

Dated 1997

THE OHIO BUREAU OF WORKERS' COMPENSATION

Statement of Investment Policy and Guidelines

I. INTRODUCTION

Purpose

This document establishes the investment policy (the "Investment Policy") for the Ohio Bureau of Workers' Compensation ("OBWC") State Insurance Fund (the "Fund"). Its purpose is to assist the Oversight Commission, the Administrator, the Chief Financial Officer, the Chief Investment Officer and the OBWC staff in effectively supervising, monitoring and evaluating the investment of the surplus and reserves of the Fund.

From and after March 7, 1997, all investment activities undertaken by, or on behalf of, the OBWC, including any investment activities performed by outside professional fund managers and brokers, will strictly adhere to the terms of this Investment Policy, the restrictions of the Ohio Revised Code Section 4123.44, as amended Am. Sub. S.B. No. 82, and any other applicable statutory or regulatory provisions. A copy of Ohio Revised Code Section 4123.44, as amended, is attached to this Investment Policy and all aspects of this Investment Policy shall be construed and interpreted in a manner consistent with Section 4123.44.

Prior to March 7, 1997, all investment activities undertaken by, or on behalf of, the OBWC, including any investment activities performed by outside professional fund managers and brokers, will strictly adhere to the terms of this Investment Policy, the restrictions of the Ohio Revised Code Section 4123.44, as in effect prior to the effective date of Am. Sub. S.B. No. 82, and any other applicable statutory or regulatory provisions.

Objectives

The objectives of this Investment Policy have been established in conjunction with a comprehensive review of the current and projected financial requirements of the OBWC. These objectives are:

- To safeguard the assets of the Fund.
- To maximize returns within acceptable risk parameters.
- To maintain the purchasing power of the current assets and all future contributions by producing positive real rates of return on Fund assets.

- To preserve the ability of OBWC to pay all disability benefits and expense obligations when due.
- To achieve a total annualized average rate of return during each rolling five year period which equals or exceeds the average discount rate used by the OBWC's actuarial consultant to compute reserves for compensation for each such rolling five year period.
- To achieve an aggregate rate of return during each rolling five year period that exceeds generally accepted and broadly recognized conventional indicators of the overall rate of inflation, e.g., the GDP deflator, for such period.
- To minimize the costs of administering the Fund and managing the investments.

All aspects of this Investment Policy should be interpreted in a manner consistent with the Fund's objectives and Section 4123.44 of the Ohio Revised Code. The Oversight Commission shall adopt in regular or special meetings, policies, objectives or criteria for the operation of the investment program at least annually. The Oversight Commission shall review, prospectively, any investment activity proposed to be undertaken pursuant to this Investment Policy and shall prohibit any such investment activity that the Oversight Commission finds to be contrary to this Investment Policy.

II. DEFINITION OF RESPONSIBILITIES

A. Oversight Commission

The Oversight Commission shall:

- Establish the strategic investment policy for the Fund and periodically review such policy in light of any changes in actuarial variables, market conditions, or other evolving facts or situations relevant to the appropriate character of that policy.
- Monitor and review the investment performance of the Fund to determine achievement of goals and compliance with this Investment Policy.
- Approve the selection of all Investment Consultants.
- Approve, based upon the criteria and procedures established pursuant to this Investment Policy, the list of qualified fund managers selected by, and the list of qualified outside brokers prepared by the Administrator and Chief Investment Officer. The list

of qualified brokers shall be reviewed and updated by the Administrator and Chief Investment Officer at least annually. The list of fund managers selected by the Administrator and Chief Investment Officer and approved by the Oversight Commission are referred to herein as the Approved Fund Managers and a fund manager included on the list shall be referred to herein as an Approved Manager. The list of outside brokers prepared by the Administrator and the Chief Investment Officer shall be referred to herein as the Approved Brokers and a broker included on the list shall be referred to herein as an Approved Broker.

- Approve the scope of investment activities that may be undertaken by each Approved Fund Manager. The investment activities undertaken by an Approved Fund Manager may not vary from the scope of activities previously approved by the Oversight Commission without the prior approval of the Oversight Commission.
- Approve the criteria and procedures developed by the Administrator and Chief Investment Officer, with the assistance of the Investment Consultants, to select the Approved Fund Managers and Approved Brokers. The criteria and procedures developed by the Administrator and Chief Investment Officer, and approved by the Oversight Commission, shall be incorporated into, and shall be treated for all purposes as part of, this Investment Policy.
- Prohibit on a prospective basis any investment activity that the Oversight Commission finds to be contrary to this Investment Policy. In the event that the Oversight Commission determines that any activity undertaken or proposed to be undertaken pursuant to this Investment Policy is contrary to this Investment Policy, the Administrator shall take any corrective action that the Oversight Commission determines, after consultation with the Administrator, is necessary to prohibit such activity.

B. OBWC Staff Responsibilities

The Chief Investment Officer shall be employed by the Administrator, after consultation with the Oversight Commission, and shall be a senior member of the OBWC Staff with the primary responsibility to implement and supervise this Investment Policy. Subject to the supervision and control of the Administrator, the Chief Investment Officer and OBWC Staff shall:

- Supervise the management of all the Fund assets in accordance with this Investment Policy and the objectives and guidelines set forth herein.
- Develop the criteria and procedures to be utilized to select the Approved Fund Managers and the Approved Brokers.
- Select, subject to the approval of the Oversight Commission described above, qualified investment consultants. Select from the list of Approved Managers investment fund managers to provide advice with respect to, and manage, the investment of the Fund's assets.
- Monitor all managed assets to insure compliance with the guidelines set forth in this Investment Policy.
- Promptly vote all proxies and related actions in a manner consistent with the long term interests and objectives of the Fund set forth herein. Maintain detailed records of said voting of proxies and related actions and comply with all regulatory obligations related thereto.
- Report to the Oversight Commission on at least a quarterly basis regarding the status of the portfolio and its performance for various time periods.
- Consult with the Approved Fund Managers on at least a quarterly basis to discuss account progress and other material information.
- Subject to any exceptions expressly set forth herein, cause the execution of all trades dictated by the Approved Fund Managers through the services of outside brokers selected by the Administrator and the Chief Investment Officer from the list of Approved Brokers.
- Provide the Oversight Commission with a report on at least a quarterly basis on the trading activities of the Fund, including the volume of trades, and related commissions, executed by each Approved Broker.

C. Investment Managers' Responsibilities

- The investment of all Fund assets, shall be managed by Approved Fund Managers; provided however, short-term cash management investments may be made by OBWC staff members selected by the Administrator.

Each professional fund manager shall:

- Manage the plan assets under its care, custody and/or control in accordance with this Investment Policy objectives and guidelines set forth herein and in compliance with applicable Ohio statutory requirements.
- Exercise full investment discretion over the assets in their care within the guidelines set forth herein; provided however, subject to any exceptions expressly set forth herein, all trades shall be executed under the supervision and control of the Administrator and the Chief Investment Officer by brokers selected by the Administrator and Chief Investment Officer from the list of Approved Brokers.
- Promptly inform the Administrator, Chief Investment Officer and Investment Consultant in writing of all changes of a material nature pertaining to the firm's organization and professional staff.
- If directed by the Administrator and Chief Investment Officer, shall promptly vote all proxies and related actions in a manner consistent with the long term interests and objectives of the Fund. Each manager designated to vote shall keep detailed records of said voting of proxies and related action and will comply with all regulatory obligations related thereto.
- Report to the Administrator and the Chief Investment Officer on at least a quarterly basis on the status of the portfolio and its performance for various time periods and meet with the staff at least semi-annually to report on the economic outlook and compliance with goals and objectives.
- Shall acknowledge and agree in writing to their fiduciary responsibility to fully comply with the entire Investment Policy.

D. Investment Consultants' Responsibilities

The Investment Consultants shall:

- Provide independent and unbiased information to the Oversight Commission and the OBWC Staff.
- Assist in the development and amendment of this Investment Policy.
- Assist in the development of strategic asset allocation targets.
- Assist in development of performance measurement standards.

- Monitor and evaluate fund manager performance on an ongoing basis.
- Conduct due diligence when a manager fails to meet a standard.
- Establish a procedural due diligence search process.
- Assist in the development of criteria and procedures to be utilized for the selection of all fund managers.
- Provide any other advice or services that the Oversight Commission or the Administrator and Chief Investment Officer determine from time to time is necessary, useful or appropriate to fulfill the objectives of this Investment Policy.

In selecting qualified consultants, consideration shall be given to consultants that are based in Ohio or having significant operations in the State of Ohio. In addition, consideration shall be given to the engagement of qualified minority-owned firms.

E. Brokerage Services.

- Subject to any exceptions expressly set forth herein, all trades shall be executed under the supervision and control of the Administrator and the Chief Investment Officer by brokers selected by the Administrator and Chief Investment Officer from the list of Approved Brokers.

III. INVESTMENT POLICY GUIDELINES

A. Asset Allocation Guidelines

It is the Oversight Commission's responsibility to determine the allocation of assets among distinct capital markets in accordance with allowable legal limits. The procedure for determining the allocation will consider the relevant characteristics of the liabilities and potential assets of the Fund.

The liability considerations shall include, but not be limited to, current and expected future values of the benefits, premiums and total assets. These factors are important for identifying the investment horizon of the Fund and its cash flow requirements.

Based on an asset and liability study dated July 1, 1996, which analyzed the expected returns of various asset classes, projected liabilities and the risks associated with

alternative asset mix strategies, the Oversight Commission has established the following asset allocation:

<u>Asset Class</u>	<u>Target</u>	<u>Range</u>
<u>Equity Securities</u>		
Large Capitalization Domestic Equities	25%	
Small/Mid Capitalization Equities	6%	
International Equity Securities	9%	
Total Equity Securities	40%	{30-50%}
<u>Fixed Income Securities</u>		
Domestic Fixed Income Securities	59%	
International Fixed Income Securities	1%	
Total Fixed Income Securities	60%	{45-65%}
Cash Equivalents	0%	{0-5%}
Total	100%	

The asset allocation represents a long term strategy. Short term market shifts may cause the asset mix to drift from the allocation targets. Should the target percentage fall out of the indicated range for a particular asset class, the Administrator and Chief Investment Officer will cause the the Approved Fund Managers to make any adjusts in the Fund's the investment portfolio necessary to satisfy the asset allocation guidelines established by this Investment Policy.

B. Securities Guidelines

Each Approved Fund Manager must adhere to the following guidelines as well as any currently applicable Ohio statutory requirements as the same may be amended from time to time.

Domestic Equity Securities

It has been determined that diversification of the equity asset base into large capitalized companies (over \$8 billion in market capitalization) and small to mid-size companies (under \$8 billion) will offer the opportunity for enhanced returns, while lessening overall risk due to the broader diversification benefits of additional asset classes.

Large Capitalization Equity Securities

- All equity securities held by the Fund shall meet the requirements of Ohio Revised Code Section 4123.44.
- The principal focus of the Fund's investment activities in equity securities will be companies with market capitalizations in excess of \$8 billion.
- No single holding shall account for more than 5% of the entire portfolio at market, or 9.9% of the outstanding equity securities of any one corporation.
- Trading directions shall be submitted by the Approved Fund Managers to the Administrator and Chief Investment Officer who shall supervise and control the execution of all trades by Approved Brokers.
- An Approved Fund Manager shall have the discretion to invest, a portion of the assets in cash reserves when it deems appropriate. However, each Approved Fund Manager will be evaluated on the overall return earned on the aggregate amount of all funds under its direct management.

Small/Mid Capitalization Equity Securities

- The guidelines applicable to the Approved Managers investing in large capitalization equity securities shall also apply to Approved Managers investing in small/mid capitalization securities except that:
- The investment activity in this category will be limited to companies with market capitalization's in the range of \$100 million to \$8 billion.
- Trading directions shall be submitted by the Approved Fund Managers to the Administrator and Chief Investment Officer who shall supervise and control the execution of all trades by Approved Brokers, provided however, if necessary to accomplish cost effective trading, the Administrator shall have the discretion to permit an Approved Fund Manager to cause the execution of the purchase or sale of small and middle capitalization equity securities recommended by that Approved Fund Manager provided that such purchase or sale is executed by an Approved Broker that is not affiliated with such Approved Fund Manager.

International Equity Securities

The Fund may allocate a portion of its investment portfolio to international equity securities subject to all applicable

legal requirements and the limits set forth in this Investment Policy. The purpose of investing in international equity securities is to enhance the overall investment returns of the Fund while reducing risk through increased diversification. All of the guidelines applicable to the investments in large capitalization equity securities shall apply to investments in international equity securities except that:

- Equity holdings of the equity securities of any one international company shall not exceed 10% of the total value of the all investments in international equity securities.
- Equity holdings of international equity securities of any one industry category shall not exceed 25% of the total value of all investments in international equity securities.
- Country by country allocations shall be based upon the allocations made a peer group of international equity managers that employ a broadly diversified investment strategy; provided however, no more than 40% of the total value of all investments in international equity securities shall be invested in any one country.
- An Approved Fund Manager may enter into foreign currency exchange contracts for the sole purpose of hedging the exposure to foreign currency risk inherent in the investment portfolio maintain for the Fund by such Approved Fund Manager. Direct or indirect speculation in foreign currency, and any investment activity related to speculation in foreign currency, shall be prohibited.
- Trading directions shall be submitted by the Approved Fund Managers to the Administrator and Chief Investment Officer who shall supervise and control the execution of all trades by Approved Brokers, provided however, if necessary to accomplish cost effective trading, the Administrator shall have the discretion to permit an Approved Fund Manager to cause the execution of the purchase or sale of international equity securities recommended by that Approved Fund Manager provided that such purchase or sale is executed by an Approved Broker that is not affiliated with such Approved Fund Manager.

Domestic Fixed Income Investments

The domestic fixed income investment component of the Fund shall be diversified as to investment management style and asset types, in order to minimize risk through added

diversification and provide the opportunity for enhanced returns.

The following guidelines shall apply to this asset class:

- All fixed income securities held by the Fund shall meet the requirements of Ohio Revised Code Section 4123.44.
- Each fixed income portfolio shall be invested with duration characteristics that are within a range from a maximum duration of the OBWC Custom Benchmark* to a minimum duration equal to the Lehman Bros. Government and Corporate Intermediate Index.
- The average credit quality shall not be lower than single A rating.
- No portfolio shall have more than 5% of its assets (by market value) invested in securities guaranteed by a single non-government creditor.
- The fixed income securities investment component of the Fund shall be diversified to minimize the risk of losses.
- Trading directions for all fixed income securities shall be submitted by the Approved Fund Managers to the Administrator and the Chief Investment Officer who shall supervise and control the execution of all trades by Approved Brokers; provided however, if necessary to accomplish cost effective trades, the Administrator shall have the discretion to permit an Approved Fund Manager to cause the execution of the purchase or sale of fixed income securities recommended by that Approved Fund Manager provided that such purchase or sale is executed by an Approved Broker that is not affiliated with such Approved Fund Manager.

International Fixed Income Securities

The Fund may allocate a portion of its investment portfolio to international fixed income securities subject to all applicable legal requirements and the limits set forth in this Investment Policy. The purpose of investing in international fixed income securities is to enhance the overall investment returns of the Fund while reducing risk through increased diversification. All of the guidelines applicable to the investments in domestic fixed income securities shall apply to investments in international fixed income securities except that:

- All international fixed income securities shall be investment grade; provided however, not more than 10%

of the total value of all investments in international fixed income securities may consist of emerging market debt securities.

- Holdings of the fixed income securities issued by any one international issuer shall not exceed 5% of the total value of the all investments in international fixed income securities.
- Holdings of international fixed income securities issued by any one industry category shall not exceed 25% of the total value of all investments in international fixed income securities.
- An Approved Fund Manager may enter into foreign currency exchange contracts for the sole purpose of hedging the exposure to foreign currency risk inherent in the investment portfolio maintain for the Fund by such Approved Fund Manager. Direct or indirect speculation foreign currency, and any investment activity related to speculation in foreign currency, shall be prohibited.
- Trading directions shall be submitted by the Approved Fund Managers to the Administrator and Chief Investment Officer who shall supervise and control the execution of all trades by Approved Brokers, provided however, if necessary to accomplish cost effective trading, the Administrator shall have the discretion to permit an Approved Fund Manager to cause the execution of the purchase or sale of international fixed income securities recommended by that Approved Fund Manager provided that such purchase or sale is executed by an Approved Broker that is not affiliated with such Approved Fund Manager.

* The OBWC Custom Benchmark will have the same modified duration (2 measure of price sensitivity to interest rate changes) utilized by OBWC's actuarial consultant to compute the amount of OBWC's future liability for claims and expenses.

Real Estate

- Investments may be in securities or real property, although such investments are not presently anticipated.

Cash Equivalents

- The maximum maturity shall not exceed 360 days.

IV. MANAGER SELECTION PROCEDURE

The Administrator and the Chief Investment Officer, with the assistance of the Investment Consultants, will select from the list of Approved Fund Managers the appropriate money managers to manage all Fund assets. The nature of the investment activities in which each such fund manager will engage must be approved by the Oversight Commission. Approved Fund Managers must meet the following minimum criteria:

- A manager must be a bank, insurance company, investment management company, or investment advisor as defined by the Registered Investment Advisors Act of 1940.
- A manager must demonstrate that it has achieved historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style, and reported net and gross of fees that are at least comparable to other investment managers with similar investment strategies and objectives.
- A manager must provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the manager relative to other managers with similar investment strategies and objectives.
- A manager must provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel.
- A manager must clearly articulate the investment strategies and activities that would be followed and demonstrate that the manager has successfully employed these strategies and activities over time. If selected, a manager must submit to the Administrator and the Chief Investment Officer a complete description of any changes the manager proposes to make with respect to its investment strategies and activities. These proposed changes must be submitted to the Oversight Commission for its approval and finding that the proposed investment activity is not contrary to this Investment Policy prior to implementation on behalf of OBWC.
- A manager shall not have any outstanding legal judgments or past judgments which may, in the opinion of the Administrator, Chief Investment Officer and the Oversight Commission, reflect negatively upon the manager.

- Specific consideration shall be given to investment management firms based in Ohio or having significant investment operations in the State of Ohio.
- As a goal, but not as a minimum standard, fund managers managing at least 50% of the total OBWC funds under management should satisfy at least one of the following characteristics:
 - Have its Corporate Headquarters located in Ohio;
 - Have at least three separate significant operating locations in Ohio;
 - Employ at least five individuals in Ohio; or
 - Have other contacts to, or operations within, this State, including the presence of agents and other representatives, that the Oversight Commission and the Administrator determine are significant.
- As a goal, but not as a minimum standard, at least 10% of all OBWC funds under management should be managed by minority-owned firms.
- A manager must satisfy all other criteria developed by the Administrator and the Chief Investment Officer and approved by the Oversight Commission.

The Oversight Commission believes that the long-term performance of the investment activities of the OBWC would be enhanced by the participation of fund managers that have demonstrated the ability to successfully manage smaller investment portfolios. Therefore, as a goal, but not as a minimum standard, the OBWC should create a Emerging Manager Portfolio in the amount of \$200,000,000. The purpose of this fund is to provide opportunities to small firms that have successful historic record of fund management, but do not have the size or resources to manage a large portfolio. Fund managers that otherwise satisfy the criteria for selection outlined above, but in the ordinary course of business do not manage large portfolios shall be selected to manage these funds in accordance with this Investment Policy. It is expected that no one fund manager would be allocated less than \$5,000,000 or more than \$50,000,000 of the Emerging Manager Portfolio. The Emerging Manager Portfolio be subject to all of the provisions of this Investment Policy and shall be taken into account in applying the Asset Allocation Guidelines set forth in Section III above.

V. SELECTION OF BROKERS.

- All Approved Brokers must be properly licensed and should be selected based upon their demonstrated professional and administrative ability; however, one of the goals of this Investment Policy is to control and minimize the aggregate cost and expense of executing trades.
- All Approved Brokers must provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel.
- An Approved Broker shall have no outstanding legal judgments or past judgments which may, in the opinion of the Administrator, Chief Investment Officer and the Oversight Commission, reflect negatively upon the Approved Broker.
- As a goal, but not as a minimum standard, at least 60% of all transactions, measured by the dollar volume of commissions paid, should be executed by Approved Brokers that satisfy at least one of the following characteristics:
 - Have its Corporate Headquarters located in Ohio;
 - Have at least three separate significant operating locations in Ohio;
 - Employ at least five individuals in Ohio; or
 - Have other contacts to, or operations within, this State, including the presence of agents or other representatives, that the Oversight Commission and the Administrator determine are significant.
- As a goal, but not as a minimum standard, at least 60% of all transactions, measured by the dollar volume of commissions paid, should be executed by individual agents that are Ohio residents or are otherwise subject to Ohio income taxation.
- As a goal, but not as a minimum standard, at least 10% of all transactions, measured by the dollar volume of commissions paid, should be executed by minority-owned firms.
- Each Approved Broker must satisfy any other criteria developed by the Administrator and the Chief Investment Officer and approved by the Oversight Commission.

VI. PERFORMANCE OBJECTIVES

The performance objectives of the total Fund investment assets are to:

- Achieve a total annualized average rate of return during each rolling five year period which equals or exceeds the average discount rate used by the OBWC's actuarial consultant to compute reserves for compensation for each such rolling five year period.
- Achieve an aggregate rate of return during each rolling five year period that exceeds a generally accepted and broadly recognized conventional indicators of the overall rate of inflation, e.g., the GDP deflator, for such period.

Quarterly performance will be evaluated to test progress toward the attainment of longer term targets. It is understood that there are likely to be short term periods during which performance deviates from market indices and longer term absolute and relative targets. During such times, greater emphasis shall be placed on peer performance comparisons with managers employing similar styles.

On a timely basis, but not less than four times a year, the Administrator and Chief Investment Officer, will meet with the Investment Consultants to:

- Evaluate the performance of each Approved Fund Manager;
- Review each Approved Fund Managers' adherence to this Investment Policy.
- Analyze any material changes in the Approved Fund Manager's organization, investment strategies or personnel.
- Review each Approved Fund Manager's performance relative to appropriate indices and peer groups.

VII. INVESTMENT MONITORING

Each Approved Fund Manager's performance shall be evaluated relative to an appropriate market index and a relevant peer group of managers as indicated below. They are expected to (1) rank above median versus their respective peer groups over each rolling three-year and five-year periods and (2) earn investment returns that equal or exceed their respective market index over each rolling three-year and five year periods.

Benchmark Comparisons

<u>Investment Manager</u>	<u>Index</u>	<u>Consultant Comparative Peer Group</u>
Large Cap Equity	S&P 500 or BWC Legal List	Growth Style Value Style
Small/Mid-Cap Equity	Blend (Russell 2000 & S&P 400 Mid-Cap)	Small/Mid-Capitalization Growth Small/Mid-Capitalization Value
International Equity	EAFE	International Equity Managers
Domestic Fixed Income Style	To be determined for each fixed income manager by written agreement	Varying by investment style
International Fixed Income	Salomon World Bond	International Fixed Income Mangers
Real Estate	NCREIF	Real Estate Managers
Cash Equivalentents	90 day T. Bills	STIF

The performance of each Approved Fund Managers will be monitored on an ongoing basis and the Administrator and the Chief Investment Officer shall take any appropriate corrective action, including, subject to prior Oversight Commission approval, the replacement of an Approved Fund Manager. Performance factors which may lead to terminating a manager relationship include:

- Performance below the median (50th percentile) of their peer group over rolling three year periods.
- Performance below the median (50th percentile) of their peer group over a five year period.
- Realization of negative incremental value added to portfolio returns for three and/or five year periods.

- Major organizational changes that could warrant a review of the Approved Fund Manager's relationship with the OBWC, including:

- Change in professionals
- Significant account losses
- Significant growth of new business
- Change in ownership

VIII. COMMUNICATIONS

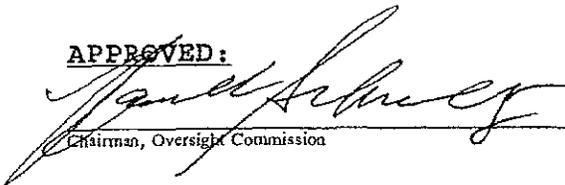
- Each Approved Fund Manager will provide written reports at least quarterly, including asset inventories, market commentary or anything else deemed significant at the time of reporting.
- Each Approved Fund Manager is expected to meet with the Administrator and the Chief Investment Officer at least annually at OBWC offices.
- Frequent and regular communication with the OBWC by all Approved Fund Managers is encouraged.

IX. REVIEW PROCEDURES

The Oversight Commission in conjunction with the Administrator, Chief Investment Officer and Investment Consultants will review this policy statement at least once a year, to determine if revisions are warranted.

It is not expected that investment policy will change frequently; in particular short term changes in the financial markets should generally not require an adjustment in this Investment Policy.

APPROVED:

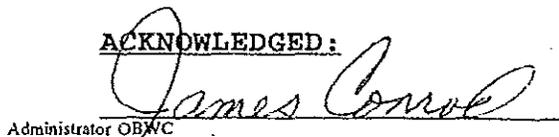


 Chairman, Oversight Commission

2/12/97

 Date

ACKNOWLEDGED:



 Administrator OBWC

2/12/97

 Date

Investment Manager Certification

On behalf of _____, I hereby certify that
_____ has been provided a copy of the Investment
Policy of the Ohio Bureau of Workers' Compensation.
_____ agrees that it will comply with that
Investment Policy in all respects during the performance of any
investment activities engaged in on behalf of the Ohio Bureau of
Workers' Compensation.