OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

Comprehensive Annual Financial Report

For the year ended December 31, 2011

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM
Comprehensive Annual Financial Report
For the year ended December 31, 2011

R. Keith Overly, Executive Director

Paul D. Miller, Assistant Director-Finance

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Presented to

Ohio Public Employees Deferred Compensation Program

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

ORGANIZATIONAL CHART
AS OF 12/31/11

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OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

May 15, 2012

Dear Chair and Members of the Board:

We are pleased to present the Comprehensive Annual Financial Report for the Ohio Public Employees Deferred Compensation Program (the Program) for the year ended December 31, 2011. The Comprehensive Annual Financial Report was prepared to assist the user in understanding the functions of the Program and how participants use the Program to supplement their retirement income. Program management is responsible for the contents of this presentation. Management's Discussion and Analysis (MD&A) complements this letter of transmittal and should be read in conjunction with it.

The Ohio Revised Code created the Deferred Compensation Board (the Board) to administer the Program for all eligible employees. The Program provides services to more than 200,000 participants from 1,766 State and local governments. The State created the Program as a separate legal entity from the State and does not appoint a voting majority of the Program's governing Board. The Program is self-funded and governed by its own Board. The State does not approve the Program's budget or set Program rates or charges. Therefore, the Program is not part of the State of Ohio reporting entity.

Program History and Overview

The Program first received deferrals in 1976 pursuant to Internal Revenue Code (IRC) Section 457 and Ohio Revised Code Section 148. All public employees who are eligible to participate in one of the state's statutory retirement systems (including the Cincinnati Retirement System) are eligible to contribute, on a pre-tax basis, a portion of their annual includable compensation. Withdrawals may be made at retirement, death, or termination of employment, or due to certain qualifying unforeseeable emergencies. Participation is strictly voluntary, and the Program is intended to supplement retirement benefits from the other statutory retirement systems.

Economic Conditions and Outlook

Saving for retirement is a long-term proposal, and investing in both equities and bonds have produced gains over most long-term periods. However, recent market volatility has made it harder for individual investors to focus on long-term goals, especially when short-term market results are large and unpredictable. For example, the S&P 500 index fund offered by the Program returned +2.1 percent in 2011, but the fund's 2011 quarterly returns of +5.9 percent, +0.1 percent, -13.9

percent , and +11.8 percent respectively, reflect the ongoing volatility that investors endured.
Along with the financial market uncertainties are the fiscal challenges facing Ohio's governmental employers. Decreases in tax revenues and other funding sources have required many employers to suspend pay increases or layoff some of their workforce. The number of public employees eligible to join the Program has steadily declined since 2005–down about 4 percent over this time period.

Program activities continue to be challenged by the volatile markets, economic conditions, and the retirements of "baby boomers," so educational campaigns have focused on these issues. Additional retirement planners have been hired to address the growing number of retirees seeking assistance with their account distributions. Many employers now offer competing deferred compensation plans, and the Program has seen some participants move their deferrals or account balances to other plans.

Despite the downturn in public employment, the current overall participation rate of 15.3 percent indicates that most public employees are not taking advantage of this retirement savings opportunity, so the Program still has a large pool of available customers for their services. For example, State of Ohio employees have a high participation rate of 60.9 percent. There were many other positive signs for the Program during 2011, including the following, which are at all-time high levels:

- Total year-end assets of $8.3 billion.
- The average participant account balance rose to $41,695.
- The total number of participant accounts increased to 200,059.
- The average annual deferral contribution is $4,272 per active participant.

The Program has established an administrative fund reserve policy to maintain three to twelve months of annual operating expenses in reserve. As of December 31, 2011, the Program had approximately eleven months of operating expenses in reserve and was in good financial shape to face further market fluctuations, which could negatively affect operating revenues.

Major Initiatives

The Program's most popular investment option is the Stable Value Option (SVO) with 51.4 percent of year-end assets. The SVO is a conservative investment option that invests in a diversified mix of fixed-income securities and guarantee contracts issued by financial institutions and insurance companies. The guarantees assure return of principal and a leveling of the investment returns. Following the financial/credit crisis in 2008, fewer institutions offer these guarantee contracts, and the remaining institutions have dramatically increased their fees, and changed contract terms and conditions.

During 2011, Program management worked with their consultants and investment managers to restructure many of the SVO policies, contract terms, and strategies. The results included terminating one SVO investment manager, reallocating assets among all of the remaining investment managers, converting one SVO manager from investing in commingled asset pools to direct assets ownership, and replacing one guarantee provider.

Electronic delivery of information has become a more acceptable format for most of the population. From newly hired workers to retirees, Program participants are using the internet for more self-service than in the past. In response, the Program took the following initiatives in 2011:

1. The Program's participant website was completely rewritten and refreshed to provide new content, easier navigation, and quick access to investment information.
2. A new Interactive Retirement Planning calculator was posted to the participant website. This tool allows users to analyze their current retirement savings, and experiment with variable that impact their account, such as retirement age, contribution levels, and investment risk.
3. The employer website and the Ohio Retirement Savings Awareness Initiative website were completely redesigned. Each was given a new look, new content, and easier navigation to match that of the participant website.
4. Quarterly participant statements became available online, and participants could opt out of receiving paper copies in the mail. This project was designed to provide faster and more convenient service to participants, but also to reduce Program costs. More than 12,000 participants had opted for eDelivery by December 31, 2011.

Financial Information and the Internal Control Structure

Program management is responsible for the information in this report and for establishing and maintaining a system of internal controls sufficient to provide integrity to all financial information and to permit reporting in conformity with accounting principles generally accepted in the United States of America. We believe that the information presented in this CAFR is accurately and fairly presented in all material respects. Internal controls can provide reasonable, but not absolute assurance that Program objectives will be met. The concept of reasonable assurance implies a high degree of assurance, constrained by the costs and benefits of establishing incremental control procedures.

The net assets available for benefits and changes in net assets available for benefits of the Program are included as a Pension Fund in the Financial Section of this presentation. The Program reports all financial activity on the accrual basis of accounting. Additions are recorded in the period in which they are earned, and deductions are recorded in the period in which the liability is incurred.

Excess Administration Fund cash is held in money market accounts and certificates of deposit. Cash is held for capital acquisitions and is used to supplement monthly operations if administrative expenses exceed revenues during a given month. Program management seeks to maintain sufficient cash reserves to cover three to twelve months of operating expenses.

Program Additions

Additions to Program assets may come from investment income earned on participant accounts, employee contributions, transfers from other plans, and recordkeeping reimbursements. Net investment income of $36.2 million, $655.0 million, and $1.0 billion over the past three years respectively was the largest source of Program additions.

Economic and employment uncertainty continued to negatively affect employee contributions, which were $448 million in 2011 compared to $446 million in 2010 and $455 million in 2009. The number of participants actively deferring decreased by 3.0 percent compared to last year-end, as many participants were concerned with market volatility and others were concerned about job security. The amount transferred into the Program from other retirement plans rose 34.1 percent between 2011 and 2010.

Program Deductions

Participant distributions during 2011 increased by 10.2 percent over 2010 and 33.9 percent over 2009. Much of this increase is attributable to lower distributions in 2009, which were caused by the suspension of IRS-mandated required minimum distributions for that year. In addition, account values have rebounded steadily since the equity market declined in 2008, and higher investment earnings have enabled greater participant distributions.

The amounts transferred to other eligible retirement plans, including transfers to defined benefit plans to purchase service credit, increased 38.8 percent between 2011 and 2010. Administrative expenses in 2011 increased by 3.7 percent over the prior year, primarily due to higher customer service costs.

Investments

The Program is a self-directed plan, so participants choose the investment options for their current deferrals and balances. The Board has adopted an investment policy to ensure that a sufficient number of suitable, diverse investment options are offered.

The SVO continues to be the most popular investment choice and accounts for 51.6 percent of all invested assets. The one-year return on SVO investments was 3.2 percent in 2011. In addition to the SVO, participants can select from 15 mutual fund options or select a target date fund to create a diversified portfolio.

Investment performance results and related investment expense ratios are reported to participants in their annual and quarterly statements, as well as the Program's newsletter and website. A listing of investment options and their performance returns is included in the Investment Section of this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) most recently awarded a Certificate of Achievement for Excellence in Financial Reporting to the Ohio Public Employees Deferred Compensation Program for the fiscal year ended December 31, 2010. The Certificate of Achievement is the highest form of recognition for excellence in State and local government financial reporting. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate of Achievement.

Independent Auditors

The financial statements of the Program for the years ended December 31, 2011 and 2010 were audited by Clark, Schaefer, Hackett & Co. under contract with the Auditor of State of Ohio.

Acknowledgments

The preparation of this report reflects the combined efforts of the Program's staff under the direction of the Board and its Audit Committee. The purpose of this report is to provide complete and reliable information as a basis for making decisions and as a means for determining responsible stewardship over the assets contributed by participants.

Respectfully submitted,

R. Keith Overly
Executive Director

Paul D. Miller, CPA
Assistant Director-Finance

PLAN SUMMARY

Ohio Revised Code Section 148 established the Ohio Public Employees Deferred Compensation Plan (the Plan), which will at all times comply with the current Internal Revenue Code and Internal Revenue Service Regulations. The Plan is effective as to each eligible employee (i.e. public employees as defined in Section 148.01(A)(1) of the Ohio Revised Code) upon the date he or she becomes an active participant by executing a participation agreement with the employer.

This Plan summary includes all Plan revisions approved by the Board that were effective as of December 31, 2011. Participants should refer to the Plan Document for complete Plan information.

Delegation by Employer - The participating employers have delegated their administrative powers, duties, and responsibilities under the Plan to the Ohio Public Employees Deferred Compensation Board.

Commencement of Participation - Each eligible employee shall be permitted to participate under this Plan. An eligible employee shall elect to participate and become an active participant by executing a participation agreement with their employer. A participation agreement shall specify:

a. The amount of the active participant’s compensation, which the employer and the participant agree to defer, subject to limitations;

b. The date as of which reduction and deferral of compensation pursuant to the participation agreement shall begin, which date shall be as early as administratively practicable, but no earlier than the first day of the first calendar month following the execution of the participation agreement; and

c. The investment option(s) selected by the participant.

Maximum and Minimum Deferrals - Normally, the maximum amount that may be deferred by an active participant into the Plan in any Plan year shall not exceed the lesser of (A) $16,500 for the year 2011, and then indexed as allowed by law in future years or (B) 100 percent of an active participant’s includable compensation (as defined by the Internal Revenue Code). In addition, for the year 2011, participants who have attained age 50 may defer an additional $5,500, which amount may increase in future years as indexed as allowed by law.

Under certain circumstances, participants may defer up to two times the normal annual deferral limit during each of the last three years prior to normal retirement age if the participant contributed less than the maximum amount during earlier years.

The limitations on the maximum amount of deferral above shall be reduced by any amount excluded from the participant's gross income for the Plan year under another Section 457 plan maintained by any employer.

The minimum deferral amount per pay shall be: (a) weekly pay $7.00, (b) bi-weekly pay $15.00, (c) semi-monthly pay $15.00 or (d) monthly pay $30.00. A minimum allocation to any investment option shall be $10.00 per pay, or the full deferral if it is less than $10.00.

Amendments of Participation Agreements - The election of an eligible employee to participate under the Plan is irrevocable as to all amounts actually deferred under the participation agreement. The participant may, by amendment of the participation agreement or other forms authorized by the administrator, do any of the following: (a) change the specification of any investment option as to the amounts to be deferred in the future; (b) terminate the election to be an active participant; or (c) change the amount of compensation to be deferred. An amendment or termination shall be effective as early as administratively practicable, but not earlier than the first day of the following calendar month.

Exchanges - A participant (or beneficiary, if the participant has died) may make exchanges between investment options. Any such exchange shall be effective at the price next computed following receipt of the exchange request and shall be subject to such restrictions as are established by the Plan administrator. Participants who complete four exchanges in any 45-day period will lose their electronic trading privileges, and be restricted to one mail-in exchange every five days for the following twelve-month period.

Maintenance of Accounts - The Plan administrator shall establish an account for each participant to which shall be credited or charged, as the case may be, amounts deferred under the Plan and any increase or decrease of the account value of the investment options specified in the participation agreement or any amendment thereto. All investment options offered under this Plan must be offered by persons, companies, or entities authorized and duly licensed by the State of Ohio and appropriate Federal agencies regulating such investments to do business in the State of Ohio. The Plan and the employer shall not be responsible for any decrease in value of a participant's account resulting from capital or market changes or any other changes occurring in the investment option or the participant's account. The Plan administrator may from time to time assess reasonable service charges against all or any portion of the deferred amounts or accounts to defray costs associated with the implementation and administration of the Plan.

Crediting of Accounts - Each participant's account shall be credited with amounts authorized for deferral and received by the Plan administrator.

Report - A report of the total amount credited to a participant's account, in such form as the Plan administrator determines, shall be furnished to the participant not more than 60 days after the end of each calendar quarter. All reports to a participant shall be based on the net fair market value of the investment options as of the end of the reporting period, to the extent such values are available to the Plan administrator.

Assets Held in Trust - Plan assets are not the property of participating employees. All Plan assets and income shall be held by the Board in trust on behalf of the employer for the exclusive benefit of participants and their beneficiaries. All assets, whenever contributed to the Plan, are assigned to the trust established by the Board.

Rollovers - Any participant who has separated from service with an employer with which the participant maintained an account under an eligible retirement plan may, upon proper written request, rollover the account value from that account to the participant's Ohio Public Employees Deferred Compensation Plan account.

Any participant who has separated from service with an employer with which the participant maintained an account with the Ohio Public Employees Deferred Compensation Plan may, upon proper written request, rollover the account value from that account directly to another eligible retirement plan.

Service Credit Purchase - Participants may use all or a portion of their account balances as a direct trustee-to-trustee transfer to a governmental defined benefit system, which permits the purchase of permissive service credit or the repayment of service credits.

In-Service Transfers - If an employer offers multiple IRC 457 deferred compensation plans, which meet certain conditions, the Plan will allow participants to move their account balances between plans as an in-service transfer prior to severance from employment.

Election of Benefit Payment Date - (a) Participant - Upon severance from employment, a participant may elect a date to begin receiving benefit payments from the Plan. Benefit payments may begin after verification of severance, receipt of final deferral, and completion of the Withdrawal Election Form. Payments must begin no later than December 31 of the year in which the participant reaches age 70½. If the participant has not had a severance from employment as of this date, then payments must begin no later than December 31 of the year in which the participant has a severance from employment.

(b) Beneficiary - If a participant or spousal beneficiary dies before his or her account has been exhausted, then the remaining account balance shall be paid to the designated beneficiary. The beneficiary shall have the right to elect a benefit option, subject to the following limitations. (1) If a participant dies on or after the required minimum distribution date, payments shall continue to be paid to the beneficiary at least as rapidly as they were being paid to the participant. (2) If a participant dies before the required minimum distribution date, the beneficiary may choose a payment option subject to the following requirements: (a) if the beneficiary is the participant's surviving spouse, distribution may be delayed until December 31 of the year in which the participant would have reached age 70½, or (b) if the beneficiary is someone other than the surviving spouse, distribution of the account must begin by December 31 of the year following the participant's death, or (c) if the beneficiary is not a person, such as a trust or estate, the entire account must be distributed by the end of the calendar year which contains the fifth anniversary of the participant's death. (3) If a spousal beneficiary dies after the participant, but before the full account value is distributed, any remaining account value will be paid to the spousal beneficiary’s designated beneficiaries in a lump-sum payment.

Election of Benefit Payment Options - All distributions are subject to the requirements of IRC Sections 457(d) and 401(a)(9) and the regulations there under. The Plan administrator will annually determine if the participant's or beneficiary's annual distributions meet their minimum distribution requirements and adjust the amount, if necessary, to comply with these provisions.

Initial benefit payment elections and subsequent changes will be effective only if made on forms provided or in the manner prescribed by the Plan administrator and received by the date determined by the Plan administrator. Purchased annuity benefit payments options may not be changed once payments have begun. No benefit payment option shall be available which is not provided for on the benefit payment election form provided by the Plan administrator or is not permitted by the Plan document. Benefit payments are taxable income to participants and beneficiaries in the year of distribution and are subject to the applicable tax withholding rules.

Require Elections for Benefit Payment Date and Option - (a) Participant - If a participant does not choose a benefit payment date, benefit payments shall begin by December 31 of the year the participant reaches age 70½. Benefits shall be paid for a fixed time period over the maximum number of years allowed by the required minimum distribution tables.

(b) Beneficiary - If a spousal beneficiary of a participant who dies before the required minimum distribution date does not elect a benefit payment date, benefit payments shall begin by December 31 of the year the participant would have reached age 70½. If a non-spousal beneficiary of a participant does not choose a benefit payment date, benefit payments shall begin by December 31 of the year following the participant's death. Benefits shall be paid for a fixed time period for the maximum number of years allowed by the required minimum distribution tables.

Emergency Withdrawals - A participant may request an unforeseeable emergency withdrawal by submitting that request in writing on the approved form to the Plan administrator's staff. If the request is denied, a request for review of the staff determination may be made in writing. If this review fails to confirm a claim of unforeseeable emergency, an appeal may be made in writing to the Board's Unforeseeable Emergency Appeals Committee. The decision of the Appeals Committee may be appealed to the Ohio Public Employees Deferred Compensation Board. The decision of the Board shall be final and not subject to further appeal. If at any time a request for withdrawal is approved, the Plan administrator may thereupon distribute so much of the participant's account as is necessary to provide the amount approved to meet the unforeseeable emergency.

Acceleration - If upon a participant's separation from service and the Board's receipt of the last deferral, the participant's account value is less than $1,000, the Plan administrator may accelerate the payment of benefits otherwise due in the future and pay to such participant the full account value in a lump sum less the required tax withholding.

Qualified Domestic Relations Order - The Plan administrator shall comply with the provisions of a domestic relations order which the Plan administrator determines to constitute a Qualified Domestic Relations Order, as defined by the Internal Revenue Code. The Plan permits distributions at any time to an alternative payee under a Qualified Domestic Relations Order.

Small Balance Distribution - A participant may elect a small balance distribution if their account value is $5,000 or less, the full value of the account is to be distributed, the participant has not deferred into the Plan for two years, the participant agrees not to recommence deferrals to the Plan for one year, and there has been no prior distribution under this Plan provision.

Benefit Payment Options - The following benefit payment options are available under the Plan. Definitions of each are provided on the benefit payment election form.

1. Payments of an annual percent.
2. Payments of a dollar amount
3. Systematic withdrawals for a fixed time period
4. Partial lump sum payout
5. Lump sum payout

Designation of Beneficiaries - At any time after commencing participation in the Plan, a participant or spousal beneficiary may designate a beneficiary or joint annuitant for any benefits which the participant or spousal beneficiary is entitled to receive under the Plan and which are unpaid at the time of the participant's death, on a form filed with and accepted by the Plan administrator. If a participant or spousal beneficiary dies without having a proper beneficiary form completed and on file, the benefits payable on or after the date of death shall be paid to the fiduciary of the probate estate; provided, however, that if the Plan administrator does not receive notice that a fiduciary has been appointed and qualified within 90 days after the death, payment may be made to those persons entitled to receive the property under intestacy laws of the jurisdiction of their residence at the time of the participant's death.

If a non-spousal beneficiary dies while receiving Plan benefits, any remaining benefits which the non-spousal beneficiary is entitled to receive under the Plan and which are unpaid at the time of the beneficiary's death shall be paid in a lump sum amount determined under each applicable investment option to the fiduciary of the beneficiary's probate estate; provided, however, that if the Plan administrator does not receive notice that a fiduciary has been appointed and qualified within 90 days after the death of the beneficiary, payment shall be made to those persons entitled to receive the beneficiary's property under the intestacy laws of the jurisdiction of the beneficiary's residence at the time of death.

If a trust is named as beneficiary, satisfactory evidence must be furnished to the Plan that the trust is the only beneficiary qualified to receive payment. The Plan will be fully discharged of liability for any action taken by the trustee and for all amounts paid to the trustee. In all dealings with the trust, the Plan will be fully protected against the claims of every other person. The Plan will not recognize a change in the trust as beneficiary unless the change is documented on forms provided by the Plan administrator.

Designation Forms - A participant may change any beneficiary or joint annuitant at any time by filing with the Plan administrator a dated change of beneficiary form or joint annuitant form. These designations shall be on forms provided by the Plan administrator and shall be effective on the date filed with and accepted by the Plan administrator. Any change of joint annuitant must be made prior to commencement of annuity payments.

OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

Financial Section

CLARK SCHAEFER HACKETT
STRENGTH IN NUMBERS

INDEPENDENT AUDITORS' REPORT

Ohio Public Employees Deferred Compensation Board
Columbus, Ohio

We have audited the accompanying statements of plan net assets of the Ohio Public Employees Deferred Compensation Program (the Program) as of December 31, 2011 and 2010, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the Ohio Public Employees Deferred Compensation Program as of December 31, 2011 and 2010, and the changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2012, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 19 to 22, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the Program's basic financial statements. The introductory section (pages 4 to 16), the supplemental schedules (pages 43 to 47), the investment section (pages 49 to 52), and the statistical section (pages 54 to 58) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole. The introductory section, the investment section, and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
May 15, 2012

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MANAGEMENT'S DISCUSSION AND ANALYSIS

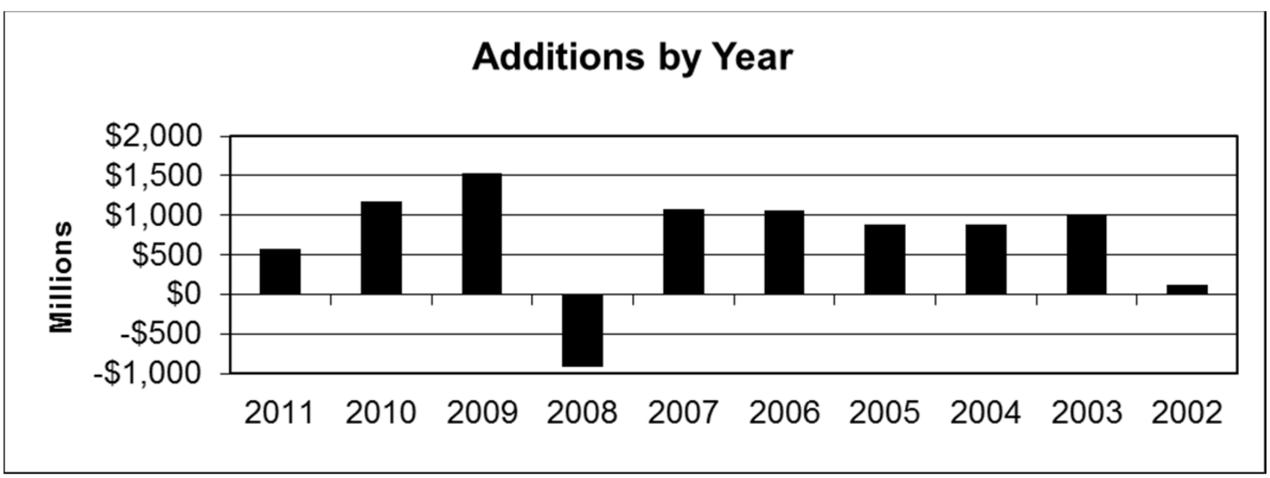
Management of the Ohio Public Employees Deferred Compensation Program offers this narrative overview of the financial statements contained in this Comprehensive Annual Financial Report. The financial statements consist of the Statements of Plan Net Assets and the Statements of Changes in Plan Net Assets. All assets and liabilities associated with the Program's operations are included on the Statement of Plan Net Assets. The Program's revenues and expenses are reported on the Statement of Changes in Plan Net Assets. Additional information is presented in the Notes to the Financial Statements and the Supplemental Information Schedules.

PROGRAM ADDITIONS

In a defined contribution plan, participants choose how much to defer from their paycheck and which investment options are appropriate for them. The average annual participant deferral was $4,272 in 2011, which is an all-time high. Investment performance can significantly affect Program additions. During 2011, positive fixed-income performance was mostly offset by negative equity market performance. In both 2010 and 2009, equity markets returned positive performance.

	2011	2010	2009
Net investment income	$36,223,330	$655,048,164	$1,027,337,744
Employee contributions	447,896,090	445,634,894	454,645,326
Transfer from other plans	92,464,484	68,956,446	52,323,859
Recordkeeping income	5,516,931	5,295,739	4,315,025
Total Additions	$582,100,835	$1,174,935,243	$1,538,621,954

The graph below shows the ten-year history of total additions. Employee contributions have generally trended up over this period, but have shown a slight downward trend over the past two years. Investment earnings (or losses in 2002 and 2008) are responsible for the large fluctuations in total additions by year.



PROGRAM DEDUCTIONS

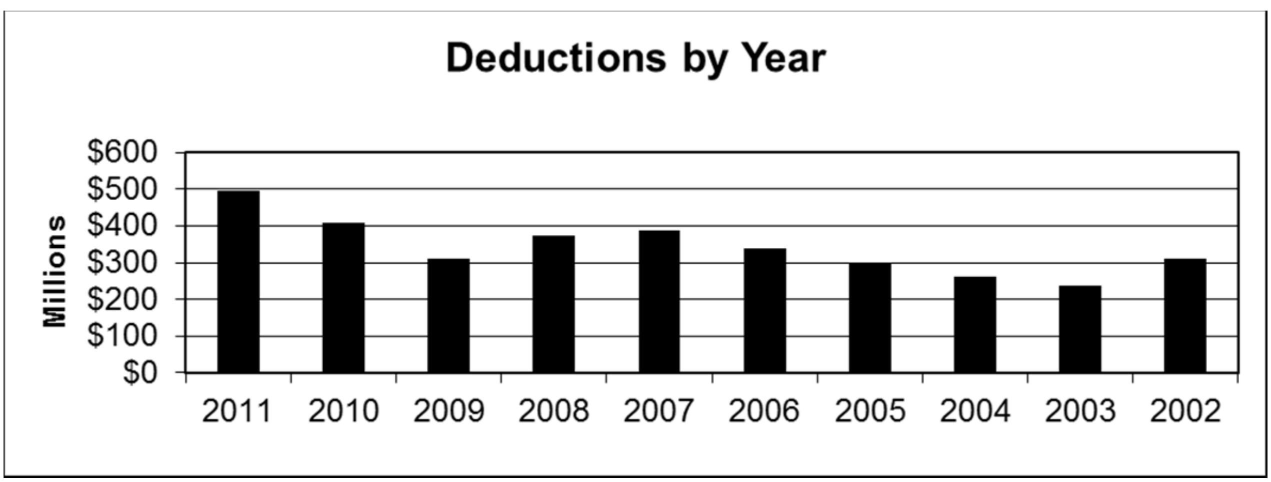
The general trend over the past ten years has been increasing total deductions due to higher participant distributions and greater transfers to other retirement plans. These increases are due to more people taking distributions (large number of baby-boomers retiring) and greater amounts withdrawn (larger account balances resulting from positive market performance).

This upward trend in total deductions took a pause in 2009, as both distributions and transfers showed a slight decrease. The financial market declines of 2008 dropped participant account values in 2009, and coupled with Federal tax law changes that suspended the required annual distributions for those over age 70½, encouraged participants to lower their distribution requests in 2009. With higher account values and restoration of the required annual distribution, total deductions resumed their long-term upwards trend.

	2011	2010	2009
Distributions to participants	$261,600,043	$237,403,473	$195,441,510
Transfers to other plans	224,028,714	161,453,327	108,037,200
Other deductions	9,066,978	8,740,048	8,474,019
Total Deductions	$494,695,735	$407,596,848	$311,952,729

Transfers to other plans continue to increase rapidly. During 2011, transfers to other plans are more than double the amount transferred in 2009. Other deductions are primarily administrative expenses, which increased 3.6 percent between 2011 and 2010.

The graph below shows the ten-year history of total deductions.

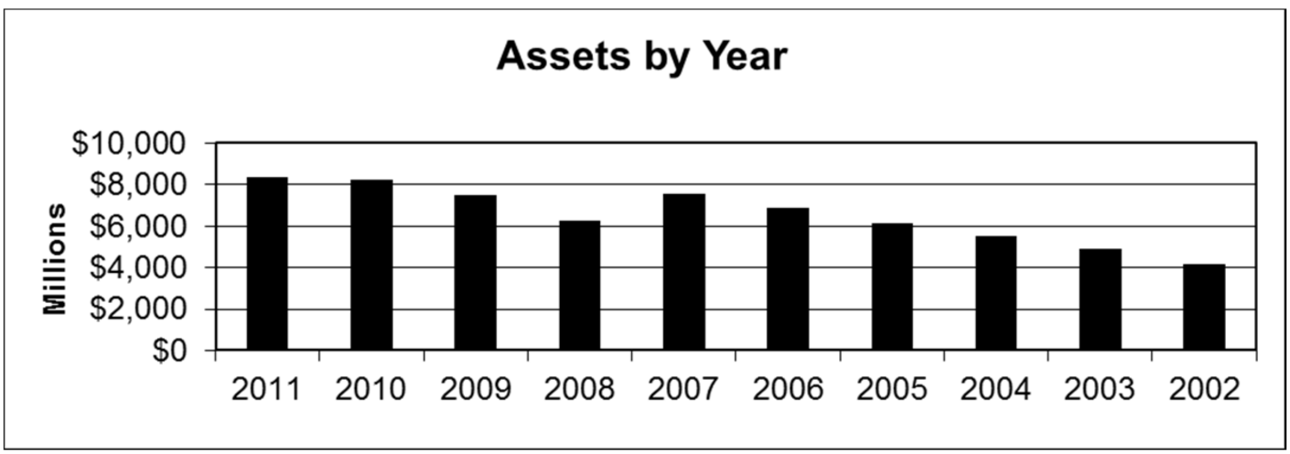


NET PROGRAM ASSETS

Total net assets available for Program benefits at December 31, 2011 increased 1.1 percent compared to 2010, primarily due to cash inflows (contributions and transfers in) exceeding cash outflows (distributions and transfers out). Investment performance for the current year was a mix of gains and losses, with only a slight net income. Program liabilities are generally unpaid operating expenses at year-end and trade settlement payments due for investments purchased on the final business day of the year.

	2011	2010	2009
Total Assets	$8,346,667,031	$8,258,674,888	$7,491,041,250
Total Liabilities	5,188,657	4,601,614	4,306,371
Net Assets Available for Benefits	$8,341,478,374	$8,254,073,274	$7,486,734,879
Change in Net Assets	$87,405,100	$767,338,395	$1,226,669,225

As demonstrated by the graph below, total Program assets generally show a steady increase over the past ten years, representing an improvement to the overall financial position of the Program. The severity of the 2008 market decline was one of extraordinary proportions, leading to a considerable loss of Program assets. Positive cash flows plus a rebound in the financial markets have offset the assets lost in 2008, resulting in a continuation of our growing trend.



PROGRAM ACTIONS

The Program has emphasized the importance of competitive fees to participants for many years. Recently, the U.S. Department of Labor issued fee disclosure regulations for ERISA retirement plans. These regulations directly affected 401(k) plans, but not 457 plans such as the Program. However, the Program intends to honor the spirit of these regulations and provide increased and improved fee disclosures. Fee disclosures have been enhanced in enrollment materials, newsletters, and throughout our web content.

Another proactive step towards lowering investment management fees was the Program's transition from the investor share class to the institutional share class of the Vanguard Total International Stock Index fund on April 20, 2011. This transition maintained the same investment strategy, but reduced the annual fees from 0.26 percent to 0.15 percent, which saves participants more than $100,000 annually.

Each year, the editors of *Plan Sponsor* magazine honor employers and plan sponsors who demonstrate leadership in providing supplemental retirement for workers. For 2010, the Ohio Deferred Compensation Program was named the **Public Sector/457 Plan Sponsor of the Year**. *Plan Sponsor* recognized the Program for its in-house recordkeeping, long history of fee disclosure, educational programs, plan features, and communications. The award is a reflection of the Board and staff's strong, ethical leadership and to the collective dedication to serve our participants.

STATEMENTS OF PLAN NET ASSETS

As of December 31, 2011 and 2010

	2011	2010
Assets:		
Investments:		
Stable value option	$4,292,993,836	$4,018,806,182
Mutual funds	3,628,144,174	3,880,354,337
Collective trust funds	377,093,002	310,106,678
Purchased annuities	27,297,487	29,522,094
Total investments	8,325,528,499	8,238,789,291
Cash and cash equivalents	9,360,807	8,751,390
Contributions receivable and cash held for investment	10,438,966	9,776,390
Accounts and other receivables	1,142,329	1,132,501
Property and equipment, net	196,430	225,316
Total assets	8,346,667,031	8,258,674,888
Liabilities:		
Accounts payable	4,885,078	4,389,221
Accrued expenses	303,579	212,393
Total liabilities	5,188,657	4,601,614
Net Assets Held in Trust	$8,341,478,374	$8,254,073,274

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN PLAN NET ASSETS

For the years ended December 31, 2011 and 2010

	2011	2010
Additions:		
Net Investment Income:		
Stable value income	$144,322,845	$151,510,093
Net gain (loss) on funds	(96,637,673)	512,770,704
Investment expenses	(11,461,842)	(9,232,633)
Net investment income	36,223,330	655,048,164
Employee contributions	447,896,090	445,634,894
Transfers from other plans	92,464,484	68,956,446
Recordkeeping income	5,516,931	5,295,739
Total additions	582,100,835	1,174,935,243
Deductions:		
Distributions to participants	261,600,043	237,403,473
Transfers to other plans	224,028,714	161,453,327
Administrative expenses	9,066,978	8,740,048
Total deductions	494,695,735	407,596,848
Change in plan net assets	87,405,100	767,338,395
Plan net assets - beginning of year	8,254,073,274	7,486,734,879
Plan net assets - end of year	$8,341,478,374	$8,254,073,274

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General Description of the Program:

The following description of the Ohio Public Employees Deferred Compensation Program (the Program) is provided for general information only. Participants should refer to the Plan Document for complete information.

The Program is a voluntary defined contribution pension plan established pursuant to Ohio Revised Code (ORC) Section 148. Under the Program provisions, any public employee within Ohio (as defined in Section 148.01(A)(1) of the Code) is eligible to contribute into the Program, through payroll deductions, any amount up to the maximum permitted under Section 457 of the Internal Revenue Code. Amounts contributed by employees are deferred for Federal and State income tax purposes until such amounts are distributed by the Program. As of December 31, 2011 and 2010, there were 1,766 and 1,772 respectively, State and local governments actively participating in the Program.

Plan assets are not the property of the participating employees. All Plan assets and income are held by the Board in trust on behalf of the employers for the exclusive benefit of participants and their beneficiaries. All assets, whenever contributed to the Plan, are assigned to the trust established by the Board.

As of December 31, 2011, Program participants have the following investment options:

- A Stable Value Option administered by the Program. Funds are managed and invested by Deutsche Asset Management (Deutsche), JP Morgan Investment Advisors (JP Morgan), Nationwide Life Insurance Company (Nationwide), Pyramis Global Advisors Trust Company (Pyramis), and State Street Bank and Trust (State Street).

- Mutual funds managed by Dodge & Cox Funds (Dodge & Cox), Fidelity Investment Company (Fidelity), First Pacific Advisors (FPA), Hartford Investor Services Company (Hartford), Janus Equity Funds (Janus), PIMCO Funds (PIMCO), Franklin Templeton Funds (Templeton), and The Vanguard Group, Inc. (Vanguard).

- Target date collective trust funds managed by BlackRock Institutional Trust Company (BlackRock).

- Universal life and whole life insurance contracts underwritten by Ohio National Life Insurance Company (Ohio National). Effective January 1, 1989, these life insurance contracts were no longer offered as new investment options available to participants.

Participants may withdraw the value of their deferred account upon termination of employment, retirement, disability, or unforeseeable financial emergency. Participants may select various payout options including lump sum payments or payments over various periods. If a purchased annuity option was selected, the payments may be actuarially determined.

At termination of employment or retirement, participants investing in universal and whole life insurance contracts may continue to make premium payments directly to the insurance carrier, or they may receive the cash surrender value of the contract less any applicable surrender charges. In the case of the death of a participant, the face value of the insurance contract is payable to their beneficiary as taxable ordinary income.

2. Summary of Significant Accounting Policies:

Organization:

The Ohio Revised Code Section 148.02 created the Deferred Compensation Board to administer the Program for all eligible employees. However, under the criteria set forth in governmental accounting standards, the Program is not considered a component unit of the State of Ohio, because of the following:

- The Program is a separate legal entity.
- The State does not appoint a voting majority of the Program's Board.
- The State does not approve the Program budget or set Program rates or charges.
- The Program provides services to Ohio local governments as well as to the State of Ohio.

The Ohio Deferred Compensation Board is comprised of the members of the Ohio Public Employees Retirement System (OPERS) Board, a member of the Ohio Senate, and a member of the Ohio House of Representatives. The two members from the Ohio General Assembly must be of different political parties and are appointed by their respective leadership. Seven members of the OPERS Board are elected by the groups they represent: retired employees (2), State employees, municipal employees, county employees, non-teaching employees of State colleges and universities, and miscellaneous employees. The four statutory Board members are the Director of the Ohio Department of Administrative Services and investment experts appointed by the Governor of Ohio, Treasurer of State, and Ohio General Assembly.

Basis of Accounting and Measurement Focus:

The activities of the Program are accounted for as a Pension Fund, and follow the accrual basis of accounting and reporting for defined contribution plans recommended by the Governmental Accounting Standards Board. The Program is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the Program's operations are included on the statement of plan net assets. Activities of the Program are accounted for in two funds, which are combined for the purpose of financial reporting:

Program Fund: The Program Fund reflects all employee contributions, earnings or losses on investments and distributions to participants.

Administration Fund: The Administration Fund is used to account for customer service and administrative costs incurred by the Board. The Administration Fund recovers the costs of its operations through fees charged to the Program Fund and from recordkeeping reimbursements from certain investment providers.

Stable Value Option:

The Program administers the Stable Value Option, which is the stable value investment option offered to participants. As of December 31, 2011, the Program has stable value funds invested with five different managers. The Program determines the quarterly interest rate credited to participants by calculating the net weighted average return of the portfolios. The Program is also responsible for calculating daily account balances, disbursing funds for benefit payments and processing investment exchanges.

As of December 31, 2011, the investment pools of the Stable Value Option include portfolios managed by Deutsche, JP Morgan, Nationwide, Pyramis, and State Street. The Program's investment policy specifies investment guidelines, including asset class, credit rating, portfolio diversification and duration. The Deutsche portfolio maintains a cash reserve account to buffer the invested pools from daily cash flows into and out of the Stable Value Option.

Funds invested in the portfolios are covered by guarantee agreements with banks and insurance companies. These agreements provide the formulas for determining the quarterly interest rate earned by the stable value investment portfolio and provide for benefit withdrawals at the guaranteed value. As of December 31, 2011, the Program's guarantee agreements are with Bank of America, Metropolitan Life Insurance, Monumental Life Insurance, Natixis Financial Products, and the Royal Bank of Canada.

Investments Valuation:

Investments of the Stable Value Option are valued at contract value, which represents contributions received, plus the interest credited, less applicable charges and amounts withdrawn.

Mutual fund investments are valued at the share prices of mutual funds as reported by the fund providers, which represent contributions received, plus appreciation (depreciation) of the underlying portfolio, less applicable charges and amounts withdrawn.

Collective trust fund investments are valued at the unit prices of the collective trust funds as reported by the fund providers, which represent contributions received, plus appreciation (depreciation) of the underlying portfolio, less applicable charges and amounts withdrawn.

Assets held for purchased annuities are valued at amounts reported by Nationwide, which are actuarially determined. These amounts represent reserves established by Nationwide and are based on actuarial assumptions as to anticipated mortality, withdrawals, and investment yield. Nationwide periodically adjusts and updates these assumptions.

Life Insurance Contracts:

As previously disclosed, universal and whole life insurance options are no longer available as new investment options. The cash value before surrender charges or other assessments of existing policies was $819,700 and $930,500 at December 31, 2011 and 2010, respectively. Premiums paid for these policies are expensed when made. The amount of life insurance in force was $6,148,100 and $6,457,900 at December 31, 2011 and 2010, respectively.

Stable Value Income:

Stable value income was recorded as earned for each of the investment components of the Stable Value Option. The gross crediting rates for each portfolio were adjusted quarterly and ranged from 2.36 percent to 4.54 percent during 2011, and from 2.69 percent to 4.76 percent during 2010.

The assets held for purchased annuities were credited interest based on reserve assumptions used by Nationwide at the participant's annuitization date. These annuitization rates ranged from -2.7 percent to 3.9 percent during 2011, and from -2.5 percent to 4.4 percent during 2010.

Net Gain or Loss on Invested Funds:

Mutual and collective trust fund investment income or loss consists of dividends and capital gains paid, and appreciation or depreciation on the funds.

Historical Trend Information:

Unaudited historical trend information designed to provide information about the Program's progress is presented in the accompanying Statistical Section of this presentation.

Property and Equipment:

Property and equipment of the Board are stated at cost less accumulated depreciation. Depreciation on property and equipment is calculated using the straight-line method over the estimated useful lives of the assets.

Board Employees' Deferred Compensation Benefits:

All employees of the Board are eligible to participate in the Program, which it administers. The Deferred Compensation Board employees' assets in the Program were valued at fair value and are included as plan net assets.

Reclassifications:

Certain prior year amounts may have been reclassified to conform to the current year's presentation.

3. Tax Status:

The Program is an eligible deferred compensation program as defined by Section 457 of the Internal Revenue Code. Accordingly, any amount of compensation deferred under the Program and any income attributable to the amounts so deferred shall be included in the taxable income of the participant only for the taxable year in which such compensation or other income is paid or otherwise made available to the participant or his beneficiary.

4. Employee Contributions:

Participant contributions receivable and held for investment represent amounts withheld from participants but not remitted to the investment providers at year-end. The Program maintains a bank account for the purpose of consolidating the deposit of all participant contributions. Contributions are subsequently remitted to the investment providers as designated by the participants. Funds deposited but not remitted to the investment providers were $6,788,965 and $5,423,765 at December 31, 2011 and 2010, respectively.

5. Cash:

The Board's policy is to invest excess Administrative Fund cash in bank checking and money market accounts, certificates of deposit, or issues of the U.S. Government and its agencies, all with maturities of two years or less. The Program also may invest in StarOhio, an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. StarOhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investment Company Act of 1940. Investments in StarOhio are valued at StarOhio's share price, which is the price the investment could be sold for on December 31, 2011.

At December 31, 2011 and 2010, the bank cash balances were $9,777,792 and $9,155,699 respectively. The bank balances were insured up to $250,000 by the Federal Deposit Insurance Corporation. The remaining bank deposits are covered by collateral held in the name of the Program's pledging financial institution, as required by State statute.

6. Program Investments:

A summary of Program investments is as follows:

	December 31, 2011	
	Carrying Value	**Fair Value**
Stable Value Option	$4,292,993,836	$4,526,437,569
Mutual Funds	3,628,144,174	3,628,144,174
Collective Trust Funds	377,093,002	377,093,002
Purchased Annuities	27,297,487	27,297,487
Total Investments	$8,325,528,499	$8,558,972,232

	December 31, 2010	
	Carrying Value	**Fair Value**
Stable Value Option	$4,018,806,182	$4,181,872,033
Mutual Funds	3,880,354,337	3,880,354,337
Collective Trust Funds	310,106,678	310,106,678
Purchased Annuities	29,522,094	29,522,094
Total Investments	$8,238,789,291	$8,401,855,142

Stable Value Option:

At December 31, 2011, investments in the JP Morgan, Nationwide, and State Street separate account portfolios were held in custody for the Program. The quoted market prices of these investments have been used for disclosure purposes. Funds invested by Deutsche and Pyramis were in commingled bond funds and are disclosed at fair value. The investments of the Stable Value Option portfolio are governed by an investment policy enacted by the Deferred Compensation Board. That policy permits investments in U.S. Government, U.S. Government Agency, mortgage backed, asset backed, and corporate debt securities.

The Program has entered into liquidity guarantee (wrap) agreements with banks and insurance companies to fund any withdrawals for benefit payments at book value. The Stable Value Option book value represents participant contributions plus earnings based on guaranteed rates of return. As of December 31, 2011, the fair value of the Stable Value Option assets exceeded the carrying value by $233 million or 5.4 percent. The Program expects the carrying and fair values of the Stable Value Option assets to converge over time through changing market cycles and amortization of these differences in future crediting rates.

One result of the 2008 global financial and credit crisis is the continued strain on capacity within the stable value wrap market. Some financial institutions no longer offer wrap products, and most of the remaining institutions have generally required higher fees and adopted less risky investment strategies. The Program has been able to maintain wrap coverage of the Stable Value Option, but at significantly higher fees, which reduce the net crediting rate paid to stable value investors. During 2011, the Program discontinued its relationship with Goode Investment Management due to Goode's inability to maintain wrap coverage.

A summary of the fair value of investments in the Stable Value Option by investment manager at December 31, 2011 and 2010 is as follows:

	2011	2010
Deutsche Asset Management	$1,660,869,909	$1,533,721,282
State Street Bank and Trust	939,131,224	685,994,088
JP Morgan Investment Advisors	698,667,897	677,121,764
Nationwide Life Insurance Co.	622,906,066	693,404,804
Pyramis Global Advisors	604,862,473	530,561,941
Goode Investment Management	0	61,068,154
Total Fair Value	4,526,437,569	4,181,872,033
Total Carrying Value	4,292,993,836	4,018,806,182
Difference	$233,443,733	$163,065,851

Credit Risk – The Program's investment policy requires the average quality of the Stable Value Option structure to be A-/A3 or better and restricts the amount of investments in securities rated below BBB/Baa3 to 10 percent or less of assets. In addition, no holding may be rated lower than B/B2 and no more than one percent of Stable Value Option assets will be invested in any single high yield (below BBB) issuer.

As of December 31, 2011, the overall average credit quality of the Stable Value Option portfolio was AA. The quality ratings of the Stable Value Option investments in fixed-income securities as determined by Standard & Poor's and/or Moody's (nationally recognized statistical rating organizations) as of December 31, 2011 are shown in the table below. Investments in U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

Credit Rating	Fair Value	Percentage of Portfolio
AAA	$1,700,272,498	37.6%
AA	1,376,425,494	30.4%
A	620,814,995	13.7%
BBB	190,414,003	4.2%
BB	3,138,404	0.1%
B and below	4,173,471	0.1%
Subtotal	3,895,238,865	86.1%
U.S. Government Securities	631,198,704	13.9%
Fair Value Stable Value Investments	4,526,437,569	100.0%

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. The Program's investment policy segments the Stable Value Option into three different categories; a liquidity buffer, a fixed maturity schedule, and an open maturity structure. Within the liquidity buffer, the Stable Value Option will primarily invest in short-term investment funds or money market instruments, but may also invest in high-quality buffer stable value contracts that provide same day liquidity for withdrawals. The investments within the fixed maturity schedule will normally pursue a passive laddered maturity structure, whereby the dollar-weighted duration of the structure will be no more than 3.5 years. The underlying portfolios within the open market structure will be kept within +/- 20.0 percent of the duration of the Barclays Capital Aggregate Bond Index or the Barclays Capital Intermediate Aggregate Bond Index.

The segmented time distribution reflects fixed-income maturities over different time intervals. The longer the maturity, the more the value of the investment will fluctuate with interest rate changes. The following table shows the maturity of the Stable Value Option investments segmented by time period.

Investment	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	Total
Commingled Bond Funds	$1,139,855	$1,293,326,398	$604,862,473	$0	$1,899,328,726
Mortgage Obligations	98,899,560	832,133,108	20,800,638	978,135	952,811,441
U.S. Government Securities	28,190,158	488,287,683	114,511,262	209,601	631,198,704
Corporate Bonds	18,927,659	317,772,134	119,030,107	139,733	455,869,633
Money Market Mutual Funds	454,658,819	0	0	0	454,658,819
U.S. Government Agency Securities	8,091,818	103,550,233	20,299,394	628,801	132,570,246
Fair Value Stable Value Investments	$609,907,869	$3,035,069,556	$879,503,874	$1,956,270	$4,526,437,569

The Stable Value Option investments include collateralized mortgage obligations (CMO) and asset-backed securities (ABS). These types of securities are purchased for their predictable cash flow characteristics and for favorable yields compared to similar investments. However, these investment vehicles are based on cash flows from interest and principal payments from the underlying investments that are sensitive to prepayments, which may result from a decline in interest rates. At December 31, 2011 the Program had investments in CMO and ABS totaling $407 million and $21 million, respectively.

Concentration of Credit Risk – The Program's investment policy precludes investments in any one corporate issuer from exceeding 5 percent and restricts total investment in any single industry group to no more than 20 percent of the Stable Value Option's assets.

Mutual Funds:

Shares of mutual funds are priced at the net asset value as calculated by the fund provider. A summary of year-end investments as of December 31, 2011 and 2010 is as follows:

	Mutual Funds - 2011			Mutual Funds - 2010		
	Fair Value	Share Price	Shares Owned (1,000's)	Fair Value	Share Price	Shares Owned (1,000's)
Fidelity:						
Contrafund	$731,091,165	$67.46	10,837	$785,835,041	$67.73	11,602
Growth Company	417,636,371	80.89	5,163	419,666,282	83.15	5,047
Total Fidelity Funds	1,148,727,536			1,205,501,323		
Dodge & Cox:						
Stock	527,693,732	101.64	5,192	584,566,625	107.76	5,425
Balanced	324,540,838	67.45	4,812	349,672,835	70.22	4,980
Total Dodge & Cox Funds	852,234,570			934,239,460		
Vanguard:						
Capital Opportunity	251,311,360	68.16	3,687	281,574,840	76.78	3,667
International Growth	136,237,211	51.99	2,620	167,366,919	61.52	2,721
Institutional Index	165,851,039	115.04	1,442	163,240,927	115.01	1,419
Total International Stock Index	70,168,846	87.32	804	88,850,807	15.76	5,638
Small-Cap Index	83,575,628	33.39	2,503	82,616,432	34.77	2,376
Total Bond Market Index	81,672,912	11.00	7,425	54,068,292	10.60	5,101
Total Vanguard Funds	788,816,996			837,718,217		
Janus Twenty Fund	202,805,339	51.09	3,970	273,255,413	65.73	4,157
PIMCO Total Return	241,640,540	10.87	22,230	247,165,817	10.85	22,780
FPA Capital Fund	222,010,913	41.57	5,341	199,477,258	41.20	4,842
Templeton Foreign Fund	106,042,618	5.85	18,127	122,477,945	6.91	17,725
Hartford Small Company	65,865,662	17.07	3,859	60,518,904	17.66	3,427
Total Mutual Funds	$3,628,144,174			$3,880,354,337		

Collective Trust Funds:

A target date fund is a single investment option that provides a diversified mix of investments (equities, fixed income, REITS, commodities, etc.). The fund initially invests aggressively and then becomes more conservative over time, as the portfolio ages and nears the retirement date within the fund name. Beginning in 2002, the Program offered the LifePath target date options offered by Barclays. In October 2006, target date investments in Barclays mutual funds were moved into Barclays collective trust funds. At the same time, the Program removed the Barclays name from the investment option name within Program communications. This change to a private-label name gave participants access to the same quality professional managers, but at a lower cost.

In August 2009, the LifePath investments were again moved, this time from Barclays actively-managed target date funds to their passively-managed target date funds. This change was made to lower fees and lower market risk for these investors. At the same time, the Program began offering the LifePath funds in five-year increments to provide greater selection and make it easier for investors to pick the most appropriate fund for them. In December 2009, Barclays and BlackRock merged with the resulting entity taking the BlackRock name.

Shares of collective trust funds are priced at the net asset value as calculated by the fund provider. A summary of year-end investments as of December 31, 2011 and 2010 is as follows:

	Collective Trust Funds - 2011			Collective Trust Funds - 2010		
	Fair Value	Share Price	Shares Owned (1,000's)	Fair Value	Share Price	Shares Owned (1,000's)
BlackRock Investments:						
LifePath Retirement	66,407,747	11.53	5,760	53,979,011	11.12	4,854
LifePath 2015	27,018,245	10.88	2,483	17,425,520	10.62	1,641
LifePath 2020	122,550,534	10.52	11,649	108,084,271	10.41	10,383
LifePath 2025	15,292,887	10.23	1,495	6,791,935	10.22	665
LifePath 2030	86,650,889	9.94	8,717	76,432,383	10.04	7,613
LifePath 2035	6,575,688	9.69	679	3,445,164	9.87	349
LifePath 2040	45,374,215	9.46	4,796	40,188,962	9.71	4,139
LifePath 2045	2,551,738	9.23	276	1,452,096	9.56	152
LifePath 2050	4,671,059	9.17	509	2,307,336	9.56	241
Total BlackRock	$377,093,002			$310,106,678		

Program management has made an effort to utilize cost-effective target date options. The historic annual investment expense ratios on the LifePath options offered through the Program are:

Date From	Date To	Annual Expense Ratio
July 1, 2002	October 24, 2006	0.85%
October 25, 2006	December 31, 2006	0.50%
January 1, 2007	December 31, 2007	0.43%
January 1, 2008	December 31, 2008	0.40%
January 1, 2009	August 28, 2009	0.45%
August 29, 2009	December 31, 2010	0.25%
January 1, 2011	Forward	0.24%

Purchased Annuities:

Assets held for purchased annuities are valued at amounts reported by Nationwide, which are actuarially determined. Investments in purchased annuities were $27,297,487 and $29,522,094 at December 31, 2011 and 2010, respectively.

7. Investment Expenses:

Investment manager, custodian, and book value guarantee fees are charged against the assets within the Stable Value Option portfolios. Due to the restructuring of the Stable Value Option in 2011, including replacing and renegotiating wrap contracts, the cost of book value guarantees has risen dramatically.

Select mutual fund investments require participants to hold these investments for specified periods or the participant is assessed a redemption fee by the fund. Since 2006, the Program has collected and remitted redemption fees to the mutual funds to benefit the remaining investors of the fund.

Fees associated with the Program investment options are shown below:

	2011	2010
Stable Value - Book Value Guarantee Fees:	$7,603,336	$5,095,327
Stable Value - Management/Custodial Fees:		
Deutsche Asset Management	1,050,154	1,059,927
JP Morgan Investment Advisors	1,040,152	1,329,228
Nationwide Life Insurance Co.	792,231	839,448
Pyramis Global Advisors	608,936	558,491
State Street Bank and Trust	135,215	99,361
Goode Investment Management	83,319	96,456
Total Stable Value Investment Expenses	11,313,343	9,078,238
Total Mutual Fund Redemption Fees	148,499	154,395
Total Investment Expenses	$11,461,842	$9,232,633

8. Recordkeeping Income:

Certain mutual fund investment providers compensate the Program for performing recordkeeping responsibilities. The reimbursement rates vary by mutual fund provider and range from 0.08 percent to 0.25 percent annually. In addition, the Program collects a recordkeeping fee on all investment balances in the Stable Value Option, which effectively reduces the net crediting rate earned by investors. This annualized fee was 0.10 percent in 2010 and 0.09 percent in 2011.

In 2010, the Program collected a 0.10 percent annualized recordkeeping fee on all investment balances in the LifePath collective trust fund options. Effective January 1, 2011, this fee changed to 0.09 percent.

Total recordkeeping revenues collected by the Program were $9,566,694 and $9,479,120 for the years ended December 31, 2011 and 2010, respectively.

The Administration Fund may also recover administrative costs through charges to participant accounts in the Program Fund. Due to positive reserve funding, an administrative fee has not been charged since the fourth quarter of 2006.

9. Customer Service Expense:

The Program has contracted with Nationwide Retirement Solutions (NRS) to provide enrollment, education, and customer service to all eligible employees and participants. NRS has 15 employees who provide group and individual meeting opportunities, while visiting employer worksites throughout the State. NRS has 30 employees at their Service Center, who provide participants with call center, walk-in, and administrative support services. In addition, NRS provides an interactive website and automated phone system for both service and educational purposes.

In connection with the office relocation in 2009, the Program renegotiated the terms and extended the contract with NRS through June 30, 2014. Fees paid to NRS were $5,749,030 and $5,536,845 for the years ended December 31, 2011 and 2010, respectively.

10. Vacation and Sick Leave:

As of December 31, 2011 and 2010, the Program had accrued $201,873 and $186,267 respectively, for unused vacation and sick leave for full-time employees of the Board. At termination or retirement, employees are entitled to full compensation for all unused vacation time. With two years or more of employment prior to termination, employees are entitled to 50 percent payment of unused sick leave at termination.

11. Leases:

In 2009, the Board signed a ten-year lease agreement for office space. The new office space allowed the Board's administrative offices and Service Center offices to move into one facility, realize savings in net occupancy costs, and achieve operational efficiencies. Base rental payments for this new operating lease were $260,800 during both 2011 and 2010, which are allocated to administrative rent and customer service expenses in these financial statements.

Future scheduled minimum lease payments (base rental expense) under the new office operating lease at December 31, 2011 are as follows:

Year-ending December 31	Amount
2012	$260,800
2013	260,800
2014	277,779
2015	281,175
2016	281,175
2017	281,175
2018	281,175
2019	46,863

12. Property and Equipment:

Property and equipment at December 31 are summarized as follows:

	Estimated Useful Life	2011	2010
Furniture and fixtures	7 years	$258,161	$249,976
Office equipment	5 years	148,747	132,907
Computer equipment	3 years	126,724	126,724
Leasehold Improvements	7 years	46,551	46,551
		580,183	556,158
Less accumulated depreciation and amortization		(383,753)	(330,842)
Property and Equipment, Net		$196,430	$225,316

13. Insurance:

The Program is exposed to various risks of loss related to theft of, damage to, and destruction of assets; injuries to employees; and court challenges to fiduciary decisions. To cover these risks, the Program maintains commercial insurance and holds fidelity bonds on its employees. As required by State law, the Program is registered and insured through the State of Ohio Bureau of Workers' Compensation for injuries to employees. No insurance settlements exceeded coverages in the past three years, and there was no significant reduction in coverage amounts from the prior year.

The Program is self-insured under a professionally administered plan for general health and hospitalization employee benefits. The Program maintains specific stop loss coverage per employee for annual medical benefits in the amount of $250,000 for both 2011 and 2010. The Program also maintains lifetime maximum stop loss coverage per employee for medical benefits in the amount of $2,500,000 for both 2011 and 2010. The reserve for future health claims was $74,900 and $62,400 as of December 31, 2011 and 2010 respectively.

14. Pension Plan:

All Board employees are required to participate in a contributory retirement plan administered by the Ohio Public Employees Retirement System (OPERS).

A. Plan Description

OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multi-employer defined benefit plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multi-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

In addition, OPERS maintains a cost-sharing, multi-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage, but they have access to a retiree medical account.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The authority to establish and amend benefits for both the pension plans and the post-employment health care coverage is provided in Chapter 145 of the ORC. The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601.

B. Funding Policy

The Ohio Revised Code provides statutory authority for member and employer pension contributions, as well as requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits.

For 2011, member contribution rates were 10.0 percent. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, the employer contribution rate for State and local employers was consistent across all three plans at 14.0 percent of covered payroll, the maximum contribution percentage currently permitted by the ORC.

OPERS' Post-Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2011, the employer contribution allocated to the health care plan was 4.0 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

C. Program Contributions

The rates stated above, are the contractually required contribution rates for OPERS. The Program's contributions to OPERS for the years ending December 31, 2011, 2010, and 2009, were $181,600, $179,600 and $175,600 respectively, equal to the required contributions for each year. The portion of the employer contribution that was used to fund post-employment benefits for the years ending December 31, 2011, 2010, and 2009, was $51,900, $65,200 and $73,900 respectively, equal to the required contributions for each year.

D. OPERS Retirement Board Implements its Health Care Preservation Plan

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

15. Eliminations:

The Administration Fund recovers some customer service and administrative costs through charges made to the Program Fund. Charges of $4,049,763 and $4,183,391 were made during 2011 and 2010, respectively, for this purpose, including $355,890 and $366,727 payable to the Administrative Fund as of December 31, 2011 and 2010, respectively. These inter-fund charges and payables were eliminated in the Combining Schedule of Plan Net Assets and the Combining Schedule of Changes in Plan Net Assets.

16. Pending Litigation:

The Program was named lead plaintiff in a national class action lawsuit against Pilgrim Baxter & Associates (Pilgrim) that seeks to recover funds lost due to Pilgrim's alleged breach of fiduciary duties. Pilgrim has been sued in federal court and charged with civil fraud by the U.S. Securities and Exchange Commission after revelations surfaced that fund executives had engaged in significant "market timing" activities. The Program had offered the PBHG Growth Fund as a mutual fund investment option to participants from July 1, 1997 through February 25, 2004. Any recovery from this action will be distributed according to the Program's Litigation/Settlement Proceeds Policy, which may include distributions to participants, increase to participant's account values, or using the recovery to reduce Program net operating expenses. Program management is of the opinion that ultimate settlement of such lawsuit will not result in a material impact on the Program's financial position.

SUPPLEMENTAL COMBINING SCHEDULE OF PLAN NET ASSETS

As of December 31, 2011
With Totals for 2010

	2011				
	PROGRAM FUND	ADMINIS-TRATION FUND	COMBINING ENTRIES	TOTAL	2010
Assets:					
Investments:					
Stable value option	$4,292,993,836			$4,292,993,836	$4,018,806,182
Mutual funds	3,628,144,174			3,628,144,174	3,880,354,337
Collective trust funds	377,093,002			377,093,002	310,106,678
Purchased annuities	27,297,487			27,297,487	29,522,094
Total investments	8,325,528,499			8,325,528,499	8,238,789,291
Cash and cash equivalents		$9,360,807		9,360,807	8,751,390
Contributions receivable and cash held for investment	10,438,966			10,438,966	9,776,390
Accounts and other receivables		1,498,219	($355,890)	1,142,329	1,132,501
Property and equipment, net		196,430		196,430	225,316
Total assets	$8,335,967,465	$11,055,456	($355,890)	$8,346,667,031	$8,258,674,888
Liabilities:					
Accounts payable	4,544,512	696,456	(355,890)	4,885,078	4,389,221
Accrued expenses		303,579		303,579	212,393
Total liabilities	4,544,512	1,000,035	(355,890)	5,188,657	4,601,614
Net Plan Assets Held in Trust	$8,331,422,953	$10,055,421	$0	$8,341,478,374	$8,254,073,274

SUPPLEMENTAL COMBINING SCHEDULE OF CHANGES IN PLAN NET ASSETS

For the year ended December 31, 2011
With Totals for 2010

	2011				
	PROGRAM FUND	ADMINIS-TRATION FUND	COMBINING ENTRIES	TOTAL	2010
Additions:					
Net Investment Income:					
Stable value income	$144,320,196	2,649		$144,322,845	$151,510,093
Net gain (loss) on funds	(96,637,673)			(96,637,673)	512,770,704
Investment expenses	(11,461,842)			(11,461,842)	(9,232,633)
Net investment income	36,220,681	2,649		36,223,330	655,048,164
Employee contributions	447,896,090			447,896,090	445,634,894
Transfers from other plans	92,464,484			92,464,484	68,956,446
Recordkeeping income		9,566,694	(4,049,763)	5,516,931	5,295,739
Total additions	576,581,255	9,569,343	(4,049,763)	582,100,835	1,174,935,243
Deductions:					
Distributions to participants	261,600,043			261,600,043	237,403,473
Transfers to other plans	224,028,714			224,028,714	161,453,327
Administrative expenses	4,049,763	9,066,978	(4,049,763)	9,066,978	8,740,048
Total deductions	489,678,520	9,066,978	(4,049,763)	494,695,735	407,596,848
Change in plan net assets	86,902,735	502,365		87,405,100	767,338,395
Plan net assets - beginning of year	8,244,520,218	9,553,056		8,254,073,274	7,486,734,879
Plan net assets - end of year	$8,331,422,953	$10,055,421	$0	$8,341,478,374	$8,254,073,274

SUPPLEMENTAL SCHEDULE OF ADMINISTRATION FUND DEDUCTIONS

for the years ended December 31, 2011 and 2010

	2011	2010
Customer Service	$5,749,030	$5,536,845
Salaries and benefits:		
Salaries and wages	1,327,907	1,297,164
Insurance	234,245	382,353
Retirement contributions	181,701	179,607
Other benefits	21,545	24,236
	1,765,398	1,883,360
Administration:		
Postage and delivery	444,099	420,523
Participant statements	177,260	172,338
	621,359	592,861
Professional Services:		
Consulting	245,070	249,951
Information Technology	226,149	20,431
Auditing	41,146	43,005
	512,365	313,387
Rent Expense	139,813	140,807
Insurance	76,050	73,385
Data processing expense	69,868	65,822
Depreciation and amortization	52,911	55,641
Office supplies:		
Printing	11,724	12,873
Office supplies	18,366	15,965
Telephone and fax	3,667	3,544
	33,757	32,382
Miscellaneous	25,470	18,598
Professional Expense	20,957	26,960
Total Administrative Fund Deductions	$9,066,978	$8,740,048

SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

for the years ended December 31, 2011 and 2010

	2011	2010
Cash and cash equivalents, beginning of year	$8,751,390	$7,936,706
Receipts:		
Employee contributions	447,233,514	444,873,218
Investment withdrawals	485,628,756	398,824,296
Transfers from other plans	92,464,484	68,956,446
Recordkeeping income	5,520,588	5,292,001
Total cash receipts	1,030,847,342	917,945,961
Disbursements:		
Investment purchases	524,685,441	500,660,409
Distributions to participants	261,600,042	237,403,473
Transfers to other plans	224,028,714	161,453,327
Investment expenses	10,962,793	8,953,371
Administrative expenses	8,936,909	8,643,418
Purchase of property and equipment	24,026	17,279
Total cash disbursements	1,030,237,925	917,131,277
Cash and cash equivalents, end of year	$9,360,807	$8,751,390

SUPPLEMENTAL SCHEDULE OF INVESTMENT EXPENSES

for the years ended December 31, 2011 and 2010

	2011	2010
Stable Value - Book Value Guarantee Fees:	$7,603,336	$5,095,327
Stable Value - Management/Custodial Fees:		
Deutsche Asset Management	1,050,154	1,059,927
JP Morgan Investment Advisors	1,040,152	1,329,228
Nationwide Life Insurance Co.	792,231	839,448
Pyramis Global Advisors	608,936	558,491
State Street Bank and Trust	135,215	99,361
Goode Investment Management	83,319	96,456
Total Stable Value Investment Expenses	11,313,343	9,078,238
Total Mutual Fund Redemption Fees	148,499	154,395
Total Investment Expenses	$11,461,842	$9,232,633

Investment manager, custodian, and book value guarantee fees are charged against the assets within the Stable Value Option portfolios.

Select mutual fund investments require participants to hold certain investments for specified periods, or the participant is assessed a redemption fee by the fund. Since 2006, the Program has collected and remitted redemption fees to the mutual funds to benefit the remaining long-term investors of the fund.

Ohio Deferred Compensation

Ohio Public Employees Deferred Compensation Program

Investment Section

INVESTMENT SUMMARY

The Program is a self-directed plan, allowing participants to choose the investment options for their current deferrals and balances. The Board has adopted an investment policy that ensures that a sufficient number of suitable, diverse investment options are offered to participants. Independent professionals manage all investments, and the Program does not maintain any in-house investment staff, so the Program does not incur any direct investment expenses.

The following table shows the investment fee rates charged against each investment option as of December 31, 2011, as well as the average mutual fund fee for the same category of asset (according to *Morningstar*). The performance returns reported to participants have been reduced by these investment expenses. The Stable Value Option fees are directly paid by the Program, so those fees are included in the financial statements and footnotes.

	Actual Investment Fees	Average Mutual Fund Fees
Templeton Foreign	**0.94%**	**1.12%**
Vanguard International Growth	**0.35%**	**1.12%**
Vanguard Total International Stock Index	**0.15%**	**1.02%**
Hartford Small Company	**0.73%**	**1.07%**
Vanguard Small-Cap Index	**0.13%**	**1.07%**
FPA Capital	**0.87%**	**1.07%**
Vanguard Capital Opportunity	**0.41%**	**1.13%**
Fidelity Growth Company	**0.89%**	**0.99%**
Janus Twenty	**0.97%**	**0.99%**
Fidelity Contrafund	**0.92%**	**0.99%**
Vanguard Institutional Index	**0.04%**	**0.85%**
Dodge & Cox: Stock	**0.52%**	**0.99%**
Dodge & Cox: Balanced	**0.53%**	**0.97%**
BlackRock LifePath Retirement	**0.24%**	**0.58%**
BlackRock LifePath 2015	**0.24%**	**0.66%**
BlackRock LifePath 2020	**0.24%**	**0.79%**
BlackRock LifePath 2025	**0.24%**	**0.74%**
BlackRock LifePath 2030	**0.24%**	**0.79%**
BlackRock LifePath 2035	**0.24%**	**0.78%**
BlackRock LifePath 2040	**0.24%**	**0.79%**
BlackRock LifePath 2045	**0.24%**	**0.79%**
BlackRock LifePath 2050	**0.24%**	**0.79%**
PIMCO Total Return	**0.71%**	**0.56%**
Vanguard Total Bond Market Index	**0.07%**	**0.56%**
Stable Value Option	**0.38%**	**Not Available**

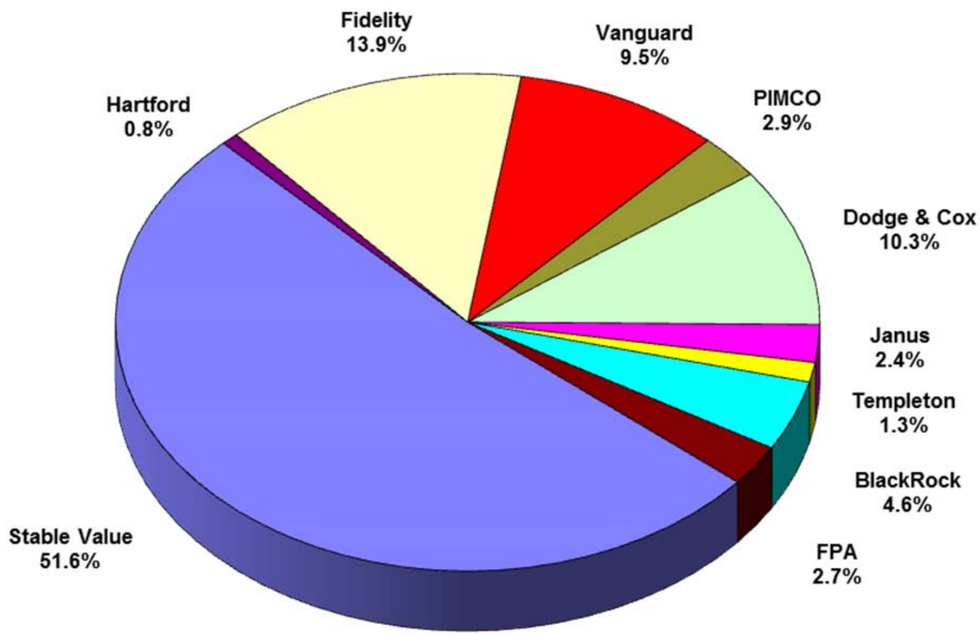
SCHEDULE OF PERFORMANCE VERSUS BENCHMARKS

	1 Year	3 Year	5 Year	10 Year
Templeton Foreign Fund	**-12.6%**	**12.6%**	**-1.9%**	**5.6%**
Vanguard International Growth	**-13.6%**	**12.4%**	**-1.9%**	**5.7%**
Benchmark: MSCI All World ex-U.S. Index	*-13.7%*	*10.7%*	*-2.9%*	*6.3%*
Vanguard Total International Stock Index	**-14.6%**	**9.1%**	**-3.5%**	**5.9%**
Benchmark: MSCI EAFE Index	*-12.1%*	*7.6%*	*-4.7%*	*4.7%*
Hartford Small Company	**-3.4%**	**15.8%**	**1.0%**	**5.9%**
Benchmark: Russell 2000 Growth Index	*-2.9%*	*19.0%*	*2.1%*	*4.5%*
Vanguard Small-Cap Index	**-2.6%**	**19.3%**	**2.0%**	**6.8%**
Benchmark: Vanguard Small Cap Custom	*-2.8%*	*19.2%*	*1.8%*	*6.6%*
FPA Capital	**0.9%**	**24.5%**	**4.6%**	**8.7%**
Benchmark: Russell 2000 Value Index	*-5.5%*	*12.4%*	*-1.9%*	*6.4%*
Vanguard Capital Opportunity	**-6.1%**	**15.8%**	**1.0%**	**5.7%**
Benchmark: Russell MidCap Growth Index	*-1.7%*	*22.1%*	*2.4%*	*5.3%*
Fidelity Growth Company	**0.7%**	**19.7%**	**4.0%**	**4.8%**
Janus Twenty	**-8.2%**	**12.1%**	**2.1%**	**4.9%**
Benchmark: Russell 1000 Growth Index	*2.6%*	*18.0%*	*2.5%*	*2.6%*
Fidelity Contrafund	**-0.1%**	**14.7%**	**2.6%**	**7.0%**
Vanguard Institutional Index	**2.1%**	**14.1%**	**-0.2%**	**2.9%**
Benchmark: S&P 500 Index	*2.1%*	*14.1%*	*-0.3%*	*2.9%*
Dodge & Cox: Stock	**-4.1%**	**12.6%**	**-4.1%**	**4.0%**
Benchmark: Russell 1000 Value Index	*0.4%*	*11.5%*	*-2.6%*	*3.9%*
Dodge & Cox: Balanced	**-1.7%**	**12.3%**	**-0.9%**	**4.7%**
Benchmark: Dodge & Cox Custom	*4.7%*	*11.6%*	*2.8%*	*4.4%*
BlackRock LifePath Retirement	**3.7%**	**10.2%**	**4.1%**	**n/a**
Benchmark: BlackRock Custom	*3.8%*	*10.5%*	*4.2%*	*n/a*
BlackRock LifePath 2015	**2.5%**	**11.2%**	**2.8%**	**n/a**
Benchmark: BlackRock Custom	*2.6%*	*11.5%*	*2.9%*	*n/a*
BlackRock LifePath 2020	**1.1%**	**11.8%**	**2.1%**	**n/a**
Benchmark: BlackRock Custom	*1.3%*	*12.1%*	*2.2%*	*n/a*
BlackRock LifePath 2025	**0.1%**	**12.4%**	**1.5%**	**n/a**
Benchmark: BlackRock Custom	*0.2%*	*12.6%*	*1.5%*	*n/a*
BlackRock LifePath 2030	**-1.0%**	**12.8%**	**0.9%**	**n/a**
Benchmark: BlackRock Custom	*-0.8%*	*13.2%*	*1.0%*	*n/a*
BlackRock LifePath 2035	**-1.8%**	**13.2%**	**0.3%**	**n/a**
Benchmark: BlackRock Custom	*-1.7%*	*13.4%*	*0.4%*	*n/a*
BlackRock LifePath 2040	**-2.6%**	**13.6%**	**-0.2%**	**n/a**
Benchmark: BlackRock Custom	*-2.6%*	*13.7%*	*-0.2%*	*n/a*
BlackRock LifePath 2045	**-3.4%**	**13.8%**	**-0.7%**	**n/a**
Benchmark: BlackRock Custom	*-3.4%*	*14.0%*	*-0.7%*	*n/a*
BlackRock LifePath 2050	**-4.1%**	**14.2%**	**n/a**	**n/a**
Benchmark: BlackRock Custom	*-4.1%*	*14.6%*	*n/a*	*n/a*
PIMCO Total Return	**3.9%**	**8.6%**	**7.8%**	**6.5%**
Benchmark: Barclays Capital Aggregate Bond Index	*7.8%*	*6.8%*	*6.5%*	*5.8%*
Vanguard Total Bond Market Index	**7.7%**	**6.8%**	**6.5%**	**5.6%**
Benchmark: Barclays Float Adjusted U.S. Agg. Index	*7.9%*	*6.8%*	*6.5%*	*5.8%*
Stable Value Option	**3.2%**	**3.7%**	**4.2%**	**4.7%**
Benchmark: IMoney Net + 150 bps	*1.8%*	*1.8%*	*3.0%*	*3.2%*

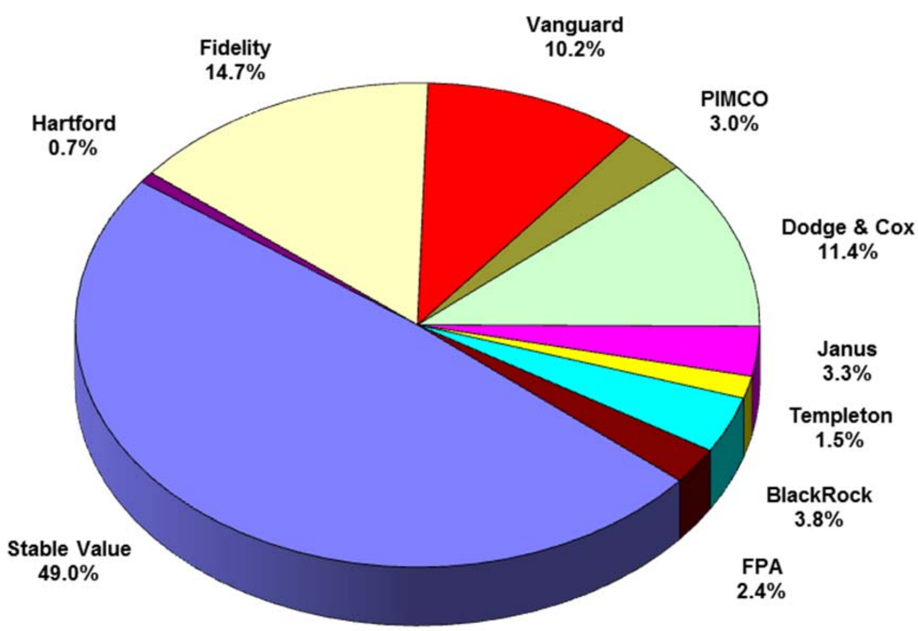
Investment returns are a time-weighted return based on the market rate of return. Returns are shown net of investment management fees. The 3-year, 5-year, and 10-year investment returns are annualized.

INVESTMENT MIX

December 31, 2011

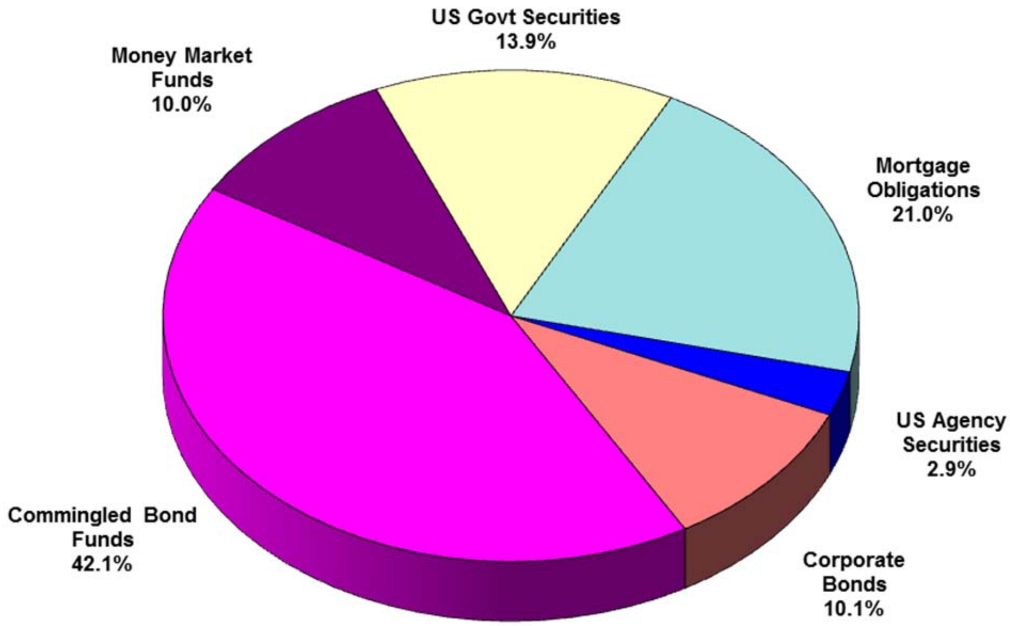


December 31, 2010

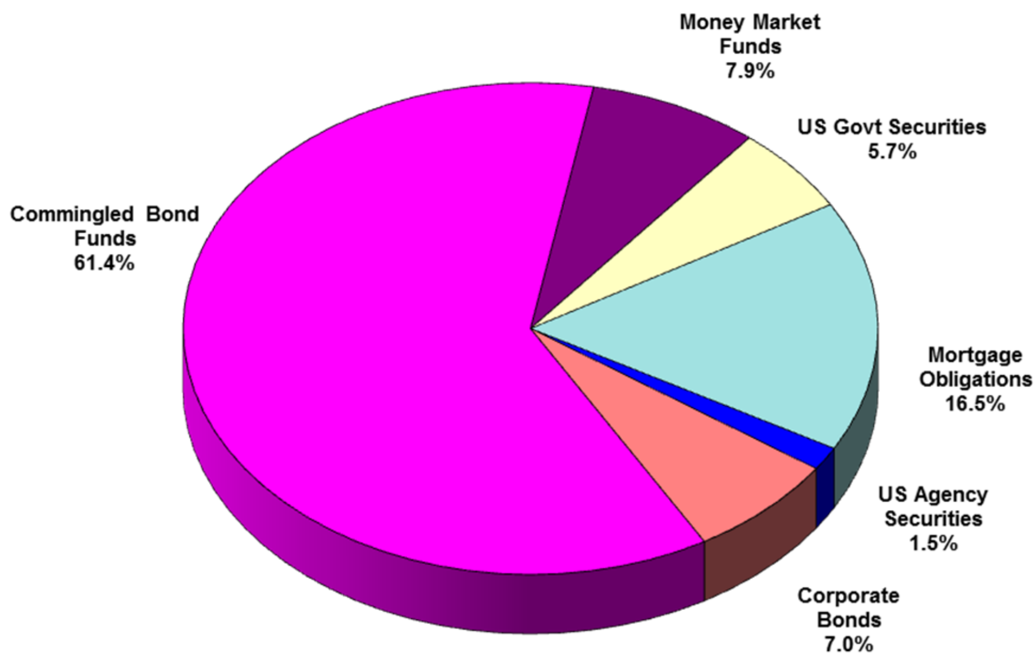


STABLE VALUE OPTION DIVERSIFICATION

December 31, 2011



December 31, 2010



Ohio Deferred Compensation

Ohio Public Employees Deferred Compensation Program

Statistical Section

STATISTICAL INFORMATION

The objective of the Statistical Section is to provide the financial statement users with historical perspective, context, and detail to assist in using the information in the financial statements and the notes to the financial statements to better understand and assess the Ohio Public Employees Deferred Compensation Program's economic condition. The schedules in the Statistical Section show financial trend information that assists users in understanding how the Ohio Public Employees Deferred Compensation Program's financial position has changed over time. The financial trend schedules presented are:

- Changes in Net Assets
- Employee Participation and Deferral Trends
- Number of Employers Contributing
- Principle Contributing Employers
- Benefit Payments

CHANGES IN NET ASSETS

Years ending December 31, 2002 – 2011
(In Millions)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Additions:										
Net Investment Income:										
Net gain (loss) on funds	($96.6)	$512.7	$869.3	($1,594.5)	$415.7	$439.0	$274.2	$321.3	$489.0	($409.5)
Stable value income	144.3	151.5	166.2	171.2	163.7	150.6	141.1	131.2	137.3	141.3
Investment expenses	(11.4)	(9.2)	(8.1)	(5.8)	(6.2)	(5.4)	(5.1)	(4.8)	(4.3)	(3.3)
Net investment income	36.3	655.0	1,027.4	(1,429.1)	573.2	584.2	410.2	447.7	622.0	(271.5)
Employee contributions	447.9	445.6	454.6	456.5	448.4	433.0	412.9	393.1	365.0	356.9
Transfers from other plans	92.5	69.0	52.3	54.4	50.9	43.1	52.1	38.4	28.4	25.7
Recordkeeping income	5.5	5.3	4.3	5.5	6.0	6.0	5.3	4.8	3.9	4.1
Total additions	582.2	1,174.9	1,538.6	(912.7)	1,078.5	1,066.3	880.5	884.0	1,019.3	115.2
Deductions:										
Distributions to participants	261.6	237.4	195.4	211.3	207.4	191.9	177.6	171.5	166.7	192.6
Transfers to other plans	224.0	161.5	108.1	154.9	170.9	140.1	111.6	85.1	65.2	112.1
Administrative expenses	9.1	8.7	8.4	8.6	8.1	7.7	7.3	6.9	6.6	5.9
Total deductions	494.7	407.6	311.9	374.8	386.4	339.7	296.5	263.5	238.5	310.6
Increase (Decrease) in Net Plan Assets	87.5	767.3	1,226.7	(1,287.5)	692.1	726.6	584.0	620.5	780.8	(195.4)
Net plan assets - beginning of year	8,254.0	7,486.7	6,260.0	7,547.5	6,855.4	6,128.8	5,544.8	4,924.3	4,143.5	4,338.9
Net plan assets - end of year	$8,341.5	$8,254.0	$7,486.7	$6,260.0	$7,547.5	$6,855.4	$6,128.8	$5,544.8	$4,924.3	$4,143.5

EMPLOYEE PARTICIPATION

	Eligible Employees	Total Participant Accounts	Participants Currently Contributing	Current Participation Rate
2002	735,487	165,993	113,521	15.4%
2003	704,659	169,766	113,536	16.1%
2004	710,492	174,880	114,441	16.1%
2005	713,649	179,729	114,612	16.1%
2006	712,704	184,467	115,176	16.2%
2007	712,496	190,028	117,376	16.5%
2008	705,248	193,932	115,360	16.4%
2009	699,121	196,063	109,221	15.6%
2010	691,820	199,945	108,098	15.6%
2011	685,612	200,059	104,835	15.3%

The number of Eligible Employees for years 2002 through 2010 have been updated based the Program obtaining more reliable information in 2011.

DEFERRAL/ACCOUNT TRENDS

	Total Annual Deferrals	Average Annual Deferral	Net Assets Available for Benefits	Average Participant Account
2002	$356,857,437	$3,144	$4,143,485,226	$24,962
2003	365,012,189	3,215	4,924,324,467	29,007
2004	393,121,999	3,435	5,544,848,876	31,707
2005	412,865,430	3,602	6,128,790,623	34,100
2006	433,065,402	3,760	6,855,368,579	37,163
2007	448,422,325	3,820	7,547,492,540	39,718
2008	456,547,715	3,958	6,260,065,654	32,280
2009	454,645,326	4,163	7,486,734,879	38,185
2010	445,634,894	4,123	8,254,073,274	41,282
2011	447,896,090	4,272	8,341,478,374	41,695

NUMBER OF EMPLOYERS CONTRIBUTING

	State	County	City	Metro Housing	Village	Library	Medical Center	Education	Misc	Township	Total
2002	1	88	241	45	165	176	30	362	112	208	1,428
2003	1	88	244	46	167	179	30	408	121	213	1,497
2004	1	88	245	46	177	182	30	438	124	227	1,558
2005	1	88	245	46	182	184	27	478	127	232	1,610
2006	1	88	247	47	185	187	27	497	134	241	1,654
2007	1	88	246	49	193	185	26	519	136	246	1,689
2008	1	88	247	49	202	187	26	551	140	254	1,745
2009	1	88	247	49	203	187	25	569	147	248	1,764
2010	1	88	247	49	203	187	25	577	146	249	1,772
2011	1	88	241	50	207	180	24	586	146	243	1,766

PRINCIPLE CONTRIBUTING EMPLOYERS
AS OF DECEMBER 31, 2011

Employer Name	Participant Accounts	Current Rank	2006 * Rank	Percentage of Participants
State of Ohio	53,424	1	1	26.7%
City of Columbus	7,986	2	2	4.0%
City of Cleveland	6,941	3	3	3.5%
Cuyahoga County	5,712	4	4	2.9%
City of Cincinnati	4,664	5	5	2.3%
Franklin County	3,693	6	6	1.8%
Metrohealth Medical Center	3,162	7	7	1.6%
Montgomery County	2,598	8	8	1.3%
City of Dayton	1,985	9	10	1.0%
City of Toledo	1,918	10	9	1.0%
All Others	107,976			54.0%
Total Participation	200,059			100.0%

* GASB 44 was implemented in 2006 and the Program is working towards the ten-year reporting goal.

BENEFIT PAYMENTS

	Participant Distributions	Beneficiary Distributions	Total Distributions
2002	$179,769,461	$12,882,416	$192,651,877
2003	155,359,993	11,438,532	166,798,525
2004	157,739,777	13,624,557	171,364,334
2005	164,503,167	13,093,037	177,596,204
2006	177,620,756	14,275,742	191,896,498
2007	193,686,499	13,738,815	207,425,314
2008	196,754,025	14,585,231	211,339,256
2009	181,410,082	14,031,428	195,441,510
2010	219,563,337	17,840,136	237,403,473
2011	243,097,948	18,502,095	261,600,043

	Number of Participant Distributions	Number of Beneficiary Distributions	Number of Total Distributions
2002	21,959	1,488	23,447
2003	20,467	1,385	21,852
2004	20,583	1,435	22,018
2005	20,923	1,594	22,517
2006	21,689	1,577	23,266
2007	23,464	1,662	25,126
2008	23,031	1,756	24,787
2009	19,927	1,285	21,212
2010	25,716	2,168	27,884
2011	27,939	2,310	30,249

	Average Participant Distribution	Average Beneficiary Distribution	Average Distribution
2002	$8,187	$8,658	$8,216
2003	7,591	8,259	7,633
2004	7,664	9,494	7,783
2005	7,862	8,214	7,887
2006	8,189	9,052	8,248
2007	8,255	8,266	8,255
2008	8,543	8,306	8,526
2009	9,104	10,919	9,214
2010	8,538	8,229	8,514
2011	8,701	8,010	8,648