

**CITY OF BISMARCK DEFERRED SICK LEAVE FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2013**

	October-13					September-13					Current FYTD		Prior Year FY13		3 Years Ended 6/30/2013		5 Years Ended 6/30/2013	
	Market Value	Allocation		Month		Market Value	Allocation		Quarter		Gross	Net	Gross	Net	Gross	Net	Gross	Net
		Actual	Policy	Gross	Net		Actual	Policy	Gross	Net								
<b>TOTAL DEFERRED SICK LEAVE FUND</b>	<b>1,070,215</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.18%</b>	<b>2.17%</b>	<b>1,048,048</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.18%</b>	<b>3.13%</b>	<b>5.43%</b>	<b>5.37%</b>	<b>10.05%</b>	<b>9.83%</b>	<b>9.97%</b>	<b>9.72%</b>	<b>6.90%</b>	
<i>POLICY TARGET BENCHMARK</i>				1.65%	1.65%				2.93%	2.93%	4.62%	4.62%	5.49%	5.49%	6.99%	6.99%	5.34%	
ATTRIBUTION ANALYSIS																		
<b>Asset Allocation</b>				<b>0.01%</b>	<b>0.01%</b>				<b>-0.03%</b>	<b>-0.03%</b>	<b>-1.72%</b>	<b>-1.72%</b>	<b>0.04%</b>	<b>0.04%</b>	<b>0.02%</b>	<b>0.02%</b>		
<b>Manager Selection</b>				<b>0.52%</b>	<b>0.51%</b>				<b>0.28%</b>	<b>0.23%</b>	<b>2.53%</b>	<b>2.46%</b>	<b>4.52%</b>	<b>4.29%</b>	<b>2.96%</b>	<b>2.72%</b>		
<b>TOTAL RELATIVE RETURN</b>				0.54%	0.52%				0.25%	0.20%	0.81%	0.74%	4.56%	4.33%	2.98%	2.74%		
<b>LARGE CAP DOMESTIC EQUITY</b>																		
Los Angeles Capital	50,036	4.7%	4.5%	4.51%	4.50%	47,459	4.5%	4.5%	6.92%	6.88%	11.74%	11.68%	18.87%	18.66%	19.01%	18.80%	7.51%	
<i>Russell 1000 Growth</i>				<b>4.42%</b>	<b>4.42%</b>				<b>8.11%</b>	<b>8.11%</b>	<b>12.89%</b>	<b>12.89%</b>	<b>17.07%</b>	<b>17.07%</b>	<b>18.68%</b>	<b>18.68%</b>	<b>7.47%</b>	
LSV	48,508	4.5%	4.5%	4.76%	4.74%	46,862	4.5%	4.5%	5.64%	5.58%	10.66%	10.58%	32.50%	32.20%	20.05%	19.73%	7.86%	
<i>Russell 1000 Value</i>				<b>4.38%</b>	<b>4.38%</b>				<b>3.94%</b>	<b>3.94%</b>	<b>8.49%</b>	<b>8.49%</b>	<b>25.32%</b>	<b>25.32%</b>	<b>18.51%</b>	<b>18.51%</b>	<b>6.67%</b>	
LA Capital	32,616	3.0%	3.0%	4.49%	4.48%	31,334	3.0%	3.0%	5.61%	5.57%	10.35%	10.30%	21.58%	21.39%	19.18%	18.90%	7.81%	
<i>Russell 1000</i>				<b>4.40%</b>	<b>4.40%</b>				<b>6.02%</b>	<b>6.02%</b>	<b>10.68%</b>	<b>10.68%</b>	<b>21.24%</b>	<b>21.24%</b>	<b>18.63%</b>	<b>18.63%</b>	<b>7.12%</b>	
Clifton Group (moved from fixed 11/1/08)	32,585	3.0%	3.0%	4.66%	4.65%	30,932	3.0%	3.0%	5.05%	5.03%	9.95%	9.92%	20.94%	20.84%	19.20%	19.00%	N/A	
<i>S&amp;P 500</i>				<b>4.60%</b>	<b>4.60%</b>				<b>5.24%</b>	<b>5.24%</b>	<b>10.09%</b>	<b>10.09%</b>	<b>20.60%</b>	<b>20.60%</b>	<b>18.45%</b>	<b>18.45%</b>		
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>163,745</b>	<b>15.3%</b>	<b>15.0%</b>	<b>4.61%</b>	<b>4.60%</b>	<b>156,588</b>	<b>14.9%</b>	<b>15.0%</b>	<b>5.90%</b>	<b>5.86%</b>	<b>10.78%</b>	<b>10.72%</b>	<b>23.83%</b>	<b>23.63%</b>	<b>19.34%</b>	<b>19.08%</b>	<b>4.96%</b>	
<i>S&amp;P 500</i>				<b>4.40%</b>	<b>4.40%</b>				<b>6.02%</b>	<b>6.02%</b>	<b>10.68%</b>	<b>10.68%</b>	<b>21.24%</b>	<b>21.24%</b>	<b>18.66%</b>	<b>18.66%</b>	<b>7.12%</b>	
<b>SMALL CAP DOMESTIC EQUITY</b>																		
Research Affiliates	27,573	2.6%	2.5%	3.16%	3.13%	26,878	2.6%	2.5%	10.11%	10.02%	13.59%	13.46%	30.62%	30.17%	20.28%	19.80%	10.56%	
Clifton	27,564	2.6%	2.5%	2.49%	2.46%	26,737	2.6%	2.5%	10.15%	10.05%	12.89%	12.76%	25.51%	25.08%	20.17%	19.70%	N/A	
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>55,137</b>	<b>5.2%</b>	<b>5.0%</b>	<b>2.83%</b>	<b>2.80%</b>	<b>53,616</b>	<b>5.1%</b>	<b>5.0%</b>	<b>10.13%</b>	<b>10.03%</b>	<b>13.24%</b>	<b>13.11%</b>	<b>28.04%</b>	<b>27.60%</b>	<b>20.25%</b>	<b>19.77%</b>	<b>9.84%</b>	
<i>Russell 2000</i>				<b>2.51%</b>	<b>2.51%</b>						<b>12.98%</b>	<b>12.98%</b>	<b>24.21%</b>	<b>24.21%</b>	<b>18.67%</b>	<b>18.67%</b>	<b>8.77%</b>	
<b>INTERNATIONAL EQUITY</b>																		
Capital Group	44,985	4.2%	4.0%	3.02%	2.98%	44,088	4.2%	4.0%	11.57%	11.45%	14.94%	14.77%	20.78%	20.25%	9.88%	9.29%	-0.15%	
LSV	47,037	4.4%	4.0%	4.79%	4.76%	44,708	4.3%	4.0%	13.05%	12.94%	18.46%	18.31%	20.71%	20.23%	8.65%	8.16%	-0.02%	
<i>MSCI EAFE - 50% Hedged</i>				<b>3.36%</b>	<b>3.36%</b>				<b>11.56%</b>	<b>11.56%</b>	<b>15.32%</b>	<b>15.32%</b>	<b>18.62%</b>	<b>18.62%</b>	<b>8.10%</b>	<b>8.10%</b>	<b>-0.01%</b>	
DFA	11,676	1.1%	1.0%	4.18%	4.14%	11,150	1.1%	1.0%	16.59%	16.44%	21.46%	21.26%	24.89%	24.23%	12.35%	11.62%	2.25%	
Vanguard	11,434	1.1%	1.0%	4.03%	4.00%	10,876	1.0%	1.0%	12.57%	12.47%	17.11%	16.97%	21.16%	20.74%	10.65%	10.23%	2.09%	
<i>S&amp;P/Citigroup Broad Market Index &lt; \$2BN</i>				<b>1.82%</b>	<b>1.82%</b>				<b>14.42%</b>	<b>14.42%</b>	<b>16.51%</b>	<b>16.51%</b>	<b>18.05%</b>	<b>18.05%</b>	<b>9.78%</b>	<b>9.78%</b>	<b>1.26%</b>	
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>115,131</b>	<b>10.8%</b>	<b>10.0%</b>	<b>3.95%</b>	<b>3.91%</b>	<b>110,823</b>	<b>10.6%</b>	<b>10.0%</b>	<b>12.74%</b>	<b>12.62%</b>	<b>17.19%</b>	<b>17.03%</b>	<b>21.07%</b>	<b>20.56%</b>	<b>9.74%</b>	<b>9.20%</b>	<b>0.44%</b>	
<i>MSCI EAFE - 50% Hedged</i>				<b>3.36%</b>	<b>3.36%</b>				<b>11.56%</b>	<b>11.56%</b>	<b>15.32%</b>	<b>15.32%</b>	<b>18.62%</b>	<b>18.62%</b>	<b>8.10%</b>	<b>8.10%</b>	<b>-0.01%</b>	

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	Market Value	Allocation		Month		Market Value	Allocation		Quarter		Gross	Net	Gross	Net	Gross	Net	Gross	Net
		Actual	Policy	Gross	Net		Actual	Policy	Gross	Net								
<b>FIXED INCOME</b>																		
Western Asset	186,634	17.4%	20.4%	1.06%	1.05%	174,553	16.7%	23.7%	0.51%	0.47%	1.58%	1.52%	2.17%	1.99%	6.29%	6.10%	6.95%	
Prudential	55,175	5.2%	5.2%	1.52%	1.50%	54,827	5.2%	5.2%	1.09%	1.01%	2.62%	2.53%	2.03%	1.74%	6.55%	6.25%	7.83%	
PIMCO (DISCO) (2)	47,281	4.4%	4.4%	2.38%	2.38%	74,889	7.1%	7.1%	2.01%	2.01%	4.44%	4.44%	33.07%	33.07%	N/A	N/A	N/A	
PIMCO (BRAVO II) (2)	3,357	0.3%	0.3%															
<b>BC Aggregate</b>				<b>0.81%</b>	<b>0.81%</b>				<b>0.57%</b>	<b>0.57%</b>	<b>1.38%</b>	<b>1.38%</b>	<b>-0.69%</b>	<b>-0.69%</b>	<b>3.51%</b>	<b>3.51%</b>	<b>5.19%</b>	
Declaration (Mortgage)	38,469	3.6%	4.4%	0.72%	0.70%	45,420	4.3%	5.2%	0.72%	0.64%	1.45%	1.35%	2.49%	2.00%	6.76%	6.27%	N/A	
<b>BC Global Aggregate (US Securitized Portion)</b>				<b>0.79%</b>	<b>0.79%</b>				<b>1.53%</b>	<b>1.53%</b>	<b>2.33%</b>	<b>2.33%</b>	<b>1.34%</b>	<b>1.34%</b>	<b>4.73%</b>	<b>4.73%</b>		
Declaration (Total Return)	8,729	0.8%	0.8%	N/A	N/A													
<b>3m LIBOR</b>																		
State Street	97,555	9.1%	9.1%	0.86%	0.86%	97,681	9.3%	9.1%	0.36%	0.35%	1.22%	1.21%	N/A	N/A	N/A	N/A	N/A	
<b>BC Gov/Credit</b>				<b>0.87%</b>	<b>0.87%</b>				<b>0.36%</b>	<b>0.36%</b>	<b>1.23%</b>	<b>1.23%</b>	<b>-0.62%</b>	<b>-0.62%</b>				
Wells Capital (formerly Strong)	233,603	21.8%	25.3%	1.82%	1.80%	227,792	21.7%	23.7%	0.95%	0.89%	2.78%	2.71%	3.19%	2.97%	7.43%	7.21%	9.34%	
<b>BC US Credit BAA</b>				<b>1.82%</b>	<b>1.82%</b>				<b>0.77%</b>	<b>0.77%</b>	<b>2.60%</b>	<b>2.60%</b>	<b>1.77%</b>	<b>1.77%</b>	<b>6.00%</b>	<b>6.00%</b>	<b>8.19%</b>	
<b>TOTAL FIXED INCOME</b>	<b>670,804</b>	<b>62.7%</b>	<b>65.0%</b>	<b>1.45%</b>	<b>1.43%</b>	<b>675,161</b>	<b>64.4%</b>	<b>65.0%</b>	<b>0.86%</b>	<b>0.81%</b>	<b>2.32%</b>	<b>2.26%</b>	<b>4.90%</b>	<b>4.71%</b>	<b>7.50%</b>	<b>7.31%</b>	<b>7.89%</b>	
<b>BC Aggregate (1)</b>				<b>0.81%</b>	<b>0.81%</b>				<b>0.57%</b>	<b>0.57%</b>	<b>1.38%</b>	<b>1.38%</b>	<b>-0.69%</b>	<b>-0.69%</b>	<b>3.51%</b>	<b>3.51%</b>	<b>5.19%</b>	
<b>CASH EQUIVALENTS</b>																		
Northern Trust	65,397			0.01%	0.01%	51,860					N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>TOTAL CASH EQUIVALENTS</b>	<b>65,397</b>	<b>6.1%</b>	<b>5.0%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>51,860</b>	<b>4.9%</b>	<b>5.0%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.03%</b>	<b>0.03%</b>	<b>0.27%</b>	<b>0.27%</b>	<b>0.27%</b>	<b>0.27%</b>	<b>0.45%</b>	
<b>90 Day T-Bill</b>				<b>0.00%</b>	<b>0.00%</b>				<b>0.02%</b>	<b>0.02%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.11%</b>	<b>0.11%</b>	<b>0.11%</b>	<b>0.11%</b>	<b>0.30%</b>	

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.

(2) All limited partnership-type investments' returns will only be reported net of fees, which is standard practice by the investment consultant.