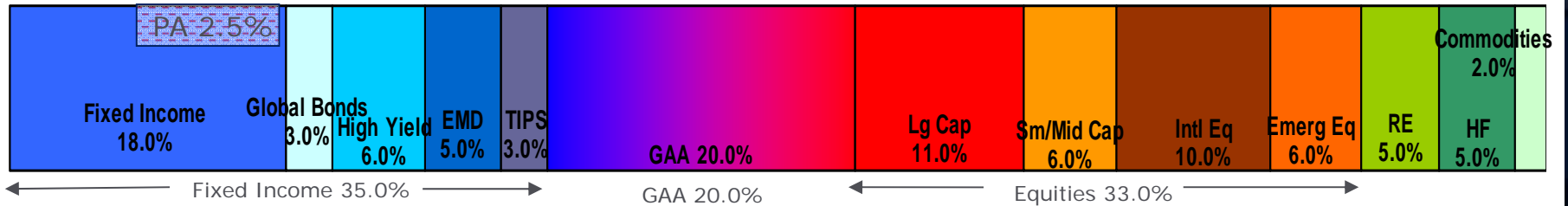




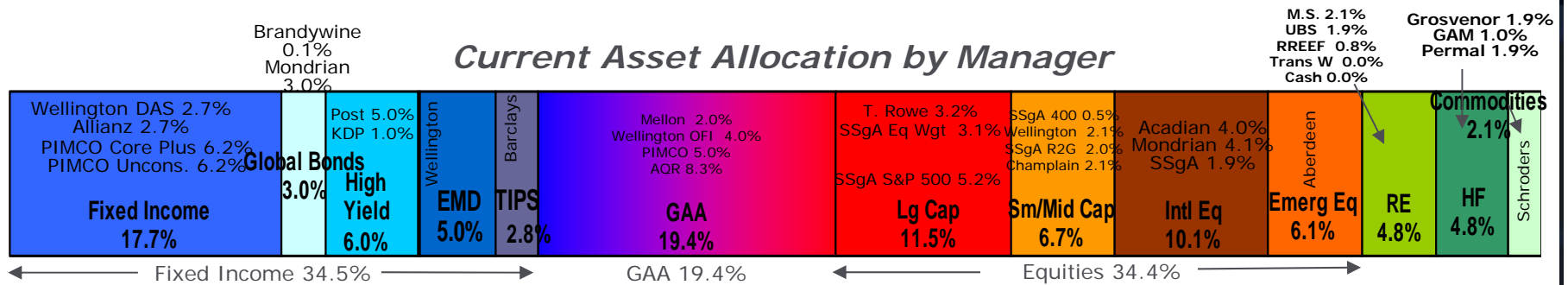
# **State Teachers' Retirement System**

# Total Plan Asset Allocation – Teachers'

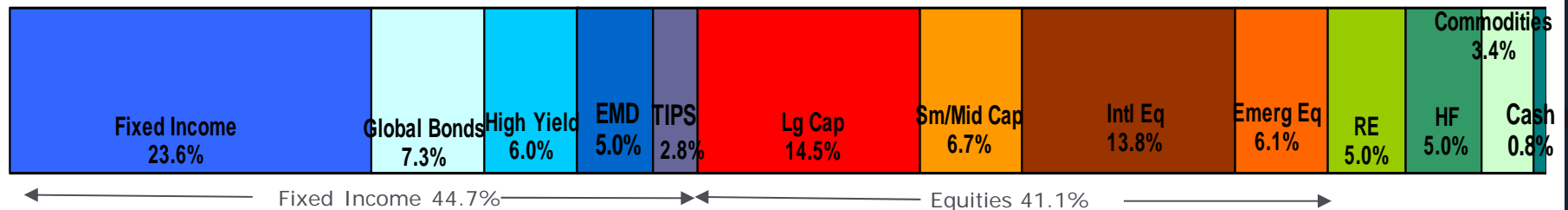
## Target Asset Allocation



## Current Asset Allocation by Manager



## Current Asset Allocation by Asset Class

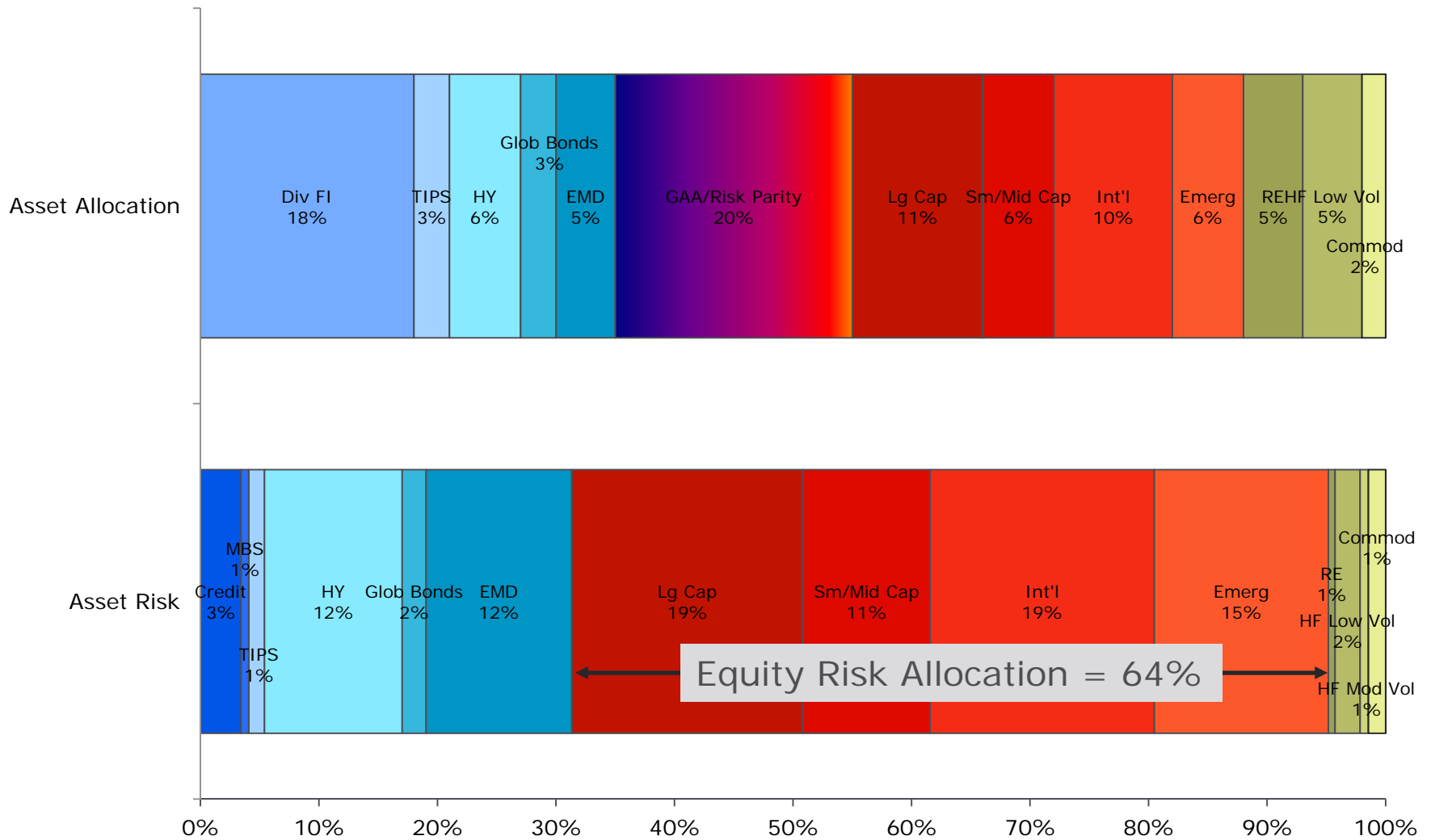


Numbers may not add up to 100% due to rounding.

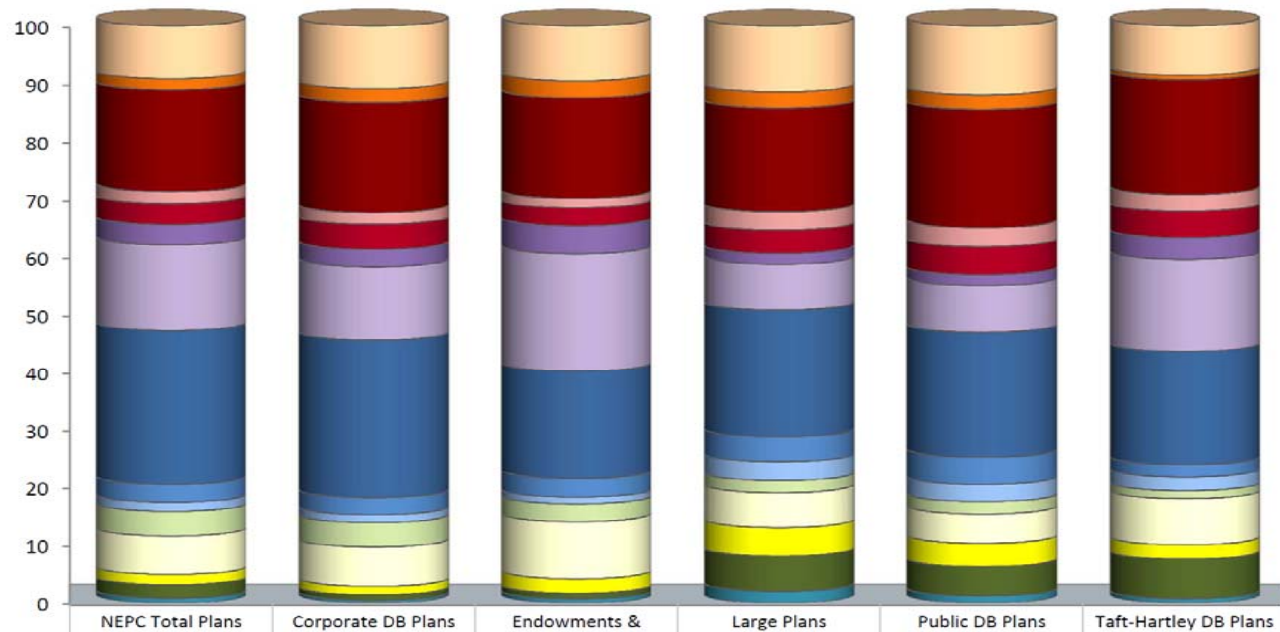
New Target Asset Allocation is effective as of 3/1/2012.



# Policy Asset Allocation and Risk Budgeting



# NEPC Plans by Type – Average Asset Allocation



	NEPC Total Plans	Corporate DB Plans	Endowments & Foundations	Large Plans	Public DB Plans	Taft-Hartley DB Plans	Teachers
Observations	364	90	58	45	59	50	
Int'l Dev'l	9.1	10.9	9.5	11.4	11.9	8.5	10.0
Emerg Mkt	1.9	2.4	2.9	2.8	2.5	0.8	6.1
Large Cap	17.6	19.0	17.4	17.9	20.5	19.8	11.5
Mid Cap	2.0	2.0	1.6	3.1	3.2	2.8	2.6
Small Cap	3.6	4.3	3.1	4.0	4.9	4.6	4.2
TAA - Domestic	3.5	3.0	4.8	1.9	1.9	3.7	0.0
TAA - Global	14.8	12.7	20.4	7.9	8.1	15.9	19.3
Fixed Income	26.8	27.5	18.7	22.2	21.8	19.8	20.5
GFI/EMD	3.2	3.0	3.3	4.3	4.7	2.1	8.0
High Yield	1.6	1.4	1.2	3.2	3.0	2.4	6.1
Cash Equiv	4.2	4.2	3.1	2.1	2.1	1.4	0.0
Hedge Fund	6.7	6.8	9.9	6.1	5.1	8.0	4.8
Private Equity	1.8	1.5	2.5	5.0	4.0	2.5	0.0
Real Estate	2.3	0.9	1.0	6.1	5.1	6.9	4.8
Misc	0.8	0.5	0.7	2.0	1.2	0.8	2.1

**Disclosures**

Allocations may not add to 100% due to rounding. Average asset allocations shown include all portfolios submitted to the ICC universe as of 4/18/12 for periods ending 12/31/11. 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	\$176,265	\$32,367	\$8,312	\$31,595	\$30,633	\$270,756	\$91,660	\$43,170	\$245,991	\$76,315	\$46,342	\$73,202	\$294,639	\$105,286	\$556	\$1,527,089
T. Rowe	48,767	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$48,767
PIMCO	97	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$97
SSgA Equal Wgt	47,767	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$47,767
SSgA S&P 500	79,634	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$79,634
Champlain	0	32,367	0	0	0	0	0	0	0	0	0	0	0	0	0	\$32,367
SSgA Mid	0	0	8,312	0	0	0	0	0	0	0	0	0	0	0	0	\$8,312
Wellington	0	0	0	31,595	0	0	0	0	0	0	0	0	0	0	0	\$31,595
SSgA R-2000 Growth	0	0	0	0	30,633	0	0	0	0	0	0	0	0	0	0	\$30,633
Acadian	0	0	0	0	0	0	0	0	61,228	0	0	0	0	0	0	\$61,228
Mondrian	0	0	0	0	0	0	0	0	62,444	0	0	0	0	0	0	\$62,444
SSgA ACWI ex US	0	0	0	0	0	0	0	0	28,589	0	0	0	0	0	0	\$28,589
Aberdeen	0	0	0	0	0	0	0	0	93,730	0	0	0	0	0	0	\$93,730
Allianz	0	0	0	0	0	40,869	0	0	0	0	0	0	0	0	0	\$40,869
Wellington DAS	0	0	0	0	0	41,325	0	0	0	0	0	0	0	0	0	\$41,325
PIMCO Core Plus	0	0	0	0	0	94,544	0	0	0	0	0	0	0	0	0	\$94,544
PIMCO Unconst.	0	0	0	0	0	94,018	0	0	0	0	0	0	0	0	0	\$94,018
Post Advisory	0	0	0	0	0	0	76,463	0	0	0	0	0	0	0	0	\$76,463
KDP	0	0	0	0	0	0	15,197	0	0	0	0	0	0	0	0	\$15,197
Wellington EMD	0	0	0	0	0	0	0	0	0	76,315	0	0	0	0	0	\$76,315
Barclays	0	0	0	0	0	0	0	43,170	0	0	0	0	0	0	0	\$43,170
Mondrian	0	0	0	0	0	0	0	0	0	0	45,148	0	0	0	0	\$45,148
Brandywine	0	0	0	0	0	0	0	0	0	0	1,194	0	0	0	0	\$1,194
Morgan Stanely	0	0	0	0	0	0	0	0	0	0	0	31,361	0	0	0	\$31,361
UBS Realty	0	0	0	0	0	0	0	0	0	0	0	29,416	0	0	0	\$29,416
RREEF	0	0	0	0	0	0	0	0	0	0	0	12,071	0	0	0	\$12,071
Transwestern	0	0	0	0	0	0	0	0	0	0	0	354	0	0	0	\$354
Mellon GA 1	0	0	0	0	0	0	0	0	0	0	0	0	30,256	0	0	\$30,256
PIMCO AA	0	0	0	0	0	0	0	0	0	0	0	0	76,321	0	0	\$76,321
Wellington OIF	0	0	0	0	0	0	0	0	0	0	0	0	61,218	0	0	\$61,218
AQR	0	0	0	0	0	0	0	0	0	0	0	0	126,844	0	0	\$126,844
Grosvenor	0	0	0	0	0	0	0	0	0	0	0	0	0	29,163	0	\$29,163
GAM	0	0	0	0	0	0	0	0	0	0	0	0	0	14,877	0	\$14,877
Permal	0	0	0	0	0	0	0	0	0	0	0	0	0	29,177	0	\$29,177
Schroders	0	0	0	0	0	0	0	0	0	0	0	0	0	32,069	0	\$32,069
Vermont Cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0	556	\$556

(Dollars in 000's)

# Total Fund Asset Growth Summary

**VERMONT STATE TEACHERS**  
 TEACHERS' RETIREMENT SYSTEM CO  
 Periods Ending March 31, 2012

## Total Fund Asset Growth Summary (\$000)

	One Quarter	Year to Date	One Year	Since Inception
<b>TRS COMPOSITE</b>				
Beginning Market Value	1,458,454	1,458,454	1,501,590	0
Net External Growth	-22,773	-22,773	-45,881	-406,813
Return on Investment	91,408	91,408	71,381	1,937,741
Income Received	6	6	23	141,973
Gain/Loss	91,402	91,402	71,358	1,795,768
Ending Market Value	1,527,089	1,527,089	1,527,089	1,527,089
Return	6.3%	6.3%	4.9%	10.4%

# Fund Performance vs. Benchmark

## VERMONT STATE TEACHERS

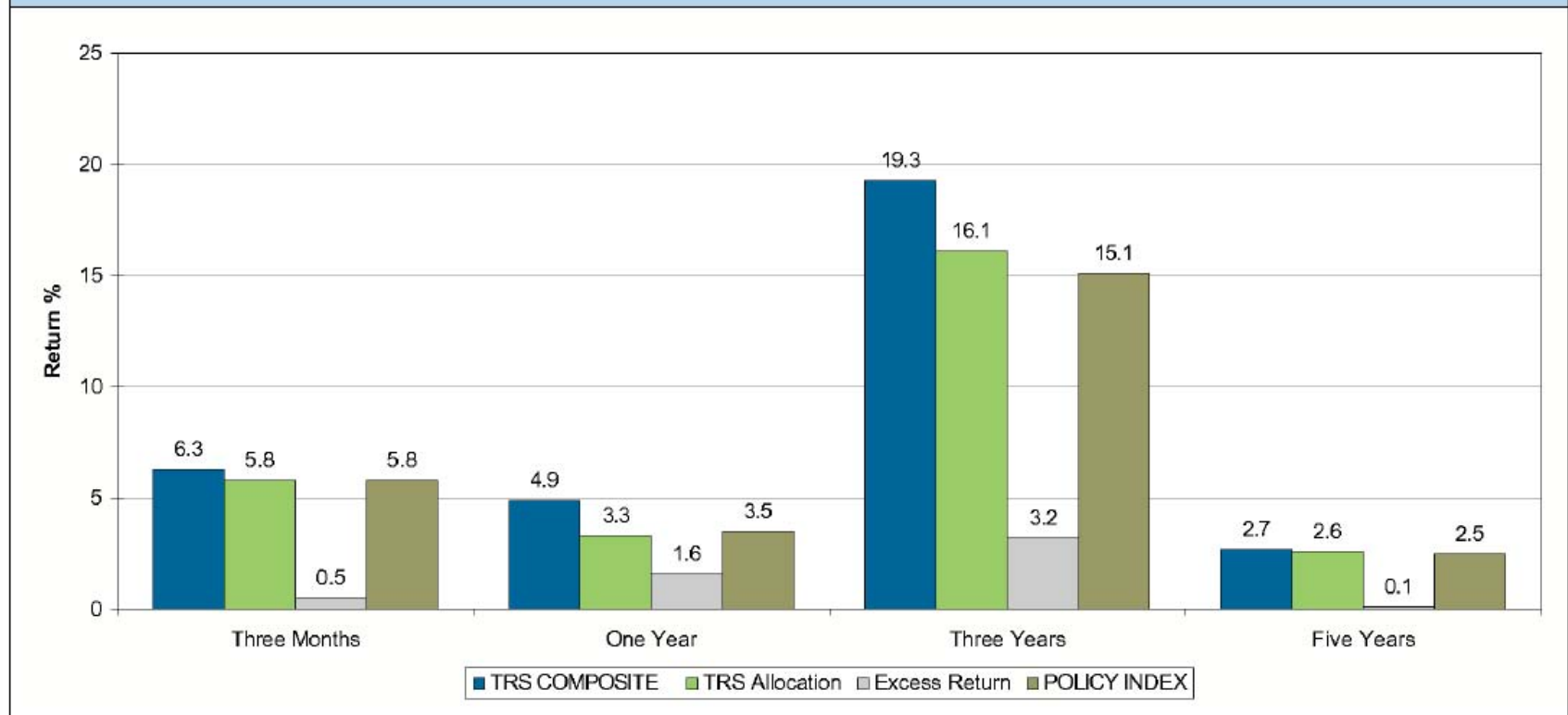
POLICY INDEX

Benchmark:

Periods Ending March 31, 2012

### Fund Performance vs. Benchmark

#### TRS COMPOSITE



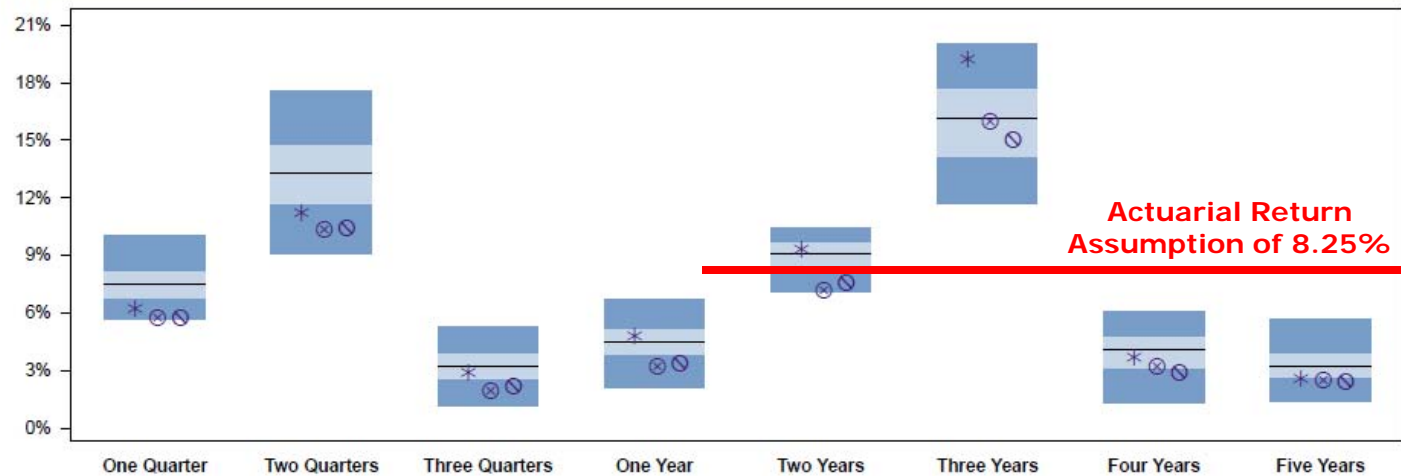
# Total Public Funds Performance

## VERMONT STATE TEACHERS

Total Fund - Universe: Public Funds (DB)

Periods Ending March 31, 2012

### Total Fund Performance - Trailing Periods



	One Quarter	Two Quarters	Three Quarters	One Year	Two Years	Three Years	Four Years	Five Years
* TRS COMPOSITE	6.3 87	11.3 81	3.0 57	4.9 36	9.4 37	19.3 9	3.8 55	2.7 72
⊙ TRS Allocation	5.8 95	10.4 90	2.0 87	3.3 88	7.3 94	16.1 50	3.3 69	2.6 77
⊘ POLICY INDEX	5.8 95	10.5 90	2.3 78	3.5 85	7.7 88	15.1 65	3.0 79	2.5 78
5th Percentile	10.0	17.6	5.3	6.7	10.4	20.0	6.1	5.7
25th Percentile	8.2	14.8	3.9	5.2	9.7	17.7	4.8	3.9
50th Percentile	7.5	13.3	3.2	4.5	9.1	16.1	4.1	3.2
75th Percentile	6.7	11.6	2.5	3.8	8.3	14.1	3.1	2.6
95th Percentile	5.7	9.1	1.2	2.1	7.1	11.7	1.3	1.4



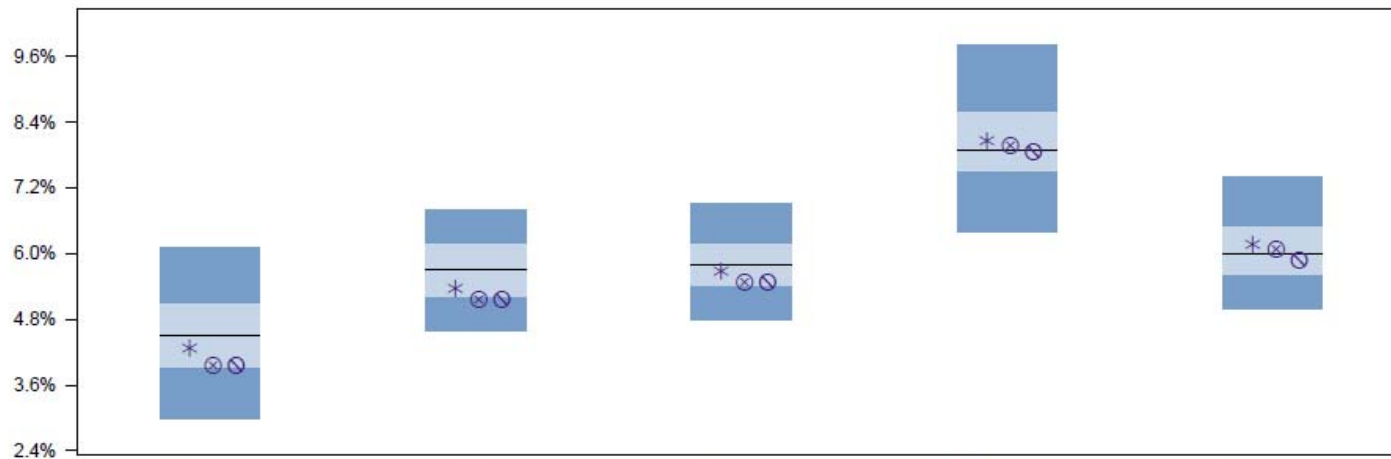
# Total Public Funds Performance

## VERMONT STATE TEACHERS

Total Fund - Universe: Public Funds (DB)

Periods Ending March 31, 2012

### Total Fund Performance - Trailing Periods



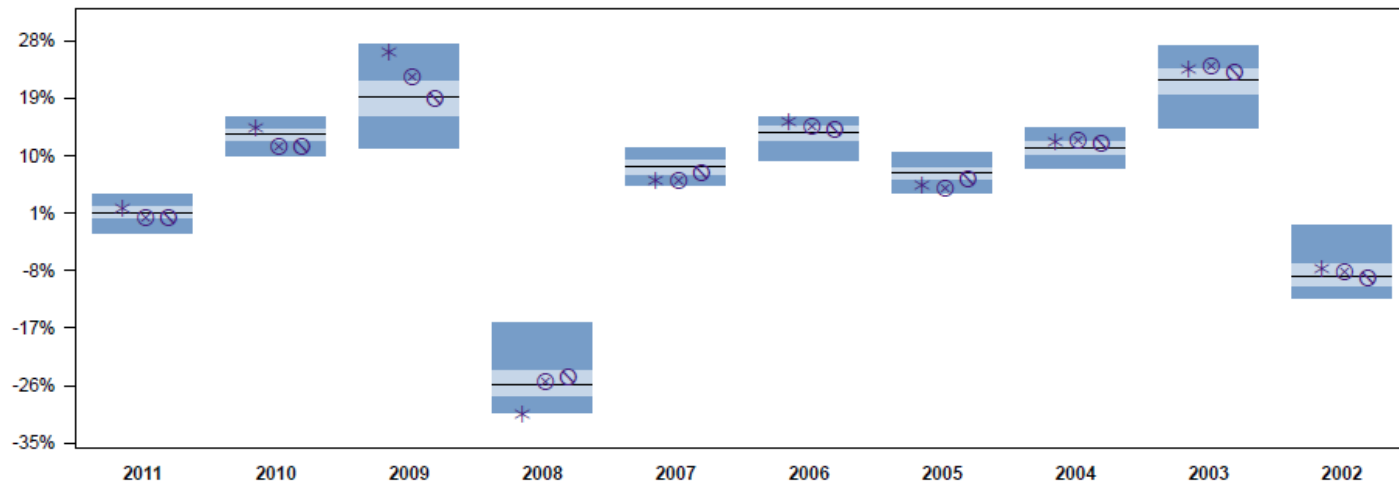
	Six Years	Seven Years	Eight Years	Nine Years	Ten Years
* TRS COMPOSITE	4.3 61	5.4 66	5.7 57	8.1 45	6.2 39
⊗ TRS Allocation	4.0 69	5.2 78	5.5 73	8.0 50	6.1 44
⊙ POLICY INDEX	4.0 74	5.2 76	5.5 72	7.9 51	5.9 59
5th Percentile	6.1	6.8	6.9	9.8	7.4
25th Percentile	5.1	6.2	6.2	8.6	6.5
50th Percentile	4.5	5.7	5.8	7.9	6.0
75th Percentile	3.9	5.2	5.4	7.5	5.6
95th Percentile	3.0	4.6	4.8	6.4	5.0

# Total Public Funds Performance

## VERMONT STATE TEACHERS

Total Fund - Universe: Public Funds (DB)  
 Period Ending December 31, 2011

### Total Fund Performance - One Year Time Periods



	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
* TRS COMPOSITE	2.0 32	14.7 19	26.5 7	-30.1 95	6.3 87	15.7 9	5.6 83	12.4 24	23.8 26	-7.5 37
⊗ TRS Allocation	0.6 70	11.6 83	22.7 21	-25.2 46	6.5 84	14.8 25	5.1 90	12.6 20	24.4 21	-8.0 43
⊙ POLICY INDEX	0.6 69	11.7 83	19.3 49	-24.3 38	7.6 61	14.4 33	6.6 69	12.2 29	23.3 31	-9.0 53
5th Percentile	4.0	16.1	27.4	-16.2	11.2	16.2	10.4	14.5	27.3	-0.8
25th Percentile	2.2	14.4	21.9	-23.4	9.5	14.8	8.4	12.4	23.9	-6.8
50th Percentile	1.1	13.3	19.2	-25.8	8.2	13.6	7.4	11.3	21.9	-8.8
75th Percentile	0.2	12.2	16.0	-27.7	6.9	12.2	6.2	10.1	19.5	-10.5
95th Percentile	-2.0	10.0	11.3	-30.1	5.4	9.2	4.3	8.0	14.5	-12.2

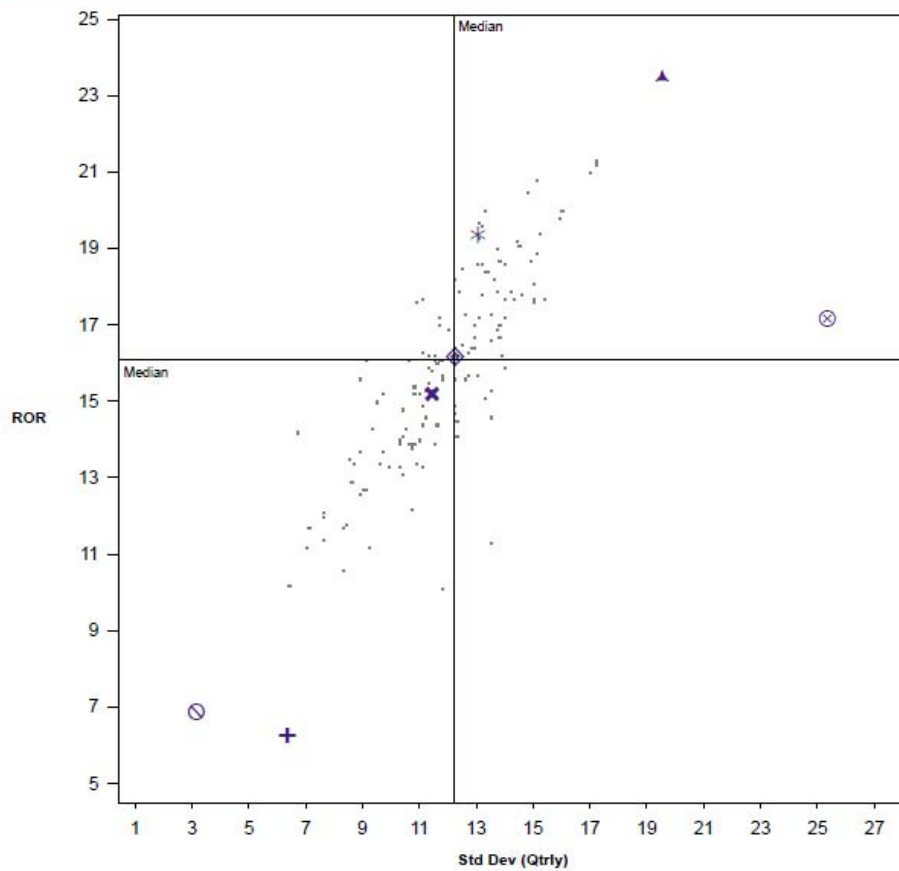
# Risk vs. Return Analysis – 3 Years

## VERMONT STATE TEACHERS

Total Fund - Universe: Public Funds (DB)

Period Ending March 31, 2012

### Risk vs. Return - 3 Year



NAME	Return	Standard Deviation	Sharpe Ratio
* TRS COMPOSITE	19.3 9	13.1 67	1.5 21
◆ TRS Allocation	18.1 50	12.3 54	1.3 60
✕ POLICY INDEX	15.1 65	11.5 40	1.3 60
▲ S&P 500	23.4 1	19.6 100	1.2 88
⊗ BARCLAYS AGGREGATE BOND	6.8 100	3.2 1	2.1 1
⊙ MSCI EAFE (NET)	17.1 34	25.4 100	0.7 100
+ Citigroup WGBI (All Maturities)	6.2 100	6.4 1	0.9 99
Median	18.1	12.2	1.3

Funded status as of July 1<sup>st</sup>, 2011 = 66.5%

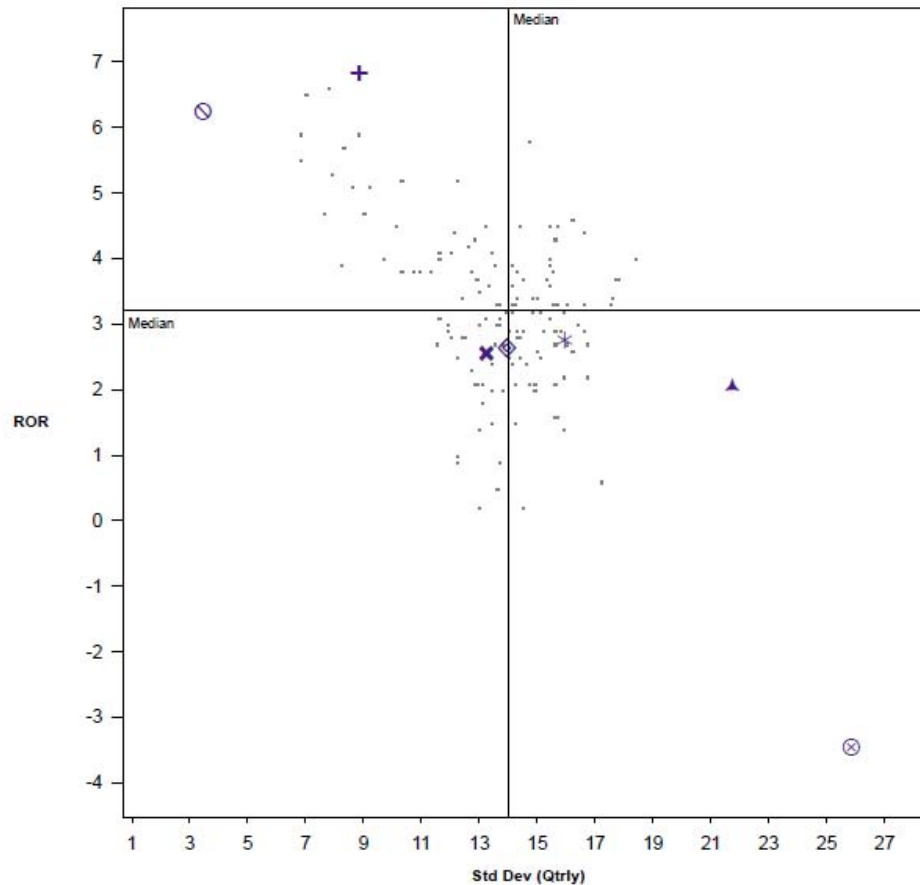
# Risk vs. Return Analysis – 5 Years

## VERMONT STATE TEACHERS

Total Fund - Universe: Public Funds (DB)

Period Ending March 31, 2012

### Risk vs. Return - 5 Year



NAME	Return	Standard Deviation	Sharpe Ratio
* TRS COMPOSITE	2.7 72	16.0 90	0.1 76
◇ TRS Allocation	2.6 77	14.0 51	0.1 75
✕ POLICY INDEX	2.5 78	13.3 37	0.1 75
▲ S&P 500	2.0 89	21.8 100	0.0 91
○ BARCLAYS AGGREGATE BOND	6.2 3	3.5 1	1.4 1
⊗ MSCI EAFE (NET)	-3.5 100	25.9 100	-0.2 100
+ Citigroup WGBI (All Maturities)	6.8 1	8.9 8	0.6 5
Median	3.2	14.0	0.1

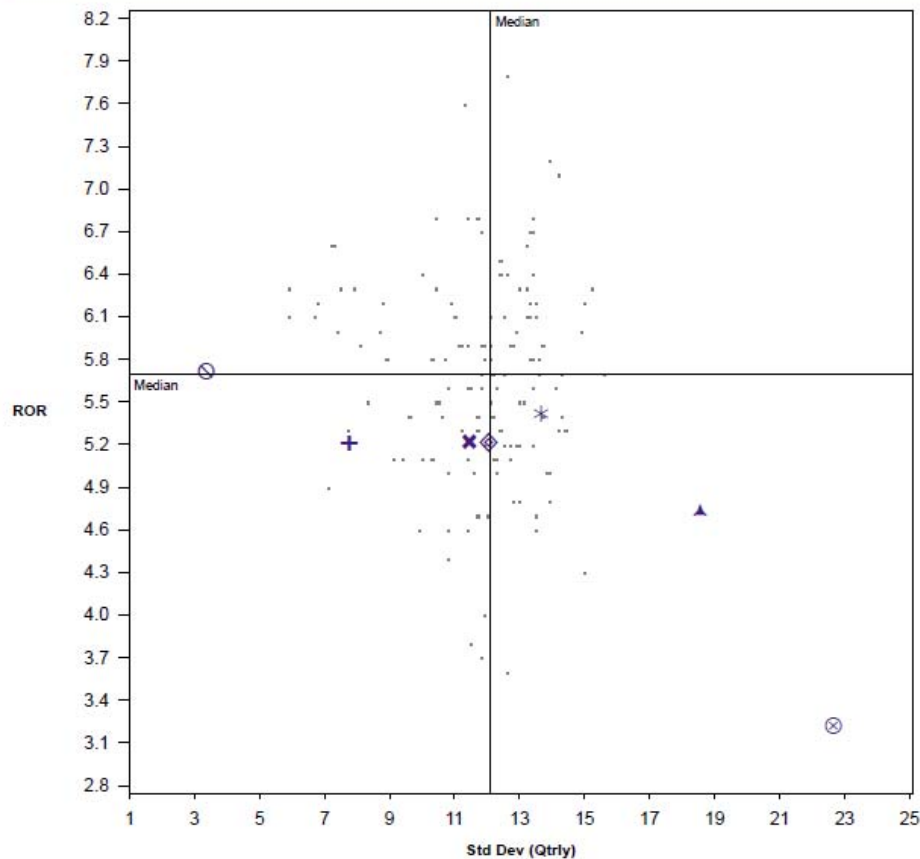
Funded status as of July 1<sup>st</sup>, 2011 = 66.5%

# Risk vs. Return Analysis – 7 Years

## VERMONT STATE TEACHERS

Total Fund - Universe: Public Funds (DB)  
 Period Ending March 31, 2012

Risk vs. Return - 7 Year



NAME	Return	Standard Deviation	Sharpe Ratio
* TRS COMPOSITE	5.4 66	13.7 88	0.2 82
◆ TRS Allocation	5.2 78	12.1 51	0.3 78
✕ POLICY INDEX	5.2 76	11.5 36	0.3 71
▲ S&P 500	4.7 92	18.6 100	0.1 99
⊙ BARCLAYS AGGREGATE BOND	5.7 48	3.4 1	1.1 1
⊗ MSCI EAFE (NET)	3.2 100	22.7 100	0.1 100
+ Citigroup WGBI (All Maturities)	5.2 76	7.8 8	0.4 21
Median	5.7	12.1	0.3

Funded status as of July 1<sup>st</sup>, 2011 = 66.5%



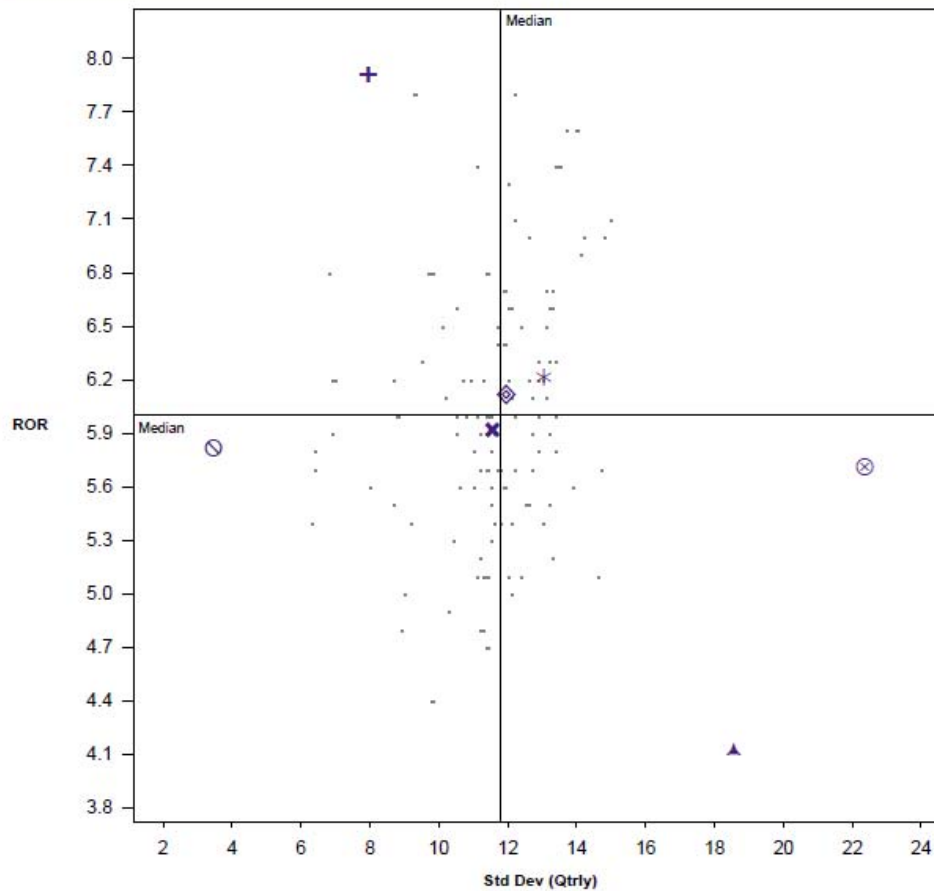
# Risk vs. Return Analysis – 10 Years

## VERMONT STATE TEACHERS

Total Fund - Universe: Public Funds (DB)

Period Ending March 31, 2012

### Risk vs. Return - 10 Year



NAME	Return	Standard Deviation	Sharpe Ratio
* TRS COMPOSITE	6.2 39	13.1 81	0.3 72
◇ TRS Allocation	6.1 44	12.0 56	0.3 56
✕ POLICY INDEX	5.9 59	11.6 44	0.3 58
▲ S&P 500	4.1 100	18.6 100	0.1 100
○ BARCLAYS AGGREGATE BOND	5.8 62	3.5 1	1.1 1
⊗ MSCI EAFE (NET)	5.7 68	22.4 100	0.2 100
+ Citigroup WGBI (All Maturities)	7.9 1	8.0 7	0.7 1
Median	6.0	11.8	0.4

Funded status as of July 1<sup>st</sup>, 2011 = 66.5%