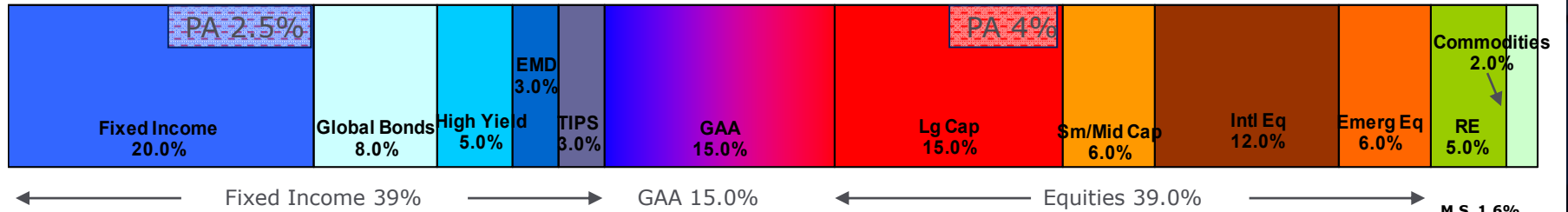




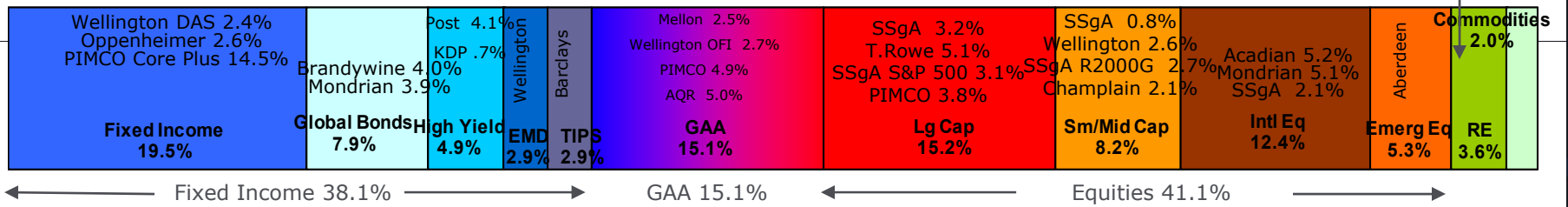
Vermont State Employees' Retirement System

Total Plan Asset Allocation

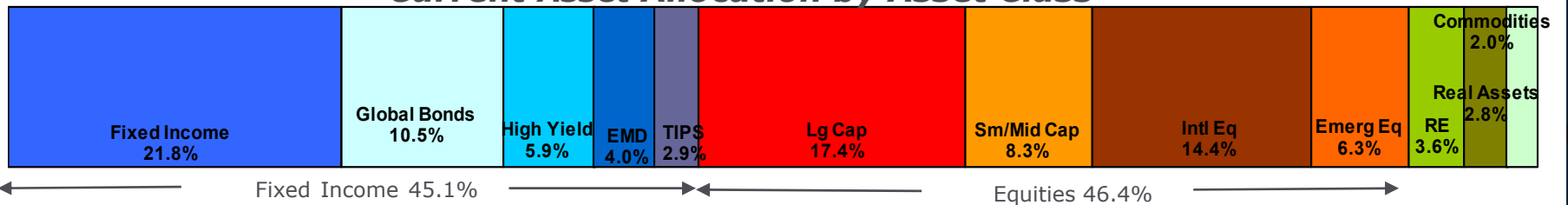
Target Asset Allocation



Current Asset Allocation by Manager



Current Asset Allocation by Asset Class

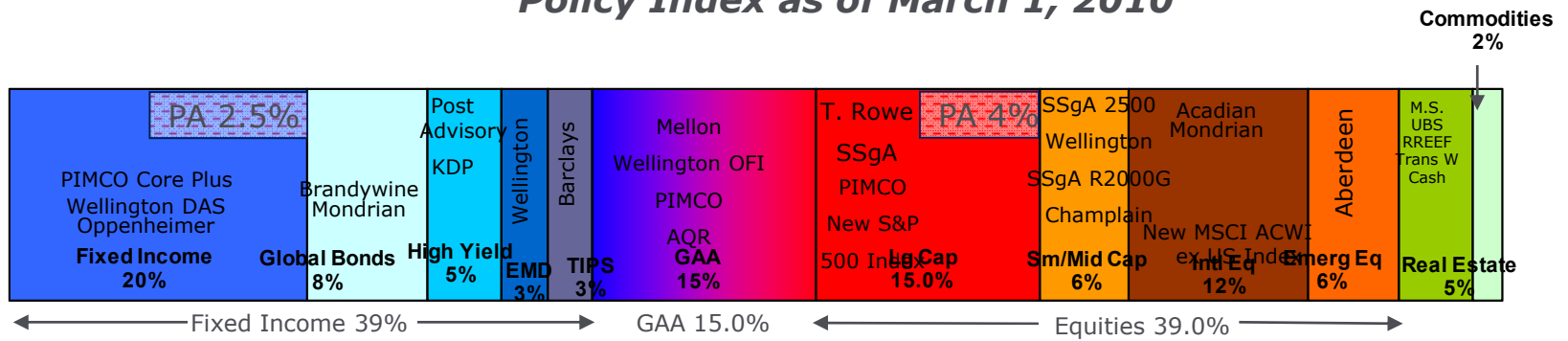


Numbers may not add up to 100% due to rounding.

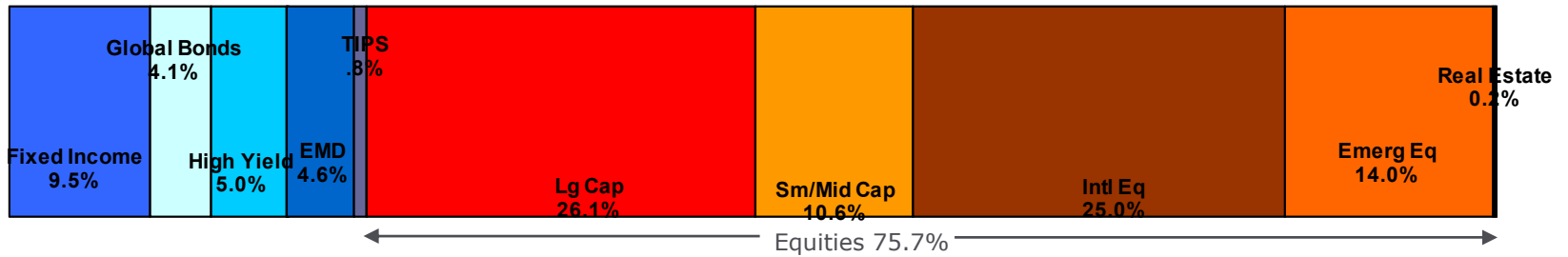


Policy Asset Allocation and Risk Budgeting

Policy Index as of March 1, 2010



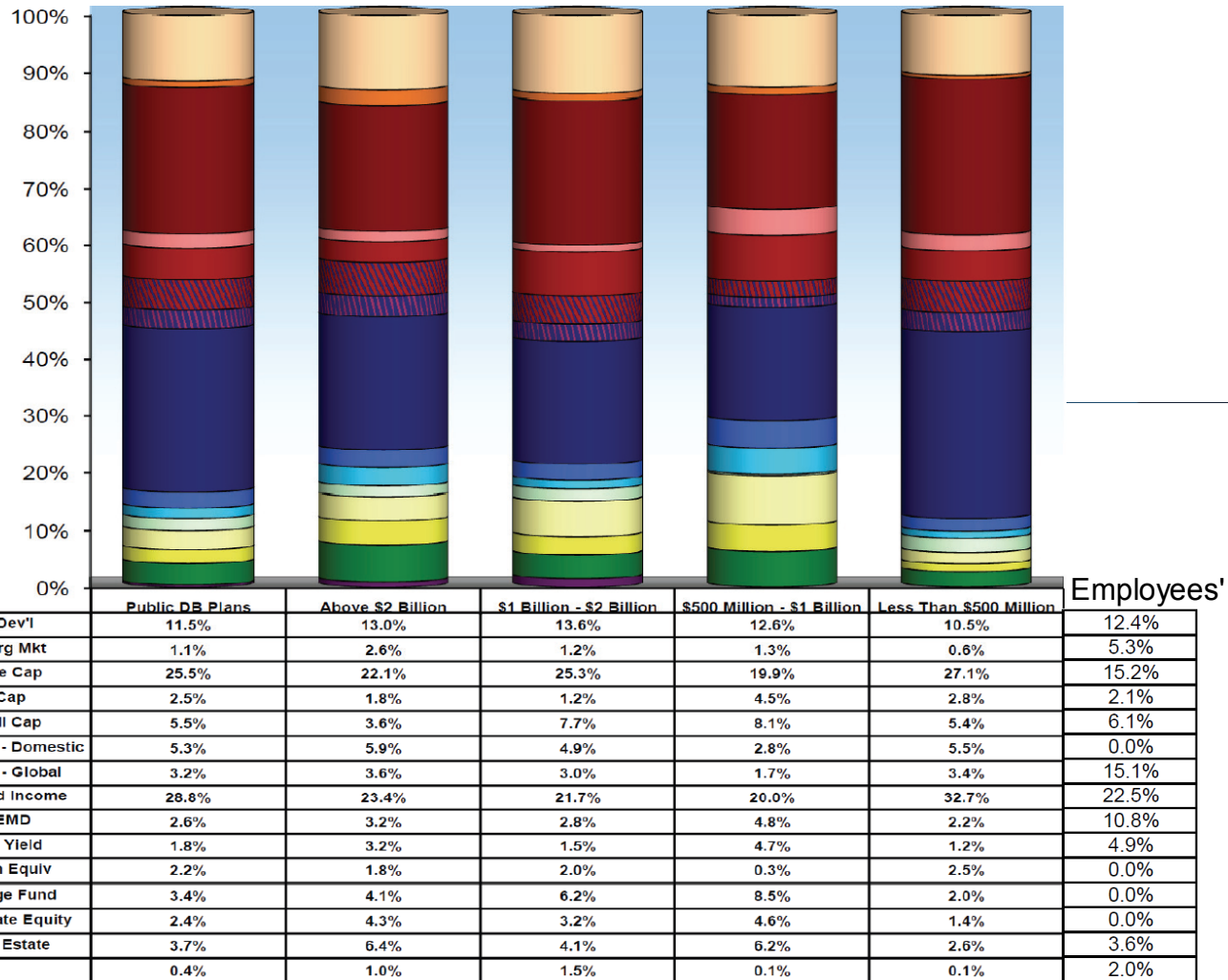
2010 NEPC Risk Budgeting Risk Allocation



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



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 10/15/10 for periods ending 6/30/10. 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 without an asset allocation.

Employees' allocation is as of 9/30/2010



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	\$192,227	\$26,743	\$10,440	\$32,776	\$33,824	\$246,837	\$61,807	\$36,510	\$225,187	\$37,078	\$99,639	\$45,950	\$191,863	\$26,098	\$212	\$1,267,191
T. Rowe	64,784	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$64,784
PIMCO	48,341	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$48,341
SSgA Equal Wgt	39,960	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$39,960
SSgA S&P 500	39,143	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$39,143
Champlain	0	26,743	0	0	0	0	0	0	0	0	0	0	0	0	0	\$26,743
SSgA R-2500	0	0	10,440	0	0	0	0	0	0	0	0	0	0	0	0	\$10,440
Wellington	0	0	0	32,776	0	0	0	0	0	0	0	0	0	0	0	\$32,776
SSgA R-2000 Growth	0	0	0	0	33,824	0	0	0	0	0	0	0	0	0	0	\$33,824
Acadian	0	0	0	0	0	0	0	0	66,181	0	0	0	0	0	0	\$66,181
Mondrian	0	0	0	0	0	0	0	0	65,057	0	0	0	0	0	0	\$65,057
SSgA ACWI ex US	0	0	0	0	0	0	0	0	26,378	0	0	0	0	0	0	\$26,378
Aberdeen	0	0	0	0	0	0	0	0	67,572	0	0	0	0	0	0	\$67,572
Oppenheimer	0	0	0	0	0	32,987	0	0	0	0	0	0	0	0	0	\$32,987
Wellington DAS	0	0	0	0	0	30,296	0	0	0	0	0	0	0	0	0	\$30,296
PIMCO Core Plus	0	0	0	0	0	183,554	0	0	0	0	0	0	0	0	0	\$183,554
Post Advisory	0	0	0	0	0	0	52,453	0	0	0	0	0	0	0	0	\$52,453
KDP	0	0	0	0	0	0	9,355	0	0	0	0	0	0	0	0	\$9,355
Welligton EMD	0	0	0	0	0	0	0	0	0	37,078	0	0	0	0	0	\$37,078
Barclays	0	0	0	0	0	0	0	36,510	0	0	0	0	0	0	0	\$36,510
Mondrian	0	0	0	0	0	0	0	0	0	0	49,563	0	0	0	0	\$49,563
Brandywine	0	0	0	0	0	0	0	0	0	0	50,076	0	0	0	0	\$50,076
Morgan Stanely	0	0	0	0	0	0	0	0	0	0	0	20,002	0	0	0	\$20,002
UBS Realty	0	0	0	0	0	0	0	0	0	0	0	19,445	0	0	0	\$19,445
RREEF	0	0	0	0	0	0	0	0	0	0	0	6,083	0	0	0	\$6,083
Transwestern	0	0	0	0	0	0	0	0	0	0	0	405	0	0	0	\$405
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	31,712	0	0	\$31,712
PIMCO AA	0	0	0	0	0	0	0	0	0	0	0	0	63,801	0	0	\$63,801
Wellington OIF	0	0	0	0	0	0	0	0	0	0	0	0	62,064	0	0	\$62,064
AQR	0	0	0	0	0	0	0	0	0	0	0	0	34,286	0	0	\$34,286
Alt. Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	584	0	\$584
Schroders	0	0	0	0	0	0	0	0	0	0	0	0	0	25,514	0	\$25,514
Vermont Cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0	212	\$212

(Dollars in 000's)



Total Fund Asset Growth Summary

VERMONT STATE EMPLOYEES
 EMPLOYEES RETIREMENT SYSTEM
 Periods Ending September 30, 2010

Total Fund Asset Growth Summary (\$000)

	One Quarter	Year to Date	One Year	Since Inception
ERS COMPOSITE				
Beginning Market Value	1,160,073	1,170,378	1,150,160	0
Net External Growth	-5,000	-15,200	-33,486	-297,743
Return on Investment	112,118	116,490	154,994	1,569,411
Income Received	61	291	-396	129,273
Gain/Loss	112,057	116,198	155,391	1,440,138
Ending Market Value	1,267,191	1,267,191	1,267,191	1,267,191

Return

9.7% 9.8% 13.4%



Fund Performance vs. Benchmark

VERMONT STATE EMPLOYEES

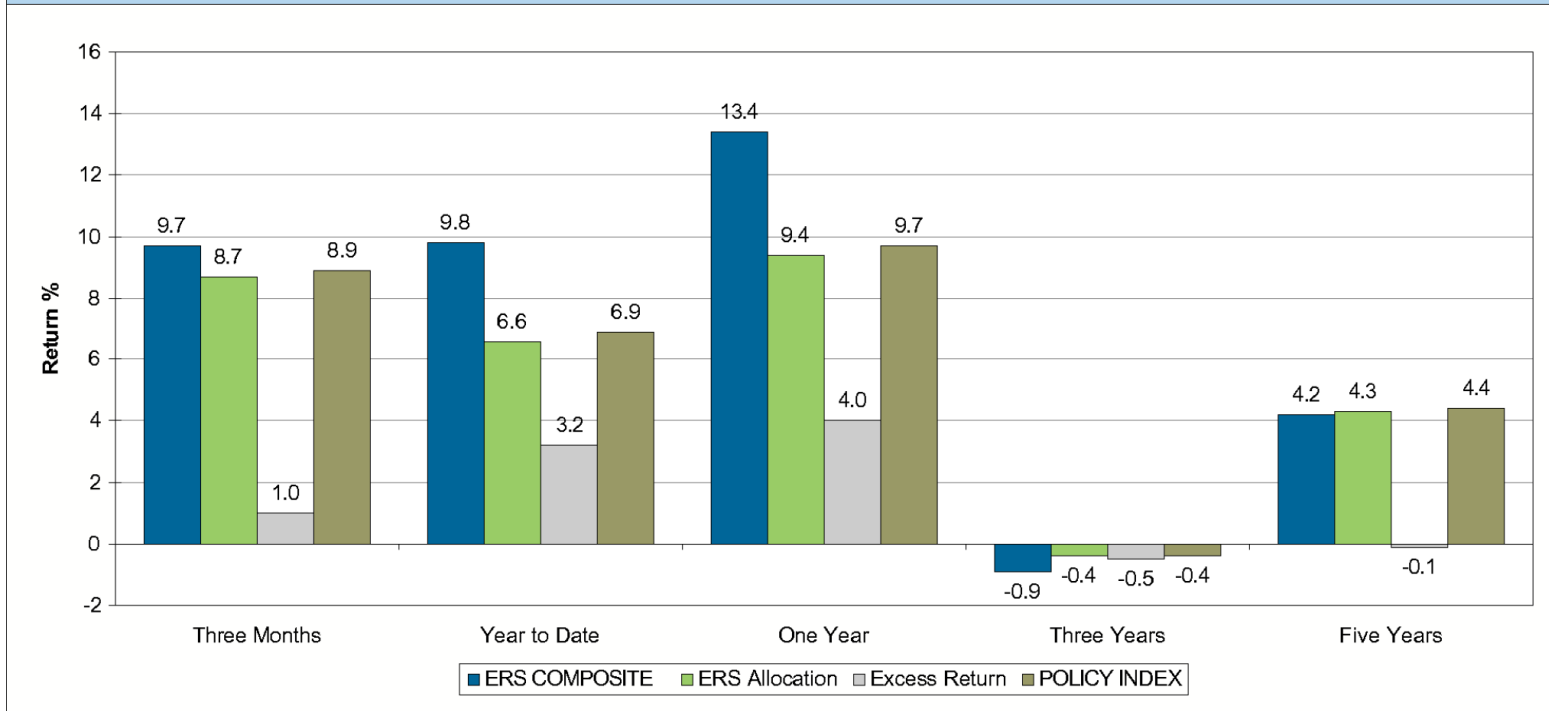
POLICY INDEX

Benchmark:

Periods Ending September 30, 2010

Fund Performance vs. Benchmark

ERS COMPOSITE



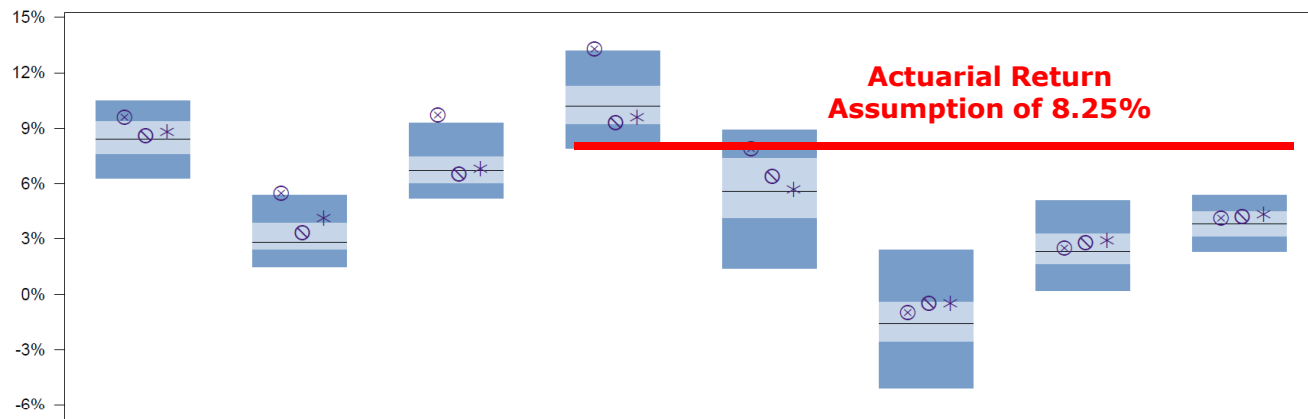
Total Public Funds Performance

VERMONT STATE EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Periods Ending September 30, 2010

Total Fund Performance - Trailing Periods



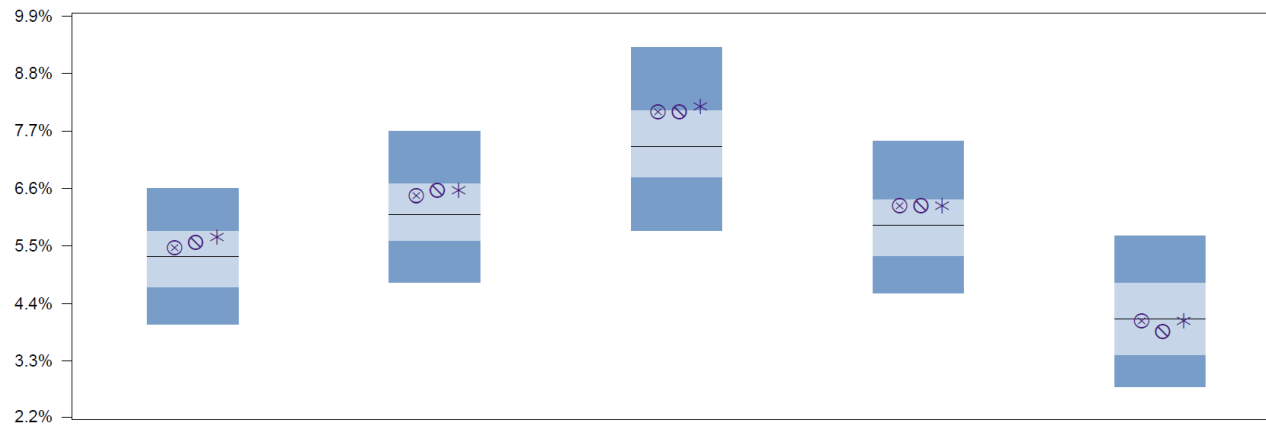
	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
⊗ ERS COMPOSITE	9.7	14	5.6	2	9.8	2	13.4	3	8.0	15	-0.9	33	2.6	41	4.2	32
⊙ ERS Allocation	8.7	41	3.4	41	6.6	54	9.4	73	6.5	39	-0.4	26	2.9	33	4.3	31
* POLICY INDEX	8.9	36	4.2	19	6.9	40	9.7	66	5.8	48	-0.4	26	3.0	30	4.4	28
5th Percentile	10.5		5.4		9.3		13.2		8.9		2.4		5.1		5.4	
25th Percentile	9.4		3.9		7.5		11.3		7.4		-0.4		3.3		4.5	
50th Percentile	8.4		2.8		6.7		10.2		5.6		-1.6		2.3		3.8	
75th Percentile	7.6		2.4		6.0		9.2		4.1		-2.6		1.6		3.1	
95th Percentile	6.3		1.5		5.2		7.9		1.4		-5.1		0.2		2.3	

Total Public Funds Performance

VERMONT STATE EMPLOYEES

Total Fund - Universe: Public Funds (DB)
 Periods Ending September 30, 2010

Total Fund Performance - Trailing Periods



	Six Years	Seven Years	Eight Years	Nine Years	Ten Years
⊗ ERS COMPOSITE	5.5 39	6.5 34	8.1 25	6.3 30	4.1 52
⊙ ERS Allocation	5.6 37	6.6 30	8.1 25	6.3 31	3.9 59
* POLICY INDEX	5.7 35	6.6 29	8.2 23	6.3 28	4.1 49
5th Percentile	6.6	7.7	9.3	7.5	5.7
25th Percentile	5.8	6.7	8.1	6.4	4.8
50th Percentile	5.3	6.1	7.4	5.9	4.1
75th Percentile	4.7	5.6	6.8	5.3	3.4
95th Percentile	4.0	4.8	5.8	4.6	2.8

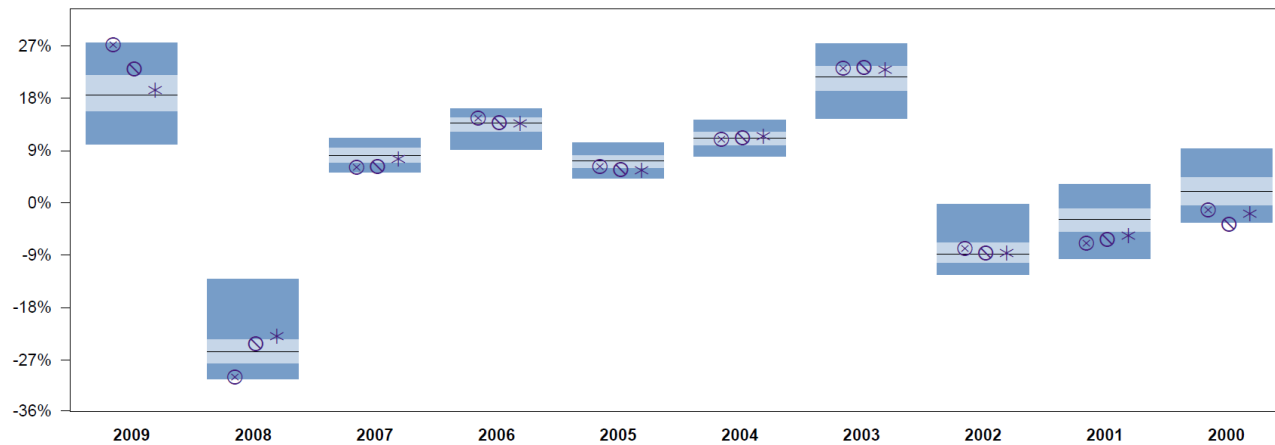
Total Public Funds Performance

VERMONT STATE EMPLOYEES

Total Fund - Universe: Public Funds (DB)

Period Ending December 31, 2009

Total Fund Performance - One Year Time Periods

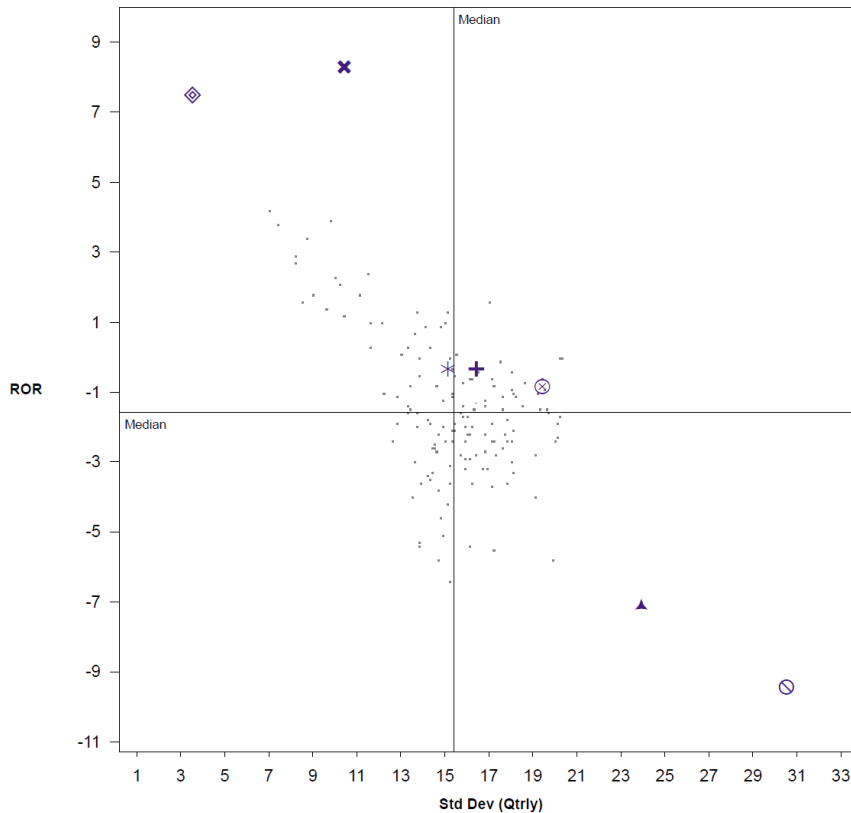


	2009	6	2008	92	2007	84	2006	23	2005	65	2004	45	2003	29	2002	35	2001	89	2000	83
⊗ ERS COMPOSITE	27.4		-29.6		6.4		14.9		6.6		11.3		23.4		-7.5		-6.6		-1.0	
⊙ ERS Allocation	23.3	19	-23.9	35	6.6	81	14.1	37	6.0	75	11.5	39	23.6	26	-8.3	48	-6.0	84	-3.4	96
* POLICY INDEX	19.7	43	-22.6	20	7.9	56	14.0	41	5.9	76	11.7	36	23.2	32	-8.3	48	-5.4	80	-1.6	88
5th Percentile	27.5		-13.1		11.2		16.2		10.4		14.2		27.3		-0.3		3.2		9.3	
25th Percentile	22.1		-23.3		9.6		14.8		8.3		12.3		23.6		-6.7		-0.9		4.5	
50th Percentile	18.5		-25.6		8.2		13.7		7.2		11.1		21.7		-8.8		-2.9		1.9	
75th Percentile	15.7		-27.6		6.8		12.2		6.0		9.8		19.2		-10.4		-5.1		-0.5	
95th Percentile	10.1		-30.3		5.3		9.2		4.3		8.0		14.5		-12.3		-9.6		-3.4	

Risk vs. Return Analysis – 3 Years

VERMONT STATE EMPLOYEES
 Total Fund - Universe: Public Funds (DB)
 Period Ending September 30, 2010

Risk vs. Return - 3 Year



NAME	Return	Standard Deviation	Sharpe Ratio
⊗ ERS COMPOSITE	-0.9 33	19.5 94	-0.1 31
+ ERS Allocation	-0.4 26	16.5 67	-0.1 28
* POLICY INDEX	-0.4 26	15.2 43	-0.1 30
▲ S&P 500	-7.2 100	24.0 100	-0.3 95
◇ BC AGGREGATE	7.4 1	3.6 1	1.8 1
⊙ MSCI EAFE (NET)	-9.5 100	30.6 100	-0.3 95
✱ Citigroup WGBI (All Maturities)	8.2 1	10.5 10	0.7 1
Median	-1.6	15.4	-0.1

Funded status as of Fiscal Year 2009 = 79%

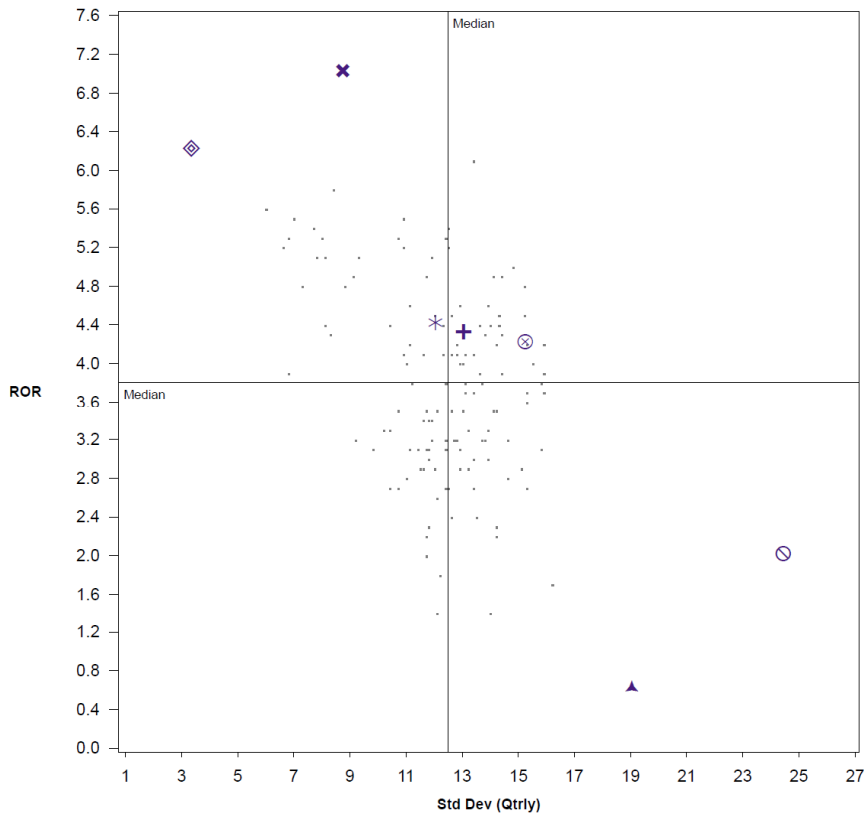


Risk vs. Return Analysis – 5 Years

VERMONT STATE EMPLOYEES

Total Fund - Universe: Public Funds (DB)
 Period Ending September 30, 2010

Risk vs. Return - 5 Year



NAME	Return	Standard Deviation	Sharpe Ratio
⊗ ERS COMPOSITE	4.2 32	15.3 93	0.1 46
+ ERS Allocation	4.3 31	13.1 63	0.1 31
* POLICY INDEX	4.4 28	12.1 40	0.1 28
▲ S&P 500	0.6 100	19.1 100	-0.1 100
◇ BC AGGREGATE	6.2 1	3.4 1	1.1 1
⊖ MSCI EAFE (NET)	2.0 98	24.5 100	-0.0 95
✱ Citigroup WGBI (All Maturities)	7.0 1	8.8 10	0.5 1
Median	3.8	12.5	0.1

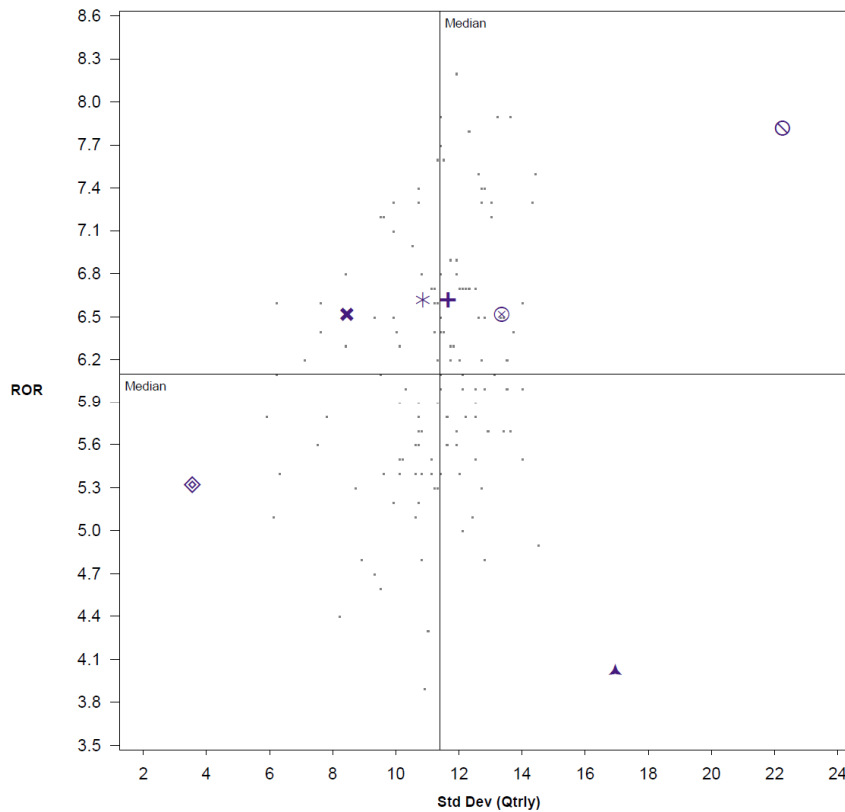
Funded status as of Fiscal Year 2009 = 79%



Risk vs. Return Analysis – 7 Years

VERMONT STATE EMPLOYEES
 Total Fund - Universe: Public Funds (DB)
 Period Ending September 30, 2010

Risk vs. Return - 7 Year



NAME	Return	Standard Deviation	Sharpe Ratio
⊗ ERS COMPOSITE	6.5 34	13.4 91	0.3 61
+ ERS Allocation	6.6 30	11.7 60	0.4 40
* POLICY INDEX	6.6 29	10.9 37	0.4 31
▲ S&P 500	4.0 100	17.0 100	0.1 100
◆ BC AGGREGATE	5.3 87	3.6 1	0.8 1
⊘ MSCI EAFE (NET)	7.8 5	22.3 100	0.2 92
✱ Citigroup WGBI (All Maturities)	6.5 37	8.5 10	0.5 11
Median	6.1	11.4	0.3

Funded status as of Fiscal Year 2009 = 79%

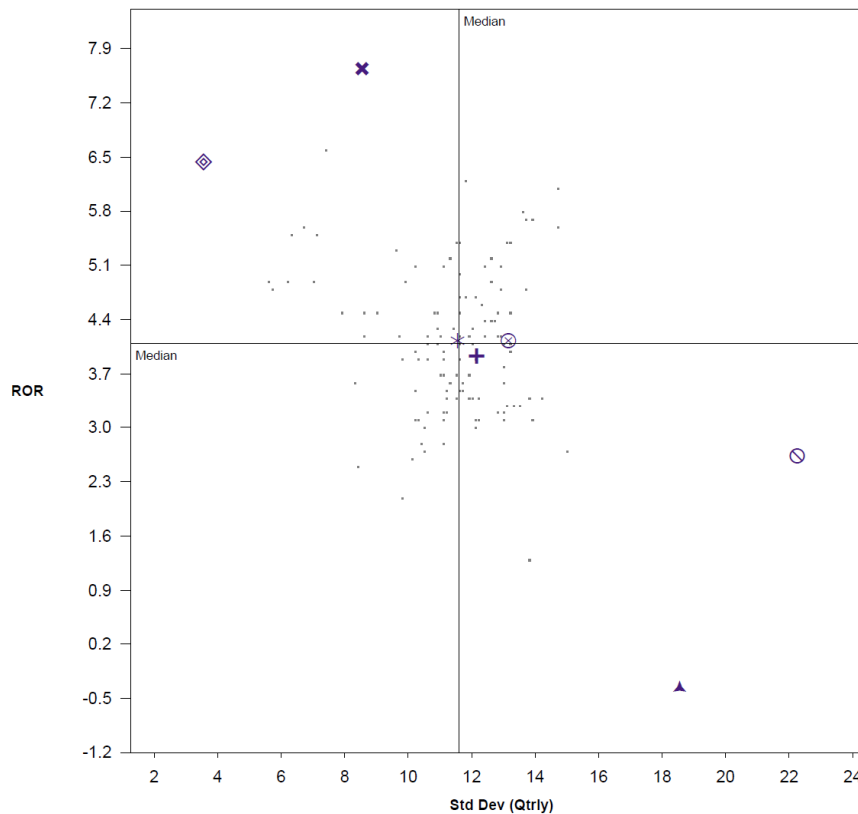


Risk vs. Return Analysis – 10 Years

VERMONT STATE EMPLOYEES

Total Fund - Universe: Public Funds (DB)
 Period Ending September 30, 2010

Risk vs. Return - 10 Year



NAME	Return	Standard Deviation	Sharpe Ratio
⊗ ERS COMPOSITE	4.1 52	13.2 87	0.1 58
+ ERS Allocation	3.9 59	12.2 66	0.1 59
* POLICY INDEX	4.1 49	11.6 53	0.1 50
▲ S&P 500	-0.4 100	18.6 100	-0.2 100
◇ BC AGGREGATE	6.4 2	3.6 1	1.1 1
⊙ MSCI EAFE (NET)	2.6 98	22.3 100	0.0 97
* Citigroup WGBI (All Maturities)	7.6 1	8.6 9	0.6 1
Median	4.1	11.6	0.1

Funded status as of Fiscal Year 2009 = 79%

