

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

As of December 31, 2010

(in thousands)

	SIF	% Trust	DWRF	% Trust	BLF	% Trust	PWRF	% Trust	MIF	% Trust	SIEGF	% Trust	ACF	% Trust	Totals	% of Total
<b>Bonds</b>	\$ 12,389,453	67.0%	\$ 894,030	67.2%	\$ 217,391	78.2%	\$ 25,181	98.5%	\$ 18,814	97.7%	\$ -	0.0%	\$ -	0.0%	\$ 13,544,869	67.1%
Long Credit	5,403,858	29.2%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	5,403,858	26.7%
Long Government	1,363,947	7.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	1,363,947	6.8%
Long Gov/Credit	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
TIPS	3,097,863	16.8%	458,799	34.5%	109,291	39.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	3,665,953	18.2%
Aggregate	2,523,785	13.6%	435,231	32.7%	108,100	38.9%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	3,067,116	15.2%
Intermediate Gov/Credit	-	0.0%	-	0.0%	-	0.0%	25,181	98.5%	18,814	97.7%	-	0.0%	-	0.0%	43,995	0.2%
<b>Stocks</b>	\$ 5,937,917	32.1%	\$ 436,742	32.8%	\$ 60,585	21.8%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 6,435,244	31.9%
Russell 3000	4,052,960	21.9%	292,186	22.0%	38,699	13.9%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	4,383,845	21.7%
MSCI ACWI ex-U.S.	1,884,922	10.2%	144,556	10.8%	21,886	7.9%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	2,051,364	10.2%
S&P 500	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Dividends Receivable	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Miscellaneous	35	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	35	0.0%
<b>Net Cash &amp; Cash Equivalents</b>	\$ 165,804	0.9%	\$ 242	0.0%	\$ 101	0.0%	\$ 372	1.5%	\$ 446	2.3%	\$ 47,881	100.0%	\$ 2,039	100.0%	\$ 216,885	1.0%
<b>Total Cash &amp; Investments</b>	\$ 18,493,174	100.0%	\$ 1,331,014	100.0%	\$ 278,077	100.0%	\$ 25,553	100.0%	\$ 19,260	100.0%	\$ 47,881	100.0%	\$ 2,039	100.0%	\$ 20,196,998	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.

<b>Policy Fund Asset Allocation</b>	SIF	DWRF	BLF	PWRF	MIF	SIEGF	ACF
Bonds	69%	69%	79%	99%	99%	-	
Stocks	30%	30%	20%	-	-	-	NA
Cash	1%	1%	1%	1%	1%	100%	
Total	100%	100%	100%	100%	100%	100%	

### State Insurance Fund (SIF)

Equity index returns significantly increased for the MSCI ACWI ex-U.S. (+7.83%) and the Russell 3000 (+6.78%) in the month of December. As a result, the equity allocation increased to 32.1% for the month from 30.7% for the prior month-end. All bond indices returns decreased for the Barclays Capital Government Long Term Index (-3.69%), U.S. TIPS Index (-1.55%), the U.S. Aggregate Bond Index (-1.08%) as well as for the Barclays Capital Long Credit Index (-0.87%) in December. The SIF strong equity performance along with negative bond indices returns resulted in the overall bond asset allocation decreasing from 68.5% at end of November to 67.0% at end of December.

Cash allocations slightly increased from 0.8% at end of November to 0.9% at end of December largely due to increased SIF operating cash of \$20.9 million offset by \$10.9 million in decreased SIF investment manager cash balances.

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

The increase in the MSCI ACWI ex U.S. (+7.83%) index return and the Russell 3000 (+6.78%) index return increased the equity allocations for DWRF and BLF from 31.0% and 20.4% at end of November, to 32.8% and 21.8%, respectively by fund, at month-end December. The negative bond returns for the U.S. TIPS Index (-1.55%) and the U.S. Aggregate Bond Index (-1.08%) decreased the bond asset allocations for DWRF and BLF from 69.0% and 79.5% at end of November to 67.2% and 78.2%, respectively by fund, at month end December.

### Public Work-Relief Employees' Fund (PWRF) and Marine Industry Fund (MIF)

The Barclays Capital Government/Credit Intermediate index return decreased -1.25% in the month of December.

SIF: State Insurance Fund

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

PWRF: Public Workers' Relief Fund  
MIF: Marine Industry Fund

SIEGF: Self-Insured Employers Guaranty Fund  
ACF: Administrative Cost Fund

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

As of November 30, 2010

(in thousands)

	SIF	% Trust	DWRF	% Trust	BLF	% Trust	PWRF	% Trust	MIF	% Trust	SIEGF	% Trust	ACF	% Trust	Totals	% of Total
<b>Bonds</b>	\$ 12,612,347	68.5%	\$ 905,896	69.0%	\$ 220,265	79.5%	\$ 25,499	98.5%	\$ 19,051	97.8%	\$ -	0.0%	\$ -	0.0%	\$ 13,783,058	68.6%
Long Credit	5,497,563	29.8%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	5,497,563	27.3%
Long Government	1,413,294	7.7%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	1,413,294	7.0%
Long Gov/Credit	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
TIPS	3,147,909	17.1%	466,003	35.5%	111,007	40.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	3,724,919	18.5%
Aggregate	2,553,581	13.9%	439,893	33.5%	109,258	39.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	3,102,732	15.6%
Intermediate Gov/Credit	-	0.0%	-	0.0%	-	0.0%	25,499	98.5%	19,051	97.8%	-	0.0%	-	0.0%	44,550	0.2%
<b>Stocks</b>	5,652,185	30.7%	407,774	31.0%	56,550	20.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	6,116,509	30.4%
Russell 3000	3,895,584	21.1%	273,711	20.8%	36,252	13.2%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	4,205,547	20.9%
MSCI ACWI ex-U.S.	1,748,101	9.6%	134,063	10.2%	20,298	7.2%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	1,902,462	9.5%
S&P 500	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Dividends Receivable	8,465	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	8,465	0.0%
Miscellaneous	35	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	35	0.0%
<b>Net Cash &amp; Cash Equivalents</b>	155,125	0.8%	557	0.0%	249	0.1%	382	1.5%	433	2.2%	48,634	100.0%	2,802	100.0%	208,182	1.0%
<b>Total Cash &amp; Investments</b>	\$ 18,419,657	100.0%	\$ 1,314,227	100.0%	\$ 277,064	100.0%	\$ 25,881	100.0%	\$ 19,484	100.0%	\$ 48,634	100.0%	\$ 2,802	100.0%	\$ 20,107,749	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.

<b>Policy Fund Asset Allocation</b>	<b>SIF</b>	<b>DWRF</b>	<b>BLF</b>	<b>PWRF</b>	<b>MIF</b>	<b>SIEGF</b>	<b>ACF</b>
Bonds	69%	69%	79%	99%	99%	-	
Stocks	30%	30%	20%	-	-	-	NA
Cash	1%	1%	1%	1%	1%	100%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

### **State Insurance Fund (SIF)**

The equity index return increased slightly for the Russell 3000 (+0.58%) but was offset by a significantly decreased MSCI ACWI ex-U.S. (-3.86%) index return in the month of November. The net equity allocation actually increased to 30.7% for the month from 30.5% for the prior month-end as a result of the larger overall decrease in return in the bond indices. All bond indices returns decreased for the U.S. TIPS Index (-1.69%), Barclays Capital Long Credit Index (-1.37%), Barclays Capital Government Long Term Index (-1.31%) as well as for the U.S. Aggregate Bond Index (-0.57%) in November. The SIF overall bond asset allocation remained relatively flat from 68.4% at end of October to 68.5% at end of November.

Cash allocations decreased from 1.1% at end of October to 0.8% at end of November largely due to decreased SIF operating cash of \$80.9 million offset by \$32.1 million in increased SIF investment manager cash balances.

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

The increase in the Russell 3000 (+0.58%) index return offset by a significant decrease in the MSCI ACWI ex U.S. (-3.86%) index return modestly affected the net equity allocations for DWRF and BLF from 30.9% and 20.6% at end of October, to 31.0% and 20.4%, respectively by fund at month end November. The negative bond returns for the U.S. TIPS Index (-1.69%) and the U.S. Aggregate Bond Index (-0.57%) affected the bond asset allocations for DWRF and BLF from 69.0% and 79.0% at the end of October to 69.0% and 79.5%, respectively by fund, at month end November.

### **Public Work-Relief Employees' Fund (PWRF) and Marine Industry Fund (MIF)**

The Barclays Capital Government/Credit Intermediate index return decreased -0.67% in the month of November.

SIF: State Insurance Fund

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

PWRF: Public Workers' Relief Fund  
MIF: Marine Industry Fund

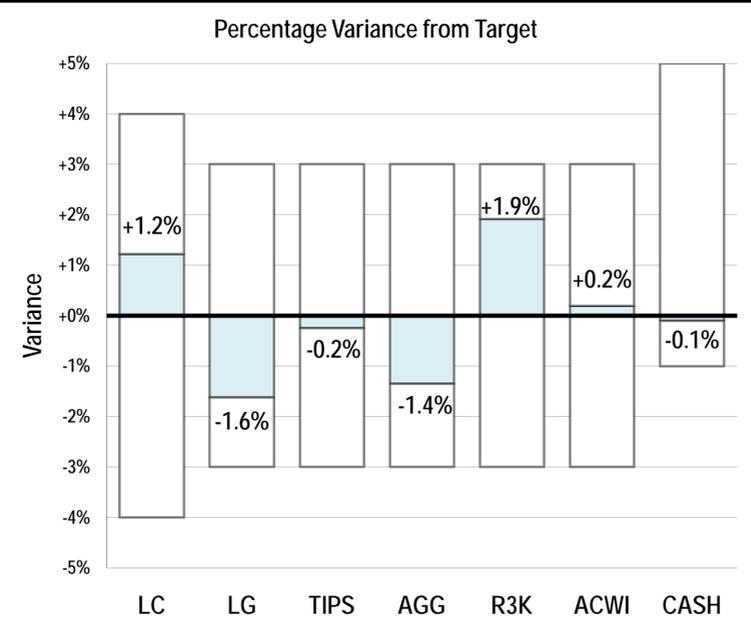
SIEGF: Self-Insured Employers Guaranty Fund  
ACF: Administrative Cost Fund

# Ohio Bureau of Workers' Compensation Investment Asset Allocation by Fund - Target Variance

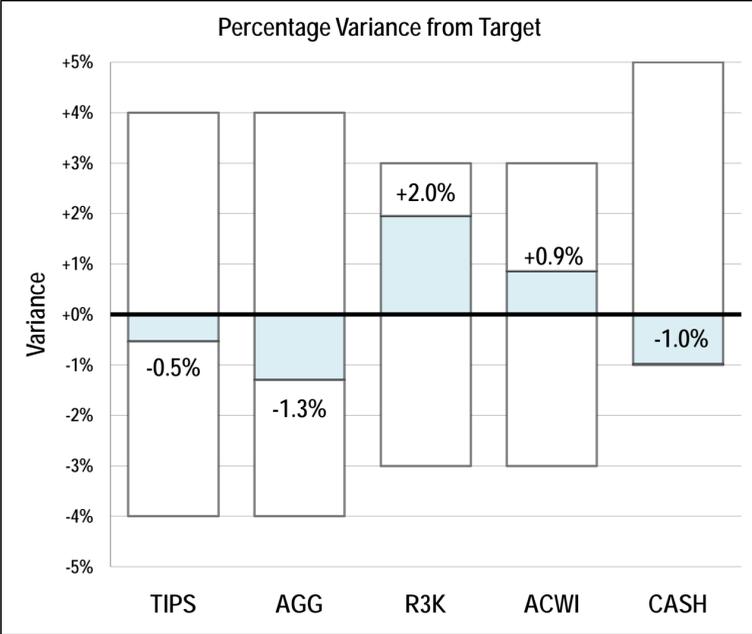
As of December 31, 2010

(in thousands)

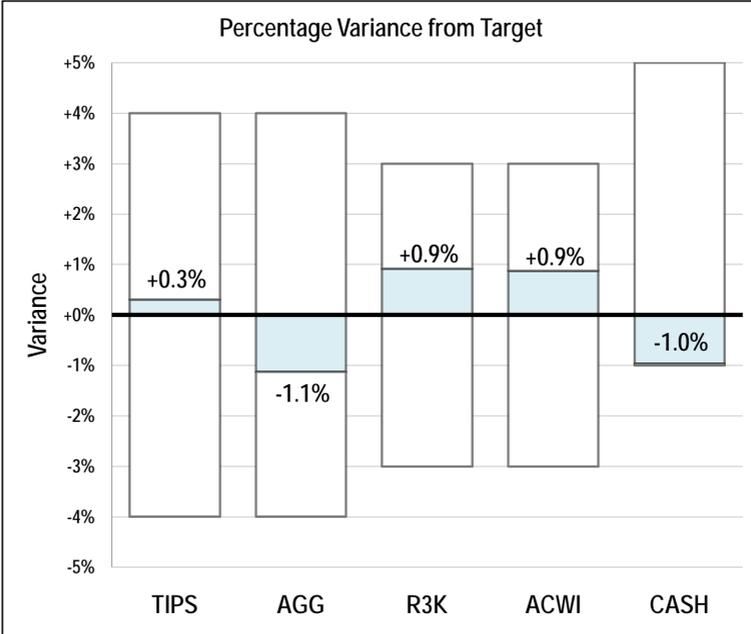
State Insurance Fund				
Asset Class	Market Value	Actual	Target	Range
Long Credit	\$ 5,403,858	29.2%	28%	24%—32%
Long Government	\$ 1,363,947	7.4%	9%	6%—12%
TIPS	\$ 3,097,863	16.8%	17%	14%—20%
Aggregate	\$ 2,523,785	13.6%	15%	12%—18%
Russell 3000	\$ 4,052,960	21.9%	20%	17%—23%
MSCI ACWI ex-U.S.	\$ 1,884,922	10.2%	10%	7%—13%
Miscellaneous	\$ 35	0.0%	0%	0%—0%
Net Cash & Cash Equivalents	\$ 165,804	0.9%	1%	0%—6%



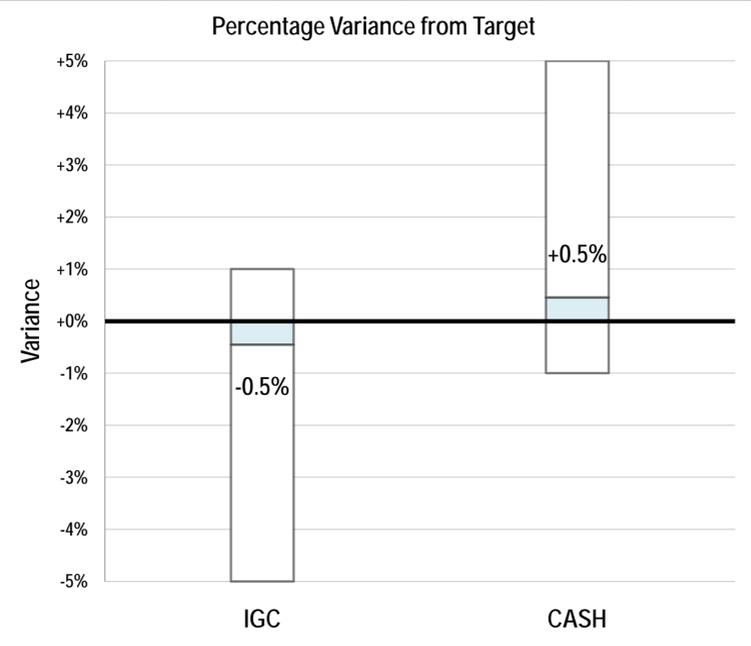
Disabled Workers' Relief Fund				
Asset Class	Market Value	Actual	Target	Range
TIPS	\$ 458,799	34.5%	35%	31%—39%
Aggregate	\$ 435,231	32.7%	34%	30%—38%
Russell 3000	\$ 292,186	22.0%	20%	17%—23%
MSCI ACWI ex-U.S.	\$ 144,556	10.9%	10%	7%—13%
Net Cash & Cash Equivalents	\$ 242	0.0%	1%	0%—6%



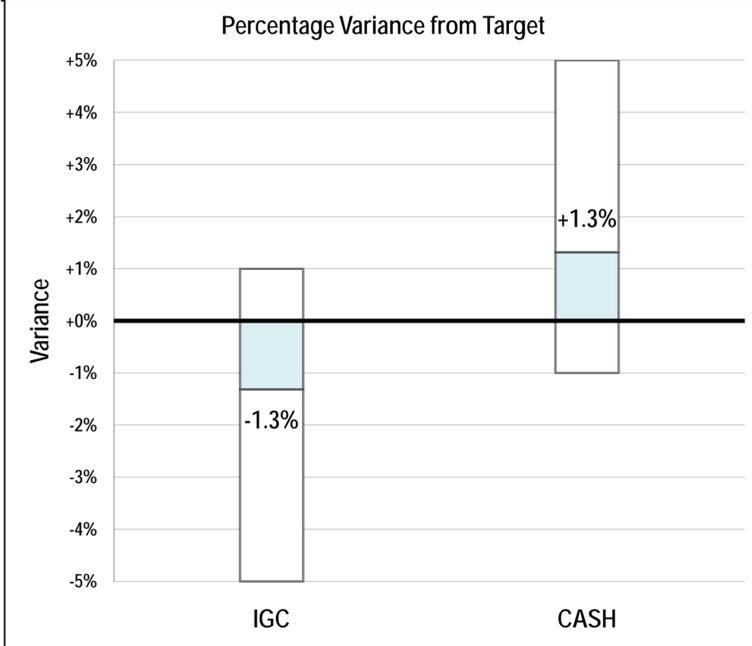
Coal Workers' Pneumoconiosis Fund				
Asset Class	Market Value	Actual	Target	Range
TIPS	\$ 109,291	39.3%	39%	35%—43%
Aggregate	\$ 108,100	38.9%	40%	36%—44%
Russell 3000	\$ 38,699	13.9%	13%	10%—16%
MSCI ACWI ex-U.S.	\$ 21,886	7.9%	7%	4%—10%
Net Cash & Cash Equivalents	\$ 101	0.0%	1%	0%—6%



Public Work-Relief Employees' Fund				
Asset Class	Market Value	Actual	Target	Range
Intermediate Gov/Credit	\$ 25,181	98.5%	99%	94%—100%
Net Cash & Cash Equivalents	\$ 372	1.5%	1%	0%—6%



Marine Industry Fund				
Asset Class	Market Value	Actual	Target	Range
Intermediate Gov/Credit	\$ 18,814	97.7%	99%	94%—100%
Net Cash & Cash Equivalents	\$ 446	2.3%	1%	0%—6%



Self Insured Employers Guarantee Fund				
Asset Class	Market Value	Actual	Target	Range
Net Cash & Cash Equivalents	\$ 47,881	100%	100%	N/A

All SIEGF assets invested in Cash & Cash Equivalents per the Asset Allocation Target

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

<b>Asset Sector</b>	<b>Market Value December 31, 2010</b>	<b>% Assets</b>	<b>Market Value November 30, 2010</b>	<b>% Assets</b>	<b>Increase(Decrease) Prior Month-End</b>	<b>% Change</b>	<b>Market Value June 30, 2010</b>	<b>% Assets</b>	<b>Increase(Decrease) Prior Fiscal Year-End</b>	<b>% Change</b>
<b>Bonds</b>	<b>13,544,868,581</b>	<b>67.1%</b>	<b>13,783,058,271</b>	<b>68.6%</b>	<b>(238,189,690)</b>	<b>-1.7%</b>	<b>13,537,054,766</b>	<b>71.2%</b>	<b>7,813,815</b>	<b>0.1%</b>
<b>Equity</b>	<b>6,435,244,477</b>	<b>31.9%</b>	<b>6,116,508,689</b>	<b>30.4%</b>	<b>318,735,788</b>	<b>5.2%</b>	<b>5,154,562,423</b>	<b>27.1%</b>	<b>1,280,682,054</b>	<b>24.8%</b>
<b>Net Cash - OIM</b>	<b>67,721,604</b>	<b>0.3%</b>	<b>78,855,849</b>	<b>0.4%</b>	<b>(11,134,245)</b>	<b>-14.1%</b>	<b>64,622,125</b>	<b>0.3%</b>	<b>3,099,479</b>	<b>4.8%</b>
<b>Net Cash - Operating</b>	<b>101,282,480</b>	<b>0.5%</b>	<b>80,692,510</b>	<b>0.4%</b>	<b>20,589,970</b>	<b>25.5%</b>	<b>218,991,596</b>	<b>1.2%</b>	<b>(117,709,116)</b>	<b>-53.8%</b>
<b>Net Cash - SIEGF</b>	<b>47,880,997</b>	<b>0.2%</b>	<b>48,633,706</b>	<b>0.2%</b>	<b>(752,709)</b>	<b>-1.5%</b>	<b>47,335,733</b>	<b>0.2%</b>	<b>545,264</b>	<b>1.2%</b>
<b>Total Net Cash</b>	<b>216,885,081</b>	<b>1.0%</b>	<b>208,182,065</b>	<b>1.0%</b>	<b>8,703,016</b>	<b>4.2%</b>	<b>330,949,454</b>	<b>1.7%</b>	<b>(114,064,373)</b>	<b>-34.5%</b>
<b>Total Invested Assets</b>	<b>20,196,998,139</b>	<b>100%</b>	<b>20,107,749,025</b>	<b>100%</b>	<b>\$89,249,114</b>	<b>0.4%</b>	<b>\$19,022,566,643</b>	<b>100%</b>	<b>\$1,174,431,496</b>	<b>6.2%</b>

**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.

**December 2010/November 2010 Comparisons**

- Net investment income in December 2010 was \$234 million representing a monthly net portfolio return of **+1.2%** (unaudited).
- Bond market value decrease of \$(238.2) mm comprised of \$58.3 mm in interest income, \$255.3 mm in OIM realized/unrealized losses (\$4.2 mm net realized gain) and \$55.0 mm in operations redemptions, offset by \$13.8 mm in OIM net bond purchases, representing a monthly net return of **-1.4%** (unaudited).
- Equity market value increase of \$318.7 mm comprised of \$8.9 mm of dividend income and \$423.1 mm in net realized/unrealized gains (\$15.8 mm net realized gain), offset by \$110.0 mm in operations redemptions and \$3.3 mm in OIM net equity sales, representing a monthly net return of **+7.1%** (unaudited).
- Net cash balances increased \$8.7 mm in December 2010 largely due to increased operating cash balances of \$20.6 mm, offset by \$11.1 mm in OIM net purchases. JPMorgan US Govt. money market fund had 30-day average yield of 0.04% for December 2010 (0.08% for Nov10) and 7-day average yield of 0.03% on 12/31/10 (0.06% on 11/30/10).

**December 2010/June 2010 FYTD Results**

- Net investment income for FYTD2011 was \$1,470 million largely comprised of \$347 mm of interest/dividend income and \$1,126 mm of net realized/unrealized gains (\$203 mm net realized gain), offset by \$4 mm in fees, representing a FYTD2011 net portfolio return of **+7.7%** (unaudited).
- Bond market value increase of \$8 mm for FYTD2011 comprised of \$304 mm in interest income and \$(109) mm of net realized/unrealized losses (\$161 mm net realized gain), offset by \$125 mm in OIM/TM net bond sales and by \$62 mm in operations redemptions, representing a FYTD2011 net return of **+1.3%** (unaudited).
- Equity market value increase of \$1,281 mm for FYTD2011 comprised of \$43 mm in dividend income, \$1,235 mm in net realized/unrealized gains (\$42 mm net realized gain) and \$120 mm in OIM/TM net equity purchases, offset by \$117mm in operations/miscellaneous asset redemptions, representing a FYTD2011 net return of **+25.1%** (unaudited).