

Economic and Investment Outlook

State Compensation Insurance Fund (SCIF)

14 February 2013

Representing Wellington Management

Donald J. Kilbride
Senior Vice President, Partner
Equity Portfolio Manager

Eric M. Tanaka, CFA, CPA
Vice President
Director, Financial Reserves Relationship Management Group



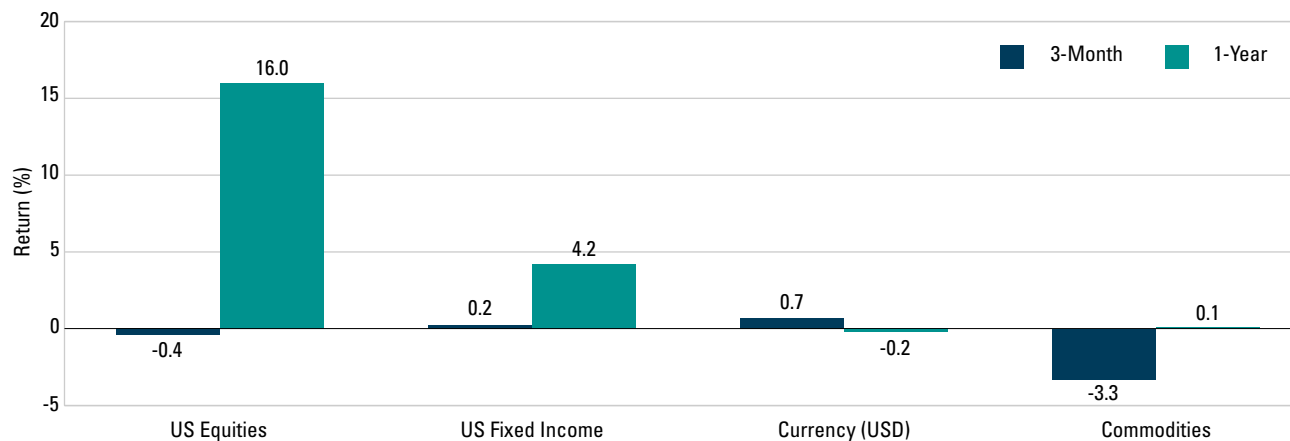
Wellington Management Company, LLP

Investment Committee - February 14, 2013
Open Agenda Item 5: Economic and Investment Outlook

STATE COMPENSATION INSURANCE FUND

WELLINGTON[®]
MANAGEMENT

US Market Review 31 December 2012



Fourth Quarter Highlights

US equities modestly declined as strong housing data and a lower unemployment rate were overshadowed by disappointing corporate revenue results and fiscal cliff concerns

Most of the major fixed income spread sectors, except agency MBS, posted positive absolute returns and outperformed duration-equivalent Treasuries

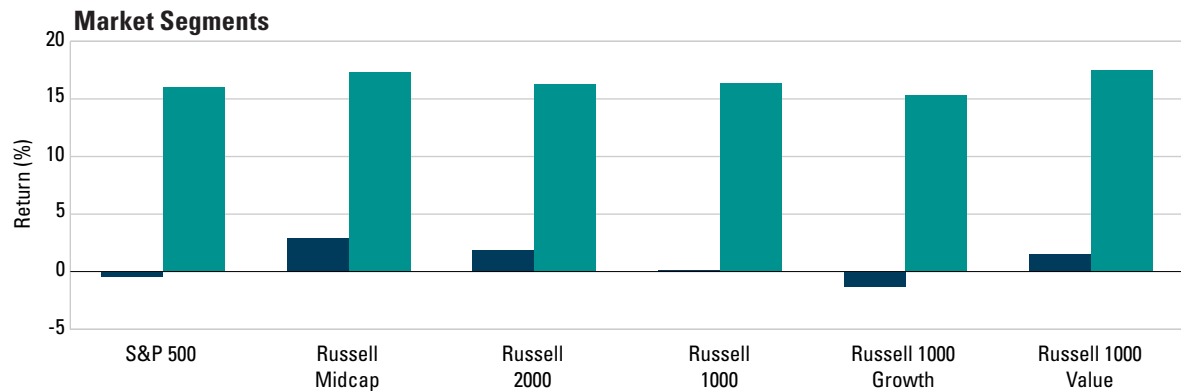
Most major currencies ended flat to slightly higher versus the US dollar

Commodities fell, pressured by negative returns in all four sectors

Indexes used: S&P 500, Barclays US Aggregate Bond Index, US Dollar vs Trade Weighted Basket of Major Currencies, Production-Weighted S&P GSCI | All returns expressed in USD. | Source: Wellington Management

US Equity Markets

31 December 2012



Fourth Quarter Highlights

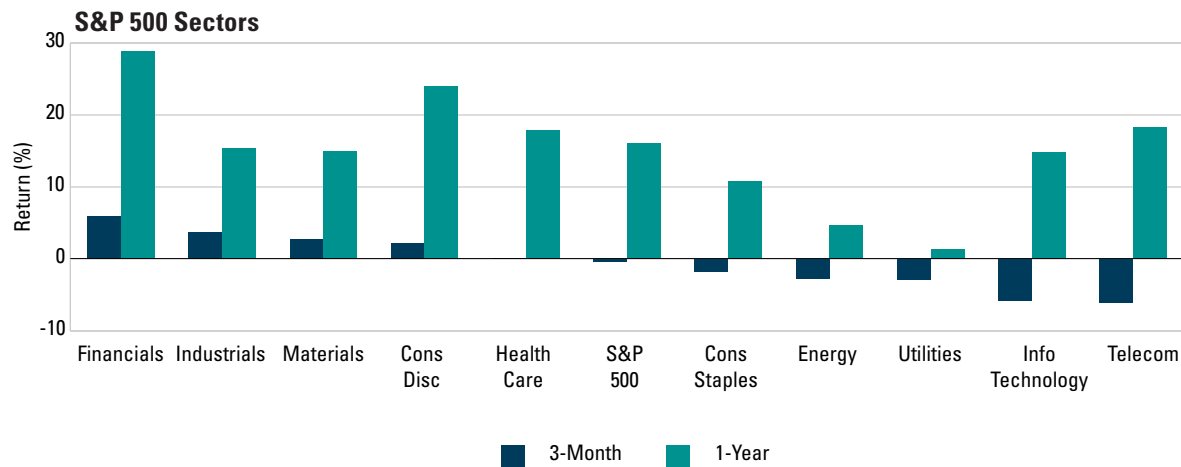
Despite strong housing data and a drop in the unemployment rate, investors focused on disappointing corporate revenue results and fiscal cliff worries

Consumer sentiment declined sharply as the fiscal cliff and threat of higher taxes were factored in

The housing market continued to recover

The unemployment rate fell to 7.7% but manufacturing contracted for the fourth month of the last six

Apple weighed heavily on the S&P 500; results across sectors were mixed



All returns expressed in USD | Source: Wellington Management