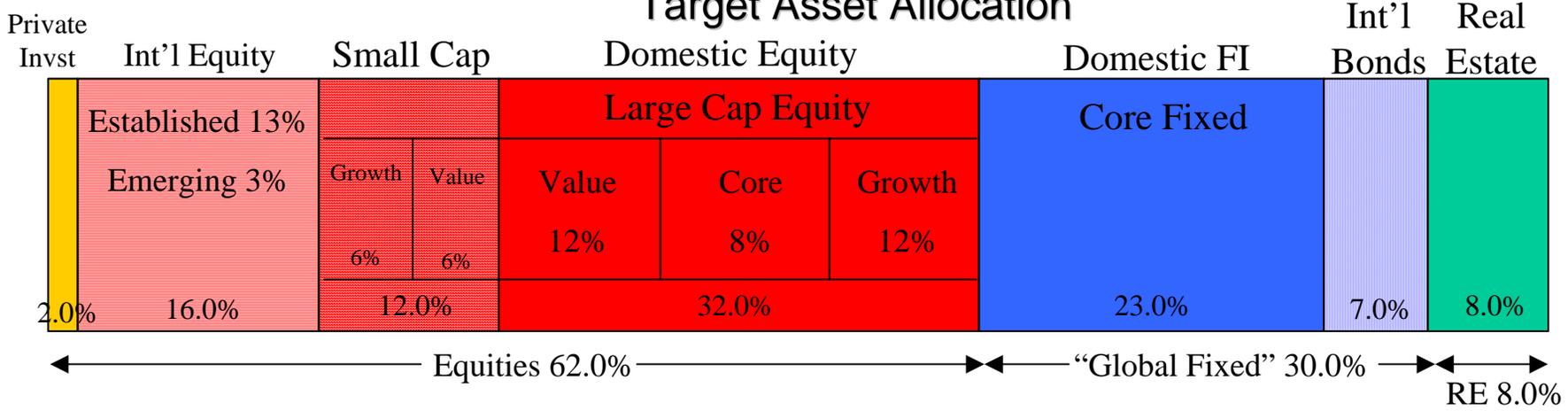


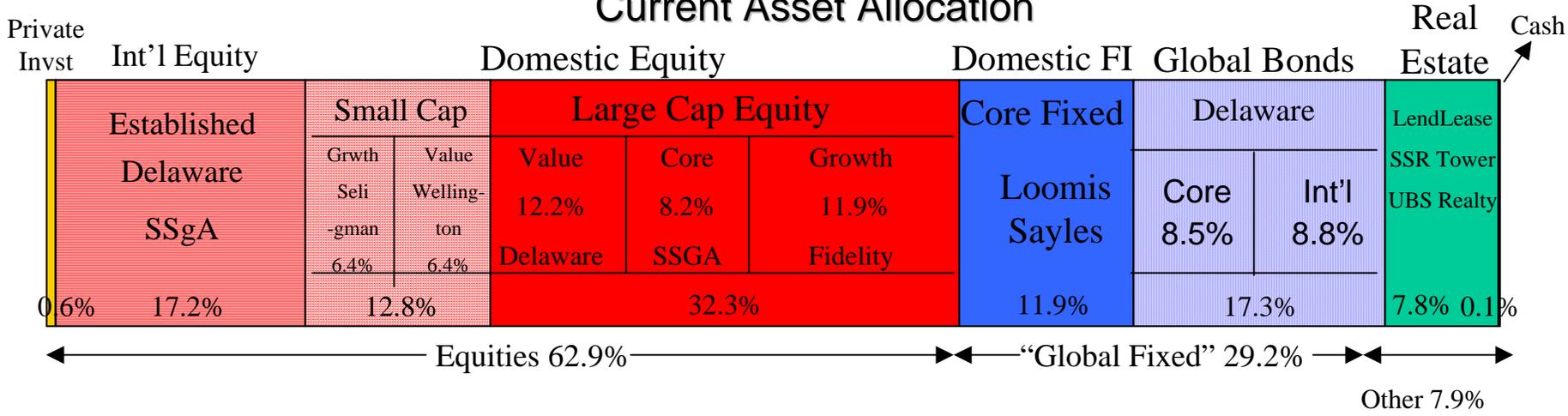
# Plan Asset Allocation

As of March 31, 2004

## Target Asset Allocation



## Current Asset Allocation



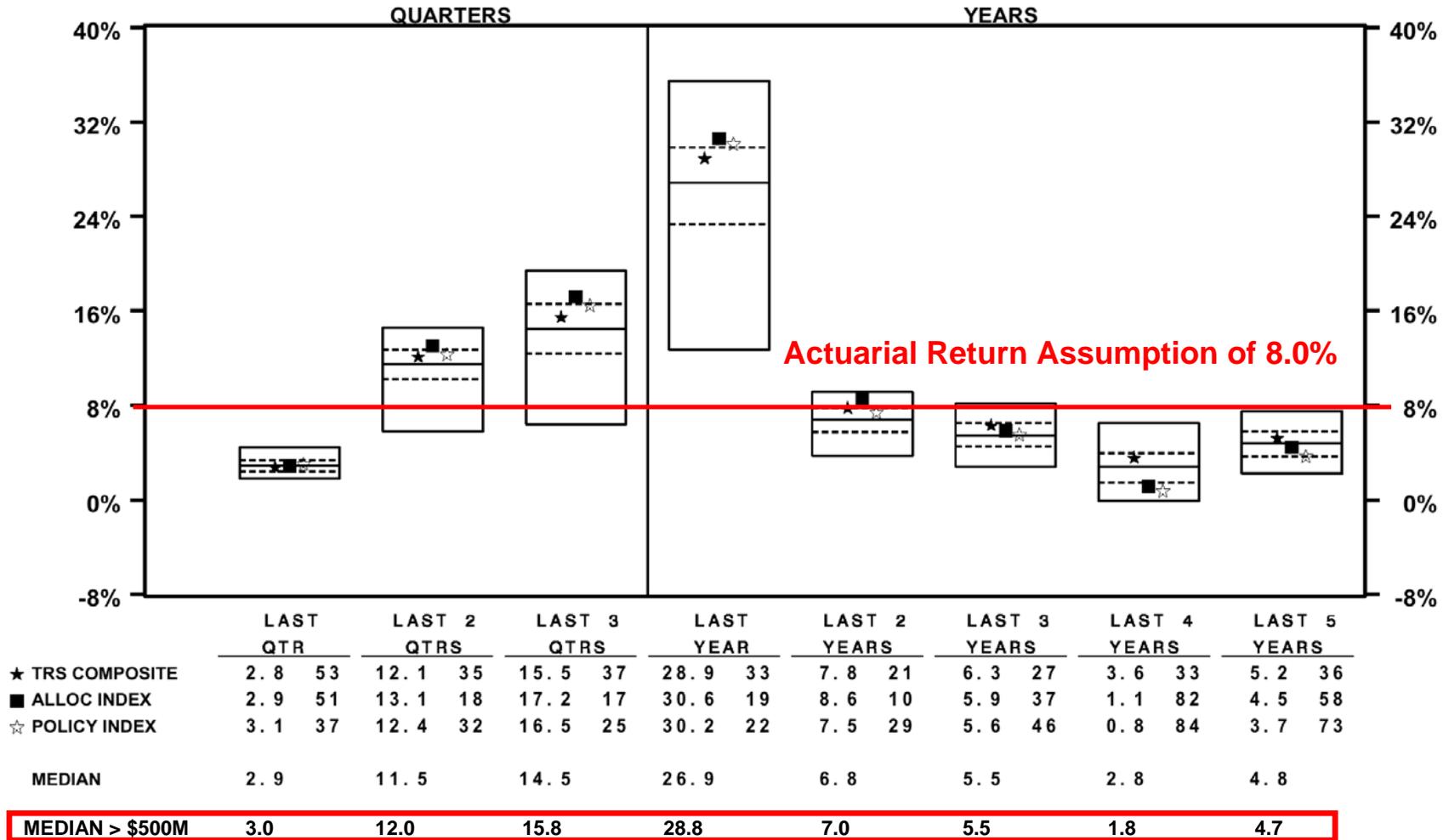
# Asset Breakdown

	Domestic Large Core	Domestic Large Value	Domestic Large Growth	Domestic Small Growth	Domestic Small Value	Core Fixed	Int'l Equity	Global Bonds	Real Estate	Private Investment	Cash	Total
<b>Composite</b>	\$100,040	\$152,261	\$147,837	\$79,218	\$76,095	\$139,963	\$210,690	\$211,605	\$97,196	\$7,502	\$21,248	\$1,243,655
<b>SSgA</b>	100,040	0	0	0	0	0	0	0	0	0	1,416	\$101,456
<b>Delaware</b>	0	152,261	0	0	0	0	0	0	0	0	0	\$152,261
<b>Fidelity</b>	0	0	147,837	0	0	0	0	0	0	0	0	\$147,837
<b>J&amp;W Seligman</b>	0	0	0	79,218	0	0	0	0	0	0	0	\$79,218
<b>Wellington</b>	0	0	0	0	76,095	0	0	0	0	0	3,232	\$79,327
<b>Loomis</b>	0	0	0	0	0	139,958	0	0	0	0	8,537	\$148,495
<b>Delaware IE</b>	0	0	0	0	0	0	101,551	0	0	0	2,902	\$104,453
<b>Putnam</b>	0	0	0	0	0	0	0	0	0	0	108	\$108
<b>SSgA Daily EAFE</b>	0	0	0	0	0	0	109,139	0	0	0	0	\$109,139
<b>Delaware GB</b>	0	0	0	0	0	0	0	211,605	0	0	3,747	\$215,352
<b>SSR Tower Fund</b>	0	0	0	0	0	0	0	0	23,336	0	0	\$23,336
<b>Morgan Stanley</b>	0	0	0	0	0	0	0	0	34,392	0	0	\$34,392
<b>UBS Realty</b>	0	0	0	0	0	0	0	0	39,468	0	0	\$39,468
<b>Pru &amp; VVC</b>	0	0	0	0	0	0	0	0	0	7,502	0	\$7,502
<b>Vermont Investment</b>	0	0	0	0	0	5	0	0	0	0	1,306	\$1,311

(Dollars in 000's)

# Total Public Funds – Total Rates of Return

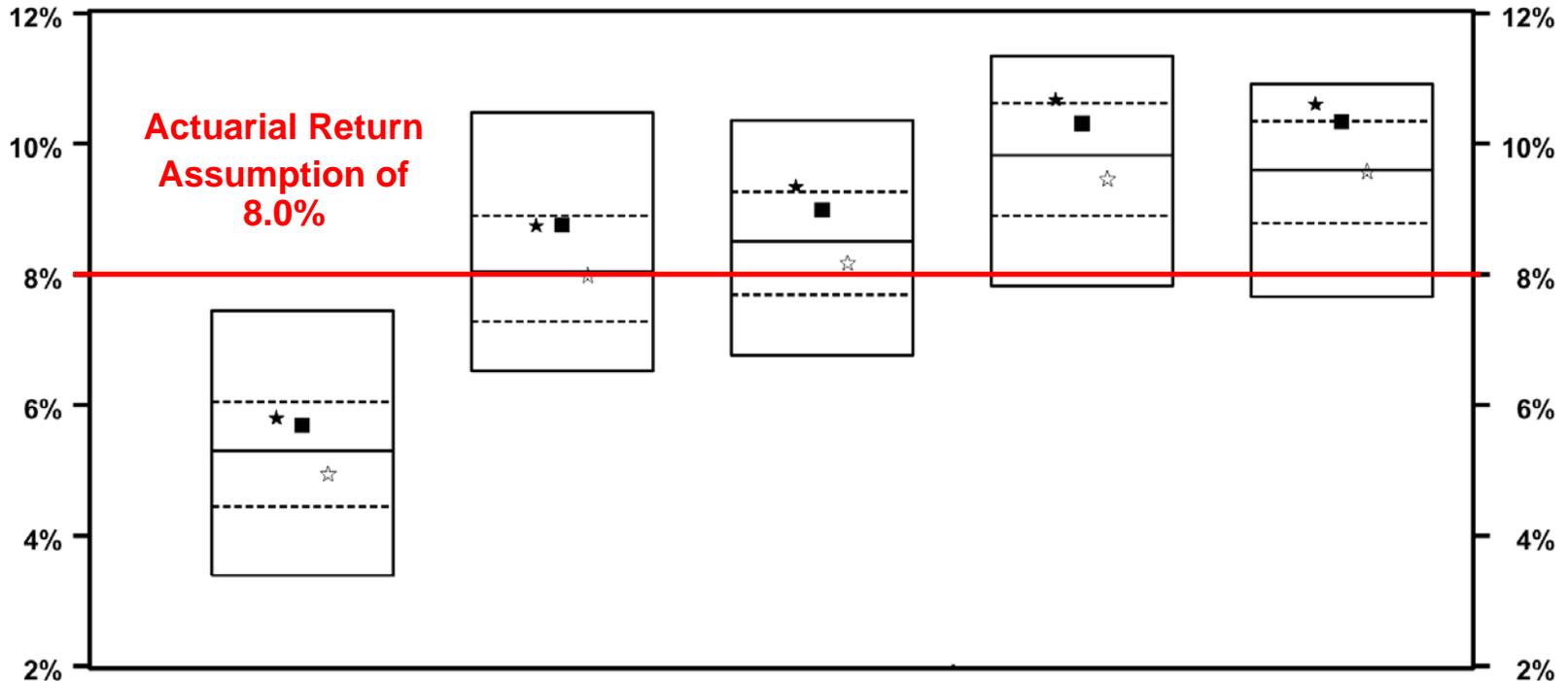
As of March 31, 2004



- *Policy Index*: Measures the effectiveness of *Plan Structure*. (Target asset class weights X Return of the respective passive benchmark)
- *Allocation Index*: Measures the effectiveness of *deviating from the target policy weights*. (*Policy Index* - *Allocation Index*) Allocation Index = weighted average return of the actual asset class weights and the return of the respective passive benchmark.
- *Composite*: Actual composite return = actual asset class weights times the actual manager return. Measures the *effectiveness of the managers*. (Actual composite return - *Allocation Index*)

# Total Public Funds – Total Rates of Return

As of March 31, 2004



	LAST 6 YEARS		LAST 7 YEARS		LAST 8 YEARS		LAST 9 YEARS		LAST 10 YEARS	
★ TRS COMPOSITE	5.8	32	8.8	31	9.3	22	10.7	21	10.6	12
■ ALLOC INDEX	5.7	35	8.8	31	9.0	31	10.3	32	10.3	25
☆ POLICY INDEX	5.0	59	8.0	51	8.2	58	9.5	65	9.6	50
MEDIAN	5.3		8.0		8.5		9.8		9.6	
<b>MEDIAN &gt; \$500M</b>	<b>5.0</b>		<b>8.0</b>		<b>8.3</b>		<b>9.7</b>		<b>9.4</b>	

- **Policy Index:** Measures the effectiveness of *Plan Structure*. (Target asset class weights X Return of the respective passive benchmark)
- **Allocation Index:** Measures the effectiveness of *deviating from the target policy weights*. (Policy Index - Allocation Index) Allocation Index = weighted average return of the actual asset class weights and the return of the respective passive benchmark.
- **Composite:** Actual composite return = actual asset class weights times the actual manager return. Measures the *effectiveness of the managers*. (Actual composite return - Allocation Index)



# Performance Detail (as of 3/31/04)

	1Q04	Public Rank	Large Rank	Last Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Market Value	% of Total Portfolio	Annual Fee
<b>Teachers Composite GROSS)</b>	2.8%	53	72	28.9%	33	53	6.3%	27	37	5.2%	36	40	\$1,243,654,604	100.0%	0.4%
<b>Teachers Composite (NET)</b>	2.8%			28.8%			6.3%			N/A					
<b>Median Public Fund</b>	2.9%			26.9%			5.5%			4.8%					
<b>Median Public Fund &gt;\$500M</b>	3.0%			28.8%			5.5%			4.7%					
<b>Median Large Fund</b>	3.1%			29.4%			5.7%			4.8%					
Allocation Index	2.9%			30.6%			5.9%			4.5%					
Policy Index	3.1%			30.2%			5.6%			3.7%					
<b>Large Cap Equity</b>															
<b>Total Large Cap Equity</b>													\$401,554,641	32.3%	
Delaware	1.8%	79		39.6%	62		4.3%	61		4.3%	67		\$152,261,447	12.2%	0.37%
Russell 1000 Value	3.0%			40.8%			4.3%			3.9%					
Fidelity	1.2%	58		31.2%	52		(0.8%)	44		(2.9%)	61		\$147,836,881	11.9%	0.47%
Russell 1000 Growth	0.8%			32.2%			(1.7%)			(6.1%)					
SSGA	1.7%	72		34.4%	79		0.6%	76		N/A			\$101,456,313	8.2%	0.04%
S&P 500	1.7%			35.1%			0.6%			(1.2%)					
<b>Small Cap Equity</b>															
<b>Total Small Cap Equity</b>													\$158,545,704	12.8%	
J&W Seligman	7.3%	14		54.5%	54		8.0%	45		6.0%	77		\$79,218,337	6.4%	0.50%
Russell 2000	6.3%			63.8%			10.9%			9.7%					
Russell 2000 Growth	5.6%			63.2%			5.4%			2.3%					
Wellington	5.9%	76		N/A			N/A			N/A			\$79,327,367	6.4%	0.79%
Russell 2000	6.3%			63.8%			10.9%			9.7%					
Russell 2000 Value	6.9%			64.5%			16.0%			16.1%					
<b>Int'l Equity</b>															
<b>Total Int'l Equity</b>													\$213,699,321	17.2%	
Delaware	2.4%	91		57.5%	46		10.1%	17		7.4%	28		\$104,452,605	8.4%	0.42%
SSGA DAILY EAFE	4.3%	62		N/A			N/A			N/A			\$109,138,973	8.8%	0.10%
Putnam	N/A			N/A			N/A			N/A			\$107,743	0.0%	0.60%
EAFE (After Taxes)	4.3%			57.5%			3.4%			0.5%					
CITI EPAC	4.4%			57.9%			3.9%			1.1%					

Note: Results for periods longer than one year are annualized

Managers are ranked against respective style universe.



# Fixed Income Performance Detail (as of 3/31/04)

	1Q04	Public Rank	Large Rank	Last Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Market Value	% of Total Portfolio	Annual Fee
<b>Core Fixed</b>															
<b>Total Core Fixed Income</b>													<b>\$148,494,809</b>	<b>11.9%</b>	
Loomis Sayles	3.0%	12		8.7%	8		7.2%	70		7.1%	75		\$148,494,809	11.9%	0.16%
Lehman Aggregate Bond	2.7%			5.4%			7.4%			7.3%					
Lehman U.S. Credit	3.3%			8.6%			9.2%			8.0%					
<b>Global Bonds</b>															
<b>Total Global Bonds</b>													<b>\$215,351,488</b>	<b>17.3%</b>	
Delaware	2.1%	45		12.1%	64		12.2%	53		8.4%	38		\$215,351,488	17.3%	0.33%
CITI WGBI	1.9%			13.5%			12.6%			7.0%					
Delaware Custom Index*	2.2%			9.3%			9.6%			7.2%					
<b>Real Estate</b>															
<b>Total Real Estate</b>													<b>\$97,195,607</b>	<b>7.8%</b>	
SSR Tower Fund	1.0%	65		6.3%	69		4.5%	71		7.4%	62		\$23,336,113	1.9%	1.11%
LendLease	3.4%	32		12.3%	35		6.8%	54		9.3%	38		\$34,391,588	2.8%	0.99%
UBS Realty	2.3%	44		9.9%	48		7.1%	47		10.0%	31		\$39,467,906	3.2%	0.90%
NCREIF Property Index	2.0%			7.9%			6.4%			8.7%					
<b>Private Investment</b>															
<b>Total Private Investment</b>													<b>\$7,502,053</b>	<b>0.6%</b>	
Pru & VVC	0.3%			2.8%			(0.9%)			1.5%			\$7,502,053	0.6%	0.25%
<b>Cash</b>															
Vermont Cash	0.3%			1.3%			1.0%			4.9%			\$1,310,975	0.1%	
90 Day U.S. T-Bills	0.2%			1.1%			2.0%			3.5%					



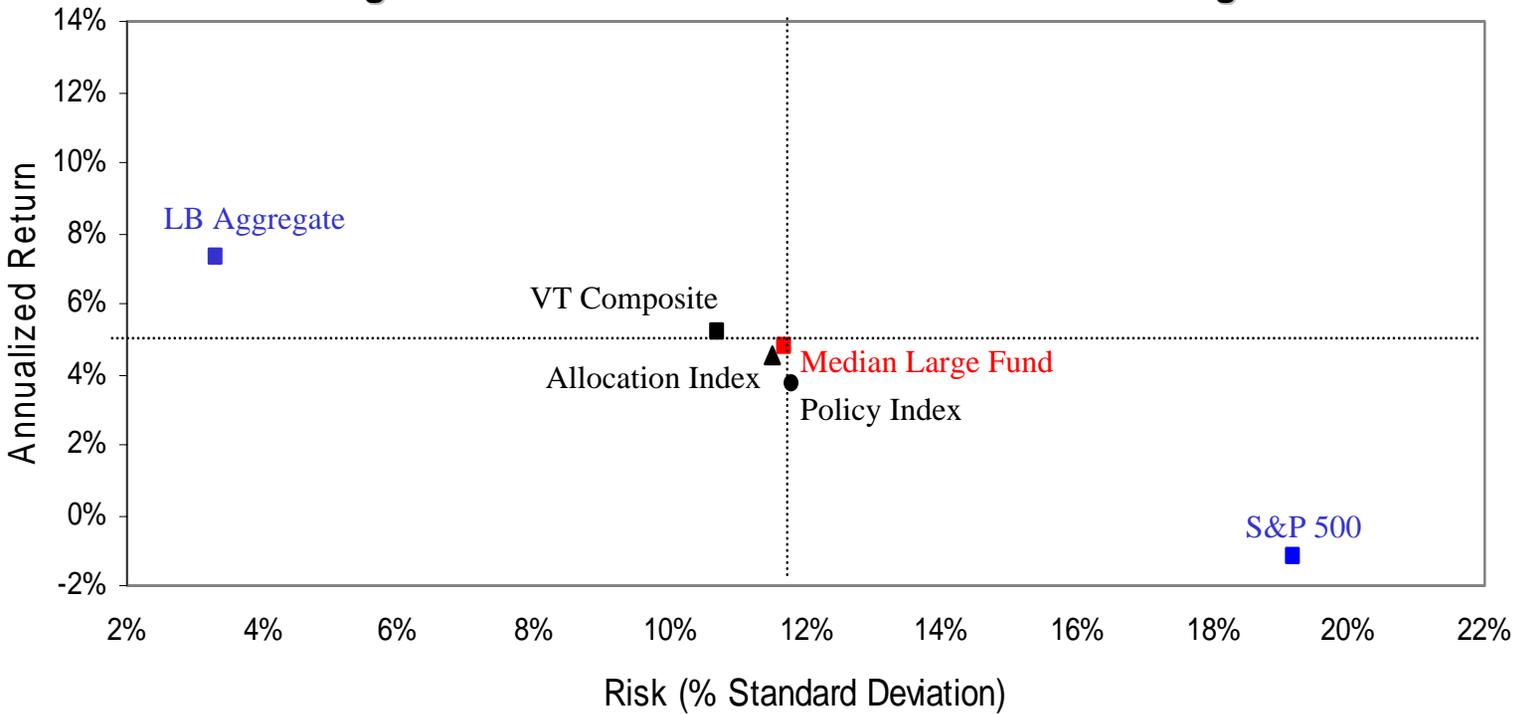
Note: Results for periods longer than one year are annualized

Managers are ranked against respective style universe.

\* 60% Lehman Aggregate / 40% CITI WGBI Ex U.S. In place since 07/2003. Prior to that, the split was 75% Lehman Aggregate / 25% CITI WGBI Ex U.S.

# Total Fund Risk / Return Analysis

Total Large Funds – Total Return vs. Risk - 5 Years Ending 3/31/04



	Annualized Return		Standard Deviation	
	Value	Rank	Value	Rank
<b>Composite</b>	5.2	40	10.7	79
<b>Allocation Index</b>	4.5	66	11.5	53
<b>Policy Index</b>	3.7	80	11.8	43
<b>S&amp;P 500</b>	-1.2		19.2	
<b>LB Aggregate</b>	7.3		3.3	
<b>Median Large Fund</b>	4.8		11.7	

