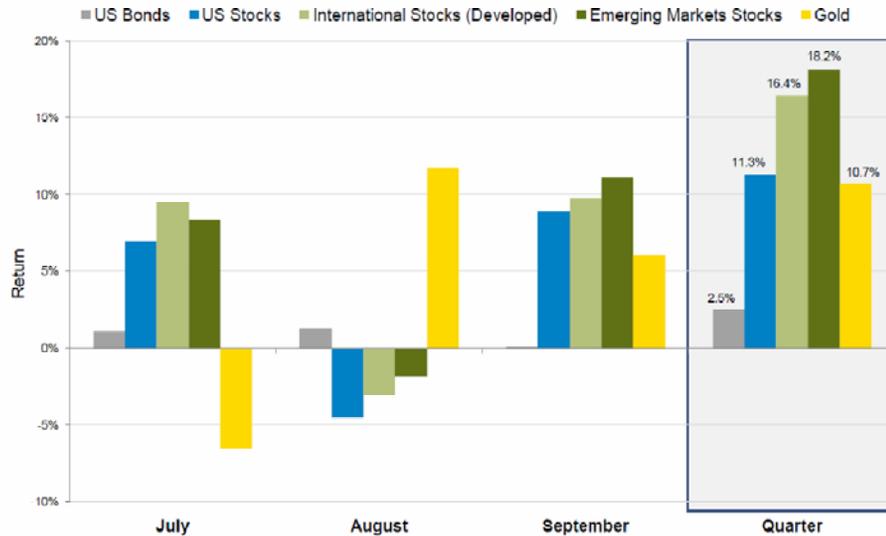


NDPERS  
401(a)  
Defined Contribution Plan  
Quarterly Report  
3<sup>rd</sup> Quarter  
7/1/2010 – 9/30/2010



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

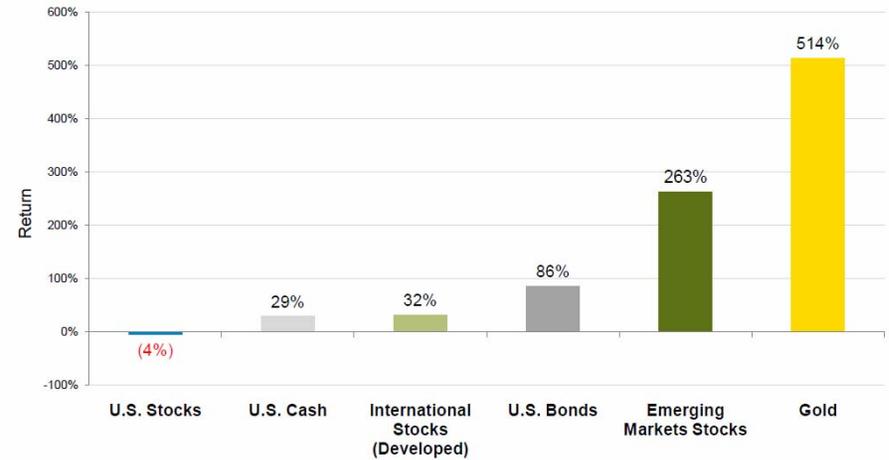
## Volatile Quarter Finishes Positive Across Asset Classes



Source: FMRCo., Fund Facts Web Viewer, as of 9/30/2010. Cumulative Return indices used: US Bonds-BC US Aggregate Bonds, US Stocks-S&P 500, International Stocks (Developed)-MSCI EAFE (Net MA), Emerging Markets Stocks-MSCI Emerging Markets (G), Gold-S&P GIB BMI Gold Capped.

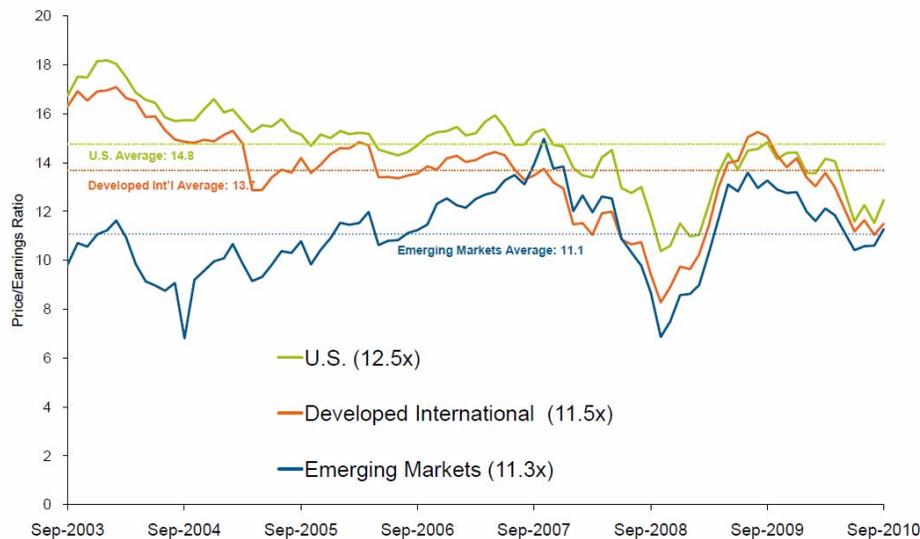
## The Lost Decade for U.S. Stocks

### 10 Year Cumulative Returns by Asset Class (Sept. 2000 - Sept. 2010)



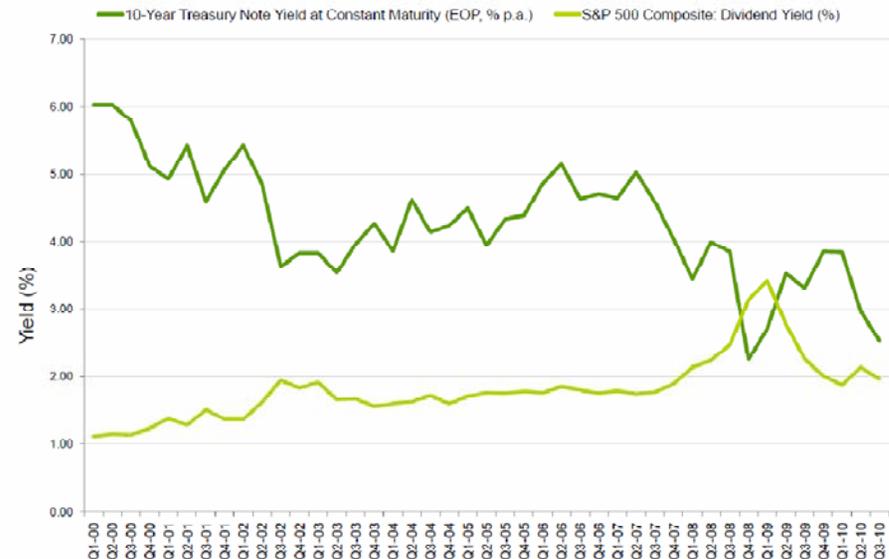
Source: FMRCo., Fund Facts Web Viewer, as of 9/30/2010. Cumulative Return indices used: US Stocks-S&P 500, US Cash-BC US 3 Mo Treasury Billwether, International Stocks (Developed)-MSCI EAFE (Net MA), US Bonds-BC US Aggregate Bonds, Emerging Markets Stocks-MSCI Emerging Markets (G), Gold-S&P Global BMI Gold Capped.

## Stock Markets Historic Valuations



Future earnings depicted.  
Past performance does not guarantee future results.  
Source: MSCI/Factset as of 9/30/2010. Price/Forward Earnings. MSCI Indices used: MSCI U.S.- U.S., Developed International - MSCI EAFE, Emerging Markets- MSCI Emerging Markets.

## Yields Have Converged



Source: Federal Reserve, Standard & Poor's, Haver Analytics, FMRCo (MARE) as of 9/30/10.

**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>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)

Fidelity Spartan International Index (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, 2045 & 2050

**FUND STYLE CHANGES:**

			<b>LARGE</b>
Allianz NFJ Small Cap Value			<b>MEDIUM</b>
↑	Fidelity Mid Cap Stock ←		
		↓	<b>SMALL</b>
	Fidelity Spartan Ext Mkt Index		
<b>VALUE</b>	<b>BLEND</b>	<b>GROWTH</b>	

**INCOME FUNDS:**

**BOND FUNDS:**

**INTERNATIONAL FUNDS:**

**BALANCED FUNDS:**

**LIFESTYLE FUNDS:**

**CURRENT LINEUP:**

Mutual Shares A Fidelity Equity-Income	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 Mid Cap Stock		
Allianz NFJ Small Cap Value	Dreyfus Small Cap Index Fidelity Spartan Ext Mkt Index	MSIF 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

Fidelity Spartan International Index

**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, 2045 & 2050

<b>NDPERS Investment Benchmarks - 3rd Quarter 2010</b>					
	<b>Quarter</b>	<b>Y-T-D</b>	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>
<u>Stable Value Fund</u>					
<b>Fidelity Managed Income Portfolio</b>	0.34%	0.94%	1.22%	2.48%	3.14%
GIC Index	0.17%	0.52%	0.69%	1.05%	1.78%
<u>Fixed Income Fund</u>					
<b>PIMCO Total Return Bond Fund - PTRAX</b>	3.75%	9.64%	10.65%	10.57%	8.09%
Barclays Aggregate Bond Index	2.48%	7.94%	8.16%	7.42%	6.20%
Taxable Bond Fund Universe	3.94%	8.15%	10.27%	5.78%	5.31%
<u>Balanced Fund</u>					
<b>Fidelity Puritan - FPURX</b>	8.25%	5.88%	10.88%	-2.06%	3.42%
60% Large Cap Value Univ & 40% Taxable Bond Universe	7.92%	5.05%	8.91%	-2.75%	1.96%
60% Russell 3000 Value & 40% Lehman Agg Bond Index	7.05%	6.05%	8.75%	-2.46%	2.25%
<u>Large Cap Equities - Value</u>					
<b>Fidelity Equity-Income - FEQIX</b>	10.97%	3.31%	7.05%	-9.83%	-0.45%
<b>Mutual Shares A - TESIX</b>	8.39%	3.39%	8.35%	-7.23%	0.42%
Russell 1000 Value Index	10.13%	4.49%	8.90%	-9.39%	-0.48%
Large Cap Value Fund Universe	10.58%	2.99%	8.01%	-8.44%	-0.28%
<u>Large Cap Equities - Blend</u>					
<b>Fidelity Spartan US Equity Index - FUSEX</b>	11.27%	3.84%	10.09%	-7.19%	0.60%
<b>Fidelity Dividend Growth - FDGFX</b>	13.33%	5.48%	11.24%	-5.06%	1.71%
S&P 500 Index	11.29%	3.89%	10.16%	-7.16%	0.64%
Large Cap Blend Fund Universe	11.12%	3.19%	8.87%	-7.23%	0.40%
<u>Large Cap Equities - Growth</u>					
<b>Fidelity Growth Company - FDGRX</b>	15.06%	7.97%	15.85%	-3.15%	4.65%
Russell 3000 Growth Index	12.98%	4.80%	12.81%	-4.32%	2.08%
<b>Fidelity Blue Chip Growth - FBGRX</b>	13.37%	5.10%	14.11%	-2.41%	2.56%
Russell 1000 Growth Index	13.00%	4.36%	12.65%	-4.36%	2.06%
Large Cap Growth Fund Universe	12.66%	3.38%	10.36%	-6.06%	1.18%
<u>Mid Cap Equities - Value</u>					
<b>Goldman Sachs Mid Cap Value - GCMAX</b>	14.22%	10.32%	16.62%	-3.55%	2.09%
Russell Mid Cap Value	12.13%	11.15%	16.93%	-4.78%	1.97%
Mid Cap Value Fund Universe	11.36%	8.37%	14.09%	-4.85%	1.81%
<u>Mid Cap Equities - Blend</u>					
<b>Dreyfus Mid Cap Index - PESPX</b>	13.05%	11.19%	17.27%	-1.99%	3.39%
S&P Mid Cap 400	13.12%	11.57%	17.78%	-1.67%	3.77%
<b>Fidelity Spartan Extended Mkt Index - FSEMX</b>	12.49%	11.30%	16.80%	-3.24%	3.16%
Wilshire 4500 Index	12.62%	11.37%	16.66%	-3.46%	3.03%
Mid Cap Blend Fund Universe	11.81%	8.20%	13.79%	-4.73%	1.66%
<u>Mid Cap Equities - Growth</u>					
<b>Fidelity Mid Cap Stock - FMCSX</b>	12.28%	7.62%	12.34%	-6.17%	2.64%
Russell Mid Cap Growth	14.65%	10.85%	18.27%	-3.90%	2.86%
Mid Cap Growth Fund Universe	13.53%	9.58%	15.98%	-5.11%	2.50%
<b>Fund Returns in RED do not meet both benchmarks.</b>					
<b>Fund Returns in BLACK meet both benchmarks.</b>					

## NDPERS Investment Benchmarks - 3rd Quarter 2010

	Quarter	Y-T-D	1-Year	3-Year	5-Year
Small Cap Equities - Value					
<b>Allianz NFJ Small Cap Value - PVADX</b>	10.04%	11.71%	18.28%	-0.57%	4.82%
Russell 2000 Value Index	9.72%	7.92%	11.84%	-4.99%	0.73%
Small Value Fund Universe	9.86%	9.16%	13.41%	-3.62%	1.38%
Small Cap Equities - Blend					
<b>Dreyfus Small Cap Index - DISSX</b>	9.66%	8.54%	13.95%	-4.18%	1.46%
Russell 2000 Index	11.29%	9.12%	13.35%	-4.29%	1.60%
S & P 600 Index	9.62%	8.66%	14.22%	-4.18%	1.62%
Small Blend Fund Universe	10.92%	8.44%	13.55%	-4.61%	1.11%
Small Cap Equities - Growth					
<b>MSI Small Co Growth P - MSSMX</b>	14.72%	7.27%	11.35%	-4.48%	1.93%
Russell 2000 Growth Index	12.83%	10.23%	14.79%	-3.75%	2.35%
Small Growth Fund Universe	11.68%	8.98%	14.27%	-5.61%	1.38%
International Equity Funds					
<b>Fidelity Diversified International - FDIVX</b>	16.71%	1.29%	4.67%	-10.03%	1.80%
<b>Fidelity Spartan International Index- FSII</b>	17.58%	1.05%	3.21%	-9.41%	2.07%
MSCI EAFE	16.48%	1.07%	3.27%	-9.51%	1.97%
International Stock Fund Universe	16.40%	5.16%	9.93%	-7.88%	3.71%
Asset Allocation Funds:					
<b>Fidelity Freedom Income - FFFAX</b>	4.00%	5.06%	7.53%	2.37%	3.91%
Income Benchmark	3.52%	4.40%	6.04%	2.15%	3.80%
<b>Fidelity Freedom 2000 - FFFBX</b>	4.22%	5.04%	7.53%	1.69%	3.72%
2000 Benchmark	3.79%	4.31%	6.13%	1.74%	3.65%
<b>Fidelity Freedom 2005 - FFFVX</b>	6.83%	5.16%	8.47%	-0.85%	3.25%
2005 Benchmark	6.98%	5.33%	8.29%	-0.17%	3.46%
<b>Fidelity Freedom 2010 - FFFCX</b>	7.73%	5.39%	8.93%	-0.79%	3.38%
2010 Benchmark	7.45%	5.48%	8.55%	-0.39%	3.48%
<b>Fidelity Freedom 2015 - FFFVX</b>	7.91%	5.36%	8.97%	-1.47%	3.33%
2015 Benchmark	7.91%	5.48%	8.75%	-0.85%	3.36%
<b>Fidelity Freedom 2020 - FFFDX</b>	9.15%	5.26%	9.40%	-3.12%	2.82%
2020 Benchmark	9.30%	5.74%	9.78%	-1.94%	3.14%
<b>Fidelity Freedom 2025 - FFTWX</b>	10.14%	5.19%	9.54%	-3.62%	2.62%
2025 Benchmark	9.82%	5.63%	9.93%	-2.60%	2.93%
<b>Fidelity Freedom 2030 - FFFEX</b>	10.63%	4.88%	9.48%	-5.31%	1.97%
2030 Benchmark	10.73%	5.28%	10.03%	-3.91%	2.49%
<b>Fidelity Freedom 2035 - FFFHX</b>	11.27%	4.52%	9.29%	-5.71%	1.77%
2035 Benchmark	11.00%	5.20%	10.12%	-4.33%	2.34%
<b>Fidelity Freedom 2040 - FFFFX</b>	11.54%	4.58%	9.25%	-6.14%	1.60%
2040 Benchmark	11.32%	5.17%	10.31%	-4.61%	2.28%
<b>Fidelity Freedom 2045 - FFFGX</b>	11.69%	4.40%	9.30%	-6.33%	N/A
2040 Benchmark	11.32%	5.17%	10.31%	-4.61%	2.28%
<b>Fidelity Freedom 2050 - FFFHX</b>	12.06%	4.11%	8.94%	-7.10%	N/A
2040 Benchmark	11.92%	4.91%	10.22%	-5.39%	2.06%
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	11.50%	5.00%	11.08%	-6.46%	1.11%
MSCI EAFE	16.48%	1.07%	3.27%	-9.51%	1.97%
Lehman Aggregate Bond Index	2.48%	7.94%	8.16%	7.42%	6.20%
ML High Yield Bond Fund Index	6.62%	11.64%	18.38%	8.91%	8.34%
3 Month T-Bill Index	0.04%	0.09%	0.12%	1.01%	2.48%
Russell 3000 Value Index	10.10%	4.79%	9.15%	-9.04%	-0.39%
<b>Fund Returns in RED do not meet both benchmarks. Fund Returns in BLACK meet both benchmarks.</b>					

# NDPERS Mutual Fund Research - 9/30/2010

## Large Value

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Morn-Star Rating	Category Rank	Average Return					Standard=S&P 500 Index			Standard	Sharpe		
				Tenure						3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio	
Fidelity Puritan (Balanced Fund)	FPURX	18.4 Billion	4/16/1947	5 Years	0.67%	2.29	116%	14.7	4-Stars	48	27	8.25	10.88	-2.06	3.42	4.24					15.62	-0.11
Fidelity Equity-Income	FEQIX	13.0 Billion	5/16/1966	16 Years	0.74%	1.50	30%	12.5	2-Stars	69	52	10.97	10.97	-9.83	-0.45	1.72	98	1.14	-1.30	25.10	-0.32	
Franklin Mutual Shares A	TESIX	15.0 Billion	11/11/1996	Team	1.13%	1.69	48%	12.5	3-Stars	30	37	8.39	8.39	-7.23	0.42	4.42	93	0.88	-1.17	19.86	-0.46	

## Large Blend

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Morn-Star Rating	Category Rank	Average Return					Standard=S&P 500 Index			Standard	Sharpe	
				Tenure						3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio
Fidelity Spartan US Equity Index	FUSEX	37.3 Billion	3/6/1990	Team	0.10%	1.77	11%	13.7	3-Stars	48	43	11.27	10.09	-7.19	0.60	-0.52	100	1.00	-0.03	21.82	-0.27
Fidelity Dividend Growth	FDGFX	8.4 Billion	4/27/1993	1 Years	0.92%	0.54	85%	14.1	3-Stars	17	21	13.33	11.24	-5.06	1.71	0.93	95	1.26	5.32	28.12	-0.08
Fidelity Diversified International	FDIVX	34.3 Billion	12/27/1991	9 Years	0.99%	1.23	54%	14.7	4-Stars	58	54	16.71	4.67	-10.03	1.80	4.81				27.25	-0.28
Fidelity Spartan International Index	FSIIX	8.6 Billion		Team	0.10%	2.07	2%	12.9	3-Stars	49	49	17.58	3.21	-9.41	2.07	2.47				27.18	-0.26

## Large Growth

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Morn-Star Rating	Category Rank	Average Return					Standard=S&P 500 Index			Standard	Sharpe	
				Tenure						3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio
Fidelity Growth Company	FDGRX	33.3 Billion	1/17/1983	13 Years	0.93%	0.16	64%	18.6	4-Stars	16	6	15.06	15.85	-3.15	4.65	-1.22	88	1.05	5.06	24.33	-0.05
Fidelity Blue Chip Growth	FBGRX	12.0 Billion	12/31/1987	1 Years	0.93%	0.14	135%	16.9	4-Stars	10	23	13.37	14.11	-2.41	2.56	-1.82	95	1.09	6.07	24.39	-0.02

## Medium Value

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Morn-Star Rating	Category Rank	Average Return					Standard=S&P 500 Index			Standard	Sharpe	
				Tenure						3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio
Goldman Sachs Mid Cap Value	GCMAX	6.6 Billion	8/15/1997	Team	1.19%	0.88	104%	15.2	4-Stars	28	43	14.22	16.62	-3.55	2.09	8.93	95	1.08	4.86	24.23	-0.06

## Medium Blend

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Morn-Star Rating	Category Rank	Average Return					Standard=S&P 500 Index			Standard	Sharpe	
				Tenure						3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio
Dreyfus Mid Cap Index	PESPX	2.1 Billion	6/19/1991	10 Years	0.50%	0.94	22%	16.2	4-Stars	21	21	13.05	17.27	-1.99	3.39	4.94	93	1.15	7.33	26.02	0.02
Fidelity Spartan Extended Mkt Index	FSEMX	4.3 Billion	11/5/1997	Team	0.10%	1.03	26%	14.4	3-Stars	37	27	12.49	16.80	-3.24	3.16	2.57	93	1.16	6.15	26.22	-0.03

## Medium Growth

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Morn-Star Rating	Category Rank	Average Return					Standard=S&P 500 Index			Standard	Sharpe	
				Tenure						3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio
Fidelity Mid-Cap Stock	FMCSX	7.4 Billion	3/29/1994	5 Years	0.64%	0.33	85%	11.9	3-Stars	61	47	12.28	12.34	-6.17	2.64	1.45	86	1.29	5.04	30.25	-0.08

## Small Value

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Morn-Star Rating	Category Rank	Average Return					Standard=S&P 500 Index			Standard	Sharpe	
				Tenure						3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio
Allianz NFJ Small Cap Value Admin	PVADX	6.6 Billion	11/1/1995	Team	1.08%	1.87	21%	12.6	5-Stars	13	12	10.04	18.28	-0.57	4.82	11.73	94	0.99	6.86	22.17	0.04

## Small Blend

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Morn-Star Rating	Category Rank	Average Return					Standard=S&P 500 Index			Standard	Sharpe	
				Tenure						3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio
Dreyfus Small Cap Index	DISSX	0.9 Billion	6/30/1997	10 Years	0.50%	0.71	26%	18.0	3-Stars	46	45	9.66	13.95	-4.18	1.46	5.88	88	1.18	5.56	27.43	-0.05

## Small Growth

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Morn-Star Rating	Category Rank	Average Return					Standard=S&P 500 Index			Standard	Sharpe	
				Tenure						3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio
Morgan Stanley Small Cap Growth B	MSSMX	1.6 Billion	1/2/1996	Team	1.30%	0.00	27%	24.8	3-Stars	38	43	14.72	11.35	-4.48	1.93	0.76	91	1.15	4.68	26.13	-0.08

# Lifestyle / Others

Fund	Symbol	Assets	Inception	Manager	Expense			P/E	Morn-Star Rating	Category Rank		Average Return					Standard=S&P 500 Index			Standard Deviation	Sharpe Ratio
					Tenure	Ratio	Yield			Turnover	3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta		
Fidelity Managed Income Portfolio		8.1 Billion	9/7/1989	15 Years	0.55%							0.34	1.22	2.48	3.14	3.95	N/A	N/A	N/A	N/A	N/A
PIMCO Total Return Bond Fund	PTRAX	252.0 Billion	9/8/1994	22 Years	0.71%	2.92	402%		5-Stars	2	3	3.75	10.65	10.57	8.09	7.66	N/A	N/A	N/A	4.67	1.97
Fidelity Freedom Income	FFFAX	2.8 Billion	10/17/1996	4 Years	0.50%	2.05	29%	14.4	4-Stars	26	39	4.00	7.53	2.37	3.91	3.53	N/A	N/A	N/A	7.16	0.24
Fidelity Freedom 2000	FFFBX	1.6 Billion	10/17/1996	4 Years	0.51%	2.35	31%	14.3	4-Stars	12	25	4.22	7.53	1.69	3.72	3.11	N/A	N/A	N/A	7.83	0.14
Fidelity Freedom 2005	FFVFX	0.9 Billion	11/6/2003	4 Years	0.64%	2.17	34%	14.3	3-Stars	41	41	6.83	8.47	-0.85	3.25	N/A	N/A	N/A	N/A	13.36	-0.06
Fidelity Freedom 2010	FFFCX	10.0 Billion	10/17/1996	4 Years	0.64%	2.27	25%	14.3	3-Stars	39	36	7.73	8.93	-0.79	3.38	2.78	N/A	N/A	N/A	14.26	-0.05
Fidelity Freedom 2015	FFVFX	8.6 Billion	11/6/2003	4 Years	0.68%	2.18	30%	14.3	3-Stars	22	21	7.91	8.97	-1.47	3.33	N/A	N/A	N/A	N/A	15.00	-0.08
Fidelity Freedom 2020	FFFDX	19.3 Billion	10/17/1996	4 Years	0.74%	2.11	29%	14.3	3-Stars	52	30	9.15	9.40	-3.12	2.82	1.87	N/A	N/A	N/A	17.76	-0.14
Fidelity Freedom 2025	FFTWX	9.2 Billion	11/6/2003	4 Years	0.76%	1.96	26%	14.3	3-Stars	32	23	10.14	9.54	-3.62	2.62	N/A	N/A	N/A	N/A	18.87	-0.15
Fidelity Freedom 2030	FFFEY	14.0 Billion	10/17/1996	4 Years	0.79%	1.76	29%	14.3	3-Stars	53	22	10.63	9.48	-5.31	1.97	0.99	N/A	N/A	N/A	20.64	-0.20
Fidelity Freedom 2035	FFTHX	6.1 Billion	11/6/2003	4 Years	0.81%	1.72	25%	14.2	3-Stars	54	24	11.27	9.29	-5.71	1.77	N/A	N/A	N/A	N/A	21.34	-0.21
Fidelity Freedom 2040	FFFFX	8.4 Billion	9/6/2000	4 Years	0.81%	1.73	27%	14.2	4-Stars	45	22	11.54	9.25	-6.14	1.60	0.49	N/A	N/A	N/A	21.94	-0.22
Fidelity Freedom 2045	FFFGX	2.2 Billion	9/6/2006	4 Years	0.82%	1.63	24%	14.2	3-Stars	54	N/A	11.69	9.30	-6.33	N/A	N/A	N/A	N/A	N/A	22.16	-0.22
Fidelity Freedom 2050	FFFHX	1.8 Billion	9/6/2006	4 Years	0.84%	1.54	23%	14.2	3-Stars	55	N/A	12.06	8.94	-7.10	N/A	N/A	N/A	N/A	N/A	23.06	-0.24

**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, 2010

**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 [www.mysavingsatwork.com](http://www.mysavingsatwork.com) (log in, choose plan, select "Investment Choices & Research," and then pick investment option).

Fund ID	Fund Name	Cumulative Total Returns %		Average Annual Total Returns %			Life of Fund	Fund Inception	Short-Term Trading Fee (%/Days)	Expense Ratio
		3 Month	YTD	1 Year	5 Year	10 Year				
<b>LIFE-CYCLE FUNDS</b>										
FTTBK	Fidelity Freedom 2000	4.22	5.04	7.53	3.72	3.11	5.76	10/17/96	n/a	0.51
FFVX	Fidelity Freedom 2005	6.83	5.16	8.47	3.25	n/a	4.30	11/06/03	n/a	0.64
FFCX	Fidelity Freedom 2010	7.73	5.39	8.93	3.38	2.78	6.49	10/17/96	n/a	0.67
FFVFX	Fidelity Freedom 2015	7.91	5.36	8.97	3.33	n/a	4.79	11/06/03	n/a	0.68
FFFDX	Fidelity Freedom 2020	9.15	5.26	9.40	2.82	1.87	6.44	10/17/96	n/a	0.74
FTTVX	Fidelity Freedom 2025	10.14	5.19	9.54	2.62	n/a	4.65	11/06/03	n/a	0.76
FFEX	Fidelity Freedom 2030	10.63	4.88	9.48	1.97	0.99	5.96	10/17/96	n/a	0.79
FFTHX	Fidelity Freedom 2035	11.27	4.52	9.29	1.77	n/a	4.28	11/06/03	n/a	0.81
FFFFX	Fidelity Freedom 2040	11.54	4.58	9.25	1.60	0.49	0.19	9/06/00	n/a	0.81
FFFGX	Fidelity Freedom 2045	11.69	4.40	9.30	n/a	n/a	0.03	6/01/06	n/a	0.82
FFFHX	Fidelity Freedom 2050	12.06	4.11	8.94	n/a	n/a	-0.46	6/01/06	n/a	0.84
FFFAX	Fidelity Freedom Income	4.00	5.06	7.53	3.91	3.53	5.15	10/17/96	n/a	0.50
<b>MANAGED INCOME / STABLE VALUE</b>										
00632	Managed Income Portfolio	0.34	0.94	1.22	3.14	3.95	5.21	9/07/89	n/a	n/a
<b>BOND FUNDS</b>										
PTRAX	PIMCO Total Return - Administrative Class	3.75	9.64	10.65	8.09	7.66	7.71	9/08/94	n/a	0.72
<b>BALANCED/HYBRID FUNDS</b>										
FPURX	Fidelity Puritan®	8.25	5.88	10.88	3.42	4.24	11.03	4/16/47	n/a	0.67
<b>DOMESTIC EQUITY FUNDS - LARGE-CAP VALUE</b>										
FEQIX	Fidelity Equity-Income	10.97	3.31	7.05	-0.45	1.72	11.40	5/16/66	n/a	0.74
TESIX	Mutual Shares - A Class	8.39	3.39	8.35	0.42	4.42	7.03	11/01/96	n/a	1.20

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

continued

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AS OF SEPTEMBER 30, 2010

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>DOMESTIC EQUITY FUNDS - LARGE-CAP BLEND</b>										
FDGFX	Fidelity Dividend Growth	13.33	5.48	11.24	1.71	0.93	9.98	4/27/93	n/a	0.93
FUSEX	Spartan® 500 Index - Investor Class	11.27	3.84	10.09	0.60	-0.52	9.00	2/17/88	n/a	0.10
<b>DOMESTIC EQUITY FUNDS - LARGE-CAP GROWTH</b>										
FBGRX	Fidelity Blue Chip Growth	13.37	5.10	14.11	2.56	-1.82	10.13	12/31/87	n/a	0.94
FDGRX	Fidelity Growth Company	15.06	7.97	15.85	4.65	-1.22	12.50	1/17/83	n/a	0.93
<b>DOMESTIC EQUITY FUNDS - MID-CAP VALUE</b> Ⓜ										
GCMAX	Goldman Sachs Mid Cap Value - Class A	14.22	10.32	16.62	2.09	8.93	7.74	8/15/97	n/a	1.19
<b>DOMESTIC EQUITY FUNDS - MID-CAP BLEND</b> Ⓜ										
PESPX	Dreyfus Mid Cap Index	13.05	11.19	17.27	3.39	4.94	11.24	6/19/91	n/a	0.51
FSEMΧ	Spartan® Extended Market Index - Investor Class	12.49	11.30	16.80	3.16	2.57	5.30	11/05/97	0.75/90	0.10
<b>DOMESTIC EQUITY FUNDS - MID-CAP GROWTH</b> Ⓜ										
FMCSX	Fidelity Mid-Cap Stock	12.28	7.62	12.34	2.64	1.45	10.71	3/29/94	0.75/30	0.65
<b>DOMESTIC EQUITY FUNDS - SMALL-CAP VALUE</b> ◆										
PVADX	Allianz NFJ Small Cap Value - Administrative Class	10.04	11.71	18.28	4.82	11.73	11.51	11/01/95	n/a	1.14
<b>DOMESTIC EQUITY FUNDS - SMALL-CAP BLEND</b> ◆										
DISSX	Dreyfus Small Cap Stock Index	9.66	8.54	13.95	1.46	5.88	6.89	6/30/97	n/a	0.51
<b>DOMESTIC EQUITY FUNDS - SMALL-CAP GROWTH</b> ◆										
MSSMX	MSIF Small Company Growth - P Class	14.72	7.27	11.35	1.93	0.76	9.38	1/02/96	2.00/30	1.32
<b>INTERNATIONAL/GLOBAL FUNDS</b> ††										
FDIVX	Fidelity Diversified International	16.71	1.29	4.67	1.80	4.81	8.90	12/27/91	1.00/30	1.01
FSIIX	Spartan® International Index - Investor Class○	17.58	1.05	3.21	2.07	2.47	4.41	11/05/97	1.00/90	0.20

**MARKET INDICATORS**^^

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

Barclays Capital U.S. Intermediate Government/ Credit Bond Index	2.76	7.44	7.77	5.95	6.05
Dow Jones Industrial Average	11.13	5.57	14.12	3.13	2.51
MSCI EAFE® Index (Net MA)	16.44	1.15	3.36	2.11	2.82
Standard & Poor's 500 <sup>SM</sup> Index	11.29	3.89	10.16	0.64	-0.43

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.

## AS OF SEPTEMBER 30, 2010

### 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.
- Fidelity is temporarily reimbursing a portion of the fund's expenses. Absent such reimbursement, returns would have been lower.

### MARKET INDICATORS

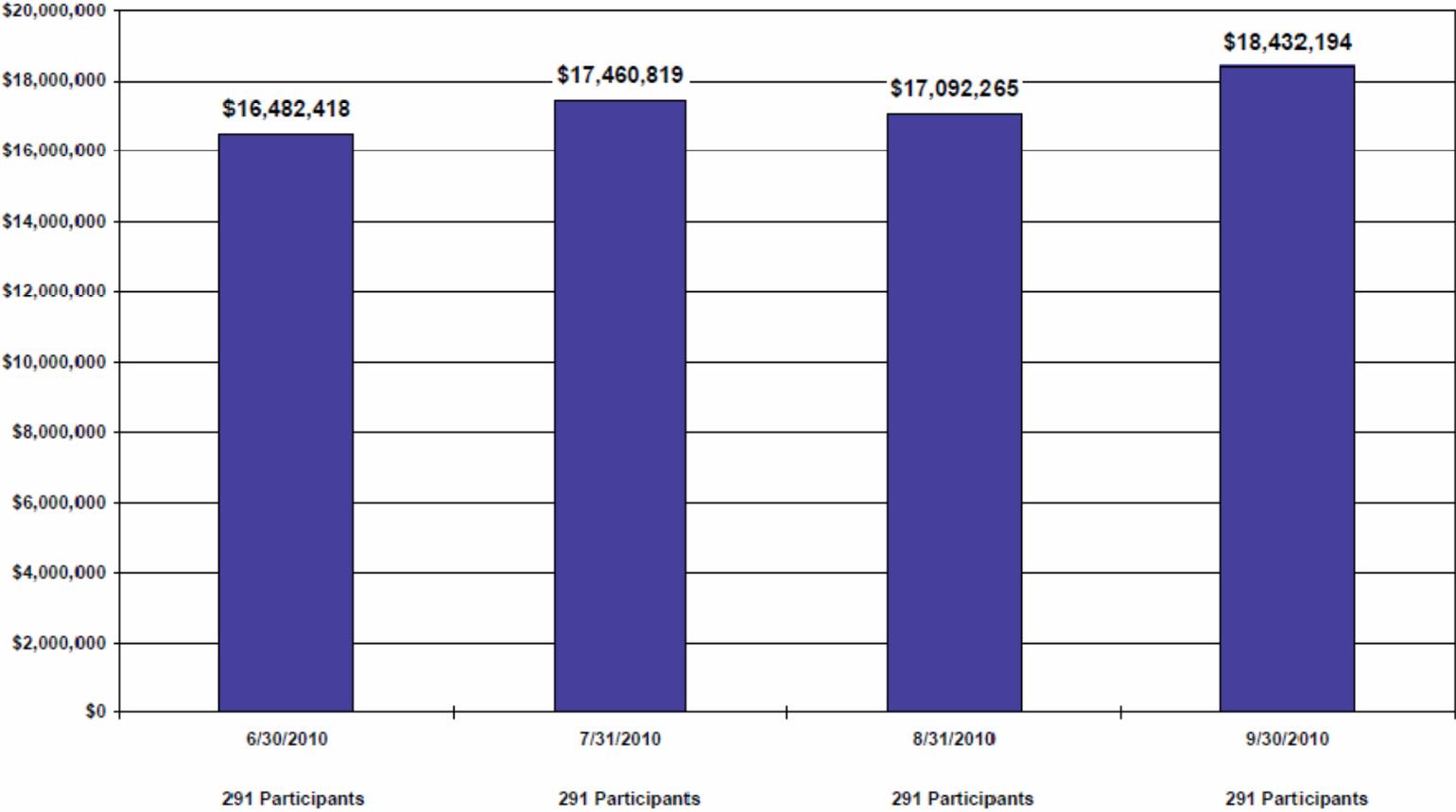
- ^^ Indices are unmanaged and you cannot invest directly in an index.
  - Barclays Capital U.S. Intermediate Government/Credit Bond Index** is a market value-weighted index of investment-grade fixed-rate debt securities with maturities from one up to (but not including) ten years from the U.S. Treasury, 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 mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call Fidelity for a prospectus or, if available, a summary prospectus. Read it carefully before you invest.**

# Plan Assets Under Management at Fidelity



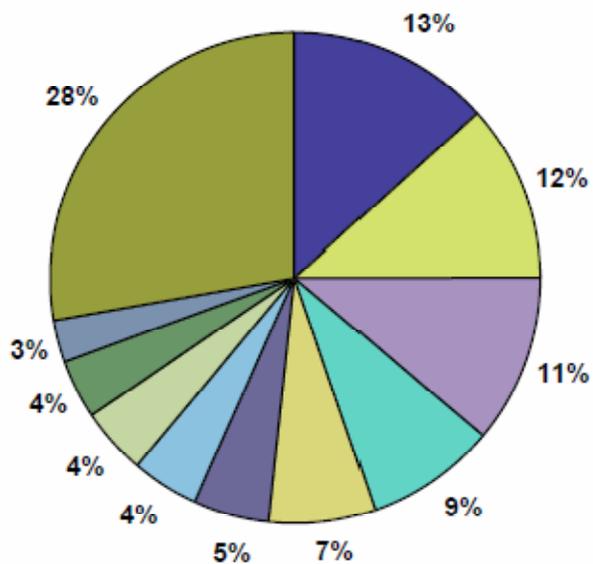
# Market Value by Fund

	7/1/2010	9/30/2010
Fid Mgd Inc Port	\$ 2,218,657	\$ 2,500,787
Fid Growth Company	\$ 1,908,050	\$ 2,236,639
Fidelity Freedom 2020®	\$ 1,829,494	\$ 2,055,116
Fidelity Freedom 2030®	\$ 1,427,376	\$ 1,625,895
Fid Diversified Intl	\$ 1,130,805	\$ 1,327,320
Pimco Tot Return Adm	\$ 845,588	\$ 933,097
Msif Sm Co Grth P	\$ 716,746	\$ 839,231
Spartan 500 Index	\$ 712,117	\$ 799,562
Fid Equity Income	\$ 653,138	\$ 733,399
Fid Puritan	\$ 463,318	\$ 502,446
Other	\$ 4,577,128	\$ 4,878,700
<b>Total Market Value:</b>	<b>\$ 16,482,418</b>	<b>\$ 18,432,194</b>

The information on this page is updated monthly on PSW.

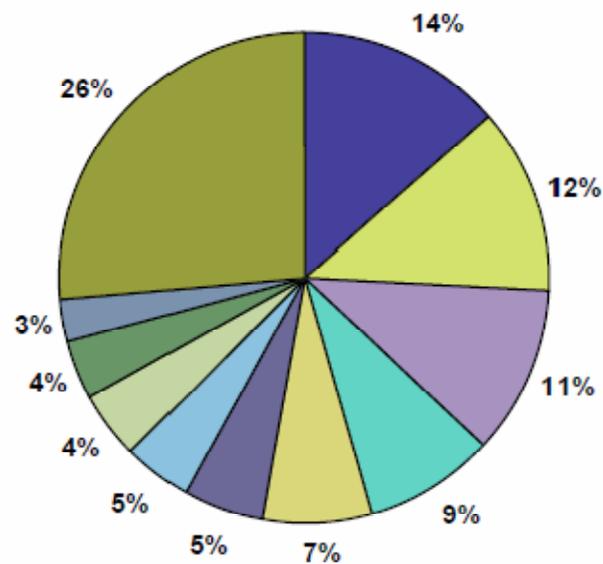
# Asset Allocation by Fund

as of 7/1/2010



Total Market Value: \$16,482,418

as of 9/30/2010



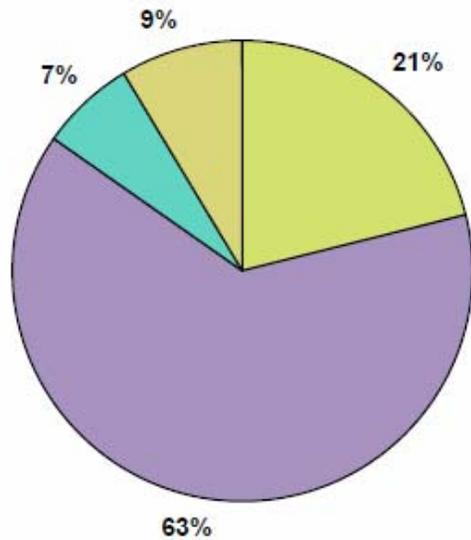
Total Market Value: \$18,432,194

■ Fid Mgd Inc Port	■ Fid Growth Company	■ Fidelity Freedom 2020®	■ Fidelity Freedom 2030®
■ Fid Diversified Intl	■ Pimco Tot Return Adm	■ Msif Sm Co Grth P	■ Spartan 500 Index
■ Fid Equity Income	■ Fid Puritan	■ Other	

# Comparative Asset Allocation

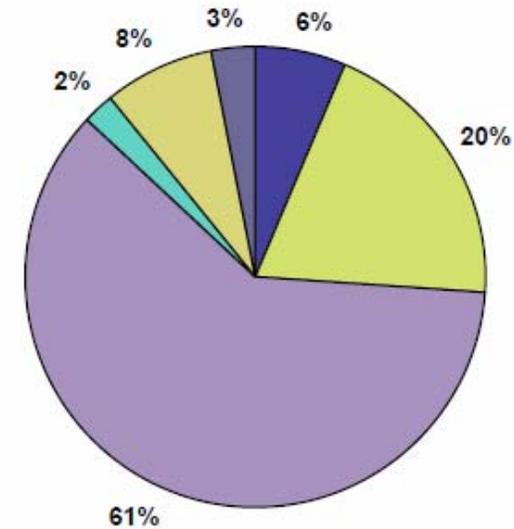
as of 9/30/2010

**NORTH DAKOTA PUBLIC EMPLOYEES'  
DEFINED CONTRIBUTION PLAN  
RETIREMENT BD OF PUBLIC EE**



Total Market Value: \$18,432,194

**AVG. FITSCO PUBLIC SECTOR\***



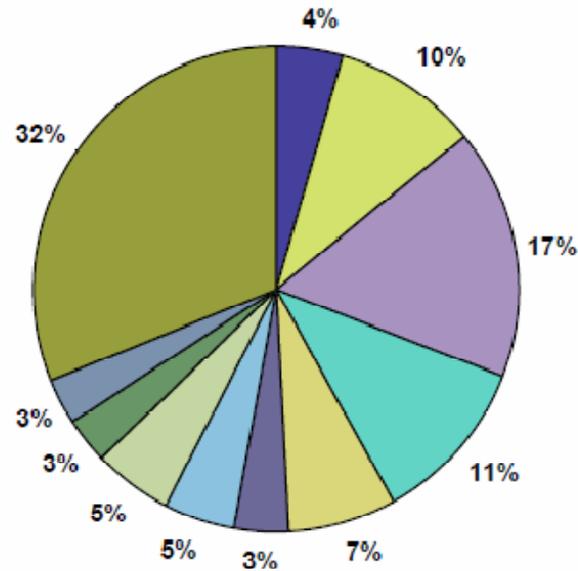
Average Market Value: \$166,495,814

■ 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

7/1/2010 - 9/30/2010

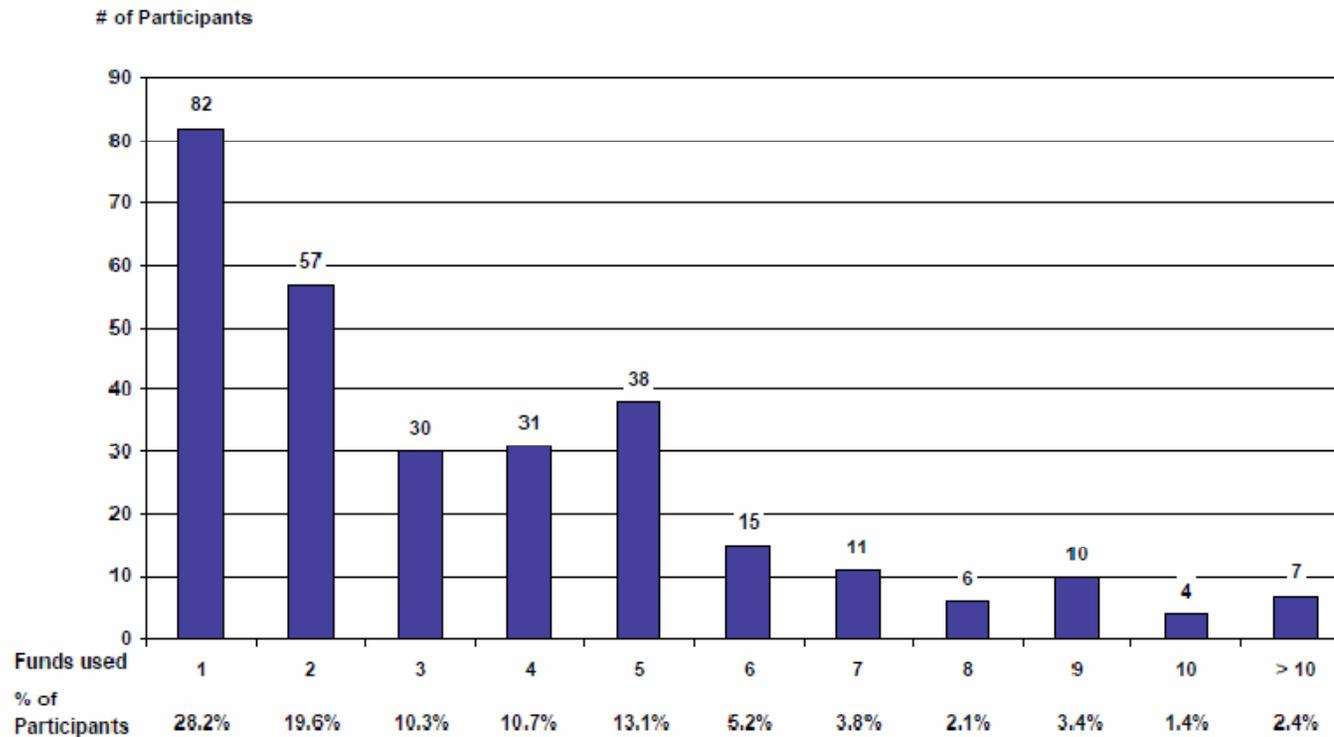


Total Contributions: \$342,520

Fid Mgd Inc Port	Fid Growth Company	Fidelity Freedom 2020®	Fidelity Freedom 2030®
Fid Diversified Intl	Pimco Tot Return Adm	Msif Sm Co Grth P	Spartan 500 Index
Fid Equity Income	Fid Puritan	Other	

# Number of Funds per Participant

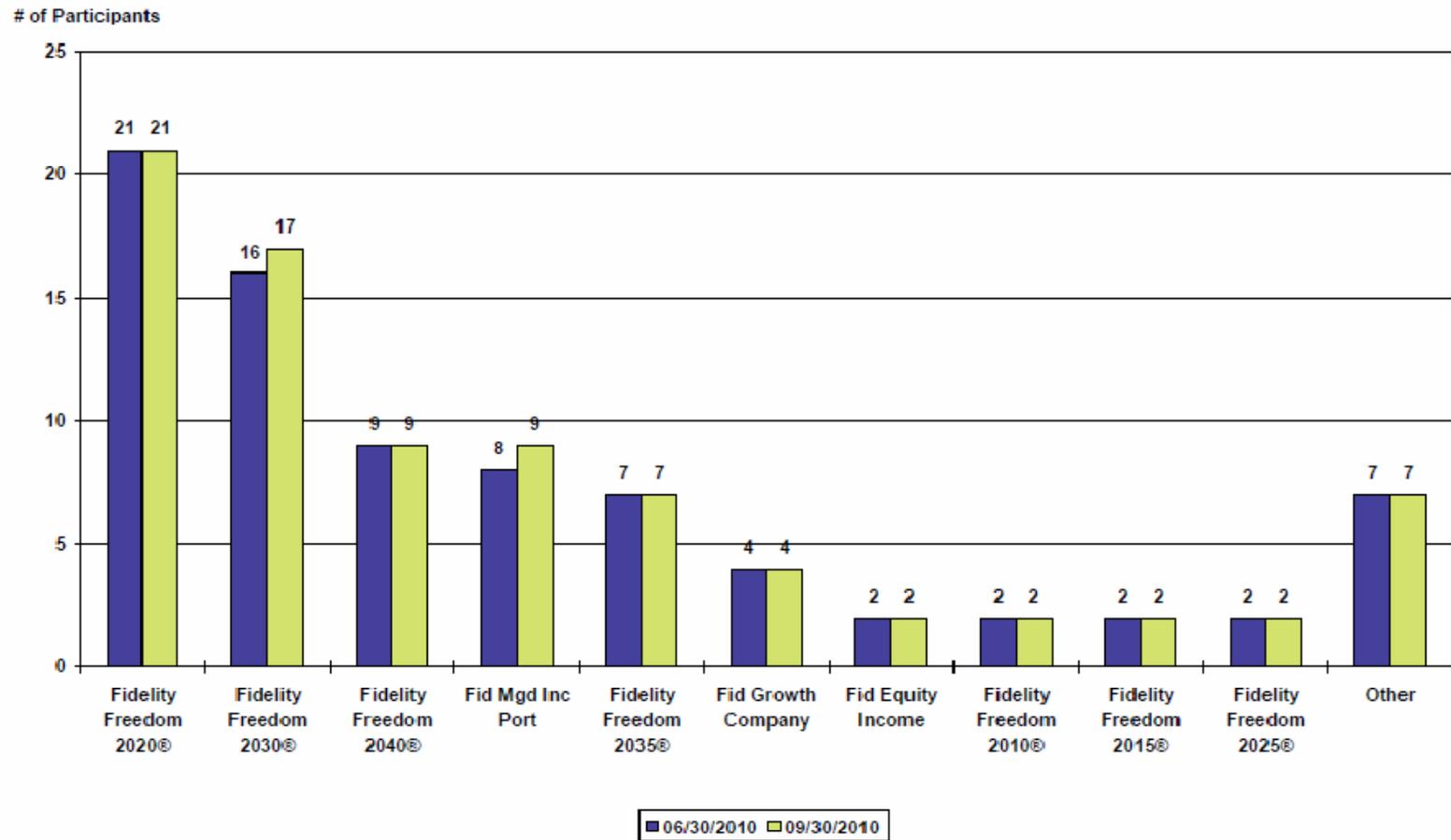
as of 9/30/2010



Average Investment  
options used in this plan:  
3.5

- **AVG. FITSCO PUBLIC SECTOR offers 67.0 funds.**
- **An AVG. FITSCO PUBLIC SECTOR participant uses 3.0 funds.**

# Single Fund Balances



The values in this chart represent the number of participants whose balances are invested 100% in the indicated fund.