



Quarterly Report

June 30, 2004

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Executive Summary of Investment Performance

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CTF Bullet Point Highlights

Capital Markets

- The Dow Jones Wilshire 5000 index had its fifth consecutive quarter of positive returns, earning 1.3 percent for the quarter. The one-year return remains above average, returning 21.2 percent.
- Small cap, as measured by the Russell 2000, earned 0.5 percent for the quarter and 33.4 percent for the year. Large cap, as measured by the Russell 1000, outperformed small cap for the first time in five quarters, earning 1.4 percent for the quarter and 19.5 percent for the year.
- Growth outperformed value by less than 1.0 percent (1.8 versus 0.9 percent). The last time the difference was less than 1.0 percent was September 1996. Value outperformed for the one year earning 22.1 percent versus growth's 18.8 percent.
- The non-U.S. equity market underperformed the U.S. equity market, losing 0.7 percent as measured by the MSCI ACWI ex U.S. Index; the one-year return of 32.5 percent is still higher than the U.S. equity markets one-year return. All 48 countries in the MSCI ACWI ex U.S. Index had positive returns for the year, in U.S. dollars, but the majority, 26 countries, had negative returns for the quarter.
- In the Lehman indices the two smallest sectors CMBS (non ERISA) and Emerged Bond, which account for less than 0.6 percent of the index, showed the only positive returns for the quarter, with emerging markets returning the lowest. Shorter maturity securities outperformed longer maturities for both the quarter and year.
- The best performers in the NCREIF for the first quarter were retail, at 5.4 percent, and the Eastern region, at 3.4 percent. Total return for the index was 3.1 percent.
- GDP growth grew at a rate of 2.8 percent (annualized) for the quarter. Inflation, as measured by the CPI, was up 1.2 percent for the quarter and grew 3.2 percent for the year.
- The Fed raised the federal funds rate 25 basis points on June 30, bringing the rate to 1.25 percent.

Total Fund

- The CTF increased in size during the quarter by \$0.8 billion and by \$4.6 billion for the fiscal year.

Asset Allocation

- The CTF finished the quarter within the long-term targets for all asset classes, with the exception of real estate. There were no transfers within the CTF as disbursements by private equity and real estate covered participant withdrawals.

Investment Return

- The non-lagged return for the quarter ended March 31, 2004, was 2.9 percent, which is lower than the lagged return of 3.9 percent.
- The CTF's lagged return for the second quarter of 2004 is 0.2 percent; bringing the one-year return to 16.2 percent.
- The fund outperformed all benchmarks for the quarter but underperformed the MAP for the fiscal year.

CTF Bullet Point Highlights

U.S. Equity

- The WSIB U.S. equity portfolio underperformed the Dow Jones Wilshire 5000 for the quarter but continues to have positive tracking error for the one-, five-, and ten-year periods. The fiscal year's outperformance was 20 basis points.

Non-U.S. Equity

- The WSIB non-U.S. equity portfolio underperformed the passive benchmark for the quarter by 34 basis points but is outperforming for the five-year period by 117 basis points.
- Due to restructuring and the inclusion of the new managers, only two developed market managers have quarterly returns; both managers outperformed the benchmark for the quarter. The passive manager outperformed for the fiscal year.
- None of the four emerging market managers outperformed for the quarter and only one, GMO, outperformed for the fiscal year. Of the three emerging market managers who have five years of performance history with the WSIB, only one has outperformed the benchmark (see page 13).

Fixed Income

- The WSIB fixed income portfolio continues to outperform both the Lehman Universal and Lehman Aggregate for all time periods listed--54 basis points over the Universal and 122 basis points over the Aggregate for the fiscal year.

Private Equity

- The WSIB private equity non-lagged return for the quarter ended March 31, 2004, was 1.8 percent. The one-year return was 21.8 percent, lower than the benchmark of 40.1 percent.
- The WSIB LP portfolio returned 2.2 percent, and the WSIB KKR portfolio returned 0.4 percent for the quarter.
- As of March 31, 2004, there were slightly more than \$5.0 billion in open commitments.

Real Estate

- The non-lagged March 31, 2004, one-quarter return for the WSIB real estate portfolio was 2.5 percent, lower than the NCREIF+100 basis point index of 2.8 percent. For the one-year period, the return of 11.8 percent was 110 basis points above the NCREIF+100 basis point index of 10.7 percent.
- As of March 31, 2004, there were just over \$3.1 billion in open commitments.

Capital Market Environment

IT IS NOT A QUESTION OF IF, IT IS A QUESTION OF HOW FAST

The question is no longer if the Federal Open Market Committee (FOMC) will increase the federal funds rate, but rather how quickly and how high. The FOMC increased the federal funds rate by one-fourth of 1.00 percent at both their June 30, 2004, and August 10, 2004, meetings--raising it to 1.50 percent. The Committee stated they believed that "...even after this action, the stance of monetary policy remains accommodative and, coupled with robust underlying growth in productivity, is providing ongoing support to economic activity." They went on to state their belief that inflation is expected to be relatively low and that policy accommodation can be removed at a pace that is likely to be "measured."

So what will a higher federal funds rate mean for the average investor? Generally speaking, as the federal funds rate increases, so does the longer end of the interest rate yield curve. Consumers that have floating rate debt where the interest rate changes periodically, such as variable rate mortgage debt, experience an increase in the minimum required payment. Investors that hold fixed interest rate investments will see the market value of these investments decrease as interest rates rise. The offset to this is investors that have new money to put to work will be able to do so at higher interest rates. How stocks react to the move to higher interest rates will depend on a number of complex issues, including the speed at which the FOMC increases the rate, the amount of inflation, and the potential drag to the economy resulting from problems experienced by highly-leveraged consumers and companies.

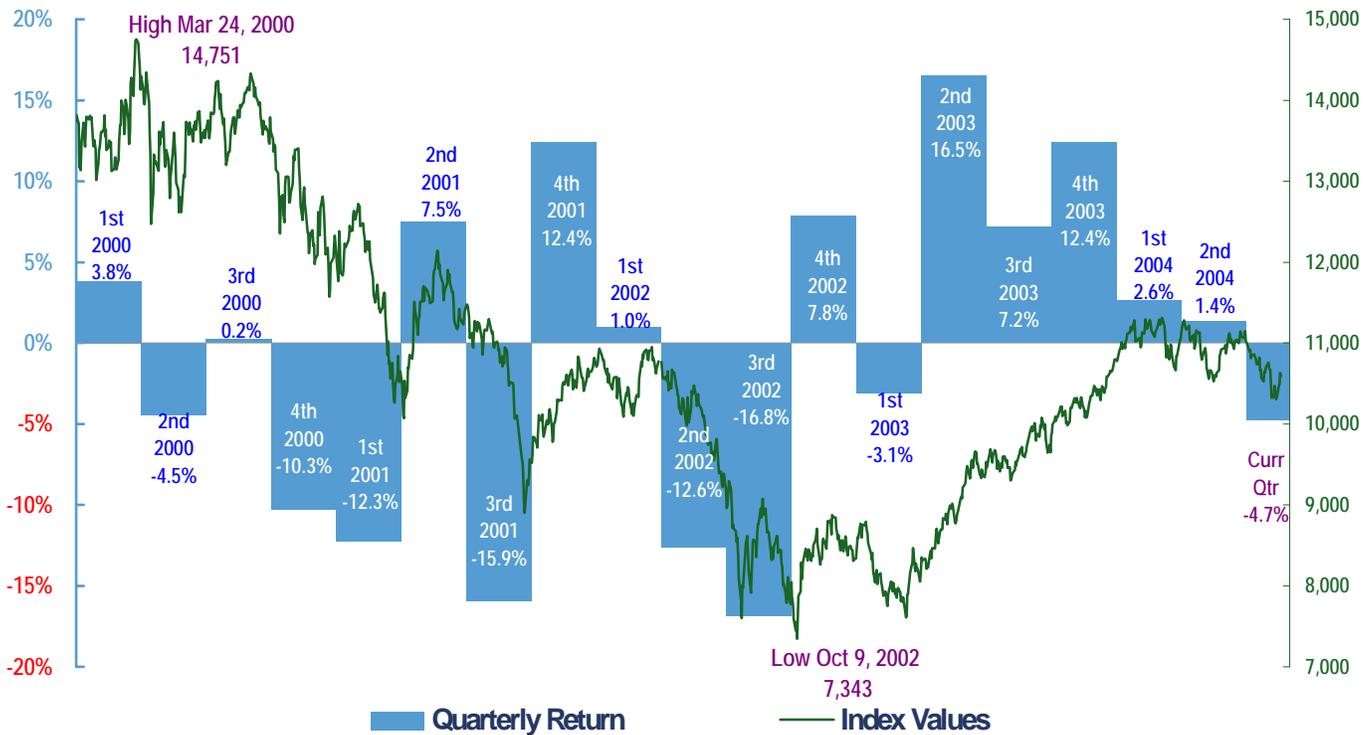
The economic news for the second quarter of 2004 continued to be somewhat mixed. While the quarter began with stronger than expected employment numbers and reports of higher than expected corporate profit growth, the quarter ended with higher oil prices and employment numbers softer than expected as unemployment claims increased. Additionally, the economic stimulus of the tax refunds and individuals refinancing their houses appears to be mostly behind us now and the threat of terrorism continues to be an active part of our lives. The positive news as the quarter came to an end was the overall index of consumer confidence rose the first week of July to its highest level since February.

For the quarter ended June 30, 2004, the U.S. Equity market, as measured by the Dow Jones Wilshire 5000, the Russell 3000, and the S&P 500, were up 1.34 percent, 1.33 percent, and 1.72 percent, respectively. The Russell Growth and the Russell Value indices were up 0.88 percent and 1.79 percent, respectively. The International Equity market, as measured by the MSCI EAFE, was up 0.22 percent for the quarter. U.S. Fixed Income, as measured by the Lehman Aggregate, was down 2.44 percent while the 3-month Treasury Bill returned 0.23 percent for the quarter.

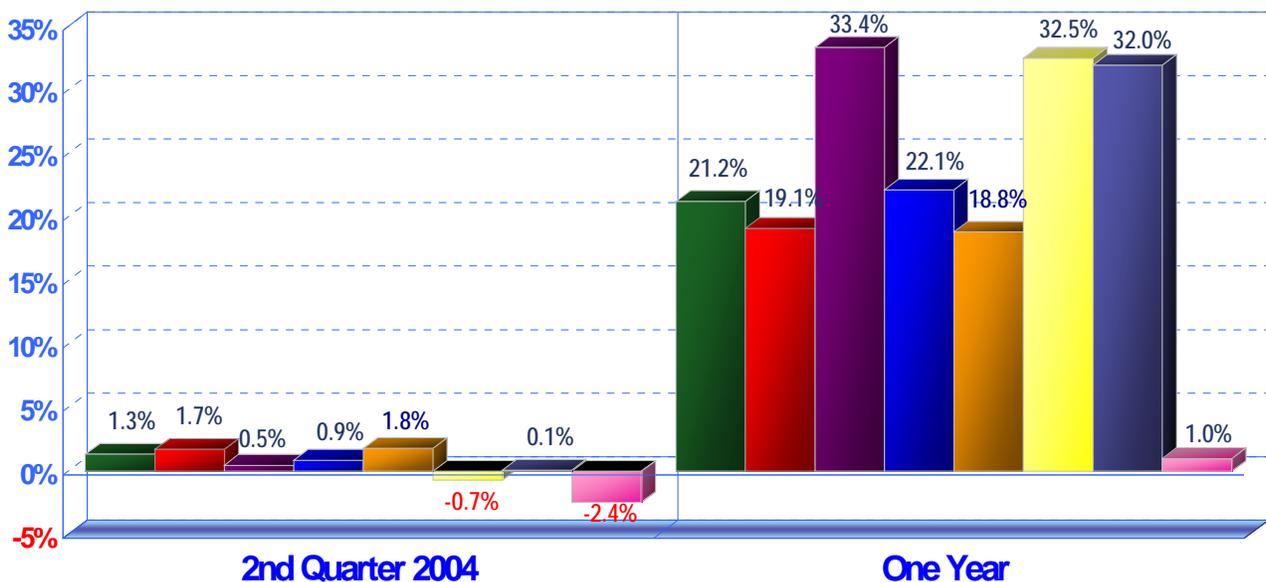
Capital Market Environment

Dow Jones Wilshire 5000

January 1, 2000 - August 19, 2004



Capital Market Returns

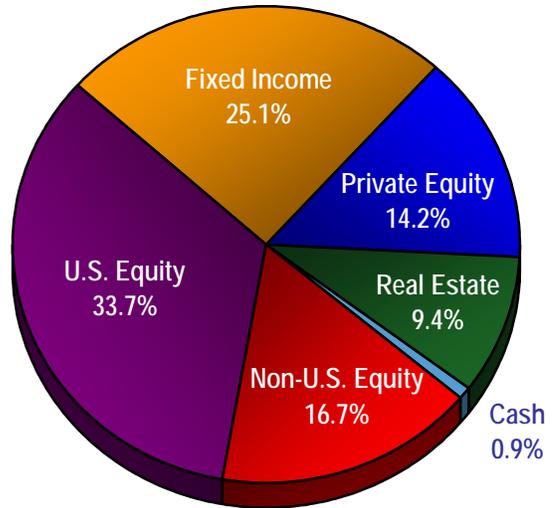


- Dow Jones Wilshire 5000
- S&P 500
- Russell 2000
- Russell 3000 Value
- Russell 3000 Growth
- MSCI ACWI ex U.S.
- MSCI EAFE+Canada
- Lehman Universal

CTF Asset Allocation

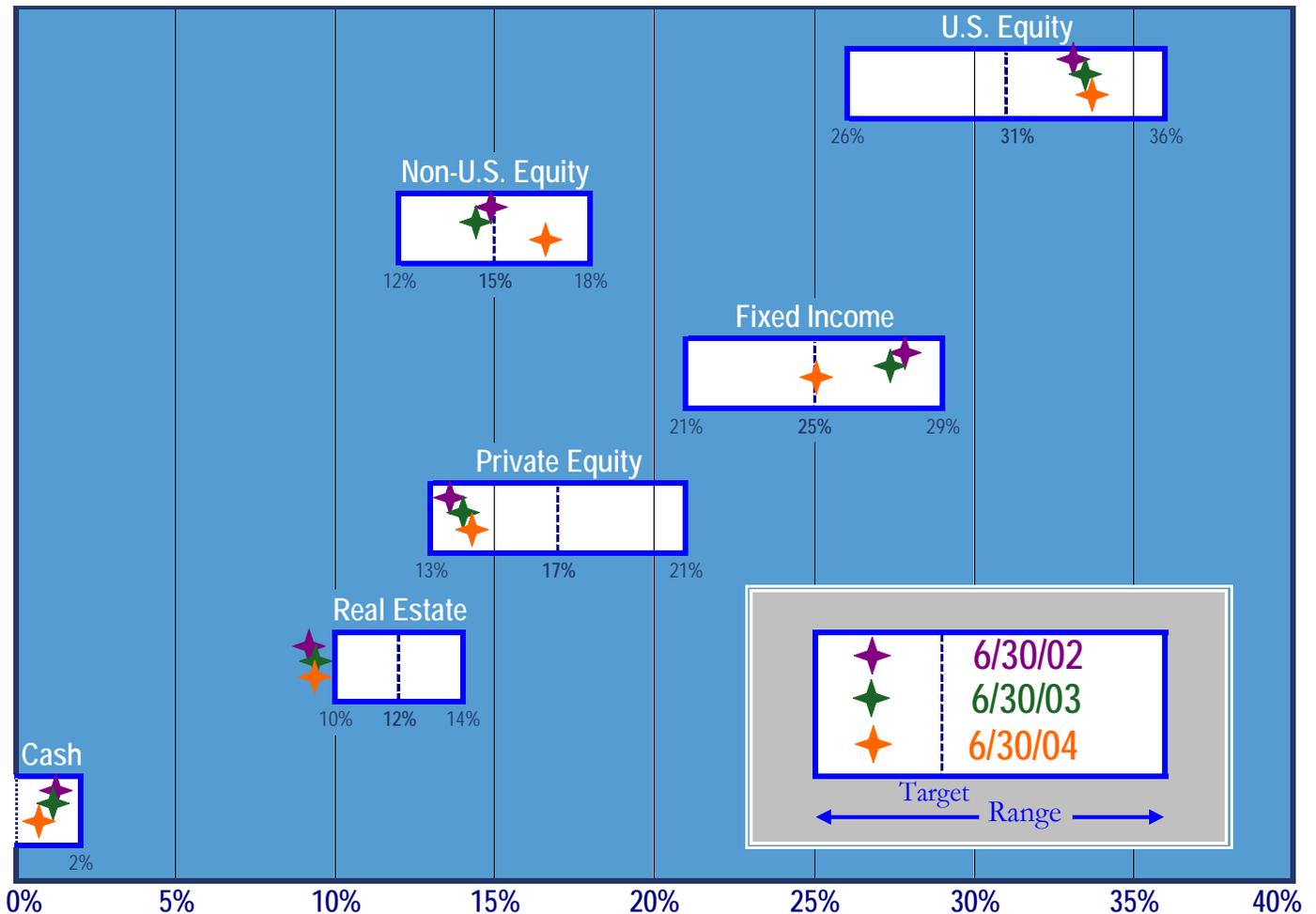
June 30, 2004

Asset Class	Market Value (000s)
U.S. Equity	\$ 14,634,188
Non-U.S. Equity	7,262,928
Fixed Income	10,891,202
Private Equity	6,164,823
Real Estate	4,070,994
Cash	365,395
Total Fund	\$ 43,389,531



Current Allocation

Versus Long-Term Targets and Policy Ranges



Market Values & Net Investment Performance - Lagged¹

Periods Ended June 30, 2004

Market Values in \$000s

			<u>Quarter</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Total Fund	\$ 43,389,531	100.0%	0.20 %	16.17 %	16.17 %	4.06 %	3.96 %	9.94 %
<i>MAP Benchmark²</i>			<i>0.09</i>	<i>17.53</i>	<i>17.53</i>	<i>3.31</i>	<i>1.65</i>	<i>9.25</i>
<i>Structural Benchmark³</i>			<i>0.17</i>	<i>15.88</i>	<i>15.88</i>	<i>3.59</i>	<i>3.05</i>	<i>9.52</i>
<i>TUCS Public Fund >\$1B Median⁴</i>			<i>-0.12</i>	<i>15.82</i>	<i>15.82</i>	<i>4.16</i>	<i>3.60</i>	<i>9.70</i>
<i>TUCS Public/Corporate Fund >\$1B Median⁴</i>			<i>-0.09</i>	<i>16.16</i>	<i>16.16</i>	<i>4.37</i>	<i>3.79</i>	<i>10.06</i>
U.S. Equity	\$ 14,634,188	33.7%	1.33 %	21.44 %	21.44 %	0.71 %	-0.66 %	11.60 %
<i>Dow Jones Wilshire 5000</i>			<i>1.34</i>	<i>21.24</i>	<i>21.24</i>	<i>0.79</i>	<i>-1.03</i>	<i>11.53</i>
<i>S&P 500</i>			<i>1.72</i>	<i>19.11</i>	<i>19.11</i>	<i>-0.69</i>	<i>-2.21</i>	<i>11.83</i>
Non-U.S. Equity	\$ 7,262,928	16.7%	-1.03 %	29.99 %	29.99 %	4.73 %	2.13 %	4.51 %
<i>MSCI ACWI ex U.S.</i>			<i>-0.69</i>	<i>32.50</i>	<i>32.50</i>	<i>5.25</i>	<i>0.96</i>	<i>4.40</i>
<i>MSCI EAFE</i>			<i>0.22</i>	<i>32.37</i>	<i>32.37</i>	<i>3.87</i>	<i>0.06</i>	<i>4.06</i>
Fixed Income	\$ 10,891,202	25.1%	-2.25 %	1.54 %	1.54 %	7.10 %	7.57 %	7.79 %
<i>Lehman Universal</i>			<i>-2.44</i>	<i>1.00</i>	<i>1.00</i>	<i>6.65</i>	<i>7.08</i>	<i>7.48</i>
Cash	\$ 365,395	0.9%	0.22 %	1.03 %	1.03 %	1.73 %	2.50 %	4.02 %
<i>90 Day T-Bills</i>			<i>0.24</i>	<i>0.98</i>	<i>0.98</i>	<i>1.71</i>	<i>3.29</i>	<i>4.35</i>
Private Equity⁵	\$ 6,164,823	14.2%	1.76 %	21.82 %	21.82 %	-0.32 %	5.72 %	13.34 %
<i>S&P 500 + 500 bp lagged one quarter</i>			<i>2.92</i>	<i>40.13</i>	<i>40.13</i>	<i>5.63</i>	<i>3.80</i>	<i>16.68</i>
Real Estate⁵	\$ 4,070,994	9.4%	2.47 %	11.81 %	11.81 %	10.88 %	11.69 %	15.55 %
<i>NCREIF + 100 bp lagged one quarter</i>			<i>2.81</i>	<i>10.71</i>	<i>10.71</i>	<i>8.74</i>	<i>10.30</i>	<i>11.06</i>
<i>CPI</i>			<i>1.18 %</i>	<i>3.22 %</i>	<i>3.22 %</i>	<i>2.13 %</i>	<i>2.67 %</i>	<i>2.50 %</i>

¹ Performance figures are net of manager fees but before all other expenses.

² Currently 60% Dow Jones Wilshire 5000, 25% Lehman Universal, and 15% MSCI ACWI ex U.S. Over time the benchmark has been adjusted by changing the Lehman Aggregate to the Universal and by reducing Lehman from 30% and raising the Dow Jones Wilshire 5000 from 54%.

³ Uses previous quarter's actual allocation in calculating performance.

⁴ TUCS returns have been adjusted to reflect fees equivalent to those incurred by the WSIB (6.5 bp over one, three, and five years and 10 bp for ten years)

⁵ Private equity and real estate use March 31, 2004, market values, plus cash flows for the second quarter of 2004. For compositing purposes the private equity return is calculated using geometrically linked quarterly IRRs. For true IRR return please see PCG's quarterly report.

Market Values & Net Investment Performance - Non-Lagged¹

Periods Ended March 31, 2004

Market Values

			<u>Quarter</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
Total Fund	\$ 43,408,574	100.0%	2.91 %	15.31 %	27.06 %	5.22 %	4.83 %
<i>MAP Benchmark²</i>			<i>2.96</i>	<i>17.43</i>	<i>33.35</i>	<i>4.85</i>	<i>2.53</i>
U.S. Equity	\$ 14,442,059	33.3%	2.64 %	19.85 %	39.77 %	2.71 %	0.66 %
<i>Dow Jones Wilshire 5000</i>			<i>2.61</i>	<i>19.64</i>	<i>39.39</i>	<i>2.79</i>	<i>0.20</i>
Non-U.S. Equity	\$ 7,334,299	16.9%	4.45 %	31.34 %	57.53 %	5.42 %	3.56 %
<i>MSCI ACWI ex U.S.</i>			<i>4.83</i>	<i>33.43</i>	<i>59.91</i>	<i>5.45</i>	<i>2.03</i>
Fixed Income	\$ 11,140,602	25.7%	2.89 %	3.88 %	7.74 %	8.26 %	7.87 %
<i>Lehman Universal</i>			<i>2.66</i>	<i>3.52</i>	<i>6.72</i>	<i>7.73</i>	<i>7.48</i>
Cash	\$ 463,886	1.1%	0.23 %	0.81 %	1.15 %	2.12 %	2.71 %
<i>90 Day T-Bills</i>			<i>0.24</i>	<i>0.74</i>	<i>1.08</i>	<i>2.01</i>	<i>3.49</i>
Private Equity³	\$ 5,838,010	13.4%	1.75 %	15.04 %	21.83 %	-0.33 %	5.73 %
<i>S&P 500 + 500 bp</i>			<i>2.92</i>	<i>20.82</i>	<i>40.13</i>	<i>5.63</i>	<i>3.80</i>
Real Estate	\$ 4,189,717	9.7%	2.47 %	8.34 %	11.81 %	10.88 %	11.69 %
<i>NCREIF + 100 bp</i>			<i>2.81</i>	<i>8.25</i>	<i>10.71</i>	<i>8.74</i>	<i>10.30</i>
<i>CPI</i>			<i>1.24 %</i>	<i>2.02 %</i>	<i>1.74 %</i>	<i>2.08 %</i>	<i>2.58 %</i>

¹ Performance figures are given net of fees but before all other expenses.

² Currently 60% Dow Jones Wilshire 5000, 25% Lehman Universal, and 15% MSCI ACWI ex U.S. Over time the benchmark has been adjusted by reducing Lehman Aggregate from 30% and raising the Dow Jones Wilshire 5000 from 54%.

³ For compositing purposes the private equity return is calculated using geometrically linked quarterly IRRs. For true IRR return please see PCG's quarterly report.

CTF Historical Performance and Assets Under Management

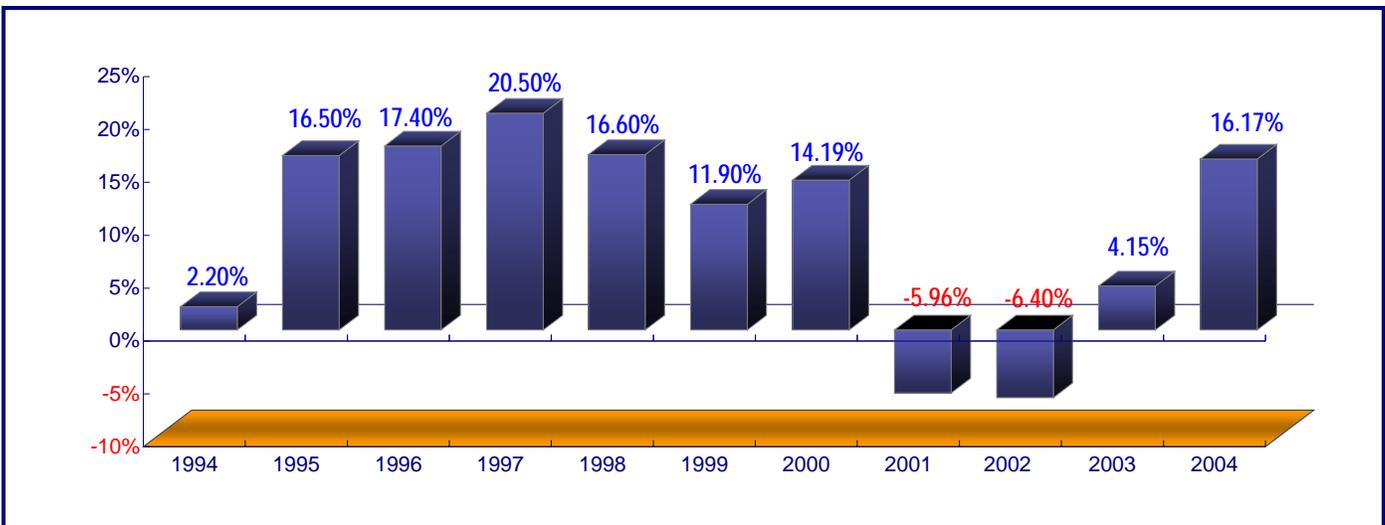
June 30, 2004

Market Values in \$000s

CTF Market Value:	\$	43,389,531
Net Change this Quarter:	\$	(19,043)
Net Change for Fiscal Year:	\$	4,612,330

Annual Performance

Fiscal Years Ended June 30



Assets Under Management- (\$ Billions)

Fiscal Years Ended June 30



U.S. Equity

June 30, 2004

Market Values in \$000s

Market Value: \$ 14,634,188
100% passively managed by Barclays Global Investors

Ten Largest Holdings (3,924 total holdings versus 5,079 in the index)

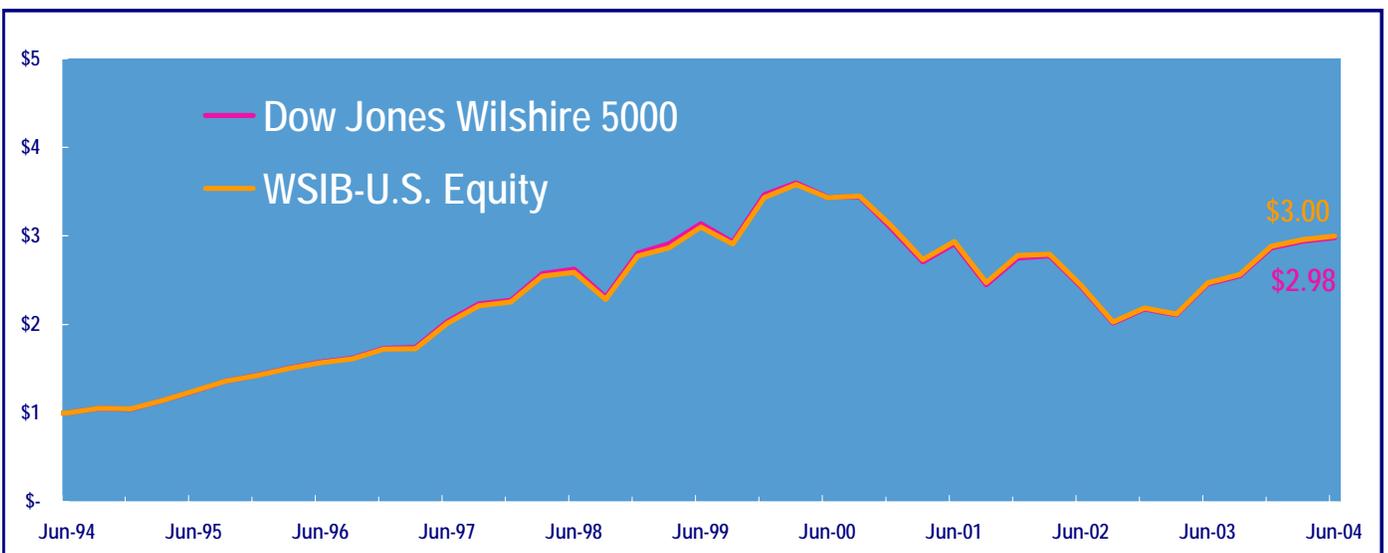
General Electric Co.	2.66%	Intel Corp.	1.41%
Microsoft Corp.	2.30%	Bank Of America Corp.	1.38%
Exxon Mobil Corp.	2.30%	Johnson & Johnson	1.31%
Pfizer Inc.	2.07%	American Int'l Group, Inc.	1.30%
Citigroup Inc.	1.90%	Cisco Systems, Inc.	1.27%

(The top ten companies represent almost 17.8% of the portfolio, the top 100 approximately 53.6%)

Performance

	<u>Qtr.</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
WSIB U.S. Equity	1.33%	21.44%	21.44%	0.71%	-0.66%	11.60%
<i>Dow Jones Wilshire 5000</i>	<i>1.34</i>	<i>21.24</i>	<i>21.24</i>	<i>0.79</i>	<i>-1.03</i>	<i>11.53</i>
<i>S & P 500</i>	<i>1.72</i>	<i>19.11</i>	<i>19.11</i>	<i>-0.69</i>	<i>-2.21</i>	<i>11.83</i>
<i>Russell 3000</i>	<i>1.33</i>	<i>20.46</i>	<i>20.46</i>	<i>0.15</i>	<i>-1.07</i>	<i>11.66</i>

Growth of a Dollar



Non-U.S. Equity

June 30, 2004

Market Values in \$000s

Market Value: \$ 7,262,928

The portfolio has 2,355 holdings versus 1,885 in the index. The top ten holdings represent about 12.05 percent of the portfolio and the top 100 approximately 47.4 percent. The portfolio has exposure to 57 countries: 22 developed, 24 emerging, and 11 other (as defined by MSCI AWCI ex U.S.).

Ten Largest Exposures by Country

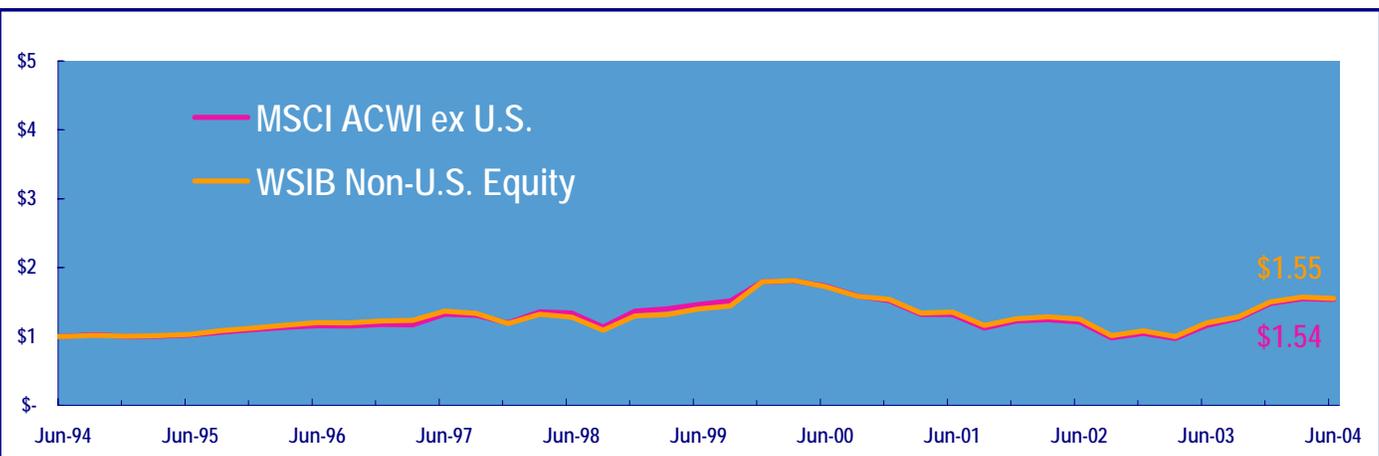
	CTF Weight	Index Weight		CTF Weight	Index Weight
United Kingdom	19.8%	21.2%	Netherlands	4.3%	4.1%
Japan	19.5%	20.4%	Australia	4.0%	4.1%
France	7.4%	8.0%	Canada	3.7%	5.3%
Germany	5.6%	5.8%	Spain	3.6%	3.0%
Switzerland	4.7%	6.1%	Italy	2.7%	3.2%

The ten largest country exposures comprise 75.3% of the portfolio versus the index at 81.4%.

Performance

	Qtr.	FYTD	1 Year	3 Year	5 Year	10 Year
WSIB Non-U.S. Equity	-1.03%	29.99%	29.99%	4.73%	2.13%	4.51%
MSCI ACWI ex U.S.	-0.69	32.50	32.50	5.25	0.96	4.40
MSCI EAFE+Canada	0.10	31.95	31.95	4.11	0.42	4.25
Emerging Markets <i>(MSCI after 6/02; IFC before)</i>	-9.64	33.14	33.14	13.81	4.55	1.65
MSCI Europe	2.13	28.87	28.87	4.07	0.31	9.35
MSCI Pacific Basin	-4.03	41.12	41.12	3.33	-0.53	-2.15

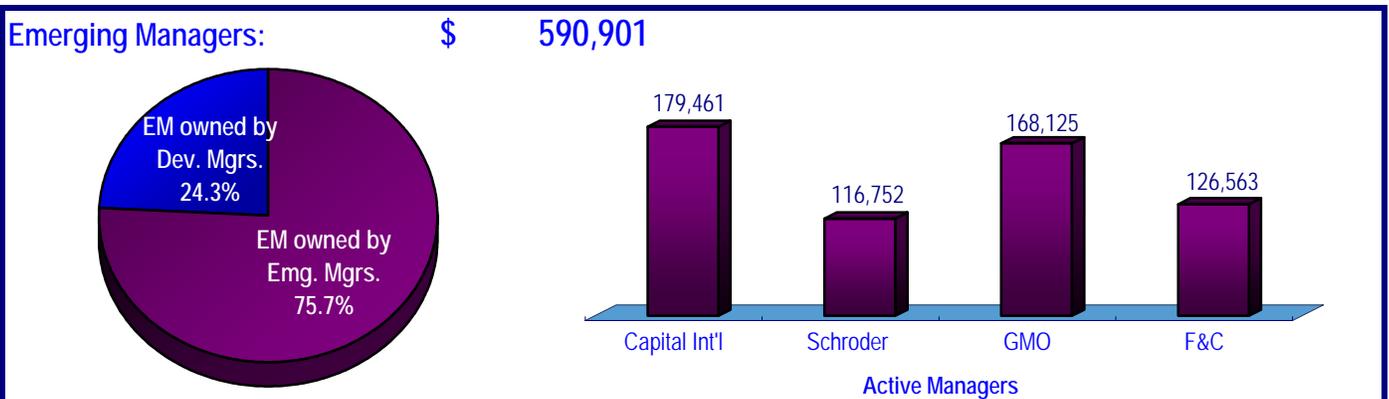
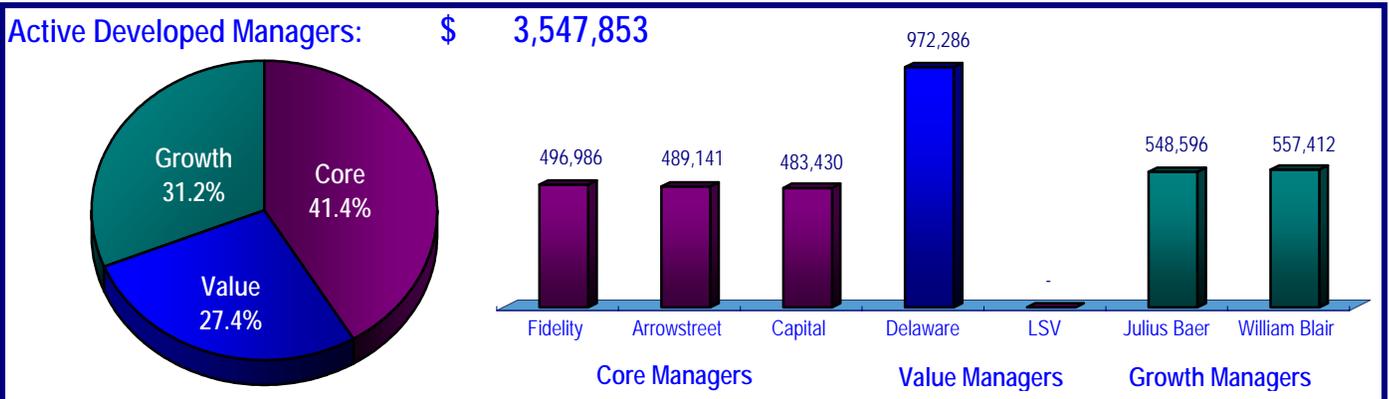
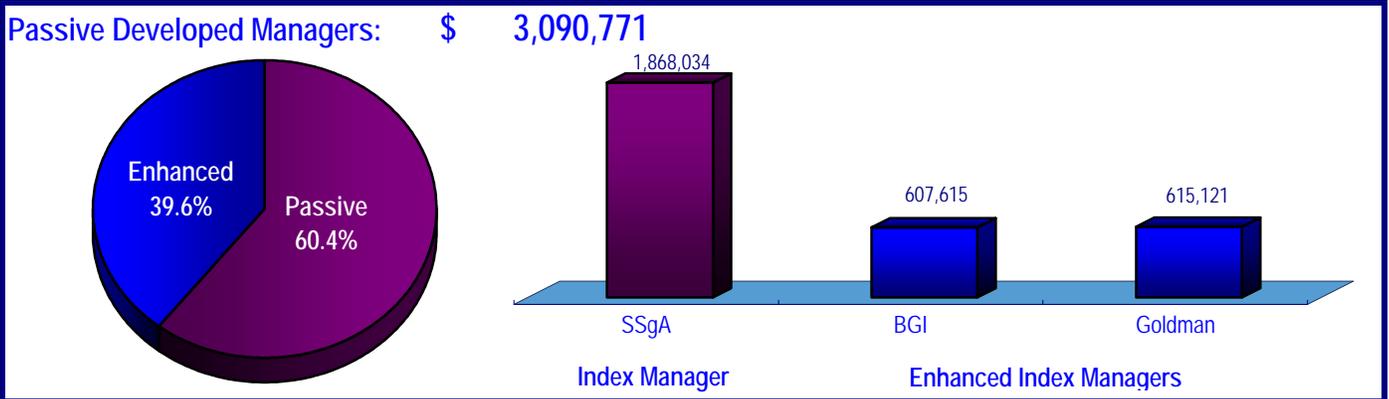
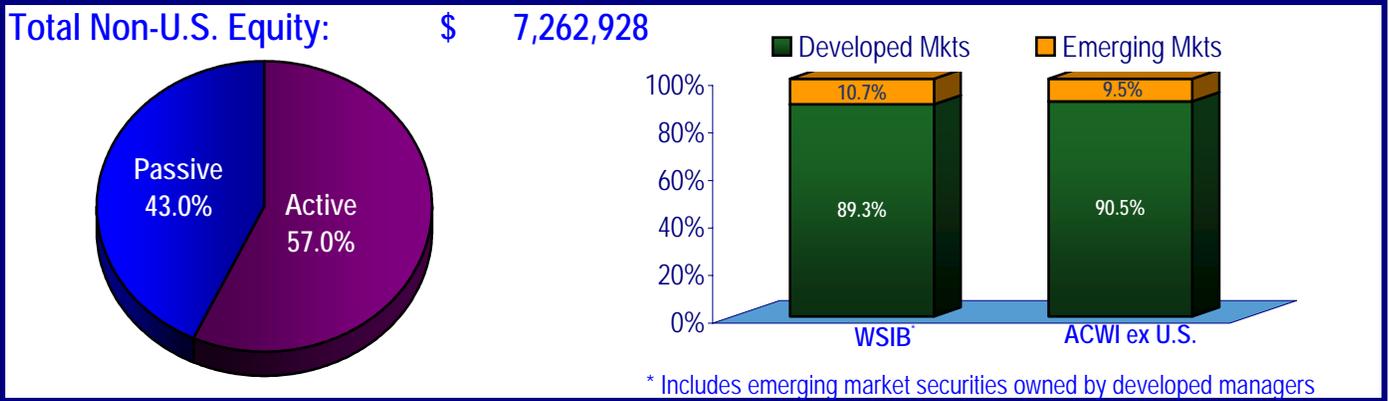
Growth of a Dollar



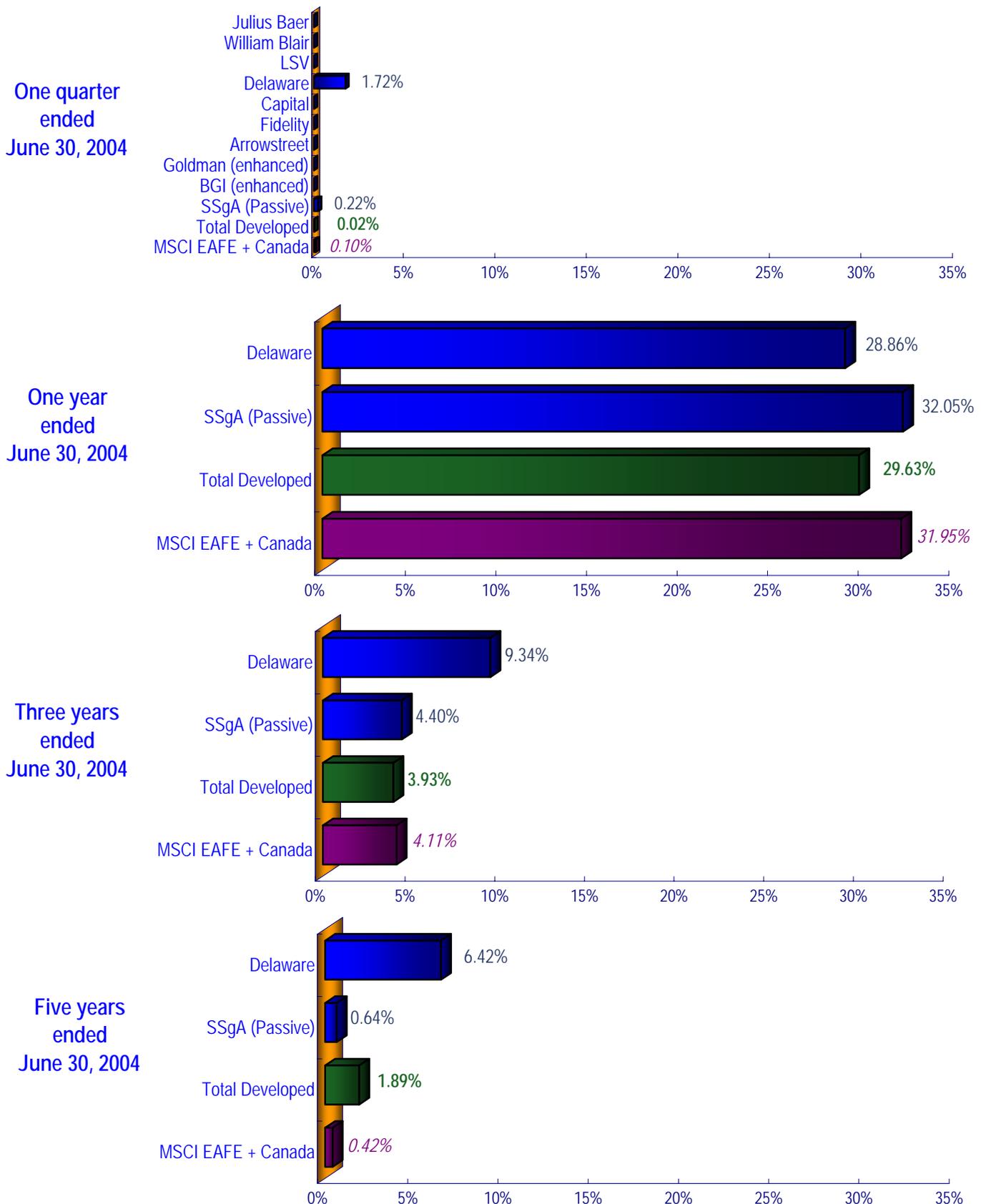
Non-U.S. Equity

June 30, 2004

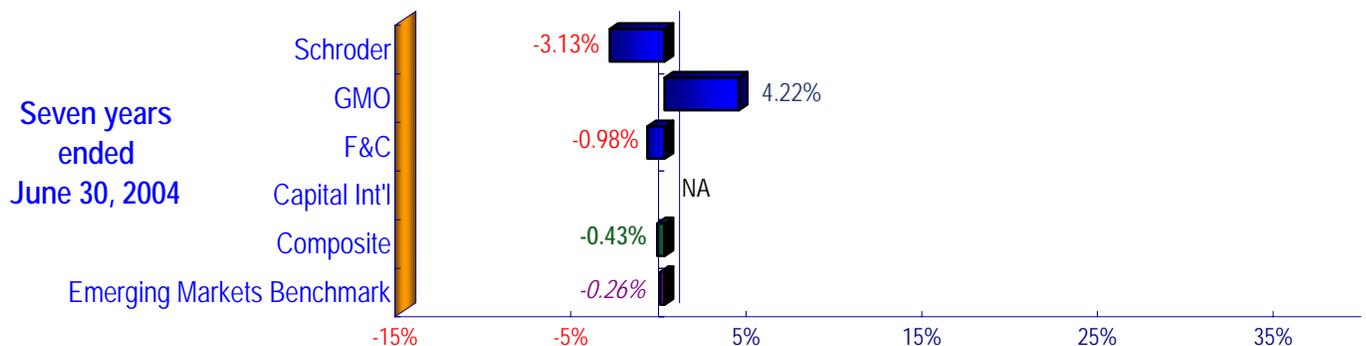
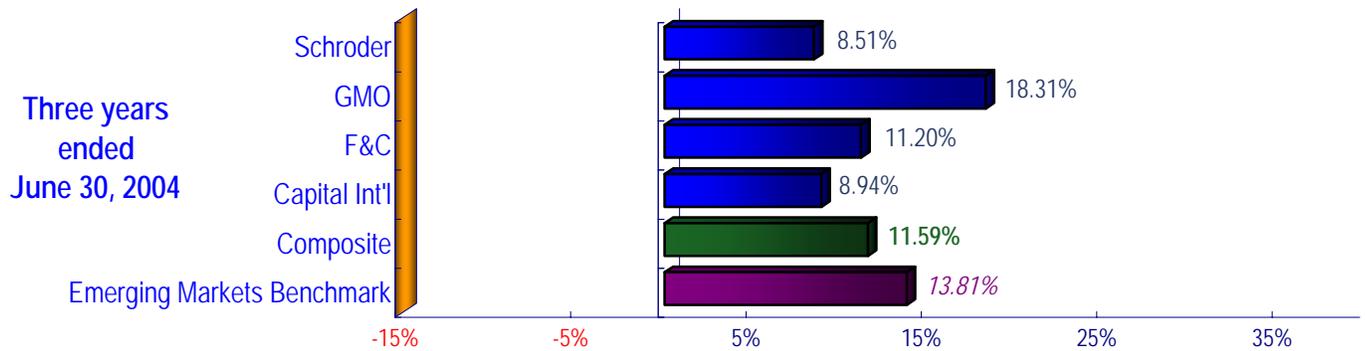
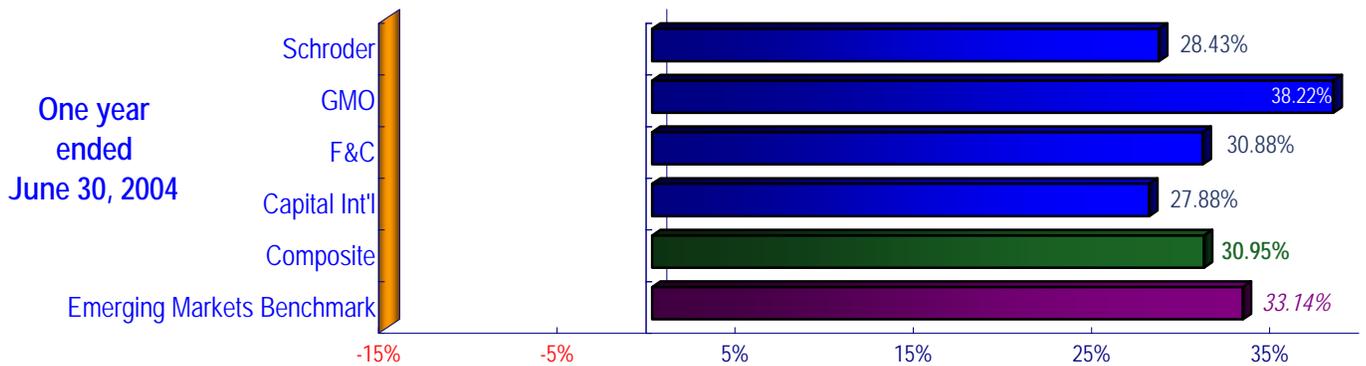
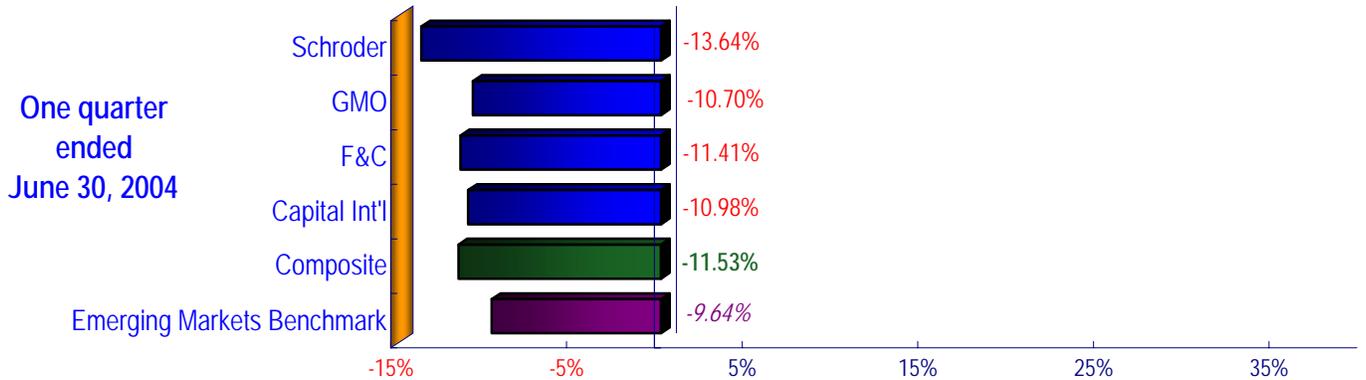
Market Values in \$000s



Non-U.S. Equity - Developed Markets Manager Returns



Non-U.S. Equity - Emerging Markets Manager Returns



Fixed Income

June 30, 2004

Market Values in \$000s

Market Value: \$ 10,891,202

Duration

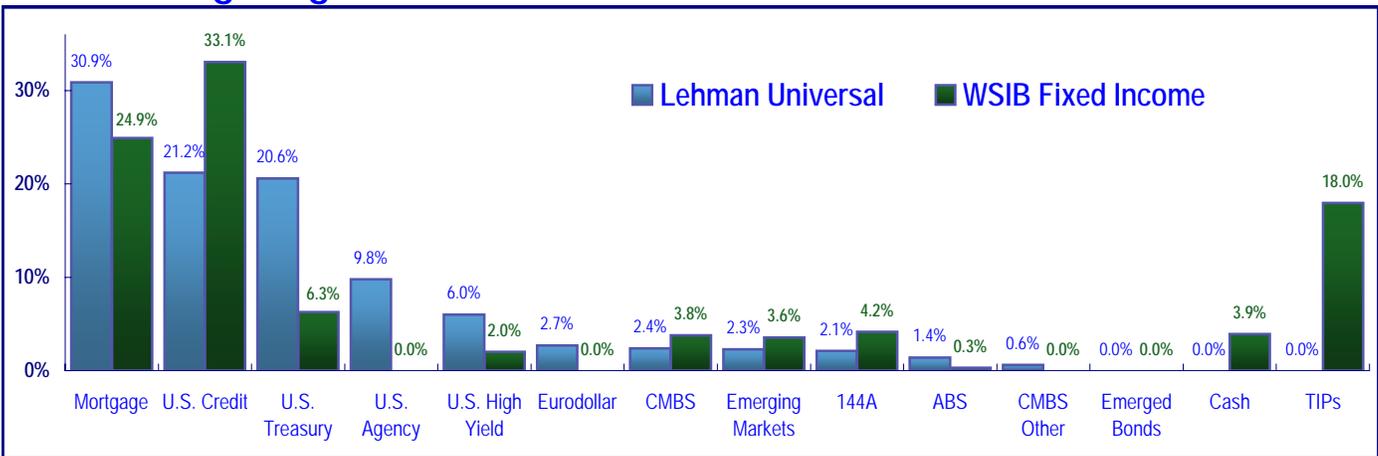
100% actively managed by WSIB staff.

	Mar-04	Jun-04
WSIB Portfolio	3.88	3.89
Lehman Universal	4.41	4.78
Difference	-12.0%	-18.6%

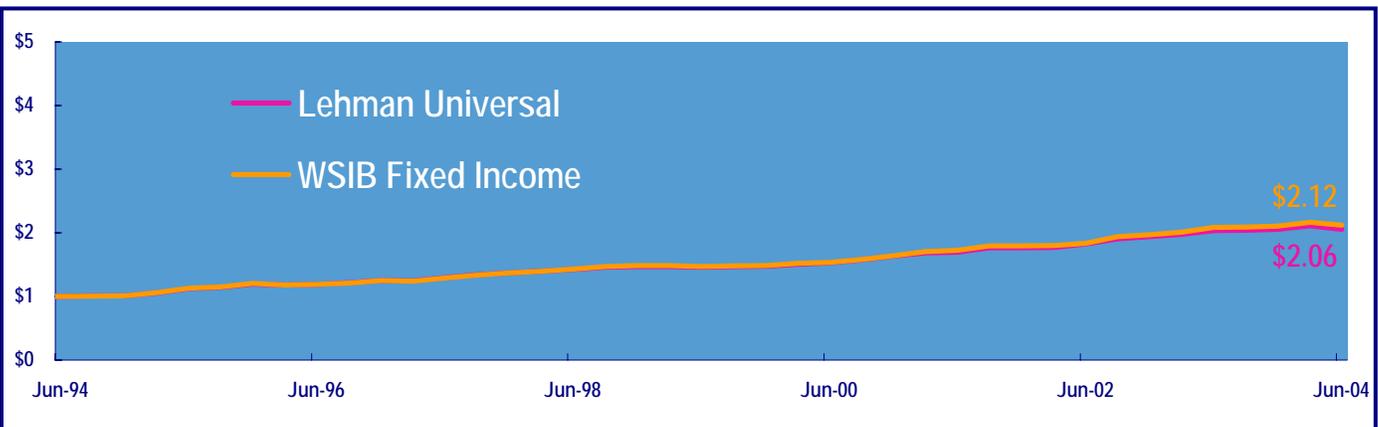
Performance

	Qtr.	FYTD	1 Year	3 Year	5 Year	10 Year
WSIB Fixed Income	-2.25%	1.54%	1.54%	7.10%	7.57%	7.79%
Lehman Universal	-2.44	1.00	1.00	6.65	7.08	7.48
Lehman Aggregate	-2.44	0.32	0.32	6.36	6.95	7.39

Sector Weighting



Growth of a Dollar



Private Equity

Market Values in \$000s

Market Value: **\$5,838,010**

Unfunded Commitments **\$ 5.0 billion**

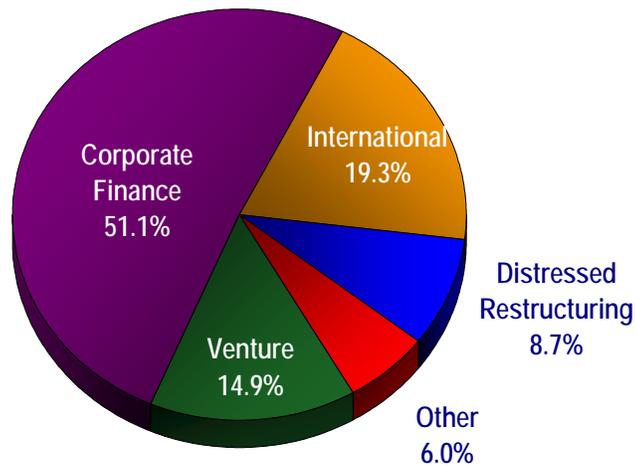
Net Performance as of March 31, 2004

	<u>Qtr.</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
WSIB Private Equity	1.8%	21.8%	21.8%	-0.3%	5.7%	13.3%
KKR	0.4%	24.2%	24.2%	1.5%	0.5%	10.4%
LP Portfolio	2.2%	21.2%	21.2%	-0.9%	10.7%	15.6%
<i>S&P 500+500 bp (3/31/04)</i>	<i>2.9%</i>	<i>40.1%</i>	<i>40.1%</i>	<i>5.6%</i>	<i>3.8%</i>	<i>16.7%</i>

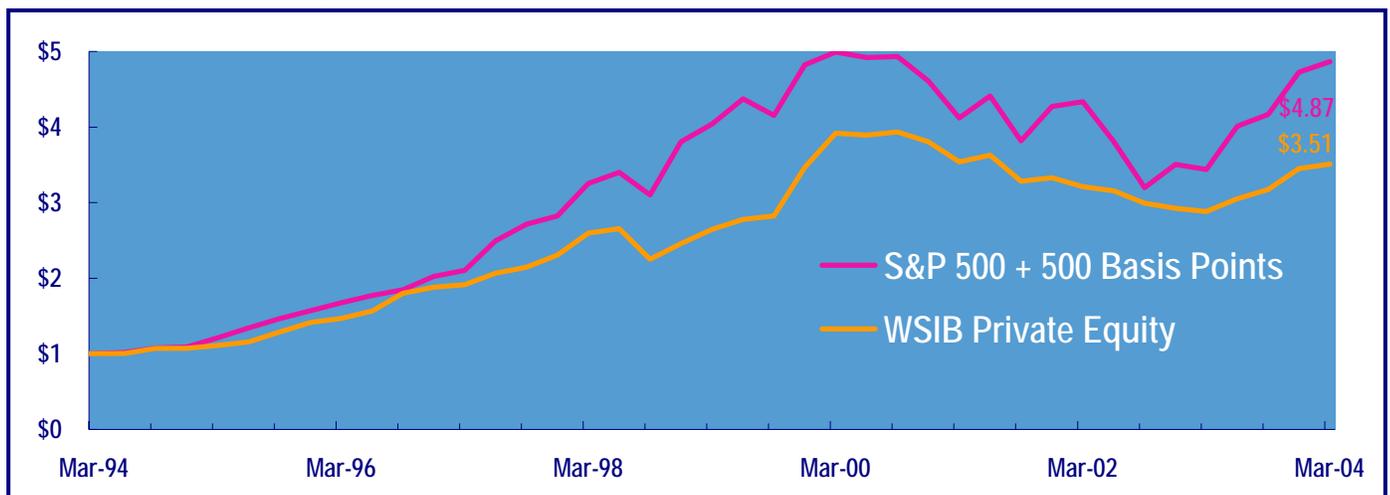
Return is calculated using geometrically linked quarterly IRRs. For true IRR return please see PCG's quarterly report.

180 Partnerships

86 Private Equity General Partners



Growth of a Dollar



Real Estate

Market Values in \$000s

Market Value: **\$4,189,717**

Unfunded Commitments **\$3.1 billion**

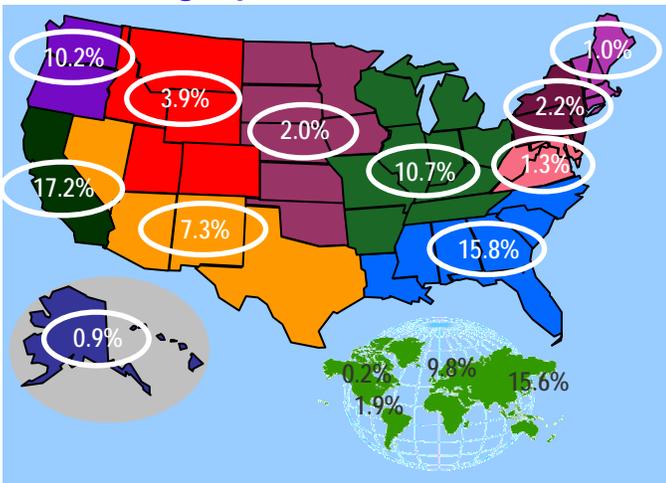
Net Performance as of March 31, 2004

	<u>Qtr.</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>
CTF Real Estate	2.5%	11.8%	11.8%	10.9%	11.7%
<i>NCREIF + 100 basis points</i>	<i>2.8%</i>	<i>10.7%</i>	<i>10.7%</i>	<i>8.7%</i>	<i>10.3%</i>

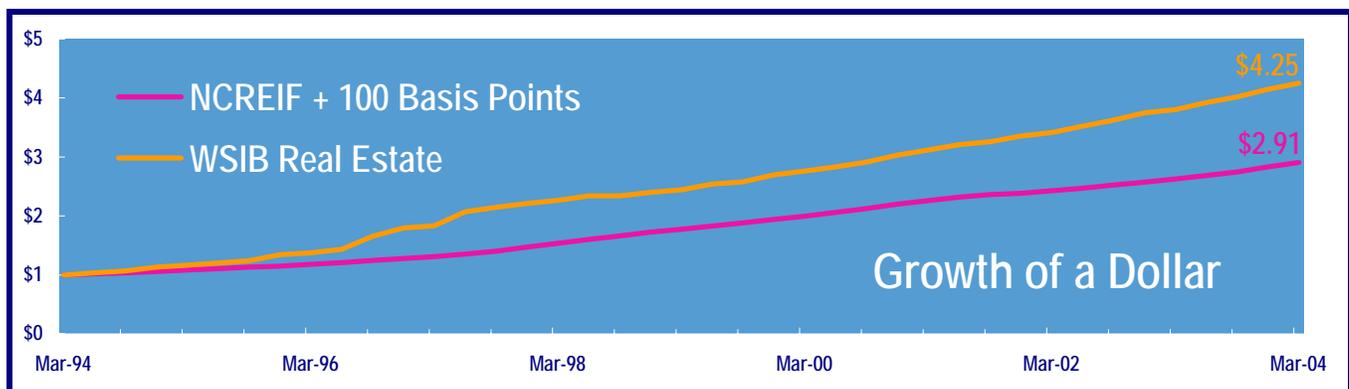
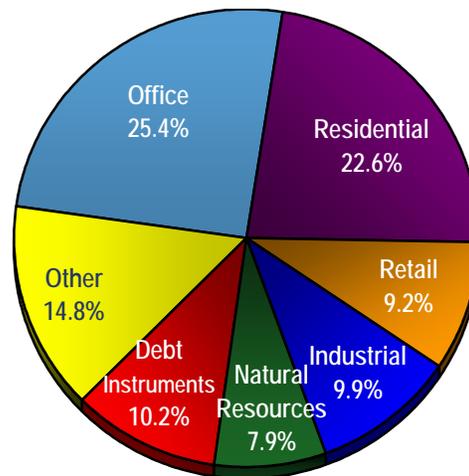
Largest Managers

Hometown America	17.6%
Hudson Advisors (LoneStar)	14.6%
Principal Enterprise Capital (PEC)	13.5%
Pacific Realty Associates, L.P. (PacSIB, PacTrust)	8.1%
Morgan Stanley (MSREF III-IV, MS SSF)	<u>6.9%</u>
<i>Representation in the Real Estate portfolio</i>	60.7%

Geographical Distribution



Property Type Distribution



Manager Performance versus S&P 500

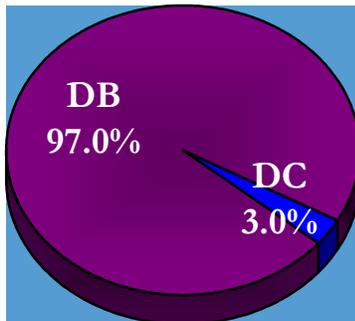
June 30, 2004

Numbers in Percent

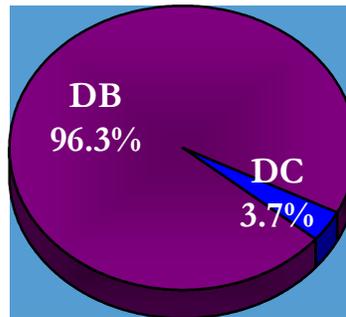
	Quarter	FYTD	1 Year	3 Year	5 Year	10 Year
S&P 500 Index	1.72	19.11	19.11	-0.69	-2.21	11.83
<u>U.S. Equity</u>						
Barclays Global Investors	1.33	21.44	21.44	0.71	-0.66	
U.S. Equity Composite	1.33	21.44	21.44	0.71	-0.66	11.60
<u>Non-U.S. Equity</u>						
<u>Developed Markets</u>						
State Street Global Advisors	0.22	32.05	32.05	4.40	0.64	
Barclays Global Investors						
Goldman Sachs Asset Mgt.						
Arrowstreet Capital, L.P						
Fidelity Management Trust Co.						
Capital Guardian Trust Co.						
Delaware International Advisers	1.72	28.86	28.86	9.34	6.42	
LSV Asset Management						
William Blair & Company						
Julius Baer Investment Mgt.						
<u>Emerging Markets</u>						
Capital International, Inc.	-10.98	27.88	27.88	8.94		
F&C Emerging Markets Limited	-11.41	30.88	30.88	11.20	4.14	
Grantham, Mayo, Van Otterloo	-10.70	38.22	38.22	18.31	9.36	
Schroder Capital Management	-13.64	28.43	28.43	8.51	-0.31	
Non-U.S. Equity Composite	-1.03	29.99	29.99	4.73	2.13	4.51

CTF Stakeholder Characteristics and Cash Flows

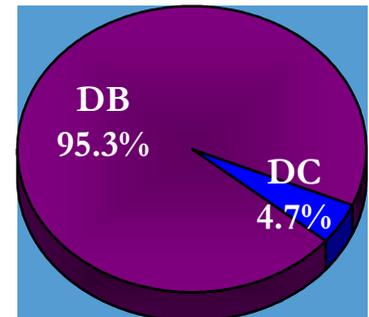
Defined Benefit and Defined Contribution Breakdown in the CTF



June 30, 2002



June 30, 2003

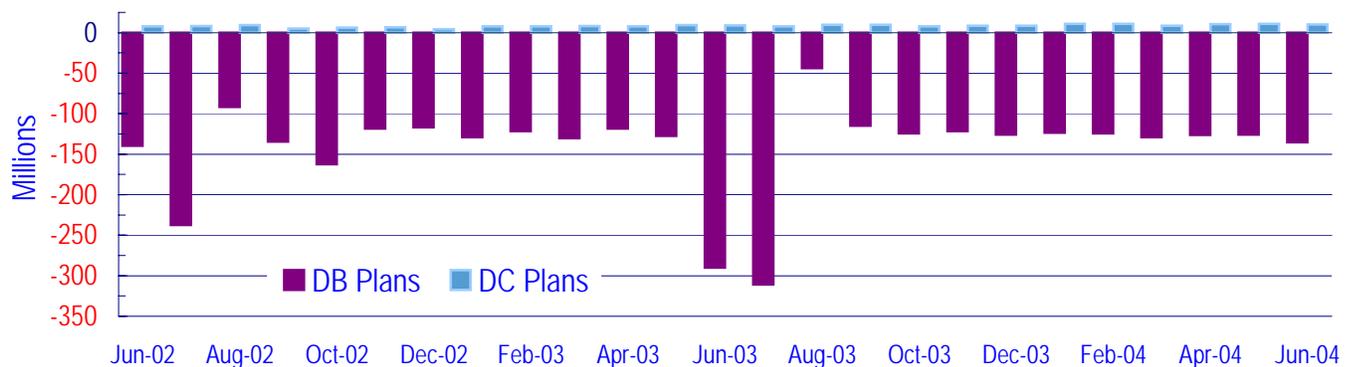


June 30, 2004

Yearly Cash Flow History*



Monthly Cash Flow History*



* Only includes new cash to/from the portfolio; does not include DB/DC transfers between Plan 2 and Plan 3 that stay inside the CTF. Numbers are historical and are not indicative of future transfers.

Manager Descriptions - Passive Equity

U. S. EQUITY

Barclays Global Investors (BGI) It is the WSIB's policy to manage 100 percent of the U.S. equity portfolio in a low-cost broad-based index fund. BGI manages the entire U.S. equity portfolio in a commingled fund designed to track the Dow Jones Wilshire 5000 Index, although it does not specifically replicate it. The WSIB has been using the Dow Jones Wilshire 5000 Index fund since June 1998. However, BGI has been managing money in other funds for the WSIB since 1982.

Non-U.S. EQUITY

State Street Global Advisors (SSgA) SSgA manages an optimized commingled index fund that is designed to passively track the MSCI EAFE plus Canada (developed markets). The WSIB has been using SSgA's MSCI EAFE plus Canada fund since 1994. In 2001, the WSIB switched to the new Provisional EAFE plus Canada fund as a result of pending changes to the MSCI indices. MSCI has since finished their restructuring and the WSIB has transferred back to the EAFE plus Canada fund.

Barclays Global Investors (BGI) provides the WSIB with an international developed markets enhanced index equity commingled fund, the World ex-U.S. Alpha Tilts Strategy. This strategy is a bottom-up, style-neutral quantitative strategy designed to outperform the MSCI World ex-U.S. Index by 50 to 100 basis points net of fees on a rolling three year average, while incurring a low level of risk of 2 percent or less. BGI's Alpha Tilts investment philosophy holds that superior investment outcomes are most reliably reached through Total Performance Management, the management of return, risk, and cost. They believe that markets are not perfectly efficient and that misvaluations can be used to systematically add value over time. The WSIB has invested in the World ex-U.S. Alpha Tilts Strategy since June 2004.

Goldman Sachs Asset Management (GSAM) manages an international developed markets enhanced index equity portfolio for the WSIB. GSAM believes that the markets are not entirely efficient, and that the combination of traditional fundamental analysis and quantitative modeling can add value from diversified sources of return such as country, currency selection, and individual stock selections. They expect to outperform the MSCI World ex-U.S. Index by 75 basis points net of fees on a rolling three year average, while incurring a low level of risk of 2 percent or less. GSAM has been managing the enhanced index portfolio for the WSIB since June 2004

Manager Descriptions - Active Non-U.S. Developed Markets

Arrowstreet Capital, L.P actively manages an international developed markets equity “core” portfolio for the WSIB. Arrowstreet believes it can profit by employing a disciplined quantitative process that exploits behavioral and informational opportunities. Behavioral opportunities are created by the systematic “mistakes” made by investors, including the tendency for investors to overreact, herd, and avoid regret. Informational opportunities are derived from investors not fully exploiting, on a timely basis, information that is relevant to prices. Criteria used to exploit these opportunities include measures of value, momentum, and earnings revisions. The investment team continually monitors the contribution from each of these factors and adapts the process to incorporate new investment insights as markets evolve. The WSIB portfolio has been managed by Arrowstreet since June 2004.

Capital Guardian Trust Company actively manages an international developed markets equity “core” portfolio for the WSIB. Capital uses a bottom-up, value driven approach to investing in international developed markets equity. The firm conducts extensive fundamental research and uses a system of multiple managers to manage individual segments of the portfolios. Each manager is free to make their decisions as to individual security, country and industry selection, timing, and percentage to be invested for their portion of the assets. The WSIB portfolio has been managed by Capital since June 2004.

Delaware International Advisers identifies value investments using a dividend discount-valuation model of future income streams. The investment analysis is applied consistently to individual securities across all markets and industries. Tied to the security selection is a top-down country allocation overlay that helps structure the portfolio. The WSIB portfolio has been managed by Delaware since June 1999.

Fidelity Management Trust Company (FMTC) actively manages an international developed markets equity “core” portfolio for the WSIB. FMTC uses a bottom-up approach to investing. The firm’s process is rooted in its in-house fundamental research that covers 80-90 percent of the MSCI EAFE + Canada benchmark and does not pre-screen for size, style, or other characteristics. The WSIB portfolio has been managed by FMTC since June 2004.

Julius Baer Investment Management (JBIM) actively manages an international developed markets equity “growth” portfolio for the WSIB. JBIM believes that an approach driven by dynamic, fundamentally driven competitive analysis is the key to delivering consistent risk-adjusted long-term performance. The international equity team’s research process is primarily based on fundamental assessment of companies, sectors, and macroeconomic influences on regions and countries. Country allocations are a result of the security selection process. The WSIB portfolio has been managed by JBIM since June 2004.

LSV Asset Management actively manages an international developed markets equity “value” portfolio for the WSIB. The fundamental premise on which their investment philosophy is based is that superior long-term results can be achieved by systematically exploiting the judgmental biases and behavioral weaknesses that influence the decisions of many investors. The strategy’s primary emphasis is the use of quantitative techniques to select individual securities in what would be considered a bottom-up approach. A risk control discipline limits the over- or under-exposure of the portfolio to industry concentrations. Value factors and security selection dominate sector/industry factors in driving performance. The WSIB portfolio has been managed by LSV since August 2004.

William Blair & Company (WB) actively manages an international developed markets equity “growth” portfolio for the WSIB. WB focuses on companies with above-average growth prospects, where growth can be sustained through leading or franchise positions in terms of proprietary products, marketing dominance, or cost/asset base advantage. The WSIB portfolio has been managed by WB since June 2004.

Manager Descriptions - Active Non-U.S. Emerging Markets

Capital International, Inc. manages an active emerging markets equity portfolio for the WSIB. Capital utilizes a Multiple Portfolio Manager System that enables several key decision makers to work on each account by dividing the portfolio into smaller segments. Each manager is free to make their decisions as to individual security, country, and industry selection, timing, and percentage to be invested for their portion of the assets. The aggregate portfolio does not have a formal policy regarding asset and country diversification and tends to have a value bias. The WSIB portfolio has been managed by Capital since the middle of the second quarter of 2001.

F&C Emerging Markets Limited manages an active emerging markets equity portfolio for the WSIB. The country selection process analyzes market valuation, as well as economic, fiscal, and monetary factors to create 12-month market return forecasts for each country. The return forecasts are used in conjunction with political stability analysis to set country allocations, which are divided between the ten largest core markets (85 percent) and satellite markets (15 percent). Bottom-up fundamental analysis is used to identify companies possessing the following characteristics: strategic position in their respective industry, management quality and integrity, and a sound financial position. The WSIB portfolio has been managed by F&C since the fourth quarter of 1996.

Grantham, Mayo, Van Otterloo (GMO) manages an active emerging markets portfolio for the WSIB. GMO uses a quantitative investment process. Top-down country allocation is based on market valuations, macroeconomic fundamentals, relative performance, stock valuation, and subjective judgment. The stock selection process utilizes a model that is customized for each country and incorporates three factors: value, neglect, and momentum. GMO seeks to invest in cheap countries, sectors, and stocks so its portfolios generally exhibit P/E ratios below those of the index benchmarks. The WSIB portfolio has been managed by GMO since the fourth quarter of 1996.

Schroder Capital Management manages an active emerging markets equity portfolio for the WSIB. Country allocations are determined on the basis of macroeconomic factors and market return forecasts. Stock selection is relegated to individual regions and is based on fundamental research. The portfolio is divided between a core holding of more established markets and a smaller opportunistic allocation to early-stage markets. The portfolio tends to have a growth bias. The WSIB portfolio has been managed by Schroder since the fourth quarter of 1995.

Glossary

Asset Allocation Policy

The targets will adjust annually toward the long-term asset allocation policy, which is 31 percent U.S. equity, 15 percent non-U.S. equity, 25 percent fixed income, 17 percent private equity, and 12 percent real estate. The interim target for 2004 is 31 percent U.S. equity, 15 percent non-U.S. equity, 26 percent fixed income, 17 percent private equity, and 11 percent real estate.

CTF (Commingled Trust Fund)

The investment trust fund that pools the assets of most of the Washington State retirement funds to permit more efficient management and to reduce administrative costs. The retirement accounts included in the CTF are: PERS 1, 2 & 3; TRS 1, 2 & 3; LEOFF 1 & 2; JRS; SERS 2 & 3; WSPRS 1 & 2; and Volunteer Firefighters. Starting in July 2006 there will be a new fund, PSERS 2.

MAP (Multi-Asset Portfolio)

The MAP Portfolio is currently 60 percent Dow Jones Wilshire 5000 Index, 25 percent Lehman Universal Index, and 15 percent MSCI ACWI ex U.S. The percentages have changed as the portfolio was rebalanced to meet the target asset allocation policy. This portfolio is a 'passive' representation of the fund.

Structural Asset Allocation Policy

The Structural Asset Allocation Policy is the previous quarter's ending asset class percentages times the following indices: Dow Jones Wilshire 5000 Index, Lehman Universal Index, MSCI ACWI ex U.S., NCREIF, and the actual private equity return. This is used to show the manager value added versus a passive structure.

TUCS Public Fund > \$1 Billion Median

Trust Universe Comparison Services median return of other public funds. There are currently 56 funds in the universe with a median asset size of slightly over \$12.2 billion.

TUCS Public/Corporate Fund > \$1 Billion Median

Trust Universe Comparison Services median return of corporate and public funds. There are currently 138 funds in the universe with a median asset size of approximately \$4.1 billion.



Defined Contribution Plans

June 30, 2004

Table of Contents

Market Values and Distributions

Plan 3's Market Values and Distributions

Plan 3's Historical Distribution

DCP & JRA Market Values and Distributions

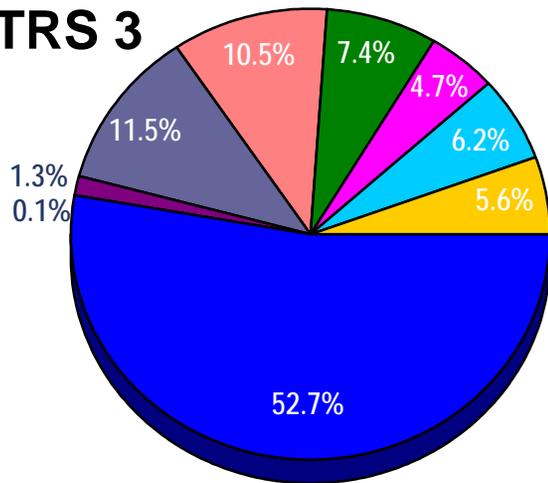
DCP & JRA Historical Distribution

Balanced, Bond, and Cash Options

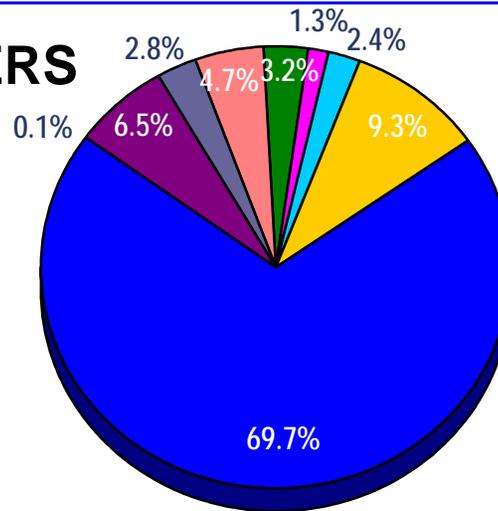
Equity Options

Option	TRS Plan 3		SERS Plan 3		PERS Plan 3	
	Market Value	Quarterly Change	Market Value	Quarterly Change	Market Value	Quarterly Change
WSIB TAP Fund	\$ 1,184,575,536	\$ 31,608,016	\$ 437,136,027	\$ 9,827,890	\$ 425,869,772	\$ 7,559,738
Social Balanced Fund	2,041,658	2,041,658	498,585	498,585	1,572,673	1,572,673
Short-Horizon Fund	3,536,940	(171,262)	5,215,306	(157,798)	14,866,145	(495,885)
Mid-Horizon Fund	12,450,171	739,813	19,541,669	54,936	49,559,967	(18,811)
Long-Horizon Fund	13,449,784	970,775	16,004,503	374,550	39,612,554	1,319,172
U.S. Stock Fund	258,722,525	6,368,871	17,469,210	652,571	38,125,118	1,168,597
U.S. Large Stock Fund	235,990,658	6,972,662	29,466,219	514,478	46,475,451	1,174,993
U.S. Small Stock Fund	165,166,933	3,632,646	19,780,093	445,607	52,454,299	1,555,717
International Stock Fund	106,086,176	2,092,018	7,960,021	307,260	19,497,598	1,572,329
Bond Market Fund	139,540,650	(3,431,463)	15,202,672	(442,706)	30,343,744	(2,210,350)
Money Market Fund	124,970,297	2,978,321	58,461,841	702,858	102,143,232	279,323
Total Fund	\$ 2,246,531,326	\$ 53,802,055	\$ 626,736,146	\$ 12,778,230	\$ 820,520,554	\$ 13,477,497

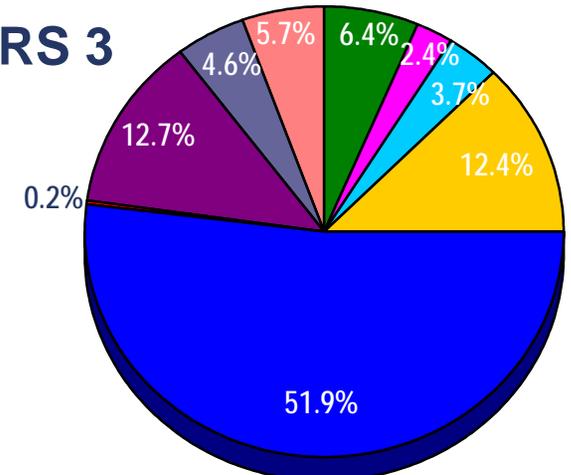
TRS 3



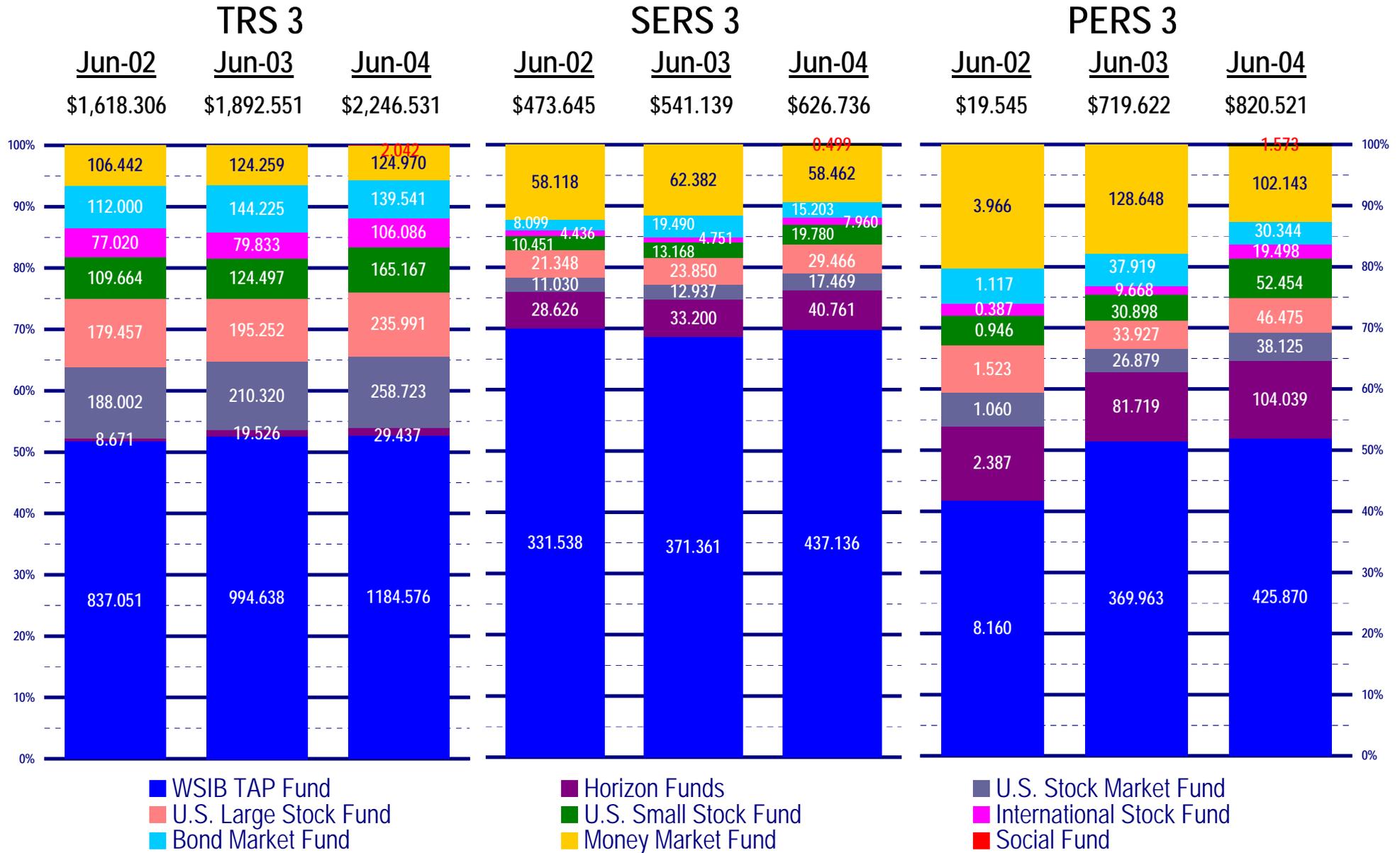
SERS



PERS 3

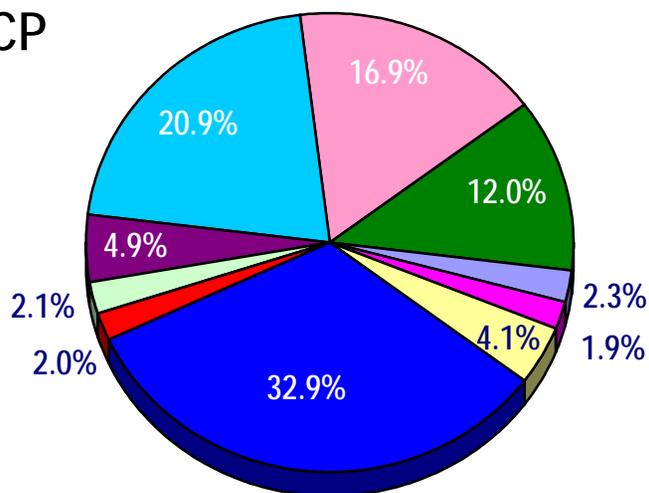


■ WSIB TAP
 ■ Social Fund
 ■ Horizon Funds
 ■ Stock Market
 ■ Large Stocks
 ■ Small Stocks
 ■ International Stocks
 ■ Bond Market
 ■ Money Market

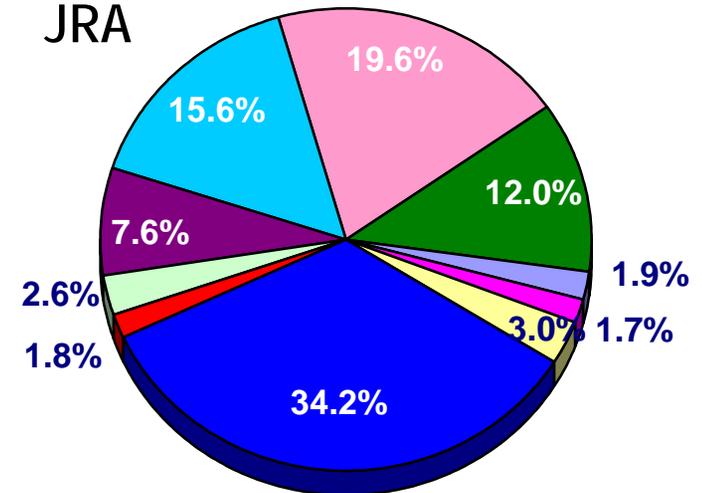


Option	Deferred Compensation Program	Quarterly Change
Short-Horizon Fund	\$ 7,548,869	\$ 369,213
Mid-Horizon Fund	14,541,900	1,398,041
Long-Horizon Fund	12,770,415	1,160,976
Social Balanced Fund	37,082,676	927,746
U.S. Stock Market Index Fund	84,989,716	3,145,371
Equity-Income Fund	363,618,984	4,090,995
Independence Fund	293,936,785	1,613,101
Growth Company Fund	209,736,264	6,412,578
Overseas Fund	40,801,732	1,116,397
U.S. Small Cap Stock Fund	33,871,990	4,627,052
Bond Market Fund	70,739,027	(1,749,833)
Savings Pool	572,214,935	18,838,837
Total Fund	\$ 1,741,853,291	\$ 41,950,474

Account	Quarterly Change
\$ 50,966	\$ 2,315
132,999	19,832
44,330	3,476
340,176	11,149
989,382	44,018
2,019,728	61,601
2,534,861	63,068
1,552,228	89,690
241,271	17,899
219,676	150,389
395,205	(67,505)
4,426,886	32,015
\$ 12,947,709	\$ 427,948

DCP


- Horizon Funds
- Social Balanced Fund
- U.S. Stock Market Index
- Equity-Income Fund
- Independence Fund
- Growth Co. Fund
- Overseas Fund
- U.S. Small Cap Stock Fund
- Bond Market Fund
- Savings Pool

JRA


DCP

JRA

Jun-02
\$1,352.780

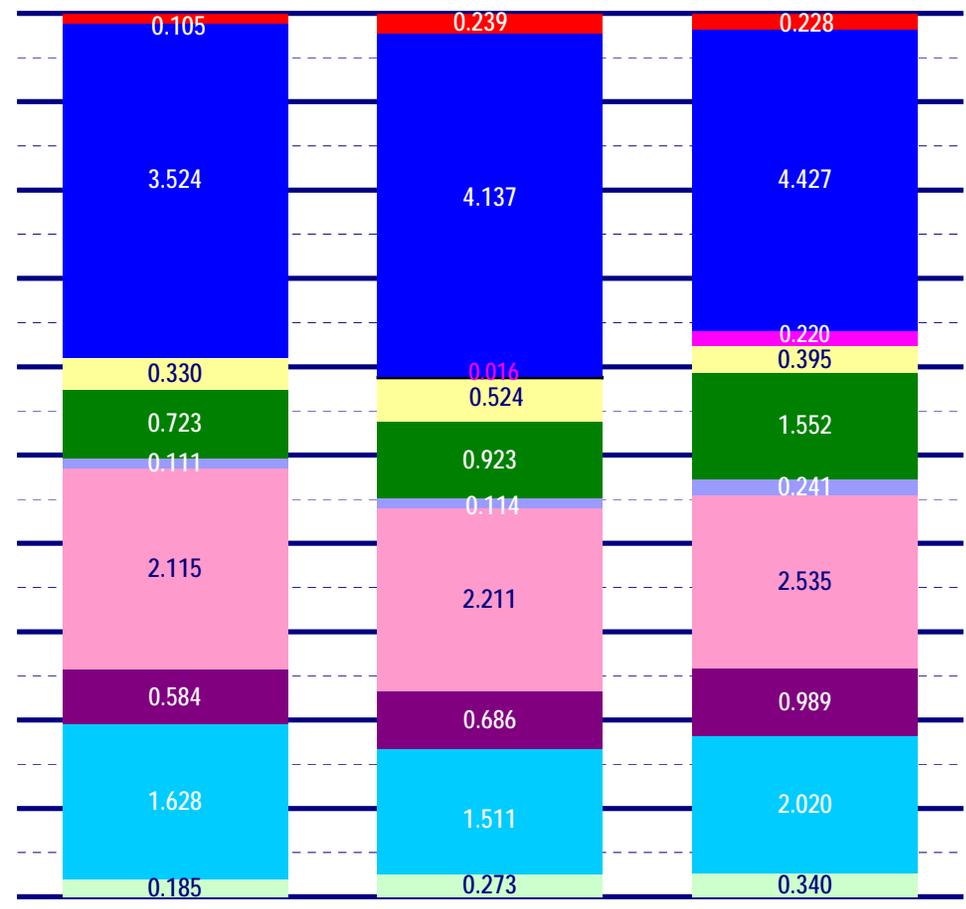
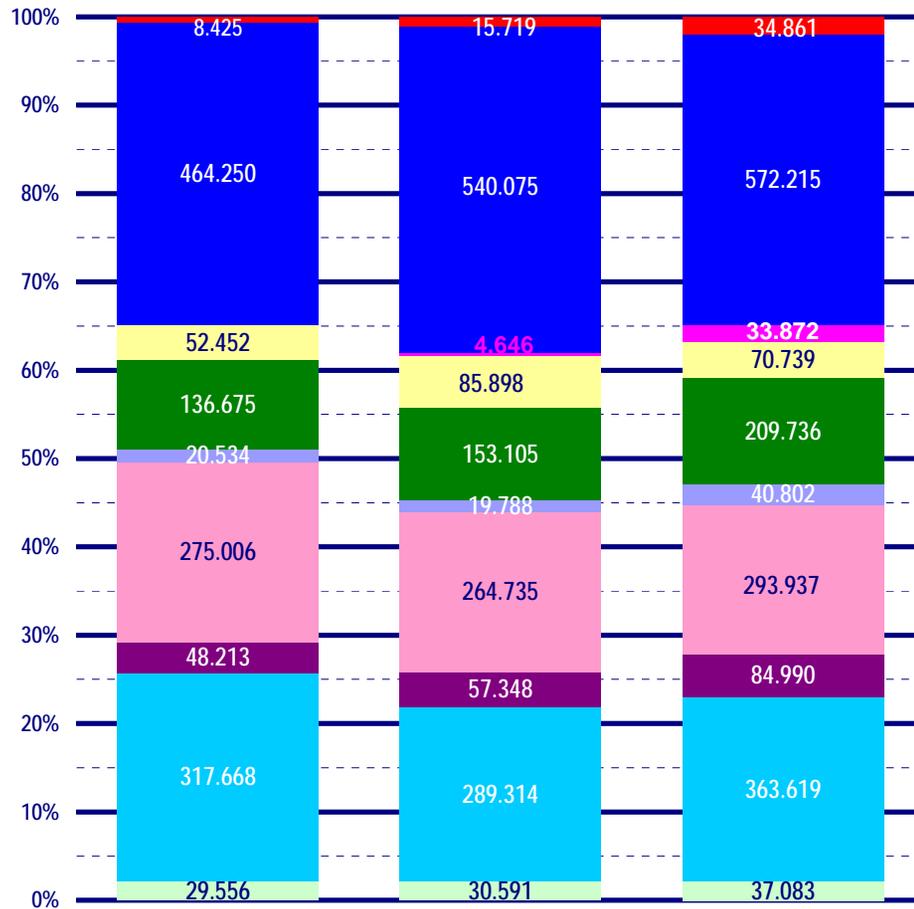
Jun-03
\$1,461.218

Jun-04
\$1,741.853

Jun-02
\$9.305

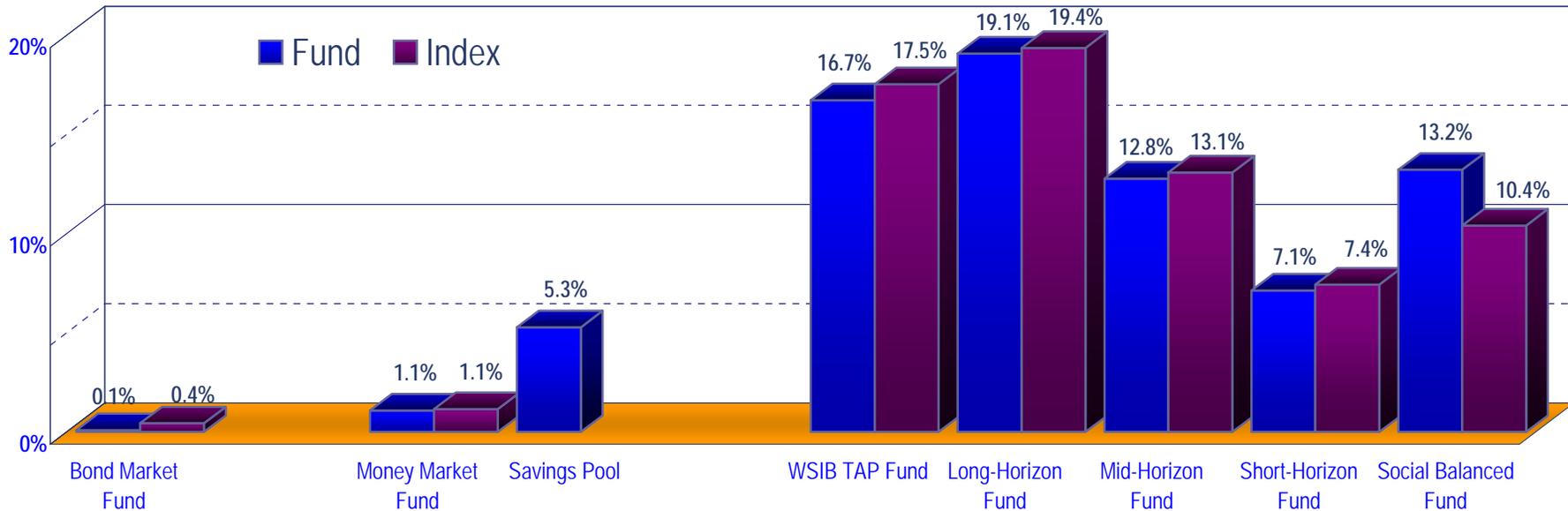
Jun-03
\$10.634

Jun-04
\$12.948



- Social Balanced Fund
- Equity-Income Fund
- U.S. Stock Market Index Fund
- Independence Fund
- Overseas Fund
- Growth Company Fund
- Bond Market Fund
- U.S. Small Cap Stock Fund
- Savings Pool
- Horizon Funds

One Year Returns (ended June 30, 2004)

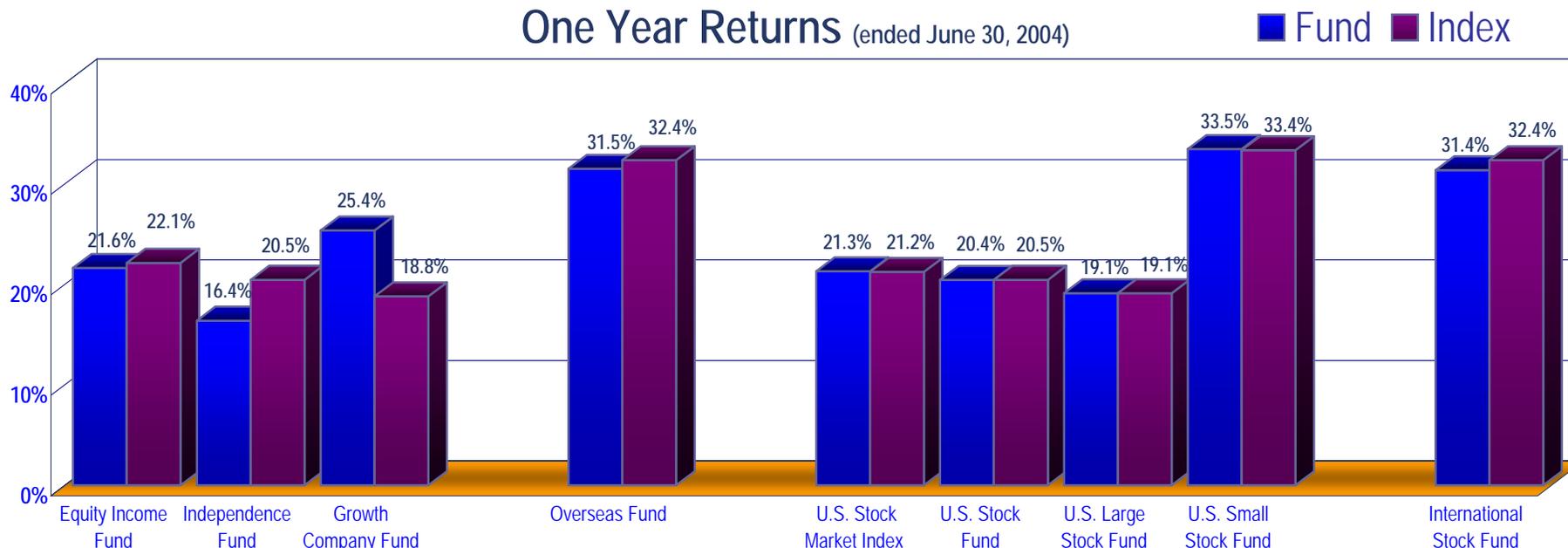


Bond Funds	Qtr.	1 yr.	3 yr.	5 yr.	10 yr.
Bond Market Fund	-2.5%	0.1%	6.7%	N/A	N/A
Lehman Intermediate Credit	-2.8%	0.4%	7.1%	7.4%	7.6%
Cash Funds	Qtr.	1 yr.	3 yr.	5 yr.	10 yr.
Money Market Fund	0.3%	1.1%	1.8%	3.4%	4.5%
One Month LIBOR	0.3%	1.1%	1.7%	3.4%	4.6%
Savings Pool	1.2%	5.3%	5.8%	6.1%	6.4%

Balanced Funds	Qtr.	1 yr.	3 yr.	5 yr.	10 yr.
WSIB TAP Fund	0.8%	16.7%	4.5%	3.8%	9.9%
Custom Benchmark	0.1%	17.5%	3.3%	1.7%	9.3%
Long-Horizon Fund	0.43%	19.08%	2.72%	N/A	N/A
Custom Benchmark	0.32%	19.36%	3.28%	1.35%	9.46%
Mid-Horizon Fund	-0.52%	12.77%	4.28%	N/A	N/A
Custom Benchmark	-0.70%	13.08%	4.82%	3.53%	8.95%
Short-Horizon Fund	-0.74%	7.13%	4.24%	N/A	N/A
Custom Benchmark	-0.91%	7.42%	4.68%	4.45%	7.55%
Social Balanced Fund	1.0%	13.2%	N/A	N/A	N/A
Custom Benchmark	-0.2%	10.4%	N/A	N/A	N/A

*Uses current managers' returns. Return shown is after manager and portfolio expenses, but before the WSIB and record keeping fees.

One Year Returns (ended June 30, 2004)



Active U.S. Equity	Qtr.	1 yr.	3 yr.	5 yr.	10 yr.
Equity Income Fund	1.6%	21.6%	2.2%	1.7%	11.3%
<i>Russell 3000 Value</i>	0.9%	22.1%	3.6%	2.6%	12.7%
Independence Fund	2.0%	16.4%	-0.8%	0.7%	10.2%
<i>Russell 3000</i>	1.3%	20.5%	0.2%	-1.1%	11.7%
Growth Company Fund	2.4%	25.4%	-3.4%	0.9%	12.5%
<i>Russell 3000 Growth</i>	1.8%	18.8%	-3.5%	-6.0%	9.8%
Active International	Qtr.	1 yr.	3 yr.	5 yr.	10 yr.
Overseas Fund	-4.6%	31.5%	1.8%	0.2%	5.2%
<i>MSCI EAFE</i>	0.2%	32.4%	3.9%	0.1%	4.1%

Passive U.S. Equity	Qtr.	1 yr.	3 yr.	5 yr.	10 yr.
U.S. Stock Market Index	1.3%	21.3%	0.7%	-0.7%	11.7%
<i>Dow Jones Wilshire 5000</i>	1.3%	21.2%	0.8%	-1.0%	11.5%
U.S. Stock Fund	1.4%	20.4%	0.1%	N/A	N/A
<i>Russell 3000</i>	1.3%	20.5%	0.2%	-1.1%	11.7%
U.S. Large Stock Fund	1.7%	19.1%	-0.7%	-2.2%	N/A
<i>S&P 500</i>	1.7%	19.1%	-0.7%	-2.2%	11.8%
U.S. Small Stock Fund	0.6%	33.5%	6.3%	6.7%	N/A
<i>Russell 2000</i>	0.5%	33.4%	6.2%	6.6%	10.9%

Passive International	Qtr.	1 yr.	3 yr.	5 yr.	10 yr.
International Stock Fund	0.4%	31.4%	2.0%	-1.3%	N/A
<i>MSCI EAFE</i>	0.2%	32.4%	3.9%	0.1%	4.1%

*Uses current managers'/funds' returns and returns from other portfolios with same investment strategy but different fees to produce a ten-year history. Return shown is after manager and portfolio expenses, but before the WSIB and record keeping fees and does not include any return attributed to rebates.



Labor and Industries' Funds
Quarterly Report
June 30, 2004

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Capital Markets

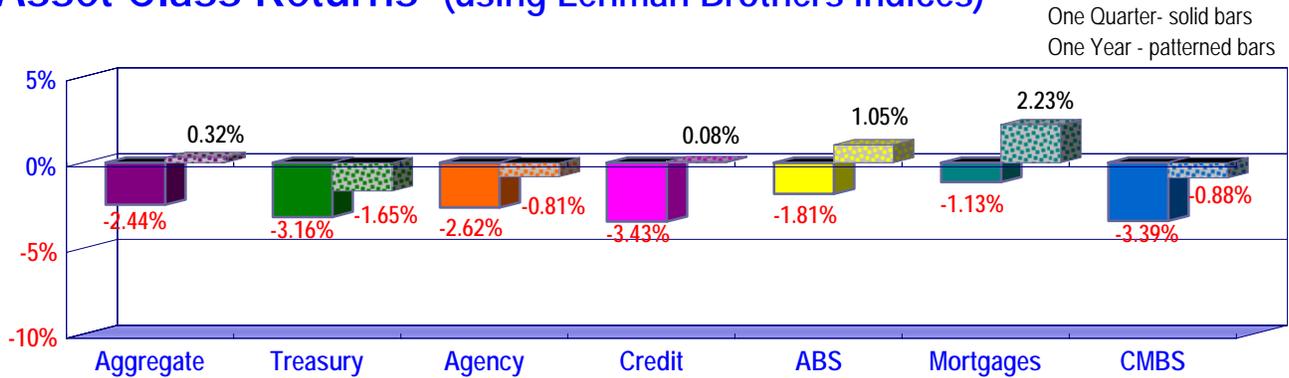
Market Values and Asset Allocation

Performance and Durations versus CMI
Quarter, One, Three, Five, and Ten Year

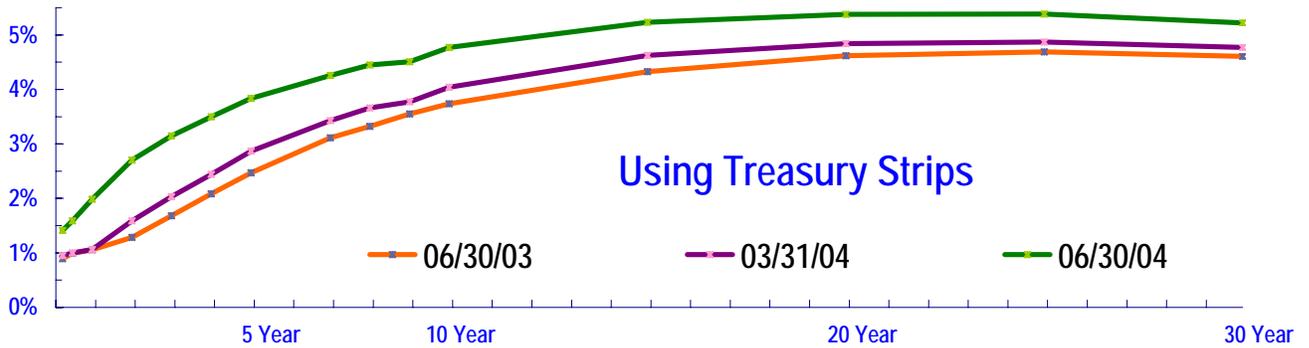
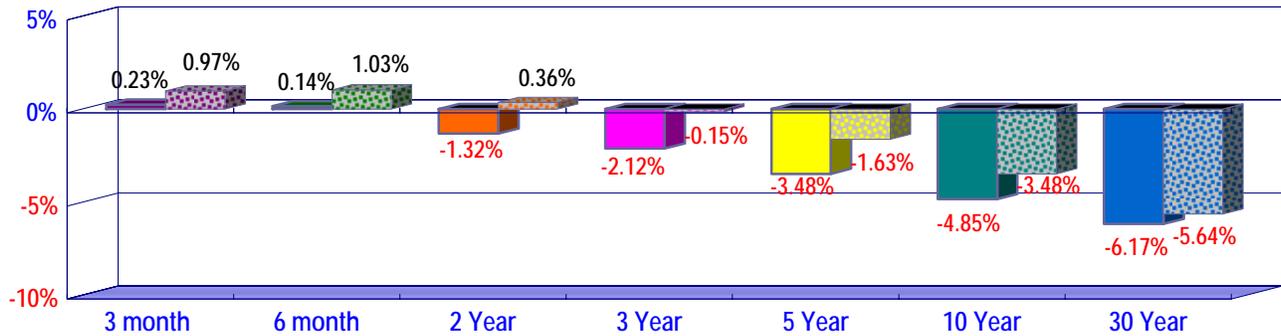
Capital Markets One Quarter and One Year Performance

Quarter Ended June 30, 2004

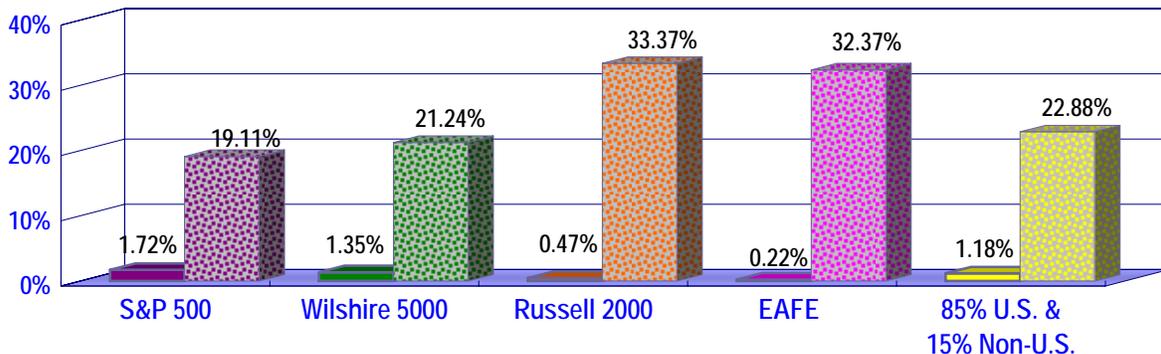
Asset Class Returns (using Lehman Brothers indices)



Treasury Return and Yield Curve



Equity Indices



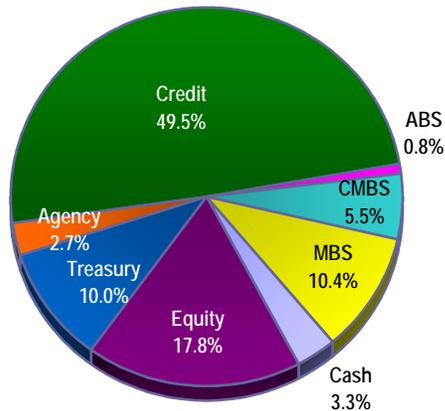
LABOR & INDUSTRIES' FUNDS

Quarter Ended June 30, 2004

Market Values and Asset Allocation

Total L&I Funds

\$ 9,294,283,485



WSIB Policy for Equity

	Target	Range
Accident Fund	10%	8-12%
Medical Aid Fund	30%	24-36%
Pension Reserve	10%	8-12%

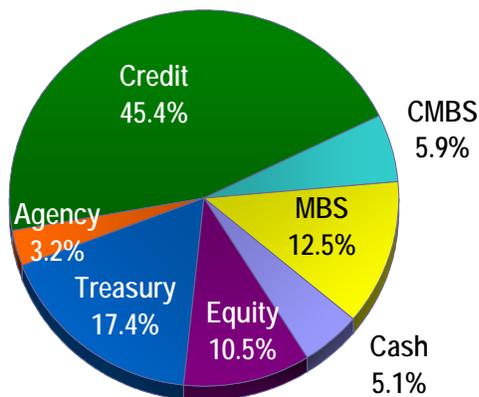
WSIB Policy Ranges for Fixed Income

U.S. Treasuries and Agencies	5-25%
Credit Securities	20-70%
Mortgage-Backed Securities (MBS)	0-25%
Asset-Backed Securities (ABS)	0-10%
Commercial Mortgage-Backed Securities (CMBS)	0-10%

Accident Fund

\$ 3,562,619,210

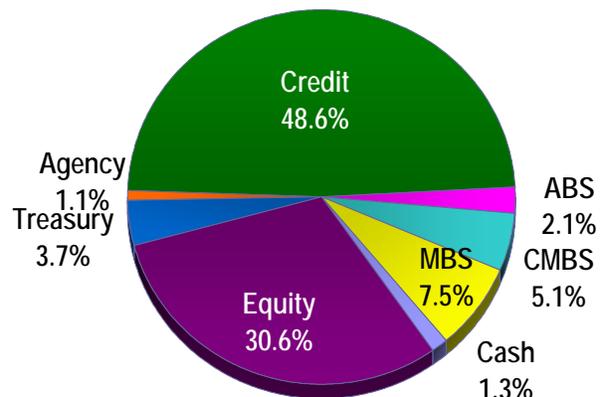
Fund 608



Medical Aid Fund

\$ 3,433,917,088

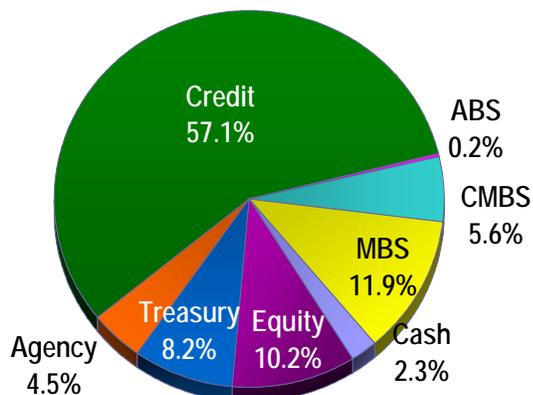
Fund 609



Pension Reserve

\$ 2,226,806,306

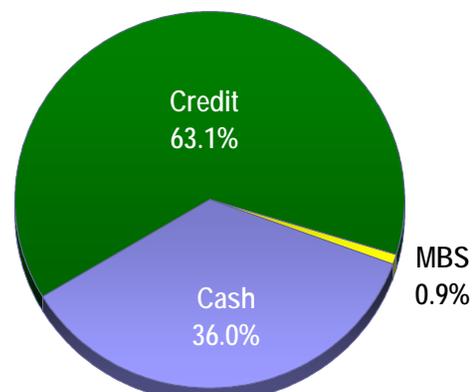
Fund 610



Supplemental Pension

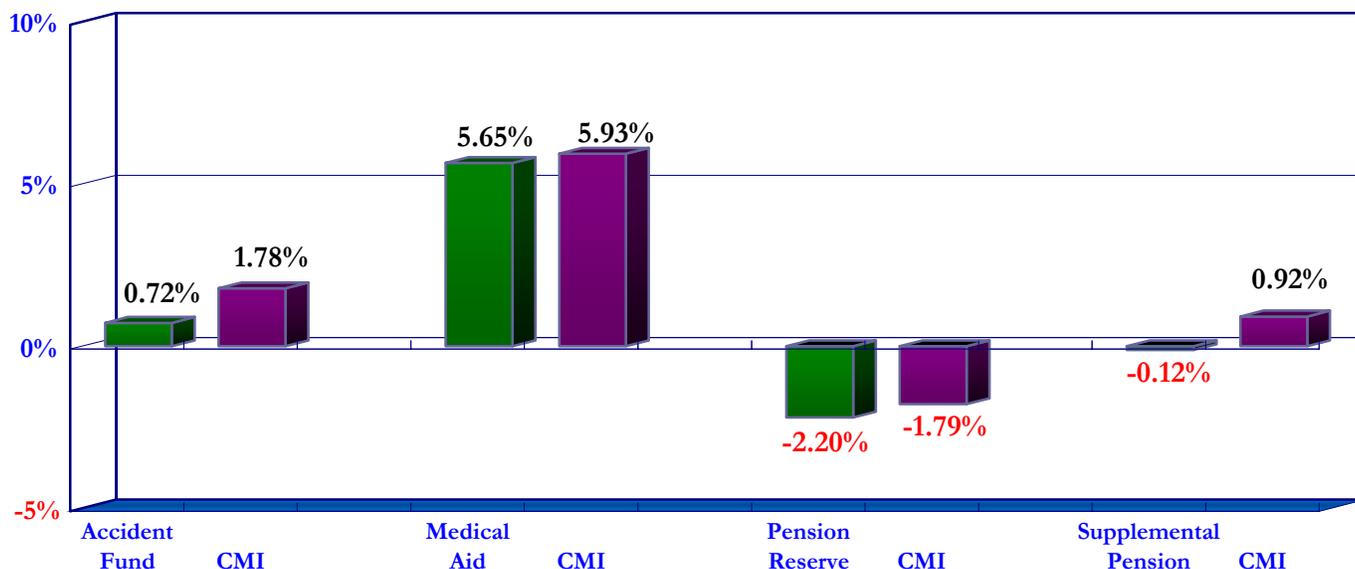
\$ 70,940,881

Fund 881



Performance and Durations versus CMI

One Year Performance



Accident Fund	CMI	Medical Aid	CMI	Pension Reserve	CMI	Supplemental Pension	CMI
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Duration

Target	9.0	6.0	9.0	1.75-2.25				
Actual	8.57	9.73	3.73	3.78	8.99	10.46	2.09	2.40
% Difference	-4.78%	-37.83%	-0.11%	N/A				

Total Return

	Fund	CMI	Fund	CMI	Fund	CMI	Fund	Ex-Cash	CMI
Quarter	-3.82%	-3.92%	-1.54%	-1.52%	-4.42%	-5.13%	-1.07%	-1.61%	-1.63%
One Year	0.72%	1.78%	5.65%	5.93%	-2.20%	-1.79%	-0.12%	0.45%	0.92%
Three Year	6.95%	7.40%	5.39%	5.89%	8.34%	8.43%	2.58%	3.84%	5.69%
Five Year	6.71%	6.81%	5.34%	5.43%	8.26%	8.11%	4.46%	5.48%	6.30%
Ten Year	8.07%	7.93%	8.15%	8.17%	9.41%	9.16%	5.83%	6.41%	6.55%

L&I Statutory Accounting Return*

	Fund	CMI	Fund	CMI	Fund	CMI	Fund	CMI
Quarter	1.48%		1.43%		2.97%		0.67%	
One Year	9.91%		10.95%		9.77%		3.46%	
Three Year	6.57%		5.37%		7.32%		3.16%	
Five Year	6.37%		5.05%		7.60%		4.67%	

* Uses net income, realized and unrealized gains and losses on equity securities, and realized gains and losses on fixed income in the numerator. The denominator uses book value for fixed income securities and market value for equities. Below investment grade fixed income securities are carried at the lower of book or market value.



Permanent Funds and Other Trusts Quarterly Report June 30, 2004

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Permanent Funds

Market Values and Asset Allocation

Interest Income, Performance and Duration
Quarter, One Year, Three Year, Five Year, Ten Year

Other Trusts

Market Values and Asset Allocation
Quarter, One Year, Three Year, Five Year, Ten Year

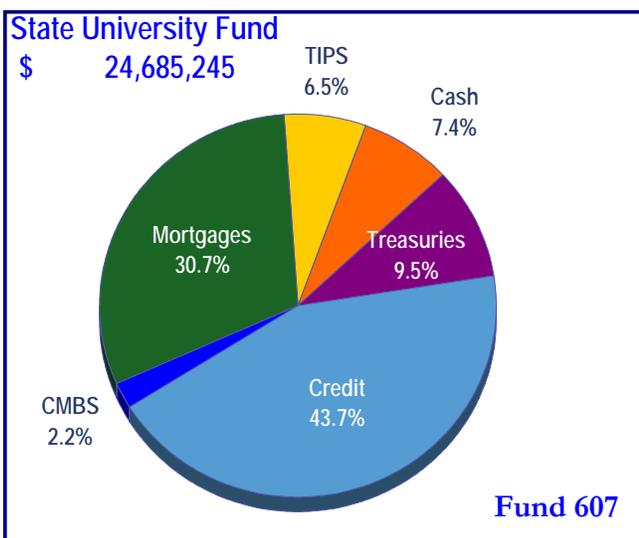
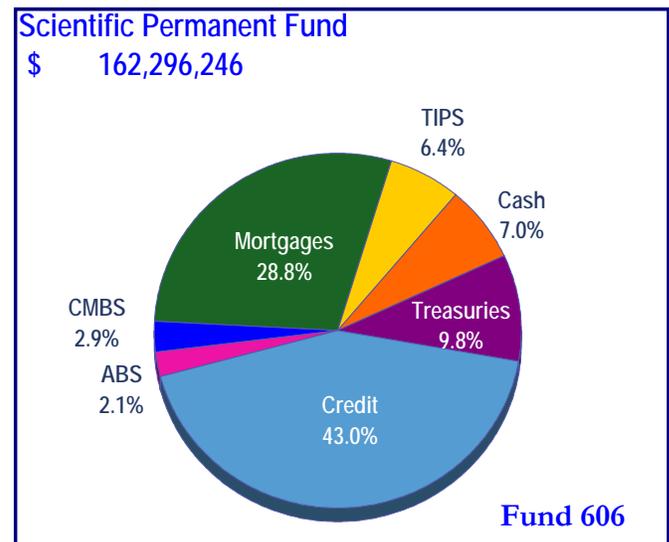
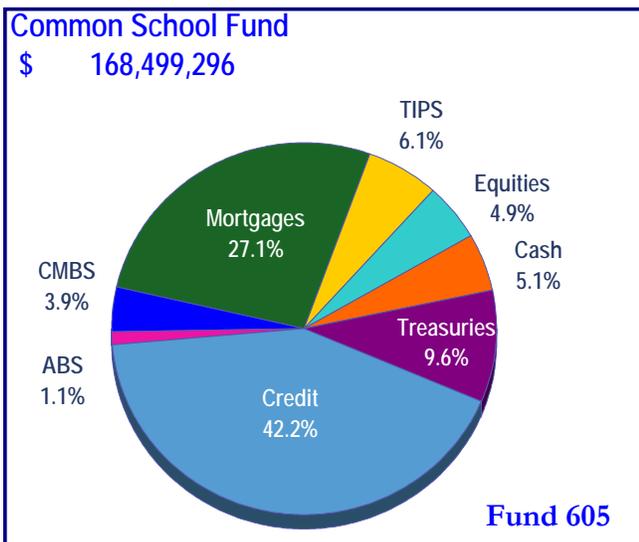
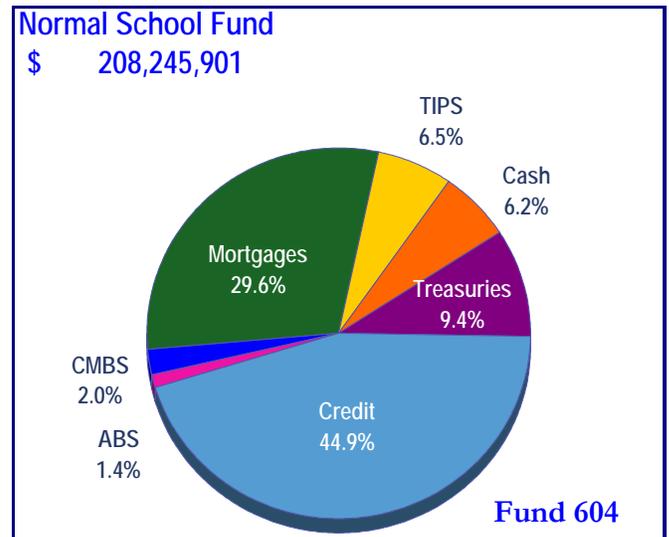
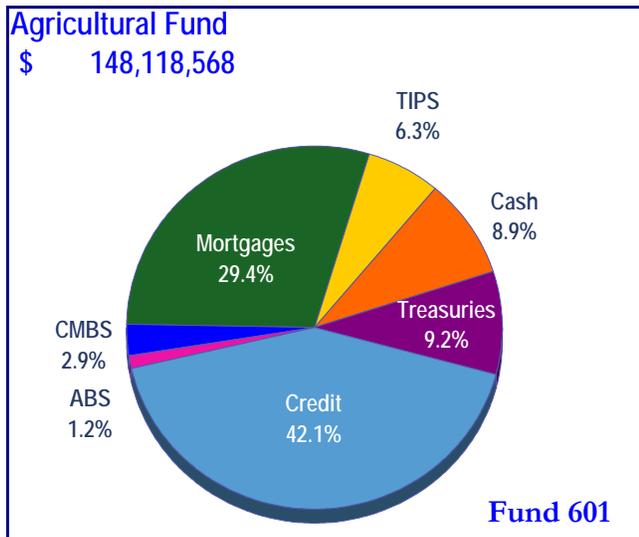
GET—Advanced College Tuition Payment Program
Quarter, One Year, Three Year, Five Year, Ten Year

DDEF—Developmental Disability Endowment Fund
Quarter, One Year, Three Year, Five Year, Ten Year

PERMANENT FUNDS

June 30, 2004

Market Values and Asset Allocation



Millersylvania State Park Fund
\$ 5,155

Assets of this fund are invested in a short-term investment fund (STIF).

Fund 603

WSIB Fixed Income Policy Ranges per Fund:

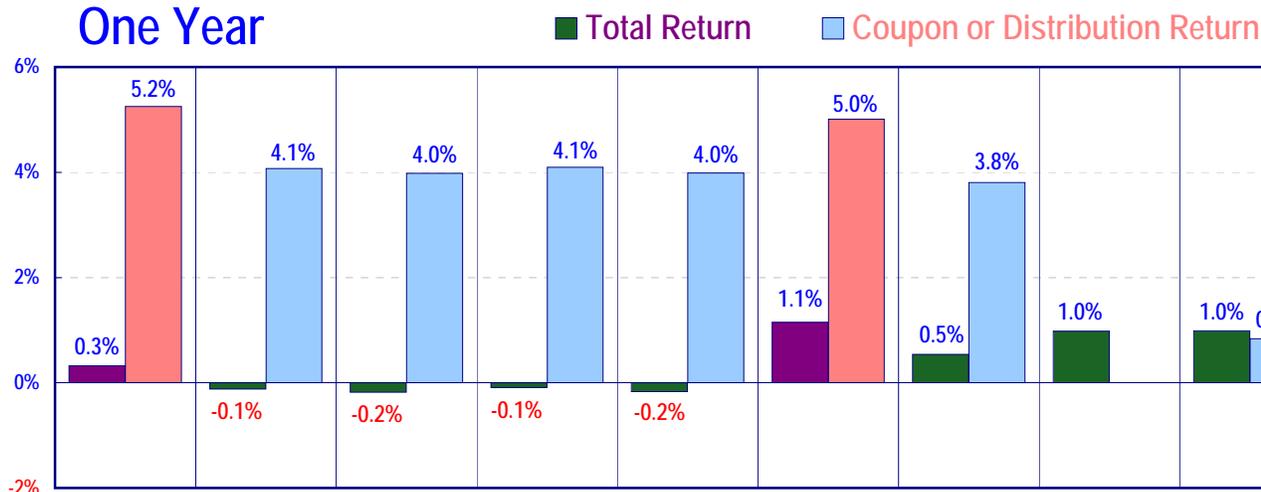
U.S. Treasuries and Agencies	10-50%
Investment Grade Credits	10-50%
Mortgage-Backed Securities	5-40%
Asset-Backed Securities (ABS)	0-10%
Commercial Mortgage-Backed Securities (CMBS)	0-10%

PERMANENT FUNDS

June 30, 2004

Interest Income, Performance and Duration

One Year



	Lehman Aggregate Index	601 Agricultural Fund	604 Normal School	606 Scientific Permanent	607 State University	Custom Benchmark*	605 Common School	90-Day TBill	603 Millersylvania Park Fund
Balance - 6/30/99		\$116,346,463	\$180,554,213	\$136,502,568	\$20,819,236		\$156,534,052		\$5,171
Balance - 6/30/03		152,049,286	215,098,805	166,446,848	25,398,369		174,406,411		5,156
Balance - 6/30/04		148,118,568	208,245,901	162,296,246	24,685,245		168,499,296		5,155

Distribution Return (Includes coupon income and amortization minus expenses and deferred losses based on book value)

Quarter	0.75%	0.76%	0.77%	0.75%		0.72%		0.16%
One Year	4.07%	3.98%	4.10%	3.99%		3.80%		0.83%
Three Year	5.50%	5.40%	5.55%	5.35%		5.22%		1.65%
Five Year	6.11%	5.96%	6.03%	6.05%		5.77%		3.34%

Total Return

Quarter	-2.44%	-2.65%	-2.78%	-2.71%	-2.75%	-2.27%	-2.57%	0.24%	0.25%
One Year	0.32%	-0.12%	-0.18%	-0.09%	-0.17%	1.15%	0.54%	0.98%	0.99%
Three Year	6.36%	6.34%	6.49%	6.77%	6.74%	6.24%	6.33%	1.71%	1.62%
Five Year	6.95%	6.88%	6.94%	6.95%	7.08%	6.74%	6.69%	3.29%	3.28%
Ten Year	7.39%	7.46%	7.48%	7.44%	7.57%	7.28%	7.38%	4.35%	4.37%

Fixed Income Duration

Duration	4.77	3.87	4.17	3.99	4.12	4.77	4.20	0.25	0.10
Difference		-0.89	-0.59	-0.78	-0.65		-0.56		N/A
Percent Difference		-18.8%	-12.5%	-16.3%	-13.7%		-11.8%		N/A

* The custom benchmark for the Common School Fund is a combination of the Lehman Aggregate and Dow Jones Wilshire 5000 using the previous month-end weights adjusted for new purchases during the current month. For June 2004, the breakdown was 4.9% Dow Jones Wilshire 5000 and 95.1% Lehman Aggregate.

OTHER TRUST FUNDS

June 30, 2004

Market Values, Performance and Asset Allocation

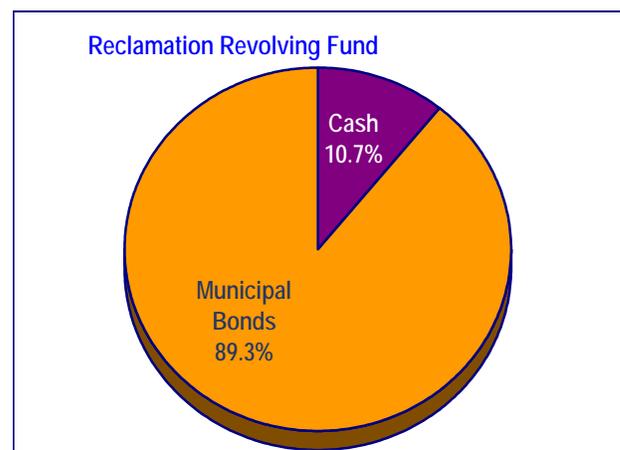


Total Return

Quarter	0.24%	0.22%	0.22%	0.25%	0.22%	0.63%	0.22%
One Year	0.98%	0.90%	0.90%	0.97%	0.90%	3.32%	0.90%
Three Year	1.71%	1.52%	1.52%	1.73%	1.52%	2.90%	1.55%
Five Year	3.29%	3.22%	3.22%	3.41%	3.22%	4.05%	3.22%
Ten Year	4.35%	4.57%	4.35%	4.47%	4.36%	5.00%	N/A

Portfolio Allocations

Funds 110, 730, 882, 893, and the Emergency Reserve Account are fully invested in short-term investment funds (STIF).



OTHER TRUST FUNDS

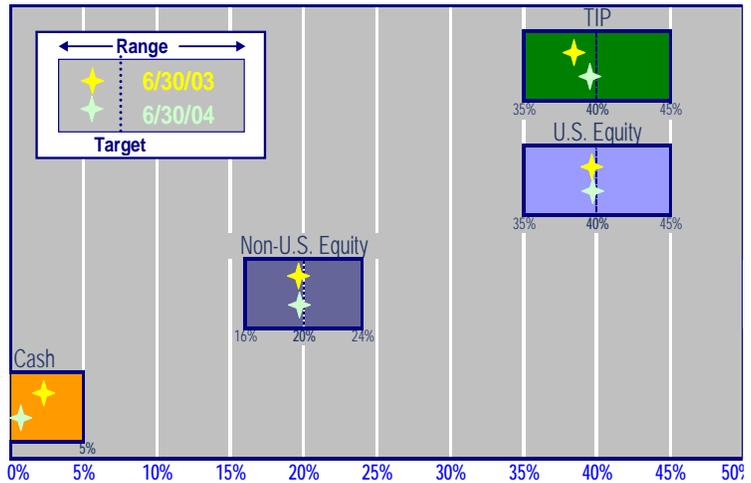
June 30, 2004

GET Portfolio Breakdown and Performance

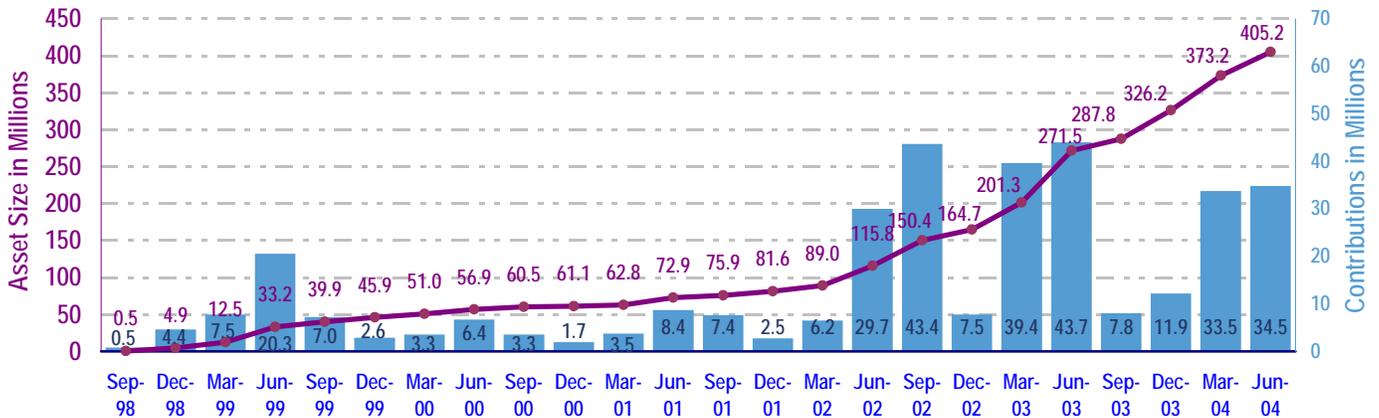
Portfolio Size

Total \$405,219,240

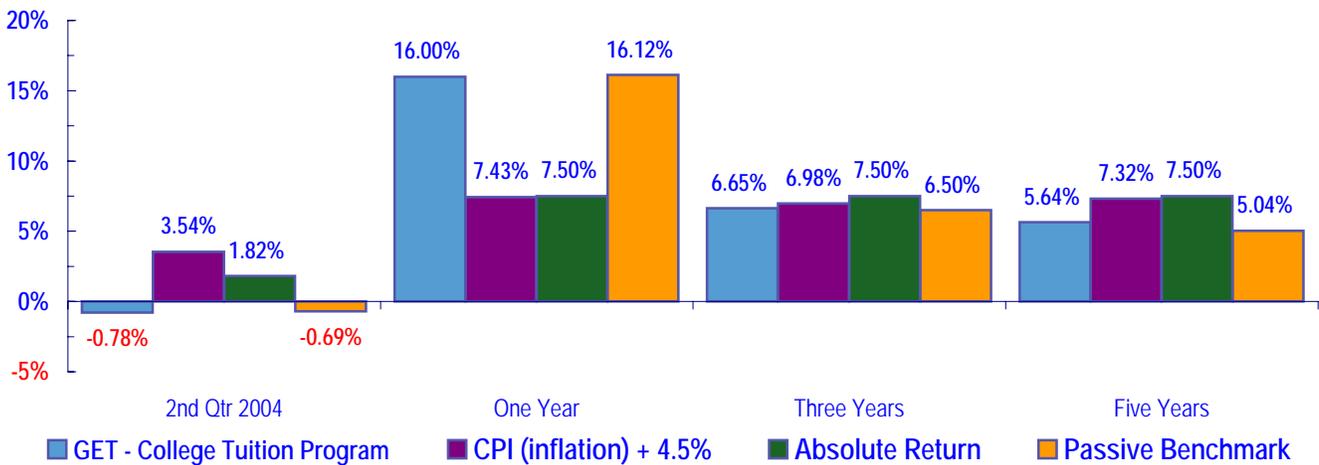
Cash 3,784,996
 Treasury Inflation Index Note (TIP) 160,074,065
 U.S. Equity 161,347,670
 Non-U.S. Equity 80,012,509



Assets Under Management



Total Return

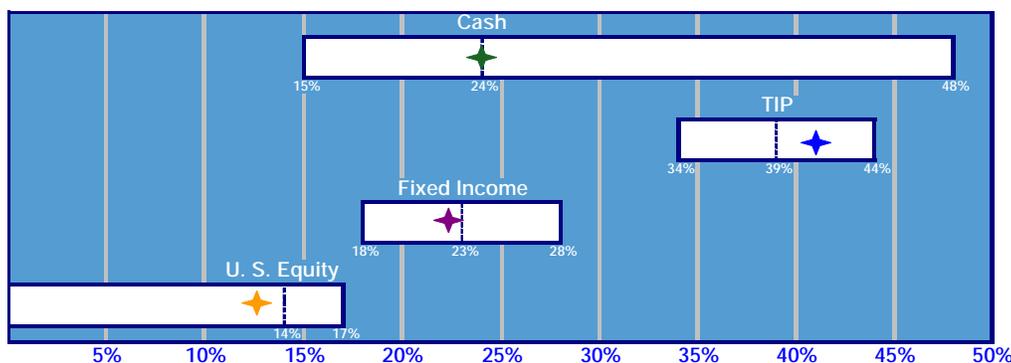
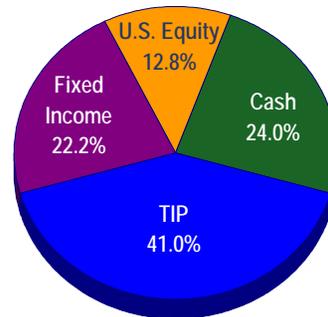


DDEF Portfolio Breakdown and Performance

Allocation

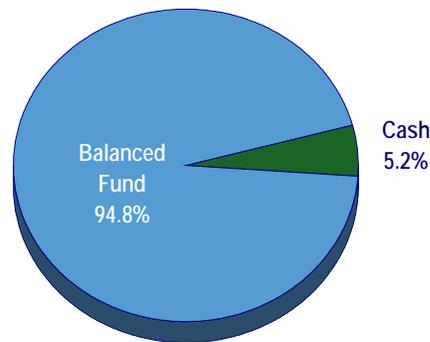
DDEF - State Funds

Total	\$6,529,573
Cash	1,567,200
Treasury Inflation Index Note (TIP)	2,674,594
Fixed Income	1,452,579
U.S. Equity	835,200



DDEF - Private Funds

Total	\$803,882
Cash	41,816
Balanced Fund	762,065



Total Return

