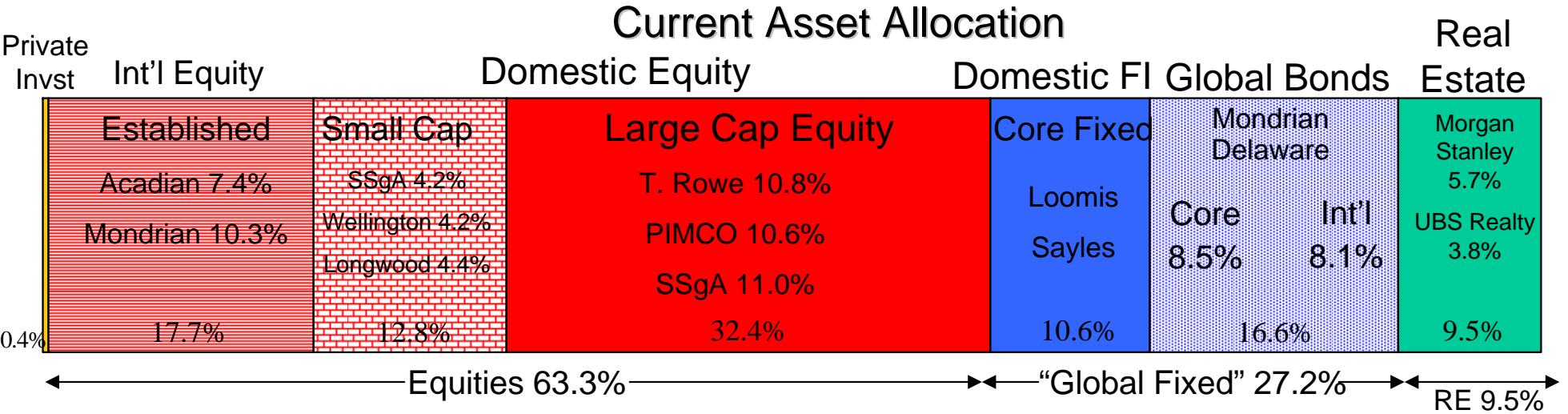
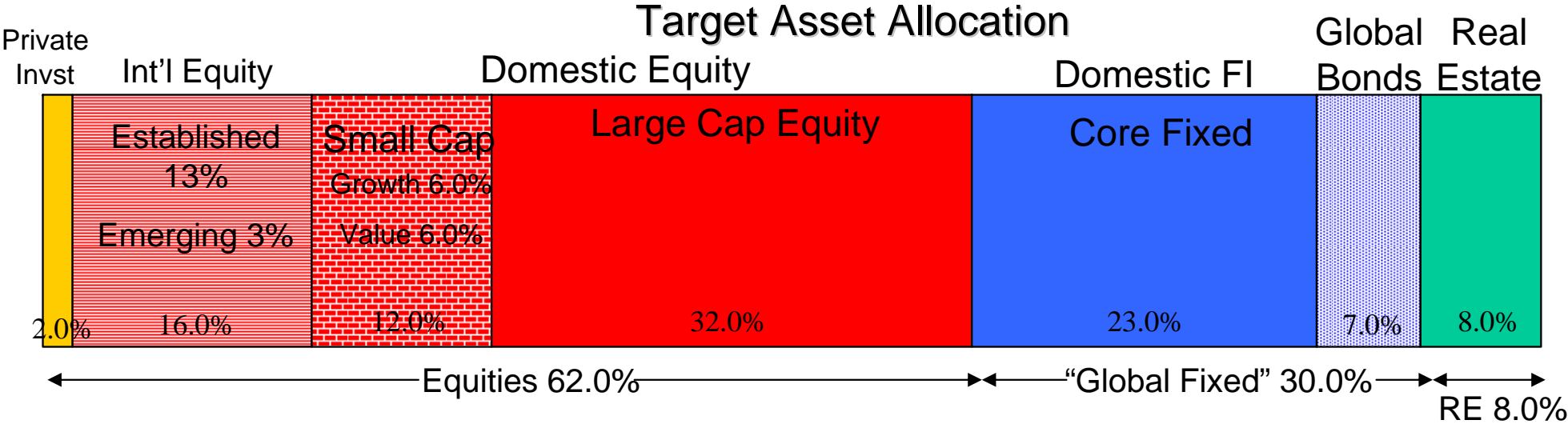


Plan Asset Allocation

As of March 31, 2006



Asset Breakdown

	Domestic Large Core	Domestic Small Core	Domestic Small Value	Domestic Small Growth	Core Fixed	Int'l Equity	Global Bonds	Real Estate	Private Investment	Cash	Total
Composite	\$466,322	\$61,009	\$59,803	\$62,985	\$148,770	\$255,276	\$220,052	\$135,981	\$5,973	\$22,484	\$1,438,655
T. Rowe	155,493	0	0	0	0	0	0	0	0	0	\$155,493
PIMCO	151,923	0	0	0	0	0	0	0	0	0	\$151,923
SSgA	158,906	0	0	0	0	0	0	0	0	0	\$158,906
LC Transition Account	0	0	0	0	0	0	0	0	0	4	\$4
SSgA 2500	0	61,009	0	0	0	0	0	0	0	0	\$61,009
Wellington	0	0	59,803	0	0	0	0	0	0	0	\$59,803
Longwood	0	0	0	62,985	0	0	0	0	0	0	\$62,985
SC Transition Account	0	0	0	0	0	0	0	0	0	1	\$1
Acadian	0	0	0	0	0	106,397	0	0	0	0	\$106,397
Mondrian	0	0	0	0	0	148,879	0	0	0	0	\$148,879
IE Transition Account	0	0	0	0	0	0	0	0	0	15	\$15
Loomis	0	0	0	0	148,765	0	0	0	0	3,141	\$151,906
Mondrian GB	0	0	0	0	0	0	220,052	0	0	18,973	\$239,025
Morgan Stanely	0	0	0	0	0	0	0	81,806	0	0	\$81,806
UBS Realty	0	0	0	0	0	0	0	54,175	0	0	\$54,175
Pru & VVC	0	0	0	0	0	0	0	0	5,973	0	\$5,973
Vermont Investment	0	0	0	0	5	0	0	0	0	350	\$355

(Dollars in 000's)

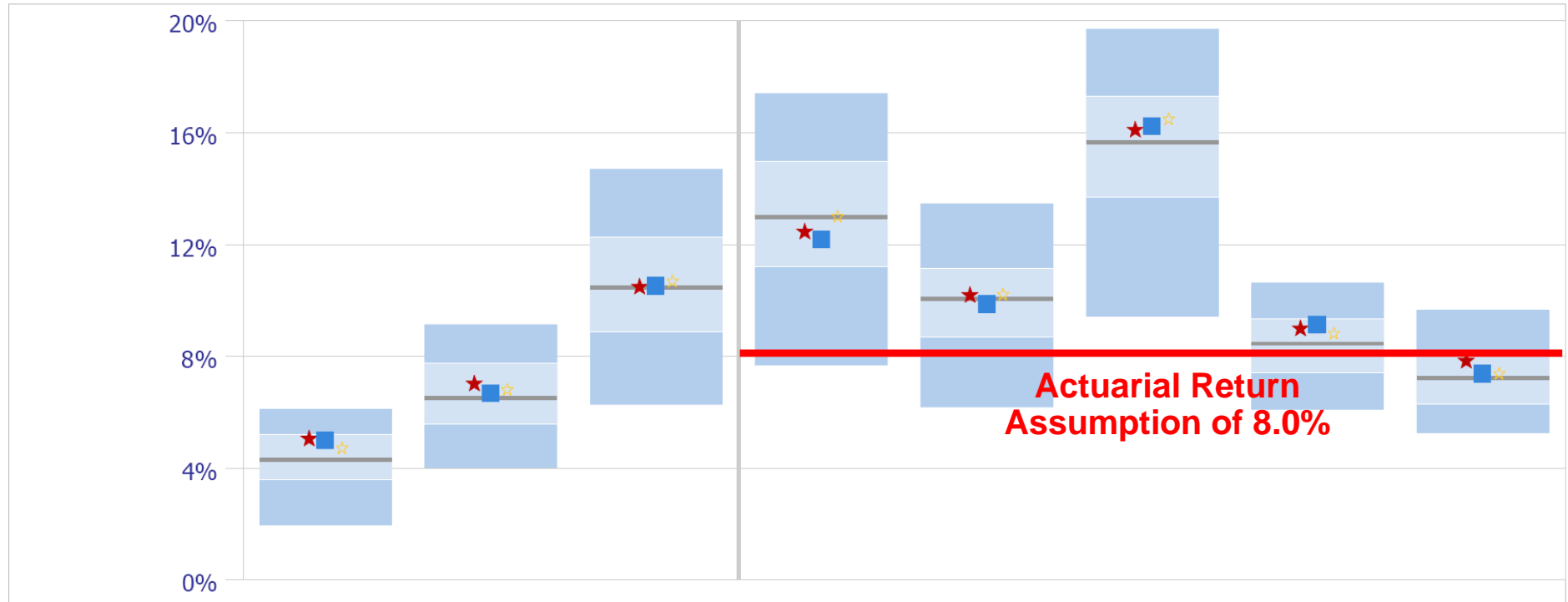
Total Fund Asset Growth Summary

As of March 31, 2006

	Last Quarter	Year to Date	Last Twelve Months	Since Inception 03/2001
Beginning Market Value	1,378,365	1,378,365	1,312,104	1,106,102
Net External Growth	-9,453	-9,453	-34,713	-134,803
Return on Investment	69,743	69,743	161,264	467,356
Income Received	4,884	4,884	28,061	132,951
Gain/Loss	64,859	64,859	133,203	334,405
Ending Market Value	1,438,655	1,438,655	1,438,655	1,438,655
Return	+5.1%	+5.1%	+12.5%	

Total Public Funds – Total Rates of Return

As of March 31, 2006



	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
★ TRS COMPOSITE	5.1	27	7.0	44	10.5	49	12.5	55	10.2	45	16.1	40	9.0	31	7.9	29
■ ALLOC INDEX	5.0	30	6.7	46	10.5	48	12.2	57	9.9	52	16.3	39	9.1	29	7.4	42
☆ POLICY INDEX	4.7	38	6.8	46	10.7	48	13.0	49	10.2	45	16.5	36	8.8	33	7.4	42
Median	4.3		6.5		10.5		13.0		10.1		15.7		8.5		7.2	
MEDIAN > \$500M	4.9		7.5		12.1		14.7		10.7		16.7		8.8		7.6	

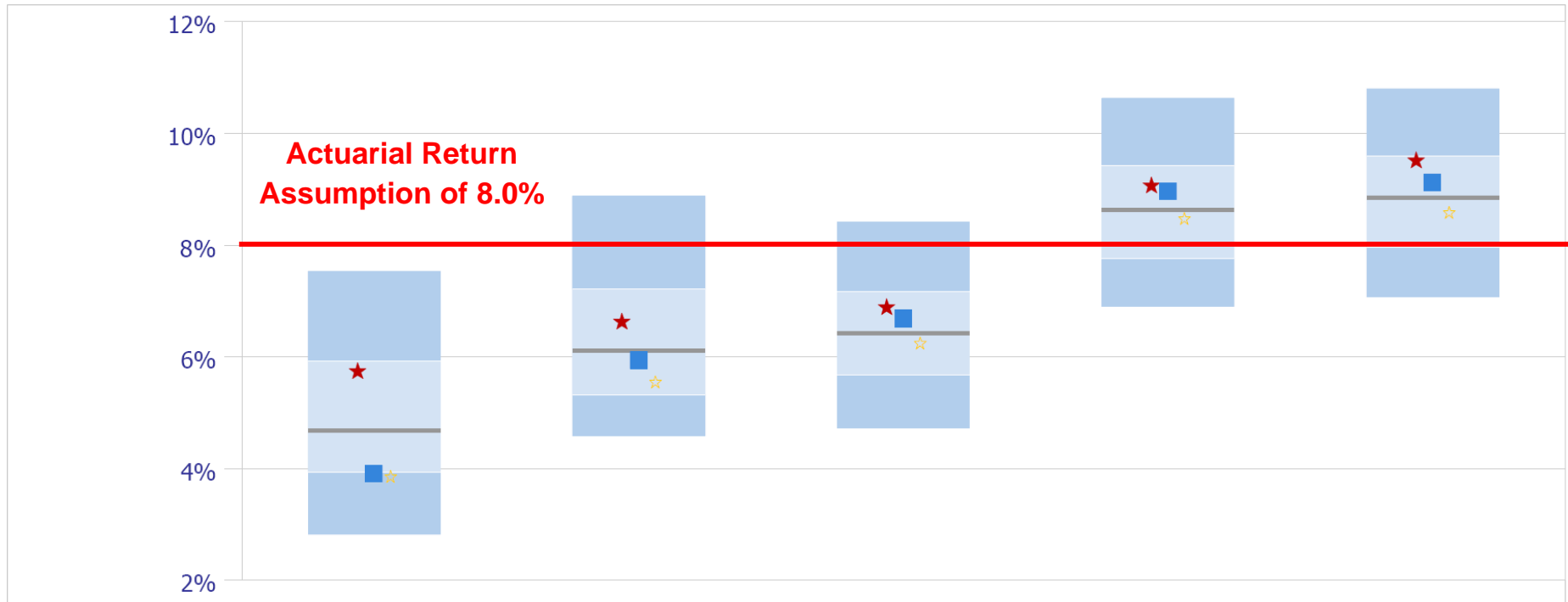
• *Policy Index*: Measures the effectiveness of *Plan Structure*. (Target asset class weights X Return of the respective passive benchmark)

• *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, 2006



	Six Years	Seven Years	Eight Years	Nine Years	Ten Years
★ TRS COMPOSITE	5.7 28	6.6 38	6.9 33	9.1 36	9.5 25
■ ALLOC INDEX	3.9 77	5.9 56	6.7 42	9.0 39	9.1 37
☆ POLICY INDEX	3.9 79	5.6 65	6.2 54	8.5 54	8.6 57
Median	4.7	6.1	6.4	8.6	8.8
MEDIAN > \$500M	4.5	6.4	6.5	8.6	8.9

- **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 3/31/06)

	1Q06	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)	5.1%	27	40	12.5%	55	76	16.1%	40	62	7.9%	29	43	\$1,438,654,910	100.0%	0.36%
Teachers Composite (NET)	5.1%			12.4%			16.1%			7.8%					
Median Public Fund	4.3%			13.0%			15.7%			7.2%					
Median Public Fund >\$500M	4.9%			14.2%			16.7%			7.6%					
Median Large Fund	4.8%			14.2%			17.1%			7.7%					
Allocation Index	5.0%			12.2%			16.3%			7.4%					
Policy Index	4.7%			13.0%			16.5%			7.4%					
Large Cap Equity															
Large Cap Equity Composite	5.1%	20		12.8%	36		17.1%	82		4.5%	40		\$466,326,407	32.4%	
Standard & Poors 500	4.2%			11.7%			17.2%			4.0%					
T. Rowe	4.7%	27		N/A			N/A			N/A			\$155,493,079	10.8%	0.30%
PIMCO	4.5%	29		N/A			N/A			N/A			\$151,922,896	10.6%	0.33%
Standard & Poors 500	4.2%			11.7%			17.2%			4.0%					
SSgA	6.2%	10		N/A			N/A			N/A			\$158,906,412	11.0%	0.05%
S&P 500 Equal Weighted	6.2%			17.4%			25.6%			10.1%					
Large Cap Equity Transition Account [^]	N/A			N/A			N/A			N/A			\$4,020	0.0%	
Small Cap Equity															
Small Cap Equity Composite	10.7%	47		20.8%	47		25.4%	83		10.0%	100		\$183,797,458	12.8%	
Russell 2000	13.9%			25.8%			29.5%			12.6%					
SSgA 2500	11.2%	40		N/A			N/A			N/A			\$61,009,062	4.2%	0.07%
Russell 2500	11.1%			24.0%			29.2%			13.5%					
Wellington	8.2%	76		21.4%	27		N/A			N/A			\$59,802,658	4.2%	0.47%
Russell 2000 Value	13.5%			23.8%			30.7%			16.2%					
Longwood	12.7%	55		N/A			N/A			N/A			\$62,985,254	4.4%	0.75%
Russell 2000 Growth	14.4%			27.8%			28.1%			8.6%					
Small Cap Equity Transition Account [^]	N/A			N/A			N/A			N/A			\$484	0.0%	
International Equity															
Int'l Equity Composite	10.4%	26		25.2%	57		31.4%	62		12.0%	58		\$255,291,662	17.7%	
EAFE (After Taxes)	9.4%			24.4%			31.1%			9.6%					
CITI EPAC	8.9%			25.6%			31.7%			10.2%					
Acadian	13.0%	7		N/A			N/A			N/A			\$106,396,907	7.4%	0.48%
Mondrian	8.5%	63		21.3%	80		32.6%	49		14.5%	21		\$148,879,418	10.3%	0.36%
Int'l Equity Transition Account [^]	N/A			N/A			N/A			N/A			\$15,337	0.0%	
EAFE (After Taxes)	9.4%			24.4%			31.1%			9.6%					
CITI EPAC	8.9%			25.6%			31.7%			10.2%					
<p>Note: Results for periods longer than one year are annualized</p> <p>[^]Transition accounts consist of all cash and securities within the legacy and actual State Street transition account.</p> <p>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.</p>															

Fixed Income Performance Detail (as of 3/31/06)

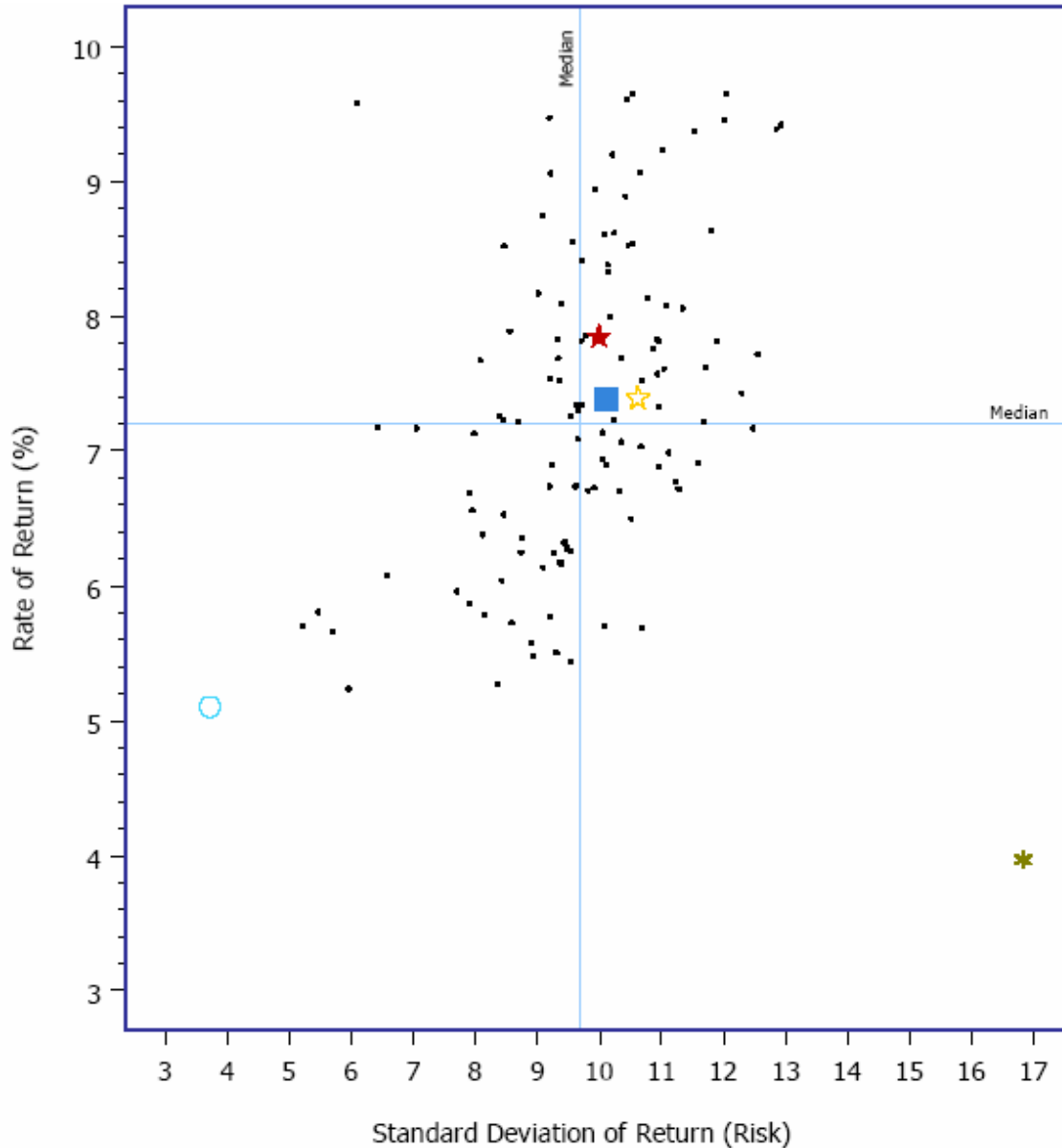
	1Q06	Public Rank	Large Rank	Last Year	Public Rank	Large Rank	Last 3 Years	Public Rank	Large Rank	Last 5 Years	Public Rank	Large Rank	Market Value	% of Total Portfolio	Annual Fee
Core Fixed Income															
Core Fixed Income													\$151,905,935	10.6%	
Loomis Sayles	(0.1%)	11		2.5%	66		4.0%	26		4.9%	81		\$151,905,935	10.6%	0.16%
Lehman Aggregate Bond	(0.6%)			2.3%			2.9%			5.1%					
Lehman U.S. Credit	(1.2%)			1.8%			3.7%			6.0%					
Global Fixed Income															
Global Fixed Income													\$239,025,324	16.6%	0.33%
Mondrian/Delaware	(0.1%)	61		(2.1%)	58		5.1%	62		7.9%	57				
CITI WGBI	(0.4%)			(4.8%)			4.5%			7.5%					
Mondrian/Delaware Custom Index*	(0.5%)			(1.3%)			3.8%			6.1%					
Real Estate															
Real Estate													\$135,980,497	9.5%	
Morgan Stanley	4.1%	42		21.2%	33		17.0%	28		11.7%	37		\$81,805,978	5.7%	0.88%
UBS Realty	3.0%	55		19.1%	49		15.4%	41		11.4%	41		\$54,174,519	3.8%	0.90%
NCREIF Property Index	3.6%			20.2%			15.1%			11.7%					
Private Investment															
Private Investment													\$5,972,798	0.4%	0.25%
Pru & VVC	2.4%			8.3%			(0.6%)			(1.5%)					
Cash															
Cash													\$354,829	0.0%	
Vermont Cash	1.5%			4.7%			4.0%			2.7%					
90 Day U.S. T-Bills	1.0%			3.5%			2.1%			2.2%					
<p>Note: Results for periods longer than one year are annualized</p> <p>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.</p> <p>* 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.</p>															

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 Public Funds – Total Return vs. Risk - 5 Years Ending 3/31/06



	Return	Standard Deviation	Sharpe Ratio
★ TRS COMPOSITE	7.9	10.0	0.6
■ ALLOC INDEX	7.4	10.1	0.5
☆ POLICY INDEX	7.4	10.6	0.5
* S&P 500	4.0	16.8	0.2
○ LB AGGREGATE	5.1	3.7	0.8
Median	7.2	9.7	0.6