

NDPERS  
457  
Companion Plan  
Quarterly Report  
2<sup>nd</sup> Quarter  
4/1/2008 – 6/30/2008



North Dakota Public Employees Retirement System  
400 E Bdwy, Suite 505  
Box 1657  
Bismarck, ND 58502

## DOMESTIC AND WORLD EVENTS: 2nd QUARTER 2008

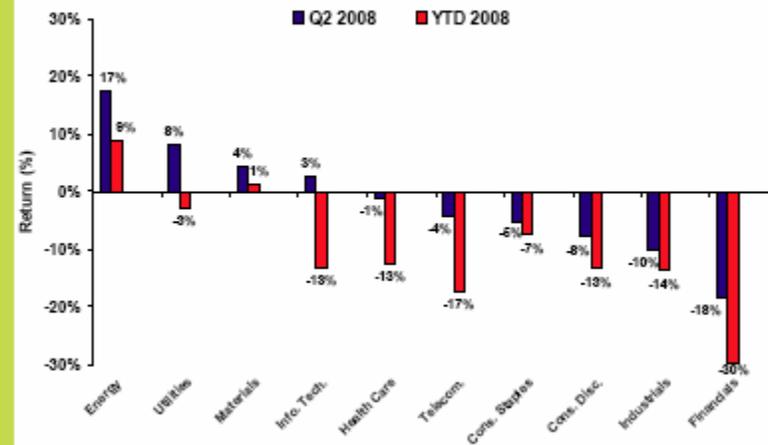
- Stocks flirted with official "bear market" decline
- Financial sector-writedowns, de-leveraging continued
- Tough times for consumers:
  - Home Price Decline Accelerated
  - Mortgage Rates Increased
  - Employment Deteriorated
  - Cost of Living Rose

### Source:

Unemployment Rate: <http://www.dol.gov>; May 2008

Underemployment and New Claims in Recession Range: NY Times 2 July 2008, "Deepening Cycle of Job Loss," pp A1, A13

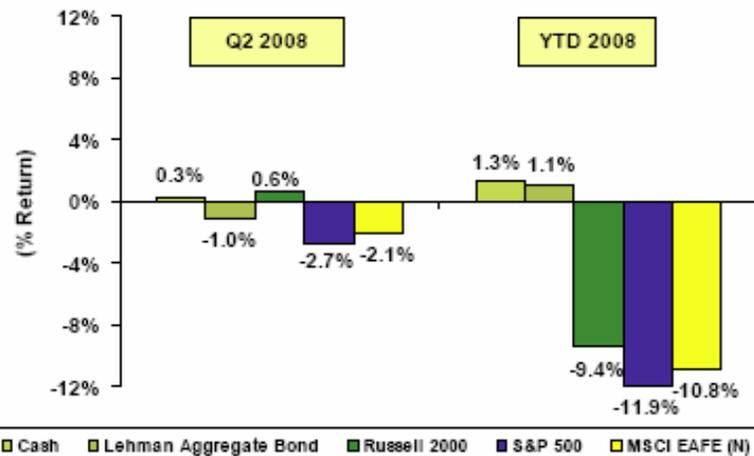
## U.S. STOCKS: SECTOR PERFORMANCE



Because of their narrow focus, sector funds may be more volatile than funds that diversify across many sectors. Past performance does not guarantee future results.

Source: Factset, S&P 500 sub-sectors as of 6/30/08

## RECENT MARKET PERFORMANCE

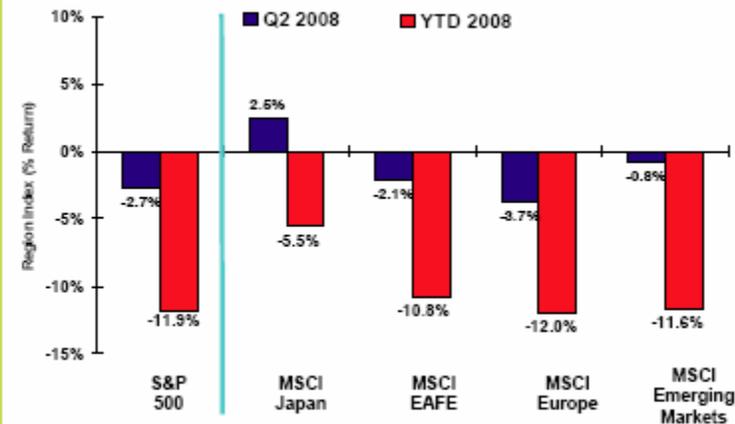


Past performance is no guarantee of future results.

Source: Data as of 6/30/08. All indices are unmanaged and performance of the indices include reinvestment of dividends and interest income. Returns do not consider the effect of taxes and advisory fees and an investment cannot be made in an index.

Please see the end of this presentation for important index definitions. Cash is represented by Lehman Brothers 3-Month US Treasury Index.

## INTERNATIONAL STOCKS PERFORMANCE



Past performance does not guarantee future results.

Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuations.

Source: Fidelity Investments as of 6/30/08. Indices are unmanaged and you cannot invest directly in an index.

# NDPERS 401(a) Defined Contribution Plan & 457 Companion Plan - Fidelity

**INITIAL OFFERING:**

Fidelity Equity-Income Mutual Shares A	Fidelity Spartan US Equity Index Fidelity Dividend Growth	Fidelity Growth Company Fidelity Blue Chip Growth	<b>LARGE</b>
Goldman Sachs Mid Cap Value	Dreyfus Mid Cap Index Fidelity Spartan Ext Mkt Index	Fidelity Mid Cap Stock	
Allianz NFJ Small Cap Value	Dreyfus Small Cap Index	MSIF Small Co Growth B	<b>MEDIUM</b>
			<b>SMALL</b>
<b>VALUE</b>	<b>BLEND</b>	<b>GROWTH</b>	

BALANCED FUND: Fidelity Puritan Fund  
 INCOME FUNDS: Fidelity Managed Income Portfolio  
 BOND FUNDS: PIMCO Total Return Bond Fund  
 INTERNATIONAL FUNDS: Fidelity Diversified International (Blend Bias)

LIFESTYLE FUNDS: Fidelity Freedom Income  
 Fidelity Freedom 2000 Fidelity Freedom 2015 Fidelity Freedom 2030  
 Fidelity Freedom 2005 Fidelity Freedom 2020 Fidelity Freedom 2035  
 Fidelity Freedom 2010 Fidelity Freedom 2025 Fidelity Freedom 2040, 2045 & 2050

**FUND STYLE CHANGES:**

			<b>LARGE</b>
	Goldman Sachs Mid Cap Value	Fidelity Spartan Ext Mkt Index	
			<b>MEDIUM</b>
			<b>SMALL</b>
<b>VALUE</b>	<b>BLEND</b>	<b>GROWTH</b>	

INCOME FUNDS:  
 BOND FUNDS:  
 INTERNATIONAL FUNDS: Fidelity Diversified International (Growth Bias)  
 BALANCED FUNDS:  
 LIFESTYLE FUNDS:

**CURRENT LINEUP:**

Fidelity Equity-Income Mutual Shares A	Fidelity Spartan US Equity Index Fidelity Dividend Growth	Fidelity Growth Company Fidelity Blue Chip Growth	<b>LARGE</b>
	Dreyfus Mid Cap Index Goldman Sachs Mid Cap Value	Fidelity Mid Cap Stock Fidelity Spartan Ext Mkt Index	
Allianz NFJ Small Cap Value	Dreyfus Small Cap Index	MSIF Small Co Growth B	<b>MEDIUM</b>
			<b>SMALL</b>
<b>VALUE</b>	<b>BLEND</b>	<b>GROWTH</b>	

BALANCED FUND: Fidelity Puritan Fund  
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LIFESTYLE FUNDS: Fidelity Freedom Income  
 Fidelity Freedom 2000 Fidelity Freedom 2015 Fidelity Freedom 2030  
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## NDPERS Investment Benchmarks - 2nd Quarter 2008

	<u>Quarter</u>	<u>Y-T-D</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>
<u>Stable Value Fund</u>					
<b>Fidelity Managed Income Portfolio</b>	<b>0.94%</b>	2.14%	4.39%	4.17%	4.12%
GIC 5 Year	1.07%	2.13%	4.26%	4.76%	5.07%
<u>Fixed Income Fund</u>					
<b>PIMCO Total Return Bond Fund - PTRAX</b>	<b>-1.37%</b>	1.84%	10.55%	4.71%	4.45%
Lehman Aggregate Bond Index	-1.02%	1.13%	7.12%	4.09%	3.86%
Taxable Bond Fund Universe	-0.81%	-1.21%	2.49%	2.07%	3.48%
<u>Balanced Fund</u>					
<b>Fidelity Puritan - FPURX</b>	<b>-0.30%</b>	<b>-7.79%</b>	<b>-7.54%</b>	<b>5.61%</b>	<b>7.63%</b>
60% Large Cap Value Univ & 40% Taxable Bond Universe	-4.64%	-8.21%	-9.65%	2.63%	5.99%
60% Russell 3000 Value & 40% Lehman Agg Bond Index	#VALUE!	#VALUE!	-8.56%	3.64%	6.94%
<u>Large Cap Equities - Value</u>					
<b>Fidelity Equity-Income - FEQIX</b>	<b>-5.29%</b>	<b>-14.48%</b>	<b>-20.04%</b>	<b>3.64%</b>	<b>7.54%</b>
<b>Franklin Mutual Shares A - TESIX</b>	<b>-5.78%</b>	<b>-14.51%</b>	<b>-19.47%</b>	<b>3.70%</b>	<b>8.21%</b>
Russell 1000 Value Index	-5.31%	-13.57%	-18.78%	3.53%	8.92%
Large Cap Value Fund Universe	-7.19%	-12.87%	-17.74%	3.00%	7.66%
<u>Large Cap Equities - Blend</u>					
<b>Fidelity Spartan US Equity Index - FUSEX</b>	<b>-2.74%</b>	<b>-11.94%</b>	<b>-13.16%</b>	<b>4.34%</b>	<b>7.49%</b>
<b>Fidelity Dividend Growth - FDGFX &lt; Under Review 3/2007 &gt;</b>	<b>-3.21%</b>	<b>-12.82%</b>	<b>-17.80%</b>	<b>2.24%</b>	<b>4.10%</b>
S&P 500 Index	-2.73%	-11.91%	-13.12%	4.41%	7.58%
Large Cap Blend Fund Universe	-4.53%	-11.02%	-12.08%	4.52%	7.59%
<u>Large Cap Equities - Growth</u>					
<b>Fidelity Growth Company - FDGRX</b>	<b>7.00%</b>	<b>-5.48%</b>	<b>3.93%</b>	<b>12.26%</b>	<b>13.43%</b>
Russell 3000 Growth Index	N/A	N/A	-6.38%	5.93%	7.56%
<b>Fidelity Blue Chip Growth - FBGRX &lt; Under Review 3/2007 &gt;</b>	<b>0.51%</b>	<b>-10.12%</b>	<b>-6.10%</b>	<b>4.07%</b>	<b>5.66%</b>
Russell 1000 Growth Index	1.25%	-9.06%	-5.96%	5.91%	7.32%
Large Cap Growth Fund Universe	-1.35%	-10.07%	-5.63%	5.91%	7.73%
<u>Mid Cap Equities - Value</u>					
<b>Goldman Sachs Mid Cap Value - GCMAX</b>	<b>4.55%</b>	<b>-3.71%</b>	<b>-9.59%</b>	<b>6.73%</b>	<b>13.79%</b>
Russell Mid Cap Value	0.07%	-8.58%	-17.09%	4.97%	13.00%
Mid Cap Value Fund Universe	-3.41%	-8.81%	-16.85%	3.77%	10.67%
<u>Mid Cap Equities - Blend</u>					
<b>Dreyfus Mid Cap Index - PESPX</b>	<b>5.34%</b>	<b>N/A</b>	<b>-7.60%</b>	<b>7.04%</b>	<b>12.13%</b>
S&P Mid Cap 400	5.43%	-3.90%	-7.34%	7.45%	12.61%
<b>Fidelity Spartan Extended Mkt Index - FSEM X</b>	<b>2.18%</b>	<b>-7.74%</b>	<b>-11.27%</b>	<b>6.61%</b>	<b>12.19%</b>
Wilshire 4500 Index	1.83%	-8.48%	-11.52%	6.63%	12.45%
Mid Cap Blend Fund Universe	-1.18%	-7.83%	-13.16%	5.25%	10.67%
<u>Mid Cap Equities - Growth</u>					
<b>Fidelity Mid Cap Stock - FMCSX</b>	<b>11.57%</b>	<b>-3.12%</b>	<b>-8.66%</b>	<b>11.32%</b>	<b>12.50%</b>
Russell Mid Cap Growth	4.65%	-6.81%	-6.42%	8.19%	12.32%
Mid Cap Growth Fund Universe	1.07%	-8.84%	-6.58%	7.69%	10.97%

Fund Returns in RED do not meet both benchmarks.

Fund Returns in BLACK meet both benchmarks.

## NDPERS Investment Benchmarks - 2nd Quarter 2008

	Quarter	Y-T-D	1-Year	3-Year	5-Year
<u>Small Cap Equities - Value</u>					
<b>Allianz NFJ Small Cap Value - PVADX</b>	<b>1.40%</b>	<b>-2.33%</b>	<b>-6.83%</b>	<b>9.06%</b>	<b>14.55%</b>
Russell 2000 Value Index	-3.55%	-9.84%	-21.63%	1.39%	10.02%
Small Value Fund Universe	-4.50%	-8.26%	-19.69%	1.56%	9.70%
<u>Small Cap Equities - Blend</u>					
<b>Dreyfus Small Cap Index - DISSX</b>	<b>0.25%</b>	<b>N/A</b>	<b>-15.00%</b>	<b>3.69%</b>	<b>11.13%</b>
Russell 2000 Index	0.58%	-9.37%	-16.19%	3.79%	10.29%
S & P 600 Index	N/A	N/A	N/A	N/A	N/A
Small Blend Fund Universe	-1.98%	-8.87%	-16.94%	3.53%	10.57%
<u>Small Cap Equities - Growth</u>					
<b>MSI Small Co Growth B - MSSMX</b>	<b>-1.65%</b>	<b>-13.32%</b>	<b>-15.75%</b>	<b>2.33%</b>	<b>10.32%</b>
Russell 2000 Growth Index	4.47%	-8.93%	-10.83%	6.08%	10.37%
Small Growth Fund Universe	0.56%	-11.37%	-13.65%	4.16%	9.32%
<u>International Equity Funds</u>					
<b>Fidelity Diversified International - FDIVX</b>	<b>-0.06%</b>	<b>-9.67%</b>	<b>-5.66%</b>	<b>14.39%</b>	<b>17.85%</b>
MSCI EAFE	-2.12%	-10.83%	-10.47%	13.02%	16.91%
International Stock Fund Universe	-5.13%	-11.68%	-9.97%	13.02%	15.68%
<u>Asset Allocation Funds:</u>					
<b>Fidelity Freedom Income - FFFAX</b>	<b>0.33%</b>	<b>-1.42%</b>	<b>0.03%</b>	<b>4.06%</b>	<b>4.11%</b>
Income Benchmark	-0.45%	-2.20%	0.73%	5.61%	5.35%
<b>Fidelity Freedom 2000 - FFFBX</b>	<b>0.29%</b>	<b>-2.06%</b>	<b>-0.75%</b>	<b>4.19%</b>	<b>4.52%</b>
2000 Benchmark	-0.55%	-3.20%	-0.81%	5.64%	5.84%
<b>Fidelity Freedom 2005 - FFFVX</b>	<b>0.23%</b>	<b>-4.87%</b>	<b>-3.45%</b>	<b>5.28%</b>	<b>N/A</b>
2005 Benchmark	-1.03%	-5.23%	-3.49%	5.76%	7.40%
<b>Fidelity Freedom 2010 - FFFCX</b>	<b>0.18%</b>	<b>-4.89%</b>	<b>-3.45%</b>	<b>5.49%</b>	<b>6.57%</b>
2010 Benchmark	-1.06%	-5.43%	-3.78%	5.72%	7.48%
<b>Fidelity Freedom 2015 - FFFVX</b>	<b>0.29%</b>	<b>-5.66%</b>	<b>-4.40%</b>	<b>6.07%</b>	<b>N/A</b>
2015 Benchmark	-1.13%	-6.10%	-4.80%	5.81%	7.93%
<b>Fidelity Freedom 2020 - FFFDX</b>	<b>0.22%</b>	<b>-7.07%</b>	<b>-6.04%</b>	<b>6.53%</b>	<b>8.40%</b>
2020 Benchmark	-1.23%	-7.47%	-6.95%	5.94%	8.68%
<b>Fidelity Freedom 2025 - FFFWX</b>	<b>0.31%</b>	<b>-7.53%</b>	<b>-6.71%</b>	<b>6.63%</b>	<b>N/A</b>
2025 Benchmark	-1.25%	-7.71%	-7.33%	6.03%	8.86%
<b>Fidelity Freedom 2030 - FFFEX</b>	<b>0.26%</b>	<b>-8.85%</b>	<b>-8.21%</b>	<b>6.92%</b>	<b>9.19%</b>
2030 Benchmark	-1.31%	-9.04%	-9.46%	6.22%	9.48%
<b>Fidelity Freedom 2035 - FFFHX</b>	<b>0.25%</b>	<b>-9.05%</b>	<b>-8.54%</b>	<b>6.93%</b>	<b>N/A</b>
2035 Benchmark	-1.28%	-9.06%	-9.53%	6.31%	9.60%
<b>Fidelity Freedom 2040 - FFFFH</b>	<b>0.35%</b>	<b>-9.35%</b>	<b>-8.54%</b>	<b>6.93%</b>	<b>N/A</b>
2040 Benchmark	-1.24%	-9.34%	-10.11%	6.34%	9.76%
<b>Fidelity Freedom 2045 - FFFGX</b>	<b>0.09%</b>	<b>-9.70%</b>	<b>-9.24%</b>	<b>N/A</b>	<b>N/A</b>
2040 Benchmark	-1.26%	-9.70%	-10.66%	6.53%	10.07%
<b>Fidelity Freedom 2050 - FFFHX</b>	<b>0.12%</b>	<b>-9.68%</b>	<b>-10.13%</b>	<b>N/A</b>	<b>N/A</b>
2040 Benchmark	-1.28%	-9.95%	-11.03%	6.63%	10.25%
Income Benchmark is comprised of 20% Wilshire 5000, 35% LB Agg, 5% ML HY Bond, 40% 3 Month T-Bill					
2000 Benchmark is comprised of 28% Wilshire 5000, 1% MSCI EAFE, 30% LB Agg, 5% ML HY Bond, 36% 3 Month T-Bill					
2005 Benchmark is comprised of 40% Wilshire 5000, 10% MSCI EAFE, 34% LB Agg, 5% ML HY Bond, 11% 3 Month T-Bill					
2010 Benchmark is comprised of 42% Wilshire 5000, 10% MSCI EAFE, 34% LB Agg, 5% ML HY Bond, 9% 3 Month T-Bill					
2015 Benchmark is comprised of 46% Wilshire 5000, 12% MSCI EAFE, 31% LB Agg, 6% ML HY Bond, 5% 3 Month T-Bill					
2020 Benchmark is comprised of 56% Wilshire 5000, 14% MSCI EAFE, 23% LB Agg, 7% ML HY Bond					
2025 Benchmark is comprised of 57% Wilshire 5000, 15% MSCI EAFE, 21% LB Agg, 7% ML HY Bond					
2030 Benchmark is comprised of 67% Wilshire 5000, 16% MSCI EAFE, 10% LB Agg, 7% ML HY Bond					
2035 Benchmark is comprised of 66% Wilshire 5000, 17% MSCI EAFE, 9% LB Agg, 8% ML HY Bond					
2040 Benchmark is comprised of 68% Wilshire 5000, 17% MSCI EAFE, 5% LB Agg, 10% ML HY Bond					
2045 Benchmark is comprised of 69% Wilshire 5000, 19% MSCI EAFE, 2% LB Agg, 10% ML HY Bond					
2050 Benchmark is comprised of 70% Wilshire 5000, 20% MSCI EAFE, 0% LB Agg, 10% ML HY Bond					
Wilshire 5000 Index	-1.48%	-10.95%	-12.46%	5.06%	8.78%
MSCI EAFE	-2.12%	-10.83%	-10.47%	13.02%	16.91%
Lehman Aggregate Bond Index	-1.02%	1.13%	7.12%	4.09%	3.86%
ML High Yield Bond Fund Index	1.81%	-1.14%	-2.12%	4.84%	7.23%
3 Month T-Bill Index	0.29%	-0.86%	2.10%	7.30%	4.71%
Russell 3000 Value Index	N/A	N/A	-19.02%	3.34%	8.99%

Fund Returns in RED do not meet both benchmarks.

Fund Returns in BLACK meet both benchmarks.

## NDPERS Mutual Fund Research - 6/30/2008

### Large Value

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Stocks	Turnover	P/E	Median Mkt Cap	Morn-Star Rating	Category Rank			Average Return				Standard=S&P 500 Index			Standard Deviation	Sharpe Ratio
											3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha		
Fidelity Puritan	FPURX	22.1 Billion	4/16/1947	3 Years	0.59%	3010	70%	15.4	38.0 Bil	4-Stars	27	28	-0.30	-7.54	5.61	7.63	5.25	96	0.68	1.10	7.17	0.22
Fidelity Equity-Income	FEQIX	26.0 Billion	5/16/1966	14 Years	0.66%	278	23%	13.5	46.8 Bil	3-Stars	43	54	-5.29	-20.04	3.64	7.54	3.93	95	1.07	-0.67	11.20	0.00
Franklin Mutual Shares A	TESIX	20.9 Billion	11/11/1996	Team	1.06%	301	41%	12.6	30.8 Bil	3-Stars	55	32	-5.78	-19.47	3.70	8.21	6.51	84	0.91	-0.62	10.12	0.00

### Large Blend

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Stocks	Turnover	P/E	Median Mkt Cap	Morn-Star Rating	Category Rank			Average Return				Standard=S&P 500 Index			Standard Deviation	Sharpe Ratio
											3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha		
Fidelity Spartan US Equity Index	FUSEX	25.8 Billion	3/6/1990	Team	0.09%	503	7%	14.6	51.3 Bil	3-Stars	45	45	-2.74	-13.16	4.34	7.49	2.76	100	1.00	-0.06	10.23	0.06
Fidelity Dividend Growth <Under Review>	FDGFX	9.9 Billion	4/27/1993	11 Years	0.60%	96	36%	13.3	47.9 Bil	3-Stars	84	94	-3.21	-17.80	2.24	4.10	3.66	93	0.94	-2.09	9.98	-0.15
Fidelity Diversified International	FDIVX	50.3 Billion	12/27/1991	7 Years	0.91%	396	51%	11.9	32.7 Bil	4-Stars	46	21	-0.06	-5.66	14.39	17.85	10.58				13.22	0.78

### Large Growth

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Stocks	Turnover	P/E	Median Mkt Cap	Morn-Star Rating	Category Rank			Average Return				Standard=S&P 500 Index			Standard Deviation	Sharpe Ratio
											3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha		
Fidelity Growth Company	FDGRX	36.3 Billion	1/17/1983	11 Years	0.93%	325	49%	18.3	24.0 Bil	5-Stars	3	5	7.00	3.93	12.26	13.43	7.56	73	1.11	7.56	13.22	0.63
Fidelity Blue Chip Growth <Under Review>	FBGRX	13.6 Billion	12/31/1987	1 Years	0.59%	134	87%	18.2	38.3 Bil	3-Stars	68	78	0.51	-6.10	4.07	5.66	1.41	88	1.00	-0.26	10.89	0.04

### Medium Value

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Stocks	Turnover	P/E	Median Mkt Cap	Morn-Star Rating	Category Rank			Average Return				Standard=S&P 500 Index			Standard Deviation	Sharpe Ratio
											3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha		
Goldman Sachs Mid Cap Value	GCMAX	6.9 Billion	8/15/1997	Team	1.16%	117	74%	13.1	7.5 Bil	4-Stars	15	9	4.55	-9.59	6.73	13.79	9.65	82	1.00	2.31	11.24	0.27

### Medium Blend

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Stocks	Turnover	P/E	Median Mkt Cap	Morn-Star Rating	Category Rank			Average Return				Standard=S&P 500 Index			Standard Deviation	Sharpe Ratio
											3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha		
Dreyfus Mid Cap Index	PESPX	2.2 Billion	6/19/1991	8 Years	0.50%	403	23%	17.1	3.3 Bil	4-Stars	29	27	5.34	-7.60	7.04	12.13	9.29	80	1.07	2.66	12.23	0.28
Fidelity Spartan Extended Mkt Index	FSEMX	3.2 Billion	11/5/1997	Team	0.09%	3489	17%	15.3	3.3 Bil	3-Stars	41	29	2.18	-11.27	6.61	12.19	5.68	81	1.09	2.26	12.32	0.24

### Medium Growth

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Stocks	Turnover	P/E	Median Mkt Cap	Morn-Star Rating	Category Rank			Average Return				Standard=S&P 500 Index			Standard Deviation	Sharpe Ratio
											3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha		
Fidelity Mid-Cap Stock	FMCSX	13.3 Billion	3/29/1994	3 Years	0.82%	155	52%	18.7	7.9 Bil	4-Stars	25	39	11.57	-8.66	11.32	12.50	9.27	65	1.14	6.83	14.29	0.53

### Small Value

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Stocks	Turnover	P/E	Median Mkt Cap	Morn-Star Rating	Category Rank			Average Return				Standard=S&P 500 Index			Standard Deviation	Sharpe Ratio
											3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha		
Allianz NFJ Small Cap Value Adm	PVADX	4.3 Billion	11/1/1995	Team	1.07%	123	27%	13.6	1.9 Bil	5-Stars	2	3	1.40	-6.83	9.06	14.55	10.51	72	0.95	4.54	11.34	0.46

### Small Blend

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Stocks	Turnover	P/E	Median Mkt Cap	Morn-Star Rating	Category Rank			Average Return				Standard=S&P 500 Index			Standard Deviation	Sharpe Ratio
											3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha		
Dreyfus Small Cap Index	DISSX	890 Million	6/30/1997	8 Years	0.50%	602	25%	16.0	1.3 Bil	3-Stars	41	31	0.25	-15.00	3.69	11.13	7.15	74	1.08	-0.46	12.78	0.02

### Small Growth

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Stocks	Turnover	P/E	Median Mkt Cap	Morn-Star Rating	Category Rank			Average Return				Standard=S&P 500 Index			Standard Deviation	Sharpe Ratio
											3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha		
Morgan Stanley Small Cap Growth B	MSSMX	1.5 Billion	1/2/1996	Team	1.26%	66	76%	22.6	1.3 Bil	4-Stars	69	44	-1.65	-15.75	2.33	10.32	9.81	75	1.22	-1.67	14.36	-0.06

## Lifestyle / Others

Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Holdings	Turnover	P/E	Median Mkt Cap	Morn-Star Rating	Category Rank			Average Return				Standard=S&P 500 Index			Standard Deviation	Sharpe Ratio
											3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha		
Fidelity Managed Income Portfolio		8.1 Billion	9/7/1989	15 Years	0.55%								0.94	4.39	4.17	4.12	4.84	N/A	N/A	N/A		
PIMCO Total Return Bond Fund	PTRAX	128.8 Billion	9/8/1994	20 Years	0.68%	15208	257%			5-Stars	3	6	-1.37	10.55	4.71	4.45	6.23	N/A	N/A	N/A	3.70	0.14
Fidelity Freedom Income	FFFAX	2.6 Billion	10/17/1996	3 Years	0.49%	21	33%	16.2	42.7 Bil	3-Stars	45	91	0.33	0.03	4.06	4.11	4.50	N/A	N/A	N/A	2.62	-0.06
Fidelity Freedom 2000	FFFBX	1.8 Billion	10/17/1996	3 Years	0.51%	26	36%	16.2	37.7 Bil	4-Stars	42	78	0.29	-0.75	4.19	4.52	4.71	N/A	N/A	N/A	3.14	0.00
Fidelity Freedom 2005	FFFVX	1.1 Billion	11/6/2003	3 Years	0.64%	26	31%	16.6	35.1 Bil	4-Stars	11	N/A	0.23	-3.45	5.28	N/A	N/A	N/A	N/A	N/A	5.72	0.20
Fidelity Freedom 2010	FFFCX	14.1 Billion	10/17/1996	3 Years	0.65%	26	34%	16.5	35.1 Bil	5-Stars	5	5	0.18	-3.45	5.49	6.57	5.42	N/A	N/A	N/A	5.92	0.24
Fidelity Freedom 2015	FFVFX	7.7 Billion	11/6/2003	3 Years	0.67%	26	24%	16.6	35.1 Bil	4-Stars	16	N/A	0.29	-4.40	6.07	N/A	N/A	N/A	N/A	N/A	6.71	0.30
Fidelity Freedom 2020	FFFDX	20.8 Billion	10/17/1996	3 Years	0.72%	26	35%	16.6	25.4 Bil	4-Stars	6	4	0.22	-6.04	6.53	8.40	5.42	N/A	N/A	N/A	8.12	0.31
Fidelity Freedom 2025	FFTWX	7.3 Billion	11/6/2003	3 Years	0.73%	23	24%	16.5	35.1 Bil	5-Stars	5	N/A	0.31	-6.71	6.63	N/A	N/A	N/A	N/A	N/A	8.54	0.31
Fidelity Freedom 2030	FFFEX	14.1 Billion	10/17/1996	3 Years	0.76%	23	36%	16.6	25.2 Bil	4-Stars	7	17	0.26	-8.21	6.92	9.19	5.16	N/A	N/A	N/A	9.71	0.31
Fidelity Freedom 2035	FFTHX	4.3 Billion	11/6/2003	3 Years	0.77%	23	28%	16.5	35.1 Bil	4-Stars	8	N/A	0.25	-8.54	6.93	N/A	N/A	N/A	N/A	N/A	9.87	0.31
Fidelity Freedom 2040	FFFFX	7.4 Billion	9/6/2000	3 Years	0.78%	23	37%	16.6	26.8 Bil	4-Stars	6	7	0.35	-9.00	7.06	9.71	N/A	N/A	N/A	N/A	10.21	0.32
Fidelity Freedom 2045	FFFGX	0.8 Billion	9/6/2006	3 Years	0.78%	23	17%	16.3	26.8 Bil	N/A	N/A	N/A	0.09	-9.24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fidelity Freedom 2050	FFFHX	0.7 Billion	9/6/2006	3 Years	0.80%	23	16%	16.4	26.8 Bil	N/A	N/A	N/A	0.12	-9.68	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**R-squared** - This compares a fund's performance to a given index. If R-squared is 100, the fund moves in lockstep with the index to which it is being compared. Generally, a higher R-squared will indicate a more useful beta figure. If the R-squared is lower, then the beta is less relevant to the fund's performance.

**Beta** - This compares a fund's volatility to a given index. If beta is greater than 1, the fund is more volatile than the index to which it is being compared. If beta is lower than 1, the fund is less volatile than the index. If a fund's R-squared is low, beta is less reliable as a predictor of volatility.

**Alpha** - This is a measure of risk-adjusted performance. The higher a fund's alpha, the better it has done. A fund's alpha is only reliable when its R-squared is relatively high.

**Standard Deviation** - The higher this number is, the more volatile the fund's returns have been. It indicates how much the fund has deviated from its mean total return over the past three years.

**Sharpe Ratio** - This measure combines standard deviation and mean total return to show a risk-adjusted measure of the fund's performance. The higher this number is, the better. As a rule of thumb, a Sharpe ratio of more than 1.00 is very good.

# NORTH DAKOTA PUBLIC EMPLOYEE RETIREMENT SYSTEM

Spectrum Build: May 7, 2008

Categories to the left have potentially more inflation risk and less investment risk

Categories to the right have potentially less inflation risk and more investment risk

Managed Income (or Stable Value)	Bond	Balanced/Hybrid	Domestic Equity			International/Global Equity
Managed Income Portfolio	PIMCO Total Return Fund - Administrative Class	Fidelity Puritan® Fund	<b>Large Value</b> Fidelity Equity-Income Fund  Mutual Shares Fund - Class A	<b>Large Blend</b> Fidelity Dividend Growth Fund  Spartan® U.S. Equity Index Fund - Investor Class	<b>Large Growth</b> Fidelity Blue Chip Growth Fund  Fidelity Growth Company Fund	Fidelity Diversified International Fund
			<b>Mid Value</b> Goldman Sachs Mid Cap Value Fund - Class A	<b>Mid Blend</b> Dreyfus Mid Cap Index Fund  Spartan® Extended Market Index Fund - Investor Class	<b>Mid Growth</b> Fidelity Mid-Cap Stock Fund	
			<b>Small Value</b> Allianz NFJ Small-Cap Value Fund - Administrative Class	<b>Small Blend</b> Dreyfus Small Cap Stock Index Fund	<b>Small Growth</b> Morgan Stanley Institutional Fund, Inc. Small Company Growth Portfolio - Class P Shares	

Funds to the left have potentially more inflation risk and less investment risk

## Lifecycle Funds

Funds to the right have potentially less inflation risk and more investment risk

### Target-Date 2000-2014

Fidelity Freedom Income Fund®  
 Fidelity Freedom 2000 Fund®  
 Fidelity Freedom 2005 Fund®  
 Fidelity Freedom 2010 Fund®

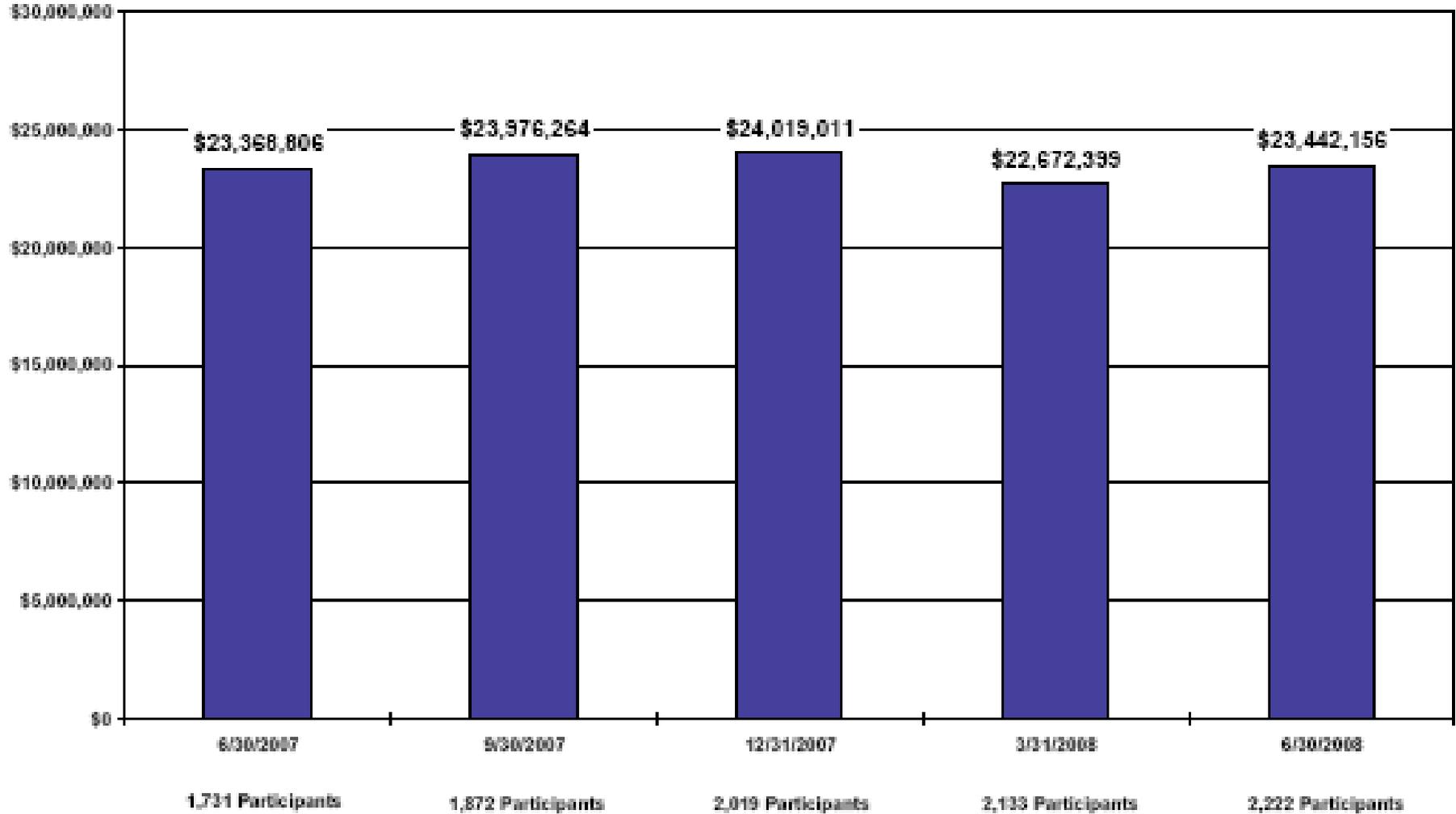
### Target-Date 2015-2029

Fidelity Freedom 2015 Fund®  
 Fidelity Freedom 2020 Fund®  
 Fidelity Freedom 2025 Fund®

### Target-Date 2030+

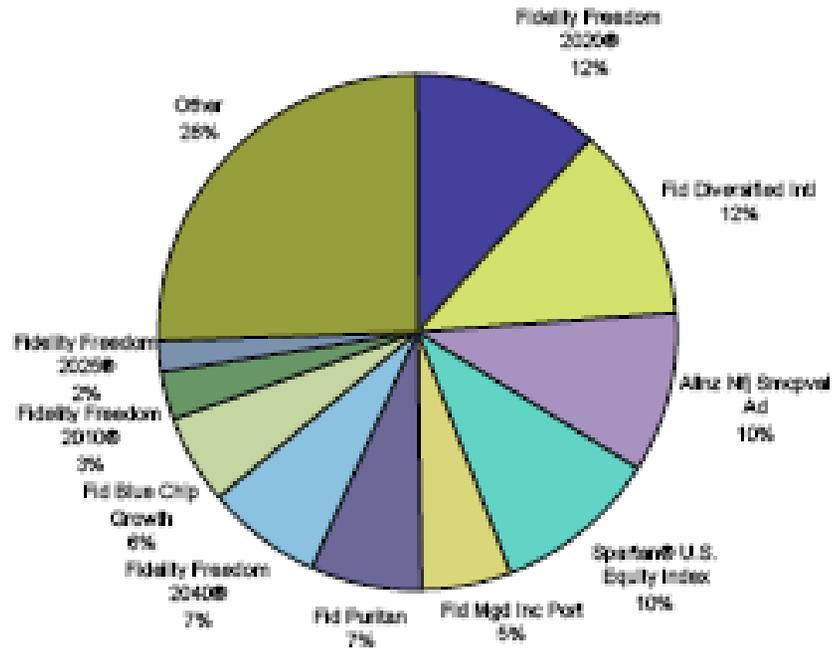
Fidelity Freedom 2030 Fund®  
 Fidelity Freedom 2035 Fund®  
 Fidelity Freedom 2040 Fund®  
 Fidelity Freedom 2045 Fund®  
 Fidelity Freedom 2050 Fund®

# Plan Assets Under Management at Fidelity



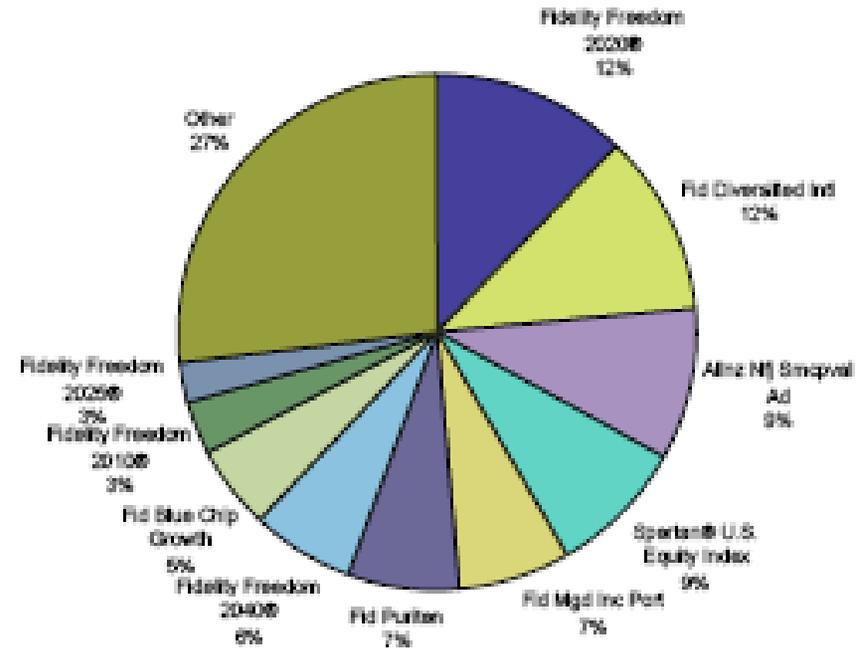
# Asset Allocation by Fund

as of 7/1/2007



Total Market Value: \$23,368,806

as of 6/30/2008

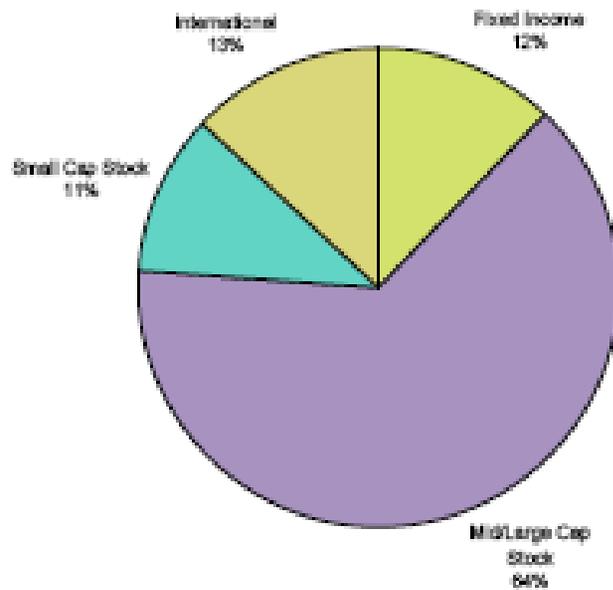


Total Market Value: \$23,442,156

# Comparative Asset Allocation

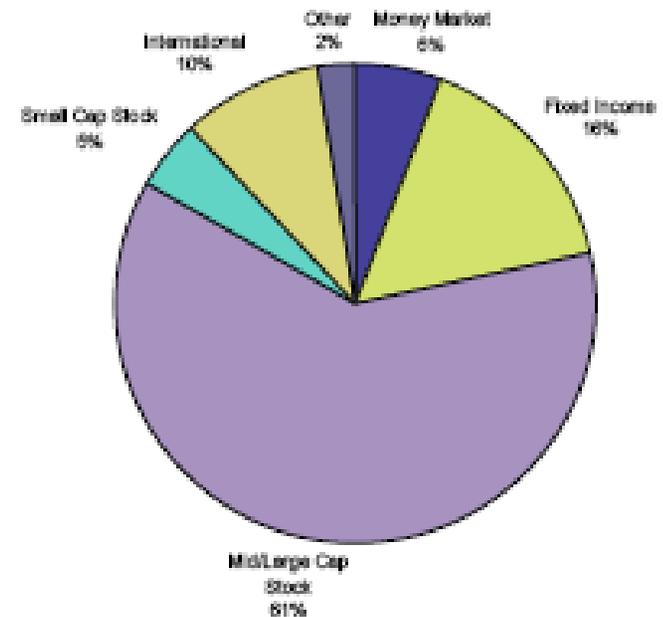
as of 6/30/2008

**NORTH DAKOTA STATE DEFERRED  
COMPENSATION COMPANION PLAN  
NORTH DAKOTA PERS**



Total Market Value: \$23,442,168

**AVG. FITSCO PUBLIC SECTOR\***



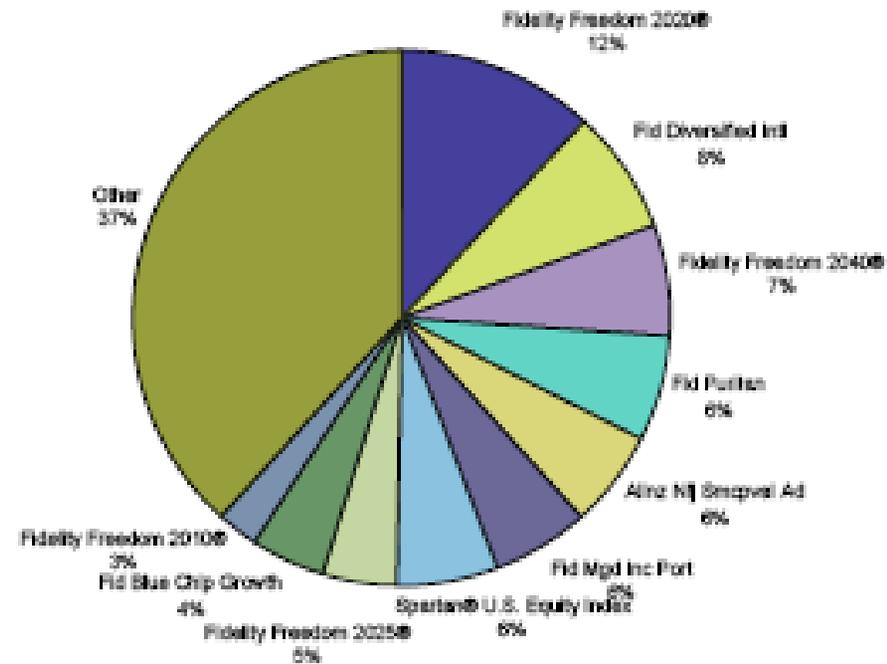
Average Market Value: \$168,175,812

■ Money Market   ■ Fixed Income   ■ Mid/Large Cap Stock   ■ Small Cap Stock   ■ International   ■ Other

\* The values in this chart represent the sum of the balances in each fund class for a representative sample of retirement plans serviced by Fidelity Investments.

# Contribution Allocation

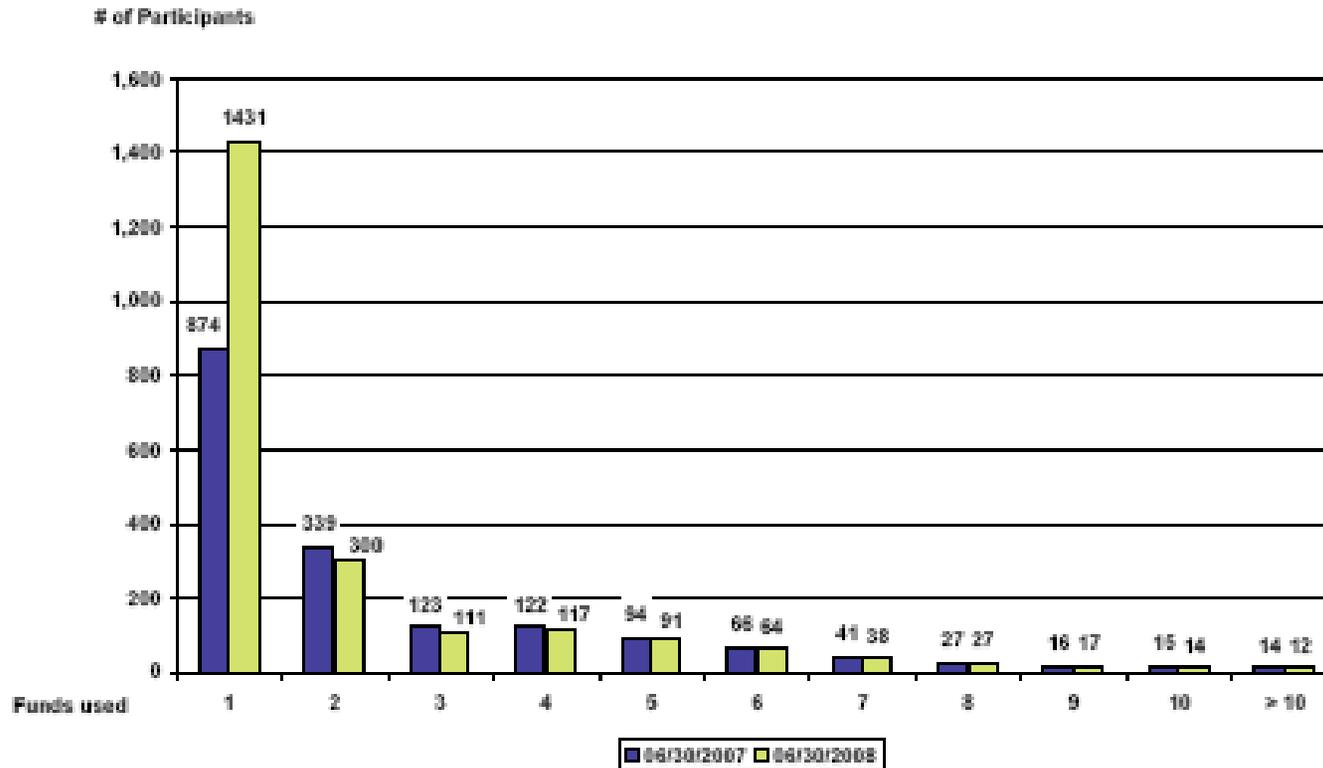
7/1/2007 - 6/30/2008



Total Contributions: \$3,384,359

Fidelity Freedom 2020®	Fid Diversified Intl	Fidelity Freedom 2040®	Fid Puritan
Allinz Nfj Smcpval Ad	Fid Mgd Inc Port	Spartan® U.S. Equity Index	Fidelity Freedom 2025®
Fid Blue Chip Growth	Fidelity Freedom 2010®	Other	

# Number of Funds per Participant



Average Investment  
options used in this plan  
as of 6/30/2007 - 2.4  
as of 6/30/2008 - 2.1

- AVG. FITSCO PUBLIC SECTOR offered 62.9 funds as of 6/30/2007 and 64.9 funds as of 6/30/2008
- An AVG. FITSCO PUBLIC SECTOR participant used 3.1 funds as of 6/30/2007 and 3.1 funds as of 6/30/2008

# NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM DEFINED CONTRIBUTION PLAN INVESTMENT OPTIONS

## PERFORMANCE UPDATE

AS OF JUNE 30, 2008

### UNDERSTANDING INVESTMENT PERFORMANCE

As you review this update, please remember that the performance data stated represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. To learn more or to obtain the most recent month-end performance, call Fidelity at 1-800-343-0860 or visit <https://www.mysavingsatwork.com> (log in, choose plan, select "Investment Choices & Research," and then pick investment option).

Fund ID	Name	Cumulative Total Returns %		Average Annual Total Returns %					Fund Inception	Short-Term Trading Fee (%/Days)	Expense Ratio
		3 Month	YTD	1 Year	5 Year	10 Year	Life of Fund				
<b>LIFE-CYCLE FUNDS</b> ⇨											
FFBXX	Fidelity Freedom 2000	0.29	-2.06	-0.75	4.52	4.71	6.25	10/17/96	n/a	0.51	
FFVXX	Fidelity Freedom 2005	0.23	-4.87	-3.45	n/a	n/a	5.76	11/06/03	n/a	0.64	
FFCXX	Fidelity Freedom 2010	0.18	-4.89	-3.45	6.57	5.42	7.49	10/17/96	n/a	0.65	
FFVFX	Fidelity Freedom 2015	0.29	-5.66	-4.40	n/a	n/a	6.69	11/06/03	n/a	0.67	
FFFDX	Fidelity Freedom 2020	0.22	-7.07	-6.04	8.40	5.42	7.81	10/17/96	n/a	0.72	
FFTWX	Fidelity Freedom 2025	0.31	-7.53	-6.71	n/a	n/a	7.42	11/06/03	n/a	0.73	
FFEXX	Fidelity Freedom 2030	0.26	-8.95	-8.21	9.19	5.16	7.64	10/17/96	n/a	0.76	
FFTHX	Fidelity Freedom 2035	0.25	-9.05	-8.54	n/a	n/a	7.87	11/06/03	n/a	0.77	
FFFX	Fidelity Freedom 2040	0.35	-9.35	-9.00	9.71	n/a	1.18	9/06/00	n/a	0.78	
FFGX	Fidelity Freedom 2045	0.09	-9.70	-9.24	n/a	n/a	3.66	6/01/06	n/a	0.78	
FFHX	Fidelity Freedom 2050	0.12	-10.13	-9.68	n/a	n/a	3.55	6/01/06	n/a	0.80	
FFFAX	Fidelity Freedom Income	0.33	-1.42	0.03	4.11	4.50	5.41	10/17/96	n/a	0.49	
<b>MANAGED INCOME / ANNUITIES / STABLE VALUE</b>											
00632	Managed Income Portfolio	0.94	2.14	4.39	4.12	4.84	5.62	9/07/89	n/a	n/a	
<b>BOND FUNDS</b> >											
PTRAX	PIMCO Total Return - Administrative Class	-1.37	1.84	10.55	4.45	6.23	7.11	9/08/94	n/a	0.68	
<b>BALANCED/HYBRID FUNDS</b>											
FFLXX	Fidelity Puritan®	-0.30	-7.79	-7.54	7.63	5.25	11.40	4/16/47	n/a	0.60	
<b>DOMESTIC EQUITY FUNDS - LARGE-CAP VALUE</b>											
FEQXX	Fidelity Equity-Income	-5.29	-14.48	-20.04	7.54	3.93	12.28	5/16/66	n/a	0.66	
TESIX	Mutual Shares - A Class	-5.78	-14.51	-19.47	8.21	6.51	8.86	11/01/96	2.00/7	1.07	

For explanations of symbols and important disclosures, please see last page(s) of this report.

continued



AS OF JUNE 30, 2008

Fund ID	Name	Cumulative Total Returns % Period Ending June 30, 2008		Average Annual Total Returns % Period Ending June 30, 2008					Fund Inception	Short-Term Trading Fee (%/Days)	Expense Ratio↔
		3 Month	YTD	1 Year	5 Year	10 Year	Life of Fund				
<b>DOMESTIC EQUITY FUNDS - LARGE-CAP BLEND</b>											
FDGFX	Fidelity Dividend Growth	-3.21	-12.82	-17.80	4.10	3.66	11.24	4/27/93	n/a	0.61	
FUSEX	Spartan® U.S. Equity Index - Investor Class	-2.74	-11.94	-13.16	7.49	2.76	10.38	2/17/88	n/a	0.10	
<b>DOMESTIC EQUITY FUNDS - LARGE-CAP GROWTH</b>											
FBGRX	Fidelity Blue Chip Growth	0.51	-10.12	-6.10	5.66	1.41	11.08	12/31/87	n/a	0.60	
FDGRX	Fidelity Growth Company	7.00	-5.48	3.93	13.43	7.56	13.89	1/17/83	n/a	0.94	
<b>DOMESTIC EQUITY FUNDS - MID-CAP VALUE</b>											
GCMAX	Goldman Sachs Mid Cap Value - Class A	4.55	-3.71	-9.59	13.79	9.65	9.81	8/15/97	n/a	1.16	
<b>DOMESTIC EQUITY FUNDS - MID-CAP BLEND</b>											
PESPX	Dreyfus Mid Cap Index	5.34	-4.06	-7.60	12.13	9.29	12.75	6/19/91	n/a	0.51	
FSEMXX	Spartan® Extended Market Index - Investor Class	2.18	-7.74	-11.27	12.19	5.68	6.31	11/05/97	0.75/90	0.10	
<b>DOMESTIC EQUITY FUNDS - MID-CAP GROWTH</b>											
FMCSX	Fidelity Mid-Cap Stock	11.57	-3.12	-8.66	12.50	9.27	13.31	3/29/94	0.75/30	0.95	
<b>DOMESTIC EQUITY FUNDS - SMALL-CAP VALUE</b>											
PVADX	Allianz NFJ Small Cap Value - Administrative Class	1.40	-2.33	-6.83	14.55	10.51	13.30	11/01/95	n/a	1.07	
<b>DOMESTIC EQUITY FUNDS - SMALL-CAP BLEND</b>											
DISSX	Dreyfus Small Cap Stock Index	0.25	-7.30	-15.00	11.13	7.15	8.20	6/30/97	n/a	0.51	
<b>DOMESTIC EQUITY FUNDS - SMALL-CAP GROWTH</b>											
MSSMX	MSIF Small Company Growth - P Class	-1.65	-13.32	-15.75	10.32	9.81	10.66	1/02/96	2.00/30	1.26	
<b>INTERNATIONAL/GLOBAL FUNDS††</b>											
FDIVX	Fidelity Diversified International	-0.06	-9.67	-5.66	17.85	10.58	11.59	12/27/91	1.00/30	0.93	

**MARKET INDICATORS^^**

For comparison purposes only. It is not possible to invest directly in these indicators.

Dow Jones Industrial Average	-6.85	-13.38	-13.27	7.20	4.50
Lehman Brothers Intermediate U.S. Government/ Credit Index	-1.53	1.43	7.37	3.49	5.55
MSCI EAFE® Index	-2.12	-10.83	-10.47	16.91	6.08
Standard & Poor's 500® Index	-2.73	-11.91	-13.12	7.58	2.88

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the inception date to the period indicated. These figures do not include the effects of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plan. If sales charges were included, returns would have been lower.

With the exception of domestic equity mutual funds, investment options have been assigned to investment categories based on Fidelity's analysis. Fidelity has verified the accuracy of the placement of certain third party non-mutual funds with either the plan sponsor or the plan sponsor's consultant. Within Domestic Equities, mutual funds are listed according to their actual Morningstar categories as of the date indicated. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past 3 years and may change at any time. These style calculations do not represent the funds' objectives and do not predict the funds' future styles.

**SPECIFIC FUNDS**

Morningstar, Inc., provided data on the non-Fidelity mutual funds. Although the data is gathered from reliable sources, accuracy and completeness cannot be guaranteed by Morningstar.

↔ For a mutual fund, the expense ratio is the total annual fund or class operating expenses (before waivers or reimbursements) paid by the fund and stated as a percent of the fund's total net assets. Where the investment option is not a mutual fund, the figure displayed in the expense ratio field is intended to reflect similar information. However, it may have been calculated using methodologies that differ from those used for mutual funds. Mutual fund data has been drawn from the most recent prospectus. For non-mutual fund investment options, the information has been provided by the trustee or plan sponsor. When no ratio is shown for these options it is due to the fact that none was available. Nevertheless, there may be fees and expenses associated with the investment option.

→ Managed Income Portfolio is not a mutual fund but is a commingled pool of the Fidelity Group Trust for Employee Benefit plans. It is managed by Fidelity Management Trust Company.

For explanations of symbols and important disclosures, please see last page(s) of this report.

continued

AS OF JUNE 30, 2008

#### MARKET INDICATORS

<sup>^^</sup> Indices are unmanaged and you cannot invest directly in an index.

**Dow Jones Industrial Average (DJIA)**, published by Dow Jones and Company, is an unmanaged average of 30 actively traded stocks (primarily industrial) and assumes reinvestment of dividends. It is not offered as a comparison for any investment option but rather as a general stock market indicator.

**Lehman Brothers Intermediate U.S. Government/Credit Index** is an unmanaged, market-value weighted index of government and investment-grade corporate fixed-rate debt issues with maturities between one and ten years.

**Morgan Stanley Capital International Europe, Australasia, and Far East (MSCI EAFE\*) Index** is a market capitalization-weighted index of equity securities of companies domiciled in various countries. The index is designed to represent the performance of developed stock markets outside the United States and Canada and excludes certain market segments unavailable to U.S. based investors. Index returns for periods after January 1, 1997 are adjusted for tax withholding rates applicable to U.S. based mutual funds organized as Massachusetts business trusts.

**The Standard & Poor's 500™ Index (S&P 500\*)** is a registered service mark of the McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks.

#### INVESTMENT RISK

➡ These funds are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risks associated with investing in high yield, small cap and foreign securities.

> In general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities.

⊕ Investments in mid-sized companies may involve greater risks than those of larger, more well-known companies, but may be less volatile than investments in smaller companies.

◆ Investments in smaller companies may involve greater risks than those of larger, more well-known companies.

†† Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

**Before investing in any investment option, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call Fidelity at 1-800-343-0860 or visit [www.fidelity.com](http://www.fidelity.com) for a free mutual fund prospectus or variable annuity prospectus. For information on fixed annuities, contact Fidelity to request a fact sheet. Read them carefully before you invest.**