

**Virginia Retirement System**  
**Performance Summary**  
**As of December 31, 2009**

**TOTAL FUND PERFORMANCE**

(Expressed in Percentages)

	<b>10 Yr</b>	<b>5 Yr</b>	<b>3 Yr</b>	<b>1 Yr</b>	<b>Qtr</b>	<b>Month</b>	<b>Fiscal YTD</b>	<b>Calendar YTD</b>
<b>Total Public Equity</b>	<b>1.3</b>	<b>2.8</b>	<b>-4.5</b>	<b>35.3</b>	<b>5.3</b>	<b>3.3</b>	<b>22.9</b>	<b>35.3</b>
<i>Public Equity Custom Benchmark <sup>1</sup></i>	1.2	2.9	-4.1	34.7	4.9	3.2	23.0	34.7
<b>Total Fixed Income</b>	<b>6.5</b>	<b>5.2</b>	<b>6.3</b>	<b>12.0</b>	<b>1.3</b>	<b>-1.1</b>	<b>7.2</b>	<b>12.0</b>
<i>Fixed Income Custom Benchmark <sup>2</sup></i>	6.4	5.2	6.4	5.1	0.0	-1.7	3.6	5.1
<b>Total Credit Strategies</b>	<b>n/a</b>	<b>4.6</b>	<b>3.1</b>	<b>37.5</b>	<b>4.8</b>	<b>3.2</b>	<b>17.7</b>	<b>37.5</b>
<i>Credit Strategies Custom Benchmark <sup>3</sup></i>	n/a	4.1	2.0	47.1	5.0	2.8	18.3	47.1
<b>Total Real Estate</b>	<b>8.7</b>	<b>4.7</b>	<b>-6.7</b>	<b>-17.3</b>	<b>0.1</b>	<b>-1.1</b>	<b>-0.3</b>	<b>-17.3</b>
<i>Real Estate Custom Benchmark <sup>4</sup></i>	8.9	5.7	-3.7	-14.3	-1.2	0.3	-1.1	-14.3
<b>Total Private Equity</b>	<b>12.1</b>	<b>13.1</b>	<b>5.1</b>	<b>-9.2</b>	<b>6.4</b>	<b>6.4</b>	<b>8.6</b>	<b>-9.2</b>
<i>Private Equity Custom Benchmark <sup>5</sup></i>	3.3	4.1	-2.5	-3.9	16.5	4.3	36.2	-3.9
<b>Total Fund</b>	<b>3.6</b>	<b>3.6</b>	<b>-2.2</b>	<b>17.8</b>	<b>3.9</b>	<b>2.1</b>	<b>14.6</b>	<b>17.8</b>
<i>Total Fund Benchmark - Intermediate <sup>6</sup></i>	3.1	3.4	-2.1	17.8	4.1	1.8	16.0	17.8

Notes:

1. Effective October 1, 2009 and as the first step in adopting a true global equity benchmark (target completion date is April 1, 2010), the Public Equity program moved to the mid-point of that target and adopted new custom Benchmark strategic weights. These weights are comprised of U.S., Non-U.S. Developed and Emerging components. The Emerging component is represented by the MSCI Emerging IMI Index and is weighted as follows: [MSCI Emerging IMI percent of MSCI ACWI] times [(Total Public Equity plus the equity portion of the VRS Rebalancing Account) / Total Public Equity]. The U.S. component is represented by the Russell 3000 index and is weighted as follows: [(100% less the Emerging component) times 53.93%]. The Non-U.S. Developed component is represented by the MSCI World ex U.S. 50% hedged Index and is weighted as follows: [(100% less the Emerging component) times 46.07%].

2. Effective January 2007, the Fixed Income Custom Benchmark became the Citigroup Broad Investment Grade (BIG) Index. This benchmark is not customized in any way. Prior to January 2007, the benchmark was a customized version of the Lehman Aggregate Index. The word customized will continue to be associated with the fixed income benchmarks since the two benchmarks will be linked for historical performance purposes.

3. Effective December 2008, the Credit Strategies Custom Benchmark is the weighted average of the Merrill Lynch U.S. High Yield BB-B Constrained Index and the Merrill Lynch All Convertibles Index. During periods of transition related to significant cash flows into or out of the program, the benchmark may represent the performance of individual accounts for the duration of the transition period.

4. Effective April 2009, the Real Estate Custom Benchmark is the weighted average of the NCREIF Property Index (private real estate), the Dow Jones US Select REIT Index (domestic public real estate) and the FTSE/EPRA/NAREIT Developed Index (global public real estate).

5. Effective January 1995, the Private Equity Custom Benchmark is the Russell 3000 Index lagged by 3 months plus 250 basis points per annum.

6. The Total Fund Benchmark - Intermediate is the weighted average of the VRS asset-class program benchmarks.

Source: Bank of New York Mellon

# Virginia Retirement System

## Asset Allocation as of December 31, 2009

(Dollar amounts in Billions / Percent of Total Fund)

