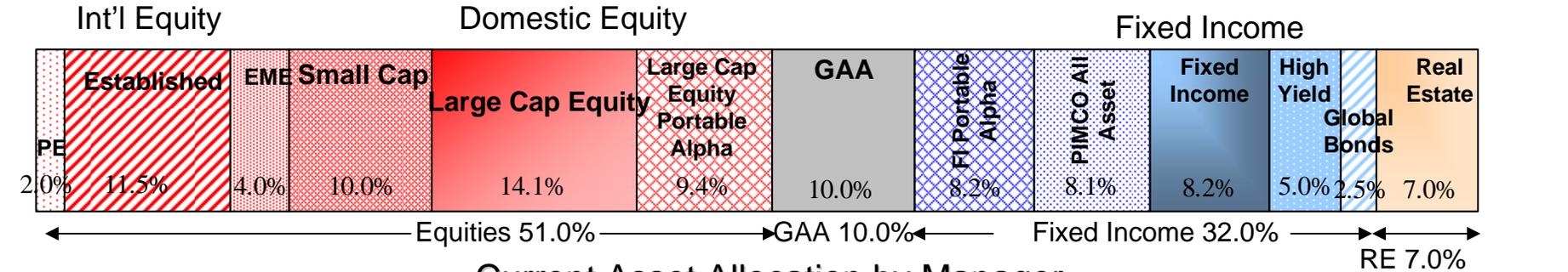


Vermont Municipal Employees' Retirement System

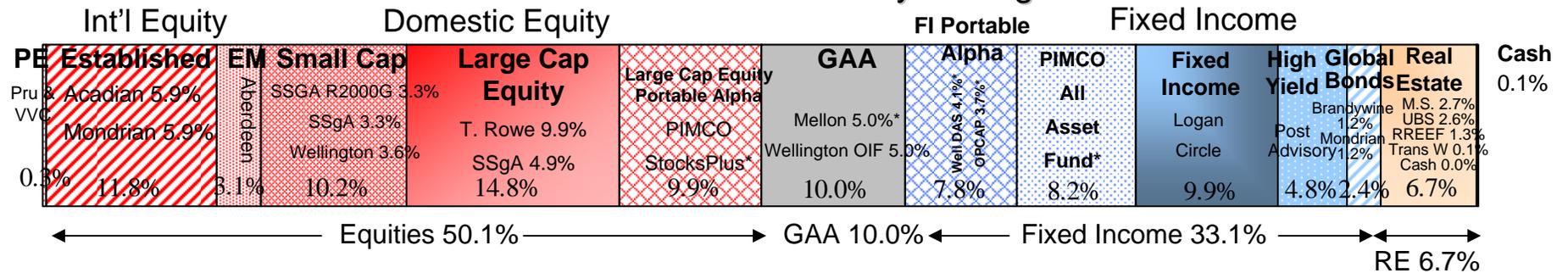


Plan Asset Allocation

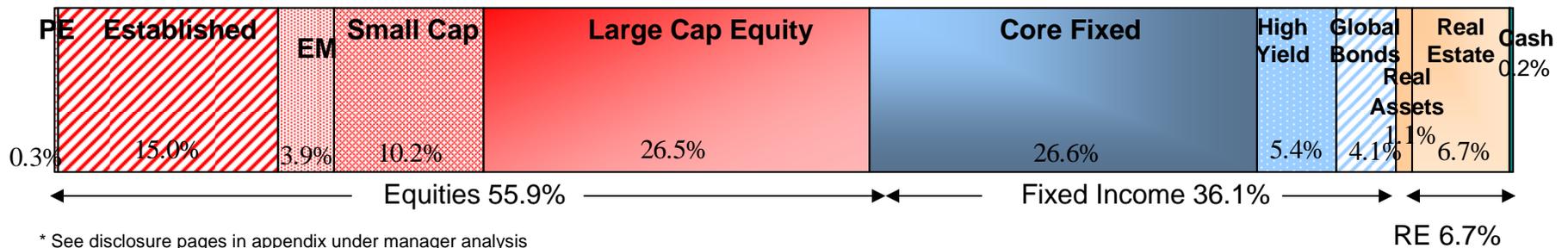
As of March 31, 2009
Target Asset Allocation



Current Asset Allocation by Manager



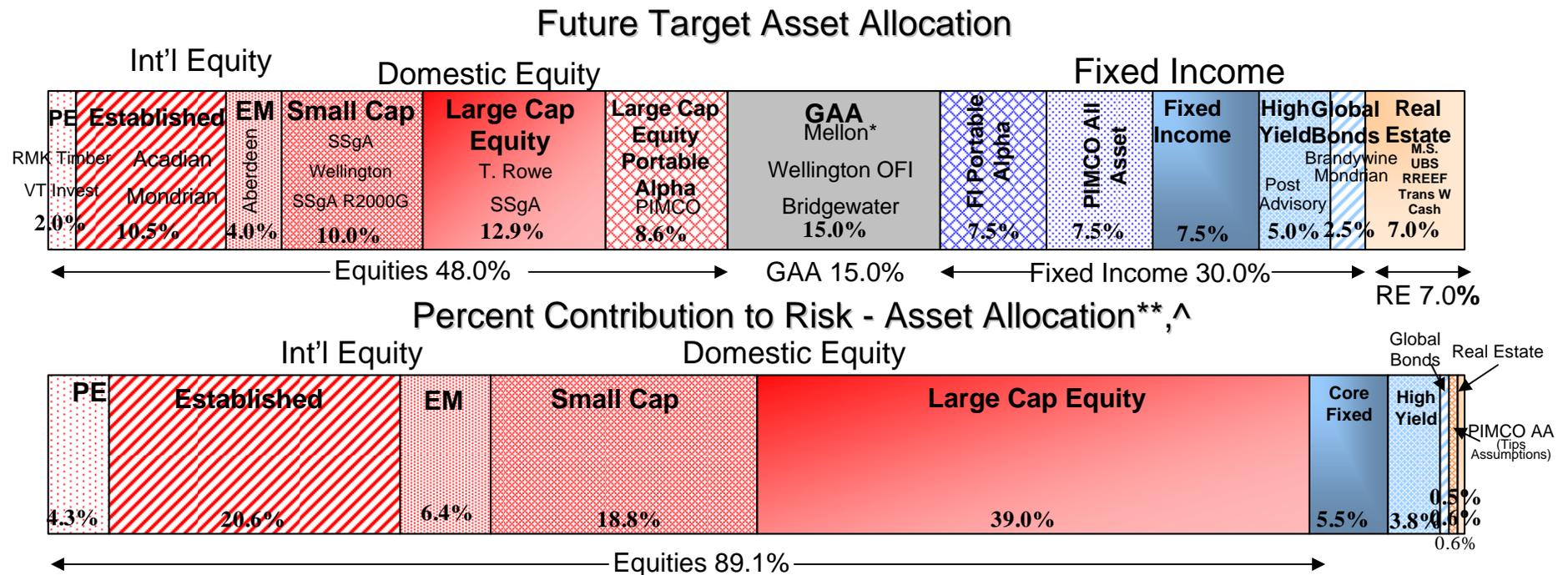
Current Asset Allocation by Asset Class



* 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.

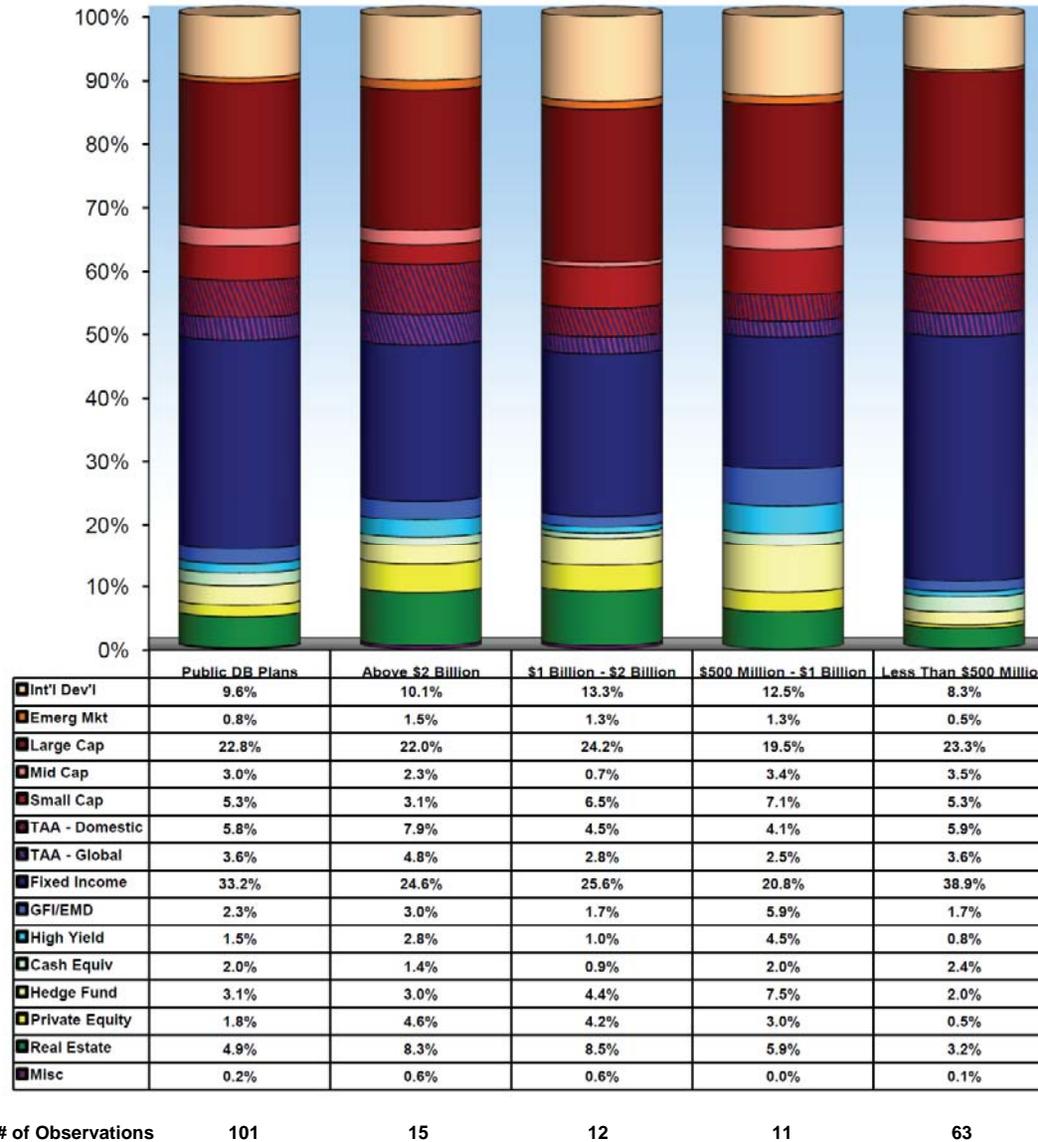
* See disclosure pages in appendix under manager analysis

**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.



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	GAA	Cash	Total
Composite	\$57,111	\$7,768	\$8,050	\$7,766	\$60,217	\$11,132	\$34,597	\$5,632	\$15,544	\$767	\$23,129	\$275	\$231,988
T. Rowe	22,751	0	0	0	0	0	0	0	0	0	0	0	\$22,751
PIMCO	22,922	0	0	0	0	0	0	0	0	0	0	0	\$22,922
SSgA Equal Wgt	11,438	0	0	0	0	0	0	0	0	0	0	0	\$11,438
SSgA R-2000 Growth	0	0	0	7,766	0	0	0	0	0	0	0	0	\$7,766
SSgA R-2500	0	7,768	0	0	0	0	0	0	0	0	0	0	\$7,768
Wellington	0	0	8,050	0	0	0	0	0	0	0	0	0	\$8,050
Acadian	0	0	0	0	0	0	13,667	0	0	0	0	0	\$13,667
Mondrian	0	0	0	0	0	0	13,679	0	0	0	0	0	\$13,679
Aberdeen	0	0	0	0	0	0	7,251	0	0	0	0	0	\$7,251
Logan Circle	0	0	0	0	23,053	0	0	0	0	0	0	0	\$23,053
Oppenheimer	0	0	0	0	8,647	0	0	0	0	0	0	0	\$8,647
PIMCO AA	0	0	0	0	19,077	0	0	0	0	0	0	0	\$19,077
Wellington DAS	0	0	0	0	9,436	0	0	0	0	0	0	0	\$9,436
Post Advisory	0	0	0	0	0	11,132	0	0	0	0	0	0	\$11,132
Brandywine	0	0	0	0	0	0	0	2,839	0	0	0	0	\$2,839
Mondrian	0	0	0	0	0	0	0	2,793	0	0	0	0	\$2,793
Morgan Stanely	0	0	0	0	0	0	0	0	6,254	0	0	0	\$6,254
UBS Realty	0	0	0	0	0	0	0	0	6,074	0	0	0	\$6,074
RREEF	0	0	0	0	0	0	0	0	2,872	0	0	0	\$2,872
Transwestern	0	0	0	0	0	0	0	0	303	0	0	0	\$303
Real Estate Cash	0	0	0	0	0	0	0	0	41	0	0	0	\$41
Mellon GA 1	0	0	0	0	0	0	0	0	0	0	11,597	0	\$11,597
Wellington OIF	0	0	0	0	0	0	0	0	0	0	11,532	0	\$11,532
Vermont Cash	0	0	0	0	4	0	0	0	0	0	0	275	\$279
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 March 31, 2009

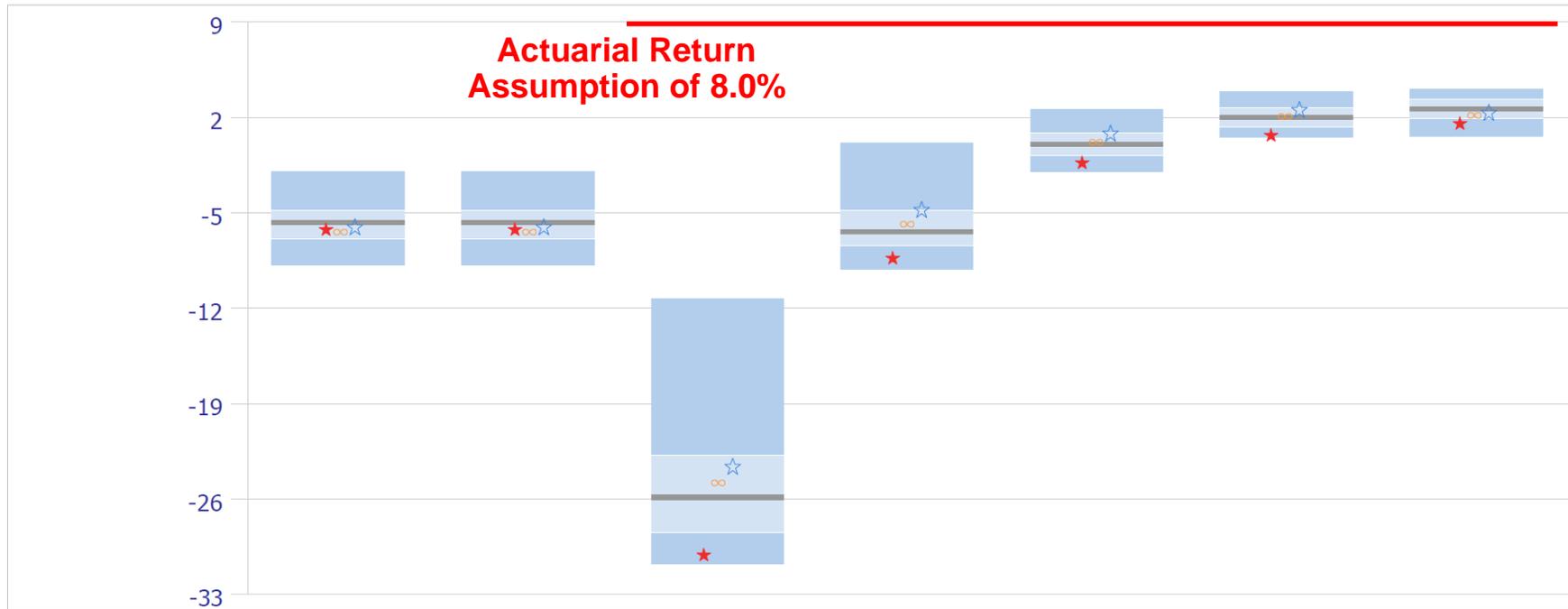
MUNICIPAL SYSTEM COMPOSITE

	Last Quarter	Year to Date	Last Twelve Months	Since Inception 03/2001
Beginning Market Value	236,338	236,338	317,918	163,148
Net External Growth	10,684	10,684	9,731	54,134
Return on Investment	-15,033	-15,033	-95,660	14,707
Income Received	85	85	99	25,238
Gain/Loss	-15,118	-15,118	-95,759	-10,531
Ending Market Value	231,990	231,990	231,990	231,990

Return -6.2% -6.2% -30.1%



Total Public Funds – Total Rates of Return*



	One Quarter		Year to Date		One Year		Three Years		Five Years		Seven Years		Ten Years	
★ MUNI COMPOSITE	-6.2	64	-6.2	64	-30.1	89	-8.3	83	-1.3	82	0.7	88	1.6	85
∞ ALLOC INDEX	-6.4	67	-6.4	67	-24.8	37	-5.8	43	0.2	45	2.1	40	2.2	64
☆ POLICY INDEX	-6.0	59	-6.0	59	-23.6	27	-4.7	24	0.9	24	2.6	25	2.4	59
Median	-5.7	--	-5.7	--	-25.9	--	-6.4	--	0.0	--	2.0	--	2.6	--

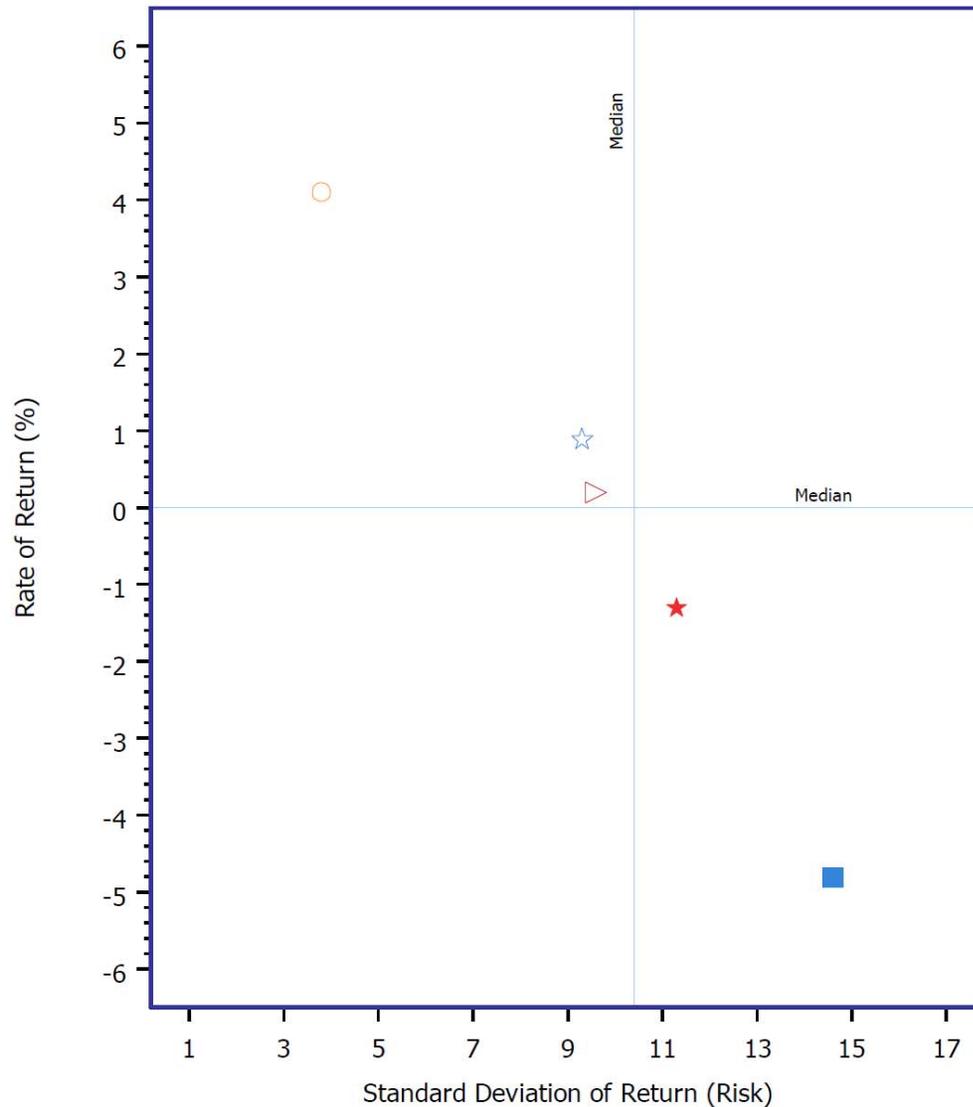
•*Policy Index*: Measures the effectiveness of *Plan Structure*. (Target asset class weights X Return of the respective passive benchmark)

•*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*

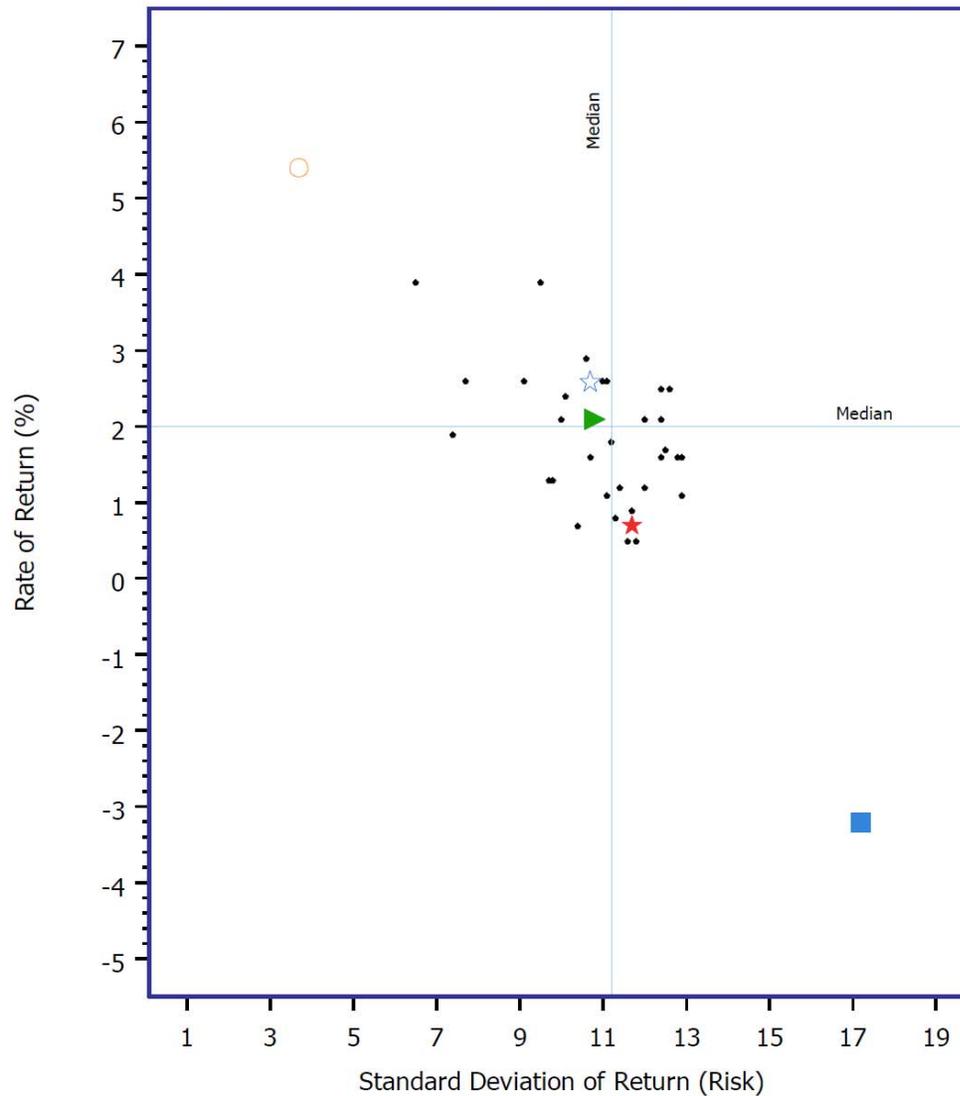


	Return	Standard Deviation	Sharpe Ratio
★ MUNI COMPOSITE	-1.3	11.3	70
▷ ALLOC INDEX	0.2	9.6	30
☆ POLICY INDEX	0.9	9.3	26
■ S&P 500	-4.8	14.6	99
○ BC AGGREGATE	4.1	3.8	1
Median	0.0	10.4	--

Funded status as of Fiscal Year 2007 = 106.2%



Total Fund Risk / Return Analysis – 7 Years*

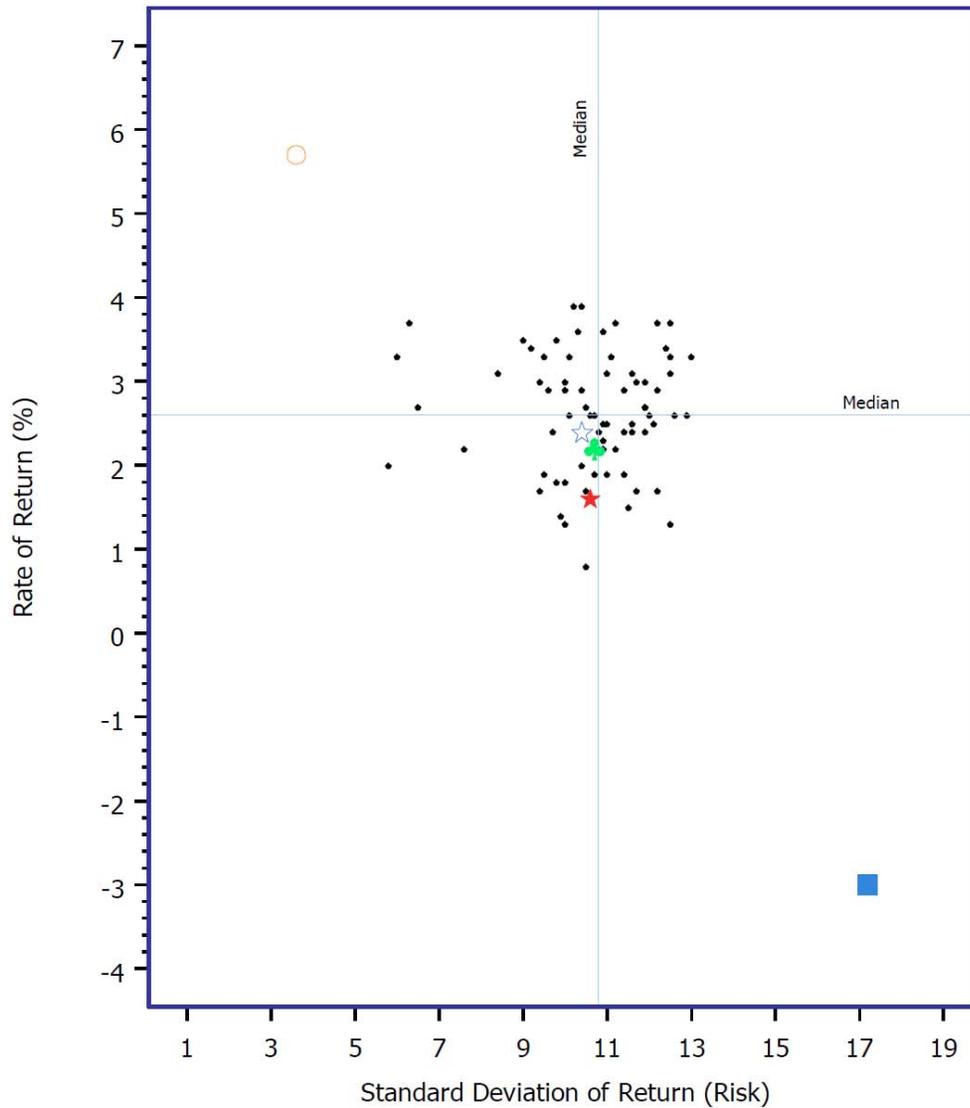


	Return	Standard Deviation	Sharpe Ratio
★ MUNI COMPOSITE	0.7	88	11.7
▶ ALLOC INDEX	2.1	40	10.8
☆ POLICY INDEX	2.6	25	10.7
■ S&P 500	-3.2	100	17.2
○ BC AGGREGATE	5.4	1	3.7
Median	2.0	--	11.2

Funded status as of Fiscal Year 2007 = 106.2%



Total Fund Risk / Return Analysis – 10 Years*



	Return	Standard Deviation	Sharpe Ratio
★ MUNI COMPOSITE	1.6	10.6	44
✚ ALLOC INDEX	2.2	10.7	47
☆ POLICY INDEX	2.4	10.4	38
■ S&P 500	-3.0	17.2	100
○ BC AGGREGATE	5.7	3.6	1
Median	2.6	10.8	-0.0

Funded status as of Fiscal Year 2007 = 106.2%



Equity Style Comparison

