

Investment Committee Agenda

William Green Building
Thursday, August 26, 2010

Level 2, Room 2
10:00 a.m. – 12:30 p.m.

Call to Order

Bob Smith, Committee Chair

Roll Call

Mike Sourek, Scribe

Approve Minutes of the July 28, 2010 Meeting

Bob Smith, Committee Chair

Review and Approve Agenda*

Bob Smith, Committee Chair

Discussion Items

1. Portfolio Performance
 - Mercer Quarterly Report – Second Quarter 2010
Mercer Team
2. Monthly Portfolio Value Comparisons
 - July 2010/June 2010
Bruce Dunn, Chief Investment Officer
3. Month-End Portfolio Asset Allocation Values
 - July 2010/June 2010
Bruce Dunn, Chief Investment Officer
4. CIO Report – July 2010
 - Fiscal Year 2011 Investment Division Goals
Bruce Dunn, Chief Investment Officer

5. Mercer Presentation on Investment Policy Decisions – Next Phases
Bob Smith, Committee Chair
Mercer Team
6. Mercer Proposed Next Steps for Minority and Women Business Enterprise (MWBE) Investment Managers, first review
Bob Smith, Committee Chair
Mercer Team
Bruce Dunn, Chief Investment Officer
7. Mercer Presentation on Real Estate as an Asset Class, first discussion
Bob Smith, Committee Chair
Mercer Team
Allison Yager, Mercer Global Business and Investment Leader-
Real Estate Boutique
8. Committee Calendar
Bob Smith, Committee Chair
Bruce Dunn, Chief Investment Officer

Adjourn

Bob Smith, Committee Chair

Next Meeting: Thursday, September 23, 2010

* Not all agenda items may have materials

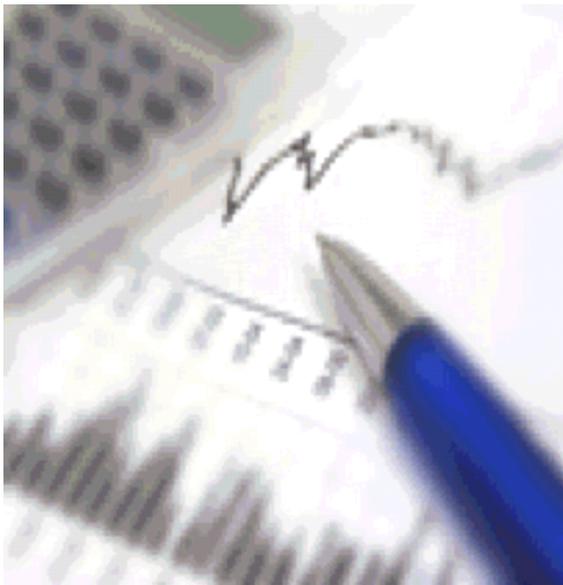
** Agenda subject to change

MERCER

Consulting. Outsourcing. Investments.



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN



Ohio Bureau of Workers Compensation (Ohio BWC)

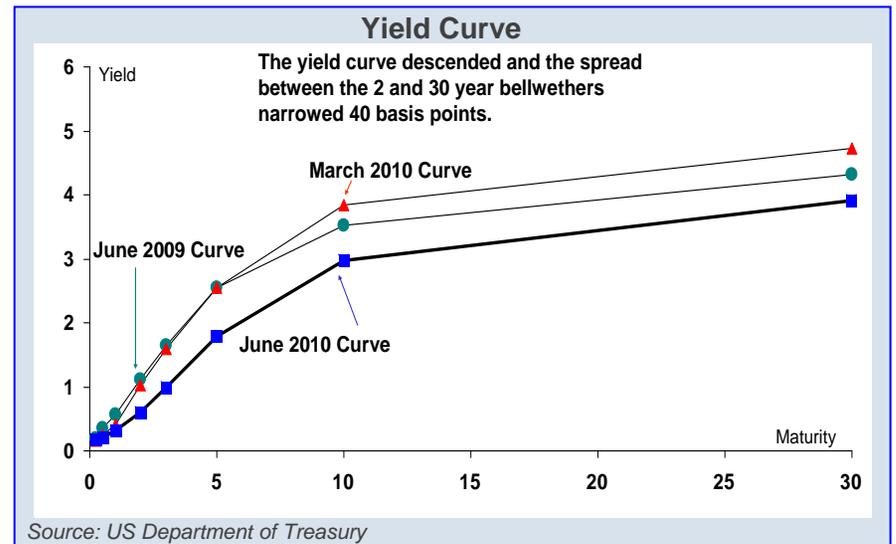
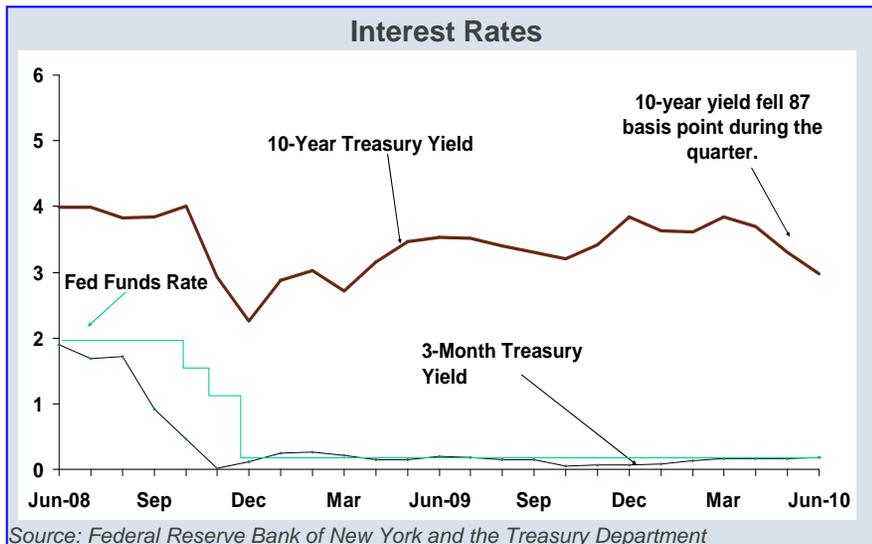
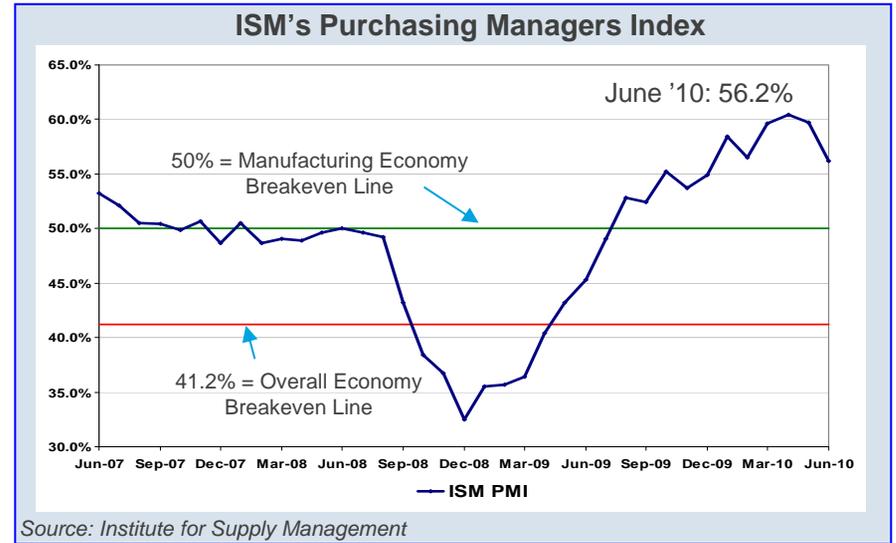
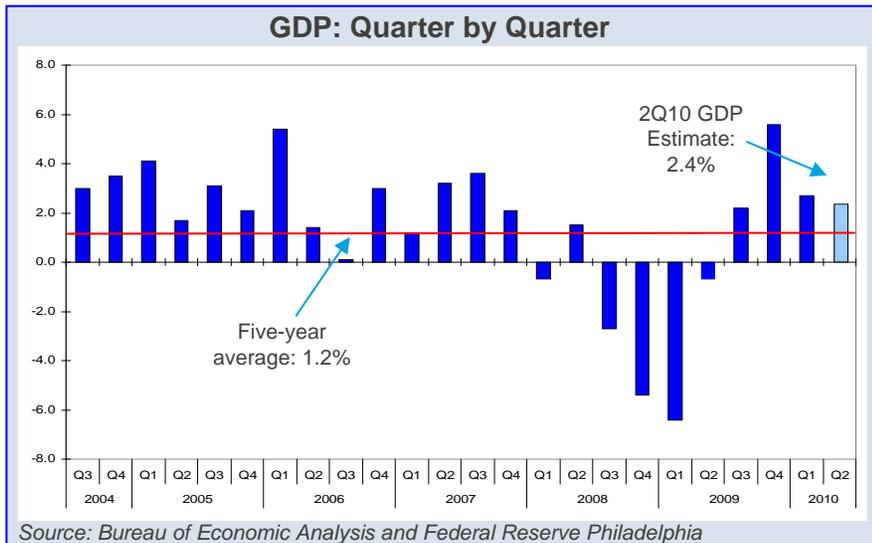
Investment Performance – Summary Second Quarter 2010

Services provided by Mercer Investment Consulting, Inc.

Market Environment

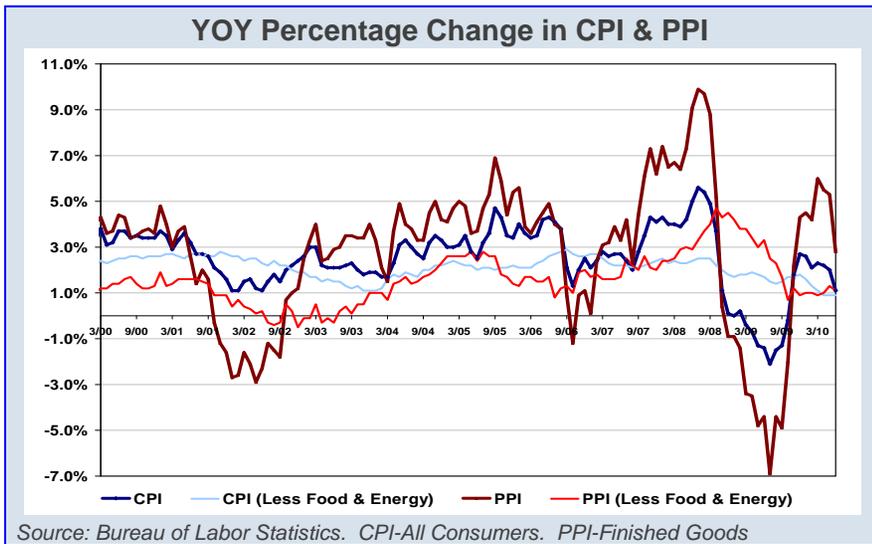
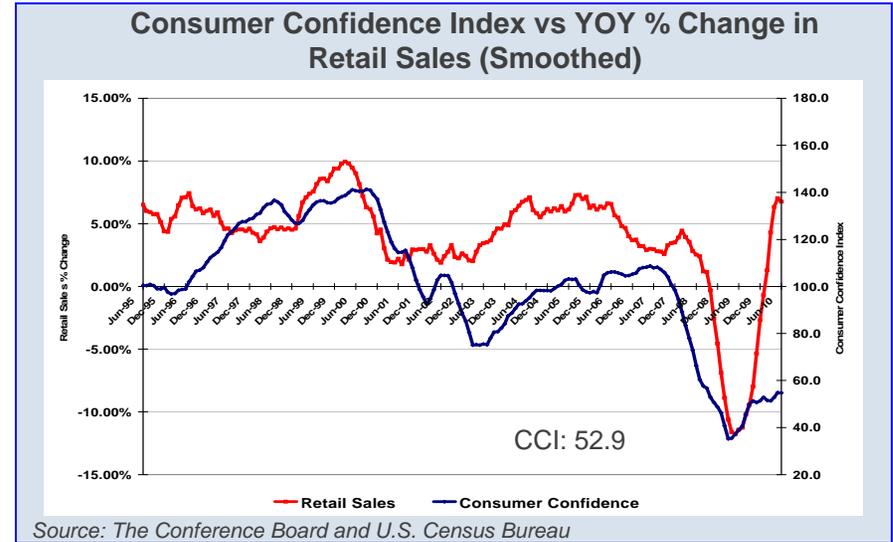
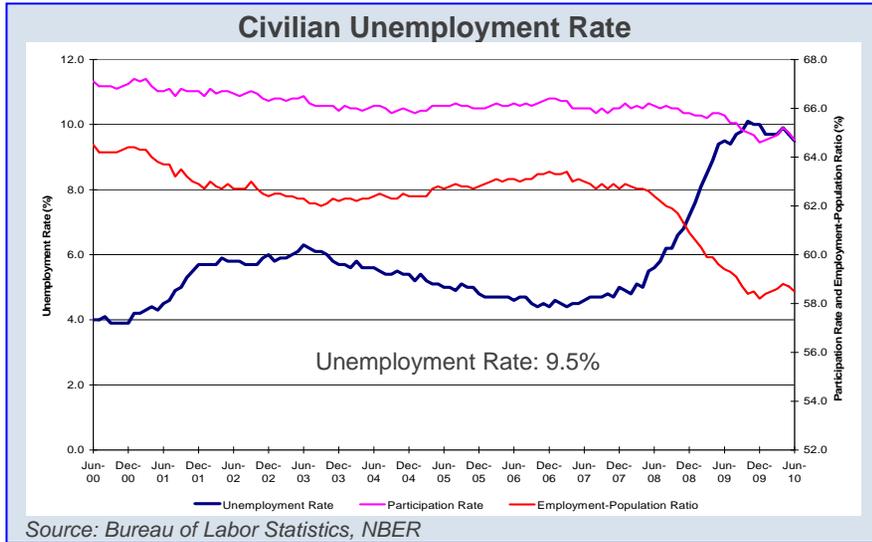
U.S. Capital Markets and Macroeconomic Conditions

Economy



U.S. Capital Markets and Macroeconomic Conditions

Economy



Domestic Equity – Large Cap

Style and Market Capitalization Comparison

2Q2010

| | Growth | Core | Value |
|-------|--------|--------|--------|
| Large | -11.7% | -11.4% | -11.1% |
| Mid | -10.2% | -9.9% | -9.6% |
| Small | -9.2% | -9.9% | -10.6% |

YTD Returns

| | Growth | Core | Value |
|-------|--------|-------|-------|
| Large | -7.6% | -6.4% | -5.1% |
| Mid | -3.3% | -2.1% | -0.9% |
| Small | -2.3% | -2.0% | -1.6% |

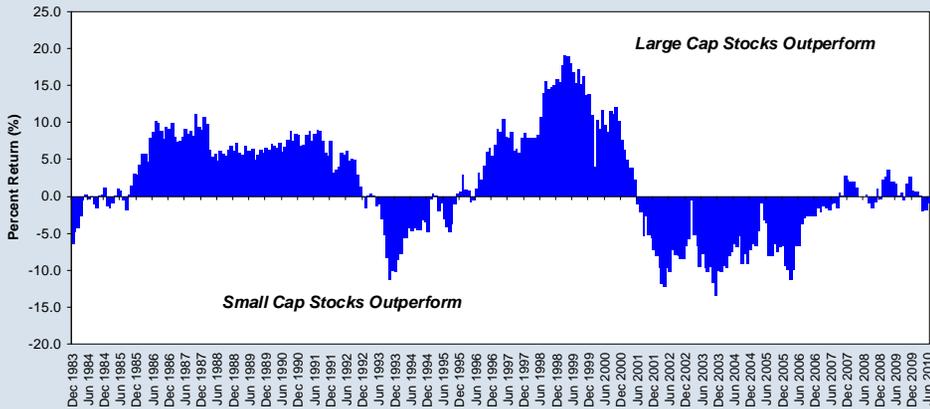
1 Year Returns

| | Growth | Core | Value |
|-------|--------|-------|-------|
| Large | 13.6% | 15.2% | 16.9% |
| Mid | 21.3% | 25.1% | 28.9% |
| Small | 18.0% | 21.5% | 25.1% |

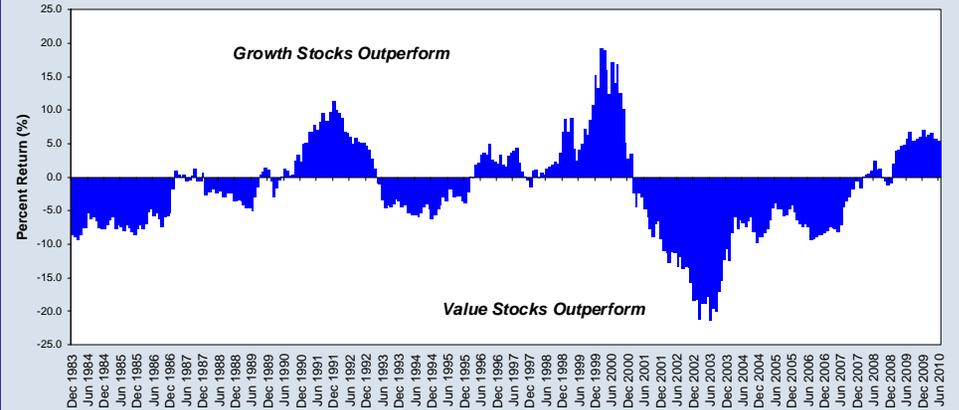
3 Year Returns

| | Growth | Core | Value |
|-------|--------|-------|--------|
| Large | -6.9% | -9.5% | -12.3% |
| Mid | -7.5% | -8.2% | -9.4% |
| Small | -7.5% | -8.6% | -9.8% |

Russell 1000 Index Minus Russell 2000 Index for Rolling Three-Year Periods



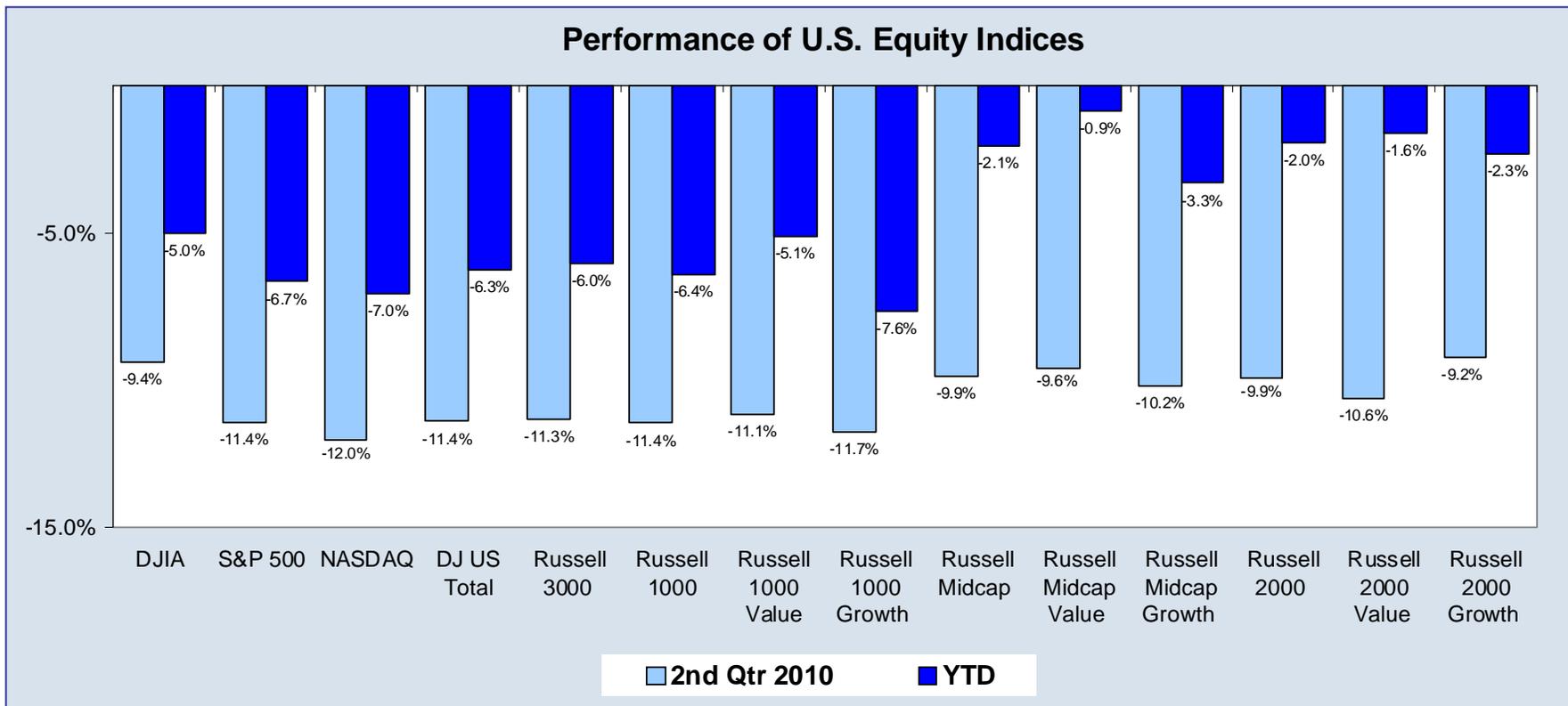
Russell 1000 Growth Index Minus Russell 1000 Value Index for Rolling Three-Year Periods



Domestic Equity

Small Cap outperforms Large Cap

- During the second quarter the US capital markets pulled back amid growing concerns of a double-dip US recession fueled by slowing growth in consumer spending and sustained high unemployment. US stocks performed negatively across all market caps (large, mid, small) and investment styles (value, core, growth)
- Value oriented stocks continued to outpace their growth counterparts in the large and mid cap space, while the inverse was true within the small cap space
- Small cap stocks continued to outperform large cap stocks

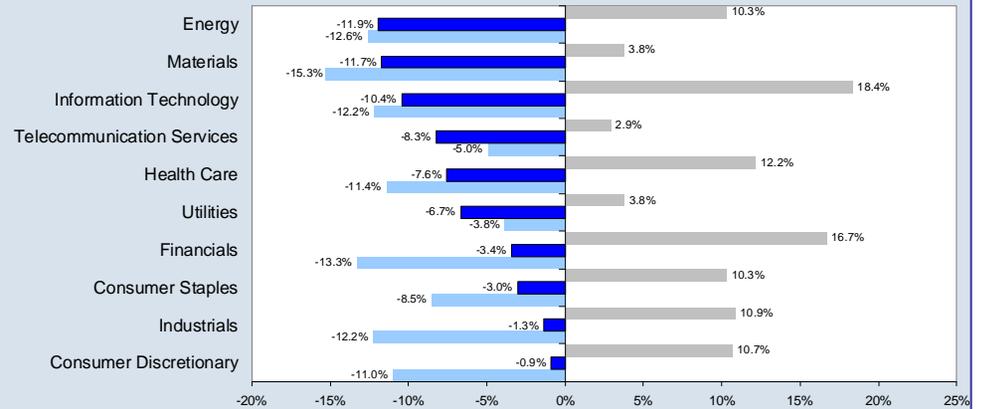


Domestic Equity – Large Cap

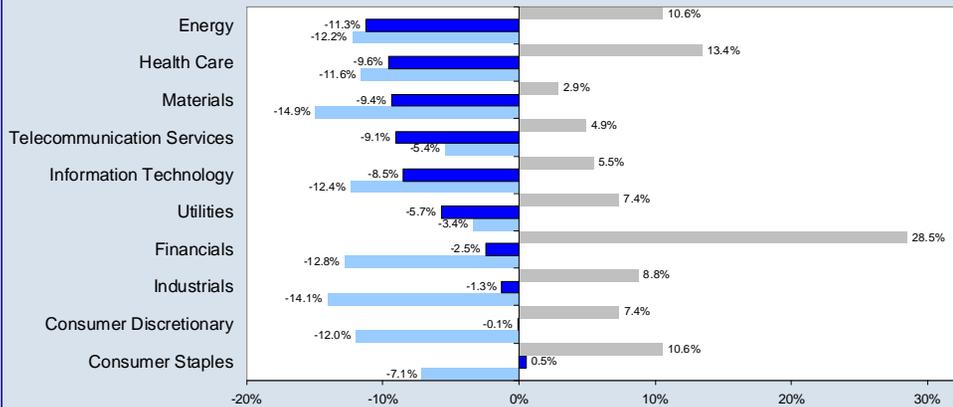
Value outperforms Growth

- All of the ten sectors of the Russell 1000 indices reported negative returns for the quarter
- Materials and financials were the weakest performing sectors in the large cap space for the quarter

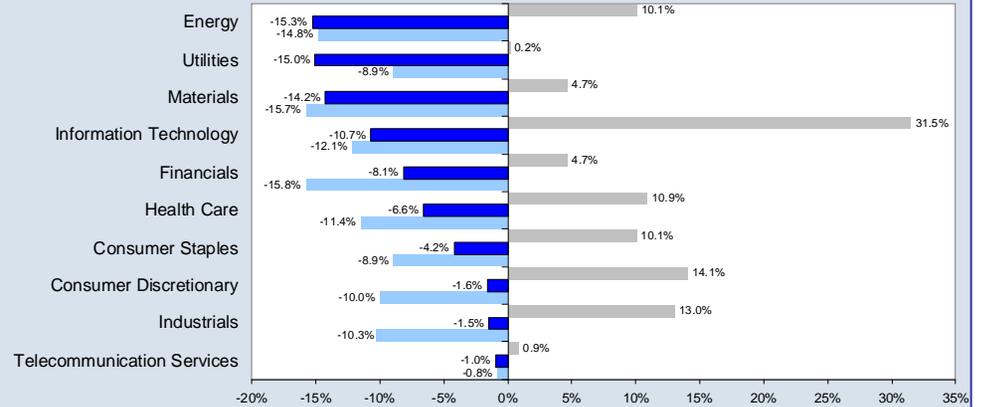
Large Cap Core Performance – Russell 1000 Index



Large Cap Value Performance – Russell 1000 Value Index



Large Cap Growth Performance – Russell 1000 Growth Index



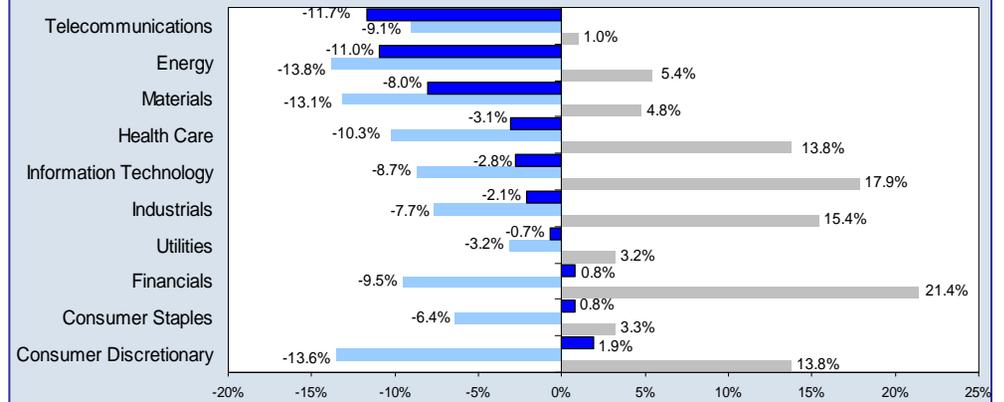
■ GICS Sector YTD Performance ■ GICS Sector QTR Performance ■ GICS Sector QTR Weighting

Domestic Equity – Small Cap

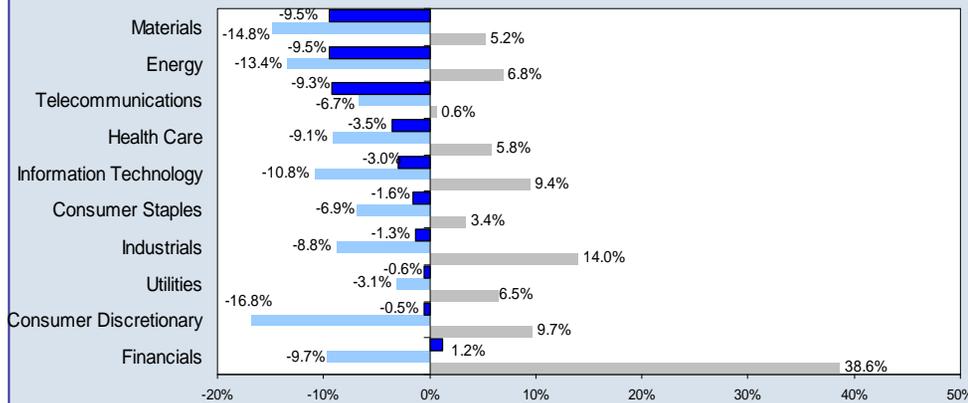
Consumer Discretionary and Energy Lagged the Most

- All ten sectors posted negative returns for the quarter
- Growth stocks slightly outperformed Value stocks (-9.2% vs. -10.6%, respectively)
- Reversal from the prior quarter, companies with the highest ROE fared better
 - Stocks in highest ROE quintile returned -6.7%, while stocks in lowest quintile returned -16.2%

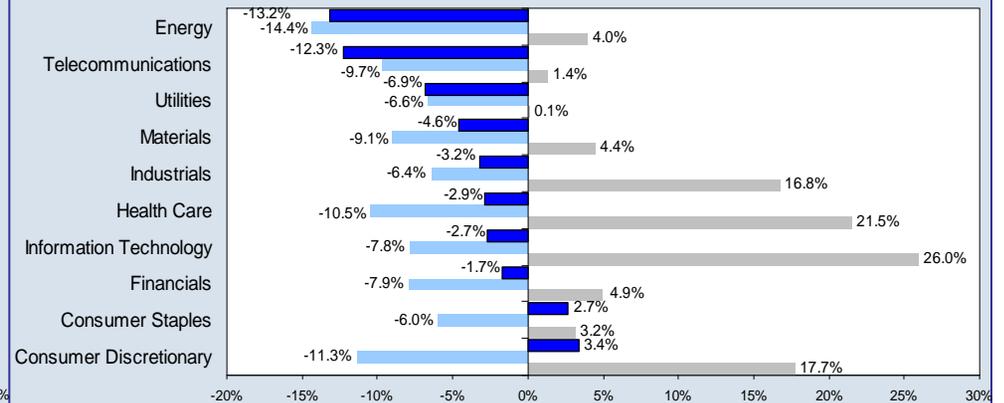
Small Cap Core Performance – Russell 2000 Index



Small Cap Value Performance – Russell 2000 Value Index



Small Cap Growth Performance – Russell 2000 Growth Index



GICs Sector QTR Performance GICs Sector YTD Performance GICs Sector QTR Weighting

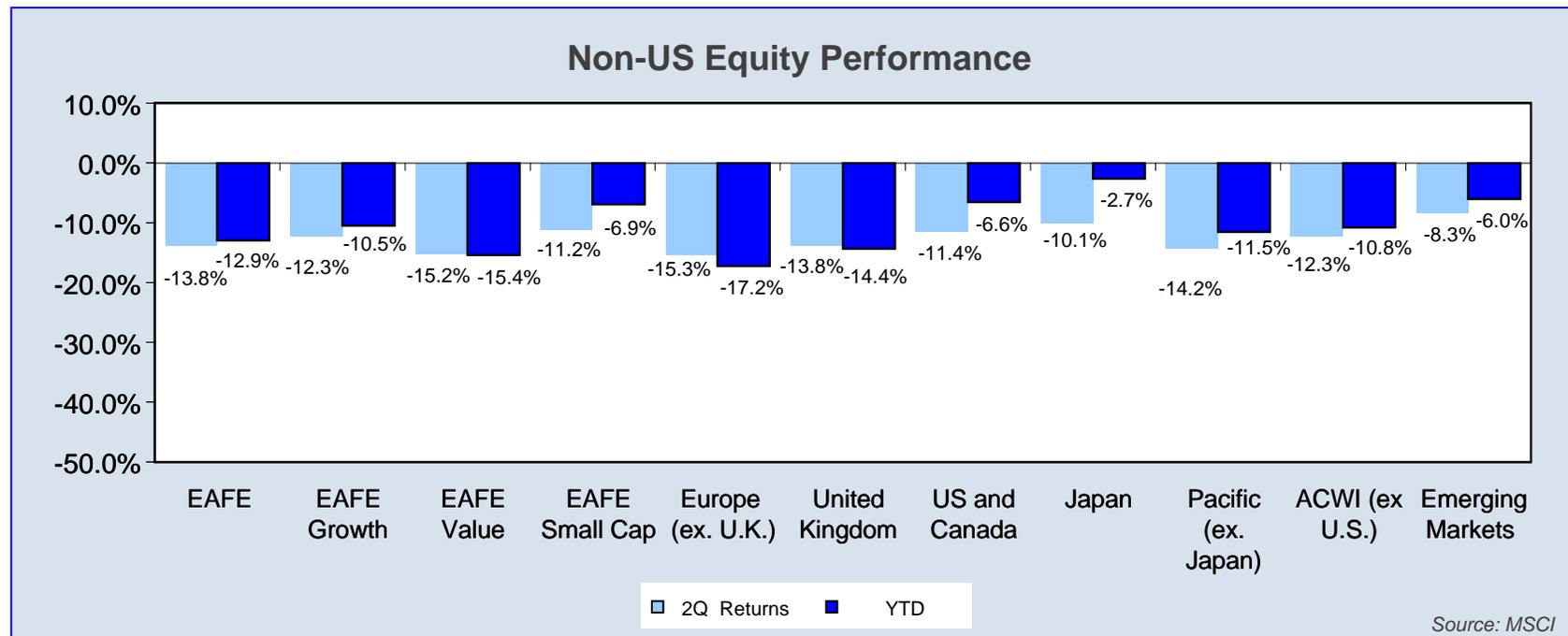
Source: Russell and Bank of America Merrill Lynch

Mercer Investment Consulting, Inc.

International Equities

Developed Markets: Non-U.S. Equities Performance

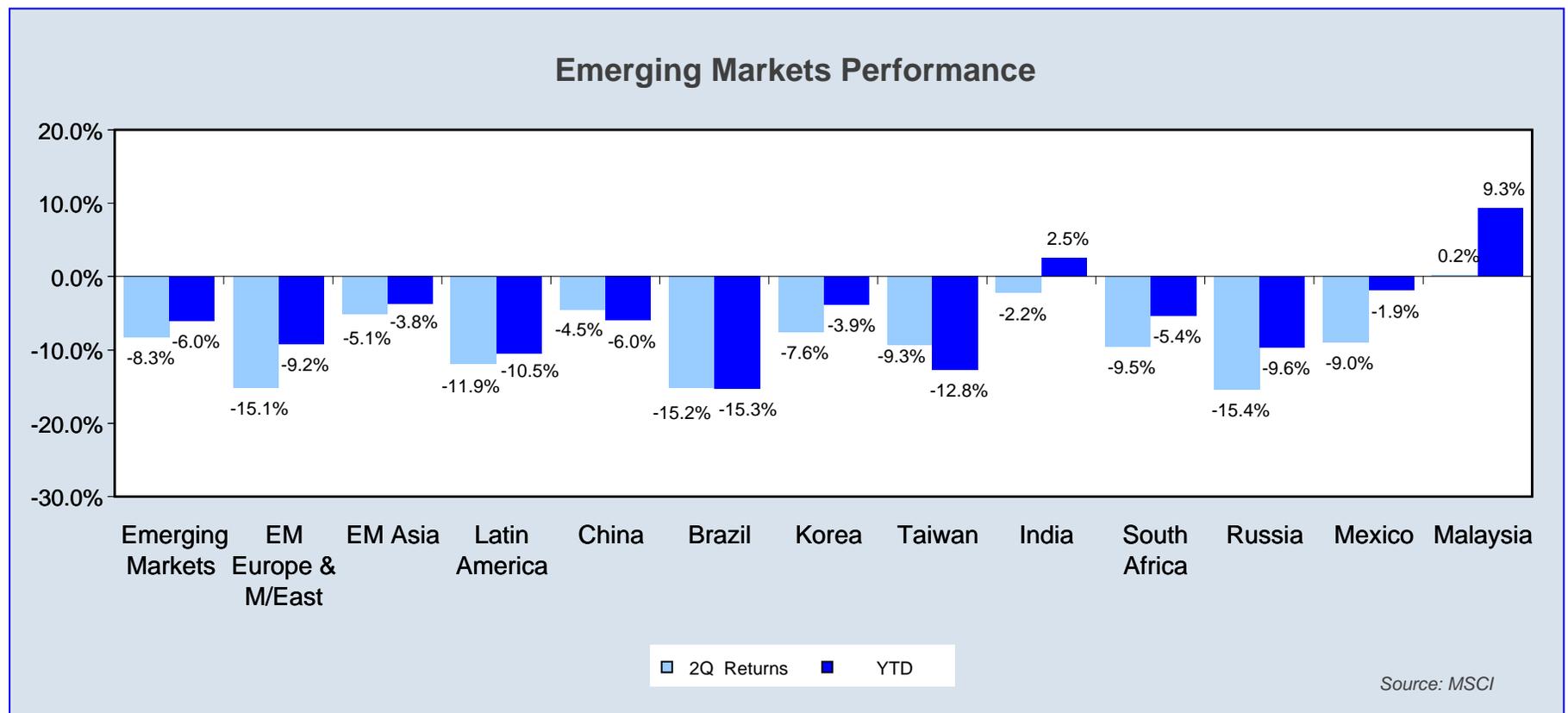
- MSCI EAFE lost -13.8% (gross) in the second quarter
 - In local currency terms, MSCI EAFE lost -10.9% for the quarter
- Japan, which represents 23.3% of the index, posted a -10.1% return. In local currency terms, Japan posted a -14.8% loss
- The UK, which represents 21.0% of the index, posted a -13.8% return. In local currency terms, UK posted a -12.6% loss
- MSCI All Country World Index ex U.S. lost -12.3% (gross) in the second quarter
 - In local currency terms, MSCI All Country World Index ex U.S. lost -9.3% for the quarter



International Equities

Emerging Markets: Performance

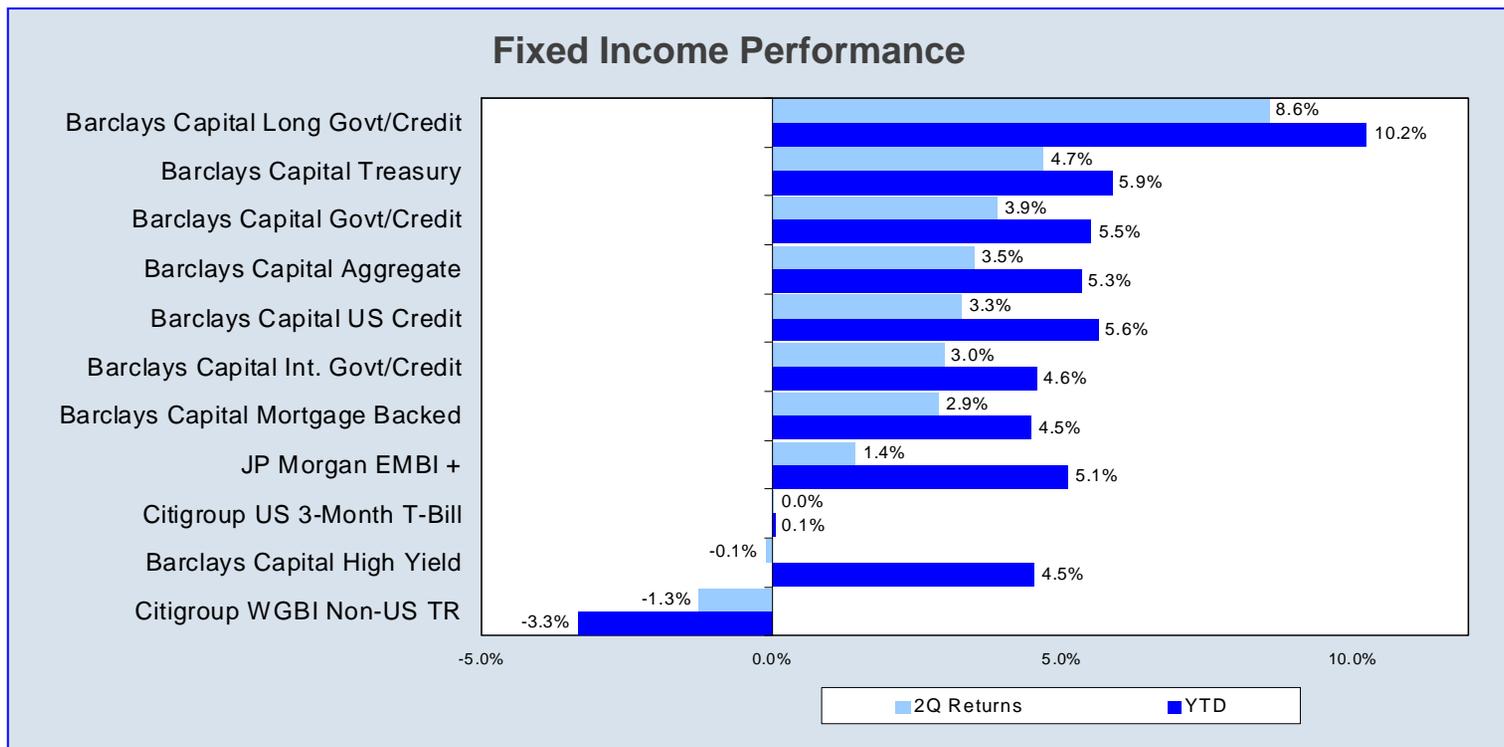
- MSCI Emerging Markets Index lost -8.3% in the second quarter
- Brazil, which represents 15.4% of the index, lost -15.2% for the quarter. China and Russia, which represent 19.1% and 6.3% of the index, posted quarterly returns of -4.5% and -15.4%, respectively



US Fixed Income

Barclays Capital Long Govt/Credit Performed Strongly

- Barclays Aggregate Index had a strong quarter and returned 3.5% and 5.3% for the first half of 2010
 - Treasuries rallied as sovereign European solvency concerns persist
 - The Fed suspended direct purchases of agency MBS at the start of the quarter, but favorable supply and demand technicals kept MBS at rich historic valuations
 - CMBS continues to post strong returns; it's 12.1% return for the first half of the year is the highest return of any sector within the Barclays Aggregate Index
- The FOMC indicates that the federal funds rate would remain exceptionally low for “an extended period of time”
- Barclays US High Yield Index lost steam and returned -0.1% for the quarter as risk tolerance waned



Market Returns

For Periods Ending June 30, 2010

| | | <u>QTR</u> | <u>YTD</u> | <u>1 YR</u> | <u>3 YRS*</u> | <u>5 YRS*</u> | <u>10 YRS*</u> |
|---|---|------------------|---------------|--------------------|---------------------|----------------------|----------------|
| Equity | S&P 500 | -11.4 | -6.7 | 14.4 | -9.8 | -0.8 | -1.6 |
| | Russell 1000 Value | -11.2 | -5.1 | 16.9 | -12.3 | -1.6 | 2.4 |
| | Russell 1000 Growth | -11.8 | -7.7 | 13.6 | -6.9 | 0.4 | -5.1 |
| | Russell MidCap | -9.9 | -2.1 | 25.1 | -8.2 | 1.2 | 4.2 |
| | Russell MidCap Value | -9.6 | -0.9 | 28.9 | -9.4 | 0.7 | 7.6 |
| | Russell MidCap Growth | -10.2 | -3.3 | 21.3 | -7.5 | 1.4 | -2.0 |
| | Russell 2000 | -9.9 | -2.0 | 21.5 | -8.6 | 0.4 | 3.0 |
| | Russell 2000 Value | -10.6 | -1.6 | 25.1 | -9.9 | -0.5 | 7.5 |
| | Russell 2000 Growth | -9.2 | -2.3 | 18.0 | -7.5 | 1.1 | -1.7 |
| | Russell 3000 | -11.3 | -6.1 | 15.7 | -9.5 | -0.5 | -0.9 |
| | <i>Mercer Large Cap Value Equity Peer Group median**</i> | -11.9 | -6.5 | 14.7 | -10.1 | -0.4 | 3.9 |
| | <i>Mercer Large Cap Growth Equity Peer Group median**</i> | -11.7 | -7.7 | 12.6 | -7.0 | 0.8 | -2.5 |
| | <i>Mercer Small Cap Value Equity Peer Group median**</i> | -9.4 | -0.4 | 26.1 | -6.8 | 2.5 | 9.8 |
| <i>Mercer Small Cap Growth Equity Peer Group median**</i> | -8.7 | -2.2 | 20.4 | -7.9 | 1.8 | 1.1 | |
| Fixed Income | Citigroup 3-Month T-Bill | 0.0 | 0.1 | 0.1 | 1.4 | 2.6 | 2.6 |
| | Barclays Capital Int. Gov't/Credit | 3.0 | 4.6 | 8.3 | 7.0 | 5.3 | 6.1 |
| | Barclays Capital Gov't/Credit | 3.9 | 5.5 | 9.7 | 7.4 | 5.3 | 6.5 |
| | Barclays Capital Aggregate | 3.5 | 5.3 | 9.5 | 7.6 | 5.5 | 6.5 |
| | Barclays Capital Intermediate Government | 3.3 | 4.4 | 5.7 | 7.1 | 5.3 | 5.8 |
| | Barclays Capital Long Gov't/Credit | 8.6 | 10.2 | 16.5 | 9.4 | 5.6 | 8.1 |
| | Barclays Capital MBS | 2.9 | 4.5 | 7.5 | 8.2 | 6.3 | 6.5 |
| | Barclays Capital TIPS | 3.8 | 4.4 | 9.5 | 7.6 | 5.0 | 7.5 |
| | Barclays Capital High Yield | -0.1 | 4.5 | 26.8 | 6.5 | 7.2 | 7.3 |
| | <i>Mercer Core Fixed Income Peer Group median**</i> | 3.2 | 5.7 | 12.4 | 8.2 | 6.1 | 6.9 |
| International | MSCI EAFE | -13.8 | -12.9 | 6.4 | -12.9 | 1.4 | 0.6 |
| | MSCI Emerging Markets | -8.3 | -6.0 | 23.5 | -2.2 | 13.1 | 10.3 |
| | Citigroup Non-US Gov't Bond | -1.3 | -3.3 | 1.5 | 7.7 | 5.0 | 6.4 |
| | Citigroup Non-US Gov't Bond - Hedged | 1.6 | 2.7 | 4.9 | 6.0 | 4.4 | 5.2 |
| | <i>Mercer International Equity Universe median**</i> | -12.4 | -11.0 | 9.1 | -11.2 | 2.9 | 2.6 |
| Miscellaneous | NCREIF Property Index*** | 0.8 | -1.4 | -9.6 | -4.3 | 4.2 | 7.1 |
| | FTSE NAREIT (Equity REITS) | -4.1 | 5.6 | 53.9 | -9.0 | 0.2 | 9.9 |
| | BofA Merrill Lynch Inv. Grade Convertible | -4.3 | -2.7 | 11.3 | 2.9 | 5.1 | 2.9 |
| | Goldman Sachs Commodity Index | -10.4 | -11.2 | -5.4 | -12.5 | -8.1 | 0.9 |
| Inflation | CPI | -0.4 | -0.1 | 1.1 | 1.5 | 2.3 | 2.4 |
| Index at 3/31/10 | | Dow Jones | NASDAQ | S&P 500 | Russell 2000 | Wilshire 5000 | |
| | | 10,856.63 | 2,397.96 | 1,169.43 | 678.64 | 12,222.29 | |
| Index at 6/30/10 | | Dow Jones | NASDAQ | S&P 500 | Russell 2000 | Wilshire 5000 | |
| | | 9,774.02 | 2,109.24 | 1,030.71 | 609.49 | 10,823.31 | |

* Annualized

** Preliminary

*** The NCREIF Property returns are one quarter in arrears.

Mercer Investment Consulting, Inc.

Executive Summary

Market Environment

The second quarter of 2010 saw a weaker-than-expected economy and significant equity losses. The advance estimate of second quarter annualized GDP growth was 2.4% and the unemployment rate dropped from 9.7% to 9.5% over the quarter. The yields on three-month Treasuries increased from 0.16% at the end of March 2010 to 0.18% at the end of June 2010. Ten-year treasury yields fell 0.87% to 2.97% at the end of the second quarter. The S&P 500 fell by 11.4% during the second quarter as double-digit losses were seen in most segments of the US equity market.

Fund Changes

Two new accounts were opened in the State Insurance Fund (SIF) during the second quarter. Mellon Capital Management and Northern Trust are managing Russell 3000 Index portfolios. The assets were transitioned to the two new accounts from the Russell 3000 transition manager account.

All Funds Composite

At the conclusion of the second quarter, the Total Fund held a balance of \$19.01 billion, representing a decline of \$132 million over the March 2010 balance of \$19.14 billion. The decrease in assets was due to cash outflows, which offset positive investment performance.

During the second quarter, the Total Fund returned 0.3% net-of-fees. Over the trailing one- and three-year periods the Total Fund has returned 12.0% and 4.8%, respectively. The Total Fund Composite has returned 5.2% since inception.

State Insurance Fund

The State Insurance Fund (SIF) held approximately \$17.40 billion at the end of the second quarter, representing a decrease of \$169 million over the previous quarter's balance.

Over the second quarter, the SIF returned 0.1% and lagged the policy benchmark by 0.1%. The SIF has returned 5.2% since inception.

Executive Summary

Performance

Over the year-to-date period, all of the investment managers tracked their respective benchmarks at a reasonable rate with the exception of the following strategies:

BlackRock Long Duration Government Index

The Barclays Long Duration Government Portfolio is solely held by the SIF. Over the year-to-date period, the portfolio returned 13.4% and outperformed the benchmark by 0.5%. This tracking error dispersion is due to pricing differences between the custodian (JPMorgan) and BlackRock. Additionally, a large cash flow during January contributed to the tracking error.

BlackRock Long Duration Credit Index

The BlackRock Long Duration Credit Portfolio is solely held by the SIF. Over the year-to-date period, the portfolio returned 8.4% and outperformed the benchmark by 0.3%. This tracking error dispersion is primarily due to pricing differences between the custodian (JPMorgan) and BlackRock.

State Street TIPS Index

The State Street TIPS Portfolio is held by the State Insurance Fund, the Disabled Workers' Relief Fund, and the Black Lung Fund. Over the year-to-date period, the portfolio returned 4.0% in the State Insurance Fund and underperformed the benchmark by 0.4%. Historic tracking error dispersion in the State Insurance Fund portfolio is due to pricing differences between the custodian (JPMorgan) and State Street. Additionally, cash flows during February contributed to the more recent tracking error. The State Street TIPS portfolios held by the Disabled Workers' Relief Fund and the Black Lung Fund did not experience tracking error over the year-to-date period.

Over the one-year period, all of the investment managers tracked their respective benchmarks at a reasonable rate with the exception of the following strategies:

State Street Government/Credit Long Duration Index

The State Street Government/Credit Long Duration portfolio is held by the Disabled Workers' Relief Fund and the Black Lung Fund. Over the one-year period, the portfolio returned 15.7% in the Disabled Workers' Relief Fund and trailed the benchmark by 80 basis points. The portfolio held by Black Lung Fund returned 15.9% and trailed the benchmark by 60 basis points over the one-year period. The tracking error dispersion in both portfolios is due to pricing differences between the custodian (JPMorgan) and State Street. Additionally, security selection by State Street has attributed to the tracking error. Tracking error has decreased in more recent periods.

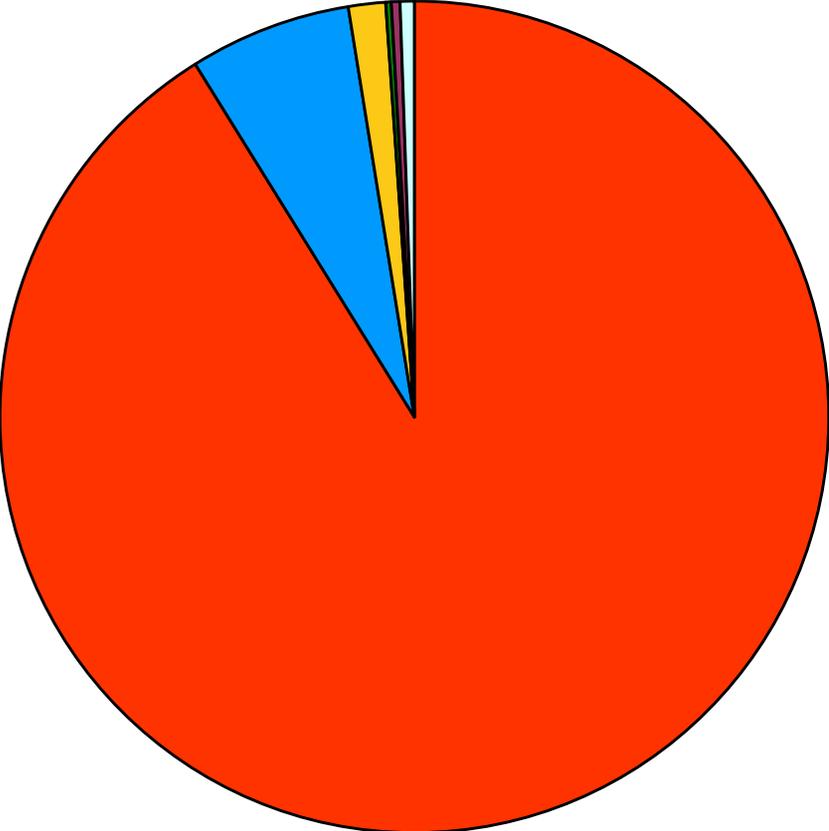
Asset Allocation and Performance

Ohio Bureau of Workers Compensation (Ohio BWC)

Asset Allocation

As of June 30, 2010*

| | |
|------------------------|-------|
| ■ SIF Accounts | 91.6% |
| ■ DWRP Fund Composite | 6.6% |
| ■ BLF Fund Composite | 1.4% |
| ■ PWRP Fund Composite | 0.1% |
| ■ MIF Fund Composite | 0.1% |
| ■ SIEGF Fund Composite | 0.2% |



**Total Market Value
\$19,008,875,271**

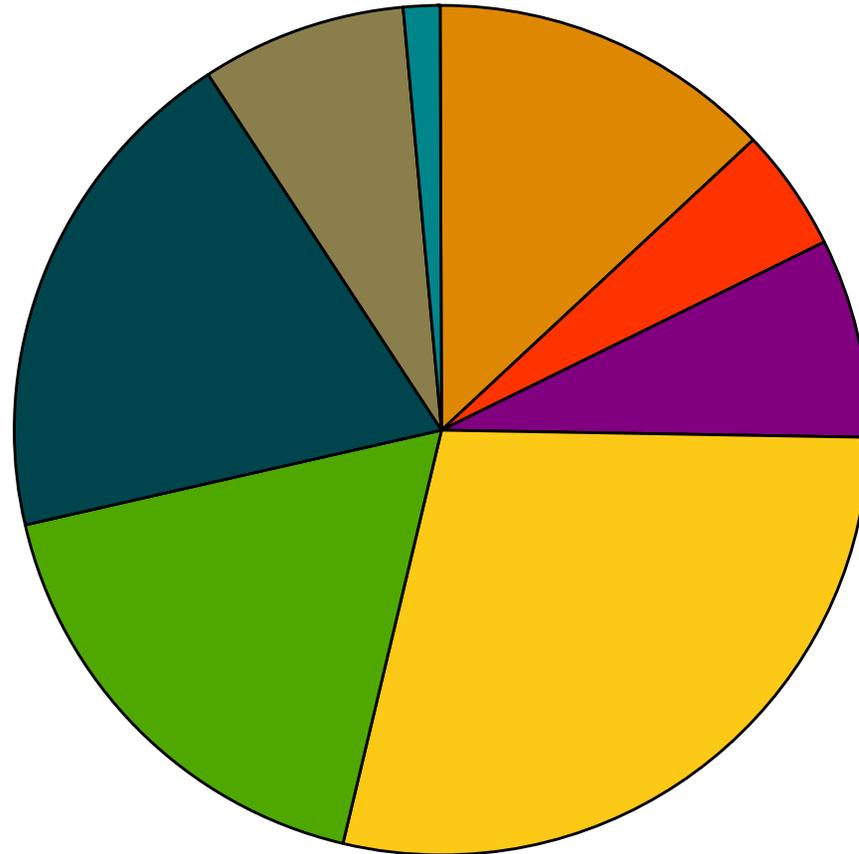
* Numbers may not add to 100% due to rounding.

Ohio Bureau of Workers Compensation (Ohio BWC)

Asset Allocation

As of June 30, 2010*

| | |
|----------------------------|-------|
| Aggregate Fixed Income | 13.2% |
| Long Dur. Gov't/Credit FI | 4.7% |
| Long Dur. Government FI | 7.4% |
| Long Dur. Credit FI | 28.3% |
| TIPS Fixed Income | 17.7% |
| Int. Duration Fixed Income | 0.2% |
| Domestic Equity | 19.2% |
| International Equity | 7.9% |
| Short Term Investments | 1.4% |



Total Market Value
\$19,008,875,271

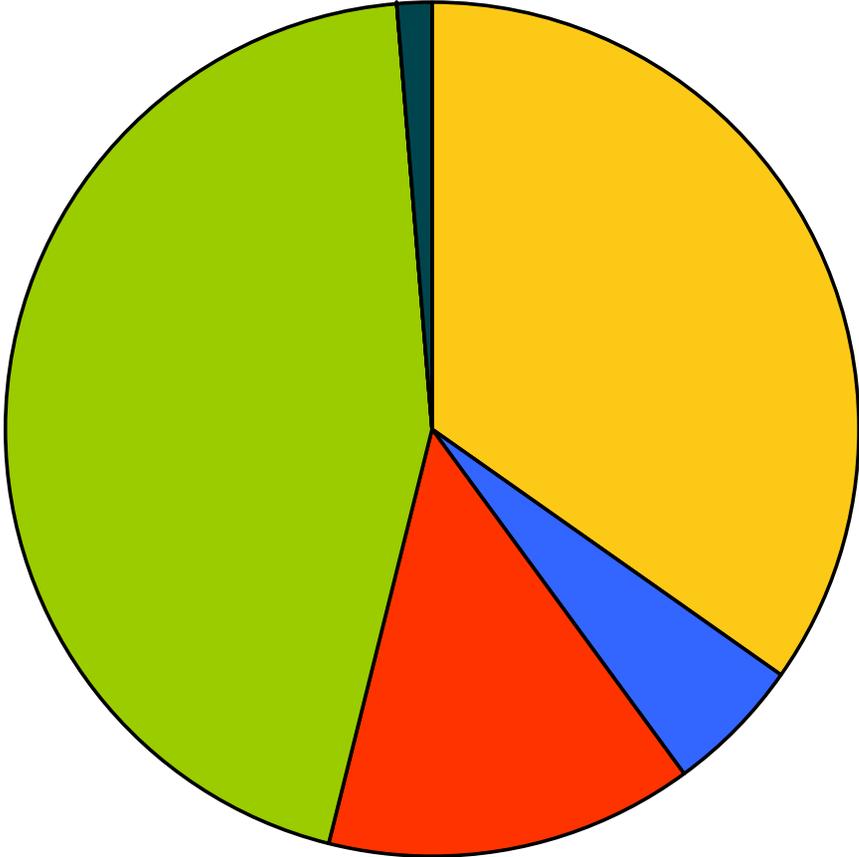
* Numbers may not add to 100% due to rounding.

Ohio Bureau of Workers Compensation (Ohio BWC)

Asset Allocation

As of June 30, 2010*

| | |
|------------------------------|-------|
| BlackRock | 34.7% |
| Mellon | 5.3% |
| Northern Trust | 13.9% |
| State Street Global Advisors | 44.8% |
| ACWixUS TM #2 | 0.0% |
| Russell 3000 TM #3 | 0.0% |
| Cash & Miscellaneous | 1.4% |



Total Market Value
\$19,008,875,271

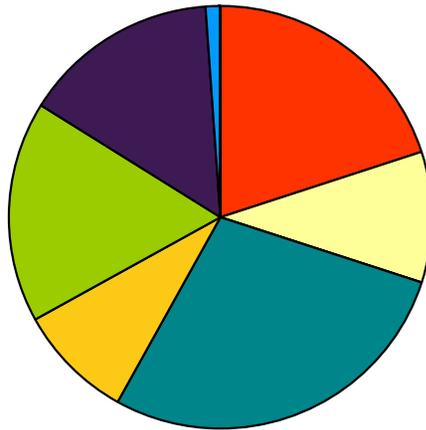
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Ohio Bureau of Workers Compensation (Ohio BWC)

Asset Allocation – State Insurance Fund

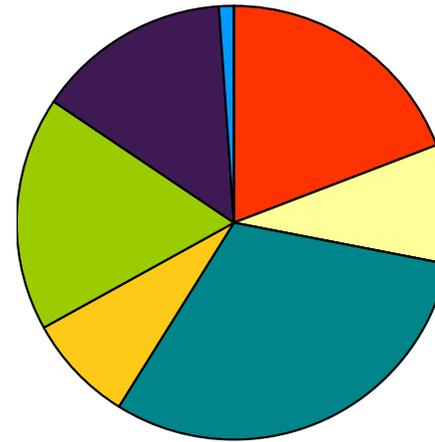
Policy Benchmark

| | |
|-------------------------|-------|
| Domestic Equity | 20.0% |
| Non US Equity | 10.0% |
| Long Dur. Credit FI | 28.0% |
| Long Dur. Government FI | 9.0% |
| TIPS | 17.0% |
| Aggregate Fixed Income | 15.0% |
| Cash Equivalents | 1.0% |



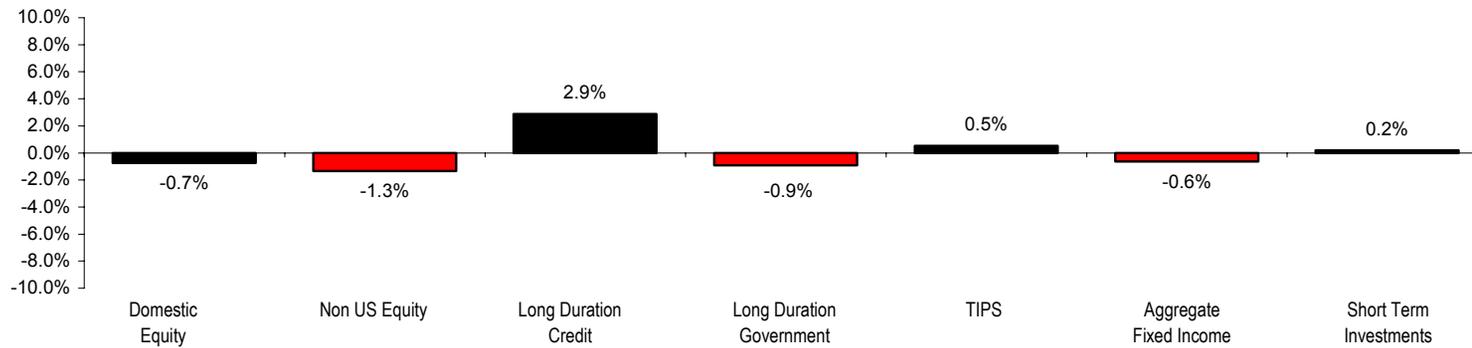
As of June 30, 2010

| | |
|-------------------------|-------|
| Domestic Equity | 19.3% |
| Non US Equity | 8.7% |
| Long Dur. Credit FI | 30.9% |
| Long Dur. Government FI | 8.1% |
| TIPS | 17.5% |
| Aggregate Fixed Income | 14.4% |
| Cash Equivalents | 1.2% |



Total Market Value
\$17,403,441,989

Asset Allocation vs. Policy Benchmark



Ohio Bureau of Workers Compensation (Ohio BWC)

Reconciliation

Portfolio Reconciliation By Manager

| | Quarter Ending June 30, 2010 | | | |
|---|------------------------------|-----------------------|-----------------------|-------------------------|
| | Beginning Market Value | Net Cash Flow | Net Investment Change | Ending Market Value |
| SIF U.S. Aggregate Index TM #1 | \$53,623 | -\$53,629 | \$6 | \$0 |
| SIF SSGA U.S. Aggregate Index | \$2,416,725,229 | -\$94,684 | \$83,721,753 | \$2,500,352,298 |
| SIF SSGA Government Long Duration Index | \$33,556 | -\$8,866 | \$9 | \$24,699 |
| SIF BlackRock Government Long Duration Index | \$1,259,874,159 | -\$204,918 | \$148,479,922 | \$1,408,149,163 |
| SIF SSGA Credit Long Duration Index | \$3,636,729,426 | -\$665,130 | \$215,946,082 | \$3,852,010,378 |
| SIF BlackRock Credit Long Duration Index | \$1,437,531,846 | -\$562,415 | \$86,319,937 | \$1,523,289,368 |
| SIF BlackRock TIPS Index | \$2,069,346,025 | -\$241,702 | \$83,118,922 | \$2,152,223,244 |
| SIF SSGA TIPS Index | \$862,216,233 | -\$71,198 | \$34,640,186 | \$896,785,221 |
| SIF Russell 3000 Index TM #3 | \$3,779,733,902 | -\$3,492,497,685 | -\$286,800,931 | \$435,286 |
| SIF MCM Russell 3000 Index | \$0 | \$1,047,694,162 | -\$41,771,228 | \$1,005,922,934 |
| SIF NTGI Russell 3000 Index | \$0 | \$2,444,607,634 | -\$97,721,342 | \$2,346,886,291 |
| SIF ACWI ex US TM #2 | \$68,387 | \$0 | -\$93 | \$68,295 |
| SIF BlackRock ACWI ex US Index | \$1,723,629,369 | -\$190,122 | -\$214,248,788 | \$1,509,190,459 |
| SIF Miscellaneous Holding Account | \$4,110,271 | -\$344,811 | \$447,352 | \$4,212,812 |
| SIF Transition Account | \$1,076,128 | \$0 | -\$60,109 | \$1,016,019 |
| SIF Cash Account | \$380,816,269 | -\$178,003,500 | \$62,754 | \$202,875,522 |
| DWRF SSGA Government/Credit Long Duration Index | \$690,044,135 | -\$7,103,364 | \$58,079,678 | \$741,020,449 |
| DWRF SSGA TIPS Index | \$252,144,913 | -\$28,496 | \$10,129,933 | \$262,246,349 |
| DWRF NTGI S&P 500 Index | \$275,346,273 | -\$3,579 | -\$31,417,753 | \$243,924,942 |
| DWRF Cash Account | \$133,967 | \$387,904 | \$143 | \$522,013 |
| BLF SSGA Government/Credit Long Duration Index | \$148,325,267 | -\$1,230,417 | \$12,582,071 | \$159,676,922 |
| BLF SSGA TIPS Index | \$52,752,183 | -\$55,787 | \$2,119,034 | \$54,815,429 |
| BLF NTGI S&P 500 Index | \$58,432,168 | -\$759 | -\$6,667,265 | \$51,764,144 |
| BLF Cash Account | \$302,327 | -\$204,967 | \$66 | \$97,427 |
| PWRF SSGA Government/Credit Intermediate Duration Index | \$24,165,073 | -\$4,719 | \$714,143 | \$24,874,497 |
| PWRF Cash Account | \$175,320 | -\$85,958 | \$27 | \$89,389 |
| MIF SSGA Government/Credit Intermediate Duration Index | \$18,054,487 | -\$3,525 | \$533,559 | \$18,584,521 |
| MIF Cash Account | \$426,890 | \$56,511 | \$104 | \$483,505 |
| SIEGF Cash Account | \$48,661,064 | -\$1,338,160 | \$10,792 | \$47,333,696 |
| Total | \$19,140,908,490 | -\$190,252,181 | \$58,218,963 | \$19,008,875,271 |

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Net of Fee)*

Total Plan Performance

| Name | Current Market Value | Current Allocation | Ending June 30, 2010 | | | | | | | | | | Inception | |
|---|-------------------------|--------------------|----------------------|-----------|--------------|-----------|--------------|------|-------------|------|-------------|------|--------------|---------------|
| | | | 3 Mo | Rank | YTD | Rank | 1 Yr | Rank | 3 Yrs | Rank | 5 Yrs | Rank | Return | Since |
| Total Fund | \$19,008,875,271 | 100.0% | 0.3% | -- | 2.7% | -- | 12.0% | -- | 4.8% | -- | 5.2% | -- | 5.2% | Jun-05 |
| SIF Fund Composite | \$17,403,441,989 | 91.6% | 0.1% | -- | 2.5% | -- | 11.8% | -- | 4.8% | -- | 5.2% | -- | 5.2% | Jun-05 |
| <i>SIF Policy Benchmark**</i> | | | 0.2% | -- | 2.7% | -- | 13.0% | -- | -- | -- | -- | -- | -- | Jun-05 |
| SIF Bond Composite | \$12,332,834,371 | 64.9% | 5.6% | -- | 7.2% | -- | 12.9% | -- | 8.7% | -- | -- | -- | 7.2% | Dec-06 |
| SIF U.S. Aggregate Composite | \$2,500,352,298 | 13.2% | 3.5% | -- | 5.2% | -- | -- | -- | -- | -- | -- | -- | 7.0% | Jul-09 |
| <i>Barclays Capital Aggregate</i> | | | 3.5% | -- | 5.3% | -- | 9.5% | -- | 7.5% | -- | 5.5% | -- | 7.8% | Jul-09 |
| SSGA U.S. Aggregate Index | \$2,500,352,298 | 13.2% | 3.5% | 34 | 5.2% | 74 | -- | -- | -- | -- | -- | -- | 5.2% | Dec-09 |
| <i>Barclays Capital Aggregate</i> | | | 3.5% | 32 | 5.3% | 69 | 9.5% | 88 | 7.5% | 71 | 5.5% | 77 | 5.3% | Dec-09 |
| <i>Mercer Instl US Fixed Core Median</i> | | | 3.2% | | 5.7% | | 12.2% | | 8.2% | | 6.1% | | 5.7% | Dec-09 |
| SIF U.S. Long Government Composite | \$1,408,173,862 | 7.4% | 11.8% | 11 | 13.0% | 17 | -- | -- | -- | -- | -- | -- | 12.1% | Jul-09 |
| <i>Barclays Capital LT Govt.</i> | | | 11.8% | 11 | 12.9% | 17 | 12.2% | 99 | 10.4% | 54 | 6.0% | 68 | 11.3% | Jul-09 |
| <i>Mercer Instl US Fixed Long Duration Median</i> | | | 8.3% | | 10.6% | | 18.6% | | 10.6% | | 6.5% | | 18.6% | Jul-09 |
| SSGA Government Long Duration Index | \$24,699 | 0.0% | 0.0% | 99 | 2.1% | 99 | -- | -- | -- | -- | -- | -- | 0.6% | Jul-09 |
| <i>Barclays Capital LT Govt.</i> | | | 11.8% | 11 | 12.9% | 17 | 12.2% | 99 | 10.4% | 54 | 6.0% | 68 | 11.3% | Jul-09 |
| <i>Mercer Instl US Fixed Long Duration Median</i> | | | 8.3% | | 10.6% | | 18.6% | | 10.6% | | 6.5% | | 18.6% | Jul-09 |
| BlackRock Government Long Duration Index | \$1,408,149,163 | 7.4% | 11.8% | 11 | 13.4%*** | 13 | -- | -- | -- | -- | -- | -- | 9.7% | Aug-09 |
| <i>Barclays Capital LT Govt.</i> | | | 11.8% | 11 | 12.9% | 17 | 12.2% | 99 | 10.4% | 54 | 6.0% | 68 | 9.4% | Aug-09 |
| <i>Mercer Instl US Fixed Long Duration Median</i> | | | 8.3% | | 10.6% | | 18.6% | | 10.6% | | 6.5% | | 18.6% | Aug-09 |

*See appendix for gross of fee performance

**See appendix for benchmark composition

***Tracking error due to pricing differences between custodian and manager and cash flows

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Net of Fee)*

| Name | Current Market Value | Current Allocation | Ending June 30, 2010 | | | | | | | | | | Inception | |
|--|------------------------|--------------------|----------------------|-----------|-------------|-----------|-------------|------|-------------|------|-------|------|--------------|---------------|
| | | | 3 Mo | Rank | YTD | Rank | 1 Yr | Rank | 3 Yrs | Rank | 5 Yrs | Rank | Return | Since |
| SIF U.S. Long Credit Composite | \$5,375,299,746 | 28.3% | 5.9% | 74 | 8.2% | 91 | -- | -- | -- | -- | -- | -- | 13.1% | Jul-09 |
| <i>Barclays Capital LT Credit</i> | | | 5.9% | 74 | 8.1% | 93 | 20.1% | 79 | 8.2% | 94 | 5.0% | 99 | 12.9% | Jul-09 |
| <i>Mercer Instl US Fixed Long Credit Median</i> | | | 6.5% | | 9.0% | | 21.3% | | 9.4% | | 5.8% | | 21.3% | Jul-09 |
| SSGA Credit Long Duration Index | \$3,852,010,378 | 20.3% | 5.9% | 75 | 8.1% | 93 | -- | -- | -- | -- | -- | -- | 12.8% | Jul-09 |
| <i>Barclays Capital LT Credit</i> | | | 5.9% | 74 | 8.1% | 93 | 20.1% | 79 | 8.2% | 94 | 5.0% | 99 | 12.9% | Jul-09 |
| <i>Mercer Instl US Fixed Long Credit Median</i> | | | 6.5% | | 9.0% | | 21.3% | | 9.4% | | 5.8% | | 21.3% | Jul-09 |
| BlackRock Credit Long Duration Index | \$1,523,289,368 | 8.0% | 6.0% | 72 | 8.4%** | 79 | -- | -- | -- | -- | -- | -- | 10.3% | Aug-09 |
| <i>Barclays Capital LT Credit</i> | | | 5.9% | 74 | 8.1% | 93 | 20.1% | 79 | 8.2% | 94 | 5.0% | 99 | 10.4% | Aug-09 |
| <i>Mercer Instl US Fixed Long Credit Median</i> | | | 6.5% | | 9.0% | | 21.3% | | 9.4% | | 5.8% | | 21.3% | Aug-09 |
| SIF TIPS Composite | \$3,049,008,466 | 16.0% | 4.0% | -- | 4.4% | -- | 9.6% | -- | 7.5% | -- | -- | -- | 7.1% | Jan-07 |
| <i>Barclays Capital US TIPS</i> | | | 3.8% | -- | 4.4% | -- | 9.5% | -- | 7.6% | -- | 5.0% | -- | 7.2% | Jan-07 |
| BlackRock TIPS Index | \$2,152,223,244 | 11.3% | 4.0% | 43 | -- | -- | -- | -- | -- | -- | -- | -- | 3.9% | Feb-10 |
| <i>Barclays Capital US TIPS</i> | | | 3.8% | 67 | 4.4% | 71 | 9.5% | 78 | 7.6% | 66 | 5.0% | 82 | 4.0% | Feb-10 |
| <i>Mercer Instl US Fixed Inflation Linked Bonds Median</i> | | | 4.0% | | 4.5% | | 10.1% | | 7.8% | | 5.2% | | 4.5% | Feb-10 |
| SSGA TIPS Index | \$896,785,221 | 4.7% | 4.0% | 39 | 4.0%*** | 85 | 9.2% | 86 | 7.4% | 84 | -- | -- | 7.0% | Jan-07 |
| <i>Barclays Capital US TIPS</i> | | | 3.8% | 67 | 4.4% | 71 | 9.5% | 78 | 7.6% | 66 | 5.0% | 82 | 7.2% | Jan-07 |
| <i>Mercer Instl US Fixed Inflation Linked Bonds Median</i> | | | 4.0% | | 4.5% | | 10.1% | | 7.8% | | 5.2% | | 7.2% | Jan-07 |

*See appendix for gross of fee performance

**Tracking error due to pricing differences between custodian and manager

***Tracking error due to pricing differences between custodian and manager and cash flows

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Net of Fee)*

| Name | Current Market Value | Current Allocation | Ending June 30, 2010 | | | | | | | | | | Inception | |
|---|------------------------|--------------------|----------------------|-----------|---------------|-----------|--------------|-----------|---------------|-----------|-------------|-----------|--------------|---------------|
| | | | 3 Mo | Rank | YTD | Rank | 1 Yr | Rank | 3 Yrs | Rank | 5 Yrs | Rank | Return | Since |
| SIF Equity Composite | \$4,867,732,096 | 25.6% | -11.6% | -- | -7.7% | -- | 12.4% | -- | -10.3% | -- | -- | -- | -7.1% | Dec-06 |
| <i>SIF Equity Composite Benchmark</i> | | | -11.6% | -- | -7.6% | -- | 13.2% | -- | -- | -- | -- | -- | -- | Dec-06 |
| SIF U.S. Public Equity Composite | \$3,353,244,511 | 17.6% | -11.3% | 47 | -6.0% | 45 | 15.0% | 54 | -9.6% | 62 | -- | -- | -7.1% | Jan-07 |
| <i>SIF US Public Equity Benchmark</i> | | | -11.3% | 47 | -6.0% | 46 | 15.0% | 54 | -9.7% | 63 | -- | -- | -7.1% | Jan-07 |
| <i>Mercer Instl US Equity All Cap Core Median</i> | | | -11.5% | | -6.3% | | 15.3% | | -9.1% | | 0.7% | | -4.7% | Jan-07 |
| Russell 3000 Index TM #3 | \$435,286 | 0.0% | -7.6% | 13 | -2.1% | 29 | -- | -- | -- | -- | -- | -- | 6.4% | Oct-09 |
| <i>Russell 3000</i> | | | -11.3% | 62 | -6.0% | 63 | 15.7% | 59 | -9.5% | 66 | -0.5% | 74 | 2.1% | Oct-09 |
| <i>Mercer Instl US Equity Combined Median</i> | | | -10.7% | | -4.7% | | 17.1% | | -8.0% | | 1.0% | | 0.6% | Oct-09 |
| MCM Russell 3000 Index | \$1,005,922,934 | 5.3% | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -5.7% | May-10 |
| <i>Russell 3000</i> | | | -11.3% | 62 | -6.0% | 63 | 15.7% | 59 | -9.5% | 66 | -0.5% | 74 | -5.7% | May-10 |
| <i>Mercer Instl US Equity Combined Median</i> | | | -10.7% | | -4.7% | | 17.1% | | -8.0% | | 1.0% | | -10.7% | May-10 |
| NTGI Russell 3000 Index | \$2,346,886,291 | 12.3% | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -5.7% | May-10 |
| <i>Russell 3000</i> | | | -11.3% | 62 | -6.0% | 63 | 15.7% | 59 | -9.5% | 66 | -0.5% | 74 | -5.7% | May-10 |
| <i>Mercer Instl US Equity Combined Median</i> | | | -10.7% | | -4.7% | | 17.1% | | -8.0% | | 1.0% | | -10.7% | May-10 |
| SIF International Equity Composite | \$1,509,258,754 | 7.9% | -12.5% | -- | -11.2% | -- | -- | -- | -- | -- | -- | -- | -2.9% | Aug-09 |
| ACWI ex US TM #2 | \$68,295 | 0.0% | -0.1% | -- | -6.6% | -- | -- | -- | -- | -- | -- | -- | 2.1% | Aug-09 |
| <i>MSCI AC World ex USA (Net)</i> | | | -12.4% | -- | -11.1% | -- | 10.4% | -- | -10.7% | -- | 3.4% | -- | -3.0% | Aug-09 |
| BlackRock ACWI ex US Index | \$1,509,190,459 | 7.9% | -12.5% | 51 | -- | -- | -- | -- | -- | -- | -- | -- | -12.5% | Mar-10 |
| <i>MSCI AC World ex USA (Net)</i> | | | -12.4% | 51 | -11.1% | 50 | 10.4% | 42 | -10.7% | 44 | 3.4% | 44 | -12.4% | Mar-10 |
| <i>Mercer Instl Intl Equity Median</i> | | | -12.4% | | -11.1% | | 9.1% | | -11.2% | | 2.9% | | -12.4% | Mar-10 |
| Miscellaneous Holding Account | \$4,212,812 | 0.0% | 11.3% | -- | 24.8% | -- | 98.4% | -- | 76.4% | -- | -- | -- | 58.6% | Nov-06 |
| Transition Account | \$1,016,019 | 0.0% | -5.6% | -- | -6.3% | -- | -3.7% | -- | -- | -- | -- | -- | -6.4% | Dec-07 |
| SIF Cash Composite | \$202,875,522 | 1.1% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 1.8% | -- | 3.5% | -- | 3.5% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | Jun-05 |
| SIF Cash Account | \$202,875,522 | 1.1% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 1.8% | -- | 3.6% | -- | 3.6% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | Jun-05 |

*See appendix for gross of fee performance

Mercer Investment Consulting, Inc.

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Net of Fee)*

| Name | Current Market Value | Current Allocation | Ending June 30, 2010 | | | | | | | | | | Inception | |
|--|------------------------|--------------------|----------------------|------|-------------|------|--------------|------|-------------|------|-------|------|-------------|---------------|
| | | | 3 Mo | Rank | YTD | Rank | 1 Yr | Rank | 3 Yrs | Rank | 5 Yrs | Rank | Return | Since |
| DWRF Composite | \$1,247,713,753 | 6.6% | 3.0% | -- | 5.3% | -- | 14.3% | -- | 5.5% | -- | -- | -- | 5.0% | Dec-06 |
| <i>DWRF Policy Benchmark</i> | | | 3.4% | -- | 5.6% | -- | 14.8% | -- | -- | -- | -- | -- | -- | <i>Dec-06</i> |
| SSGA Government/Credit Long Duration Index | \$741,020,449 | 3.9% | 8.4% | 39 | 10.2% | 72 | 15.7%** | 82 | -- | -- | -- | -- | 8.6% | Oct-07 |
| <i>Barclays Capital LT Govt/Credit</i> | | | 8.6% | 31 | 10.2% | 72 | 16.5% | 77 | 9.4% | 77 | 5.6% | 95 | 8.6% | <i>Oct-07</i> |
| <i>Mercer Instl US Fixed Long Duration Median</i> | | | 8.3% | | 10.6% | | 18.6% | | 10.6% | | 6.5% | | 10.2% | <i>Oct-07</i> |
| SSGA TIPS Index | \$262,246,349 | 1.4% | 4.0% | 43 | 4.4% | 65 | 9.7% | 72 | -- | -- | -- | -- | 6.3% | Oct-07 |
| <i>Barclays Capital US TIPS</i> | | | 3.8% | 67 | 4.4% | 71 | 9.5% | 78 | 7.6% | 66 | 5.0% | 82 | 6.4% | <i>Oct-07</i> |
| <i>Mercer Instl US Fixed Inflation Linked Bonds Median</i> | | | 4.0% | | 4.5% | | 10.1% | | 7.8% | | 5.2% | | 6.9% | <i>Oct-07</i> |
| NTGI S&P 500 Index | \$243,924,942 | 1.3% | -11.4% | 48 | -6.6% | 44 | 14.7% | 37 | -- | -- | -- | -- | -11.1% | Sep-07 |
| <i>S&P 500 Index (Total Return)</i> | | | -11.4% | 48 | -6.7% | 46 | 14.4% | 40 | -9.8% | 69 | -0.8% | 79 | -11.3% | <i>Sep-07</i> |
| <i>Mercer Instl US Equity Large Cap Core Median</i> | | | -11.5% | | -6.8% | | 13.8% | | -8.9% | | 0.2% | | -10.4% | <i>Sep-07</i> |
| DWRF Cash Account | \$522,013 | 0.0% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 3.2% | -- | 3.3% | -- | 3.3% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | <i>Jun-05</i> |
| BLF Composite | \$266,353,922 | 1.4% | 3.1% | -- | 5.4% | -- | 14.4% | -- | 5.4% | -- | -- | -- | 4.9% | Dec-06 |
| <i>BLF Policy Benchmark</i> | | | 3.4% | -- | 5.6% | -- | 14.8% | -- | -- | -- | -- | -- | -- | <i>Dec-06</i> |
| SSGA Government/Credit Long Duration Index | \$159,676,922 | 0.8% | 8.5% | 35 | 10.3% | 71 | 15.9%** | 81 | -- | -- | -- | -- | 8.8% | Oct-07 |
| <i>Barclays Capital LT Govt/Credit</i> | | | 8.6% | 31 | 10.2% | 72 | 16.5% | 77 | 9.4% | 77 | 5.6% | 95 | 8.6% | <i>Oct-07</i> |
| <i>Mercer Instl US Fixed Long Duration Median</i> | | | 8.3% | | 10.6% | | 18.6% | | 10.6% | | 6.5% | | 10.2% | <i>Oct-07</i> |
| SSGA TIPS Index | \$54,815,429 | 0.3% | 4.0% | 39 | 4.4% | 65 | 9.7% | 72 | -- | -- | -- | -- | 6.3% | Oct-07 |
| <i>Barclays Capital US TIPS</i> | | | 3.8% | 67 | 4.4% | 71 | 9.5% | 78 | 7.6% | 66 | 5.0% | 82 | 6.4% | <i>Oct-07</i> |
| <i>Mercer Instl US Fixed Inflation Linked Bonds Median</i> | | | 4.0% | | 4.5% | | 10.1% | | 7.8% | | 5.2% | | 6.9% | <i>Oct-07</i> |
| NTGI S&P 500 Index | \$51,764,144 | 0.3% | -11.4% | 48 | -6.6% | 44 | 14.7% | 37 | -- | -- | -- | -- | -11.2% | Sep-07 |
| <i>S&P 500 Index (Total Return)</i> | | | -11.4% | 48 | -6.7% | 46 | 14.4% | 40 | -9.8% | 69 | -0.8% | 79 | -11.3% | <i>Sep-07</i> |
| <i>Mercer Instl US Equity Large Cap Core Median</i> | | | -11.5% | | -6.8% | | 13.8% | | -8.9% | | 0.2% | | -10.4% | <i>Sep-07</i> |
| BLF Cash Account | \$97,427 | 0.0% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 2.9% | -- | 3.3% | -- | 3.3% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | <i>Jun-05</i> |

*See appendix for gross of fee performance

**Tracking error due to pricing differences between custodian and manager and security selection

Mercer Investment Consulting, Inc.

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Net of Fee)*

| Name | Current Market Value | Current Allocation | Ending June 30, 2010 | | | | | | | | | | Inception | |
|--|----------------------|--------------------|----------------------|------|-------------|------|-------------|------|-------------|------|-------|------|-------------|---------------|
| | | | 3 Mo | Rank | YTD | Rank | 1 Yr | Rank | 3 Yrs | Rank | 5 Yrs | Rank | Return | Since |
| PWRF Composite | \$24,963,886 | 0.1% | 2.9% | -- | 4.5% | -- | 8.1% | -- | 4.8% | -- | -- | -- | 4.4% | Dec-06 |
| <i>PWRF Policy Benchmark</i> | | | 2.9% | -- | 4.5% | -- | 8.2% | -- | -- | -- | -- | -- | -- | Dec-06 |
| SSGA Government/Credit Intermediate Duration Index | \$24,874,497 | 0.1% | 2.9% | 40 | 4.5% | 74 | 8.1% | 83 | -- | -- | -- | -- | 8.1% | Feb-09 |
| <i>Barclays Capital Int Govt/Credit</i> | | | 3.0% | 34 | 4.6% | 66 | 8.3% | 80 | 7.0% | 77 | 5.3% | 86 | 8.2% | Feb-09 |
| <i>Mercer Instl US Fixed Intermediate Median</i> | | | 2.8% | | 4.7% | | 9.4% | | 7.7% | | 5.8% | | 8.6% | Feb-09 |
| PWRF Cash Account | \$89,389 | 0.0% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 1.8% | -- | 2.3% | -- | 2.3% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | Jun-05 |
| MIF Composite | \$19,068,025 | 0.1% | 2.9% | -- | 4.4% | -- | 8.0% | -- | 4.7% | -- | -- | -- | 4.4% | Dec-06 |
| <i>MIF Policy Benchmark</i> | | | 2.9% | -- | 4.5% | -- | 8.2% | -- | -- | -- | -- | -- | -- | Dec-06 |
| SSGA Government/Credit Intermediate Duration Index | \$18,584,521 | 0.1% | 2.9% | 40 | 4.5% | 74 | 8.1% | 83 | -- | -- | -- | -- | 8.1% | Feb-09 |
| <i>Barclays Capital Int Govt/Credit</i> | | | 3.0% | 34 | 4.6% | 66 | 8.3% | 80 | 7.0% | 77 | 5.3% | 86 | 8.2% | Feb-09 |
| <i>Mercer Instl US Fixed Intermediate Median</i> | | | 2.8% | | 4.7% | | 9.4% | | 7.7% | | 5.8% | | 8.6% | Feb-09 |
| MIF Cash Account | \$483,505 | 0.0% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 1.7% | -- | 2.5% | -- | 2.5% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | Jun-05 |
| SIEGF Composite | \$47,333,696 | 0.2% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 1.8% | -- | -- | -- | 2.2% | Dec-06 |
| <i>SIEGF Policy Benchmark</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | -- | -- | -- | -- | -- | Dec-06 |
| SIEGF Cash Account | \$47,333,696 | 0.2% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 1.8% | -- | 2.9% | -- | 2.9% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | Jun-05 |

*See appendix for gross of fee performance

What's New at Mercer

People

- Hired **Benson Hua** (Chicago) in the alternatives boutique to cover unlisted assets in areas including private equity, venture capital and timber

Events

- Will hold a client investment forum in Toronto (September 28 – 29) titled “Taking Advantage of a Two-Speed World”
- Bryan Boudreau, from our Financial Strategy Group, is the host for P&I’s LDI conference in Dallas, Chicago, New York and San Francisco. Mercer will also present the opening session at each location

Awards

- Delegated Investment Provider of the Year – UK Pension Awards 2010
- Best Investment Consultancy 2010 – IPE Real Estate Awards event in Europe 2010

Intellectual Capital – White Papers

- Perspectives on Bond Investments – The changing world of fixed income investing (June 2010)
- Perspectives on Equity Investments – Making the most of your equity investment (June 2010)
- Risk Parity – Opportunities and pitfalls (June 2010)
- Mezzanine Debt – An attractive lending opportunity (May 2010)
- Hedge Fund Managed Accounts – Do they live up to expectations? (May 2010)
- Diversification – A look at risk factors (May 2010)
- Introduction of non-US Small Cap Equity (May 2010)
- Commodities – Mercer’s view (April 2010)
- DC Plan Management and Pension Inconsistency – Is your plan at risk? (April 2010)

Conference Speaking (Second Quarter)

- **Marina Batliwalla** – Identifying Promising Investment Opportunities for Institutional Investors, Opal Investment Trends Summit
- **Catherine Beard** – University of Chicago Distressed Investing Conference, Emerging Managers Conference and Skybridge Alternatives (SALT) Conference
- **Steve Case** – Risk Parity, Asset International CIO Summit
- **Jeff Gabrione** - Hedge Fund Governance - Institutional Investor's Hedge Fund Symposium and Hedge Funds 101 – OPERS 9th Annual Investor Day
- **Eddie Guerra** – Asset Allocation Looking Back, Now Looking Forward, TEXPERS Conference
- **Stephen Jones**, Risk Assessment in Hedge Funds, Institutional Investor, Alpha Hedge Global Hedge Fund Conference
- **Doug Kryscio** – Consultants Roundtable, IMN's Illinois PERS Summit and Emerging Manager Panel, NASP
- **David Nix** – Real estate, Institutional Investor's 2010 HFIF Public Funds Roundtable
- **Kweku Obed** – Pension Funded Status, Plan Sponsor/MetLife Symposium and Illinois PERS Conference
- **Tom Raftery and Bryon Willy** – Private Debt and Fixed Income Trends, The Blackstone Group/GSO Capital Partners – 2010 Credit Conference
- **Michelle Reuter** – Optimizing Real Estate Securities Strategies in a Diversified Investment Program, RREEF's Global Real Estate Securities client conference
- **Stacy Scapino** – Securities Lending, NASP
- **Freeman Wood** – Operational Risk, P&I conferences (Chicago, New York, San Francisco)

Conference Speaking (Upcoming)

- **Richard Faw** – Asset Allocation/LDI, Pension Fund Forum (September 15)
- **Craig Metrick** – ESG Investing for Institutions, Public Funds East (July 23) and Fiduciary Duty Beyond the Traditional View, Program for Advanced Trustee Studies for the Labor and Worklife Program at Harvard Law School) (July 28)
- **Andrew Ness** – Successful RFP Design, National Association of Governmental Defined Contribution Administrators (September 15)

Appendix

Appendix – Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Gross of Fee)

Total Plan Performance

| Name | Current Market Value | Current Allocation | Ending June 30, 2010 | | | | | | | | | | Inception | |
|---|-------------------------|--------------------|----------------------|-----------|--------------|-----------|--------------|------|-------------|------|-------------|------|--------------|---------------|
| | | | 3 Mo | Rank | YTD | Rank | 1 Yr | Rank | 3 Yrs | Rank | 5 Yrs | Rank | Return | Since |
| Total Fund | \$19,008,875,271 | 100.0% | 0.3% | -- | 2.7% | -- | 12.0% | -- | 4.8% | -- | 5.2% | -- | 5.2% | Jun-05 |
| SIF Fund Composite | \$17,403,441,989 | 91.6% | 0.1% | -- | 2.5% | -- | 11.9% | -- | 4.8% | -- | 5.2% | -- | 5.2% | Jun-05 |
| <i>SIF Policy Benchmark*</i> | | | 0.2% | -- | 2.7% | -- | 13.0% | -- | -- | -- | -- | -- | -- | Jun-05 |
| SIF Bond Composite | \$12,332,834,371 | 64.9% | 5.6% | -- | 7.2% | -- | 12.9% | -- | 8.7% | -- | -- | -- | 7.3% | Dec-06 |
| SIF U.S. Aggregate Composite | \$2,500,352,298 | 13.2% | 3.5% | -- | 5.3% | -- | -- | -- | -- | -- | -- | -- | 7.0% | Jul-09 |
| <i>Barclays Capital Aggregate</i> | | | 3.5% | -- | 5.3% | -- | 9.5% | -- | 7.5% | -- | 5.5% | -- | 7.8% | Jul-09 |
| SSGA U.S. Aggregate Index | \$2,500,352,298 | 13.2% | 3.5% | 33 | 5.3% | 74 | -- | -- | -- | -- | -- | -- | 5.3% | Dec-09 |
| <i>Barclays Capital Aggregate</i> | | | 3.5% | 32 | 5.3% | 69 | 9.5% | 88 | 7.5% | 71 | 5.5% | 77 | 5.3% | Dec-09 |
| <i>Mercer Instl US Fixed Core Median</i> | | | 3.2% | | 5.7% | | 12.2% | | 8.2% | | 6.1% | | 5.7% | Dec-09 |
| SIF U.S. Long Government Composite | \$1,408,173,862 | 7.4% | 11.8% | 11 | 13.0% | 17 | -- | -- | -- | -- | -- | -- | 12.2% | Jul-09 |
| <i>Barclays Capital LT Govt.</i> | | | 11.8% | 11 | 12.9% | 17 | 12.2% | 99 | 10.4% | 54 | 6.0% | 68 | 11.3% | Jul-09 |
| <i>Mercer Instl US Fixed Long Duration Median</i> | | | 8.3% | | 10.6% | | 18.6% | | 10.6% | | 6.5% | | 18.6% | Jul-09 |
| SSGA Government Long Duration Index | \$24,699 | 0.0% | 0.0% | 99 | 2.1% | 99 | -- | -- | -- | -- | -- | -- | 0.6% | Jul-09 |
| <i>Barclays Capital LT Govt.</i> | | | 11.8% | 11 | 12.9% | 17 | 12.2% | 99 | 10.4% | 54 | 6.0% | 68 | 11.3% | Jul-09 |
| <i>Mercer Instl US Fixed Long Duration Median</i> | | | 8.3% | | 10.6% | | 18.6% | | 10.6% | | 6.5% | | 18.6% | Jul-09 |
| BlackRock Government Long Duration Index | \$1,408,149,163 | 7.4% | 11.8% | 11 | 13.4%** | 13 | -- | -- | -- | -- | -- | -- | 9.7% | Aug-09 |
| <i>Barclays Capital LT Govt.</i> | | | 11.8% | 11 | 12.9% | 17 | 12.2% | 99 | 10.4% | 54 | 6.0% | 68 | 9.4% | Aug-09 |
| <i>Mercer Instl US Fixed Long Duration Median</i> | | | 8.3% | | 10.6% | | 18.6% | | 10.6% | | 6.5% | | 18.6% | Aug-09 |

*See appendix for benchmark composition

**Tracking error due to pricing differences between custodian and manager and cash flows

Appendix – Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Gross of Fee)

| Name | Current Market Value | Current Allocation | Ending June 30, 2010 | | | | | | | | | | Inception | |
|--|------------------------|--------------------|----------------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-----------|-----------|--------------|---------------|
| | | | 3 Mo | Rank | YTD | Rank | 1 Yr | Rank | 3 Yrs | Rank | 5 Yrs | Rank | Return | Since |
| SIF U.S. Long Credit Composite | \$5,375,299,746 | 28.3% | 5.9% | 73 | 8.2% | 88 | -- | -- | -- | -- | -- | -- | 13.1% | Jul-09 |
| <i>Barclays Capital LT Credit</i> | | | 5.9% | 74 | 8.1% | 93 | 20.1% | 79 | 8.2% | 94 | 5.0% | 99 | 12.9% | Jul-09 |
| <i>Mercer Instl US Fixed Long Credit Median</i> | | | 6.5% | | 9.0% | | 21.3% | | 9.4% | | 5.8% | | 21.3% | Jul-09 |
| SSGA Credit Long Duration Index | \$3,852,010,378 | 20.3% | 5.9% | 74 | 8.2% | 93 | -- | -- | -- | -- | -- | -- | 12.9% | Jul-09 |
| <i>Barclays Capital LT Credit</i> | | | 5.9% | 74 | 8.1% | 93 | 20.1% | 79 | 8.2% | 94 | 5.0% | 99 | 12.9% | Jul-09 |
| <i>Mercer Instl US Fixed Long Credit Median</i> | | | 6.5% | | 9.0% | | 21.3% | | 9.4% | | 5.8% | | 21.3% | Jul-09 |
| BlackRock Credit Long Duration Index | \$1,523,289,368 | 8.0% | 6.0% | 71 | 8.5%* | 78 | -- | -- | -- | -- | -- | -- | 10.4% | Aug-09 |
| <i>Barclays Capital LT Credit</i> | | | 5.9% | 74 | 8.1% | 93 | 20.1% | 79 | 8.2% | 94 | 5.0% | 99 | 10.4% | Aug-09 |
| <i>Mercer Instl US Fixed Long Credit Median</i> | | | 6.5% | | 9.0% | | 21.3% | | 9.4% | | 5.8% | | 21.3% | Aug-09 |
| SIF TIPS Composite | \$3,049,008,466 | 16.0% | 4.0% | -- | 4.4% | -- | 9.6% | -- | 7.6% | -- | -- | -- | 7.1% | Jan-07 |
| <i>Barclays Capital US TIPS</i> | | | 3.8% | -- | 4.4% | -- | 9.5% | -- | 7.6% | -- | 5.0% | -- | 7.2% | Jan-07 |
| BlackRock TIPS Index | \$2,152,223,244 | 11.3% | 4.0% | 43 | -- | -- | -- | -- | -- | -- | -- | -- | 3.9% | Feb-10 |
| <i>Barclays Capital US TIPS</i> | | | 3.8% | 67 | 4.4% | 71 | 9.5% | 78 | 7.6% | 66 | 5.0% | 82 | 4.0% | Feb-10 |
| <i>Mercer Instl US Fixed Inflation Linked Bonds Median</i> | | | 4.0% | | 4.5% | | 10.1% | | 7.8% | | 5.2% | | 4.5% | Feb-10 |
| SSGA TIPS Index | \$896,785,221 | 4.7% | 4.0% | 39 | 4.0%** | 85 | 9.2% | 86 | 7.4% | 83 | -- | -- | 7.0% | Jan-07 |
| <i>Barclays Capital US TIPS</i> | | | 3.8% | 67 | 4.4% | 71 | 9.5% | 78 | 7.6% | 66 | 5.0% | 82 | 7.2% | Jan-07 |
| <i>Mercer Instl US Fixed Inflation Linked Bonds Median</i> | | | 4.0% | | 4.5% | | 10.1% | | 7.8% | | 5.2% | | 7.2% | Jan-07 |

*Tracking error due to pricing differences between custodian and manager

**Tracking error due to pricing differences between custodian and manager and cash flows

Appendix – Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Gross of Fee)

| Name | Current Market Value | Current Allocation | Ending June 30, 2010 | | | | | | | | | | Inception | |
|---|------------------------|--------------------|----------------------|-----------|---------------|-----------|--------------|-----------|---------------|-----------|-------------|-----------|--------------|---------------|
| | | | 3 Mo | Rank | YTD | Rank | 1 Yr | Rank | 3 Yrs | Rank | 5 Yrs | Rank | Return | Since |
| SIF Equity Composite | \$4,867,732,096 | 25.6% | -11.6% | -- | -7.7% | -- | 12.4% | -- | -10.3% | -- | -- | -- | -7.1% | Dec-06 |
| <i>SIF Equity Composite Benchmark</i> | | | -11.6% | -- | -7.6% | -- | 13.2% | -- | -- | -- | -- | -- | -- | Dec-06 |
| SIF U.S. Public Equity Composite | \$3,353,244,511 | 17.6% | -11.3% | 47 | -6.0% | 43 | 15.0% | 54 | -9.6% | 62 | -- | -- | -7.1% | Jan-07 |
| <i>SIF US Public Equity Benchmark</i> | | | -11.3% | 47 | -6.0% | 46 | 15.0% | 54 | -9.7% | 63 | -- | -- | -7.1% | Jan-07 |
| <i>Mercer Instl US Equity All Cap Core Median</i> | | | -11.5% | | -6.3% | | 15.3% | | -9.1% | | 0.7% | | -4.7% | Jan-07 |
| Russell 3000 Index TM #3 | \$435,286 | 0.0% | -7.6% | 13 | -2.1% | 29 | -- | -- | -- | -- | -- | -- | 6.4% | Oct-09 |
| <i>Russell 3000</i> | | | -11.3% | 62 | -6.0% | 63 | 15.7% | 59 | -9.5% | 66 | -0.5% | 74 | 2.1% | Oct-09 |
| <i>Mercer Instl US Equity Combined Median</i> | | | -10.7% | | -4.7% | | 17.1% | | -8.0% | | 1.0% | | 0.6% | Oct-09 |
| MCM Russell 3000 Index | \$1,005,922,934 | 5.3% | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -5.7% | May-10 |
| <i>Russell 3000</i> | | | -11.3% | 62 | -6.0% | 63 | 15.7% | 59 | -9.5% | 66 | -0.5% | 74 | -5.7% | May-10 |
| <i>Mercer Instl US Equity Combined Median</i> | | | -10.7% | | -4.7% | | 17.1% | | -8.0% | | 1.0% | | -10.7% | May-10 |
| NTGI Russell 3000 Index | \$2,346,886,291 | 12.3% | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -5.7% | May-10 |
| <i>Russell 3000</i> | | | -11.3% | 62 | -6.0% | 63 | 15.7% | 59 | -9.5% | 66 | -0.5% | 74 | -5.7% | May-10 |
| <i>Mercer Instl US Equity Combined Median</i> | | | -10.7% | | -4.7% | | 17.1% | | -8.0% | | 1.0% | | -10.7% | May-10 |
| SIF International Equity Composite | \$1,509,258,754 | 7.9% | -12.4% | -- | -11.2% | -- | -- | -- | -- | -- | -- | -- | -2.9% | Aug-09 |
| ACWI ex US TM #2 | \$68,295 | 0.0% | -0.1% | -- | -6.6% | -- | -- | -- | -- | -- | -- | -- | 2.1% | Aug-09 |
| <i>MSCI AC World ex USA (Net)</i> | | | -12.4% | -- | -11.1% | -- | 10.4% | -- | -10.7% | -- | 3.4% | -- | -3.0% | Aug-09 |
| BlackRock ACWI ex US Index | \$1,509,190,459 | 7.9% | -12.4% | 50 | -- | -- | -- | -- | -- | -- | -- | -- | -12.4% | Mar-10 |
| <i>MSCI AC World ex USA (Net)</i> | | | -12.4% | 50 | -11.1% | 50 | 10.4% | 42 | -10.7% | 44 | 3.4% | 44 | -12.4% | Mar-10 |
| <i>Mercer Instl Intl Equity Median</i> | | | -12.4% | | -11.1% | | 9.1% | | -11.2% | | 2.9% | | -12.4% | Mar-10 |
| Miscellaneous Holding Account | \$4,212,812 | 0.0% | 11.3% | -- | 24.8% | -- | 98.4% | -- | 76.4% | -- | -- | -- | 58.6% | Nov-06 |
| Transition Account | \$1,016,019 | 0.0% | -5.6% | -- | -6.3% | -- | -3.7% | -- | -- | -- | -- | -- | -6.4% | Dec-07 |
| SIF Cash Composite | \$202,875,522 | 1.1% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 1.8% | -- | 3.7% | -- | 3.7% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | Jun-05 |
| SIF Cash Account | \$202,875,522 | 1.1% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 1.8% | -- | 3.6% | -- | 3.6% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | Jun-05 |

Appendix – Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Gross of Fee)

| Name | Current Market Value | Current Allocation | Ending June 30, 2010 | | | | | | | | | | Inception | |
|--|------------------------|--------------------|----------------------|------|-------------|------|--------------|------|-------------|------|-------|------|-------------|---------------|
| | | | 3 Mo | Rank | YTD | Rank | 1 Yr | Rank | 3 Yrs | Rank | 5 Yrs | Rank | Return | Since |
| DWRF Composite | \$1,247,713,753 | 6.6% | 3.0% | -- | 5.3% | -- | 14.3% | -- | 5.5% | -- | -- | -- | 5.0% | Dec-06 |
| <i>DWRF Policy Benchmark</i> | | | 3.4% | -- | 5.6% | -- | 14.8% | -- | -- | -- | -- | -- | -- | <i>Dec-06</i> |
| SSGA Government/Credit Long Duration Index | \$741,020,449 | 3.9% | 8.5% | 38 | 10.2% | 72 | 15.8%* | 82 | -- | -- | -- | -- | 8.7% | Oct-07 |
| <i>Barclays Capital LT Govt/Credit</i> | | | 8.6% | 31 | 10.2% | 72 | 16.5% | 77 | 9.4% | 77 | 5.6% | 95 | 8.6% | Oct-07 |
| <i>Mercer Instl US Fixed Long Duration Median</i> | | | 8.3% | | 10.6% | | 18.6% | | 10.6% | | 6.5% | | 10.2% | Oct-07 |
| SSGA TIPS Index | \$262,246,349 | 1.4% | 4.0% | 39 | 4.5% | 63 | 9.7% | 72 | -- | -- | -- | -- | 6.3% | Oct-07 |
| <i>Barclays Capital US TIPS</i> | | | 3.8% | 67 | 4.4% | 71 | 9.5% | 78 | 7.6% | 66 | 5.0% | 82 | 6.4% | Oct-07 |
| <i>Mercer Instl US Fixed Inflation Linked Bonds Median</i> | | | 4.0% | | 4.5% | | 10.1% | | 7.8% | | 5.2% | | 6.9% | Oct-07 |
| NTGI S&P 500 Index | \$243,924,942 | 1.3% | -11.4% | 48 | -6.6% | 44 | 14.7% | 37 | -- | -- | -- | -- | -11.1% | Sep-07 |
| <i>S&P 500 Index (Total Return)</i> | | | -11.4% | 48 | -6.7% | 46 | 14.4% | 40 | -9.8% | 69 | -0.8% | 79 | -11.3% | Sep-07 |
| <i>Mercer Instl US Equity Large Cap Core Median</i> | | | -11.5% | | -6.8% | | 13.8% | | -8.9% | | 0.2% | | -10.4% | Sep-07 |
| DWRF Cash Account | \$522,013 | 0.0% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 3.2% | -- | 3.0% | -- | 3.0% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | Jun-05 |
| BLF Composite | \$266,353,922 | 1.4% | 3.1% | -- | 5.4% | -- | 14.4% | -- | 5.4% | -- | -- | -- | 4.9% | Dec-06 |
| <i>BLF Policy Benchmark</i> | | | 3.4% | -- | 5.6% | -- | 14.8% | -- | -- | -- | -- | -- | -- | <i>Dec-06</i> |
| SSGA Government/Credit Long Duration Index | \$159,676,922 | 0.8% | 8.5% | 35 | 10.3% | 71 | 16.0%* | 81 | -- | -- | -- | -- | 8.9% | Oct-07 |
| <i>Barclays Capital LT Govt/Credit</i> | | | 8.6% | 31 | 10.2% | 72 | 16.5% | 77 | 9.4% | 77 | 5.6% | 95 | 8.6% | Oct-07 |
| <i>Mercer Instl US Fixed Long Duration Median</i> | | | 8.3% | | 10.6% | | 18.6% | | 10.6% | | 6.5% | | 10.2% | Oct-07 |
| SSGA TIPS Index | \$54,815,429 | 0.3% | 4.0% | 39 | 4.5% | 63 | 9.7% | 72 | -- | -- | -- | -- | 6.3% | Oct-07 |
| <i>Barclays Capital US TIPS</i> | | | 3.8% | 67 | 4.4% | 71 | 9.5% | 78 | 7.6% | 66 | 5.0% | 82 | 6.4% | Oct-07 |
| <i>Mercer Instl US Fixed Inflation Linked Bonds Median</i> | | | 4.0% | | 4.5% | | 10.1% | | 7.8% | | 5.2% | | 6.9% | Oct-07 |
| NTGI S&P 500 Index | \$51,764,144 | 0.3% | -11.4% | 48 | -6.6% | 44 | 14.7% | 37 | -- | -- | -- | -- | -11.2% | Sep-07 |
| <i>S&P 500 Index (Total Return)</i> | | | -11.4% | 48 | -6.7% | 46 | 14.4% | 40 | -9.8% | 69 | -0.8% | 79 | -11.3% | Sep-07 |
| <i>Mercer Instl US Equity Large Cap Core Median</i> | | | -11.5% | | -6.8% | | 13.8% | | -8.9% | | 0.2% | | -10.4% | Sep-07 |
| BLF Cash Account | \$97,427 | 0.0% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 2.9% | -- | 3.1% | -- | 3.1% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | Jun-05 |

*Tracking error due to pricing differences between custodian and manager and security selection

Appendix – Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Gross of Fee)

| Name | Current Market Value | Current Allocation | Ending June 30, 2010 | | | | | | | | | | Inception | |
|--|----------------------|--------------------|----------------------|------|-------------|------|-------------|------|-------------|------|-------|------|-------------|---------------|
| | | | 3 Mo | Rank | YTD | Rank | 1 Yr | Rank | 3 Yrs | Rank | 5 Yrs | Rank | Return | Since |
| PWRF Composite | \$24,963,886 | 0.1% | 2.9% | -- | 4.5% | -- | 8.1% | -- | 4.8% | -- | -- | -- | 4.4% | Dec-06 |
| <i>PWRF Policy Benchmark</i> | | | 2.9% | -- | 4.5% | -- | 8.2% | -- | -- | -- | -- | -- | -- | Dec-06 |
| SSGA Government/Credit Intermediate Duration Index | \$24,874,497 | 0.1% | 2.9% | 40 | 4.5% | 72 | 8.2% | 81 | -- | -- | -- | -- | 8.1% | Feb-09 |
| <i>Barclays Capital Int Govt/Credit</i> | | | 3.0% | 34 | 4.6% | 66 | 8.3% | 80 | 7.0% | 77 | 5.3% | 86 | 8.2% | Feb-09 |
| <i>Mercer Instl US Fixed Intermediate Median</i> | | | 2.8% | | 4.7% | | 9.4% | | 7.7% | | 5.8% | | 8.6% | Feb-09 |
| PWRF Cash Account | \$89,389 | 0.0% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 1.8% | -- | 2.3% | -- | 2.3% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | Jun-05 |
| MIF Composite | \$19,068,025 | 0.1% | 2.9% | -- | 4.4% | -- | 8.0% | -- | 4.8% | -- | -- | -- | 4.4% | Dec-06 |
| <i>MIF Policy Benchmark</i> | | | 2.9% | -- | 4.5% | -- | 8.2% | -- | -- | -- | -- | -- | -- | Dec-06 |
| SSGA Government/Credit Intermediate Duration Index | \$18,584,521 | 0.1% | 2.9% | 40 | 4.5% | 72 | 8.2% | 81 | -- | -- | -- | -- | 8.1% | Feb-09 |
| <i>Barclays Capital Int Govt/Credit</i> | | | 3.0% | 34 | 4.6% | 66 | 8.3% | 80 | 7.0% | 77 | 5.3% | 86 | 8.2% | Feb-09 |
| <i>Mercer Instl US Fixed Intermediate Median</i> | | | 2.8% | | 4.7% | | 9.4% | | 7.7% | | 5.8% | | 8.6% | Feb-09 |
| MIF Cash Account | \$483,505 | 0.0% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 1.8% | -- | 2.5% | -- | 2.5% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | Jun-05 |
| SIEGF Composite | \$47,333,696 | 0.2% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 1.8% | -- | -- | -- | 2.2% | Dec-06 |
| <i>SIEGF Policy Benchmark</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | -- | -- | -- | -- | -- | Dec-06 |
| SIEGF Cash Account | \$47,333,696 | 0.2% | 0.0% | -- | 0.0% | -- | 0.1% | -- | 1.8% | -- | 2.9% | -- | 2.9% | Jun-05 |
| <i>BofA Merrill Lynch 91 Day T-Bill</i> | | | 0.0% | -- | 0.0% | -- | 0.2% | -- | 1.5% | -- | 2.7% | -- | 2.7% | Jun-05 |

Appendix

Benchmark Weights

The benchmarks for their respective accounts are as follows:

| | Weight | | Weight |
|--|--------|--|--------|
| SIF Policy Benchmark*: | | PWRF Policy Benchmark: | |
| BarCap US Long Credit Index | 28% | BarCap Long US Government/Credit Index | 99% |
| BarCap US Long Government Index | 9% | 3 Month US Treasury Bill | 1% |
| BarCap US Aggregate Index | 15% | | |
| BarCap US TIPS Index | 17% | TOTAL: | 100% |
| 3 Month US Treasury Bill | 1% | | |
| Russell 3000 Index | 20% | MIF Policy Benchmark: | |
| MSCI All Country World ex US Index | 10% | BarCap Long US Government/Credit Index | 99% |
| | | 3 Month US Treasury Bill | 1% |
| TOTAL: | 100% | TOTAL: | 100% |
| | | | |
| DWRF Policy Benchmark: | | SIEGF Policy Benchmark: | |
| BarCap Long US Government/Credit Index | 59% | 3 Month US Treasury Bill | 100% |
| BarCap US TIPS Index | 20% | | |
| S&P 500 Index | 20% | | |
| 3 Month US Treasury Bill | 1% | | |
| TOTAL: | 100% | | |
| | | | |
| BLF Policy Benchmark: | | | |
| BarCap Long US Government/Credit Index | 59% | | |
| BarCap US TIPS Index | 20% | | |
| S&P 500 Index | 20% | | |
| 3 Month US Treasury Bill | 1% | | |
| TOTAL: | 100% | | |

* From January 1, 2008 until September 30, 2009 the SIF Benchmark was comprised of BarCap Long US Government/Credit Index - 59%; BarCap US TIPS Index - 20%; S&P 500 Index - 20%; 3 Month US Treasury Bill - 1%.

Appendix – Fee Schedule

Manager Roster and Fee Schedule

as of June 30, 2010

| Account | Fee Schedule | Est. Minimum Annual Fee (\$) | Estimated Annual Fee (\$) | Estimated Annual Fee (%) |
|---|---|------------------------------|---------------------------|--------------------------|
| SIF U.S. Aggregate Composite | | | | |
| SSGA U.S. Aggregate Index | 0.01% of First \$500.0 Mil, 0.01% of Next \$1,000.0 Mil, 0.01% Thereafter | | \$305,035 | 0.01% |
| SIF U.S. Long Government Composite | | | | |
| SSGA Government Long Duration Index | 0.03% of First \$1,000.0 Mil, 0.01% of Next \$1,000.0 Mil, 0.01% Thereafter | \$0 | \$6 | 0.03% |
| BlackRock Government Long Duration Index | 0.03% of First \$1,000.0 Mil, 0.03% of Next \$1,000.0 Mil, 0.02% Thereafter | | \$402,037 | 0.03% |
| SIF U.S. Long Credit | | | | |
| SSGA Credit Long Duration Index | 0.05% of First \$1,000.0 Mil, 0.04% of Next \$1,000.0 Mil, 0.03% Thereafter | \$0 | \$1,363,003 | 0.04% |
| BlackRock Credit Long Duration Index | 0.09% of First \$1,000.0 Mil, 0.07% of Next \$1,000.0 Mil, 0.06% Thereafter | | \$1,292,467 | 0.08% |
| SIF TIPS Composite | | | | |
| BlackRock TIPS Index | 0.04% of First \$1,000.0 Mil, 0.03% of Next \$1,000.0 Mil, 0.03% Thereafter | | \$688,056 | 0.03% |
| SSGA TIPS Index | 0.01% of First \$500.0 Mil, 0.01% of Next \$1,000.0 Mil, 0.01% Thereafter | \$0 | \$114,679 | 0.01% |

Appendix – Fee Schedule

| Account | Fee Schedule | Est. Minimum Annual Fee (\$) | Estimated Annual Fee (\$) | Estimated Annual Fee (%) |
|--|---|------------------------------|---------------------------|--------------------------|
| SIF U.S. Public Equity Composite | | | | |
| Russell 3000 Index TM #3 | 0.06% of First \$100.0 Mil, 0.04% of Next \$900.0 Mil, 0.04% of Next \$1,000.0 Mil, 0.04% Thereafter | | \$239 | 0.06% |
| MCM Russell 3000 Index | 0.01% of First \$2,000.0 Mil, 0.01% Thereafter | \$75,000 | \$100,592 | 0.01% |
| NTGI Russell 3000 Index | 0.01% of Assets | \$50,000 | \$305,095 | 0.01% |
| SIF International Equity Composite | | | | |
| ACWI ex US TM #2 | | | -- | -- |
| BlackRock ACWI ex US Index | 0.07% of First \$100.0 Mil, 0.05% of Next \$900.0 Mil, 0.04% of Next \$1,000.0 Mil, 0.03% Thereafter | | \$723,676 | 0.05% |
| Miscellaneous Holding Account | | | -- | -- |
| Transition Account | | | -- | -- |
| SIF Cash Composite | | | | |
| SIF Cash Account | | | -- | -- |
| DWRF Composite | | | | |
| SSGA Government/Credit Long Duration Index | 0.03% of First \$1,000.0 Mil, 0.02% of Next \$1,000.0 Mil, 0.01% Thereafter | \$0 | \$222,306 | 0.03% |
| SSGA TIPS Index | 0.01% of First \$500.0 Mil, 0.01% of Next \$1,000.0 Mil, 0.01% Thereafter | \$0 | \$39,337 | 0.02% |
| NTGI S&P 500 Index | 0.01% of Assets | \$0 | \$19,514 | 0.01% |
| DWRF Cash Account | | | -- | -- |

Appendix – Fee Schedule

| Account | Fee Schedule | Est. Minimum Annual Fee (\$) | Estimated Annual Fee (\$) | Estimated Annual Fee (%) |
|--|---|------------------------------|---------------------------|--------------------------|
| BLF Composite | | | | |
| SSGA Government/Credit Long Duration Index | 0.03% of First \$1,000.0 Mil, 0.02% of Next \$1,000.0 Mil, 0.01% Thereafter | \$0 | \$47,903 | 0.03% |
| SSGA TIPS Index | 0.01% of First \$500.0 Mil, 0.01% of Next \$1,000.0 Mil, 0.01% Thereafter | \$0 | \$8,222 | 0.02% |
| NTGI S&P 500 Index | 0.01% of Assets | \$0 | \$4,141 | 0.01% |
| BLF Cash Account | | | -- | -- |
| PWRF Composite | | | | |
| SSGA Government/Credit Intermediate Duration Index | 0.04% of First \$500.0 Mil, 0.03% of Next \$500.0 Mil, 0.02% Thereafter | \$0 | \$9,950 | 0.04% |
| PWRF Cash Account | | | -- | -- |
| MIF Composite | | | | |
| SSGA Government/Credit Intermediate Duration Index | 0.04% of First \$500.0 Mil, 0.03% of Next \$500.0 Mil, 0.02% Thereafter | \$0 | \$7,434 | 0.04% |
| MIF Cash Account | | | -- | -- |
| SIEGF Composite | | | | |
| SIEGF Cash Account | | | -- | -- |
| Investment Management Fee | | | \$5,653,693 | 0.03% |

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**Ohio Bureau of Workers' Compensation
Invested Assets Market Value Comparison
TOTAL FUNDS**

| <u>Asset Sector</u> | <u>Market Value July 31, 2010</u> | <u>% Assets</u> | <u>Market Value June 30, 2010</u> | <u>% Assets</u> | <u>Increase(Decrease) Prior Fiscal Year-End</u> | <u>% Change</u> |
|------------------------------|---------------------------------------|---------------------|---------------------------------------|---------------------|---|---------------------|
| Bonds | 13,699,457,182 | 70.1% | 13,537,054,766 | 71.2% | 162,402,416 | 1.2% |
| Equity | 5,538,792,286 | 28.3% | 5,154,562,423 | 27.1% | 384,229,863 | 7.5% |
| Net Cash - OIM | 68,556,694 | 0.4% | 64,622,125 | 0.3% | 3,934,569 | 6.1% |
| Net Cash - Operating | 188,221,036 | 1.0% | 217,413,398 | 1.2% | (29,192,362) | -13.4% |
| Net Cash - SIEGF | 44,740,803 | 0.2% | 47,335,733 | 0.2% | (2,594,930) | -5.5% |
| Total Net Cash | 301,518,533 | 1.6% | 329,371,256 | 1.7% | (27,852,723) | -8.5% |
| Total Invested Assets | \$19,539,768,001 | 100% | \$19,020,988,445 | 100% | \$518,779,556 | 2.7% |

OIM: Outside Investment Managers

SIEGF: Self-Insured Employers' Guaranty Fund

Market Value of Bonds and Stocks includes accrued investment income.

Net Cash includes the impact of net trade receivables/payables, accrued money market earnings, and accrued investment manager fees.

July 2010/June 2010 Comparisons

- Net investment income in July 2010 was \$557 million representing a monthly net portfolio return of +2.9% (unaudited).
- Bond market value increase of \$162.4 mm comprised of \$51.8 mm in interest income and \$113.9 mm in OIM realized/unrealized gains (\$11.9 mm net realized gain), offset by \$3.3 mm in OIM net bond sales (increasing OIM cash balances accordingly), representing a monthly net return of +1.2% (unaudited).
- Equity market value increase of \$384.2 mm comprised of \$6.1 mm of dividend income and \$385.4 mm in net realized/unrealized gains (\$4.4 mm net realized loss), offset by \$1.0 mm in OIM net stock sales (increasing OIM cash balances) and \$6.3 mm in miscellaneous asset redemptions, representing a monthly net return of +7.6% (unaudited).
- Net cash balances decreased \$27.9 mm in July 2010 largely due to decreased operating cash balances (\$29.2 mm).
JPMorgan US Govt. money market fund had 30-day average yield of 0.10% for July 2010 (0.09% for June10) and 7-day average yield of 0.11% on 7/31/10 (0.08% on 6/30/10).

Ohio Bureau of Workers' Compensation Investment Asset Allocation - Combining Schedule

As of July 31, 2010

(in thousands)

| | SIF | % Trust | DWRF | % Trust | BLF | % Trust | PWRF | % Trust | MIF | % Trust | SIEGF | % Trust | ACF | % Trust | Totals | % of Total |
|--|----------------------|---------------|---------------------|---------------|-------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|-----------------|---------------|----------------------|---------------|
| Bonds | \$ 12,440,879 | 69.5% | \$ 1,000,414 | 78.6% | \$ 214,229 | 78.7% | \$ 25,147 | 98.6% | \$ 18,788 | 98.2% | \$ - | 0.0% | \$ - | 0.0% | \$ 13,699,457 | 70.1% |
| Long Credit | 5,459,344 | 30.5% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 5,459,344 | 27.9% |
| Long Government | 1,407,755 | 7.9% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 1,407,755 | 7.3% |
| Long Gov/Credit | - | 0.0% | 738,240 | 58.0% | 159,416 | 58.6% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 897,656 | 4.6% |
| TIPS | 3,046,708 | 17.0% | 262,174 | 20.6% | 54,813 | 20.1% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 3,363,695 | 17.2% |
| Aggregate | 2,527,072 | 14.1% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 2,527,072 | 12.9% |
| Intermediate Gov/Credit | - | 0.0% | - | 0.0% | - | 0.0% | 25,147 | 98.6% | 18,788 | 98.2% | - | 0.0% | - | 0.0% | 43,935 | 0.2% |
| Stocks | 5,221,802 | 29.2% | 261,497 | 20.4% | 55,493 | 20.4% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 5,538,792 | 28.3% |
| Russell 3000 | 3,571,461 | 20.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 3,571,461 | 18.2% |
| MSCI ACWI ex-U.S. | 1,644,992 | 9.2% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 1,644,992 | 8.5% |
| S&P 500 | - | 0.0% | 261,022 | 20.4% | 55,392 | 20.4% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 316,414 | 1.6% |
| Dividends Receivable | 5,314 | 0.0% | 475 | 0.0% | 101 | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 5,890 | 0.0% |
| Miscellaneous | 35 | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 35 | 0.0% |
| Net Cash & Cash Equivalents | 236,758 | 1.3% | 13,024 | 1.0% | 2,383 | 0.9% | 351 | 1.4% | 335 | 1.8% | 44,741 | 100.0% | 3,927 | 100.0% | 301,519 | 1.6% |
| Total Cash & Investments | \$ 17,899,439 | 100.0% | \$ 1,274,935 | 100.0% | \$ 272,105 | 100.0% | \$ 25,498 | 100.0% | \$ 19,123 | 100.0% | \$ 44,741 | 100.0% | \$ 3,927 | 100.0% | \$ 19,539,768 | 100.0% |

Market value of bonds includes accrued investment income.

Net cash and cash equivalents includes the impact of net trade receivables/payables, accrued money market earnings, and accrued investment manager fees.

State Insurance Fund (SIF)

Overall SIF allocation to 70% bonds/30% stocks from 80% bonds/20% stocks was completed in December, 2009 (new asset allocation transitions began in July, 2009). Transitions included the Russell 3000, Barclays US Aggregate, the Long Credit/Government split and four tranches of the international equity mandate which completes the overall new asset allocation for SIF by asset class. Final placement transitions to approved target investment managers were completed in Second Quarter, 2010.

All equity indices returns notably increased for the MSCI ACWI ex-U.S. (+9.03%), S&P 500 (+7.01%) as well as the Russell 3000 (+6.94%) in the month of July. As a result the equity allocation increased to 29.2% for the month from 27.9% for the prior month-end. Additionally, all bond indices returns increased for the Barclays Capital Long Credit Index (+2.27%), U.S. Aggregate Bond Index (+1.07%), Barclays Capital Government Long Term Index (+0.21%), as well as the U.S. TIPS Index (+0.14%) in July. The SIF strong equity performance overshadowed the positive bond indices resulting in the overall bond asset allocation decreasing from 70.6% at end of June to 69.5% at end of July.

Cash allocations slightly decreased from 1.5% at end of June to 1.3% at end of July largely due to decreased SIF operating cash of \$35.3 million slightly offset by a miscellaneous asset redemption of \$6.3 million (increase in cash balances) and \$3.9 million increased investment manager cash balances.

Disabled Workers' Relief and Coal Workers' Pneumoconiosis Funds (DWRF and BLF)

BWC Board of Directors' Investment Committee approved the Coal Workers' Pneumoconiosis Fund new asset allocation at the December, 2009 meeting and the Disabled Workers' Relief Fund new asset allocation at the January, 2010 meeting (see Fund Asset Allocation chart below.) Transitions include the Barclays U.S. Aggregate, U.S. TIPS, Russell 3000 and the MSCI ACWI ex U.S. Final placement of funds to approved target investment managers are anticipated to be completed in late Summer, 2010.

PWRF, MIF, SIEGF

BWC Board of Directors' Investment Committee approved/confirmed the PWRF Fund new asset allocation and the MIF Fund new asset allocation at the March, 2010 meeting. The SIEGF analysis is anticipated for late 2010/early 2011.

| Fund Asset Allocation: | | | | |
|------------------------|--------|-------|----------------|-------|
| | Equity | Bonds | Cash | Total |
| SIF | 30% | 69% | 1% | 100% |
| DWRF | 30% | 69% | 1% | 100% |
| BLF | 20% | 79% | 1% | 100% |
| PWRF | | 99% | 1% | 100% |
| MIF | | 99% | 1% | 100% |
| SIEGF | | | 100% | 100% |
| ACF | | | Not Applicable | |

SIF: State Insurance Fund

DWRF: Disabled Workers' Relief Fund

PWRF: Public Work-Relief Employees' Fund

SIEGF: Self Insured Employers Guarantee Fund

BLF: Coal Workers' Pneumoconiosis Fund

MIF: Marine Industry Fund

ACF: Administrative Cost Fund

Ohio Bureau of Workers' Compensation Investment Asset Allocation - Combining Schedule

As of June 30, 2010

(in thousands)

| | SIF | % Trust | DWRF | % Trust | BLF | % Trust | PWRF | % Trust | MIF | % Trust | SIEGF | % Trust | ACF | % Trust | Totals | % of Total |
|--|----------------------|---------------|---------------------|---------------|-------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|----------------------|---------------|
| Bonds | \$ 12,279,932 | 70.6% | \$ 1,000,079 | 80.2% | \$ 213,585 | 80.2% | \$ 24,875 | 99.6% | \$ 18,584 | 97.4% | \$ - | 0.0% | \$ - | 0.0% | \$ 13,537,055 | 71.2% |
| Long Credit | 5,334,350 | 30.6% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 5,334,350 | 28.0% |
| Long Government | 1,399,412 | 8.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 1,399,412 | 7.5% |
| Long Gov/Credit | - | 0.0% | 737,952 | 59.2% | 158,768 | 59.6% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 896,720 | 4.7% |
| TIPS | 3,048,452 | 17.5% | 262,127 | 21.0% | 54,817 | 20.6% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 3,365,396 | 17.7% |
| Aggregate | 2,497,718 | 14.5% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 2,497,718 | 13.1% |
| Intermediate Gov/Credit | - | 0.0% | - | 0.0% | - | 0.0% | 24,875 | 99.6% | 18,584 | 97.4% | - | 0.0% | - | 0.0% | 43,459 | 0.2% |
| Stocks | 4,858,397 | 27.9% | 244,318 | 19.5% | 51,847 | 19.5% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 5,154,562 | 27.1% |
| Russell 3000 | 3,340,918 | 19.2% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 3,340,918 | 17.5% |
| MSCI ACWI ex-U.S. | 1,509,191 | 8.7% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 1,509,191 | 8.0% |
| S&P 500 | - | 0.0% | 243,925 | 19.5% | 51,764 | 19.5% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 295,689 | 1.6% |
| Dividends Receivable | 4,408 | 0.0% | 393 | 0.0% | 83 | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 4,884 | 0.0% |
| Miscellaneous | 3,880 | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | 3,880 | 0.0% |
| Net Cash & Cash Equivalents | 266,804 | 1.5% | 3,419 | 0.3% | 930 | 0.3% | 89 | 0.4% | 501 | 2.6% | 47,336 | 100.0% | 10,292 | 100.0% | 329,371 | 1.7% |
| Total Cash & Investments | \$ 17,405,133 | 100.0% | \$ 1,247,816 | 100.0% | \$ 266,362 | 100.0% | \$ 24,964 | 100.0% | \$ 19,085 | 100.0% | \$ 47,336 | 100.0% | \$ 10,292 | 100.0% | \$ 19,020,988 | 100.0% |

Market value of bonds includes accrued investment income.

Net cash and cash equivalents includes the impact of net trade receivables/payables, accrued money market earnings, and accrued investment manager fees.

State Insurance Fund (SIF)

Overall SIF allocation to 70% bonds/30% stocks from 80% bonds/20% stocks was completed in December, 2009 (new asset allocation transitions began in July, 2009). Transitions included the Russell 3000, Barclays US Aggregate, the Long Credit/Government split and four tranches of the international equity mandate which completes the overall new asset allocation for SIF by asset class. Final placement transitions to approved target investment managers were completed in Second Quarter, 2010.

All equity indices returns decreased for the Russell 3000 (-5.75%), S&P 500 (-5.23%) as well as the MSCI ACWI ex-U.S. (-1.28%) in the month of June. As a result the equity allocation fell to 27.9% for the month from 29.2% for the prior month-end. All bond indices returns increased for the Barclays Capital Government Long Term Index (+4.54%), Barclays Capital Long Credit Index (+3.52%), U.S. Aggregate Bond Index (+1.57%) as well as the U.S. TIPS Index (+1.43%) in June. The SIF strong bond performance exceeded the negative equity indices resulting in the overall bond asset allocation increasing from 68.6% at end of May to 70.6% at end of June.

Cash allocations decreased from 2.2% at end of May to 1.5% at end of June due to decreased SIF operating cash of \$134.4 million slightly offset by increased investment manager cash balances.

Disabled Workers' Relief and Coal Workers' Pneumoconiosis Funds (DWRF and BLF)

BWC Board of Directors' Investment Committee approved the Coal Workers' Pneumoconiosis Fund new asset allocation at the December, 2009 meeting and the Disabled Workers' Relief Fund new asset allocation at the January, 2010 meeting.

PWRF, MIF, SIEGF

BWC Board of Directors' Investment Committee approved/confirmed the PWRF Fund new asset allocation and the MIF Fund new asset allocation at the March, 2010 meeting. The SIEGF analysis is anticipated for Fall, 2010.

| | Fund Asset Allocation: | | | |
|-------|------------------------|-------|------|----------------|
| | Equity | Bonds | Cash | Total |
| SIF | 30% | 69% | 1% | 100% |
| DWRF | 30% | 69% | 1% | 100% |
| BLF | 20% | 79% | 1% | 100% |
| PWRF | | 99% | 1% | 100% |
| MIF | | 99% | 1% | 100% |
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| ACF | | | | Not Applicable |

SIF: State Insurance Fund

DWRF: Disabled Workers' Relief Fund
BLF: Coal Workers' Pneumoconiosis Fund

PWRF: Public Work-Relief Employees' Fund
MIF: Marine Industry Fund

SIEGF: Self Insured Employers Guarantee Fund
ACF: Administrative Cost Fund

INVESTMENT DIVISION

TO: Marsha Ryan, Administrator
BWC Investment Committee
BWC Board of Directors

FROM: Bruce Dunn, CFA, Chief Investment Officer

DATE: August 17, 2010

SUBJECT: CIO Report July, 2010

Fiscal Year 2011 Goals

The Investment Division has three major goals for the new fiscal year 2011. These goals and brief comments on action plans for each goal follow:

1. Provide support and execute new BWC Investment Policy resulting from investment consultant Asset-Liability studies and from Board actions impacting/revising the BWC Investment Policy.
2. Explore for investment consideration and subsequently initiate implementation processes pertaining to appropriate identified subject matters.
3. Continued establishment and execution of appropriate internal investment controls and compliance procedures.

Strategic Goal One – PORTFOLIO TRANSITION

The Investment Division executed a comprehensive portfolio transition strategy in multiple stages throughout fiscal year 2010 for the State Insurance Fund that was completed at the end of May, 2010. This completed transition activity evolved from an asset-liability study of BWC investment consultant Mercer in which a new asset allocation strategy was approved by the BWC Investment Committee and Board of Directors at their respective March, 2009 meetings. Such new approved investment strategy target asset allocations for the State Insurance Fund were subsequently reflected in a new Investment Policy Statement approved by the BWC Investment Committee and Board of Directors at their respective April, 2009 meetings.

Mercer also completed and presented for consideration a strategic asset allocation analysis on the Disabled Workers Fund and the Coal Workers Fund at the December, 2009 and January, 2010 Investment Committee meetings. The Investment Committee and Board of Directors approved the new targeted asset allocation recommendations of Mercer and the CIO for each of these specialty funds at these respective meetings. The BWC Investment Policy Statement reflecting the new portfolio asset allocation targets for these two specialty funds were reviewed and revised by the Board of Directors at these respective meetings.

A transition manager was selected by the Investment Division in the fourth quarter of FY2010 to implement and execute the necessary asset class mandate shifts approved by the Board for both of these specialty funds. All necessary legal contracting with both the transition manager and each of the target commingled fund investment managers approved by the Board was completed in July, 2010. The final transition strategy was also approved by the BWC CIO in July, 2010. It is expected that the transition of these specialty fund assets will occur during the third quarter of calendar year 2010. Details on the transition activity of each of these specialty fund assets will be provided in this monthly CIO report after completion of the respective transitions.

The Investment Division is committed to support and implement any revisions to the BWC Investment Policy Statement that may include additional identified asset classes or investment management style changes that are considered under Strategic Goal Two which follows. As always, the CIO will report on Investment Policy compliance to the Investment Committee and Board via this monthly CIO report with any exceptions noted and addressed.

Strategic Goal Two – NEW INVESTMENT CONSIDERATIONS

Over the latter half of fiscal year 2010, the Investment Division began to explore with Mercer the potential employment of active management of each bond and stock asset class targeted as mandates of the State Insurance Fund. Mercer provided two education sessions on active versus passive investment management with the Investment Committee in March and April, 2010. The CIO provided specific recommendations at the May, 2010 Investment Committee meeting regarding current State Insurance Fund fixed income and equity classes to be considered for active management.

The consideration of Minority-or-Women-Owned (MWBE) investment managers to manage a portion of BWC assets is currently being addressed by the Investment Committee. Mercer provided two education sessions on MWBE manager utilization by institutional investors in Investment Committee meetings in June and July, 2010. A proposal for consideration on MWBE asset management next steps for the Bureau is being made by Mercer and the CIO at the August, 2010 Investment Committee meeting. Any engagement of asset management of targeted BWC funds by MWBE managers would likely result in active management of such funds.

A first presentation on real estate as an asset class will be made by Mercer to the Investment Committee at the August, 2010 meeting.

Mercer will also be providing to the Investment Committee at its August, 2010 meeting an updated investment policy decisions chart related to potential investment strategy revisions for consideration by the Investment Committee. Some of these topics are outlined above. For any new investment consideration approved by the Investment Committee and Board in fiscal year 2011, the Investment Division will planfully coordinate and implement all action steps necessary to achieve such objectives. Any new objectives involving the selection of new investment managers will require the crafting and issuance of a RFP by the Investment Division working with the assistance of the Legal and Fiscal and Planning Divisions.

The BWC Fiscal and Planning Division currently manages all cash balances of each of these portfolios, including operating cash, with virtually all cash being invested in a single U.S. government money market fund managed by JP Morgan that is utilized as an overnight cash sweep vehicle. The Investment Division is exploring expanding the use of other higher yielding money market funds available as well as direct investments in short-term money market investments (commercial paper, certificates of deposit, repurchase agreements, etc.) in order to improve investment income and returns on its cash investments while maintaining desired liquidity. In addition, the Investment Division is in the early stages of exploring the increasingly common institutional investor practice of utilizing contracted cash management overlay services to more effectively control/reduce cash balances exceeding projected nearer term operational cash needs. This excess cash can instead be directed to existing BWC outside managers to earn projected higher returns and reduce market value variances to portfolio allocation targets. The CIO will provide a report detailing cash management recommendations to the Investment Committee and Board when appropriate after further research.

In the Deloitte Comprehensive Study Report provided to the Board in December, 2008 and presented at the Actuarial Committee meeting, Deloitte recommended BWC explore the consolidation of each of the Disabled Workers Fund, Coal Workers Fund and Marine Industry Fund into the State Insurance Fund for efficiencies, cost savings and added financial strength under a combined fund. Further research to combine such specialty funds into SIF will be performed internally by appropriate BWC Divisions, including the Investment Division. It is fully recognized that any combining of specialty trust funds will take Bureau initiative and will require legislative change.

Strategic Goal Three – INTERNAL INVESTMENT PROCEDURES

The Investment Division will continue to maintain as well as establish and improve internal investment policies and procedures that are written and documented. Among the procedures addressed as well as revised/updated in fiscal year 2010 were policies and procedures regarding the selection of transition managers, as well as revising/updating policies and procedures on investment manager background checks/fingerprinting, asset class rebalancing, RFP/RFQ/RFI processes, vendor invoice payments and passive investment management review.

Among the policies and procedures that will be addressed in fiscal year 2011 will be administrative areas such as Investment Division internal budgeting, travel, electronic storage of investment documents/records and document file retention schedules of RIM documents. Internal processes will also be developed for the monitoring of active style investment managers in advance of the future selection and engagement of any such active managers resulting from any new active management investment strategy approved by the Board. The formulation of proper detailed policies and procedures with regards to potential Investment Division cash management of portfolio assets will also be essential before any such actions occur.

Communication with and support of the BWC Internal Audit Division in reviewing existing/new investment-related policies and procedures and providing suggested improvements is a valuable resource for the Investment Division. The BWC Internal Audit Division will be engaged as appropriate in auditing identified Investment Division internal policies and processes.

Compliance

The investment portfolios were in compliance with the BWC Investment Policy at the end of July, 2010.

Investment Policy Decisions - Next Phases

To-Do list in Red TBD = To Be Determined

| | Current Investment Strategy | Investment Strategy - Phase 1 | Investment Strategy - Phase 2 | Investment Strategy - Phase 3 |
|--------------------------|--|--|--|---|
| Equity Portfolio: | 20% Russell 3000 Index Fund ----- 10% MSCI All World Ex-US Index Fund | 20% Russell 3000 Index Fund ----- 10% MSCI All World Ex-US Index Fund | 20% Russell 3000 Index Fund ----- TBD Active Small/Mid Cap U.S. Equities ----- 10% MSCI All World Ex-US Index Fund | 20% Russell 3000 Index Fund ----- 10% MSCI All World Ex-US Index Fund ----- TBD Active Non - U.S. Equities |
| Diversifiers: | None | 2.5% Real Estate Partnerships | 2.5% Real Estate Partnerships | 2.5% Real Estate Partnerships |
| Fixed Income: | 28% Indexed Long Duration Fixed Income – Credit Bonds ----- 9% Indexed Long Duration Fixed Income – U.S. Government Bonds ----- 15% Indexed Aggregate Bonds ----- 17% Indexed Treasury Inflation Protected Securities ----- 1% Cash Equivalents | 28% Indexed Long Duration Fixed Income – Credit Bonds ----- TBD Active Long Duration Fixed Income - Credit Bonds ----- 9% Indexed Long Duration Fixed Income – U.S. Government Bonds ----- 15% Indexed Aggregate Bonds ----- 17% Indexed Treasury Inflation Protected Securities ----- 1% Cash Equivalents | 28% Indexed Long Duration Fixed Income – Credit Bonds ----- 9% Indexed Long Duration Fixed Income – U.S. Government Bonds ----- 15% Indexed Aggregate Bonds ----- TBD Active Aggregate Bonds ----- 17% Indexed Treasury Inflation Protected Securities ----- 1% Cash Equivalents | 28% Indexed Long Duration Fixed Income – Credit Bonds ----- 9% Indexed Long Duration Fixed Income – U.S. Government Bonds ----- 15% Indexed Aggregate Bonds ----- 17% Indexed Treasury Inflation Protected Securities ----- 1% Cash Equivalents |
| Other: | Other topics under consideration: Active Management in Fixed Income and Equity Minority and Women Owned Investment Managers Appropriate investment strategies have been determined for Disabled Workers' Relief Fund, Coal Workers' Pneumoconiosis Fund, Public Work-Relief Employees' Fund, and Marine Industry Fund. | Determine parameters of initial commitment to Minority, Women, and Ohio-owned Investment Managers Need agreement on which existing allocation to reduce in order to fund 2.5% allocation to Real Estate | Review Investment Strategy for Self Insured Employers Guarantee Fund | Revisit appropriateness of alternative asset classes including Private Equity. |
| Timeline: | | TBD | TBD | TBD |

DATE: August 16, 2010

TO: BWC Investment Committee
BWC Board of Directors

FROM: Bruce Dunn, CFA, Chief Investment Officer

SUBJECT: **Proposed Next Steps for MWBE Investment Managers**

The BWC Chief Investment Officer supports the Manager-of-Manager structure for the selection of Minority-or-Women-Owned investment managers (MWBE managers) for any initial investments of the BWC State Insurance Fund (SIF) portfolio assets by such MWBE managers. There are respected and experienced Manager-of-Manager (MoM) firms in the U.S. who specialize in the continuous rigorous review and monitoring of a broad universe of MWBE managers managing assets in one or more of the asset classes of the current SIF portfolio. These MoM firms provide important MWBE manager screening, selection and monitoring services to many institutional investors with a client emphasis towards public pension funds of all sizes.

The BWC Investment Division does not have the current capability, from both a time commitment and resources perspective, to directly select and monitor a diverse list of MWBE firms managing a small fractional portion of total SIF assets to anywhere near the quality and depth that an experienced MoM manager can provide to BWC. The Investment Division staff, however, will gain much knowledge from any MoM firm chosen and will have frequent communication with the MoM firm and also some communication with the MWBE firm itself, as necessary, in its role of overseeing and monitoring any MWBE program involved in the management of SIF assets. Any MoM firm(s) recommended for engagement will be expected to have developed strong relationships with top-tier MWBE managers in targeted asset classes which will accelerate the learning curve of the Investment Division towards such MWBE managers.

The CIO supports the proposed five-step selection process of MoM firms outlined in the Mercer memo dated August 11, 2010 regarding "Proposed Next Steps for MWBE". This MoM selection process has been discussed by the CIO with the BWC Mercer team numerous times over the past months and has evolved to this five-step process presented in the referenced Mercer memo. The CIO wants to emphasize that any specific recommendation made to the BWC Investment Committee/Board on MoM firms will emanate from a thorough RFP selection process focusing on the specific strengths of the MoM firms towards MWBE managers in various asset classes. The selection process may result in the conclusion of the MWBE RFP Selection Committee that only one or two SIF asset class mandates will be recommended for management by MWBE firms selected by a MoM. The focus must be on the selection of the best MoM firm(s) who will in turn select top-tier MWBE managers for the specific asset class mandate.

As a result of this selection process expectation, the CIO believes it is difficult to determine an initial dollar commitment to any MWBE investment program until the RFP Selection Committee closely evaluates the responses of MoM candidate firms. However, the CIO believes a funding in the range of \$150-200 million, representing approximately 1% of current SIF investment assets, is a worthy initial objective.

Memo

To: OBWC Investment Committee
OBWC Board of Directors

Date: August 11, 2010

From: Guy M. Cooper
Jordan Nault
Kweku Obed

Subject: Proposed Next Steps for MWBE

If the Bureau is ultimately to place assets with Minority- or Women-owned or emerging Ohio investment managers (collectively MWBE managers), we envision this being done through a Manager-of-Manager (MoM) structure.

The Manager-of-Manager is a professional asset management firm that selects suitable MWBE managers for its portfolios. The MoM is also responsible for the ongoing monitoring of the MWBE firms in its portfolios. MoMs have the discretion to hire and fire the MWBEs in their portfolios.

The Bureau's role is to work with the MoM to establish criteria for the MWBE managers that are selected for the Bureau's program but the MoM selects and monitors the MWBE managers without prior or subsequent approval of the Bureau.

The alternative to a MoM program is the direct selection and monitoring of individual MWBE managers. We recommend that the Bureau avoids the direct approach at this time as the selection of individual MWBE managers would require a commitment of time and resources that, we believe, is beyond the current capacity of the Investment Staff.

Typically a Manager-of-Manager specializes in a single asset class. Thus, one MoM might assemble a group of MWBE managers that specialize in Small Capitalization U.S. Equity while another MoM might manage a fund consisting of U.S. Core Fixed Income managers.

We envision selecting two Manager-of-Manager firms, each operating in a different asset class. We would not target the asset class in advance but would focus on the selecting the best MoMs and let the asset class be the result. All asset classes that are being considered under the MoM structure have been approved by the Investment Committee.

Following additional discussions and subject to the Board's final approval, the assets that are initially managed by the MWBE MoMs could comprise the Bureau's first commitments to active investment management. Therefore, the Bureau's Investment Staff will want to design a program that best suits the needs and desires of the Bureau with each of the selected MoMs; the willingness of the MoMs to accommodate the Bureau's criteria will be an important aspect of the selection process.

Proposed selection process:

1. Mercer submits list of well-regarded MWBE Manager-of-Managers to Investment Staff.
2. Mercer and Staff prepare and submit Request for Proposal to Mercer's candidate list of MoM firms.
3. Bureau advertises RFP as desired.
4. Bureau forms MWBE Selection Committee, including Mercer, and conducts reviews and interviews with short list of candidate firms.
5. MWBE Selection Committee finalizes proposed investment plan and submits to Bureau Investment Committee and Board for acceptance.

Dollar Commitment: The target size of the Bureau's commitment to an MWBE investment program is to be decided and may very well evolve. We envision the initial funding of two MWBE Manager-of-Managers to be \$150 - \$200 million total, split between two MoMs.

MERCER

Consulting. Outsourcing. Investments.



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

August 2010

Ohio Bureau of Workers' Compensation Real Estate as an Asset Class

Table of Contents

- Mercer Real Estate Boutique
- Attributes of the Real Estate Asset Class
- Types of Real Estate Investments
 - Private Real Estate Funds
 - Public Real Estate Equities
- Market Outlook and Opportunities
- Implementation

Mercer Real Estate Boutique

Real Estate Boutique



Real Estate Philosophy

Fundamental beliefs

- Quality of the investment strategies is more important than quantity of investment strategies
- Embedded risk must be identified and understood
 - Liquidity risk – cash flow planning, management control
 - Capital market risk – cap rates, discount rates, valuations, leverage
 - Property level risk – leasing assumptions, market concessions, cost of capital expenditures
 - Political risk (non-US investments) – stability of market, potential changes in investment laws, culture, legal
 - Investment manager risk – alignment of interest, culture
- Fund terms should be more closely aligned between investors and managers
 - Preferred returns
 - Removal provisions

Attributes of the Real Estate Asset Class

Real Estate Asset Class

Common characteristics

- Large investment universe
- Diversifier and therefore risk reducer
- Low correlation with other asset classes
- Income yield which can be redeemed as cash
- Historical attractive total returns
- Moderate volatility
- Protection in recessionary and inflationary periods

Recessionary and inflationary periods

Real estate's protection

- Recessionary Environment

- Not immune to recession, but continues to provide cash flows even in economic downturns
- Real estate returns, supported by lease contracts generally 3 to 10 years in duration, provide steady source of income from tenants even in economic downturns
- Results normally lag on the downside and upside

- Inflationary Environment

- Real estate performs well as an inflation hedge
- Physical assets, as opposed to monetary assets that lose value as inflation rises
- Most leases contain periodic rental rate adjustments to offset inflation
- Property owners structure leases so that contracts expire on a rolling basis

Types of Real Estate Investments

Real Estate Investment Options

Two most attractive choices

- **Private Real Estate Funds (privately traded vehicles)**
 - Investing through funds managed by real estate advisors buying direct property investments
 - Solid returns
 - Lowest correlation to other asset classes of all real estate options
 - Offers risk/return spectrum of investing (conservative to more aggressive)
- **Public Real Estate Equities**
 - Investing in publicly traded real estate securities: real estate investment trusts (REITs) and real estate operating companies (REOCs) managed by a specialized investment manager
 - More liquidity than private real estate
 - Stable cash flows
 - Higher correlation with other public equity asset classes

Private Real Estate Funds

Private Real Estate Funds

Positive attributes

- Assets are owned directly by commingled funds structured as privately traded investment vehicles
- Opportunity to invest a small amount of capital in large real estate holdings and to diversify by property type and geographic location
- Provides access to numerous property types (office, industrial, retail, multifamily, hotel) and locations
- Contractual nature of underlying income stream contributes to stable earnings and usually accounts for a significant portion of overall return (core strategies)
- Various risk/return levels ranging from high quality core to higher yielding but riskier value added/enhanced and opportunistic
- Comparatively low volatility and low correlation to equities and bonds

Private Real Estate Funds

Issues to consider

- Can be illiquid even in open-end funds
- Vehicles are privately traded with virtually no secondary market
- Various strategies and legal structures available
 - Generally funds offered as limited liability companies or limited partnerships
- Reporting is not standardized and can vary between managers
- Requires a more hands-on approach to asset management

Private Real Estate Funds

Different strategies



Private Real Estate Funds

Different strategies: Core

- **Property Characteristics**

- Well leased, multi-tenant properties
- Located in major metropolitan areas
- High credit quality tenants
- Staggered lease expirations

- **Return Characteristics**

- High income yield
- 70-80% of total return from income
- Low volatility
- Most bond-like, due to reliance on the income component
- Least correlated with other major assets
- Diversification and inflation hedging benefits
- Offers some degree of liquidity

- **Leverage:** 0 – 35%

Private Real Estate Funds

Different strategies: Value added

- **Property Characteristics**

- Properties in need of intense property management
- Properties with leasing risk and higher near-term tenant rollover
- Poorly positioned properties in need of capital
- Renovations or new development

- **Return Characteristics**

- Largest component of total return from appreciation
- Appreciation gains mostly realized at disposition
- Shorter hold period than core
- Limited cash flows until assets are sold
- Initial cash flows may be negative
- Funds are normally closed end with an investment period, holding period and then distribution period

- **Leverage:** Up to 65%

Private Real Estate Funds

Different strategies: Opportunistic

- **Property Characteristics**

- Non-performing assets
- Ground-up development
- Significant redevelopment
- Operating companies
- Non-US investments
- Liquidity-constrained markets

- **Return Characteristics**

- Appreciation drives total returns – realized at disposition
- Most risky
- Limited cash flows until assets are sold
- Initial cash flows may be negative
- Funds are closed end with an investment period, holding period and then distribution period

- **Leverage:** 65% and higher

Private Real Estate Funds

Execution through funds

| FUND STRATEGY | CORE | VALUE ADDED OR ENHANCED | OPPORTUNISTIC |
|--|---|---|---|
| Minimum investment required | \$1 million | \$5 million | \$5 million |
| Annual returns before fees (historical average) | 7 - 9% primarily income | 10 – 13% income and appreciation | 15 - 20% primarily appreciation |
| Average asset management fees | 90-120 BP | 100-150 BP plus incentive fee | 125-150 BP plus significant incentive fee |
| Risk level | Moderate | Medium to High | High |
| Fund Structure | Open-end: Trust, private REIT, or limited partnership, LLC or insurance co. separate account | Open-end or Closed-end (five to ten year term): Limited partnership or LLC | Closed-end (five to ten year term): Limited partnership or LLC |

Public Real Estate Equities

Public Real Estate Equities

Attributes

Positives

- Public markets and daily pricing provide liquidity
- Underlying physical assets with contractual rent streams provide a degree of capital protection and strong cash yields
- The current US REIT dividend yield was 6.1%
- Opportunity to invest a small amount of capital in large real estate holdings and to diversify by property type and location
- FTSE NAREIT US Equity Index comprises 98 companies with a weighted average market cap of approximately \$4.6 billion

Negatives

- Greater volatility than private real estate investments
- Higher correlation to other asset classes than private real estate investments

Data as of June 30, 2009

Global Real Estate Securities

Benefits

- **Increased investment opportunity set**
 - The United States accounts for approximately 40% of the global investable institutional property market
- **Further diversification benefits**
 - Real estate is highly localized – supply and demand characteristics within each market are driven to a large extent by local market forces
 - Real estate cycles do not necessarily move together across the globe
 - Lack of correlation between regions
- **Liquid market**
 - REITs provide access to global property markets for investors of all sizes at lower transaction costs than direct real estate
 - REITs provide liquidity to investors that no other property investment can provide

Global Real Estate Securities

Issues to consider

- **Newer strategies with limited track records and limited experience of portfolio management teams**
 - Because most funds in the global REIT space do not yet have three-year track records, longer-term performance is hard to evaluate
 - It is important to consider the manager's philosophy, methodology and ability to execute its strategy due to the limited experience of some portfolio teams
- **Limited longevity of global partnerships**
 - Because real estate is a local business, many of the institutional investors have deployed teams to regions, built teams within regions, or partnered with a local expert to gain an information advantage within each region
 - These partnerships are often new for each party, and it is important to consider the risk that the partnership will not be successful
- **Greater volatility than private real estate**
- **Multiple benchmarks available**

Real Estate Market Outlook & Opportunities

Real Estate Market Outlook

Mercer Views

- Real Estate fundamentals remain weak but capital is returning to the market.
- Vacancy rates are at record highs and will weigh on market fundamentals until job growth returns.
- However with new investor capital available the risk of “unsupported” price appreciation exists.
- Interest rates remain low which is attracting investors to the asset class but the number of properties for sale remains low creating a seller’s market.
- Prices of core properties in top-tier markets have recovered faster than anticipated. With the majority of capital chasing core (or distressed) some buyers not successful in securing top-tier core assets are starting to look in secondary markets and at lower quality assets.

Real Estate Market Opportunities

Mercer Views

- While some lenders of debt capital have returned, the funding gap still exists which creates opportunities across the risk/return spectrum in this investment category.
- Investments in senior secured loans can provide strong core income returns with low risk.
- Borrowers will need capitalization options creating value-add (mezzanine loans) and opportunistic (loan to own or entire portfolio acquisition) investing opportunities.
- Some distressed asset opportunities make sense but only in primary markets!

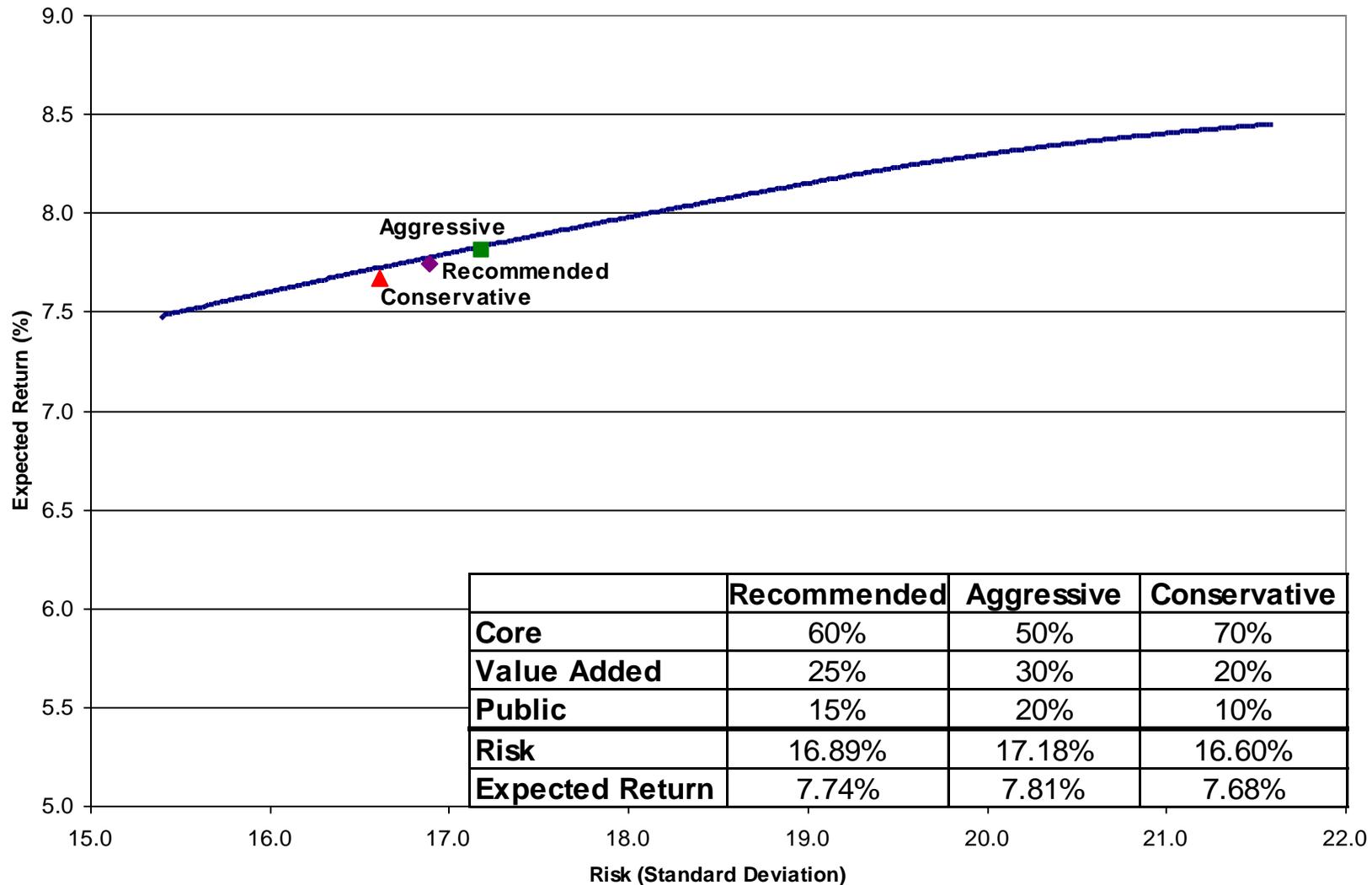
Implementation

Implementation

- Mercer recommends that all clients have a well diversified portfolio – by geographic region, property sector, and investing style
- Mercer recommends a majority of the allocation to core real estate strategies with a modest allocation to public real estate securities to assist with rebalancing and a modest allocation to non-core to increase the total return
- A new real estate allocation will take three to five years to fully execute
- Establishing a policy with a target to each asset class and ranges around each sub asset class, allows the Plan to take advantage of market opportunities and does not force the Plan to invest when cash should not be deployed due to market conditions

Implementation

Real Estate Efficient Frontier



Mercer Capital Market Outlook

| | Annual Standard Deviation | Geometric Return |
|-------------------------|----------------------------------|-------------------------|
| Global REITS | 15.7% | 7.6% |
| US Core Real Estate | 15.5% | 7.4% |
| Value Added Real Estate | 21.6% | 8.5% |

| Nominal Return Correlations | Global REITS | US Core RE | US Value Added RE |
|------------------------------------|--------------|-------------|-------------------|
| Global REITS | 1.00 | 0.80 | 0.80 |
| US Core Real Estate | 0.80 | 1.00 | 0.99 |
| Value Added Real Estate | 0.80 | 0.99 | 1.00 |

Appendix

Allison Yager

Global Business and Investment Leader – Real Estate Boutique

Allison Yager is a Principal in the Atlanta, Georgia office of Mercer. Ms. Yager is the Global Business & Investment Leader for Mercer's Real Estate Boutique, a unit within Mercer's Investment Consulting Business. She provides real estate consulting and strategic advice to Mercer's clients and consultants located across the globe. Additionally she manages a team of consultants and researchers based in the various Mercer regional offices. Her team is responsible for establishing strategic real estate allocations for clients, conducting research on all real estate and real estate related strategies, monitoring existing client real estate investments, and performance reporting for Mercer client's real estate strategies. Additionally, she chairs the Global Real Estate Ratings Review Committee of Mercer.

Ms. Yager has more than twenty three years of financial and real estate investment experience. Prior to joining Mercer in 2003, she worked for a real estate investment management firm for fourteen years. During that time she served as a client representative responsible for relationships with numerous pension plan sponsors, institutional investors and consultants. She worked with clients developing strategies for investing in real estate products such as private equity real estate funds, real estate investment securities and commercial mortgage backed securities. Additionally she served as the chief financial officer for the firm's largest commingled private equity real estate fund. Prior to that, she spent three years working for a public accounting firm.

Ms. Yager earned a Bachelor of Business Administration in Accounting from the University of Georgia. She is a Certified Public Accountant, a member of NCREIF and serves on several advisory boards including the Editorial Board of the Institutional Real Estate Letter.

MERCER



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

12-month Investment Committee Calendar

| Date | August | Notes |
|------------|--|-------|
| 8/26/2010 | <ol style="list-style-type: none"> 1. BWC Investment Division Goals FY2011 2. Investment Consultant Performance Report 2Q10 3. Investment Policy decisions - Next Phases 4. MWBE Proposed Next Steps, first review 5. Mercer education session, real estate asset class, first discussion | |
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| Date | September | |
| 9/23/2010 | <ol style="list-style-type: none"> 1. BlackRock ACWixUS common trust fund update (in CIO Report) 2. Mercer education session, real estate asset class, second discussion | |
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| | | |
| Date | October | |
| 10/21/2010 | <ol style="list-style-type: none"> 1. Investment class performance/value annual report (ORC4121.12(F)(12)], possible vote 2. Investment Consultant services RFP issuance approval, possible vote 3. Annual Review Committee Charter (1st read) 4. Brokerage Activity Fiscal Year 2010 summary report | |
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| Date | November | |
| 11/18/2010 | <ol style="list-style-type: none"> 1. Annual Review Committee Charter (2nd read), possible vote 2. Investment Consultant Performance Report 3Q10 3. Custodian Fiscal Year 2010 Annual Review | |
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| | | |
| Date | December | |
| 12/15/2010 | <ol style="list-style-type: none"> 1. Self Insured Employers Guarantee Fund (SIEGF) Asset Allocation Analysis report and recommendation, first review, possible vote on asset allocation strategy | |
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| | | |
| Date | January | |
| 1/20/2011 | | |
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12-month Investment Committee Calendar

| Date | February | Notes |
|-----------|---|-------|
| 2/23/2011 | 1. Investment Consultant Performance Report 4Q10 2. Economist Presentation | |
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| Date | March | |
| 3/24/2011 | | |
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| Date | April | |
| 4/28/2011 | 1. Investment Consultant services RFP finalist recommendation, possible vote | |
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| | | |
| Date | May | |
| 5/26/2011 | 1. Investment Consultant Performance Report 1Q11 | |
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| Date | June | |
| 6/15/2011 | | |
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| | | |
| Date | July | |
| 7/28/2011 | | |
| | | |
| | | |

BWC Invested Assets
 Estimated and Unaudited
 As of August 25, 2010

CORRECTED
 8/26/2010

Aug2010 MV Increase Bonds** + \$392 million (+3.0% return)
 Aug2010 MV Decrease Equities** - \$ 199 million (-3.7% return)

Aug2010 MV Increase Bonds+Equities..... + \$ 172 million
 (+0.9% Aug10 MTD portfolio return including Cash)

** excludes performance of two specialty fund assets in transition during month.
 Aug10 MTD total portfolio return of +0.9% includes all assets in transition

BWC Asset Allocation MV 8/25/10

| | | |
|----------------|--------------------|-------------|
| Bonds*..... | \$14,035 million | 71.0% |
| Equities*..... | 5,439 million | 27.5% |
| Cash..... | <u>295 million</u> | <u>1.5%</u> |
| TOTAL..... | \$19,769 million | 100.0% |

* includes nominal cash held by outside managers

Portfolio Return Calendar 2008..... -2.3% (-\$444 million net inv. income)
 Portfolio Return Fiscal Year 2009..... -1.1% (-\$195 million net inv. income)
 Portfolio Return Calendar 2009.....+8.6% (+\$1,505 million net inv. income)
 Portfolio Return Fiscal Year 2010.....+12.0% (+\$2,050 million net inv. income)

Fiscal Year 2011 YTD

Portfolio Return July10 + 2.9% (+\$557 million net inv. income)

Prepared by: Bruce Dunn, CFA
BWC Chief Investment Officer