

**CITY OF BISMARCK DEFERRED SICK LEAVE FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2014**

	October-14					September-14					Current FYTD		Prior Year FY14		3 Years Ended 6/30/2014		5 Years Ended 6/30/2014	
	Market Value	Allocation		Month		Market Value	Allocation		Quarter		Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net
		Actual	Policy	Gross <sup>(1)</sup>	Net		Actual	Policy	Gross <sup>(1)</sup>	Net								
<b>TOTAL DEFERRED SICK LEAVE FUND</b>	<b>852,308</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.16%</b>	<b>1.15%</b>	<b>842,530</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.77%</b>	<b>-0.81%</b>	<b>0.38%</b>	<b>0.33%</b>	<b>12.53%</b>	<b>12.32%</b>	<b>9.47%</b>	<b>9.25%</b>	<b>11.58%</b>	<b>11.33%</b>
<i>POLICY TARGET BENCHMARK</i>				<i>1.19%</i>	<i>1.19%</i>				<i>-0.75%</i>	<i>-0.75%</i>	<i>0.43%</i>	<i>0.43%</i>	<i>9.97%</i>	<i>9.97%</i>	<i>6.63%</i>	<i>6.63%</i>	<i>8.29%</i>	<i>8.29%</i>
<b>ATTRIBUTION ANALYSIS</b>																		
<b>Asset Allocation</b>				<b>0.00%</b>	<b>0.00%</b>				<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-0.02%</b>	<b>-0.02%</b>	<b>0.06%</b>	<b>0.06%</b>		
<b>Manager Selection</b>				<b>-0.03%</b>	<b>-0.04%</b>				<b>-0.02%</b>	<b>-0.07%</b>	<b>-0.05%</b>	<b>-0.11%</b>	<b>2.58%</b>	<b>2.38%</b>	<b>2.79%</b>	<b>2.56%</b>		
<b>TOTAL RELATIVE RETURN</b>				<b>-0.03%</b>	<b>-0.04%</b>				<b>-0.02%</b>	<b>-0.07%</b>	<b>-0.05%</b>	<b>-0.11%</b>	<b>2.56%</b>	<b>2.35%</b>	<b>2.84%</b>	<b>2.61%</b>	<b>3.29%</b>	<b>3.04%</b>
<b>LARGE CAP DOMESTIC EQUITY</b>																		
Los Angeles Capital	38,662	4.5%	4.5%	2.51%	2.51%	37,733	4.5%	4.5%	1.58%	1.54%	4.13%	4.09%	25.79%	25.57%	17.16%	16.94%	7.73%	7.51%
<i>Russell 1000 Growth</i>				<b>2.64%</b>	<b>2.64%</b>				<b>1.49%</b>	<b>1.49%</b>	<b>4.16%</b>	<b>4.16%</b>	<b>26.92%</b>	<b>26.92%</b>	<b>16.26%</b>	<b>16.26%</b>	<b>7.47%</b>	<b>7.47%</b>
LSV	38,443	4.5%	4.5%	2.28%	2.21%	37,558	4.5%	4.5%	-0.46%	-0.52%	1.81%	1.68%	28.33%	28.01%	19.09%	18.79%	8.24%	7.86%
<i>Russell 1000 Value</i>				<b>2.25%</b>	<b>2.25%</b>				<b>-0.19%</b>	<b>-0.19%</b>	<b>2.05%</b>	<b>2.05%</b>	<b>23.81%</b>	<b>23.81%</b>	<b>16.92%</b>	<b>16.92%</b>	<b>6.67%</b>	<b>6.67%</b>
LA Capital	25,793	3.0%	3.0%	2.35%	2.35%	25,093	3.0%	3.0%	0.86%	0.83%	3.24%	3.21%	24.29%	24.15%	17.14%	16.95%	8.08%	7.81%
<i>Russell 1000</i>				<b>2.44%</b>	<b>2.44%</b>				<b>0.65%</b>	<b>0.65%</b>	<b>3.11%</b>	<b>3.11%</b>	<b>25.36%</b>	<b>25.36%</b>	<b>16.63%</b>	<b>16.63%</b>	<b>7.12%</b>	<b>7.12%</b>
Clifton Group	25,985	3.0%	3.0%	2.66%	2.66%	25,364	3.0%	3.0%	1.18%	1.11%	3.87%	3.80%	24.75%	24.63%	16.93%	16.80%	19.96%	19.63%
<i>S&amp;P 500</i>				<b>2.44%</b>	<b>2.44%</b>				<b>1.13%</b>	<b>1.13%</b>	<b>3.60%</b>	<b>3.60%</b>	<b>24.61%</b>	<b>24.61%</b>	<b>16.58%</b>	<b>16.58%</b>	<b>18.83%</b>	<b>18.83%</b>
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>128,883</b>	<b>15.1%</b>	<b>15.0%</b>	<b>2.45%</b>	<b>2.43%</b>	<b>125,747</b>	<b>14.9%</b>	<b>15.0%</b>	<b>0.73%</b>	<b>0.68%</b>	<b>3.20%</b>	<b>3.12%</b>	<b>26.07%</b>	<b>25.85%</b>	<b>17.73%</b>	<b>17.51%</b>	<b>19.57%</b>	<b>19.28%</b>
<i>Russell 1000</i>				<b>2.44%</b>	<b>2.44%</b>				<b>0.65%</b>	<b>0.65%</b>	<b>3.11%</b>	<b>3.11%</b>	<b>25.36%</b>	<b>25.36%</b>	<b>17.02%</b>	<b>17.02%</b>	<b>19.10%</b>	<b>19.10%</b>
<b>SMALL CAP DOMESTIC EQUITY</b>																		
Research Affiliates	12,858	1.5%	2.5%	7.03%	7.03%	13,436	1.6%	2.5%	-7.00%	-7.07%	-0.46%	-0.54%	24.68%	24.29%	16.34%	15.88%	22.98%	22.51%
Clifton	30,049	3.5%	2.5%	7.29%	7.29%	28,831	3.4%	2.5%	-7.23%	-7.41%	-0.47%	-0.67%	24.67%	24.17%	15.76%	15.30%	22.16%	21.67%
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>42,907</b>	<b>5.0%</b>	<b>5.0%</b>	<b>7.13%</b>	<b>7.13%</b>	<b>42,267</b>	<b>5.0%</b>	<b>5.0%</b>	<b>-7.08%</b>	<b>-7.23%</b>	<b>-0.45%</b>	<b>-0.61%</b>	<b>24.78%</b>	<b>24.34%</b>	<b>16.10%</b>	<b>15.64%</b>	<b>22.49%</b>	<b>22.01%</b>
<i>Russell 2000</i>				<b>6.59%</b>	<b>6.59%</b>				<b>-7.36%</b>	<b>-7.36%</b>	<b>-1.25%</b>	<b>-1.25%</b>	<b>23.64%</b>	<b>23.64%</b>	<b>14.57%</b>	<b>14.57%</b>	<b>20.21%</b>	<b>20.21%</b>
<b>INTERNATIONAL EQUITY</b>																		
Capital Group	34,614	4.1%	4.0%	-0.66%	-0.76%	33,723	4.0%	4.0%	-5.78%	-5.86%	-6.40%	-6.57%	20.70%	20.25%	8.58%	8.03%	12.11%	11.55%
LSV	33,922	4.0%	4.0%	-1.66%	-1.77%	33,361	4.0%	4.0%	-6.45%	-6.53%	-8.00%	-8.18%	27.25%	26.77%	9.54%	9.04%	12.20%	11.69%
<i>MSCI EAFE</i>				<b>-1.45%</b>	<b>-1.45%</b>				<b>-5.88%</b>	<b>-5.88%</b>	<b>-7.24%</b>	<b>-7.24%</b>	<b>23.57%</b>	<b>23.57%</b>	<b>8.10%</b>	<b>8.10%</b>	<b>11.11%</b>	<b>11.11%</b>
DFA	8,448	1.0%	1.0%	4.18%	-2.20%	8,269	1.0%	1.0%	-8.53%	-8.53%	-10.54%	-10.54%	36.58%	35.75%	12.25%	11.48%	16.48%	15.74%
Vanguard (1)	8,611	1.0%	1.0%	-1.51%	-1.51%	8,377	1.0%	1.0%	-5.84%	-5.84%	-7.26%	-7.26%	29.97%	29.46%	9.31%	8.86%	14.93%	14.49%
<i>S&amp;P/Citigroup Broad Market Index &lt; \$2BN</i>				<b>-2.78%</b>	<b>-2.78%</b>				<b>-5.94%</b>	<b>-5.94%</b>	<b>-8.56%</b>	<b>-8.56%</b>	<b>26.39%</b>	<b>26.39%</b>	<b>8.21%</b>	<b>8.21%</b>	<b>8.21%</b>	<b>13.10%</b>
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>85,594</b>	<b>10.0%</b>	<b>10.0%</b>	<b>-1.30%</b>	<b>-1.37%</b>	<b>83,729</b>	<b>9.9%</b>	<b>10.0%</b>	<b>-6.33%</b>	<b>-6.39%</b>	<b>-7.54%</b>	<b>-7.68%</b>	<b>25.76%</b>	<b>25.26%</b>	<b>9.31%</b>	<b>8.77%</b>	<b>12.94%</b>	<b>12.39%</b>
<i>MSCI EAFE</i>				<b>-1.45%</b>	<b>-1.45%</b>				<b>-5.88%</b>	<b>-5.88%</b>	<b>-7.24%</b>	<b>-7.24%</b>	<b>23.57%</b>	<b>23.57%</b>	<b>8.10%</b>	<b>8.10%</b>	<b>11.11%</b>	<b>11.11%</b>
<b>FIXED INCOME</b>																		
Western Asset	176,732	20.7%	20.9%	0.87%	0.87%	175,093	20.8%	20.8%	0.36%	0.32%	1.23%	1.19%	6.13%	5.99%	5.69%	5.52%	8.72%	8.54%
Prudential	44,905	5.3%	5.2%	1.30%	1.30%	44,267	5.3%	5.2%	-0.31%	-0.38%	0.98%	0.91%	6.71%	6.42%	6.06%	5.76%	8.55%	8.25%
PIMCO (DISCO) (1)	23,818	2.8%	2.8%	-0.26%	-0.26%	25,626	3.0%	3.0%	1.43%	1.43%	1.17%	1.17%	12.02%	12.02%	N/A	N/A	N/A	N/A
PIMCO (BRAVO II) (1)	7,289	0.9%	0.9%	3.49%	3.49%	5,913	0.7%	0.7%	0.00%	0.00%	3.49%	3.49%	N/A	N/A	N/A	N/A	N/A	N/A
<i>BC Aggregate</i>				<b>0.98%</b>	<b>0.98%</b>				<b>0.17%</b>	<b>0.17%</b>	<b>1.15%</b>	<b>1.15%</b>	<b>4.37%</b>	<b>4.37%</b>	<b>3.66%</b>	<b>3.66%</b>	<b>4.85%</b>	<b>4.85%</b>
Declaration (Total Return) (1)	44,852	5.3%	5.3%	-0.02%	-0.02%	45,636	5.4%	5.4%	0.65%	0.65%	0.64%	0.64%	N/A	N/A	N/A	N/A	N/A	N/A
<i>3m LIBOR</i>				<b>0.02%</b>	<b>0.02%</b>				<b>0.06%</b>	<b>0.06%</b>	<b>0.08%</b>	<b>0.08%</b>						
State Street	78,370	9.2%	9.1%	1.00%	1.00%	77,668	9.2%	9.1%	0.16%	0.15%	1.16%	1.15%	4.26%	4.23%	N/A	N/A	N/A	N/A
<i>BC Gov/Credit</i>				<b>1.00%</b>	<b>1.00%</b>				<b>0.17%</b>	<b>0.17%</b>	<b>1.17%</b>	<b>1.17%</b>	<b>4.28%</b>	<b>4.28%</b>				
Wells Capital	177,593	20.8%	20.9%	0.99%	0.99%	175,784	20.9%	20.8%	-0.12%	-0.17%	0.87%	0.82%	10.01%	9.79%	7.70%	7.48%	10.19%	9.97%
<i>BC US Credit BAA</i>				<b>1.09%</b>	<b>1.09%</b>				<b>-1.60%</b>	<b>-1.60%</b>	<b>-0.53%</b>	<b>-0.53%</b>	<b>9.46%</b>	<b>9.46%</b>	<b>7.12%</b>	<b>7.12%</b>	<b>9.05%</b>	<b>9.05%</b>
<b>TOTAL FIXED INCOME</b>	<b>553,558</b>	<b>64.9%</b>	<b>65.0%</b>	<b>0.87%</b>	<b>0.87%</b>	<b>549,987</b>	<b>65.3%</b>	<b>65.0%</b>	<b>0.20%</b>	<b>0.16%</b>	<b>1.07%</b>	<b>1.03%</b>	<b>7.76%</b>	<b>7.60%</b>	<b>7.48%</b>	<b>7.29%</b>	<b>9.42%</b>	<b>9.23%</b>
<i>BC Aggregate</i>				<b>0.98%</b>	<b>0.98%</b>				<b>0.17%</b>	<b>0.17%</b>	<b>1.15%</b>	<b>1.15%</b>	<b>4.37%</b>	<b>4.37%</b>	<b>3.66%</b>	<b>3.66%</b>	<b>4.85%</b>	<b>4.85%</b>

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	October-14					September-14					Current FYTD		Prior Year FY14		3 Years Ended 6/30/2014		5 Years Ended 6/30/2014	
	Allocation			Month		Allocation			Quarter		Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net
	Market Value	Actual	Policy	Gross <sup>(1)</sup>	Net	Market Value	Actual	Policy	Gross <sup>(1)</sup>	Net								
<b>CASH EQUIVALENTS</b>																		
Northern Trust (1)	41,366			0.00%	0.00%	40,799			0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	N/A	N/A	N/A	N/A
<b>TOTAL CASH EQUIVALENTS</b>	<b>41,366</b>	<b>4.9%</b>	<b>5.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>40,799</b>	<b>4.8%</b>	<b>5.0%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.17%</b>	<b>0.17%</b>	<b>0.24%</b>	<b>0.24%</b>
<b>90 Day T-Bill</b>				<b>0.00%</b>	<b>0.00%</b>				<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.06%</b>	<b>0.06%</b>	<b>0.08%</b>	<b>0.08%</b>	<b>0.11%</b>	<b>0.11%</b>

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

**Effective July 1, 2013, net of fee returns are calculated on a cash basis in the month paid. Prior years were accrual based and split evenly over the 12 months of the fiscal year.**

(1) All limited partnership-type (and mutual funds as of 7/1/14) investment returns will only be reported net of fees, which is standard practice by the investment consultant.