

**VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM  
VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
VERMONT STATE TEACHERS' RETIREMENT SYSTEM**

JOINT Meeting of the Boards  
August 17, 2004

**VSERS Members present:**

ROBERT HOOPER, VSEA member (term expiring September 2004)  
JEB SPAULDING, Vice-Chairperson, VT State Treasurer  
CINDY LAWARE, Commissioner of Personnel  
DICK JOHANNESSEN, Governor's Delegate - **via conference call**  
CATHERINE SIMPSON, VSEA Alternate (term expires

**VSERS Member(s) absent:**

WARREN WHITNEY, Chairperson, VSEA member (term expiring September, 2004)  
WILLIAM HARKNESS, VSEA member (term expiring September 2005)  
ROB HOFMANN, Commissioner of Finance & Management  
GORDON MACARTHUR, Retired Vermont State Employees' Association

**VMERS Members present:**

STEVEN JEFFREY, Chairperson, Employee Representative (term expiring July 1, 2007)  
DAVID LEWIS, Employer Representative (term expiring July 1, 2006)  
W. JOHN MITCHELL, II, Vice-Chairperson, Employee Representative (term expiring July 1, 2005)  
MARIE DUQUETTE, Governor's delegate  
JEB SPAULDING, Vermont State Treasurer

**VSTRS Members present:**

JOSEPH MACKEY, Chairperson (Active No. 29334), term expiring July 1, 2005  
JON HARRIS, Vice-Chairperson (Active No. 25669), term expiring July 1, 2007  
JAY KAPLAN, Association of Retired Teachers of Vermont, term expiring July 1, 2008  
THOMAS CANDON, representing Commissioner of BISHCA  
VAUGHN ALTEMUS, representing Commissioner of Education  
JEB SPAULDING, VT State Treasurer

**Also attending:**

Donna Holden, Board Coordinator  
David Minot, Director of Finance and Investments  
Ellen Griggs, Kevin Kondry, Dick Charlton, New England Pension Consultants  
William Griffin, Chief Assistant Attorney General  
June Atwood, Association of Retired Teachers of Vermont  
Mr. Atwood

**ITEM 1:      Presentation and Discussion with NEPC**

- **Global Environment and Quarterly review**

Mr. Charlton reviewed the current investment environment and the overall quarterly review. He reported the outlook to be "subdued" and a very uncertain environment.

- **Large Cap Domestic Investments: Investment Alternatives**

Ms. Griggs, Mr. Kondry, and Mr. Charlton reviewed the *Domestic Large Cap Portfolio Review* presentation materials.

In summary, NEPC's recommendation for the Board's consideration was:

Respectfully submitted,

Donna Holden  
Board Coordinator