



Investment Reports

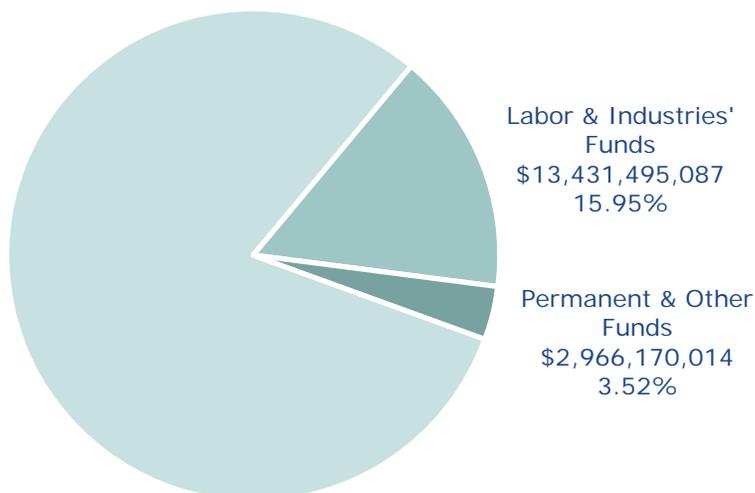
Quarterly Report – June 30, 2012

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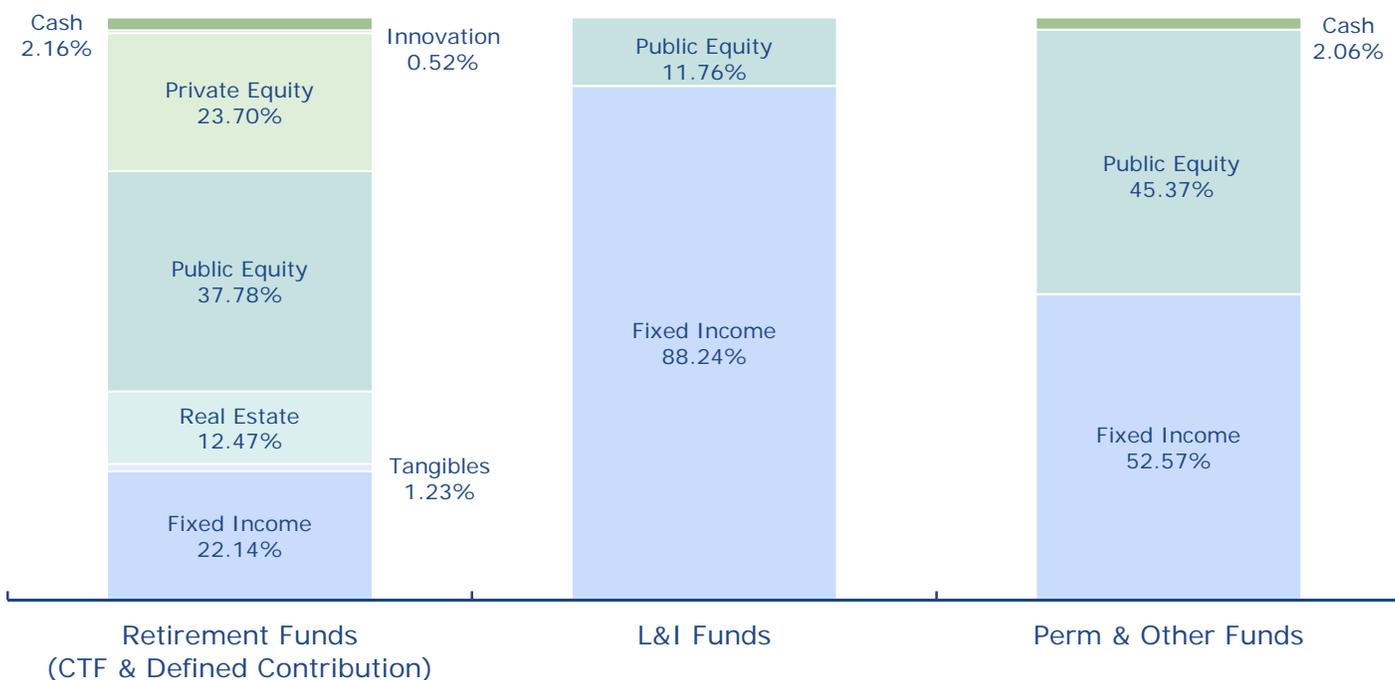
The WSIB invests for 33 funds:

- ❖ 17 Retirement Funds
- ❖ 5 State Insurance Funds for injured workers
- ❖ 11 Permanent and Other Trust Funds

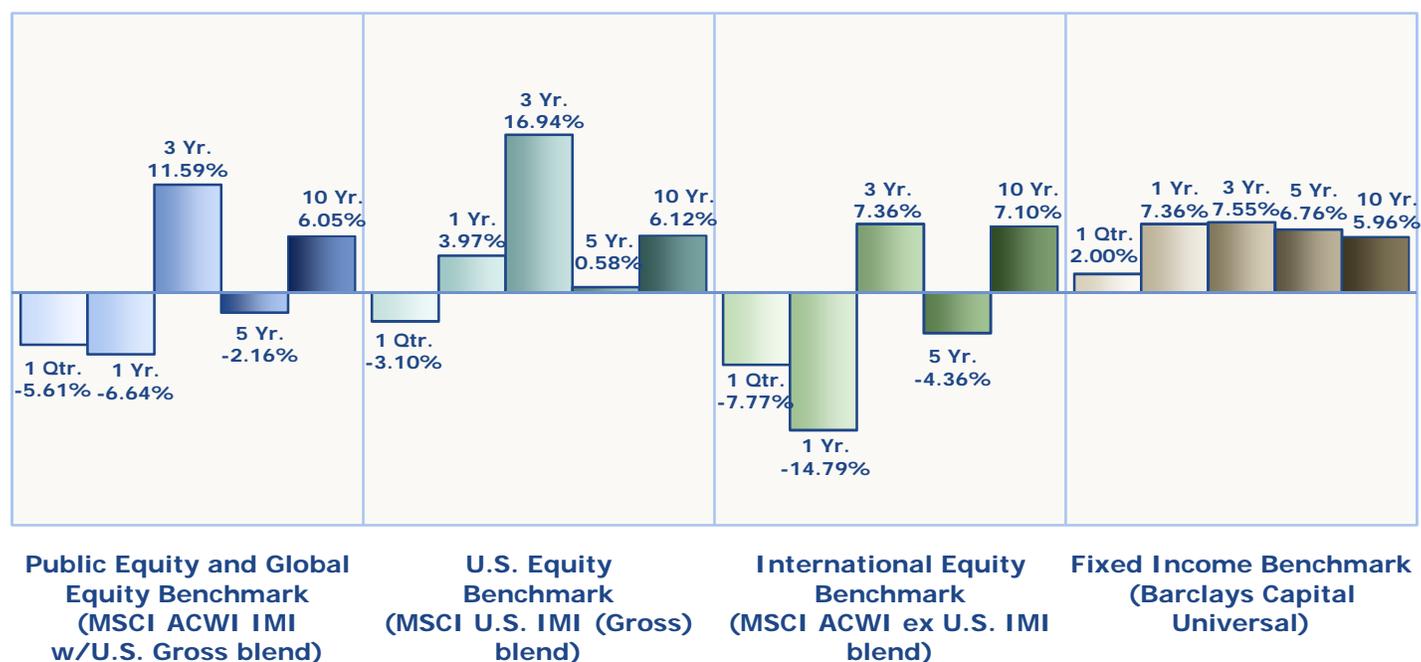
Retirement Funds
(CTF & Defined Contribution)
\$67,794,114,237
80.52%



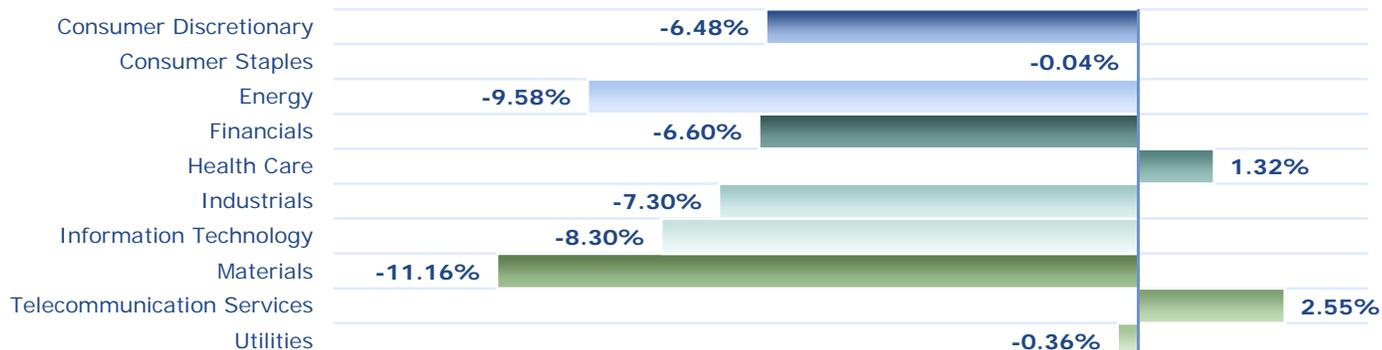
Asset Class Overview for All Funds



Indices Returns



MSCI ACWI IMI - Quarter Industry Returns



Capital Market Highlights

- ❖ Global equities as measured by the MSCI ACWI IMI w/U.S. Gross returned -5.6% underperforming fixed income as measured by the Barclays Capital Universal which returned 2.0% for the quarter.
- ❖ The best industry return for the quarter as shown with the MSCI ACWI IMI was Telecommunication Services at 2.6%. The lowest return was Materials at -11.2%.
- ❖ In the Barclays Capital indices U.S. Treasury has the highest return for the quarter earning 2.8% while Emerging Markets (Excluding U.S. Aggregate) had the lowest return at 0.1%. For the yield curve, the long end of the curve (30 year treasuries) outperformed the short end of the curve (3 month treasuries), returning 12.6% compared to 0.0% for the quarter.
- ❖ GDP was 1.5% (annualized) for the quarter. Inflation, as measured by the CPI was -.2%.
- ❖ The federal funds target rate remained the same during the quarter, ranging from 0-0.25%.

Commingled Trust Fund

- ❖ Performance for all annualized time periods are positive. The CTF outperformed the passive benchmark all time periods. The CTF is exceeding the actuarial return of 8% for the 3 year time period and since inception.

Asset Allocation

- ❖ Asset transfers for the quarter consisted of transfers from tangibles for \$7 million, real estate for \$42 million, and private equity for \$179 million to fund public equity with \$6.6 million and innovation with \$10.1 million. The remaining money was used to fund participant withdrawals.

Fixed Income

- ❖ Fixed income has positive returns for all time periods. It underperformed its benchmark, Barclays Capital Universal, for the quarter and 1 year but outperformed its benchmark for the remaining time periods.

Tangible

- ❖ The WSIB Tangible quarter return was 1.3% and underperformed its benchmark, CPI lagged one quarter plus 400 basis points, which returned 2.8%. It did not outperform its benchmark for any time periods.
- ❖ As of March 31, 2012, there were \$375 million in unfunded commitments.

Real Estate

- ❖ The WSIB Real Estate quarter return was 2.5%. It underperformed NCREIF (lagged on quarter) for the quarter. For the 10 year time period, it outperformed both its benchmark of 8% return over a rolling 10 year and the NCREIF.
- ❖ As of March 31, 2012, there were \$7.5 billion in unfunded commitments.

Public Equity

- ❖ Public equity performed -5.4% for the quarter. It outperformed its benchmark, the MSCI ACWI IMI w/ U.S. Gross which returned -5.6%.

Private Equity

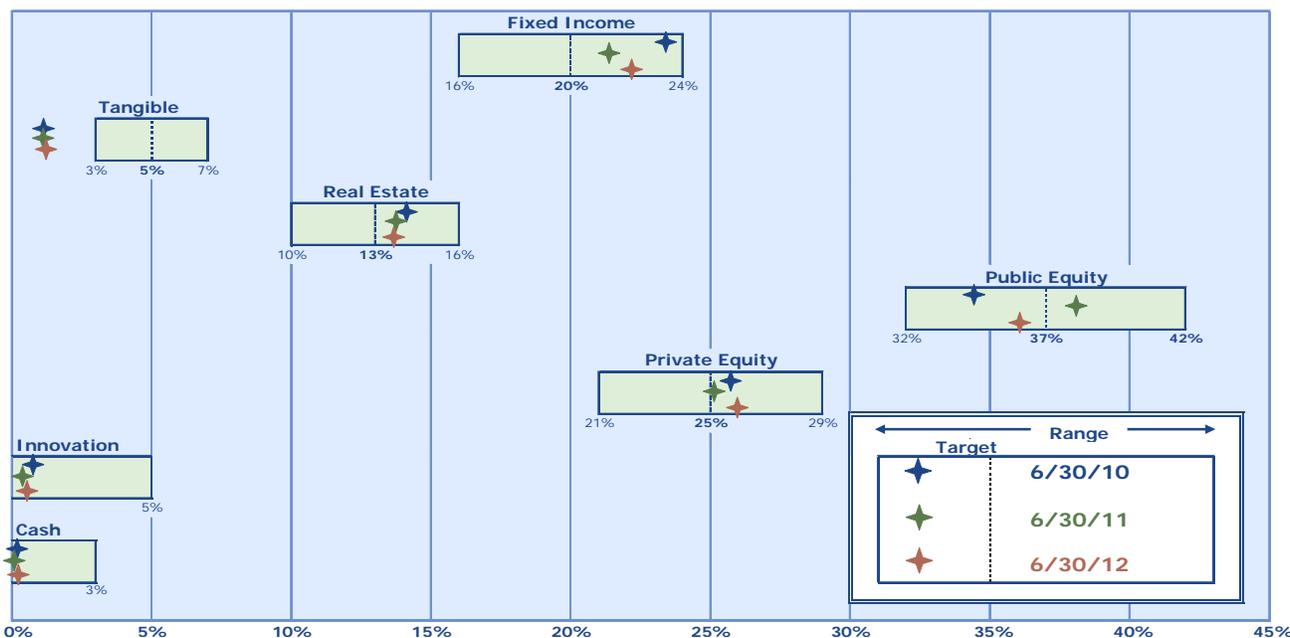
- ❖ The WSIB private equity quarter return was 3.6%. It underperformed its new benchmark, the Russell 3000 (lagged one quarter) plus 300 basis points for the quarter.
- ❖ As of March 31, 2012, there were \$8.2 billion in unfunded commitments.

Innovation

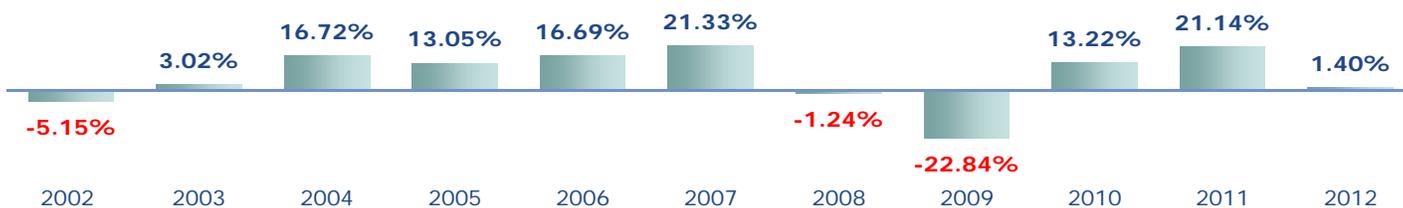
- ❖ Innovation underperformed its custom benchmark for the quarter and 1 year time periods.

Market Values Actual Asset Allocation

Asset Class	Market Value	by Asset Class	with Overlay	Market Value Changes
Fixed Income	\$ 12,682,880,400	20.54%	22.16%	Quarter: (\$688,920,653)
Tangible	\$ 832,775,577	1.35%	1.35%	
Real Estate	\$ 8,456,267,126	13.69%	13.69%	Fiscal Year: (\$501,357,177)
Public Equity	\$ 22,400,077,225	36.27%	36.02%	
Private Equity	\$ 16,065,227,340	26.02%	26.02%	
Innovation	\$ 352,936,245	0.57%	0.57%	
Cash	\$ 962,199,451	1.56%	0.19%	
Total Fund	\$ 61,752,363,364			



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 ⁹
Total Fund	\$61,752,363,364	100.0%	-0.57%	1.40%	11.62%	1.17%	7.39%	8.42%
Passive Benchmark ²			-3.25%	-2.11%	10.78%	0.84%	6.23%	
Implementation Value Added Benchmark ³			2.12%	4.10%	14.25%	3.48%	7.76%	
TUCS Public Fund >\$1B Median ⁴			-1.58%	1.05%	11.85%	1.81%	6.62%	
TUCS Public/Corporate Fund >\$1B Median ⁴			-1.41%	1.71%	12.18%	1.81%	6.71%	
Fixed Income	\$12,682,880,400	20.5%	0.99%	5.51%	8.45%	7.94%	6.82%	
Barclays Capital Universal			2.00%	7.36%	7.55%	6.76%	5.96%	
Tangible	\$832,775,577	1.3%	1.30%	2.11%	6.22%	1.77%		
CPI (Lagged One Quarter) + 400 bp			1.90%	6.64%	6.53%	6.22%		
Real Estate⁵	\$8,456,267,126	13.7%	2.48%	8.57%	6.10%	-0.46%	9.01%	
8% Return Over Rolling 10 Years							8.00%	
NCREIF (Lagged One Quarter)			2.59%	13.41%	5.96%	2.88%	8.17%	
Public Equity⁶	\$22,400,077,225	36.3%	-5.36%	-5.78%	11.89%	-2.55%	5.90%	
Custom Benchmark			-5.61%	-6.64%	11.59%	-2.16%	6.05%	
Private Equity⁵	\$16,065,227,340	26.0%	3.60%	5.26%	17.50%	2.91%	11.34%	
Russell 3000 (Lagged One Quarter) + 300 bp			13.70%	10.18%	27.26%	5.18%	7.67%	
Innovation⁷	\$352,936,245	0.6%	-3.10%	-9.79%				
Custom Benchmark			-2.59%	-9.48%				
Overlay⁸	\$136,730,235		0.04%	0.11%	0.28%	0.12%	0.06%	
Cash	\$825,469,216	1.6%	0.05%	0.14%	0.16%	1.21%	1.88%	
90 Day T-Bills			0.03%	0.06%	0.12%	0.98%	1.87%	

 Outperformed its benchmark

 Underperformed its benchmark

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

² Currently 69% MSCI ACWI IMI w/ U.S. Gross, 31% Barclays Capital Universal. Over time the benchmark has been adjusted by changing both benchmarks and percentages.

³ The implementation value added benchmark consists of 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 private equity passive benchmark.

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 Public equity benchmark is a custom historical blend. It is currently the MSCI ACWI IMI w/U.S. Gross

⁷ The overall benchmark is the weighted average of the underlying benchmarks for each asset/idea within the portfolio.

⁸ To show the performance, cash and the cash held in the overlay are separated out on this page.

⁹ Since Inception of the CTF is July 1, 1992.

Global Markets

\$4,890,182,170

	Qtr.	1 Year	3 Year	5 Year	10 Year
Total Global	-5.14%	-4.98%	12.15%		
MSCI ACWI IMI w/ U.S. Gross	-5.61%	-6.64%	11.59%		
Aberdeen Asset Management	-3.57%	-1.38%	13.98%		
Arrowstreet Capital	-6.34%	-7.24%			
D.E. Shaw	-5.46%	-3.84%			
Longview	-3.76%	-0.25%			
WHV	-5.76%	-15.15%			
William Blair & Company	-5.40%	0.02%			

International Markets

\$9,228,577,161

	Qtr.	1 Year	3 Year	5 Year	10 Year
Total International Equity	-7.41%	-13.41%	7.75%	-4.48%	6.82%
Custom Benchmark	-7.77%	-14.79%	7.36%	-4.36%	7.10%
Total Developed	-7.03%	-13.50%	7.45%	-4.93%	6.15%
Custom Developed Markets Benchmark	-7.44%	-14.32%	6.65%	-5.41%	5.71%
SSgA	-7.17%	-13.96%	7.11%		
Mondrian Investment Partners	-6.13%	-10.46%	6.91%	-4.42%	7.16%
Total Emerging	-8.46%	-13.28%	11.18%	-0.23%	14.00%
Custom Benchmark	-8.79%	-16.29%	9.97%	0.06%	14.16%
Aberdeen Asset Management	-4.29%	-2.72%			
Capital International	-11.29%	-21.69%	6.13%	-0.93%	13.92%
Grantham, Mayo, Otterloo	-9.77%	-17.93%	10.52%	-2.24%	14.26%
Grantham, Mayo, Otterloo Illiquid	0.00%	-18.05%	10.50%	3.21%	
JPMorgan	-8.27%	-13.54%	9.92%	0.56%	
Lazard Asset Management	-7.96%	-10.61%	12.88%	1.92%	
Mondrian Investment Partners	-8.14%	-7.88%			

U.S. Markets

\$8,281,317,895

	Qtr.	1 Year	3 Year	5 Year	10 Year
Total U.S. Equity	-3.09%	4.10%	17.00%	-0.16%	5.72%
MSCI U.S. IMI (Gross)	-3.10%	3.97%	16.94%	0.58%	6.12%

BlackRock Trust Company



Outperformed its benchmark



Underperformed its benchmark

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

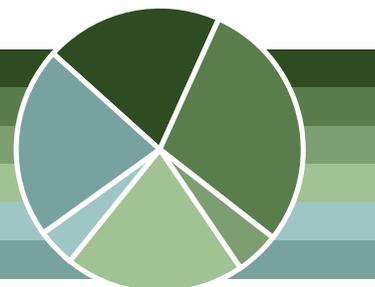
Emerging Markets Benchmark: Custom Emerging Markets / Emerging Markets IMI - Switched October 1, 2007.

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

Global Markets

\$4,890,182,170

Aberdeen Asset Management	\$982,413,008	20.09%
Arrowstreet Capital	\$1,407,182,853	28.78%
D.E. Shaw	\$242,248,515	4.95%
Longview	\$992,039,198	20.29%
WHV	\$209,706,166	4.29%
William Blair & Company	\$1,055,411,829	21.58%

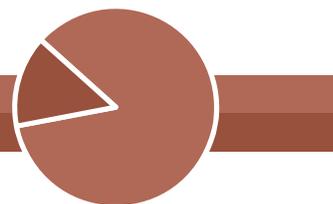


International Markets

\$9,228,577,161

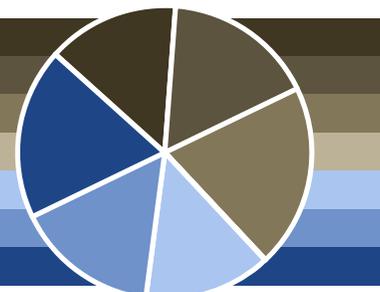
Developed

SSgA	\$5,783,722,366	85.32%
Mondrian Investment Partners	\$993,676,420	14.66%



Emerging

Aberdeen Asset Management	\$355,394,072	14.51%
Capital International	\$408,285,385	16.66%
Grantham, Mayo, Otterloo	\$493,945,260	20.16%
Grantham, Mayo, Otterloo Illiquid	\$1,109,883	0.05%
JPMorgan	\$343,694,319	14.03%
Lazard Asset Management	\$385,824,879	15.75%
Mondrian Investment Partners	\$461,736,121	18.85%



U.S. Markets

\$8,281,317,895

BlackRock Trust Company	\$8,281,102,185	100.00%
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Transition Accounts for Public Equity	\$2,584,766
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Top Ten Countries by Weight	Top Ten Holdings
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	CTF Weight		CTF Weight
United States	47.91%	Apple Inc.	1.55%
United Kingdom	9.09%	Exxon Mobil Corp.	1.10%
Japan	7.15%	Philip Morris International Ir	0.69%
Canada	3.76%	Johnson & Johnson	0.68%
France	3.67%	Pfizer Inc.	0.64%
Switzerland	3.19%	Nestle SA	0.65%
Germany	2.95%	International Business Machi	0.63%
Brazil	2.44%	Wells Fargo	0.61%
Australia	2.32%	Novartis AG	0.61%
China	1.97%	Microsoft Corp.	0.58%

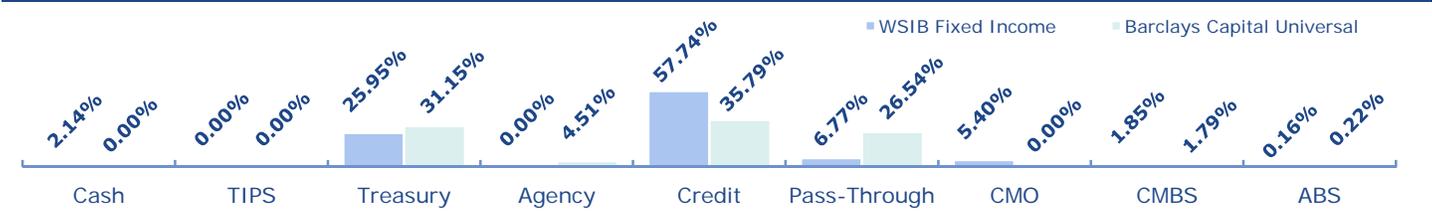
WSIB	U.S. 47.91%	Other Developed Countries 39.78%	Emerging 12.32%
MSCI ACWI IMI w/U.S. Gross	U.S. 48.04%	Other Developed Countries 39.63%	Emerging 12.32%

Fixed Income \$12,682,880,400

Duration

	Mar 12	Jun 12
WSIB Portfolio	4.57	4.84
Barclays Capital Universal	4.97	5.02
Difference	-8.09%	-3.57%

Sector Weighting

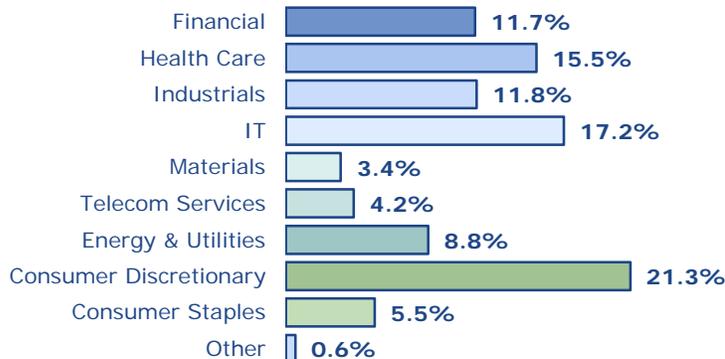
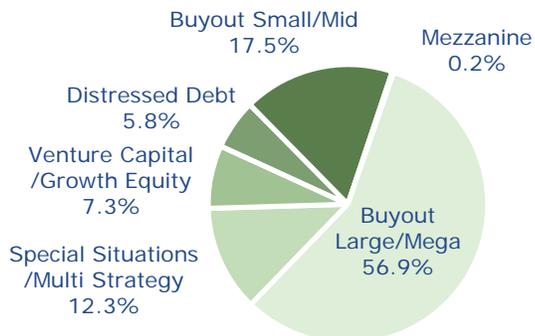


Innovation \$352,936,245

There are currently 3 funds in the Innovation Portfolio. A mezzanine fund, a distressed whole loan debt strategy, and a resource equity strategy.



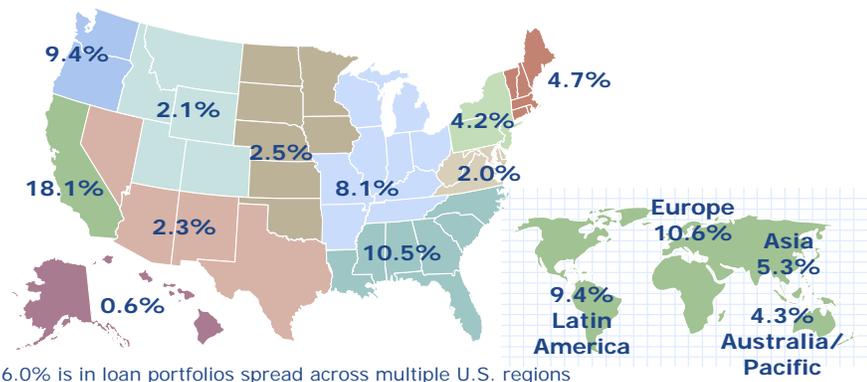
Sector Distribution | **Industry Distribution**



Unfunded Commitments: \$8.2 billion

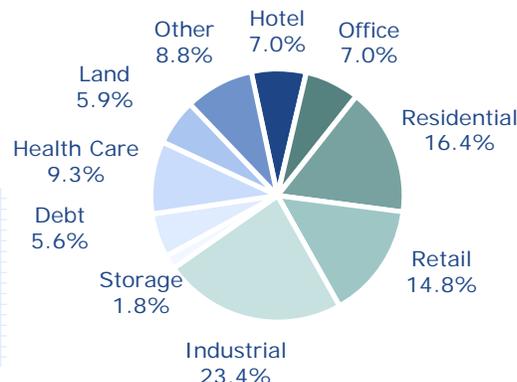
Real Estate | **\$8,456,267,126**

Geographical Distribution | **Property Type Distribution**



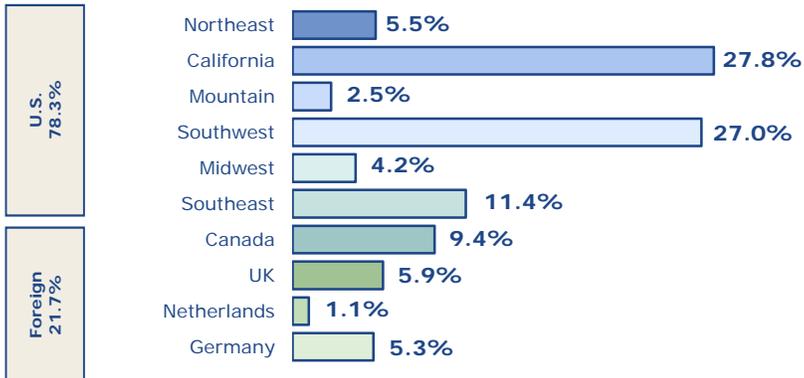
6.0% is in loan portfolios spread across multiple U.S. regions

Unfunded Commitments: \$7.5 billion



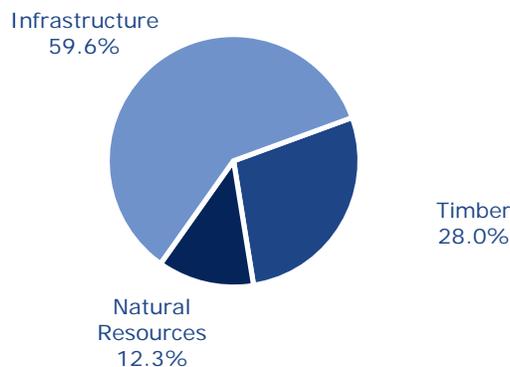
Tangible | **\$832,775,577**

Geographical Distribution | **Sector Type Distribution**



Unfunded Commitments: \$375 million

Distribution charts and unfunded commitments are lagged one quarter.



Teachers' Retirement System (TRS)

	% of Assets	Option	Market Value	Quarterly Change
	60.25%	WSIB TAP Fund	\$3,093,217,181	(\$9,744,282)
	0.86%	Social Balanced Fund	44,359,448	1,279,684
16.50%	0.16%	Retirement Strategy Fund 2000	8,373,515	(631,801)
	0.21%	Retirement Strategy Fund 2005	10,871,957	280,189
	0.86%	Retirement Strategy Fund 2010	44,115,826	(676,906)
	2.89%	Retirement Strategy Fund 2015	148,216,917	(3,538,463)
	3.88%	Retirement Strategy Fund 2020	199,010,360	(5,665,700)
	3.40%	Retirement Strategy Fund 2025	174,437,578	(6,177,746)
	2.44%	Retirement Strategy Fund 2030	125,406,459	(4,847,804)
	1.58%	Retirement Strategy Fund 2035	81,223,445	(3,426,852)
	0.73%	Retirement Strategy Fund 2040	37,597,913	(1,254,989)
	0.25%	Retirement Strategy Fund 2045	12,732,771	(110,880)
	0.07%	Retirement Strategy Fund 2050	3,527,381	93,208
	0.03%	Retirement Strategy Fund 2055	1,630,454	(638,679)
	7.62%	U.S. Large Stock Fund	391,100,718	(7,986,217)
	1.52%	U.S. Small Value Stock Fund	77,921,010	(1,103,939)
	1.03%	Global Equity Fund	53,056,888	(1,388,888)
	0.65%	Emerging Markets Equity Fund	33,392,661	(1,786,834)
	6.53%	Bond Market Fund	335,454,876	13,967,354
	5.03%	Money Market Fund	258,463,332	6,573,237
		Total Fund	\$5,134,110,690	(\$26,786,310)

School Employees' Retirement System (SERS)

	% of Assets	Option	Market Value	Quarterly Change
	73.77%	WSIB TAP Fund	\$937,077,873	(\$6,607,837)
	0.55%	Social Balanced Fund	6,993,799	206,851
10.80%	0.24%	Retirement Strategy Fund 2000	3,099,499	(89,810)
	0.30%	Retirement Strategy Fund 2005	3,869,624	209,244
	1.10%	Retirement Strategy Fund 2010	13,918,284	(19,613)
	2.65%	Retirement Strategy Fund 2015	33,694,882	(741,746)
	2.71%	Retirement Strategy Fund 2020	34,387,369	(1,304,516)
	2.16%	Retirement Strategy Fund 2025	27,421,349	(604,251)
	0.86%	Retirement Strategy Fund 2030	10,946,596	102,573
	0.43%	Retirement Strategy Fund 2035	5,481,002	(413,720)
	0.16%	Retirement Strategy Fund 2040	2,085,062	(77,333)
	0.11%	Retirement Strategy Fund 2045	1,360,627	41,662
	0.03%	Retirement Strategy Fund 2050	441,120	73,289
	0.04%	Retirement Strategy Fund 2055	483,284	43,581
	3.29%	U.S. Large Stock Fund	41,852,038	(1,476,135)
	0.83%	U.S. Small Value Stock Fund	10,532,341	196,302
	0.40%	Global Equity Fund	5,031,436	(322,648)
	0.30%	Emerging Markets Equity Fund	3,756,174	(411,092)
	3.01%	Bond Market Fund	38,205,305	1,385,821
	7.06%	Money Market Fund	89,665,601	120,111
		Total Fund	\$1,270,303,267	(\$9,689,269)

Public Employees' Retirement System (PERS)

	% of Assets	Option	Market Value	Quarterly Change
	57.82%	WSIB TAP Fund	\$992,370,468	(\$5,992,582)
	1.07%	Social Balanced Fund	18,318,819	(770,944)
18.00%	0.19%	Retirement Strategy Fund 2000	3,298,450	256,270
	0.29%	Retirement Strategy Fund 2005	4,933,474	780,107
	1.05%	Retirement Strategy Fund 2010	17,940,689	(474,349)
	2.94%	Retirement Strategy Fund 2015	50,474,869	(2,330,440)
	3.85%	Retirement Strategy Fund 2020	66,116,684	(3,106,127)
	4.01%	Retirement Strategy Fund 2025	68,757,688	(3,045,775)
	2.49%	Retirement Strategy Fund 2030	42,754,554	(2,041,083)
	1.68%	Retirement Strategy Fund 2035	28,762,660	(849,646)
	0.78%	Retirement Strategy Fund 2040	13,341,184	(534,642)
	0.42%	Retirement Strategy Fund 2045	7,127,395	(128,373)
	0.17%	Retirement Strategy Fund 2050	2,925,931	56,664
0.14%	Retirement Strategy Fund 2055	2,428,923	580,568	
	5.04%	U.S. Large Stock Fund	86,521,399	(606,579)
	2.06%	U.S. Small Value Stock Fund	35,358,590	(243,651)
	1.07%	Global Equity Fund	18,329,617	(992,665)
	0.91%	Emerging Markets Equity Fund	15,537,790	(2,289,631)
	5.05%	Bond Market Fund	86,656,385	5,106,038
	8.99%	Money Market Fund	154,278,390	1,132,098
		Total Fund	\$1,716,233,959	(\$15,494,740)

Deferred Compensation (DCP)

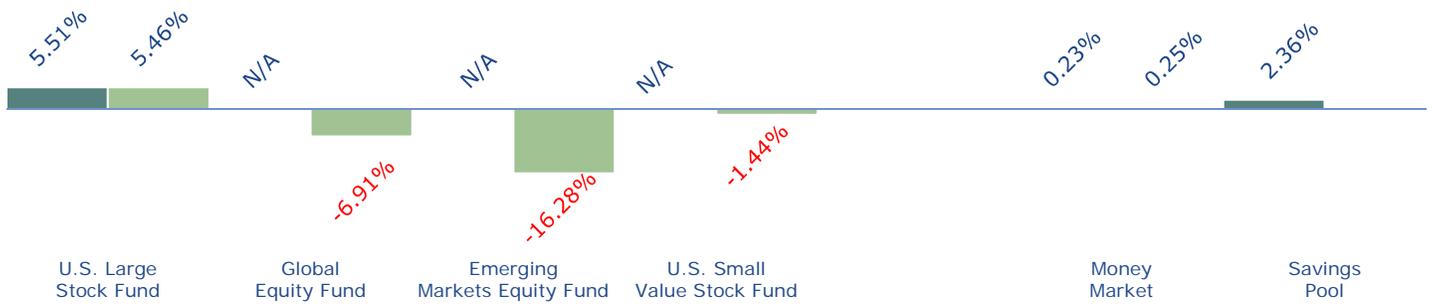
	% of Assets	Option	Market Value	Quarterly Change
37.92%	0.83%	Retirement Strategy Fund 2000	\$24,434,652	\$1,038,904
	1.22%	Retirement Strategy Fund 2005	35,891,261	(1,121,770)
	3.93%	Retirement Strategy Fund 2010	115,130,173	(5,497,797)
	8.66%	Retirement Strategy Fund 2015	253,847,029	(6,382,216)
	8.74%	Retirement Strategy Fund 2020	256,142,671	(5,405,979)
	6.14%	Retirement Strategy Fund 2025	179,950,937	(6,525,453)
	3.92%	Retirement Strategy Fund 2030	114,865,517	(3,453,049)
	2.50%	Retirement Strategy Fund 2035	73,168,377	(2,531,954)
	1.20%	Retirement Strategy Fund 2040	35,033,972	(1,635,077)
	0.51%	Retirement Strategy Fund 2045	14,996,233	(183,700)
	0.15%	Retirement Strategy Fund 2050	4,355,197	371,957
0.13%	Retirement Strategy Fund 2055	3,868,427	117,554	
	3.45%	Social Balanced Fund	101,013,673	(2,232,340)
	6.08%	U.S. Large Stock Fund	178,225,863	(184,828)
	3.75%	U.S. Small Value Stock Fund	109,906,579	(1,490,464)
	2.23%	Global Equity Fund	65,490,028	(2,022,427)
	1.79%	Emerging Markets Equity Fund	52,535,443	(4,365,998)
	9.12%	Bond Market Fund	267,287,668	13,344,825
	35.66%	Savings Pool	1,045,368,179	(18,236,044)
		Total Fund	\$2,931,511,879	(\$46,395,856)

Judicial Retirement Account (JRA)

	% of Assets	Option	Market Value	Quarterly Change
34.62%	1.36%	Retirement Strategy Fund 2000	\$167,168	(\$1,584)
	0.87%	Retirement Strategy Fund 2005	106,589	(4,813)
	6.23%	Retirement Strategy Fund 2010	764,045	(13,268)
	14.97%	Retirement Strategy Fund 2015	1,835,415	(56,405)
	5.70%	Retirement Strategy Fund 2020	698,037	(24,059)
	1.64%	Retirement Strategy Fund 2025	201,231	(8,756)
	0.79%	Retirement Strategy Fund 2030	96,308	(2,641)
	0.45%	Retirement Strategy Fund 2035	54,907	(3,089)
	0.00%	Retirement Strategy Fund 2040	0	0
	0.00%	Retirement Strategy Fund 2045	0	0
	0.00%	Retirement Strategy Fund 2050	0	0
	0.00%	Retirement Strategy Fund 2055	0	0
	2.61%	Social Balanced Fund	319,950	(8,535)
	5.75%	U.S. Large Stock Fund	704,998	(57,016)
	5.29%	U.S. Small Value Stock Fund	648,610	(17,851)
	4.02%	Global Equity Fund	493,307	(27,855)
	4.24%	Emerging Markets Equity Fund	520,019	(46,526)
	5.61%	Bond Market Fund	688,155	(3,273)
	40.45%	Savings Pool	4,957,862	(41,466)
		Total Fund	\$12,256,600	(\$317,137)

One Year Returns

Fund Index



Equity Funds

	Qtr.	1 Year	3 Year	5 Year	10 Year
U.S. Large Stock Fund	-2.75%	5.51%	16.54%	0.39%	5.45%
S&P 500	-2.75%	5.46%	16.40%	0.22%	5.33%
Global Equity Fund	-5.39%	N/A	N/A	N/A	N/A
MSCI ACWI IMI	-5.68%	-6.91%	11.30%	-2.44%	6.23%
Emerging Markets Equity Fund	-8.18%	N/A	N/A	N/A	N/A
MSCI EM IMI	-8.79%	-16.28%	9.97%	-0.01%	14.11%
U.S. Small Value Stock Fund	-2.96%	N/A	N/A	N/A	N/A
Russell 2000 Value	-3.01%	-1.44%	17.43%	-1.05%	6.50%

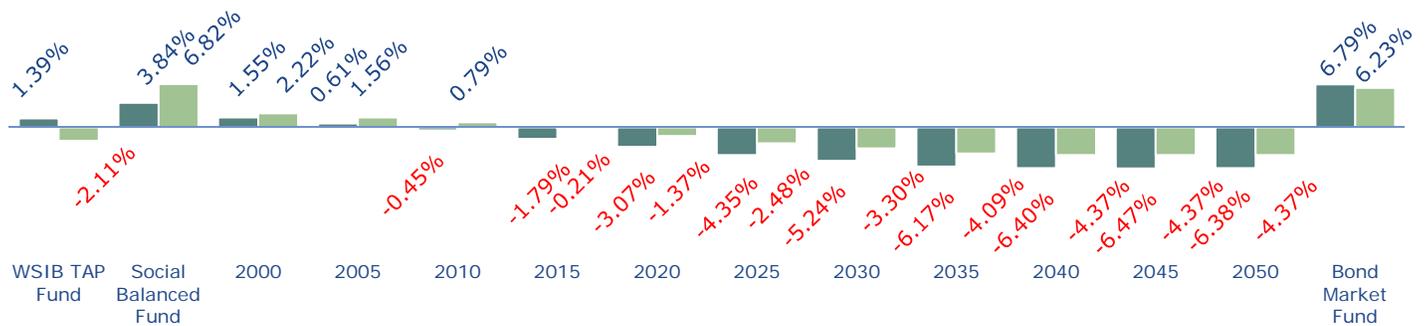
Cash Funds

	Qtr.	1 Year	3 Year	5 Year	10 Year
Money Market Fund (Plan 3)	0.07%	0.23%	0.23%	1.16%	2.04%
One Month LIBOR	0.06%	0.25%	0.26%	1.28%	2.14%
Savings Pool (DCP)	0.53%	2.36%	3.24%	3.81%	4.40%

Returns shown are after manager and portfolio expenses but before the WSIB and record keeping fees.

One Year Returns

Fund Index



Balanced Funds

	Qtr.	1 Year	3 Year	5 Year	10 Year
WSIB TAP Fund (Plan 3)	-0.56%	1.39%	11.62%	1.17%	7.39%
Custom Benchmark	-3.25%	-2.11%	10.78%	0.84%	6.23%
Social Balanced Fund	-2.57%	3.84%	11.72%	4.97%	N/A
Custom Benchmark	-0.53%	6.82%	12.44%	3.61%	5.82%
Retirement Strategy Fund 2000	-0.91%	1.55%	10.03%	N/A	N/A
2000 Composite Index	-0.36%	2.22%	10.07%	N/A	N/A
Retirement Strategy Fund 2005	-1.56%	0.61%	10.87%	N/A	N/A
2005 Composite Index	-0.89%	1.56%	11.21%	N/A	N/A
Retirement Strategy Fund 2010	-2.21%	-0.45%	11.66%	N/A	N/A
2010 Composite Index	-1.45%	0.79%	12.26%	N/A	N/A
Retirement Strategy Fund 2015	-2.95%	-1.79%	11.67%	N/A	N/A
2015 Composite Index	-2.02%	-0.21%	12.50%	N/A	N/A
Retirement Strategy Fund 2020	-3.57%	-3.07%	11.55%	N/A	N/A
2020 Composite Index	-2.59%	-1.37%	12.60%	N/A	N/A
Retirement Strategy Fund 2025	-4.14%	-4.35%	11.42%	N/A	N/A
2025 Composite Index	-3.15%	-2.48%	12.63%	N/A	N/A
Retirement Strategy Fund 2030	-4.74%	-5.24%	10.95%	N/A	N/A
2030 Composite Index	-3.67%	-3.30%	12.33%	N/A	N/A
Retirement Strategy Fund 2035	-5.30%	-6.17%	10.39%	N/A	N/A
2035 Composite Index	-4.16%	-4.09%	11.92%	N/A	N/A
Retirement Strategy Fund 2040	-5.53%	-6.40%	10.26%	N/A	N/A
2040 Composite Index	-4.38%	-4.37%	11.83%	N/A	N/A
Retirement Strategy Fund 2045	-5.59%	-6.47%	10.24%	N/A	N/A
2045 Composite Index	-4.38%	-4.37%	11.83%	N/A	N/A
Retirement Strategy Fund 2050	-5.51%	-6.38%	10.30%	N/A	N/A
2050 Composite Index	-4.38%	-4.37%	11.83%	N/A	N/A
Retirement Strategy Fund 2055	-5.49%	-6.32%	N/A	N/A	N/A
2055 Composite Index	-4.38%	-4.37%	N/A	N/A	N/A

Bond Fund

	Qtr.	1 Year	3 Year	5 Year	10 Year
Bond Market Fund	1.52%	6.79%	8.61%	8.07%	6.40%
Barclays Capital Intermediate Credit	1.53%	6.23%	8.40%	6.79%	5.90%

Characteristics

Composition Distribution

Average Maturity

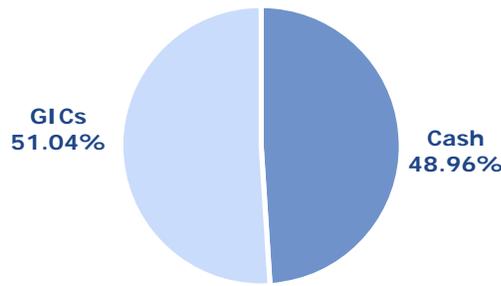
0.6 Years

Average Yield

1.85%

Number of Holdings

18

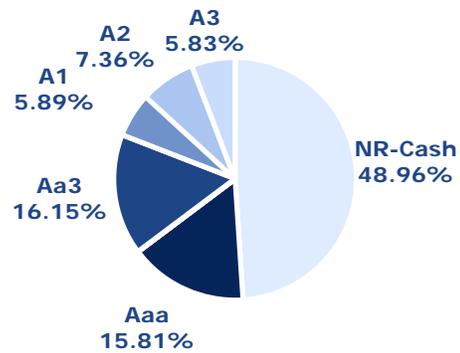


Market Value
\$ 1,050,217,625

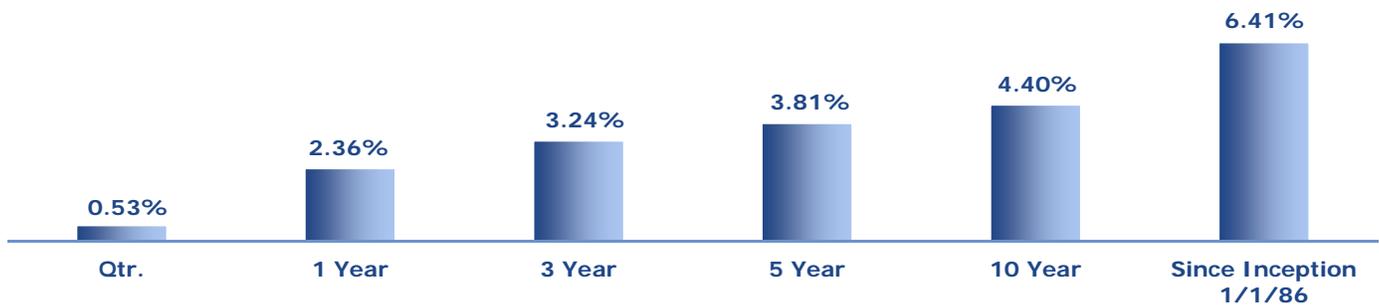
GIC Issuers by Percentage

Metropolitan Life Insurance Co	16.15%
New York Life Insurance Corp.	15.81%
Pacific Life Insurance Co.	5.89%
Security Life of Denver Insurance Co.	5.83%
Prudential Insurance Co. of America	5.07%
Protective Life Insurance Co.	2.30%

Rating Distribution



Return

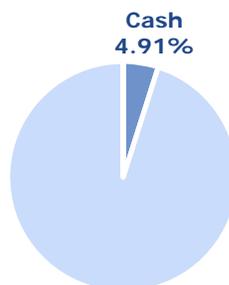


Note: Totals may not add up due to rounding

Characteristics

Asset Class Distribution

	Fund	Index
Average Maturity	5.3 years	5.0 years
Yield to Maturity	2.55%	2.45%
Effective Duration	4.61	4.39
Average Coupon	3.88%	4.56%
Number of Holdings	238	3,368



Market Value
\$ 1,358,504,335

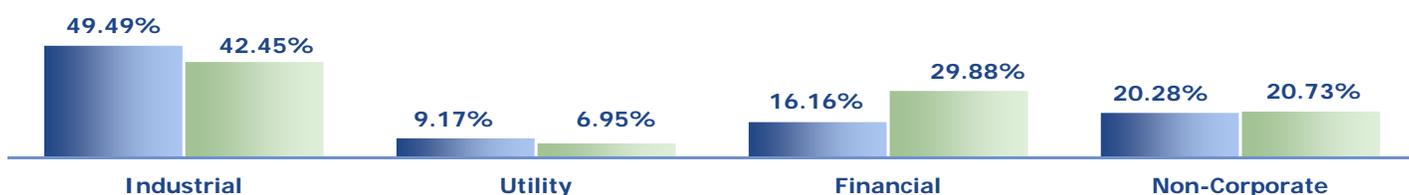
Top Ten Credit Issuers

Asian Development Bank	1.70%	Inter-American Development Bank	1.17%
International Finance Corp.	1.67%	Occidental Petroleum Corp.	1.13%
The Coca-Cola Co.	1.26%	United Overseas Bank Ltd.	1.12%
Ontario, Province of	1.24%	EQT Corp.	1.11%
Hutchison Whamp International Ltd.	1.19%	Dr. Pepper Snapple Group	1.06%

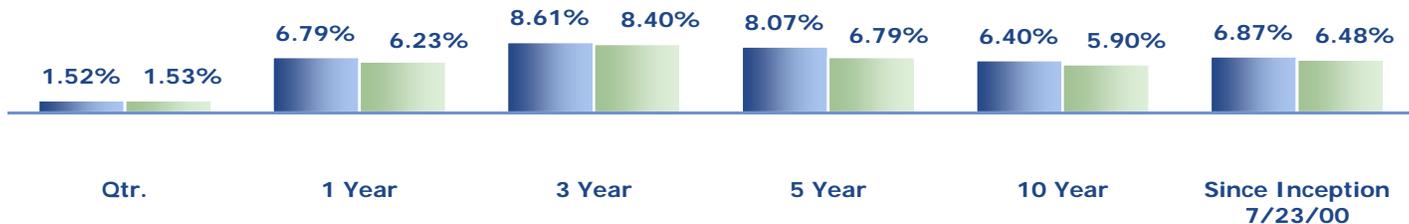
Rating Distribution



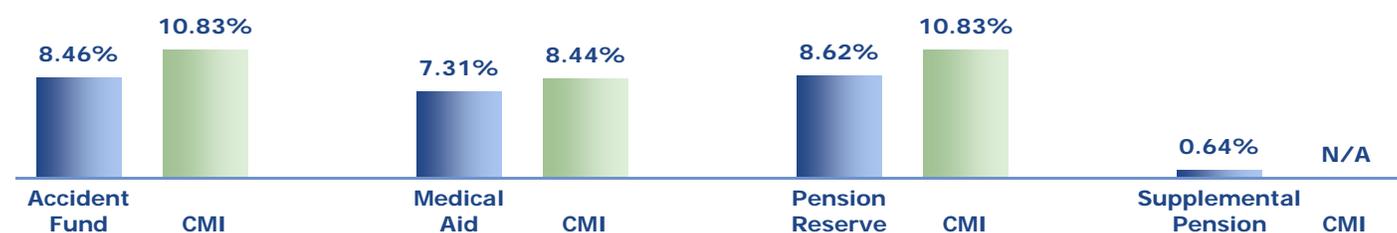
Industry Distribution



Return



Note: Totals may not add up due to rounding

One Year Performance

Total Fund **\$13,431,495,087**

	Market Value	Qtr.	1 Year	3 Year	5 Year	10 Year
Accident Fund	\$4,884,222,798	1.82%	8.46%	9.90%	7.74%	7.32%
CMI		2.61%	10.83%	11.34%	7.50%	7.30%
Medical Aid	\$4,610,442,006	1.16%	7.31%	9.80%	6.11%	6.55%
CMI		1.68%	8.44%	10.65%	5.91%	6.66%
Pension Reserve	\$3,838,553,500	1.82%	8.62%	9.93%	7.56%	7.30%
CMI		2.61%	10.83%	11.34%	7.50%	7.29%
Supplemental Pension	\$98,276,782	0.25%	0.64%	1.19%	2.53%	2.78%
CMI		N/A	N/A	N/A	N/A	N/A

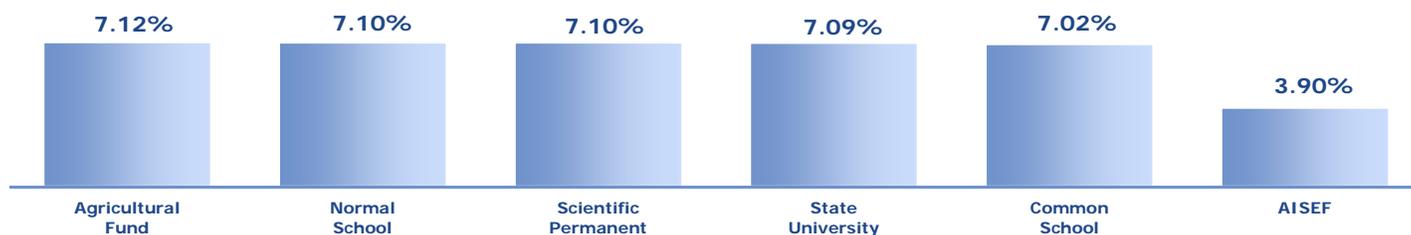
Labor and Industries' Statutory Accounting Return *

	Qtr.	1 Year	3 Year	5 Year
Accident Fund	0.70%	4.33%	6.45%	5.43%
Medical Aid	0.28%	3.66%	6.36%	3.80%
Pension Reserve	0.65%	4.44%	6.39%	5.33%
Supplemental Pension	0.13%	0.35%	2.74%	3.18%

Duration

	CMI	Target	Actual	% Difference
Accident Fund	7.86	7.00	6.82	-2.60%
Medical Aid	6.49	6.00	6.33	5.51%
Pension Reserve	7.86	7.00	6.83	-2.49%

* 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	\$ 199,113,805
Normal School	\$ 253,563,266
Scientific Permanent	\$ 222,140,871
State University	\$ 32,420,958
Common School	\$ 198,424,540
American Indian Scholarship Endowment Fund (AISEF)	\$ 370,971

Total Returns

	Qtr.	1 Year	3 Year	5 Year	10 Year
Agricultural Fund	2.25%	7.12%	6.81%	7.19%	5.80%
Custom Benchmark ¹ (88.2%/11.8%)	2.06%	7.47%	6.93%	6.79%	5.63%
Normal School	2.24%	7.10%	6.74%	7.04%	5.67%
Custom Benchmark ¹ (88.4%/11.6%)	2.06%	7.47%	6.93%	6.79%	5.63%
Scientific Permanent	2.25%	7.10%	6.74%	7.04%	5.68%
Custom Benchmark ¹ (88.4%/11.6%)	2.06%	7.47%	6.93%	6.79%	5.63%
State University	2.23%	7.09%	6.73%	7.05%	5.66%
Custom Benchmark ¹ (88.7%/11.3%)	2.06%	7.47%	6.93%	6.79%	5.63%
Common School	2.00%	7.02%	7.28%	6.66%	5.69%
Custom Benchmark ¹ (84.0%/16.0%)	2.10%	7.66%	7.55%	6.52%	5.73%
AISEF	1.28%	3.90%	3.64%	N/A	N/A
Custom Benchmark ² (98.3%/1.7%)	1.15%	4.10%	3.77%	3.58%	3.17%

All of the custom benchmarks use previous month-end weights adjusted for new purchases during the current month.

¹ The custom benchmark is a combination of the Barclays Capital Aggregate and Russell 3000. The numbers in parentheses is the breakdown respectively for the current quarter.

² The custom benchmark is a combination of the Barclays Capital Aggregate and the 90 Day Tbill. The numbers in parentheses is the breakdown respectively for the current quarter.

Equity Returns

	Qtr.	1 Year	3 Year	5 Year	10 Year
Agricultural Fund	N/A	N/A	N/A	N/A	N/A
Normal School	N/A	N/A	N/A	N/A	N/A
Scientific Permanent	N/A	N/A	N/A	N/A	N/A
State University	N/A	N/A	N/A	N/A	N/A
Common School	N/A	N/A	N/A	N/A	N/A
Russell 3000	-3.15%	3.84%	16.73%	0.39%	5.81%

Fixed Income Returns

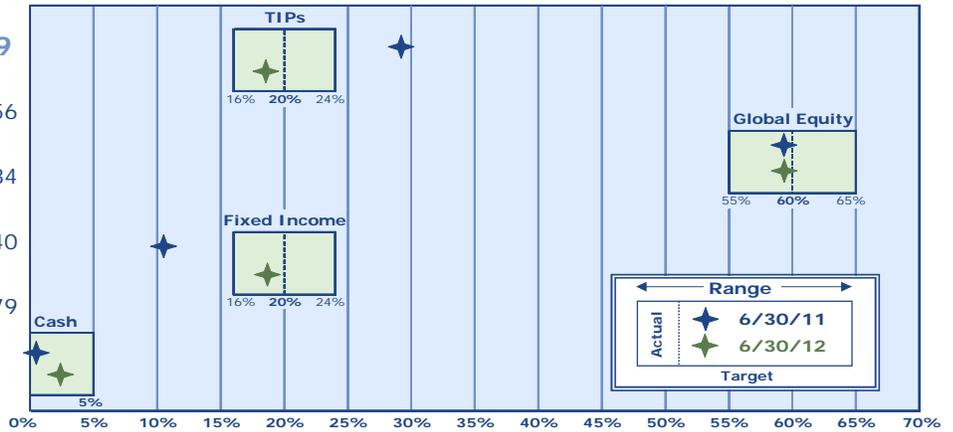
	Qtr.	1 Year	3 Year	5 Year	10 Year
Agricultural Fund	1.77%	6.58%	6.60%	6.96%	5.69%
Normal School	1.77%	6.58%	6.57%	6.94%	5.62%
Scientific Permanent	1.77%	6.58%	6.57%	6.94%	5.63%
State University	1.77%	6.58%	6.57%	6.95%	5.61%
Common School	1.77%	6.58%	6.58%	6.92%	5.61%
AISEF	1.77%	6.58%	6.58%	N/A	N/A
Barclays Capital Aggregate	2.06%	7.47%	6.93%	6.79%	5.61%

Cash Returns

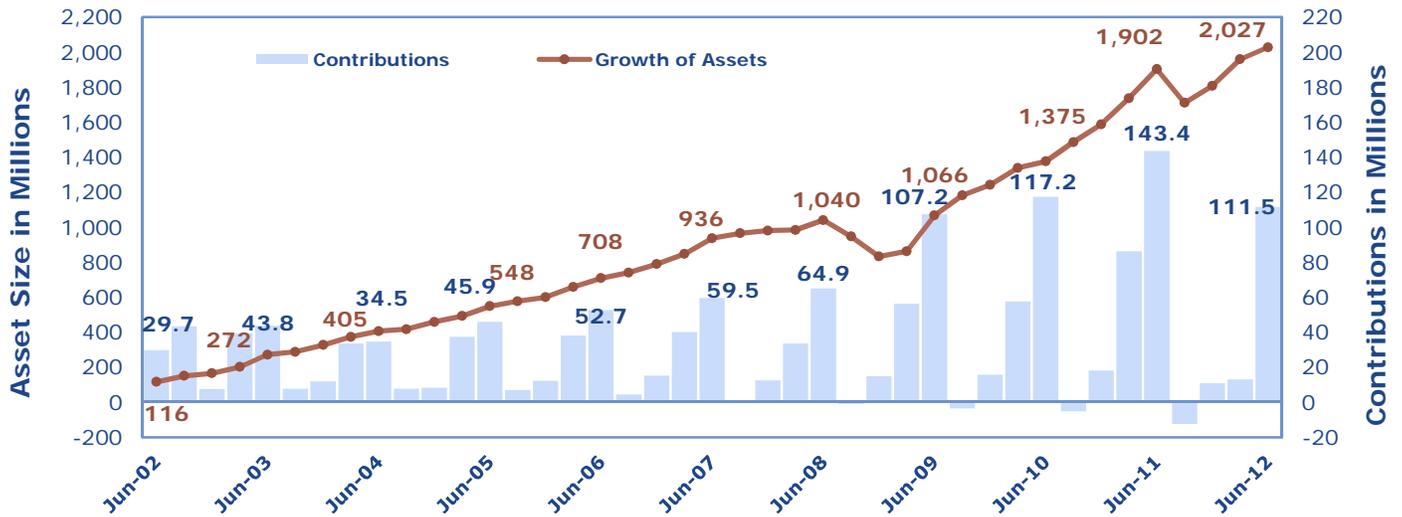
	Qtr.	1 Year	3 Year	5 Year	10 Year
AISEF	0.02%	0.03%	0.05%	N/A	N/A
90 Day Tbill	0.03%	0.03%	0.05%	N/A	N/A

Portfolio Size and Allocation

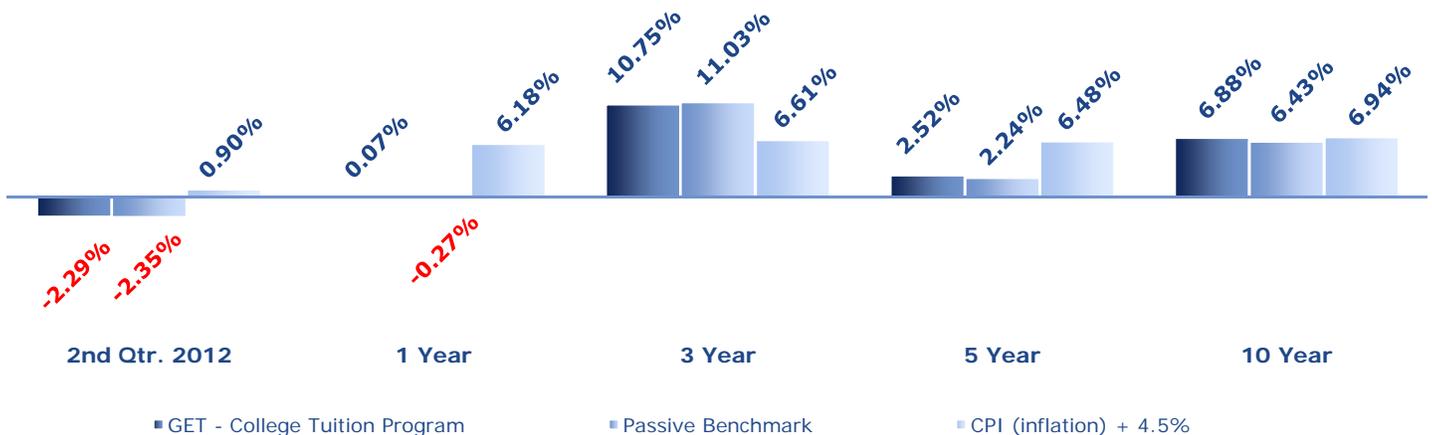
Total	\$2,026,753,759
Cash	57,529,256
Treasury Inflation Index Note (TIPs)	379,598,384
Fixed Income	382,932,640
Global Equity	1,206,693,479



Assets Under Management

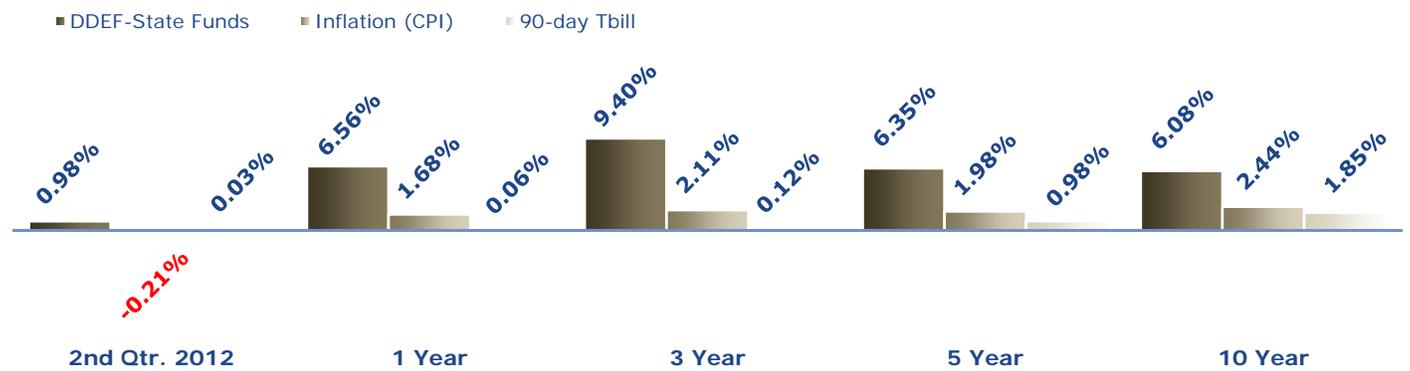
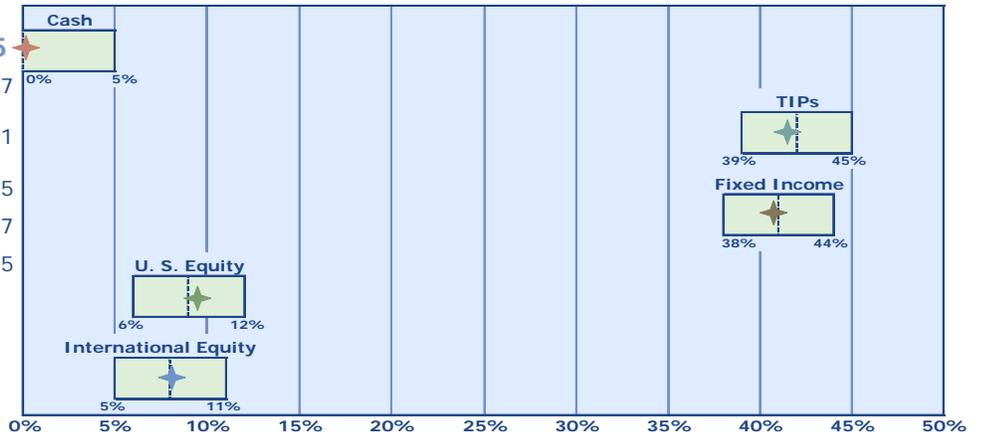


Total Return



State Funds

Total	\$10,431,265
Cash	7,607
Treasury Inflation Index Note (TIPs)	4,325,061
Fixed Income	4,266,435
U.S. Equity	985,597
International Equity	846,565



Private Funds

Total	\$22,950,580
Cash	10,001
Balanced Fund	22,940,579

