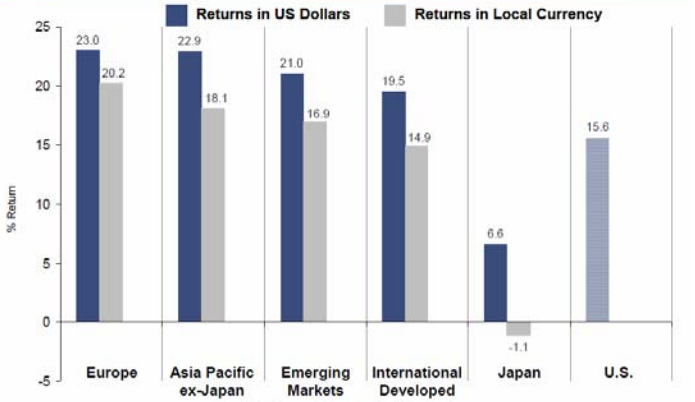
NDPERS
457
Companion Plan
Quarterly Report
3rd Quarter
7/1/2009 – 9/30/2009

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

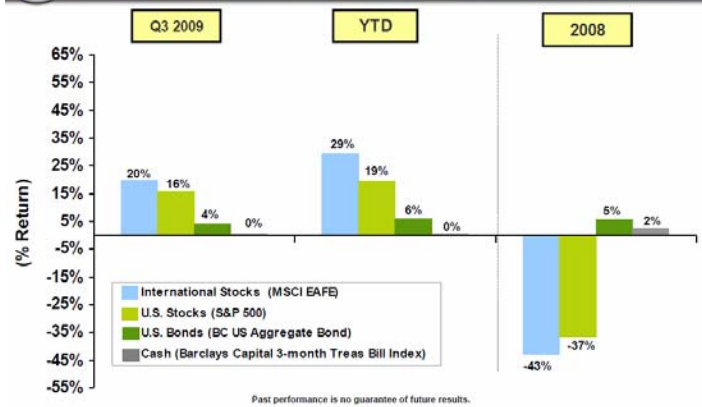
International Equity Performance: Q3 2009



Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Please see page 21 for index definitions. Performance shown is for illustrative purposes only. Source: Factset as of 9/30/2009, gross official indices. The above styles are represented by the following indexes: Europe – MSCI Europe, Asia Pacific ex-Japan – MSCI AC Asia Pacific ex Japan, Emerging Markets – MSCI Emerging Markets, International Developed Stocks – MSCI EAFE, Japan – Japan Component of the MSCI World Index, US – US Component of the MSCI World Index.

Major Asset Classes 3rd Quarter, YTD, and 2008



Past performance is no guarantee of future results.

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

Source: FMRCo, FFWV as of 9/30/2009. All indices are unmanaged and performance of the indices include reinvestment of dividends and interest income. MSCI EAFE (N) Index is net of Massachusetts taxes. Returns do not consider the effect of taxes and advisory fees and it is not possible to invest in an index. Please see page 21 for important index definitions.

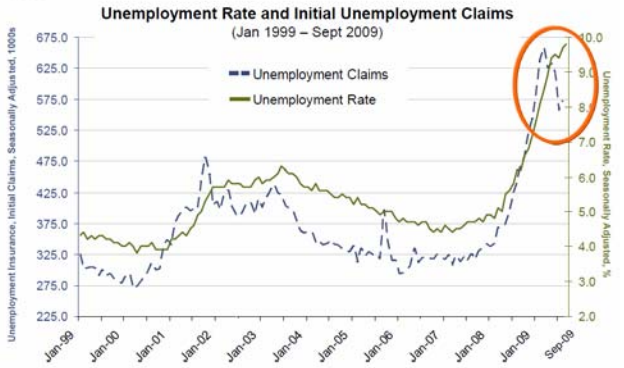
Fixed Income – Return to Riskier Assets

Past performance is no guarantee of future results.

In general, the bond market is volatile and bonds entail interest rate risk (as interest rates rise, bond prices usually fall and vice versa). This effect is usually pronounced for longer-term securities. Bonds also entail the risk of issuer default, issuer credit risk and inflation risk. Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

Source: Fidelity Investments as of 9/30/2009. The above asset classes are represented by the following indexes: Cash–Barclays Capital 3-Month T-Bill, Treasury–BC US Treasury Bond, TIPS–Barclays Capital US TIPS Index, Inv. Grade–Barclays Capital Aggregate Bond, Int'l Investment Grade– JPM GBI Ex USA Unhedged, EM Mkts Debt–JP Morgan EMBI Global Index, High Yield–ML US High Yield Master II. Please see page 21 for important index definitions.

Pace of Layoffs Moderated Significantly, Unemployment Rate Lags



Average Weekly Initial Claims Unemployment Claims Source: The Conference Board/Haver Analytics as of 9/30/09.
Civilian Unemployment Rate (16 yr+) Source: Bureau of Labor Statistics/Haver Analytics as of 9/30/09.

Emerging Markets Historic Regional Valuations

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.

Source: Factset as of 9/30/09. Please see page 20 for index definitions.

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

INITIAL OFFERING:

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

	VALUE	BLEND	GROWTH
LARGE			
MEDIUM	Allianz NFJ Small Cap Value	Fidelity Mid Cap Stock	
SMALL			

INCOME FUNDS:
BOND FUNDS:
INTERNATIONAL FUNDS:
BALANCED FUNDS:
LIFESTYLE FUNDS:

CURRENT LINEUP:

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

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

NDPERS Investment Benchmarks - 3rd Quarter 2009

	Quarter	Y-T-D	1-Year	3-Year	5-Year
Stable Value Fund					
Fidelity Managed Income Portfolio	**0.28%**	**1.36%**	**2.10%**	**3.52%**	**3.67%**
GIC Index	0.39%	1.18%	1.57%	2.31%	3.16%
Fixed Income Fund					
PIMCO Total Return Bond Fund - PTRAX	**4.67%**	**6.16%**	**8.99%**	**8.14%**	**6.10%**
Barclays Aggregate Bond Index	3.74%	5.72%	10.56%	6.41%	5.13%
Taxable Bond Fund Universe	6.67%	16.21%	10.04%	4.12%	4.00%
Balanced Fund					
Fidelity Puritan - FPURX	**12.31%**	**20.97%**	**2.23%**	**-1.34%**	**3.09%**
60% Large Cap Value Univ & 40% Taxable Bond Universe	12.56%	17.56%	-0.29%	-2.38%	2.11%
60% Russell 3000 Value & 40% Lehman Agg Bond Index	12.65%	11.27%	-2.25%	-2.10%	2.63%
Large Cap Equities - Value					
Fidelity Equity-Income - FEQIX	**19.64%**	**25.01%**	**-4.24%**	**-7.37%**	**0.46%**
Franklin Mutual Shares A - TESIX	**15.90%**	**21.99%**	**-5.21%**	**-5.70%**	**1.98%**
Russell 1000 Value Index	18.24%	14.85%	-10.62%	-7.87%	0.90%
Large Cap Value Fund Universe	16.48%	18.46%	-7.18%	-6.72%	0.85%
Large Cap Equities - Blend					
Fidelity Spartan US Equity Index - FUSEX	**15.60%**	**19.34%**	**-6.86%**	**-5.46%**	**0.98%**
Fidelity Dividend Growth - FDGFX < Under Review 3/2007 >	**22.21%**	**43.19%**	**4.89%**	**-4.39%**	**1.28%**
S&P 500 Index	15.61%	19.26%	-6.91%	-5.43%	1.02%
Large Cap Blend Fund Universe	15.59%	21.28%	-5.46%	-5.13%	1.22%
Large Cap Equities - Growth					
Fidelity Growth Company - FDGRX	**16.49%**	**31.56%**	**0.70%**	**0.37%**	**5.65%**
Russell 3000 Growth Index	14.12%	27.27%	-2.19%	-2.51%	1.96%
Fidelity Blue Chip Growth - FBGRX < Under Review 3/2007 >	**20.46%**	**33.51%**	**0.46%**	**-1.54%**	**1.74%**
Russell 1000 Growth Index	13.97%	27.11%	-1.85%	-2.50%	1.86%
Large Cap Growth Fund Universe	14.76%	27.04%	-2.69%	-3.25%	1.77%
Mid Cap Equities - Value					
Goldman Sachs Mid Cap Value - GCMAX	**19.51%**	**25.52%**	**-4.34%**	**-3.95%**	**3.65%**
Russell Mid Cap Value	23.62%	27.57%	-7.12%	-5.65%	3.53%
Mid Cap Value Fund Universe	20.43%	27.96%	-2.80%	-4.34%	2.83%
Mid Cap Equities - Blend					
Dreyfus Mid Cap Index - PESPX	**19.81%**	**29.94%**	**-3.34%**	**-1.73%**	**4.14%**
S&P Mid Cap 400	19.98%	30.14%	-3.11%	-1.40%	4.53%
Fidelity Spartan Extended Mkt Index - FSEMX	**19.60%**	**30.21%**	**-4.10%**	**-2.71%**	**4.01%**
Wilshire 4500 Index	19.39%	30.79%	-3.87%	-2.87%	3.91%
Mid Cap Blend Fund Universe	18.96%	31.10%	-3.19%	-3.87%	2.60%
Mid Cap Equities - Growth					
Fidelity Mid Cap Stock - FMCSX	**25.99%**	**44.07%**	**5.79%**	**-4.02%**	**4.53%**
Russell Mid Cap Growth	17.58%	37.12%	-0.40%	-3.10%	3.75%
Mid Cap Growth Fund Universe	17.13%	31.56%	-3.10%	-2.83%	3.14%

Fund Returns in RED do not meet both benchmarks. **Fund Returns in BLACK meet both benchmarks.**

NDPERS Investment Benchmarks - 3rd Quarter 2009

	Quarter	Y-T-D	1-Year	3-Year	5-Year
Small Cap Equities - Value					
Allianz NFJ Small Cap Value - PVADX	**16.06%**	**17.22%**	**-7.41%**	**-0.14%**	**6.19%**
Russell 2000 Value Index	22.70%	16.36%	-12.61%	-6.65%	1.78%
Small Value Fund Universe	21.32%	25.83%	-6.39%	-4.72%	2.30%
Small Cap Equities - Blend					
Dreyfus Small Cap Index - DISSX	**18.57%**	**19.27%**	**-10.33%**	**-4.01%**	**2.65%**
Russell 2000 Index	19.28%	22.43%	-9.55%	-4.57%	2.41%
S & P 600 Index	18.66%	19.46%	-10.61%	-3.98%	2.83%
Small Blend Fund Universe	19.04%	26.20%	-6.97%	-5.19%	2.02%
Small Cap Equities - Growth					
MSI Small Co Growth B - MSSMX	**18.58%**	**42.00%**	**9.20%**	**-1.96%**	**3.96%**
Russell 2000 Growth Index	15.95%	29.12%	-6.32%	-2.60%	2.91%
Small Growth Fund Universe	16.50%	29.27%	-5.25%	-4.00%	1.94%
International Equity Funds					
Fidelity Diversified International - FDIVX	**17.73%**	**27.52%**	**-2.28%**	**-3.80%**	**5.82%**
MSCI EAFE	19.44%	29.11%	3.37%	-3.46%	6.23%
International Stock Fund Universe	18.43%	34.33%	2.89%	-2.44%	6.94%
Asset Allocation Funds:					
Fidelity Freedom Income - FFFAX	**7.22%**	**13.45%**	**5.25%**	**2.33%**	**3.39%**
Income Benchmark	5.29%	8.77%	3.70%	2.61%	3.64%
Fidelity Freedom 2000 - FFFBX	**7.58%**	**13.69%**	**4.41%**	**1.97%**	**3.33%**
2000 Benchmark	5.66%	9.24%	3.19%	2.27%	3.53%
Fidelity Freedom 2005 - FFFVX	**11.38%**	**19.64%**	**3.42%**	**0.42%**	**3.34%**
2005 Benchmark	9.86%	15.05%	2.54%	0.67%	3.65%
Fidelity Freedom 2010 - FFFCX	**12.07%**	**20.75%**	**3.67%**	**0.42%**	**3.46%**
2010 Benchmark	10.45%	15.89%	2.64%	0.51%	3.72%
Fidelity Freedom 2015 - FFVFX	**12.50%**	**21.46%**	**3.24%**	**0.06%**	**3.81%**
2015 Benchmark	11.05%	16.71%	2.26%	0.15%	3.68%
Fidelity Freedom 2020 - FFFDX	**14.39%**	**23.98%**	**1.48%**	**-1.14%**	**3.51%**
2020 Benchmark	13.07%	20.27%	1.66%	-0.82%	3.58%
Fidelity Freedom 2025 - FFTWX	**15.06%**	**24.86%**	**0.93%**	**-1.58%**	**3.45%**
2025 Benchmark	13.76%	21.18%	1.01%	-1.33%	3.47%
Fidelity Freedom 2030 - FFFEX	**15.92%**	**25.09%**	**-1.24%**	**-2.78%**	**2.98%**
2030 Benchmark	14.94%	22.74%	-0.32%	-2.32%	3.26%
Fidelity Freedom 2035 - FFTHX	**16.32%**	**25.54%**	**-1.65%**	**-3.10%**	**2.89%**
2035 Benchmark	15.31%	23.20%	-0.83%	-2.66%	3.16%
Fidelity Freedom 2040 - FFFFX	**16.81%**	**26.02%**	**-2.25%**	**-3.43%**	**2.85%**
2040 Benchmark	15.81%	24.46%	-0.83%	-2.88%	3.16%
Fidelity Freedom 2045 - FFFGX	**16.95%**	**26.12%**	**-2.29%**	**-3.46%**	**N/A**
2040 Benchmark	15.81%	24.46%	-0.83%	-2.88%	3.16%
Fidelity Freedom 2050 - FFFHX	**17.58%**	**26.60%**	**-3.03%**	**-4.01%**	**N/A**
2040 Benchmark	16.53%	25.47%	-1.38%	-3.40%	3.12%

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 23% Wilshire 5000, 32% LB Agg, 5% ML HY Bond, 40% 3 Month T-Bill
2005 Benchmark is comprised of 39% Wilshire 5000, 8% MSCI EAFE, 34% LB Agg, 5% ML HY Bond, 14% 3 Month T-Bill
2010 Benchmark is comprised of 40% Wilshire 5000, 10% MSCI EAFE, 35% LB Agg, 5% ML HY Bond, 10% 3 Month T-Bill
2015 Benchmark is comprised of 43% Wilshire 5000, 11% MSCI EAFE, 33% LB Agg, 5% ML HY Bond, 8% 3 Month T-Bill
2020 Benchmark is comprised of 52% Wilshire 5000, 13% MSCI EAFE, 26% LB Agg, 8% ML HY Bond, 1% 3 Month T-Bill
2025 Benchmark is comprised of 56% Wilshire 5000, 14% MSCI EAFE, 22% LB Agg, 8% ML HY Bond
2030 Benchmark is comprised of 63% Wilshire 5000, 16% MSCI EAFE, 13% LB Agg, 8%ML HY Bond
2035 Benchmark is comprised of 66% Wilshire 5000, 16% MSCI EAFE, 10% LB Agg, 8% ML HY Bond
2040 Benchmark is comprised of 67% Wilshire 5000, 17% MSCI EAFE, 6% LB Agg, 10% ML HY Bond
2045 Benchmark is comprised of 67% Wilshire 5000, 17% MSCI EAFE, 6% LB Agg, 10% ML HY Bond
2050 Benchmark is comprised of 69% Wilshire 5000, 20% MSCI EAFE, 1% LB Agg, 10% ML HY Bond

Wilshire 5000 Index	16.12%	21.28%	-6.43%	-4.83%	1.76%
MSCI EAFE	19.44%	29.11%	3.37%	-3.46%	6.23%
Lehman Aggregate Bond Index	3.74%	5.72%	10.56%	6.41%	5.13%
ML High Yield Bond Fund Index	14.80%	49.10%	22.73%	5.56%	6.09%
3 Month T-Bill Index	0.04%	0.14%	0.39%	2.63%	2.96%
Russell 3000 Value Index	18.59%	14.97%	-10.79%	-7.78%	0.96%

Fund Returns in RED do not meet both benchmarks. **Fund Returns in BLACK meet both benchmarks.**

NDPERS Mutual Fund Research - 9/30/2009

Large Value

Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Stocks	Turnover	P/E	Morn-Star Rating	Category Rank 3 - Year	Category Rank 5 - Year	Category Rank 3-month	Average Return 1-Year	Average Return 3-Year	Average Return 5-Year	Average Return 10-Year	Standard=S&P 500 Index R-Squared	Beta	Alpha	Standard Deviation	Sharpe Ratio
Fidelity Puritan	FPURX	18.0 Billion	4/16/1947	4 Years	0.60%	2012	115%	16.1	4-Stars	49	39	12.31	2.23	-1.34	3.09	4.06				14.25	-0.20
Fidelity Equity-Income	FEQIX	19.9 Billion	5/16/1966	15 Years	0.71%	235	33%	15.5	3-Stars	60	59	19.64	-4.24	-7.37	0.46	1.85	98	1.15	-0.48	22.83	-0.33
Franklin Mutual Shares A	TESIX	15.0 Billion	11/11/1996	Team	1.07%	240	38%	11.8	4-Stars	38	27	15.90	-5.21	-5.70	1.98	5.23	94	0.93	-0.86	18.88	-0.35

Large Blend

Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Stocks	Turnover	P/E	Morn-Star Rating	Category Rank 3 - Year	Category Rank 5 - Year	Category Rank 3-month	Average Return 1-Year	Average Return 3-Year	Average Return 5-Year	Average Return 10-Year	Standard=S&P 500 Index R-Squared	Beta	Alpha	Standard Deviation	Sharpe Ratio
Fidelity Spartan US Equity Index	FUSEX	22.0 Billion	3/6/1990	Team	0.10%	508	8%	15.4	3-Stars	54	50	15.60	-6.86	-5.46	0.89	-0.24	100	1.00	-0.02	19.69	-0.31
Fidelity Dividend Growth <Under Review>	FDGFX	7.5 Billion	4/27/1993	0 Years	0.62%	460	177%	15.9	3-Stars	34	43	22.22	4.89	-4.39	1.28	1.69	94	1.25	3.84	25.19	-0.15
Fidelity Diversified International	FDIVX	36.5 Billion	12/27/1991	7 Years	1.02%	324	49%	9.6	4-Stars	68	56	17.73	-2.28	-3.80	5.82	6.39				25.35	-0.12

Large Growth

Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Stocks	Turnover	P/E	Morn-Star Rating	Category Rank 3 - Year	Category Rank 5 - Year	Category Rank 3-month	Average Return 1-Year	Average Return 3-Year	Average Return 5-Year	Average Return 10-Year	Standard=S&P 500 Index R-Squared	Beta	Alpha	Standard Deviation	Sharpe Ratio
Fidelity Growth Company	FDGRX	31.0 Billion	1/17/1983	12 Years	0.96%	287	55%	19.7	4-Stars	11	6	16.49	0.70	0.37	5.65	2.15	85	1.02	6.52	21.77	0.01
Fidelity Blue Chip Growth <Under Review>	FBGRX	11.2 Billion	12/31/1987	2 Years	0.76%	218	134%	17.9	3-Stars	25	50	20.45	0.46	-1.54	1.74	-1.12	94	1.04	4.58	21.16	-0.09

Medium Value

Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Stocks	Turnover	P/E	Morn-Star Rating	Category Rank 3 - Year	Category Rank 5 - Year	Category Rank 3-month	Average Return 1-Year	Average Return 3-Year	Average Return 5-Year	Average Return 10-Year	Standard=S&P 500 Index R-Squared	Beta	Alpha	Standard Deviation	Sharpe Ratio
Goldman Sachs Mid Cap Value	GCMAX	5.4 Billion	8/15/1997	Team	1.16%	107	85%	12.9	4-Stars	41	34	19.51	-4.34	-3.95	3.65	9.19	93	1.06	2.34	21.60	-0.19

Medium Blend

Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Stocks	Turnover	P/E	Morn-Star Rating	Category Rank 3 - Year	Category Rank 5 - Year	Category Rank 3-month	Average Return 1-Year	Average Return 3-Year	Average Return 5-Year	Average Return 10-Year	Standard=S&P 500 Index R-Squared	Beta	Alpha	Standard Deviation	Sharpe Ratio
Dreyfus Mid Cap Index	PESPX	1.8 Billion	6/19/1991	9 Years	0.50%	404	24%	16.6	4-Stars	26	25	19.81	-3.34	-1.73	4.14	6.99	93	1.15	5.60	22.46	-0.06
Fidelity Spartan Extended Mkt Index	FSEMX	3.3 Billion	11/5/1997	Team	0.10%	3087	16%	16.3	3-Stars	38	30	19.60	-4.10	-2.71	4.01	3.74	94	1.16	4.60	23.42	-0.11

Medium Growth

Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Stocks	Turnover	P/E	Morn-Star Rating	Category Rank 3 - Year	Category Rank 5 - Year	Category Rank 3-month	Average Return 1-Year	Average Return 3-Year	Average Return 5-Year	Average Return 10-Year	Standard=S&P 500 Index R-Squared	Beta	Alpha	Standard Deviation	Sharpe Ratio
Fidelity Mid-Cap Stock	FMCSX	7.0 Billion	3/29/1994	4 Years	0.72%	198	73%	18.1	3-Stars	64	30	25.99	5.79	-4.02	4.53	5.74	84	1.24	4.66	26.62	-0.11

Small Value

Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Stocks	Turnover	P/E	Morn-Star Rating	Category Rank 3 - Year	Category Rank 5 - Year	Category Rank 3-month	Average Return 1-Year	Average Return 3-Year	Average Return 5-Year	Average Return 10-Year	Standard=S&P 500 Index R-Squared	Beta	Alpha	Standard Deviation	Sharpe Ratio
Allianz NFJ Small Cap Value Admin	PVADX	6.0 Billion	11/1/1995	Team	1.07%	129	33%	13.8	5-Stars	11	7	16.06	-7.41	-0.14	6.19	10.79	94	1.00	5.60	20.40	-0.03

Small Blend

Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Stocks	Turnover	P/E	Morn-Star Rating	Category Rank 3 - Year	Category Rank 5 - Year	Category Rank 3-month	Average Return 1-Year	Average Return 3-Year	Average Return 5-Year	Average Return 10-Year	Standard=S&P 500 Index R-Squared	Beta	Alpha	Standard Deviation	Sharpe Ratio
Dreyfus Small Cap Index	DISSX	848 Million	6/30/1997	9 Years	0.50%	601	32%	17.1	3-Stars	38	40	18.57	-10.33	-4.01	2.65	6.74	88	1.16	3.51	24.32	-0.15

Small Growth

Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Stocks	Turnover	P/E	Morn-Star Rating	Category Rank 3 - Year	Category Rank 5 - Year	Category Rank 3-month	Average Return 1-Year	Average Return 3-Year	Average Return 5-Year	Average Return 10-Year	Standard=S&P 500 Index R-Squared	Beta	Alpha	Standard Deviation	Sharpe Ratio
Morgan Stanley Small Cap Growth B	MSSMX	1.5 Billion	1/2/1996	Team	1.27%	69	34%	21.0	4-Stars	31	23	18.58	9.20	-1.96	3.96	5.59	91	1.16	5.47	23.91	-0.07

Lifestyle / Others

Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Holdings	Turnover	P/E	Morn-Star Rating	Category Rank 3 - Year	Category Rank 5 - Year	Average Return 3-month	Average Return 1-Year	Average Return 3-Year	Average Return 5-Year	Average Return 10-Year	Standard=S&P 500 Index R-Squared	Standard=S&P 500 Index Beta	Standard=S&P 500 Index Alpha	Standard Deviation	Sharpe Ratio
Fidelity Managed Income Portfolio		8.1 Billion	9/7/1989	15 Years	0.55%							0.28	2.10	3.52	3.67	4.42	N/A	N/A	N/A		
PIMCO Total Return Bond Fund	PTRAX	185.7 Billion	9/8/1994	21 Years	0.70%	18271	300%		5-Stars	2	2	5.98	18.03	8.89	6.66	7.28	N/A	N/A	N/A	4.89	1.22
Fidelity Freedom Income	FFFAX	2.6 Billion	10/17/1996	4 Years	0.49%	17	35%	15.2	3-Stars	26	39	7.22	5.25	2.33	3.39	3.83	N/A	N/A	N/A	6.83	0.00
Fidelity Freedom 2000	FFFBX	1.7 Billion	10/17/1996	4 Years	0.51%	24	33%	15.1	3-Stars	15	36	7.58	4.41	1.97	3.33	3.69	N/A	N/A	N/A	7.52	-0.04
Fidelity Freedom 2005	FFFVX	1.0 Billion	11/6/2003	4 Years	0.64%	23	43%	10.0	3-Stars	50	47	11.38	3.42	0.42	3.34	N/A	N/A	N/A	N/A	12.61	-0.10
Fidelity Freedom 2010	FFFCX	11.4 Billion	10/17/1996	4 Years	0.65%	23	39%	11.7	3-Stars	49	31	12.07	3.67	0.42	3.46	3.58	N/A	N/A	N/A	13.28	-0.09
Fidelity Freedom 2015	FFVFX	8.4 Billion	11/6/2003	4 Years	0.67%	23	36%	9.5	3-Stars	36	32	12.50	3.24	0.06	3.81	N/A	N/A	N/A	N/A	14.08	-0.11
Fidelity Freedom 2020	FFFDX	19.9 Billion	10/17/1996	4 Years	0.72%	23	35%	11.7	4-Stars	40	18	14.39	1.48	-1.14	3.51	2.92	N/A	N/A	N/A	16.62	-0.14
Fidelity Freedom 2025	FFTWX	8.6 Billion	11/6/2003	4 Years	0.73%	21	29%	9.4	3-Stars	22	42	15.06	0.93	-1.58	3.45	N/A	N/A	N/A	N/A	17.43	-0.15
Fidelity Freedom 2030	FFFEX	14.0 Billion	10/17/1996	4 Years	0.76%	21	23%	11.7	3-Stars	28	20	15.92	-1.24	-2.78	2.98	2.13	N/A	N/A	N/A	19.15	-0.18
Fidelity Freedom 2035	FFTHX	5.6 Billion	11/6/2003	4 Years	0.77%	21	20%	9.4	2-Stars	36	42	16.32	-1.65	-3.10	2.89	N/A	N/A	N/A	N/A	19.58	-0.19
Fidelity Freedom 2040	FFFFX	8.0 Billion	9/6/2000	4 Years	0.78%	21	17%	10.7	4-Stars	30	17	16.81	-2.25	-3.43	2.85	N/A	N/A	N/A	N/A	20.17	-0.20
Fidelity Freedom 2045	FFFGX	1.7 Billion	9/6/2006	4 Years	0.78%	21	17%	9.4	3-Stars	36	N/A	16.95	-2.29	-3.46	N/A	N/A	N/A	N/A	N/A	20.38	-0.19
Fidelity Freedom 2050	FFFHX	1.4 Billion	9/6/2006	4 Years	0.80%	21	20%	9.0	3-Stars	7	N/A	17.58	-3.03	-4.01	N/A	N/A	N/A	N/A	N/A	21.19	-0.20

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 EMPLOYEES RETIREMENT SYSTEM DEFINED CONTRIBUTION PLAN INVESTMENT OPTIONS

PERFORMANCE UPDATE

AS OF SEPTEMBER 30, 2009

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 % 3 Month	YTD	Average Annual Total Returns % 1 Year	5 Year	10 Year	Life of Fund	Fund Inception	Short-Term Trading Fee (%/Days)	Expense Ratio✧
LIFE-CYCLE FUNDS➠										
FFFBX	Fidelity Freedom 2000	7.67	13.79	4.51	3.35	3.70	5.63	10/17/96	n/a	*0.49*
FFFVX	Fidelity Freedom 2005	11.38	19.64	3.42	3.34	n/a	3.61	11/06/03	n/a	*0.63*
FFFCX	Fidelity Freedom 2010	12.07	20.75	3.67	3.46	3.58	6.31	10/17/96	n/a	*0.64*
FFVFX	Fidelity Freedom 2015	12.50	21.46	3.24	3.81	n/a	4.10	11/06/03	n/a	*0.67*
FFFDX	Fidelity Freedom 2020	14.39	23.98	1.48	3.51	2.92	6.21	10/17/96	n/a	*0.72*
FFTWX	Fidelity Freedom 2025	15.06	24.86	0.93	3.45	n/a	3.85	11/06/03	n/a	*0.74*
FFFEX	Fidelity Freedom 2030	15.92	25.09	-1.24	2.98	2.13	5.69	10/17/96	n/a	*0.76*
FFTHX	Fidelity Freedom 2035	16.32	25.54	-1.65	2.89	n/a	3.46	11/06/03	n/a	*0.78*
FFFFX	Fidelity Freedom 2040	16.81	26.02	-2.25	2.85	n/a	-0.76	9/06/00	n/a	*0.79*
FFFGX	Fidelity Freedom 2045	16.95	26.12	-2.29	n/a	n/a	-2.60	6/01/06	n/a	*0.80*
FFFHX	Fidelity Freedom 2050	17.58	26.60	-3.03	n/a	n/a	-3.12	6/01/06	n/a	*0.82*
FFFAX	Fidelity Freedom Income	7.22	13.45	5.25	3.39	3.83	4.96	10/17/96	n/a	*0.48*
MANAGED INCOME / ANNUITIES / STABLE VALUE✪										
00632	Managed Income Portfolio	0.28	1.36	2.10	3.67	4.42	5.42	9/07/89	n/a	n/a
BOND FUNDS➢										
PTRAX	PIMCO Total Return - Administrative Class	5.98	12.51	18.03	6.66	7.28	7.52	9/08/94	n/a	*0.89*
BALANCED/HYBRID FUNDS										
FPURX	Fidelity *Puritan*®	12.31	20.97	2.23	3.09	4.06	11.03	4/16/47	n/a	*0.61*
DOMESTIC EQUITY FUNDS - LARGE-CAP VALUE										
FEQIX	Fidelity Equity-Income	19.64	25.01	-4.24	0.46	1.85	11.50	5/16/66	n/a	*0.71*
TESIX	Mutual Shares - A Class	15.90	21.99	-5.21	1.98	5.23	6.93	11/01/96	n/a	*1.08*

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

continued

Turn here℠

Fidelity INVESTMENTS

AS OF SEPTEMBER 30, 2009

Fund ID	Name	Cumulative Total Returns % 3 Month	YTD	Average Annual Total Returns % 1 Year	5 Year	10 Year	Life of Fund	Fund Inception	Short-Term Trading Fee (%/Days)	Expense Ratio✧
DOMESTIC EQUITY FUNDS - LARGE-CAP BLEND										
FDGFX	Fidelity Dividend Growth	22.21	43.19	4.89	1.28	1.69	9.91	4/27/93	n/a	*0.62*
FUSEX	Spartan® U.S. Equity Index - Investor Class	15.60	19.34	-6.86	0.98	-0.24	8.95	2/17/88	n/a	*0.10*
DOMESTIC EQUITY FUNDS - LARGE-CAP GROWTH										
FBGRX	Fidelity Blue Chip Growth	20.46	33.51	0.46	1.74	-1.12	9.95	12/31/87	n/a	*0.76*
FDGRX	Fidelity Growth Company	16.49	31.56	0.70	5.65	2.15	12.38	1/17/83	n/a	*0.97*
DOMESTIC EQUITY FUNDS - MID-CAP VALUE✇										
GCMAX	Goldman Sachs Mid Cap Value - Class A	19.51	25.52	-4.34	3.65	9.19	7.04	8/15/97	n/a	*1.16*
DOMESTIC EQUITY FUNDS - MID-CAP BLEND✇										
PESPX	Dreyfus Mid Cap Index	19.81	29.94	-3.34	4.14	6.99	10.92	6/19/91	n/a	*0.51*
FSEMX	Spartan® Extended Market Index - Investor Class	19.60	30.21	-4.10	4.01	3.74	4.38	11/05/97	0.75/90	*0.10*
DOMESTIC EQUITY FUNDS - MID-CAP GROWTH✇										
FMCSX	Fidelity Mid-Cap Stock	25.99	44.07	5.79	4.53	5.74	10.60	3/29/94	0.75/30	*0.73*
DOMESTIC EQUITY FUNDS - SMALL-CAP VALUE♦										
PVADX	Allianz NFJ Small Cap Value - Administrative Class	16.06	17.22	-7.41	6.19	10.79	11.04	11/01/95	n/a	*1.07*
DOMESTIC EQUITY FUNDS - SMALL-CAP BLEND♦										
DISSX	Dreyfus Small Cap Stock Index	18.57	19.27	-10.33	2.65	6.74	6.33	6/30/97	n/a	*0.51*
DOMESTIC EQUITY FUNDS - SMALL-CAP GROWTH♦										
MSSMX	MSIF Small Company Growth - P Class	18.58	42.00	9.20	3.96	5.59	9.24	1/02/96	2.00/30	*1.30*
INTERNATIONAL/GLOBAL FUNDS††										
FDIVX	Fidelity Diversified International	17.73	27.52	-2.28	5.82	6.39	9.14	12/27/91	1.00/30	*1.04*
MARKET INDICATORS^^										

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

	Barclays Capital U.S. Intermediate Government/ Credit Bond Index❶	3.25	4.92	10.01	4.68	5.90
	Dow Jones Industrial Average	15.82	13.49	-7.38	1.85	1.62
	MSCI EAFE® Index (Net MA)	19.44	29.11	3.37	6.23	2.80
	Standard & Poor's 500℠ Index	15.61	19.26	-6.91	1.02	-0.15

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.

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

continued

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.

✪ These investment options are not mutual funds.

❶ Formerly known as Lehman Brothers Intermediate U.S. Government/Credit Index.

MARKET INDICATORS

^^ Indices are unmanaged and you cannot invest directly in an index.

Barclays Capital U.S. Intermediate Government/Credit Bond Index is a market value-weighted index of investment-grade fixed-rate debt securities with maturities from one up to (but not including) ten years from the U.S. Treasury, U.S. Government-Related, and U.S. Corporate Indices.

Dow Jones Industrial Average, published by Dow Jones & Company, is a price-weighted index that serves as a measure of the entire U.S. market. The index comprises 30 actively traded stocks, covering such diverse industries as financial services, retail, entertainment, and consumer goods.

Morgan Stanley Capital International Europe, Australasia, and Far East (MSCI EAFE®) Index (Net MA) is a market capitalization index that is designed to measure the investable equity market performance for global investors in developed markets, excluding the US & Canada. 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 S&P 500® Index 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 that includes the reinvestment of dividends.

INVESTMENT RISK

➡ These target date funds are designed for investors expecting to retire around the year indicated in each target date fund. The target date funds are managed to gradually become more conservative over time. The investment risks of each target date fund changes over time as its asset allocation changes. They are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in high yield, small cap and foreign securities. Principal invested is not guaranteed at any time, including at or after their target dates.

➢ Although bonds generally present less short-term risk and volatility than stocks, the bond market is volatile and bond funds do entail interest rate risk (as interest rates rise, bond prices usually fall, and vice versa). This effect is usually more pronounced for longer-term securities. Bond funds also entail issuer credit risk, and the risk of default, or the risk that an issuer will be unable to make income or principal payments. Additionally, bond funds and short-term investments entail greater inflation risk, or the risk that the return of an investment will not keep up with increases in the prices of goods and services, than stocks. The fund may invest in lower-quality debt securities that generally offer higher yields, but also involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

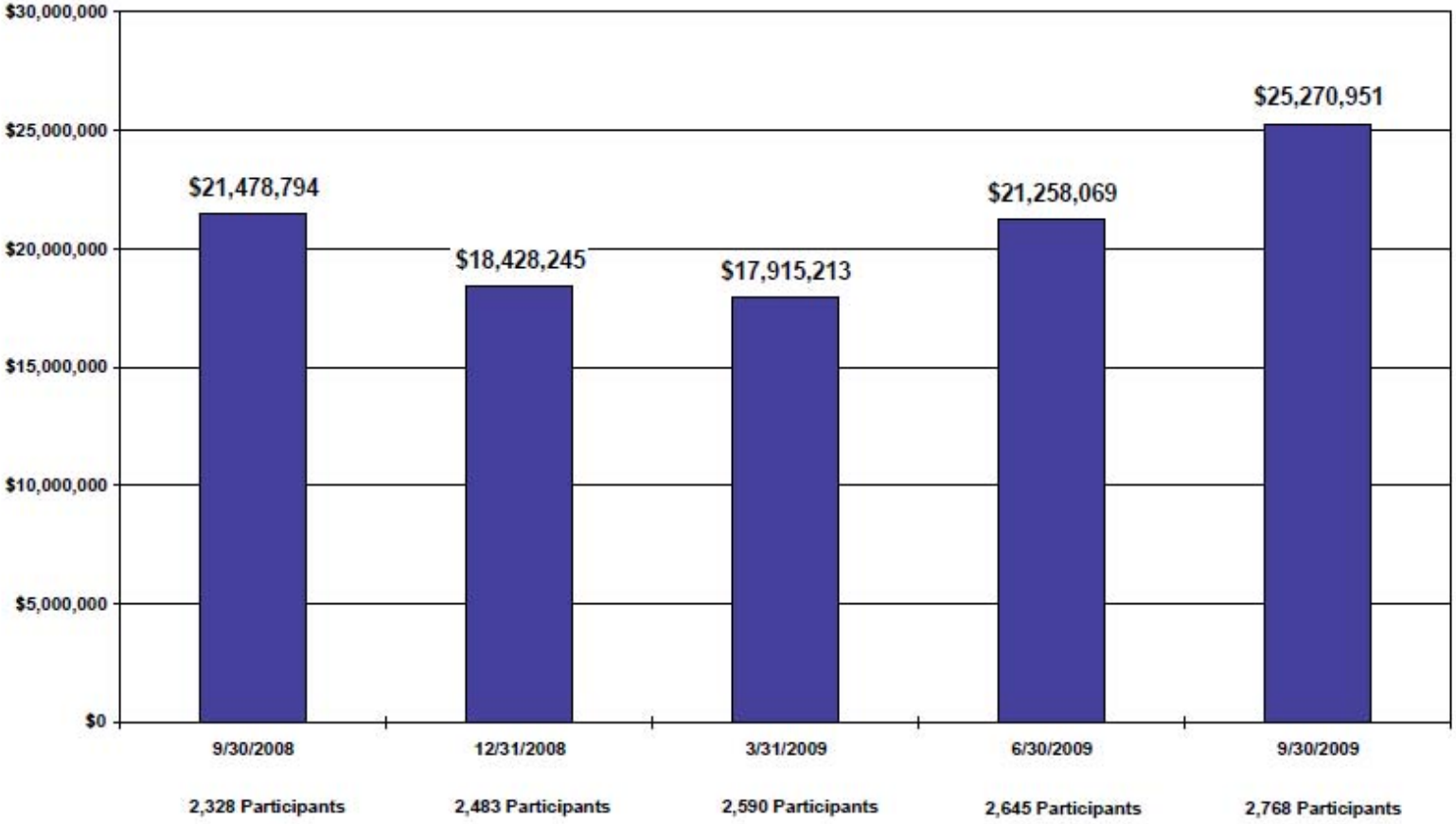
✇ Investments in mid-sized companies may involve greater risks than those of larger, more well-known companies, but may be less volatile than investments in smaller companies.

♦ 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 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.

Plan Assets Under Management at Fidelity

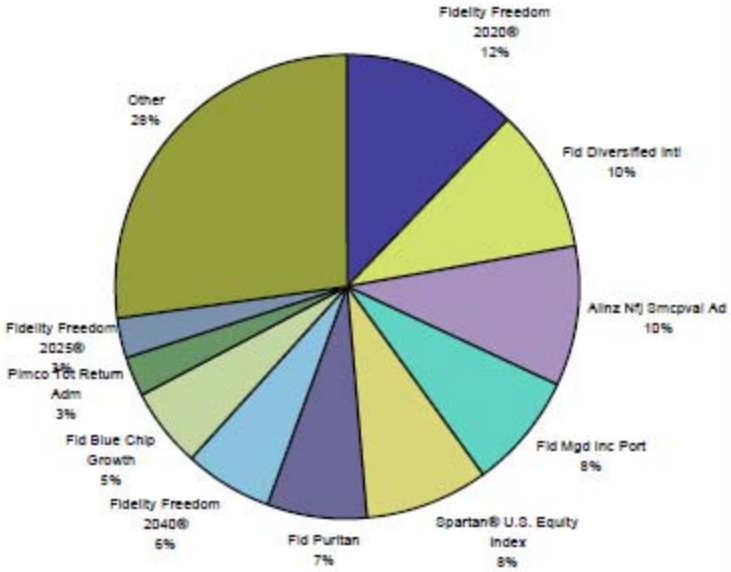


Market Value by Fund

	10/1/2008	9/30/2009
Fidelity Freedom 2020®	$ 2,621,732	$ 3,347,565
Fid Diversified Intl	$ 2,130,425	$ 2,305,948
Allnz Nfj Smcpval Ad	$ 2,118,315	$ 2,160,378
Fid Mgd Inc Port	$ 1,747,819	$ 1,905,267
Spartan® U.S. Equity Index	$ 1,816,894	$ 1,834,679
Fid Puritan	$ 1,479,025	$ 1,676,214
Fidelity Freedom 2040®	$ 1,341,945	$ 1,556,205
Fid Blue Chip Growth	$ 1,159,366	$ 1,308,459
Pimco Tot Return Adm	$ 621,897	$ 919,831
Fidelity Freedom 2025®	$ 574,203	$ 828,712
Other	$ 5,867,173	$ 7,427,697
Total Market Value:	$ 21,478,794	$ 25,270,951

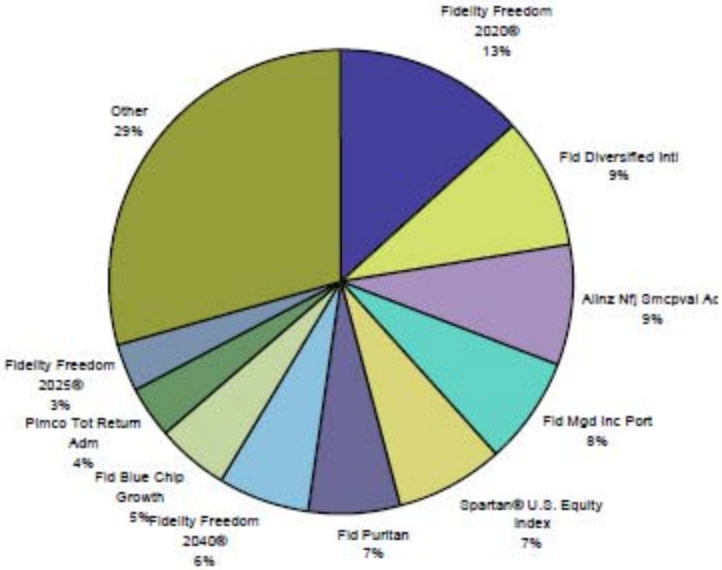
Asset Allocation by Fund

as of 10/1/2008



Total Market Value: $21,478,794

as of 9/30/2009

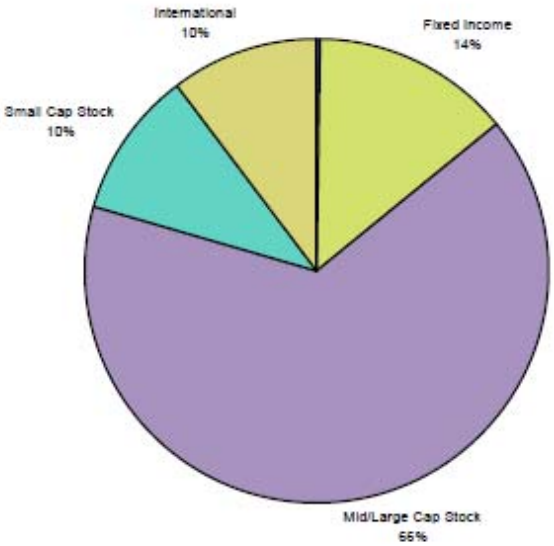


Total Market Value: $25,270,951

Comparative Asset Allocation

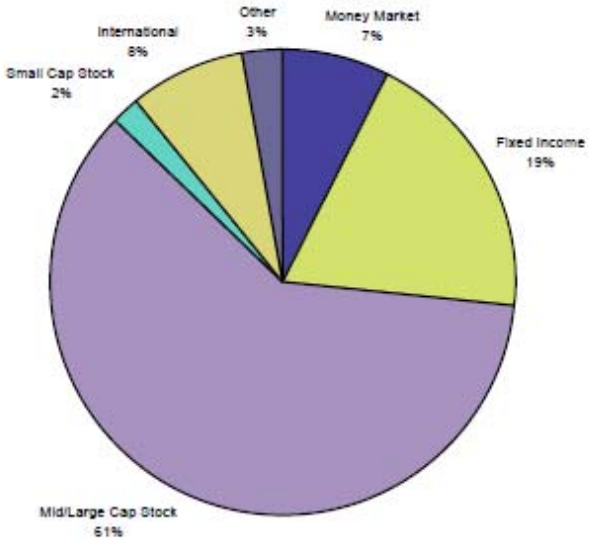
as of 9/30/2009

NORTH DAKOTA STATE DEFERRED COMPENSATION COMPANION PLAN NORTH DAKOTA PERS



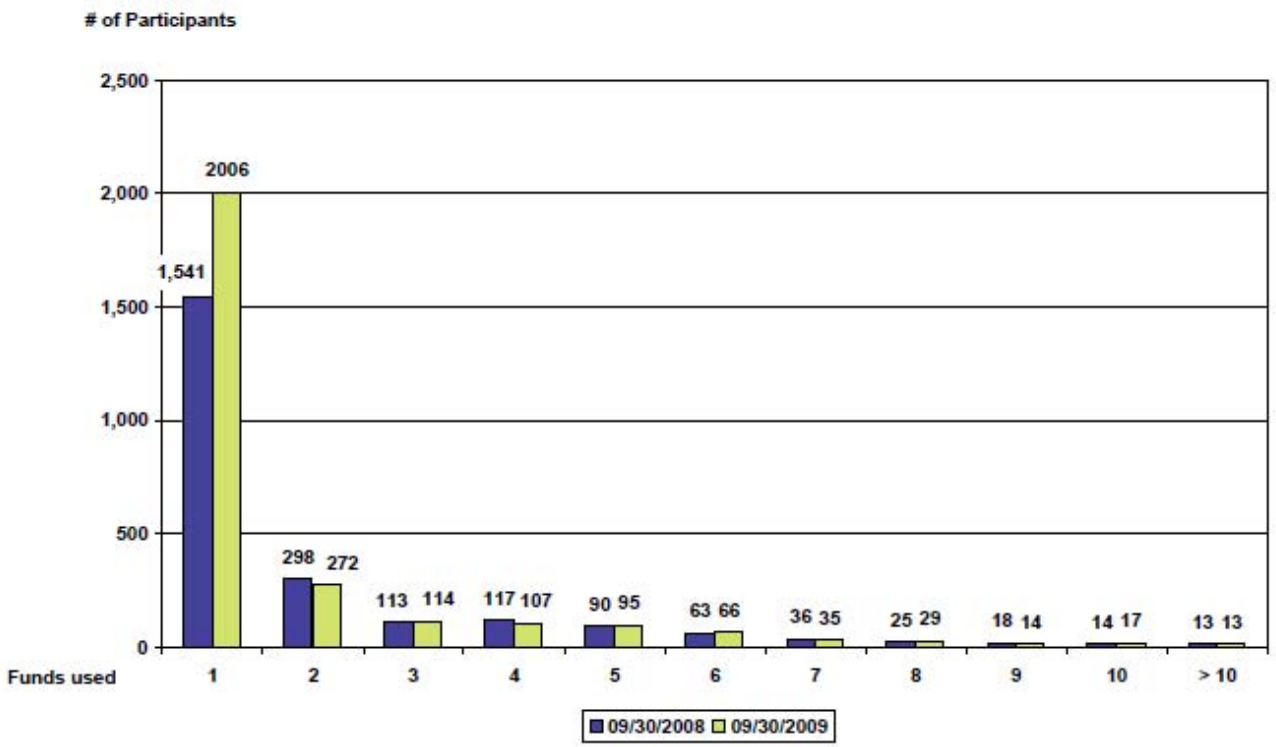
Total Market Value: $25,270,951

AVG. FITSCO PUBLIC SECTOR*



Average Market Value: $151,786,195

Number of Funds per Participant



Average Investment
options used in this plan
as of 9/30/2008 - 2.0
as of 9/30/2009 - 1.8

- AVG. FITSCO PUBLIC SECTOR offered 65.6 funds as of 9/30/2008 and 67.3 funds as of 9/30/2009
- An AVG. FITSCO PUBLIC SECTOR participant used 3.1 funds as of 9/30/2008 and 3.0 funds as of 9/30/2009