



Investment Reports

Quarterly Report – December 31, 2010

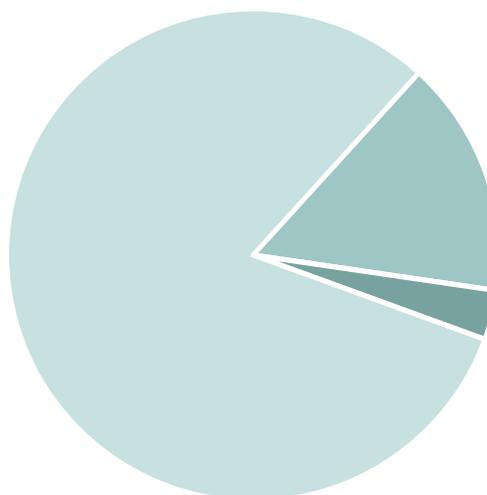
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Date: February 7, 2011

The WSIB invests for 39 funds:

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

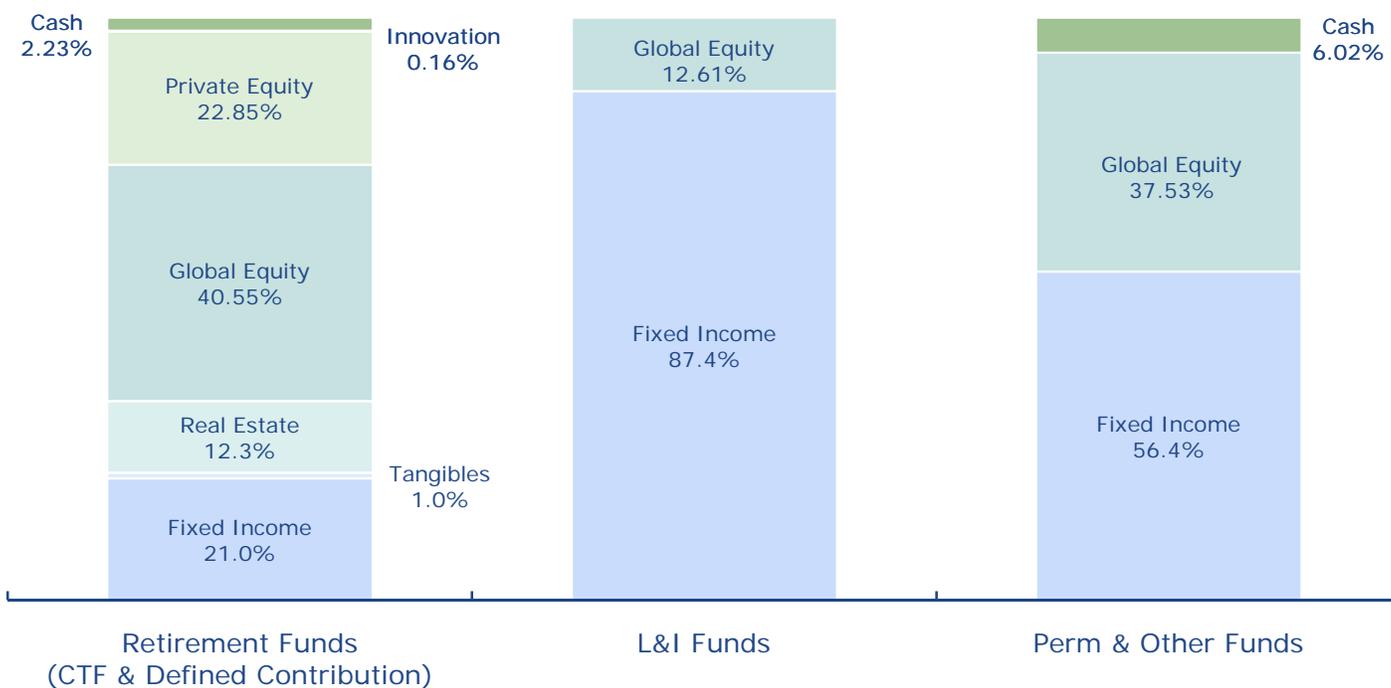
Retirement Funds
(CTF & Defined Contribution)
\$64,445,278,005
81.2%



Labor & Industries' Funds
\$12,357,522,087
15.6%

Permanent & Other Funds
\$2,576,433,565
3.2%

Asset Class Overview for All Funds



Indices Returns



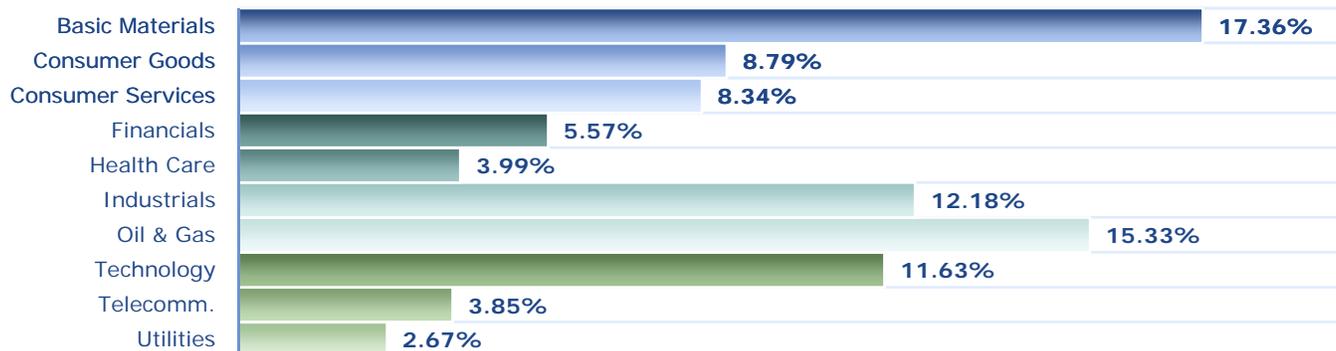
Global Equity Benchmark (Dow Jones Global TSMI)

U.S. Equity Benchmark (Dow Jones U.S. TSMI)

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

Fixed Income Benchmark (Barclays Capital Universal)

Dow Jones Global TSMI - Quarter Industry Returns



Capital Market Highlights

- ❖ Global equities as measured by the Dow Jones Global TSMI returned 9.3% outperforming fixed income as measured by the Barclays Capital Universal which returned -1.0% 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 Global TSMI was Basic Materials at 17.4%. The lowest return was Utilities at 2.7%.
- ❖ In the Barclays Capital indices, CMBS (Non-ERISA ex HY) had the highest return for the quarter earning 4.5% while U.S. Treasury had the lowest return at -2.6%. For the yield curve, the short end of the curve (6 month treasuries) outperformed the long end of the curve (30 year treasuries), returning 0.1% compared to -9.9% for the quarter.
- ❖ GDP was 3.2% (annualized) for the quarter. Inflation, as measured by the CPI was 0.9%.
- ❖ 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 the 1 year time period and since inception.

Asset Allocation

- ❖ Asset transfers for the 4th quarter consisted of decreases of \$211 million from international equity, \$225 million from private equity, and \$426 million from innovation to fund tangibles with \$9 million, real estate with \$37 million, U.S. equity with \$170 million, and to fund benefit payments.

Fixed Income

- ❖ Fixed income has positive returns for all the annualized time periods. It outperformed its benchmark, Barclays Capital Universal 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 3.7%.
- ❖ As of September 30, 2010, there were \$495 million in unfunded commitments.

Real Estate

- ❖ The WSIB Real Estate quarter return was 3.7%. It underperformed NCREIF (lagged one quarter) for the quarter, 1, 3, and 5 year time periods. For the 10 year time period, it outperformed both its benchmark of 8% return over a rolling 10 year and the NCREIF.
- ❖ As of September 30, 2010, there were \$6.7 billion in unfunded commitments.

Global Equity

- ❖ Global equity performed 8.9% for the quarter. It underperformed its benchmark, the Dow Jones Global TSMI which returned 9.3%.
- ❖ The U.S. equity manager outperformed its benchmark for all time periods.
- ❖ 2 of the 5 international developed managers outperformed their benchmark for the quarter. 3 managers outperformed their benchmark for the 1 year.
- ❖ For emerging markets, 1 out of 7 outperformed their benchmark for the quarter.

Private Equity

- ❖ The WSIB private equity quarter return was 4.9%. It underperformed its new benchmark, the Russell 3000 (lagged one quarter) plus 300 basis points for the quarter, but outperformed it for all other time periods.
- ❖ As of September 30, 2010, there were \$7.4 billion in unfunded commitments.

Innovation

- ❖ Innovation underperformed its custom benchmark for the quarter.

Market Values

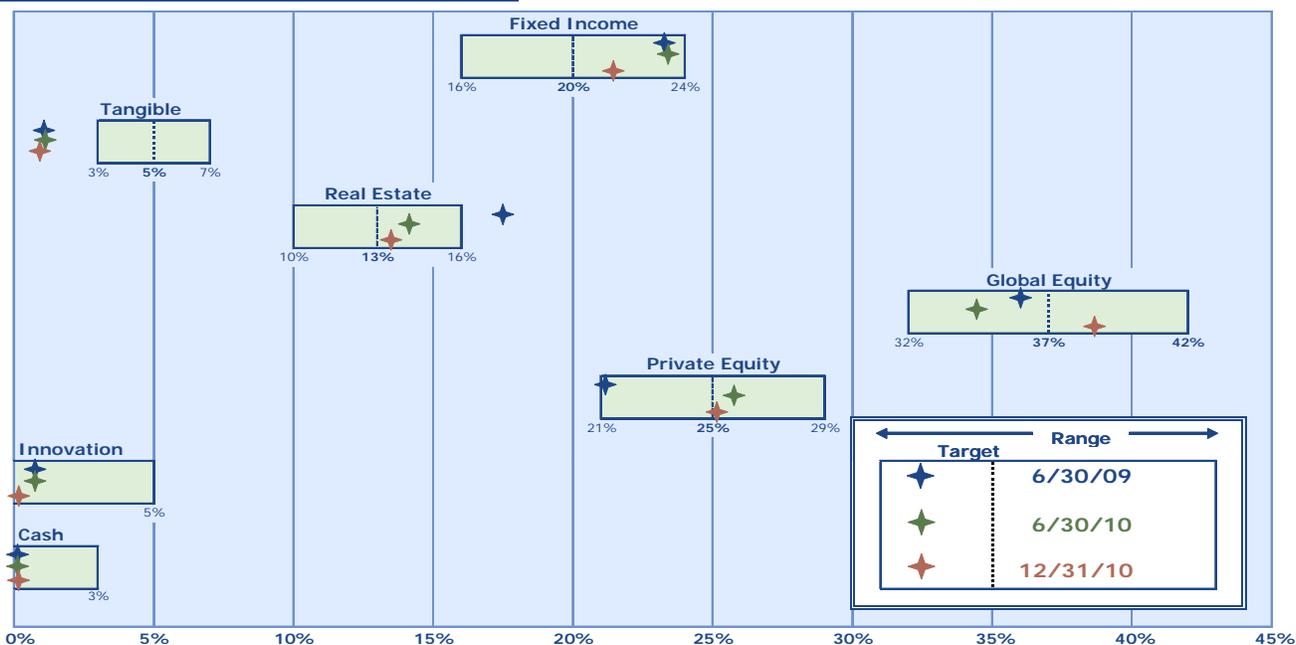
Actual Asset Allocation

Asset Class	Market Value	by Asset Class	with Overlay
Fixed Income	\$ 11,766,943,982	20.02%	21.38%
Tangible	\$ 616,415,583	1.05%	1.05%
Real Estate	\$ 7,922,653,989	13.48%	13.48%
Global Equity	\$ 22,677,417,700	38.58%	38.80%
Private Equity	\$ 14,728,715,650	25.06%	25.06%
Innovation	\$ 102,349,371	0.17%	0.17%
Cash	\$ 960,856,183	1.63%	0.06%

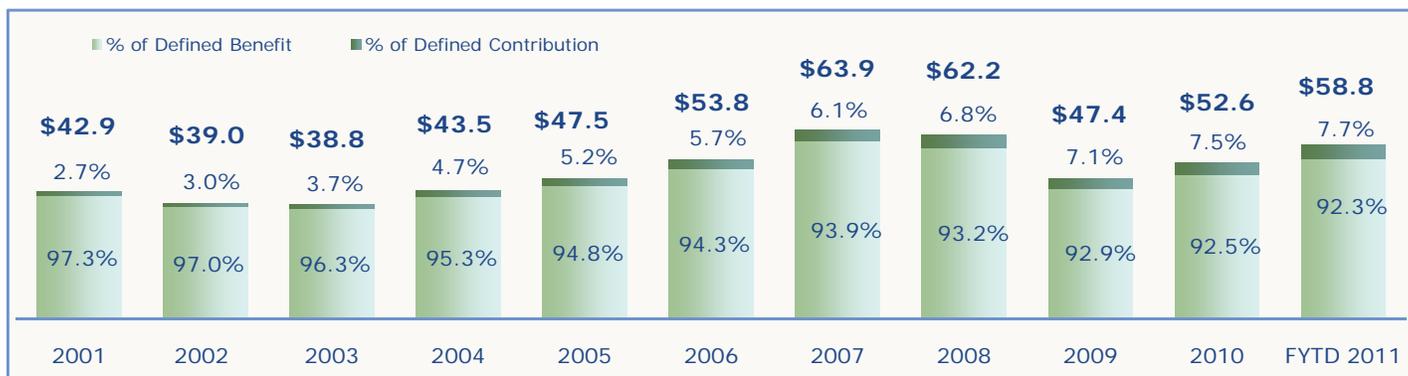
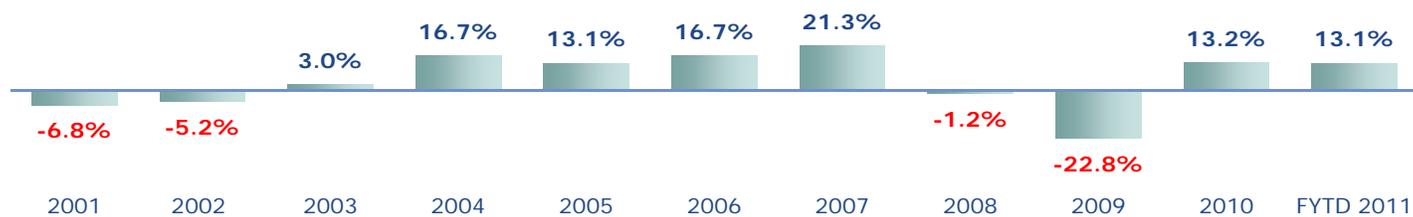
Market Value Changes

Quarter:
\$ 2,455,876,427
Fiscal Year:
\$ 6,144,009,050

Total Fund \$ 58,775,352,457



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 ⁸
Total Fund	\$58,775,352,457	100.0%	4.99%	12.53%	-2.01%	4.86%	5.54%	8.65%
Passive Benchmark ²			6.03%	13.03%	0.24%	4.78%	4.50%	
Implementation Value Added Benchmark ³			6.95%	12.39%	0.02%	5.46%	5.56%	
TUCS Public Fund >\$1B Median ⁴			5.94%	12.88%	0.17%	4.58%	4.79%	
TUCS Public/Corporate Fund >\$1B Median ⁴			5.86%	12.92%	-0.07%	4.37%	4.80%	
Fixed Income	\$11,766,943,982	20.0%	-0.51%	8.45%	8.20%	7.36%	7.10%	
Barclays Capital Universal			-1.04%	7.16%	6.01%	5.90%	6.08%	
Tangible	\$616,415,583	1.0%	0.77%	2.26%	1.01%			
CPI (Lagged One Quarter) + 400 bp			3.65%	5.14%	5.55%			
Real Estate⁵	\$7,922,653,989	13.5%	3.65%	2.43%	-8.77%	3.15%	8.89%	
8% Return Over Rolling 10 Years							8.00%	
NCREIF (Lagged One Quarter)			3.86%	5.83%	-4.62%	3.67%	7.24%	
Global Equity	\$22,677,417,700	38.6%	8.93%	14.77%	-3.92%	3.46%	3.57%	
Dow Jones Global TSMI			9.30%	15.22%	-3.09%	4.39%	4.51%	
Private Equity⁵	\$14,728,715,650	25.1%	4.90%	18.41%	-3.21%	7.93%	7.64%	
Russell 3000 (Lagged One Quarter) + 300 bp			12.27%	13.96%	-3.59%	3.92%	3.10%	
Innovation⁶	\$102,349,371	0.2%	6.78%	9.84%	-6.78%			
Custom Benchmark			8.75%	14.62%	1.90%			
Overlay⁷	\$137,141,803		-0.02%	0.28%	0.13%	0.09%	0.05%	
Cash	\$823,714,380	1.6%	0.06%	0.18%	1.07%	2.62%	2.35%	
90 Day T-Bills			0.04%	0.13%	0.79%	2.43%	2.38%	

 Outperformed its benchmark

 Underperformed its benchmark

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

² 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.

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

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

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

International Markets
\$12,886,726,072

	Qtr.	1 Year	3 Year	5 Year	10 Year
Total Developed Passive	7.76%	11.34%	-5.15%	3.86%	4.52%
SSgA Separate	7.85%	11.27%			
Total Developed Active	6.57%	10.90%	-5.61%	3.94%	4.76%
Arrowstreet Capital	9.12%	15.85%	-0.43%	7.34%	
LSV Asset Mgmt.	7.47%	10.37%	-5.98%	2.95%	
Mondrian Investment Partners	3.75%	3.58%	-6.73%	3.60%	7.05%
William Blair & Company	7.70%	21.26%	-4.90%	5.11%	
Total Developed	7.26%	11.19%	-5.46%	3.96%	4.77%
Custom Developed Markets Benchmark	7.84%	10.66%	-5.69%	3.42%	4.17%

Total Emerging Active	5.80%	19.78%	-0.80%	11.78%	15.67%
Aberdeen Asset Management	5.88%				
Capital International	5.17%	16.78%	1.60%	14.69%	
Grantham, Mayo, Otterloo	8.00%	20.69%	-2.57%	10.42%	18.54%
Grantham, Mayo, Otterloo Illiquid	5.18%	29.16%	7.63%		
JPMorgan	5.33%	19.05%	0.48%		
Lazard Asset Mgmt.	5.31%	22.83%	2.69%		
Mondrian Investment Partners	4.36%				
Total Emerging	5.80%	19.78%	-0.80%	11.78%	15.50%
Custom Emerging Markets Benchmark	7.42%	19.90%	0.35%	13.16%	16.84%

Total International Equity	7.00%	12.54%	-4.84%	4.86%	5.75%
Custom International Equity Benchmark	7.73%	12.73%	-4.38%	5.36%	6.02%

U.S. Markets
\$9,790,691,628

	Qtr.	1 Year	3 Year	5 Year	10 Year
Total U.S. Passive	11.69%	17.50%	-1.70%	3.08%	2.57%
BlackRock Index (formerly BGI)	11.69%	17.59%	-1.71%	3.08%	2.57%
Total U.S. Equity	11.57%	17.72%	-2.74%	2.19%	2.13%
Dow Jones U.S. TSMI	11.67%	17.51%	-1.76%	3.00%	2.55%

 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. Equity **\$9,790,691,628**

Passive

BlackRock Index (formerly BGI) \$9,787,153,466 **99.96%**

Active

Transition Accounts \$3,538,162 **0.04%**



International Developed Markets **\$10,269,734,627**

Passive

SSgA Separate \$5,917,546,949 **57.62%**

Active

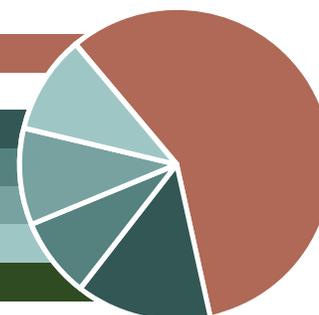
Arrowstreet Capital \$1,433,177,703 **13.96%**

LSV Asset Mgmt. \$845,927,583 **8.24%**

Mondrian Investment Partners \$1,021,720,969 **9.95%**

William Blair & Company \$1,043,396,329 **10.16%**

Transition Accounts \$7,965,092 **0.08%**



International Emerging Markets **\$2,616,991,446**

Active

Aberdeen Asset Managers \$356,851,383 **13.64%**

Capital International \$494,222,467 **18.89%**

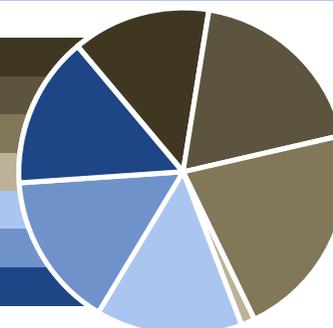
Grantham, Mayo, Otterloo \$560,540,883 **21.42%**

Grantham, Mayo, Otterloo Illiquid \$35,229,343 **1.35%**

JPMorgan \$378,178,457 **14.45%**

Lazard Asset Management \$400,562,712 **15.31%**

Mondrian Investment Partners \$391,406,203 **14.96%**



Top Ten Countries by Weight	Top Ten Holdings
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	CTF Weight		CTF Weight
United States	43.75%	Exxon Mobil Corp	1.16%
United Kingdom	8.53%	Apple Inc	0.90%
Japan	8.45%	Microsoft Corp	0.65%
France	4.03%	Royal Dutch Shell PLC	0.64%
Canada	3.99%	Vodafone Group PLC	0.61%
Australia	3.07%	General Electric Co	0.60%
Switzerland	3.00%	Nestle SA	0.58%
Germany	2.68%	GlaxoSmithKline PLC	0.58%
Brazil	2.18%	Chevron Corp	0.56%
South Korea	1.75%	International Business Machi	0.56%

WSIB

U.S. 43.75%	Other Developed Countries 45.99%	Emerging 10.26%
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DJ Global TSMI

U.S. 41.53%	Other Developed Countries 47.35%	Emerging 11.12%
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Fixed Income

\$11,766,943,982

Duration

	Sept. 10	Dec. 10
WSIB Portfolio	4.80	4.86
Barclays Capital Universal	4.67	4.94
Difference	2.80%	-1.65%

Sector Weighting



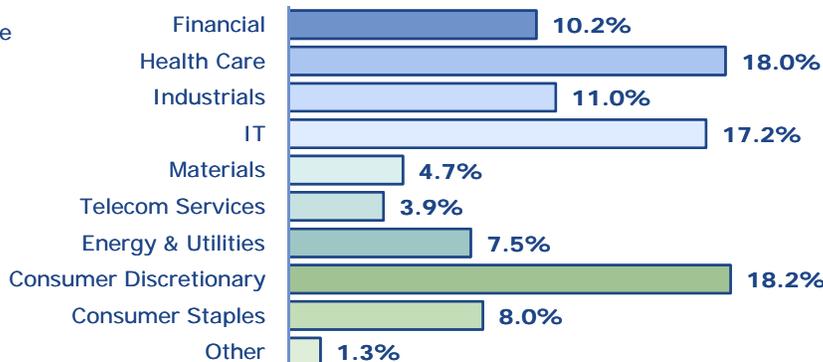
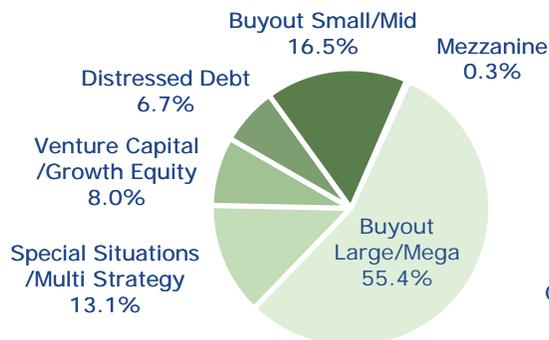
Innovation

\$102,349,371

There are currently 2 funds in the Innovation Portfolio. A global equity fund and a mezzanine fund.



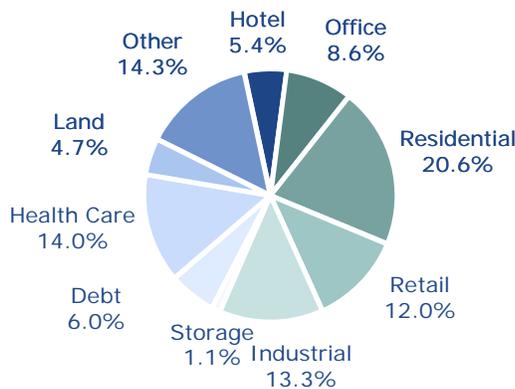
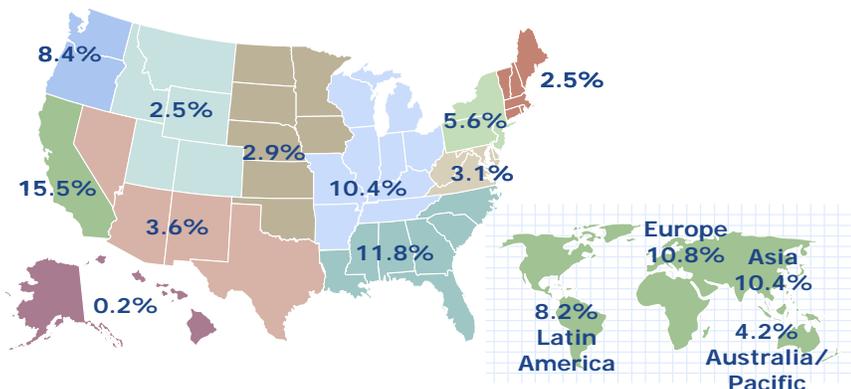
Sector Distribution | **Industry Distribution**



Unfunded Commitments: \$7.4 billion

Real Estate | **\$7,922,653,989**

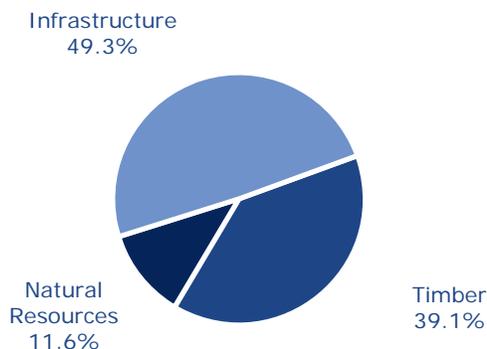
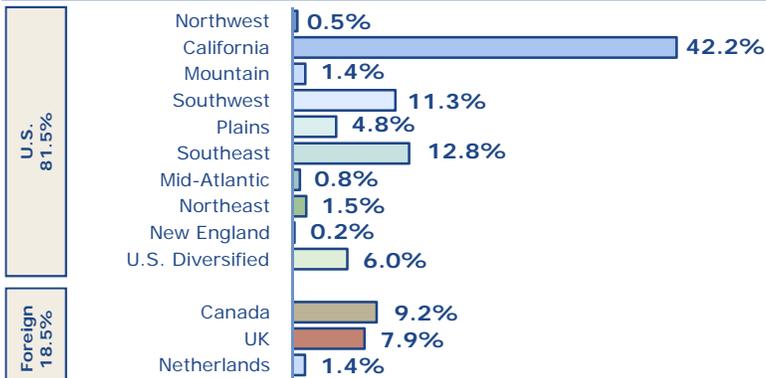
Geographical Distribution | **Property Type Distribution**



Unfunded Commitments: \$6.7 billion

Tangible | **\$616,415,583**

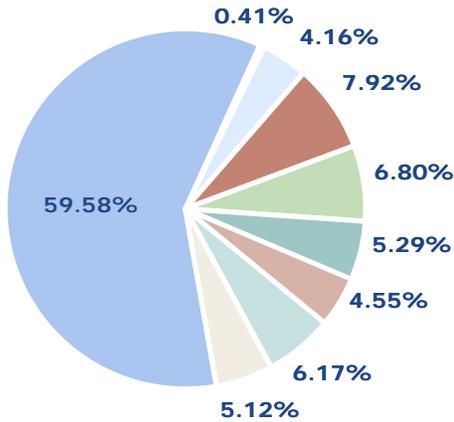
Geographical Distribution | **Sector Type Distribution**



Unfunded Commitments: \$495 million

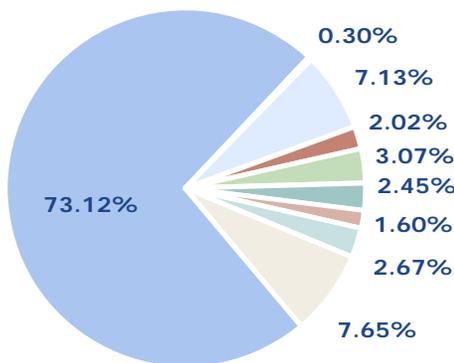
Distribution charts and unfunded commitments are lagged one quarter.

Teachers' Retirement System (TRS)



Option	Market Value	Quarterly Change
WSIB TAP Fund	\$2,750,437,078	\$138,906,208
Social Balanced Fund	19,034,401	2,882,594
Retirement Strategy Fund 2000	3,393,343	814,504
Retirement Strategy Fund 2005	4,192,660	783,221
Retirement Strategy Fund 2010	23,068,525	2,989,520
Retirement Strategy Fund 2015	48,460,954	5,981,324
Retirement Strategy Fund 2020	41,181,446	5,224,960
Retirement Strategy Fund 2025	26,860,438	2,337,756
Retirement Strategy Fund 2030	15,780,471	1,982,169
Retirement Strategy Fund 2035	12,042,146	1,484,284
Retirement Strategy Fund 2040	9,280,153	1,155,790
Retirement Strategy Fund 2045	5,342,668	627,339
Retirement Strategy Fund 2050	1,491,392	363,272
Retirement Strategy Fund 2055	1,102,227	866,703
U.S. Stock Fund	365,440,728	38,732,353
U.S. Large Stock Fund	313,969,935	32,923,427
U.S. Small Stock Fund	244,353,354	38,261,437
International Index Fund	210,028,471	12,874,382
Bond Market Fund	284,847,693	(12,210,318)
Money Market Fund	236,416,938	669,051
Total Fund	\$4,616,725,023	\$277,649,974

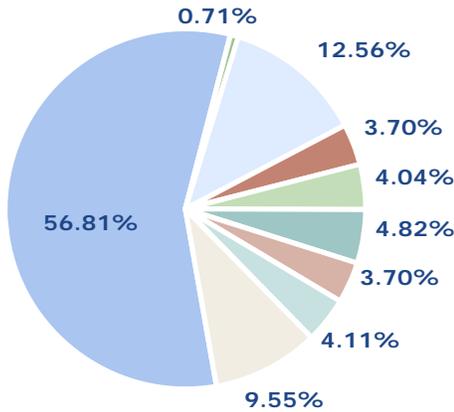
School Employees' Retirement System (SERS)



Option	Market Value	Quarterly Change
WSIB TAP Fund	\$862,669,867	\$37,950,813
Social Balanced Fund	3,537,755	789,984
Retirement Strategy Fund 2000	1,899,509	48,300
Retirement Strategy Fund 2005	2,385,603	183,197
Retirement Strategy Fund 2010	10,106,696	617,427
Retirement Strategy Fund 2015	23,593,642	1,732,465
Retirement Strategy Fund 2020	22,758,787	2,167,609
Retirement Strategy Fund 2025	14,295,665	1,361,990
Retirement Strategy Fund 2030	4,707,841	396,267
Retirement Strategy Fund 2035	2,498,899	327,784
Retirement Strategy Fund 2040	1,043,305	212,478
Retirement Strategy Fund 2045	532,984	75,851
Retirement Strategy Fund 2050	108,419	(94,907)
Retirement Strategy Fund 2055	140,475	27,068
U.S. Stock Fund	23,864,684	2,853,752
U.S. Large Stock Fund	36,190,238	3,083,543
U.S. Small Stock Fund	28,873,056	4,879,563
International Index Fund	18,858,597	1,099,991
Bond Market Fund	31,482,626	(2,814,368)
Money Market Fund	90,234,458	(1,376,178)
Total Fund	\$1,179,783,106	\$53,522,631

Note: Totals may not add up due to rounding

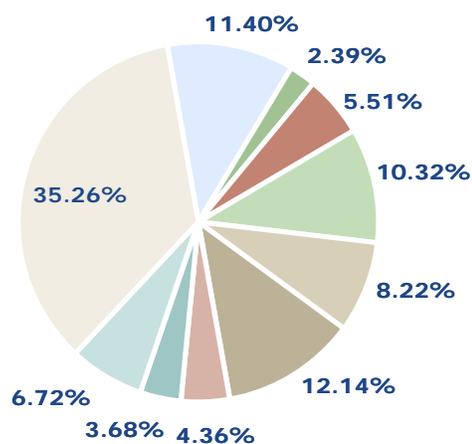
Public Employees' Retirement System (PERS)



Option	Market Value	Quarterly Change
WSIB TAP Fund	\$895,117,942	\$47,225,828
Social Balanced Fund	11,237,441	1,404,293
Retirement Strategy Fund 2000	1,294,900	(654,788)
Retirement Strategy Fund 2005	2,733,049	106,182
Retirement Strategy Fund 2010	14,694,641	966,419
Retirement Strategy Fund 2015	37,757,003	4,124,826
Retirement Strategy Fund 2020	46,856,130	4,850,934
Retirement Strategy Fund 2025	42,109,517	4,107,744
Retirement Strategy Fund 2030	25,312,141	2,178,831
Retirement Strategy Fund 2035	15,225,212	1,381,905
Retirement Strategy Fund 2040	5,964,361	822,186
Retirement Strategy Fund 2045	3,266,736	555,065
Retirement Strategy Fund 2050	1,726,646	513,006
Retirement Strategy Fund 2055	916,793	392,942
U.S. Stock Fund	58,313,811	7,925,675
U.S. Large Stock Fund	63,612,386	6,888,714
U.S. Small Stock Fund	75,917,112	15,839,295
International Index Fund	58,239,963	3,526,374
Bond Market Fund	64,745,245	(8,739,586)
Money Market Fund	150,516,222	(2,834,690)
Total Fund	\$1,575,557,248	\$90,581,154

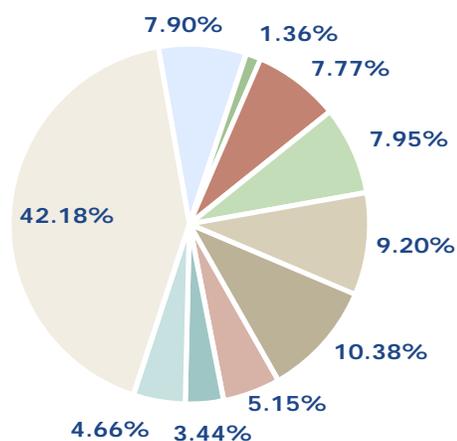
Note: Totals may not add up due to rounding

Deferred Compensation (DCP)



Option	Market Value	Quarterly Change
Retirement Strategy Fund 2000	\$5,779,335	\$453,232
Retirement Strategy Fund 2005	11,131,853	325,077
Retirement Strategy Fund 2010	47,846,221	3,792,470
Retirement Strategy Fund 2015	87,507,139	8,849,459
Retirement Strategy Fund 2020	68,911,449	8,017,054
Retirement Strategy Fund 2025	41,652,365	5,959,928
Retirement Strategy Fund 2030	24,298,706	3,771,954
Retirement Strategy Fund 2035	15,286,644	1,950,585
Retirement Strategy Fund 2040	8,906,423	1,213,656
Retirement Strategy Fund 2045	4,499,887	547,663
Retirement Strategy Fund 2050	1,935,143	226,939
Retirement Strategy Fund 2055	780,236	382,267
Social Balanced Fund	66,760,133	4,711,586
U.S. Stock Market Index Fund	153,786,016	16,111,971
Active Value Fund	288,370,095	20,087,883
Active Core Fund	229,556,412	18,844,569
Growth Company Fund	339,082,821	34,341,219
International Stock Fund	121,691,696	7,470,727
U.S. Small Stock Fund	102,713,310	19,858,493
Bond Market Fund	187,823,714	(11,522,667)
Savings Pool	984,982,615	9,010,486
Total Fund	\$2,793,302,212	\$154,404,550

Judicial Retirement Account (JRA)



Option	Market Value	Quarterly Change
Retirement Strategy Fund 2000	\$69,459	\$2,039
Retirement Strategy Fund 2005	92,602	3,550
Retirement Strategy Fund 2010	129,114	56,508
Retirement Strategy Fund 2015	482,379	25,972
Retirement Strategy Fund 2020	110,873	6,709
Retirement Strategy Fund 2025	121,423	8,030
Retirement Strategy Fund 2030	4,508	319
Retirement Strategy Fund 2035	0	0
Retirement Strategy Fund 2040	0	0
Retirement Strategy Fund 2045	0	0
Retirement Strategy Fund 2050	0	0
Retirement Strategy Fund 2055	0	0
Social Balanced Fund	173,459	33,800
U.S. Stock Market Index Fund	992,589	96,884
Active Value Fund	1,016,156	82,057
Active Core Fund	1,176,024	115,273
Growth Company Fund	1,327,498	88,686
International Stock Fund	658,567	50,175
U.S. Small Stock Fund	440,209	59,977
Bond Market Fund	595,822	8,534
Savings Pool	5,392,163	(40,057)
Total Fund	\$12,782,845	\$598,456

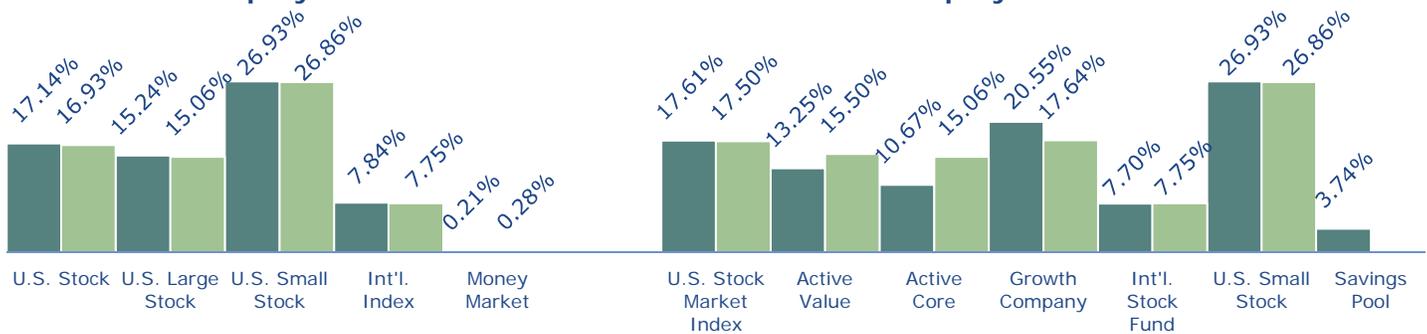
Note: Totals may not add up due to rounding

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
U.S. Stock Fund	11.66%	17.14%	-1.85%	2.86%	2.22%
Russell 3000	11.59%	16.93%	-2.01%	2.74%	2.16%
U.S. Large Stock Fund	10.75%	15.24%	-2.64%	2.46%	1.52%
S&P 500	10.76%	15.06%	-2.86%	2.29%	1.41%
U.S. Small Stock Fund	16.26%	26.93%	2.41%	4.56%	6.39%
Russell 2000	16.25%	26.86%	2.22%	4.47%	6.33%
International Index Fund	6.58%	7.84%	-6.79%	2.67%	3.05%
MSCI EAFE	6.61%	7.75%	-7.02%	2.46%	3.50%

DCP Equity Funds

	Qtr.	1 Year	3 Year	5 Year	10 Year
U.S. Stock Market Index Fund	11.68%	17.61%	-1.68%	3.06%	2.56%
Dow Jones U.S. TSMI	11.67%	17.50%	-1.76%	3.00%	2.55%
Active Value Fund	8.95%	13.25%	-5.25%	0.18%	5.24%
Russell 1000 Value Index	10.54%	15.50%	-4.42%	1.28%	3.26%
Active Core Fund	10.53%	10.67%	-4.51%	0.20%	N/A
S&P 500	10.76%	15.06%	-2.86%	2.29%	1.41%
Growth Company Fund	11.64%	20.55%	0.19%	5.72%	1.68%
Russell 3000 Growth	12.26%	17.64%	-0.26%	3.88%	0.30%
International Stock Fund	6.66%	7.70%	-7.91%	1.42%	N/A
MSCI EAFE	6.61%	7.75%	-7.02%	2.46%	3.50%
U.S. Small Stock Fund	16.26%	26.93%	2.41%	4.56%	6.39%
Russell 2000	16.25%	26.86%	2.22%	4.47%	6.33%

Cash Funds

	Qtr.	1 Year	3 Year	5 Year	10 Year
Money Market Fund (Plan 3)	0.04%	0.21%	0.96%	2.65%	2.53%
One Month LIBOR	0.07%	0.28%	1.12%	2.80%	2.60%
Savings Pool (DCP)	0.85%	3.74%	4.25%	4.43%	4.97%

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
WSIB TAP Fund (Plan 3)	4.99%	12.52%	-2.01%	4.86%	5.54%
Custom Benchmark	6.03%	13.03%	0.24%	4.78%	4.50%
Social Balanced Fund	6.67%	13.76%	3.48%	5.51%	N/A
Custom Benchmark	5.25%	11.71%	1.59%	4.26%	3.76%
Retirement Strategy Fund 2000	3.06%	9.68%	N/A	N/A	N/A
2000 Composite Index	3.34%	9.86%	N/A	N/A	N/A
Retirement Strategy Fund 2005	4.02%	10.56%	N/A	N/A	N/A
2005 Composite Index	4.39%	11.04%	N/A	N/A	N/A
Retirement Strategy Fund 2010	5.01%	11.61%	N/A	N/A	N/A
2010 Composite Index	5.42%	12.19%	N/A	N/A	N/A
Retirement Strategy Fund 2015	5.76%	12.03%	N/A	N/A	N/A
2015 Composite Index	6.19%	12.72%	N/A	N/A	N/A
Retirement Strategy Fund 2020	6.48%	12.26%	N/A	N/A	N/A
2020 Composite Index	6.91%	13.11%	N/A	N/A	N/A
Retirement Strategy Fund 2025	7.12%	12.49%	N/A	N/A	N/A
2025 Composite Index	7.61%	13.41%	N/A	N/A	N/A
Retirement Strategy Fund 2030	7.66%	12.24%	N/A	N/A	N/A
2030 Composite Index	8.08%	13.29%	N/A	N/A	N/A
Retirement Strategy Fund 2035	8.06%	11.94%	N/A	N/A	N/A
2035 Composite Index	8.46%	13.01%	N/A	N/A	N/A
Retirement Strategy Fund 2040	8.05%	11.93%	N/A	N/A	N/A
2040 Composite Index	8.51%	13.06%	N/A	N/A	N/A
Retirement Strategy Fund 2045	8.12%	12.00%	N/A	N/A	N/A
2045 Composite Index	8.51%	13.06%	N/A	N/A	N/A
Retirement Strategy Fund 2050	8.03%	11.90%	N/A	N/A	N/A
2050 Composite Index	8.51%	13.06%	N/A	N/A	N/A
Retirement Strategy Fund 2055	8.07%	N/A	N/A	N/A	N/A
2055 Composite Index	8.51%	N/A	N/A	N/A	N/A

Bond Fund

	Qtr.	1 Year	3 Year	5 Year	10 Year
Bond Market Fund	-1.34%	7.85%	8.34%	7.26%	6.64%
Barclays Capital Intermediate Credit	-1.22%	7.76%	6.70%	6.03%	6.22%

Characteristics

Composition Distribution

Average Maturity

1.2 Years

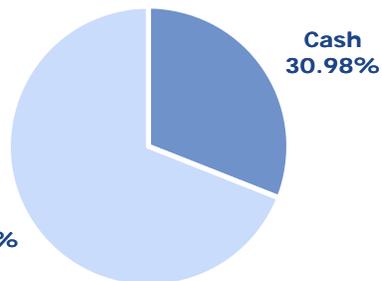
Average Yield

3.24%

Number of Holdings

25

GICs
69.02%



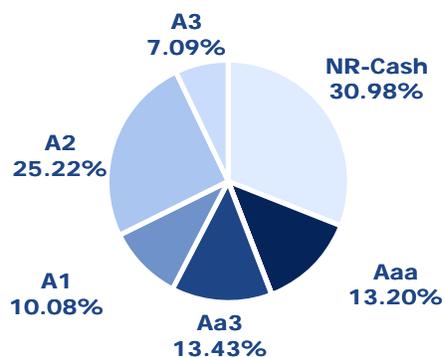
Market Value

\$ 990,182,889

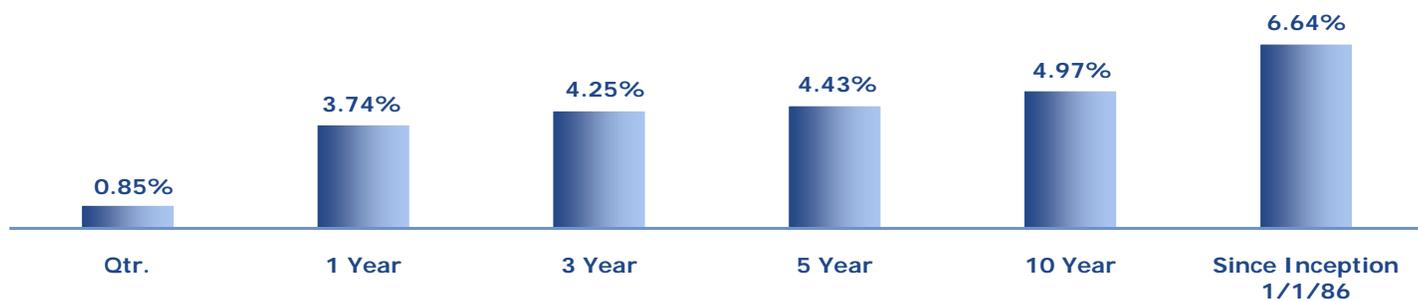
GIC Issuers by Percentage

Metropolitan Life Insurance Co.	13.43%
New York Life Insurance Corp.	13.20%
Pacific Life Insurance Co.	10.08%
Prudential Insurance Co. of America	9.45%
Hartford Life Insurance Co.	7.09%
Security Life of Denver Insurance Co.	5.71%
Genworth Life and Annuity Assurance	5.33%
Protective Life Insurance Co.	4.72%

Rating Distribution



Return



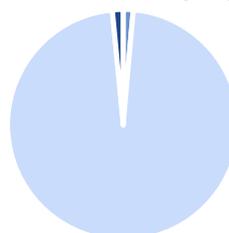
Note: Totals may not add up due to rounding

Characteristics

Asset Class Distribution

	Fund	Index
Average Maturity	5.8 years	5.0 years
Yield to Maturity	3.51%	3.18%
Effective Duration	4.87	4.32
Average Coupon	5.18%	5.16%
Number of Holdings	170	2,945

Treasuries 1.50%
Cash 1.37%



Market Value
\$ 652,662,724

Corporate Bonds 97.14%

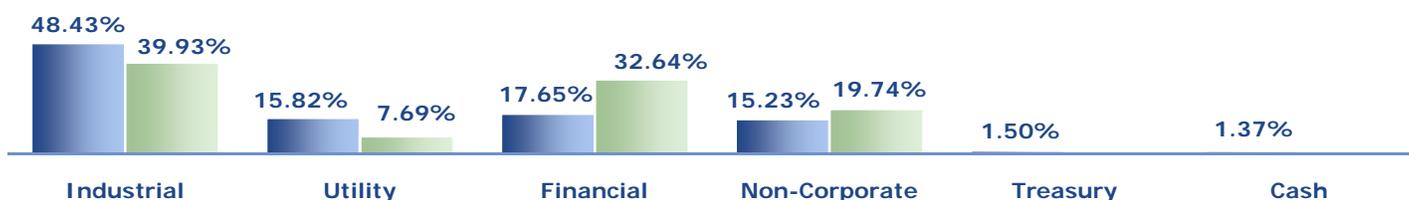
Top Ten Credit Issuers

Australia & New Zealand Banking Group Ltd.	1.30%	Rio Tinto Finance U.S.A. Ltd.	0.88%
Empresa Nacional de Petroleo	1.12%	Cenovus Energy	0.88%
British Columbia, Province of	0.95%	Canadian Pacific Railroad Co.	0.88%
Royal Bank of Canada	0.94%	E.ON International Finance B.V.	0.87%
Marathon Oil Corp.	0.88%	Phillips Electronics Corp.	0.87%

Rating Distribution



Industry Distribution

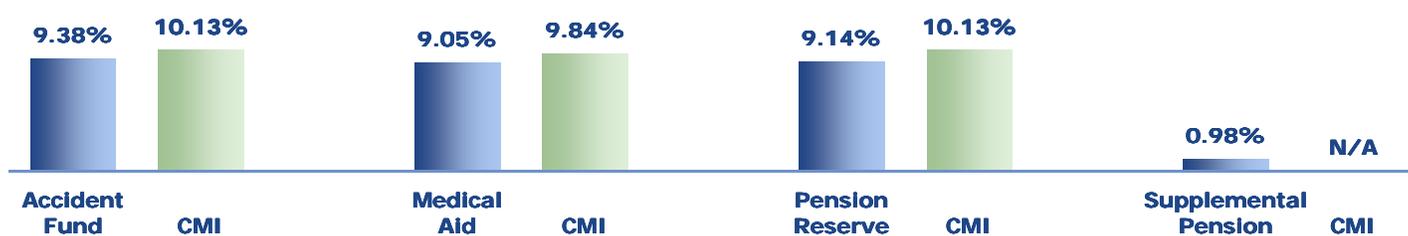


Return



Note: Totals may not add up due to rounding

One Year Performance



Total Fund **\$12,357,522,087**

	Market Value	Qtr.	1 Year	3 Year	5 Year	10 Year
Accident Fund	\$4,443,940,122	-0.58%	9.38%	6.71%	6.38%	6.88%
CMI		-1.20%	10.13%	5.78%	5.61%	6.61%
Medical Aid	\$4,313,281,772	0.28%	9.05%	5.29%	6.19%	5.93%
CMI		0.02%	9.84%	4.54%	5.56%	5.84%
Pension Reserve	\$3,580,667,788	-0.81%	9.14%	6.55%	6.22%	7.30%
CMI		-1.20%	10.13%	5.78%	5.61%	7.03%
Supplemental Pension	\$19,632,405	0.14%	0.98%	2.60%	3.80%	3.76%
CMI		N/A	N/A	N/A	N/A	N/A

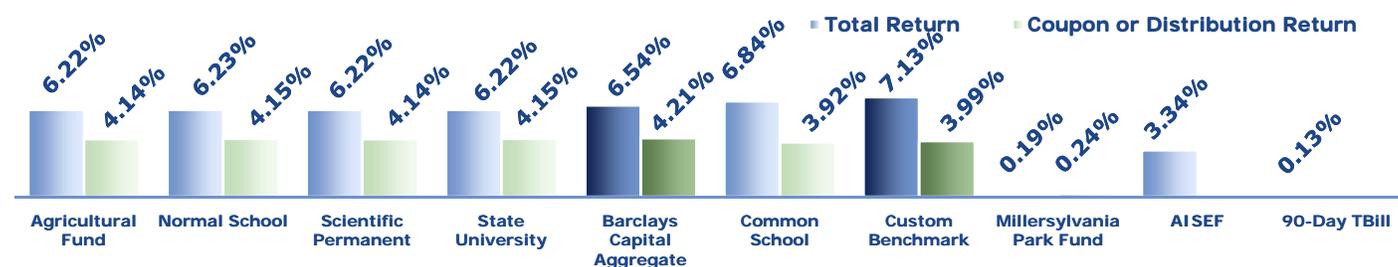
Labor and Industries' Statutory Accounting Return *

	Qtr.	1 Year	3 Year	5 Year
Accident Fund	2.51%	6.74%	5.70%	6.54%
Medical Aid	2.77%	6.59%	3.49%	5.15%
Pension Reserve	2.30%	6.61%	5.49%	6.28%
Supplemental Pension	0.18%	4.02%	4.05%	4.37%

Duration

	CMI	Target	Actual	% Difference
Accident Fund	7.33	7.00	6.92	-1.16%
Medical Aid	6.14	6.00	6.05	0.87%
Pension Reserve	7.33	7.00	6.73	-3.81%

* 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	\$ 190,463,542
Normal School	\$ 243,619,654
Scientific Permanent	\$ 209,699,023
State University	\$ 31,119,507
Common School	\$ 189,637,087
Millersylvania Park Fund	\$ 5,150
American Indian Scholarship Endowment Fund (AISEF)	\$ 644,197

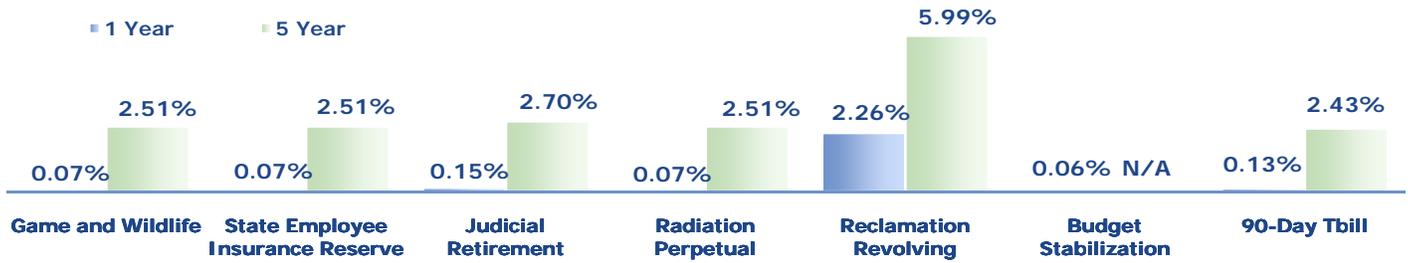
Returns	Total Return					Distribution Return ¹				
	Qtr.	1 Year	3 Year	5 Year	10 Year	Qtr.	1 Year	3 Year	5 Year	10 Year
Agricultural Fund	-1.54%	6.22%	6.64%	6.23%	6.07%	1.03%	4.14%	4.35%	4.51%	5.01%
Normal School	-1.53%	6.23%	6.45%	6.13%	6.04%	1.03%	4.15%	4.33%	4.48%	4.95%
Scientific Permanent	-1.53%	6.22%	6.46%	6.12%	6.18%	1.03%	4.14%	4.32%	4.50%	5.03%
State University	-1.54%	6.22%	6.45%	6.12%	6.15%	1.03%	4.15%	4.32%	4.48%	4.95%
Barclays Capital Aggregate	-1.30%	6.54%	5.90%	5.80%	5.84%					
Common School	-0.85%	6.84%	5.97%	5.94%	6.03%	0.97%	3.92%	4.09%	4.23%	4.74%
Custom Benchmark ²	-0.63%	7.13%	5.44%	5.59%	5.82%					
Millersylvania Park	0.06%	0.19%	1.22%	2.77%	2.52%	0.10%	0.24%	1.37%	2.85%	2.58%
90 Day Tbill	0.04%	0.13%	0.79%	2.43%	2.38%					
AISEF	-0.83%	3.34%	3.47%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Custom Benchmark ³	-0.69%	3.53%	3.22%	N/A	N/A					

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

² The custom benchmark for the Common School Fund is a combination of the 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 2010, the breakdown was 5.8% Dow Jones U.S. TSMI and 94.2% Barclays Capital Aggregate.

³ 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 2010, the breakdown was 54.0% Barclays Capital Aggregate and 46.0% the 90 Day Tbill.

One Year and Five Year Performance



Market Value

Game and Wildlife	\$ 6,052,020
State Employee Insurance Reserve	\$ 88,178,414
Judicial Retirement	\$ 2,971,027
Radiation Perpetual	\$ 330,578
Reclamation Revolving	\$ 112,129
Budget Stabilization	\$ 76,046

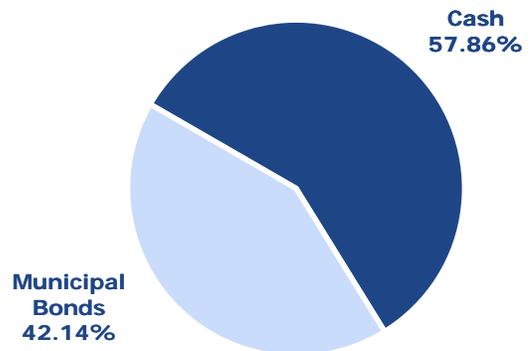
Total Return

	Qtr.	1 Year	3 Year	5 Year	10 Year
Game and Wildlife	0.02%	0.07%	0.88%	2.51%	2.34%
State Employee Insurance Reserve	0.02%	0.07%	0.88%	2.51%	2.34%
Judicial Retirement	0.06%	0.15%	1.09%	2.70%	2.53%
Radiation Perpetual	0.02%	0.07%	0.88%	2.51%	2.34%
Reclamation Revolving	0.48%	2.26%	4.30%	5.99%	4.92%
Budget Stabilization	0.01%	0.06%	N/A	N/A	N/A
90-Day Tbill	0.04%	0.13%	0.79%	2.43%	2.38%

Portfolio Allocations

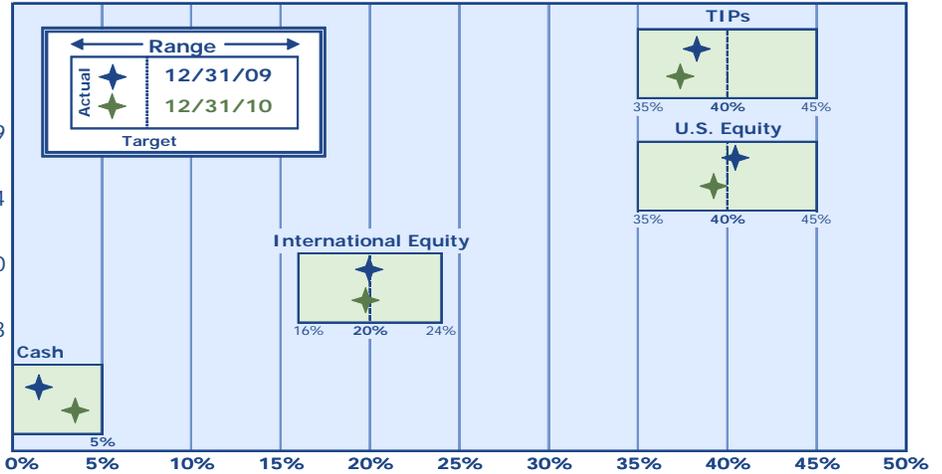
The Game and Wildlife Fund, State Employee Insurance Reserve Fund, Judicial Retirement Fund, Radiation Perpetual Fund, Emergency Reserve Fund, and Pension Stabilization Fund are fully invested in short-term investment funds (STIF).

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



Portfolio Size and Allocation

Total	\$1,587,041,406
Cash	56,610,479
Treasury Inflation Index Note (TIPs)	593,316,254
U.S. Equity	620,987,600
Non-U.S. Equity	316,127,073



Assets Under Management

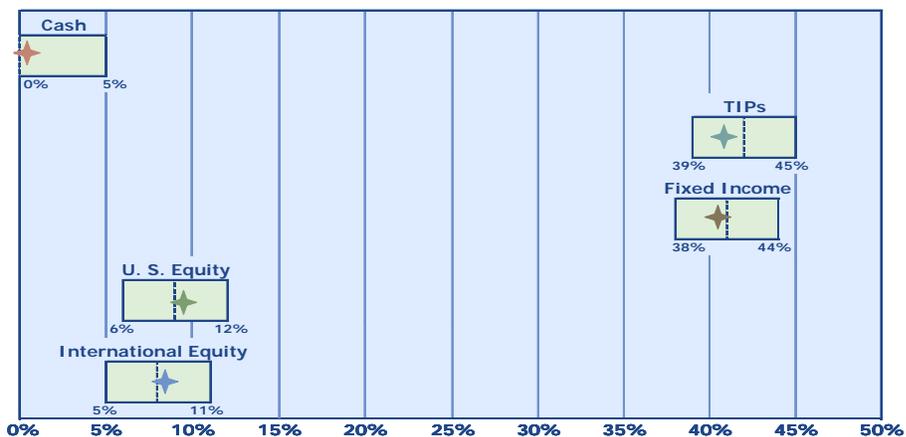


Total Return

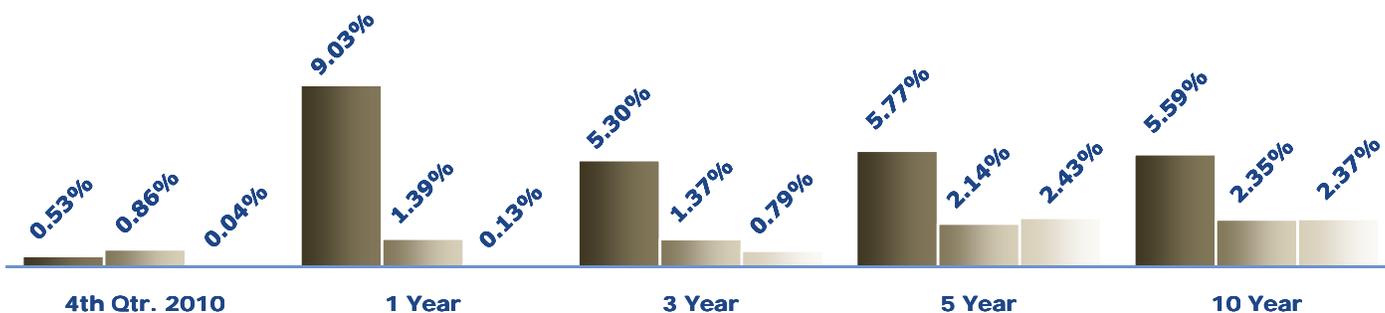


State Funds

Total	\$9,348,029
Cash	36,289
Treasury Inflation Index Note (TIPs)	3,832,861
Fixed Income	3,798,258
U.S. Equity	890,441
International Equity	790,180

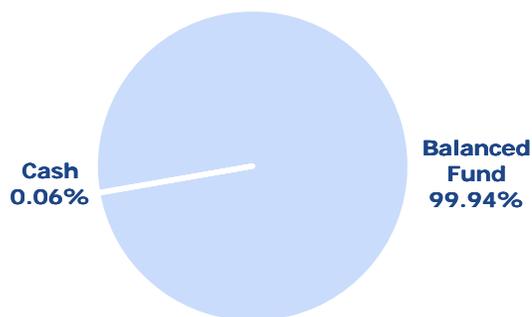


■ DDEF-State Funds ■ Inflation (CPI) ■ 90-day Tbill



Private Funds

Total	\$17,135,756
Cash	10,007
Balanced Fund	17,125,749



■ DDEF-Private Funds ■ Inflation (CPI) ■ 90-day Tbill

