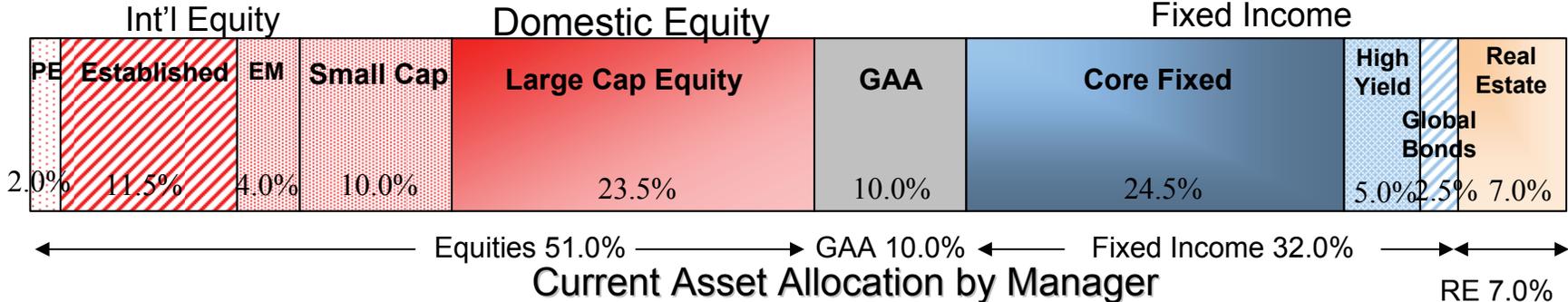


Vermont Municipal Employees' Retirement System

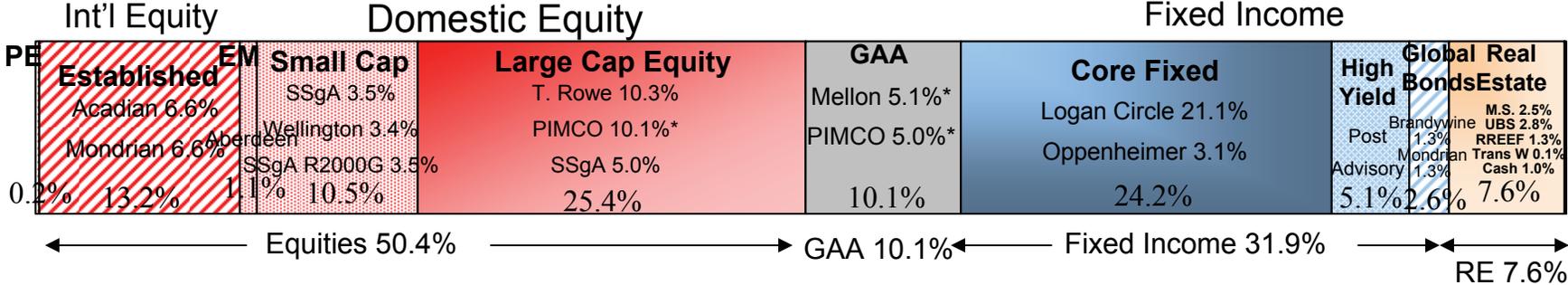


Plan Asset Allocation

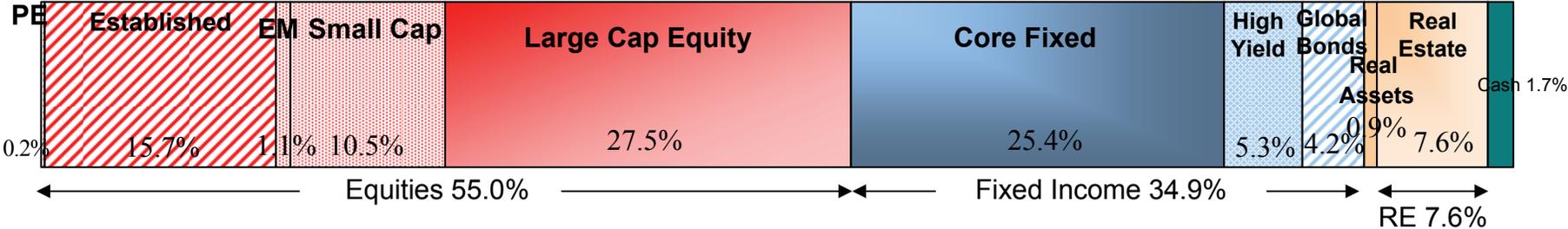
As of March 31, 2008
Target Asset Allocation



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.

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	\$80,869	\$11,187	\$10,963	\$11,109	\$76,818	\$16,078	\$45,263	\$8,274	\$24,253	\$767	\$32,149	\$188	\$317,918
T. Rowe	32,821	0	0	0	0	0	0	0	0	0	0	0	\$32,821
PIMCO	32,065	0	0	0	0	0	0	0	0	0	0	0	\$32,065
SSgA Equal Wgt	15,983	0	0	0	0	0	0	0	0	0	0	0	\$15,983
SSgA R-2000 Growth	0	0	0	11,109	0	0	0	0	0	0	0	0	\$11,109
SSgA R-2500	0	11,187	0	0	0	0	0	0	0	0	0	0	\$11,187
Wellington	0	0	10,963	0	0	0	0	0	0	0	0	0	\$10,963
Acadian	0	0	0	0	0	0	20,995	0	0	0	0	0	\$20,995
Mondrian	0	0	0	0	0	0	20,858	0	0	0	0	0	\$20,858
Aberdeen	0	0	0	0	0	0	3,410	0	0	0	0	0	\$3,410
Logan Circle	0	0	0	0	67,084	0	0	0	0	0	0	0	\$67,084
Oppenheimer	0	0	0	0	9,730	0	0	0	0	0	0	0	\$9,730
Post Advisory	0	0	0	0	0	16,078	0	0	0	0	0	0	\$16,078
Brandywine	0	0	0	0	0	0	0	4,007	0	0	0	0	\$4,007
Mondrian	0	0	0	0	0	0	0	4,267	0	0	0	0	\$4,267
Morgan Stanely	0	0	0	0	0	0	0	0	7,935	0	0	0	\$7,935
UBS Realty	0	0	0	0	0	0	0	0	8,798	0	0	0	\$8,798
RREEF	0	0	0	0	0	0	0	0	3,987	0	0	0	\$3,987
Transwestern	0	0	0	0	0	0	0	0	358	0	0	0	\$358
Real Estate Cash	0	0	0	0	0	0	0	0	3,173	0	0	0	\$3,173
Mellon GA 1	0	0	0	0	0	0	0	0	0	0	16,145	0	\$16,145
PIMCO AA	0	0	0	0	0	0	0	0	0	0	16,004	0	\$16,004
Vermont Cash	0	0	0	0	4	0	0	0	0	0	0	188	\$192
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, 2008

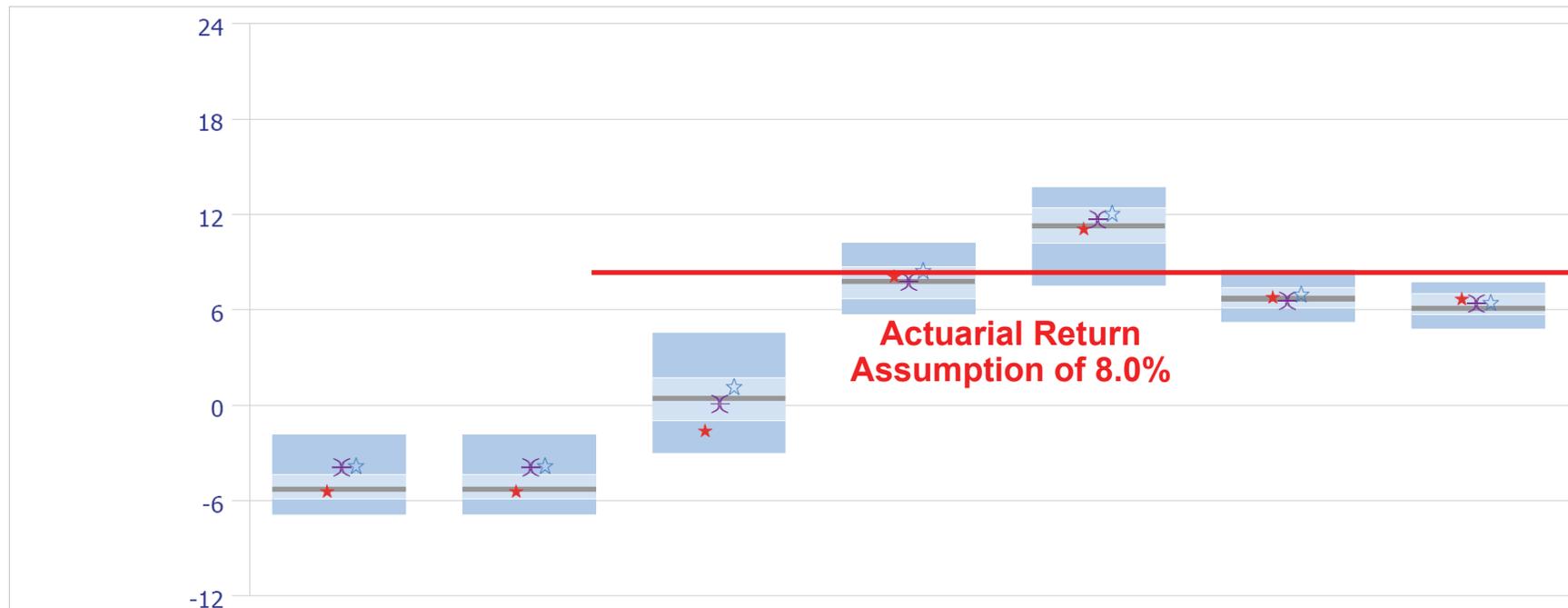
MUNICIPAL SYSTEM COMPOSITE

	Last Quarter	Year to Date	Last Twelve Months	Since Inception 03/2001
Beginning Market Value	333,240	333,240	320,148	163,148
Net External Growth	2,704	2,704	3,471	44,488
Return on Investment	-18,026	-18,026	-5,701	110,282
Income Received	55	55	89	25,139
Gain/Loss	-18,081	-18,081	-5,790	85,143
Ending Market Value	317,918	317,918	317,918	317,918

Return -5.4% -5.4% -1.6%



Total Public Funds – Total Rates of Return*



	One Quarter		Year to Date		One Year		Three Years		Five Years		Seven Years		Ten Years	
★ MUNI COMPOSITE	-5.4	50	-5.4	50	-1.6	82	8.1	41	11.1	58	6.8	44	6.7	32
✕ ALLOC INDEX	-3.9	17	-3.9	17	0.1	59	7.8	51	11.7	39	6.6	59	6.4	38
☆ POLICY INDEX	-3.8	16	-3.8	16	1.2	32	8.5	28	12.1	33	7.0	36	6.5	35
Median	-5.3	--	-5.3	--	0.4	--	7.8	--	11.3	--	6.7	--	6.1	--

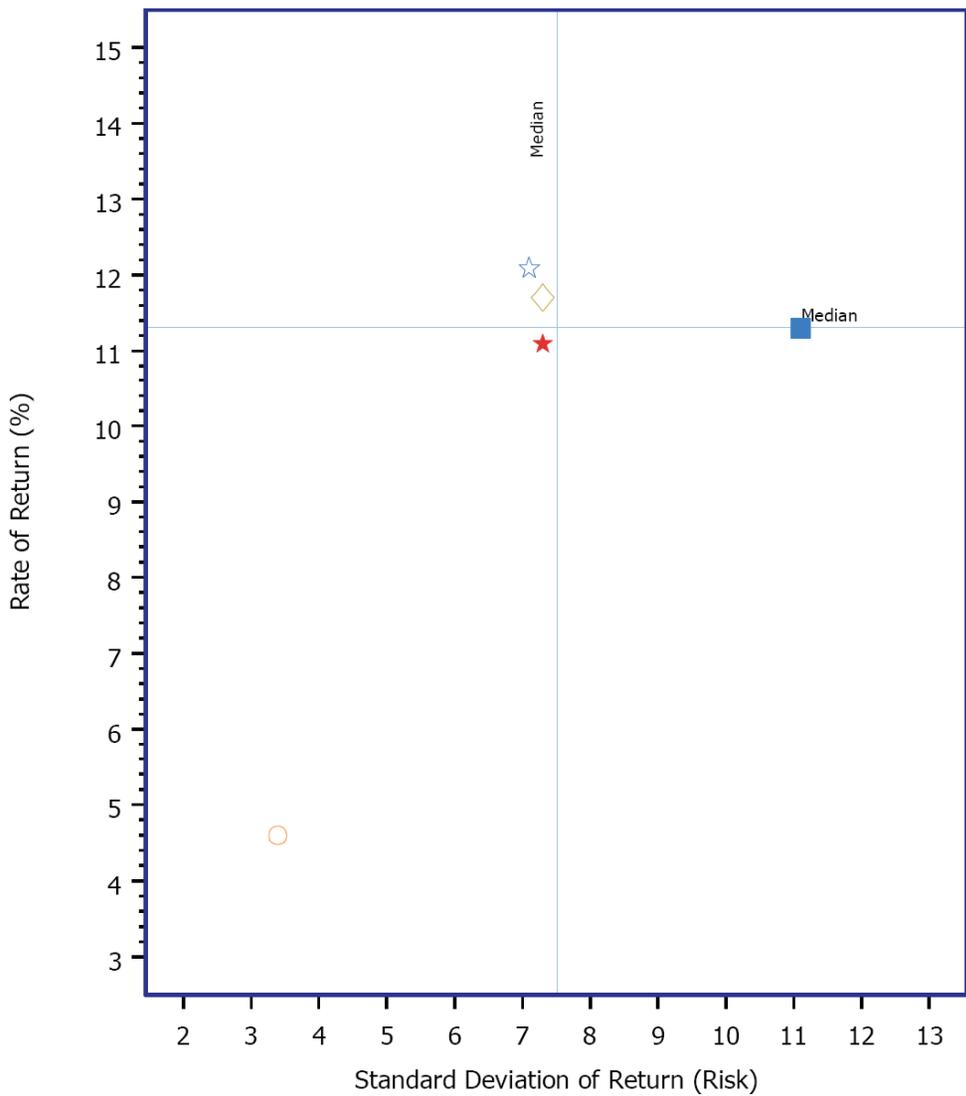
•*Policy Index*: Measures the effectiveness of *Plan Structure*. (Target asset class weights X Return of the respective passive benchmark)

•*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*

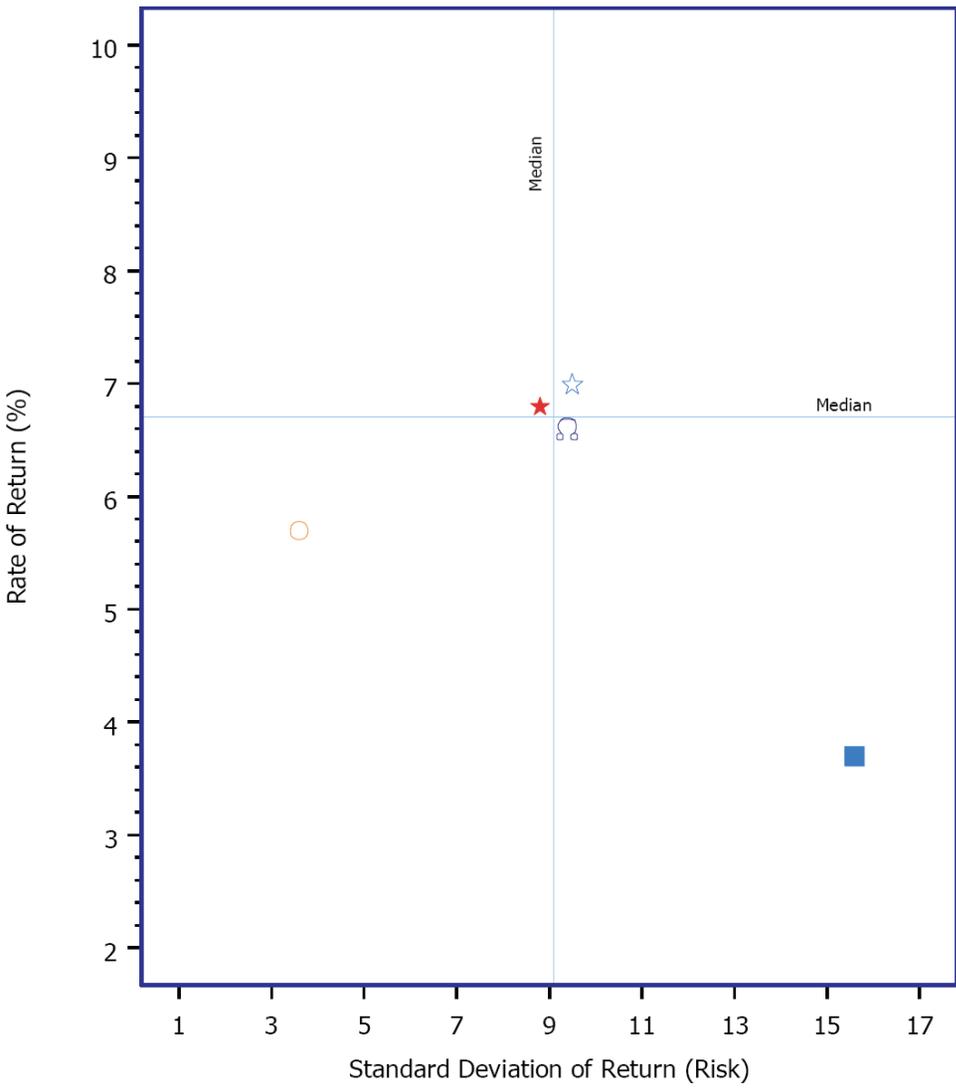


	Return	Standard Deviation	Sharpe Ratio
★ MUNI COMPOSITE	11.1	7.3	1.1
◇ ALLOC INDEX	11.7	7.3	1.1
☆ POLICY INDEX	12.1	7.1	1.2
■ S&P 500	11.3	11.1	0.7
○ LB AGGREGATE	4.6	3.4	0.4
Median	11.3	7.5	1.1

Funded status as of Fiscal Year 2007 = 106.2%



Total Fund Risk / Return Analysis – 7 Years*

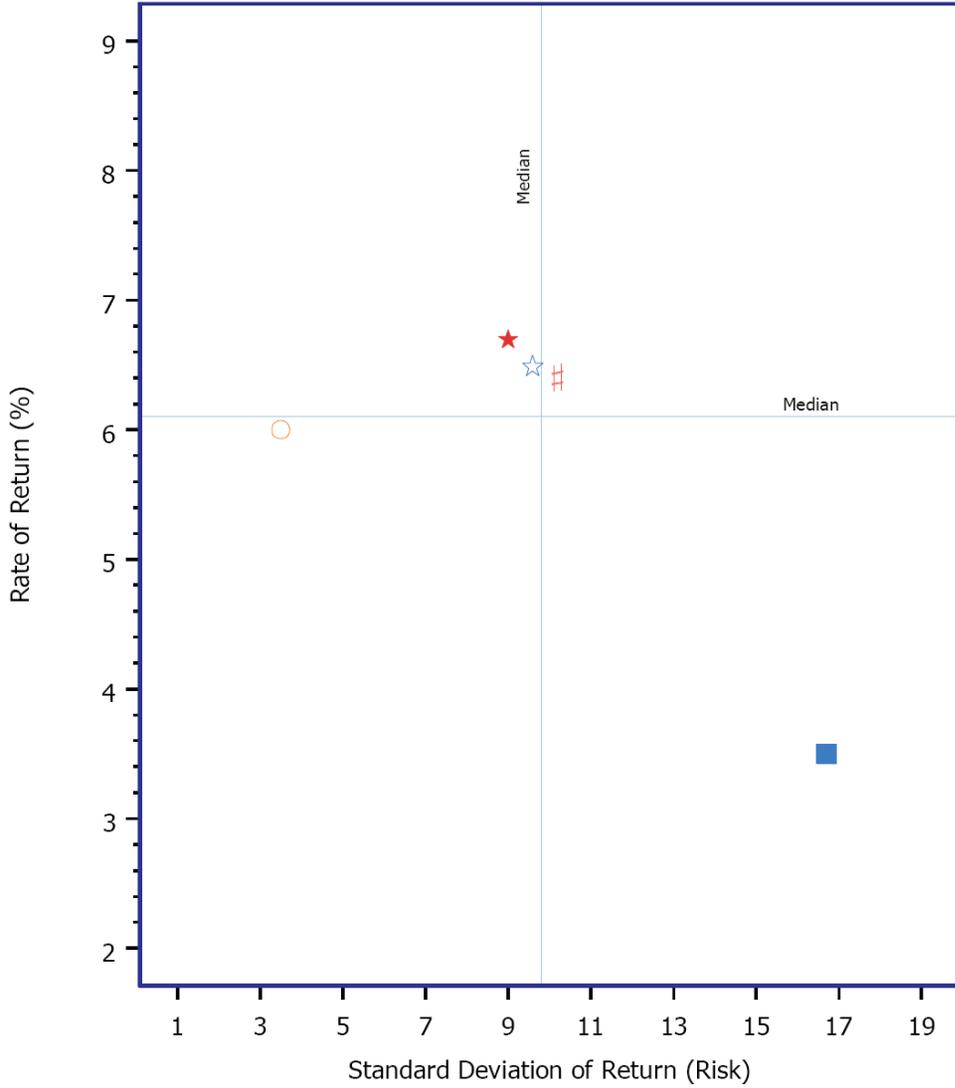


	Return	Standard Deviation	Sharpe Ratio
★ MUNI COMPOSITE	6.8	8.8	0.5
Ω ALLOC INDEX	6.6	9.4	0.4
☆ POLICY INDEX	7.0	9.5	0.5
■ S&P 500	3.7	15.6	0.1
○ LB AGGREGATE	5.7	3.6	0.7
Median	6.7	9.1	0.4

Funded status as of Fiscal Year 2007 = 106.2%



Total Fund Risk / Return Analysis – 10 Years*



	Return	Standard Deviation	Sharpe Ratio
★ MUNI COMPOSITE	6.7	9.0	0.4
# ALLOC INDEX	6.4	10.2	0.3
☆ POLICY INDEX	6.5	9.6	0.3
■ S&P 500	3.5	16.7	0.1
○ LB AGGREGATE	6.0	3.5	0.6
Median	6.1	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 March 31, 2008																
	Quarter	Public Rank	Large Rank	Last Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Fiscal YTD	Market Value	% of Total Portfolio	Fee
Teachers' Composite																
Teachers' Composite	(5.4)%	51	48	(1.8)%	85	87	7.6%	59	75	11.6%	39	68	(5.6)%	\$1,530,152,945	100%	0.38%
Allocation Index	(4.1)%			(0.1)%			7.7%			11.8%			(3.7)%			
Policy Index	(4.4)%			0.6%			8.3%			12.2%			(3.2)%			
Employees' Composite																
Employees' Composite	(5.4)%	50	47	(1.5)%	80	82	7.6%	57	74	11.4%	41	70	(5.1)%	\$1,297,338,441	100%	0.37%
Allocation Index	(4.0)%			(0.1)%			7.7%			11.7%			(3.4)%			
Policy Index	(3.9)%			1.0%			8.0%			11.9%			(2.4)%			
Municipal Composite																
Municipal Composite	(5.4)%	50		(1.6)%	82		8.1%	41		11.1%	58		(5.1)%	\$317,918,136	100%	0.38%
Allocation Index	(3.9)%			0.1%			7.8%			11.7%			(3.1)%			
Policy Index	(3.8)%			1.2%			8.5%			12.1%			(2.2)%			
Burlington Composite																
Burlington Composite	(5.4)%	51		(1.8)%	85		7.4%	64		10.4%	73		(6.7)%	\$119,041,984	100%	0.38%
Policy Index	(4.9)%			(0.1)%			7.0%			10.6%			(3.6)%			

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 March 31, 2008																
	Quarter	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'	(9.3)%	48	(5.8)%	61	6.7%	37	11.5%	68	(11.4)%	\$334,221,920	25.8%	-	-	-		
Large Cap Equity Composite - Teachers'	(9.2)%	42	(6.6)%	67	5.8%	60	11.0%	85	(12.0)%	\$448,821,994	-	29.3%	-	-		
Large Cap Equity Composite - Municipal	(9.3)%	47	(5.8)%	61	8.2%	24	11.9%	62	(11.4)%	\$80,870,082	-	-	25.4%	-		
Standard & Poors 500	(9.4)%		(5.1)%		5.9%		11.3%		(10.7)%							
T. Rowe	(9.1)%	41	(4.2)%	33	n/a	n/a	n/a	n/a	(10.4)%	\$363,211,149	10.4%	11.8%	10.3%	12.0%	Dec-05	0.30%
PIMCO	(9.9)%	69	(5.1)%	46	n/a	n/a	n/a	n/a	(10.5)%	\$356,642,180	10.2%	11.6%	10.1%	11.8%	Dec-05	0.33%
Standard & Poors 500	(9.4)%		(5.1)%		5.9%		11.3%		(10.7)%							
SSgA	(8.5)%	29	(10.7)%	94	n/a	n/a	n/a	n/a	(15.4)%	\$179,499,274	5.1%	5.9%	5.0%	5.9%	Dec-05	0.05%
S&P 500 Equal Weighted	(8.6)%		(9.8)%		5.9%		15.0%		(14.8)%							
Small Cap Equity																
Small Cap Equity Composite - Employees'	(9.7)%	69	(11.0)%	51	4.2%	72	13.1%	87	(15.1)%	\$158,014,882	12.2%	-	-	-		
Small Cap Equity Composite - Teachers'	(9.6)%	69	(11.0)%	52	3.7%	76	12.7%	89	(15.2)%	\$184,735,949	-	12.1%	-	-		
Small Cap Equity Composite - Municipal	(9.6)%	69	(11.0)%	51	3.6%	76	13.3%	86	(15.1)%	\$33,259,001	-	-	10.5%	-		
Russell 2000	(9.9)%		(13.0)%		5.1%		14.9%		(16.7)%							
SSgA 2500	(9.4)%	66	(11.2)%	55	n/a	n/a	n/a	n/a	(15.3)%	\$129,801,168	4.0%	4.0%	3.5%	4.1%	Dec-05	0.07%
Russell 2500	(9.4)%		(11.3)%		6.0%		15.7%		(15.5)%							
Wellington	(6.4)%	53	(12.7)%	43	7.4%	23	n/a	n/a	(15.4)%	\$131,183,331	4.1%	4.1%	3.4%	4.1%	Dec-05	0.49%
Russell 2000 Value	(6.5)%		(16.9)%		4.3%		15.4%		(18.7)%							
SSgA Russell 2000 Growth	(12.9)%	51	(9.0)%	51	n/a	n/a	n/a	n/a	(14.7)%	\$129,626,035	4.1%	4.0%	3.5%	4.1%	Dec-06	0.10%
Russell 2000 Growth	(12.8)%		(8.9)%		5.7%		14.2%		(14.6)%							
International Equity																
International Equity Composite - Employees'	(8.9)%	53	(2.0)%	59	15.4%	40	21.6%	73	(9.2)%	\$ 173,627,903	13.4%	-	-	-		
International Equity Composite - Teachers'	(8.7)%	46	(1.7)%	57	15.4%	40	22.7%	57	(8.7)%	\$ 200,257,637	-	13.1%	-	-		
International Equity Composite - Municipal	(8.9)%	53	(2.0)%	59	14.9%	45	21.5%	75	(9.2)%	\$ 41,853,276	-	-	13.2%	-		
Acadian	(9.6)%	70	(3.6)%	73	n/a	n/a	n/a	n/a	(11.7)%	\$194,941,745	6.7%	5.3%	6.6%	5.3%	Oct-05	0.48%
Mondrian	(8.2)%	38	(0.5)%	46	14.8%	46	23.8%	41	(6.7)%	\$236,775,471	6.7%	7.8%	6.6%	8.1%	Oct-05	0.36%
EAFE (After Taxes)	(8.9)%		(2.7)%		13.3%		21.4%		(8.6)%							
CITI EPAC	(9.2)%		(1.2)%		14.0%		21.9%		(8.0)%							
Aberdeen	n/a		n/a		n/a		n/a		n/a	\$35,107,016	1.1%	1.1%	1.1%	1.1%	Jan-08	0.85%
MSCI EM	(11.0)%		21.3%		29.2%		35.5%		5.5%							
Core Fixed Income																
Logan Circle**	(2.3)%	97	0.3%	95	3.3%	97	4.0%	94	0.8%	\$517,236,227	17.7%	13.4%	21.1%	13.4%	Apr-06	0.33%
Oppenheimer	n/a		n/a		n/a		n/a		n/a	\$75,000,000	2.6%	1.9%	3.1%	1.9%	Mar-08	
LB Aggregate	2.2%		7.7%		5.5%		4.6%		8.2%							
High Yield Fixed Income																
Post Advisory	(2.6)%	72	(0.8)%	41	5.4%	51	n/a	n/a	(1.5)%	\$170,004,435	5.2%	5.2%	5.1%	5.0%	Apr-06	0.42%
LB High Yield	(3.0)%		(3.7)%		4.9%		8.6%		(3.9)%							
Global Fixed Income																
Global FI Composite - Employees'	6.0%	33	16.5%	32	n/a	n/a	n/a	n/a	16.8%	\$ 60,830,961	4.7%	-	-	-		
Global FI Composite - Teachers'	6.0%	33	16.5%	32	n/a	n/a	n/a	n/a	16.8%	\$ 71,411,457	-	4.7%	-	-		
Global FI Composite - Municipal	5.9%	33	16.3%	32	n/a	n/a	n/a	n/a	16.6%	\$ 8,274,400	-	-	2.6%	-		
Brandywine	1.8%	69	11.7%	60	n/a	n/a	n/a	n/a	10.5%	\$71,546,836	2.3%	2.3%	1.3%	2.2%	May-06	0.42%
Mondrian**	10.1%	13	21.1%	9	8.4%	4	8.5%	50	23.4%	\$74,312,896	2.4%	2.4%	1.3%	2.3%	May-06	0.36%
CITI WGBI	9.7%		20.3%		7.3%		8.1%		22.2%							

Note: Returns are gross of manager fees. Results for periods longer than one year are annualized.
 * Performance results should be consider preliminary.
 ** 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 March 31, 2008																	
	Quarter	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											6.8%	8.7%	7.6%	8.6%			
Morgan Stanley	3.1%	14	14.2%	25	18.2%	23	16.9%	31	7.6%	\$83,523,157	2.2%	2.8%	2.5%	2.8%	Sep-06	0.88%	
UBS Realty	1.6%	28	11.8%	48	16.0%	44	15.0%	47	5.9%	\$92,607,423	2.5%	3.1%	2.8%	3.1%	Sep-06	0.90%	
RREEF	-0.8%	89	13.6%	30	n/a		n/a		6.0%	\$41,968,252	1.1%	1.4%	1.3%	1.4%	Sep-06		
Transwestern / Aslan	-0.9%	89	6.4%	69	n/a		n/a		-6.1%	\$3,772,751	0.1%	0.1%	0.1%	0.1%	Sep-06		
Real Estate Cash	0.9%	41	5.0%	71	n/a		n/a		3.5%	\$33,400,843	0.9%	1.1%	1.0%	1.1%	Sep-06		
<i>NCREIF Property Index[^]</i>	1.6%		13.6%		16.8%		15.1%		8.6%								
Private Investment																	
Pru & VVC	1.5%		5.5%		11.6%		4.7%		10.5%	\$5,850,524	0.0%	0.4%	0.0%	0.0%			
Vermont Investments	10.8%		11.1%		(13.5)%		(4.1)%		11.1%	\$2,511,711	0.2%	0.0%	0.0%	0.0%			
Alternative Investments	0.0%		n/a		n/a		n/a		0.0%	\$767,390	0.0%	0.0%	0.2%	0.0%			
RMK Timber [^]	2.2%		3.5%		20.7%		13.2%		7.0%	\$2,637,070	0.2%	0.0%	0.0%	0.0%			1.00%
<i>NCREIF Timber Index[^]</i>	9.4%		18.4%		17.1%		14.0%		16.3%								
Global Asset Allocation																	
GAA Composite - Employees [†]	(3.4)%		(0.3)%		n/a		n/a		(1.1)%	\$155,376,798	10.2%	-	-				
GAA Composite - Teachers [†]	(3.4)%		(0.3)%		n/a		n/a		(1.1)%	\$155,376,798	-	10.2%	-				
GAA Composite - Municipal	(3.4)%		(0.3)%		n/a		n/a		(1.2)%	\$32,148,594	-	-	10.1%				
Pimco All Asset	0.5%		7.4%		n/a		n/a		6.5%	\$164,876,852	5.1%	5.0%	5.0%	4.9%	May-06	0.83%	
<i>T-Bill + 5%</i>	1.9%		9.6%		9.5%		8.3%		6.9%								
Mellon Global Alpha	(7.6)%		(7.9)%		n/a		n/a		(8.7)%	\$166,341,718	5.1%	5.1%	5.1%	4.9%	May-06	0.65%	
<i>60%MSCI World / 40% CITI WGBI</i>	(4.1)%		1.5%		7.9%		11.3%		(1.7)%								
Cash																	
Employees' Cash	0.9%		5.9%		6.4%		4.8%		4.3%	\$182,098	0.0%	0.0%	0.0%	0.0%			
Teachers' Cash	1.0%		6.0%		5.2%		4.6%		4.3%	\$674,840	0.0%	0.0%	0.0%	0.0%			
Municipal Cash	0.9%		5.9%		4.9%		4.2%		4.2%	\$192,069	0.0%	0.0%	0.1%	0.0%			
Burlington Cash	1.0%		n/a		n/a		n/a		n/a	\$257,043	0.0%	0.0%	0.0%	0.2%			
<i>90 Day U.S. T-Bills</i>	0.9%		4.6%		4.4%		3.2%		3.3%								

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

