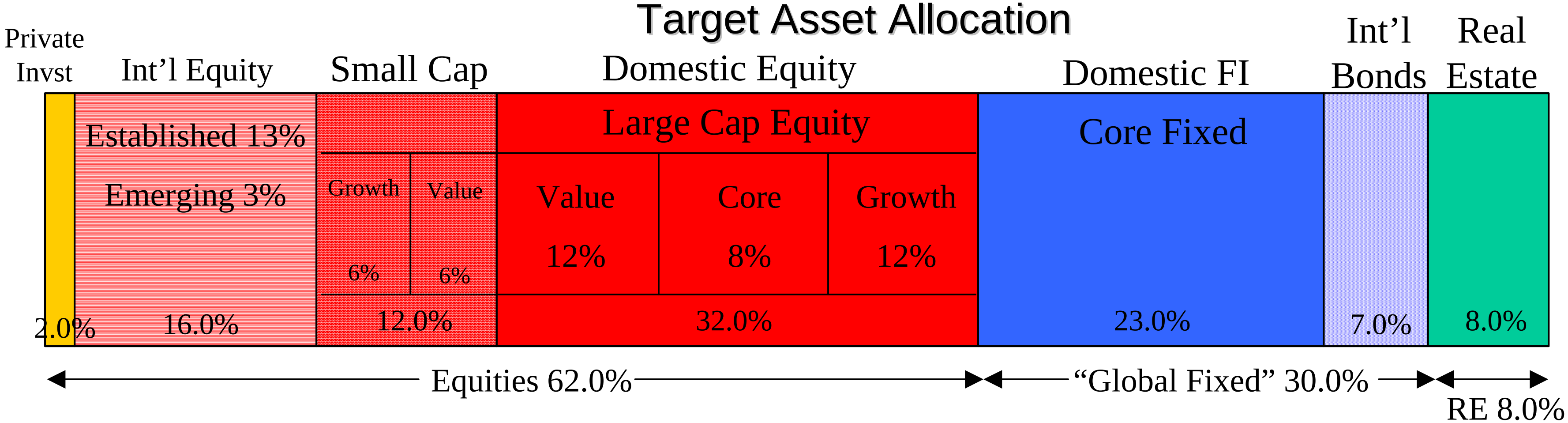
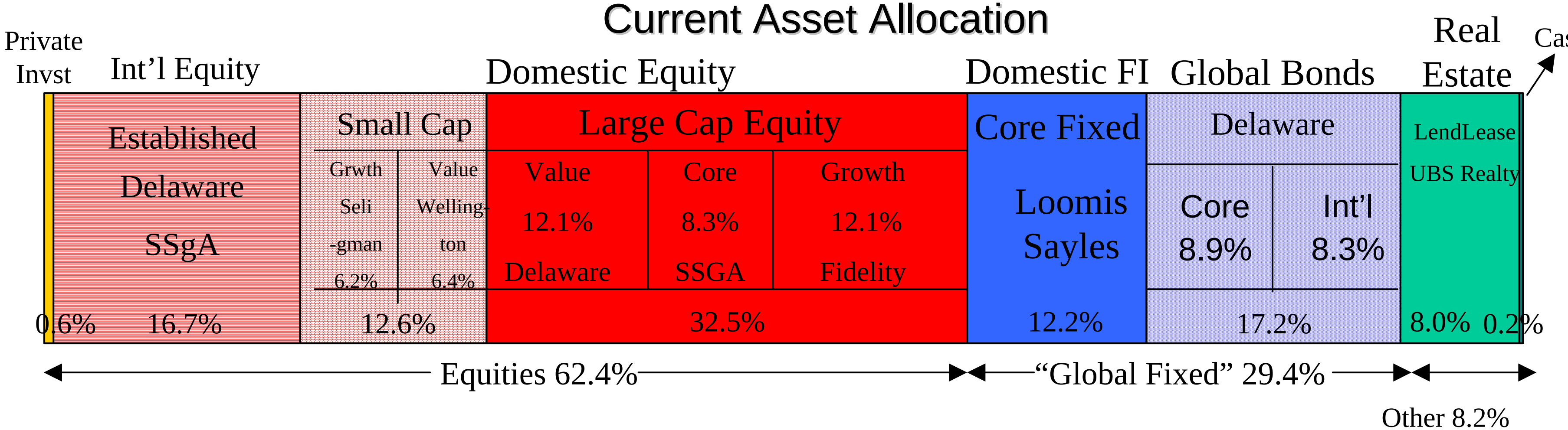
Plan Asset Allocation

As of June 30, 2004

Target Asset Allocation



Current Asset Allocation

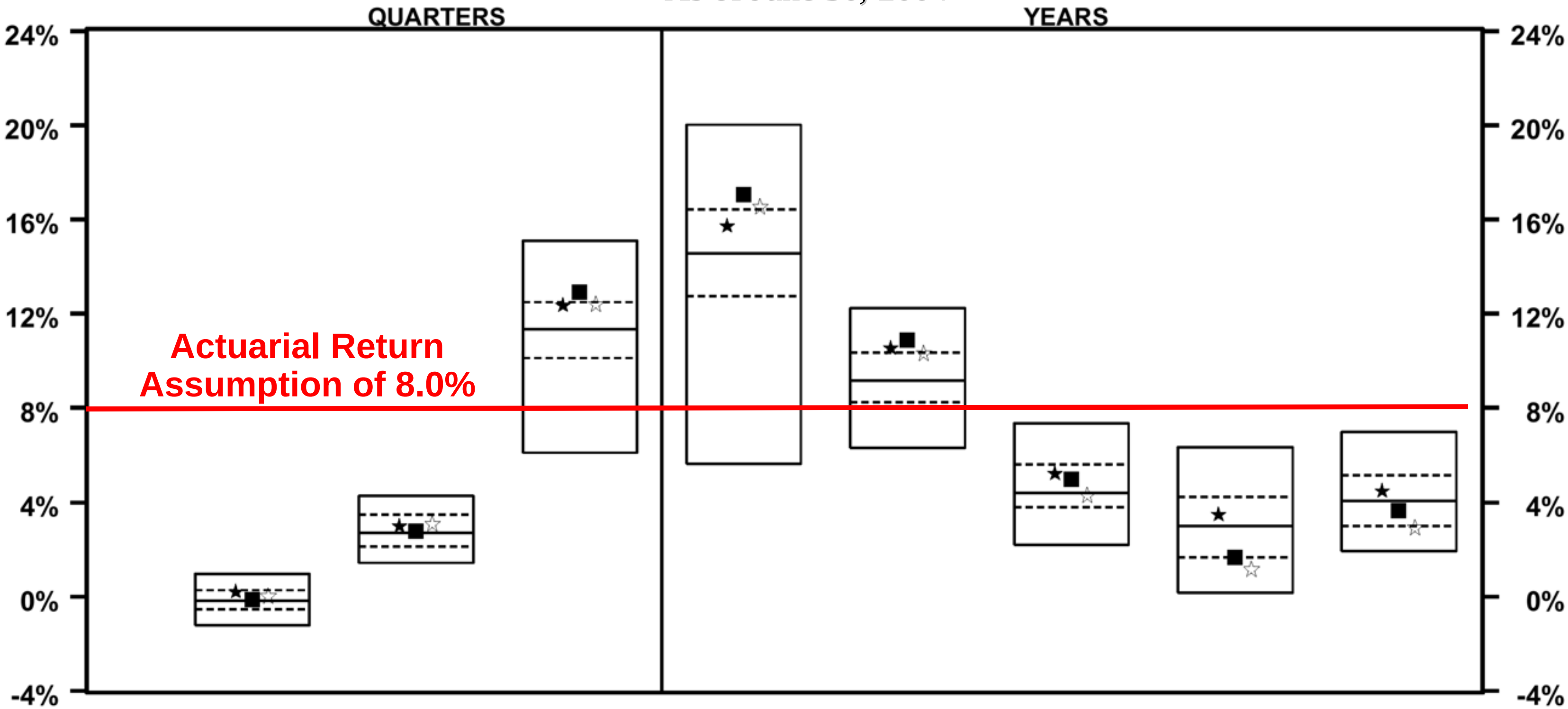


Asset Breakdown

	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
Composite	$102,044	$150,122	$150,236	$77,095	$78,054	$142,761	$206,940	$211,350	$98,672	$6,814	$13,560	$1,237,648
SSgA	102,044	0	0	0	0	0	0	0	0	0	225	$102,269
Delaware	0	150,122	0	0	0	0	0	0	0	0	0	$150,122
Fidelity	0	0	150,236	0	0	0	0	0	0	0	0	$150,236
J&W Seligman	0	0	0	77,095	0	0	0	0	0	0	0	$77,095
Wellington	0	0	0	0	78,054	0	0	0	0	0	1,191	$79,245
Loomis	0	0	0	0	0	142,756	0	0	0	0	8,010	$150,766
Delaware IE	0	0	0	0	0	0	103,379	0	0	0	0	$103,379
Putnam	0	0	0	0	0	0	0	0	0	0	109	$109
SSgA Daily EAFE	0	0	0	0	0	0	103,561	0	0	0	0	$103,561
Delaware GB	0	0	0	0	0	0	0	211,350	0	0	1,315	$212,665
Morgan Stanley	0	0	0	0	0	0	0	0	57,940	0	0	$57,940
UBS Realty	0	0	0	0	0	0	0	0	40,732	0	0	$40,732
Pru & VVC	0	0	0	0	0	0	0	0	0	6,814	0	$6,814
Vermont Investment	0	0	0	0	0	5	0	0	0	0	2,710	$2,715
(Dollars in 000's)												

Total Public Funds – Total Rates of Return

As of June 30, 2004



	LAST QTR		LAST 2 QTRS		LAST 3 QTRS		LAST YEAR		LAST 2 YEARS		LAST 3 YEARS		LAST 4 YEARS		LAST 5 YEARS	
★ TRS COMPOSITE	0.2	26	3.0	39	12.4	29	15.7	32	10.6	23	5.2	31	3.5	38	4.5	36
■ ALLOC INDEX	-0.1	46	2.8	47	12.9	22	17.1	20	10.9	17	5.0	38	1.7	75	3.7	60
☆ POLICY INDEX	0.0	36	3.1	35	12.4	27	16.6	23	10.3	26	4.3	51	1.2	86	3.0	76
MEDIAN	-0.2		2.7		11.4		14.6		9.2		4.4		3.0		4.1	
MEDIAN > $500M	**-0.2**		**2.8**		**11.4**		**14.7**		**9.2**		**4.5**		**3.0**		**4.1**	

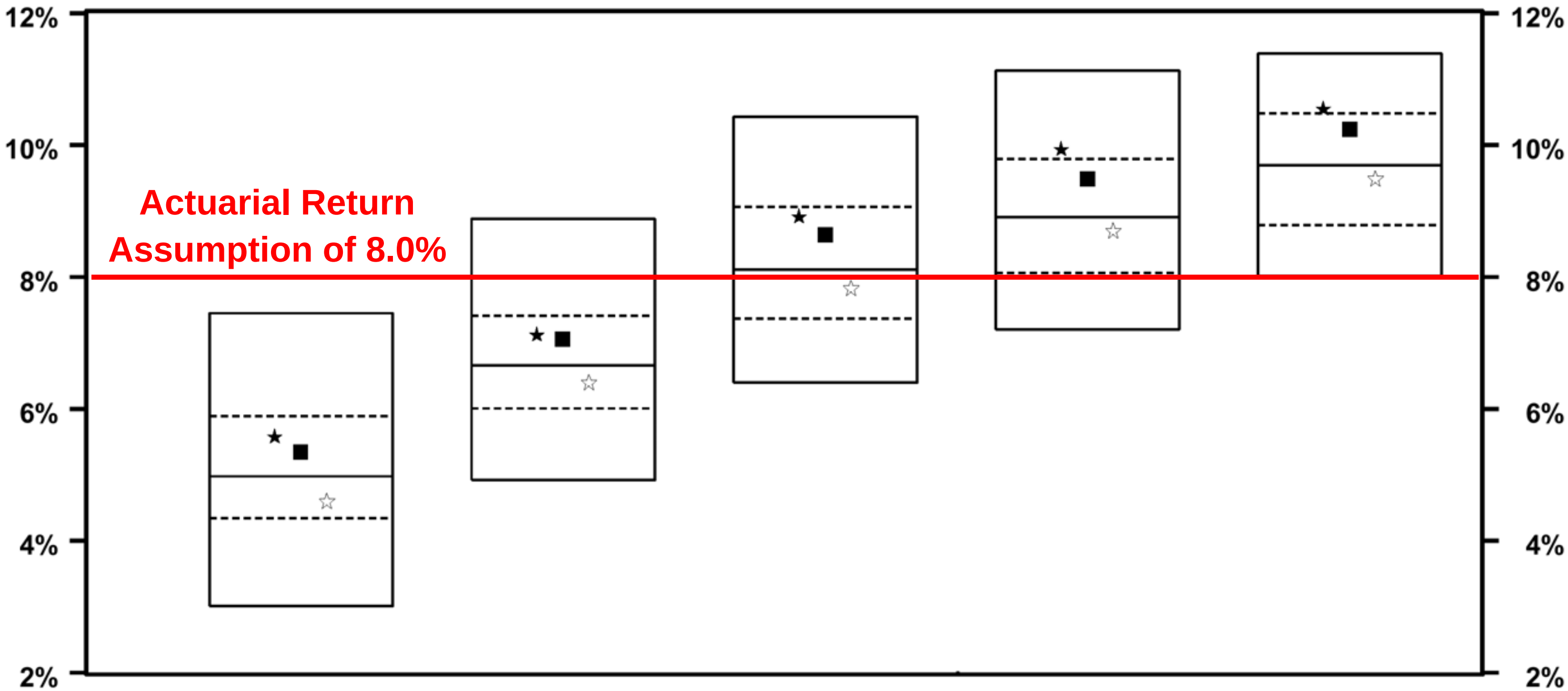
•*Policy Index: Measures the effectiveness of Plan Structure. (Target asset class weights X Return of the respective passive benchmark)*

•*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 June 30, 2004



	LAST 6 YEARS		LAST 7 YEARS		LAST 8 YEARS		LAST 9 YEARS		LAST 10 YEARS	
★ TRS COMPOSITE	5.6	31	7.1	37	8.9	27	9.9	20	10.6	20
■ ALLOC INDEX	5.3	38	7.1	38	8.6	31	9.5	36	10.2	31
☆ POLICY INDEX	4.6	65	6.4	56	7.8	54	8.7	59	9.5	53
MEDIAN	5.0		6.7		8.1		8.9		9.7	
MEDIAN > $500M	**5.0**		**6.7**		**8.2**		**9.0**		**9.7**	

•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 6/30/04)

	2Q04	Public Rank	Large Rank	YTD	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
Teachers Composite GROSS)	**0.2%**	26	34	**3.0%**	39	58	**15.7%**	32	55	**5.2%**	31	37	**4.5%**	36	40	**$1,237,648,206**	**100.0%**	**0.4%**
Teachers Composite (NET)	**0.2%**			**3.0%**			**15.7%**			**5.2%**			**N/A**					
Median Public Fund	**(0.2%)**			**2.7%**			**14.6%**			**4.4%**			**4.1%**					
Median Public Fund >$500M	**(0.2%)**			**2.8%**			**14.7%**			**4.5%**			**4.1%**					
Median Large Fund	**(0.1%)**			**3.1%**			**16.1%**			**4.4%**			**4.1%**					
Allocation Index	*(0.1%)*			*2.8%*			*17.1%*			*5.0%*			*3.7%*					
Policy Index	*0.0%*			*3.1%*			*16.6%*			*4.3%*			*3.0%*					
Large Cap Equity																		
Total Large Cap Equity																**$402,627,931**	**32.5%**	
Delaware	1.9%	31		3.7%	74		20.2%	69		3.7%	50		3.3%	54		$150,122,459	12.1%	0.37%
Russell 1000 Value	*0.9%*			*3.9%*			*21.1%*			*3.0%*			*1.9%*					
Fidelity	1.6%	55		2.8%	64		17.3%	54		(2.9%)	54		(3.1%)	58		$150,236,451	12.1%	0.47%
Russell 1000 Growth	*1.9%*			*2.7%*			*17.9%*			*(3.7%)*			*(6.5%)*					
SSGA	1.8%	20		3.5%	39		19.0%	68		(0.7%)	24		N/A			$102,269,021	8.3%	0.04%
S&P 500	*1.7%*			*3.4%*			*19.1%*			*(0.7%)*			*(2.2%)*					
Small Cap Equity																		
Total Small Cap Equity																**$156,339,507**	**12.7%**	
J&W Seligman	(1.4%)	77		5.8%	33		29.8%	42		1.2%	57		2.5%	81		$77,095,107	6.2%	0.50%
Russell 2000	*0.5%*			*6.8%*			*33.4%*			*6.2%*			*6.6%*					
Russell 2000 Growth	*0.1%*			*5.7%*			*31.5%*			*(0.2%)*			*(0.5%)*					
Wellington	1.2%	58		7.2%	71		N/A			N/A			N/A			$79,244,400	6.4%	0.79%
Russell 2000	*0.5%*			*6.8%*			*33.4%*			*6.2%*			*6.6%*					
Russell 2000 Value	*0.8%*			*7.8%*			*35.2%*			*12.2%*			*12.8%*					
Int'l Equity																		
Total Int'l Equity																**$207,048,792**	**16.7%**	
Delaware	1.9%	13		4.4%	54		30.0%	61		9.7%	18		6.5%	26		$103,379,005	8.4%	0.42%
SSgA DAILY EAFE	0.3%	34		4.6%	51		N/A			N/A			N/A			$103,561,060	8.4%	0.10%
Putnam	N/A						N/A			N/A			N/A			$108,727	0.0%	0.60%
EAFE (After Taxes)	*0.2%*			*4.6%*			*32.4%*			*3.9%*			*0.1%*					
CITI EPAC	*(0.1%)*			*4.3%*			*31.6%*			*3.9%*			*0.6%*					

Note: Results for periods longer than one year are annualized

Managers are ranked against respective style universe.

Fixed Income Performance Detail (as of 6/30/04)

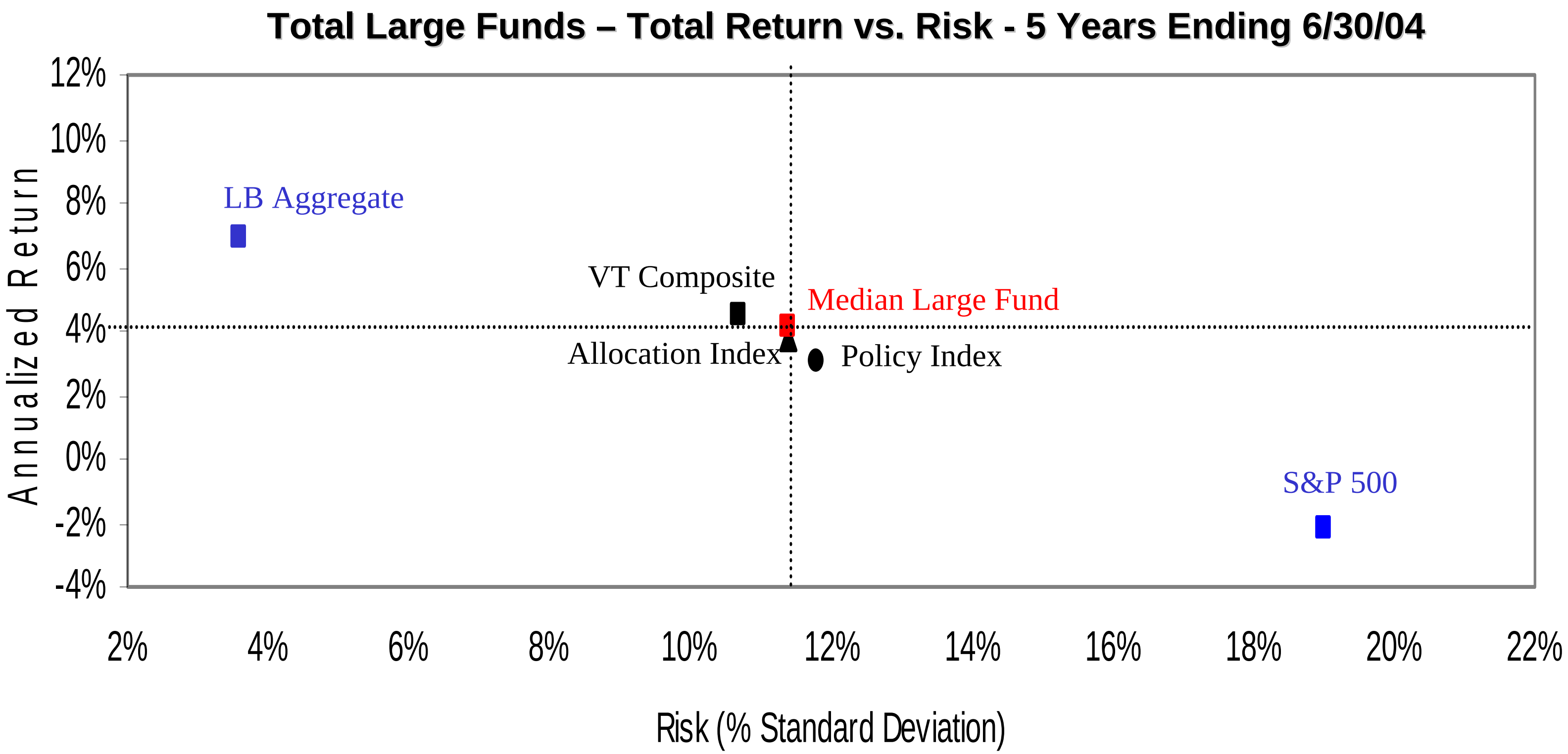
	2Q04	Public Rank	Large Rank	YTD	Public Rank	Large Rank	Last Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Market Value	% of Total Portfolio	Annual Fee
Core Fixed																		
Total Core Fixed Income																**$150,766,382**	**12.2%**	
Loomis Sayles	(2.4%)	62		0.5%	30		1.6%	17		6.0%	80		6.7%	75		$150,766,382	12.2%	0.16%
Lehman Aggregate Bond	*(2.4%)*			*0.2%*			*0.3%*			*6.4%*			*6.9%*					
Lehman U.S. Credit	*(3.4%)*			*(0.3%)*			*0.1%*			*7.5%*			*7.5%*					
Global Bonds																		
Total Global Bonds																**$212,664,983**	**17.2%**	
Delaware	(2.6%)	56		(0.6%)	55		4.5%	63		11.3%	54		8.1%	43		$212,664,983	17.2%	0.33%
CITI WGBI	*(3.3%)*			*(1.5%)*			*5.7%*			*11.9%*			*7.0%*					
*Delaware Custom Index**	*(2.8%)*			*(0.7%)*			*3.2%*			*8.6%*			*7.0%*					
Real Estate																		
Total Real Estate																**$98,671,844**	**8.0%**	
SSR Tower Fund	2.8%	26		3.9%	56		7.0%	63		4.8%	68		7.3%	65		$0	0.0%	1.11%
LendLease	4.1%	13		7.6%	24		14.0%	34		7.8%	39		9.3%	37		$57,940,226	4.7%	0.91%
UBS Realty	3.4%	17		5.8%	36		11.0%	44		7.7%	40		10.0%	25		$40,731,618	3.3%	0.90%
NCREIF Property Index	*2.0%*			*4.0%*			*8.1%*			*6.2%*			*8.5%*					
Private Investment																		
Total Private Investment																**$6,813,628**	**0.6%**	
Pru & VVC	(7.3%)			(7.0%)			(4.7%)			(2.8%)			(0.5%)			$6,813,628	0.6%	0.25%
Cash																		
Vermont Cash	0.4%			0.6%			1.4%			1.0%			4.6%			$2,715,133	0.2%	
90 Day U.S. T-Bills	*0.2%*			*0.5%*			*1.0%*			*1.7%*			*3.3%*					

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



	Annualized Return		Standard Deviation	
	Value	Rank	Value	Rank
Composite	4.5	40	10.7	73
Allocation Index	3.7	67	11.4	50
Policy Index	3.0	82	11.8	43
S&P 500	***-2.2***		***19.0***	
LB Aggregate	***6.9***		***3.6***	
Median Large Fund	***4.1***		***11.4***	