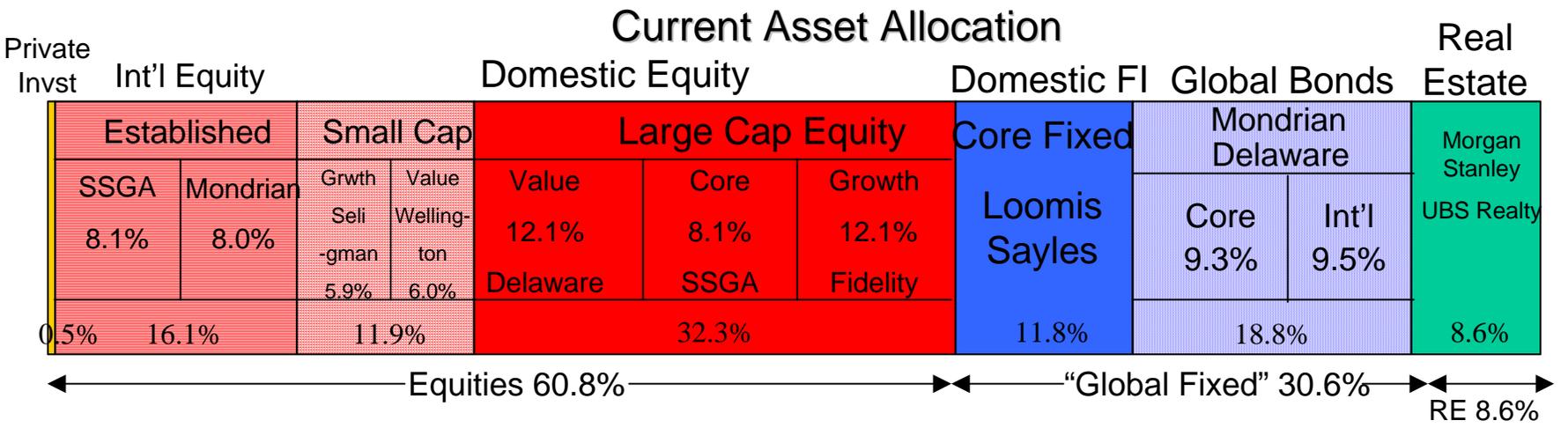
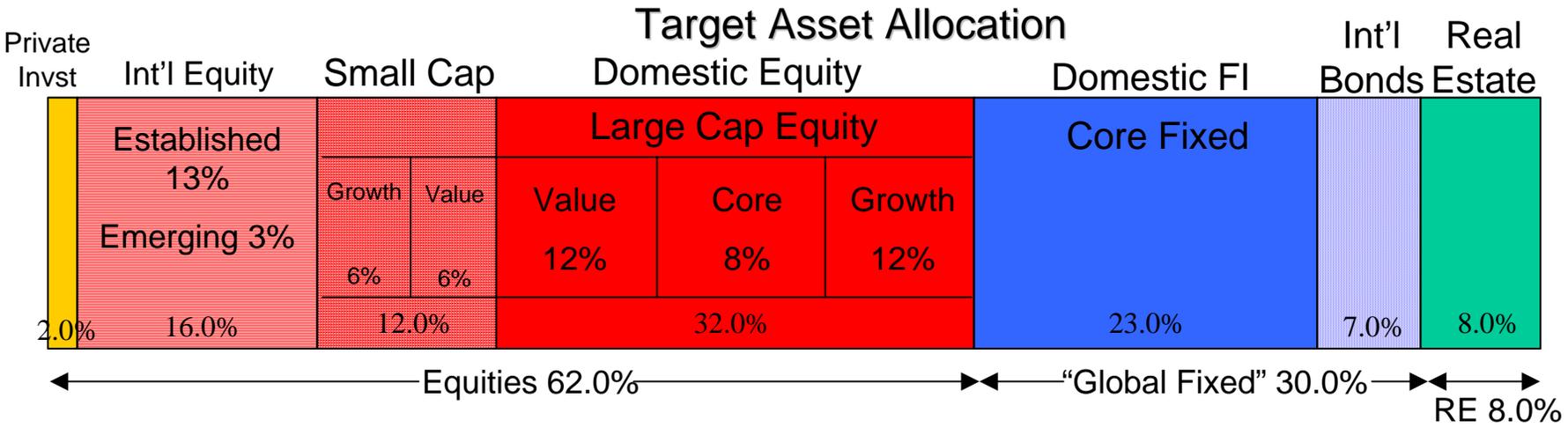


# Plan Asset Allocation

As of March 31, 2005



# Asset Breakdown

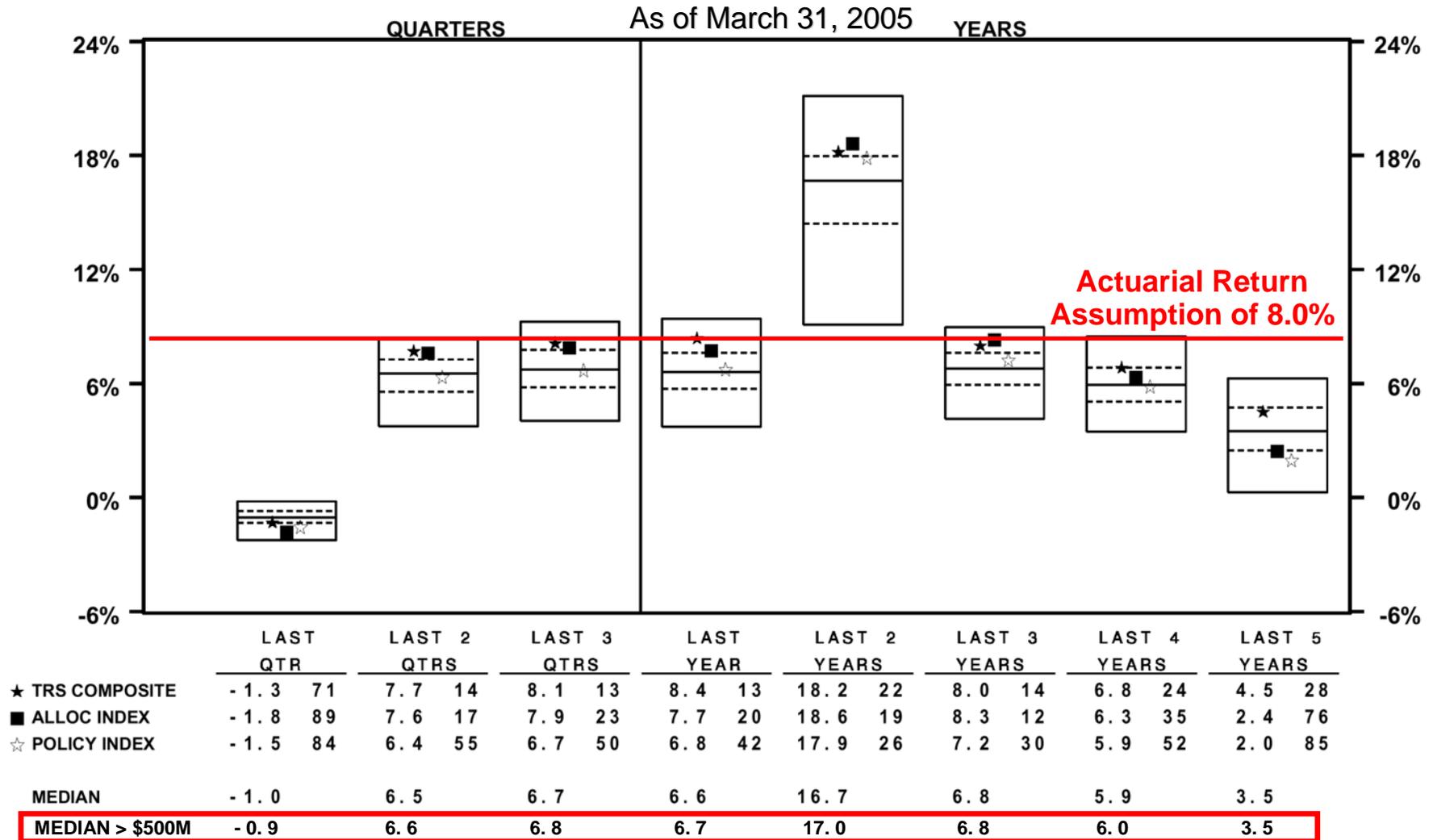
	Domestic Large Core	Domestic Large Value	Domestic Large Growth	Domestic Small Growth	Domestic Small Value	Core Fixed	Int'l Equity	Global Bonds	Real Estate	Private Investment	Cash	Total
<b>Composite</b>	\$106,798	\$158,279	\$159,017	\$77,120	\$78,635	\$151,384	\$212,179	\$245,997	\$113,378	\$6,022	\$8,002	\$1,316,811
<b>SSgA</b>	106,798	0	0	0	0	0	0	0	0	0	151	\$106,949
<b>Delaware</b>	0	158,279	0	0	0	0	0	0	0	0	896	\$159,175
<b>Fidelity</b>	0	0	159,017	0	0	0	0	0	0	0	379	\$159,396
<b>J&amp;W Seligman</b>	0	0	0	77,120	0	0	0	0	0	0	0	\$77,120
<b>Wellington</b>	0	0	0	0	78,635	0	0	0	0	0	1,192	\$79,827
<b>Loomis</b>	0	0	0	0	0	151,379	0	0	0	0	3,727	\$155,106
<b>Mondrian IE</b>	0	0	0	0	0	0	105,707	0	0	0	229	\$105,936
<b>Putnam</b>	0	0	0	0	0	0	0	0	0	0	118	\$118
<b>SSgA Daily EAFE</b>	0	0	0	0	0	0	106,472	0	0	0	0	\$106,472
<b>Mondrian GB</b>	0	0	0	0	0	0	0	245,997	0	0	1,039	\$247,036
<b>Morgan Stanley</b>	0	0	0	0	0	0	0	0	67,497	0	0	\$67,497
<b>UBS Realty</b>	0	0	0	0	0	0	0	0	45,881	0	0	\$45,881
<b>Pru &amp; VVC</b>	0	0	0	0	0	0	0	0	0	6,022	0	\$6,022
<b>Vermont Investment</b>	0	0	0	0	0	5	0	0	0	0	271	\$276
(Dollars in 000's)												

# Total Fund Asset Growth Summary

As of March 31, 2005

	<u>LAST QUARTER</u>	<u>YEAR TO DATE</u>	<u>LAST 12 MONTHS</u>	<u>SINCE INCEPTION 3/01</u>
BEGINNING MARKET VALUE	1, 341, 468	1, 341, 468	1, 243, 655	1, 106, 102
NET EXTERNAL GROWTH	- 7, 118	- 7, 118	- 29, 132	- 100, 088
RETURN ON INVESTMENT	- 17, 539	- 17, 539	102, 289	310, 798
INCOME RECEIVED	5, 466	5, 466	27, 052	104, 890
GAIN/LOSS	- 23, 005	- 23, 005	75, 237	205, 908
ENDING MARKET VALUES	1, 316, 811	1, 316, 811	1, 316, 811	1, 316, 811
Return	-1.3%	-1.3%	+8.4%	

# Total Public Funds – Total Rates of Return

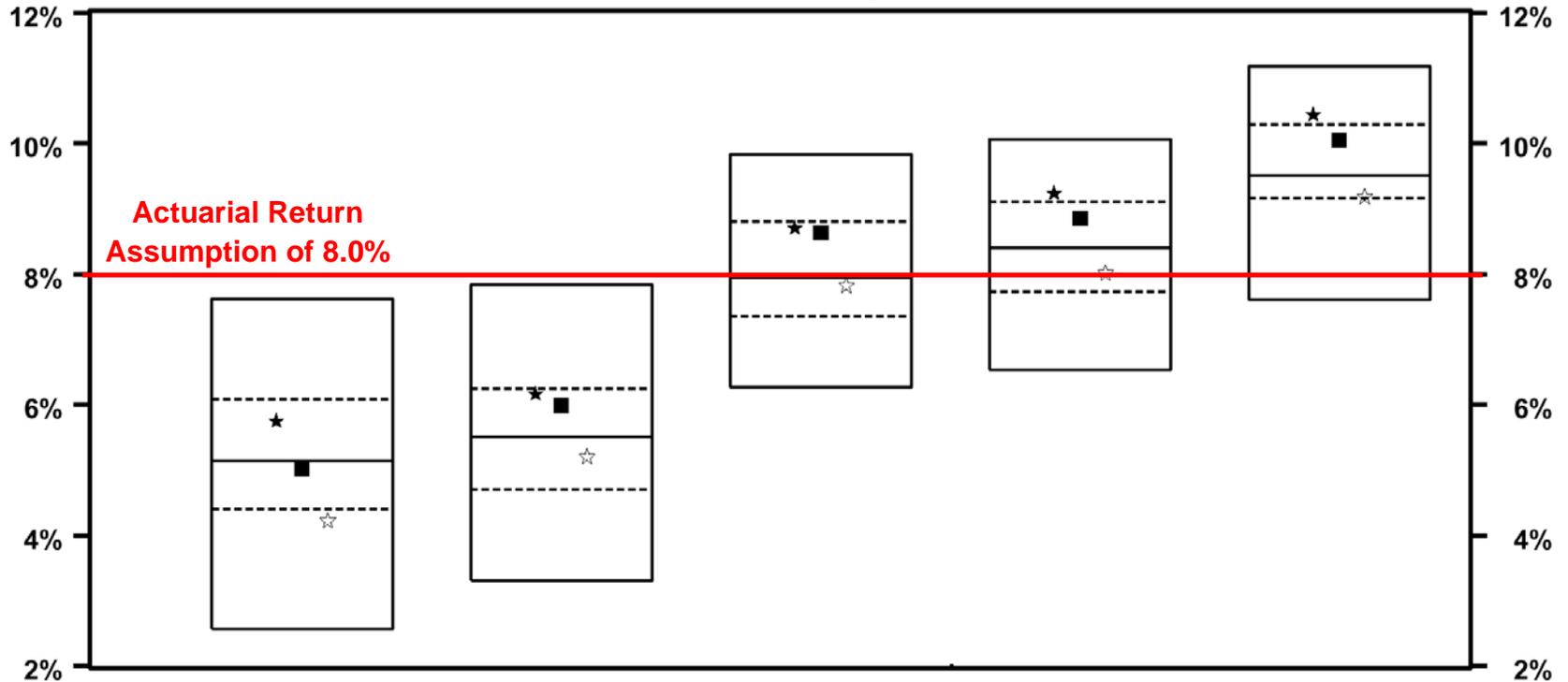


- **Policy Index:** Measures the effectiveness of *Plan Structure*. (Target asset class weights X Return of the respective passive benchmark)
- **Allocation Index:** Measures the effectiveness of *deviating from the target policy weights*. (Policy Index - Allocation Index) Allocation Index = weighted 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, 2005



Actuarial Return  
Assumption of 8.0%

	LAST 6 YEARS		LAST 7 YEARS		LAST 8 YEARS		LAST 9 YEARS		LAST 10 YEARS	
★ TRS COMPOSITE	5.8	34	6.2	28	8.7	30	9.2	21	10.4	21
■ ALLOC INDEX	5.0	55	6.0	34	8.6	33	8.9	31	10.1	36
☆ POLICY INDEX	4.2	79	5.2	62	7.8	54	8.0	62	9.2	72
<b>MEDIAN</b>	<b>5.1</b>		<b>5.5</b>		<b>8.0</b>		<b>8.4</b>		<b>9.5</b>	
<b>MEDIAN &gt; \$500M</b>	<b>5.2</b>		<b>5.6</b>		<b>8.0</b>		<b>8.4</b>		<b>9.5</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 3/31/05)

	1Q05	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>	(1.3%)	71	80	8.4%	13	21	8.0%	14	22	4.5%	28	22	\$1,316,811,166	100.0%	0.39%
<b>Teachers Composite (NET)</b>	(1.3%)			8.3%			7.9%			N/A					
<b>Median Public Fund</b>	(1.0%)			6.6%			6.8%			3.5%					
<b>Median Public Fund &gt;\$500M</b>	(0.9%)			6.7%			6.8%			3.5%					
<b>Median Large Fund</b>	(0.9%)			7.3%			7.1%			3.1%					
Allocation Index	(1.8%)			7.7%			8.3%			2.4%					
Policy Index	(1.5%)			6.8%			7.2%			2.0%					
<b>Large Cap Equity</b>															
<b>Total Large Cap Equity</b>													\$425,520,148	32.3%	
Delaware	(1.3%)	79		8.0%	82		5.2%	65		7.0%	55		\$159,175,136	12.1%	0.41%
Russell 1000 Value	0.1%			13.2%			7.2%			5.2%					
Fidelity	(3.9%)	50		4.2%	41		0.7%	51		(6.5%)	52		\$159,396,060	12.1%	0.46%
Russell 1000 Growth	(4.1%)			1.2%			(0.7%)			(11.3%)					
SSGA	(2.2%)	78		6.5%	78		2.7%	81		N/A			\$106,948,952	8.1%	0.04%
S&P 500	(2.1%)			6.7%			2.8%			(3.2%)					
<b>Small Cap Equity</b>															
<b>Total Small Cap Equity</b>													\$156,947,267	12.0%	
J&W Seligman	(6.9%)	83		(0.4%)	74		3.0%	78		(3.6%)	63		\$77,119,785	5.9%	0.50%
Russell 2000	(5.3%)			5.4%			8.0%			4.0%					
Russell 2000 Growth	(6.8%)			0.9%			4.0%			(6.6%)					
Wellington	(0.9%)	35		13.7%	45		N/A			N/A			\$79,827,482	6.1%	0.79%
Russell 2000	(5.3%)			5.4%			8.0%			4.0%					
Russell 2000 Value	(4.0%)			9.8%			11.5%			15.4%					
<b>Int'l Equity</b>															
<b>Total Int'l Equity</b>													\$212,525,501	16.1%	
Mondrian	1.4%	15		21.8%	2		16.6%	13		9.8%	7		\$105,935,818	8.0%	0.42%
SSgA DAILY EAFE	(0.2%)	68		15.2%	46		N/A			N/A			\$106,471,914	8.1%	0.10%
Putnam (Cash)	N/A			N/A			N/A			N/A			\$117,769	0.0%	0.60%
EAFE (After Taxes)	(0.2%)			15.1%			11.6%			(1.1%)					
CITI EPAC	(0.1%)			15.2%			11.9%			(0.6%)					

Note: Results for periods longer than one year are annualized

There may be a slight or no dispersion between Gross-of-fee and Net-of-fee returns. This is due to management fee's being paid from an account not included in the plan.



Managers are ranked against respective style universe.



# Fixed Income Performance Detail (as of 3/31/05)

	1Q05	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>\$155,106,235</b>	<b>11.8%</b>	
Loomis Sayles	(1.0%)	96		0.9%	73		5.8%	73		6.8%	82		\$155,106,235	11.8%	0.16%
Lehman Aggregate Bond	(0.5%)			1.2%			6.0%			7.1%					
Lehman U.S. Credit	(1.0%)			0.8%			7.5%			8.1%					
<b>Global Bonds</b>															
<b>Total Global Bonds</b>													<b>\$247,036,127</b>	<b>18.8%</b>	
Mondrian / Delaware	(1.9%)	43		5.7%	53		12.1%	67		9.8%	42		\$247,036,127	18.8%	0.33%
CITI WGBI	(2.6%)			5.5%			14.5%			8.2%					
Delaware Custom Index*	(1.5%)			3.5%			9.4%			7.8%					
<b>Real Estate</b>															
<b>Total Real Estate</b>													<b>\$113,377,659</b>	<b>8.6%</b>	
Morgan Stanley	2.9%	35		17.8%	16		12.8%	29		10.1%	43		\$67,496,549	5.1%	0.90%
UBS Realty	4.7%	14		17.3%	18		11.9%	36		10.7%	29		\$45,881,110	3.5%	0.90%
NCREIF Property Index	3.8%			14.6%			9.2%			9.2%					
<b>Private Investment</b>															
<b>Total Private Investment</b>													<b>\$6,021,819</b>	<b>0.5%</b>	
Pru & VVC	1.1%			(11.9%)			(4.2%)			(2.3%)			\$6,021,819	0.5%	0.25%
<b>Cash</b>															
Vermont Cash	2.2%			5.9%			2.7%			3.4%			\$276,410	0.0%	
90 Day U.S. T-Bills	0.6%			1.7%			1.5%			2.8%					

Note: Results for periods longer than one year are annualized

There may be a slight or no dispersion between Gross-of-fee and Net-of-fee returns. This is due to management fee's being paid from an account not included in the plan.

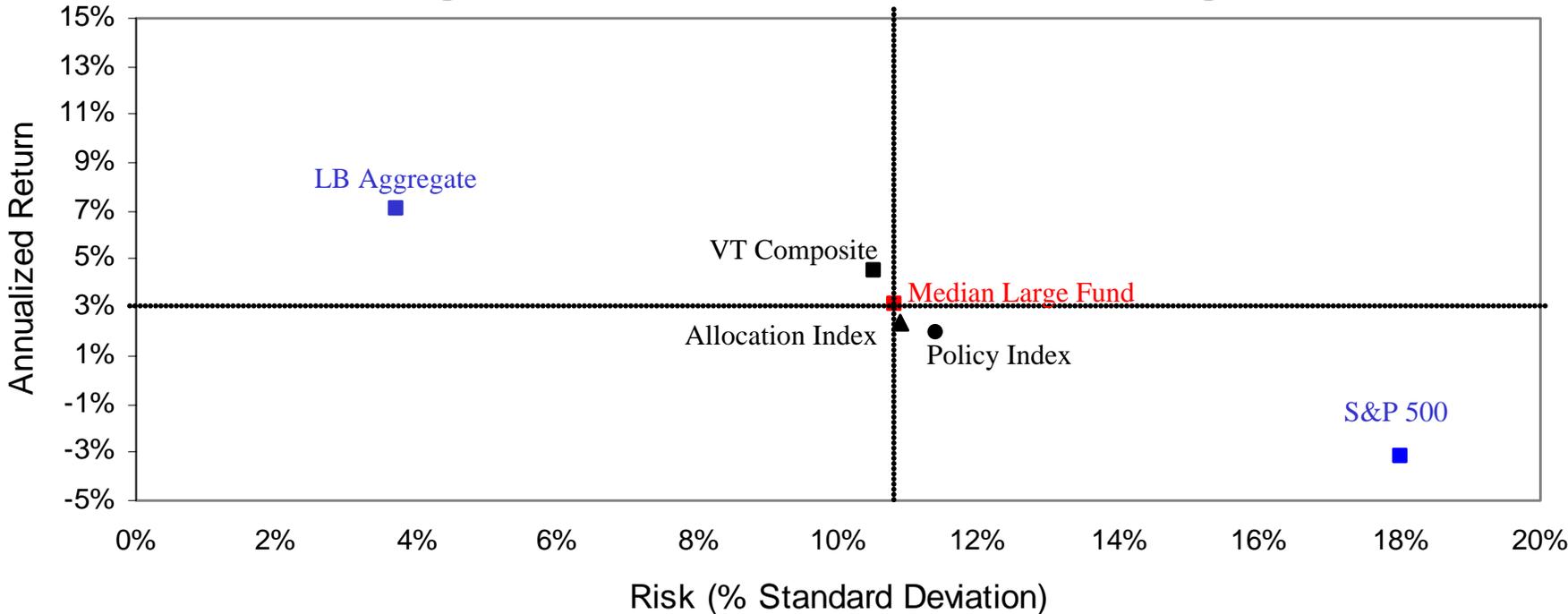


Managers are ranked against respective style universe.

\* 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 3/31/05



	Annualized Return		Standard Deviation	
	Value	Rank	Value	Rank
<b>Composite</b>	4.5	22	10.5	61
<b>Allocation Index</b>	2.4	70	10.9	48
<b>Policy Index</b>	2.0	77	11.4	36
<b>S&amp;P 500</b>	<b>-3.2</b>		<b>18.0</b>	
<b>LB Aggregate</b>	<b>7.1</b>		<b>3.7</b>	
<b>Median Large Fund</b>	<b>3.1</b>		<b>10.8</b>	

