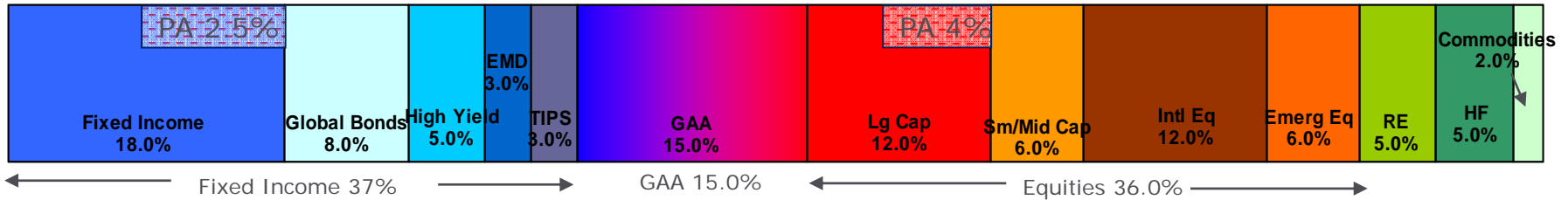




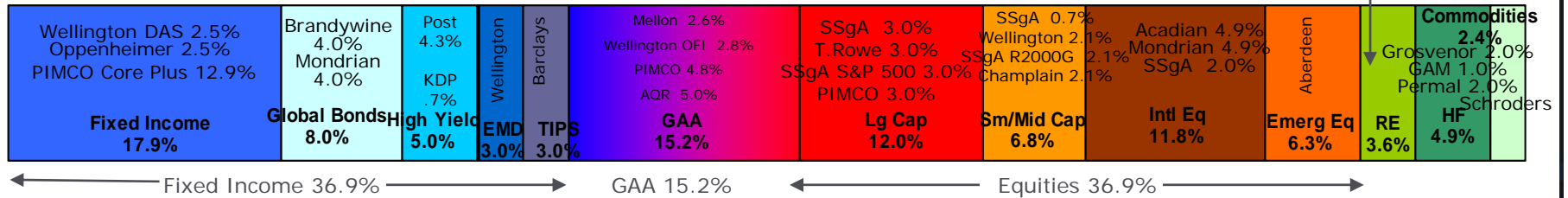
Vermont State Employees' Retirement System

Total Plan Asset Allocation

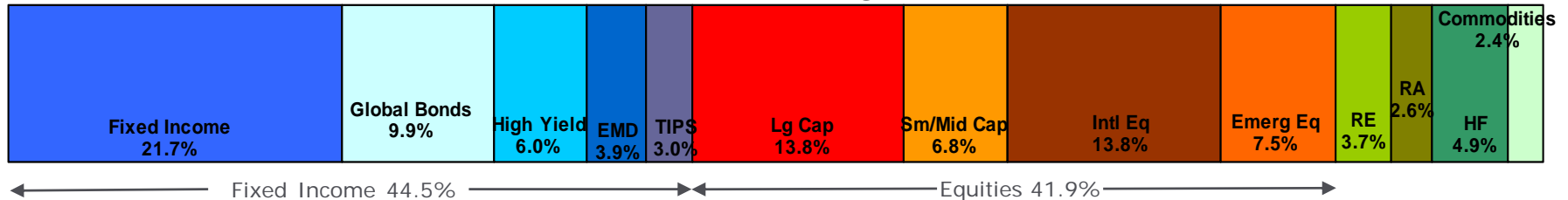
Target Asset Allocation



Current Asset Allocation by Manager



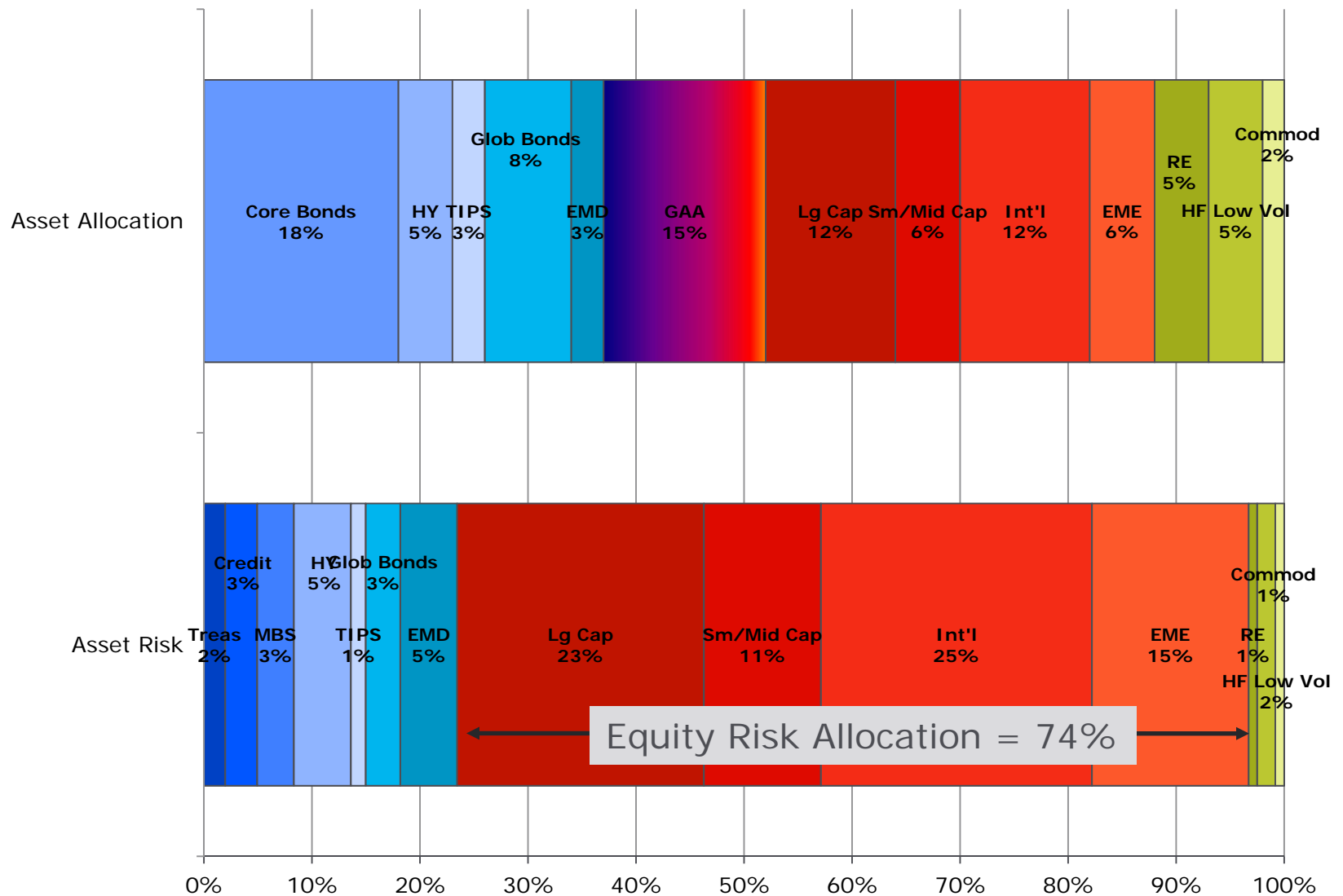
Current Asset Allocation by Asset Class



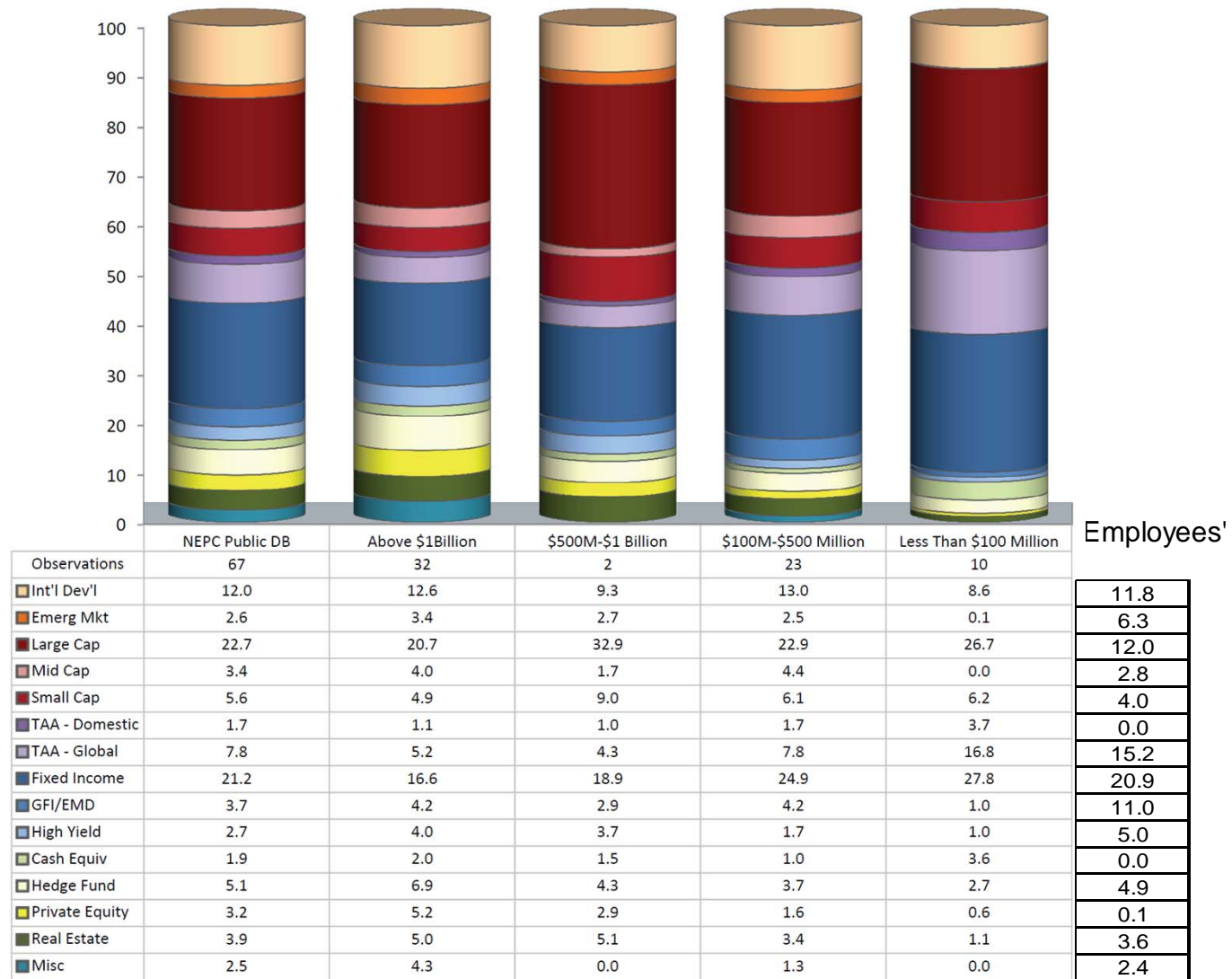
Numbers may not add up to 100% due to rounding.



Policy Asset Allocation and Risk Budgeting



ICC Public DB Plans – Average Asset Allocation



Disclosure:

Allocations may not add to 100% due to rounding. Average asset allocations shown include all portfolios submitted to the ICC universe as of 4/19/11 for periods ending 12/31/10. Portfolios included correspond with the ICC universe requirements and exclude portfolios meeting the following criteria: 1) An allocation greater than 95% to one asset class and 2) Portfolios not providing an asset allocation.



12/31/2010

Asset Breakdown

	Domestic Large Core	Domestic Smid	Domestic Small Core	Domestic Small Value	Domestic Small Growth	Core Fixed	High Yield	TIPS	Int'l Equity	EMD	Global Bonds	Real Estate	GAA	Other	Cash	Total
Composite	\$162,158	\$27,868	\$9,066	\$27,860	\$28,032	\$242,929	\$67,778	\$40,828	\$244,891	\$41,071	\$108,448	\$49,385	\$205,585	\$100,023	\$190	\$1,356,112
T. Rowe	40,347	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$40,347
PIMCO	40,561	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$40,561
SSgA Equal Wgt	40,751	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$40,751
SSgA S&P 500	40,499	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$40,499
Champlain	0	27,868	0	0	0	0	0	0	0	0	0	0	0	0	0	\$27,868
SSgA R-2500	0	0	9,066	0	0	0	0	0	0	0	0	0	0	0	0	\$9,066
Wellington	0	0	0	27,860	0	0	0	0	0	0	0	0	0	0	0	\$27,860
SSgA R-2000 Growth	0	0	0	0	28,032	0	0	0	0	0	0	0	0	0	0	\$28,032
Acadian	0	0	0	0	0	0	0	0	66,618	0	0	0	0	0	0	\$66,618
Mondrian	0	0	0	0	0	0	0	0	66,049	0	0	0	0	0	0	\$66,049
SSgA ACWI ex US	0	0	0	0	0	0	0	0	26,959	0	0	0	0	0	0	\$26,959
Aberdeen	0	0	0	0	0	0	0	0	85,265	0	0	0	0	0	0	\$85,265
Allianz	0	0	0	0	0	34,256	0	0	0	0	0	0	0	0	0	\$34,256
Wellington DAS	0	0	0	0	0	33,689	0	0	0	0	0	0	0	0	0	\$33,689
PIMCO Core Plus	0	0	0	0	0	174,984	0	0	0	0	0	0	0	0	0	\$174,984
Post Advisory	0	0	0	0	0	0	57,671	0	0	0	0	0	0	0	0	\$57,671
KDP	0	0	0	0	0	0	10,107	0	0	0	0	0	0	0	0	\$10,107
Wellington EMD	0	0	0	0	0	0	0	0	0	41,071	0	0	0	0	0	\$41,071
Barclays	0	0	0	0	0	0	0	40,828	0	0	0	0	0	0	0	\$40,828
Mondrian	0	0	0	0	0	0	0	0	0	0	54,069	0	0	0	0	\$54,069
Brandywine	0	0	0	0	0	0	0	0	0	0	54,379	0	0	0	0	\$54,379
Morgan Stanley	0	0	0	0	0	0	0	0	0	0	0	21,759	0	0	0	\$21,759
UBS Realty	0	0	0	0	0	0	0	0	0	0	0	20,812	0	0	0	\$20,812
RREEF	0	0	0	0	0	0	0	0	0	0	0	6,477	0	0	0	\$6,477
Transwestern	0	0	0	0	0	0	0	0	0	0	0	322	0	0	0	\$322
Real Estate Cash	0	0	0	0	0	0	0	0	0	0	0	15	0	0	0	\$15
Mellon GA 1	0	0	0	0	0	0	0	0	0	0	0	0	34,637	0	0	\$34,637
PIMCO AA	0	0	0	0	0	0	0	0	0	0	0	0	64,852	0	0	\$64,852
Wellington OIF	0	0	0	0	0	0	0	0	0	0	0	0	37,772	0	0	\$37,772
AQR	0	0	0	0	0	0	0	0	0	0	0	0	68,324	0	0	\$68,324
Alt. Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	754	0	\$754
Grosvenor	0	0	0	0	0	0	0	0	0	0	0	0	0	26,891	0	\$26,891
GAM	0	0	0	0	0	0	0	0	0	0	0	0	0	13,339	0	\$13,339
Permal	0	0	0	0	0	0	0	0	0	0	0	0	0	26,803	0	\$26,803
Schroders	0	0	0	0	0	0	0	0	0	0	0	0	0	32,236	0	\$32,236
Vermont Cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0	190	\$190

(Dollars in 000's)



Total Fund Asset Growth Summary

VERMONT STATE EMPLOYEES
 EMPLOYEES RETIREMENT SYSTEM CO
 Periods Ending March 31, 2011

Total Fund Asset Growth Summary (\$000)

	One Quarter	Year to Date	One Year
ERS COMPOSITE			
Beginning Market Value	1,320,867	1,320,867	1,213,830
Net External Growth	-10,046	-10,046	-32,656
Return on Investment	45,292	45,292	174,938
Income Received	0	0	294
Gain/Loss	45,291	45,291	174,644
Ending Market Value	1,356,112	1,356,112	1,356,112
Return	3.4%	3.4%	14.5%



Fund Performance vs. Benchmark

VERMONT STATE EMPLOYEES

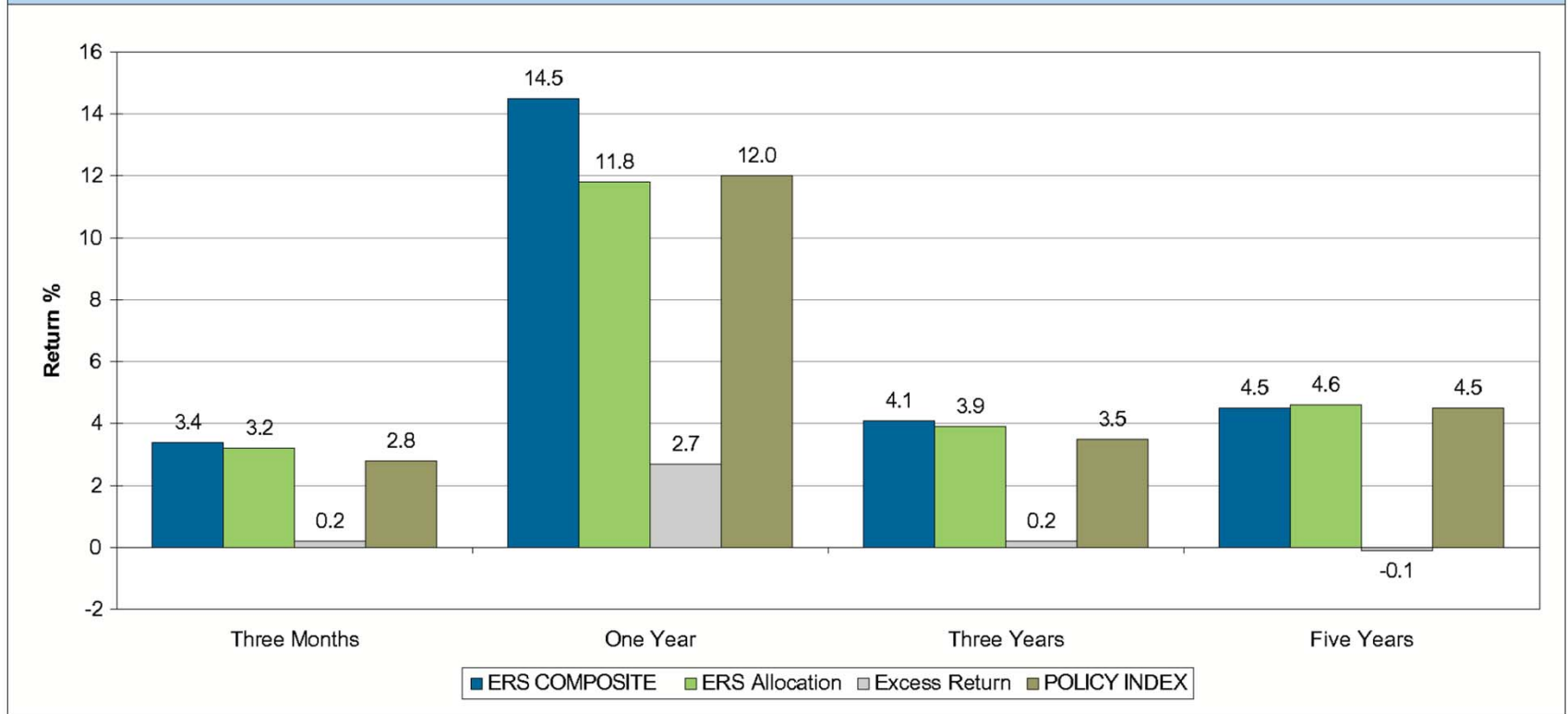
POLICY INDEX

Benchmark:

Periods Ending March 31, 2011

Fund Performance vs. Benchmark

ERS COMPOSITE



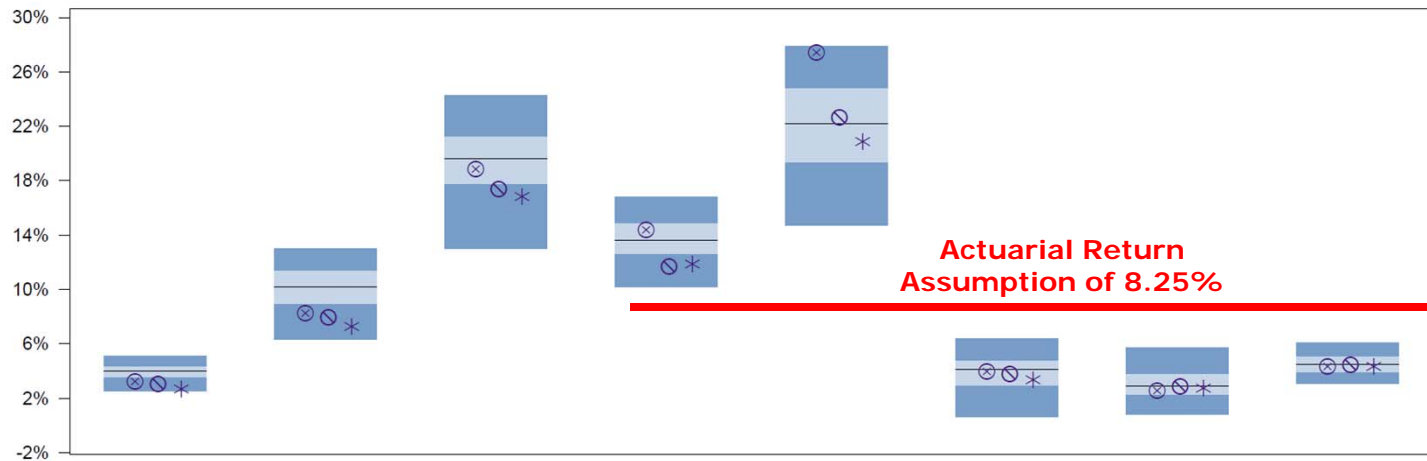
Total Public Funds Performance

VERMONT STATE EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Periods Ending March 31, 2011

Total Fund Performance - Trailing Periods



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
⊗ ERS COMPOSITE	3.4	78	8.4	84	19.0	59	14.5	32	27.6	8	4.1	46	2.7	60	4.5	50
⊙ ERS Allocation	3.2	88	8.1	88	17.5	78	11.8	85	22.8	43	3.9	53	3.0	46	4.6	44
* POLICY INDEX	2.8	93	7.4	92	17.0	84	12.0	83	21.0	62	3.5	63	2.9	49	4.5	46
5th Percentile	5.1		13.0		24.3		16.8		27.9		6.4		5.7		6.1	
25th Percentile	4.4		11.4		21.3		14.9		24.8		4.8		3.8		5.1	
50th Percentile	4.0		10.2		19.6		13.6		22.2		4.1		2.9		4.5	
75th Percentile	3.5		8.9		17.7		12.6		19.3		2.9		2.2		3.9	
95th Percentile	2.5		6.3		13.0		10.2		14.7		0.6		0.8		3.1	

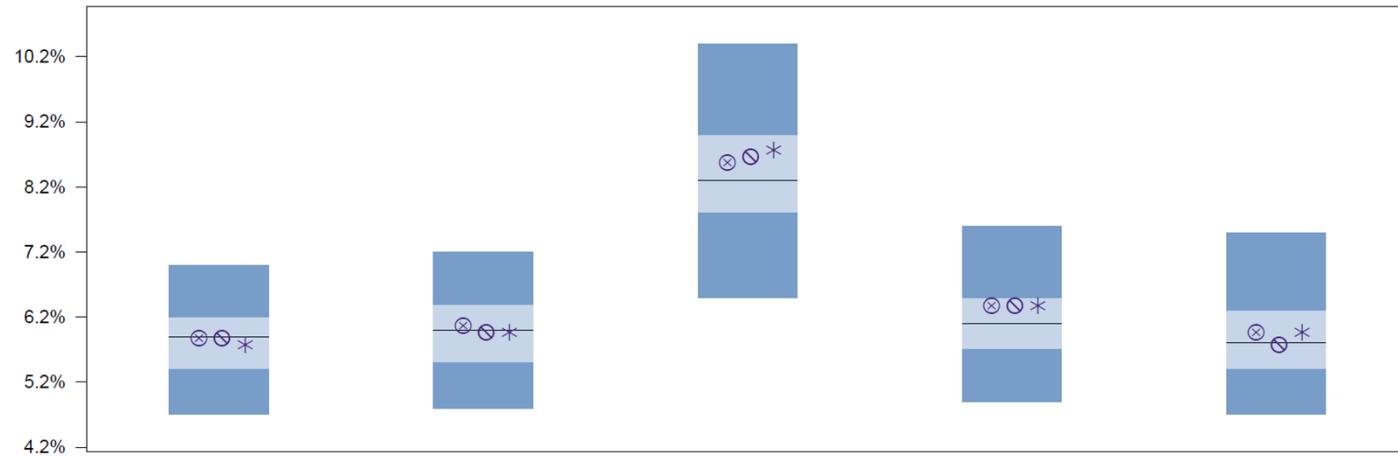
Total Public Funds Performance

VERMONT STATE EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Periods Ending March 31, 2011

Total Fund Performance - Trailing Periods



	Six Years	Seven Years	Eight Years	Nine Years	Ten Years
⊗ ERS COMPOSITE	5.9 51	6.1 48	8.6 39	6.4 30	6.0 37
⊘ ERS Allocation	5.9 53	6.0 50	8.7 33	6.4 32	5.8 44
* POLICY INDEX	5.8 54	6.0 50	8.8 30	6.4 32	6.0 38
5th Percentile	7.0	7.2	10.4	7.6	7.5
25th Percentile	6.2	6.4	9.0	6.5	6.3
50th Percentile	5.9	6.0	8.3	6.1	5.8
75th Percentile	5.4	5.5	7.8	5.7	5.4
95th Percentile	4.7	4.8	6.5	4.9	4.7

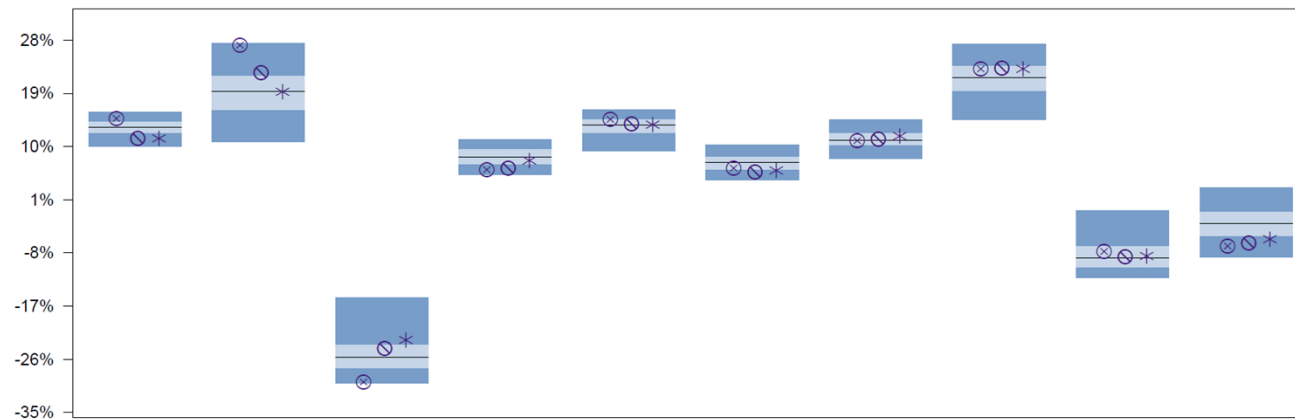
Total Public Funds Performance

VERMONT STATE EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Period Ending December 31, 2010

Total Fund Performance - One Year Time Periods



	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001										
⊗ ERS COMPOSITE	15.1	9	27.4	6	-29.6	92	6.4	84	14.9	23	6.6	67	11.3	47	23.4	29	-7.5	35	-6.6	90
⊙ ERS Allocation	11.7	82	22.8	22	-23.9	35	6.6	81	14.1	36	6.0	76	11.5	40	23.6	26	-8.3	48	-6.0	84
* POLICY INDEX	11.7	82	19.5	49	-22.5	18	7.9	56	14.0	40	6.3	71	12.1	30	23.4	28	-8.2	45	-5.4	80
5th Percentile	15.9		27.5		-15.6		11.2		16.2		10.3		14.5		27.3		-0.8		3.1	
25th Percentile	14.3		22.0		-23.4		9.6		14.7		8.3		12.4		23.7		-6.8		-0.9	
50th Percentile	13.2		19.4		-25.6		8.2		13.6		7.3		11.1		21.7		-8.8		-3.0	
75th Percentile	12.2		16.1		-27.6		6.9		12.2		6.0		10.1		19.4		-10.5		-5.2	
95th Percentile	10.0		10.8		-30.1		5.3		9.2		4.3		8.0		14.5		-12.2		-8.7	

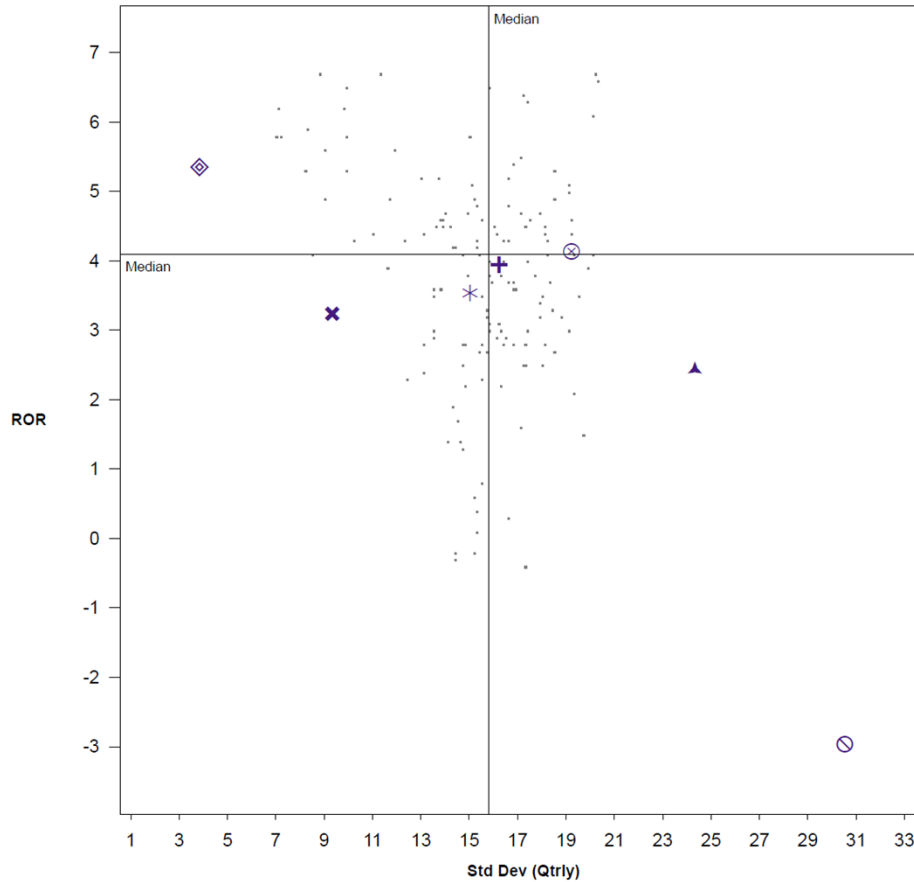
Risk vs. Return Analysis – 3 Years

VERMONT STATE EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Period Ending March 31, 2011

Risk vs. Return - 3 Year



NAME	Return	Standard Deviation	Sharpe Ratio
⊗ ERS COMPOSITE	4.1 46	19.3 95	0.2 63
+ ERS Allocation	3.9 53	16.3 59	0.2 55
* POLICY INDEX	3.5 63	15.1 38	0.2 59
▲ S&P 500	2.4 87	24.4 100	0.1 89
◇ BC AGGREGATE	5.3 17	3.9 1	1.2 1
⊖ MSCI EAFE (NET)	-3.0 100	30.6 100	-0.1 100
✕ Citigroup WGBI (All Maturities)	3.2 69	9.4 7	0.3 30
Median	4.1	15.8	0.2

Funded status as of Fiscal Year 2009 = 79%



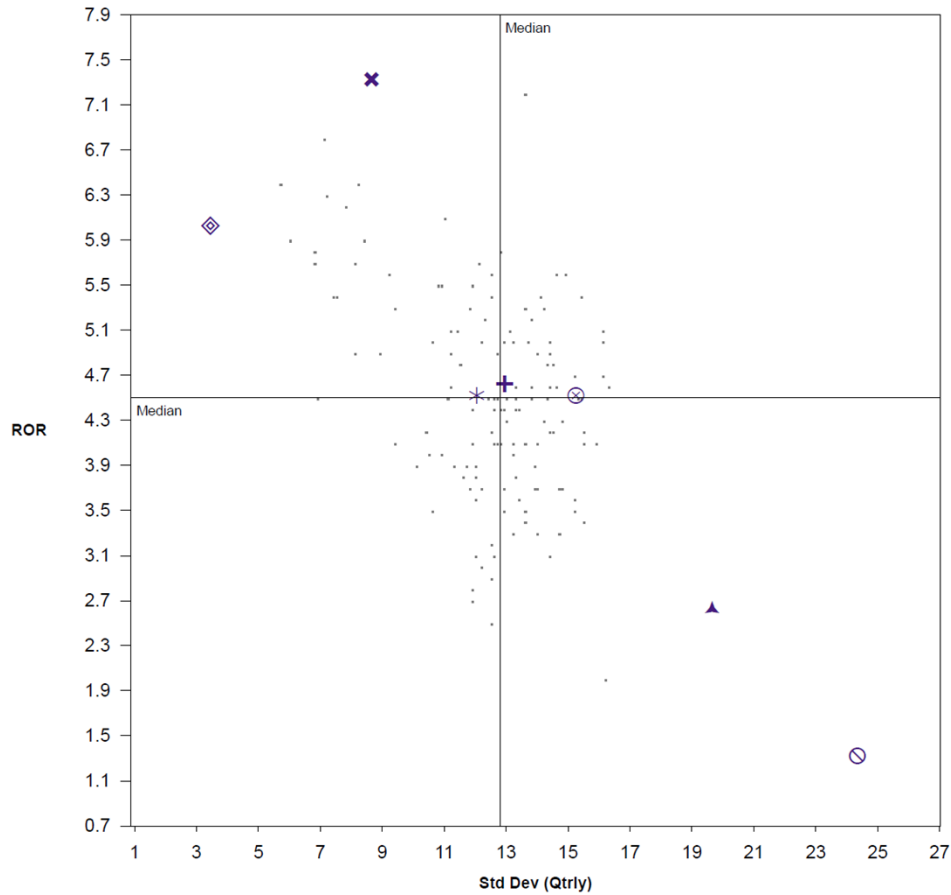
Risk vs. Return Analysis – 5 Years

VERMONT STATE EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Period Ending March 31, 2011

Risk vs. Return - 5 Year



NAME	Return	Standard Deviation	Sharpe Ratio
⊙ ERS COMPOSITE	4.5 50	15.3 92	0.1 64
+ ERS Allocation	4.6 44	13.0 55	0.2 47
* POLICY INDEX	4.5 46	12.1 35	0.2 41
▲ S&P 500	2.6 99	19.7 100	0.0 97
◇ BC AGGREGATE	6.0 6	3.5 1	1.1 1
⊘ MSCI EAFE (NET)	1.3 100	24.4 100	-0.0 98
✕ Citigroup WGBI (All Maturities)	7.3 1	8.7 10	0.6 3
Median	4.5	12.8	0.2

Funded status as of Fiscal Year 2009 = 79%

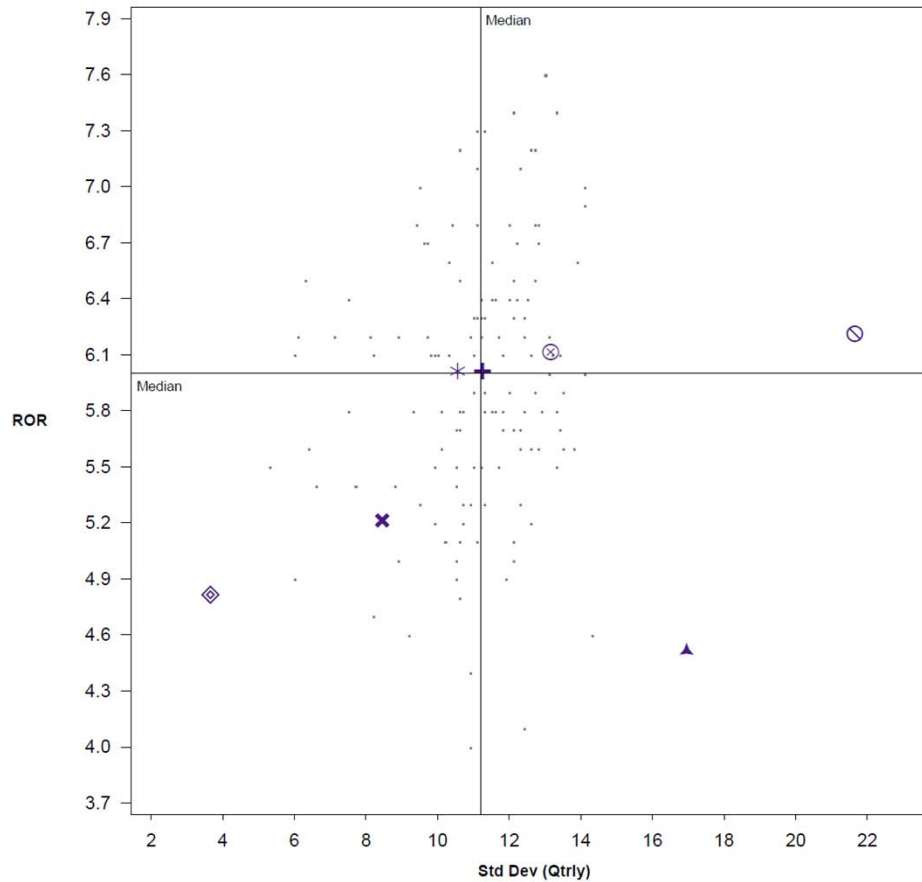


Risk vs. Return Analysis – 7 Years

VERMONT STATE EMPLOYEES

Total Fund - Universe: Public Funds (DB)
 Period Ending March 31, 2011

Risk vs. Return - 7 Year



NAME	Return	Standard Deviation	Sharpe Ratio
⊗ ERS COMPOSITE	6.1 48	13.2 91	0.3 72
+ ERS Allocation	6.0 50	11.3 56	0.3 53
* POLICY INDEX	6.0 50	10.6 34	0.3 43
▲ S&P 500	4.5 98	17.0 100	0.1 100
◇ BC AGGREGATE	4.8 96	3.7 1	0.7 1
⊘ MSCI EAFE (NET)	6.2 34	21.7 100	0.2 97
* Citiigroup WGBI (All Maturities)	5.2 86	8.5 10	0.3 46
Median	6.0	11.2	0.3

Funded status as of Fiscal Year 2009 = 79%



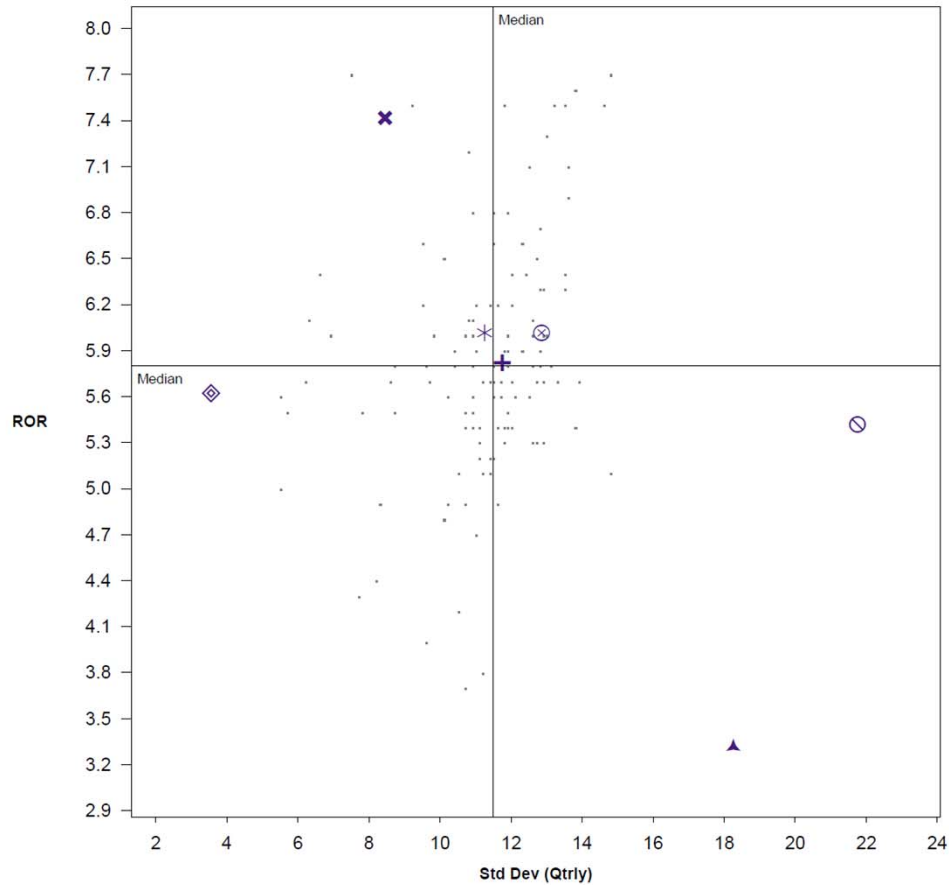
Risk vs. Return Analysis – 10 Years

VERMONT STATE EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Period Ending March 31, 2011

Risk vs. Return - 10 Year



NAME	Return	Standard Deviation	Sharpe Ratio
⊗ ERS COMPOSITE	6.0 37	12.9 86	0.3 65
+ ERS Allocation	5.8 44	11.8 58	0.3 53
* POLICY INDEX	6.0 38	11.3 44	0.3 45
▲ S&P 500	3.3 100	18.3 100	0.1 100
◇ BC AGGREGATE	5.6 65	3.6 1	0.9 1
○ MSCI EAFE (NET)	5.4 77	21.8 100	0.1 100
× Citigroup WGBI (All Maturities)	7.4 7	8.5 10	0.6 4
Median	5.8	11.5	0.3

Funded status as of Fiscal Year 2009 = 79%

