



## Investment Reports

Quarterly Report – June 30, 2009

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**Dated: July 27, 2009**

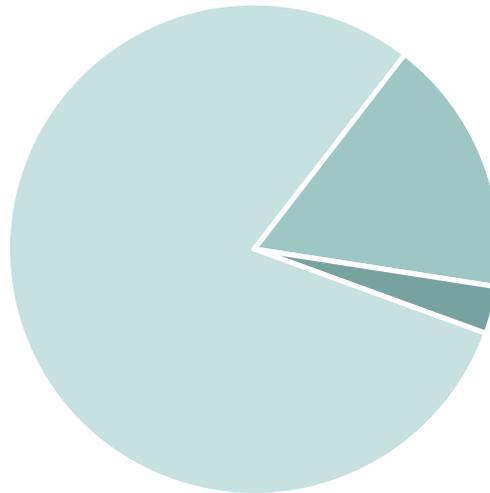




### The WSIB invests for 39 funds:

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

Retirement Funds  
(CTF & Defined  
Contribution)  
\$51,663,155,149  
79.9%

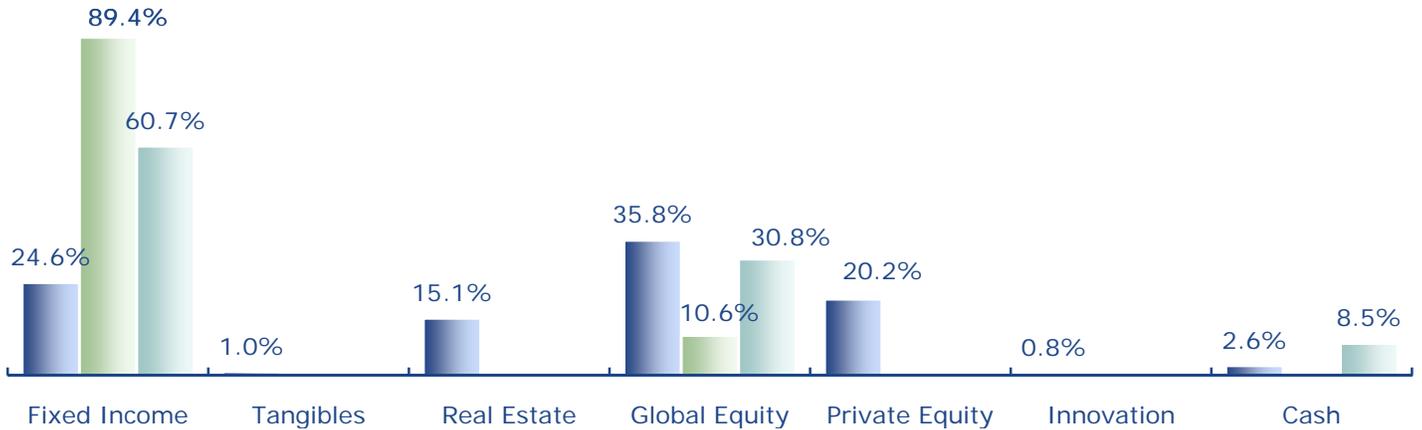


Labor & Industries'  
Funds  
\$10,973,200,627  
17.0%

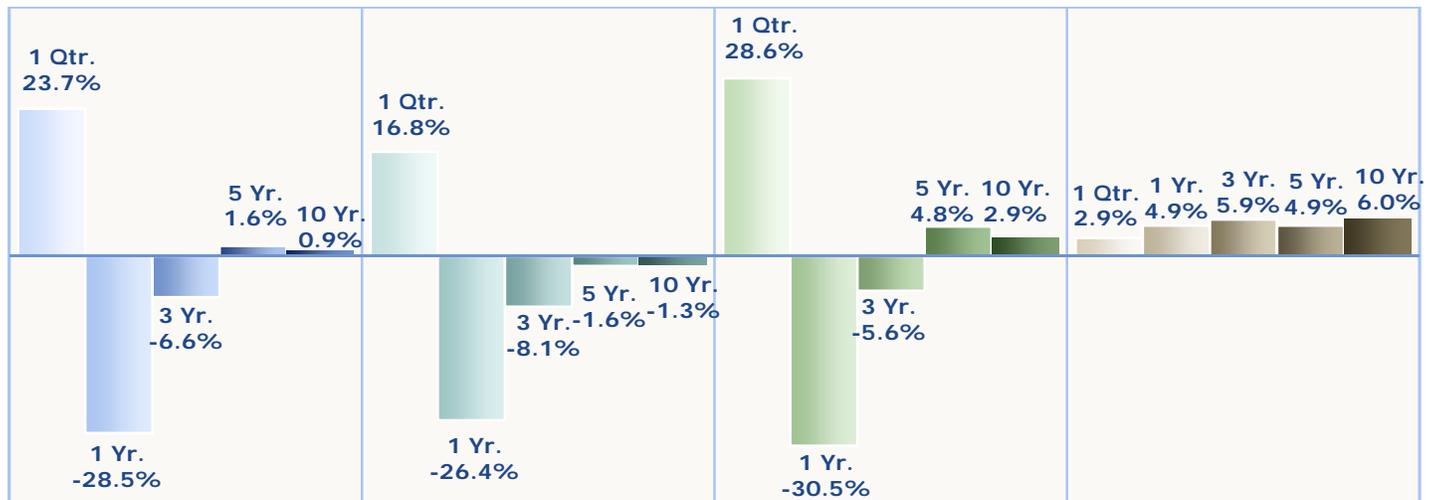
Permanent & Other  
Funds  
\$2,006,651,985  
3.1%

### Asset Class Overview for All Funds

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



**Indices Returns**



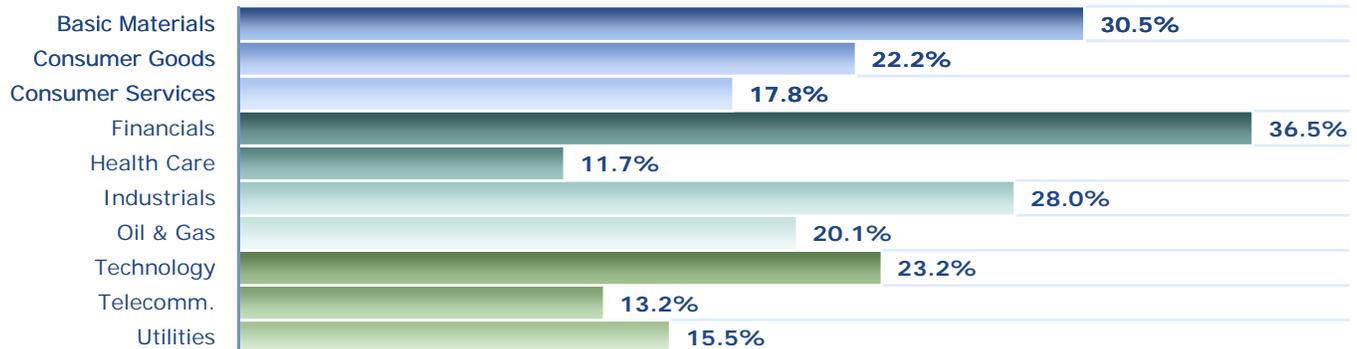
**Global Equity Benchmark (DJ Wilshire Global)**

**U.S. Equity Benchmark (DJ Wilshire 5000)**

**International Equity Benchmark (MSCI ACW ex U.S. IMI / ACW ex U.S. blend)**

**Fixed Income Benchmark (Barclays Capital Universal)**

**Dow Jones Wilshire Global - Quarter Industry Returns**



**Capital Market Highlights**

- ❖ Global equities as measured by the Dow Jones Wilshire Global, returned 23.7% outperforming fixed income as measured by the Barclays Capital Universal which returned 2.9% for the quarter.
- ❖ International equities outperformed U.S. equities by over 1000 basis points for the quarter.
- ❖ The highest industry return for the quarter as shown with the Dow Jones Wilshire Global was financials at 36.5%. The lowest return was health care at 11.7%.
- ❖ In the Barclays Capital indices, U.S. corporate high yield had the highest return for the quarter earning 23.1% while U.S. treasury had the lowest return at -3.0%. For the quarter, the short end of the curve outperformed the long with the 6 month earning 0.2% versus -11.4% for the 30 year.
- ❖ GDP was -1.0% (annualized) for the quarter. Inflation, as measured by the CPI was 0.8%.
- ❖ The federal funds target rate remained the same during the quarter, ranging from 0-0.25%.

**Commingled Trust Fund**

- ❖ Performance for the quarter, 5, and 10 year time periods are positive. While it is not exceeding the actuarial return of 8%, it outperformed its benchmark in the 3, 5, and 10 year time periods.

**Asset Allocation**

- ❖ Asset transfers for the 2<sup>nd</sup> quarter included increases of real estate (\$152.3 million) and private equity (\$193.8 million) from fixed income (\$750.0 million), global equity (\$221.9 million), and tangibles (\$2.8 million). Plan withdrawals were around \$189.7 million.

**Fixed Income**

- ❖ Fixed income has positive returns and outperformed its benchmark, Barclays Capital Universal for all time periods.

**Tangible**

- ❖ The WSIB Tangible return for the 2<sup>nd</sup> quarter was -1.2%.
- ❖ As of March 31, 2009, there were \$517 million in unfunded commitments.

**Real Estate**

- ❖ The WSIB Real Estate return for the 1<sup>st</sup> quarter was -8.1%. It underperformed NCREIF (lagged one quarter) plus 100 basis points, which returned -7.1%. It outperformed its benchmark for the 10 year time period.
- ❖ As of March 31, 2009, there were \$7.9 billion in unfunded commitments.

**Global Equity**

- ❖ Global equity performed 22.1% for the quarter. It underperformed its benchmark, the Dow Jones Wilshire Global which returned 23.7%.
- ❖ 2 of the 3 U.S. managers outperformed their benchmark for the quarter and the 1 year time period.
- ❖ 4 of the 10 international developed managers outperformed their benchmark for the quarter and 1 year. 6 of the fund managers outperformed for the 3 year and 7 outperformed for the 5 year.
- ❖ 1 of the 5 international emerging market managers outperformed their benchmark for the quarter, 3 of the 5 managers outperformed their benchmark for the 1 and 3 year time periods.

**Private Equity**

- ❖ The WSIB private equity return for the 2<sup>nd</sup> quarter was -2.8%. It outperformed its benchmark, S&P 500 plus 500 basis points (lagged one quarter) for all time periods.
- ❖ As of March 31, 2009, there were \$8.8 billion in unfunded commitments.

**Innovation**

- ❖ Innovation is currently comprised of global managers and underperformed its custom benchmark. There has been a new investment in a mezzanine fund, but it hasn't been funded yet.

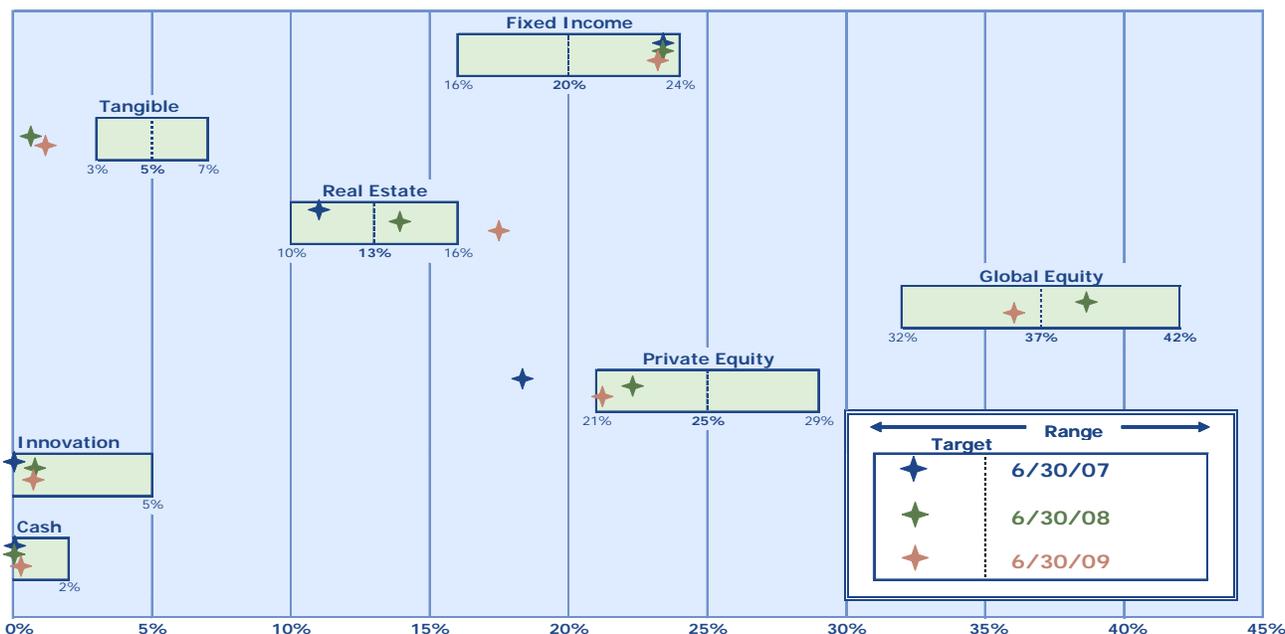
**Market Values**

**Actual Asset Allocation**

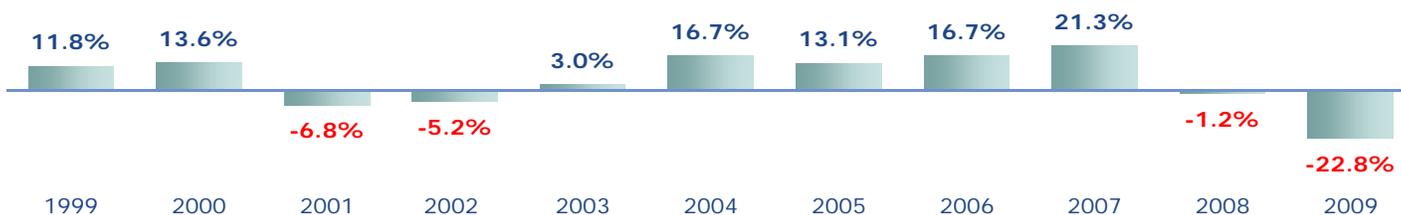
Asset Class	Market Value	by Asset Class	with Overlay
Fixed Income	\$ 11,213,295,278	23.67%	23.67%
Tangible	\$ 528,520,234	1.12%	1.12%
Real Estate	\$ 7,814,789,621	16.49%	16.49%
Global Equity	\$ 16,199,881,264	34.19%	35.78%
Private Equity	\$ 10,432,981,751	22.02%	22.02%
Innovation	\$ 387,630,211	0.82%	0.80%
Cash	\$ 805,871,256	1.70%	0.12%
<b>Total Fund</b>	<b>\$ 47,382,969,615</b>		

**Market Value Changes**

Quarter:  
\$ 2,537,613,448  
Fiscal Year:  
**(\$14,788,191,999)**



**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.	1 Year	3 Year	5 Year	10 Year	Since Inception <sup>8</sup>
<b>Total Fund</b>	<b>\$47,382,969,615</b>	<b>100.0%</b>	6.09%	-22.84%	-2.58%	4.05%	3.95%	7.87%
Passive Benchmark <sup>2</sup>			17.11%	-18.58%	-3.00%	2.07%	1.86%	
Implementation Value Added Benchmark <sup>3</sup>			6.60%	-19.66%	-2.07%	3.38%		
TUCS Public Fund >\$1B Median <sup>4</sup>			10.85%	-18.83%	-2.76%	2.30%	2.75%	
TUCS Public/Corporate Fund >\$1B Median <sup>4</sup>			10.43%	-18.20%	-2.67%	2.39%	3.05%	
<b>Fixed Income</b>	<b>\$11,213,295,278</b>	<b>23.7%</b>	5.86%	6.10%	6.99%	5.63%	6.60%	
Barclays Capital Universal			2.94%	4.93%	5.92%	4.95%	6.01%	
<b>Tangible</b>	<b>\$528,520,234</b>	<b>1.1%</b>	-1.20%	-9.26%				
CPI (Lagged One Quarter) + 400 bp			1.52%	3.55%				
<b>Real Estate<sup>5</sup></b>	<b>\$7,814,789,621</b>	<b>16.5%</b>	-8.05%	-25.74%	0.80%	9.84%	10.72%	
NCREIF (Lagged One Quarter) + 100 bp			-7.08%	-13.68%	5.15%	10.43%	10.36%	
<b>Global Equity</b>	<b>\$16,199,881,264</b>	<b>34.2%</b>	22.05%	-29.91%	-7.66%	0.54%	0.35%	
Dow Jones Wilshire Global			23.72%	-28.48%	-6.59%	1.64%	0.92%	
<b>Private Equity<sup>5</sup></b>	<b>\$10,432,981,751</b>	<b>22.0%</b>	-2.78%	-30.92%	-2.82%	9.46%	8.21%	
S&P 500 (Lagged One Quarter) + 500 bp			-9.78%	-33.09%	-8.06%	0.24%	2.00%	
<b>Innovation<sup>6</sup></b>	<b>\$387,630,211</b>	<b>0.8%</b>	20.61%	-32.44%				
Custom Benchmark			23.72%	-28.48%				
<b>Overlay<sup>7</sup></b>	<b>\$377,483,444</b>		0.08%	-0.19%	-0.05%	-0.03%	-0.02%	
<b>Cash</b>	<b>\$428,387,812</b>	<b>1.7%</b>	0.07%	1.34%	3.59%	3.31%	2.74%	
90 Day T-Bills			0.05%	0.95%	3.24%	3.17%	3.20%	

 Outperformed its benchmark

 Underperformed its benchmark

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

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

<sup>3</sup> 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.

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

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

<sup>8</sup> Since Inception of the CTF is 7/1/1992.

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Total Developed Passive</b>	26.91%	-30.97%	-7.05%	3.19%	1.91%
SSgA Commingled	26.91%	-30.97%	-7.05%	3.19%	1.91%
SSgA Separate					

<b>Total Developed Active</b>	25.61%	-31.55%	-6.77%	3.82%	3.42%
Arrowstreet Capital	32.03%	-26.07%	-3.12%	6.58%	
Artio Global Investors, Inc. (Formerly Julius Baer)	21.12%	-35.92%	-7.02%	4.37%	
BGI (MSCI World ex U.S.)	25.62%	-32.26%	-7.59%	3.08%	
Capital Guardian Trust	20.75%	-31.52%	-7.74%	2.44%	
LSV Asset Mgmt.	33.37%	-30.40%	-8.82%		
Mondrian Investment Partners	21.35%	-27.02%	-5.44%	4.78%	5.59%
Pyramis Global Advisors Trust	24.56%	-32.31%	-6.37%	4.00%	
William Blair & Company	27.98%	-35.55%	-7.01%	3.84%	

<b>Total Developed</b>	25.87%	-31.43%	-6.82%	3.69%	2.79%
Custom Developed Markets Benchmark	26.70%	-31.42%	-7.42%	2.89%	1.65%
MSCI World ex U.S.	25.86%	-31.62%	-7.46%	2.87%	

All funds and composites above use the custom developed markets benchmark other than BGI which uses MSCI World ex U.S.

<b>Total Emerging Active</b>	31.97%	-30.02%	1.66%	13.90%	8.71%
Capital International	33.33%	-23.08%	6.68%	17.59%	
Grantham, Mayo, Otterloo	31.98%	-33.82%	-1.07%	13.65%	11.49%
Grantham, Mayo, Otterloo Illiquid	43.60%	-16.02%			
JPMorgan	33.42%	-25.39%	4.30%		
Lazard Asset Mgmt.	35.38%	-26.93%	3.39%		

<b>Total Emerging</b>	31.97%	-30.02%	1.66%	13.90%	8.71%
Custom Emerging Markets Benchmark	36.47%	-26.86%	3.03%	14.77%	9.54%

All funds and composites for emerging active markets use the custom emerging markets benchmark.

<b>Total International Equity</b>	26.54%	-31.28%	-5.99%	4.50%	3.31%
Custom International Equity Benchmark	28.63%	-30.50%	-5.59%	4.79%	2.87%

 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

\$6,839,626,341

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Total U.S. Passive (DJ Wilshire)</b>	16.76%	-26.33%	-8.00%	-1.51%	-1.08%
BGI Asset Trust (DJ U.S. TSMI)	16.84%	-26.25%			
BGI Index (DJ U.S. TSMI)	16.75%	-26.33%	-8.02%	-1.52%	-1.09%
<b>Total U.S. Enhanced (DJ Wilshire)</b>	15.14%	-33.26%	-13.44%		
BGI (Russell 3000)	16.96%	-27.24%	-9.16%		
<b>Total U.S. Equity (DJ U.S. TSMI)</b>	16.39%	-28.10%	-9.34%	-2.38%	-1.52%
Dow Jones U.S. TSMI	16.81%	-26.39%	-8.12%	-1.60%	-1.32%
Russell 3000	16.82%	-26.56%	-8.35%	-1.84%	-1.46%
S&P 500	15.93%	-26.22%	-8.22%	-2.24%	-2.22%

 Outperformed its benchmark

 Underperformed its benchmark

## U.S. Equity

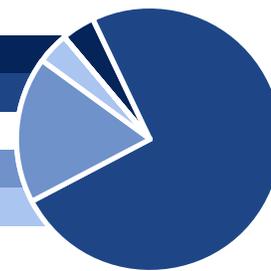
\$6,839,626,341

### Passive

BGI Asset Trust	\$276,446,051	4.0%
BGI Index	\$5,087,414,053	74.4%

### Active

BGI	\$1,212,338,322	17.7%
Transition Accounts	\$263,427,916	3.9%



## International Developed Markets

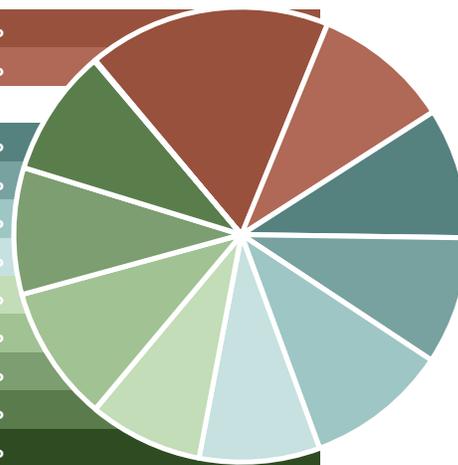
\$8,334,265,179

### Passive

SSgA Commingled	\$1,440,562,399	17.3%
SSgA Separate	\$812,876,325	9.8%

### Active

Arrowstreet Capital	\$774,505,052	9.3%
Artio Global Investors, Inc.	\$756,922,244	9.1%
BGI (MSCI World ex U.S.)	\$843,058,921	10.1%
Capital Guardian Trust	\$714,528,978	8.6%
LSV Asset Mgmt.	\$674,690,159	8.1%
Mondrian Investment Partners	\$805,716,705	9.7%
Pyramis Global Advisors Trust	\$750,880,376	9.0%
William Blair & Company	\$755,875,923	9.1%
Transition Accounts	\$4,648,098	0.1%

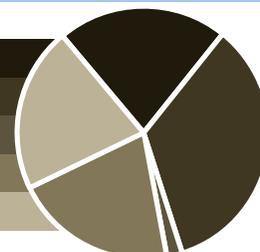


## International Emerging Markets

\$1,025,989,743

### Active

Capital International	\$224,182,576	21.85%
Grantham, Mayo, Otterloo	\$352,155,746	34.32%
Grantham, Mayo, Otterloo Illiquid	\$20,322,854	1.98%
JPMorgan	\$213,208,785	20.78%
Lazard Asset Management	\$216,119,783	21.06%



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

	CTF Weight	Index Weight		CTF Weight	Index Weight
United States	41.90%	41.32%	Exxon Mobil Corp.	1.46%	1.44%
Japan	10.42%	10.83%	Microsoft Corp.	0.78%	0.78%
United Kingdom	9.79%	8.16%	BP PLC	0.74%	0.62%
France	4.80%	3.94%	GlaxoSmithKline PLC	0.66%	0.38%
Canada	3.59%	4.01%	Johnson & Johnson	0.64%	0.65%
Switzerland	3.48%	3.20%	Total S.A.	0.63%	0.48%
Australia	3.21%	2.81%	Procter & Gamble Co.	0.63%	0.63%
Germany	3.12%	2.96%	Telefonica S.A.	0.62%	0.39%
Spain	1.94%	1.66%	AT&T Inc.	0.61%	0.62%
Hong Kong	1.92%	1.89%	HSBC Holdings PLC (UK Reg)	0.61%	0.60%

<b>WSIB</b>	U.S. 41.9%	Other Developed Countries 51.4%	Emerging 6.7%
<b>DJW Global</b>	U.S. 41.3%	Other Developed Countries 49.6%	Emerging 9.1%

**Fixed Income**

\$11,213,295,278

**Duration**

	March 09	June 09
<b>WSIB Portfolio</b>	<b>3.61</b>	<b>4.26</b>
Barclays Capital Universal	3.79	4.32
<b>Difference</b>	<b>-4.85%</b>	<b>-1.32%</b>

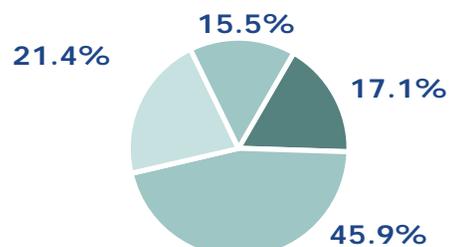
**Sector Weighting**



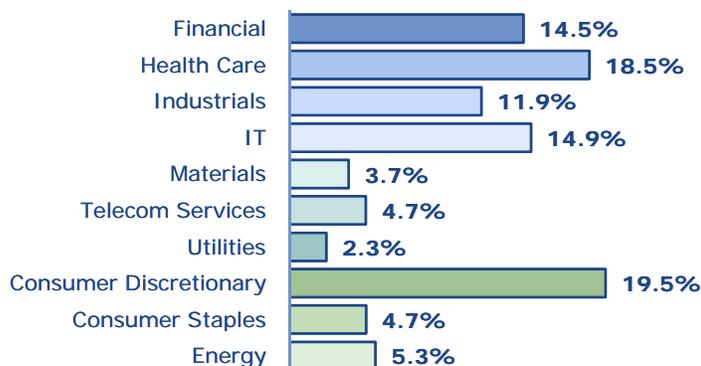
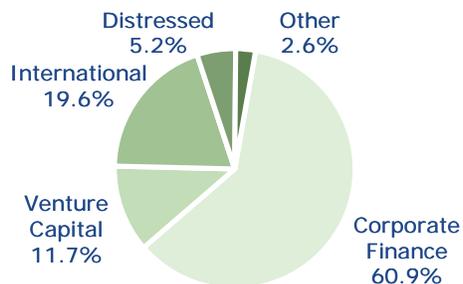
**Innovation**

\$387,630,211

At this time, the innovation portfolio has 100% global equities divided across 4 fund managers.



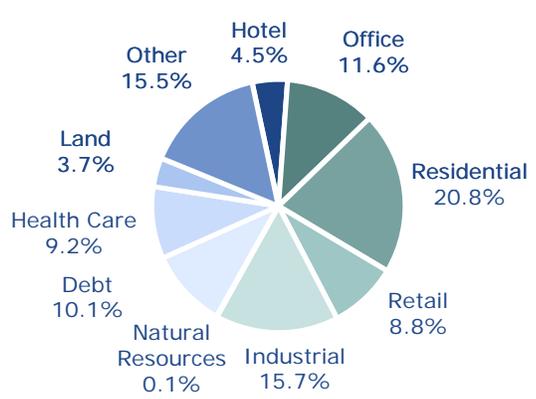
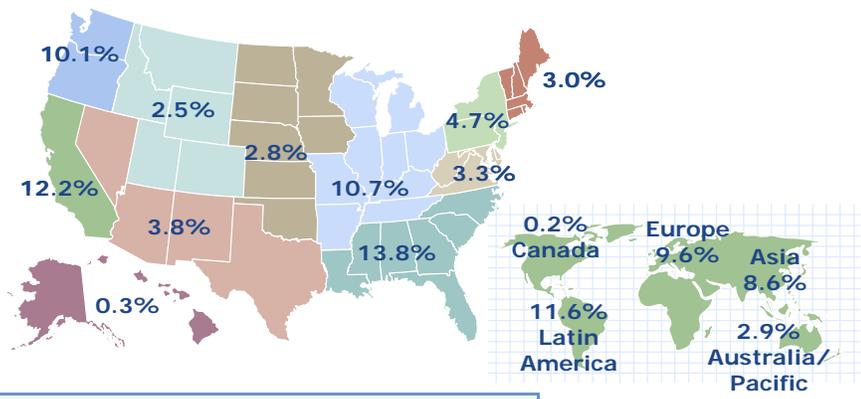
**Sector Distribution** **Industry Distribution**



**Unfunded Commitments: \$8.8 billion**

**Real Estate** **\$7,814,789,621**

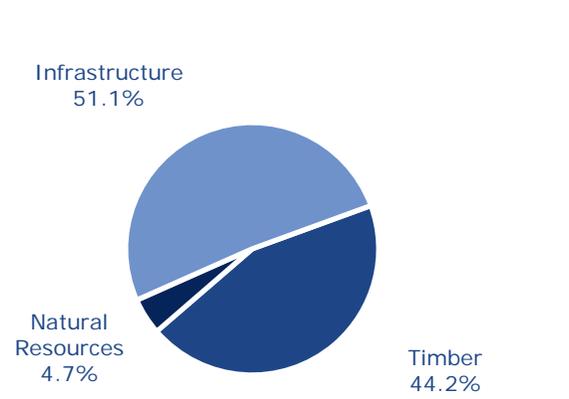
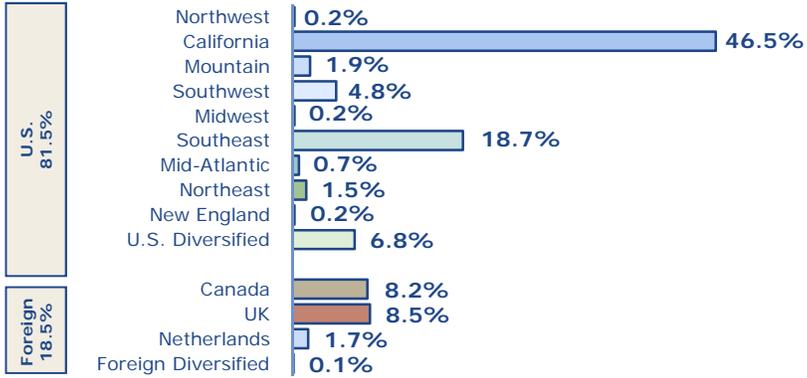
**Geographical Distribution** **Property Type Distribution**



**Unfunded Commitments: \$7.9 billion**

**Tangible** **\$528,520,234**

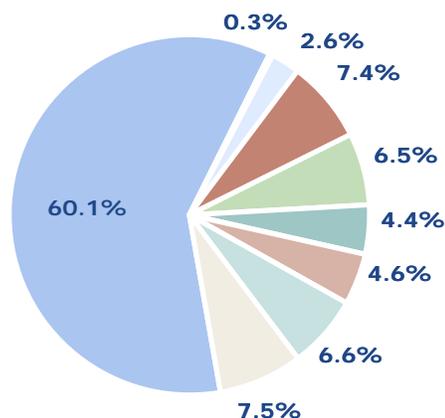
**Geographical Distribution** **Sector Type Distribution**



**Unfunded Commitments: \$517 million**

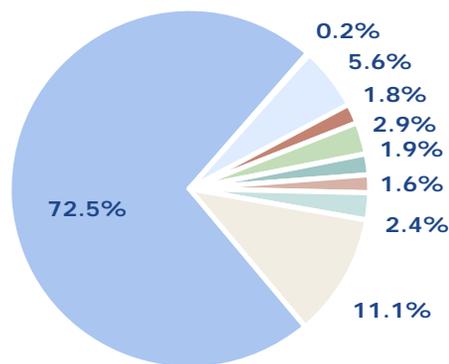
Distribution charts and unfunded commitments are lagged one quarter.

Teachers' Retirement System (TRS)



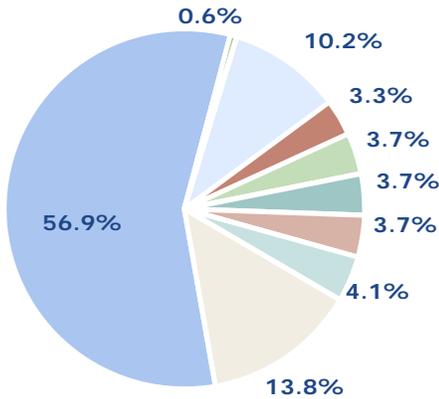
Option	Market Value	Quarterly Change
WSIB TAP Fund	\$2,031,076,719	\$133,811,194
Social Balanced Fund	10,552,317	1,058,120
Retirement Strategy Fund 2000	1,668,805	376,890
Retirement Strategy Fund 2005	2,109,795	1,416,461
Retirement Strategy Fund 2010	10,649,503	2,321,178
Retirement Strategy Fund 2015	20,752,749	4,997,414
Retirement Strategy Fund 2020	19,027,397	3,830,000
Retirement Strategy Fund 2025	11,534,898	2,200,812
Retirement Strategy Fund 2030	7,374,664	1,701,600
Retirement Strategy Fund 2035	6,381,869	1,543,900
Retirement Strategy Fund 2040	4,651,751	1,018,937
Retirement Strategy Fund 2045	2,597,757	573,393
Retirement Strategy Fund 2050	516,402	(60,435)
U.S. Stock Fund	249,496,724	38,590,452
U.S. Large Stock Fund	218,230,104	33,144,606
U.S. Small Stock Fund	149,269,195	27,948,149
International Index Fund	156,193,205	33,698,239
Bond Market Fund	221,696,351	19,432,247
Money Market Fund	254,049,874	8,221,844
<b>Total Fund</b>	<b>\$3,377,830,078</b>	<b>\$315,825,000</b>

School Employees' Retirement System (SERS)



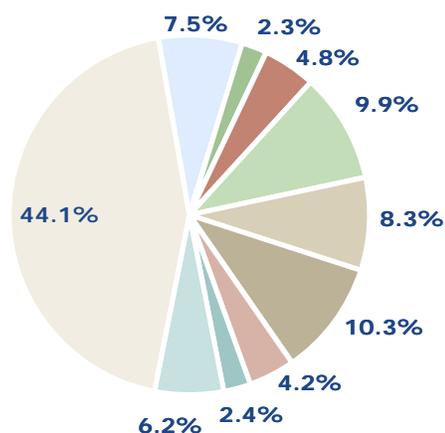
Option	Market Value	Quarterly Change
WSIB TAP Fund	\$659,225,830	\$35,238,737
Social Balanced Fund	1,894,592	218,572
Retirement Strategy Fund 2000	973,935	349,664
Retirement Strategy Fund 2005	1,548,156	177,648
Retirement Strategy Fund 2010	6,942,874	1,202,898
Retirement Strategy Fund 2015	14,102,713	2,522,519
Retirement Strategy Fund 2020	13,771,430	2,483,649
Retirement Strategy Fund 2025	8,810,270	1,837,371
Retirement Strategy Fund 2030	2,838,138	565,974
Retirement Strategy Fund 2035	1,480,597	296,697
Retirement Strategy Fund 2040	536,614	214,802
Retirement Strategy Fund 2045	251,710	70,035
Retirement Strategy Fund 2050	95,181	13,944
U.S. Stock Fund	16,079,364	2,730,219
U.S. Large Stock Fund	25,973,656	3,890,274
U.S. Small Stock Fund	17,129,875	3,523,437
International Index Fund	14,430,608	3,526,333
Bond Market Fund	22,393,588	2,162,745
Money Market Fund	100,838,543	5,045,211
<b>Total Fund</b>	<b>\$909,317,674</b>	<b>\$66,070,728</b>

**Public Employees' Retirement System (PERS)**



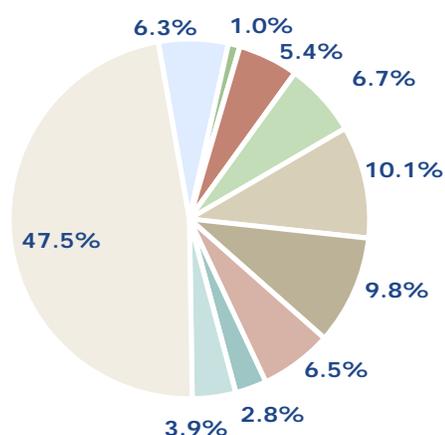
Option	Market Value	Quarterly Change
WSIB TAP Fund	\$668,090,212	\$38,741,193
Social Balanced Fund	7,105,291	637,748
Retirement Strategy Fund 2000	803,651	118,147
Retirement Strategy Fund 2005	1,081,859	(13,620)
Retirement Strategy Fund 2010	8,622,287	1,758,343
Retirement Strategy Fund 2015	22,879,775	4,457,331
Retirement Strategy Fund 2020	28,874,201	5,380,259
Retirement Strategy Fund 2025	26,331,362	4,951,413
Retirement Strategy Fund 2030	15,518,640	2,594,247
Retirement Strategy Fund 2035	9,672,100	1,905,680
Retirement Strategy Fund 2040	3,118,202	686,958
Retirement Strategy Fund 2045	1,591,822	412,542
Retirement Strategy Fund 2050	1,046,321	562,700
U.S. Stock Fund	38,413,486	6,370,996
U.S. Large Stock Fund	44,200,325	7,124,856
U.S. Small Stock Fund	43,544,262	8,904,997
International Index Fund	44,004,764	10,381,948
Bond Market Fund	48,339,733	6,753,702
Money Market Fund	162,019,311	(202,676)
<b>Total Fund</b>	<b>\$1,175,257,604</b>	<b>\$101,526,763</b>

Deferred Compensation (DCP)



Option	Market Value	Quarterly Change
Retirement Strategy Fund 2000	\$3,458,513	\$491,207
Retirement Strategy Fund 2005	6,919,345	740,525
Retirement Strategy Fund 2010	29,057,508	5,410,887
Retirement Strategy Fund 2015	44,406,117	9,703,637
Retirement Strategy Fund 2020	34,220,234	7,558,241
Retirement Strategy Fund 2025	19,401,871	4,707,395
Retirement Strategy Fund 2030	10,986,190	2,307,396
Retirement Strategy Fund 2035	7,443,925	1,780,580
Retirement Strategy Fund 2040	4,162,555	1,020,046
Retirement Strategy Fund 2045	2,214,651	616,211
Retirement Strategy Fund 2050	881,829	315,027
Social Balanced Fund	49,115,467	3,928,846
U.S. Stock Market Index Fund	102,934,799	17,349,304
Active Value Fund	213,669,137	34,634,192
Active Core Fund	180,557,562	25,171,040
Growth Company Fund	224,089,980	156,300,120
International Stock Fund	89,980,844	22,190,984
U.S. Small Stock Fund	52,853,529	11,242,997
Bond Market Fund	134,100,841	12,103,194
Savings Pool	954,969,302	1,710,530
<b>Total Fund</b>	<b>\$2,165,424,199</b>	<b>\$319,282,359</b>

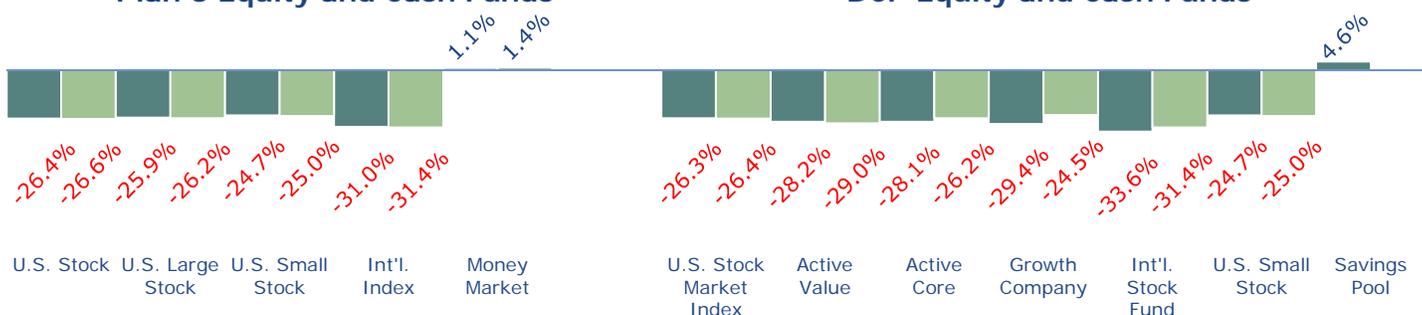
Judicial Retirement Account (JRA)



Option	Market Value	Quarterly Change
Retirement Strategy Fund 2000	\$0	\$0
Retirement Strategy Fund 2005	70,436	5,243
Retirement Strategy Fund 2010	75,363	5,722
Retirement Strategy Fund 2015	355,699	27,268
Retirement Strategy Fund 2020	80,881	(2,057)
Retirement Strategy Fund 2025	87,642	6,332
Retirement Strategy Fund 2030	3,261	220
Retirement Strategy Fund 2035	0	0
Retirement Strategy Fund 2040	0	0
Retirement Strategy Fund 2045	0	0
Retirement Strategy Fund 2050	0	0
Social Balanced Fund	112,350	(4,481)
U.S. Stock Market Index Fund	582,559	(38,598)
Active Value Fund	716,777	(97,068)
Active Core Fund	1,083,307	(138,903)
Growth Company Fund	1,054,547	40,030
International Stock Fund	704,319	216,882
U.S. Small Stock Fund	301,499	18,624
Bond Market Fund	419,473	55,987
Savings Pool	5,100,625	(21,124)
<b>Total Fund</b>	<b>\$10,748,739</b>	<b>\$74,078</b>

**Plan 3 Equity and Cash Funds**

**DCP Equity and Cash Funds**



**Plan 3 Equity Funds**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>U.S. Stock Fund</b>	<b>16.88%</b>	<b>-26.38%</b>	<b>-8.24%</b>	<b>-1.75%</b>	<b>N/A</b>
Russell 3000	16.82%	-26.56%	-8.35%	-1.84%	-1.46%
<b>U.S. Large Stock Fund</b>	<b>16.00%</b>	<b>-25.90%</b>	<b>-8.05%</b>	<b>-2.11%</b>	<b>-2.15%</b>
S&P 500	15.93%	-26.22%	-8.22%	-2.24%	-2.22%
<b>U.S. Small Stock Fund</b>	<b>20.75%</b>	<b>-24.71%</b>	<b>-9.79%</b>	<b>-1.64%</b>	<b>2.45%</b>
Russell 2000	20.69%	-25.01%	-9.89%	-1.71%	2.38%
<b>International Index Fund</b>	<b>25.71%</b>	<b>-30.99%</b>	<b>-7.71%</b>	<b>2.52%</b>	<b>0.62%</b>
MSCI EAFE	25.43%	-31.35%	-7.98%	2.31%	1.18%

**DCP Equity Funds**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>U.S. Stock Market Index Fund</b>	<b>16.73%</b>	<b>-26.28%</b>	<b>-8.05%</b>	<b>-1.53%</b>	<b>-1.11%</b>
Dow Jones U.S. TSMI	16.81%	-26.39%	-8.12%	-1.60%	-1.32%
<b>Active Value Fund</b>	<b>18.27%</b>	<b>-28.24%</b>	<b>-12.57%</b>	<b>-2.33%</b>	<b>N/A</b>
Russell 1000 Value Index	16.70%	-29.03%	-11.11%	-2.12%	-0.15%
<b>Active Core Fund</b>	<b>15.70%</b>	<b>-28.12%</b>	<b>-10.20%</b>	<b>-2.68%</b>	<b>N/A</b>
S&P 500	15.93%	-26.22%	-8.22%	-2.24%	-2.22%
<b>Growth Company Fund</b>	<b>15.91%</b>	<b>-29.39%</b>	<b>-4.52%</b>	<b>1.13%</b>	<b>0.99%</b>
Russell 3000 Growth	16.82%	-24.53%	-5.65%	-1.78%	-3.94%
<b>International Stock Fund</b>	<b>26.93%</b>	<b>-33.63%</b>	<b>-9.60%</b>	<b>N/A</b>	<b>N/A</b>
MSCI EAFE	25.43%	-31.35%	-7.98%	2.31%	1.18%
<b>U.S. Small Stock Fund</b>	<b>20.75%</b>	<b>-24.71%</b>	<b>-9.79%</b>	<b>-1.64%</b>	<b>2.45%</b>
Russell 2000	20.69%	-25.01%	-9.89%	-1.71%	2.38%

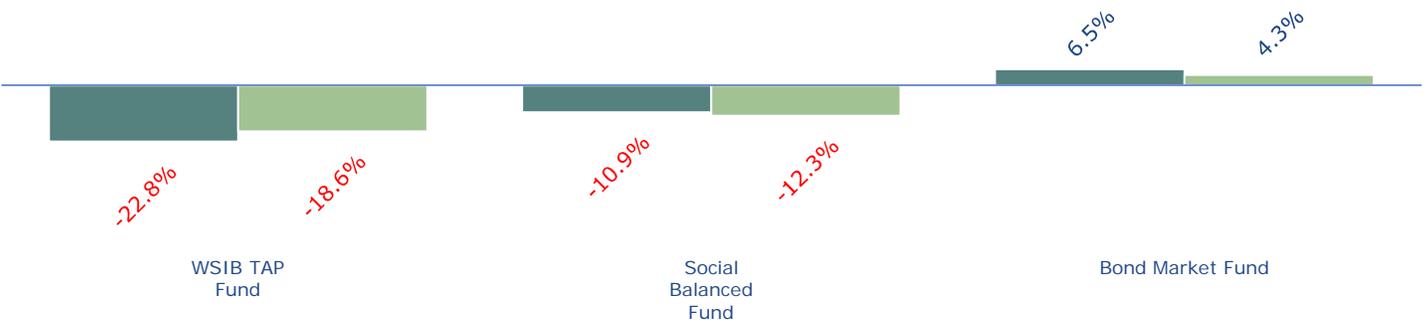
**Cash Funds**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Money Market Fund (Plan 3)</b>	<b>0.07%</b>	<b>1.09%</b>	<b>3.54%</b>	<b>3.42%</b>	<b>3.43%</b>
One Month LIBOR	0.09%	1.45%	3.73%	3.62%	3.53%
<b>Savings Pool (DCP)</b>	<b>1.09%</b>	<b>4.58%</b>	<b>4.68%</b>	<b>4.65%</b>	<b>5.37%</b>

DCP performance 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.

Plan 3 performance uses current managers' returns. Return shown is after manager and portfolio expenses but before the WSIB and record keeping fees.

One Year Returns



**Balanced Funds**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>WSIB TAP Fund (Plan 3)</b>	<b>6.10%</b>	<b>-22.84%</b>	<b>-2.57%</b>	<b>4.06%</b>	<b>3.95%</b>
Custom Benchmark	17.11%	-18.58%	-3.00%	2.07%	1.86%
<b>Social Balanced Fund</b>	<b>7.44%</b>	<b>-10.87%</b>	<b>0.51%</b>	<b>1.94%</b>	<b>N/A</b>
Custom Benchmark	9.47%	-12.30%	-1.46%	1.27%	1.75%
<b>Retirement Strategy Fund 2000</b>	<b>12.44%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2000 Composite Index	13.19%	N/A	N/A	N/A	N/A
<b>Retirement Strategy Fund 2005</b>	<b>14.74%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2005 Composite Index	15.66%	N/A	N/A	N/A	N/A
<b>Retirement Strategy Fund 2010</b>	<b>16.77%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2010 Composite Index	17.99%	N/A	N/A	N/A	N/A
<b>Retirement Strategy Fund 2015</b>	<b>18.13%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2015 Composite Index	19.35%	N/A	N/A	N/A	N/A
<b>Retirement Strategy Fund 2020</b>	<b>19.31%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2020 Composite Index	20.69%	N/A	N/A	N/A	N/A
<b>Retirement Strategy Fund 2025</b>	<b>20.23%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2025 Composite Index	21.74%	N/A	N/A	N/A	N/A
<b>Retirement Strategy Fund 2030</b>	<b>20.29%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2030 Composite Index	21.53%	N/A	N/A	N/A	N/A
<b>Retirement Strategy Fund 2035</b>	<b>20.05%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2035 Composite Index	21.23%	N/A	N/A	N/A	N/A
<b>Retirement Strategy Fund 2040</b>	<b>20.03%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2040 Composite Index	21.23%	N/A	N/A	N/A	N/A
<b>Retirement Strategy Fund 2045</b>	<b>20.13%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2045 Composite Index	21.23%	N/A	N/A	N/A	N/A
<b>Retirement Strategy Fund 2050</b>	<b>20.13%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2050 Composite Index	21.23%	N/A	N/A	N/A	N/A

**Bond Fund**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Bond Market Fund</b>	<b>7.07%</b>	<b>6.55%</b>	<b>6.84%</b>	<b>5.16%</b>	<b>N/A</b>
Barclays Capital Intermediate Credit	7.59%	4.28%	5.05%	4.04%	5.70%

**Characteristics**

**Composition Distribution**

**Average Maturity**

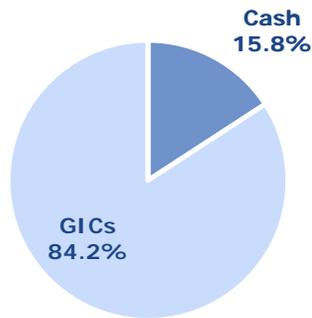
2 Years

**Average Yield**

4.41%

**Number of Holdings**

34

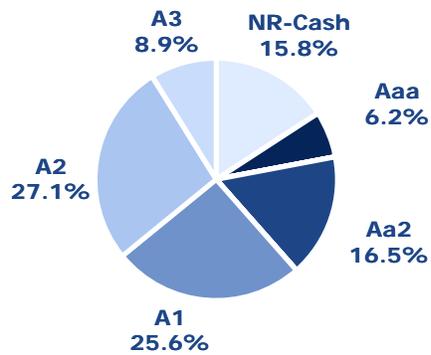


<b>Market Value</b>
<b>\$ 959,758,023</b>

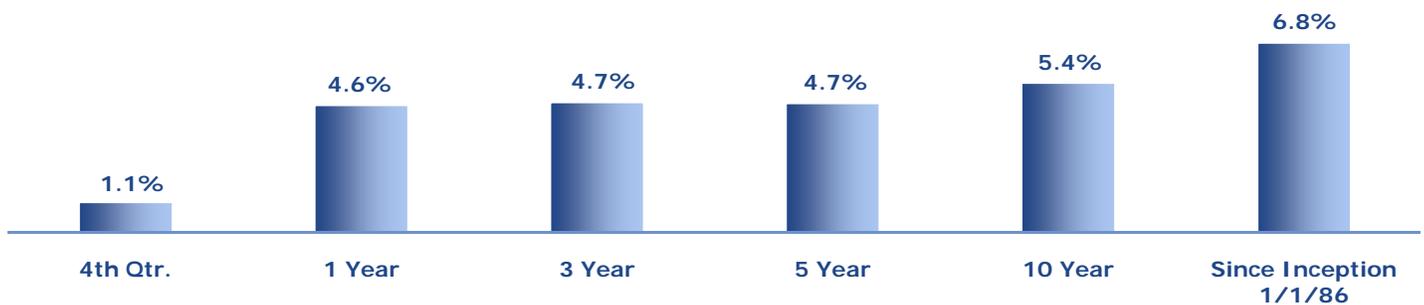
**Top Ten GIC Issuers**

Metropolitan Life Insurance Co.	12.80%
Pacific Life Insurance Co.	12.22%
Prudential Insurance Co. of America	11.41%
Protective Life Insurance Co.	8.88%
Hartford Life Insurance Co.	8.85%
Genworth Life and Annuity Assurance	6.77%
New York Life Insurance Corp.	6.19%
Security Life of Denver Insurance Co.	5.45%
ING USA Annuity & Life Insurance Co.	4.38%
Travelers Life & Annuity Co.	3.69%

**Rating Distribution**



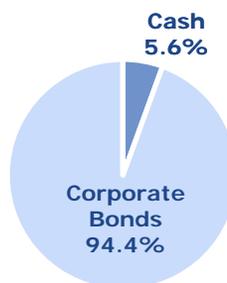
**Return**



**Characteristics**

**Asset Class Distribution**

	<b>Fund</b>	<b>Index</b>
Average Maturity	5.8 years	5.2 years
Yield to Maturity	5.17%	5.22%
Effective Duration	4.73	4.33
Average Coupon	5.55%	5.70%
Number of Holdings	141	2,631



<b>Market Value</b>
<b>\$ 471,291,455</b>

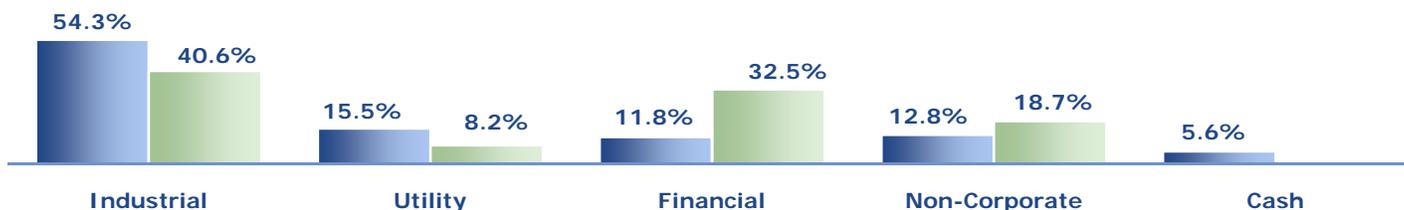
**Top Ten Credit Issuers**

Hutchison Whampoa Ltd.	1.17%	Abu Dhabi National Energy Co.	1.09%
Archer Daniels Midland Co.	1.13%	Phillips Electronics Corp.	1.09%
Burlington Northern Santa Fe Corp.	1.12%	Veolia Environnement	1.09%
E.ON International Finance B.V.	1.11%	Marathon Oil Corp.	1.08%
Rockies Express	1.10%	Kansas City Power & Light Co.	1.08%

**Rating Distribution**

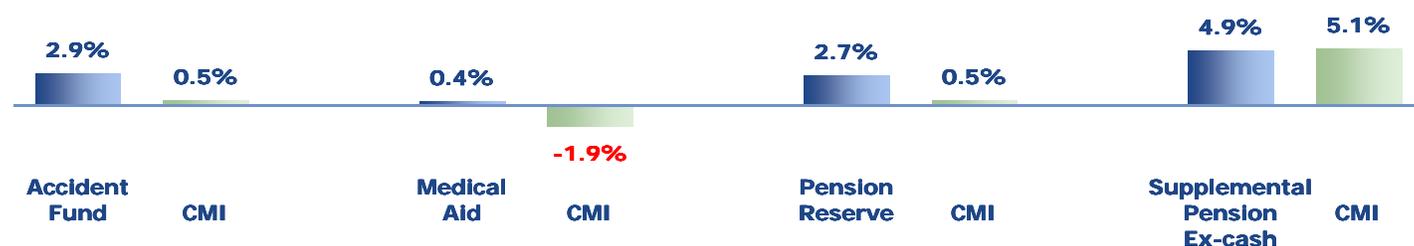


**Industry Distribution**



**Return**



**One Year Performance**

**Total Fund** **\$10,973,200,627**

	Market Value	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Accident Fund</b>	<b>\$4,196,289,647</b>	<b>6.33%</b>	<b>2.86%</b>	<b>5.71%</b>	<b>5.59%</b>	<b>6.14%</b>
CMI		7.22%	0.49%	4.11%	4.35%	5.57%
<b>Medical Aid</b>	<b>\$3,766,753,818</b>	<b>6.16%</b>	<b>0.41%</b>	<b>4.22%</b>	<b>4.62%</b>	<b>4.98%</b>
CMI		7.39%	-1.90%	2.91%	3.92%	4.67%
<b>Pension Reserve</b>	<b>\$2,956,980,515</b>	<b>7.18%</b>	<b>2.71%</b>	<b>5.50%</b>	<b>5.51%</b>	<b>6.88%</b>
CMI		7.22%	0.49%	4.11%	4.35%	6.21%
<b>Supplemental Pension</b>	<b>\$53,176,648</b>	<b>1.52%</b>	<b>3.21%</b>	<b>4.93%</b>	<b>4.04%</b>	<b>4.25%</b>
<b>Supplemental Ex-Cash</b>		<b>2.47%</b>	<b>4.95%</b>	<b>5.61%</b>	<b>4.32%</b>	<b>4.86%</b>
CMI		4.30%	5.07%	5.42%	4.15%	5.22%

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

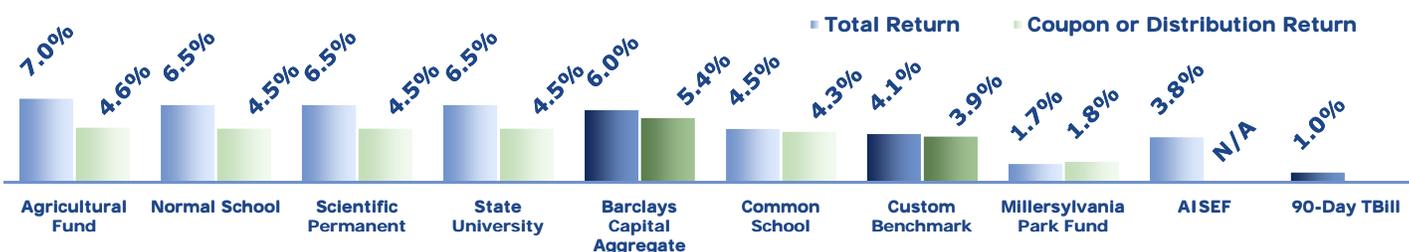
	Qtr.	1 Year	3 Year	5 Year
Accident Fund	3.10%	2.02%	5.77%	6.45%
Medical Aid	3.55%	-0.39%	3.51%	5.01%
Pension Reserve	3.17%	1.35%	5.35%	6.23%
Supplemental Pension	0.63%	2.47%	4.03%	3.90%

**Duration**

	CMI	Target	Actual	% Difference
Accident Fund	7.03	7.00	6.31	-9.80%
Medical Aid	5.97	6.00	6.01	0.19%
Pension Reserve	7.03	7.00	6.63	-5.24%
Supplemental Pension Ex-cash	2.06	1.75-2.25	1.80	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	\$ 174,775,244
Normal School	\$ 228,616,941
Scientific Permanent	\$ 193,580,662
State University	\$ 29,217,665
Common School	\$ 176,952,852
Millersylvania Park Fund	\$ 5,154
American Indian Scholarship Endowment Fund (AISEF)	\$ 633,558

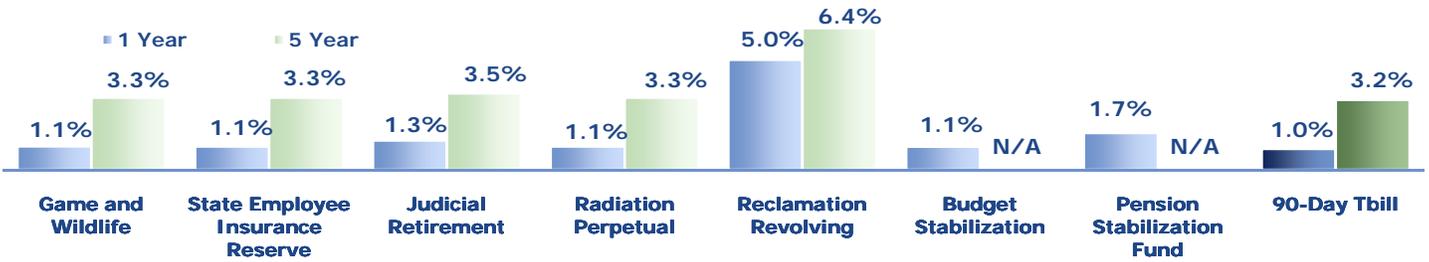
Returns	Total Return					Distribution Return <sup>1</sup>				
	Qtr.	1 Year	3 Year	5 Year	10 Year	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Agricultural Fund</b>	2.61%	6.98%	7.20%	5.38%	6.12%	1.43%	4.62%	4.67%	4.61%	5.44%
<b>Normal School</b>	2.61%	6.47%	7.04%	5.28%	6.11%	1.44%	4.53%	4.62%	4.58%	5.35%
<b>Scientific Permanent</b>	2.61%	6.47%	7.04%	5.26%	6.10%	1.43%	4.53%	4.64%	4.60%	5.39%
<b>State University</b>	2.61%	6.47%	7.04%	5.27%	6.16%	1.44%	4.54%	4.63%	4.57%	5.38%
Barclays Capital Aggregate	1.78%	6.05%	6.43%	5.01%	5.98%					
<b>Common School</b>	3.14%	4.53%	6.15%	4.90%	5.79%	1.36%	4.27%	4.36%	4.35%	5.13%
Custom Benchmark <sup>2</sup>	2.35%	4.09%	5.53%	4.65%	5.79%					
<b>Millersylvania Park</b>	0.16%	1.66%	3.75%	3.51%	3.40%	0.18%	1.83%	3.89%	3.52%	3.45%
90 Day Tbill	0.05%	0.95%	3.24%	3.17%	3.20%					
<b>AISEF</b>	1.38%	3.84%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Custom Benchmark <sup>3</sup>	0.95%	3.51%	N/A	N/A	N/A					

<sup>1</sup> Includes coupon income and amortization minus expenses and deferred losses based on book value.

<sup>2</sup> The custom benchmark for the Common School Fund is a combination of the Barclays Capital Aggregate and Dow Jones U.S. TSMI using the previous month-end weights adjusted for new purchases during the current month. For June 2009, the breakdown was 4.3% Dow Jones U.S. TSMI and 95.7% Barclays Capital Aggregate.

<sup>3</sup> The custom benchmark for the American Indian Scholarship Endowment Fund is a combination of the Barclays Capital Aggregate and the 90 Day Tbill using the previous month-end weights adjusted for new purchases during the current month. For June 2009, the breakdown was 52.7% Barclays Capital Aggregate and 47.3% the 90 Day Tbill.

One Year and Five Year Performance



Market Value

Game and Wildlife	\$ 6,544,362
State Employee Insurance Reserve	\$ 88,073,908
Judicial Retirement	\$ 1,460,593
Radiation Perpetual	\$ 330,187
Reclamation Revolving	\$ 106,306
Budget Stabilization	\$ 21,417,657
Pension Stabilization Fund	\$ 34,135

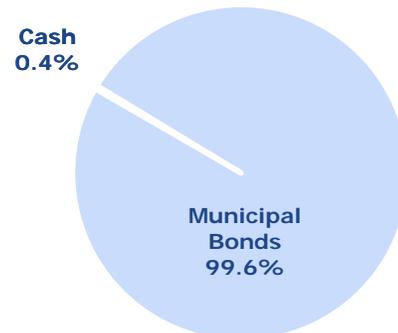
Total Return

	Qtr.	1 Year	3 Year	5 Year	10 Year
Game and Wildlife	0.06%	1.07%	3.40%	3.27%	3.24%
State Employee Insurance Reserve	0.06%	1.06%	3.40%	3.27%	3.24%
Judicial Retirement	0.07%	1.34%	3.66%	3.46%	3.43%
Radiation Perpetual	0.06%	1.06%	3.39%	3.26%	3.24%
Reclamation Revolving	1.00%	4.98%	7.23%	6.40%	5.22%
Budget Stabilization	0.06%	1.05%	N/A	N/A	N/A
Pension Stabilization Fund	0.16%	1.67%	3.76%	N/A	N/A
90-Day Tbill	0.05%	0.95%	3.24%	3.17%	3.20%

Portfolio Allocations

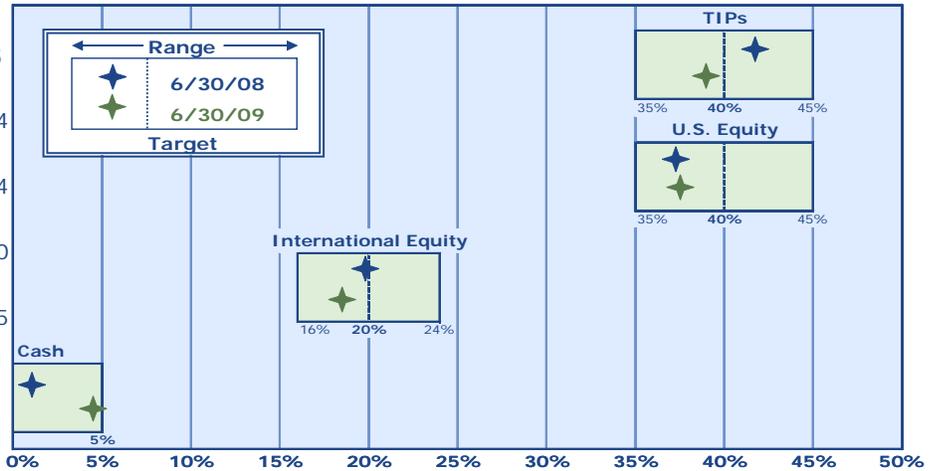
The Game and Wildlife Fund, State Employee Insurance Reserve Fund, Judicial Retirement Fund, Radiation Perpetual Fund, Emergency Reserve Fund, and Pension Stabilization Fund are fully invested in short-term investment funds (STIF).

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

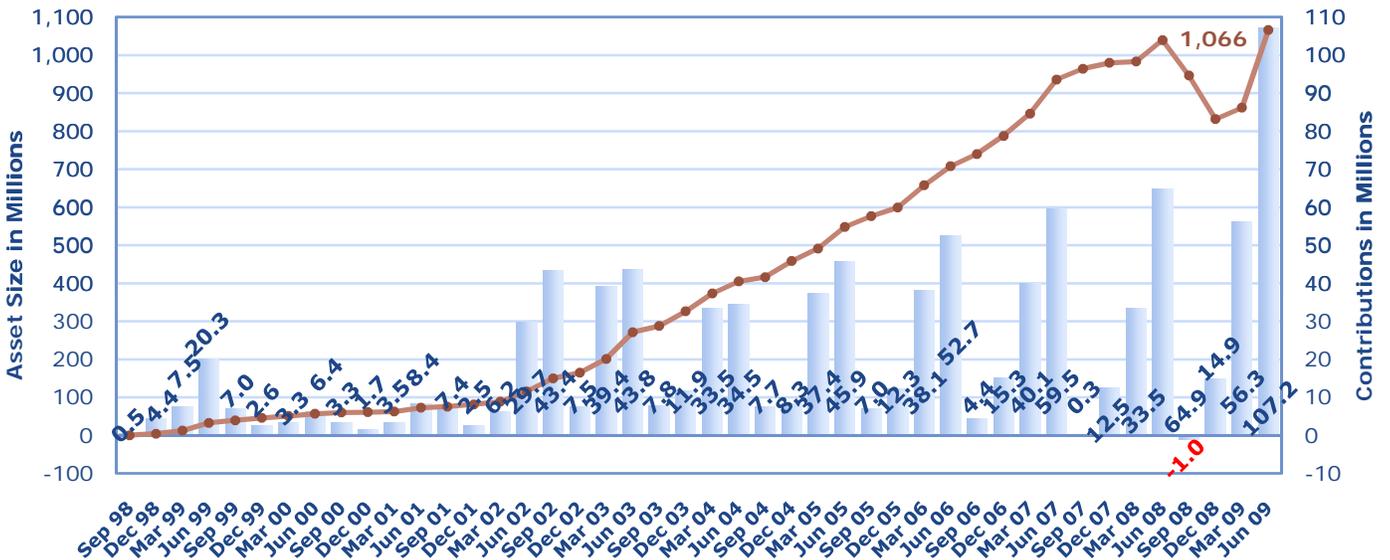


**Portfolio Size and Allocation**

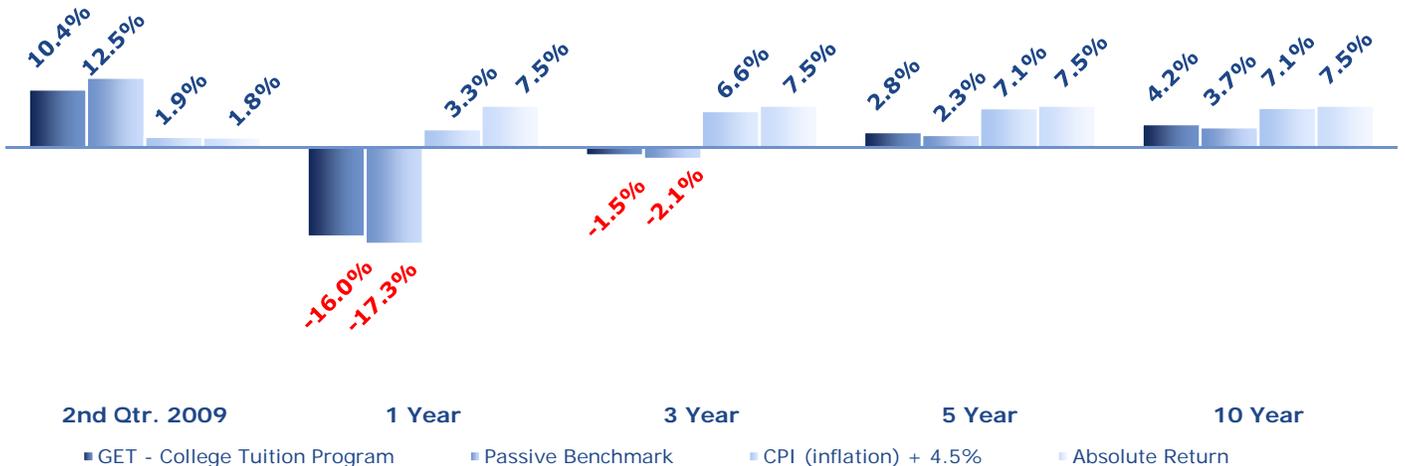
<b>Total</b>	<b>\$1,066,464,283</b>
Cash	50,463,744
Treasury Inflation Index Note (TIPs)	416,342,824
U.S. Equity	400,277,510
Non-U.S. Equity	199,380,205



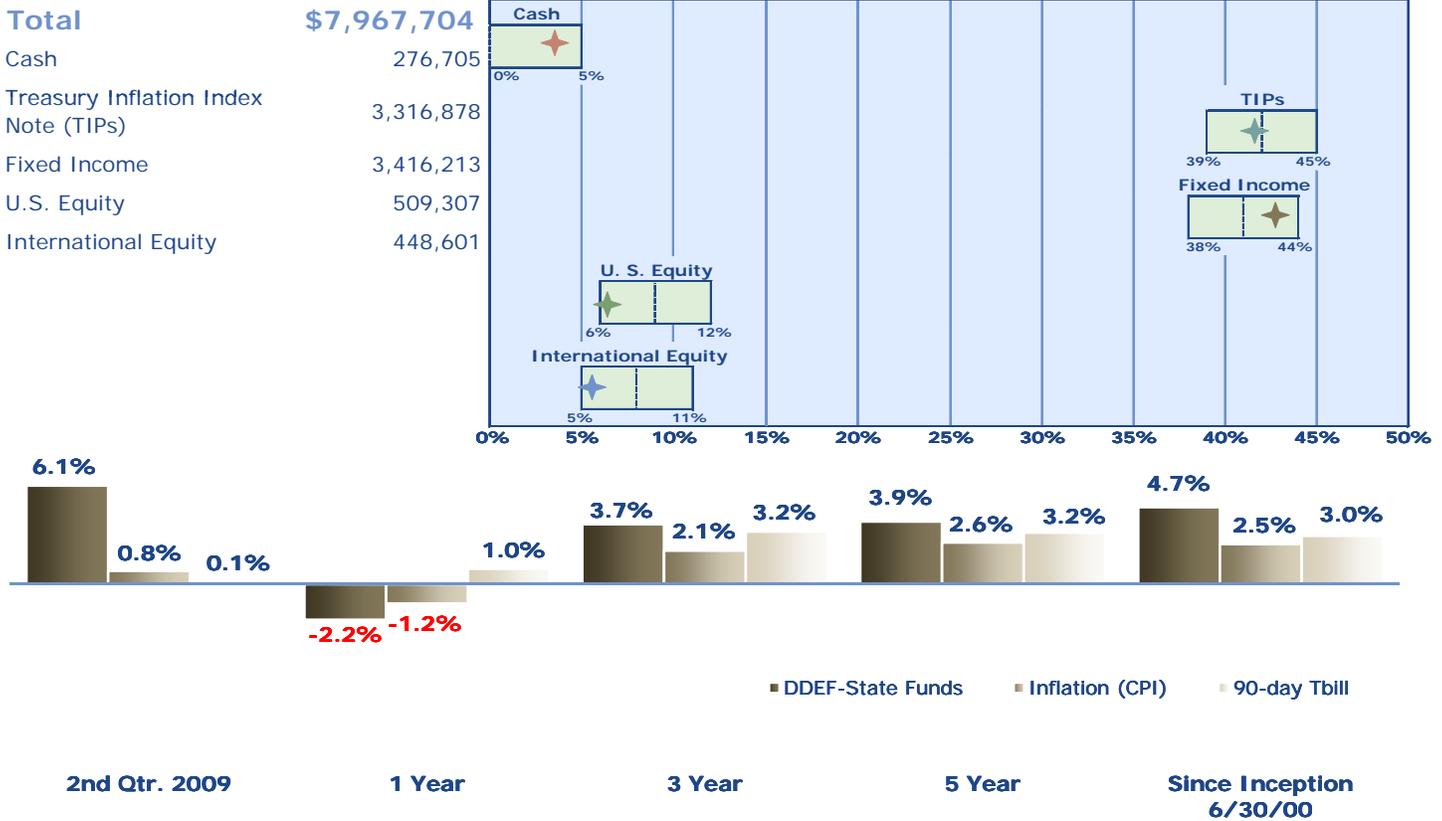
**Assets Under Management**



**Total Return**



State Funds



Private Funds

