

Investment Committee Agenda

William Green Building
Thursday, November 18, 2010
Level 2, Room 3
9:30 a.m. – 11:30 a.m.

Call to Order

Bob Smith, Committee Chair

Roll Call

Linda Byron, Scribe

Approve Minutes of the October 21, 2010 Meeting

Bob Smith, Committee Chair

Review and Approve Agenda*

Bob Smith, Committee Chair

New Business/ Action Items

1. Investment Committee Charter Annual Review, second reading
Don Berno, Board Liaison
Ann Shannon, Legal Counsel
Vote to recommend approval to the Board of Directors

Discussion Items

1. Portfolio Performance
 - Mercer Quarterly Report – Third Quarter 2010
Mercer Team
2. Monthly and Fiscal Year to date Portfolio Value Comparisons
 - October 2010/September 2010
 - October 2010/June 2010
Bruce Dunn, Chief Investment Officer
3. Month-End Portfolio Asset Allocation Values
 - October 2010/September 2010
Lee Damsel, Director of Investments

4. CIO Report – October 2010
Bruce Dunn, Chief Investment Officer
5. Brokerage Activity Summary Report – Fiscal Year 2010
Lee Damsel, Director of Investments
6. Mercer Presentation on Long Credit Active vs. Passive Management, first discussion
Bob Smith, Committee Chair
Mercer Team
7. Committee Calendar
 - 12-month Calendar
 - Phase I & II Strategies Estimated Timetable – State Insurance Fund
Bob Smith, Committee Chair
Bruce Dunn, Chief Investment Officer

Adjourn

Bob Smith, Committee Chair

Next Meeting: Wednesday, December 15, 2010

* Not all agenda items may have materials

** Agenda subject to change

OBWC Board of Directors Investment Committee Charter

Purpose

The ~~purpose of the~~ Investment Committee ~~is to~~ ensures that the assets of the Ohio Bureau of Workers' Compensation (OBWC) are effectively managed in accordance with the laws of the State of Ohio, and the Ohio Bureau of Workers' Compensation Statement of Investment Policy and Guidelines. The Investment Committee:

- assists the Board of Directors in the review and oversight of the State Insurance Fund and each Specialty Fund (collectively the Funds) assets;
- develops and monitors the implementation of the BWC's investment policy
- reviews opportunities and challenges the Board of Directors needs to discuss as it fulfills the statutory requirement to fix and maintain the lowest possible rates of premium consistent with the maintenance of a solvent state insurance fund.

In order to constitute the will of the Board of Directors, Committee actions must be ratified or adopted by the Board of Directors to become effective.

Membership

The Committee shall be composed of a minimum of five (5) members. Two members shall be the members of the Board who are appointed to the Board as the investment and securities experts. The Board, by majority vote, shall appoint at least three additional members of the Board to serve on the Investment Committee and may appoint additional members, who are not Board members, as the Board determines necessary. Each additional non-Board member appointed must have at least one of the following qualifications: a) experience managing another state's pension funds or workers' compensation funds; or b) expertise that the Board determines is needed to make investment decisions (RC 4121.129(C)(1)). Bureau management personnel cannot serve as ~~a~~ Committee members ~~s~~.

The Chair and Vice Chair are designated by the Board, based on the recommendation of the Board Chair. If the Board chair is not a member of the Committee, he/she shall be an ex-officio member. As an ex-officio member, the Board chair shall not vote if his/her vote will create a tie.

The Committee Chair will be responsible for scheduling all meetings of the Committee and providing the Committee with a written agenda for each meeting. In the absence of the Committee Chair, the Committee Vice-Chair shall assume the Chair's responsibilities. The Committee will have a staff liaison designated to assist it in carrying out its duties.

Members of the Investment Committee serve at the pleasure of the Board and the Board, by majority vote, may remove any member except the members of the Committee who are appointed as the investment and securities expert members of the Board.

Meetings

The Investment Committee will meet at least nine (9) times annually. The Committee Chair will provide a report of the meeting at the next subsequent Board meeting. Additional meetings may be requested by the Committee Chair, 2 or more members of the Committee, or the Chair of the Board.

A quorum shall consist of a majority of Committee members. Committee meetings will be conducted according to Robert's Rules of Order. All Directors are encouraged to attend the Committee meetings.

The Committee will invite members of management, investment advisors, fiduciary counsel and/or others to attend meetings and provide pertinent information as necessary

Minutes for all meetings of the Committee will be prepared to document the actions of the Committee in the discharge of its responsibilities.

Duties and Responsibilities

The Investment Committee is charged with overseeing all investment-related matters and activities of the BWC. The Committee evaluates proposals requiring Board action and makes recommendations for consideration by the Board. The Committee shall:

1. Assist the Board in meeting the following statutory requirements:
 - Develop and recommend the strategic asset allocation and investment policy for the Funds in accordance with RC 4123.442 and submit to the Board for approval.
 - Periodically review the investment policy in light of any changes in actuarial variables, market conditions, etc. and make recommendations for any changes, as appropriate to the Board for approval. (RC 4121.12(F)(7))
 - Assist the Board to assure that the investment policy is reviewed and approved at least annually, published, and copies are made available to interested parties. (RC 4121.12(F)(8))
 - Prohibit, on a prospective basis, any investment the Committee finds to be contrary to the investment objectives of the Funds and submit to the Board for approval (RC 4121.12(F)(9)).
 - Recommend the opening and closing of each investment class and submit to the Board for approval. (RC 4121.12(F)(10))
 - Develop and recommend rules on due diligence standards for employees of BWC to follow when investing in each asset class. Develop and recommend policies and procedures to review and

- monitor the performance and value of each asset class. Submit these recommendations to the Board for approval. (RC 4121.12(F)(11))
- Review the annual report on the investment performance of the funds and the value of each investment class and submit to the Board for approval. Once approved, this report must be submitted to the Governor, the president and Minority Leader of the Senate, and the Speaker and Minority Leader of the House of Representatives. (RC 4121.12(F)(12))
 - Monitor implementation of the investment policy by the Administrator and the Chief Investment Officer (RC 4121.129(C)(2)(c)).
 - Recommend outside investment counsel with whom the Board may contract to assist the Investment Committee in fulfilling its duties (RC 4121.129(C)(2)(d)).
 - Review the performance of the Chief Investment Officer and any investment consultants retained by the BWC to assure compliance with the investment policy and effective management of the Funds (RC 4121.129(C)(2)(e)).
 - Consult with the Administrator and recommend to the Board the appointment of the Chief Investment Officer. (RC 4123.441)
2. Recommend to the Board for approval the criteria and procedures for the selection of the Investment Managers and General Partners. Approve the final selection, funding and termination of all Investment Managers and General Partners.
 3. Monitor and review the investment performance of the Funds on a quarterly basis to determine achievement of objectives and compliance with this investment policy.
 4. Coordinate with other Board committees on items of common interest, including but not limited to an annual discussion of investment issues which would impact the Board's statutory requirement to fix and maintain the lowest possible rates of premium consistent with the maintenance of a solvent state insurance fund.
 5. At least annually, review this charter and submit any proposed changes to the Governance Committee and to the Board for approval.
 6. Create, by majority vote, a subcommittee consisting of one or more Directors on the Committee. In consultation with the Chair, other Board members may be appointed to the subcommittee as appropriate. The subcommittee shall have a specific purpose. The subcommittee shall keep minutes of its meetings. The subcommittee shall report to the Committee. The Committee by majority vote may dissolve the subcommittee at any time.
 7. Perform such other duties required by law or otherwise as are necessary or appropriate to further the Committee's purposes, or as the Board may from time to time assign to the Committee.

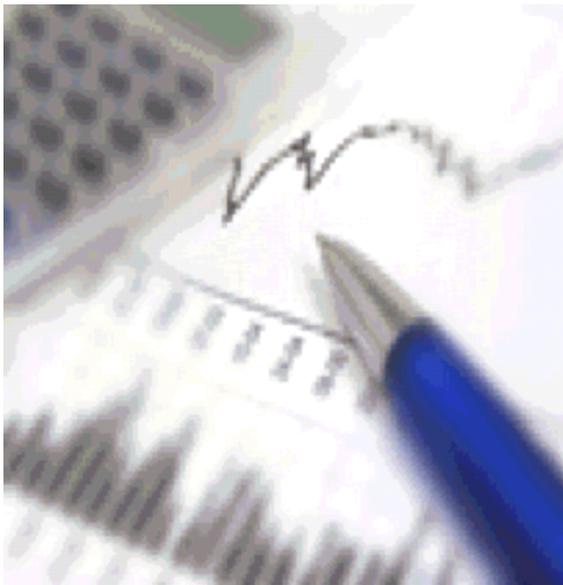
Review & Approved 112107, Bob Smith, Chair
Revised 012408
Revised 092408
Annual Review and Revision 112108
Annual Review and Revision 112009
Annual Review and Revision 111910

MERCER

Consulting. Outsourcing. Investments.



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN



Ohio Bureau of Workers Compensation (Ohio BWC)

Investment Performance – Summary Third Quarter 2010

Services provided by Mercer Investment Consulting, Inc.

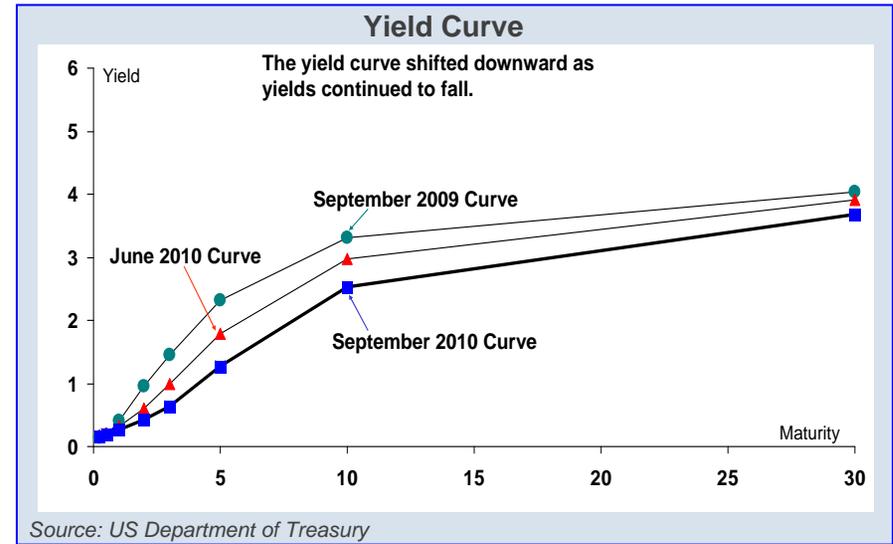
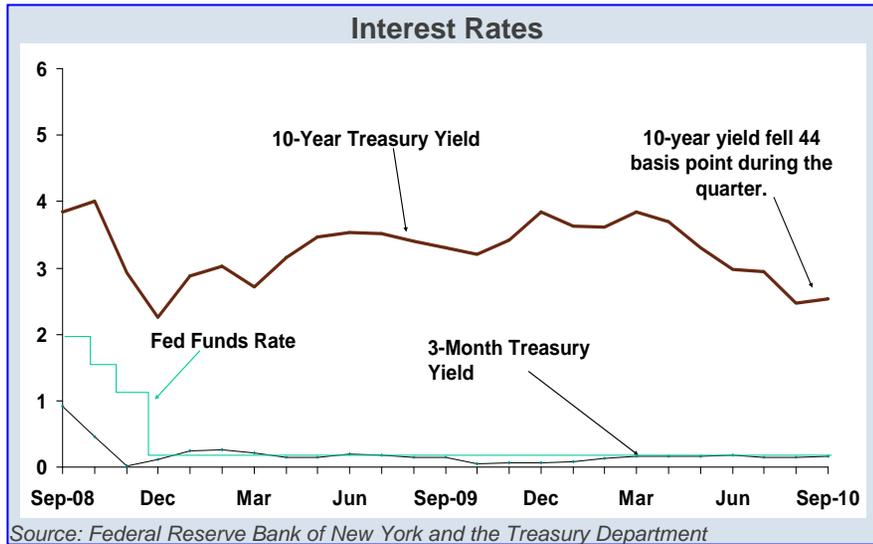
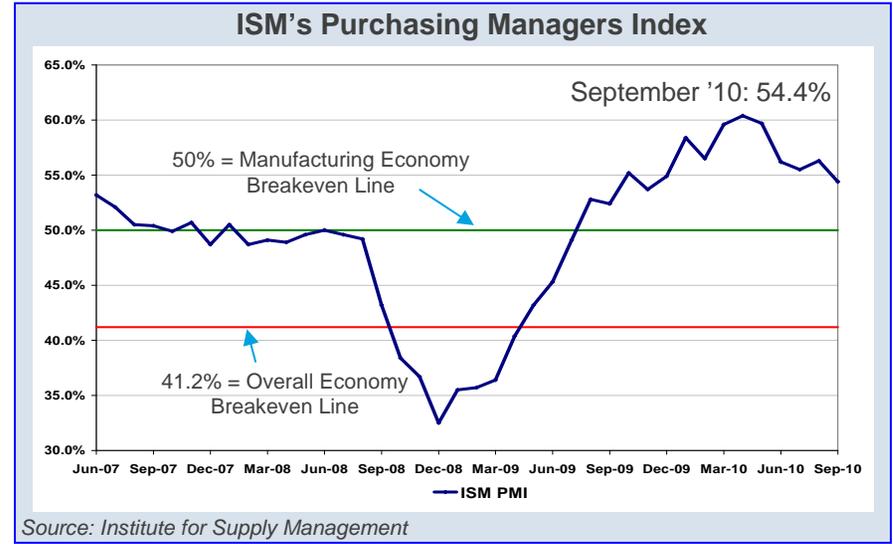
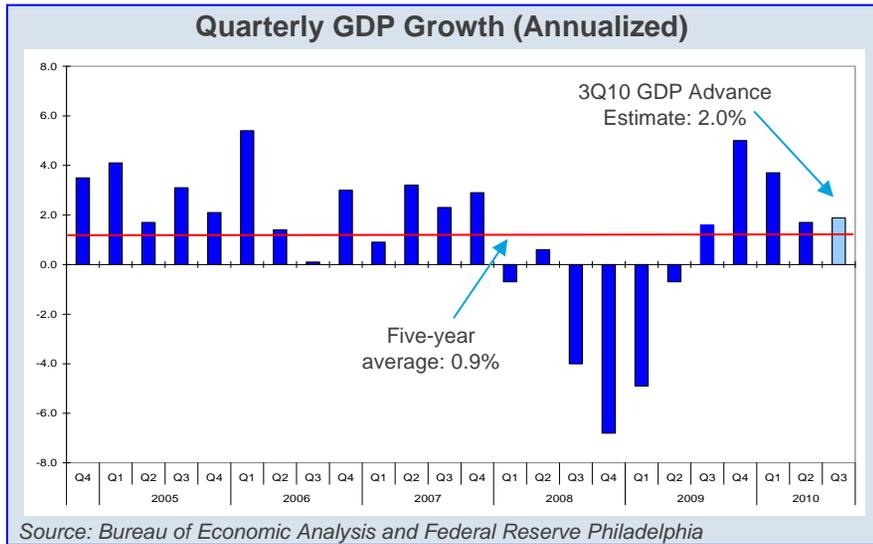
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2. Executive Summary
3. Asset Allocation and Performance
4. What's New at Mercer
5. Appendix

Market Environment

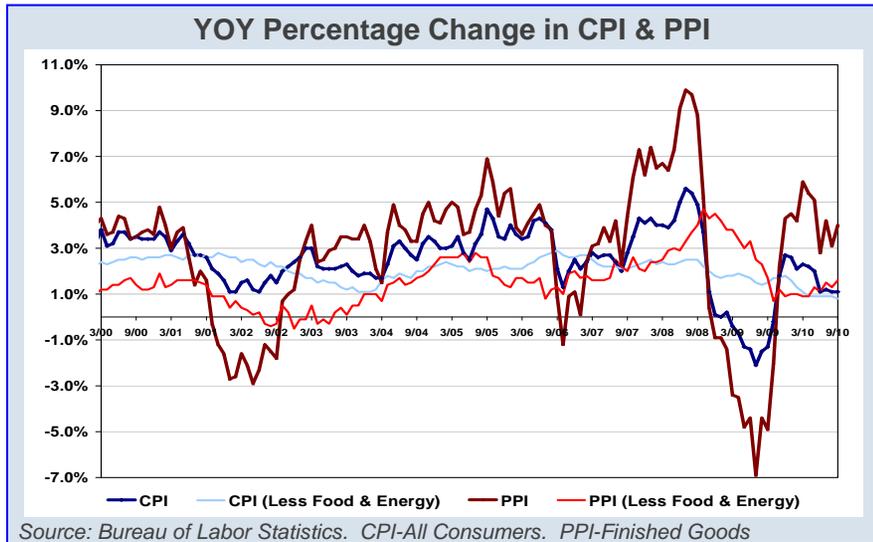
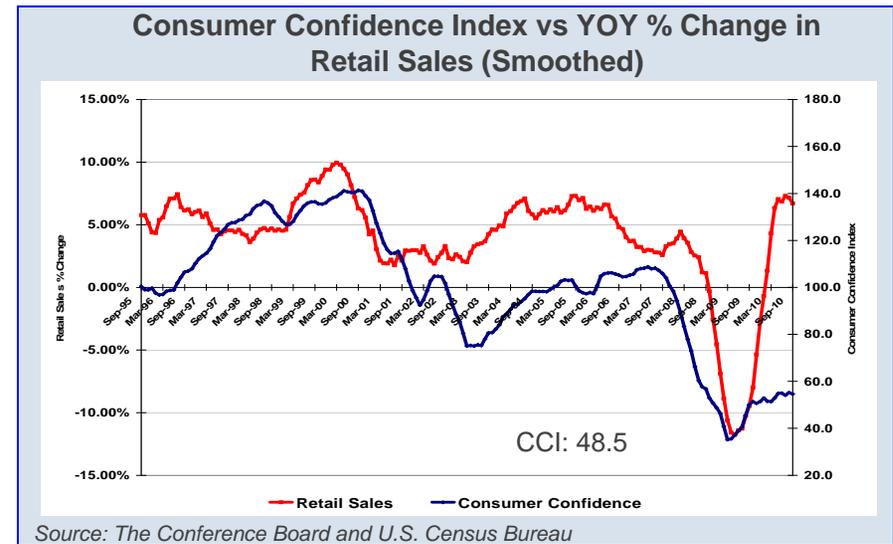
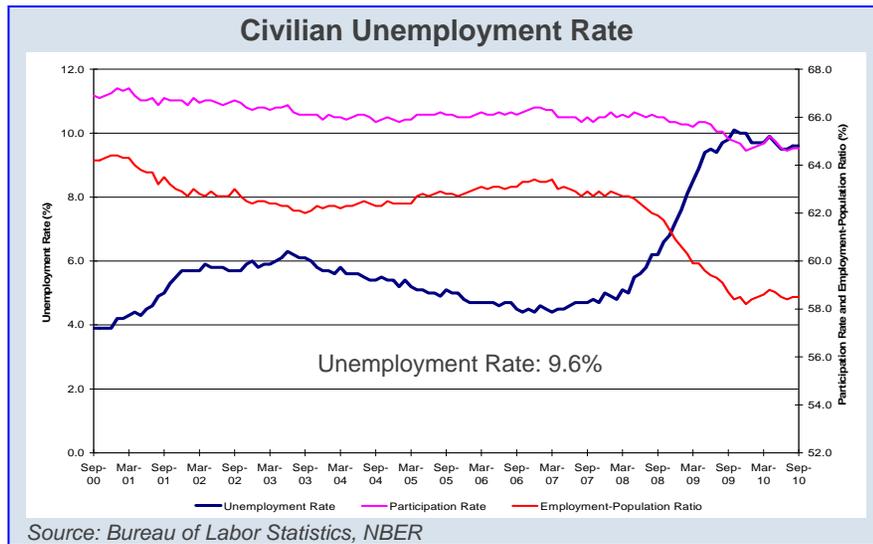
U.S. Capital Markets and Macroeconomic Conditions

Economy



U.S. Capital Markets and Macroeconomic Conditions

Economy



Domestic Equity

Style and Market Capitalization Comparison

3Q2010

	Growth	Core	Value
Large	13.0%	11.6%	10.1%
Mid	14.6%	13.3%	12.1%
Small	12.8%	11.3%	9.7%

YTD Returns

	Growth	Core	Value
Large	4.4%	4.4%	4.5%
Mid	10.9%	11.0%	11.1%
Small	10.2%	9.1%	7.9%

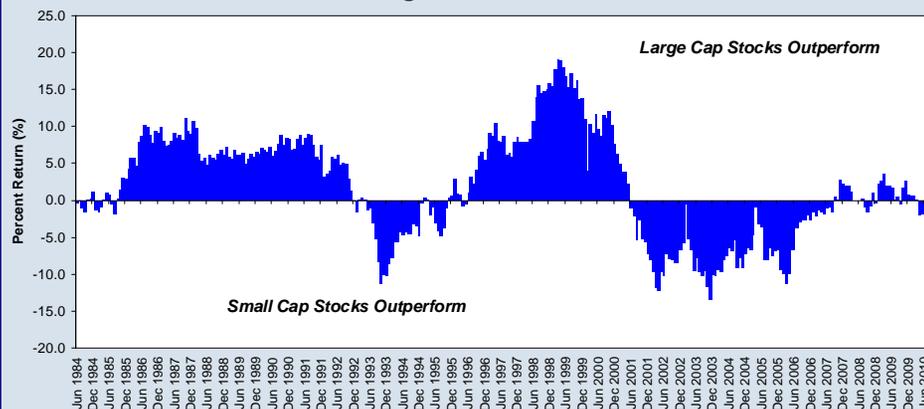
1 Year Returns

	Growth	Core	Value
Large	12.7%	10.8%	8.9%
Mid	18.3%	17.5%	16.9%
Small	14.8%	13.3%	11.8%

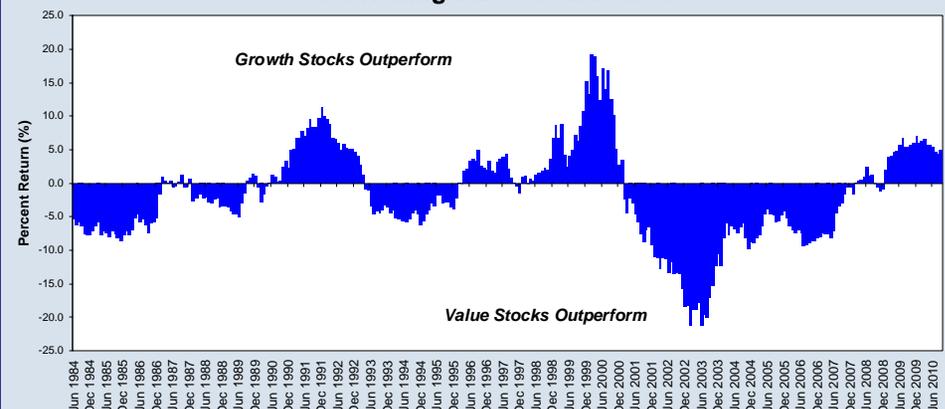
3 Year Returns

	Growth	Core	Value
Large	-4.4%	-6.8%	-9.4%
Mid	-3.9%	-4.2%	-4.8%
Small	-3.7%	-4.3%	-5.0%

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



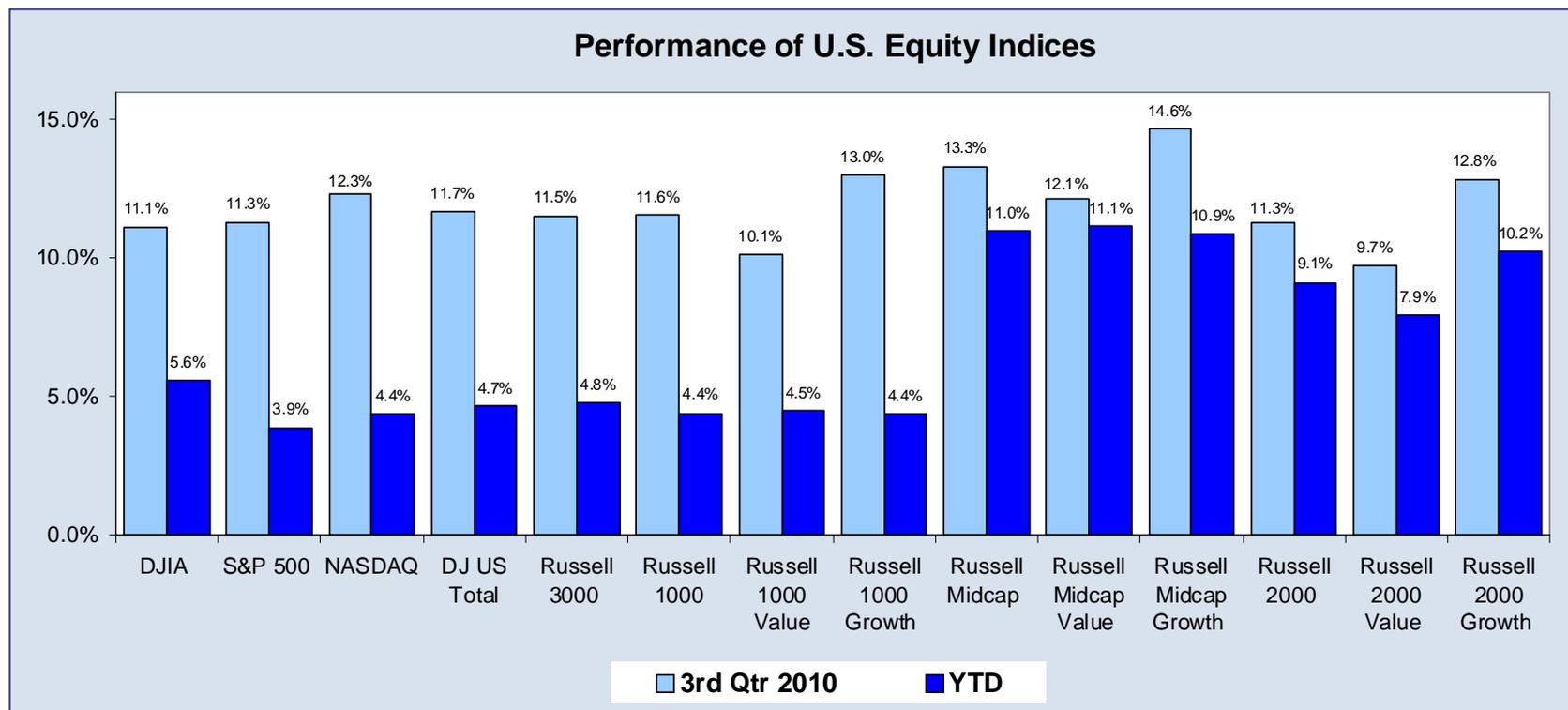
Russell 1000 Growth Index Minus Russell 1000 Value Index for Rolling Three-Year Periods



Domestic Equity

Large Cap outperforms Small Cap

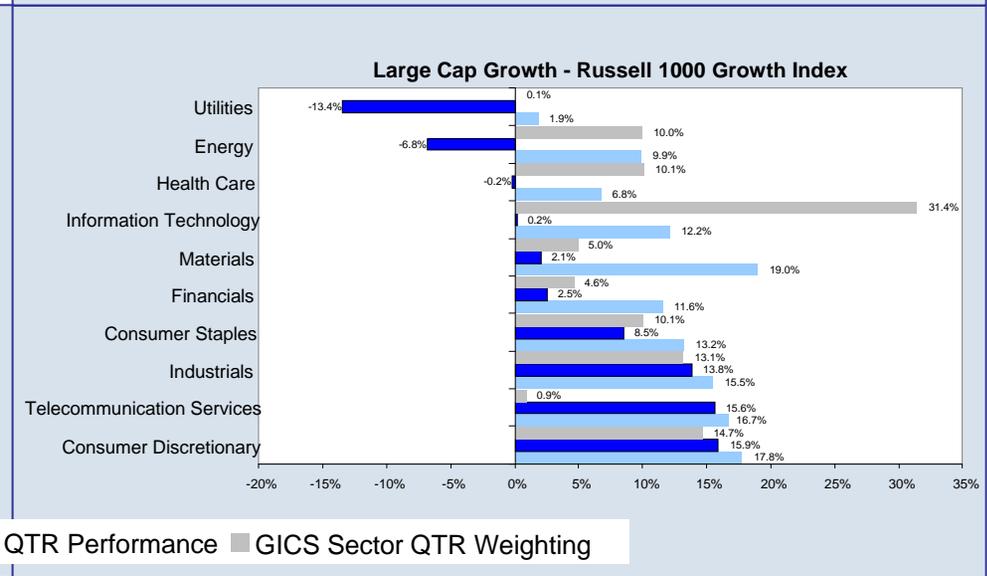
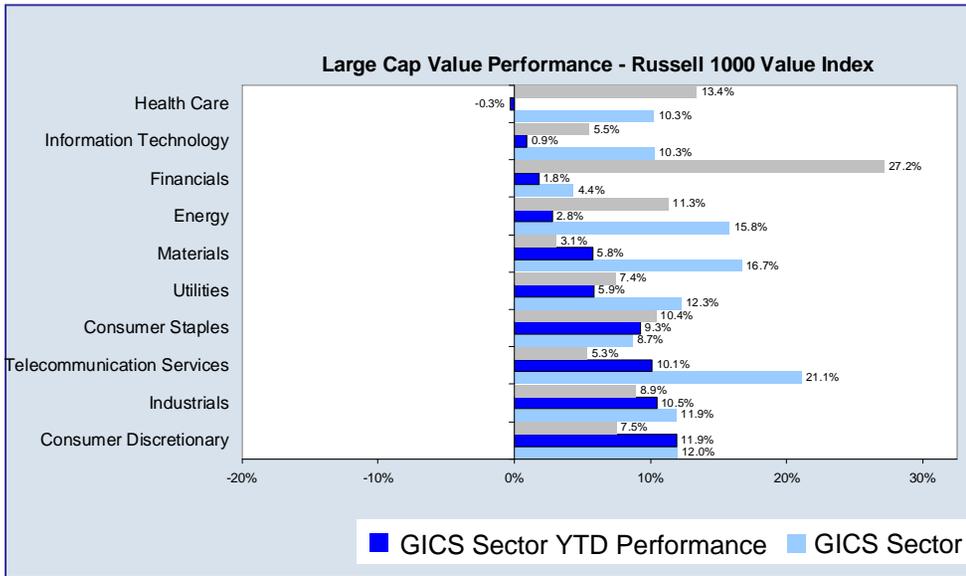
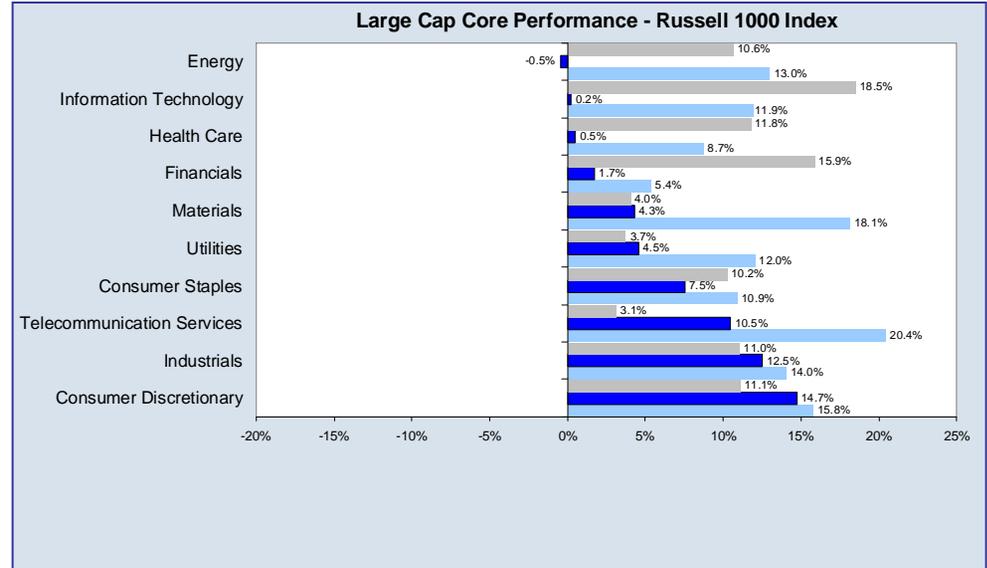
- During the third quarter the US capital markets surged, fueled by strong corporate earnings and despite sustained high unemployment and soft housing prices. US stocks performed positively across all market caps (large, mid, small) and investment styles (value, core, growth)
- In a reversal from the second quarter, growth oriented stocks outpaced their value counterparts across all market caps
- Large cap stocks outperformed small cap stocks during the quarter, however mid cap stocks performed the best



Domestic Equity – Large Cap

Growth Outperforms Value

- All of the ten sectors of the Russell 1000 indices reported positive returns for the quarter
- Telecommunication services and materials were the strongest performing sectors in the large cap space for the quarter
- Financials and health care reported the weakest returns

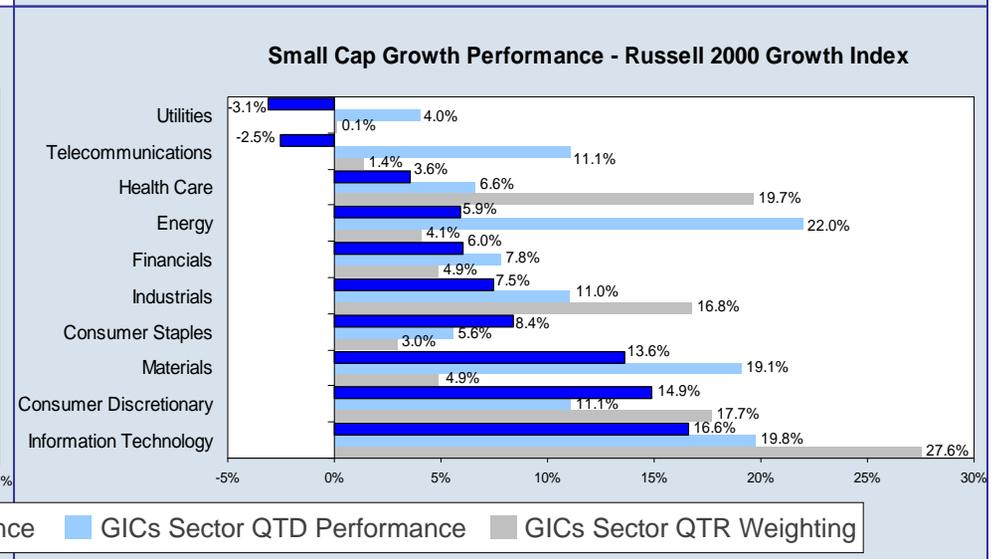
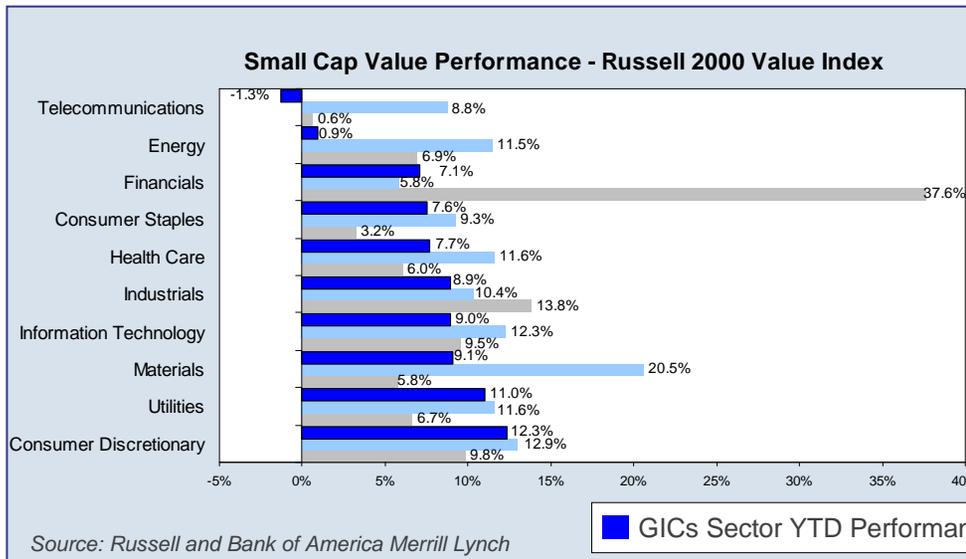
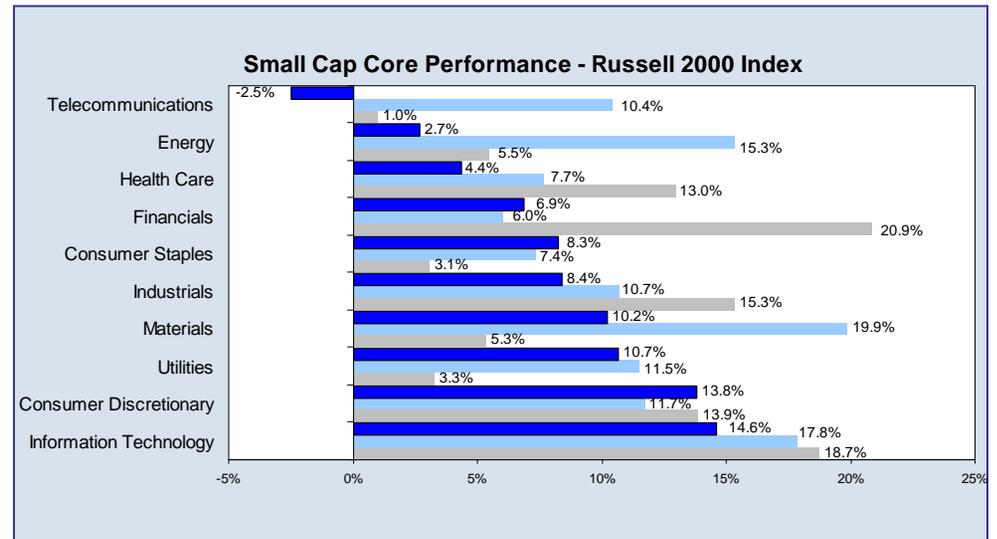


■ GICS Sector YTD Performance ■ GICS Sector QTR Performance ■ GICS Sector QTR Weighting

Domestic Equity – Small Cap

All Sectors Gain for the Quarter

- Seven of the ten sectors posted double digit returns for the quarter, as materials and information technology had the strongest performance
- Growth outperformed Value stocks (12.8% vs. 9.7%, respectively)
- Stocks with higher beta and larger market cap performed the strongest during the quarter

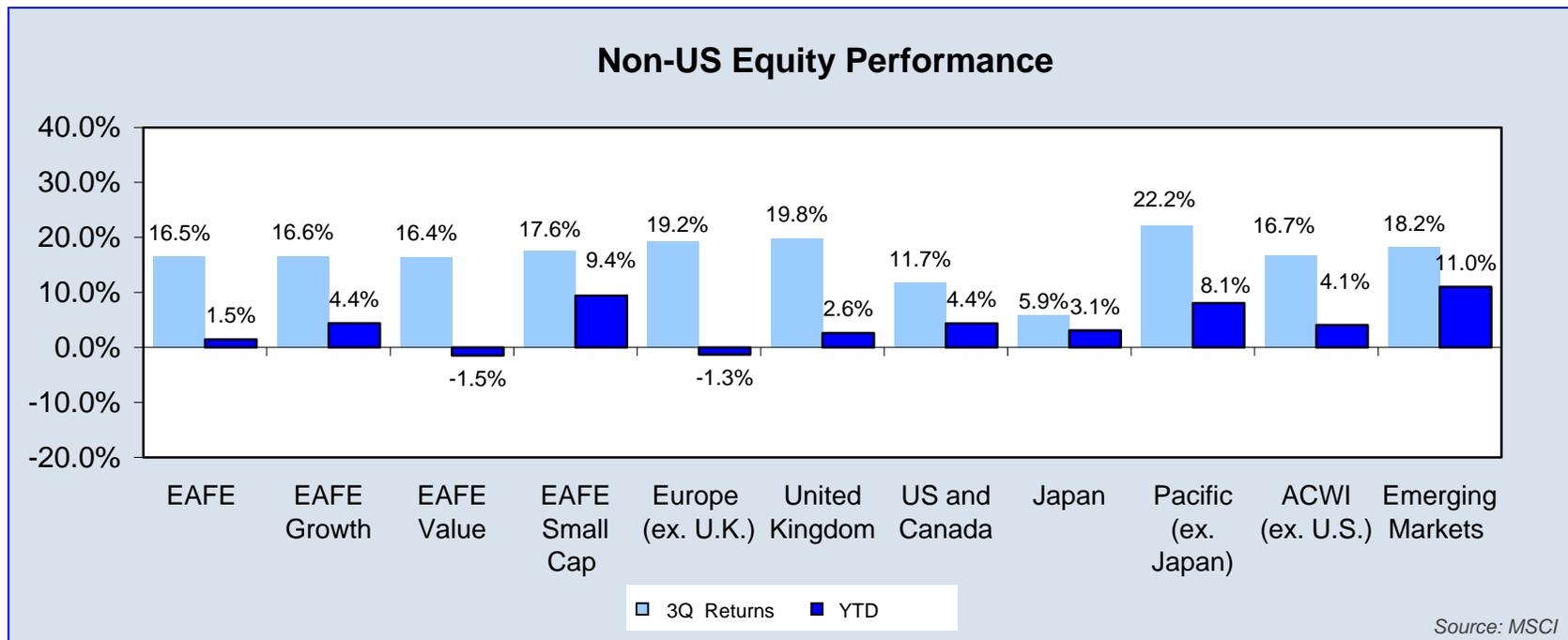


■ GICs Sector YTD Performance
 ■ GICs Sector QTD Performance
 ■ GICs Sector QTR Weighting

International Equity

Developed Markets: Non-U.S. Equities Performance

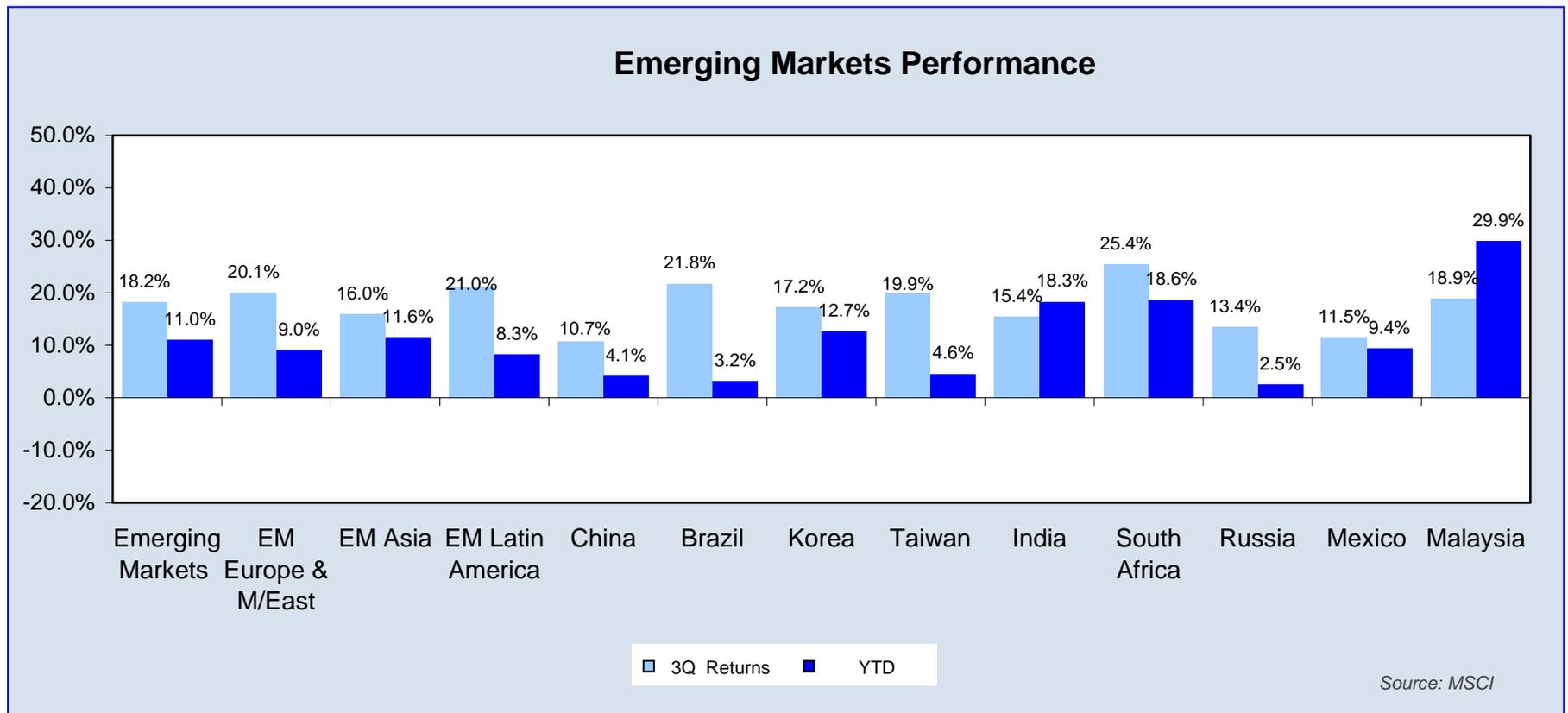
- MSCI EAFE gained 16.5% (gross) in the third quarter
 - In local currency terms, MSCI EAFE gained 7.2% for the quarter
- Japan, which represents 21.1% of the index, posted a 5.9% return. In local currency terms, Japan posted a 0.0% return
- The UK, which represents 21.5% of the index, posted a 19.8% return. In local currency terms, UK posted a 13.7% gain
- MSCI All Country World Index ex U.S. gained 16.7% (gross) in the third quarter
 - In local currency terms, MSCI All Country World Index ex U.S. gained 8.6% for the quarter



International Equity

Emerging Markets: Performance

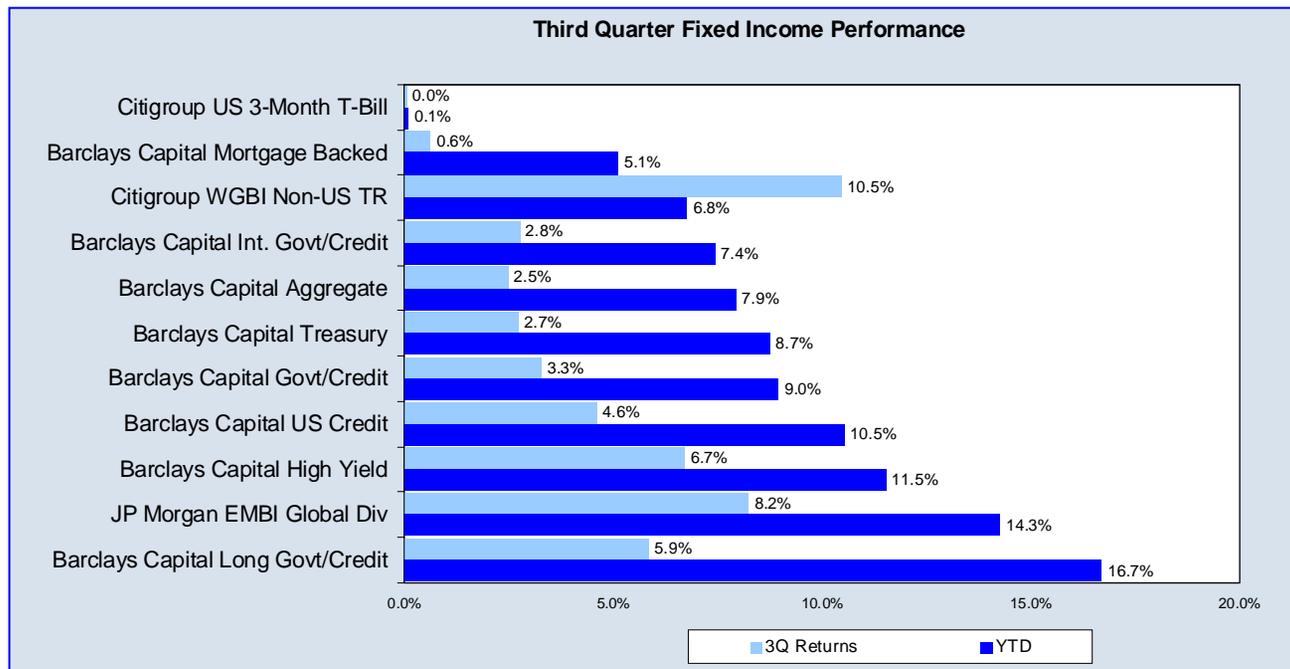
- MSCI Emerging Markets Index gained 18.2% in the third quarter
- Brazil, which represents 16.5% of the index, gained 21.8% for the quarter. China and Russia, which represent 18.0% and 6.0% of the index, posted quarterly returns of 10.7% and 13.4%, respectively



Fixed Income – US

Government Intervention Negatively Affects MBS Market

- The Federal Reserve implies a commitment to dealing with the persistent economic weakness through quantitative easing
- Barclays Aggregate Index grew again this quarter and returned 2.5% and 7.9% year-to-date
 - MBS suffers in anticipation of another round of quantitative easing, pullback from expired tax breaks, and the Fed's decision to maintain its balance sheet by reinvesting payments from its mortgage portfolio into Treasuries
 - CMBS has another strong quarter, its 6.4% is again the highest return of any sector within the Barclays Aggregate Index
 - Corporates gained 4.7% during the quarter and were again lead by financial companies which posted 5.1% gains
- Barclays US High Yield Index grew 6.7% for the quarter as risk tolerance returns to the market
 - The prospects for high yield corporates remain favorable and default rates continue to decline, fueling demand



Market Returns

For Periods Ending September 30, 2010

		QTR	YTD	1 YR	3 YRS*	5 YRS*	10 YRS*
Equity	S&P 500	11.3	3.9	10.2	-7.2	0.6	-0.4
	Russell 1000 Value	10.1	4.5	8.9	-9.4	-0.5	2.6
	Russell 1000 Growth	13.0	4.4	12.7	-4.4	2.1	-3.4
	Russell MidCap	13.3	11.0	17.5	-4.2	2.6	4.9
	Russell MidCap Value	12.1	11.2	16.9	-4.8	2.0	7.8
	Russell MidCap Growth	14.7	10.9	18.3	-3.9	2.9	-0.9
	Russell 2000	11.3	9.1	13.4	-4.3	1.6	4.0
	Russell 2000 Value	9.7	7.9	11.8	-5.0	0.7	7.7
	Russell 2000 Growth	12.8	10.2	14.8	-3.8	2.4	-0.1
	Russell 3000	11.5	4.8	11.0	-6.6	0.9	0.1
	<i>Mercer Large Cap Value Equity Peer Group median**</i>	10.5	3.1	8.4	-7.4	0.8	4.1
	<i>Mercer Large Cap Growth Equity Peer Group median**</i>	12.4	4.1	11.3	-4.9	2.2	-1.1
	<i>Mercer Small Cap Value Equity Peer Group median**</i>	10.5	9.8	14.7	-2.4	3.3	10.2
<i>Mercer Small Cap Growth Equity Peer Group median**</i>	11.9	9.6	15.2	-5.1	2.6	2.4	
Fixed Income	Citigroup 3-Month T-Bill	0.0	0.1	0.1	1.0	2.5	2.4
	Barclays Capital Int. Govt/Credit	2.8	7.4	7.8	6.9	6.0	6.1
	Barclays Capital Govt/Credit	3.3	9.0	8.7	7.5	6.2	6.5
	Barclays Capital Aggregate	2.5	7.9	8.2	7.4	6.2	6.4
	Barclays Capital Intermediate Government	2.1	6.6	6.2	6.7	5.9	5.7
	Barclays Capital Long Govt/Credit	5.9	16.7	13.6	10.2	7.3	8.4
	Barclays Capital MBS	0.6	5.1	5.7	7.5	6.4	6.3
	Barclays Capital TIPS	2.5	7.0	8.9	6.9	5.5	7.5
	Barclays Capital High Yield	6.7	11.5	18.4	8.8	8.4	8.0
	<i>Mercer Core Fixed Income Peer Group median**</i>	3.1	9.0	10.0	8.2	6.8	6.9
International	MSCI EAFE	16.5	1.5	3.7	-9.1	2.5	3.0
	MSCI Emerging Markets	18.2	11.0	20.5	-1.2	13.1	13.8
	Citigroup Non-US Govt Bond	10.5	6.8	4.5	8.4	7.3	8.0
	Citigroup Non-US Govt Bond - Hedged	1.9	4.6	4.8	5.7	4.8	5.2
	<i>Mercer International Equity Universe median**</i>	16.5	3.4	6.8	-7.6	4.0	4.6
Miscellaneous	NCREIF Property Index***	3.3	1.9	-1.5	-4.7	3.8	7.2
	FTSE NAREIT (Equity REITS)	12.8	19.1	30.3	-6.1	1.9	10.4
	BofA Merrill Lynch Inv. Grade Convertible	5.8	2.9	6.4	3.7	5.8	3.2
	Goldman Sachs Commodity Index	8.3	-3.9	4.2	-13.3	-10.2	1.2
Inflation	CPI	0.2	1.1	1.1	1.5	1.9	2.3
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	
Index at 9/30/10		Dow Jones	NASDAQ	S&P 500	Russell 2000	Wilshire 5000	
		10,788.05	2,368.62	1,141.20	676.14	12,020.91	

* Annualized

** Preliminary

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

Executive Summary

Market Environment

The third quarter of 2010 saw strong returns in equity and fixed income markets amidst uncertainty about the direction of the economy. During this period, the Commerce Department reported that the U.S. economy grew at an annualized GDP rate of 2.0% and the unemployment rate rose from 9.5% to 9.6%. The three-month Treasury yield declined from 0.18% at the end of June 2010 to 0.16% at the end of September 2010. Ten-year treasury yields continued to decline and fell from 2.97% at the end of June to 2.53% at end of September. During the third quarter, the Russell 3000 Index gained 11.5% while the MSCI ACWI ex US Index gained 16.6%.

Fund Changes

As planned, the Disabled Workers' Relief Fund and Black Lung Fund underwent multiple transitions during the third quarter. Both of these specialty funds closed the State Street TIPS Index, State Street Government/Credit Long Duration Index, and Northern Trust S&P 500 Index accounts during the quarter. The assets in the closed funds were temporarily moved into transition accounts within the two specialty funds and redeployed to State Street Aggregate Index, State Street TIPS Index, State Street Russell 3000 Index, and BlackRock ACWI ex US Index accounts. Allocations were determined based on the results of the asset/liability study that was conducted earlier this year by Mercer.

All Funds Composite

At the end of the third quarter, the Total Fund held a balance of \$20.38 billion, representing an increase of \$1.37 billion over the June 2010 balance of \$19.01 billion. The increase in assets was due to positive net cash flows and positive investment performance.

During the third quarter, the Total Fund returned 6.6% net-of-fees. Over the trailing one- and three-year periods the Total Fund has returned 10.7% and 5.9%, respectively. The Total Fund Composite has returned 6.2% since inception.

State Insurance Fund

The State Insurance Fund (SIF) held approximately \$18.70 billion at the end of the third quarter, representing an increase of \$1.30 billion over the previous quarter's balance.

Over the third quarter, the SIF returned 6.9% and lagged the policy benchmark by 0.2%. The SIF has returned 6.2% since inception.

Executive Summary

Performance

Over the **third quarter**, all of the investment managers tracked their respective benchmarks closely (i.e. by approximately 10 basis points) with the exception of the following strategies:

BlackRock TIPS Index

The BlackRock TIPS portfolio is solely held by the SIF. Over the quarter, the portfolio returned 2.7% and outperformed the benchmark by 0.2%. 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 quarter, the portfolio returned 2.7% in the State Insurance Fund and outperformed the benchmark by 0.2%. Historic tracking error dispersion in the State Insurance Fund portfolio is due to pricing differences between the custodian (JPMorgan) and State Street. The State Street TIPS portfolios held by the Disabled Workers' Relief Fund and the Black Lung Fund do not yet have a full quarter of performance to report.

Over the **year-to-date period**, all of the investment managers tracked their respective benchmarks reasonably with the exception of the following strategies:

BlackRock Long Duration Government Index

The BlackRock Long Duration Government Portfolio is solely held by the SIF. Over the year-to-date period, the portfolio returned 19.3% and outperformed the benchmark by 0.4%. 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 15.3% and outperformed the benchmark by 0.4%. This tracking error dispersion is primarily due to pricing differences between the custodian (JPMorgan) and BlackRock.

Over the trailing **one-year 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 BlackRock Long Duration Government Portfolio is solely held by the SIF. Over the one-year period, the portfolio returned 13.2% and outperformed the benchmark by 0.4%. 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.

State Street Long Duration Credit Index

The State Street Long Duration Credit Portfolio is solely held by the SIF. Over the one-year period, the portfolio returned 13.6% and underperformed the benchmark by 0.5%. This tracking error dispersion is due to pricing differences between the custodian (JPMorgan) and State Street.

Executive Summary

Manager Research Updates

State Street

Kevin Anderson, Ph.D., has been appointed Global Chief Investment Officer of Fixed Income and Currency, replacing Mark Marinella who is resigning from SSgA to pursue other opportunities. Marinella will remain with SSgA through the end of October to help facilitate a smooth transition.

In his new position, Anderson will continue to provide customized solutions including active and passive approaches. Bill Cunningham and Bill Street, recently appointed as global co-heads, Active Fixed Income, will report directly to Anderson together with Collin Crownover, Ph.D., global head of Currency management and Brian Kinney, head of Government Solutions. Anderson's direct reports will continue to include members of the global fixed income beta team.

These changes have resulted in some realignment in parts of SSgA's investment organization and as a result Brett Wander, Global Head of Active Fixed Income and Tom Hagstrom, Global Head of Fixed Income Business Management have also left the firm.

Mercer View

For a firm that has been plagued by organizational instability, this is a further setback, although, having met Marinella on several occasions, we did not hold him in high regard. He joined SSgA in 2007 and established an entirely new leadership team for active fixed income. At our last meeting with him in May 2010, he reported that he was happy with the structure in place and therefore any significant future developments would likely not be by design. He is leaving SSgA "by mutual consent" and his future destination is not yet known.

Although SSgA informed us of Marinella's departure, they failed to bring to our attention that Bill Cunningham and Bill Street were named co-heads of active fixed income in July 2010. At this point, incumbent head of active fixed income, Brett Wander, moved to a senior position within a strategy team. Apparently, these changes were Marinella-led decisions, contradicting his earlier statements about the stability of the platform. It is of concern to us that SSgA did not consider this development material enough to bring to our attention.

We have not met Anderson and will look to do so when he has had an opportunity to settle into his new role.

BlackRock

BlackRock announced that Curtis Arledge, CIO of Fixed Income, is leaving BlackRock and being replaced by Rick Rieder. Arledge was named CIO in January of this year, following the departure of Scott Amero. At that time, Rick Rieder was named Co-Deputy CIO of Fixed Income. BlackRock's announcement is reproduced below.

Mercer View

This is now the second CIO of Fixed Income to leave BlackRock this year. We continue to be concerned with the relatively high level of senior investment professional turnover at the firm. Rieder's background is in credit, so we are interested to learn why he was appointed to lead the multi-sector investment process.

Executive Summary

Peter Fisher, BlackRock's Head of Fixed Income, is unable to satisfactorily respond to our concerns with the high turnover among senior professionals BlackRock has experienced following its merger with BGI. He dismisses the issue by stressing that the number of employees that have left is small and that the departure of Curtis Arledge was partly the result of a rewarding opportunity that presented itself to him. While it is true the BlackRock has not lost a large number of people and that Arledge accepted a high-level position at a competing firm (BNY Mellon), Fisher's response does not address the issue that BlackRock has appointed individuals to very senior positions following the merger, only to see them leave shortly thereafter. The senior turnover indicates that there are possible cultural issues, or that senior professionals otherwise view the merger of BlackRock and BGI negatively. While BlackRock has a history of successfully completing large mergers, and this combination does not require the amalgamation of competing investment teams, the departures of key individuals following the merger gives us concern. We do not have reason to believe, however, that this merger will be unsuccessful and we expect the organization to settle in the near future. Until then, turnover of investment professionals will be a key issue to watch.

Mellon Capital Management

BNY Mellon has announced that Curtis Arledge will be joining BNY Mellon as vice chairman of the corporation and CEO of BNY Mellon AM. Arledge was the CIO for BlackRock's fundamental fixed income portfolios. He also served as co-head of U.S. Fixed Income at the firm. Mitchell Harris, who is currently serving as interim head of BNY Mellon AM, will continue in his role as chairman of BNY Mellon AM's Fixed Income, Cash and Currency Group after Arledge joins the firm and will then report to him.

Arledge will report to Robert Kelly, BNY Mellon's chairman and CEO. It is expected that Arledge will join BNY Mellon in the fourth quarter of 2010. He will also have executive leadership responsibility for the company's wealth management business. Lawrence Hughes, chief executive of BNY Mellon Wealth Management, will report to him.

Prior to joining BlackRock in 2008, Arledge held several leadership roles at Wachovia Corporation from 1996 to 2008. He was the global head of the Fixed Income Division and a member of the Corporate and Investment Bank's Executive and Risk/Return Committees. He had oversight for various business lines in the United States, Europe and Asia, including Leveraged Finance, Investment Grade, Global Rates, Structured Products, Corporate Loan, and Commercial Real Estate Portfolios, and Financial Institutions Investment Banking.

Mercer View

BNY Mellon has a number of wholly owned subsidiaries, including Blackfriars Asset Management, The Boston Company, Insight Investment Management, Pareto Investment Management, Standish Mellon Asset Management LLC, Mellon Capital Management, Alcentra, Newton Investment Management, Urdang Securities Management, Siguler Guff & Company, and BNY Mellon Cash Investment Strategies. As the subsidiary companies are run on an autonomous basis, we are not proposing any change in rating as a result of this news.

This news is not surprising given that the firm conducted a full search for the CEO role. Members of Mercer's fixed income boutique know Arledge and met with him earlier this year as part of their review of BlackRock and think highly of his abilities. As Arledge settles into his new role at BNY Mellon AM, we would like to confirm that the subsidiaries will continue to operate as boutiques and retain their independence.

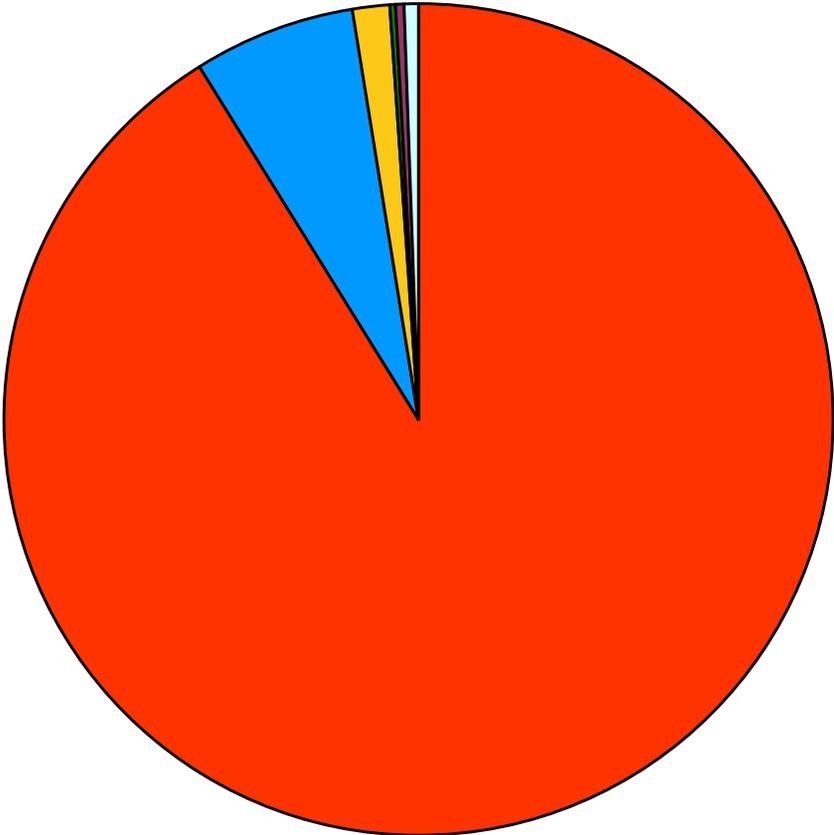
Asset Allocation and Performance

Ohio Bureau of Workers Compensation (Ohio BWC)

Asset Allocation

As of September 30, 2010*

■ SIF Accounts	91.8%
■ DWRP Fund Composite	6.4%
■ BLF Fund Composite	1.4%
■ PWRP Fund Composite	0.1%
■ MIF Fund Composite	0.1%
■ SIEGF Fund Composite	0.2%



**Total Market Value
\$20,375,026,327**

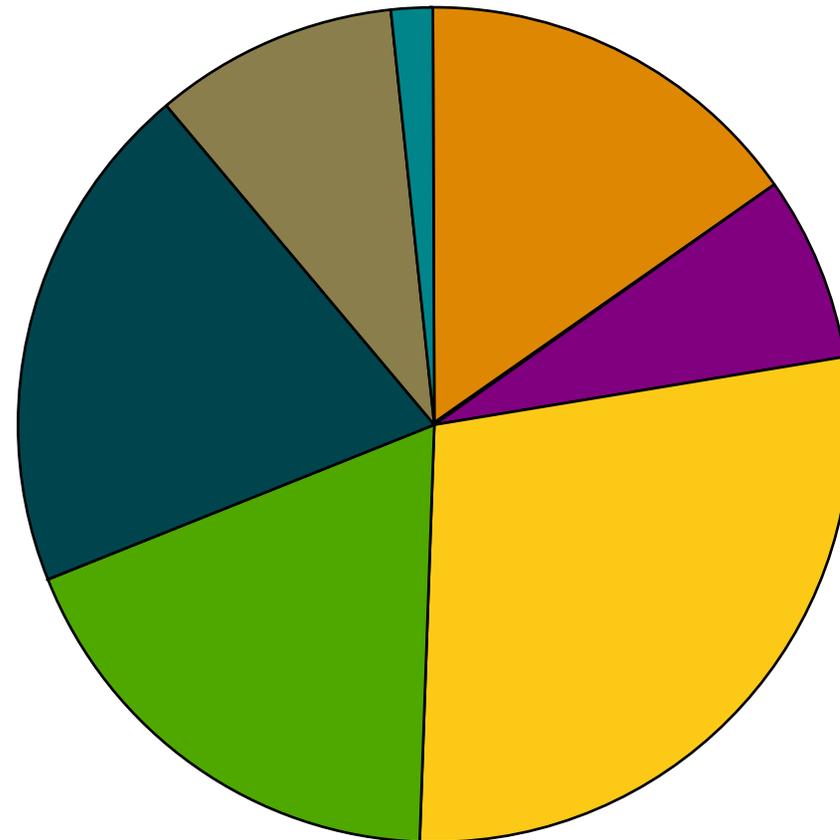
* Numbers may not add to 100% due to rounding.

Ohio Bureau of Workers Compensation (Ohio BWC)

Asset Allocation

As of September 30, 2010*

Aggregate Fixed Income	15.3%
Long Dur. Gov't/Credit FI	0.0%
Long Dur. Government FI	7.3%
Long Dur. Credit FI	28.1%
TIPS Fixed Income	18.2%
Int. Duration Fixed Income	0.2%
Domestic Equity	19.8%
International Equity	9.4%
Short Term Investments	1.8%



Total Market Value
\$20,375,026,327

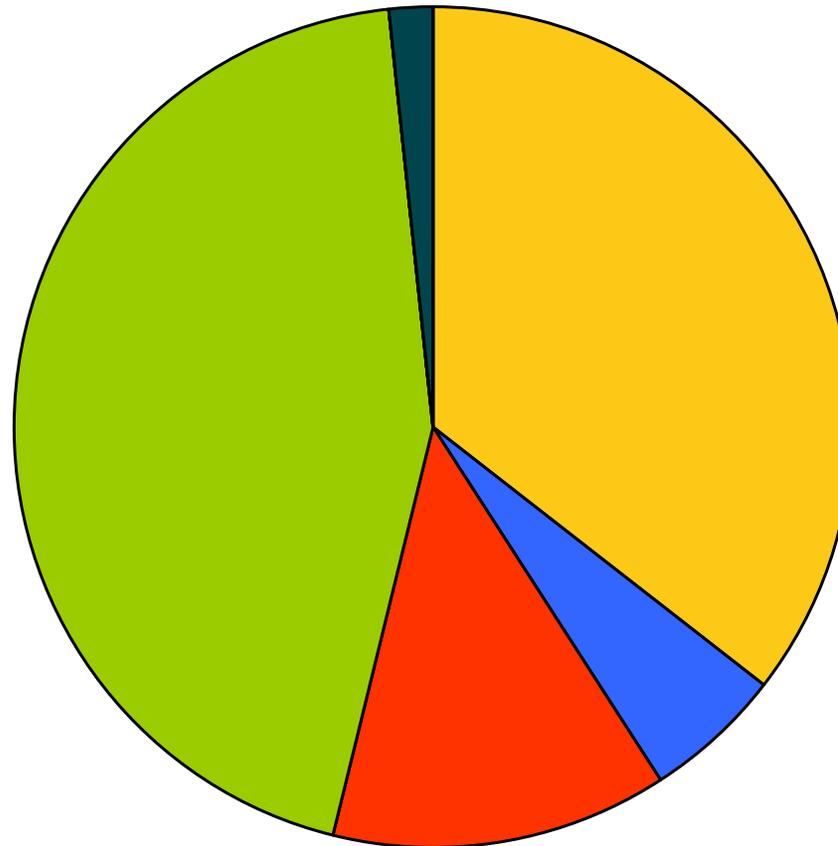
* Numbers may not add to 100% due to rounding.

Ohio Bureau of Workers Compensation (Ohio BWC)

Asset Allocation

As of September 30, 2010*

BlackRock	35.5%
Mellon	5.5%
Northern Trust	12.8%
State Street Global Advisors	44.4%
SIF ACWI ex US TM #2	0.0%
SIF Russell 3000 TM #3	0.0%
DWRF TM #1	0.0%
BLF TM #1	0.0%
Cash & Miscellaneous	1.8%



Total Market Value
\$20,375,026,327

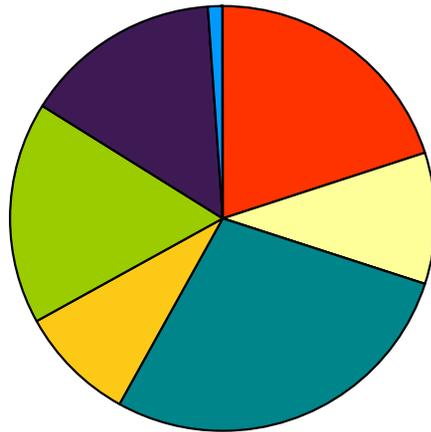
* Numbers may not add to 100% due to rounding.

Ohio Bureau of Workers Compensation (Ohio BWC)

Asset Allocation – State Insurance Fund

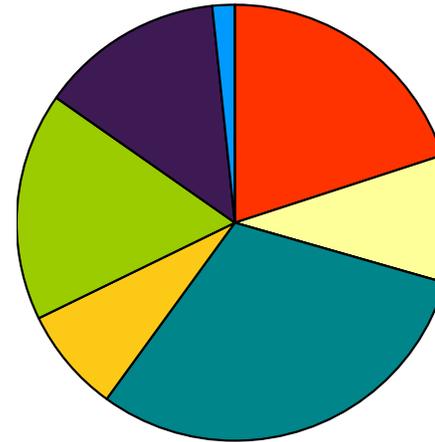
Policy Benchmark

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%



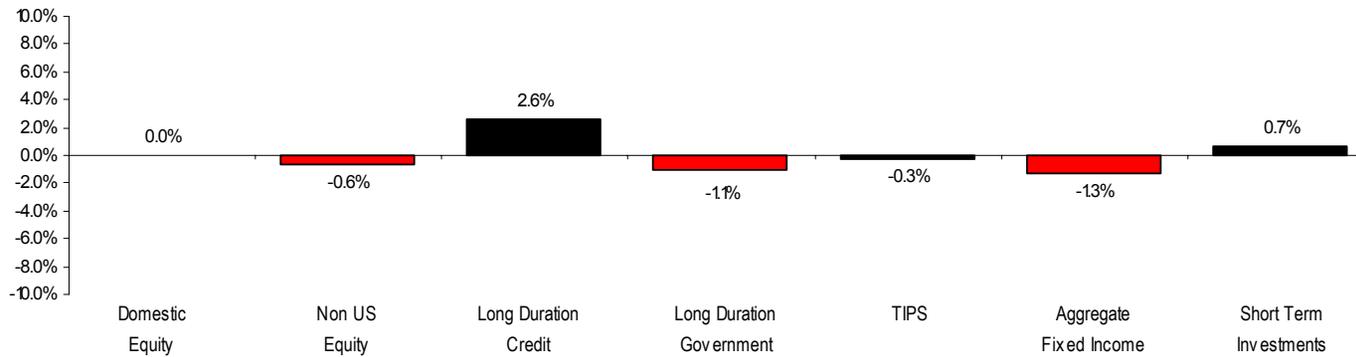
As of September 30, 2010

Domestic Equity	20.0%
Non US Equity	9.4%
Long Dur. Credit FI	30.6%
Long Dur. Government FI	7.9%
TIPS	16.7%
Aggregate Fixed Income	13.7%
Cash Equivalents	1.7%



Total Market Value
\$18,701,966,983

Asset Allocation vs. Policy Benchmark



Ohio Bureau of Workers Compensation (Ohio BWC)

Reconciliation

Portfolio Reconciliation By Manager

	Quarter Ending September 30, 2010			
	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
SSGA U.S. Aggregate Index	\$2,500,352,298	-\$151,625	\$61,714,217	\$2,561,914,890
SSGA Government Long Duration Index	\$24,699	-\$1	\$8	\$24,706
BlackRock Government Long Duration Index	\$1,408,149,163	-\$217,875	\$74,075,854	\$1,482,007,141
SSGA Credit Long Duration Index	\$3,852,010,378	-\$688,536	\$245,765,278	\$4,097,087,120
BlackRock Credit Long Duration Index	\$1,523,289,368	-\$654,415	\$97,538,696	\$1,620,173,648
BlackRock TIPS Index	\$2,152,223,244	-\$287,474	\$58,474,780	\$2,210,410,550
SSGA TIPS Index	\$896,785,221	-\$57,481	\$24,360,449	\$921,088,190
Russell 3000 Index TM #3	\$435,286	-\$303,926	\$85	\$131,445
MCM Russell 3000 Index	\$1,005,922,934	-\$37,066	\$115,865,035	\$1,121,750,903
NTGI Russell 3000 Index	\$2,346,886,291	-\$109,140	\$269,730,465	\$2,616,507,616
ACWI ex US TM #2	\$68,295	\$0	\$137	\$68,432
BlackRock ACWI ex US Index	\$1,509,190,459	-\$133,449	\$249,425,990	\$1,758,483,000
Miscellaneous Holding Account	\$4,212,812	-\$6,496,880	\$2,469,299	\$185,232
Transition Account	\$1,016,019	\$0	\$94,718	\$1,110,737
SIF Cash Account	\$202,875,522	\$108,074,437	\$73,415	\$311,023,374
SSGA U.S. Aggregate Index	\$0	\$440,418,659	\$336,769	\$440,755,427
SSGA Government/Credit Long Duration Index	\$741,020,449	-\$747,653,671	\$6,649,076	\$15,855
SSGA TIPS Index	\$262,246,349	-\$263,656,152	\$1,409,804	\$1
SSGA TIPS Commingled Index	\$0	\$459,081,394	\$2,739,203	\$461,820,597
SSGA Russell 3000 Index	\$0	\$239,429,351	\$22,543,388	\$261,972,739
BlackRock ACWI ex US Index	\$0	\$122,657,167	\$12,187,540	\$134,844,707
DWRF TM #1	\$0	\$11,853,356	-\$11,821,661	\$31,695
DWRF Cash Account	\$522,013	\$1,598,341	\$767	\$2,121,121
NTGI S&P 500 Index	\$243,924,942	-\$266,773,016	\$22,848,074	\$0
SSGA U.S. Aggregate Index	\$0	\$109,388,147	\$83,911	\$109,472,058
SSGA Government/Credit Long Duration Index	\$159,676,922	-\$161,063,327	\$1,393,691	\$7,286
SSGA TIPS Index	\$54,815,429	-\$55,091,574	\$276,145	\$0
SSGA TIPS Commingled Index	\$0	\$110,348,913	\$658,419	\$111,007,332
SSGA Russell 3000 Index	\$0	\$32,857,402	\$3,093,677	\$35,951,079
BlackRock ACWI ex US Index	\$0	\$18,570,444	\$1,845,632	\$20,416,076
BLF TM #1	\$0	\$566,468	-\$566,464	\$4
BLF Cash Account	\$97,427	\$958,860	\$137	\$1,056,424
NTGI S&P 500 Index	\$51,764,144	-\$56,612,798	\$4,848,654	\$0
SSGA Government/Credit Intermediate Duration Index	\$24,874,497	-\$4,847	\$679,696	\$25,549,346
PWRF Cash Account	\$89,389	\$245,013	\$83	\$334,485
SSGA Government/Credit Intermediate Duration Index	\$18,584,521	-\$3,622	\$507,822	\$19,088,722
MIF Cash Account	\$483,505	-\$60,806	\$110	\$422,809
SIEGF Cash Account	\$47,333,696	\$844,900	\$12,985	\$48,191,581
Total	\$19,008,875,271	\$96,835,171	\$1,269,315,885	\$20,375,026,327

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Net of Fee)*

Total Plan Performance

Name	Current Market Value	Current Allocation	Ending September 30, 2010										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Total Fund	\$20,375,026,327	100.0%	6.6%	--	9.5%	--	10.7%	--	5.9%	--	6.0%	--	6.2%	Jun-05
SIF Fund Composite	\$18,701,966,983	91.8%	6.9%	--	9.5%	--	10.8%	--	5.9%	--	6.0%	--	6.2%	Jun-05
<i>SIF Policy Benchmark**</i>			7.1%	--	10.0%	--	11.3%	--	--	--	--	--	--	<i>Jun-05</i>
SIF Bond Composite	\$12,892,706,245	63.3%	4.5%	--	12.0%	--	11.3%	--	8.9%	--	--	--	8.0%	Dec-06
SIF U.S. Aggregate Composite	\$2,561,914,890	12.6%	2.5%	--	7.8%	--	7.9%	--	--	--	--	--	8.2%	Jul-09
<i>Barclays Capital Aggregate</i>			2.5%	--	7.9%	--	8.2%	--	7.4%	--	6.2%	--	8.9%	<i>Jul-09</i>
SSGA U.S. Aggregate Index	\$2,561,914,890	12.6%	2.5%	89	7.8%	89	--	--	--	--	--	--	7.8%	Dec-09
<i>Barclays Capital Aggregate</i>			2.5%	89	7.9%	86	8.2%	91	7.4%	74	6.2%	75	7.9%	Dec-09
<i>Mercer Instl US Fixed Core Median</i>			3.1%		8.9%		10.0%		8.3%		6.8%		8.9%	Dec-09
SIF U.S. Long Government Composite	\$1,482,031,847	7.3%	5.2%	91	18.9%	15	12.8%	89	--	--	--	--	15.3%	Jul-09
<i>Barclays Capital LT Govt.</i>			5.3%	91	18.9%	16	12.8%	89	10.6%	67	7.7%	68	14.6%	<i>Jul-09</i>
<i>Mercer Instl US Fixed Long Duration Median</i>			6.0%		17.3%		14.8%		11.3%		7.9%		--	<i>Jul-09</i>
SSGA Government Long Duration Index	\$24,706	0.0%	0.0%	--	2.1%	--	-3.2%	--	--	--	--	--	0.5%	Jul-09
<i>Barclays Capital LT Govt.</i>			5.3%	91	18.9%	16	12.8%	89	10.6%	67	7.7%	68	14.6%	<i>Jul-09</i>
<i>Mercer Instl US Fixed Long Duration Median</i>			6.0%		17.3%		14.8%		11.3%		7.9%		--	<i>Jul-09</i>
BlackRock Government Long Duration Index	\$1,482,007,141	7.3%	5.2%	91	19.3%***	12	13.2%***	84	--	--	--	--	14.2%	Aug-09
<i>Barclays Capital LT Govt.</i>			5.3%	91	18.9%	16	12.8%	89	10.6%	67	7.7%	68	13.9%	<i>Aug-09</i>
<i>Mercer Instl US Fixed Long Duration Median</i>			6.0%		17.3%		14.8%		11.3%		7.9%		--	<i>Aug-09</i>

*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 September 30, 2010										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
SIF U.S. Long Credit	\$5,717,260,768	28.1%	6.4%	60	15.1%	86	13.7%	75	--	--	--	--	17.2%	Jul-09
<i>Barclays Capital LT Credit</i>			6.3%	60	14.9%	88	14.1%	72	9.6%	79	6.9%	--	17.0%	Jul-09
<i>Mercer Instl US Fixed Long Credit Median</i>			6.8%		16.2%		15.5%		10.7%		7.9%		--	Jul-09
SSGA Credit Long Duration Index	\$4,097,087,120	20.1%	6.4%	60	15.0%	87	13.6%**	75	--	--	--	--	16.9%	Jul-09
<i>Barclays Capital LT Credit</i>			6.3%	60	14.9%	88	14.1%	72	9.6%	79	6.9%	--	17.0%	Jul-09
<i>Mercer Instl US Fixed Long Credit Median</i>			6.8%		16.2%		15.5%		10.7%		7.9%		--	Jul-09
BlackRock Credit Long Duration Index	\$1,620,173,648	8.0%	6.4%	60	15.3%**	74	13.9%	73	--	--	--	--	15.9%	Aug-09
<i>Barclays Capital LT Credit</i>			6.3%	60	14.9%	88	14.1%	72	9.6%	79	6.9%	--	15.9%	Aug-09
<i>Mercer Instl US Fixed Long Credit Median</i>			6.8%		16.2%		15.5%		10.7%		7.9%		--	Aug-09
SIF TIPS Composite	\$3,131,498,740	15.4%	2.7%	--	7.3%	--	9.3%	--	6.9%	--	--	--	7.4%	Jan-07
<i>Barclays Capital US TIPS</i>			2.5%	--	7.0%	--	8.9%	--	6.9%	--	5.5%	--	7.4%	Jan-07
BlackRock TIPS Index	\$2,210,410,550	10.8%	2.7%**	62	--	--	--	--	--	--	--	--	6.7%	Feb-10
<i>Barclays Capital US TIPS</i>			2.5%	72	7.0%	73	8.9%	77	6.9%	72	5.5%	80	6.5%	Feb-10
<i>Mercer Instl US Fixed Inflation Linked Bonds Median</i>			2.8%		7.4%		9.4%		7.4%		5.7%		--	Feb-10
SSGA TIPS Index	\$921,088,190	4.5%	2.7%**	62	6.8%	75	8.9%	77	6.8%	77	--	--	7.3%	Jan-07
<i>Barclays Capital US TIPS</i>			2.5%	72	7.0%	73	8.9%	77	6.9%	72	5.5%	80	7.4%	Jan-07
<i>Mercer Instl US Fixed Inflation Linked Bonds Median</i>			2.8%		7.4%		9.4%		7.4%		5.7%		--	Jan-07

*See appendix for gross of fee performance

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

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Net of Fee)*

Name	Current Market Value	Current Allocation	Ending September 30, 2010										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
SIF Equity Composite	\$5,498,237,364	27.0%	13.1%	--	4.4%	--	10.0%	--	-7.1%	--	--	--	-3.5%	Dec-06
<i>SIF Equity Composite Benchmark</i>			13.2%	--	4.6%	--	10.1%	--	--	--	--	--	--	Dec-06
SIF U.S. Public Equity Composite	\$3,738,389,964	18.3%	11.5%	49	4.8%	47	11.0%	52	-6.9%	69	--	--	-3.8%	Jan-07
<i>SIF US Public Equity Benchmark</i>			11.5%	49	4.8%	47	11.0%	52	-6.9%	69	--	--	-3.8%	Jan-07
<i>Mercer Instl US Equity All Cap Core Median</i>			11.3%		4.6%		11.1%		-5.2%		2.0%		--	Jan-07
Russell 3000 Index TM #3	\$131,445	0.0%	0.0%	--	-2.1%	99	--	--	--	--	--	--	6.5%	Oct-09
<i>Russell 3000</i>			11.5%	48	4.8%	62	11.0%	62	-6.6%	71	0.9%	73	13.9%	Oct-09
<i>Mercer Instl US Equity Combined Median</i>			11.4%		6.2%		12.4%		-4.7%		2.4%		--	Oct-09
MCM Russell 3000 Index	\$1,121,750,903	5.5%	11.5%	49	--	--	--	--	--	--	--	--	5.1%	May-10
<i>Russell 3000</i>			11.5%	48	4.8%	62	11.0%	62	-6.6%	71	0.9%	73	5.1%	May-10
<i>Mercer Instl US Equity Combined Median</i>			11.4%		6.2%		12.4%		-4.7%		2.4%		--	May-10
NTGI Russell 3000 Index	\$2,616,507,616	12.8%	11.5%	49	--	--	--	--	--	--	--	--	5.1%	May-10
<i>Russell 3000</i>			11.5%	48	4.8%	62	11.0%	62	-6.6%	71	0.9%	73	5.1%	May-10
<i>Mercer Instl US Equity Combined Median</i>			11.4%		6.2%		12.4%		-4.7%		2.4%		--	May-10
SIF International Equity Composite	\$1,758,551,432	8.6%	16.5%	--	3.4%	--	7.1%	--	--	--	--	--	12.0%	Aug-09
<i>MSCI AC World ex USA (Net)</i>			16.6%	--	3.7%	--	7.6%	--	-7.4%	--	4.3%	--	12.0%	Aug-09
ACWI ex US TM #2	\$68,432	0.0%	0.2%	--	-6.4%	--	-3.1%	--	--	--	--	--	2.1%	Aug-09
<i>MSCI AC World ex USA (Net)</i>			16.6%	--	3.7%	--	7.6%	--	-7.4%	--	4.3%	--	12.0%	Aug-09
BlackRock ACWI ex US Index	\$1,758,483,000	8.6%	16.5%	49	--	--	--	--	--	--	--	--	2.0%	Mar-10
<i>MSCI AC World ex USA (Net)</i>			16.6%	47	3.7%	48	7.6%	44	-7.4%	46	4.3%	42	2.1%	Mar-10
<i>Mercer Instl Intl Equity Median</i>			16.4%		3.5%		6.8%		-7.7%		3.8%		1.8%	Mar-10
Miscellaneous Holding Account	\$185,232	0.0%	64.0%	--	104.6%	--	174.2%	--	98.7%	--	--	--	75.1%	Nov-06
Transition Account	\$1,110,737	0.0%	9.3%	--	2.4%	--	1.6%	--	--	--	--	--	-2.7%	Dec-07
SIF Cash Composite	\$311,023,374	1.5%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	3.4%	--	3.4%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	Jun-05
SIF Cash Account	\$311,023,374	1.5%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	3.4%	--	3.4%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	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 September 30, 2010									Inception		
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
DWRF Composite	\$1,301,562,142	6.4%	4.6%	--	10.1%	--	10.1%	--	6.1%	--	--	--	5.9%	Dec-06
<i>DWRF Policy Benchmark</i>			8.1%	--	14.1%	--	14.1%	--	--	--	--	--	--	<i>Dec-06</i>
SSGA U.S. Aggregate Index	\$440,755,427	2.2%	--	--	--	--	--	--	--	--	--	--	0.1%	Aug-10
<i>Barclays Capital Aggregate</i>			2.5%	89	7.9%	86	8.2%	91	7.4%	74	6.2%	75	0.1%	<i>Aug-10</i>
<i>Mercer Instl US Fixed Core Median</i>			3.1%		8.9%		10.0%		8.3%		6.8%		--	<i>Aug-10</i>
SSGA Government/Credit Long Duration Index	\$15,855	0.0%	-2.4%	--	7.5%	--	4.4%	--	--	--	--	--	7.0%	Oct-07
<i>Barclays Capital LT Govt/Credit</i>			5.9%	68	16.7%	73	13.6%	79	10.2%	74	7.3%	86	9.9%	<i>Oct-07</i>
<i>Mercer Instl US Fixed Long Duration Median</i>			6.0%		17.3%		14.8%		11.3%		7.9%		--	<i>Oct-07</i>
SSGA TIPS Index	\$1	0.0%	4.5%	14	9.2%	17	11.3%	18	--	--	--	--	7.3%	Oct-07
<i>Barclays Capital US TIPS</i>			2.5%	72	7.0%	73	8.9%	77	6.9%	72	5.5%	80	6.7%	<i>Oct-07</i>
<i>Mercer Instl US Fixed Inflation Linked Bonds Median</i>			2.8%		7.4%		9.4%		7.4%		5.7%		--	<i>Oct-07</i>
SSGA TIPS Commingled Index	\$461,820,597	2.3%	--	--	--	--	--	--	--	--	--	--	0.6%	Aug-10
<i>Barclays Capital US TIPS</i>			2.5%	72	7.0%	73	8.9%	77	6.9%	72	5.5%	80	0.6%	<i>Aug-10</i>
<i>Mercer Instl US Fixed Inflation Linked Bonds Median</i>			2.8%		7.4%		9.4%		7.4%		5.7%		--	<i>Aug-10</i>
SSGA Russell 3000 Index	\$261,972,739	1.3%	--	--	--	--	--	--	--	--	--	--	9.4%	Aug-10
<i>Russell 3000</i>			11.5%	48	4.8%	62	11.0%	62	-6.6%	71	0.9%	73	9.4%	<i>Aug-10</i>
<i>Mercer Instl US Equity Combined Median</i>			11.4%		6.2%		12.4%		-4.7%		2.4%		--	<i>Aug-10</i>
BlackRock ACWI ex US Index	\$134,844,707	0.7%	--	--	--	--	--	--	--	--	--	--	9.9%	Aug-10
<i>MSCI AC World ex USA (Net)</i>			16.6%	47	3.7%	48	7.6%	44	-7.4%	46	4.3%	42	9.9%	<i>Aug-10</i>
<i>Mercer Instl Intl Equity Median</i>			16.4%		3.5%		6.8%		-7.7%		3.8%		--	<i>Aug-10</i>
DWRF TM #1	\$31,695	0.0%	--	--	--	--	--	--	--	--	--	--	-12.6%	Aug-10
DWRF Cash Account	\$2,121,121	0.0%	0.0%	--	0.1%	--	0.1%	--	1.6%	--	3.2%	--	3.2%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	<i>Jun-05</i>

*See appendix for gross of fee performance

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Net of Fee)*

Name	Current Market Value	Current Allocation	Ending September 30, 2010										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
BLF Composite	\$277,910,259	1.4%	4.4%	--	10.0%	--	9.9%	--	5.9%	--	--	--	5.8%	Dec-06
<i>BLF Policy Benchmark</i>			7.1%	--	13.1%	--	13.1%	--	--	--	--	--	--	<i>Dec-06</i>
SSGA U.S. Aggregate Index	\$109,472,058	0.5%	--	--	--	--	--	--	--	--	--	--	0.1%	Aug-10
<i>Barclays Capital Aggregate</i>			2.5%	89	7.9%	86	8.2%	91	7.4%	74	6.2%	75	0.1%	<i>Aug-10</i>
<i>Mercer Instl US Fixed Core Median</i>			3.1%		8.9%		10.0%		8.3%		6.8%		--	<i>Aug-10</i>
SSGA Government/Credit Long Duration Index	\$7,286	0.0%	-2.4%	--	7.7%	--	4.5%	--	--	--	--	--	7.2%	Oct-07
<i>Barclays Capital LT Govt/Credit</i>			5.9%	68	16.7%	73	13.6%	79	10.2%	74	7.3%	86	9.9%	<i>Oct-07</i>
<i>Mercer Instl US Fixed Long Duration Median</i>			6.0%		17.3%		14.8%		11.3%		7.9%		--	<i>Oct-07</i>
SSGA TIPS Index	\$0	0.0%	4.2%	15	8.9%	18	11.0%	19	--	--	--	--	7.2%	Oct-07
<i>Barclays Capital US TIPS</i>			2.5%	72	7.0%	73	8.9%	77	6.9%	72	5.5%	80	6.7%	<i>Oct-07</i>
<i>Mercer Instl US Fixed Inflation Linked Bonds Median</i>			2.8%		7.4%		9.4%		7.4%		5.7%		--	<i>Oct-07</i>
SSGA TIPS Commingled Index	\$111,007,332	0.5%	--	--	--	--	--	--	--	--	--	--	0.6%	Aug-10
<i>Barclays Capital US TIPS</i>			2.5%	72	7.0%	73	8.9%	77	6.9%	72	5.5%	80	0.6%	<i>Aug-10</i>
<i>Mercer Instl US Fixed Inflation Linked Bonds Median</i>			2.8%		7.4%		9.4%		7.4%		5.7%		--	<i>Aug-10</i>
SSGA Russell 3000 Index	\$35,951,079	0.2%	--	--	--	--	--	--	--	--	--	--	9.4%	Aug-10
<i>Russell 3000</i>			11.5%	48	4.8%	62	11.0%	62	-6.6%	71	0.9%	73	9.4%	<i>Aug-10</i>
<i>Mercer Instl US Equity Combined Median</i>			11.4%		6.2%		12.4%		-4.7%		2.4%		--	<i>Aug-10</i>
BlackRock ACWI ex US Index	\$20,416,076	0.1%	--	--	--	--	--	--	--	--	--	--	9.9%	Aug-10
<i>MSCI AC World ex USA (Net)</i>			16.6%	47	3.7%	48	7.6%	44	-7.4%	46	4.3%	42	9.9%	<i>Aug-10</i>
<i>Mercer Instl Intl Equity Median</i>			16.4%		3.5%		6.8%		-7.7%		3.8%		--	<i>Aug-10</i>
BLF TM #1	\$4	0.0%	--	--	--	--	--	--	--	--	--	--	-0.1%	Aug-10
BLF Cash Account	\$1,056,424	0.0%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	3.1%	--	3.1%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	<i>Jun-05</i>

*See appendix for gross of fee performance

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Net of Fee)*

Name	Current Market Value	Current Allocation	Ending September 30, 2010										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
PWRF Composite	\$25,883,831	0.1%	2.7%	--	7.3%	--	7.6%	--	5.2%	--	--	--	4.8%	Dec-06
<i>PWRF Policy Benchmark</i>			2.7%	--	7.4%	--	7.7%	--	--	--	--	--	--	Dec-06
SSGA Government/Credit Intermediate Duration Index	\$25,549,346	0.1%	2.7%	56	7.3%	69	7.6%	79	--	--	--	--	8.6%	Feb-09
<i>Barclays Capital Int Govt/Credit</i>			2.8%	52	7.4%	60	7.8%	76	6.9%	83	5.9%	85	8.8%	Feb-09
<i>Mercer Instl US Fixed Intermediate Median</i>			2.8%		7.7%		8.3%		7.7%		6.6%		--	Feb-09
PWRF Cash Account	\$334,485	0.0%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	2.2%	--	2.2%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	Jun-05
MIF Composite	\$19,511,531	0.1%	2.7%	--	7.2%	--	7.4%	--	5.2%	--	--	--	4.8%	Dec-06
<i>MIF Policy Benchmark</i>			2.7%	--	7.4%	--	7.7%	--	--	--	--	--	--	Dec-06
SSGA Government/Credit Intermediate Duration Index	\$19,088,722	0.1%	2.7%	56	7.3%	69	7.6%	79	--	--	--	--	8.6%	Feb-09
<i>Barclays Capital Int Govt/Credit</i>			2.8%	52	7.4%	60	7.8%	76	6.9%	83	5.9%	85	8.8%	Feb-09
<i>Mercer Instl US Fixed Intermediate Median</i>			2.8%		7.7%		8.3%		7.7%		6.6%		--	Feb-09
MIF Cash Account	\$422,809	0.0%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	2.5%	--	2.4%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	Jun-05
SIEGF Composite	\$48,191,581	0.2%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	--	--	2.1%	Dec-06
<i>SIEGF Policy Benchmark</i>			0.0%	--	0.1%	--	0.1%	--	--	--	--	--	--	Dec-06
SIEGF Cash Account	\$48,191,581	0.2%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	2.8%	--	2.8%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	Jun-05

*See appendix for gross of fee performance

What's New at Mercer

Events

- Held our client Investment Forum in Toronto (September 28 – 29) titled “Taking Advantage of a Two-Speed World”
- Upcoming DC Forums in several cities on spend-down

Awards

- Global Investment Consultancy of the Year award for the eighth consecutive year – Financial News 2010 awards for Excellence in Institutional Asset Management, Europe

Intellectual Capital – White Papers/Surveys

- Real Estate Debt – From Crisis Comes Opportunity
- Investment Decision Making Survey
- DC Connections – Spend Down: Post-Retirement Strategies Around the Globe
- Investment Case: Shipping
- Perspectives on Alternative Investments – Observations and strategies for 2010 and beyond
- A Blueprint for Improving Institutional Equity Portfolios
- “Funny Money” – The increasing irrelevance of pension earnings

Conference/Event Speaking (Past)

- **Scott Abel, Brian Boudreau, David Kelly, Michael Moloney, Richard Faw** – P&I LDI Seminars (September in Dallas, San Francisco, New York and Chicago)
- **Louis Finney (speaker) and Kweku Obed (moderator)** – Chartered Alternative Investment Analyst (CAIA) Association, “Current State and Trends in the Private Equity and Distressed Debt Markets” (July)
- **Jeff Gabrione** – IMN Alternative Investments Conference (September), IMI Alternative Investing Summit (July), and the William Blair Family Wealth conference (July)
- **Liana Magner** – Mercer and career development at University of New Hampshire Whittemore School of Business & Economics (October)
- **Craig Metrick** – Opal's Public Funds East (July) and Program for Advanced Trustee Studies (July)
- **Andrew Ness** – National Association of Governmental Defined Contribution Administrators annual conference (September)
- **Stacy Scapino** – Institutional Investors conference (October) and Women In Pensions (October)
- **Erin Smith** – Annual PAICR conference “Competitive Intelligence: Using Research to Get Ahead.” (September)
- **Bryon Willy** – Roundtable for Consultants and Institutional Investors conference (Chicago)

Conference/Event Speaking (Upcoming)

- **Marina Batliwalla** – Opal's Annual Alternative Investing Summit (December)
- **Jeff Gabrione** – IMI's Consultants Congress in Greenwich (November)
- **Craig Metrick** – Principles for Responsible Investment Annual Event (October), and SRI in the Rockies (November)
- **Troy Saharic** – P&I Defined Contribution West Coast Conference (October)
- **Freeman Wood** – Opal Conference on Endowments and Foundations (November)

Appendix

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Gross of Fee)

Total Plan Performance

Name	Current Market Value	Current Allocation	Ending September 30, 2010										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Total Fund	\$20,375,026,327	100.0%	6.7%	--	9.5%	--	10.7%	--	5.9%	--	6.0%	--	6.3%	Jun-05
SIF Fund Composite	\$18,701,966,983	91.8%	6.9%	--	9.5%	--	10.8%	--	5.9%	--	6.0%	--	6.3%	Jun-05
<i>SIF Policy Benchmark*</i>			7.1%	--	10.0%	--	11.3%	--	--	--	--	--	--	Jun-05
SIF Bond Composite	\$12,892,706,245	63.3%	4.5%	--	12.0%	--	11.4%	--	8.9%	--	--	--	8.0%	Dec-06
SIF U.S. Aggregate Composite	\$2,561,914,890	12.6%	2.5%	--	7.8%	--	7.9%	--	--	--	--	--	8.2%	Jul-09
<i>Barclays Capital Aggregate</i>			2.5%	--	7.9%	--	8.2%	--	7.4%	--	6.2%	--	8.9%	Jul-09
SSGA U.S. Aggregate Index	\$2,561,914,890	12.6%	2.5%	89	7.8%	89	--	--	--	--	--	--	7.8%	Dec-09
<i>Barclays Capital Aggregate</i>			2.5%	89	7.9%	86	8.2%	91	7.4%	74	6.2%	75	7.9%	Dec-09
<i>Mercer Instl US Fixed Core Median</i>			3.1%		8.9%		10.0%		8.3%		6.8%		8.9%	Dec-09
SIF U.S. Long Government Composite	\$1,482,031,847	7.3%	5.3%	91	18.9%	15	12.8%	89	--	--	--	--	15.3%	Jul-09
<i>Barclays Capital LT Govt.</i>			5.3%	91	18.9%	16	12.8%	89	10.6%	67	7.7%	68	14.6%	Jul-09
<i>Mercer Instl US Fixed Long Duration Median</i>			6.0%		17.3%		14.8%		11.3%		7.9%		--	Jul-09
SSGA Government Long Duration Index	\$24,706	0.0%	0.0%	--	2.1%	--	-3.1%	--	--	--	--	--	0.5%	Jul-09
<i>Barclays Capital LT Govt.</i>			5.3%	91	18.9%	16	12.8%	89	10.6%	67	7.7%	68	14.6%	Jul-09
<i>Mercer Instl US Fixed Long Duration Median</i>			6.0%		17.3%		14.8%		11.3%		7.9%		--	Jul-09
BlackRock Government Long Duration Index	\$1,482,007,141	7.3%	5.3%	91	19.4%**	12	13.2%**	82	--	--	--	--	14.2%	Aug-09
<i>Barclays Capital LT Govt.</i>			5.3%	91	18.9%	16	12.8%	89	10.6%	67	7.7%	68	13.9%	Aug-09
<i>Mercer Instl US Fixed Long Duration Median</i>			6.0%		17.3%		14.8%		11.3%		7.9%		--	Aug-09

*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 (Gross of Fee)

Name	Current Market Value	Current Allocation	Ending September 30, 2010										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
SIF U.S. Long Credit	\$5,717,260,768	28.1%	6.4%	60	15.1%	85	13.7%	74	--	--	--	--	17.2%	Jul-09
<i>Barclays Capital LT Credit</i>			6.3%	60	14.9%	88	14.1%	72	9.6%	79	6.9%	--	17.0%	Jul-09
<i>Mercer Instl US Fixed Long Credit Median</i>			6.8%		16.2%		15.5%		10.7%		7.9%		--	Jul-09
SSGA Credit Long Duration Index	\$4,097,087,120	20.1%	6.4%	60	15.0%	86	13.6%*	75	--	--	--	--	17.0%	Jul-09
<i>Barclays Capital LT Credit</i>			6.3%	60	14.9%	88	14.1%	72	9.6%	79	6.9%	--	17.0%	Jul-09
<i>Mercer Instl US Fixed Long Credit Median</i>			6.8%		16.2%		15.5%		10.7%		7.9%		--	Jul-09
BlackRock Credit Long Duration Index	\$1,620,173,648	8.0%	6.4%	60	15.4%*	72	14.0%	73	--	--	--	--	16.0%	Aug-09
<i>Barclays Capital LT Credit</i>			6.3%	60	14.9%	88	14.1%	72	9.6%	79	6.9%	--	15.9%	Aug-09
<i>Mercer Instl US Fixed Long Credit Median</i>			6.8%		16.2%		15.5%		10.7%		7.9%		--	Aug-09
SIF TIPS Composite	\$3,131,498,740	15.4%	2.7%	--	7.3%	--	9.3%	--	6.9%	--	--	--	7.4%	Jan-07
<i>Barclays Capital US TIPS</i>			2.5%	--	7.0%	--	8.9%	--	6.9%	--	5.5%	--	7.4%	Jan-07
BlackRock TIPS Index	\$2,210,410,550	10.8%	2.7%*	60	--	--	--	--	--	--	--	--	6.8%	Feb-10
<i>Barclays Capital US TIPS</i>			2.5%	72	7.0%	73	8.9%	77	6.9%	72	5.5%	80	6.5%	Feb-10
<i>Mercer Instl US Fixed Inflation Linked Bonds Median</i>			2.8%		7.4%		9.4%		7.4%		5.7%		--	Feb-10
SSGA TIPS Index	\$921,088,190	4.5%	2.7%*	60	6.9%	75	8.9%	77	6.8%	77	--	--	7.3%	Jan-07
<i>Barclays Capital US TIPS</i>			2.5%	72	7.0%	73	8.9%	77	6.9%	72	5.5%	80	7.4%	Jan-07
<i>Mercer Instl US Fixed Inflation Linked Bonds Median</i>			2.8%		7.4%		9.4%		7.4%		5.7%		--	Jan-07

*Tracking error due to pricing differences between custodian and manager

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Gross of Fee)

Name	Current Market Value	Current Allocation	Ending September 30, 2010										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
SIF Equity Composite	\$5,498,237,364	27.0%	13.1%	--	4.4%	--	10.0%	--	-7.1%	--	--	--	-3.5%	Dec-06
<i>SIF Equity Composite Benchmark</i>			13.2%	--	4.6%	--	10.1%	--	--	--	--	--	--	Dec-06
SIF U.S. Public Equity Composite	\$3,738,389,964	18.3%	11.5%	49	4.8%	46	11.0%	52	-6.9%	69	--	--	-3.8%	Jan-07
<i>SIF US Public Equity Benchmark</i>			11.5%	49	4.8%	47	11.0%	52	-6.9%	69	--	--	-3.8%	Jan-07
<i>Mercer Instl US Equity All Cap Core Median</i>			11.3%		4.6%		11.1%		-5.2%		2.0%		--	Jan-07
Russell 3000 Index TM #3	\$131,445	0.0%	0.0%	--	-2.0%	99	--	--	--	--	--	--	6.5%	Oct-09
<i>Russell 3000</i>			11.5%	48	4.8%	62	11.0%	62	-6.6%	71	0.9%	73	13.9%	Oct-09
<i>Mercer Instl US Equity Combined Median</i>			11.4%		6.2%		12.4%		-4.7%		2.4%		--	Oct-09
MCM Russell 3000 Index	\$1,121,750,903	5.5%	11.5%	49	--	--	--	--	--	--	--	--	5.1%	May-10
<i>Russell 3000</i>			11.5%	48	4.8%	62	11.0%	62	-6.6%	71	0.9%	73	5.1%	May-10
<i>Mercer Instl US Equity Combined Median</i>			11.4%		6.2%		12.4%		-4.7%		2.4%		--	May-10
NTGI Russell 3000 Index	\$2,616,507,616	12.8%	11.5%	49	--	--	--	--	--	--	--	--	5.1%	May-10
<i>Russell 3000</i>			11.5%	48	4.8%	62	11.0%	62	-6.6%	71	0.9%	73	5.1%	May-10
<i>Mercer Instl US Equity Combined Median</i>			11.4%		6.2%		12.4%		-4.7%		2.4%		--	May-10
SIF International Equity Composite	\$1,758,551,432	8.6%	16.5%	--	3.4%	--	7.1%	--	--	--	--	--	12.0%	Aug-09
<i>MSCI AC World ex USA (Net)</i>			16.6%	--	3.7%	--	7.6%	--	-7.4%	--	4.3%	--	12.0%	Aug-09
ACWI ex US TM #2	\$68,432	0.0%	0.2%	--	-6.4%	--	-3.1%	--	--	--	--	--	2.1%	Aug-09
<i>MSCI AC World ex USA (Net)</i>			16.6%	--	3.7%	--	7.6%	--	-7.4%	--	4.3%	--	12.0%	Aug-09
BlackRock ACWI ex US Index	\$1,758,483,000	8.6%	16.5%	49	--	--	--	--	--	--	--	--	2.0%	Mar-10
<i>MSCI AC World ex USA (Net)</i>			16.6%	47	3.7%	48	7.6%	44	-7.4%	46	4.3%	42	2.1%	Mar-10
<i>Mercer Instl Intl Equity Median</i>			16.4%		3.5%		6.8%		-7.7%		3.8%		1.8%	Mar-10
Miscellaneous Holding Account	\$185,232	0.0%	64.0%	--	104.6%	--	174.2%	--	98.7%	--	--	--	75.1%	Nov-06
Transition Account	\$1,110,737	0.0%	9.3%	--	2.4%	--	1.6%	--	--	--	--	--	-2.7%	Dec-07
SIF Cash Composite	\$311,023,374	1.5%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	3.6%	--	3.6%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	Jun-05
SIF Cash Account	\$311,023,374	1.5%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	3.4%	--	3.4%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	Jun-05

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Gross of Fee)

Name	Current Market Value	Current Allocation	Ending September 30, 2010										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
DWRF Composite	\$1,301,562,142	6.4%	4.6%	--	10.1%	--	10.1%	--	6.1%	--	--	--	5.9%	Dec-06
<i>DWRF Policy Benchmark</i>			8.1%	--	14.1%	--	14.1%	--	--	--	--	--	--	<i>Dec-06</i>
SSGA U.S. Aggregate Index	\$440,755,427	2.2%	--	--	--	--	--	--	--	--	--	--	0.1%	Aug-10
<i>Barclays Capital Aggregate</i>			2.5%	89	7.9%	86	8.2%	91	7.4%	74	6.2%	75	0.1%	<i>Aug-10</i>
<i>Mercer Instl US Fixed Core Median</i>			3.1%		8.9%		10.0%		8.3%		6.8%		--	<i>Aug-10</i>
SSGA Government/Credit Long Duration Index	\$15,855	0.0%	-2.4%	--	7.6%	--	4.4%	--	--	--	--	--	7.0%	Oct-07
<i>Barclays Capital LT Govt/Credit</i>			5.9%	68	16.7%	73	13.6%	79	10.2%	74	7.3%	86	9.9%	<i>Oct-07</i>
<i>Mercer Instl US Fixed Long Duration Median</i>			6.0%		17.3%		14.8%		11.3%		7.9%		--	<i>Oct-07</i>
SSGA TIPS Index	\$1	0.0%	4.5%	14	9.2%	17	11.3%	18	--	--	--	--	7.4%	Oct-07
<i>Barclays Capital US TIPS</i>			2.5%	72	7.0%	73	8.9%	77	6.9%	72	5.5%	80	6.7%	<i>Oct-07</i>
<i>Mercer Instl US Fixed Inflation Linked Bonds Median</i>			2.8%		7.4%		9.4%		7.4%		5.7%		--	<i>Oct-07</i>
SSGA TIPS Commingled Index	\$461,820,597	2.3%	--	--	--	--	--	--	--	--	--	--	0.6%	Aug-10
<i>Barclays Capital US TIPS</i>			2.5%	72	7.0%	73	8.9%	77	6.9%	72	5.5%	80	0.6%	<i>Aug-10</i>
<i>Mercer Instl US Fixed Inflation Linked Bonds Median</i>			2.8%		7.4%		9.4%		7.4%		5.7%		--	<i>Aug-10</i>
SSGA Russell 3000 Index	\$261,972,739	1.3%	--	--	--	--	--	--	--	--	--	--	9.4%	Aug-10
<i>Russell 3000</i>			11.5%	48	4.8%	62	11.0%	62	-6.6%	71	0.9%	73	9.4%	<i>Aug-10</i>
<i>Mercer Instl US Equity Combined Median</i>			11.4%		6.2%		12.4%		-4.7%		2.4%		--	<i>Aug-10</i>
BlackRock ACWI ex US Index	\$134,844,707	0.7%	--	--	--	--	--	--	--	--	--	--	9.9%	Aug-10
<i>MSCI AC World ex USA (Net)</i>			16.6%	47	3.7%	48	7.6%	44	-7.4%	46	4.3%	42	9.9%	<i>Aug-10</i>
<i>Mercer Instl Intl Equity Median</i>			16.4%		3.5%		6.8%		-7.7%		3.8%		--	<i>Aug-10</i>
DWRF TM #1	\$31,695	0.0%	--	--	--	--	--	--	--	--	--	--	-12.6%	Aug-10
DWRF Cash Account	\$2,121,121	0.0%	0.0%	--	0.1%	--	0.1%	--	1.6%	--	2.9%	--	2.9%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	<i>Jun-05</i>

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Gross of Fee)

Name	Current Market Value	Current Allocation	Ending September 30, 2010										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
BLF Composite	\$277,910,259	1.4%	4.4%	--	10.0%	--	9.9%	--	6.0%	--	--	--	5.8%	Dec-06
<i>BLF Policy Benchmark</i>			7.1%	--	13.1%	--	13.1%	--	--	--	--	--	--	<i>Dec-06</i>
SSGA U.S. Aggregate Index	\$109,472,058	0.5%	--	--	--	--	--	--	--	--	--	--	0.1%	Aug-10
<i>Barclays Capital Aggregate</i>			2.5%	89	7.9%	86	8.2%	91	7.4%	74	6.2%	75	0.1%	<i>Aug-10</i>
<i>Mercer Instl US Fixed Core Median</i>			3.1%		8.9%		10.0%		8.3%		6.8%		--	<i>Aug-10</i>
SSGA Government/Credit Long Duration Index	\$7,286	0.0%	-2.4%	--	7.7%	--	4.6%	--	--	--	--	--	7.2%	Oct-07
<i>Barclays Capital LT Govt/Credit</i>			5.9%	68	16.7%	73	13.6%	79	10.2%	74	7.3%	86	9.9%	<i>Oct-07</i>
<i>Mercer Instl US Fixed Long Duration Median</i>			6.0%		17.3%		14.8%		11.3%		7.9%		--	<i>Oct-07</i>
SSGA TIPS Index	\$0	0.0%	4.2%	14	8.9%	18	11.0%	19	--	--	--	--	7.2%	Oct-07
<i>Barclays Capital US TIPS</i>			2.5%	72	7.0%	73	8.9%	77	6.9%	72	5.5%	80	6.7%	<i>Oct-07</i>
<i>Mercer Instl US Fixed Inflation Linked Bonds Median</i>			2.8%		7.4%		9.4%		7.4%		5.7%		--	<i>Oct-07</i>
SSGA TIPS Commingled Index	\$111,007,332	0.5%	--	--	--	--	--	--	--	--	--	--	0.6%	Aug-10
<i>Barclays Capital US TIPS</i>			2.5%	72	7.0%	73	8.9%	77	6.9%	72	5.5%	80	0.6%	<i>Aug-10</i>
<i>Mercer Instl US Fixed Inflation Linked Bonds Median</i>			2.8%		7.4%		9.4%		7.4%		5.7%		--	<i>Aug-10</i>
SSGA Russell 3000 Index	\$35,951,079	0.2%	--	--	--	--	--	--	--	--	--	--	9.4%	Aug-10
<i>Russell 3000</i>			11.5%	48	4.8%	62	11.0%	62	-6.6%	71	0.9%	73	9.4%	<i>Aug-10</i>
<i>Mercer Instl US Equity Combined Median</i>			11.4%		6.2%		12.4%		-4.7%		2.4%		--	<i>Aug-10</i>
BlackRock ACWI ex US Index	\$20,416,076	0.1%	--	--	--	--	--	--	--	--	--	--	9.9%	Aug-10
<i>MSCI AC World ex USA (Net)</i>			16.6%	47	3.7%	48	7.6%	44	-7.4%	46	4.3%	42	9.9%	<i>Aug-10</i>
<i>Mercer Instl Intl Equity Median</i>			16.4%		3.5%		6.8%		-7.7%		3.8%		--	<i>Aug-10</i>
BLF TM #1	\$4	0.0%	--	--	--	--	--	--	--	--	--	--	-0.1%	Aug-10
BLF Cash Account	\$1,056,424	0.0%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	2.9%	--	2.9%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	<i>Jun-05</i>

Ohio Bureau of Workers Compensation (Ohio BWC)

Performance Summary (Gross of Fee)

Name	Current Market Value	Current Allocation	Ending September 30, 2010										Inception	
			3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
PWRF Composite	\$25,883,831	0.1%	2.7%	--	7.3%	--	7.6%	--	5.3%	--	--	--	4.8%	Dec-06
<i>PWRF Policy Benchmark</i>			2.7%	--	7.4%	--	7.7%	--	--	--	--	--	--	<i>Dec-06</i>
SSGA Government/Credit Intermediate Duration Index	\$25,549,346	0.1%	2.7%	55	7.4%	68	7.7%	77	--	--	--	--	8.6%	Feb-09
<i>Barclays Capital Int Govt/Credit</i>			2.8%	52	7.4%	60	7.8%	76	6.9%	83	5.9%	85	8.8%	<i>Feb-09</i>
<i>Mercer Instl US Fixed Intermediate Median</i>			2.8%		7.7%		8.3%		7.7%		6.6%		--	<i>Feb-09</i>
PWRF Cash Account	\$334,485	0.0%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	2.2%	--	2.2%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	<i>Jun-05</i>
MIF Composite	\$19,511,531	0.1%	2.7%	--	7.2%	--	7.5%	--	5.2%	--	--	--	4.8%	Dec-06
<i>MIF Policy Benchmark</i>			2.7%	--	7.4%	--	7.7%	--	--	--	--	--	--	<i>Dec-06</i>
SSGA Government/Credit Intermediate Duration Index	\$19,088,722	0.1%	2.7%	55	7.4%	68	7.7%	77	--	--	--	--	8.6%	Feb-09
<i>Barclays Capital Int Govt/Credit</i>			2.8%	52	7.4%	60	7.8%	76	6.9%	83	5.9%	85	8.8%	<i>Feb-09</i>
<i>Mercer Instl US Fixed Intermediate Median</i>			2.8%		7.7%		8.3%		7.7%		6.6%		--	<i>Feb-09</i>
MIF Cash Account	\$422,809	0.0%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	2.5%	--	2.4%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	<i>Jun-05</i>
SIEGF Composite	\$48,191,581	0.2%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	--	--	2.1%	Dec-06
<i>SIEGF Policy Benchmark</i>			0.0%	--	0.1%	--	0.1%	--	--	--	--	--	--	<i>Dec-06</i>
SIEGF Cash Account	\$48,191,581	0.2%	0.0%	--	0.1%	--	0.1%	--	1.3%	--	2.8%	--	2.8%	Jun-05
<i>BofA Merrill Lynch 91 Day T-Bill</i>			0.0%	--	0.1%	--	0.1%	--	1.1%	--	2.6%	--	2.6%	<i>Jun-05</i>

Appendix

Benchmark Weights

The benchmarks for their respective accounts are as follows:

	Weight		Weight
SIF Policy Benchmark*:		BLF Policy Benchmark***:	
BarCap US Long Credit Index	28%	BarCap US Aggregate Index	39%
BarCap US Long Government Index	9%	BarCap US TIPS Index	40%
BarCap US Aggregate Index	15%	Russell 3000 Index	13%
BarCap US TIPS Index	17%	MSCI All Country World ex US Index	7%
3 Month US Treasury Bill	1%	3 Month US Treasury Bill	1%
Russell 3000 Index	20%		
MSCI All Country World ex US Index	10%	TOTAL:	100%
TOTAL:	100%	PWR Policy Benchmark:	
DWR Policy Benchmark**:		BarCap US Intermediate Government/Credit Index	99%
BarCap US Aggregate Index	34%	3 Month US Treasury Bill	1%
BarCap US TIPS Index	35%	TOTAL:	100%
Russell 3000 Index	20%	MIF Policy Benchmark:	
MSCI All Country World ex US Index	10%	BarCap US Intermediate Government/Credit Index	99%
3 Month US Treasury Bill	1%	3 Month US Treasury Bill	1%
TOTAL:	100%	TOTAL:	100%
		SIEGF Policy Benchmark:	
		3 Month US Treasury Bill	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%.

** From January 1, 2008 until August 31, 2010 the DWR Policy 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%.

*** From January 1, 2008 until August 31, 2010 the BLF 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%.

Fee Schedule

Manager Roster and Fee Schedule

as of September 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		\$311,191	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		\$420,502	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	\$1,424,272	0.03%
BlackRock Credit Long Duration Index	0.09% of First \$1,000.0 Mil, 0.07% of Next \$1,000.0 Mil, 0.06% Thereafter		\$1,365,130	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		\$702,603	0.03%
SSGA TIPS Index	0.01% of First \$500.0 Mil, 0.01% of Next \$1,000.0 Mil, 0.01% Thereafter	\$0	\$117,109	0.01%

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		\$72	0.06%
MCM Russell 3000 Index	0.01% of First \$2,000.0 Mil, 0.01% Thereafter	\$75,000	\$112,175	0.01%
NTGI Russell 3000 Index	0.01% of Assets	\$50,000	\$340,146	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		\$823,393	0.05%
Miscellaneous Holding Account			--	--
Transition Account			--	--
SIF Cash Composite				
SIF Cash Account			--	--
DWRF Composite				
SSGA U.S. Aggregate Index	0.01% of First \$500.0 Mil, 0.01% of Next \$1,000.0 Mil, 0.01% Thereafter		\$66,113	0.02%
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	\$5	0.03%
SSGA TIPS Index	0.01% of First \$500.0 Mil, 0.01% of Next \$1,000.0 Mil, 0.01% Thereafter	\$0	\$0	0.02%
SSGA TIPS Commingled Index	0.01% of First \$500.0 Mil, 0.01% of Next \$1,000.0 Mil, 0.01% Thereafter		\$69,273	0.02%
SSGA Russell 3000 Index	0.03% of First \$500.0 Mil, 0.02% of Next \$1,000.0 Mil, 0.01% Thereafter		\$65,493	0.03%

Fee Schedule

Account	Fee Schedule	Est. Minimum Annual Fee (\$)	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
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		\$87,422	0.06%
DWRF TM #1			--	--
DWRF Cash Account			--	--
BLF Composite				
SSGA U.S. Aggregate Index	0.01% of First \$500.0 Mil, 0.01% of Next \$1,000.0 Mil, 0.01% Thereafter		\$16,421	0.02%
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	\$2	0.03%
SSGA TIPS Index	0.01% of First \$500.0 Mil, 0.01% of Next \$1,000.0 Mil, 0.01% Thereafter	\$0	\$0	0.00%
SSGA TIPS Commingled Index	0.01% of First \$500.0 Mil, 0.01% of Next \$1,000.0 Mil, 0.01% Thereafter		\$16,651	0.02%
SSGA Russell 3000 Index	0.03% of First \$500.0 Mil, 0.02% of Next \$1,000.0 Mil, 0.01% Thereafter		\$8,988	0.03%
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		\$14,291	0.07%
BLF TM #1			--	--
BLF Cash Account			--	--

Fee Schedule

Account	Fee Schedule	Est. Minimum Annual Fee (\$)	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
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	\$10,220	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	\$7,635	0.04%
MIF Cash Account			--	--
SIEGF Composite				
SIEGF Cash Account			--	--
Investment Management Fee			\$5,979,115	0.03%

Appendix

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Appendix

Returns for periods greater than one year are annualized. Returns are calculated [gross][net] of investment management fees, unless noted.

Style analysis graph time periods may differ reflecting the length of performance history available.

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Appendix

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

<u>Asset Sector</u>	<u>Market Value October 31, 2010</u>	<u>% Assets</u>	<u>Market Value September 30, 2010</u>	<u>% Assets</u>	<u>Increase(Decrease) Prior Month-End</u>	<u>% Change</u>	<u>Market Value June 30, 2010</u>	<u>% Assets</u>	<u>Increase(Decrease) Prior Fiscal Year-End</u>	<u>% Change</u>
Bonds	13,986,655,519	68.5%	14,004,085,457	68.7%	(17,429,938)	-0.1%	13,537,054,766	71.2%	449,600,753	3.3%
Equity	6,167,924,850	30.2%	5,942,418,238	29.2%	225,506,612	3.8%	5,154,562,423	27.1%	1,013,362,427	19.7%
Net Cash - OIM	46,625,813	0.3%	60,369,903	0.3%	(13,744,090)	-22.8%	64,622,125	0.3%	(17,996,312)	-27.8%
Net Cash - Operating	162,808,239	0.8%	323,624,177	1.6%	(160,815,938)	-49.7%	218,991,596	1.2%	(56,183,357)	-25.7%
Net Cash - SIEGF	49,004,067	0.2%	48,193,580	0.2%	810,487	1.7%	47,335,733	0.2%	1,668,334	3.5%
Total Net Cash	258,438,119	1.3%	432,187,660	2.1%	(173,749,541)	-40.2%	330,949,454	1.7%	(72,511,335)	-21.9%
Total Invested Assets	\$20,413,018,488	100%	\$20,378,691,355	100%	\$34,327,133	0.2%	\$19,022,566,643	100%	\$1,390,451,845	7.3%

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.

October 2010/September 2010 Comparisons

- Net investment income in October 2010 was \$194 million representing a monthly net portfolio return of **+0.9%** (unaudited).
- Bond market value decrease of \$(17.4) mm comprised of \$49.2 mm in interest income and \$(75.6) mm in OIM realized/unrealized losses (\$11.4 mm net realized gain), offset by \$9.0 mm in OIM net bond purchases, representing a monthly net return of **-0.2%** (unaudited).
- Equity market value increase of \$225.5 mm comprised of \$4.1 mm of dividend income, \$219.3 mm in net realized/unrealized gains (\$2.2 mm net realized gain) and \$2.1 mm in OIM net equity purchases, representing a monthly net return of **+3.7%** (unaudited).
- Net cash balances decreased \$(173.7) mm in October 2010 largely due to decreased operating cash balances of \$(160.8) mm.
JPMorgan US Govt. money market fund had 30-day average yield of 0.11% for October 2010 (0.12% for Sep10) and 7-day average yield of 0.10% on 10/31/10 (0.12% on 9/30/10).

October 2010/June 2010 FYTD Results

- Net investment income for FYTD2011 was \$1,456 million largely comprised of \$224 mm of interest/dividend income and \$1,234 mm of net realized/unrealized gains (\$166 mm net realized gain), offset by \$2 mm in fees, representing a FYTD2011 net portfolio return of **+7.6%** (unaudited).
- Bond market value increase of \$450 mm for FYTD2011 comprised of \$198 mm in interest income and \$361 mm of net realized/unrealized gains (\$141 mm net realized gain), offset by \$103 mm in OIM/TM net bond sales and by \$6 mm in operations redemptions, representing a FYTD2011 net return of **+4.0%** (unaudited).
- Equity market value increase of \$1,013 mm for FYTD2011 comprised of \$26 mm in dividend income, \$873 mm in net realized/unrealized gains (\$25 mm net realized gain) and \$120 mm in OIM/TM net equity purchases, offset by \$6mm in miscellaneous asset redemptions, representing a FYTD2011 net return of **+17.8%** (unaudited).

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

As of October 31, 2010

(in thousands)

	SIF	% Trust	DWRF	% Trust	BLF	% Trust	PWRF	% Trust	MIF	% Trust	SIEGF	% Trust	Eliminations	ACF	% Trust	Totals	% of Total
Bonds	\$ 12,801,541	68.4%	\$ 916,430	69.0%	\$ 223,823	79.0%	\$ 25,677	98.5%	\$ 19,184	97.9%	\$ -	0.0%	\$ -	\$ -	0.0%	\$ 13,986,655	68.5%
Long Credit	5,596,563	29.9%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	5,596,563	27.4%
Long Government	1,432,690	7.7%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	1,432,690	7.0%
Long Gov/Credit	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
TIPS	3,204,425	17.1%	474,028	35.7%	113,942	40.2%	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	3,792,395	18.6%
Aggregate	2,567,863	13.7%	442,402	33.3%	109,881	38.8%	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	3,120,146	15.3%
Intermediate Gov/Credit	-	0.0%	-	0.0%	-	0.0%	25,677	98.5%	19,184	97.9%	-	0.0%	-	-	0.0%	44,861	0.2%
Stocks	\$ 5,697,834	30.5%	\$ 411,626	30.9%	\$ 58,465	20.6%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	\$ -	0.0%	\$ 6,167,925	30.2%
Russell 3000	3,875,485	20.7%	272,174	20.4%	37,351	13.2%	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	4,185,010	20.5%
MSCI ACWI ex-U.S.	1,818,368	9.8%	139,452	10.5%	21,114	7.4%	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	1,978,934	9.7%
S&P 500	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	-	0.0%
Dividends Receivable	3,946	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	-	0.0%	3,946	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	202,655	1.1%	1,030	0.1%	1,017	0.4%	389	1.5%	407	2.1%	49,004	100.0%	-	3,936	100.0%	258,438	1.3%
Total Cash & Investments	\$ 18,702,030	100.0%	\$ 1,329,086	99.9%	\$ 283,305	100.0%	\$ 26,066	100.0%	\$ 19,591	100.0%	\$ 49,004	100.0%	\$ -	\$ 3,936	100.0%	\$ 20,413,018	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.

<u>Policy Fund Asset Allocation</u>	<u>SIF</u>	<u>DWRF</u>	<u>BLF</u>	<u>PWRF</u>	<u>MIF</u>	<u>SIEGF</u>	<u>ACF</u>
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 indices returns increased for the Russell 3000 (+3.91%) as well as for the MSCI ACWI ex-U.S. (+3.41%) in the month of October. As a result the equity allocation increased to 30.5% for the month from 29.4% for the prior month-end. Bond indices returns also increased for U.S. TIPS Index (+2.65%) and the U.S. Aggregate Bond Index (+0.36%) but decreased for the Barclays Capital Government Long Term Index (-3.14%) as well as for the Barclays Capital Long Credit Index (-1.48%) in October. The SIF strong equity performance along with a slightly net negative bond indices resulted in the overall bond asset allocation decreasing from 68.6% at end of September to 68.4% at end of October.

Cash allocations decreased from 2.0% at end of September to 1.1% at end of October largely due to decreased SIF operating cash of \$159.7 million as well as \$13.7 million in decreased SIF investment manager cash balances.

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

DWRF and BLF transitions were completed for the Barclays U.S. Aggregate, U.S. TIPS, Russell 3000 and the MSCI ACWI ex U.S. and final placement of funds to approved target investment managers in September, 2010. These transitions complete the BWC Board of Directors' Investment Committee approved Coal Workers' Pneumoconiosis Fund new asset allocation (approved at the December, 2009 meeting) and the Disabled Workers' Relief Fund new asset allocation (approved at the January, 2010 meeting). The increase in the Russell 3000 (+3.91%) as well as the MSCI ACWI x U.S. (+3.41%) increased the equity allocations for DWRF and BLF from 30.5% and 20.3% at end of September, 2010, to 30.9% and 20.6%, respectively by fund, at month-end October. The strong equity returns overshadowed the increased returns for the U.S. TIPS Index (+2.65%) and the slightly positive U.S. Aggregate Bond Index (+0.36%) returns, decreasing the overall bond asset allocations for DWRF and BLF from 69.3% and 79.3% at end of September, 2010, to 69.0% and 79.0%, respectively by fund, at month-end October.

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

The Barclays Capital Government/Credit Intermediate index increased +0.48% in the month of October.

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 September 30, 2010

(in thousands)

	SIF	% Trust	DWRF	% Trust	BLF	% Trust	PWRF	% Trust	MIF	% Trust	SIEGF	% Trust	ACF	% Trust	Totals	% of Total
Bonds	\$ 12,836,380	68.6%	\$ 902,585	69.3%	\$ 220,482	79.3%	\$ 25,549	98.7%	\$ 19,089	97.7%	\$ -	0.0%	\$ -	0.0%	\$ 14,004,085	68.7%
Long Credit	5,673,768	30.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	5,673,768	27.8%
Long Government	1,479,410	7.9%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	1,479,410	7.3%
Long Gov/Credit	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
TIPS	3,130,737	16.7%	461,821	35.5%	111,007	39.9%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	3,703,565	18.2%
Aggregate	2,552,465	13.7%	440,764	33.8%	109,475	39.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	3,102,704	15.2%
Intermediate Gov/Credit	-	0.0%	-	0.0%	-	0.0%	25,549	98.7%	19,089	97.7%	-	0.0%	-	0.0%	44,638	0.2%
Stocks	\$ 5,489,205	29.4%	\$ 396,846	30.5%	\$ 56,367	20.3%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ 5,942,418	29.2%
Russell 3000	3,726,132	19.9%	261,972	20.1%	35,951	12.9%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	4,024,055	19.7%
MSCI ACWI ex-U.S.	1,758,483	9.5%	134,845	10.4%	20,416	7.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	1,913,744	9.5%
S&P 500	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Dividends Receivable	4,555	0.0%	29	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	4,584	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	\$ 374,181	2.0%	\$ 2,233	0.2%	\$ 1,058	0.4%	\$ 334	1.3%	\$ 441	2.3%	\$ 48,194	100.0%	\$ 5,747	100.0%	\$ 432,188	2.1%
Total Cash & Investments	\$ 18,699,766	100.0%	\$ 1,301,664	100.0%	\$ 277,907	100.0%	\$ 25,883	100.0%	\$ 19,530	100.0%	\$ 48,194	100.0%	\$ 5,747	100.0%	\$ 20,378,691	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.

Policy Fund Asset Allocation

	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)

All equity indices returns notably increased for the MSCI ACWI ex-U.S. (+9.95%), Russell 3000 (+9.44%) as well as S&P 500 (+8.92%) in the month of September. As a result the equity allocation increased to 29.4% for the month from 27.2% for the prior month-end. Bond indices returns increased for U.S. TIPS Index (+0.60%) and the U.S. Aggregate Bond Index (+0.11%) but decreased for the Barclays Capital Government Long Term Index (-1.49%) as well as slightly decreased for the Barclays Capital Long Credit Index (-0.06%) in September. The SIF strong equity performance along with a slightly net negative bond indices resulted in the overall bond asset allocation decreasing from 69.9% at end of August to 68.6% at end of September.

Cash allocations decreased from 2.8% at end of August to 2.0% at end of September largely due to decreased SIF operating cash of \$149.6 million offset by \$7.8 million in increased SIF investment manager cash balances.

Disabled Workers' Relief (DWRF) and Coal Workers' Pneumoconiosis Funds (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 Policy Fund Asset Allocation chart). Transitions were completed in August, 2010 for the the Barclays U.S. Aggregate, U.S. TIPS, Russell 3000 and the MSCI ACWI ex-U.S. asset classes and final placement of funds to approved target commingled investment managers were also completed in August, 2010.

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

The Barclays Capital Government/Credit Intermediate index increased +0.47% in the month of September.

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: November 10, 2010

SUBJECT: CIO Report October, 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. The transition of these specialty fund assets was then implemented and completed in August, 2010.

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 has recently been 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 was made by Mercer and the CIO at the August, 2010 Investment Committee meeting. A proposed investment policy presented by the CIO and Mercer addressing MWBE investment managers that amends Section VIII of the Investment Policy Statement was approved by the Investment Committee and adopted by the Board at their respective September, 2010 meetings. A Manager-of-Manager (MoM) structure for the selection of MWBE managers was approved by the Board. A RFP process will be initiated for the selection of any MoM firm who will in turn be charged with the selection of specific MWBE firms managing assets in specified approved asset classes with the goal of achieving above benchmark returns. An initial MWBE funding level targeted at 1% of SIF investment assets was approved by the Board. The specific timing for implementation of this MWBE investment manager program will be determined by the Board. 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 was made by Mercer to the Investment Committee at the August, 2010 meeting. A second presentation on peer investor investments in real estate assets was made by Mercer at the October, 2010 Investment Committee meeting.

Mercer also provided 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. At the request of the Chair and Vice Chair of the Investment Committee, the CIO presented his investment strategy recommendations for the State Insurance Fund in a report dated September 14, 2010. These recommendations included seven strategy priorities and estimated implementation timelines to completion, some of which are outlined herein. The CIO recommendations of new investment strategies included active investment management for portions of four SIF asset class mandates (Long Credit fixed income, U.S. Aggregate core fixed income, U.S. equities and Non-U.S. equities) as well as strategies for MWBE asset management, cash management, and real estate investing.

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 typically 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 October, 2010.

BWC Annual Brokerage Activity Summary Report



November 18, 2010



Bureau of Workers' Compensation

BWC Annual Brokerage Activity Summary Report

The Investment Policy Statement requires the OBWC Investment Division to report to the Board on at least an annual basis summary trade activity by brokerage firm and communicate any unusual trading activity to the Board in a timely manner.

Definition

A broker/dealer is defined as an agent/principal or intermediary that is paid a commission.

Transaction Costs

Equity securities commissions are explicitly reported by broker. Fixed income securities transaction fees are set by the dealer and built into the price of the bond.

BWC Annual Brokerage Activity Summary Report

Equity Summary* for Fiscal Year 2010 July 1, 2009 through June 30, 2010

	<u>Market Value Traded</u>	<u>Total Shares</u>	<u>Total Commissions</u>	<u>Commission Per Share</u>
<i>SIF</i>	\$ 5,370,219,592	268,185,796	\$ 2,107,340	\$ 0.0079
<i>DWRF</i>	-	-	-	-
<i>COAL</i>	-	-	-	-
<i>PWRF</i>	-	-	-	-
<i>MIF</i>	-	-	-	-
Total	\$ 5,370,219,592	268,185,796	\$ 2,107,340	\$ 0.0079

*Separate accounts only – does not include commingled funds' commissions (insignificant to Net Asset Value)

BWC Annual Brokerage Activity Summary Report

Fiscal Year 2010

Equity Summary

July 1, 2009 through June 30, 2010

Broker	Market Value Traded	Total Shares	Total Commissions	Commission Per Share
RIDGE CLEARING	\$ 1,834,733,615	77,025,538	\$ 880,679	\$ 0.0114
BARCLAYS	1,440,387,695	46,848,619	528,042	0.0113
MERRILL LYNCH*	900,542,646	66,257,846	282,211	0.0043
CREDIT SUISSE*	602,559,167	39,282,023	187,994	0.0048
UBS*	321,727,695	25,892,020	143,735	0.0056
DEUTSCHE BANK	68,748,049	2,690,079	31,454	0.0117
MORGAN STANLEY	83,392,827	4,895,242	27,496	0.0056
GOLDMAN SACHS	56,446,917	2,670,817	10,315	0.0039
INVESTMENT TECH	17,195,664	925,751	7,997	0.0086
NATL FINL SERVICES	7,713,088	300,975	5,656	0.0188
PERSHING	2,048,127	64,935	982	0.0151
CITIGROUP	3,922,308	316,077	643	0.0020
JEFFERIES	46,689	5,506	138	0.0251
ZIONS	17,344,842	466,568	0	0.0000
JPMORGAN	13,407,363	543,749	0	0.0000
INSTINET	2,901	51	0	0.0000
GRAND TOTAL	\$ 5,370,219,592	268,185,796	\$ 2,107,340	\$ 0.0079

Source: JPMorgan custodian

*Includes BlackRock ACWI Transition manager trading activity

BWC Annual Brokerage Activity Summary Report

Equity Managers Summary (Excluding Transition Managers) for Fiscal Year 2010 July 1, 2009 through June 30, 2010

	<u>Market Value Traded</u>	<u>Total Shares</u>	<u>Total Commissions</u>	<u>Commission Per Share</u>
<i>SIF</i>	\$ 504,807,104	26,129,740	\$ 33,686	\$ 0.0013
<i>DWRF</i>	-	-	-	-
<i>COAL</i>	-	-	-	-
<i>PWRF</i>	-	-	-	-
<i>MIF</i>	-	-	-	-
Total	\$ 504,807,104	26,129,740	\$ 33,686	\$ 0.0013

BWC Annual Brokerage Activity Summary Report

Fiscal Year 2010
Equity Managers Summary (Excluding Transition Managers)
 July 1, 2009 through June 30, 2010

Broker	Market Value Traded	Total Shares	Total Commission	Commission Per Share
MORGAN STANLEY	\$ 61,047,895	3,855,318	\$ 17,169	\$ 0.0045
GOLDMAN SACHS	28,900,822	1,437,711	7,331	0.0051
INVESTMENT TECH	17,195,664	925,751	7,997	0.0086
CITIGROUP	3,911,802	284,714	643	0.0023
BARCLAYS	578,350	223,520	559	0.0025
CREDIT SUISSE	129,703,019	5,731,887	-	0.0000
DEUTSCHE BANK	546,567	25,500	-	0.0000
MERRILL LYNCH	262,946,375	13,646,467	-	0.0000
GRAND TOTAL	\$ 504,807,104	26,129,740	\$ 33,686	\$ 0.0013

Source: JPMorgan custodian

BWC Annual Brokerage Activity Summary Report

Equity Transitions Summary for Fiscal Year 2010 July 1, 2009 through June 30, 2010

	<u>Market Value Traded</u>	<u>Total Shares</u>	<u>Total Commissions</u>	<u>Commission Per Share</u>
<i>SIF</i>	\$ 4,865,412,488	242,056,056	\$ 2,073,655	\$ 0.0086
<i>DWRF</i>	-	-	-	-
<i>COAL</i>	-	-	-	-
<i>PWRF</i>	-	-	-	-
<i>MIF</i>	-	-	-	-
Total	\$ 4,865,412,488	242,056,056	\$ 2,073,655	\$ 0.0086

BWC Annual Brokerage Activity Summary Report

Fiscal Year 2010
Equity Transitions Summary
July 1, 2009 through June 30, 2010

Broker	Market Value Traded	Total Shares	Total Commissions	Commissions Per Share
RIDGE CLEARING	\$ 1,834,733,615	77,025,538	\$ 880,679	\$ 0.0114
BARCLAYS	1,439,809,344	46,625,099	527,483	0.0113
MERRILL LYNCH*	637,596,271	52,611,379	282,211	0.0054
CREDIT SUISSE*	472,856,148	33,550,136	187,994	0.0056
UBS*	321,727,695	25,892,020	143,735	0.0056
DEUTSCHE BANK	68,201,482	2,664,579	31,454	0.0118
MORGAN STANLEY	22,344,931	1,039,924	10,327	0.0099
NATL FINL SERVICES	7,713,088	300,975	5,656	0.0188
GOLDMAN SACHS	27,546,095	1,233,106	2,984	0.0024
PERSHING	2,048,127	64,935	982	0.0151
JEFFERIES	46,689	5,506	138	0.0250
INVESTMENT TECH	23,390	1,128	13	0.0115
CITIGROUP	10,506	31,363	-	0.0000
ZIONS	17,344,842	466,568	-	0.0000
JPMORGAN	13,407,363	543,749	-	0.0000
INSTINET	2,901	51	-	0.0000
GRAND TOTAL	\$ 4,865,412,488	242,056,056	\$ 2,073,655	\$ 0.0086

Source: JPMorgan custodian

*Includes BlackRock ACWI Transition manager trading activity

BWC Annual Brokerage Activity Summary Report

Fixed Income Summary * for Fiscal Year 2010 July 1, 2009 through June 30, 2010

<u>Fund</u>	<u>Market Value Traded</u>	<u>% Market Value Traded</u>
<i>SIF</i>	\$ 34,322,345,337	98.7%
<i>DWRF</i>	372,018,569	1.1%
<i>COAL</i>	85,285,012	0.2%
<i>PWRF</i>	-	0.0%
<i>MIF</i>	-	0.0%
Total	\$ 34,779,648,918	100.0%

*Separate accounts only – does not include commingled funds' brokerage fees which were embedded in market value



Bureau of Workers'
Compensation

BWC Annual Brokerage Activity Summary Report

Fiscal Year 2010
Fixed Income Summary
July 1, 2009 through June 30, 2010

Broker	Market Value		Broker	Market Value	
	Net Amount	% Net Amount of Total		Net Amount	% Net Amount of Total
DEUTSCHE BANK	\$ 6,971,956,747	20.0%	GREENWICH	\$ 20,400,256	0.1%
UBS	5,791,100,067	16.7%	SCOTIA CAPITAL	17,164,815	0.0%
JPMORGAN	5,200,635,251	15.0%	MORGAN KEEGAN	11,047,696	0.0%
GOLDMAN SACHS	2,789,654,815	8.0%	CANTOR FITZGERALD	9,921,859	0.0%
MORGAN STANLEY	2,622,822,476	7.5%	CIBC	8,806,321	0.0%
BONY	2,086,839,479	6.0%	MERRILL LYNCH	6,838,228	0.0%
BARCLAYS	1,803,907,441	5.2%	NATIONSBANC	6,764,751	0.0%
BANC OF AMERICA	1,529,074,345	4.4%	RAYMOND JAMES	5,216,008	0.0%
CREDIT SUISSE	1,191,307,262	3.4%	SUNTRUST	3,450,539	0.0%
RIDGE CLEARING	1,184,713,613	3.4%	FORTIS	2,582,114	0.0%
JEFFERIES	1,061,092,101	3.1%	FBS INVESTMENT	2,260,857	0.0%
CITIGROUP	1,054,285,362	3.0%	CITADEL	2,225,808	0.0%
BNP PARIBAS	417,118,357	1.2%	OPPENHEIMER	2,109,391	0.0%
WACHOVIA	220,552,318	0.6%	PIPER JAFFRAY	2,044,621	0.0%
RBC CAPITAL MARKETS	162,649,501	0.5%	SCOTT & STRINGFELLOW	1,404,421	0.0%
PERSHING	127,783,613	0.4%	MESIROW	1,382,989	0.0%
HSBC SECURITIES	105,862,637	0.3%	HARRIS NESBITT	1,300,000	0.0%
SOUTHWEST SECURITIES	71,188,601	0.2%	DEPFA FIRST ALBANY	1,016,530	0.0%
WARBURG	66,089,662	0.2%	MAN SECURITIES INC	671,896	0.0%
STIFEL NICOLAUS	53,522,045	0.2%	US BANCORP	575,538	0.0%
P-36 RUBICON	45,394,433	0.1%	NATIONAL FINANCIAL	483,773	0.0%
NOMURA	41,492,370	0.1%	WILLIAM BLAIR	300,000	0.0%
FTN FINANCIAL	38,306,353	0.1%	FNB/MONTEREY	224,699	0.0%
KEYBANC	34,106,956	0.1%			

Source: JPMorgan custodian

GRAND TOTAL	\$ 34,779,648,918	100.00%
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Bureau of Workers' Compensation

BWC Annual Brokerage Activity Summary Report

Fixed Income Managers Summary (Excluding Transition Managers) for Fiscal Year 2010 July 1, 2009 through June 30, 2010

<u>Fund</u>	<u>Market Value Traded</u>	<u>% Market Value Traded</u>
<i>SIF</i>	\$ 27,287,233,572	98.4%
<i>DWRF</i>	372,018,569	1.3%
<i>COAL</i>	85,285,012	0.3%
<i>PWRF</i>	-	0.0%
<i>MIF</i>	-	0.0%
Total	\$ 27,744,537,153	100.0%

BWC Annual Brokerage Activity Summary Report

Fiscal Year 2010
Fixed Income Managers Summary (Excluding Transition Managers)
July 1, 2009 through June 30, 2010

Broker	Market Value Net Amount	Market Value % Net Amount of Total	Broker	Market Value Net Amount	Market Value % Net Amount of Total
DEUTSCHE BANK	\$ 5,664,309,973	20.42%	CANTOR FITZGERALD	\$ 9,921,859	0.04%
UBS	4,964,062,038	17.89%	CIBC	8,806,321	0.03%
JPMORGAN	4,698,767,293	16.94%	NATIONSBANC	6,764,751	0.02%
GOLDMAN SACHS	2,783,103,435	10.03%	JEFFERIES	6,653,838	0.02%
MORGAN STANLEY	2,622,822,476	9.45%	MERRILL LYNCH	5,485,318	0.02%
BARCLAYS	1,749,715,265	6.31%	RIDGE CLEARING	4,963,442	0.02%
BANC OF AMERICA	1,493,412,266	5.38%	SUNTRUST	3,450,539	0.01%
CREDIT SUISSE	1,189,565,279	4.29%	FORTIS	2,582,114	0.01%
CITIGROUP	1,003,642,498	3.62%	FBS INVESTMENT	2,260,857	0.01%
BNP PARIBAS	417,118,357	1.50%	CITADEL	2,225,808	0.01%
BONY	286,376,795	1.03%	OPPENHEIMER	2,109,391	0.01%
WACHOVIA	206,523,679	0.74%	PIPER JAFFRAY	2,044,621	0.01%
RBC CAPITAL MARKETS	156,891,424	0.57%	SCOTT & STRINGFELLOW	1,404,421	0.01%
HSBC SECURITIES	105,862,637	0.38%	MESIROW	1,382,989	0.00%
WARBURG	66,089,662	0.24%	HARRIS NESBITT	1,300,000	0.00%
STIFEL NICOLAUS	52,661,284	0.19%	DEPFA FIRST ALBANY	1,016,530	0.00%
P-36 RUBICON	45,394,433	0.16%	MAN SECURITIES INC	671,896	0.00%
NOMURA	41,492,370	0.15%	US BANCORP	575,538	0.00%
FTN FINANCIAL	38,306,353	0.14%	NATIONAL FINANCIAL	483,773	0.00%
KEYBANC	34,106,956	0.12%	WILLIAM BLAIR	300,000	0.00%
GREENWICH	20,400,256	0.07%	FNB/MONTEREY	224,699	0.00%
SCOTIA CAPITAL	17,164,815	0.06%			
PERSHING	11,071,204	0.04%			
MORGAN KEEGAN	11,047,696	0.04%			
			GRAND TOTAL	\$ 27,744,537,153	100.00%

Source: JPMorgan custodian



BWC Annual Brokerage Activity Summary Report

Fixed Income Transitions Summary for Fiscal Year 2010 July 1, 2009 through June 30, 2010

<u>Fund</u>	<u>Market Value Traded</u>	<u>% Market Value Traded</u>
<i>SIF</i>	\$ 7,035,111,765	100.0%
<i>DWRF</i>	-	0.0%
<i>COAL</i>	-	0.0%
<i>PWRF</i>	-	0.0%
<i>MIF</i>	-	0.0%
Total	\$ 7,035,111,765	100.0%

BWC Annual Brokerage Activity Summary Report

Fiscal Year 2010
Fixed Income Transitions Summary
July 1, 2009 through June 30, 2010

Broker	Market Value Net Amount	Market Value % Net Amount Of Total
BONY	\$ 1,800,462,684	25.59%
DEUTSCHE BANK	1,307,646,774	18.59%
RIDGE CLEARING	1,179,750,171	16.77%
JEFFERIES	1,054,438,264	14.99%
UBS	827,038,028	11.76%
JP MORGAN	501,867,958	7.13%
PERSHING	116,712,410	1.66%
SOUTHWEST SECURITIES	71,188,601	1.01%
BARCLAYS	54,192,176	0.77%
CITIGROUP	50,642,864	0.72%
BANC OF AMERICA	35,662,079	0.51%
WACHOVIA	14,028,639	0.20%
GOLDMAN SACHS	6,551,380	0.09%
RBC CAPITAL MARKETS	5,758,077	0.08%
RAYMOND JAMES	5,216,008	0.07%
CREDIT SUISSE	1,741,983	0.02%
MERRILL LYNCH	1,352,910	0.02%
STIFEL NICOLAS	860,761	0.01%
GRAND TOTAL	\$ 7,035,111,765	100.00%

Source: JPMorgan custodian



Bureau of Workers'
Compensation



Ohio Bureau of Workers' Compensation Active vs. Passive Management Long Credit

November 18, 2010

Guy M. Cooper
Jordan Nault
Kweku Obed

Active vs. Passive Management

Key Evaluation Metrics

- The decision to employ active or passive management should consider the market efficiency of the asset class, which affects a manager's ability to add value over a market benchmark.
- Greater market efficiency = less opportunities to generate alpha.
- Considering the risk of active managers, and their additional volatility relative to the benchmark is also important when determining which approach to employ.
- Associated fees and expenses should be considered as they can erode a manager's excess return (alpha).

Active vs. Passive Management

Long Duration Credit Basics

Long Duration Credit

- Long duration fixed income is typically utilized within an investment portfolio to serve as a hedge against long dated liabilities.
- Duration measures a bond's sensitivity to interest rate changes. Longer duration bonds are more sensitive to changes in interest rates than shorter duration bonds. Therefore, long duration bonds will experience greater volatility than shorter duration bonds.
- Long duration government fixed income is considered to be a more efficient asset class segment than long duration credit fixed income.
- In-depth fundamental research (free cash flow and balance sheet analysis), capital structure and covenant analysis, as well as an understanding of key industry trends may help skillful managers add alpha over the Barclays Capital US Long Credit Index.
- Mercer's Fee Study shows that the average fee for an actively managed \$250 million Long Duration portfolio is 0.22%.*

*Data sourced from Mercer Global Investment Manager Database. Long duration median fee includes government/credit mandates.

Active vs. Passive Management

Pros and Cons of Active Management

Pros of Active Management

- Potential to outperform the index
- Potential to hold a more liquid long credit portfolio than the index
- Potential to avoid credit downgrades

Cons of Active Management

- Risk of underperforming the index
- Higher management fees
- Increased governance budget to monitor, hire, and terminate managers

Active vs. Passive Management

Sources of Value Added in Long Duration Credit

% of Value Added as Reported by Manager

	Duration Management	Yield Curve Positioning	Sector Selection	Credit/Quality Weightings	Security Selection	Arbitrage and Spread Anomalies	Other
Manager A	5	15	25	10	45	0	0
Manager B	0	0	40	0	60	0	0
Manager C	10	0	30	30	30	0	0
Manager D	0	20	40	0	30	0	10
Average for Highly Rated Managers	4	9	34	10	41	0	3
Manager E	5	10	45	0	40	0	0
Average for Long Credit Universe¹	5	6	28	7	52	0	3

- Highly rated managers claim to add 75% of their value in sector and security selection.
- Duration management appears to be a nominal source of alpha generation for active managers.

¹ Comprised of 15 managers

Active vs. Passive Management

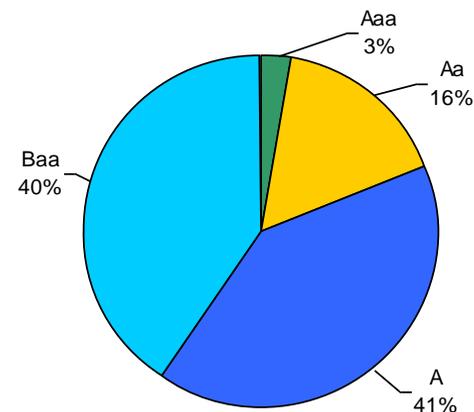
Portfolio Manager Capabilities

Security Selection - Avoiding Downgrades

- Active management generally seeks to avoid downgrades on portfolio holdings. Strong credit research and monitoring enables active portfolios to avoid deteriorating balance sheets and get ahead of rating agency actions. Robust credit research can also allow managers to acquire or dispose of mispriced (over-valued or under-valued) securities.
- The Baa segment represents over 40% of the market value of the Barclays Capital Long Credit Index. This segment offers the greatest potential return with the highest potential risk. Anything rated lower than Baa becomes “non-investment grade” or high yield.

Moody's Rating	Definition
Aaa	Prime. Maximum Safety.
Aa	High Grade. High Quality.
A	Upper Medium Grade.
Baa	Medium Grade.
Ba	Speculative.
B	Highly Speculative.
Caa	In Poor Standing.
Ca	Extremely Speculative.
C	May be in Default.

Credit Quality by Market Value in the Barclays Capital Long Credit Index



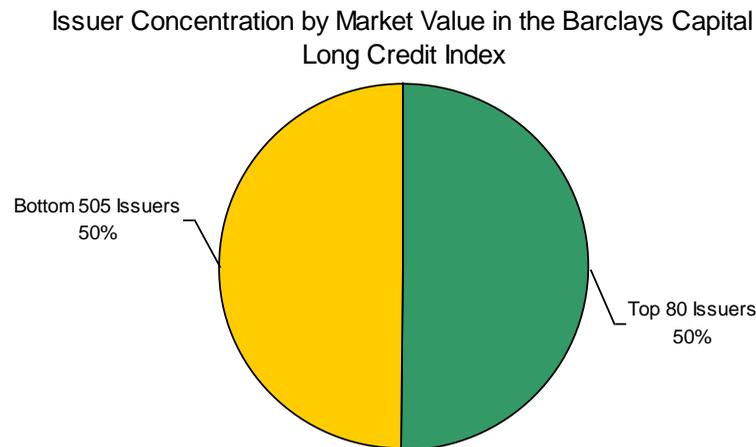
As of 8-31-10

Active vs. Passive Management

Portfolio Manager Capabilities

Security Selection – Ability to Overweight Select Smaller Debt Issuers

- The Barclays Capital Long Credit Index is a market cap weighted Index. The 80 largest issuer weightings in the Index comprise 50% of the market value. The remaining 505 issuers encompass the remaining 50% of the Index. There are 1209 issues in the Index as of 8/31/10.
- An active manager is able to find hidden value in the smaller credits that may or may not exist in the larger credits. The smaller debt issuers are often less followed by Wall Street and may present an opportunity to exploit market inefficiencies.



As of 8-31-10

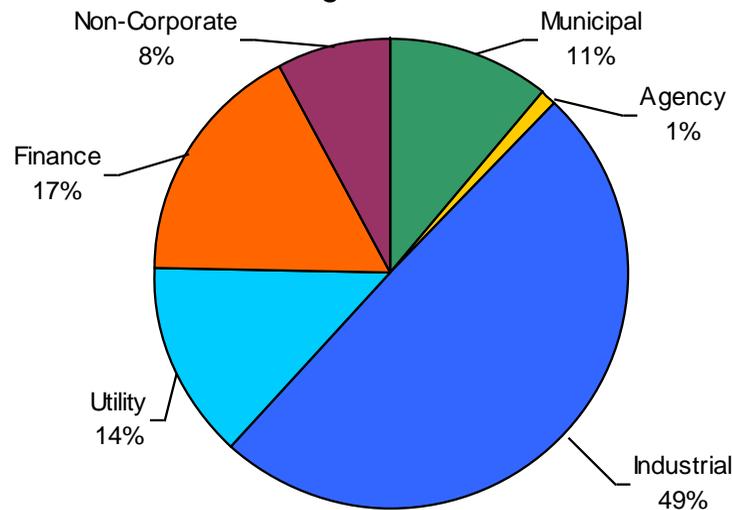
Active vs. Passive Management

Portfolio Manager Capabilities

Sector Selection

- Managers can add value by being overweight and underweight sectors based on fundamental research and market sentiment. Active managers are able to underweight underperforming sectors, e.g. bonds of financial companies in 2008, while passive portfolios must hold the “losing names” that are part of the index.

Sector Breakdown by Market Value in the Barclays Capital Long Credit Index



As of 8-31-10

Active vs. Passive Management

Sample Portfolio Characteristics

Sample Portfolio Characteristics*

	Manager A	Manager B	Manager C	Manager D	Manager E	Barclays Capital Long Credit Index
Yield To Maturity	6.1	5.8	5.6	5.7	5.9	5.8
Coupon	6.7	6.8	6.4	6.6	6.6	6.7
Credit Quality	BBB+	A-	A-	A-	A-	A
Duration	11.6	11.7	12.8	12.0	11.2	12.4
# of Securities**	100	219	233	351	262	1158
US Treasury / Agency	0.5	0.8	10.0	3.5	0.5	0.7
Municipal	1.5	1.7	0.0	0.0	6.8	10.9
Industrials	58.3	57.7	46.0	51.9	51.0	49.6
Utilities	15.3	12.0	14.0	13.6	13.3	13.8
Financials	22.6	26.1	28.0	16.9	16.7	17.2
Non-Corporate	0.7	0.5	0.0	13.8	5.9	7.8
Cash Equivalents	1.1	1.1	2.0	0.4	0.7	0.0
Other	0.0	0.0	0.0	0.0	5.2	0.0

*Data as of 6/30/10

**The BlackRock passively managed portfolio had 757 securities and the SSgA passively managed portfolio had 839 securities as of 6/30/10.

Active vs. Passive Management

Definitions for quantitative chart analysis

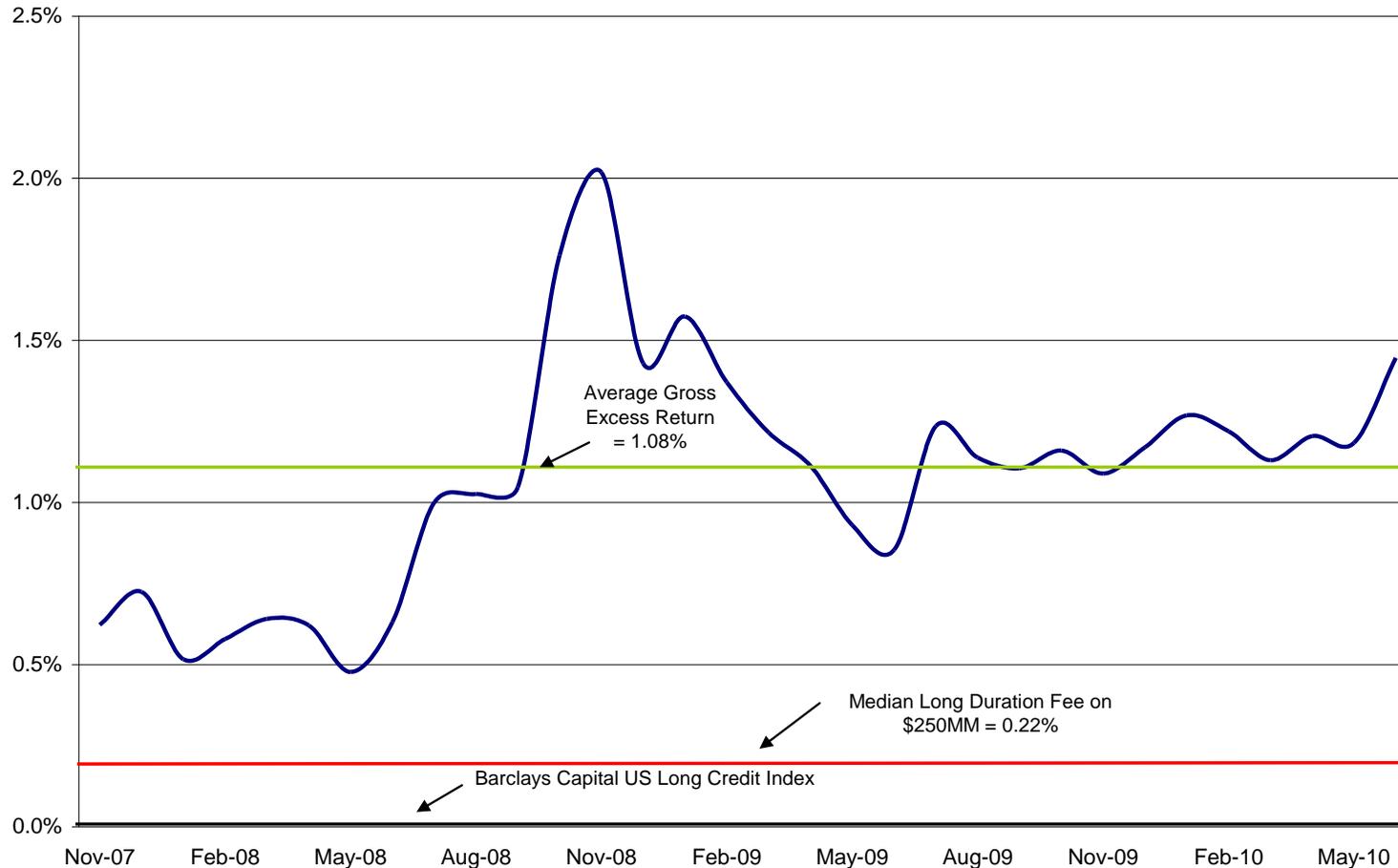
- **Reward to risk:** A ratio used by many investors to compare the expected returns of an investment to the amount of risk undertaken to capture these returns. This ratio can be calculated by dividing excess returns (alpha) by some measure of risk (for example standard deviation).
- **Standard deviation:** The standard deviation of an investment is used to measure an asset's volatility, or "risk". An investment that exhibits widely different (volatile) return streams relative to a defined benchmark over successive measurement periods will have a high standard deviation.
- **Tracking error:** A measure of how closely a portfolio follows the index to which it is benchmarked. Some portfolios are expected to replicate, before trading and other costs, the returns of an index exactly (a 'passive' index fund), while others are expected to 'actively manage' the portfolio by deviating from the index in order to generate excess returns. Tracking error (also called active risk) is a measure of the portfolio's deviation from the benchmark. An index fund would have a tracking error close to zero, while an actively managed portfolio would normally have a higher tracking error.
- **Information ratio:** Dividing portfolio active return (alpha) by portfolio tracking error yields the information ratio, which is a risk adjusted performance metric. Active return is the amount of outperformance (or underperformance) of a portfolio relative to a pre-determined benchmark index. A high information ratio is an indicator of value-added performance.

Active vs. Passive Management

Average Excess Return - Long Duration Credit

The average gross excess return of 1.08% exceeds the median fee of 0.22%.

US Long Credit Universe Median Rolling Three-Year Excess Return (Gross-of-Fee)



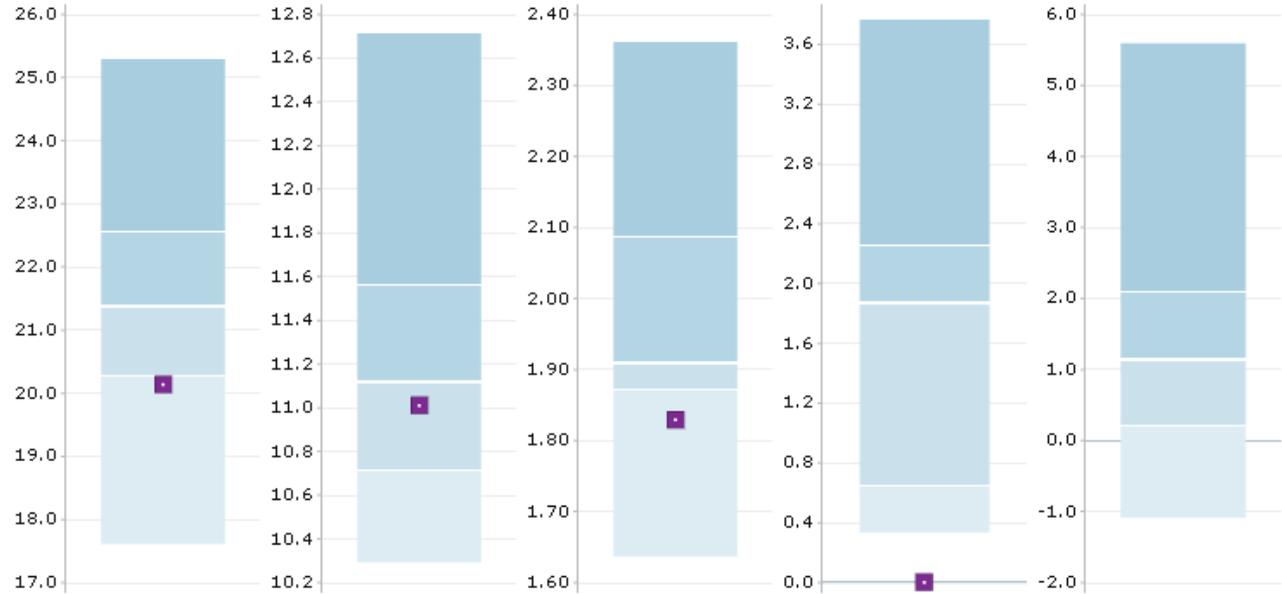
Active vs. Passive Management

Median Manager vs. Benchmark Comparison*

- For the recent one-year period, the median Long Credit manager exhibited a higher return and higher reward to risk ratio than the benchmark.

Performance characteristics vs. Barclays Capital US Long Credit in \$US (before fees) over 1 year ending June-10 (quarterly calculations).

Comparison with the US Fixed Long Credit universe (percentile ranking).



	Ret (%)	Std Dev (%)	Ret/SD	TE (%)	IR
BCUSLCR	20.1 (81)	11.0 (56)	1.8 (79)	0.0 (100)	-
5th Percentile	25.3	12.7	2.4	3.8	5.6
Upper Quartile	22.6	11.6	2.1	2.3	2.1
Median	21.4	11.1	1.9	1.9	1.1
Lower Quartile	20.3	10.7	1.9	0.6	0.2
95th Percentile	17.6	10.3	1.6	0.3	-1.1
Number	22	22	22	22	22

*Data is sourced from the Mercer Global Investment Manager Database.

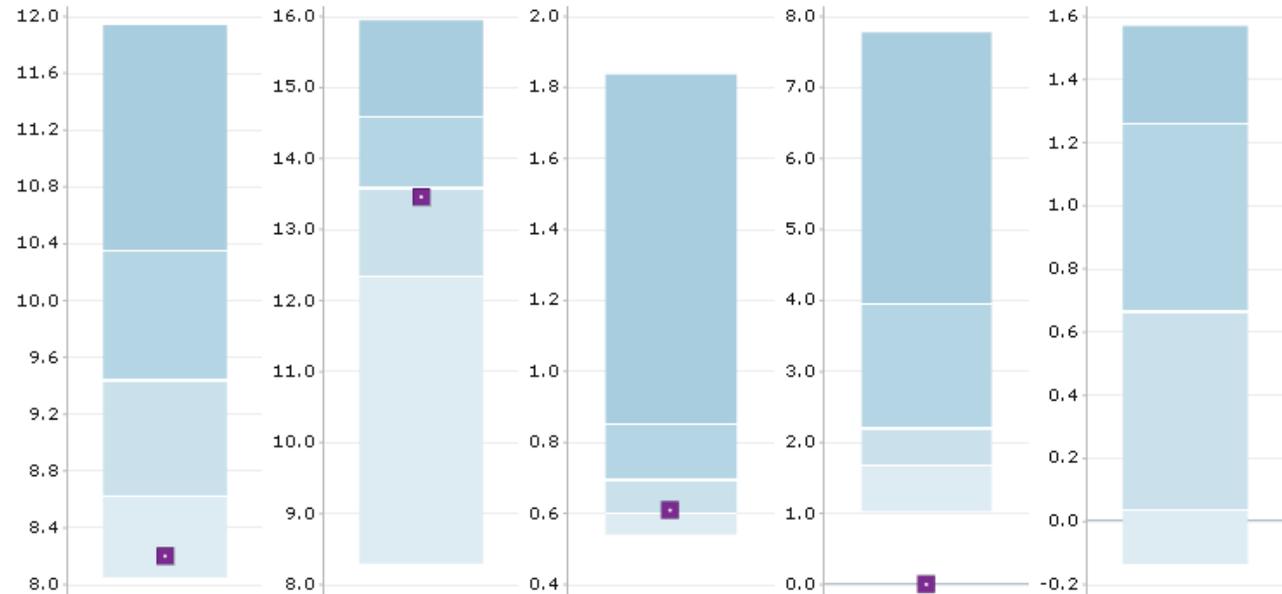
Active vs. Passive Management

Median Manager vs. Benchmark Comparison

- For the recent three-year period, the median Long Credit manager exhibited a higher return and higher reward to risk ratio than the benchmark.

Performance characteristics vs. Barclays Capital US Long Credit in \$US (before fees) over 3 years ending June-10 (quarterly calculations).

Comparison with the US Fixed Long Credit universe (percentile ranking).



	Ret (%pa)	Std Dev (%pa)	Ret/SD	TE (%pa)	IR
BCUSLCR	8.2 (92)	13.5 (53)	0.6 (73)	0.0 (100)	-
5th Percentile	11.9	15.9	1.8	7.8	1.6
Upper Quartile	10.4	14.6	0.9	3.9	1.3
Median	9.4	13.6	0.7	2.2	0.7
Lower Quartile	8.6	12.3	0.6	1.7	0.0
95th Percentile	8.0	8.3	0.5	1.0	-0.1
Number	13	13	13	13	13

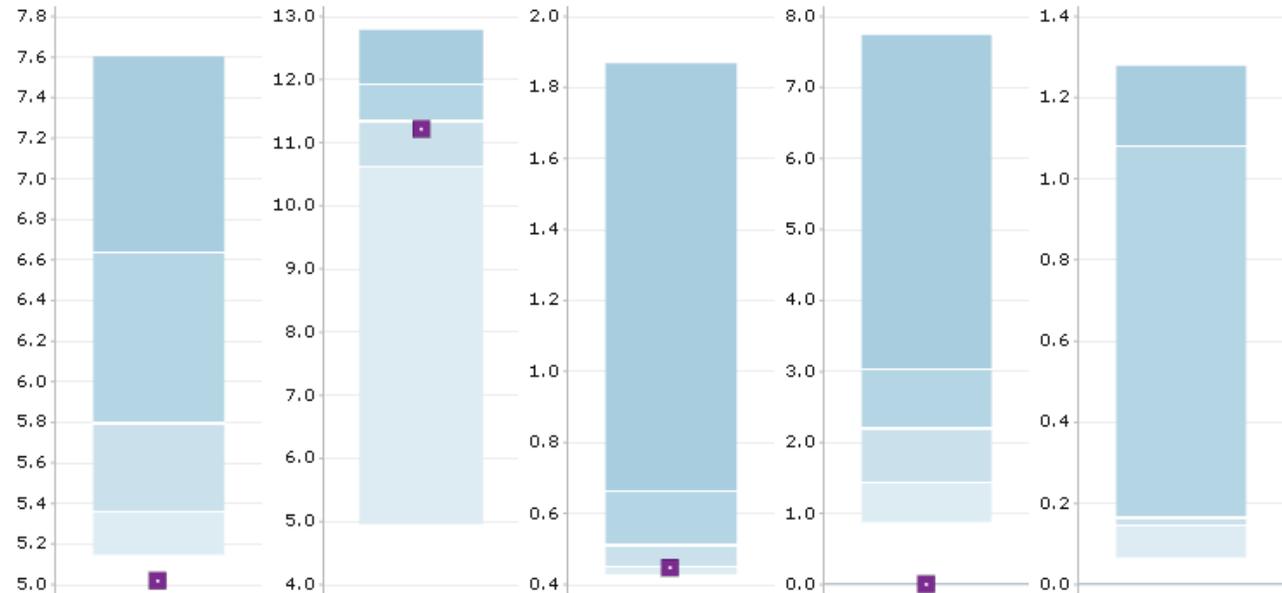
Active vs. Passive Management

Median Manager vs. Benchmark Comparison

- For the recent five-year period, the median Long Credit manager exhibited a higher return and higher reward to risk ratio than the benchmark.

Performance characteristics vs. Barclays Capital US Long Credit in \$US (before fees) over 5 years ending June-10 (quarterly calculations).

Comparison with the US Fixed Long Credit universe (percentile ranking).



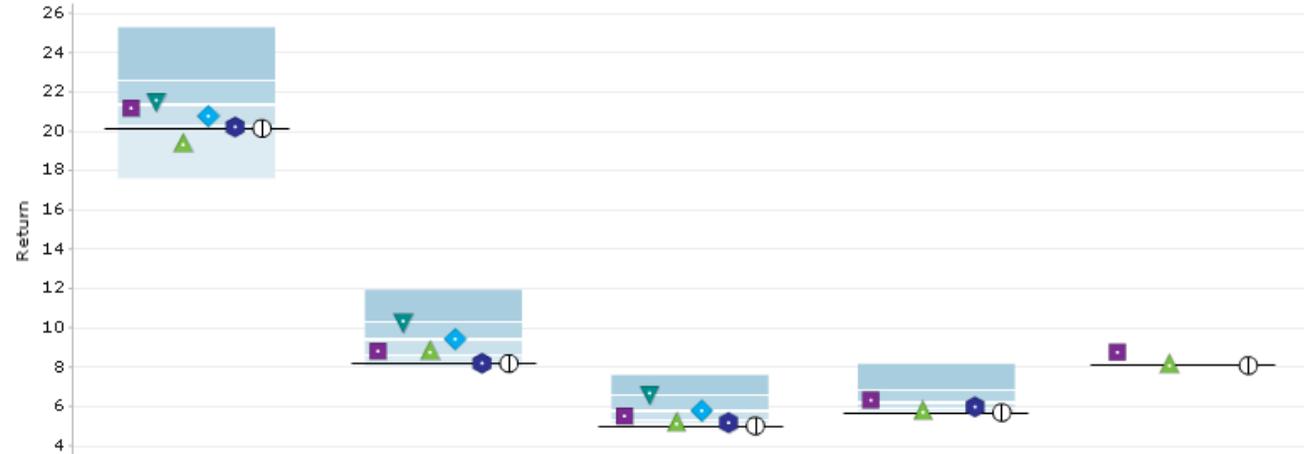
	Ret (%pa)	Std Dev (%pa)	Ret/SD	TE (%pa)	IR
BCUSLCR	5.0 (100)	11.2 (65)	0.4 (78)	0.0 (100)	-
5th Percentile	7.6	12.8	1.9	7.7	1.3
Upper Quartile	6.6	11.9	0.7	3.0	1.1
Median	5.8	11.3	0.5	2.2	0.2
Lower Quartile	5.4	10.6	0.5	1.4	0.1
95th Percentile	5.1	5.0	0.4	0.9	0.1
Number	7	7	7	7	7

Active vs. Passive Management

Rated Managers in Long Duration Credit

- Of the 22 strategies in Mercer's Long Credit Universe, five are rated B+ or better.
- Manager A, B, and C are rated A. Manager D is rated B+. Manager E is not rated.
- All five managers shown in the quartile chart outperformed or approximated the benchmark over the trailing three- and five-year periods.

Return in \$US (before fees) over 1 yr, 3 yrs, 5 yrs, 7 yrs, 10 yrs ending June-10
Comparison with the US Fixed Long Credit universe (percentile ranking).



	1 Year (%)	3 Years (%pa)	5 Years (%pa)	7 Years (%pa)	10 Years (%pa)
■ Manager A	21.2 (57)	8.8 (58)	5.5 (67)	6.3 (33)	8.8
▼ Manager B	21.6 (43)	10.4 (25)	6.7 (17)	-	-
▲ Manager C	19.3 (86)	8.8 (67)	5.1 (100)	5.7 (100)	8.1
◆ Manager D	20.8 (67)	9.4 (50)	5.8 (50)	-	-
● Manager E	20.2 (76)	8.2 (92)	5.2 (83)	6.0 (67)	-
⓪ BCUSLCR	20.1 (81)	8.2 (92)	5.0 (100)	5.7 (100)	8.1
5th Percentile	25.3	11.9	7.6	8.2	-
Upper Quartile	22.6	10.4	6.6	6.9	-
Median	21.4	9.4	5.8	6.2	8.8
Lower Quartile	20.3	8.6	5.4	5.9	-
95th Percentile	17.6	8.0	5.1	5.8	-
Number	22	13	7	4	3

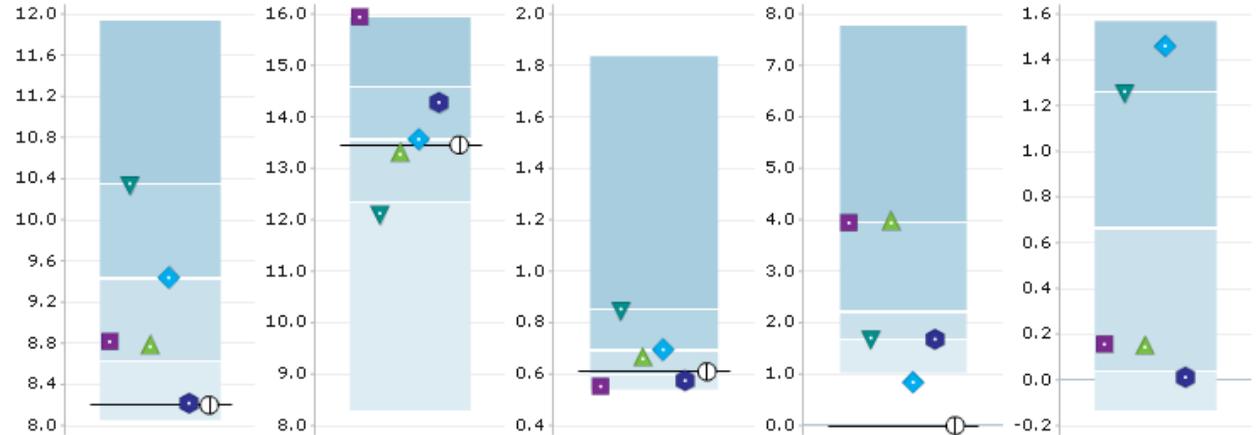
Active vs. Passive Management

Rated Managers in Long Duration Credit

Performance characteristics vs. Barclays Capital US Long Credit in \$US (before fees) over 3 years ending June-10 (quarterly calculations).

Comparison with the US Fixed Long Credit universe (percentile ranking).

- While each of the managers displays different risk/return characteristics, all five exhibit a reward to risk ratio that approximates or beats the benchmark.



	Ret (%pa)	Std Dev (%pa)	Ret/SD	TE (%pa)	IR
■ Manager A	8.8 (58)	15.9 (0)	0.6 (92)	3.9 (25)	0.2 (58)
▼ Manager B	10.4 (25)	12.1 (83)	0.9 (17)	1.7 (67)	1.3 (25)
▲ Manager C	8.8 (67)	13.3 (58)	0.7 (58)	3.9 (17)	0.1 (67)
◆ Manager D	9.4 (50)	13.6 (50)	0.7 (50)	0.8 (100)	1.5 (17)
● Manager E	8.2 (92)	14.3 (42)	0.6 (83)	1.7 (75)	0.0 (92)
⓪ BCUSLCR	8.2 (92)	13.5 (53)	0.6 (73)	0.0 (100)	-
5th Percentile	11.9	15.9	1.8	7.8	1.6
Upper Quartile	10.4	14.6	0.9	3.9	1.3
Median	9.4	13.6	0.7	2.2	0.7
Lower Quartile	8.6	12.3	0.6	1.7	0.0
95th Percentile	8.0	8.3	0.5	1.0	-0.1
Number	13	13	13	13	13

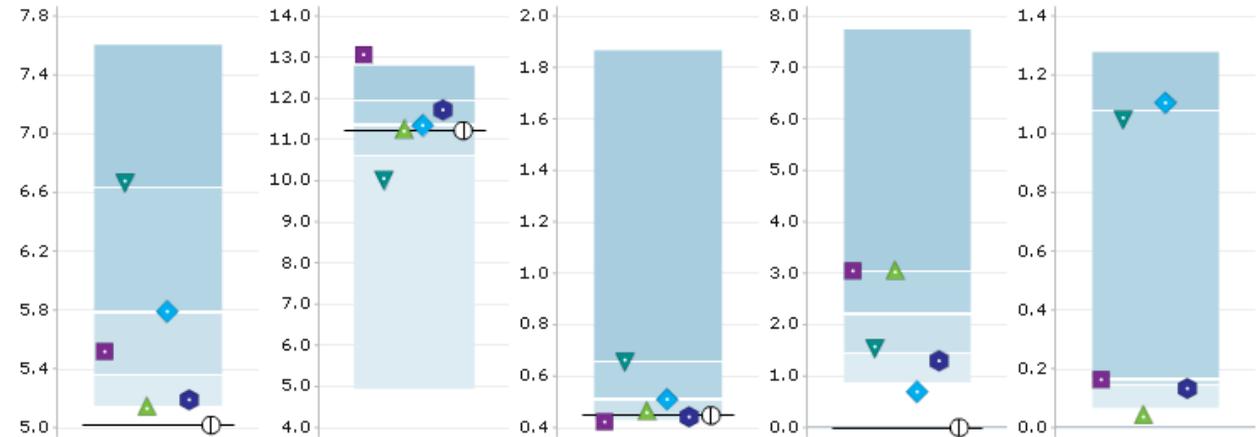
Active vs. Passive Management

Rated Managers in Long Duration Credit

Performance characteristics vs. Barclays Capital US Long Credit in \$US (before fees) over 5 years ending June-10 (quarterly calculations).

Comparison with the US Fixed Long Credit universe (percentile ranking).

- While each of the managers displays different risk/return characteristics, all five exhibit a reward to risk ratio that approximates or beats the benchmark.



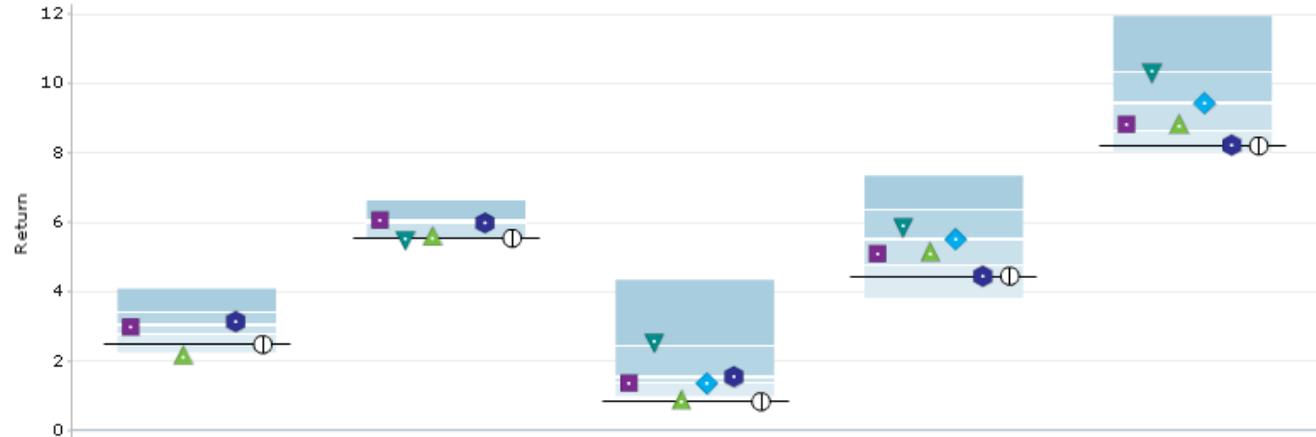
	Ret (%pa)	Std Dev (%pa)	Ret/SD	TE (%pa)	IR
■ Manager A	5.5 (67)	13.1 (0)	0.4 (100)	3.1 (17)	0.2 (50)
▼ Manager B	6.7 (17)	10.1 (83)	0.7 (17)	1.6 (67)	1.1 (33)
▲ Manager C	5.1 (100)	11.2 (67)	0.5 (67)	3.0 (33)	0.0 (100)
◆ Manager D	5.8 (50)	11.3 (50)	0.5 (50)	0.7 (100)	1.1 (17)
● Manager E	5.2 (83)	11.7 (33)	0.4 (83)	1.3 (83)	0.1 (83)
⓪ BCUSLCR	5.0 (100)	11.2 (65)	0.4 (78)	0.0 (100)	-
5th Percentile	7.6	12.8	1.9	7.7	1.3
Upper Quartile	6.6	11.9	0.7	3.0	1.1
Median	5.8	11.3	0.5	2.2	0.2
Lower Quartile	5.4	10.6	0.5	1.4	0.1
95th Percentile	5.1	5.0	0.4	0.9	0.1
Number	7	7	7	7	7

Active vs. Passive Management

Rated Managers in Long Duration Credit

- All of managers have approximated or outperformed the benchmark over nearly all three-year rolling periods since June 2006.

Return in \$US (before fees) over 5 Annual Rolling Periods ending June-10
Comparison with the US Fixed Long Credit universe (percentile ranking).



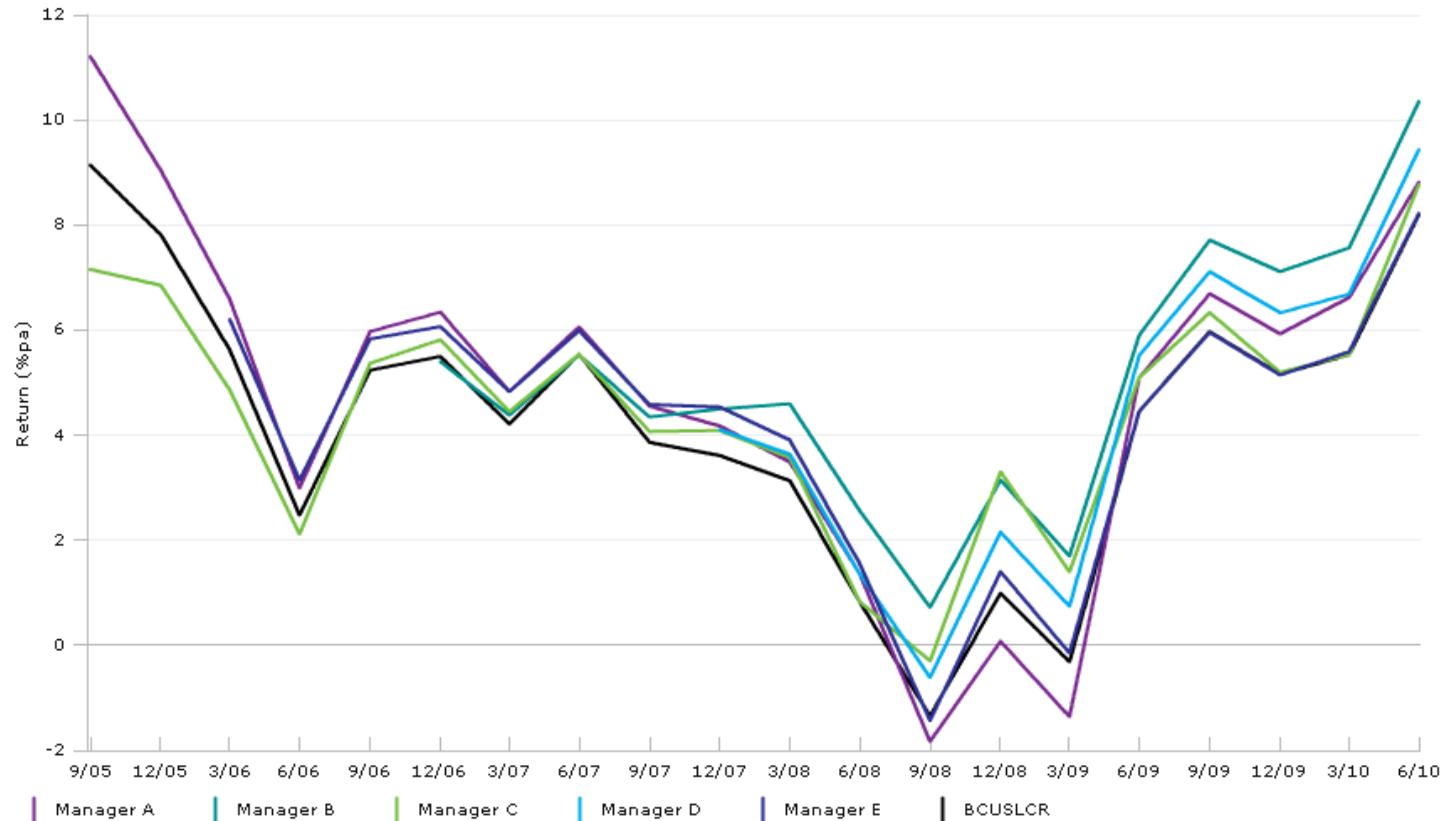
	3 Years to Jun 2006 (%pa)	3 Years to Jun 2007 (%pa)	3 Years to Jun 2008 (%pa)	3 Years to Jun 2009 (%pa)	3 Years to Jun 2010 (%pa)
■ Manager A	3.0 (67)	6.1 (25)	1.4 (67)	5.1 (70)	8.8 (58)
▼ Manager B	-	5.5 (100)	2.6 (17)	5.9 (30)	10.4 (25)
▲ Manager C	2.1 (100)	5.5 (75)	0.8 (100)	5.1 (60)	8.8 (67)
◆ Manager D	-	-	1.4 (83)	5.5 (50)	9.4 (50)
● Manager E	3.1 (33)	6.0 (50)	1.6 (50)	4.5 (80)	8.2 (92)
⊕ BCUSLCR	2.5 (86)	5.5 (75)	0.8 (100)	4.5 (80)	8.2 (92)
5th Percentile	4.1	6.6	4.3	7.3	11.9
Upper Quartile	3.4	6.1	2.4	6.4	10.4
Median	3.1	6.0	1.6	5.5	9.4
Lower Quartile	2.8	5.5	1.4	4.8	8.6
95th Percentile	2.3	5.5	1.0	3.8	8.0
Number	4	5	7	11	13

Active vs. Passive Management

Rated Managers in Long Duration Credit

- All of the managers have consistently outperformed the benchmark over three-year rolling periods since September 2005.

Rolling 3 year Return in \$US (before fees) over 5 years ending June-10



Active vs. Passive Management

Rated Managers in Long Duration Credit

Returns Consistency Analysis

US Fixed Long Credit Quarterly Returns - before fees

Quarterly returns from Sep 2005 to Jun 2010

Manager	Number of Obs	First Quartile		Second Quartile		Third Quartile		Fourth Quartile		Avg Percentile Ranking	> Benchmark	
		Number	%	Number	%	Number	%	Number	%		Number	%
Manager A	20	5	25%	5	25%	1	5%	9	45%	56	10	50%
Manager B	20	9	45%	5	25%	5	25%	1	5%	37	15	75%
Manager C	20	3	15%	4	20%	3	15%	10	50%	65	8	40%
Manager D	20	1	5%	11	55%	7	35%	1	5%	51	16	80%
Manager E	20	3	15%	8	40%	7	35%	2	10%	49	13	65%

Benchmark:

BCUSLCR	20	1	5%	3	15%	12	60%	4	20%	61
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MERCER



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

12-month Investment Committee Calendar

Date	November	Notes
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. Brokerage Activity Fiscal Year 2010 summary report 4. Mercer education session, Long Credit active management, first review 	
Date	December	
12/15/2010	<ol style="list-style-type: none"> 1. Custodial Fiscal Year 2010 annual review (in CIO Report) 2. Annual Review Summary, IPS changes 3. Mercer interest rate sensitivity analysis, BWC bond portfolio 4. Mercer education session, Long Credit active management, second review 	
Date	January	
1/20/2011	<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 2. MWBE MoM RFP issuance approval, vote 3. Long Credit active management IPS revision, first review 	
Date	February	
2/23/2011	<ol style="list-style-type: none"> 1. Investment Consultant Performance Report 4Q10 2. Long Credit active management IPS revision, second review, possible vote 	
Date	March	
3/24/2011	<ol style="list-style-type: none"> 1. Investment consultant RFP Finalist recommendation, vote 2. Real Estate class IPS revision, first review 	
Date	April	
4/28/2011	<ol style="list-style-type: none"> 1. Active Long Credit manager RFP issuance approval, vote 2. Real Estate class IPS revision, second review, possible vote 3. Cash Overlay strategy education, first review 	

12-month Investment Committee Calendar

Date	May	Notes
5/26/2011	<ol style="list-style-type: none"> 1. Investment Consultant Performance Report 1Q11 2. Cash Overlay strategy education, second review, possible vote 3. Investment Consultant research, Real Estate asset class 	
June		
6/15/2011	<ol style="list-style-type: none"> 1. Real estate manager RFP issuance approval, vote 2. Cash Overlay strategy IPS change, first review, possible vote 3. Investment Consultant education session, US Small/Mid Cap Equity active management, first review 	
July		
7/28/2011	<ol style="list-style-type: none"> 1. MWBE MoM RFP Finalist(s) recommendation, possible vote 2. Cash Overlay strategy manager RFP issuance approval, vote 3. Investment Consultant education session, US Small/Mid Cap Equity active management, second review 	
August		
8/25/2011	<ol style="list-style-type: none"> 1. Investment Consultant Performance Report 2Q11 2. BWC Investment Division Goals Fiscal Year 2012 3. MWBE MoM RFP Finalist(s) recommendation, possible vote 4. US Small/Mid Cap Equity active management IPS revision, first review 5. Investment Consultant education session, Non-US Equity active management, first review 	
September		
9/29/2011	<ol style="list-style-type: none"> 1. US Small/Mid Cap Equity active management IPS revision, second review, possible vote 2. Investment Consultant education session, Non-US Equity active management, second review, possible vote 3. Brokerage Activity Fiscal Year 2011 summary report 	
October		
10/27/2011	<ol style="list-style-type: none"> 1. Investment class performance/value annual report [ORC4121.12(F)(12)] 2. Annual Review Committee Charter (1st read) 3. Non-US Equity active management IPS revision, first review 4. Long Credit active manager RFP Finalist(s) recommendations, possible vote 5. US Small/Mid Cap Equity active manager RFP issuance approval, first review 6. Investment Consultant education session, US Aggregate Fixed Income active management, first review 	

Recommended Phase I & II Strategies

Investment Committee Estimated Timetable: State Insurance Fund

INVESTMENT STRATEGY	EDUCATION #1	EDUCATION #2	IPS REVISION	RFP ISSUANCE APPROVAL	FINALIST RECOMMENDATION
PHASE I PRIORITIES					
Investment Consultant	NA	NA	NA	Oct10	Mar11
MWBE (MoM)	June10	July10	Sept10	Jan11	July11 & Aug11
Long Credit FI Active Mgmt.	Nov10	Dec10	Jan11 & Feb11	Apr11	Oct11 & Nov11
Cash Overlay Strategy	Apr11	May11	June11	July11	Dec11
Real Estate	Aug10	Oct10 & May11	Mar11 & Apr11	June11	Feb12 & Mar12
PHASE II PRIORITIES					
U.S. Small/Mid-Cap Equity Active Mgmt.	June11	July11	Aug11 & Sept11	Oct11	July12 & Aug12
Non-U.S. Equity Active Mgmt.	Aug11	Sept11	Oct11& Nov11	Dec11	Oct12 & Nov12
U.S. Aggregate FI Active Mgmt.	Oct11	Nov11	Dec11 & Jan12	Feb12	Jan13 & Feb13

BWC Invested Assets
 Estimated and Unaudited
 As of November 17, 2010

Nov2010 MTD MV Decrease Bonds..... - \$ 300 million (-2.1% return)
 Nov2010 MTD MV Decrease Equities..... - \$ 20 million (-0.3% return)

Nov2010 MTD MV Decrease Bonds+Equities.... - \$ 320 million
 (-1.6% Nov10 MTD portfolio return including Cash)

BWC Asset Allocation MV 11/17/10

Bonds*.....	\$13,729 million	68.6%
Equities*.....	6,152 million	30.8%
Cash.....	<u>120 million</u>	<u>0.6%</u>
TOTAL.....	\$20,001 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-Oct10 + 7.6% (+\$1,456 million net inv. income)

Prepared by: Bruce Dunn, CFA
BWC Chief Investment Officer