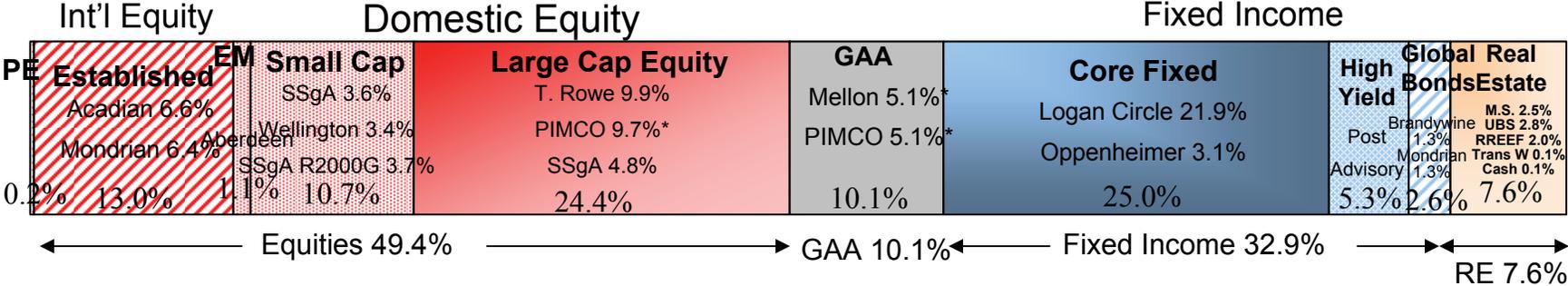
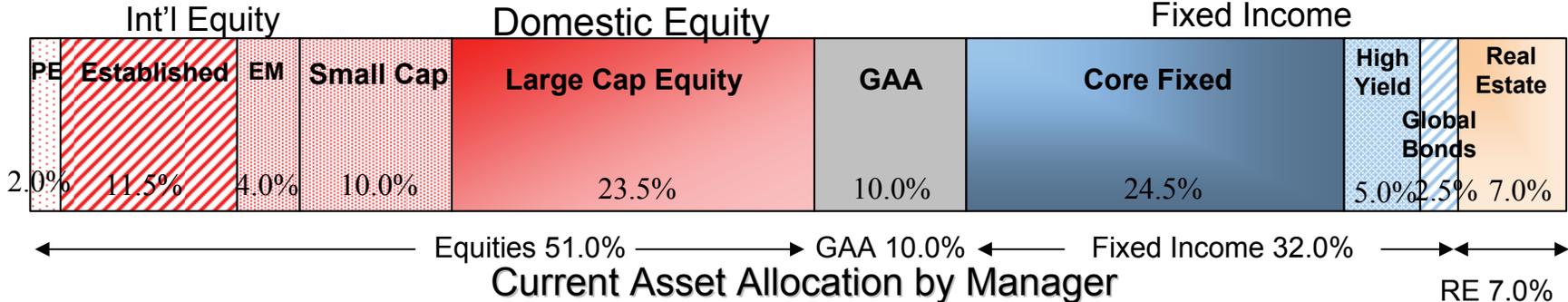


Vermont Municipal Employees' Retirement System

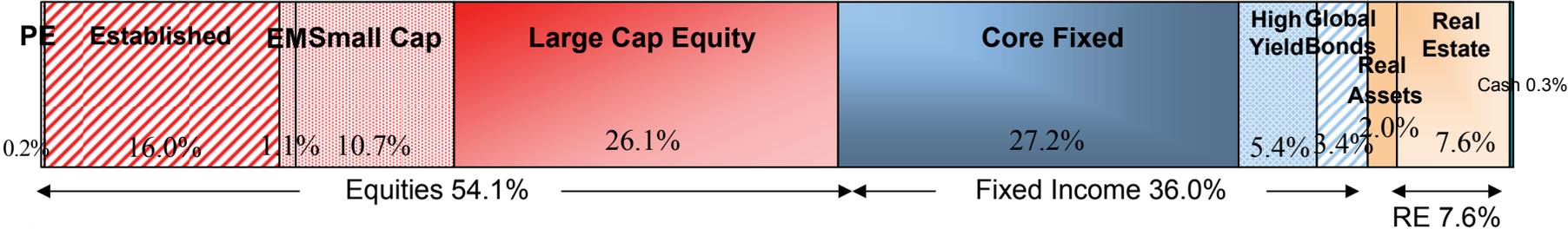


Plan Asset Allocation

As of June 30, 2008
Target Asset Allocation



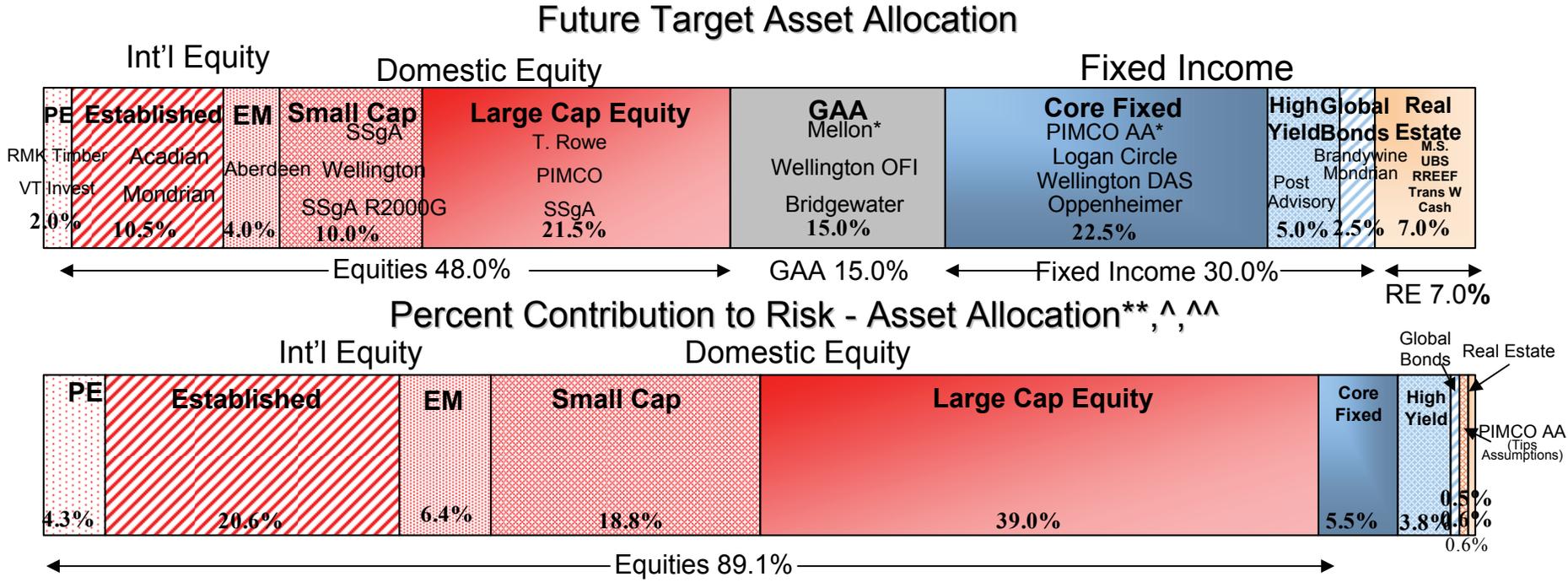
Current Asset Allocation by Asset Class



* See disclosure pages in appendix under manager analysis
Numbers may not add up to 100% due to rounding.



Plan Future Asset Allocation and Risk Budgeting



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

* See disclosure pages in appendix under manager analysis

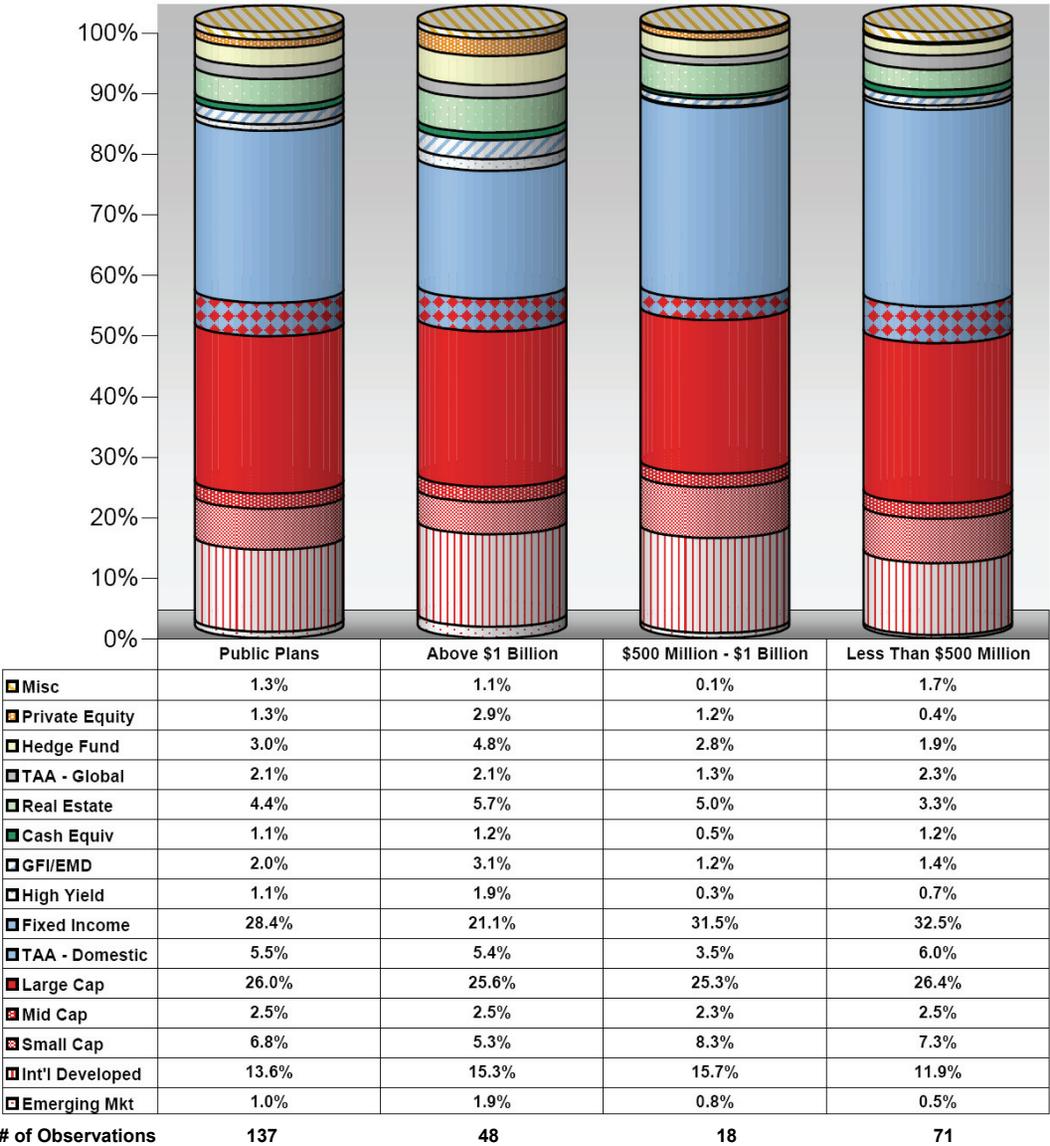
**Mellon GA 1 was modeled using the following asset classes: 30% Large Cap / 30% Int'l Equity / 20% Core Fixed Income / 20% Global Bonds.

^PIMCO AA was modeled using our Tips Assumptions.

^^Based on Target Allocation on page 7



ICC Average Asset Allocation – Public Plans



Asset Breakdown

	Dom Large Cap	Dom Small Core	Dom Small Value	Dom Small Growth	Core Fixed	High Yield	Int'l Equity	Global Bonds	Real Estate	Private Investment	Alt Invest	Cash	Total
Composite	\$76,245	\$11,349	\$10,500	\$11,596	\$78,341	\$16,576	\$44,205	\$8,025	\$23,640	\$767	\$31,747	\$110	\$313,101
T. Rowe	30,927	0	0	0	0	0	0	0	0	0	0	0	\$30,927
PIMCO	30,323	0	0	0	0	0	0	0	0	0	0	0	\$30,323
SSgA Equal Wgt	14,995	0	0	0	0	0	0	0	0	0	0	0	\$14,995
SSgA R-2000 Growth	0	0	0	11,596	0	0	0	0	0	0	0	0	\$11,596
SSgA R-2500	0	11,349	0	0	0	0	0	0	0	0	0	0	\$11,349
Wellington	0	0	10,500	0	0	0	0	0	0	0	0	0	\$10,500
Acadian	0	0	0	0	0	0	20,759	0	0	0	0	0	\$20,759
Mondrian	0	0	0	0	0	0	20,022	0	0	0	0	0	\$20,022
Aberdeen	0	0	0	0	0	0	3,423	0	0	0	0	0	\$3,423
Logan Circle	0	0	0	0	68,648	0	0	0	0	0	0	0	\$68,648
Oppenheimer	0	0	0	0	9,689	0	0	0	0	0	0	0	\$9,689
Post Advisory	0	0	0	0	0	16,576	0	0	0	0	0	0	\$16,576
Brandywine	0	0	0	0	0	0	0	3,963	0	0	0	0	\$3,963
Mondrian	0	0	0	0	0	0	0	4,062	0	0	0	0	\$4,062
Morgan Stanely	0	0	0	0	0	0	0	0	7,856	0	0	0	\$7,856
UBS Realty	0	0	0	0	0	0	0	0	8,740	0	0	0	\$8,740
RREEF	0	0	0	0	0	0	0	0	6,352	0	0	0	\$6,352
Transwestern	0	0	0	0	0	0	0	0	388	0	0	0	\$388
Real Estate Cash	0	0	0	0	0	0	0	0	304	0	0	0	\$304
Mellon GA 1	0	0	0	0	0	0	0	0	0	0	15,830	0	\$15,830
PIMCO AA	0	0	0	0	0	0	0	0	0	0	15,917	0	\$15,917
Vermont Cash	0	0	0	0	4	0	0	0	0	0	0	110	\$114
Alt. Assets	0	0	0	0	0	0	0	0	0	767	0	0	\$767

(Dollars in 000's)

Total Fund Asset Growth Summary

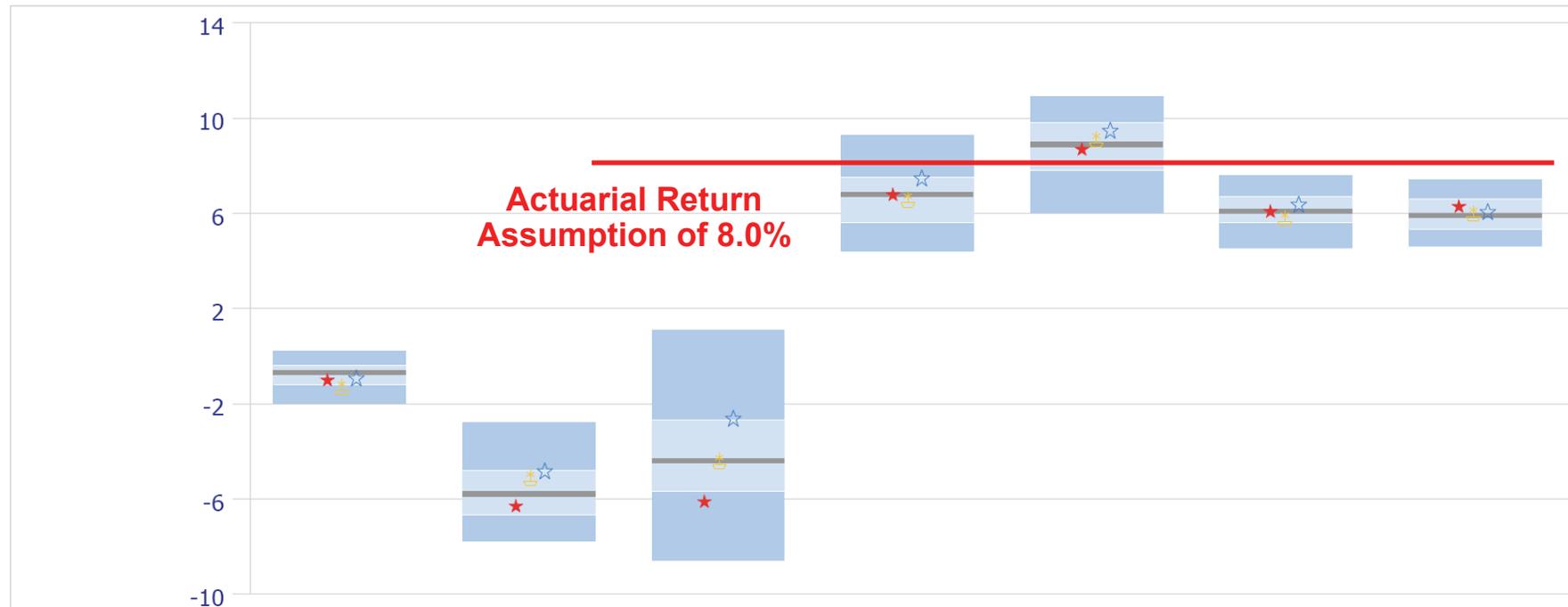
Periods Ending June 30, 2008

MUNICIPAL SYSTEM COMPOSITE

	Last Quarter	Year to Date	Last Twelve Months	Since Inception 03/2001
Beginning Market Value	317,918	333,240	328,549	163,148
Net External Growth	-1,663	956	5,071	42,740
Return on Investment	-3,154	-21,095	-20,519	107,213
Income Received	5	60	85	25,143
Gain/Loss	-3,159	-21,155	-20,604	82,070
Ending Market Value	313,101	313,101	313,101	313,101

Return -1.0% -6.3% -6.1%

Total Public Funds – Total Rates of Return*



	One Quarter		Year to Date		One Year		Three Years		Five Years		Seven Years		Ten Years	
★ MUNI COMPOSITE	-1.0	67	-6.3	66	-6.1	76	6.8	45	8.7	57	6.1	48	6.3	34
👑 ALLOC INDEX	-1.3	76	-5.1	27	-4.4	47	6.6	52	9.1	47	5.8	67	6.0	43
★ POLICY INDEX	-0.9	65	-4.8	24	-2.6	23	7.5	23	9.5	28	6.4	37	6.1	39
Median	-0.7	--	-5.8	--	-4.4	--	6.8	--	8.9	--	6.1	--	5.9	--

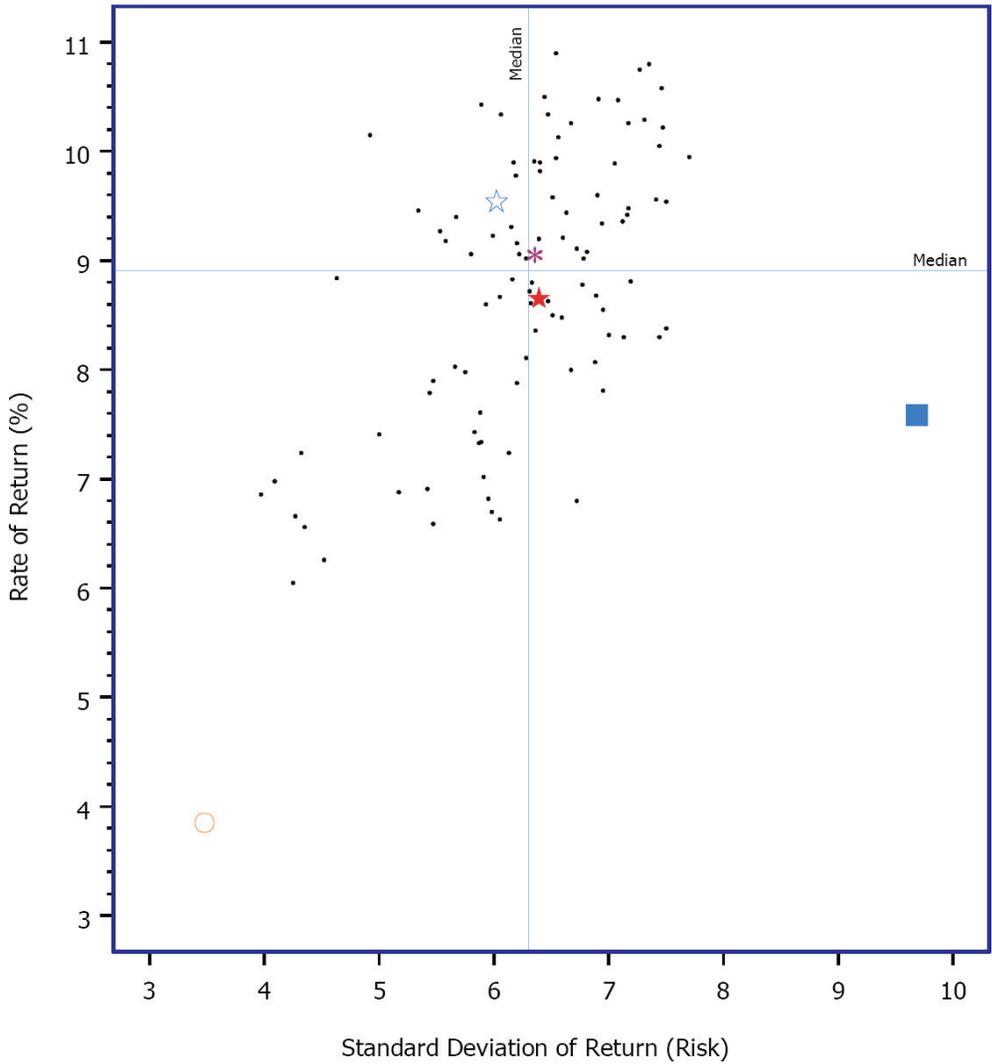
•*Policy Index*: Measures the effectiveness of *Plan Structure*. (Target asset class weights X Return of the respective passive benchmark)

•*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*

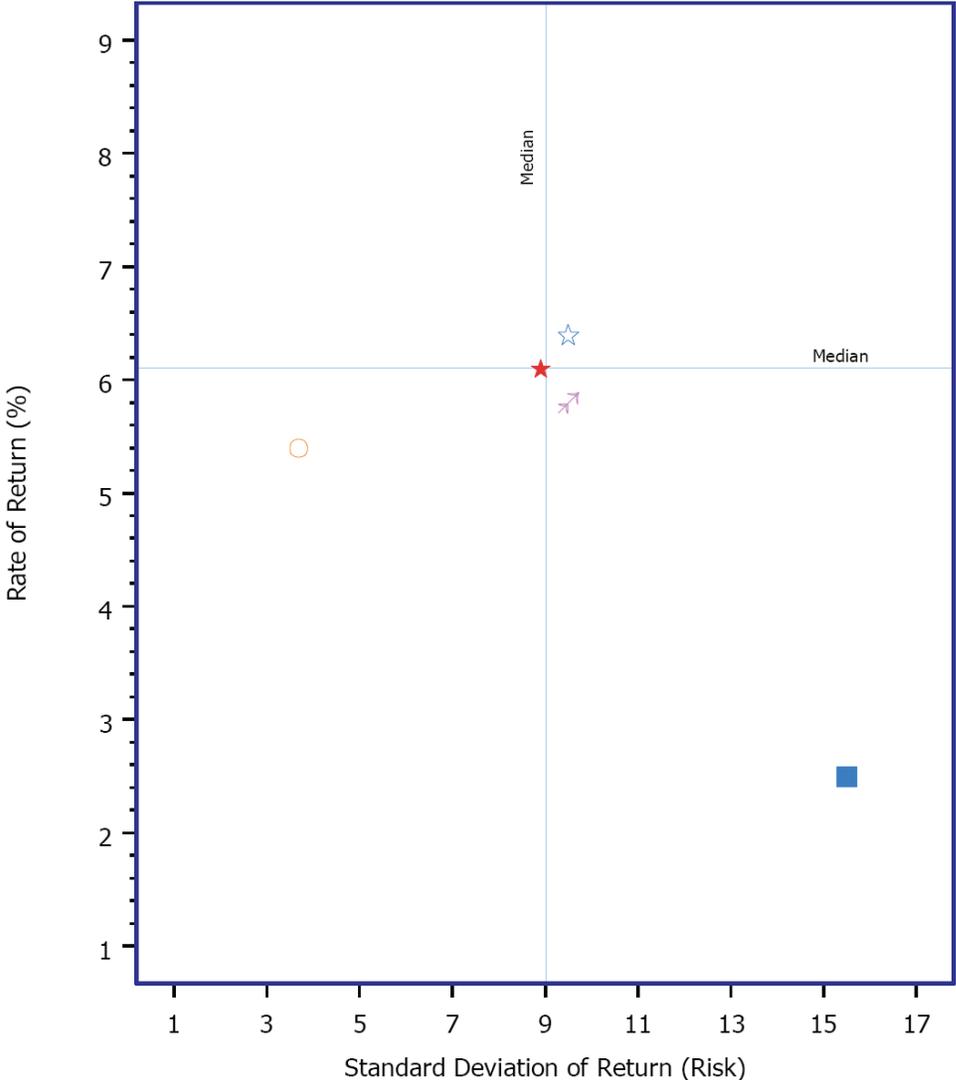


	Return	Standard Deviation	Sharpe Ratio
★ MUNI COMPOSITE	8.7	6.4	0.9
* ALLOC INDEX	9.1	6.4	0.9
☆ POLICY INDEX	9.5	6.0	1.0
■ S&P 500	7.6	9.7	0.5
○ LB AGGREGATE	3.9	3.5	0.2
Median	8.9	6.3	0.9

Funded status as of Fiscal Year 2007 = 106.2%



Total Fund Risk / Return Analysis – 7 Years*

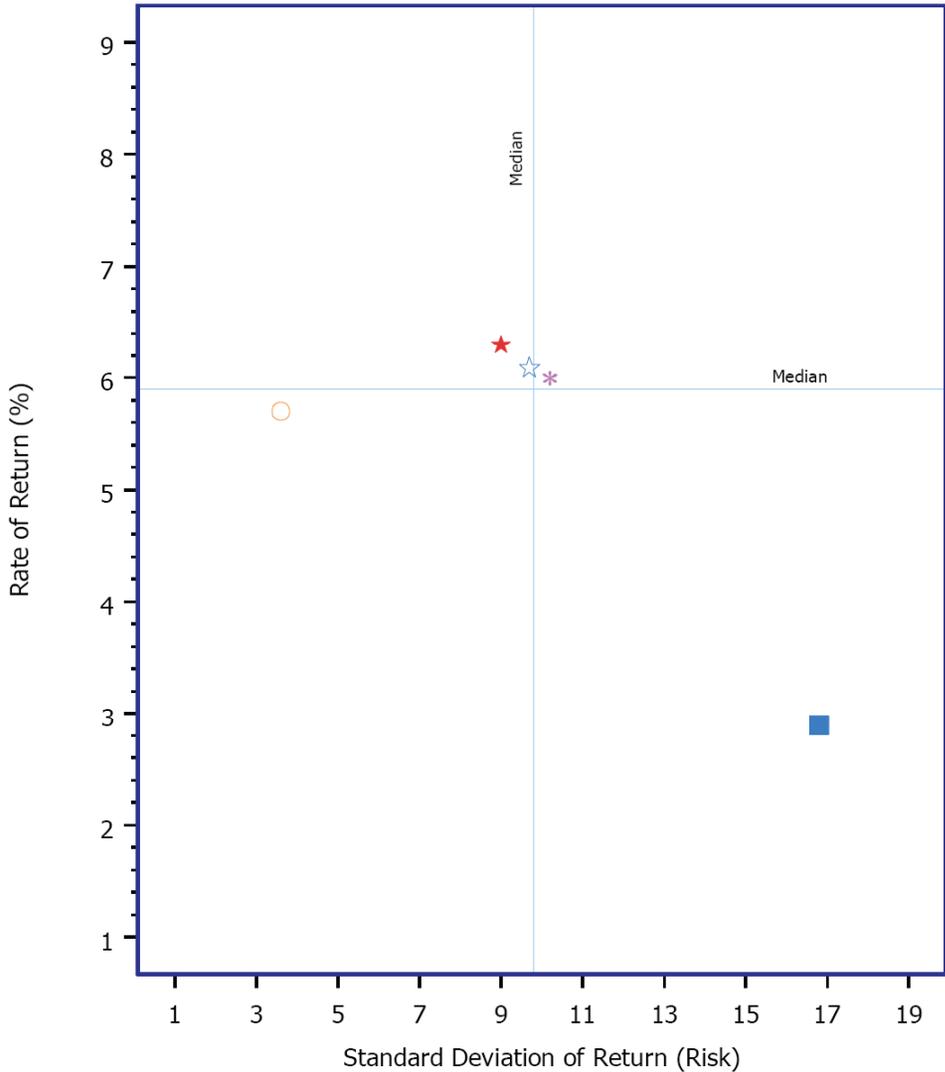


	Return	Standard Deviation	Sharpe Ratio
★ MUNI COMPOSITE	6.1	8.9	0.4
↗ ALLOC INDEX	5.8	9.5	0.3
☆ POLICY INDEX	6.4	9.5	0.4
■ S&P 500	2.5	15.5	0.1
○ LB AGGREGATE	5.4	3.7	0.7
Median	6.1	9.0	0.4

Funded status as of Fiscal Year 2007 = 106.2%



Total Fund Risk / Return Analysis – 10 Years*



	Return	Standard Deviation	Sharpe Ratio
★ MUNI COMPOSITE	6.3	9.0	0.3
* ALLOC INDEX	6.0	10.2	0.3
☆ POLICY INDEX	6.1	9.7	0.3
■ S&P 500	2.9	16.8	0.0
○ LB AGGREGATE	5.7	3.6	0.6
Median	5.9	9.8	0.3

Funded status as of Fiscal Year 2007 = 106.2%



VPIC Total Performance Summary

Vermont Pension Investment Committee (VPIC)																			
Investment Performance "Flash" Report																			
Periods Ending June 30, 2008																			
	<u>Quarter</u>	<i>Public Rank</i>	<i>Large Rank</i>	<u>YTD</u>	<i>Public Rank</i>	<i>Large Rank</i>	<u>Last Year</u>	<i>Public Rank</i>	<i>Large Rank</i>	<u>Last 3 Years</u>	<i>Public Rank</i>	<i>Large Rank</i>	<u>Last 5 Years</u>	<i>Public Rank</i>	<i>Large Rank</i>	<u>Fiscal YTD</u>	<u>Market Value</u>	<u>% of Total Portfolio</u>	<u>Fee</u>
Teachers' Composite																			
Teachers' Composite	(1.1)%	72	75	(6.5)%	67	68	(6.6)%	81	83	6.6%	52	73	9.0%	49	72	(6.6)%	\$1,495,614,639	100%	0.38%
<i>Allocation Index</i>	(1.5)%			(5.5)%			(5.1)%			6.6%			9.1%			(5.1)%			
<i>Policy Index</i>	(1.0)%			(5.4)%			(3.7)%			7.3%			9.6%			(3.7)%			
Employees' Composite																			
Employees' Composite	(1.0)%	65	66	(6.2)%	64	62	(5.9)%	76	77	6.6%	50	73	8.8%	50	73	(5.9)%	\$1,279,301,885	100%	0.37%
<i>Allocation Index</i>	(1.3)%			(5.3)%			(4.7)%			6.6%			8.9%			(4.7)%			
<i>Policy Index</i>	(1.0)%			(4.9)%			(2.9)%			7.2%			9.3%			(2.9)%			
Municipal Composite																			
Municipal Composite	(1.0)%	67		(6.3)%	66		(6.1)%	76		6.8%	45		8.7%	57		(6.1)%	\$313,101,025	100%	0.38%
<i>Allocation Index</i>	(1.3)%			(5.1)%			(4.4)%			6.6%			9.1%			(4.4)%			
<i>Policy Index</i>	(0.9)%			(4.8)%			(2.6)%			7.5%			9.5%			(2.6)%			
Burlington Composite																			
Burlington Composite	(1.2)%	74		(6.5)%	69		(7.7)%	91		6.2%	62		8.1%	67		(7.7)%	\$117,627,258	100%	0.38%
<i>Policy Index</i>	(1.1)%			(5.8)%			(4.4)%			6.1%			8.1%			(4.4)%			

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



VPIC Manager Performance Summary

Vermont Pension Investment Committee (VPIC)																		
Investment Performance "Flash" Report																		
Periods Ending June 30, 2008																		
	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	% of BRS Portfolio	VPIC Inception Date	Annual Fee
Large Cap Equity																		
Large Cap Equity Composite - Employees*	(2.5)%	65	(11.5)%	49	(13.5)%	62	5.1%	51	7.9%	73	(13.5)%	\$321,643,420	25.1%	-	-	-		
Large Cap Equity Composite - Teachers*	(2.5)%	65	(11.3)%	45	(14.1)%	69	4.4%	72	7.3%	91	(14.1)%	\$429,501,885	-	28.7%	-	-		
Large Cap Equity Composite - Municipal	(2.5)%	65	(11.5)%	49	(13.5)%	62	6.0%	37	8.3%	65	(13.5)%	\$76,245,336	-	-	24.4%	-		
Large Cap Equity Composite - Burlington <i>Standard & Poors 500</i>	(2.5)%	65	(11.3)%	45	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$34,725,543	-	-	-	29.5%		
T. Rowe	(1.2)%	35	(10.0)%	30	(11.3)%	37	n/a	n/a	n/a	n/a	(11.3)%	\$347,034,474	10.1%	11.5%	9.9%	12.0%	Dec-05	0.30%
PIMCO <i>Standard & Poors 500</i>	(3.5)%	82	(13.0)%	84	(13.6)%	64	n/a	n/a	n/a	n/a	(13.6)%	\$343,566,023	10.0%	11.5%	9.7%	11.7%	Dec-05	0.33%
SsgA <i>S&P 500 Equal Weighted</i>	(3.1)%	80	(11.3)%	45	(18.0)%	93	n/a	n/a	n/a	n/a	(18.0)%	\$171,515,687	5.0%	5.7%	4.8%	5.8%	Dec-05	0.05%
	(2.5)%		(10.9)%		(16.9)%		4.0%		10.0%		(16.9)%							
Small Cap Equity																		
Small Cap Equity Composite - Employees*	2.5%	34	(7.4)%	53	(13.0)%	36	3.8%	69	9.7%	84	(13.0)%	\$161,745,043	12.6%	-	-	-		
Small Cap Equity Composite - Teachers*	2.4%	34	(7.4)%	53	(13.1)%	37	2.9%	75	9.7%	84	(13.1)%	\$186,078,764	-	12.4%	-	-		
Small Cap Equity Composite - Municipal	2.5%	34	(7.4)%	53	(13.0)%	36	3.7%	69	10.0%	79	(13.0)%	\$33,445,123	-	-	10.7%	-		
Small Cap Equity Composite - Burlington <i>Russell 2000</i>	2.5%	34	(7.4)%	53	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$14,944,765	-	-	-	12.7%		
	0.6%		(9.4)%		(16.2)%		3.8%		10.3%		(16.2)%							
SsgA 2500 <i>Russell 2500</i>	1.6%	42	(7.9)%	56	(14.0)%	40	n/a	n/a	n/a	n/a	(14.0)%	\$130,674,736	4.1%	4.1%	3.6%	4.2%	Dec-05	0.07%
Wellington <i>Russell 2000 Value</i>	1.2%	10	(5.3)%	16	(14.4)%	17	5.2%	25	n/a	n/a	(14.4)%	\$130,221,443	4.2%	4.1%	3.4%	4.2%	Dec-05	0.49%
SsgA Russell 2000 Growth <i>Russell 2000 Growth</i>	4.5%	34	(8.9)%	35	(10.8)%	43	n/a	n/a	n/a	n/a	(10.8)%	\$135,317,516	4.3%	4.3%	3.7%	4.3%	Dec-06	0.10%
	4.5%		(8.9)%		(10.8)%		6.1%		10.4%		(10.8)%							
International Equity																		
International Developed Equity																		
International Equity Composite - Employees*	(2.6)%	67	(11.2)%	62	(11.5)%	69	14.8%	38	17.0%	63	(11.5)%	\$ 169,178,351	13.2%	-	-	-		
International Equity Composite - Teachers*	(2.9)%	70	(11.4)%	68	(11.3)%	68	14.4%	41	17.6%	52	(11.3)%	\$ 192,557,572	-	12.9%	-	-		
International Equity Composite - Municipal	(2.6)%	68	(11.2)%	62	(11.5)%	69	14.3%	38	16.9%	63	(11.5)%	\$ 40,781,479	-	-	13.0%	-		
International Equity Composite - Burlington	(2.9)%	70	(11.4)%	68	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 15,521,458	-	-	-	13.2%		
Acadian	(1.1)%	33	(10.7)%	50	(12.8)%	78	n/a	n/a	n/a	n/a	(12.8)%	\$190,747,069	6.7%	5.2%	6.6%	5.3%	Oct-05	0.48%
Mondrian <i>EAFE (After Taxes)</i>	(4.0)%	75	(11.9)%	75	(10.4)%	56	13.1%	57	17.7%	50	(10.4)%	\$227,291,791	6.5%	7.7%	6.4%	7.9%	Oct-05	0.36%
<i>CITIEPAC</i>	(2.3)%		(11.0)%		(10.6)%		12.8%		16.7%		(10.6)%							
	(2.0)%		(11.0)%		(9.8)%		13.4%		17.1%		(9.8)%							
Emerging Market Equity																		
Aberdeen <i>MSCI EM</i>	0.4%	29	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$35,233,092	1.1%	1.1%	1.1%	1.1%	Jan-08	0.85%
	(0.8)%		(11.7)%		4.6%		27.1%		29.8%		4.6%							
Core Fixed Income																		
Logan Circle**	(0.4)%	19	(2.7)%	97	0.3%	96	2.2%	96	3.2%	93	0.3%	\$515,961,369	17.9%	13.6%	21.9%	13.4%	Apr-06	0.33%
Oppenheimer <i>LB Aggregate</i>	(0.4)%	20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$74,682,892	2.6%	2.0%	3.1%	2.0%	Mar-08	
	(1.0)%		1.1%		7.1%		4.1%		3.9%		7.1%							
High Yield Fixed Income																		
Post Advisory <i>LB High Yield</i>	3.1%	11	0.4%	4	1.5%	26	5.6%	38	n/a	n/a	1.5%	\$171,295,410	5.4%	5.3%	5.3%	5.2%	Apr-06	0.42%
	1.8%		(1.3)%		(2.3)%		4.6%		6.9%		(2.3)%							
Global Fixed Income																		
Global FI Composite - Employees*	(2.2)%	61	3.6%	35	14.1%	31	n/a	n/a	n/a	n/a	14.1%	\$ 59,010,860	4.6%	-	-	-		
Global FI Composite - Teachers*	(2.2)%	61	3.6%	35	14.1%	31	n/a	n/a	n/a	n/a	14.1%	\$ 69,277,670	-	4.6%	-	-		
Global FI Composite - Municipal	(2.3)%	62	3.5%	36	14.0%	35	n/a	n/a	n/a	n/a	14.0%	\$ 8,024,974	-	-	2.6%	-		
Global FI Composite - Burlington	(2.3)%	62	3.6%	35	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 5,182,617	-	-	-	4.4%		
Brandywine	0.5%	5	2.3%	57	11.0%	49	n/a	n/a	n/a	n/a	11.0%	\$70,745,657	2.3%	2.3%	1.3%	2.2%	May-06	0.42%
Mondrian** <i>CITI WGBI</i>	(4.9)%	88	4.7%	15	17.4%	8	6.5%	26	6.5%	49	17.4%	\$70,750,464	2.3%	2.3%	1.3%	2.2%	May-06	0.36%
	(4.2)%		5.0%		17.0%		6.2%		6.4%		17.0%							

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

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



VPIC Manager Performance Summary

State of Vermont																		
Investment Performance "Flash" Report																		
Periods Ending June 30, 2008																		
	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	% of BRS Portfolio	VPIC Inception Date	Annual Fee
Real Estate[^]																		
Total Real Estate													6.7%	8.7%	7.6%	8.5%		
Morgan Stanley	(1.0)%	77	2.0%	29	6.5%	51	16.5%	21	16.1%	31	6.5%	\$82,692,288	2.2%	2.9%	2.5%	2.8%	Sep-06	0.88%
UBS Realty	(0.6)%	72	0.9%	50	5.3%	64	13.3%	59	14.3%	54	5.3%	\$92,002,336	2.5%	3.2%	2.8%	3.1%	Sep-06	0.90%
RREEF	(7.1)%	93	(7.9)%	91	(1.5)%	83	n/a		n/a		(1.5)%	\$66,860,213	1.8%	2.3%	2.0%	2.3%	Sep-06	
Transwestern / Aslan	0.3%	39	(0.6)%	75	(5.9)%	85	n/a		n/a		(5.9)%	\$4,083,849	0.1%	0.1%	0.1%	0.1%	Sep-06	
Real Estate Cash	0.3%	38	1.2%	46	3.8%	69	n/a		n/a		3.8%	\$3,199,791	0.1%	0.1%	0.1%	0.1%	Sep-06	
NCREIF Property Index [^]	0.6%		2.2%		9.2%		15.0%		14.7%		9.2%							
Private Investment																		
Pru & VVC	(1.1)%		0.4%		9.3%		11.0%		4.5%		9.3%	\$5,739,881	0.0%	0.4%	0.0%	0.0%		
Vermont Investments	30.2%		44.3%		44.6%		(2.8)%		1.3%		44.6%	\$3,269,646	0.3%	0.0%	0.0%	0.0%		
Alternative Investments	0.0%		0.0%		0.0%		n/a		n/a		0.0%	\$767,390	0.0%	0.0%	0.2%	0.0%		
RMK Timber*	2.5%		4.7%		9.6%		21.5%		14.0%		9.6%	\$2,695,072	0.2%	0.0%	0.0%	0.0%		1.00%
NCREIF Timber Index*	4.5%		14.3%		21.5%		18.1%		14.8%		21.5%							
Global Asset Allocation																		
GAA Composite - Employees'	(1.1)%		(4.5)%		(2.3)%		n/a		n/a		(2.3)%	\$ 153,434,707	10.2%	-	-			
GAA Composite - Teachers'	(1.1)%		(4.5)%		(2.3)%		n/a		n/a		(2.3)%	\$ 153,434,707	-	10.3%	-			
GAA Composite - Municipal	(1.1)%		(4.5)%		(2.3)%		n/a		n/a		(2.3)%	\$ 31,747,504	-	-	10.1%			
Pimco All Asset	(0.3)%		0.2%		6.1%		n/a		n/a		6.1%	\$163,984,455	5.1%	5.1%	5.1%	5.0%	May-06	0.83%
T-Bill + 5%	1.6%		3.5%		8.6%		9.4%		8.3%		8.6%							
Mellon Global Alpha	(1.9)%		(9.4)%		(10.5)%		n/a		n/a		(10.5)%	\$163,101,676	5.1%	5.1%	5.1%	4.9%	May-06	0.65%
60%MSCI World / 40% CITI WGBI	(2.0)%		(6.0)%		(3.7)%		6.7%		8.7%		(3.7)%							
Cash																		
Employees' Cash	0.3%		1.2%		4.6%		6.2%		4.7%		4.6%	\$738,807	0.1%	0.0%	0.0%	0.0%		
Teachers' Cash	0.3%		1.2%		4.6%		5.2%		4.6%		4.6%	\$1,204,476	0.0%	0.1%	0.0%	0.0%		
Municipal Cash	0.3%		1.2%		4.5%		4.8%		4.1%		4.5%	\$114,143	0.0%	0.0%	0.0%	0.0%		
Burlington Cash	0.3%		1.3%		n/a		n/a		n/a		n/a	\$153,160	0.0%	0.0%	0.0%	0.1%		
90 Day U.S. T-Bills	0.3%		1.2%		3.6%		4.3%		3.2%		3.6%							

Note: Returns are gross of manager fees. Results for periods longer than one year are annualized.
[^] Performance reported on a quarterly basis. NCREIF Property is available 25 days after quarter end.
* RMK Timber and NCREIF Timber are reported on the one quarter lag.

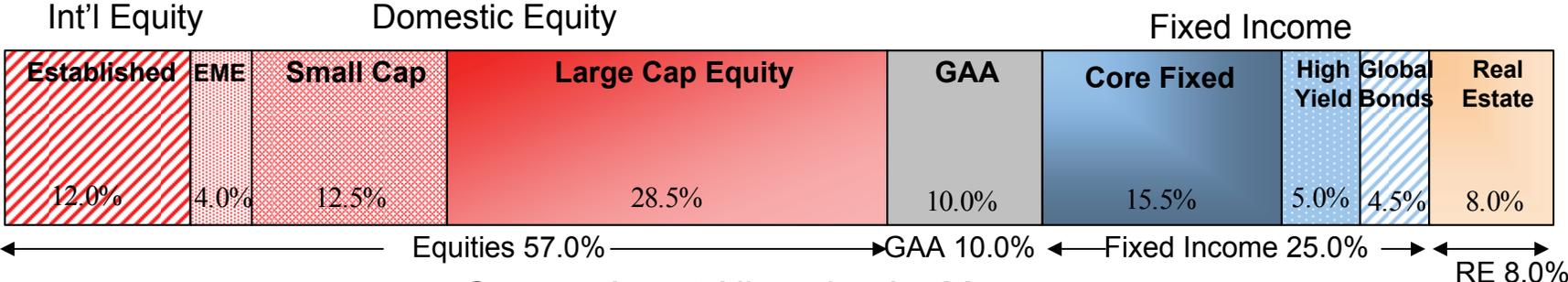


City of Burlington Vermont

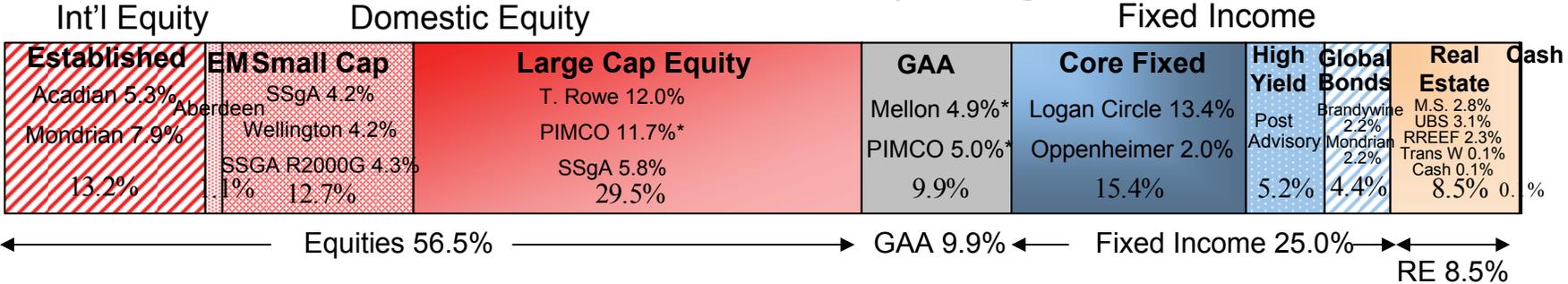


Plan Asset Allocation

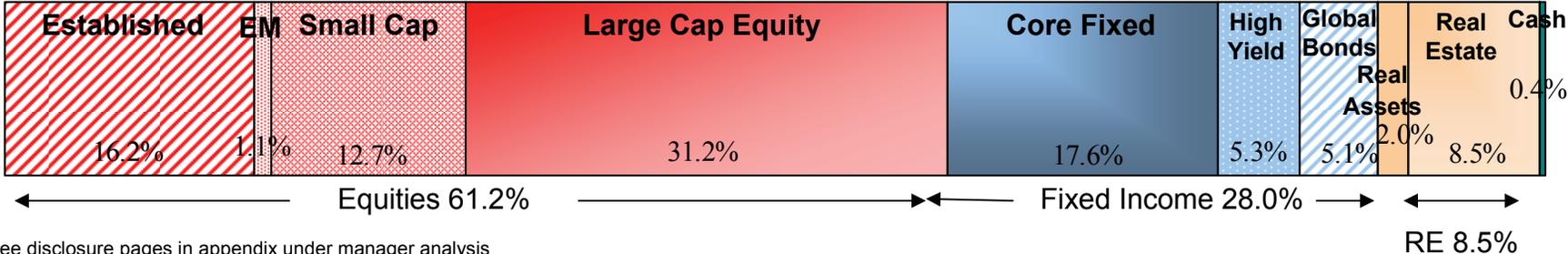
As of June 30, 2008
Target Asset Allocation



Current Asset Allocation by Manager



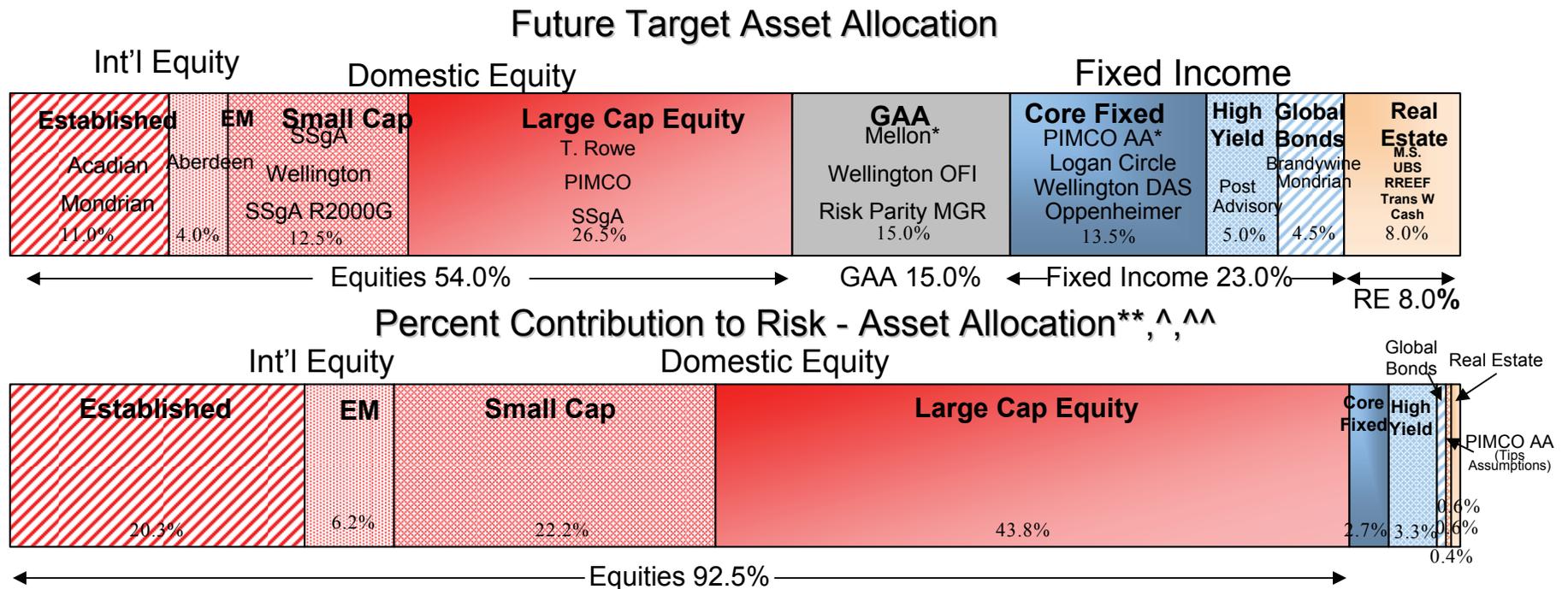
Current Asset Allocation by Asset Class



* See disclosure pages in appendix under manager analysis
Numbers may not add up to 100% due to rounding.



Plan Future Asset Allocation and Risk Budgeting



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

* See disclosure pages in appendix under manager analysis

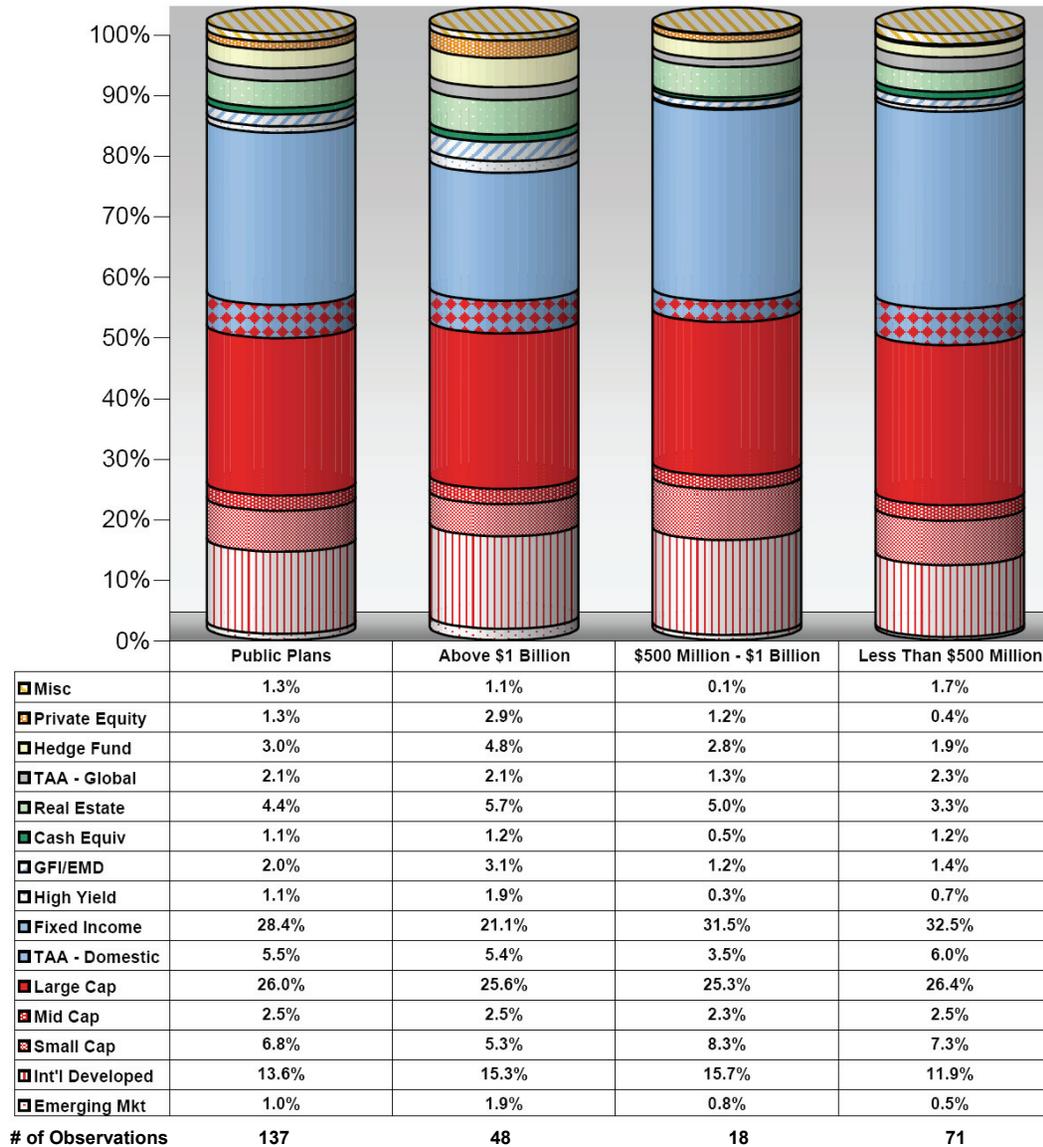
**Mellon GA 1 was modeled using the following asset classes: 30% Large Cap / 30% Int'l Equity / 20% Core Fixed Income / 20% Global Bonds.

^PIMCO AA was modeled using our Tips Assumptions.

^^Based on Target Allocation on page 7



ICC Average Asset Allocation – Public Plans



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	\$34,725	\$4,923	\$4,962	\$5,060	\$18,097	\$6,138	\$16,830	\$5,182	\$9,954	\$11,603	\$0	\$153	\$117,627
T. Rowe	14,153	0	0	0	0	0	0	0	0	0	0	0	\$14,153
PIMCO	13,726	0	0	0	0	0	0	0	0	0	0	0	\$13,726
SSgA Equal Wgt	6,846	0	0	0	0	0	0	0	0	0	0	0	\$6,846
SSgA R-2500	0	4,923	0	0	0	0	0	0	0	0	0	0	\$4,923
Wellington	0	0	4,962	0	0	0	0	0	0	0	0	0	\$4,962
SSgA R-2000 Growth	0	0	0	5,060	0	0	0	0	0	0	0	0	\$5,060
Acadian	0	0	0	0	0	0	6,285	0	0	0	0	0	\$6,285
Mondrian	0	0	0	0	0	0	9,236	0	0	0	0	0	\$9,236
Aberdeen	0	0	0	0	0	0	1,309	0	0	0	0	0	\$1,309
Logan Circle	0	0	0	0	15,802	0	0	0	0	0	0	0	\$15,802
Oppenheimer	0	0	0	0	2,295	0	0	0	0	0	0	0	\$2,295
Post Advisory	0	0	0	0	0	6,138	0	0	0	0	0	0	\$6,138
Mondrian	0	0	0	0	0	0	0	2,603	0	0	0	0	\$2,603
Brandywine	0	0	0	0	0	0	0	2,579	0	0	0	0	\$2,579
Morgan Stanely	0	0	0	0	0	0	0	0	3,308	0	0	0	\$3,308
UBS Realty	0	0	0	0	0	0	0	0	3,680	0	0	0	\$3,680
RREEF	0	0	0	0	0	0	0	0	2,674	0	0	0	\$2,674
Transwestern	0	0	0	0	0	0	0	0	163	0	0	0	\$163
Real Estate Cash	0	0	0	0	0	0	0	0	128	0	0	0	\$128
Mellon GA 1	0	0	0	0	0	0	0	0	0	5,767	0	0	\$5,767
PIMCO AA	0	0	0	0	0	0	0	0	0	5,836	0	0	\$5,836
Pru & VVC	0	0	0	0	0	0	0	0	0	0	0	0	\$0
Vermont Investment	0	0	0	0	0	0	0	0	0	0	0	153	\$153

(Dollars in 000's)

Total Fund Asset Growth Summary

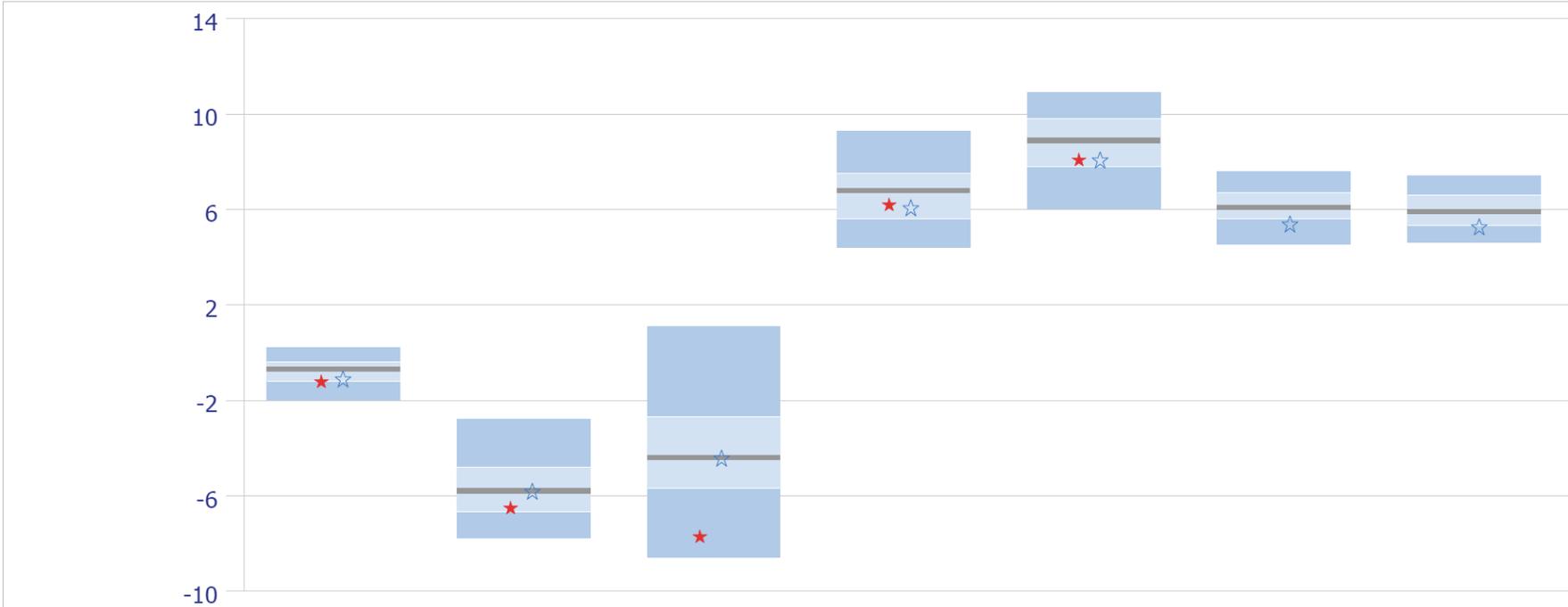
Periods Ending June 30, 2008

CITY OF BURLINGTON COMPOSITE

	Last Quarter	Year to Date	Last Twelve Months	Since Inception 09/2007
Beginning Market Value	119,042	125,965	127,399	129,696
Net External Growth	-43	-152	3,247	3,268
Return on Investment	-1,372	-8,186	-13,019	-15,336
Income Received	0	0	0	0
Gain/Loss	-1,372	-8,186	-13,019	-15,336
Ending Market Value	117,627	117,627	117,627	117,627

Return **-1.2%** **-6.5%** **-7.7%**

Total Public Funds – Total Rates of Return

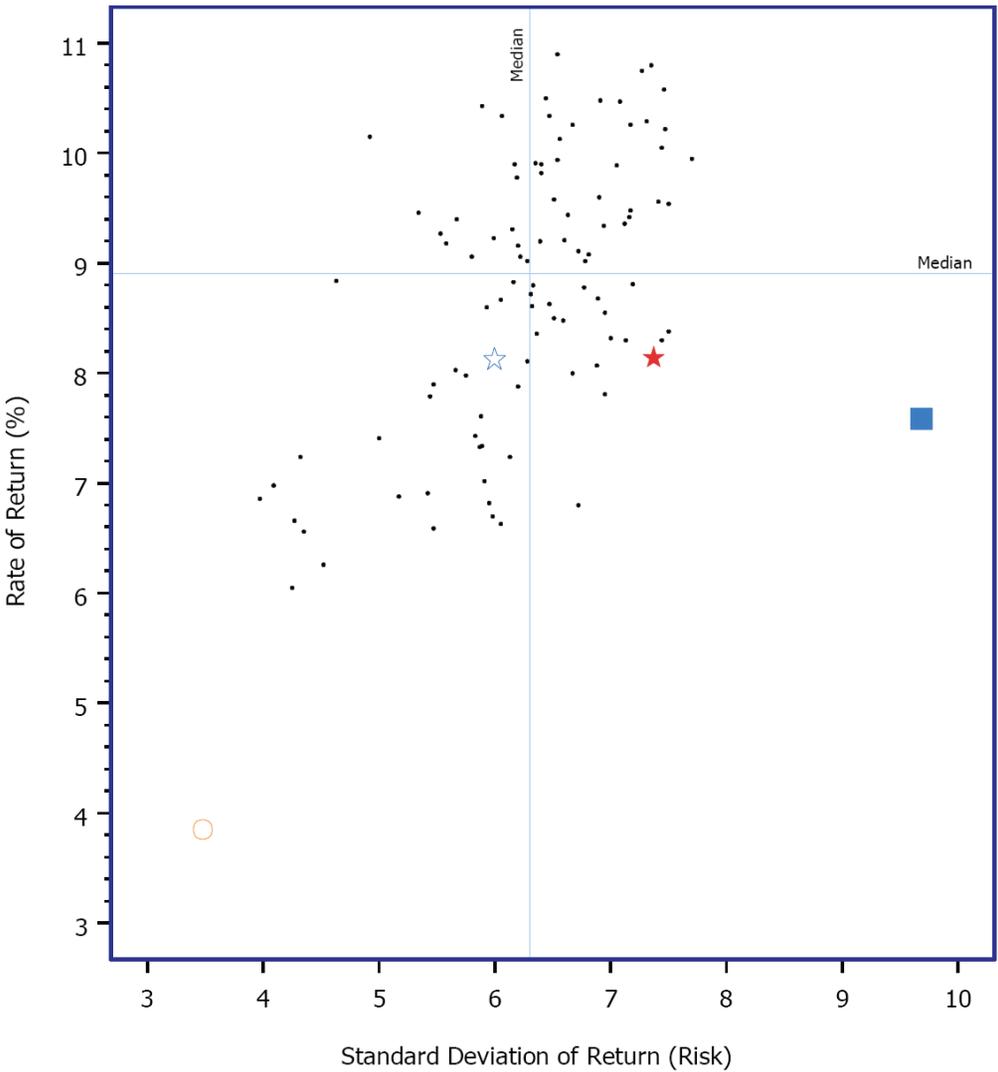


	One Quarter		Year to Date		One Year		Three Years		Five Years		Seven Years		Ten Years	
★ BURLINGTON COMP	-1.2	73	-6.5	69	-7.7	91	6.2	62	8.1	67				
☆ POLICY INDEX	-1.1	72	-5.8	46	-4.4	49	6.1	65	8.1	67	5.4	81	5.3	76
Median	-0.7	--	-5.8	--	-4.4	--	6.8	--	8.9	--	6.1	--	5.9	--

•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



	Return	Standard Deviation	Sharpe Ratio
★ BURLINGTON COMP	8.1	7.4	0.7
☆ POLICY INDEX	8.1	6.0	0.8
■ S&P 500	7.6	9.7	0.5
○ LB AGGREGATE	3.9	3.5	0.2
Median	8.9	6.3	0.9



VPIC Total Performance Summary

Vermont Pension Investment Committee (VPIC)																			
Investment Performance "Flash" Report																			
Periods Ending June 30, 2008																			
	<u>Quarter</u>	<i>Public Rank</i>	<i>Large Rank</i>	<u>YTD</u>	<i>Public Rank</i>	<i>Large Rank</i>	<u>Last Year</u>	<i>Public Rank</i>	<i>Large Rank</i>	<u>Last 3 Years</u>	<i>Public Rank</i>	<i>Large Rank</i>	<u>Last 5 Years</u>	<i>Public Rank</i>	<i>Large Rank</i>	<u>Fiscal YTD</u>	<u>Market Value</u>	<u>% of Total Portfolio</u>	<u>Fee</u>
Teachers' Composite																			
Teachers' Composite	(1.1)%	72	75	(6.5)%	67	68	(6.6)%	81	83	6.6%	52	73	9.0%	49	72	(6.6)%	\$1,495,614,639	100%	0.38%
<i>Allocation Index</i>	(1.5)%			(5.5)%			(5.1)%			6.6%			9.1%			(5.1)%			
<i>Policy Index</i>	(1.0)%			(5.4)%			(3.7)%			7.3%			9.6%			(3.7)%			
Employees' Composite																			
Employees' Composite	(1.0)%	65	66	(6.2)%	64	62	(5.9)%	76	77	6.6%	50	73	8.8%	50	73	(5.9)%	\$1,279,301,885	100%	0.37%
<i>Allocation Index</i>	(1.3)%			(5.3)%			(4.7)%			6.6%			8.9%			(4.7)%			
<i>Policy Index</i>	(1.0)%			(4.9)%			(2.9)%			7.2%			9.3%			(2.9)%			
Municipal Composite																			
Municipal Composite	(1.0)%	67		(6.3)%	66		(6.1)%	76		6.8%	45		8.7%	57		(6.1)%	\$313,101,025	100%	0.38%
<i>Allocation Index</i>	(1.3)%			(5.1)%			(4.4)%			6.6%			9.1%			(4.4)%			
<i>Policy Index</i>	(0.9)%			(4.8)%			(2.6)%			7.5%			9.5%			(2.6)%			
Burlington Composite																			
Burlington Composite	(1.2)%	74		(6.5)%	69		(7.7)%	91		6.2%	62		8.1%	67		(7.7)%	\$117,627,258	100%	0.38%
<i>Policy Index</i>	(1.1)%			(5.8)%			(4.4)%			6.1%			8.1%			(4.4)%			

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



VPIC Manager Performance Summary

Vermont Pension Investment Committee (VPIC)																			
Investment Performance "Flash" Report																			
Periods Ending June 30, 2008																			
	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	% of BRS Portfolio	VPIC Inception Date	Annual Fee	
Large Cap Equity																			
Large Cap Equity Composite - Employees*	(2.5)%	65	(11.5)%	49	(13.5)%	62	5.1%	51	7.9%	73	(13.5)%	\$321,643,420	25.1%	-	-	-			
Large Cap Equity Composite - Teachers*	(2.5)%	65	(11.3)%	45	(14.1)%	69	4.4%	72	7.3%	91	(14.1)%	\$429,501,885	-	28.7%	-	-			
Large Cap Equity Composite - Municipal	(2.5)%	65	(11.5)%	49	(13.5)%	62	6.0%	37	8.3%	65	(13.5)%	\$76,245,336	-	-	24.4%	-			
Large Cap Equity Composite - Burlington <i>Standard & Poors 500</i>	(2.5)%	65	(11.3)%	45	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$34,725,543	-	-	-	29.5%			
T. Rowe	(1.2)%	35	(10.0)%	30	(11.3)%	37	n/a	n/a	n/a	n/a	(11.3)%	\$347,034,474	10.1%	11.5%	9.9%	12.0%	Dec-05	0.30%	
PIMCO <i>Standard & Poors 500</i>	(3.5)%	82	(13.0)%	84	(13.6)%	64	n/a	n/a	n/a	n/a	(13.6)%	\$343,566,023	10.0%	11.5%	9.7%	11.7%	Dec-05	0.33%	
SSgA <i>S&P 500 Equal Weighted</i>	(3.1)%	80	(11.3)%	45	(18.0)%	93	n/a	n/a	n/a	n/a	(18.0)%	\$171,515,687	5.0%	5.7%	4.8%	5.8%	Dec-05	0.05%	
	(2.5)%		(10.9)%		(16.9)%		4.0%		10.0%		(16.9)%								
Small Cap Equity																			
Small Cap Equity Composite - Employees*	2.5%	34	(7.4)%	53	(13.0)%	36	3.8%	69	9.7%	84	(13.0)%	\$161,745,043	12.6%	-	-	-			
Small Cap Equity Composite - Teachers*	2.4%	34	(7.4)%	53	(13.1)%	37	2.9%	75	9.7%	84	(13.1)%	\$186,078,764	-	12.4%	-	-			
Small Cap Equity Composite - Municipal	2.5%	34	(7.4)%	53	(13.0)%	36	3.7%	69	10.0%	79	(13.0)%	\$33,445,123	-	-	10.7%	-			
Small Cap Equity Composite - Burlington <i>Russell 2000</i>	2.5%	34	(7.4)%	53	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$14,944,765	-	-	-	12.7%			
	0.6%		(9.4)%		(16.2)%		3.8%		10.3%		(16.2)%								
SSgA 2500 <i>Russell 2500</i>	1.6%	42	(7.9)%	56	(14.0)%	40	n/a	n/a	n/a	n/a	(14.0)%	\$130,674,736	4.1%	4.1%	3.6%	4.2%	Dec-05	0.07%	
Wellington <i>Russell 2000 Value</i>	1.2%	10	(5.3)%	16	(14.4)%	17	5.2%	25	n/a	n/a	(14.4)%	\$130,221,443	4.2%	4.1%	3.4%	4.2%	Dec-05	0.49%	
SSgA Russell 2000 Growth <i>Russell 2000 Growth</i>	4.5%	34	(8.9)%	35	(10.8)%	43	n/a	n/a	n/a	n/a	(10.8)%	\$135,317,516	4.3%	4.3%	3.7%	4.3%	Dec-06	0.10%	
	4.5%		(8.9)%		(10.8)%		6.1%		10.4%		(10.8)%								
International Equity																			
International Developed Equity																			
International Equity Composite - Employees*	(2.6)%	67	(11.2)%	62	(11.5)%	69	14.8%	38	17.0%	63	(11.5)%	\$ 169,178,351	13.2%	-	-	-			
International Equity Composite - Teachers*	(2.9)%	70	(11.4)%	68	(11.3)%	68	14.4%	41	17.6%	52	(11.3)%	\$ 192,557,572	-	12.9%	-	-			
International Equity Composite - Municipal	(2.6)%	68	(11.2)%	62	(11.5)%	69	14.3%	38	16.9%	63	(11.5)%	\$ 40,781,479	-	-	13.0%	-			
International Equity Composite - Burlington	(2.9)%	70	(11.4)%	68	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 15,521,458	-	-	-	13.2%			
Acadian	(1.1)%	33	(10.7)%	50	(12.8)%	78	n/a	n/a	n/a	n/a	(12.8)%	\$190,747,069	6.7%	5.2%	6.6%	5.3%	Oct-05	0.48%	
Mondrian <i>EAFE (After Taxes)</i>	(4.0)%	75	(11.9)%	75	(10.4)%	56	13.1%	57	17.7%	50	(10.4)%	\$227,291,791	6.5%	7.7%	6.4%	7.9%	Oct-05	0.36%	
<i>CITIEPAC</i>	(2.3)%		(11.0)%		(10.6)%		12.8%		16.7%		(10.6)%								
	(2.0)%		(11.0)%		(9.8)%		13.4%		17.1%		(9.8)%								
Emerging Market Equity																			
Aberdeen <i>MSCI EM</i>	0.4%	29	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$35,233,092	1.1%	1.1%	1.1%	1.1%	Jan-08	0.85%	
	(0.8)%		(11.7)%		4.6%		27.1%		29.8%		4.6%								
Core Fixed Income																			
Logan Circle**	(0.4)%	19	(2.7)%	97	0.3%	96	2.2%	96	3.2%	93	0.3%	\$515,961,369	17.9%	13.6%	21.9%	13.4%	Apr-06	0.33%	
Oppenheimer <i>LB Aggregate</i>	(0.4)%	20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$74,682,892	2.6%	2.0%	3.1%	2.0%	Mar-08		
	(1.0)%		1.1%		7.1%		4.1%		3.9%		7.1%								
High Yield Fixed Income																			
Post Advisory <i>LB High Yield</i>	3.1%	11	0.4%	4	1.5%	26	5.6%	38	n/a	n/a	1.5%	\$171,295,410	5.4%	5.3%	5.3%	5.2%	Apr-06	0.42%	
	1.8%		(1.3)%		(2.3)%		4.6%		6.9%		(2.3)%								
Global Fixed Income																			
Global FI Composite - Employees*	(2.2)%	61	3.6%	35	14.1%	31	n/a	n/a	n/a	n/a	14.1%	\$ 59,010,860	4.6%	-	-	-			
Global FI Composite - Teachers*	(2.2)%	61	3.6%	35	14.1%	31	n/a	n/a	n/a	n/a	14.1%	\$ 69,277,670	-	4.6%	-	-			
Global FI Composite - Municipal	(2.3)%	62	3.5%	36	14.0%	35	n/a	n/a	n/a	n/a	14.0%	\$ 8,024,974	-	-	2.6%	-			
Global FI Composite - Burlington	(2.3)%	62	3.6%	35	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 5,182,617	-	-	-	4.4%			
Brandywine	0.5%	5	2.3%	57	11.0%	49	n/a	n/a	n/a	n/a	11.0%	\$70,745,657	2.3%	2.3%	1.3%	2.2%	May-06	0.42%	
Mondrian** <i>CITI WGBI</i>	(4.9)%	88	4.7%	15	17.4%	8	6.5%	26	6.5%	49	17.4%	\$70,750,464	2.3%	2.3%	1.3%	2.2%	May-06	0.36%	
	(4.2)%		5.0%		17.0%		6.2%		6.4%		17.0%								

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

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



VPIC Manager Performance Summary

State of Vermont																		
Investment Performance "Flash" Report																		
Periods Ending June 30, 2008																		
	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	% of BRS Portfolio	VPIC Inception Date	Annual Fee
Real Estate[^]																		
Total Real Estate													6.7%	8.7%	7.6%	8.5%		
Morgan Stanley	(1.0)%	77	2.0%	29	6.5%	51	16.5%	21	16.1%	31	6.5%	\$82,692,288	2.2%	2.9%	2.5%	2.8%	Sep-06	0.88%
UBS Realty	(0.6)%	72	0.9%	50	5.3%	64	13.3%	59	14.3%	54	5.3%	\$92,002,336	2.5%	3.2%	2.8%	3.1%	Sep-06	0.90%
RREEF	(7.1)%	93	(7.9)%	91	(1.5)%	83	n/a		n/a		(1.5)%	\$66,860,213	1.8%	2.3%	2.0%	2.3%	Sep-06	
Transwestern / Aslan	0.3%	39	(0.6)%	75	(5.9)%	85	n/a		n/a		(5.9)%	\$4,083,849	0.1%	0.1%	0.1%	0.1%	Sep-06	
Real Estate Cash	0.3%	38	1.2%	46	3.8%	69	n/a		n/a		3.8%	\$3,199,791	0.1%	0.1%	0.1%	0.1%	Sep-06	
NCREIF Property Index [^]	0.6%		2.2%		9.2%		15.0%		14.7%		9.2%							
Private Investment																		
Pru & VVC	(1.1)%		0.4%		9.3%		11.0%		4.5%		9.3%	\$5,739,881	0.0%	0.4%	0.0%	0.0%		
Vermont Investments	30.2%		44.3%		44.6%		(2.8)%		1.3%		44.6%	\$3,269,646	0.3%	0.0%	0.0%	0.0%		
Alternative Investments	0.0%		0.0%		0.0%		n/a		n/a		0.0%	\$767,390	0.0%	0.0%	0.2%	0.0%		
RMK Timber*	2.5%		4.7%		9.6%		21.5%		14.0%		9.6%	\$2,695,072	0.2%	0.0%	0.0%	0.0%		1.00%
NCREIF Timber Index*	4.5%		14.3%		21.5%		18.1%		14.8%		21.5%							
Global Asset Allocation																		
GAA Composite - Employees'	(1.1)%		(4.5)%		(2.3)%		n/a		n/a		(2.3)%	\$ 153,434,707	10.2%	-	-			
GAA Composite - Teachers'	(1.1)%		(4.5)%		(2.3)%		n/a		n/a		(2.3)%	\$ 153,434,707	-	10.3%	-			
GAA Composite - Municipal	(1.1)%		(4.5)%		(2.3)%		n/a		n/a		(2.3)%	\$ 31,747,504	-	-	10.1%			
Pimco All Asset	(0.3)%		0.2%		6.1%		n/a		n/a		6.1%	\$163,984,455	5.1%	5.1%	5.1%	5.0%	May-06	0.83%
T-Bill + 5%	1.6%		3.5%		8.6%		9.4%		8.3%		8.6%							
Mellon Global Alpha	(1.9)%		(9.4)%		(10.5)%		n/a		n/a		(10.5)%	\$163,101,676	5.1%	5.1%	5.1%	4.9%	May-06	0.65%
60%MSCI World / 40% CITI WGBI	(2.0)%		(6.0)%		(3.7)%		6.7%		8.7%		(3.7)%							
Cash																		
Employees' Cash	0.3%		1.2%		4.6%		6.2%		4.7%		4.6%	\$738,807	0.1%	0.0%	0.0%	0.0%		
Teachers' Cash	0.3%		1.2%		4.6%		5.2%		4.6%		4.6%	\$1,204,476	0.0%	0.1%	0.0%	0.0%		
Municipal Cash	0.3%		1.2%		4.5%		4.8%		4.1%		4.5%	\$114,143	0.0%	0.0%	0.0%	0.0%		
Burlington Cash	0.3%		1.3%		n/a		n/a		n/a		n/a	\$153,160	0.0%	0.0%	0.0%	0.1%		
90 Day U.S. T-Bills	0.3%		1.2%		3.6%		4.3%		3.2%		3.6%							

Note: Returns are gross of manager fees. Results for periods longer than one year are annualized.
[^] Performance reported on a quarterly basis. NCREIF Property is available 25 days after quarter end.
* RMK Timber and NCREIF Timber are reported on the one quarter lag.

