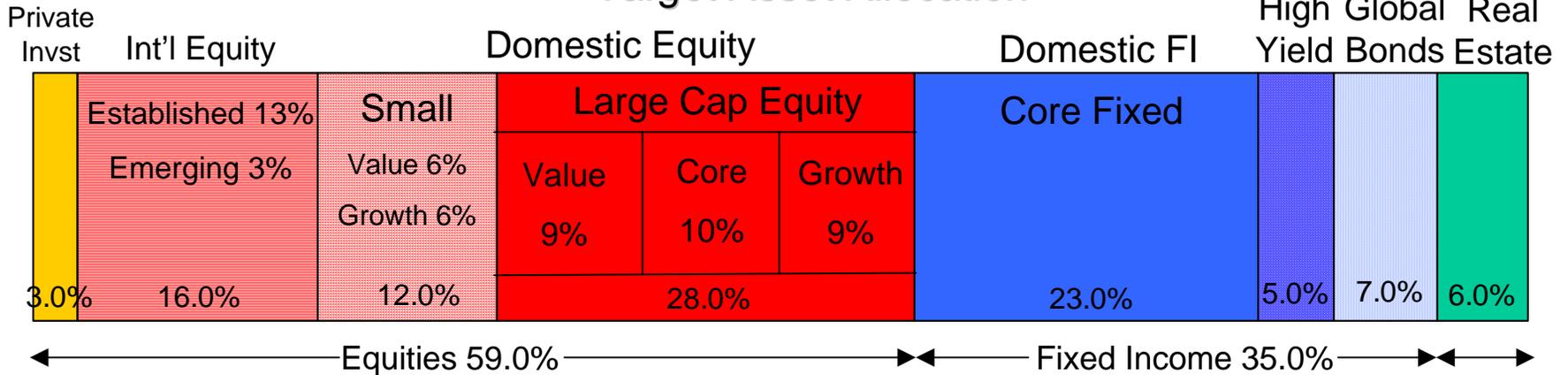


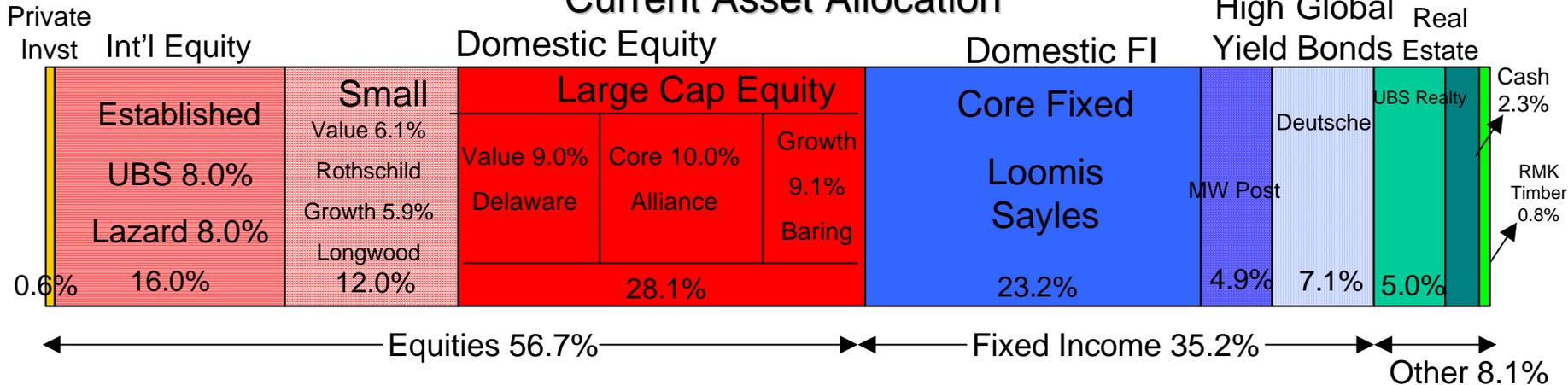
# Plan Asset Allocation

As of March 31, 2005

## 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>	\$109,802	\$99,270	\$100,031	\$130,128	\$0	\$247,058	\$50,626	\$175,541	\$63,769	\$55,359	\$6,225	\$8,365	\$57,857	\$1,104,031
Alliance	109,802	0	0	0	0	0	0	0	0	0	0	0	89	\$109,891
Delaware	0	99,270	0	0	0	0	0	0	0	0	0	0	562	\$99,832
Baring	0	0	100,031	0	0	0	0	0	0	0	0	0	0	\$100,031
Rothschild	0	0	0	67,267	0	0	0	0	0	0	0	0	589	\$67,856
Longwood	0	0	0	62,861	0	0	0	0	0	0	0	0	2,238	\$65,099
Loomis	0	0	0	0	0	247,058	0	0	0	0	0	0	9,329	\$256,387
MW Post	0	0	0	0	0	0	50,626	0	0	0	0	0	3,788	\$54,414
UBS	0	0	0	0	0	0	0	86,737	0	0	0	0	1,492	\$88,229
Lazard	0	0	0	0	0	0	0	88,804	0	0	0	0	0	\$88,804
Deutsche	0	0	0	0	0	0	0	0	63,769	0	0	0	14,019	\$77,788
UBS Realty	0	0	0	0	0	0	0	0	0	55,359	0	0	0	\$55,359
Henderson	0	0	0	0	0	0	0	0	0	0	0	0	23,993	\$23,993
Vermont Inv	0	0	0	0	0	0	0	0	0	0	6,225	0	886	\$7,111
RMK Timber	0	0	0	0	0	0	0	0	0	0	0	8,365	0	\$8,365
Cash	0	0	0	0	0	0	0	0	0	0	0	0	872	\$872

(Dollars in 000's)

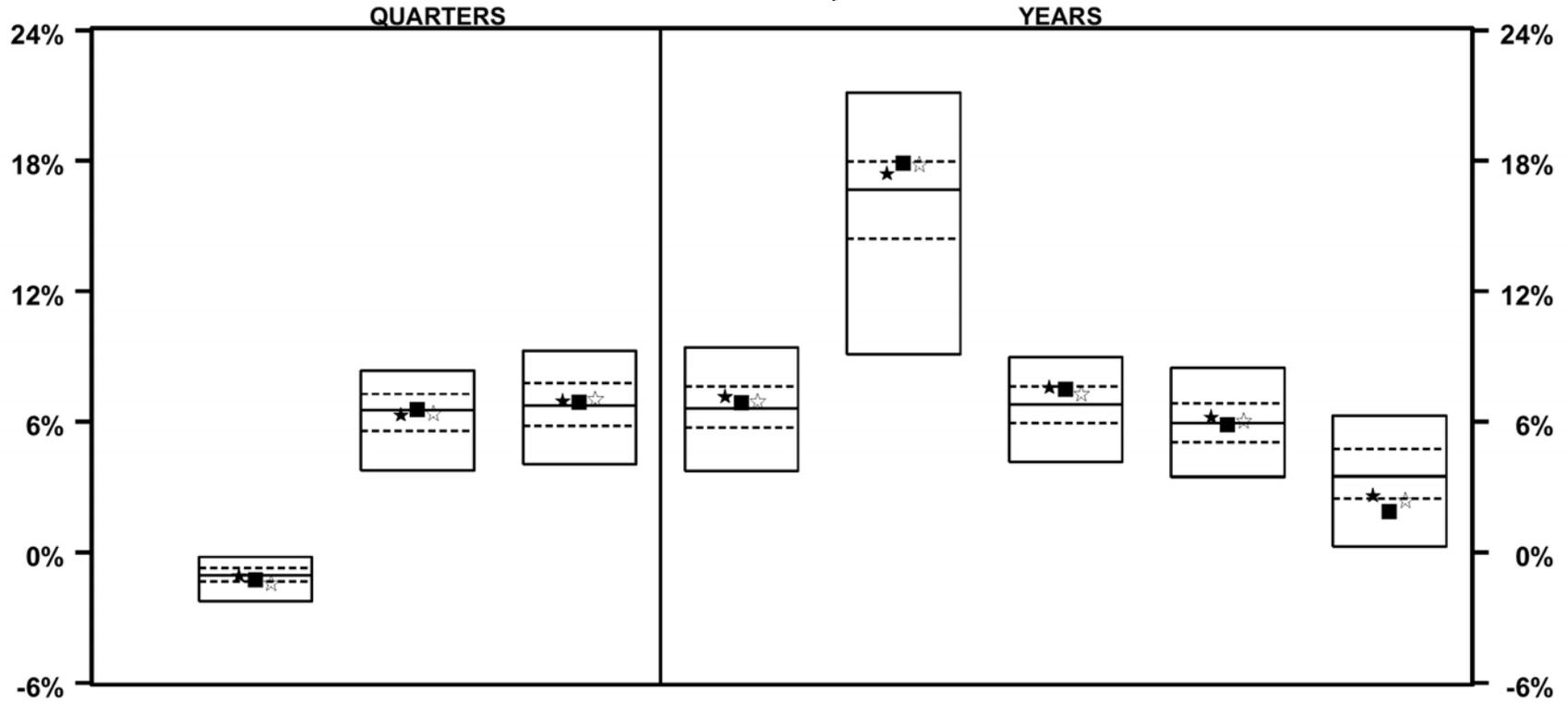
# Total Fund Asset Growth Summary

As of March 31, 2005

	<u>LAST QUARTER</u>	<u>YEAR TO DATE</u>	<u>LAST 12 MONTHS</u>	<u>SINCE INCEPTION 3/01</u>
BEGINNING MARKET VALUE	1, 118, 630	1, 118, 630	1, 044, 100	934, 947
NET EXTERNAL GROWTH	- 2, 836	- 2, 836	- 15, 139	- 74, 358
RETURN ON INVESTMENT	- 11, 764	- 11, 764	75, 070	243, 442
INCOME RECEIVED	7, 171	7, 171	25, 652	93, 563
GAIN/LOSS	- 18, 934	- 18, 934	49, 419	149, 880
ENDING MARKET VALUES	1, 104, 031	1, 104, 031	1, 104, 031	1, 104, 031
Return	-1.1%	-1.1%	+7.2%	

# Total Public Funds – Total Rates of Return

As of March 31, 2005



	LAST QTR		LAST 2 QTRS		LAST 3 QTRS		LAST YEAR		LAST 2 YEARS		LAST 3 YEARS		LAST 4 YEARS		LAST 5 YEARS	
★ ERS COMPOSITE	-1.1	50	6.3	55	7.0	41	7.2	35	17.4	34	7.6	26	6.2	40	2.6	71
■ ALLOC INDEX	-1.3	68	6.6	47	6.9	43	6.9	40	17.9	26	7.5	26	5.9	52	1.9	85
☆ POLICY INDEX	-1.4	79	6.4	53	7.0	41	6.9	39	17.8	27	7.3	28	6.1	42	2.4	76
<b>MEDIAN</b>	<b>-1.0</b>		<b>6.5</b>		<b>6.7</b>		<b>6.6</b>		<b>16.7</b>		<b>6.8</b>		<b>5.9</b>		<b>3.5</b>	

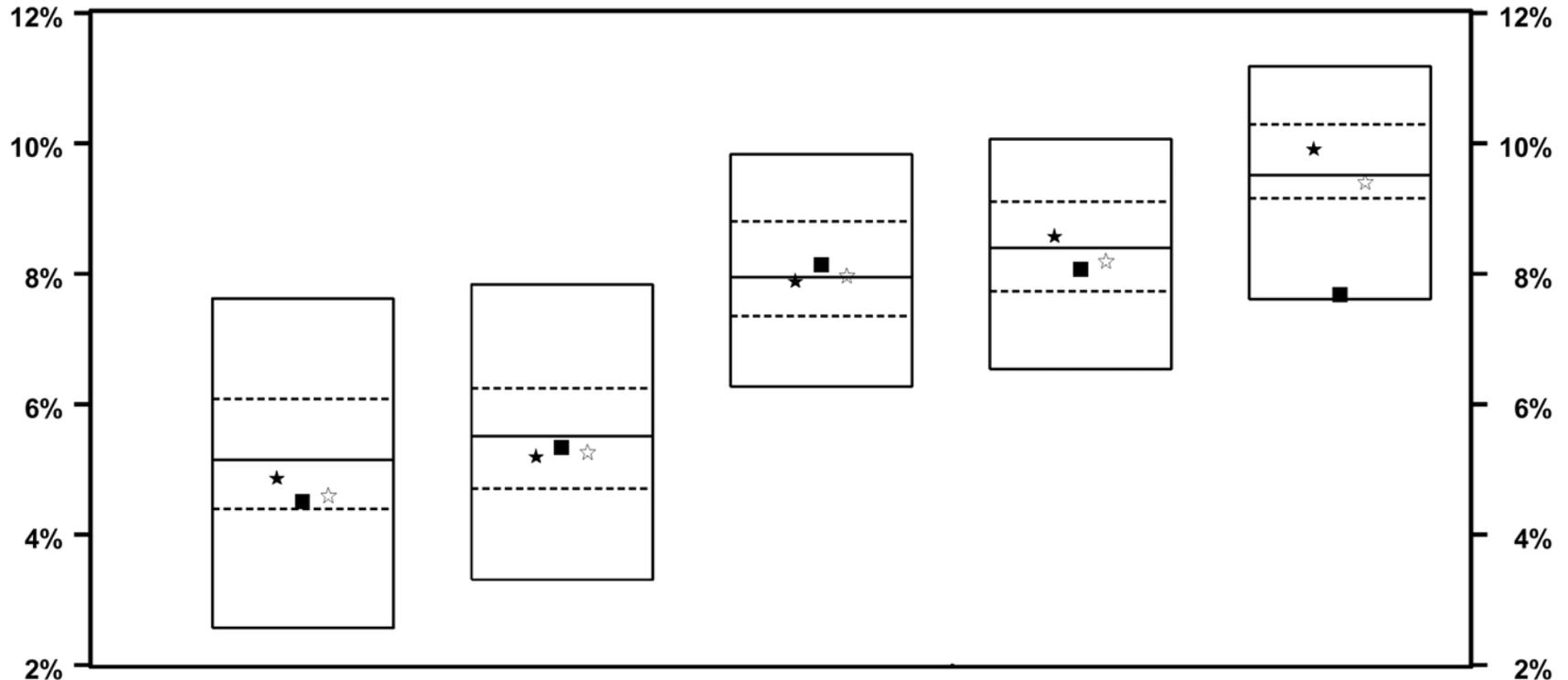
• **Policy Index:** Measures the effectiveness of *Plan Structure*. (Target asset class weights X Return of the respective passive benchmark)

• **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 March 31, 2005



	LAST 6 YEARS		LAST 7 YEARS		LAST 8 YEARS		LAST 9 YEARS		LAST 10 YEARS	
★ ERS COMPOSITE	4.9	59	5.2	63	7.9	54	8.6	42	9.9	42
■ ALLOC INDEX	4.5	70	5.3	55	8.1	46	8.1	60	7.7	94
☆ POLICY INDEX	4.6	69	5.3	59	8.0	48	8.2	58	9.4	55
<b>MEDIAN</b>	<b>5.1</b>		<b>5.5</b>		<b>8.0</b>		<b>8.4</b>		<b>9.5</b>	

• **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)

# Performance Detail (as of 3/31/05)

	1Q05	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>	(1.1%)	50	62	7.2%	35	57	7.6%	26	35	2.6%	71	59	\$1,104,031,337	100.0%	0.39%
<b>Vermont Composite (NET)</b>	(1.1%)			7.1%			7.5%			N/A					
<b>Median Public Fund</b>	(1.0%)			6.6%			6.8%			3.5%					
<b>Median Large Fund</b>	(0.9%)			7.3%			7.1%			3.1%					
Allocation Index	(1.3%)			6.9%			7.5%			1.9%					
Policy Index	(1.4%)			6.9%			7.3%			2.4%					
<b>Large Cap Equity</b>															
<b>Total Large Cap Equity</b>													<b>\$309,754,797</b>	<b>28.2%</b>	
Alliance	(2.2%)	78		6.4%	79		2.7%	77		(3.3%)	89		\$109,891,416	10.0%	0.06%
Standard & Poors 500	(2.1%)			6.7%			2.8%			(3.2%)					
Delaware	(1.3%)	76		8.1%	82		5.2%	64		7.1%	54		\$99,832,095	9.0%	0.43%
Russell 1000 Value	0.1%			13.2%			7.2%			5.2%					
Baring	(3.5%)	45		3.4%	47		0.5%	52		(12.0%)	93		\$100,031,286	9.1%	0.39%
Russell 1000 Growth	(4.1%)			1.2%			(0.7%)			(11.3%)					
<b>Small Cap Equity</b>															
<b>Total Small Cap Equity</b>													<b>\$132,954,106</b>	<b>12.0%</b>	
Rothschild	(1.7%)	51		13.4%	47		12.5%	71		16.7%	68		\$67,855,391	6.1%	0.64%
Russell 2500 Value	(2.1%)			12.1%			12.7%			14.5%					
Longwood	(3.4%)	40		N/A			N/A			N/A			\$65,098,715	5.9%	0.81%
Russell 2000 Growth	(6.8%)			0.9%			4.0%			(6.6%)					
Russell 2000	(5.3%)			5.4%			8.0%			4.0%					
<b>Int'l Equity</b>															
<b>Total Int'l Equity</b>													<b>\$177,033,453</b>	<b>15.9%</b>	
UBS	(0.5%)	81		15.2%	46		11.1%	66		2.8%	47		\$88,229,431	8.0%	0.60%
Lazard	0.1%	55		14.8%	50		12.0%	44		0.9%	53		\$88,804,022	8.0%	0.50%
EAFE (After Taxes)	(0.2%)			15.1%			11.6%			(1.1%)					
CITI EPAC	(0.1%)			15.2%			11.9%			(0.6%)					

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.

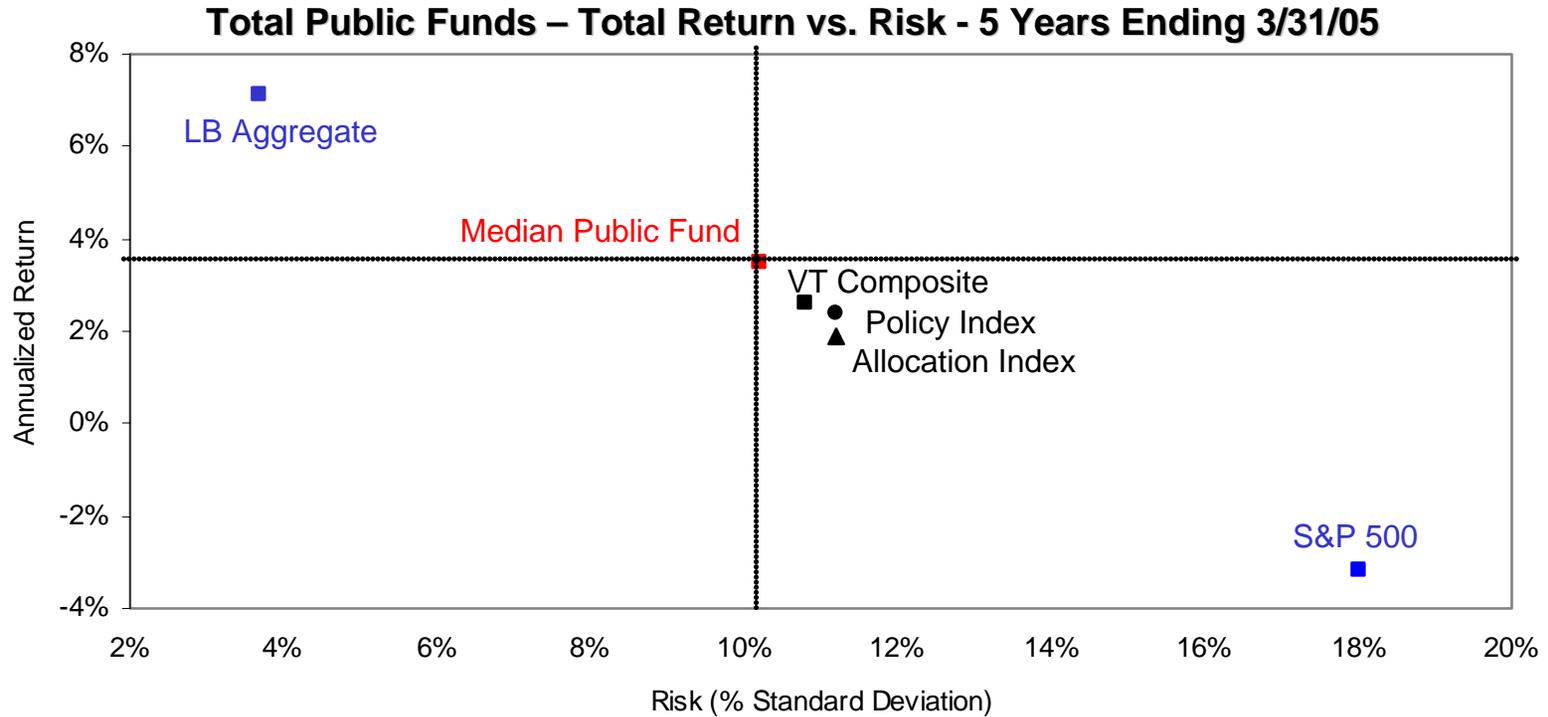


# Performance Detail (as of 3/31/05)

	1Q05	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>\$256,386,317</b>	<b>23.2%</b>	
Loomis, Sayles	(0.9%)	95		0.8%	75		6.3%	46		7.1%	63		\$256,386,317	23.2%	0.15%
Lehman Aggregate Bond	(0.5%)			1.2%			6.0%			7.1%					
Lehman U.S. Credit	(1.0%)			0.8%			7.5%			8.1%					
<b>High Yield Fixed</b>															
<b>Total High Yield Fixed Income</b>													<b>\$54,413,845</b>	<b>4.9%</b>	
MW Post	(1.0%)	11		5.9%	44		N/A			N/A			\$54,413,845	4.9%	0.46%
Lehman High Yield	(1.6%)			6.8%			11.0%			7.1%					
<b>Global Bonds</b>															
<b>Total Global Bonds</b>													<b>\$77,788,407</b>	<b>7.0%</b>	
Deutsche	(2.6%)	68		5.9%	52		14.8%	58		8.4%	65		\$77,788,407	7.0%	0.28%
CITI World Gov't Bond	(2.6%)			5.5%			14.5%			8.2%					
<b>Real Estate</b>															
<b>Total Real Estate</b>													<b>\$55,358,874</b>	<b>5.0%</b>	
UBS Realty	4.7%	14		17.3%	18		11.9%	36		10.7%	29		\$55,358,874	5.0%	0.90%
NCREIF Property Index	3.8%			14.6%			9.2%			9.2%					
<b>Private Investment</b>															
Vermont Investments	14.1%			26.2%			(0.9%)			2.5%			\$7,111,667	0.6%	
<b>Miscellaneous</b>															
RMK Timber	3.5%			5.1%			4.4%			5.9%			\$8,365,369	0.8%	1%
NCREIF Timber Index	6.0%			11.2%			6.6%			3.7%					
<b>Cash</b>															
Vermont Cash	1.7%			3.3%			2.1%			3.7%			\$24,864,502	2.3%	
90 Day U.S. T-Bills	0.6%			1.7%			1.5%			2.8%					
<p>Note: Results for periods longer than one year are annualized</p> <p>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.</p>															



# Total Fund Risk / Return Analysis



	Annualized Return		Standard Deviation	
	<u>Value</u>	<u>Rank</u>	<u>Value</u>	<u>Rank</u>
<b>Composite</b>	2.6	71	10.8	32
<b>Allocation Index</b>	1.9	85	11.2	25
<b>Policy Index</b>	2.4	76	11.2	25
<b>S&amp;P 500</b>	<b>-3.2</b>		<b>18.0</b>	
<b>LB Aggregate</b>	<b>7.1</b>		<b>3.7</b>	
<b>Median Public Fund</b>	<b>3.5</b>		<b>10.2</b>	