



## Investment Reports

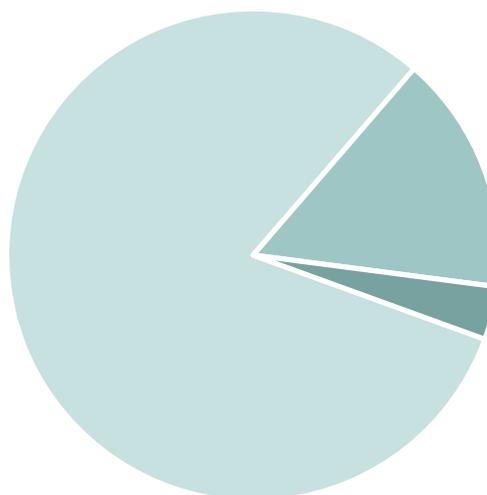
Quarterly Report – December 31, 2012

Total Assets Under Management.....	2
Commingled Trust Fund (CTF).....	3-10
Defined Contribution Plans.....	11-15
Daily Priced Investment Options.....	16-17
Labor & Industries.....	18
Permanent and Other Funds.....	19-22

**The WSIB invests for 33 funds:**

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

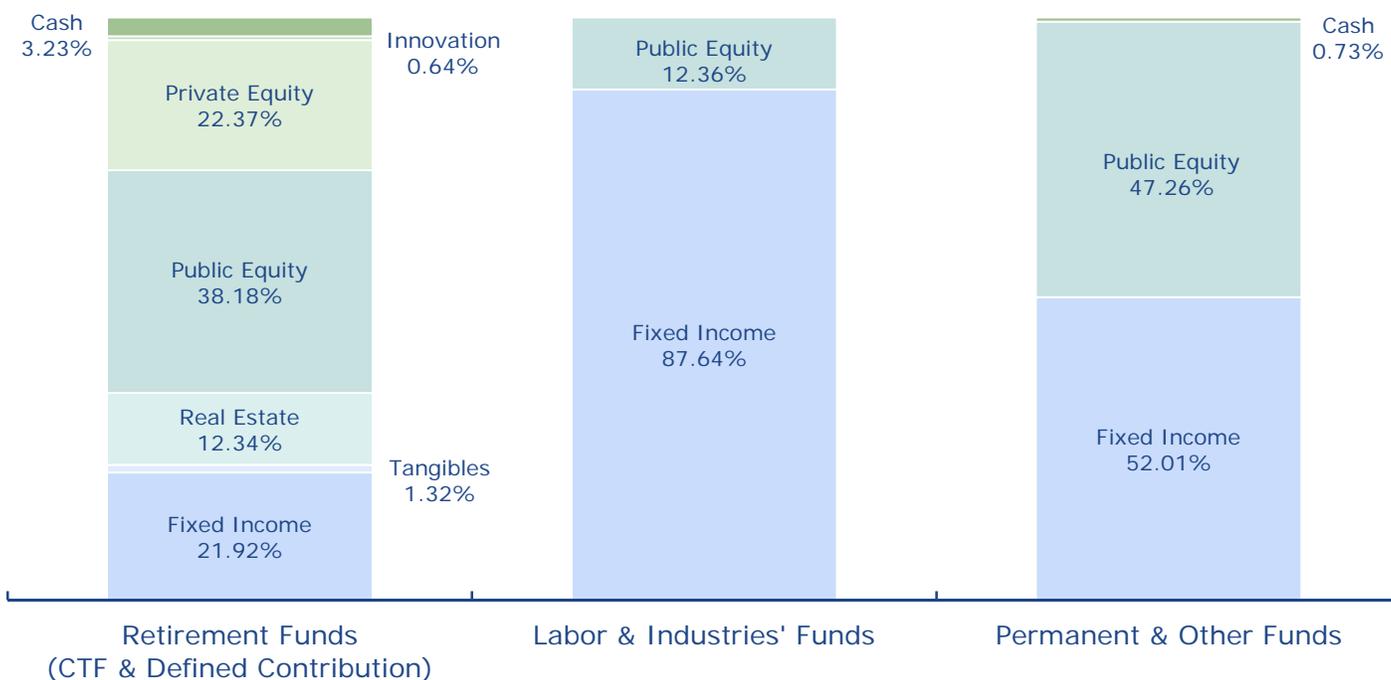
Retirement Funds  
(CTF & Defined Contribution)  
\$71,806,899,532  
80.77%



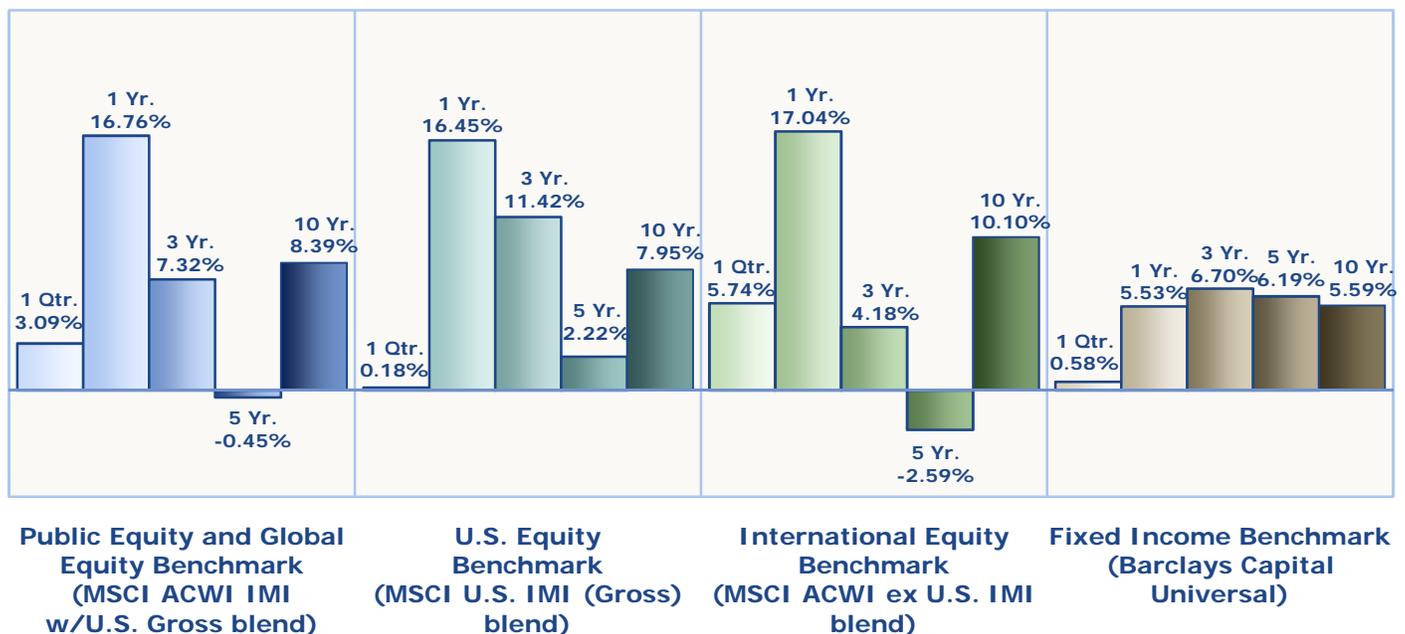
Labor & Industries' Funds  
\$13,990,508,912  
15.74%

Permanent & Other Funds  
\$3,107,506,970  
3.50%

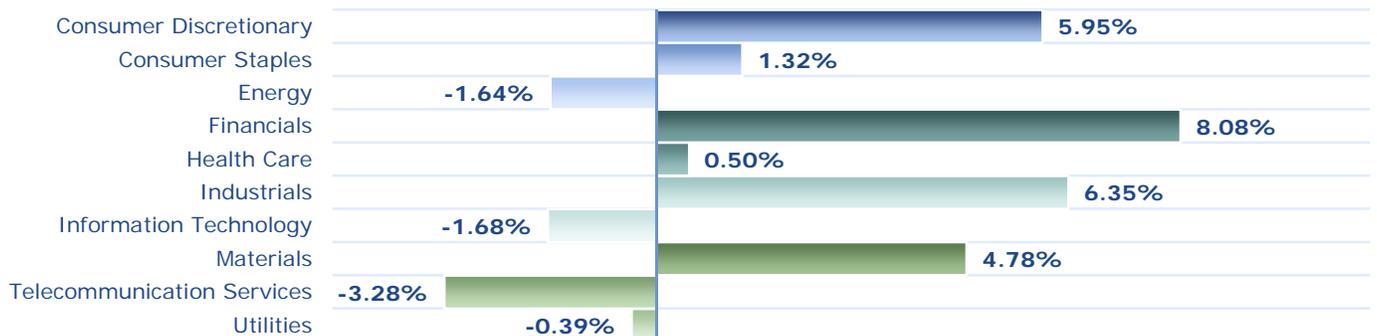
**Asset Class Overview for All Funds**



**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 3.1% outperforming fixed income as measured by the Barclays Capital Universal which returned 0.6% for the quarter.
- ❖ The best industry return for the quarter as shown with the MSCI ACWI IMI was Financials at 8.1%. The lowest return was Telecommunication Services at -3.3%.
- ❖ In the Barclays Capital indices Emerging Markets (Excluding U.S. Aggregate) has the highest return for the quarter earning 4.7% while U.S. Mortgage Backed Securities had the lowest return at -0.2%. For the yield curve, the short end of the curve (6 month treasuries) outperformed the long end (30 year treasuries), returning 0.1% compared to -1.3% respectively for the quarter.
- ❖ GDP was -0.1% (annualized) for the quarter. Inflation, as measured by the CPI was -0.2%.
- ❖ 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 quarter, 1 year, 3 year, and 10 year time periods. The CTF is exceeding the actuarial return of 8% for since inception as well as the 1 year, 3 year, and 10 year time periods.

**Asset Allocation**

- ❖ Asset transfers for the quarter consisted of transfers from real estate for \$182 million, public equity for \$293 million, private equity for \$688 million, and innovation for \$45 million to fund tangibles with \$134 million. 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 -0.2% and underperformed its benchmark, CPI lagged one quarter plus 400 basis points, which returned 2.2%.
- ❖ As of September 30, 2012, there were \$616 million in unfunded commitments.

**Real Estate**

- ❖ The WSIB Real Estate quarter return was 2.7%. It outperformed NCREIF (lagged on quarter) for the quarter and 1 year time period. 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, 2012, there were \$7.9 billion in unfunded commitments.

**Public Equity**

- ❖ Public equity returned 3.2% for the quarter. It outperformed its benchmark for the quarter and 3 year time period.

**Private Equity**

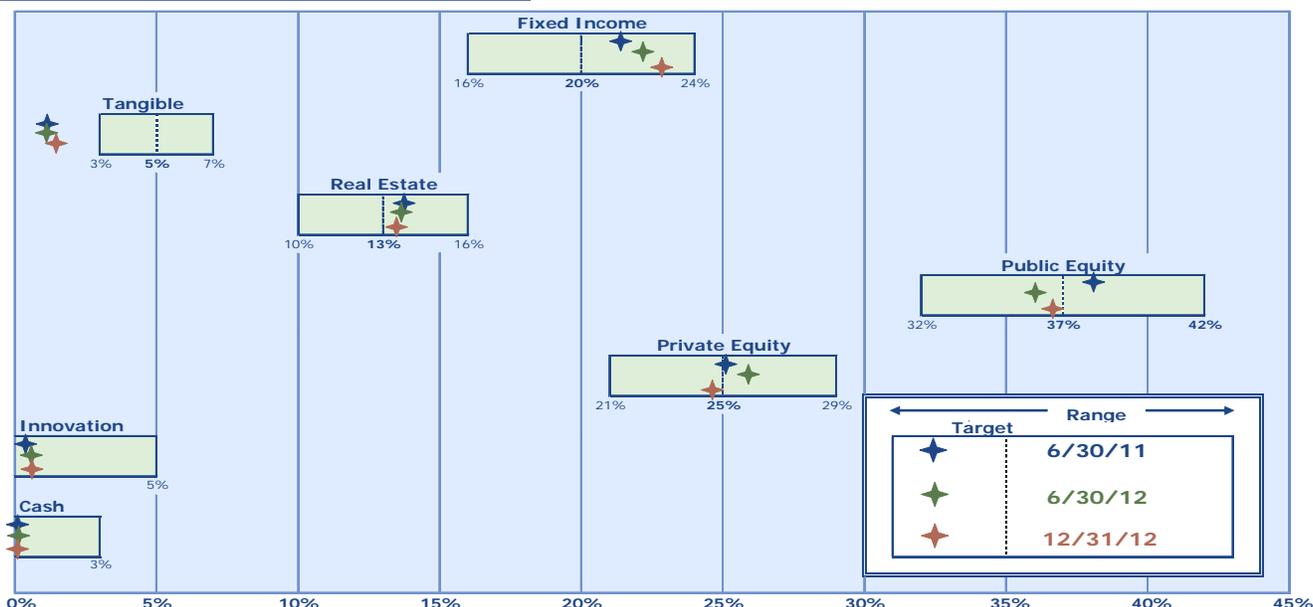
- ❖ The WSIB private equity quarter return was 3.6%. It outperformed its benchmark, the Russell 3000 (lagged one quarter) plus 300 basis points for the 10 year time period.
- ❖ As of September 30, 2012, there were \$9.6 billion in unfunded commitments.

**Innovation**

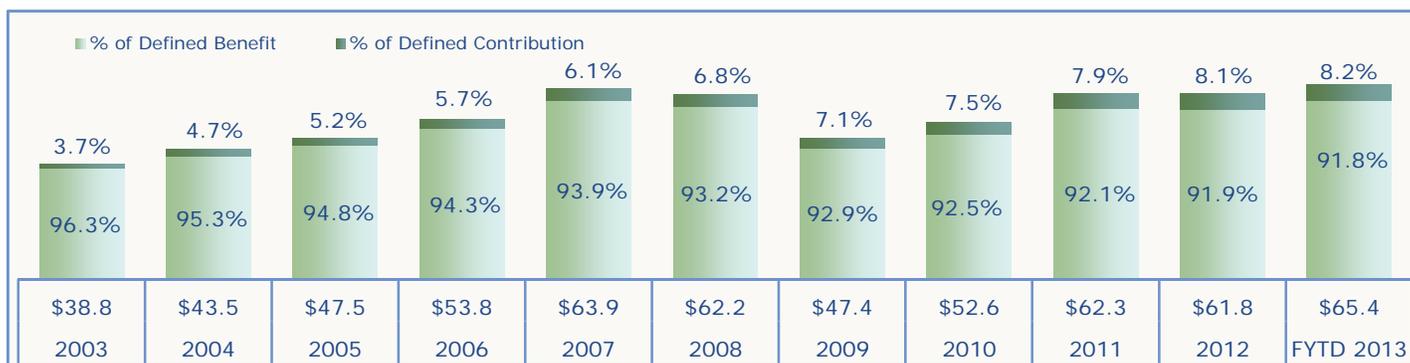
- ❖ Innovation outperformed its custom benchmark for the quarter and 1 year time periods.

**Market Values** **Actual Asset Allocation**

Asset Class	Market Value	by Asset Class	with Overlay	Market Value Changes
Fixed Income	\$ 13,146,420,423	20.10%	22.93%	Quarter:
Tangible	\$ 950,347,470	1.45%	1.45%	\$ 1,419,298,699
Real Estate	\$ 8,859,928,150	13.55%	13.55%	Fiscal Year:
Public Equity	\$ 24,115,168,066	36.87%	36.71%	\$ 3,651,201,268
Private Equity	\$ 16,062,451,184	24.56%	24.56%	
Innovation	\$ 459,212,173	0.70%	0.70%	
Cash	\$ 1,810,037,165	2.77%	0.10%	
<b>Total Fund</b>	<b>\$ 65,403,564,631</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>\$65,403,564,631</b>	<b>100.0%</b>	<b>2.74%</b>	<b>13.67%</b>	<b>9.40%</b>	<b>1.82%</b>	<b>8.55%</b>	8.57%
Passive Benchmark <sup>2</sup>			2.31%	13.39%	7.56%	2.08%	7.72%	
Implementation Value Added Benchmark <sup>3</sup>			3.00%	17.10%	10.40%	3.68%	9.25%	
TUCS Public Fund >\$1B Median <sup>4</sup>			2.21%	13.19%	9.08%	2.76%	7.86%	
TUCS Public/Corporate Fund >\$1B Median <sup>4</sup>			2.07%	12.98%	9.13%	2.82%	8.05%	
<b>Fixed Income</b>	<b>\$13,146,420,423</b>	<b>20.5%</b>	<b>1.31%</b>	<b>7.93%</b>	<b>7.33%</b>	<b>7.63%</b>	<b>6.54%</b>	
Barclays Capital Universal			0.58%	5.53%	6.70%	6.19%	5.59%	
<b>Tangible</b>	<b>\$950,347,470</b>	<b>1.3%</b>	<b>-0.24%</b>	<b>0.92%</b>	<b>3.36%</b>	<b>2.16%</b>		
CPI (Lagged One Quarter) + 400 bp			2.22%	6.00%	6.34%	6.10%		
<b>Real Estate<sup>5</sup></b>	<b>\$8,859,928,150</b>	<b>13.7%</b>	<b>2.74%</b>	<b>15.76%</b>	<b>9.47%</b>	<b>-0.56%</b>	<b>9.33%</b>	
8% Return Over Rolling 10 Years							8.00%	
NCREIF (Lagged One Quarter)			2.34%	10.88%	10.86%	2.24%	8.33%	
<b>Public Equity<sup>6</sup></b>	<b>\$24,115,168,066</b>	<b>36.3%</b>	<b>3.15%</b>	<b>16.61%</b>	<b>7.74%</b>	<b>-0.68%</b>	<b>8.24%</b>	
Custom Benchmark			3.09%	16.76%	7.32%	-0.45%	8.39%	
<b>Private Equity<sup>5</sup></b>	<b>\$16,062,451,184</b>	<b>26.0%</b>	<b>3.64%</b>	<b>14.56%</b>	<b>13.94%</b>	<b>2.52%</b>	<b>12.48%</b>	
Russell 3000 (Lagged One Quarter) + 300 bp			7.02%	33.20%	16.26%	4.30%	11.49%	
<b>Innovation<sup>7</sup></b>	<b>\$459,212,173</b>	<b>0.6%</b>	<b>6.38%</b>	<b>14.81%</b>	<b>-6.02%</b>			
Custom Benchmark			1.73%	7.80%				
<b>Overlay<sup>8</sup></b>	<b>\$149,428,167</b>		<b>0.00%</b>	<b>0.02%</b>	<b>0.15%</b>	<b>0.11%</b>	<b>0.06%</b>	
<b>Cash</b>	<b>\$1,660,608,998</b>	<b>1.6%</b>	<b>0.05%</b>	<b>0.18%</b>	<b>0.16%</b>	<b>0.70%</b>	<b>1.83%</b>	
90 Day T-Bills			0.04%	0.12%	0.13%	0.57%	1.82%	

 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 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> 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**

\$5,395,344,596

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Total Global</b>	3.31%	16.49%	7.65%	-1.60%	
MSCI ACWI IMI w/ U.S. Gross	3.09%	16.76%	7.32%	-0.45%	
Aberdeen Asset Management	3.59%	15.64%	8.79%	1.77%	
Arrowstreet Capital	3.67%	17.67%			
D.E. Shaw	3.04%	17.84%			
Longview	3.78%	22.74%			
WHV	4.03%	15.28%			
William Blair & Company	2.05%	18.35%			

**Non-U.S. Markets**

\$10,150,604,312

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Total Non-U.S. Equity</b>	5.69%	16.81%	4.69%	-2.55%	9.79%
Custom Benchmark	5.74%	17.04%	4.18%	-2.59%	10.10%
<b>Total Developed</b>	5.47%	15.84%	4.57%	-2.77%	9.15%
Custom Developed Markets Benchmark	5.80%	16.55%	4.05%	-3.11%	8.75%
SSgA	5.84%	17.05%	4.53%		
Mondrian Investment Partners	3.37%	9.49%	3.17%	-2.97%	9.66%

<b>Total Emerging</b>	6.27%	19.54%	6.19%	-0.48%	16.49%
Custom Benchmark	5.52%	18.68%	2.56%	-1.88%	15.86%
Aberdeen Asset Management	6.64%	26.60%			
Capital International	6.10%	14.17%	1.52%	-1.24%	16.23%
Grantham, Mayo, Otterloo	5.93%	16.38%	5.24%	-2.23%	16.93%
JPMorgan	6.46%	17.64%	4.93%	-0.31%	
Lazard Asset Management	5.03%	22.27%	7.41%	1.79%	
Mondrian Investment Partners	7.37%	22.16%			

**U.S. Markets**

\$8,569,219,157

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Total U.S. Equity</b>	0.21%	16.53%	11.54%	1.64%	7.56%
MSCI U.S. IMI (Gross)	0.18%	16.45%	11.42%	2.22%	7.95%
BlackRock Trust Company	0.21%				

 Outperformed its benchmark

 Underperformed its benchmark

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

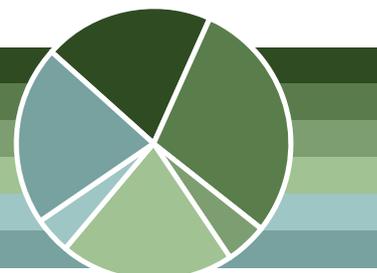
Emerging Markets Benchmark: Custom Emerging Markets IMI (Custom) - Switched October 1, 2007.

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

**Global Markets**

**\$5,395,344,596**

Aberdeen Asset Management	\$1,080,973,993	<b>20.04%</b>
Arrowstreet Capital	\$1,561,787,325	<b>28.95%</b>
D.E. Shaw	\$266,926,506	<b>4.95%</b>
Longview	\$1,107,399,426	<b>20.53%</b>
WHV	\$234,232,209	<b>4.34%</b>
William Blair & Company	\$1,144,002,399	<b>21.20%</b>

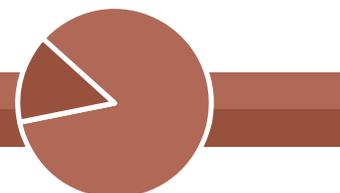


**Non-U.S. Markets**

**\$10,150,604,312**

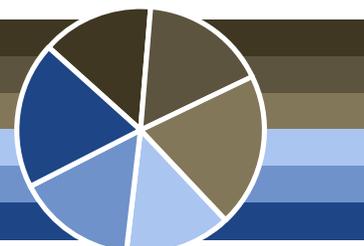
**Developed**

SSgA	\$6,258,934,824	<b>85.16%</b>
Mondrian Investment Partners	\$1,090,125,329	<b>14.83%</b>



**Emerging**

Aberdeen Asset Management	\$410,216,278	<b>14.65%</b>
Capital International	\$464,271,425	<b>16.58%</b>
Grantham, Mayo, Otterloo	\$562,468,986	<b>20.08%</b>
JPMorgan	\$389,027,016	<b>13.89%</b>
Lazard Asset Management	\$438,161,415	<b>15.64%</b>
Mondrian Investment Partners	\$536,884,762	<b>19.17%</b>



**U.S. Markets**

**\$8,569,219,157**

BlackRock Trust Company	\$8,569,219,157	<b>100.00%</b>
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Transition Accounts for Public Equity	\$537,017	
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Top Ten Countries by Weight	Top Ten Holdings
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	CTF Weight		CTF Weight
United States	46.72%	Apple Inc.	1.41%
United Kingdom	8.69%	Exxon Mobil Corp.	0.99%
Japan	7.24%	Nestle SA	0.61%
France	3.86%	Pfizer Inc.	0.60%
Canada	3.84%	Johnson & Johnson	0.59%
Switzerland	3.25%	Philip Morris Intl. Inc.	0.58%
Germany	3.20%	Novartis AG	0.58%
Australia	2.30%	Wells Fargo	0.54%
Brazil	2.12%	Oracle Corporation	0.52%
China	1.95%	Sanofi-Synthélabo	0.52%

WSIB	<div style="background-color: #4a7c9c; color: white; padding: 5px; text-align: center;"> <b>U.S.</b> 46.72%                 </div>	<div style="background-color: #6b8e23; color: white; padding: 5px; text-align: center;"> <b>Other Developed Countries</b> 40.77%                 </div>	<div style="background-color: #8c7b4d; color: white; padding: 5px; text-align: center;"> <b>Emerging</b> 12.51%                 </div>
MSCI ACWI IMI w/U.S. Gross	<div style="background-color: #4a7c9c; color: white; padding: 5px; text-align: center;"> <b>U.S.</b> 45.96%                 </div>	<div style="background-color: #6b8e23; color: white; padding: 5px; text-align: center;"> <b>Other Developed Countries</b> 41.13%                 </div>	<div style="background-color: #8c7b4d; color: white; padding: 5px; text-align: center;"> <b>Emerging</b> 12.91%                 </div>

**Fixed Income** \$13,146,420,423

**Duration**

	Sep 12	Dec 12
<b>WSIB Portfolio</b>	<b>4.81</b>	<b>4.80</b>
Barclays Capital Universal	4.83	5.03
<b>Difference</b>	<b>-0.54%</b>	<b>-4.51%</b>

**Sector Weighting**

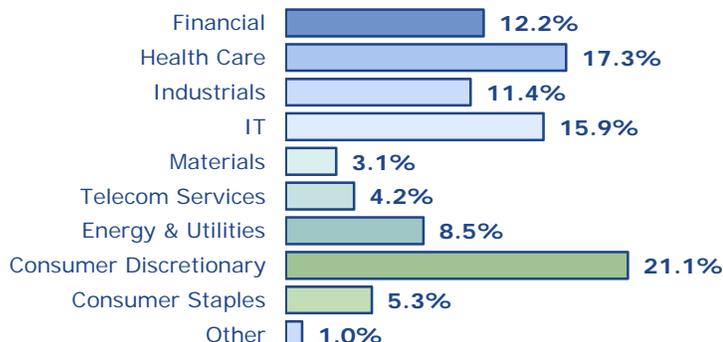


**Innovation** \$459,212,173

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**

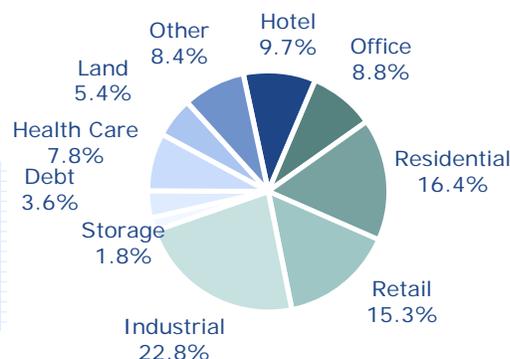
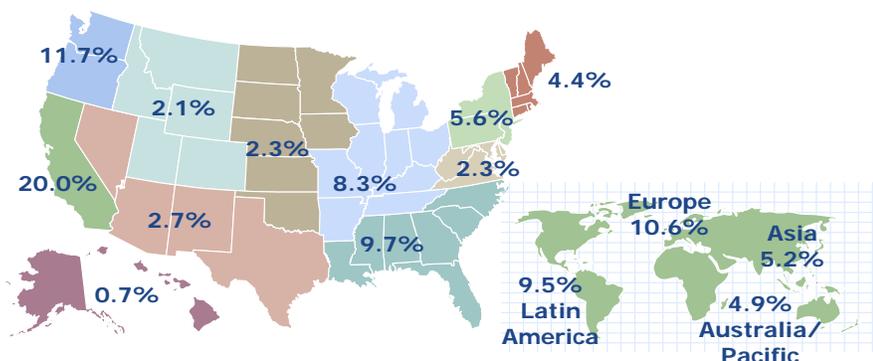


**Unfunded Commitments: \$9.6 billion**

**Real Estate**

**\$8,859,928,150**

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

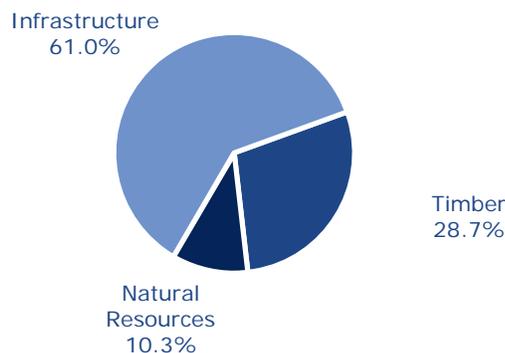
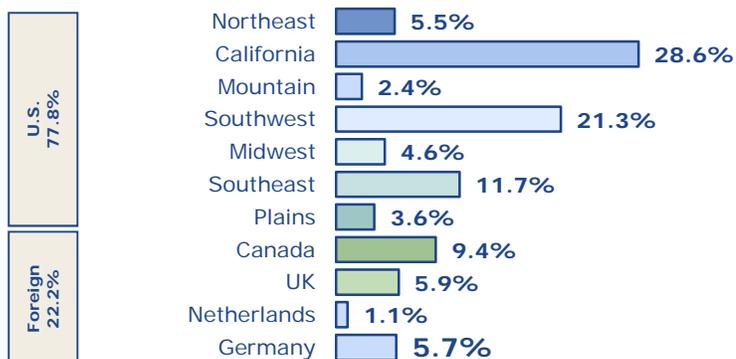


**Unfunded Commitments: \$7.9 billion**

**Tangible**

**\$950,347,470**

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



**Unfunded Commitments: \$616 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>
	60.42%	WSIB TAP Fund	\$3,319,860,862	\$82,992,069
	0.85%	Social Balanced Fund	46,569,323	(627,545)
16.94%	0.16%	Retirement Strategy Fund 2000	9,002,544	276,967
	0.21%	Retirement Strategy Fund 2005	11,725,716	(11,929)
	0.79%	Retirement Strategy Fund 2010	43,435,257	113,432
	2.95%	Retirement Strategy Fund 2015	162,333,607	5,129,055
	3.93%	Retirement Strategy Fund 2020	215,699,314	6,776,472
	3.52%	Retirement Strategy Fund 2025	193,490,665	8,292,301
	2.53%	Retirement Strategy Fund 2030	138,895,231	5,719,311
	1.66%	Retirement Strategy Fund 2035	91,246,768	4,158,594
	0.78%	Retirement Strategy Fund 2040	42,992,392	2,303,626
	0.28%	Retirement Strategy Fund 2045	15,126,012	1,022,442
	0.08%	Retirement Strategy Fund 2050	4,540,452	481,196
	0.04%	Retirement Strategy Fund 2055	2,141,873	467,160
	7.46%	U.S. Large Stock Fund	409,907,624	(2,291,616)
	1.53%	U.S. Small Value Stock Fund	84,272,528	2,085,256
	1.08%	Global Equity Fund	59,428,389	2,278,032
	0.69%	Emerging Markets Equity Fund	38,113,251	2,990,680
	6.35%	Bond Market Fund	348,966,682	5,115,526
	4.67%	Money Market Fund	256,449,865	3,171,222
		<b>Total Fund</b>	<b>\$5,494,198,355</b>	<b>\$130,442,250</b>

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

	<b>% of Assets</b>	<b>Option</b>	<b>Market Value</b>	<b>Quarterly Change</b>
	73.83%	WSIB TAP Fund	\$996,932,850	\$20,885,430
	0.53%	Social Balanced Fund	7,164,382	(199,775)
10.99%	0.16%	Retirement Strategy Fund 2000	2,105,537	(425,418)
	0.29%	Retirement Strategy Fund 2005	3,859,176	(64,562)
	1.04%	Retirement Strategy Fund 2010	14,090,593	(170,885)
	2.67%	Retirement Strategy Fund 2015	36,026,071	838,216
	2.82%	Retirement Strategy Fund 2020	38,078,272	1,730,408
	2.28%	Retirement Strategy Fund 2025	30,753,244	1,385,117
	0.90%	Retirement Strategy Fund 2030	12,108,090	566,220
	0.45%	Retirement Strategy Fund 2035	6,075,527	119,010
	0.19%	Retirement Strategy Fund 2040	2,521,511	2,487
	0.12%	Retirement Strategy Fund 2045	1,616,591	132,035
	0.05%	Retirement Strategy Fund 2050	637,582	97,042
	0.04%	Retirement Strategy Fund 2055	563,797	9,960
	3.27%	U.S. Large Stock Fund	44,188,948	(631,804)
	0.80%	U.S. Small Value Stock Fund	10,754,083	168,107
	0.42%	Global Equity Fund	5,689,069	331,530
	0.32%	Emerging Markets Equity Fund	4,372,656	548,964
	3.14%	Bond Market Fund	42,370,242	1,451,780
	6.69%	Money Market Fund	90,357,475	534,602
		<b>Total Fund</b>	<b>\$1,350,265,696</b>	<b>\$27,308,464</b>

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

	<b>% of Assets</b>	<b>Option</b>	<b>Market Value</b>	<b>Quarterly Change</b>
	57.80%	WSIB TAP Fund	\$1,068,067,857	\$29,671,202
	1.02%	Social Balanced Fund	18,879,254	(185,597)
18.36%	0.18%	Retirement Strategy Fund 2000	3,396,411	183,068
	0.26%	Retirement Strategy Fund 2005	4,827,736	184,794
	1.01%	Retirement Strategy Fund 2010	18,586,415	983,071
	2.86%	Retirement Strategy Fund 2015	52,892,000	1,737,147
	4.00%	Retirement Strategy Fund 2020	73,942,905	3,149,668
	4.09%	Retirement Strategy Fund 2025	75,492,791	3,144,396
	2.53%	Retirement Strategy Fund 2030	46,802,443	1,628,492
	1.73%	Retirement Strategy Fund 2035	31,956,385	1,283,678
	0.83%	Retirement Strategy Fund 2040	15,285,379	643,089
	0.47%	Retirement Strategy Fund 2045	8,759,996	781,659
	0.23%	Retirement Strategy Fund 2050	4,160,580	546,792
0.17%	Retirement Strategy Fund 2055	3,056,329	294,278	
	4.90%	U.S. Large Stock Fund	90,615,638	(857,590)
	2.04%	U.S. Small Value Stock Fund	37,658,893	1,257,600
	1.18%	Global Equity Fund	21,755,536	696,672
	0.94%	Emerging Markets Equity Fund	17,406,284	1,504,508
	5.15%	Bond Market Fund	95,234,645	1,966,171
	8.60%	Money Market Fund	158,996,404	2,873,418
		<b>Total Fund</b>	<b>\$1,847,773,880</b>	<b>\$51,486,517</b>

**Deferred Compensation (DCP)**

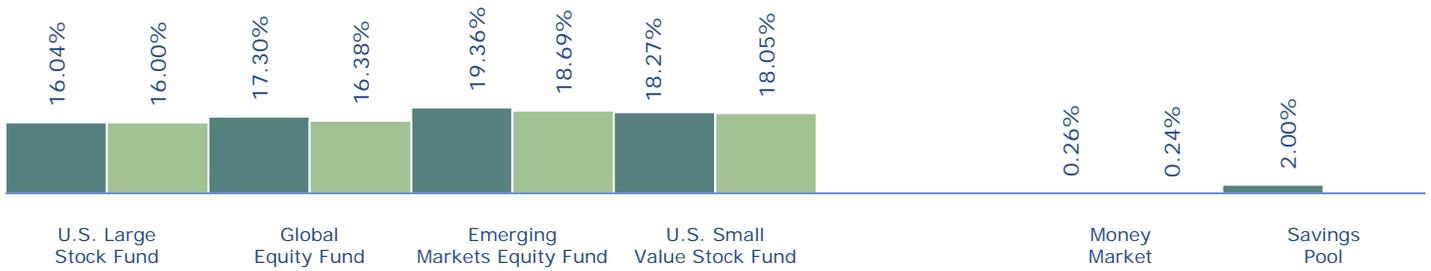
	<b>% of Assets</b>	<b>Option</b>	<b>Market Value</b>	<b>Quarterly Change</b>
39.24%	0.81%	Retirement Strategy Fund 2000	\$24,911,863	(\$567,865)
	1.22%	Retirement Strategy Fund 2005	37,527,145	(475,355)
	3.84%	Retirement Strategy Fund 2010	118,413,273	1,425,458
	8.84%	Retirement Strategy Fund 2015	272,450,129	7,939,968
	9.11%	Retirement Strategy Fund 2020	281,002,411	8,521,649
	6.49%	Retirement Strategy Fund 2025	200,118,877	8,982,169
	4.14%	Retirement Strategy Fund 2030	127,532,310	5,693,730
	2.66%	Retirement Strategy Fund 2035	81,994,447	3,868,101
	1.29%	Retirement Strategy Fund 2040	39,626,742	2,410,543
	0.57%	Retirement Strategy Fund 2045	17,610,688	1,111,141
	0.15%	Retirement Strategy Fund 2050	4,494,672	(78,659)
0.14%	Retirement Strategy Fund 2055	4,327,774	202,588	
	3.31%	Social Balanced Fund	102,156,570	(1,867,771)
	6.10%	U.S. Large Stock Fund	188,040,552	(64,643)
	3.82%	U.S. Small Value Stock Fund	117,825,056	4,299,405
	2.40%	Global Equity Fund	74,041,895	4,614,593
	1.95%	Emerging Markets Equity Fund	60,077,169	5,071,030
	9.59%	Bond Market Fund	295,546,023	5,405,723
	33.59%	Savings Pool	1,035,668,836	(9,371,382)
		<b>Total Fund</b>	<b>\$3,083,366,433</b>	<b>\$47,120,423</b>

**Judicial Retirement Account (JRA)**

	<b>% of Assets</b>	<b>Option</b>	<b>Market Value</b>	<b>Quarterly Change</b>
35.16%	1.40%	Retirement Strategy Fund 2000	\$176,482	\$9,315
	0.20%	Retirement Strategy Fund 2005	24,859	(81,731)
	6.37%	Retirement Strategy Fund 2010	801,683	37,638
	15.34%	Retirement Strategy Fund 2015	1,931,999	96,584
	6.03%	Retirement Strategy Fund 2020	759,704	61,666
	2.06%	Retirement Strategy Fund 2025	259,678	58,447
	0.87%	Retirement Strategy Fund 2030	109,661	13,353
	0.48%	Retirement Strategy Fund 2035	60,061	5,154
	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
	2.41%	Social Balanced Fund	303,092	(16,858)
	6.06%	U.S. Large Stock Fund	763,197	58,199
	5.69%	U.S. Small Value Stock Fund	715,937	67,327
	4.35%	Global Equity Fund	547,388	54,082
	4.65%	Emerging Markets Equity Fund	585,027	65,009
	5.49%	Bond Market Fund	691,764	3,609
	38.61%	Savings Pool	4,861,575	(96,287)
		<b>Total Fund</b>	<b>\$12,592,106</b>	<b>\$335,506</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>-0.37%</b>	<b>16.04%</b>	<b>10.98%</b>	<b>1.82%</b>	<b>7.21%</b>
S&P 500	-0.38%	16.00%	10.87%	1.66%	7.10%
<b>Global Equity Fund</b>	<b>3.53%</b>	<b>17.30%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
MSCI ACWI IMI	2.99%	16.38%	7.02%	-0.73%	8.60%
<b>Emerging Markets Equity Fund</b>	<b>6.24%</b>	<b>19.36%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
MSCI EM IMI	5.52%	18.69%	4.64%	-0.70%	16.56%
<b>U.S. Small Value Stock Fund</b>	<b>3.18%</b>	<b>18.27%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Russell 2000 Value	3.22%	18.05%	11.57%	3.55%	9.50%

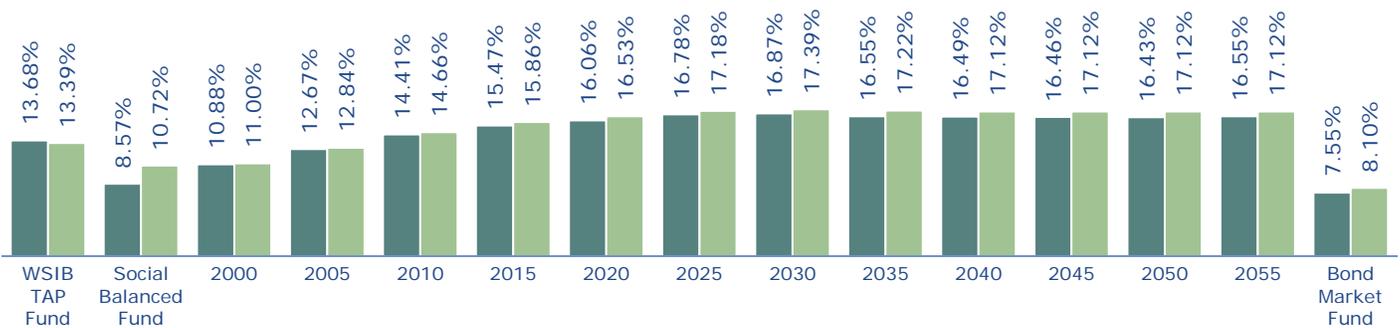
**Cash Funds**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Money Market Fund (Plan 3)</b>	<b>0.06%</b>	<b>0.26%</b>	<b>0.23%</b>	<b>0.67%</b>	<b>1.96%</b>
One Month LIBOR	0.05%	0.24%	0.25%	0.76%	2.07%
<b>Savings Pool (DCP)</b>	<b>0.44%</b>	<b>2.00%</b>	<b>2.85%</b>	<b>3.51%</b>	<b>4.19%</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>2.74%</b>	<b>13.68%</b>	<b>9.39%</b>	<b>1.83%</b>	<b>8.55%</b>
Custom Benchmark	2.31%	13.39%	7.56%	2.08%	7.72%
<b>Social Balanced Fund</b>	<b>-0.53%</b>	<b>8.57%</b>	<b>8.46%</b>	<b>4.44%</b>	<b>N/A</b>
Custom Benchmark	-0.11%	10.72%	9.10%	4.04%	6.54%
<b>Retirement Strategy Fund 2000</b>	<b>2.06%</b>	<b>10.88%</b>	<b>6.85%</b>	<b>N/A</b>	<b>N/A</b>
2000 Composite Index	1.91%	11.00%	7.32%	N/A	N/A
<b>Retirement Strategy Fund 2005</b>	<b>2.46%</b>	<b>12.67%</b>	<b>7.26%</b>	<b>N/A</b>	<b>N/A</b>
2005 Composite Index	2.30%	12.84%	8.01%	N/A	N/A
<b>Retirement Strategy Fund 2010</b>	<b>2.88%</b>	<b>14.41%</b>	<b>7.63%</b>	<b>N/A</b>	<b>N/A</b>
2010 Composite Index	2.69%	14.66%	8.64%	N/A	N/A
<b>Retirement Strategy Fund 2015</b>	<b>3.11%</b>	<b>15.47%</b>	<b>7.53%</b>	<b>N/A</b>	<b>N/A</b>
2015 Composite Index	2.99%	15.86%	8.77%	N/A	N/A
<b>Retirement Strategy Fund 2020</b>	<b>3.38%</b>	<b>16.06%</b>	<b>7.25%</b>	<b>N/A</b>	<b>N/A</b>
2020 Composite Index	3.20%	16.53%	8.66%	N/A	N/A
<b>Retirement Strategy Fund 2025</b>	<b>3.57%</b>	<b>16.78%</b>	<b>6.98%</b>	<b>N/A</b>	<b>N/A</b>
2025 Composite Index	3.39%	17.18%	8.54%	N/A	N/A
<b>Retirement Strategy Fund 2030</b>	<b>3.64%</b>	<b>16.87%</b>	<b>6.59%</b>	<b>N/A</b>	<b>N/A</b>
2030 Composite Index	3.49%	17.39%	8.32%	N/A	N/A
<b>Retirement Strategy Fund 2035</b>	<b>3.50%</b>	<b>16.55%</b>	<b>6.11%</b>	<b>N/A</b>	<b>N/A</b>
2035 Composite Index	3.47%	17.22%	7.99%	N/A	N/A
<b>Retirement Strategy Fund 2040</b>	<b>3.51%</b>	<b>16.49%</b>	<b>6.00%</b>	<b>N/A</b>	<b>N/A</b>
2040 Composite Index	3.45%	17.12%	7.91%	N/A	N/A
<b>Retirement Strategy Fund 2045</b>	<b>3.42%</b>	<b>16.46%</b>	<b>5.99%</b>	<b>N/A</b>	<b>N/A</b>
2045 Composite Index	3.45%	17.12%	7.91%	N/A	N/A
<b>Retirement Strategy Fund 2050</b>	<b>3.50%</b>	<b>16.43%</b>	<b>6.01%</b>	<b>N/A</b>	<b>N/A</b>
2050 Composite Index	3.45%	17.12%	7.91%	N/A	N/A
<b>Retirement Strategy Fund 2055</b>	<b>3.54%</b>	<b>16.55%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
2055 Composite Index	3.45%	17.12%	N/A	N/A	N/A

Bond Fund

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Bond Market Fund</b>	<b>0.99%</b>	<b>7.55%</b>	<b>7.13%</b>	<b>7.71%</b>	<b>6.20%</b>
Barclays Capital Intermediate Credit	0.95%	8.10%	7.07%	6.71%	5.59%

**Characteristics**

**Composition Distribution**

**Average Maturity**

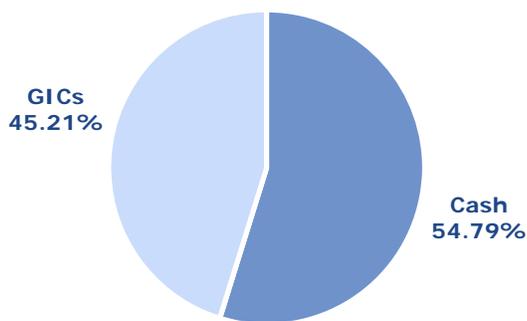
0.3 Years

**Average Yield**

1.55%

**Number of Holdings**

14



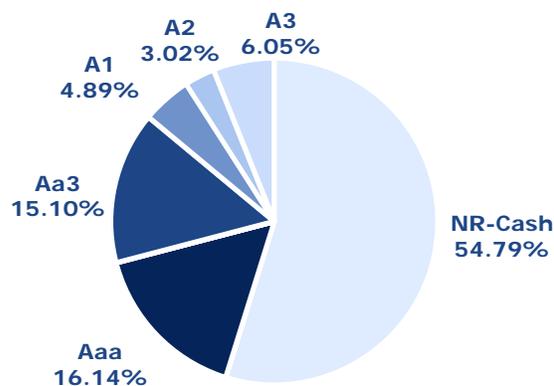
**Market Value**

\$ 1,039,649,141

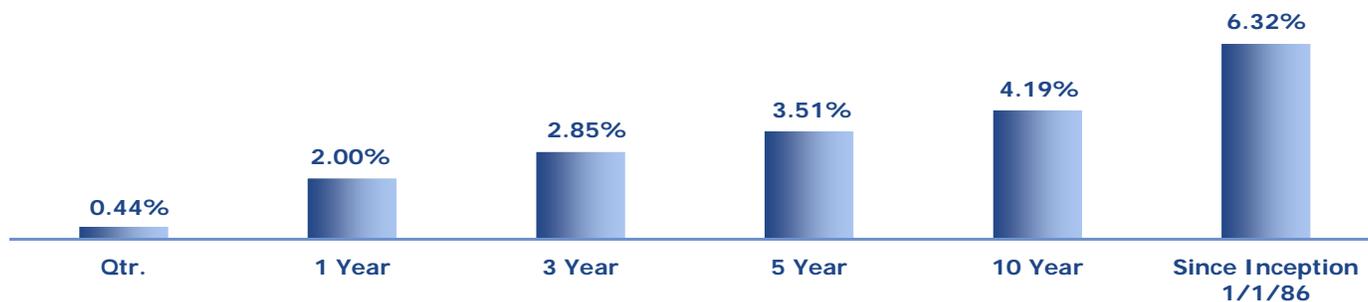
**GIC Issuers by Percentage**

New York Life Insurance Corp.	16.14%
Metropolitan Life Insurance Co.	15.10%
Security Life of Denver Insurance Co.	6.05%
Pacific Life Insurance Co.	4.89%
Prudential Insurance Co. of America	3.02%

**Rating Distribution**



**Return**

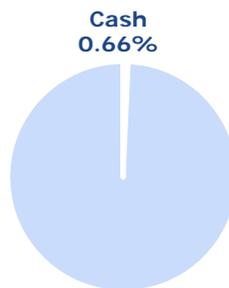


Note: Totals may not add up due to rounding

**Characteristics**

**Asset Class Distribution**

	<b>Fund</b>	<b>Index</b>
Average Maturity	5.4 years	5.0 years
Yield to Maturity	2.15%	1.87%
Effective Duration	4.79	4.40
Average Coupon	3.84%	4.31%
Number of Holdings	250	3,548



<b>Market Value</b>
<b>\$ 1,473,802,558</b>

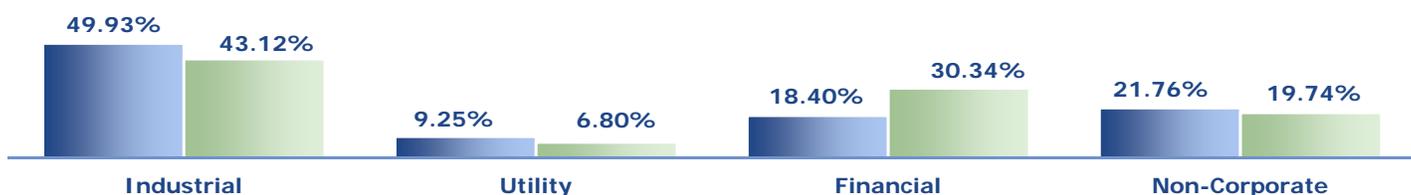
**Top Ten Credit Issuers**

Asian Development Bank	1.56%	Macquarie Bank Ltd.	1.13%
International Finance Corp.	1.55%	Rio Tinto Finance USA Ltd.	1.10%
The Coca-Cola Co.	1.19%	Cencosud S.A.	1.09%
Ontario, Province of	1.15%	Inter-American Development Bank	1.08%
Hutchison Whamp International Ltd.	1.14%	EQT Corp.	1.07%

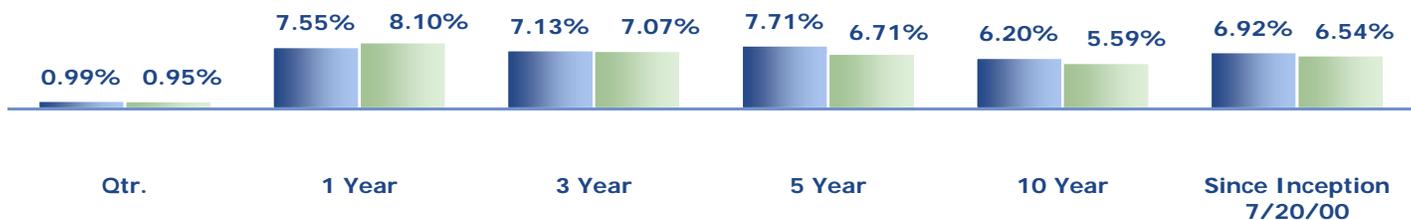
**Rating Distribution**



**Industry Distribution**



**Return**



Note: Totals may not add up due to rounding

**One Year Performance**

**Total Fund** **\$13,990,508,912**

	Market Value	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Accident Fund</b>	<b>\$5,047,311,847</b>	<b>1.17%</b>	<b>8.39%</b>	<b>8.71%</b>	<b>7.38%</b>	<b>7.12%</b>
CMI		0.93%	8.55%	8.69%	6.66%	6.76%
<b>Medical Aid</b>	<b>\$4,775,489,579</b>	<b>1.17%</b>	<b>8.82%</b>	<b>8.36%</b>	<b>6.37%</b>	<b>6.89%</b>
CMI		0.96%	8.51%	8.24%	5.69%	6.66%
<b>Pension Reserve</b>	<b>\$4,059,609,316</b>	<b>1.03%</b>	<b>8.61%</b>	<b>8.63%</b>	<b>7.28%</b>	<b>6.76%</b>
CMI		0.93%	8.55%	8.69%	6.66%	6.37%
<b>Supplemental Pension</b>	<b>\$108,098,170</b>	<b>0.07%</b>	<b>1.23%</b>	<b>0.79%</b>	<b>1.83%</b>	<b>2.69%</b>
CMI		N/A	N/A	N/A	N/A	N/A

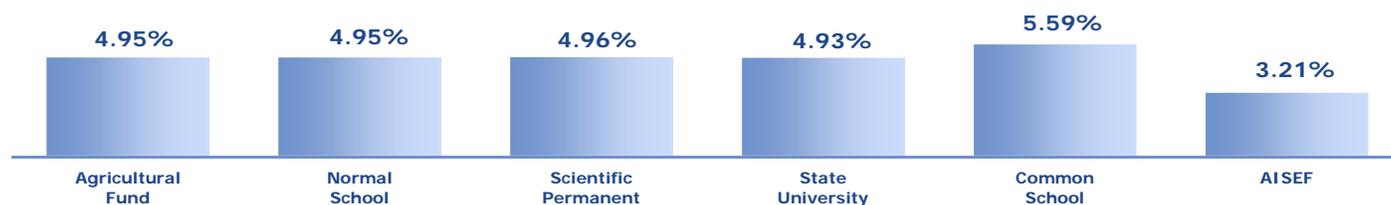
**Labor and Industries' Statutory Accounting Return \***

	Qtr.	1 Year	3 Year	5 Year
Accident Fund	1.54%	6.51%	5.92%	5.62%
Medical Aid	1.50%	7.09%	5.80%	4.25%
Pension Reserve	1.91%	7.31%	6.09%	5.63%
Supplemental Pension	0.16%	0.56%	1.65%	2.60%

**Duration**

	CMI	Target	Actual	% Difference
Accident Fund	7.15	7.00	7.00	-0.02%
Medical Aid	6.11	6.00	6.34	5.64%
Pension Reserve	7.15	7.00	6.82	-2.61%

\* 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	\$ 201,419,155
Normal School	\$ 255,357,911
Scientific Permanent	\$ 226,065,146
State University	\$ 32,876,450
Common School	\$ 199,349,923
American Indian Scholarship Endowment Fund (AISEF)	\$ 369,179

**Total Returns**

	Qtr.	1 Year	3 Year	5 Year	10 Year
<b>Agricultural Fund</b>	0.12%	4.95%	6.10%	6.40%	5.36%
Custom Benchmark <sup>1</sup> ( 82.6% / 17.4% )	0.24%	4.85%	6.41%	6.08%	5.25%
<b>Normal School</b>	0.12%	4.95%	6.06%	6.26%	5.30%
Custom Benchmark <sup>1</sup> ( 83.1% / 16.9% )	0.24%	4.85%	6.41%	6.08%	5.25%
<b>Scientific Permanent</b>	0.13%	4.96%	6.06%	6.27%	5.32%
Custom Benchmark <sup>1</sup> ( 82.5% / 17.5% )	0.24%	4.86%	6.41%	6.08%	5.25%
<b>State University</b>	0.15%	4.93%	6.05%	6.26%	5.27%
Custom Benchmark <sup>1</sup> ( 82.8% / 17.2% )	0.25%	4.85%	6.40%	6.07%	5.25%
<b>Common School</b>	0.08%	5.59%	6.37%	6.03%	5.38%
Custom Benchmark <sup>1</sup> ( 79.1% / 20.9% )	0.24%	5.86%	6.81%	5.92%	5.40%
<b>AISEF</b>	0.26%	3.21%	3.45%	3.49%	N/A
Custom Benchmark <sup>2</sup> ( 95.5% / 4.5% )	0.20%	3.12%	3.65%	3.48%	3.28%

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>	-0.78%	N/A	N/A	N/A	N/A
<b>Normal School</b>	-0.78%	N/A	N/A	N/A	N/A
<b>Scientific Permanent</b>	-0.78%	N/A	N/A	N/A	N/A
<b>State University</b>	-0.78%	N/A	N/A	N/A	N/A
<b>Common School</b>	-0.78%	N/A	N/A	N/A	N/A
Russell 3000	0.25%	16.42%	11.20%	2.04%	7.68%

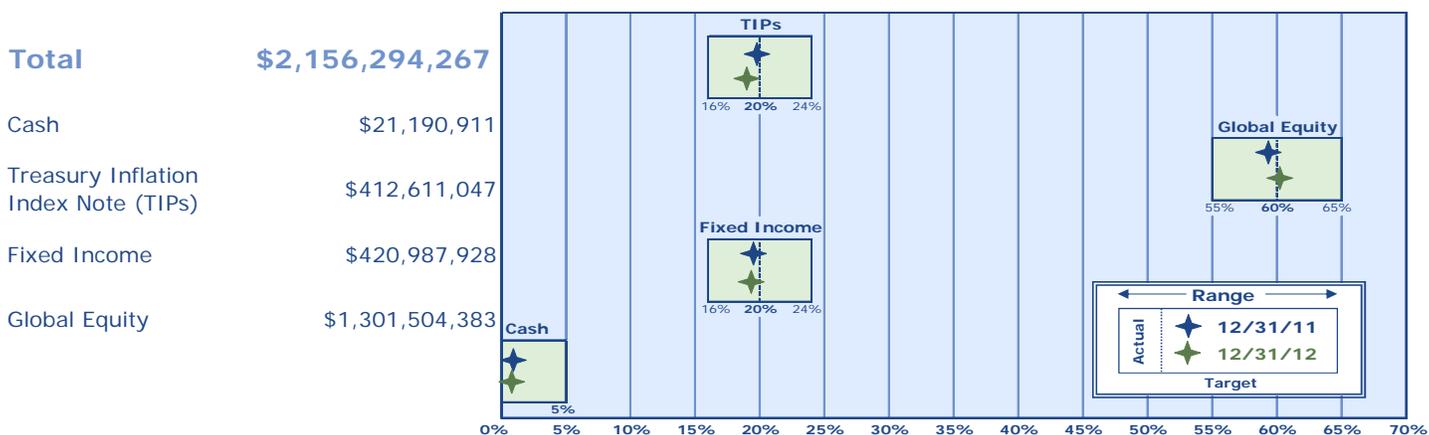
**Fixed Income Returns**

	<b>Qtr.</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
<b>Agricultural Fund</b>	0.27%	3.93%	5.72%	6.07%	5.19%
<b>Normal School</b>	0.27%	3.93%	5.72%	6.06%	5.20%
<b>Scientific Permanent</b>	0.27%	3.94%	5.72%	6.06%	5.22%
<b>State University</b>	0.27%	3.93%	5.72%	6.06%	5.17%
<b>Common School</b>	0.27%	3.94%	5.72%	6.05%	5.17%
<b>AISEF</b>	0.27%	3.93%	5.72%	5.74%	N/A
Barclays Capital Aggregate	0.21%	4.21%	6.19%	5.95%	5.18%

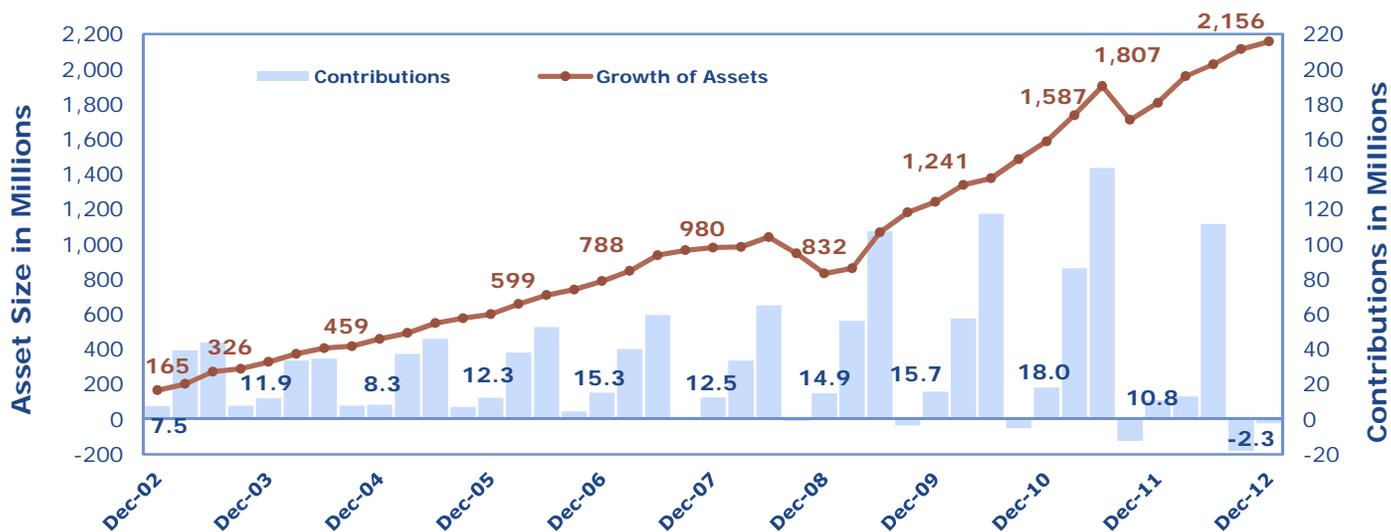
**Cash Returns**

	<b>Qtr.</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
<b>AISEF</b>	0.05%	0.11%	0.06%	N/A	N/A
90 Day Tbill	0.04%	0.12%	0.13%	0.57%	1.82%

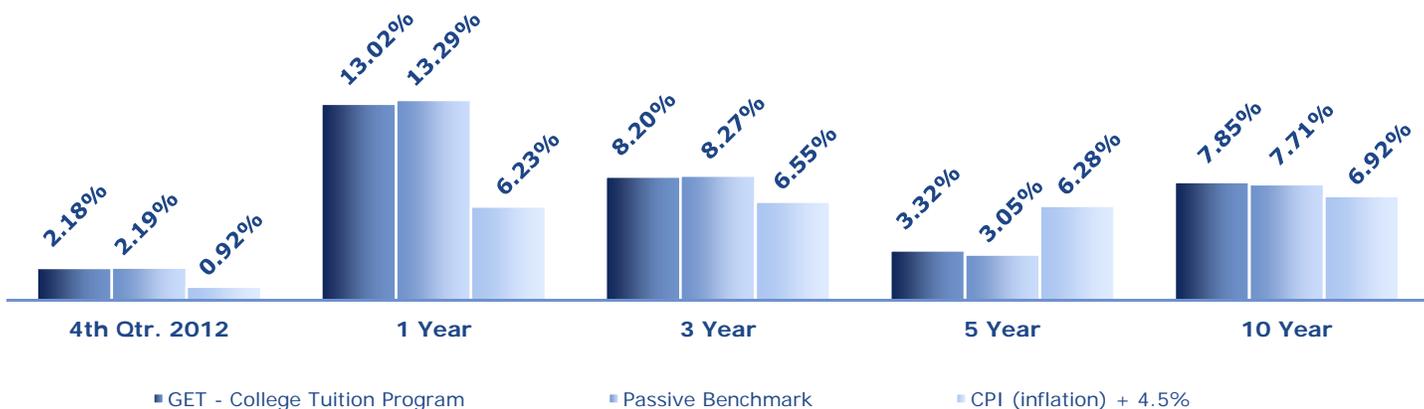
**Portfolio Size and Allocation**



**Assets Under Management**

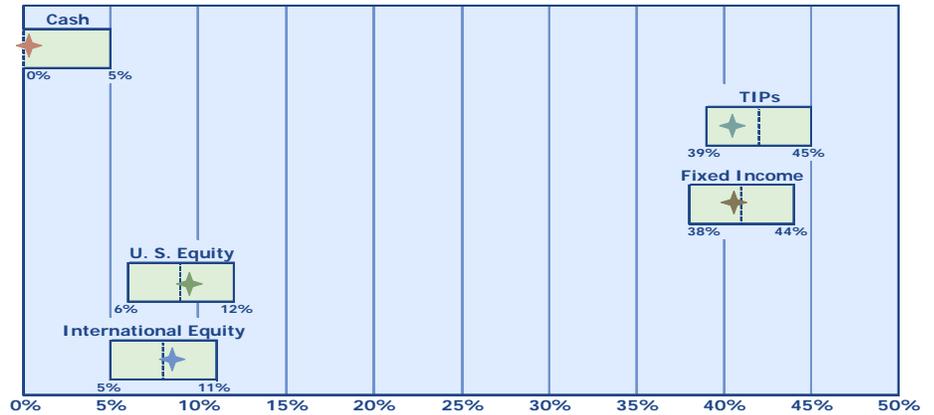


**Total Return**

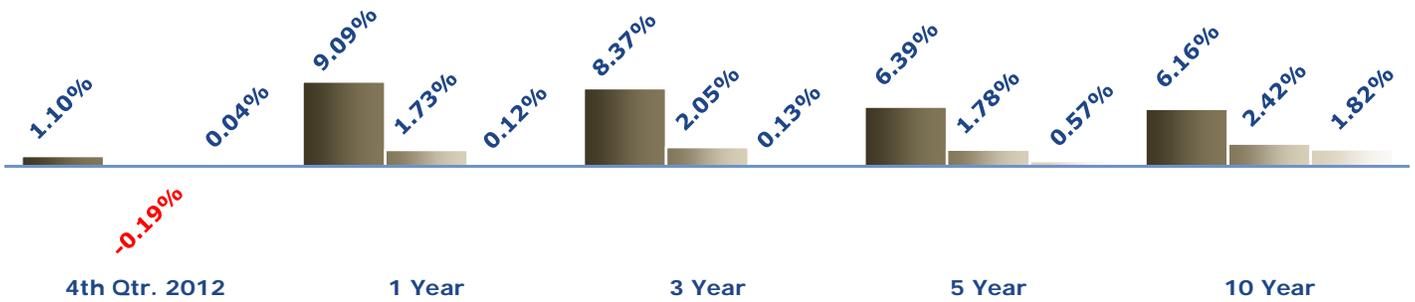


**State Funds**

<b>Total</b>	<b>\$10,912,287</b>
Cash	\$32,717
Treasury Inflation Index Note (TIPs)	\$4,430,192
Fixed Income	\$4,436,691
U.S. Equity	\$1,049,515
Non U.S. Equity	\$963,172

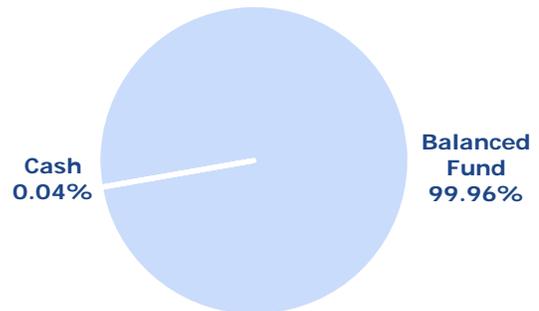


■ DDEF State Funds ■ Inflation (CPI) ■ 90 Day Tbill



**Private Funds**

<b>Total</b>	<b>\$24,862,652</b>
Cash	\$9,939
Balanced Fund	\$24,852,713



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

