

ND ASSOCIATION OF COUNTIES FUND
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2014

| | December-14 | | | | | September-14 | | | | | Current FYTD | | Prior Year FY14 | | 3 Years Ended 6/30/2014 | | 5 Years Ended 6/30/2014 | |
|--|------------------|---------------|---------------|----------------------|---------------|------------------|---------------|---------------|----------------------|---------------|----------------------|----------------|----------------------|---------------|-------------------------|---------------|-------------------------|---------------|
| | Market Value | Allocation | | Quarter | | Market Value | Allocation | | Quarter | | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net |
| | | Actual | Policy | Gross ⁽¹⁾ | Net | | Actual | Policy | Gross ⁽¹⁾ | Net | | | | | | | | |
| TOTAL NDACo FUND | 3,481,321 | 100.0% | 100.0% | 1.93% | 1.89% | 3,416,313 | 100.0% | 100.0% | -0.78% | -0.82% | 1.13% | 1.05% | 11.80% | 11.61% | 7.71% | 7.50% | 11.28% | 11.02% |
| <i>POLICY TARGET BENCHMARK</i> | | | | <i>1.86%</i> | <i>1.86%</i> | | | | <i>-0.76%</i> | <i>-0.76%</i> | <i>1.09%</i> | <i>1.09%</i> | <i>9.60%</i> | <i>9.60%</i> | <i>5.29%</i> | <i>5.29%</i> | <i>8.60%</i> | <i>8.60%</i> |
| ATTRIBUTION ANALYSIS | | | | | | | | | | | | | | | | | | |
| Asset Allocation | | | | 0.00% | 0.00% | | | | 0.00% | 0.00% | 0.00% | 0.00% | -0.08% | -0.08% | 0.03% | 0.03% | | |
| Manager Selection | | | | 0.06% | 0.03% | | | | -0.02% | -0.07% | 0.04% | -0.04% | 2.28% | 2.09% | 2.39% | 2.18% | | |
| TOTAL RELATIVE RETURN | | | | 0.06% | 0.03% | | | | -0.02% | -0.06% | 0.04% | -0.04% | 2.21% | 2.01% | 2.42% | 2.21% | 2.68% | 2.42% |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | |
| Los Angeles Capital | 156,180 | 4.5% | 4.5% | 5.47% | 5.42% | 153,280 | 4.5% | 4.5% | 1.58% | 1.54% | 7.14% | 7.04% | 25.79% | 25.57% | 17.16% | 16.94% | 7.73% | 7.51% |
| <i>Russell 1000 Growth</i> | | | | <i>4.78%</i> | <i>4.78%</i> | | | | <i>1.49%</i> | <i>1.49%</i> | <i>6.34%</i> | <i>6.34%</i> | <i>26.92%</i> | <i>26.92%</i> | <i>16.26%</i> | <i>16.26%</i> | <i>7.47%</i> | <i>7.47%</i> |
| LSV | 157,966 | 4.5% | 4.5% | 5.54% | 5.46% | 152,571 | 4.5% | 4.5% | -0.46% | -0.52% | 5.06% | 4.92% | 28.33% | 28.01% | 19.09% | 18.79% | 8.24% | 7.86% |
| <i>Russell 1000 Value</i> | | | | <i>4.98%</i> | <i>4.98%</i> | | | | <i>-0.19%</i> | <i>-0.19%</i> | <i>4.78%</i> | <i>4.78%</i> | <i>23.81%</i> | <i>23.81%</i> | <i>16.92%</i> | <i>16.92%</i> | <i>6.67%</i> | <i>6.67%</i> |
| LA Capital | 104,666 | 3.0% | 3.0% | 5.25% | 5.22% | 101,934 | 3.0% | 3.0% | 0.86% | 0.83% | 6.16% | 6.09% | 24.29% | 24.15% | 17.14% | 16.95% | 8.08% | 7.81% |
| <i>Russell 1000</i> | | | | <i>4.88%</i> | <i>4.88%</i> | | | | <i>0.65%</i> | <i>0.65%</i> | <i>5.57%</i> | <i>5.57%</i> | <i>25.36%</i> | <i>25.36%</i> | <i>16.63%</i> | <i>16.63%</i> | <i>7.12%</i> | <i>7.12%</i> |
| Clifton Group | 104,677 | 3.0% | 3.0% | 5.15% | 5.15% | 103,034 | 3.0% | 3.0% | 1.18% | 1.11% | 6.38% | 6.31% | 24.75% | 24.63% | 16.93% | 16.80% | 19.96% | 19.63% |
| <i>S&P 500</i> | | | | <i>4.93%</i> | <i>4.93%</i> | | | | <i>1.13%</i> | <i>1.13%</i> | <i>6.12%</i> | <i>6.12%</i> | <i>24.61%</i> | <i>24.61%</i> | <i>16.58%</i> | <i>16.58%</i> | <i>18.83%</i> | <i>18.83%</i> |
| TOTAL LARGE CAP DOMESTIC EQUITY | 523,488 | 15.0% | 15.0% | 5.40% | 5.35% | 510,819 | 15.0% | 15.0% | 0.73% | 0.68% | 6.17% | 6.07% | 26.07% | 25.85% | 17.73% | 17.51% | 19.57% | 19.28% |
| <i>Russell 1000</i> | | | | <i>4.88%</i> | <i>4.88%</i> | | | | <i>0.65%</i> | <i>0.65%</i> | <i>5.57%</i> | <i>5.57%</i> | <i>25.36%</i> | <i>25.36%</i> | <i>17.02%</i> | <i>17.02%</i> | <i>19.10%</i> | <i>19.10%</i> |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | |
| Research Affiliates | 51,028 | 1.5% | 2.5% | 10.52% | 10.44% | 54,309 | 1.6% | 2.5% | -7.00% | -7.07% | 2.79% | 2.63% | 24.68% | 24.29% | 16.34% | 15.88% | 22.98% | 22.51% |
| Clifton | 122,845 | 3.5% | 2.5% | 10.44% | 10.44% | 116,540 | 3.4% | 2.5% | -7.23% | -7.41% | 2.45% | 2.25% | 24.67% | 24.17% | 15.76% | 15.30% | 22.16% | 21.67% |
| TOTAL SMALL CAP DOMESTIC EQUITY | 173,874 | 5.0% | 5.0% | 10.38% | 10.36% | 170,849 | 5.0% | 5.0% | -7.08% | -7.23% | 2.56% | 2.38% | 24.78% | 24.34% | 16.10% | 15.64% | 22.49% | 22.01% |
| <i>Russell 2000</i> | | | | <i>9.73%</i> | <i>9.73%</i> | | | | <i>-7.36%</i> | <i>-7.36%</i> | <i>1.65%</i> | <i>1.65%</i> | <i>23.64%</i> | <i>23.64%</i> | <i>14.57%</i> | <i>14.57%</i> | <i>20.21%</i> | <i>20.21%</i> |
| INTERNATIONAL EQUITY | | | | | | | | | | | | | | | | | | |
| Capital Group | 139,733 | 4.0% | 4.0% | -1.43% | -1.52% | 137,119 | 4.0% | 4.0% | -5.78% | -5.86% | -7.12% | -7.29% | 20.70% | 20.25% | 8.58% | 8.03% | 12.11% | 11.55% |
| LSV | 138,279 | 4.0% | 4.0% | -3.60% | -3.70% | 135,647 | 4.0% | 4.0% | -6.45% | -6.53% | -9.81% | -9.99% | 27.25% | 26.77% | 9.54% | 9.04% | 12.20% | 11.69% |
| <i>MSCI EAFE</i> | | | | <i>-3.57%</i> | <i>-3.57%</i> | | | | <i>-5.88%</i> | <i>-5.88%</i> | <i>-9.24%</i> | <i>-9.24%</i> | <i>23.57%</i> | <i>23.57%</i> | <i>8.10%</i> | <i>8.10%</i> | <i>11.11%</i> | <i>11.11%</i> |
| DFA | 34,923 | 1.0% | 1.0% | -3.97% | -3.97% | 33,624 | 1.0% | 1.0% | -8.53% | -8.53% | -12.15% | -12.15% | 36.58% | 35.75% | 12.25% | 11.48% | 16.48% | 15.74% |
| Vanguard (1) | 35,008 | 1.0% | 1.0% | -3.50% | -3.50% | 34,060 | 1.0% | 1.0% | -5.84% | -5.84% | -9.14% | -9.14% | 29.97% | 29.46% | 9.31% | 8.86% | 14.93% | 14.49% |
| <i>S&P/Citigroup Broad Market Index < \$2BN</i> | | | | <i>-4.44%</i> | <i>-4.44%</i> | | | | <i>-5.94%</i> | <i>-5.94%</i> | <i>-10.12%</i> | <i>-10.12%</i> | <i>26.39%</i> | <i>26.39%</i> | <i>8.21%</i> | <i>8.21%</i> | <i>8.21%</i> | <i>13.10%</i> |
| TOTAL INTERNATIONAL EQUITY | 347,944 | 10.0% | 10.0% | -2.75% | -2.82% | 340,452 | 10.0% | 10.0% | -6.33% | -6.39% | -8.90% | -9.04% | 25.76% | 25.26% | 9.31% | 8.77% | 12.94% | 12.39% |
| <i>MSCI EAFE</i> | | | | <i>-3.57%</i> | <i>-3.57%</i> | | | | <i>-5.88%</i> | <i>-5.88%</i> | <i>-9.24%</i> | <i>-9.24%</i> | <i>23.57%</i> | <i>23.57%</i> | <i>8.10%</i> | <i>8.10%</i> | <i>11.11%</i> | <i>11.11%</i> |
| FIXED INCOME | | | | | | | | | | | | | | | | | | |
| Western Asset | 643,453 | 18.5% | 18.6% | 1.63% | 1.60% | 620,571 | 18.2% | 18.2% | 0.36% | 0.32% | 1.99% | 1.92% | 6.13% | 5.99% | 5.69% | 5.52% | 8.72% | 8.54% |
| Prudential | 160,941 | 4.6% | 4.6% | 1.97% | 1.90% | 156,893 | 4.6% | 4.6% | -0.31% | -0.38% | 1.65% | 1.51% | 6.71% | 6.42% | 6.06% | 5.76% | 8.55% | 8.25% |
| PIMCO (DiSCO) (1) | 77,429 | 2.2% | 2.2% | -0.35% | -0.35% | 90,825 | 2.7% | 2.7% | 1.43% | 1.43% | 1.08% | 1.08% | 12.02% | 12.02% | N/A | N/A | N/A | N/A |
| PIMCO (BRAVO II) (1) | 23,715 | 0.7% | 0.7% | 3.49% | 3.49% | 20,958 | 0.6% | 0.6% | 0.00% | 0.00% | 3.49% | 3.49% | N/A | N/A | N/A | N/A | N/A | N/A |
| <i>BC Aggregate</i> | | | | <i>1.78%</i> | <i>1.78%</i> | | | | <i>0.17%</i> | <i>0.17%</i> | <i>1.95%</i> | <i>1.95%</i> | <i>4.37%</i> | <i>4.37%</i> | <i>3.66%</i> | <i>3.66%</i> | <i>4.85%</i> | <i>4.85%</i> |
| Declaration (Total Return) (1) | 153,026 | 4.4% | 4.4% | 0.99% | 0.99% | 161,745 | 4.7% | 4.7% | 0.65% | 0.65% | 1.65% | 1.65% | N/A | N/A | N/A | N/A | N/A | N/A |
| <i>3m LIBOR</i> | | | | <i>0.06%</i> | <i>0.06%</i> | | | | <i>0.06%</i> | <i>0.06%</i> | <i>0.12%</i> | <i>0.12%</i> | | | | | | |
| State Street | 281,002 | 8.1% | 8.0% | 1.83% | 1.82% | 275,276 | 8.1% | 8.0% | 0.16% | 0.15% | 1.99% | 1.98% | 4.26% | 4.23% | N/A | N/A | N/A | N/A |
| <i>BC Gov/Credit</i> | | | | <i>1.80%</i> | <i>1.80%</i> | | | | <i>0.17%</i> | <i>0.17%</i> | <i>1.98%</i> | <i>1.98%</i> | <i>4.28%</i> | <i>4.28%</i> | | | | |
| Wells Capital | 644,261 | 18.5% | 18.6% | 1.59% | 1.55% | 623,019 | 18.2% | 18.2% | -0.12% | -0.17% | 1.47% | 1.37% | 10.01% | 9.79% | 7.70% | 7.48% | 10.19% | 9.97% |
| <i>BC US Credit BAA</i> | | | | <i>1.26%</i> | <i>1.26%</i> | | | | <i>-1.60%</i> | <i>-1.60%</i> | <i>-0.36%</i> | <i>-0.36%</i> | <i>9.46%</i> | <i>9.46%</i> | <i>7.12%</i> | <i>7.12%</i> | <i>9.05%</i> | <i>9.05%</i> |
| TOTAL FIXED INCOME | 1,983,826 | 57.0% | 57.0% | 1.55% | 1.52% | 1,949,287 | 57.1% | 57.0% | 0.20% | 0.16% | 1.75% | 1.68% | 7.76% | 7.60% | 7.48% | 7.29% | 9.42% | 9.23% |
| <i>BC Aggregate</i> | | | | <i>1.78%</i> | <i>1.78%</i> | | | | <i>0.17%</i> | <i>0.17%</i> | <i>1.95%</i> | <i>1.95%</i> | <i>4.37%</i> | <i>4.37%</i> | <i>3.66%</i> | <i>3.66%</i> | <i>4.85%</i> | <i>4.85%</i> |

ND ASSOCIATION OF COUNTIES FUND
 INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2014

| | December-14 | | | | | September-14 | | | | | Current FYTD | | Prior Year FY14 | | 3 Years Ended 6/30/2014 | | 5 Years Ended 6/30/2014 | |
|-------------------------------|----------------|--------------|--------------|----------------------|--------------|----------------|--------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|-------------------------|--------------|-------------------------|--------------|
| | Allocation | | | | Quarter | Allocation | | | | Quarter | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net |
| | Market Value | Actual | Policy | Gross ⁽¹⁾ | Net | Market Value | Actual | Policy | Gross ⁽¹⁾ | Net | | | | | | | | |
| CASH EQUIVALENTS | | | | | | | | | | | | | | | | | | |
| Northern Trust (1) | 452,189 | | | 0.00% | 0.00% | 444,906 | | | 0.00% | 0.00% | 0.01% | 0.01% | 0.01% | 0.01% | N/A | N/A | N/A | N/A |
| TOTAL CASH EQUIVALENTS | 452,189 | 13.0% | 13.0% | 0.00% | 0.00% | 444,906 | 13.0% | 13.0% | 0.00% | 0.00% | 0.01% | 0.01% | 0.01% | 0.01% | 0.17% | 0.17% | 0.24% | 0.24% |
| <i>90 Day T-Bill</i> | | | | <i>0.00%</i> | <i>0.00%</i> | | | | <i>0.01%</i> | <i>0.01%</i> | <i>0.01%</i> | <i>0.01%</i> | <i>0.06%</i> | <i>0.06%</i> | <i>0.08%</i> | <i>0.08%</i> | <i>0.11%</i> | <i>0.11%</i> |

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.