



State Teachers' Retirement System of Vermont

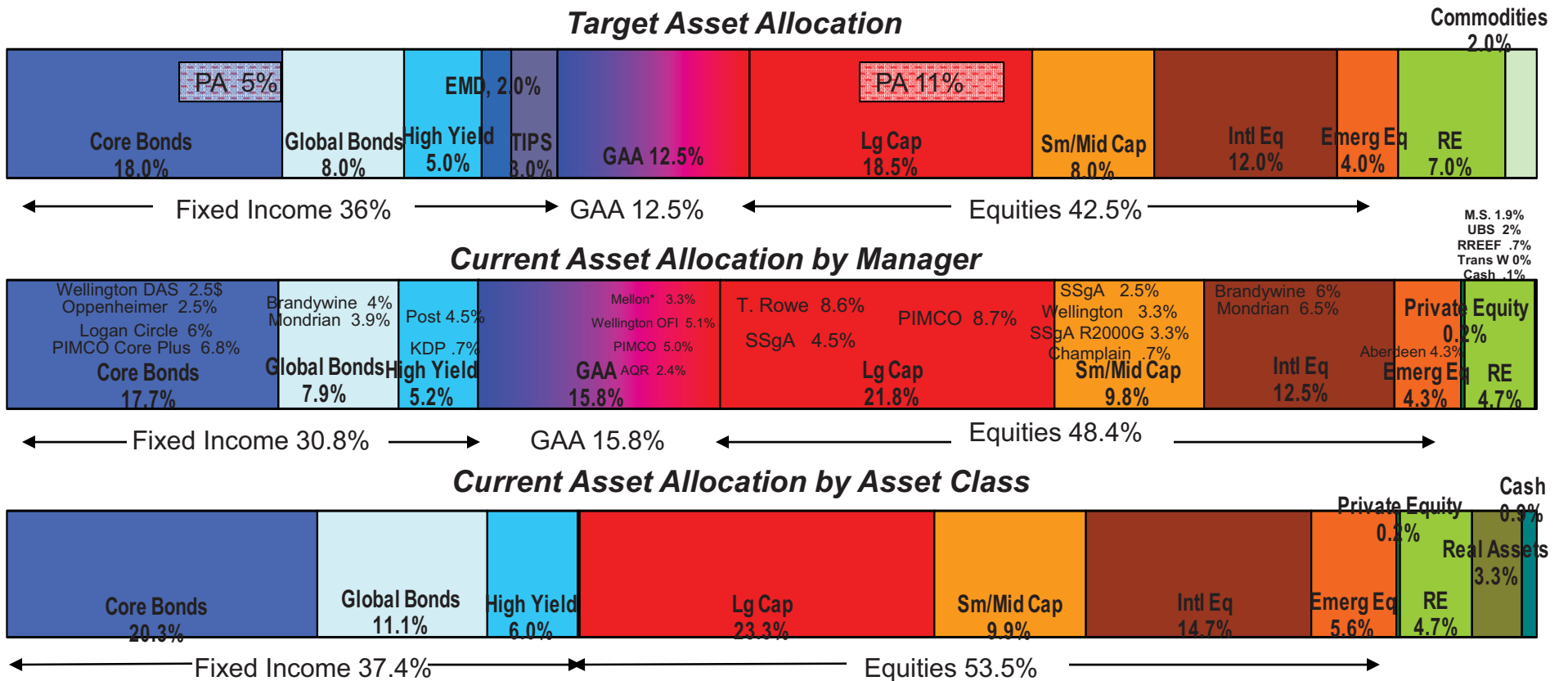
Vermont Pension Investment Committee

Plan Asset Allocation

Period Ending September 30, 2009



Asset Allocation



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

* See disclosure pages in appendix under manager analysis

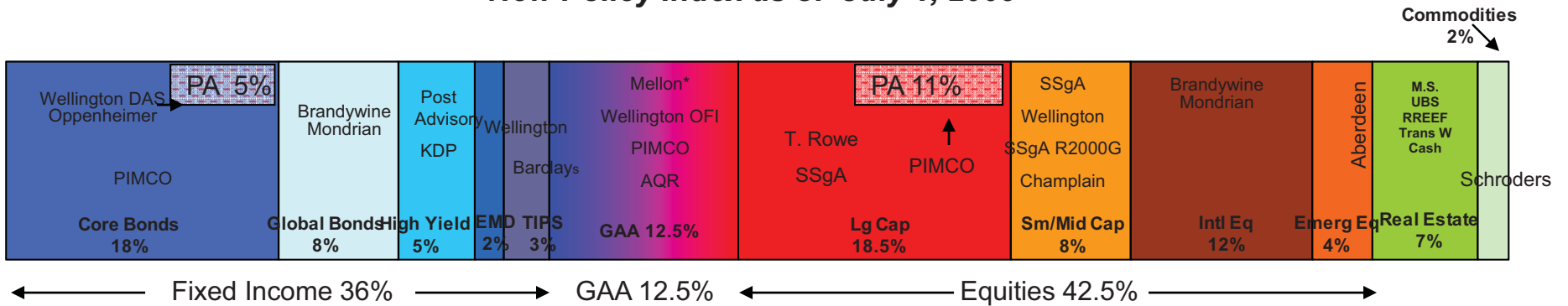
Vermont Pension Investment Committee

New Policy Asset Allocation and Risk Budgeting
 Period Ending September 30, 2009

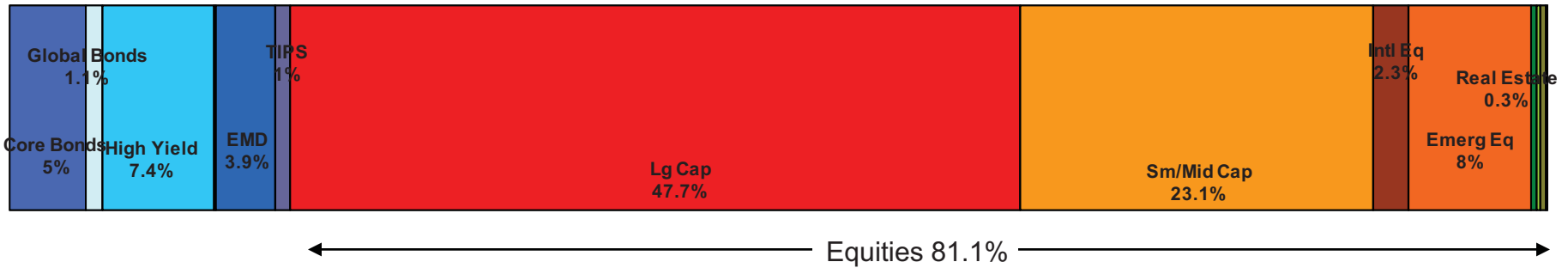


Asset Allocation

New Policy Index as of July 1, 2009



Actual Risk Allocation



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

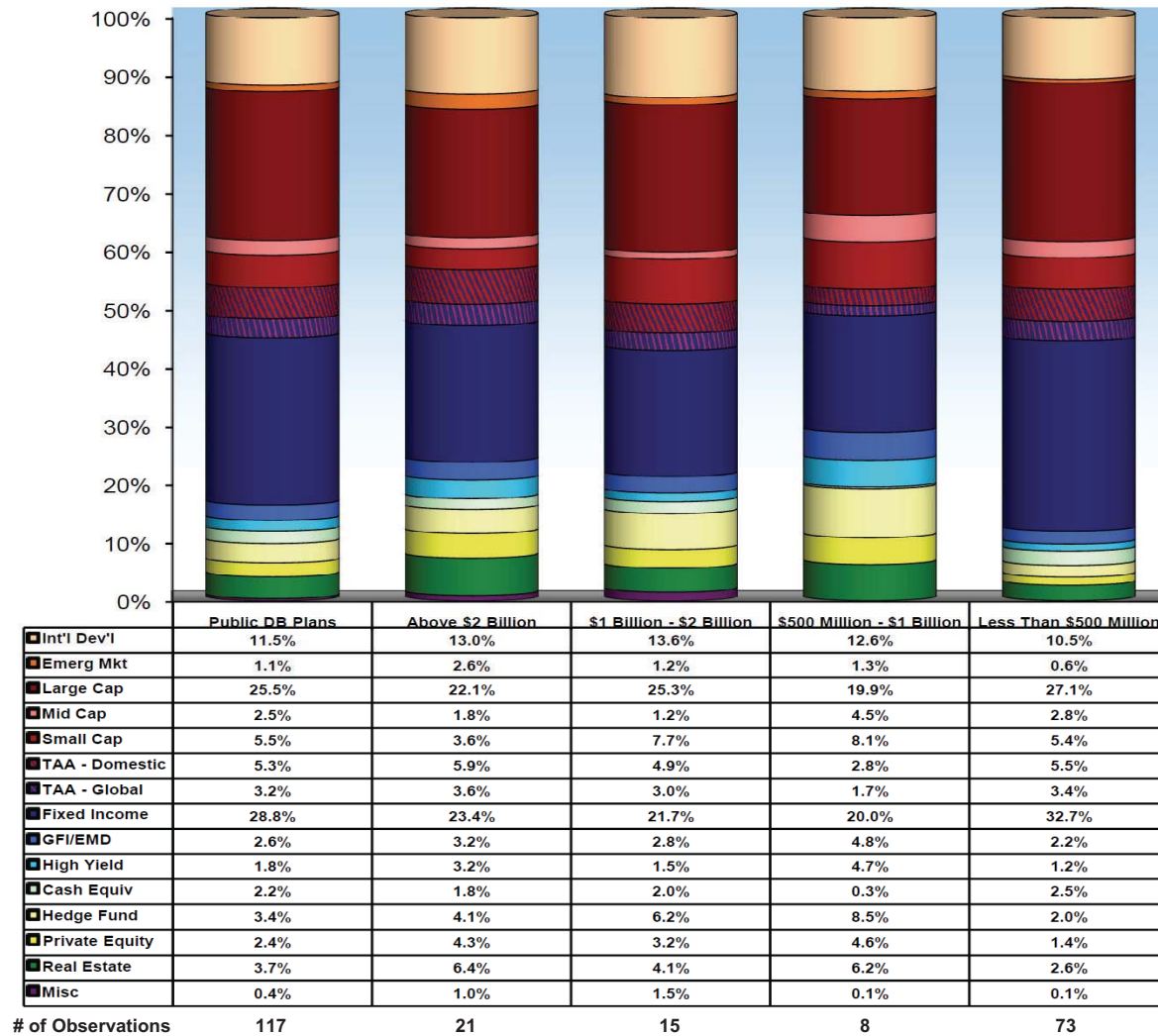
* See disclosure pages in appendix under manager analysis

ICC Public DB Plans – Average Asset Allocation

Period Ending June 30, 2009



Asset Allocation



Disclosure:

Allocations may not add to 100% due to rounding. Average asset allocations shown include all portfolios submitted to the ICC universe as of 9/25/09 for periods ending 6/30/09. 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 without an asset allocation.



Asset Breakdown

	Domestic Large Core	Domestic Smid	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	\$288,375	\$9,630	\$33,135	\$43,361	\$43,343	\$234,597	\$68,709	\$222,420	\$104,262	\$62,636	\$209,259	\$3,108	\$409	\$1,323,244
T. Rowe	113,488	0	0	0	0	0	0	0	0	0	0	0	0	\$113,488
PIMCO	115,656	0	0	0	0	0	0	0	0	0	0	0	0	\$115,656
SSgA Equal Wgt	59,231	0	0	0	0	0	0	0	0	0	0	0	0	\$59,231
Champlain	0	9,630	0	0	0	0	0	0	0	0	0	0	0	\$9,630
SSgA R-2500	0	0	33,135	0	0	0	0	0	0	0	0	0	0	\$33,135
Wellington	0	0	0	43,361	0	0	0	0	0	0	0	0	0	\$43,361
SSgA R-2000 Growth	0	0	0	0	43,343	0	0	0	0	0	0	0	0	\$43,343
Acadian	0	0	0	0	0	0	0	79,665	0	0	0	0	0	\$79,665
Mondrian	0	0	0	0	0	0	0	86,270	0	0	0	0	0	\$86,270
Aberdeen	0	0	0	0	0	0	0	56,485	0	0	0	0	0	\$56,485
Logan Circle	0	0	0	0	0	79,257	0	0	0	0	0	0	0	\$79,257
Oppenheimer	0	0	0	0	0	32,902	0	0	0	0	0	0	0	\$32,902
Wellington DAS	0	0	0	0	0	32,568	0	0	0	0	0	0	0	\$32,568
PIMCO Core Plus	0	0	0	0	0	89,870	0	0	0	0	0	0	0	\$89,870
Post Advisory	0	0	0	0	0	0	59,079	0	0	0	0	0	0	\$59,079
KDP	0	0	0	0	0	0	9,630	0	0	0	0	0	0	\$9,630
Mondrian	0	0	0	0	0	0	0	0	51,963	0	0	0	0	\$51,963
Brandywine	0	0	0	0	0	0	0	0	52,299	0	0	0	0	\$52,299
Morgan Stanley	0	0	0	0	0	0	0	0	0	25,331	0	0	0	\$25,331
UBS Realty	0	0	0	0	0	0	0	0	0	26,676	0	0	0	\$26,676
RREEF	0	0	0	0	0	0	0	0	0	8,860	0	0	0	\$8,860
Transwestern	0	0	0	0	0	0	0	0	0	230	0	0	0	\$230
Real Estate Cash	0	0	0	0	0	0	0	0	0	1,539	0	0	0	\$1,539
Mellon GA 1	0	0	0	0	0	0	0	0	0	0	43,856	0	0	\$43,856
PIMCO AA	0	0	0	0	0	0	0	0	0	0	66,137	0	0	\$66,137
Wellington OIF	0	0	0	0	0	0	0	0	0	0	67,156	0	0	\$67,156
AQR	0	0	0	0	0	0	0	0	0	0	32,110	0	0	\$32,110
Pru & VVC	0	0	0	0	0	0	0	0	0	0	0	3,108	0	\$3,108
Vermont Cash	0	0	0	0	0	0	0	0	0	0	0	0	409	\$409

(Dollars in 000's)

VERMONT PENSION INVESTMENT COMMITTEE

Teachers' Retirement System
 Period Ending September 30, 2009



Total Fund Asset Growth Summary

	One Quarter	Year to Date	One Year	Since Inception
TRS COMPOSITE				
Beginning Market Value	1,139,265	1,106,394	1,358,851	1,106,102
Net External Growth	15,222	-31,086	-47,106	-258,256
Return on Investment	168,758	247,936	11,500	475,399
Income Received	44	746	827	141,519
Gain/Loss	168,714	247,190	10,673	333,880
Ending Market Value	1,323,245	1,323,245	1,323,245	1,323,245
Return	14.2%	22.7%	1.4%	



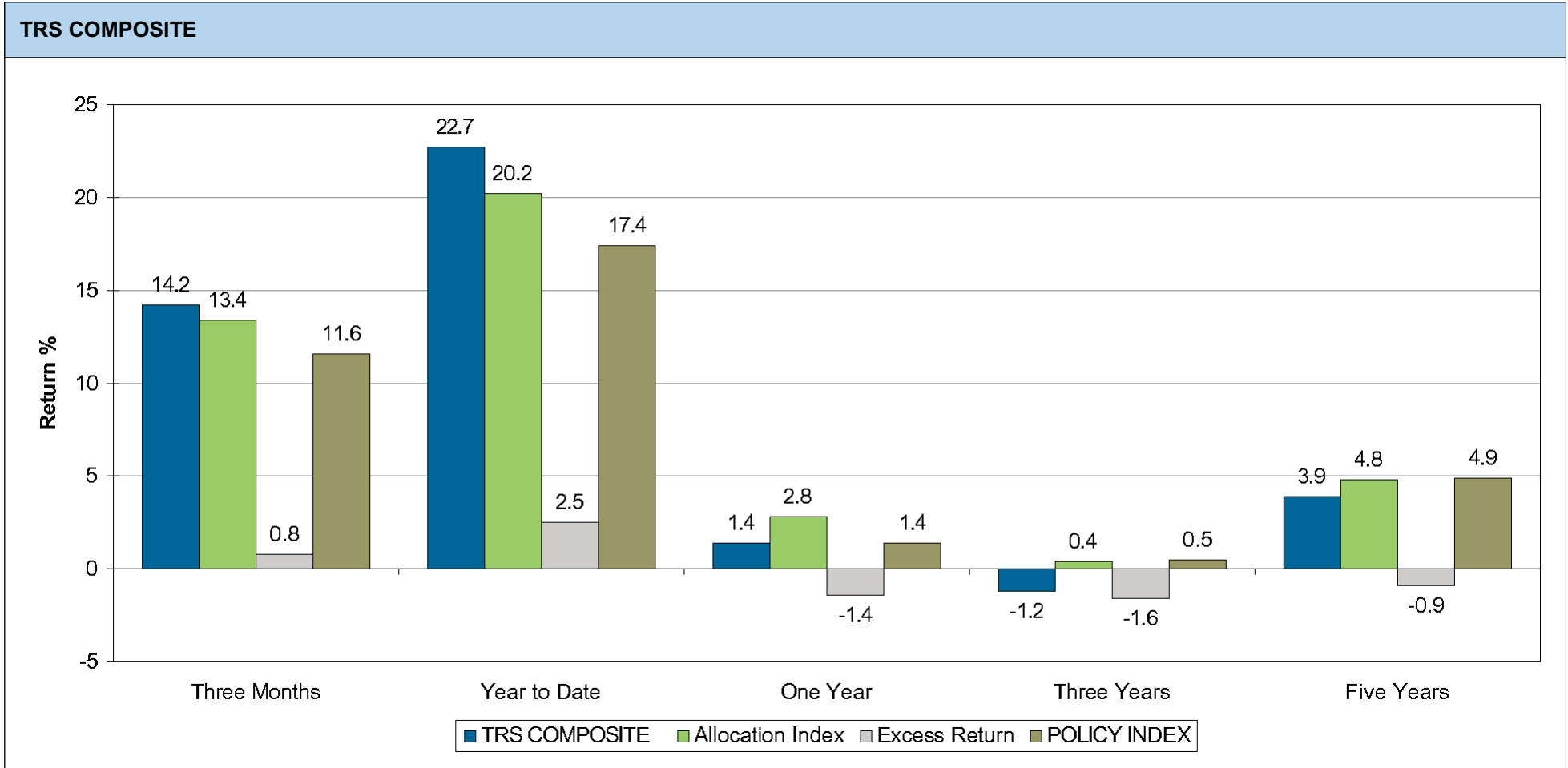
VERMONT PENSION INVESTMENT COMMITTEE

POLICY INDEX

Benchmark:

Periods Ending September 30, 2009

Fund Performance vs. Benchmark



* Performance shown is gross of manager fees.

** Results for periods longer than one year are annualized.

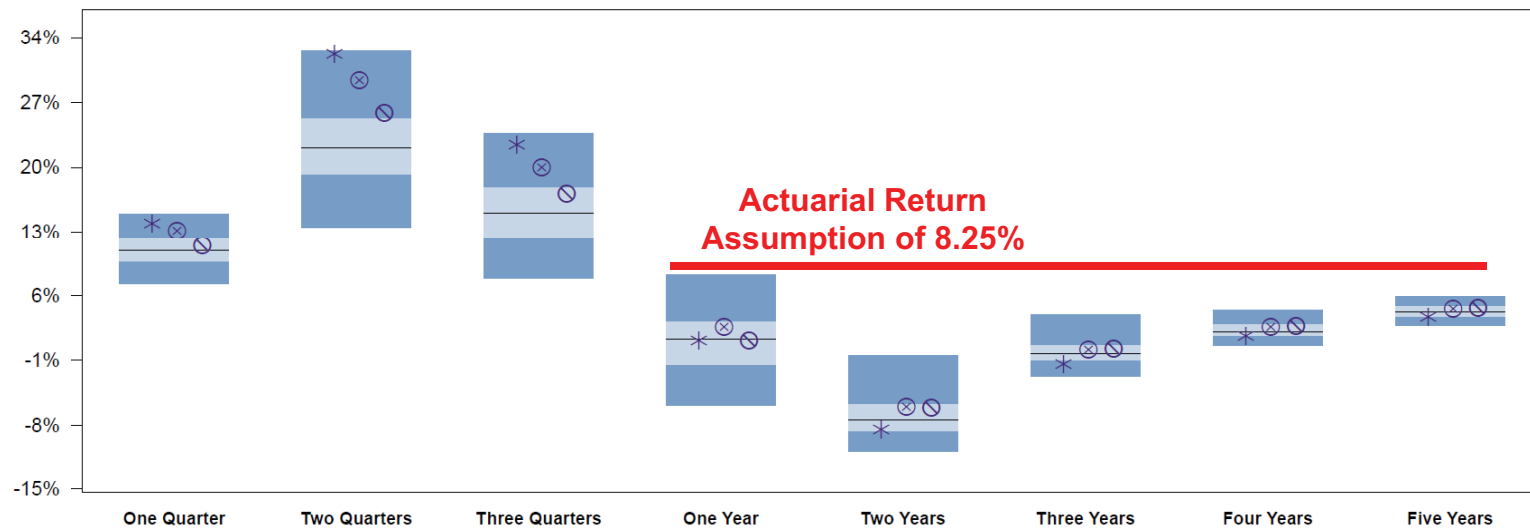


VERMONT PENSION INVESTMENT COMMITTEE

Teachers' Retirement System
Period Ending September 30, 2009



Total Public Funds – Total Rates of Return



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
* TRS COMPOSITE	14.2	7	32.5	6	22.7	8	1.4	49	-8.2	63	-1.2	77	1.8	67	3.9	62
⊗ Allocation Index	13.4	12	29.6	12	20.2	17	2.8	28	-5.8	27	0.4	30	2.8	32	4.8	30
⊙ POLICY INDEX	11.6	36	26.1	21	17.4	30	1.4	50	-5.9	29	0.5	28	2.9	28	4.9	25
5th Percentile	15.0		32.6		23.7		8.2		-0.5		3.9		4.4		5.9	
25th Percentile	12.3		25.4		17.9		3.2		-5.7		0.7		2.9		4.9	
50th Percentile	10.9		22.1		15.1		1.3		-7.4		-0.3		2.1		4.2	
75th Percentile	9.6		19.2		12.1		-1.6		-8.7		-1.1		1.6		3.6	
95th Percentile	7.3		13.5		7.8		-5.9		-11.0		-2.7		0.6		2.7	

•*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*)

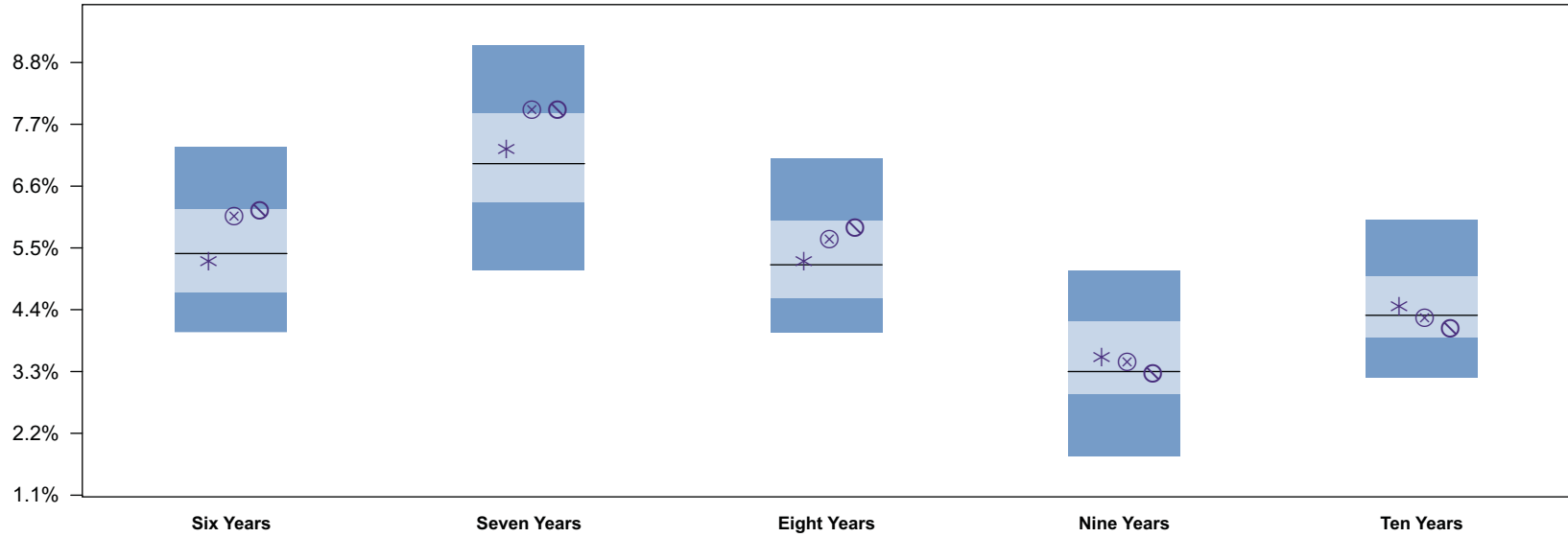
VERMONT PENSION INVESTMENT COMMITTEE

Total Fund - Universe: PUBLIC FUNDS (DB)

Periods Ending September 30, 2009



Total Fund Performance - Trailing Periods



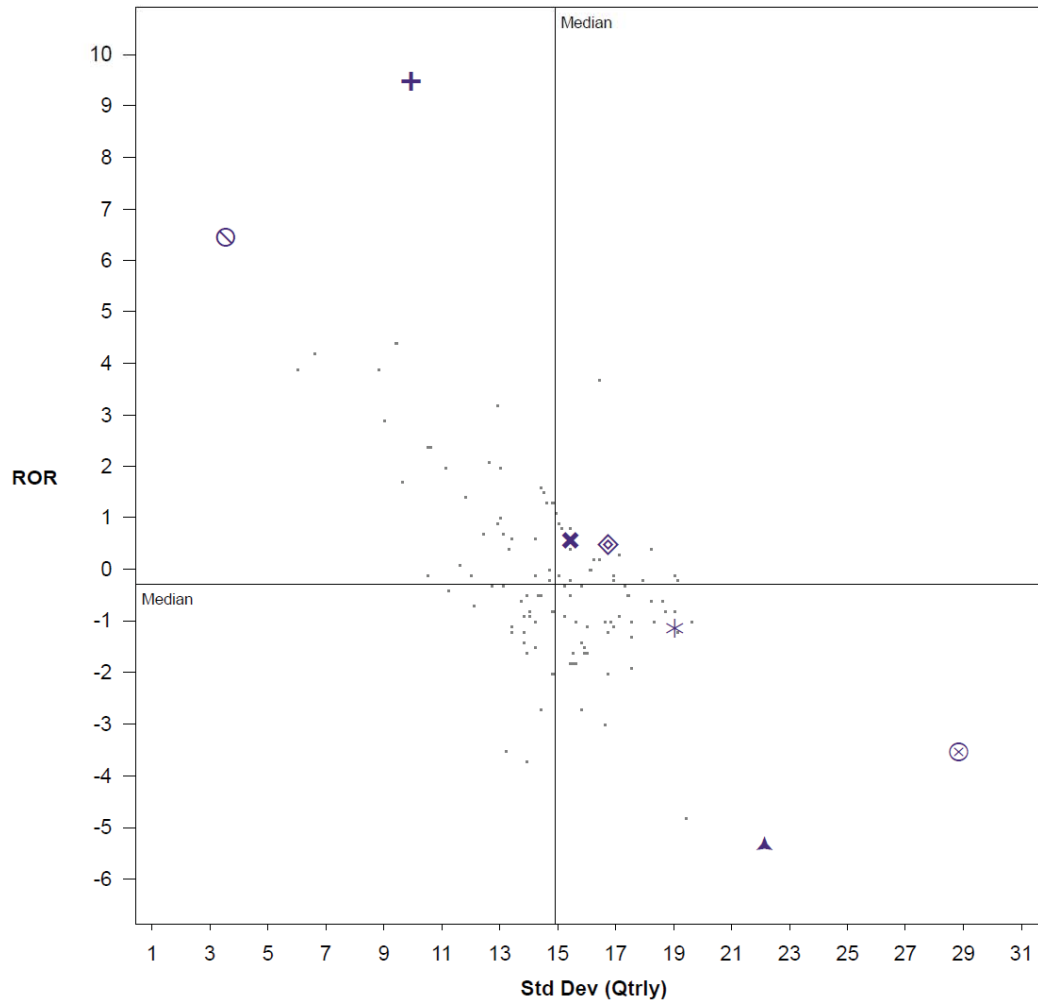
	Six Years	Seven Years	Eight Years	Nine Years	Ten Years
* TRS COMPOSITE	5.3 56	7.3 35	5.3 44	3.6 41	4.5 40
⊗ Allocation Index	6.1 31	8.0 23	5.7 32	3.5 43	4.3 49
⊖ POLICY INDEX	6.2 26	8.0 22	5.9 29	3.3 49	4.1 56
5th Percentile	7.3	9.1	7.1	5.1	6.0
25th Percentile	6.2	7.9	6.0	4.2	5.0
50th Percentile	5.4	7.0	5.2	3.3	4.3
75th Percentile	4.7	6.3	4.6	2.9	3.9
95th Percentile	4.0	5.1	4.0	1.8	3.2

VERMONT PENSION INVESTMENT COMMITTEE

Teachers' Retirement System
 Period Ending September 30, 2009



Total Fund Risk / Return Analysis – 3 Years



NAME	Return	Standard Deviation	Sharpe Ratio
* TRS COMPOSITE	-1.2 77	19.1 98	-0.2 57
◇ Allocation Index	0.4 30	16.8 79	-0.1 30
× POLICY INDEX	0.5 28	15.5 62	-0.2 31
▲ S&P 500	-5.4 100	22.2 100	-0.4 96
⊖ BC AGGREGATE	6.4 1	3.6 1	1.0 2
⊗ MSCI EAFE (NET)	-3.6 99	28.9 100	-0.2 61
+ CITIGROUP WORLD GOV'T BOND	9.4 1	10.0 7	0.7 2
Median	-0.3	14.9	-0.2

Funded status as of Fiscal Year 2007 = 84.9%

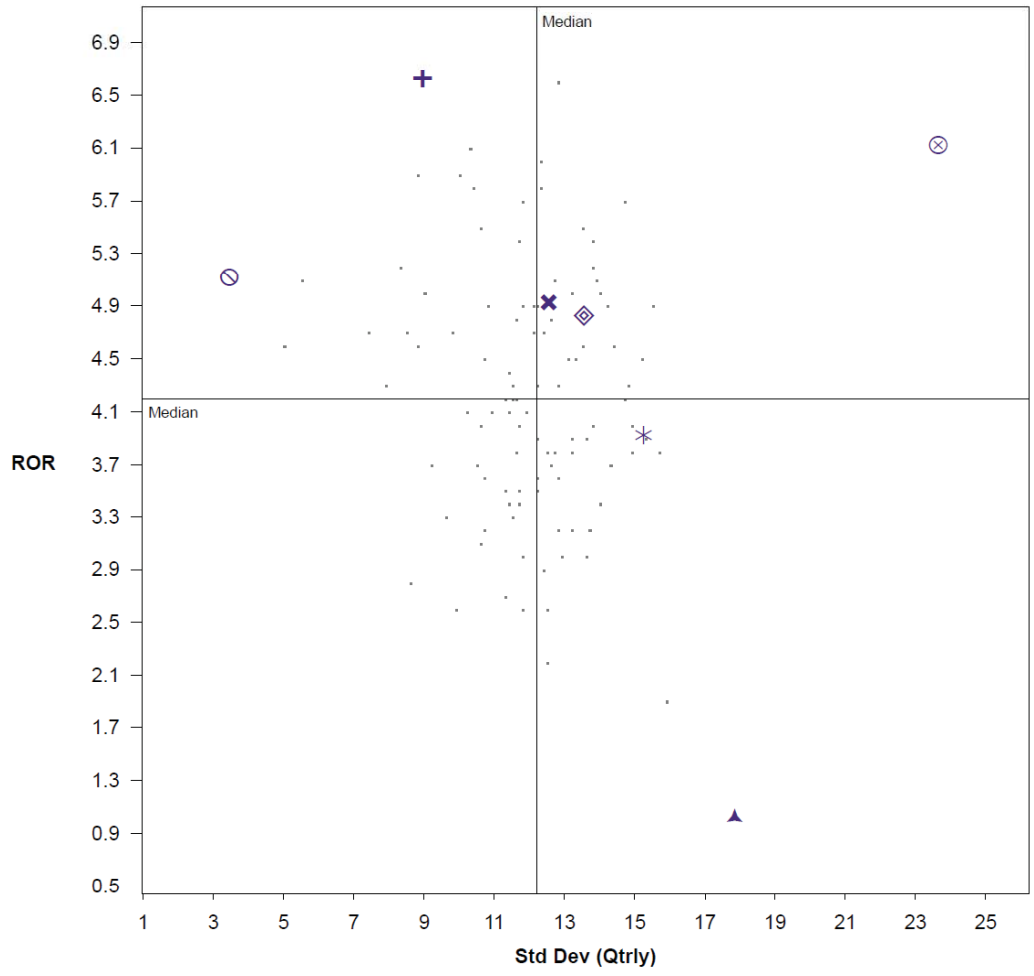
* Standard deviation is based on quarterly returns

VERMONT PENSION INVESTMENT COMMITTEE

Teachers' Retirement System
 Period Ending September 30, 2009



Total Fund Risk / Return Analysis – 5 Years



NAME	Return	Standard Deviation	Sharpe Ratio
* TRS COMPOSITE	3.9 62	15.3 96	0.1 65
◇ Allocation Index	4.8 30	13.6 79	0.1 34
⊗ POLICY INDEX	4.9 25	12.6 62	0.1 27
▲ S&P 500	1.0 100	17.9 100	-0.1 100
⊘ BC AGGREGATE	5.1 16	3.5 1	0.6 2
⊗ MSCI EAFE (NET)	6.1 3	23.7 100	0.1 34
+ CITIGROUP WORLD GOVT BOND	6.6 1	9.0 9	0.4 2
Median	4.2	12.2	0.1

Funded status as of Fiscal Year 2007 = 84.9%

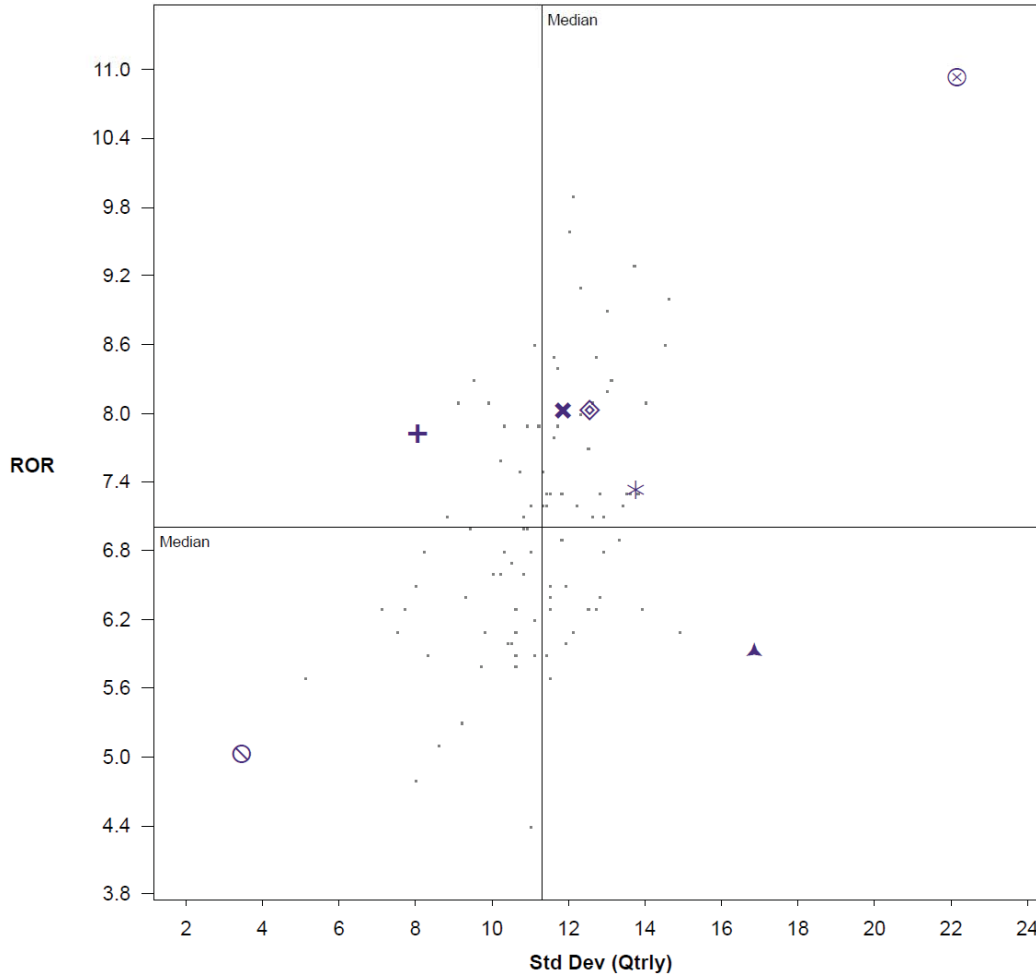
* Standard deviation is based on quarterly returns

VERMONT PENSION INVESTMENT COMMITTEE

Teachers' Retirement System
 Period Ending September 30, 2009



Total Fund Risk / Return Analysis – 7 Years



NAME	Return	Standard Deviation	Sharpe Ratio
* TRS COMPOSITE	7.3 35	13.8 95	0.3 65
◆ Allocation Index	8.0 23	12.6 77	0.4 39
✕ POLICY INDEX	8.0 22	11.9 64	0.5 26
▲ S&P 500	5.9 90	16.9 100	0.2 90
○ BC AGGREGATE	5.0 96	3.5 1	0.7 2
⊗ MSCI EAFE (NET)	10.9 2	22.2 100	0.4 56
+ CITIGROUP WORLD GOVT BOND	7.8 29	8.1 9	0.6 2
Median	7.0	11.3	0.4

Funded status as of Fiscal Year 2007 = 84.9%

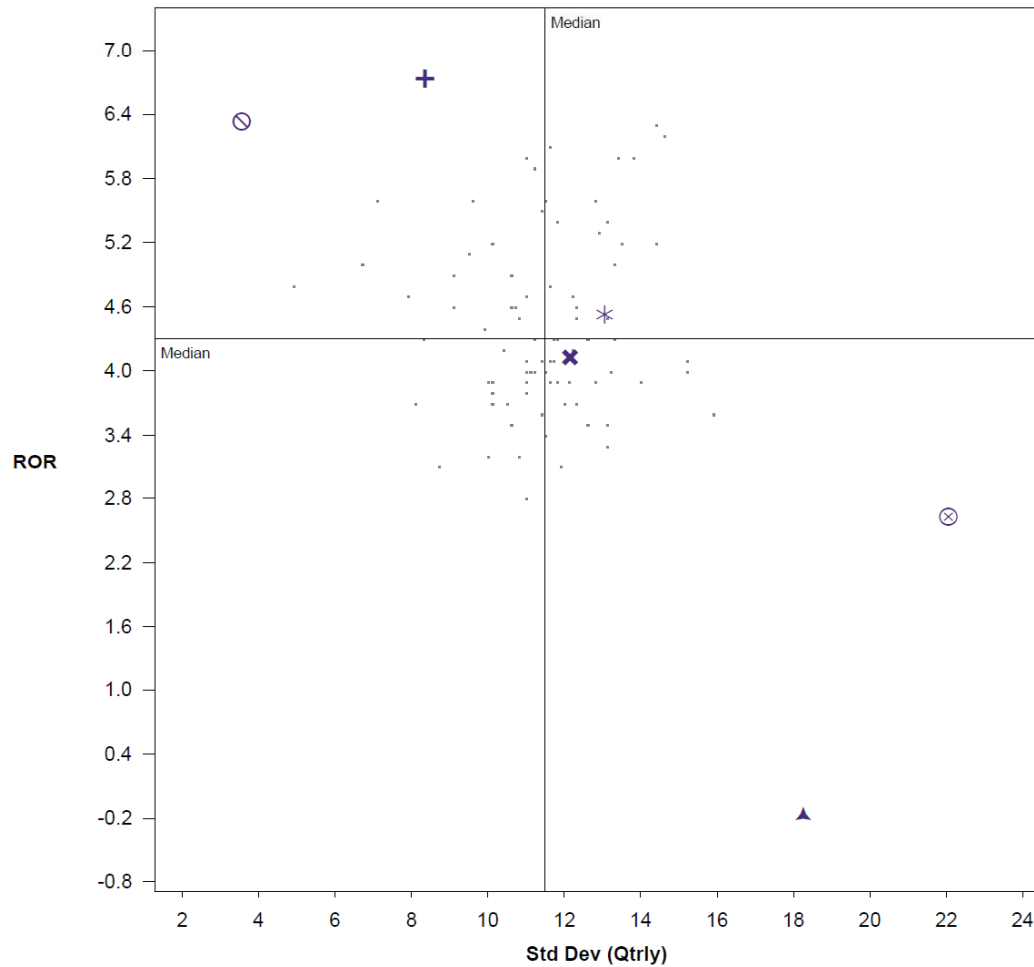
* Standard deviation is based on quarterly returns

VERMONT PENSION INVESTMENT COMMITTEE

Teachers' Retirement System
 Period Ending September 30, 2009



Total Fund Risk / Return Analysis – 10 Years



NAME	Return	Standard Deviation	Sharpe Ratio
* TRS COMPOSITE	4.5 40	13.1 81	0.1 39
* POLICY INDEX	4.1 56	12.2 68	0.1 54
▲ S&P 500	-0.2 100	18.3 99	-0.2 99
⊘ BC AGGREGATE	6.3 3	3.6 1	0.9 2
⊗ MSCI EAFE (NET)	2.6 100	22.1 99	-0.0 93
+ CITIGROUP WORLD GOVT BOND	6.7 2	8.4 9	0.4 5
Median	4.3	11.5	0.1

Funded status as of Fiscal Year 2007 = 84.9%

* Standard deviation is based on quarterly returns

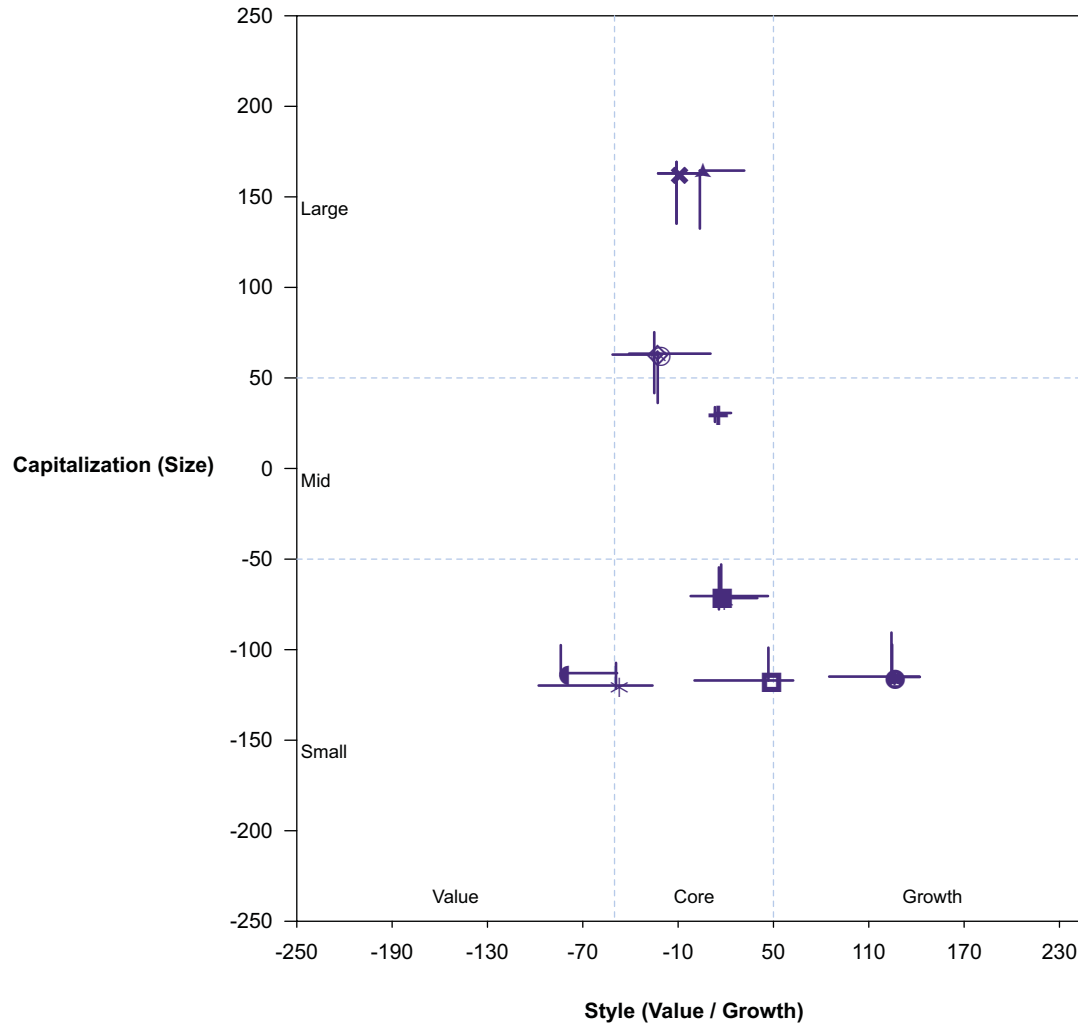
VERMONT PENSION INVESTMENT COMMITTEE

Equity Funds

Period Ending September 30, 2009



Equity Style Analysis - Drift Over Time



FUND	Style (Value / Growth)	Capitalization (Size)
+ TRS COMPOSITE	13.2	30.7
□ LARGE CAP EQ		
× S&P 500	-11.0	163.0
▲ T. ROWE	3.7	164.5
× S&P 500	-11.0	163.0
⊗ SSGA EQ WEIGHT	-22.8	62.9
◇ S&P 500 (EQL WGHTD)	-25.0	63.4
○ SMALL CAP EQ		
■ RUSSELL 2000	46.8	-117.0
* SSGA R-2500	17.1	-71.5
■ RUSSELL 2500	15.7	-70.4
● WELLINGTON	-83.8	-113.0
* RUSSELL 2000 VALUE	-49.1	-119.8
● SSGA R-2000 G	124.7	-115.1
◆ RUSSELL 2000 GROWTH	124.3	-114.9

* Equity style analysis is based on Morningstar Size and VCG Scores and Morningstar Style Box(TM) methodology