

NDPERS  
401(a)  
Defined Contribution  
Quarterly Report  
1<sup>st</sup> Quarter  
1/1/2004 – 3/31/2004



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

NDPERS has retained Fidelity as the provider for the 401(a) plan. The core fund lineup will change slightly to the following.

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

CURRENT FUNDS:

Fidelity Equity-Income	Fidelity Spartan US Equity Index Fidelity Dividend Growth	Fidelity Growth Company Fidelity Blue Chip Growth	<b>LARGE</b>
Mutual Shares A	Dreyfus Mid Cap Index Fidelity Spartan Ext Mkt Index	Fidelity Mid Cap Stock	<b>MEDIUM</b>
Fidelity Low-Priced Stock	Dreyfus Small Cap Index	MSDW Small Co Growth 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 2005  
 Fidelity Freedom 2010  
 Fidelity Freedom 2015  
 Fidelity Freedom 2020  
 Fidelity Freedom 2025  
 Fidelity Freedom 2030  
 Fidelity Freedom 2035  
 Fidelity Freedom 2040

Note that other funds are available through the mutual fund window.

## NDPERS Investment Benchmarks - 1st Quarter 2004

### 401(a) Defined Contribution Plan

	<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>	1.01%	1.01%	4.32%	4.98%	5.33%
GIC 5 Year	0.47%	0.47%	1.87%	2.43%	3.36%
<u>Fixed Income Fund</u>					
<b>PIMCO Total Return Bond Fund - PTRAX</b>	2.63%	2.63%	5.93%	8.07%	7.71%
Lehman Aggregate Bond Index	2.66%	2.66%	5.41%	7.44%	7.29%
Taxable Bond Fund Universe	2.00%	2.00%	8.15%	6.68%	5.86%
<u>Balanced Fund</u>					
<b>Fidelity Puritan - FPURX</b>	2.10%	2.10%	28.84%	5.55%	4.45%
65% Large Cap Value Univ & 35% Taxable Bond Universe	2.24%	2.24%	27.90%	3.87%	3.98%
65% Russell 1000 Value & 35% Lehman Agg Bond Index	2.87%	2.87%	#VALUE!	#VALUE!	#VALUE!
<u>Large Cap Equities - Value</u>					
<b>Fidelity Equity-Income - FEQIX</b>	1.75%	1.75%	41.13%	3.44%	3.40%
Russell 1000 Value Index	2.98%	2.98%	N/A	N/A	N/A
Large Cap Value Fund Universe	2.37%	2.37%	38.54%	2.36%	2.97%
<u>Large Cap Equities - Blend</u>					
<b>Fidelity Spartan 500 Index - FSMKX</b>	1.64%	1.64%	34.93%	0.47%	-1.35%
<b>Fidelity Dividend Growth - FDGFX</b>	1.39%	1.39%	31.43%	1.45%	2.16%
S&P 500 Index	1.56%	1.56%	34.93%	0.59%	-1.22%
Large Cap Blend Fund Universe	1.78%	1.78%	33.83%	-0.11%	-0.67%
<u>Large Cap Equities - Growth</u>					
<b>Fidelity Growth Company - FDGRX</b>	3.06%	3.06%	46.13%	-0.50%	2.24%
<b>Fidelity Blue Chip Growth - FBGRX</b>	0.98%	0.98%	28.36%	-1.96%	-3.75%
Russell 1000 Growth Index	0.79%	0.79%	32.18%	-1.74%	-6.13%
Large Cap Growth Fund Universe	1.43%	1.43%	31.84%	-2.91%	-4.24%
<u>Mid Cap Equities - Value</u>					
<b>Strong Opportunity - SOPFX (Under Watch)</b>	4.97%	4.97%	50.80%	1.95%	7.11%
<b>Franklin Mutual Shares A - TESIX</b>	3.21%	3.21%	33.25%	5.90%	8.72%
Russell Mid Cap Value	5.35%	5.35%	51.60%	11.71%	10.57%
Mid Cap Value Fund Universe	4.12%	4.12%	47.42%	9.42%	10.14%
<u>Mid Cap Equities - Blend</u>					
<b>Fidelity Mid Cap Stock - FMCSX</b>	3.15%	3.15%	41.28%	-1.18%	9.78%
S&P Mid Cap 400	4.90%	4.90%	48.54%	10.56%	11.67%
Mid Cap Blend Fund Universe	4.46%	4.46%	47.95%	9.17%	8.78%
<u>Mid Cap Equities - Growth</u>					
<b>Invesco Dynamics - FIDYX (Under Watch)</b>	2.85%	2.85%	43.42%	-3.11%	-1.49%
Russell Mid Cap Growth	4.83%	4.83%	49.63%	5.00%	2.29%
Mid Cap Growth Fund Universe	3.89%	3.89%	43.84%	1.07%	2.81%

## NDPERS Investment Benchmarks - 1st Quarter 2004

### 401(a) Defined Contribution Plan

	<u>Quarter</u>	<u>Y-T-D</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>
<u>Small Cap Equities - Value</u>					
<b>Fidelity Low-Priced Stock - FLPSX</b>	<b>5.86%</b>	<b>5.86%</b>	<b>58.69%</b>	<b>19.47%</b>	<b>18.95%</b>
Russell 2000 Value Index	6.92%	6.92%	64.49%	16.02%	16.14%
Small Value Fund Universe	6.06%	6.06%	60.79%	15.83%	16.49%
<u>Small Cap Equities - Growth</u>					
<b>MSI Small Co Growth B - MSSMX</b>	<b>4.50%</b>	<b>4.50%</b>	<b>56.08%</b>	<b>8.77%</b>	<b>11.23%</b>
<b>Alger Small Cap Retirement - ALSRX (Under Watch)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Russell 2000 Growth Index	5.58%	5.58%	63.16%	5.40%	2.31%
Small Growth Fund Universe	4.54%	4.54%	57.81%	5.85%	7.76%
<u>International Equity Funds</u>					
<b>Fidelity Diversified International - FDIVX</b>	<b>6.72%</b>	<b>6.72%</b>	<b>61.25%</b>	<b>10.73%</b>	<b>9.86%</b>
MSCI EAFE	4.34%	4.34%	57.54%	3.43%	0.52%
International Stock Fund Universe	5.14%	5.14%	57.81%	6.24%	4.79%
<u>Asset Allocation Funds:</u>					
<u>Conservative Lifestyle Fund</u>					
<b>Fidelity Freedom Income - FFFAX</b>	<b>1.53%</b>	<b>1.53%</b>	<b>8.87%</b>	<b>4.07%</b>	<b>4.56%</b>
Income Benchmark	1.98%	1.98%	10.96%	5.40%	5.13%
<u>Moderate Lifestyle Fund</u>					
<b>Fidelity Freedom 2000 - FFFBX</b>	<b>1.61%</b>	<b>1.61%</b>	<b>10.97%</b>	<b>4.00%</b>	<b>4.43%</b>
2000 Benchmark	2.21%	2.21%	15.10%	5.36%	4.68%
<u>Moderately Aggressive Lifestyle Fund</u>					
<b>Fidelity Freedom 2010 - FFFCX</b>	<b>2.23%</b>	<b>2.23%</b>	<b>20.15%</b>	<b>4.50%</b>	<b>4.33%</b>
2010 Benchmark	2.59%	2.59%	23.76%	5.04%	3.59%
<u>Aggressive Lifestyle Fund</u>					
<b>Fidelity Freedom 2020 - FFFDX</b>	<b>2.46%</b>	<b>2.46%</b>	<b>29.68%</b>	<b>3.70%</b>	<b>3.19%</b>
2020 Benchmark	2.77%	2.77%	32.72%	4.31%	2.13%
<b>Fidelity Freedom 2030 - FFFEX</b>	<b>2.47%</b>	<b>2.47%</b>	<b>34.22%</b>	<b>2.90%</b>	<b>2.27%</b>
2030 Benchmark	2.81%	2.81%	37.34%	3.77%	1.28%
<b>Fidelity Freedom 2040 - FFFFX</b>	<b>2.51%</b>	<b>2.51%</b>	<b>37.75%</b>	<b>2.38%</b>	<b>N/A</b>
2040 Benchmark	2.84%	2.84%	40.42%	3.48%	0.75%

Income Benchmark is comprised of 20% Wilshire 5000, 40% LB Agg, 40% 3 Month T-Bill

2000 Benchmark is comprised of 27% Wilshire 5000, 2% MSCI EAFE, 41% LB Agg, 2% LB HY Bond, 28% 3 Month T-Bill

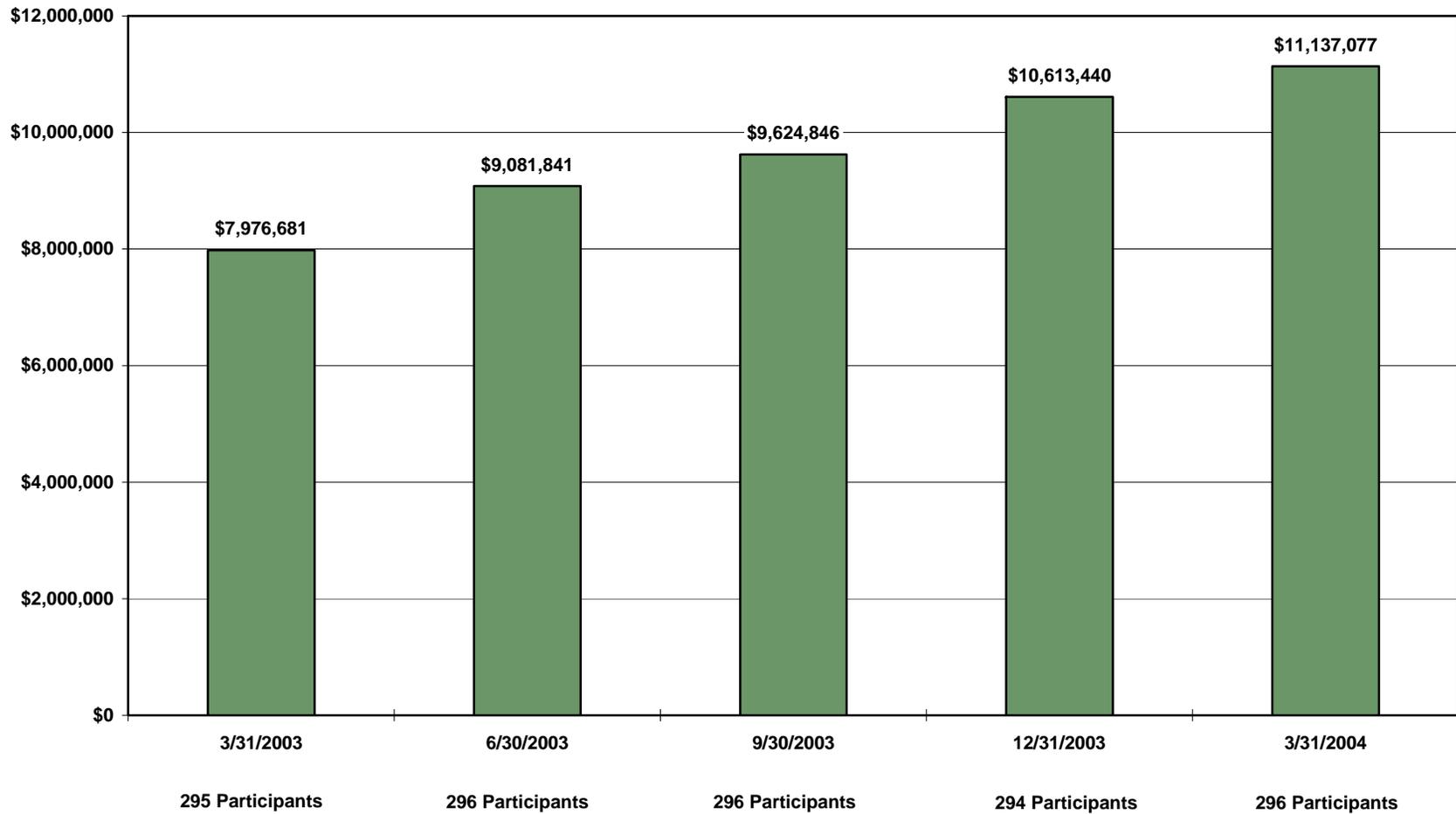
2010 Benchmark is comprised of 43% Wilshire 5000, 6% MSCI EAFE, 38% LB Agg, 5% LB HY Bond, 8% 3 Month T-Bill

2020 Benchmark is comprised of 61% Wilshire 5000, 10% MSCI EAFE, 21% LB Agg, 8% LB HY Bond

2030 Benchmark is comprised of 70% Wilshire 5000, 13% MSCI EAFE, 9% LB Agg, 8% LB HY Bond

2040 Benchmark is comprised of 75% Wilshire 5000, 15% MSCI EAFE, 10% LB HY Bond

# Plan Assets Under Management at Fidelity



# Investment Options

More Conservative Potentially less investment risk and more inflation risk				More Aggressive Potentially more investment risk and less inflation risk			
Money Market	Stable Value	Fixed Income	Balanced	Domestic Equity	International	Specialty	Company Stock
	Fid Mgd Inc Port	Pimco Tot Return Adm	Fidelity Puritan®	Fidelity Growth Co Fidelity Equity Inc Spartan® U.S. Equity Index Msi Sm Co Growth B Fidelity Low Pr Stk Fidelity Divd Growth Fidelity Mid-Cap Stk Fidelity Blue Chip	Fidelity Divers Intl		

## Other Investment Options:

Fidelity Freedom 2020® Fidelity Freedom 2030® Fidelity Freedom 2010® Fidelity Freedom 2000® Fidelity Freedom 2040® Fidelity Freedom Income®  
Fid Str Mdcap Growth

This spectrum, with the exception of the Domestic Equity category, is based on Fidelity's analysis of the characteristics of the general investment categories and not on the actual investment options and their holdings, which can change frequently. Investment options in the Domestic Equity category are based the options' Morningstar categories (Large Value, Mid-Cap Value, Small Value, Large Blend, Mid-Cap Blend, Small Blend, Large Growth, Mid-Cap Growth, Small Growth) as of 12/31/01. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options' objectives and do not predict the investment options' future styles. For more information on the investment options in the Domestic Equity category, visit [www.Morningstar.com](http://www.Morningstar.com). Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category, and the relative risk of categories may change under certain economic conditions.

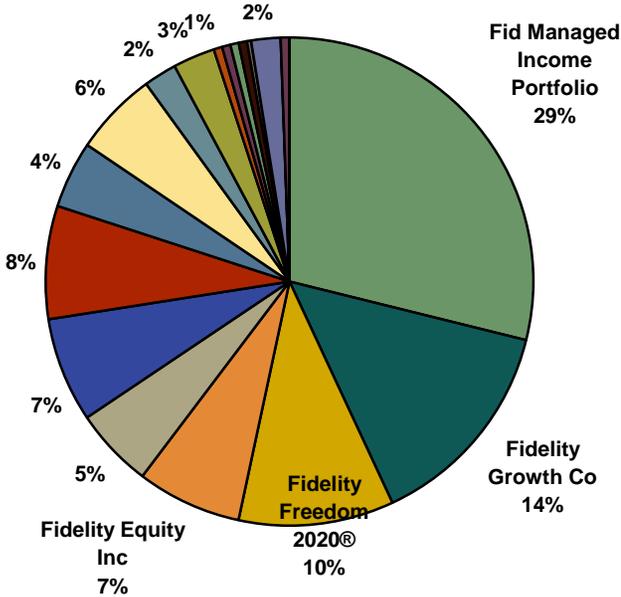
If your plan offers Asset Manager funds please note, the portfolio manager of each of the Asset Manager funds has the flexibility to periodically shift investments between the three asset classes, depending on the current outlook for the various markets. The risk level of the Asset Manager fund(s) cannot be portrayed as a single point on the objective spectrum along with the other investment options because it can change periodically according to how the assets are invested.

If your plan offers Fidelity Freedom Funds® please note, the Fidelity Freedom Funds are not represented on the above spectrum because each fund (except Fidelity Freedom Income) will gradually adjust the asset allocation to be more conservative as the funds approach their target dates. The risk level of the Fidelity Freedom Funds cannot be portrayed as a single point on the objective spectrum along with the other investment options because they can change periodically according to how the assets are invested.

For a more complete discussion of risk associated with the mutual fund options, please read the prospectus before making your investment decision. The spectrum does not represent actual or implied performance.

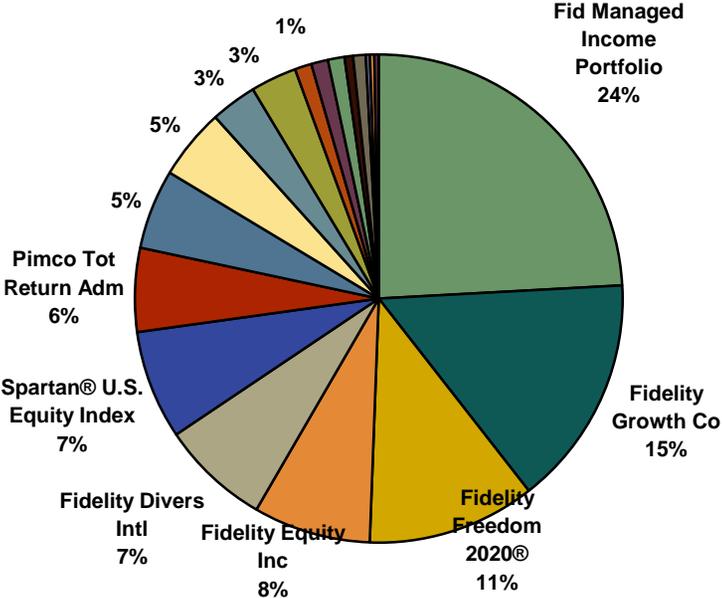
# Asset Allocation by Fund

as of 4/1/2003



Total Market Value: \$7,976,681

as of 3/31/2004

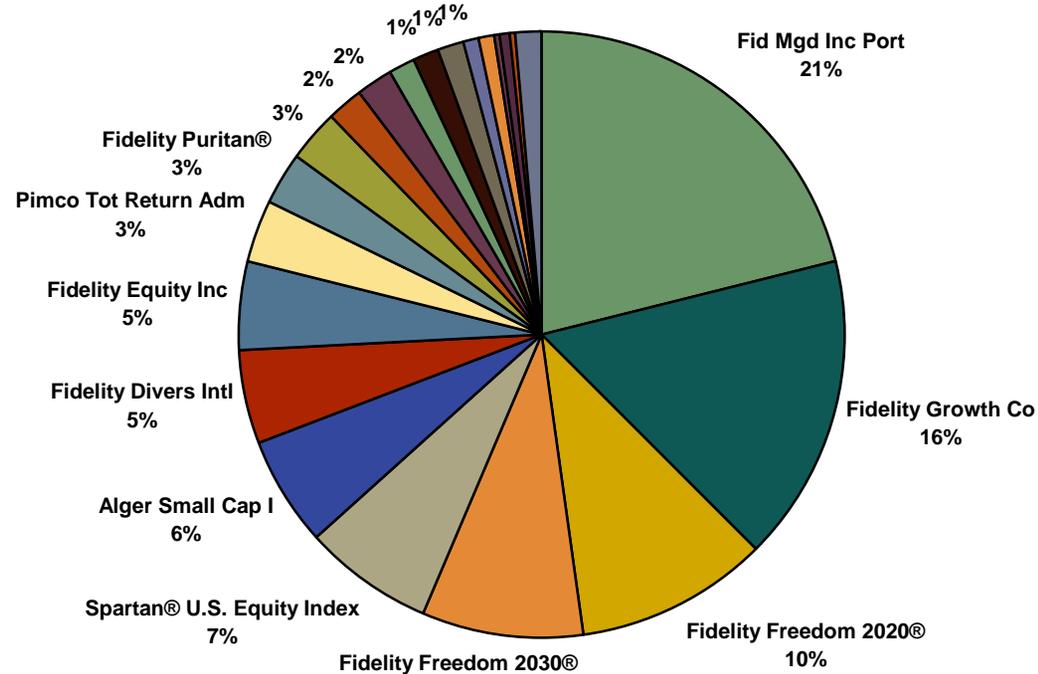


Total Market Value: \$11,137,077

■ Fid Managed Income Portfolio	■ Fidelity Growth Co	■ Fidelity Freedom 2020®	■ Fidelity Equity Inc
■ Fidelity Divers Intl	■ Spartan® U.S. Equity Index	■ Pimco Tot Return Adm	■ Fidelity Freedom 2030®
■ Fidelity Freedom 2010®	■ Fidelity Low Pr Stk	■ Fidelity Puritan®	■ Fidelity Divd Growth
■ Fidelity Freedom 2000®	■ Fidelity Mid-Cap Stk	■ Fidelity Freedom 2040®	■ Fidelity Blue Chip
■ Fidelity Freedom Income®	■ Msi Sm Co Growth B	■ Strong Opportunity	■ Mutual Shares CI A

# Contribution Allocation

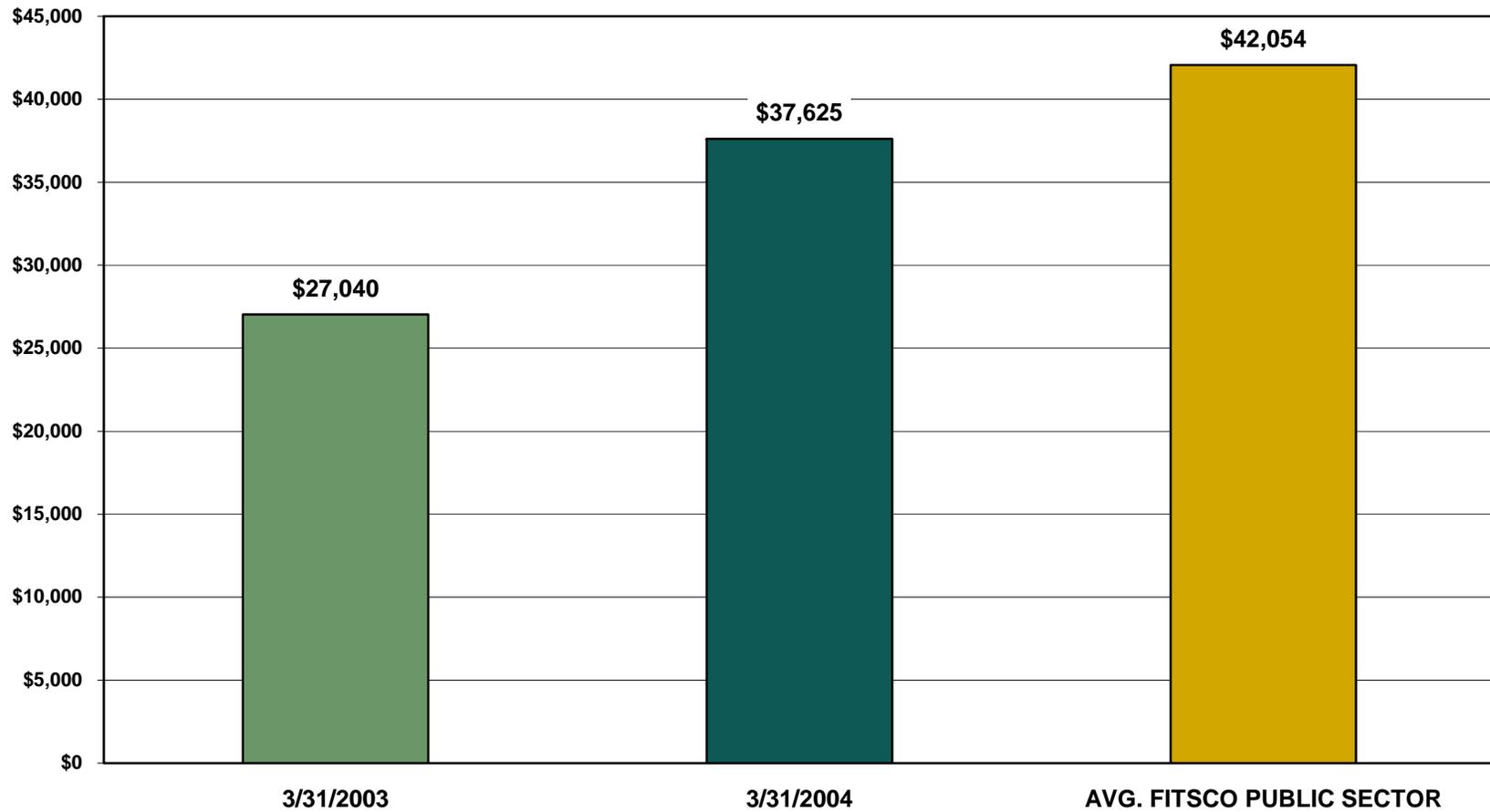
4/1/2003 - 3/31/2004



Total Contributions: \$984,140

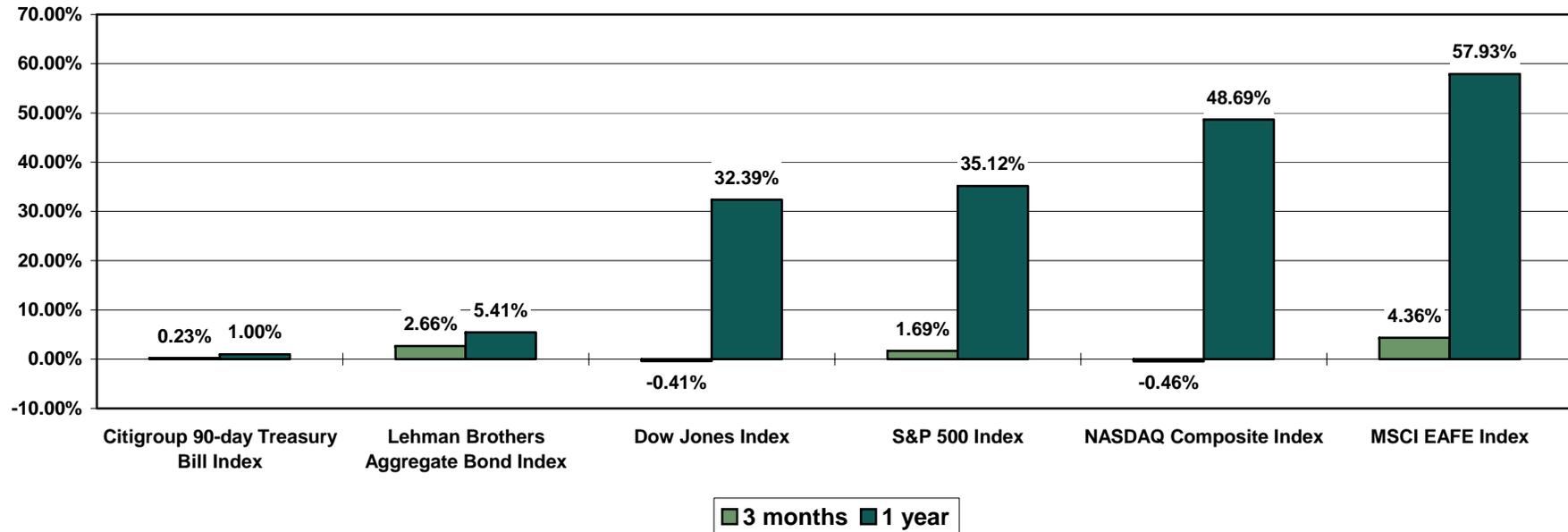
Fid Mgd Inc Port	Fidelity Growth Co	Fidelity Freedom 2020®	Fidelity Freedom 2030®	Spartan® U.S. Equity Index
Alger Small Cap I	Fidelity Divers Intl	Fidelity Equity Inc	Pimco Tot Return Adm	Fidelity Puritan®
Fidelity Low Pr Stk	Fidelity Freedom 2010®	Fidelity Divd Growth	Fidelity Freedom 2040®	Fidelity Mid-Cap Stk
Fidelity Blue Chip	Fidelity Freedom Income®	Strong Opportunity	Msi Sm Co Growth B	Mutual Shares CI A
Fidelity Freedom 2000®	Other			

# Average Participant Balance



# Major Market Indices

Cumulative Total Return %  
Period Ending 3/31/2004



Past performance is no guarantee of future results.

The Citigroup 90-day Treasury Bill Index represents the average of T-Bill rates for each of the prior three months, adjusted to bond equivalent yield basis.

The Lehman Brothers Aggregate Bond Index is an unmanaged market value-weighted index for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year.

\* The Dow Jones Industrial Average (Dow Jones) is an unmanaged index of common stocks of the 30 major industrial companies and assumes reinvestment of dividends.

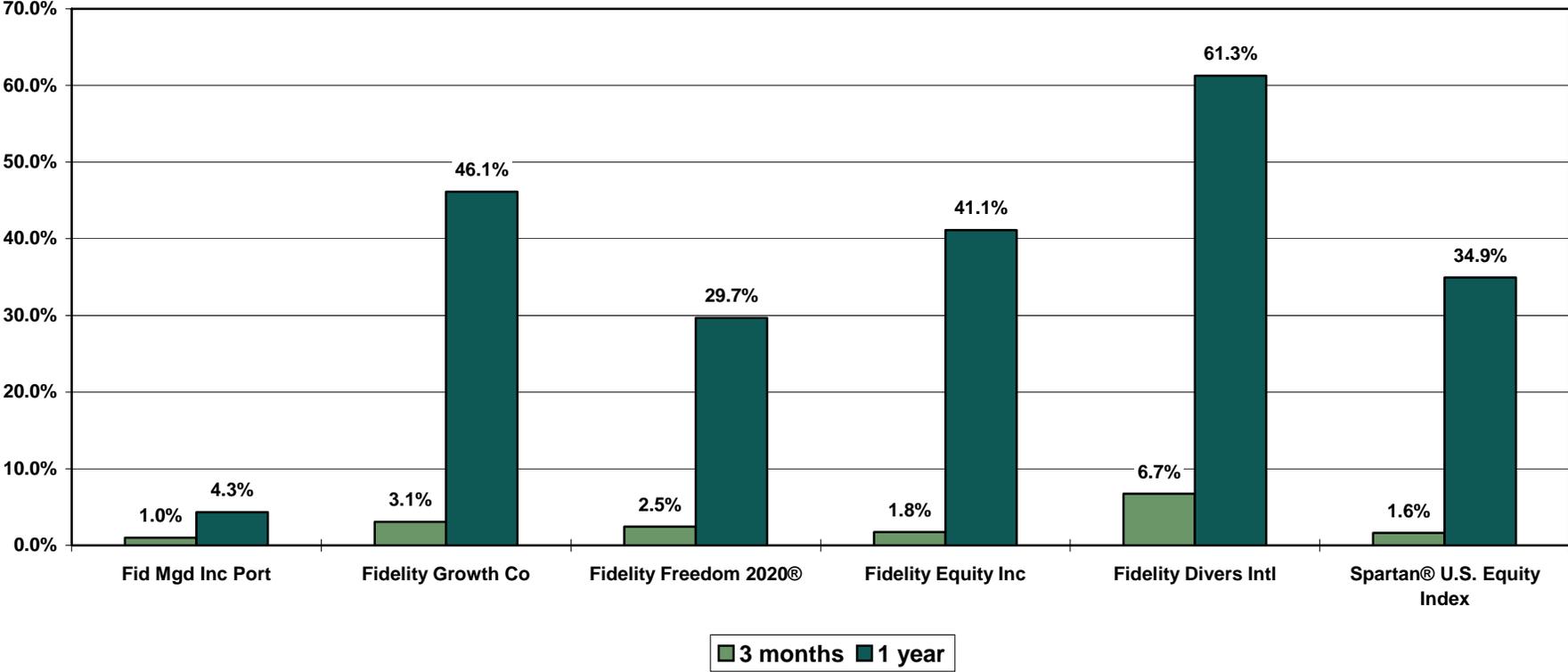
\* The S&P 500 is a registered service mark of the McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is a widely recognized, unmanaged index of 500 U.S. common stocks.

\* The NASDAQ Composite Index (NASDAQ), is an unmanaged index of over-the counter stock prices, does not assume reinvestment of dividends.

\* The MSCI EAFE Index (Morgan Stanley Capital International Europe, Australasia, and Far East, Index) is an unmanaged index and includes the reinvestment of dividends. It is designed to represent the performance of developed stock markets outside the United States and Canada. The MSCI EAFE Index is a registered service mark of Morgan Stanley and has been licensed for use by FMR Corp.

# Individual Fund Performance

Cumulative Total Return %  
Period Ending 3/31/2004



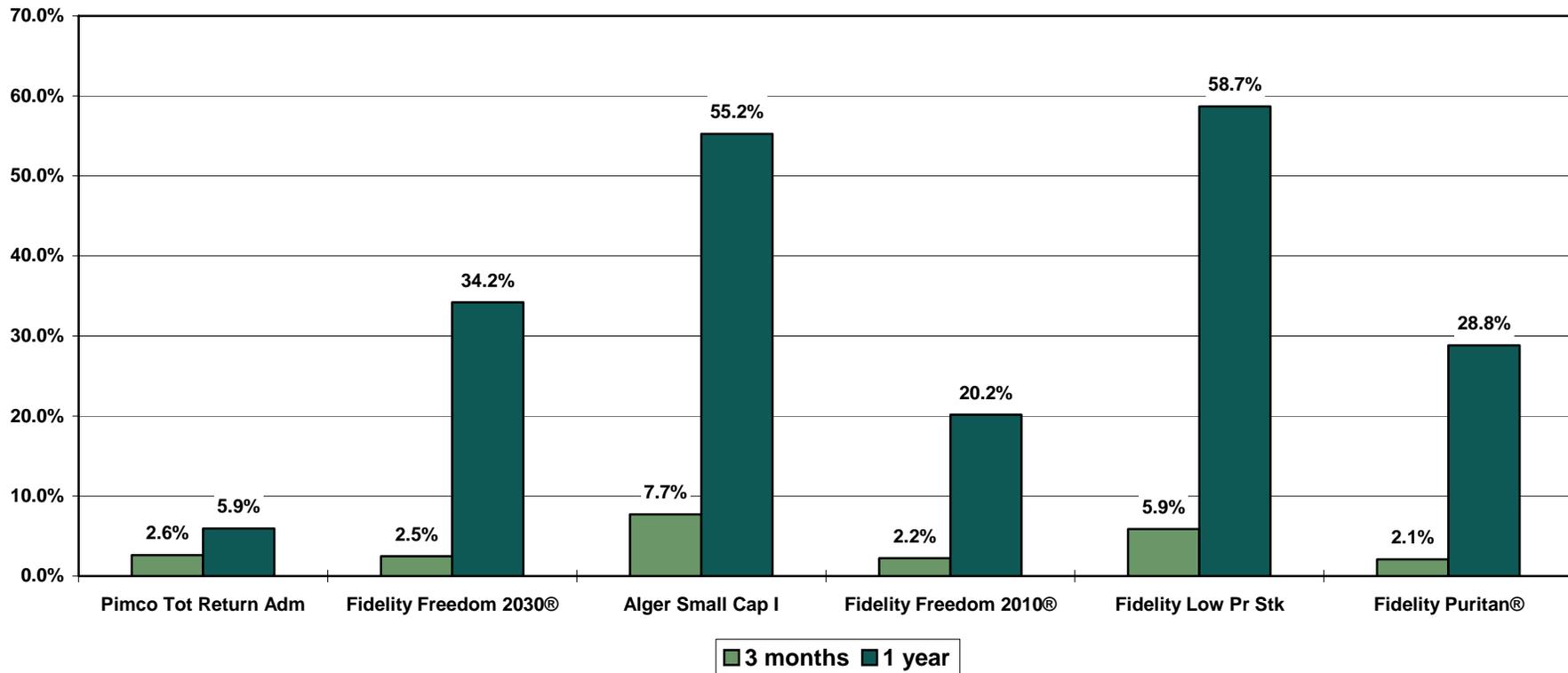
Past performance is no guarantee of future results.

# Individual Fund Performance

(Continued)

Cumulative Total Return %

Period Ending 3/31/2004



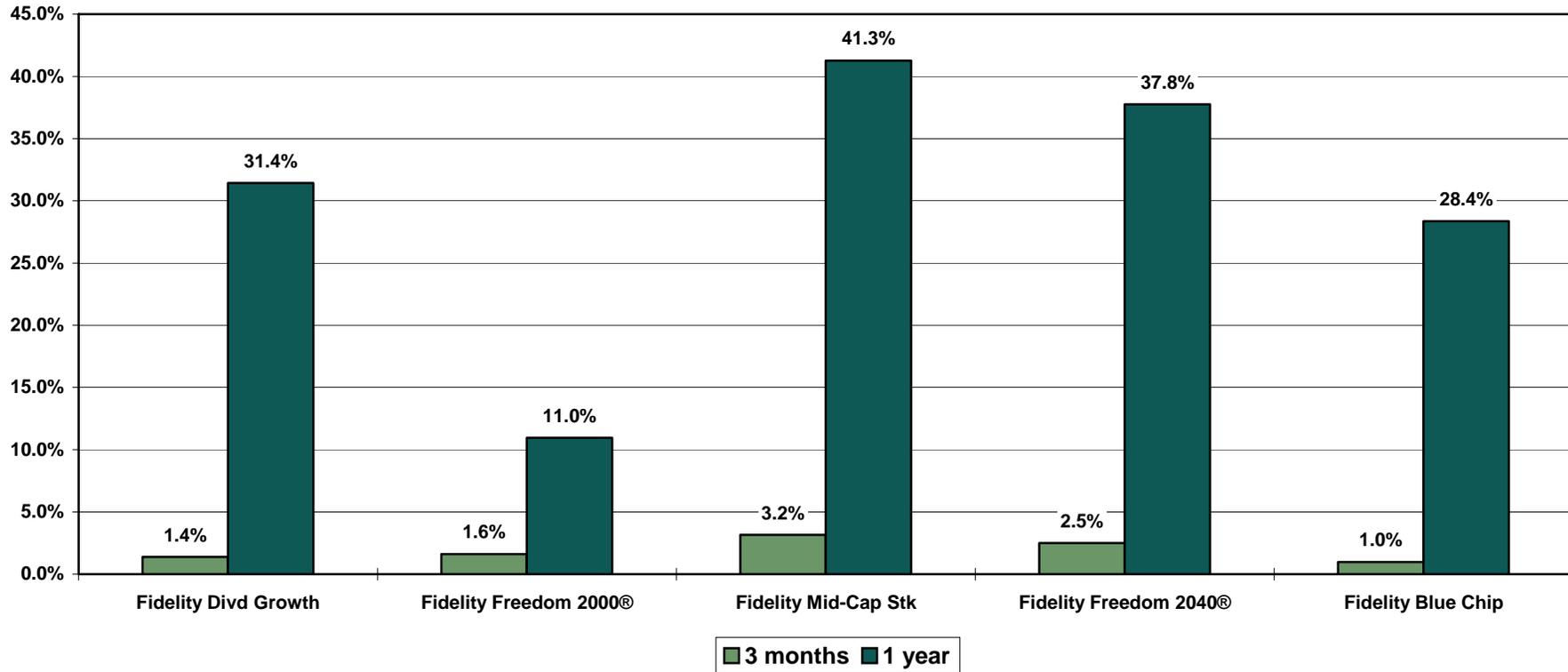
Past performance is no guarantee of future results.

# Individual Fund Performance

(Continued)

Cumulative Total Return %

Period Ending 3/31/2004

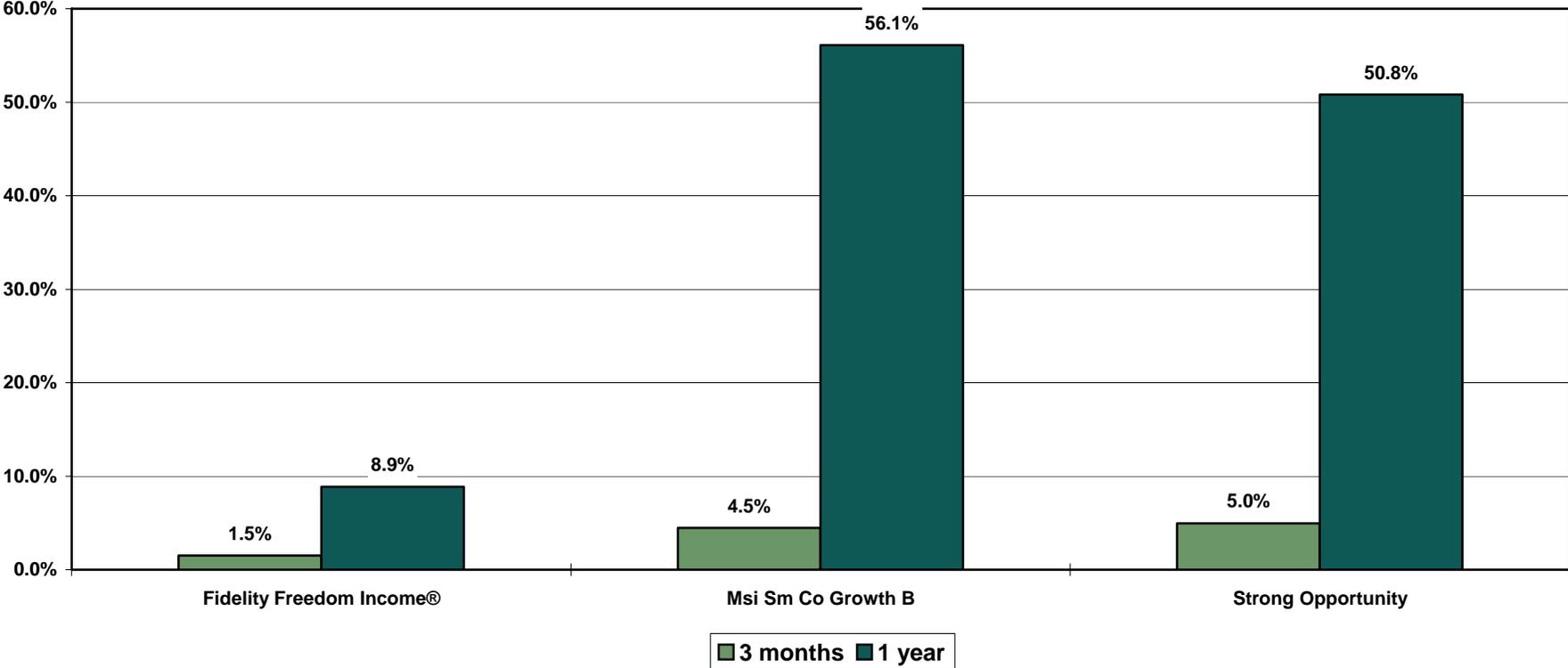


Past performance is no guarantee of future results.

# Individual Fund Performance

(Continued)

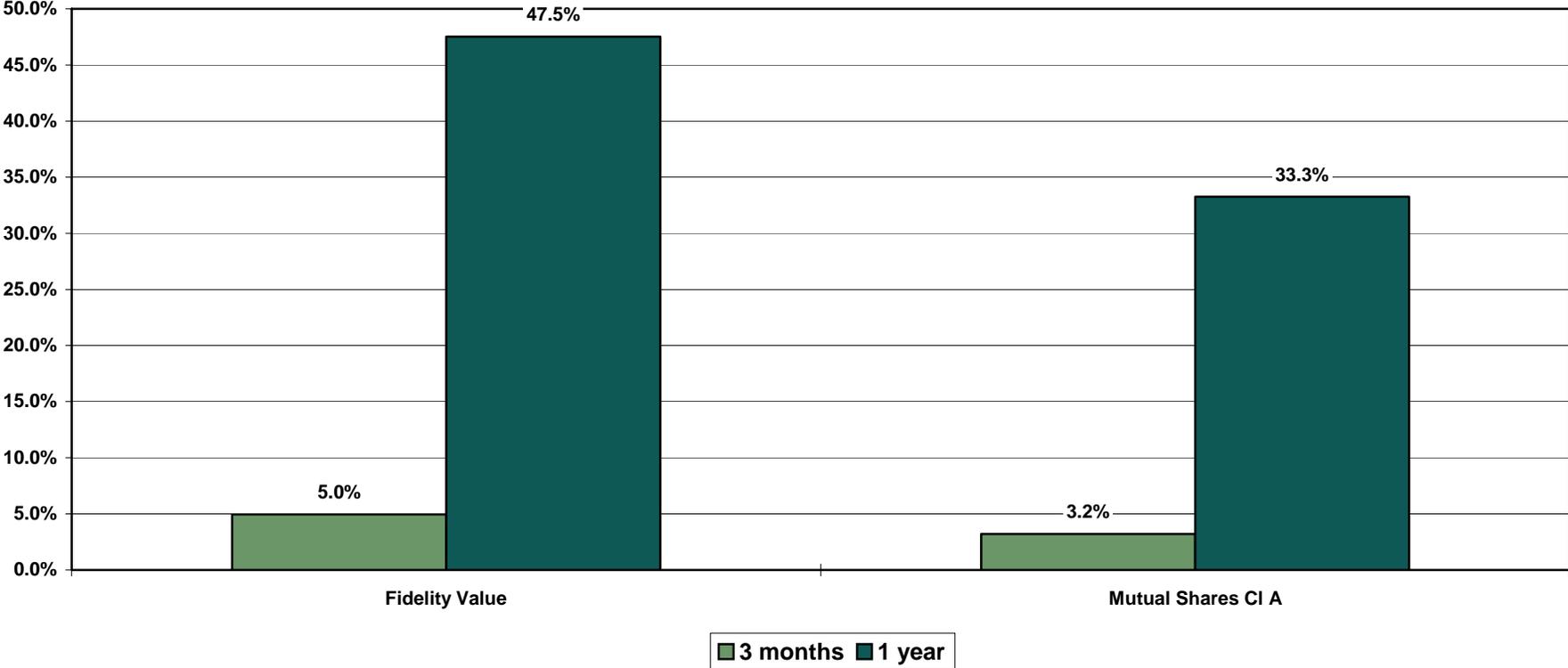
Cumulative Total Return %  
Period Ending 3/31/2004



# Individual Fund Performance

(Continued)

Cumulative Total Return %  
Period Ending 3/31/2004



Past performance is no guarantee of future results.

# Comparative Historical Performance

Average Annual Total Return %  
Period Ending 3/31/2004

Fund Benchmark(s)

	1 Year	5 Years	10 Years	Inception Date*	Short Term Trading Fee
<b>Fid Mgd Inc Port</b>	<b>4.3%</b>	<b>5.3%</b>	<b>5.6%</b>		Days /
<b>Fidelity Growth Co</b>	<b>46.1%</b>	<b>2.2%</b>	<b>11.7%</b>		Days /
Lipper Multi- Cap Growth Funds Average	39.6%	-1.9%	9.5%		
Russell 3000 Growth Index	34.2%	-5.5%	9.4%		
<b>Fidelity Freedom 2020®</b>	<b>29.7%</b>	<b>3.2%</b>	<b>8.7%</b>	* 10/17/1996	Days /
Lipper Multi- Cap Core Funds Average	38.5%	2.7%	10.6%		
S&P 500 Index	35.1%	-1.2%	11.7%		
<b>Fidelity Equity Inc</b>	<b>41.1%</b>	<b>3.4%</b>	<b>11.3%</b>		Days /
Lipper Equity Income Funds Average	35.8%	3.3%	10.3%		
Russell 3000 Value Index	42.5%	4.7%	12.6%		
<b>Fidelity Divers Intl</b>	<b>61.3%</b>	<b>9.9%</b>	<b>11.6%</b>		Days /
Lipper International Funds Average	53.7%	1.8%	5.1%		
MSCI EAFE Index	57.9%	0.7%	4.7%		
<b>Spartan® U.S. Equity Index</b>	<b>34.9%</b>	<b>-1.4%</b>	<b>11.5%</b>		30 Days / 0.75%
Lipper S&P 500 Funds Average	34.2%	-1.7%	11.2%		
S&P 500 Index	35.1%	-1.2%	11.7%		
<b>Pimco Tot Return Adm</b>	<b>5.9%</b>	<b>7.7%</b>	<b>8.3%</b>	* 9/8/1994	Days /
Lipper Intermediate Investment Grade Debt Avg	5.4%	6.5%	6.7%		
Lehman Brothers Aggregate Bond Index	5.4%	7.3%	7.5%		

**Mutual fund performance changes over time and currently may be significantly lower than stated. Most recent average annual return data is published online each month end. Please visit PSW<sup>SM</sup> or call Fidelity for these most recent performance figures. Periods of market strength may not be repeated.**

**The performance data quoted represents past performance, which is no guarantee of future results. Share price, yield and return will vary and you may have a gain or loss when you sell your shares.**

**An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in these funds.**

The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.

Please see Footnote pages for important legal information.

\*Return reflects life of fund from inception date shown.

# Comparative Historical Performance

(Continued)

Average Annual Total Return %

Period Ending 3/31/2004

Fund Benchmark(s)

	1 Year	5 Years	10 Years	Inception Date*	Short Term Trading Fee
<b>Fidelity Freedom 2030®</b>	<b>34.2%</b>	<b>2.3%</b>	<b>8.2%</b>	* 10/17/1996	Days /
Lipper Multi- Cap Core Funds Average	38.5%	2.7%	10.6%		
S&P 500 Index	35.1%	-1.2%	11.7%		
<b>Alger Small Cap I</b>	<b>55.2%</b>	<b>-2.9%</b>	<b>10.9%</b>		Days /
Lipper Mid-Cap Growth Funds Average	43.5%	2.8%	9.0%		
Russell 2000 Growth Index	63.2%	2.3%	6.5%		
<b>Fidelity Freedom 2010®</b>	<b>20.2%</b>	<b>4.3%</b>	<b>8.8%</b>	* 10/17/1996	Days /
Lipper Balanced Funds Average	23.9%	2.5%	8.7%		
S&P 500 Index	35.1%	-1.2%	11.7%		
<b>Fidelity Low Pr Stk</b>	<b>58.7%</b>	<b>19.0%</b>	<b>16.6%</b>		Days /
Lipper Small- Cap Value Funds Average	60.8%	16.5%	13.7%		
Russell 2000 Index	63.8%	9.7%	10.4%		
<b>Fidelity Puritan®</b>	<b>28.8%</b>	<b>4.5%</b>	<b>9.9%</b>		Days /
<b>Fidelity Divd Growth</b>	<b>31.4%</b>	<b>2.2%</b>	<b>14.7%</b>		Days /
Lipper Large- Cap Core Funds Average	31.2%	-2.3%	9.3%		
S&P 500 Index	35.1%	-1.2%	11.7%		
<b>Fidelity Freedom 2000®</b>	<b>11.0%</b>	<b>4.4%</b>	<b>7.6%</b>	* 10/17/1996	Days /
Lipper Income Funds Average	20.1%	4.0%	7.5%		
S&P 500 Index	35.1%	-1.2%	11.7%		

The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.

\*Return reflects life of fund from inception date shown.

# Comparative Historical Performance

(Continued)

Average Annual Total Return %

Period Ending 3/31/2004

Fund Benchmark(s)

	1 Year	5 Years	10 Years	Inception Date*	Short Term Trading Fee
<b>Fidelity Mid-Cap Stk</b>	<b>41.3%</b>	<b>9.8%</b>	<b>15.2%</b>		Days /
Lipper Multi- Cap Core Funds Average	38.5%	2.7%	10.6%		
S&P Midcap 400 Index	49.1%	11.8%	14.9%		
<b>Fidelity Freedom 2040®</b>	<b>37.8%</b>	<b>N/A</b>	<b>-5.3%</b>	* 9/6/2000	Days /
Lipper Multi- Cap Core Funds Average	38.5%	2.7%	10.6%		
S&P 500 Index	35.1%	-1.2%	11.7%		
<b>Fidelity Blue Chip</b>	<b>28.4%</b>	<b>-3.8%</b>	<b>9.2%</b>		Days /
Lipper Large- Cap Growth Funds Average	29.2%	-5.0%	8.1%		
S&P 500 Index	35.1%	-1.2%	11.7%		
<b>Msi Sm Co Growth B</b>	<b>56.1%</b>	<b>11.2%</b>	<b>13.1%</b>	* 1/2/1996	Days /
Lipper Mid-Cap Growth Funds Average	43.5%	2.8%	9.0%		
Russell 2000 Growth Index	63.2%	2.3%	6.5%		
<b>Strong Opportunity</b>	<b>50.8%</b>	<b>7.1%</b>	<b>12.6%</b>		Days /
Lipper Multi- Cap Value Funds Average	41.7%	5.3%	11.7%		
Russell Midcap Index	50.8%	8.4%	13.1%		
<b>Fidelity Freedom Income®</b>	<b>8.9%</b>	<b>4.6%</b>	<b>6.4%</b>	* 10/17/1996	Days /
Lipper Income Funds Average	20.1%	4.0%	7.5%		
Lehman Brothers Aggregate Bond Index	5.4%	7.3%	7.5%		
<b>Mutual Shares CI A</b>	<b>33.3%</b>	<b>8.7%</b>	<b>10.8%</b>	* 11/1/1996	Days /
Lipper Multi- Cap Value Funds Average	41.7%	5.3%	11.7%		
Russell 3000 Index	38.2%	0.1%	11.5%		

The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.

\*Return reflects life of fund from inception date shown.