

FY 2008

NDSIB Investment Program

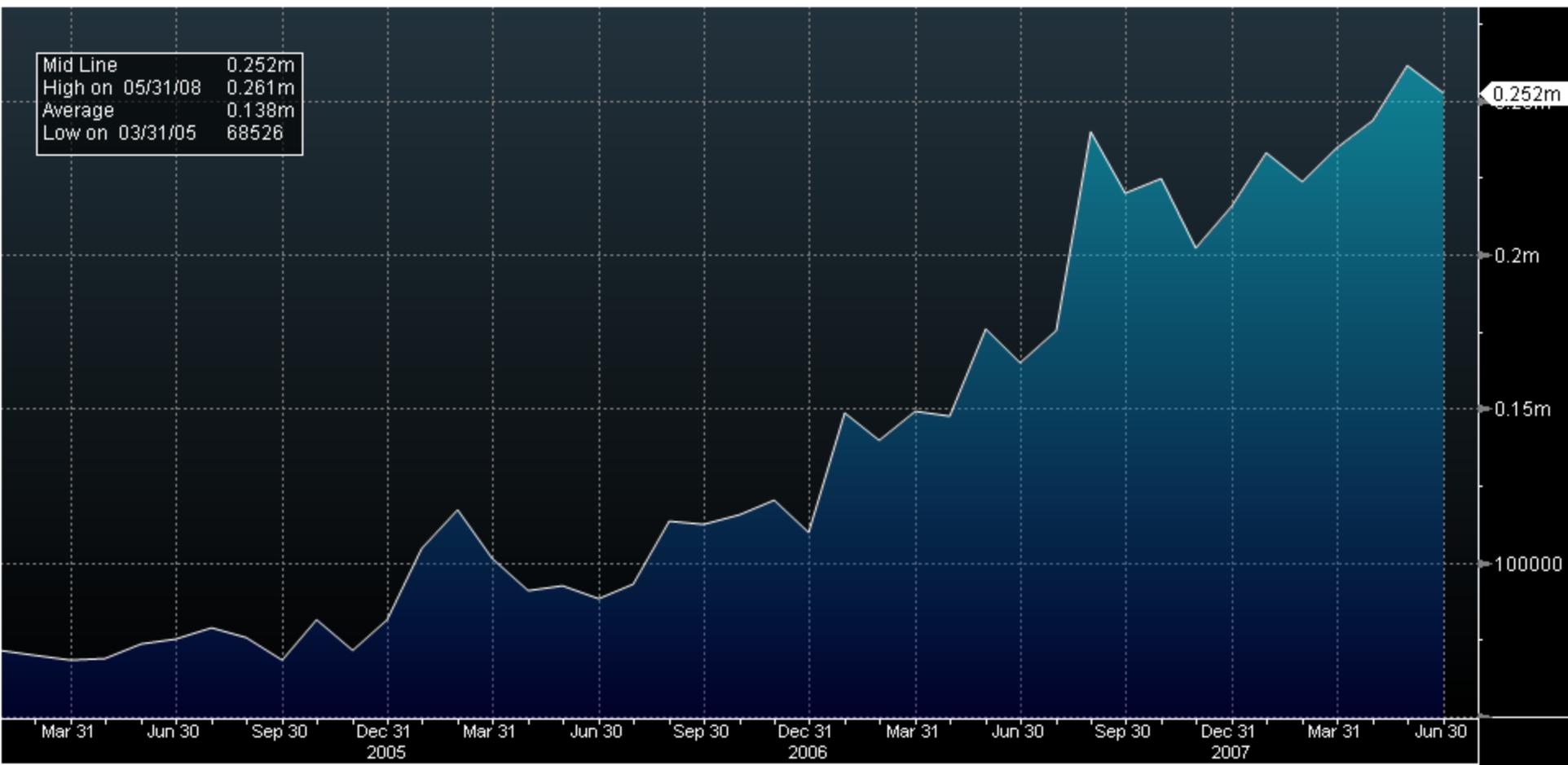
PERS Annual Review

December 16, 2008



Housing Crisis

U.S. Home Foreclosure Filings – 3.5 Years





Inflation

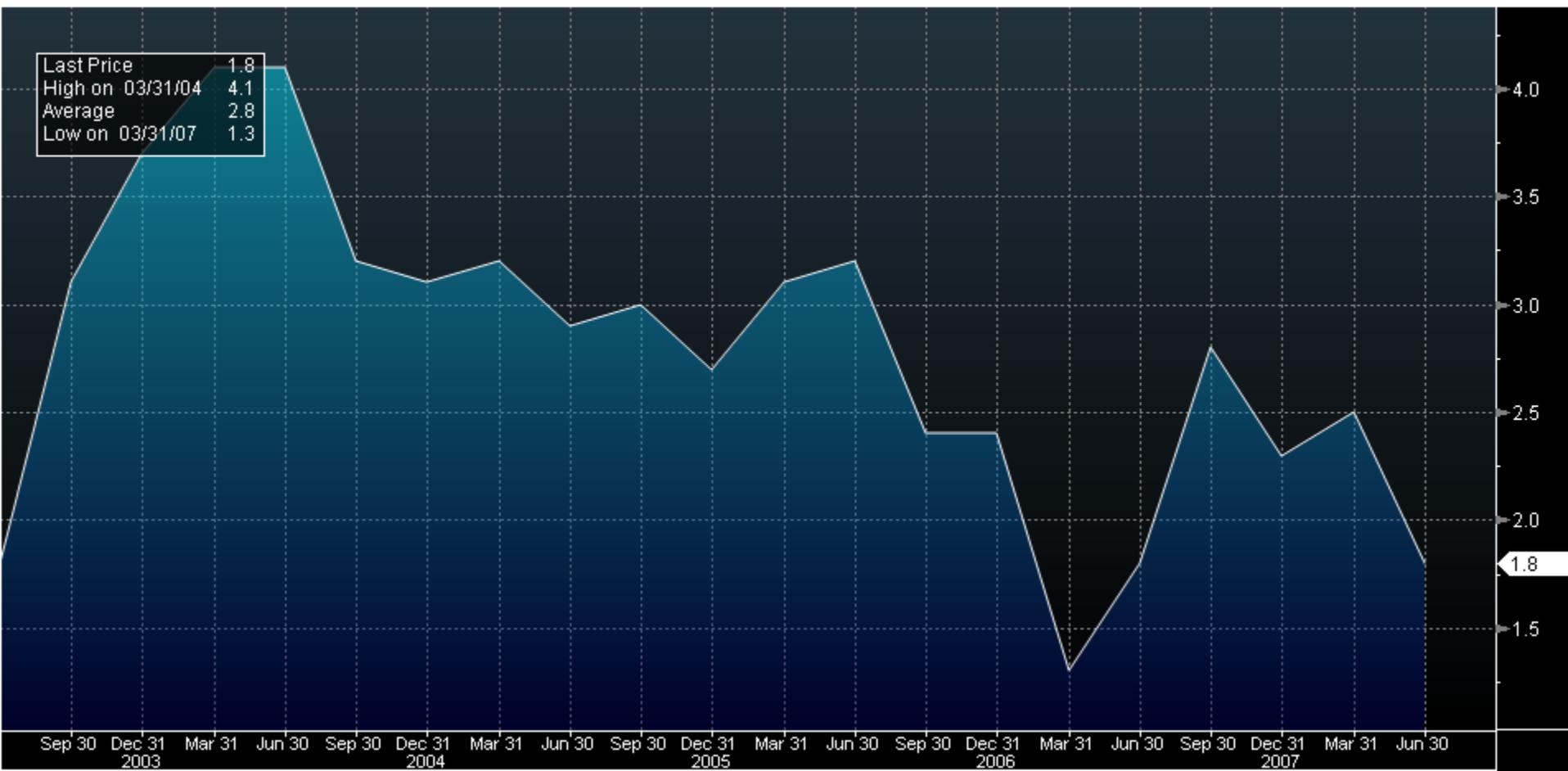
CPI Y-O-Y – 5 Years





Slower Growth

Real GDP Growth – 5 Years





High Oil Prices

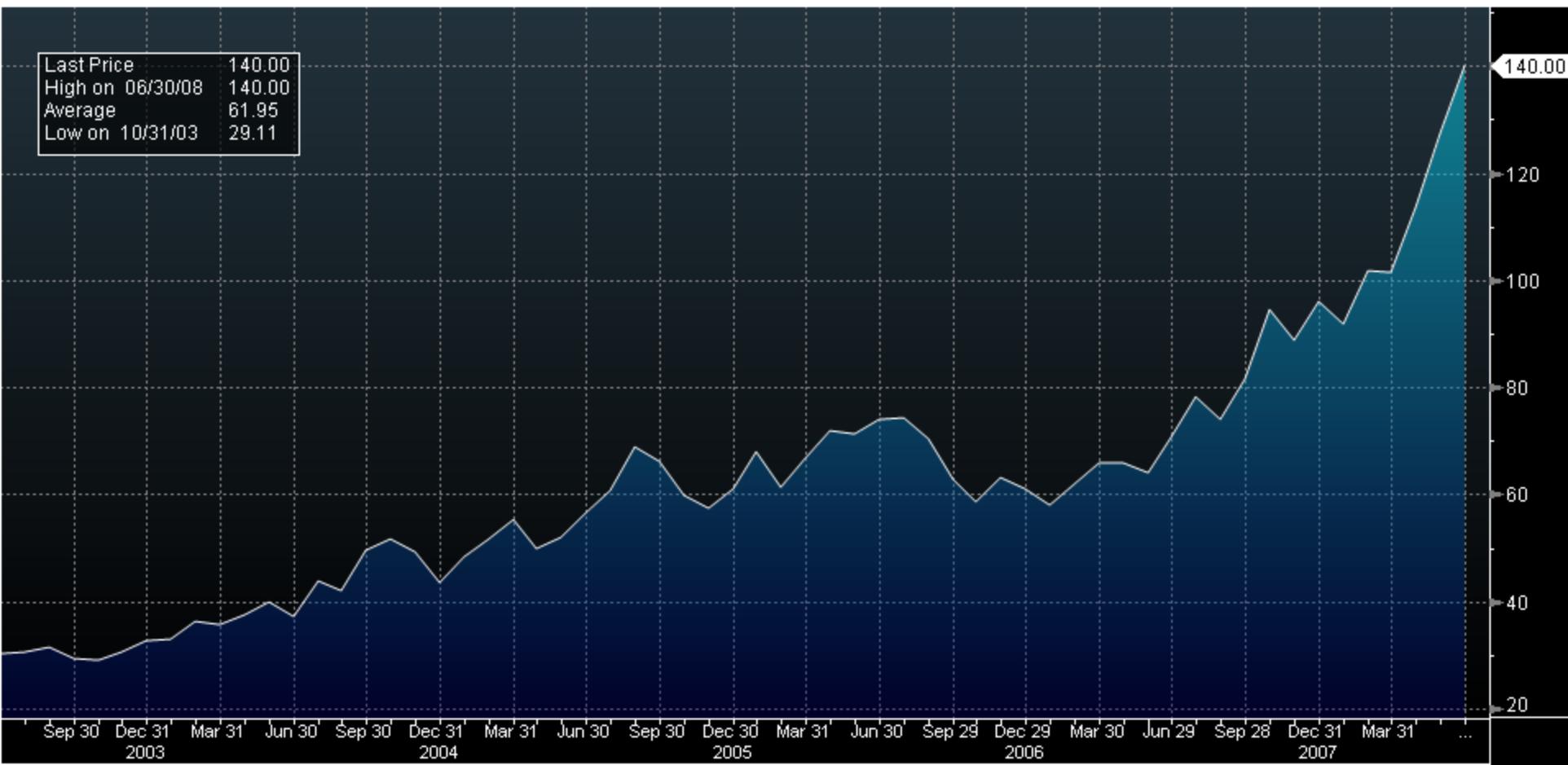
Oil Price Futures – 1 Year





High Oil Prices

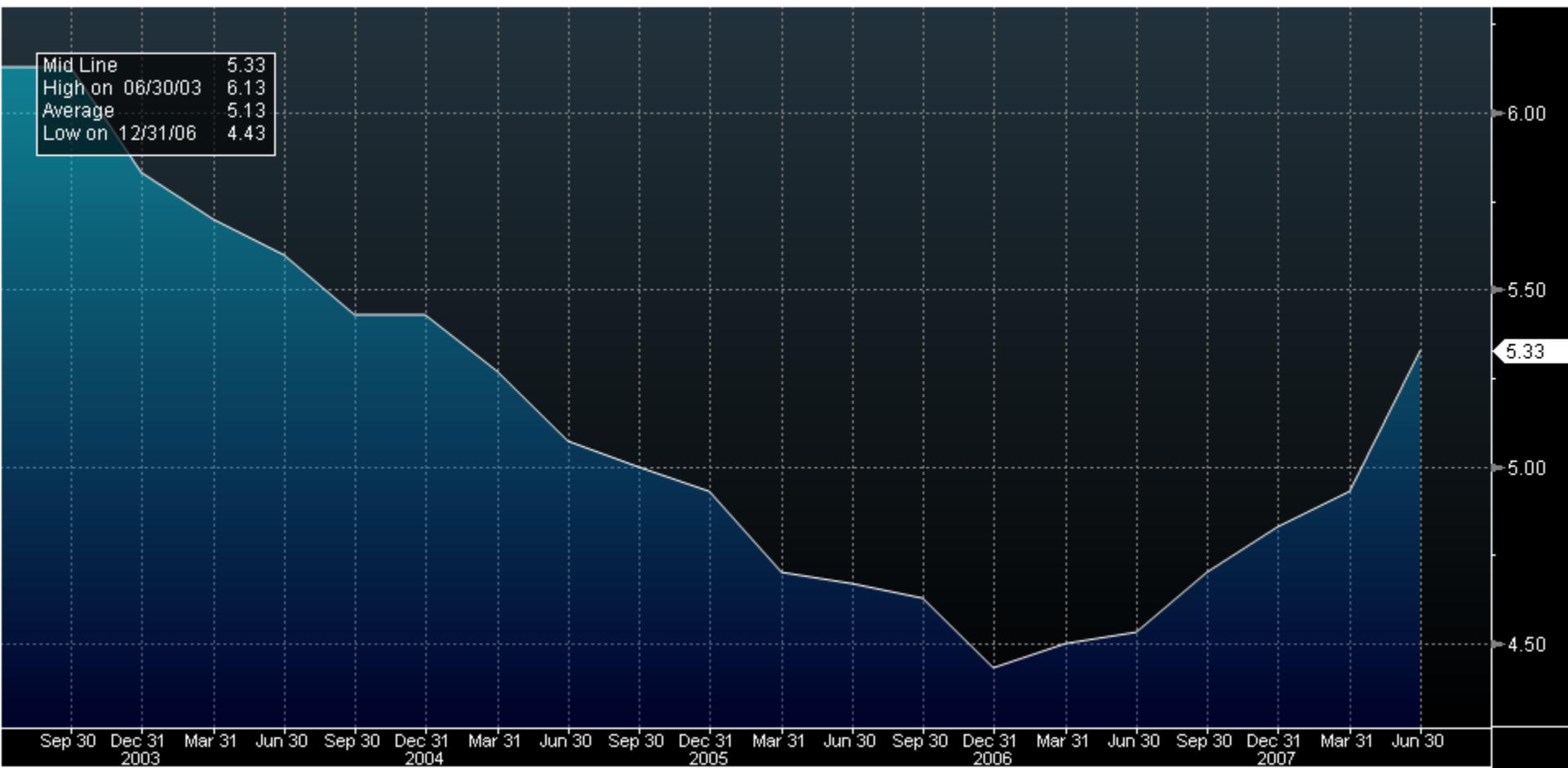
Oil Price Futures – 5 Years





Rising Unemployment

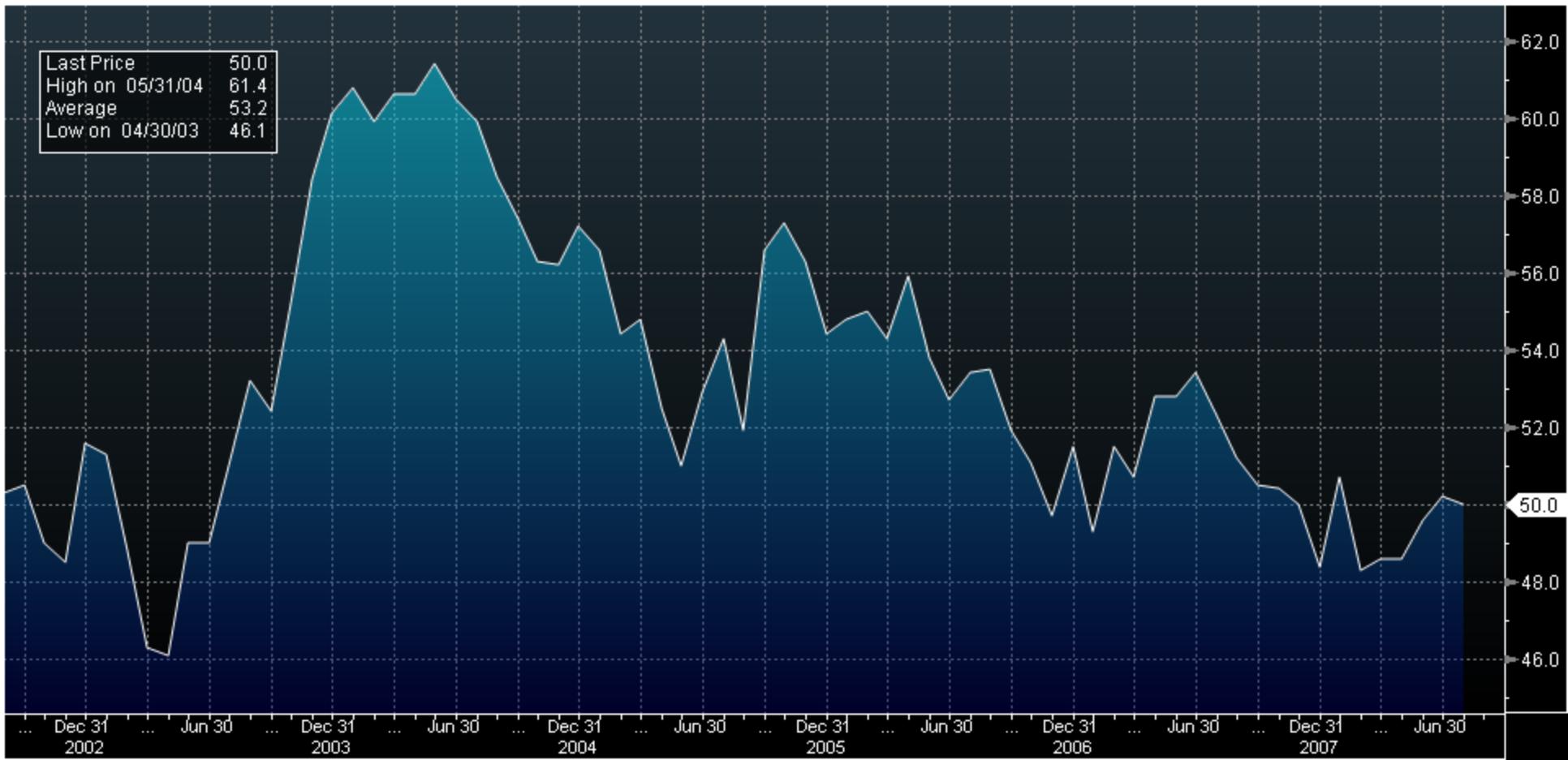
U.S. Unemployment Rate – 5 Years





Manufacturing Slowdown

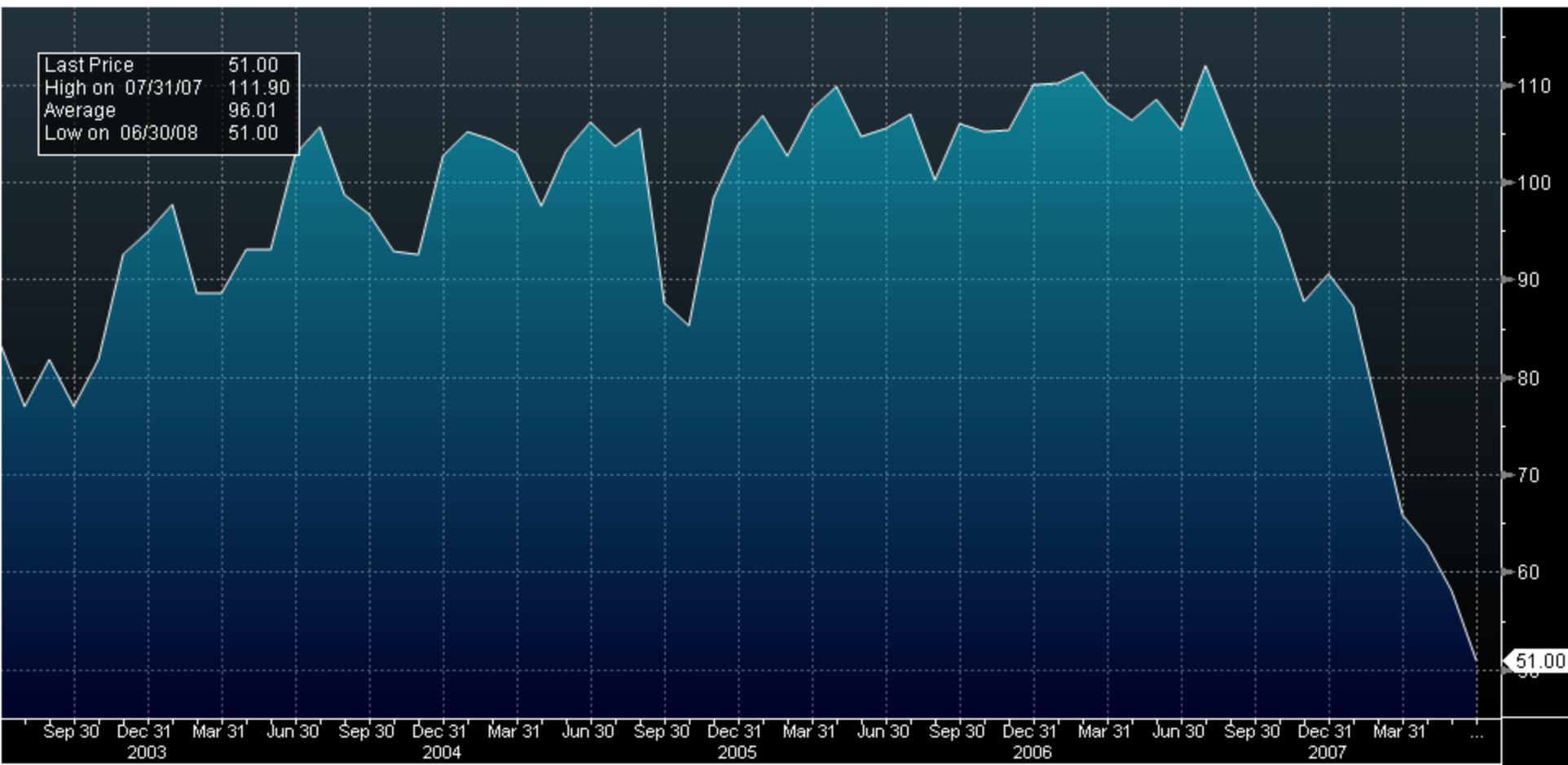
ISM Manufacturing – 6 Years





Consumer Confidence Collapse

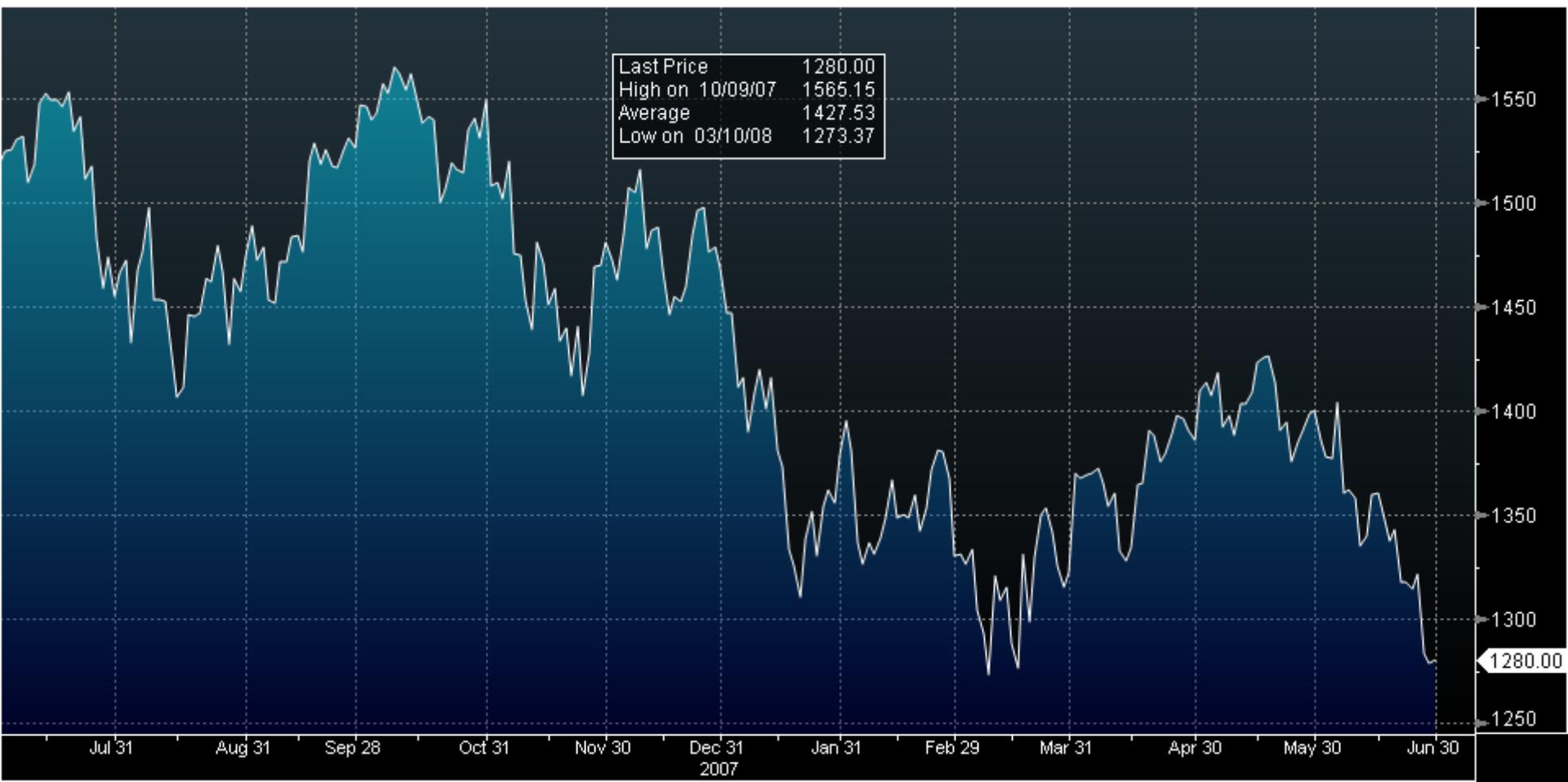
Consumer Confidence – 5 Years





Bear Market

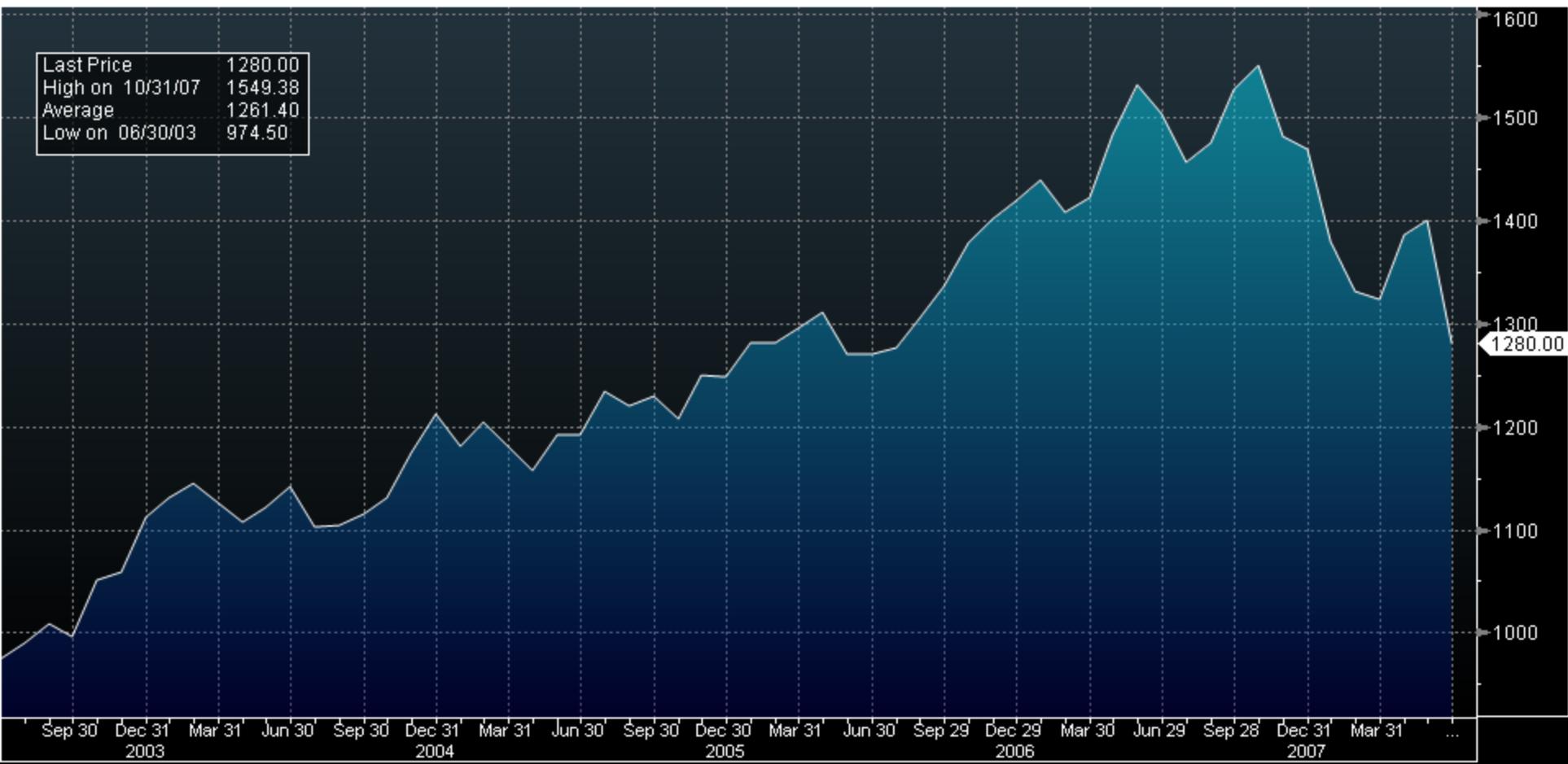
S&P 500 – 1 Year





Bear Market

S&P 500 – 5 Years





Consumers Are Hurting

Retail Sector – 1 Year





Banking Crisis

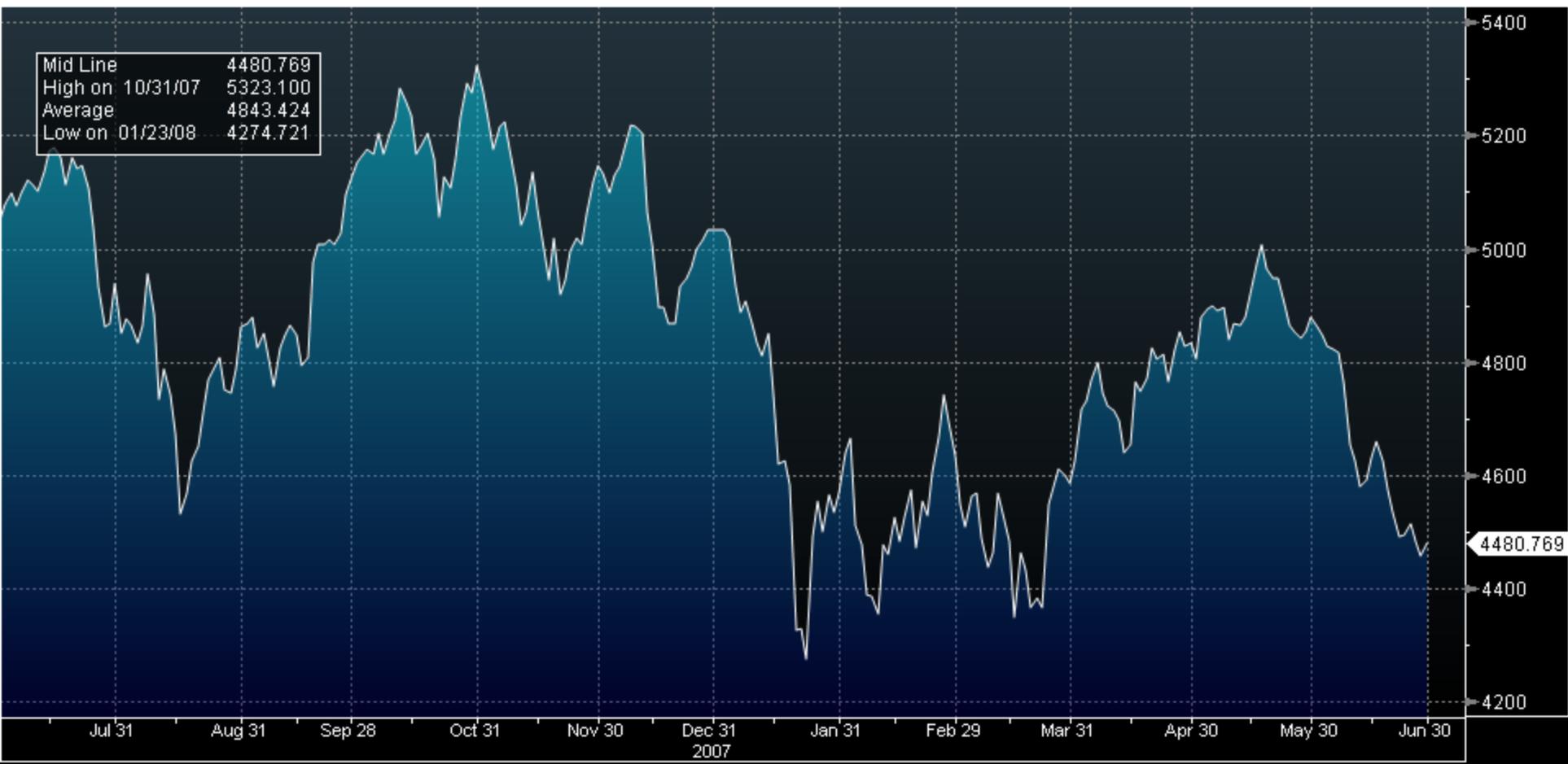
Financial Sector – 1 Year





It's Not Just the USA

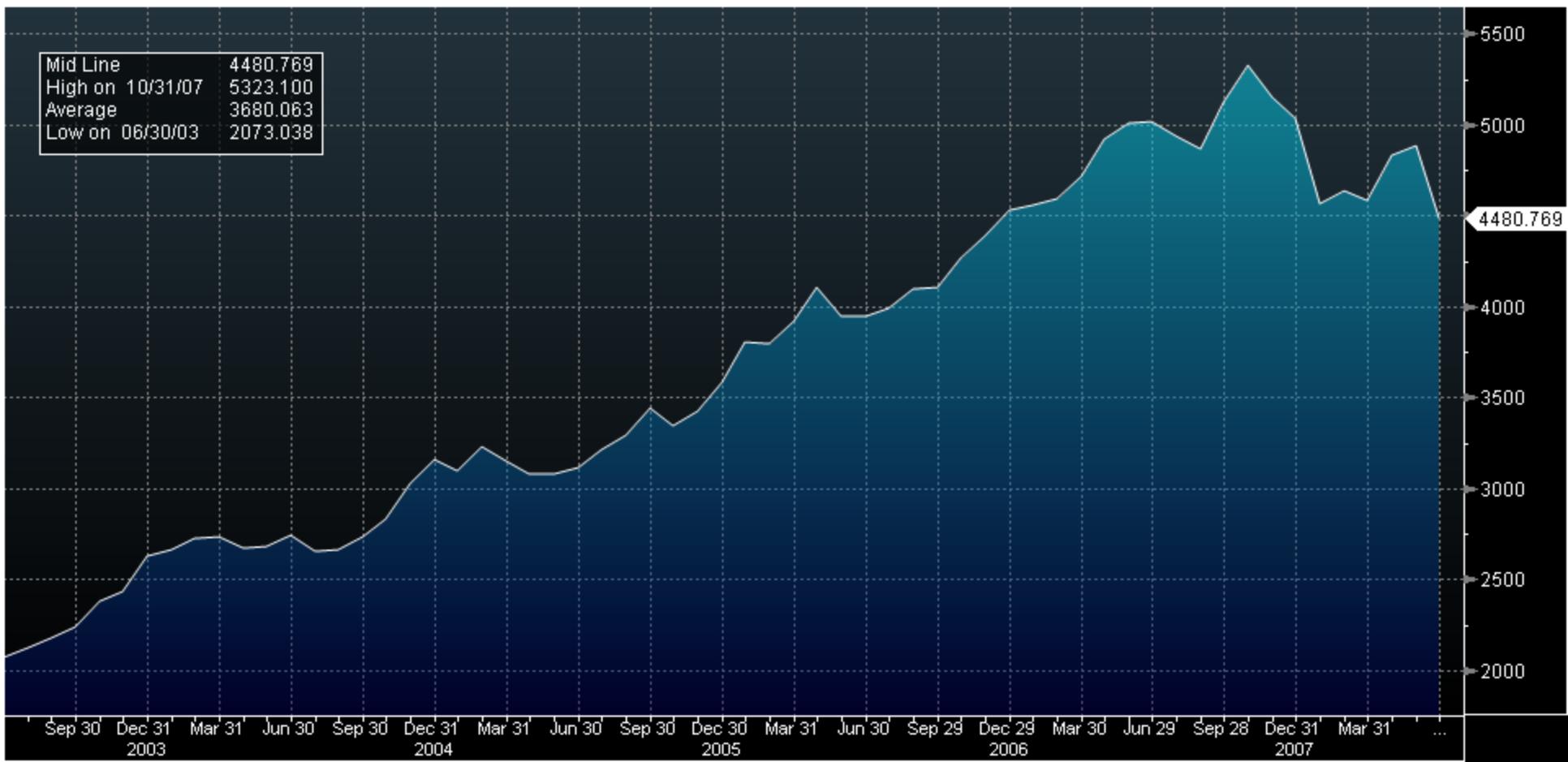
EAFE Index – 1 Year





It's Not Just the USA

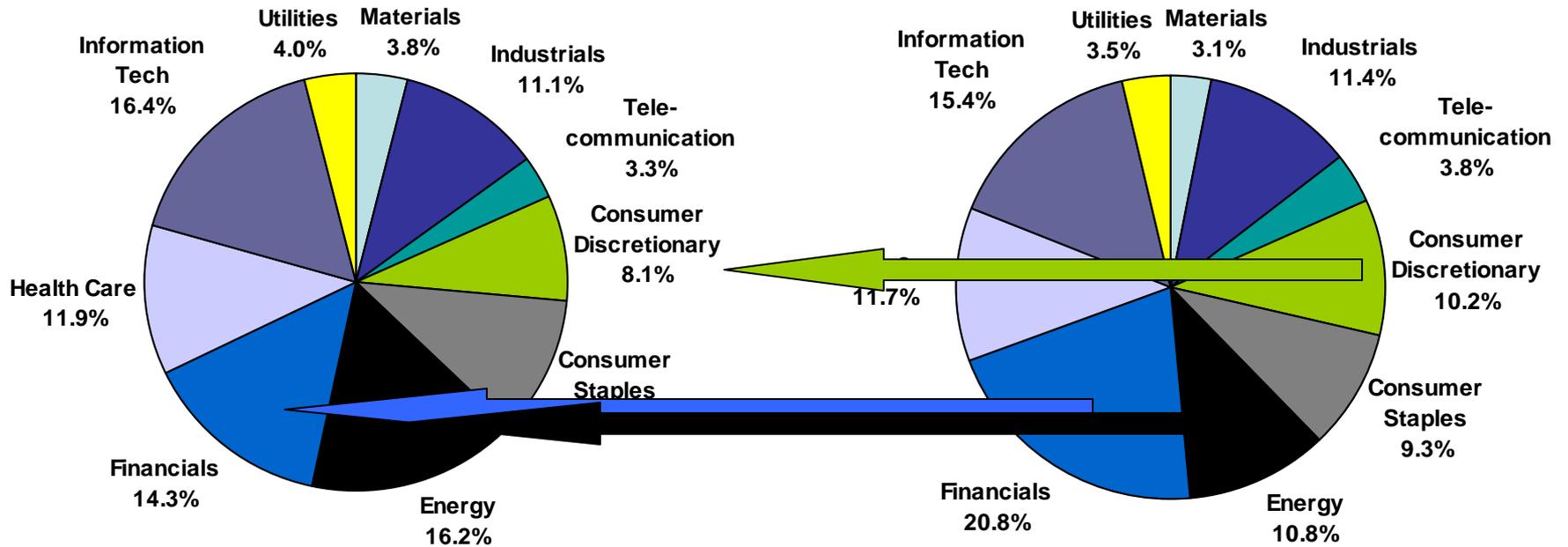
EAFE Index – 5 Years



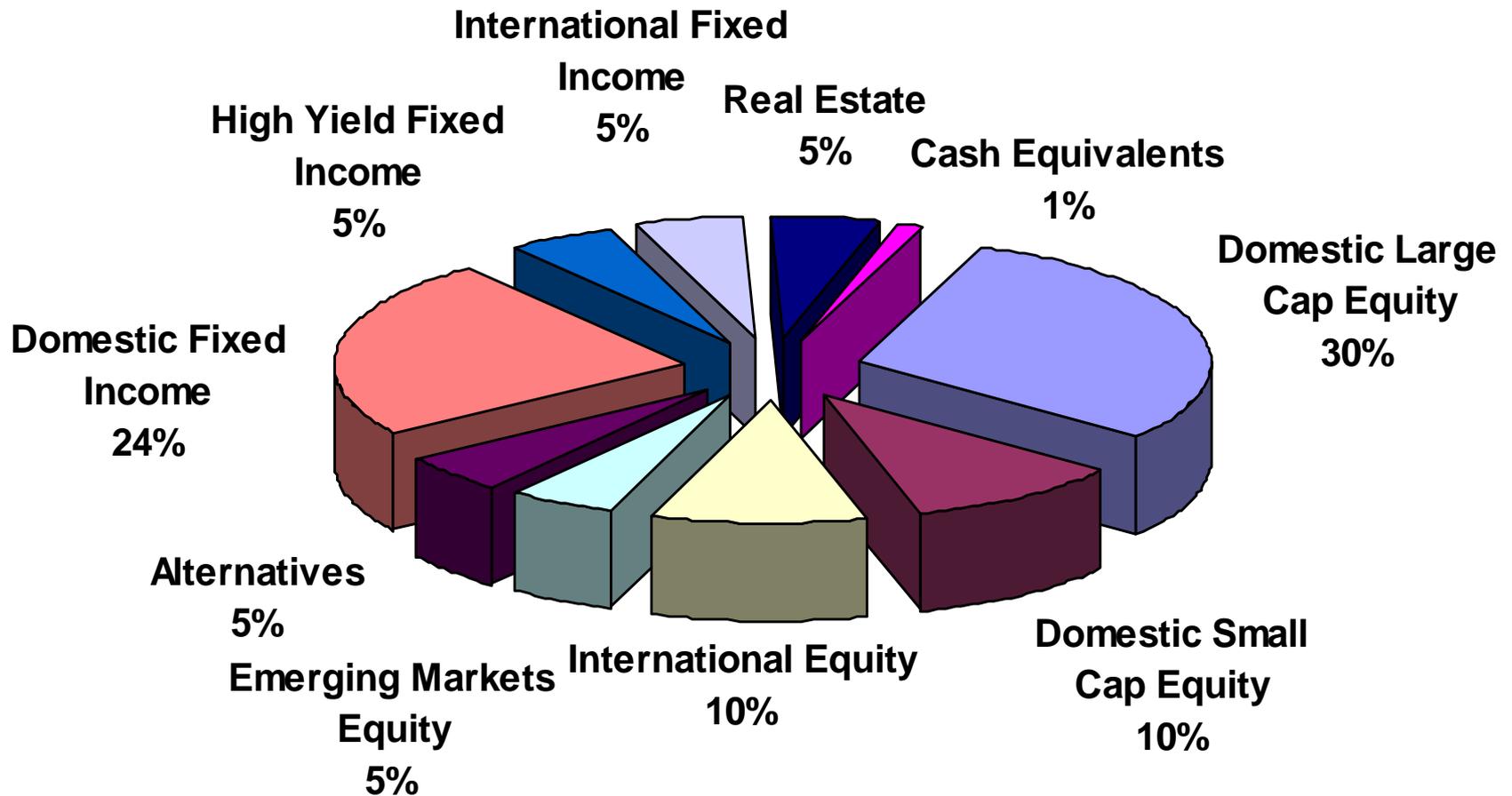
S&P 500 Sector Weights

June 30, 2008

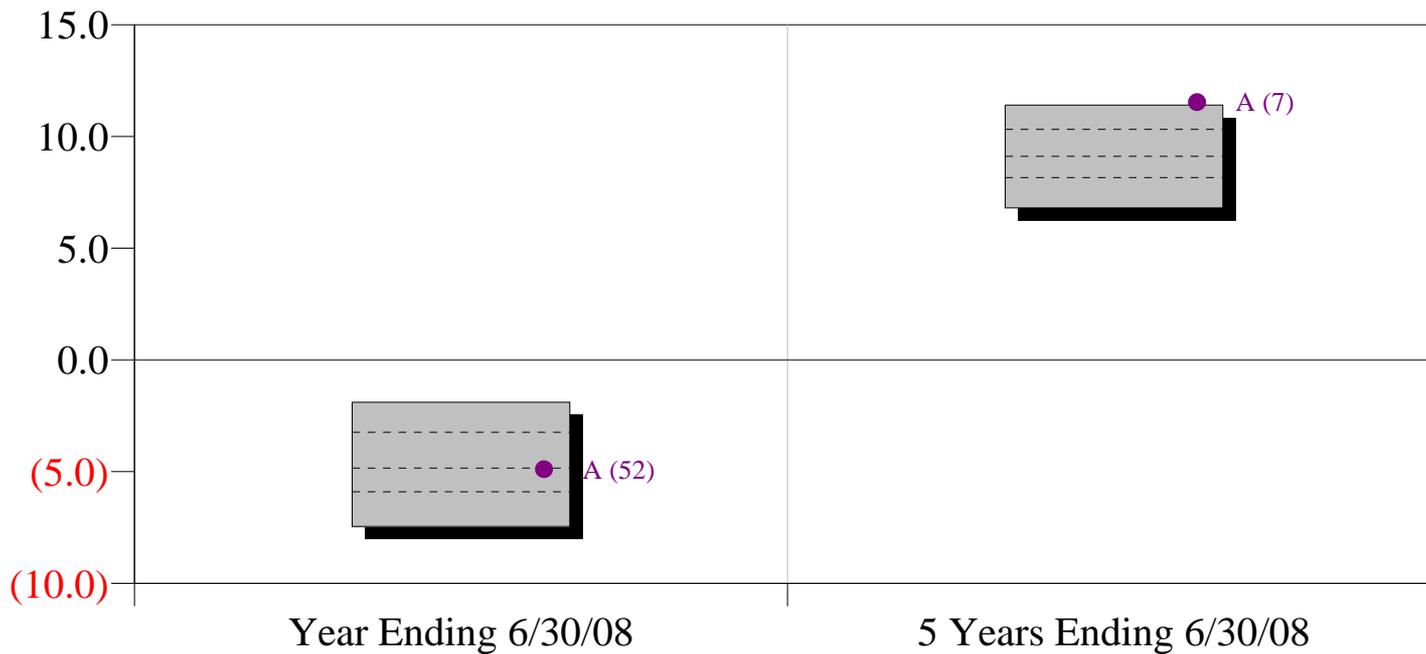
June 30, 2007



PERS Asset Allocation – FY08

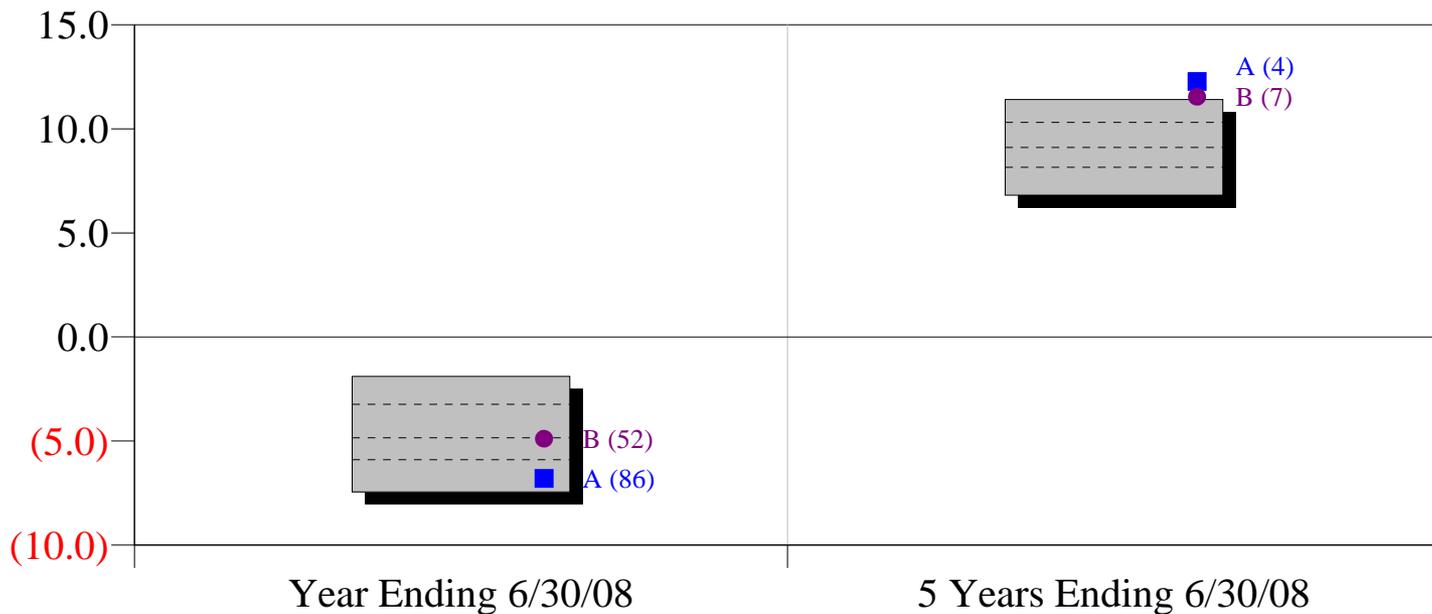


Returns
for Periods Ended June 30, 2008
Group: CAI Public Fund Sponsor Database



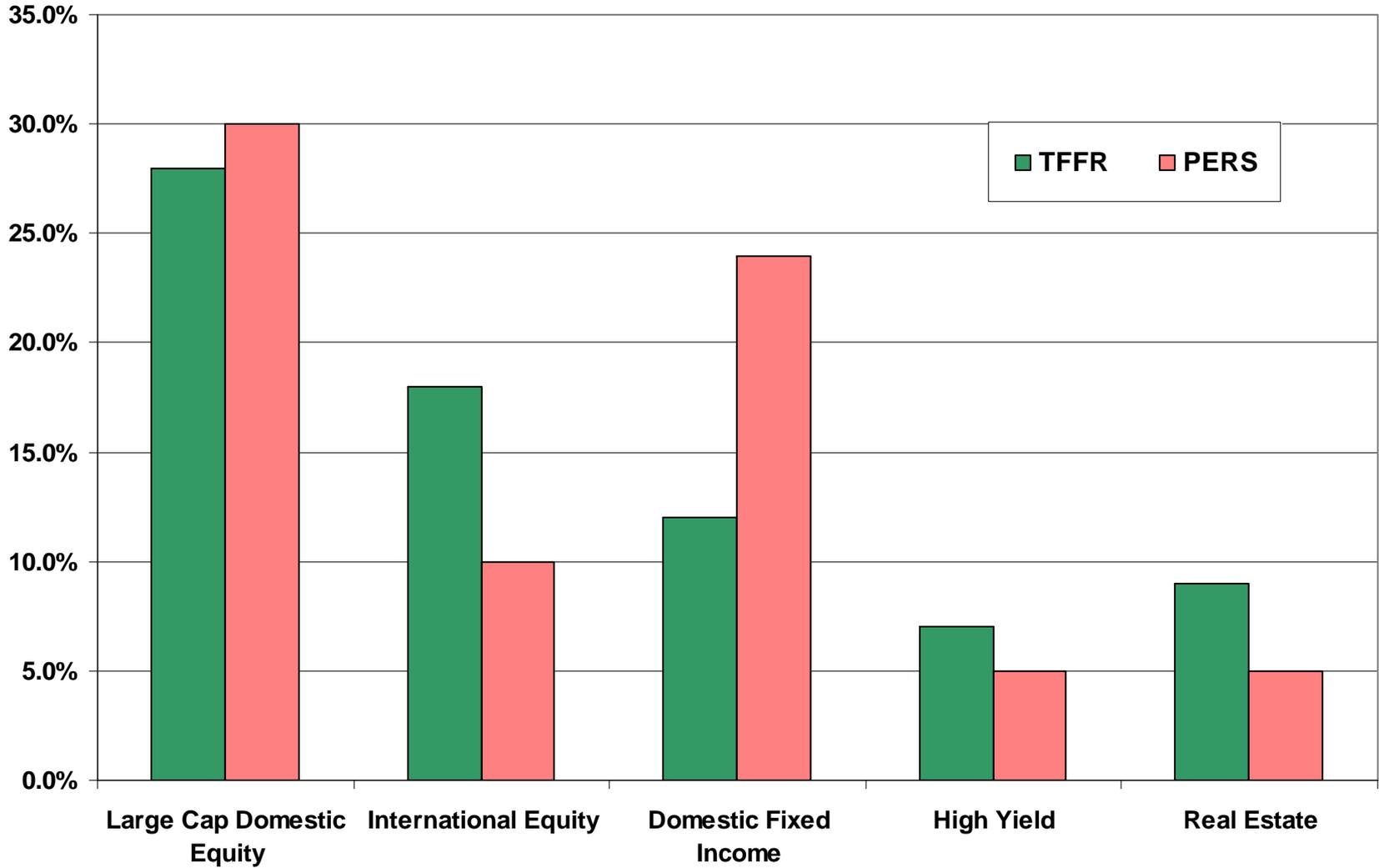
10th Percentile	(1.90)	11.42
25th Percentile	(3.24)	10.32
Median	(4.84)	9.12
75th Percentile	(5.89)	8.16
90th Percentile	(7.44)	6.81
Member Count	91	84
PERS Total Fund-Gross ● A	(4.88)	11.55

Returns
for Periods Ended June 30, 2008
Group: CAI Public Fund Sponsor Database

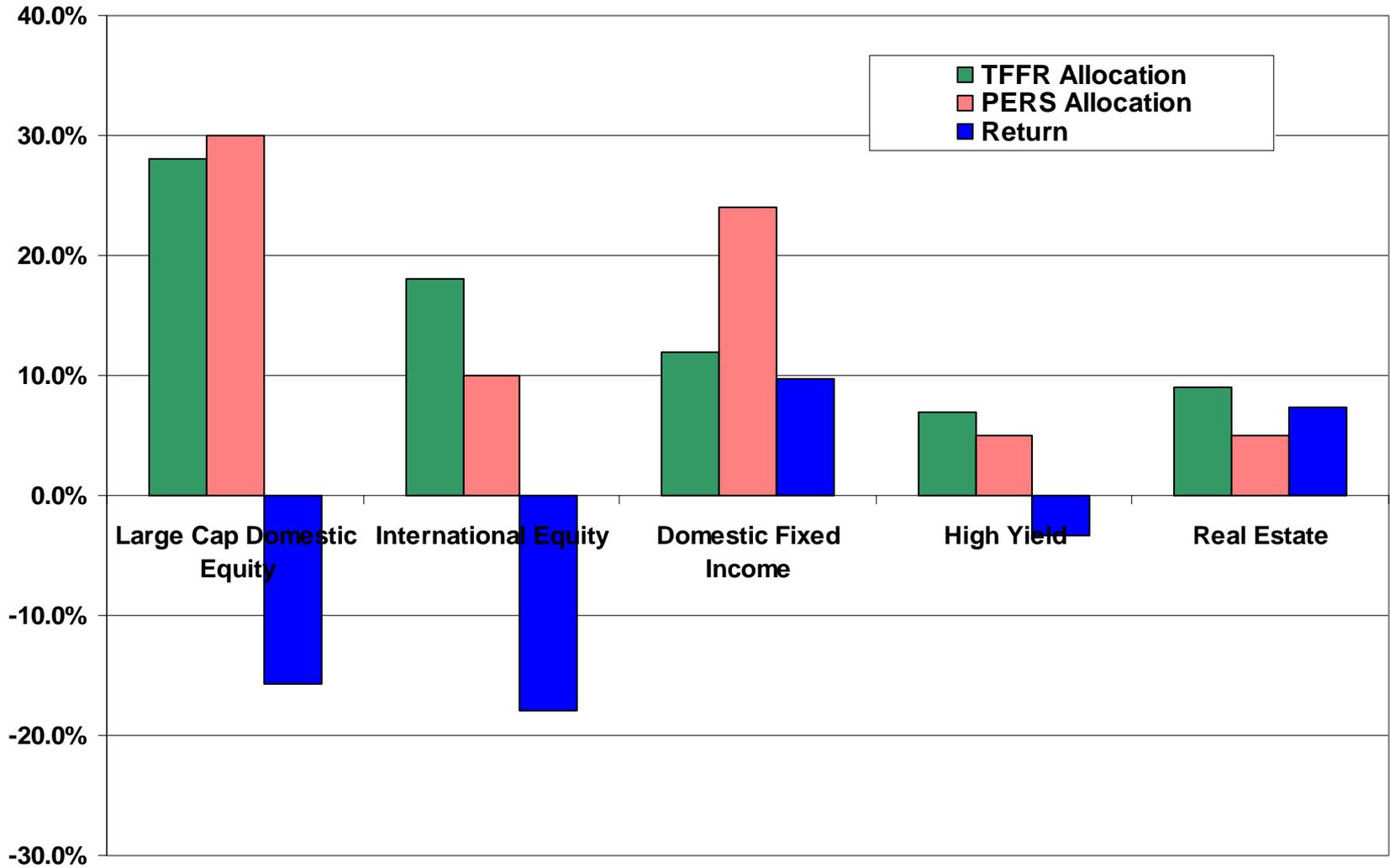


10th Percentile	(1.90)	11.42
25th Percentile	(3.24)	10.32
Median	(4.84)	9.12
75th Percentile	(5.89)	8.16
90th Percentile	(7.44)	6.81
Member Count	91	84
TFFR Total Fund-Gross	■ A (6.80)	12.28
PERS Total Fund-Gross	● B (4.88)	11.55

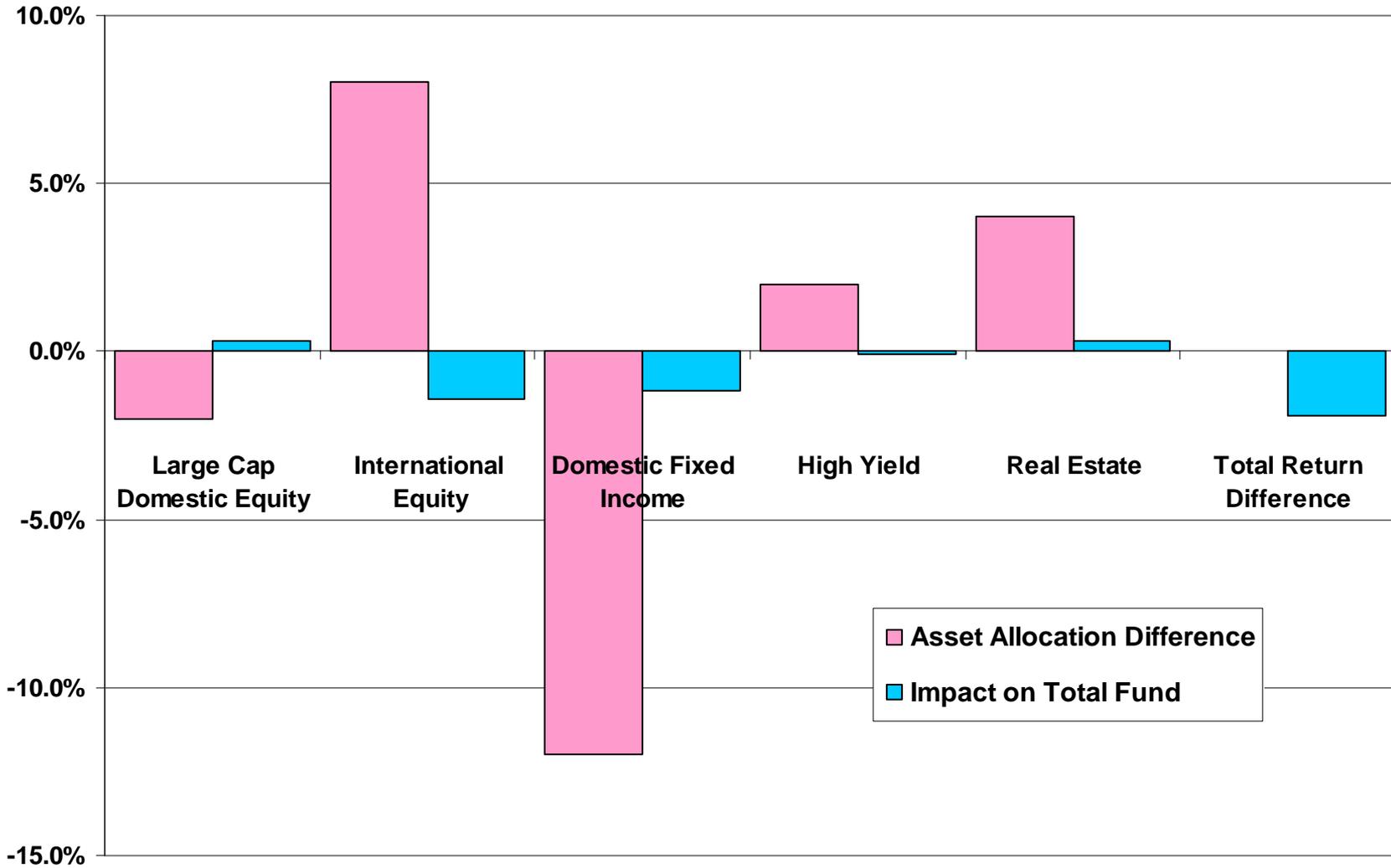
TFFR vs PERS - Asset Allocation



TFFR vs PERS - Asset Class Results



TFFR vs PERS Asset Allocation Impact on Total Fund

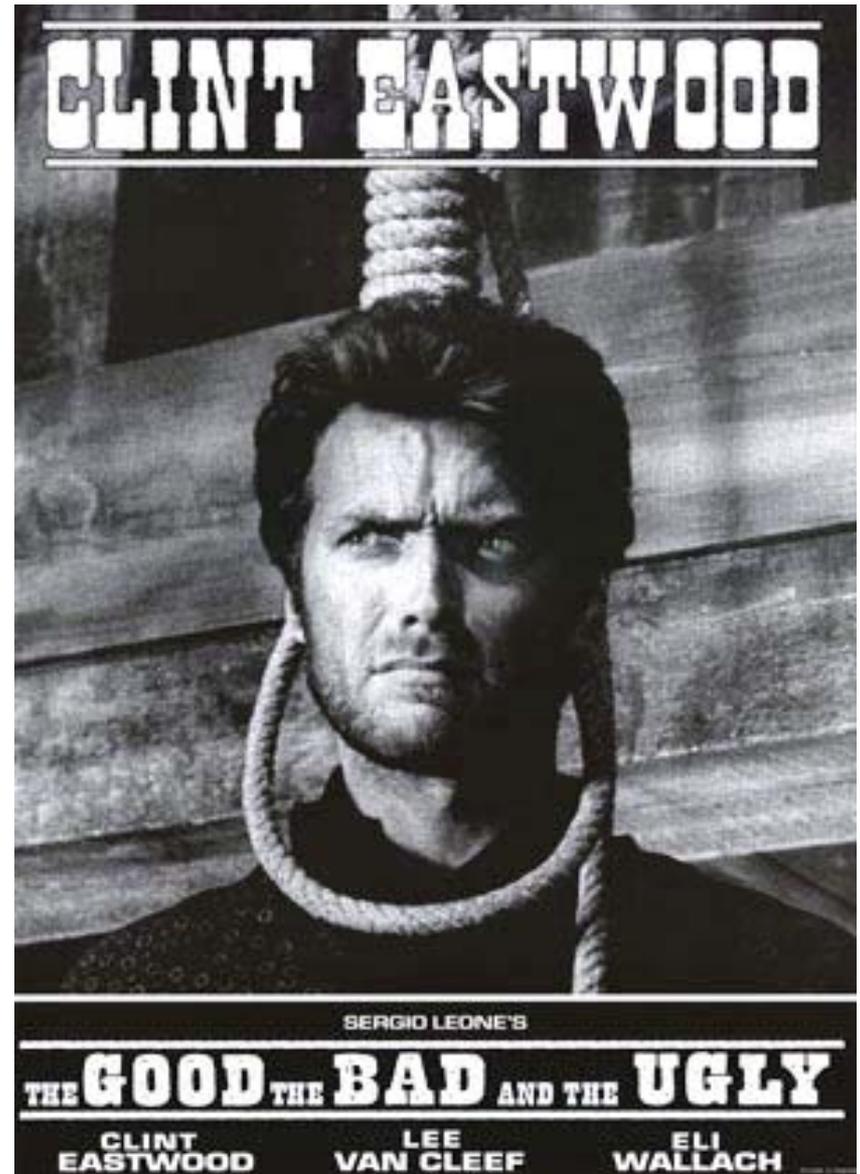


	Allocations				
	TFFR	PERS	Difference	Returns	Impact
Large Cap Domestic Eq	28.0%	30.0%	(2.0)%	(15.66)%	0.31%
Int'l Eq	18.0%	10.0%	8.0 %	(17.92)%	(1.43)%
Domestic Fixed	12.0%	24.0%	(12.0)%	9.78%	(1.17)%
High Yield	7.0%	5.0%	2.0 %	(3.29)%	(0.07)%
Real Estate	9.0%	5.0%	4.0 %	7.31%	0.29 %
Total					(1.92)%

FY 2008 Performance Review



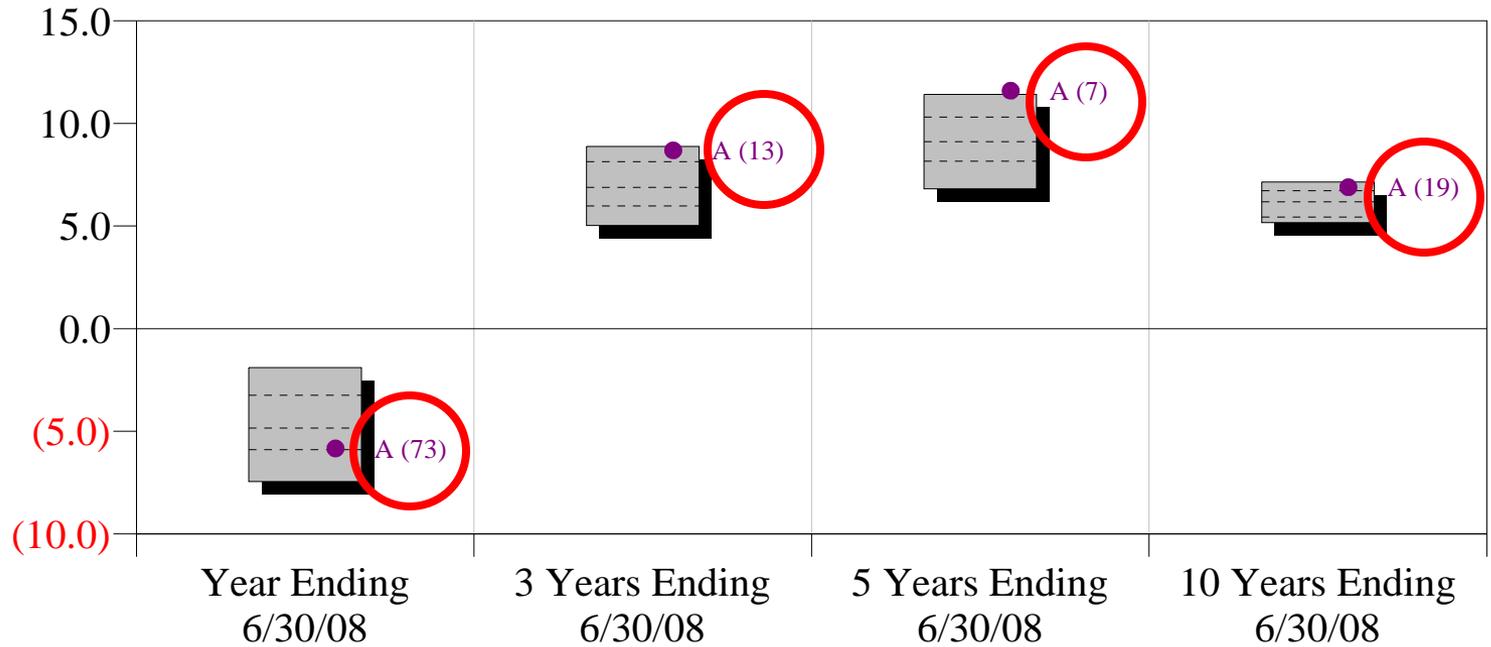
**The GOOD,
The BAD And
The UGLY**



PERS

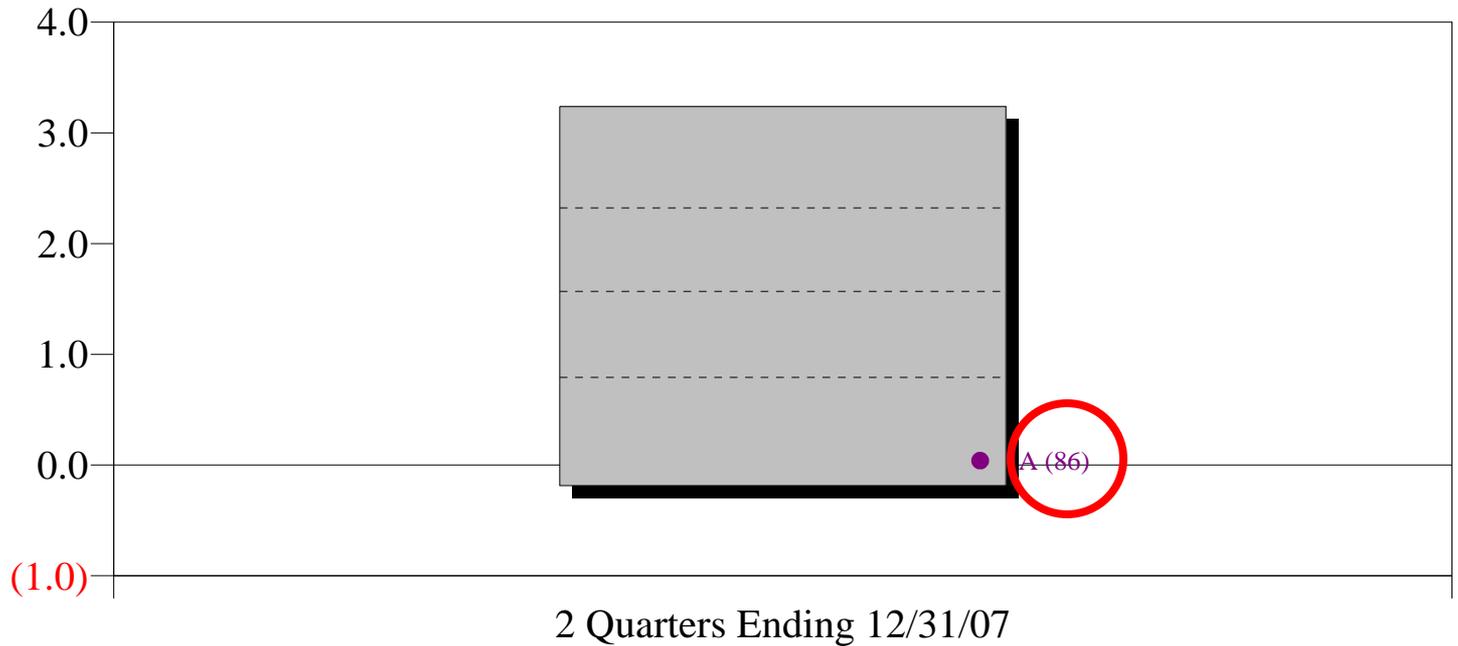
December 16, 2008

Returns
for Periods Ended June 30, 2008
Group: CAI Public Fund Sponsor Database



10th Percentile	(1.90)	8.88	11.42	7.15
25th Percentile	(3.24)	8.14	10.32	6.73
Median	(4.84)	6.90	9.12	6.19
75th Percentile	(5.89)	5.99	8.16	5.44
90th Percentile	(7.44)	5.03	6.81	5.17
Member Count	91	86	84	71
ND Pen - Total Fund	● A (5.82)	8.70	11.60	6.91

Returns
for Periods Ended December 31, 2007
Group: CAI Public Fund Sponsor Database

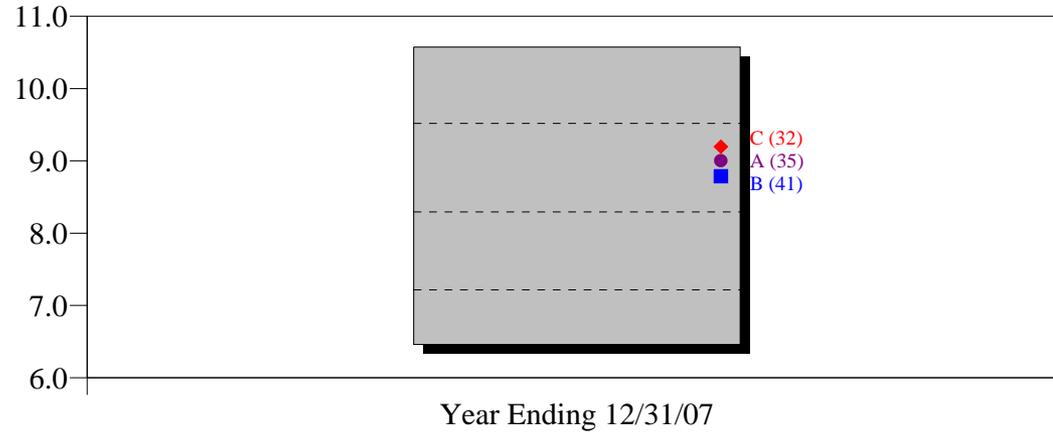


10th Percentile	3.24
25th Percentile	2.32
Median	1.57
75th Percentile	0.79
90th Percentile	(0.19)

Member Count 119

ND Pen - Total Fund ● A 0.04

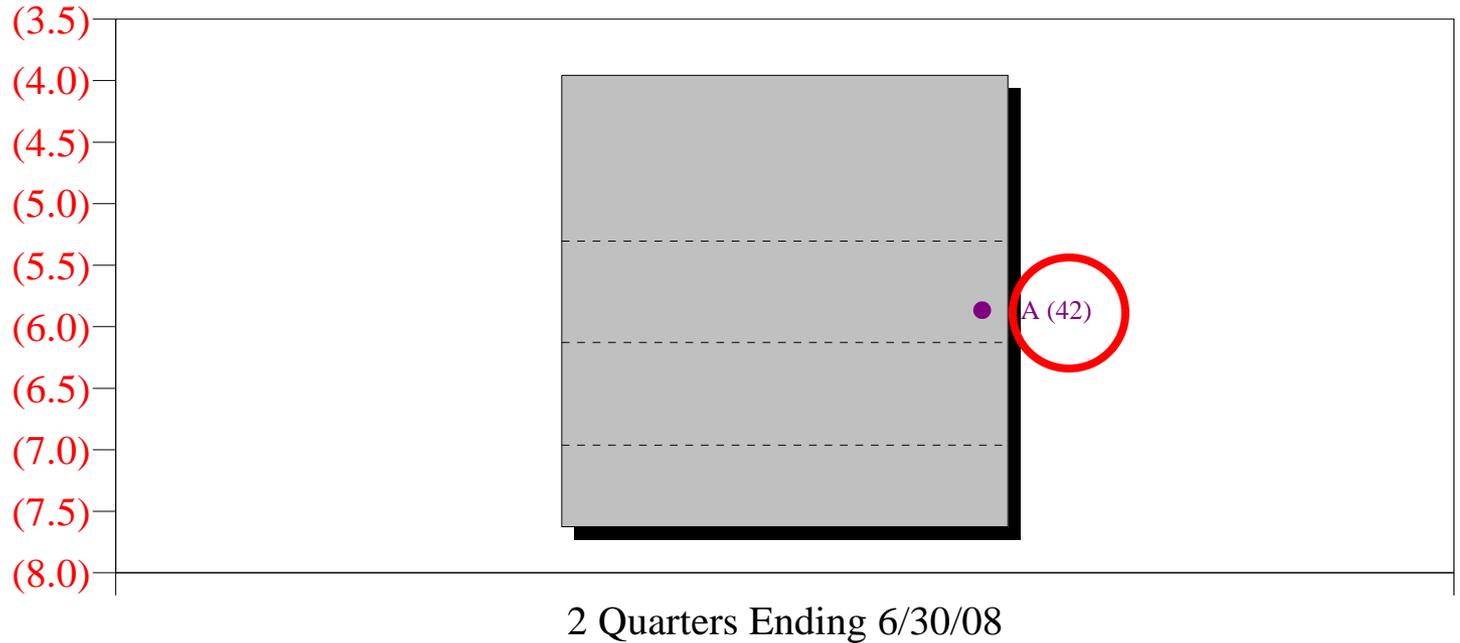
Returns
for Periods Ended December 31, 2007
Group: CAI Public Fund Sponsor Database



10th Percentile	10.58
25th Percentile	9.52
Median	8.30
75th Percentile	7.22
90th Percentile	6.46
Member Count	115

ND Pen - Total Fund	● A	9.01
TFFR Total Fund-Gross	■ B	8.79
PERS Total Fund-Gross	◆ C	9.20

Returns
for Periods Ended June 30, 2008
Group: CAI Public Fund Sponsor Database



10th Percentile	(3.96)
25th Percentile	(5.30)
Median	(6.13)
75th Percentile	(6.96)
90th Percentile	(7.62)

Member Count 91

ND Pen - Total Fund ● A (5.86)

Cumulative Returns for Year Ended June 30, 2008



The GOOD,
The BAD And
The UGLY

It's Over!

Three hole-punch marks are scattered around the 3D text. One is located above the 'O' in 'Over', another is to the left of the 'I' in 'It's', and the third is below the 's' in 'It's'.

The GOOD, The BAD And The UGLY



No Margin Calls



No Defaults



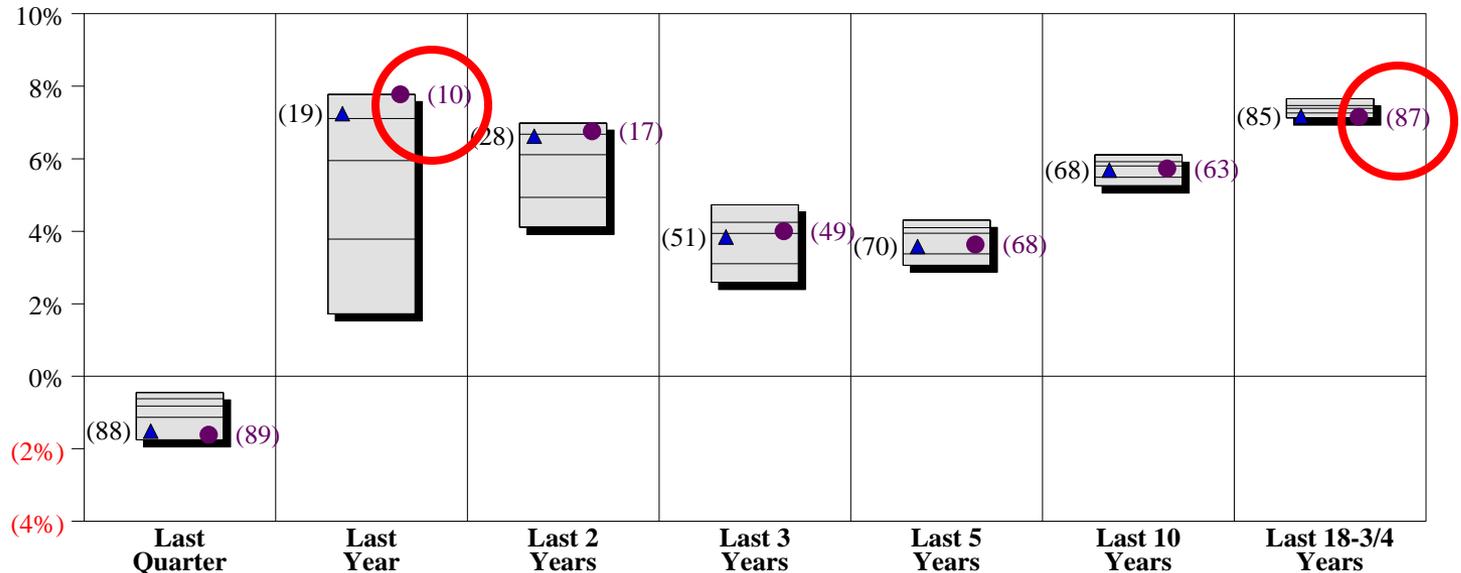
No Manager “Blow-Ups”

The GOOD, The BAD And The UGLY



Callan Performance Report – June 30, 2008

Performance vs CAI Core Bond Fixed-Inc Style



10th Percentile
25th Percentile
Median
75th Percentile
90th Percentile

Bank of North Dakota

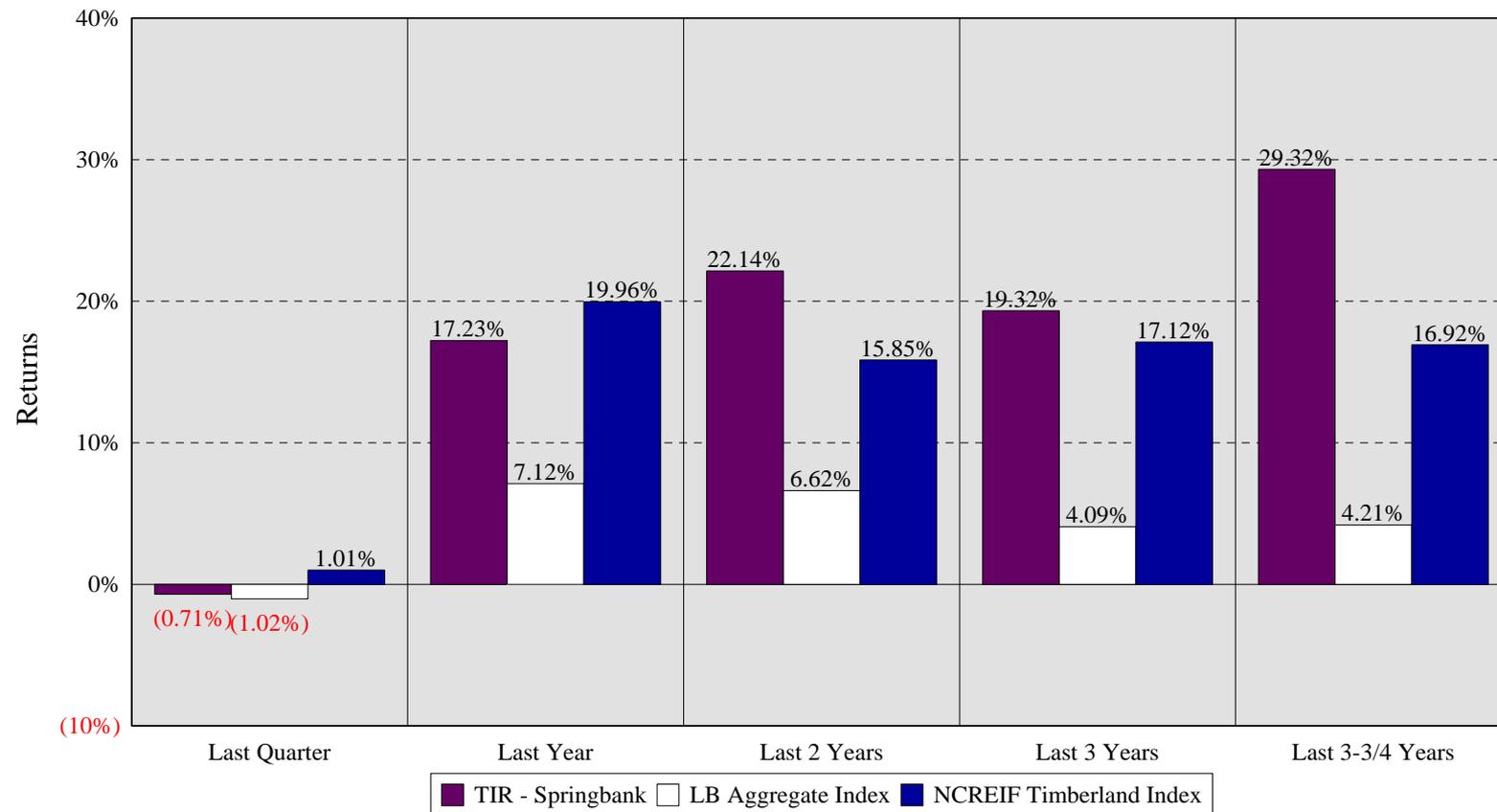
LB Govt/Credit Bd

The GOOD, The BAD And The UGLY



TIMBERLAND
INVESTMENT RESOURCES L.P.

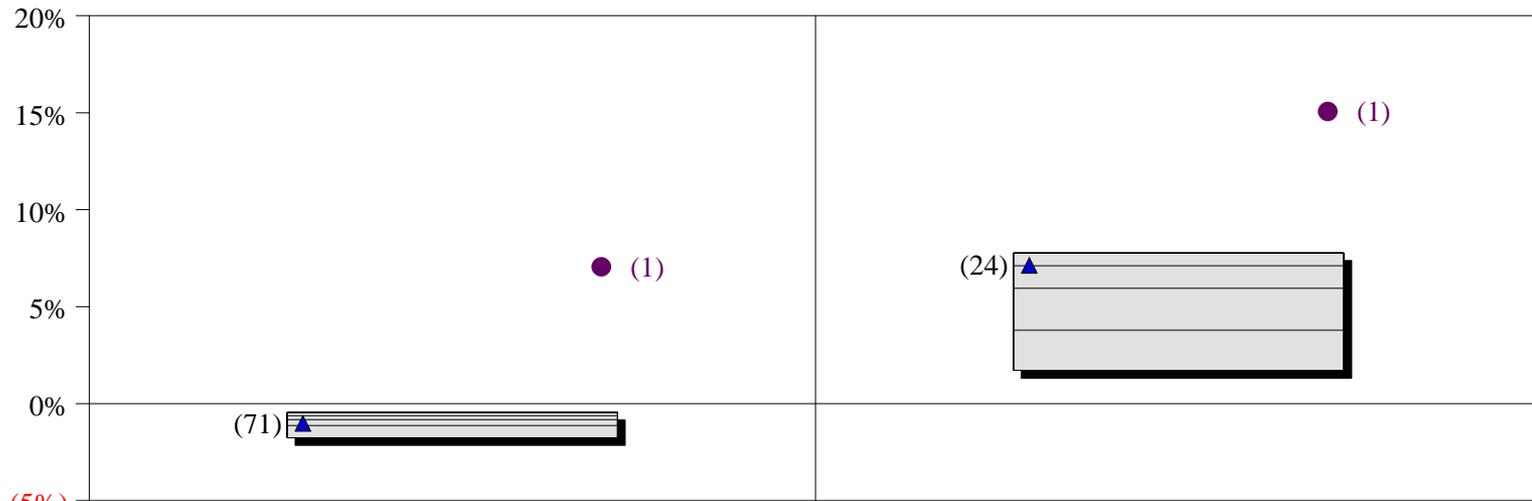
Callan Performance Report – June 30, 2008



The GOOD, The BAD And The UGLY

Callan Performance Report – June 30, 2008

Performance vs CAI Core Bond Fixed-Inc Style



(5%)

Last Quarter

Last Year

10th Percentile
25th Percentile
Median
75th Percentile
90th Percentile

(0.45)
(0.62)
(0.82)
(1.13)
(1.75)

7.77
7.11
5.95
3.78
1.72

**JP Morgan
Infrastructure Fund** ●

7.05

15.05

LB Aggregate Index ▲

(1.02)

7.12

The GOOD,

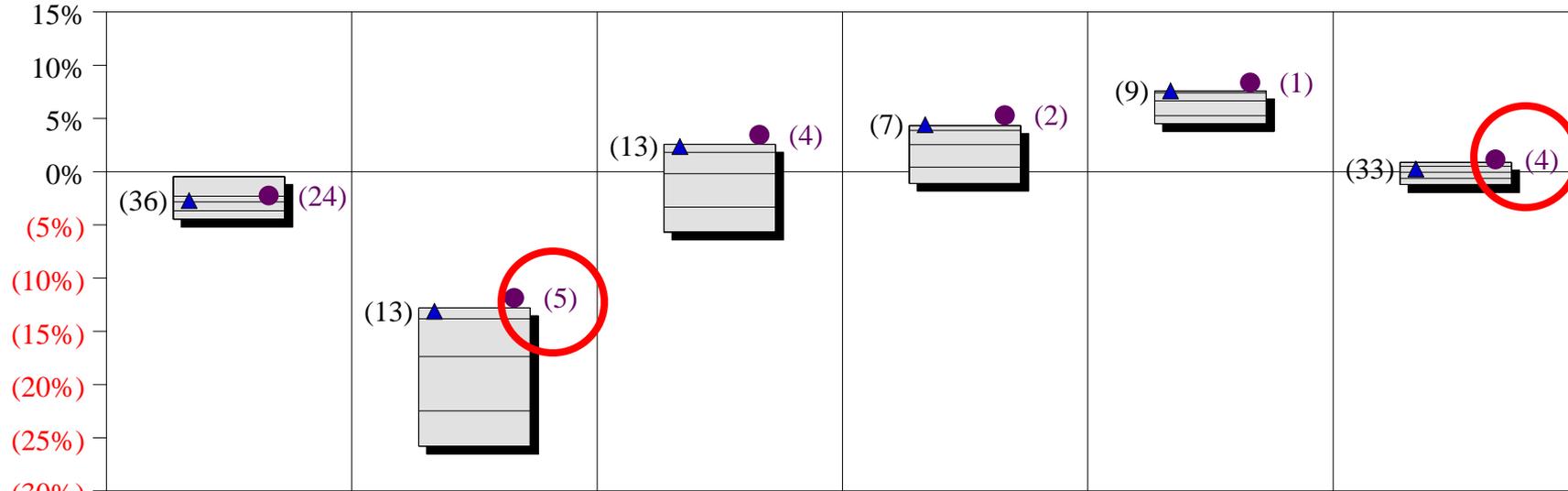
The BAD And

The UGLY

Westridge Capital

Callan Performance Report – June 30, 2008

Performance vs CAI Derivative Enhanced Index Style



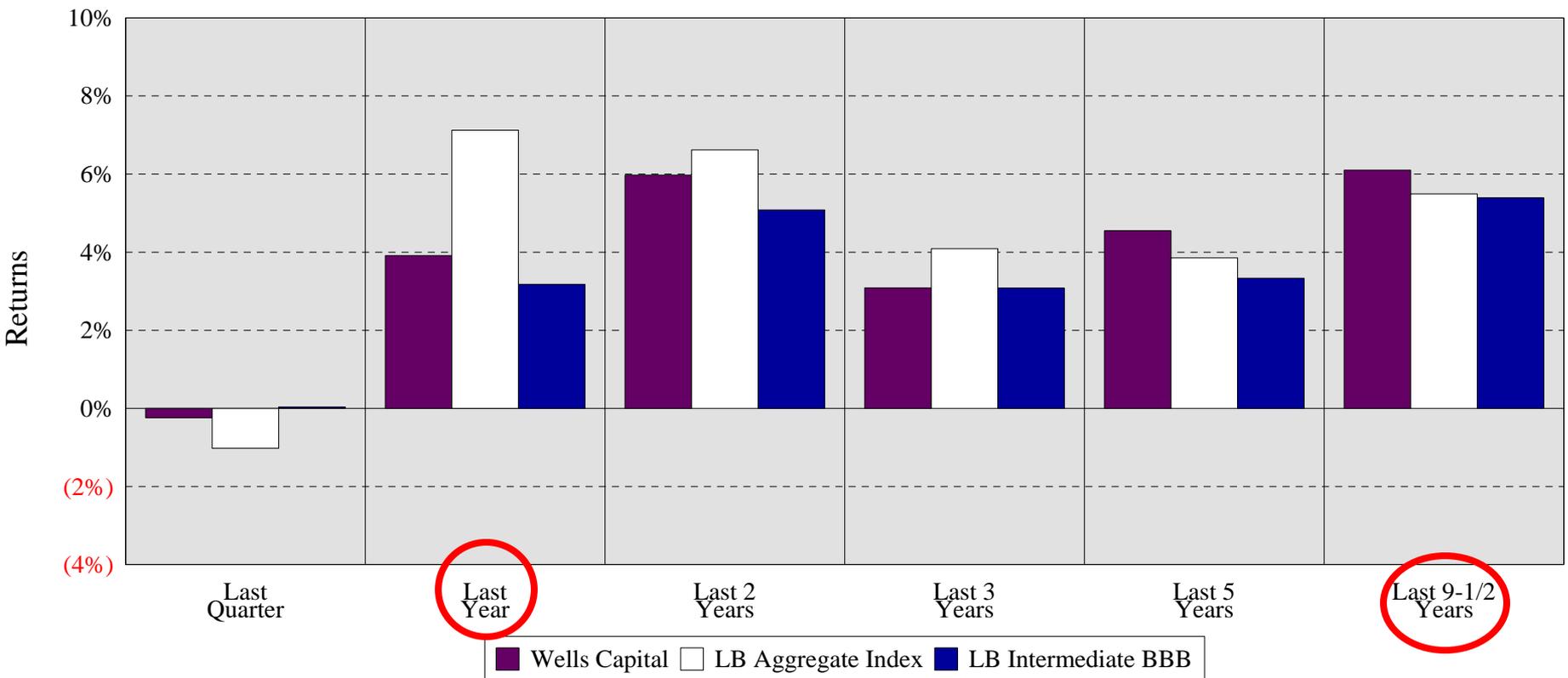
	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7-3/4 Years
10th Percentile	(0.46)	(12.80)	2.57	4.33	7.58	0.89
25th Percentile	(2.32)	(13.82)	1.83	3.88	7.41	0.51
Median	(2.85)	(17.37)	(0.19)	2.54	6.64	(0.05)
75th Percentile	(3.67)	(22.48)	(3.33)	0.42	5.25	(0.63)
90th Percentile	(4.47)	(25.80)	(5.68)	(1.10)	4.51	(1.21)
Westridge Capital ●	(2.27)	(11.87)	3.44	5.29	8.36	1.14
S&P 500 Index ▲	(2.73)	(13.12)	2.36	4.41	7.58	0.24

The GOOD, The BAD And The UGLY

WELLS CAPITAL MANAGEMENT



Callan Performance Report – June 30, 2008



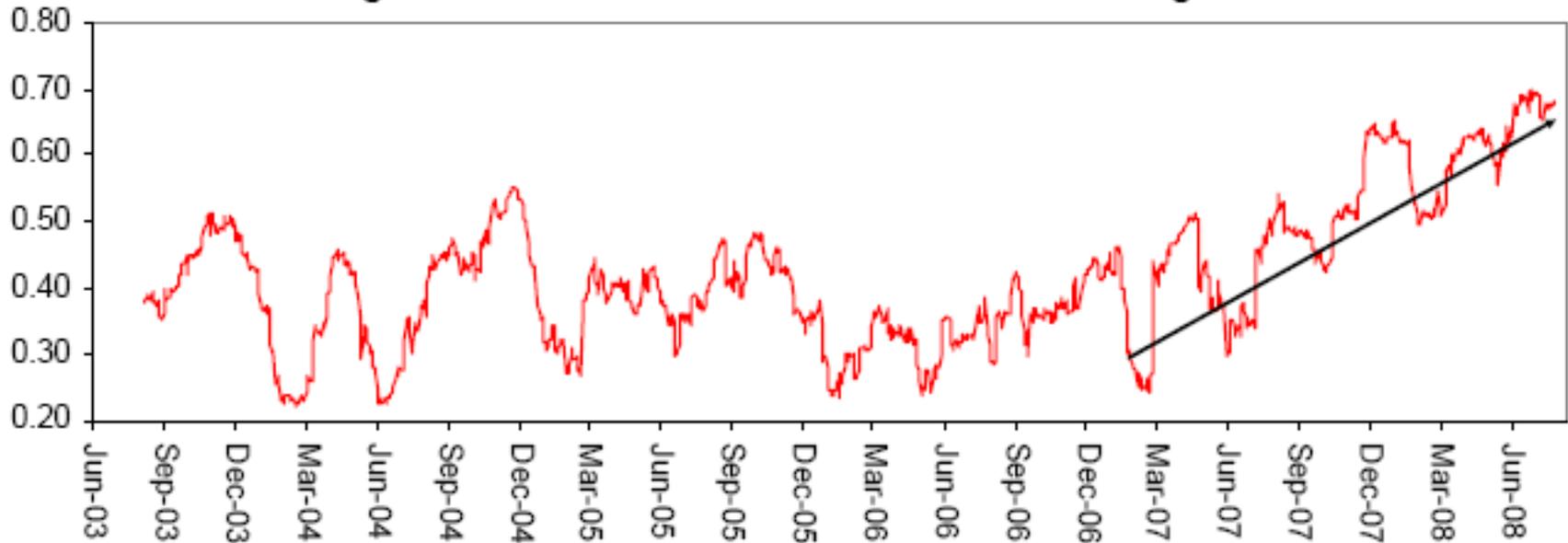
The GOOD,
The BAD And
The UGLY



The GOOD, The BAD And The UGLY

High Correlation Among 10 Major Markets

Average Correlation of Individual Markets to Average Market

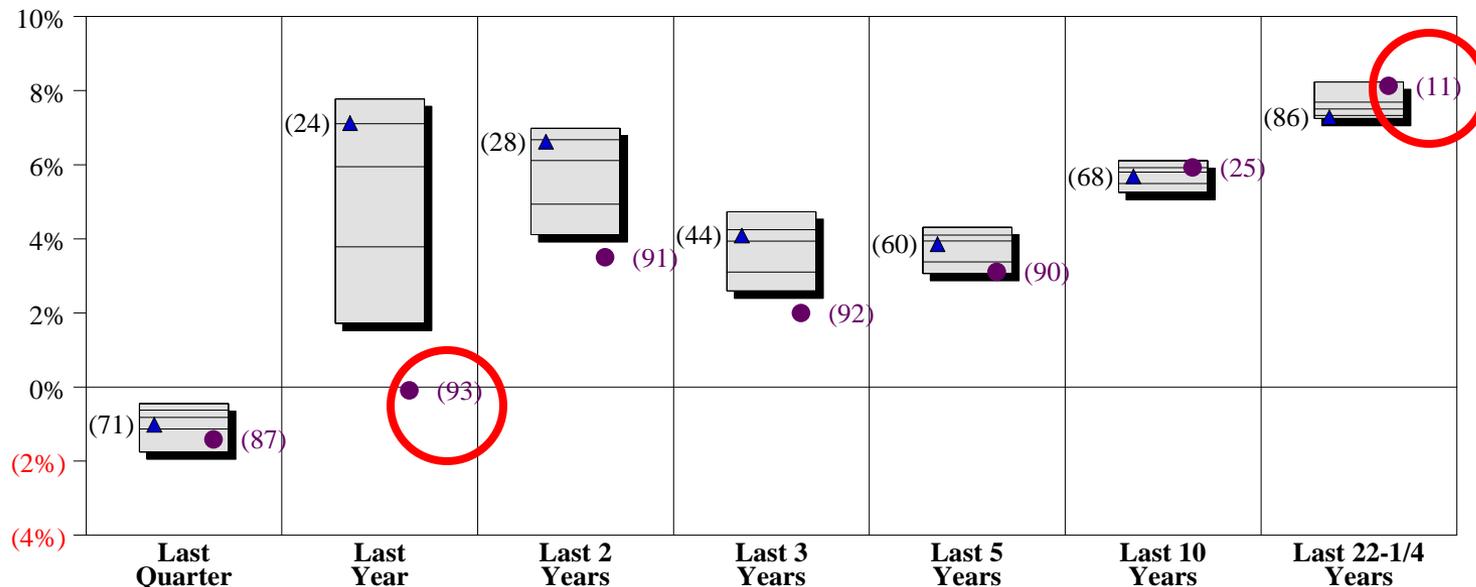


All of the 23 developed nations in the MSCI World Index except for Canada have experienced bear-market plunges of 20 percent or more since September as credit losses surged and record commodity prices stoked inflation. Brazil recently became the 23rd out of 25 developing countries in the MSCI Emerging Markets Index to enter a bear market. Only Jordan and Morocco avoided such slumps.

The GOOD, The BAD And The UGLY

Callan Performance Report – June 30, 2008

Performance vs CAI Core Bond Fixed-Inc Style



10th Percentile	(0.45)	7.77	6.98	4.73	4.31	6.11	8.23
25th Percentile	(0.62)	7.11	6.67	4.25	4.10	5.92	7.69
Median	(0.82)	5.95	6.11	3.94	3.95	5.80	7.50
75th Percentile	(1.13)	3.78	4.94	3.10	3.38	5.49	7.33
90th Percentile	(1.75)	1.72	4.11	2.59	3.06	5.25	7.25

Western Asset ● (1.42) (0.10) 3.49 1.99 3.11 5.92 8.13

LB Aggregate Index ▲ (1.02) 7.12 6.62 4.09 3.85 5.68 7.28



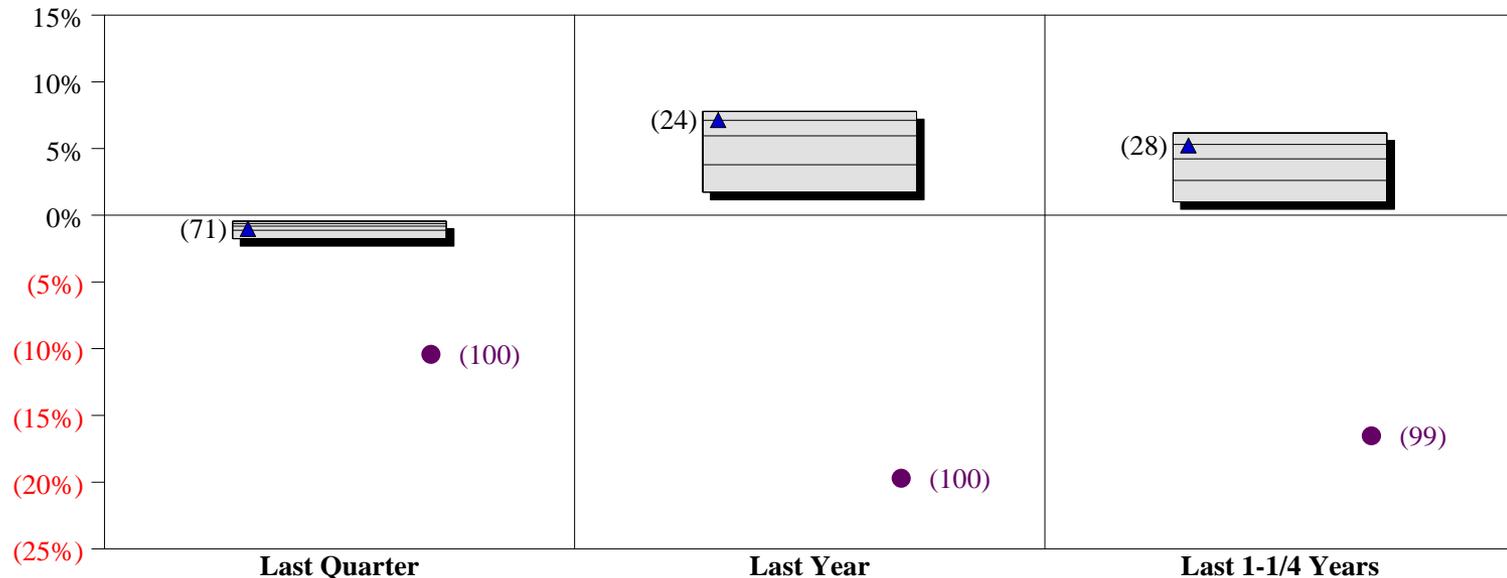
The GOOD,
The BAD And
The UGLY



The GOOD, The BAD And The UGLY

Callan Performance Report – June 30, 2008

Performance vs CAI Core Bond Fixed-Inc Style



	Last Quarter	Last Year	Last 1-1/4 Years
10th Percentile	(0.45)	7.77	6.16
25th Percentile	(0.62)	7.11	5.32
Median	(0.82)	5.95	4.23
75th Percentile	(1.13)	3.78	2.61
90th Percentile	(1.75)	1.72	1.01
Hyperion ●	(10.44)	(19.73)	(16.54)
LB Aggregate Index ▲	(1.02)	7.12	5.22



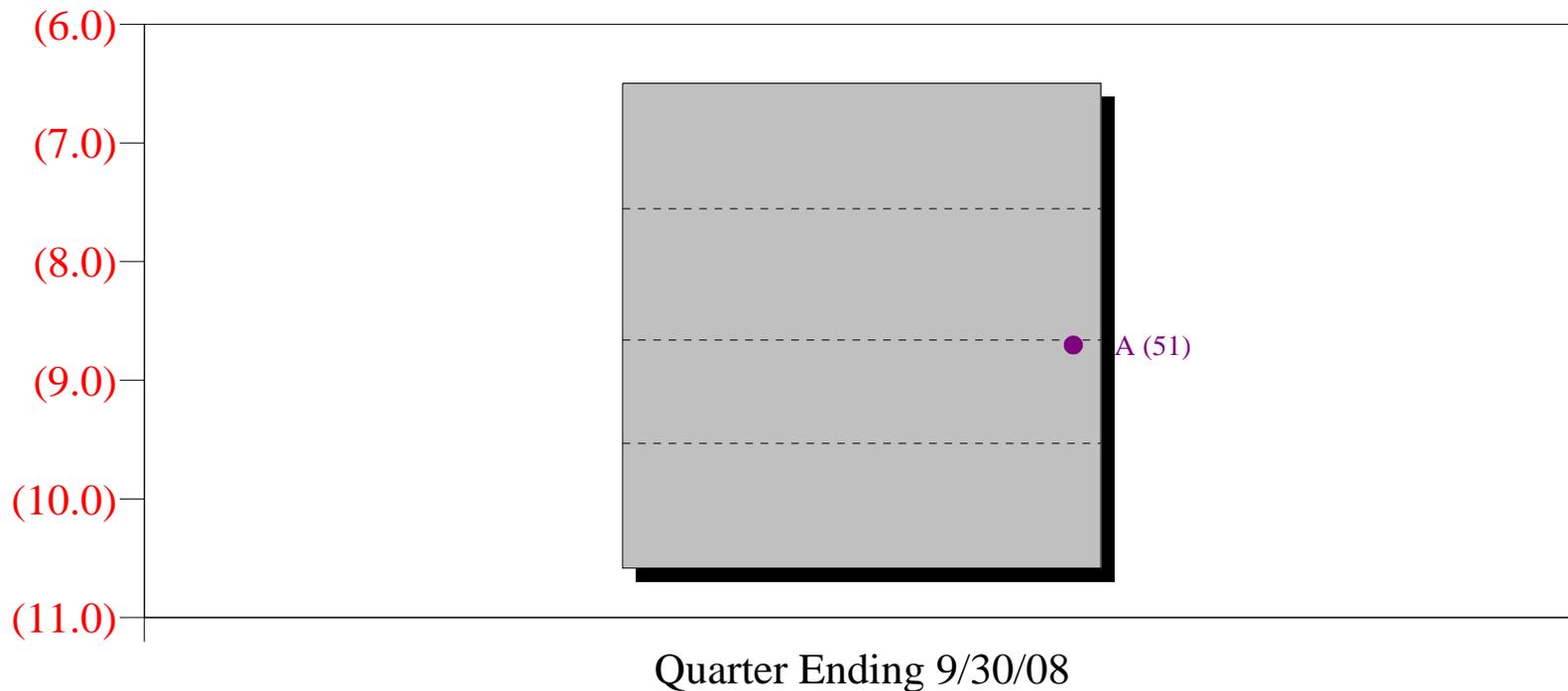
FY2009

NDSIB Investment Program

Update

December 16, 2008

Returns
for Periods Ended September 30, 2008
Group: CAI Public Fund Sponsor Database

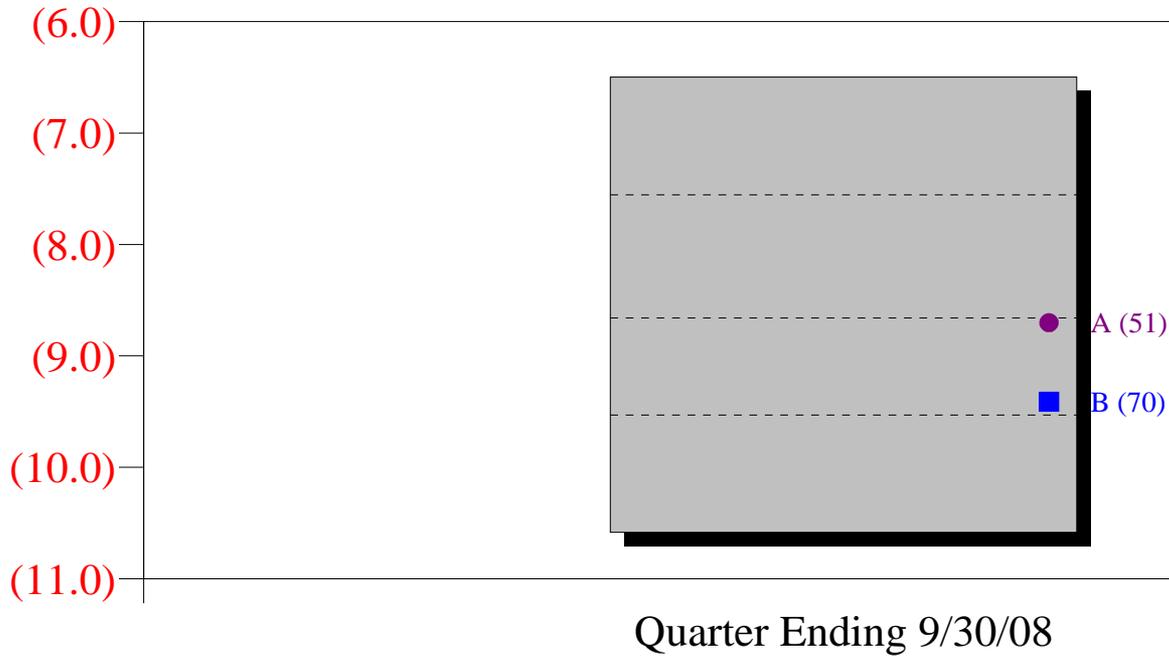


10th Percentile	(6.50)
25th Percentile	(7.55)
Median	(8.66)
75th Percentile	(9.53)
90th Percentile	(10.58)

Member Count	108
--------------	-----

ND Pen - Total Fund	● A	(8.70)
---------------------	-----	--------

Returns
for Periods Ended September 30, 2008
Group: CAI Public Fund Sponsor Database

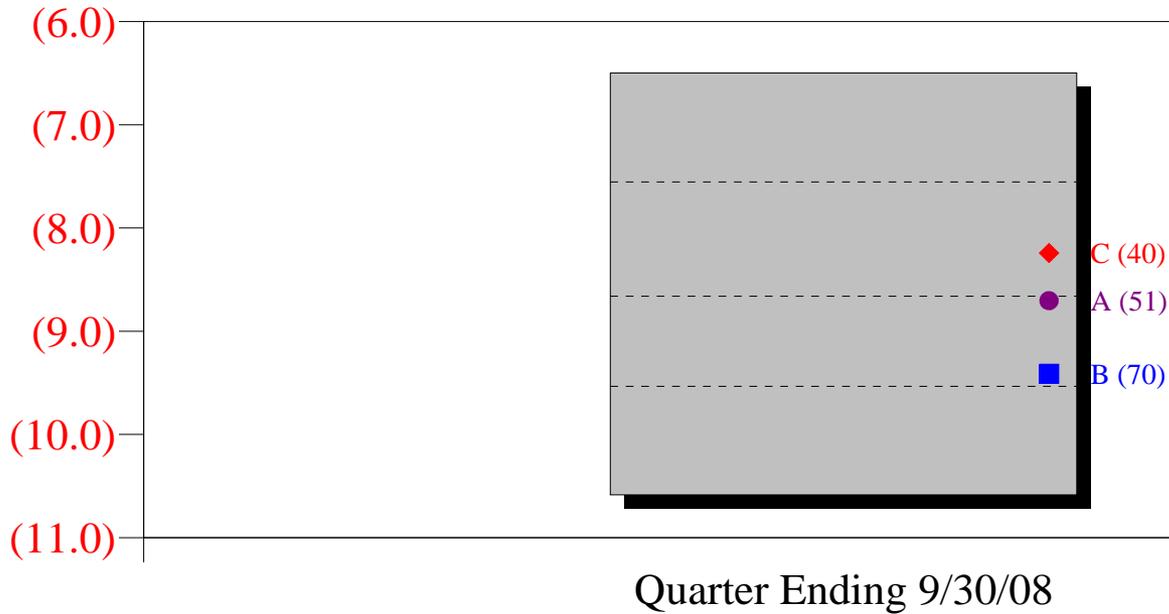


10th Percentile	(6.50)
25th Percentile	(7.55)
Median	(8.66)
75th Percentile	(9.53)
90th Percentile	(10.58)

Member Count 108

ND Pen - Total Fund	● A	(8.70)
TFFR Total Fund-Gross	■ B	(9.41)

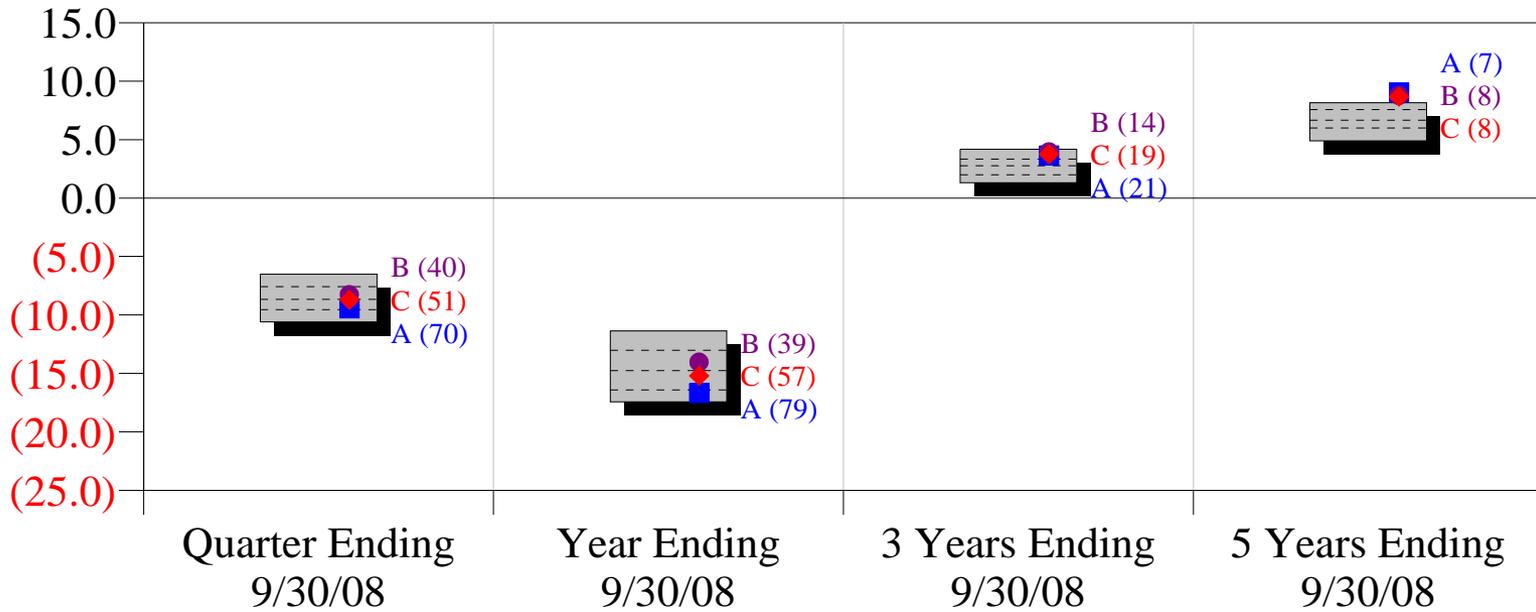
Returns
for Periods Ended September 30, 2008
Group: CAI Public Fund Sponsor Database



10th Percentile	(6.50)
25th Percentile	(7.55)
Median	(8.66)
75th Percentile	(9.53)
90th Percentile	(10.58)
Member Count	108

ND Pen - Total Fund	● A	(8.70)
TFFR Total Fund-Gross	■ B	(9.41)
PERS Total Fund-Gross	◆ C	(8.24)

Returns
for Periods Ended September 30, 2008
Group: CAI Public Fund Sponsor Database



10th Percentile	(6.50)	(11.35)	4.19	8.18
25th Percentile	(7.55)	(13.01)	3.35	7.60
Median	(8.66)	(14.76)	2.78	6.67
75th Percentile	(9.53)	(16.41)	2.01	6.02
90th Percentile	(10.58)	(17.42)	1.33	4.90
Member Count	108	107	101	99
TFFR Total Fund-Gross	■ A (9.41)	(16.65)	3.65	9.04
PERS Total Fund-Gross	● B (8.24)	(14.01)	3.97	8.79
ND Pen - Total Fund	◆ C (8.70)	(15.19)	3.74	8.68

FY YTD Estimate

YTD through October 31: -20.08%

PERS estimated YTD (12-8-08): -22%