



ND STATE INVESTMENT BOARD MEETING

Friday, May 17, 2013, 8:30 a.m.
State Capitol, Peace Garden Room
Bismarck, ND

AGENDA (Revised)

I. CALL TO ORDER AND ACCEPTANCE OF AGENDA

II. ACCEPTANCE OF MINUTES (April 26, 2013)

III. INVESTMENTS

- A. Calamos (90 min) (to follow)
- B. Pension and Insurance Trust's Performance Measurement - (enclosed) Mr. Erlendson (45 min)
- C. Bank of ND Update - Ms. Flanagan (10 min)

IV. GOVERNANCE

- A. Administration
 - 1. Search Committee Update - Search Committee
 - 2. Compensation Committee (to follow)
 - 3. Approval to Use Contingency Funds for Executive Search - Ms. Flanagan

V. MONITORING REPORTS (acceptance needed - questions only) (5 min)

- 1. Watch List - (enclosed) Mr. Schulz

VI. OTHER

Next SIB Meeting - June 28, 2013, 8:30 a.m. - State Capitol, Peace Garden Room
SIB Audit Committee meeting - May 17, 2013, 1:00 p.m. - State Capitol, Peace Garden Room

VII. ADJOURNMENT

**NORTH DAKOTA STATE INVESTMENT BOARD
MINUTES OF THE
APRIL 26, 2013, BOARD MEETING**

BOARD MEMBERS PRESENT: Drew Wrigley, Lt. Governor, Chair
Mike Sandal, Vice Chair
Clarence Corneil, TFFR Board
Levi Erdmann, PERS Board
Lance Gaebe, Land Commissioner
Mike Gessner, TFFR Board
Adam Hamm, Insurance Commissioner
Howard Sage, PERS Board
Kelly Schmidt, State Treasurer
Cindy Ternes, Workforce Safety & Insurance
Bob Toso, TFFR Board

STAFF PRESENT: Connie Flanagan, Fiscal & Investment Officer
Bonnie Heit, Office Manager
Fay Kopp, Interim Executive Director
Leslie Moszer, Compliance Officer
Darren Schulz, Interim CIO
Susan Walcker, Investment Accountant

OTHERS PRESENT: Weldee Baetsch, former PERS & SIB Trustee
Chanakya Chakravarti, JP Morgan
Hrushikesh Kar, JP Morgan
Jan Murtha, Attorney General's Office
George Ochs, JP Morgan
Jim Sakelaris, JP Morgan
Dave Thompson, Prairie Public

CALL TO ORDER:

Lt. Governor Wrigley called the State Investment Board (SIB) meeting to order at 8:30 a.m. on Friday, April 26, 2013, at Workforce Safety & Insurance, 1600 E Century, Bismarck, ND.

A quorum was present for the purpose of conducting business.

AGENDA:

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. CORNEIL AND CARRIED ON A VOICE VOTE TO ACCEPT THE APRIL 26, 2013, AGENDA.

AYES: COMMISSIONER GAEBE, TREASURER SCHMIDT, MR. SANDAL, MR. CORNEIL, MS. TERNES, MR. GESSNER, MR. ERDMANN, MR. TOSO, MR. SAGE, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER HAMM

MINUTES:

The minutes were considered from the March 22, 2013, meeting,

IT WAS MOVED BY MR. CORNEIL AND SECONDED BY COMMISSIONER GAEBE AND CARRIED ON A VOICE VOTE TO ACCEPT THE MARCH 22, 2013, MINUTES AS WRITTEN.

AYES: MR. GESSNER, COMMISSIONER GAEBE, MR. SAGE, MS. TERNES, TREASURER SCHMIDT, MR. TOSO, MR. CORNEIL, MR. ERDMANN, MR. SANDAL, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER HAMM

EDUCATION:

JP Morgan representatives presented an educational segment on India real estate. The Board took no action on the subject matter.

INVESTMENTS:

Legacy Fund - Mr. Schulz, Ms. Flanagan, Commissioner Gaebe, Mr. Sage, Ms. Ternes, and Treasurer Schmidt attended the Legacy and Budget Stabilization Fund Advisory Board (Advisory Board) meeting on April 2, 2013. R.V. Kuhns & Associates, who were contracted by the SIB at their September 28, 2012, meeting to conduct a comprehensive asset allocation and spending policy analysis on the Legacy Fund, presented their findings. After reviewing their options, the Advisory Board adopted the following asset allocation mix for the Legacy Fund:

Broad US Equity 30%
 Broad International Equity 20%
 Fixed Income 35%
 Core Real Estate 5%
 Diversified Real Assets 10%

Mr. Schulz and Ms. Flanagan also attended the Advisory Board's April 25, 2013, meeting. Mr. Schulz, at the request of Advisory Board, presented an educational segment on investment pooling. R.V. Kuhns recommended the Legacy Fund be pooled for cost-savings/efficiencies. The Advisory Board revised their investment policy statement to allow pooling of the Legacy Fund with other SIB funds.

The SIB discussed the revisions to the investment policy statement and after discussion,

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. SANDAL AND CARRIED ON A ROLL CALL VOTE TO ACCEPT THE REVISED INVESTMENT POLICY STATEMENT FOR THE LEGACY FUND.

AYES: MR. CORNEIL, MR. ERDMANN, COMMISSIONER GAEBE, MR. GESSNER, COMMISSIONER HAMM, MR. SAGE, MR. SANDAL, TREASURER SCHMIDT, MS. TERNES, MR. TOSO, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

Mr. Schulz will be working with R.V. Kuhns and Callan Associates to develop a work plan to implement the new asset allocation policy and will report back to the board.

The SIB thanked Mr. Schulz and Ms. Flanagan for working with their client, the Advisory Board, to assist them in implementing an investment plan for the Legacy Fund.

Bank of North Dakota (BND) - Mr. Schulz stated on April 5, 2013, he requested the BND provide information by April 18, 2013, on whether the BND could offer a lower investment management fee and also alter their current investment process as a result of the discussions that occurred at the March 22, 2013, SIB meeting concerning the two passive fixed income mandates currently managed by the BND.

Lt. Governor Wrigley stated he received a letter on April 25, 2013, from the BND declining to provide its services under terms that are materially different from those it presently offers. BND also proposed the SIB mutually agree to terminate their investment management agreement which has been in effect since July 1, 1989.

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. CORNEIL AND CARRIED ON A ROLL CALL VOTE TO BRING BACK TO THE TABLE THE FOLLOWING MOTION FROM THE MARCH 22, 2013, SIB MEETING,

TREASURER SCHMIDT MOVED AND MR. CORNEIL SECONDED TO TERMINATE BND'S PASSIVE FIXED INCOME MANDATES OF \$160 MILLION AND TRANSITION THE ASSETS TO STATE STREET.

AYES: TREASURER SCHMIDT, MR. GESSNER, COMMISSIONER HAMM, MS. TERNES, COMMISSIONER GAEBE, MR. SAGE, MR. TOSO, MR. SANDAL, MR. ERDMANN, MR. CORNEIL, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

Discussion followed on the motion. After discussion,

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. GESSNER TO AMEND THE MOTION THAT IS ON THE TABLE TO MUTUALLY AGREE WITH THE BND TO TERMINATE THEIR RELATIONSHIP OF THE MANAGEMENT OF THE PASSIVE FIXED INCOME MANDATES OF \$160 MILLION AND TRANSITION THE ASSETS TO STATE STREET.

Discussion followed,

IT WAS MOVED BY MR. ERDMANN TO CALL THE QUESTION WHICH WAS CARRIED ON A ROLL CALL VOTE.

AYES: MR. SAGE, MR. SANDAL, MR. CORNEIL, MR. GESSNER, MR. TOSO, MR. ERDMANN, MS. TERNES, COMMISSIONER HAMM, COMMISSIONER GAEBE, TREASURER SCHMIDT, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

A roll call vote was then taken on the motion to amend the tabled motion,

AYES: MR. ERDMANN, TREASURER SCHMIDT, MR. CORNEIL, COMMISSIONER GAEBE, MR. TOSO, MR. SANDAL, COMMISSIONER HAMM, MR. GESSNER, MR. SAGE, MS. TERNES, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

A roll call vote was then taken on the following motion,

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. GESSNER THAT THE SIB MUTUALLY AGREES WITH THE BND TO TERMINATE THEIR RELATIONSHIP OF THE MANAGEMENT OF THE PASSIVE FIXED INCOME MANDATES OF \$160 MILLION AND TRANSITION THE ASSETS TO STATE STREET.

AYES: MS. TERNES, MR. CORNEIL, COMMISSIONER HAMM, TREASURER SCHMIDT, COMMISSIONER GAEBE, MR. ERDMANN, MR. TOSO, MR. SANDAL, MR. SAGE, MR. GESSNER, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

Mr. Schultz reported that Blackrock Solutions, New York, as a professional courtesy, worked with BND and its legal counsel, Mr. Dave Schaibley, Mr. Schulz, Ms. Flanagan, and Ms. Murtha, to conduct an analysis of the losses that occurred as a result of BND's delay in transitioning the assets in the Pension Trust from a Barclays Capital Government Index mandate to a Barclays Capital Long Treasury Index. Blackrock Solutions' analysis concurred with Mr. Schulz's and Ms. Flanagan's analysis that a loss of \$2.542 million had occurred. All of the other entities involved concurred with the analysis and BND will expedite the credit based on the loss calculation as soon as possible.

IT WAS MOVED BY MR. SAGE AND SECONDED BY TREASURER SCHMIDT AND CARRIED ON A ROLL CALL VOTE TO REMOVE BND FROM THE WATCH LIST AS THE WATCH LIST DOES NOT PERTAIN TO THE SIB/BND MATCH LOAN PROGRAM RELATIONSHIP OF \$120 MILLION.

AYES: COMMISSIONER HAMM, MS. TERNES, MR. CORNEIL, MR. SANDAL, TREASURER SCHMIDT, MR. GESSNER, MR. SAGE, COMMISSIONER GAEBE, MR. TOSO, MR. ERDMANN, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

Lt. Governor Wrigley thanked Mr. Schulz and Ms. Flanagan for their credibility in making the assessment and also for their leadership and professionalism during the discussions. He also thanked Ms. Murtha for her guidance, assistance, and professionalism at the front end and throughout all of the discussions and also recognized Mr. Dave Schaibley, BND counsel, for his assistance. Lt. Governor Wrigley also thanked the BND representatives for their cooperation in reaching an amicable result and again expressed gratitude to all parties involved.

The SIB recessed at 10:25 am and reconvened at 10:40 am.

Westridge/WG Trading - Ms. Murtha informed the SIB the Second Circuit Court of Appeals affirmed the District Court ruling approving the Receiver's plan for a pro-rata distribution and briefly discussed the court's analysis. Ms. Flanagan indicated that the SIB invested \$75.3 million with Westridge/WG Trading on behalf of the Pension and Insurance Trusts, and thus far two distributions totaling approximately \$67.1 million have been received. Ms. Murtha also stated that it was her understanding the Receiver was still pursuing clawback actions, which if successful, could result in further distributions to the SIB.

GOVERNANCE:

Search Committee - Mr. Sandal updated the SIB on the Executive Director/Chief Investment Officer search.

An RFP for Executive Recruitment Services was issued on March 6, 2013. The deadline for receipt of proposals was March 27, 2013. Six proposals were received with three being rejected by State Procurement. Of the three firms reviewed by

the sub-set of the Search Committee and State Procurement, none of them brought forth the required experience.

The sub-set of the Search Committee revised the mandatory requirements to more accurately reflect the criteria needed and instructed State Procurement to reissue the RFP. The RFP was reissued on April 4, with proposals due by April 18, 2013. Six proposals were again received with two being rejected by State Procurement. The sub-set of the Search Committee and State Procurement evaluated the four remaining firms and a decision was made to award the contract. The sub-set of the Search Committee will make their recommendation to the full Search Committee at its next meeting on April 26, 2013.

Compensation Committee - Ms. Ternes, Chair, Treasurer Schmidt, and Mr. Erdmann, serving on the Executive Compensation Review Committee, met on April 23, 2013, and issued the following recommendations for the SIB's consideration:

Issue the Deputy Executive Director a base salary increase of 5% and a temporary Interim Executive Director salary increase of 7.5%, effective July 1, 2013.

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. SANDAL AND CARRIED ON A ROLL CALL VOTE TO GRANT THE DEPUTY EXECUTIVE DIRECTOR A 5% BASE SALARY INCREASE AND A TEMPORARY INTERIM EXECUTIVE DIRECTOR SALARY INCREASE OF 7.5%, EFFECTIVE JULY 1, 2013.

AYES: MR. TOSO, TREASURER SCHMIDT, MR. CORNEIL, COMMISSIONER GAEBE, MR. ERDMANN, MR. SANDAL, COMMISSIONER HAMM, MR. GESSNER, MR. SAGE, MS. TERNES, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

Issue the Deputy Chief Investment Officer a base salary increase of 7%, effective July 1, 2013, and also grant a temporary Interim Chief Investment Officer salary increase of 20%, retroactive to April 1, 2013, and carried forward and applied to the new base salary that is in effect July 1, 2013.

IT WAS MOVED BY MR. ERDMANN AND SECONDED BY TREASURER SCHMIDT AND CARRIED ON A ROLL CALL VOTE TO GRANT THE DEPUTY CHIEF INVESTMENT OFFICER A BASE SALARY INCREASE OF 7%, EFFECTIVE JULY 1, 2013, AND A TEMPORARY INTERIM CHIEF INVESTMENT OFFICER SALARY INCREASE OF 20%, RETROACTIVE TO APRIL 1, 2013, AND CARRIED FORWARD AND APPLIED TO THE NEW BASE SALARY THAT IS IN EFFECT JULY 1, 2013.

AYES: COMMISSIONER HAMM, MS. TERNES, COMMISSIONER GAEBE, MR. GESSNER, MR. SAGE, MR. ERDMANN, MR. SANDAL, MR. TOSO, MR. CORNEIL, TREASURER SCHMIDT, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

2013-14 Meeting Schedule - A tentative meeting schedule was established for the 2013-14 fiscal year for the SIB's consideration.

IT WAS MOVED BY MR. SANDAL AND SECONDED BY MR. CORNEIL AND CARRIED ON A ROLL CALL VOTE TO ACCEPT THE TENTATIVE MEETING SCHEDULE.

AYES: MR. GESSNER, COMMISSIONER GAEBE, MR. SAGE, TREASURER SCHMIDT, MR. TOSO, COMMISSIONER HAMM, MR. CORNEIL, MR. ERDMANN, MR. SANDAL, MS. TERNES, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

LEGISLATIVE UPDATE:

Ms. Flanagan provided an update on legislation and reviewed the following bills with the SIB; HB 1022 - RIO Budget Bill, HB 1167 - relating to the definition of earnings of the Legacy Fund, HB 1249 - relating to the membership of the State Investment Board, HB1304 - relating to the divestiture of state investment funds in certain companies liable to sanctions under the Iran Sanctions Act of 1996; and to provide an expiration date, HB1395 - relating to membership of the Legacy and Budget Stabilization Fund Advisory Board, SB2124 - provides for the legislative management to study methods to assure that the Legacy Fund provides the lasting benefits intended by the voters, and HCR3018 - relating to transfer of a portion of the earnings of the Legacy Fund to the Legacy Scholarship Fund.

Ms. Flanagan stated all bills affecting the SIB have now been finalized by both the House and Senate.

MONITORING REPORTS - The following monitoring reports were presented to the SIB for the quarter ending March 31, 2013; Budget/Financial Conditions, Executive Limitations/Staff Relations, Investment Program Ends, and Retirement Program Ends. A current "Watch List" was also provided for the SIB's consideration.

IT WAS MOVED BR MR. CORNEIL AND SECONDED BY MS. TERNES AND CARRIED ON A ROLL CALL VOTE TO ACCEPT THE MONITORING REPORTS AS PRESENTED.

AYES: MR. CORNEIL, MR. GESSNER, MR. SANDAL, MR. SAGE, MR. ERDMANN, MR. TERNES, COMMISSIONER HAMM, COMMISSIONER GAEBE, MR. TOSO, TREASURER SCHMIDT, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

OTHER:

The next SIB meeting is scheduled for May 17, 2013, at 8:30 am in the Peace Garden Room at the State Capitol.

The next Audit Committee meeting is scheduled for May 17, 2013, at 1:00 pm in the Peace Garden Room at the State Capitol.

ADJOURNMENT:

With no further business to come before the SIB, Lt. Governor Wrigley adjourned the meeting at 11:10 a.m.

Lt. Governor Wrigley, Chair
State Investment Board

Bonnie Heit
Assistant to the Board

North Dakota State Investment Board

Kristina Kalebich, CFA – SVP, Co-Head of Portfolio Specialists

Craig Mauri, CFA, CAIA – SVP, Co-Head of Global Institutional Distribution

MAY 17, 2013

CALAMOS®





Agenda

- » Firm Update
- » Investment Team and Process
- » Convertible Market Update
- » Portfolio and Performance
- » Global Economic Review and Outlook
- » Appendix





Firm Update

Firm Overview

Calamos offers stability, experience and extensive, tested resources.

- » Global strategies, global clients, global commitment
- » Headquartered in Chicago metro area, offices in NY and London
- » Publicly listed, employee-owned business
- » Experience dating to the 1970s
- » Total Assets[^] of \$29.3 billion (\$USD)
- » 353 employees*, 63 investment professionals

ASSETS BY STRATEGY (IN USD, MM)

Equity	\$19,785
U.S. Growth	\$8,027
International Growth	\$1,730
Global Growth	\$665
Emerging Economies	\$531
U.S. Opportunities	\$6,407
Global Opportunities	\$2,346
All Cap Value	\$79
Convertible	\$2,689
U.S. Convertible	\$2,281
Global Convertible	\$408
High Income	\$2,875
Alternative	\$2,668
Other-Int'l/Global	\$944
Other-U.S.	\$303
TOTAL AUM	\$29,264

[^] Total Assets includes assets under management as well as \$939 million for which the company provides model portfolio design and oversight.

*Information is as of 3/31/2013. Total represents full-time employees of the operating subsidiaries of Calamos Asset Management, Inc. Part-time employees and consultants are excluded.



Investment Team and Process

Growth/Convertible Investment Team Members

GLOBAL CO-CHIEF INVESTMENT OFFICERS

John P. Calamos, Sr., Chairman, CEO, Global Co-CIO*
43 years of industry experience, 36 years at Calamos

Gary D. Black, EVP, Global Co-CIO*
21 years of industry experience

RESEARCH & INVESTMENT TEAM

Co-Heads of Research & Investments

Jeff Scudieri, CFA, SVP*
18 years of industry experience
16 years at Calamos

Jon Vacko, CFA, SVP*
21 years of industry experience
13 years at Calamos

CO-PORTFOLIO MANAGERS	YRS. EXP. (YRS. W/ FIRM)	CO-PORTFOLIO MANAGERS	YRS. EXP. (YRS. W/ FIRM)
John P. Calamos, Jr.	28 (28)	Joe Wysocki, CFA	13 (9)
Steve Klouda, CFA*	19 (19)	Dennis Cogan, CFA	12 (8)
Chris Hartman	16 (16)	Nick Niziolek, CFA	11 (8)
John Hillenbrand, CPA*	21 (11)	David Kalis, CFA	22 (<1)

SENIOR SECTOR ANALYSTS

Dino Dussias, CFA. 17 (17)
Dave Gallagher, CFA 11 (8)

RESEARCH ANALYSTS

Brian Dempsey, CFA	13 (13)	Bianca Lynd, CFA	12 (12)
Tony Onorati	19 (19)	Jason Hill	10 (9)
Kyle Ruge, CFA	9 (7)	Eric Wills	5 (5)
Bob Maul, CFA	9 (7)	Christopher Kuiper	4 (2)
Petra Vacval, CFA	7 (1)	Giri Krishnan	9 (<1)
Jay Stewart, CFA	8 (1)	Timothy Tyson	5 (5)

+ RESEARCH ASSOCIATES (8)

PORTFOLIO ANALYTICS

Co-Heads, Portfolio Specialists

Scott Becker, CFA, SVP
21 years of industry experience
10 years at Calamos

Kristina Kalebich, CFA, SVP
24 years of industry experience
3 years at Calamos

PORTFOLIO SPECIALISTS

	YRS. EXP. (YRS. W/ FIRM)
Scott Henderson, CFA	22 (22)
Todd Speed, CFA	15 (3)
Jeffrey Krebs	16 (6)
Kelly Arensman, CFA, CPA	8 (6)

INFRASTRUCTURE & EXECUTION

Head Trader

Dave Butler, SVP*
34 years of industry experience
12 years at Calamos

TRADING

	YRS. EXP. (YRS. W/ FIRM)
Roman Pundur	21 (18)
Brian Goldman	13 (11)
Mike Thompson	20 (8)
Chuck Carmody, CFA	15 (9)
Joe Mariano	14 (14)
Mike Januszewski	11 (11)
Brian Plonka	14 (14)
Jose Perez	26 (16)

Head of Risk Management

John McClenahan, CPA, CFA, SVP
19 years industry experience
<1 year at Calamos

Head of Company & Investment Operations

Derek Olsen, CFA, SVP
26 years industry experience
12 years at Calamos

RISK MANAGEMENT & CORP. ACTIONS

	YRS. EXP. (YRS. W/ FIRM)
John Krasucki	20 (20)
Jimmy Young, CFA	10 (10)

Investment Committee

The Investment Committee Is Responsible For The Following Functions:

- » Establishment of top-down global macroeconomic views
- » Discussion of sector, thematic and geographic positioning across strategies
- » Oversight of risk management across strategies
- » Monitoring and evaluation of investment performance
- » Evaluation and recommendation of enhancements to the investment process

Investment Committee Members

GLOBAL CO-CIOS

- » John P. Calamos, Sr.
- » Gary Black

CO-HEADS OF RESEARCH AND INVESTMENTS

- » Jeff Scudieri, CFA
- » Jon Vacko, CFA

CO-PORTFOLIO MANAGERS

- » John Hillenbrand, CPA
- » Steve Klouda, CFA
- » Additional Senior Investment Team Member (Rotating)

TRADING

- » Dave Butler

PORTFOLIO SPECIALISTS

- » A Senior Portfolio Specialist (Rotating)

Investment Philosophy

Our Beliefs

- » Entrepreneurial innovation and the transformative powers of global markets determine trends and provide investment opportunities.
- » Global trends and economic forces impact discount rates, future growth and overall risk; global macroeconomic analysis is therefore essential.
- » Capitalism and economic freedoms are correlated to the standard of living within a country.
- » We conduct capital structure research because events impact at the company level and not only at the security level.
- » We can manage risks, not performance.

Investment Approach - Capital Structure Matters

The capital structure research process allows Calamos to offer a range of institutional strategies with varying risk postures.



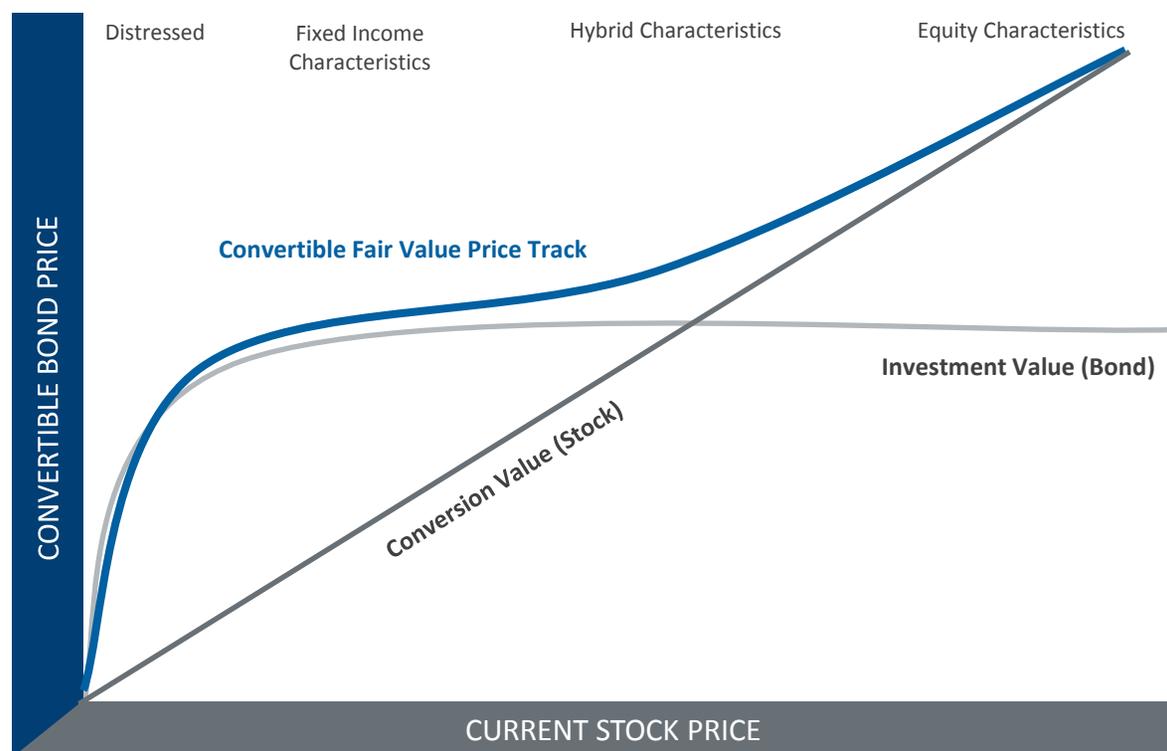
APPROACH

- » Think like a private buyer of the entire company
- » Analyze entire capital structure to try to identify opportunities and risks
- » Add value with an opportunistic and flexible approach

The Market Cycle and Convertible Characteristics

Convertible Universe*

	YIELD ALTERNATIVES	TOTAL RETURN ALTERNATIVES	EQUITY ALTERNATIVES
3/1/2000	18.9%	27.8%	53.3%
2/28/2009	67.4%	20.9%	11.7%
3/31/2013	35.6%	32.2%	32.2%



Typical Characteristics

- » Equity-sensitive Securities
- » Downside Protection Features
- » Benefit From Volatility

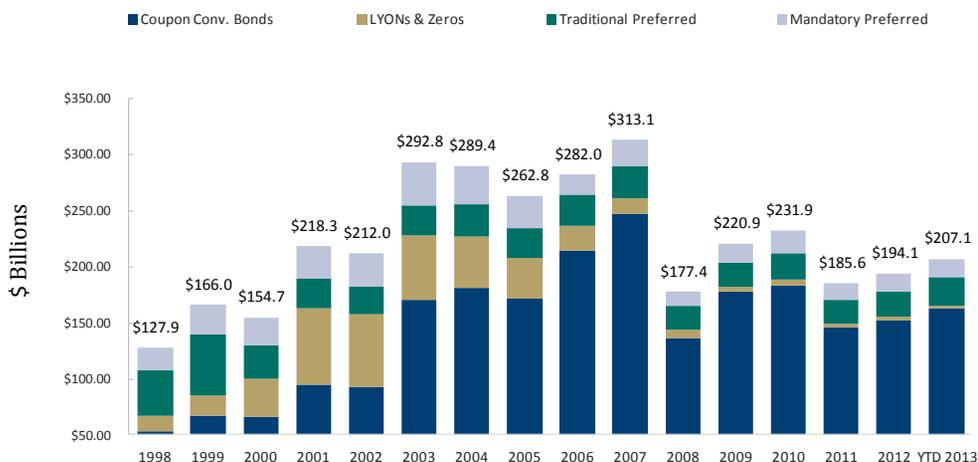
*Source: BofA Merrill Lynch, All U.S. Convertibles Index (VXA0)



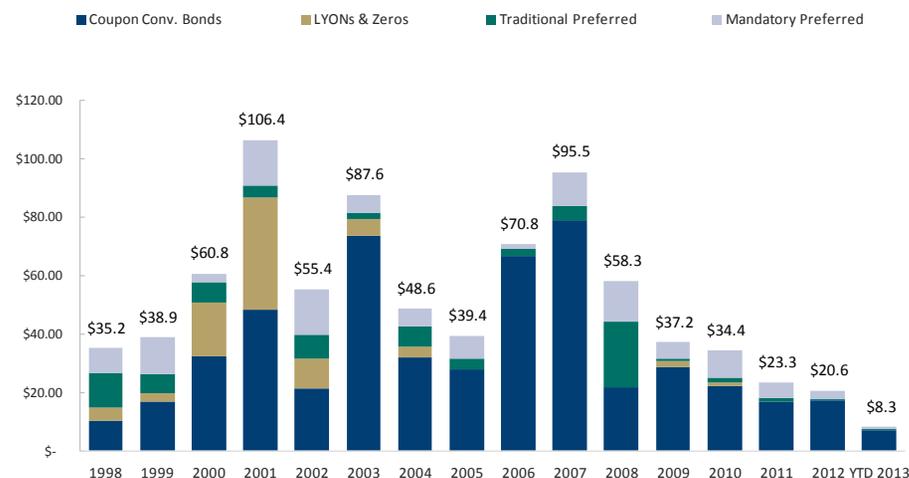
Convertible Market Update

U.S. Convertible Market

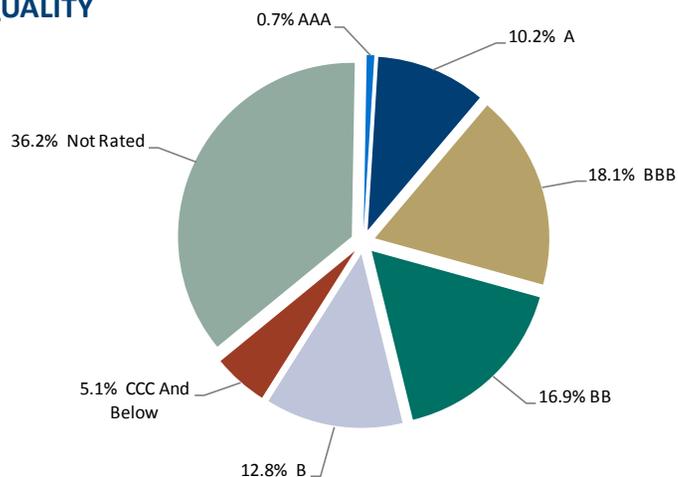
CONVERTIBLE MARKET ASSETS



CONVERTIBLE ISSUANCE



CREDIT QUALITY



SUMMARY STATISTICS

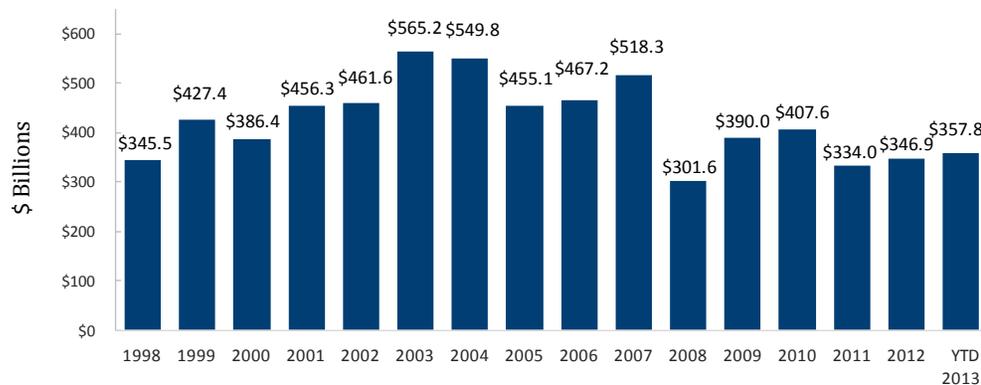
	BOFA ML CONVERTIBLE NEW ISSUE INDEX (VNEW)	BOFA ML CONVERTIBLE INDEX (VXAO)
Wtd Average Current Yield	2.9%	3.1%
Wtd Average Conversion Premium	34.4%	49.2%
Wtd Average Investment Premium	34.2%	65.3%
Wtd Average Quality Rating	BB	BB+

Source: BofA ML Convertible Research, VXAO Index, VNEW Index

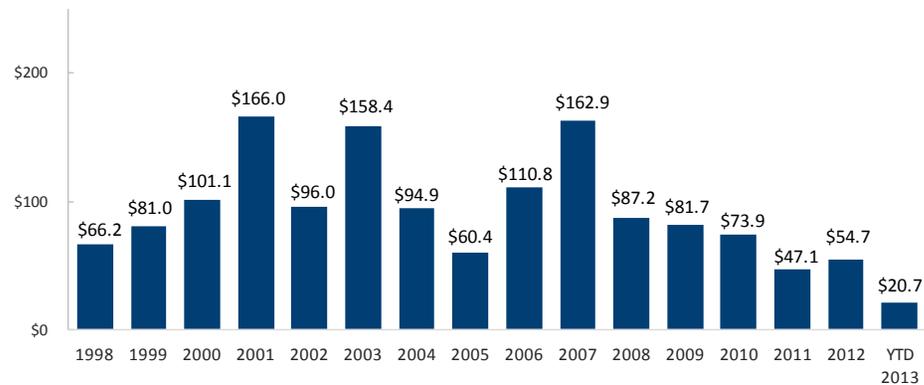
Credit Quality — Reflects the lower of the ratings of Standard & Poor's Corporation and Moody's Investors Service, Inc. and are adjusted to the scale shown. Ratings are relative, subjective and not absolute standards of quality.

Global Convertible Market

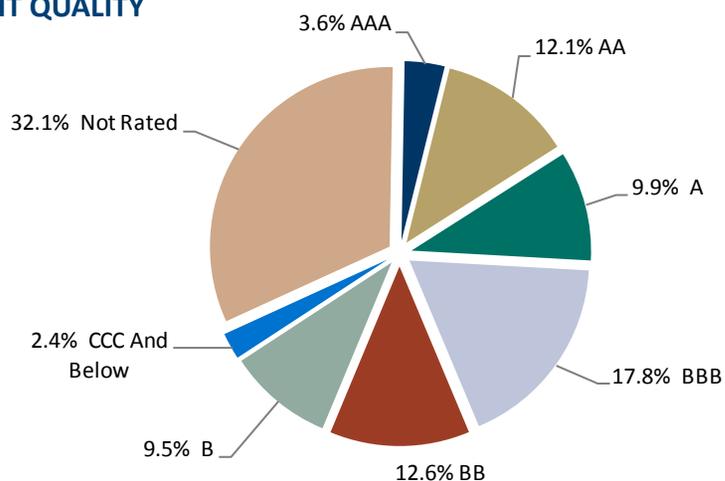
CONVERTIBLE MARKET ASSETS*



CONVERTIBLE ISSUANCE



CREDIT QUALITY



SUMMARY STATISTICS

BOFA ML GLOBAL 300 CONVERTIBLE INDEX

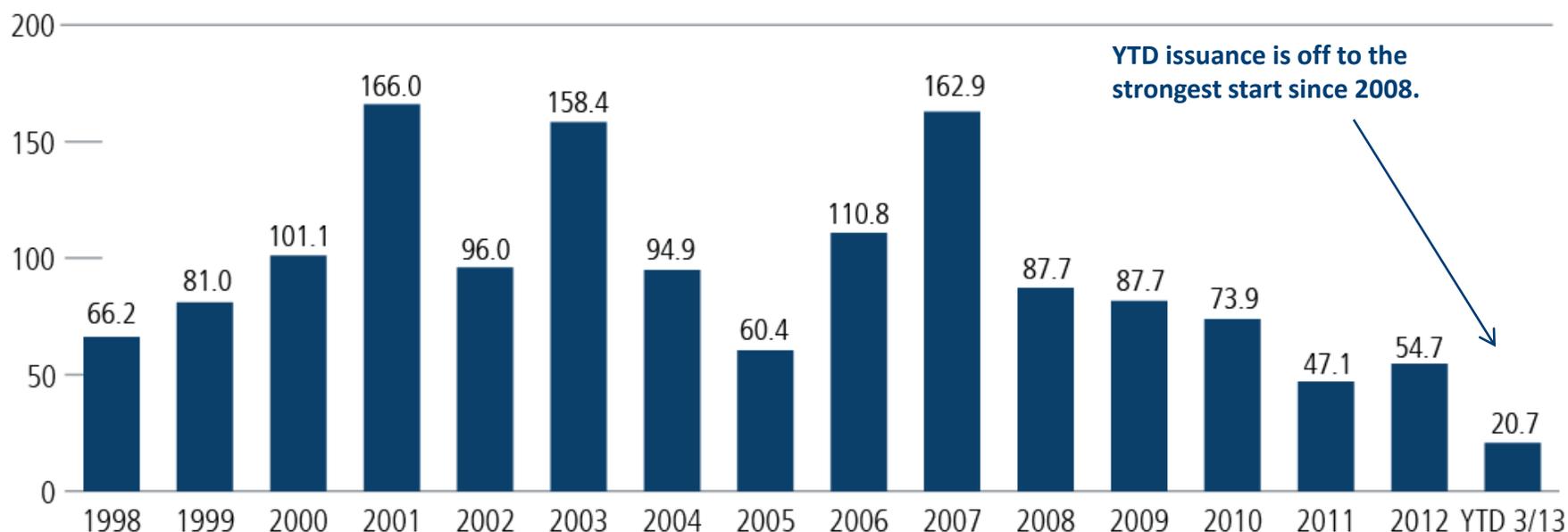
Average Current Yield	2.6%
Average Conversion Premium	38.7%
Average Investment Premium	23.1%
Average Quality Rating	BB+

Past performance is no guarantee of future results. *Convertible Market size is represented by the sum of the market capitalization of the Bofa Merrill Lynch regional convertible indices. Source: Bofa ML Convertible Research, G300 Index.

Opportunities in Global Convertibles

- » Year to date global issuance is off to the strongest start since 2008, including \$8.5 bil in the U.S. market
- » Continue to find opportunities, with about one-third of U.S. convertible universe demonstrating a balance of equity-and credit sensitivity (“hybrid” or “total return” convertibles)
- » Convertible securities may be particularly well positioned during periods of upward moving, volatile equity markets
- » We are closely monitoring trends in retirement and redemption activity

GLOBAL CONVERTIBLE ISSUANCE (\$ BILLION)



Source: BofA Merrill Lynch. Past performance is no guarantee of future results. Convertible Securities Risk — The value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security's investment value.

Global Convertible Market

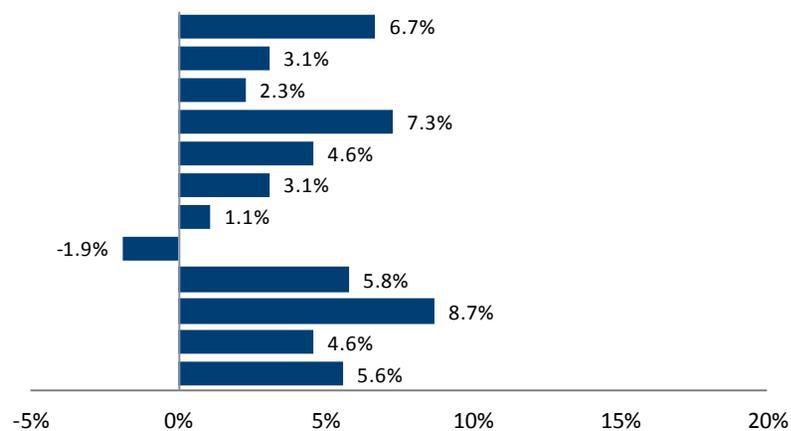
SECTOR ALLOCATION

Financials	19.1%
Technology	18.5
Consumer Discretionary	12.8
Health Care	11.7
Energy	7.8
Industrials	7.6
Telecommunications	7.1
Materials	6.3
Consumer Staples	3.6
Media	2.4
Transportation	1.7
Utilities	1.4

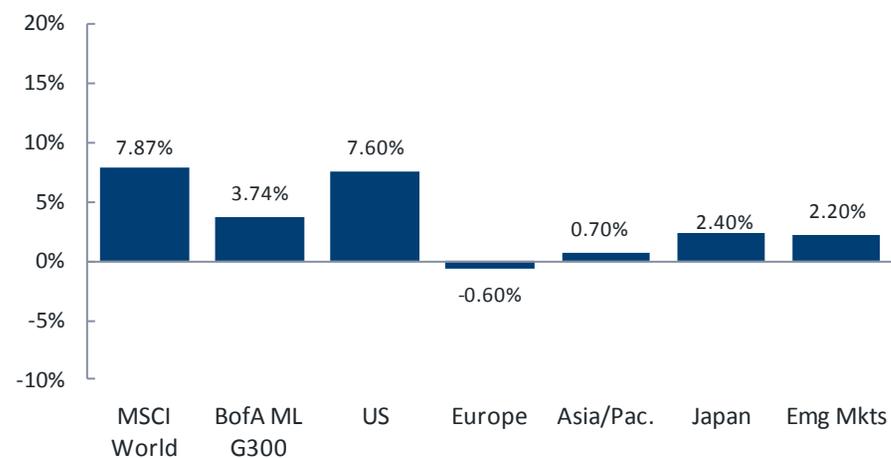
REGIONAL WEIGHTS

United States	55.0%
EMEA	28.5
Asia	10.0
Japan	6.1
Other	0.4

SECTOR PERFORMANCE YTD



REGIONAL PERFORMANCE YTD

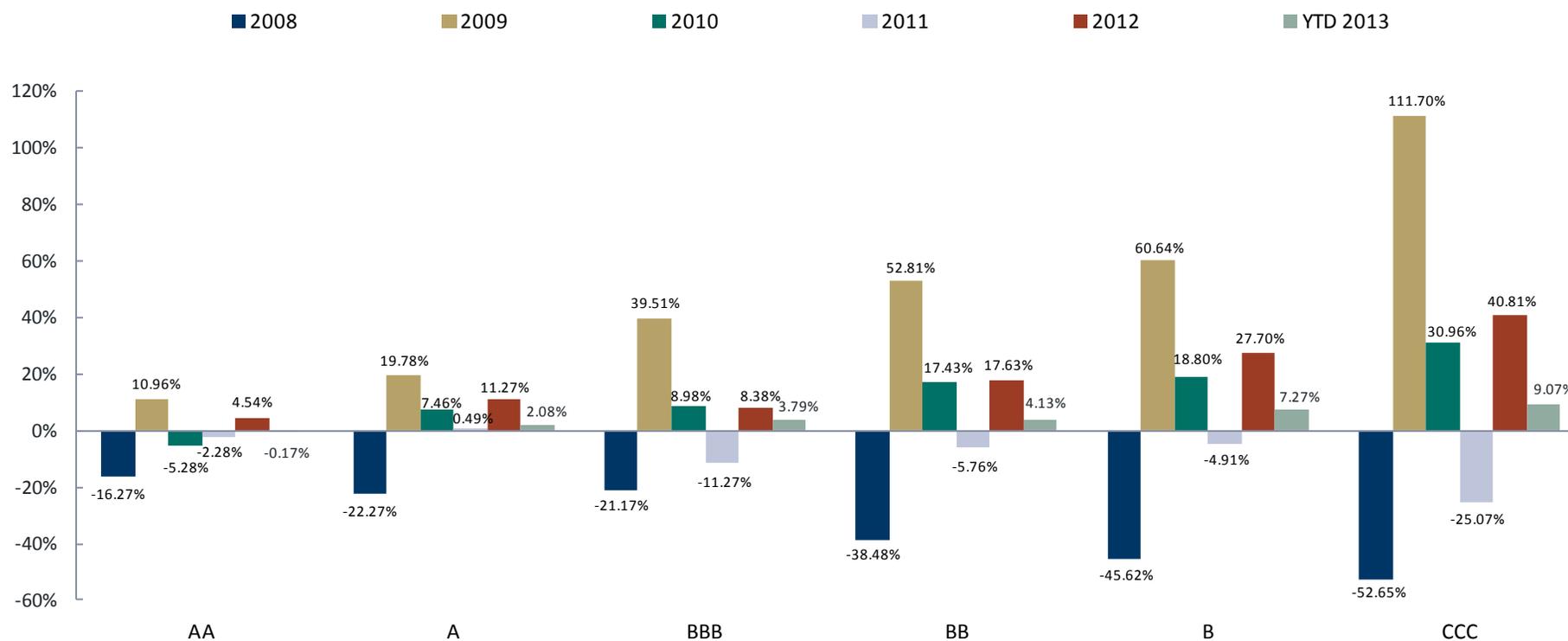


Past performance is no guarantee of future results.

Source: BofA ML Convertible Research - G300 Index. Regional performance represents returns of the G300 Index regional sub-indices.

Global Convertible Market Performance by Credit Quality

RETURNS FOR THE BofA ML GLOBAL 300 CONVERTIBLE INDEX BY CREDIT QUALITY TIERS: 2008-YTD 2013



Credit Quality Tiers — Reflects the higher of the ratings of Standard & Poor's Corporation; Moody's Investors Service, Inc.; Fitch, Inc. and National Association of Insurance Commissioners (NAIC) and are adjusted to the scale shown. Ratings are relative, subjective and not absolute standards of quality. **Performance data quoted represents past performance, which is no guarantee of future results.** Current performance may be lower or higher than the performance quoted. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees, expenses or sales changes. Investors cannot invest directly in an index. Performance shown for the BofA Merrill Lynch Global Convertible Index.

Source: Calamos Advisors, LLC.



North Dakota State Investment Board

Global Opportunities Portfolio and Performance

As of 04/30/2013

Relationship and Strategy Overview

Relationship Overview:

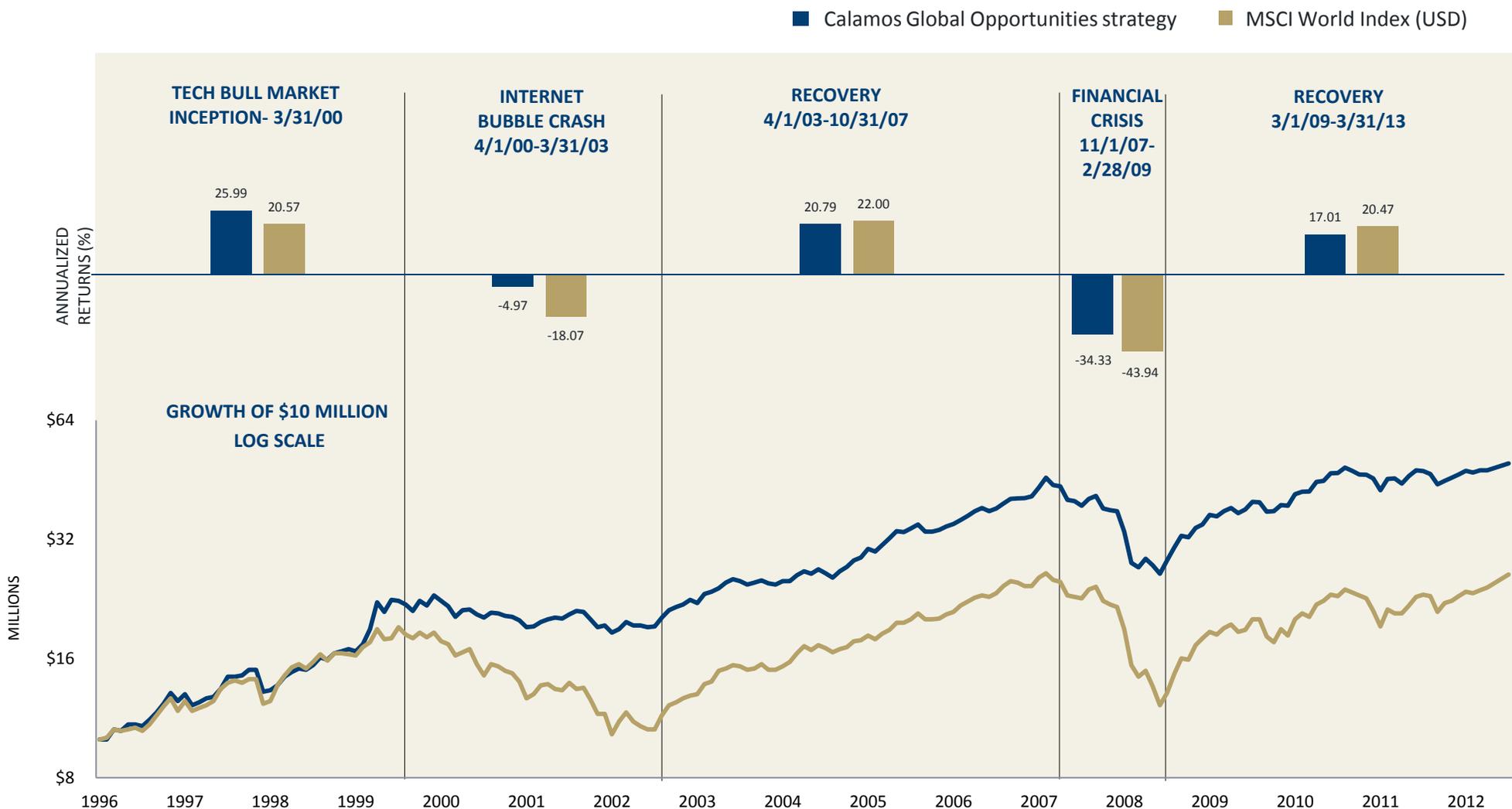
- » North Dakota State Investment Board – Inception Date: October 2006
- » North Dakota State Investment Board - Global Opportunities Inception Date: March 2012
- » Strategy Name: Calamos Global Opportunities Group Trust
- » AUM as of 4/30/13: \$55 Million
- » Relationship Manager Contacts:
 - Greg Kuhl, CFA – SVP, Head of Global Client Relationship Management
Phone: 630.245.8379 | Email: gkuhl@calamos.com
 - Craig Mauri, CFA , CAIA – SVP, Co-Head of Global Institutional Distribution
Phone: 630.245.6773 | Email: cmauri@calamos.com

Calamos Global Opportunities Strategy Overview:

- » Strategy Inception: 1996
- » Benchmark: MSCI ACWI or MSCI World Index
- » Assets in Strategy[^]: \$2.3 Billion (3/31/13)
- » A lower volatility, global equity strategy that seeks to outperform the benchmark over a full market cycle, while managing downside volatility and risk.

[^] Strategy AUM reflects all assets that are currently being managed (collectively) under the Calamos Global Opportunities Strategy.

Managing Risk over Market Cycles: Global Opportunities Strategy versus Global Equity Market



Past performance is no guarantee of future results. Current performance may be lower or higher than the performance quoted. The principal value and return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. For the most recent strategy performance information visit www.calamos.com. Index data shown is from 10/1/96, since comparative index data is available only for full monthly periods. Logarithmic scales can be useful when looking at performance data over a long period of time. Common percent changes are represented by an equal spacing between the numbers in the scale. For example, the distance between \$1 and \$2 is equal to the distance between \$2 and \$4 because both scenarios represent a 100% increase in price. Source: Mellon Analytical Solutions LLC.

Managing Risk over Market Cycles: Global Opportunities Strategy versus Global Equity Market

- » The Global Opportunities Strategy seeks equity-like performance over full market cycles while reducing equity-market risk.

- » During rising MSCI World Index markets, the strategy delivered:
 - 126% of upside during Tech Bull Market (strategy inception October 1996 to March 2000)
 - 95% of upside during recovery (April 2003 to October 2007) after Internet Bubble Crash
 - 83% of upside during recovery (March 2009 to March 2013) after Financial Crisis

- » During down periods in the MSCI World Index, the strategy has limited losses to:
 - 27% of downside during Internet Bubble Crash (April 2000 to March 2003)
 - 78% of downside during Financial Crisis (November 2007 to February 2009)

- » Since the October 1996 strategy inception, the portfolio has outperformed the equity benchmark with a beta of 0.72 and an annualized alpha (or risk adjusted return) of 4.74% versus the MSCI World Index.

Calamos Global Opportunities Strategy

2012 Summary:

- » The strategy's more conservative positioning included layers of defensive positioning:
 - Focus on investments in gold metals and mining companies within materials
 - Underweight exposure to the Financials sector
 - Focus on higher grade convertibles
 - Within convertibles lower delta exposure
 - Use of sovereign debt exposure

- » The strategy held up as expected during the down market periods in the year, as we have proven to do historically. Nevertheless, the strategy did not capture as much equity upside as we would have anticipated, lagging the index during strong up market periods.

Repositioning the portfolio reflecting our more constructive outlook:

- » Reducing our gold metal and mining companies exposure

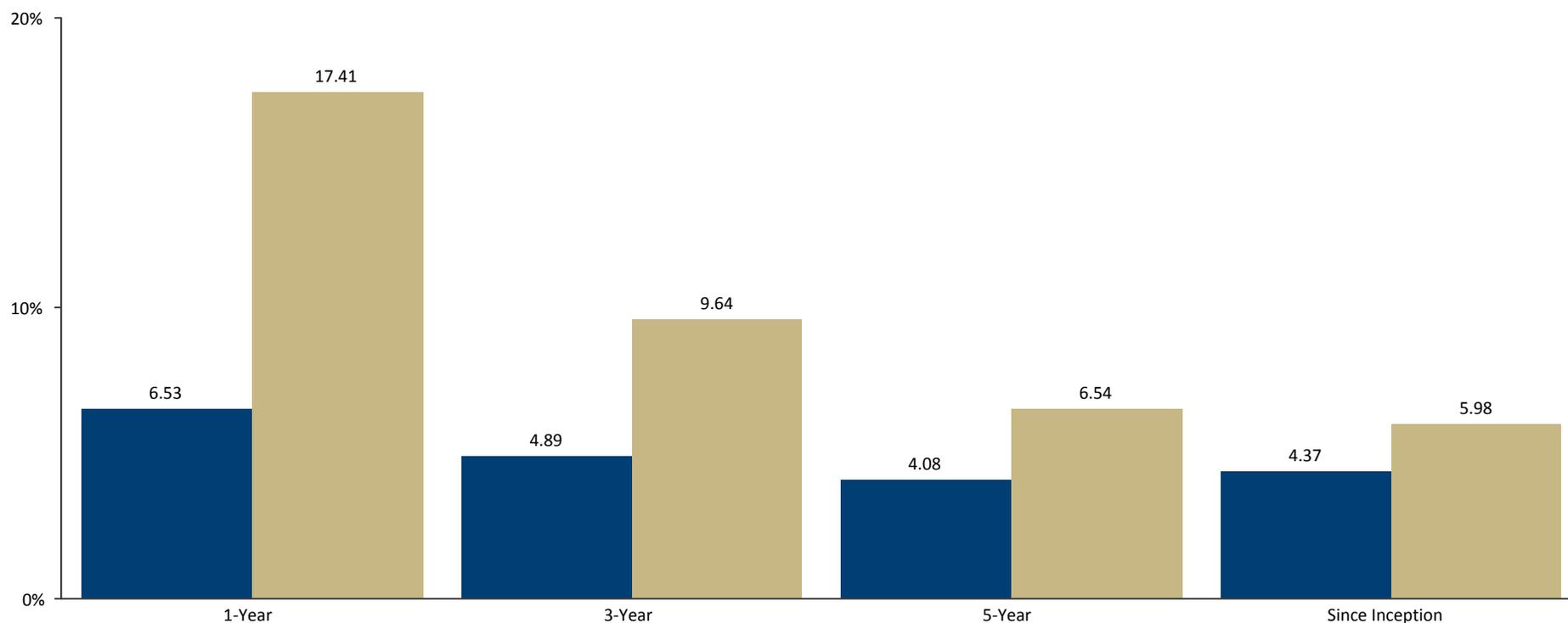
- » Adding to our Financials exposure

- » Reducing sovereign debt exposure

- » Looking to add more equity sensitivity to convertibles

Annualized Returns

- North Dakota State Investment Board (Gross of Fees)
- MSCI World Index*



Past performance is no guarantee of future results. Please see last page for important disclosure information.

Actual returns will be reduced by advisory fees and other expenses including custody, brokerage, and other service fees. Please see Calamos Advisors Form ADV Part 2A for standard fee structure. Unless otherwise noted, all returns are based in U.S. Dollars.

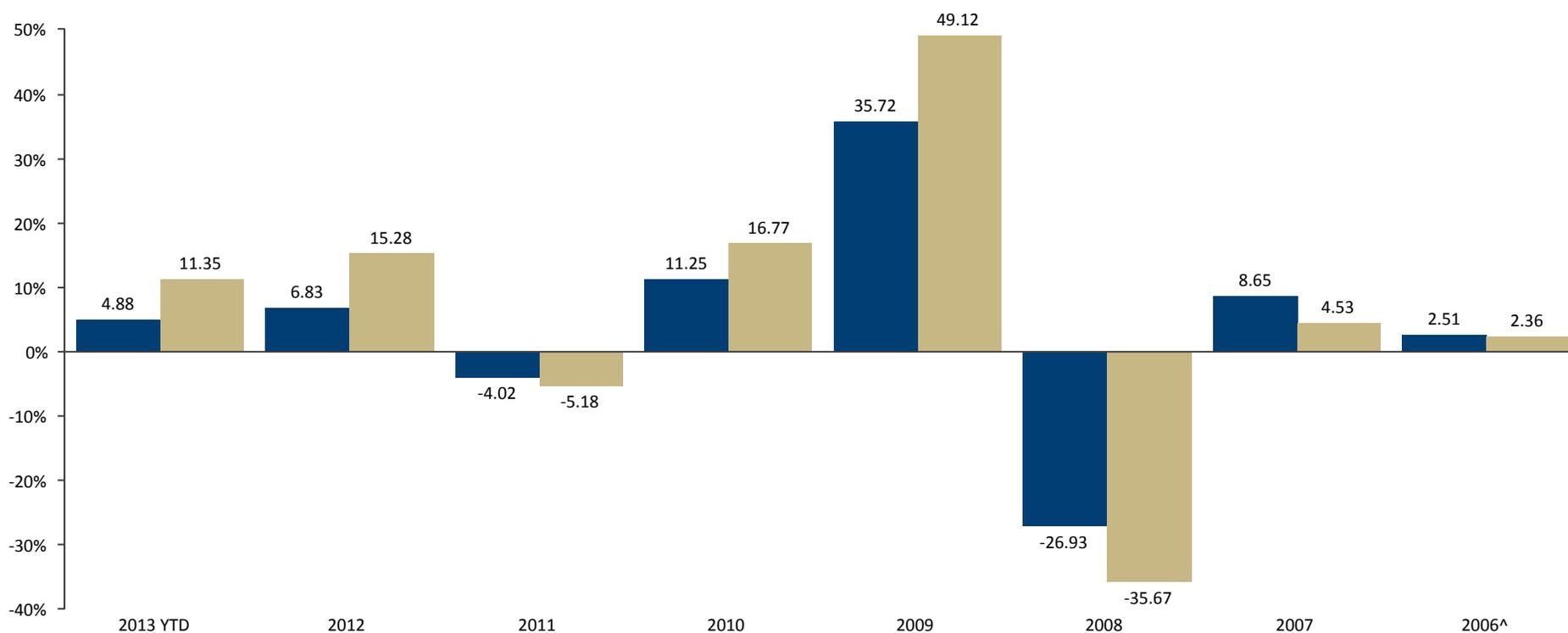
*This benchmark performance reflects historical index changes. Please see the Important Disclosure Information section for a timeline of when index changes occurred.

Since Inception performance is computed from the first day of the month following portfolio inception when compared against a benchmark.

The portfolio's performance since the inception date of 10/5/06 is shown in the Important Disclosure Information section.

Calendar Year Returns

■ North Dakota State Investment Board (Gross of Fees)
 ■ MSCI World Index*



Past performance is no guarantee of future results. Please see last page for important disclosure information.

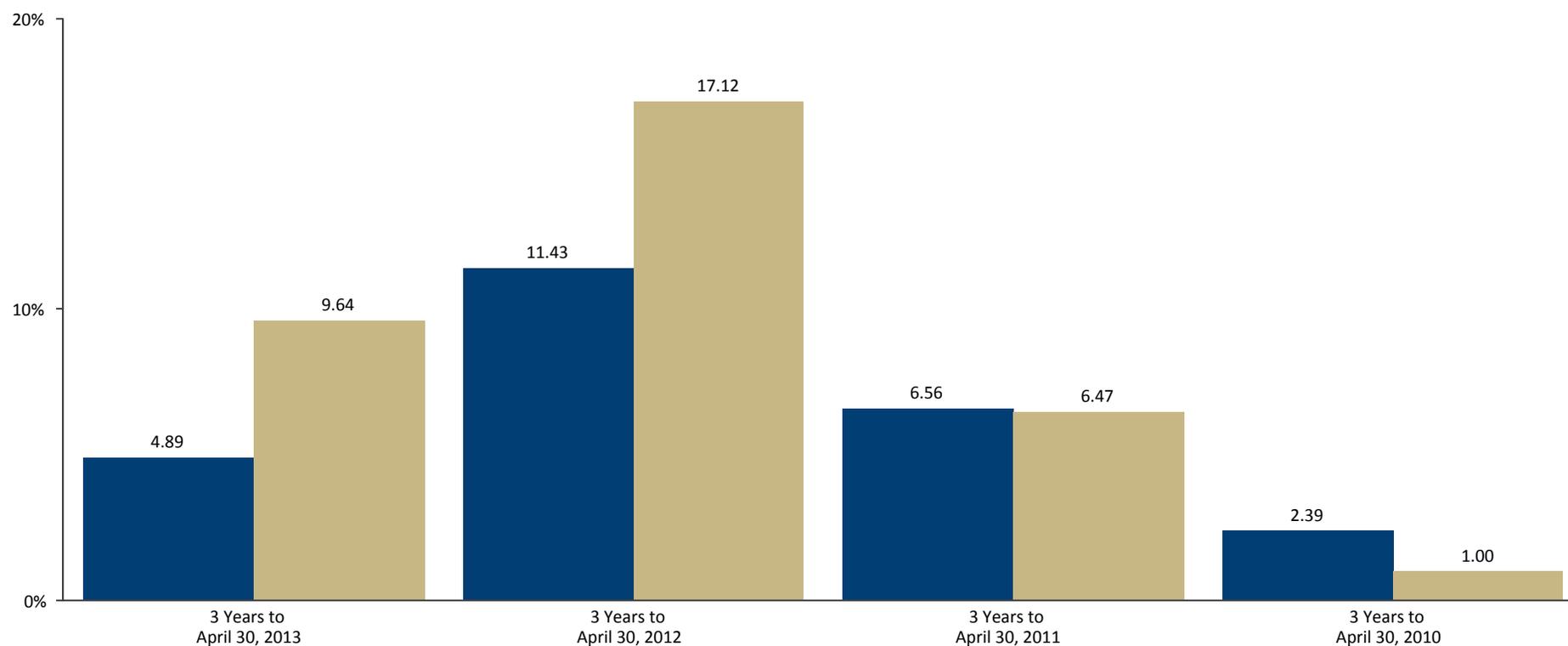
Actual returns will be reduced by advisory fees and other expenses including custody, brokerage, and other service fees. Please see Calamos Advisors Form ADV Part 2A for standard fee structure. Unless otherwise noted, all returns are based in U.S. Dollars.

*This benchmark performance reflects historical index changes. Please see the Important Disclosure Information section for a timeline of when index changes occurred.

^Represents the partial year return computed from the first day of the month following portfolio inception to 12/31/2006 when compared against a benchmark.

Rolling 3-Year Annualized Returns

- North Dakota State Investment Board (Gross of Fees)
- MSCI World Index*



Past performance is no guarantee of future results. Please see last page for important disclosure information.

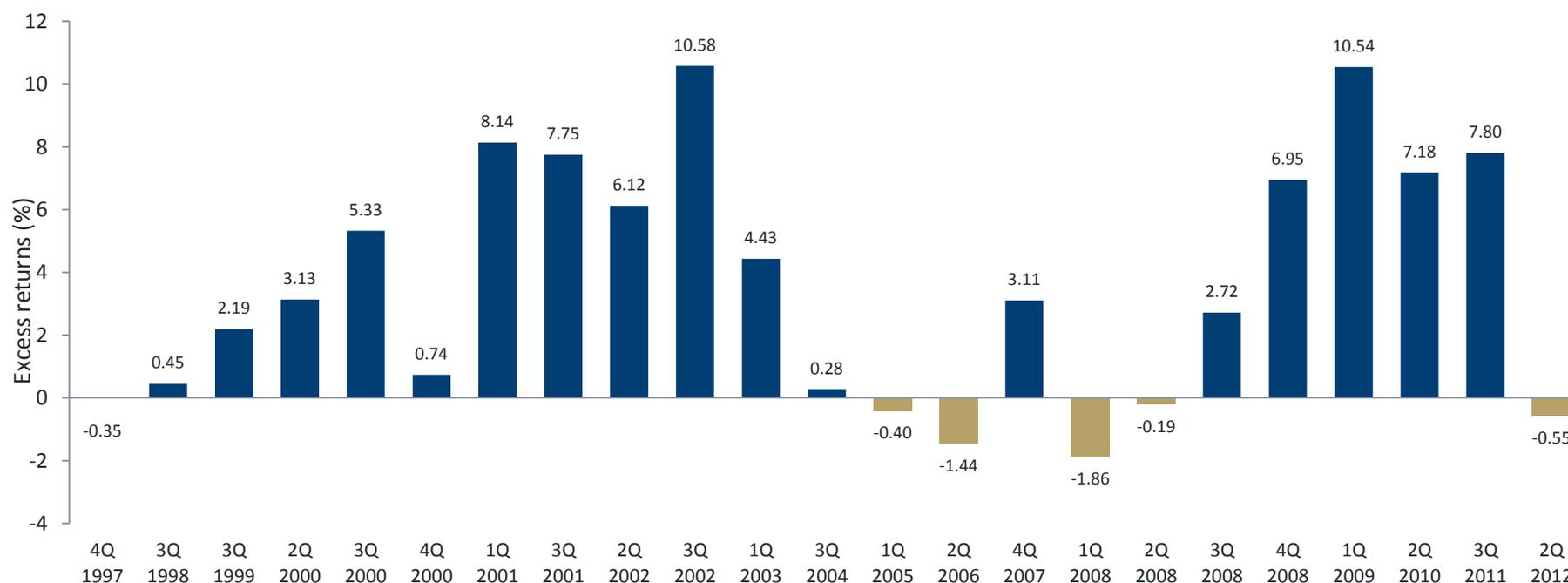
Actual returns will be reduced by advisory fees and other expenses including custody, brokerage, and other service fees. Please see Calamos Advisors Form ADV Part 2A for standard fee structure. Unless otherwise noted, all returns are based in U.S. Dollars.

*This benchmark performance reflects historical index changes. Please see the Important Disclosure Information section for a timeline of when index changes occurred.

Calamos Global Opportunities Strategy in Down Quarters

- » Since inception, the Calamos Global Opportunities Strategy has generated positive excess returns in 17 of 23 down quarters for the MSCI World Index.
- » The strategy has generated average excess returns of 359 basis points, gross of fees, since inception during quarters when the market recorded negative returns.

COMPOSITES EXCESS RETURNS DURING NEGATIVE QUARTERS VERSUS THE MSCI WORLD INDEX (IN USD)



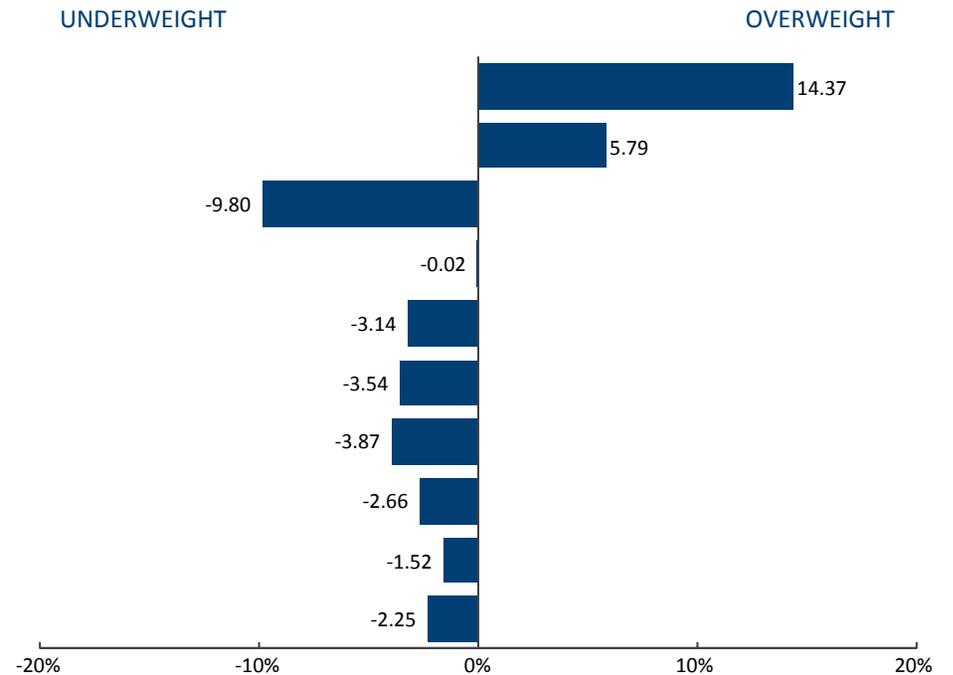
Source: Calamos Investments, Mellon Analytical Solutions, LLC.

Past performance is no guarantee of future results. Returns are excess returns. Returns during some of the quarters shown were negative. Excess returns are calculated from gross of fee returns. Inception 10/1/1996.

Sector Allocation

SECTOR WEIGHTINGS

	NORTH DAKOTA STATE INVESTMENT BOARD	MSCI WORLD INDEX
Information Technology	25.86%	11.49%
Health Care	16.98%	11.19%
Financials	11.08%	20.88%
Energy	9.74%	9.76%
Consumer Staples	7.88%	11.02%
Consumer Discretionary	7.87%	11.41%
Industrials	6.89%	10.76%
Materials	3.33%	5.99%
Telecommunication Services	2.41%	3.93%
Utilities	1.32%	3.57%



Statistics based on percentage of invested portfolio and are subject to change.
Sector weightings exclude any government/sovereign bonds or options on broad market indexes the portfolio may hold.

Portfolio Characteristics and Holdings

CHARACTERISTICS

	NORTH DAKOTA STATE INVESTMENT BOARD	MSCI WORLD INDEX
# of Holdings	92	1,606
ROIC	18.8%	14.5%
Debt/Capital	24.6%	37.6%
PEG Ratio (1 Yr Forward)	1.4x	1.7x

MARKET CAPITALIZATION OF EQUITIES

	NORTH DAKOTA STATE INVESTMENT BOARD	MSCI WORLD INDEX
>\$64bil	67.49%	40.53%
>\$19bil<=\$64bil	26.40%	31.84%
>\$6bil<=\$19bil	5.28%	22.55%
>\$2bil<=\$6bil	0.83%	5.01%
<=\$2bil	0.00%	0.07%
Median Mkt Cap (\$mil)	72,321	9,681
Wtd. Avg. Mkt Cap (\$mil)	98,619	82,427

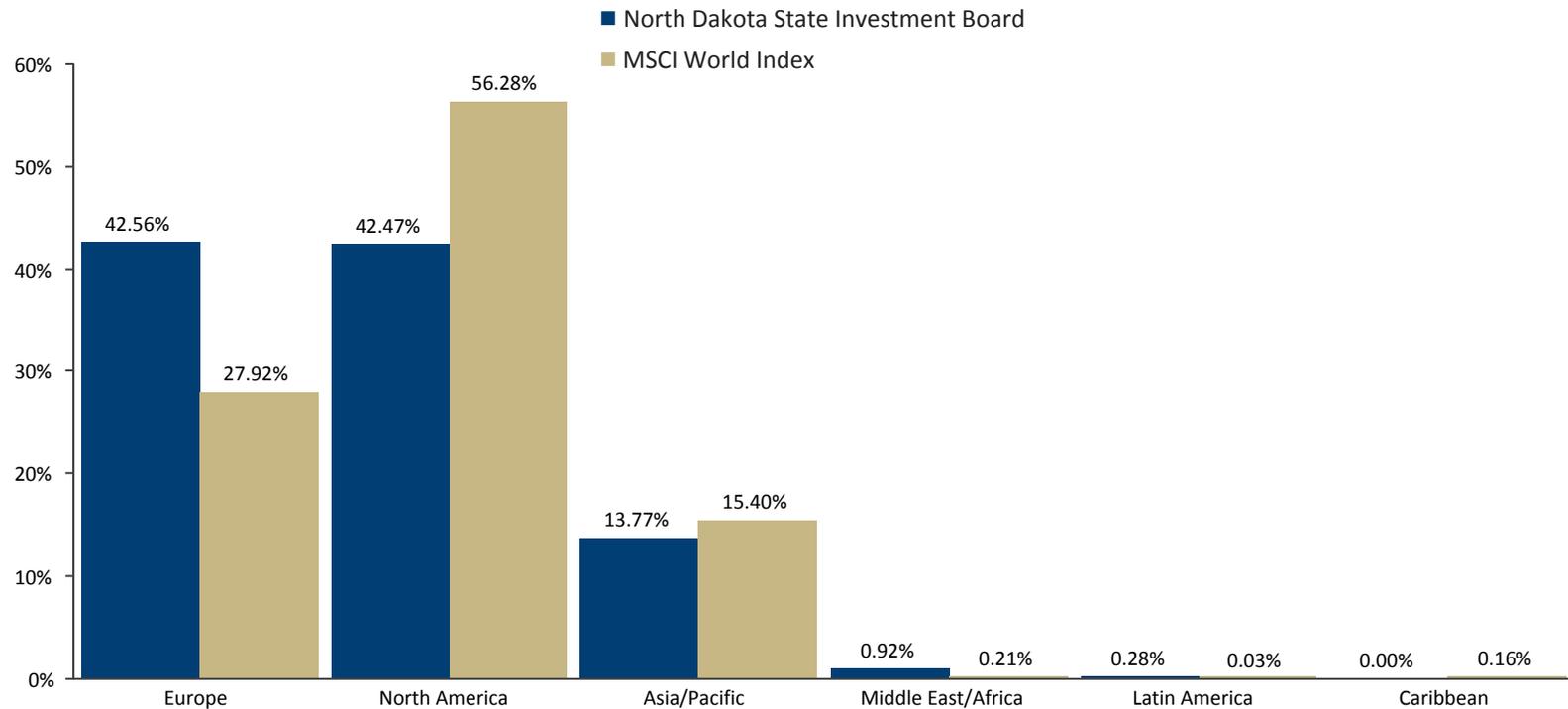
TEN LARGEST HOLDINGS

SECURITY/ TYPE	SECTOR	PORTFOLIO WTG.
NOVO-NORDISK AS - B SHARES Common Stock	Health Care	5.01%
SAP AG Common Stock	Information Technology	4.99%
SWATCH GROUP AG Common Stock	Consumer Discretionary	4.54%
COCA-COLA CO Common Stock	Consumer Staples	3.28%
TEMASEK(STANDARD CHARTERED) Cv 0.0000% DUE 10/24/2014	Financials	3.02%
DEUTSCHE POST AG Cv 0.6000% DUE 12/06/2019	Industrials	2.88%
QUALCOMM INC Common Stock	Information Technology	2.38%
EBAY INC Common Stock	Information Technology	2.25%
TAIWAN SEMI MFG CO LTD Common Stock	Information Technology	2.22%
SCHLUMBERGER LTD Common Stock	Energy	2.11%

Ten largest holdings exclude cash or cash equivalents, any government/sovereign bonds or instruments on broad market indexes the portfolio may hold.

Geographic Distribution

REGIONAL ALLOCATIONS



SUMMARY

	NORTH DAKOTA STATE INVESTMENT BOARD	MSCI WORLD INDEX
# of Countries Invested In	19	32
Developed Markets	92.11%	99.96%
Emerging Markets	7.89%	0.04%

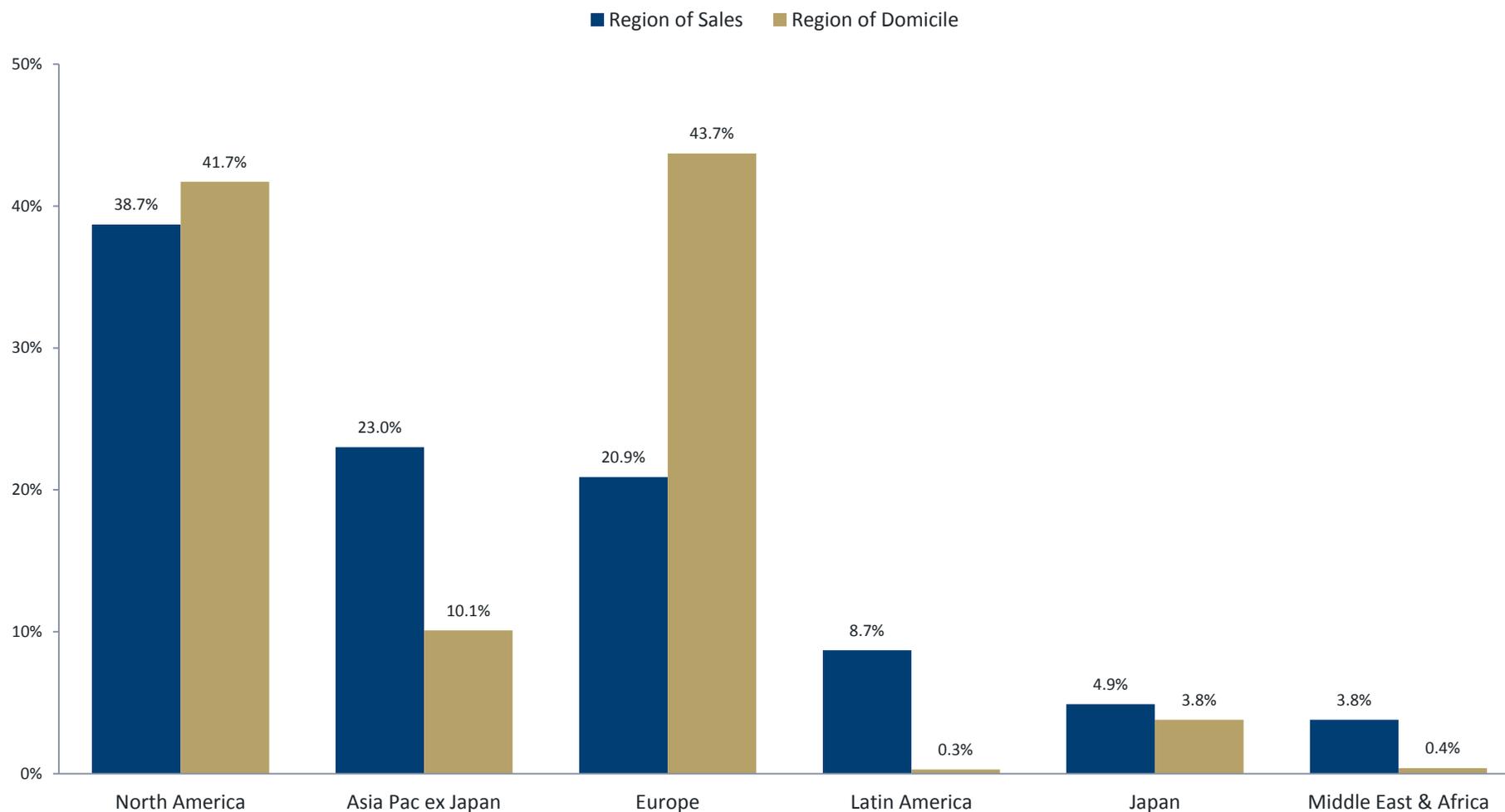
LARGEST COUNTRY WEIGHTS

	NORTH DAKOTA STATE INVESTMENT BOARD	MSCI WORLD INDEX
United States	38.56%	52.06%
Germany	8.96%	3.48%
Switzerland	6.19%	4.42%
United Kingdom	6.17%	8.14%
Sweden	6.07%	1.34%

Excludes cash weighting. Companies are classified geographically according to their country of domicile.

Calamos Global Opportunities Strategy - Geographic Distribution

REGIONAL DISTRIBUTION OF HOLDINGS AND REVENUE



Source: Calamos Advisors, LLC, and Bloomberg.

Region of Sales calculation excludes sales denoted in Bloomberg as “unassigned”. Unassigned represented 13.0% of sales that could not be identified to one of the specific regions cited.

Risk/Reward Analysis

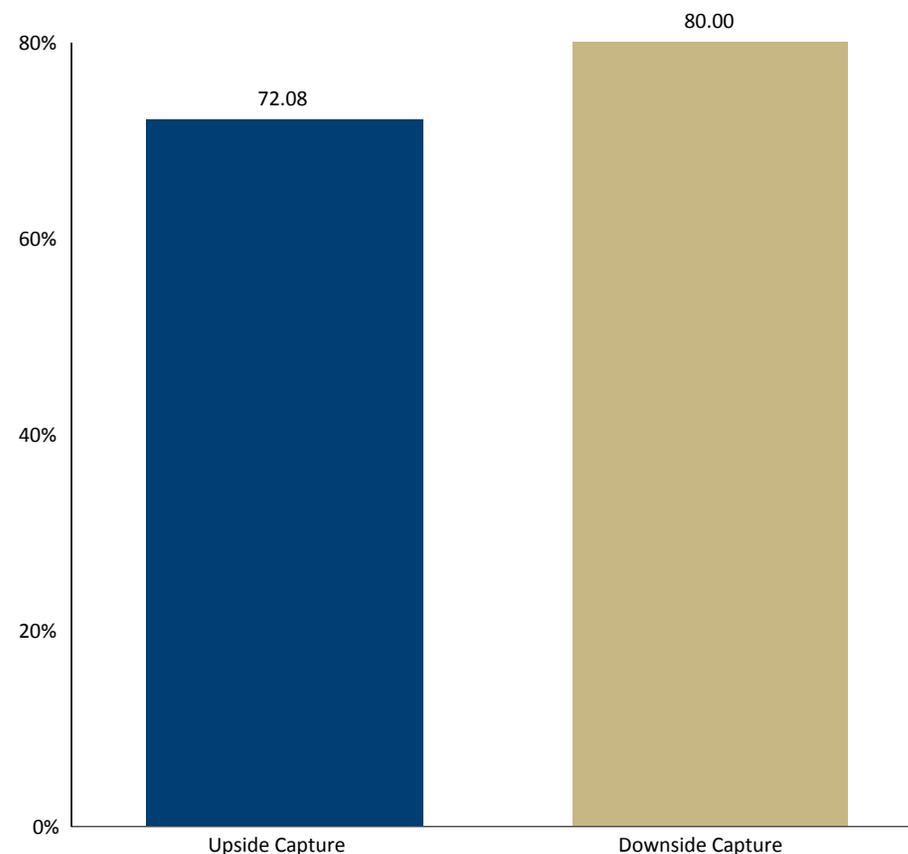
RISK/REWARD STATISTICS

ANNUALIZED SINCE INCEPTION¹

	NORTH DAKOTA STATE INVESTMENT BOARD	MSCI WORLD INDEX*
Excess Return [†] (Gross)	-1.60%	N/A
Alpha	-0.44%	N/A
Beta	0.79	1.00
Annualized Std. Deviation	12.52%	15.16%
Upside Semi-Variance	6.09	8.51
Downside Semi-Variance	6.98	10.74
Sharpe Ratio	0.25	0.32
Information Ratio	-0.33	N/A
Sortino Ratio	0.34	0.42

SINCE INCEPTION UP/DOWN CAPTURE VS

MSCI WORLD INDEX*



Past performance is no guarantee of future results. Please see last page for important disclosure information.

[†]Returns shown are excess returns. Actual returns for the periods shown may have been negative.

Actual returns will be reduced by advisory fees and other expenses including custody, brokerage, and other service fees. Please see Calamos Advisors Form ADV Part 2A for standard fee structure. Unless otherwise noted, all returns are based in U.S. Dollars.

*This benchmark performance reflects historical index changes. Please see the Important Disclosure Information section page for a timeline of when index changes occurred.

¹Since Inception statistics are computed from the first day of the month following the portfolio's inception on 10/05/2006 when compared against a benchmark.



Global Economic Review and Outlook

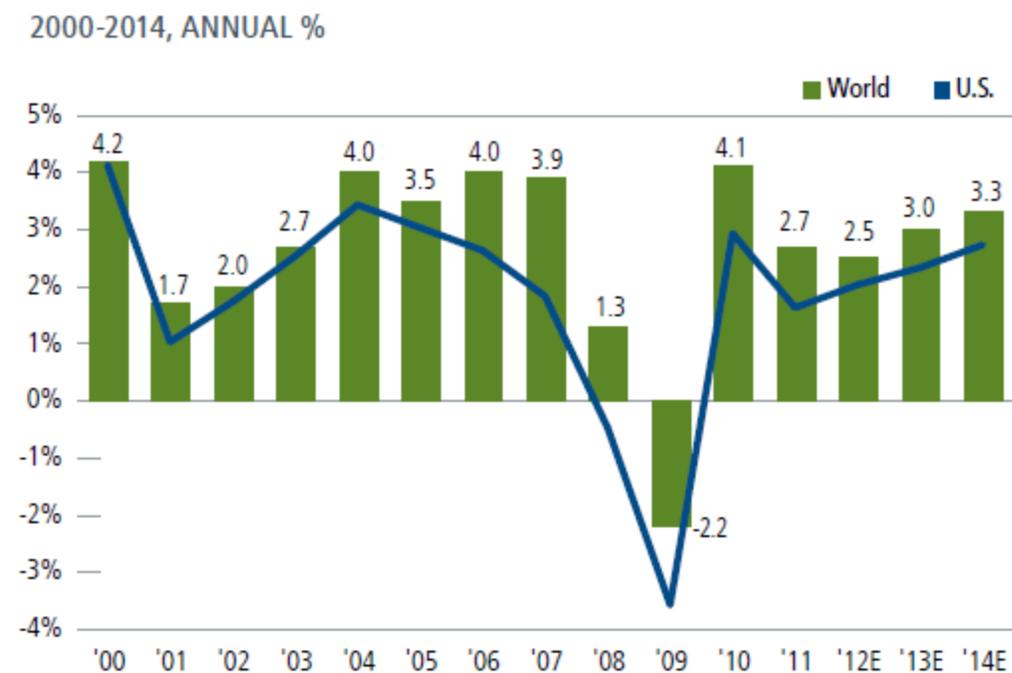
° 2013

The opinions referenced are as of the date of the publication, are subject to change due to changes in the market or economic conditions, and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice. Past performance is no guarantee of future results.

NOT FDIC INSURED | MAY LOSE VALUE NO BANK GUARANTEE

Global Outlook: Cautiously Optimistic

GLOBAL AND U.S. GDP GROWTH



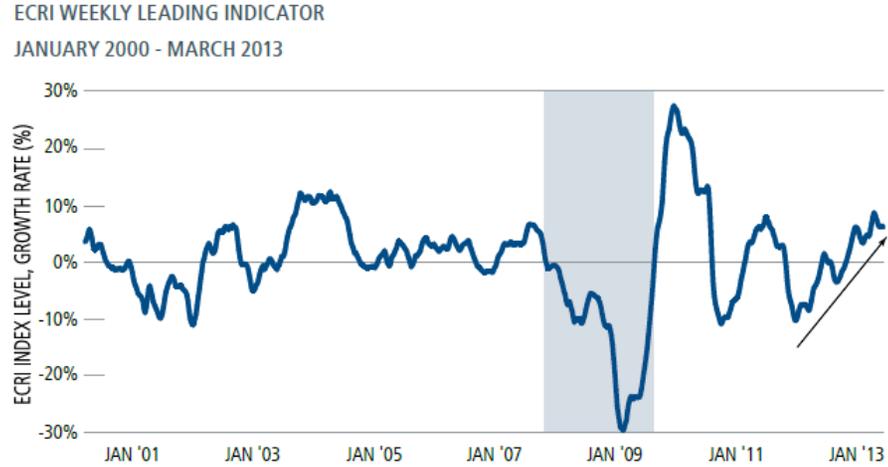
- » Supported by accommodative policy, we expect global recovery to continue at measured pace
- » U.S. and EMs look positioned to lead
- » Caution stemming from potential impact of macro events (sequestration, euro zone tension)
- » Watching for signs of continued slowdown in earnings growth
- » Secular growth in emerging markets creates opportunities for companies in both developed and developing markets
- » Political uncertainty, uneven pace of recovery will lead to choppiness in financial markets

Source: World Bank, 2012-2014 World Bank estimates.

Past performance is no guarantee of future results.

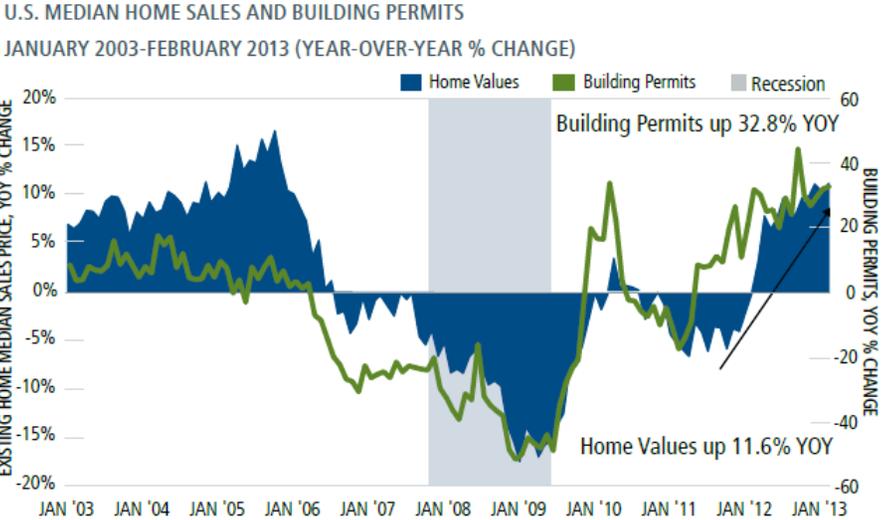
United States: Measured Growth

U.S. LEADING ECONOMIC INDICATORS MOVING IN RIGHT DIRECTION



- » Slow, steady recovery continues
- » Sustained housing market, rising equity values contribute to wealth effect, which is spilling over to other sectors
- » Sequestration could temper GDP growth in 2H2013

U.S. HOME VALUES AND BUILDING PERMITS RISING



Source: Bloomberg and ECRI. The ECRI Weekly Leading Index is a measure of leading economic indicators. Past performance is no guarantee of future results.

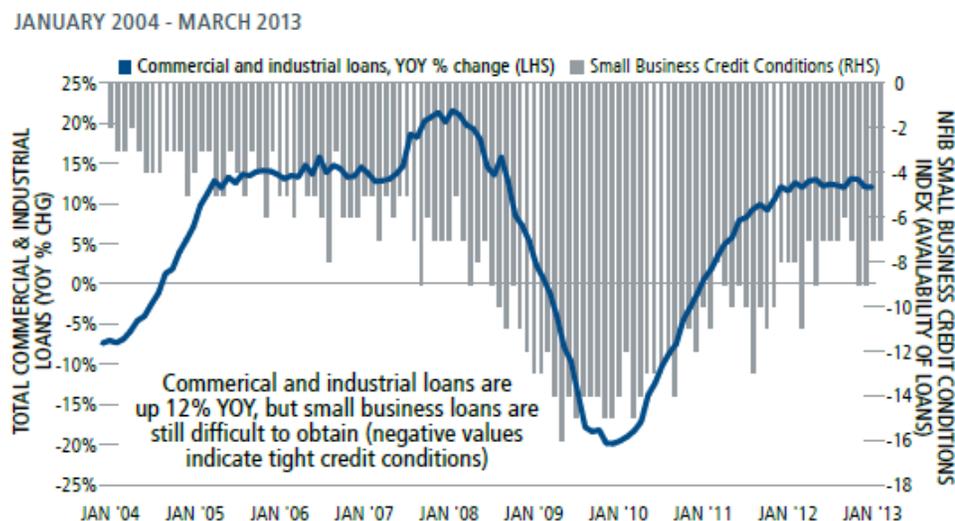
United States: Less QE, a Positive for the Markets

WHEN WILL THE QE3 SPIGOT SHUT OFF?



- » End of QE3 and a return to more typical lending environment: a positive for economic growth
 - Large companies and capital markets have benefitted from artificially low borrowing costs
 - However, low absolute yields provide banks little incentive to small businesses
 - Fed intervention has contributed to market distortions

SMALL BUSINESSES INDICATE DIFFICULTY IN OBTAINING LOANS



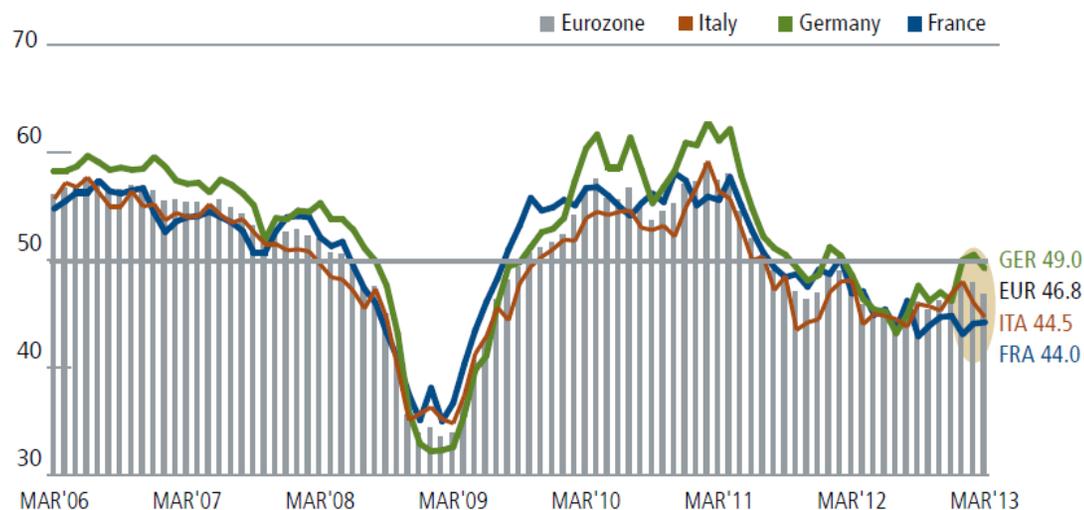
- » The Fed has latitude and clearly understands the need to act carefully and deliberately

Source: Bureau of Labor Statistics, Federal Reserve and Bloomberg. Past performance is no guarantee of future results.

Euro Zone Progress Continues, Headwinds Remain

EUROPE PMI DATA DISCOURAGING

MANUFACTURING PMI LEVELS,
MARCH 2006 - MARCH 2013

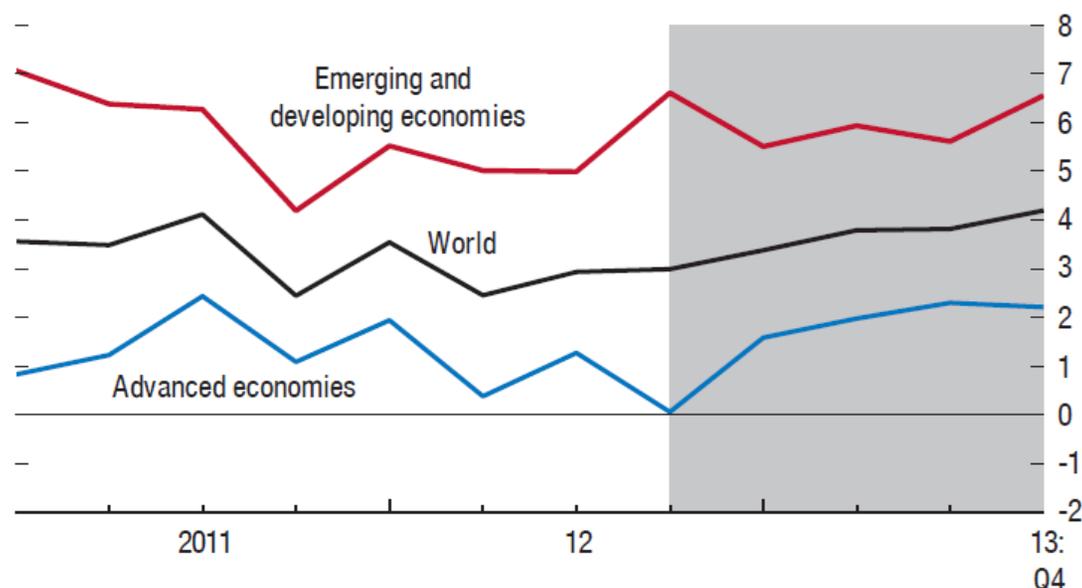


- » Perseverance by euro zone members to remain united has reduced tail risk of break up
- » Austerity-bailout cycle has not proven to be the solution for growth
- » Unemployment and manufacturing PMI underscore challenges
- » Capital goes where it is treated best; taxes are not the answer
- » Economic freedoms and reasonable regulation create environment for growth
- » Governments should focus on how to harness the contributions of a well-educated younger demographic

Source: Eurostat (unemployment) and Bloomberg (PMI). Past performance is no guarantee of future results. **PMI- Purchasing Managers Index**- An indicator of the economic health of the manufacturing sector. The PMI index is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. A PMI of more than 50 represents expansion of the manufacturing sector, compared to the previous month. A reading under 50 represents a contraction, while a reading at 50 indicates no change.

Emerging Markets: Still a Source of Global Growth

GLOBAL GDP GROWTH
(Percent, quarter over quarter, annualized)

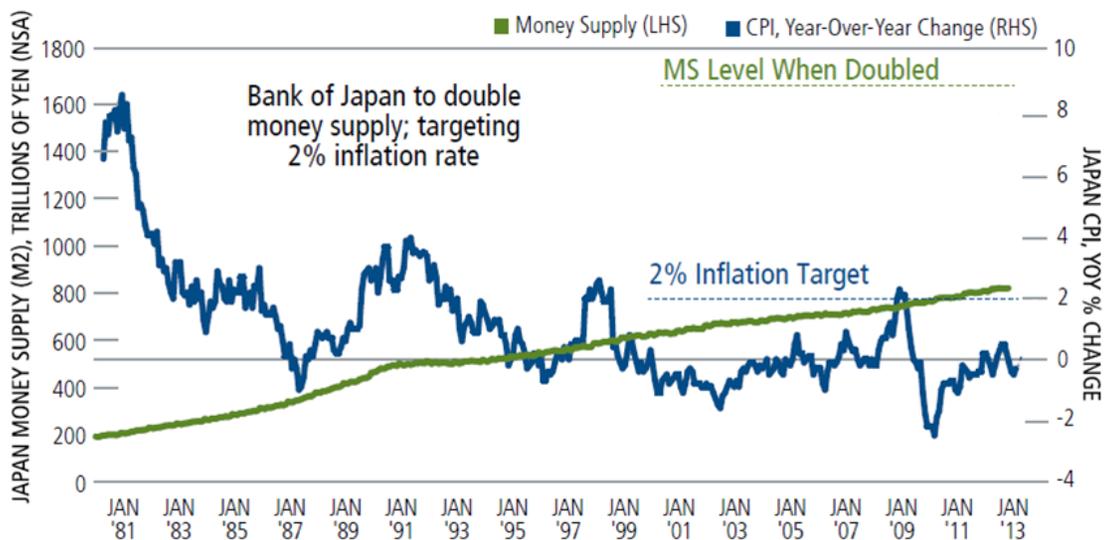


- » Despite slight slowdown in EMs in Q1 (due to concerns over vulnerability to events in Europe), we believe EMs will continue to contribute to global expansion
- » Strong EM balance sheets provide flexibility in managing policy
- » Economic growth targets remain competitive relative to developed markets
- » China well positioned to achieve growth targets: business confidence on upswing and Manufacturing PMI data still showing mild expansion

Source: IMF staff estimates, *IMF World Economic Outlook Update 01-23-13*. Gray portion in chart above is estimated. Past performance is no guarantee of future results.

Japan: Turning a Corner?

JAPAN M2 MONEY SUPPLY AND CPI, 1980-2013



- » Aggressive steps taken to reverse decades of deflation and economic stagflation
- » Bank of Japan has embarked on an unprecedented plan to double the money in circulation
- » Government has targeted an inflation rate of 2%
- » Liquidity injections should be more than enough to restart the economy
- » Equity prices may already reflect the impact of "Abenomics"

Source: Federal Reserve Bank of St. Louis. Past performance is no guarantee of future results. **M2**- A category within the money supply that includes M1 in addition to all time-related deposits, savings deposits, and non-institutional money-market funds. M2 is a broader classification of money than M1. Economists use M2 when looking to quantify the amount of money in circulation and trying to explain different economic monetary conditions.

Investment Opportunities: Equities, Convertibles, Higher-Quality High Income

Calamos Believes:

Stocks Look Cheap

- » Valuations for equities are compelling by many measures
- » U.S. growth equities are especially attractive, on the basis of free cash flow yields relative to Treasuries, and forward P/Es relative to the broad market
- » Multi-national companies remain particularly attractive given their ability to go where capital is treated best and to participate in a broader range of secular growth themes

The Case for Defensive Equity and Enhanced Fixed Income Strategies Remains Strong

- » Despite our constructive outlook on equities, markets may correct from recent heights
- » Convertibles have historically performed well during periods of volatile, upwardly moving equity markets
- » More resilient to interest rate increases, yields are compelling relative to government bonds
- » Convertible issuance is supported by economic growth; 2013 off to a good start globally

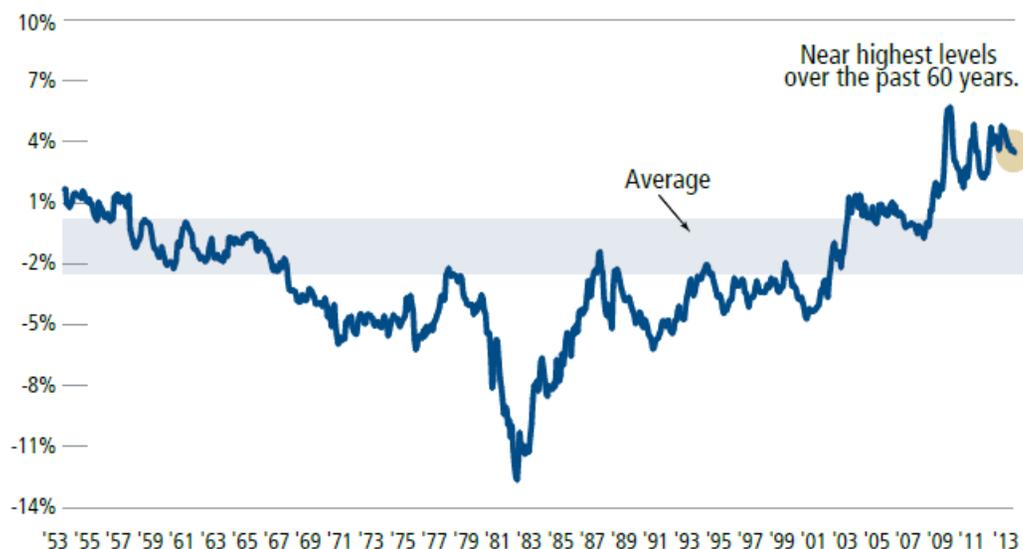
Fixed Income Allocation: Corporates over Treasuries

- » We continue to find attractive risk/reward characteristics among mid-grade credits
- » Against the backdrop of continued recovery, we see increased opportunities in a broader range of credit tiers
- » Conservative duration management remains prudent

Past performance is no guarantee of future results. P/E- A valuation ratio of a company's current share price compared to its per-share earnings.

Attractive Valuations for Growth Equities

LARGE-CAPITALIZATION GROWTH STOCKS, SPREAD BETWEEN FREE CASH FLOW YIELDS AND 10-YEAR TREASURY YIELDS
1952 THROUGH EARLY MARCH 2013



Sources: Standard & Poor's, Corporate Reports, Federal Reserve Board, Empirical Research Partners Analysis.

- » Equity valuations are in the lowest 20% over the past 60 years (as measured by earnings yield less inflation), but margins and cash flow ROICs are near historic highs
- » Free-cash flow yields of growth equities versus 10-year Treasury yields show levels more attractive than those over most of the past 60 years (left)
- » On a P/E valuation basis, growth equities relative to the S&P 500 Index are well below average

Sources: Standard & Poor's, Corporate Reports, Federal Reserve Board, Empirical Research Partners Analysis. Past performance is no guarantee of future results. **ROIC- Return on Invested Capital-** A calculation used to assess a company's efficiency at allocating the capital under its control to profitable investments. The return on invested capital measure gives a sense of how well a company is using its money to generate returns.





Appendix

Investment Process

TOP-DOWN CONSIDERATIONS

- » Global macro analysis
- » Industry and sector
- » Thematic
- » Region and country
- » Risk posture

BOTTOM-UP CONSIDERATIONS

- » Credit analysis
- » Fundamental analysis
- » Quantitative Analysis
- » Risk/Reward

INVESTMENT CANDIDATES

PORTFOLIO CONSTRUCTION CONSIDERATIONS

CONSISTENCY WITH TOP-DOWN PERSPECTIVE

DIVERSIFICATION

- » Themes
- » Sectors
- » Countries
- » Number of holdings
- » Position size

PORTFOLIO

ONGOING MONITORING/ RISK MANAGEMENT

- » Scenario analysis
- » Risk/reward
- » Attribution analysis
- » Liquidity analysis
- » Portfolio characteristics
- » Guideline compliance

Investment candidates emerge from the intersection of our top-down and bottom-up analysis. Each security is further vetted within the context of the portfolio. Ongoing monitoring and risk management seeks to ensure the appropriate risk/reward parameters are maintained.

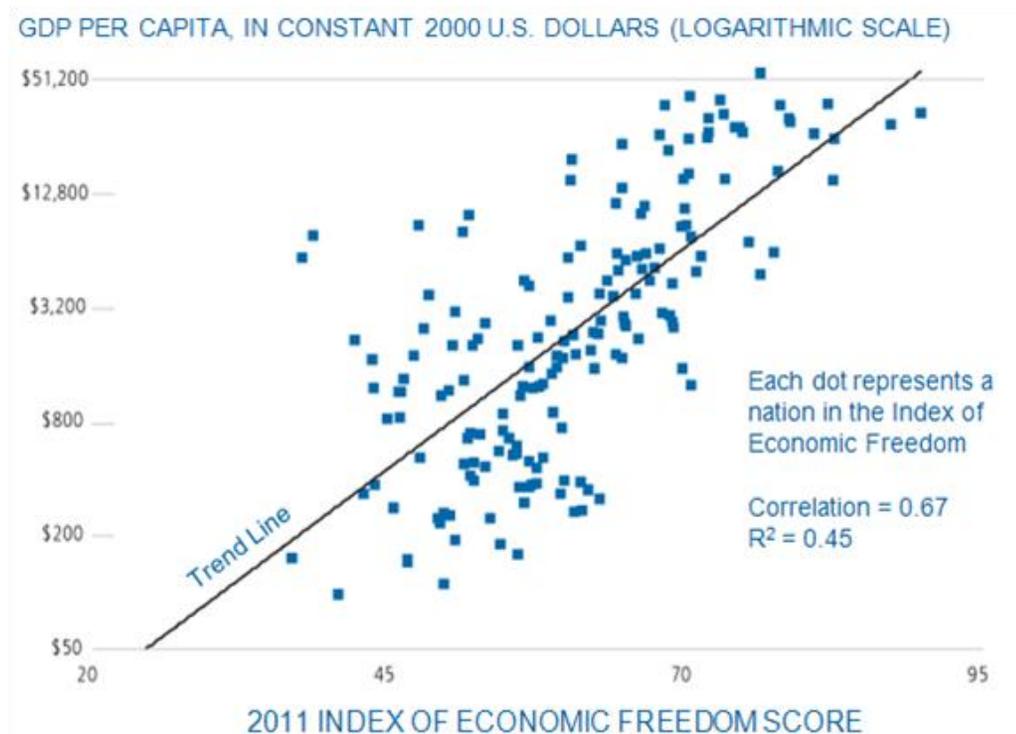
Top-Down Framework - Global Macroeconomic Analysis

We monitor macro policies and developments that may affect capital movement around the world and, therefore, investment opportunities.

Global Macroeconomic Analysis Includes:

- » Global GDP
- » Volatility
- » Interest Rate Environment
- » Monetary/Fiscal Policy
- » Labor Markets
- » Sector/Industry
- » Global Economic Freedoms (changes at the margin)

ECONOMIC FREEDOMS ARE CORRELATED TO PER CAPITA GDP



Used with permission of the Heritage Foundation, Washington, D.C. Use of this chart does not indicate an endorsement of Calamos Investments or its products.

Sources: Terry Miller and Kim R. Holmes, *2011 Index of Economic Freedom* (Washington, D.C.: The Heritage Foundation and Dow Jones & Company, Inc., 2011), at www.heritage.org/index; World Bank Group, World Development Indicators Online, at <http://publications.worldbank.org/WDI/> (November 5, 2010); International Monetary Fund, World Economic Outlook Databases, at <http://www.imf.org/external/ns/cs.aspx?id=28> (November 5, 2010).

Top-Down Framework: Secular and Cyclical Themes

We Identify Growth Themes That We Expected To Drive Growth And Create Investment Opportunities

SECULAR THEMES: Long-term trends that drive growth for decades to come in a particular sector or industry. We believe that these themes provide a tailwind for select companies.

- » World starved for entertainment and information
- » Accessibility to data and information
- » Worldwide marketplace
- » Demographic shift: middle class evolution globally
- » Global savings and investment shifts
- » Productivity enhancements
- » Global infrastructure build

CYCLICAL THEMES: Themes tied to the general business cycle. These themes are shorter in duration but can provide shorter-term opportunities.

- » Emerging economies vs. developed markets
 - Diverging economic landscapes
 - Opposing policies

Current Positioning

GLOBAL BRANDS

- » Brand recognition
- » Global management expertise
- » Global distribution
- » Global capital access

GEOGRAPHIC REVENUE DIVERSIFICATION

- » Focusing on companies that have globally diversified revenue generation
- » Reduce G3 exposure
- » Target EM middle class

CONSUMER CONNECTIVITY AND MEDIA

- » Entertainment technology

BUSINESS PRODUCTIVITY ENHANCEMENT TECHNOLOGIES

- » Software companies
- » Data warehousing
- » Cloud computing

Bottom-Up Security Selection

Determining the Source and Sustainability of Growth

QUANTITATIVE SCREENING

Growth Metrics

Timeliness Factors

Valuation Bands

Credit Metrics

FUNDAMENTAL ANALYSIS

Capital Structure Analysis

- » Cash flow/ROIC analysis
- » Balance sheet analysis
- » Capital evaluation

Qualitative Assessment

- » Management analysis
- » Competitive analysis
- » Industry dynamics
- » SWOT analysis

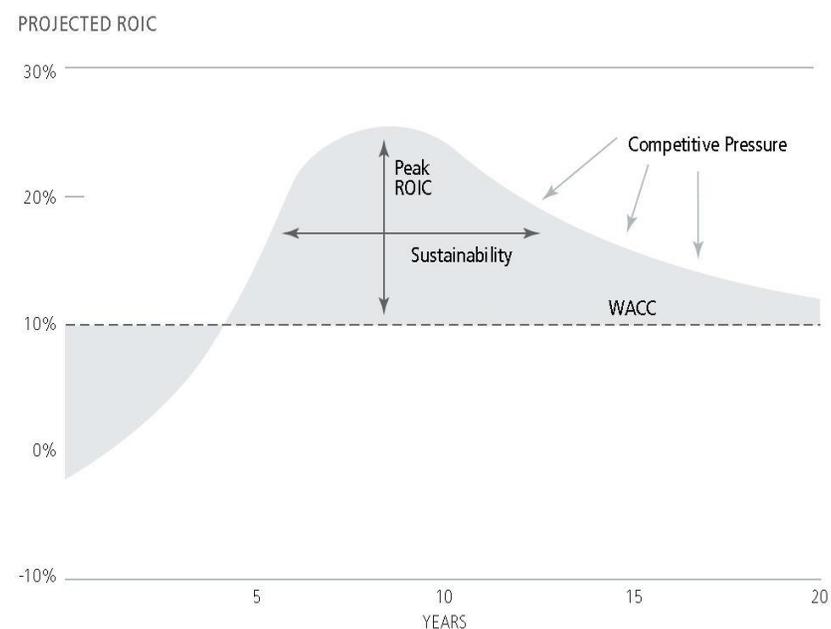
Determine Intrinsic Value

- » Based on implied CFROIC
- » Pro forma analysis
- » Industry impact
- » Historical peer analysis

Relative Valuation

- » Risk/reward analysis
- » Historical analysis
- » Expected returns

LIFE CYCLE OF A BUSINESS' VALUE



Sell Discipline

FUNDAMENTAL

- » Balance sheet deteriorates, financial flexibility lost
- » Management changes, negative news develops
- » Better relative opportunity in sector or industry exists
- » Industry or competitor problems arise

VALUATION

- » Relative ROIC, revenue or earnings growth decelerate
- » Expectations for operating margins, revenue or earnings fall short
- » Security price is well above sustainable growth level

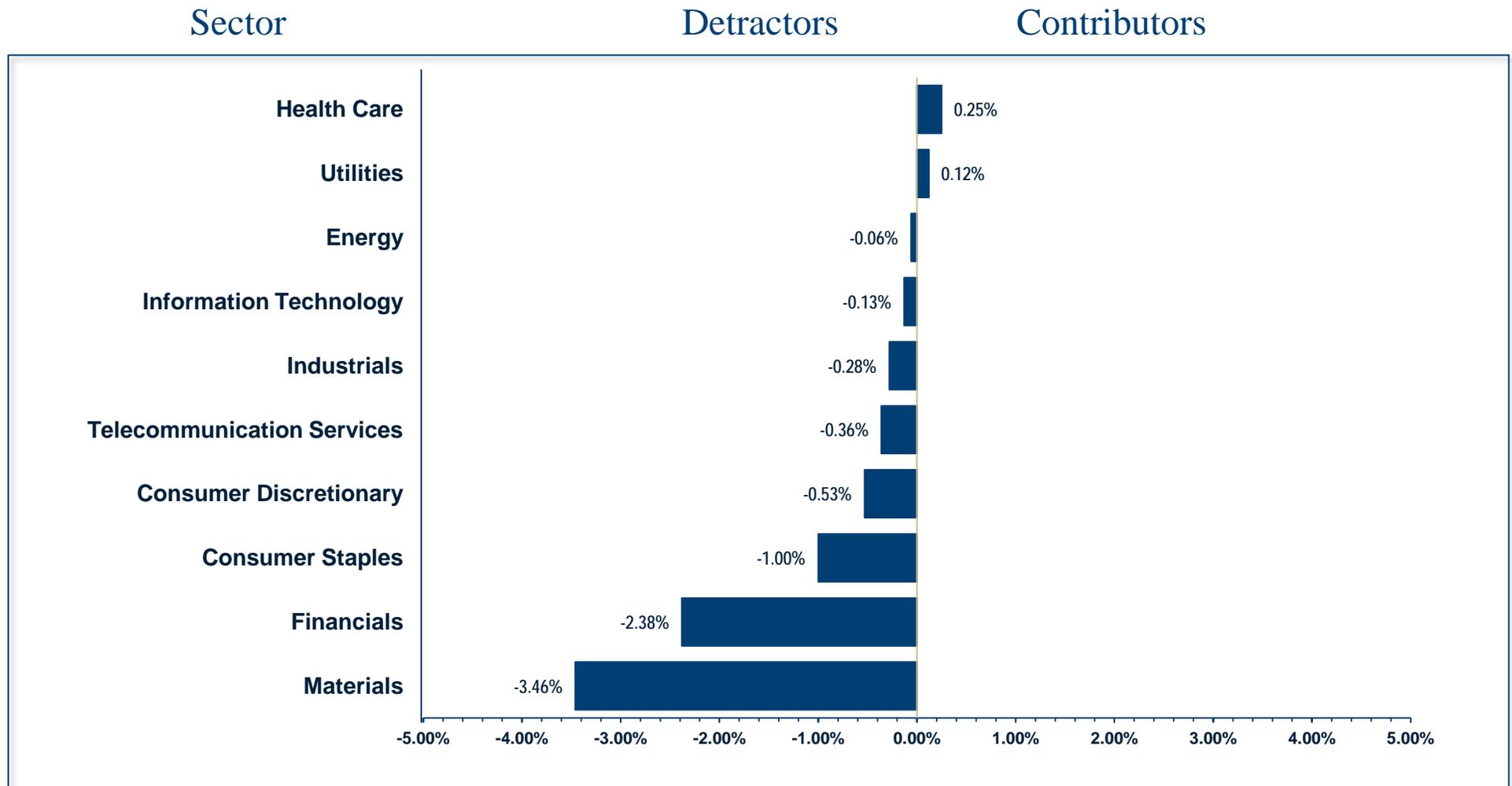
SELL CANDIDATE

- » Formulate exit strategy

2012 Attribution Relative to the MSCI World Index**

AS OF 12/31/12

Total Contribution (Security Selection + Sector Allocation)



Past performance is no guarantee of future results. Please see the back page for important disclosure information.

Attribution data excludes cash or cash equivalents, any government/sovereign bonds or instruments on broad market indexes the portfolio may hold.

Sector performance reflects the period 01/01/12 through 12/31/12.

Benchmark performance reflects the current benchmark, **MSCI World Index, regardless of historical index changes.

2012 Position Attribution

Top 5 Contributors	Sector	Weight %*	Return	Contribution
SAP AG	Information Technology	4.71%	53.34%	204 bps
Novo-Nordisk AS	Health Care	4.89%	42.96%	204 bps
Swatch Group	Consumer Discretionary	3.57%	36.04%	95 bps
Gilead Science Inc.	Health Care	0.55%	48.98%	63 bps
Diageo PLC.	Consumer Staples	1.45%	36.82%	47 bps

Top 5 Detractors	Sector	Weight %*	Return	Contribution
Newcrest Mining LTD.	Materials	1.91%	-23.15%	-48 bps
Barrick Gold Corp.	Materials	0.00%	-23.96%	-41 bps
Check Point Software Tech	Information Technology	0.00%	-21.64%	-24 bps
Dell Inc.	Information Technology	0.00%	-35.72%	-22 bps
Helmerich & Payne Inc.	Energy	0.00%	-27.36%	-18 bps

Past performance is no guarantee of future results. Please see the back page for important disclosure information.

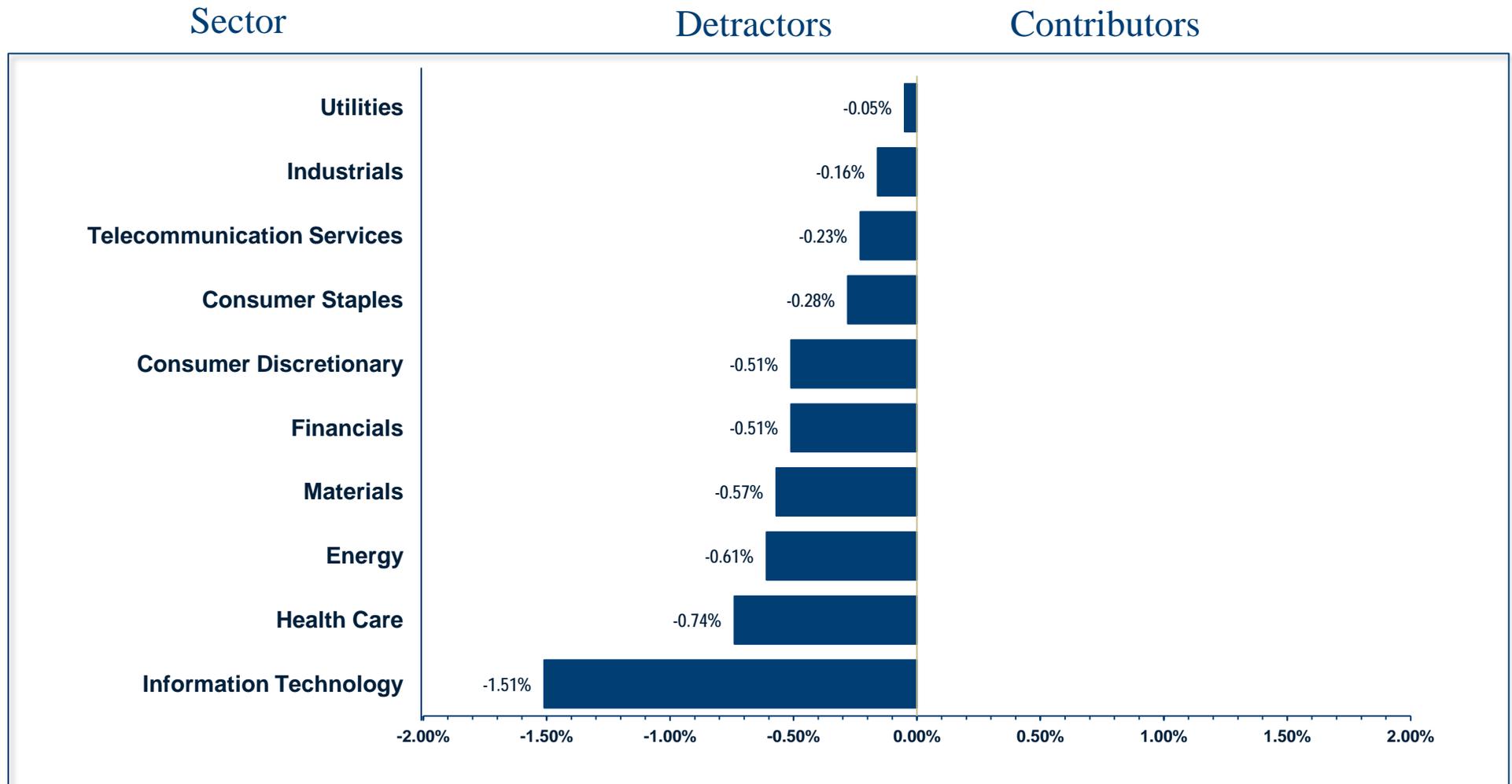
Attribution data excludes cash or cash equivalents, any government/sovereign bonds or instruments on broad market indexes the portfolio may hold. Ending portfolio weights as of 12/31/12. Positions may or may not have been held for the entire time frame of 01/01/2012 to 12/31/12. Return and contribution amounts are based on the period securities were held.

YTD Attribution

Relative to the MSCI World Index**

AS OF 04/30/13

Total Contribution (Security Selection + Sector Allocation)



Past performance is no guarantee of future results. Please see the back page for important disclosure information.

Attribution data excludes cash or cash equivalents, any government/sovereign bonds or instruments on broad market indexes the portfolio may hold.

Sector performance reflects the period 01/01/2013 through 04/30/2013.

Benchmark performance reflects the current benchmark, **MSCI World Index, regardless of historical index changes.

YTD Position Attribution

Top 5 Contributors	Sector	Weight %*	Return	Contribution
Swatch Group	Consumer Discretionary	4.04%	13.77%	57 bps
Novo-Nordisk AS	Health Care	4.46%	10.51%	50 bps
Coca-Cola Co.	Consumer Staples	2.92%	17.62%	49 bps
Accenture	Information Technology	1.87%	23.75%	42 bps
Johnson & Johnson	Health Care	1.67%	22.56%	37 bps

Top 5 Detractors	Sector	Weight %*	Return	Contribution
Yamana Gold	Materials	0.00%	-32.73%	-48 bps
Hon Hai Precision Industry	Information Technology	1.12%	-16.49%	-22 bps
Goldcorp Inc.	Materials	1.77%	-6.05%	-12 bps
Subsea Sa.	Energy	1.20%	-7.68%	-11bps
Infosys Ltd.	Information Technology	0.36%	-18.68%	-08 bps

Past performance is no guarantee of future results. Please see the back page for important disclosure information.

Attribution data excludes cash or cash equivalents, any government/sovereign bonds or instruments on broad market indexes the portfolio may hold. Ending portfolio weights as of 04/30/13. Positions may or may not have been held for the entire time frame of 01/01/13 to 04/30/13. Return and contribution amounts are based on the period securities were held.

Important Risk Information

Before investing carefully consider the fund's investment objectives, risks, charges and expenses. Please see the prospectus and summary prospectus containing this and other information or call 1-800-582-6959. Read it carefully before investing.

The S&P 500 Index is considered generally representative of the U.S. equity market. The MSCI World ex-U.S. Index is a market capitalization weighted index composed of companies representative of the market structure of developed market countries in North America (excluding the U.S.), Europe and Asia Pacific regions. The MSCI Emerging Markets Index is a free float adjusted market capitalization index cited as a measure of the performance of emerging market equities. MSCI Europe Index is a market capitalization weighted index composed of companies representative of the market structure of Europe. The BofA Merrill Lynch VXA0 Index is considered generally representative of the U.S. convertible market. The Credit Suisse High Yield Index is considered generally representative of the U.S. high yield market. The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry.

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Investments in overseas markets pose special risks, including currency fluctuation and political risks, and greater volatility than typically associated with U.S. investments. These risks are generally intensified for investments in emerging markets.

The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries.

Fixed income securities are subject to interest rate risk. If rates increase, the value of fixed income investments generally declines.

NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE.

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Calamos Global Opportunities Composite

Composite Performance: Global Opportunities Composite (October 1, 1996 Through December 31, 2011)

YEAR	COMPOSITE RETURN BEFORE MANAGEMENT FEES	COMPOSITE RETURN AFTER MANAGEMENT FEES	MSCI ACWI INDEX RETURN	THREE YEAR ANNUALIZED STANDARD DEVIATION		TOTAL COMPOSITE ASSETS END OF PERIOD (MILLIONS)	# OF CLIENTS	DISPERSION	COMPOSITE ASSETS AS % OF FIRM ASSETS
				COMPOSITE	MSCI ACWI INDEX				
1996*	5.1	4.8	4.2	-	-	3	1	-	0.2
1997	20.7	19.5	15.0	-	-	5	1	-	0.2
1998	16.4	15.2	22.0	-	-	7	1	-	0.2
1999	50.1	48.7	26.8	15.9	15.5	12	1	-	0.3
2000	(4.1)	(5.1)	(13.9)	17.1	16.2	16	1	-	0.3
2001	(5.3)	(6.3)	(15.9)	15.4	15.6	16	1	-	0.2
2002	(3.7)	(4.7)	(19.0)	11.5	16.8	36	1	-	0.3
2003	24.7	23.5	34.6	9.0	17.6	116	1	-	0.5
2004	10.4	9.3	15.8	8.4	14.8	308	1	-	0.8
2005	20.7	19.6	11.4	7.9	9.9	573	2	-	1.3
2006	17.3	16.2	21.5	7.8	8.1	1,011	5	-	2.3
2007	15.6	14.6	12.2	8.7	8.6	1,558	10	0.18	3.4
2008	(34.5)	(35.1)	(41.8)	15.8	18.0	1,073	25	0.85	4.6
2009	34.3	33.1	35.4	18.0	22.4	1,609	25	1.40	4.9
2010	16.4	15.4	13.2	18.5	24.5	2,572	27	1.15	7.3
2011	(1.1)	(1.9)	(6.9)	13.4	20.6	2,923	32	0.30	9.0

*Returns are for October 1, 1996 through December 31, 1996

Schedule Of Composite Performance

Calamos Advisors LLC (the "Firm") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Firm has been independently verified for the periods January 1, 1991 through December 31, 2010. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Calamos Global Opportunities Composite has been examined for the periods October 1, 1996 through December 31, 2010. The verification and examination reports are available upon request by calling 877-841-0098 or sending an email to caminfo@calamos.com.

The Firm is a registered investment advisor with the Securities Exchange Commission under the Investment Advisors Act of 1940. The Firm manages a variety of equity and fixed income strategies and open- and closed-end mutual funds primarily for institutional, sub-advisory and high net worth individuals. Effective October 15, 2004, Calamos Asset Management, Inc., an Illinois corporation, was merged with and into Calamos Advisors LLC, a Delaware limited liability company. Calamos Advisors LLC is a wholly-owned subsidiary of Calamos Investments LLC, a Delaware limited liability company. Calamos Investments LLC was formerly known as Calamos Holdings LLC, that name change was effective August 17, 2011. In September 2012, Gary Black replaced Nick Calamos as Co-Global CIO of the Firm. The Firm's list of composite descriptions, as well as information regarding the firm's policies for valuing investments, calculating performance, and preparing compliant presentations, are available upon request.

Calamos Global Opportunities Composite

Schedule Of Composite Performance

Calamos Global Opportunities Composite is an actively managed strategy that invests in a globally diversified portfolio of equity, convertible and fixed-income securities, which equal emphasis on capital appreciation and current income. The Composite was created February 16, 2006, calculated with an inception date of October 1, 1996. Results include all fully discretionary, fee-paying accounts of \$500,000 or more, including those no longer with the Firm. **Past performance is no guarantee of future results.**

1. Composite constituent accounts may periodically purchase and sell options, which may be used for risk management and portfolio diversification purposes. The risks associated with this strategy may (1) be reduced if security holdings do not correlate to the performance of the underlying positions, (2) lose all or part of the cash paid for purchasing options, (3) reduce the effectiveness of the option strategies in unusual market conditions, (4) result in a lack of ready market of any particular option, (5) not reduce portfolio volatility to the extent desired, and (6) may result in an increased exposure to a market decline due to reduction in option holdings.
2. Composite constituent accounts may periodically invest in foreign countries. There can be special risks associated with investing in foreign securities, including fluctuations in currency exchange rates, increased price volatility and difficulty obtaining information. In addition, emerging markets may present additional risk due to potential for greater economic and political instability in less developed countries. Forward currency hedges may be used to limit or reduce exposure in a foreign currency.
3. Composite constituent accounts may periodically invest in futures contracts. Security futures are not suitable for all investors. Investing in security futures involves substantial risk. A purchase or sale of a futures contract may result in losses in excess of the amount invested in the futures contract. In addition, there are significant differences between the securities and futures markets that could result in an imperfect correlation between the markets, causing a given transaction not to achieve its objectives.
4. Composite constituent accounts may sell securities short to enhance income and protect against market risk by hedging a portion of equity risk. There can be no assurance that a portfolio will be able to close out a short position (i.e. purchase the same securities) at any particular time or at an acceptable or advantageous price.
5. The Composite is valued at least monthly and is asset weighted using beginning-of-the-month market values. Monthly returns are geometrically linked to calculate quarterly and annual returns. New accounts are included once fully invested. Beginning August 1, 2011, substantially all portfolio returns are calculated based on daily valuation. Prior to August 1, 2011, monthly rates of return for all accounts were computed using the Modified Dietz method in which changes in beginning and end of month total portfolio values are adjusted to reflect the amount of time contributions and withdrawals ("Cash Flows") were available to invest during the month. Cash flows are time-weighted based on the date of occurrence.
6. Investments in mutual funds are stated at fair value based on end of day published net asset values. Investments in securities traded on a national securities exchange are stated at the last reported sales price on the day of valuation. Other securities, including derivatives, traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price. Convertible bonds and other securities for which quotations are not readily available are valued at fair value based on observable inputs such as market prices for similar instruments as validated by third party pricing agencies. Investment transactions are recorded on a trade date basis. Interest income is accrued and dividend income is recognized on ex-date. Valuations are computed and returns are based on U.S. dollars. Additional information regarding policies for calculating and reporting returns is available upon request.
7. Returns are presented gross and net of management fees. All returns cited are net of commission and other similar fees charged on securities transactions and include reinvestment of net realized gains, interest and dividend income. Gross returns exclude the impact of investment advisory fees. A client's actual return will be reduced by investment advisory fees and other costs such as brokerage commissions and equivalents, markups and markdowns, transaction fees, custodial fees, transfer taxes, wire transfer fees, and other fees and taxes charged to brokerage accounts and securities transactions, which are unrelated to the investment advisory fee. Net returns include the impact of investment advisory fees and are calculated based upon the underlying fee schedule in effect for the each respective portfolio included in the composite. Fees are calculated separately for each portfolio, and therefore, performance may differ from one portfolio to another. The standard investment advisory fee schedule is as follows: 1.00% on the first \$10 million; 0.85% on the next \$15 million; 0.70% on the next \$25 million; 0.65% on the next \$50 million; and 0.60% on the balance. The affect of fees and expenses on performance will vary with the relative size of the fee and account performance. Advisory fees are described in Form ADV Part 2A.
8. Composite dispersion represents the asset-weighted standard deviation of annual returns of all accounts that were included in the composite for a full calendar year. This calculation is made only for composites with more than five accounts. The calculation determines the deviation of each return from the asset-weighted mean value of the composite member returns.
9. Three-year annualized ex-post standard deviation for both the composite and benchmark measures how widely the actual returns over the period were dispersed from the average return over the same period. This statistic is not presented for those periods where a trailing three year performance record is unavailable.
10. On 12/31/12, the assigned composite benchmark was changed from the MSCI World Index to the MSCI All Country World Index (ACWI). The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. This change was made to better reflect the investment universe of portfolios within the composite. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index.
11. The results portrayed on the preceding pages are for the Calamos Global Opportunities Composite. When shown, representative portfolio holdings and portfolio characteristics are specific only to the portfolio shown at that point in time. Representative portfolios are selected by the advisor based on account characteristics that the advisor feels accurately represents the investment strategy as a whole. Other portfolios in the Composite will vary in composition, characteristics, and will experience different investment results.

Calendar Year Returns

YEAR	NORTH DAKOTA STATE INVESTMENT BOARD GROSS OF FEES	NORTH DAKOTA STATE INVESTMENT BOARD NET OF FEES	MSCI WORLD INDEX*
2013 YTD	4.88%	4.65%	11.35%
2012	6.83%	6.04%	15.28%
2011	-4.02%	-4.72%	-5.18%
2010	11.25%	10.46%	16.77%
2009	35.72%	34.76%	49.12%
2008	-26.93%	-27.45%	-35.67%
2007	8.65%	7.90%	4.53%
2006 [^]	2.51%	2.39%	2.36%

Past performance is no guarantee of future results. Please see last page for important disclosure information.

Actual returns will be reduced by advisory fees and other expenses including custody, brokerage, and other service fees. Please see Calamos Advisors Form ADV Part 2A for standard fee structure. Unless otherwise noted, all returns are based in U.S. Dollars.

*This benchmark performance reflects historical index changes. Please see the Important Disclosure Information section for a timeline of when index changes occurred.

[^]Represents the partial year return computed from the first day of the month following portfolio inception to 12/31/2006 when compared against a benchmark.

Important Disclosure Information

Past performance is no guarantee of future results.

Since Inception performance is computed from the first day of the month following portfolio inception when compared against a benchmark. The portfolio's gross performance since the inception date of 10/05/2006 is 4.73%. Returns greater than 12 months are annualized. Actual returns will be reduced by advisory fees and other expenses including custody, brokerage, and other service fees. Please see Calamos Advisors Form ADV Part 2A for standard fee structure.

The **BofA Merrill Lynch All US Convertible Index (VXA0)** is comprised of only convertible bonds and preferreds of all qualities.

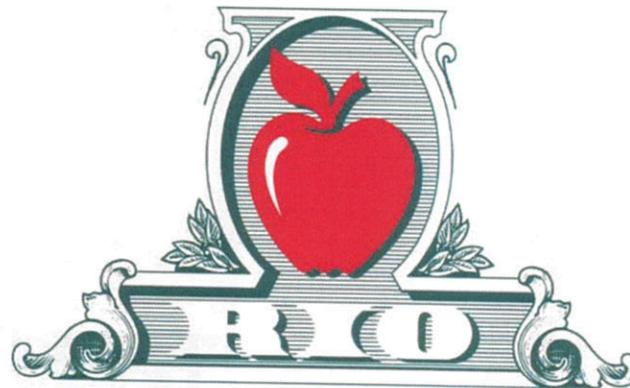
The **MSCI World Index** is a market capitalization weighted index composed of companies representative of the market structure of Developed Market countries in North America, Europe, and the Asia/Pacific Region.

Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees, expenses or sales charges. Investors cannot invest directly in an index.

Benchmark history applicable to the current reporting period is shown below:

BENCHMARK TYPE	FROM	TO	BENCHMARK NAME
Primary	10/31/2006	02/29/2012	BofA ML VXA0 - Convertibles Index
Primary	03/01/2012	04/30/2013	MSCI World Index

Source: Calamos Advisors LLC and Mellon Analytical Solutions LLC.



May 17, 2013

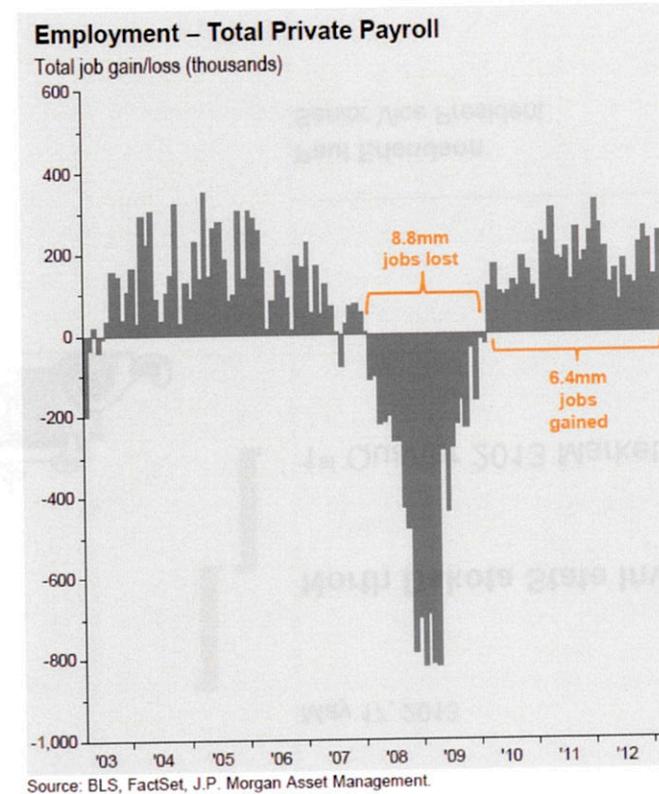
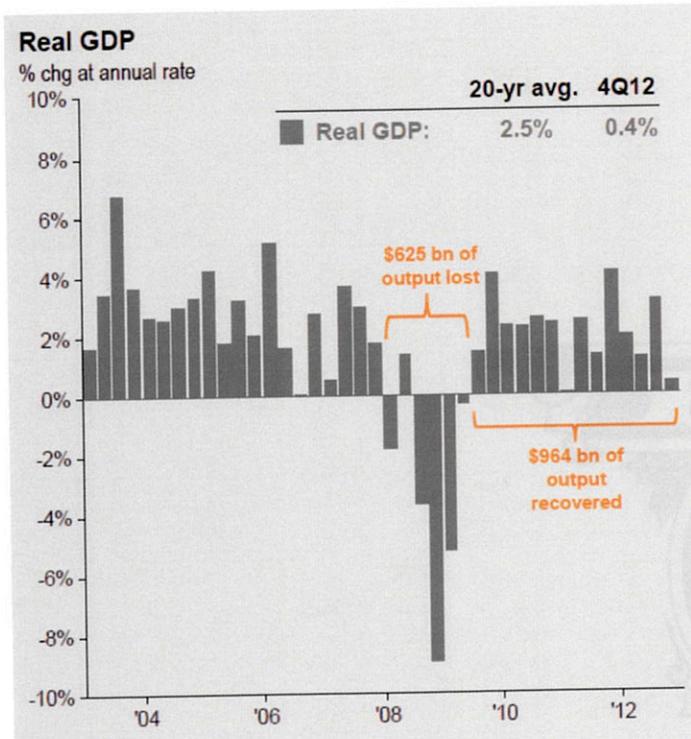
North Dakota State Investment Board

1st Quarter 2013 Market Update

Paul Erendson
Senior Vice President

Economic Indicators

Through March 31, 2013



- The unemployment rate declined from last quarter to 7.6%.
- First quarter GDP increased 2.5%; fourth quarter GDP was 0.4%.
- Headline CPI increased 1.5% over the trailing twelve-months ending March 31, 2013.
- Monetary Policy - The Federal Reserve is continuing with their purchase program until unemployment reaches 6.5% as long as expected inflation remains below 2.5%.

Asset Class Performance

Periods Ending March 31, 2013

Periodic Table of Investment Returns
for Periods Ended March 31, 2013

Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Russell:2000 Index 12.4%	Russell:2000 Index 16.3%	Russell:2000 Index 13.5%	Russell:2000 Index 8.2%	MSCI:Emer Markets 17.4%
S&P:500 10.6%	S&P:500 14.0%	S&P:500 12.7%	S&P:500 5.8%	Russell:2000 Index 11.5%
MSCI:EAFE US\$ 5.1%	MSCI:EAFE US\$ 11.3%	Barclays:Aggregate Index 5.5%	Barclays:Aggregate Index 5.5%	MSCI:EAFE US\$ 9.7%
3 Month T-Bill 0.0%	Barclays:Aggregate Index 3.8%	MSCI:EAFE US\$ 5.0%	MSCI:Emer Markets 1.4%	S&P:500 8.5%
Barclays:Aggregate Index (0.1%)	MSCI:Emer Markets 2.3%	MSCI:Emer Markets 3.6%	3 Month T-Bill 0.3%	Barclays:Aggregate Index 5.0%
MSCI:Emer Markets (1.6%)	3 Month T-Bill 0.1%	3 Month T-Bill 0.1%	MSCI:EAFE US\$ (0.9%)	3 Month T-Bill 1.8%

YTD as of 5/14/13:

S&P 500: 16.64%

Russell 2000: 16.60

MSCI EAFE: 11.69

MSCI EM: 0.08

BC Aggregate: 0.03

BC TIPS: (1.53)

T-Bills: 0.03

Domestic Equity Returns as of March 31, 2013

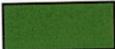
Style and Capitalization

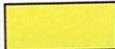
1Q 2013

	Value	Core	Growth
Large	12.3%	11.0%	9.5%
Mid	14.2%	13.0%	11.5%
Small	11.6%	12.4%	13.2%

Annualized 1 Year Returns

	Value	Core	Growth
Large	18.8%	14.4%	10.1%
Mid	21.5%	17.3%	12.8%
Small	18.1%	16.3%	14.5%

 Represents 3 best performing asset classes in time period

 Represents 3 middle performing asset classes in time period

 Represents 3 worst performing asset classes in time period

Annualized 3 Year Returns

	Value	Core	Growth
Large	12.7%	12.9%	13.1%
Mid	15.0%	14.6%	14.2%
Small	12.1%	13.5%	14.8%

Annualized 5 Year Returns

	Value	Core	Growth
Large	4.9%	6.2%	7.3%
Mid	8.5%	8.4%	8.0%
Small	7.3%	8.2%	9.0%

LargeCap Core is represented by the Russell 1000 Index, LargeCap Value is represented by the Russell 1000 Value Index and LargeCap Growth is represented by the Russell 1000 Growth Index. Mid-Cap Core is represented by the Russell MidCap Index, Mid-Cap Value is represented by the Russell Midcap Value Index and Mid-Cap Growth is represented by the Russell Midcap Growth Index. SmallCap Core is represented by the Russell 2000 Index, SmallCap Value is represented by the Russell 2000 Value Index and SmallCap Growth is represented by the Russell 2000 Growth Index.

U.S. Sector Performance

Quarter Ending March 31, 2013

Economic Sector Exposure

(Russell 3000)

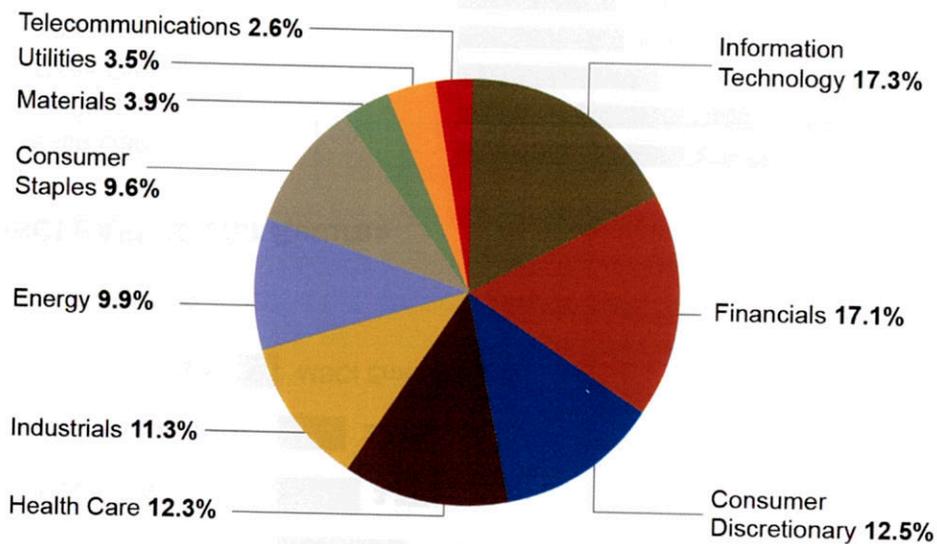
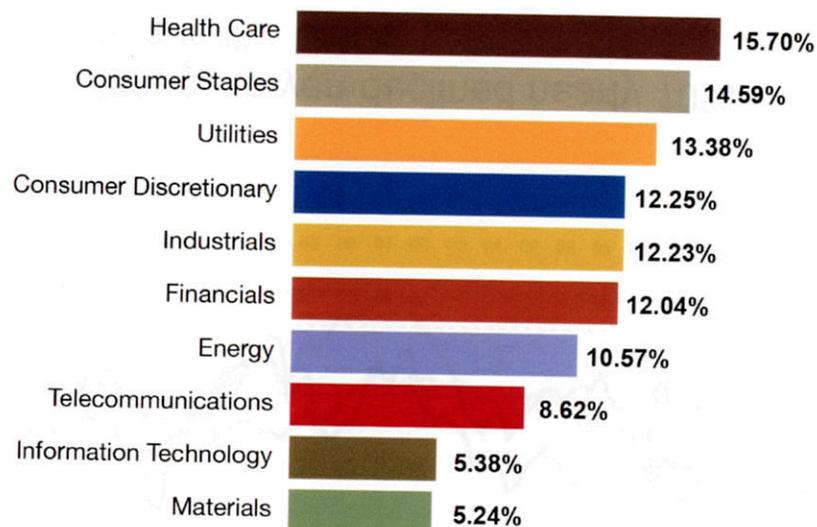


Chart may not sum to 100% due to rounding.
Source: Russell Investment Group

Economic Sector Quarterly Returns

(Russell 3000)

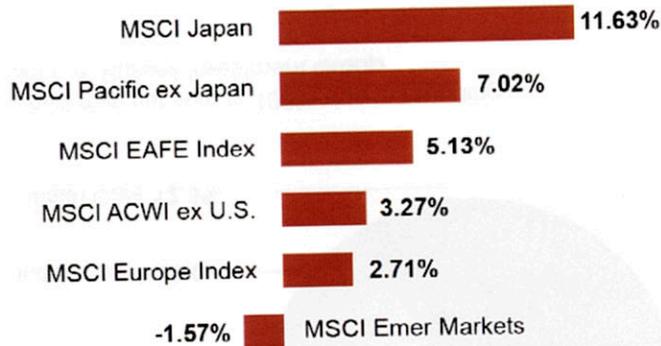


International Equity Returns

Quarter Ending March 31, 2013

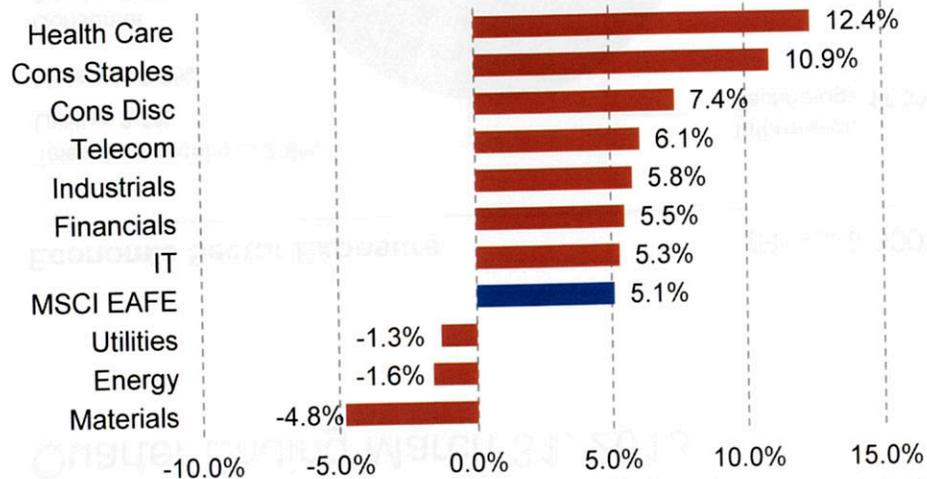
Regional Quarterly Performance

(U.S. Dollar)



Source: MSCI Inc.

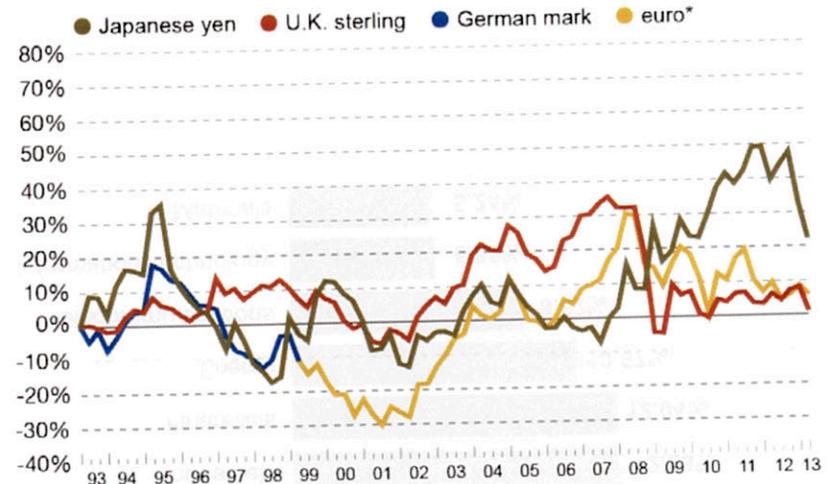
MSCI EAFE Sector Returns



Source: Barrow Hanley Benchmark Review 1Q13

Major Currencies' Cumulative Returns

(vs. U.S. Dollar)



*euro returns from 1Q99

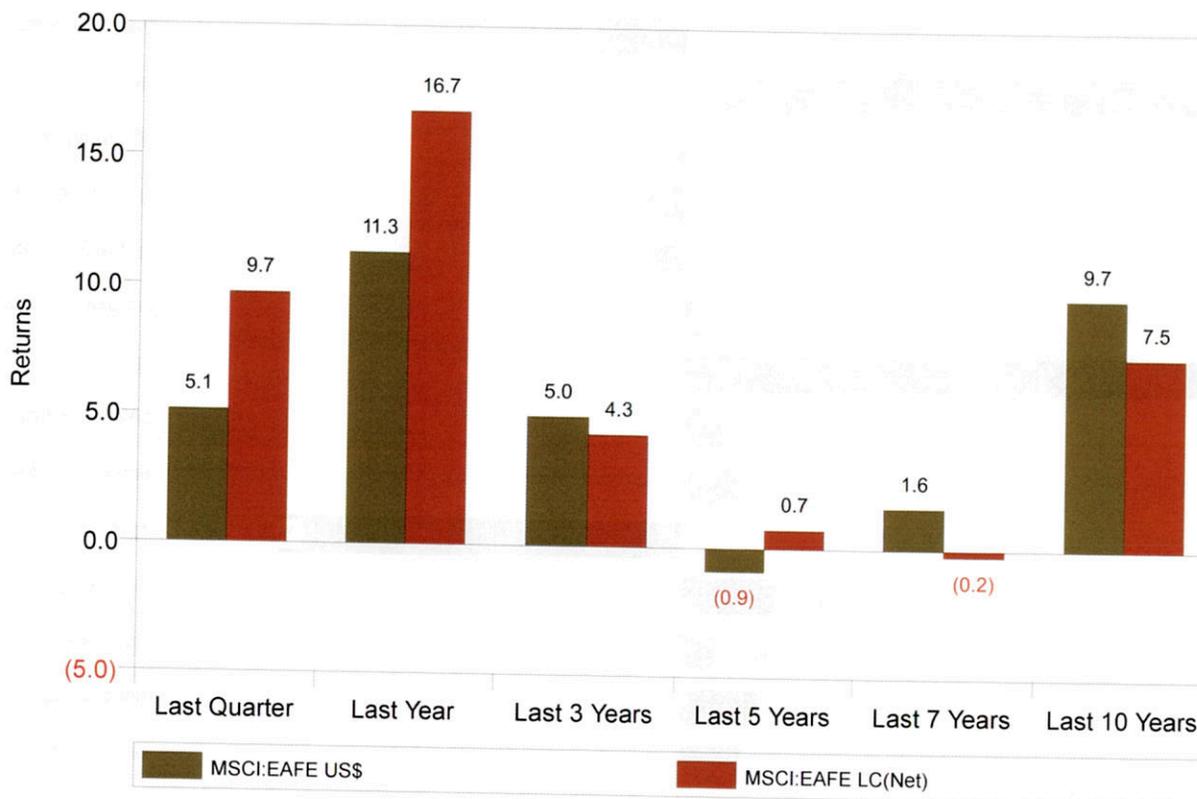
Source: MSCI Inc.

- Japanese yen declined nearly 10% versus the USD.
- Euro-area unemployment rate remains high at 12.0%.
- Fourth Quarter GDP for the Euro-Area was -0.3%.
 - Germany -0.5%, U.K. -0.3%

Domestic vs. Local Currency Returns

Currency Effect on U.S. Investors' International Equity Returns

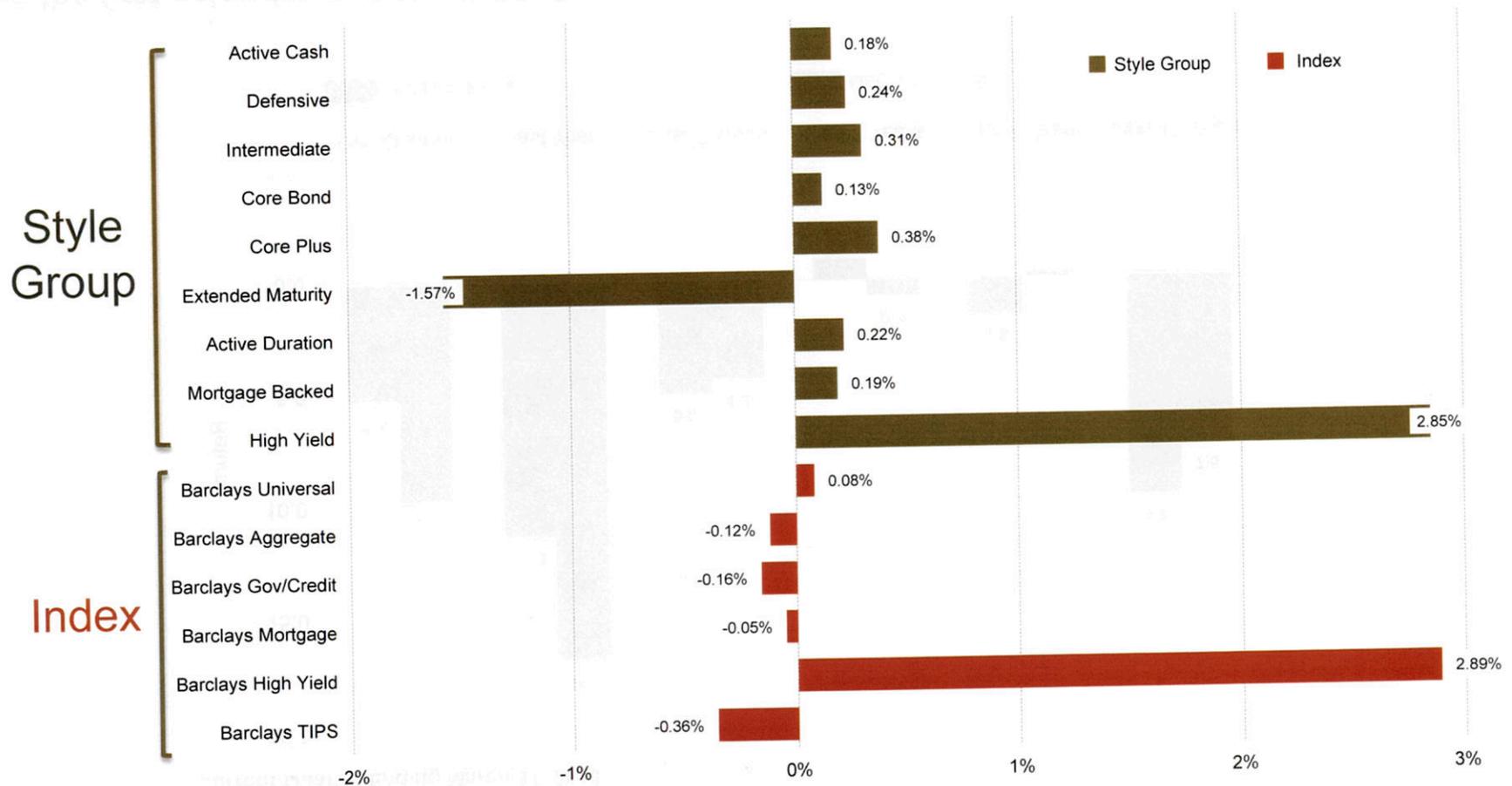
Returns for Various Time Periods
Current Quarter Ending March 31, 2013



- During the first calendar quarter of 2013, U.S. investors' international equity returns were hurt by U.S. dollar appreciation against most foreign currencies.
- In contrast, a weak dollar pre-2008 enhanced US investors' int'l equity returns over the past 10 years.

Active Bond Managers Did Well

Quarter Ending March 31, 2013

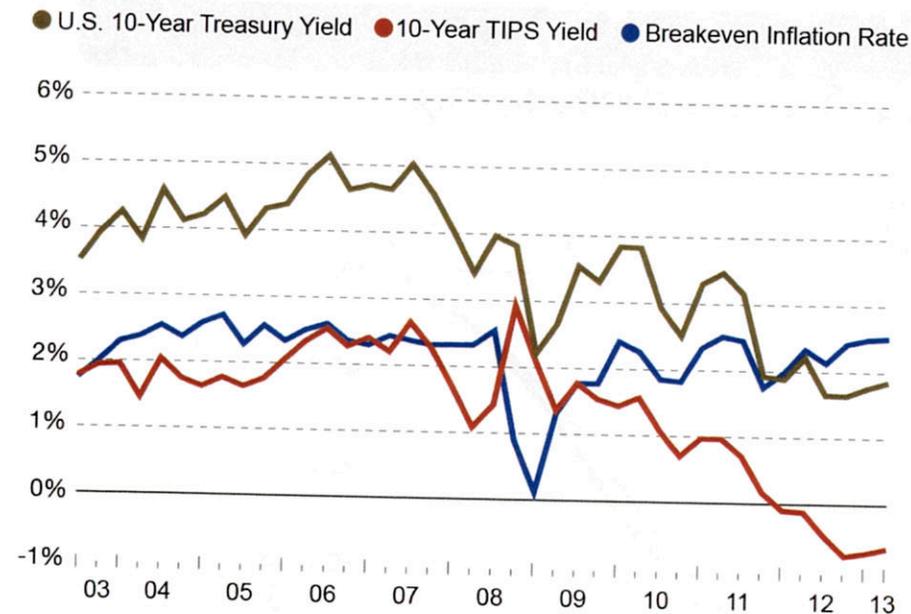


- Interest rates rose, hurting the returns of portfolios with long duration bonds
- High yield tracked the strong equity market; they are less sensitive to rising interest rates

Yield Curve Changes

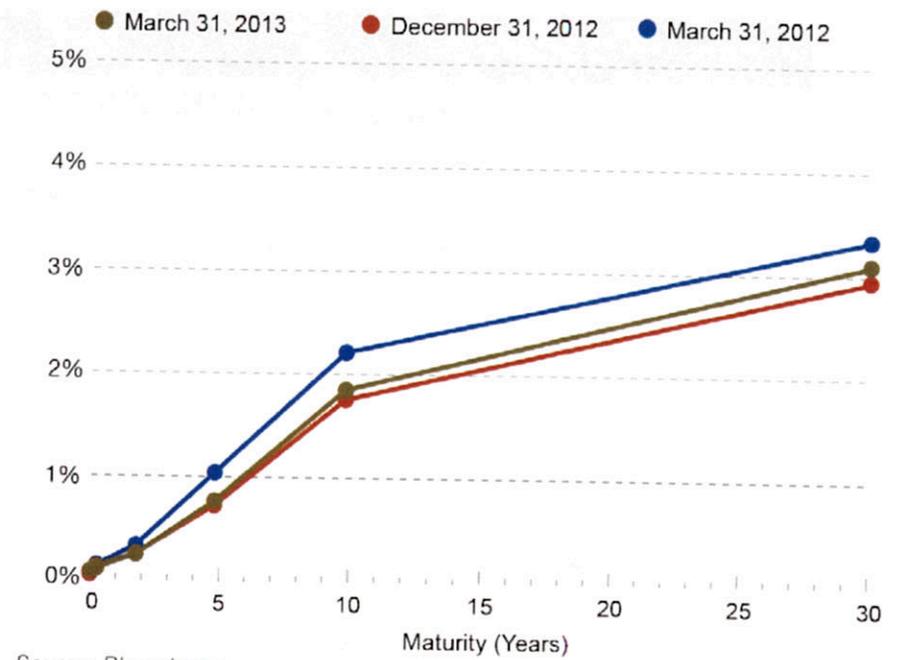
Periods Ending March 31, 2013

Effective Yield Over Treasuries



Source: Bloomberg

U.S. Treasury Yield Curves

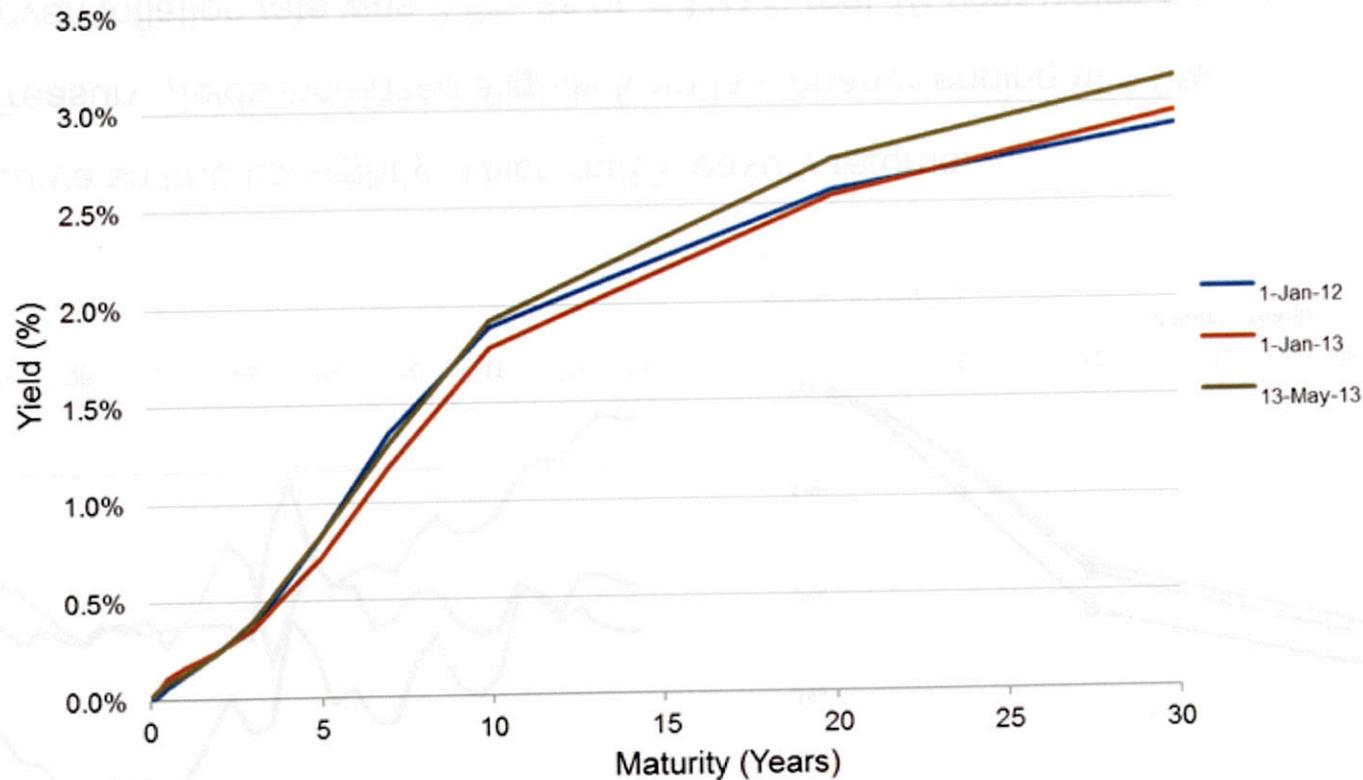


Source: Bloomberg

- The yield curve shifted up slightly, which hurt Treasury returns.
- Ten-year Treasury yields increased slightly from last quarter ending at 1.9%.
- The breakeven inflation rate was 2.5% as of 3/31/13; real 10-year yields are still negative at -0.6%.

Interest rates are rising, but they're still lower than "normal"

Treasury Yield Curve



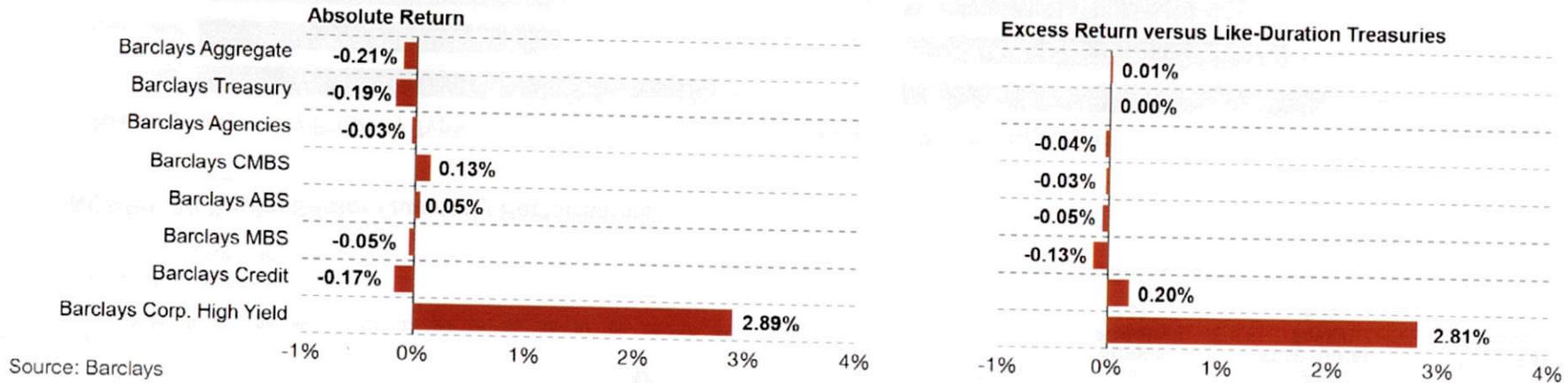
Yield changes during the six weeks ending 5/10/13

Date	1 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
29-Mar-13	0.04	0.07	0.11	0.14	0.25	0.36	0.77	1.24	1.87	2.71	3.10
10-May-13	0.02	0.04	0.08	0.11	0.26	0.38	0.82	1.28	1.90	2.70	3.10
Difference	0.02	0.03	0.03	0.03	(0.01)	(0.02)	(0.05)	(0.04)	(0.03)	0.01	0.00

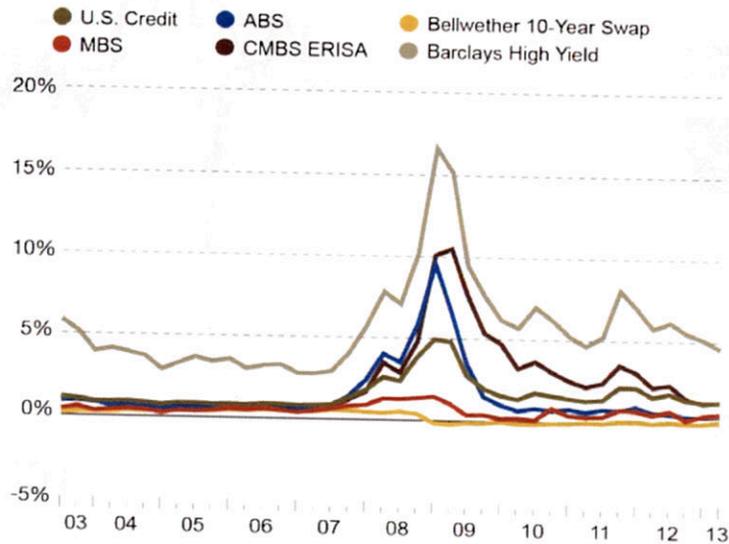
Total Rates of Return by Bond Sector

Quarter Ending March 31, 2013

Fixed Income Index Quarterly Returns



Historical 10-Year Yields

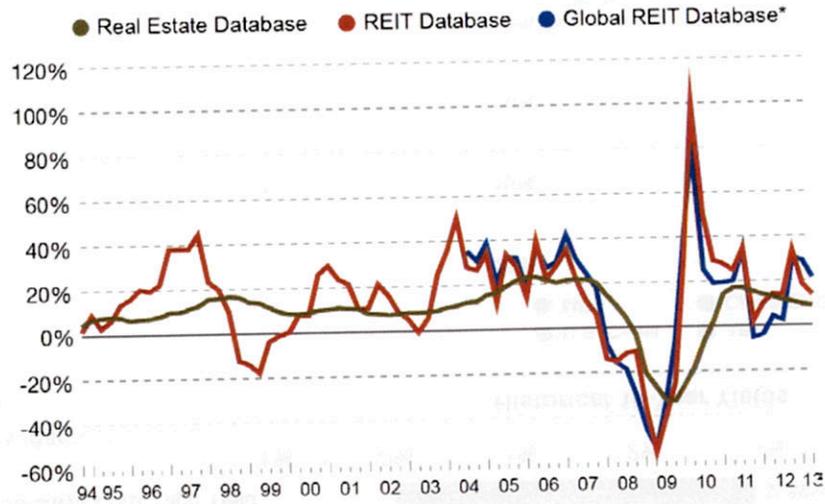


Source: Barclays

Direct Real Estate and REITS

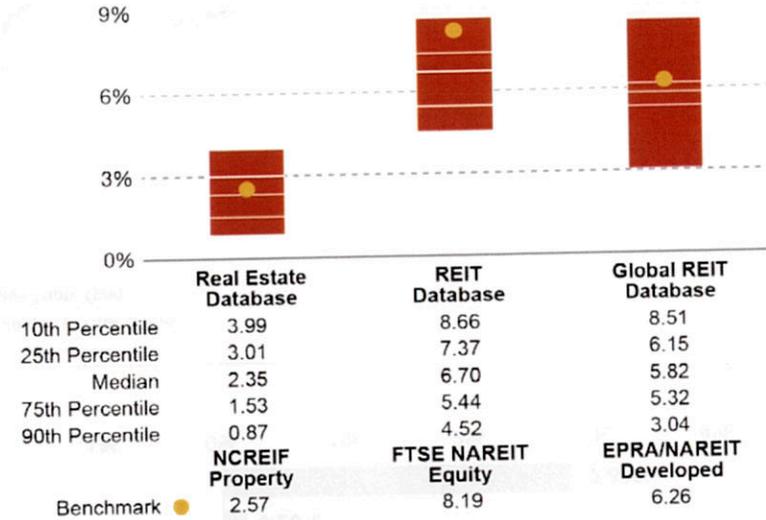
Periods Ending March 31, 2013

Rolling One-Year Returns



*Global REIT returns from 2Q04
Source: Callan Associates Inc.

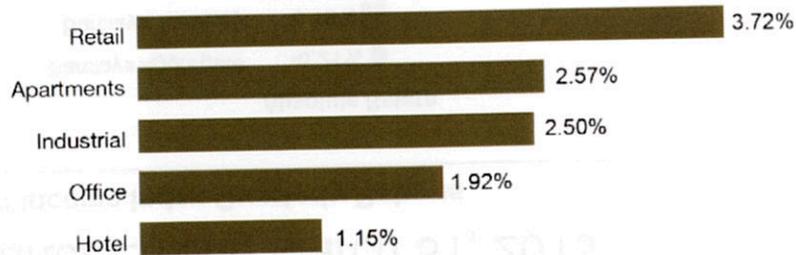
Callan Style Group Quarterly Returns



Sources: Callan Associates Inc., NAREIT, NCREIF, The FTSE Group

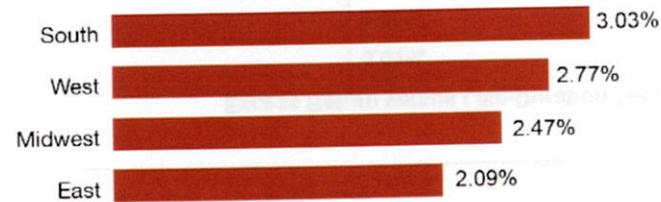
NCREIF All Equity Sector Quarterly Performance

Quarterly Returns by Property Type



Source: NCREIF

Quarterly Returns by Region



Private Equity

Private equity activity picked up a bit in the quarter ended March 31, 2013

Funds Closed 1/1/13 to 3/31/13

Strategy	No. of Funds	Amt (\$MM)	Percent
Venture Capital	37	3,032	9%
Buyouts	47	18,155	55%
Subordinated Debt	12	7,503	23%
Distressed Debt	1	175	1%
Other	7	1,573	5%
Fund-of-funds	17	2,488	8%
Totals	121	32,926	100%

Mixed activity levels in Q4 2012: # of funds up; \$ volume down

- 121 new partnerships formed, 14 more than in previous quarter
- \$32.9 billion raised in new commitments in 1Q2013, \$1 billion more than 4Q2012
- Buyout funds led the way, both in number of funds and capital raised

Source: Private Equity Analyst

Private Equity Performance Database (%)

(Pooled Horizon IRRs Through September 30, 2012)

Strategy	3 Months	Year	3 Years	5 Years	10 Years	20 Years
All Venture	0.6	7.2	4.2	0.8	3.7	15.8
All Buyouts	4.5	15.1	10.2	2.9	10.3	10.3
Mezzanine	2.8	12.3	6.5	3.7	7.0	8.0
All Private Equity	3.8	14.5	9.0	3.0	9.8	11.2
S&P 500	6.4	30.2	13.2	1.1	8.0	8.5

Private equity returns are net of fees.

Source: Thomson ONE

For more detailed information, see Callan's "Private Market Trends" at <http://www.callan.com/research/publications/privatemarkets/>

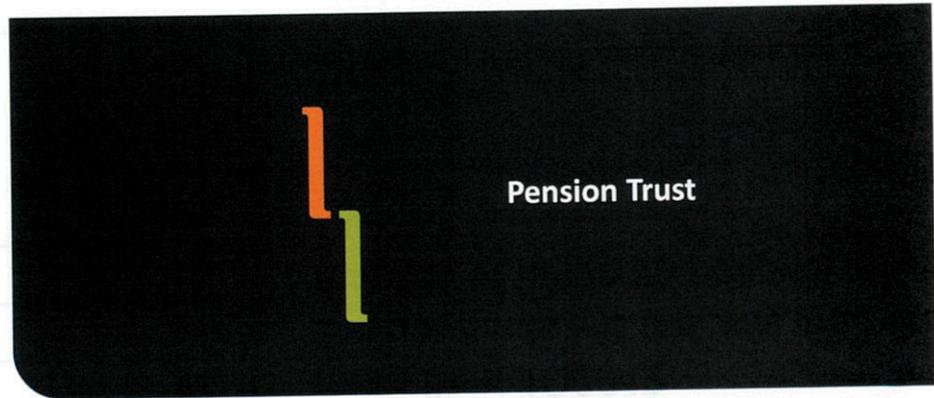
Callan

Knowledge. Experience. Integrity.

North Dakota State Investment Board 2013 First Quarter

13

	2013	2012	2011	2010	2009
Assets	100	100	100	100	100
Liabilities	100	100	100	100	100
Net Assets	0	0	0	0	0



Assets	100	100
Liabilities	100	100
Net Assets	0	0

Assets	100
Liabilities	100
Net Assets	0

Assets

North Dakota Pension Trust

Asset allocation versus target as of March 31, 2013



Asset Class	\$000s Actual	Percent Actual	Percent Target	Percent Difference	\$000s Difference
Domestic Equity	919,753	22.7%	21.3%	1.4%	57,564
Domestic Fixed Income	721,739	17.8%	18.1%	(0.3%)	(10,919)
International Equity	571,931	14.1%	14.2%	(0.1%)	(2,861)
Int'l Fixed Income	199,616	4.9%	5.0%	(0.1%)	(2,776)
Global Real Estate	372,381	9.2%	9.7%	(0.5%)	(20,259)
World Equity	654,410	16.2%	16.0%	0.2%	6,757
Private Equity	205,756	5.1%	4.9%	0.2%	7,413
Timber	197,213	4.9%	4.9%	0.0%	(1,131)
Infrastructure	152,601	3.8%	4.9%	(1.1%)	(45,743)
Cash Equivalents	52,434	1.3%	1.0%	0.3%	11,956
Total	4,047,833	100.0%	100.0%		

- “Percent Difference” (grey arrow) shows that RIO staff is running a tightly controlled rebalancing program, a remarkable feat given the number of asset classes & Plans within the Pension Trust.
- The Trust’s market value rose by nearly \$790 million during the quarter ending March 31, 2013. The ending value of assets in the Trust was \$4.05 billion.
 - Net withdrawals amounted to nearly \$12.3 million during the first calendar quarter of 2013;
 - Investment gains totaled \$181.4 million during that same period.

Source: Pages 9 and 18, Callan’s March 31, 2013 Quarterly Review of NDSIB’s Pension Trust

North Dakota Pension Trust

Sources of relative performance versus benchmarks

Relative Attribution Effects for Quarter ended March 31, 2013

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	24%	21%	11.95%	11.29%	0.14%	0.21%	0.35%
Domestic Fixed Income	18%	18%	1.85%	0.71%	0.21%	0.00%	0.21%
Global Real Estate	9%	10%	2.30%	2.57%	(0.03%)	0.01%	(0.02%)
Timber	5%	5%	(3.23%)	5.92%	(0.48%)	(0.00%)	(0.48%)
Infrastructure	4%	5%	2.39%	1.52%	0.03%	0.04%	0.07%
International Equity	16%	14%	3.95%	3.64%	0.03%	0.05%	0.09%
International Fixed Inc.	5%	5%	(1.96%)	(3.51%)	0.08%	(0.02%)	0.07%
Private Equity	5%	5%	0.36%	0.36%	0.00%	(0.02%)	(0.02%)
World Equity	12%	16%	6.89%	7.73%	(0.04%)	(0.24%)	(0.28%)
Cash & Equivalents	1%	1%	0.02%	0.02%	0.00%	(0.01%)	(0.01%)
Total			4.68%	= 4.70%	+ (0.04%)	+ 0.02%	(0.02%)

- The Total Fund lagged its benchmark by 0.02% during the first calendar quarter of 2013.
 - The “Total” result reflect the consolidated Trust, **not the result of any single Plan** within the Pension Trust
- Individual asset class performance is a more meaningful focus of evaluation since each Plan’s allocation to each asset class will drive that Plan’s overall performance.
- Timber had the largest amount of underperformance relative to its benchmark in 1Q2013.
- Fixed-income achieved the greatest excess return over its benchmark, driven chiefly by PIMCO DiSCO II in the domestic portfolio and Brandywine in the international portfolio.

Source: Pages 10 and 18, Callan’s March 31, 2013 Quarterly Review of NDSIB’s Pension Trust



North Dakota Insurance Trust

Asset allocation versus target as of March 31, 2013



Asset Class	\$000s Actual	Percent Actual	Percent Target	Percent Difference	\$000s Difference
Large Cap	179,934	6.1%	5.8%	0.3%	8,717
Small Cap	62,185	2.1%	2.0%	0.1%	3,145
International Equity	122,437	4.1%	4.0%	0.1%	4,356
Domestic Fixed Income	821,643	27.8%	28.6%	(0.8%)	(22,634)
Inflation Protected	345,534	11.7%	11.8%	(0.1%)	(2,805)
Short Term Fixed Income	1,247,993	42.3%	42.3%	0.0%	(711)
Cash & Equivalents	67,724	2.3%	2.3%	0.0%	(173)
Real Estate	104,569	3.5%	3.2%	0.3%	10,104
Total	2,952,020	100.0%	100.0%		

- The Insurance Trust increased by over \$280 million during the first three months of 2013. The Trust's March 31, 2013 market value was \$2.952 billion.
 - Net contributions amounted to \$228.6 million during the first calendar quarter of 2013. \$220.9 million was contributed to the Legacy Fund alone.
 - Investment gains totaled \$51.9 million during the quarter, with half that amount (\$25.9 million) generated by Domestic Equity, which comprises just 8% of the Total Fund's assets.
- “Percent Difference” is the key category on this page. The column under the gray arrow shows that rebalancing by RIO staff is keeping the Insurance Trust's risk exposure tightly controlled.

Source: Page 9, Callan's March 31, 2013 Quarterly Review of NDSIB's Insurance Trust

North Dakota Insurance Trust

Sources of relative performance versus benchmarks

Relative Attribution Effects for Quarter ended March 31, 2013

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap	6%	6%	11.36%	10.96%	0.02%	0.02%	0.04%
Small Cap	2%	2%	12.34%	12.39%	(0.00%)	0.01%	0.01%
Domestic Fixed Income	29%	29%	0.78%	(0.12%)	0.27%	0.00%	0.27%
Real Estate	4%	3%	5.30%	2.57%	0.10%	0.01%	0.10%
International Equity	4%	4%	5.70%	5.13%	0.02%	0.01%	0.03%
Inflation Protected	12%	12%	1.30%	(0.94%)	0.27%	0.01%	0.27%
Short Term Fixed Income	40%	41%	0.30%	0.12%	0.07%	0.01%	0.08%
Cash & Equivalents	3%	3%	0.07%	0.02%	0.00%	(0.00%)	(0.00%)
Total			1.89%	1.08%	+ 0.75%	+ 0.06%	0.81%

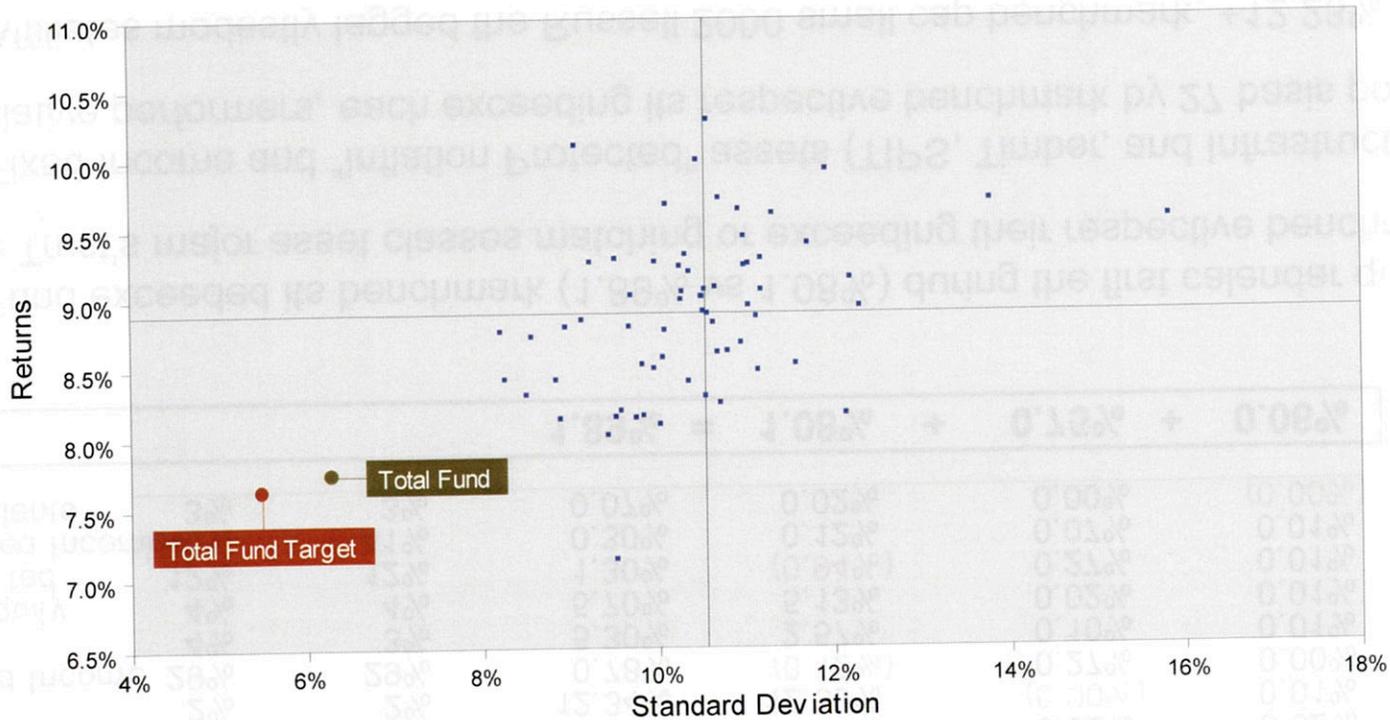
- The Total Fund exceeded its benchmark (1.89% vs 1.08%) during the first calendar quarter, with all eight of the Trust's major asset classes matching or exceeding their respective benchmark's return.
- Domestic Fixed Income and "Inflation Protected" assets (TIPS, Timber, and Infrastructure) were the two best relative performers, each exceeding its respective benchmark by 27 basis points.
- Research Affiliates modestly lagged the Russell 2000 small cap benchmark, +12.23% vs 12.39%.
- The small measurement for "Asset Allocation" effect demonstrates effective rebalancing practices.

Source: Pages 10 and 17, Callan's March 31, 2013 Quarterly Review of NDSIB's Insurance Trust

The Insurance Trust's record over last 22-1/2 years

Cumulative returns through March 31, 2013 are ahead of benchmark

Twenty-Two and One-Half Year Annualized Risk vs Return



Squares represent membership of the CAI Public Fund Sponsor Database

- The Insurance Trust includes multiple funds, many with conservative asset allocation policies that result in lower returning, lower risk investment outcomes.
- The Budget Stabilization and Legacy Funds amount to over 42% of the Insurance Trust's market value as of March 31, 2013. Both funds are invested in cash and short duration fixed income.

Source: Pages 12 and 16, Callan's March 31, 2013 Quarterly Review of NDSIB's Insurance Trust

General Observations

- Both the Pension and Insurance Trust have broadly benefitted from the efforts of their active managers during the first calendar quarter of 2013.
- It may be worthwhile to call in the two Trust's timber managers to provide a strategic overview of these portfolios' recent performance and strategic expectations for the future.
- SIB may benefit from reducing the number of managers within the overall investment structures, particularly in the Pension Trust. A prudent consolidation that focuses on retaining the better managers should improve overall investment results and lower fees.
 - Excluding the 39 partnerships within the 5% allocated to private equity, the Pension Trust has 46 mandates which are currently funded. 16 of these mandates are less than 1% of Total Fund assets.
 - The Insurance Trust has 28 funded mandates, only four (4) of which are for less than 1% of TF assets.

March 31, 2013



North Dakota State Investment Board Pension Funds

Investment Measurement Service
Quarterly Review

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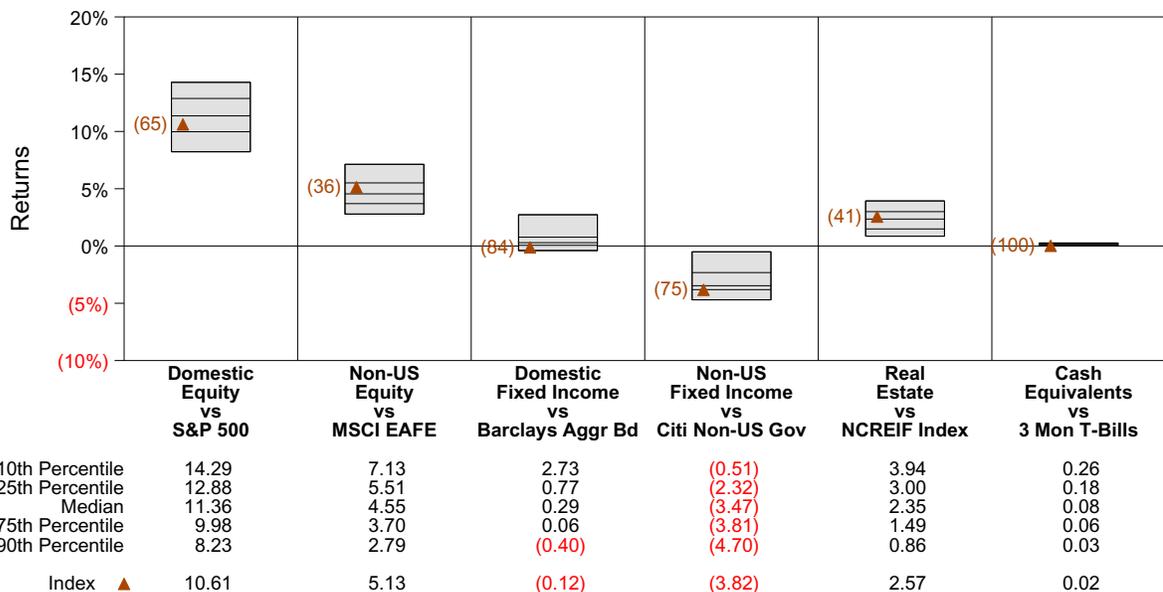
Market Overview

Active Management vs Index Returns

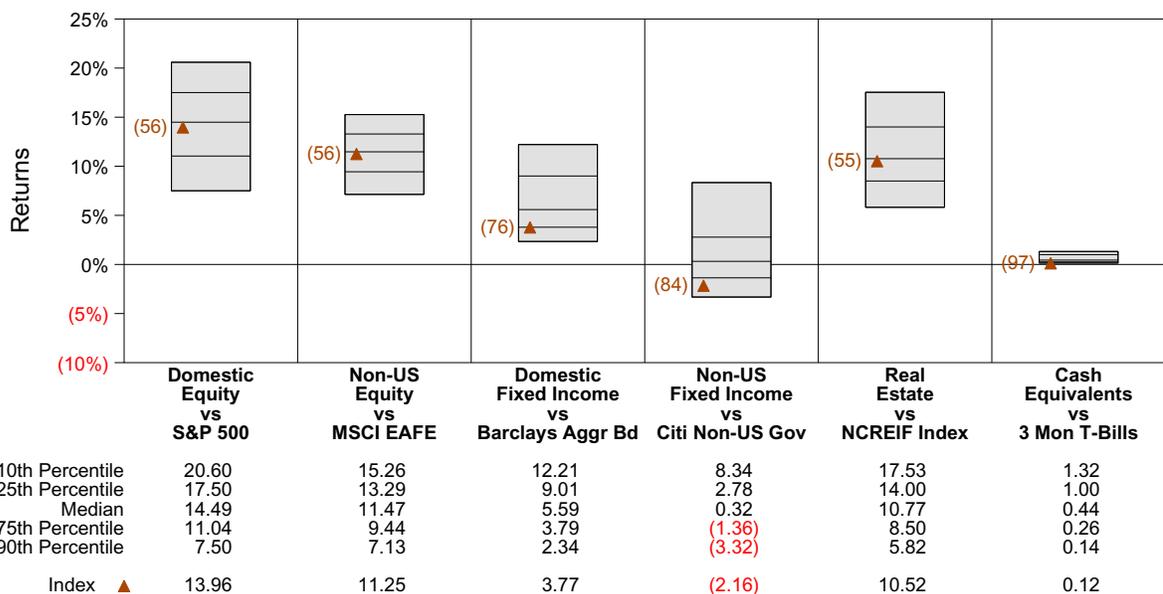
Market Overview

The charts below illustrate the range of returns across managers in Callan's Separate Account database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity managers over the last quarter. The triangle represents the S&P 500 return. The number next to the triangle represents the ranking of the S&P 500 in the domestic equity manager database.

Range of Separate Account Manager Returns by Asset Class One Quarter Ended March 31, 2013



Range of Separate Account Manager Returns by Asset Class One Year Ended March 31, 2013



Domestic Equity Active Management Overview

Active vs. the Index

Active managers were strong out of the gate in 2013, finishing the 1st quarter with double digit returns for virtually all domestic equity style groups. On the small cap front, active managers beat their respective indices across the style group spectrum. Small cap value managers outperformed by the widest margin. On the large cap side, results were mixed with active managers falling short of their respective index for large cap growth but large core and large value managers outpaced their respective indices by a modest margin.

Large Cap vs. Small Cap

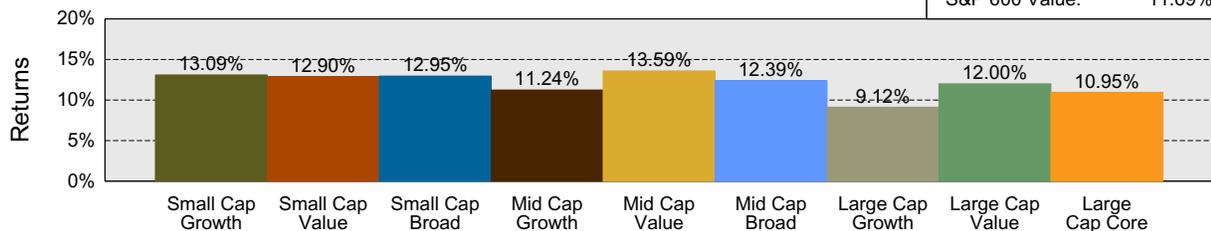
Small cap outpaced larger cap for the 1st quarter with the exception of small value which trailed large value by just a few basis points. The S&P 600 Index returned 11.81%, outpacing the S&P 500 by over 100bps. Mid cap was again the winner with a strong 13.45% return for the S&P Mid Cap Index for the quarter. For the one year period ending March 31, 2013, S&P Mid Cap finished on top with a return of 17.83%, followed by the small cap index S&P 600 (+16.14%) and finally the S&P 500 came in at 13.96%.

With a few exceptions, active managers were able to outpace their respective indices for the 1st quarter, although results were reversed for the one year period ending March 31, 2013, where active managers largely trailed their indices. For the recent quarter, the active manager style group standouts were small cap broad and small cap growth with the median return for the small cap broad style (+12.95%) well ahead of the S&P 600 (+11.81%) and the small cap growth style (median +13.09%) outpacing its index (+11.92%) as well. Across the large cap style spectrum, the median large cap growth manager (+9.12%) trailed the S&P 500 Growth by a few basis points, yet large core and large value managers outperformed their respective indices by a few basis points. Mid cap proved to be a tough space for active managers with the median mid cap broad manager returning 12.39% vs. 13.45% for the S&P Mid Cap Index. For the one year period ending March 31, 2013, active equity managers fell short of their indices across the market cap and style spectrums with few exceptions; the widest gap was between mid cap broad managers (median +14.41%) and the S&P Mid Cap Index (+17.83%).

Growth vs. Value

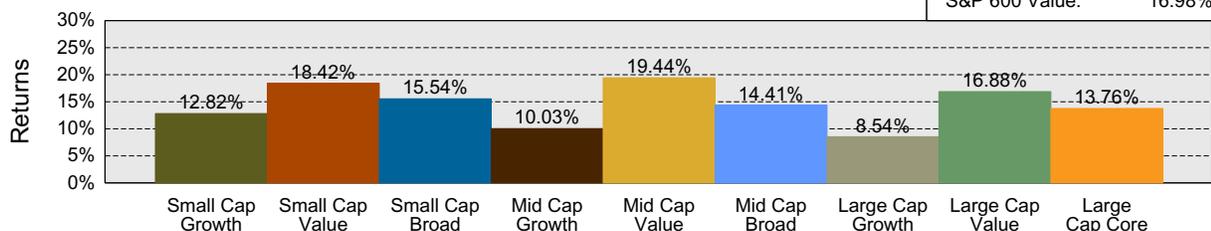
With respect to style, value outpaced growth within large cap while small cap growth slightly led small cap value for the 1st quarter. The strongest index performer between large cap and small cap was large cap value (S&P 500 Value +11.97%) and S&P 500 Growth was the laggard with a return of 9.33%. The differential between growth and value indices within small cap was a mere 23 basis points; active managers posted similar results as the indices in terms of dispersion between growth and value. For the one year period, value outperformed growth by a wide margin across the board. The clear winner among the large and small indices was the S&P 600 Value Index with a return of 16.98%. While the dispersion between growth and value was fairly wide across large cap and small cap indices, the gap was more pronounced among active managers. Within small cap, value managers outperformed growth managers by 560 basis points and, within large cap, value managers outperformed their growth counterparts by a staggering 834 basis points.

Separate Account Style Group Median Returns for Quarter Ended March 31, 2013



S&P 500:	10.61%
S&P 500 Growth:	9.33%
S&P 500 Value:	11.97%
S&P Mid Cap:	13.45%
S&P 600:	11.81%
S&P 600 Growth:	11.92%
S&P 600 Value:	11.69%

Separate Account Style Group Median Returns for One Year Ended March 31, 2013



S&P 500:	13.96%
S&P 500 Growth:	11.61%
S&P 500 Value:	16.64%
S&P Mid Cap:	17.83%
S&P 600:	16.14%
S&P 600 Growth:	15.34%
S&P 600 Value:	16.98%

Domestic Fixed Income Active Management Overview

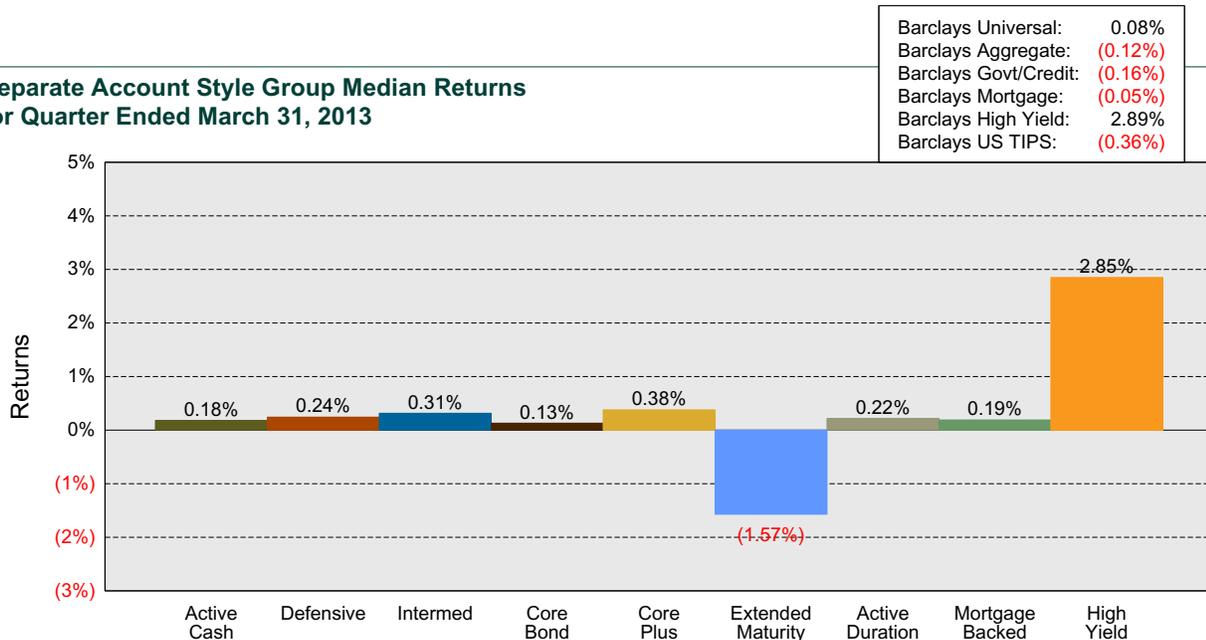
Active vs. Passive

Yields on US Treasuries rose for the second consecutive quarter, reaching an 11-month high in early March on the back of a stronger-than-expected labor market report. The 10-year US Treasury began the quarter at 1.78% and hit an intra-quarter high of 2.08% before dropping 21 bps as the bailout in Cyprus and political turmoil in Italy provided a bid for safe haven assets. Investment grade corporates (Barclays Corporate Index: -0.1%) and mortgages (Barclays Mortgage Index: -0.1%) performed in line with US Treasuries and, thus, the broad Barclays Aggregate Index was also down 0.1% for the quarter. The notable exception to these uninspiring results was high yield, which posted robust results in spite of mixed flows during the quarter. The Barclays High Yield Index returned 2.9% with the lower quality tiers of the market generally performing best. Leveraged loans also performed well with indices up more than 2% amid very strong flows into that space. For the quarter ended March 31, 2013, the median core bond manager returned 0.13%, outperforming the Barclays Aggregate Index by 25 bps.

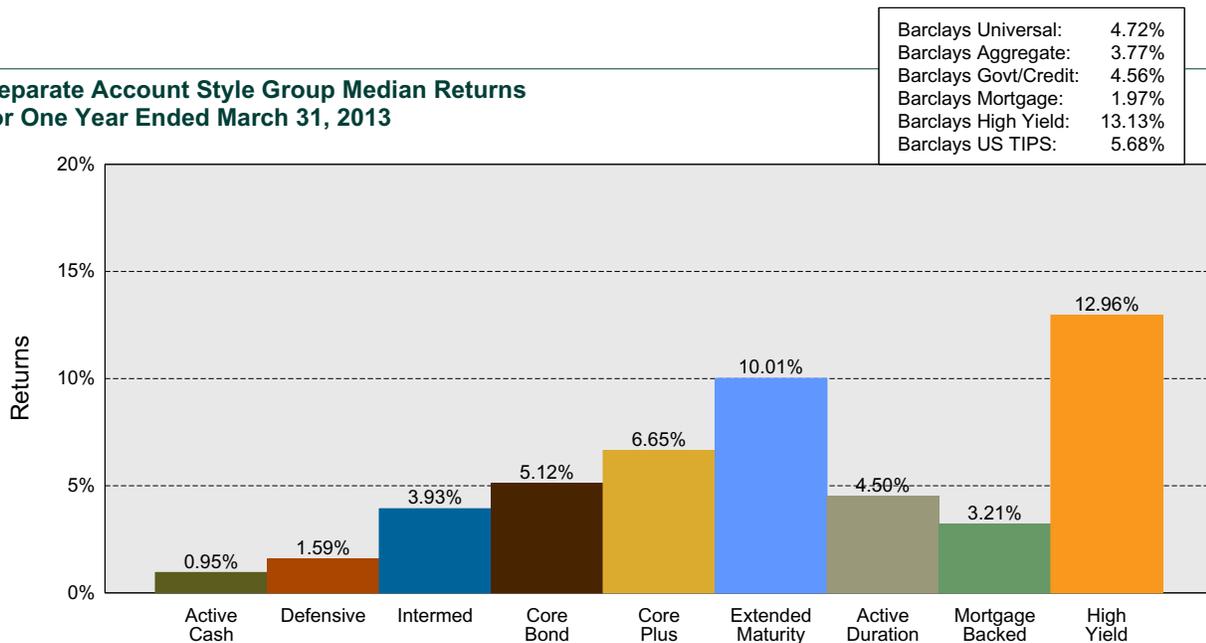
Intermediate vs. Long Duration

Longer duration managers underperformed intermediate duration managers in the 1st quarter as the yield curve steepened. Long term interest rates rose 15 bps during the quarter while intermediate yields rose more modestly. For the quarter, the median Extended Maturity manager returned -1.57% versus the median Intermediate manager's return of 0.31%.

Separate Account Style Group Median Returns for Quarter Ended March 31, 2013



Separate Account Style Group Median Returns for One Year Ended March 31, 2013



International Equity Active Management Overview

Active vs. the Index

Foreign equities trailed their US counterparts for the 1st quarter of 2013, with moderate results across the board save strong performance from Japan. MSCI Pacific (+9.74%) was the strongest performer while MSCI Emerging Markets (-1.57%) tumbled. Active non-US managers posted low-mid single digit returns across the various regions (Europe, Core International and Pacific Basin) although Japan (median +12.28%) rallied meaningfully while emerging markets managers (median +0.19%) couldn't keep pace. For the year ending March 31, 2013, MSCI Pacific (+12.85%) posted the strongest results among the non-US indices and the European region (median +12.91%) had the strongest showing among active managers.

Europe

For the recent quarter, Europe outperformed emerging markets but trailed performance out of Pacific Basin and notably Japan. MSCI Europe returned 2.71% for the 1st quarter and active Europe-only managers bested that with a median return of 3.39%. For the one year period ending March, 31, 2013, Europe was the top performer (median +12.91%) among active international managers while the MSCI Europe Index (+10.56%) trailed results from MSCI EAFE and MSCI Pacific.

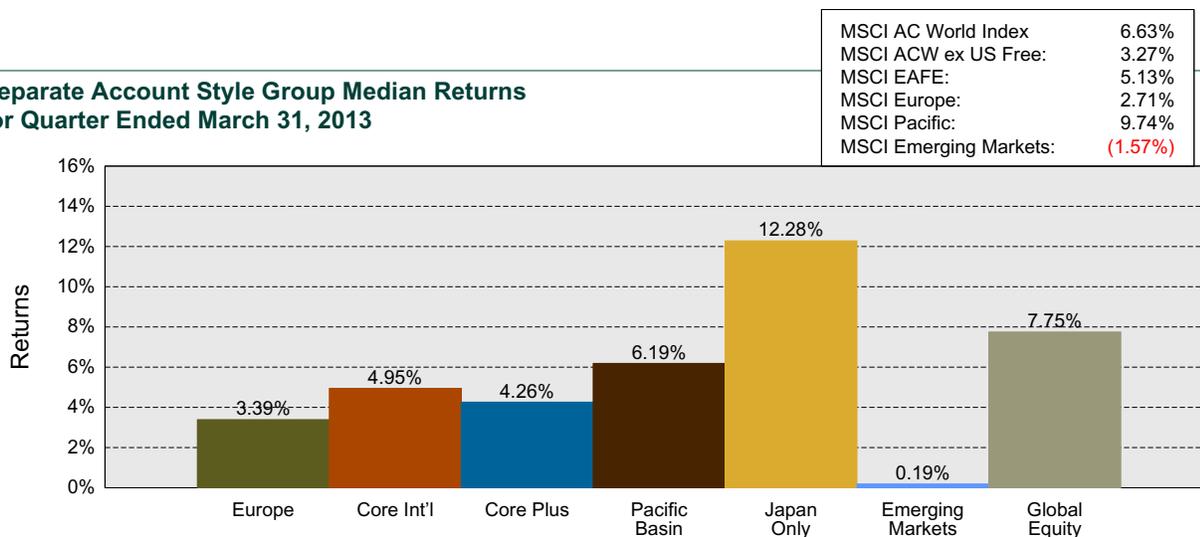
Pacific

The MSCI Pacific Index posted a 9.74% return for the 1st quarter. The median of the active Pacific Basin style group fell far short of the index with a return of 6.19%. Japan was the standout with an impressive 12.28% return for the 1st quarter for active managers.

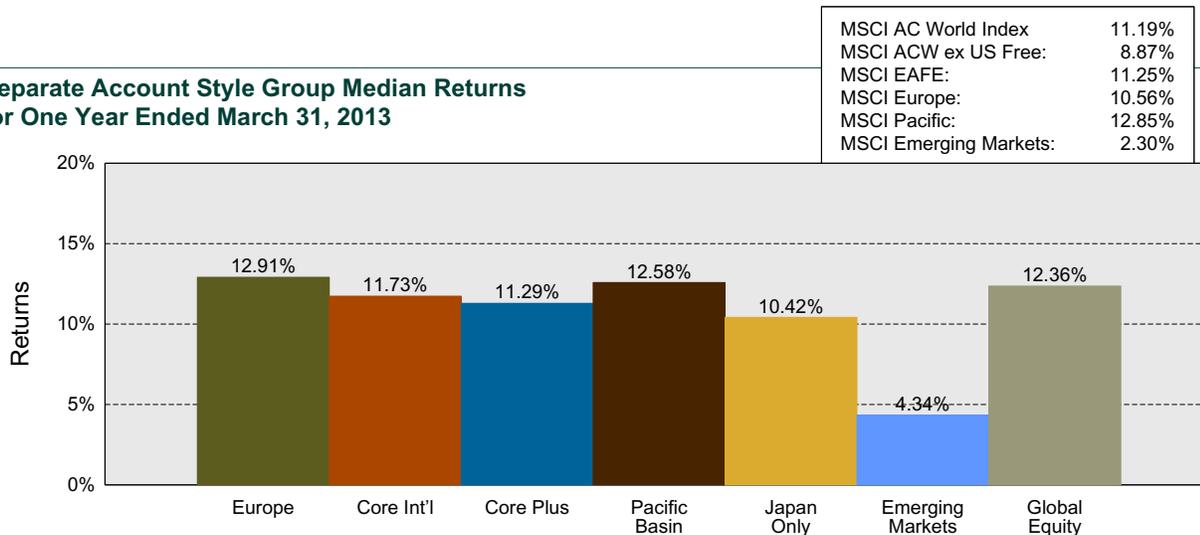
Emerging Markets

The MSCI EM Index fell 1.57% for the 1st quarter with active managers comfortably beating the index by 176 basis points (median +0.19%). For the one year period ending March 31, 2013, returns were somewhat improved for emerging markets but still far short of developed market results; MSCI EM Index returned 2.30% and the median EM active manager returned 4.34%.

**Separate Account Style Group Median Returns
for Quarter Ended March 31, 2013**



**Separate Account Style Group Median Returns
for One Year Ended March 31, 2013**



International Fixed Income Active Management Overview

Yields rose modestly in most developed markets with the notable exception being Japan, where rates dropped nearly 30 bps to near-decade lows on expectations for increased monetary stimulus. Japan's local return was 2.6% for the quarter and, given its large weight in the benchmarks, global US dollar-hedged indices posted modest positive returns Barclays Global Aggregate Hdgd: 0.6%; Citi World Govt Bond Hdgd: 0.8%). The much bigger story for the quarter was in currency movements. The US dollar appreciated versus most currencies leading to negative returns for unhedged indices. The yen sank sharply versus the US dollar as Prime Minister Shinzo Abe signaled more monetary easing and a higher inflation target as a recipe to bolster Japan's economy. Unhedged indices were down over 2% (Barclays Global Agg: -2.1%; Citi WGBI: -2.8%).

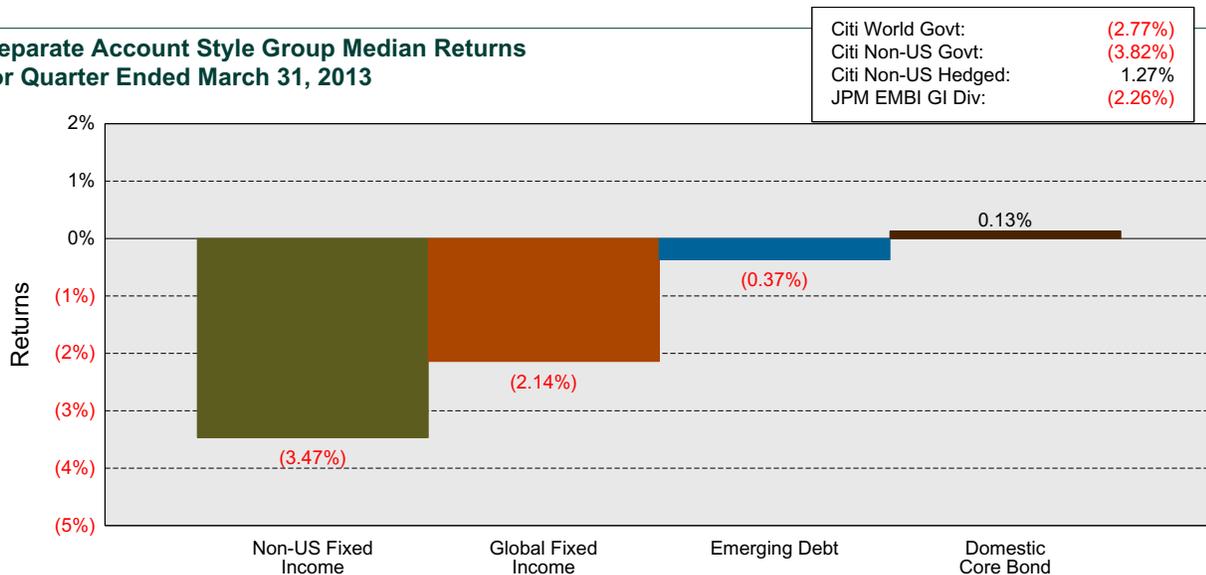
Active vs. the Index

For the quarter ended March 31, 2013, the median Non-U.S. Fixed Income manager posted a return of -3.5% and the median Global Fixed Income manager returned -2.1%, both faring slightly better than unhedged benchmarks but significantly underperforming hedged indices.

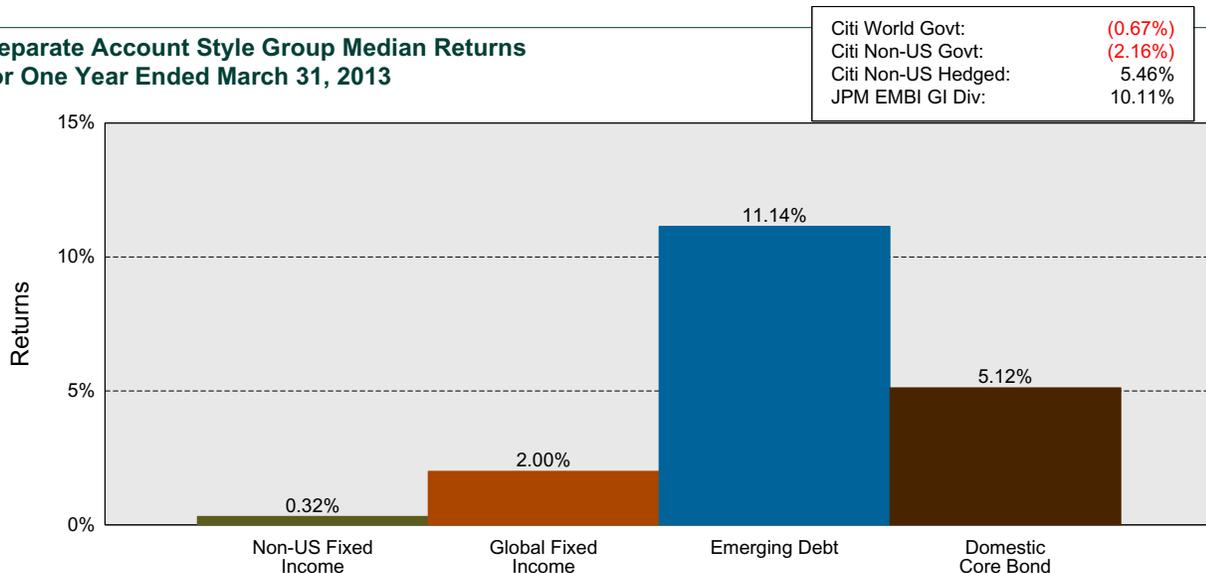
Emerging Markets

Hard currency emerging market debt indices suffered negative returns for the quarter as the sector experienced outflows; the JPM EMBI Global Diversified Index dropped 2.3%. Local market returns were better though still negative; the JPM GBI-EM Global Diversified Index returned -0.1%. The median EM Debt manager returned -0.4% for the quarter.

Separate Account Style Group Median Returns for Quarter Ended March 31, 2013



Separate Account Style Group Median Returns for One Year Ended March 31, 2013



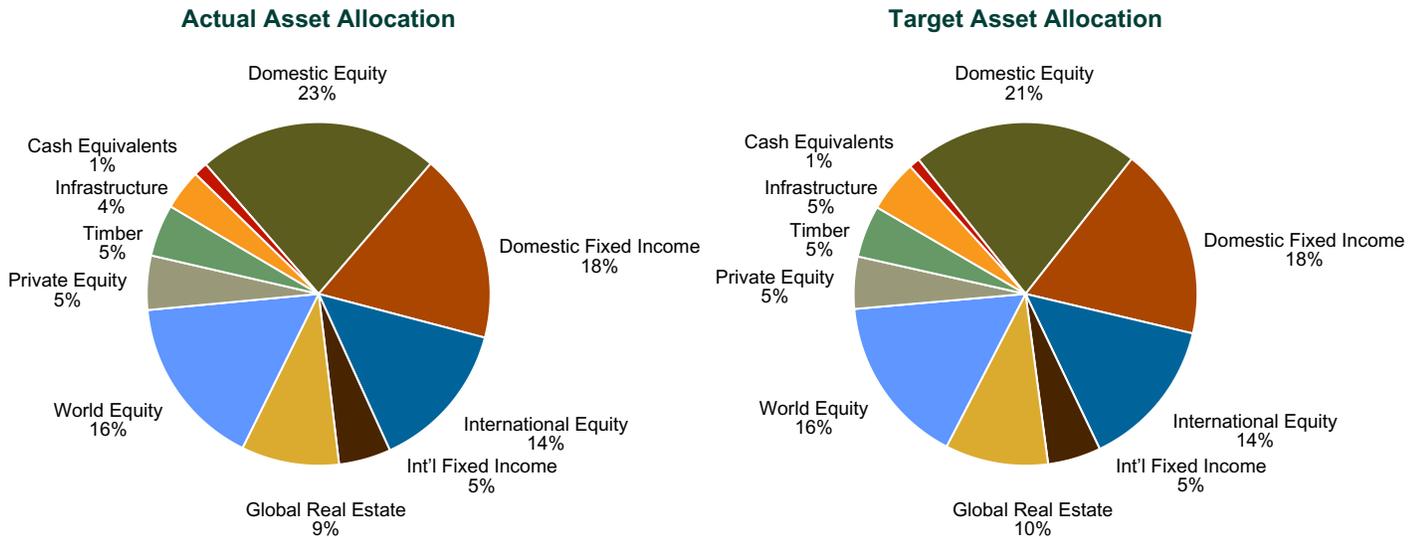
ASSET ALLOCATION AND PERFORMANCE

Asset Allocation and Performance

This section begins with an overview of the fund's asset allocation at the broad asset class level. This is followed by a top down performance attribution analysis which analyzes the fund's performance relative to the performance of the fund's policy target asset allocation. The fund's historical performance is then examined relative to funds with similar objectives. Performance of each asset class is then shown relative to the asset class performance of other funds. Finally, a summary is presented of the holdings of the fund's investment managers, and the returns of those managers over various recent periods.

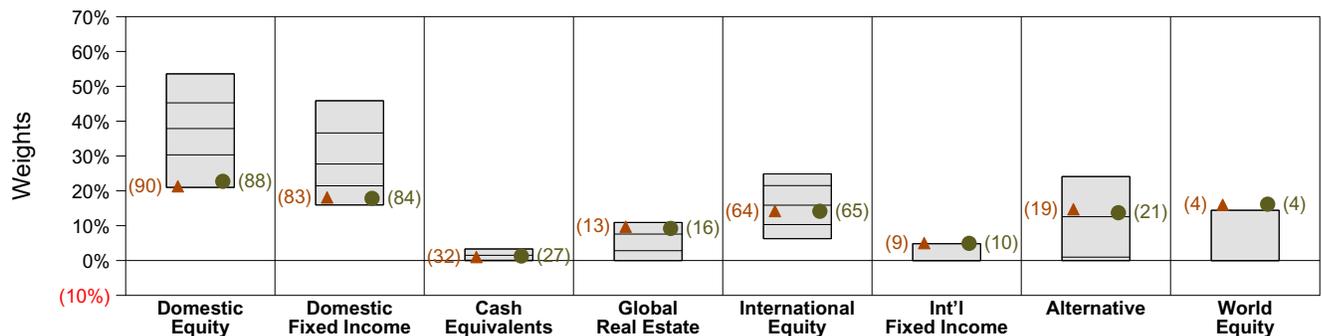
Actual vs Target Asset Allocation As of March 31, 2013

The top left chart shows the Fund's asset allocation as of March 31, 2013. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the CAI Public Fund Sponsor Database.



Asset Class	\$000s Actual	Percent Actual	Percent Target	Percent Difference	\$000s Difference
Domestic Equity	919,753	22.7%	21.3%	1.4%	57,564
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Global Real Estate	372,381	9.2%	9.7%	(0.5%)	(20,259)
World Equity	654,410	16.2%	16.0%	0.2%	6,757
Private Equity	205,756	5.1%	4.9%	0.2%	7,413
Timber	197,213	4.9%	4.9%	0.0%	(1,131)
Infrastructure	152,601	3.8%	4.9%	(1.1%)	(45,743)
Cash Equivalents	52,434	1.3%	1.0%	0.3%	11,956
Total	4,047,833	100.0%	100.0%		

Asset Class Weights vs CAI Public Fund Sponsor Database



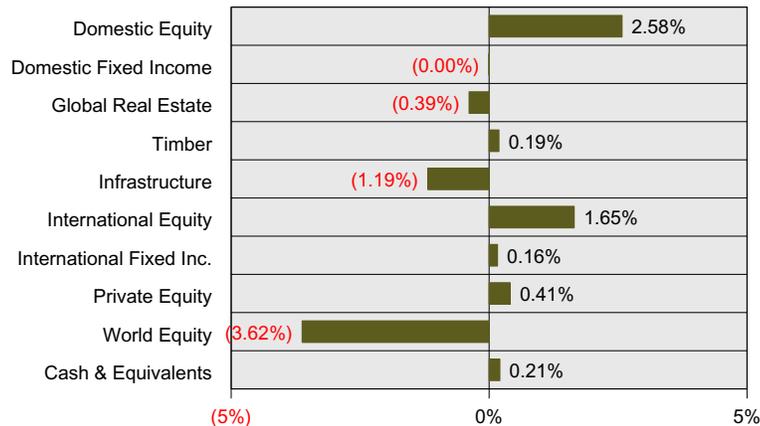
	Domestic Equity	Domestic Fixed Income	Cash Equivalents	Global Real Estate	International Equity	Int'l Fixed Income	Alternative	World Equity
10th Percentile	53.58	45.86	3.32	10.92	24.85	4.82	24.10	14.42
25th Percentile	45.26	36.61	1.50	7.60	21.51	0.00	12.57	0.00
Median	37.88	27.70	0.10	2.82	15.88	0.00	0.97	0.00
75th Percentile	30.33	21.45	0.00	0.00	10.32	0.00	0.00	0.00
90th Percentile	20.99	15.94	0.00	0.00	6.27	0.00	0.00	0.00
Fund	22.72	17.83	1.30	9.20	14.13	4.93	13.73	16.17
Target	21.30	18.10	1.00	9.70	14.20	5.00	14.70	16.00
% Group Invested	96.53%	98.27%	57.23%	52.60%	79.77%	17.92%	46.82%	23.70%

* Current Quarter Target = 16.4% Russell 1000 Index, 16.0% MSCI World Index, 13.1% Barclays Aggregate Index, 11.1% MSCI EAFE Index, 9.7% NCREIF Total Index, 5.0% Barclays HY Corp 2% Issue, 5.0% Barclays Global Agg ex US, 4.9% CPI-W, 4.9% Russell 2000 Index, 4.9% NDSIB PEN - Private Equity, 4.9% NCREIF Timberland Index, 3.1% Emerging Mkts - Net and 1.0% 3-month Treasury Bill.

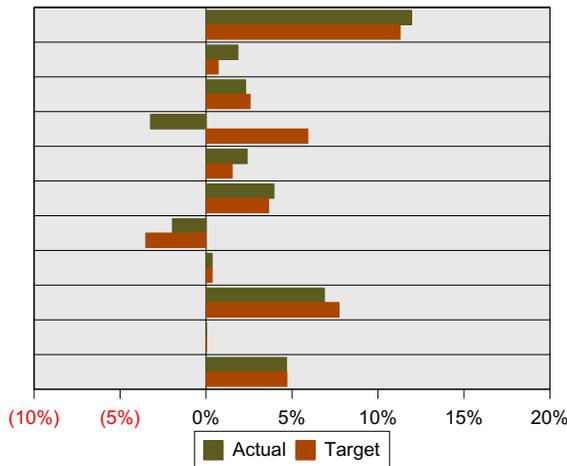
Quarterly Total Fund Relative Attribution - March 31, 2013

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

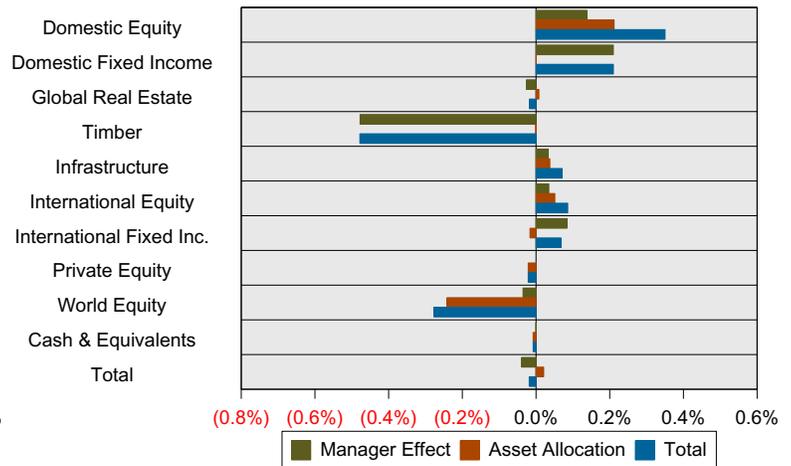
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended March 31, 2013

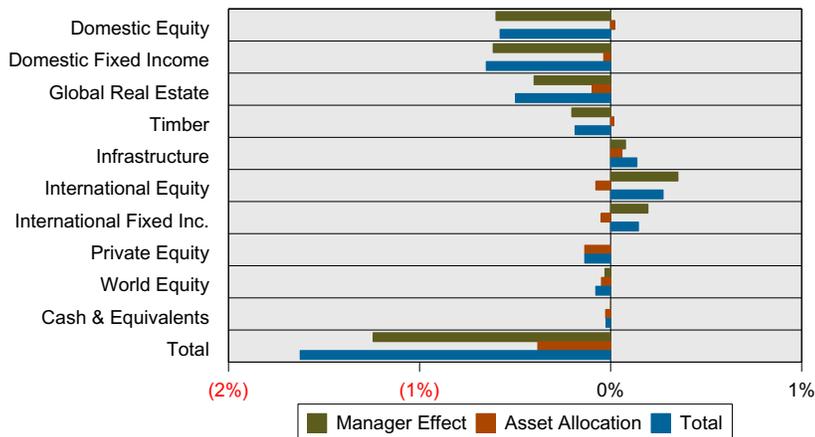
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	24%	21%	11.95%	11.29%	0.14%	0.21%	0.35%
Domestic Fixed Income	18%	18%	1.85%	0.71%	0.21%	0.00%	0.21%
Global Real Estate	9%	10%	2.30%	2.57%	(0.03%)	0.01%	(0.02%)
Timber	5%	5%	(3.23%)	5.92%	(0.48%)	(0.00%)	(0.48%)
Infrastructure	4%	5%	2.39%	1.52%	0.03%	0.04%	0.07%
International Equity	16%	14%	3.95%	3.64%	0.03%	0.05%	0.09%
International Fixed Inc.	5%	5%	(1.96%)	(3.51%)	(0.08%)	(0.02%)	(0.07%)
Private Equity	5%	5%	0.36%	0.36%	0.00%	(0.02%)	(0.02%)
World Equity	12%	16%	6.89%	7.73%	(0.04%)	(0.24%)	(0.28%)
Cash & Equivalents	1%	1%	0.02%	0.02%	0.00%	(0.01%)	(0.01%)
Total			4.68%	4.70%	(0.04%)	0.02%	(0.02%)

* Current Quarter Target = 16.4% Russell 1000 Index, 16.0% MSCI World Index, 13.1% Barclays Aggregate Index, 11.1% MSCI EAFE Index, 9.7% NCREIF Total Index, 5.0% Barclays HY Corp 2% Issue, 5.0% Barclays Global Agg ex US, 4.9% CPI-W, 4.9% Russell 2000 Index, 4.9% NDSIB PEN - Private Equity, 4.9% NCREIF Timberland Index, 3.1% Emerging Mkts - Net and 1.0% 3-month Treasury Bill.

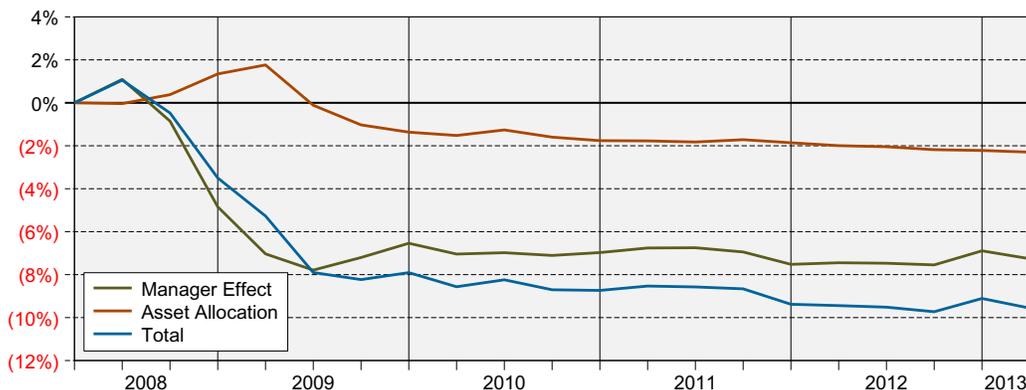
Cumulative Total Fund Relative Attribution - March 31, 2013

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Five Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects



Five Year Annualized Relative Attribution Effects

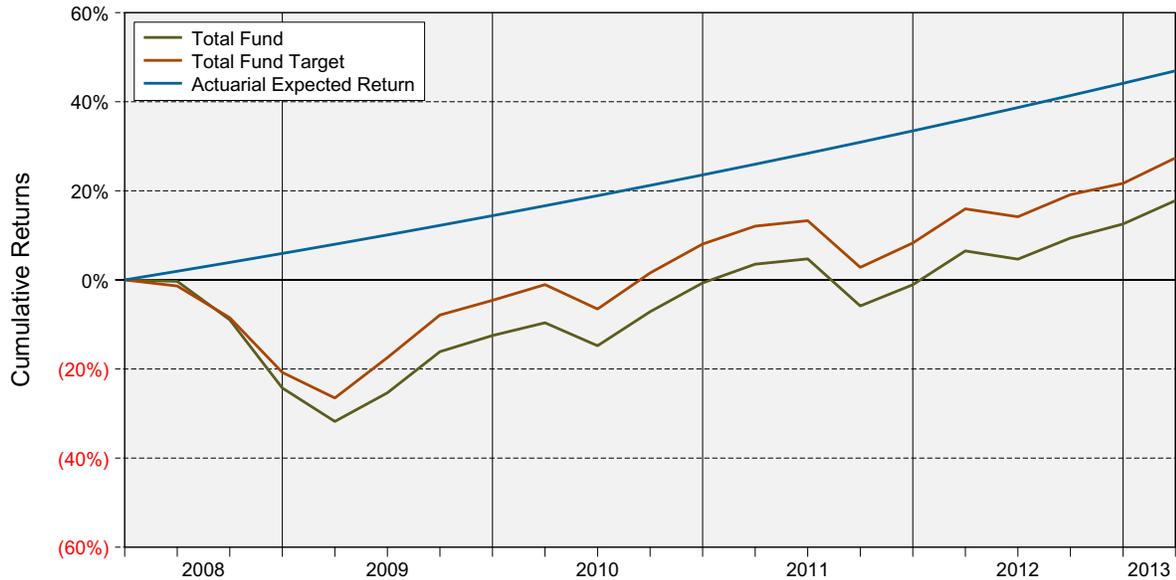
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	34%	35%	4.50%	6.58%	(0.60%)	0.02%	(0.58%)
Domestic Fixed Income	25%	23%	5.88%	7.34%	(0.61%)	(0.04%)	(0.65%)
Global Real Estate	9%	8%	(1.97%)	2.32%	(0.40%)	(0.10%)	(0.50%)
Timber	2%	1%	-	-	(0.20%)	0.02%	(0.19%)
Infrastructure	1%	1%	-	-	0.08%	0.06%	0.14%
International Equity	17%	18%	2.26%	0.46%	0.35%	(0.08%)	0.27%
International Fixed Inc.	6%	5%	6.25%	2.65%	0.20%	(0.05%)	0.15%
Private Equity	5%	5%	(1.00%)	(1.00%)	0.00%	(0.14%)	(0.14%)
World Equity	2%	2%	-	-	(0.03%)	(0.05%)	(0.08%)
Cash & Equivalents	1%	1%	0.55%	0.34%	0.00%	(0.03%)	(0.02%)
Total			3.33%	4.96%	(1.24%)	(0.38%)	(1.62%)

* Current Quarter Target = 16.4% Russell 1000 Index, 16.0% MSCI World Index, 13.1% Barclays Aggregate Index, 11.1% MSCI EAFE Index, 9.7% NCREIF Total Index, 5.0% Barclays HY Corp 2% Issue, 5.0% Barclays Global Agg ex US, 4.9% CPI-W, 4.9% Russell 2000 Index, 4.9% NDSIB PEN - Private Equity, 4.9% NCREIF Timberland Index, 3.1% Emerging Mkts - Net and 1.0% 3-month Treasury Bill.

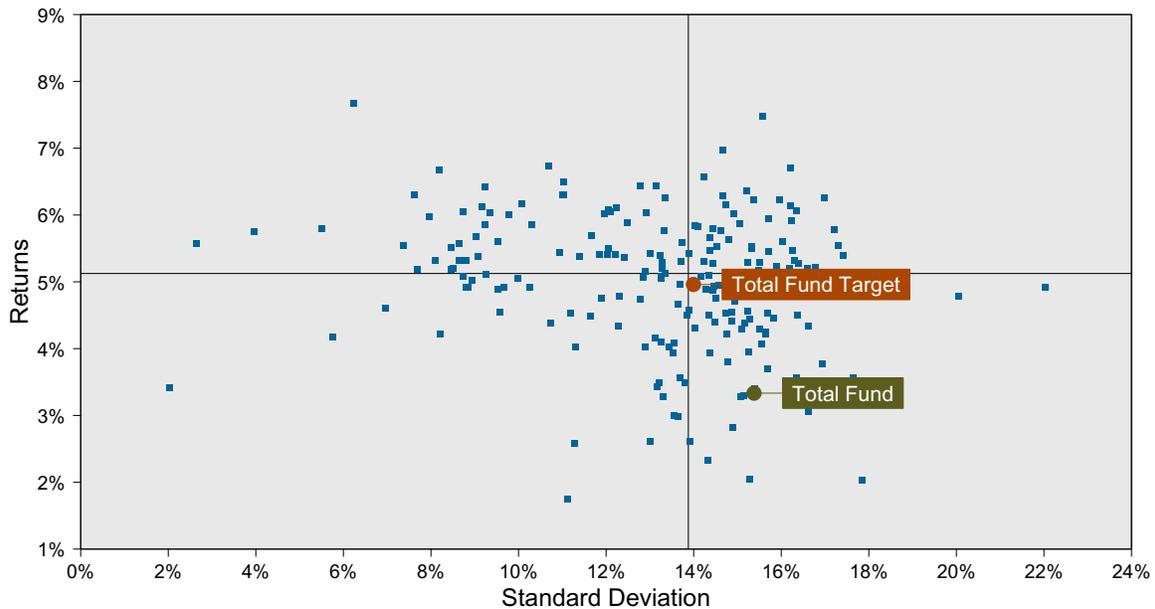
Cumulative Performance Relative to Target

The first chart below illustrates the cumulative performance of the Total Fund relative to the cumulative performance of the Fund's Target Asset Mix. The Target Mix is assumed to be rebalanced each quarter with no transaction costs. The difference between the Total Fund return and the Target Mix return is explained by the performance attribution on the next page. The second chart below shows the return and the risk of the Total Fund and the Target Mix, contrasted with the returns and risks of the funds in the CAI Public Fund Sponsor Database.

Cumulative Returns Actual vs Target



Five Year Annualized Risk vs Return



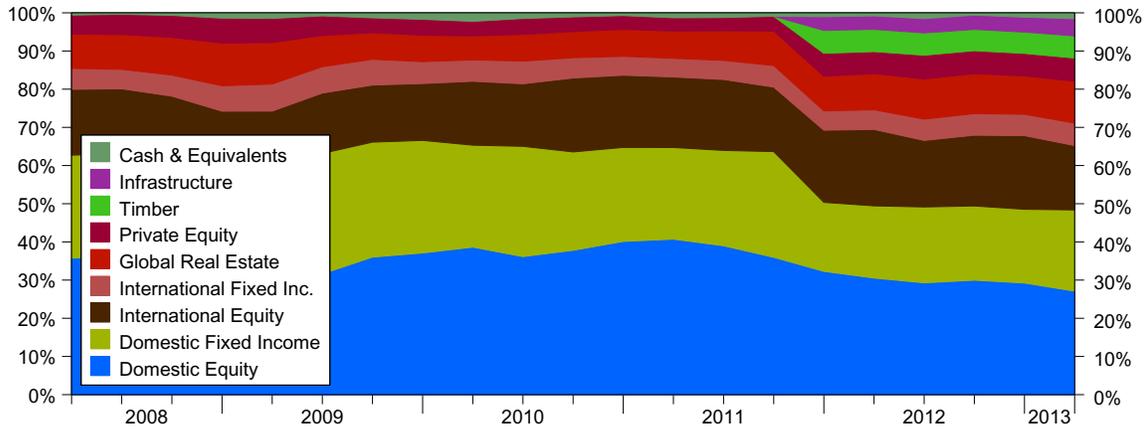
Squares represent membership of the CAI Public Fund Sponsor Database

* Current Quarter Target = 16.4% Russell 1000 Index, 16.0% MSCI World Index, 13.1% Barclays Aggregate Index, 11.1% MSCI EAFE Index, 9.7% NCREIF Total Index, 5.0% Barclays HY Corp 2% Issue, 5.0% Barclays Global Agg ex US, 4.9% CPI-W, 4.9% Russell 2000 Index, 4.9% NDSIB PEN - Private Equity, 4.9% NCREIF Timberland Index, 3.1% Emerging Mkts - Net and 1.0% 3-month Treasury Bill.

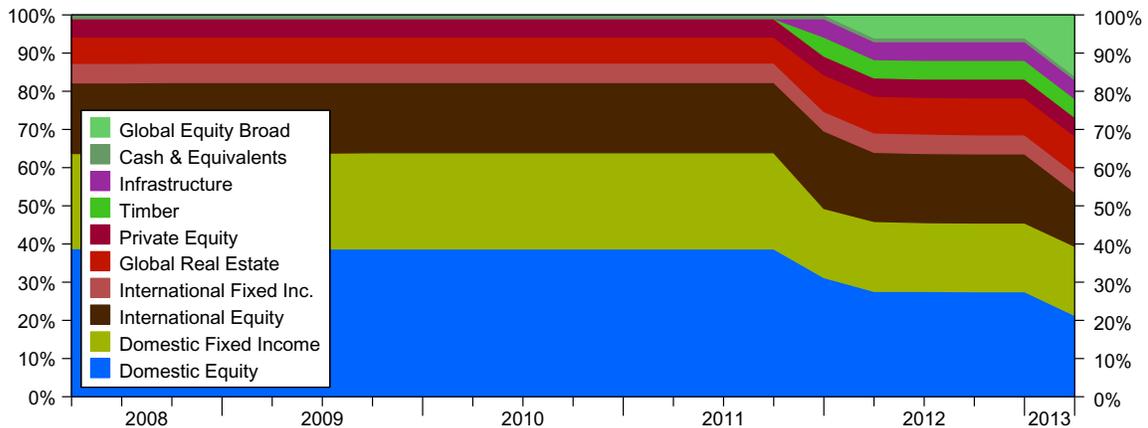
Actual vs Target Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, the fund's historical target asset allocation, and the historical asset allocation of the average fund in the CAI Public Fund Sponsor Database.

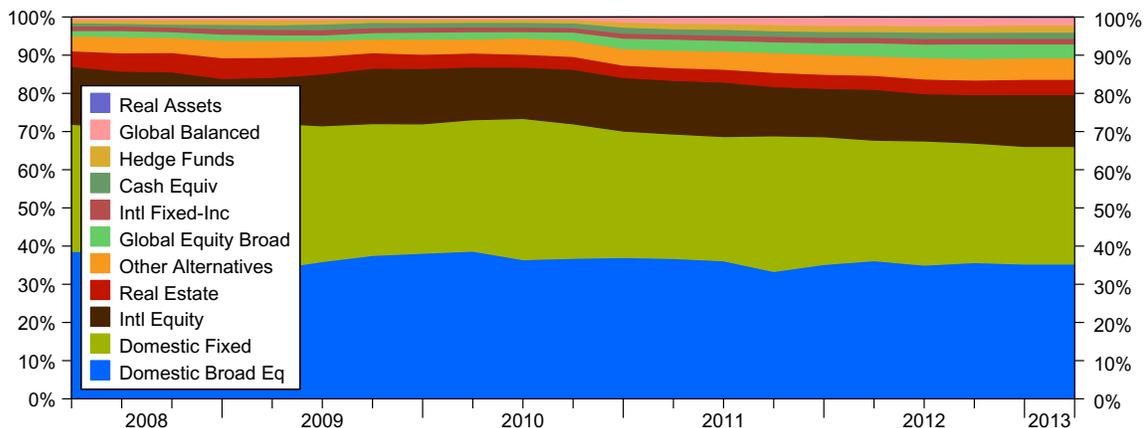
Actual Historical Asset Allocation



Target Historical Asset Allocation



Average CAI Public Fund Sponsor Database Historical Asset Allocation

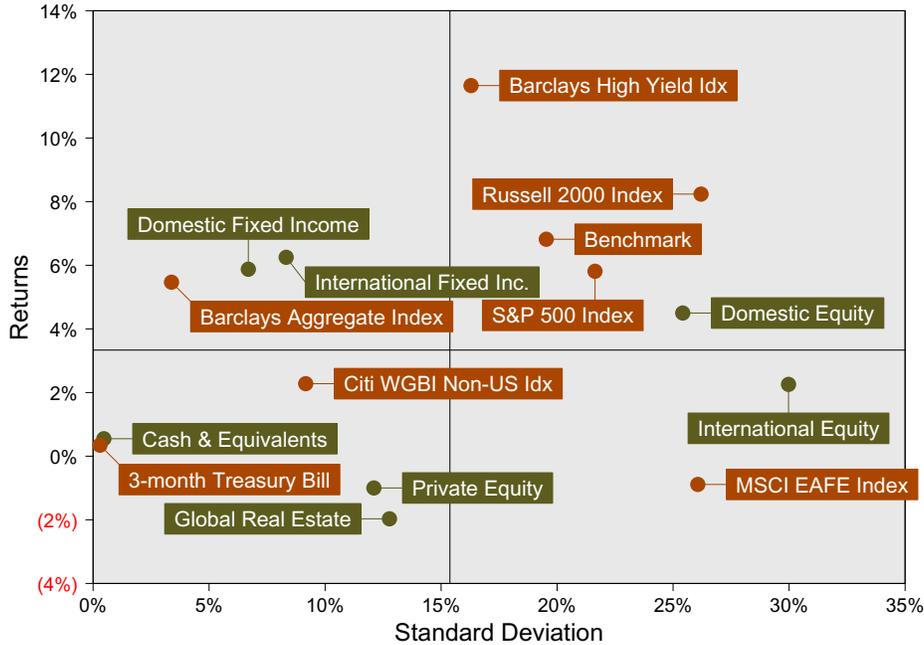


* Current Quarter Target = 16.4% Russell 1000 Index, 16.0% MSCI World Index, 13.1% Barclays Aggregate Index, 11.1% MSCI EAFE Index, 9.7% NCREIF Total Index, 5.0% Barclays HY Corp 2% Issue, 5.0% Barclays Global Agg ex US, 4.9% CPI-W, 4.9% Russell 2000 Index, 4.9% NDSIB PEN - Private Equity, 4.9% NCREIF Timberland Index, 3.1% Emerging Mkts - Net and 1.0% 3-month Treasury Bill.

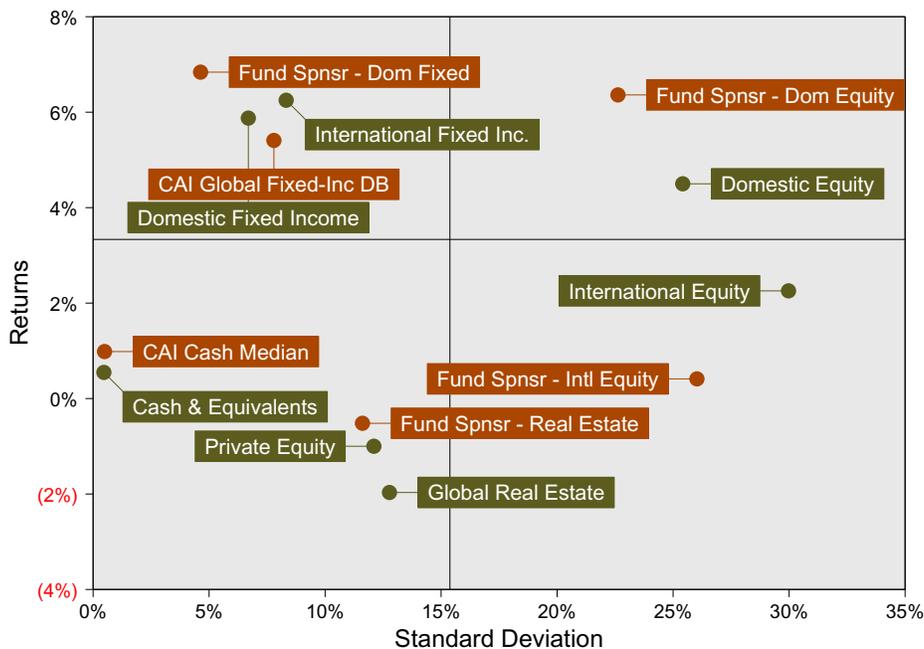
Asset Class Risk and Return

The charts below show the five year annualized risk and return for each asset class component of the Total Fund. The first graph contrasts these values with those of the appropriate index for each asset class. The second chart contrasts them with the risk and return of the median portfolio in each of the appropriate CAI comparative databases. In each case, the crosshairs on the chart represent the return and risk of the Total Fund.

Five Year Annualized Risk vs Return Asset Classes vs Benchmark Indices



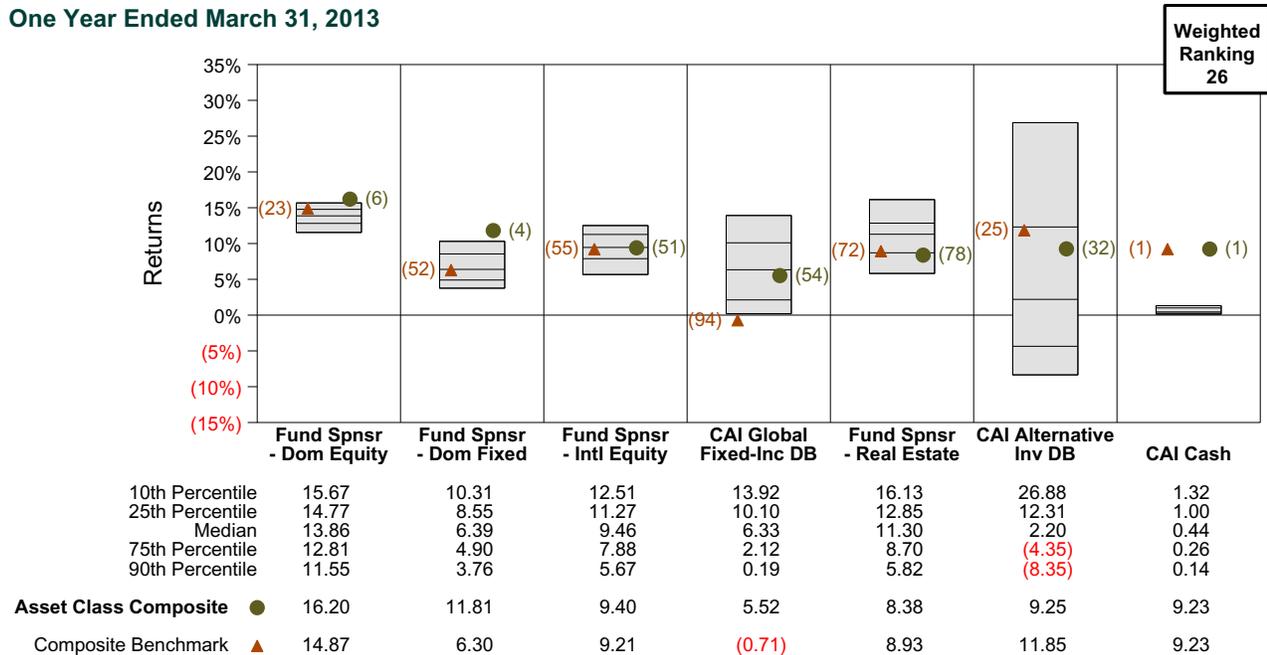
Five Year Annualized Risk vs Return Asset Classes vs Asset Class Median



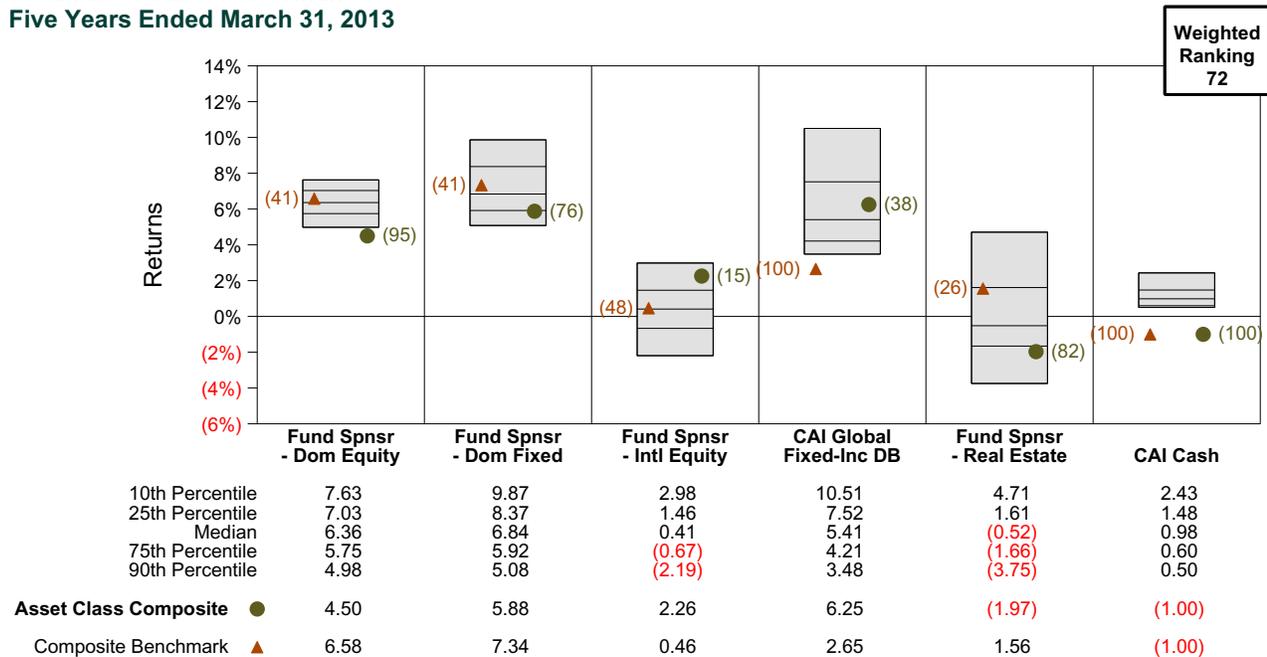
Asset Class Rankings

The charts below show the rankings of each asset class component of the Total Fund relative to appropriate comparative databases. In the upper right corner of each graph is the weighted average of the rankings across the different asset classes. The weights of the fund's actual asset allocation are used to make this calculation. The weighted average ranking can be viewed as a measure of the fund's overall success in picking managers and structuring asset classes.

Total Asset Class Performance One Year Ended March 31, 2013



Total Asset Class Performance Five Years Ended March 31, 2013



* Current Quarter Target = 16.4% Russell 1000 Index, 16.0% MSCI World Index, 13.1% Barclays Aggregate Index, 11.1% MSCI EAFE Index, 9.7% NCREIF Total Index, 5.0% Barclays HY Corp 2% Issue, 5.0% Barclays Global Agg ex US, 4.9% CPI-W, 4.9% Russell 2000 Index, 4.9% NDSIB PEN - Private Equity, 4.9% NCREIF Timberland Index, 3.1% Emerging Mkts - Net and 1.0% 3-month Treasury Bill.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2013, with the distribution as of December 31, 2012. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	March 31, 2013			Inv. Return	December 31, 2012	
	Market Value	Percent	Net New Inv.		Market Value	Percent
GLOBAL EQUITY	\$2,351,850,635	58.10%	\$(32,189,273)	\$167,122,194	\$2,216,917,714	57.15%
Domestic Equity	\$919,752,897	22.72%	\$(257,827,317)	\$112,202,149	\$1,065,378,066	27.47%
Large Cap Domestic Equity	\$699,389,924	17.28%	\$(196,308,212)	\$81,143,057	\$814,555,079	21.00%
L.A. Capital	264,005,941	6.52%	(129,142)	25,712,073	238,423,010	6.15%
LACM Enhanced Index	180,302,533	4.45%	(52,079)	18,069,385	162,285,227	4.18%
LSV Asset Management (1)	0	0.00%	(269,078,899)	17,148,670	251,930,229	6.50%
NTGI Enhanced S&P 500	90,797,873	2.24%	(48,092)	9,895,318	80,950,647	2.09%
Clifton Enhanced S&P 500	164,283,577	4.06%	73,000,000	10,317,611	80,965,966	2.09%
Small Cap Domestic Equity	\$220,362,973	5.44%	\$(61,519,105)	\$31,059,092	\$250,822,987	6.47%
Callan	113,131,245	2.79%	(28,219,105)	16,120,030	125,230,320	3.23%
Clifton Enhanced Small Cap	106,738,795	2.64%	(33,000,000)	14,954,690	124,784,105	3.22%
SEI Investments	492,933	0.01%	(300,001)	(15,628)	808,562	0.02%
International Equity	\$571,931,290	14.13%	\$(159,234,355)	\$27,726,663	\$703,438,982	18.14%
Developed Int'l Equity	\$451,793,750	11.16%	\$(126,977,248)	\$28,319,352	\$550,451,645	14.19%
Capital Guardian Trust Co.	66,081,185	1.63%	(74,991)	3,493,651	62,662,524	1.62%
Clifton EAFE Index	207,468,245	5.13%	(42,648)	7,746,332	199,764,561	5.15%
DFA Int'l Small Cap	61,771,819	1.53%	(98,171)	4,626,232	57,243,758	1.48%
LSV Asset Management (1)	-	-	(126,548,196)	5,177,457	121,370,739	3.13%
State Street - Country Selection	48,042,902	1.19%	(78,366)	2,237,205	45,884,063	1.18%
Wellington	68,429,599	1.69%	(134,875)	5,038,476	63,525,999	1.64%
Emerging Markets Equity	\$120,137,540	2.97%	\$(32,257,107)	\$(592,689)	\$152,987,337	3.94%
DFA	34,861,094	0.86%	(56,653)	872,971	34,044,776	0.88%
JP Morgan	25,275,671	0.62%	(16,079,547)	(130,166)	41,485,384	1.07%
PanAgora	17,077,531	0.42%	0	46,185	17,031,346	0.44%
UBS Global	23,774,850	0.59%	(16,120,907)	(1,030,332)	40,926,089	1.06%
NTGI Emerging Markets	19,148,394	0.47%	0	(351,348)	19,499,741	0.50%
World Equity	\$654,409,985	16.17%	\$394,865,478	\$26,474,825	\$233,069,683	6.01%
EPOCH Investment Partners	193,923,403	4.79%	(339,769)	14,179,577	180,083,595	4.64%
Calamos Investments	55,035,075	1.36%	(84,157)	2,133,144	52,986,088	1.37%
LSV Asset Management(1)	405,451,507	10.02%	395,289,404	10,162,103	-	-

(1) LSV Asset Management was removed from the Domestic Equity and International Equity Composites to the World Equity Composite February 1, 2013.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2013, with the distribution as of December 31, 2012. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	March 31, 2013		Net New Inv.	Inv. Return	December 31, 2012	
	Market Value	Percent			Market Value	Percent
Private Equity*	\$205,756,462	5.08%	\$(9,993,079)	\$718,558	\$215,030,984	5.54%
Brinson Partners Venture II	-	-	0	(8,265)	8,265	0.00%
Brinson Partners Venture III	40,180	0.00%	0	0	40,180	0.00%
Adams Street Direct Co-Invest Fd	16,894,050	0.42%	(957,502)	652,403	17,199,149	0.44%
Adams Street Direct Fund 2010	858,709	0.02%	60,000	26,730	771,979	0.02%
Adams Street 1998 Partnership	118,990	0.00%	0	1,027	117,963	0.00%
Adams Street 1999 Partnership	1,124,026	0.03%	0	2,206	1,121,820	0.03%
Adams Street 2000 Partnership	3,561,544	0.09%	0	(42,947)	3,604,491	0.09%
Adams Street 2001 Partnership	4,115,096	0.10%	(405,591)	36,872	4,483,815	0.12%
Adams Street 2002 Partnership	2,413,992	0.06%	0	(33,219)	2,447,211	0.06%
Adams Street 2003 Partnership	832,125	0.02%	0	10,939	821,186	0.02%
Adams Street 2010 Partnership	2,628,704	0.06%	0	47,795	2,580,909	0.07%
Adams Street 2008 Fund	4,399,242	0.11%	0	135,962	4,263,280	0.11%
Adams Street Non-US 1999	520,733	0.01%	0	58,399	462,334	0.01%
Adams Street Non-US 2000	1,122,796	0.03%	0	(5,053)	1,127,849	0.03%
Adams Street Non-US 2001	742,660	0.02%	0	(5,124)	747,784	0.02%
Adams Street Non-US 2002	2,785,683	0.07%	(242,269)	62,803	2,965,149	0.08%
Adams Street Non-US 2003	1,955,375	0.05%	(163,435)	215,609	1,903,201	0.05%
Adams Street Non-US 2004	1,315,311	0.03%	(62,478)	46,877	1,330,912	0.03%
Adams Street Non-US 2010	1,218,222	0.03%	33,750	33,440	1,151,032	0.03%
Adams Street Non-US Emg 2010	297,126	0.01%	30,000	(3,095)	270,221	0.01%
Adams Street BVCF IV Fund	4,487,598	0.11%	0	701,022	3,786,576	0.10%
Coral Partners V	3,102	0.00%	0	0	3,102	0.00%
Coral Partner VI	2,634,163	0.07%	(1,945,448)	120,144	4,459,467	0.11%
Coral Partners Technology Fund	199,778	0.00%	0	0	199,778	0.01%
Hearthstone Advisors MSII	1	0.00%	0	0	1	0.00%
Hearthstone Advisors MSIII	1	0.00%	0	0	1	0.00%
CorsAir III	11,545,873	0.29%	40,351	(407,813)	11,913,335	0.31%
ND Investors	10,462,271	0.26%	50,000	(193,931)	10,606,202	0.27%
CorsAir IV	9,074,387	0.22%	(567,261)	(21,028)	9,662,677	0.25%
Capital International V	22,801,290	0.56%	60,031	(3,078,765)	25,820,024	0.67%
Capital International VI	5,407,620	0.13%	(1,036,312)	(117,572)	6,561,504	0.17%
TCW Energy Fund XIV	29,941,423	0.74%	(3,640,432)	(731,391)	34,313,246	0.88%
Lewis & Clark, LP	6,325,370	0.16%	0	552,710	5,772,660	0.15%
Lewis & Clark II	9,376,500	0.23%	1,257,655	(504,557)	8,623,402	0.22%
Quantum Energy Partners	8,201,200	0.20%	(1,188,973)	()	9,390,173	0.24%
Quantum Resources	8,882,761	0.22%	(1,315,165)	()	10,197,926	0.26%
Matlin Patterson I	11,987	0.00%	0	(800)	12,787	0.00%
Matlin Patterson II	1,663,356	0.04%	0	(21,295)	1,684,651	0.04%
Matlin Patterson III	27,793,217	0.69%	0	3,188,475	24,604,742	0.63%

*Corsair III and North Dakota Investors were taken out of the Private Equity composite on 7/1/09. They were then added back into the Private Equity composite on 10/1/11. At this time Corsair IV, Capital Intl and TCW were also added to this composite.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2013, with the distribution as of December 31, 2012. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	March 31, 2013		Net New Inv.	Inv. Return	December 31, 2012	
	Market Value	Percent			Market Value	Percent
GLOBAL FIXED INCOME	\$921,355,125	22.76%	\$4,266,696	\$9,064,923	\$908,023,505	23.41%
Domestic Fixed Income	\$721,739,181	17.83%	\$4,448,660	\$13,050,371	\$704,240,150	18.16%
Inv. Grade Fixed Income	\$521,321,313	12.88%	\$(118,899)	\$5,301,039	\$516,139,173	13.31%
Bank of North Dakota	47,357,673	1.17%	(7,338)	(1,141,101)	48,506,112	1.25%
PIMCO DiSCO II	103,605,310	2.56%	0	4,904,883	98,700,427	2.54%
Western Asset Management Co.	100,773,159	2.49%	(45,661)	(83,467)	100,902,286	2.60%
PIMCO Unconstrained	60,674,853	1.50%	0	503,730	60,171,123	1.55%
PIMCO MBS	148,978,263	3.68%	(65,901)	(401,724)	149,445,888	3.85%
Declaration Total Return	59,932,055	1.48%	0	1,518,718	58,413,337	1.51%
Below Inv. Grade Fixed Income	\$200,417,868	4.95%	\$4,567,559	\$7,749,332	\$188,100,977	4.85%
Goldman Sachs 2006 Offshore	4,491,737	0.11%	(85,186)	305,697	4,271,226	0.11%
Goldman Sachs Offshore V	9,854,277	0.24%	(1,130,935)	211,697	10,773,515	0.28%
Loomis Sayles	186,068,338	4.60%	5,783,680	7,228,423	173,056,235	4.46%
PIMCO Distressed Mortgage	3,516	0.00%	0	3,515	1	0.00%
Intl Fixed Income	\$199,615,944	4.93%	\$(181,963)	\$(3,985,447)	\$203,783,355	5.25%
UBS	94,292,702	2.33%	(73,487)	(3,857,199)	98,223,389	2.53%
Brandywine	105,323,241	2.60%	(108,476)	(128,248)	105,559,966	2.72%
GLOBAL REAL ASSETS	\$722,193,692	17.84%	\$4,394,797	\$5,154,524	\$712,644,371	18.37%
Global Real Estate	\$372,380,592	9.20%	\$(2,101,579)	\$8,348,385	\$366,133,786	9.44%
INVESCO Core Real Estate	136,262,718	3.37%	(263,553)	7,037,489	129,488,783	3.34%
INVESCO Real Estate Fund II	37,468,469	0.93%	(7,000,000)	(656,485)	45,124,954	1.16%
INVESCO Real Estate Fund III	20,107,789	0.50%	0	(318,753)	20,426,542	0.53%
INVESCO Asia RE Feeder	23,318,780	0.58%	5,767,000	(1,614,194)	19,165,974	0.49%
JP Morgan	123,324,323	3.05%	(277,133)	4,254,161	119,347,296	3.08%
JP Morgan Alternative Fd	6,102,283	0.15%	(300,843)	565,854	5,837,272	0.15%
JP Morgan China Property Fd	21,948,562	0.54%	0	(599,036)	22,547,598	0.58%
JP Morgan Greater European Opp Fd	3,847,668	0.10%	(27,049)	(320,651)	4,195,368	0.11%
Timber	\$197,212,541	4.87%	\$(26,256)	\$(6,587,233)	\$203,826,030	5.25%
TIR - Teredo	75,252,013	1.86%	0	(4,370,989)	79,623,002	2.05%
TIR - Springbank	121,960,528	3.01%	(26,256)	(2,216,244)	124,203,028	3.20%
Infrastructure	\$152,600,559	3.77%	\$6,522,632	\$3,393,372	\$142,684,555	3.68%
JP Morgan Asian Infrastructure	26,004,004	0.64%	6,384,209	(407,964)	20,027,759	0.52%
JP Morgan IIF	99,693,795	2.46%	(304,411)	3,877,170	96,121,036	2.48%
Credit Suisse Cust. Infrastructure	26,902,760	0.66%	442,835	(75,835)	26,535,760	0.68%
CASH & CASH EQUIVALENTS	\$52,433,995	1.30%	\$11,188,752	\$11,746	\$41,233,497	1.06%
Cash Account	52,433,995	1.30%	11,188,752	11,746	41,233,497	1.06%
Total Fund	\$4,047,833,447	100.0%	\$(12,339,028)	\$181,353,388	\$3,878,819,087	100.0%

Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods ended March 31, 2013. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2013

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
GLOBAL EQUITY	7.56%	12.48%	-	-	-
Wtd Avg Global Equity Bench	7.40%	12.24%	-	-	-
Domestic Equity	11.95%	16.20%	12.88%	4.50%	8.52%
Wtd Avg Domestic Equity Bench	11.29%	14.87%	13.09%	6.58%	9.38%
Large Cap Domestic Equity	11.58%	15.71%	12.24%	2.72%	7.21%
L.A. Capital	10.79%	12.63%	13.31%	7.60%	-
LACM Enhanced Index	11.14%	15.14%	12.68%	7.06%	9.54%
NTGI Enhanced S&P 500	12.23%	15.29%	13.56%	6.70%	8.64%
Clifton Enhanced S&P 500	10.60%	15.03%	-	-	-
Large Cap Benchmark (1)	10.96%	14.43%	12.93%	5.96%	8.61%
Small Cap Domestic Equity	12.88%	17.47%	14.85%	9.22%	11.98%
Callan	13.34%	15.98%	14.46%	8.95%	-
Clifton Enhanced Small Cap	12.42%	18.49%	15.23%	-	-
Russell 2000 Index	12.39%	16.30%	13.45%	8.24%	11.52%
International Equity	3.95%	9.40%	5.74%	2.26%	12.32%
Wtd Avg Int'l Equity Bench	3.64%	9.21%	3.88%	0.46%	11.30%
Developed Int'l Equity	5.22%	11.19%	4.82%	1.58%	10.05%
Capital Guardian Trust Co.	5.58%	12.92%	6.16%	0.34%	9.04%
Clifton EAFE Index	3.88%	8.64%	3.23%	-	-
DFA Int'l Small Cap Value	8.09%	13.77%	7.60%	2.28%	-
State Street	4.88%	11.50%	4.46%	(1.43%)	8.29%
Wellington	7.94%	15.32%	12.10%	4.71%	13.34%
MSCI EAFE Index (2)	5.13%	11.25%	3.86%	(0.11%)	9.06%
Emerging Markets Equity	(0.62%)	3.19%	7.00%	3.32%	18.10%
DFA	2.56%	9.30%	7.33%	6.84%	-
JP Morgan	(0.44%)	3.88%	4.01%	2.61%	-
PanAgora	0.27%	6.05%	3.42%	0.92%	-
UBS Global	(3.51%)	(1.22%)	2.68%	1.26%	-
NTGI Emerging Markets	(1.80%)	-	-	-	-
MSCI Emerging Mkts Idx Net (3)	(1.62%)	1.96%	3.41%	1.28%	17.34%
World Equity	6.89%	9.25%	-	-	-
EPOCH Investment Partners (4)	7.88%	10.99%	-	-	-
Calamos Investments	4.03%	4.03%	-	-	-
MSCI World Index	7.73%	11.85%	8.46%	2.23%	8.88%

(1) Large Cap Domestic Equity Benchmark is the S&P 500 Index through 12/31/2011 and the Russell 1000 Index thereafter.

(2) International Equity Target is MSCI EAFE through 12/31/1996, 50% Hedged EAFE through 03/31/2011, and MSCI EAFE again thereafter.

(3) Emerging Markets Target is MSCI Emerging Mkts Idx (Gross) through 6/30/2011, and MSCI Emerging Mkts Idx Net thereafter.

(4) EPOCH Investment Partners was removed from the Domestic Equity Composite to the World Equity Composite as of January 1, 2012.

Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods ended March 31, 2013. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2013

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Private Equity	0.36%	9.23%	7.57%	(1.00%)	5.17%
Brinson Partners Venture III	0.00%	3.56%	18.17%	5.85%	26.74%
Adams Street Direct Co-Invest Fd	3.79%	9.27%	16.20%	0.54%	-
Adams Street Direct Fund 2010	3.21%	4.30%	-	-	-
Adams Street 1998 Partnership	0.87%	6.63%	(0.22%)	(8.99%)	3.41%
Adams Street 1999 Partnership	0.20%	6.38%	6.53%	(0.62%)	6.60%
Adams Street 2000 Partnership	(1.19%)	5.60%	9.24%	1.64%	9.42%
Adams Street 2001 Partnership	0.90%	10.33%	9.61%	2.80%	6.37%
Adams Street 2002 Partnership	(1.36%)	7.83%	15.32%	3.45%	7.47%
Adams Street 2003 Partnership	1.33%	5.46%	5.77%	0.65%	5.14%
Adams Street 2010 Partnership	1.85%	8.99%	-	-	-
Adams Street 2008 Fund	3.19%	6.94%	5.25%	(4.13%)	-
Adams Street 1999 Non-US	12.63%	12.95%	18.82%	9.79%	22.00%
Adams Street 2000 Non-US	(0.45%)	(3.05%)	5.03%	(2.69%)	12.02%
Adams Street 2001 Non-US	(0.69%)	10.27%	(2.80%)	(7.77%)	2.00%
Adams Street 2002 Non-US	2.31%	6.54%	9.68%	(1.45%)	13.59%
Adams Street 2003 Non-US	12.39%	35.58%	16.05%	4.63%	14.25%
Adams Street 2004 Non-US	3.70%	2.20%	4.97%	(2.46%)	-
Adams Street 2010 Non-US	2.82%	8.60%	-	-	-
Adams Street 2010 Non-US Emg	(1.12%)	(11.85%)	-	-	-
Adams Street BVCF IV Fund	18.51%	40.87%	84.88%	40.04%	26.07%
Coral Partners V	0.00%	40.41%	16.67%	39.89%	11.96%
Coral Partner VI	4.99%	3.31%	(7.30%)	(19.50%)	(13.35%)
Coral Partners Technology Fund	0.00%	26.20%	(11.95%)	(13.74%)	(4.70%)
CorsAir III	(3.41%)	(9.41%)	(2.93%)	1.31%	-
ND Investors	(1.82%)	(0.92%)	0.71%	0.03%	-
CorsAir IV	(0.22%)	5.02%	-	-	-
Capital International V	(11.90%)	(9.58%)	8.64%	2.62%	-
Capital International VI	(1.86%)	2.44%	-	-	-
TCW Energy Fund XIV	(2.23%)	(1.64%)	9.10%	12.57%	-
Lewis & Clark, LP	9.57%	16.16%	13.61%	10.49%	2.67%
Lewis & Clark II	(5.85%)	(8.92%)	(12.40%)	-	-
Quantum Energy Partners	0.00%	20.31%	22.21%	7.95%	-
Quantum Resources	0.00%	34.78%	16.73%	(45.61%)	-
Matlin Patterson I	(6.26%)	(46.36%)	2818.02%	693.52%	200.86%
Matlin Patterson II	(1.26%)	(28.74%)	(52.88%)	(44.93%)	-
Matlin Patterson III	12.96%	67.11%	34.09%	15.21%	-

Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods ended March 31, 2013. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2013

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
GLOBAL FIXED INCOME	1.00%	10.39%	-	-	-
Wtd Avg Global FI Bench	(0.20%)	4.78%	-	-	-
Domestic Fixed Income	1.85%	11.81%	8.78%	5.88%	8.08%
Wtd Avg Domestic FI Bench	0.71%	6.30%	7.12%	7.34%	6.48%
Inv. Grade Fixed Income	1.03%	9.44%	7.08%	4.58%	7.78%
Bank of North Dakota	(2.35%)	(0.18%)	4.25%	4.96%	4.79%
PIMCO DiSCO II	4.97%	36.59%	-	-	-
Western Asset Management Co.	(0.08%)	2.25%	6.68%	5.34%	4.74%
PIMCO Unconstrained	0.84%	8.24%	-	-	-
PIMCO MBS	(0.27%)	2.71%	-	-	-
Declaration Total Return	2.60%	-	-	-	-
BC Aggregate Index	(0.12%)	3.77%	5.52%	5.47%	5.02%
BC Mortgage Index	(0.05%)	1.97%	4.17%	5.15%	4.98%
Below Inv. Grade Fixed Income	4.13%	18.65%	13.69%	9.31%	8.50%
Goldman Sachs 2006 Offshore	7.32%	9.94%	12.08%	(0.15%)	-
Goldman Sachs Offshore V	2.26%	19.03%	15.52%	11.03%	-
Loomis Sayles	4.17%	16.10%	11.86%	11.49%	-
BC HY Corp 2% Issuer Cap	2.89%	13.08%	11.20%	11.75%	10.11%
Intl Fixed Income	(1.96%)	5.52%	7.94%	6.25%	7.75%
Wtd Avg Int'l FI Bench	(3.51%)	(0.71%)	3.80%	2.65%	5.77%
UBS	(3.93%)	(0.11%)	3.68%	2.69%	5.68%
Brandywine	(0.12%)	11.12%	11.73%	9.33%	-
BC Global Aggregate ex US (1)	(3.51%)	(0.71%)	3.80%	2.65%	5.77%
GLOBAL REAL ASSETS	0.73%	5.74%	-	-	-
Wtd Avg Global Real Assets Bench	3.17%	9.03%	-	-	-
Global Real Estate	2.30%	8.38%	15.59%	(1.97%)	6.25%
INVESCO Core Real Estate	5.44%	10.12%	15.44%	(0.50%)	7.42%
INVESCO Real Estate Fund II	(1.52%)	14.54%	38.99%	(20.69%)	-
INVESCO Real Estate Fund III	(1.56%)	-	-	-	-
INVESCO Asia RE Feeder	(8.19%)	0.19%	(3.83%)	-	-
JP Morgan	3.57%	12.86%	16.09%	(0.30%)	7.46%
JP Morgan Alternative Fd	9.73%	27.81%	16.81%	(4.56%)	-
JP Morgan China Property Fd	(2.66%)	(11.14%)	1.50%	(1.93%)	-
JP Morgan Greater European Opp Fd	(7.71%)	(100.00%)	*****%)	-	-
NCREIF Total Index	2.57%	10.52%	13.30%	2.32%	8.51%
Timber	(3.23%)	(2.06%)	-	-	-
TIR - Teredo	(5.49%)	(2.62%)	4.66%	4.59%	9.80%
TIR - Springbank	(1.78%)	(1.67%)	(3.42%)	(4.87%)	-
NCREIF Timberland Index	5.92%	13.73%	5.09%	2.93%	8.73%
Infrastructure	2.39%	10.72%	-	-	-
JP Morgan Asian Infrastructure	(1.65%)	21.91%	6.08%	-	-
JP Morgan IIF	4.03%	11.91%	7.86%	1.79%	-
Credit Suisse Cust. Infrastructure	(0.28%)	(0.04%)	-	-	-
CPI-W	1.52%	1.33%	2.41%	1.86%	2.43%
CASH & CASH EQUIVALENTS	0.02%	0.10%	0.15%	0.55%	1.60%
Northern Trust	0.02%	0.10%	0.13%	0.53%	1.59%
3-month Treasury Bill	0.02%	0.12%	0.11%	0.34%	1.75%
Total Fund	4.68%	10.62%	9.24%	3.33%	8.67%
Target*	4.70%	9.86%	8.79%	4.96%	8.82%

* Current Quarter Target = 16.4% Russell 1000 Index, 16.0% MSCI World Index, 13.1% Barclays Aggregate Index, 11.1% MSCI EAFE Index, 9.7% NCREIF Total Index, 5.0% Barclays HY Corp 2% Issue, 5.0% Barclays Global Agg ex US, 4.9% CPI-W, 4.9% Russell 2000 Index, 4.9% NDSIB PEN - Private Equity, 4.9% NCREIF Timberland Index, 3.1% Emerging Mkts - Net and 1.0% 3-month Treasury Bill.

(1) The International Fixed Income Benchmark is the Citigroup Non-US Govt through 12/31/2009 and the BC Global Aggregate Index ex US thereafter.

L.A. Capital Period Ended March 31, 2013

Investment Philosophy

The LA Capital Structured portfolio is a large growth portfolio benchmarked to the Russell 1000 Growth Index. It is an active assignment meaning that it targets a 2% alpha and constrains its risk budget (tracking error) to 4% relative to the benchmark. LA Capital believes that investment results are driven by Investor Preferences and thus recognize that when preferences shift a different posture related to that factor is warranted.

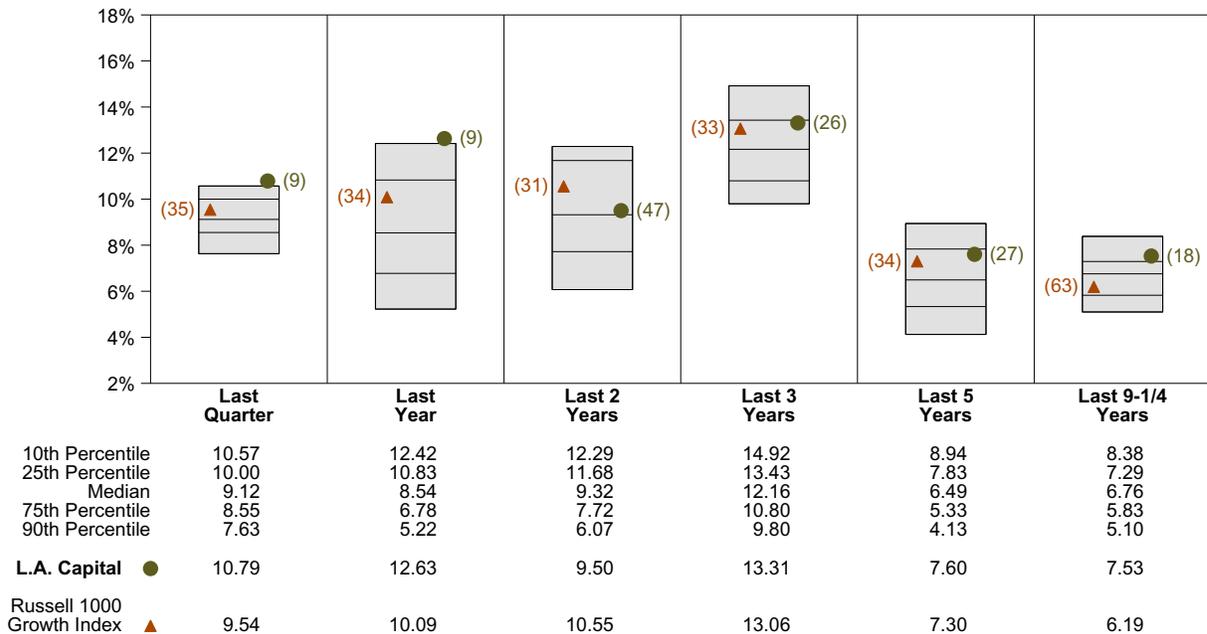
Quarterly Summary and Highlights

- L.A. Capital's portfolio posted a 10.79% return for the quarter placing it in the 9 percentile of the CAI Large Cap Growth Style group for the quarter and in the 9 percentile for the last year.
- L.A. Capital's portfolio outperformed the Russell 1000 Growth Index by 1.24% for the quarter and outperformed the Russell 1000 Growth Index for the year by 2.54%.

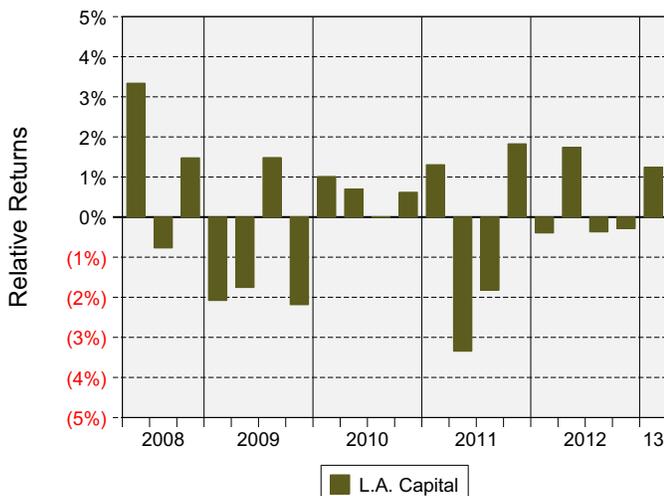
Quarterly Asset Growth

Beginning Market Value	\$238,423,010
Net New Investment	\$-129,142
Investment Gains/(Losses)	\$25,712,073
Ending Market Value	\$264,005,941

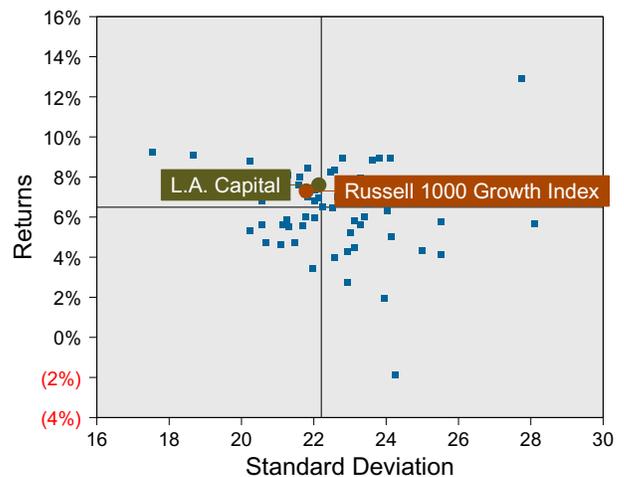
Performance vs CAI Large Cap Growth Style (Gross)



Relative Return vs Russell 1000 Growth Index



CAI Large Cap Growth Style (Gross) Annualized Five Year Risk vs Return



L.A. Capital Management Enhanced Index Period Ended March 31, 2013

Investment Philosophy

The LA Capital Enhanced portfolio is a large core portfolio benchmarked to the Russell 1000 Index. Characterized as an enhanced index assignment, its objective is to track the benchmark with lower variability. The pension portfolio began in August of 2000 and the insurance portfolio was initiated in April of 2004. Since October of 2006 a small portion of each of the two core accounts was allocated into the Large Cap Alpha Fund with intent to add incremental alpha to the assignment given that the information ratio was expected to be higher.

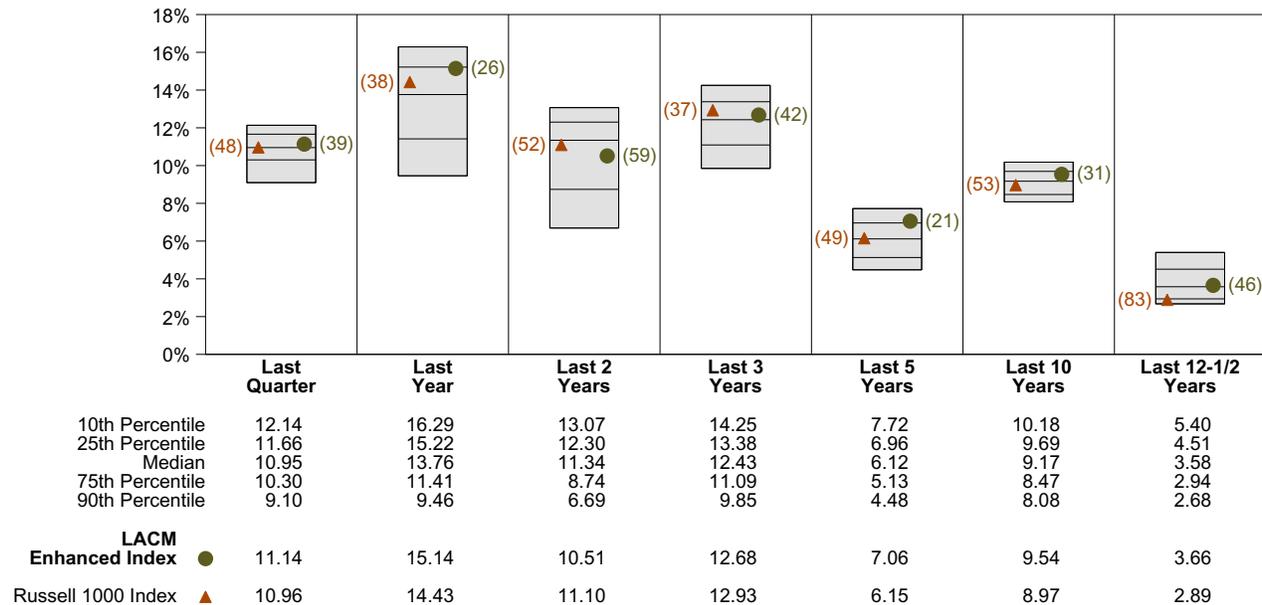
Quarterly Summary and Highlights

- LACM Enhanced Index's portfolio posted a 11.14% return for the quarter placing it in the 39 percentile of the CAI Large Cap Core Style group for the quarter and in the 26 percentile for the last year.
- LACM Enhanced Index's portfolio outperformed the Russell 1000 Index by 0.17% for the quarter and outperformed the Russell 1000 Index for the year by 0.72%.

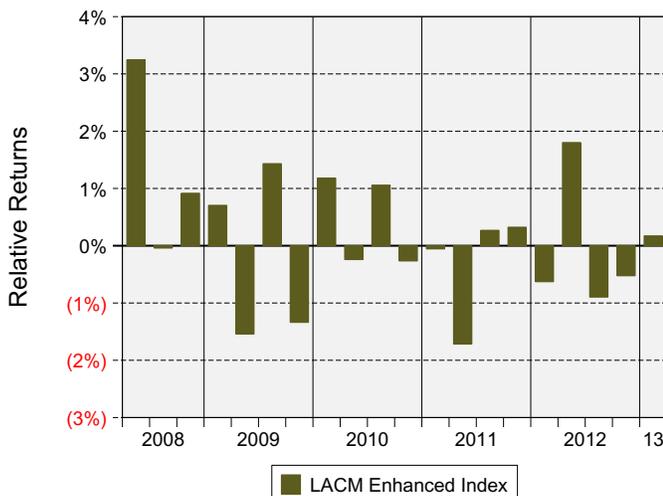
Quarterly Asset Growth

Beginning Market Value	\$162,285,227
Net New Investment	\$-52,079
Investment Gains/(Losses)	\$18,069,385
Ending Market Value	\$180,302,533

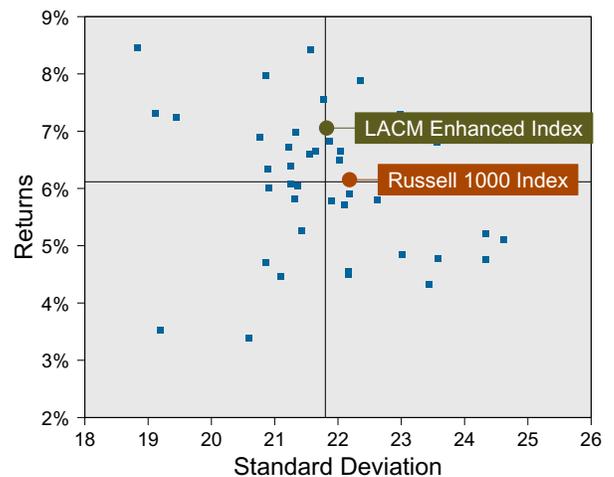
Performance vs CAI Large Cap Core Style (Gross)



Relative Return vs Russell 1000 Index



CAI Large Cap Core Style (Gross) Annualized Five Year Risk vs Return



NTGI Enhanced S&P 500 Period Ended March 31, 2013

Investment Philosophy

NTGI Enhanced S&P 500 employs a quantitative investment approach, focusing on the stock selection process as the principal source of value added. The account invests primarily in a broadly diversified portfolio of equity securities that include securities convertible into equity securities (including common stock), warrants, rights and units or shares in trusts, exchange traded funds and investment companies. The Investment Manager intends to use futures and options to manage market risk associated with the account's investments.

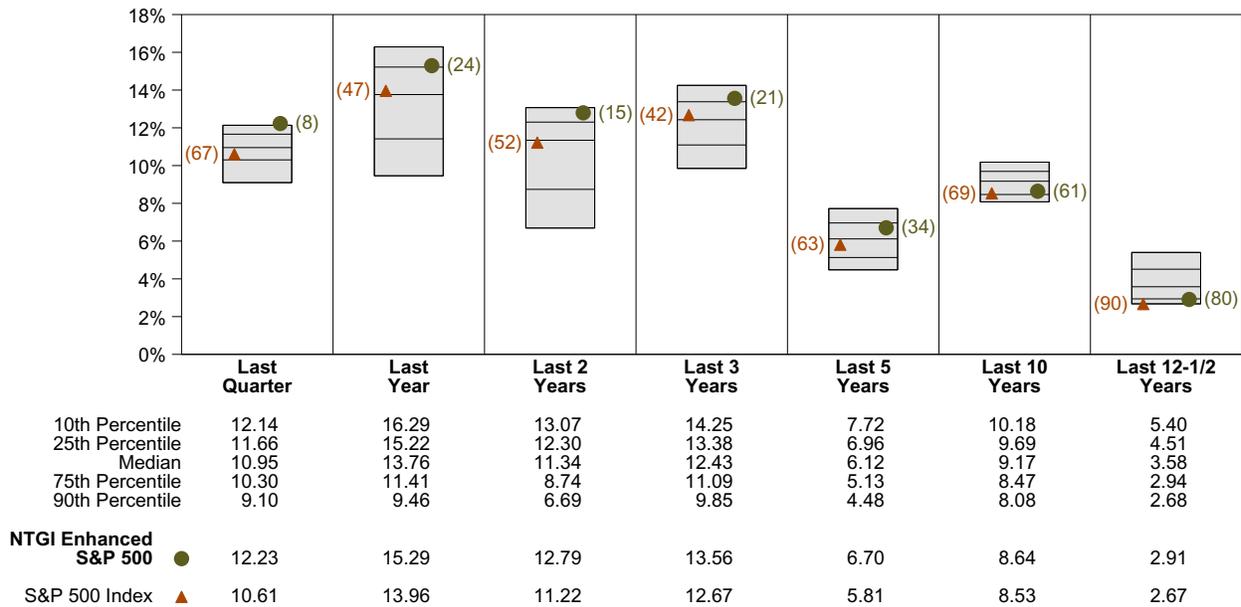
Quarterly Summary and Highlights

- NTGI Enhanced S&P 500's portfolio posted a 12.23% return for the quarter placing it in the 8 percentile of the CAI Large Cap Core Style group for the quarter and in the 24 percentile for the last year.
- NTGI Enhanced S&P 500's portfolio outperformed the S&P 500 Index by 1.62% for the quarter and outperformed the S&P 500 Index for the year by 1.33%.

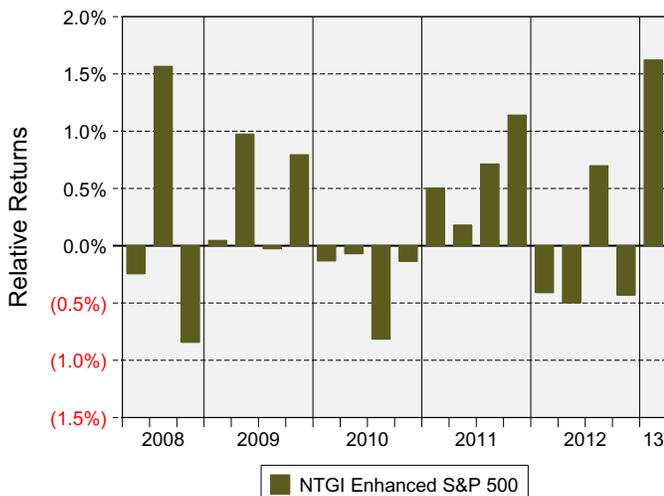
Quarterly Asset Growth

Beginning Market Value	\$80,950,647
Net New Investment	\$-48,092
Investment Gains/(Losses)	\$9,895,318
Ending Market Value	\$90,797,873

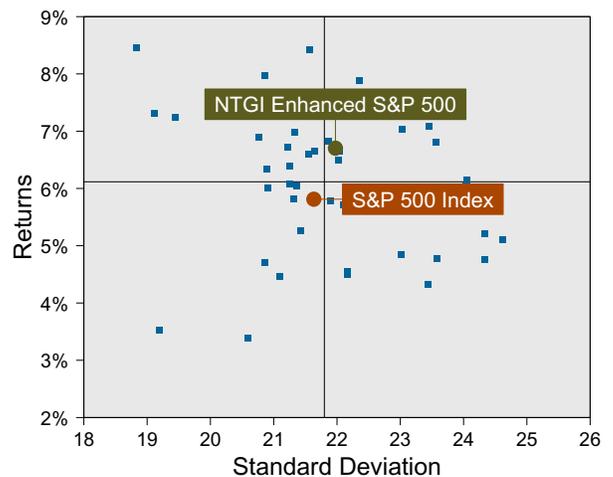
Performance vs CAI Large Cap Core Style (Gross)



Relative Return vs S&P 500 Index



CAI Large Cap Core Style (Gross) Annualized Five Year Risk vs Return



Clifton Enhanced S&P Period Ended March 31, 2013

Quarterly Summary and Highlights

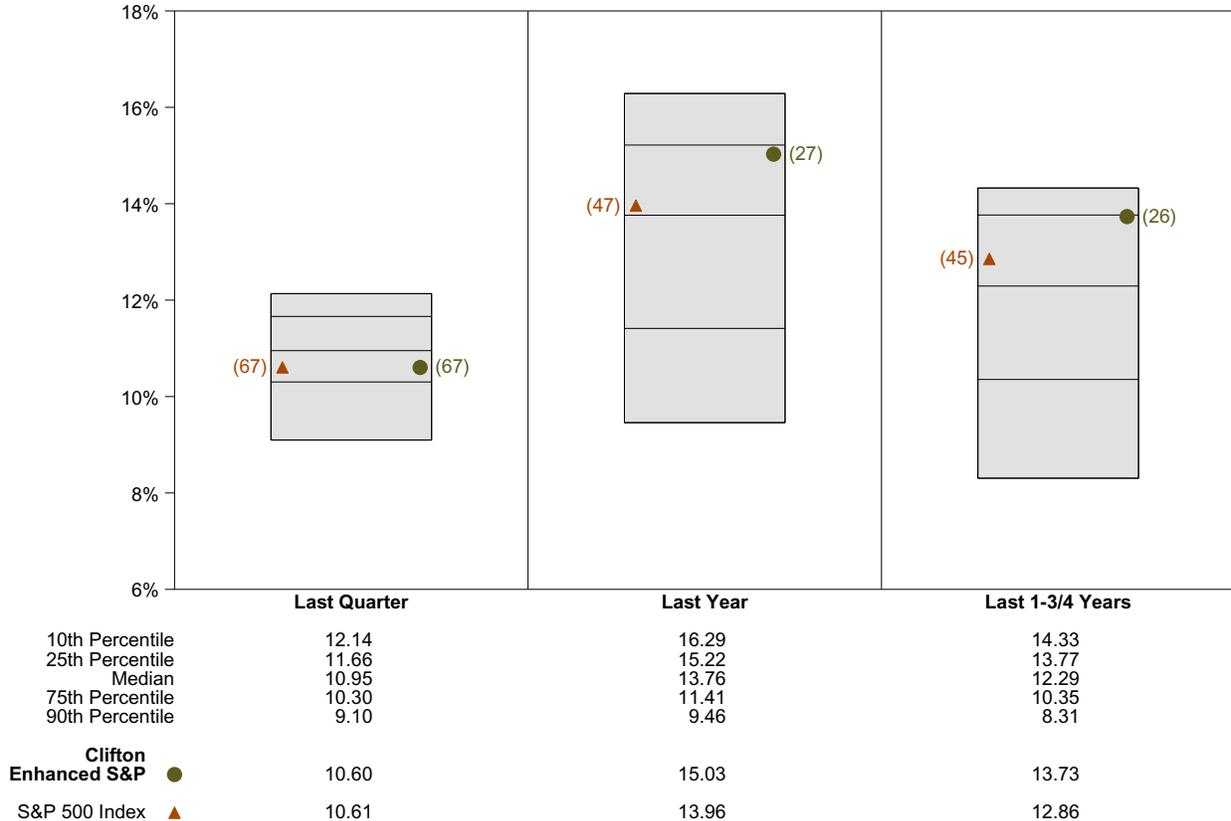
- Clifton Enhanced S&P's portfolio posted a 10.60% return for the quarter placing it in the 67 percentile of the CAI Large Cap Core Style group for the quarter and in the 27 percentile for the last year.
- Clifton Enhanced S&P's portfolio underperformed the S&P 500 Index by 0.00% for the quarter and outperformed the S&P 500 Index for the year by 1.07%.

Quarterly Asset Growth

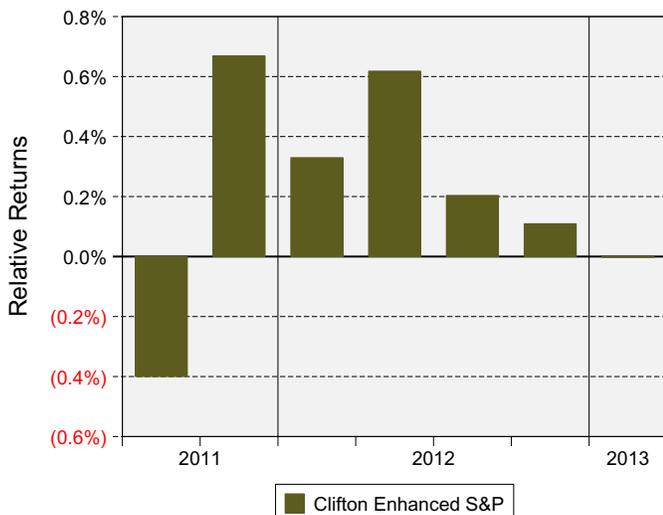
Beginning Market Value	\$80,965,966
Net New Investment	\$73,000,000
Investment Gains/(Losses)	\$10,317,611
Ending Market Value	\$164,283,577

Percent Cash: 0.0%

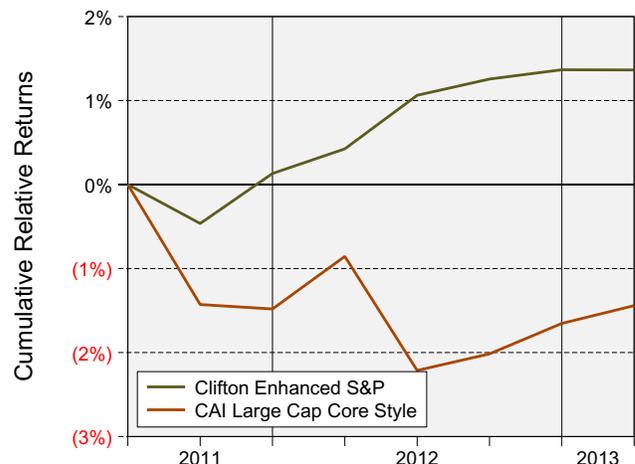
Performance vs CAI Large Cap Core Style (Gross)



Relative Return vs S&P 500 Index



Cumulative Returns vs S&P 500 Index



Callan

Period Ended March 31, 2013

Investment Philosophy

The fundamental belief inherent in this strategy is that the stock-weightings reflected in the average portfolio of a broad universe of institutional Small Cap managers is a more efficient representation of the Small Cap market than any of the more mechanical Small Cap indices that are typically employed as benchmarks. Hence, a portfolio designed to generate the return of this average portfolio in the most cost-effective possible manner will consistently out-perform the standard benchmarks on a risk-adjusted basis over time. This process results in a total portfolio made up of 40 equity sub-advisors, equally weighted in the Fund's portfolio, which very closely tracks the performance of the average actively managed institutional small cap product (historical tracking error since inception of approximately one percent annualized).

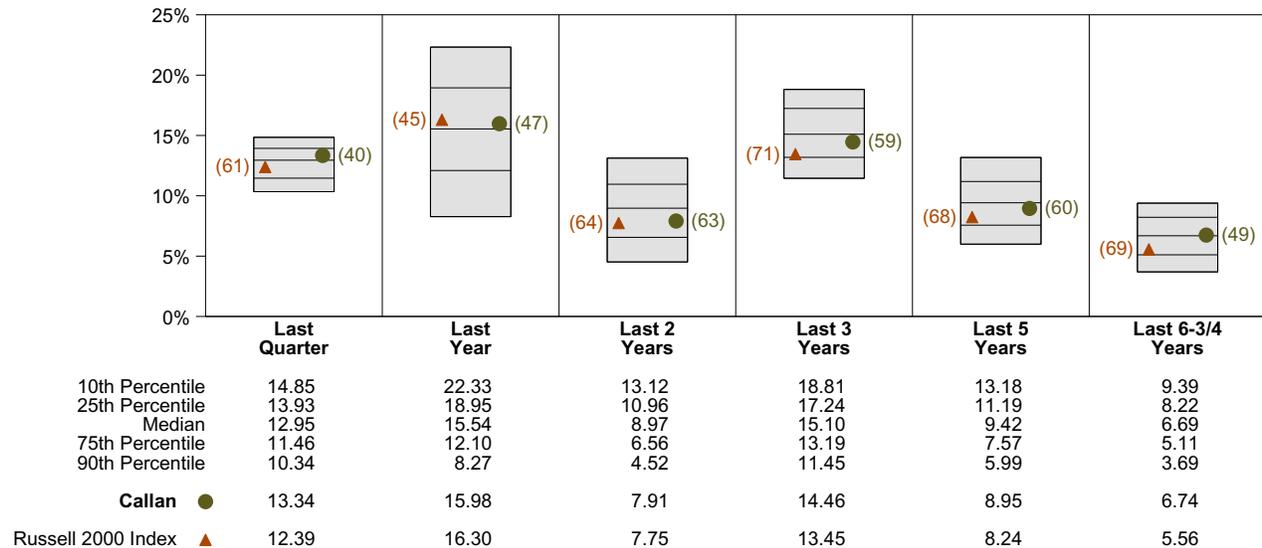
Quarterly Summary and Highlights

- Callan's portfolio posted a 13.34% return for the quarter placing it in the 40 percentile of the CAI Small Capitalization Style group for the quarter and in the 47 percentile for the last year.
- Callan's portfolio outperformed the Russell 2000 Index by 0.95% for the quarter and underperformed the Russell 2000 Index for the year by 0.33%.

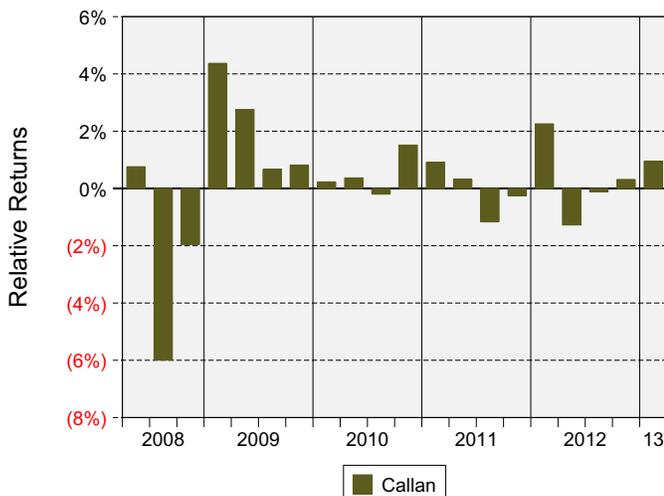
Quarterly Asset Growth

Beginning Market Value	\$125,230,320
Net New Investment	\$-28,219,105
Investment Gains/(Losses)	\$16,120,030
Ending Market Value	\$113,131,245

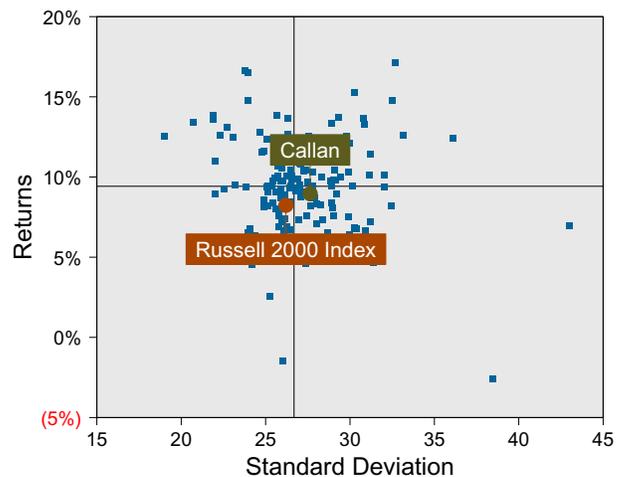
Performance vs CAI Small Capitalization Style (Gross)



Relative Return vs Russell 2000 Index



CAI Small Capitalization Style (Gross) Annualized Five Year Risk vs Return



Clifton Enhanced Small Cap Period Ended March 31, 2013

Investment Philosophy

The Clifton Group utilizes equity futures to gain benchmark exposure in constructing the portfolio it believes provides the greatest likelihood of outperforming the index. In this construction the underlying cash portfolio is invested in a liquid, high quality short duration fixed income portfolio. Over market cycles excess return generated by the short duration portfolio, when added to the performance of futures is expected to allow the strategy to achieve 0.50% to 1.00% of gross excess annual performance.

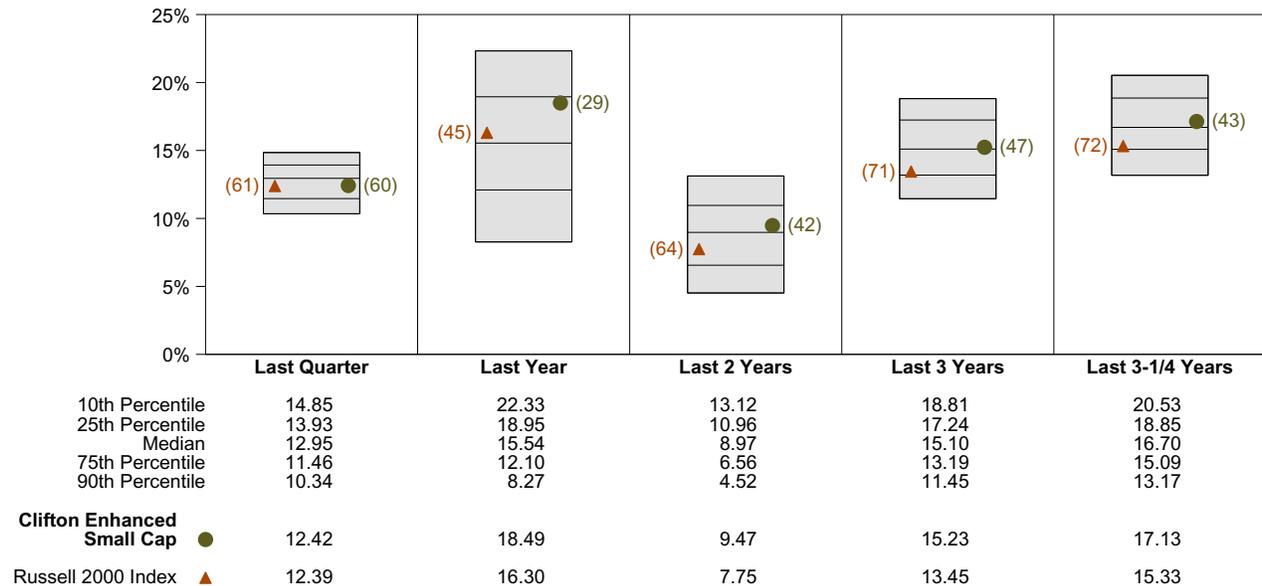
Quarterly Summary and Highlights

- Clifton Enhanced Small Cap's portfolio posted a 12.42% return for the quarter placing it in the 60 percentile of the CAI Small Capitalization Style group for the quarter and in the 29 percentile for the last year.
- Clifton Enhanced Small Cap's portfolio outperformed the Russell 2000 Index by 0.03% for the quarter and outperformed the Russell 2000 Index for the year by 2.19%.

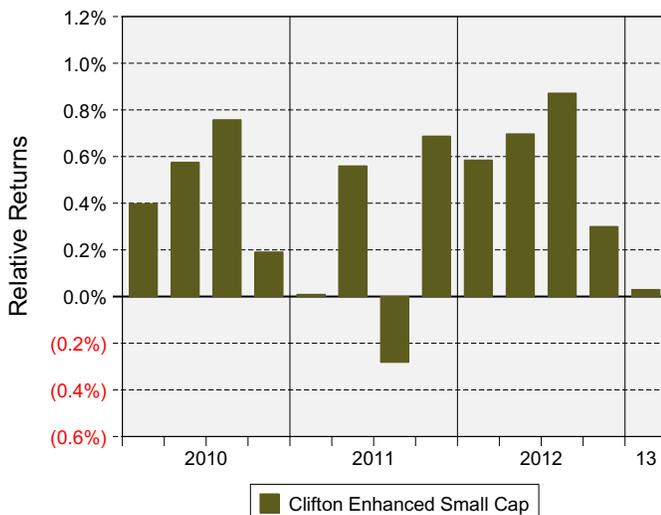
Quarterly Asset Growth

Beginning Market Value	\$124,784,105
Net New Investment	\$-33,000,000
Investment Gains/(Losses)	\$14,954,690
Ending Market Value	\$106,738,795

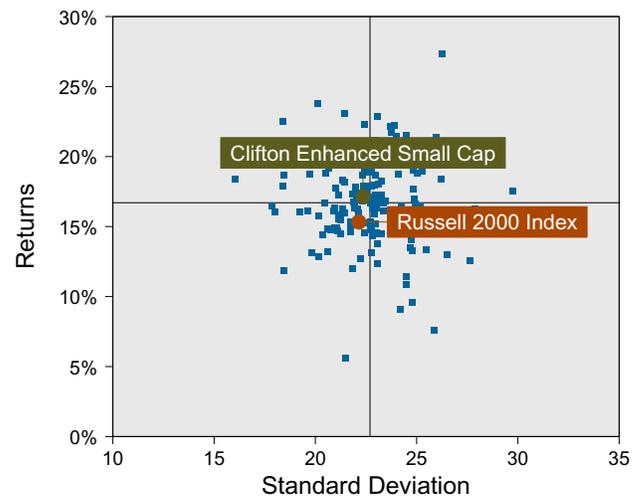
Performance vs CAI Small Capitalization Style (Gross)



Relative Return vs Russell 2000 Index



CAI Small Capitalization Style (Gross) Annualized Three and One-Quarter Year Risk vs Return



Capital Guardian Trust Company

Period Ended March 31, 2013

Investment Philosophy

The Portfolio will invest primarily in equity or equity type securities of companies in developed countries excluding the U.S. These equity securities will be listed on a stock exchange or traded in another recognized market and include, but are not limited to, common and preferred stocks, securities convertible or exchangeable into common or preferred stock, warrants, rights and depository arrangements. ** International Equity Target is MSCI EAFE through 12/31/1996, 50% Hedged EAFE through 03/31/2011, and MSCI EAFE again thereafter.

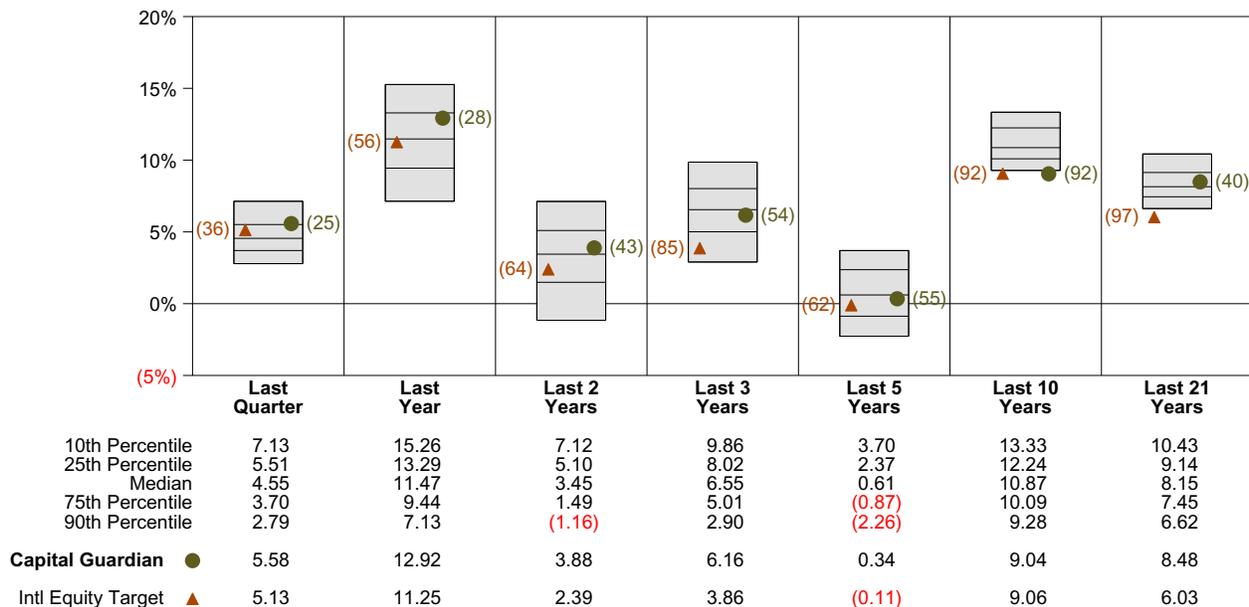
Quarterly Summary and Highlights

- Capital Guardian's portfolio posted a 5.58% return for the quarter placing it in the 25 percentile of the CAI Non-U.S. Equity Style group for the quarter and in the 28 percentile for the last year.
- Capital Guardian's portfolio outperformed the Intl Equity Target by 0.44% for the quarter and outperformed the Intl Equity Target for the year by 1.67%.

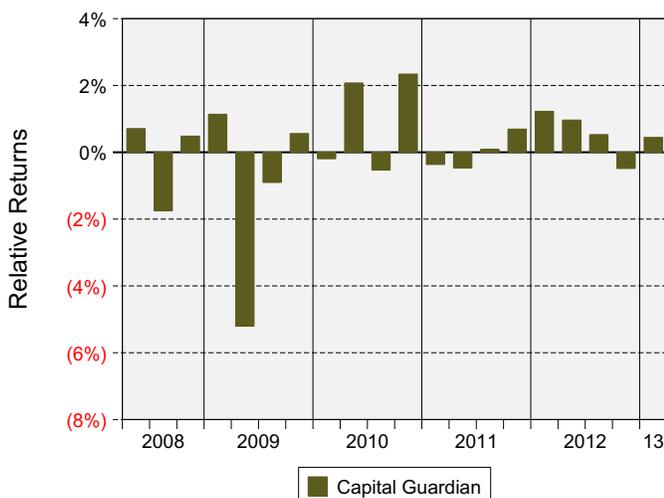
Quarterly Asset Growth

Beginning Market Value	\$62,662,524
Net New Investment	\$-74,991
Investment Gains/(Losses)	\$3,493,651
Ending Market Value	\$66,081,185

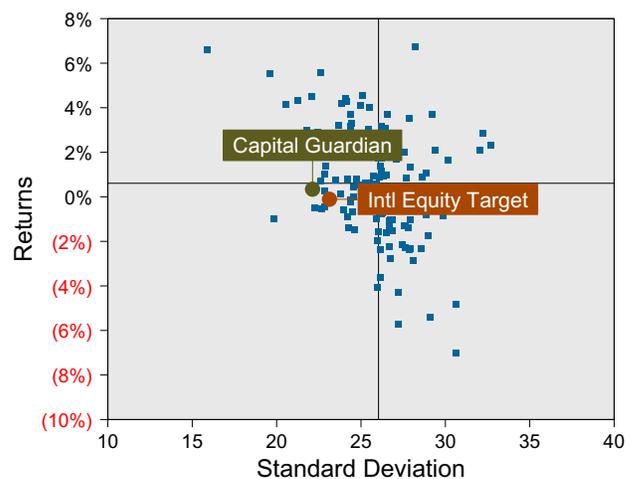
Performance vs CAI Non-U.S. Equity Style (Gross)



Relative Return vs Intl Equity Target



CAI Non-U.S. Equity Style (Gross) Annualized Five Year Risk vs Return



Clifton EAFE Index Period Ended March 31, 2013

Investment Philosophy

The Clifton EAFE Index is an index fund using MSCI EAFE futures to earn the benchmark return and is fully collateralized with cash.

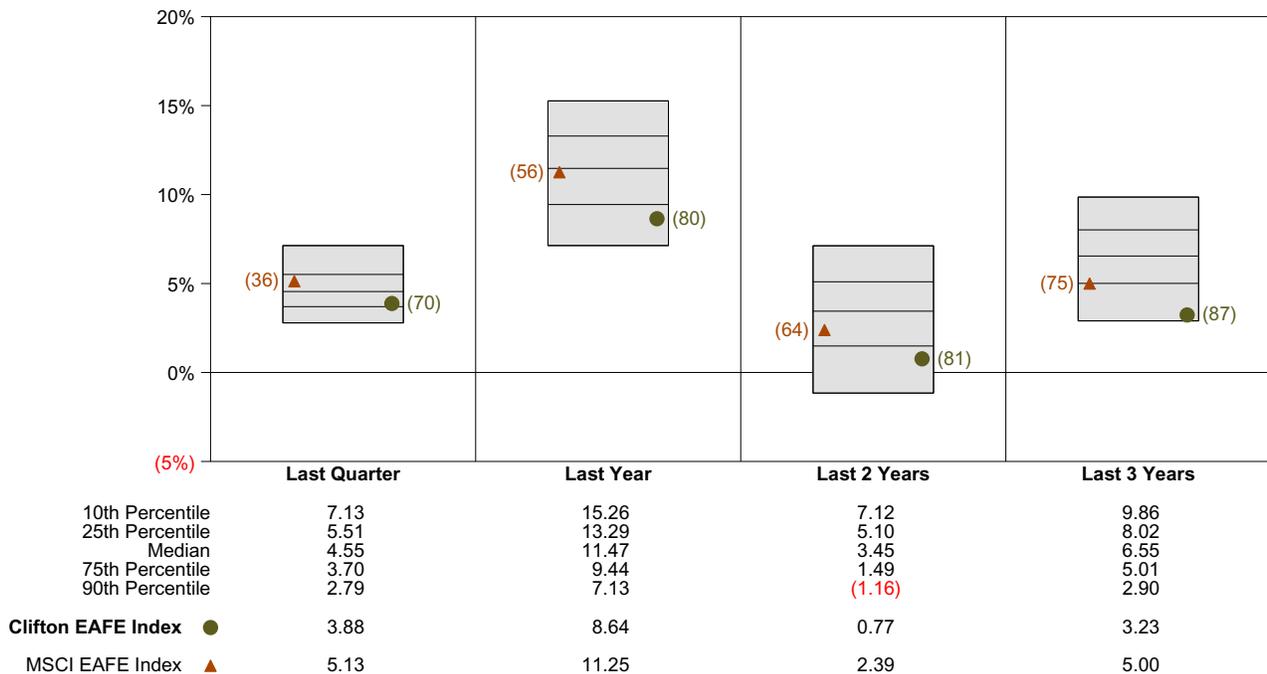
Quarterly Summary and Highlights

- Clifton EAFE Index's portfolio posted a 3.88% return for the quarter placing it in the 70 percentile of the CAI Non-U.S. Equity Style group for the quarter and in the 80 percentile for the last year.
- Clifton EAFE Index's portfolio underperformed the MSCI EAFE Index by 1.25% for the quarter and underperformed the MSCI EAFE Index for the year by 2.61%.

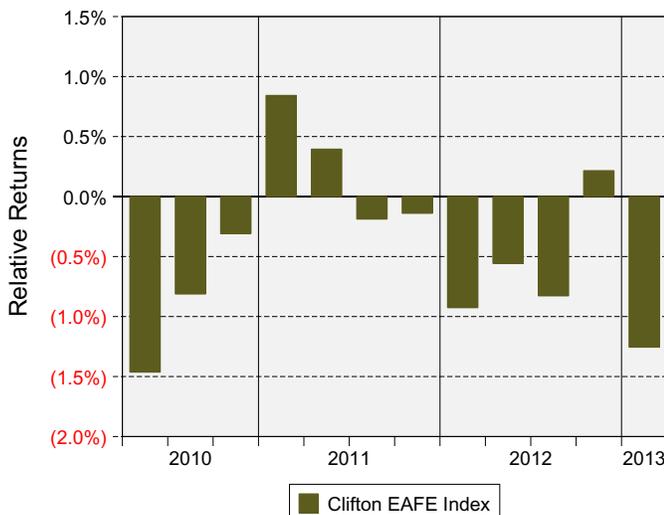
Quarterly Asset Growth

Beginning Market Value	\$199,764,561
Net New Investment	\$-42,648
Investment Gains/(Losses)	\$7,746,332
Ending Market Value	\$207,468,245

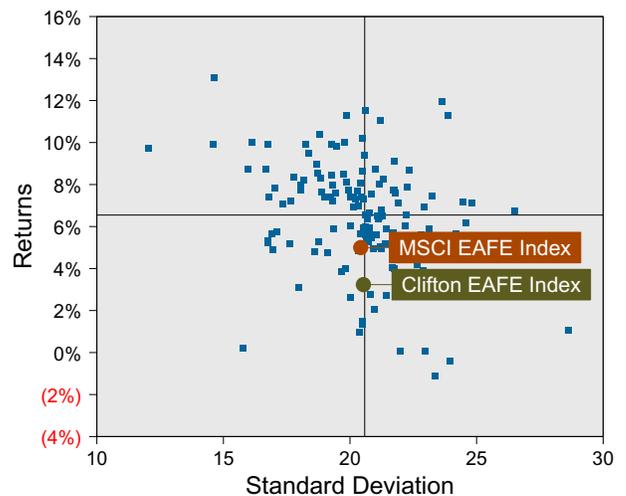
Performance vs CAI Non-U.S. Equity Style (Gross)



Relative Return vs MSCI EAFE Index



CAI Non-U.S. Equity Style (Gross) Annualized Three Year Risk vs Return



DFA International Small Cap Value Fund

Period Ended March 31, 2013

Investment Philosophy

The International Small Cap Value Portfolio invests in the stocks of small, non-US developed markets companies that Dimensional believes to be value stocks at the time of purchase. Specifically, it looks at companies that fall within the smallest 8-10% of each country's market capitalization, and whose shares have a high book value in relation to their market value (BtM). It does not invest in emerging markets.

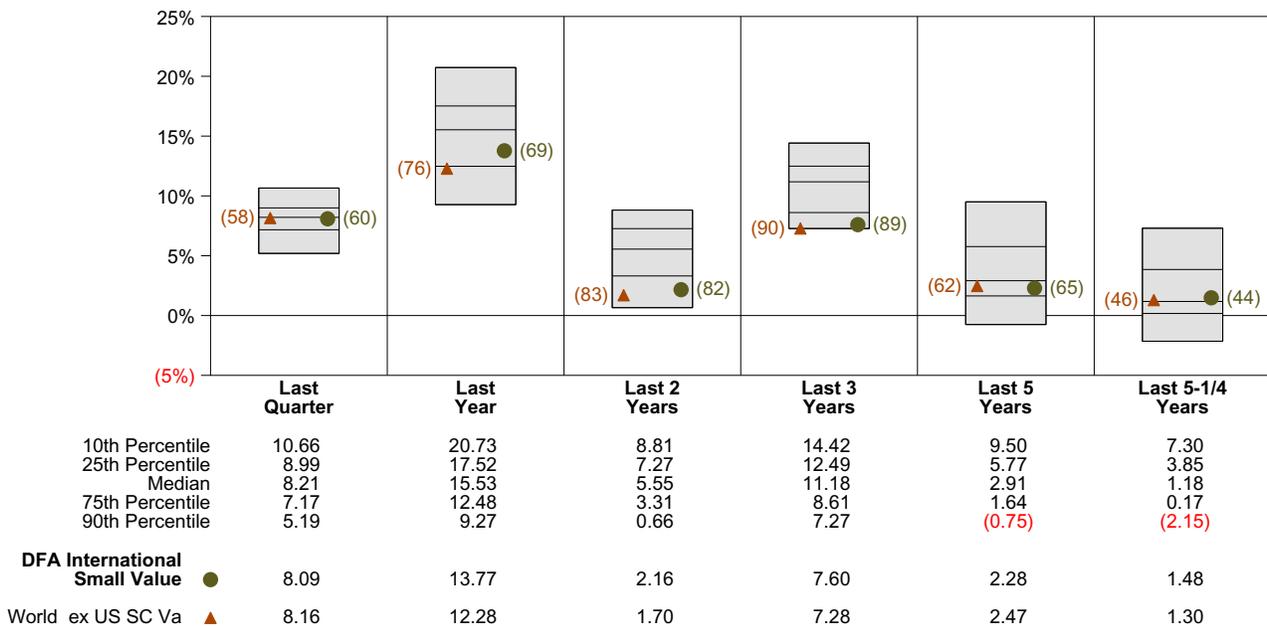
Quarterly Summary and Highlights

- DFA International Small Value's portfolio posted a 8.09% return for the quarter placing it in the 60 percentile of the CAI International Small Cap Style group for the quarter and in the 69 percentile for the last year.
- DFA International Small Value's portfolio underperformed the World ex US SC Va by 0.07% for the quarter and outperformed the World ex US SC Va for the year by 1.49%.

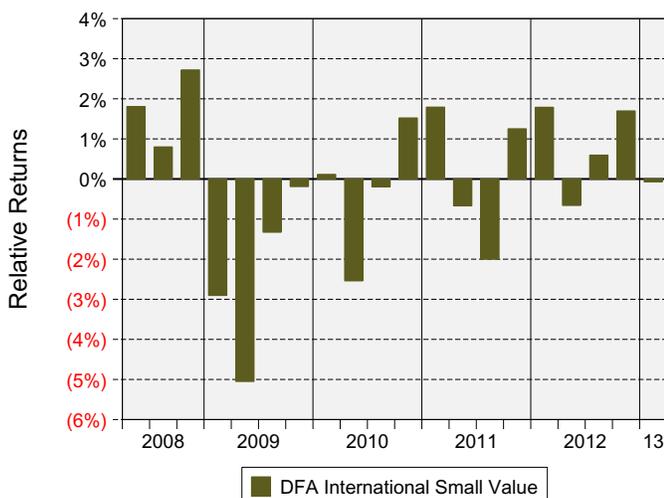
Quarterly Asset Growth

Beginning Market Value	\$57,243,758
Net New Investment	\$-98,171
Investment Gains/(Losses)	\$4,626,232
Ending Market Value	\$61,771,819

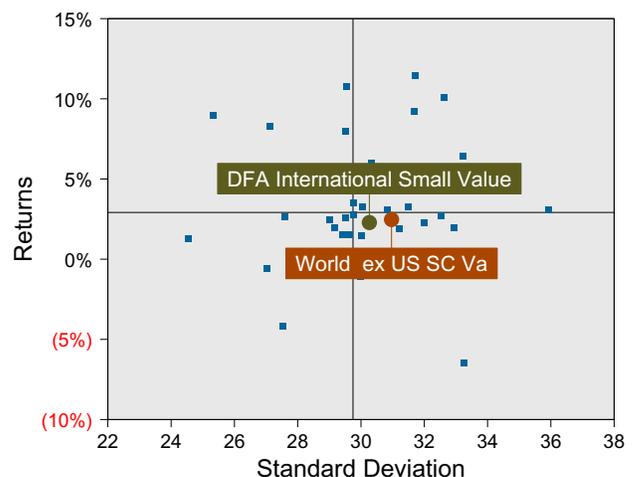
Performance vs CAI International Small Cap Style (Gross)



Relative Return vs World ex US SC Va



CAI International Small Cap Style (Gross) Annualized Five Year Risk vs Return



State Street Global Advisors Period Ended March 31, 2013

Investment Philosophy

SSgA attempts to identify stocks that it believes are undervalued, using detailed investment analysis. The strategy is normally broadly invested among countries and industries. The investable universe is equity securities of companies outside the United States within the market capitalization range of the index. **Benchmark is MSCI EAFE through 12/31/1996, 50% Hedged EAFE through 12/31/04, and MSCI EAFE again thereafter.

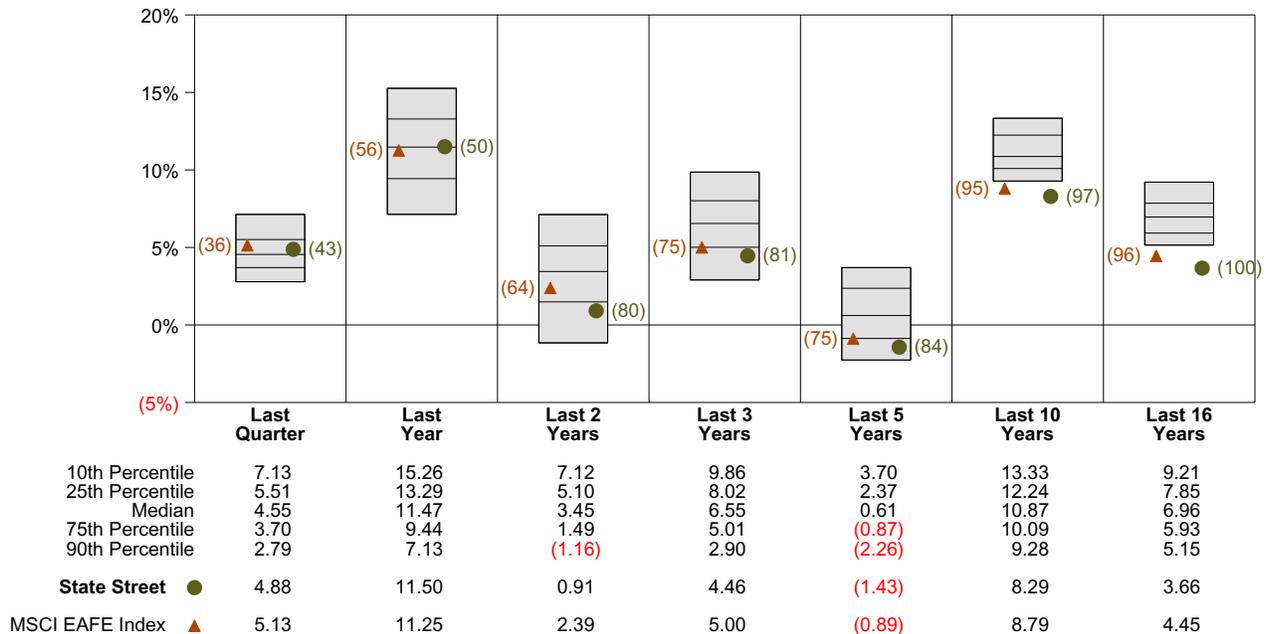
Quarterly Summary and Highlights

- State Street's portfolio posted a 4.88% return for the quarter placing it in the 43 percentile of the CAI Non-U.S. Equity Style group for the quarter and in the 50 percentile for the last year.
- State Street's portfolio underperformed the MSCI EAFE Index by 0.26% for the quarter and outperformed the MSCI EAFE Index for the year by 0.24%.

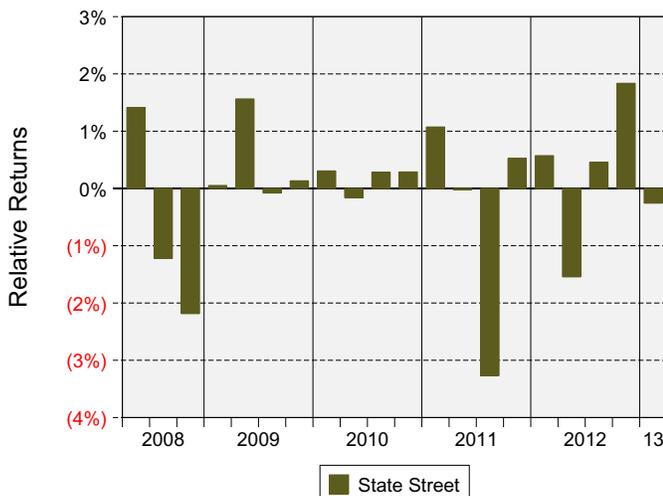
Quarterly Asset Growth

Beginning Market Value	\$45,884,063
Net New Investment	\$-78,366
Investment Gains/(Losses)	\$2,237,205
Ending Market Value	\$48,042,902

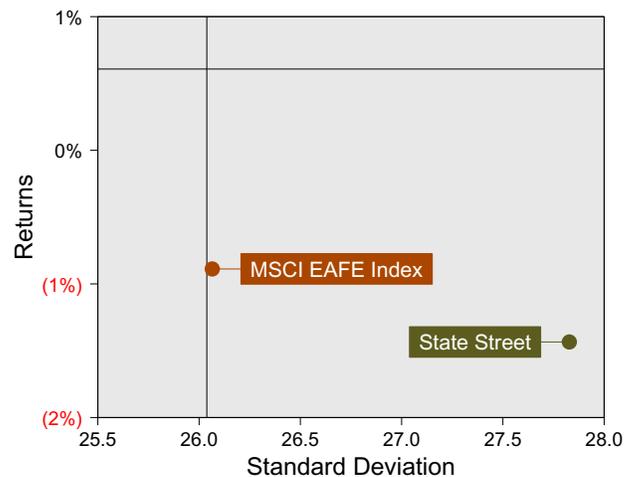
Performance vs CAI Non-U.S. Equity Style (Gross)



Relative Return vs MSCI EAFE Index



CAI Non-U.S. Equity Style (Gross) Annualized Five Year Risk vs Return



Wellington

Period Ended March 31, 2013

Investment Philosophy

The International Small Cap Opportunities investment approach is bottom-up focused, and leverages the global research resources at Wellington Management. In implementing purchase decisions, consideration is given to the size, liquidity, and volatility of these prospects. Sell decisions are based on changing fundamentals or valuations, or on finding better opportunities elsewhere. The assets are not hedged.

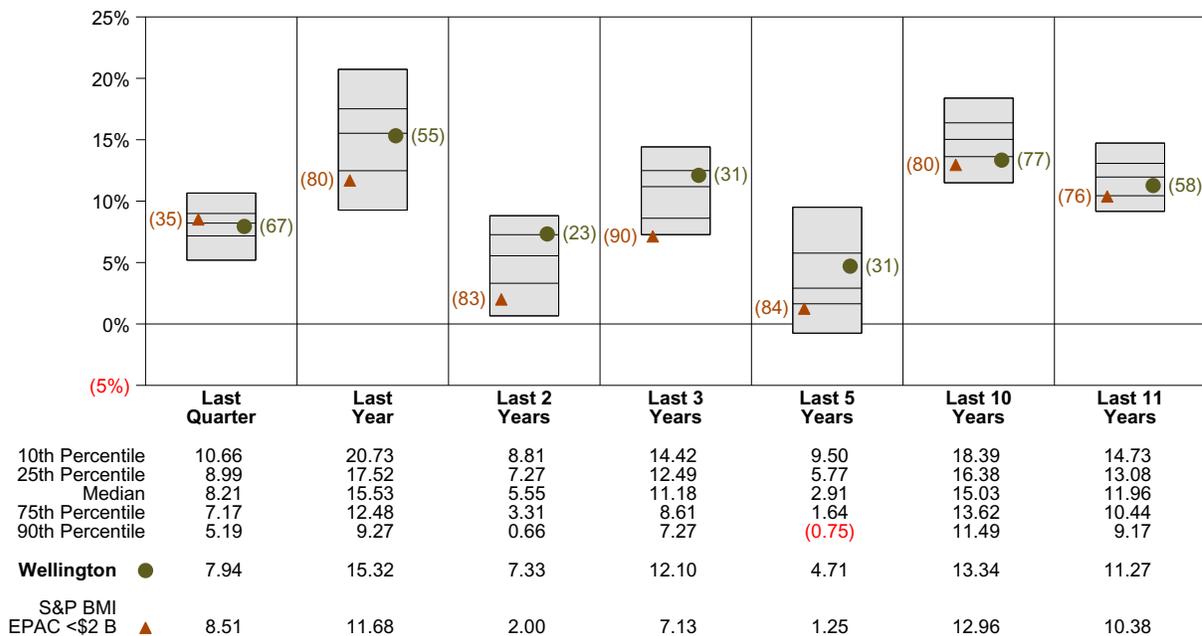
Quarterly Summary and Highlights

- Wellington's portfolio posted a 7.94% return for the quarter placing it in the 67 percentile of the CAI International Small Cap Style group for the quarter and in the 55 percentile for the last year.
- Wellington's portfolio underperformed the S&P BMI EPAC <\$2 B by 0.58% for the quarter and outperformed the S&P BMI EPAC <\$2 B for the year by 3.64%.

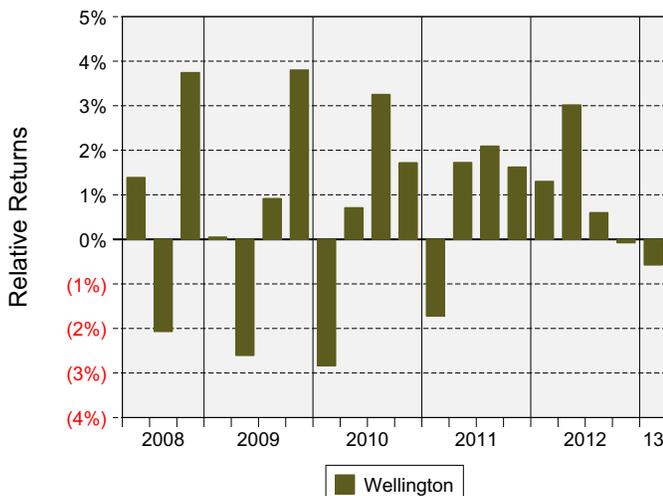
Quarterly Asset Growth

Beginning Market Value	\$63,525,999
Net New Investment	\$-134,875
Investment Gains/(Losses)	\$5,038,476
Ending Market Value	\$68,429,599

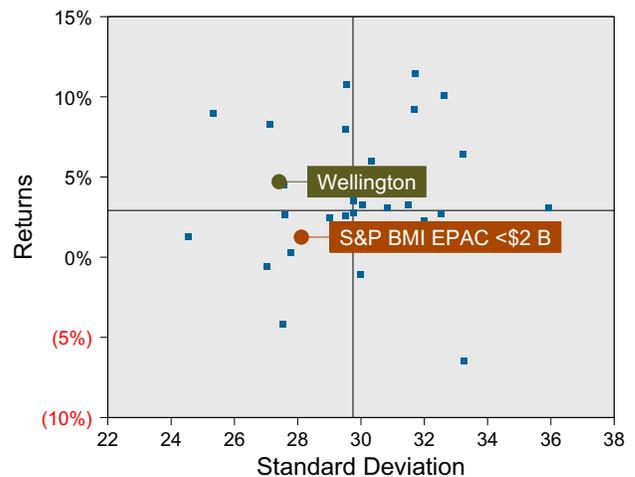
Performance vs CAI International Small Cap Style (Gross)



Relative Return vs S&P BMI EPAC <\$2 B



CAI International Small Cap Style (Gross) Annualized Five Year Risk vs Return



DFA Emerging Markets Period Ended March 31, 2013

Investment Philosophy

The Emerging Markets Small Cap Portfolio invests in small cap emerging markets companies. Presently, this means investment in companies whose market capitalization is less than \$2.3 billion at the time of purchase. Dimensional considers, among other things, information disseminated by the International Finance Corporation in determining and approving emerging market countries.

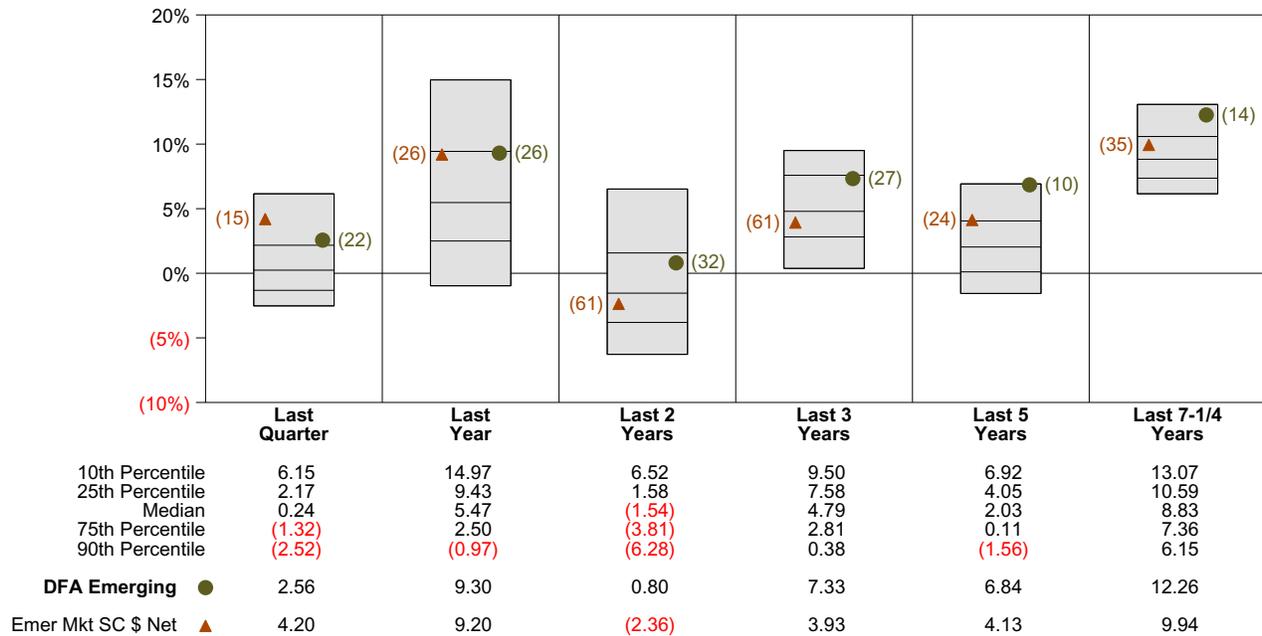
Quarterly Summary and Highlights

- DFA Emerging's portfolio posted a 2.56% return for the quarter placing it in the 22 percentile of the CAI Emerging Markets Equity DB group for the quarter and in the 26 percentile for the last year.
- DFA Emerging's portfolio underperformed the Emer Mkt SC \$ Net by 1.64% for the quarter and outperformed the Emer Mkt SC \$ Net for the year by 0.10%.

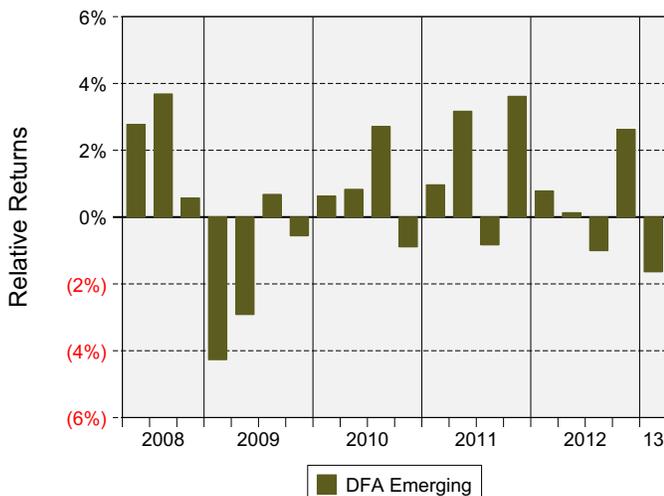
Quarterly Asset Growth

Beginning Market Value	\$34,044,776
Net New Investment	\$-56,653
Investment Gains/(Losses)	\$872,971
Ending Market Value	\$34,861,094

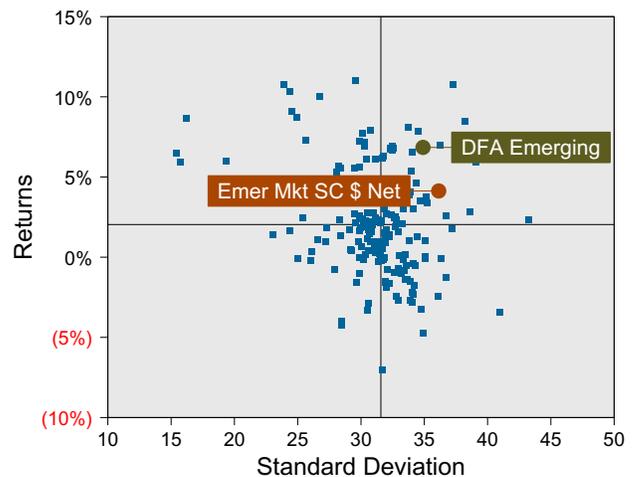
Performance vs CAI Emerging Markets Equity DB (Gross)



Relative Return vs Emer Mkt SC \$ Net



CAI Emerging Markets Equity DB (Gross) Annualized Five Year Risk vs Return



JP Morgan Emerging Markets Period Ended March 31, 2013

Investment Philosophy

The emphasis of investments in the Emerging Markets Equity Focused Fund is in capital and common stocks, securities convertible into capital and common stocks, and other equity investments, all of which involve foreign companies and enterprises' located primarily in emerging markets. In this context, 'Emerging' refers generally to countries outside of the MSCI EAFE Universe. ** Emerging Markets Target is MSCI Emerging Mkts Idx (Gross) through 6/30/2011, and MSCI Emerging Mkts Idx Net thereafter.

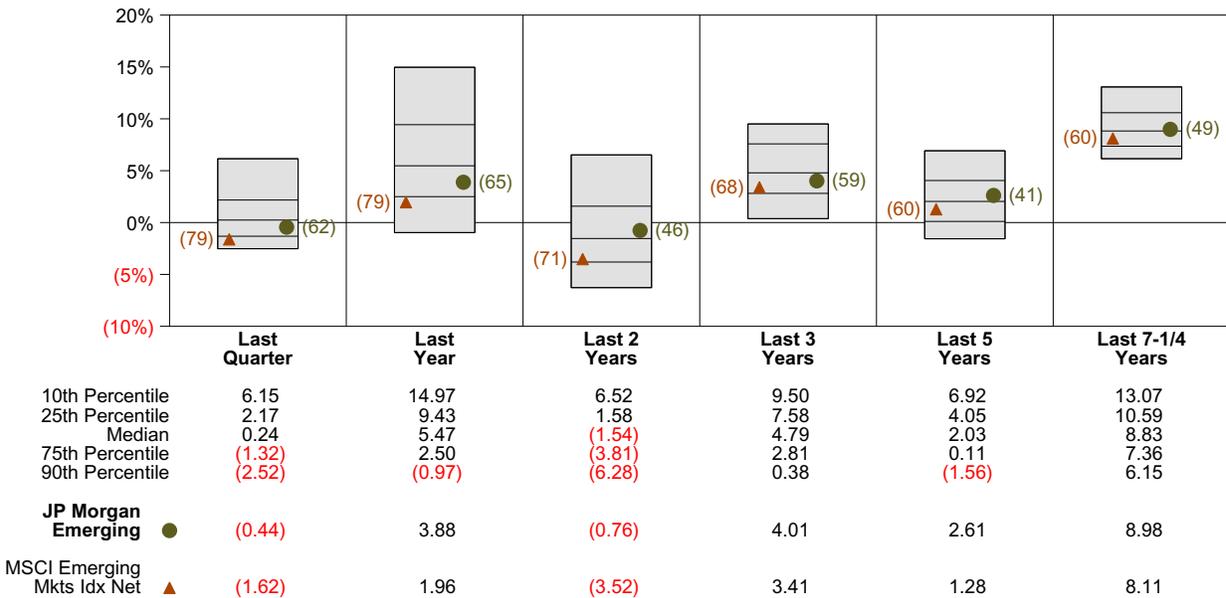
Quarterly Summary and Highlights

- JP Morgan Emerging's portfolio posted a (0.44)% return for the quarter placing it in the 62 percentile of the CAI Emerging Markets Equity DB group for the quarter and in the 65 percentile for the last year.
- JP Morgan Emerging's portfolio outperformed the MSCI Emerging Mkts Idx Net by 1.17% for the quarter and outperformed the MSCI Emerging Mkts Idx Net for the year by 1.92%.

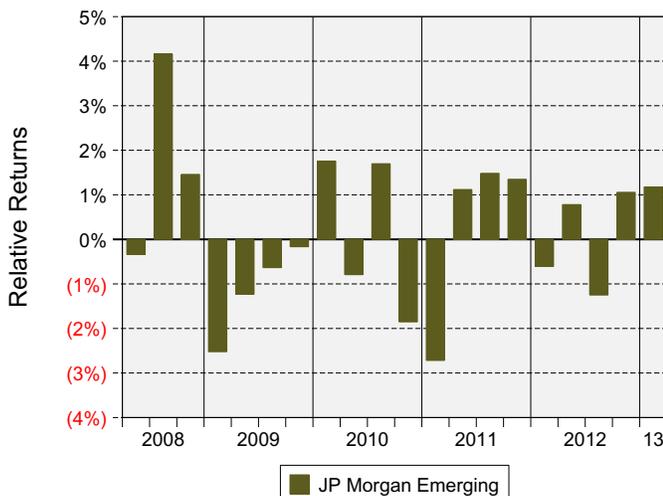
Quarterly Asset Growth

Beginning Market Value	\$41,485,384
Net New Investment	\$-16,079,547
Investment Gains/(Losses)	\$-130,166
Ending Market Value	\$25,275,671

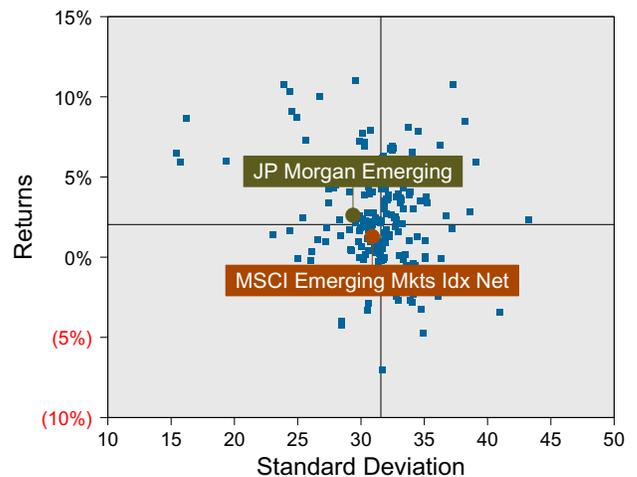
Performance vs CAI Emerging Markets Equity DB (Gross)



Relative Returns vs MSCI Emerging Mkts Idx Net



CAI Emerging Markets Equity DB (Gross) Annualized Five Year Risk vs Return



PanAgora Emerging Markets Period Ended March 31, 2013

Investment Philosophy

The Emerging Markets Fund seeks to exceed, in the aggregate, the return of the Morgan Stanley Capital International Emerging Markets Index before fees and expenses. The Emerging Markets fund may be invested in: International equity securities, American Depository Receipts, Global Depository Receipts, European Depository Receipts, exchange traded funds based on the underlying securities in the Benchmark, spot and forward currency exchange contracts, US Treasury bills and a Daily Liquidity Fund. The maximum investment in companies which comprise the Morgan Stanley Capital International Frontier Markets Equity Index will not exceed 10% measured at time of purchase. ** Emerging Markets Target is MSCI Emerging Mkts Idx (Gross) through 6/30/2011, and MSCI Emerging Mkts Idx Net thereafter.

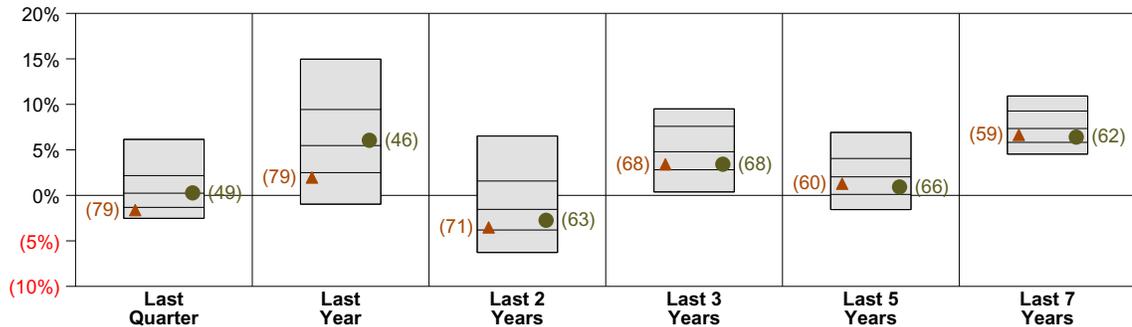
Quarterly Summary and Highlights

- PanAgora Emerging's portfolio posted a 0.27% return for the quarter placing it in the 49 percentile of the CAI Emerging Markets Equity DB group for the quarter and in the 46 percentile for the last year.
- PanAgora Emerging's portfolio outperformed the MSCI Emerging Mkts Idx Net by 1.89% for the quarter and outperformed the MSCI Emerging Mkts Idx Net for the year by 4.09%.

Quarterly Asset Growth

Beginning Market Value	\$17,031,346
Net New Investment	\$0
Investment Gains/(Losses)	\$46,185
Ending Market Value	\$17,077,531

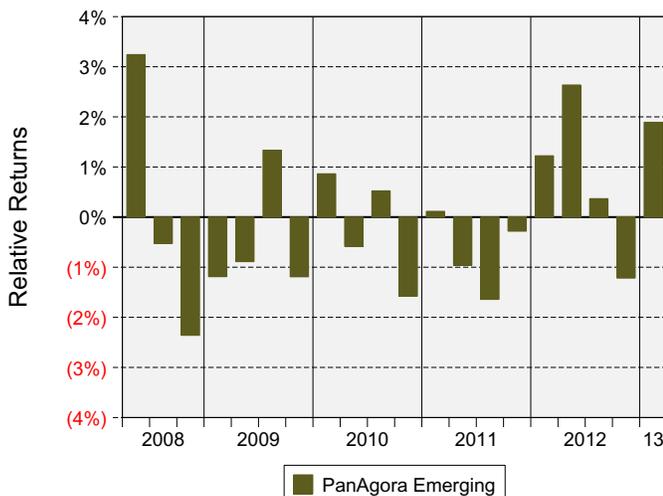
Performance vs CAI Emerging Markets Equity DB (Gross)



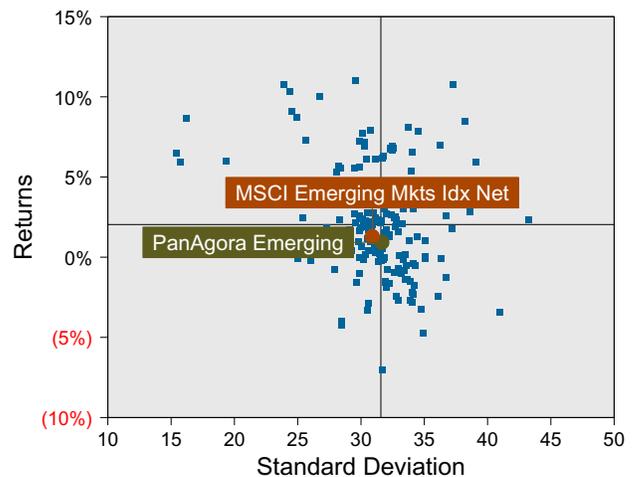
	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years
10th Percentile	6.15	14.97	6.52	9.50	6.92	10.92
25th Percentile	2.17	9.43	1.58	7.58	4.05	9.27
Median	0.24	5.47	(1.54)	4.79	2.03	7.35
75th Percentile	(1.32)	2.50	(3.81)	2.81	0.11	5.82
90th Percentile	(2.52)	(0.97)	(6.28)	0.38	(1.56)	4.53

PanAgora Emerging ●	0.27	6.05	(2.74)	3.42	0.92	6.40
MSCI Emerging Mkts Idx Net ▲	(1.62)	1.96	(3.52)	3.41	1.28	6.65

Relative Returns vs MSCI Emerging Mkts Idx Net



CAI Emerging Markets Equity DB (Gross) Annualized Five Year Risk vs Return



UBS Global Asset Emerging Markets Period Ended March 31, 2013

Investment Philosophy

The UBS Group Trust's emerging markets equity investments will be confined to the UBS Emerging Markets Equity collective Fund. The account's emerging markets equity assets will be fully-invested at all times, but such assets may be invested in the UBS US Cash Management Prime Collective Fund for operational and risk management purposes. ** Emerging Markets Target is MSCI Emerging Mkts Idx (Gross) through 6/30/2011, and MSCI Emerging Mkts Idx Net thereafter.

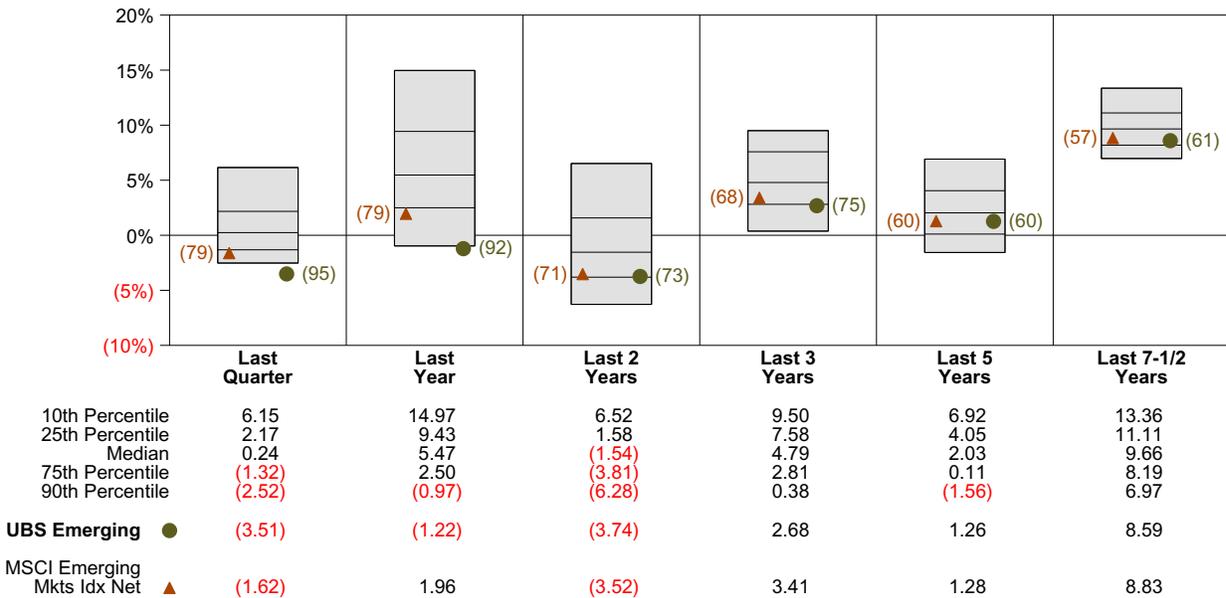
Quarterly Summary and Highlights

- UBS Emerging's portfolio posted a (3.51)% return for the quarter placing it in the 95 percentile of the CAI Emerging Markets Equity DB group for the quarter and in the 92 percentile for the last year.
- UBS Emerging's portfolio underperformed the MSCI Emerging Mkts Idx Net by 1.89% for the quarter and underperformed the MSCI Emerging Mkts Idx Net for the year by 3.18%.

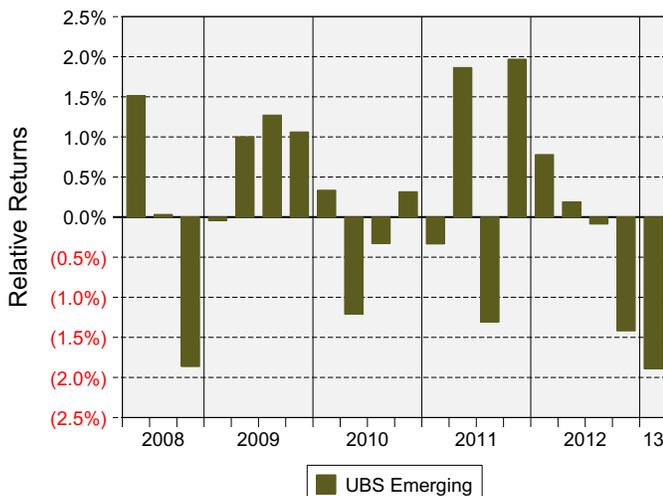
Quarterly Asset Growth

Beginning Market Value	\$40,926,089
Net New Investment	\$-16,120,907
Investment Gains/(Losses)	\$-1,030,332
Ending Market Value	\$23,774,850

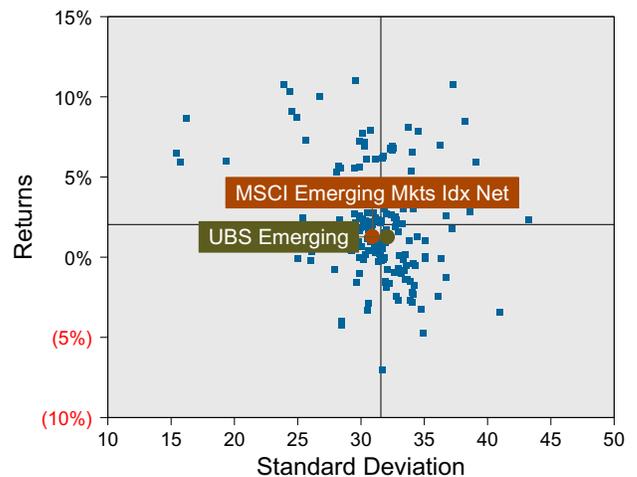
Performance vs CAI Emerging Markets Equity DB (Gross)



Relative Returns vs MSCI Emerging Mkts Idx Net



CAI Emerging Markets Equity DB (Gross) Annualized Five Year Risk vs Return



NTGI Emerging Markets Period Ended March 31, 2013

Investment Philosophy

Northern Trust believes that providing low cost market exposure is vital to investors in order to maximize investment returns over the long term. Our core objective is to replicate the benchmark characteristics while minimizing transaction costs and preserving wealth throughout the process. Our core principles: Discipline portfolio construction of portfolios using full replication and optimization where it allows for risk reduction, increased liquidity, and lower costs. Minimizing costs such as commissions, bid/ask spread, and market impact by utilizing sophisticated trading techniques. Multi-dimensional risk controls and careful oversight throughout our investment process.

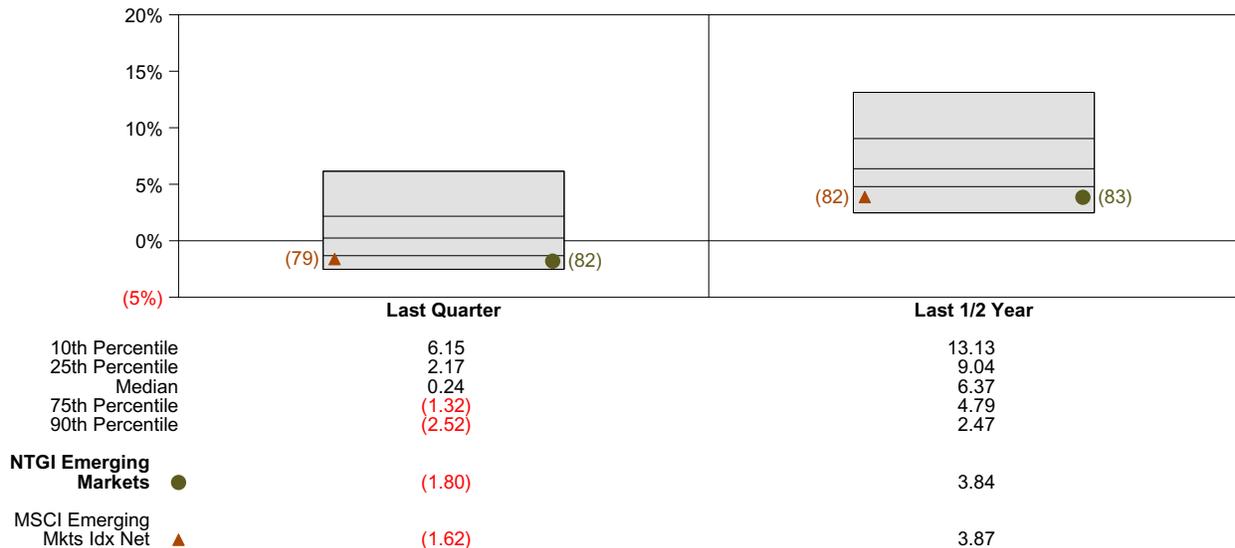
Quarterly Summary and Highlights

- NTGI Emerging Markets's portfolio posted a (1.80)% return for the quarter placing it in the 82 percentile of the CAI Emerging Markets Equity DB group for the quarter and in the 83 percentile for the last one-half year.
- NTGI Emerging Markets's portfolio underperformed the MSCI Emerging Mkts Idx Net by 0.18% for the quarter and underperformed the MSCI Emerging Mkts Idx Net for the one-half year by 0.02%.

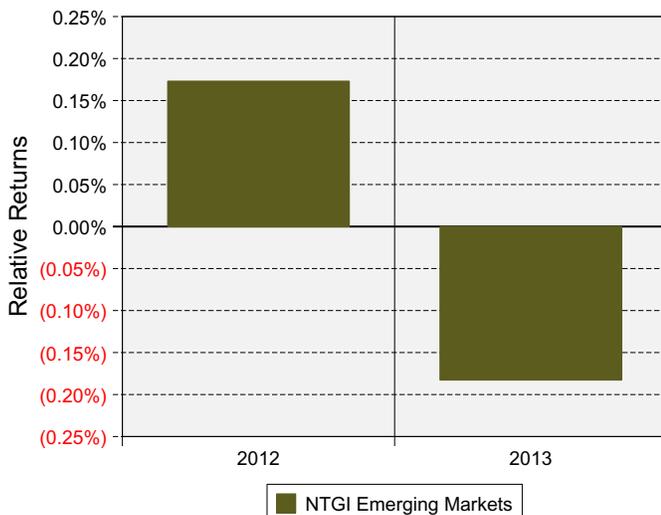
Quarterly Asset Growth

Beginning Market Value	\$19,499,741
Net New Investment	\$0
Investment Gains/(Losses)	\$-351,348
Ending Market Value	\$19,148,394

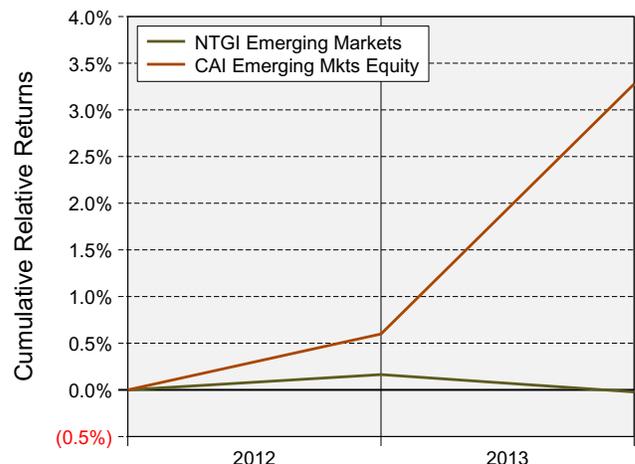
Performance vs CAI Emerging Markets Equity DB (Gross)



Relative Returns vs MSCI Emerging Mkts Idx Net



Cumulative Returns vs MSCI Emerging Mkts Idx Net



EPOCH Investment Partners Period Ended March 31, 2013

Investment Philosophy

Epoch seeks to produce superior risk adjusted returns by building portfolios of businesses with outstanding risk/reward profiles without running a high degree of capital risk. They analyze businesses in the same manner private investors would in looking to purchase the entire company. The strategy only invests in businesses that are understood and where they have confidence in the financial statements. They seek businesses that generate "free cash flow" and securities that have unrecognized potential yet possess a combination of above average yield, above average free cash flow growth, and/or below average valuation. The EPOCH Blended Benchmark consists of the S&P 500 Index through 12/31/2011 and the MSCI World Index thereafter.

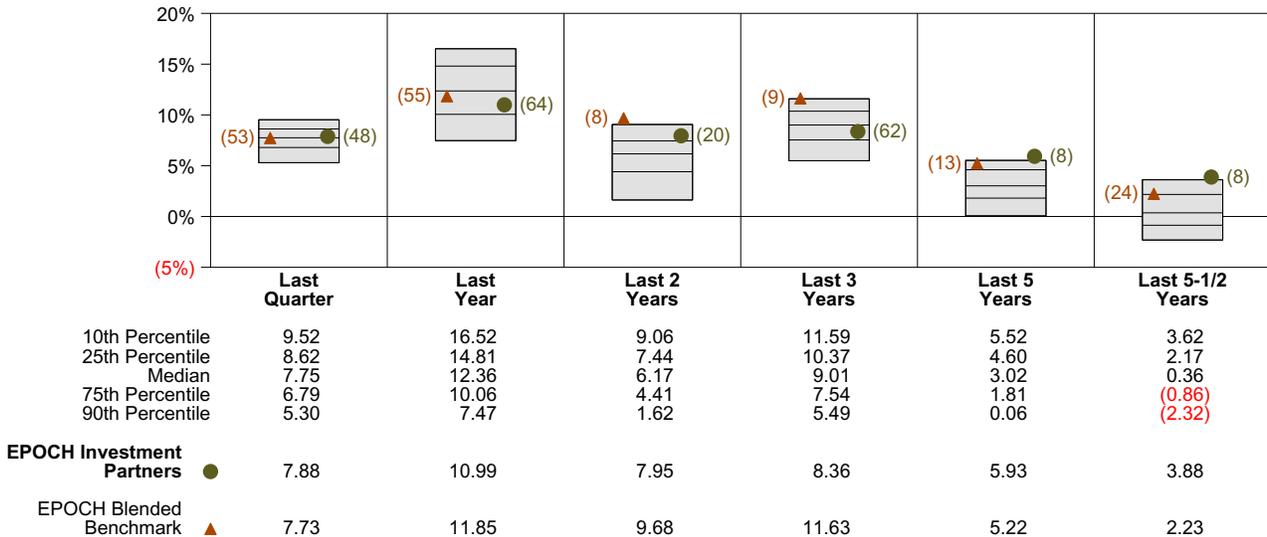
Quarterly Summary and Highlights

- EPOCH Investment Partners's portfolio posted a 7.88% return for the quarter placing it in the 48 percentile of the CAI Global Equity Broad Style group for the quarter and in the 64 percentile for the last year.
- EPOCH Investment Partners's portfolio outperformed the EPOCH Blended Benchmark by 0.15% for the quarter and underperformed the EPOCH Blended Benchmark for the year by 0.86%.

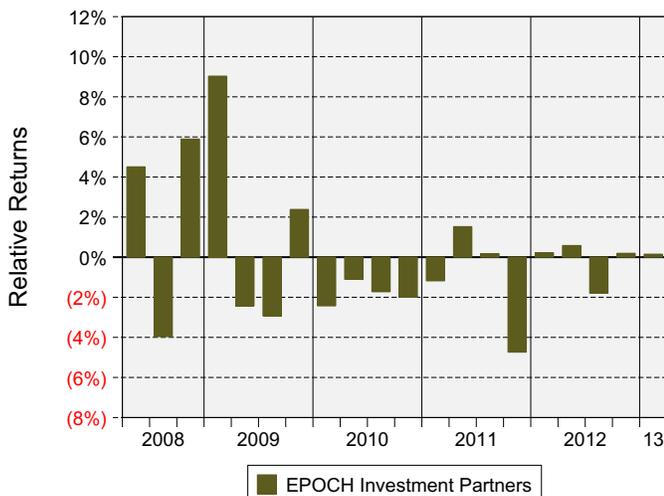
Quarterly Asset Growth

Beginning Market Value	\$180,083,595
Net New Investment	\$-339,769
Investment Gains/(Losses)	\$14,179,577
Ending Market Value	\$193,923,403

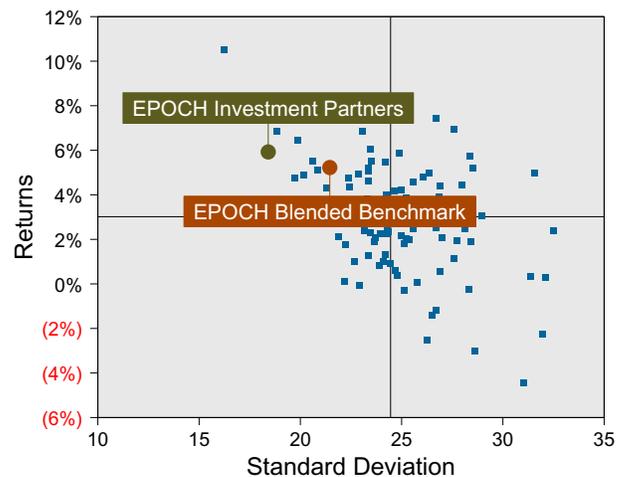
Performance vs CAI Global Equity Broad Style (Gross)



Relative Returns vs EPOCH Blended Benchmark



CAI Global Equity Broad Style (Gross) Annualized Five Year Risk vs Return



Calamos Investments

Period Ended March 31, 2013

Investment Philosophy

Calamos utilizes both top down and bottom up analysis. The strategy invests in equity and convertible securities. From a bottom up perspective they believe that to have a thorough understanding of a company they must assess the economic enterprise value of the business. They then look at a company's capital structure and value the equity and equity sensitive securities a company offers. They believe this holistic view of a company, and the fact they are often invested for longer periods than equity only managers, provides them with better levels of due diligence.

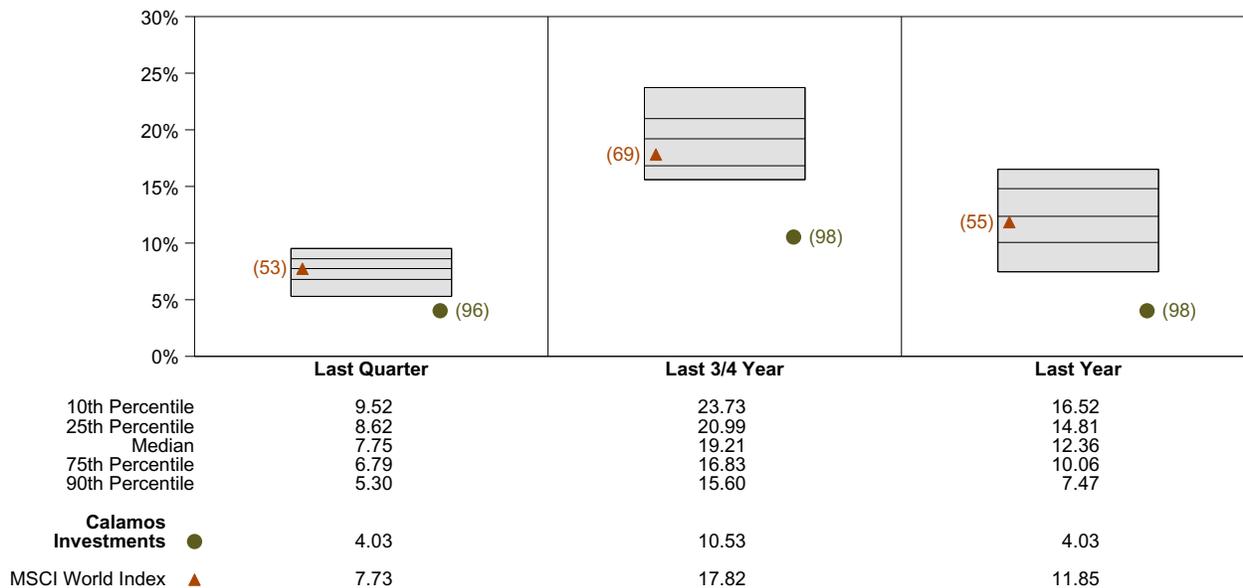
Quarterly Summary and Highlights

- Calamos Investments's portfolio posted a 4.03% return for the quarter placing it in the 96 percentile of the CAI Global Equity Broad Style group for the quarter and in the 98 percentile for the last year.
- Calamos Investments's portfolio underperformed the MSCI World Index by 3.70% for the quarter and underperformed the MSCI World Index for the year by 7.82%.

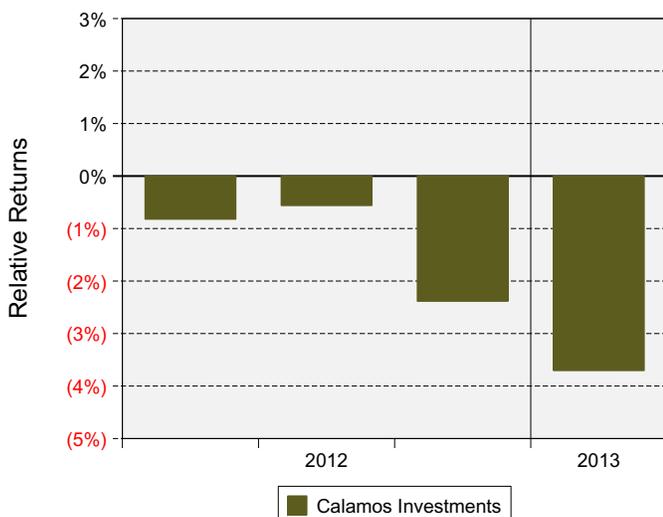
Quarterly Asset Growth

Beginning Market Value	\$52,986,088
Net New Investment	\$-84,157
Investment Gains/(Losses)	\$2,133,144
Ending Market Value	\$55,035,075

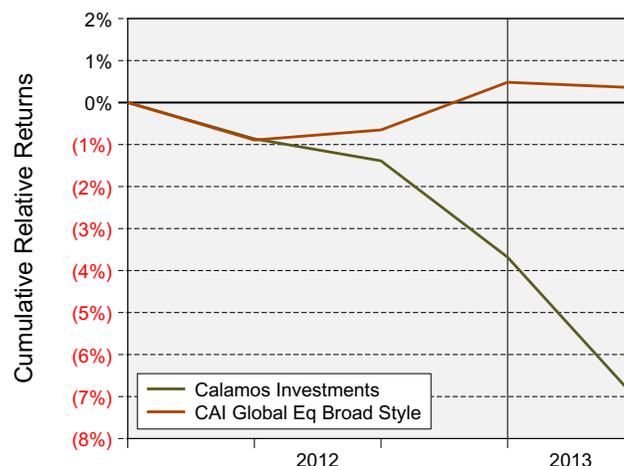
Performance vs CAI Global Equity Broad Style (Gross)



Relative Return vs MSCI World Index



Cumulative Returns vs MSCI World Index



Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods ended March 31, 2013. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2013

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 24 Years
Private Equity	0.36%	9.23%	7.57%	(1.00%)	9.52%
Brinson Partners Venture III	0.00%	3.56%	18.17%	5.85%	-
Adams Street Direct Co-Invest Fd	3.79%	9.27%	16.20%	0.54%	-
Adams Street Direct Fd 2010	3.21%	4.30%	-	-	-
Adams Street 1998 Partnership	0.87%	6.63%	(0.22%)	(8.99%)	-
Adams Street 1999 Partnership	0.20%	6.38%	6.53%	(0.62%)	-
Adams Street 2000 Partnership	(1.19%)	5.60%	9.24%	1.64%	-
Adams Street 2001 Partnership	0.90%	10.33%	9.61%	2.80%	-
Adams Street 2002 Partnership	(1.36%)	7.83%	15.32%	3.45%	-
Adams Street 2003 Partnership	1.33%	5.46%	5.77%	0.65%	-
Adams Street 2010 Partnership	1.85%	8.99%	-	-	-
Adams Street 2008 Fund	3.19%	6.94%	5.25%	(4.13%)	-
Adams Street 1999 Non-US	12.63%	12.95%	18.82%	9.79%	-
Adams Street 2000 Non-US	(0.45%)	(3.05%)	5.03%	(2.69%)	-
Adams Street 2001 Non-US	(0.69%)	10.27%	(2.80%)	(7.77%)	-
Adams Street 2002 Non-US	2.31%	6.54%	9.68%	(1.45%)	-
Adams Street 2003 Non-US	12.39%	35.58%	16.05%	4.63%	-
Adams Street 2004 Non-US	3.70%	2.20%	4.97%	(2.46%)	-
Adams Street 2010 Non-US	2.82%	8.60%	-	-	-
Adams Street 2010 NonUS Emg	(1.12%)	(11.85%)	-	-	-
Adams Street BVCF IV Fund	18.51%	40.87%	84.88%	40.04%	-
Coral Partners V	0.00%	40.41%	16.67%	39.89%	-
Coral Partner VI	4.99%	3.31%	(7.30%)	(19.50%)	-
Coral Partners Technology Fund	0.00%	26.20%	(11.95%)	(13.74%)	-
CorsAir III	(3.41%)	(9.41%)	(2.93%)	1.31%	-
ND Investors	(1.82%)	(0.92%)	0.71%	0.03%	-
CorsAir IV	(0.22%)	5.02%	-	-	-
Capital International V	(11.90%)	(9.58%)	8.64%	2.62%	-
Capital International VI	(1.86%)	2.44%	-	-	-
TCW Energy Fund XIV	(2.23%)	(1.64%)	9.10%	12.57%	-
Lewis & Clark	9.57%	16.16%	13.61%	10.49%	-
Lewis & Clark II	(5.85%)	(8.92%)	(12.40%)	-	-
Quantum Energy Partners	0.00%	20.31%	22.21%	7.95%	-
Quantum Resources	0.00%	34.78%	16.73%	(45.61%)	-
Matlin Patterson I	(6.26%)	(46.36%)	2818.02%	693.52%	-
Matlin Patterson II	(1.26%)	(28.74%)	(52.88%)	(44.93%)	-
Matlin Patterson III	12.96%	67.11%	34.09%	15.21%	-
Russell 1000 Index	10.96%	14.43%	12.93%	6.15%	9.75%
Russell 2000 Index	12.39%	16.30%	13.45%	8.24%	9.34%

Bank of North Dakota Period Ended March 31, 2013

Investment Philosophy

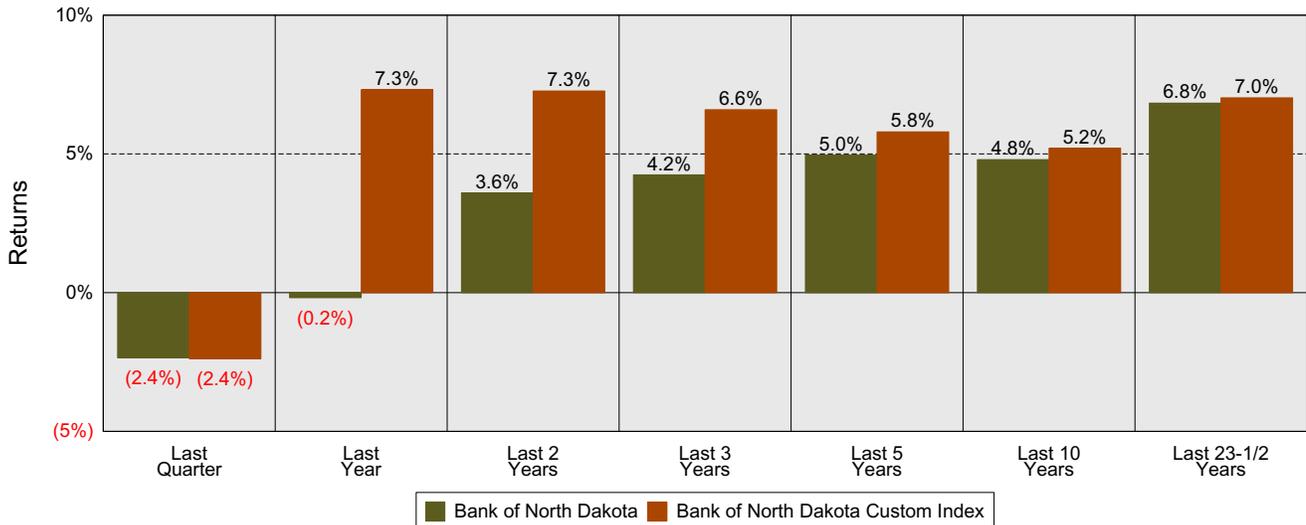
The Bank of North Dakota (BND) uses a passive management style designed to replicate the Barclays Government/Corporate Bond Index. In order to accomplish this objective, BND utilizes optimization software that allows us to monitor several portfolio and individual security constraints (duration, yield, convexity, credit quality and issue size). The Custom Index represents the Barclays Gov/Credit Bond Idx through 12/31/2011, then the Barclays Government Index through 3/31/2012, and the Barclays Treasury Long Idx thereafter.

Quarterly Summary and Highlights

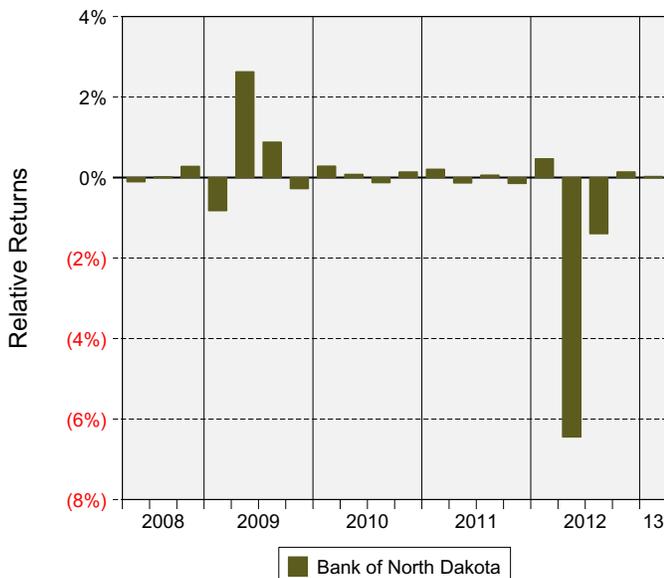
- Bank of North Dakota's portfolio outperformed the Bank of North Dakota Custom Index by 0.03% for the quarter and underperformed the Bank of North Dakota Custom Index for the year by 7.50%.

Quarterly Asset Growth

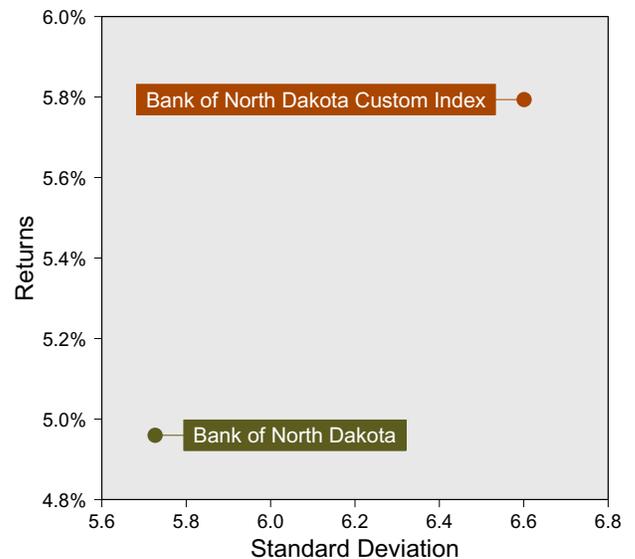
Beginning Market Value	\$48,506,112
Net New Investment	\$-7,338
Investment Gains/(Losses)	\$-1,141,101
Ending Market Value	\$47,357,673



Relative Returns vs Bank of North Dakota Custom Index



Annualized Five Year Risk vs Return



PIMCO DiSCO II

Period Ended March 31, 2013

Investment Philosophy

The PIMCO Distressed Senior Credit Opportunities Fund is an opportunistic private-equity style Fund which seeks to provide investors enhanced returns principally through long-biased investments in undervalued senior and super senior structured credit securities that are expected to produce attractive levels of current income and that may also appreciate in value over the long term. The fund will look to capitalize on forced sales by liquidity constrained investors.

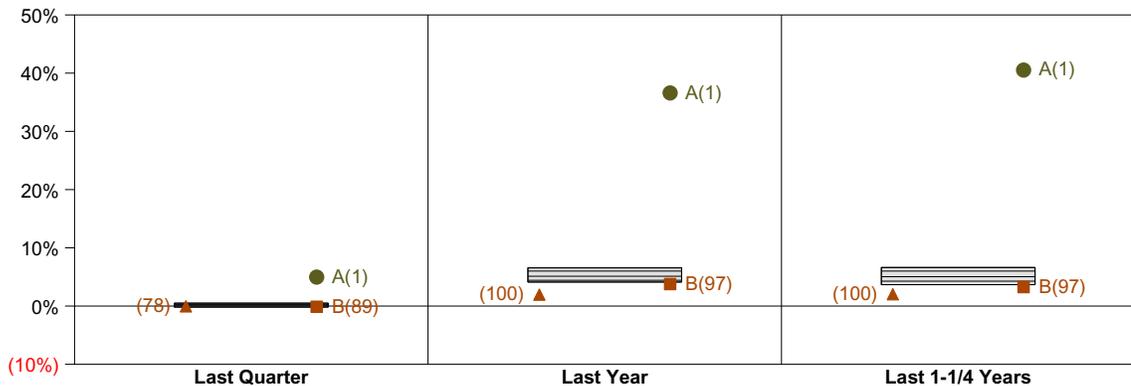
Quarterly Summary and Highlights

- PIMCO DiSCO II's portfolio posted a 4.97% return for the quarter placing it in the 1 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 1 percentile for the last year.
- PIMCO DiSCO II's portfolio outperformed the Barclays Mortgage by 5.02% for the quarter and outperformed the Barclays Mortgage for the year by 34.63%.

Quarterly Asset Growth

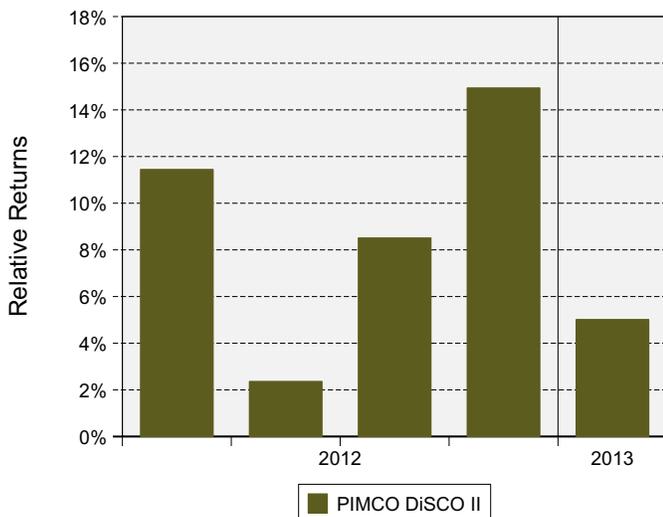
Beginning Market Value	\$98,700,427
Net New Investment	\$0
Investment Gains/(Losses)	\$4,904,883
Ending Market Value	\$103,605,310

Performance vs CAI Core Bond Fixed-Inc Style (Gross)

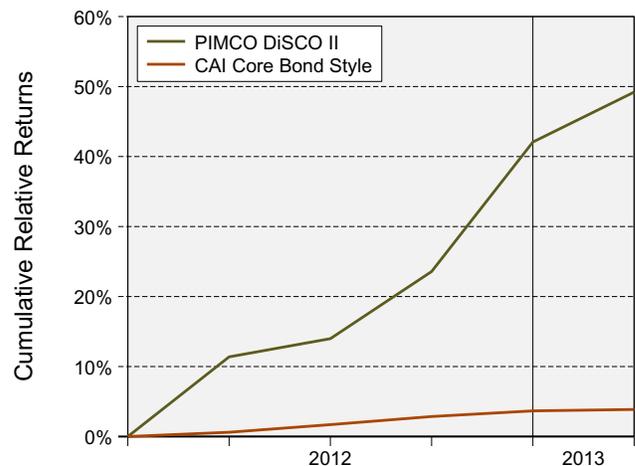


10th Percentile	0.50
25th Percentile	0.28
Median	0.13
75th Percentile	(0.01)
90th Percentile	(0.18)
PIMCO DiSCO II	4.97
Barclays Aggregate Index	(0.12)
Barclays Mortgage	(0.05)

Relative Return vs Barclays Mortgage



Cumulative Returns vs Barclays Mortgage



Western Asset Management Company

Period Ended March 31, 2013

Investment Philosophy

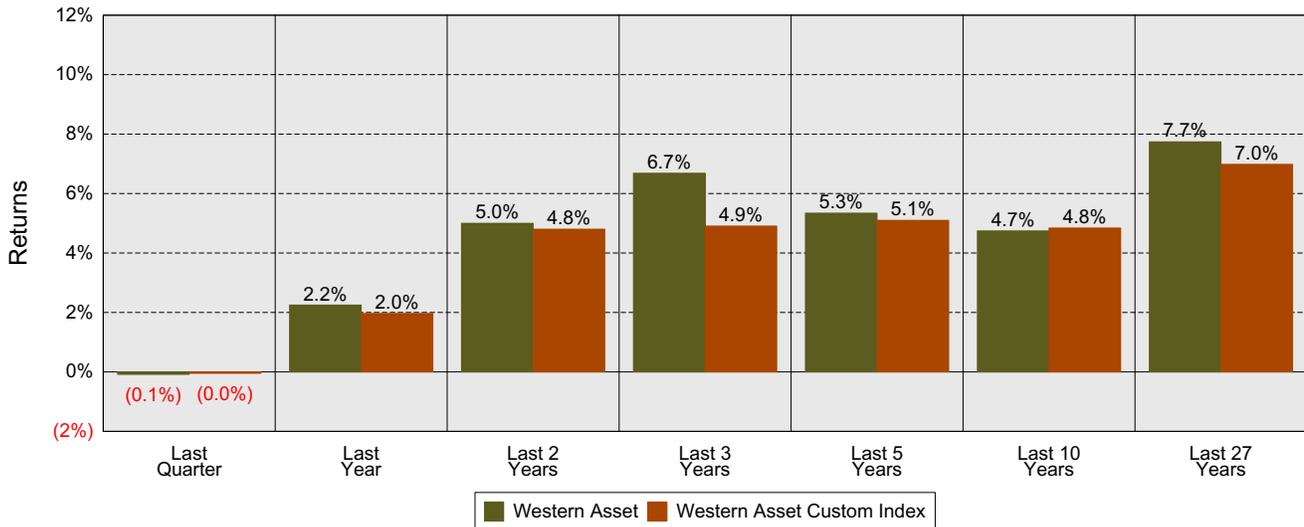
The investment objective for the Western Asset Mortgage-Backed Securities portfolio is to outperform the Barclays Capital US Mortgage Backed Securities Index over a three to five year market cycle. The portfolio is designed to hold high quality assets, with at least 90% of the portfolio rated AAA, or the rating of US Treasury or Agency securities, by at least one of the nationally recognized statistical rating organizations. The Custom Index represents the Barclays Aggregate Index through 03/31/2012, and the Barclays Mortgage Index thereafter.

Quarterly Summary and Highlights

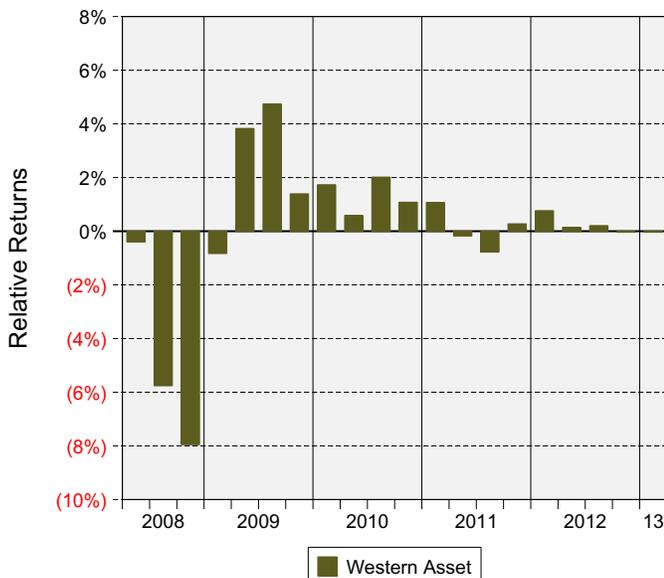
- Western Asset's portfolio underperformed the Western Asset Custom Index by 0.04% for the quarter and outperformed the Western Asset Custom Index for the year by 0.28%.

Quarterly Asset Growth

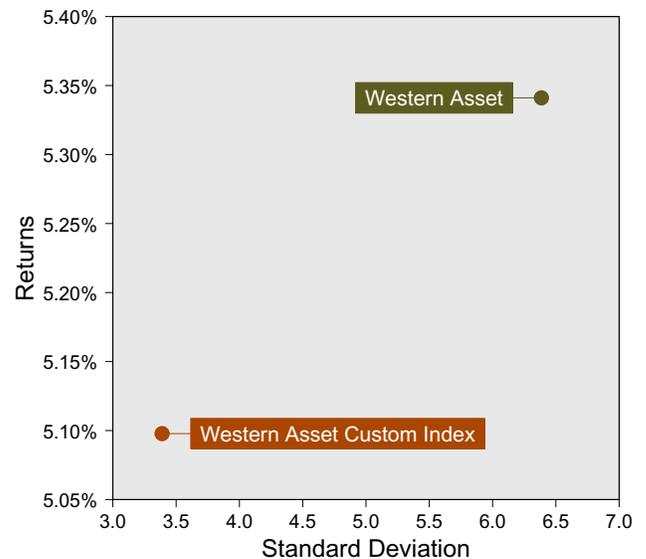
Beginning Market Value	\$100,902,286
Net New Investment	\$-45,661
Investment Gains/(Losses)	\$-83,467
Ending Market Value	\$100,773,159



Relative Returns vs Western Asset Custom Index



Annualized Five Year Risk vs Return



PIMCO Unconstrained Period Ended March 31, 2013

Investment Philosophy

The PIMCO Unconstrained Bond Strategy is an absolute return-oriented, investment grade quality fixed income strategy that embodies PIMCO's secular thinking, global themes, and integrated investment process without the constraints of a benchmark or significant sector/instrument limitations. The strategy is designed to offer the traditional benefits of a core bond portfolio. It seeks maximum long-term return consistent with capital preservation and prudent management but with higher potential alpha and the potential to mitigate downside risk to a greater degree than what is reasonably possible from traditional active fixed income management approaches as the strategy allows for more manager discretion to adjust duration exposure, allocate across sectors and otherwise express the firm's active views. The strategy is governed by PIMCO's investment philosophy and unique, disciplined secular investment process, which focuses on long-term economic, social and political trends that may have lasting impacts on investment returns. Moreover, over shorter cyclical time frames, the unconstrained nature of the strategy allows PIMCO to take on more risk when tactical opportunities are identified, and it allows for reduction and diversification of risk at times when the outlook may be more challenging for traditional fixed income benchmarks.

Quarterly Summary and Highlights

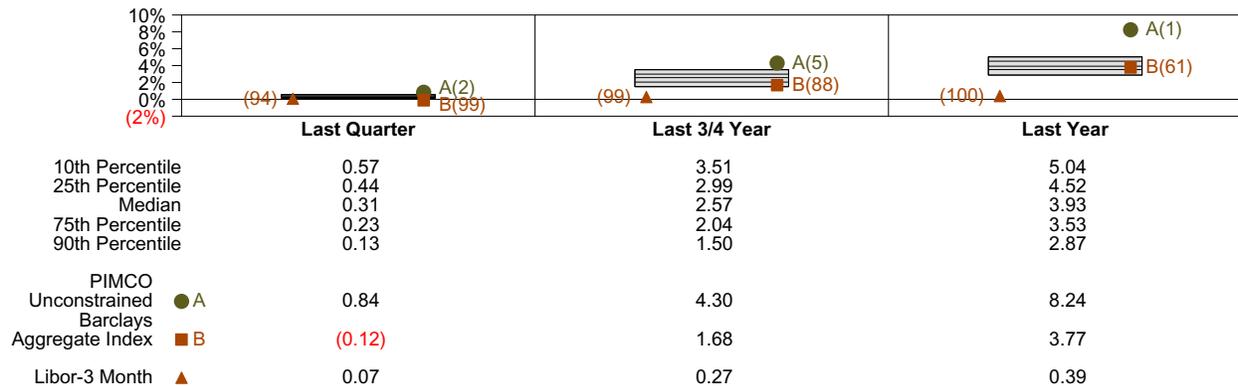
- PIMCO Unconstrained's portfolio posted a 0.84% return for the quarter placing it in the 2 percentile of the CAI Intermediate Fixed-Inc Style group for the quarter and in the 1 percentile for the last year.
- PIMCO Unconstrained's portfolio outperformed the Libor-3 Month by 0.76% for the quarter and outperformed the Libor-3 Month for the year by 7.85%.

Quarterly Asset Growth

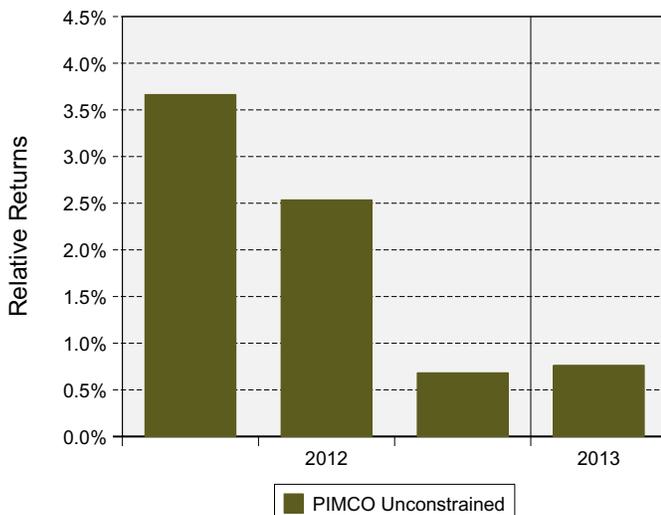
Beginning Market Value	\$60,171,123
Net New Investment	\$0
Investment Gains/(Losses)	\$503,730
Ending Market Value	\$60,674,853

Percent Cash: (0.0)%

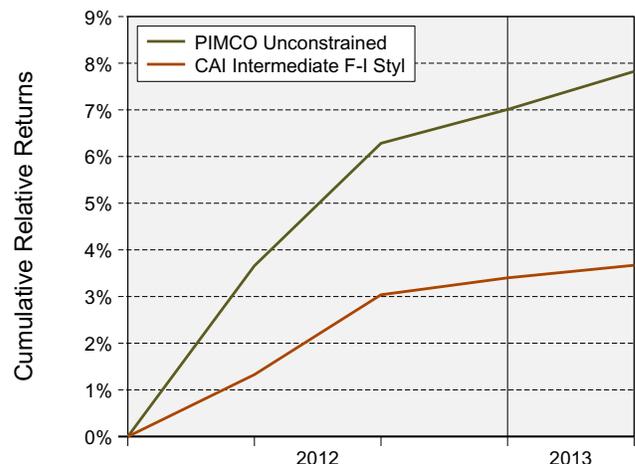
Performance vs CAI Intermediate Fixed-Inc Style (Gross)



Relative Return vs Libor-3 Month



Cumulative Returns vs Libor-3 Month



PIMCO MBS

Period Ended March 31, 2013

Investment Philosophy

The PIMCO Mortgage-Backed Securities Strategy is an actively managed bond portfolio that invests in high quality, short to intermediate duration mortgage-backed securities. The fund invests primarily in securities that are highly rated, such as US Government guaranteed Ginnie Mae securities and Agency-guaranteed Fannie Mae and Freddie Mac mortgage-backed securities.

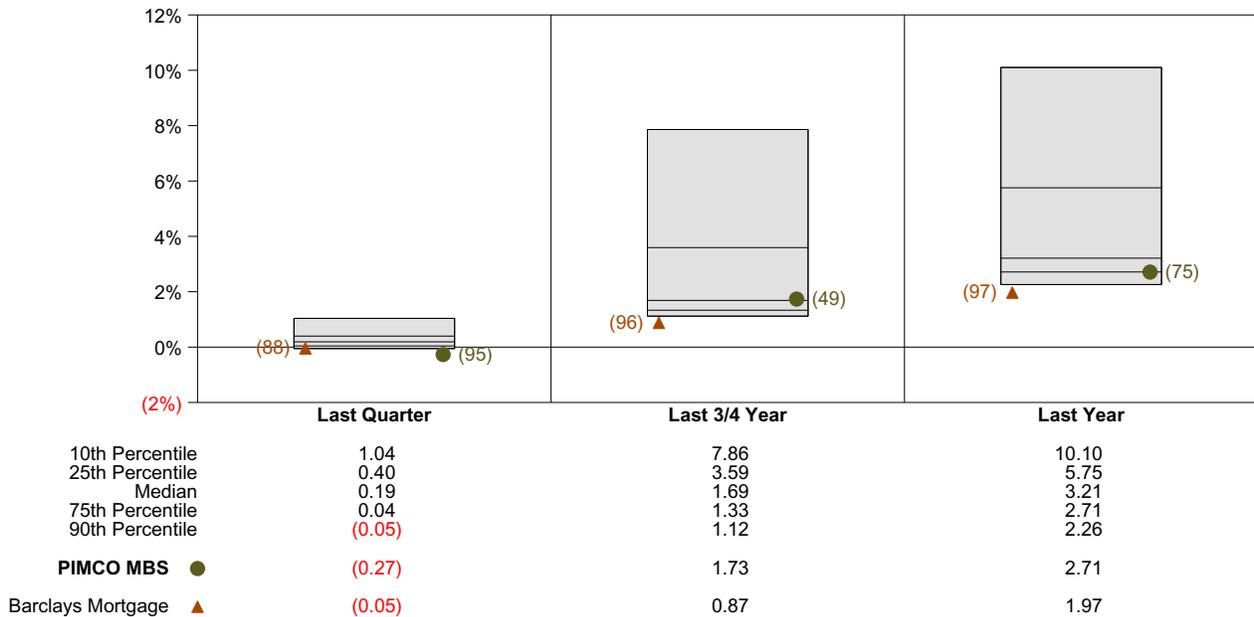
Quarterly Summary and Highlights

- PIMCO MBS's portfolio posted a (0.27)% return for the quarter placing it in the 95 percentile of the CAI Mtg-Backed FI Style group for the quarter and in the 75 percentile for the last year.
- PIMCO MBS's portfolio underperformed the Barclays Mortgage by 0.22% for the quarter and outperformed the Barclays Mortgage for the year by 0.74%.

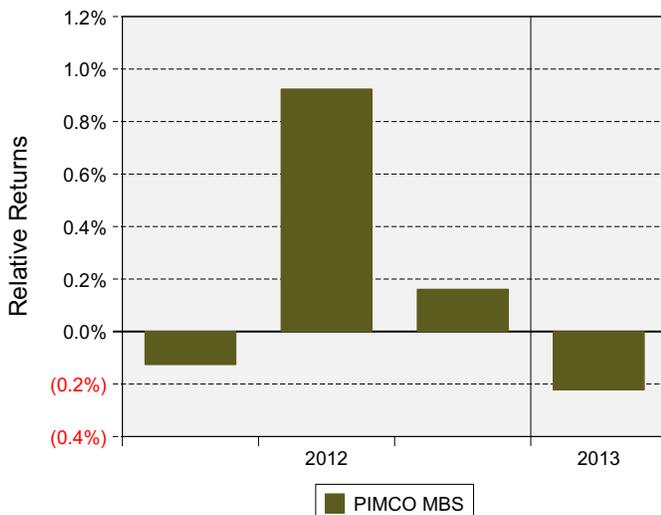
Quarterly Asset Growth

Beginning Market Value	\$149,445,888
Net New Investment	\$-65,901
Investment Gains/(Losses)	\$-401,724
Ending Market Value	\$148,978,263

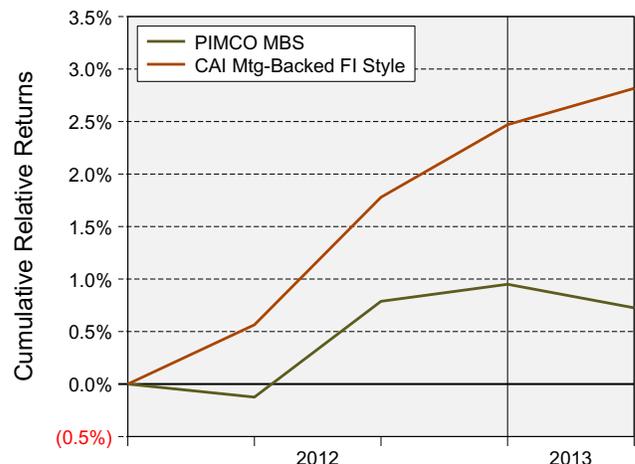
Performance vs CAI Mtg-Backed FI Style (Gross)



Relative Return vs Barclays Mortgage



Cumulative Returns vs Barclays Mortgage



Declaration Total Return Period Ended March 31, 2013

Investment Philosophy

The Fund's portfolio holdings consist primarily of RMBS issued by private sector companies (Non-Agency RMBS) and government agencies (Agency MBS) and CMBS issued by private sector companies. Agency MBS includes securities issued by the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Government National Mortgage Association (Ginnie Mae). Portfolio holdings may range from short tenure senior classes to stressed issues or subordinated securities with substantial risk of non-payment and correspondingly higher yields. Smaller portfolio allocations may include consumer asset-backed securities (ABS), or other structured credit securities and corporate bonds. As a diversification strategy and a potential hedge to credit risk, the Fund may invest in securities which tend to benefit from slow mortgage prepayments and economic growth, such as interest only (IO) MBS.

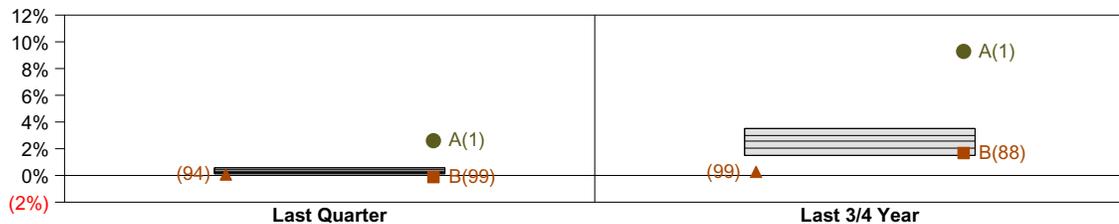
Quarterly Summary and Highlights

- Declaration Total Return's portfolio posted a 2.60% return for the quarter placing it in the 1 percentile of the CAI Intermediate Fixed-Inc Style group for the quarter and in the 1 percentile for the last three-quarter year.
- Declaration Total Return's portfolio outperformed the Libor-3 Month by 2.53% for the quarter and outperformed the Libor-3 Month for the three-quarter year by 9.01%.

Quarterly Asset Growth

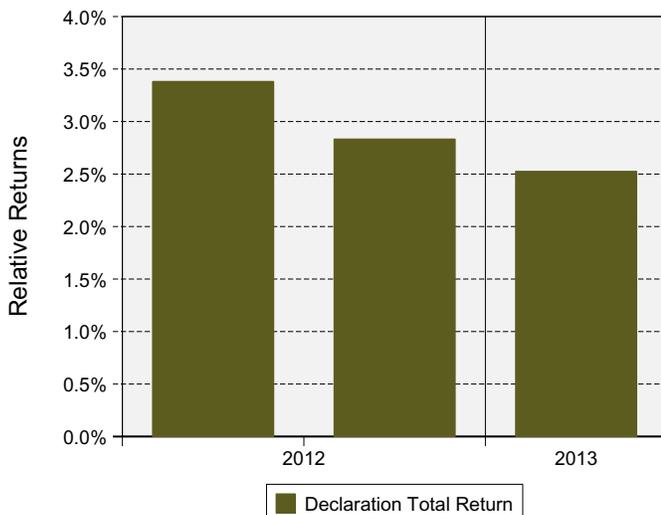
Beginning Market Value	\$58,413,337
Net New Investment	\$0
Investment Gains/(Losses)	\$1,518,718
Ending Market Value	\$59,932,055

Performance vs CAI Intermediate Fixed-Inc Style (Gross)

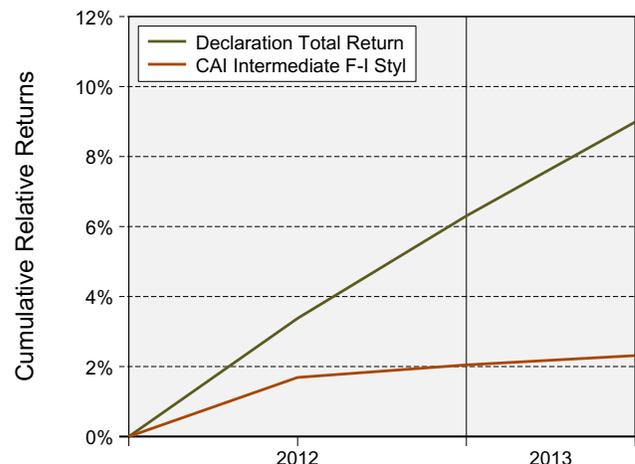


10th Percentile	0.57	3.51
25th Percentile	0.44	2.99
Median	0.31	2.57
75th Percentile	0.23	2.04
90th Percentile	0.13	1.50
Declaration Total Return	2.60	9.28
Barclays Aggregate Index	(0.12)	1.68
Libor-3 Month	0.07	0.27

Relative Return vs Libor-3 Month



Cumulative Returns vs Libor-3 Month



Goldman Sachs 2006 Offshore Period Ended March 31, 2013

Investment Philosophy

GS Mezzanine Partners seeks large-sized mezzanine investments comprised generally of fixed income securities and an associated equity component. They focus on providing private high yield capital for mid- to large-sized leveraged and management buyout transactions, recapitalizations, financings, re-financings, acquisitions and restructurings for private equity firms, private family companies and corporate issuers.

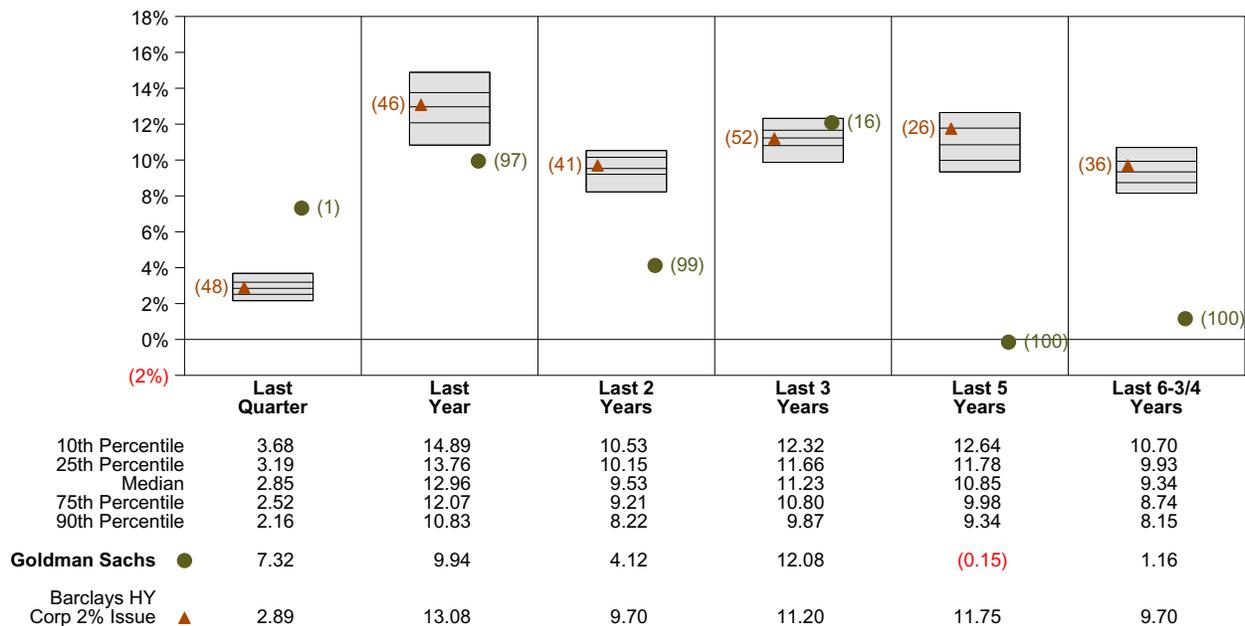
Quarterly Summary and Highlights

- Goldman Sachs's portfolio posted a 7.32% return for the quarter placing it in the 1 percentile of the CAI High Yield Fixed-Inc Style group for the quarter and in the 97 percentile for the last year.
- Goldman Sachs's portfolio outperformed the Barclays HY Corp 2% Issue by 4.43% for the quarter and underperformed the Barclays HY Corp 2% Issue for the year by 3.13%.

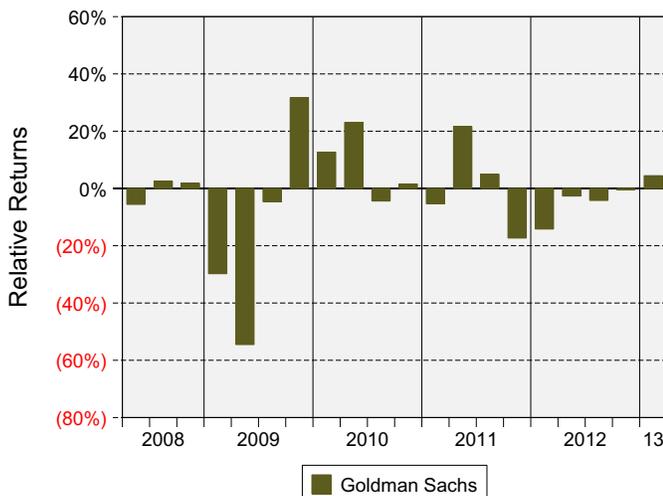
Quarterly Asset Growth

Beginning Market Value	\$4,271,226
Net New Investment	\$-85,186
Investment Gains/(Losses)	\$305,697
Ending Market Value	\$4,491,737

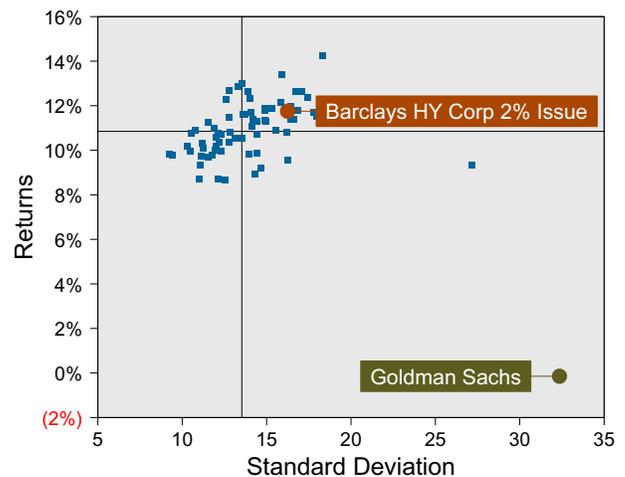
Performance vs CAI High Yield Fixed-Inc Style (Gross)



Relative Return vs Barclays HY Corp 2% Issue



CAI High Yield Fixed-Inc Style (Gross) Annualized Five Year Risk vs Return



Goldman Sachs Offshore Fund V

Period Ended March 31, 2013

Investment Philosophy

GS Mezzanine Partners seeks large-sized mezzanine investments comprised generally of fixed income securities and an associated equity component. They focus on providing private high yield capital for mid- to large-sized leveraged and management buyout transactions, recapitalizations, financings, re-financings, acquisitions and restructurings for private equity firms, private family companies and corporate issuers.

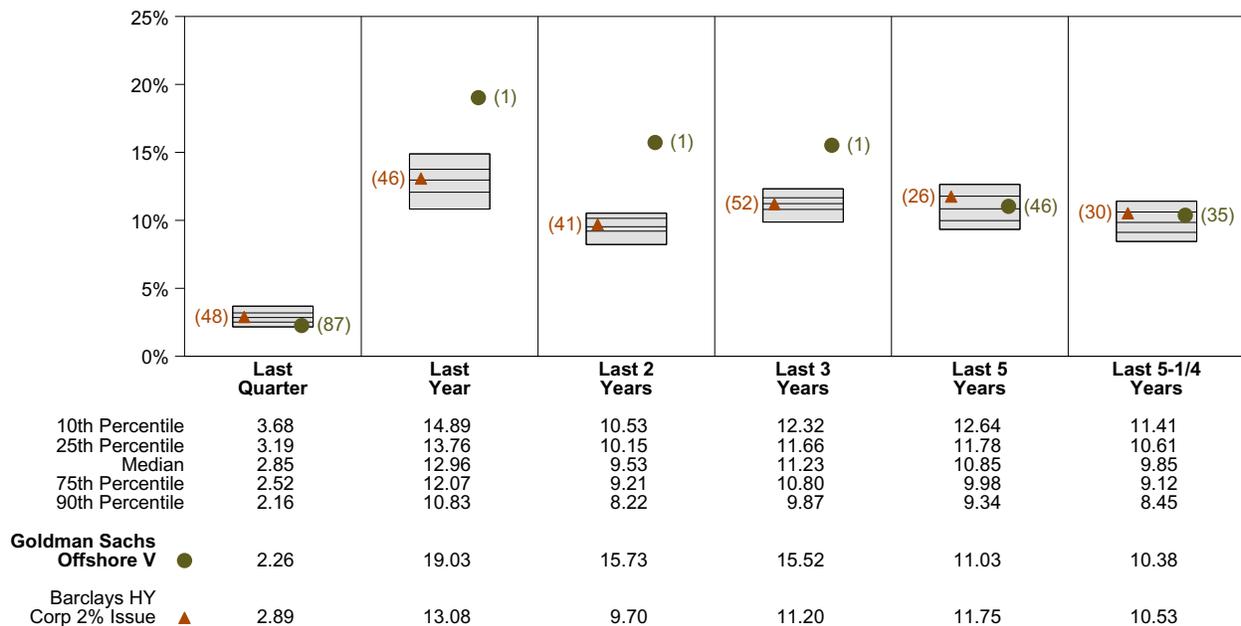
Quarterly Summary and Highlights

- Goldman Sachs Offshore V's portfolio posted a 2.26% return for the quarter placing it in the 87 percentile of the CAI High Yield Fixed-Inc Style group for the quarter and in the 1 percentile for the last year.
- Goldman Sachs Offshore V's portfolio underperformed the Barclays HY Corp 2% Issue by 0.63% for the quarter and outperformed the Barclays HY Corp 2% Issue for the year by 5.95%.

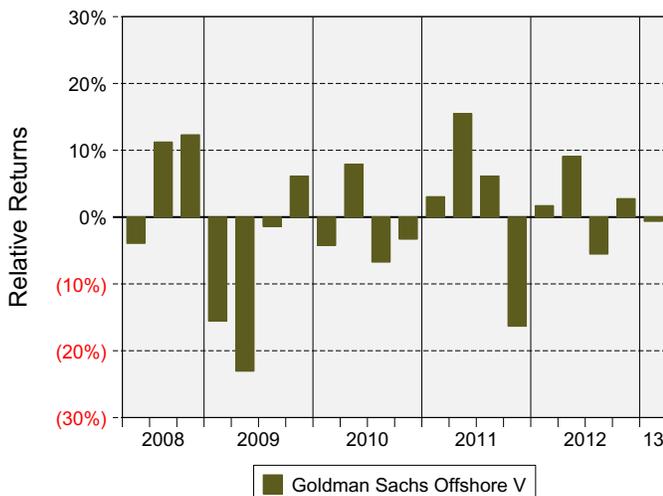
Quarterly Asset Growth

Beginning Market Value	\$10,773,515
Net New Investment	\$-1,130,935
Investment Gains/(Losses)	\$211,697
Ending Market Value	\$9,854,277

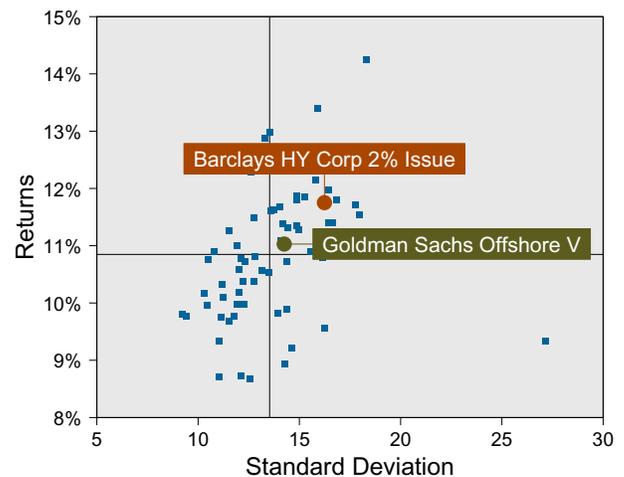
Performance vs CAI High Yield Fixed-Inc Style (Gross)



Relative Return vs Barclays HY Corp 2% Issue



CAI High Yield Fixed-Inc Style (Gross) Annualized Five Year Risk vs Return



Loomis Sayles

Period Ended March 31, 2013

Investment Philosophy

The High Yield Full Discretion Strategy seeks to identify attractive sectors and specific investment opportunities primarily within the global fixed income market through a global economic and interest rate framework. Portfolio managers incorporate a long-term macroeconomic view along with a stringent bottom-up investment evaluation process that drives security selection and resulting sector allocations. Opportunistic investments in non-benchmark sectors including investment grade corporate, emerging market, and non-US dollar debt and convertible bonds help to manage overall portfolio risk and enhance total return potential.

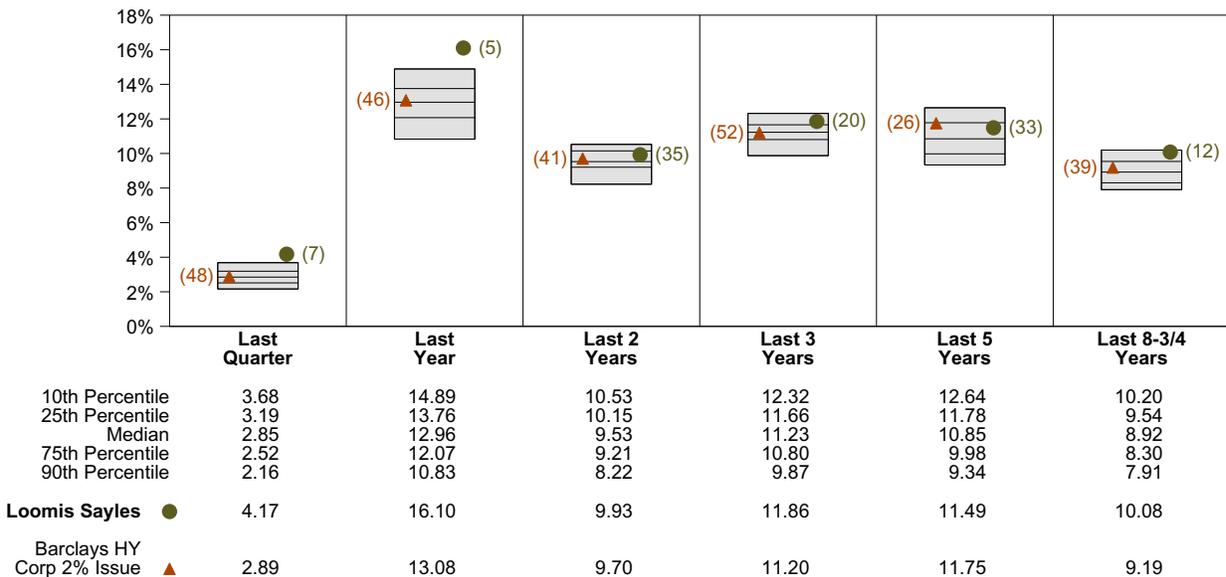
Quarterly Summary and Highlights

- Loomis Sayles's portfolio posted a 4.17% return for the quarter placing it in the 7 percentile of the CAI High Yield Fixed-Inc Style group for the quarter and in the 5 percentile for the last year.
- Loomis Sayles's portfolio outperformed the Barclays HY Corp 2% Issue by 1.28% for the quarter and outperformed the Barclays HY Corp 2% Issue for the year by 3.03%.

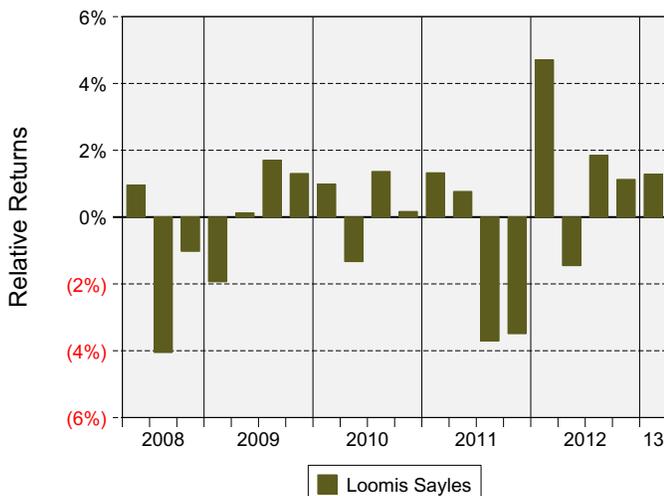
Quarterly Asset Growth

Beginning Market Value	\$173,056,235
Net New Investment	\$5,783,680
Investment Gains/(Losses)	\$7,228,423
Ending Market Value	\$186,068,338

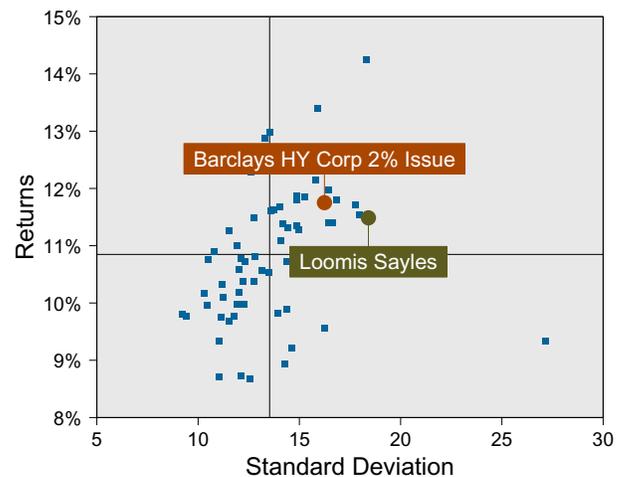
Performance vs CAI High Yield Fixed-Inc Style (Gross)



Relative Return vs Barclays HY Corp 2% Issue



CAI High Yield Fixed-Inc Style (Gross) Annualized Five Year Risk vs Return



UBS Global Asset Management Period Ended March 31, 2013

Investment Philosophy

UBS Global Asset Management's non-US fixed income portfolio's assets are invested in emerging markets debt on an opportunistic basis up to the stated maximum allocation of 5%. The account's non-US fixed income assets will be fully-invested at all times, but such assets may be invested in the UBS US Cash Management Prime Collective Fund for operational and risk management purposes. *The UBS Blended Benchmark is comprised of the Citigroup Non-US Govt Index through 12/31/2009, and the BC Global Aggregate ex-US Index thereafter.

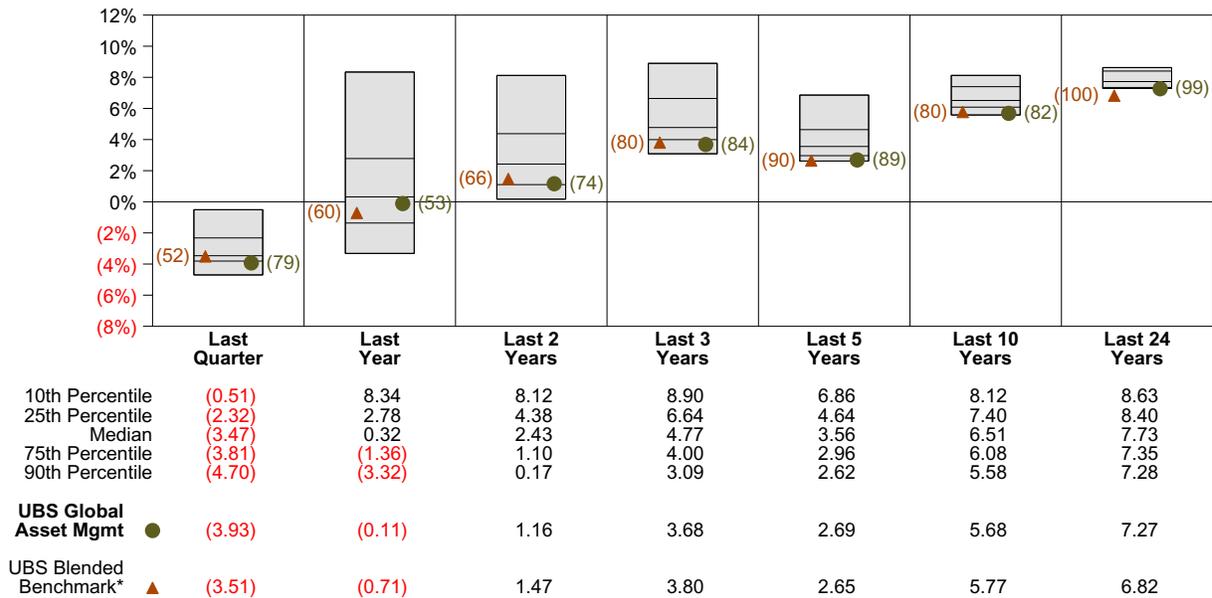
Quarterly Summary and Highlights

- UBS Global Asset Mgmt's portfolio posted a (3.93)% return for the quarter placing it in the 79 percentile of the CAI Non-U.S. Fixed-Inc Style group for the quarter and in the 53 percentile for the last year.
- UBS Global Asset Mgmt's portfolio underperformed the UBS Blended Benchmark* by 0.42% for the quarter and outperformed the UBS Blended Benchmark* for the year by 0.60%.

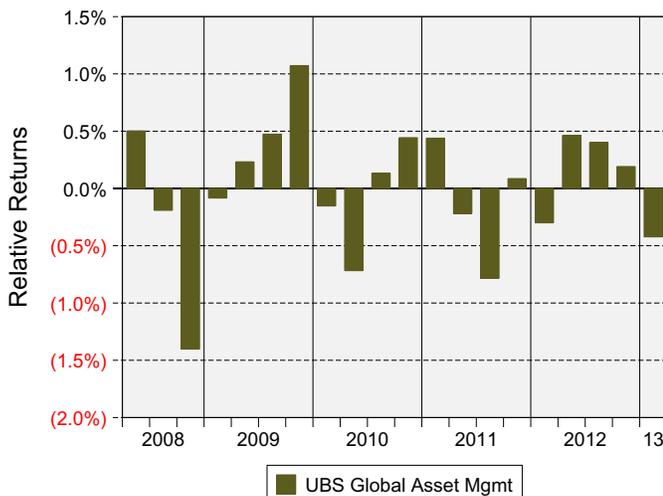
Quarterly Asset Growth

Beginning Market Value	\$98,223,389
Net New Investment	\$-73,487
Investment Gains/(Losses)	\$-3,857,199
Ending Market Value	\$94,292,702

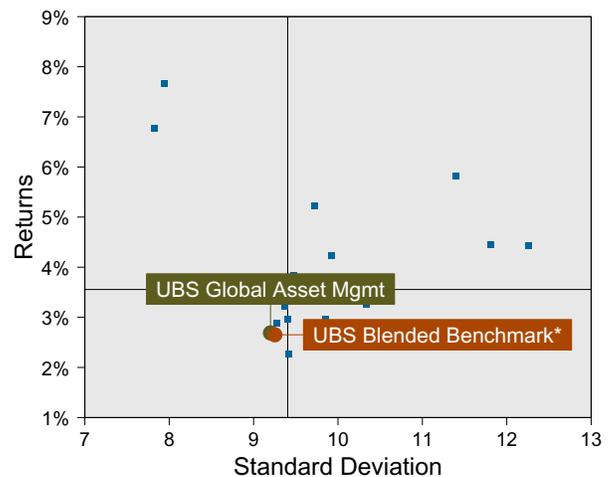
Performance vs CAI Non-U.S. Fixed-Inc Style (Gross)



Relative Return vs UBS Blended Benchmark*



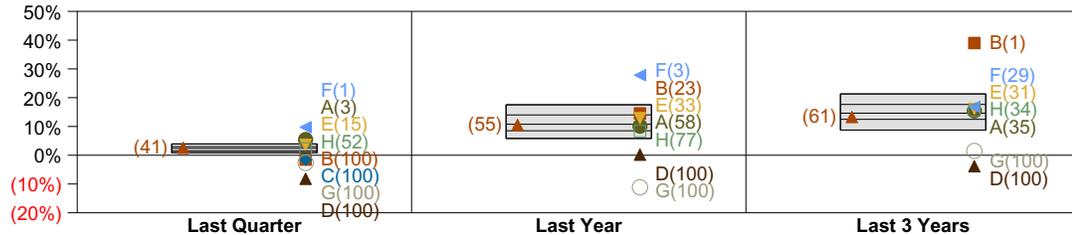
CAI Non-U.S. Fixed-Inc Style (Gross) Annualized Five Year Risk vs Return



North Dakota State Investment Board Pension Funds Performance vs Total Real Estate DB Periods Ended March 31, 2013

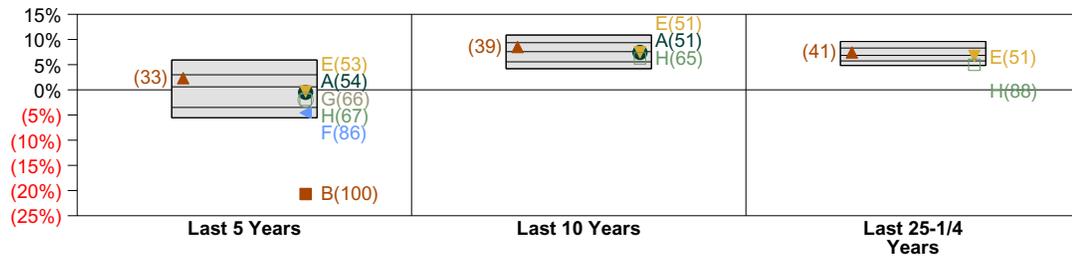
Return Ranking

The chart below illustrates fund rankings over various periods versus the Total Real Estate DB. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Total Real Estate DB. The numbers to the right of the bar represent the percentile rankings of the funds being analyzed. The table below the chart details the rates of return plotted in the graph above.



	Last Quarter	Last Year	Last 3 Years
10th Percentile	3.94	17.53	21.30
25th Percentile	3.00	14.00	17.65
Median	2.35	10.77	14.61
75th Percentile	1.49	8.50	12.47
90th Percentile	0.86	5.82	8.74

Fund	Last Quarter	Last Year	Last 3 Years
INVESTCO Core Real Estate	● A 5.44	10.12	15.44
INVESTCO Real Estate II	■ B (1.52)	14.54	38.99
INVESTCO Real Estate III	◆ C (1.56)	-	-
INVESTCO Asia Real Estate	▲ D (8.19)	0.19	(3.83)
J.P. Morgan Investment	▼ E 3.57	12.86	16.09
J.P. Morgan Alternative Fd	◀ F 9.73	27.81	16.81
JP Morgan Greater China Fund	○ G (2.66)	(11.14)	1.50
Total Real Estate	□ H 2.30	8.38	15.59
NCREIF Total Index	▲ 2.57	10.52	13.30



	Last 5 Years	Last 10 Years	Last 25-1/4 Years
10th Percentile	5.93	10.88	9.60
25th Percentile	2.99	9.37	8.30
Median	0.60	7.58	6.84
75th Percentile	(3.50)	5.57	5.75
90th Percentile	(5.54)	4.19	4.84

Fund	Last 5 Years	Last 10 Years	Last 25-1/4 Years
INVESTCO Core Real Estate	● A (0.50)	7.42	-
INVESTCO Real Estate II	■ B (20.69)	-	-
INVESTCO Real Estate III	◆ C -	-	-
INVESTCO Asia Real Estate	▲ D -	-	-
J.P. Morgan Investment	▼ E (0.30)	7.46	6.76
J.P. Morgan Alternative Fd	◀ F (4.56)	-	-
JP Morgan Greater China Fund	○ G (1.93)	-	-
Total Real Estate	□ H (1.97)	6.25	4.99
NCREIF Total Index	▲ 2.32	8.51	7.43

TIR - TEREDO

Period Ended March 31, 2013

Investment Philosophy

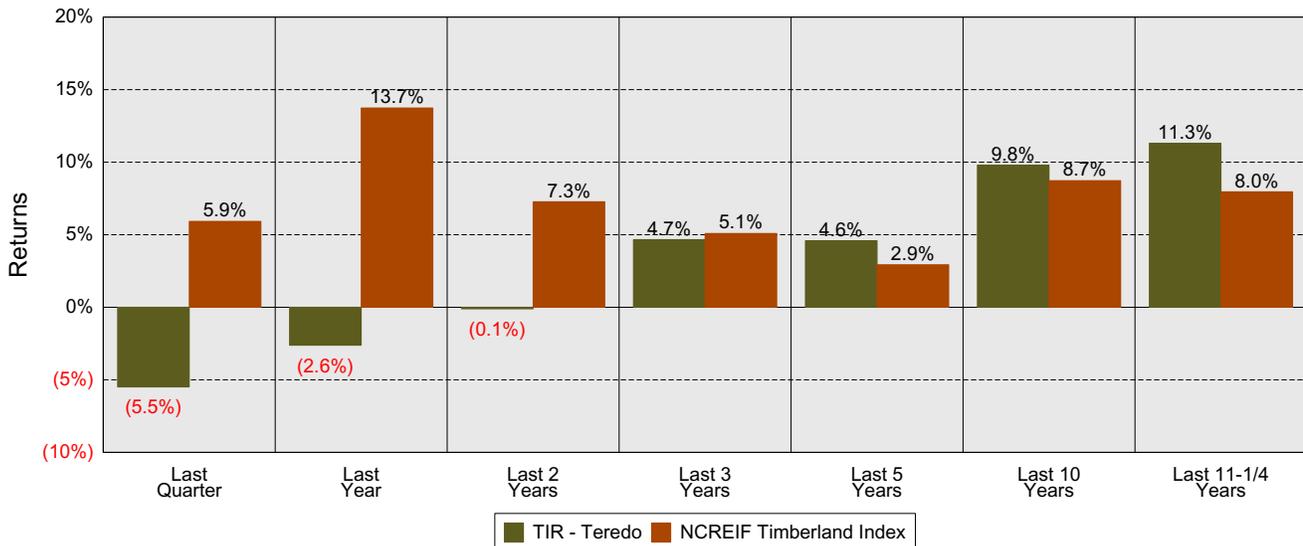
Teredo Timber LLC - The investment objective of Teredo is to provide competitive investment returns from increasing saw timber production through the 20 year term of the partnership. TIR's management strategy is to maximize saw timber volume by applying intensive forest management techniques which accelerate growth through the diameter class distribution. Periodic cash flows are produced from thinning and final harvests of the individual timber stands.

Quarterly Summary and Highlights

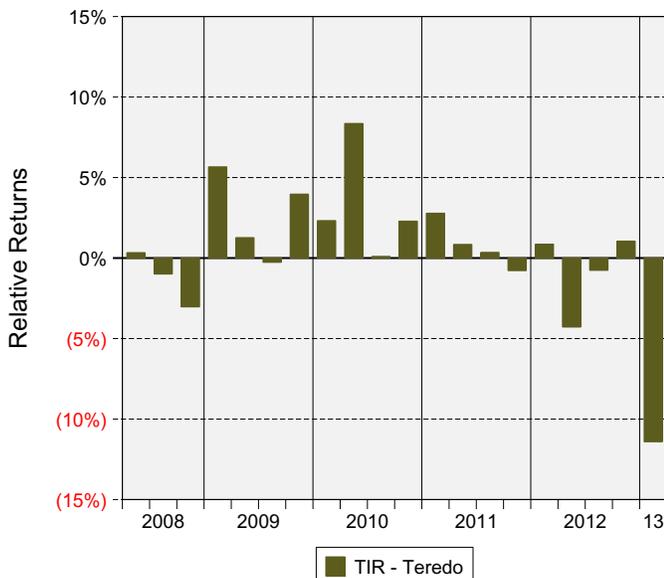
- TIR - Teredo's portfolio posted a (5.49)% return for the quarter placing it in the 100 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 100 percentile for the last year.
- TIR - Teredo's portfolio underperformed the NCREIF Timberland Index by 11.41% for the quarter and underperformed the NCREIF Timberland Index for the year by 16.35%.

Quarterly Asset Growth

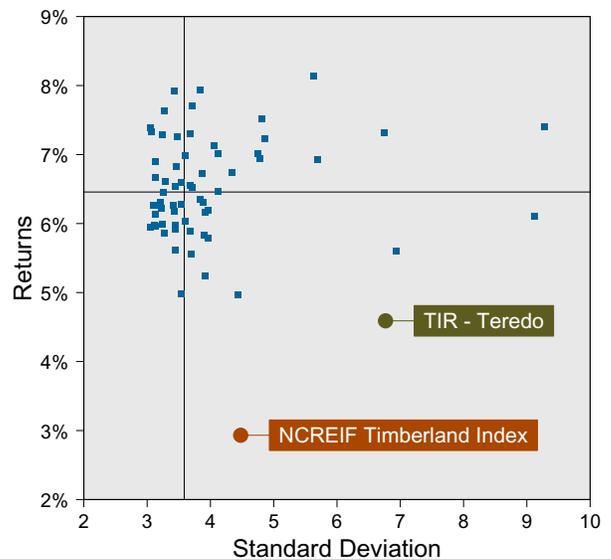
Beginning Market Value	\$79,623,002
Net New Investment	\$0
Investment Gains/(Losses)	\$-4,370,989
Ending Market Value	\$75,252,013



Relative Return vs NCREIF Timberland Index



CAI Core Bond Fixed-Inc Style (Gross) Annualized Five Year Risk vs Return



TIR - SPRINGBANK

Period Ended March 31, 2013

Investment Philosophy

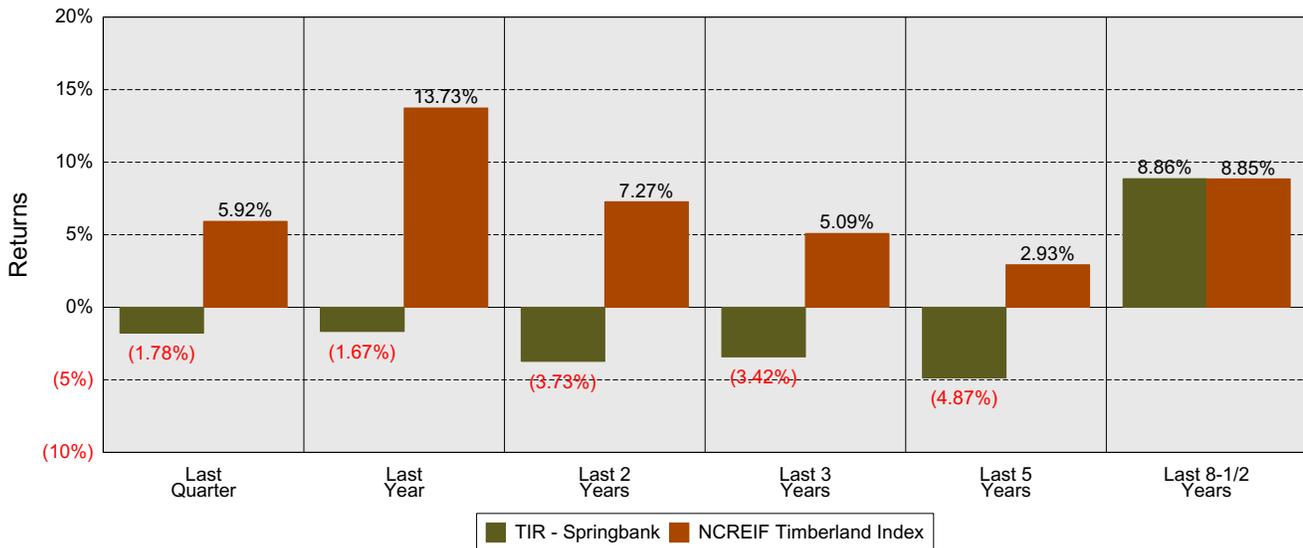
Springbank LLC - The investment objective of Springbank is to maximize long-term investment potential by means of the formation of a dedicated land management group, intensive timber management to increase timber production, the coordination of timber harvesting with land management activities and direct marketing and selective real estate partnerships.

Quarterly Summary and Highlights

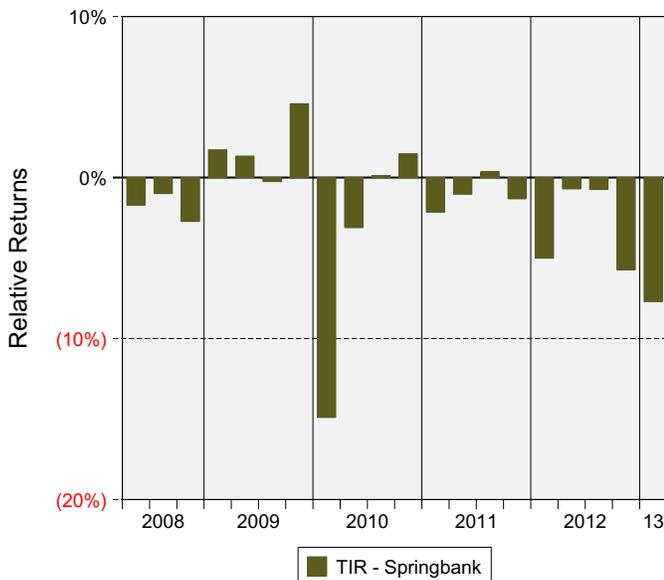
- TIR - Springbank's portfolio posted a (1.78)% return for the quarter placing it in the 100 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 100 percentile for the last year.
- TIR - Springbank's portfolio underperformed the NCREIF Timberland Index by 7.70% for the quarter and underperformed the NCREIF Timberland Index for the year by 15.40%.

Quarterly Asset Growth

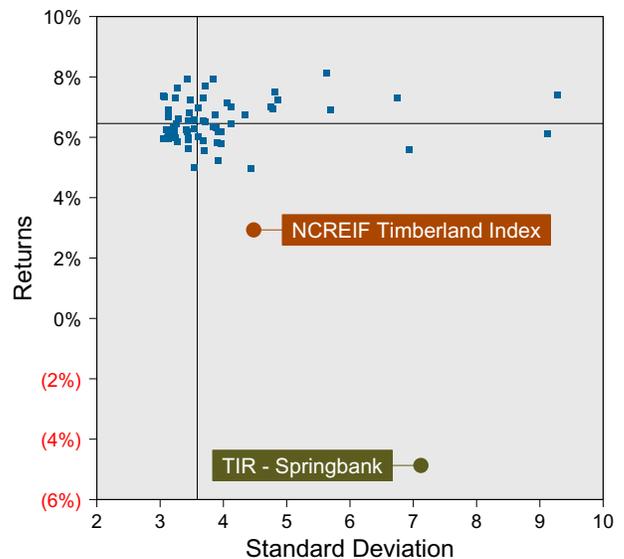
Beginning Market Value	\$124,203,028
Net New Investment	\$-26,256
Investment Gains/(Losses)	\$-2,216,244
Ending Market Value	\$121,960,528



Relative Return vs NCREIF Timberland Index



CAI Core Bond Fixed-Inc Style (Gross) Annualized Five Year Risk vs Return



JP Morgan Asian Infrastructure Period Ended March 31, 2013

Investment Philosophy

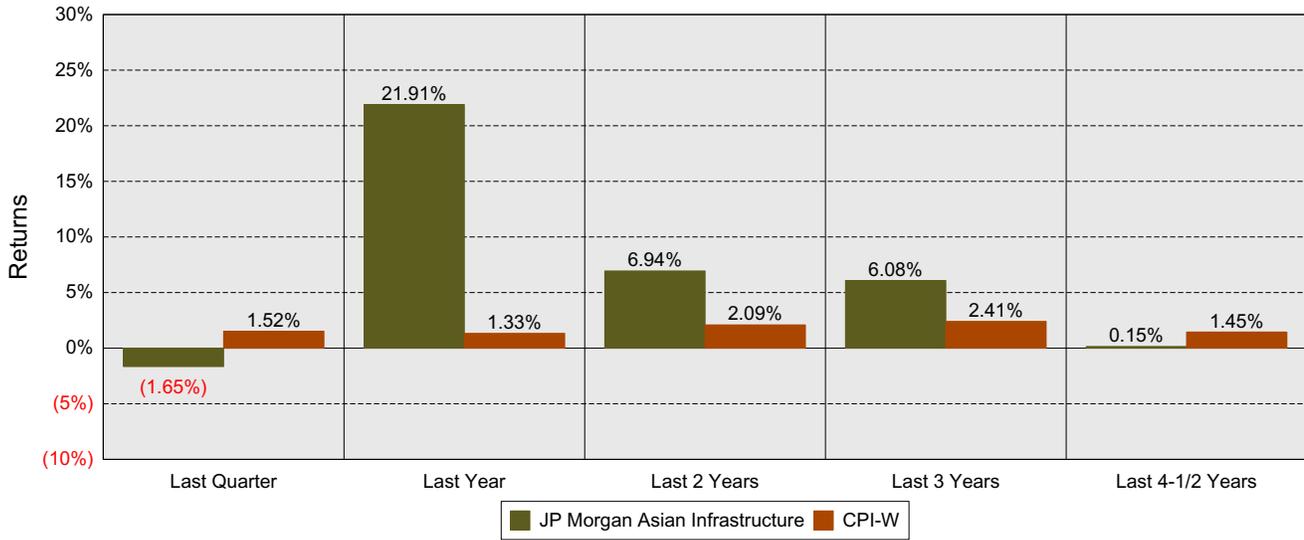
The JPMorgan Asian Infrastructure & Related Resources Opportunity (AIRRO) Fund seeks to invest in infrastructure and related resources opportunities across the greater Asia Pacific region. The Fund seeks to invest in a broad range of assets, including: core infrastructure, power both from conventional and renewable sources, communications, water and waste-water, public works, urban development and other "social" infrastructure assets and related resources.

Quarterly Summary and Highlights

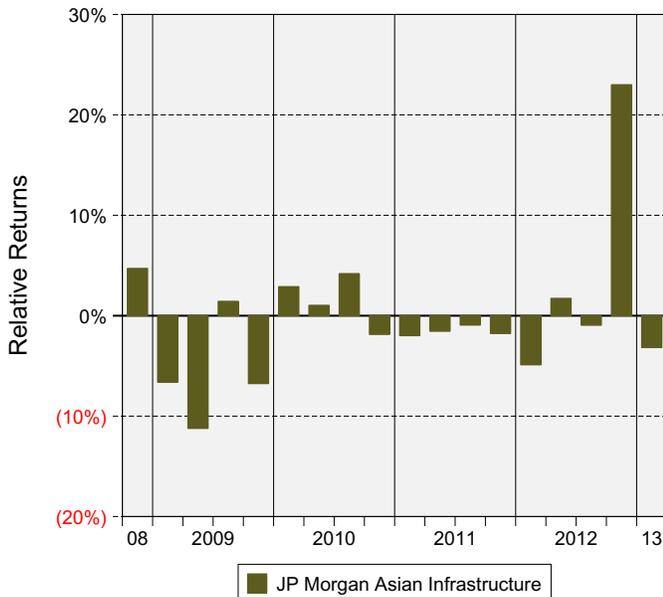
- JP Morgan Asian Infrastructure's portfolio underperformed the CPI-W by 3.17% for the quarter and outperformed the CPI-W for the year by 20.57%.

Quarterly Asset Growth

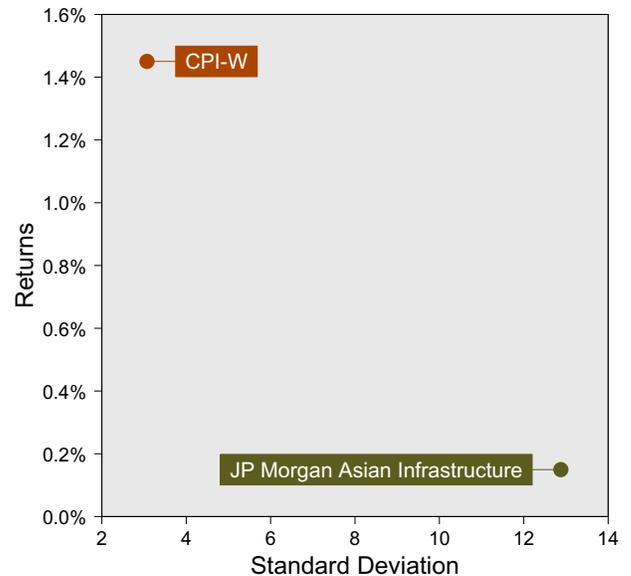
Beginning Market Value	\$20,027,759
Net New Investment	\$6,384,209
Investment Gains/(Losses)	\$-407,964
Ending Market Value	\$26,004,004



Relative Return vs CPI-W



Annualized Four and One-Half Year Risk vs Return



JP Morgan Infrastructure Fund Period Ended March 31, 2013

Investment Philosophy

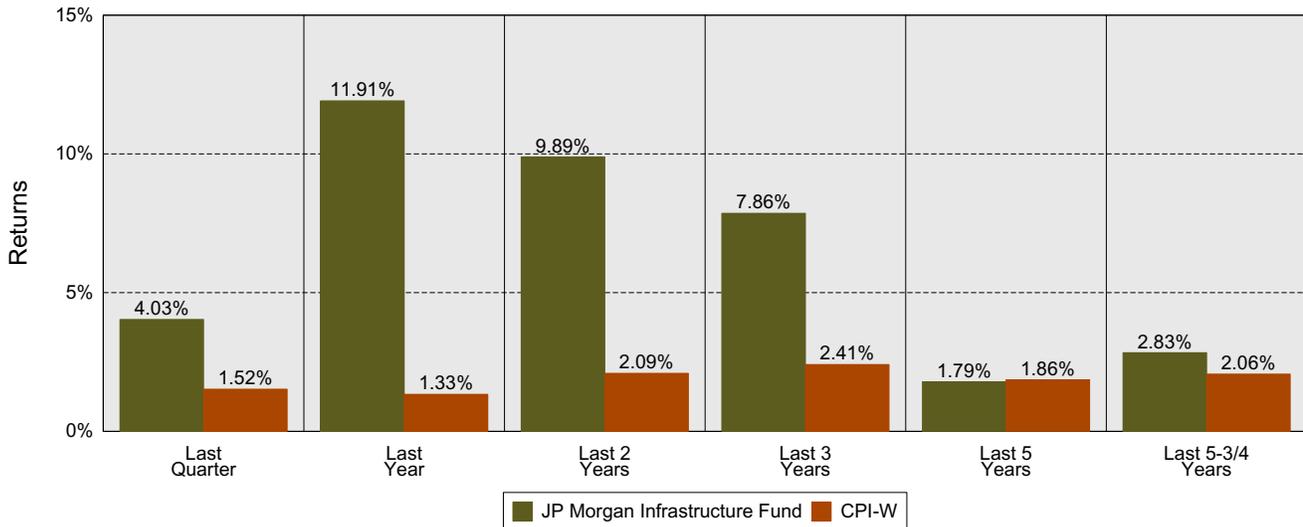
The only open-ended private commingled infrastructure fund in the U.S, the JPMorgan Infrastructure Investments Fund invests in stabilized assets in OECD countries with selected value-added opportunities, across infrastructure industry sub-sectors, including: toll roads, bridges and tunnels; oil and gas pipelines; electricity transmission and distribution facilities; contracted power generation assets; water distribution; waste-water collection and processing; railway lines and rapid rail links; and seaports and airports.

Quarterly Summary and Highlights

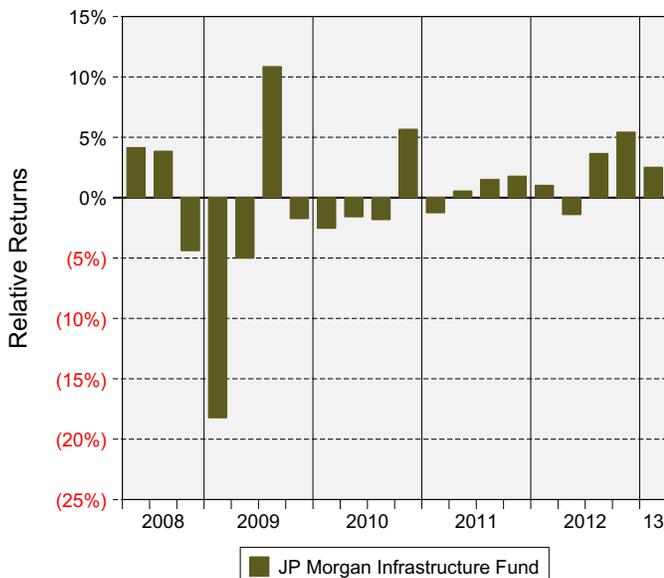
- JP Morgan Infrastructure Fund's portfolio outperformed the CPI-W by 2.51% for the quarter and outperformed the CPI-W for the year by 10.58%.

Quarterly Asset Growth

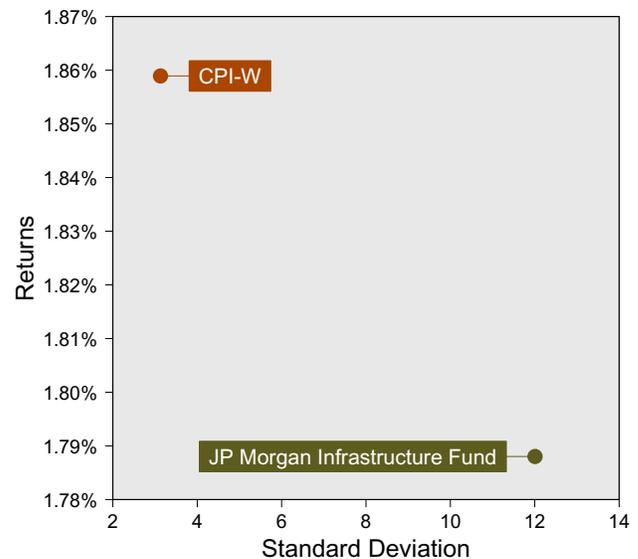
Beginning Market Value	\$96,121,036
Net New Investment	\$-304,411
Investment Gains/(Losses)	\$3,877,170
Ending Market Value	\$99,693,795



Relative Return vs CPI-W



Annualized Five Year Risk vs Return



Credit Suisse Cust. Infrastructure Period Ended March 31, 2013

Investment Philosophy

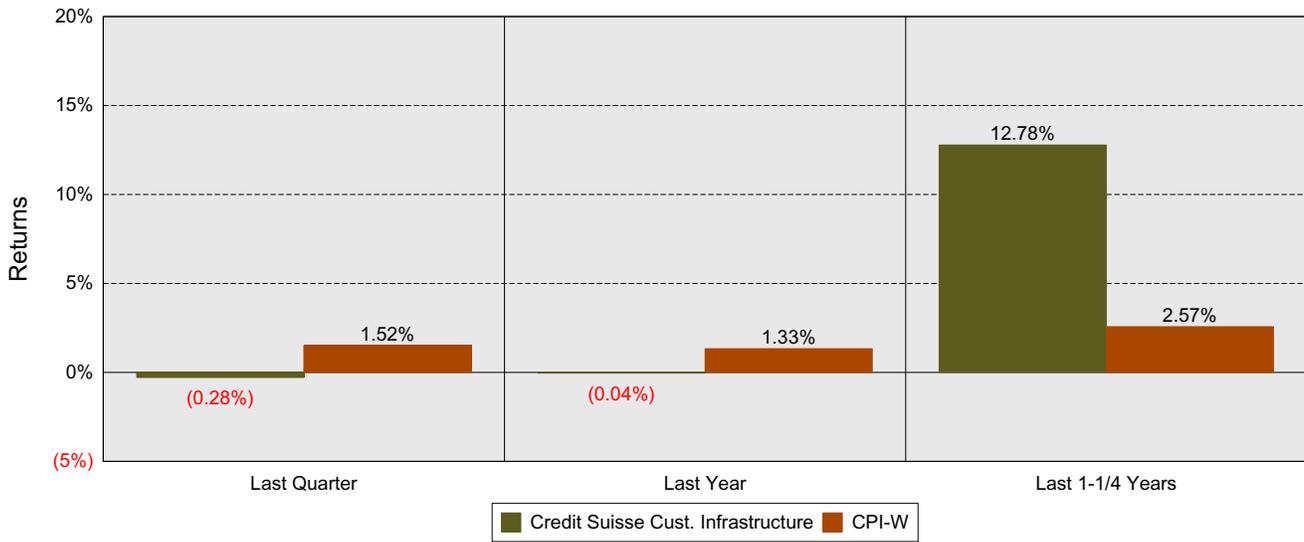
The Customized Infrastructure Strategies LP is a commingled fund focused on providing a comprehensive, diversified solution for investors looking to access the infrastructure asset class. The Fund seeks to generate stable, long-term yield and attractive risk-adjusted returns by investing in a diversified portfolio of primary core and core plus infrastructure funds (30%), co-investments (40%) and opportunistic secondary fund purchases (30%).

Quarterly Summary and Highlights

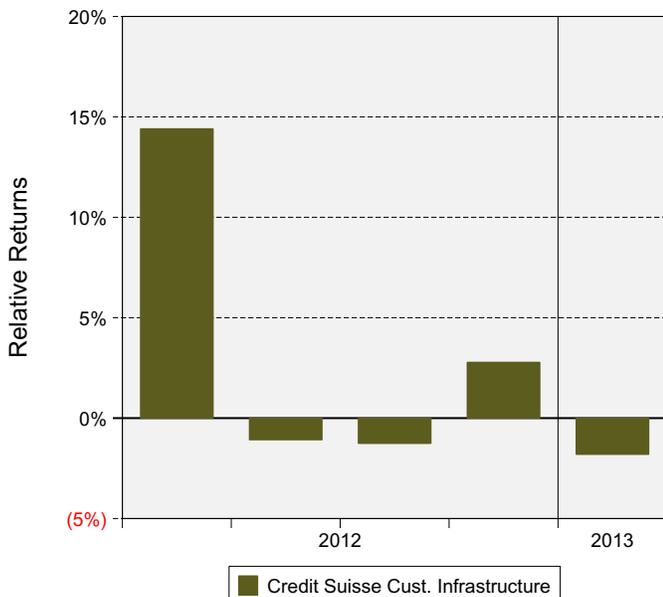
- Credit Suisse Cust. Infrastructure's portfolio underperformed the CPI-W by 1.80% for the quarter and underperformed the CPI-W for the year by 1.37%.

Quarterly Asset Growth

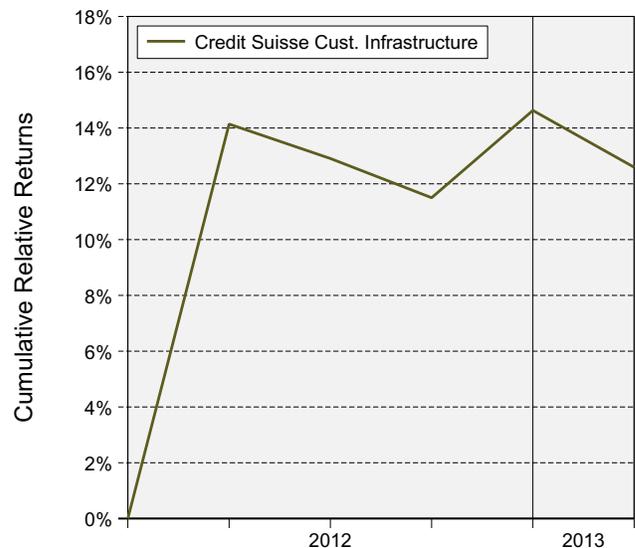
Beginning Market Value	\$26,535,760
Net New Investment	\$442,835
Investment Gains/(Losses)	\$-75,835
Ending Market Value	\$26,902,760



Relative Return vs CPI-W



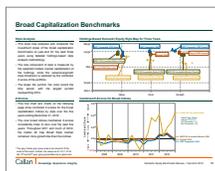
Cumulative Returns vs CPI-W



Research and Educational Programs

The Callan Investments Institute provides research that keeps clients updated on the latest industry trends while helping them learn through carefully structured educational programs. Below are the Institute's recent publications – all of which can be found at www.callan.com/research.

White Papers



Domestic Equity Benchmark Review

The Domestic Equity Benchmark Review is designed to aid in portfolio monitoring and evaluation by helping readers assess the similarities and differences in coverage, performance, and characteristics of popular domestic equity indices alongside comparable Callan manager style groups.



529 Plans Graduate to the Next Level: Adopting Best Practices

529 plans continue to gather assets as tuition inflation has outpaced the Consumer Price Index (CPI) for more than three decades. Compared to DC plans, 529s face different structural and administrative challenges that call for unique investment solutions and fee structures. Many DC plan best practices can be applied to 529 plans to streamline plan administration and enhance investor outcomes.



Risk Factors as Building Blocks for Portfolio Diversification: The Chemistry of Asset Allocation

The CFA Institute reissued this paper (originally distributed by Callan in June 2012), which explores portfolio construction using risk factors, also referred to as risk premia, as the basic elements.



Sealing Leaks: Addressing 401(k) Leakage and its Impact on Retirement

DC plan leakage includes cashouts, hardship withdrawals, delayed participation, and loans. On average, workers to engage in these practices experience the same financial impact as if they had delayed plan participation by five years. Callan explores how leakage influences potential savings outcomes and recommends steps plan sponsors can take to reduce plan leakage. This paper includes empirical research by Jack VanDerhei, Research Director of EBRI, and Lori Lucas, DC Practice Leader for Callan.

Quarterly Publications

Quarterly Data: The *Market Pulse* reference guide covering investment and fund sponsor trends in the U. S. economy, domestic and international equities and fixed income, and alternatives. And our *Inside Callan's Database* report which provides performance information gathered from Callan's proprietary database, allowing you to compare your funds with your peers.

Capital Market Review: A quarterly macro-economic indicator newsletter that provides thoughtful insights on the economy as well as recent performance in the equity, fixed income, alternatives, international, real estate, and other capital markets.

Private Markets Trends: A seasonal newsletter that discusses the market environment, recent events, performance and other issues involving private equity.

Hedge Fund Monitor: A quarterly newsletter that provides a current view of hedge fund industry trends and detailed quarterly performance commentary.

DC Observer & Callan DC Index™: A quarterly newsletter that offers Callan's observations on a variety of topics pertaining to the defined contribution industry. Each issue is updated with the latest Callan DC Index™ returns.

Surveys



2013 Risk Management Survey

The 2008 market crisis put risk in the spotlight and prompted fund fiduciaries to look at risk management in a new light. Callan fielded this survey in November 2012. Responses came from 53 fund sponsors representing \$576 billion in assets. The vast majority of this group has taken concrete steps in the past five years to address investment risks. Many facets of risk management are covered in this survey, such as stats on risk tools/systems: 55% of survey respondents find them to be effective and 14% do not, with the remainder undecided.



2013 Defined Contribution Trends Survey

This annual survey reflects on 2012 and what to look ahead to in 2013. Key findings include: Plan sponsors register improvements in fiduciary awareness and activity; Signs of confusion remain when it comes to meeting the DOL's fee disclosure requirements; Adoption of auto features and Roth designated accounts appears to have plateaued; and Plan sponsors are getting a handle on revenue sharing.



2012 Investment Management Compensation Survey

Callan conducted this survey of investment management firms to report on compensation practices and trends in the U.S. institutional investment market from 2010 to 2011. This survey provides an update to Callan's 2007 Investment Management Compensation Survey, which captured compensation practices from 2005 to 2006.



2011 Investment Manager Fee Survey

We report on institutional investment management fee payment practices and trends. The survey includes published and actual fee data, and qualitative as well as quantitative observations from both fund sponsors and investment managers.

Events

Did you miss out on a Callan conference or workshop? If so, you can catch up on what you missed by reading our “Event Summaries” and downloading the actual presentation slides from our website. Our most recent programs:



The **2013 National Conference Summary** features a synopsis of our speakers: Robert Zoellick, Sheena Iyengar, Riz Khan, and the 2013 Capital Markets Panel. (Please note that contractual agreements prevented us from including summaries of Gordon Brown and Neil deGrasse Tyson.) The Summary also reviews our three workshops: risk management, strategically tactical investing, and alternatives in DC plans. Slide-decks of select conference presentations are also available on our website.



Summary write-up and the presentation of our October 2012 Regional Workshop, **Time to Terminate? Considerations for Making a Manager Change**. Featured in this workshop were Bud Pellecchia, Millie Viqueira, and Kelly Cliff from Callan Associates discussing the potential consequences and challenges of terminating a manager from a fund.

Upcoming Educational Programs

Please join us at our June 2013 Regional Workshops where we will discuss the fixed income turmoil that investors are facing today. The session will explore the current fixed income landscape, the role of fixed income in a total portfolio, products (including specialty mandates and “exotic” strategies), and what our clients are doing.

Anchor to Windward or Albatross? Sea Change in Fixed Income

Facilitators:

Brett Cornwell, CFA – Vice President

Bill Howard, CFA – Senior Vice President

Matt Routh, CFA – Assistant Vice President

Joined by Callan's Chicago and San Francisco Office Consultants

Our research can be found at www.callan.com/research or feel free to contact us for hard copies.

For more information about research or educational events, please contact Ray Combs or Gina Falsetto at institute@callan.com or 415-974-5060.

The Center for Investment Training Educational Sessions

This educational forum offers basic-to-intermediate level instruction on all components of the investment management process. Continuing education credits are available for The CFA Institute, IBCFP, and NASBA. The "Callan College" courses cover topics that are key to understanding your responsibilities, the roles of everyone involved in this process, how the process works, and how to incorporate these strategies and concepts into an investment program. Listed below are the different types of sessions Callan offers.

Standard Session

July 16-18, 2013 in Chicago

This is a two day session designed for individuals with more than two years experience with institutional asset management oversight and/or support responsibilities. The session will provide attendees with a thorough overview of prudent investment practices for both defined benefit and defined contribution funds. We cover the key concepts needed to successfully meet a fund's investment objectives.

The course work addresses the primary components of the investment management process: the role of the fiduciary; capital market theory; asset allocation; manager structure; investment policy statements; manager search; custody, securities lending, fees; and performance measurement.

This course is beneficial to anyone involved in the investment management process, including: trustees and staff members of public, corporate and Taft-Hartley retirement funds (defined benefit and/or defined contribution); trustees and staff members of endowment and foundation funds; representatives of family trusts; and investment management professionals and staff involved in client service, business development, consultant relations, and portfolio management.

Tuition for the Standard "Callan College" session is \$2,500 per person. Tuition includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

An Introduction to Investments

October 29-30, 2013 in San Francisco

This one and one half day session is designed for individuals who have less than two years experience with institutional asset management oversight and/or support responsibilities. The session will familiarize fund sponsor trustees, staff, and asset management advisors with basic investment theory, terminology, and practices.

Participants in the introductory session will gain a basic understanding of the different types of institutional funds, including a description of their objectives and investment session structures. The session includes:

- A description of the different parties involved in the investment management process, including their roles and responsibilities
- A brief outline of the types and characteristics of different Plans (e.g., defined benefit, defined contribution, endowments, foundations, operating funds)
- An introduction to fiduciary issues as they pertain to Fund management and oversight
- An overview of capital market theory, characteristics of various asset classes, and the processes by which fiduciaries implement their investment sessions

Tuition for the Introductory “Callan College” session is \$2,350 per person. Tuition includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

Customized Sessions

A unique feature of the “Callan College” is its ability to educate on a specialized level through its customized sessions. These sessions are tailored to meet the training and educational needs of the participants, whether you are a plan sponsor or you provide services to institutional tax-exempt plans. Past customized “Callan College” sessions have covered topics such as: custody, industry trends, sales and marketing, client service, international, fixed income, and managing the RFP process. Instruction can be tailored to be basic or advanced.

For more information please contact Kathleen Cunnie, at 415.274.3029 or cunnie@callan.com.

List of Managers That Do Business with Callan Associates Inc.

Confidential – For Callan Client Use Only

Callan Associates takes its fiduciary and disclosure responsibilities to clients very seriously. The list below is compiled and updated quarterly because we believe our fund sponsor clients should have a clear understanding of the investment management organizations that do business with our firm. As of 03/31/13, Callan provided educational, consulting, software, database, or reporting services to this list of managers through one or more of the following business units: Institutional Consulting Group, Independent Adviser Group, Fund Sponsor Consulting, the Callan Investments Institute and the “Callan College.” Per strict policy these manager relationships do not affect the outcome or process by which any of Callan’s services are conducted.

Fund sponsor clients may request a copy of this list at any time. Fund sponsor clients may also request specific information regarding the fees paid to Callan by the managers employed by their fund. Per company policy, information requests regarding fees are handled exclusively by Callan’s Compliance Department.

Clients should also be aware that Callan maintains an asset management division, the Trust Advisory Group (TAG). TAG specializes in the design, implementation and on-going management of multi-manager portfolios for institutional investors. Currently TAG serves as the sponsor and advisor to a multi-manager small cap equity fund and as the non-discretionary adviser to a series of Target Maturity Funds known as the Callan GlidePath® Funds. We are happy to provide clients with more specific information regarding TAG, including detail on the portfolios that it oversees. Per company policy these requests are handled by TAG’s Chief Investment Officer.

Manager Name	Educational Services	Consulting Services
1607 Capital Partners, LLC		Y
Aberdeen Asset Management		Y
Acadian Asset Management, Inc.	Y	
Advisory Research	Y	
Affiliated Managers Group		Y
AllianceBernstein	Y	
Allianz Global Investors Capital	Y	Y
American Century Investment Management	Y	
American Yellowstone Advisors, LLC		Y
Analytic Investors	Y	
Apollo Global Management	Y	
AQR Capital Management	Y	
Ares Management	Y	
Aronson + Johnson + Ortiz	Y	
Artio Global Management (fka, Julius Baer)	Y	
Atalanta Sosnoff Capital, LLC	Y	
Atlanta Capital Management Co., L.L.C.	Y	Y
Aviva Investors North America	Y	
AXA Rosenberg Investment Management	Y	
Babson Capital Management LLC	Y	
Baillie Gifford International LLC	Y	
Baird Advisors	Y	Y
Bank of America		Y
Barclays Capital Inc.	Y	
Baring Asset Management	Y	
Barrow, Hanley, Mewhinney & Strauss, Inc.		Y
Batterymarch Financial Management, Inc.	Y	
BlackRock	Y	
BMO Asset Management	Y	
BNY Mellon Asset Management	Y	Y
Boston Company Asset Management, LLC (The)	Y	Y
Brandes Investment Partners, L.P.	Y	Y
Brandywine Global Investment Management, LLC	Y	
Brown Brothers Harriman & Company	Y	
Cadence Capital Management	Y	

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Capital Guardian Trust Company	Y	
CastleArk Management, LLC		Y
Causeway Capital Management	Y	
Central Plains Advisors, Inc.		Y
Chartwell Investment Partners	Y	
Citigroup Asset Management	Y	
ClearBridge Investments, LLC (fka ClearBridge Advisors)	Y	
Columbia Management Investment Advisors, LLC	Y	
Columbus Circle Investors	Y	Y
Cooke & Bieler, L.P.		Y
Corbin Capital	Y	
Cornerstone Capital Management Holdings (fka Madison Square)	Y	
Cramer Rosenthal McGlynn, LLC	Y	
Crawford Investment Council	Y	Y
Credit Suisse	Y	
Crestline Investors		Y
Cutwater Asset Management	Y	
DB Advisors	Y	Y
Delaware Investments	Y	Y
DePrince, Race & Zollo, Inc.	Y	Y
Diamond Hill Investments	Y	
Dimensional Fund Advisors Inc.		Y
DSM Capital Partners		Y
Duff & Phelps Investment Mgmt.	Y	
Eagle Asset Management, Inc.		Y
EARNEST Partners, LLC	Y	
Eaton Vance Management	Y	Y
Echo Point Investment Management	Y	
Epoch Investment Partners	Y	
Evanston Capital Management	Y	
Fayez Sarofim & Company	Y	Y
Federated Investors		Y
Fiduciary Asset Management Company	Y	Y
First Eagle Investment Management	Y	
Fisher Investments	Y	
Flag Capital Management	Y	
Franklin Templeton	Y	Y
Fred Alger Management Co., Inc.	Y	
GAM (USA) Inc.	Y	
GE Asset Management	Y	Y
Goldman Sachs Asset Management	Y	Y
Grand-Jean Capital Management	Y	Y
Grantham, Mayo, Van Otterloo & Co., LLC	Y	
Great Lakes Advisors, Inc.	Y	Y
Guggenheim Investments Asset Management (fka Security Global)	Y	
Harbor Capital		Y

List of Managers That Do Business with Callan Associates Inc. (continued)

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Harris Investment Management, Inc.	Y	
Hartford Investment Management Co.	Y	Y
Henderson Global Investors	Y	
Hermes Investment Management (North America) Ltd.	Y	
Hotchkis & Wiley	Y	
Income Research & Management	Y	
ING Investment Management	Y	Y
INTECH Investment Management	Y	
Invesco	Y	Y
Investec	Y	
Institutional Capital LLC	Y	
Janus Capital Group (fka Janus Capital Management, LLC)	Y	Y
Jensen Investment Management		Y
J.P. Morgan Asset Management	Y	Y
KeyCorp		Y
Knightsbridge Asset Management, LLC		Y
Lazard Asset Management	Y	Y
Lee Munder Capital Group	Y	
Lincoln National Corporation		Y
Logan Circle Partners, L.P.	Y	
Longview Partners	Y	
Loomis, Sayles & Company, L.P.	Y	Y
Lord Abbett & Company	Y	Y
Los Angeles Capital Management	Y	
LSV Asset Management	Y	
Lyrical Partners	Y	
MackKay Shields LLC	Y	Y
Man Investments	Y	
Manulife Asset Management	Y	
Marvin & Palmer Associates, Inc.	Y	
Metropolitan Life Insurance Company		Y
Metropolitan West Capital Management, LLC		Y
MFS Investment Management	Y	Y
Mondrian Investment Partners Limited	Y	Y
Montag & Caldwell, Inc.	Y	Y
Morgan Stanley Alternative Investment Partners	Y	
Morgan Stanley Investment Management	Y	Y
Mountain Lake Investment Management LLC		Y
Newton Capital Management	Y	
Neuberger Berman, LLC (fka, Lehman Brothers)	Y	Y
Northern Lights Capital Group		Y
Northern Trust Global Investment Services	Y	Y
Northern Trust Value Investors		Y
Nuveen Investments Institutional Services Group LLC	Y	Y
OFI Institutional Asset Management	Y	
Old Mutual Asset Management	Y	

List of Managers That Do Business with Callan Associates Inc. (continued)

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Old Mutual International	Y	
OppenheimerFunds, Inc.	Y	
Pacific Investment Management Company	Y	
Palisade Capital Management LLC	Y	
Palisades Investment Partners, LLC	Y	Y
Partners Group	Y	
Peregrine Capital Management, Inc.		Y
Perkins Investment Management	Y	
Philadelphia International Advisors, LP	Y	
PineBridge Investments (formerly AIG)	Y	
Pioneer Investment Management, Inc.	Y	
PNC Capital Advisors (fka Allegiant Asset Mgmt)	Y	Y
Principal Global Investors	Y	Y
Private Advisors	Y	
Prudential Fixed Income	Y	
Prudential Investment Management, Inc.	Y	Y
Putnam Investments, LLC		Y
Pyramis Global Advisors	Y	
Rainier Investment Management	Y	
RBC Global Asset Management (U.S.) Inc.		Y
Regions Financial Corporation		Y
Renaissance Technologies Corp.		Y
RCM	Y	Y
Rice Hall James & Associates, LLC		Y
Robeco Investment Management	Y	Y
Rothschild Asset Management, Inc.	Y	Y
Russell Investment Management	Y	
Santander Global Facilities		Y
Sasco Capital, Inc.		Y
Schroder Investment Management North America Inc.	Y	Y
Scottish Widows Investment Partnership	Y	
Security Global Investors	Y	
SEI Investments		Y
SEIX Investment Advisors, Inc.	Y	
Smith Graham and Company		Y
Smith Group Asset Management	Y	Y
Southeastern Asset Management		Y
Standard Life Investments	Y	
Standish (fka, Standish Mellon Asset Management)	Y	
State Street Global Advisors	Y	
Stone Harbor Investment Partners, L.P.		Y
Stratton Management		Y
Systematic Financial Management	Y	
T. Rowe Price Associates, Inc.	Y	Y
Taplin, Canida & Habacht	Y	

List of Managers That Do Business with Callan Associates Inc. (continued)

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TIAA-CREF	Y	
TCW Asset Management Company	Y	
Thompson, Siegel & Walmsley LLC	Y	
Thrivent Asset Management	Y	
Tradewinds Global Investors	Y	
Turner Investment Partners	Y	
UBP Asset Management LLC	Y	
UBS	Y	Y
Union Bank of California		Y
Valley Forge Asset Management	Y	
Van Eck	Y	
Victory Capital Management Inc.	Y	
Virtus Investment Partners		Y
Vulcan Value Partners, LLC		Y
Waddell & Reed Asset Management Group	Y	
WEDGE Capital Management		Y
Wellington Management Company, LLP	Y	
Wells Capital Management	Y	
West Gate Horizons Advisors, LLC		Y
Western Asset Management Company	Y	
William Blair & Co., Inc.	Y	Y
Yellowstone Partners		Y

March 31, 2013



**North Dakota State Investment
Board Insurance Trust**

**Investment Measurement Service
Quarterly Review**

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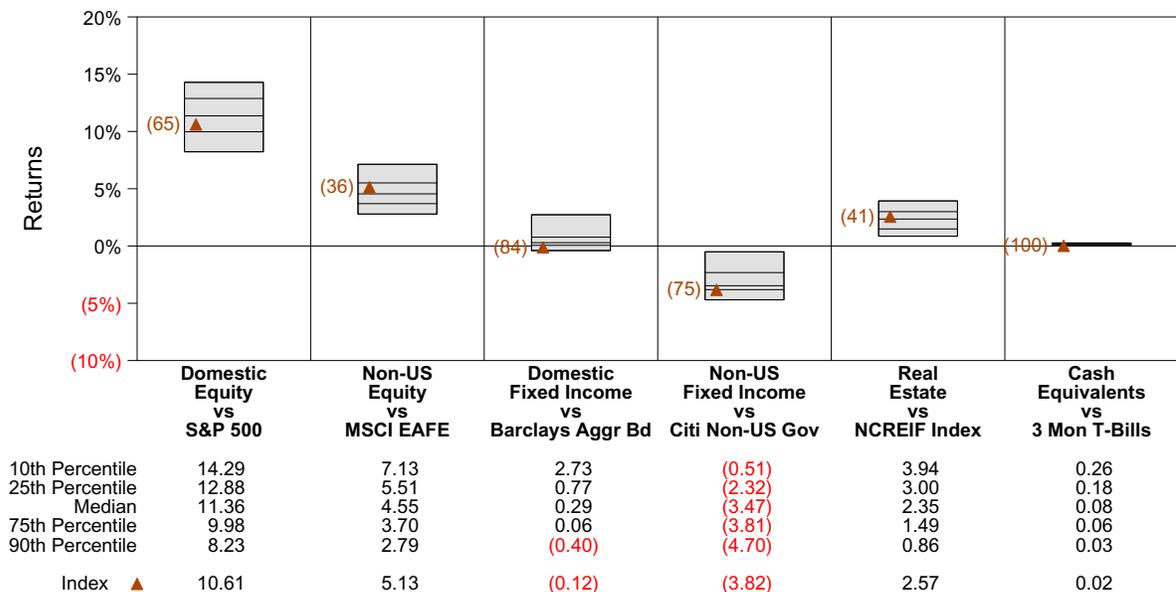
Market Overview

Active Management vs Index Returns

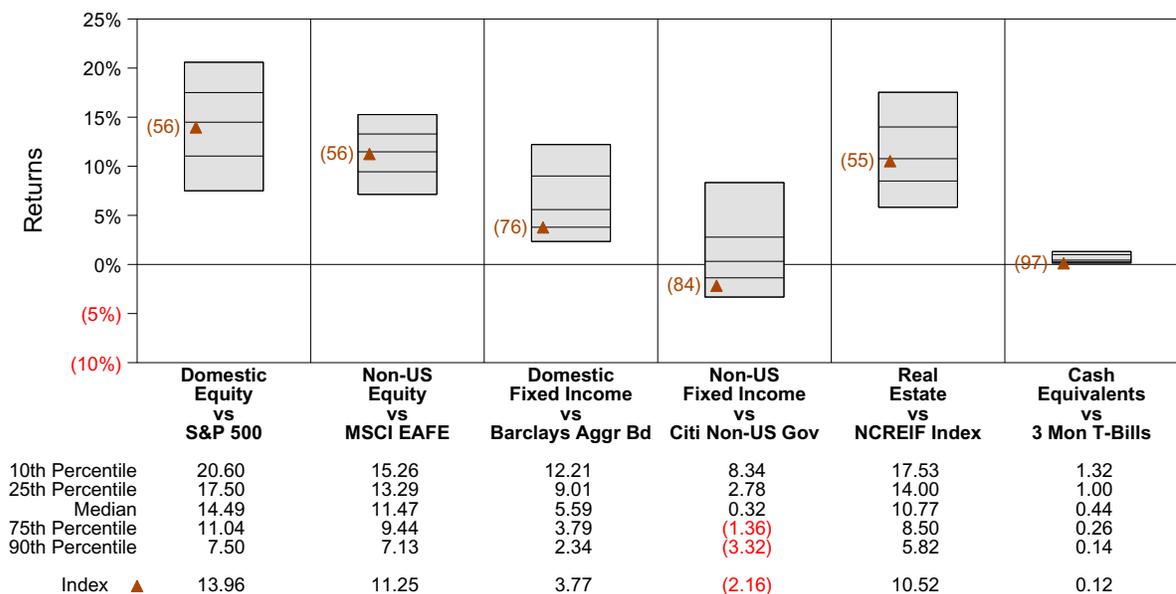
Market Overview

The charts below illustrate the range of returns across managers in Callan's Separate Account database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity managers over the last quarter. The triangle represents the S&P 500 return. The number next to the triangle represents the ranking of the S&P 500 in the domestic equity manager database.

Range of Separate Account Manager Returns by Asset Class One Quarter Ended March 31, 2013



Range of Separate Account Manager Returns by Asset Class One Year Ended March 31, 2013



Domestic Equity Active Management Overview

Active vs. the Index

Active managers were strong out of the gate in 2013, finishing the 1st quarter with double digit returns for virtually all domestic equity style groups. On the small cap front, active managers beat their respective indices across the style group spectrum. Small cap value managers outperformed by the widest margin. On the large cap side, results were mixed with active managers falling short of their respective index for large cap growth but large core and large value managers outpaced their respective indices by a modest margin.

Large Cap vs. Small Cap

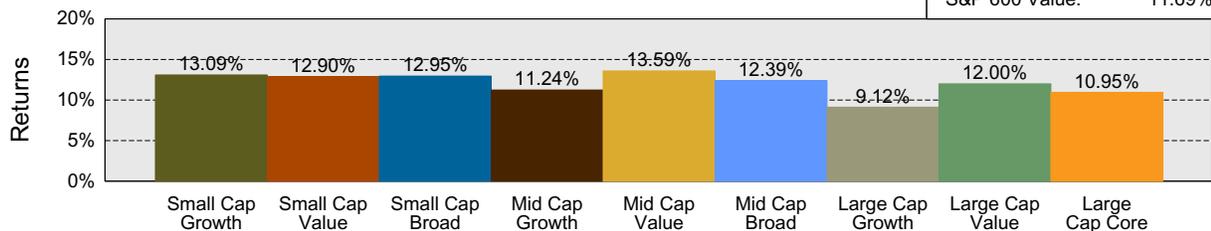
Small cap outpaced larger cap for the 1st quarter with the exception of small value which trailed large value by just a few basis points. The S&P 600 Index returned 11.81%, outpacing the S&P 500 by over 100bps. Mid cap was again the winner with a strong 13.45% return for the S&P Mid Cap Index for the quarter. For the one year period ending March 31, 2013, S&P Mid Cap finished on top with a return of 17.83%, followed by the small cap index S&P 600 (+16.14%) and finally the S&P 500 came in at 13.96%.

With a few exceptions, active managers were able to outpace their respective indices for the 1st quarter, although results were reversed for the one year period ending March 31, 2013, where active managers largely trailed their indices. For the recent quarter, the active manager style group standouts were small cap broad and small cap growth with the median return for the small cap broad style (+12.95%) well ahead of the S&P 600 (+11.81%) and the small cap growth style (median +13.09%) outpacing its index (+11.92%) as well. Across the large cap style spectrum, the median large cap growth manager (+9.12%) trailed the S&P 500 Growth by a few basis points, yet large core and large value managers outperformed their respective indices by a few basis points. Mid cap proved to be a tough space for active managers with the median mid cap broad manager returning 12.39% vs. 13.45% for the S&P Mid Cap Index. For the one year period ending March 31, 2013, active equity managers fell short of their indices across the market cap and style spectrums with few exceptions; the widest gap was between mid cap broad managers (median +14.41%) and the S&P Mid Cap Index (+17.83%).

Growth vs. Value

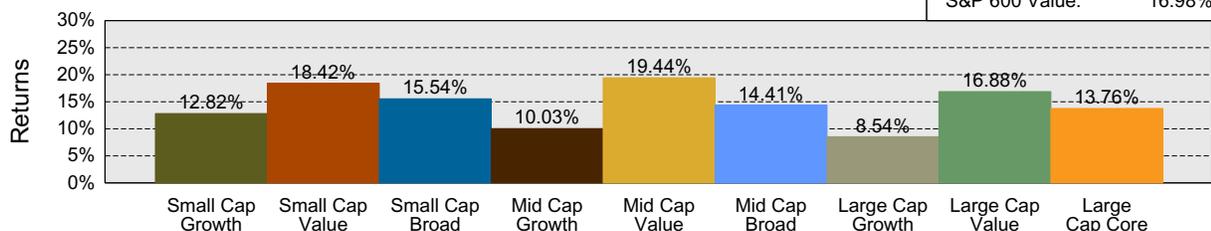
With respect to style, value outpaced growth within large cap while small cap growth slightly led small cap value for the 1st quarter. The strongest index performer between large cap and small cap was large cap value (S&P 500 Value +11.97%) and S&P 500 Growth was the laggard with a return of 9.33%. The differential between growth and value indices within small cap was a mere 23 basis points; active managers posted similar results as the indices in terms of dispersion between growth and value. For the one year period, value outperformed growth by a wide margin across the board. The clear winner among the large and small indices was the S&P 600 Value Index with a return of 16.98%. While the dispersion between growth and value was fairly wide across large cap and small cap indices, the gap was more pronounced among active managers. Within small cap, value managers outperformed growth managers by 560 basis points and, within large cap, value managers outperformed their growth counterparts by a staggering 834 basis points.

Separate Account Style Group Median Returns for Quarter Ended March 31, 2013



S&P 500:	10.61%
S&P 500 Growth:	9.33%
S&P 500 Value:	11.97%
S&P Mid Cap:	13.45%
S&P 600:	11.81%
S&P 600 Growth:	11.92%
S&P 600 Value:	11.69%

Separate Account Style Group Median Returns for One Year Ended March 31, 2013



S&P 500:	13.96%
S&P 500 Growth:	11.61%
S&P 500 Value:	16.64%
S&P Mid Cap:	17.83%
S&P 600:	16.14%
S&P 600 Growth:	15.34%
S&P 600 Value:	16.98%

Domestic Fixed Income Active Management Overview

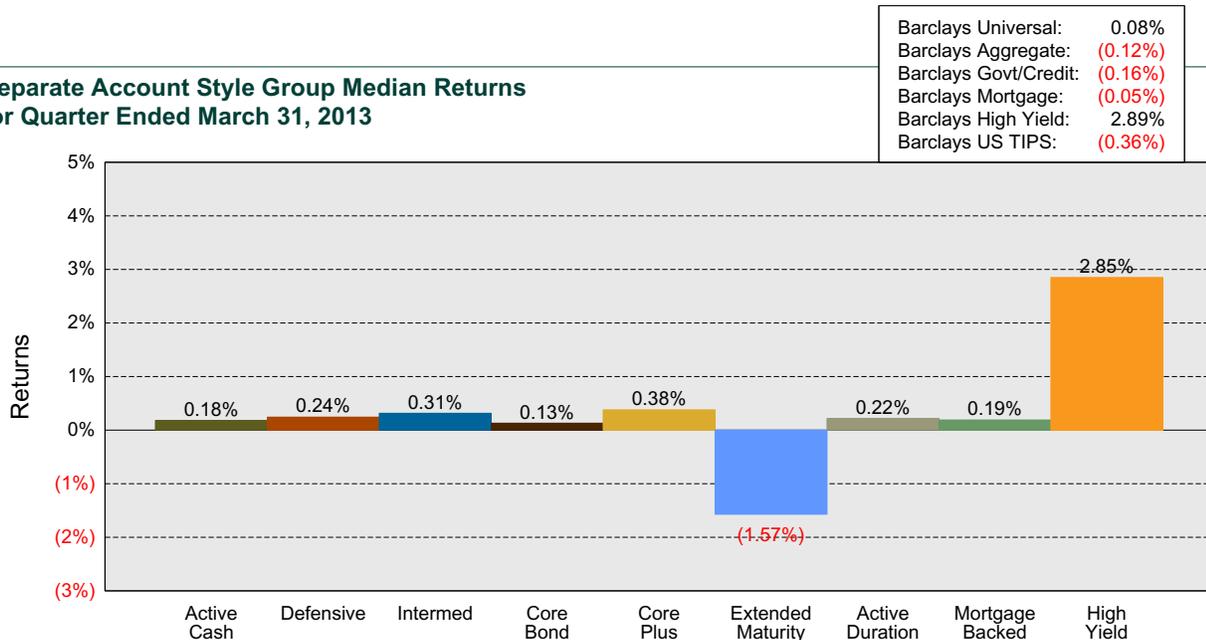
Active vs. Passive

Yields on US Treasuries rose for the second consecutive quarter, reaching an 11-month high in early March on the back of a stronger-than-expected labor market report. The 10-year US Treasury began the quarter at 1.78% and hit an intra-quarter high of 2.08% before dropping 21 bps as the bailout in Cyprus and political turmoil in Italy provided a bid for safe haven assets. Investment grade corporates (Barclays Corporate Index: -0.1%) and mortgages (Barclays Mortgage Index: -0.1%) performed in line with US Treasuries and, thus, the broad Barclays Aggregate Index was also down 0.1% for the quarter. The notable exception to these uninspiring results was high yield, which posted robust results in spite of mixed flows during the quarter. The Barclays High Yield Index returned 2.9% with the lower quality tiers of the market generally performing best. Leveraged loans also performed well with indices up more than 2% amid very strong flows into that space. For the quarter ended March 31, 2013, the median core bond manager returned 0.13%, outperforming the Barclays Aggregate Index by 25 bps.

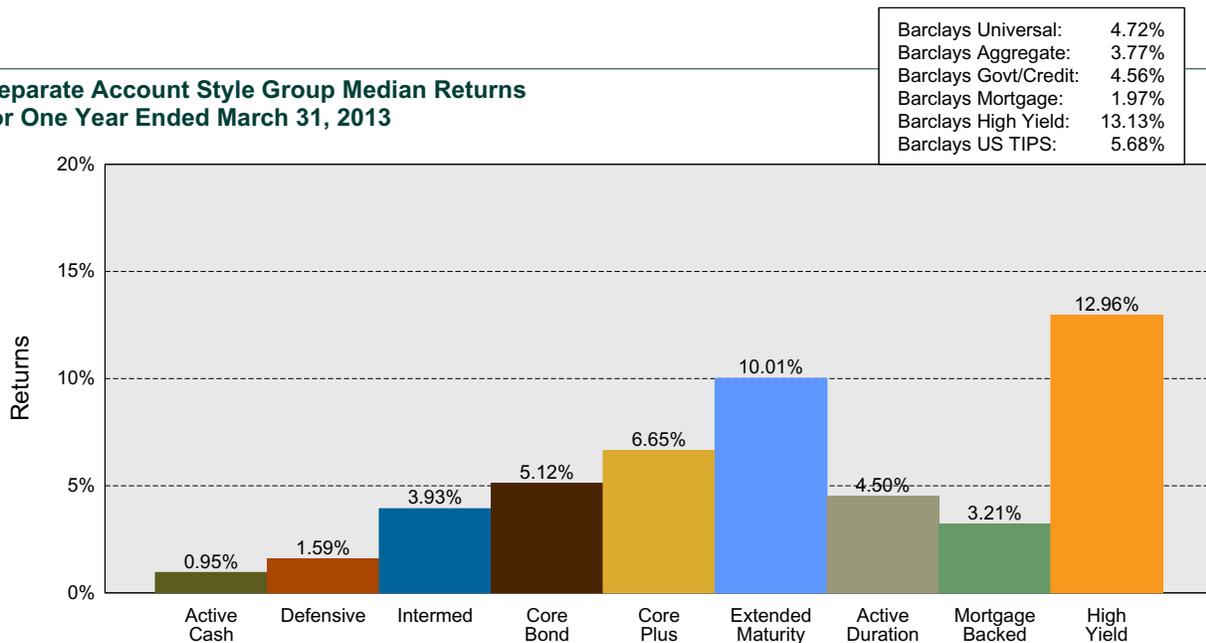
Intermediate vs. Long Duration

Longer duration managers underperformed intermediate duration managers in the 1st quarter as the yield curve steepened. Long term interest rates rose 15 bps during the quarter while intermediate yields rose more modestly. For the quarter, the median Extended Maturity manager returned -1.57% versus the median Intermediate manager's return of 0.31%.

Separate Account Style Group Median Returns for Quarter Ended March 31, 2013



Separate Account Style Group Median Returns for One Year Ended March 31, 2013



International Equity Active Management Overview

Active vs. the Index

Foreign equities trailed their US counterparts for the 1st quarter of 2013, with moderate results across the board save strong performance from Japan. MSCI Pacific (+9.74%) was the strongest performer while MSCI Emerging Markets (-1.57%) tumbled. Active non-US managers posted low-mid single digit returns across the various regions (Europe, Core International and Pacific Basin) although Japan (median +12.28%) rallied meaningfully while emerging markets managers (median +0.19%) couldn't keep pace. For the year ending March 31, 2013, MSCI Pacific (+12.85%) posted the strongest results among the non-US indices and the European region (median +12.91%) had the strongest showing among active managers.

Europe

For the recent quarter, Europe outperformed emerging markets but trailed performance out of Pacific Basin and notably Japan. MSCI Europe returned 2.71% for the 1st quarter and active Europe-only managers bested that with a median return of 3.39%. For the one year period ending March, 31, 2013, Europe was the top performer (median +12.91%) among active international managers while the MSCI Europe Index (+10.56%) trailed results from MSCI EAFE and MSCI Pacific.

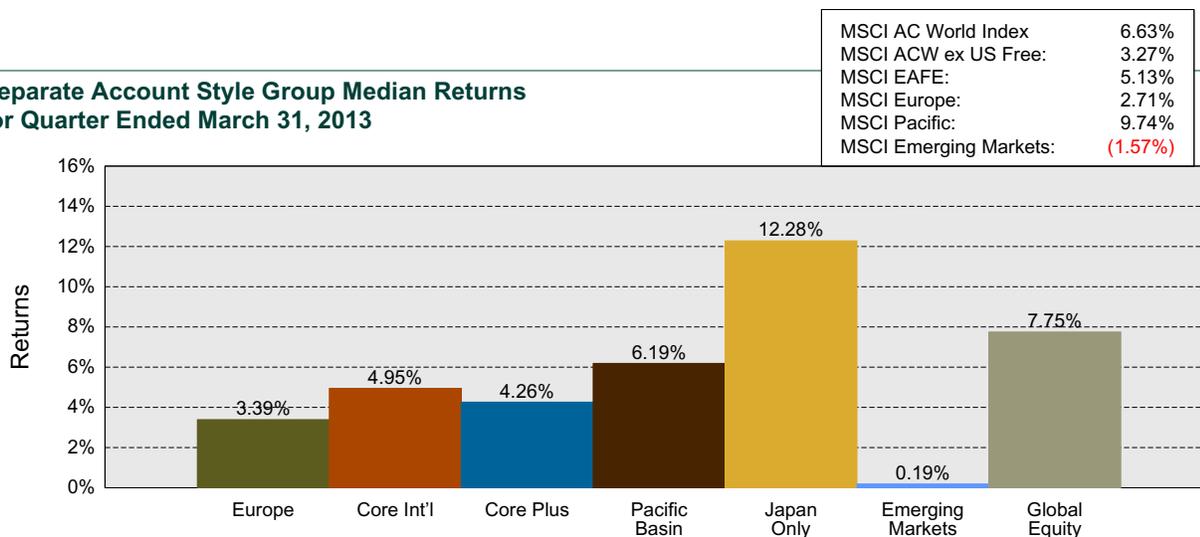
Pacific

The MSCI Pacific Index posted a 9.74% return for the 1st quarter. The median of the active Pacific Basin style group fell far short of the index with a return of 6.19%. Japan was the standout with an impressive 12.28% return for the 1st quarter for active managers.

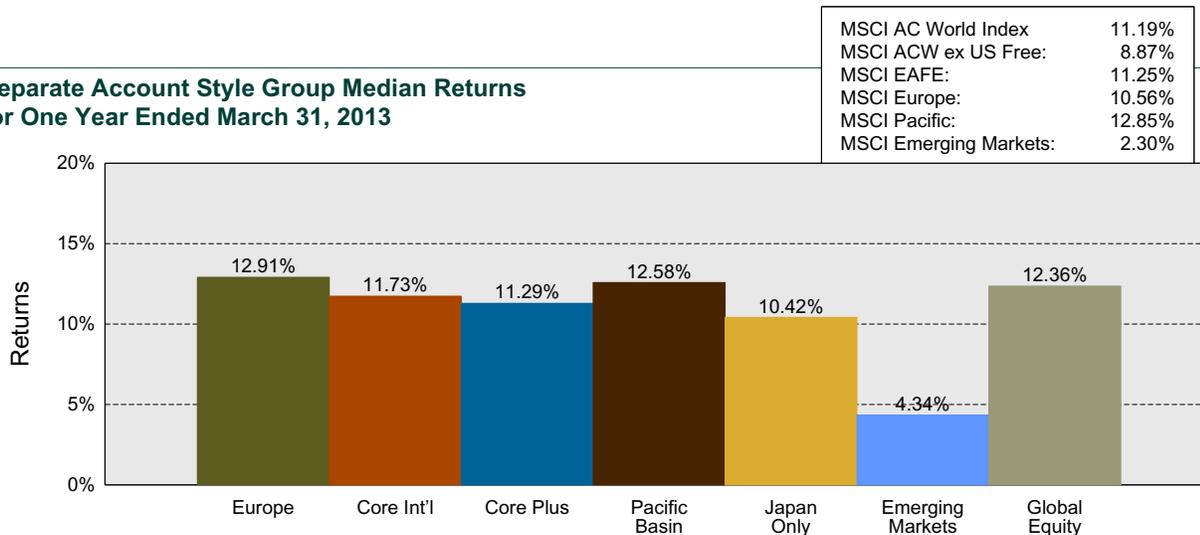
Emerging Markets

The MSCI EM Index fell 1.57% for the 1st quarter with active managers comfortably beating the index by 176 basis points (median +0.19%). For the one year period ending March 31, 2013, returns were somewhat improved for emerging markets but still far short of developed market results; MSCI EM Index returned 2.30% and the median EM active manager returned 4.34%.

**Separate Account Style Group Median Returns
for Quarter Ended March 31, 2013**



**Separate Account Style Group Median Returns
for One Year Ended March 31, 2013**



International Fixed Income Active Management Overview

Yields rose modestly in most developed markets with the notable exception being Japan, where rates dropped nearly 30 bps to near-decade lows on expectations for increased monetary stimulus. Japan's local return was 2.6% for the quarter and, given its large weight in the benchmarks, global US dollar-hedged indices posted modest positive returns Barclays Global Aggregate Hdgd: 0.6%; Citi World Govt Bond Hdgd: 0.8%). The much bigger story for the quarter was in currency movements. The US dollar appreciated versus most currencies leading to negative returns for unhedged indices. The yen sank sharply versus the US dollar as Prime Minister Shinzo Abe signaled more monetary easing and a higher inflation target as a recipe to bolster Japan's economy. Unhedged indices were down over 2% (Barclays Global Agg: -2.1%; Citi WGBI: -2.8%).

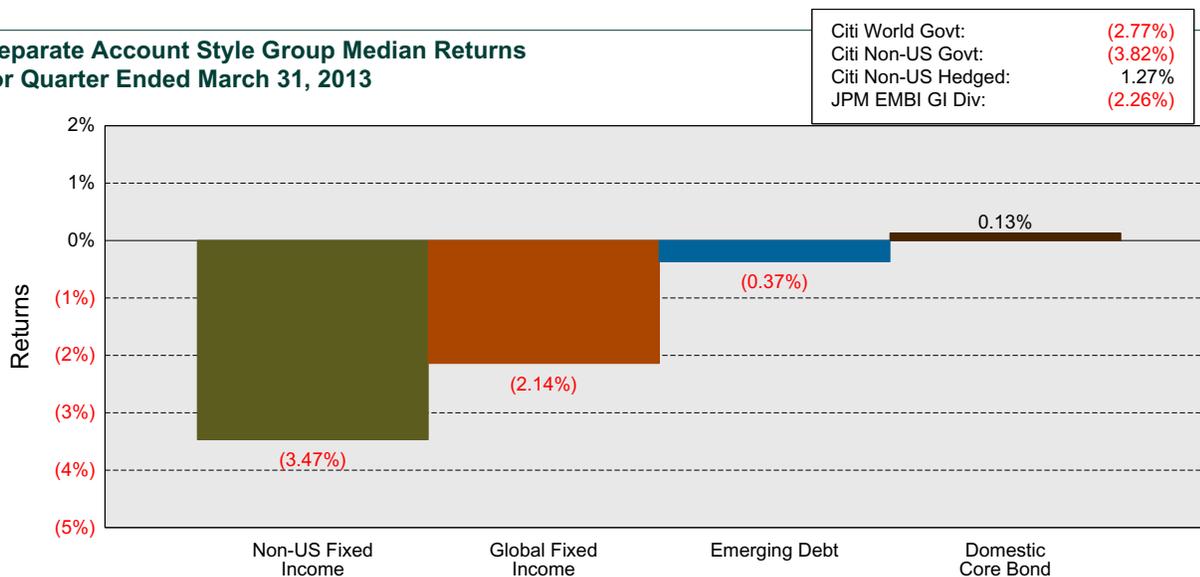
Active vs. the Index

For the quarter ended March 31, 2013, the median Non-U.S. Fixed Income manager posted a return of -3.5% and the median Global Fixed Income manager returned -2.1%, both faring slightly better than unhedged benchmarks but significantly underperforming hedged indices.

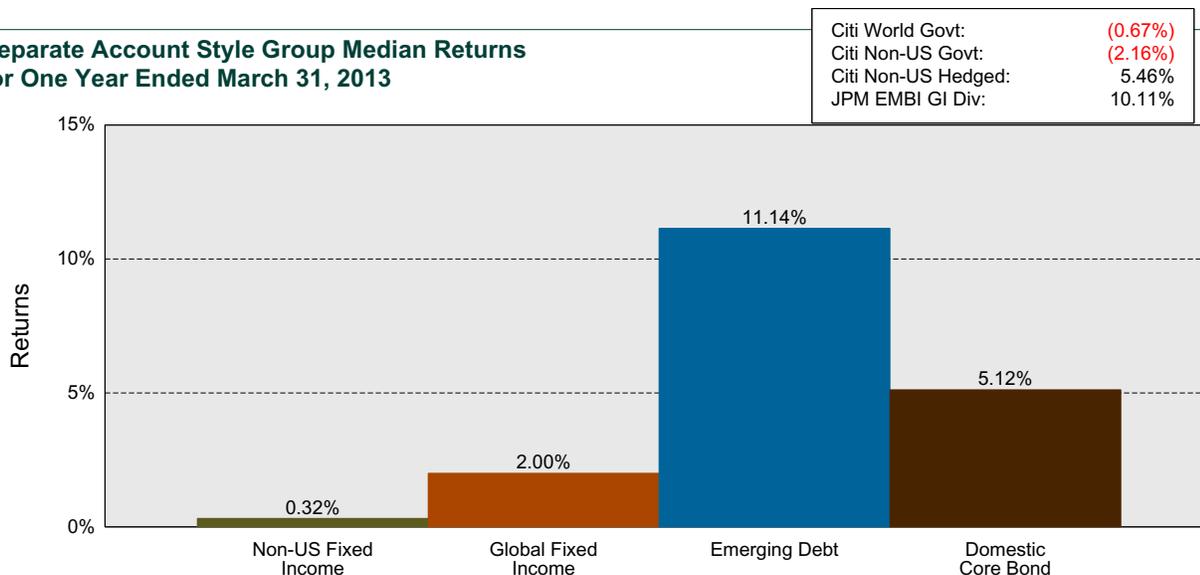
Emerging Markets

Hard currency emerging market debt indices suffered negative returns for the quarter as the sector experienced outflows; the JPM EMBI Global Diversified Index dropped 2.3%. Local market returns were better though still negative; the JPM GBI-EM Global Diversified Index returned -0.1%. The median EM Debt manager returned -0.4% for the quarter.

Separate Account Style Group Median Returns for Quarter Ended March 31, 2013



Separate Account Style Group Median Returns for One Year Ended March 31, 2013



ASSET ALLOCATION AND PERFORMANCE

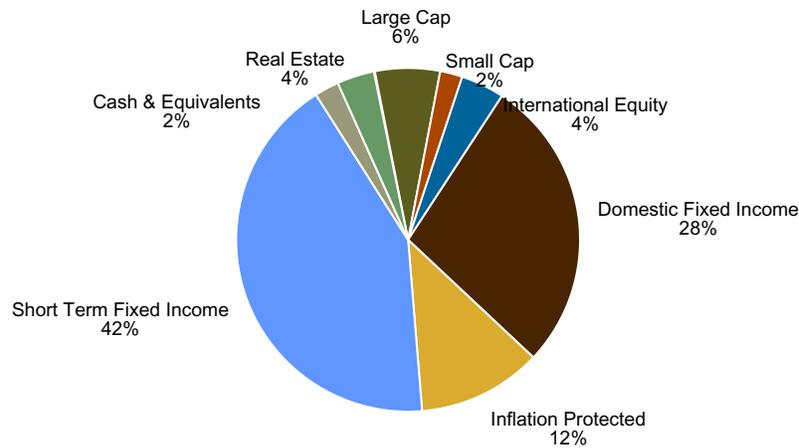
Asset Allocation and Performance

This section begins with an overview of the fund's asset allocation at the broad asset class level. This is followed by a top down performance attribution analysis which analyzes the fund's performance relative to the performance of the fund's policy target asset allocation. The fund's historical performance is then examined relative to funds with similar objectives. Performance of each asset class is then shown relative to the asset class performance of other funds. Finally, a summary is presented of the holdings of the fund's investment managers, and the returns of those managers over various recent periods.

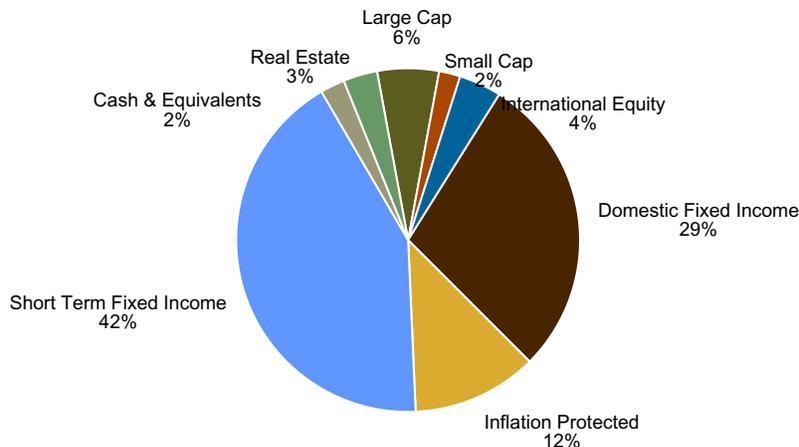
Actual vs Target Asset Allocation As of March 31, 2013

The first chart below shows the Fund's asset allocation as of March 31, 2013. The second chart shows the Fund's target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



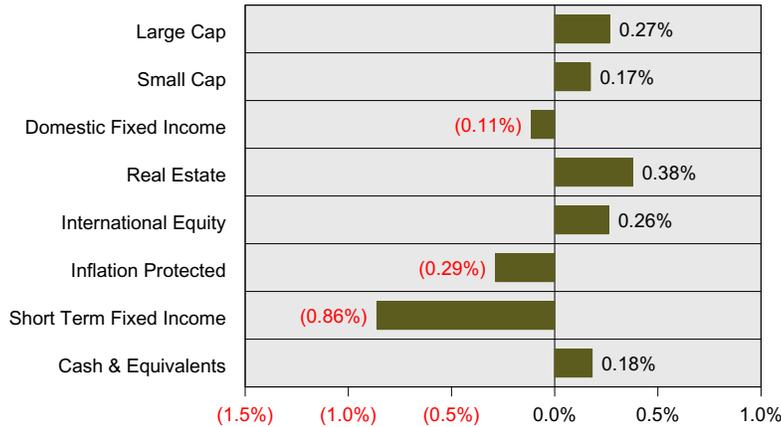
Asset Class	\$000s Actual	Percent Actual	Percent Target	Percent Difference	\$000s Difference
Large Cap	179,934	6.1%	5.8%	0.3%	8,717
Small Cap	62,185	2.1%	2.0%	0.1%	3,145
International Equity	122,437	4.1%	4.0%	0.1%	4,356
Domestic Fixed Income	821,643	27.8%	28.6%	(0.8%)	(22,634)
Inflation Protected	345,534	11.7%	11.8%	(0.1%)	(2,805)
Short Term Fixed Income	1,247,993	42.3%	42.3%	0.0%	(711)
Cash & Equivalents	67,724	2.3%	2.3%	0.0%	(173)
Real Estate	104,569	3.5%	3.2%	0.3%	10,104
Total	2,952,020	100.0%	100.0%		

* Current Quarter Target = 42.3% Barclays Gov 1-3 Yr, 28.6% Barclays Aggregate Index, 11.8% Barclays Gbl Infn-Lnked, 5.8% Russell 1000 Index, 4.0% MSCI EAFE Index, 3.2% NCREIF Total Index, 2.3% 3-month Treasury Bill and 2.0% Russell 2000 Index.

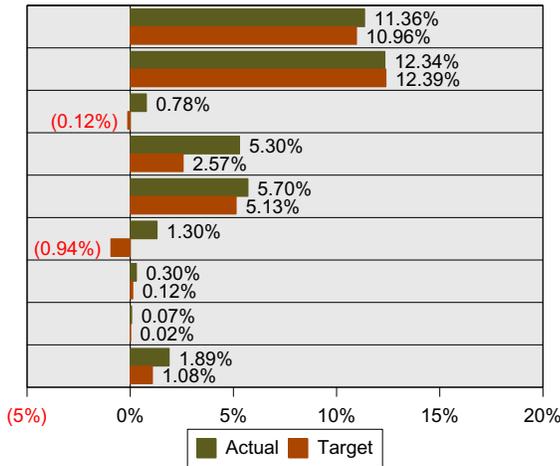
Quarterly Total Fund Relative Attribution - March 31, 2013

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

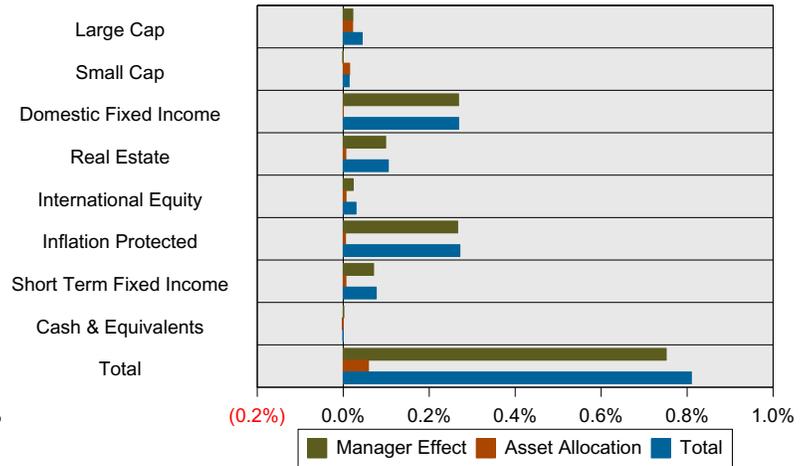
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended March 31, 2013

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap	6%	6%	11.36%	10.96%	0.02%	0.02%	0.04%
Small Cap	2%	2%	12.34%	12.39%	(0.00%)	0.01%	0.01%
Domestic Fixed Income	29%	29%	0.78%	(0.12%)	0.27%	0.00%	0.27%
Real Estate	4%	3%	5.30%	2.57%	0.10%	0.01%	0.10%
International Equity	4%	4%	5.70%	5.13%	0.02%	0.01%	0.03%
Inflation Protected	12%	12%	1.30%	(0.94%)	0.27%	0.01%	0.27%
Short Term Fixed Income	40%	41%	0.30%	0.12%	0.07%	0.01%	0.08%
Cash & Equivalents	3%	3%	0.07%	0.02%	0.00%	(0.00%)	(0.00%)

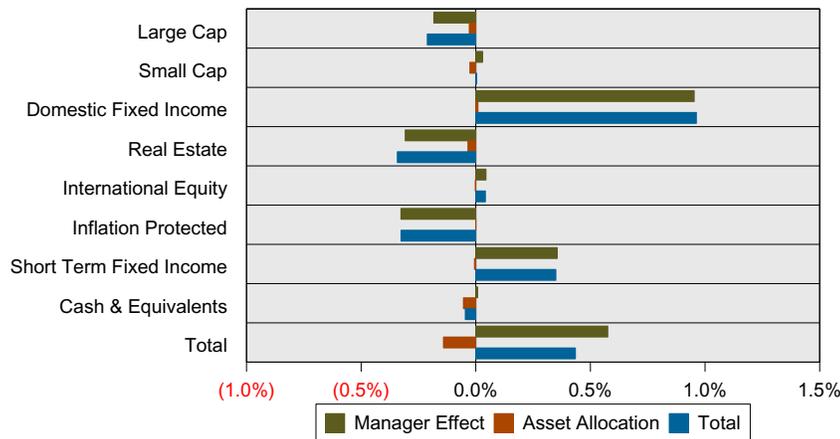
Total	1.89% = 1.08% + 0.75% + 0.06%	0.81%
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* Current Quarter Target = 42.3% Barclays Gov 1-3 Yr, 28.6% Barclays Aggregate Index, 11.8% Barclays Gbl Infn-Lnked, 5.8% Russell 1000 Index, 4.0% MSCI EAFE Index, 3.2% NCREIF Total Index, 2.3% 3-month Treasury Bill and 2.0% Russell 2000 Index.

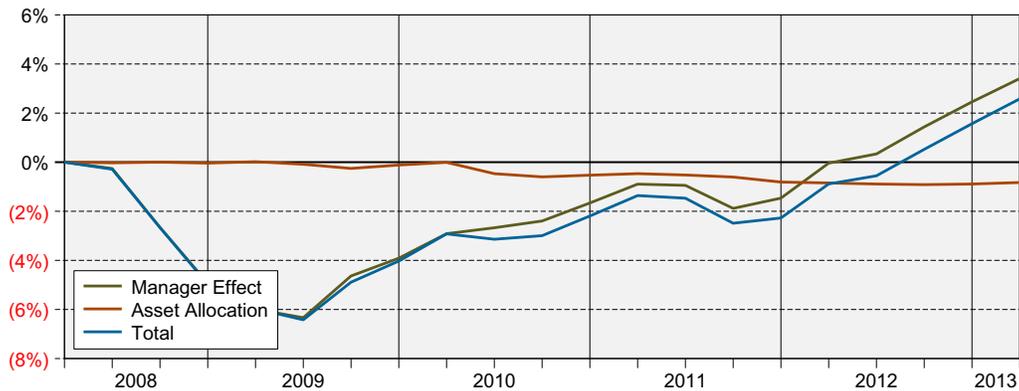
Cumulative Total Fund Relative Attribution - March 31, 2013

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Five Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects



Five Year Annualized Relative Attribution Effects

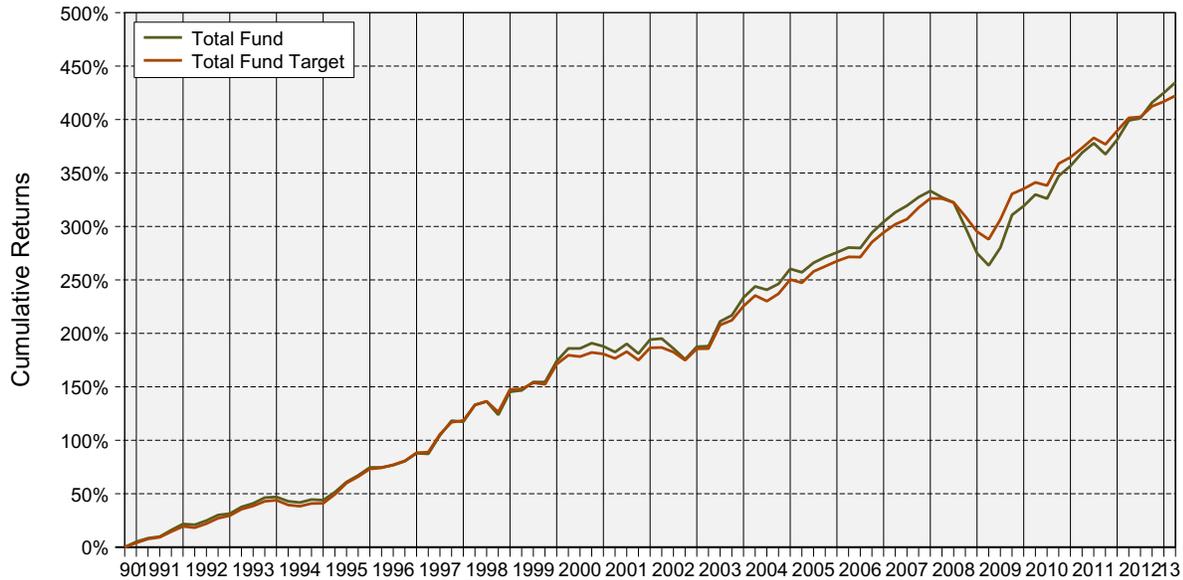
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap	9%	9%	4.30%	5.96%	(0.18%)	(0.03%)	(0.21%)
Small Cap	3%	3%	9.03%	8.24%	0.03%	(0.03%)	0.00%
Domestic Fixed Income	42%	42%	8.34%	5.47%	0.95%	0.01%	0.96%
Real Estate	4%	5%	(5.07%)	2.32%	(0.31%)	(0.03%)	(0.34%)
International Equity	6%	6%	0.44%	(0.11%)	0.04%	(0.00%)	0.04%
Inflation Protected	17%	17%	3.12%	4.68%	(0.33%)	0.00%	(0.33%)
Short Term Fixed Income	14%	14%	3.42%	1.30%	0.36%	(0.01%)	0.35%
Cash & Equivalents	4%	4%	0.54%	0.34%	0.01%	(0.05%)	(0.05%)
Total			4.59%	4.16%	+ 0.58%	+ (0.14%)	0.43%

* Current Quarter Target = 42.3% Barclays Gov 1-3 Yr, 28.6% Barclays Aggregate Index, 11.8% Barclays Gbl Infn-Lnked, 5.8% Russell 1000 Index, 4.0% MSCI EAFE Index, 3.2% NCREIF Total Index, 2.3% 3-month Treasury Bill and 2.0% Russell 2000 Index.

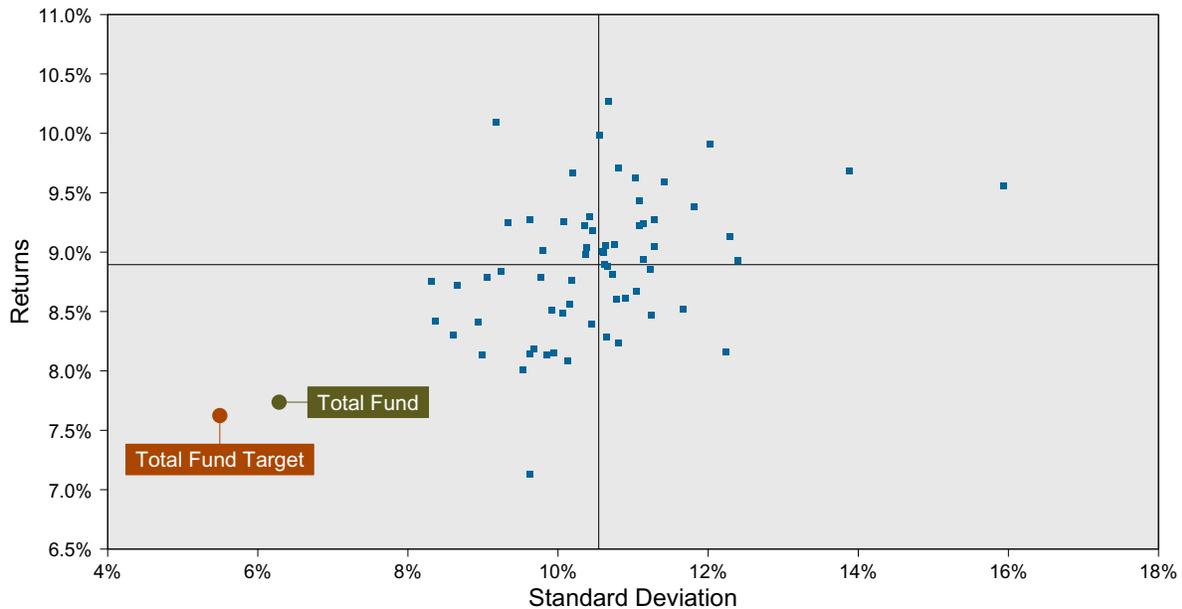
Cumulative Performance Relative to Target

The first chart below illustrates the cumulative performance of the Total Fund relative to the cumulative performance of the Fund's Target Asset Mix. The Target Mix is assumed to be rebalanced each quarter with no transaction costs. The difference between the Total Fund return and the Target Mix return is explained by the performance attribution on the next page. The second chart below shows the return and the risk of the Total Fund and the Target Mix, contrasted with the returns and risks of the funds in the CAI Public Fund Sponsor Database.

Cumulative Returns Actual vs Target



Twenty-Two and One-Half Year Annualized Risk vs Return



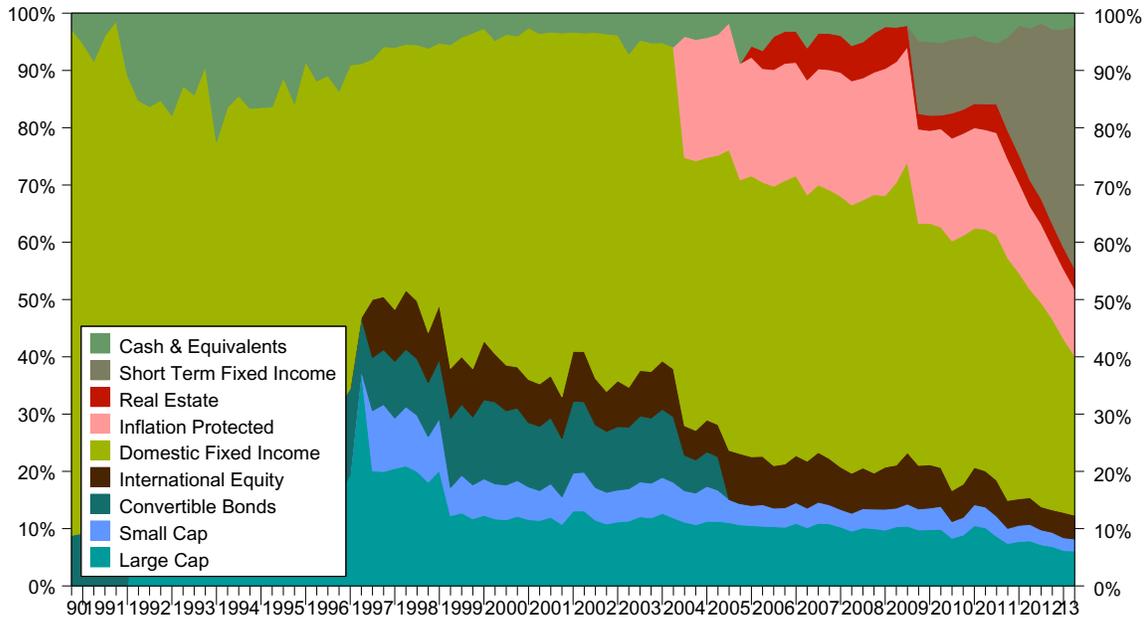
Squares represent membership of the CAI Public Fund Sponsor Database

* Current Quarter Target = 42.3% Barclays Gov 1-3 Yr, 28.6% Barclays Aggregate Index, 11.8% Barclays Gbl Inftn-Lnked, 5.8% Russell 1000 Index, 4.0% MSCI EAFE Index, 3.2% NCREIF Total Index, 2.3% 3-month Treasury Bill and 2.0% Russell 2000 Index.

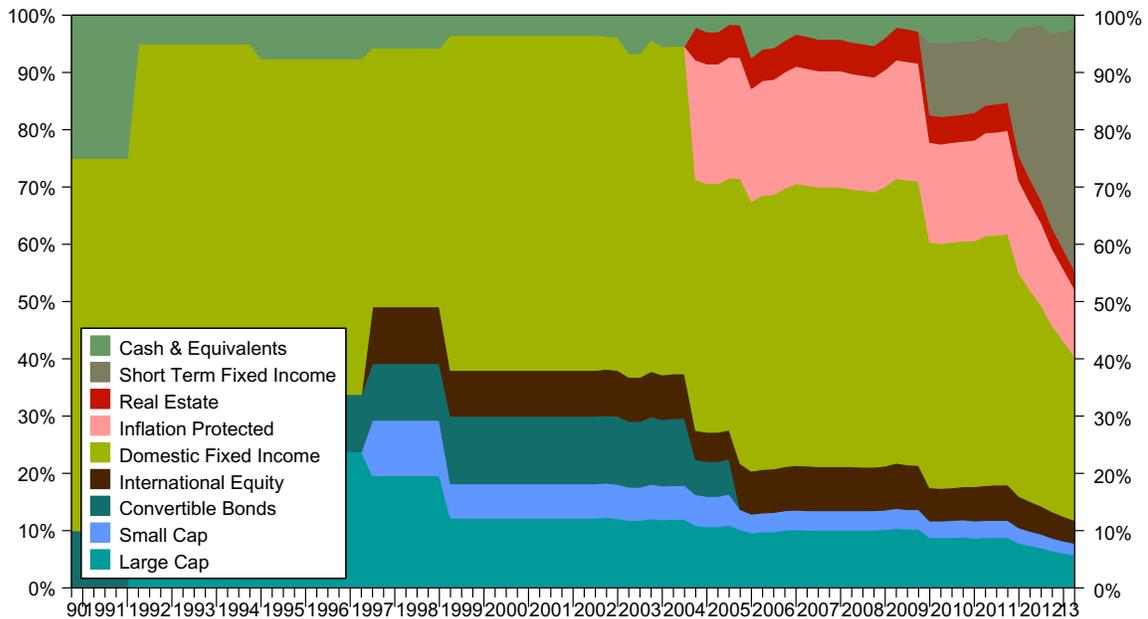
Actual vs Target Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, and the fund's historical target asset allocation.

Actual Historical Asset Allocation



Target Historical Asset Allocation

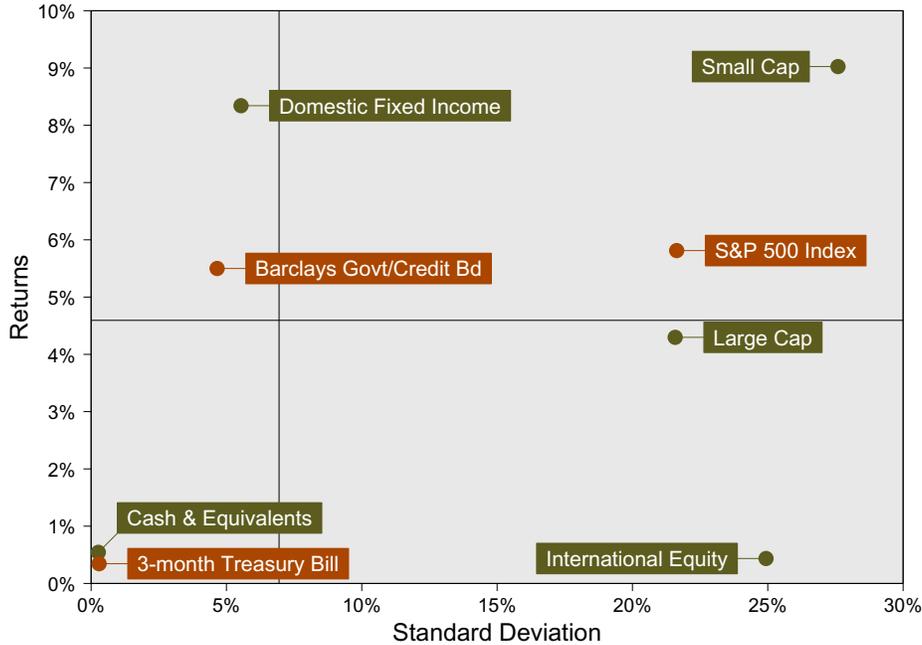


* Current Quarter Target = 42.3% Barclays Gov 1-3 Yr, 28.6% Barclays Aggregate Index, 11.8% Barclays Gbl Infn-Linked, 5.8% Russell 1000 Index, 4.0% MSCI EAFE Index, 3.2% NCREIF Total Index, 2.3% 3-month Treasury Bill and 2.0% Russell 2000 Index.

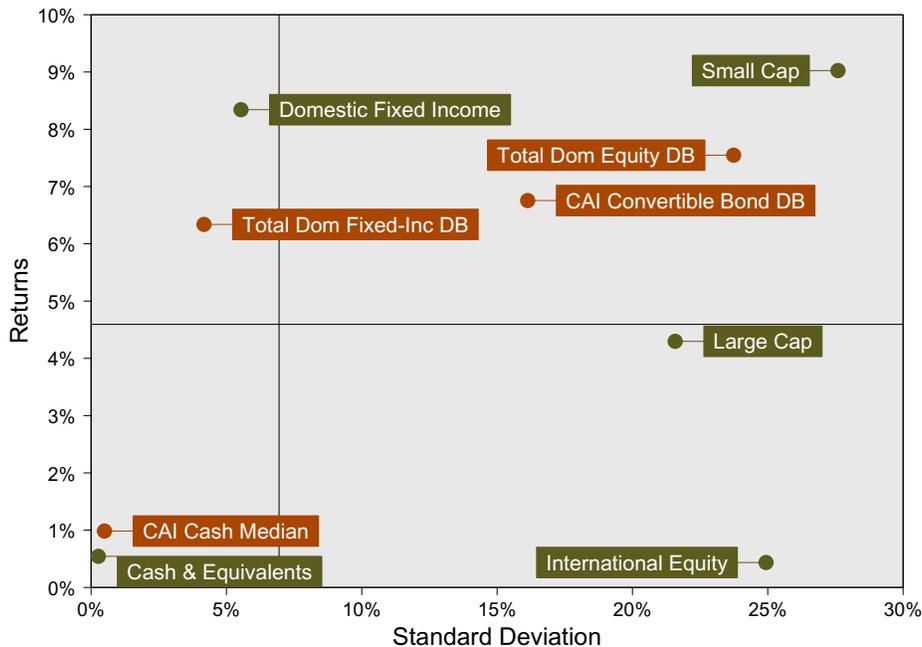
Asset Class Risk and Return

The charts below show the five year annualized risk and return for each asset class component of the Total Fund. The first graph contrasts these values with those of the appropriate index for each asset class. The second chart contrasts them with the risk and return of the median portfolio in each of the appropriate CAI comparative databases. In each case, the crosshairs on the chart represent the return and risk of the Total Fund.

Five Year Annualized Risk vs Return Asset Classes vs Benchmark Indices



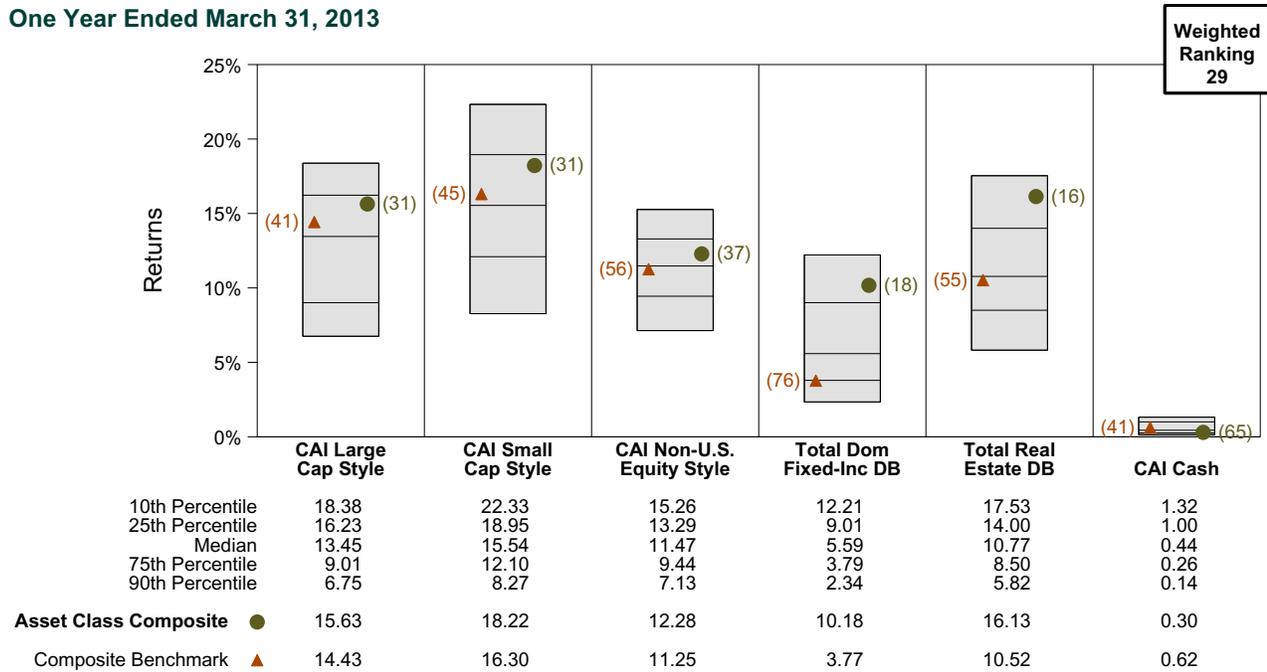
Five Year Annualized Risk vs Return Asset Classes vs Asset Class Median



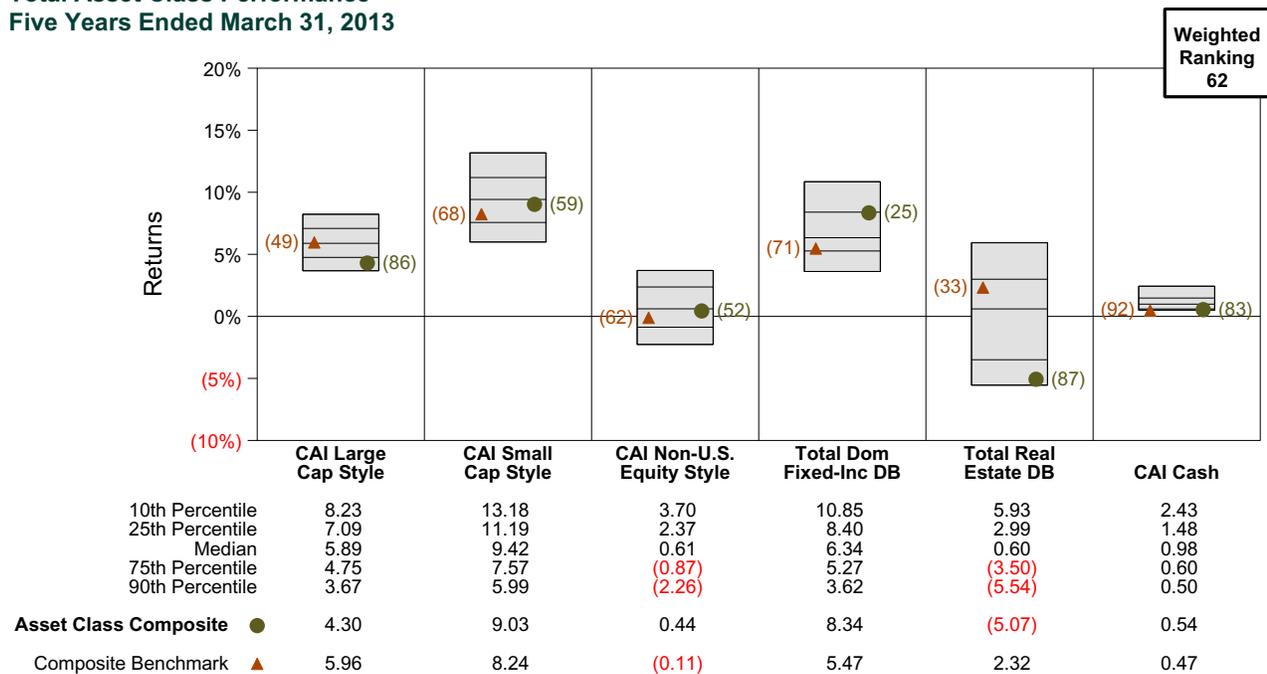
Asset Class Rankings

The charts below show the rankings of each asset class component of the Total Fund relative to appropriate comparative databases. In the upper right corner of each graph is the weighted average of the rankings across the different asset classes. The weights of the fund's actual asset allocation are used to make this calculation. The weighted average ranking can be viewed as a measure of the fund's overall success in picking managers and structuring asset classes.

Total Asset Class Performance One Year Ended March 31, 2013



Total Asset Class Performance Five Years Ended March 31, 2013



* Current Quarter Target = 42.3% Barclays Gov 1-3 Yr, 28.6% Barclays Aggregate Index, 11.8% Barclays Gbl Infn-Linked, 5.8% Russell 1000 Index, 4.0% MSCI EAFE Index, 3.2% NCREIF Total Index, 2.3% 3-month Treasury Bill and 2.0% Russell 2000 Index.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2013, with the distribution as of December 31, 2012. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	March 31, 2013			December 31, 2012		
	Market Value	Percent	Net New Inv.	Inv. Return	Market Value	Percent
Domestic Equity	\$242,119,822	8.20%	\$(8,609,872)	\$25,935,065	\$224,794,629	8.41%
Large Cap	\$179,934,496	6.10%	\$(4,075,526)	\$18,715,636	\$165,294,386	6.19%
Clifton Large Cap	35,090,080	1.19%	(1,500,000)	3,474,778	33,115,302	1.24%
L.A. Capital	52,519,595	1.78%	(1,526,425)	5,258,335	48,787,685	1.83%
L.A. Capital Enhanced	35,461,070	1.20%	(10,307)	3,573,202	31,898,175	1.19%
LSV Asset Management	56,863,751	1.93%	(1,038,793)	6,409,321	51,493,223	1.93%
Small Cap	\$62,185,326	2.11%	\$(4,534,346)	\$7,219,429	\$59,500,243	2.23%
Clifton Small Cap	30,156,136	1.02%	(2,000,000)	3,558,198	28,597,938	1.07%
Research Affiliates	32,029,190	1.08%	(2,534,346)	3,661,230	30,902,306	1.16%
International Equity	\$122,436,831	4.15%	\$(2,628,034)	\$6,721,981	\$118,342,883	4.43%
Capital Guardian Trust Co.	48,443,413	1.64%	(2,560,715)	2,323,037	48,681,091	1.82%
DFA Int'l Small Cap Value	11,444,466	0.39%	(18,188)	857,102	10,605,552	0.40%
LSV Asset Management	51,353,494	1.74%	(59,295)	2,846,051	48,566,738	1.82%
Vanguard	11,195,459	0.38%	10,164	695,791	10,489,503	0.39%
Domestic Fixed Income	\$821,643,361	27.83%	\$5,119,609	\$6,349,043	\$810,174,709	30.33%
Bank of North Dakota	112,723,471	3.82%	(16,945)	(42,581)	112,782,998	4.22%
Prudential	70,272,831	2.38%	(51,594)	190,650	70,133,774	2.63%
Wells Capital	279,361,797	9.46%	(152,546)	750,342	278,764,000	10.43%
Western Asset Management	210,357,879	7.13%	(94,331)	942,399	209,509,812	7.84%
Declaration	57,702,239	1.95%	5,435,025	189,450	52,077,764	1.95%
PIMCO DiSCO II	91,225,144	3.09%	0	4,318,782	86,906,362	3.25%
Inflation Protected	\$345,533,582	11.70%	\$15,109,492	\$4,251,113	\$326,172,977	12.21%
Western Asset Management	203,118,338	6.88%	16,916,114	(1,739,197)	187,941,421	7.04%
JP Morgan Infrastructure	68,212,358	2.31%	(208,282)	2,652,831	65,767,809	2.46%
Eastern Timber Opportunities	60,751,511	2.06%	(1,819,758)	3,375,388	59,195,880	2.22%
Credit Suisse Cust. Infra.	13,451,375	0.46%	221,417	(37,909)	13,267,867	0.50%
Real Estate	\$104,569,014	3.54%	\$(1,032,051)	\$5,294,233	\$100,306,832	3.75%
INVESCO Core Real Estate	42,093,093	1.43%	(82,263)	2,175,356	40,000,000	1.50%
JP Morgan RE	62,475,921	2.12%	(949,788)	3,118,877	60,306,832	2.26%
Short Term Fixed Income	\$1,247,993,273	42.28%	\$227,395,335	\$3,314,801	\$1,017,283,137	38.08%
JPM Short Term - Budget	140,086,531	4.75%	(10,810,000)	336,824	150,559,708	5.64%
Babson Short Term - Budget	167,195,654	5.66%	21,253,952	599,823	145,341,880	5.44%
Babson Bank Loan - Budget	1,876,192	0.06%	(3,998,833)	73,017	5,802,008	0.22%
Babson Short Term Legacy	470,246,346	15.93%	109,714,038	1,392,250	359,140,058	13.44%
JPM Short Term Legacy	468,588,551	15.87%	111,236,179	912,888	356,439,484	13.34%
Cash & Equivalents	\$67,723,651	2.29%	\$(6,723,214)	\$56,703	\$74,390,161	2.78%
Bank of ND - Money Mkt	67,723,651	2.29%	(6,723,214)	56,703	74,390,161	2.78%
Total Fund	\$2,952,019,534	100.0%	\$228,631,266	\$51,922,940	\$2,671,465,329	100.0%

Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods ended March 31, 2013. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2013

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	11.62%	16.30%	13.20%	5.47%	8.76%
Large Cap	11.36%	15.63%	12.73%	4.30%	8.52%
Clifton Large Cap	10.51%	14.77%	13.54%	-	-
L.A. Capital	10.80%	12.63%	13.58%	8.08%	-
L.A. Capital Enhanced	11.20%	15.10%	12.84%	7.53%	-
LSV Asset Management	12.54%	19.50%	13.19%	5.54%	11.50%
Large Cap Benchmark (1)	10.96%	14.43%	12.93%	5.96%	8.61%
Small Cap	12.34%	18.22%	14.75%	9.03%	12.01%
Clifton Small Cap	12.48%	18.20%	15.16%	-	-
Research Affiliates	12.23%	18.20%	14.40%	9.30%	-
Russell 2000	12.39%	16.30%	13.45%	8.24%	11.52%
International Equity	5.70%	12.28%	5.63%	0.44%	9.70%
Capital Guardian Trust Co.	4.82%	12.60%	6.13%	0.30%	9.22%
DFA International Small Cap Value	8.09%	13.77%	7.60%	2.29%	-
LSV Asset Management	5.86%	12.91%	4.43%	(0.36%)	-
Vanguard	6.64%	9.10%	6.25%	1.52%	-
MSCI EAFE Index (2)	5.13%	11.25%	3.86%	(0.11%)	9.06%
Domestic Fixed Income	0.78%	10.18%	9.60%	8.34%	6.35%
Bank of North Dakota	(0.04%)	4.07%	5.64%	5.28%	4.82%
Prudential	0.27%	8.14%	8.59%	8.74%	-
Wells Capital	0.27%	9.66%	9.77%	10.26%	7.75%
Western Asset Management	0.45%	6.90%	8.52%	7.56%	6.06%
Declaration	0.36%	6.13%	8.23%	(4.24%)	-
PIMCO DiSCO II	4.97%	36.59%	-	-	-
Barclays Aggregate	(0.12%)	3.77%	5.52%	5.47%	5.02%
Insurance Inflation Protected Assets	1.30%	4.78%	5.49%	3.12%	-
Western Asset Management	(0.94%)	3.78%	6.46%	4.07%	-
JP Morgan Infrastructure	4.03%	11.97%	7.83%	-	-
Eastern Timber Opportunities	5.70%	1.63%	0.07%	-	-
Credit Suisse Cust. Infra.	(0.28%)	(0.04%)	-	-	-
Barclays Global Inflation Linked (3)	(0.94%)	4.25%	7.33%	4.68%	-
Real Estate	5.30%	16.13%	20.59%	(5.07%)	-
INVESCO Core Real Estate	5.44%	-	-	-	-
JP Morgan RE	5.19%	18.50%	21.40%	(4.68%)	-
NCREIF Total Index	2.57%	10.52%	13.30%	2.32%	8.51%
Short Term Fixed Income	0.30%	2.00%	2.16%	-	-
JPM Short Term - Budget	0.22%	1.47%	-	-	-
Babson Short Term - Budget	0.41%	2.69%	-	-	-
Babson Bank Loan - Budget	1.47%	5.60%	-	-	-
CSFB Levered Loan Index	2.37%	8.27%	6.11%	6.42%	5.49%
Babson Short Term Legacy	0.35%	2.48%	-	-	-
JPM Short Term Legacy	0.22%	1.36%	-	-	-
BC Gov 1-3 Yr	0.12%	0.66%	1.29%	1.91%	2.78%
Cash & Equivalents	0.07%	0.30%	0.29%	0.54%	1.94%
Bank of ND - Money Mkt	0.07%	0.30%	0.29%	0.55%	1.94%
90 Day Treasury Bills	0.02%	0.12%	0.11%	0.34%	1.75%
Total Fund	1.89%	7.15%	7.55%	4.59%	6.38%
Policy Target*	1.08%	4.15%	5.79%	4.16%	6.22%

* Current Quarter Target = 42.3% Barclays Gov 1-3 Yr, 28.6% Barclays Aggregate Index, 11.8% Barclays Gbl Inftn-Linked, 5.8% Russell 1000 Index, 4.0% MSCI EAFE Index, 3.2% NCREIF Total Index, 2.3% 3-month Treasury Bill and 2.0% Russell 2000 Index.

(1) The Large Cap Benchmark is comprised of the S&P 500 Index through 12/31/2011, and the Russell 1000 Index thereafter.

(2) International Equity target is MSCI EAFE through 9/30/2000, 50% Hedged EAFE through 3/31/2011, and MSCI EAFE again thereafter.

(3) Inflation Protected Benchmark is the Barclays US TIPS through 12/31/09 and the Barclays Global Inflation-Linked thereafter.

Clifton Large Cap Period Ended March 31, 2013

Investment Philosophy

The Clifton Group utilizes equity futures to gain benchmark exposure in constructing the portfolio it believes provides the greatest likelihood of outperforming the index. In this construction the underlying cash portfolio is invested in a liquid, high quality short duration fixed income portfolio. Over market cycles excess return generated by the short duration portfolio, when added to the performance of futures is expected to allow the strategy to achieve 0.50% to 1.00% of gross excess annual performance.

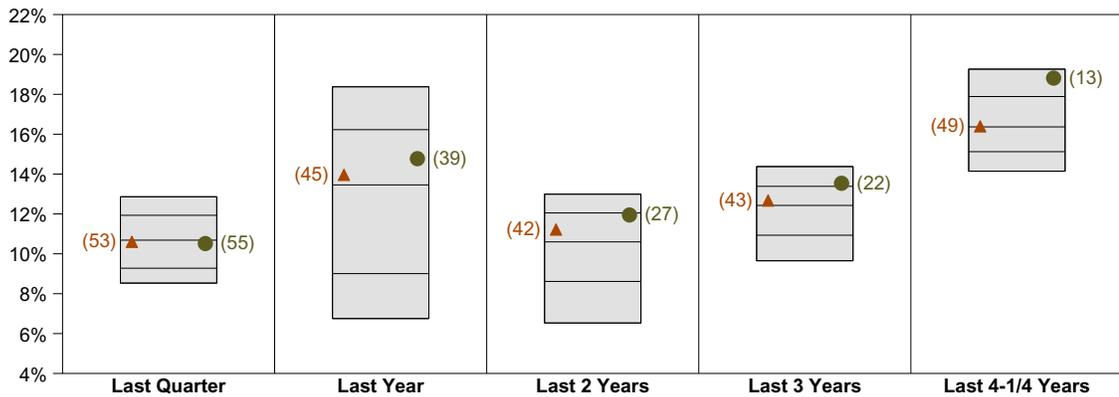
Quarterly Summary and Highlights

- Clifton Large Cap's portfolio posted a 10.51% return for the quarter placing it in the 55 percentile of the CAI Large Capitalization Style group for the quarter and in the 39 percentile for the last year.
- Clifton Large Cap's portfolio underperformed the S&P 500 Index by 0.09% for the quarter and outperformed the S&P 500 Index for the year by 0.81%.

Quarterly Asset Growth

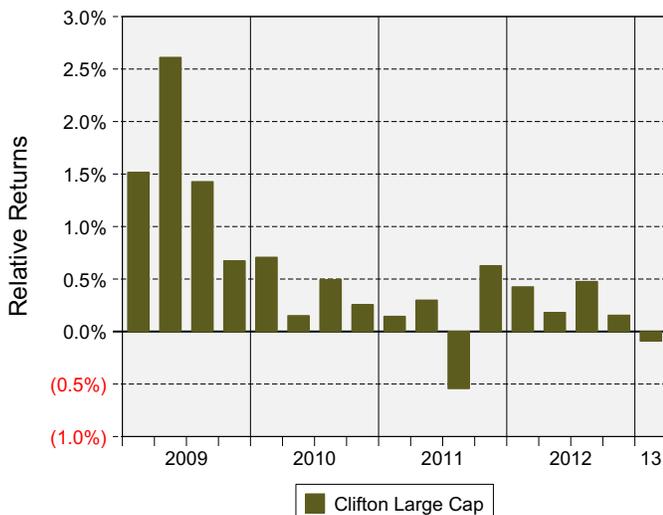
Beginning Market Value	\$33,115,302
Net New Investment	\$-1,500,000
Investment Gains/(Losses)	\$3,474,778
Ending Market Value	\$35,090,080

Performance vs CAI Large Capitalization Style (Gross)

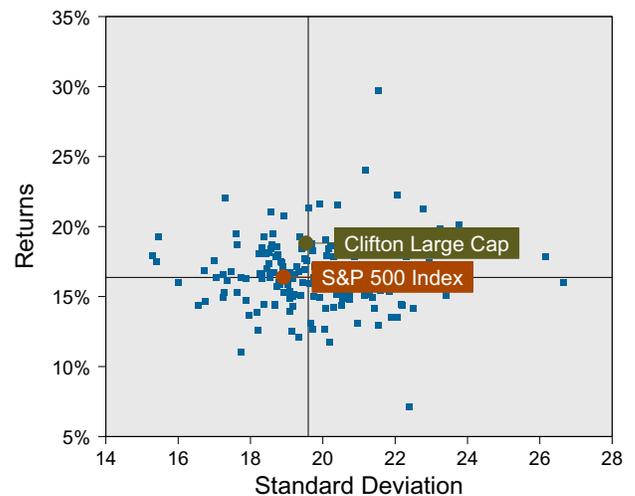


10th Percentile	12.86	18.38	12.99	14.38	19.26
25th Percentile	11.93	16.23	12.05	13.38	17.89
Median	10.69	13.45	10.60	12.43	16.37
75th Percentile	9.28	9.01	8.62	10.93	15.12
90th Percentile	8.53	6.75	6.53	9.65	14.14
Clifton Large Cap	10.51	14.77	11.95	13.54	18.81
S&P 500 Index	10.61	13.96	11.22	12.67	16.40

Relative Return vs S&P 500 Index



CAI Large Capitalization Style (Gross) Annualized Four and One-Quarter Year Risk vs Return



L.A. Capital Period Ended March 31, 2013

Investment Philosophy

The LA Capital Structured portfolio is a large growth portfolio benchmarked to the Russell 1000 Growth Index. It is an active assignment meaning that it targets a 2% alpha and constrains its risk budget (tracking error) to 4% relative to the benchmark. LA Capital believes that investment results are driven by Investor Preferences and thus recognize that when preferences shift a different posture related to that factor is warranted.

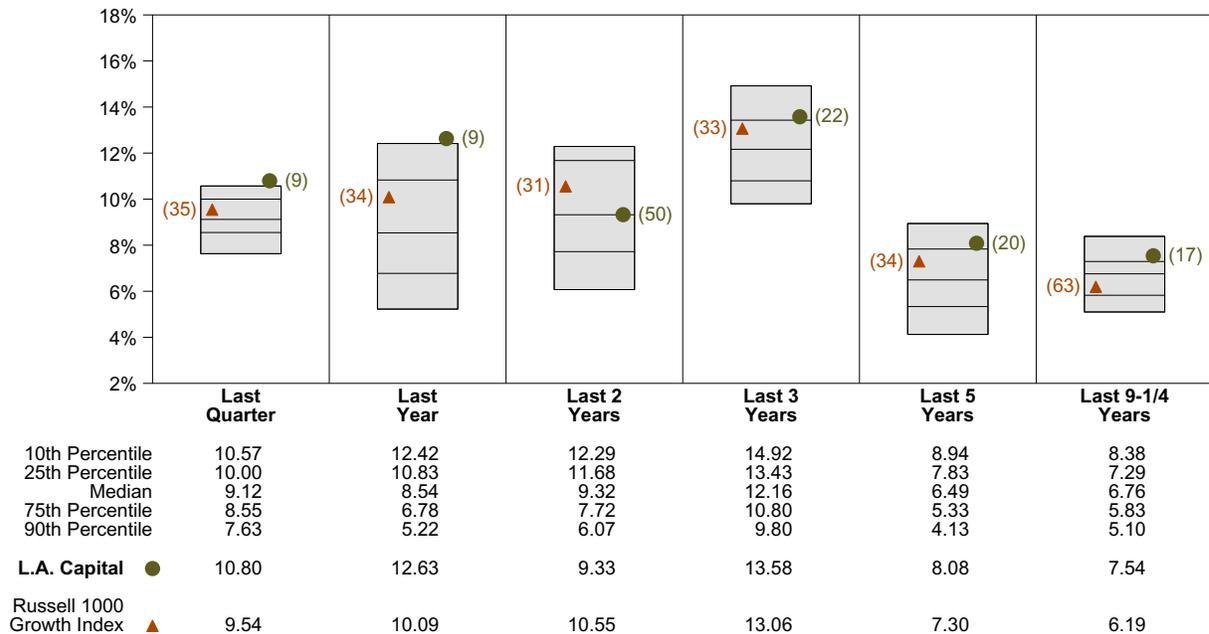
Quarterly Summary and Highlights

- L.A. Capital's portfolio posted a 10.80% return for the quarter placing it in the 9 percentile of the CAI Large Cap Growth Style group for the quarter and in the 9 percentile for the last year.
- L.A. Capital's portfolio outperformed the Russell 1000 Growth Index by 1.25% for the quarter and outperformed the Russell 1000 Growth Index for the year by 2.54%.

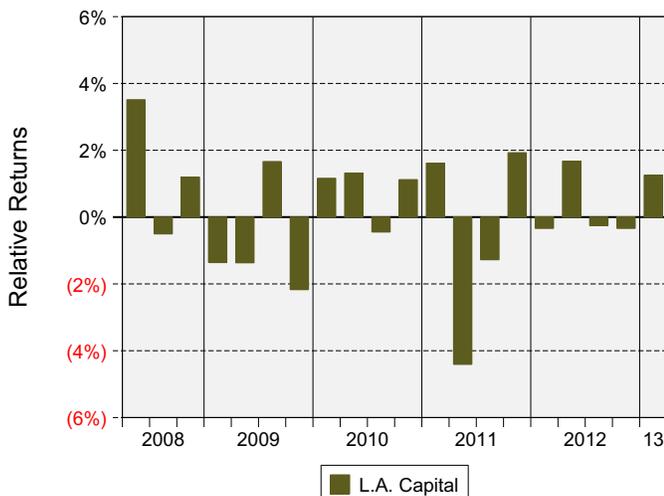
Quarterly Asset Growth

Beginning Market Value	\$48,787,685
Net New Investment	\$-1,526,425
Investment Gains/(Losses)	\$5,258,335
Ending Market Value	\$52,519,595

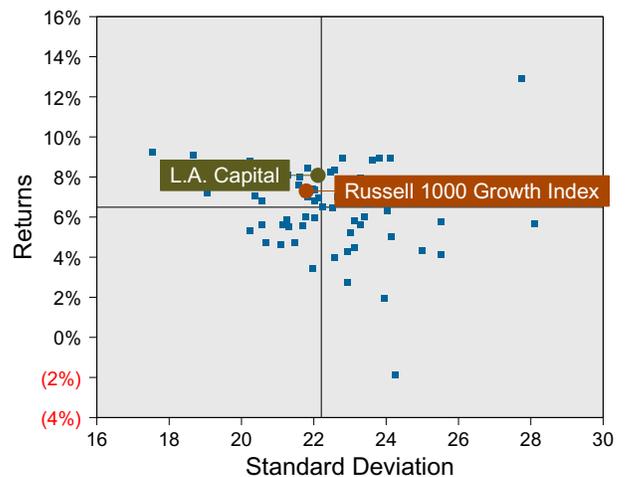
Performance vs CAI Large Cap Growth Style (Gross)



Relative Return vs Russell 1000 Growth Index



CAI Large Cap Growth Style (Gross) Annualized Five Year Risk vs Return



L.A. Capital Enhanced Period Ended March 31, 2013

Investment Philosophy

The LA Capital Enhanced portfolio is a large core portfolio benchmarked to the Russell 1000 Index. Characterized as an enhanced index assignment, its objective is to track the benchmark with lower variability. The pension portfolio began in August of 2000 and the insurance portfolio was initiated in April of 2004. Since October of 2006 a small portion of each of the two core accounts was allocated into the Large Cap Alpha Fund with intent to add incremental alpha to the assignment given that the information ratio was expected to be higher.

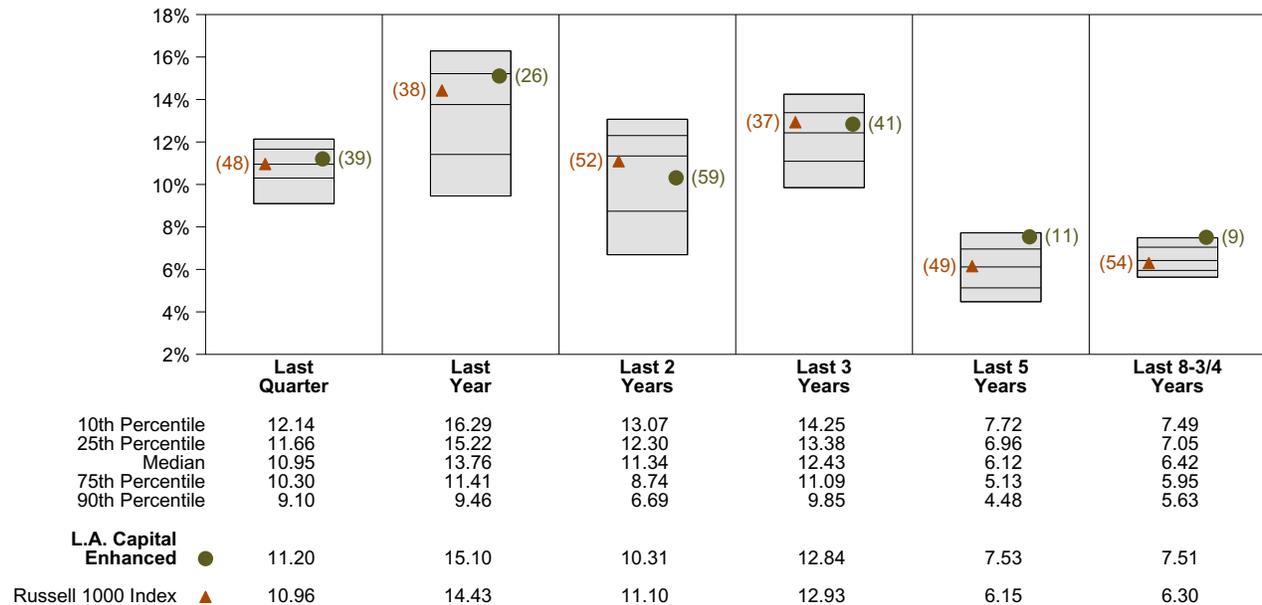
Quarterly Summary and Highlights

- L.A. Capital Enhanced's portfolio posted a 11.20% return for the quarter placing it in the 39 percentile of the CAI Large Cap Core Style group for the quarter and in the 26 percentile for the last year.
- L.A. Capital Enhanced's portfolio outperformed the Russell 1000 Index by 0.24% for the quarter and outperformed the Russell 1000 Index for the year by 0.68%.

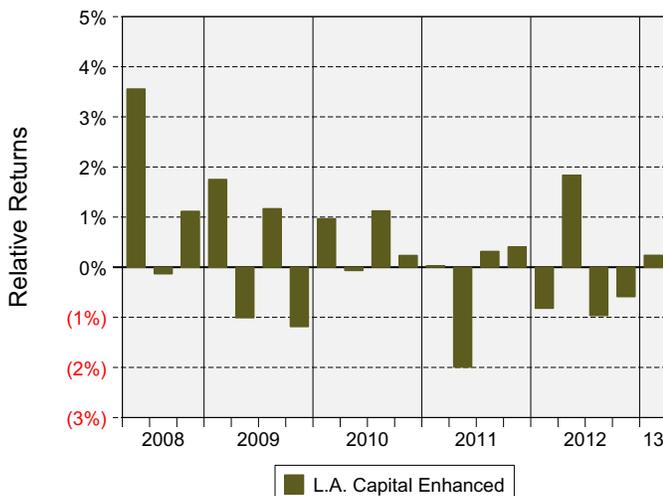
Quarterly Asset Growth

Beginning Market Value	\$31,898,175
Net New Investment	\$-10,307
Investment Gains/(Losses)	\$3,573,202
Ending Market Value	\$35,461,070

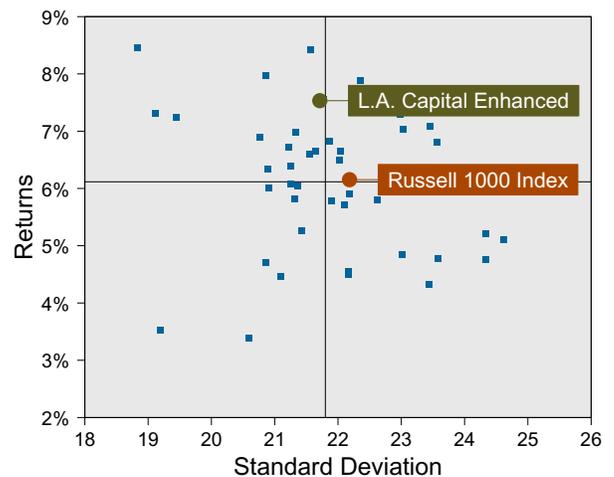
Performance vs CAI Large Cap Core Style (Gross)



Relative Return vs Russell 1000 Index



CAI Large Cap Core Style (Gross) Annualized Five Year Risk vs Return



LSV Asset Management Period Ended March 31, 2013

Investment Philosophy

The objective of LSV Asset Management's Large Cap Value Equity (U.S.) strategy is to outperform the Russell 1000 Value by at least 200 basis points (gross of fees) per annum over a 3-5 year period with a tracking error of approximately 4%. Their stock selection process is a quantitative approach that ranks a broad universe of stocks on a combination of value and momentum factors and seeks to invest approximately 100 stocks in the most attractive securities possible within strict risk parameters to control the portfolio's tracking error relative to the benchmark. The resulting portfolio is broadly diversified across industry groups and fully invested.

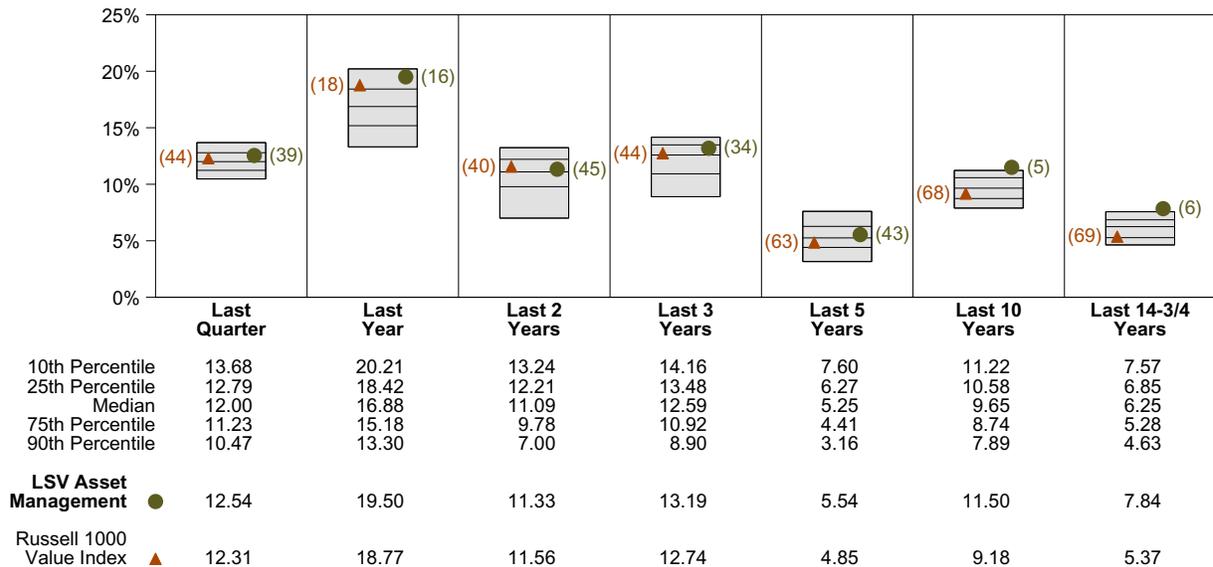
Quarterly Summary and Highlights

- LSV Asset Management's portfolio posted a 12.54% return for the quarter placing it in the 39 percentile of the CAI Large Cap Value Style group for the quarter and in the 16 percentile for the last year.
- LSV Asset Management's portfolio outperformed the Russell 1000 Value Index by 0.24% for the quarter and outperformed the Russell 1000 Value Index for the year by 0.73%.

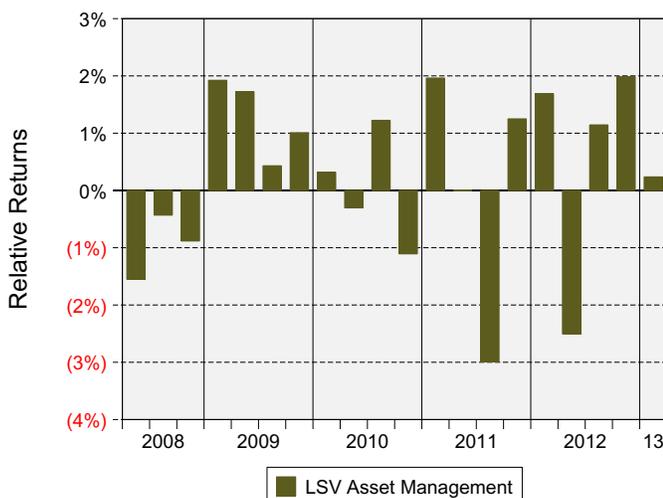
Quarterly Asset Growth

Beginning Market Value	\$51,493,223
Net Net Investment	\$-1,038,793
Investment Gains/(Losses)	\$6,409,321
Ending Market Value	\$56,863,751

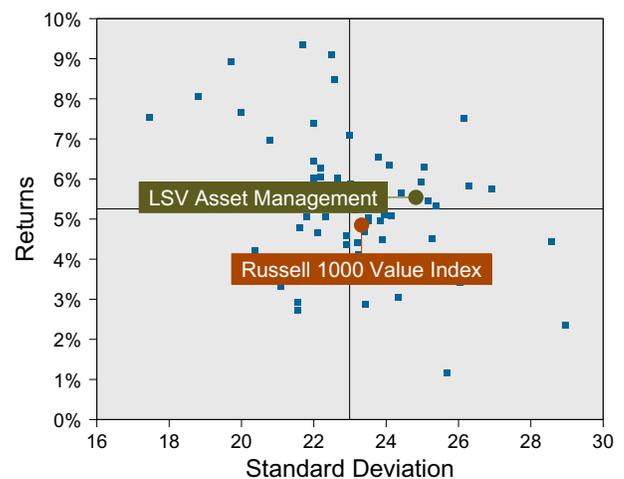
Performance vs CAI Large Cap Value Style (Gross)



Relative Return vs Russell 1000 Value Index



CAI Large Cap Value Style (Gross) Annualized Five Year Risk vs Return



Clifton Small Cap Period Ended March 31, 2013

Investment Philosophy

The Clifton Group utilizes equity futures to gain benchmark exposure in constructing the portfolio it believes provides the greatest likelihood of outperforming the index. In this construction the underlying cash portfolio is invested in a liquid, high quality short duration fixed income portfolio. Over market cycles excess return generated by the short duration portfolio, when added to the performance of futures is expected to allow the strategy to achieve 0.50% to 1.00% of gross excess annual performance.

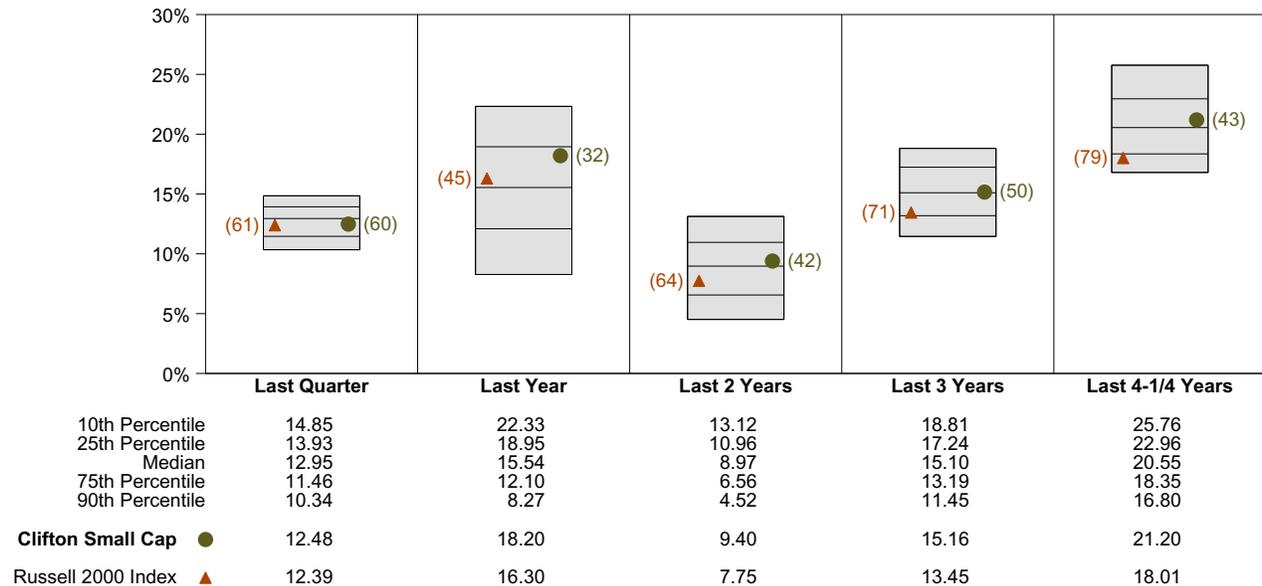
Quarterly Summary and Highlights

- Clifton Small Cap's portfolio posted a 12.48% return for the quarter placing it in the 60 percentile of the CAI Small Capitalization Style group for the quarter and in the 32 percentile for the last year.
- Clifton Small Cap's portfolio outperformed the Russell 2000 Index by 0.09% for the quarter and outperformed the Russell 2000 Index for the year by 1.90%.

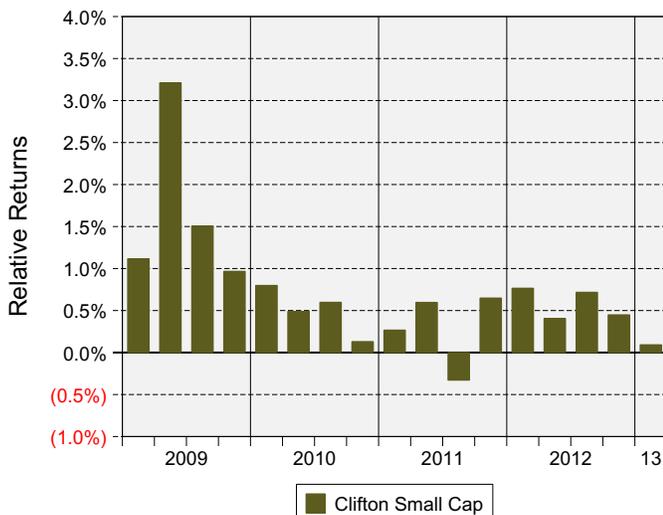
Quarterly Asset Growth

Beginning Market Value	\$28,597,938
Net New Investment	\$-2,000,000
Investment Gains/(Losses)	\$3,558,198
Ending Market Value	\$30,156,136

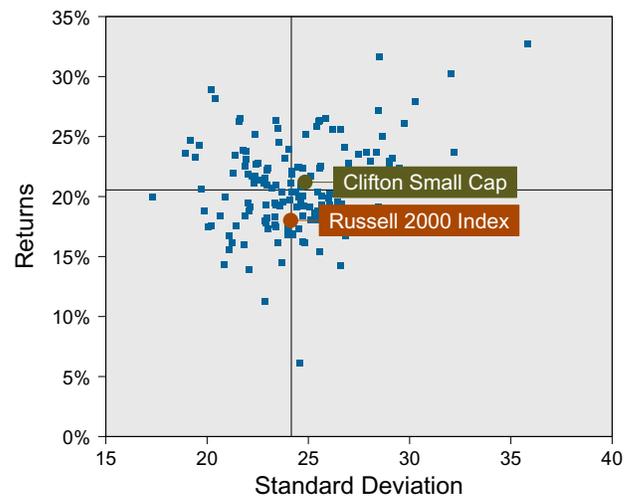
Performance vs CAI Small Capitalization Style (Gross)



Relative Return vs Russell 2000 Index



CAI Small Capitalization Style (Gross) Annualized Four and One-Quarter Year Risk vs Return



Research Affiliates Period Ended March 31, 2013

Investment Philosophy

Small company value equity portfolio utilizing the index strategy and philosophy described as the Enhanced RAFI US Small strategy which relies on portfolio weights derived from firm fundamentals (free cash flow, book equity value, total sales and gross dividend), instead of market capitalization. Additionally, the enhanced portfolio strategy uses a quality of earnings screening and a financial distress screening to augment portfolio returns and reduce portfolio volatility.

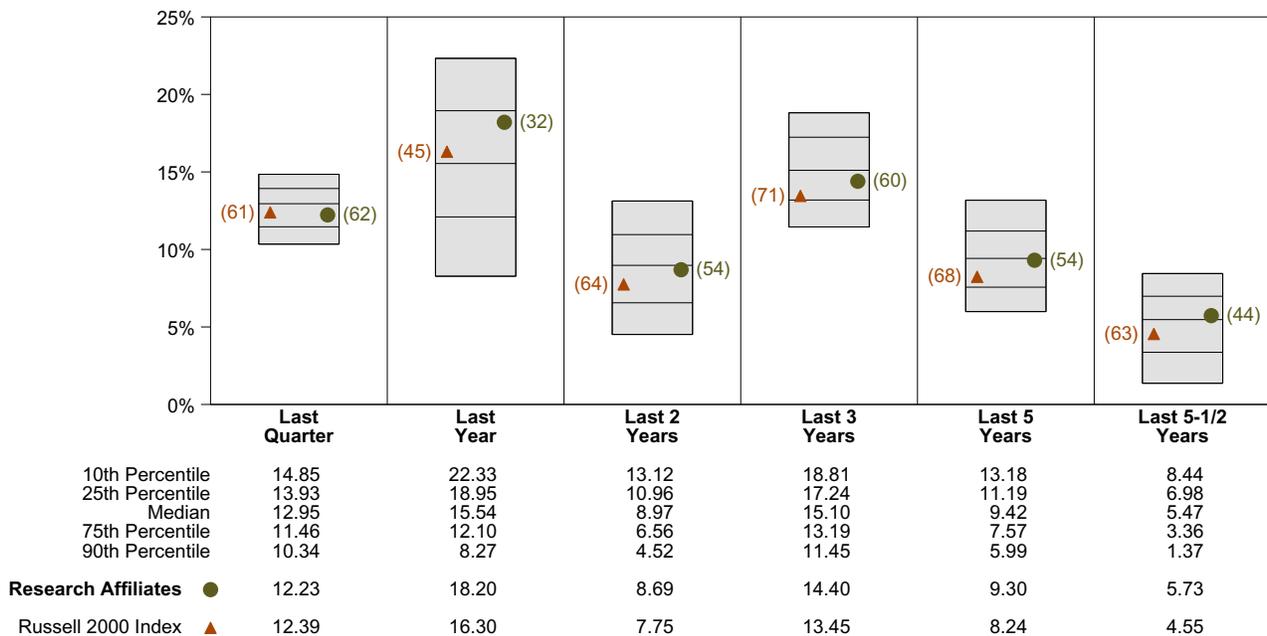
Quarterly Summary and Highlights

- Research Affiliates's portfolio posted a 12.23% return for the quarter placing it in the 62 percentile of the CAI Small Capitalization Style group for the quarter and in the 32 percentile for the last year.
- Research Affiliates's portfolio underperformed the Russell 2000 Index by 0.17% for the quarter and outperformed the Russell 2000 Index for the year by 1.90%.

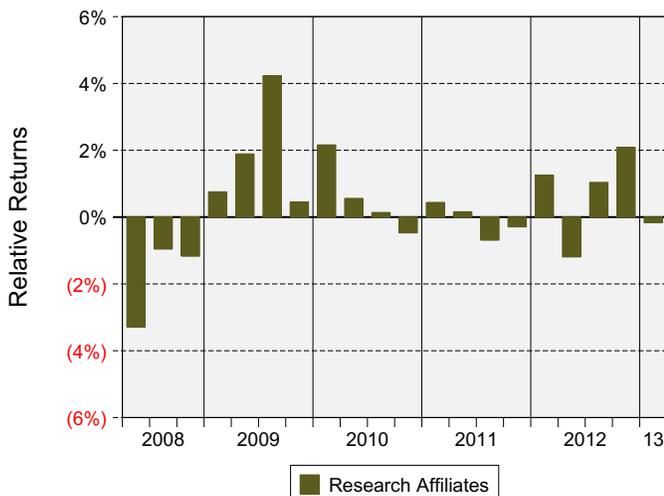
Quarterly Asset Growth

Beginning Market Value	\$30,902,306
Net New Investment	\$-2,534,346
Investment Gains/(Losses)	\$3,661,230
Ending Market Value	\$32,029,190

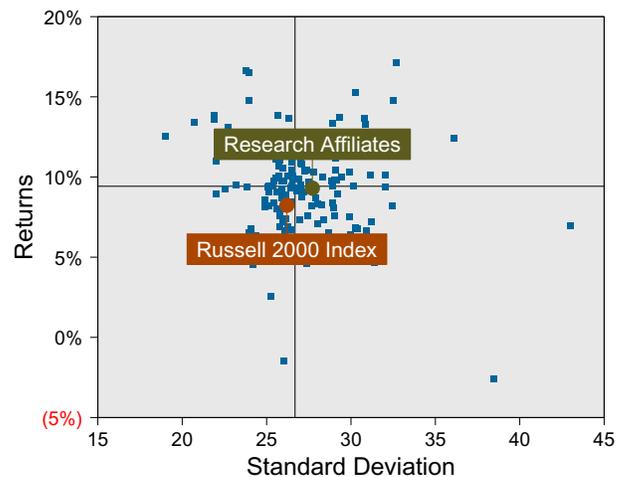
Performance vs CAI Small Capitalization Style (Gross)



Relative Return vs Russell 2000 Index



CAI Small Capitalization Style (Gross) Annualized Five Year Risk vs Return



Capital Guardian Trust Company

Period Ended March 31, 2013

Investment Philosophy

The Portfolio will invest primarily in equity or equity type securities of companies in developed countries excluding the U.S. These equity securities will be listed on a stock exchange or traded in another recognized market and include, but are not limited to, common and preferred stocks, securities convertible or exchangeable into common or preferred stock, warrants, rights and depository arrangements. **International Equity target is MSCI EAFE through 9/30/2000, 50% Hedged EAFE through 3/31/2011, and MSCI EAFE again thereafter.

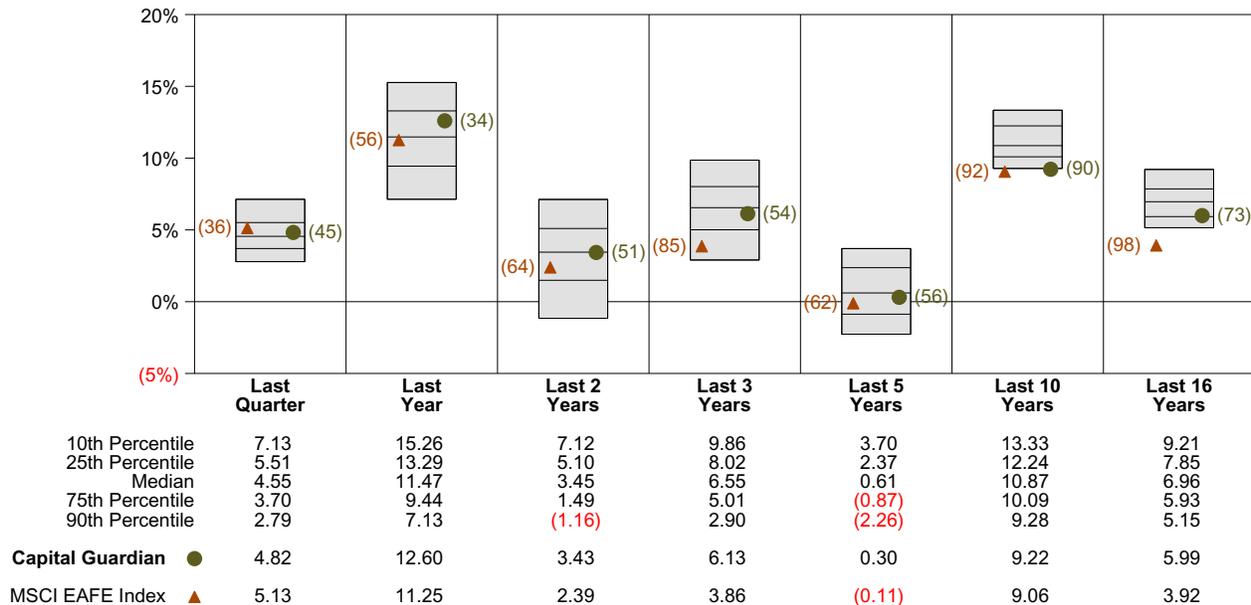
Quarterly Summary and Highlights

- Capital Guardian's portfolio posted a 4.82% return for the quarter placing it in the 45 percentile of the CAI Non-U.S. Equity Style group for the quarter and in the 34 percentile for the last year.
- Capital Guardian's portfolio underperformed the MSCI EAFE Index by 0.31% for the quarter and outperformed the MSCI EAFE Index for the year by 1.34%.

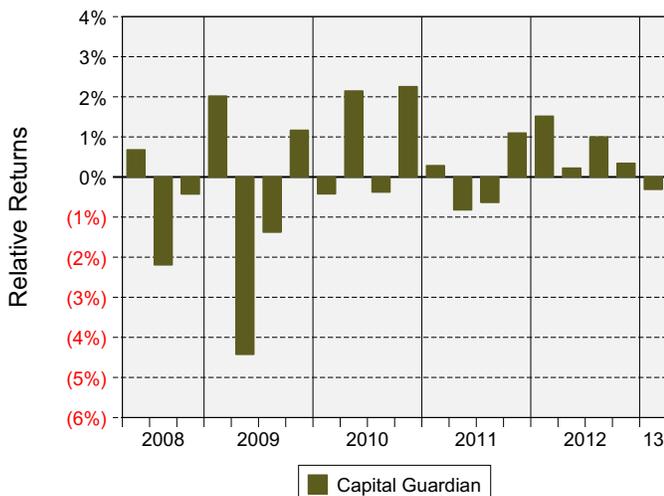
Quarterly Asset Growth

Beginning Market Value	\$48,681,091
Net New Investment	\$-2,560,715
Investment Gains/(Losses)	\$2,323,037
Ending Market Value	\$48,443,413

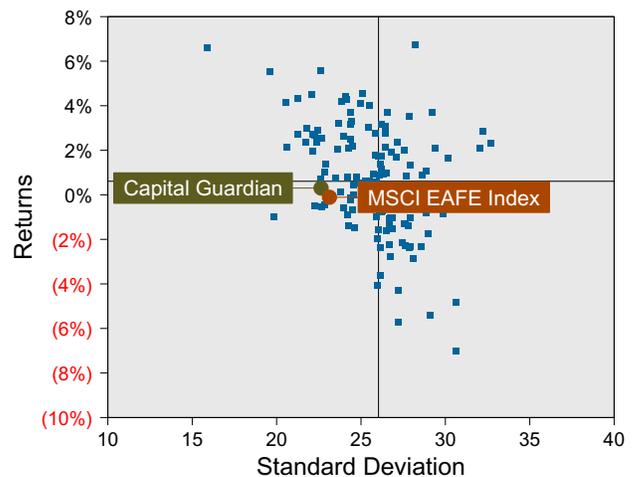
Performance vs CAI Non-U.S. Equity Style (Gross)



Relative Return vs MSCI EAFE Index



CAI Non-U.S. Equity Style (Gross) Annualized Five Year Risk vs Return



DFA International Small Value Period Ended March 31, 2013

Investment Philosophy

The International Small Cap Value Portfolio invests in the stocks of small, non-US developed markets companies that Dimensional believes to be value stocks at the time of purchase. Specifically, it looks at companies that fall within the smallest 8-10% of each country's market capitalization, and whose shares have a high book value in relation to their market value (BtM). It does not invest in emerging markets.

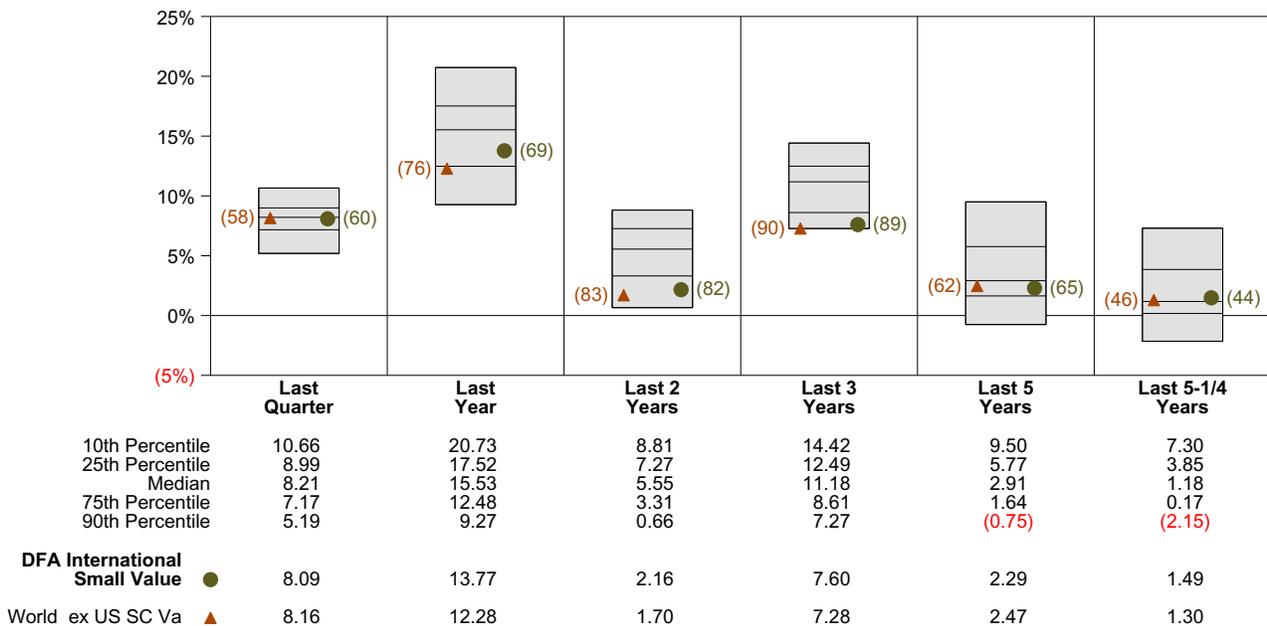
Quarterly Summary and Highlights

- DFA International Small Value's portfolio posted a 8.09% return for the quarter placing it in the 60 percentile of the CAI International Small Cap Style group for the quarter and in the 69 percentile for the last year.
- DFA International Small Value's portfolio underperformed the World ex US SC Va by 0.07% for the quarter and outperformed the World ex US SC Va for the year by 1.49%.

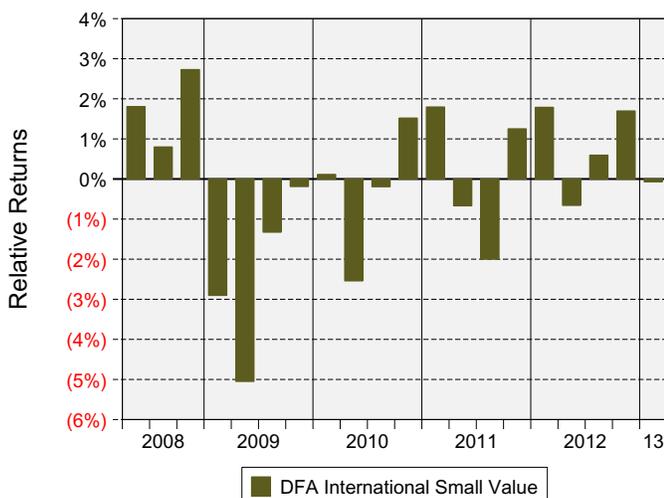
Quarterly Asset Growth

Beginning Market Value	\$10,605,552
Net New Investment	\$-18,188
Investment Gains/(Losses)	\$857,102
Ending Market Value	\$11,444,466

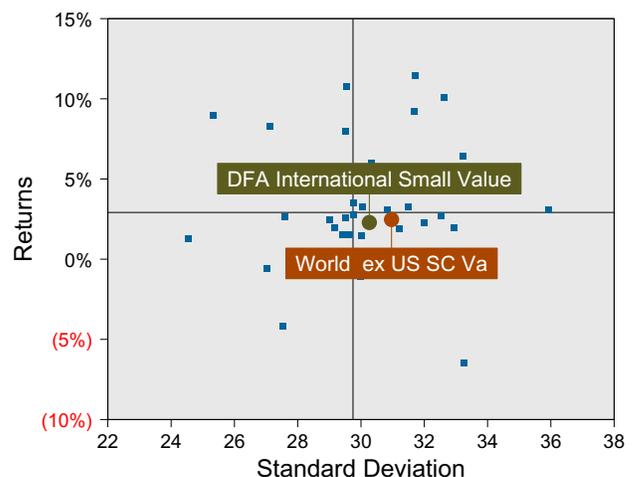
Performance vs CAI International Small Cap Style (Gross)



Relative Return vs World ex US SC Va



CAI International Small Cap Style (Gross) Annualized Five Year Risk vs Return



LSV Asset Management

Period Ended March 31, 2013

Investment Philosophy

The objective of LSV Asset Management's International Large Cap Value strategy is to outperform the MSCI EAFE Index by at least 250 basis points (gross of fees) per annum over an annualized 3-5 year period with a tracking error of approximately 5-6%. Their stock selection process is a quantitative approach that ranks a broad universe of stocks on a combination of value and momentum factors and seeks to invest approximately 150 stocks in the most attractive securities possible within strict risk parameters to control the portfolio's tracking error relative to the benchmark. The resulting portfolio is broadly diversified across industry groups and fully invested. LSV weights countries at a neutral weight relative to the benchmark country weights. 50% of the portfolio is US dollar hedged. **International Equity target is MSCI EAFE through 9/30/2000, 50% Hedged EAFE through 3/31/2011, and MSCI EAFE again thereafter.

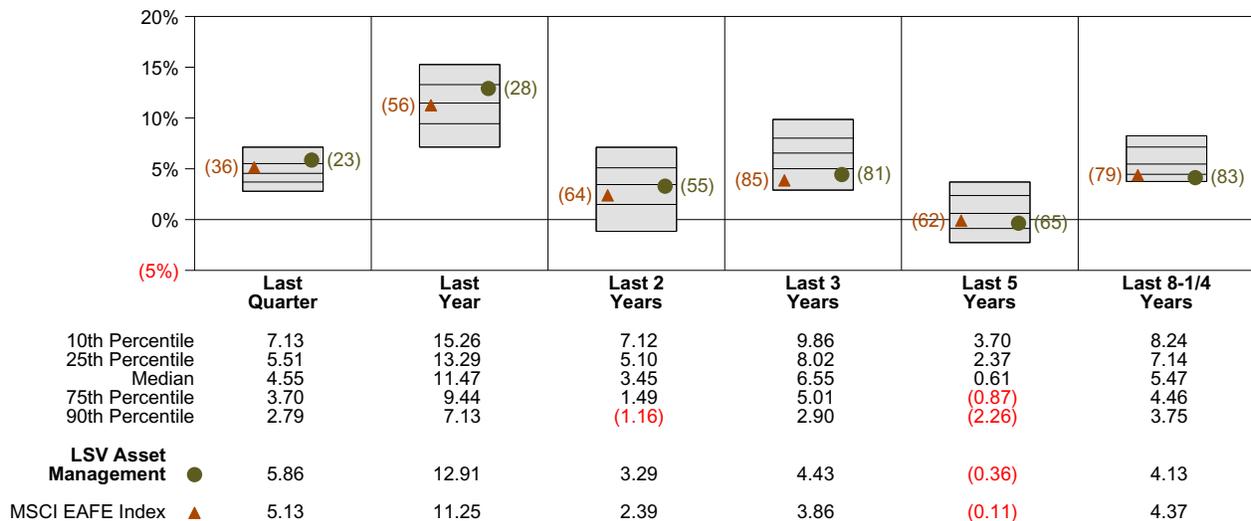
Quarterly Summary and Highlights

- LSV Asset Management's portfolio posted a 5.86% return for the quarter placing it in the 23 percentile of the CAI Non-U.S. Equity Style group for the quarter and in the 28 percentile for the last year.
- LSV Asset Management's portfolio outperformed the MSCI EAFE Index by 0.73% for the quarter and outperformed the MSCI EAFE Index for the year by 1.65%.

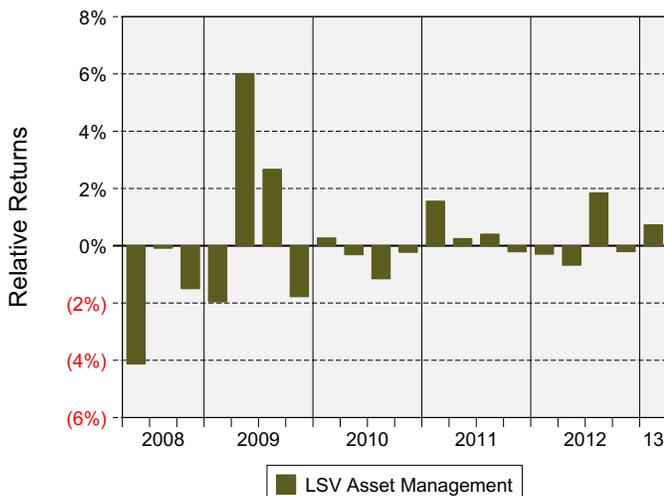
Quarterly Asset Growth

Beginning Market Value	\$48,566,738
Net New Investment	\$-59,295
Investment Gains/(Losses)	\$2,846,051
Ending Market Value	\$51,353,494

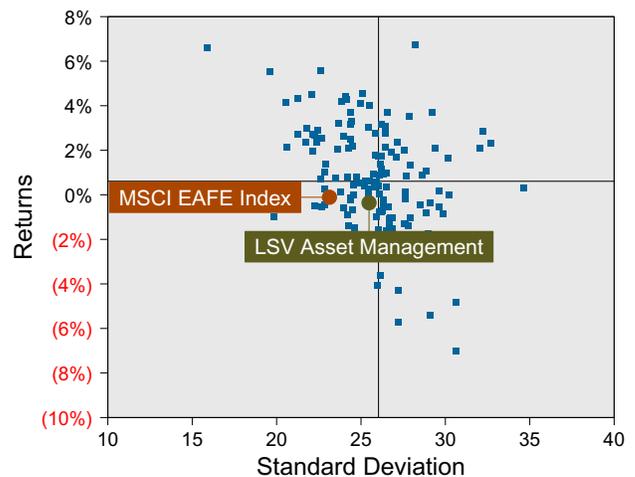
Performance vs CAI Non-U.S. Equity Style (Gross)



Relative Return vs MSCI EAFE Index



CAI Non-U.S. Equity Style (Gross) Annualized Five Year Risk vs Return



Vanguard

Period Ended March 31, 2013

Investment Philosophy

Vanguard International Explorer Fund invests primarily in the equity securities of small-capitalization companies located outside the United States that the advisor believes offer the potential for long-term capital appreciation. The advisor considers, among other things, whether a company is likely to have above-average earnings growth, whether the company's securities are attractively valued, and whether the company has any proprietary advantages.

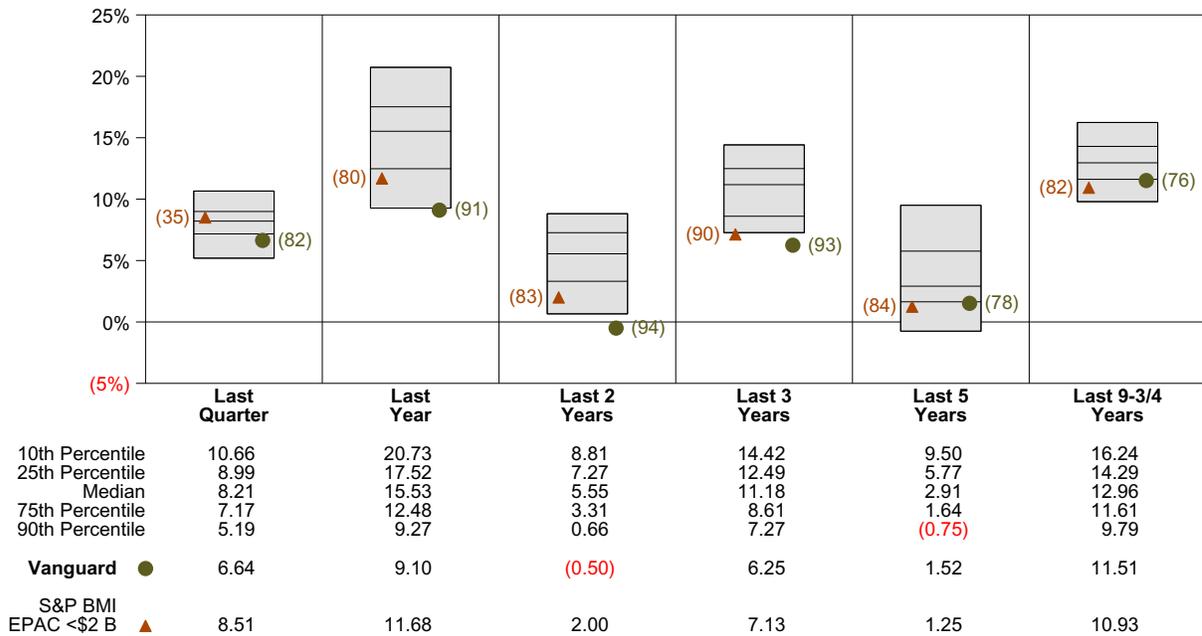
Quarterly Summary and Highlights

- Vanguard's portfolio posted a 6.64% return for the quarter placing it in the 82 percentile of the CAI International Small Cap Style group for the quarter and in the 91 percentile for the last year.
- Vanguard's portfolio underperformed the S&P BMI EPAC <\$2 B by 1.88% for the quarter and underperformed the S&P BMI EPAC <\$2 B for the year by 2.58%.

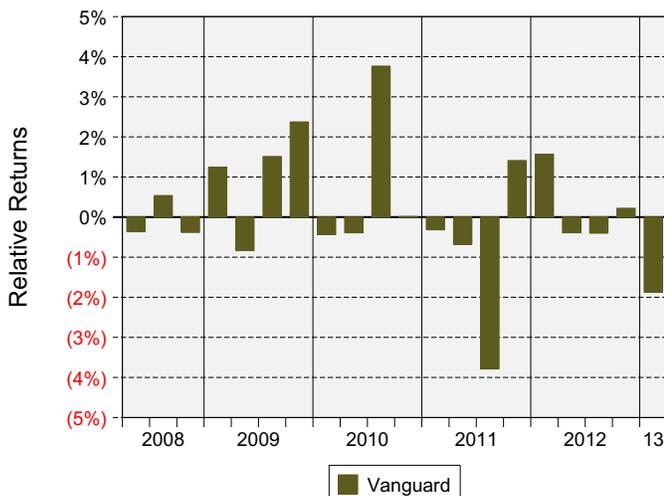
Quarterly Asset Growth

Beginning Market Value	\$10,489,503
Net New Investment	\$10,164
Investment Gains/(Losses)	\$695,791
Ending Market Value	\$11,195,459

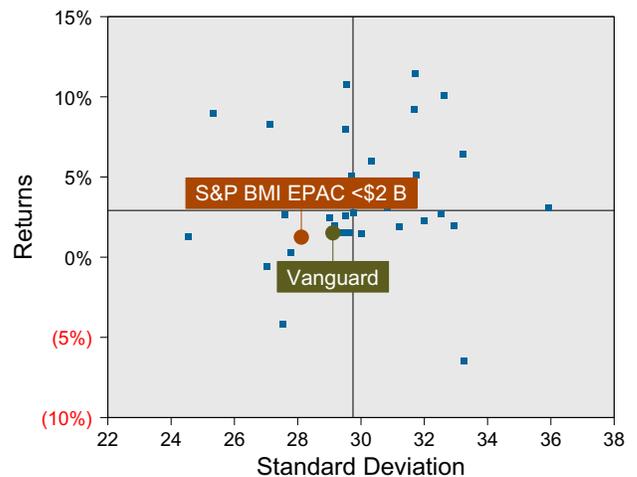
Performance vs CAI International Small Cap Style (Gross)



Relative Return vs S&P BMI EPAC <\$2 B



CAI International Small Cap Style (Gross) Annualized Five Year Risk vs Return



Bank of North Dakota Period Ended March 31, 2013

Investment Philosophy

The Bank of North Dakota (BND) uses a passive management style designed to replicate the Barclays Government/Corporate Bond Index. In order to accomplish this objective, BND utilizes optimization software that allows us to monitor several portfolio and individual security constraints (duration, yield, convexity, credit quality and issue size). **Blended Benchmark consists of BC Gov/Credit Bond Idx through 03/31/2004, BC Gov/Credit Index Intermediate through 06/30/2005, and BC Gov/Credit Bond Idx again thereafter.

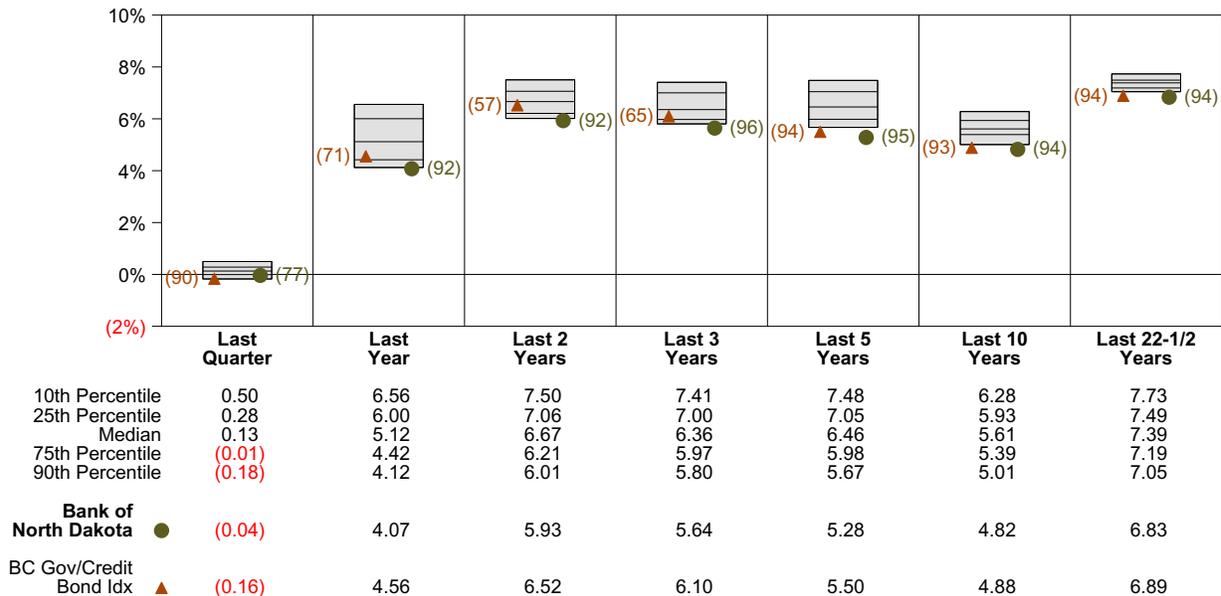
Quarterly Summary and Highlights

- Bank of North Dakota's portfolio posted a (0.04)% return for the quarter placing it in the 77 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 92 percentile for the last year.
- Bank of North Dakota's portfolio outperformed the BC Gov/Credit Bond Idx by 0.13% for the quarter and underperformed the BC Gov/Credit Bond Idx for the year by 0.48%.

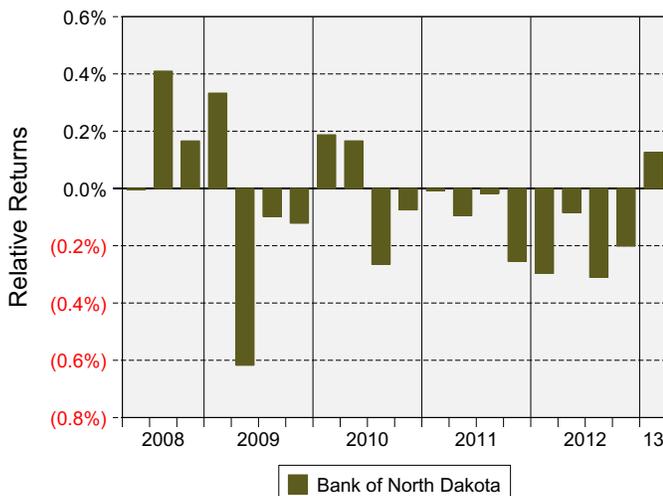
Quarterly Asset Growth

Beginning Market Value	\$112,782,998
Net New Investment	\$-16,945
Investment Gains/(Losses)	\$-42,581
Ending Market Value	\$112,723,471

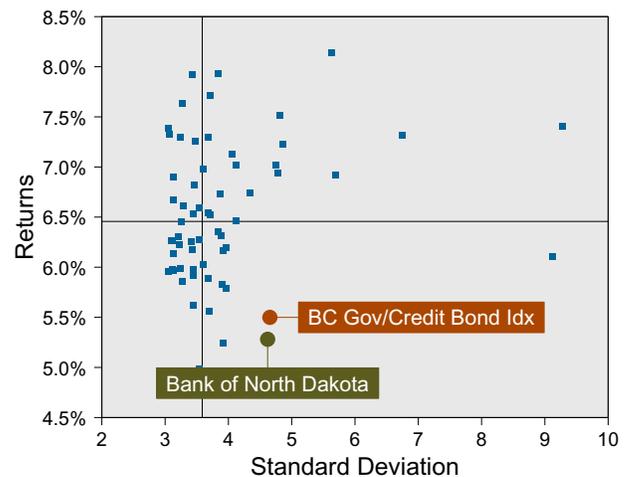
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Relative Return vs BC Gov/Credit Bond Idx



CAI Core Bond Fixed-Inc Style (Gross) Annualized Five Year Risk vs Return



Prudential Period Ended March 31, 2013

Investment Philosophy

The core plus fixed income account is a multi-sector strategy that is diversified across a broad range of fixed income sectors, including Treasuries, agencies, mortgage-backed securities, structured product (asset-backed securities, commercial mortgage-backed securities), investment grade corporate bonds, high yield bonds, bank loans and international debt. The primary sources of excess return are sector allocation and security selection, with duration and yield curve less of a focus.

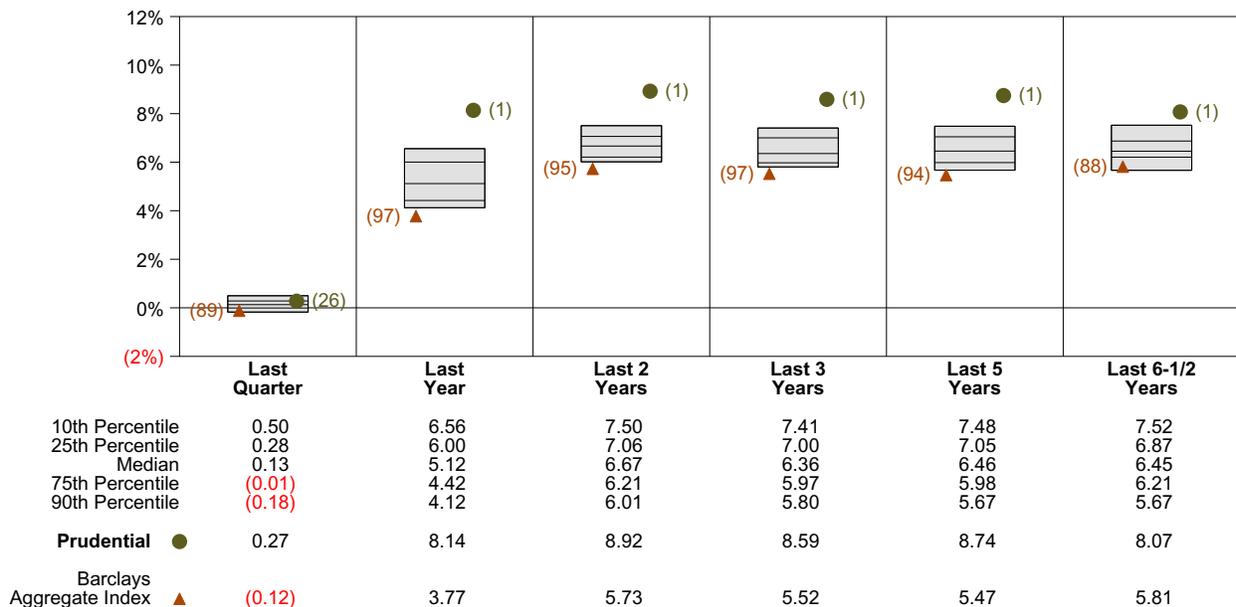
Quarterly Summary and Highlights

- Prudential's portfolio posted a 0.27% return for the quarter placing it in the 26 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 1 percentile for the last year.
- Prudential's portfolio outperformed the Barclays Aggregate Index by 0.39% for the quarter and outperformed the Barclays Aggregate Index for the year by 4.36%.

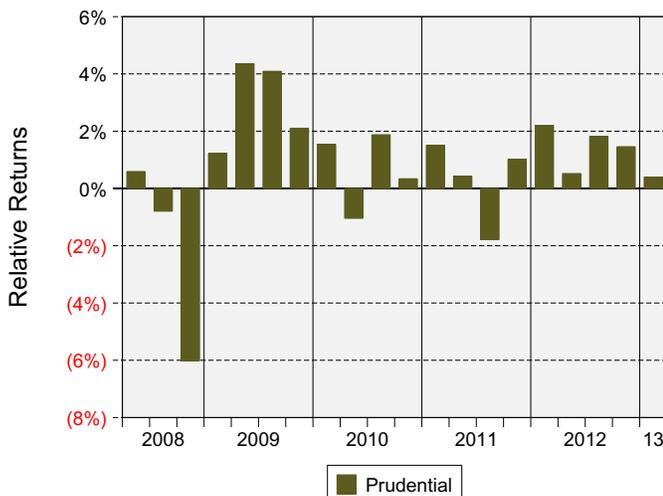
Quarterly Asset Growth

Beginning Market Value	\$70,133,774
Net New Investment	\$-51,594
Investment Gains/(Losses)	\$190,650
Ending Market Value	\$70,272,831

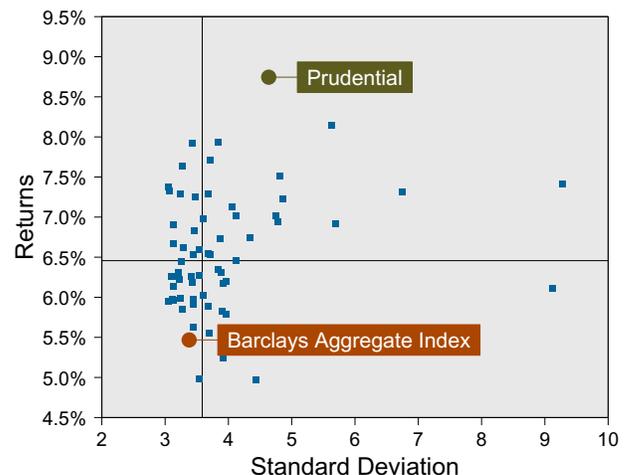
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Relative Return vs Barclays Aggregate Index



CAI Core Bond Fixed-Inc Style (Gross) Annualized Five Year Risk vs Return



Wells Capital Period Ended March 31, 2013

Investment Philosophy

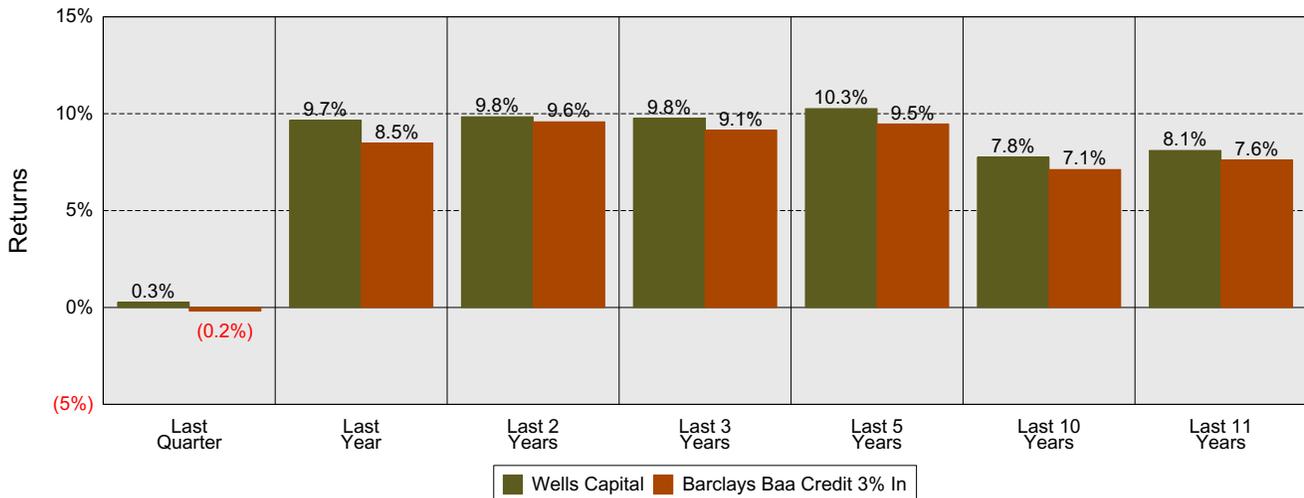
The Medium Quality Credit fixed income strategy is designed to maximize total return from the high-grade corporate bond market while maintaining a strategic allocation to the BBB portion of the high yield market. The investment process for this fund starts with a "top-down" strategy. Security selection is determined by in-depth credit research, holding that in-depth knowledge of industries, companies, and their management teams can help identify credit trends that can lead to investment opportunities. Furthermore, a disciplined relative value framework is applied to help determine the optimal position to invest within an industry and within an individual issuer's capital structure.

Quarterly Summary and Highlights

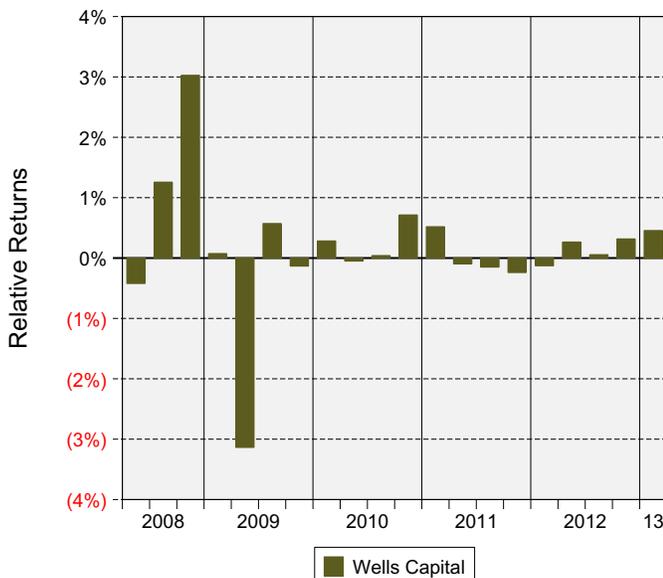
- Wells Capital's portfolio posted a 0.27% return for the quarter placing it in the 26 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 1 percentile for the last year.
- Wells Capital's portfolio outperformed the Barclays Baa Credit 3% In by 0.46% for the quarter and outperformed the Barclays Baa Credit 3% In for the year by 1.17%.

Quarterly Asset Growth

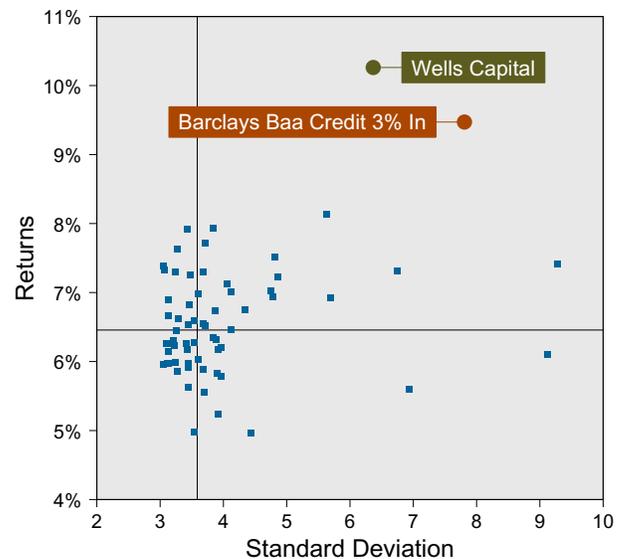
Beginning Market Value	\$278,764,000
Net New Investment	\$-152,546
Investment Gains/(Losses)	\$750,342
Ending Market Value	\$279,361,797



Relative Return vs Barclays Baa Credit 3% In



CAI Core Bond Fixed-Inc Style (Gross)
Annualized Five Year Risk vs Return



Western Asset Management Company

Period Ended March 31, 2013

Investment Philosophy

Western Asset designs this portfolio using all major fixed-income sectors with a bias towards non-Treasuries, especially corporate, mortgage-backed and asset-backed securities. Value can be added through sector rotation, issue selection, duration and term structure weighting.

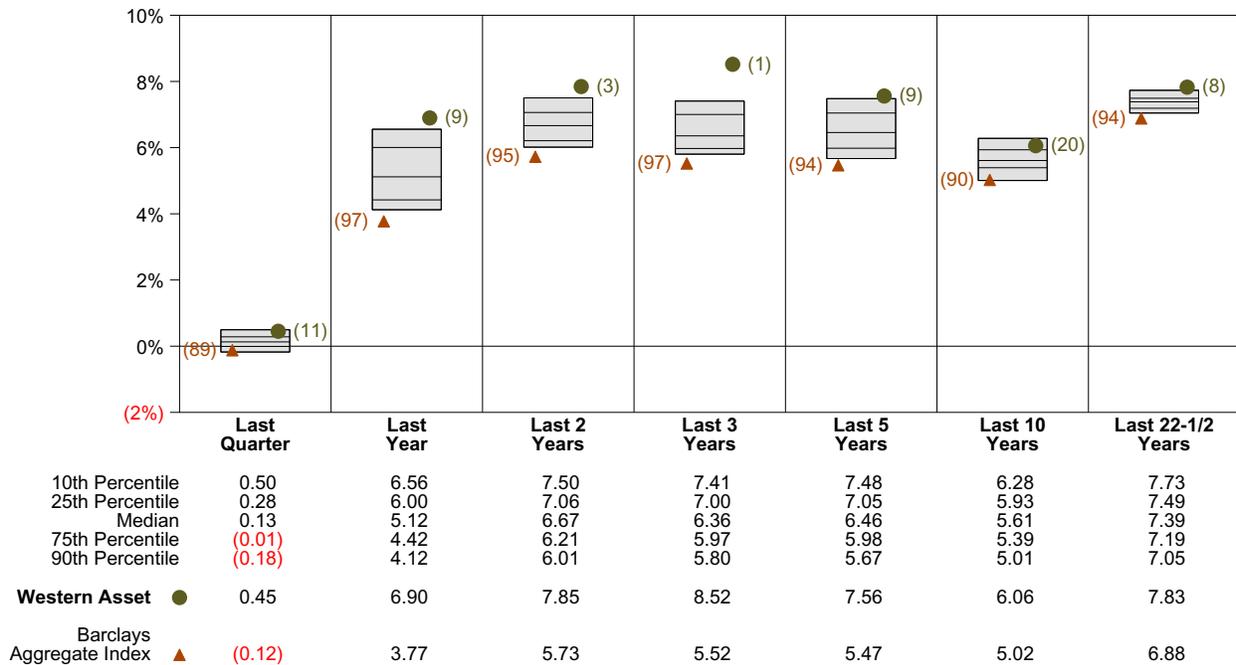
Quarterly Summary and Highlights

- Western Asset's portfolio posted a 0.45% return for the quarter placing it in the 11 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 9 percentile for the last year.
- Western Asset's portfolio outperformed the Barclays Aggregate Index by 0.57% for the quarter and outperformed the Barclays Aggregate Index for the year by 3.12%.

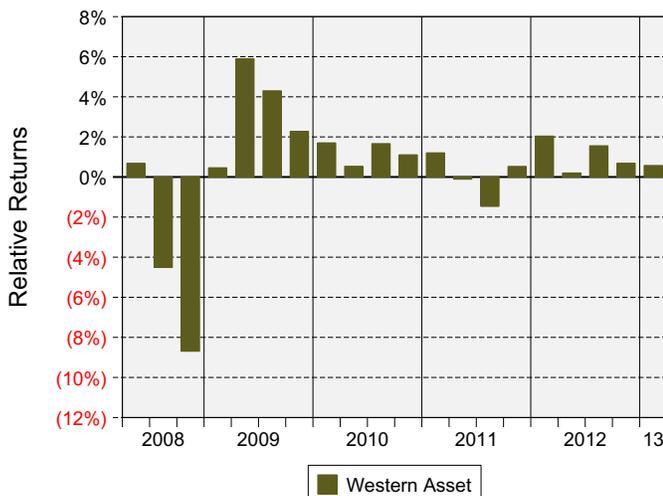
Quarterly Asset Growth

Beginning Market Value	\$209,509,812
Net New Investment	\$-94,331
Investment Gains/(Losses)	\$942,399
Ending Market Value	\$210,357,879

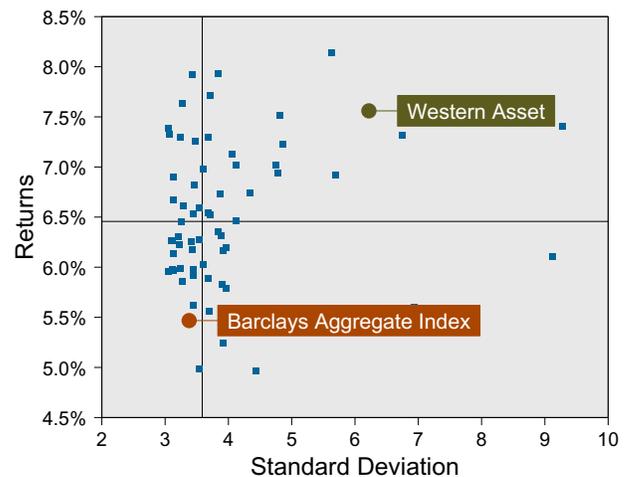
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Relative Return vs Barclays Aggregate Index



CAI Core Bond Fixed-Inc Style (Gross) Annualized Five Year Risk vs Return



Declaration Period Ended March 31, 2013

Investment Philosophy

DMR assumed management of mortgage assets originally acquired by Brookfield (Hyperion). DMR will provide a fresh perspective on the holdings, some of which are credit impaired. The portfolio management services will include loan-level analysis on individual securities and portfolio level risk management of liquidity and volatility. Holdings include structured finance assets: agency and non-agency RMBS, CMBS, and ABS. DMR will seek to optimize the risk-return profile of the portfolio and will look to identify and execute re-investment opportunities with focus on lower volatility, par-based assets. The performance target of the portfolio is a gross total return of 1.25% above the return of the Benchmark over a full market cycle. The Benchmark is the Securitized Portion of Barclays U.S. Aggregate Index. Declaration took over management of this fund on April 1, 2010. Prior performance reflects Hyperion Brookfield.

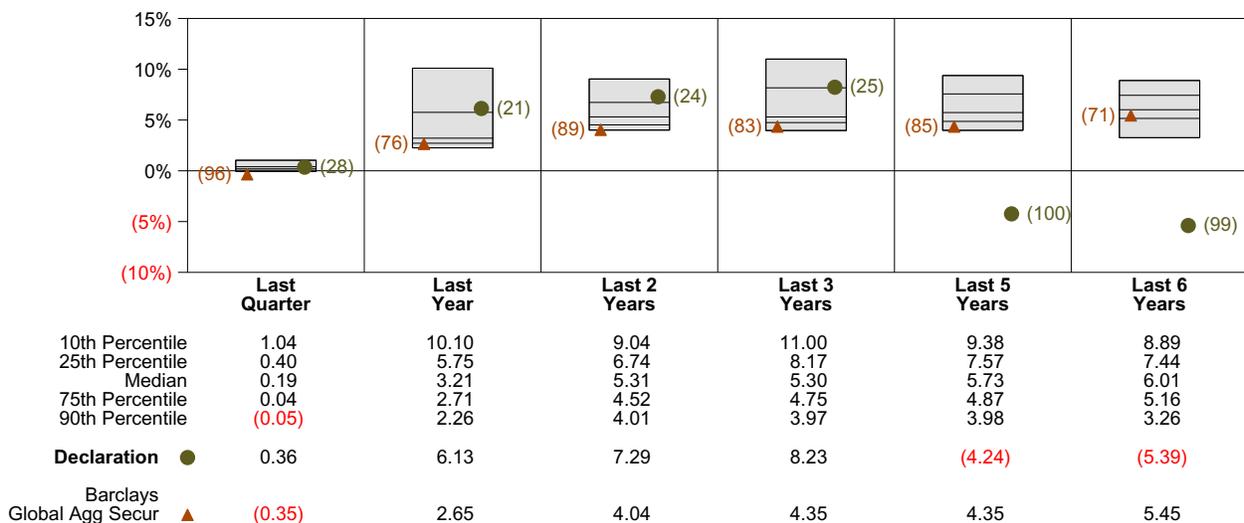
Quarterly Summary and Highlights

- Declaration's portfolio posted a 0.36% return for the quarter placing it in the 28 percentile of the CAI Mtg-Backed FI Style group for the quarter and in the 21 percentile for the last year.
- Declaration's portfolio outperformed the Barclays Global Agg Secur by 0.71% for the quarter and outperformed the Barclays Global Agg Secur for the year by 3.48%.

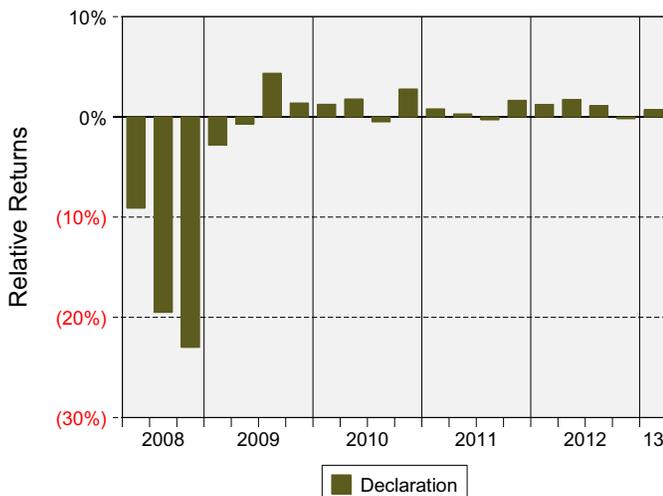
Quarterly Asset Growth

Beginning Market Value	\$52,077,764
Net New Investment	\$5,435,025
Investment Gains/(Losses)	\$189,450
Ending Market Value	\$57,702,239

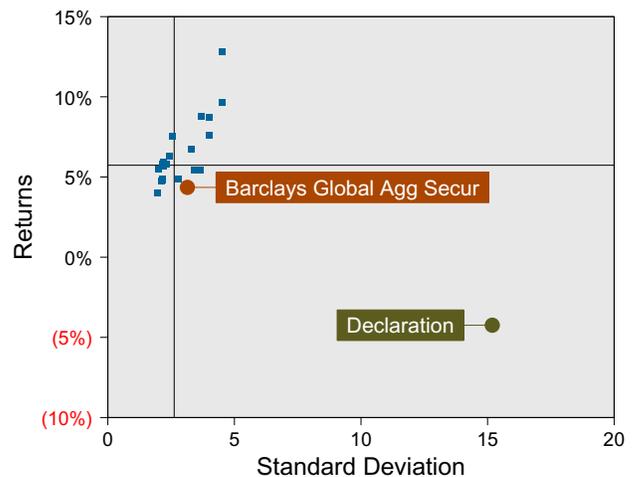
Performance vs CAI Mtg-Backed FI Style (Gross)



Relative Return vs Barclays Global Agg Secur



CAI Mtg-Backed FI Style (Gross) Annualized Five Year Risk vs Return



PIMCO DiSCO II

Period Ended March 31, 2013

Investment Philosophy

The PIMCO Distressed Senior Credit Opportunities Fund is an opportunistic private-equity style Fund which seeks to provide investors enhanced returns principally through long-biased investments in undervalued senior and super senior structured credit securities that are expected to produce attractive levels of current income and that may also appreciate in value over the long term. The fund will look to capitalize on forced sales by liquidity constrained investors.

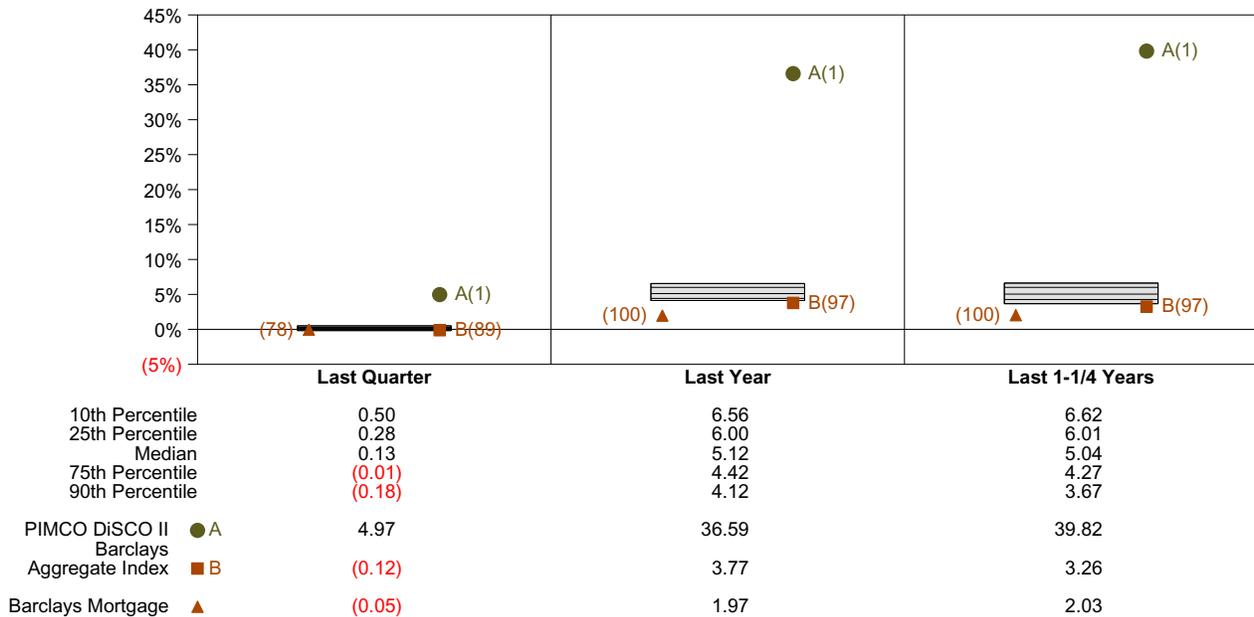
Quarterly Summary and Highlights

- PIMCO DiSCO II's portfolio posted a 4.97% return for the quarter placing it in the 1 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 1 percentile for the last year.
- PIMCO DiSCO II's portfolio outperformed the Barclays Mortgage by 5.02% for the quarter and outperformed the Barclays Mortgage for the year by 34.63%.

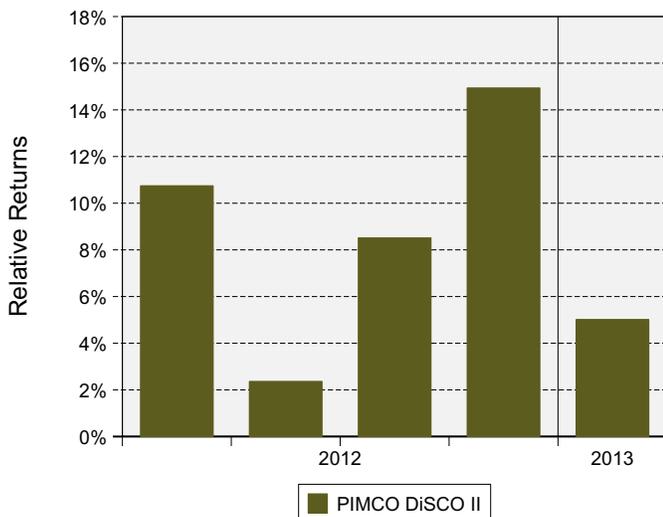
Quarterly Asset Growth

Beginning Market Value	\$86,906,362
Net New Investment	\$0
Investment Gains/(Losses)	\$4,318,782
Ending Market Value	\$91,225,144

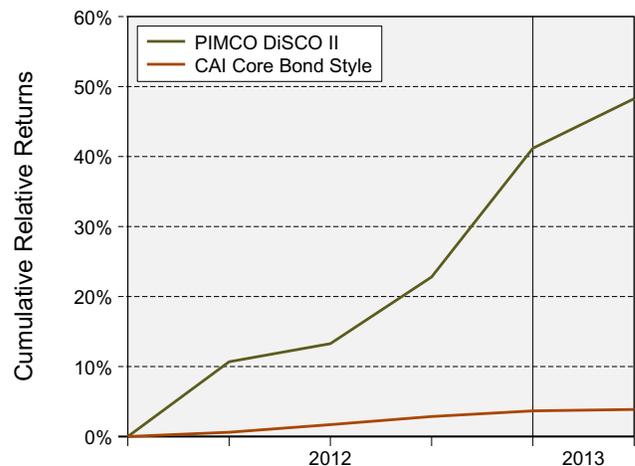
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Relative Return vs Barclays Mortgage



Cumulative Returns vs Barclays Mortgage



Western Asset Management TIPS Period Ended March 31, 2013

Investment Philosophy

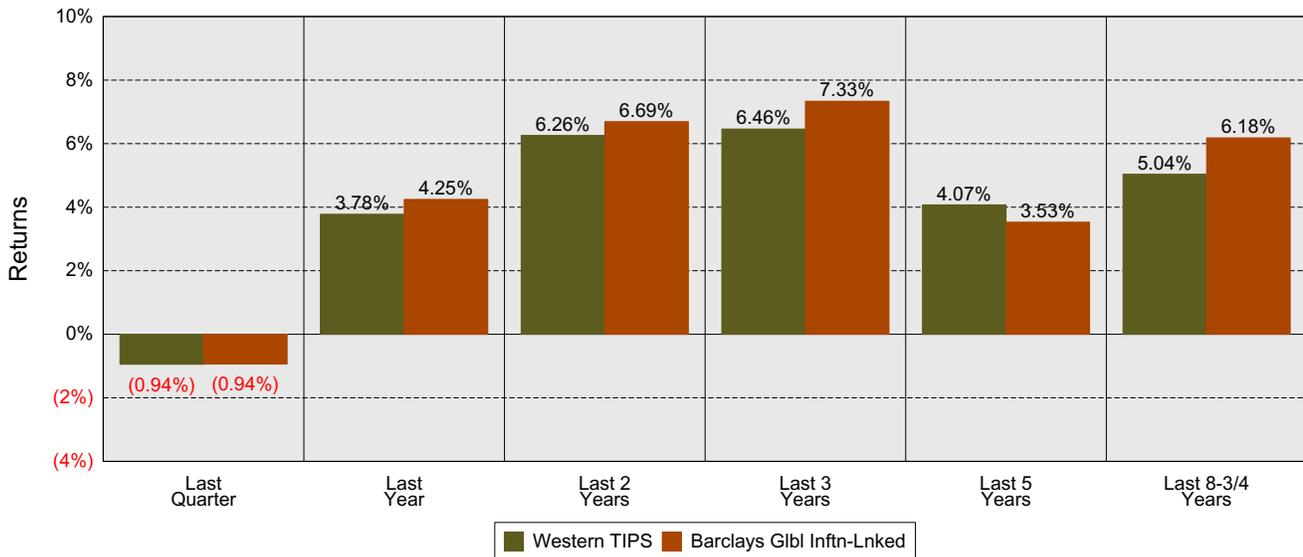
Western Asset's Global Inflation-Linked composite includes portfolios that employ an active, team-managed investment approach around a long-term, value-oriented investment philosophy. Constructed primarily of inflation-indexed securities, these portfolios use diversified strategies in seeking to add value while minimizing risk. Value can be added through country selection, term structure, issue selection, duration management and currency management.

Quarterly Summary and Highlights

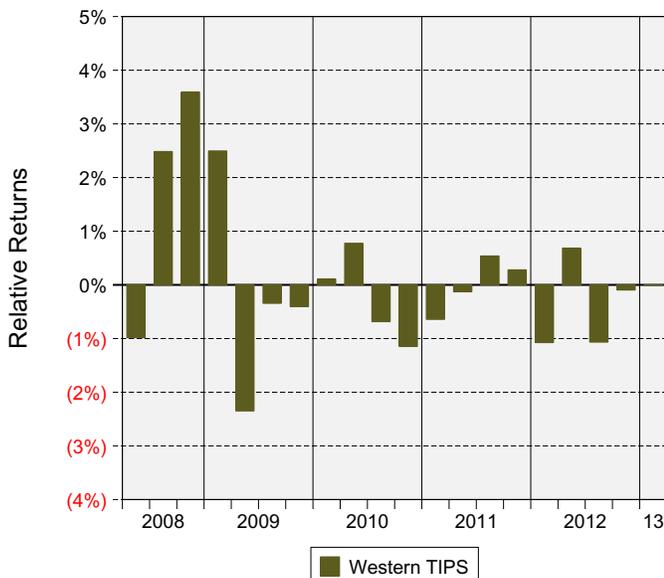
- Western TIPS's portfolio underperformed the Barclays Gbl Inftn-Lnked by 0.01% for the quarter and underperformed the Barclays Gbl Inftn-Lnked for the year by 0.47%.

Quarterly Asset Growth

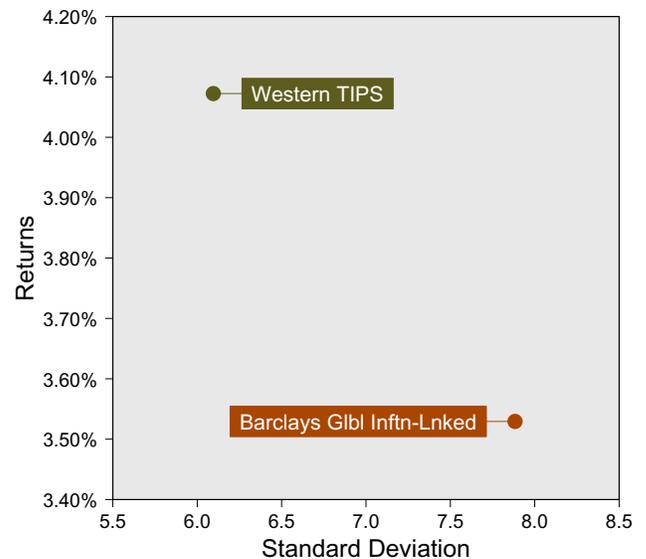
Beginning Market Value	\$187,941,421
Net New Investment	\$16,916,114
Investment Gains/(Losses)	\$-1,739,197
Ending Market Value	\$203,118,338



Relative Return vs Barclays Gbl Inftn-Lnked



Annualized Five Year Risk vs Return



JP Morgan Infrastructure Period Ended March 31, 2013

Investment Philosophy

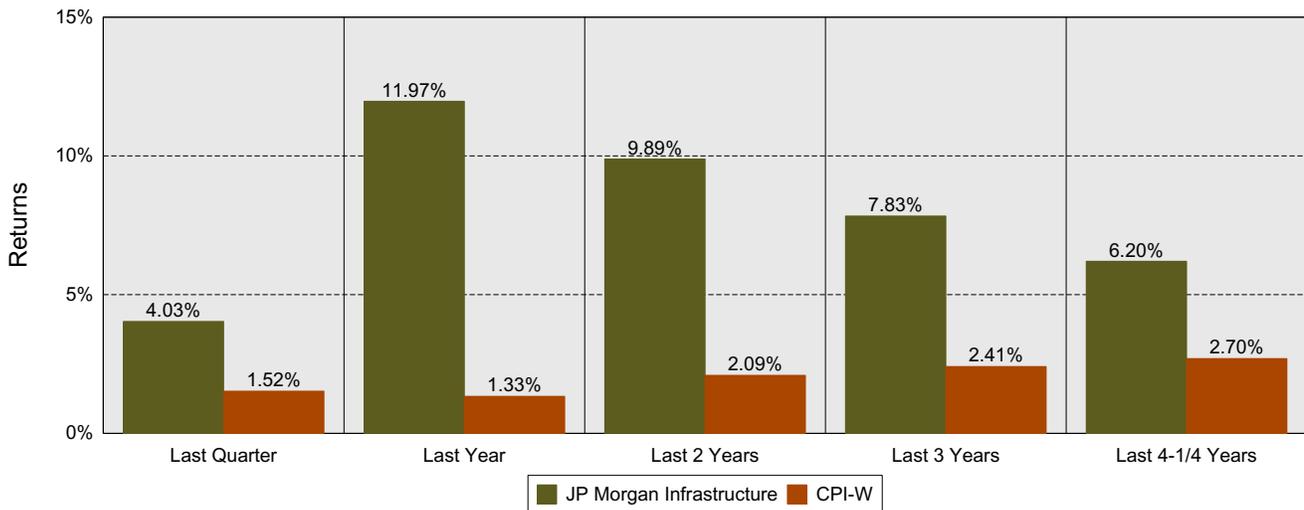
The only open-ended private commingled infrastructure fund in the U.S, the JPMorgan Infrastructure Investments Fund invests in stabilized assets in OECD countries with selected value-added opportunities, across infrastructure industry sub-sectors, including: toll roads, bridges and tunnels; oil and gas pipelines; electricity transmission and distribution facilities; contracted power generation assets; water distribution; waste-water collection and processing; railway lines and rapid rail links; and seaports and airports.

Quarterly Summary and Highlights

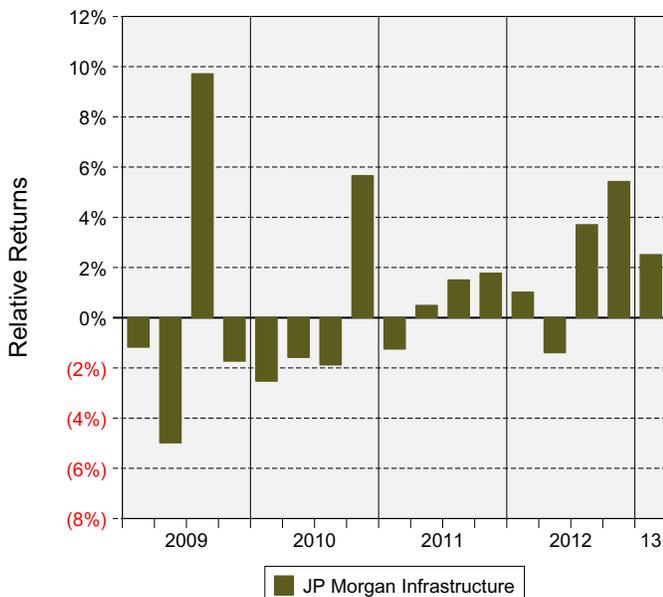
- JP Morgan Infrastructure's portfolio outperformed the CPI-W by 2.51% for the quarter and outperformed the CPI-W for the year by 10.64%.

Quarterly Asset Growth

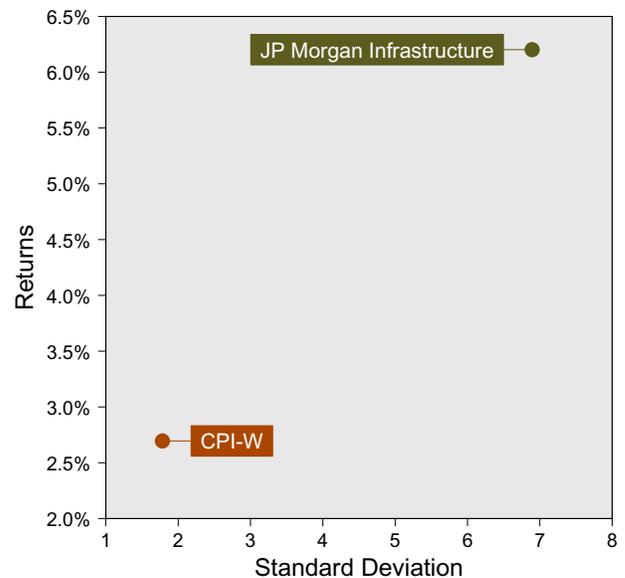
Beginning Market Value	\$65,767,809
Net New Investment	\$-208,282
Investment Gains/(Losses)	\$2,652,831
Ending Market Value	\$68,212,358



Relative Return vs CPI-W



Annualized Four and One-Quarter Year Risk vs Return



Eastern Timber Opportunities Period Ended March 31, 2013

Investment Philosophy

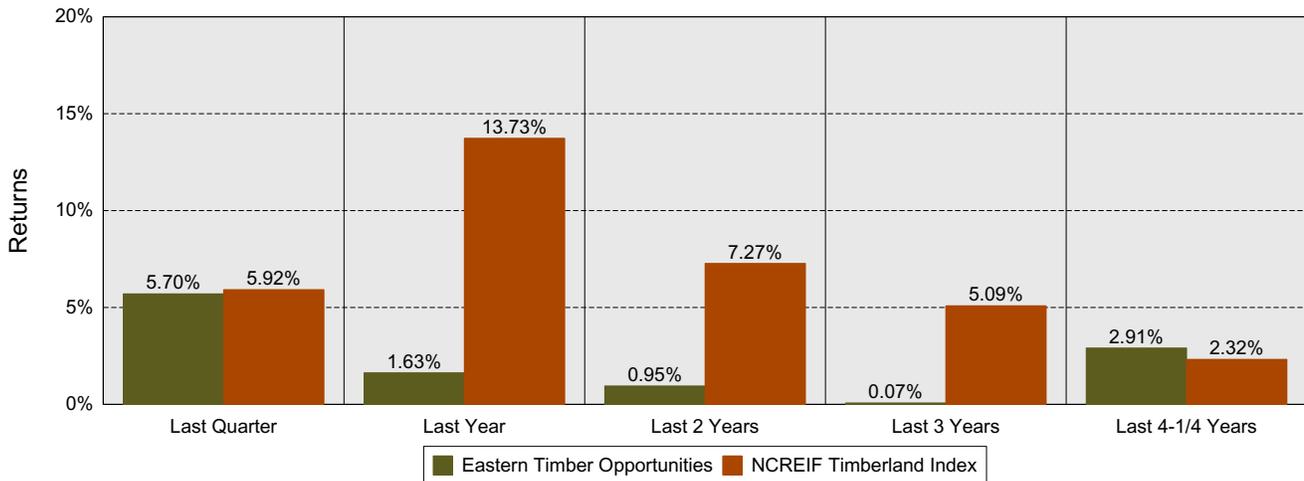
The investment objective of the Eastern Timberland Opportunities fund is to provide competitive timberland investment returns from Eastern US timberland investments by pursuing management strategies to increase timber production and land values through the investment term. TIR will maximize timber values within the portfolio with the application of intensive forest management techniques to accelerate the growth in timber volume and movement into higher value product categories. Additional value will be captured by realizing higher and better use opportunities for select timberland properties throughout the portfolio.

Quarterly Summary and Highlights

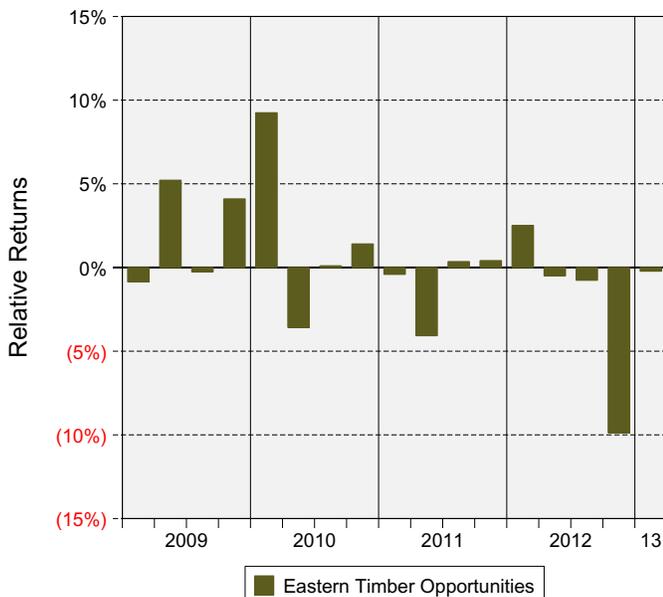
- Eastern Timber Opportunities's portfolio underperformed the NCREIF Timberland Index by 0.22% for the quarter and underperformed the NCREIF Timberland Index for the year by 12.10%.

Quarterly Asset Growth

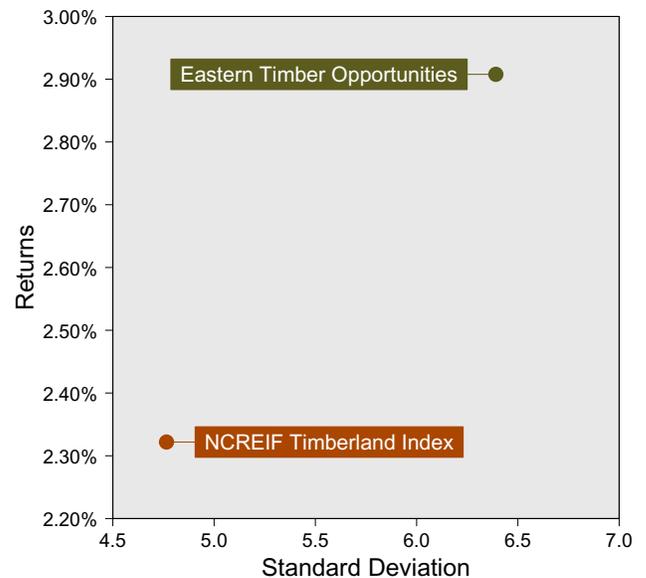
Beginning Market Value	\$59,195,880
Net New Investment	\$-1,819,758
Investment Gains/(Losses)	\$3,375,388
Ending Market Value	\$60,751,511



Relative Return vs NCREIF Timberland Index



Annualized Four and One-Quarter Year Risk vs Return



Credit Suisse Cust. Infrastructure Period Ended March 31, 2013

Investment Philosophy

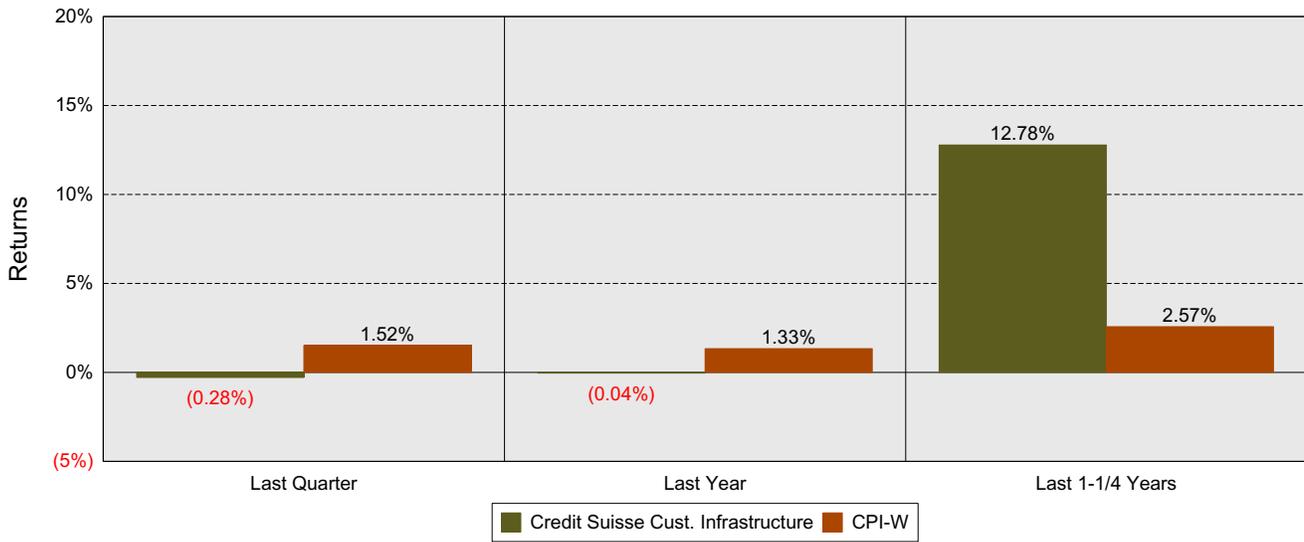
The Customized Infrastructure Strategies LP is a commingled fund focused on providing a comprehensive, diversified solution for investors looking to access the infrastructure asset class. The Fund seeks to generate stable, long-term yield and attractive risk-adjusted returns by investing in a diversified portfolio of primary core and core plus infrastructure funds (30%), co-investments (40%) and opportunistic secondary fund purchases (30%).

Quarterly Summary and Highlights

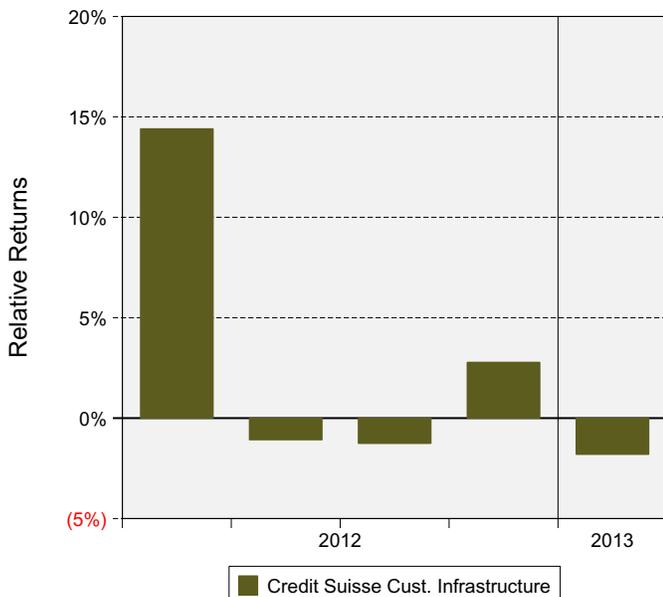
- Credit Suisse Cust. Infrastructure's portfolio underperformed the CPI-W by 1.80% for the quarter and underperformed the CPI-W for the year by 1.37%.

Quarterly Asset Growth

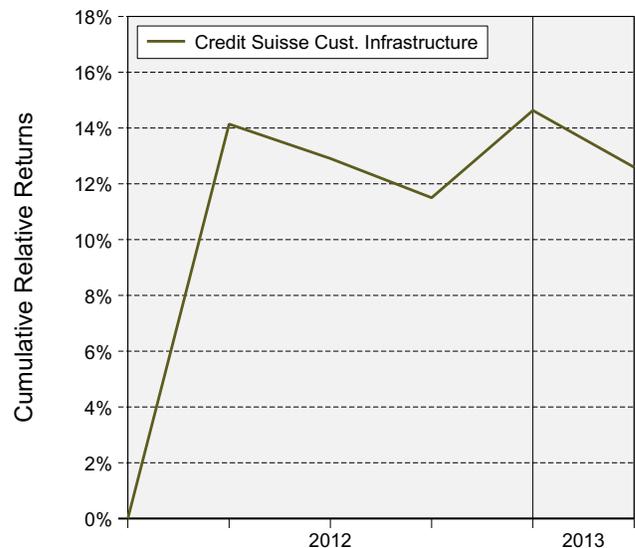
Beginning Market Value	\$13,267,867
Net New Investment	\$221,417
Investment Gains/(Losses)	\$-37,909
Ending Market Value	\$13,451,375



Relative Return vs CPI-W



Cumulative Returns vs CPI-W



INVESCO Core Real Estate Period Ended March 31, 2013

Investment Philosophy

IREs real estate investment philosophy states that portfolio design and investment selection should maximize the predictability and consistency of investment returns and minimize the risk of capital loss. This philosophy forms the cornerstone of the company's investment strategy. The key elements of IREs investment strategy are as follows: Emphasize Current Returns Avoid Overheating Markets Invest in Quality Properties Actively Manage Investments

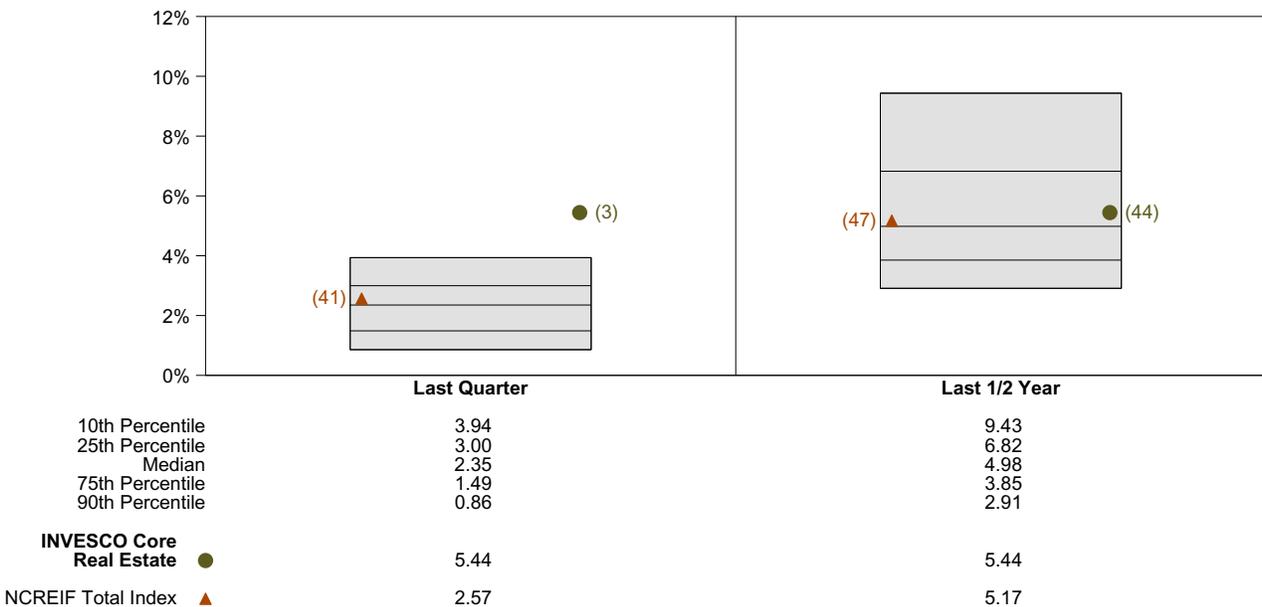
Quarterly Summary and Highlights

- INVESCO Core Real Estate's portfolio posted a 5.44% return for the quarter placing it in the 3 percentile of the Total Real Estate DB group for the quarter and in the 44 percentile for the last one-half year.
- INVESCO Core Real Estate's portfolio outperformed the NCREIF Total Index by 2.88% for the quarter and outperformed the NCREIF Total Index for the one-half year by 0.27%.

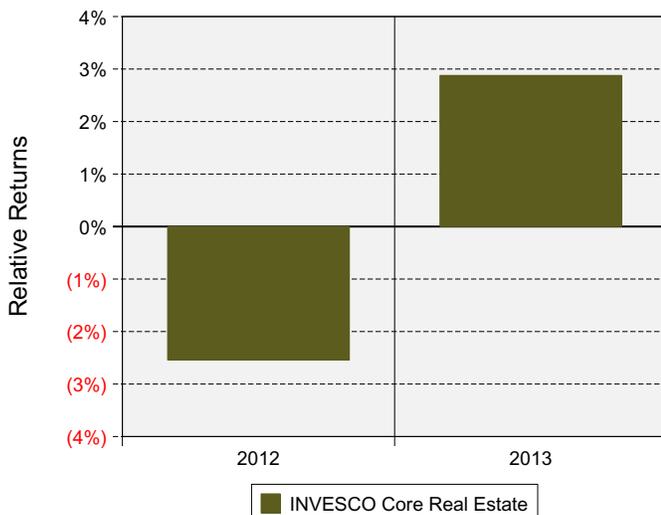
Quarterly Asset Growth

Beginning Market Value	\$40,000,000
Net New Investment	\$-82,263
Investment Gains/(Losses)	\$2,175,356
Ending Market Value	\$42,093,093

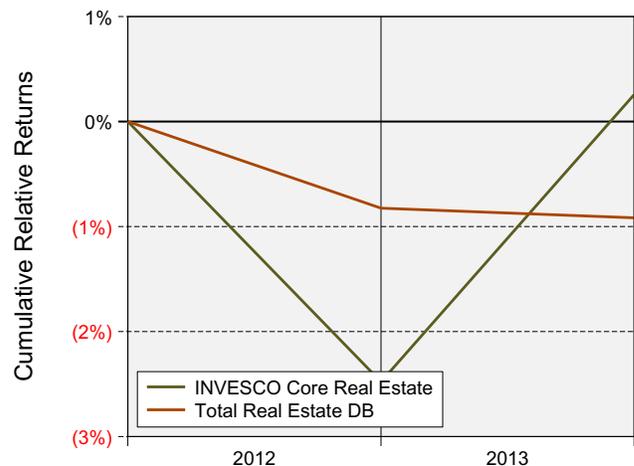
Performance vs Total Real Estate DB (Net)



Relative Return vs NCREIF Total Index



Cumulative Returns vs NCREIF Total Index



JP Morgan Real Estate Period Ended March 31, 2013

Investment Philosophy

The J.P. Morgan U.S. Real Estate Income and Growth Fund seeks to construct and opportunistically manage a portfolio of core direct real estate investments, complemented by other real estate and real estate-related assets. The Fund pursues a broadly diversified absolute-return strategy and pursues all property investments on an opportunistic basis. The majority of the Fund's investments will be in direct core properties in the office, industrial, retail and residential sectors.

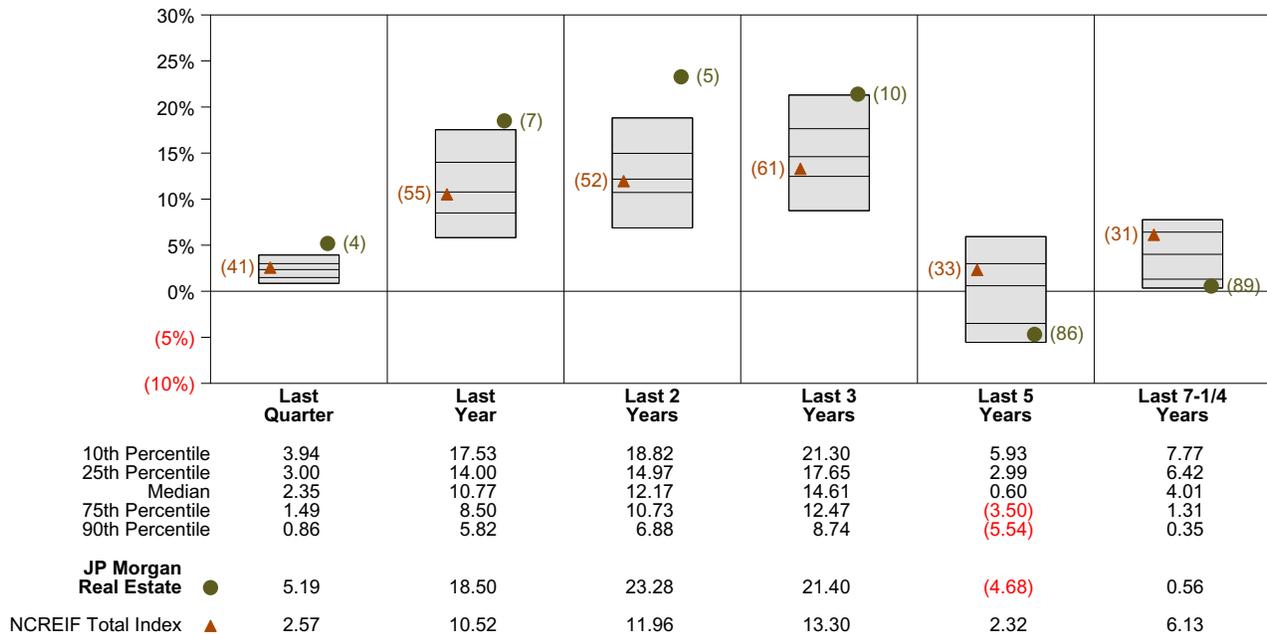
Quarterly Summary and Highlights

- JP Morgan Real Estate's portfolio posted a 5.19% return for the quarter placing it in the 4 percentile of the Total Real Estate DB group for the quarter and in the 7 percentile for the last year.
- JP Morgan Real Estate's portfolio outperformed the NCREIF Total Index by 2.62% for the quarter and outperformed the NCREIF Total Index for the year by 7.98%.

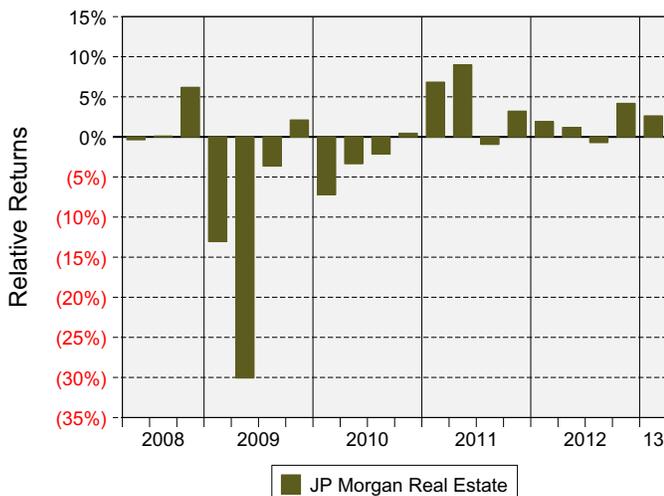
Quarterly Asset Growth

Beginning Market Value	\$60,306,832
Net New Investment	\$-949,788
Investment Gains/(Losses)	\$3,118,877
Ending Market Value	\$62,475,921

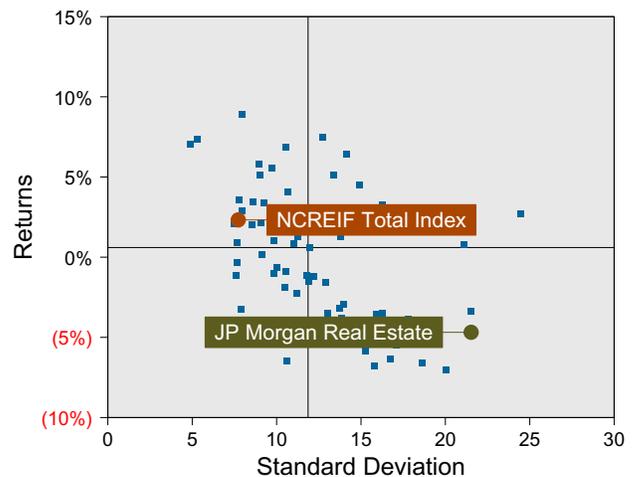
Performance vs Total Real Estate DB (Net)



Relative Return vs NCREIF Total Index



Total Real Estate DB (Net) Annualized Five Year Risk vs Return



JP Morgan Short Term Bonds - Budget Stabilization Fund

Period Ended March 31, 2013

Investment Philosophy

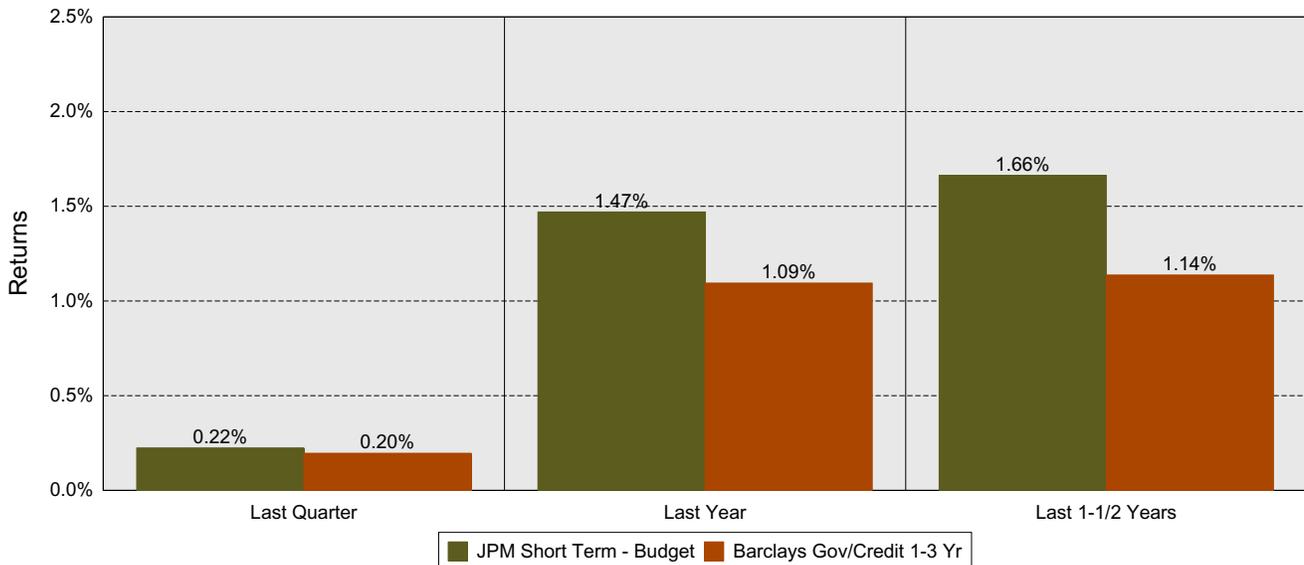
The investment objective of this account is to outperform the Barclays Capital 1-3 year Government/Credit Index while maintaining total return risk similar to that of the benchmark as measured over a market cycle. The weighted average effective duration of the portfolio will typically remain within +/- 30% of the benchmark.

Quarterly Summary and Highlights

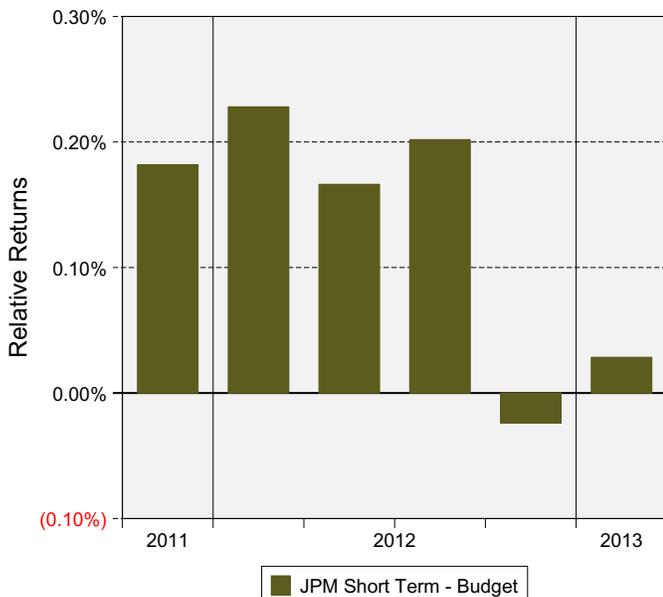
- JPM Short Term - Budget's portfolio outperformed the Barclays Gov/Credit 1-3 Yr by 0.03% for the quarter and outperformed the Barclays Gov/Credit 1-3 Yr for the year by 0.38%.

Quarterly Asset Growth

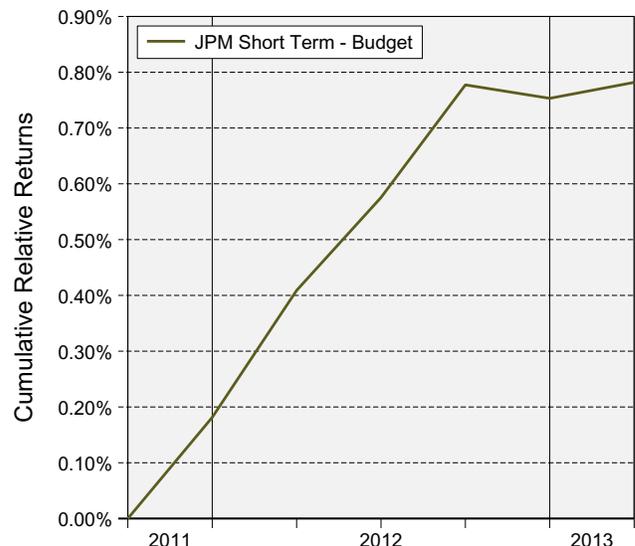
Beginning Market Value	\$150,559,708
Net New Investment	\$-10,810,000
Investment Gains/(Losses)	\$336,824
Ending Market Value	\$140,086,531



Relative Return vs Barclays Gov/Credit 1-3 Yr



Cumulative Returns vs Barclays Gov/Credit 1-3 Yr



Babson Short Term Bonds - Budget Stabilization Fund

Period Ended March 31, 2013

Investment Philosophy

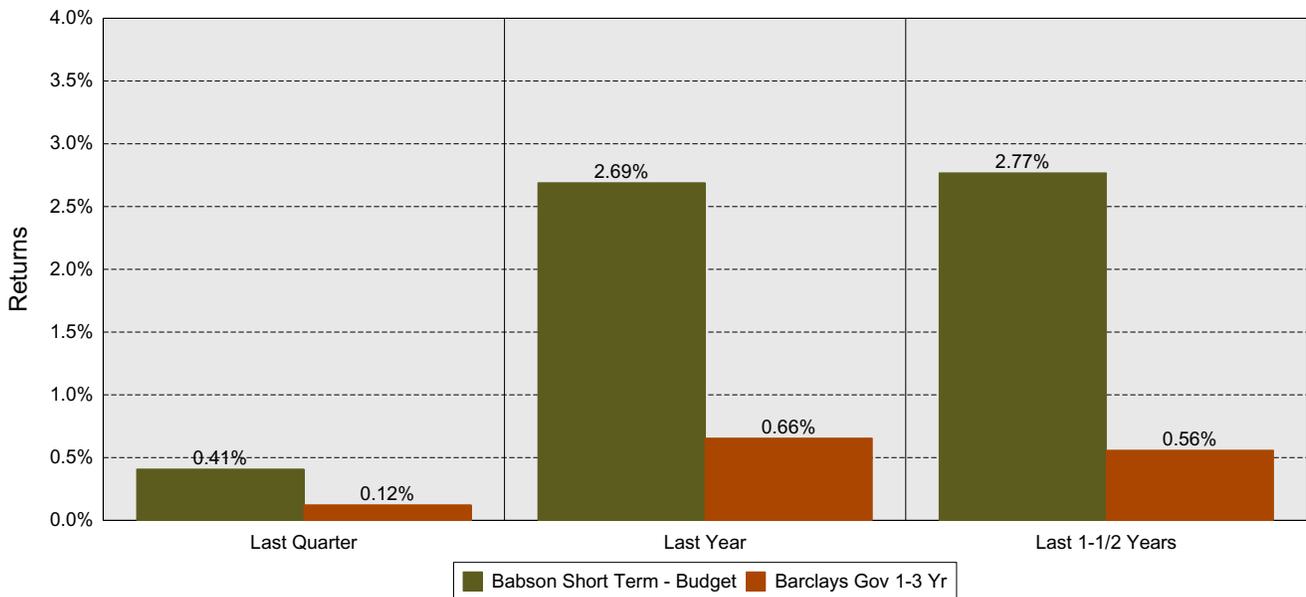
The investment objective of this account is to outperform the total return of the Barclays Capital 1-3 year US Government Index while minimizing fluctuations in capital value and providing sufficient liquidity to fund withdrawals.

Quarterly Summary and Highlights

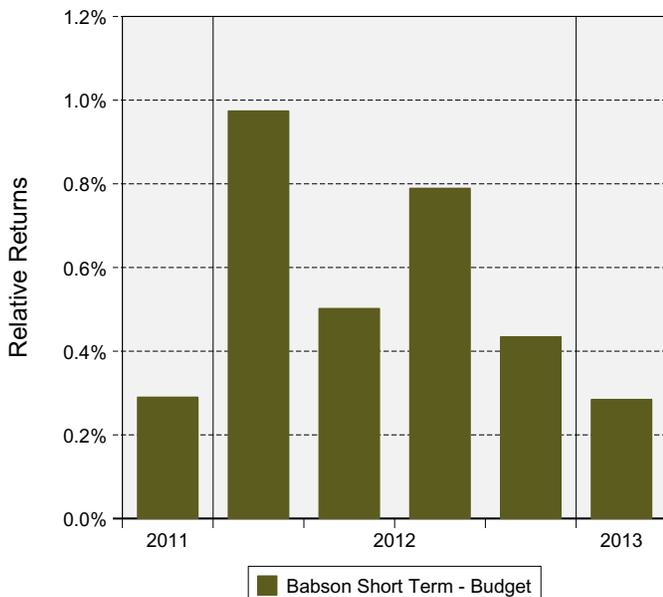
- Babson Short Term - Budget's portfolio outperformed the Barclays Gov 1-3 Yr by 0.28% for the quarter and outperformed the Barclays Gov 1-3 Yr for the year by 2.03%.

Quarterly Asset Growth

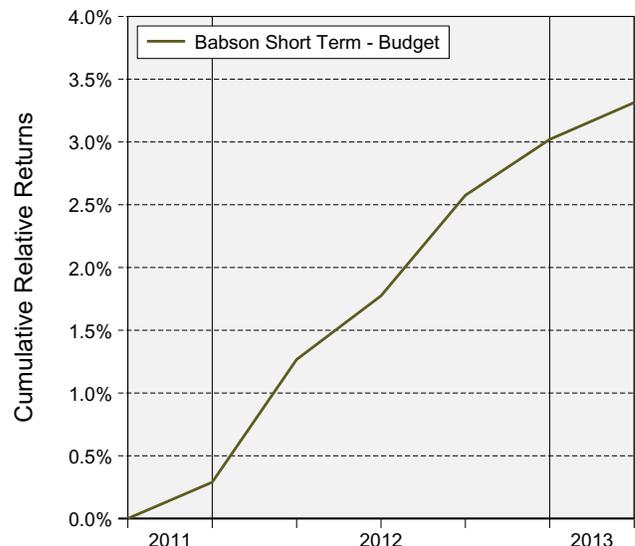
Beginning Market Value	\$145,341,880
Net New Investment	\$21,253,952
Investment Gains/(Losses)	\$599,823
Ending Market Value	\$167,195,654



Relative Return vs Barclays Gov 1-3 Yr



Cumulative Returns vs Barclays Gov 1-3 Yr



Babson Bank Loans - Budget Stabilization Fund

Period Ended March 31, 2013

Investment Philosophy

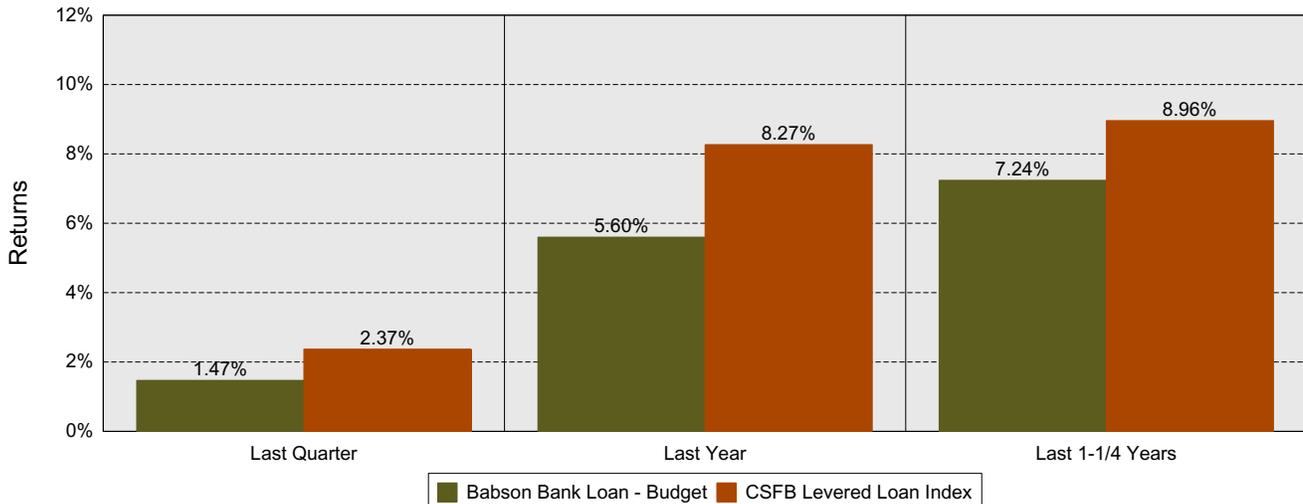
Babson takes a credit-focused approach to asset selection by fully underwriting each credit they are shown and formally presenting each investment opportunity to their investment committee. The firm seeks to determine where favorable value exists based on fundamental bottom-up analysis and assess this value on a relative basis to other investments. The team focuses on in-depth company and industry analysis, with particular attention paid to free cash flow generation, management team and capital structure.

Quarterly Summary and Highlights

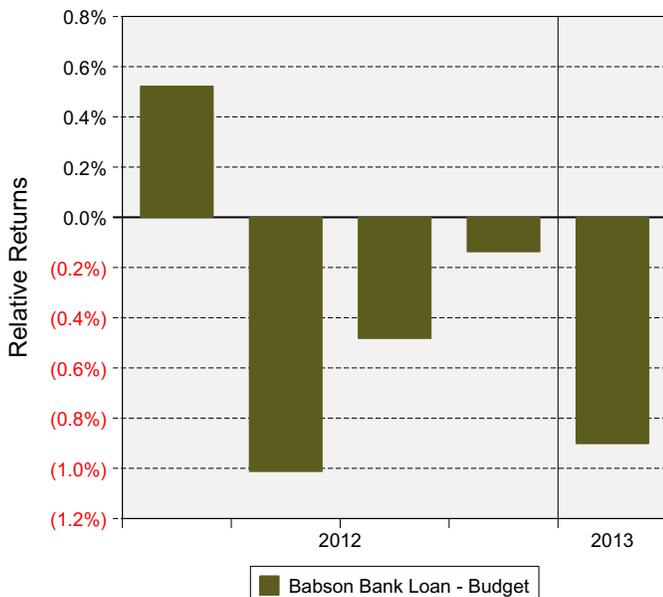
- Babson Bank Loan - Budget's portfolio underperformed the CSFB Levered Loan Index by 0.90% for the quarter and underperformed the CSFB Levered Loan Index for the year by 2.67%.

Quarterly Asset Growth

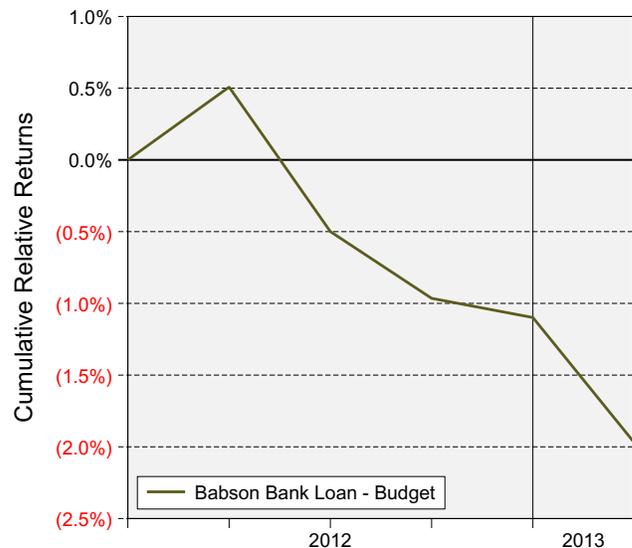
Beginning Market Value	\$5,802,008
Net New Investment	\$-3,998,833
Investment Gains/(Losses)	\$73,017
Ending Market Value	\$1,876,192



Relative Return vs CSFB Levered Loan Index



Cumulative Returns vs CSFB Levered Loan Index



JP Morgan Short Term Bonds - Legacy Fund

Period Ended March 31, 2013

Investment Philosophy

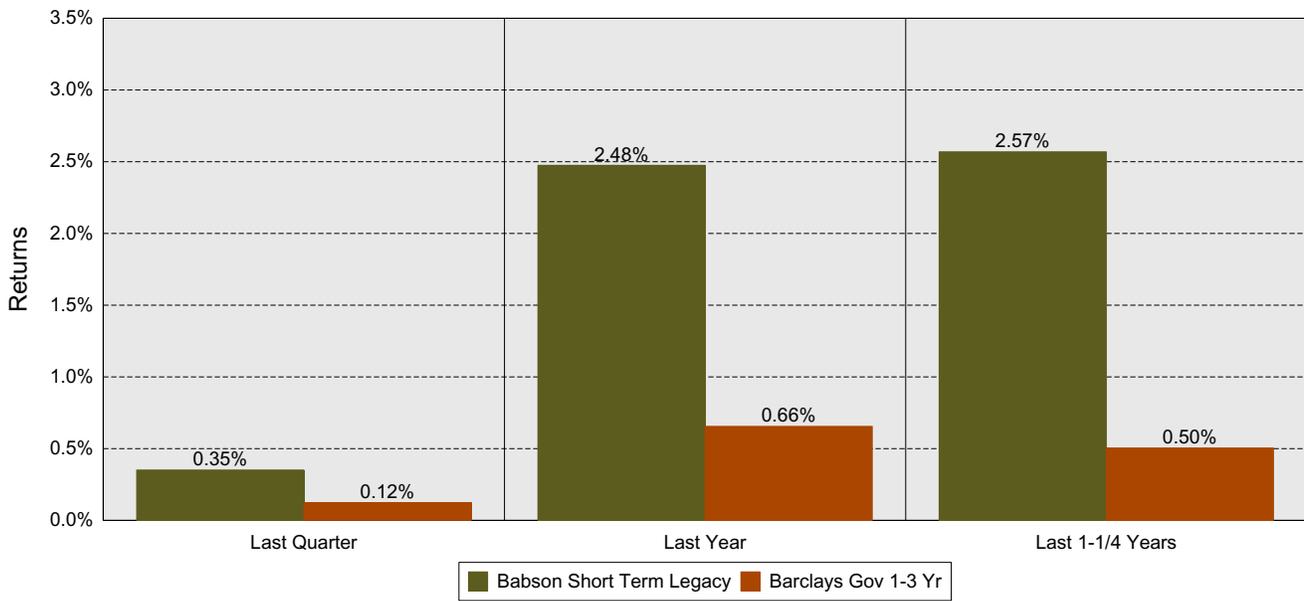
The investment objective of this account is to outperform the total return of the Barclays Capital 1-3 year US Government Index while minimizing fluctuations in capital value and providing sufficient liquidity to fund withdrawals.

Quarterly Summary and Highlights

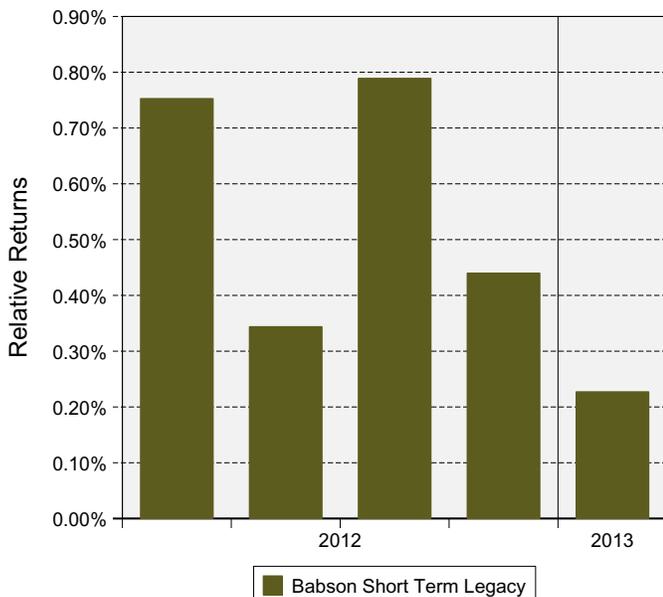
- Babson Short Term Legacy's portfolio outperformed the Barclays Gov 1-3 Yr by 0.23% for the quarter and outperformed the Barclays Gov 1-3 Yr for the year by 1.82%.

Quarterly Asset Growth

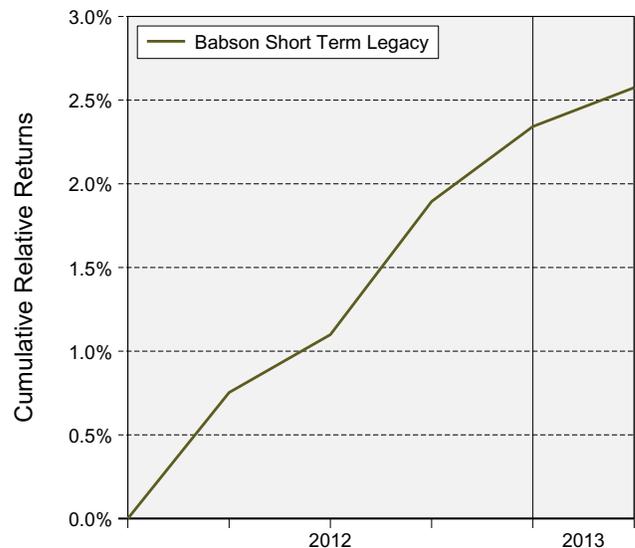
Beginning Market Value	\$359,140,058
Net New Investment	\$109,714,038
Investment Gains/(Losses)	\$1,392,250
Ending Market Value	\$470,246,346



Relative Return vs Barclays Gov 1-3 Yr



Cumulative Returns vs Barclays Gov 1-3 Yr



Babson Short Term Bonds - Legacy Fund

Period Ended March 31, 2013

Investment Philosophy

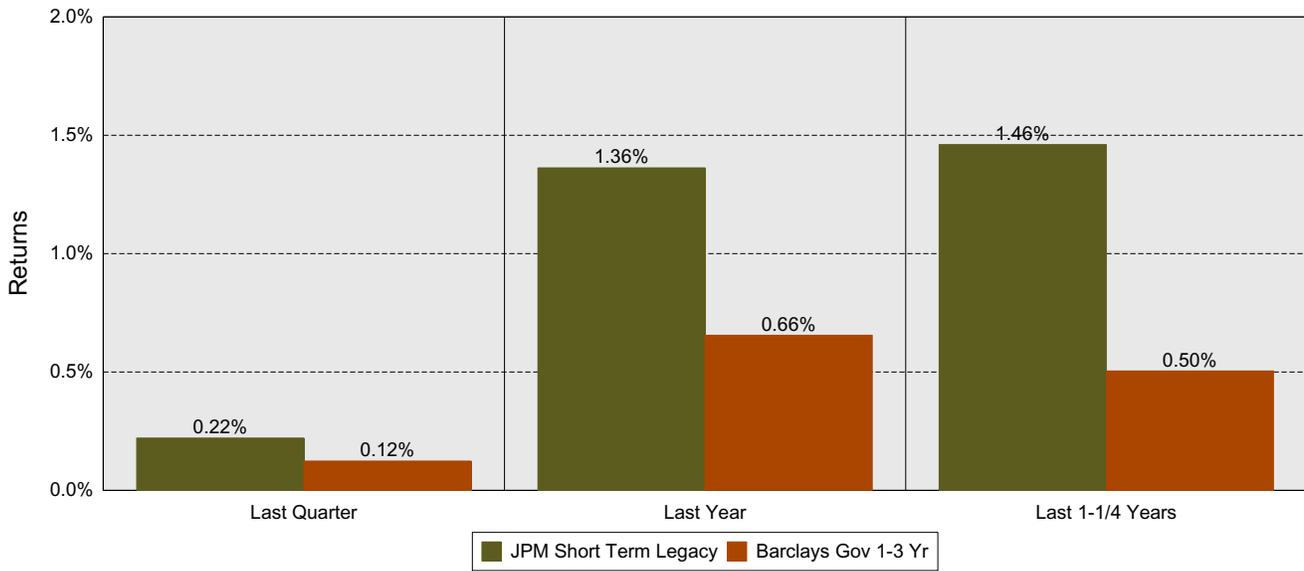
The investment objective of this account is to outperform the Barclays Capital 1-3 year Government/Credit Index while maintaining total return risk similar to that of the benchmark as measured over a market cycle. The weighted average effective duration of the portfolio will typically remain within +/- 30% of the benchmark.

Quarterly Summary and Highlights

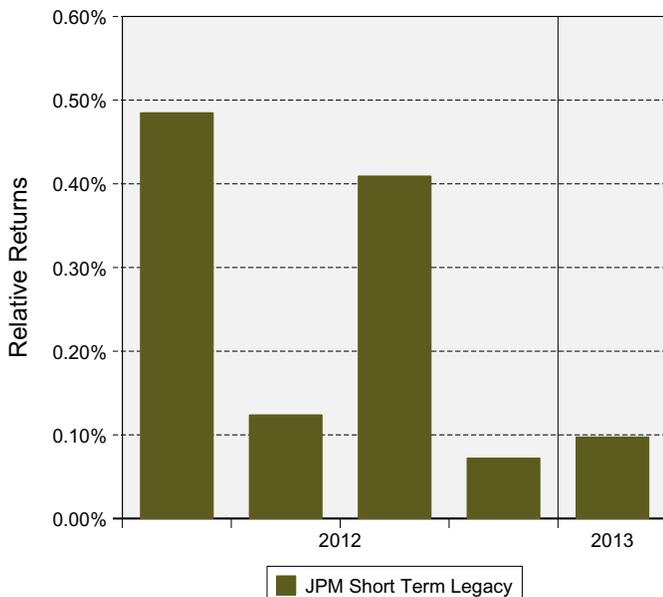
- JPM Short Term Legacy's portfolio outperformed the Barclays Gov 1-3 Yr by 0.10% for the quarter and outperformed the Barclays Gov 1-3 Yr for the year by 0.71%.

Quarterly Asset Growth

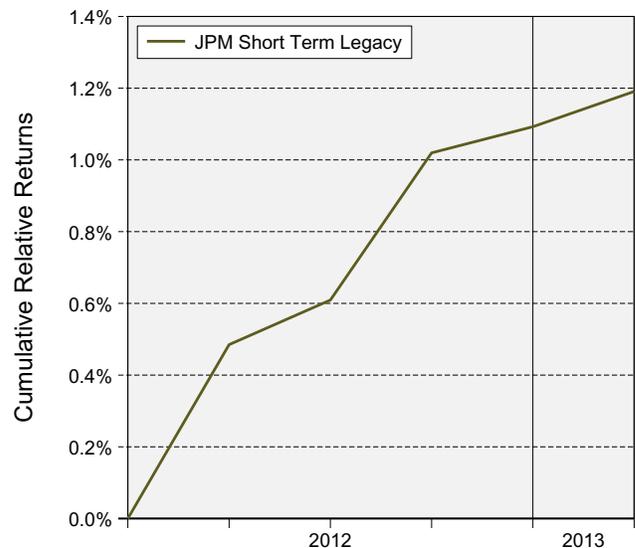
Beginning Market Value	\$356,439,484
Net New Investment	\$111,236,179
Investment Gains/(Losses)	\$912,888
Ending Market Value	\$468,588,551



Relative Return vs Barclays Gov 1-3 Yr



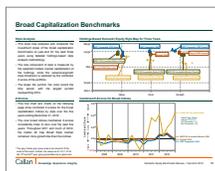
Cumulative Returns vs Barclays Gov 1-3 Yr



Research and Educational Programs

The Callan Investments Institute provides research that keeps clients updated on the latest industry trends while helping them learn through carefully structured educational programs. Below are the Institute's recent publications – all of which can be found at www.callan.com/research.

White Papers



Domestic Equity Benchmark Review

The Domestic Equity Benchmark Review is designed to aid in portfolio monitoring and evaluation by helping readers assess the similarities and differences in coverage, performance, and characteristics of popular domestic equity indices alongside comparable Callan manager style groups.



529 Plans Graduate to the Next Level: Adopting Best Practices

529 plans continue to gather assets as tuition inflation has outpaced the Consumer Price Index (CPI) for more than three decades. Compared to DC plans, 529s face different structural and administrative challenges that call for unique investment solutions and fee structures. Many DC plan best practices can be applied to 529 plans to streamline plan administration and enhance investor outcomes.



Risk Factors as Building Blocks for Portfolio Diversification: The Chemistry of Asset Allocation

The CFA Institute reissued this paper (originally distributed by Callan in June 2012), which explores portfolio construction using risk factors, also referred to as risk premia, as the basic elements.



Sealing Leaks: Addressing 401(k) Leakage and its Impact on Retirement

DC plan leakage includes cashouts, hardship withdrawals, delayed participation, and loans. On average, workers to engage in these practices experience the same financial impact as if they had delayed plan participation by five years. Callan explores how leakage influences potential savings outcomes and recommends steps plan sponsors can take to reduce plan leakage. This paper includes empirical research by Jack VanDerhei, Research Director of EBRI, and Lori Lucas, DC Practice Leader for Callan.

Quarterly Publications

Quarterly Data: The *Market Pulse* reference guide covering investment and fund sponsor trends in the U. S. economy, domestic and international equities and fixed income, and alternatives. And our *Inside Callan's Database* report which provides performance information gathered from Callan's proprietary database, allowing you to compare your funds with your peers.

Capital Market Review: A quarterly macro-economic indicator newsletter that provides thoughtful insights on the economy as well as recent performance in the equity, fixed income, alternatives, international, real estate, and other capital markets.

Private Markets Trends: A seasonal newsletter that discusses the market environment, recent events, performance and other issues involving private equity.

Hedge Fund Monitor: A quarterly newsletter that provides a current view of hedge fund industry trends and detailed quarterly performance commentary.

DC Observer & Callan DC Index™: A quarterly newsletter that offers Callan's observations on a variety of topics pertaining to the defined contribution industry. Each issue is updated with the latest Callan DC Index™ returns.

Surveys



2013 Risk Management Survey

The 2008 market crisis put risk in the spotlight and prompted fund fiduciaries to look at risk management in a new light. Callan fielded this survey in November 2012. Responses came from 53 fund sponsors representing \$576 billion in assets. The vast majority of this group has taken concrete steps in the past five years to address investment risks. Many facets of risk management are covered in this survey, such as stats on risk tools/systems: 55% of survey respondents find them to be effective and 14% do not, with the remainder undecided.



2013 Defined Contribution Trends Survey

This annual survey reflects on 2012 and what to look ahead to in 2013. Key findings include: Plan sponsors register improvements in fiduciary awareness and activity; Signs of confusion remain when it comes to meeting the DOL's fee disclosure requirements; Adoption of auto features and Roth designated accounts appears to have plateaued; and Plan sponsors are getting a handle on revenue sharing.



2012 Investment Management Compensation Survey

Callan conducted this survey of investment management firms to report on compensation practices and trends in the U.S. institutional investment market from 2010 to 2011. This survey provides an update to Callan's 2007 Investment Management Compensation Survey, which captured compensation practices from 2005 to 2006.



2011 Investment Manager Fee Survey

We report on institutional investment management fee payment practices and trends. The survey includes published and actual fee data, and qualitative as well as quantitative observations from both fund sponsors and investment managers.

Events

Did you miss out on a Callan conference or workshop? If so, you can catch up on what you missed by reading our “Event Summaries” and downloading the actual presentation slides from our website. Our most recent programs:



The **2013 National Conference Summary** features a synopsis of our speakers: Robert Zoellick, Sheena Iyengar, Riz Khan, and the 2013 Capital Markets Panel. (Please note that contractual agreements prevented us from including summaries of Gordon Brown and Neil deGrasse Tyson.) The Summary also reviews our three workshops: risk management, strategically tactical investing, and alternatives in DC plans. Slide-decks of select conference presentations are also available on our website.



Summary write-up and the presentation of our October 2012 Regional Workshop, **Time to Terminate? Considerations for Making a Manager Change**. Featured in this workshop were Bud Pellecchia, Millie Viqueira, and Kelly Cliff from Callan Associates discussing the potential consequences and challenges of terminating a manager from a fund.

Upcoming Educational Programs

Please join us at our June 2013 Regional Workshops where we will discuss the fixed income turmoil that investors are facing today. The session will explore the current fixed income landscape, the role of fixed income in a total portfolio, products (including specialty mandates and “exotic” strategies), and what our clients are doing.

Anchor to Windward or Albatross? Sea Change in Fixed Income

Facilitators:

Brett Cornwell, CFA – Vice President

Bill Howard, CFA – Senior Vice President

Matt Routh, CFA – Assistant Vice President

Joined by Callan's Chicago and San Francisco Office Consultants

Our research can be found at www.callan.com/research or feel free to contact us for hard copies.

For more information about research or educational events, please contact Ray Combs or Gina Falsetto at institute@callan.com or 415-974-5060.

The Center for Investment Training Educational Sessions

This educational forum offers basic-to-intermediate level instruction on all components of the investment management process. Continuing education credits are available for The CFA Institute, IBCFP, and NASBA. The "Callan College" courses cover topics that are key to understanding your responsibilities, the roles of everyone involved in this process, how the process works, and how to incorporate these strategies and concepts into an investment program. Listed below are the different types of sessions Callan offers.

Standard Session

July 16-18, 2013 in Chicago

This is a two day session designed for individuals with more than two years experience with institutional asset management oversight and/or support responsibilities. The session will provide attendees with a thorough overview of prudent investment practices for both defined benefit and defined contribution funds. We cover the key concepts needed to successfully meet a fund's investment objectives.

The course work addresses the primary components of the investment management process: the role of the fiduciary; capital market theory; asset allocation; manager structure; investment policy statements; manager search; custody, securities lending, fees; and performance measurement.

This course is beneficial to anyone involved in the investment management process, including: trustees and staff members of public, corporate and Taft-Hartley retirement funds (defined benefit and/or defined contribution); trustees and staff members of endowment and foundation funds; representatives of family trusts; and investment management professionals and staff involved in client service, business development, consultant relations, and portfolio management.

Tuition for the Standard "Callan College" session is \$2,500 per person. Tuition includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

An Introduction to Investments

October 29-30, 2013 in San Francisco

This one and one half day session is designed for individuals who have less than two years experience with institutional asset management oversight and/or support responsibilities. The session will familiarize fund sponsor trustees, staff, and asset management advisors with basic investment theory, terminology, and practices.

Participants in the introductory session will gain a basic understanding of the different types of institutional funds, including a description of their objectives and investment session structures. The session includes:

- A description of the different parties involved in the investment management process, including their roles and responsibilities
- A brief outline of the types and characteristics of different Plans (e.g., defined benefit, defined contribution, endowments, foundations, operating funds)
- An introduction to fiduciary issues as they pertain to Fund management and oversight
- An overview of capital market theory, characteristics of various asset classes, and the processes by which fiduciaries implement their investment sessions

Tuition for the Introductory “Callan College” session is \$2,350 per person. Tuition includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

Customized Sessions

A unique feature of the “Callan College” is its ability to educate on a specialized level through its customized sessions. These sessions are tailored to meet the training and educational needs of the participants, whether you are a plan sponsor or you provide services to institutional tax-exempt plans. Past customized “Callan College” sessions have covered topics such as: custody, industry trends, sales and marketing, client service, international, fixed income, and managing the RFP process. Instruction can be tailored to be basic or advanced.

For more information please contact Kathleen Cunnie, at 415.274.3029 or cunnie@callan.com.

List of Managers That Do Business with Callan Associates Inc.

Confidential – For Callan Client Use Only

Callan Associates takes its fiduciary and disclosure responsibilities to clients very seriously. The list below is compiled and updated quarterly because we believe our fund sponsor clients should have a clear understanding of the investment management organizations that do business with our firm. As of 03/31/13, Callan provided educational, consulting, software, database, or reporting services to this list of managers through one or more of the following business units: Institutional Consulting Group, Independent Adviser Group, Fund Sponsor Consulting, the Callan Investments Institute and the “Callan College.” Per strict policy these manager relationships do not affect the outcome or process by which any of Callan’s services are conducted.

Fund sponsor clients may request a copy of this list at any time. Fund sponsor clients may also request specific information regarding the fees paid to Callan by the managers employed by their fund. Per company policy, information requests regarding fees are handled exclusively by Callan’s Compliance Department.

Clients should also be aware that Callan maintains an asset management division, the Trust Advisory Group (TAG). TAG specializes in the design, implementation and on-going management of multi-manager portfolios for institutional investors. Currently TAG serves as the sponsor and advisor to a multi-manager small cap equity fund and as the non-discretionary adviser to a series of Target Maturity Funds known as the Callan GlidePath® Funds. We are happy to provide clients with more specific information regarding TAG, including detail on the portfolios that it oversees. Per company policy these requests are handled by TAG’s Chief Investment Officer.

Manager Name	Educational Services	Consulting Services
1607 Capital Partners, LLC		Y
Aberdeen Asset Management		Y
Acadian Asset Management, Inc.	Y	
Advisory Research	Y	
Affiliated Managers Group		Y
AllianceBernstein	Y	
Allianz Global Investors Capital	Y	Y
American Century Investment Management	Y	
American Yellowstone Advisors, LLC		Y
Analytic Investors	Y	
Apollo Global Management	Y	
AQR Capital Management	Y	
Ares Management	Y	
Aronson + Johnson + Ortiz	Y	
Artio Global Management (fka, Julius Baer)	Y	
Atalanta Sosnoff Capital, LLC	Y	
Atlanta Capital Management Co., L.L.C.	Y	Y
Aviva Investors North America	Y	
AXA Rosenberg Investment Management	Y	
Babson Capital Management LLC	Y	
Baillie Gifford International LLC	Y	
Baird Advisors	Y	Y
Bank of America		Y
Barclays Capital Inc.	Y	
Baring Asset Management	Y	
Barrow, Hanley, Mewhinney & Strauss, Inc.		Y
Batterymarch Financial Management, Inc.	Y	
BlackRock	Y	
BMO Asset Management	Y	
BNY Mellon Asset Management	Y	Y
Boston Company Asset Management, LLC (The)	Y	Y
Brandes Investment Partners, L.P.	Y	Y
Brandywine Global Investment Management, LLC	Y	
Brown Brothers Harriman & Company	Y	
Cadence Capital Management	Y	

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Capital Guardian Trust Company	Y	
CastleArk Management, LLC		Y
Causeway Capital Management	Y	
Central Plains Advisors, Inc.		Y
Chartwell Investment Partners	Y	
Citigroup Asset Management	Y	
ClearBridge Investments, LLC (fka ClearBridge Advisors)	Y	
Columbia Management Investment Advisors, LLC	Y	
Columbus Circle Investors	Y	Y
Cooke & Bieler, L.P.		Y
Corbin Capital	Y	
Cornerstone Capital Management Holdings (fka Madison Square)	Y	
Cramer Rosenthal McGlynn, LLC	Y	
Crawford Investment Council	Y	Y
Credit Suisse	Y	
Crestline Investors		Y
Cutwater Asset Management	Y	
DB Advisors	Y	Y
Delaware Investments	Y	Y
DePrince, Race & Zollo, Inc.	Y	Y
Diamond Hill Investments	Y	
Dimensional Fund Advisors Inc.		Y
DSM Capital Partners		Y
Duff & Phelps Investment Mgmt.	Y	
Eagle Asset Management, Inc.		Y
EARNEST Partners, LLC	Y	
Eaton Vance Management	Y	Y
Echo Point Investment Management	Y	
Epoch Investment Partners	Y	
Evanston Capital Management	Y	
Fayez Sarofim & Company	Y	Y
Federated Investors		Y
Fiduciary Asset Management Company	Y	Y
First Eagle Investment Management	Y	
Fisher Investments	Y	
Flag Capital Management	Y	
Franklin Templeton	Y	Y
Fred Alger Management Co., Inc.	Y	
GAM (USA) Inc.	Y	
GE Asset Management	Y	Y
Goldman Sachs Asset Management	Y	Y
Grand-Jean Capital Management	Y	Y
Grantham, Mayo, Van Otterloo & Co., LLC	Y	
Great Lakes Advisors, Inc.	Y	Y
Guggenheim Investments Asset Management (fka Security Global)	Y	
Harbor Capital		Y

List of Managers That Do Business with Callan Associates Inc. (continued)

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Harris Investment Management, Inc.	Y	
Hartford Investment Management Co.	Y	Y
Henderson Global Investors	Y	
Hermes Investment Management (North America) Ltd.	Y	
Hotchkis & Wiley	Y	
Income Research & Management	Y	
ING Investment Management	Y	Y
INTECH Investment Management	Y	
Invesco	Y	Y
Investec	Y	
Institutional Capital LLC	Y	
Janus Capital Group (fka Janus Capital Management, LLC)	Y	Y
Jensen Investment Management		Y
J.P. Morgan Asset Management	Y	Y
KeyCorp		Y
Knightsbridge Asset Management, LLC		Y
Lazard Asset Management	Y	Y
Lee Munder Capital Group	Y	
Lincoln National Corporation		Y
Logan Circle Partners, L.P.	Y	
Longview Partners	Y	
Loomis, Sayles & Company, L.P.	Y	Y
Lord Abbett & Company	Y	Y
Los Angeles Capital Management	Y	
LSV Asset Management	Y	
Lyrical Partners	Y	
Mackay Shields LLC	Y	Y
Man Investments	Y	
Manulife Asset Management	Y	
Marvin & Palmer Associates, Inc.	Y	
Metropolitan Life Insurance Company		Y
Metropolitan West Capital Management, LLC		Y
MFS Investment Management	Y	Y
Mondrian Investment Partners Limited	Y	Y
Montag & Caldwell, Inc.	Y	Y
Morgan Stanley Alternative Investment Partners	Y	
Morgan Stanley Investment Management	Y	Y
Mountain Lake Investment Management LLC		Y
Newton Capital Management	Y	
Neuberger Berman, LLC (fka, Lehman Brothers)	Y	Y
Northern Lights Capital Group		Y
Northern Trust Global Investment Services	Y	Y
Northern Trust Value Investors		Y
Nuveen Investments Institutional Services Group LLC	Y	Y
OFI Institutional Asset Management	Y	
Old Mutual Asset Management	Y	

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Old Mutual International	Y	
OppenheimerFunds, Inc.	Y	
Pacific Investment Management Company	Y	
Palisade Capital Management LLC	Y	
Palisades Investment Partners, LLC	Y	Y
Partners Group	Y	
Peregrine Capital Management, Inc.		Y
Perkins Investment Management	Y	
Philadelphia International Advisors, LP	Y	
PineBridge Investments (formerly AIG)	Y	
Pioneer Investment Management, Inc.	Y	
PNC Capital Advisors (fka Allegiant Asset Mgmt)	Y	Y
Principal Global Investors	Y	Y
Private Advisors	Y	
Prudential Fixed Income	Y	
Prudential Investment Management, Inc.	Y	Y
Putnam Investments, LLC		Y
Pyramis Global Advisors	Y	
Rainier Investment Management	Y	
RBC Global Asset Management (U.S.) Inc.		Y
Regions Financial Corporation		Y
Renaissance Technologies Corp.		Y
RCM	Y	Y
Rice Hall James & Associates, LLC		Y
Robeco Investment Management	Y	Y
Rothschild Asset Management, Inc.	Y	Y
Russell Investment Management	Y	
Santander Global Facilities		Y
Sasco Capital, Inc.		Y
Schroder Investment Management North America Inc.	Y	Y
Scottish Widows Investment Partnership	Y	
Security Global Investors	Y	
SEI Investments		Y
SEIX Investment Advisors, Inc.	Y	
Smith Graham and Company		Y
Smith Group Asset Management	Y	Y
Southeastern Asset Management		Y
Standard Life Investments	Y	
Standish (fka, Standish Mellon Asset Management)	Y	
State Street Global Advisors	Y	
Stone Harbor Investment Partners, L.P.		Y
Stratton Management		Y
Systematic Financial Management	Y	
T. Rowe Price Associates, Inc.	Y	Y
Taplin, Canida & Habacht	Y	

List of Managers That Do Business with Callan Associates Inc. (continued)

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TIAA-CREF	Y	
TCW Asset Management Company	Y	
Thompson, Siegel & Walmsley LLC	Y	
Thrivent Asset Management	Y	
Tradewinds Global Investors	Y	
Turner Investment Partners	Y	
UBP Asset Management LLC	Y	
UBS	Y	Y
Union Bank of California		Y
Valley Forge Asset Management	Y	
Van Eck	Y	
Victory Capital Management Inc.	Y	
Virtus Investment Partners		Y
Vulcan Value Partners, LLC		Y
Waddell & Reed Asset Management Group	Y	
WEDGE Capital Management		Y
Wellington Management Company, LLP	Y	
Wells Capital Management	Y	
West Gate Horizons Advisors, LLC		Y
Western Asset Management Company	Y	
William Blair & Co., Inc.	Y	Y
Yellowstone Partners		Y

STATE INVESTMENT BOARD SEARCH COMMITTEE
MINUTES OF THE
APRIL 26, 2013, MEETING

BOARD MEMBERS PRESENT: Lt. Governor Wrigley, Chair
Levi Erdmann, PERS Board
Lance Gaebe, Land Commissioner
Mike Gessner, TFFR Board
Mike Sandal, PERS Board
Kelly Schmidt, State Treasurer
Cindy Ternes, WSI Board
Bob Toso, TFFR Board

STAFF PRESENT: Bonnie Heit, Office Manager
Fay Kopp, Interim Executive Director
Darren Schulz, Interim CIO

OTHERS: Tricia Opp, State Procurement

CALL TO ORDER:

A meeting of the State Investment Board Search Committee was called to order on Friday, April 26, 2013, at 11:10 am at Workforce Safety & Insurance, 1600 E Century, Bismarck, ND.

The meeting was held for the purposes of reviewing the evaluation results of the second group of proposals received from the Request for Proposal that was issued on April 4, 2013, for the Executive Recruitment Services for the ND Retirement and Investment Office.

Six proposals were received with four company's meeting State Procurement's criteria for further review and consideration. Proposals were received and reviewed from KornFerry International, EFL Associates, Alliance Resource Consulting, and Tunlaw Partners. After evaluating the four remaining proposals, the sub-set recommended the Search Committee award the contract to KornFerry International. The sub-set felt KornFerry, particularly, Mr. Michael Kennedy, a Senior Client Partner who will lead the search, stood out amongst the other firms due to the fact that he has served as a trustee of the Georgia Employees Retirement System pension fund (serving five years as Chairman of the Board) and is currently serving as chair of its Investment Committee. Mr. Kennedy has also been actively involved in organizations including the Council of Institutional Investors, the National Association of Securities Professionals, and the National Association of State Retirement Administrators, and has attended numerous investment conferences. Mr. Kennedy also serves as chairman of the Federal Retirement Thrift Investment Board accepting President Obama's appointment on August 22, 2011.

After discussion of the proposal results and the sub-set's recommendation, the Search Committee concurred with the sub-set's recommendation to award the Executive Recruitment Services contract to KornFerry.

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. TOSO AND CARRIED ON A VOICE VOTE TO AWARD THE EXECUTIVE RECRUITMENT SERVICES CONTRACT OF THE ND RETIREMENT AND INVESTMENT OFFICE TO KORNFERRY INTERNATIONAL AND INSTRUCTED STATE PROCUREMENT TO FINALIZE THE PROCESS ON BEHALF OF THE SIB.

AYES: COMMISSIONER GAEBE, TREASURER SCHMIDT, MR. SANDAL MR. TOSO, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

Ms. Opp will issue a notice of an intent to award which is followed by a seven day protest period. On May 6, 2013, the protest period will be completed and if there are

no rebuttals, Ms. Opp will start proceedings to issue the contract to KornFerry. The Search Committee thanked Ms. Opp for her assistance.

OTHER:

Mr. Toso informed the Search Committee of his retirement effective June 30, 2013, and informed the Search Committee the Teachers' Fund for Retirement Board recommended Mr. Gessner serve on the Search Committee in his place effectively immediately. The Search Committee accepted the recommendation.

ADJOURNMENT:

With no further issues to come before the Search Committee, the meeting adjourned at 11:20 a.m.

Lt. Governor Wrigley, Chair
State Investment Board Search Committee

Bonnie Heit
Assistant to the Board

**STATE INVESTMENT BOARD SEARCH COMMITTEE
MINUTES OF THE
APRIL 25, 2013, MEETING**

BOARD MEMBERS PRESENT: Lance Gaebe, Land Commissioner
Mike Sandal, PERS Board
Kelly Schmidt, State Treasurer

STAFF PRESENT: Bonnie Heit, Office Manager

OTHERS: Tricia Opp, State Procurement
Darren Schulz, Interim Chief Investment Officer

CALL TO ORDER:

A meeting of a sub-set of the State Investment Board Search Committee was called to order on Thursday, April 25, 2013, at 1:00 pm at the State Treasurer's Office, State Capitol 3rd Fl, Bismarck, ND.

The meeting was held for the purposes of reviewing the Committee's evaluation results of the second group of proposals received from the Request for Proposal that was issued on April 4, 2013, for the Executive Recruitment Services for the ND Retirement and Investment Office.

Six proposals were received. One company was eliminated for late submission of their proposal and the other company was eliminated for not meeting the required experience. Ms. Opp stated the Committee's evaluation results rated the following firm's highest to lowest respectively; KornFerry International, EFL Associates, Alliance Resource Consulting, and Tunlaw Partners.

After discussion of the evaluation results, the Committee was in agreement to award the contract to KornFerry. The Committee will make their recommendation to the full Search Committee at their April 26, 2013, meeting which will take place after the State Investment Board's regularly scheduled meeting on April 26, 2013.

ADJOURNMENT:

With no further issues to come before the Committee, the meeting adjourned at 1:35 p.m.

State Investment Board Search Committee

Bonnie Heit
Assistant to the Board

SIB Managers Currently Under Review

Manager	Pool	Review Inception	Reason	Status
Calamos	Pension	Feb-13	Nick Calamos resignation as co-CIO, Gary Black hiring as co-CIO	Ongoing review, on-site visit pending
Clifton Group	Pension, Insurance	Nov-12	Acquisition by Parametric Portfolio Associates	Ongoing review, acquisition closed
Credit Suisse	Pension, Insurance	Aug-12	Credit Suisse announced intention to divest Customized Fund Investment Group (CFIG)	Ongoing review, sale pending
Epoch Investment Partners	Pension	Dec-12	Acquisition by TD Bank Group	Ongoing review, on-site visit pending
Loomis Sayles	Pension	Oct-12	Full Discretion co-PM Kathleen Gaffney departure	Ongoing review of two additions to Full Discretion team and Dan Fuss succession plan
State Street	Pension	Jun-12	Process change: Addition of dynamic component to existing static model	Ongoing review of dynamic model, contingent upon global equity mandate structure review