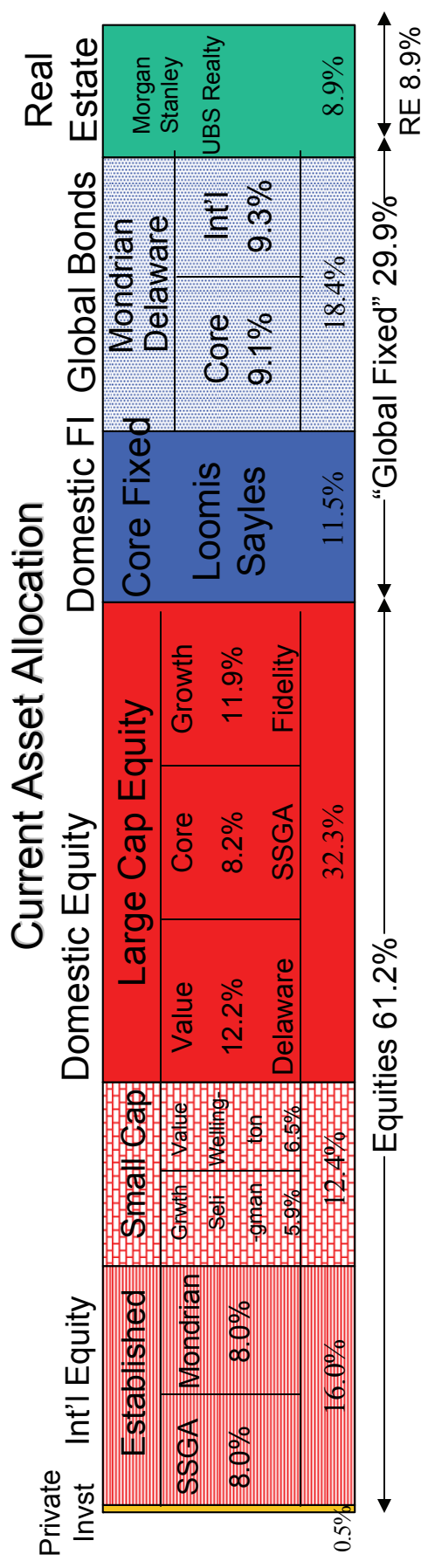
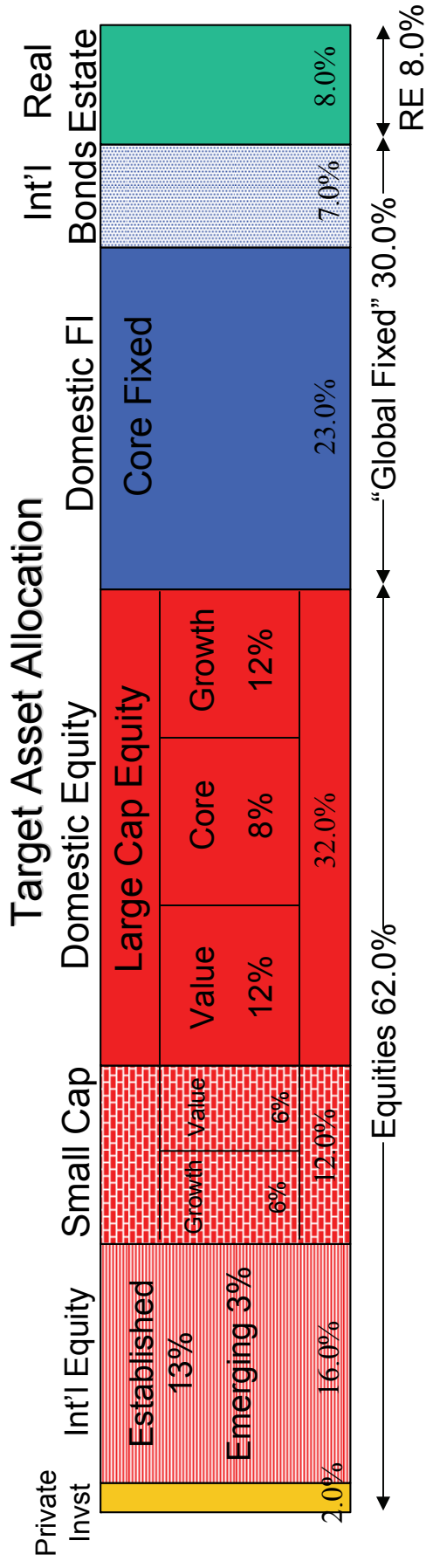


Plan Asset Allocation

As of June 30, 2005



Vermont State Teachers
Pension Plan

Asset Breakdown

	Domestic Large Core		Domestic Large Value		Domestic Large Growth		Domestic Small Growth		Domestic Small Value		Core Fixed		Int'l Equity		Global Bonds		Real Estate		Private Investment		Cash		Total		
	\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		\$		
Composite	\$108,359	\$160,000	\$158,034	\$78,264	\$82,710	\$150,062	\$211,031	\$241,250	\$118,600	\$5,944	\$11,540	\$1,325,794													
SSgA	108,359	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	78	\$108,437		
Delaware	0	160,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,220	\$161,220		
Fidelity	0	0	158,034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	75	\$158,109		
J&W Seligman	0	0	0	78,264	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$78,264	
Wellington	0	0	0	0	82,710	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,211	\$85,921		
Loomis	0	0	0	0	0	150,057	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,984	\$153,041		
Mondrian IE	0	0	0	0	0	0	0	0	0	0	0	0	105,505	0	0	0	0	0	0	0	0	715	\$106,220		
Putnam	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	\$5		
SSgA Daily EAFE	0	0	0	0	0	0	0	0	0	0	0	0	105,526	0	0	0	0	0	0	0	0	0	0	\$105,526	
Mondrian GB	0	0	0	0	0	0	0	0	0	0	0	0	0	0	241,250	0	0	0	0	0	0	3,012	\$244,262		
Morgan Stanley	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	69,835	0	0	0	0	0	0	\$69,835	
UBS Realty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	48,765	0	0	0	0	0	0	\$48,765	
Pru & VVC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,944	0	0	0	0	\$5,944	
Vermont Investment	0	0	0	0	0	5	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	240	\$245		

(Dollars in 000's)



Total Fund Asset Growth Summary

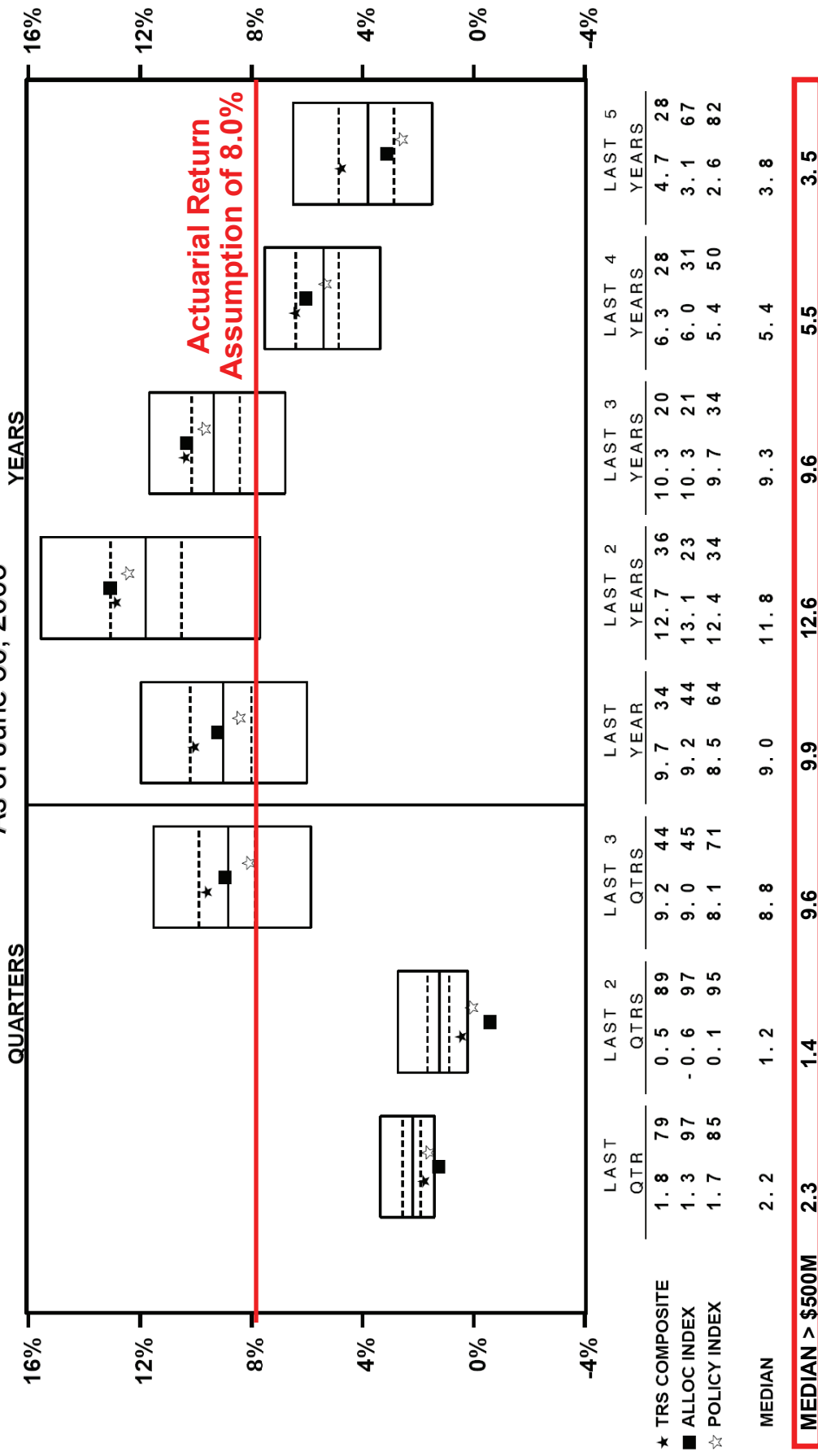
As of June 30, 2005

	LAST QUARTER	YEAR TO DATE	LAST 12 MONTHS	SINCE INCEPTION 3/01
BEGINNING MARKET VALUE	1, 312, 104	1, 336, 652	1, 237, 648	1, 106, 102
NET EXTERNAL GROWTH	- 9, 373	- 16, 492	- 29, 801	- 109, 463
RETURN ON INVESTMENT	23, 063	5, 634	117, 947	329, 155
INCOME RECEIVED	9, 527	14, 993	30, 991	114, 417
GAIN/LOSS	13, 536	- 9, 359	86, 956	214, 738
ENDING MARKET VALUES	1, 325, 794	1, 325, 794	1, 325, 794	1, 325, 794
Return	+1.8%	+0.5%	+9.7%	



Total Public Funds – Total Rates of Return

As of June 30, 2005



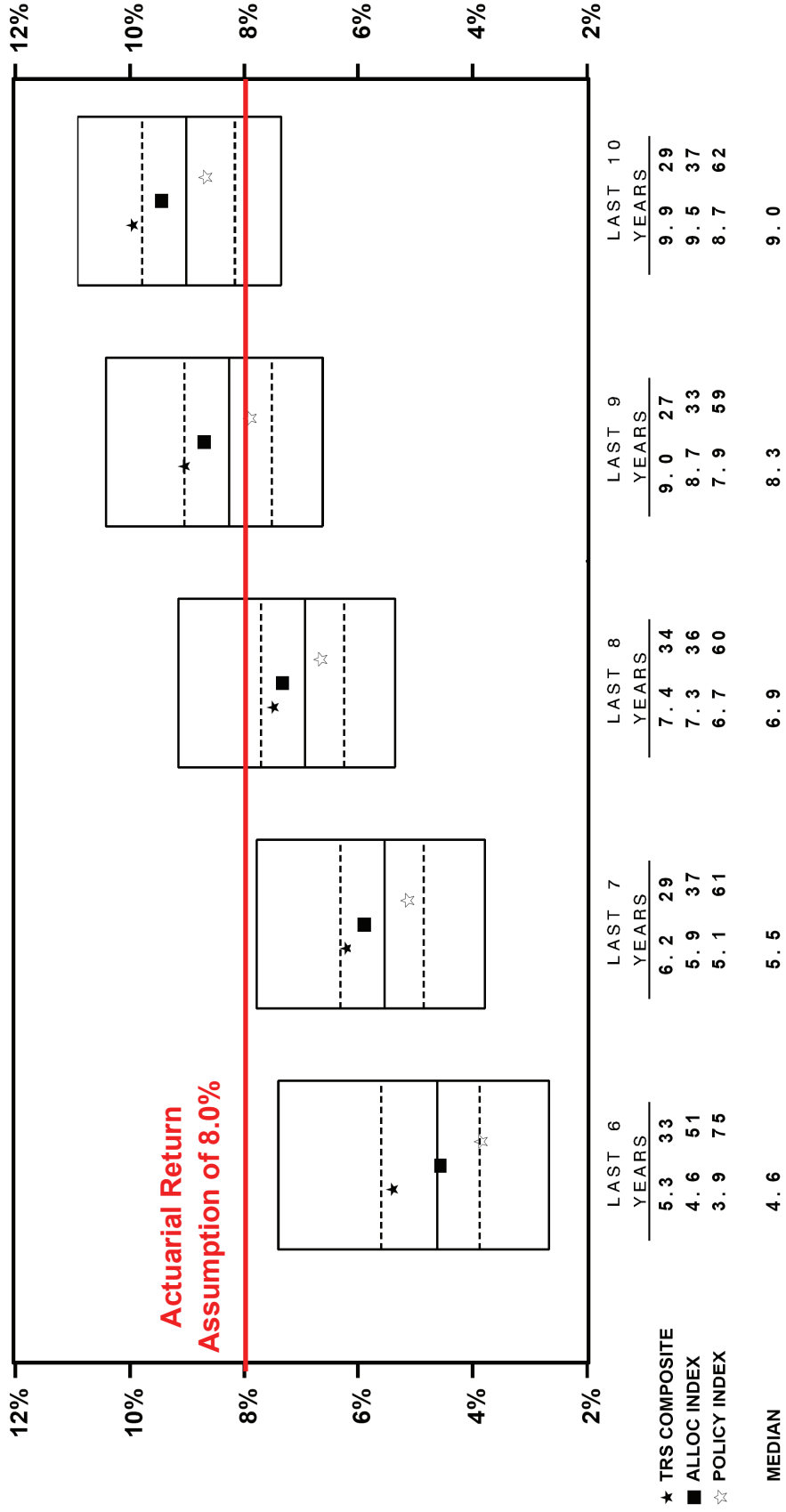
★ Policy Index: Measures the effectiveness of Plan Structure. (Target asset class weights X Return of the respective passive benchmark)
 ■ Allocation Index: Measures the effectiveness of deviating from the target policy weights. (Policy Index - Allocation Index) Allocation Index = weighted average return 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)



Vermont State Teachers Pension Plan

Total Public Funds – Total Rates of Return

As of June 30, 2005



MEDIAN > \$500M 4.6 5.5 6.9 8.1 8.8

- **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 6/30/05)

	2Q05	Public Rank	Large Rank	YTD	Public Rank	Large Rank	Last Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Market Value	% of Total Portfolio	Annual Fee	
Teachers Composite (GROSS)	1.8%	79	83	0.5%	89	91	9.7%	34	51	10.3%	22	34	4.7%	28	27	\$1,325,794,062	100.0%	0.39%	
Teachers Composite (NET)	1.8%			0.4%			9.6%			10.2%			N/A						
Median Public Fund	2.2%			1.2%			9.0%			9.3%			3.8%						
Median Public Fund >\$500M	2.3%			1.4%			9.9%			9.6%			3.5%						
Median Large Fund	2.3%			1.6%			9.8%			9.7%			3.6%						
Allocation Index	1.2%			(0.6%)			9.2%			10.3%			3.1%						
Policy Index	1.7%			0.1%			8.5%			9.7%			2.6%						
Large Cap Equity																			
Total Large Cap Equity																\$427,765,993	32.3%		
Delaware	1.3%	62		(0.1%)	83		7.4%	81		8.4%	79		7.3%	55		\$161,219,595	12.2%	0.41%	
Russell 1000 Value	1.7%			1.8%			14.1%			11.0%			6.6%						
Fidelity	2.2%	68		(1.8%)	73		1.7%	77		6.6%	57		(6.3%)	60		\$158,109,258	11.9%	0.46%	
Russell 1000 Growth	2.5%			(1.7%)			1.7%			7.3%			(10.4%)						
SSGA	1.4%	48		(0.9%)	82		6.0%	84		8.2%	80		N/A			\$108,437,140	8.2%	0.04%	
S&P 500	1.4%			(0.8%)			6.3%			8.3%			(2.4%)						
Small Cap Equity																			
Total Small Cap Equity																\$164,185,434	12.5%		
J&W Seligman	1.5%	91		(5.6%)	93		2.5%	86		8.2%	89		(3.3%)	73		\$78,263,772	5.9%	0.50%	
Russell 2000	4.3%			(1.3%)			9.4%			12.8%			5.7%						
Russell 2000 Growth	3.5%			(3.6%)			4.3%			11.4%			(4.5%)						
Wellington	7.6%	1		6.6%	1		21.0%	7		N/A			N/A			\$85,921,662	6.5%	0.79%	
Russell 2000	4.3%			(1.3%)			9.4%			12.8%			5.7%						
Russell 2000 Value	5.1%			0.9%			14.4%			14.2%			16.1%						
Int'l Equity																			
Total Int'l Equity																\$211,751,245	16.0%		
Mondrian	0.3%	28		1.7%	14		19.8%	10		16.1%	16		8.4%	9		\$106,220,198	8.0%	0.42%	
SSGA DAILY EAFE	(0.9%)	69		(1.1%)	70		13.8%	59		N/A			N/A			\$105,526,414	8.0%	0.10%	
Putnam (Cash)	N/A			N/A			N/A			N/A			N/A			\$4,633	0.0%	0.60%	
EAFE (After Taxes)	(1.0%)			(1.2%)			13.7%			12.1%			(0.5%)						
CITI EPAC	(0.6%)			(0.7%)			14.7%			12.5%			0.0%						

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.

Managers are ranked against respective style universe.



Vermont State Teachers Pension Plan

Fixed Income Performance Detail (as of 6/30/05)

	2Q05	Public Rank	Large Rank	YTD	Public Rank	Large Rank	Last Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Market Value	% of Total Portfolio	Annual Fee	
Core Fixed																			
Total Core Fixed Income																\$153,040,327	11.5%		
Loomis Sayles	2.6%	81		1.6%	93		6.0%	81		7.4%	10		7.3%	77		\$153,040,327	11.5%	0.16%	
Lehman Aggregate Bond	3.0%			2.5%			6.8%			5.8%			7.4%						
Lehman U.S. Credit	3.6%			2.5%			8.2%			7.8%			8.6%						
Global Bonds																			
Total Global Bonds																\$244,262,541	18.4%		
Mondrian	0.1%	56		(1.8%)	49		8.6%	33		9.7%	56		9.6%	26		\$244,262,541	18.4%	0.33%	
CITI WGBI	(1.4%)			(4.0%)			7.6%			9.8%			7.9%						
Delaware Custom Index*	0.7%			(0.8%)			7.3%			7.5%			7.7%						
Real Estate																			
Total Real Estate																\$118,600,326	8.9%		
Morgan Stanley	3.5%	57		6.5%	60		17.1%	48		13.7%	34		10.3%	47		\$69,835,450	5.3%	0.89%	
UBS Realty	6.5%	26		11.6%	20		20.8%	32		13.7%	32		11.1%	38		\$48,764,876	3.7%	0.90%	
NCREIF Property Index	3.5%			7.1%			14.9%			10.0%			9.2%						
Private Investment																			
Total Private Investment																\$5,943,594	0.4%		
Pru & VVC	0.8%			1.8%			(4.2%)			(3.7%)			(2.2%)			\$5,943,594	0.4%	0.25%	
Cash																			
Vermont Cash	0.5%			2.7%			6.0%			2.8%			3.0%			\$244,602	0.0%		
90 Day U.S. T-Bills	0.7%			1.3%			2.2%			1.6%			2.6%						

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.

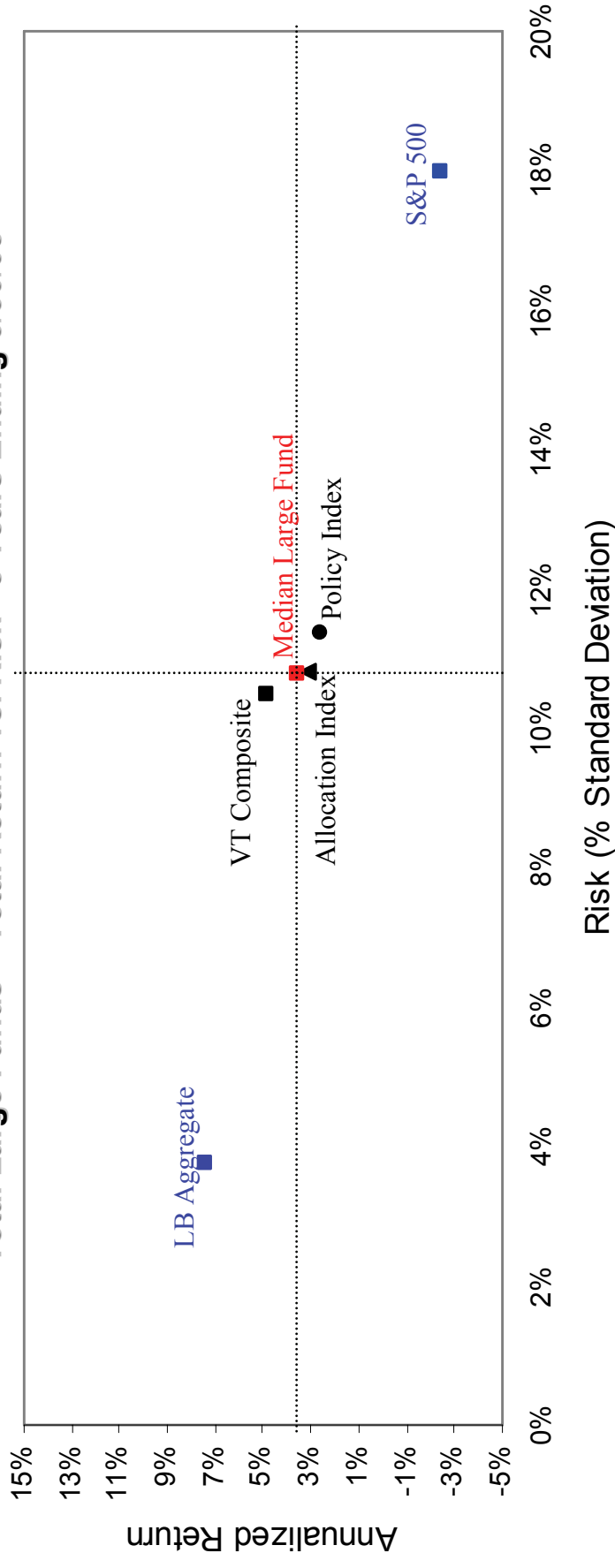
Managers are ranked against respective style universe.

* 60% Lehman Aggregate / 40% CITI WGBI Ex U.S. In place since 07/2003. Prior to that, the split was 75% Lehman Aggregate / 25% CITI WGBI Ex U.S.



Total Fund Risk / Return Analysis

Total Large Funds – Total Return vs. Risk - 5 Years Ending 6/30/05



	Annualized Return		Standard Deviation	
	Value	Rank	Value	Rank
Composite	4.7	28	10.5	60
Allocation Index	3.1	64	10.8	48
Policy Index	2.6	79	11.4	32
S&P 500	-2.4		18.0	
LB Aggregate	7.4		3.8	
Median Large Fund	3.6		10.8	

