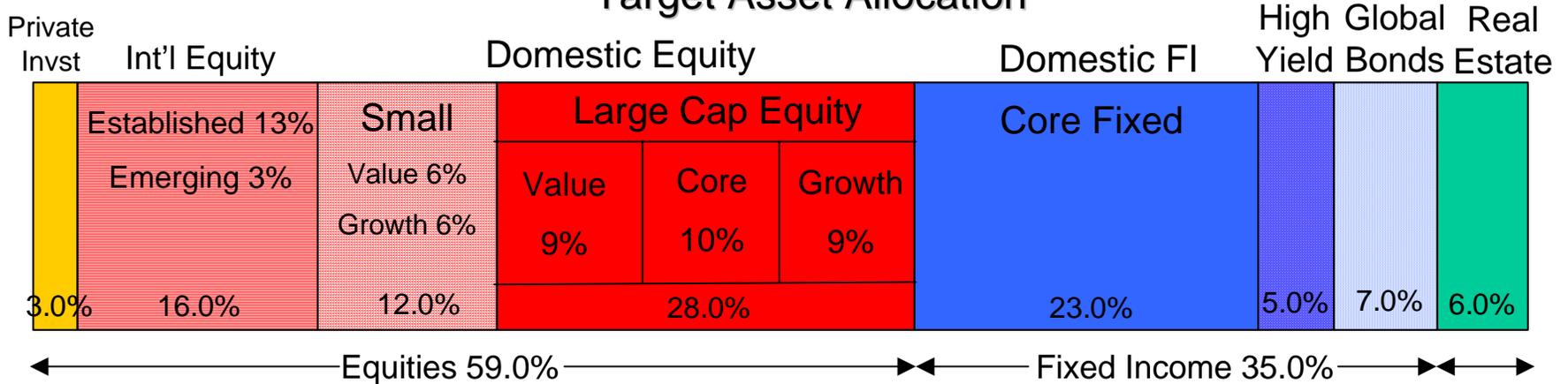


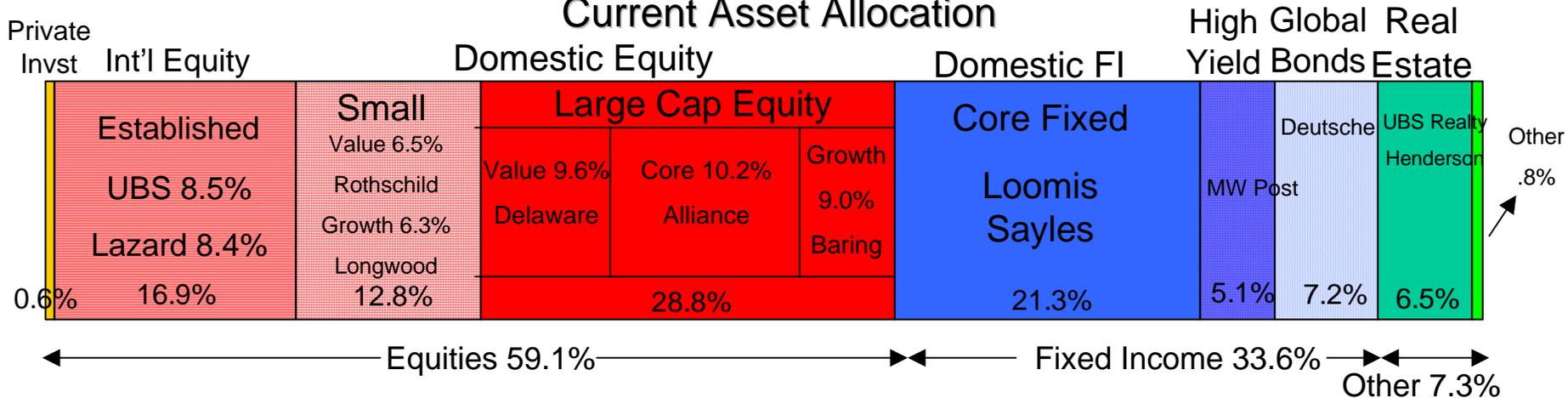
# Plan Asset Allocation

As of September 30, 2004

## Target Asset Allocation



## Current Asset Allocation



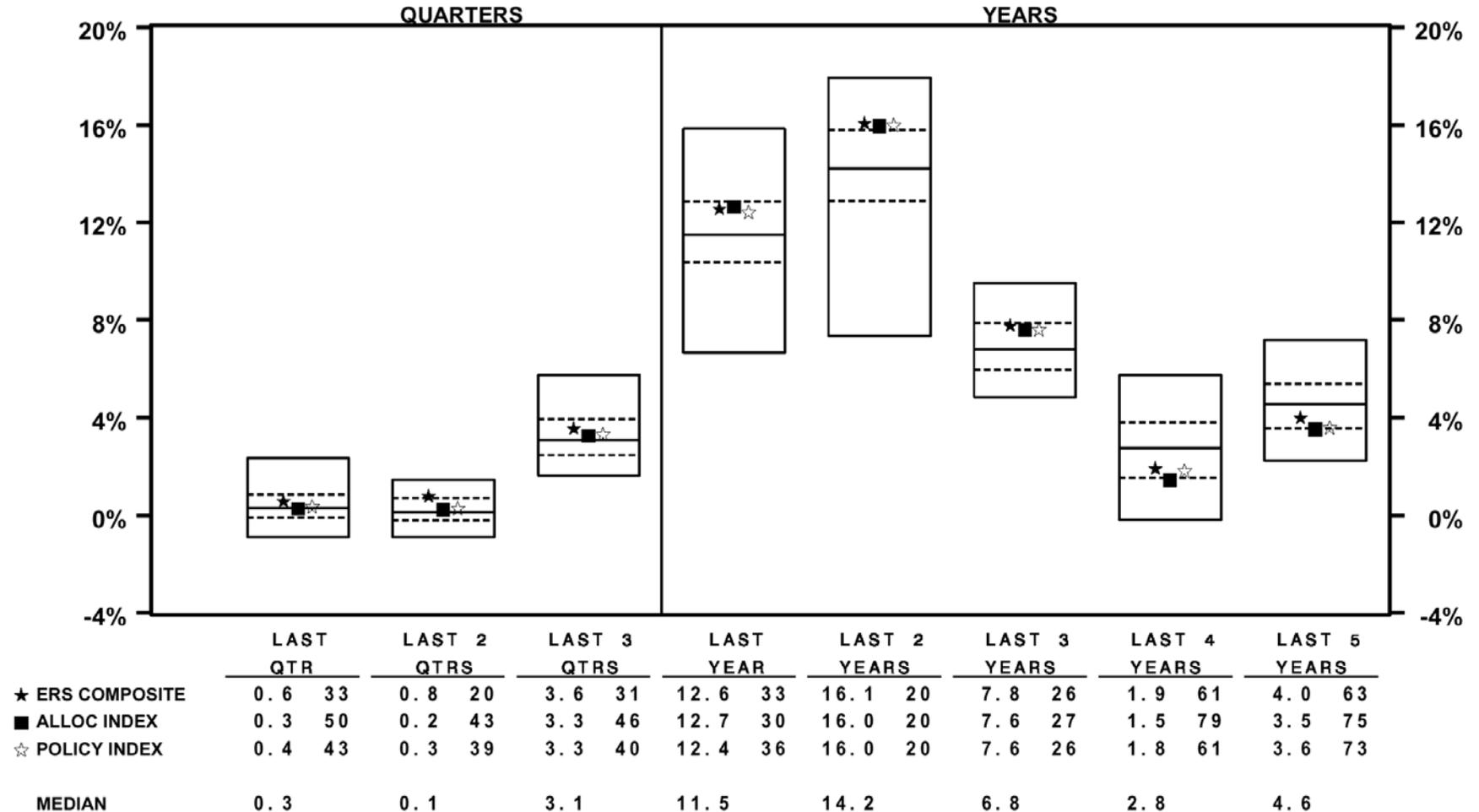
# Asset Breakdown

	Dom Large Core	Dom Large Value	Dom Large Growth	Dom Small Value	Dom Small Growth	Core Fixed	High Yield	Int'l Equity	Global Bonds	Real Estate	Private Investment	Misc	Cash	Total
<b>Composite</b>	\$103,137	\$92,958	\$93,057	\$124,528	\$0	\$207,492	\$49,920	\$166,795	\$60,592	\$67,233	\$5,354	\$7,881	\$51,998	\$1,030,945
Alliance	103,137	0	0	0	0	0	0	0	0	0	0	0	2,015	\$105,152
Delaware	0	92,958	0	0	0	0	0	0	0	0	0	0	5,997	\$98,955
Baring	0	0	93,057	0	0	0	0	0	0	0	0	0	0	\$93,057
Rothschild	0	0	0	63,216	0	0	0	0	0	0	0	0	3,938	\$67,154
SSgA	0	0	0	0	0	0	0	0	0	0	0	0	723	\$723
Longwood	0	0	0	61,312	0	0	0	0	0	0	0	0	2,236	\$63,548
Loomis	0	0	0	0	0	207,490	0	0	0	0	0	0	12,122	\$219,612
MW Post	0	0	0	0	0	0	49,920	0	0	0	0	0	3,122	\$53,042
UBS	0	0	0	0	0	0	0	82,039	0	0	0	0	5,425	\$87,464
Lazard	0	0	0	0	0	0	0	84,756	0	0	0	0	2,165	\$86,921
Deutsche	0	0	0	0	0	0	0	0	60,592	0	0	0	13,395	\$73,987
UBS Realty	0	0	0	0	0	0	0	0	0	42,293	0	0	0	\$42,293
Henderson	0	0	0	0	0	0	0	0	0	24,940	0	0	0	\$24,940
Vermont Inv	0	0	0	0	0	2	0	0	0	0	5,354	0	578	\$5,934
Wachovia	0	0	0	0	0	0	0	0	0	0	0	7,881	0	\$7,881
Cash	0	0	0	0	0	0	0	0	0	0	0	0	282	\$282

(Dollars in 000's)

# Total Public Funds – Total Rates of Return

As of September 30, 2004



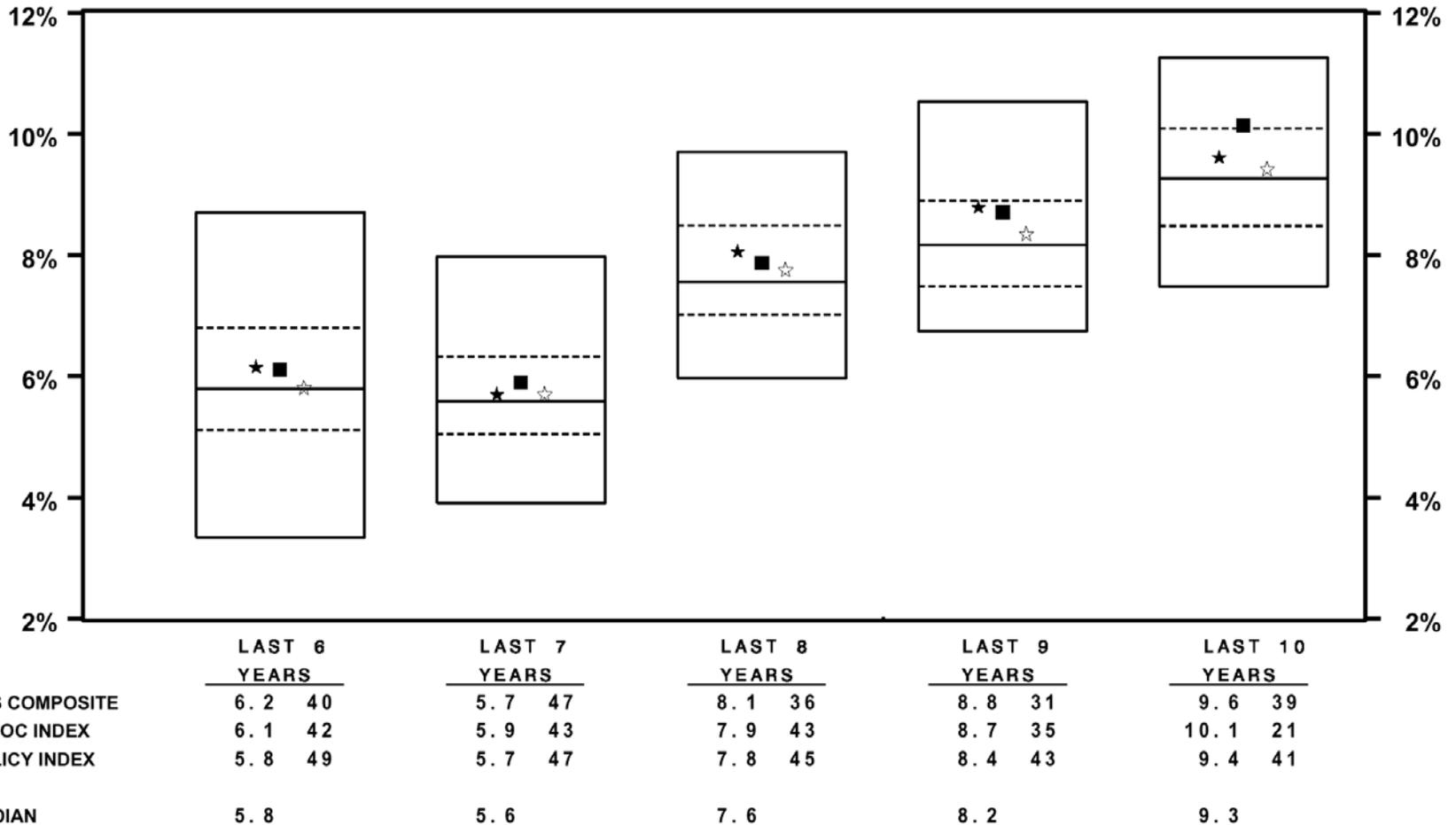
• **Policy Index:** Measures the effectiveness of *Plan Structure*. (Target asset class weights X Return of the respective passive benchmark)

• **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

As of September 30, 2004



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# Performance Detail (as of 6/30/04)

	2Q04	Public Rank	Large Rank	YTD	Public Rank	Large Rank	Last 1 Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Market Value	% of Portfolio	Annual Fee
<b>Vermont Composite (GROSS)</b>	0.2%	29	35	2.9%	41	60	15.7%	33	56	4.7%	43	43	3.7%	60	67	\$1,035,397,319	100.0%	0.37%
<b>Vermont Composite (NET)</b>	0.2%			2.9%			15.6%			4.6%			N/A					
<b>Median Public Fund</b>	(0.2%)			2.7%			14.6%			4.4%			4.1%					
<b>Median Large Fund</b>	(0.1%)			3.1%			16.1%			4.4%			4.1%					
Allocation Index	(0.0%)			3.0%			16.5%			4.3%			3.2%					
Policy Index	(0.1%)			2.9%			16.1%			4.5%			3.3%					
<b>Large Cap Equity</b>																		
<b>Total Large Cap Equity</b>																\$305,861,889	29.6%	
Alliance	1.8%	21		3.4%	64		18.9%	72		(0.7%)	55		(2.2%)	74		\$107,127,432	10.3%	0.06%
Standard & Poors 500	1.7%			3.4%			19.1%			(0.7%)			(2.2%)					
Delaware	1.9%	29		3.7%	74		20.0%	70		3.7%	50		3.3%	55		\$100,221,456	9.7%	0.43%
Russell 1000 Value	0.9%			3.9%			21.1%			3.0%			1.9%					
Baring	2.9%	25		3.5%	47		17.4%	51		(3.4%)	61		(6.3%)	89		\$98,513,001	9.5%	0.39%
Russell 1000 Growth	1.9%			2.7%			17.9%			(3.7%)			(6.5%)					
<b>Small Cap Equity</b>																		
<b>Total Small Cap Equity</b>																\$131,779,419	12.7%	
Rothschild	2.7%	36		9.0%	47		29.0%	89		14.8%	47		14.1%	49		\$67,126,646	6.5%	0.65%
Russell 2500 Value	0.5%			6.7%			33.9%			12.4%			11.9%					
SSgA	(0.3%)	57		5.2%	37		N/A			N/A			N/A			\$64,652,773	6.2%	0.08%
Russell 2000 Growth	0.1%			5.7%			31.5%			(0.2%)			(0.5%)					
Russell 2000	0.5%			6.8%			33.4%			6.2%			6.6%					
<b>Int'l Equity</b>																		
<b>Total Int'l Equity</b>																\$172,008,229	16.5%	
UBS	(0.0%)	42		2.9%	76		27.8%	78		5.3%	43		2.8%	69		\$86,522,150	8.4%	0.60%
Lazard	(1.0%)	55		2.5%	83		25.5%	85		3.8%	69		1.6%	78		\$85,486,079	8.3%	0.50%
EAFE (After Taxes)	0.2%			4.6%			32.4%			3.9%			0.1%					
CITI EPAC	(0.1%)			4.3%			31.6%			3.9%			0.6%					

Note: Results for periods longer than one year are annualized



# Performance Detail (as of 9/30/04)

	3Q04	Public Rank	Large Rank	YTD	Public Rank	Large Rank	Last 1 Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Market Value	% of Portfolio	Annual Fee
<b>Vermont Composite (GROSS)</b>	0.6%	33	37	3.6%	31	45	12.6%	33	44	7.8%	26	38	4.0%	63	64	\$1,030,945,126	100.0%	0.41%
<b>Vermont Composite (NET)</b>	0.6%			3.5%			12.5%			7.7%			N/A					
<b>Median Public Fund</b>	0.3%			3.1%			11.5%			6.8%			4.6%					
<b>Median Large Fund</b>	0.4%			3.4%			12.4%			7.2%			4.5%					
Allocation Index	0.3%			3.3%			12.7%			7.6%			3.5%					
Policy Index	0.4%			3.3%			12.4%			7.6%			3.6%					
<b>Large Cap Equity</b>																		
<b>Total Large Cap Equity</b>																<b>\$297,163,752</b>	<b>28.9%</b>	
Alliance	(1.8%)	42		1.5%	56		13.7%	74		4.1%	47		(1.3%)	82		\$105,151,520	10.2%	0.06%
Standard & Poors 500	(1.9%)			1.5%			13.9%			4.1%			(1.3%)					
Delaware	(1.3%)	82		2.4%	84		15.5%	84		7.5%	48		5.1%	56		\$98,954,803	9.6%	0.43%
Russell 1000 Value	1.5%			5.5%			20.5%			7.6%			4.3%					
Baring	(5.5%)	85		(2.2%)	75		7.5%	69		3.5%	39		(6.8%)	92		\$93,057,429	9.0%	0.40%
Russell 1000 Growth	(5.2%)			(2.6%)			7.5%			1.6%			(6.8%)					
<b>Small Cap Equity</b>																		
<b>Total Small Cap Equity</b>																<b>\$131,425,159</b>	<b>12.7%</b>	
Rothschild	0.0%	42		9.1%	53		23.4%	74		17.6%	70		15.2%	71		\$67,153,775	6.5%	0.65%
Russell 2500 Value	0.2%			7.0%			24.6%			17.6%			14.0%					
Longwood	0.2%	6		N/A			N/A			N/A			N/A			\$63,548,411	6.2%	0.81%
SSgA	N/A			N/A			N/A			N/A			N/A			\$722,973	0.1%	0.08%
Russell 2000 Growth	(6.0%)			(0.7%)			11.9%			9.1%			(0.7%)					
Russell 2000	(2.9%)			3.7%			18.8%			13.7%			7.4%					
<b>Int'l Equity</b>																		
<b>Total Int'l Equity</b>																<b>\$174,384,335</b>	<b>16.8%</b>	
UBS	1.1%	27		4.0%	65		20.9%	58		9.9%	67		2.5%	65		\$87,463,311	8.5%	0.60%
Lazard	1.7%	18		4.2%	64		20.3%	62		10.6%	58		0.6%	77		\$86,921,024	8.4%	0.50%
EAFE (After Taxes)	(0.3%)			4.3%			22.1%			9.1%			(0.8%)					
CITI EPAC	(0.0%)			4.2%			21.9%			9.3%			(0.4%)					

Note: Results for periods longer than one year are annualized

There may be a slight or no dispersion between Gross-of-fee and Net-of-fee returns. This is due to management fee's being paid from an account not included in the plan.



# Performance Detail (as of 9/30/04)

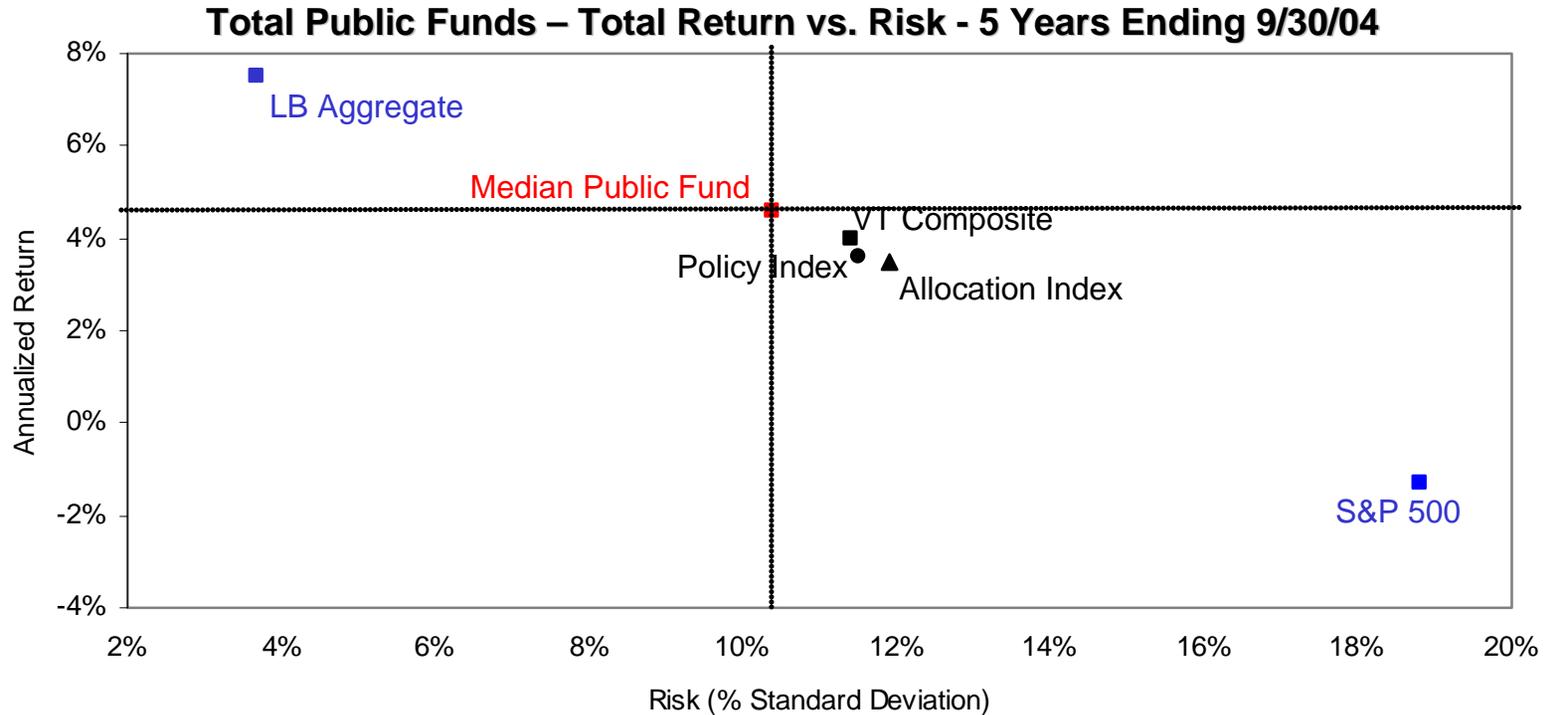
	3Q04	Public Rank	Large Rank	YTD	Public Rank	Large Rank	Last 1 Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Market Value	% of Portfolio	Annual Fee
<b>Core Fixed</b>																		
<b>Total Core Fixed Income</b>																<b>\$219,611,582</b>	<b>21.3%</b>	
Loomis, Sayles	3.2%	51		3.7%	35		4.7%	22		6.1%	48		7.6%	52		\$219,611,582	21.3%	0.15%
Lehman Aggregate Bond	3.2%			3.4%			3.7%			5.9%			7.5%					
Lehman U.S. Credit	4.2%			3.9%			4.4%			7.7%			8.4%					
<b>High Yield Fixed</b>																		
<b>Total High Yield Fixed Income</b>																<b>\$53,042,480</b>	<b>5.1%</b>	
MW Post	3.6%	83		N/A			N/A			N/A			N/A			\$53,042,480	5.1%	0.47%
Lehman High Yield	4.8%			6.3%			12.6%			12.7%			6.4%					
<b>Global Bonds</b>																		
<b>Total Global Bonds</b>																<b>\$73,987,244</b>	<b>7.2%</b>	
Deutsche	3.0%	53		1.2%	85		6.4%	55		10.8%	56		6.7%	77		\$73,987,244	7.2%	0.28%
CITI World Gov't Bond	3.3%			1.7%			7.0%			10.6%			6.7%					
<b>Real Estate</b>																		
<b>Total Real Estate</b>																<b>\$67,233,490</b>	<b>6.5%</b>	
UBS Realty	4.0%	32		10.0%	39		12.7%	39		9.4%	32		10.2%	29		\$42,293,135	4.1%	0.90%
Henderson	2.9%	46		9.4%	40		12.8%	37		5.2%	69		7.3%	71		\$24,940,355	2.4%	0.77%
NCREIF Property Index	3.4%			8.5%			10.6%			7.2%			8.8%					
<b>Private Investment</b>																		
Vermont Investments	4.1%			4.3%			4.8%			(8.7%)			(0.6%)			\$5,933,643	0.6%	
<b>Miscellaneous</b>																		
Wachovia	(2.8%)			(0.0%)			(1.2%)			2.6%			5.8%			\$7,881,196	0.8%	1%
NCREIF Timber Index	0.9%			6.8%			8.3%			2.1%			4.7%					
<b>Cash</b>																		
Vermont Cash	0.2%			0.8%			1.2%			1.5%			3.7%			\$282,245	0.0%	
90 Day U.S. T-Bills	0.4%			0.8%			1.1%			1.5%			3.1%					

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There may be a slight or no dispersion between Gross-of-fee and Net-of-fee returns. This is due to management fee's being paid from an account not included in the plan.



# Total Fund Risk / Return Analysis



	Annualized Return		Standard Deviation	
	Value	Rank	Value	Rank
<b>Composite</b>	4.0	63	11.4	26
<b>Allocation Index</b>	3.5	75	11.9	19
<b>Policy Index</b>	3.6	73	11.5	24
<b>S&amp;P 500</b>	<b>-1.3</b>		<b>18.8</b>	
<b>LB Aggregate</b>	<b>7.5</b>		<b>3.7</b>	
<b>Median Public Fund</b>	<b>4.6</b>		<b>10.4</b>	