



NEPC, LLC

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VPIC - State Teachers

Investment Summary
Quarter Ending June 30, 2012

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CAMBRIDGE | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | SAN FRANCISCO

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Vermont State Teachers

Total Fund Performance Summary

	Market Value	3 Mo	Rank	YTD	Rank	Fiscal YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
Teachers Composite	\$1,484,480,923	-0.8%	8	5.4%	62	2.2%	31	2.2%	31	13.2%	10	1.7%	62
<i>Policy Index</i>		-1.4%	25	4.4%	95	0.9%	63	0.9%	63	10.0%	82	1.5%	70
<i>Allocation Index</i>		-1.8%	48	4.1%	97	0.5%	78	0.5%	78	10.7%	68	1.5%	70
<i>ICC Public DB Median</i>		-1.8%		5.7%		1.2%		1.2%		11.5%		2.0%	

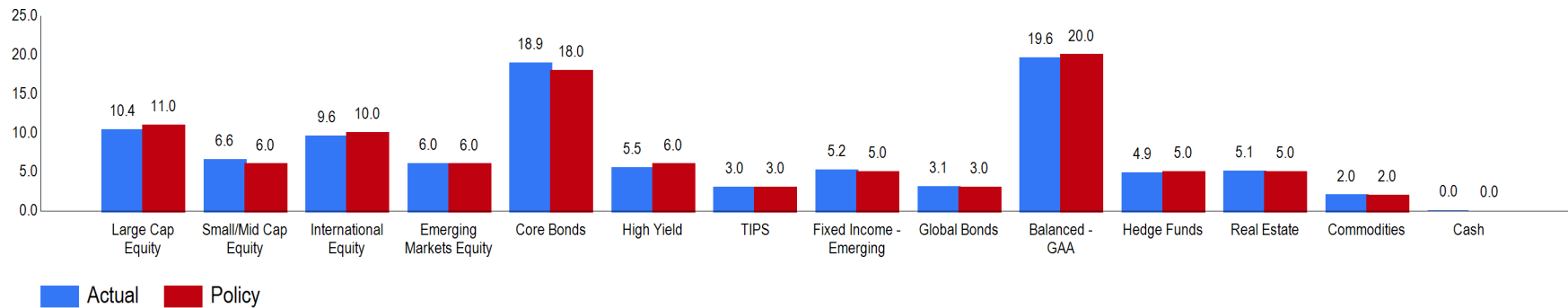
3 Years Ending June 30, 2012

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Teachers Composite	13.25%	10	9.59%	43	1.37	9	2.28	14
Policy Index	9.98%	82	9.12%	33	1.08	72	1.87	57

5 Years Ending June 30, 2012

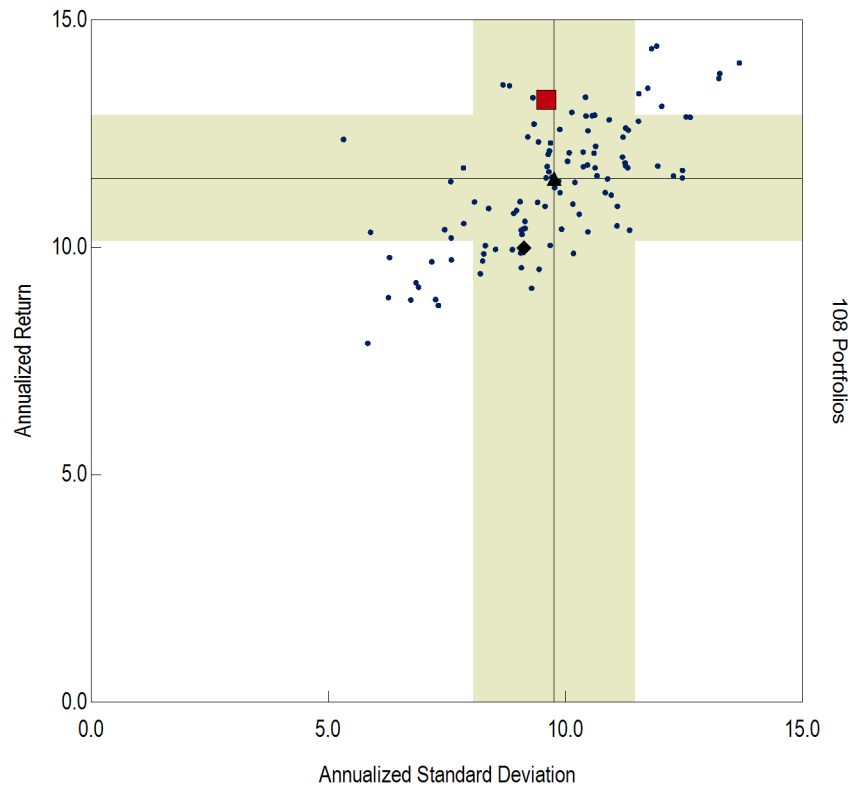
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Teachers Composite	1.72%	62	13.83%	87	0.07	63	0.09	68
Policy Index	1.46%	70	12.27%	51	0.06	69	0.08	70

Actual vs Target Allocation (%)



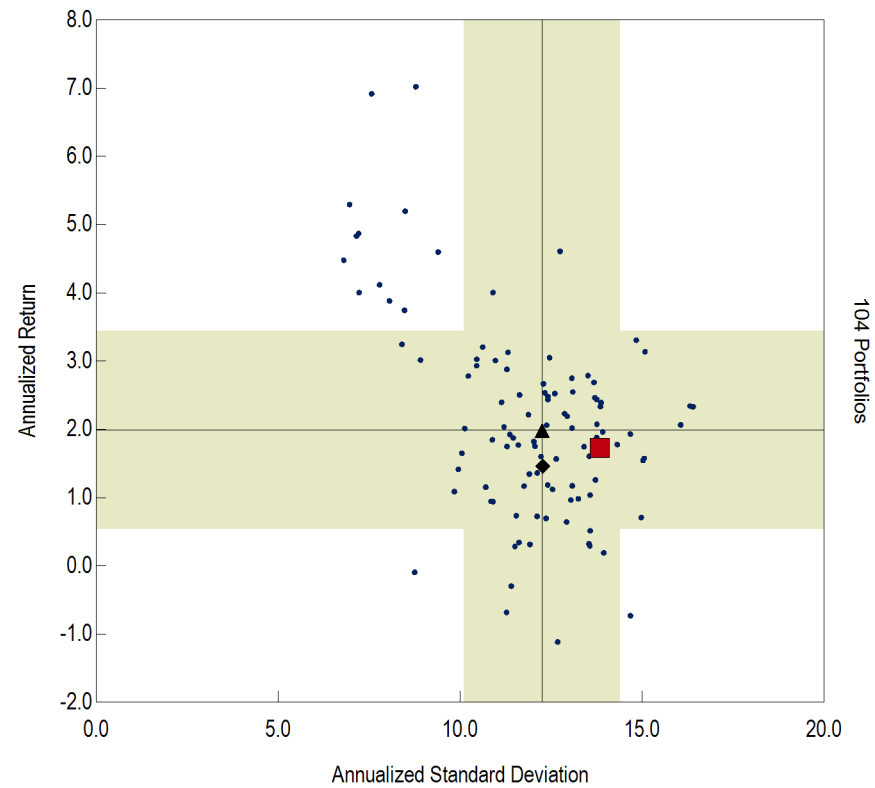
Vermont State Teachers
Total Fund Risk/Return

3 Years Ending June 30, 2012



- Teachers Composite
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- ICC Public DB

5 Years Ending June 30, 2012

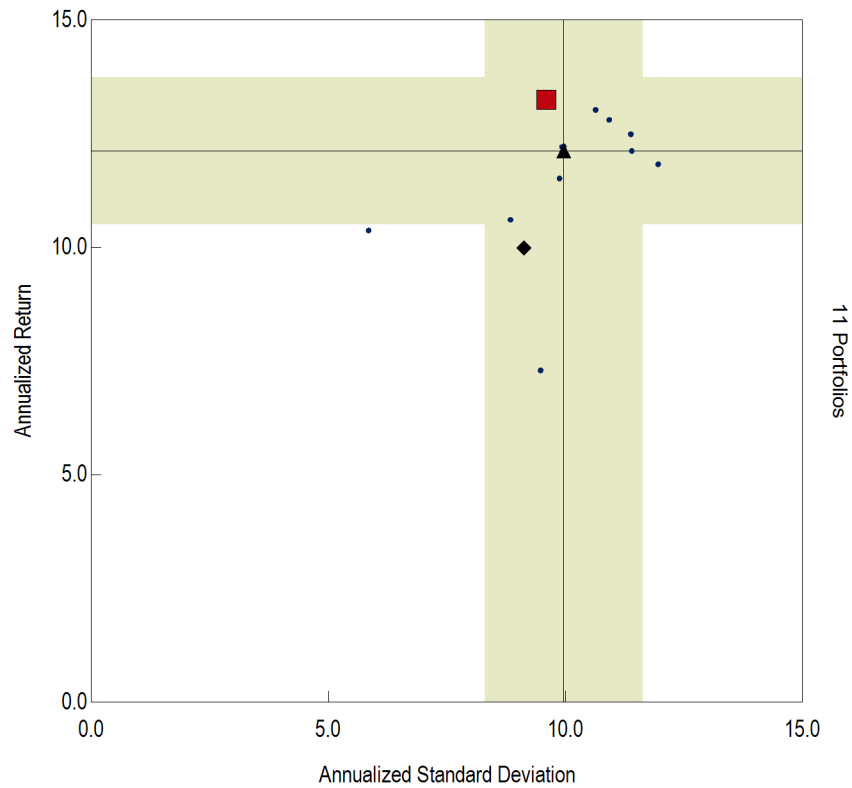


- Teachers Composite
- ◆ Policy Index
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Vermont State Teachers

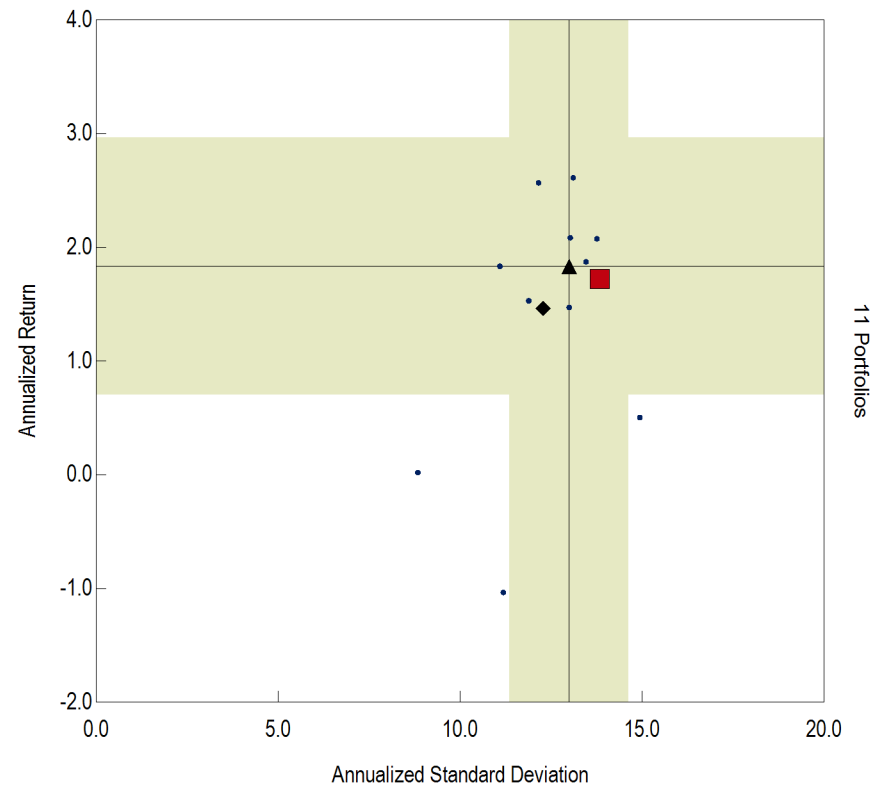
Total Fund Risk/Return

3 Years Ending June 30, 2012



- Teachers Composite
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- IF Public DB > \$1B Gross

5 Years Ending June 30, 2012

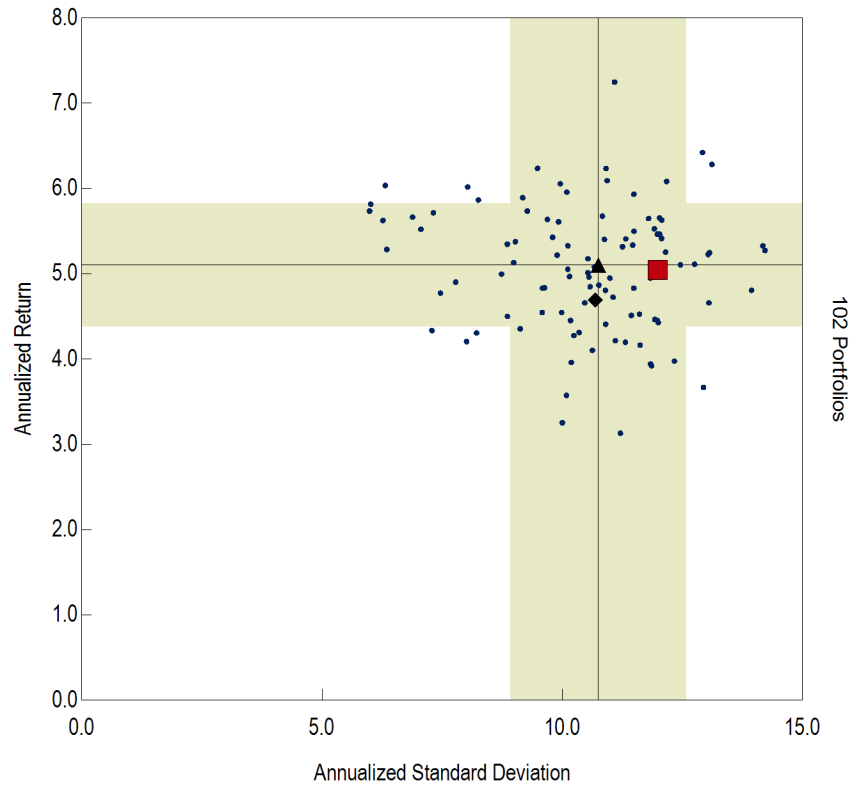


- Teachers Composite
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- IF Public DB > \$1B Gross

Vermont State Teachers

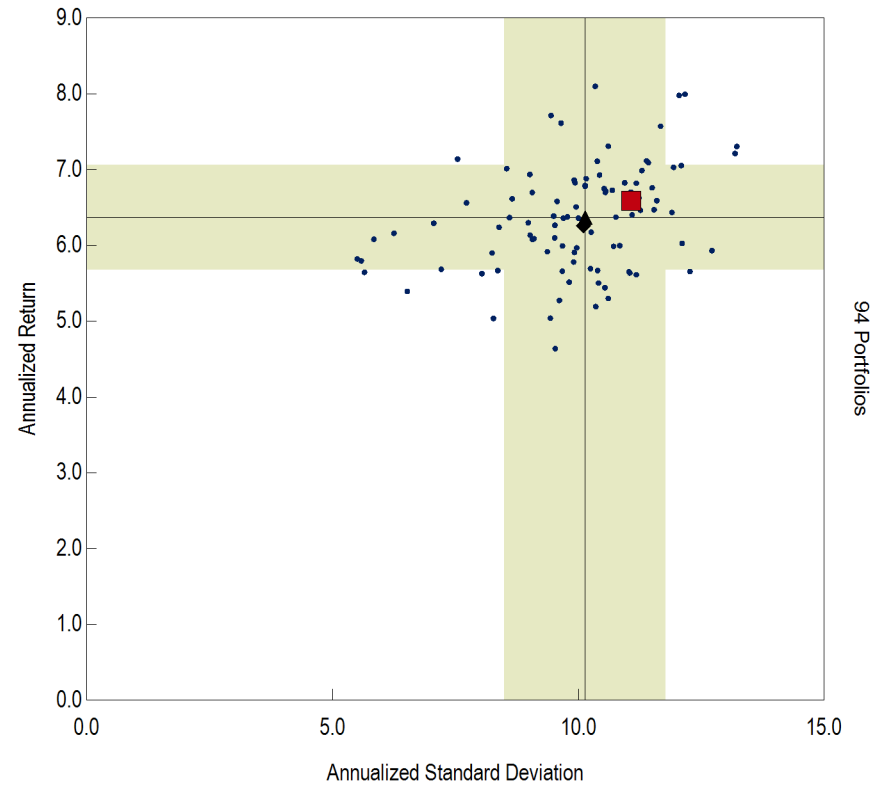
Total Fund Risk/Return

7 Years Ending June 30, 2012



- Teachers Composite
- ◆ Policy Index
- ▲ Universe Median
- ▭ 68% Confidence Interval
- ICC Public DB

10 Years Ending June 30, 2012

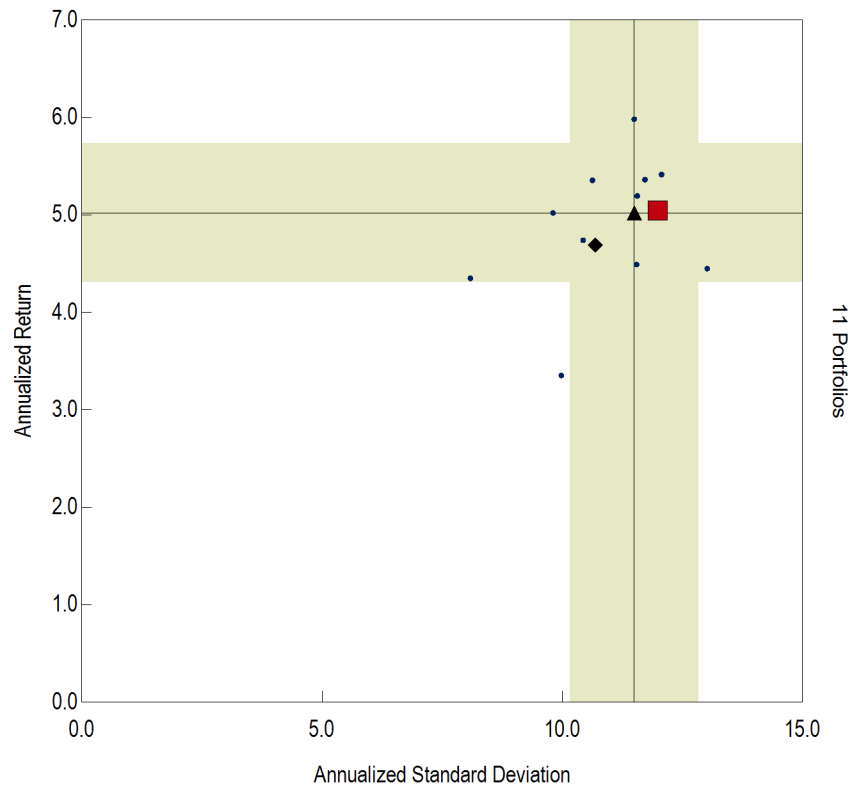


- Teachers Composite
- ◆ Policy Index
- ▲ Universe Median
- ▭ 68% Confidence Interval
- ICC Public DB

Vermont State Teachers

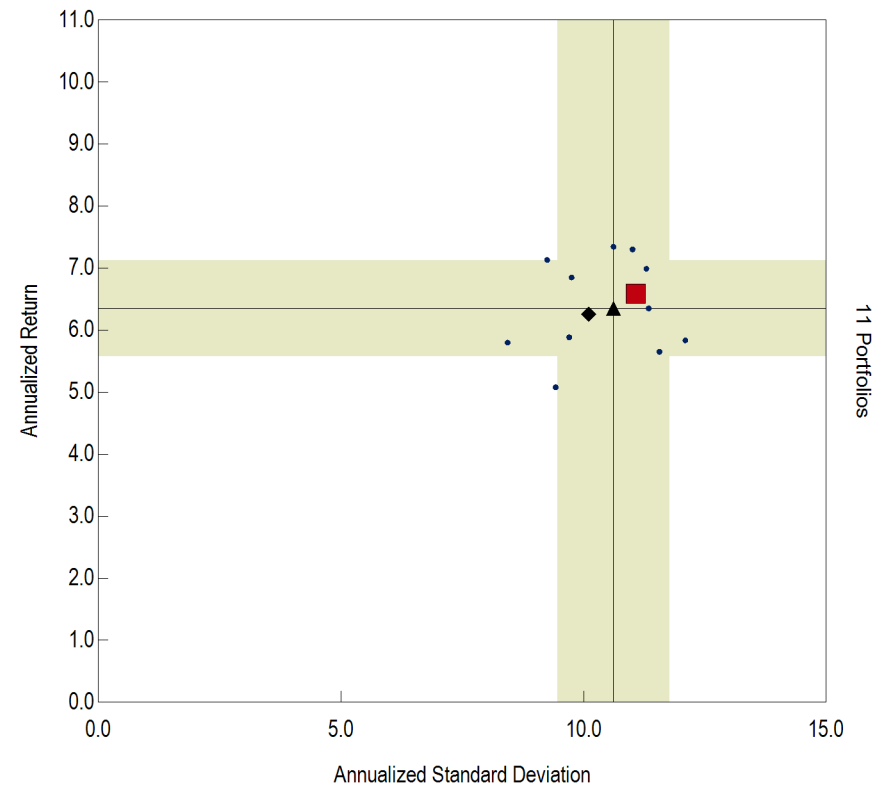
Total Fund Risk/Return

7 Years Ending June 30, 2012



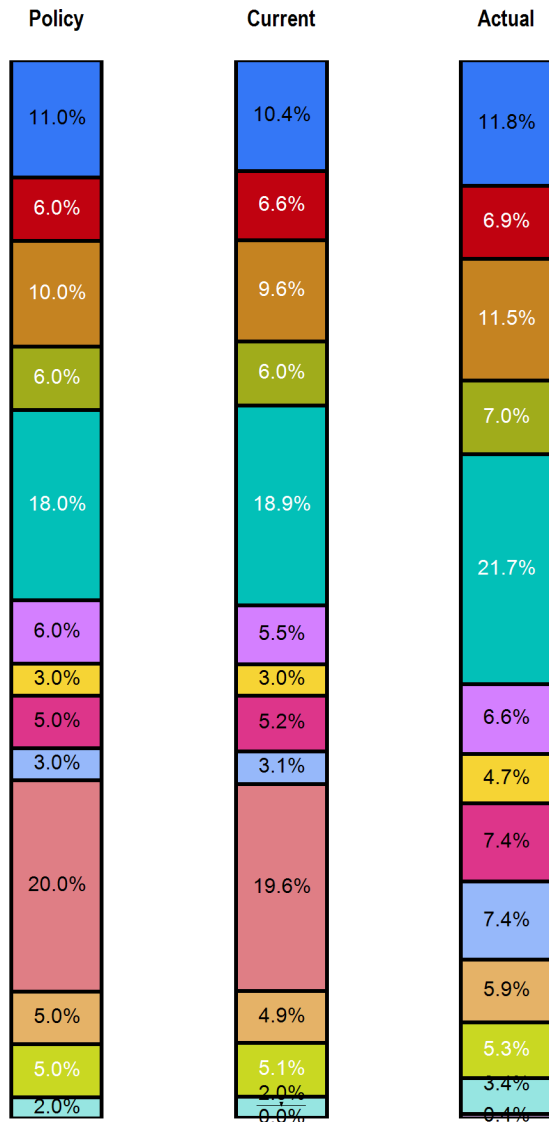
- Teachers Composite
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- IF Public DB > \$1B Gross

10 Years Ending June 30, 2012



- Teachers Composite
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- IF Public DB > \$1B Gross

Total Fund Asset Allocation vs. Policy Targets



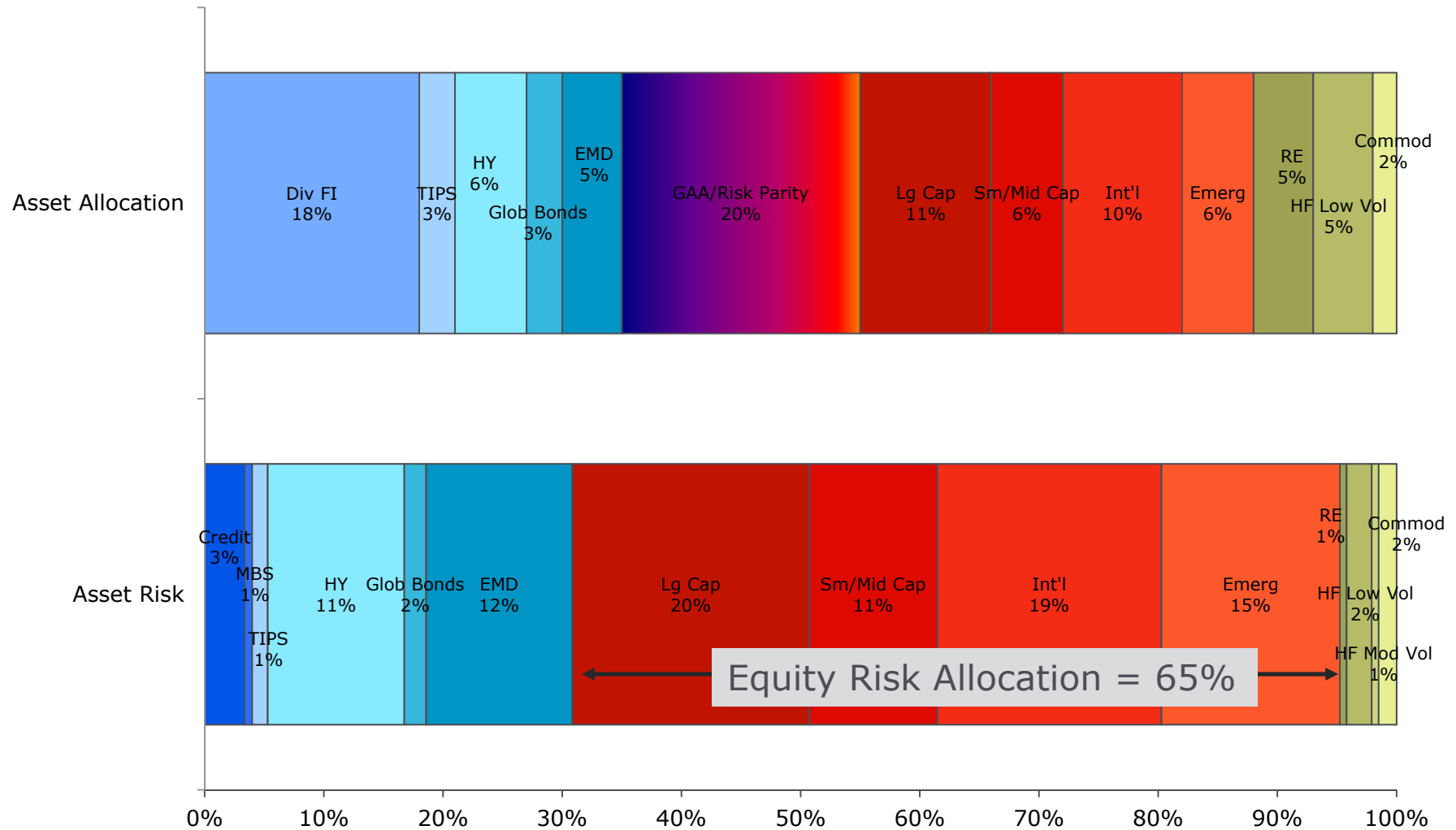
Asset Allocation vs. Target

	Current	Policy	Current	Difference*	Difference**
Large Cap Equity	\$154,160,660	11.0%	10.4%	-0.6%	-\$9,132,242
Small/Mid Cap Equity	\$97,486,637	6.0%	6.6%	0.6%	\$8,417,782
International Equity	\$142,036,856	10.0%	9.6%	-0.4%	-\$6,411,236
Emerging Markets Equity	\$89,658,771	6.0%	6.0%	0.0%	\$589,916
Core Bonds	\$280,730,230	18.0%	18.9%	0.9%	\$13,523,664
High Yield	\$82,310,546	6.0%	5.5%	-0.5%	-\$6,758,310
TIPS	\$44,533,563	3.0%	3.0%	0.0%	-\$865
Fixed Income - Emerging	\$77,883,643	5.0%	5.2%	0.2%	\$3,659,596
Global Bonds	\$45,914,989	3.0%	3.1%	0.1%	\$1,380,561
Balanced - GAA	\$290,984,663	20.0%	19.6%	-0.4%	-\$5,911,522
Hedge Funds	\$72,402,191	5.0%	4.9%	-0.1%	-\$1,821,855
Real Estate	\$75,769,288	5.0%	5.1%	0.1%	\$1,545,242
Commodities	\$30,009,108	2.0%	2.0%	0.0%	\$319,490
Cash	\$599,780	--	0.0%	0.0%	\$599,780
Total	\$1,484,480,923	100.0%	100.0%		

*Difference between Policy and Current Allocation

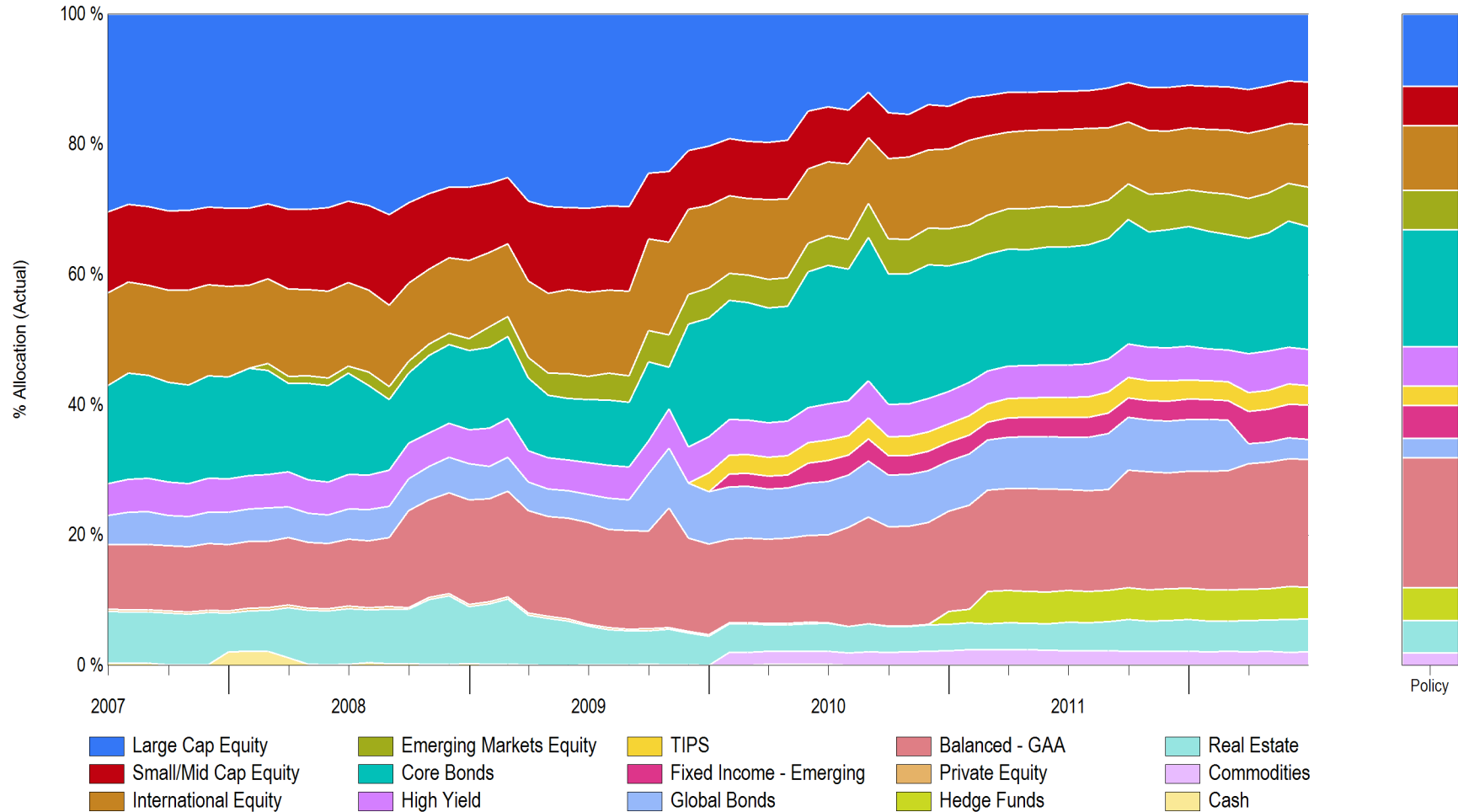
**Difference between Policy and Current Allocation

Total Plan Performance Analysis



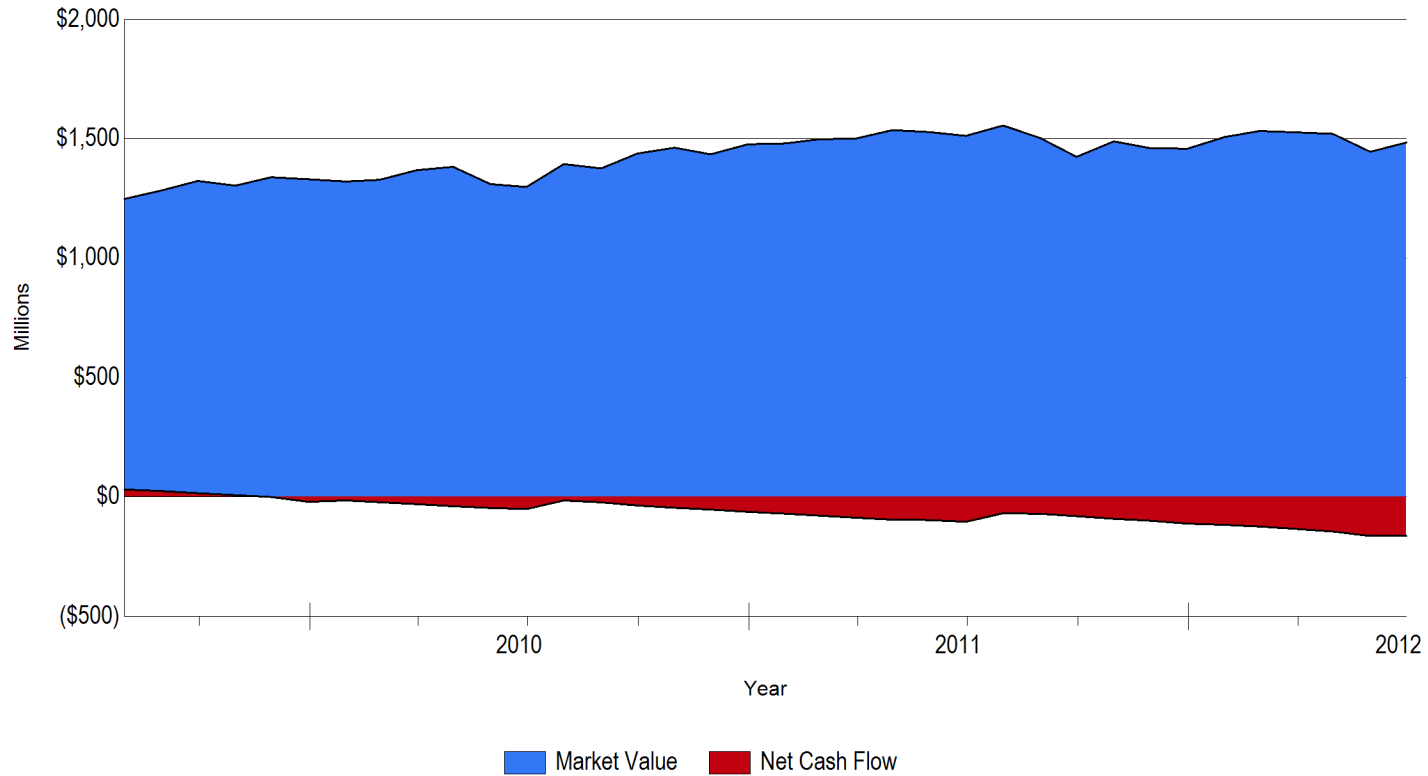
Total Fund Asset Allocation History

Asset Allocation History



Total Fund Asset Growth Summary

3 Years Ending June 30, 2012



	Last Three Months	Year-To-Date	Fiscal Year-To-Date	One Year	Three Years
Beginning Market Value	\$1,527,089,223	\$1,458,453,863	\$1,512,344,841	\$1,512,344,841	\$1,139,265,073
- Withdrawals	-\$49,998,434	-\$146,902,513	-\$489,751,573	-\$489,751,573	-\$2,096,253,313
+ Contributions	\$20,687,667	\$95,243,928	\$430,674,545	\$430,674,545	\$1,932,654,649
= Net Cash Flow	-\$29,774,645	-\$52,122,462	-\$59,540,906	-\$59,540,906	-\$164,062,542
+ Net Investment Change	-\$12,833,655	\$78,149,522	\$31,676,989	\$31,676,989	\$509,278,392
= Ending Market Value	\$1,484,480,923	\$1,484,480,923	\$1,484,480,923	\$1,484,480,923	\$1,484,480,923

Cash Flows
3 Months Ending June 30, 2012

Month Ending	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	Ending Market Value
Apr-12	\$1,527,089,222.93	-\$31,074,420.68	\$20,212,672.06	-\$10,861,748.62	\$4,347,291.67	\$1,520,574,765.98
May-12	\$1,520,574,556.40	-\$18,597,011.00	\$167,840.00	-\$18,429,171.00	-\$56,534,054.87	\$1,445,611,330.53
Jun-12	\$1,445,645,548.09	-\$327,002.36	\$307,155.00	-\$19,847.36	\$38,855,222.65	\$1,484,480,923.38

Vermont State Teachers

Total Fund Asset Growth Summary by Manager

	Quarter Ending June 30, 2012					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
Aberdeen	\$93,729,994	\$0	\$0	\$0	-\$4,071,223	\$89,658,771
Acadian	\$61,228,003	\$0	\$0	\$0	-\$4,239,421	\$56,988,582
Allianz Structured Alpha	\$40,868,803	\$0	\$0	\$0	\$3,681,145	\$44,549,948
AQR Global Risk Premium	\$126,844,312	\$0	\$0	\$0	\$82,176	\$126,926,488
Barclays TIPS	\$43,169,897	\$0	\$0	\$0	\$1,363,665	\$44,533,563
Brandywine	\$1,193,559	-\$1,361,399	\$167,840	-\$1,193,559	\$0	\$0
Champlain	\$32,367,689	-\$2,000,000	\$0	-\$2,000,000	-\$1,092,085	\$29,275,604
GAM	\$14,876,835	\$0	\$0	\$0	-\$204,624	\$14,672,212
Grosvenor	\$29,162,952	\$0	\$0	\$0	-\$313,254	\$28,849,698
KDP	\$15,197,372	\$0	\$0	\$0	\$78,412	\$15,275,784
Mellon Global Expanded Alpha	\$30,256,384	\$0	\$0	\$0	-\$888,851	\$29,367,533
Mondrian	\$62,443,793	\$0	\$0	\$0	-\$3,849,694	\$58,594,098
Mondrian GFI	\$45,147,516	\$0	\$0	\$0	\$767,473	\$45,914,989
Morgan Stanley Prime Property	\$31,360,814	\$0	\$0	\$0	\$865,819	\$32,226,633
Permal	\$29,177,411	\$0	\$0	\$0	-\$297,129	\$28,880,282
PIMCO All Asset	\$76,321,248	\$0	\$0	\$0	-\$502,423	\$75,818,825
PIMCO Core Plus	\$94,544,395	\$0	\$0	\$0	\$2,549,388	\$97,093,783
PIMCO Stocks Plus	\$97,197	-\$97,011	\$0	-\$97,011	-\$186	--
PIMCO Unconstrained	\$94,017,805	\$0	\$0	\$0	\$1,326,166	\$95,343,971
Post Advisory	\$76,463,321	-\$10,500,000	\$0	-\$10,500,000	\$1,071,440	\$67,034,762
RREEF America REIT III	\$12,071,142	\$0	\$0	\$0	\$1,023,244	\$13,094,386
Schroder	\$32,069,252	\$0	\$0	\$0	-\$2,060,143	\$30,009,108
SSgA ACWI Ex US	\$28,588,935	\$0	\$0	\$0	-\$2,134,760	\$26,454,175
SSgA Russell 2000 Growth	\$30,632,947	\$0	\$0	\$0	-\$1,199,409	\$29,433,538
SSgA S&P 400	\$8,311,940	\$0	\$0	\$0	-\$404,782	\$7,907,158

Vermont State Teachers

Total Fund Asset Growth Summary by Manager

	Quarter Ending June 30, 2012					
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	Ending Market Value
SSgA S&P 500 Cap-Wgt	\$79,633,913	-\$11,000,000	\$0	-\$11,000,000	-\$2,444,663	\$66,189,250
SSgA S&P 500 Equal-Wgt	\$47,766,584	-\$2,000,000	\$0	-\$2,000,000	-\$1,974,247	\$43,792,337
T. Rowe	\$48,766,501	-\$3,000,000	\$0	-\$3,000,000	-\$1,587,429	\$44,179,072
Transwestern / Aslan III	\$353,398	\$0	\$0	\$0	\$0	\$353,398
UBS Trumbull	\$29,415,858	\$0	\$0	\$0	\$679,013	\$30,094,871
Vermont Cash	\$556,252	-\$20,017,057	\$20,519,827	\$502,770	-\$459,242	\$599,780
Wellington	\$31,595,120	\$0	\$0	\$0	-\$724,784	\$30,870,336
Wellington DAS	\$41,324,969	\$0	\$0	\$0	\$2,417,557	\$43,742,527
Wellington OIF	\$61,218,008	\$0	\$0	\$0	-\$2,346,191	\$58,871,817
Wellington Opportunistic EMD	\$76,314,894	\$0	\$0	\$0	\$1,568,748	\$77,883,643
Total	\$1,527,089,015	-\$49,975,467	\$20,687,667	-\$29,287,800	-\$13,320,292	\$1,484,480,923

Vermont State Teachers

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	2012 Q2 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Teachers Composite	1,484,480,923	100.0	-0.8	8	5.4	62	2.2	31	13.2	10	1.7	62
<i>Policy Index</i>			-1.4	25	4.4	95	0.9	63	10.0	82	1.5	70
<i>Allocation Index</i>			-1.8	48	4.1	97	0.5	78	10.7	68	1.5	70
<i>ICC Public DB Median</i>			-1.8		5.7		1.2		11.5		2.0	
Large Cap Comp	154,160,660	10.4	-3.4	34	9.0	40	3.4	42	18.3	13	1.1	48
<i>S&P 500</i>			-2.8	25	9.5	33	5.4	24	16.4	34	0.2	64
<i>eA US Large Cap Equity Gross Median</i>			-4.3		8.4		2.7		15.4		1.0	
T. Rowe	44,179,072	3.0	-3.4	35	9.8	29	5.5	23	16.0	40	0.9	51
SSgA S&P 500 Cap-Wgt	66,189,250	4.5	-2.8	25	9.5	33	5.5	24	--	--	--	--
<i>S&P 500</i>			-2.8	25	9.5	33	5.4	24	16.4	34	0.2	64
SSgA S&P 500 Equal-Wgt	43,792,337	3.0	-4.3	51	7.8	60	-0.2	76	19.5	6	1.2	47
<i>S&P 500 Equal Weighted</i>			-4.0	47	8.1	55	-0.1	75	19.4	6	1.6	39
Small/Mid Cap Comp	97,486,637	6.6	-3.4	23	8.1	38	0.3	25	20.3	33	2.8	41
<i>Russell 2000</i>			-3.5	25	8.5	33	-2.1	45	17.8	65	0.5	68
<i>eA US Small-Mid Cap Equity Gross Median</i>			-5.0		7.1		-2.9		18.8		2.0	
SSgA S&P 400	7,907,158	0.5	-4.9	50	8.0	46	--	--	--	--	--	--
<i>S&P 400 MidCap</i>			-4.9	50	7.9	49	-2.3	49	19.4	38	2.5	44
<i>eA US Mid Cap Equity Gross Median</i>			-4.9		7.8		-2.4		18.5		2.1	
Champlain	29,275,604	2.0	-3.6	21	7.6	57	0.7	21	--	--	--	--
<i>Russell 2500</i>			-4.1	29	8.3	40	-2.3	49	19.1	40	1.2	60
<i>eA US Mid Cap Equity Gross Median</i>			-4.9		7.8		-2.4		18.5		2.1	
Wellington	30,870,336	2.1	-2.3	15	7.5	44	2.8	11	22.0	15	4.3	9
<i>Russell 2000 Value</i>			-3.0	24	8.2	33	-1.4	41	17.4	70	-1.0	89
<i>eA US Small Cap Value Equity Gross Median</i>			-4.4		7.1		-2.0		18.5		1.3	
SSgA Russell 2000 Growth	29,433,538	2.0	-3.9	33	8.9	43	-2.6	41	18.2	67	2.0	55
<i>Russell 2000 Growth</i>			-3.9	33	8.8	45	-2.7	42	18.1	69	2.0	55
<i>eA US Small Cap Growth Equity Gross Median</i>			-4.9		8.5		-3.5		19.6		2.3	

Vermont State Teachers

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	2012 Q2 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Int'l Equity Comp	142,036,856	9.6	-6.7	52	2.1	86	-13.0	57	7.0	75	-5.9	77
<i>MSCI EAFE</i>			-7.1	62	3.0	79	-13.8	70	6.0	87	-6.1	81
<i>eA All EAFE Equity Gross Median</i>			-6.6		4.9		-12.3		8.7		-4.5	
Acadian	56,988,582	3.8	-6.9	57	3.9	65	-14.7	76	7.4	70	-8.0	95
Mondrian	58,594,098	3.9	-6.2	38	0.1	95	-10.8	37	6.8	76	-4.5	50
<i>MSCI EAFE</i>			-7.1	62	3.0	79	-13.8	70	6.0	87	-6.1	81
SSgA ACWI Ex US	26,454,175	1.8	-7.5	59	2.9	86	-14.4	81	--	--	--	--
<i>MSCI ACWI ex USA</i>			-7.6	64	2.8	87	-14.6	81	7.0	83	-4.6	74
<i>eA ACWI ex-US All Cap Equity Gross Median</i>			-7.0		4.8		-12.1		10.3		-3.6	
Emerging Market Comp	89,658,771	6.0	--	--	--	--	--	--	--	--	--	--
Aberdeen	89,658,771	6.0	-4.3	3	9.9	5	-3.3	4	18.8	6	--	--
<i>MSCI Emerging Markets</i>			-8.9	55	3.9	63	-15.9	59	9.8	64	-0.1	56
<i>eA Emg Mkts Equity Gross Median</i>			-8.5		4.8		-15.5		11.2		0.3	

Vermont State Teachers

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	2012 Q2 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Core Fixed	280,730,230	18.9	3.7	9	4.5	30	9.6	18	11.0	26	5.9	71
Barclays Aggregate			2.1	38	2.4	69	7.5	43	6.9	61	6.8	54
eA All US Fixed Inc Gross Median			1.7		3.2		6.9		7.8		6.9	
Allianz Structured Alpha	44,549,948	3.0	9.0	1	7.7	1	8.2	42	13.1	2	--	--
Citigroup 10 Year Treasury			5.8	1	3.5	36	17.4	1	9.0	20	9.3	1
PIMCO Core Plus	97,093,783	6.5	2.7	7	4.4	6	9.0	17	--	--	--	--
Barclays Aggregate			2.1	65	2.4	88	7.5	72	6.9	82	6.8	79
PIMCO Unconstrained	95,343,971	6.4	1.4	95	2.8	74	6.0	93	--	--	--	--
25% HY, 25% EMD, 50% BC Agg			2.1	59	4.9	4	8.4	33	10.9	4	8.1	21
3-Month Libor Total Return USD			0.1	99	0.3	99	0.4	99	0.4	99	1.5	99
Wellington DAS	43,742,527	2.9	5.9	1	5.6	1	21.1	1	11.7	2	--	--
Wellington Custom Benchmark			9.6	1	3.8	19	28.9	1	13.1	2	10.4	1
High Yield Comp	82,310,546	5.5	1.4	68	6.9	51	7.6	39	13.9	76	8.3	35
Barclays High Yield			1.8	35	7.3	39	7.3	48	16.3	32	8.4	31
eA US High Yield Fixed Inc Gross Median			1.6		6.9		7.1		15.3		7.9	
Post Advisory	67,034,762	4.5	1.6	54	7.2	42	7.5	44	14.1	68	8.4	31
KDP	15,275,784	1.0	0.5	92	5.8	81	8.7	14	--	--	--	--
Barclays High Yield			1.8	35	7.3	39	7.3	48	16.3	32	8.4	31
BofA Merrill Lynch US High Yield BB-B Rated			2.0	24	6.5	65	7.1	50	14.4	63	7.5	59
Global Fixed Income Comp	45,914,989	3.1	1.7	19	3.4	49	5.6	34	10.3	29	9.5	9
Citigroup WGBI			0.9	53	0.4	97	2.7	67	5.4	92	7.3	51
eA All Global Fixed Inc Gross Median			1.0		3.2		4.2		8.2		7.4	
Mondrian GFI	45,914,989	3.1	1.7	18	1.8	78	2.8	66	7.6	59	9.5	12
Citigroup WGBI			0.9	53	0.4	97	2.7	67	5.4	92	7.3	51
Emerging Market Debt	77,883,643	5.2										
Wellington Opportunistic EMD	77,883,643	5.2	2.1	13	8.1	33	10.5	10	--	--	--	--
JP Morgan EMBI Global TR			2.5	8	7.4	49	10.9	7	13.5	56	9.4	46
eA All Emg Mkts Fixed Inc Gross Median			0.5		7.4		4.4		14.0		9.2	
TIPS	44,533,563	3.0										
Barclays TIPS	44,533,563	3.0	3.2	74	4.0	67	11.7	64	--	--	--	--
Barclays US TIPS			3.2	75	4.0	67	11.7	64	9.6	74	8.4	70
eA TIPS / Infl Indexed Fixed Inc Net Median			3.2		4.1		11.9		10.0		8.6	

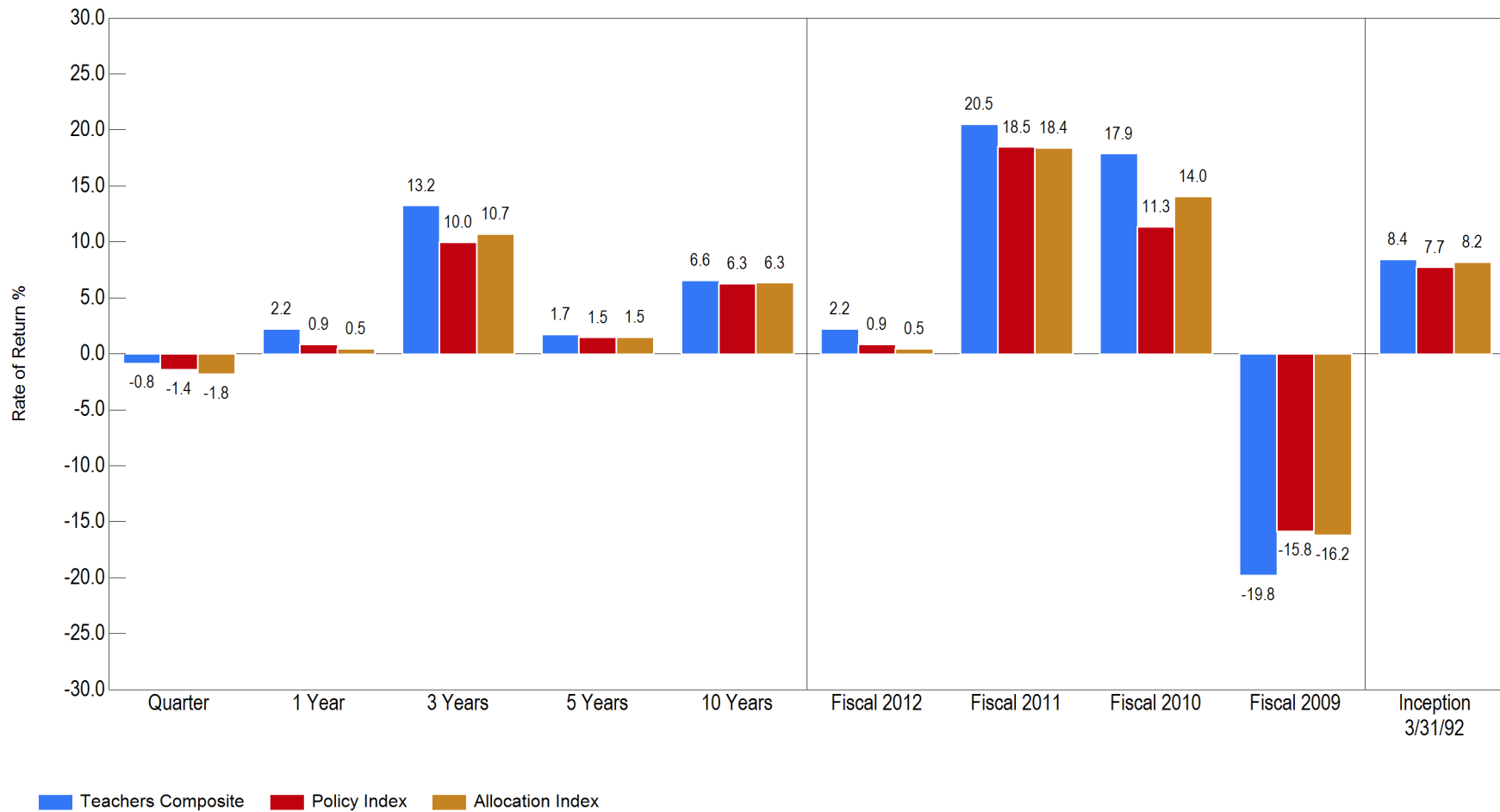
Vermont State Teachers

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	2012 Q2 (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank
Total Real Estate	75,769,288	5.1										
Morgan Stanley Prime Property	32,226,633	2.2	2.7	--	5.6	--	14.8	--	8.4	--	-1.2	--
UBS Trumbull	30,094,871	2.0	2.3	--	5.4	--	11.2	--	8.9	--	0.9	--
RREEF America REIT III	13,094,386	0.9	8.7	--	12.6	--	20.8	--	12.4	--	-15.7	--
Transwestern / Aslan III	353,398	0.0	0.0	--	0.6	--	-12.6	--	-24.8	--	-46.4	--
<i>NCREIF Property Index</i>			2.7	--	5.3	--	12.0	--	8.8	--	2.5	--
Hedge Fund Comp	72,402,191	4.9	-1.1	33	3.2	20	-2.3	43	--	--	--	--
<i>eA\HFN FOF - Multi-Strategy Net Median</i>			-1.7		1.8		-3.2		3.8		0.1	
Grosvenor	28,849,698	1.9	-1.1	33	3.1	23	-2.1	42	--	--	--	--
GAM	14,672,212	1.0	-1.4	39	2.7	28	-0.6	24	--	--	--	--
Permal	28,880,282	1.9	-1.0	31	3.6	14	-3.2	50	--	--	--	--
<i>HFRI Fund of Funds Composite Index</i>			-2.3	64	1.0	64	-4.5	67	2.2	71	-2.0	79
GAA Comp	290,984,663	19.6	-1.2	40	5.1	47	1.2	44	13.8	22	4.3	31
<i>eA Global TAA Gross Median</i>			-1.8		4.8		-0.5		10.1		2.3	
Mellon Global Expanded Alpha	29,367,533	2.0	-2.9	62	3.0	71	-1.0	54	13.6	23	0.1	84
<i>Mellon CF GEA Index</i>			-3.8	82	2.4	75	-6.4	85	7.5	86	0.9	74
AQR Global Risk Premium	126,926,488	8.6	0.1	14	5.2	47	5.2	18	--	--	--	--
<i>60% MSCI World / 40% CITI WGBI</i>			-2.5	58	4.1	59	-1.2	57	9.4	64	1.9	59
PIMCO All Asset	75,818,825	5.1	-0.6	24	5.8	31	3.8	27	12.2	37	7.0	10
<i>PIMCO All Asset Index</i>			1.4	9	4.2	59	7.4	14	9.7	61	6.9	12
Wellington OIF	58,871,817	4.0	-3.8	82	5.6	37	-8.3	94	8.8	76	--	--
<i>65% MSCI ACWI (Net) / 35% BC Agg</i>			-2.8	60	4.7	54	-1.3	58	9.9	57	1.1	73
Commodities	30,009,108	2.0										
Schroder	30,009,108	2.0	-6.4	17	-3.4	34	-10.7	1	--	--	--	--
<i>Dow Jones-UBS Commodity Index TR</i>			-4.5	2	-3.7	37	-14.3	2	3.5	99	-3.7	1
<i>eA Commodities Gross Median</i>			-10.9		-5.4		-20.9		10.5		-5.3	
Cash	599,780	0.0										
Vermont Cash	599,780	0.0	0.0	--	0.1	--	0.1	--	0.2	--	1.4	--
<i>91 Day T-Bills</i>			0.0	--	0.0	--	0.0	--	0.1	--	0.7	--

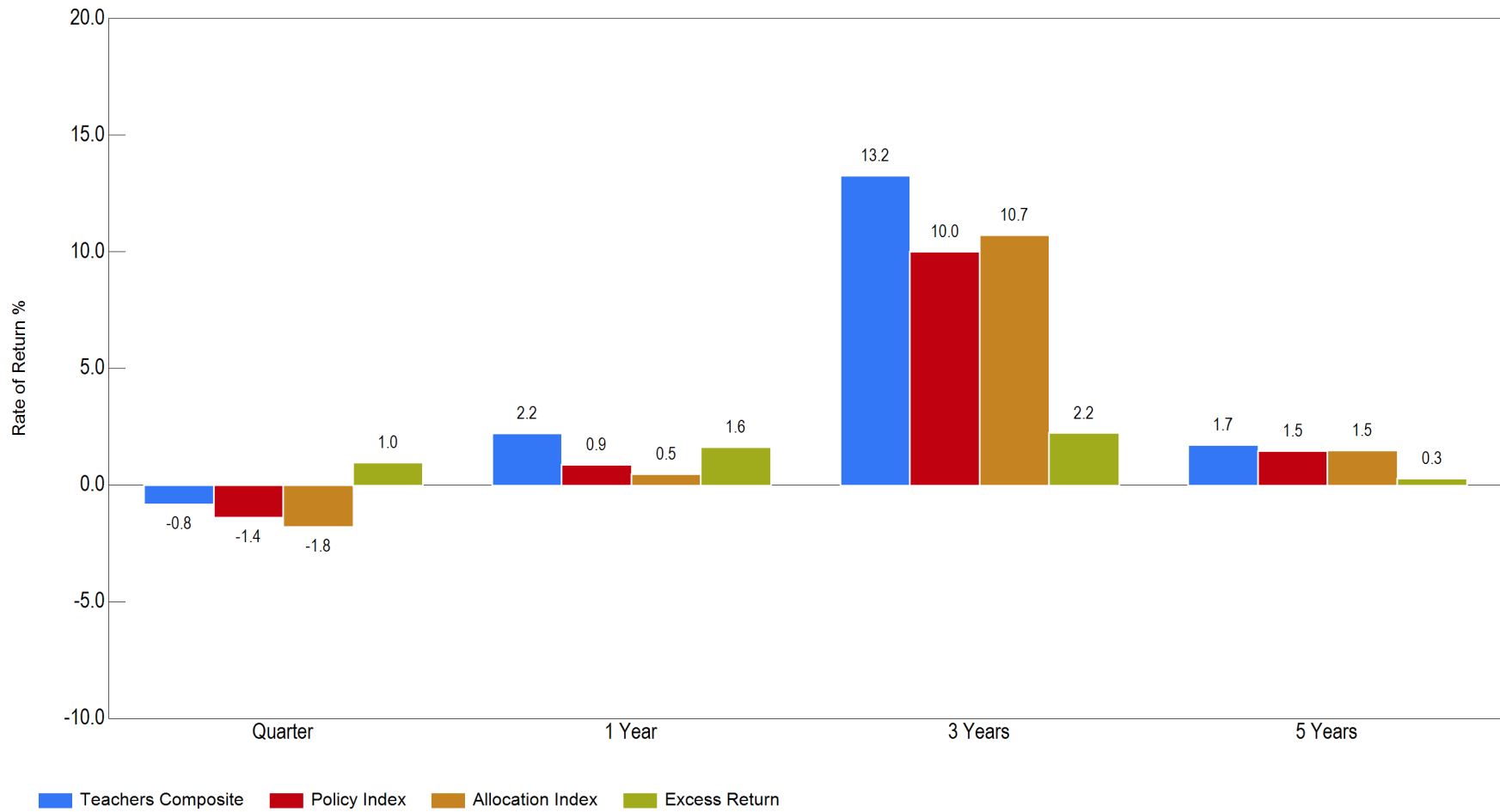
Total Fund Return Summary

Return Summary Gross

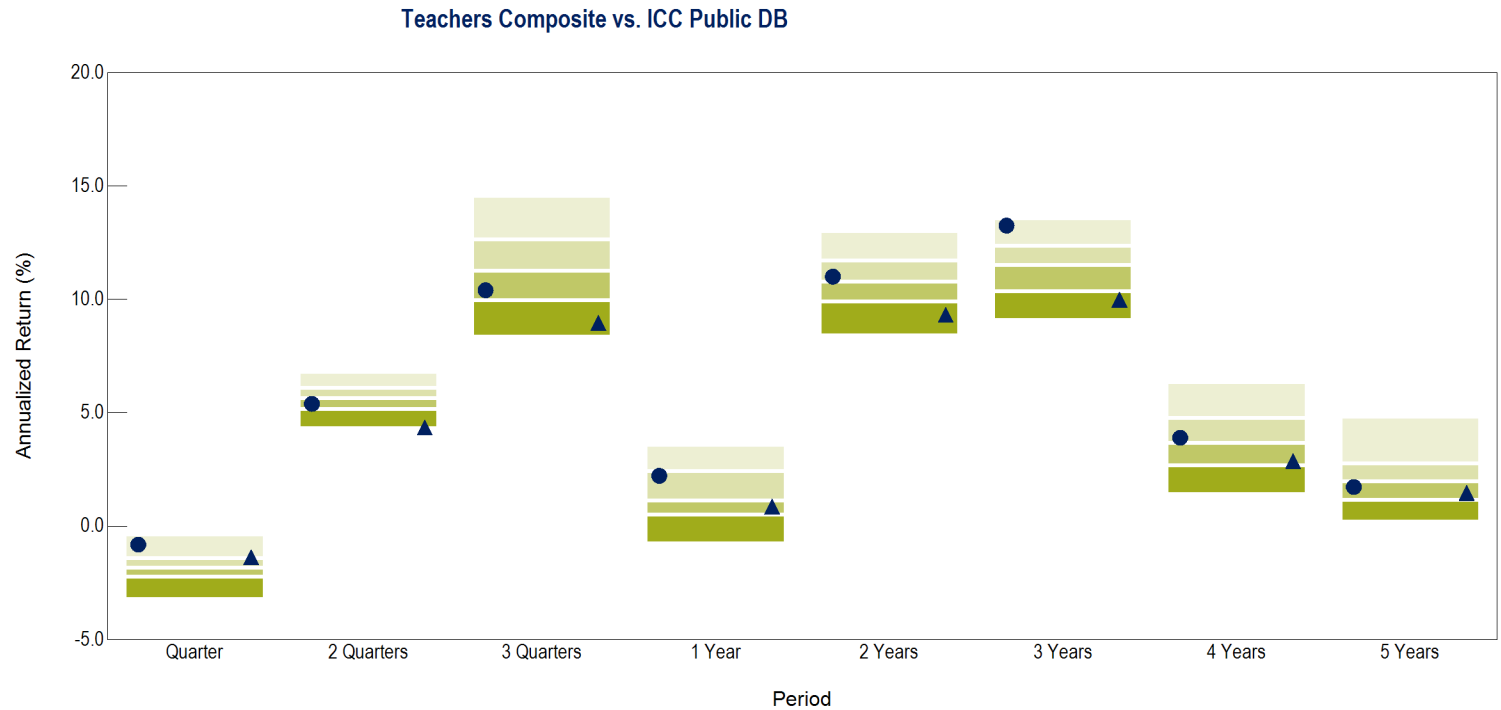


Vermont State Teachers
Total Fund Return Summary

Return Summary Gross

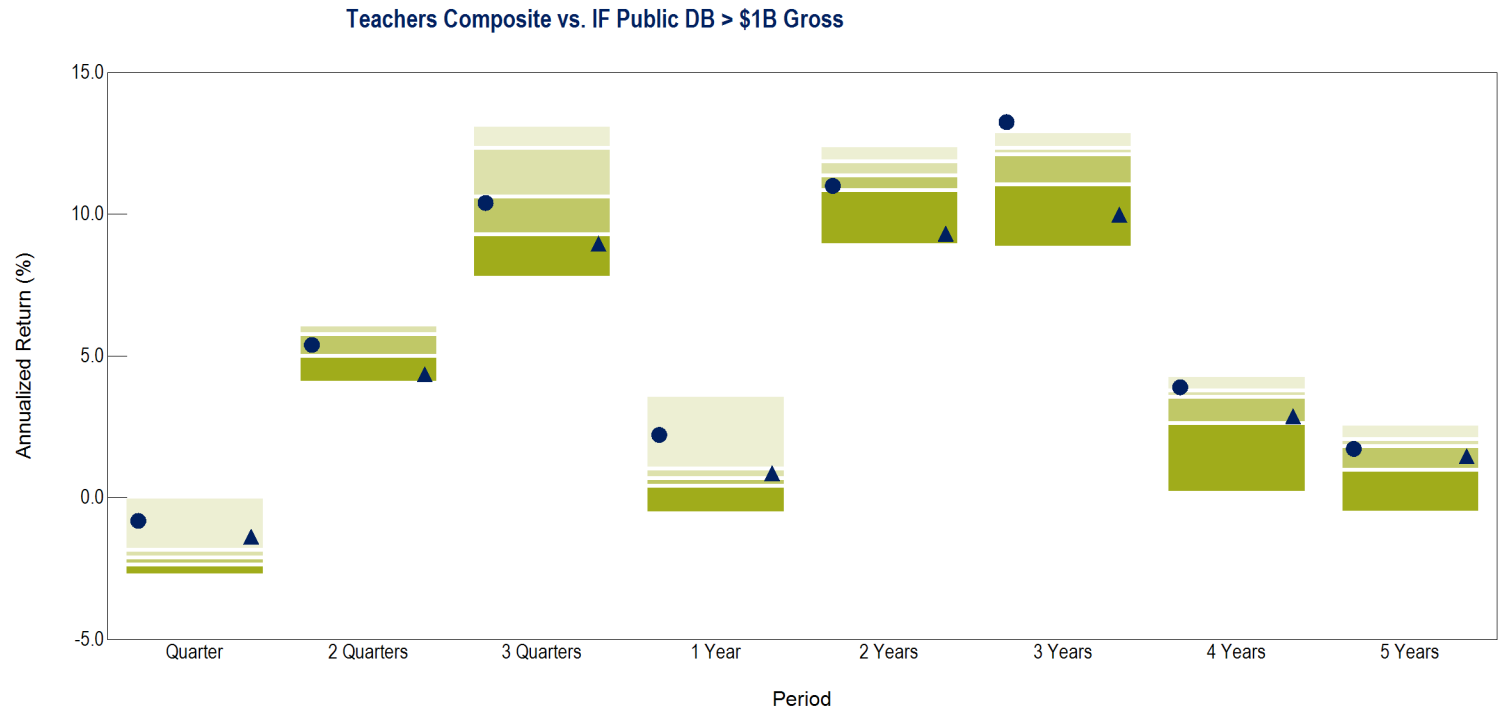


Total Fund Return Summary vs. Peer Universe



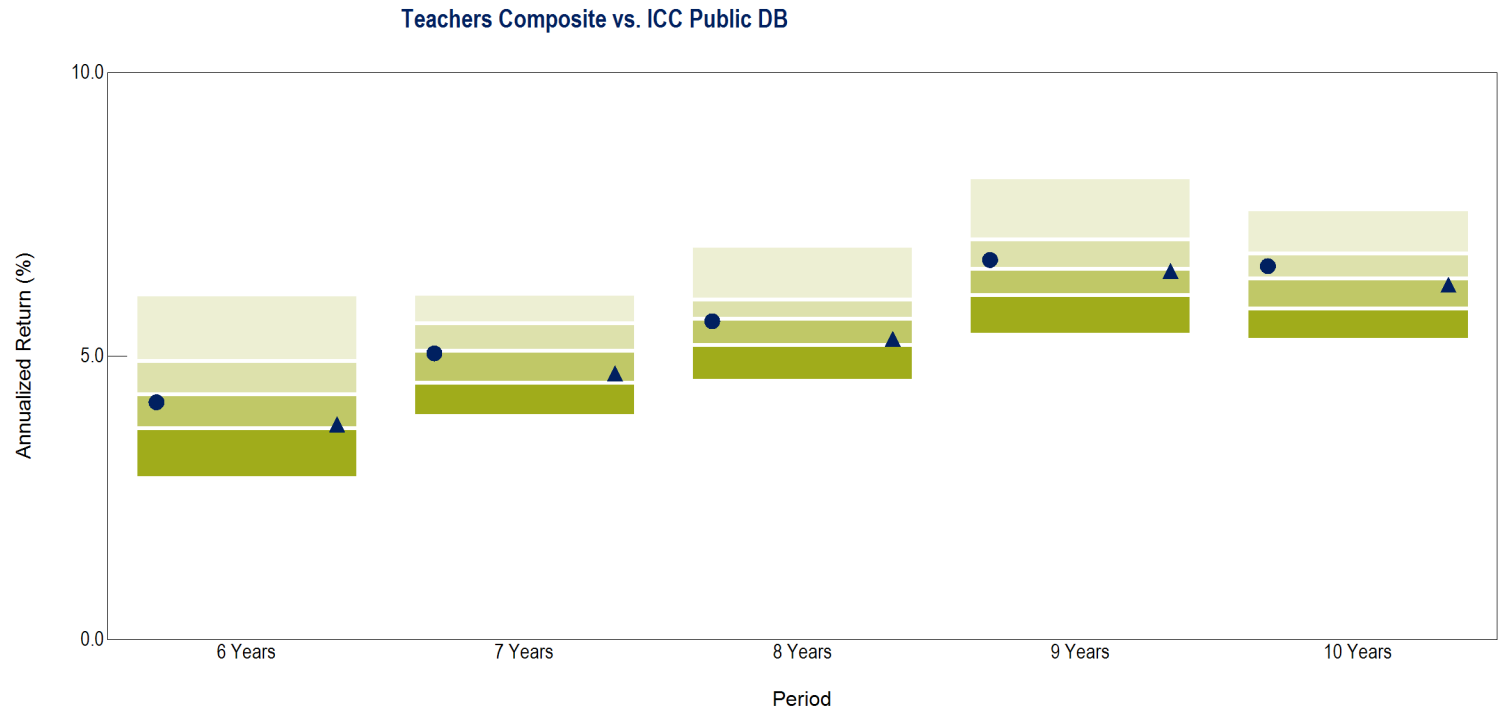
	Return (Rank)															
5th Percentile	-0.4	6.8	14.5	3.6	13.0	13.6	6.3	4.8								
25th Percentile	-1.4	6.1	12.7	2.4	11.7	12.4	4.8	2.8								
Median	-1.8	5.7	11.3	1.2	10.8	11.5	3.7	2.0								
75th Percentile	-2.2	5.2	10.0	0.5	9.9	10.4	2.7	1.2								
95th Percentile	-3.2	4.3	8.4	-0.7	8.4	9.1	1.4	0.2								
# of Portfolios	113	112	112	112	109	108	107	104								
● Teachers Composite	-0.8	(8)	5.4	(62)	10.4	(65)	2.2	(31)	11.0	(46)	13.2	(10)	3.9	(43)	1.7	(62)
▲ Policy Index	-1.4	(25)	4.4	(95)	9.0	(92)	0.9	(63)	9.3	(85)	10.0	(82)	2.9	(70)	1.5	(70)

Total Fund Return Summary vs. Peer Universe



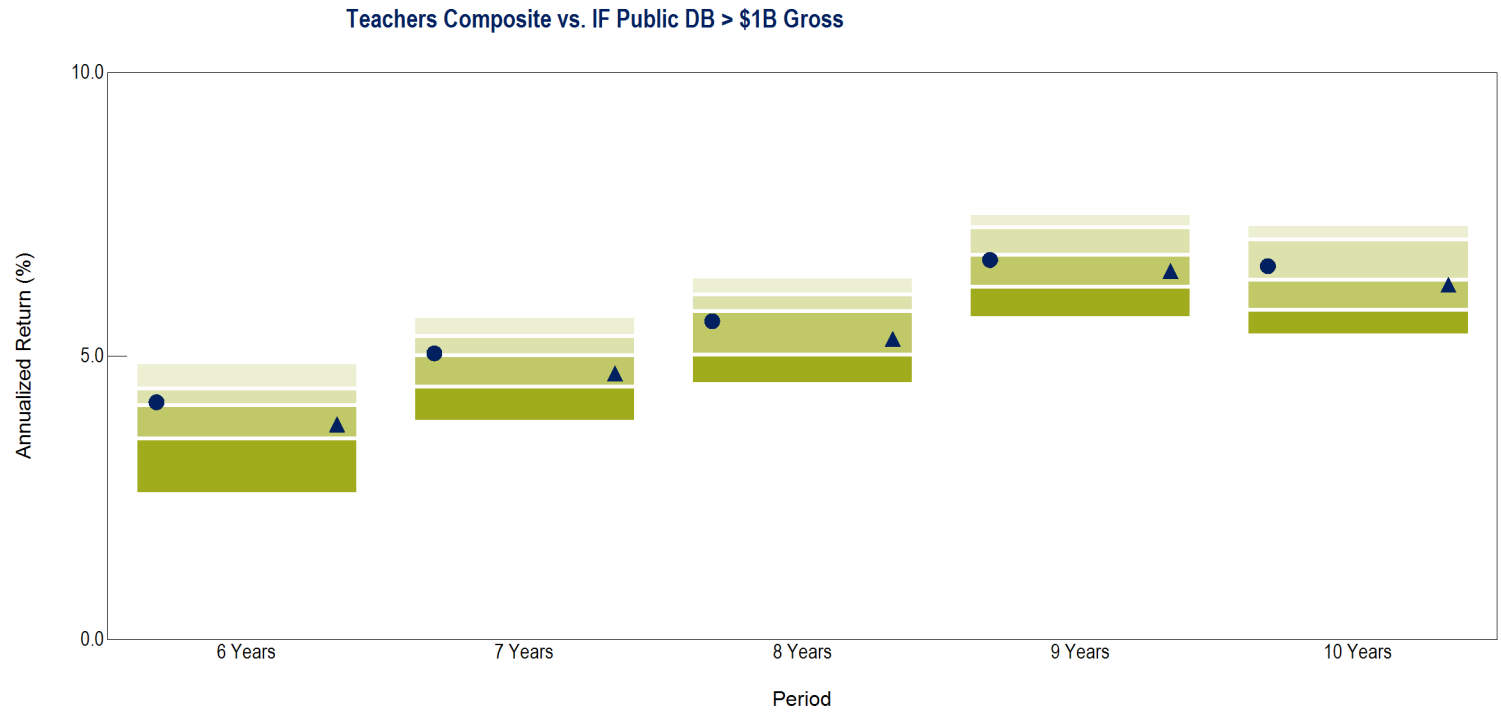
	Return (Rank)															
5th Percentile	0.0	6.2	13.1	3.6	12.4	12.9	4.3	2.6								
25th Percentile	-1.8	6.1	12.4	1.0	11.9	12.4	3.8	2.1								
Median	-2.1	5.8	10.6	0.7	11.4	12.1	3.6	1.8								
75th Percentile	-2.3	5.0	9.3	0.4	10.9	11.1	2.6	1.0								
95th Percentile	-2.7	4.1	7.8	-0.5	8.9	8.8	0.2	-0.5								
# of Portfolios	15	14	14	14	11	11	11	11								
● Teachers Composite	-0.8	(11)	5.4	(60)	10.4	(62)	2.2	(12)	11.0	(60)	13.2	(1)	3.9	(10)	1.7	(54)
▲ Policy Index	-1.4	(15)	4.4	(94)	9.0	(80)	0.9	(38)	9.3	(89)	10.0	(92)	2.9	(73)	1.5	(71)

Total Fund Return Summary vs. Peer Universe



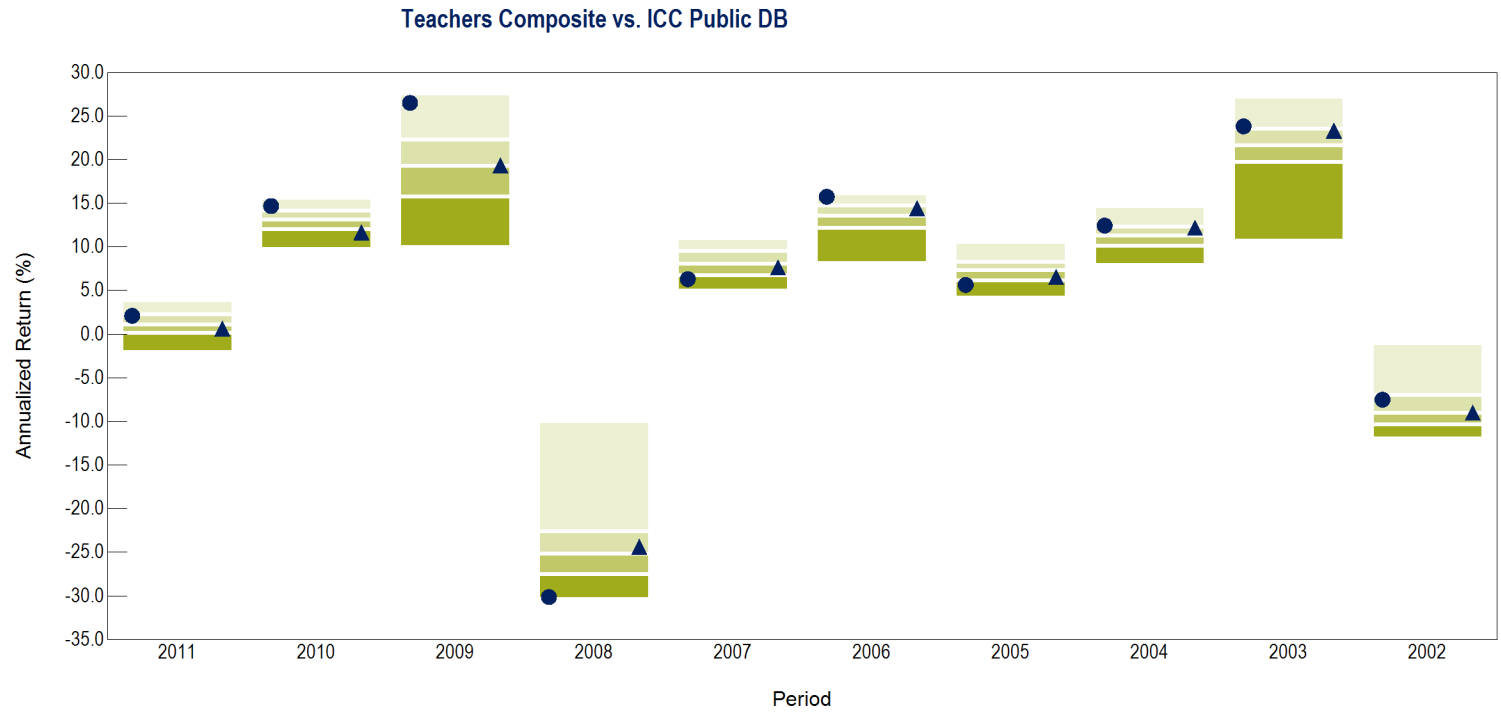
	Return (Rank)									
5th Percentile	6.1		6.1		6.9		8.2		7.6	
25th Percentile	4.9		5.6		6.0		7.1		6.8	
Median	4.3		5.1		5.7		6.5		6.4	
75th Percentile	3.7		4.5		5.2		6.1		5.8	
95th Percentile	2.9		3.9		4.6		5.4		5.3	
# of Portfolios	104		102		100		98		94	
● Teachers Composite	4.2	(57)	5.0	(55)	5.6	(54)	6.7	(42)	6.6	(39)
▲ Policy Index	3.8	(73)	4.7	(71)	5.3	(71)	6.5	(53)	6.3	(57)

Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
5th Percentile	4.9		5.7		6.4		7.5		7.3	
25th Percentile	4.4		5.4		6.1		7.3		7.1	
Median	4.1		5.0		5.8		6.8		6.3	
75th Percentile	3.6		4.5		5.0		6.2		5.8	
95th Percentile	2.6		3.9		4.5		5.7		5.4	
# of Portfolios	11		11		11		11		11	
● Teachers Composite	4.2	(40)	5.0	(49)	5.6	(54)	6.7	(53)	6.6	(46)
▲ Policy Index	3.8	(72)	4.7	(62)	5.3	(59)	6.5	(57)	6.3	(52)

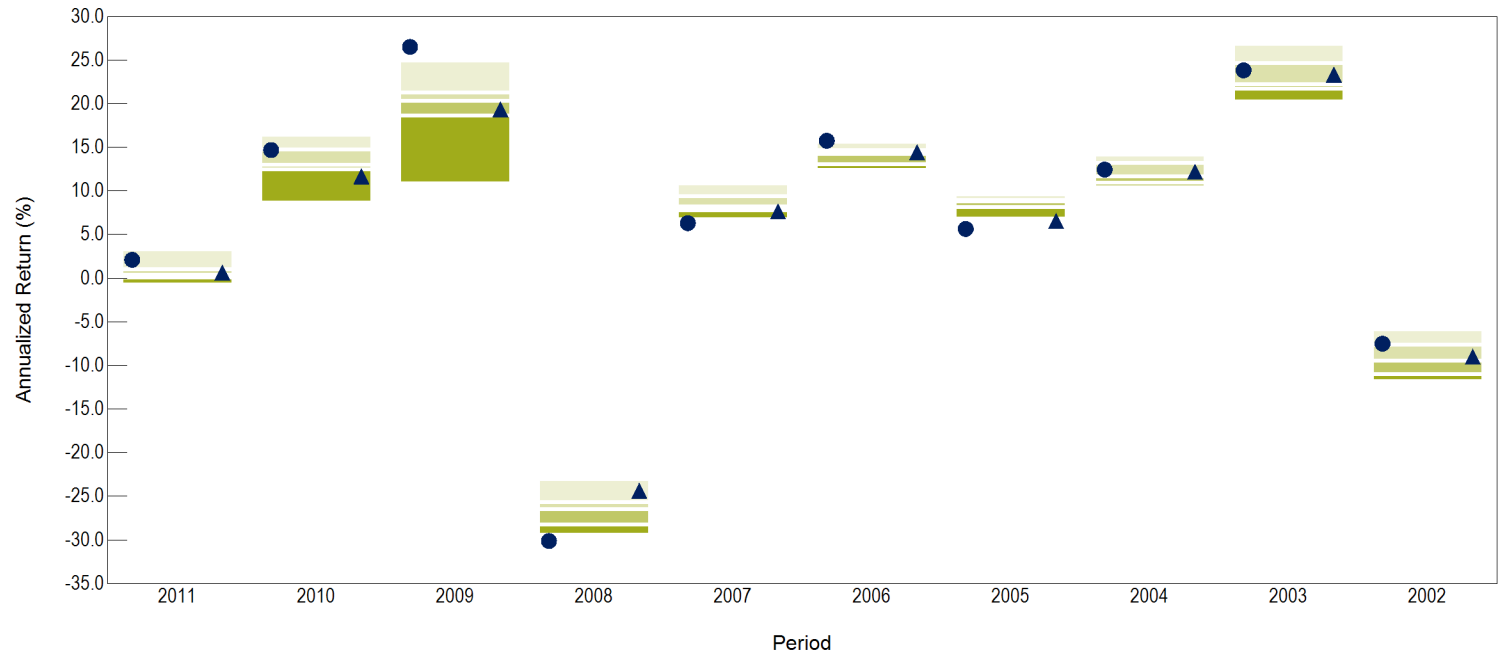
Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
5th Percentile	3.9	15.6	27.5	-10.0	11.0	16.1	10.5	14.6	27.2	-1.0
25th Percentile	2.3	14.2	22.3	-22.6	9.6	14.8	8.4	12.4	23.6	-6.9
Median	1.1	13.2	19.4	-25.1	8.1	13.6	7.4	11.4	21.7	-9.0
75th Percentile	0.2	12.1	15.8	-27.4	6.8	12.2	6.2	10.1	19.8	-10.3
95th Percentile	-2.0	9.8	10.1	-30.3	5.1	8.2	4.3	8.0	10.7	-11.9
# of Portfolios	146	144	144	141	140	139	137	133	132	129
● Teachers Composite	2.1 (32)	14.7 (17)	26.5 (8)	-30.1 (94)	6.3 (83)	15.7 (8)	5.6 (84)	12.4 (22)	23.8 (23)	-7.5 (33)
▲ Policy Index	0.6 (70)	11.7 (82)	19.3 (51)	-24.3 (46)	7.6 (56)	14.4 (34)	6.6 (70)	12.2 (29)	23.3 (29)	-9.0 (52)

Total Fund Return Summary vs. Peer Universe

Teachers Composite vs. IF Public DB > \$1B Gross

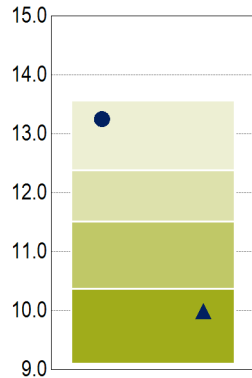


	Return (Rank)									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
5th Percentile	3.3	16.4	24.9	-23.0	10.8	15.6	9.5	14.1	26.8	-5.9
25th Percentile	1.1	14.8	21.3	-25.7	9.4	14.7	9.0	13.2	24.7	-7.6
Median	0.4	13.0	20.4	-26.4	8.3	14.3	8.8	11.7	22.3	-9.4
75th Percentile	0.1	12.5	18.6	-28.2	7.8	13.1	8.2	11.0	21.8	-11.0
95th Percentile	-0.7	8.7	10.9	-29.4	6.8	12.5	6.8	10.4	20.3	-11.7
# of Portfolios	12	11	11	11	11	11	11	11	11	11
● Teachers Composite	2.1 (15)	14.7 (27)	26.5 (1)	-30.1 (99)	6.3 (99)	15.7 (3)	5.6 (99)	12.4 (36)	23.8 (39)	-7.5 (24)
▲ Policy Index	0.6 (35)	11.7 (91)	19.3 (65)	-24.3 (14)	7.6 (79)	14.4 (44)	6.6 (99)	12.2 (44)	23.3 (43)	-9.0 (38)

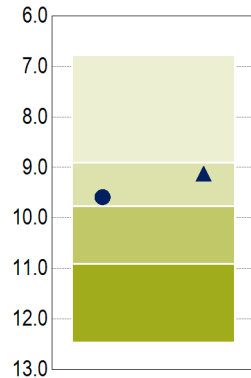
Total Fund Risk Statistics vs. Peer Universe

Teachers Composite vs. ICC Public DB
3 Years

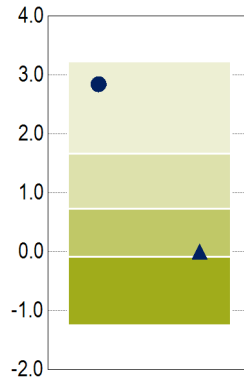
Anlzd Return



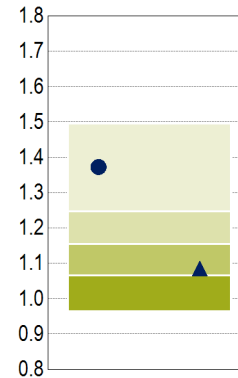
Anlzd Standard Deviation



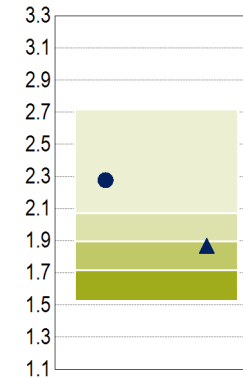
Anlzd Alpha



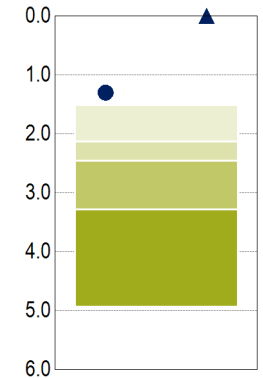
Sharpe Ratio



Sortino Ratio RF



Tracking Error



● Teachers Composite

Value 13.25
%tile 10
▲ Policy Index
Value 9.98
%tile 82

Universe
5th %tile 13.56
25th %tile 12.38
Median 11.51
75th %tile 10.38
95th %tile 9.11

● Teachers Composite

Value 9.59
%tile 43
▲ Policy Index
Value 9.12
%tile 33

Universe
5th %tile 6.77
25th %tile 8.90
Median 9.76
75th %tile 10.90
95th %tile 12.47

● Teachers Composite

Value 2.84
%tile 9
▲ Policy Index
Value 0.00
%tile 73

Universe
5th %tile 3.22
25th %tile 1.67
Median 0.74
75th %tile -0.08
95th %tile -1.24

● Teachers Composite

Value 1.37
%tile 9
▲ Policy Index
Value 1.08
%tile 72

Universe
5th %tile 1.49
25th %tile 1.25
Median 1.16
75th %tile 1.07
95th %tile 0.97

● Teachers Composite

Value 2.28
%tile 14
▲ Policy Index
Value 1.87
%tile 57

Universe
5th %tile 2.72
25th %tile 2.08
Median 1.90
75th %tile 1.72
95th %tile 1.53

● Teachers Composite

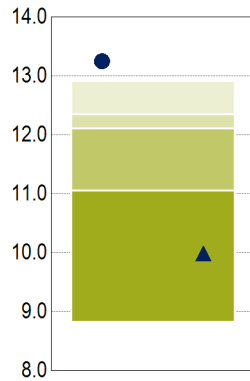
Value 1.30
%tile 3
▲ Policy Index
Value 0.00
%tile 1

Universe
5th %tile 1.51
25th %tile 2.12
Median 2.45
75th %tile 3.27
95th %tile 4.93

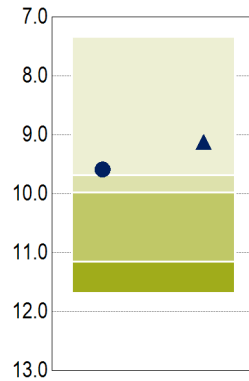
Total Fund Risk Statistics vs. Peer Universe

Teachers Composite vs. IF Public DB > \$1B Gross
3 Years

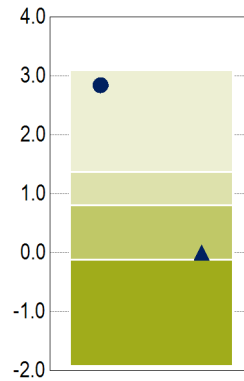
Anlzd Return



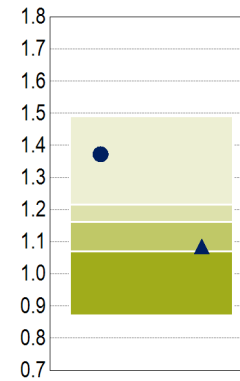
Anlzd Standard Deviation



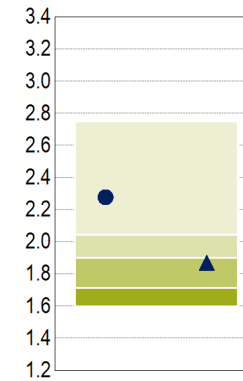
Anlzd Alpha



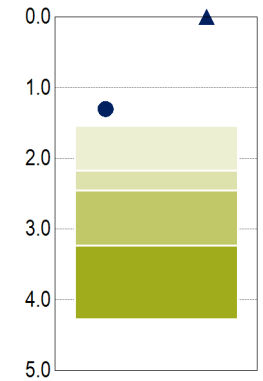
Sharpe Ratio



Sortino Ratio RF



Tracking Error



● Teachers Composite

Value 13.25
%tile 1
▲ Policy Index
Value 9.98
%tile 92

Universe
5th %tile 12.91
25th %tile 12.35
Median 12.12
75th %tile 11.06
95th %tile 8.83

● Teachers Composite

Value 9.59
%tile 23
▲ Policy Index
Value 9.12
%tile 15

Universe
5th %tile 7.34
25th %tile 9.67
Median 9.96
75th %tile 11.15
95th %tile 11.68

● Teachers Composite

Value 2.84
%tile 6
▲ Policy Index
Value 0.00
%tile 73

Universe
5th %tile 3.09
25th %tile 1.37
Median 0.81
75th %tile -0.11
95th %tile -1.92

● Teachers Composite

Value 1.37
%tile 8
▲ Policy Index
Value 1.08
%tile 72

Universe
5th %tile 1.49
25th %tile 1.22
Median 1.16
75th %tile 1.07
95th %tile 0.87

● Teachers Composite

Value 2.28
%tile 16
▲ Policy Index
Value 1.87
%tile 55

Universe
5th %tile 2.75
25th %tile 2.05
Median 1.91
75th %tile 1.72
95th %tile 1.60

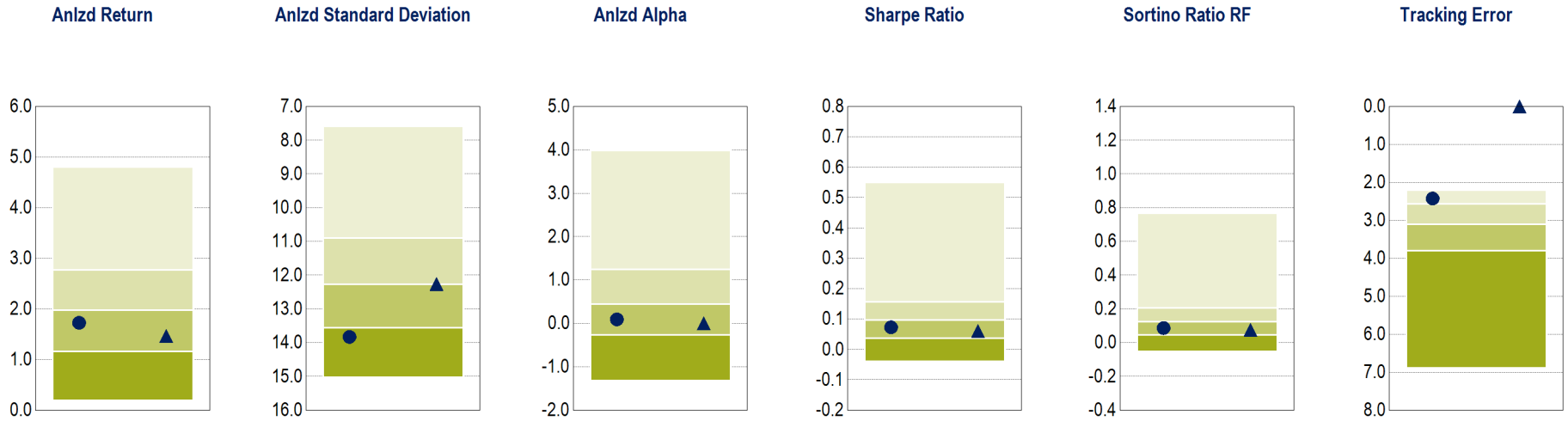
● Teachers Composite

Value 1.30
%tile 2
▲ Policy Index
Value 0.00
%tile 1

Universe
5th %tile 1.54
25th %tile 2.17
Median 2.45
75th %tile 3.23
95th %tile 4.27

Total Fund Risk Statistics vs. Peer Universe

Teachers Composite vs. ICC Public DB
5 Years



● Teachers Composite

Value 1.72
%tile 62
▲ Policy Index
Value 1.46
%tile 70

Universe
5th %tile 4.80
25th %tile 2.78
Median 1.99
75th %tile 1.17
95th %tile 0.20

● Teachers Composite

Value 13.83
%tile 87
▲ Policy Index
Value 12.27
%tile 51

Universe
5th %tile 7.59
25th %tile 10.89
Median 12.25
75th %tile 13.54
95th %tile 15.01

● Teachers Composite

Value 0.09
%tile 65
▲ Policy Index
Value 0.00
%tile 68

Universe
5th %tile 3.99
25th %tile 1.25
Median 0.46
75th %tile -0.25
95th %tile -1.31

● Teachers Composite

Value 0.07
%tile 63
▲ Policy Index
Value 0.06
%tile 69

Universe
5th %tile 0.55
25th %tile 0.16
Median 0.10
75th %tile 0.04
95th %tile -0.04

● Teachers Composite

Value 0.09
%tile 68
▲ Policy Index
Value 0.08
%tile 70

Universe
5th %tile 0.77
25th %tile 0.21
Median 0.13
75th %tile 0.05
95th %tile -0.05

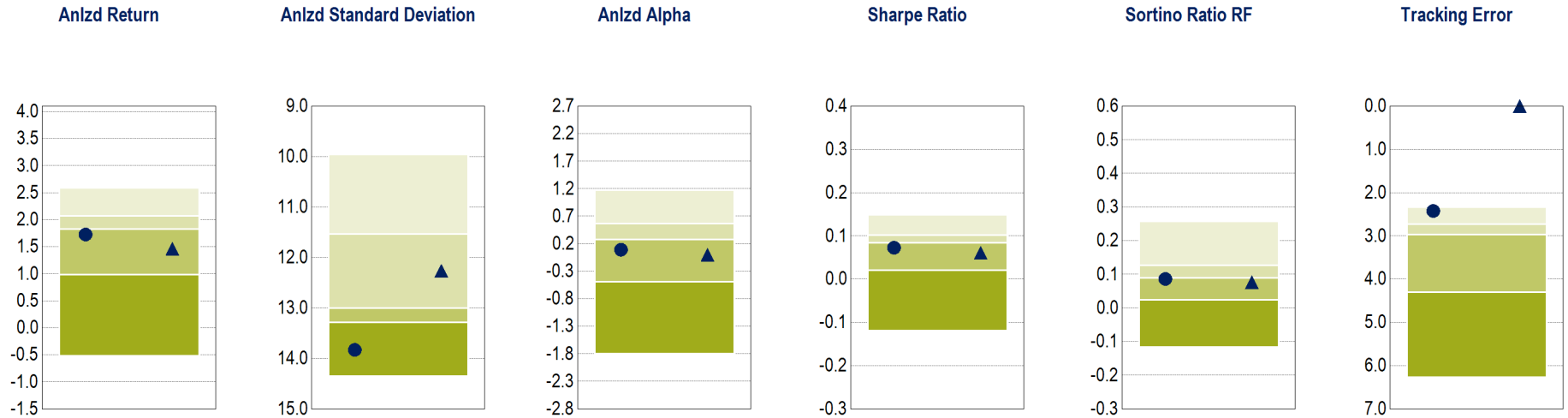
● Teachers Composite

Value 2.43
%tile 16
▲ Policy Index
Value 0.00
%tile 1

Universe
5th %tile 2.20
25th %tile 2.55
Median 3.09
75th %tile 3.78
95th %tile 6.88

Total Fund Risk Statistics vs. Peer Universe

Teachers Composite vs. IF Public DB > \$1B Gross
5 Years



● Teachers Composite

Value 1.72
%tile 54

▲ Policy Index

Value 1.46
%tile 71

Universe

5th %tile 2.59
25th %tile 2.08
Median 1.83
75th %tile 0.99
95th %tile -0.51

● Teachers Composite

Value 13.83
%tile 91

▲ Policy Index

Value 12.27
%tile 42

Universe

5th %tile 9.96
25th %tile 11.53
Median 12.99
75th %tile 13.28
95th %tile 14.34

● Teachers Composite

Value 0.09
%tile 63

▲ Policy Index

Value 0.00
%tile 67

Universe

5th %tile 1.18
25th %tile 0.58
Median 0.29
75th %tile -0.48
95th %tile -1.79

● Teachers Composite

Value 0.07
%tile 58

▲ Policy Index

Value 0.06
%tile 68

Universe

5th %tile 0.15
25th %tile 0.10
Median 0.09
75th %tile 0.02
95th %tile -0.12

● Teachers Composite

Value 0.09
%tile 53

▲ Policy Index

Value 0.08
%tile 58

Universe

5th %tile 0.26
25th %tile 0.13
Median 0.09
75th %tile 0.03
95th %tile -0.12

● Teachers Composite

Value 2.43
%tile 8

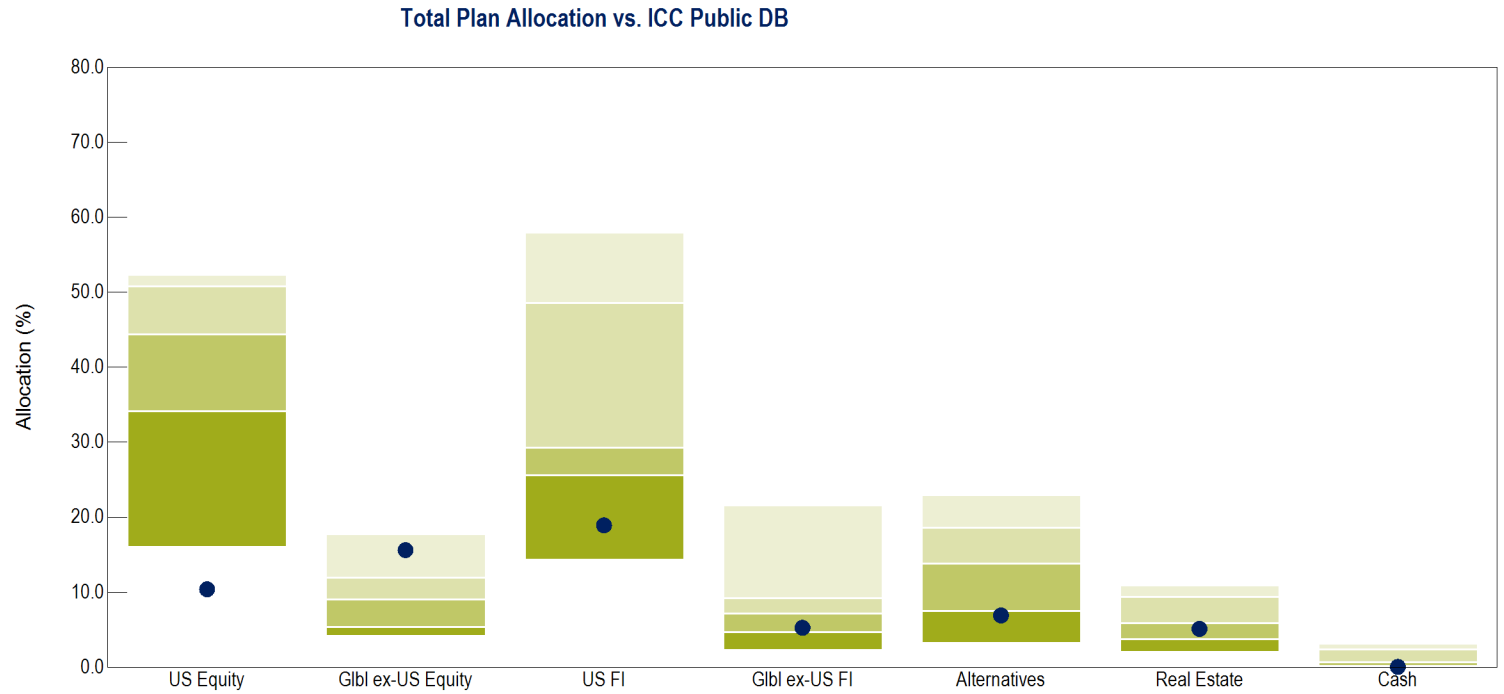
▲ Policy Index

Value 0.00
%tile 1

Universe

5th %tile 2.34
25th %tile 2.71
Median 2.96
75th %tile 4.30
95th %tile 6.26

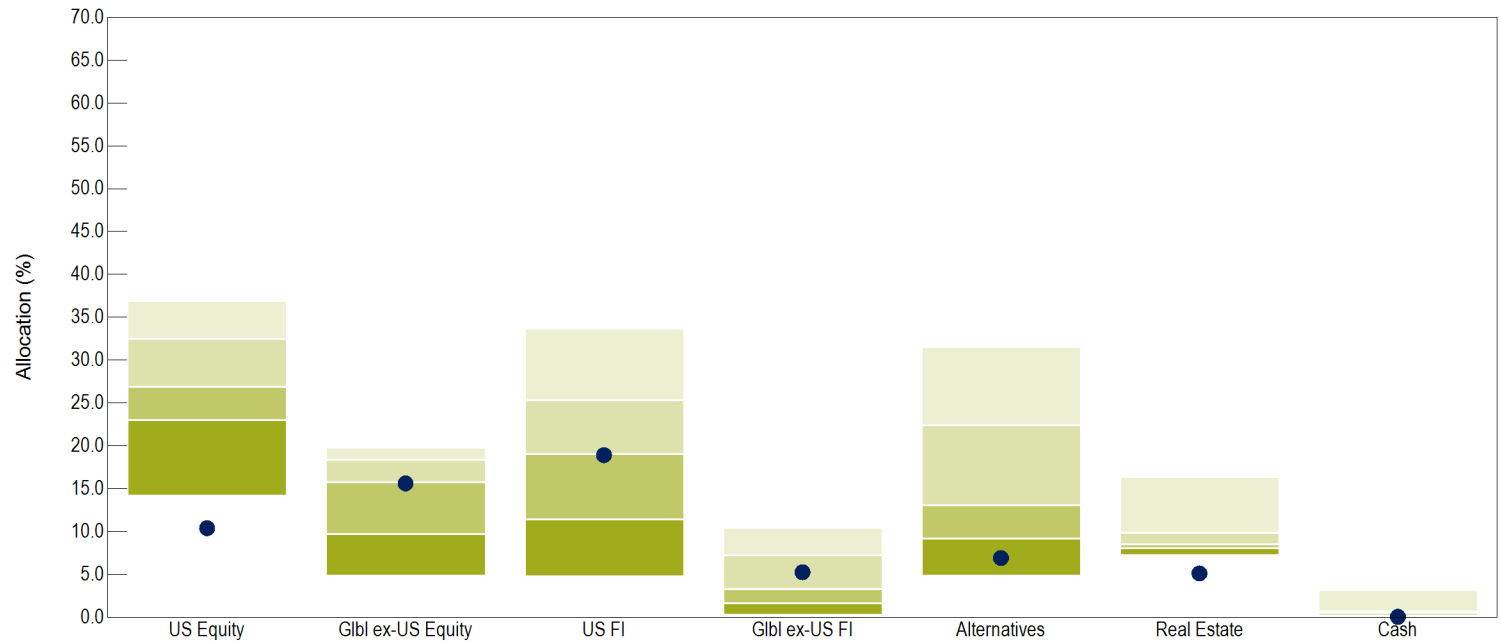
Total Fund Allocations vs. Peer Universe



	Allocation (Rank)													
5th Percentile	52.3	17.7	58.0	21.6	22.9	10.9	3.1							
25th Percentile	50.8	12.0	48.7	9.3	18.7	9.4	2.4							
Median	44.4	9.1	29.3	7.2	13.9	5.9	0.8							
75th Percentile	34.2	5.5	25.7	4.7	7.6	3.8	0.2							
95th Percentile	16.2	4.3	14.4	2.4	3.3	2.1	0.0							
# of Portfolios	22	18	22	5	7	14	17							
● Teachers Composite	10.4	(99)	15.6	(16)	18.9	(82)	5.2	(70)	6.9	(86)	5.1	(64)	0.0	(89)

Total Fund Allocations vs. Peer Universe

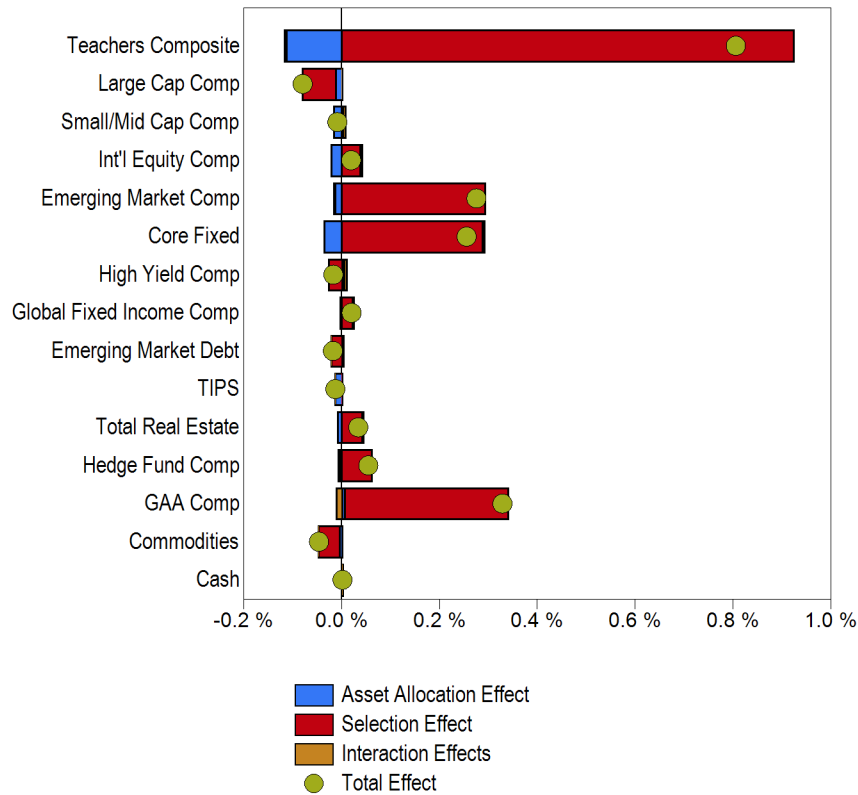
Total Plan Allocation vs. IF Public DB > \$1B Gross



	Allocation (Rank)													
5th Percentile	36.9		19.8		33.7		10.4		31.5		16.4		3.2	
25th Percentile	32.5		18.4		25.4		7.3		22.5		9.9		0.7	
Median	27.0		15.8		19.1		3.4		13.1		8.6		0.6	
75th Percentile	23.1		9.7		11.5		1.7		9.2		8.1		0.3	
95th Percentile	14.2		4.9		4.8		0.3		4.9		7.3		0.1	
# of Portfolios	11		11		7		3		9		10		9	
● Teachers Composite	10.4	(99)	15.6	(51)	18.9	(52)	5.2	(39)	6.9	(91)	5.1	(99)	0.0	(99)

Total Fund Attribution Analysis

Attribution Effects Relative to Policy Index
3 Months Ending June 30, 2012



Attribution Summary
3 Months Ending June 30, 2012

	Actual Return	Target Return	Relative Return	Selection Effect	Asset Allocation Effect	Interaction Effects	Total Effects
Large Cap Comp	-3.4%	-2.8%	-0.6%	-0.1%	0.0%	0.0%	-0.1%
Small/Mid Cap Comp	-3.4%	-3.5%	0.1%	0.0%	0.0%	0.0%	0.0%
Int'l Equity Comp	-6.7%	-7.1%	0.4%	0.0%	0.0%	0.0%	0.0%
Emerging Market Comp	-4.3%	-8.9%	4.5%	0.3%	0.0%	0.0%	0.3%
Core Fixed	3.7%	2.1%	1.6%	0.3%	0.0%	0.0%	0.3%
High Yield Comp	1.4%	1.8%	-0.4%	0.0%	0.0%	0.0%	0.0%
Global Fixed Income Comp	1.7%	0.9%	0.7%	0.0%	0.0%	0.0%	0.0%
Emerging Market Debt	2.1%	2.5%	-0.4%	0.0%	0.0%	0.0%	0.0%
TIPS	3.2%	3.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	3.5%	2.7%	0.8%	0.0%	0.0%	0.0%	0.0%
Hedge Fund Comp	-1.1%	-2.3%	1.2%	0.1%	0.0%	0.0%	0.1%
GAA Comp	-1.2%	-2.9%	1.7%	0.3%	0.0%	0.0%	0.3%
Commodities	-6.4%	-4.5%	-1.9%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	-0.8%	-1.6%	0.8%	0.9%	-0.1%	0.0%	0.8%

Performance Attribution

	Last 3 Mo.	YTD	Fiscal YTD	1 Yr
Teachers Composite Return	-0.8%			
Policy Benchmark *	-1.6%			
Excess Return	0.8%			
Selection Effect	0.9%			
Asset Allocation Effect	-0.1%			
Interaction Effect	0.0%			
Asset Class Returns				
Teachers Composite	-0.8%	5.4%	2.2%	2.2%
Large Cap Comp	-3.4%	9.0%	3.4%	3.4%
Small/Mid Cap Comp	-3.4%	8.1%	0.3%	0.3%
Int'l Equity Comp	-6.7%	2.1%	-13.0%	-13.0%
Emerging Market Comp	-4.3%	9.9%	-3.3%	-3.3%
Core Fixed	3.7%	4.5%	9.6%	9.6%
High Yield Comp	1.4%	6.9%	7.6%	7.6%
Global Fixed Income Comp	1.7%	3.4%	5.6%	5.6%
Emerging Market Debt	2.1%	8.1%	10.5%	10.5%
TIPS	3.2%	4.0%	11.7%	11.7%
Total Real Estate	3.5%	6.7%	14.1%	14.1%
Hedge Fund Comp	-1.1%	3.2%	-2.3%	-2.3%
GAA Comp	-1.2%	5.1%	1.2%	1.2%
Commodities	-6.4%	-3.4%	-10.7%	-10.7%
Cash	0.0%	0.1%	0.1%	0.1%
Eqty Composite				

Vermont State Teachers

Total Fund Risk Statistics

3 Years Ending June 30, 2012

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Teachers Composite	100.00%	13.25%	10	9.59%	43	2.84%	9	1.37	9	2.28	14	1.30%	3
Policy Index	--	9.98%	82	9.12%	33	0.00%	74	1.08	72	1.87	57	0.00%	1
Large Cap Comp	10.38%	18.34%	13	17.16%	62	0.93%	25	1.06	24	1.90	21	1.62%	1
S&P 500	--	16.40%	34	16.11%	35	0.00%	33	1.01	31	1.83	27	0.00%	1
Small/Mid Cap Comp	6.57%	20.31%	33	19.22%	36	4.73%	30	1.05	29	1.99	27	3.25%	3
Russell 2000	--	17.80%	65	21.87%	80	0.00%	82	0.81	80	1.48	73	0.00%	1
Int'l Equity Comp	9.57%	6.99%	75	18.87%	21	1.50%	71	0.37	70	0.57	69	2.36%	10
MSCI EAFE	--	5.96%	87	20.44%	58	0.00%	87	0.29	87	0.46	86	0.00%	1
Emerging Market Comp	6.04%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	--	--	--	--	--	--	--	--	--	--	--	--
Core Fixed	18.91%	11.05%	26	3.80%	69	3.50%	27	2.89	29	8.24	15	2.36%	54
Barclays Aggregate	--	6.93%	61	2.74%	44	0.00%	84	2.50	54	3.65	68	0.00%	1
High Yield Comp	5.54%	13.89%	76	6.42%	25	1.50%	35	2.15	34	3.59	42	2.35%	66
Barclays High Yield	--	16.28%	32	8.29%	71	0.00%	65	1.95	61	3.33	56	0.00%	1
Global Fixed Income Comp	3.09%	10.27%	29	6.68%	54	5.45%	40	1.53	38	2.24	39	2.89%	24
Citigroup WGBI	--	5.35%	92	6.73%	56	0.00%	96	0.78	91	0.92	93	0.00%	1
Emerging Market Debt	5.25%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	--	--	--	--	--	--	--	--	--	--	--	--
TIPS	3.00%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays US TIPS	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Real Estate	5.10%	--	--	--	--	--	--	--	--	--	--	--	--
NCREIF Property Index	--	--	--	--	--	--	--	--	--	--	--	--	--
Hedge Fund Comp	4.88%	--	--	--	--	--	--	--	--	--	--	--	--
HFRI Fund of Funds Composite Index	--	--	--	--	--	--	--	--	--	--	--	--	--
GAA Comp	19.60%	13.80%	22	9.70%	43	6.87%	25	1.41	19	2.22	29	3.84%	20
60% MSCI ACWI (Net)/40% CITI WGBI	--	8.97%	68	12.11%	63	0.00%	87	0.73	75	1.19	71	0.00%	1
Commodities	2.02%	--	--	--	--	--	--	--	--	--	--	--	--
Dow Jones-UBS Commodity Index TR	--	--	--	--	--	--	--	--	--	--	--	--	--
Cash	0.04%	--	--	--	--	--	--	--	--	--	--	--	--
91 Day T-Bills	--	--	--	--	--	--	--	--	--	--	--	--	--

Vermont State Teachers

Total Fund Risk Statistics

5 Years Ending June 30, 2012

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Anlzd AJ	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
Teachers Composite	100.00%	1.72%	62	13.83%	87	0.17%	63	0.07	63	0.09	68	2.43%	16
Policy Index	--	1.46%	70	12.27%	51	0.00%	69	0.06	69	0.08	70	0.00%	1
Large Cap Comp	10.38%	1.09%	48	21.19%	82	0.92%	47	0.02	49	0.02	49	2.90%	9
S&P 500	--	0.22%	64	19.21%	45	0.00%	63	-0.03	63	-0.04	63	0.00%	1
Small/Mid Cap Comp	6.57%	2.82%	41	23.39%	51	2.27%	41	0.09	40	0.13	40	2.96%	1
Russell 2000	--	0.54%	68	24.90%	74	0.00%	68	-0.01	68	-0.01	68	0.00%	1
Int'l Equity Comp	9.57%	-5.88%	77	22.13%	19	-0.22%	83	-0.30	84	-0.41	84	2.47%	6
MSCI EAFE	--	-6.10%	81	23.58%	45	0.00%	81	-0.29	82	-0.42	84	0.00%	1
Emerging Market Comp	6.04%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	--	--	--	--	--	--	--	--	--	--	--	--	--
Core Fixed	18.91%	5.85%	71	6.72%	75	-2.42%	93	0.76	86	0.71	88	5.13%	74
Barclays Aggregate	--	6.79%	54	3.55%	42	0.00%	78	1.71	40	2.67	33	0.00%	1
High Yield Comp	5.54%	8.28%	35	10.34%	24	2.19%	26	0.73	25	0.68	42	5.21%	65
Barclays High Yield	--	8.45%	31	14.28%	91	0.00%	80	0.54	78	0.58	70	0.00%	1
Global Fixed Income Comp	3.09%	9.53%	9	8.29%	53	2.88%	38	1.06	27	1.52	23	4.35%	35
Citigroup WGBI	--	7.31%	51	7.90%	43	0.00%	75	0.83	49	1.27	38	0.00%	1
Emerging Market Debt	5.25%	--	--	--	--	--	--	--	--	--	--	--	--
JP Morgan EMBI Global TR	--	--	--	--	--	--	--	--	--	--	--	--	--
TIPS	3.00%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays US TIPS	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Real Estate	5.10%	--	--	--	--	--	--	--	--	--	--	--	--
NCREIF Property Index	--	--	--	--	--	--	--	--	--	--	--	--	--
Hedge Fund Comp	4.88%	--	--	--	--	--	--	--	--	--	--	--	--
HFRI Fund of Funds Composite Index	--	--	--	--	--	--	--	--	--	--	--	--	--
GAA Comp	19.60%	4.27%	31	13.68%	48	2.62%	32	0.26	34	0.29	36	4.19%	16
60% MSCI ACWI (Net)/40% CITI WGBI	--	1.74%	60	14.37%	58	0.00%	60	0.07	60	0.10	60	0.00%	1
Commodities	2.02%	--	--	--	--	--	--	--	--	--	--	--	--
Dow Jones-UBS Commodity Index TR	--	--	--	--	--	--	--	--	--	--	--	--	--
Cash	0.04%	--	--	--	--	--	--	--	--	--	--	--	--
91 Day T-Bills	--	--	--	--	--	--	--	--	--	--	--	--	--