



## Investment Reports

Quarterly Report – December 31, 2009

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**Dated: February 9, 2010**

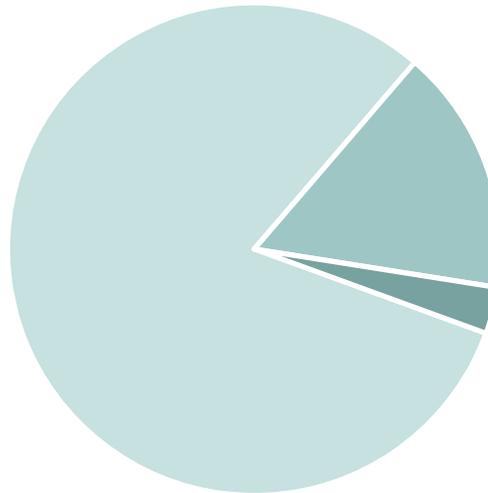




### The WSIB invests for 39 funds:

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

Retirement Funds  
(CTF & Defined  
Contribution)  
\$58,443,908,222  
80.7%

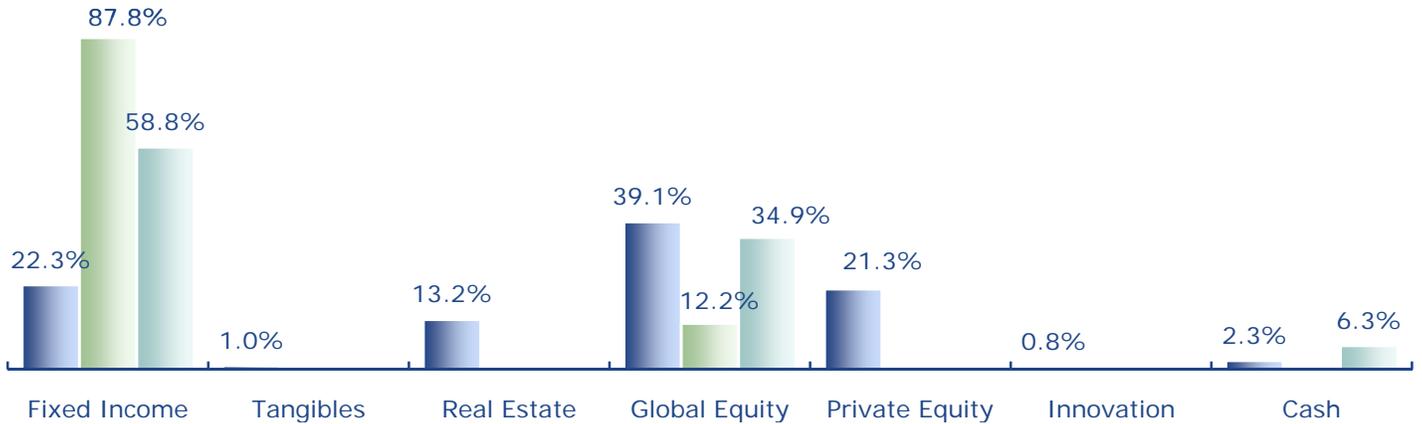


Labor & Industries'  
Funds  
\$11,730,688,619  
16.2%

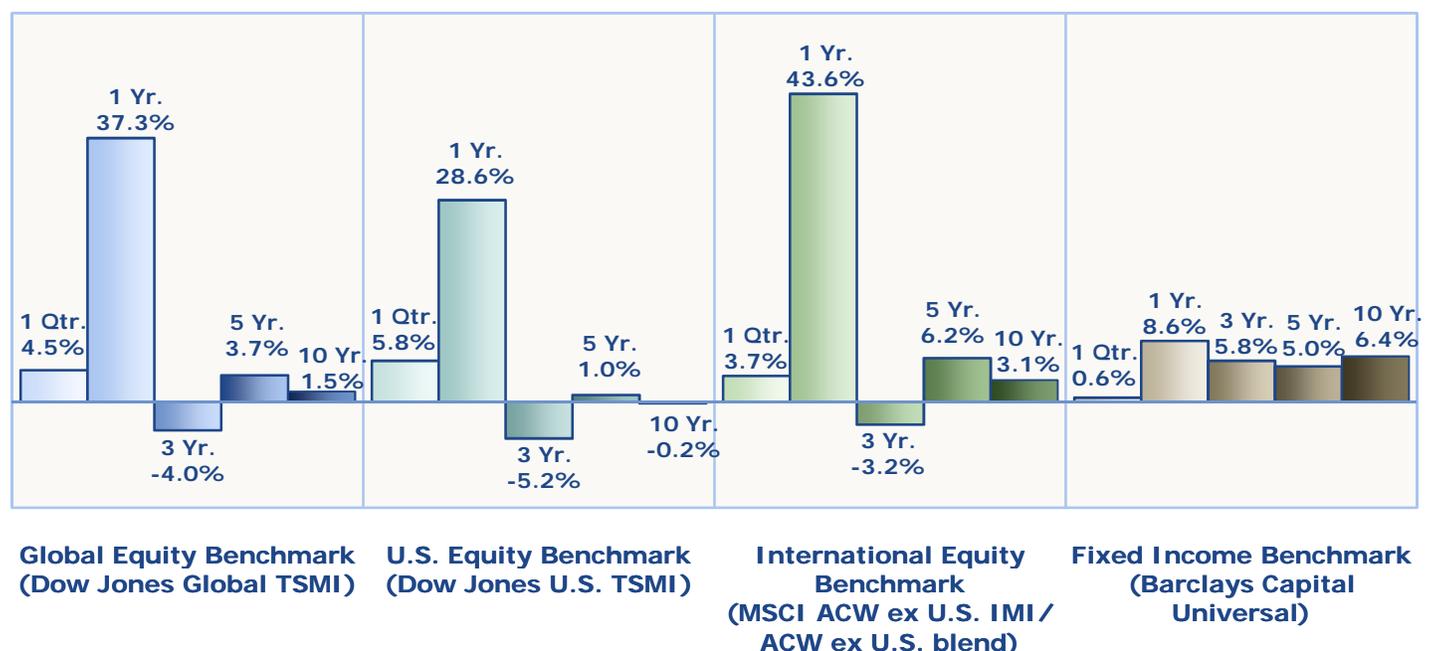
Permanent & Other  
Funds  
\$2,211,048,502  
3.1%

### Asset Class Overview for All Funds

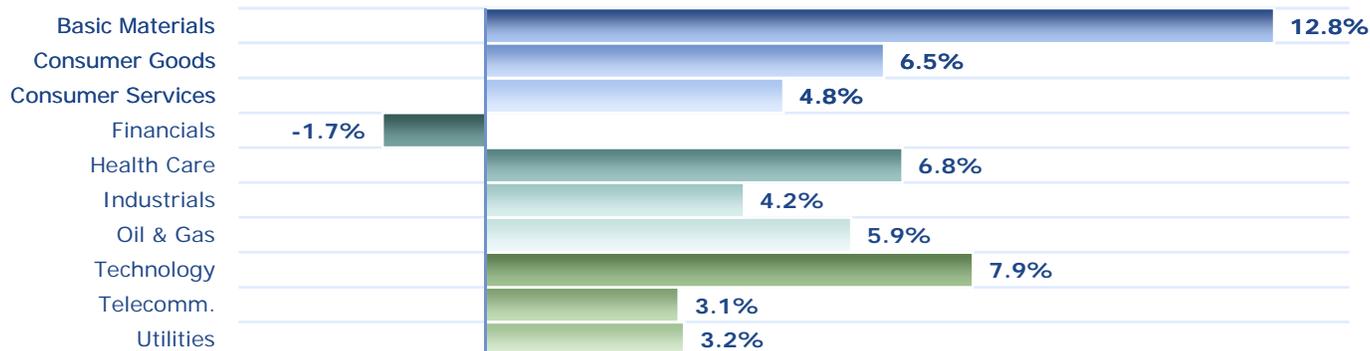
- Retirement Funds (CTF & Defined Contribution)
- L&I Funds
- Perm & Other Funds



**Indices Returns**



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



**Capital Market Highlights**

- ❖ Global equities as measured by the Dow Jones Wilshire Global, returned 4.5% outperforming fixed income as measured by the Barclays Capital Universal which returned 0.6% for the quarter.
- ❖ U.S. equities outperformed international equities by over 200 basis points for the quarter.
- ❖ The highest industry return for the quarter as shown with the Dow Jones Wilshire Global was basic materials at 12.8%. The lowest return was financials at -1.7%.
- ❖ In the Barclays Capital indices, U.S. corporate high yield had the highest return for the quarter earning 6.2% while U.S. treasury had the lowest return at -1.3%. For the quarter, the short end of the curve outperformed the long with the 3 month earning 0.04% versus the 30 year earning -8.5%.
- ❖ GDP was 5.7% (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, 1, 5, and 10 year time periods are positive. The CTF is exceeding the actuarial return of 8% for its since inception return. However, it still is not exceeding it for annualized time periods listed. It outperformed its benchmark for the quarter, 5 and 10 year time periods.

**Asset Allocation**

- ❖ Cash flows were light for the 4<sup>th</sup> quarter with fixed income selling \$400 million to fund \$130 million to private equity and the rest to fund benefit payments.

**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 4<sup>th</sup> quarter was 5.6%.
- ❖ As of September 31, 2009, there were \$513 million in unfunded commitments.

**Real Estate**

- ❖ The WSIB Real Estate return for the 4<sup>th</sup> quarter was -1.6%. It outperformed NCREIF (lagged one quarter) plus 100 basis points, which returned -3.1%. It outperformed its benchmark for the 5 and 10 year time period.
- ❖ As of September 31, 2009, there were \$7.7 billion in unfunded commitments.

**Global Equity**

- ❖ Global equity performed 4.3% for the quarter. It underperformed its benchmark, the Dow Jones Wilshire Global which returned 4.5%.
- ❖ 1 of the 2 U.S. managers outperformed their benchmark for the quarter, but the other has outperformed its benchmark for the 3, 5, and 10 year.
- ❖ 8 of the 10 international developed managers outperformed their benchmark for the quarter. 7 of the 9 managers that have a 5 year return outperformed their benchmark.
- ❖ 1 of the 5 international emerging market managers outperformed their benchmark for the quarter and 1 year time period.

**Private Equity**

- ❖ The WSIB private equity return for the 4<sup>th</sup> quarter was 7.1%. It underperformed its benchmark, S&P 500 plus 500 basis points (lagged one quarter) for the quarter and 1 year, yet outperformed it for all other time periods.
- ❖ As of September 31, 2009, there were \$8.9 billion in unfunded commitments.

**Innovation**

- ❖ Innovation outperformed its custom benchmark for the quarter. The latest addition to the innovation portfolio, a mezzanine fund, made its first capital call this quarter. Since the returns on it will be lagged there is no performance for it yet.

Market Values

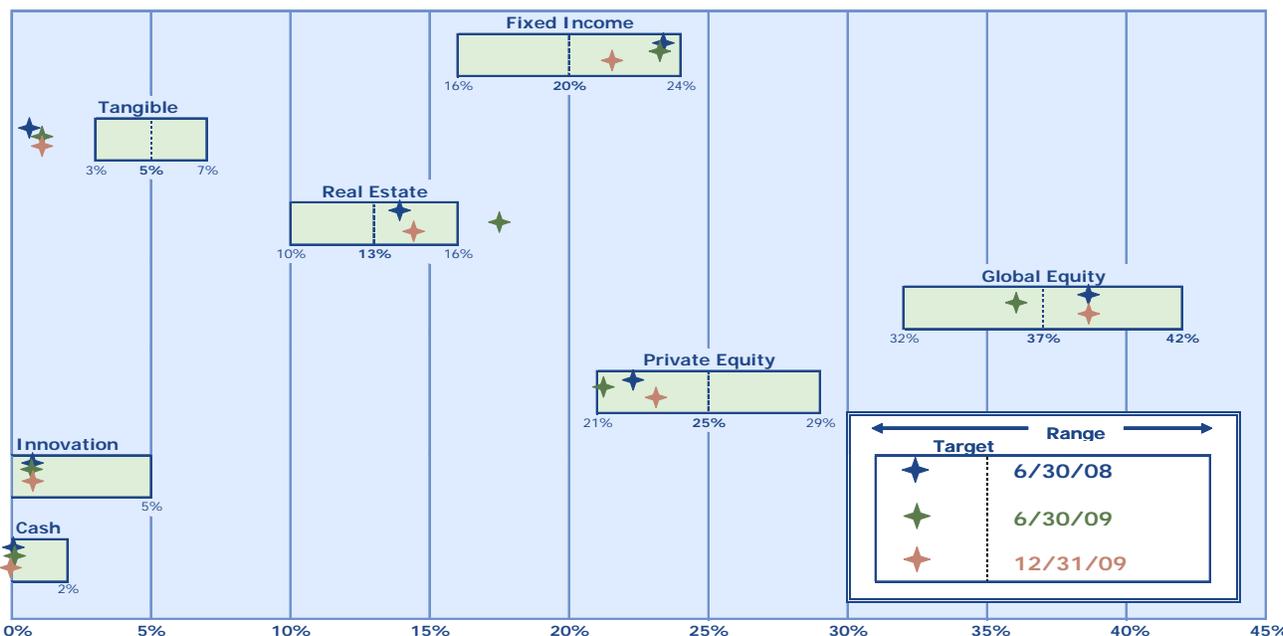
Actual Asset Allocation

Asset Class	Market Value	by Asset Class	with Overlay
Fixed Income	\$ 11,474,324,153	21.46%	21.50%
Tangible	\$ 578,142,497	1.08%	1.08%
Real Estate	\$ 7,731,601,563	14.46%	14.46%
Global Equity	\$ 19,905,007,698	37.23%	38.71%
Private Equity	\$ 12,427,322,025	23.24%	23.24%
Innovation	\$ 486,277,350	0.91%	0.90%
Cash	\$ 864,193,242	1.62%	0.12%
<b>Total Fund</b>	<b>\$ 53,466,868,529</b>		

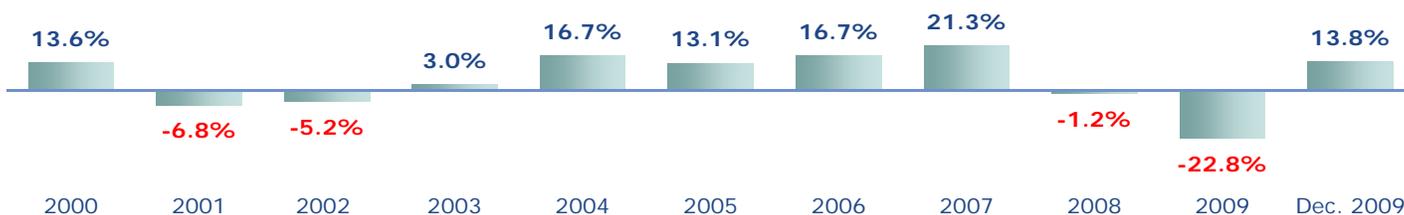
Market Value Changes

Quarter:  
\$ 1,535,258,289

Fiscal Year:  
\$ 6,083,898,914



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>\$53,466,868,529</b>	<b>100.0%</b>	<b>3.48%</b>	<b>6.77%</b>	<b>-1.51%</b>	<b>5.07%</b>	<b>4.34%</b>	8.43%
Passive Benchmark <sup>2</sup>			3.34%	28.43%	-1.11%	3.74%	2.61%	
Implementation Value Added Benchmark <sup>3</sup>			5.33%	12.88%	0.10%	5.20%		
TUCS Public Fund >\$1B Median <sup>4</sup>			3.55%	19.70%	-1.29%	3.58%	3.58%	
TUCS Public/Corporate Fund >\$1B Median <sup>4</sup>			3.41%	18.45%	-1.18%	3.65%	3.69%	
<b>Fixed Income</b>	<b>\$11,474,324,153</b>	<b>21.5%</b>	<b>1.53%</b>	<b>17.32%</b>	<b>7.89%</b>	<b>6.27%</b>	<b>7.31%</b>	
Barclays Capital Universal			0.58%	8.60%	5.80%	5.01%	6.44%	
<b>Tangible</b>	<b>\$578,142,497</b>	<b>1.1%</b>	<b>5.56%</b>	<b>-5.28%</b>				
CPI (Lagged One Quarter) + 400 bp			1.61%	2.68%				
<b>Real Estate<sup>5</sup></b>	<b>\$7,731,601,563</b>	<b>14.5%</b>	<b>-1.64%</b>	<b>-26.54%</b>	<b>-2.72%</b>	<b>8.01%</b>	<b>10.06%</b>	
NCREIF (Lagged One Quarter) + 100 bp			-3.07%	-21.11%	-0.29%	7.16%	8.83%	
<b>Global Equity</b>	<b>\$19,905,007,698</b>	<b>37.2%</b>	<b>4.34%</b>	<b>33.96%</b>	<b>-5.20%</b>	<b>2.65%</b>	<b>0.99%</b>	
Dow Jones Global TSMI			4.48%	37.34%	-4.03%	3.74%	1.46%	
<b>Private Equity<sup>5</sup></b>	<b>\$12,427,322,025</b>	<b>23.2%</b>	<b>7.12%</b>	<b>-9.58%</b>	<b>-0.33%</b>	<b>11.21%</b>	<b>9.16%</b>	
S&P 500 (Lagged One Quarter) + 500 bp			16.83%	-1.91%	-0.43%	6.02%	4.85%	
<b>Innovation<sup>6</sup></b>	<b>\$486,277,350</b>	<b>0.9%</b>	<b>4.66%</b>	<b>34.22%</b>				
Custom Benchmark			4.48%	37.34%				
<b>Overlay<sup>7</sup></b>	<b>\$352,023,349</b>		<b>0.07%</b>	<b>0.46%</b>	<b>0.06%</b>	<b>0.04%</b>	<b>0.02%</b>	
<b>Cash</b>	<b>\$512,169,893</b>	<b>1.6%</b>	<b>0.04%</b>	<b>0.36%</b>	<b>2.80%</b>	<b>3.22%</b>	<b>2.47%</b>	
90 Day T-Bills			0.04%	0.21%	2.41%	3.02%	2.98%	

 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 Global TSMI, 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 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.

**International Markets**
**\$11,581,091,467**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Total Developed Passive</b>	2.29%	35.94%	-4.88%	4.43%	1.95%
SSgA Commingled	2.28%	35.97%	-4.88%	4.43%	1.95%
SSgA Separate	2.21%				

<b>Total Developed Active</b>	3.04%	34.56%	-4.83%	4.91%	2.39%
Arrowstreet Capital	4.17%	44.69%	-0.22%	7.41%	
Artio Global Investors, Inc.	2.87%	25.36%	-5.94%	4.94%	
BlackRock formerly BGI (MSCI World ex U.S.)	2.71%	33.15%	-5.43%	4.10%	
Capital Guardian Trust	3.23%	29.68%	-5.28%	4.07%	
LSV Asset Mgmt.	0.37%	42.12%	-7.09%	3.79%	
Mondrian Investment Partners	2.97%	24.99%	-4.24%	5.50%	6.79%
Pyramis Global Advisors Trust	2.97%	34.90%	-3.82%	5.22%	
William Blair & Company	4.87%	45.62%	-5.50%	5.15%	

<b>Total Developed</b>	2.83%	34.82%	-4.84%	4.80%	2.30%
Custom Developed Markets Benchmark	2.22%	35.35%	-5.26%	4.12%	1.65%
MSCI World ex U.S.	2.44%	33.67%	-5.34%	4.07%	

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

<b>Total Emerging Active</b>	7.28%	71.82%	3.57%	14.76%	9.34%
Capital International	7.66%	77.81%	7.56%	18.64%	
Grantham, Mayo, Otterloo	6.50%	70.75%	1.57%	13.71%	12.60%
Grantham, Mayo, Otterloo Illiquid	9.68%	84.29%			
JPMorgan	8.25%	70.71%	5.25%		
Lazard Asset Mgmt.	7.01%	74.57%	5.99%		

<b>Total Emerging</b>	7.28%	71.82%	3.57%	14.76%	9.34%
Custom Emerging Markets Benchmark	8.99%	82.36%	5.41%	15.71%	10.44%

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

<b>Total International Equity</b>	3.33%	38.57%	-3.95%	5.63%	2.93%
Custom International Equity Benchmark	3.66%	43.60%	-3.24%	6.17%	3.07%

 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

\$8,323,916,231

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Total U.S. Passive</b> (Dow Jones U.S. TSMI)	5.74%	28.22%	-5.06%	1.06%	-0.04%
BlackRock Index (formerly BGI) (Dow Jones U.S. TSMI)	5.74%	28.20%	-5.09%	1.05%	-0.05%
<b>Total U.S. Enhanced</b> (Dow Jones U.S. TSMI)	5.86%	27.64%	-10.91%		
BlackRock (formerly BGI) (Russell 3000)	5.75%	27.81%	-6.23%		
<b>Total U.S. Equity</b> (Dow Jones U.S. TSMI)	5.77%	28.11%	-6.50%	0.15%	-0.49%
Dow Jones U.S. TSMI	5.81%	28.57%	-5.19%	0.97%	-0.24%
Russell 3000	5.90%	28.34%	-5.42%	0.76%	-0.20%

 Outperformed its benchmark

 Underperformed its benchmark

## U.S. Equity

\$8,323,916,231

### Passive

BlackRock Index (formerly BGI)

\$6,597,589,662

79.3%

### Active

BlackRock (formerly BGI)

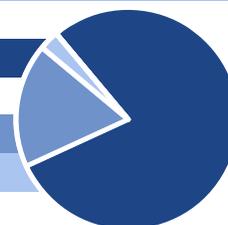
\$1,491,717,943

17.9%

Transition Accounts

\$234,608,626

2.8%



## International Developed Markets

\$10,234,020,175

### Passive

SSgA Commingled

\$1,561,255,461

15.3%

SSgA Separate

\$1,199,594,955

11.7%

### Active

Arrowstreet Capital

\$960,237,412

9.4%

Artio Global Investors, Inc.

\$930,165,623

9.1%

BlackRock (formerly BGI) (MSCI World ex U.S.)

\$1,031,184,415

10.1%

Capital Guardian Trust

\$873,549,613

8.5%

LSV Asset Mgmt.

\$837,739,874

8.2%

Mondrian Investment Partners

\$983,399,744

9.6%

Pyramis Global Advisors Trust

\$923,650,013

9.0%

William Blair & Company

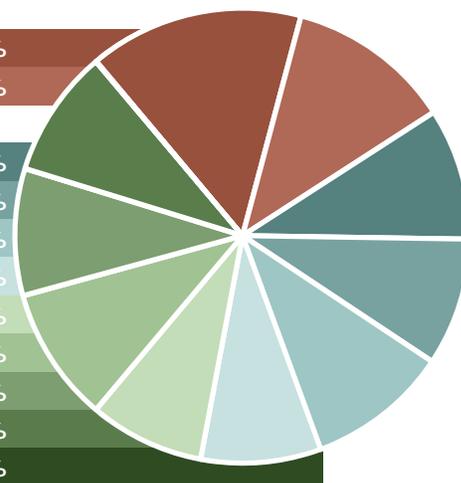
\$930,455,252

9.1%

Transition Accounts

\$2,787,814

0.0%



## International Emerging Markets

\$1,347,071,293

### Active

Capital International

\$291,272,775

21.62%

Grantham, Mayo, Otterloo

\$464,438,584

34.48%

Grantham, Mayo, Otterloo Illiquid

\$28,951,473

2.15%

JPMorgan

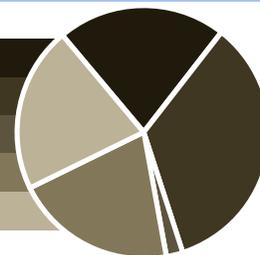
\$277,450,368

20.60%

Lazard Asset Management

\$284,958,093

21.15%



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

	CTF Weight	Index Weight		CTF Weight	Index Weight
United States	42.54%	40.81%	Exxon Mobil Corp.	1.16%	1.09%
United Kingdom	9.70%	8.18%	Royal Dutch Shell PLC	1.01%	0.62%
Japan	8.59%	9.18%	Microsoft Corp.	0.86%	0.82%
France	5.02%	4.15%	BP PLC	0.78%	0.61%
Canada	3.71%	4.10%	Apple Inc.	0.68%	0.63%
Australia	3.64%	3.27%	GlaxoSmithKline PLC	0.67%	0.37%
Germany	3.43%	3.03%	Procter & Gamble Co.	0.65%	0.60%
Switzerland	3.17%	3.28%	Banco Santander S.A.	0.63%	0.45%
Spain	1.95%	1.68%	HSBC Holdings PLC	0.63%	0.66%
Brazil	1.54%	2.06%	Novartis AG	0.63%	0.44%

<b>WSIB</b>	U.S. 42.5%	Other Developed Countries 50.0%	Emerging 7.4%
<b>DJ Global TSMI</b>	U.S. 40.8%	Other Developed Countries 49.0%	Emerging 10.1%

**Fixed Income** \$11,474,324,153

**Duration**

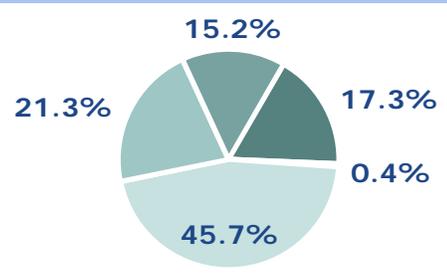
	Sept. 09	Dec. 09
<b>WSIB Portfolio</b>	<b>4.49</b>	<b>4.58</b>
Barclays Capital Universal	4.45	4.57
<b>Difference</b>	<b>0.78%</b>	<b>0.22%</b>

**Sector Weighting**

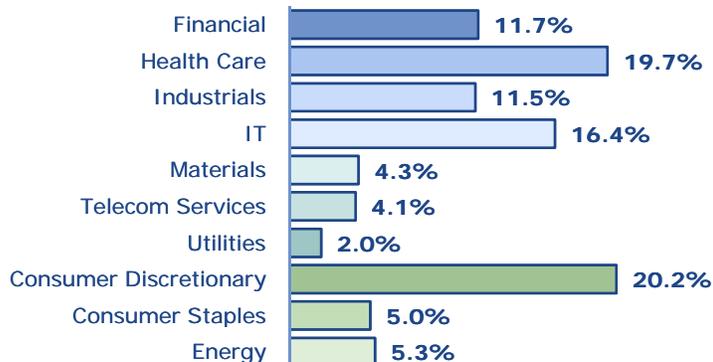
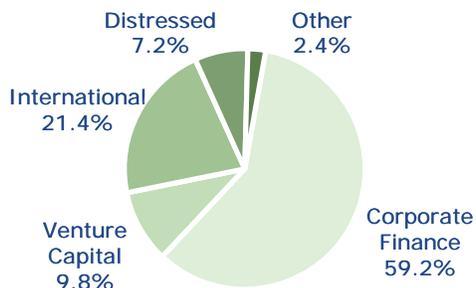


**Innovation** \$486,277,350

At this time, the majority of the innovation portfolio is global equities divided across 4 fund managers. A new mezzanine fund was just added.



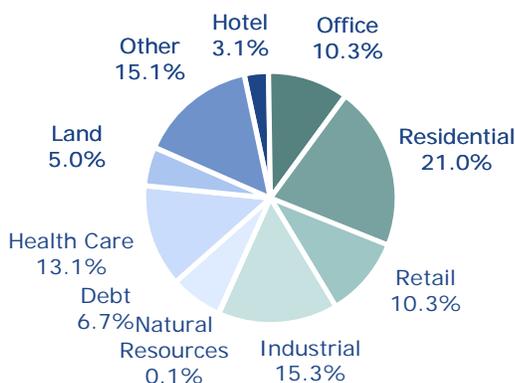
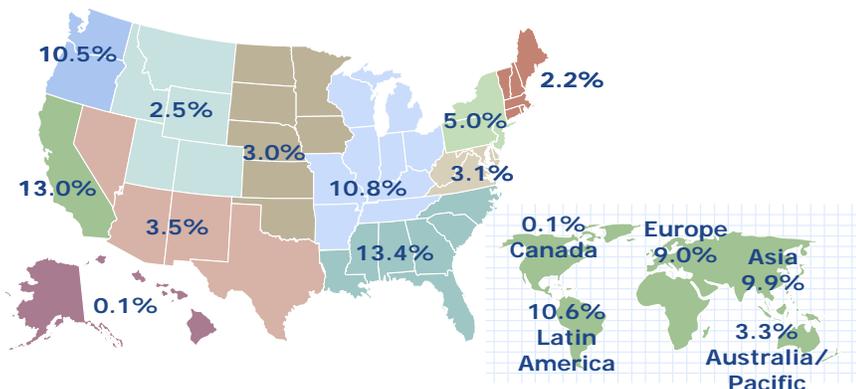
**Sector Distribution** | **Industry Distribution**



Unfunded Commitments: \$8.6 billion

**Real Estate** | **\$7,731,601,563**

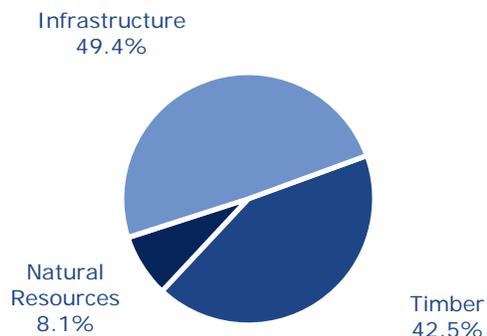
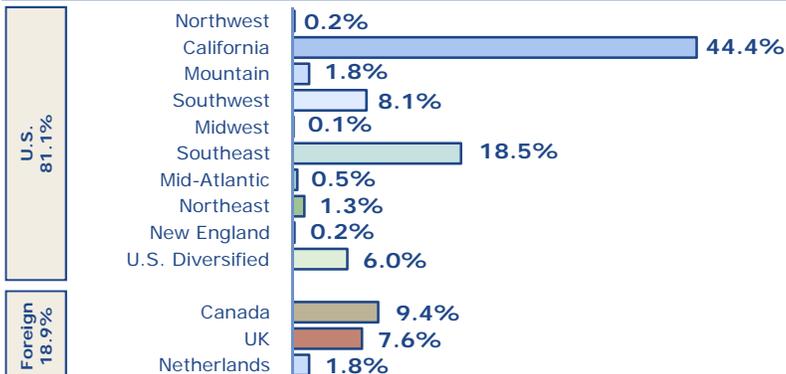
**Geographical Distribution** | **Property Type Distribution**



Unfunded Commitments: \$7.7 billion

**Tangible** | **\$578,142,497**

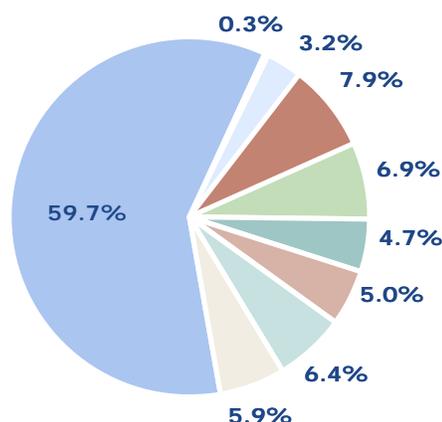
**Geographical Distribution** | **Sector Type Distribution**



Unfunded Commitments: \$513 million

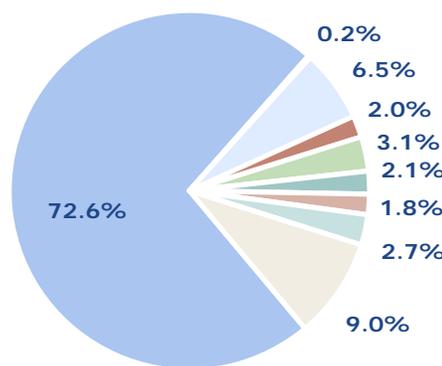
Distribution charts and unfunded commitments are lagged one quarter.

Teachers' Retirement System (TRS)



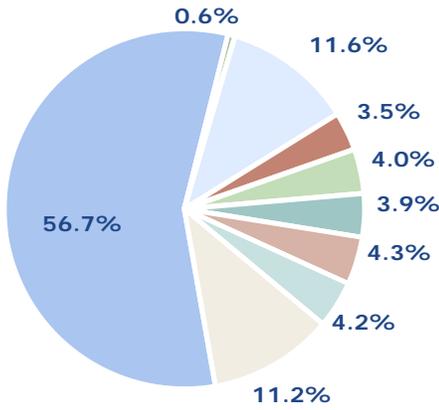
Option	Market Value	Quarterly Change
WSIB TAP Fund	\$2,367,390,025	\$101,919,391
Social Balanced Fund	12,649,968	785,060
Retirement Strategy Fund 2000	2,323,253	285,590
Retirement Strategy Fund 2005	3,093,623	821,065
Retirement Strategy Fund 2010	17,183,683	3,183,209
Retirement Strategy Fund 2015	30,518,584	3,142,380
Retirement Strategy Fund 2020	27,044,421	4,248,984
Retirement Strategy Fund 2025	18,436,035	2,702,578
Retirement Strategy Fund 2030	10,342,276	1,034,187
Retirement Strategy Fund 2035	8,547,784	720,659
Retirement Strategy Fund 2040	6,431,221	628,524
Retirement Strategy Fund 2045	3,686,898	380,811
Retirement Strategy Fund 2050	988,462	123,368
U.S. Stock Fund	311,766,371	19,516,436
U.S. Large Stock Fund	271,495,616	17,073,467
U.S. Small Stock Fund	187,519,413	7,868,060
International Index Fund	199,021,930	7,422,573
Bond Market Fund	253,959,872	9,281,793
Money Market Fund	233,288,630	(8,895,263)
<b>Total Fund</b>	<b>\$3,965,688,065</b>	<b>\$172,242,872</b>

School Employees' Retirement System (SERS)



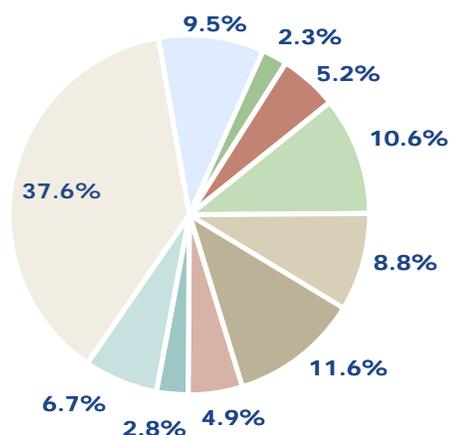
Option	Market Value	Quarterly Change
WSIB TAP Fund	\$758,856,272	\$29,383,948
Social Balanced Fund	2,192,151	17,832
Retirement Strategy Fund 2000	1,427,481	267,869
Retirement Strategy Fund 2005	2,242,423	479,579
Retirement Strategy Fund 2010	8,663,997	450,570
Retirement Strategy Fund 2015	18,914,666	1,659,396
Retirement Strategy Fund 2020	17,870,672	1,117,349
Retirement Strategy Fund 2025	11,501,901	826,069
Retirement Strategy Fund 2030	3,878,701	197,693
Retirement Strategy Fund 2035	2,004,189	156,100
Retirement Strategy Fund 2040	777,249	158,695
Retirement Strategy Fund 2045	398,515	58,027
Retirement Strategy Fund 2050	199,898	27,396
U.S. Stock Fund	20,377,982	1,540,845
U.S. Large Stock Fund	32,159,054	1,946,984
U.S. Small Stock Fund	21,459,071	843,818
International Index Fund	19,194,003	913,257
Bond Market Fund	28,621,807	1,311,759
Money Market Fund	94,206,538	(2,946,560)
<b>Total Fund</b>	<b>\$1,044,946,569</b>	<b>\$38,410,627</b>

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



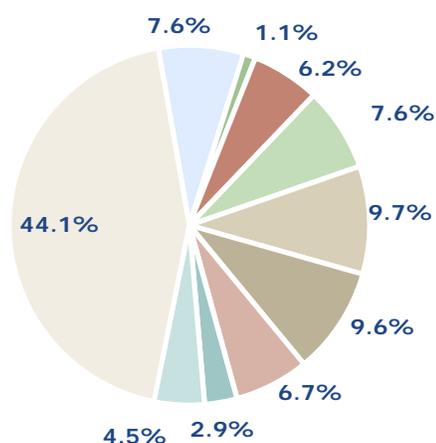
Option	Market Value	Quarterly Change
WSIB TAP Fund	\$776,227,229	\$32,799,487
Social Balanced Fund	8,494,679	687,089
Retirement Strategy Fund 2000	1,647,931	408,714
Retirement Strategy Fund 2005	1,170,359	(174,674)
Retirement Strategy Fund 2010	10,987,466	762,983
Retirement Strategy Fund 2015	32,539,696	3,281,729
Retirement Strategy Fund 2020	37,164,234	3,148,553
Retirement Strategy Fund 2025	34,585,881	2,609,529
Retirement Strategy Fund 2030	20,609,236	1,617,295
Retirement Strategy Fund 2035	12,483,249	766,296
Retirement Strategy Fund 2040	4,291,227	328,135
Retirement Strategy Fund 2045	2,280,678	296,928
Retirement Strategy Fund 2050	1,354,528	(236,563)
U.S. Stock Fund	47,592,737	3,334,774
U.S. Large Stock Fund	54,547,426	3,182,049
U.S. Small Stock Fund	53,588,024	778,951
International Index Fund	58,655,749	1,577,065
Bond Market Fund	57,836,588	2,291,470
Money Market Fund	153,210,422	(2,420,873)
<b>Total Fund</b>	<b>\$1,369,267,339</b>	<b>\$55,038,937</b>

Deferred Compensation (DCP)



Option	Market Value	Quarterly Change
Retirement Strategy Fund 2000	\$4,600,573	\$506,255
Retirement Strategy Fund 2005	9,004,463	1,109,034
Retirement Strategy Fund 2010	40,211,605	4,485,275
Retirement Strategy Fund 2015	66,265,889	8,137,565
Retirement Strategy Fund 2020	49,895,534	5,362,940
Retirement Strategy Fund 2025	28,569,371	2,777,885
Retirement Strategy Fund 2030	16,119,501	1,490,665
Retirement Strategy Fund 2035	10,698,026	1,221,260
Retirement Strategy Fund 2040	6,366,531	959,652
Retirement Strategy Fund 2045	3,065,416	468,769
Retirement Strategy Fund 2050	1,761,472	473,756
Social Balanced Fund	56,681,675	2,800,576
U.S. Stock Market Index Fund	130,215,616	7,772,535
Active Value Fund	264,697,204	8,761,105
Active Core Fund	217,618,262	9,584,124
Growth Company Fund	288,267,776	22,622,387
International Stock Fund	121,060,771	6,557,479
U.S. Small Stock Fund	70,475,724	3,534,729
Bond Market Fund	165,827,547	9,680,621
Savings Pool	936,426,904	(873,448)
<b>Total Fund</b>	<b>\$2,487,829,859</b>	<b>\$97,433,165</b>

Judicial Retirement Account (JRA)



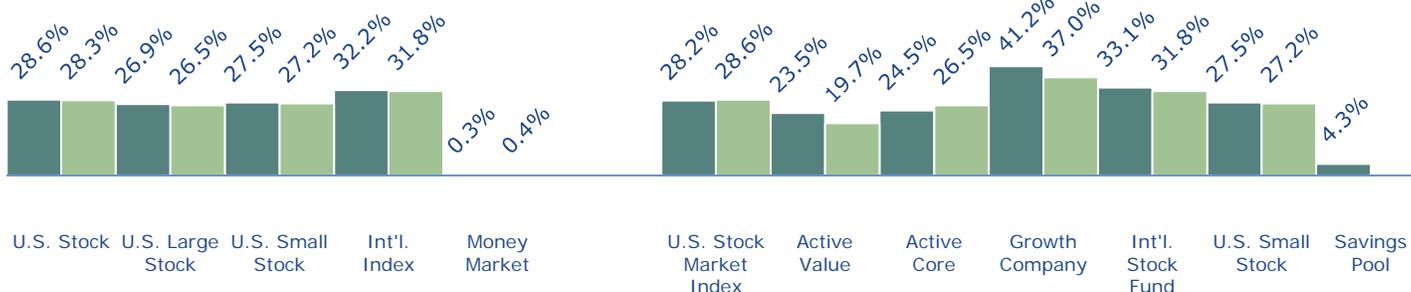
Option	Market Value	Quarterly Change
Retirement Strategy Fund 2000	\$63,425	\$63,425
Retirement Strategy Fund 2005	83,888	4,002
Retirement Strategy Fund 2010	111,929	46,298
Retirement Strategy Fund 2015	431,378	18,258
Retirement Strategy Fund 2020	98,918	4,205
Retirement Strategy Fund 2025	108,109	4,712
Retirement Strategy Fund 2030	4,023	177
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	131,120	4,899
U.S. Stock Market Index Fund	725,331	39,363
Active Value Fund	891,093	36,488
Active Core Fund	1,140,475	(27,228)
Growth Company Fund	1,136,603	(95,995)
International Stock Fund	788,398	(27,122)
U.S. Small Stock Fund	343,627	13,927
Bond Market Fund	532,664	121,426
Savings Pool	5,190,409	8,667
<b>Total Fund</b>	<b>\$11,781,387</b>	<b>\$215,500</b>

One Year Returns

Fund Index

**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>5.91%</b>	<b>28.55%</b>	<b>-5.30%</b>	<b>0.86%</b>	<b>N/A</b>
Russell 3000	5.90%	28.34%	-5.42%	0.76%	-0.20%
<b>U.S. Large Stock Fund</b>	<b>6.05%</b>	<b>26.86%</b>	<b>-5.44%</b>	<b>0.57%</b>	<b>-0.86%</b>
S&P 500	6.04%	26.46%	-5.63%	0.42%	-0.95%
<b>U.S. Small Stock Fund</b>	<b>3.93%</b>	<b>27.45%</b>	<b>-5.91%</b>	<b>0.61%</b>	<b>3.58%</b>
Russell 2000	3.87%	27.17%	-6.07%	0.51%	3.51%
<b>International Index Fund</b>	<b>2.14%</b>	<b>32.20%</b>	<b>-5.76%</b>	<b>3.76%</b>	<b>2.80%</b>
MSCI EAFE	2.18%	31.78%	-6.04%	3.54%	1.17%

**DCP Equity Funds**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>U.S. Stock Market Index Fund</b>	<b>5.74%</b>	<b>28.20%</b>	<b>-5.12%</b>	<b>1.03%</b>	<b>-0.06%</b>
Dow Jones U.S. TSMI	5.81%	28.57%	-5.19%	0.97%	-0.24%
<b>Active Value Fund</b>	<b>4.44%</b>	<b>23.54%</b>	<b>-9.93%</b>	<b>-0.30%</b>	<b>5.04%</b>
Russell 1000 Value Index	4.22%	19.69%	-8.96%	-0.25%	2.47%
<b>Active Core Fund</b>	<b>5.78%</b>	<b>24.45%</b>	<b>-7.57%</b>	<b>-0.19%</b>	<b>N/A</b>
S&P 500	6.04%	26.46%	-5.63%	0.42%	-0.95%
<b>Growth Company Fund</b>	<b>7.29%</b>	<b>41.15%</b>	<b>0.01%</b>	<b>4.46%</b>	<b>-0.85%</b>
Russell 3000 Growth	7.65%	37.01%	-2.06%	1.58%	-3.79%
<b>International Stock Fund</b>	<b>2.28%</b>	<b>33.11%</b>	<b>-7.91%</b>	<b>N/A</b>	<b>N/A</b>
MSCI EAFE	2.18%	31.78%	-6.04%	3.54%	1.17%
<b>U.S. Small Stock Fund</b>	<b>3.93%</b>	<b>27.45%</b>	<b>-5.91%</b>	<b>0.61%</b>	<b>3.58%</b>
Russell 2000	3.87%	27.17%	-6.07%	0.51%	3.51%

**Cash Funds**

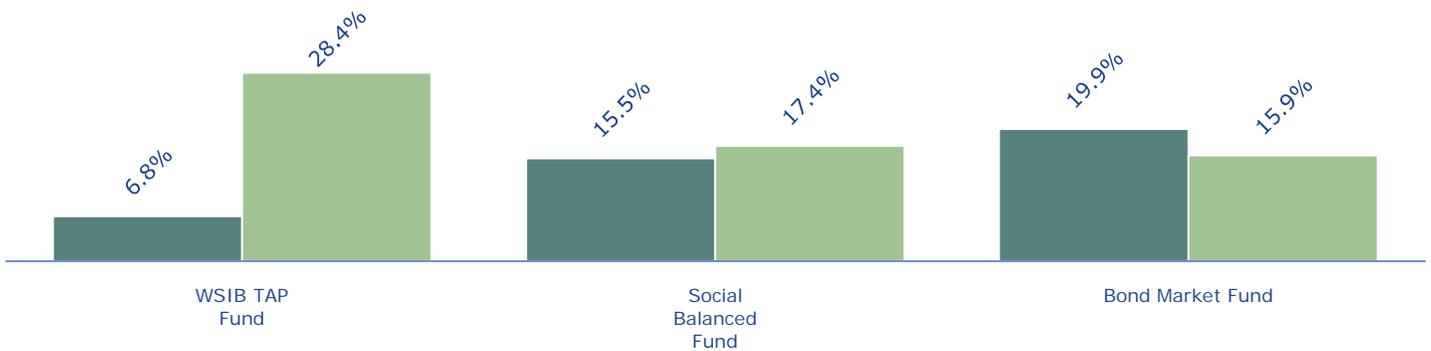
	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Money Market Fund (Plan 3)</b>	<b>0.05%</b>	<b>0.29%</b>	<b>2.65%</b>	<b>3.27%</b>	<b>3.17%</b>
One Month LIBOR	0.08%	0.36%	2.84%	3.46%	3.25%
<b>Savings Pool (DCP)</b>	<b>1.02%</b>	<b>4.34%</b>	<b>4.59%</b>	<b>4.59%</b>	<b>5.25%</b>

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

Fund Index



**Balanced Funds**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>WSIB TAP Fund (Plan 3)</b>	<b>3.48%</b>	<b>6.77%</b>	<b>-1.50%</b>	<b>5.07%</b>	<b>4.35%</b>
Custom Benchmark	3.34%	28.43%	-1.11%	3.74%	2.61%
<b>Social Balanced Fund</b>	<b>3.92%</b>	<b>15.53%</b>	<b>2.50%</b>	<b>3.16%</b>	<b>N/A</b>
Custom Benchmark	3.42%	17.37%	-0.07%	2.76%	2.63%
<b>Retirement Strategy Fund 2000</b>	<b>3.46%</b>	<b>23.61%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2000 Composite Index	2.64%	21.33%	N/A	N/A	N/A
<b>Retirement Strategy Fund 2005</b>	<b>3.80%</b>	<b>27.33%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2005 Composite Index	3.14%	25.19%	N/A	N/A	N/A
<b>Retirement Strategy Fund 2010</b>	<b>4.28%</b>	<b>30.08%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2010 Composite Index	3.60%	28.70%	N/A	N/A	N/A
<b>Retirement Strategy Fund 2015</b>	<b>4.46%</b>	<b>31.54%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2015 Composite Index	3.75%	29.93%	N/A	N/A	N/A
<b>Retirement Strategy Fund 2020</b>	<b>4.48%</b>	<b>32.48%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2020 Composite Index	3.91%	31.11%	N/A	N/A	N/A
<b>Retirement Strategy Fund 2025</b>	<b>4.60%</b>	<b>33.14%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2025 Composite Index	4.06%	32.07%	N/A	N/A	N/A
<b>Retirement Strategy Fund 2030</b>	<b>4.64%</b>	<b>32.43%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2030 Composite Index	4.04%	31.34%	N/A	N/A	N/A
<b>Retirement Strategy Fund 2035</b>	<b>4.50%</b>	<b>31.37%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2035 Composite Index	3.93%	30.05%	N/A	N/A	N/A
<b>Retirement Strategy Fund 2040</b>	<b>4.60%</b>	<b>31.33%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2040 Composite Index	3.93%	30.05%	N/A	N/A	N/A
<b>Retirement Strategy Fund 2045</b>	<b>4.59%</b>	<b>31.41%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2045 Composite Index	3.93%	30.05%	N/A	N/A	N/A
<b>Retirement Strategy Fund 2050</b>	<b>4.58%</b>	<b>31.53%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2050 Composite Index	3.93%	30.05%	N/A	N/A	N/A

**Bond Fund**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Bond Market Fund</b>	<b>1.21%</b>	<b>19.93%</b>	<b>8.19%</b>	<b>6.14%</b>	<b>N/A</b>
Barclays Capital Intermediate Credit	1.61%	15.93%	5.98%	4.76%	6.39%

Characteristics

Composition Distribution

**Average Maturity**

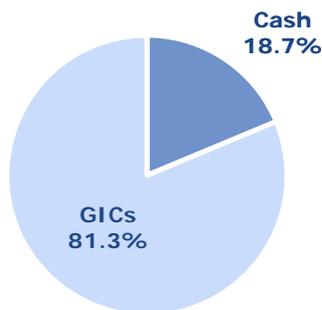
1.9 Years

**Average Yield**

4.15%

**Number of Holdings**

32

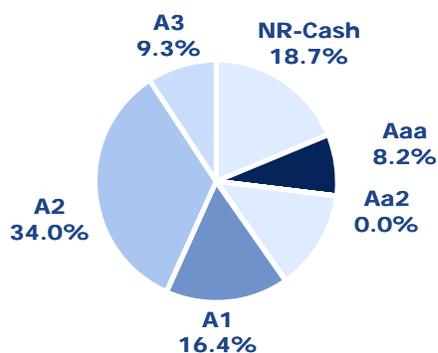


<b>Market Value</b>
<b>\$ 941,929,532</b>

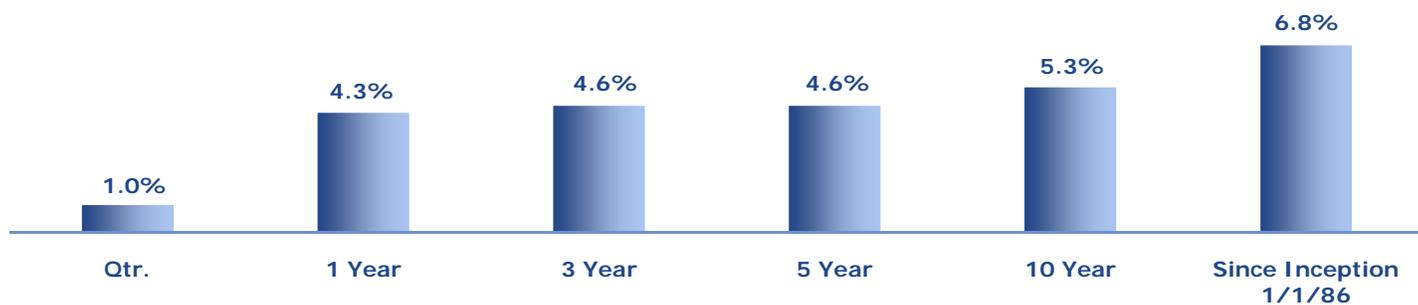
GIC Issuers by Percentage

Metropolitan Life Insurance Co.	13.39%
Pacific Life Insurance Co.	12.74%
Prudential Insurance Co. of America	11.93%
Protective Life Insurance Co.	9.27%
Hartford Life Insurance Co.	9.27%
New York Life Insurance Corp.	8.20%
Genworth Life and Annuity Assurance	7.08%
Security Life of Denver Insurance Co.	5.70%
Monumental Life Insurance Co.	3.71%

Rating Distribution



Return

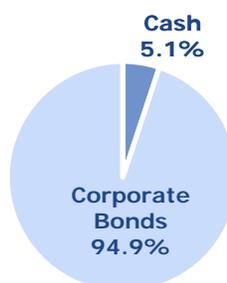


Note: Totals may not add up due to rounding

**Characteristics**

**Asset Class Distribution**

	<b>Fund</b>	<b>Index</b>
Average Maturity	5.9 years	5.1 years
Yield to Maturity	4.08%	3.96%
Effective Duration	4.86	4.29
Average Coupon	5.40%	5.58%
Number of Holdings	158	2,738



<b>Market Value</b>
<b>\$ 568,675,229</b>

**Top Ten Credit Issuers**

Rockies Express	0.99%	Waste Management, Inc.	0.95%
Hutchison Whamp International Ltd.	0.98%	Archer Daniels Midland Co.	0.95%
Canadian Pacific Railroad Co.	0.96%	Marathon Oil Corp.	0.94%
E.On International Finance B.V.	0.95%	Burlington Northern Santa Fe Corp.	0.94%
Phillips Electronics	0.95%	Transcontinental Gas Pipe Line Corp.	0.94%

**Rating Distribution**



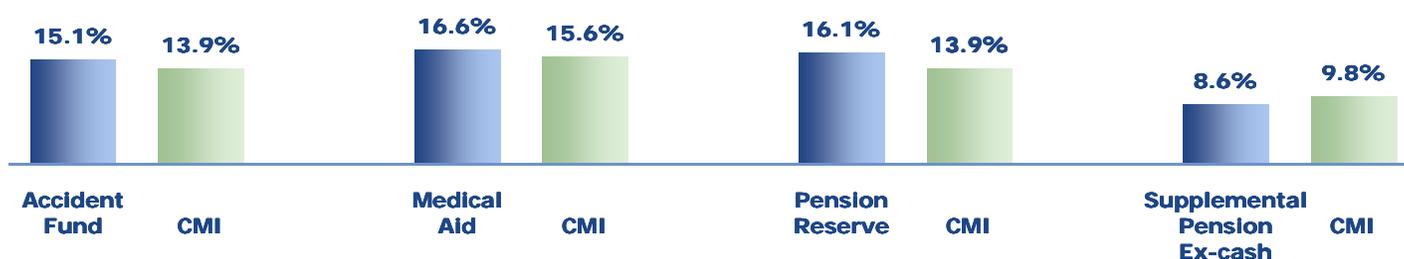
**Industry Distribution**



**Return**



Note: Totals may not add up due to rounding

**One Year Performance**

**Total Fund** **\$11,730,688,619**

	Market Value	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Accident Fund</b>	<b>\$4,313,214,067</b>	<b>0.78%</b>	<b>15.14%</b>	<b>5.86%</b>	<b>5.54%</b>	<b>6.84%</b>
CMI		0.84%	13.94%	4.44%	4.47%	6.37%
<b>Medical Aid</b>	<b>\$4,050,670,073</b>	<b>1.48%</b>	<b>16.63%</b>	<b>4.47%</b>	<b>5.23%</b>	<b>5.50%</b>
CMI		1.50%	15.60%	3.43%	4.42%	5.26%
<b>Pension Reserve</b>	<b>\$3,336,151,854</b>	<b>0.82%</b>	<b>16.13%</b>	<b>5.68%</b>	<b>5.42%</b>	<b>7.75%</b>
CMI		0.84%	13.94%	4.44%	4.47%	7.23%
<b>Supplemental Pension</b>	<b>\$30,652,625</b>	<b>0.45%</b>	<b>4.75%</b>	<b>4.44%</b>	<b>4.13%</b>	<b>4.28%</b>
<b>Supplemental Ex-Cash</b>		<b>1.06%</b>	<b>8.59%</b>	<b>5.74%</b>	<b>4.74%</b>	<b>5.16%</b>
CMI		1.02%	9.76%	5.57%	4.60%	5.46%

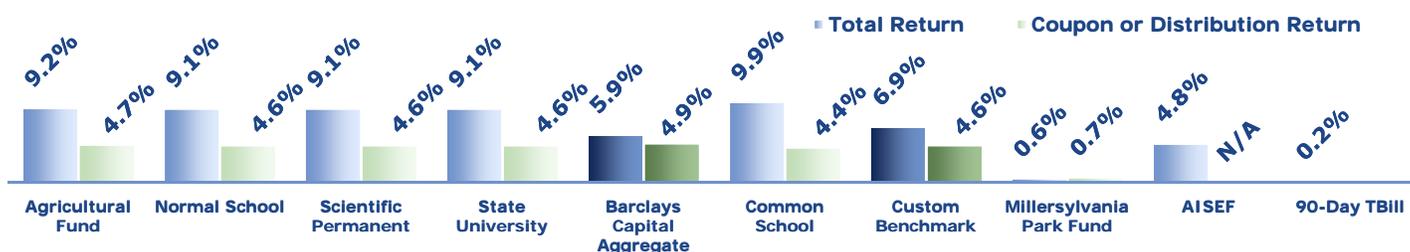
**Labor and Industries' Statutory Accounting Return \***

	Qtr.	1 Year	3 Year	5 Year
Accident Fund	1.82%	8.37%	5.52%	6.62%
Medical Aid	1.81%	8.14%	3.30%	5.10%
Pension Reserve	1.88%	8.47%	5.37%	6.35%
Supplemental Pension	2.59%	5.23%	4.49%	4.32%

**Duration**

	CMI	Target	Actual	% Difference
Accident Fund	7.14	7.00	6.68	-4.52%
Medical Aid	6.03	6.00	6.03	0.44%
Pension Reserve	7.14	7.00	6.61	-5.56%
Supplemental Pension Ex-cash	2.02	1.75-2.25	1.84	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	\$ 181,481,558
Normal School	\$ 235,216,590
Scientific Permanent	\$ 199,790,330
State University	\$ 29,855,313
Common School	\$ 182,632,607
Millersylvania Park Fund	\$ 5,152
American Indian Scholarship Endowment Fund (AISEF)	\$ 640,312

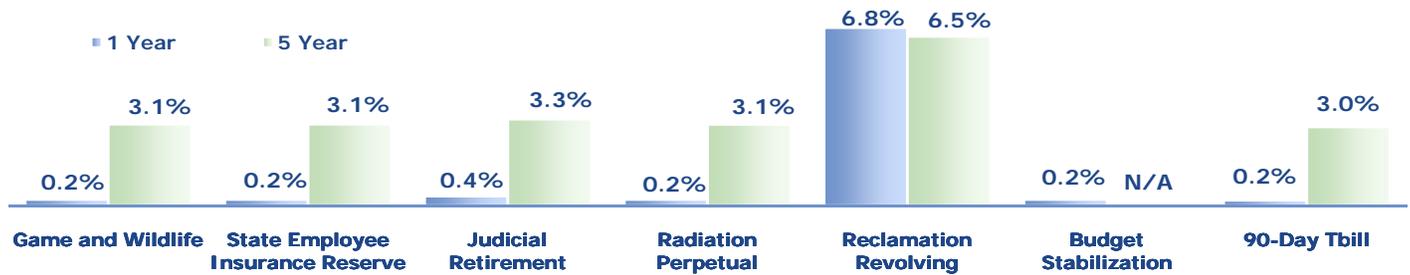
Returns	Total Return					Distribution Return <sup>1</sup>				
	Qtr.	1 Year	3 Year	5 Year	10 Year	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Agricultural Fund</b>	0.46%	9.19%	7.01%	5.51%	6.53%	1.05%	4.71%	4.59%	4.58%	5.31%
<b>Normal School</b>	0.37%	9.11%	6.82%	5.36%	6.50%	1.05%	4.62%	4.55%	4.55%	5.23%
<b>Scientific Permanent</b>	0.37%	9.10%	6.81%	5.37%	6.50%	1.05%	4.62%	4.57%	4.56%	5.29%
<b>State University</b>	0.37%	9.11%	6.83%	5.36%	6.53%	1.05%	4.62%	4.56%	4.54%	5.24%
Barclays Capital Aggregate	0.20%	5.93%	6.04%	4.97%	6.33%					
<b>Common School</b>	0.64%	9.95%	6.07%	5.09%	6.28%	1.00%	4.36%	4.29%	4.30%	5.00%
Custom Benchmark <sup>2</sup>	0.48%	6.89%	5.24%	4.71%	6.22%					
<b>Millersylvania Park</b>	0.05%	0.55%	2.90%	3.37%	3.14%	0.05%	0.70%	3.05%	3.41%	3.20%
90 Day Tbill	0.04%	0.21%	2.41%	3.02%	2.99%					
<b>AISEF</b>	0.21%	4.81%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Custom Benchmark <sup>3</sup>	0.13%	3.19%	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 December 2009, the breakdown was 5.1% Dow Jones U.S. TSMI and 94.9% 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 December 2009, the breakdown was 53.7% Barclays Capital Aggregate and 46.3% the 90 Day Tbill.

One Year and Five Year Performance



Market Value

Game and Wildlife	\$ 6,547,829
State Employee Insurance Reserve	\$ 88,120,563
Judicial Retirement	\$ 2,464,388
Radiation Perpetual	\$ 330,362
Reclamation Revolving	\$ 109,654
Budget Stabilization	\$ 21,428,326

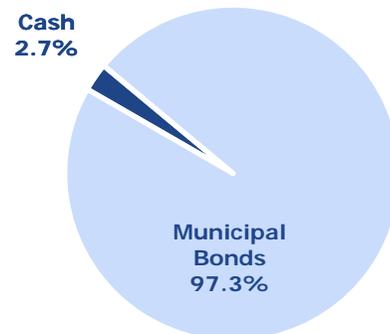
Total Return

	Qtr.	1 Year	3 Year	5 Year	10 Year
Game and Wildlife	0.02%	0.24%	2.54%	3.12%	2.98%
State Employee Insurance Reserve	0.02%	0.24%	2.54%	3.12%	2.98%
Judicial Retirement	0.04%	0.37%	2.79%	3.32%	3.16%
Radiation Perpetual	0.02%	0.24%	2.53%	3.12%	2.97%
Reclamation Revolving	1.19%	6.82%	7.27%	6.49%	5.35%
Budget Stabilization	0.02%	0.24%	N/A	N/A	N/A
90-Day Tbill	0.04%	0.21%	2.41%	3.02%	2.99%

Portfolio Allocations

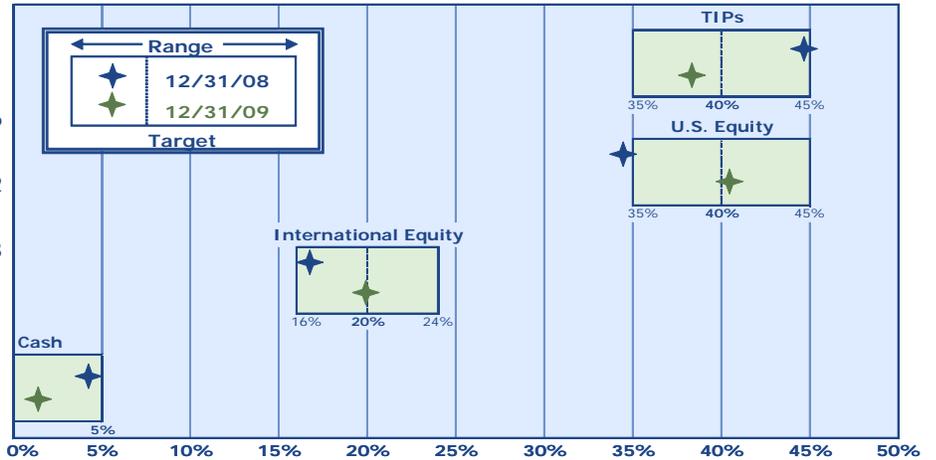
The Game and Wildlife Fund, State Employee Insurance Reserve Fund, Judicial Retirement Fund, Radiation Perpetual Fund, Emergency Reserve Fund, and Pension Stabilization Fund are fully invested in short-term investment funds (STIF).

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

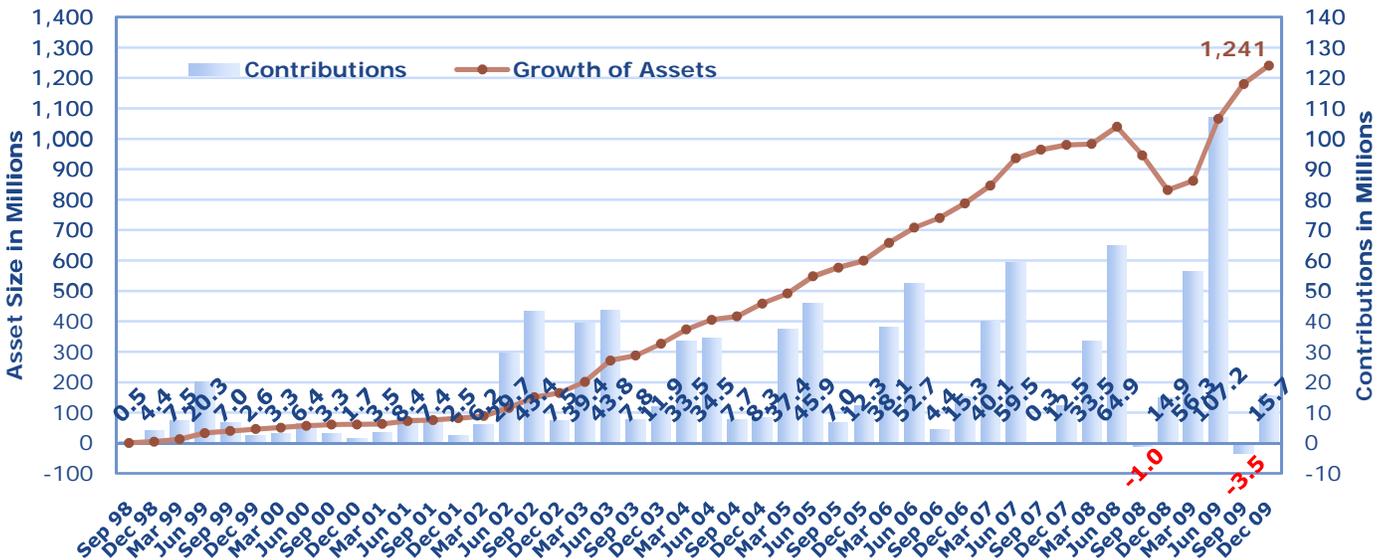


**Portfolio Size and Allocation**

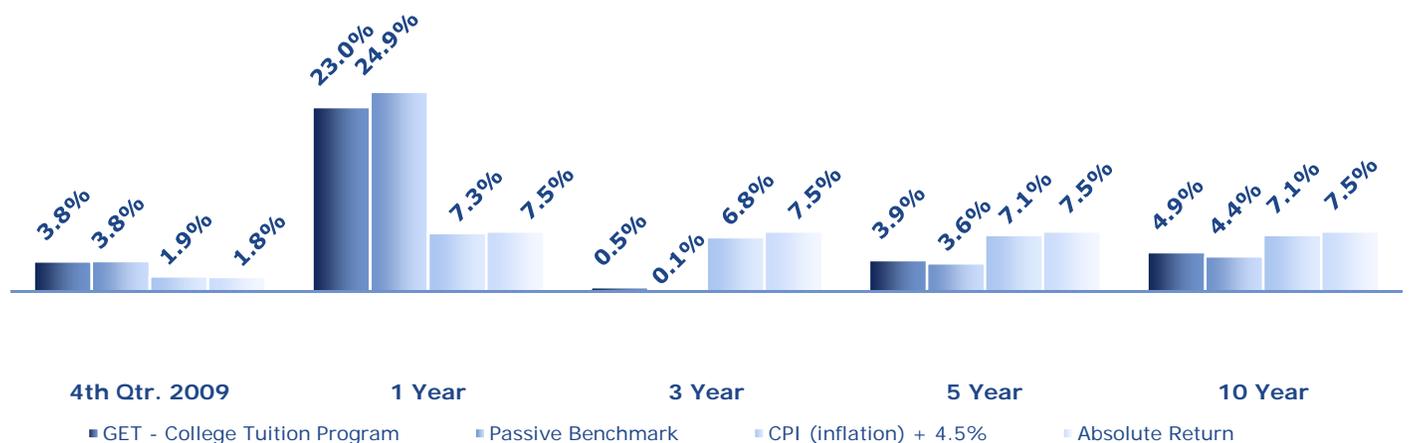
<b>Total</b>	<b>\$1,240,843,761</b>
Cash	18,324,366
Treasury Inflation Index Note (TIPs)	473,654,122
U.S. Equity	500,735,423
Non-U.S. Equity	248,129,851



**Assets Under Management**



**Total Return**

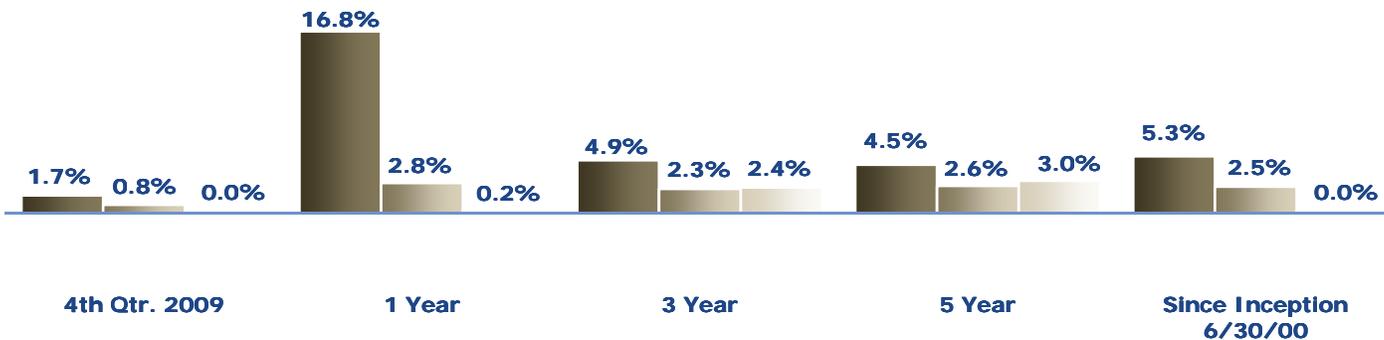
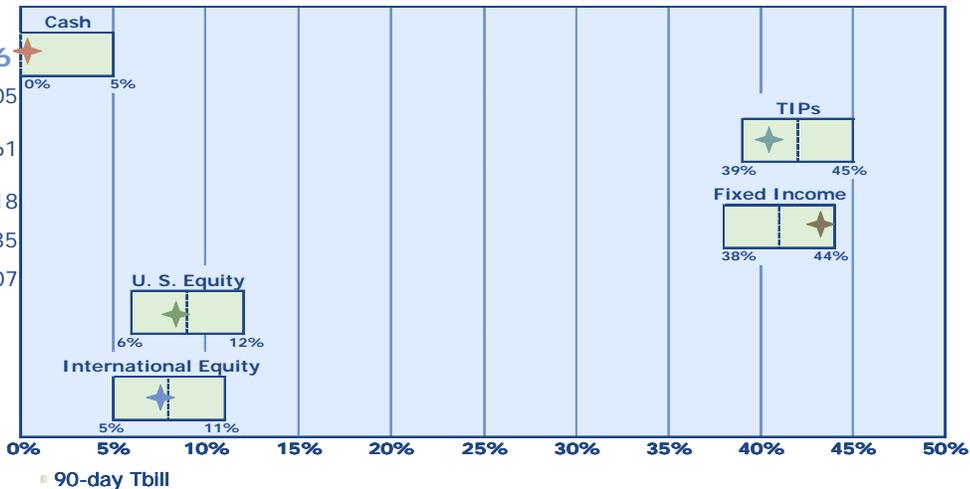


State Funds

Total

\$8,573,826

Cash	26,905
Treasury Inflation Index Note (TIPs)	3,449,061
Fixed Income	3,702,018
U.S. Equity	732,335
International Equity	663,507



Private Funds

Total

\$13,007,929

Cash	9,978
Balanced Fund	12,997,951

