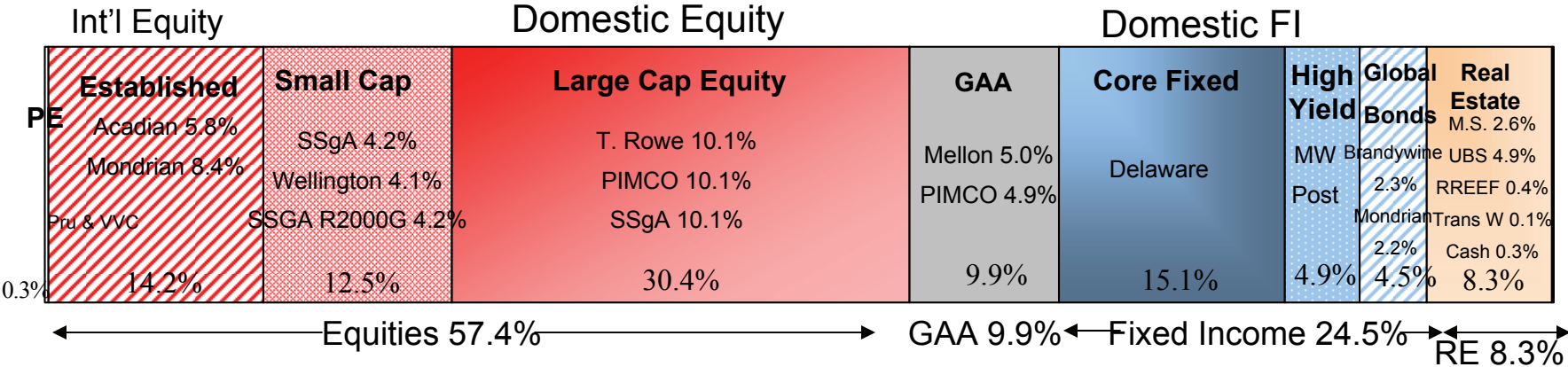
Plan Asset Allocation

As of June 30, 2007

Target Asset Allocation



Current Asset Allocation



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



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	Alt Invest	Private Investment	Cash	Total
Composite	\$498,211	\$68,263	\$67,036	\$69,149	\$247,982	\$80,207	\$232,968	\$72,957	\$135,631	\$162,226	\$5,724	\$923	\$1,641,277
T. Rowe	165,845	0	0	0	0	0	0	0	0	0	0	0	\$165,845
PIMCO	166,277	0	0	0	0	0	0	0	0	0	0	0	\$166,277
SSgA Equal Wgt	166,089	0	0	0	0	0	0	0	0	0	0	0	\$166,089
SSgA R-2500	0	68,263	0	0	0	0	0	0	0	0	0	0	\$68,263
Wellington	0	0	67,036	0	0	0	0	0	0	0	0	0	\$67,036
SSgA R-2000 Growth	0	0	0	69,149	0	0	0	0	0	0	0	0	\$69,149
Acadian	0	0	0	0	0	0	95,288	0	0	0	0	0	\$95,288
Mondrian	0	0	0	0	0	0	137,680	0	0	0	0	0	\$137,680
Delaware	0	0	0	0	247,977	0	0	0	0	0	0	0	\$247,977
MW Post	0	0	0	0	0	80,207	0	0	0	0	0	0	\$80,207
Mondrian	0	0	0	0	0	0	35,784	0	0	0	0	0	\$35,784
Brandywine	0	0	0	0	0	0	37,173	0	0	0	0	0	\$37,173
Morgan Stanely	0	0	0	0	0	0	0	42,674	0	0	0	0	\$42,674
UBS Realty	0	0	0	0	0	0	0	79,767	0	0	0	0	\$79,767
RREEF	0	0	0	0	0	0	0	6,261	0	0	0	0	\$6,261
Transwestern	0	0	0	0	0	0	0	1,599	0	0	0	0	\$1,599
Real Estate Cash	0	0	0	0	0	0	0	5,330	0	0	0	0	\$5,330
Mellon GAA	0	0	0	0	0	0	0	0	81,397	0	0	0	\$81,397
PIMCO AA	0	0	0	0	0	0	0	0	80,829	0	0	0	\$80,829
Pru & VVC	0	0	0	0	0	0	0	0	0	5,724	0	0	\$5,724
Vermont Investment	0	0	0	0	5	0	0	0	0	0	0	923	\$928

(Dollars in 000's)

Total Fund Asset Growth Summary

Periods Ending June 30, 2007

TEACHERS' RETIREMENT SYSTEM COMPOSITE

	Last Quarter	Year to Date	Last Twelve Months	Since Inception 03/2001
Beginning Market Value	1,593,269	1,576,317	1,427,247	1,106,102
Net External Growth	-15,724	-35,843	-35,321	-178,760
Return on Investment	63,732	100,803	249,351	713,935
Income Received	26	313	959	140,118
Gain/Loss	63,706	100,490	248,392	573,817
Ending Market Value	1,641,277	1,641,277	1,641,277	1,641,277

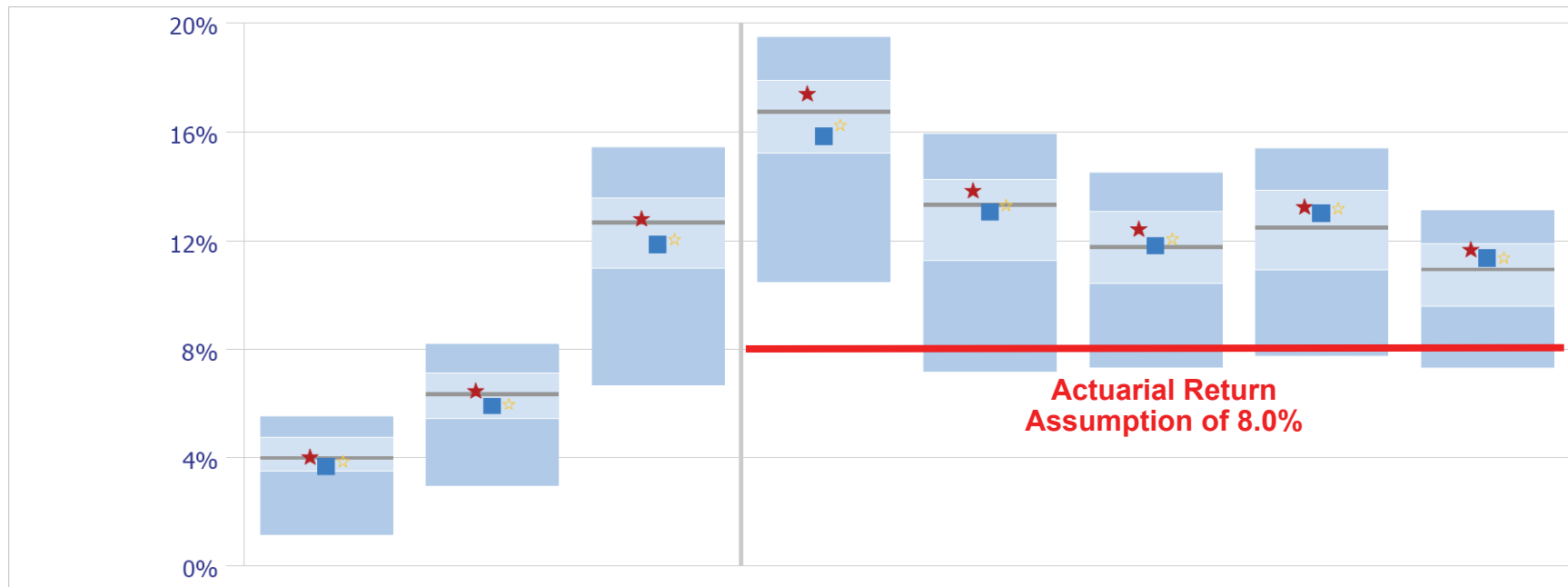
Return +4.0% +6.5% +17.4%



Total Public Funds – Total Rates of Return

Periods Ending June 30, 2007

Total Returns



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
★ TRS COMPOSITE	4.0	48	6.5	45	12.8	45	17.4	36	13.8	33	12.4	35	13.2	33	11.7	28
■ ALLOC INDEX	3.7	62	5.9	60	11.9	62	15.9	67	13.1	52	11.8	49	13.0	39	11.4	35
☆ POLICY INDEX	3.9	56	6.0	57	12.1	59	16.3	58	13.3	49	12.1	43	13.2	36	11.4	35
Median	4.0		6.3		12.7		16.8		13.3		11.8		12.5		10.9	
MEDIAN > \$500M	4.3		6.8		13.1		17.4		14.0		12.7		13.5		11.5	

•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.

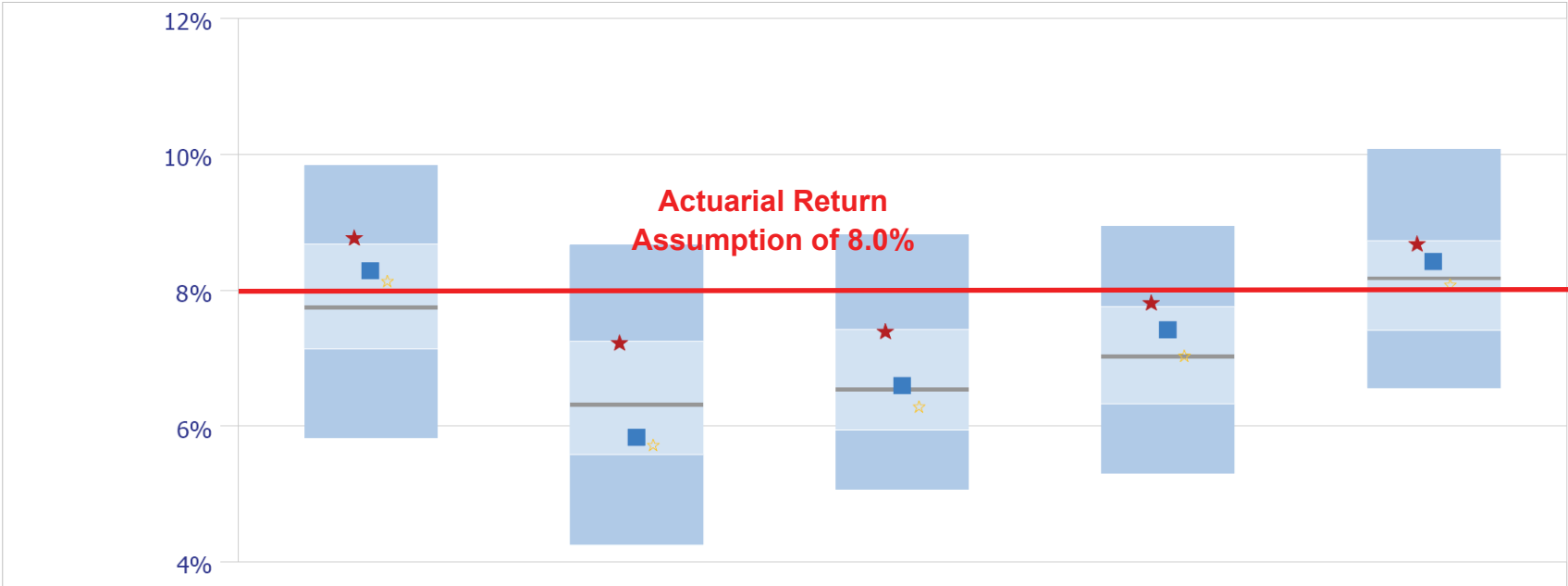
•Composite: Actual composite return = actual asset class weights times the actual manager return. Measures the effectiveness of the managers. (Actual composite return - Allocation Index)



Total Public Funds – Total Rates of Return

Periods Ending June 30, 2007

Total Returns



	Six Years	Seven Years	Eight Years	Nine Years	Ten Years
★ TRS COMPOSITE	8.8 22	7.2 25	7.4 26	7.8 24	8.7 26
■ ALLOC INDEX	8.3 36	5.8 62	6.6 49	7.4 39	8.4 38
☆ POLICY INDEX	8.1 44	5.7 68	6.3 60	7.0 48	8.1 53
Median	7.8	6.3	6.5	7.0	8.2
MEDIAN > \$500M	8.3	6.3	6.9	7.3	8.3

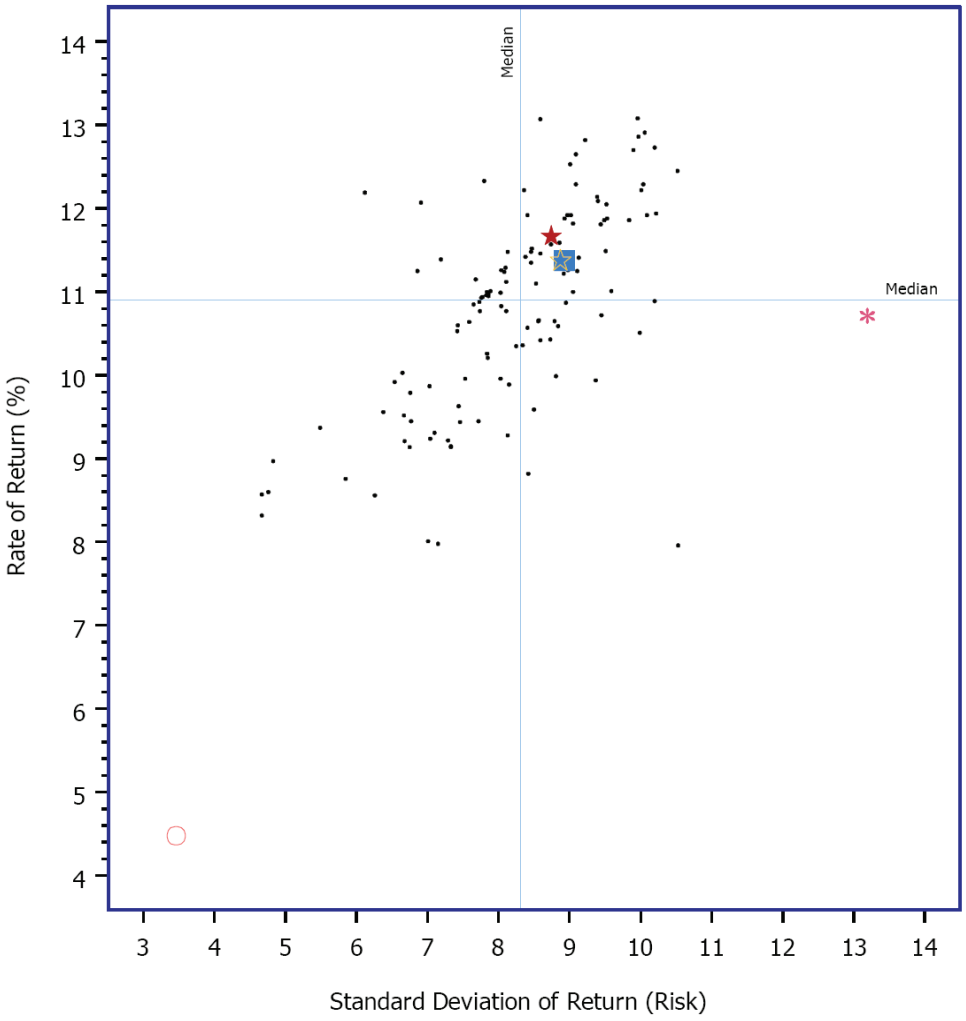
•Policy Index: Measures the effectiveness of Plan Structure. (Target asset class weights X Return of the respective passive benchmark)
 •Allocation Index: Measures the effectiveness of deviating from the target policy weights. (Policy Index - Allocation Index) Allocation Index = weighted average return 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

5 Years Ending June 30, 2007

Total Public Funds - Total Returns



	Return	Standard Deviation	Sharpe Ratio
★ TRS COMPOSITE	11.7	8.7	1.0
■ ALLOC INDEX	11.4	8.9	1.0
☆ POLICY INDEX	11.4	8.9	1.0
* S&P 500	10.7	13.2	0.6
○ LB AGGREGATE	4.5	3.5	0.5
Median	10.9	8.3	1.0

Funded status as of Fiscal Year 2006 = 84.6%



VPIC Managers

State of Vermont

Investment Performance "Flash" Report Periods Ending September 30, 2007

	<u>Quarter</u>	<i>Public</i> Rank	<i>Large</i> Rank	<u>YTD</u>	<i>Public</i> Rank	<i>Large</i> Rank	<u>Last</u> <u>Year</u>	<i>Public</i> Rank	<i>Large</i> Rank	<u>Last</u> <u>3 Years</u>	<i>Public</i> Rank	<i>Large</i> Rank	<u>Last</u> <u>5 Years</u>	<i>Public</i> Rank	<i>Large</i> Rank	<u>Fiscal</u> <u>YTD</u>	<u>Market Value</u>	<u>% of Total</u> <u>Portfolio</u>	<u>Fee</u>
Teachers' Composite																			
Teachers' Composite	1.5%	75	79	8.1%	66	77	14.5%	60	71	12.8%	47	71	14.2%	30	52	1.5%	\$1,685,170,086	100%	0.38%
<i>Allocation Index</i>	1.6%			7.6%			13.6%			12.3%			13.9%			1.6%			
<i>Policy Index</i>	2.0%			8.1%			14.3%			12.7%			14.1%			2.0%			
Employees' Composite																			
Employees' Composite	1.7%	65	73	7.8%	68	80	13.7%	68	79	12.4%	48	80	13.8%	40	64	1.7%	\$1,406,755,760	100%	0.39%
<i>Allocation Index</i>	1.7%			7.3%			13.2%			11.9%			13.5%			1.7%			
<i>Policy Index</i>	2.1%			7.8%			13.7%			12.0%			13.6%			2.1%			
Municipal Composite																			
Municipal Composite	1.7%	65		7.7%	70		13.7%	69		12.6%	55		13.1%	61		1.7%	\$336,546,961	100%	0.40%
<i>Allocation Index</i>	1.7%			7.3%			13.0%			11.9%			13.3%			1.7%			
<i>Policy Index</i>	2.1%			7.8%			13.5%			12.3%			13.7%			2.1%			

Note: Returns are gross of manager fees. Results for periods longer than one year are annualized.



State of Vermont

Investment Performance "Flash" Report Periods Ending September 30, 2007

	Quarter	Rank	YTD	Rank	Last Year	Rank	Last 3 Years	Rank	Last 5 Years	Rank	Fiscal YTD	Market Value	% of ERS Portfolio	% of TRS Portfolio	% of MRS Portfolio	VPIC Inception Date	Annual Fee	
Large Cap Equity																		
Large Cap Equity Composite - Employees'	1.8%	42	9.8%	40	17.3%	42	14.1%	53	15.8%	70	1.8%	\$375,235,113	26.7%	-	-			
Large Cap Equity Composite - Teachers'	1.1%	48	9.2%	48	16.7%	46	13.0%	75	15.1%	85	1.1%	\$509,777,311	-	30.3%	-			
Large Cap Equity Composite - Municipal	1.8%	42	9.8%	40	17.3%	42	15.2%	40	15.4%	83	1.8%	\$87,728,919	-	-	26.1%			
Standard & Poors 500	2.0%		9.1%		16.4%		13.1%		15.5%		2.0%							
T. Rowe	2.1%	21	10.1%	17	17.9%	31	n/a		n/a		2.1%	\$356,932,055	10.7%	10.2%	10.4%	Dec-05	0.30%	
PIMCO	3.1%	6	10.8%	13	18.0%	30	n/a		n/a		3.1%	\$357,699,431	10.8%	10.1%	10.4%	Dec-05	0.33%	
Standard & Poors 500	2.0%		9.1%		16.4%		13.1%		15.5%		2.0%							
SSgA	(2.2)%	97	6.3%	87	13.9%	79	n/a		n/a		(2.2)%	\$258,109,857	5.2%	9.9%	5.2%	Dec-05	0.05%	
S&P 500 Equal Weighted	(1.9)%		6.8%		14.3%		14.5%		20.1%		(1.9)%							
Small Cap Equity																		
Small Cap Equity Composite - Employees'	(2.1)%	78	6.2%	74	14.2%	72	11.8%	87	16.0%	69	(2.1)%	\$170,739,954	12.1%	-	-			
Small Cap Equity Composite - Teachers'	(2.2)%	79	6.1%	74	14.1%	73	12.0%	86	15.9%	70	(2.2)%	\$205,005,653	-	12.2%	-			
Small Cap Equity Composite - Municipal	(2.1)%	78	6.2%	74	14.2%	72	12.0%	86	16.5%	63	(2.1)%	\$35,154,115	-	-	10.4%			
Russell 2000	(3.1)%		3.2%		12.4%		13.4%		18.7%		(3.1)%							
SSgA 2500	(2.5)%	35	5.9%	47	15.0%	47	n/a		n/a		(2.5)%	\$137,033,474	4.0%	4.1%	3.5%	Dec-05	0.07%	
Russell 2500	(2.5)%		6.0%		15.2%		15.0%		19.5%		(2.5)%							
Wellington	(4.0)%	31	4.1%	33	13.1%	32	16.4%	4	n/a		(3.9)%	\$134,657,995	4.0%	4.0%	3.4%	Dec-05	0.50%	
Russell 2000 Value	(6.3)%		(2.7)%		6.1%		12.5%		18.7%		(6.3)%							
SSgA Russell 2000 Growth	(0.0)%	63	n/a		n/a		n/a		n/a		(0.0)%	\$139,208,253	4.1%	4.1%	3.5%	Dec-06	0.10%	
Russell 2000 Growth	0.0%		9.4%		18.9%		14.1%		18.7%		0.0%							
International Equity																		
International Equity Composite - Employees'	1.4%	58	12.5%	62	25.2%	57	25.1%	44	24.3%	60	1.4%	\$ 203,021,226	14.4%	-	-			
International Equity Composite - Teachers'	1.4%	58	12.4%	64	24.9%	60	25.4%	40	25.2%	51	1.4%	\$ 238,286,474	-	14.1%	-			
International Equity Composite - Municipal	1.4%	58	12.5%	62	25.2%	57	24.5%	46	24.2%	60	1.4%	\$ 48,643,839	-	-	14.5%			
Acadian	1.4%	60	12.8%	60	26.7%	43	n/a		n/a		1.4%	\$222,226,207	7.2%	5.7%	7.2%	Oct-05	0.48%	
Mondrian	1.5%	58	12.1%	68	23.7%	67	24.1%	51	25.9%	30	1.5%	\$267,725,332	7.2%	8.4%	7.2%	Oct-05	0.36%	
EAFE (After Taxes)	2.2%		13.2%		24.9%		23.2%		23.6%		2.2%							
CITI EPAC	2.7%		14.5%		25.5%		24.0%		24.0%		2.7%							
Core Fixed Income																		
Delaware**	2.1%	88	3.3%	85	4.7%	84	4.2%	48	5.3%	21	2.1%	\$622,709,241	20.1%	15.3%	24.1%	Apr-06	0.33%	
LB Aggregate	2.8%		3.8%		5.1%		3.9%		4.1%		2.8%							
High Yield Fixed Income																		
MW Post	1.2%	38	4.8%	13	8.3%	30	7.2%	42	n/a		1.2%	\$172,628,727	5.0%	5.1%	4.9%	Apr-06	0.42%	
LB High Yield	0.3%		3.2%		7.6%		7.5%		12.7%		0.3%							
Global Fixed Income																		
Brandywine	5.8%	47	8.0%	2	11.0%	6	n/a		n/a		5.8%	\$76,819,892	2.3%	2.3%	1.4%	May-06	0.42%	
Mondrian**	7.5%	11	6.9%	41	9.4%	32	5.0%	55	7.2%	63	7.4%	\$76,787,500	2.4%	2.3%	1.3%	May-06	0.36%	
CITI WGBI	7.2%		6.8%		8.7%		4.6%		7.0%		7.2%							

Note: Returns are gross of manager fees. Results for periods longer than one year are annualized.

* Performance results should be consider preliminary.

** Annualized returns includes historic performance from the legacy global portfolio.



State of Vermont

Investment Performance "Flash" Report Periods Ending September 30, 2007

	<u>Quarter</u>	<i>Rank</i>	<u>YTD</u>	<i>Rank</i>	<u>Last Year</u>	<i>Rank</i>	<u>Last 3 Years</u>	<i>Rank</i>	<u>Last 5 Years</u>	<i>Rank</i>	<u>Fiscal YTD</u>	<u>Market Value</u>	<u>% of ERS Portfolio</u>	<u>% of TRS Portfolio</u>	<u>% of MRS Portfolio</u>	<u>VPIC Inception Date</u>	<u>Annual Fee</u>
Real Estate^																	
Total Real Estate													6.2%	8.0%	7.1%		
Morgan Stanley	2.1%	51	13.7%	26	19.1%	21	19.5%	32	16.8%	26	2.1%	\$79,536,468	2.0%	2.6%	2.3%	Sep-06	0.88%
UBS Realty	2.3%	50	11.8%	39	17.8%	32	18.0%	45	15.1%	39	2.3%	\$149,168,390	3.8%	4.8%	4.3%	Sep-06	0.90%
RREEF	6.8%	6	18.0%	12	25.6%	9	n/a		n/a		6.8%	\$12,116,121	0.3%	0.4%	0.3%	Sep-06	
Transwestern / Asian	0.0%	68	9.2%	53	0.6%	92	n/a		n/a		0.0%	\$2,928,267	0.1%	0.1%	0.1%	Sep-06	
Real Estate Cash	1.5%		4.2%		4.7%		n/a		n/a		1.5%	\$2,042,477	0.1%	0.1%	0.1%	Sep-06	
<i>NCREIF Property Index</i>	3.6%		12.2%		17.3%		18.0%		14.8%		3.6%						
Private Investment																	
Pru & VVC	1.4%		5.8%		16.5%		7.4%		2.3%		1.4%	\$5,688,626	0.0%	0.3%	0.0%		
Vermont Investments	0.2%		9.2%		(39.8)%		(10.9)%		(8.9)%		0.2%	\$3,032,170	0.2%	0.0%	0.0%		
Alternative Investments	0.0%		n/a		n/a		n/a		n/a		0.0%	\$474,144	0.0%	0.0%	0.1%		
RMK Timber^	5.0%		0.2%		10.1%		22.4%		14.1%		5.0%	\$2,811,434	0.2%	0.0%	0.0%		1.00%
<i>NCREIF Timber Index^</i>	2.3%		10.9%		11.9%		15.2%		11.2%		2.3%						
Global Asset Allocation																	
Mellon Global Alpha	2.7%		5.7%		13.5%		n/a		n/a		2.7%	\$172,672,775	5.1%	5.0%	5.1%	May-06	0.65%
<i>60%MSCI World / 40% CITI WGBI</i>	2.8%		8.2%		13.8%		12.2%		13.0%		2.8%						
Pimco All Asset	4.1%		7.8%		10.2%		n/a		n/a		4.1%	\$174,007,466	5.1%	5.1%	5.0%	May-06	0.83%
<i>T-Bill + 5%</i>	2.6%		7.8%		10.4%		9.3%		8.1%		2.6%						
Cash																	
Employees' Cash	1.9%		4.8%		6.2%		6.5%		4.4%		1.9%	\$866,599	0.1%	0.0%	0.0%		
Teachers' Cash	1.9%		4.9%		6.4%		5.5%		4.2%		1.9%	\$398,912	0.0%	0.0%	0.0%		
Municipal Cash	1.8%		4.9%		6.2%		5.1%		3.5%		1.8%	\$190,994	0.0%	0.0%	0.1%		
<i>90 Day U.S. T-Bills</i>	1.3%		3.9%		5.2%		4.1%		2.9%		1.3%						

Note: Returns are gross of manager fees. Results for periods longer than one year are annualized.

^ Returns reported on a quarterly basis.

