

Portfolio Highlights

Valuation

The WPERP portfolio, as of March 31, 2004, had an aggregate value of \$6.1 billion. This represents a \$66.4 million increase in value over last quarter and an \$869.7 million increase in value over the last year.

During the quarter, WPERP's actual equity allocation remained unchanged to end the quarter with a 60% allocation. WPERP's fixed income allocation ended the quarter at 23% (also unchanged from the previous quarter). Seventeen percent of the WPERP portfolio was allocated to cash/short-term investments. Cash levels continue to remain high as existing managers are not allowed to reinvest liquidated securities during the portfolio transition and specific manager funding decisions have been delayed.

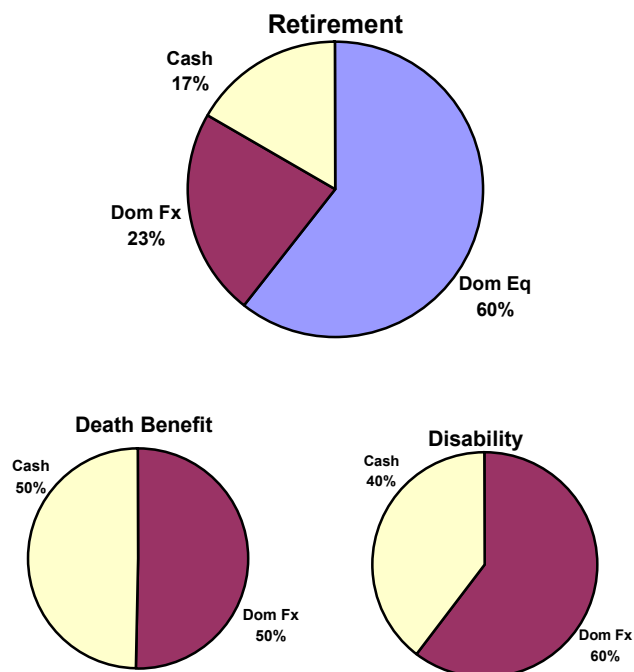
WPERP adopted a new "Statement of Investment Objectives, Goals, and Guidelines" on February 26, 2003. To date, Merrill Lynch Investment Management and Northern Trust Global Investments were selected for passive core equity mandates and funded during the third quarter of 2003. Fred Alger Management and INTECH were selected for large-cap growth mandates and funded in the first quarter of 2004. MFS and Merrill Lynch Investment Management were selected for the large-cap value mandate and funded during the first quarter of 2004. Invesco was selected for the active international mandate. Bank of New York was selected for the small-cap growth mandate. Earnest Partners was selected for the small-cap value mandate. ING/Aeltus and Wells Capital were selected for the Core Fixed Income mandate.

WPERP Portfolio Valuation – March 31, 2004 (millions)

Segment	Actual \$	Actual %*	Target %**
Total Portfolio	6,070.0	---	---
Retirement	5,990.9	100%	100%
Domestic Equity	3,630.6	60%	40%
International Equity	---	0%	15%
Domestic Fixed	1,355.6	23%	35%
Alternative	---	0%	5%
Real Estate	---	0%	4%
Cash/short-term	1,004.7	17%	1%
Death Benefit	36.3	100%	100%
Domestic Fixed	18.3	50%	100%
Cash/short-term	18.0	50%	0%
Disability	42.8	100%	100%
Domestic Fixed	25.8	60%	100%
Cash/short-term	17.0	40%	0%

*Cash figures per Bank of New York.

**All accrued cash has been allocated to Retirement, pending further resolution.



Performance--Periods ending March 31, 2004

Latest Quarter

For the latest quarter, WPERP's total investment portfolio increased 2.0% while underperforming its policy benchmark return of 2.8%. Strong absolute results from the unfunded international equity asset class and an over allocation to cash dampened returns. Manager selection and funding activities for the domestic equity and international asset classes continued during the first quarter of 2004.

During the first quarter of 2004, WPERP's domestic equity asset class returned 2.0% underperforming its policy benchmark, the Russell 3000 index, by 20 basis points, and outperforming the S&P 500 return of 1.7% (previously the market proxy representative of the domestic equity market). WPERP's three equity accounts outperformed this market proxy over the latest quarter. The domestic fixed income asset class increased 3.2% exceeding its policy benchmark, the Lehman Universal Index, which increased 2.7% during the quarter. The Salomon Broad, formerly the representative proxy for domestic fixed income market results, had a quarterly return of 2.7%. One-of-three fixed income managers exceeded the proxy over the latest quarter.

WPERP's total portfolio results placed them in the 87th percentile (below median) in the TUCS Total Trust Universe¹. The median return for the quarter was 3.0%.

Comparative Performance--Quarter Return

Segment	Actual Return	Policy Return*
Total Portfolio	2.0	2.8 **
Domestic Equities	2.0	2.2
Domestic Fixed	3.2	2.7
International Equities	N/A	4.8
Alternative ²	N/A	3.0
Real Estate ²	N/A	2.8
Cash ²	0.3	0.2

*Policy return consists of passively managed asset class portfolios held at WPERP policy weightings (see page VI for current weightings and benchmarks).

**Total portfolio policy return does not currently include Alternative and Real Estate.

¹ The Trust Universe Comparison Service (TUCS) is a cooperative effort among custodial organizations and Wilshire Associates. Custodians submit asset positions and performance data to be pooled into universes of managed tax-exempt portfolios. TUCS is the most widely accepted benchmark for the performance of institutional assets.

² Benchmarks for Real Estate, Alternative and Cash asset classes not yet approved. These are currently represented by asset class benchmarks widely used by PCA's clients. See "Introduction" page V.

Latest Year

For the latest year, WPERP's total investment portfolio increased 21.4% but underperformed the representative blended policy return of 26.8%. The blended policy return contains the current policy return as of 2Q 2003 consisting of passively managed asset class portfolios held at WPERP policy weightings, and the market-based proxy return utilized prior to 2Q 2003. Relative to the blended policy return, poor relative performance was due to an over allocation to cash during the period which dampened returns as both the funded portions of the domestic equity and fixed income asset classes met or exceed their respective policy benchmarks.

WPERP's domestic equity asset class increased by 38.3% over the past year slightly outperforming the blended policy return of 38.2%. These results exceeded the long-term expected return of 10% per year for equity investments. The domestic fixed income component increase 6.8% and outperformed the blended policy return of 6.7%. This result, however, trailed the long-term expected return of 8.0% for fixed income investments.

Over the latest year, WPERP's total portfolio results placed in the 86th percentile (below median) in the TUCS Total Trust Universe (median: 28.9%).

Comparative Performance—One-Year Return

Segment	Actual Return	Blended Policy Return*	Market-based Proxy Return***
Total Portfolio	21.4	26.8 **	22.8
Domestic Equities	38.3	38.2	35.1
Domestic Fixed	6.8	6.7	5.5
International Equities	N/A	N/A	---
Alternative	N/A	N/A	---
Real Estate	N/A	N/A	---
Cash	N/A	1.0	---

*Blend of current WPERP policy benchmark weightings (see "Introduction" page V) beginning 2Q 2003, and the Market-based proxy return utilized prior to 2Q 2003.

** Total portfolio policy return does not currently include Alternative and Real Estate.

***Market-based proxies are comprised of: 60% S&P 500, 30% Salomon Broad and 10% T-Bills for the Total Portfolio, the S&P 500 for Domestic Equities and the Salomon Broad Index for Domestic Fixed.

Latest Three Years

For the latest three-year period, WPERP's total investment portfolio increased 4.0% per year but underperformed the representative blended policy return of 4.5% per year. As with the one-year period, an over allocation to cash in recent periods dampened returns for the Total Portfolio as both the domestic equity and fixed income asset classes outperformed their respective policy benchmarks. However, these results are significantly below WPERP's long-term expectations as the equity asset class trailed its long-term absolute target.

The domestic equity asset class increased during the period with a 2.6% average annual return over the past three years outperforming the blended policy return of 1.4% per year (as equity accounts with performance history spanning over three years benefited from exposure to value companies during the period). The domestic fixed income component increased 8.2% per year and outperformed the blended policy average annual return of 7.9%. This result is in line with the long-term return expectation of 8.0% per year for fixed income investments.

Over the latest three-year period, WPERP's total portfolio results placed in the 76th percentile (below median) in the TUCS Total Trust Universe (median: 5.2%).

Comparative Performance—Three-Year Return

Segment	Actual Return	Blended Policy Return*	Market-based Proxy Return***
Total Portfolio	4.0	4.5 **	2.8
Domestic Equities	2.6	1.4	0.6
Domestic Fixed	8.2	7.9	7.4
International Equities	N/A	N/A	---
Alternative	N/A	N/A	---
Real Estate	N/A	N/A	---
Cash	N/A ¹	1.9	---

*Blend of current WPERP policy benchmark weightings (see "Introduction" page V) beginning 2Q 2003, and the Market-based proxy return utilized prior to 2Q 2003.

** Total portfolio policy return does not currently include Alternative and Real Estate.

***Market-based proxies are comprised of: 60% S&P 500, 30% Salomon Broad and 10% T-Bills for the Total Portfolio, the S&P 500 for Domestic Equities and the Salomon Broad Index for Domestic Fixed.

¹ Cash returns were not tracked prior to 3Q 2002 and, therefore, do not comprise three years of data.

Latest Five Years

For the latest five-year period, WPERP's total investment portfolio increased by 4.3% per year and outperformed the blended policy's average annual return of 2.9%. Positive relative results by the domestic equity asset class contributed to this result. However, total portfolio performance significantly lagged WPERP's long-term return expectations as the equity asset class lagged long-term expectations contributing to this result.

The domestic equities segment of the WPERP portfolio posted a 3.1% average annual return over the past five years outperforming the blended policy's average annual return of minus (0.8%). Over this period, WPERP's equity account with five years of performance history outperformed the proxy. The domestic fixed income component increased 7.4% per year and slightly underperforming the blended policy's average annual return of 7.5%.

Over the latest five-year period, WPERP's total portfolio results placed them in the 62nd percentile (below median) in the TUCS Total Trust Universe (median: 4.8%).

Comparative Performance—Five-Year Return

Segment	Actual Return	Blended Policy Return*	Market-based Proxy Return***
Total Portfolio	4.3	2.9 **	1.8
Domestic Equities	3.1	-0.8	-1.2
Domestic Fixed	7.4	7.5	7.3
International Equities	N/A	N/A	---
Alternative	N/A	N/A	---
Real Estate	N/A	N/A	---
Cash	N/A ¹	3.3	---

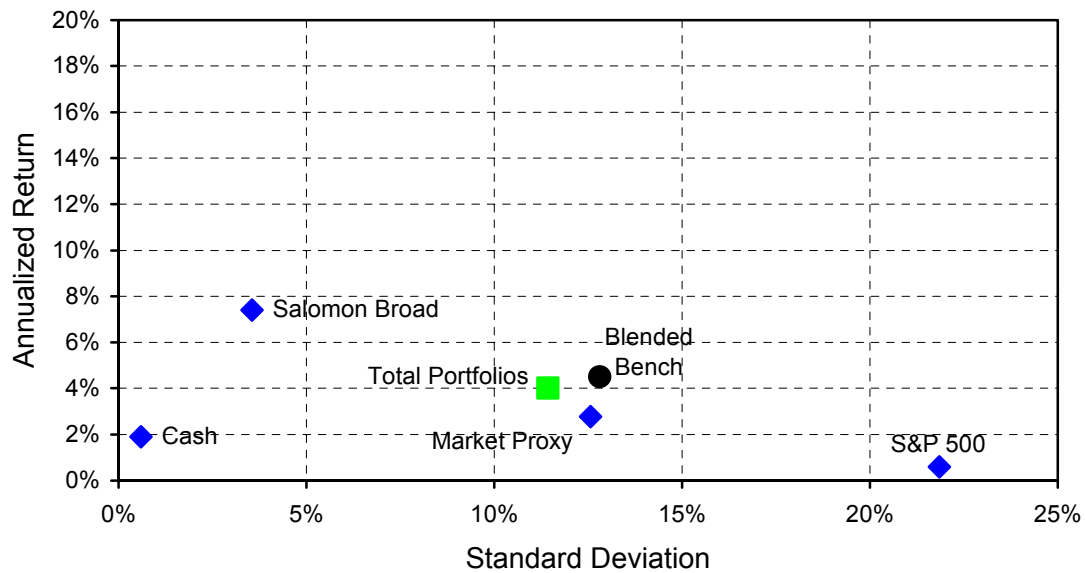
*Blend of current WPERP policy benchmark weightings (see "Introduction" page V) beginning 2Q 2003, and the Market-based proxy return utilized prior to 2Q 2003.

** Total portfolio policy return does not currently include Alternative and Real Estate.

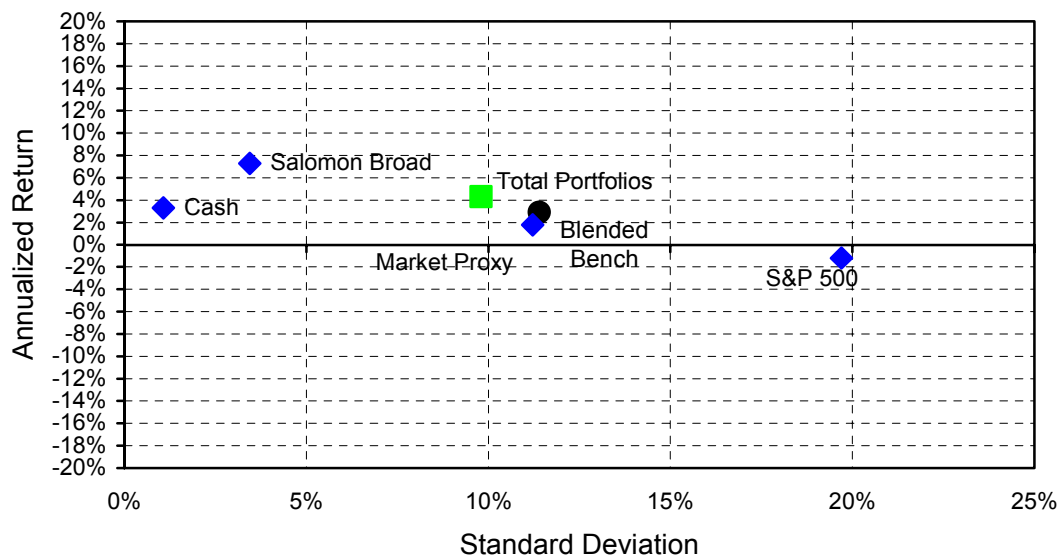
***Market-based proxies are comprised of: 60% S&P 500, 30% Salomon Broad and 10% T-Bills for the Total Portfolio, the S&P 500 for Domestic Equities and the Salomon Broad Index for Domestic Fixed.

¹ Cash returns were not tracked prior to 3Q 2002 and, therefore, do not comprise five years of data.

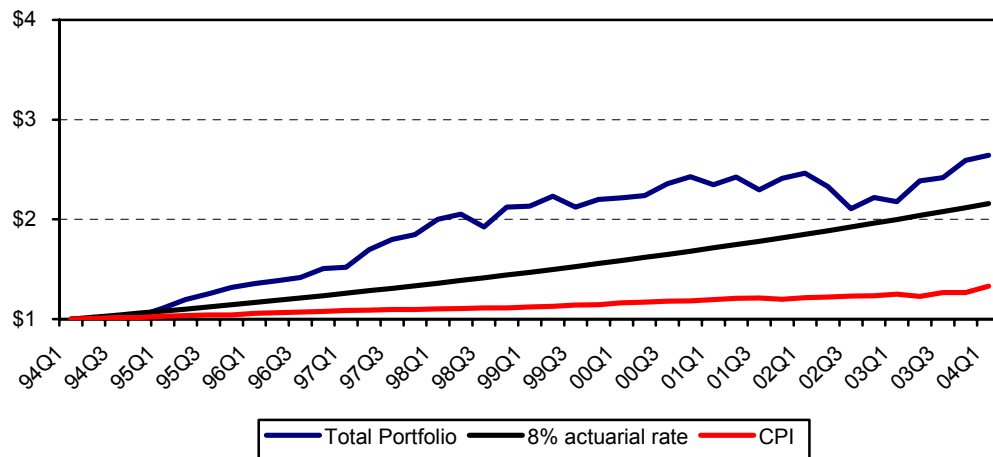
Three-Year Annualized Risk/Return



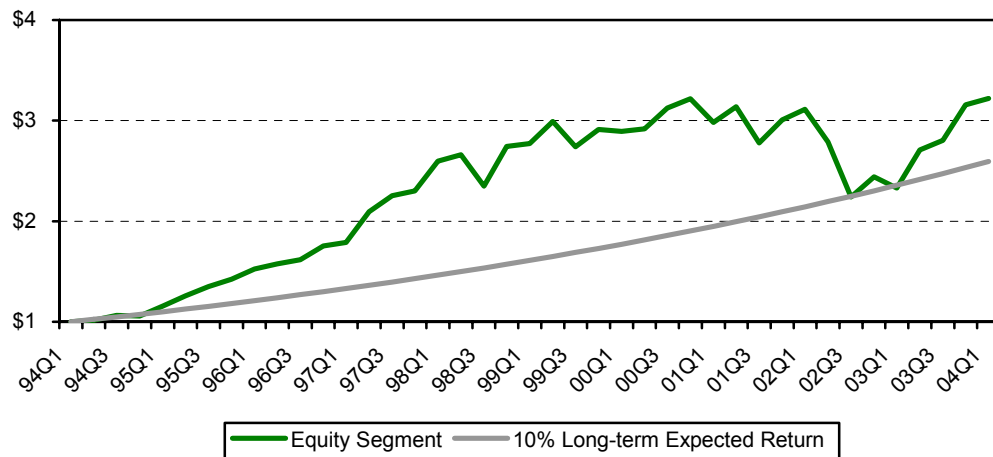
Five-Year Annualized Risk/Return



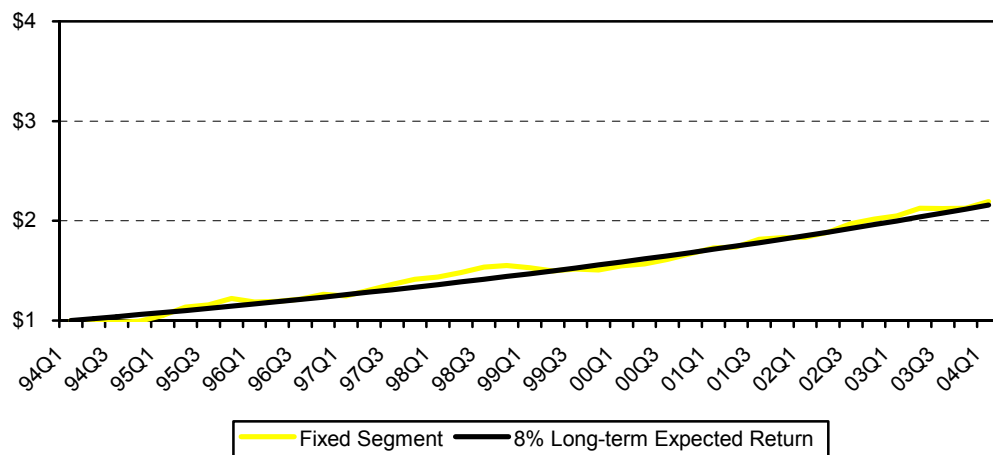
Growth of a Dollar- Latest 10 Years Total Portfolio



Growth of a Dollar- Latest 10 Years Equity Segment



Growth of a Dollar- Latest 10 Years Fixed Segment



Economic Review

The US economy increased at an annual growth rate of 4.2% during the first quarter of 2004, up from 4.0% annualized growth in the previous quarter². The major contributors to the increase include personal consumption expenditures (PCE), equipment and software, government spending, exports, and private inventory investments.

During the first quarter of 2004, equity markets generated positive returns among the major asset classes. The Russell 2000 Index, a measure of small capitalization stock performance, posted a 6.3% return for the quarter compared to a 1.7% return for the S&P 500 Index, which represents the large domestic equity market. Value stocks were favored over growth stocks. The representative Russell 3000 Value Index posted a 3.3% return, while the Russell 3000 Growth Index posted a 1.1% return. During the first quarter, the MSCI EAFE returned 4.4%, as the MSCI Pacific sub-component provided a strong 12.8% quarterly return. The Lehman Aggregate Index, a proxy for the domestic fixed income market, posted a 2.7% quarterly return during the quarter while its international counterpart, as measured by the SBWGB Index, gained 1.9%.

- **Inflation** – The Consumer Price Index (CPI) increased by 0.6% in March, on a seasonally adjusted basis, resulting in a compounded annual rate (three-months ended March 31, 2004) of 5.1%. In comparison, the CPI increased 5.2% (on an annualized basis) during the first quarter of 2003.
- **Domestic Interest Rates** – During the first quarter of 2004 mid-term and long-term yields decreased while short-term rates remained steady. The annual yield on one-year Treasury Bonds decreased by 6 basis points to 1.20% as of March 31, 2004, while the yield on thirty-year Treasury Bonds decreased by 31 basis points to 4.87%. The spread between the one-year Treasury and the 30-year Treasury ended the quarter at 367 basis points, decreasing from 392 basis points at the end of last quarter. As a result, the yield curve flattened, primarily benefiting holders of intermediate and long-term bonds.
- **US Dollar** – During the first quarter of 2004, the US dollar strengthened against the Euro by 2.4% and the Canadian dollar by 1.4%, but depreciated against the Yen by 2.8%.
- **Unemployment** – The domestic unemployment rate was unchanged as of March 31, 2004 from the end of previous quarter at 5.7%.

² As measured by the real Gross Domestic Product (GDP). An “advance” estimate based on source data subject to further revision as reported by the Bureau of Economic Analysis (BEA).

Capital Market Highlights

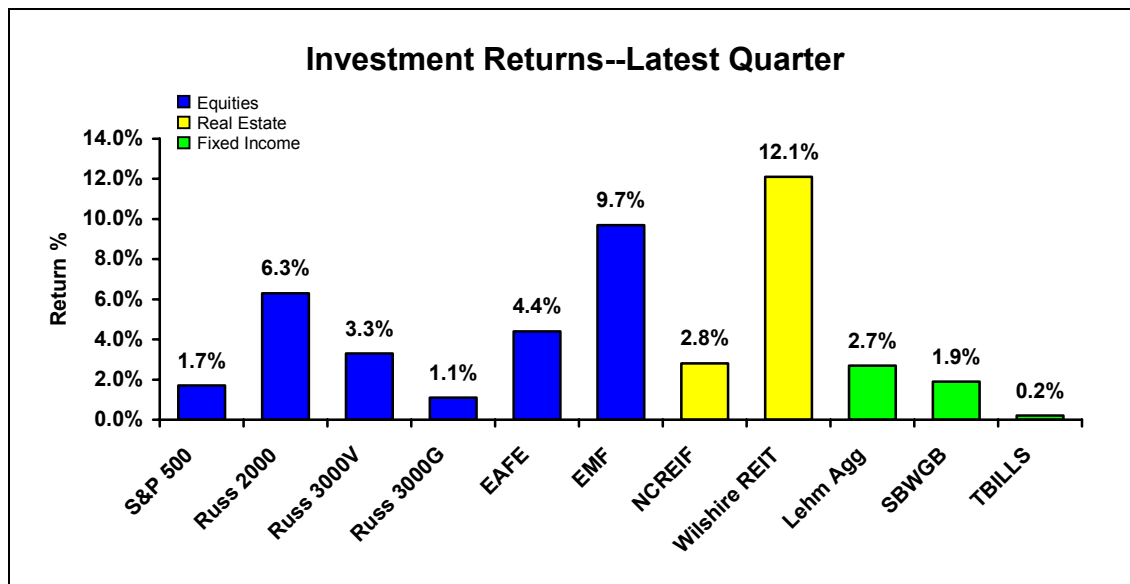
First Quarter 2004

First quarter index returns provided positive results across the board. The most apparent distinction among segments in the equity market was that small-cap stocks fared better than large-cap stocks as investors sought gains in the more aggressive, smaller-capitalized stocks during the quarter. Small-cap stocks posted positive returns, as measured by the Russell 2000 Index, with a 6.3% quarterly return as compared to the S&P 500 Index that gained 1.7% during the quarter. The Russell 3000 Value Index, a measure of value stocks, produced a 3.3% return and outperformed the Russell 3000 Growth Index, a measure of growth stocks, which had a 1.1% return.

International stocks generated positive returns during the quarter. As measured by the MSCI EAFE Index, international stocks finished the quarter with a 4.4% return. The Pacific sub-component ended the quarter with a 12.8% return. Emerging Markets, as measured by the MSCI EMF, posted a strong 9.7% return.

Bond market returns were positive although significantly lower than equity markets. As measured by the Lehman US Aggregate Index, domestic bonds returned 2.7% for the quarter as concerns of rising interest rates persisted. The international bond market provided positive absolute results during the first quarter of 2004 primarily due to a weakening US dollar. As measured by the SBWGB Index, international bonds produced a positive return of 1.9%.

Over the quarter, the public real estate market (as measured by the Wilshire REIT Index) generated a total return of 12.1%. T-bills finished the quarter with a 0.2% gain.



NCREIF Property Index information is as of December 31, 2003.

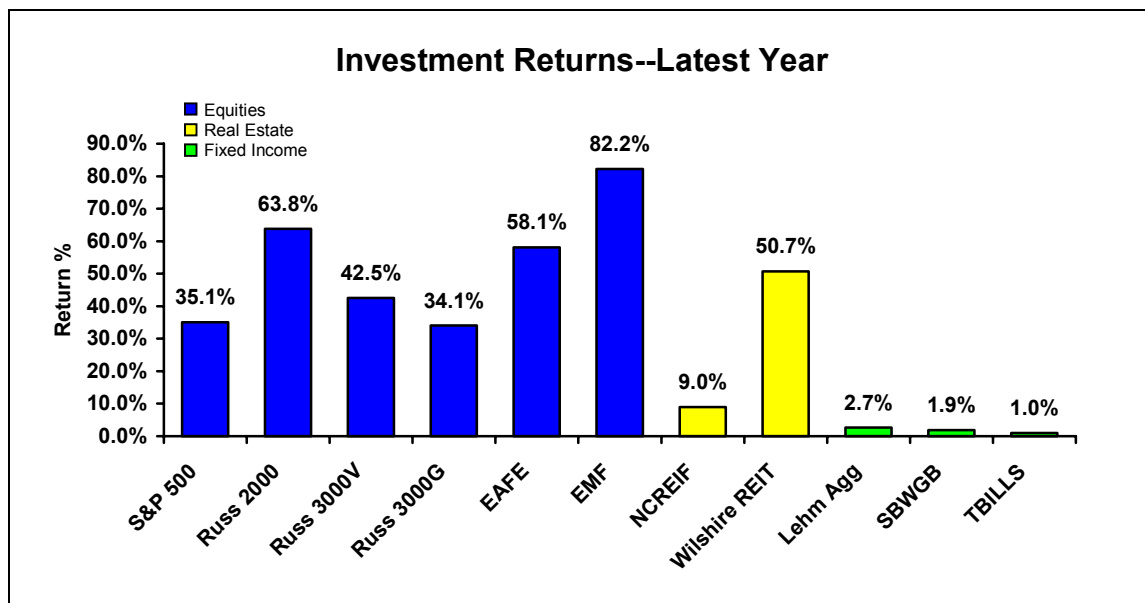
Latest Year – Ending March 31, 2004

During the latest year, the domestic equity market generated very strong absolute results. In general, small cap stocks, as measured by the Russell 2000 Index, performed better than large cap stocks (as measured by the S&P 500 Index), with respective returns of 63.8% and 35.1%. After a strong quarter, value stocks, as measured by the Russell 3000 Value Index, increased by 42.5% while growth stocks, as measured by the Russell 3000 Growth Index, increased by 34.1%.

Emerging markets stocks generated the highest absolute return among equities during the latest year with a strong 82.2% return. A recovering global economic environment helped to drive the performance of developing economies. The MSCI-EAFE posted a solid 58.1% return due to strong performances in both Europe and the Pacific region.

As shown in the chart below, bonds continued their positive absolute performance over the latest 12-month period but significantly trailed equities. The broad domestic bond market, as measured by the Lehman US Aggregate Index, posted a 1-year return of 2.7%. International bonds generated an absolute 1.9% return surpassing domestic issues during the latest year.

The public real estate market continued its positive performance as the Wilshire REIT index returned 50.7% for the year. T-Bills posted a 1.0% return.



NCREIF Property Index information is as of December 31, 2003.

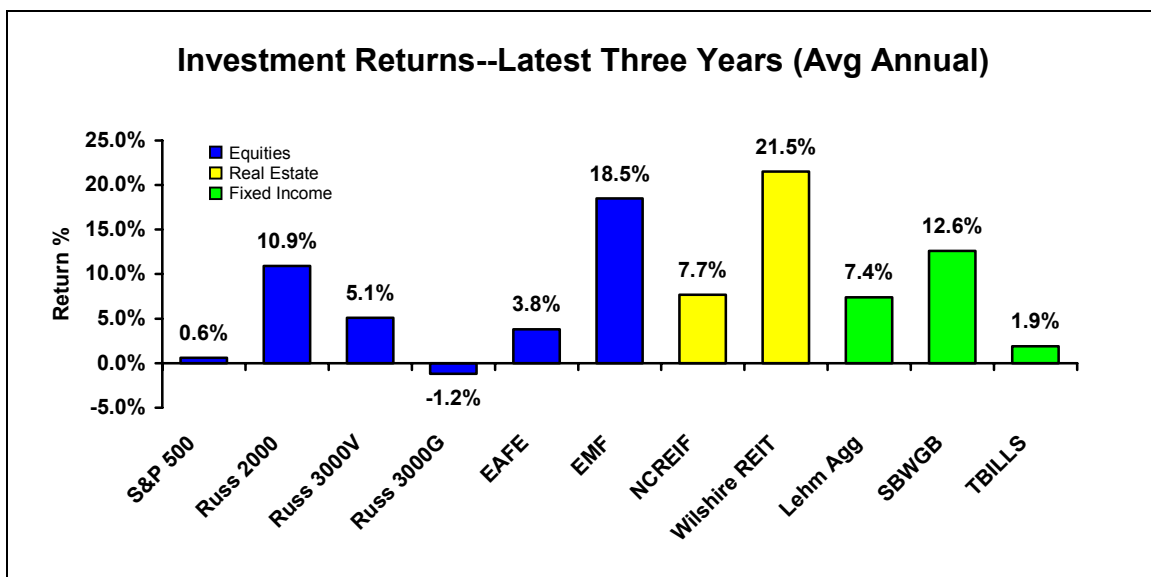
Latest Three Years – Ending March 31, 2004

Domestic equity markets produced mixed results during the latest three-year period as all segments of the equity market, with the exception of growth-oriented stocks, were able to produce positive absolute results. Small-cap stocks (Russell 2000 Index) performed significantly better than large cap stocks (S&P 500 Index) with returns of 10.9% versus 0.6% per annum, respectively. Value stocks significantly outperformed growth stocks during this period. The Russell 3000 Value Index posted a 5.1% average annual return compared to a minus (1.2%) annualized return for Russell 3000 Growth Index during this period.

During the previous three-year period, bonds produced strong positive absolute results. The international bond market (measured by the SBWGB Index) benefited from a weakening US dollar and gained an annualized 12.6% over the past three years. This return was, on average, 5.2% higher than that of the domestic bond market, as measured by the Lehman US Aggregate Index, which averaged an annual return of 7.4%. Declining yields and investors' focus on protection of capital in earlier periods contributed significantly to these strong bond market results.

International equity markets had positive results during the latest three-year period. The MSCI EAFE Index posted an absolute annualized result of 3.8% per year. The MSCI Pacific sub-component (excluding Japan) contributed significantly to this result with a strong 14.7% return per year. Among the equity segments, the MSCI EMF Index posted the highest annualized return of 18.5 %.

The Wilshire REIT Index continued to produce positive results by posting a 21.5% average annual return over the latest three-year period. Money-market yields (T-Bills) averaged 1.9% per year during the period.



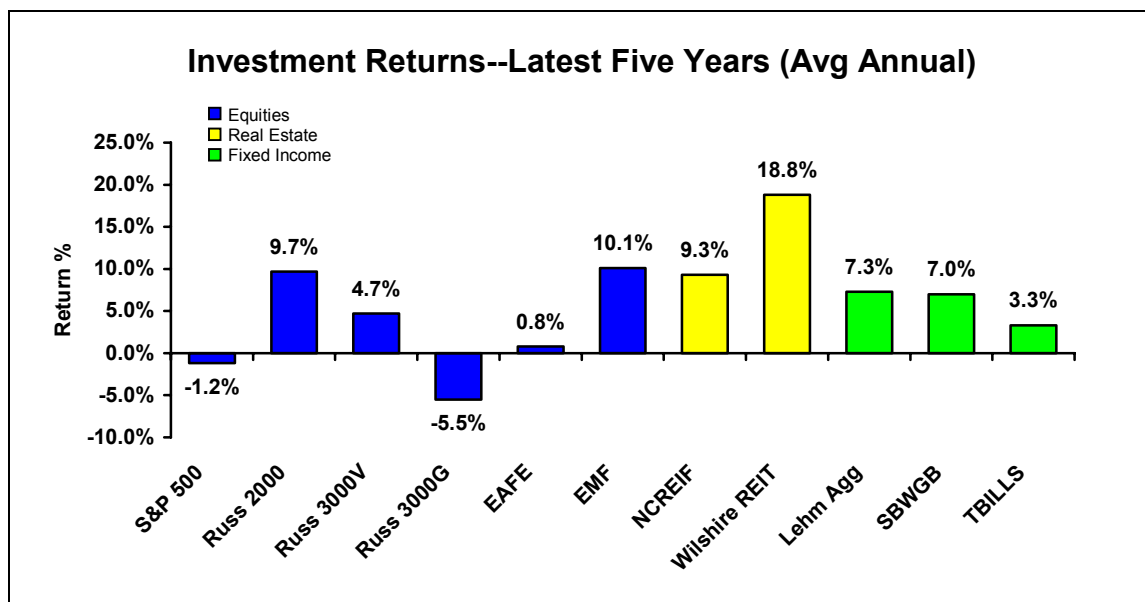
NCREIF Property Index information is as of December 31, 2003.

Latest Five Years – Ending March 31, 2004

During the latest five-year period, equity markets in general generated modest results. As measured by the S&P 500 Index, the domestic equity market decreased with an average annual return of a minus (1.2%). Small-cap stocks fared much better with an annualized return of 9.7%, as measured by the Russell 2000 Index. During this period, investors experienced a loss of principal primarily in growth stocks, as represented by the Russell 3000 Growth Index, which finished the period with a minus (5.5%) return per year. However, value stocks provided some protection as the Russell 3000 Value Index ended the period with a 4.7% return per year. International equities provided slightly positive results with a return of 0.8% per annum. Positive performance by the MSCI Pacific sub-index (excluding Japan) at 8.5% per year contributed significantly to this result. Emerging Markets provided the best performance among equity segments with a double-digit average annual return of 10.1%

US and international fixed income markets had comparable performance over the latest 5-year period despite a surge in international bonds in recent periods. The Lehman US Aggregate Index returned 7.3% per year versus that of the SBWGB, which returned 7.0% per year on average.

The real estate market produced the strongest result, generating an 18.8% average annual return for the Wilshire REIT Index. Money-market returns (T-Bills) returned 3.3% per year over the latest five-year period.



NCREIF Property Index information is as of December 31, 2003.

Manager Performance- Summary

Manager Performance Comparison- as of 3/31/04

Manager	Segment	Current Value \$ (000)	Performance			
			Qtr.	1 Year	3 Year	5 Year
Debt						
Standish I (previously Boston)	Fixed Income	439,450	2.6%	5.3%	7.2%	6.6%
Standish II (previously Highmark)	Fixed Income	234,272	2.1%	5.5%	7.6%	7.0%
TCW	Fixed Income	681,843	4.0%	8.3%	9.0%	8.1%
TCW – Death Benefit	Fixed Income	18,298	3.4%	8.5%	9.0%	7.4%
TCW – Disability	Fixed Income	25,768	4.0%	7.2%	9.8%	8.4%
Equity						
Boston (previously Highmark)	Equity	22,621	0.2%	15.1%	0.1%	0.9%
Boston Company	Equity	797,415	2.6%	40.0%	3.6%	3.8%
TCW	Equity	7,721	0.2%	18.5%	-3.6%	-0.7%
Passive Managers						
Merrill	Equity	921,420	1.9%	N/A	N/A	N/A
Northern	Equity	921,926	1.9%	N/A	N/A	N/A
Active Managers						
Intech	Equity	241,405	N/A	N/A	N/A	N/A
Fred Alger	Equity	237,687	N/A	N/A	N/A	N/A
Merrill	Equity	239,801	N/A	N/A	N/A	N/A
MFS	Equity	239,695	N/A	N/A	N/A	N/A
Benchmarks						
Total Portfolio Policy Benchmark	Diversified	---	2.8%***	26.8%**	4.5%**	2.9%**
Market-based Total Portfolio Proxy	Balanced	---	1.9%	22.8%	2.8%	1.8%
Russell 3000	Domestic Equity		2.2%	38.2%	---	---
Long-term Expected Equity Return	Equity	---	N/A	10.0%	10.0%	10.0%
S&P 500	Large Core	---	1.7%	35.1%	0.6%	-1.2%
Russell 1000 Value	Large Value	---	3.0%	40.8%	4.3%	---
Lehman Universal	Fixed Income	---	2.7%	6.7%	---	---
Long-term Expected Fixed Return	Fixed Income	---	N/A	8.0%	8.0%	8.0%
Salomon Broad	Fixed Income	---	2.7%	5.5%	7.4%	7.3%
MSCI ACWI xUS	Intl Equity	---	4.8%	59.9%	---	---
Russell 3000 + 300bps*	Alternative	---	3.0%	---	---	---
NCREIF*	Real Estate	---	2.8%	---	---	---
Cash*	T-Bills	---	0.2%	---	---	---

*Benchmarks for Real Estate, Alternative, and Cash asset classes not yet approved. These are currently represented by asset class benchmarks widely used by PCA's clients.

**Blend of passively managed asset class portfolios held at WPERP policy weightings beginning 2Q 2003, and the Market-based proxy return utilized prior to 2Q 2003.

***Total portfolio policy return does not currently include Alternative and Real Estate.

Manager Performance - Latest Quarter

Among domestic equity accounts in WPERP's portfolio, all produced positive returns, and exceeded the S&P 500 (a market-based proxy for large-cap core domestic equity mandates). Boston Company posted the highest absolute return of 2.6% but underperformed the Russell 1000 Value Index's return (a market-based proxy for large-cap value domestic equity mandates) of 3.0%. Boston Company did, however, exceed the S&P 500's return of 1.7%. Positive relative results were due, in part, to the portfolio's mid-cap exposure. WPERP's new passive large-cap core managers, Merrill and Northern, both matched the Russell 1000 Index's return of 1.9% during the quarter.

Among fixed income managers within WPERP's portfolio, one of three managers exceeded the Salomon Broad proxy (a market-based proxy for core domestic fixed income mandates). TCW posted the highest absolute return of 4.0% over the latest quarter and outperformed the Salomon Broad Index's return of 2.7% and placed in the 9th percentile among their peers. Standish I (previously managed by Boston Company) increased 2.6% but underperformed the Salomon Broad Index's by 10 basis points. Standish II (previously managed by Highmark) posted a return of 2.1% and trailing the Salomon Broad Index's return by 60 basis points.

Manager Comparison--Latest Quarter

Portfolio	Style Group	Account Ranking**	Segment Return
Domestic Equity			
Russell 1000 Value *	Large Value	---	3.0
Boston Company	Large Value	51	2.6
Russell 3000 Index	All-cap Core	58	2.2
Russell 1000 Index	Large Core	---	1.9
Merrill	Large Core	69	1.9
Northern	Large Core	69	1.9
S&P 500 Index *	Large Core	72	1.7
Domestic Fixed Income			
TCW	Fixed	9	4.0
TCW – Disability	Fixed	---	4.0
TCW – Death Benefit	Fixed	---	3.4
Lehman Universal	Fixed	48	2.7
Salomon Broad *	Fixed	---	2.7
Standish I (previously Boston)	Fixed	57	2.6
Standish II (previously Highmark)	Fixed	78	2.1

* Market-based performance proxies

** Equity components are ranked in the TUCS Equity Sector Universe and the fixed income components are ranked in the TUCS Fixed Sector Universe.

Manager Performance - Latest Year

WPERP's domestic equity manager with one year of performance history provided strong positive performance during the latest year. Boston Company posted a return of 40.0% over the latest 12-month period but trailed the Russell 1000 Value Index's return of 40.8%. This performance significantly exceeded the 10.0% expected long-term average annual return objective for domestic equities. WPERP began funding of its new domestic equity managers during the third quarter of 2003 with the funding of two passive core equity managers (Merrill Lynch and Northern Trust). Given the timing of these fundings, the first full year of performance results for these managers will be presented in the second quarter report for 2004.

Over the latest 12-month period, two-of-three fixed income managers outperformed the Salomon Broad Index. TCW posted an 8.5% return outperforming the Salomon Broad proxy return of 5.5%. Positive relative results were partially due to TCW's underweighting in the mortgage sector which underperformed during the period. Standish II, previously managed by Highmark, posted a 5.5% return, matching the Salomon Broad proxy. Standish I, previously managed by Boston Company, posted a 5.3% return during the previous 12-month period, underperforming the Salomon Broad proxy by 20 basis points.

Manager Comparison--Latest Year

Portfolio	Style Group	Account Ranking	Segment Return
Domestic Equity			
Russell 1000 Value **	Large Value	---	40.8
Boston Company	Large Value	51	40.0
S&P 500 Index **	Large Core	73	35.1
Long-term Expected Equity Return *	Equity	---	10.0
Domestic Fixed Income			
TCW – Death Benefit	Fixed	---	8.5
TCW	Fixed	23	8.3
Long-term Expected Fixed Return *	Fixed	---	8.0
TCW – Disability	Fixed	---	7.2
Standish II (previously Highmark)	Fixed	64	5.5
Salomon Broad **	Fixed	---	5.5
Standish I (previously Boston)	Fixed	68	5.3

* Expected returns per DWP Objectives and Policies adopted 2/17/2000. The expected Long-term (a ten-year horizon) Equity return is an average annual return of 10%, per Section IV.H.6. The expected Long-term Fixed return is an average return of 8%, per Section IV.G.3.

** Market-based performance proxies

Manager Performance - Latest Three Years

Boston Company is the only domestic equity account with three-years of performance history and outpaced the S&P 500 during the period. Boston Company posted an average annual return of 3.6% over the latest three-year period. Boston Company benefited from exposure to stronger performing value stocks relative to the broad market benchmark. However, Boston Company underperformed the Russell 1000 Value Index's average annual return of 4.3%. This result underperformed the 10.0% expected long-term average annual return objective for domestic equities.

Two of WPERP's three fixed income accounts with three-years of performance history outperformed the Salomon Broad Index while one of three exceeded the long-term expected return objective for fixed income. Over the latest three-years, TCW posted a 9.0% average annual return exceeding the Salomon Broad proxy's average annual return of 7.4%, and placed in the 19th percentile among their peers. Standish II (previously managed by Highmark) outperformed the Salomon Broad by 20 basis points annually, while Standish I (previously managed by Boston Company) trailed the Salomon Broad proxy by 20 basis points per year.

Manager Comparison--Latest Three Years

Portfolio	Style Group	Account Ranking	Segment Return
Domestic Equity			
Long-term Expected Equity Return *	Equity	---	10.0
Russell 1000 Value **	Large Value	---	4.3
Boston Company	Large Value	42	3.6
S&P 500 Index **	Large Core	70	0.6
Domestic Fixed Income			
TCW – Disability	Fixed	---	9.8
TCW	Fixed	19	9.0
TCW – Death Benefit	Fixed	---	9.0
Long-term Expected Fixed Return *	Fixed	---	8.0
Standish II (previously Highmark)	Fixed	50	7.6
Salomon Broad **	Fixed	---	7.4
Standish I (previously Boston)	Fixed	68	7.2

* Expected returns per DWP Objectives and Policies adopted 2/17/2000. The expected Long-term (a ten-year horizon) Equity return is an average annual return of 10%, per Section IV.H.6. The expected Long-term Fixed return is an average return of 8%, per Section IV.G.3.

** Market-based performance proxies

Manager Performance - Latest Five Years

As with the three-year period, Boston Company is the only domestic equity account with five-years of performance history. Boston Company posted an absolute return of 3.8% per year and outperformed the S&P 500 proxy's average annual return of minus (1.2%). Boston Company benefited from exposure to stronger performing value stocks relative to the broad market benchmark. However, as with the three-year time period, Boston Company significantly underperformed the 10.0% expected long-term average annual return objective for domestic equities.

Over the latest five-years, only one of WPERP's three fixed income managers outperformed the Salomon Broad while one of three matched the long-term expected return objective for fixed income. TCW posted an 8.1% average annual return exceeding the Salomon Broad's 7.3% annual return and placed in the 18th percentile among their peers. Standish II (previously managed by Highmark) trailed the Salomon Broad by 30 basis points per year, while Standish I (previously managed by Boston Company) underperformed the Salomon Broad by 70 basis points per year.

Manager Comparison--Latest Five Years

Portfolio	Style Group	Ranking	Return
Domestic Equity			
Long-term Expected Equity Return *	Equity	---	10.0
Russell 1000 Value **	Large Value	---	3.9
Boston Company	Large Value	44	3.8
S&P 500 Index **	Large Core	78	-1.2
Domestic Fixed Income			
TCW – Disability	Fixed	---	8.4
TCW	Fixed	18	8.1
Long-term Expected Fixed Return *	Fixed	---	8.0
TCW – Death Benefit	Fixed	---	7.4
Salomon Broad **	Fixed	---	7.3
Standish II (previously Highmark)	Fixed	65	7.0
Standish I (previously Boston)	Fixed	77	6.6

* Expected returns per DWP Objectives and Policies adopted 2/17/2000. The expected Long-term (a ten-year horizon) Equity return is an average annual return of 10%, per Section IV.H.6. The expected Long-term Fixed return is an average return of 8%, per Section IV.G.3.

** Market-based performance proxies

Glossary

Definitions of Indices -

Citigroup Broad Investment-Grade (BIG): index is market-capitalization weighted and includes Treasury, Government-sponsored, mortgage and investment grade (BBB-/Baa3) fixed-rate corporate issues with a maturity of one year or longer and a minimum amount outstanding of US\$1 billion for Treasuries and mortgages and US\$100 million for corporate and Government-sponsored issues. A corporate or Government-sponsored bond is removed if its amount falls below US\$75 million.

Lehman Brothers Universal: includes market coverage by the Aggregate Bond Index fixed rate debt issues rated investment grade or higher by Moody's Investor Services, Standard and Poor's Corporation, or Fitch Investor's Service, in that order with all issues having at least one year to maturity and an outstanding par value of at least \$100 million) and includes exposures to high yield CMBS securities. All returns are market value weighted inclusive of accrued interest.

Lehman Brothers Aggregate: an index comprised of approximately 6,000 publicly traded investment-grade bonds including U.S. Government, mortgage-backed, corporate, and yankee bonds with an approximate average maturity of 10 years.

Lehman Brothers High-Yield: an index consisting of non-investment grade domestic and yankee bonds with a minimum outstanding amount of \$100 million and maturing over one year.

MSCI ACWI xUS: MSCI ACWI (All Country World Index) Free excluding US (gross dividends): is a free floating adjusted market capitalization index designed to measure equity performance in the global developed and emerging markets. As of April 2002, the index consisted of 49 developed and emerging market country indices.

MSCI EAFE (Europe, Australasia, Far East): is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. As of April 2002 the index consisted of 21 developed market country indices.

MSCI EMF (Emerging Markets Free): is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of April 2002 the index consisted of 26 emerging market country indices.

NCREIF Property Index: the NPI contains investment-grade, non-agricultural, income-producing properties which may be financed in excess of 5% gross market value; were acquired on behalf of tax exempt institutions; and are held in a fiduciary environment. Returns are gross of fees; including income, realized gains/losses, and appreciation/depreciation; and are market value weighted. Index is lagged one quarter.

Russell 2000: Measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 3000: represents the largest 3,000 US companies based on total market capitalization, representing approximately 98% of the investable US equity market.

Russell 3000 Growth: Measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.

Russell 3000 Value: Measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000 Value or the Russell 2000 Value indexes.

Salomon 3-Month Treasury Bills (T-bills): an average of the last three 3-month treasury bill issues' monthly return equivalents of yield averages, which are not marked to market.

Salomon Brothers World Government Bond Index: a market-capitalization weighted benchmark that tracks the performance of the 14 government bond markets of Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Spain, Sweden, the United Kingdom, and the United States.

Standard and Poor's 500 (S&P 500): represents approximately 75% of NYSE market capitalization and 30% of NYSE issues, contains 500 industrial, utility, transportation and financial companies in the US markets (mostly NYSE issues). The S&P is capitalization-weighted, calculated on a total return basis with dividends reinvested.

Wilshire REIT Index: is a market capitalization-weighted index comprised of publicly traded real estate investment trusts and real estate operating companies.