



## **Investment Reports**

### Quarterly Report – June 30, 2007

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**Dated: August 30, 2007**





## Commingled Trust Fund (CTF)

Quarterly Report – June 30, 2007

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## Capital Markets

- ❖ The Dow Jones Wilshire 5000 index earned 6.1% for the quarter bringing the 1 year return to 20.5%. Both time periods were up considerably from the first quarter.
- ❖ Small Cap return, as measured by the Russell 2000 is 4.4% for the quarter. Large cap (Russell 1000) outperformed the Russell 2000 by 150 basis points, which returned 5.9% for the quarter.
- ❖ This quarter, growth outperformed value by 215 basis points, using the Russell 3000 series.
- ❖ The international equity market, as measured by the MSCI ACWI ex U.S., outperformed the U.S. equity market, as measured by the Dow Jones Wilshire 5000, by 243 basis points. Of the 47 countries in the MSCI ACWI ex U.S. Index, 45 countries had positive returns for the quarter in U.S. dollars. Only 1 country, Russia, had negative returns for the year. For the quarter, the lowest and highest returning markets were both emerging countries (Jordan at -5.0% and Peru at 33.6%). The best performing developed country was Portugal at 17.6% and the worst was Japan at -0.6%.
- ❖ In the Lehman indices, the Corporate High Yield had the highest return for the quarter earning 0.2% while emerging markets had the lowest return at -1.3%. For the quarter, the short end of the curve outperformed the long with the 6 month earning 1.3% versus -3.0% for the 30 year.
- ❖ For the 2nd quarter of 2007, the best performers in the NCREIF were office, at 5.9%, and the Western region, at 5.6%. Total return for the index was 4.6%.
- ❖ The quarterly GDP on an annualized basis was 4.0% for the quarter. Inflation, as measured by the CPI grew 1.3% for the quarter.
- ❖ The federal reserve left the federal funds target rate at 5.25% for the quarter. It has stayed at that rate since June 30, 2006.

## Total Fund

- ❖ The CTF increased in size during the quarter growing almost \$3.1 billion to over \$63.9 billion.
- ❖ Since the beginning of the fiscal year the fund has increased by over \$10.1 billion.

## Asset Allocation

- ❖ All asset classes in the CTF are within their long-term target ranges. Transfers to cash to fund participant withdrawals included \$393 million from International Equity, \$236 million from Private Equity, and \$182 million from Real Estate. Additionally, \$46 million went towards the Innovation Portfolio.

## Investment Return

- ❖ The CTF's return for the 2nd quarter of 2007 was 5.5%. The fund outperformed all benchmarks for all time periods. All annualized returns shown (1, 3, 5, and 10 year) continue to exceed the actuarial assumption of 8%.

## U.S. Equity

- ❖ The WSIB U.S. equity portfolio underperformed the Dow Jones Wilshire 5000 for all time periods except the 10 year where it outperformed its benchmark.
- ❖ The BGI index fund outperformed the benchmark by 1 basis points and the BGI Asset Trust outperformed the benchmark by 4 basis points for the quarter.
- ❖ All 3 of the active managers underperformed for the quarter and the year.

## International Equity

- ❖ The WSIB International equity portfolio underperformed the benchmark for the quarter by 19 basis points. For the annualized time periods, it outperformed for the 1 and 3 year but underperformed for the 5 and 10 year.
- ❖ 7 of the 10 developed managers outperformed for the quarter and 8 outperformed for the year. Of the 9 managers that have 3 year returns, 8 of them outperformed the benchmark. Both SsgA and Mondrian outperformed for the 5 year.
- ❖ 2 of the WSIB's 5 emerging markets managers outperformed the benchmark for the quarter. Capital and GMO outperformed the benchmark for the 3 and 5 year.

## Fixed Income

- ❖ Fixed income outperformed the Lehman Universal & Aggregate for the quarter. It outperformed the Lehman Aggregate for all annualized time periods as well as outperforming the Lehman Universal for the 3, 5, and 10 year.

## Private Equity

- ❖ The WSIB private equity return for the 2nd quarter was 9.4%. The 1 year return was 29.0% and outperformed the benchmark, S&P 500 plus 500 basis points (lagged one quarter) in all time periods.
- ❖ The WSIB LP portfolio returned 10.3%, and the WSIB KKR portfolio returned 3.7% for the quarter.
- ❖ As of March 31, 2007, there were \$8.0 billion in unfunded commitments.

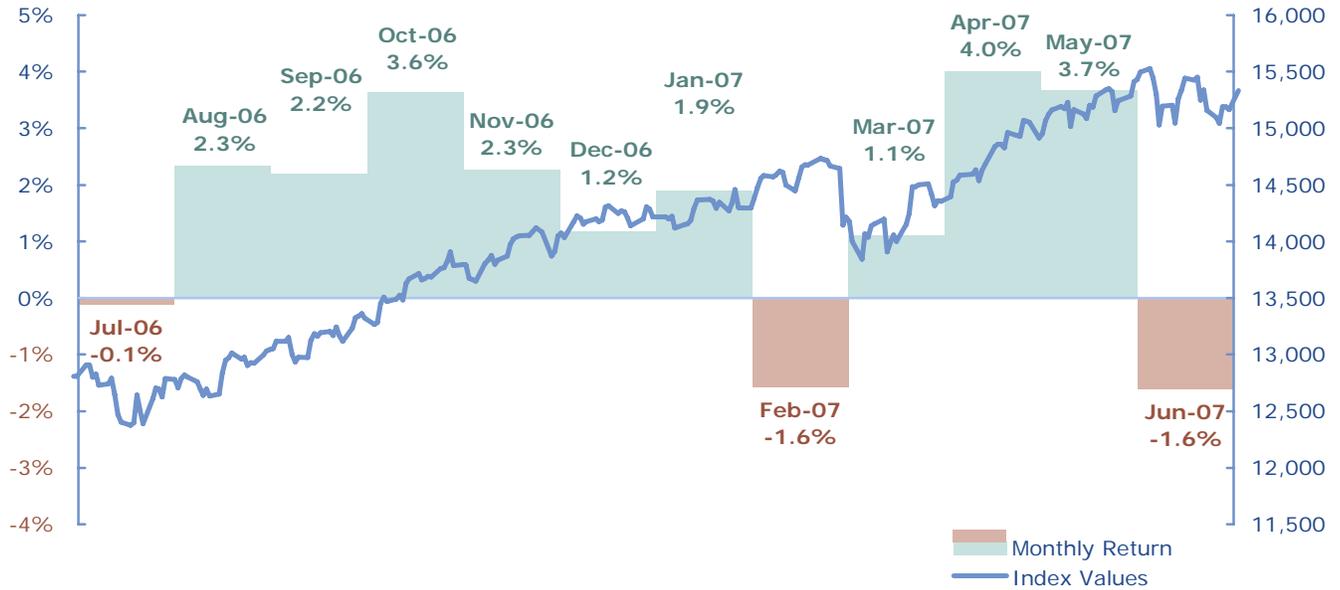
## Real Estate

- ❖ The WSIB Real Estate return for the 2nd quarter was 5.0%. It outperformed NCREIF (lagged one quarter) plus 100 basis points, which returned 3.9%. For the 1 year period, the return of 25.2% was over 760 basis points above the benchmark of 17.6%.
- ❖ As of March 31, 2007, there were \$5.4 billion in unfunded commitments.

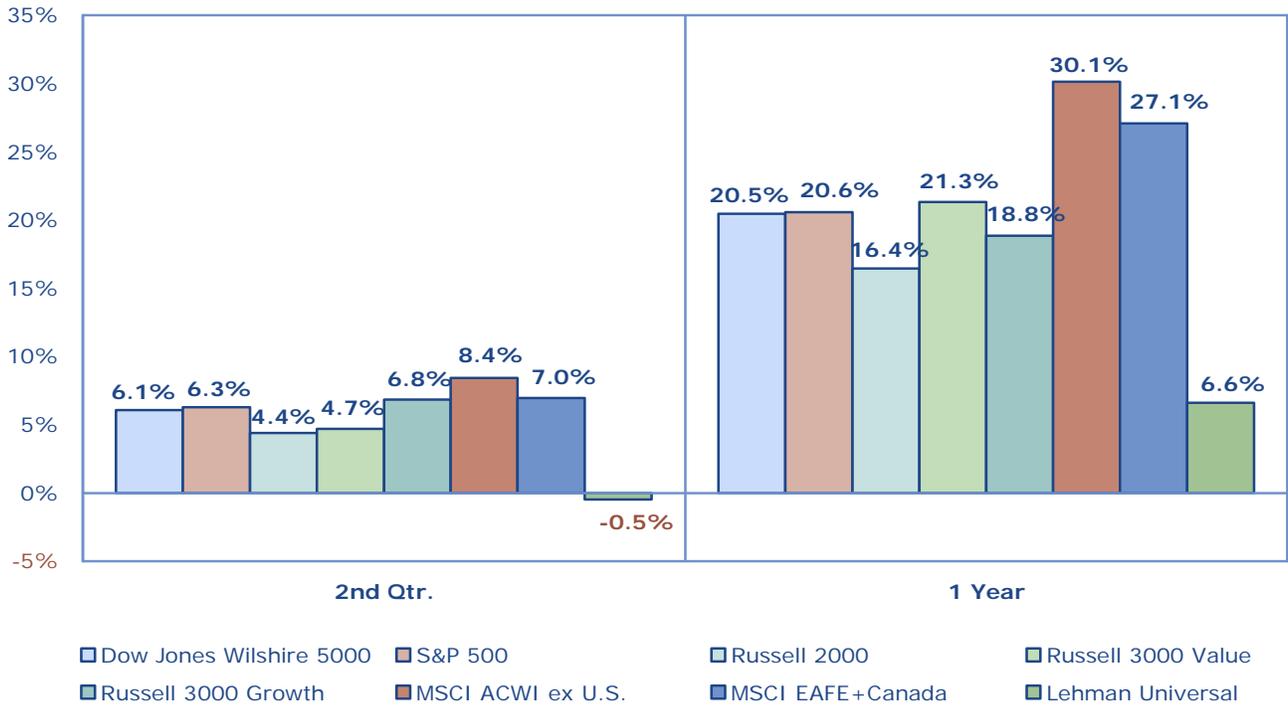


### Dow Jones Wilshire 5000

June 30, 2006 - June 30, 2007



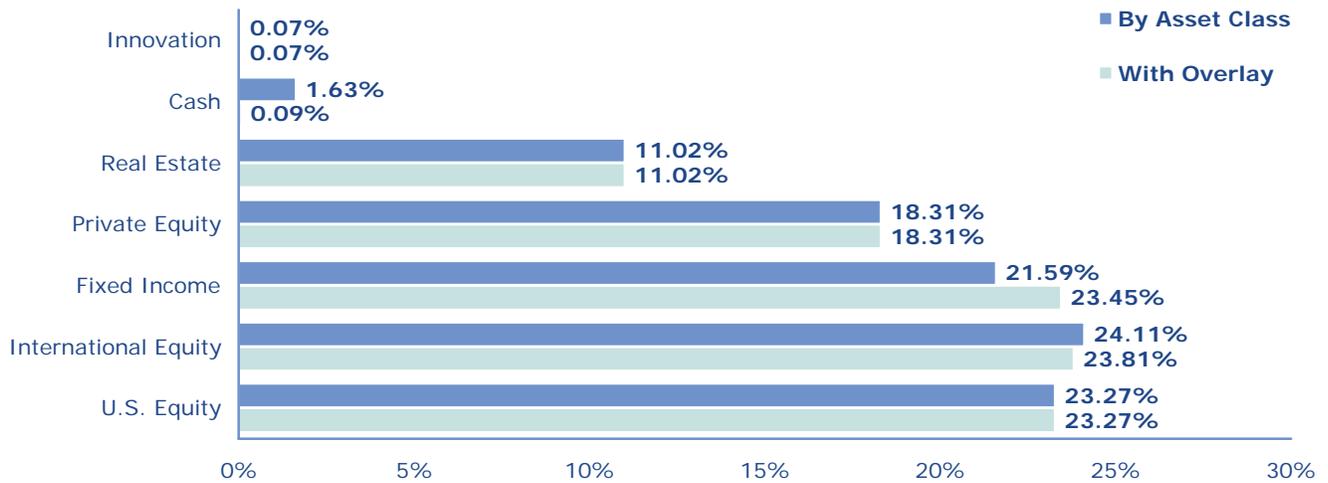
### Capital Market Returns



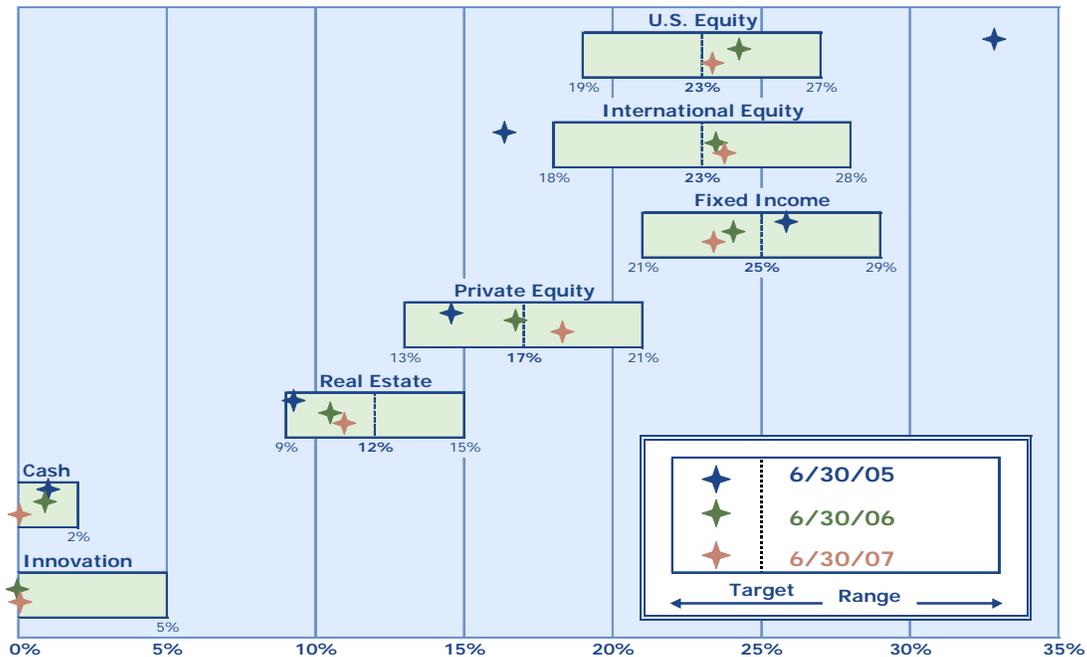


Asset Class	Market Value (000s)
U.S. Equity	\$ 14,880,360
International Equity	15,416,503
Fixed Income	13,805,269
Private Equity	11,703,846
Real Estate	7,042,597
Cash	1,044,663
Innovation	43,019
<b>Total Fund</b>	<b>\$ 63,936,256</b>

### Actual Asset Allocation



### Current Allocation Versus Long-Term Targets and Policy Ranges





Market Values in \$000s

			Qtr.	FYTD	1 Year	3 Year	5 Year	10 Year
<b>Total Fund</b>	<b>\$ 63,936,256</b>	<b>100.0%</b>	<b>5.48 %</b>	<b>21.33 %</b>	<b>21.33 %</b>	<b>16.97 %</b>	<b>13.99 %</b>	<b>9.73 %</b>
Passive Benchmark <sup>2</sup>			4.96	19.03	19.03	13.04	11.91	7.83
Implementation Value Added Benchmark <sup>3</sup>			3.94	18.05	18.05	14.06	12.22	N/A
TUCS Public Fund >\$1B Median <sup>4</sup>			4.72	17.64	17.63	12.78	11.41	8.09
TUCS Public/Corporate Fund >\$1B Median <sup>4</sup>			4.60	17.63	17.62	12.75	11.51	8.29
<b>U.S. Equity</b>	<b>\$ 14,880,360</b>	<b>23.3%</b>	<b>5.99 %</b>	<b>20.27 %</b>	<b>20.27 %</b>	<b>12.69 %</b>	<b>11.95 %</b>	<b>7.85 %</b>
Dow Jones Wilshire 5000			6.07	20.46	20.46	12.74	11.96	7.68
S&P 500			6.28	20.59	20.59	11.68	10.71	7.13
<b>Int'l. Equity</b>	<b>\$ 15,416,503</b>	<b>24.1%</b>	<b>8.23 %</b>	<b>30.74 %</b>	<b>30.74 %</b>	<b>25.17 %</b>	<b>19.46 %</b>	<b>8.32 %</b>
MSCI ACWI ex U.S.			8.42	30.15	30.15	25.03	19.93	8.57
MSCI EAFE			6.40	27.00	27.00	22.24	17.73	7.66
<b>Fixed Income</b>	<b>\$ 13,805,269</b>	<b>21.6%</b>	<b>-0.36 %</b>	<b>6.61 %</b>	<b>6.61 %</b>	<b>4.61 %</b>	<b>5.70 %</b>	<b>6.51 %</b>
Lehman Universal			-0.49	6.62	6.62	4.54	5.17	6.16
<b>Cash</b>	<b>\$ 973,080</b>	<b>1.6%</b>	<b>1.30 %</b>	<b>5.17 %</b>	<b>5.17 %</b>	<b>3.64 %</b>	<b>2.55 %</b>	<b>3.14 %</b>
90 Day T-Bills			1.27	5.21	5.21	3.77	2.76	3.81
<b>Private Equity<sup>5</sup></b>	<b>\$ 11,703,846</b>	<b>18.3%</b>	<b>9.35 %</b>	<b>28.97 %</b>	<b>28.97 %</b>	<b>30.23 %</b>	<b>20.46 %</b>	<b>15.76 %</b>
S&P 500 (Lagged One Quarter) + 500 bp			1.87	16.83	16.83	15.06	11.27	13.20
<b>Real Estate<sup>5</sup></b>	<b>\$ 7,042,597</b>	<b>11.0%</b>	<b>5.02 %</b>	<b>25.20 %</b>	<b>25.20 %</b>	<b>25.02 %</b>	<b>19.37 %</b>	<b>15.87 %</b>
NCREIF (Lagged One Quarter) + 100 bp			3.87	17.59	17.59	18.42	14.73	13.86
<b>Innovation</b>	<b>\$ 43,019</b>	<b>0.1%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Lehman TIPS + 300 bp			0.01	7.02	7.02	N/A	N/A	N/A
<b>Overlay<sup>6</sup></b>	<b>\$ 71,583</b>		<b>-0.03 %</b>	<b>-0.00 %</b>				

<sup>1</sup> Performance figures are net of all non-appropriated fees.

<sup>2</sup> Currently 52% Dow Jones Wilshire 5000, 25% Lehman Universal, and 23% MSCI ACWI ex U.S. Over time the benchmark has been adjusted by changing both benchmarks and percentages. The most recent change occurred on December 1st, 2005.

<sup>3</sup> See the glossary on page 21 for definitional implementation value added benchmark.

<sup>4</sup> 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).

<sup>5</sup> Private equity and real estate use the latest market value known plus cash flows since then. For compositing purposes the private equity and real estate return are calculated using monthly time-weighted returns.

<sup>6</sup>To show the performance, cash and the cash held in the overlay are seperated out on this page.



Market Values in \$000s

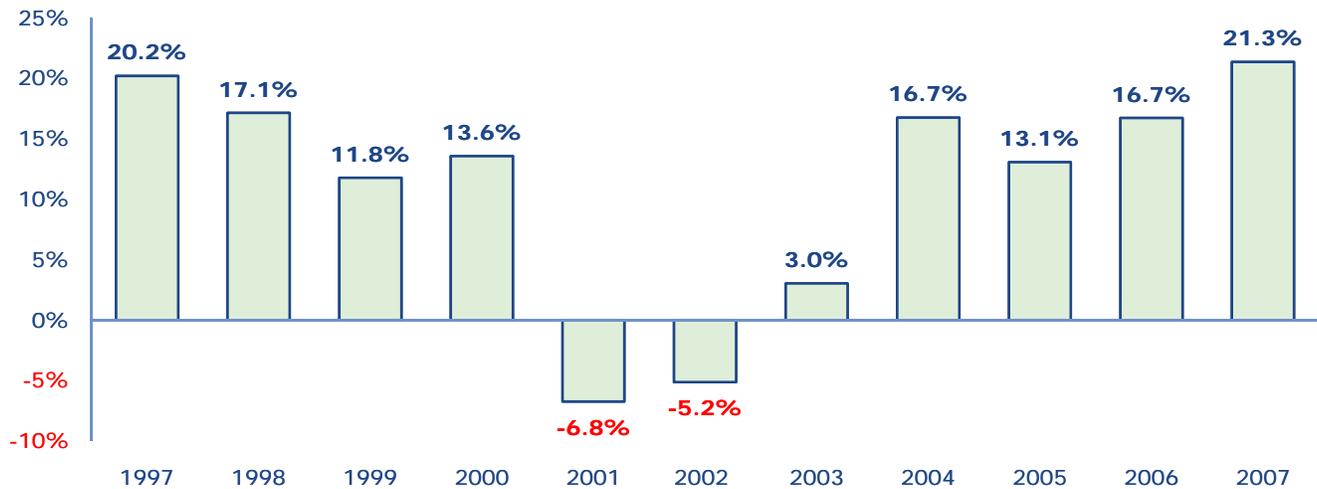
**CTF Market Value:** \$ 63,936,256

**Net Change this Quarter:** \$ 3,092,283

**Net Change for Fiscal Year:** \$ 10,124,085

### Annual Performance

Fiscal Years Ended June 30



### Assets Under Management (\$ Billions)

Fiscal Years Ended June 30



Market Values in \$000s

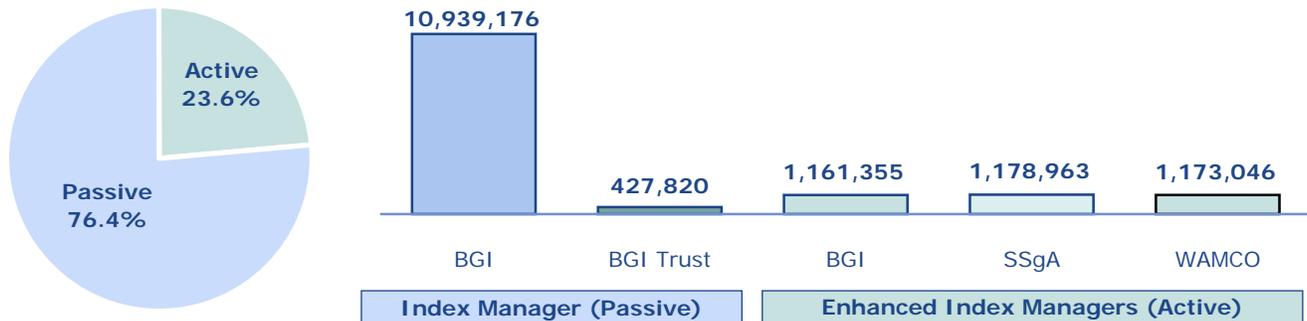
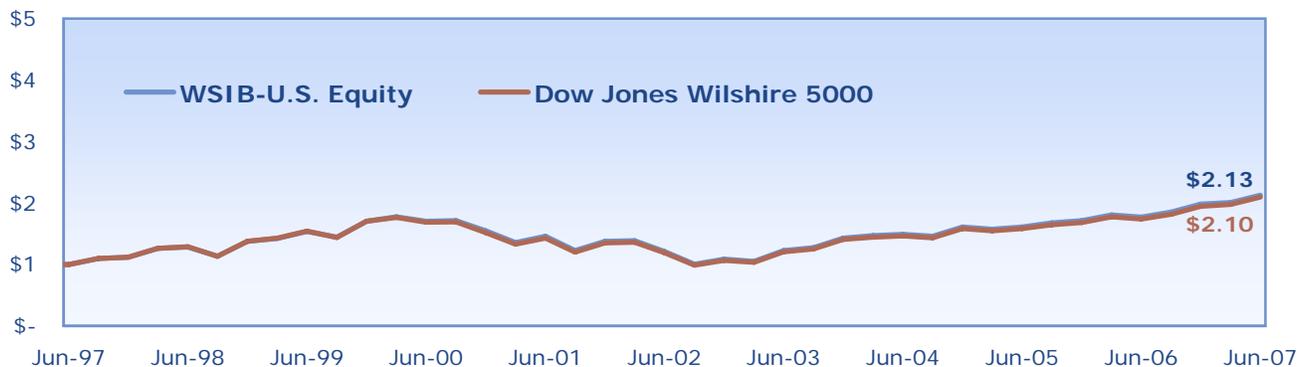
**Market Value: \$14,880,360**
**Ten Largest Holdings** (3,848 total holdings versus 4,922 in the index)

<b>Exxon Mobil Corporation</b>	2.91%	<b>Bank of America Corporation</b>	1.47%
<b>General Electric Company</b>	2.18%	<b>Pfizer Incorporated</b>	1.20%
<b>Microsoft Corporation</b>	1.58%	<b>Procter &amp; Gamble Company</b>	1.18%
<b>Citigroup Incorporated</b>	1.55%	<b>Johnson &amp; Johnson</b>	1.13%
<b>AT&amp;T Incorporated</b>	1.50%	<b>Chevron Corporation</b>	1.11%

The top ten companies represent 15.4% of the portfolio, the top 100 approximately 50.3%

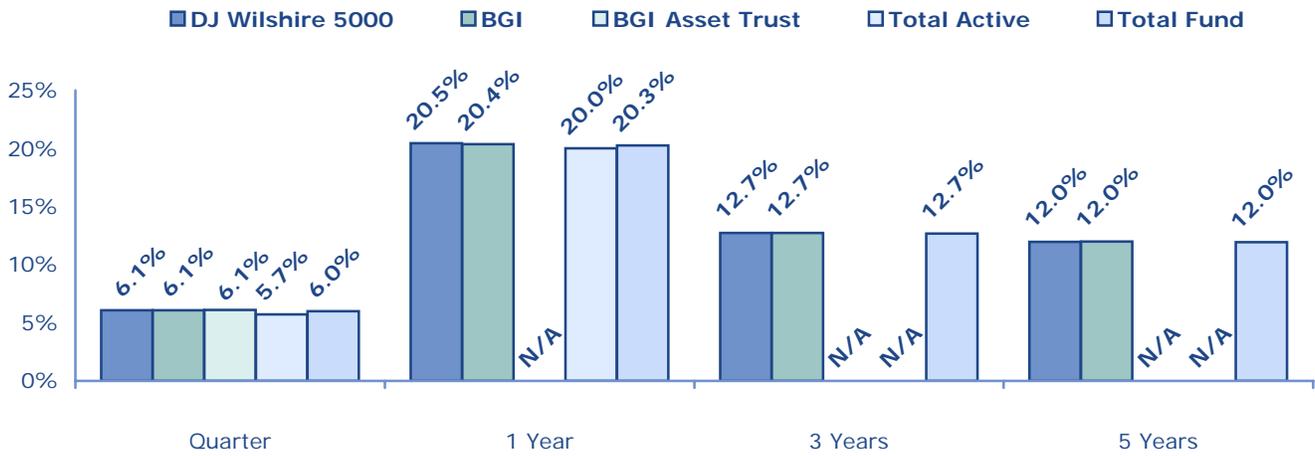
**Performance**

	<b>Qtr.</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
<b>WSIB U.S. Equity</b>	<b>5.99 %</b>	<b>20.27 %</b>	<b>20.27 %</b>	<b>12.69 %</b>	<b>11.95 %</b>	<b>7.85 %</b>
Dow Jones Wilshire 5000	6.07	20.46	20.46	12.74	11.96	7.68
S & P 500	6.28	20.59	20.59	11.68	10.71	7.13
Russell 3000	5.77	20.07	20.07	12.44	11.53	7.62

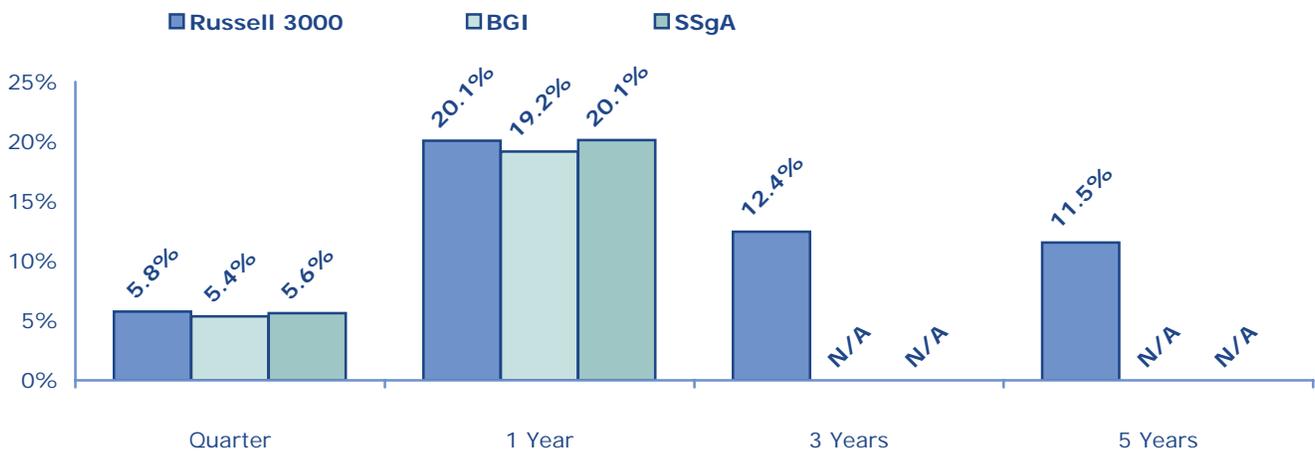
**Manager Breakdown**

**Growth of a Dollar**




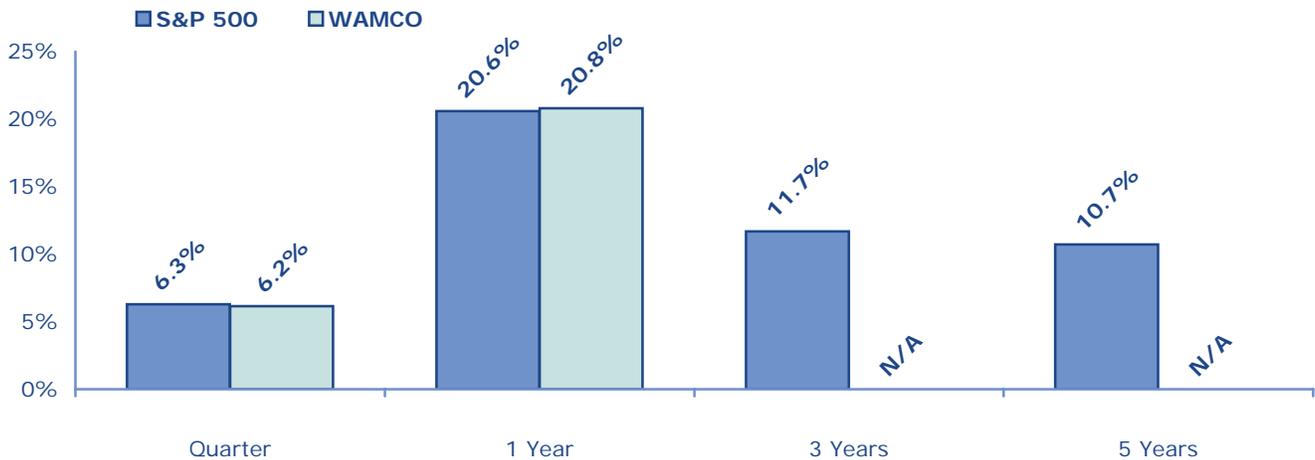
### Managers and Composites Compared to DJ Wilshire 5000



### Managers Compared to Russell 3000



### Managers Compared to S&P 500





Market Values in \$000s

**Market Value: \$15,416,503**

The portfolio has 2,544 holdings versus 2,094 in the index. The top ten holdings represent about 8.1 percent of the portfolio and the top 100 approximately 40.6 percent. The portfolio has exposure to 66 countries: 22 developed, 24 emerging, and 20 other (as defined by MSCI AWCI ex U.S.).

### Ten Largest Exposures by Country

	CTF Weight	Index Weight		CTF Weight	Index Weight
United Kingdom	17.17%	17.95%	Canada	4.45%	6.14%
Japan	14.70%	16.44%	Australia	4.43%	4.80%
France	9.35%	8.06%	Netherlands	3.16%	2.72%
Germany	7.38%	6.52%	Italy	3.03%	2.93%
Switzerland	5.07%	5.13%	Spain	2.96%	3.12%

The ten largest country exposures comprise 71.7% of the portfolio versus the index at 73.8%.

### Performance

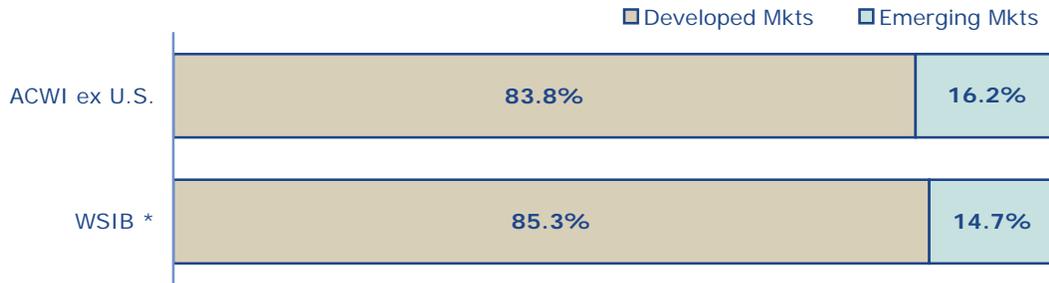
	Qtr.	FYTD	1 Year	3 Year	5 Year	10 Year
<b>WSIB International Equity</b>	<b>8.23 %</b>	<b>30.74 %</b>	<b>30.74 %</b>	<b>25.17 %</b>	<b>19.46 %</b>	<b>8.32 %</b>
MSCI ACWI ex U.S.	8.42	30.15	30.15	25.03	19.93	8.57
MSCI EAFE+Canada	6.98	27.09	27.09	22.70	18.14	7.88
Emerging Markets (MSCI after 6/02; IFC before)	14.96	44.99	44.99	38.20	30.25	10.00
MSCI Europe	8.31	32.44	32.44	24.53	18.72	10.30
MSCI Pacific Basin	2.22	15.84	15.84	17.38	15.59	3.17

### Growth of a Dollar



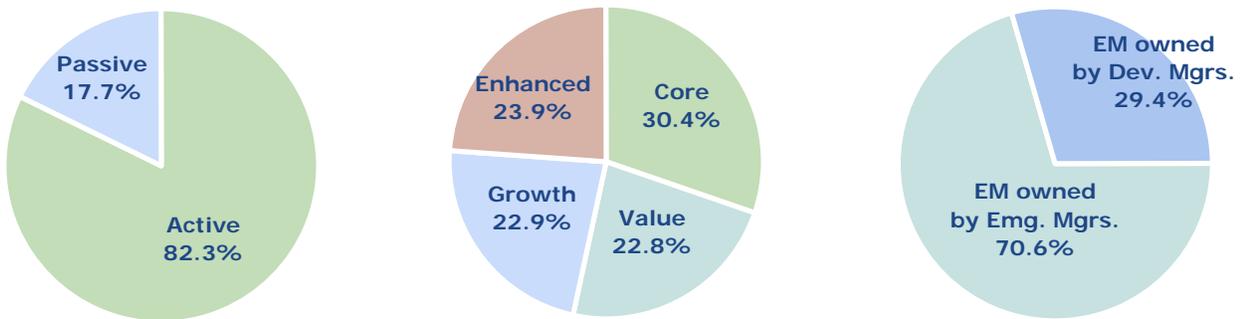
Market Values in \$000s

### Developed Versus Emerging Markets

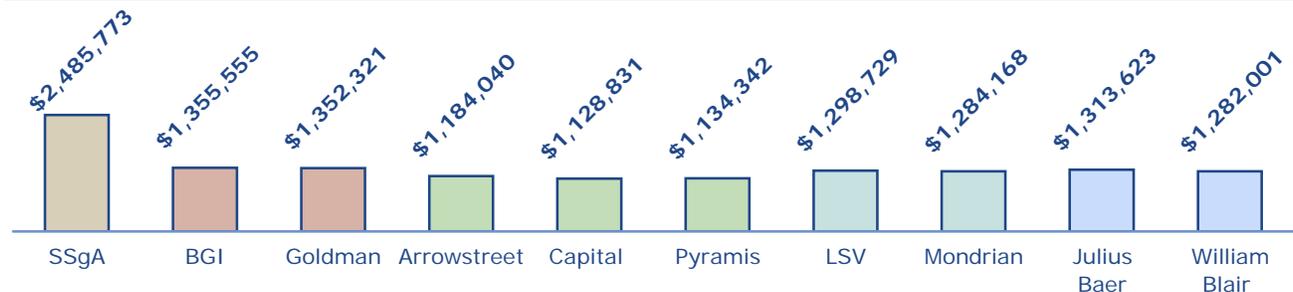


\* Includes emerging market securities owned by developed managers

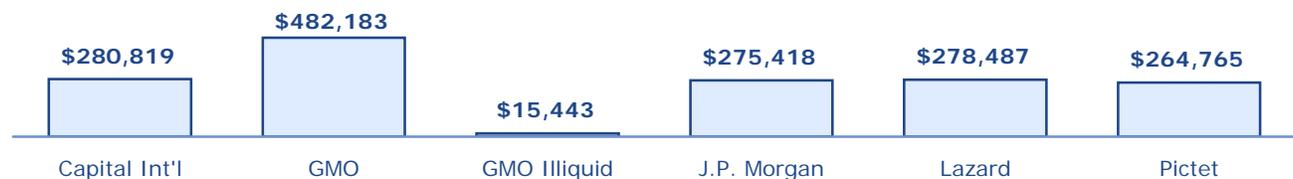
### Style Breakdown



### Developed Managers: \$ 13,819,384

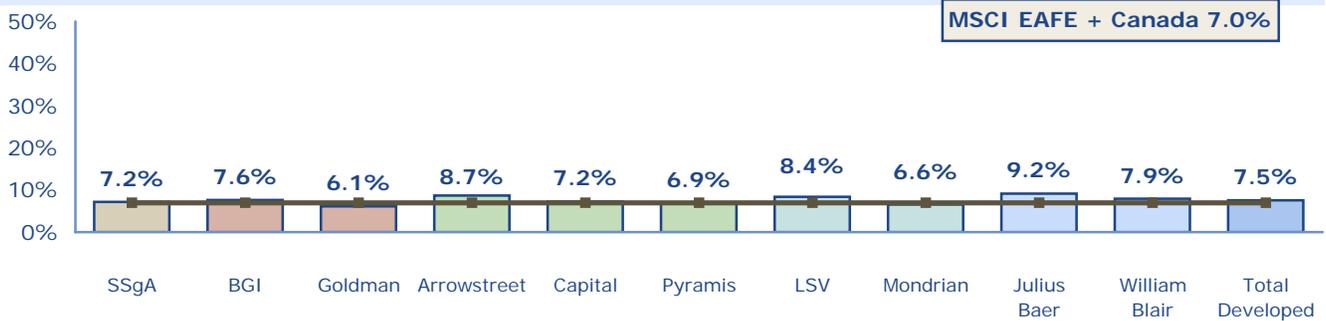


### Emerging Managers: \$ 1,597,114

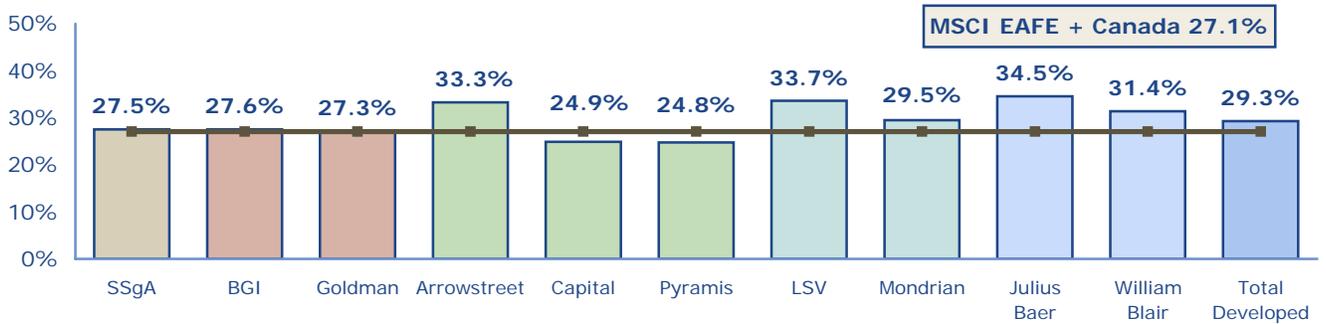




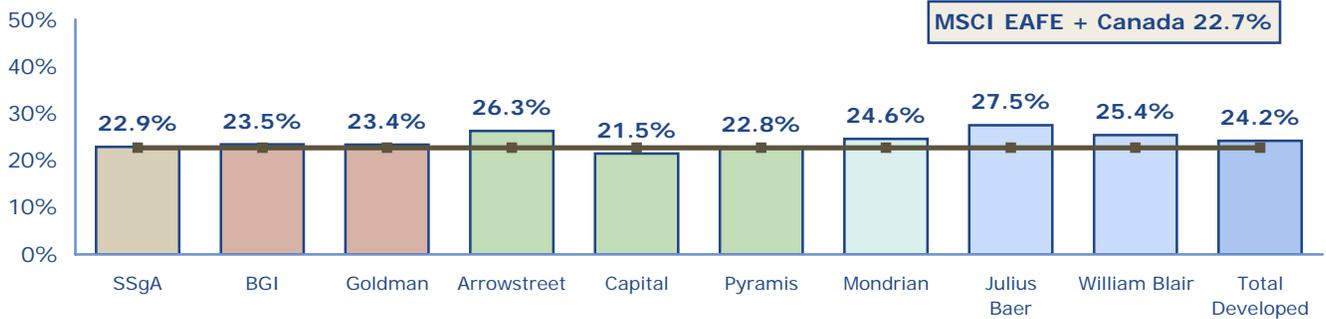
One Quarter



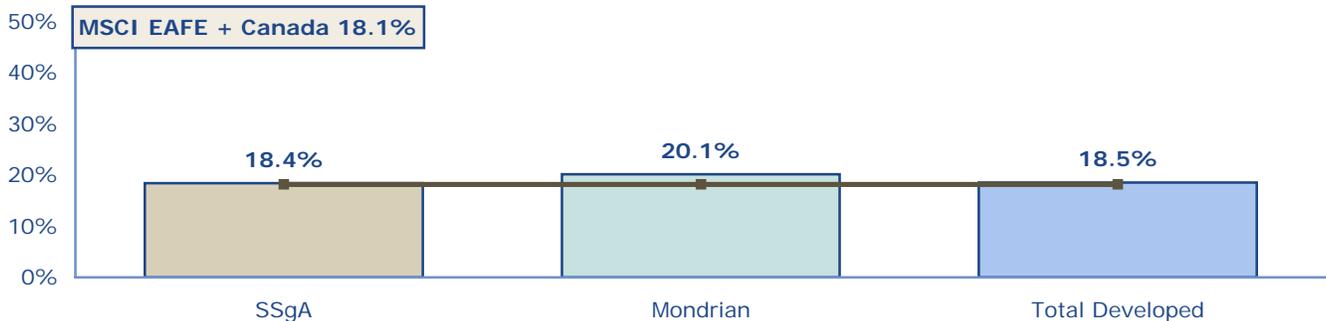
One Year



Three Years

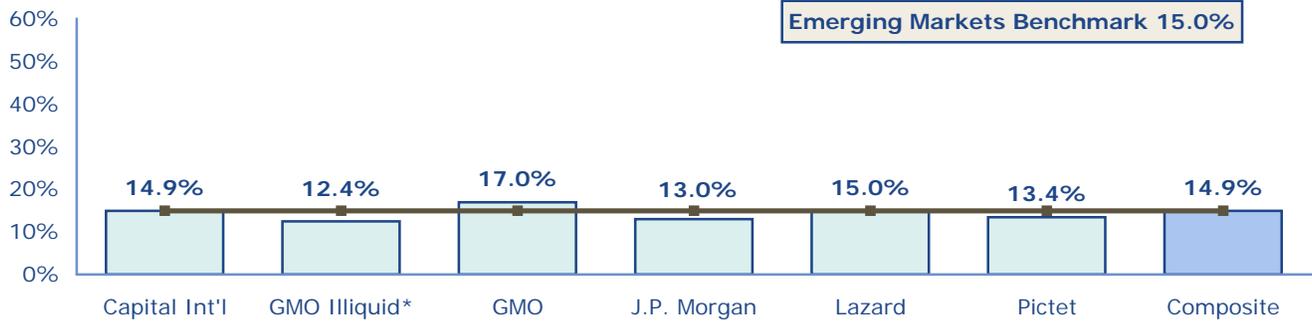


Five Years

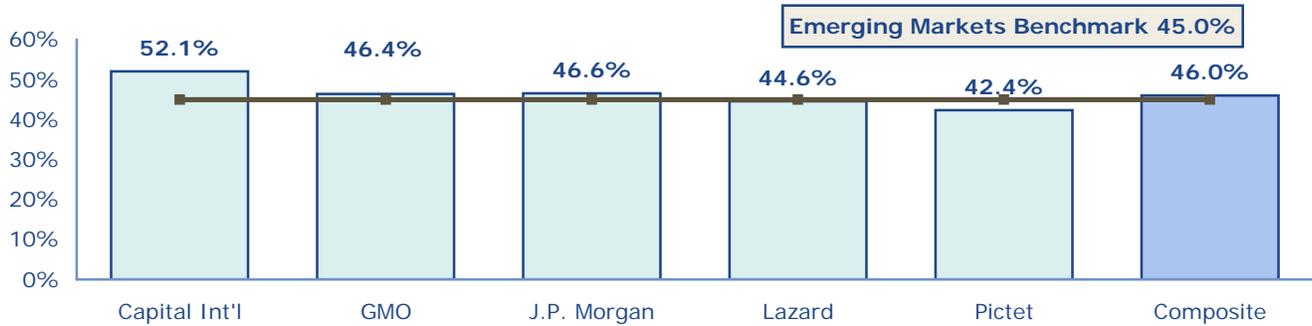




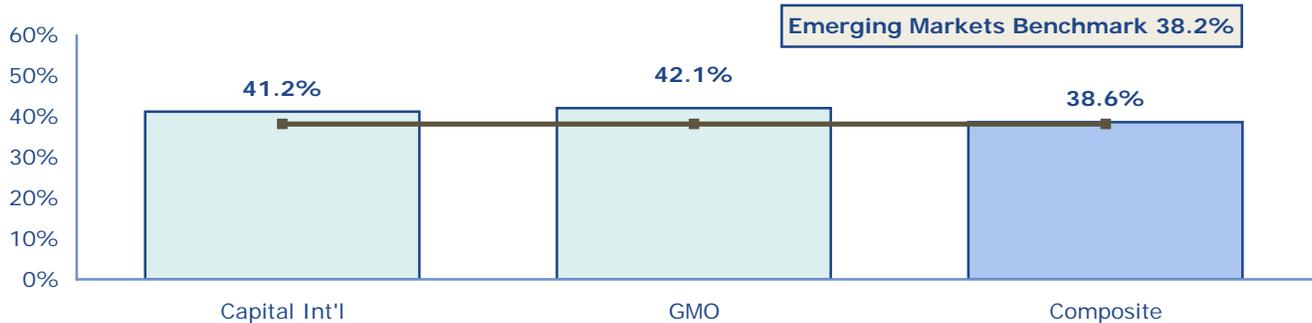
One Quarter



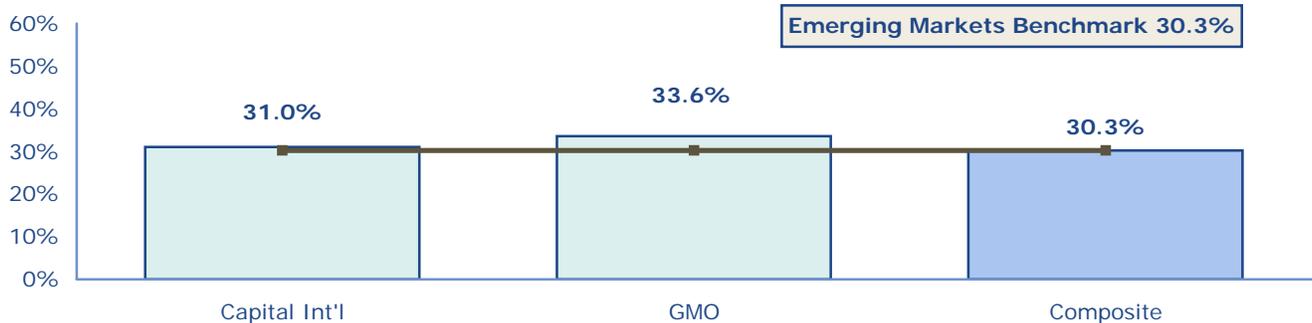
One Year



Three Years



Five Years



\* GMO Illiquid is 1 month lagged.

Market Values in \$000s

**Market Value: \$ 13,805,269**

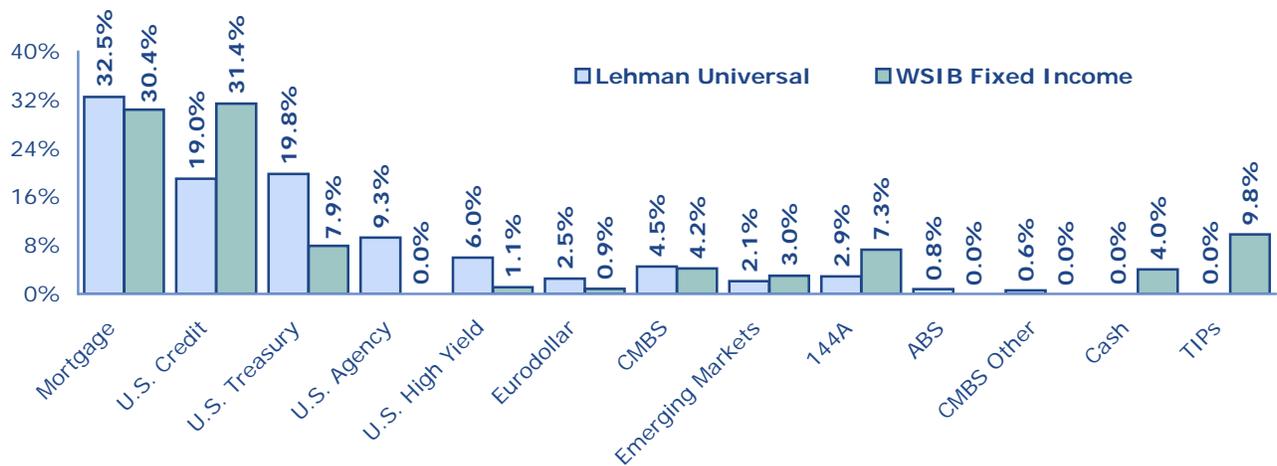
### Duration

	Mar-07	Jun-07
<b>WSIB Portfolio</b>	<b>4.93</b>	<b>5.13</b>
Lehman Universal	4.55	4.74
<b>Difference</b>	<b>8.19%</b>	<b>8.14%</b>

### Performance

	Qtr.	FYTD	1 Year	3 Year	5 Year	10 Year
<b>WSIB Fixed Income</b>	<b>-0.36 %</b>	<b>6.61 %</b>	<b>6.61 %</b>	<b>4.61 %</b>	<b>5.70 %</b>	<b>6.51 %</b>
Lehman Universal	-0.49	6.62	6.62	4.54	5.17	6.16
Lehman Aggregate	-0.52	6.12	6.12	3.98	4.48	6.02

### Sector Weighting



### Growth of a Dollar



Market Values in \$000s

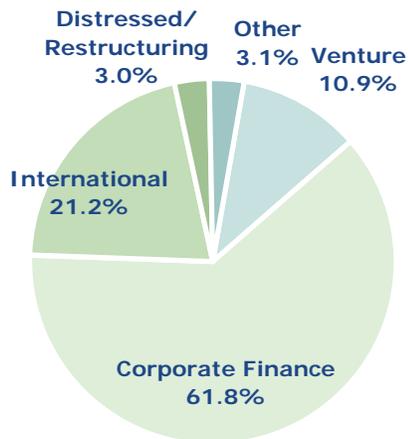
**Market Value: \$11,703,846**
**Unfunded Commitments: \$8.0 billion**

### Net Performance

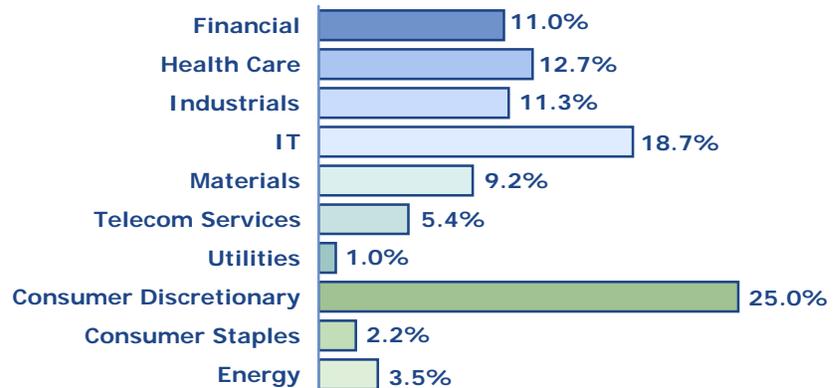
	Qtr.	FYTD	1 Year	3 Year	5 Year	10 Year
<b>WSIB Private Equity</b>	<b>9.35%</b>	<b>28.97%</b>	<b>28.97%</b>	<b>30.23%</b>	<b>20.46%</b>	<b>15.76%</b>
KKR	3.68%	19.45%	19.45%	34.06%	23.71%	14.76%
LP Portfolio	11.33%	32.53%	32.53%	29.40%	19.33%	16.99%
S&P 500 (Lagged One Quarter) + 500 bp	1.87%	16.83%	16.83%	15.06%	11.27%	13.20%

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

### Sector Distribution



### Industry Distribution



### Growth of a Dollar



Performance numbers and Growth of a dollar are as of March 31, 2007. All other data is as of December 31, 2006.

Market Values in \$000s

**Market Value: \$7,042,597**
**Unfunded Commitments \$5.4 billion**

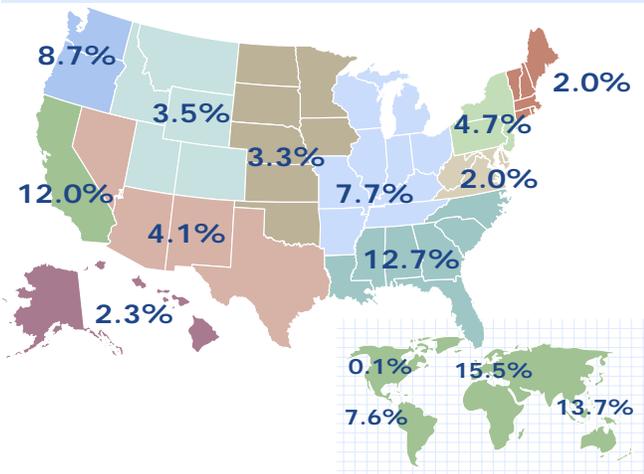
### Net Performance

	Qtr.	FYTD	1 Year	3 Year	5 Year	10 Year
<b>CTF Real Estate</b>	<b>5.02%</b>	<b>25.20%</b>	<b>25.20%</b>	<b>25.02%</b>	<b>19.37%</b>	<b>15.87%</b>
NCREIF (Lagged One Quarter) + 100 bp	3.87%	17.59%	17.59%	18.42%	14.73%	13.86%

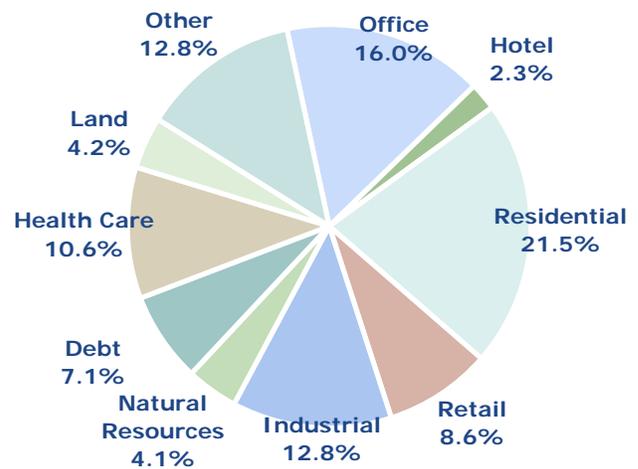
### Largest Managers

Principal Enterprise Capital (PEC)	14.6%
Hometown	14.0%
Morgan Stanley	11.3%
Fillmore Capital Partners	10.9%
Hudson Advisors (LoneStar)	10.5%
Representation in the Real Estate portfolio	61.3%

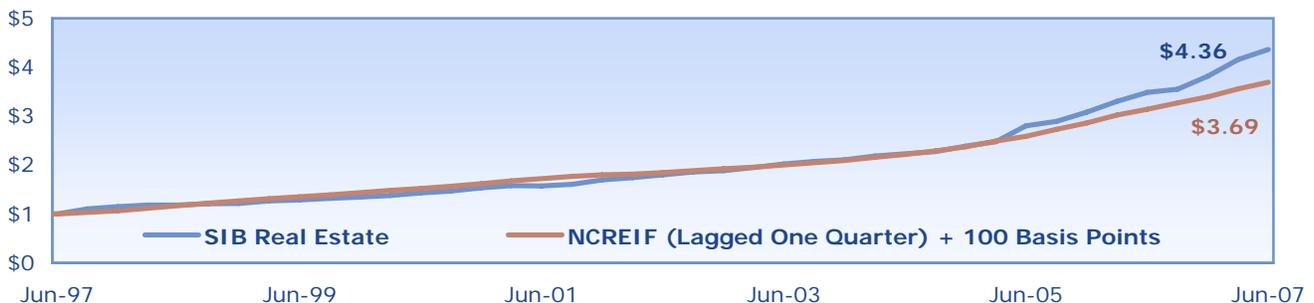
### Geographical Distribution



### Property Type Distribution



### Growth of a Dollar



Performance numbers are as of March 31, 2007. All other data is as of December 31, 2006.



Numbers in %

	Qtr.	FYTD	1 Year	3 Year	5 Year	10 Year
<b>S&amp;P 500 Index</b>	<b>6.28%</b>	<b>20.59%</b>	<b>20.59%</b>	<b>11.68%</b>	<b>10.71%</b>	<b>7.13%</b>

### U.S. Equity

Barclays Global Investors (Passive)	6.08%	20.37%	20.37%	12.74%	11.98%	
Barclays Global Investors Asset Trust	6.11%					
Barclays Global Investors (Enhanced)	5.35%	19.17%	19.17%			
State Street Global Advisors	5.63%	20.12%	20.12%			
Western Asset Management Co.	6.15%	20.80%	20.80%			

<b>U.S. Equity Composite</b>	<b>5.99%</b>	<b>20.27%</b>	<b>20.27%</b>	<b>12.69%</b>	<b>11.95%</b>	<b>7.85%</b>
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### International Equity

#### Developed Markets

State Street Global Advisors	7.15%	27.53%	27.53%	22.93%	18.38%	
Barclays Global Investors	7.63%	27.56%	27.56%	23.46%		
Goldman Sachs Asset Mgt.	6.13%	27.25%	27.25%	23.37%		
Arrowstreet Capital, L.P	8.71%	33.28%	33.28%	26.32%		
Pyramis Global Advisors Trust Co.	6.87%	24.79%	24.79%	22.75%		
Capital Guardian Trust Co.	7.22%	24.92%	24.92%	21.51%		
Mondrian Investment Partners	6.59%	29.50%	29.50%	24.60%	20.14%	
LSV Asset Management	8.37%	33.65%	33.65%			
William Blair & Company	7.90%	31.39%	31.39%	25.42%		
Julius Baer Investment Mgt.	9.17%	34.54%	34.54%	27.50%		

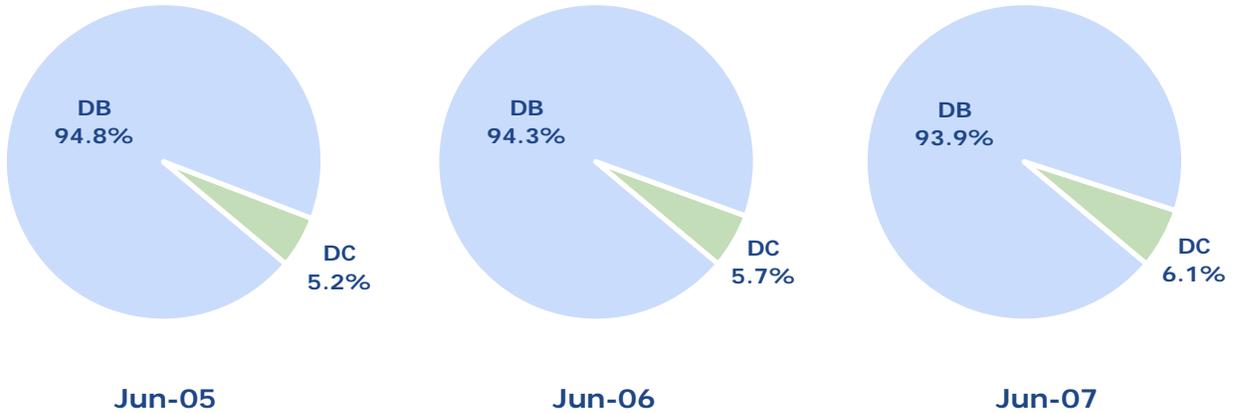
#### Emerging Markets

Capital International, Inc.	14.92%	52.08%	52.08%	41.23%	31.01%	
Grantham, Mayo, Van Otterloo Illiquid	12.44%					
Grantham, Mayo, Van Otterloo	16.95%	46.43%	46.43%	42.08%	33.55%	14.37%
J.P. Morgan	12.96%	46.57%	46.57%			
Lazard	15.02%	44.57%	44.57%			
Pictet	13.44%	42.37%	42.37%			

<b>International Equity Composite</b>	<b>8.23%</b>	<b>30.74%</b>	<b>30.74%</b>	<b>25.17%</b>	<b>19.46%</b>	<b>8.32%</b>
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Defined Benefit and Defined Contribution Breakdown in the CTF



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.

## Overlay

### Russell Investment Group

Russell Investment Group manages an overlay program, buying or selling futures on a daily basis in the asset class(es) most underweight their target. The futures notional value is equal to the amount of frictional cash held in the various portfolios in the CTF. They have been managing the overlay program since July 2006.

## Indexed (Passive)

### Barclays Global Investors (BGI)

BGI manages the bulk of the defined benefit retirement U.S. equity assets in a passive commingled trust designed to correspond to the Dow Jones Wilshire 5000 Index. BGI has managed funds for the WSIB since 1982.

### Barclays Global Investors Asset Trust (BGI-SSAT)

BGI also manages a Structured Solutions Asset Trust designed to facilitate opportunities for investors to participate in an investment strategy that earns a premium above a negotiated index.

## Enhanced Indexed (Active)

### Barclays Global Investors (BGI)

BGI provides the WSIB with an enhanced index equity commingled fund, the Russell 3000 Alpha Tilts Strategy. This strategy is a bottom-up, style-neutral quantitative strategy designed to outperform the Russell 3000 Index by 30 to 80 basis points net of fees on a rolling three year average, while incurring a low level of risk of 1 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 Russell 3000 Alpha Tilt strategy since December 2005.

### State Street Global Advisors (SSgA)

SSgA manages a U.S. enhanced index equity account, the Russell 3000 Index Plus Strategy. This strategy employs a quantitative, style neutral, beta neutral and capitalization neutral investment process that seeks to outperform the Russell 3000 Index by 75 to 125 basis points gross of fees over a typical market cycle while exhibiting similar characteristics to the benchmark and a targeted tracking error of 150 basis points. The Russell 3000 Index Plus Strategy seeks to add value by selecting the best stocks and industries within the Russell 3000 Index. These evaluations are applied within a risk controlled framework to construct portfolios that provide core equity exposure and closely track the benchmark. The WSIB has invested in the Russell 3000 Index Plus Strategy since December 2005.

### Western Asset Management Company (WAMCO)

Western Asset Management Company actively manages an enhanced index portfolio for the WSIB. The portfolio is based on a synthetic strategy that uses futures to track the S&P 500 index, and invests the uncommitted cash in a basket of actively managed short-term fixed-income securities. The firm's sole business is managing fixed-income portfolios for large institutional clients, an activity it has pursued for over 30 years. The WSIB portfolio has been managed by Western Asset since January 2006.

## Indexed (Passive)

### State Street Global Advisors (SSgA)

It is the policy of WSIB to manage a portion of the International developed markets portfolio in a low cost broad based index fund. Accordingly, SSgA manages a replicated commingled index fund on behalf of the WSIB that is designed to passively track the MSCI EAFE plus Canada Indexes (which are the most widely-accepted index proxies for developed markets equities). The WSIB has been using SSgA's MSCI EAFE + Canada Fund since 1994.

## Active Developed Markets

### Arrowstreet Capital, L.P

Arrowstreet actively manages an international developed markets equity "core" portfolio. The investment team continually monitors the current market factors and conditions and incorporates new investment insights and information as markets evolve. The WSIB portfolio has been managed by Arrowstreet since June 2004.

### Barclays Global Investors (BGI)

BGI provides an international developed markets enhanced index equity product, the World ex-U.S. Alpha Tilts Strategy, designed to outperform the MSCI World ex-U.S. Index by 1 to 2 percent. Because the 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.

### Capital Guardian Trust Company

Capital actively manages an international developed markets equity "core" portfolio. The firm conducts extensive fundamental research and uses a system of multiple managers to manage individual segments of the portfolios. The WSIB portfolio has been managed by Capital since June 2004.

### Goldman Sachs Asset Management (GSAM)

GSAM manages an international developed markets enhanced index equity portfolio using a combination of traditional fundamental analysis and quantitative modeling to 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.

### LSV Asset Management

LSV actively manages an international developed markets equity "value" portfolio. The strategy's primary emphasis uses quantitative techniques to select individual securities. 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.

### Mondrian Investment Partners Limited

Mondrian actively manages an international developed markets equity "value" portfolio. They identify value investments using a dividend discount-valuation model of future income streams with a top-down country allocation overlay that helps structure the portfolio. The WSIB portfolio has been managed by Mondrian since June 1999.

### Pyramis Global Advisors Trust Company (formerly Fidelity Management Trust Company) (PGATC)

Pyramis actively manages an international developed markets equity "core" portfolio. The firm 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 PGATC since June 2004.

## Active Developed Markets (Continued)

### Julius Baer Investment Management (JBIM)

JBIM actively manages an international developed markets equity "growth" portfolio. 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.

### William Blair & Company (WB)

WB actively manages an international developed markets equity "growth" portfolio, which focuses on companies with above-average growth prospects that 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.

## Active Emerging Markets

### Capital International, Inc.

Capital manages an active emerging markets equity portfolio, which is divided into smaller asset portions. This enables several key decision makers to work on each account and make decisions as to individual security, country and industry selection, timing, and percentage. The WSIB portfolio has been managed by Capital since the middle of the second quarter of 2001.

### J.P. Morgan Asset Management (JPMAM)

Global Emerging Markets Focused strategy is a concentrated, bottom-up investment discipline that seeks to add alpha through superior stock selection based on fundamental research. The strategy typically holds between 50 and 75 securities. Investments are made with a long-term, low-turnover focus. Deviations from the benchmark are closely monitored and managed as JPMAM believes that risk control is best practiced by building a portfolio of independent bets, to insure that no one position can derail performance and that there are no unintended "themes" in the portfolio. JPMAM began managing assets for the WSIB in April 2006.

### Lazard Asset Management LLC (Lazard)

Lazard's Emerging Markets Equity product is an actively managed strategy that follows a strict bottom-up, relative value investment philosophy that focuses on the tradeoff between valuation and financial productivity. The process begins with a database screening, followed by accounting validation, then fundamental analysis and finally portfolio construction and risk control, which takes into account macro economic risks, portfolio concentration risk, political risk and corporate governance risk. Strict country and sector limits are also in place to limit exposures. The strategy is focused on security selection, where the majority of the added value has been derived from historically. Lazard began managing assets for the WSIB in April 2006.

### Grantham, Mayo, Van Otterloo (GMO)

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 has been invested in GMO's Emerging Market Strategy Fund since the fourth quarter of 1996.

### GMO Emerging Illiquid Fund, L.P. (EIF)

GMO Emerging Illiquid Fund is an active illiquid emerging markets portfolio with an objective of long-term capital appreciation. The fund will invest primarily in equity and equity-related instruments of listed and unlisted companies with an emphasis on the country/sector combination. GMO began managing the emerging illiquid fund in March 2007.

### Pictet Asset Management (Pictet)

Pictet employs a bottom-up method to invest in emerging markets. Pictet defines value principally in terms of productive assets. The majority of Pictet's time and resources are focused on identifying and appraising undervalued shares according to their proprietary valuation approach. All research and recommendations are conducted in-house based on the same valuation principles. As a control mechanism, Pictet operates a strict macroeconomic risk overlay in the investment process. The final portfolio consists of around 150-200 stocks. Pictet began managing assets for the WSIB in April 2006.

**Asset Allocation Policy**

The targets will adjust annually toward the long-term asset allocation policy, which is 23 percent U.S. equity, 23 percent non-U.S. equity, 25 percent fixed income, 17 percent private equity, and 12 percent real estate. The interim target for 2007 is 24.0 percent U.S. equity, 23 percent non-U.S. equity, 27.0 percent fixed income, 16.0 percent private equity, and 10.0 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; SERS 2 & 3; WSPRS 1 & 2; PSERS 2; and Volunteer Firefighters.

**Passive Benchmark**

The Passive Benchmark is currently 52 percent Dow Jones Wilshire 5000 Index, 25 percent Lehman Universal Index, and 23 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 CTF.

**Implementation Value Added**

The objective is to exceed the return of the custom benchmark consisting of the public market indices, as defined in each asset class's policy, weighted according to the asset allocation targets. This custom benchmark differs from the passive benchmark as it is not an investable benchmark due to the uninvestable premium added to the real estate and private equity passive benchmarks.

**TUCS Public Fund > \$1 Billion Median**

Trust Universe Comparison Services median return of other public funds.

**TUCS Public/Corporate Fund > \$1 Billion Median**

Trust Universe Comparison Services median return of corporate and public funds.





## Defined Contribution Plans

Quarterly Report - June 30, 2007

### Market Values and Distributions

TRS Plan 3 .....	1
SERS Plan 3 .....	2
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JRA .....	5

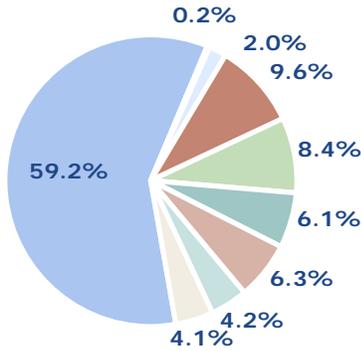
### Investment Performance

Balanced, Bond, and Cash Options.....	6
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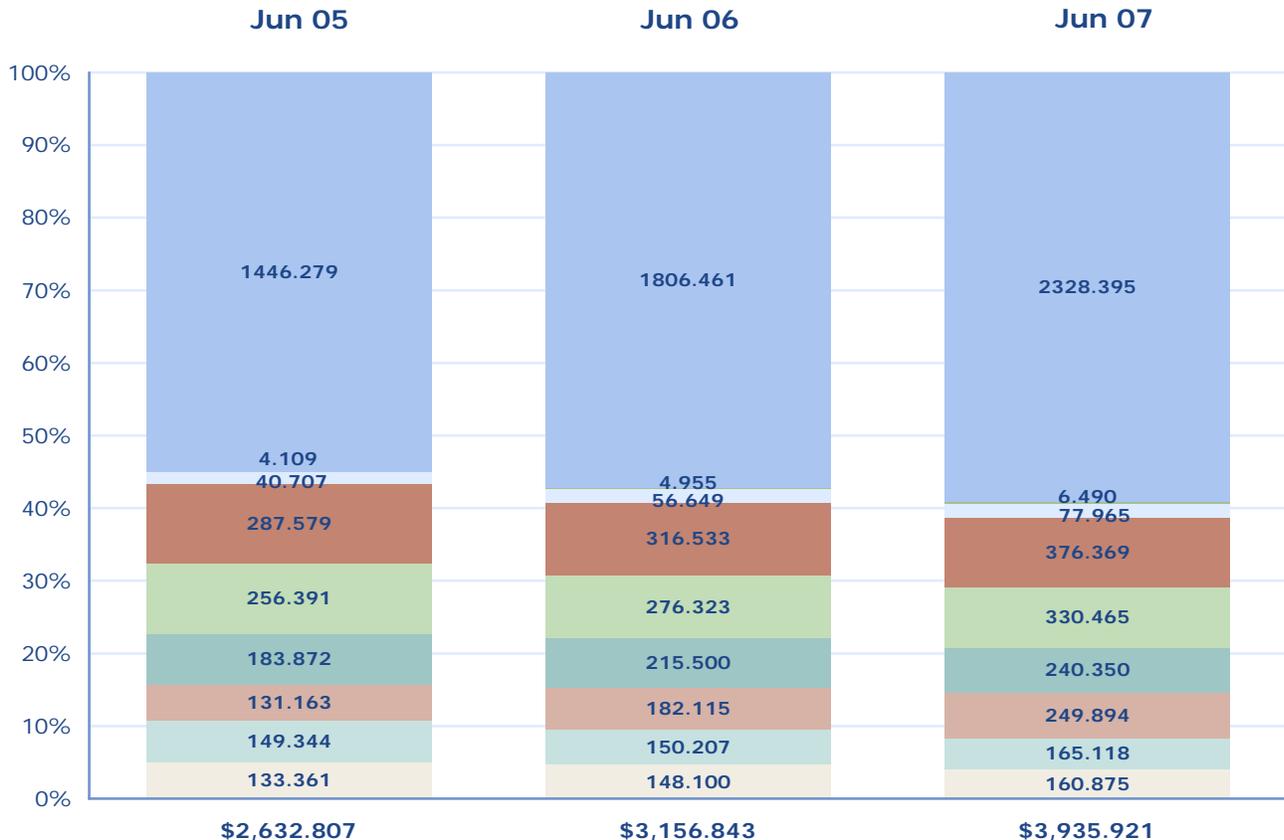
**Market Values and Distributions**



Option	Market Value	Quarterly Change
WSIB TAP Fund	\$ 2,328,394,826	\$ 153,251,961
Social Balanced Fund	6,489,752	299,619
Short-Horizon Fund	10,005,649	513,260
Mid-Horizon Fund	30,804,552	2,676,191
Long-Horizon Fund	37,154,448	2,729,255
U.S. Stock Fund	376,369,334	20,744,440
U.S. Large Stock Fund	330,464,690	19,986,236
U.S. Small Stock Fund	240,350,291	6,414,793
International Index Fund	249,894,215	22,324,778
Bond Market Fund	165,118,189	1,482,440
Money Market Fund	160,875,242	4,893,925
<b>Total Fund</b>	<b>\$ 3,935,921,187</b>	<b>\$ 235,316,898</b>

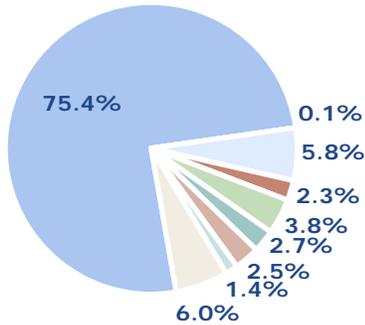
**Historical Distributions**

In Millions





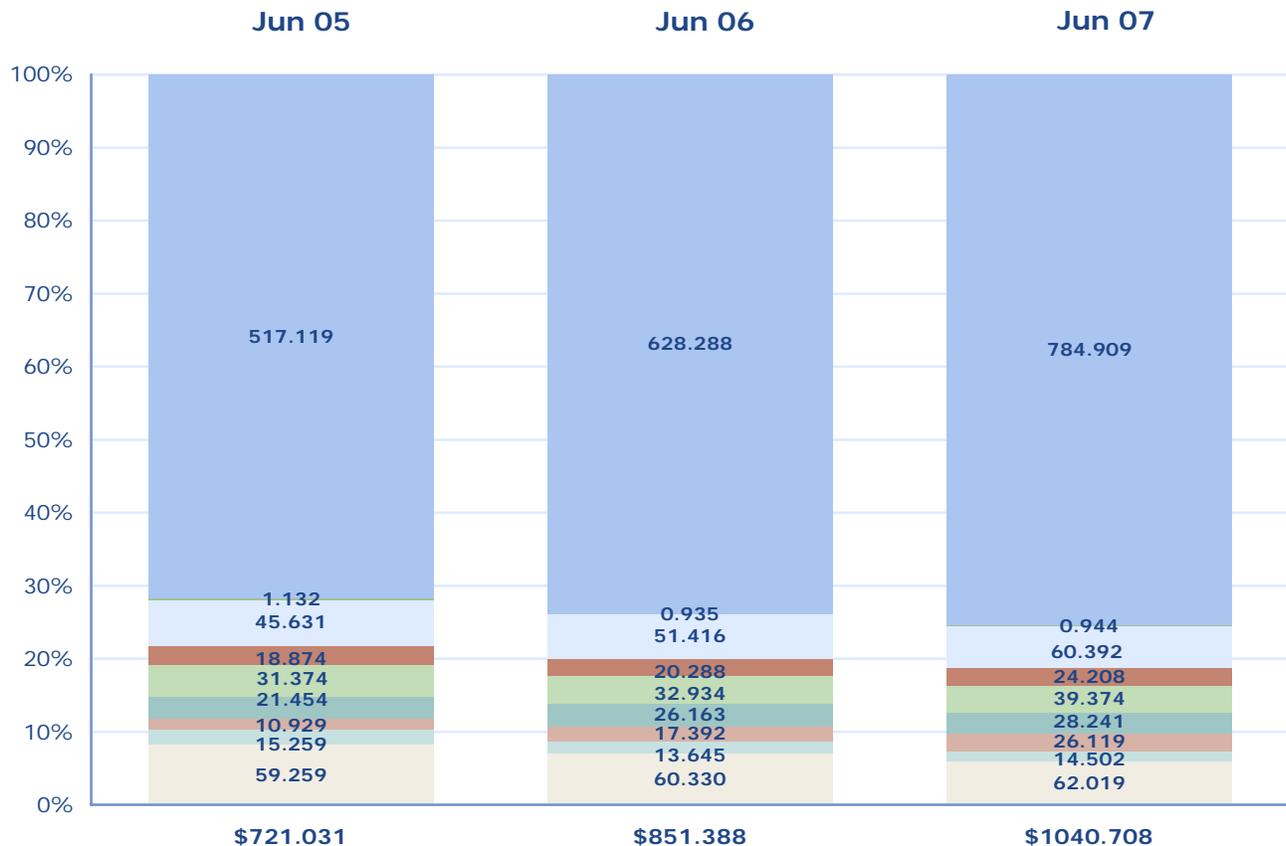
### Market Values and Distributions



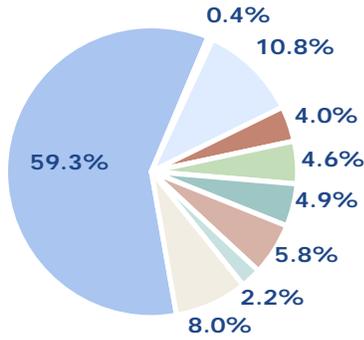
Option	Market Value	Quarterly Change
WSIB TAP Fund	\$ 784,909,213	\$ 47,144,351
Social Balanced Fund	943,882	59,978
Short-Horizon Fund	6,586,573	(175,777)
Mid-Horizon Fund	26,630,852	693,704
Long-Horizon Fund	27,175,034	1,226,333
U.S. Stock Fund	24,207,728	1,348,770
U.S. Large Stock Fund	39,373,678	2,318,242
U.S. Small Stock Fund	28,240,965	573,295
International Index Fund	26,118,651	3,000,735
Bond Market Fund	14,502,452	(88,018)
Money Market Fund	62,019,318	(208,498)
<b>Total Fund</b>	<b>\$ 1,040,708,346</b>	<b>\$ 55,893,115</b>

### Historical Distributions

In Millions



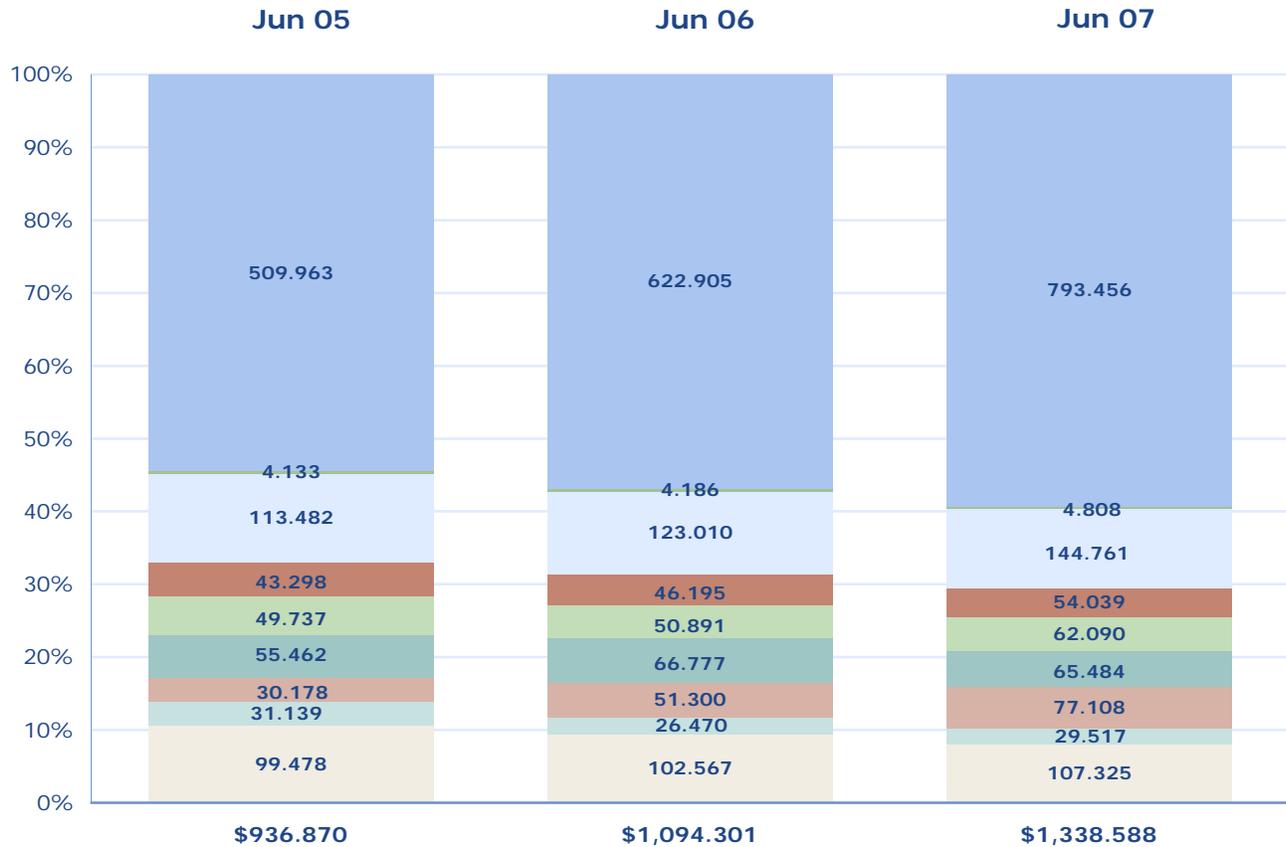
### Market Values and Distributions



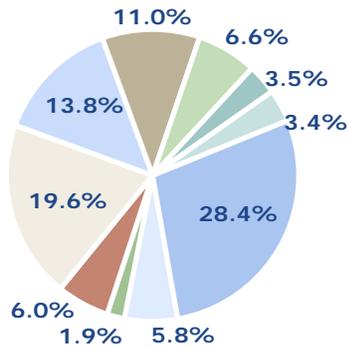
Option	Market Value	Quarterly Change
WSIB TAP Fund	\$ 793,455,975	\$ 50,286,031
Social Balanced Fund	4,808,137	266,054
Short-Horizon Fund	13,923,787	152,111
Mid-Horizon Fund	61,510,663	1,524,890
Long-Horizon Fund	69,326,784	3,410,625
U.S. Stock Fund	54,038,751	2,783,796
U.S. Large Stock Fund	62,089,908	3,908,556
U.S. Small Stock Fund	65,483,502	(1,915,580)
International Index Fund	77,108,431	9,410,350
Bond Market Fund	29,517,363	(757,722)
Money Market Fund	107,324,759	1,163,881
<b>Total Fund</b>	<b>\$ 1,338,588,060</b>	<b>\$ 70,232,992</b>

### Historical Distributions

In Millions



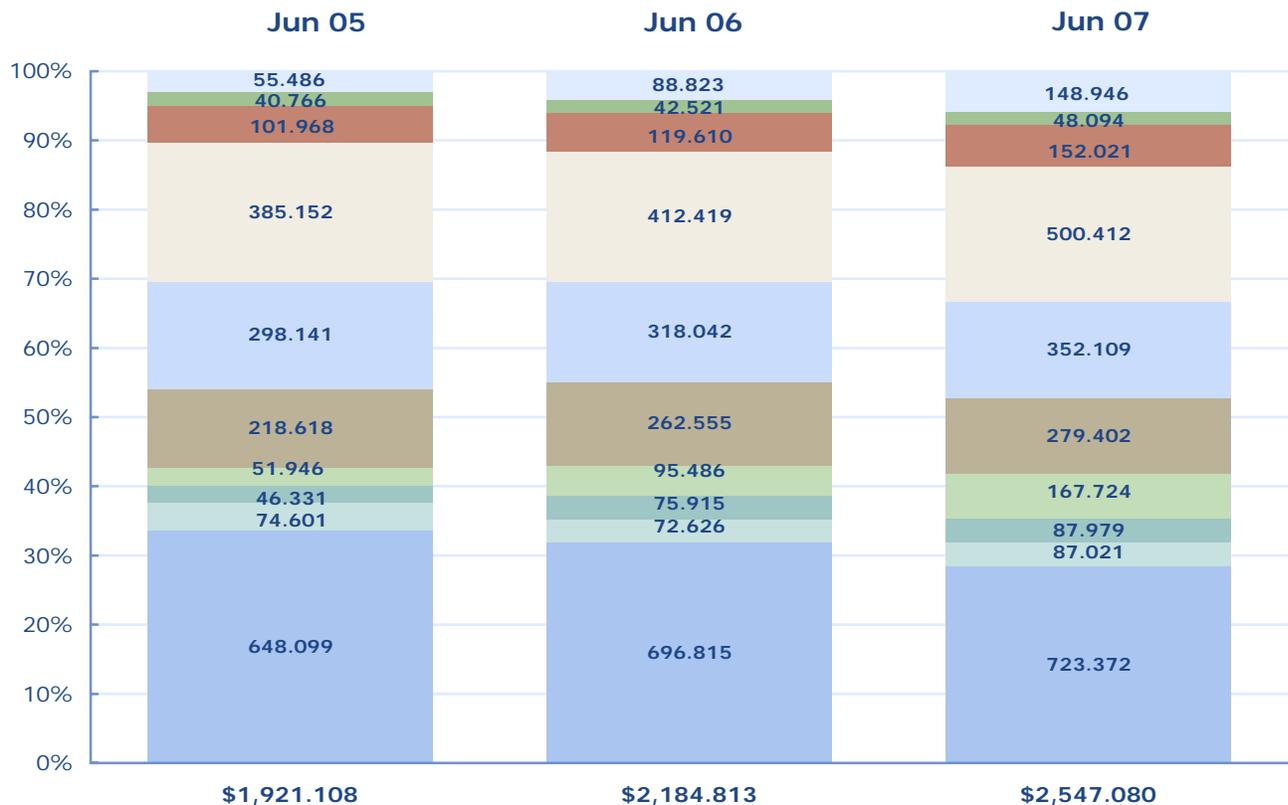
## Market Values and Distributions



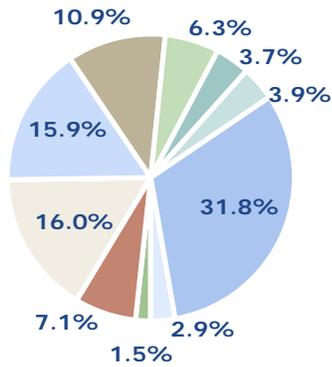
Option	Market Value	Quarterly Change
Short-Horizon Fund	\$ 24,908,939	\$ 2,275,195
Mid-Horizon Fund	61,158,546	7,000,550
Long-Horizon Fund	62,878,061	9,831,727
Social Balanced Fund	48,093,935	1,851,909
U.S. Stock Market Index Fund	152,021,287	10,031,093
Active Value Fund	500,412,153	22,565,109
Active Core Fund	352,109,333	7,961,499
Growth Company Fund	279,402,182	13,845,998
International Stock Fund	167,724,066	27,096,848
U.S. Small Stock Fund	87,979,090	1,498,077
Bond Market Fund	87,020,808	3,852,098
Savings Pool	723,372,032	9,945,478
<b>Total Fund</b>	<b>\$ 2,547,080,432</b>	<b>\$ 117,755,581</b>

## Historical Distributions

In Millions



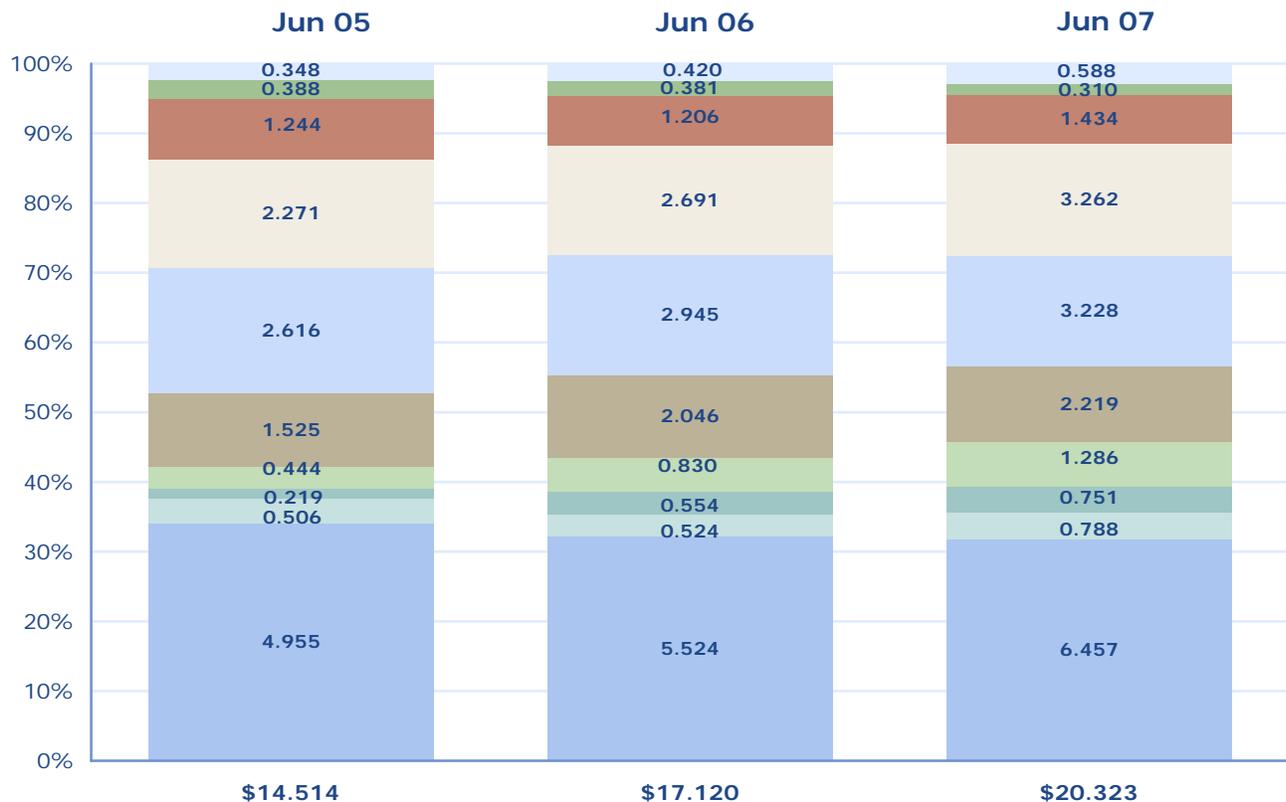
## Market Values and Distributions



Option	Market Value	Quarterly Change
Short-Horizon Fund	\$ 113,804	\$ 30,599
Mid-Horizon Fund	281,762	(37,949)
Long-Horizon Fund	192,645	32,541
Social Balanced Fund	309,508	(115,974)
U.S. Stock Market Index Fund	1,434,059	31,924
Active Value Fund	3,262,204	180,505
Active Core Fund	3,227,910	100,468
Growth Company Fund	2,218,949	33,201
International Stock Fund	1,286,113	245,307
U.S. Small Stock Fund	751,336	91,918
Bond Market Fund	787,506	(10,517)
Savings Pool	6,456,939	298,526
<b>Total Fund</b>	<b>\$ 20,322,735</b>	<b>\$ 880,549</b>

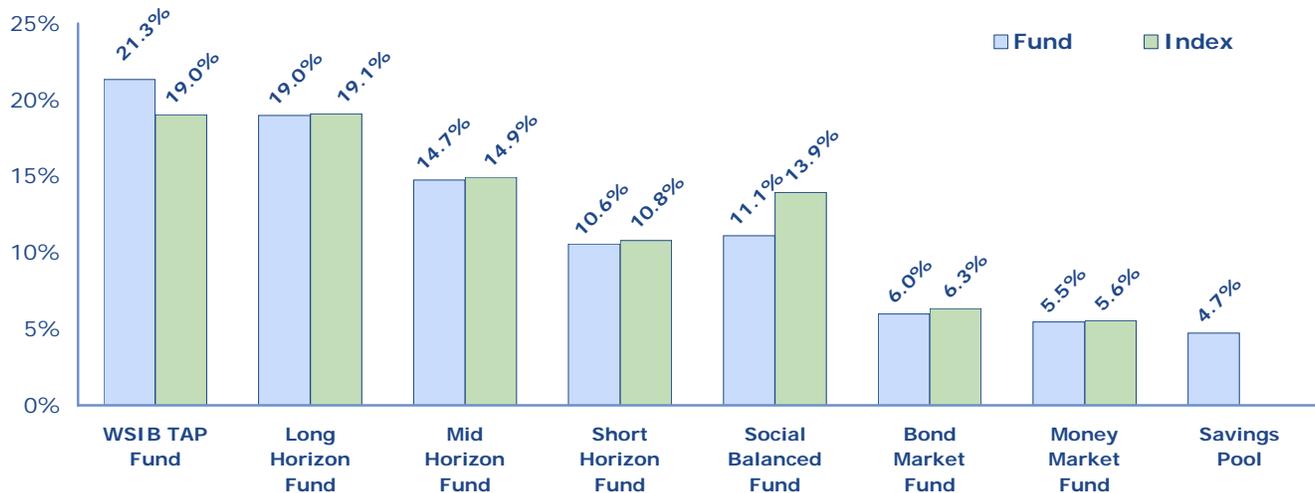
## Historical Distributions

In Millions





## One Year Returns



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

## Balanced Funds

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>WSIB TAP Fund</b>	<b>5.48%</b>	<b>21.33%</b>	<b>16.97%</b>	<b>13.99%</b>	<b>9.73%</b>
Custom Benchmark	4.96%	19.03%	13.04%	11.91%	7.83%
<b>Long-Horizon Fund</b>	<b>4.93%</b>	<b>18.99%</b>	<b>13.14%</b>	<b>11.87%</b>	<b>N/A</b>
Custom Benchmark	4.86%	19.09%	13.12%	12.17%	7.77%
<b>Mid-Horizon Fund</b>	<b>3.24%</b>	<b>14.74%</b>	<b>10.18%</b>	<b>9.72%</b>	<b>N/A</b>
Custom Benchmark	3.14%	14.93%	10.18%	10.02%	7.41%
<b>Short-Horizon Fund</b>	<b>2.02%</b>	<b>10.56%</b>	<b>7.35%</b>	<b>7.02%</b>	<b>N/A</b>
Custom Benchmark	1.94%	10.79%	7.43%	7.31%	6.38%
<b>Social Balanced Fund</b>	<b>3.84%</b>	<b>11.11%</b>	<b>6.41%</b>	<b>N/A</b>	<b>N/A</b>
Custom Benchmark	3.21%	13.94%	8.24%	8.09%	6.97%

## Bond Funds

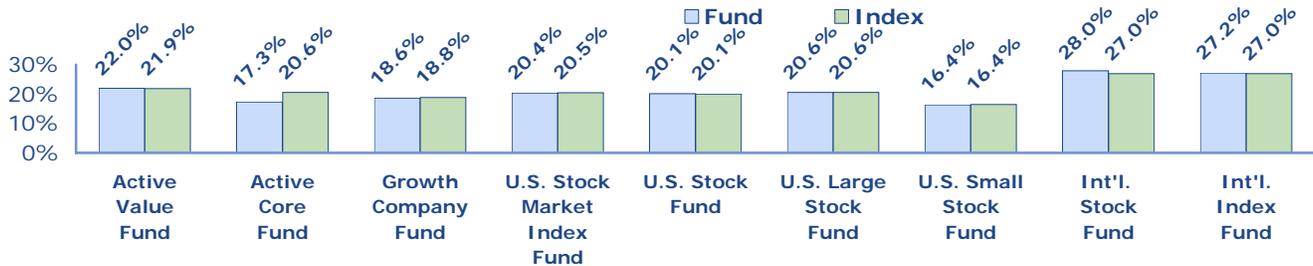
	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Bond Market Fund</b>	<b>-0.23%</b>	<b>5.98%</b>	<b>3.77%</b>	<b>4.76%</b>	<b>N/A</b>
Lehman Intermediate Credit	-0.40%	6.34%	3.79%	5.01%	6.07%

## Cash Funds

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Money Market Fund</b>	<b>1.31%</b>	<b>5.46%</b>	<b>3.99%</b>	<b>2.92%</b>	<b>4.03%</b>
One Month LIBOR	1.35%	5.55%	4.16%	3.02%	4.09%
<b>Savings Pool</b>	<b>1.17%</b>	<b>4.72%</b>	<b>4.65%</b>	<b>4.99%</b>	<b>5.78%</b>



### One Year Returns



\*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.

### Active U.S. Equity

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Active Value Fund</b>	<b>5.65%</b>	<b>21.97%</b>	<b>17.50%</b>	<b>14.94%</b>	<b>N/A</b>
Russell 1000 Value Index	4.93%	21.87%	15.93%	13.31%	9.87%
<b>Active Core Fund</b>	<b>5.05%</b>	<b>17.34%</b>	<b>12.25%</b>	<b>N/A</b>	<b>N/A</b>
S&P 500	6.28%	20.59%	11.68%	10.71%	7.13%
<b>Growth Company Fund</b>	<b>9.34%</b>	<b>18.62%</b>	<b>12.95%</b>	<b>13.81%</b>	<b>9.21%</b>
Russell 3000 Growth	6.84%	18.84%	8.97%	9.58%	4.42%

### Passive U.S. Equity

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>U.S. Stock Market Index Fund</b>	<b>6.07%</b>	<b>20.35%</b>	<b>12.74%</b>	<b>11.95%</b>	<b>7.88%</b>
Dow Jones Wilshire 5000	6.07%	20.46%	12.74%	11.96%	7.68%
<b>U.S. Stock Fund</b>	<b>5.81%</b>	<b>20.12%</b>	<b>12.49%</b>	<b>11.57%</b>	<b>N/A</b>
Russell 3000	5.77%	20.07%	12.44%	11.53%	7.62%
<b>U.S. Large Stock Fund</b>	<b>6.28%</b>	<b>20.63%</b>	<b>11.72%</b>	<b>10.76%</b>	<b>7.16%</b>
S&P 500	6.28%	20.59%	11.68%	10.71%	7.13%
<b>U.S. Small Stock Fund</b>	<b>4.46%</b>	<b>16.38%</b>	<b>13.43%</b>	<b>13.83%</b>	<b>N/A</b>
Russell 2000	4.41%	16.43%	13.45%	13.88%	9.06%

### Active Enhanced International

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>International Stock Fund</b>	<b>6.70%</b>	<b>27.95%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
MSCI EAFE	6.40%	27.00%	22.24%	17.73%	7.66%

### Passive International

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>International Index Fund</b>	<b>6.53%</b>	<b>27.18%</b>	<b>22.37%</b>	<b>16.70%</b>	<b>N/A</b>
MSCI EAFE	6.40%	27.00%	22.24%	17.73%	7.66%





## Daily Priced Investment Options

Quarterly Report - June 30, 2007

Savings Pool .....	1
Bond Fund.....	2
Horizon Funds.....	3



**Size**     \$ 729,992,187

**Characteristics**
**Average Maturity**

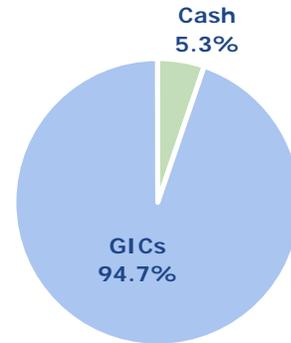
2 Years

**Average Yield**

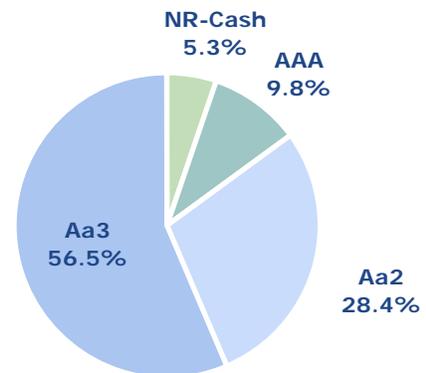
4.89%

**Number of Holdings**

32

**Composition Distribution**

**Top Ten GIC Issuers**

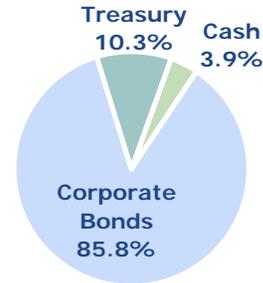
Hartford Life Insurance Co.	14.28%
Metropolitan Life Insurance Co.	13.31%
ING USA Annuity & Life Insurance Co.	11.32%
John Hancock Life Insurance Co.	10.13%
New York Life Insurance Corp.	9.81%
Prudential Insurance Co. of America	7.85%
Pacific Life Insurance Co.	7.51%
Monumental Life Insurance Co.	7.05%
Protective Life Insurance Co.	5.17%
Principal Life Insurance Co.	3.32%

**Rating Distribution**

**Return**


Size \$ 446,636,165

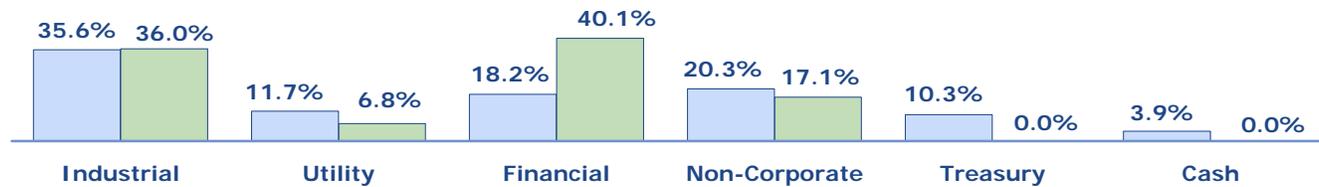
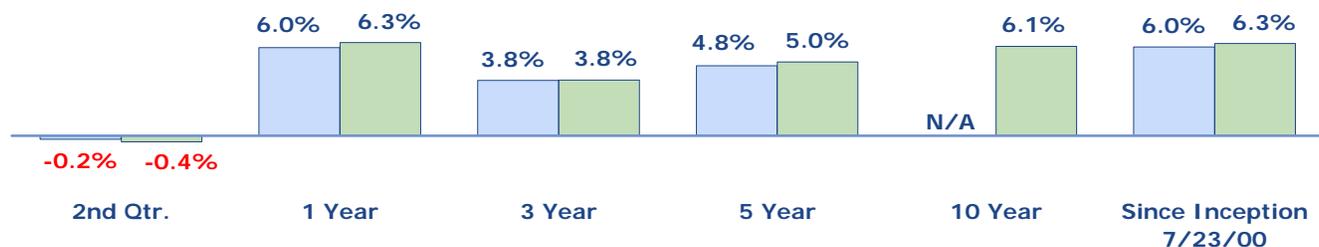
**Characteristics**

	Fund	Index
Average Maturity	5.5 years	5.2 years
Yield to Maturity	5.33%	5.75%
Modified Duration	4.37	4.28
Average Coupon	4.88%	5.68%
Number of Holdings	159	2,248

**Asset Class Distribution**

**Top Ten Credit Issuers**

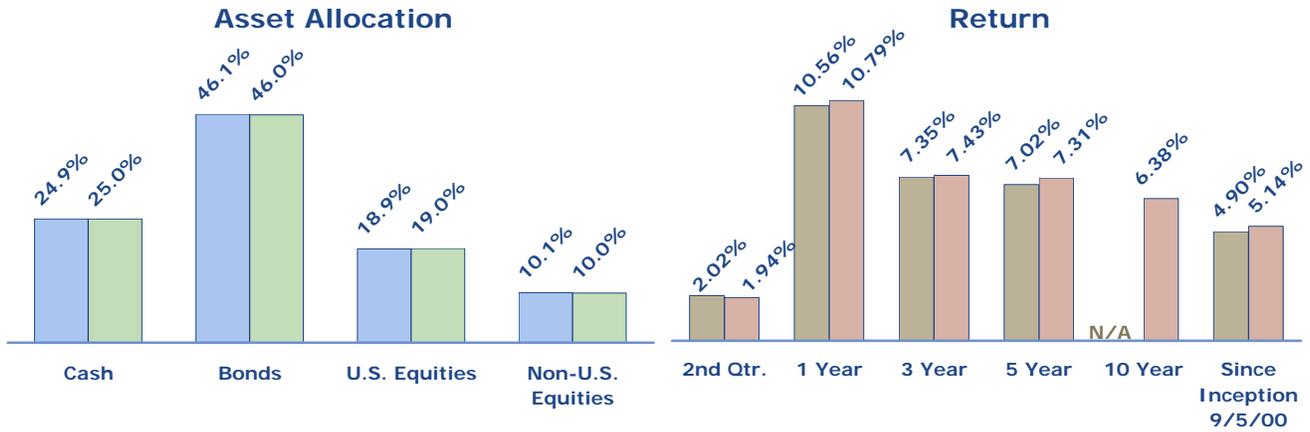
CSX Corporation	0.91%	Bank of New York	0.90%
IFFIM	0.91%	Ontario Province	0.90%
Praxair Incorporated	0.91%	Bank of England Euro Note	0.90%
Swedish Export Credit	0.90%	Valero Energy	0.90%
Dubai Ports World	0.90%	Export Development Canada	0.90%

**Rating Distribution**

**Industry Distribution**

**Return**


■ Horizon Fund   
 ■ Target   
 ■ Horizon Fund   
 ■ Benchmark

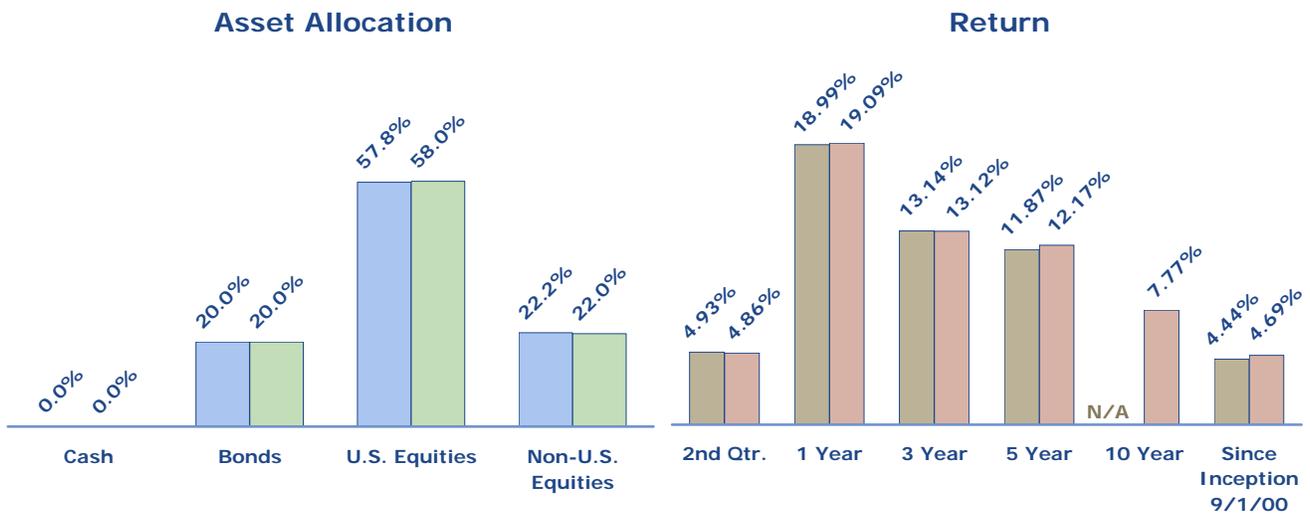
### Short-Horizon \$ 55,463,764



### Mid-Horizon \$ 180,371,943



### Long-Horizon \$ 196,589,463







## Labor and Industries' Funds

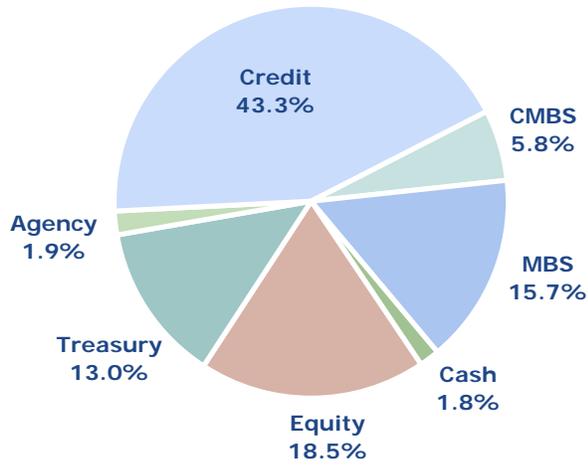
Quarterly Report - June 30, 2007

Market Values and Asset Allocation .....	1
Performance and Durations Versus CMI .....	2





**Total Labor and Industries' Funds**  
\$ 11,095,715,742



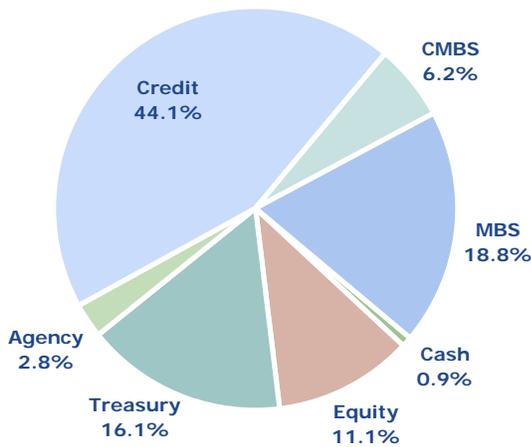
**WSIB Policy Ranges for Equity**

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

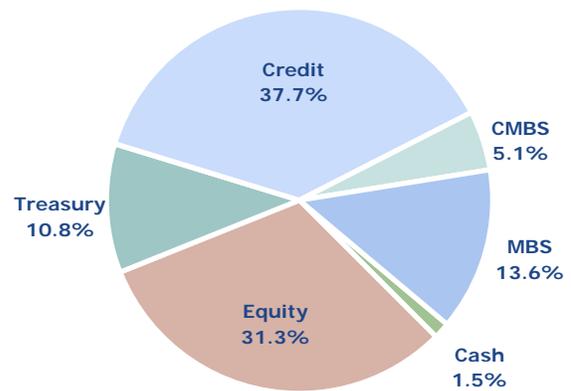
**WSIB Policy Ranges for Fixed Income**

	Range
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%

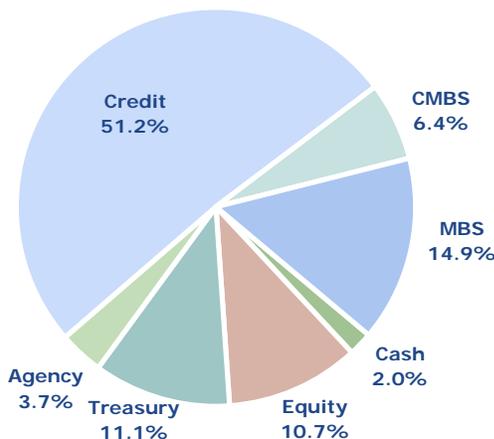
**Accident Fund** \$ 4,104,526,745



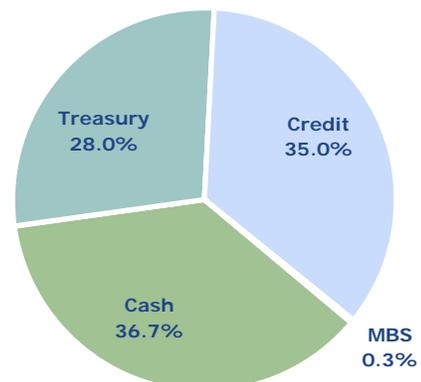
**Medical Aid Fund** \$ 4,196,224,096



**Pension Reserve** \$ 2,691,622,586

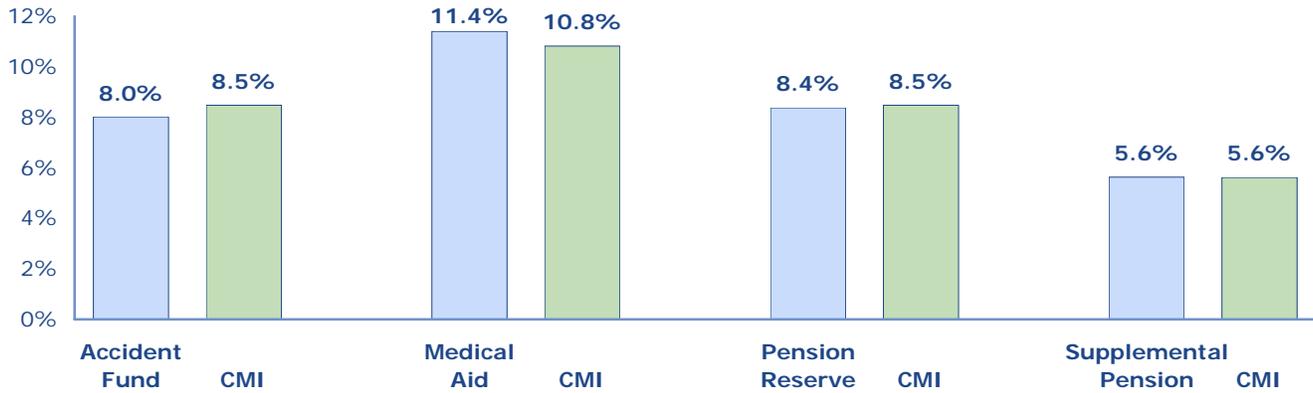


**Supplemental Pension** \$ 103,342,315





### One Year Performance



### Total Return

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Accident Fund</b>	<b>-0.82%</b>	<b>8.02%</b>	<b>6.27%</b>	<b>6.90%</b>	<b>6.97%</b>
CMI	-0.73%	8.48%	5.96%	7.09%	6.82%
<b>Medical Aid</b>	<b>1.51%</b>	<b>11.40%</b>	<b>7.24%</b>	<b>7.00%</b>	<b>6.89%</b>
CMI	1.29%	10.82%	7.21%	7.41%	6.90%
<b>Pension Reserve</b>	<b>-0.71%</b>	<b>8.38%</b>	<b>6.46%</b>	<b>7.04%</b>	<b>7.36%</b>
CMI	-0.73%	8.48%	5.96%	7.08%	7.14%
<b>Supplemental Pension</b>	<b>0.95%</b>	<b>5.61%</b>	<b>3.68%</b>	<b>3.02%</b>	<b>4.64%</b>
<b>Supplemental Ex-Cash</b>	<b>0.60%</b>	<b>5.63%</b>	<b>3.47%</b>	<b>3.66%</b>	<b>5.11%</b>
CMI	0.61%	5.62%	3.37%	3.99%	5.39%

### Labor and Industries' Statutory Accounting Return \*

	Qtr.	1 Year	3 Year	5 Year
Accident Fund	1.93%	9.57%	8.16%	8.41%
Medical Aid	2.89%	10.72%	8.43%	8.17%
Pension Reserve	1.95%	8.60%	7.90%	8.00%
Supplemental Pension	0.91%	4.42%	3.94%	3.44%

### Duration

	CMI	Target	Actual	% Difference
Accident Fund	8.94	9.00	9.09	0.96%
Medical Aid	5.97	6.00	6.13	2.19%
Pension Reserve	8.94	9.00	8.95	0.00%
Supplemental Pension	1.94	1.75-2.25	1.89	N/A

\* 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 and Other Funds

Quarterly Report - June 30, 2007

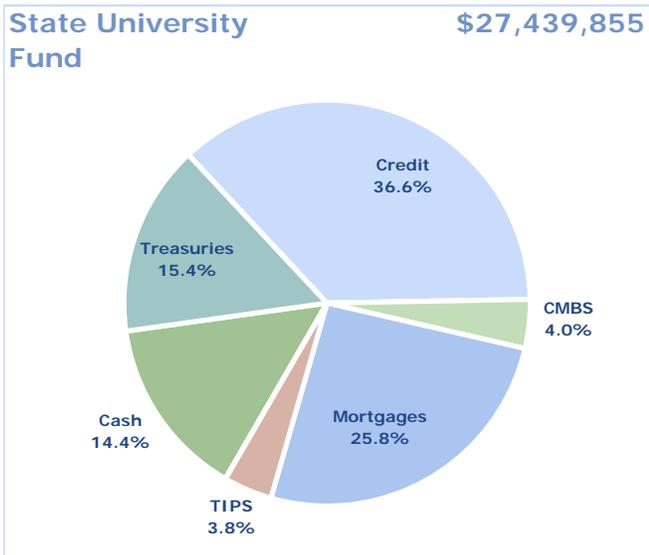
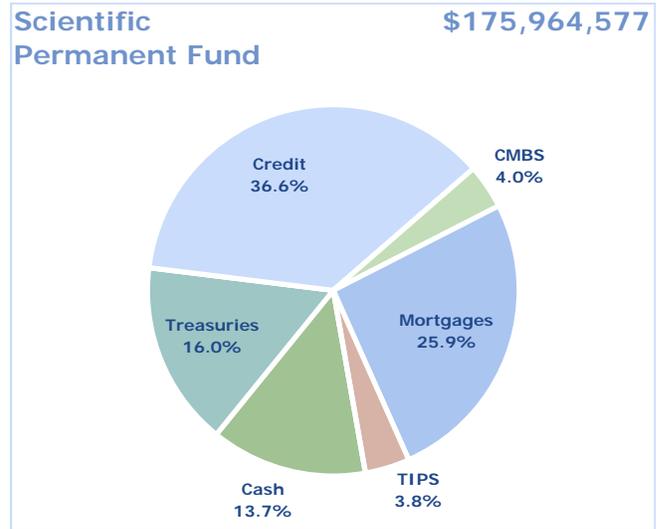
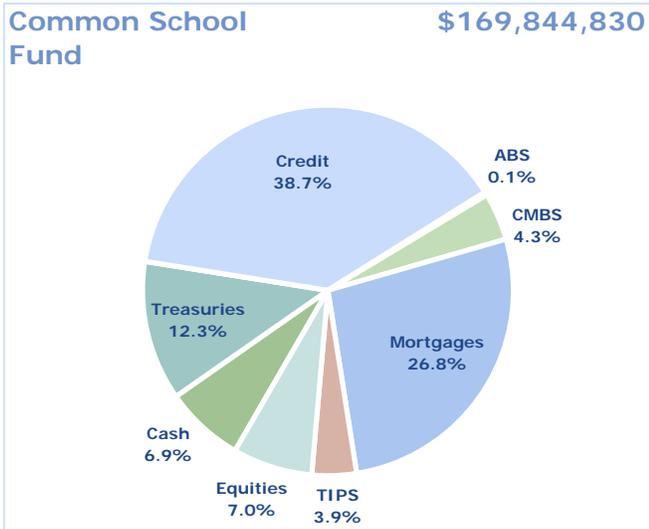
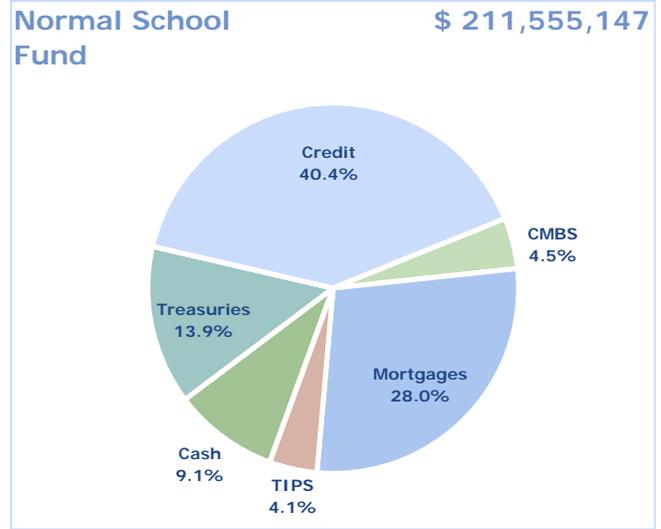
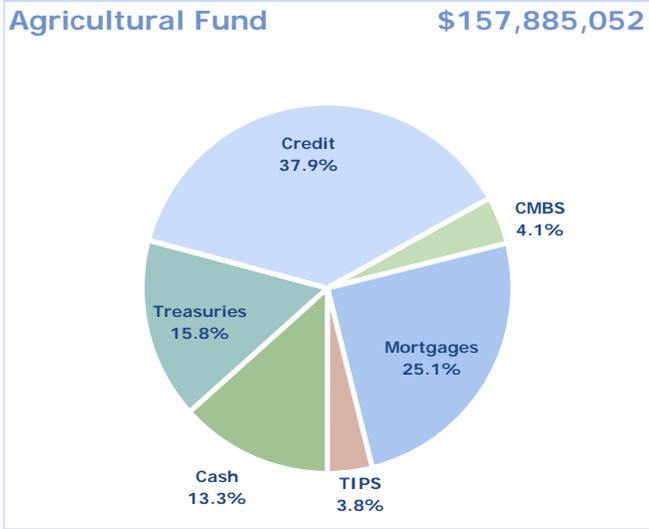
### Permanent Funds

Market Values and Asset Allocation .....	1
Interest Income, Performance, and Duration .....	2

### Other Funds

Market Values, Performance, and Asset Allocation .....	3
GET – Advanced College Tuition Payment Program .....	4
DDEF – Developmental Disability Endowment Fund .....	5





**Millersylvania State Park Fund** **\$ 5,173**

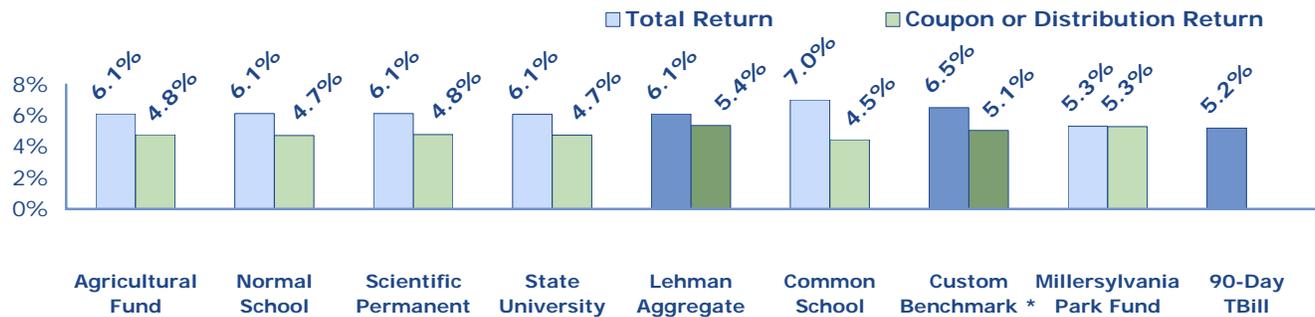
Assets of this fund are invested in a short-term investment fund (STIF).

**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%



One Year



Balance

	Jun 07	Jun 06	Jun 02
Agricultural Fund	\$ 157,885,052	\$ 151,150,574	\$ 141,502,635
Normal School	\$ 211,555,147	\$ 206,340,491	\$ 202,455,353
Scientific Permanent	\$ 175,964,577	\$ 167,395,238	\$ 155,598,470
State University	\$ 27,439,855	\$ 25,334,491	\$ 23,878,964
Common School	\$ 169,844,830	\$ 165,334,324	\$ 164,247,643
Millersylvania Park Fund	\$ 5,173	\$ 5,172	\$ 5,159

Returns

	Total Return					Distribution Return **			
	Qtr.	1 Year	3 Year	5 Year	10 Year	Qtr.	1 Year	3 Year	5 Year
Agricultural Fund	-0.43%	6.12%	3.83%	4.43%	5.87%	1.21%	4.77%	4.60%	4.87%
Normal School	-0.48%	6.14%	3.83%	4.32%	5.93%	1.19%	4.73%	4.60%	4.83%
Scientific Permanent	-0.44%	6.14%	3.80%	4.33%	5.91%	1.21%	4.79%	4.62%	4.90%
State University	-0.44%	6.09%	3.79%	4.29%	6.00%	1.20%	4.75%	4.57%	4.78%
Lehman Aggregate	-0.52%	6.12%	3.98%	4.48%	6.02%				
Common School	-0.05%	7.02%	4.35%	4.74%	5.99%	1.12%	4.47%	4.37%	4.61%
Custom Benchmark *	-0.59%	6.52%	4.35%	4.85%	6.10%				
Millersylvania Park Fund	1.30%	5.32%	3.87%	2.79%	3.88%	1.32%	5.30%	3.75%	2.73%
90 Day TBill	1.27%	5.21%	3.77%	2.76%	3.81%				

Fixed Income Duration

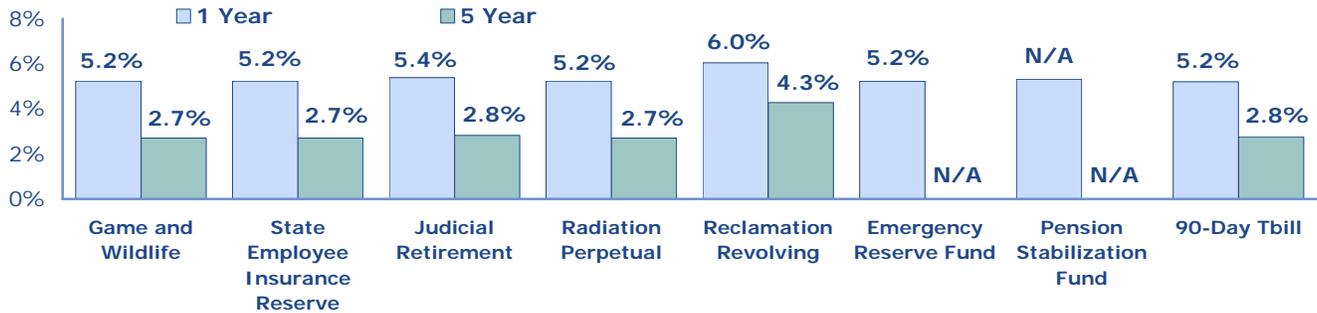
	Duration of Fund	Duration of Benchmark	Difference	% Difference
Agricultural Fund	4.88	4.58	0.30	6.53%
Normal School	4.91	4.58	0.32	7.08%
Scientific Permanent	4.90	4.58	0.32	6.99%
State University	4.95	4.58	0.37	8.03%
Common School	4.92	4.58	0.34	7.42%
Millersylvania Park Fund	0.17	0.25	N/A	N/A

\* 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 2007, the breakdown was 7.0% Dow Jones Wilshire 5000 and 93.0% Lehman Aggregate.

\*\* Includes coupon income and amortization minus expenses and deferred losses based on book value.



One Year and Five Year Return



Total Return

	Qtr.	1 Year	3 Year	5 Year	10 Year
Game and Wildlife	1.28%	5.23%	3.78%	2.71%	3.88%
State Employee Insurance Reserve	1.28%	5.23%	3.78%	2.71%	3.82%
Judicial Retirement	1.31%	5.38%	3.90%	2.83%	3.97%
Radiation Perpetual	1.28%	5.23%	3.78%	2.71%	3.82%
Reclamation Revolving	1.28%	6.04%	5.46%	4.28%	4.86%
Emergency Reserve Fund	1.27%	5.23%	N/A	N/A	N/A
Pension Stabilization Fund	1.30%	5.32%	N/A	N/A	N/A
90-Day Tbill	1.27%	5.21%	3.77%	2.76%	3.81%

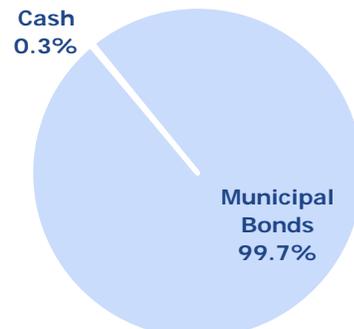
Market Value

	Jun 07	Jun 06	Jun 02
Game and Wildlife	\$ 9,938,259	\$ 9,444,277	\$ 11,624,567
State Employee Insurance Reserve	\$ 83,823,193	\$ 79,656,757	\$ 38,326,416
Judicial Retirement	\$ 457,518	\$ 1,927	\$ 8,178,992
Radiation Perpetual	\$ 314,252	\$ 298,632	\$ 274,996
Reclamation Revolving	\$ 184,631	\$ 380,720	\$ 1,063,530
Emergency Reserve Fund	\$ 227,072,248	\$ 68,076,559	\$ 116,128,958
Pension Stabilization Fund	\$ 435,680,026	\$ 351,897,697	N/A

Portfolio Allocations

The Game and Wildlife Fund, State Employee Insurance Reserve Fund, Judicial Retirement Fund, Radiation Perpetual Fund, and Emergency Reserve Fund are fully invested in short-term investment funds (STIF).

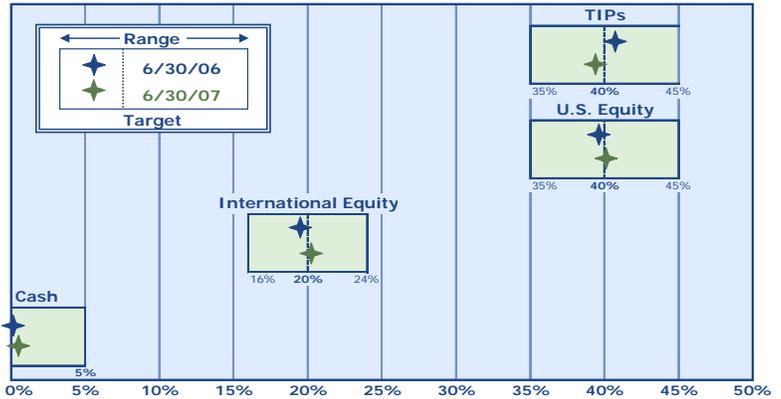
The Reclamation Revolving Fund (shown to the right) is invested in municipal bonds and STIF.



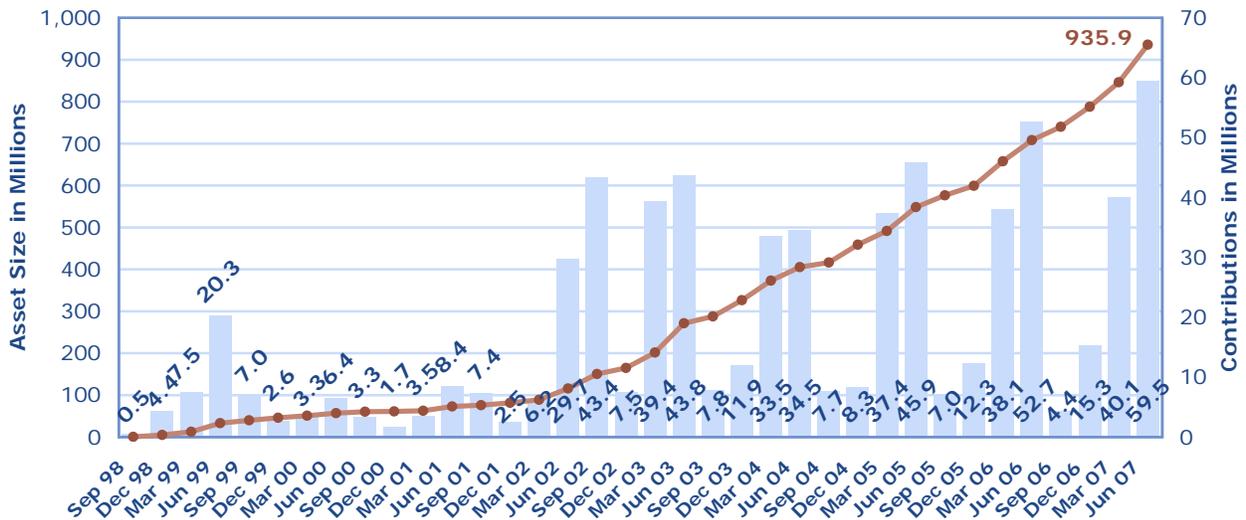


Portfolio Size and Allocation

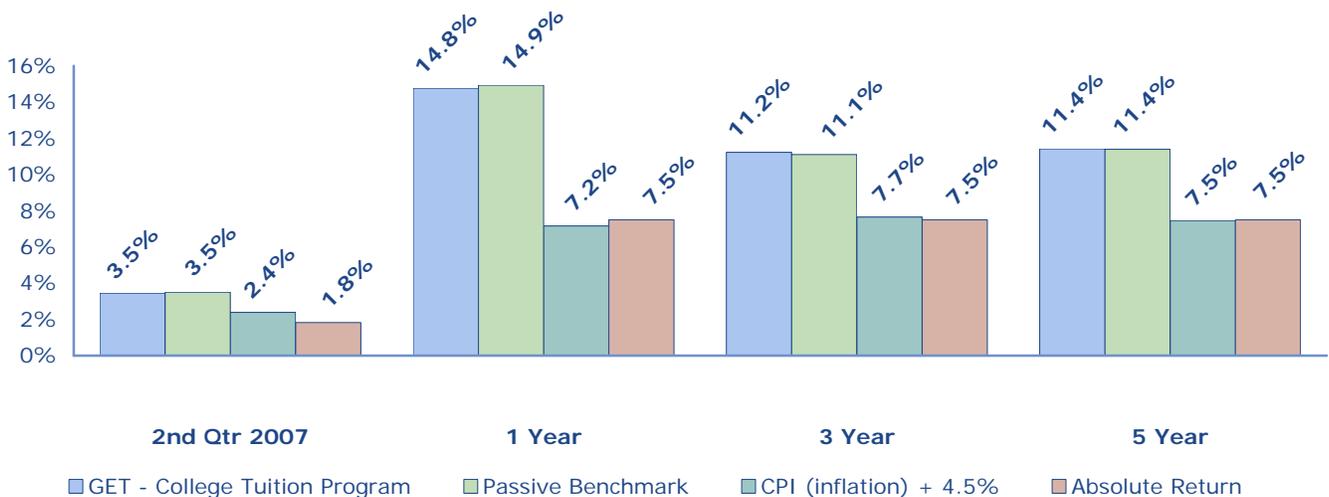
<b>Total</b>	<b>\$935,928,476</b>
Cash	3,501,694
Treasury Inflation Index Note (TIPs)	367,557,638
U.S. Equity	375,201,503
Non-U.S. Equity	189,667,640



Assets Under Management



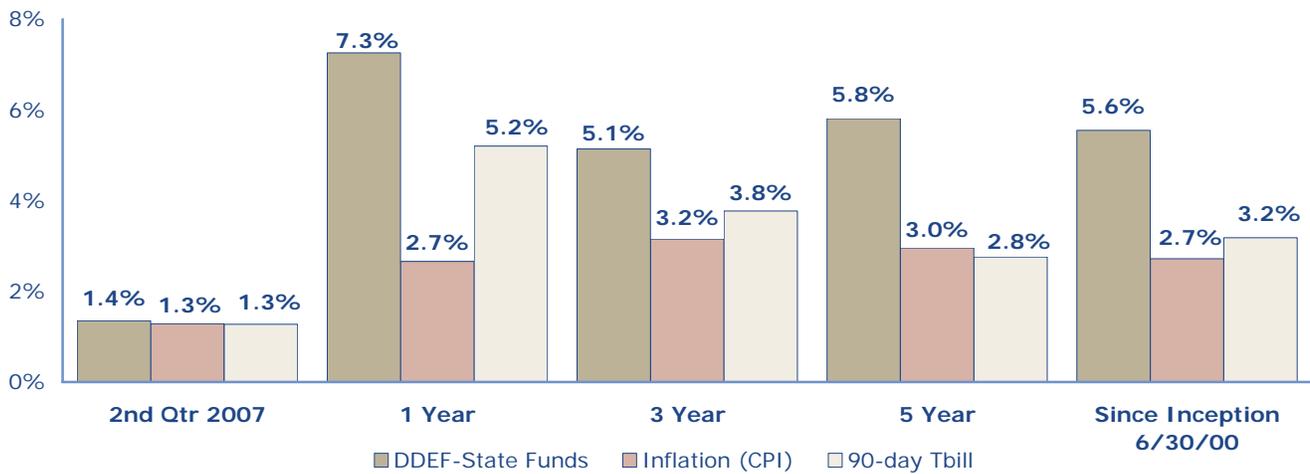
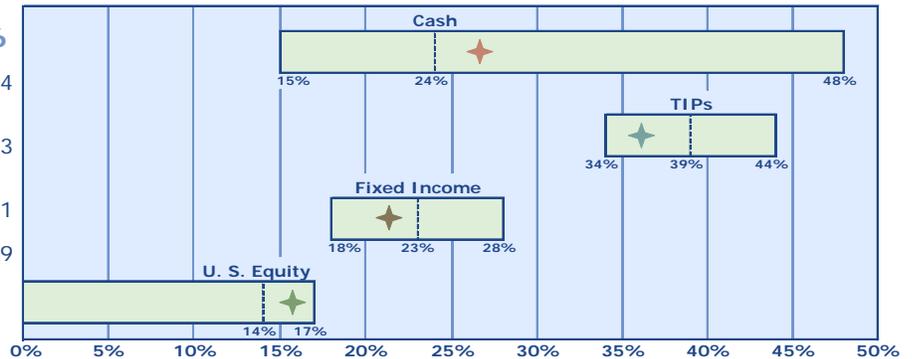
Total Return





**DDEF - State Funds**

<b>Total</b>	<b>\$7,567,886</b>
Cash	2,017,854
Treasury Inflation Index Note (TIPs)	2,729,373
Fixed Income	1,623,121
U.S. Equity	1,197,539



**DDEF - Private Funds**

<b>Total</b>	<b>\$8,346,036</b>
Cash	10,496
Balanced Fund	8,335,540

