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Investment Performance Review
December 31, 2004

**El Paso County
Retirement Plan**

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The Economy and Markets

December 31, 2004

The Economy

- Fourth quarter GDP cooled to a 3.1% annual rate, slower than expected due to a record trade deficit. The economy still grew 4.4% in 2004, the fastest since 4.5% in 1999. Exports are expected to rebound in 2005 with a weaker dollar. Third quarter GDP grew at a finalized 4.0% annual rate, faster than estimated as a result of a smaller trade deficit than previously estimated. Inflationary pressures built during fourth quarter due to rising energy costs. However, U.S. consumer prices declined -0.1% in December as energy costs fell -1.8%. The CPI increased 0.2% in November and 0.6% in October. Prices were 3.3% higher in 2004 than in 2003. Core prices, which exclude energy and food, rose 0.2% in all three months of the quarter. Core prices were 2.2% higher in 2004, but below 14-year average of 2.8%. The U.S. unemployment rate remained at 5.4% for the quarter. Total job growth for 2004 was 2.23 million.

U.S. Equity Markets

- U.S. equity indices had a fantastic quarter with most returning between 9.0% and 15.0%. The S&P 500 Index gained 9.2% for the quarter and 10.9% for the year. Interestingly, the average return for the S&P 500 from 1926-2004 has been 10.4%. Small caps, represented by the Russell 2000 Index, earned 14.1% for the quarter, outperforming large caps by almost 5.0%. Small cap finished the year up 18.3%, 740 bps above large cap and marking the sixth consecutive year of outperformance. The Russell Mid Cap Index returned 13.7% for the quarter, outperforming large caps, but slightly trailing small caps. For the year, mid caps earned a strong 20.2%, outperforming both large caps and small caps.
- During the fourth quarter, value outperformed growth in large cap, but underperformed in small cap as small technology stocks outperformed for the quarter. Large cap growth stocks, represented by the Russell 1000 Growth Index, earned 9.2% for the quarter as large cap value gained 10.4%, a spread of 120 bps. Small cap growth, as represented by the Russell 2000 Growth Index, returned 15.1% for the quarter, outperforming small cap value by 190 bps. Mid cap growth and value stocks performed nearly equal for the quarter, returning 13.9% and 13.4%, respectively. For the year, value trounced growth across the board. Large cap value returned 16.5%, outperforming large cap growth by 10.2%, while small cap value gained 22.3%, almost 8.0% above small cap growth.

International Equity Markets

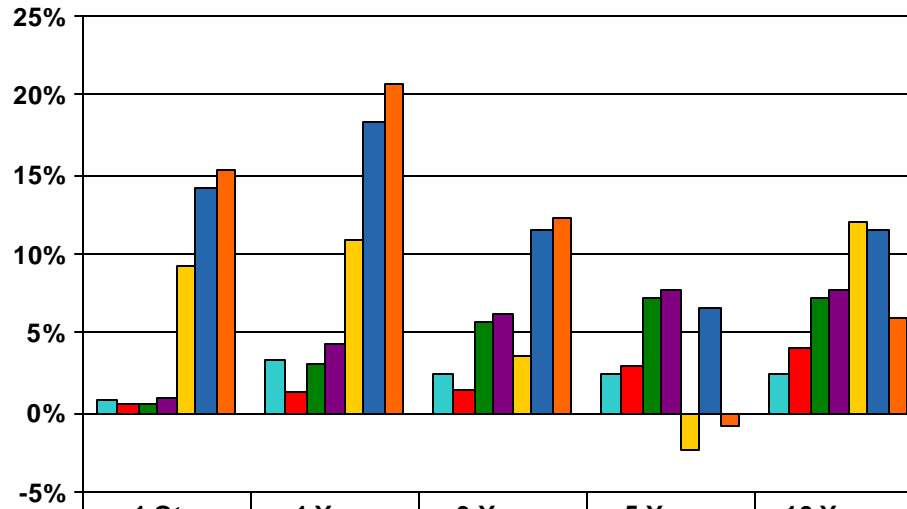
- International equity, represented by the MSCI EAFE Index, jumped 15.4% for the quarter, outperforming the S&P 500 by over 600 bps. An overall weakening dollar during the quarter contributed approximately 850 bps to performance as the EAFE in local currency earned only 6.8%. Value stocks held a slight advantage over growth for the quarter as the EAFE Value Index rose 15.5% while the EAFE Growth Index returned 15.2%. For 2004, EAFE returned 20.7%, led by a 24.9% return from value stocks. EAFE outperformed the S&P 500 by 980 bps for the year. Emerging market equity, as represented by the MSCI EMF Index, soared 17.3% in the fourth quarter, outperforming developed international countries by 200 bps. Emerging markets returned an amazing 25.6% for the year, outperforming EAFE by 5.0% and the S&P 500 by 14.7%.

Fixed Income Markets

- As widely anticipated, the Fed moved the overnight lending rates to 2.25% during fourth quarter, an increase of 25 bps in October and 25 bps in December. For the quarter, yields shifted up across most of the curve, with the exception of 30-year Treasury yields. As a result, the curve continued to flatten during the quarter. The 2-year Treasury yield rose 46 bps during the quarter to 3.07%, while the 5-year Treasury yield rose 24 bps to 3.61%. The 10-year Treasury yield rose just 10 bps to end the year at 4.22%. The 30-year Treasury yield fell 7 bps during the quarter to 4.83%, narrowing the spread between 2-year and 30-year Treasury yields by 53 bps to 1.76%.
- Fixed income posted positive returns in fourth quarter despite rising short- and intermediate-term yields. The Lehman Aggregate earned 1.0% for the quarter, ending the year up 4.3%. Governments returned 0.5% for the quarter, led by agencies up 0.6%. U.S. credit and mortgage-backed securities outperformed the rest of the investment grade market for the quarter, both gaining 1.3%. U.S. credit securities earned 5.2% for the year followed by mortgage backed securities up 4.7%. High yield continued to outperform investment grade bonds, posting a 4.7% return for the quarter and a 10.8% return for the year. The Lehman Govt/Credit Long Bond Index earned 2.2% for the quarter while the Lehman Govt/Credit Intermediate Bond Index returned 0.4%. World government bonds ex-U.S. gained an impressive 10.6% for the quarter and 12.1% for the year, while emerging market debt earned 5.1% for the quarter and 11.8% for the year.

Market Environment

December 31, 2004



| | 1 Qtr. | 1 Year | 3 Years | 5 Years | 10 Years |
|-------------------------------|--------|--------|---------|---------|----------|
| ■ CPI | 0.7% | 3.3% | 2.5% | 2.5% | 2.4% |
| ■ Treasury Bills | 0.5% | 1.3% | 1.4% | 3.0% | 4.1% |
| ■ Lehman Intermed Govt/Credit | 0.4% | 3.0% | 5.7% | 7.2% | 7.2% |
| ■ Lehman Aggregate | 1.0% | 4.3% | 6.2% | 7.7% | 7.7% |
| ■ S&P 500 | 9.2% | 10.9% | 3.6% | -2.3% | 12.1% |
| ■ Russell 2000 | 14.1% | 18.3% | 11.5% | 6.6% | 11.5% |
| ■ EAFE | 15.4% | 20.7% | 12.3% | -0.8% | 5.9% |

- Inflation
- Cash
- Intermediate Bonds
- Core Bonds
- Domestic Large Cap Stocks
- Domestic Small Cap Stocks
- International Stocks

Style Performance Ranking

Calendar Years through December 31, 2004

Over the past 21 years, no particular style dominates – small value, international and large growth stocks each exhibit five years of outperformance. However, international stocks were the worst performers in seven of the past 21 years. Close to the height of the bubble, small growth finished as the top performer, returning 43.1%, and small value was the worst performer losing -1.5%. For 2000 and 2001, small value was the best performer, returning 22.8% and 14.0%, respectively. Small growth topped 2003, returning 48.5%. Small value led in 2004, up 22.3%, and also for the 10- and 20-year annualized periods.

| | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | *10 Yr ROR | *20 Yr ROR |
|-----------------|-----------------------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Best Performing | Small Value 38.6% | Core Bonds 15.2% | EAFE 56.7% | EAFE 69.9% | EAFE 24.9% | Small Value 29.5% | Large Growth 36.4% | LB Int Treas 9.5% | Small Growth 51.2% | Small Value 29.1% | EAFE 32.9% | EAFE 8.1% | Large Growth 38.1% | Large Growth 24.0% | Large Growth 36.5% | Large Growth 42.2% | Small Growth 43.1% | Small Value 22.8% | Small Value 14.0% | Core Bonds 10.3% | Small Growth 48.5% | Small Value 22.3% | Small Value 15.2% | Small Value 14.0% |
| | Small Cap 29.1% | LB Int Treas 14.3% | Large Growth 33.3% | Large Value 21.7% | Large Growth 6.5% | EAFE 28.6% | S&P 500 31.7% | Core Bonds 9.0% | Small Cap 46.1% | Small Cap 18.4% | Small Value 23.8% | Large Growth 3.1% | S&P 500 37.6% | S&P 500 23.0% | S&P 500 33.4% | S&P 500 28.6% | Large Growth 28.3% | Core Bonds 11.6% | Core Bonds 8.4% | LB Int Treas 9.6% | Small Cap 47.3% | EAFE 20.7% | Large Value 12.2% | S&P 500 13.2% |
| | Large Value 28.9% | Large Value 10.5% | S&P 500 31.7% | S&P 500 18.7% | S&P 500 5.3% | Small Cap 24.9% | Large Value 26.1% | Large Growth 0.2% | Small Value 41.7% | Large Value 10.5% | Small Cap 18.9% | S&P 500 1.3% | Large Value 37.0% | Large Value 22.0% | Small Value 31.8% | EAFE 20.3% | EAFE 27.3% | LB Int Treas 10.3% | LB Int Treas 8.2% | Small Value -11.4% | Small Value 46.0% | Small Cap 18.3% | S&P 500 12.1% | Large Value 13.2% |
| | EAFE 24.6% | EAFE 7.9% | Small Cap 31.1% | Core Bonds 15.3% | Large Value 3.7% | Large Value 21.7% | Small Growth 20.2% | S&P 500 -3.1% | Large Growth 38.4% | Small Growth 7.8% | Large Value 18.6% | Large Value -0.6% | Small Growth 31.0% | Small Value 21.4% | Large Value 30.0% | Large Value 14.7% | Small Cap 21.3% | Large Value 6.1% | Small Cap 2.5% | EAFE -15.7% | EAFE 39.2% | Large Value 15.7% | Small Cap 11.5% | Large Growth 12.8% |
| | S&P 500 22.6% | S&P 500 6.3% | Small Growth 31.0% | Large Growth 14.5% | LB Int Treas 3.6% | Small Growth 20.4% | Small Cap 16.2% | Large Value -6.8% | S&P 500 30.5% | S&P 500 7.6% | Small Growth 13.4% | Small Value -1.5% | Small Cap 28.4% | Small Cap 16.5% | Small Cap 22.4% | Core Bonds 8.7% | S&P 500 21.0% | Small Cap -3.0% | Small Growth -9.2% | Small Cap -20.5% | Large Value 31.8% | Small Growth 14.3% | Large Growth 11.5% | EAFE 11.8% |
| | Small Growth 20.1% | Large Growth 2.3% | Small Value 31.0% | LB Int Treas 13.1% | Core Bonds 2.8% | S&P 500 16.6% | Core Bonds 14.5% | Small Growth -17.4% | Large Value 22.6% | Core Bonds 7.4% | S&P 500 10.1% | Small Cap -1.8% | Small Value 25.8% | Small Growth 11.3% | Small Growth 12.9% | LB Int Treas 8.6% | Large Value 12.7% | S&P 500 -9.1% | Large Value -11.7% | Large Value -20.9% | S&P 500 28.7% | S&P 500 10.9% | Core Bonds 7.7% | Small Cap 11.5% |
| | Large Growth 16.2% | Small Value 2.3% | Large Value 29.7% | Small Value 7.4% | Small Value -7.1% | Large Growth 11.9% | LB Int Treas 12.7% | Small Cap -19.5% | Core Bonds 16.0% | LB Int Treas 7.0% | Core Bonds 9.8% | LB Int Treas -1.8% | Core Bonds 18.5% | EAFE 6.4% | Core Bonds 9.7% | Small Growth 1.2% | LB Int Treas 0.4% | EAFE -14.0% | S&P 500 -11.9% | S&P 500 -22.1% | Large Growth 25.7% | Large Growth 6.2% | Small Growth 7.1% | Core Bonds 8.8% |
| | Core Bonds 8.4% | Small Cap -7.3% | Core Bonds 22.1% | Small Cap 5.7% | Small Cap -8.8% | Core Bonds 7.9% | Small Value 12.4% | Small Value -21.8% | LB Int Treas 14.1% | Large Growth 5.1% | LB Int Treas 8.2% | Small Growth -2.4% | LB Int Treas 14.4% | LB Int Treas 4.0% | LB Int Treas 7.7% | Small Cap -2.5% | Core Bonds -0.8% | Large Growth -22.1% | Large Growth -12.7% | Large Growth -23.6% | Core Bonds 4.1% | Core Bonds 4.3% | LB Int Treas 6.6% | Small Growth 8.6% |
| | LB Int Treas 8.1% | Small Growth -15.8% | LB Int Treas 18.2% | Small Growth 3.6% | Small Growth -10.5% | LB Int Treas 6.3% | EAFE 10.8% | EAFE -23.2% | EAFE 12.5% | EAFE -11.8% | Large Growth 1.7% | Core Bonds -2.9% | EAFE 11.6% | Core Bonds 3.6% | EAFE 2.1% | Small Value -6.5% | Small Value -1.5% | Small Growth -22.4% | EAFE -21.2% | Small Growth -30.3% | LB Int Treas 2.1% | LB Int Treas 2.0% | EAFE 5.9% | LB Int Treas 7.8% |

As of December 31, 2004

Source: Standard & Poors, Frank Russell, Lehman Brothers, MSC

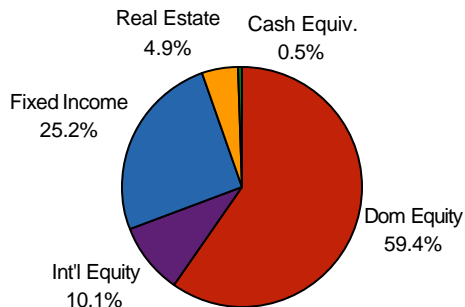
Total Fund Asset Allocation

December 31, 2004

Asset Allocation

| | |
|--------------|------------------|
| Dom Equity | \$134,187,174 |
| Int'l Equity | 22,764,227 |
| Fixed Income | 56,852,905 |
| Real Estate | 11,021,145 |
| Cash Equiv. | <u>1,085,032</u> |

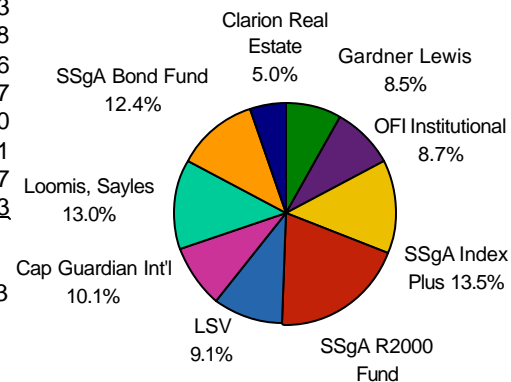
Total: \$225,910,483



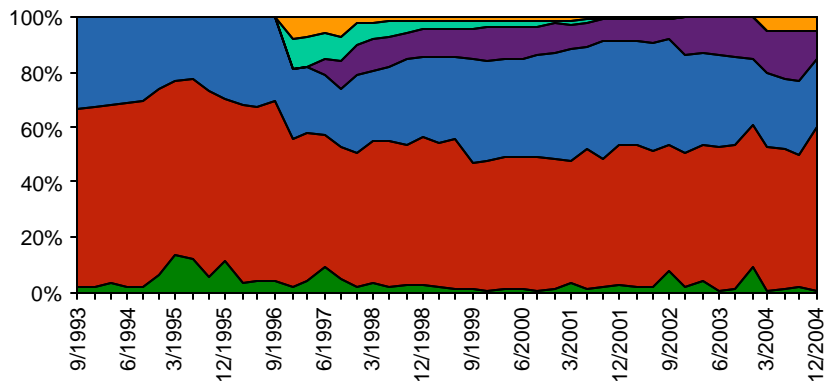
Manager Allocation

| | |
|---------------------|-------------------|
| Gardner Lewis | \$19,126,826 |
| OFI Institutional | 19,537,322 |
| SSgA Index Plus | 30,542,713 |
| State Street Res | 54,748 |
| SSgA R2000 Fund | 44,738,646 |
| Cap Guardian Int'l | 22,764,227 |
| LSV | 20,607,430 |
| Loomis, Sayles | 29,355,861 |
| SSgA Bond Fund | 27,986,837 |
| Clarion Real Estate | <u>11,195,873</u> |

Total: \$225,910,483



Asset Allocation History



Legend: Cash Equiv. (Green), Dom Equity (Red), Fixed Income (Blue), Int'l Equity (Purple), Mortgages (Light Green), Real Estate (Orange)

Asset Allocation Comparison

As of December 31, 2004

| | Equity Commitment | Fixed Income Commitment |
|----------------------|-------------------|-------------------------|
| Total Fund Composite | 69.5% | 25.2% |
| Median Total Fund | 61.9% | 28.9% |
| Median Public Fund | 61.6% | 31.1% |

Total Fund Performance

December 31, 2004

Performance Returns

| | 1 Qtr. | 1 Year | 3 Yrs. | 5 Yrs. | 10 Yrs. |
|----------------------------------|--------------|--------------|--------------|---------------|--------------|
| Total Fund Composite | 8.6% | 11.5% | 9.4% | 5.4% | 10.6% |
| Total Fund Policy Index | 8.1% | 11.4% | 7.3% | 2.9% | N/A |
| Strategy Index | 8.7% | 12.5% | 8.1% | 4.0% | N/A |
| Allocation Index | 8.7% | 13.1% | 9.6% | 5.9% | 13.0% |
| Median Public Fund | 7.6% | 11.0% | 7.3% | 4.1% | 10.2% |
| Median Total Fund | 7.5% | 11.1% | 7.1% | 4.3% | 10.2% |
| CPI | 0.7% | 3.3% | 2.5% | 2.5% | 2.4% |
| Domestic Equity Composite | 11.6% | 13.7% | 7.5% | 2.6% | 11.3% |
| R3000 | 10.2% | 11.9% | 4.8% | (1.2%) | 12.0% |
| Median Equity Fund | 10.6% | 13.6% | 5.8% | 1.0% | 12.7% |
| Int'l Equity Composite | 12.6% | 14.5% | 10.5% | (1.6%) | N/A |
| MSCI EAFE | 15.4% | 20.7% | 12.3% | (0.8%) | 5.9% |
| Median Int'l Equity Fund | 14.3% | 20.7% | 12.2% | 0.4% | 8.6% |
| Global Equity Composite | 11.9% | 13.9% | 8.0% | 1.9% | N/A |
| Global Equity Policy Index | 11.7% | 14.4% | 6.5% | (0.8%) | N/A |
| Fixed Income Composite | 1.3% | 4.9% | 7.4% | 8.0% | N/A |
| LB Aggregate | 1.0% | 4.3% | 6.2% | 7.7% | 7.7% |
| Median Bond Fund | 1.3% | 5.0% | 6.8% | 8.0% | 7.9% |
| Real Estate Composite | 4.6% | 12.9% | N/A | N/A | N/A |
| NCREIF Property Index | 4.7% | 14.5% | 10.0% | 9.9% | 10.8% |
| Median Real Estate Fund | 2.7% | 12.3% | 8.8% | 8.8% | 10.6% |

Performance Goals

- Over a market cycle, achieve an annualized total rate of return, net of fees, which: (1) meets or exceeds 8.5%, and (2) meets or exceeds the Policy Index.

Dollar Reconciliation (000s)

| | Latest Qtr. | Latest 12 Mos. |
|------------------------|-------------|----------------|
| Beginning Market Value | \$207,947 | \$202,199 |
| Net External Growth | (177) | 354 |
| Return on Investment | 18,140 | 23,357 |
| Income Received | 783 | 2,671 |
| Gain/Loss | 17,357 | 20,686 |
| Ending Market Value | \$225,910 | \$225,910 |

Commentary

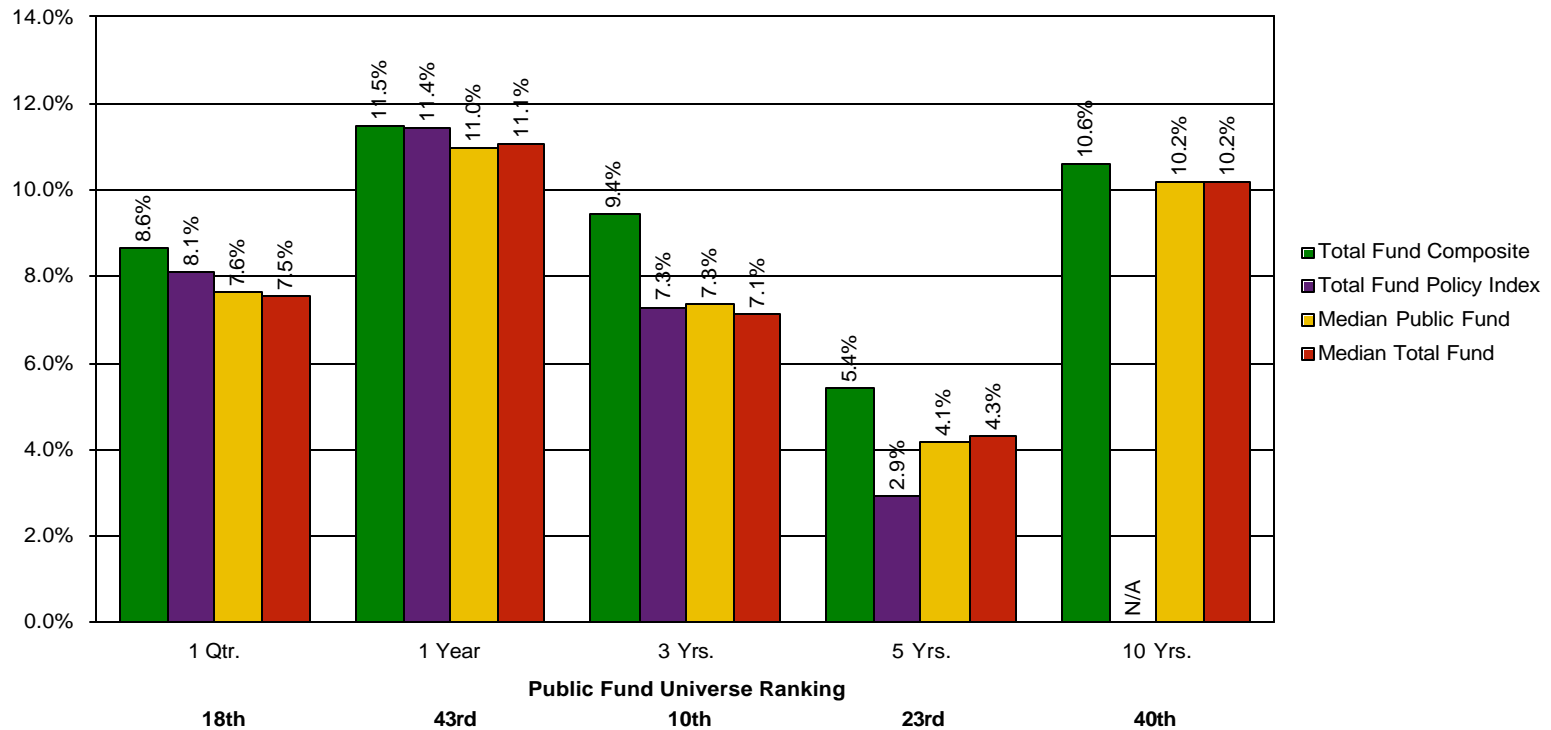
- The Total Fund outperformed its policy index over all periods, and the strategy index over 3- and 5-year periods. The Fund's active management and asset allocation strategies are working well. The Fund lags its allocation index, indicating manager-specific shortfalls versus their indices.
- Relative to its peers, the Fund is in the top decile of the universe for the 3-year period and the top quartile for the 5-year period ending 12/31/04.
- The domestic equity composite has performed well, though international has been disappointing. Combined, the global composite outperformed its index over all periods greater than one year.
- The fixed income composite has added value over all periods, and the real estate composite is trailing its benchmark for the year.

Note: The policy index is comprised of 45% R3000, 20% MSCI EAFE, 30% LB Aggregate, and 5% NCREIF. The strategy index is comprised of 25% S&P 500, 20% R2000, 20% MSCI EAFE, 30% LB Aggregate and 5% NCREIF. The allocation index is actual allocation of accounts and their respective benchmarks. The global equity policy index is comprised of 70% R3000 and 30% MSCI EAFE. The ICC Public Fund Universe contains 3,067 public pension plans with an average market value of \$233 million. Returns are shown gross of fees and are annualized for periods longer than one year.

Total Fund Performance

December 31, 2004

Performance

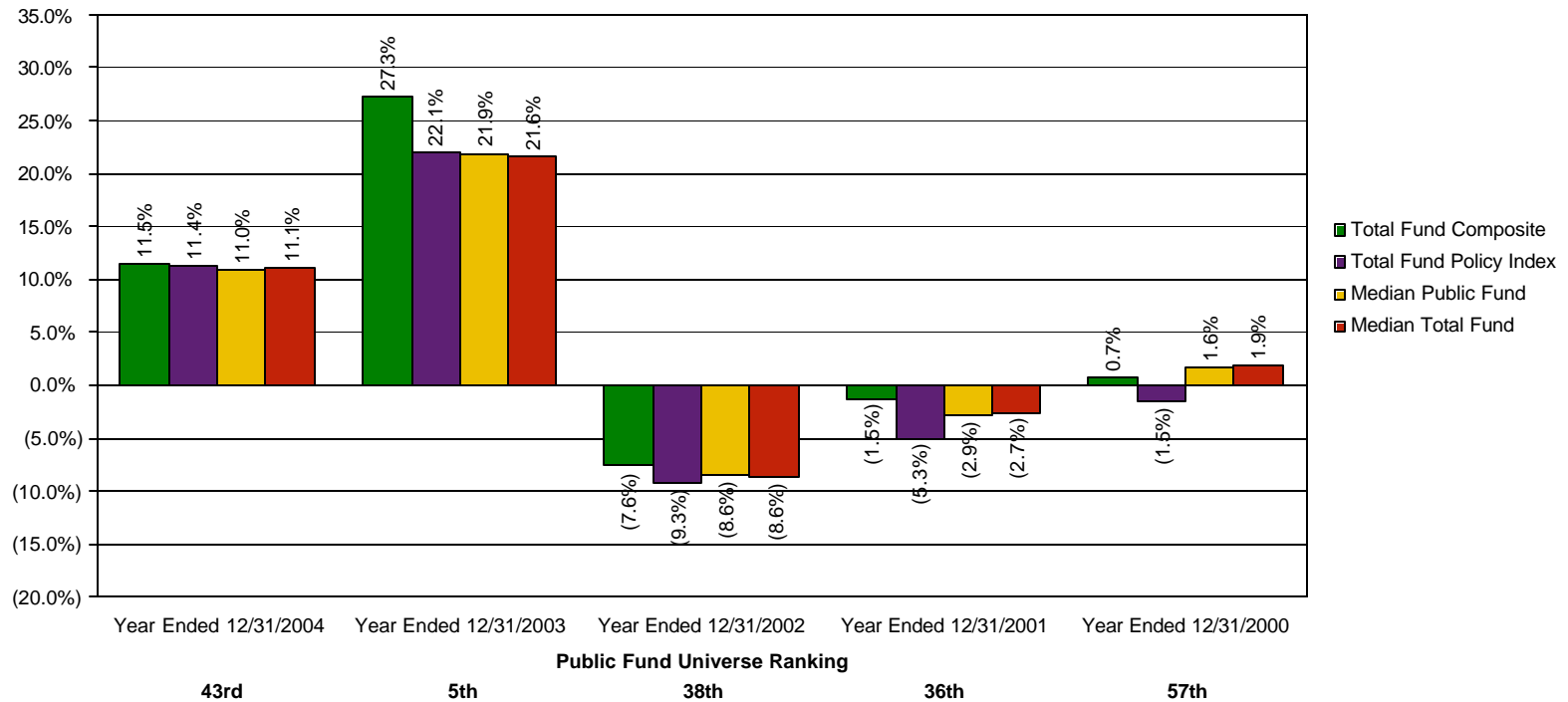


Note: The policy index is comprised of 45% R3000, 20% MSCI EAFE, 30% LB Aggregate, and 5% NCREIF. The ICC Public Fund Universe contains 3,067 public pension plans with an average market value of \$233 million. Returns are shown gross of fees and are annualized for periods longer than one year.

Total Fund Performance

December 31, 2004

Performance

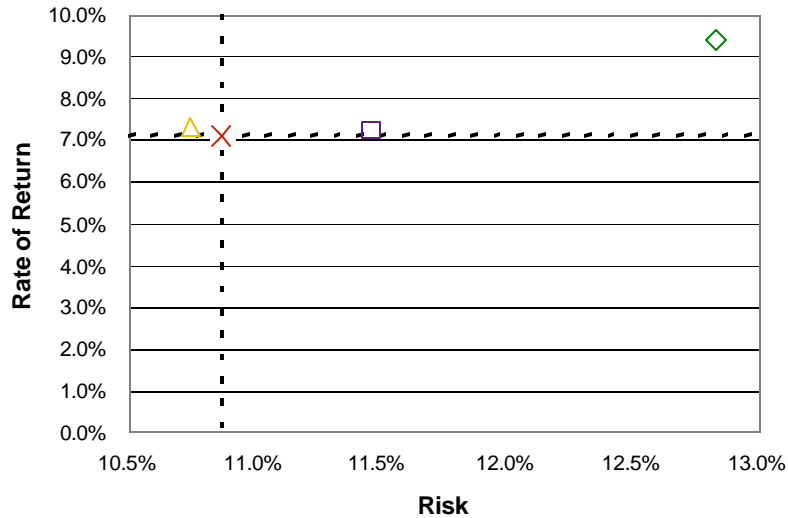


Note: The policy index is comprised of 45% R3000, 20% MSCI EAFE, 30% LB Aggregate, and 5% NCREIF. The ICC Public Fund Universe contains 3,067 public pension plans with an average market value of \$233 million. Returns are shown gross of fees and are annualized for periods longer than one year.

Total Fund Risk vs. Return

December 31, 2004

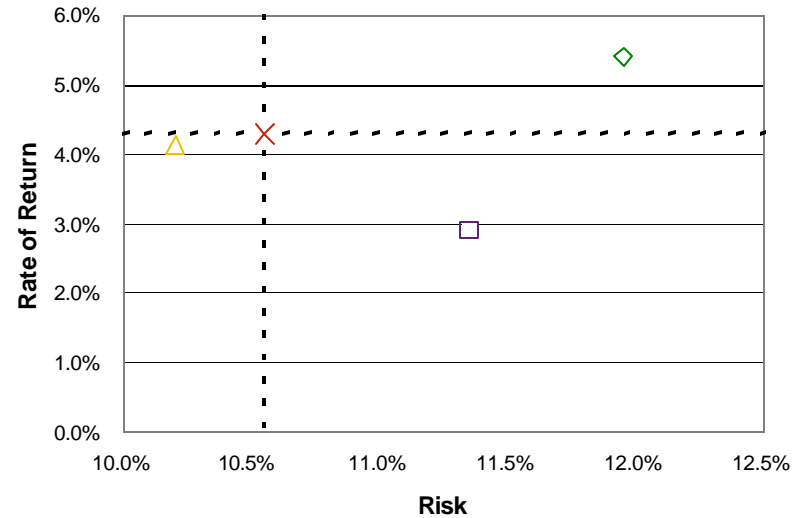
Last Three Years



◇ Total Fund Composite □ Total Fund Policy Index
 △ Median Public Fund × Median Total Fund

| | Return | Risk |
|-------------------------|--------|-------|
| Total Fund Composite | 9.4% | 12.8% |
| Total Fund Policy Index | 7.3% | 11.5% |
| Median Public Fund | 7.3% | 10.7% |
| Median Total Fund | 7.1% | 10.9% |

Last Five Years



◇ Total Fund Composite □ Total Fund Policy Index
 △ Median Public Fund × Median Total Fund

| | Return | Risk |
|-------------------------|--------|-------|
| Total Fund Composite | 5.4% | 12.0% |
| Total Fund Policy Index | 2.9% | 11.4% |
| Median Public Fund | 4.1% | 10.2% |
| Median Total Fund | 4.3% | 10.6% |

Note: The policy index is comprised of 45% R3000, 20% MSCI EAFE, 30% LB Aggregate, and 5% NCREIF. The ICC Public Fund Universe contains 3,067 public pension plans with an average market value of \$233 million. Returns are shown gross of fees and are annualized for periods longer than one year.

Total Fund Performance Summary

December 31, 2004

| | Asset \$ | Index Returns (Blue), Actual Returns (Black) | | | | | | | | | | | |
|--------------------------------------|---------------|--|------|-------|------|-------|------|--------|------|--------|------|--------|------|
| | | 1 Qtr | Rank | 2 Qtr | Rank | 3 Qtr | Rank | 1 Year | Rank | 3 Year | Rank | 5 Year | Rank |
| Domestic Equity Managers | | | | | | | | | | | | | |
| Gardner Lewis | \$19,126,826 | 12.9% | 8 | 6.2% | 39 | 7.0% | 53 | N/A | N/A | N/A | N/A | N/A | N/A |
| <i>Russell 1000 Growth</i> | | 9.2% | | 3.5% | | 5.5% | | 6.3% | | -0.2% | | -9.3% | |
| <i>Over/Under</i> | | 3.8% | | 2.7% | | 1.5% | | N/A | | N/A | | N/A | |
| OFI Institutional | \$19,537,322 | 10.9% | 25 | 12.2% | 24 | 12.6% | 44 | 17.5% | 34 | 9.5% | 30 | 7.4% | 47 |
| <i>Russell 1000 Value</i> | | 10.4% | | 12.1% | | 13.1% | | 16.5% | | 8.6% | | 5.3% | |
| <i>Over/Under</i> | | 0.5% | | 0.1% | | -0.4% | | 1.0% | | 0.9% | | 2.2% | |
| SSGA Index Plus | \$30,542,713 | 9.3% | 45 | 7.1% | 73 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| <i>S&P 500</i> | | 9.2% | | 7.2% | | 9.0% | | 10.9% | | 3.6% | | -2.3% | |
| <i>Over/Under</i> | | 0.0% | | -0.1% | | N/A | | N/A | | N/A | | N/A | |
| State Street Research | \$54,748 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| <i>Russell 2000</i> | | 14.1% | | 10.8% | | 11.4% | | 18.3% | | 11.5% | | 6.6% | |
| <i>Over/Under</i> | | N/A | | N/A | | N/A | | N/A | | N/A | | N/A | |
| SSGA Russell 2000 | \$44,738,646 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| <i>Russell 2000</i> | | 14.1% | | 10.8% | | 11.4% | | 18.3% | | 11.5% | | 6.6% | |
| <i>Over/Under</i> | | N/A | | N/A | | N/A | | N/A | | N/A | | N/A | |
| Domestic Equity Composite | \$114,000,255 | 11.6% | 23 | 8.5% | 49 | 10.5% | 42 | 13.7% | 47 | 7.5% | 26 | 2.6% | 32 |
| <i>Russell 3000</i> | | 10.2% | | 8.1% | | 9.5% | | 11.9% | | 4.8% | | -1.2% | |
| <i>Over/Under</i> | | 1.4% | | 0.4% | | 1.0% | | 1.7% | | 2.7% | | 3.8% | |
| International Equity Managers | | | | | | | | | | | | | |
| Capital Guardian | \$22,764,227 | 13.3% | 80 | 12.4% | 86 | 10.4% | 91 | 15.2% | 91 | N/A | N/A | N/A | N/A |
| <i>MSCI EAFE</i> | | 15.4% | | 15.1% | | 15.6% | | 20.7% | | 12.3% | | -0.8% | |
| <i>Over/Under</i> | | -2.1% | | -2.7% | | -5.2% | | -5.5% | | N/A | | N/A | |
| LSV | \$20,607,430 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| <i>MSCI World xUS</i> | | 15.1% | | 15.4% | | 15.5% | | 20.4% | | 12.3% | | -0.6% | |
| <i>Over/Under</i> | | N/A | | N/A | | N/A | | N/A | | N/A | | N/A | |
| Total Equity Composite | \$157,371,912 | 11.9% | 56 | 9.3% | 70 | 10.3% | 68 | 13.9% | 68 | 8.0% | 79 | 1.9% | 55 |
| <i>Policy Index</i> | | 11.7% | | 10.1% | | 11.4% | | 14.4% | | 6.5% | | -0.8% | |
| <i>Over/Under</i> | | 0.2% | | -0.8% | | -1.1% | | -0.5% | | 1.6% | | 2.7% | |
| Fixed Income Managers | | | | | | | | | | | | | |
| Loomis Sayles | \$29,355,861 | 1.6% | 6 | 5.3% | 6 | 2.7% | 9 | 5.4% | 16 | 9.0% | 1 | 9.0% | 4 |
| <i>Lehman Aggregate</i> | | 1.0% | | 4.2% | | 1.6% | | 4.3% | | 6.2% | | 7.7% | |
| <i>Over/Under</i> | | 0.6% | | 1.1% | | 1.1% | | 1.1% | | 2.8% | | 1.3% | |
| SSGA Bond Fund | \$27,986,837 | 0.9% | 60 | 4.2% | 55 | 1.6% | 62 | 4.3% | 64 | N/A | N/A | N/A | N/A |
| <i>Lehman Aggregate</i> | | 1.0% | | 4.2% | | 1.6% | | 4.3% | | 6.2% | | 7.7% | |
| <i>Over/Under</i> | | 0.0% | | 0.0% | | 0.0% | | 0.0% | | N/A | | N/A | |
| Fixed Income Composite | \$57,342,698 | 1.3% | 52 | 4.7% | 44 | 2.2% | 51 | 4.9% | 54 | 7.4% | 33 | 8.0% | 50 |
| <i>Lehman Aggregate</i> | | 1.0% | | 4.2% | | 1.6% | | 4.3% | | 6.2% | | 7.7% | |
| <i>Over/Under</i> | | 0.3% | | 0.5% | | 0.5% | | 0.5% | | 1.2% | | 0.3% | |
| Real Estate | | | | | | | | | | | | | |
| Clarion | \$11,195,873 | 4.6% | | 8.0% | | 10.6% | | 12.9% | | N/A | | N/A | |
| <i>NCREIF</i> | | 3.4% | | 7.0% | | 10.3% | | 13.1% | | 9.6% | | 9.7% | |
| <i>Over/Under</i> | | 1.1% | | 1.1% | | 0.3% | | -0.2% | | N/A | | N/A | |
| Total Fund Composite | \$225,910,483 | 8.6% | 18 | 8.1% | 49 | 8.2% | 41 | 11.5% | 43 | 9.4% | 10 | 5.4% | 23 |
| <i>Policy Index</i> | | 8.0% | | 8.2% | | 8.6% | | 11.4% | | 7.3% | | 2.9% | |
| <i>Strategy Index</i> | | 8.5% | | 8.6% | | 8.9% | | 12.3% | | 8.0% | | 4.0% | |
| <i>Allocation Index</i> | | 8.6% | | 9.1% | | 9.4% | | 13.1% | | 9.6% | | 5.8% | |

Note: The policy index is comprised of 45% R3000, 20% MSCI EAFE, 30% LB Aggregate, and 5% NCREIF.

The strategy index is comprised of 25% S&P 500, 20% R2000, 20% MSCI EAFE, 30% LB Aggregate and 5% NCREIF.

The allocation index is actual allocation of accounts and their respective benchmarks. The global equity policy index is comprised of 70% R3000 and 30% MSCI EAFE.

Returns are shown gross of fees and are annualized for periods longer than one year.

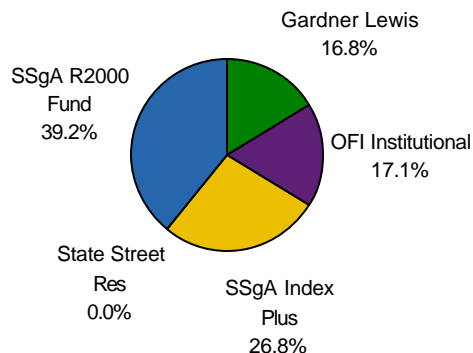
Domestic Equity Composite

December 31, 2004

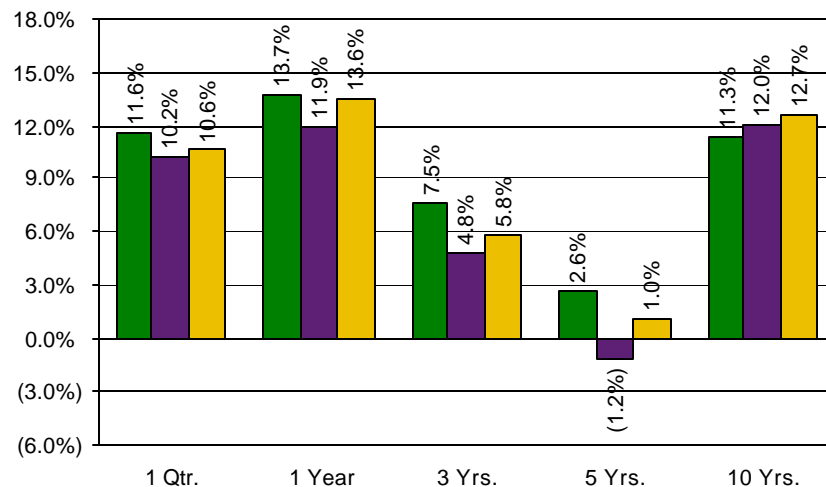
Manager Allocation

| | |
|-------------------|-------------------|
| Gardner Lewis | \$19,126,826 |
| OFI Institutional | 19,537,322 |
| SSgA Index Plus | 30,542,713 |
| State Street Res | 54,748 |
| SSgA R2000 Fund | <u>44,738,646</u> |

Total: \$114,000,255



Performance



Equity Universe Ranking

23rd 47th 26th 32nd 79th

■ Domestic Equity Composite ■ R3000 ■ Median Equity Fund

Dollar Reconciliation (000s)

| | Latest Qtr. | Latest 12 Mos. |
|------------------------|-------------|----------------|
| Beginning Market Value | \$102,203 | \$106,441 |
| Net External Growth | (51) | (6,192) |
| Return on Investment | 11,849 | 13,751 |
| Income Received | 344 | 932 |
| Gain/Loss | 11,505 | 12,819 |
| Ending Market Value | \$114,000 | \$114,000 |

Commentary

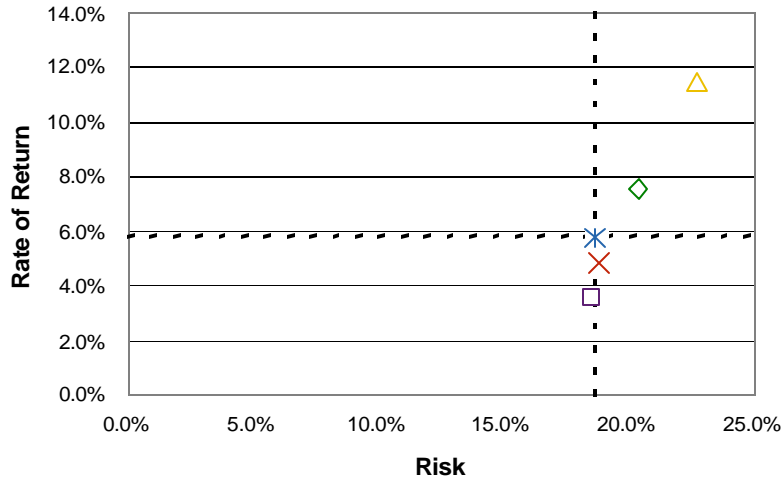
- Domestic equities are performing well. The composite outperforms the broad market over periods 5 years and shorter.
- In the peer universe, performance is top quartile and top third for the 3- and 5-year periods, respectively.
- Gardner Lewis and Trinity have posted solid numbers, with SSgA down slightly in the Index Plus account.

Note: Returns are shown gross of fees and are annualized for periods longer than one year.

Domestic Equity Composite

December 31, 2004

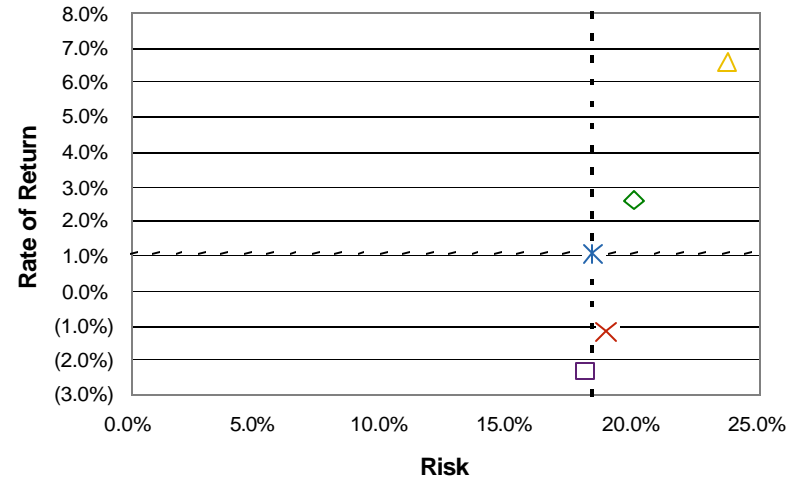
Risk vs. Return: Last Three Years



- ◇ Domestic Equity Composite
- △ R2000
- ✕ R3000
- ✱ Median Equity Fund
- S&P 500

| | Return | Risk |
|---------------------------|--------|-------|
| Domestic Equity Composite | 7.5% | 20.4% |
| S&P 500 | 3.6% | 18.5% |
| R2000 | 11.5% | 22.7% |
| R3000 | 4.8% | 18.8% |
| Median Equity Fund | 5.8% | 18.6% |

Risk vs. Return: Last Five Years



- ◇ Domestic Equity Composite
- △ R2000
- ✕ R3000
- ✱ Median Equity Fund
- S&P 500

| | Return | Risk |
|---------------------------|--------|-------|
| Domestic Equity Composite | 2.6% | 20.0% |
| S&P 500 | (2.3%) | 18.0% |
| R2000 | 6.6% | 23.7% |
| R3000 | (1.2%) | 18.9% |
| Median Equity Fund | 1.04% | 18.3% |

Note: Returns are shown gross of fees and are annualized for periods longer than one year.

Domestic Equity Composite

December 31, 2004

Equity Portfolio Characteristics

| | Dom Equity Comp 9/30/2004 | Dom Equity Comp 12/31/2004 | R3000 12/31/2004 |
|----------------------------|------------------------------|-------------------------------|---------------------|
| No. of Securities | 596 | 2,408 | 3,012 |
| Equity Segment Yield | 1.36% | 1.36% | 1.62% |
| Equity Segment P/E | 17.83x | 18.03x | 18.59x |
| Equity Segment Beta | 1.10 | 1.08 | 1.04 |
| P/B Ratio | 3.06x | 3.44x | 3.71x |
| 5-Year Earnings Growth | 7.79% | 10.80% | 10.10% |
| Avg. Market Cap (millions) | \$47,943 | \$47,672 | \$75,175 |

Ten Largest Equity Holdings

| | |
|------------------------|------|
| EXXON MOBIL CORP | 1.9% |
| CITIGROUP INC | 1.6% |
| GENERAL ELEC CO | 1.6% |
| MICROSOFT CORP | 1.2% |
| BANK OF AMERICA CORP | 1.2% |
| TIME WARNER INC NEW | 1.0% |
| J P MORGAN CHASE & CO | 0.9% |
| CAREMARK RX INC | 0.8% |
| MBNA CORP | 0.8% |
| VERIZON COMMUNICATIONS | 0.8% |

Ten Best Performers

| | |
|------------------------|--------|
| WALTER INDS INC | 111.0% |
| VERISIGN INC | 69.0% |
| HANGER ORTHOPEDIC CORP | 61.7% |
| MEMC ELECTR MATLS INC | 56.3% |
| MONSANTO CO NEW | 53.1% |
| N S GROUP INC | 50.3% |
| PENN NATL GAMING INC | 49.9% |
| ABERCROMBIE & FITCH CO | 49.5% |
| HUMANA INC | 48.6% |
| BOYD GAMING CORP | 48.3% |

Ten Worst Performers

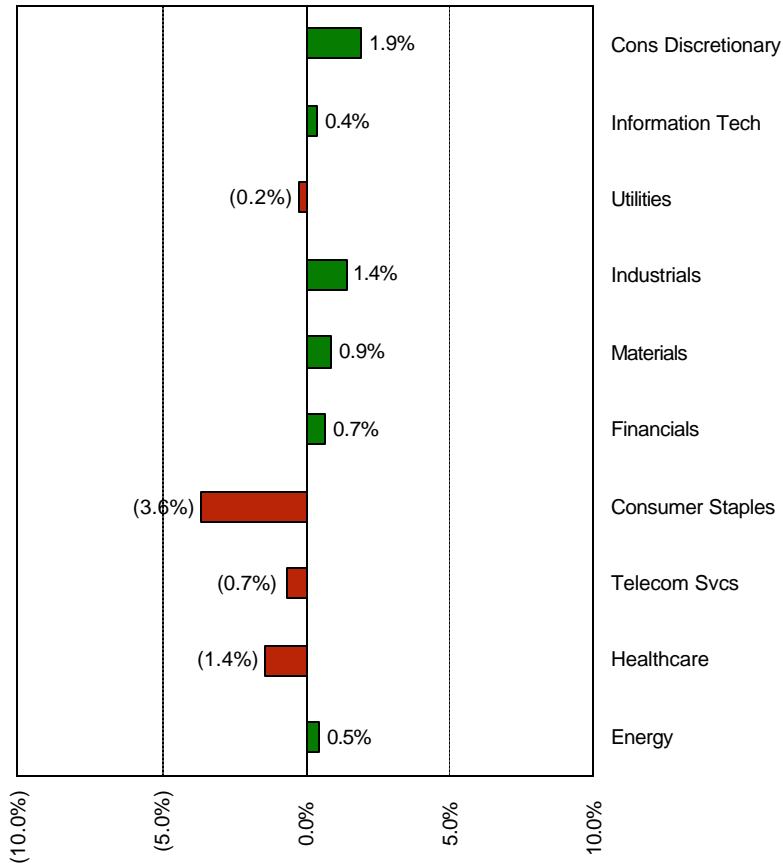
| | |
|-----------------------------|---------|
| GRAFTECH INTL LTD | (32.2%) |
| ANCHOR GLASS CONTAINER CORP | (18.2%) |
| NEWPARK RES INC | (14.2%) |
| COMMSCOPE INC | (12.5%) |
| HANCOCK FABRICS INC | (12.5%) |
| PFIZER INC | (11.6%) |
| OM GROUP INC | (11.3%) |
| ASPEN TECHNOLOGY INC | (11.2%) |
| BJ SVCS CO | (11.1%) |
| BOSTON SCIENTIFIC CORP | (10.5%) |

Domestic Equity Composite

December 31, 2004

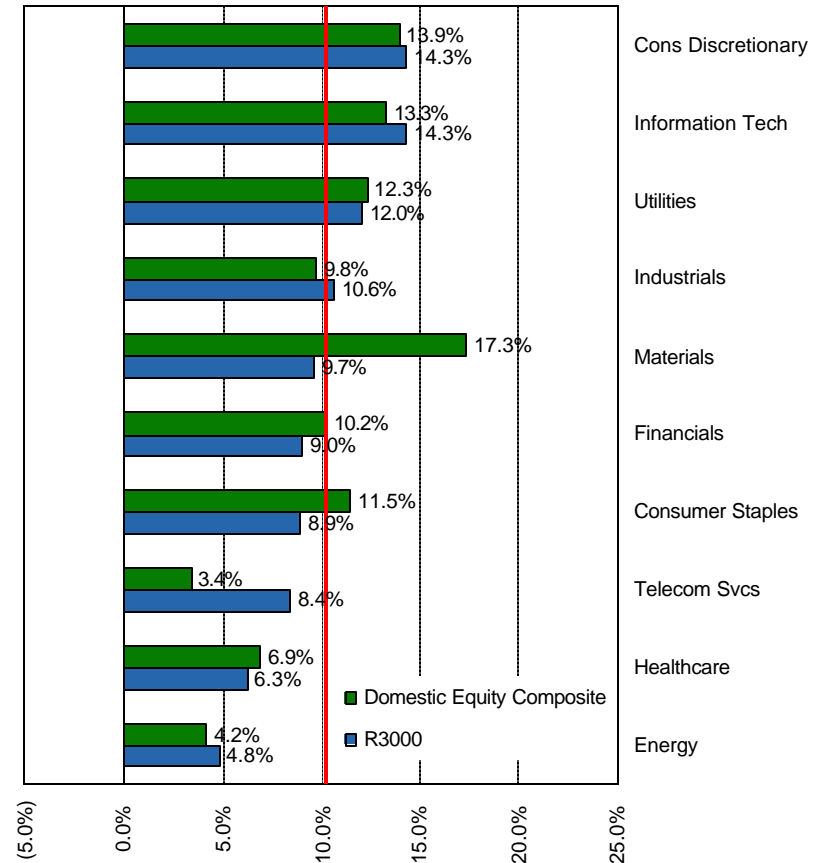
Sector Allocation

Domestic Equity Composite vs. R3000
Sector Allocation
(under)/over weighting



Sector Performance

Domestic Equity Composite vs. R3000 Performance
Quarter Ending December 31, 2004



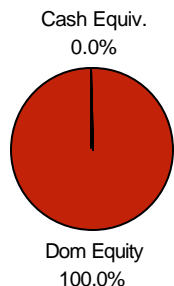
Note: Red line marks the index's total return for the quarter.

Gardner Lewis

December 31, 2004

Asset Allocation

| | |
|---------------|---------------------|
| Dom Equity | \$19,121,796 |
| Cash Equiv. | <u>5,030</u> |
| Total: | \$19,126,826 |



Strategy

- Large Cap Growth Equity

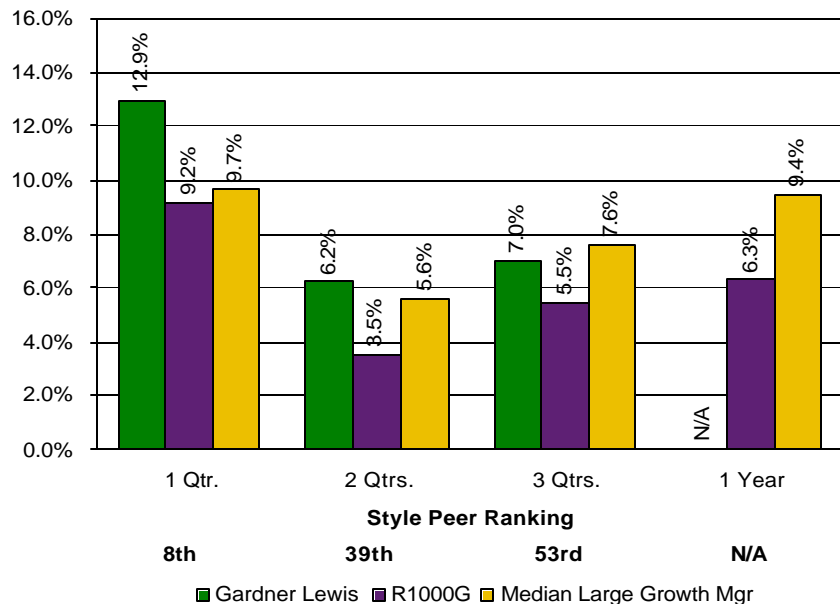
Performance Goals

- Over a market cycle, achieve an annualized total rate of return, net of fees, which: (1) exceeds the Russell 1000 Growth Index by 2%, and (2) ranks above median compared to style peers.

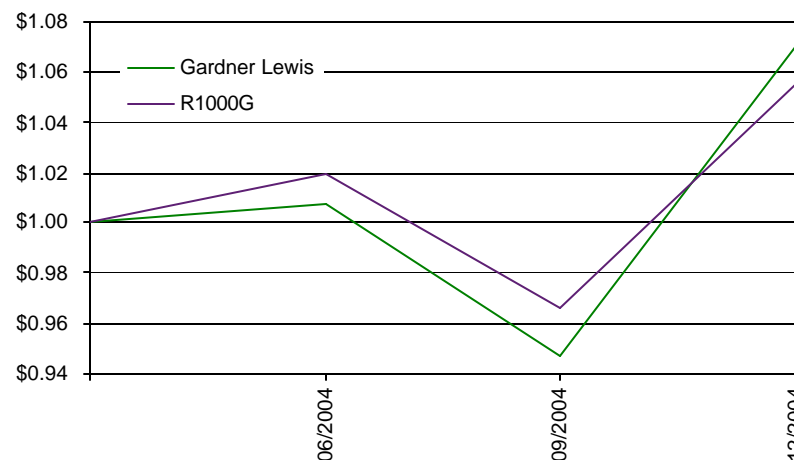
Dollar Reconciliation (000s)

| | Latest Qtr. | Latest 12 Mos. |
|------------------------|-------------|----------------|
| Beginning Market Value | \$16,970 | N/A |
| Net External Growth | (36) | |
| Return on Investment | 2,193 | |
| Income Received | 30 | |
| Gain/Loss | 2,162 | |
| Ending Market Value | \$19,127 | |

Performance



Growth of \$1.00



Note: Returns are shown gross of fees and are annualized for periods longer than one year.

Gardner Lewis

December 31, 2004

Equity Portfolio Characteristics

| | Gardner Lewis 9/30/2004 | Gardner Lewis 12/31/2004 | R1000G 12/31/2004 |
|----------------------------|--|---|------------------------------------|
| No. of Securities | 45 | 48 | 622 |
| Equity Segment Yield | 0.90% | 0.81% | 0.97% |
| Equity Segment P/E | 21.78x | 21.91x | 22.72x |
| Equity Segment Beta | 1.22 | 1.26 | 1.15 |
| P/B Ratio | 4.10x | 4.42x | 5.01x |
| 5-Year Earnings Growth | 20.54% | 20.05% | 13.76% |
| Avg. Market Cap (millions) | \$45,109 | \$48,649 | \$74,477 |

Ten Largest Equity Holdings

| | |
|-----------------------|------|
| ST JUDE MED INC | 3.7% |
| TYCO INTL LTD NEW | 3.4% |
| CAPITAL ONE FINL CORP | 3.1% |
| HALLIBURTON CO | 3.0% |
| COMCAST CORP NEW | 2.9% |
| MOTOROLA INC DEL | 2.8% |
| CORNING INC | 2.8% |
| MONSANTO CO NEW | 2.7% |
| TIME WARNER INC NEW | 2.7% |
| CAREMARK RX INC | 2.6% |

Ten Best Performers

| | |
|------------------------|-------|
| MONSANTO CO NEW | 53.1% |
| MERCURY INT CORP | 30.6% |
| TERADYNE INC | 27.4% |
| ADOBE SYS INC | 26.9% |
| IAC/INTERACTIVECORP | 25.4% |
| CAREMARK RX INC | 23.0% |
| PRICE T ROWE GROUP INC | 22.6% |
| TIME WARNER INC NEW | 20.5% |
| LENNAR CORP | 19.4% |
| HERSHEY FOODS CORP | 19.4% |

Ten Worst Performers

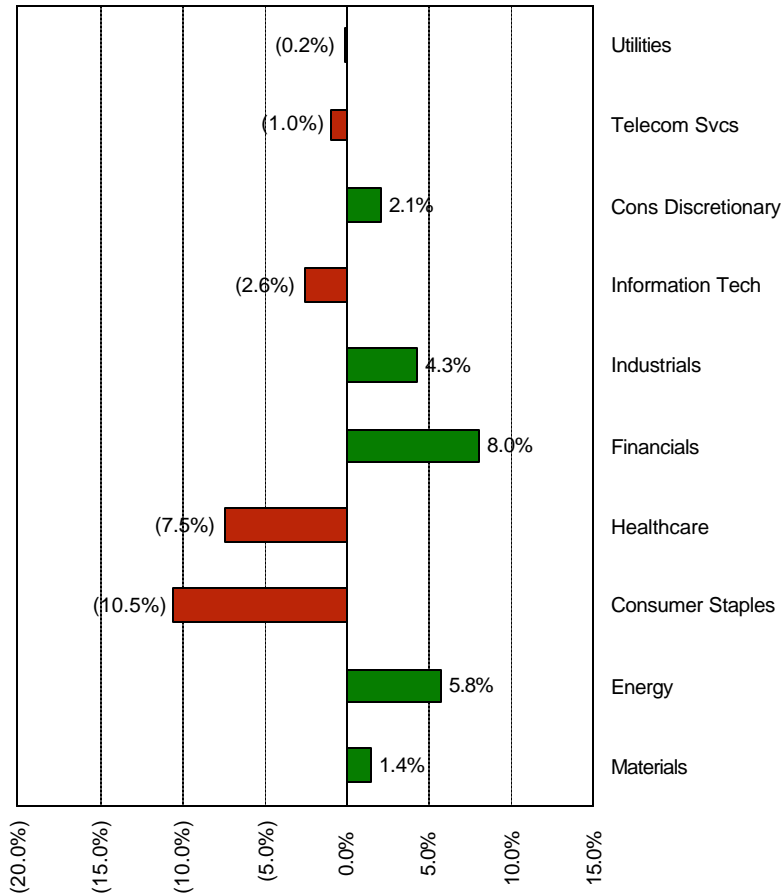
| | |
|------------------------|---------|
| BJ SVCS CO | (11.1%) |
| BOSTON SCIENTIFIC CORP | (10.5%) |
| BOEING COM \$US5 | 0.7% |
| TENET HEALTHCARE CORP | 1.8% |
| JONES APPAREL | 2.4% |
| MICRON TECHNOLOGY INC | 2.7% |
| APPLIED MATLS INC | 3.7% |
| CORNING INC | 6.2% |
| ROCKWELL COLLINS INC | 6.5% |
| MOTOROLA INC DEL | 6.6% |

Gardner Lewis

December 31, 2004

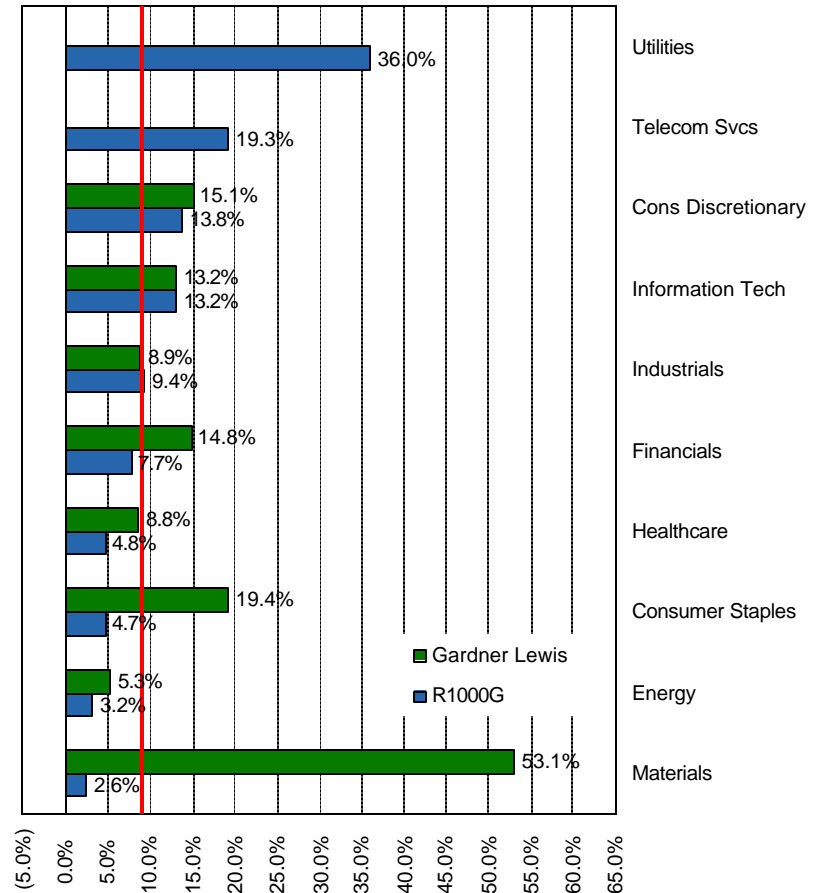
Sector Allocation

Gardner Lewis vs. R1000G
Sector Allocation
(under)/over weighting



Sector Performance

Gardner Lewis vs. R1000G Performance
Quarter Ending December 31, 2004



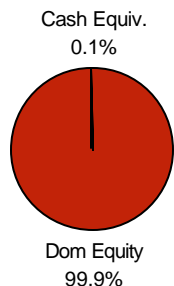
Note: Red line marks the index's total return for the quarter.

OFI Institutional

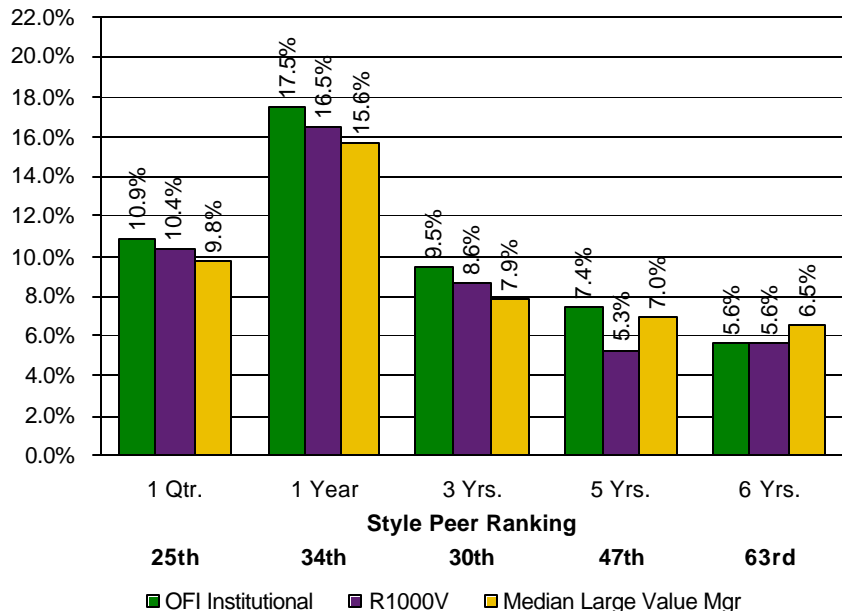
December 31, 2004

Asset Allocation

| | |
|---------------|---------------------|
| Dom Equity | \$19,512,188 |
| Cash Equiv. | <u>25.134</u> |
| Total: | \$19,537,322 |



Performance



Note: Returns are shown gross of fees and are annualized for periods longer than one year.

Strategy

- Large Cap Value Equity

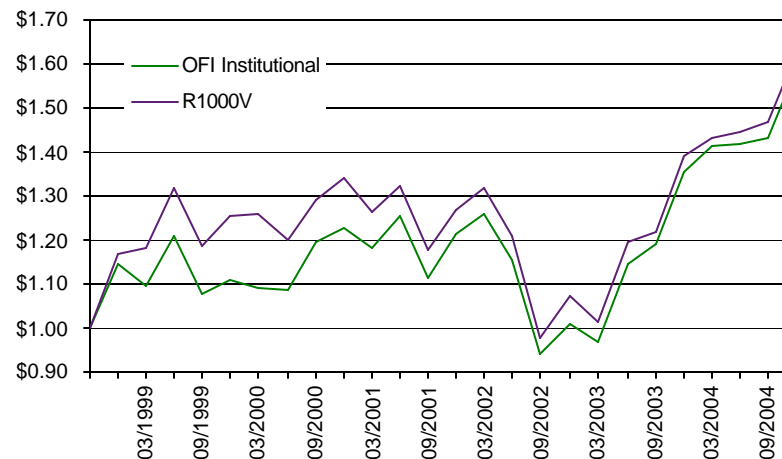
Performance Goals

- Over a market cycle, achieve an annualized total rate of return, net of fees, which: (1) exceeds the Russell 1000 Value Index by 2%, and (2) ranks above median compared to style peers.

Dollar Reconciliation (000s)

| | Latest Qtr. | Latest 12 Mos. |
|----------------------------|-----------------|-----------------|
| Beginning Market Value | \$17,634 | \$18,655 |
| Net External Growth | (15) | (2,075) |
| Return on Investment | 1,919 | 2,958 |
| Income Received | 144 | 464 |
| Gain/Loss | 1,775 | 2,493 |
| Ending Market Value | \$19,537 | \$19,537 |

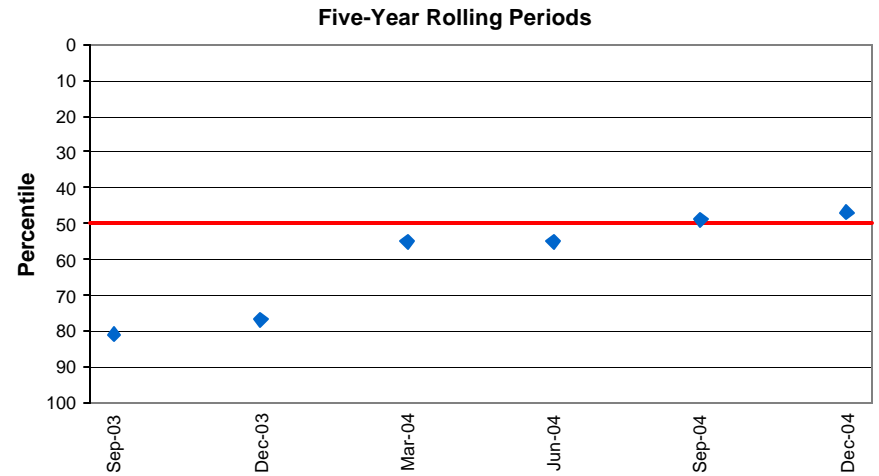
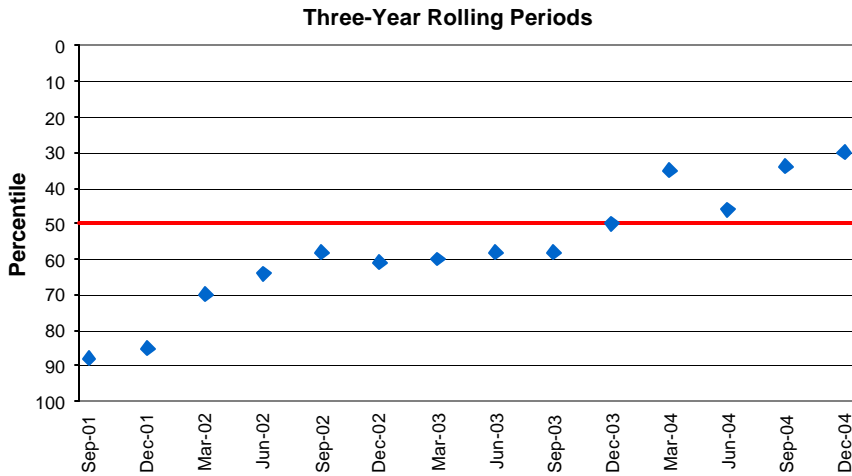
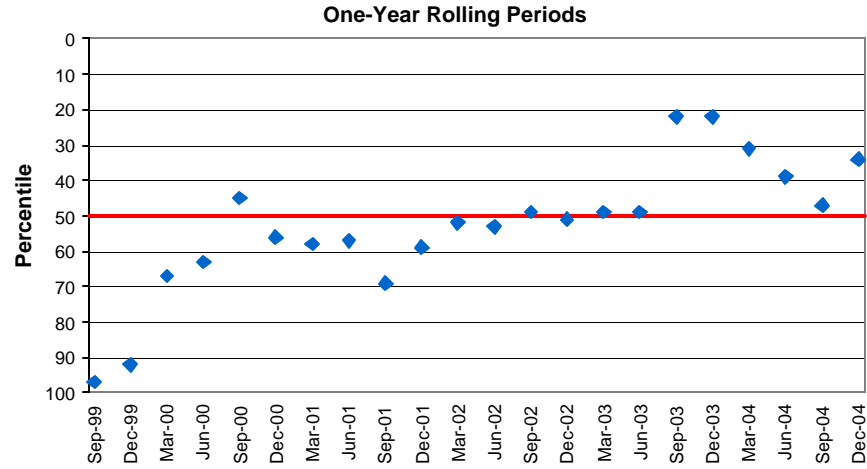
Growth of \$1.00



OFI Institutional

December 31, 2004

Rolling Period Ranking vs. Large Cap Value Peers



OFI Institutional

December 31, 2004

Equity Portfolio Characteristics

| | OFI Institutional 9/30/2004 | OFI Institutional 12/31/2004 | R1000V 12/31/2004 |
|----------------------------|--------------------------------|---------------------------------|----------------------|
| No. of Securities | 90 | 86 | 696 |
| Equity Segment Yield | 2.45% | 2.28% | 2.32% |
| Equity Segment P/E | 14.68x | 15.75x | 16.06x |
| Equity Segment Beta | 0.85 | 0.88 | 0.93 |
| P/B Ratio | 2.43x | 2.74x | 2.68x |
| 5-Year Earnings Growth | 8.20% | 9.22% | 7.09% |
| Avg. Market Cap (millions) | \$79,289 | \$81,928 | \$89,305 |

Ten Largest Equity Holdings

| | |
|------------------------|------|
| GENERAL ELEC CO | 4.5% |
| EXXON MOBIL CORP | 4.3% |
| BANK OF AMERICA CORP | 4.2% |
| VERIZON COMMUNICATIONS | 3.6% |
| CITIGROUP INC | 3.5% |
| J P MORGAN CHASE & CO | 3.0% |
| US BANCORP DEL | 3.0% |
| HONEYWELL INTL INC | 2.3% |
| CONOCOPHILLIPS | 2.3% |
| NATIONAL CITY CORP | 2.3% |

Ten Best Performers

| | |
|------------------------|-------|
| TXU CORP | 36.0% |
| ALTRIA GROUP INC | 31.4% |
| SPRINT CORP | 24.1% |
| CAREMARK RX INC | 23.0% |
| NORDSTROM INC | 22.6% |
| D R HORTON INC | 22.1% |
| EDISON INTL | 21.8% |
| MERRILL LYNCH & CO INC | 20.6% |
| TIME WARNER INC NEW | 20.5% |
| SANMINA CORP | 20.1% |

Ten Worst Performers

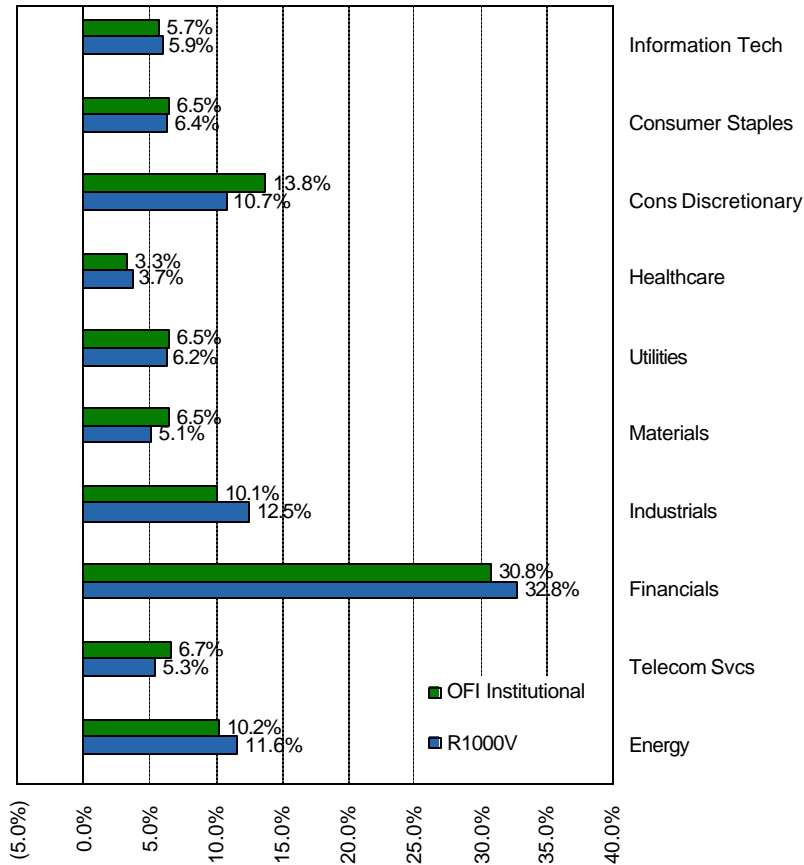
| | |
|--------------------------|--------|
| TELEPHONE & DATA SYS INC | (8.4%) |
| MARATHON OIL CORP | (8.2%) |
| GENERAL MTRS CORP | (4.5%) |
| INDYMAC MTG HLDGS INC | (3.8%) |
| CHEVRONTEXACO CORP | (1.4%) |
| MERCK & CO INC | (1.3%) |
| J P MORGAN CHASE & CO | (1.0%) |
| SBC COMMUNICATIONS INC | 0.5% |
| LEGETT & PLATT COM \$US1 | 1.7% |
| CARLISLE COS INC | 1.9% |

OFI Institutional

December 31, 2004

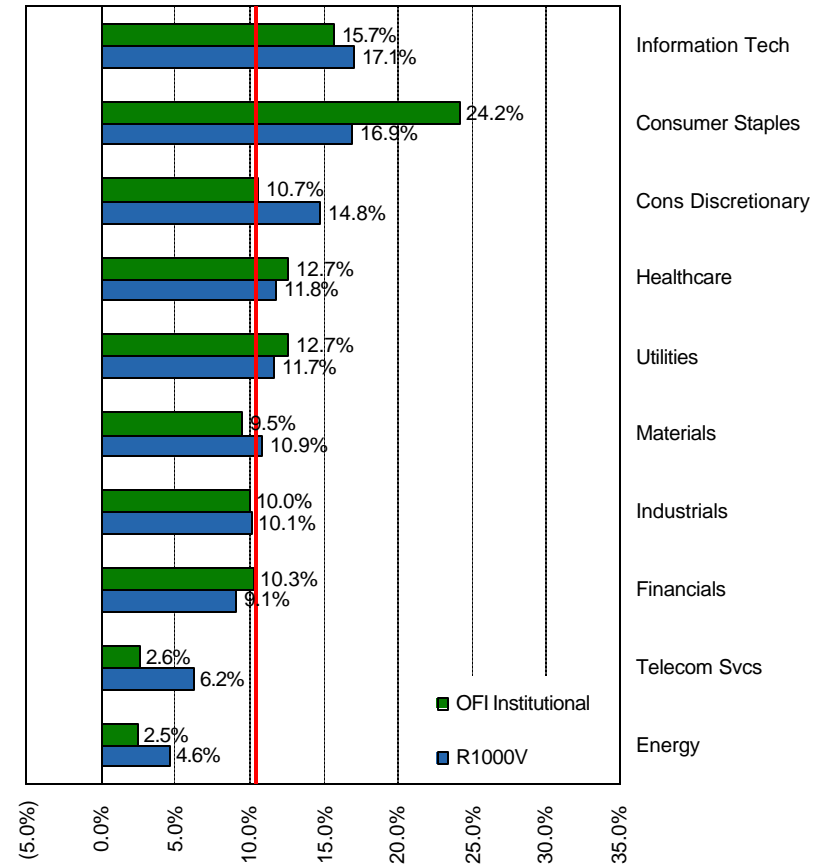
Sector Allocation

OFI Institutional vs. R1000V
Sector Allocation



Sector Performance

OFI Institutional vs. R1000V Performance
Quarter Ending December 31, 2004



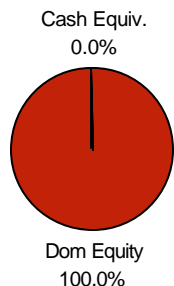
Note: Red line marks the index's total return for the quarter.

SSgA Index Plus

December 31, 2004

Asset Allocation

| | |
|---------------|---------------------|
| Dom Equity | \$30,542,713 |
| Cash Equiv. | 0 |
| Total: | \$30,542,713 |



Strategy

- Large Cap Core Enhanced Index

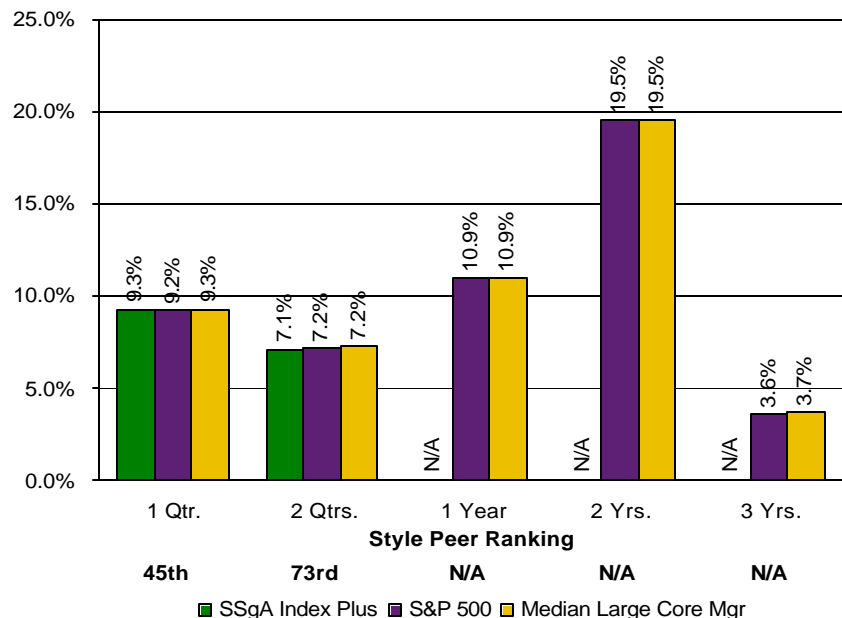
Performance Goals

- Over a market cycle, achieve an annualized total rate of return, net of fees, which: (1) exceeds the S&P 500 Index by 50-100 basis points, and (2) maintains tracking error to the index of 1.25%.

Dollar Reconciliation (000s)

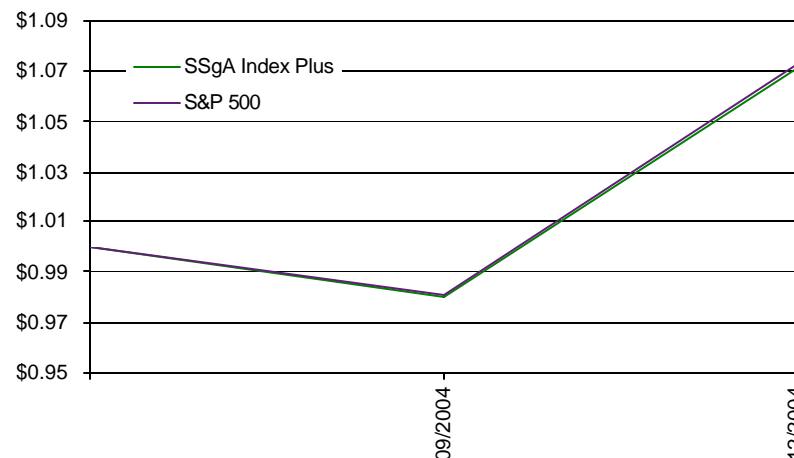
| | Latest Qtr. | Latest 12 Mos. |
|------------------------|-------------|----------------|
| Beginning Market Value | \$27,953 | N/A |
| Net External Growth | 0 | |
| Return on Investment | 2,590 | |
| Income Received | 0 | |
| Gain/Loss | 2,590 | |
| Ending Market Value | \$30,543 | |

Performance



Note: Returns are shown gross of fees and are annualized for periods longer than one year.

Growth of \$1.00



SSgA Index Plus

December 31, 2004

Equity Portfolio Characteristics

| | SSgA Index Plus 9/30/2004 | SSgA Index Plus 12/31/2004 | S&P 500 12/31/2004 |
|----------------------------|------------------------------|-------------------------------|-----------------------|
| No. of Securities | 323 | 323 | 500 |
| Equity Segment Yield | 1.69% | 1.58% | 1.69% |
| Equity Segment P/E | 17.16x | 17.97x | 18.71x |
| Equity Segment Beta | 1.00 | 1.02 | 1.00 |
| P/B Ratio | 3.69x | 3.74x | 3.82x |
| 5-Year Earnings Growth | 9.62% | 10.18% | 9.75% |
| Avg. Market Cap (millions) | \$92,417 | \$94,088 | \$91,696 |

Ten Largest Equity Holdings

| | |
|-----------------------------------|------|
| GENERAL ELEC CO | 2.9% |
| EXXON MOBIL CORP | 2.9% |
| MICROSOFT CORP | 2.6% |
| CITIGROUP INC | 2.6% |
| PFIZER INC | 2.1% |
| WAL MART STORES INC | 2.0% |
| JOHNSON & JOHNSON | 2.0% |
| INTERNATIONAL BUSINESS MACHS CORP | 1.9% |
| AMERICAN INTL GROUP INC | 1.8% |
| BANK OF AMERICA CORP | 1.8% |

Ten Best Performers

| | |
|-------------------------|-------|
| VERISIGN INC | 69.0% |
| MEMC ELECTR MATLS INC | 56.3% |
| ABERCROMBIE & FITCH CO | 49.5% |
| HUMANA INC | 48.6% |
| NETWORK APPLIANCE INC | 44.1% |
| MCAFFEE INC. | 43.9% |
| NVR INC | 39.6% |
| CITRIX SYS INC | 39.6% |
| STARBUCKS CORP | 37.2% |
| GOODYEAR TIRE & RUBR CO | 36.5% |

Ten Worst Performers

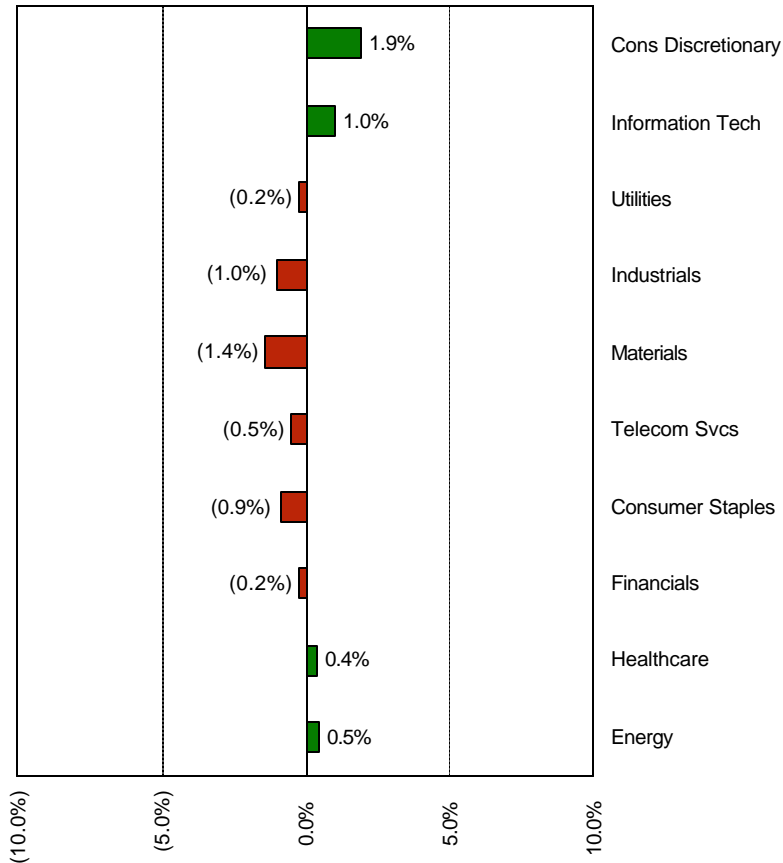
| | |
|------------------------------|---------|
| PFIZER INC | (11.6%) |
| BJ SVCS CO | (11.1%) |
| SABRE HLDGS CORP | (9.4%) |
| DELUXE CORP | (8.1%) |
| BIOMET INC | (7.4%) |
| UNIVISION COMMUNICATIONS INC | (7.4%) |
| TELLABS INC | (6.5%) |
| SYMANTEC CORP | (6.1%) |
| COUNTRYWIDE CR INDS INC | (5.7%) |
| LILLY ELI & CO | (4.9%) |

SSgA Index Plus

December 31, 2004

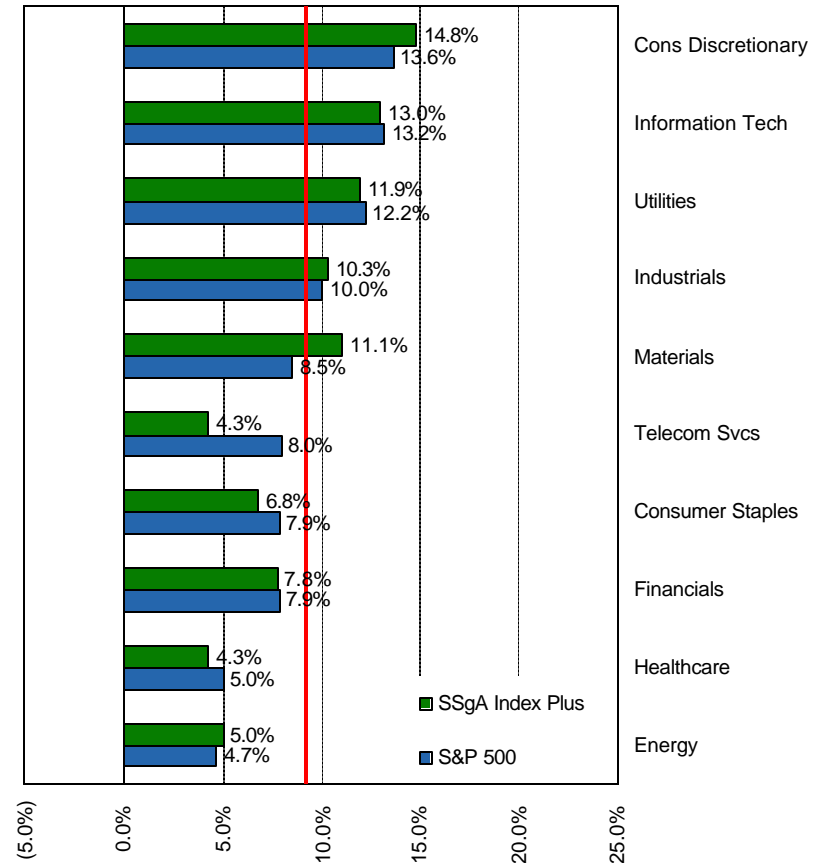
Sector Allocation

SSgA Index Plus vs. S&P 500
Sector Allocation
(under)/over weighting



Sector Performance

SSgA Index Plus vs. S&P 500 Performance
Quarter Ending December 31, 2004



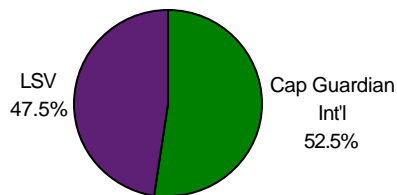
Note: Red line marks the Index's total return for the quarter.

International Equity Composite

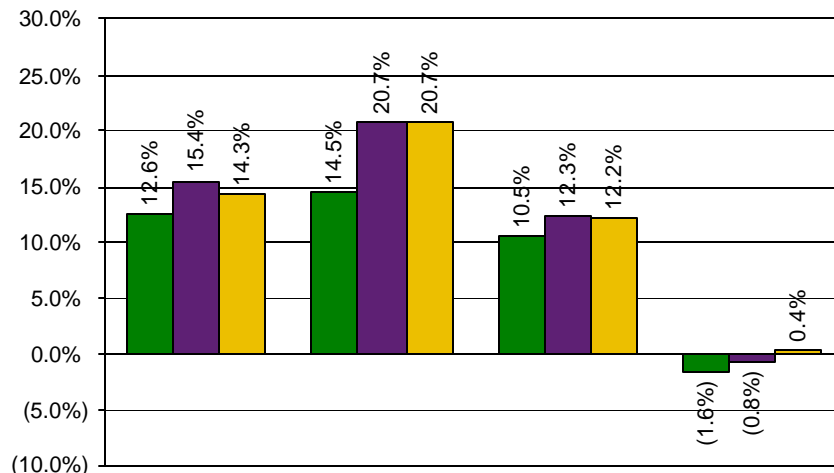
December 31, 2004

Manager Allocation

| | |
|--------------------|---------------------|
| Cap Guardian Int'l | \$22,764,227 |
| LSV | <u>20,607,430</u> |
| Total: | \$43,371,657 |



Performance



Int'l. Equity Universe Ranking

87th 94th 73rd 76th

■ Int'l Equity Composite ■ MSCI EAFE ■ Median Int'l Equity Fund

Dollar Reconciliation (000s)

| | Latest Qtr. | Latest 12 Mos. |
|----------------------------|-----------------|-----------------|
| Beginning Market Value | \$38,339 | \$30,935 |
| Net External Growth | (62) | 6,778 |
| Return on Investment | 5,094 | 5,659 |
| Income Received | 0 | 0 |
| Gain/Loss | 5,094 | 5,659 |
| Ending Market Value | \$43,372 | \$43,372 |

Commentary

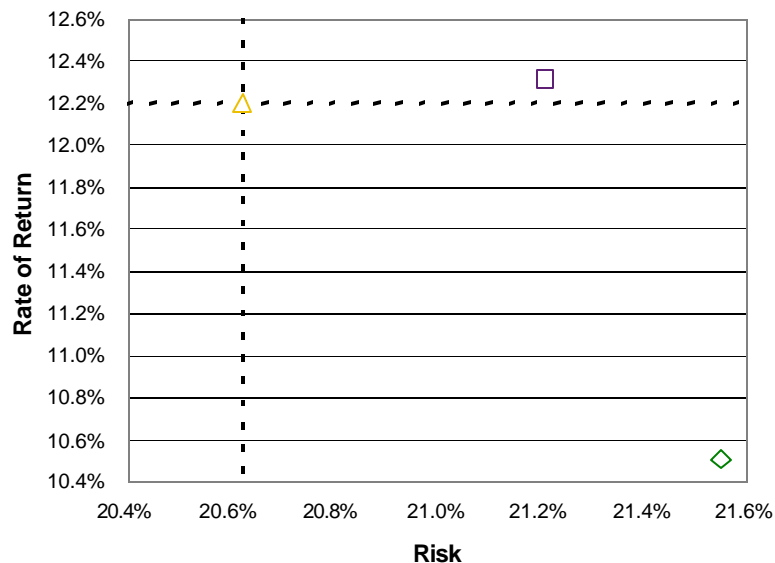
- The International Composite continues to trail its index.
- The Fund began to diversify away from Capital Guardian, hiring LSV Asset Management in the fourth quarter.

Note: Returns are shown gross of fees and are annualized for periods longer than one year.

International Equity Composite

December 31, 2004

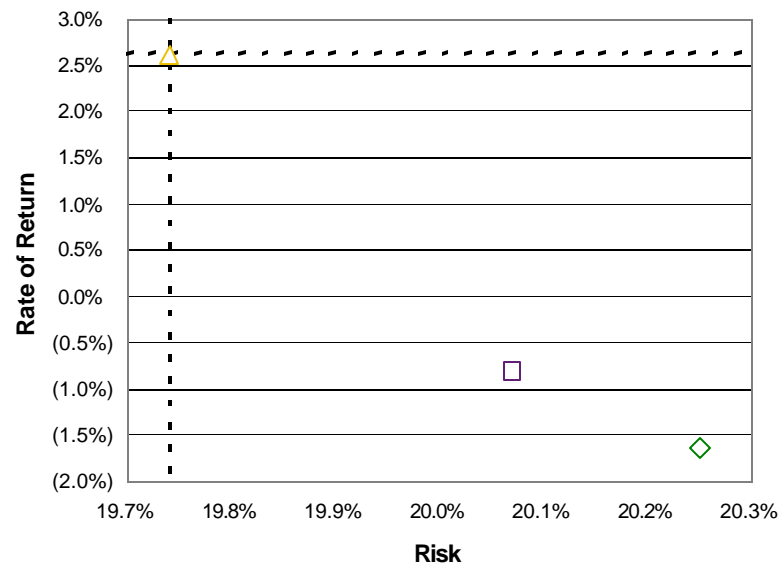
Three Years



◇ Int'l Equity Composite □ MSCI EAFE △ Median Int'l Equity Fund

| | Return | Risk |
|--------------------------|--------|-------|
| Int'l Equity Composite | 10.5% | 21.6% |
| MSCI EAFE | 12.3% | 21.2% |
| Median Int'l Equity Fund | 12.2% | 20.6% |

Five Years



◇ Int'l Equity Composite □ MSCI EAFE △ Median Int'l Equity Fund

| | Return | Risk |
|--------------------------|--------|-------|
| Int'l Equity Composite | (1.6%) | 20.3% |
| MSCI EAFE | (0.8%) | 20.1% |
| Median Int'l Equity Fund | 2.6% | 19.7% |

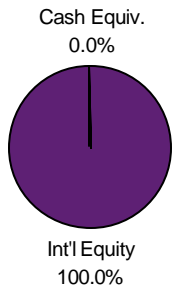
Note: Returns are shown gross of fees and are annualized for periods longer than one year.

Capital Guardian International

December 31, 2004

Asset Allocation

| | |
|---------------|---------------------|
| Int'l Equity | \$22,764,227 |
| Cash Equiv. | 0 |
| Total: | \$22,764,227 |



Strategy

- Growth-Biased International Equity

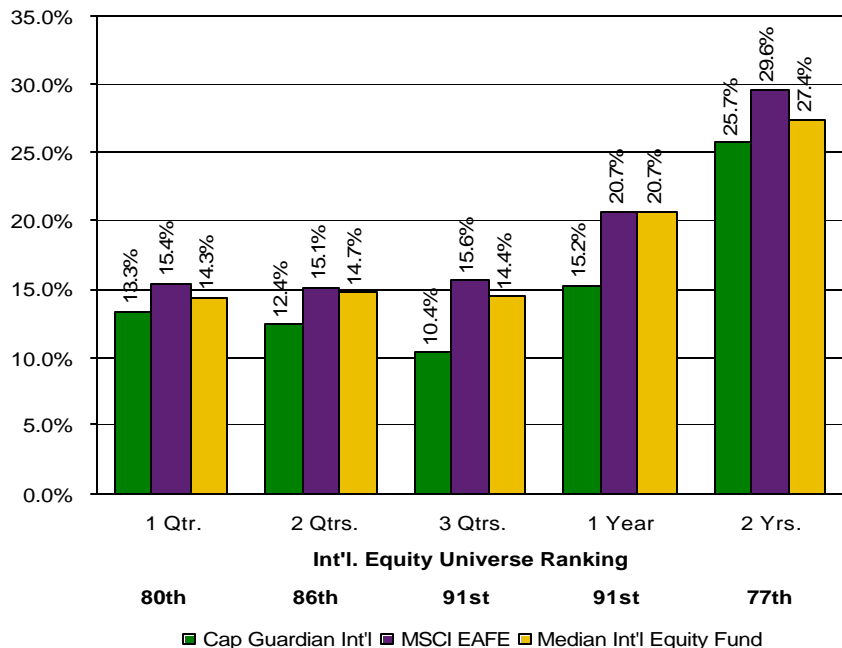
Performance Goals

- Over a market cycle, achieve an annualized total rate of return, net of fees, which: (1) exceeds the MSCI EAFE Index by 2%, and (2) ranks above the median style peer.

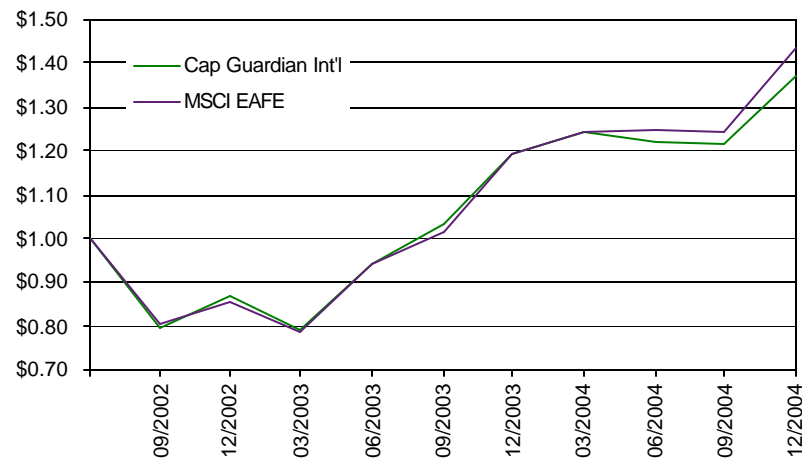
Dollar Reconciliation (000s)

| | Latest Qtr. | Latest 12 Mos. |
|------------------------|-------------|----------------|
| Beginning Market Value | \$38,339 | \$30,935 |
| Net External Growth | (20,062) | (13,222) |
| Return on Investment | 4,487 | 5,052 |
| Income Received | 0 | 0 |
| Gain/Loss | 4,487 | 5,052 |
| Ending Market Value | \$22,764 | \$22,764 |

Performance



Growth of \$1.00

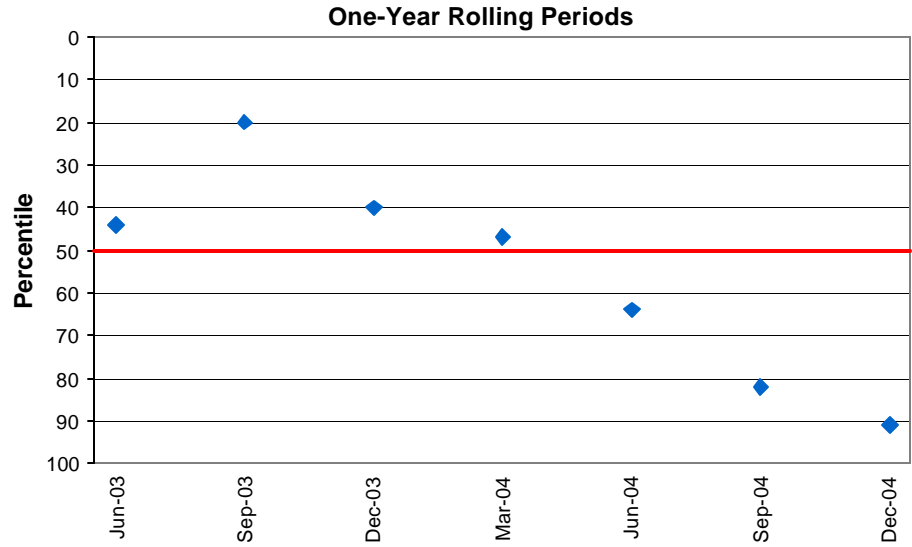


Note: Returns are shown gross of fees and are annualized for periods longer than one year.

Capital Guardian International

December 31, 2004

Rolling Period Ranking vs. International Equity Peers

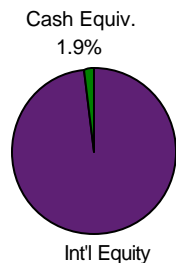


LSV

December 31, 2004

Asset Allocation

| | |
|---------------|---------------------|
| Int'l Equity | \$20,225,381 |
| Cash Equiv. | <u>382,049</u> |
| Total: | \$20,607,430 |



Strategy

- Value-Biased International Equity

Performance Goals

- Over a market cycle, achieve an annualized total rate of return, net of fees, which: (1) exceeds the MSCI EAFE Index by 2%, and (2) ranks above the median style peer.

Performance

- Not enough data for this component.

Dollar Reconciliation (000s)

- Not enough data for this component.

Growth of \$1.00

- Not enough data for this component.

Note: Returns are shown gross of fees and are annualized for periods longer than one year.

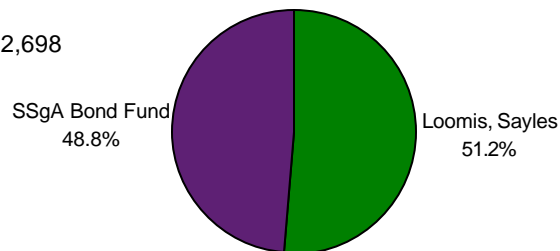
Fixed Income Composite

December 31, 2004

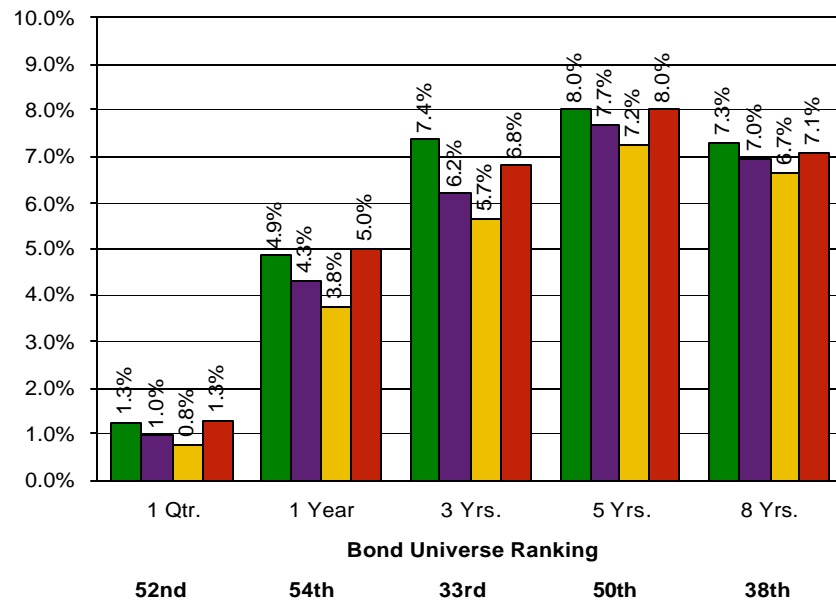
Manager Allocation

Loomis, Sayles \$29,355,861
 SSgA Bond Fund 27,986,837

Total: \$57,342,698



Performance



Dollar Reconciliation (000s)

| | Latest Qtr. | Latest 12 Mos. |
|------------------------|-------------|----------------|
| Beginning Market Value | \$56,667 | \$59,923 |
| Net External Growth | (34) | (5,245) |
| Return on Investment | 709 | 2,665 |
| Income Received | 405 | 1,507 |
| Gain/Loss | 304 | 1,158 |
| Ending Market Value | \$57,343 | \$57,343 |

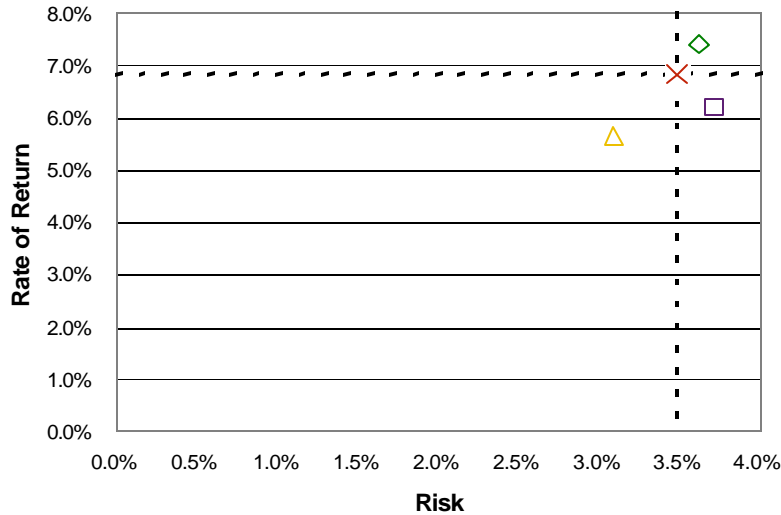
Commentary

- The fixed income composite has done well over periods through 12/31/04 relative to the Lehman Aggregate and Intermediate indices.
- This is due to Loomis' performance, which continues to be strong – adding significant value over the broad market.

Fixed Income Composite

December 31, 2004

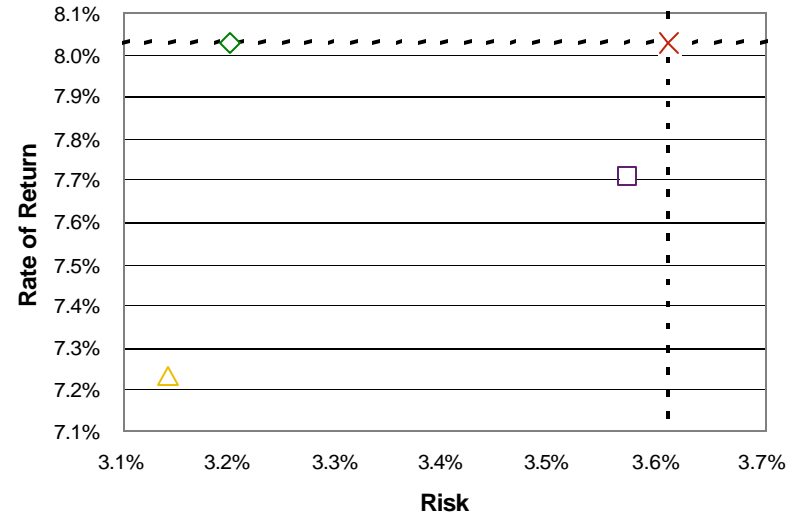
Risk vs. Return: Last Three Years



◆ Fixed Income Composite □ LB Aggregate
△ LB Intermediate Agg × Median Bond Fund

| | Return | Risk |
|------------------------|--------|------|
| Fixed Income Composite | 7.4% | 3.6% |
| LB Aggregate | 6.2% | 3.7% |
| LB Intermediate Agg | 5.7% | 3.1% |
| Median Bond Fund | 6.8% | 3.5% |

Risk vs. Return: Last Five Years



◆ Fixed Income Composite □ LB Aggregate
△ LB Intermediate Agg × Median Bond Fund

| | Return | Risk |
|------------------------|--------|------|
| Fixed Income Composite | 8.0% | 3.2% |
| LB Aggregate | 7.7% | 3.6% |
| LB Intermediate Agg | 7.2% | 3.1% |
| Median Bond Fund | 8.0% | 3.6% |

Note: Returns are shown gross of fees and are annualized for periods longer than one year.

Fixed Income Composite

December 31, 2004

Fixed Portfolio Characteristics

| | Fixed Income Comp 9/30/2004 | Fixed Income Comp 12/31/2004 | LB Aggregate 12/31/2004 |
|-------------------|--------------------------------|---------------------------------|----------------------------|
| No. of Securities | 4,280 | 4,417 | 5,836 |
| Current Coupon | 5.27% | 5.11% | 5.24% |
| Yield to Maturity | 4.02% | 4.16% | 4.38% |
| Average Maturity | 6.14 years | 5.46 years | 7.09 years |
| Duration | 4.02 years | 3.83 years | 4.34 years |
| Quality | AA | AA | AA |

Average Maturity

| | 9/30/2004 | 12/31/2004 |
|------------------|-----------|------------|
| 0.0 to 1.0 years | 4.1% | 3.9% |
| 1.0 to 3.0 | 14.9% | 24.6% |
| 3.0 to 5.0 | 34.0% | 31.3% |
| 5.0 to 10.0 | 29.8% | 34.0% |
| 10.0 to 20.0 | 3.3% | 3.0% |
| 20.0+ | 5.4% | 3.2% |
| Other | 8.4% | 0.0% |

Five Largest Fixed Holdings

| | % of Portfolio |
|--|----------------|
| FEDERAL NATL MTG ASSN NTS, 6%, Mat. 12/15/2005 | 4.5% |
| FNMA POOL 725051, 4%, Mat. 1/1/2019 | 3.5% |
| FHLMC GOLD POOL B14158, 4%, Mat. 5/1/2019 | 3.4% |
| FHLMC POOL B11058, 4.5%, Mat. 11/1/2018 | 3.0% |
| US TREASURY NOTES, 3.125%, Mat. 5/15/2007 | 2.8% |

Duration

| | 9/30/2004 | 12/31/2004 |
|------------------|-----------|------------|
| 0.0 to 1.0 years | 3.9% | 4.6% |
| 1.0 to 3.0 | 25.5% | 38.9% |
| 3.0 to 4.0 | 23.1% | 26.9% |
| 4.0 to 6.0 | 14.7% | 16.6% |
| 6.0 to 8.0 | 15.6% | 9.0% |
| 8.0+ | 8.7% | 4.1% |
| Other | 8.4% | 0.0% |

Fixed Sector Allocation

| Sector | Fixed Income Comp 9/30/2004 | Fixed Income Comp 12/31/2004 | LB Aggregate 12/31/2004 |
|------------|--------------------------------|---------------------------------|----------------------------|
| Treasuries | 13.7% | 19.0% | 24.7% |
| Agencies | 6.3% | 10.5% | 11.0% |
| Corporates | 28.9% | 30.0% | 23.1% |
| Utilities | 6.5% | 4.4% | 1.7% |
| Foreign | 7.0% | 3.6% | 0.0% |
| MBS | 29.2% | 25.1% | 35.1% |
| CMO | 1.4% | 1.4% | 3.0% |
| ABS | 1.6% | 5.3% | 1.4% |
| Municipals | 0.0% | 0.0% | 0.0% |
| Others | 5.4% | 0.5% | 0.0% |

Quality Distribution

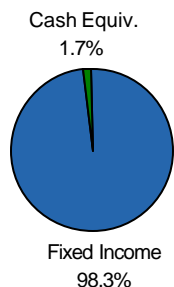
| | 9/30/2004 | 12/31/2004 |
|------------|-----------|------------|
| Government | 13.4% | 20.0% |
| Aaa | 39.0% | 43.6% |
| Aa | 2.4% | 2.3% |
| A | 9.9% | 14.5% |
| Baa | 22.5% | 19.2% |
| Below Baa | 3.5% | 0.0% |
| Other | 9.2% | 0.5% |

Loomis, Sayles

December 31, 2004

Asset Allocation

| | |
|---------------|---------------------|
| Fixed Income | \$28,866,068 |
| Cash Equiv. | <u>489,793</u> |
| Total: | \$29,355,861 |



Strategy

- Total Return (Core) Plus Fixed Income

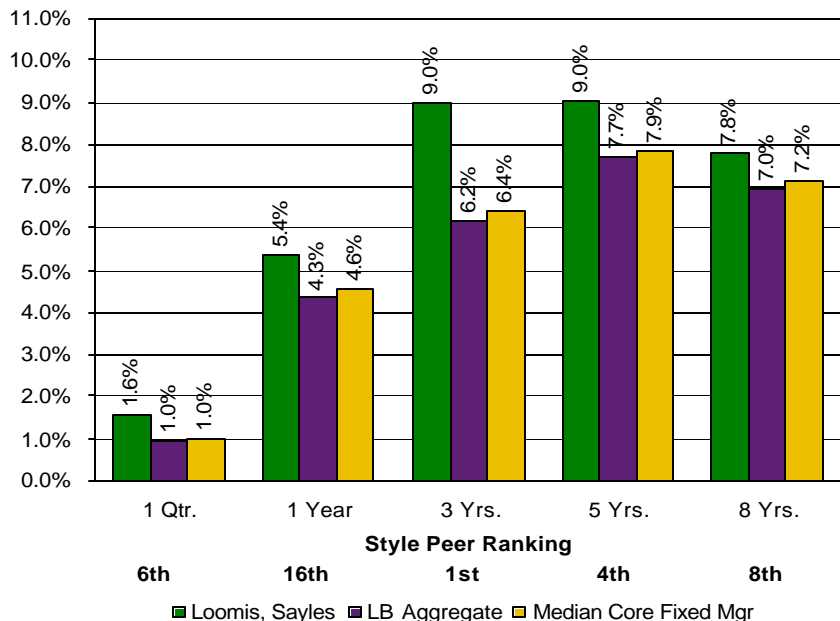
Performance Goals

- Over a market cycle, achieve an annualized total rate of return, net of fees, which: (1) exceeds the Lehman Brothers Aggregate Index by 1%, and (2) ranks above the median style peer.

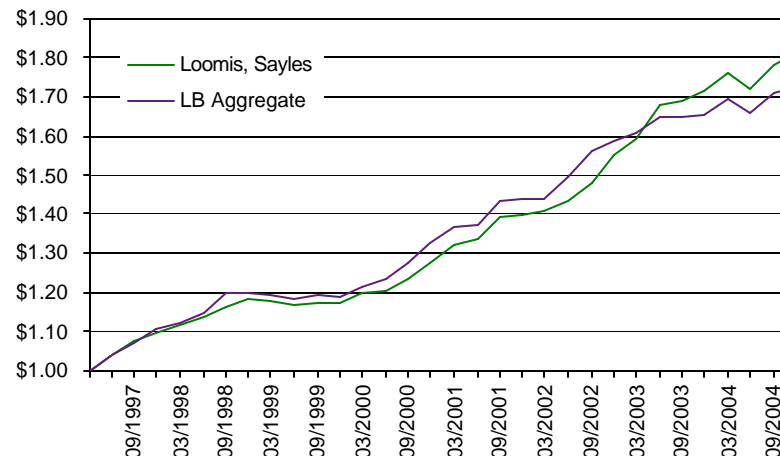
Dollar Reconciliation (000s)

| | Latest Qtr. | Latest 12 Mos. |
|----------------------------|-----------------|-----------------|
| Beginning Market Value | \$28,942 | \$39,782 |
| Net External Growth | (34) | (11,945) |
| Return on Investment | 448 | 1,519 |
| Income Received | 405 | 1,507 |
| Gain/Loss | 43 | 12 |
| Ending Market Value | \$29,356 | \$29,356 |

Performance



Growth of \$1.00

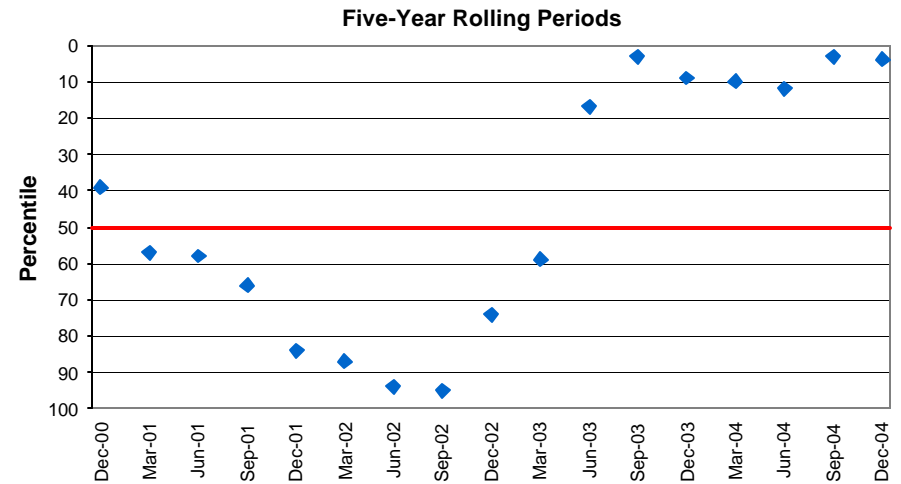
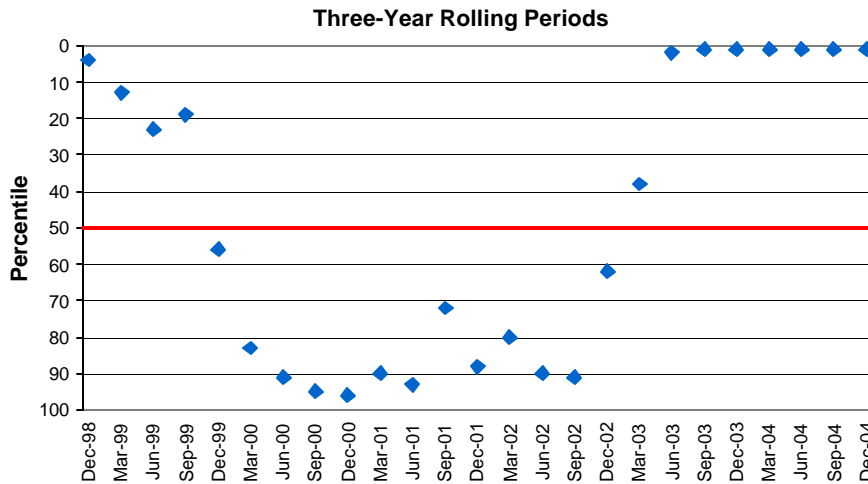
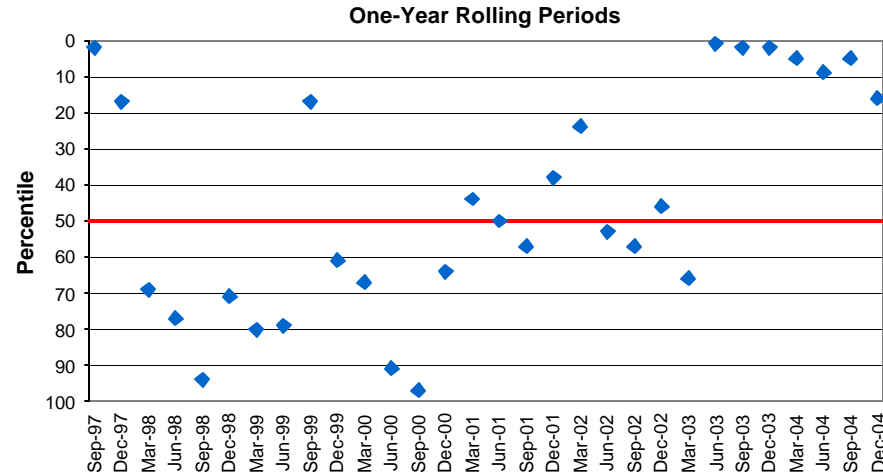


Note: Returns are shown gross of fees and are annualized for periods longer than one year.

Loomis, Sayles

December 31, 2004

Rolling Period Ranking vs. Core Fixed Income Peers



Loomis, Sayles

December 31, 2004

Fixed Portfolio Characteristics

| | Loomis, Sayles 9/30/2004 | Loomis, Sayles 12/31/2004 | LB Aggregate 12/31/2004 |
|-------------------|-----------------------------|------------------------------|----------------------------|
| No. of Securities | 107 | 111 | 5,836 |
| Current Coupon | 5.12% | 4.99% | 5.24% |
| Yield to Maturity | 3.87% | 3.97% | 4.38% |
| Average Maturity | 4.15 years | 3.93 years | 7.09 years |
| Duration | 3.36 years | 3.35 years | 4.34 years |
| Quality | Aa2 | Aa2 | AA |

Average Maturity

| | 9/30/2004 | 12/31/2004 |
|------------------|-----------|------------|
| 0.0 to 1.0 years | 1.5% | 7.0% |
| 1.0 to 3.0 | 30.1% | 28.0% |
| 3.0 to 5.0 | 35.0% | 41.0% |
| 5.0 to 10.0 | 33.4% | 24.0% |
| 10.0 to 20.0 | 0.0% | 0.0% |
| 20.0+ | 0.0% | 0.0% |
| Other | 0.0% | 0.0% |

Five Largest Fixed Holdings

| | % of Portfolio |
|--|----------------|
| FEDERAL NATL MTG ASSN NTS, 6%, Mat. 12/15/2005 | 4.5% |
| FNMA POOL 725051, 4%, Mat. 1/1/2019 | 3.5% |
| FHLMC GOLD POOL B14158, 4%, Mat. 5/1/2019 | 3.4% |
| FHLMC POOL B11058, 4.5%, Mat. 11/1/2018 | 3.0% |
| US TREASURY NOTES, 3.125%, Mat. 5/15/2007 | 2.8% |

Duration

| | 9/30/2004 | 12/31/2004 |
|------------------|-----------|------------|
| 0.0 to 1.0 years | 1.5% | 9.0% |
| 1.0 to 3.0 | 37.3% | 38.0% |
| 3.0 to 4.0 | 22.8% | 21.0% |
| 4.0 to 6.0 | 31.7% | 23.0% |
| 6.0 to 8.0 | 6.7% | 9.0% |
| 8.0+ | 0.0% | 0.0% |
| Other | 0.0% | 0.0% |

Fixed Sector Allocation

| Sector | Loomis, Sayles 9/30/2004 | Loomis, Sayles 12/31/2004 | LB Aggregate 12/31/2004 |
|------------|-----------------------------|------------------------------|----------------------------|
| Treasuries | 8.3% | 13.0% | 24.7% |
| Agencies | 10.6% | 10.0% | 11.0% |
| Corporates | 46.4% | 43.0% | 23.1% |
| Utilities | 6.9% | 7.0% | 1.7% |
| Foreign | 0.0% | 1.0% | 0.0% |
| MBS | 18.5% | 16.0% | 35.1% |
| CMO | 0.0% | 0.0% | 3.0% |
| ABS | 8.1% | 9.0% | 1.4% |
| Municipals | 0.0% | 0.0% | 0.0% |
| Others | 1.2% | 1.0% | 0.0% |

Quality Distribution

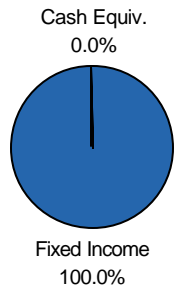
| | 9/30/2004 | 12/31/2004 |
|------------|-----------|------------|
| Government | 37.4% | 39.0% |
| Aaa | 9.6% | 11.0% |
| Aa | 2.8% | 2.0% |
| A | 20.0% | 19.0% |
| Baa | 29.0% | 28.0% |
| Below Baa | 0.0% | 0.0% |
| Other | 1.2% | 1.0% |

SSgA Bond Fund

December 31, 2004

Asset Allocation

| | |
|---------------|---------------------|
| Fixed Income | \$27,986,837 |
| Cash Equiv. | 0 |
| Total: | \$27,986,837 |



Strategy

- Core Fixed Income

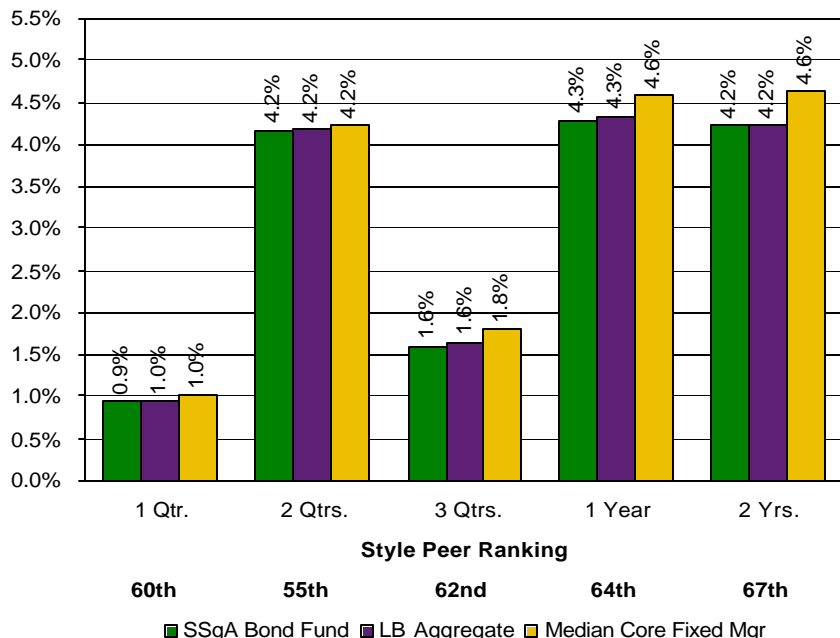
Performance Goals

- To produce investment returns that are in excess of the Lehman Aggregate Index on an annualized basis over rolling three-to-five year periods, net of fees.

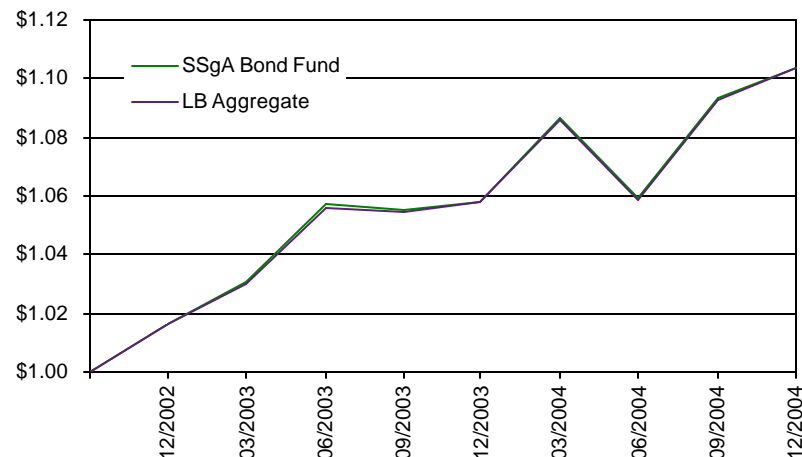
Dollar Reconciliation (000s)

| | Latest Qtr. | Latest 12 Mos. |
|------------------------|-------------|----------------|
| Beginning Market Value | \$27,725 | \$20,141 |
| Net External Growth | 0 | 6,700 |
| Return on Investment | 261 | 1,146 |
| Income Received | 0 | 0 |
| Gain/Loss | 261 | 1,146 |
| Ending Market Value | \$27,987 | \$27,987 |

Performance



Growth of \$1.00

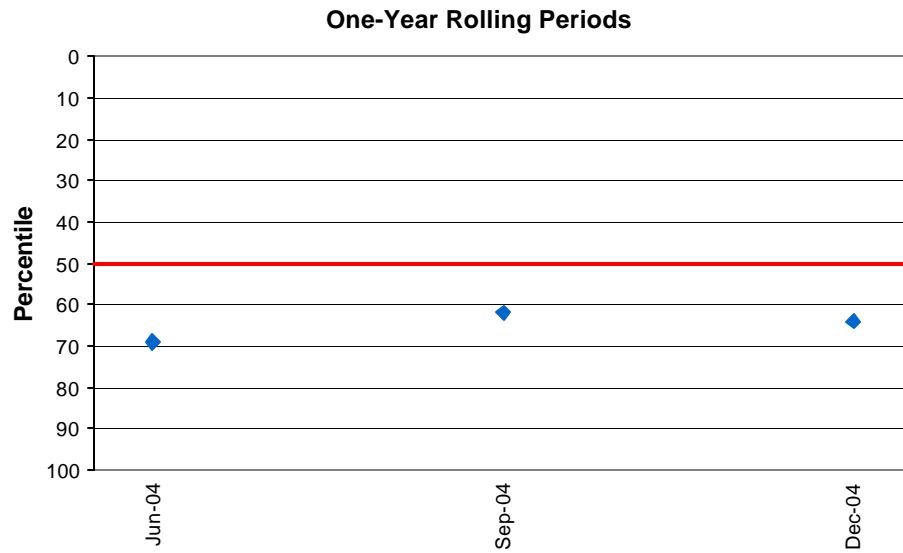


Note: Returns are shown gross of fees and are annualized for periods longer than one year.

SSgA Bond Fund

December 31, 2004

Rolling Period Ranking vs. Core Fixed Income Peers



SSgA Bond Fund

December 31, 2004

Fixed Portfolio Characteristics

| | SSgA Bond 9/30/2004 | SSgA Bond 12/31/2004 | LB Aggregate 12/31/2004 |
|-------------------|------------------------|-------------------------|----------------------------|
| No. of Securities | 4,218 | 4,306 | 5,836 |
| Current Coupon | 5.32% | 5.23% | 5.24% |
| Yield to Maturity | 4.64% | 4.36% | 4.38% |
| Average Maturity | 7.47 years | 7.05 years | 7.09 years |
| Duration | 4.77 years | 4.33 years | 4.34 years |
| Quality | AA | AA | AA |

Average Maturity

| | 9/30/2004 | 12/31/2004 |
|------------------|-----------|------------|
| 0.0 to 1.0 years | 0.4% | 0.7% |
| 1.0 to 3.0 | 21.3% | 21.1% |
| 3.0 to 5.0 | 20.7% | 21.2% |
| 5.0 to 10.0 | 44.7% | 44.4% |
| 10.0 to 20.0 | 6.5% | 6.17% |
| 20.0+ | 6.5% | 6.47% |

Five Largest Fixed Holdings

| | % of Portfolio |
|---|----------------|
| FNMA POOL 725234, 5.0%, Mat. 03/01/2034 | 1.2% |
| FNMA POOL 725221, 5.5%, Mat. 01/01/2034 | 1.1% |
| FNMA TBA JAN 30 SINGLE FAM, 6.0%, Mat. 12/01/2099 | 0.9% |
| ALPINE SECURITIZATION CORP, 2.28%, Mat 01/07/2005 | 0.8% |
| FNMA POOL 725205, 5.0%, Mat. 03/01/2034 | 0.8% |

Duration

| | 9/30/2004 | 12/31/2004 |
|------------------|-----------|------------|
| 0.0 to 1.0 years | 0.0% | 0.0% |
| 1.0 to 3.0 | 21.0% | 39.8% |
| 3.0 to 5.0 | 22.5% | 33.0% |
| 5.0 to 7.0 | 17.2% | 9.9% |
| 7.0 to 10.0 | 26.3% | 8.9% |
| 10.0+ | 13.1% | 8.5% |

Fixed Sector Allocation

| Sector | SSgA Bond Fund 9/30/2004 | SSgA Bond Fund 12/31/2004 | LB Aggregate 12/31/2004 |
|------------|-----------------------------|------------------------------|----------------------------|
| Treasuries | 24.8% | 25.2% | 24.7% |
| Agencies | 11.0% | 11.0% | 11.0% |
| Corporates | 16.2% | 16.3% | 16.5% |
| Utilities | 1.6% | 1.6% | 1.6% |
| Foreign | 6.4% | 6.4% | 6.7% |
| MBS | 35.4% | 34.7% | 35.1% |
| CMO | 2.9% | 2.9% | 3.1% |
| ABS | 1.5% | 1.4% | 1.4% |
| Municipals | 0.0% | 0.0% | 0.0% |
| Others | 0.3% | 0.0% | 0.0% |

Quality Distribution

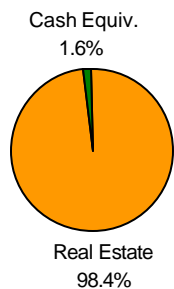
| | 9/30/2004 | 12/31/2004 |
|-----------|-----------|------------|
| Aaa | 77.9% | 77.7% |
| Aa | 2.5% | 2.6% |
| A | 9.5% | 9.8% |
| Baa | 10.0% | 9.9% |
| Below Baa | 0.0% | 0.0% |
| Other | 0.0% | 0.0% |

Clarion Real Estate

December 31, 2004

Asset Allocation

| | |
|---------------|---------------------|
| Real Estate | \$11,021,145 |
| Cash Equiv. | <u>174,728</u> |
| Total: | \$11,195,873 |



Strategy

- Diversified Core Real Estate

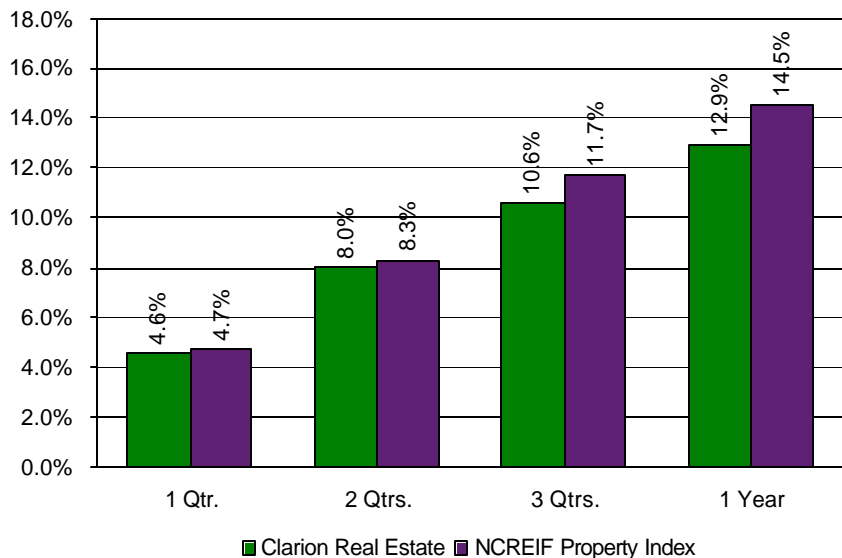
Performance Goals

- Outperform the NCREIF Property Index over a complete market cycle.

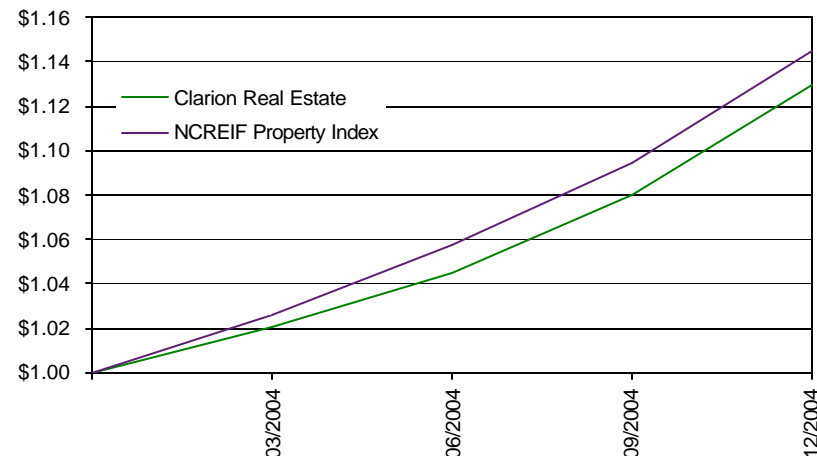
Dollar Reconciliation (000s)

| | Latest Qtr. | Latest 12 Mos. |
|------------------------|-------------|----------------|
| Beginning Market Value | \$10,738 | \$4,900 |
| Net External Growth | (30) | 5,014 |
| Return on Investment | 488 | 1,282 |
| Income Received | 34 | 232 |
| Gain/Loss | 454 | 1,050 |
| Ending Market Value | \$11,196 | \$11,196 |

Performance



Growth of \$1.00



Note: Returns are shown gross of fees and are annualized for periods longer than one year.