



Investment Reports

Quarterly Report – June 30, 2008

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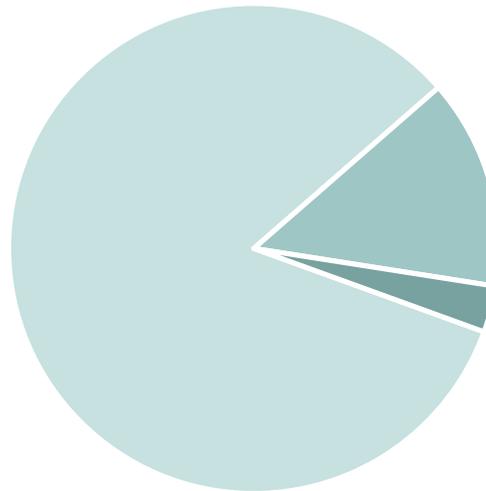
Dated: August 26, 2008



The WSIB invests for 39 funds:

- ❖ 17 Retirement Funds
- ❖ 4 State Insurance Funds for injured workers
- ❖ 18 Permanent and Other Trust Funds

Retirement Funds
(CTF & Defined
Contribution)
\$66,976,289,411
83.1%

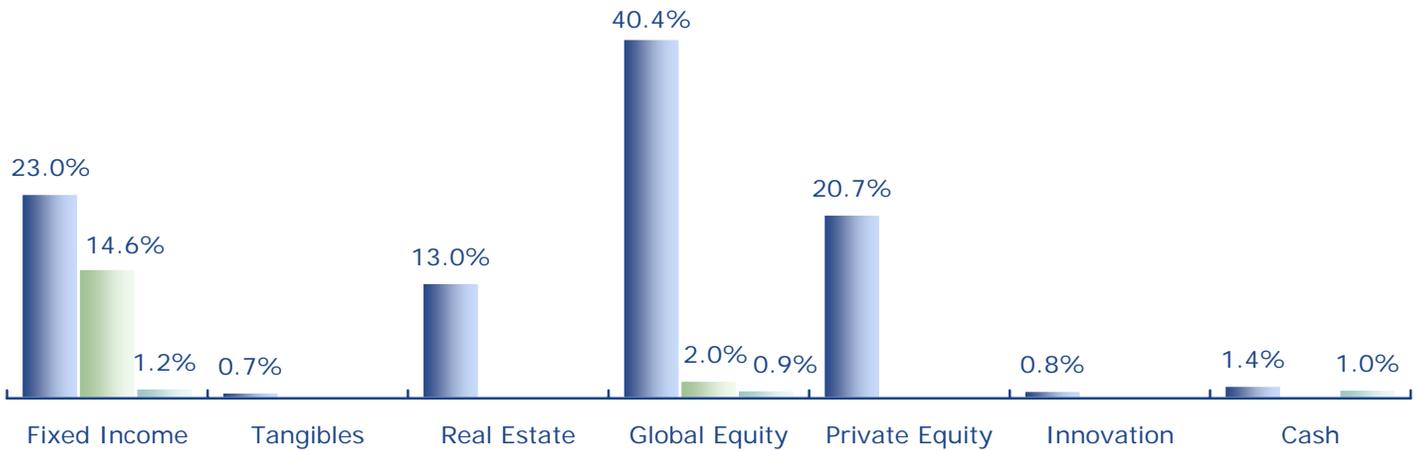


Labor & Industries'
Funds
\$11,096,502,897
13.8%

Permanent & Other
Funds
\$2,505,368,587
3.1%

Asset Class Overview for All Funds

- Retirement Funds (CTF & Defined Contribution)
- L&I Funds
- Perm & Other Funds



Indices Returns



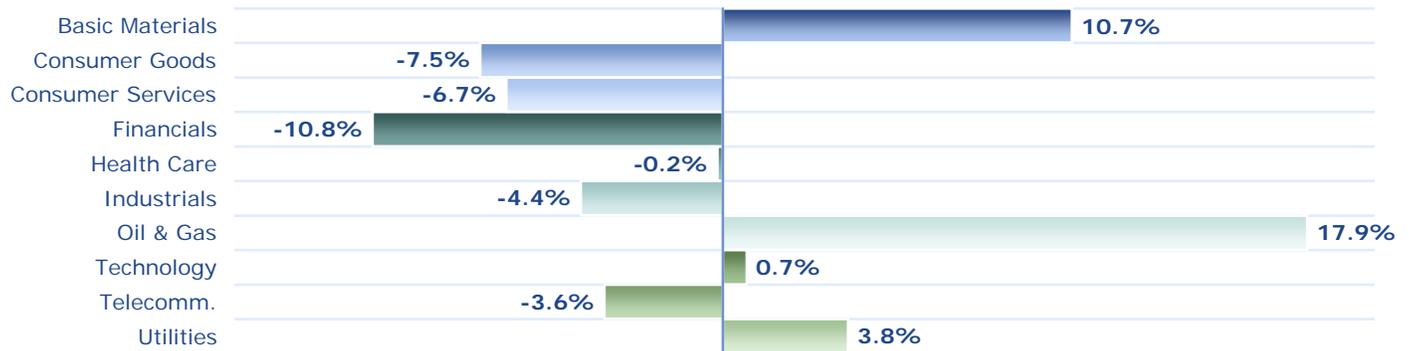
Dow Jones Wilshire Global

Dow Jones Wilshire 5000

MSCI ACW ex U.S. IMI

Lehman Universal

Dow Jones Wilshire Global - Quarter Industry Returns



Capital Market Highlights

- ❖ Fixed income as measured by the Lehman Universal, returned -0.8% for the quarter, outperforming global equities as measured by the Dow Jones Wilshire Global at -1.5%.
- ❖ International equities continued to outperform U.S. equities with losing slightly less for the quarter.
- ❖ The highest industry return for the quarter as shown with the Dow Jones Wilshire Global was oil and gas at 17.9%. The lowest returns was financials at -10.8%.
- ❖ In the Lehman indices, CMBS Non-ERISA ex HY had the highest return for the quarter earning 7.5% while treasuries had the lowest return at -2.1%. For the quarter, the short end of the curve outperformed the long with the 3 month earning 0.3% versus -3.5% for the 10 year.
- ❖ GDP was 2.8% (annualized) for the quarter. Inflation, as measured by the CPI increased to 1.9% from 0.8% the prior quarter.
- ❖ The federal reserve lowered the federal funds target rate to 2.00% from 2.25%.

Commingled Trust Fund

- ❖ Even though performance for the quarter was negative, the CTF still continues to exceed the 8% actuarial return for the 3 and 5 year time periods, but the 10 year time period is below 8%.

Asset Allocation

- ❖ All asset classes were within their long-term ranges other than tangibles which is still moving upward towards its allocation as of June 30, 2008. Asset transfers were large for the 2nd quarter including reductions of global equity (\$855 million), fixed income (\$250 million), real estate (\$95 million), and innovation (\$174 million) to fund tangibles (\$428 million), private equity (\$397 million), and plan withdrawals.

Fixed Income

- ❖ Fixed income outperformed the Lehman Universal for all time periods.

Tangible

- ❖ The WSIB Tangible return for the 2nd quarter was 4.6%.

Real Estate

- ❖ The WSIB Real Estate return for the 2nd quarter was -1.2%. It underperformed NCREIF (lagged one quarter) plus 100 basis points, which returned 1.9%. It outperformed its benchmark for the 3, 5, and 10 year time periods.
- ❖ As of March 31, 2008, there were \$7.1 billion in unfunded commitments.

Global Equity

- ❖ Global equity performed -1.4% for the quarter, up from -9.3% the prior quarter. It outperformed its benchmark, the Dow Jones Wilshire Global, which returned -1.5%.
- ❖ 2 of the 5 U.S. managers outperformed their benchmark for the quarter.
- ❖ 7 of the 10 international developed managers outperformed their benchmark for the quarter, 3, and 5 year time periods.
- ❖ 4 of the international emerging managers outperformed their benchmark for the quarter. 5 managers outperformed their benchmark for the year.

Private Equity

- ❖ The WSIB private equity return for the 2nd quarter was -2.0%. The 1 year return was 3.0% and outperformed the benchmark, S&P 500 plus 500 basis points (lagged one quarter) in all time periods.
- ❖ As of March 31, 2008, there were \$8.7 billion in unfunded commitments.

Innovation

- ❖ Innovation is currently comprised of global managers.

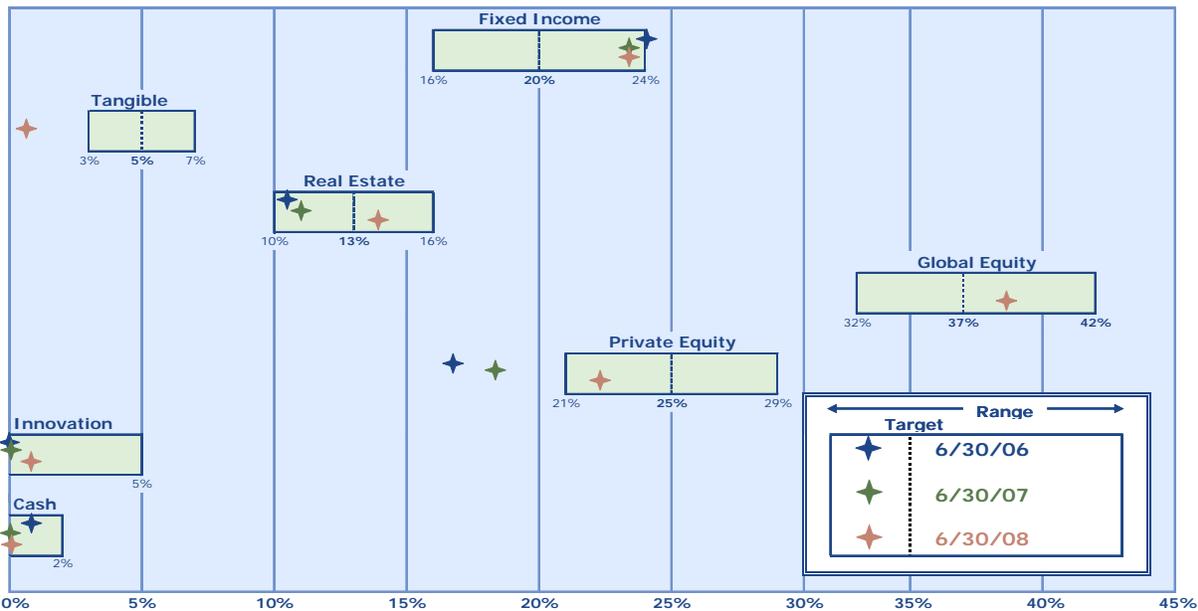
Market Values

Actual Asset Allocation

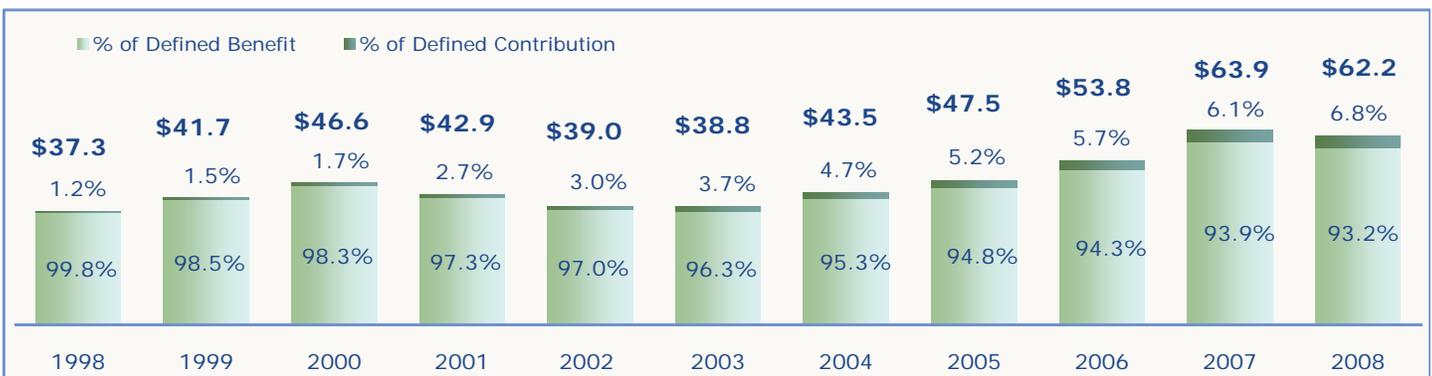
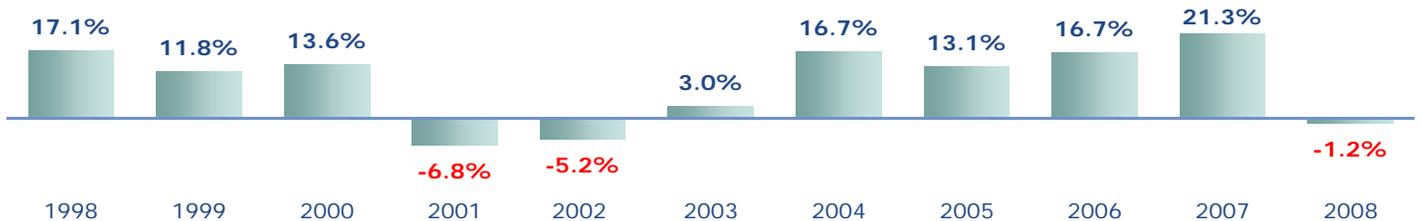
Asset Class	Market Value	by Asset Class	with Overlay
Fixed Income	\$ 14,093,654,180	22.67%	23.36%
Tangible	\$ 447,734,142	0.72%	0.72%
Real Estate	\$ 8,688,395,953	13.97%	13.97%
Global Equity	\$ 23,963,240,935	38.54%	38.67%
Private Equity	\$ 13,852,256,888	22.28%	22.28%
Innovation	\$ 567,855,247	0.91%	0.89%
Cash	\$ 558,024,269	0.90%	0.10%
Total Fund	\$ 62,171,161,614		

Market Value Changes

Quarter:
 (\$976,854,874)
 Fiscal Year:
 (\$1,765,094,753)



Annual Performance and Growth of the CTF (Fiscal Years Ended June 30)



Note: Page 4-9, Totals may not add up due to rounding.



			Qtr.	FYTD	1 Year	3 Year	5 Year	10 Year
Total Fund	\$62,171,161,614	100.0%	-1.17%	-1.24%	-1.24%	11.82%	13.03%	7.87%
Passive Benchmark ²			-1.20%	-5.81%	-5.81%	7.54%	9.85%	5.29%
Implementation Value Added Benchmark ³			-2.24%	-0.98%	-0.98%	9.76%	11.90%	N/A
TUCS Public Fund >\$1B Median ⁴			-0.85%	-4.43%	-4.43%	7.51%	9.76%	5.90%
TUCS Public/Corporate Fund >\$1B Median ⁴			-0.86%	-4.65%	-4.65%	7.30%	9.53%	6.00%
Fixed Income	\$14,093,654,180	22.7%	-0.42%	8.28%	8.28%	5.01%	4.71%	6.25%
Lehman Universal			-0.81%	6.22%	6.22%	4.14%	4.15%	5.78%
Tangible	\$447,734,142	0.7%	4.63%					
CPI (Lagged One Quarter) + 400 bp			1.75%					
Real Estate⁵	\$8,688,395,953	14.0%	-1.23%	10.18%	10.18%	19.69%	18.87%	15.04%
NCREIF (Lagged One Quarter) + 100 bp			1.85%	14.58%	14.58%	17.75%	16.07%	13.62%
Global Equity	\$23,963,240,935	38.5%	-1.41%	-10.48%	-10.48%	9.55%	12.71%	5.63%
Dow Jones Wilshire Global			-1.53%	-9.65%	-9.65%	10.69%	14.18%	5.84%
Private Equity⁵	\$13,852,256,888	22.3%	-2.00%	3.00%	3.00%	22.82%	23.91%	12.55%
S&P 500 (Lagged One Quarter) + 500 bp			-8.22%	-5.69%	-0.08%	10.85%	16.32%	8.50%
Innovation⁶	\$567,855,247	0.9%	0.13%	-14.16%	-14.16%			
Custom Benchmark			-1.53%	2.95%	2.95%	N/A	N/A	N/A
Overlay⁷	\$130,654,759		0.02%	0.09%	0.09%	0.03%	0.02%	0.01%
Cash	\$427,369,510	0.9%	0.64%	4.29%	4.29%	4.54%	3.20%	3.10%
90 Day T-Bills			0.31%	3.63%	3.63%	4.27%	3.18%	3.60%

 Outperformed its benchmark

 Underperformed its benchmark

¹ Performance figures are net of all non-appropriated fees.

² Currently 69% Dow Jones Wilshire Global, 31% Lehman Universal. Over time the benchmark has been adjusted by changing both benchmarks and percentages. The most recent change occurred on January 1, 2008.

³ The implementation value added benchmark consists 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.

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

⁵ Private equity and real estate use 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.

⁶ The overall benchmark is the weighted average of the underlying benchmarks for each asset/idea within the portfolio.

⁷ To show the performance, cash and the cash held in the overlay are separated out on this page.

International Markets
\$13,935,703,138

	Qtr.	FYTD	1 Year	3 Year	5 Year	10 Year
Total Developed Passive	-1.12%	-8.78%	-8.78%	13.96%	17.48%	
SSgA	-1.12%	-8.78%	-8.78%	13.96%	17.48%	
Total Developed Active	-1.24%	-8.73%	-8.73%	14.53%	17.41%	
Arrowstreet Capital	0.26%	-7.71%	-7.71%	14.56%		
Artio Global Investors, Inc. (Formerly Julius Baer)	0.18%	-6.77%	-6.77%	17.78%		
BGI (MSCI World ex U.S.)	-0.61%	-8.68%	-8.68%	14.09%		
Capital Guardian Trust	-2.03%	-8.19%	-8.19%	14.07%		
Goldman Sachs Asset Mgmt.	-0.63%	-9.75%	-9.75%	13.44%		
LSV Asset Mgmt.	-5.11%	-18.51%	-18.51%	11.28%		
Mondrian Investment Partners	-4.04%	-10.54%	-10.54%	13.03%	17.40%	
Pyramis Global Advisors Trust	1.42%	-2.82%	-2.82%	15.68%		
William Blair & Company	-0.88%	-5.03%	-5.03%	16.82%		
Total Developed	-1.22%	-8.74%	-8.74%	14.41%	17.78%	
Custom Developed Markets Benchmark	-1.37%	-8.98%	-8.98%	13.65%	17.28%	
MSCI World ex U.S.	-1.17%	-8.81%	-8.81%	13.72%		N/A
All funds and composites above use the custom developed markets benchmark other than BGI which uses MSCI World ex U.S.						
Total Emerging Active	-1.59%	2.81%	2.81%	26.81%	29.11%	14.91%
Capital International	-3.50%	3.78%	3.78%	29.58%	30.18%	
Grantham, Mayo, Otterloo	-0.95%	-0.08%	-0.08%	26.33%	31.69%	20.28%
Grantham, Mayo, Otterloo Illiquid (Lagged 1 Month)	-8.52%	3.37%	3.37%			
JPMorgan	-1.30%	3.75%	3.75%			
Lazard Asset Mgmt.	-0.72%	4.62%	4.62%			
Pictet Asset Mgmt.	-0.98%	4.22%	4.22%			
Total Emerging	-1.59%	2.81%	2.81%	26.81%	29.11%	14.91%
Custom Emerging Markets Benchmark	-1.58%	3.13%	3.13%	26.53%	29.37%	15.75%
All funds and composites for emerging active markets use the custom emerging markets benchmark.						
Total International Equity	-1.26%	-7.52%	-7.52%	15.43%	18.71%	8.22%
Custom International Equity Benchmark	-1.42%	-6.97%	-6.97%	15.85%	19.23%	7.73%

 Outperformed its benchmark

 Underperformed its benchmark

Developed Markets Benchmark: MSCI EAFE + Canada / World ex U.S. IMI - Switched October 1, 2007.

Emerging Markets Benchmark: Custom Emerging Markets / Emerging Markets IMI - Switched October 1, 2007.

International Equity Benchmark: MSCI ACW ex U.S. / ACW IMI - Switched October 1, 2007.

U.S. Markets

\$10,027,537,798

	Qtr.	FYTD	1 Year	3 Year	5 Year	10 Year
Total U.S. Passive (DJ Wilshire)	-1.60%	-12.17%	-12.17%	5.14%	8.85%	3.84%
BGI Asset Trust (DJ Wilshire)	-1.52%	-12.39%	-12.39%			
BGI Index (DJ Wilshire)	-1.60%	-12.24%	-12.24%	5.11%	8.84%	3.83%
Total U.S. Enhanced (DJ Wilshire)	-1.69%	-19.03%	-19.03%			
BGI (Russell 3000)	-0.19%	-13.54%	-13.54%			
SSgA (Russell 3000)	-1.99%	-15.09%	-15.09%			
Western Asset Management (S&P 500)	-3.07%	-28.66%	-28.66%			
Total U.S. Equity (DJ Wilshire)	-1.63%	-13.83%	-13.83%	4.43%	8.41%	3.63%
DJ Wilshire 5000	-1.55%	-12.53%	-12.53%	5.02%	8.73%	3.59%
Russell 3000	-1.69%	-12.69%	-12.69%	4.73%	8.37%	3.51%
S&P 500	-2.73%	-13.12%	-13.12%	4.41%	7.58%	2.88%

Outperformed its benchmark

Underperformed its benchmark

U.S. Equity

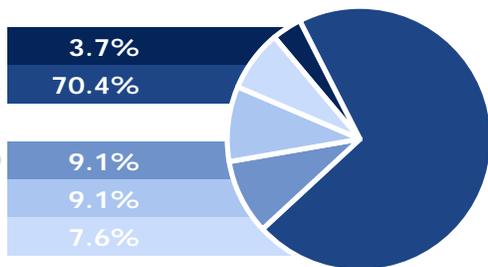
\$10,027,537,798

Passive

BGI Asset Trust	\$374,808,242	3.7%
BGI Index	\$7,063,720,308	70.4%

Active

BGI	\$915,969,530	9.1%
SSgA	\$911,701,044	9.1%
Western Asset Mgmt.	\$761,338,674	7.6%



International Developed Markets

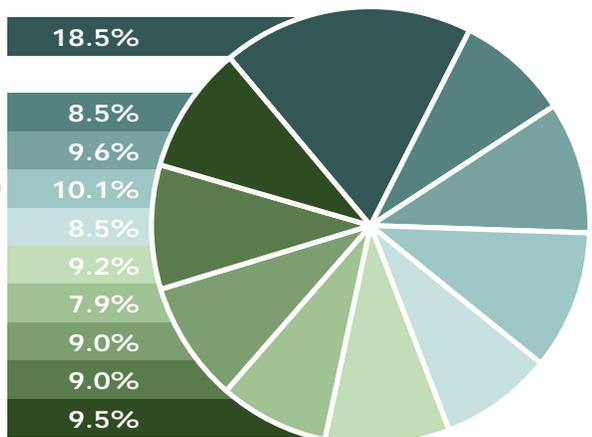
\$12,229,659,837

Passive

SSgA	\$2,267,648,567	18.5%
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Active

Arrowstreet Capital	\$1,043,342,773	8.5%
Artio Global Investors, Inc.	\$1,174,657,788	9.6%
BGI (MSCI World ex U.S.)	\$1,240,350,180	10.1%
Capital Guardian Trust	\$1,039,246,037	8.5%
Goldman Sachs Asset Mgmt.	\$1,128,964,135	9.2%
LSV Asset Mgmt.	\$964,542,917	7.9%
Mondrian Investment Partners	\$1,097,720,485	9.0%
Pyramis Global Advisors Trust	\$1,105,625,098	9.0%
William Blair & Company	\$1,167,561,857	9.5%

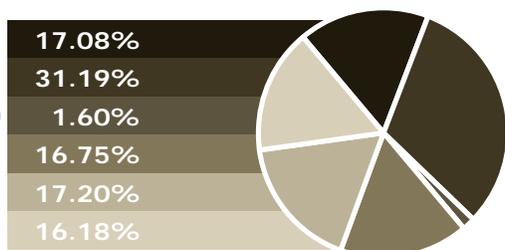


International Emerging Markets

\$1,706,043,301

Active

Capital International	\$291,445,864	17.08%
Grantham, Mayo, Otterloo	\$532,124,623	31.19%
Grantham, Mayo, Otterloo Illiquid (Lagged 1 Month)	\$27,216,790	1.60%
JPMorgan	\$285,757,007	16.75%
Lazard Asset Management	\$293,415,665	17.20%
Pictet Asset Management	\$276,083,352	16.18%



Global Equity

\$23,963,240,935

Top Ten Countries by Weight	Top Ten Holdings
-----------------------------	------------------

	CTF Weight	Index Weight		CTF Weight	Index Weight
United States	42.75%	40.76%	Exxon Mobil Corp.	1.34%	1.37%
United Kingdom	9.67%	8.61%	Total S.A.	0.75%	0.52%
Japan	8.96%	9.99%	General Electric Co.	0.71%	0.77%
France	4.64%	4.21%	BP PLC	0.70%	0.63%
Canada	4.11%	4.32%	Microsoft Corp.	0.66%	0.66%
Germany	3.97%	3.49%	Johnson & Johnson	0.57%	0.53%
Switzerland	3.02%	2.83%	Chevron Corp.	0.57%	0.59%
Australia	2.78%	2.90%	AT&T Inc.	0.56%	0.58%
Brazil	1.70%	1.86%	Vodafone Group PLC	0.55%	0.45%
Spain	1.66%	1.60%	Procter & Gamble Co.	0.54%	0.54%

WSIB	U.S. 42.8%	Other Developed Countries 50.3%	Emerging 7.0%
DJW Global	U.S. 40.8%	Other Developed Countries 50.3%	Emerging 9.0%

Fixed Income

\$14,093,654,180

Duration

	Mar 08	Jun 08
WSIB Portfolio	5.09	4.92
Lehman Universal	4.45	4.71
Difference	14.34%	4.42%

Sector Weighting

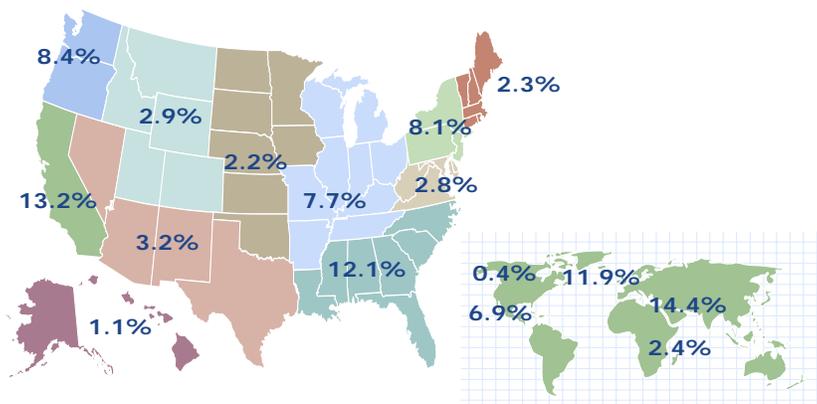


Innovation

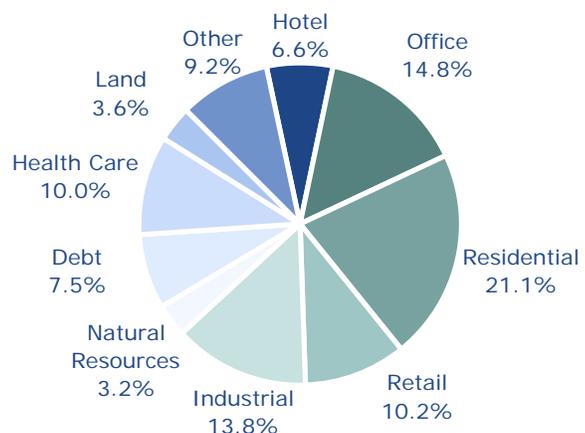
\$567,855,247

The innovation portfolio has 100% global equities at this time.

Geographical Distribution



Property Type Distribution

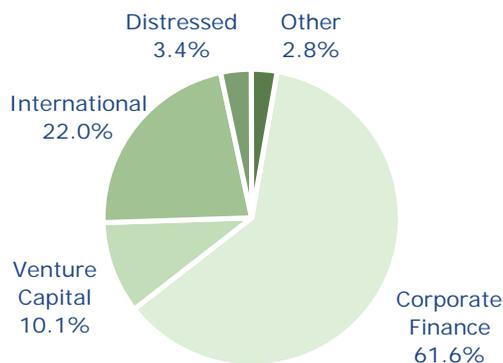


Unfunded Commitments: \$7.1 billion

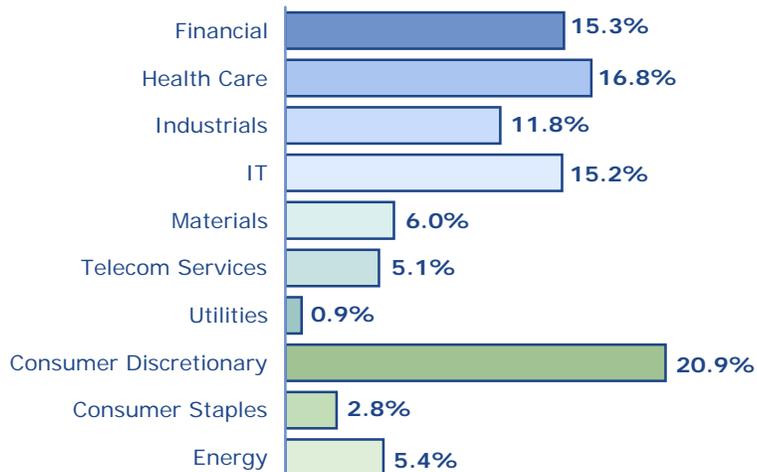
Private Equity

\$13,852,256,888

Sector Distribution



Industry Distribution



Unfunded Commitments: \$8.7 billion

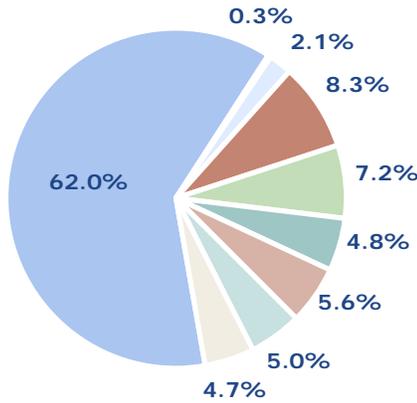
Tangibles

\$447,734,142

The market value for Tangibles is based on the custodian bank as of 6/30/2008. There will be lagged distribution information on this asset class in Q3 2008.

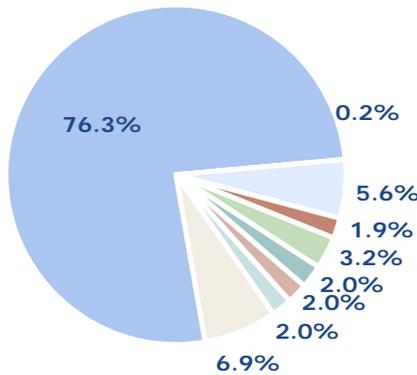
Distribution charts and unfunded commitments are lagged one quarter

Teachers' Retirement System (TRS)



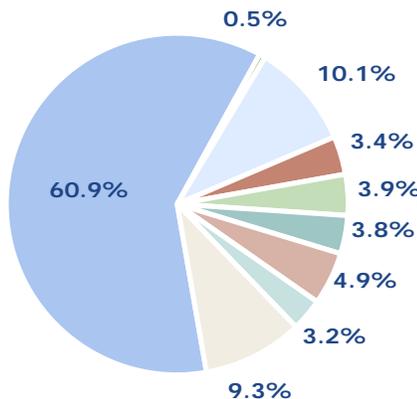
Option	Market Value	Quarterly Change
WSIB TAP Fund	\$ 2,524,818,701	\$ 7,683,367
Social Balanced Fund	10,708,863	511,345
Short-Horizon Fund	15,225,979	459,398
Mid-Horizon Fund	33,687,993	428,467
Long-Horizon Fund	37,452,047	30,186
U.S. Stock Fund	335,606,398	(5,512,256)
U.S. Large Stock Fund	291,709,152	(8,639,957)
U.S. Small Stock Fund	195,035,721	(118,884)
International Index Fund	229,712,953	(4,963,121)
Bond Market Fund	204,112,934	(163,016)
Money Market Fund	192,060,504	6,865,145
Total Fund	\$ 4,070,131,246	\$ (3,419,327)

School Employees' Retirement System (SERS)



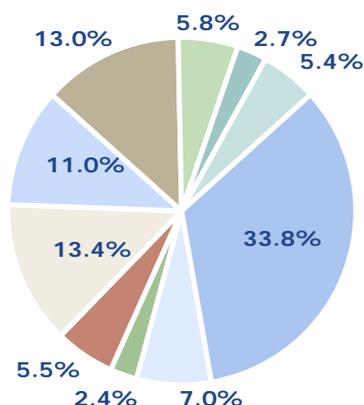
Option	Market Value	Quarterly Change
WSIB TAP Fund	\$ 854,290,431	\$ (5,046,369)
Social Balanced Fund	2,004,306	(52,018)
Short-Horizon Fund	8,446,095	(230,853)
Mid-Horizon Fund	27,614,063	(545,613)
Long-Horizon Fund	26,267,813	(518,258)
U.S. Stock Fund	21,859,306	(613,076)
U.S. Large Stock Fund	35,364,523	(1,257,437)
U.S. Small Stock Fund	22,105,544	287,954
International Index Fund	22,898,237	(825,443)
Bond Market Fund	22,200,344	463,785
Money Market Fund	77,690,941	2,511,372
Total Fund	\$ 1,120,741,604	\$ (5,825,956)

Public Employees' Retirement System (PERS)



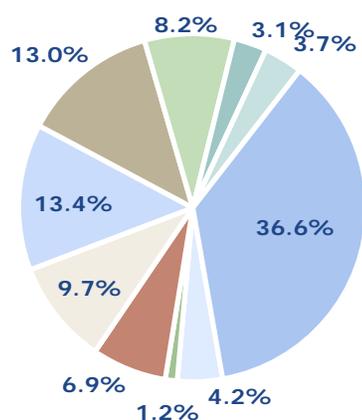
Option	Market Value	Quarterly Change
WSIB TAP Fund	\$ 852,599,315	\$ (1,890,575)
Social Balanced Fund	7,419,021	325,220
Short-Horizon Fund	15,816,846	(234,911)
Mid-Horizon Fund	59,915,848	(1,028,499)
Long-Horizon Fund	65,627,476	(580,207)
U.S. Stock Fund	47,287,419	(552,930)
U.S. Large Stock Fund	55,440,510	(1,122,242)
U.S. Small Stock Fund	52,932,693	930,606
International Index Fund	68,469,392	(701,145)
Bond Market Fund	44,617,960	(1,551,473)
Money Market Fund	130,590,072	1,938,317
Total Fund	\$ 1,400,716,553	\$ (4,467,838)

Deferred Compensation



Option	Market Value	Quarterly Change
Short-Horizon Fund	\$ 34,659,913	\$ 1,009,954
Mid-Horizon Fund	72,040,701	1,503,875
Long-Horizon Fund	64,426,061	975,227
Social Balanced Fund	58,356,097	1,330,531
U.S. Stock Market Index Fund	134,766,968	(1,189,214)
Active Value Fund	326,264,294	(27,709,913)
Active Core Fund	267,720,627	(4,972,379)
Growth Company Fund	315,893,857	25,258,896
International Stock Fund	140,525,449	(836,957)
U.S. Small Stock Fund	64,520,204	1,017,398
Bond Market Fund	132,147,841	3,850,204
Savings Pool	820,901,079	16,724,718
Total Fund	\$ 2,432,223,091	\$ 16,962,340

Judicial Retirement Account



Option	Market Value	Quarterly Change
Short-Horizon Fund	\$ 99,434	\$ (5,598)
Mid-Horizon Fund	215,887	(21,875)
Long-Horizon Fund	231,202	50,751
Social Balanced Fund	158,977	(1,425)
U.S. Stock Market Index Fund	902,487	(29,690)
Active Value Fund	1,256,676	(137,870)
Active Core Fund	1,750,693	(80,897)
Growth Company Fund	1,688,990	40,700
International Stock Fund	1,061,067	24,231
U.S. Small Stock Fund	407,068	2,210
Bond Market Fund	482,227	(6,221)
Savings Pool	4,769,042	126,637
Total Fund	\$ 13,023,749	\$ (39,046)

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
WSIB TAP Fund	-1.16%	-1.22%	11.83%	13.04%	7.88%
Custom Benchmark	-1.20%	-5.81%	7.54%	9.85%	5.29%
Long-Horizon Fund	-1.48%	-7.61%	7.04%	9.77%	N/A
Custom Benchmark	-1.48%	-8.26%	6.76%	9.65%	4.94%
Mid-Horizon Fund	-1.28%	-2.44%	6.50%	8.03%	N/A
Custom Benchmark	-1.28%	-3.98%	5.89%	7.75%	5.40%
Short-Horizon Fund	-0.72%	1.57%	5.81%	6.13%	N/A
Custom Benchmark	-0.73%	-0.05%	5.25%	5.89%	5.21%
Social Balanced Fund	-0.51%	2.54%	5.69%	6.94%	N/A
Custom Benchmark	-1.84%	-4.25%	4.42%	6.04%	4.47%

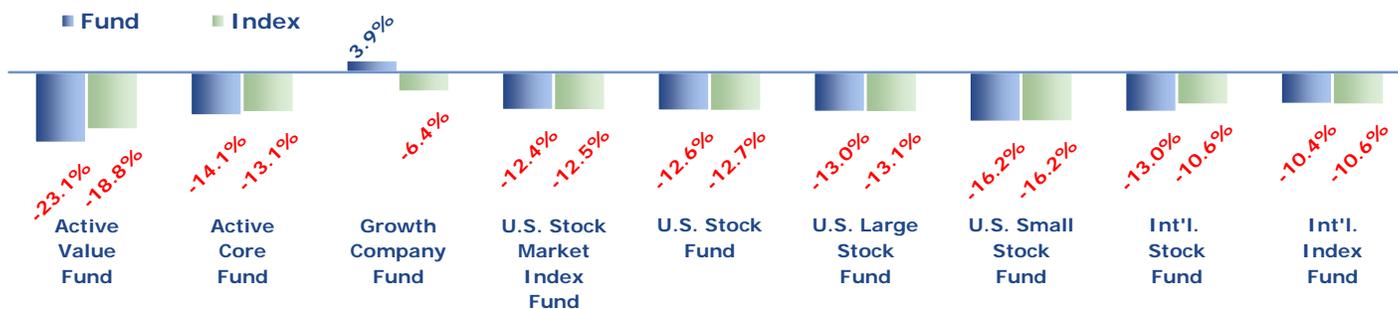
Bond Funds

	Qtr.	1 Year	3 Year	5 Year	10 Year
Bond Market Fund	-1.04%	8.01%	4.61%	3.85%	N/A
Lehman Intermediate Credit	-1.00%	4.55%	3.38%	3.26%	5.62%

Cash Funds

	Qtr.	1 Year	3 Year	5 Year	10 Year
Money Market Fund	0.57%	4.11%	4.63%	3.43%	3.86%
One Month LIBOR	0.66%	4.22%	4.76%	3.56%	3.93%
Savings Pool	1.14%	4.73%	4.66%	4.79%	5.58%

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
Active Value Fund	-5.67%	-23.12%	3.02%	10.34%	N/A
Russell 1000 Value Index	-5.31%	-18.78%	3.53%	8.92%	4.91%
Active Core Fund	-0.88%	-14.14%	3.77%	N/A	N/A
S&P 500	-2.73%	-13.12%	4.41%	7.58%	2.88%
Growth Company Fund	7.00%	3.93%	12.26%	13.43%	7.56%
Russell 3000 Growth	1.51%	-6.38%	5.93%	7.56%	1.08%

Passive U.S. Equity

	Qtr.	1 Year	3 Year	5 Year	10 Year
U.S. Stock Market Index Fund	-1.59%	-12.38%	5.06%	8.78%	3.82%
Dow Jones Wilshire 5000	-1.55%	-12.53%	5.02%	8.73%	3.59%
U.S. Stock Fund	-1.71%	-12.64%	4.79%	8.41%	N/A
Russell 3000	-1.69%	-12.69%	4.73%	8.37%	3.51%
U.S. Large Stock Fund	-2.73%	-13.04%	4.47%	7.63%	2.92%
S&P 500	-2.73%	-13.12%	4.41%	7.58%	2.88%
U.S. Small Stock Fund	0.45%	-16.24%	3.76%	10.29%	5.45%
Russell 2000	0.58%	-16.19%	3.79%	10.29%	5.52%

Active Enhanced International

	Qtr.	1 Year	3 Year	5 Year	10 Year
International Stock Fund	-1.00%	-13.00%	12.45%	N/A	N/A
MSCI EAFE	-2.25%	-10.61%	12.84%	16.67%	5.83%

Passive International

	Qtr.	1 Year	3 Year	5 Year	10 Year
International Index Fund	-2.09%	-10.43%	12.98%	16.61%	5.28%
MSCI EAFE	-2.25%	-10.61%	12.84%	16.67%	5.83%

Characteristics

Composition Distribution

Average Maturity

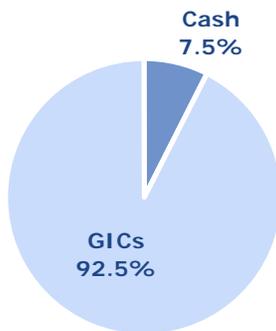
2.1 Years

Average Yield

4.76%

Number of Holdings

34

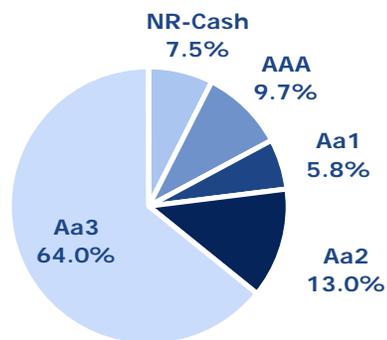


Market Value
\$ 824,049,848

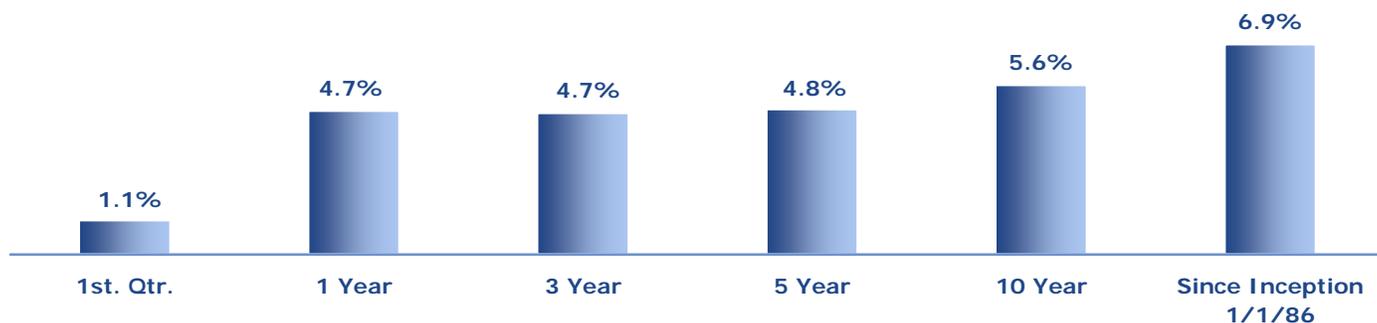
Top Ten GIC Issuers

Pacific Life Insurance Co.	12.85%
Prudential Insurance Co. of America	12.62%
Protective Life Insurance Co.	9.84%
Hartford Life Insurance Co.	9.77%
New York Life Insurance Corp.	9.65%
Metropolitan Life Insurance Co.	9.55%
Genworth Life and Annuity Assurance	7.50%
Monumental Life Insurance Co.	6.56%
John Hancock Life Insurance Co	5.81%
ING USA Annuity & Life Insurance Co.	4.89%

Rating Distribution



Return



Characteristics

Asset Class Distribution

	Fund	Index
Average Maturity	6.4 years	5.4 years
Yield to Maturity	5.42%	5.79%
Effective Duration	5.01	4.42
Average Coupon	5.53%	5.71%
Number of Holdings	192	2,488



Market Value
\$ 568,275,105

Top Ten Credit Issuers

United Mexican States	0.91%	Vulcan Materials Co.	0.90%
Burlington Northern Santa Fe Corp.	0.91%	Waste Management, Inc.	0.90%
TEPPCO Partners, LP	0.91%	Korea Development Bank	0.89%
Hutchison Whamp International Ltd.	0.91%	Duke Energy Carolinas, LLC	0.89%
Kansas City Power and Light Co.	0.90%	Rockies Express Pipeline, LLC	0.89%

Rating Distribution



Industry Distribution



Return

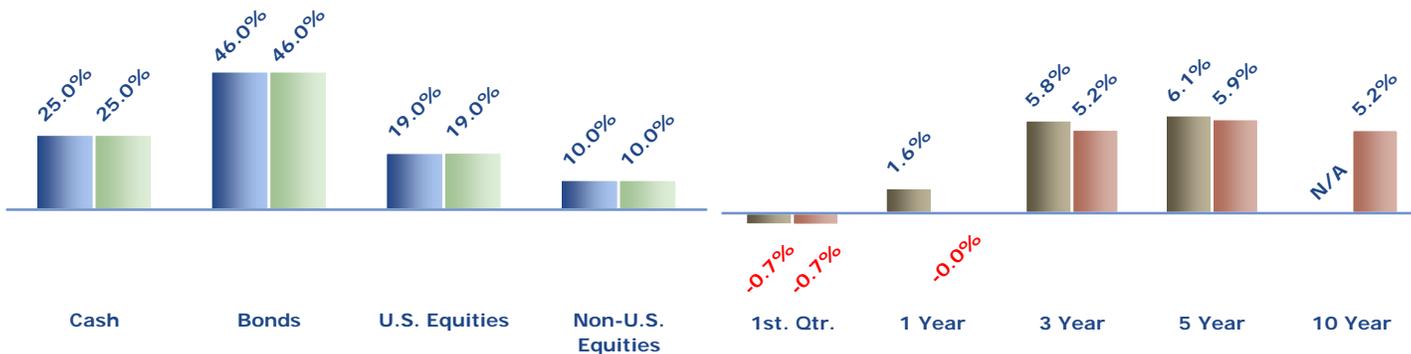


Short-Horizon

\$74,080,769

Asset Allocation

Return

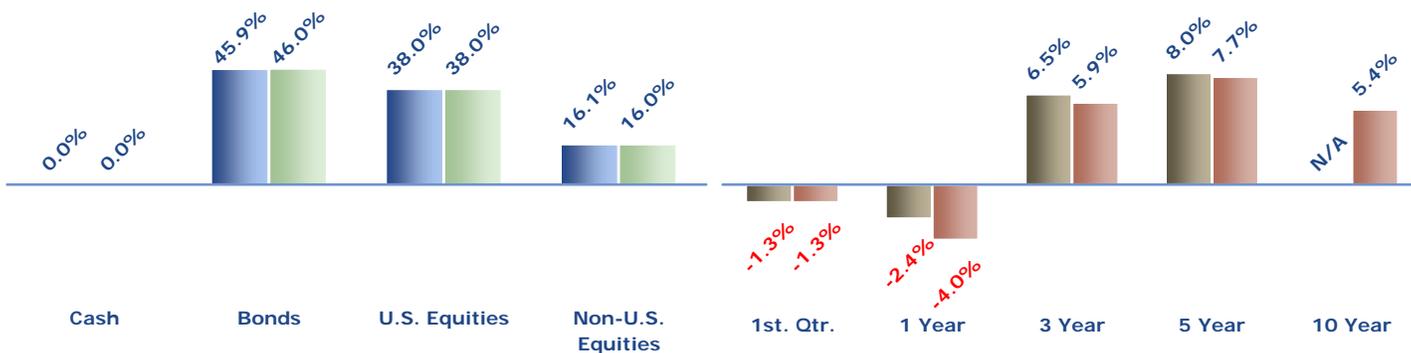


Mid-Horizon

\$193,744,543

Asset Allocation

Return

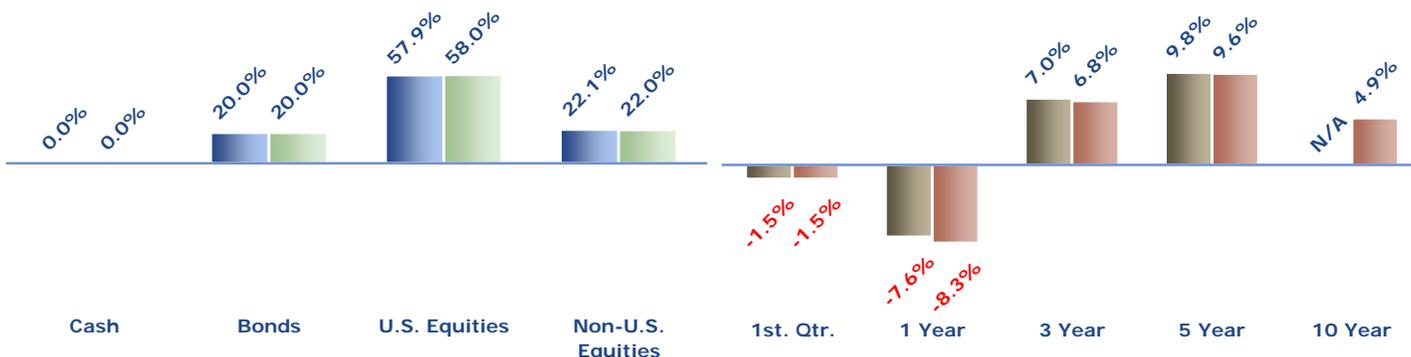


Long-Horizon

\$194,127,950

Asset Allocation

Return



Horizon Fund Target

Horizon Fund Benchmark

One Year Performance

Total Fund **\$11,096,502,897**

	Market Value	Qtr.	1 Year	3 Year	5 Year	10 Year
Accident Fund	\$4,303,170,480	-0.82%	6.32%	3.96%	5.14%	6.16%
CMI		-1.21%	3.50%	2.76%	4.62%	5.81%
Medical Aid	\$3,873,777,451	-0.65%	1.20%	5.07%	5.69%	5.67%
CMI		-1.04%	0.26%	4.25%	5.53%	5.60%
Pension Reserve	\$2,835,996,404	-0.64%	5.49%	3.72%	4.48%	6.56%
CMI		-1.21%	3.50%	2.76%	3.87%	6.13%
Supplemental Pension	\$83,558,562	0.00%	5.98%	4.77%	3.36%	4.43%
Supplemental Ex-Cash		-0.60%	6.27%	4.58%	3.41%	4.02%
CMI		-0.36%	5.59%	4.35%	3.31%	5.20%

Labor and Industries' Statutory Accounting Return *

	Qtr.	1 Year	3 Year	5 Year
Accident Fund	2.53%	5.87%	7.67%	8.04%
Medical Aid	1.12%	0.57%	6.25%	7.30%
Pension Reserve	2.17%	6.24%	7.45%	7.94%
Supplemental Pension	0.90%	5.22%	4.64%	4.10%

Duration

	CMI	Target	Actual	% Difference
Accident Fund	6.92	7.00	7.11	1.58%
Medical Aid	5.93	6.00	6.18	3.04%
Pension Reserve	6.92	7.00	7.49	6.94%
Supplemental Pension	2.06	1.75-2.25	2.11	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.

One Year Performance



Market Value

Agricultural Fund	\$ 168,095,566
Normal School	\$ 222,214,987
Scientific Permanent	\$ 187,637,999
State University	\$ 28,669,915
Common School	\$ 176,185,971
Millersylvania Park Fund	\$ 5,162
American Indian Scholarship Endowment Fund (AISEF)	\$ 624,118

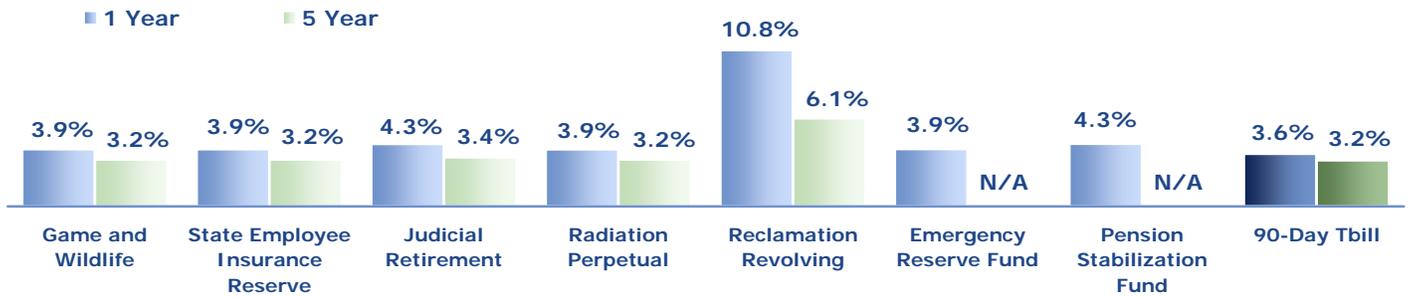
Returns	Total Return					Distribution Return ¹				
	Qtr.	1 Year	3 Year	5 Year	10 Year	Qtr.	1 Year	3 Year	5 Year	10 Year
Agricultural Fund	-0.79%	8.52%	4.61%	3.94%	5.65%	1.02%	4.61%	4.64%	4.66%	5.63%
Normal School	-0.79%	8.54%	4.58%	3.93%	5.70%	1.02%	4.60%	4.62%	4.63%	5.55%
Scientific Permanent	-0.79%	8.53%	4.58%	3.93%	5.68%	1.02%	4.62%	4.64%	4.68%	5.57%
State University	-0.79%	8.58%	4.58%	3.92%	5.80%	1.03%	4.61%	4.62%	4.62%	5.63%
Lehman Aggregate	-1.02%	7.12%	4.09%	3.85%	5.68%					
Common School	-0.84%	6.95%	4.54%	4.08%	5.59%	0.97%	4.34%	4.37%	4.40%	5.35%
Custom Benchmark ²	-1.05%	5.90%	4.03%	4.02%	5.67%					
Millersylvania Park Fund	0.69%	4.31%	4.61%	3.38%	3.75%	0.76%	4.56%	4.63%	3.36%	3.78%
90 Day Tbill	0.31%	3.63%	4.27%	3.18%	3.60%					
AISEF	-0.15%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Custom Benchmark ³	-0.29%	N/A	N/A	N/A	N/A					

¹ Includes coupon income and amortization minus expenses and deferred losses based on book value.

² 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 2008, the breakdown was 5.9% Dow Jones Wilshire 5000 and 94.1% Lehman Aggregate.

³ The custom benchmark for the American Indian Scholarship Endowment Fund is a combination of the Lehman Aggregate and the 90 Day Tbill using the previous month-end weights adjusted for new purchases during the current month. For June 2008, the breakdown was 51.2% Lehman Aggregate and 48.8% the 90 Day Tbill.

One Year and Five Year Performance



Market Value

Game and Wildlife	\$ 7,762,718
State Employee Insurance Reserve	\$ 87,148,501
Judicial Retirement	\$ 629,648
Radiation Perpetual	\$ 326,718
Reclamation Revolving	\$ 204,512
Emergency Reserve Fund	\$ 303,209,996
Pension Stabilization Fund	\$ 265,150,322

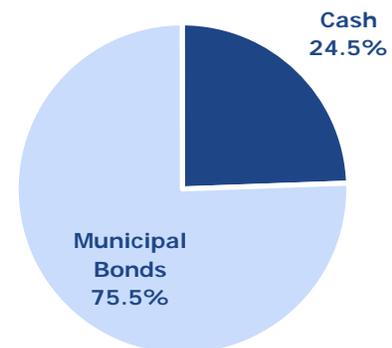
Total Return

	Qtr.	1 Year	3 Year	5 Year	10 Year
Game and Wildlife	0.59%	3.95%	4.43%	3.23%	3.67%
State Employee Insurance Reserve	0.59%	3.95%	4.43%	3.23%	3.66%
Judicial Retirement	0.63%	4.30%	4.63%	3.38%	3.83%
Radiation Perpetual	0.59%	3.93%	4.43%	3.23%	3.65%
Reclamation Revolving	0.93%	10.77%	7.32%	6.07%	5.24%
Emergency Reserve Fund	0.59%	3.95%	N/A	N/A	N/A
Pension Stabilization Fund	0.69%	4.31%	N/A	N/A	N/A
90-Day Tbill	0.31%	3.63%	4.27%	3.18%	3.60%

Portfolio Allocations

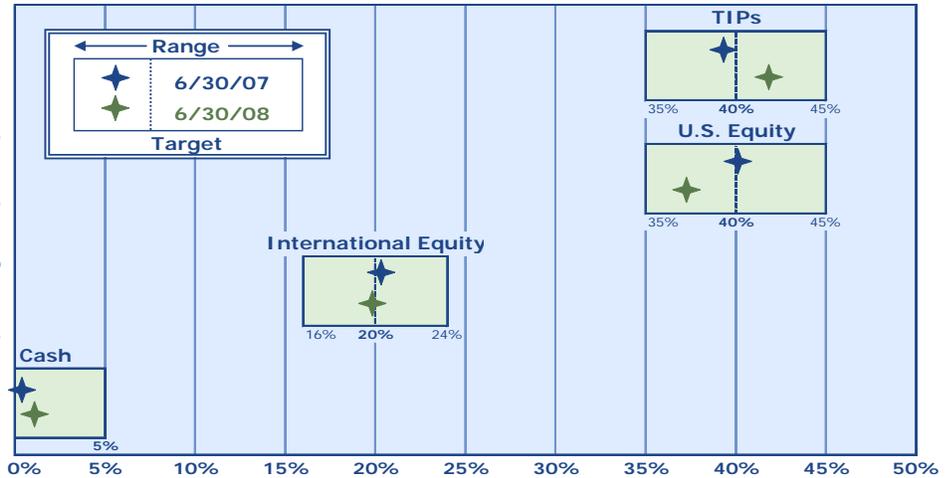
The Game and Wildlife Fund, State Employee Insurance Reserve Fund, Judicial Retirement Fund, Radiation Perpetual Fund, Emergency Reserve Fund, and Pension Stabilization Fund are fully invested in short-term investment funds (STIF).

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

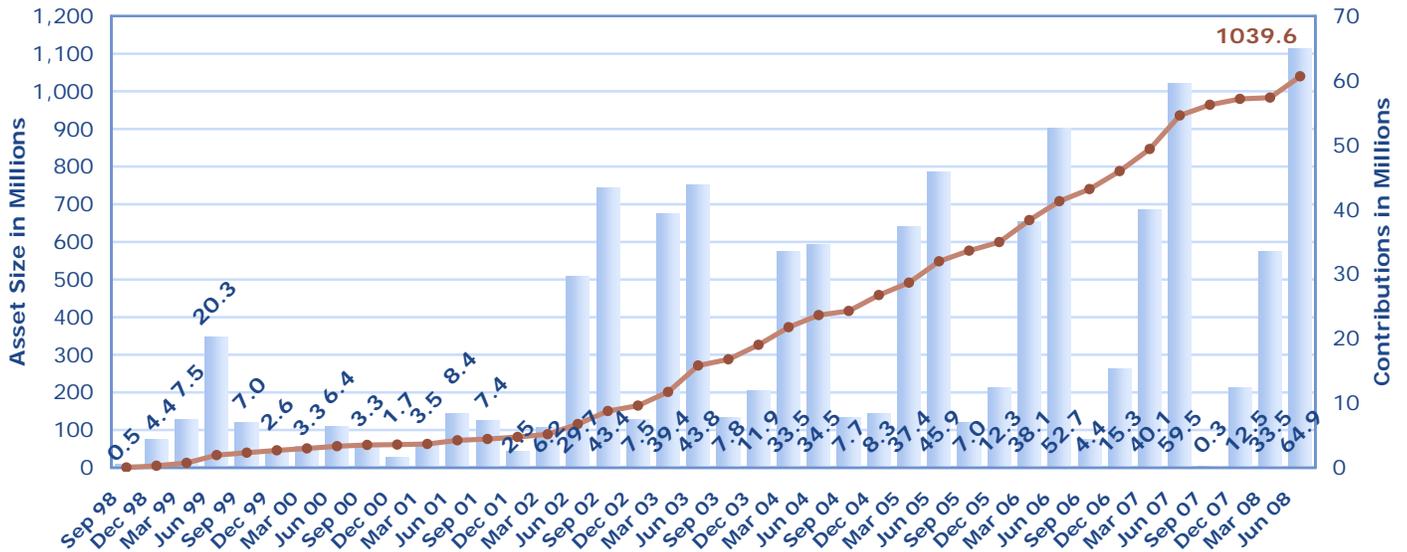


Portfolio Size and Allocation

Total	\$1,039,625,502
Cash	11,615,935
Treasury Inflation Index Note (TIPs)	435,210,825
U.S. Equity	386,244,379
Non-U.S. Equity	206,554,363



Assets Under Management

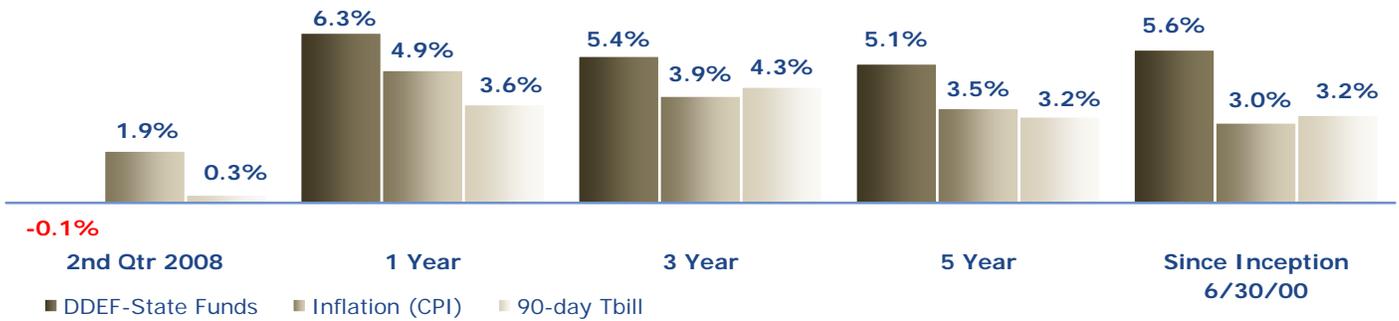
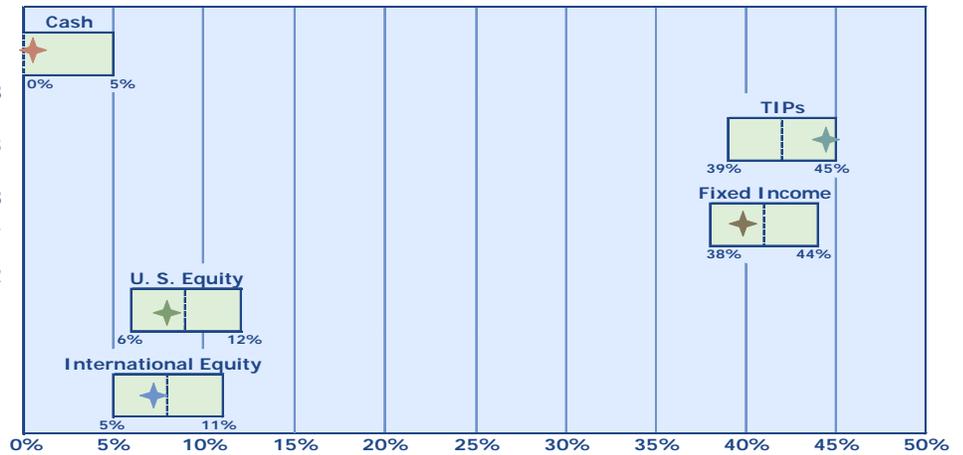


Total Return



State Funds

Total	\$8,042,133
Cash	31,508
Treasury Inflation Index Note (TIPs)	3,582,568
Fixed Income	3,206,358
U.S. Equity	642,497
International Equity	579,202



Private Funds

Total	\$9,834,821
Cash	73,917
Balanced Fund	9,760,904

