

NDPERS
401(a)
Defined Contribution Plan
Quarterly Report
4th Quarter
9/1/2009 – 12/31/2009



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

2008 & 2009: Historic Losses & Gains

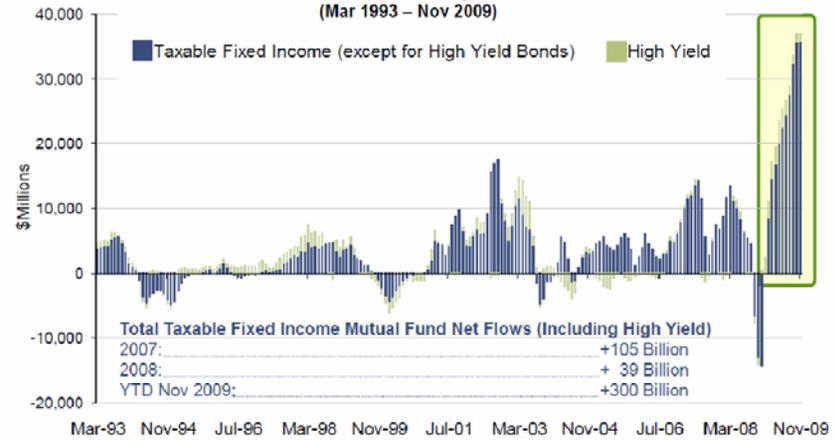
2008 vs. 2009 Performance

2008 Total Return (%)	Asset Class	2009 Total Return (%)
14	Treasury Bonds	-4
2	Cash	0
-2	Municipal Bonds	13
-3	Investment-Grade Corporate Bonds	16
-26	High-Yield Corporate Bonds	58
-34	Small Cap U.S. Stocks	27
-37	Large Cap U.S. Stocks	27
-38	Real Estate Stocks	28
-43	Foreign Developed-Country Stocks	32
-53	Emerging-Market Stocks	79

Past performance is no guarantee of future results. Foreign investments involve greater risks than U.S. investments, including political and economic risks and the risk of currency fluctuations. In general the bond market is volatile and bond funds 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 the risk of issuer default, issuer credit risk, and inflation risk. 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. Source: Fidelity Investments (FID) as of 12/31/09. You cannot invest directly in an index. See appendix for important index information. Asset classes represented by the following indices: Treasury Bonds – BC Treasury Index; Cash – BC US 3 Month Treasury Bill Index; Investment-Grade Corporate Bonds – BC Credit Index; Municipal Bonds – BC Municipal Index; High Yield Bonds – BofA Merrill Lynch US High Yield Constrained Index; Small Cap U.S. Stocks – Russell 2000 Index; Large Cap U.S. Stocks – S&P 500; Real Estate Stocks – NAREIT Equity Only Index; Foreign Developed-Country Stocks – MSCI EAFE Index; Emerging Markets Stocks – MSCI EM Index.

Fixed Income Fund Flows

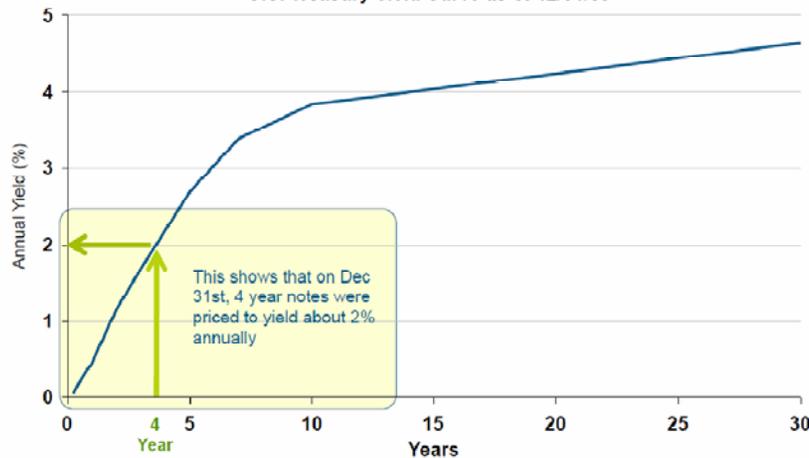
Fixed Income Mutual Fund Net Flows 3-Month Average (Mar 1993 – Nov 2009)



Source: SIM Fund as of 11/30/09.

Yield Curve Explained

U.S. Treasury Yield Curve as of 12/31/09



Source: Bloomberg and FMR Co., as of 12/31/09.

Inflation Expectations Within Fed's Comfort Level

US 10-Yr TIPS Breakeven A Proxy for Inflation Expectations



Source: Bloomberg as of 12/31/2009.

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	LARGE	
Goldman Sachs Mid Cap Value	Dreyfus Mid Cap Index Fidelity Spartan Ext Mkt Index	Fidelity Mid Cap Stock		MEDIUM
Allianz NFJ Small Cap Value	Dreyfus Small Cap Index	MSIF Small Co Growth B		
VALUE	BLEND	GROWTH		

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:

			LARGE
	Fidelity Mid Cap Stock ←		MEDIUM
			SMALL
VALUE	BLEND	GROWTH	

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	LARGE
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	SMALL
VALUE	BLEND	GROWTH	

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 - 4th Quarter 2009					
	Quarter	Y-T-D	1-Year	3-Year	5-Year
<u>Stable Value Fund</u>					
Fidelity Managed Income Portfolio	0.28%	1.65%	1.65%	3.25%	3.52%
GIC Index	0.16%	0.66%	0.66%	2.11%	3.10%
<u>Fixed Income Fund</u>					
PIMCO Total Return Bond Fund - PTRAX	0.93%	13.55%	13.55%	8.91%	6.58%
Barclays Aggregate Bond Index	0.20%	5.93%	5.93%	6.04%	4.97%
Taxable Bond Fund Universe	1.86%	19.04%	19.04%	4.19%	3.98%
<u>Balanced Fund</u>					
Fidelity Puritan - FPURX	4.73%	26.69%	26.69%	-1.60%	2.74%
60% Large Cap Value Univ & 40% Taxable Bond Universe	3.64%	22.09%	22.09%	-2.72%	1.60%
60% Russell 3000 Value & 40% Lehman Agg Bond Index	2.58%	14.23%	14.23%	-2.93%	1.84%
<u>Large Cap Equities - Value</u>					
Fidelity Equity-Income - FEQIX	3.62%	29.54%	29.54%	-8.48%	-0.59%
Franklin Mutual Shares A - TESIX	4.80%	27.84%	27.84%	-6.60%	1.12%
Russell 1000 Value Index	4.22%	19.69%	19.69%	-8.96%	-0.25%
Large Cap Value Fund Universe	4.83%	24.13%	24.13%	-7.32%	0.02%
<u>Large Cap Equities - Blend</u>					
Fidelity Spartan US Equity Index - FUSEX	6.03%	26.55%	26.55%	-5.62%	0.40%
Fidelity Dividend Growth - FDGFX < Under Review 3/2007 >	5.46%	51.00%	51.00%	-4.50%	0.66%
S&P 500 Index	6.04%	26.46%	26.46%	-5.63%	0.42%
Large Cap Blend Fund Universe	5.49%	28.17%	28.17%	-5.53%	0.46%
<u>Large Cap Equities - Growth</u>					
Fidelity Growth Company - FDGRX	7.29%	41.15%	41.15%	0.01%	4.46%
Russell 3000 Growth Index	7.65%	37.01%	37.01%	-2.06%	1.58%
Fidelity Blue Chip Growth - FBGRX < Under Review 3/2007 >	8.58%	44.96%	44.96%	-0.16%	1.79%
Russell 1000 Growth Index	7.94%	37.21%	37.21%	-1.89%	1.63%
Large Cap Growth Fund Universe	6.68%	35.68%	35.68%	-2.89%	1.21%
<u>Mid Cap Equities - Value</u>					
Goldman Sachs Mid Cap Value - GCMAX	5.72%	32.70%	32.70%	-4.76%	2.35%
Russell Mid Cap Value	5.21%	34.21%	34.21%	-6.62%	1.98%
Mid Cap Value Fund Universe	5.21%	35.41%	35.41%	-5.35%	1.36%
<u>Mid Cap Equities - Blend</u>					
Dreyfus Mid Cap Index - PESPX	5.47%	37.04%	37.04%	-2.15%	2.89%
S&P Mid Cap 400	5.56%	37.38%	37.38%	-1.83%	3.27%
Fidelity Spartan Extended Mkt Index - FSEM X	4.95%	36.65%	36.65%	-3.94%	2.38%
Wilshire 4500 Index	4.75%	36.99%	36.99%	-4.16%	2.23%
Mid Cap Blend Fund Universe	5.08%	37.39%	37.39%	-4.62%	1.43%
<u>Mid Cap Equities - Growth</u>					
Fidelity Mid Cap Stock - FMCSX	4.38%	50.39%	50.39%	-4.19%	3.22%
Russell Mid Cap Growth	6.69%	46.29%	46.29%	-3.18%	2.40%
Mid Cap Growth Fund Universe	5.67%	39.11%	39.11%	-3.09%	1.76%
Fund Returns in RED do not meet both benchmarks.					
Fund Returns in BLACK meet both benchmarks.					

NDPERS Investment Benchmarks - 4th Quarter 2009

	Quarter	Y-T-D	1-Year	3-Year	5-Year
Small Cap Equities - Value					
Allianz NFJ Small Cap Value - PVADX	5.89%	24.12%	24.12%	-0.95%	4.97%
Russell 2000 Value Index	3.63%	20.58%	20.58%	-8.22%	-0.01%
Small Value Fund Universe	4.00%	31.32%	31.32%	-6.13%	0.67%
Small Cap Equities - Blend					
Dreyfus Small Cap Index - DISSX	4.99%	25.22%	25.22%	-4.85%	1.18%
Russell 2000 Index	3.87%	27.17%	27.17%	-6.07%	0.51%
S & P 600 Index	5.12%	25.57%	25.57%	-4.79%	1.36%
Small Blend Fund Universe	4.64%	31.80%	31.80%	-6.11%	0.47%
Small Cap Equities - Growth					
MSI Small Co Growth P - MSSMX	3.81%	47.41%	47.41%	-4.19%	2.15%
Russell 2000 Growth Index	4.14%	34.47%	34.47%	-4.00%	0.87%
Small Growth Fund Universe	4.79%	35.46%	35.46%	-4.89%	0.37%
International Equity Funds					
Fidelity Diversified International - FDIVX	3.34%	31.78%	31.78%	-5.73%	3.77%
MSCI EAFE	2.18%	31.93%	31.93%	-5.91%	3.69%
International Stock Fund Universe	4.05%	40.84%	40.84%	-4.64%	5.01%
Asset Allocation Funds:					
Fidelity Freedom Income - FFFAX	2.35%	16.12%	16.12%	2.27%	3.38%
Income Benchmark	1.54%	10.70%	10.70%	2.26%	3.40%
Fidelity Freedom 2000 - FFFBX	2.37%	16.49%	16.49%	1.81%	3.22%
2000 Benchmark	1.71%	11.38%	11.38%	1.92%	3.28%
Fidelity Freedom 2005 - FFFVX	3.15%	23.40%	23.40%	0.00%	2.91%
2005 Benchmark	2.81%	18.54%	18.54%	0.15%	3.07%
Fidelity Freedom 2010 - FFFCX	3.37%	24.82%	24.82%	0.04%	3.03%
2010 Benchmark	2.91%	19.51%	19.51%	-0.05%	3.09%
Fidelity Freedom 2015 - FFFVX	3.43%	25.62%	25.62%	-0.45%	3.10%
2015 Benchmark	3.10%	20.56%	20.56%	-0.43%	3.00%
Fidelity Freedom 2020 - FFFDX	3.94%	28.86%	28.86%	-1.72%	2.69%
2020 Benchmark	3.83%	25.06%	25.06%	-1.41%	2.80%
Fidelity Freedom 2025 - FFTWX	4.13%	30.03%	30.03%	-2.14%	2.55%
2025 Benchmark	4.07%	26.27%	26.27%	-1.94%	2.64%
Fidelity Freedom 2030 - FFFEX	4.38%	30.57%	30.57%	-3.46%	2.03%
2030 Benchmark	4.50%	28.36%	28.36%	-2.97%	2.33%
Fidelity Freedom 2035 - FFTHX	4.56%	31.26%	31.26%	-3.71%	1.91%
2035 Benchmark	4.67%	29.03%	29.03%	-3.31%	2.21%
Fidelity Freedom 2040 - FFFFX	4.47%	31.65%	31.65%	-4.15%	1.74%
2040 Benchmark	4.86%	30.55%	30.55%	-3.54%	2.19%
Fidelity Freedom 2045 - FFFGX	4.69%	32.04%	32.04%	-4.18%	N/A
2040 Benchmark	4.86%	30.55%	30.55%	-3.54%	2.19%
Fidelity Freedom 2050 - FFFHX	4.64%	32.47%	32.47%	-4.77%	N/A
2040 Benchmark	5.04%	31.78%	31.78%	-4.12%	2.07%
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					
2010 Benchmark is comprised of 40% Wilshire 5000, 10% MSCI EAFE, 35% LB Agg, 5% ML HY Bond, 10% 3 Month					
2015 Benchmark is comprised of 43% Wilshire 5000, 11% MSCI EAFE, 33% LB Agg, 5% ML HY Bond, 8% 3 Month T					
2020 Benchmark is comprised of 52% Wilshire 5000, 13% MSCI EAFE, 26% LB Agg, 8% ML HY Bond, 1% 3 Month T					
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	5.79%	28.30%	28.30%	-5.25%	0.93%
MSCI EAFE	2.18%	31.93%	31.93%	-5.91%	3.69%
Lehman Aggregate Bond Index	0.20%	5.93%	5.93%	6.04%	4.97%
ML High Yield Bond Fund Index	6.03%	58.10%	58.10%	6.20%	6.40%
3 Month T-Bill Index	0.03%	0.16%	0.16%	2.22%	2.88%
Russell 3000 Value Index	4.17%	19.76%	19.76%	-8.91%	-0.24%
Fund Returns in RED do not meet both benchmarks. Fund Returns in BLACK meet both benchmarks.					

NDPERS Mutual Fund Research - 12/31/2009

Large Value

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Mom-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	18.5 Billion	4/16/1947	4 Years	0.67%	2.59	116%	17.6	4-Stars	47	31	4.73	26.69	-1.60	2.74	4.15	98	1.14	-1.59	22.93	-0.19
Fidelity Equity-Income	FEQIX	18.8 Billion	5/16/1966	15 Years	0.71%	1.76	33%	15.3	2-Stars	68	63	3.62	29.54	-8.48	-0.59	1.83	98	1.14	-1.59	22.93	-0.36
Franklin Mutual Shares A	TESIX	15.6 Billion	11/11/1996	Team	1.07%	1.97	38%	14.8	4-Stars	41	30	4.80	27.84	-6.60	1.12	4.91	92	0.91	-1.76	18.85	-0.38

Large Blend

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Mom-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	23.0 Billion	3/6/1990	Team	0.10%	1.98	8%	17.6	3-Stars	52	50	6.01	26.51	-5.65	0.38	-1.04	100	1.00	-0.02	19.92	-0.30
Fidelity Dividend Growth <Under Review>	FDGFX	7.9 Billion	4/27/1993	0 Years	0.62%	0.49	177%	17.5	3-Stars	32	42	5.46	51.00	-4.50	0.66	1.49	94	1.25	3.93	25.61	-0.13
Fidelity Diversified International	FDIVX	37.7 Billion	12/27/1991	7 Years	0.99%	1.24	54%	15.5	4-Stars	62	67	3.34	31.78	-5.73	3.77	3.94				25.28	-0.19

Large Growth

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Mom-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	32.8 Billion	1/17/1983	12 Years	0.96%	0.17	55%	23.1	4-Stars	14	7	7.29	41.15	0.01	4.46	-0.85	85	1.03	6.43	22.16	0.02
Fidelity Blue Chip Growth <Under Review>	FBGRX	12.0 Billion	12/31/1987	2 Years	0.76%	0.45	134%	22.0	3-Stars	17	38	8.58	44.96	-0.16	1.79	-2.11	94	1.06	6.31	21.19	0.00

Medium Value

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Mom-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	5.9 Billion	8/15/1997	Team	1.19%	0.97	104%	17.2	4-Stars	47	37	5.72	32.70	-4.76	2.35	9.65	93	1.06	1.70	21.87	-0.21

Medium Blend

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Mom-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	2.0 Billion	6/19/1991	9 Years	0.50%	1.05	22%	17.5	4-Stars	22	23	5.47	37.04	-2.15	2.89	5.89	91	1.14	5.34	23.82	-0.06
Fidelity Spartan Extended Mkt Index	FSEMX	3.4 Billion	11/5/1997	Team	0.10%	1.15	16%	17.0	3-Stars	43	34	4.95	36.65	-3.94	2.38	1.75	92	1.15	3.50	23.80	-0.14

Medium Growth

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Mom-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	7.2 Billion	3/29/1994	4 Years	0.72%	0.23	73%	21.0	3-Stars	62	26	4.38	50.39	-4.19	3.22	3.57	83	1.25	4.83	27.31	-0.09

Small Value

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Mom-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 Admin	PVADX	6.3 Billion	11/1/1995	Team	1.07%	2.09	33%	12.3	5-Stars	9	9	5.89	24.12	-0.95	4.97	11.64	93	0.99	4.91	20.47	-0.05

Small Blend

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Mom-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	898 Million	6/30/1997	9 Years	0.50%	0.77	32%	16.3	3-Stars	37	42	4.99	25.22	-4.85	1.18	6.02	85	1.15	2.84	24.89	-0.16

Small Growth

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Yield	Turnover	P/E	Mom-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	1.27%	0.00	34%	27.9	3-Stars	54	36	3.81	47.41	-4.19	2.15	1.86	91	1.16	3.33	24.19	-0.14

Lifestyle / Others

Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Yield	Turnover	P/E	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%							0.28	1.65	3.25	3.52	4.30	N/A	N/A	N/A		
PIMCO Total Return Bond Fund	PTRAX	201.7 Billion	9/8/1994	21 Years	0.70%	5.20	300%		5-Stars	2	2	0.93	13.55	8.91	6.58	7.38	N/A	N/A	N/A	4.90	1.32
Fidelity Freedom Income	FFFAX	2.7 Billion	10/17/1996	4 Years	0.49%	2.59	35%	17.0	4-Stars	23	22	2.35	16.12	2.27	3.38	3.62	N/A	N/A	N/A	6.86	0.05
Fidelity Freedom 2000	FFFBX	1.7 Billion	10/17/1996	4 Years	0.51%	2.54	33%	16.9	4-Stars	11	24	2.37	16.49	1.81	3.22	3.15	N/A	N/A	N/A	7.55	0.00
Fidelity Freedom 2005	FFFVX	1.0 Billion	11/6/2003	4 Years	0.64%	2.32	43%	16.2	3-Stars	33	28	3.15	23.40	0.00	2.91	N/A	N/A	N/A	N/A	12.67	-0.10
Fidelity Freedom 2010	FFFCX	11.3 Billion	10/17/1996	4 Years	0.65%	2.42	39%	16.2	3-Stars	32	26	3.37	24.82	0.04	3.03	2.72	N/A	N/A	N/A	13.36	-0.09
Fidelity Freedom 2015	FFVFX	8.6 Billion	11/6/2003	4 Years	0.67%	2.24	36%	16.1	4-Stars	25	19	3.43	25.62	-0.45	3.10	N/A	N/A	N/A	N/A	14.15	-0.11
Fidelity Freedom 2020	FFFDX	20.2 Billion	10/17/1996	4 Years	0.72%	2.25	35%	16.2	3-Stars	28	17	3.94	28.86	-1.72	2.69	1.74	N/A	N/A	N/A	16.72	-0.15
Fidelity Freedom 2025	FFTWX	8.9 Billion	11/6/2003	4 Years	0.73%	2.00	29%	16.0	3-Stars	19	29	4.13	30.03	-2.14	2.55	N/A	N/A	N/A	N/A	17.54	-0.16
Fidelity Freedom 2030	FFFEX	14.1 Billion	10/17/1996	4 Years	0.76%	1.92	23%	16.1	3-Stars	19	14	4.38	30.57	-3.46	2.03	0.84	N/A	N/A	N/A	19.28	-0.19
Fidelity Freedom 2035	FFTHX	5.7 Billion	11/6/2003	4 Years	0.77%	1.74	20%	16.0	3-Stars	24	34	4.56	31.26	-3.71	1.91	N/A	N/A	N/A	N/A	19.72	-0.20
Fidelity Freedom 2040	FFFFX	8.3 Billion	9/6/2000	4 Years	0.78%	1.73	17%	16.1	4-Stars	23	16	4.47	31.65	-4.15	1.74	N/A	N/A	N/A	N/A	20.32	-0.21
Fidelity Freedom 2045	FFFGX	1.8 Billion	9/6/2006	4 Years	0.78%	1.70	17%	16.0	3-Stars	48	32	4.69	32.04	-4.18	N/A	N/A	N/A	N/A	N/A	20.53	-0.21
Fidelity Freedom 2050	FFFHX	1.5 Billion	9/6/2006	4 Years	0.80%	1.54	20%	15.9	3-Stars	18	N/A	4.64	32.47	-4.77	N/A	N/A	N/A	N/A	N/A	21.34	-0.22

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

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM DEFINED CONTRIBUTION PLAN INVESTMENT OPTIONS

P E R F O R M A N C E U P D A T E

A S O F D E C E M B E R 3 1 , 2 0 0 9

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	Fund 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			
LIFE-CYCLE FUNDS										
FFFBX	Fidelity Freedom 2000	2.37	16.49	16.49	3.22	3.15	5.70	10/17/96	n/a	0.49
FFVFX	Fidelity Freedom 2005	3.15	23.40	23.40	2.91	n/a	3.98	11/06/03	n/a	0.63
FFFCX	Fidelity Freedom 2010	3.37	24.82	24.82	3.03	2.72	6.45	10/17/96	n/a	0.64
FFVFX	Fidelity Freedom 2015	3.43	25.62	25.62	3.10	n/a	4.50	11/06/03	n/a	0.67
FFFDX	Fidelity Freedom 2020	3.94	28.86	28.86	2.69	1.74	6.40	10/17/96	n/a	0.72
FFTWX	Fidelity Freedom 2025	4.13	30.03	30.03	2.55	n/a	4.37	11/06/03	n/a	0.74
FFFEY	Fidelity Freedom 2030	4.38	30.57	30.57	2.03	0.84	5.92	10/17/96	n/a	0.76
FFTHX	Fidelity Freedom 2035	4.56	31.26	31.26	1.91	n/a	4.06	11/06/03	n/a	0.78
FFFFX	Fidelity Freedom 2040	4.47	31.65	31.65	1.74	n/a	-0.28	9/06/00	n/a	0.79
FFFGX	Fidelity Freedom 2045	4.69	32.04	32.04	n/a	n/a	-1.16	6/01/06	n/a	0.80
FFFFX	Fidelity Freedom 2050	4.64	32.47	32.47	n/a	n/a	-1.67	6/01/06	n/a	0.82
FFFAI	Fidelity Freedom Income	2.35	16.12	16.12	3.38	3.62	5.05	10/17/96	n/a	0.48
MANAGED INCOME / ANNUITIES / STABLE VALUE										
00632	Managed Income Portfolio	0.28	1.65	1.65	3.52	4.30	5.36	9/07/89	n/a	n/a
BOND FUNDS										
PTRAX	PIMCO Total Return - Administrative Class	0.93	13.55	13.55	6.58	7.38	7.46	9/08/94	n/a	0.89
BALANCED/HYBRID FUNDS										
FPURX	Fidelity Puritan®	4.73	26.69	26.69	2.74	4.15	11.07	4/16/47	n/a	0.67
DOMESTIC EQUITY FUNDS - LARGE-CAP VALUE										
FEQIX	Fidelity Equity Income	3.62	29.54	29.54	-0.59	1.83	11.52	5/16/66	n/a	0.71
TESIX	Mutual Shares - A Class	4.80	27.84	27.84	1.12	4.91	7.17	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



AS OF DECEMBER 31, 2009

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
DOMESTIC EQUITY FUNDS - LARGE-CAP BLEND										
FDGFX	Fidelity Dividend Growth	5.46	51.00	51.00	0.66	1.49	10.10	4/27/93	n/a	0.62
FUSEX	Spartan [®] U.S. Equity Index - Investor Class	6.01	26.51	26.51	0.38	-1.04	9.13	2/17/88	n/a	0.10
DOMESTIC EQUITY FUNDS - LARGE-CAP GROWTH										
FBGRX	Fidelity Blue Chip Growth	8.58	44.96	44.96	1.79	-2.11	10.24	12/31/87	n/a	0.76
FDGRX	Fidelity Growth Company	7.29	41.15	41.15	4.46	-0.85	12.55	1/17/83	n/a	0.97
DOMESTIC EQUITY FUNDS - MID-CAP VALUE[Ⓜ]										
GCMAX	Goldman Sachs Mid Cap Value - Class A	5.72	32.70	32.70	2.35	9.65	7.37	8/15/97	n/a	1.19
DOMESTIC EQUITY FUNDS - MID-CAP BLEND[Ⓜ]										
PESPX	Dreyfus Mid Cap Index	5.47	37.04	37.04	2.89	5.89	11.08	6/19/91	n/a	0.51
FSEMXX	Spartan [®] Extended Market Index - Investor Class	4.95	36.65	36.65	2.38	1.75	4.71	11/05/97	0.75/90	0.10
DOMESTIC EQUITY FUNDS - MID-CAP GROWTH[Ⓜ]										
FMCSX	Fidelity Mid-Cap Stock	4.38	50.39	50.39	3.22	3.57	10.72	3/29/94	0.75/30	0.73
DOMESTIC EQUITY FUNDS - SMALL-CAP VALUE[◆]										
PVADX	Allianz NFJ Small Cap Value - Administrative Class	5.89	24.12	24.12	4.97	11.64	11.28	11/01/95	n/a	1.14
DOMESTIC EQUITY FUNDS - SMALL-CAP BLEND[◆]										
DISSX	Dreyfus Small Cap Stock Index	4.99	25.22	25.22	1.18	6.02	6.61	6/30/97	n/a	0.51
DOMESTIC EQUITY FUNDS - SMALL-CAP GROWTH[◆]										
MSSMX	MSIF Small Company Growth - P Class	3.81	47.41	47.41	2.15	1.86	9.36	1/02/96	2.00/30	1.30
INTERNATIONAL/GLOBAL FUNDS^{††}										
FDIVX	Fidelity Diversified International	3.34	31.78	31.78	3.77	3.94	9.21	12/27/91	1.00/30	1.01

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	0.31	5.24	5.24	4.66	5.93
Dow Jones Industrial Average	8.10	22.68	22.68	1.95	1.30
MSCI EAFE [™] Index (Net MA)	2.18	31.93	31.93	3.69	1.42
Standard & Poor's 500 [™] Index	6.04	26.46	26.46	0.42	-0.95

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.

Ⓜ These investment options are not mutual funds.

AS OF DECEMBER 31, 2009

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.

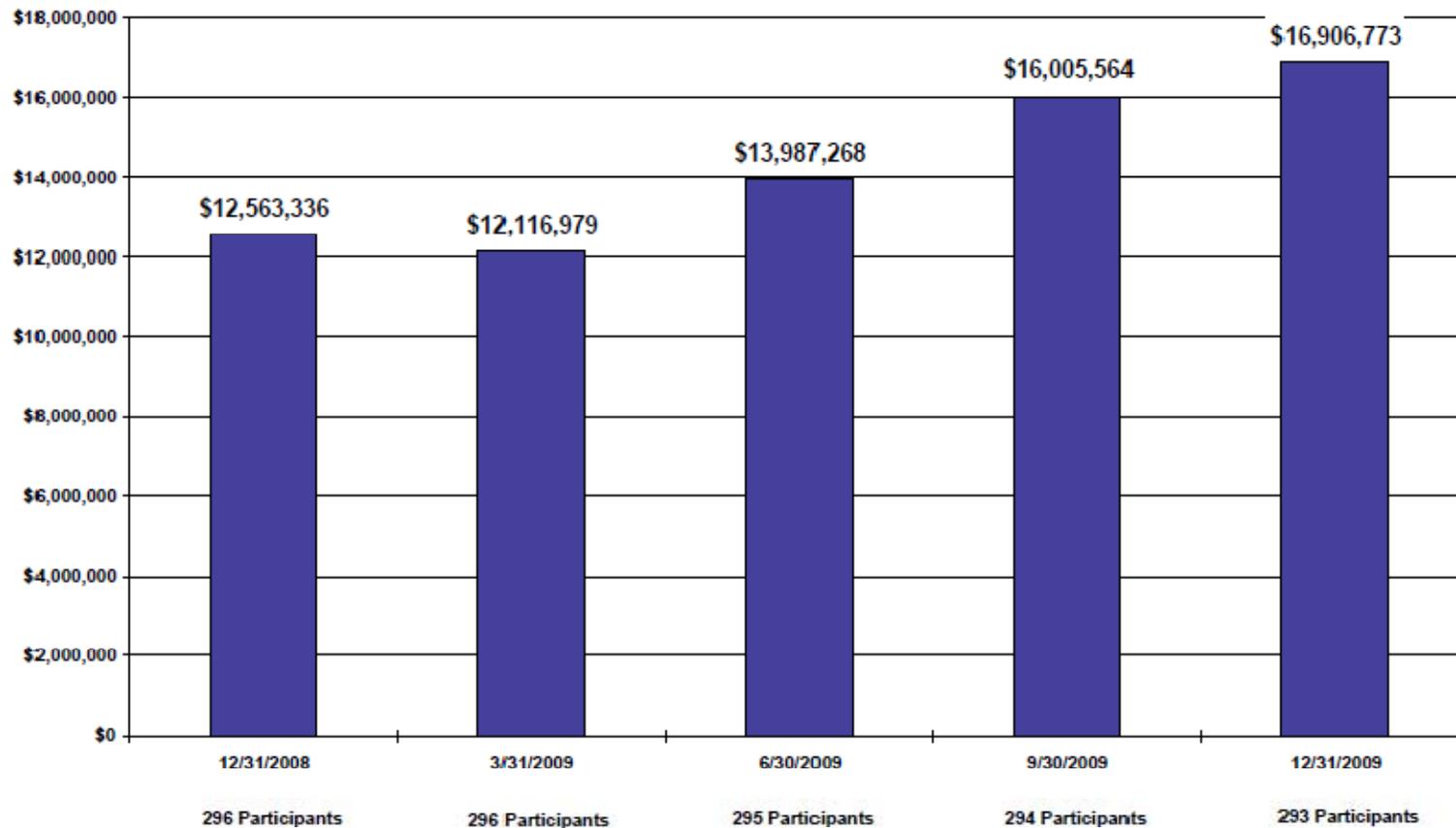
The S&P 500® Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is an unmanaged index of the common stock prices of 500 widely held U.S. stocks that includes the reinvestment of dividends.

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



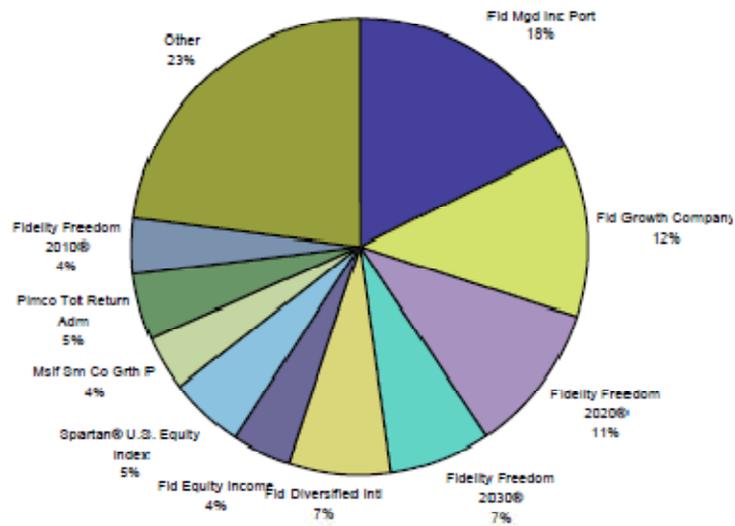
Market Value by Fund

	1/1/2009	12/31/2009
Fid Mgd Inc Port	\$ 2,236,665	\$ 2,364,352
Fid Growth Company	\$ 1,521,275	\$ 2,252,099
Fidelity Freedom 2020®	\$ 1,344,354	\$ 1,818,793
Fidelity Freedom 2030®	\$ 888,427	\$ 1,371,443
Fid Diversified Intl	\$ 924,361	\$ 1,326,588
Fid Equity Income	\$ 514,354	\$ 845,687
Spartan® U.S. Equity Index	\$ 682,785	\$ 841,711
Msif Sm Co Grth P	\$ 479,466	\$ 770,206
Pimco Tot Return Adm	\$ 602,728	\$ 697,501
Fidelity Freedom 2010®	\$ 486,600	\$ 631,876
Other	\$ 2,882,323	\$ 3,986,518
Total Market Value:	\$ 12,563,336	\$ 16,906,773

The information on this page is updated monthly on PSW.

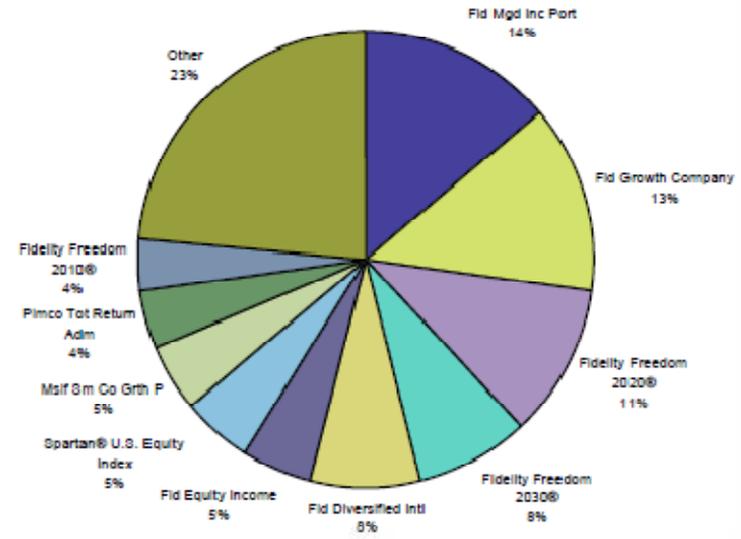
Asset Allocation by Fund

as of 1/1/2009



Total Market Value: \$12,563,336

as of 12/31/2009

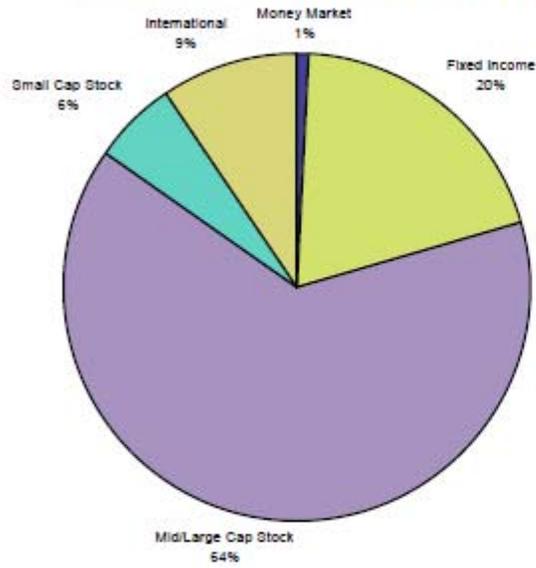


Total Market Value: \$16,906,773

Comparative Asset Allocation

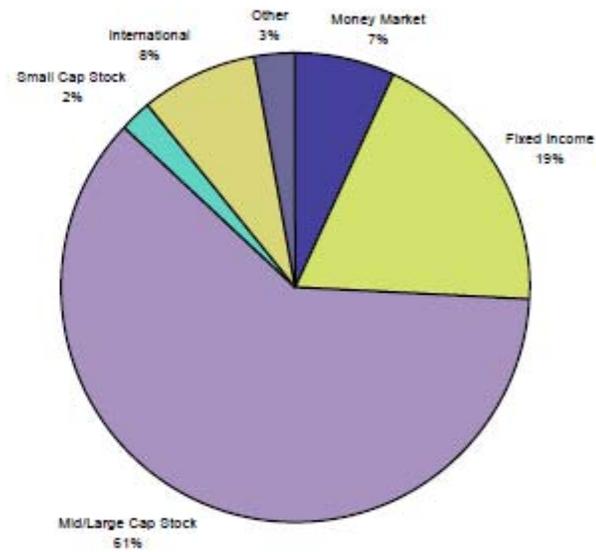
as of 12/31/2009

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



Total Market Value: \$16,906,773

AVG. FITSCO PUBLIC SECTOR*

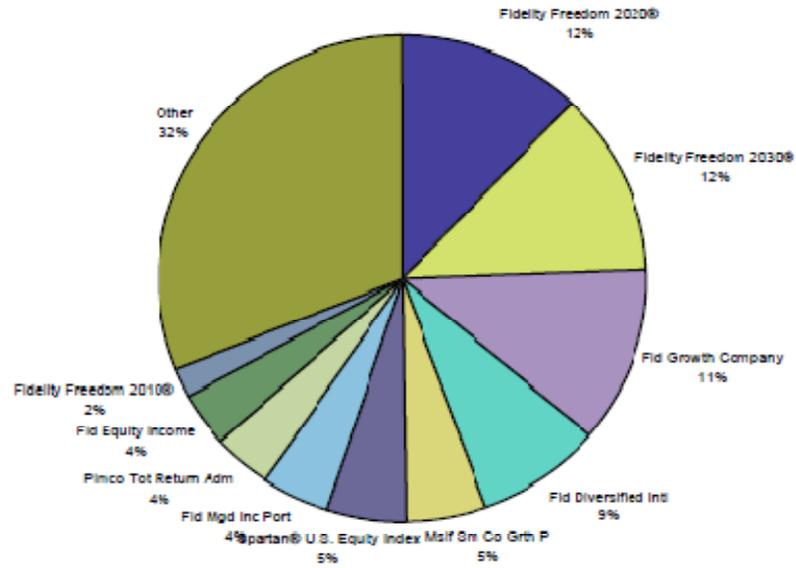


Average Market Value: \$158,726,034

* 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

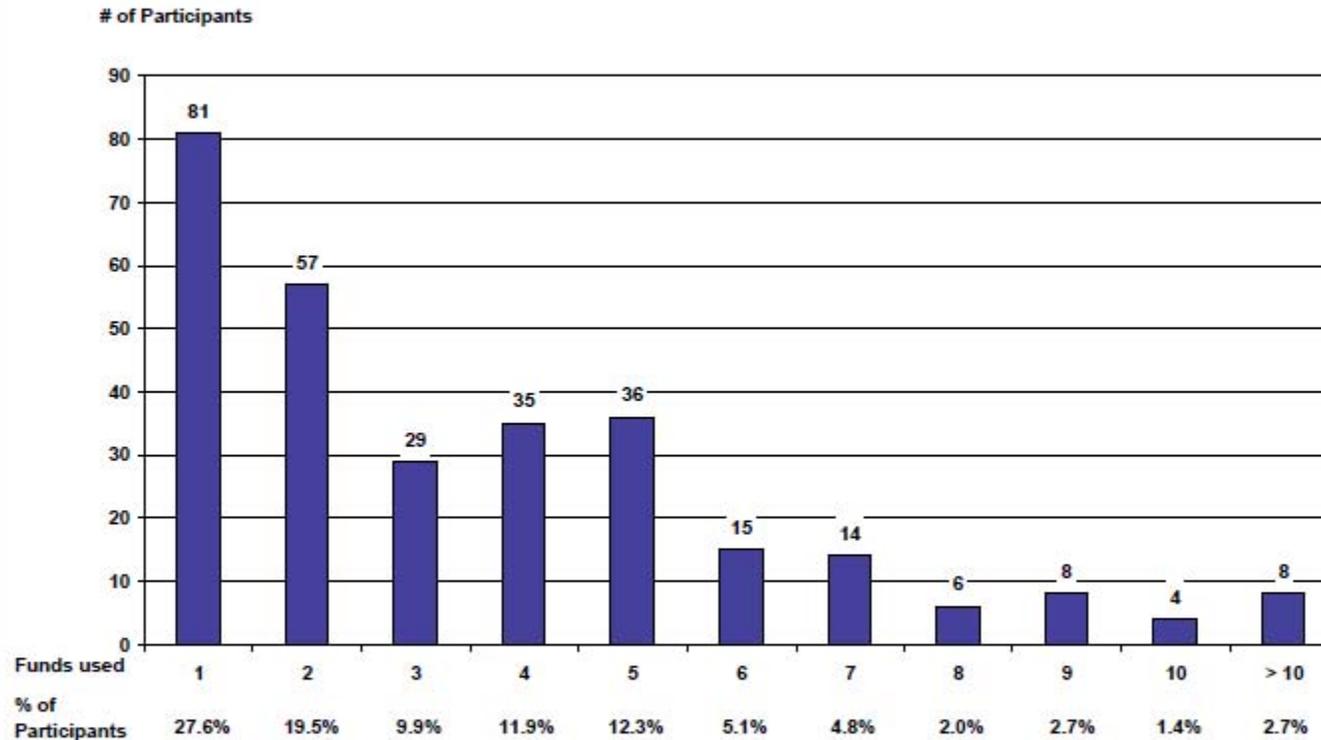
1/1/2009 - 12/31/2009



Total Contributions: \$1,219,246

Number of Funds per Participant

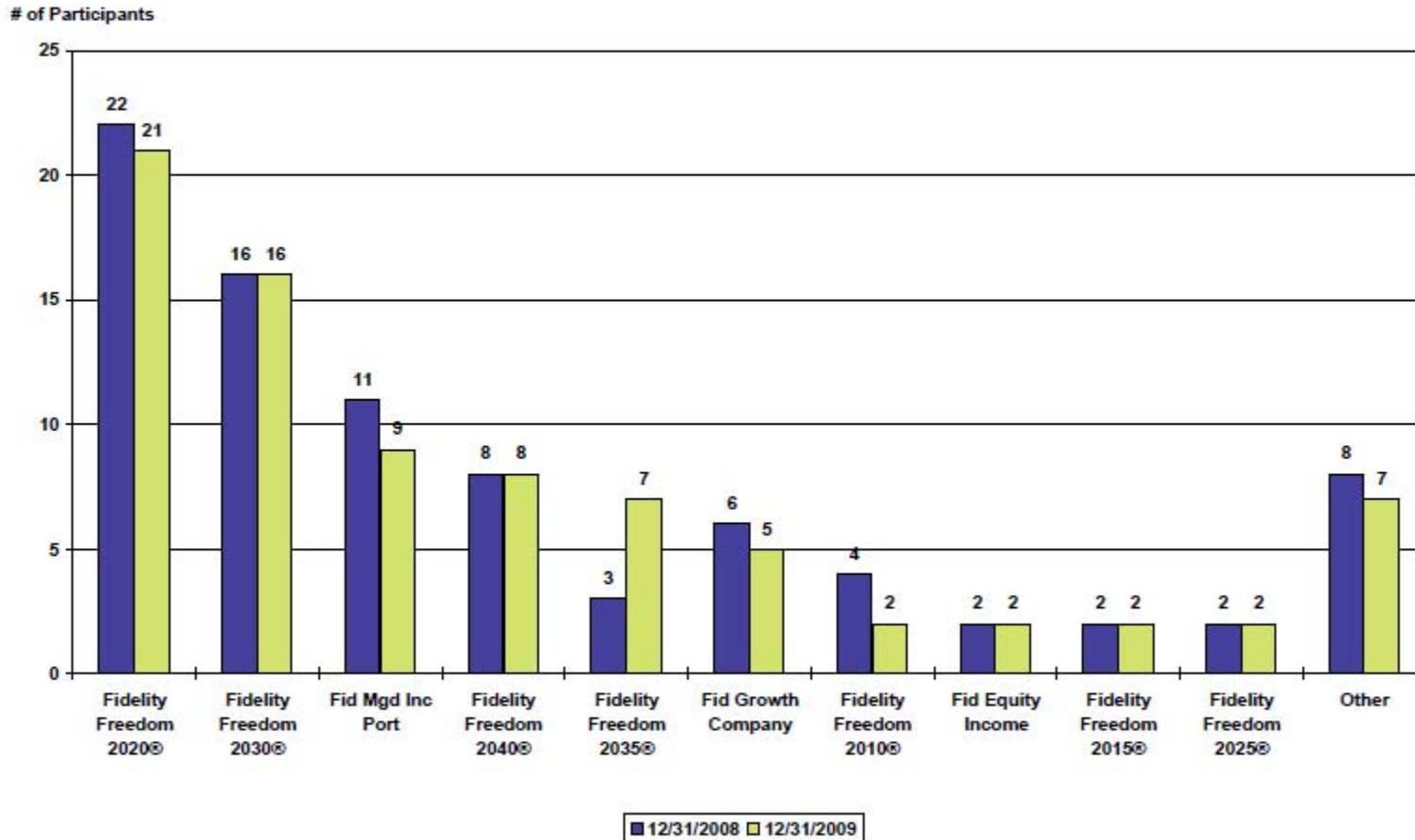
as of 12/31/2009



Average Investment
options used in this plan:
3.5

- AVG. FITSCO PUBLIC SECTOR offers 67.5 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.