



## Investment Reports

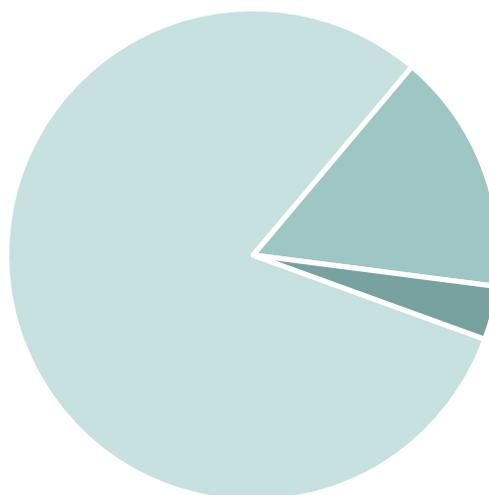
Quarterly Report – September 30, 2012

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Labor & Industries.....	18
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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

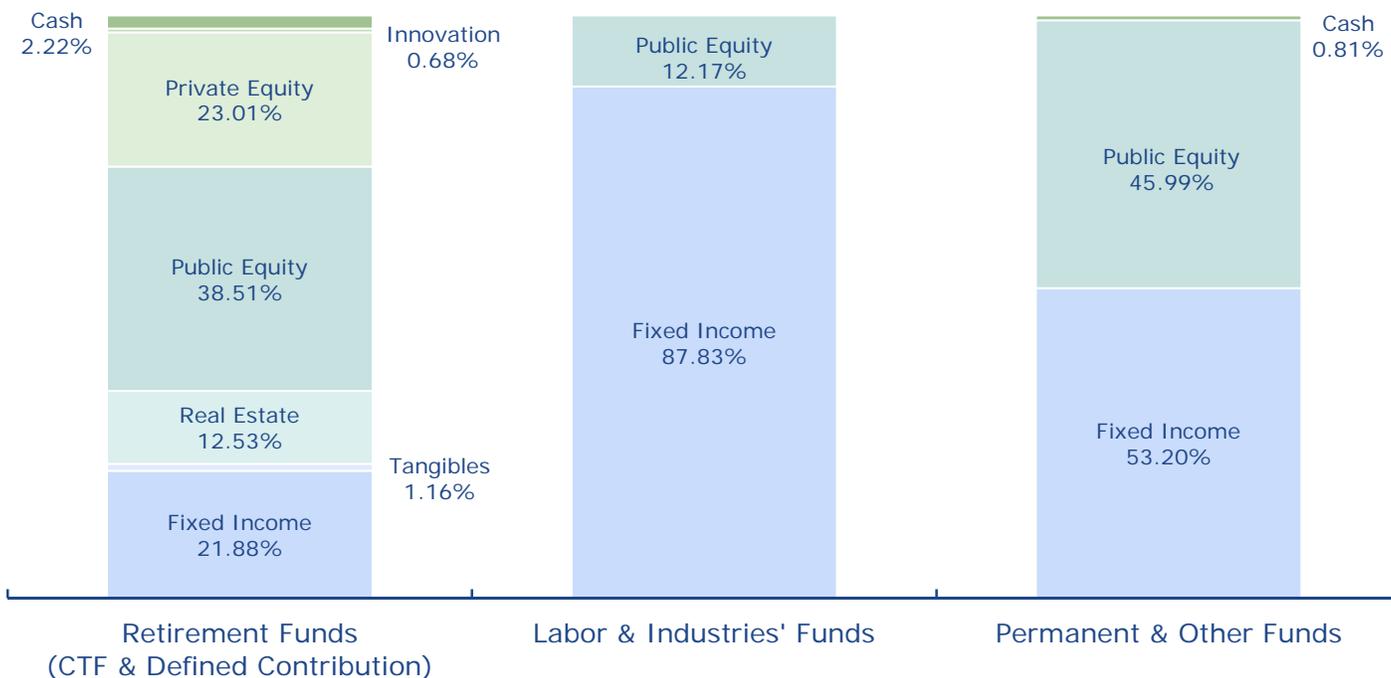
Retirement Funds  
(CTF & Defined Contribution)  
\$70,264,697,004  
80.58%



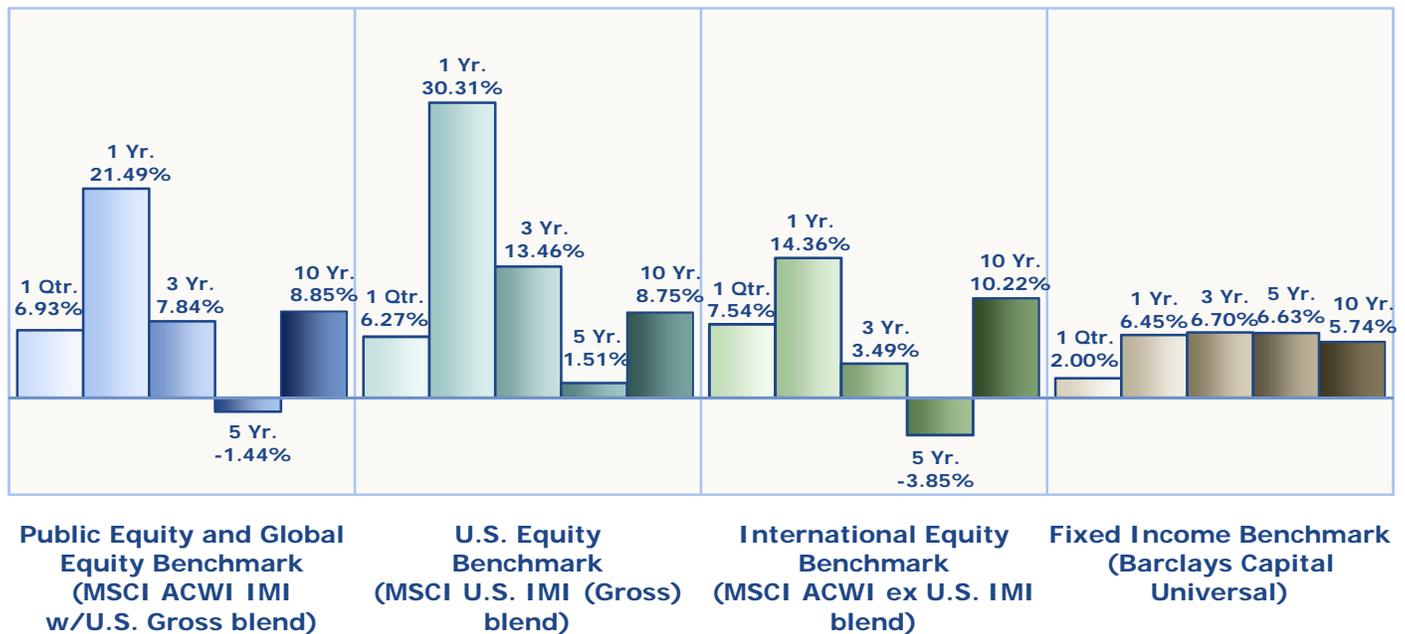
Labor & Industries' Funds  
\$13,862,220,220  
15.90%

Permanent & Other Funds  
\$3,067,128,100  
3.52%

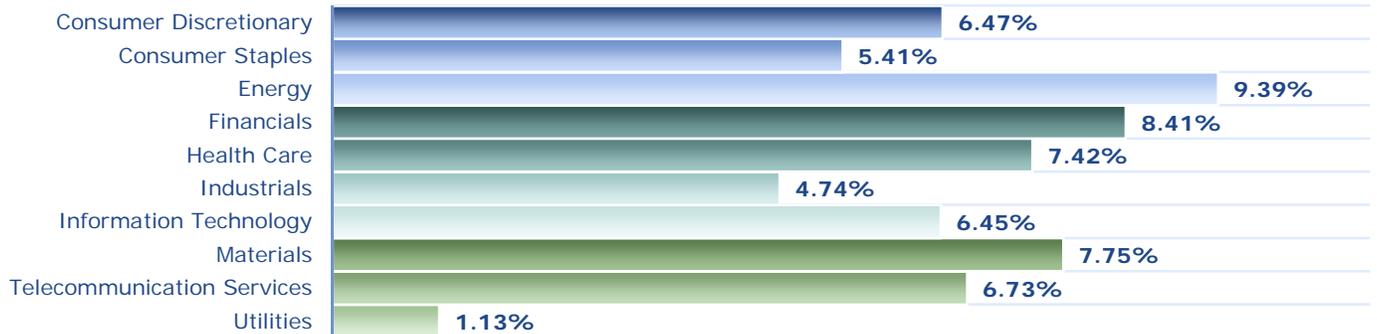
**Asset Class Overview for All Funds**



**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 6.9% outperforming 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 Energy at 9.4%. The lowest return was Utilities at 1.1%.
- ❖ In the Barclays Capital indices Emerging Markets (Excluding U.S. Aggregate) has the highest return for the quarter earning 8.6% while U.S. Treasury had the lowest return at 0.6%. For the yield curve, the middle end of the curve (10 year treasuries) outperformed both the long end (30 year treasuries) and the short end of the curve (3 month treasuries), returning 0.9% compared to -0.3% and 0.0% respectively for the quarter.
- ❖ GDP was 2.0% (annualized) for the quarter. Inflation, as measured by the CPI was 1.2%.
- ❖ 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 for the 3 year and 10 year time periods. The CTF is exceeding the actuarial return of 8% for the 1 year, 3 year time, 10 year and since inception.

**Asset Allocation**

- ❖ Asset transfers for the quarter consisted of transfers from tangibles for \$6 million, real estate for \$85 million, fixed income for \$100 million, public equity for \$242 million, and private equity for \$140 million to fund innovation with \$102. The remaining funds were used to pay participant withdrawals.

**Fixed Income**

- ❖ Fixed income has positive returns for all time periods. It outperformed its benchmark for all time periods.

**Tangible**

- ❖ The WSIB Tangible quarter return was -1.0% and underperformed its benchmark, CPI lagged one quarter plus 400 basis points, which returned 0.8%. It outperformed its benchmark for the 5 year time period.
- ❖ As of June 30, 2012, there were \$375 million in unfunded commitments.

**Real Estate**

- ❖ The WSIB Real Estate quarter return was 5.1%. It outperformed 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 June 30, 2012, there were \$7.4 billion in unfunded commitments.

**Public Equity**

- ❖ Public equity performed 6.8% for the quarter. It outperformed its benchmark for the 3 year time period.

**Private Equity**

- ❖ The WSIB private equity quarter return was 1.6%. It outperformed its benchmark, the Russell 3000 (lagged one quarter) plus 300 basis points for the quarter.
- ❖ As of June 30, 2012, there were \$9.5 billion in unfunded commitments.

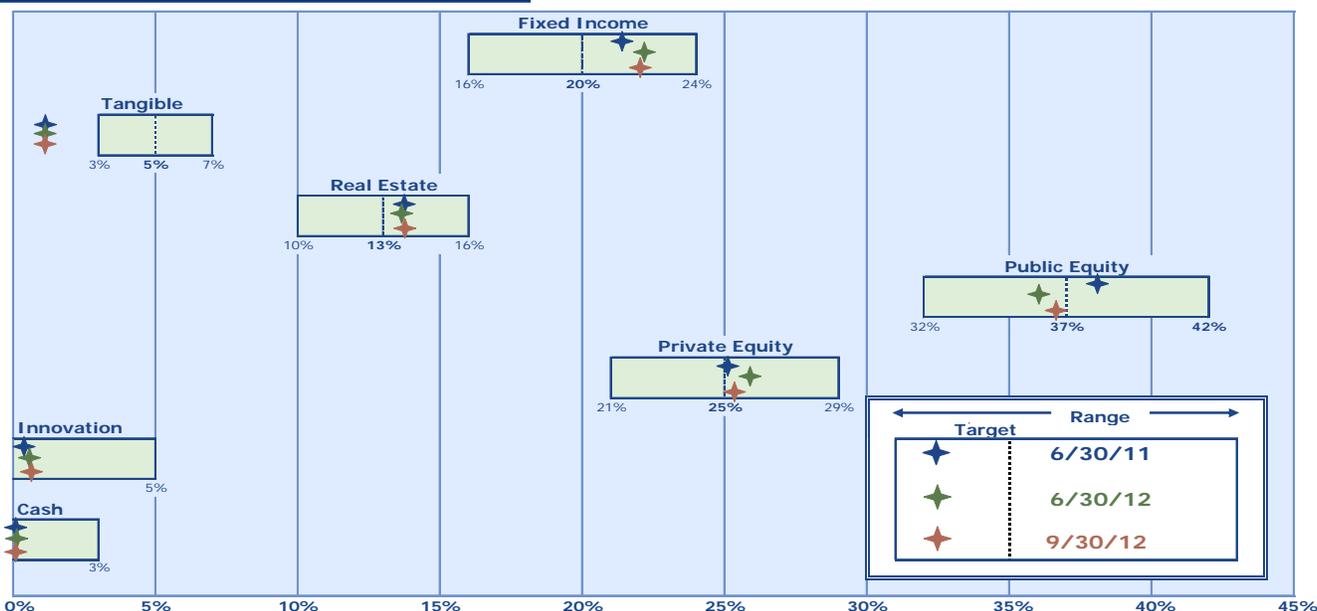
**Innovation**

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

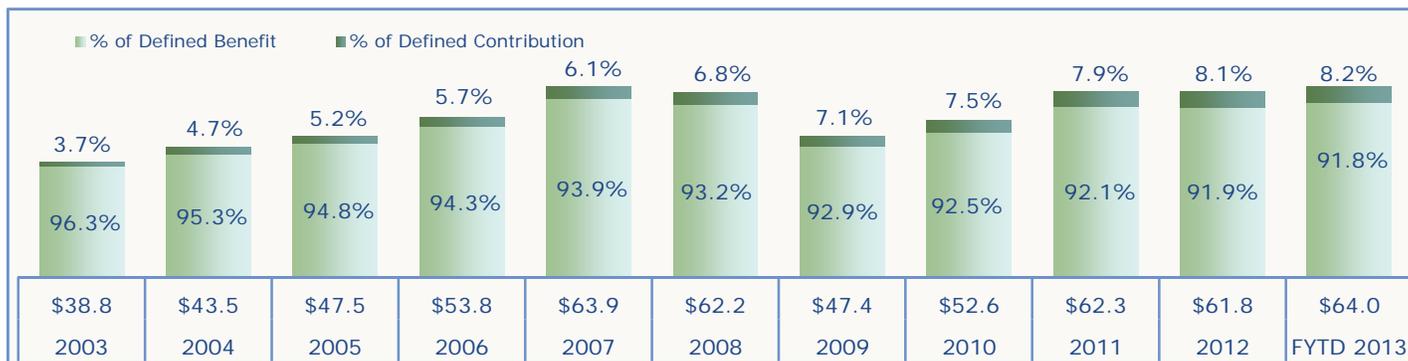
**Market Values**

**Actual Asset Allocation**

Asset Class	Market Value	by Asset Class	with Overlay	Market Value Changes
Fixed Income	\$ 12,976,256,247	20.28%	22.00%	Quarter:
Tangible	\$ 818,296,091	1.28%	1.28%	\$ 1,542,981,915
Real Estate	\$ 8,803,980,152	13.76%	13.76%	Fiscal Year:
Public Equity	\$ 23,679,002,800	37.01%	36.85%	\$ 1,730,545,391
Private Equity	\$ 16,170,163,075	25.27%	25.27%	
Innovation	\$ 476,626,692	0.74%	0.74%	
Cash	\$ 1,059,940,876	1.66%	0.10%	
<b>Total Fund</b>	<b>\$ 63,984,265,932</b>			



**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>9</sup>
<b>Total Fund</b>	<b>\$63,984,265,932</b>	<b>100.0%</b>	4.25%	13.29%	9.66%	1.18%	8.65%	8.54%
Passive Benchmark <sup>2</sup>			5.39%	16.68%	7.90%	1.38%	8.13%	
Implementation Value Added Benchmark <sup>3</sup>			2.71%	13.16%	11.21%	3.24%	9.10%	
TUCS Public Fund >\$1B Median <sup>4</sup>			4.51%	15.85%	9.48%	2.19%	8.11%	
TUCS Public/Corporate Fund >\$1B Median <sup>4</sup>			4.54%	16.01%	9.55%	2.25%	8.24%	
<b>Fixed Income</b>	<b>\$12,976,256,247</b>	<b>20.5%</b>	3.11%	8.94%	7.41%	7.99%	6.55%	
Barclays Capital Universal			2.00%	6.45%	6.70%	6.63%	5.74%	
<b>Tangible</b>	<b>\$818,296,091</b>	<b>1.3%</b>	-1.03%	4.83%	5.33%	1.79%		
CPI (Lagged One Quarter) + 400 bp			0.77%	5.68%	6.11%	5.98%		
<b>Real Estate<sup>5</sup></b>	<b>\$8,803,980,152</b>	<b>13.7%</b>	5.13%	11.14%	7.89%	-0.71%	9.18%	
8% Return Over Rolling 10 Years							8.00%	
NCREIF (Lagged One Quarter)			2.57%	11.92%	8.77%	2.48%	8.27%	
<b>Public Equity<sup>6</sup></b>	<b>\$23,679,002,800</b>	<b>36.3%</b>	6.77%	21.13%	8.16%	-1.73%	8.68%	
Custom Benchmark			6.93%	21.49%	7.84%	-1.44%	8.85%	
<b>Private Equity<sup>5</sup></b>	<b>\$16,170,163,075</b>	<b>26.0%</b>	1.55%	8.62%	15.20%	1.49%	12.05%	
Russell 3000 (Lagged One Quarter) + 300 bp			-2.43%	6.84%	19.73%	3.39%	8.81%	
<b>Innovation<sup>7</sup></b>	<b>\$476,626,692</b>	<b>0.6%</b>	4.48%	19.97%	-13.52%			
Custom Benchmark			3.83%	14.13%				
<b>Overlay<sup>8</sup></b>	<b>\$145,091,614</b>		0.00%	0.03%	0.17%	0.12%	0.06%	
<b>Cash</b>	<b>\$914,849,262</b>	<b>1.6%</b>	0.05%	0.16%	0.16%	0.95%	1.86%	
90 Day T-Bills			0.04%	0.08%	0.13%	0.78%	1.86%	

 Outperformed its benchmark

 Underperformed its benchmark

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

<sup>2</sup> 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.

<sup>3</sup> 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.

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

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

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

<sup>9</sup> Since Inception of the CTF is July 1, 1992.

**Global Markets**

\$5,217,238,245

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Total Global</b>	6.61%	20.43%	8.15%		
MSCI ACWI IMI w/ U.S. Gross	6.93%	21.49%	7.84%		
Aberdeen Asset Management	6.03%	21.77%	9.42%		
Arrowstreet Capital	6.88%	20.76%			
D.E. Shaw	6.64%	23.11%			
Longview	7.31%	28.66%			
WHV	7.07%	22.85%			
William Blair & Company	6.03%	25.76%			

**Non-U.S. Markets**

\$9,783,751,350

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Total Non-U.S. Equity</b>	7.29%	14.56%	3.91%	-3.83%	9.87%
Custom Benchmark	7.54%	14.36%	3.49%	-3.85%	10.22%
<b>Total Developed</b>	7.22%	13.53%	3.69%	-4.11%	9.21%
Custom Developed Markets Benchmark	7.45%	13.64%	2.86%	-4.55%	8.83%
SSgA	7.44%	14.23%	3.32%		
Mondrian Investment Partners	5.96%	9.94%	3.04%	-3.58%	9.98%
<b>Total Emerging</b>	7.45%	17.74%	6.53%	-1.08%	16.92%
Custom Benchmark	7.82%	16.78%	3.67%	-2.30%	16.30%
Aberdeen Asset Management	7.87%	25.97%			
Capital International	7.17%	11.86%	2.01%	-1.78%	16.83%
Grantham, Mayo, Otterloo	7.49%	14.48%	5.43%	-3.22%	17.22%
Grantham, Mayo, Otterloo Illiquid	0.00%	1.13%	4.22%	2.18%	
JPMorgan	6.32%	16.67%	5.52%	-0.44%	
Lazard Asset Management	7.74%	19.85%	8.08%	1.53%	
Mondrian Investment Partners	7.91%	20.37%			

**U.S. Markets**

\$8,678,013,204

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Total U.S. Equity</b>	6.28%	30.43%	13.57%	0.84%	8.36%
MSCI U.S. IMI (Gross)	6.27%	30.31%	13.46%	1.51%	8.75%
BlackRock Trust Company	6.28%				

Outperformed its benchmark

Underperformed its benchmark

Developed Markets Benchmark: MSCI World ex U.S. IMI (Custom) - Switched October 1, 2007.

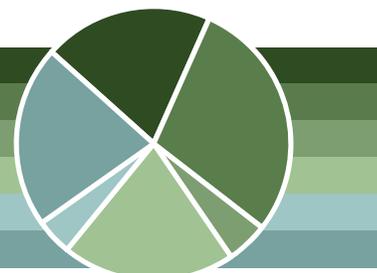
Emerging Markets Benchmark: Custom Emerging Markets IMI (Custom) - Switched October 1, 2007.

Non-U.S. Equity Benchmark: MSCI ACWI IMI ex U.S. (Custom) - Switched October 1, 2007.

**Global Markets**

\$5,217,238,245

Aberdeen Asset Management	\$1,042,572,114	19.98%
Arrowstreet Capital	\$1,505,268,113	28.85%
D.E. Shaw	\$258,690,636	4.96%
Longview	\$1,065,798,088	20.43%
WHV	\$224,830,294	4.31%
William Blair & Company	\$1,120,056,486	21.47%

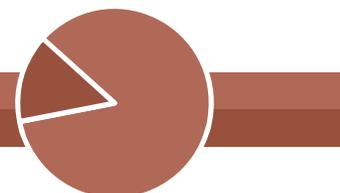


**Non-U.S. Markets**

\$9,783,751,350

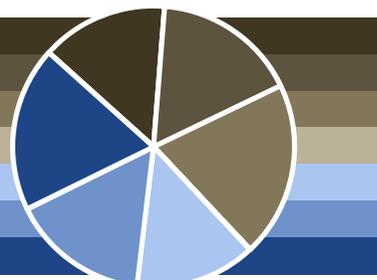
**Developed**

SSgA	\$6,095,404,681	85.25%
Mondrian Investment Partners	\$1,053,750,199	14.74%



**Emerging**

Aberdeen Asset Management	\$384,021,228	14.58%
Capital International	\$437,567,016	16.61%
Grantham, Mayo, Otterloo	\$530,967,722	20.16%
Grantham, Mayo, Otterloo Illiquid	\$446,157	0.02%
JPMorgan	\$365,421,216	13.87%
Lazard Asset Management	\$416,437,268	15.81%
Mondrian Investment Partners	\$499,186,945	18.95%



**U.S. Markets**

\$8,678,013,204

BlackRock Trust Company	\$8,678,013,358	100.00%
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Transition Accounts for Public Equity	\$571,278
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Top Ten Countries by Weight	Top Ten Holdings
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	CTF Weight		CTF Weight
United States	47.77%	Apple Inc.	1.72%
United Kingdom	8.87%	Exxon Mobil Corp.	1.09%
Japan	6.71%	Novartis AG	0.67%
Canada	3.94%	Philip Morris Intl. Inc.	0.66%
France	3.75%	Johnson & Johnson	0.64%
Switzerland	3.35%	Nestle SA	0.63%
Germany	3.27%	Pfizer Inc.	0.62%
Australia	2.37%	General Electric Co.	0.57%
Brazil	2.35%	Wells Fargo	0.57%
China	1.87%	Vodafone Group PLC	0.54%

WSIB	<div style="background-color: #003366; color: white; padding: 5px;"> <b>U.S.</b> 47.77%                 </div>	<div style="background-color: #669933; color: white; padding: 5px;"> <b>Other Developed Countries</b> 39.77%                 </div>	<div style="background-color: #996633; color: white; padding: 5px;"> <b>Emerging</b> 12.46%                 </div>
MSCI ACWI IMI w/U.S. Gross	<div style="background-color: #003366; color: white; padding: 5px;"> <b>U.S.</b> 47.67%                 </div>	<div style="background-color: #669933; color: white; padding: 5px;"> <b>Other Developed Countries</b> 39.93%                 </div>	<div style="background-color: #996633; color: white; padding: 5px;"> <b>Emerging</b> 12.41%                 </div>

**Fixed Income** \$12,976,256,247

**Duration**

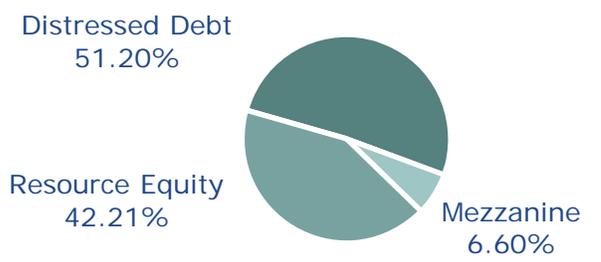
	Jun 12	Sep 12
<b>WSIB Portfolio</b>	<b>4.84</b>	<b>4.81</b>
Barclays Capital Universal	5.02	4.83
<b>Difference</b>	<b>-3.57%</b>	<b>-0.54%</b>

**Sector Weighting**



**Innovation** \$476,626,692

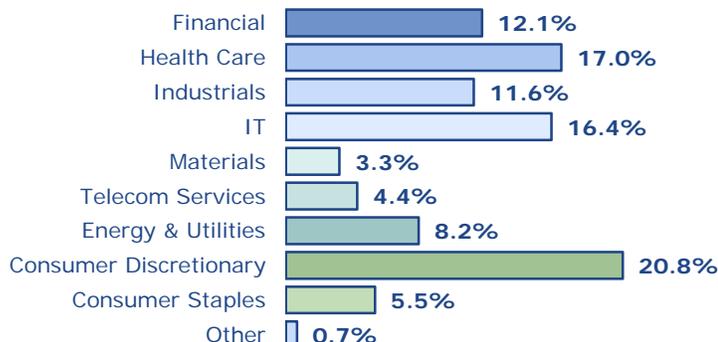
There are currently 3 funds in the Innovation Portfolio. A mezzanine fund, a distressed whole loan debt strategy, and a resource equity strategy.



**Sector Distribution**



**Industry Distribution**

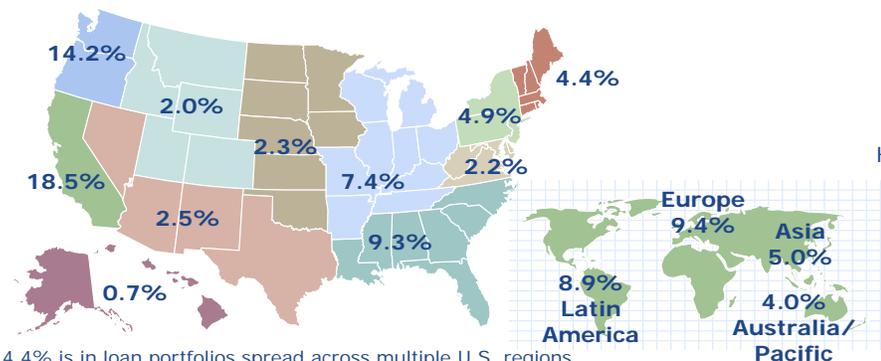


**Unfunded Commitments: \$9.5 billion**

**Real Estate**

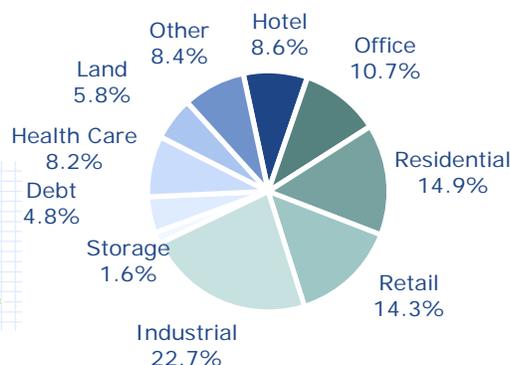
\$8,803,980,152

**Geographical Distribution**



4.4% is in loan portfolios spread across multiple U.S. regions

**Property Type Distribution**

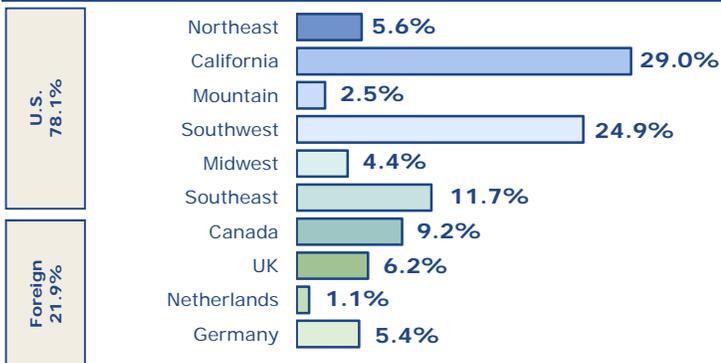


**Unfunded Commitments: \$7.4 billion**

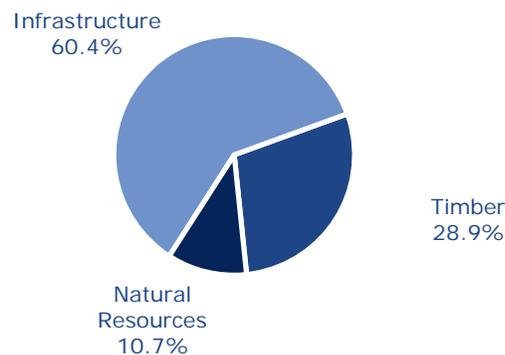
**Tangible**

\$818,296,091

**Geographical Distribution**



**Sector Type Distribution**



**Unfunded Commitments: \$375 million**

Distribution charts and unfunded commitments are lagged one quarter.

**Teachers' Retirement System (TRS)**

	<b>% of Assets</b>	<b>Option</b>	<b>Market Value</b>	<b>Quarterly Change</b>
	60.35%	WSIB TAP Fund	\$3,236,868,792	\$143,651,611
	0.88%	Social Balanced Fund	47,196,869	2,837,421
16.70%	0.16%	Retirement Strategy Fund 2000	8,725,578	352,063
	0.22%	Retirement Strategy Fund 2005	11,737,646	865,689
	0.81%	Retirement Strategy Fund 2010	43,321,825	(794,002)
	2.93%	Retirement Strategy Fund 2015	157,204,551	8,987,634
	3.90%	Retirement Strategy Fund 2020	208,922,842	9,912,482
	3.45%	Retirement Strategy Fund 2025	185,198,364	10,760,786
	2.48%	Retirement Strategy Fund 2030	133,175,919	7,769,461
	1.62%	Retirement Strategy Fund 2035	87,088,175	5,864,730
	0.76%	Retirement Strategy Fund 2040	40,688,766	3,090,853
	0.26%	Retirement Strategy Fund 2045	14,103,570	1,370,799
	0.08%	Retirement Strategy Fund 2050	4,059,257	531,876
	0.03%	Retirement Strategy Fund 2055	1,674,714	44,260
	7.68%	U.S. Large Stock Fund	412,199,239	21,098,521
	1.53%	U.S. Small Value Stock Fund	82,187,272	4,266,262
	1.07%	Global Equity Fund	57,150,357	4,093,468
	0.65%	Emerging Markets Equity Fund	35,122,571	1,729,910
	6.41%	Bond Market Fund	343,851,156	8,396,280
	4.72%	Money Market Fund	253,278,643	(5,184,689)
		<b>Total Fund</b>	<b>\$5,363,756,106</b>	<b>\$229,645,415</b>

**School Employees' Retirement System (SERS)**

	<b>% of Assets</b>	<b>Option</b>	<b>Market Value</b>	<b>Quarterly Change</b>
	73.78%	WSIB TAP Fund	\$976,047,421	\$38,969,547
	0.56%	Social Balanced Fund	7,364,157	370,358
10.90%	0.19%	Retirement Strategy Fund 2000	2,530,955	(568,544)
	0.30%	Retirement Strategy Fund 2005	3,923,737	54,113
	1.08%	Retirement Strategy Fund 2010	14,261,477	343,193
	2.66%	Retirement Strategy Fund 2015	35,187,854	1,492,972
	2.75%	Retirement Strategy Fund 2020	36,347,863	1,960,494
	2.22%	Retirement Strategy Fund 2025	29,368,127	1,946,778
	0.87%	Retirement Strategy Fund 2030	11,541,870	595,274
	0.45%	Retirement Strategy Fund 2035	5,956,517	475,515
	0.19%	Retirement Strategy Fund 2040	2,519,024	433,962
	0.11%	Retirement Strategy Fund 2045	1,484,556	123,929
	0.04%	Retirement Strategy Fund 2050	540,540	99,420
	0.04%	Retirement Strategy Fund 2055	553,838	70,554
	3.39%	U.S. Large Stock Fund	44,820,752	2,968,714
	0.80%	U.S. Small Value Stock Fund	10,585,976	53,635
	0.40%	Global Equity Fund	5,357,540	326,104
	0.29%	Emerging Markets Equity Fund	3,823,691	67,518
	3.09%	Bond Market Fund	40,918,462	2,713,157
	6.79%	Money Market Fund	89,822,873	157,272
		<b>Total Fund</b>	<b>\$1,322,957,232</b>	<b>\$52,653,965</b>

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

	<b>% of Assets</b>	<b>Option</b>	<b>Market Value</b>	<b>Quarterly Change</b>
	57.81%	WSIB TAP Fund	\$1,038,396,655	\$46,026,187
	1.06%	Social Balanced Fund	19,064,851	746,032
18.07%	0.18%	Retirement Strategy Fund 2000	3,213,342	(85,107)
	0.26%	Retirement Strategy Fund 2005	4,642,942	(290,532)
	0.98%	Retirement Strategy Fund 2010	17,603,344	(337,345)
	2.85%	Retirement Strategy Fund 2015	51,154,853	679,985
	3.94%	Retirement Strategy Fund 2020	70,793,237	4,676,553
	4.03%	Retirement Strategy Fund 2025	72,348,394	3,590,706
	2.51%	Retirement Strategy Fund 2030	45,173,950	2,419,396
	1.71%	Retirement Strategy Fund 2035	30,672,707	1,910,047
	0.82%	Retirement Strategy Fund 2040	14,642,290	1,301,105
	0.44%	Retirement Strategy Fund 2045	7,978,337	850,942
	0.20%	Retirement Strategy Fund 2050	3,613,788	687,857
	0.15%	Retirement Strategy Fund 2055	2,762,052	333,129
	5.09%	U.S. Large Stock Fund	91,473,228	4,951,828
	2.03%	U.S. Small Value Stock Fund	36,401,293	1,042,703
	1.17%	Global Equity Fund	21,058,864	2,729,248
	0.89%	Emerging Markets Equity Fund	15,901,776	363,986
	5.19%	Bond Market Fund	93,268,474	6,612,089
	8.69%	Money Market Fund	156,122,986	1,844,596
		<b>Total Fund</b>	<b>\$1,796,287,363</b>	<b>\$80,053,404</b>

**Deferred Compensation (DCP)**

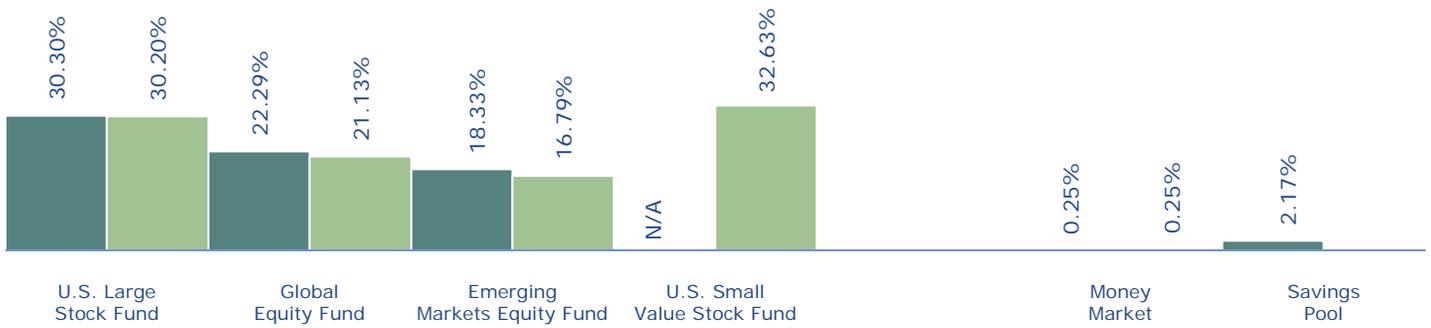
	<b>% of Assets</b>	<b>Option</b>	<b>Market Value</b>	<b>Quarterly Change</b>
38.57%	0.84%	Retirement Strategy Fund 2000	\$25,479,729	\$1,045,077
	1.25%	Retirement Strategy Fund 2005	38,002,500	2,111,239
	3.85%	Retirement Strategy Fund 2010	116,987,816	1,857,643
	8.71%	Retirement Strategy Fund 2015	264,510,161	10,663,131
	8.97%	Retirement Strategy Fund 2020	272,480,761	16,338,090
	6.30%	Retirement Strategy Fund 2025	191,136,708	11,185,771
	4.01%	Retirement Strategy Fund 2030	121,838,581	6,973,064
	2.57%	Retirement Strategy Fund 2035	78,126,347	4,957,969
	1.23%	Retirement Strategy Fund 2040	37,216,199	2,182,227
	0.54%	Retirement Strategy Fund 2045	16,499,548	1,503,314
	0.15%	Retirement Strategy Fund 2050	4,573,331	218,133
0.14%	Retirement Strategy Fund 2055	4,125,186	256,759	
	3.43%	Social Balanced Fund	104,024,341	3,010,668
	6.20%	U.S. Large Stock Fund	188,105,195	9,879,332
	3.74%	U.S. Small Value Stock Fund	113,525,650	3,619,072
	2.29%	Global Equity Fund	69,427,302	3,937,275
	1.81%	Emerging Markets Equity Fund	55,006,139	2,470,696
	9.56%	Bond Market Fund	290,140,300	22,852,633
	34.42%	Savings Pool	1,045,040,219	(327,960)
		<b>Total Fund</b>	<b>\$3,036,246,011</b>	<b>\$104,734,132</b>

**Judicial Retirement Account (JRA)**

	<b>% of Assets</b>	<b>Option</b>	<b>Market Value</b>	<b>Quarterly Change</b>
34.91%	1.38%	Retirement Strategy Fund 2000	\$172,973	\$5,805
	0.86%	Retirement Strategy Fund 2005	107,843	1,254
	6.21%	Retirement Strategy Fund 2010	775,472	11,427
	15.00%	Retirement Strategy Fund 2015	1,874,346	38,931
	5.35%	Retirement Strategy Fund 2020	668,852	(29,185)
	2.16%	Retirement Strategy Fund 2025	270,058	68,827
	0.83%	Retirement Strategy Fund 2030	103,798	7,490
	0.46%	Retirement Strategy Fund 2035	58,049	3,142
	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
	2.65%	Social Balanced Fund	331,358	11,408
	6.12%	U.S. Large Stock Fund	764,786	59,788
	5.54%	U.S. Small Value Stock Fund	692,692	44,082
	4.23%	Global Equity Fund	528,510	35,204
	4.48%	Emerging Markets Equity Fund	559,313	39,294
	5.67%	Bond Market Fund	708,954	20,800
	39.05%	Savings Pool	4,880,224	(77,637)
		<b>Total Fund</b>	<b>\$12,497,228</b>	<b>\$240,628</b>

One Year Returns

Fund Index



**Equity Funds**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>U.S. Large Stock Fund</b>	<b>6.37%</b>	<b>30.30%</b>	<b>13.32%</b>	<b>1.22%</b>	<b>8.13%</b>
S&P 500	6.35%	30.20%	13.20%	1.05%	8.01%
<b>Global Equity Fund</b>	<b>6.75%</b>	<b>22.29%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
MSCI ACWI IMI	6.85%	21.13%	7.56%	-1.71%	9.04%
<b>Emerging Markets Equity Fund</b>	<b>7.04%</b>	<b>18.33%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
MSCI EM IMI	7.82%	16.79%	5.77%	-1.12%	17.00%
<b>U.S. Small Value Stock Fund</b>	<b>5.76%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Russell 2000 Value	5.67%	32.63%	11.72%	1.35%	9.68%

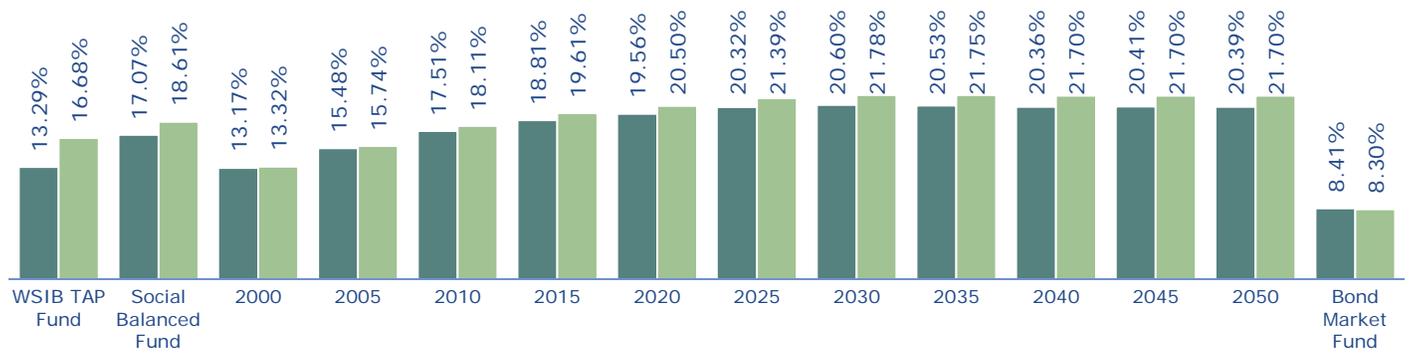
**Cash Funds**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Money Market Fund (Plan 3)</b>	<b>0.07%</b>	<b>0.25%</b>	<b>0.23%</b>	<b>0.91%</b>	<b>2.00%</b>
One Month LIBOR	0.06%	0.25%	0.25%	1.01%	2.10%
<b>Savings Pool (DCP)</b>	<b>0.48%</b>	<b>2.17%</b>	<b>3.05%</b>	<b>3.66%</b>	<b>4.29%</b>

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
<b>WSIB TAP Fund (Plan 3)</b>	<b>4.25%</b>	<b>13.29%</b>	<b>9.66%</b>	<b>1.18%</b>	<b>8.65%</b>
Custom Benchmark	5.39%	16.68%	7.90%	1.38%	8.13%
<b>Social Balanced Fund</b>	<b>3.60%</b>	<b>17.07%</b>	<b>10.05%</b>	<b>4.88%</b>	<b>N/A</b>
Custom Benchmark	4.19%	18.61%	10.37%	3.96%	7.12%
<b>Retirement Strategy Fund 2000</b>	<b>3.51%</b>	<b>13.17%</b>	<b>7.34%</b>	<b>N/A</b>	<b>N/A</b>
2000 Composite Index	3.55%	13.32%	7.58%	N/A	N/A
<b>Retirement Strategy Fund 2005</b>	<b>4.07%</b>	<b>15.48%</b>	<b>7.72%</b>	<b>N/A</b>	<b>N/A</b>
2005 Composite Index	4.21%	15.74%	8.31%	N/A	N/A
<b>Retirement Strategy Fund 2010</b>	<b>4.59%</b>	<b>17.51%</b>	<b>8.12%</b>	<b>N/A</b>	<b>N/A</b>
2010 Composite Index	4.85%	18.11%	8.96%	N/A	N/A
<b>Retirement Strategy Fund 2015</b>	<b>5.09%</b>	<b>18.81%</b>	<b>8.00%</b>	<b>N/A</b>	<b>N/A</b>
2015 Composite Index	5.32%	19.61%	9.04%	N/A	N/A
<b>Retirement Strategy Fund 2020</b>	<b>5.25%</b>	<b>19.56%</b>	<b>7.64%</b>	<b>N/A</b>	<b>N/A</b>
2020 Composite Index	5.61%	20.50%	8.91%	N/A	N/A
<b>Retirement Strategy Fund 2025</b>	<b>5.49%</b>	<b>20.32%</b>	<b>7.33%</b>	<b>N/A</b>	<b>N/A</b>
2025 Composite Index	5.91%	21.39%	8.77%	N/A	N/A
<b>Retirement Strategy Fund 2030</b>	<b>5.61%</b>	<b>20.60%</b>	<b>6.94%</b>	<b>N/A</b>	<b>N/A</b>
2030 Composite Index	6.12%	21.78%	8.51%	N/A	N/A
<b>Retirement Strategy Fund 2035</b>	<b>5.76%</b>	<b>20.53%</b>	<b>6.45%</b>	<b>N/A</b>	<b>N/A</b>
2035 Composite Index	6.25%	21.75%	8.15%	N/A	N/A
<b>Retirement Strategy Fund 2040</b>	<b>5.77%</b>	<b>20.36%</b>	<b>6.37%</b>	<b>N/A</b>	<b>N/A</b>
2040 Composite Index	6.31%	21.70%	8.07%	N/A	N/A
<b>Retirement Strategy Fund 2045</b>	<b>5.84%</b>	<b>20.41%</b>	<b>6.39%</b>	<b>N/A</b>	<b>N/A</b>
2045 Composite Index	6.31%	21.70%	8.07%	N/A	N/A
<b>Retirement Strategy Fund 2050</b>	<b>5.75%</b>	<b>20.39%</b>	<b>6.38%</b>	<b>N/A</b>	<b>N/A</b>
2050 Composite Index	6.31%	21.70%	8.07%	N/A	N/A
<b>Retirement Strategy Fund 2055</b>	<b>5.71%</b>	<b>20.36%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2055 Composite Index	6.31%	21.70%	N/A	N/A	N/A

Bond Fund

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Bond Market Fund</b>	<b>2.97%</b>	<b>8.41%</b>	<b>7.21%</b>	<b>8.15%</b>	<b>6.29%</b>
Barclays Capital Intermediate Credit	2.90%	8.30%	7.30%	6.97%	5.77%

Characteristics

Composition Distribution

**Average Maturity**

0.4 Years

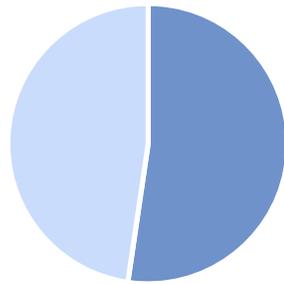
**Average Yield**

1.68%

**Number of Holdings**

16

**GICs**  
47.69%



**Cash**  
52.31%

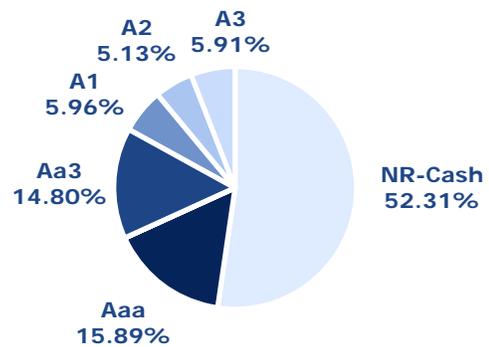
**Market Value**

**\$ 1,050,188,581**

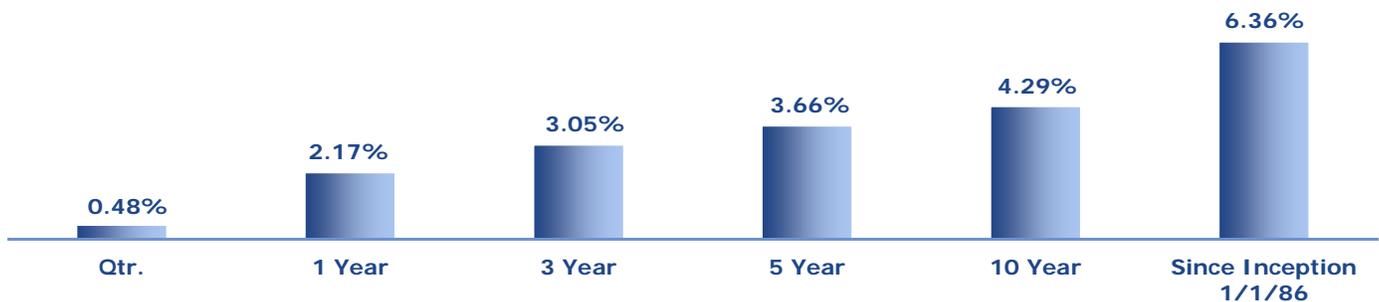
GIC Issuers by Percentage

New York Life Insurance Corp.	15.89%
Metropolitan Life Insurance Co.	14.80%
Pacific Life Insurance Co.	5.96%
Security Life of Denver Insurance Co.	5.91%
Prudential Insurance Co. of America	5.13%

Rating Distribution



Return

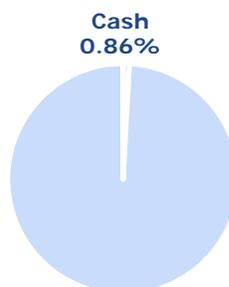


Note: Totals may not add up due to rounding

**Characteristics**

**Asset Class Distribution**

	<b>Fund</b>	<b>Index</b>
Average Maturity	5.4 years	5.0 years
Yield to Maturity	2.20%	1.95%
Effective Duration	4.79	4.42
Average Coupon	3.88%	4.46%
Number of Holdings	248	3,398



<b>Market Value</b>
<b>\$ 1,446,300,569</b>

**Corporate Bonds**  
99.14%

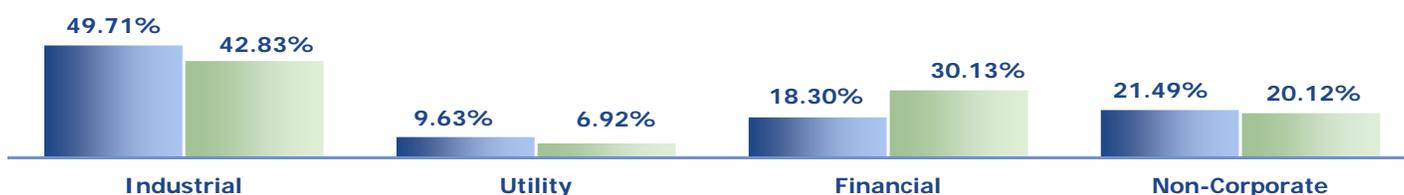
**Top Ten Credit Issuers**

International Finance Corp.	1.60%	Hutchison Whamp International Ltd.	1.14%
Asian Development Bank	1.59%	Rio Tinto Finance USA Ltd.	1.12%
CNOOC Finance Co., Ltd.	1.45%	Macquarie Bank Ltd.	1.11%
The Coca-Cola Co.	1.22%	Inter-American Development Bank	1.10%
Ontario, Province of	1.17%	Occidental Petroleum Corp.	1.09%

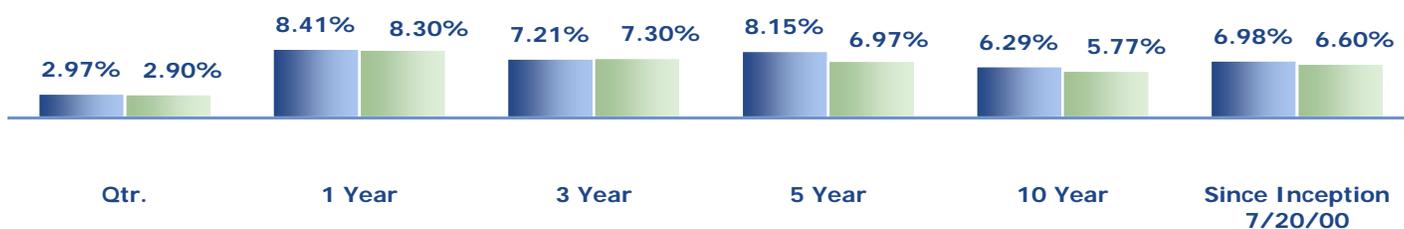
**Rating Distribution**



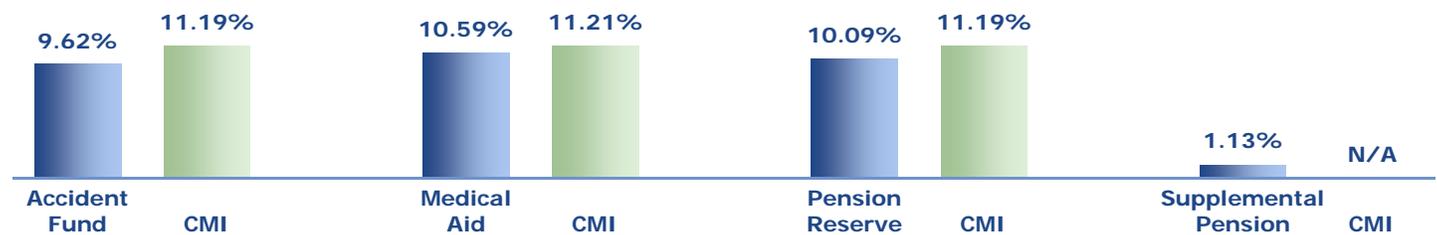
**Industry Distribution**



**Return**



Note: Totals may not add up due to rounding

**One Year Performance**

**Total Fund** **\$13,862,220,220**

	Market Value	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Accident Fund</b>	<b>\$5,067,566,661</b>	<b>3.24%</b>	<b>9.62%</b>	<b>8.57%</b>	<b>7.77%</b>	<b>7.20%</b>
CMI		3.38%	11.19%	9.74%	7.62%	7.34%
<b>Medical Aid</b>	<b>\$4,753,401,301</b>	<b>3.36%</b>	<b>10.59%</b>	<b>8.47%</b>	<b>6.32%</b>	<b>7.02%</b>
CMI		3.31%	11.21%	9.14%	6.11%	7.13%
<b>Pension Reserve</b>	<b>\$3,938,912,199</b>	<b>3.37%</b>	<b>10.09%</b>	<b>8.56%</b>	<b>7.63%</b>	<b>6.81%</b>
CMI		3.38%	11.19%	9.74%	7.62%	6.92%
<b>Supplemental Pension</b>	<b>\$102,340,059</b>	<b>0.50%</b>	<b>1.13%</b>	<b>0.91%</b>	<b>2.24%</b>	<b>2.71%</b>
CMI		N/A	N/A	N/A	N/A	N/A

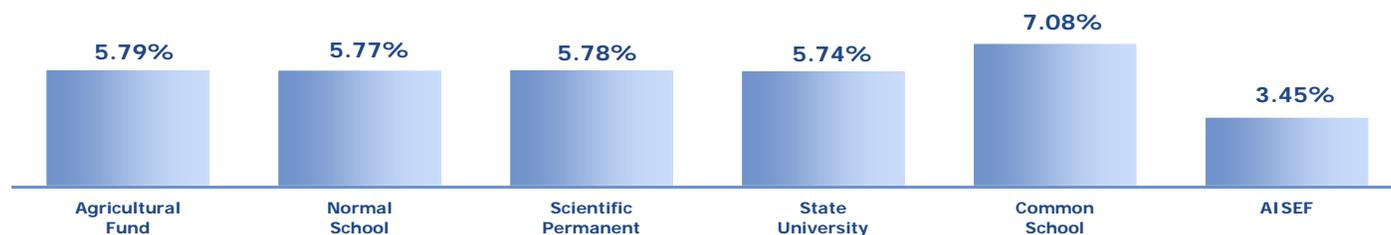
**Labor and Industries' Statutory Accounting Return \***

	Qtr.	1 Year	3 Year	5 Year
Accident Fund	1.76%	7.12%	6.02%	5.50%
Medical Aid	2.13%	8.12%	5.90%	3.95%
Pension Reserve	2.10%	7.57%	6.08%	5.47%
Supplemental Pension	0.14%	0.43%	2.46%	2.95%

**Duration**

	CMI	Target	Actual	% Difference
Accident Fund	7.96	7.00	7.02	0.33%
Medical Aid	6.56	6.00	6.34	5.63%
Pension Reserve	7.96	7.00	7.03	0.41%

\* 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	\$ 202,017,386
Normal School	\$ 257,248,531
Scientific Permanent	\$ 225,632,831
State University	\$ 32,705,652
Common School	\$ 201,048,259
American Indian Scholarship Endowment Fund (AISEF)	\$ 372,161

**Total Returns**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Agricultural Fund</b>	2.08%	5.79%	6.22%	7.06%	5.40%
Custom Benchmark <sup>1</sup> ( 84.9% / 15.1% )	2.18%	5.78%	6.39%	6.65%	5.39%
<b>Normal School</b>	2.09%	5.77%	6.15%	6.91%	5.29%
Custom Benchmark <sup>1</sup> ( 85.0% / 15.0% )	2.18%	5.78%	6.39%	6.66%	5.39%
<b>Scientific Permanent</b>	2.09%	5.78%	6.15%	6.92%	5.33%
Custom Benchmark <sup>1</sup> ( 84.9% / 15.1% )	2.19%	5.78%	6.40%	6.66%	5.39%
<b>State University</b>	2.07%	5.74%	6.13%	6.91%	5.29%
Custom Benchmark <sup>1</sup> ( 85.7% / 14.3% )	2.16%	5.76%	6.39%	6.65%	5.39%
<b>Common School</b>	2.28%	7.08%	6.56%	6.58%	5.43%
Custom Benchmark <sup>1</sup> ( 80.8% / 19.2% )	2.39%	7.39%	6.89%	6.43%	5.57%
<b>AISEF</b>	1.41%	3.45%	3.43%	3.68%	N/A
Custom Benchmark <sup>2</sup> ( 95.3% / 4.7% )	1.56%	3.54%	3.62%	3.66%	3.30%

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

<sup>1</sup> 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.

<sup>2</sup> 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**

	<b>Qtr.</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
<b>Agricultural Fund</b>	6.07%	N/A	N/A	N/A	N/A
<b>Normal School</b>	6.07%	N/A	N/A	N/A	N/A
<b>Scientific Permanent</b>	6.07%	N/A	N/A	N/A	N/A
<b>State University</b>	6.07%	N/A	N/A	N/A	N/A
<b>Common School</b>	6.07%	N/A	N/A	N/A	N/A
Russell 3000	6.23%	30.20%	13.26%	1.30%	8.49%

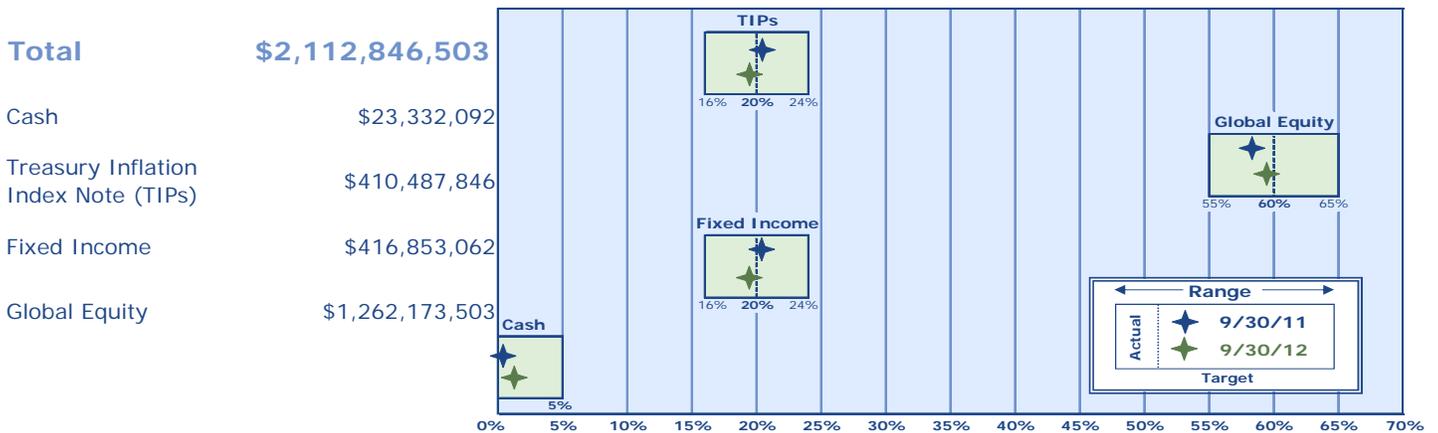
**Fixed Income Returns**

	<b>Qtr.</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
<b>Agricultural Fund</b>	1.45%	4.60%	5.79%	6.69%	5.22%
<b>Normal School</b>	1.45%	4.60%	5.76%	6.67%	5.17%
<b>Scientific Permanent</b>	1.45%	4.60%	5.76%	6.68%	5.21%
<b>State University</b>	1.45%	4.60%	5.76%	6.69%	5.18%
<b>Common School</b>	1.45%	4.60%	5.76%	6.66%	5.17%
<b>AISEF</b>	1.45%	4.60%	5.76%	5.93%	N/A
Barclays Capital Aggregate	1.58%	5.16%	6.19%	6.53%	5.32%

**Cash Returns**

	<b>Qtr.</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
<b>AISEF</b>	0.04%	0.06%	0.06%	N/A	N/A
90 Day Tbill	0.04%	0.08%	0.13%	0.78%	1.86%

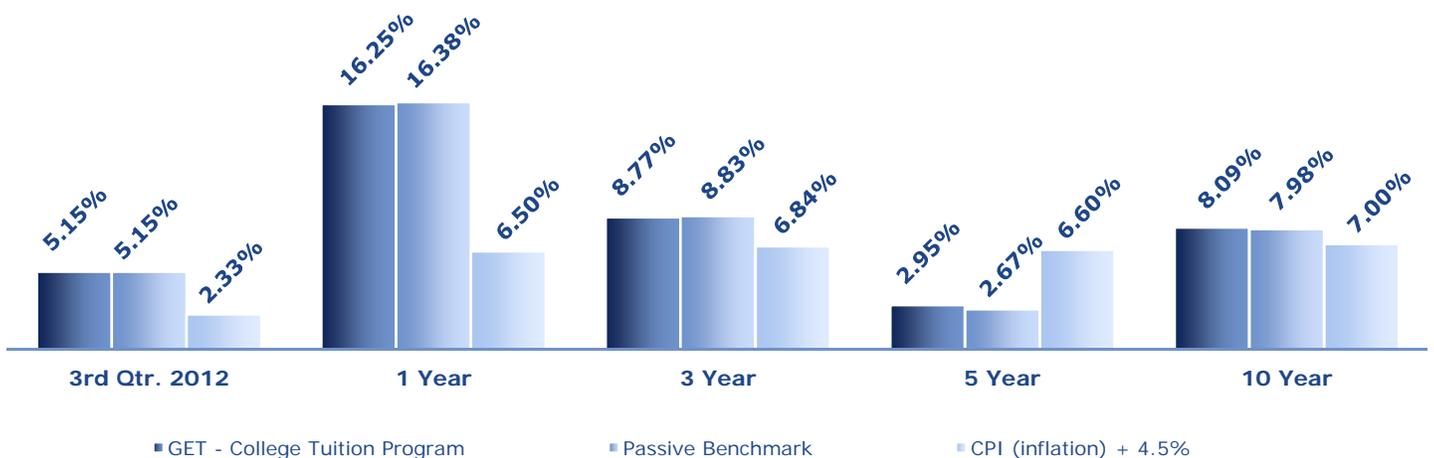
**Portfolio Size and Allocation**



**Assets Under Management**

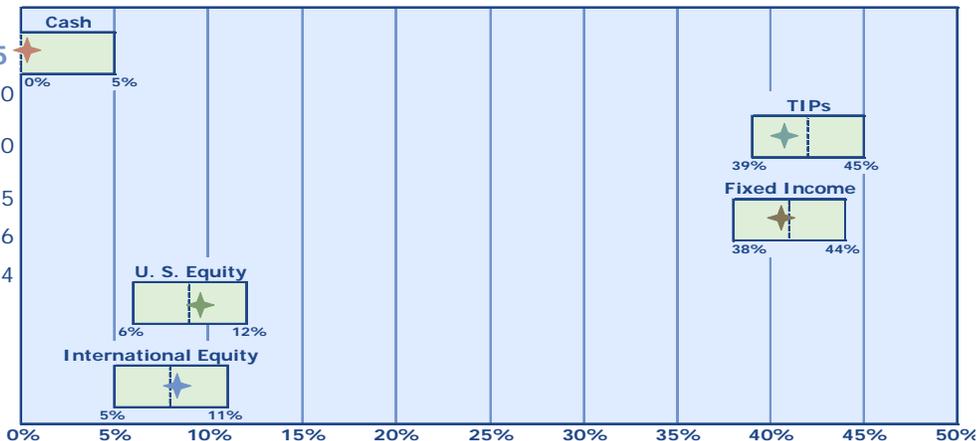


**Total Return**

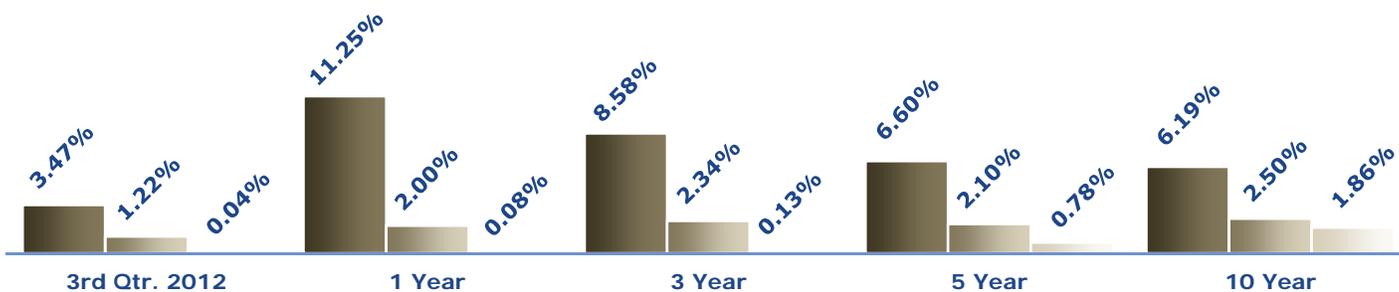


**State Funds**

<b>Total</b>	<b>\$10,793,055</b>
Cash	\$32,880
Treasury Inflation Index Note (TIPs)	\$4,409,030
Fixed Income	\$4,393,115
U.S. Equity	\$1,047,556
Non U.S. Equity	\$910,474

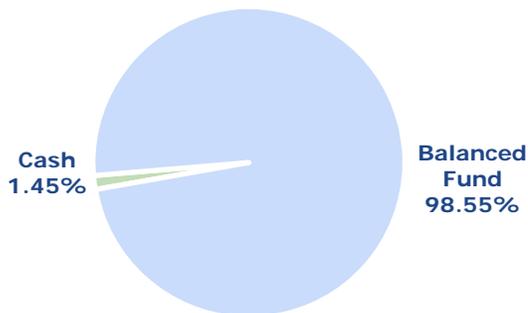


■ DDEF State Funds ■ Inflation (CPI) ■ 90 Day Tbill



**Private Funds**

<b>Total</b>	<b>\$24,463,721</b>
Cash	\$355,871
Balanced Fund	\$24,107,850



■ DDEF Private Funds ■ Inflation (CPI) ■ 90 Day Tbill

