



California State Teachers' Retirement System

2004 Summary Report to Members

For the year ended June 30, 2004

CalSTRS is pleased to present this *Summary Report to Members* for the fiscal year ended June 30, 2004. This summary provides you with another opportunity to learn more about CalSTRS, including some interesting member statistics, demographics, investment information and financial highlights.

Snapshot of Defined Benefit Members

Total Membership	2004	2003	2002	2001	2000
Total Membership	754,053	734,963	715,439	686,859	661,392
Active	444,680	448,478	442,208	428,741	420,530
Inactive	116,128	104,617	96,159	87,146	75,580
Retired	169,022	159,172	154,884	149,727	145,415
Disabled	7,311	6,949	6,723	6,477	5,885
Survivors	16,912	15,747	15,465	14,768	13,982

for years ended June 30

Active Member Profile	2004	2003	2002	2001	2000
Average Age	44.5	44.3	44.3	44.3	44.2
Average Years of Service	10.7	10.5	10.5	10.7	10.7
Average Annual Salary	\$53,441	\$53,219	\$49,144	\$47,801	\$43,336

for years ended June 30

Members Retiring by Year	2004	2003	2002	2001	2000
Number of Retirements	12,301	11,189	9,762	8,701	7,556
Average Age	61.2	61.2	61.1	61.2	61.3
Average Years of Service	27.1	27.9	28.3	28.1	26.8
Average Unmodified Monthly Benefit	\$3,817	\$3,879	\$3,869	\$3,524	\$2,872

for years ended June 30

Much of the summary information was taken from the more detailed *2004 Comprehensive Annual Financial Report*, which you can view by clicking on *Forms & Publications* at www.calstrs.com

Our Mission:
Securing the financial future and sustaining the trust of California's educators.

CALSTRS
 HOW WILL YOU SPEND YOUR FUTURE?

Snapshot of Defined Benefit Members continued

Profile of 2004 Retirees

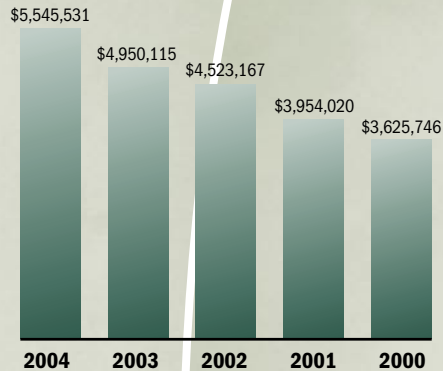
Years of Service Credit at Retirement	Number of Retirements	Average Service Credit	Average Unmodified Benefit
0-5	116	2.4	\$242
5-10	883	7.2	\$559
10-15	944	12.6	\$1,178
15-20	1,277	17.6	\$1,864
20-25	1,200	22.5	\$2,614
25-30	1,393	27.1	\$3,416
30-35	3,495	32.6	\$4,761
35-40	2,477	37.2	\$5,919
40 & over	516	42.1	\$7,255
	12,301	27.1	\$3,817

This does not include formerly disabled members.

Total Benefits Paid

Benefits paid to retirees, disability beneficiaries and survivors

(Dollars in Thousands)

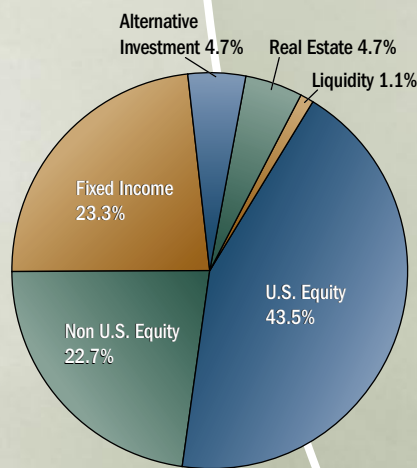


Investment Performance

The pie chart below tells you our investment portfolio is widely diversified through a variety of asset classes with numerous holdings in each category. By diversifying holdings we are able to minimize the overall risk of the portfolio while striving to reach our investment objectives. To look at the individual holdings in each investment type online, click on *Investments* at www.calstrs.com.

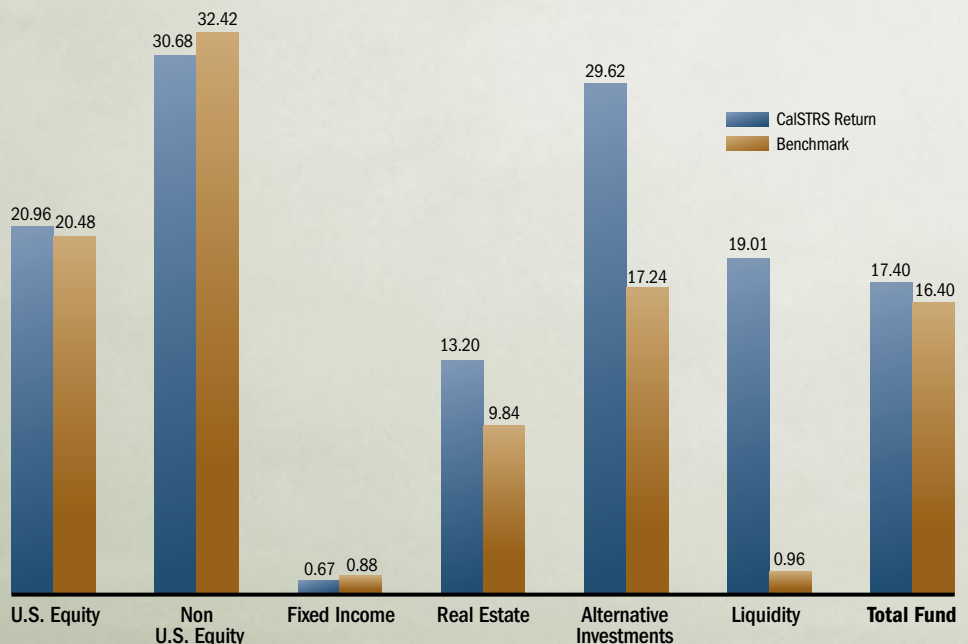
Diversification of Portfolio as of June 30, 2004

Total investment portfolio of \$116.2 billion



Investment Performance - One-Year Returns

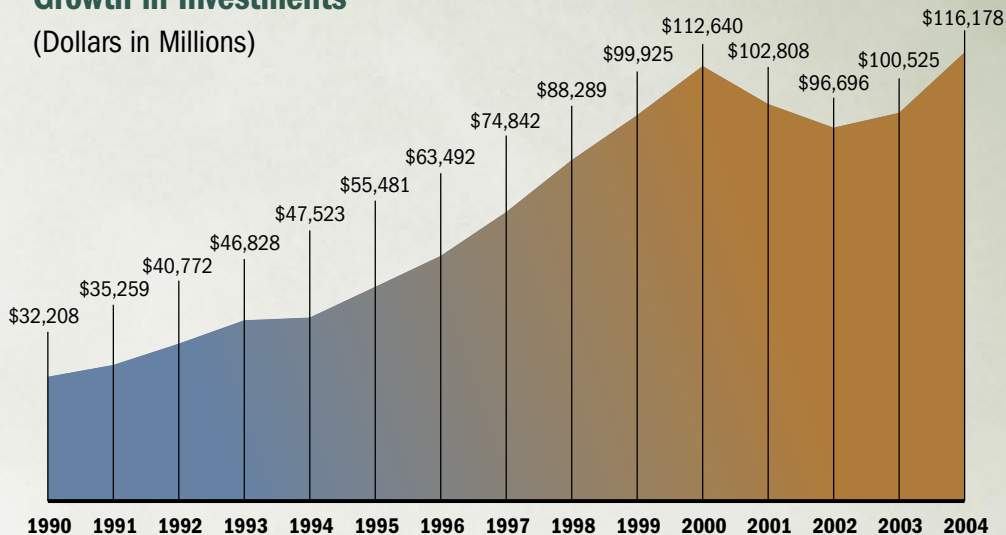
Investment performance is calculated using a time-weighted rate of return.





Growth in Investments

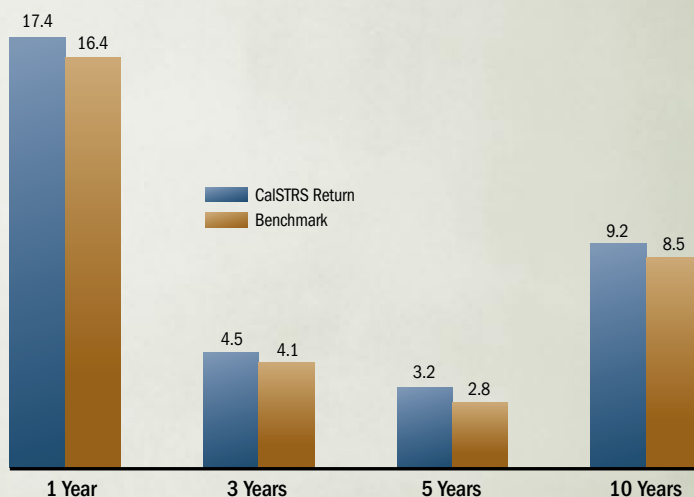
(Dollars in Millions)



Portfolio Returns* Compared to Benchmark

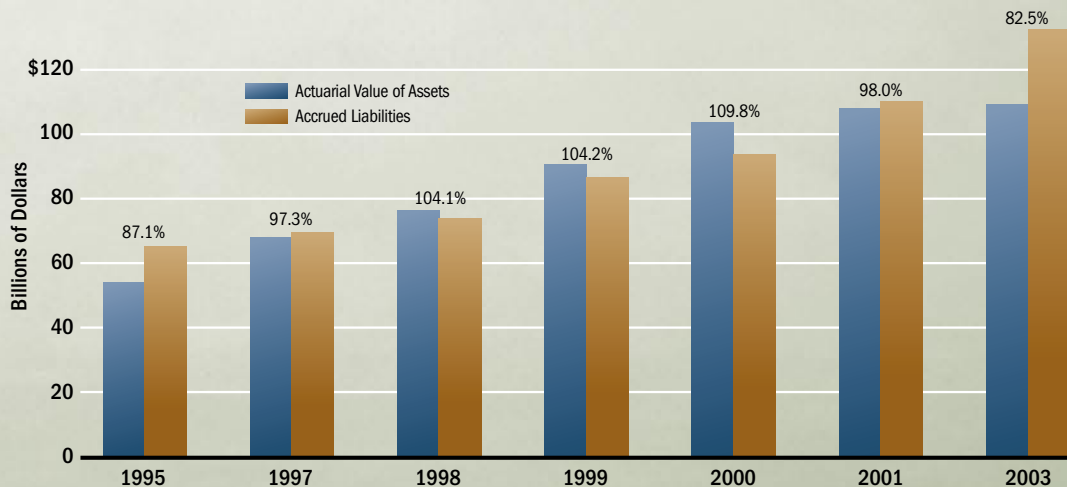
A benchmark is a goal or standard used to measure performance. We use the CalSTRS benchmark to track the performance of our investment portfolio. This chart shows the fund's comparison to the CalSTRS benchmark.

*CalSTRS actuarial return is 8%



Funding Ratio (Actuarial Value of Assets as a Percent of Accrued Liabilities)

Here you can see the relationship between our actuarial value of assets and the accrued liabilities. For instance, as of June 30, 2003, CalSTRS had 82.5 percent of assets needed to pay the benefits in effect at that time. This ratio is determined using an asset-smoothing method which takes into consideration short-term fluctuations in the value of assets. Therefore, the total actuarial value of assets here is different from the market value of the investments for that year. No actuarial valuation was performed for June 30, 1996, or June 30, 2002. The results of the actuarial valuation to determine the funding ratio for June 30, 2004, have not been determined.





Financial Statements

Each year an independent auditor conducts an audit in accordance with auditing standards generally accepted in the U.S. and provides a written opinion to the financial statements. In the auditor's opinion, the financial statements as of June 30, 2004, present fairly.

Teachers' Retirement Fund Statement of Fiduciary Net Assets For the years ended June 30, 2004 and 2003

	(Dollars in Thousands)	
	2004	2003
Assets		
Investments at fair value	\$134,373,050	\$115,555,214
Cash and cash equivalents	\$186,878	\$160,677
Receivables	\$1,837,139	\$2,289,723
Other assets	\$1,716	\$1,357
Total Assets:	\$136,398,783	\$118,006,971
Liabilities		
Accounts payable and accrued expenses	\$3,326,188	\$3,267,790
Security lending obligations	\$17,011,306	\$14,366,853
Total Liabilities:	\$20,337,494	\$17,634,643
Net assets held in trust for pension benefits	\$116,061,289	\$100,372,328

Teachers' Retirement Fund Statement of Changes in Fiduciary Net Assets For the years ended June 30, 2004 and 2003

	(Dollars in Thousands)	
	2004	2003
Additions		
Contributions (member, employer, state of California)	\$4,806,444	\$5,077,062
Net Investment Income	\$16,607,280	\$3,688,254
Other (expense) Income	(2,009)	(71)
Total Additions	\$21,411,715	\$8,765,245
Deductions		
Benefits and Refunds	(\$5,627,987)	(\$5,029,628)
Administrative Expenses	(\$94,767)	(\$72,749)
Total Deductions	(\$5,722,754)	(\$5,102,377)
Net Increase (Decrease)	\$15,688,961	\$3,662,868
Net Assets held in trust for pension benefits:		
Beginning of year	\$100,372,328	\$96,709,460
End of year	\$116,061,289	\$100,372,328

CalSTRS Resources

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www.403bcompare.com

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P.O. Box 15275
Sacramento, CA
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