



ND STATE INVESTMENT BOARD MEETING

Friday, November 22, 2013, 8:30 a.m.
Peace Garden Room, State Capitol
600 E Boulevard, Bismarck, ND

AGENDA

- I. **CALL TO ORDER AND ACCEPTANCE OF AGENDA**
- II. **ACCEPTANCE OF MINUTES (October 25, 2013, October 28, 2013)**
- III. **INVESTMENTS**
 - A. Invesco Real Estate Accounts Update – Paul Michaels, Max Swango (to follow) (60 Min)
- IV. **QUARTERLY MONITORING**
 - A. Callan Investment Measurement - Pension Trust Qtr Ending 9/30/13
 - B. Callan Investment Measurement - Insurance Trust Qtr Ending 9/30/13 } Mr. Schulz (30 Min)
- V. **GOVERNANCE**
 - A. Legislative Update – Darren Schulz (10 Min)
 - B. Interim Compensation – Mike Sandal (10 Min)
- VI. **OTHER**

Next Meetings:

SIB meeting - January 24, 2013, 8:30 a.m. - Peace Garden Room, State Capitol
SIB Audit Committee meeting - November 22, 2013, 1:00 p.m. - Peace Garden Room, State Capitol
- VII. **ADJOURNMENT**

**NORTH DAKOTA STATE INVESTMENT BOARD
MINUTES OF THE
OCTOBER 25, 2013, BOARD MEETING**

BOARD MEMBERS PRESENT: Drew Wrigley, Lt. Governor, Chair
Mike Sandal, Vice Chair
Clarence Corneil, TFFR Board
Jeff Engleson, Deputy Land Commissioner
Mike Gessner, TFFR Board
Adam Hamm, Insurance Commissioner (teleconference)
Rob Lech, TFFR Board
Howard Sage, PERS Board
Kelly Schmidt, State Treasurer
Cindy Ternes, Workforce Safety & Insurance
Tom Trenbeath, PERS Board

STAFF PRESENT: Bonnie Heit, Assistant to the SIB
Fay Kopp, Interim Executive Director
Darren Schulz, Interim CIO
Susan Walcker, Investment Accountant

OTHERS PRESENT: Greg Casey, Declaration
Pete Farley, Declaration
Bond Griffin, Declaration
David Hunter, ED/CIO Candidate
Michael Kennedy, Korn/Ferry (teleconference)
Bruce Klootwyk, Raymond James
Karen Huang, Korn/Ferry (teleconference)
Jan Murtha, Attorney General's Office
John Pluta, Declaration

CALL TO ORDER:

Lt. Governor Wrigley called the State Investment Board (SIB) meeting to order at 8:00 a.m. on Friday, October 25, 2013, at Workforce Safety & Insurance, 1600 E Century Ave., Bismarck, ND.

A quorum was present for the purpose of conducting business.

AGENDA:

IT WAS MOVED BY MS. TERNES AND SECONDED BY MR. LECH AND CARRIED ON A VOICE VOTE TO ACCEPT THE AGENDA FOR THE OCTOBER 25, 2013, MEETING.

AYES: MS. TERNES, COMMISSIONER HAMM, TREASURER SCHMIDT, MR. ENGLESON, MR. TRENBEATH, MR. LECH, MR. SANDAL, MR. SAGE, MR. GESSNER, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

ABSENT: MR. CORNEIL

MINUTES:

The minutes were considered from the September 27, 2013, October 1, 2013, October 8, 2013, and October 9, 2013, meetings,

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. GESSNER AND CARRIED ON A VOICE VOTE TO ACCEPT THE SEPTEMBER 27, 2013, MINUTES AS WRITTEN.

AYES: COMMISSIONER HAMM, MS. TERNES, MR. SANDAL, TREASURER SCHMIDT, MR. GESSNER, MR. SAGE, MR. ENGLESON, MR. LECH, MR. TRENBEATH, AND LT. GOVERNOR WRIGLEY
 NAYS: NONE
 MOTION CARRIED
 ABSENT: MR. CORNEIL

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. SANDAL AND CARRIED ON A VOICE VOTE TO ACCEPT THE OCTOBER 1, 2013, MINUTES AS WRITTEN.

AYES: MR. LECH, TREASURER SCHMIDT, MR. ENGLESON, MR. TRENBEATH, MR. SANDAL, COMMISSIONER HAMM, MR. GESSNER, MR. SAGE, MS. TERNES, AND LT. GOVERNOR WRIGLEY
 NAYS: NONE
 MOTION CARRIED
 ABSENT: MR. CORNEIL

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. GESSNER AND CARRIED ON A VOICE VOTE TO ACCEPT THE OCTOBER 8, 2013, MINUTES AS WRITTEN.

AYES: TREASURER SCHMIDT, MR. GESSNER, COMMISSIONER HAMM, MS. TERNES, MR. ENGLESON, MR. SAGE, MR. LECH, MR. SANDAL, MR. TRENBEATH, AND LT. GOVERNOR WRIGLEY
 NAYS: NONE
 MOTION CARRIED
 ABSENT: MR. CORNEIL

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. SANDAL AND CARRIED ON A VOICE VOTE TO ACCEPT THE OCTOBER 9, 2013, MINUTES AS WRITTEN.

AYES: MR. SAGE, MR. SANDAL, MR. GESSNER, MR. LECH, MR. TRENBEATH, MS. TERNES, COMMISSIONER HAMM, MR. ENGLESON, TREASURER SCHMIDT, AND LT. GOVERNOR WRIGLEY
 NAYS: NONE
 MOTION CARRIED
 ABSENT: MR. CORNEIL

INVESTMENTS:

Declaration - Representatives reviewed the firm's current SIB mandates; Distressed Debt Fund, Short Tenor Commercial Mortgage Backed Securities Fund, Insurance Trust Separate Account, and Total Return Bond Fund.

The SIB recessed at 9:20 am and reconvened at 9:28 am

Mr. Schulz reviewed his recommendation to transition the Insurance Trust Separate Account to Declaration's Total Return Bond Fund. The Total Return Bond Fund allows more implementation flexibility as far as the overall portfolio duration.

IT WAS MOVED BY MS. TERNES AND SECONDED BY MR. ENGLESON AND CARRIED ON A ROLL CALL VOTE TO ACCEPT STAFF RECOMMENDATION AND TRANSITION THE EXISTING INSURANCE TRUST SEPARATE ACCOUNT TO DECLARATION'S TOTAL RETURN BOND FUND.

AYES: MR. TRENBEATH, TREASURER SCHMIDT, MR. CORNEIL, MR. ENGLESON, MR. LECH, MR. SANDAL, COMMISSIONER HAMM, MR. GESSNER, MR. SAGE, MS. TERNES, AND LT. GOVERNOR WRIGLEY
 NAYS: NONE
 MOTION CARRIED

Global Equity Portfolio - Mr. Schulz reviewed the first phase of restructuring the global public equity portfolio within the Pension Trust. Mr. Schulz recommended reducing the number of non-US manager mandates which would lower management fees, reduce tracking error and complexity, and realize investment and administrative efficiencies.

Mr. Schulz's recommendations are as follows:

Transition State Street Global Advisers International Alpha and Clifton EAFE Index mandates to a Pure Passive MSCI World ex-US mandate.

Transition the UBS Emerging Market Equity and PanAgora Diversified Risk Emerging Markets Equity Plus mandates to passive mandates in advance of the completion of a new mandate search.

Transition the assets currently managed by Calamos to the existing Epoch Global Choice mandate due to poor performance and organizational changes at Calamos.

The SIB congratulated Mr. Schulz for all of his due diligence, research, and excellent work on the first phase of a well thought out restructuring proposal of the portfolio.

After discussion,

IT WAS MOVED BY MR. SAGE AND SECONDED BY TREASURER SCHMIDT AND CARRIED ON A ROLL CALL VOTE TO ACCEPT STAFF'S RECOMMENDATIONS ON THE FIRST PHASE OF RESTRUCTURING THE GLOBAL PUBLIC EQUITY PORTFOLIO WITHIN THE PENSION TRUST.

AYES: MS. TERNES, MR. CORNEIL, COMMISSIONER HAMM, MR. SANDAL, TREASURER SCHMIDT, MR. ENGLESON, MR. GESSNER, MR. TRENBEATH, MR. LECH, MR. SAGE, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

The SIB recessed at 10:15 am and reconvened at 10:30 am

GOVERNANCE:

Audit Committee Report - Mr. Gessner updated the SIB on the Audit Committee's activities for fiscal year July 1, 2012 - June 30, 2013. Forty-five TFFR school district audits were completed with four follow up reviews of not-in-compliance audits. The TFFR Benefits Payment, File Maintenance, and SIB Executive Limitations audits were also completed.

The Audit Committee received results of the financial audit of RIO for fiscal year ended June 30, 2012, from independent auditors, CliftonLarsonAllen. An unqualified opinion was issued on RIO's financial statements.

Ms. Kopp also informed the SIB, CliftonLarsonAllen has submitted a draft audit report of RIO's financial audit for fiscal year ended June 30, 2013, to the State Auditor's Office. There were no exceptions, recommendations, or findings. CliftonLarsonAllen will review the results of the report with the Audit Committee at their November 22, 2013, regular meeting.

Ms. Kopp also noted TFFR is celebrating its 100 year centennial, 1913 - 2013. The TFFR Board at their October 24, 2013, meeting recognized TFFR for its many years of service to ND educators.

Ms. Kopp also mentioned this year the SIB is 50 years old. The SIB was created by the 1963 Legislative Assembly.

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. CORNEIL AND CARRIED ON A VOICE VOTE TO ACCEPT THE ANNUAL AUDIT COMMITTEE ACTIVITIES REPORT.

AYES: MR. GESSNER, MR. ENGLESON, MR. SAGE, MS. TERNES, TREASURER SCHMIDT, MR. LECH, COMMISSIONER HAMM, MR. CORNEIL, MR. TRENBEATH, MR. SANDAL, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

EXECUTIVE DIRECTOR/CHIEF INVESTMENT OFFICER CANDIDATE INTERVIEW:

Mr. Kennedy reviewed with the SIB the subject matter Mr. David Hunter has been preparing to present to the SIB.

The SIB began their interview of Mr. Hunter at 10:30 am.

Mr. Hunter presented his recommendations for structuring a fixed income asset class for an income oriented investor and also examples of leadership successes that he has had with current and past employers.

The SIB followed up with questions and the interview concluded at 12:00 pm.

Ms. Karen Huang, Korn/Ferry, joined the meeting by teleconference and reviewed the results and also shared her insights of an on-line self assessment Mr. Hunter had completed on behalf of Korn/Ferry. The assessment was completed to identify Mr. Hunter's individual strengths and potential areas for development. After Ms. Huang's summary of the assessment, the SIB discussed Mr. Hunter's background, qualifications, and overall impressions.

Mr. Kennedy also shared with the SIB information Korn/Ferry had obtained from additional reference checks completed on Mr. Hunter and all were favorable.

After discussion,

IT WAS MOVED BY MR. SAGE AND SECONDED BY MR. CORNEIL AND CARRIED ON A ROLL CALL VOTE TO OFFER MR. DAVID HUNTER THE POSITION OF ED/CIO OF THE RETIREMENT AND INVESTMENT OFFICE.

AYES: MR. SANDAL, TREASURER SCHMIDT, MS. TERNES, MR. LECH, MR. CORNEIL, MR. TRENBEATH, MR. ENGLESON, MR. GESSNER, COMMISSIONER HAMM, MR. SAGE, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

MR. SANDAL MOVED AND MR. LECH SECONDED TO OFFER THE SAME COMPENSATION PACKAGE AS WAS PREVIOUSLY OFFERED: AN ANNUAL SALARY OF \$210,000, RELOCATION EXPENSES UP TO \$8,000 (VERIFIABLE BY RECEIPTS), 20 DAYS OF VACATION, AND OTHER STANDARD STATE BENEFITS. THE OFFER IS CONTINGENT UPON ADDITIONAL REFERENCE CHECKS BY KORN/FERRY AND A BACKGROUND CHECK BY THE STATE OF ND.

AYES: MR. TRENBEATH, MR. SAGE, MR. GESSNER, MR. ENGLESON, MS. TERNES, COMMISSIONER HAMM, MR. SANDAL, MR. LECH, MR. CORNEIL, TREASURER SCHMIDT, AND LT. GOVERNOR WRIGLEY

NAYS: NONE
MOTION CARRIED

Mr. Kennedy will contact Mr. Hunter on the offer as soon as possible. The SIB requested a response from Mr. Hunter on the offer by 5:00 pm, Tuesday, October 29, 2013.

Commissioner Hamm and Mr. Kennedy were disconnected from the teleconference call at 1:00 pm. Ms. Heit had scheduled the call from 8:00 am - 1:00 pm.

Staff will contact Mr. Kennedy to coordinate a background check with Mr. Hunter prior to him departing Bismarck.

OTHER:

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. SAGE AND CARRIED ON A VOICE VOTE TO ACCEPT THE SEPTEMBER 30, 2013, QUARTERLY MONITORING REPORTS.

AYES: MR. GESSNER, MR. ENGLESON, MR. SAGE, TREASURER SCHMIDT, MR. LECH, MR. CORNEIL, MR. TRENBEATH, MR. SANDAL, MS. TERNES, AND LT. GOVERNOR WRIGLEY

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER HAMM

The next SIB meeting is scheduled for November 22, 2013, at 8:30 am at the Peace Garden Room, State Capitol, Bismarck, ND.

The next SIB Audit Committee meeting is scheduled for November 22, 2013, at 1:00 pm at the Peace Garden Room, State Capitol, Bismarck, ND.

ADJOURNMENT:

With no further business to come before the SIB, Lt. Governor Wrigley adjourned the meeting at 1:04 p.m.

Lt. Governor Wrigley, Chair
 State Investment Board

Bonnie Heit
 Assistant to the Board

**NORTH DAKOTA STATE INVESTMENT BOARD
MINUTES OF THE
OCTOBER 28, 2013, BOARD MEETING**

BOARD MEMBERS PRESENT: Drew Wrigley, Lt. Governor, Chair
Mike Sandal, Vice Chair
Clarence Corneil, TFFR Board
Commissioner Gaebe, Land Commissioner
Mike Gessner, TFFR Board
Rob Lech, TFFR Board
Howard Sage, PERS Board
Kelly Schmidt, State Treasurer
Cindy Ternes, Workforce Safety & Insurance
Tom Trenbeath, PERS Board

ABSENT: Adam Hamm, Insurance Commissioner

STAFF PRESENT: Bonnie Heit, Assistant to the SIB
Fay Kopp, Interim Executive Director
Darren Schulz, Interim CIO

OTHERS: Bryan Klipfel, Workforce Safety & Insurance

CALL TO ORDER:

Lt. Governor Wrigley called the State Investment Board (SIB) meeting to order at 3:07 pm on Monday, October 28, 2013. The meeting was conducted by teleconference.

A quorum was present for the purpose of conducting business.

Commissioner Hamm was unavailable due to a NAIC conference call at 3:00 pm.

The meeting was called to review the relocation expenses for the final candidate for the position of ED/CIO of the Retirement and Investment Office.

Mr. Michael Kennedy, Korn/Ferry, notified Ms. Kopp and Mr. Sandal on Sunday, October 27, 2013, that he had notified Mr. David Hunter on Friday, October 25, 2013, that the SIB had offered him the position of ED/CIO of RIO.

Mr. Kennedy also followed up with another call to Mr. Hunter on Sunday, October 27, 2013, to discuss the offer and benefit package. Mr. Kennedy stated Mr. Hunter was inquiring about the relocation expense amount, and was inquiring if there was any flexibility in the relocation amount or the base salary that would allow him to better manage his move.

The SIB discussed their options at this point of the recruitment process. After discussion,

IT WAS MOVED BY TREASURER SCHMIDT AND SECONDED BY MR. TRENBEATH AND CARRIED ON A ROLL CALL VOTE TO SUPPORT THE OFFER THAT WAS AGREED UPON BY THE SIB AT THEIR OCTOBER 25, 2013, MEETING WHICH WAS TO OFFER AN ANNUAL SALARY OF \$210,000, RELOCATION EXPENSES UP TO \$8,000 (VERIFIABLE BY RECEIPTS), 24 DAYS OF VACATION, AND OTHER STANDARD STATE BENEFITS.

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

NAYS: NONE

MOTION CARRIED

ABSENT: COMMISSIONER HAMM

For clarification purposes, the motion from the October 25, 2013, meeting stated 20 days of vacation. The SIB corrected the motion to state 24 vacation days per year or 16 hours per month which is the maximum allowed under state guidelines.

The offer letter to Mr. Hunter will be sent out on Tuesday, October 29, 2013. The timeframe to respond to the offer will be extended to the close of business on Thursday, October 31, 2013.

ADJOURNMENT:

With no further business to come before the SIB, Lt. Governor Wrigley adjourned the meeting at 3:22 p.m.

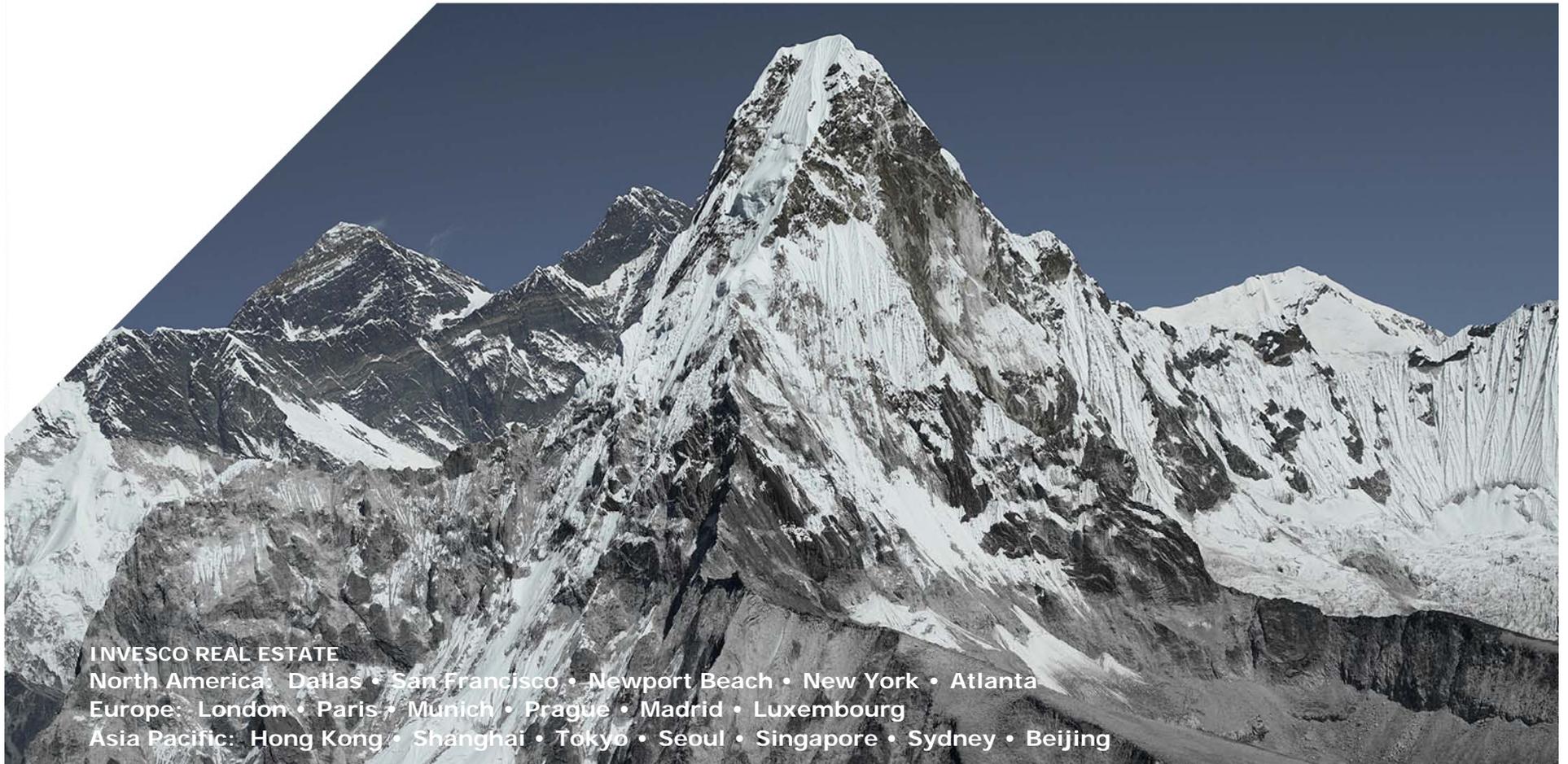
Lt. Governor Wrigley, Chair
State Investment Board

Bonnie Heit
Assistant to the Board



Invesco Real Estate Funds Update

November 22, 2013



INVESCO REAL ESTATE

North America: Dallas • San Francisco • Newport Beach • New York • Atlanta

Europe: London • Paris • Munich • Prague • Madrid • Luxembourg

Asia Pacific: Hong Kong • Shanghai • Tokyo • Seoul • Singapore • Sydney • Beijing

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For U.S. Institutional Investor Use Only

This book has been prepared for a limited number of existing Institutional Investors in order to determine if they have an interest in the type of strategy described herein. This presentation is for the recipient only and is not for further distribution.

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. This is not to be construed as an offer to buy or sell any financial instruments. It is not our intention to state, indicate or imply in any manner that current or past results are indicative of future profitability or expectations. As with all investments there are associated inherent risks. Please obtain and review all financial material carefully before investing. This publication may contain confidential and proprietary information of Invesco Companies. Circulation, disclosure, or dissemination of all or any part of this material to any unauthorized persons is prohibited. Unauthorized reproduction or distribution of all or any part of this material is prohibited. For one-on-one presentations only. 11902/08-13

North Dakota/Invesco Real Estate Partnership



Maintain exposure to real estate in a portfolio diversified by property type, location and investment strategy.

Portfolio Targets:

- 60% exposure to core, high quality portfolio of stabilized assets.
- 30% exposure to value added investments to increment returns.
- 10% exposure to Asia to capture higher growth opportunities.

Target Allocation: \$230 million

Current Portfolio: \$217 million

Relationship began in 1996

Swanston Square • Apartment
Melbourne, Australia



116 New Montgomery • Office
San Francisco, CA



The Shops at Legacy
Retail • Plano, TX

Photographs shown above represent recently acquired Core, Value Add and Asia Fund assets.



Investment Objectives and Portfolio Construction



	Target Allocation (%)	Target Allocation (\$ Millions)	Long-Term Return Profile	Current Portfolio (\$ Millions)	Over (+)/ Under(-)
1. Domestic Core	60%	\$138	7.5%	\$147 (68%)	+\$9
2. Domestic Value Add	30%	\$69	10.0%	\$47 (22%)	-\$22
3. Opportunistic/International	10%	\$23	16.0%	\$23 (10%)	\$0
Total	100%	\$230	9.1%	\$217	-\$13

Section 1

Invesco Real Estate Update



Invesco Ltd.



As an independent firm, our global organization is solely focused on investment management:

- More than 740 investment professionals
- Global assets under management of \$745.5 billion
- More than 5,800 employees worldwide



Invesco Asia-Pacific

- Asia ex-Japan
- Greater China
- Japan
- Australia

Locations: Beijing, Hong Kong, Melbourne, Shenzhen, Sydney, Taipei, Tokyo

Invesco Canada

- Trimark Investments
- Canadian, regional, sector and global equity
- Canadian and global fixed income
- Balanced portfolios

Location: Toronto

Invesco Fixed Income

- Global liquidity
- Stable value
- Global and US broad fixed income
- Global alternatives and bank loans

Locations: Atlanta, Chicago, Hong Kong, Houston, London, Louisville, Melbourne, New York, Palm Harbor, FL, San Diego, Tokyo

Invesco Fundamental Equities

- US growth equity
- US core equity
- US value equity
- International and global growth equity
- Sector equity
- Balanced portfolios

Locations: Austin, Houston, San Francisco

Invesco Global Asset Allocation

- Global asset allocation (global macro, risk parity, commodities and active balanced solutions)

Locations: Atlanta, Frankfurt

Invesco Global Strategies:

- Canadian equities
- Global equities

Locations: Atlanta, Toronto

Invesco Perpetual

- Global and regional equity, including UK, European, Asian, Japanese and emerging markets
- Fixed income

Location: Henley, UK

Invesco PowerShares

- Index-based ETFs and ETNs and actively managed ETFs
- Domestic and international equity
- Taxable and tax-free fixed income
- Commodities and currencies

Location: Chicago

Invesco Private Capital

- Private equity funds of funds
- Customized portfolios

Locations: London, New York, San Francisco

Invesco Quantitative Strategies

- Global quantitative equity (quantitative equity, enhanced and long/short strategies)

Locations: Boston, Frankfurt, New York, Tokyo

Invesco Real Estate

- Global direct real estate investing
- Global public real estate investing

Locations: Atlanta, Beijing, Dallas, Hong Kong, London, Luxembourg, Madrid, Munich, New York, Newport Beach, Paris, Prague, San Francisco, Seoul, Shanghai, Singapore, Sydney, Tokyo

Invesco Unit Investment Trusts

- Equity trusts
- Closed-end trusts
- Tax-free fixed-income trusts
- Taxable fixed-income trusts

Location: Chicago

WL Ross & Co.

- Distressed and restructuring private equities
- Energy private equities

Locations: Beijing, Mumbai, New York, Tokyo

Source: Invesco. Invesco Ltd. Client-related data, investment professional, employee data and AUM are as of September 30, 2013, and include all assets under advisement, distributed and overseen by Invesco, including those of its affiliates Invesco Distributors, Inc. and Invesco PowerShares Capital Management LLC, which have an agreement with Deutsche Bank to provide certain marketing services for the PowerShares DB products. Invesco PowerShares Capital Management LLC is the sponsor for the PowerShares QQQ and BLDRS products. ALPS Distributors, Inc. is the distributor of PowerShares QQQ, BLDRS Funds and the PowerShares DB Funds. Invesco PowerShares Capital Management LLC and Invesco Distributors, Inc. are wholly owned, indirect subsidiaries of Invesco Ltd. Invesco Distributors, Inc. is the US distributor for Invesco Ltd.'s retail products. Invesco Ltd. is not affiliated with ALPS Distributors, Inc. or Deutsche Bank. The listed centers do not all provide products or services that are available in all jurisdictions, nor are their products and services available on all platforms. The entities listed are each wholly owned, indirect subsidiaries of Invesco Ltd., except ALPS Distributors Inc., Deutsche Bank and Invesco Great Wall in Shenzhen, which is a joint venture between Invesco and Great Wall Securities, and the Huaneng Invesco WLR Investment Consulting Company Ltd. in Beijing, which is a joint venture between Huaneng Capital Services and Invesco WLR Limited. Please consult your Invesco representative for more information.

Invesco Real Estate

As of September 30, 2013



\$54.3 Billion Under Management

363 Employees Worldwide; 18 Offices; 12 Countries



North American Direct Real Estate Investments

- \$19.2 BN Under Management
- Since 1983

Real Estate Securities Management

- \$23.0 BN Under Management
- Since 1988

European Direct Real Estate Investments

- \$6.9 BN Under Management
- Since 1996

Asian Direct Real Estate Investments

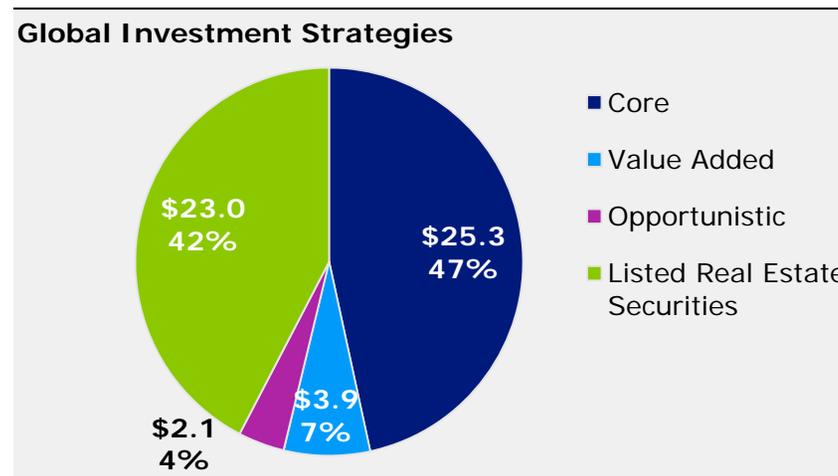
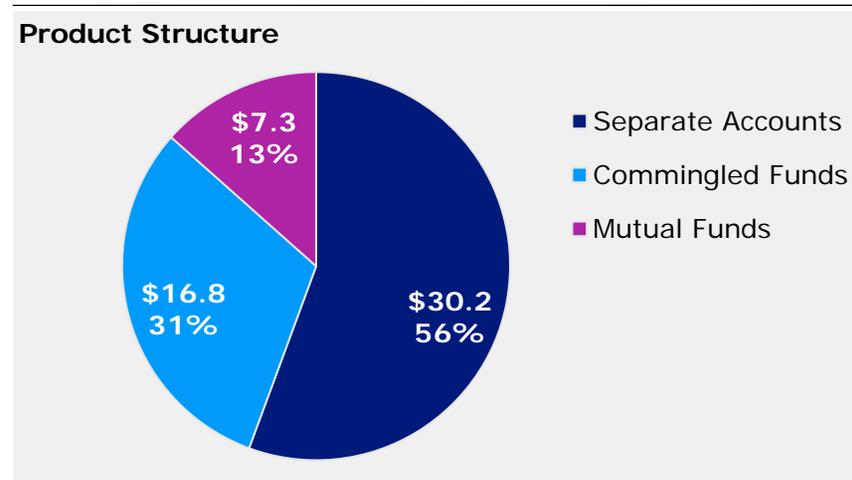
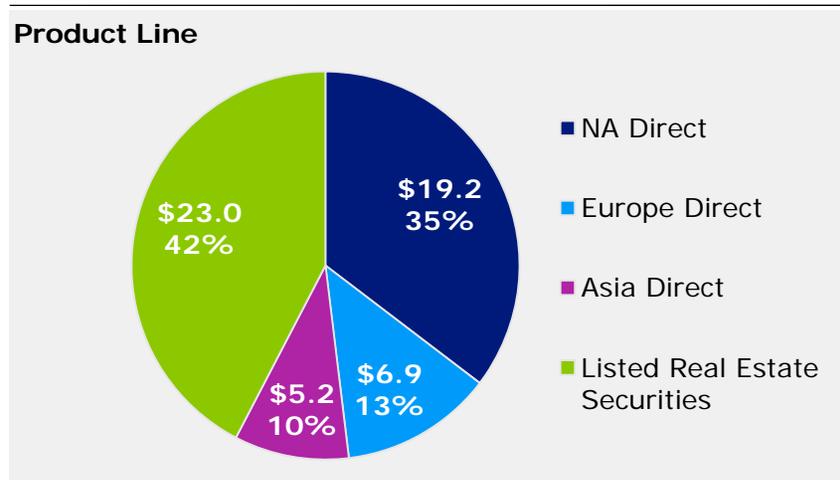
- \$5.2 BN Under Management
- Since 2006

Source: Invesco Real Estate (IRE)

7 Total employees and assets under management as of September 30, 2013

2013 Invesco Real Estate Global AUM: \$54.3 Billion

\$ Billions as of September 30, 2013



Our Firm's Culture is the Key to Our Long-Term Success



We have embraced two primary cultural values:

Everything we have accomplished as a firm is tied to our clients. Our ability to achieve or exceed our clients' expectations is critical for our continued well being. We cannot compromise our standard of excellence in dealing with these relationships. All clients should be treated with the highest degree of respect, dignity and humility, and all decisions will be made with their best interests in mind.

Our Clients

We recognize that our people are our most important internal asset. All opinions are valuable and should be freely shared without fear of retribution of any kind. We believe that by fostering consensus building we make better decisions on issues facing our clients and firm over the long term. A team-oriented approach, based on respect for each other's ideas, is the only way we can continue to grow and achieve our goals as a first-class organization.

Our Team

These two beliefs have enabled us to create...

- a captivating work environment which enables us to attract and retain superior talent.
- consistent processes and disciplines necessary to support our investment philosophy and systems.

Three Things That Distinguish Invesco...



- 1** **Stability of People**
 - Senior team has been together an average of 25 years
- 2** **Stability of Firm**
 - Investment Management only focus
- 3** **Stability of Investment Process**
 - Developed and fine tuned since 1983



Investment Philosophy



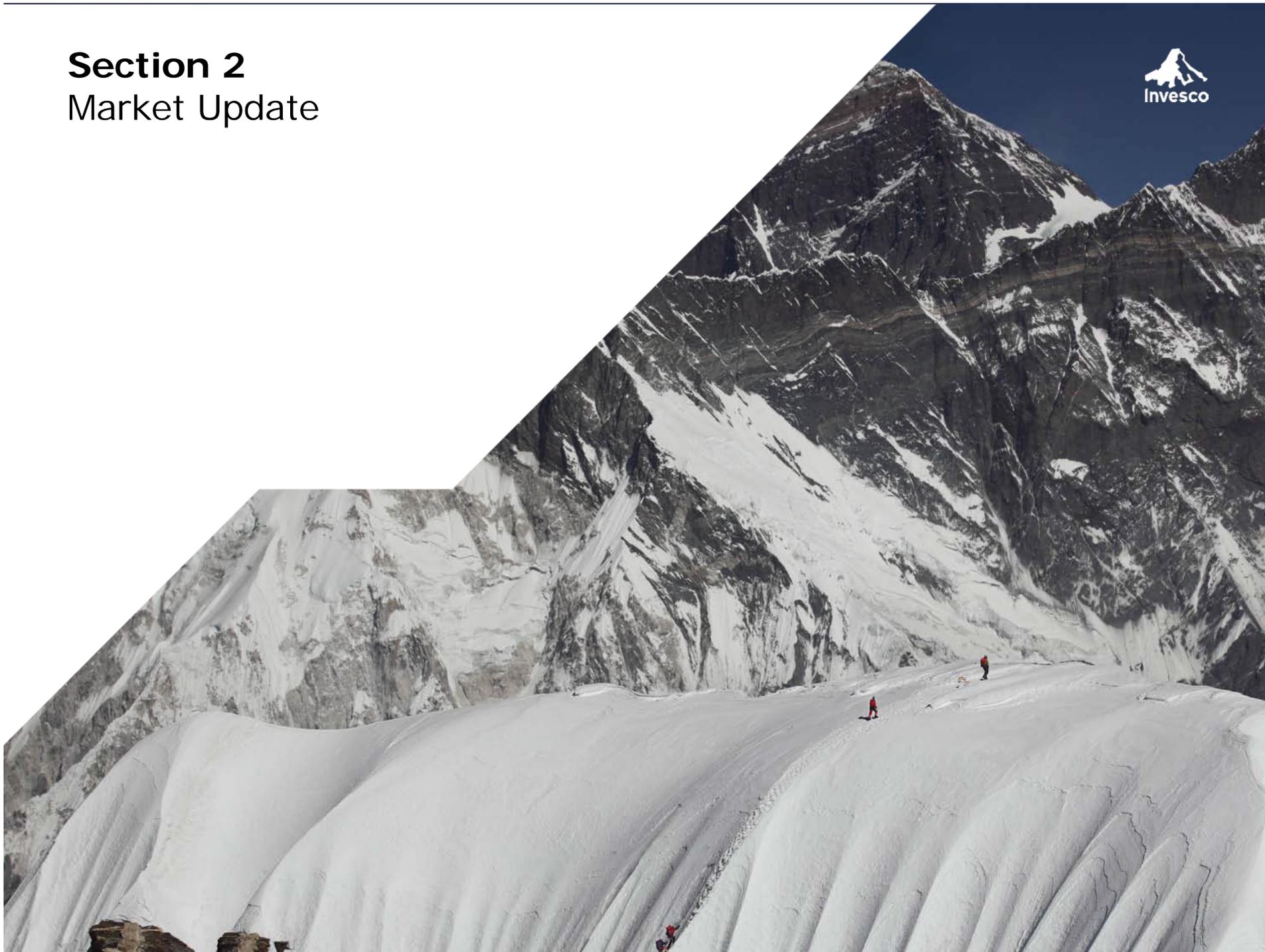
We aim to:

- Maximize the predictability and consistency of investment returns
- Minimize the risk of capital loss
- Deliver agreed risk-adjusted returns

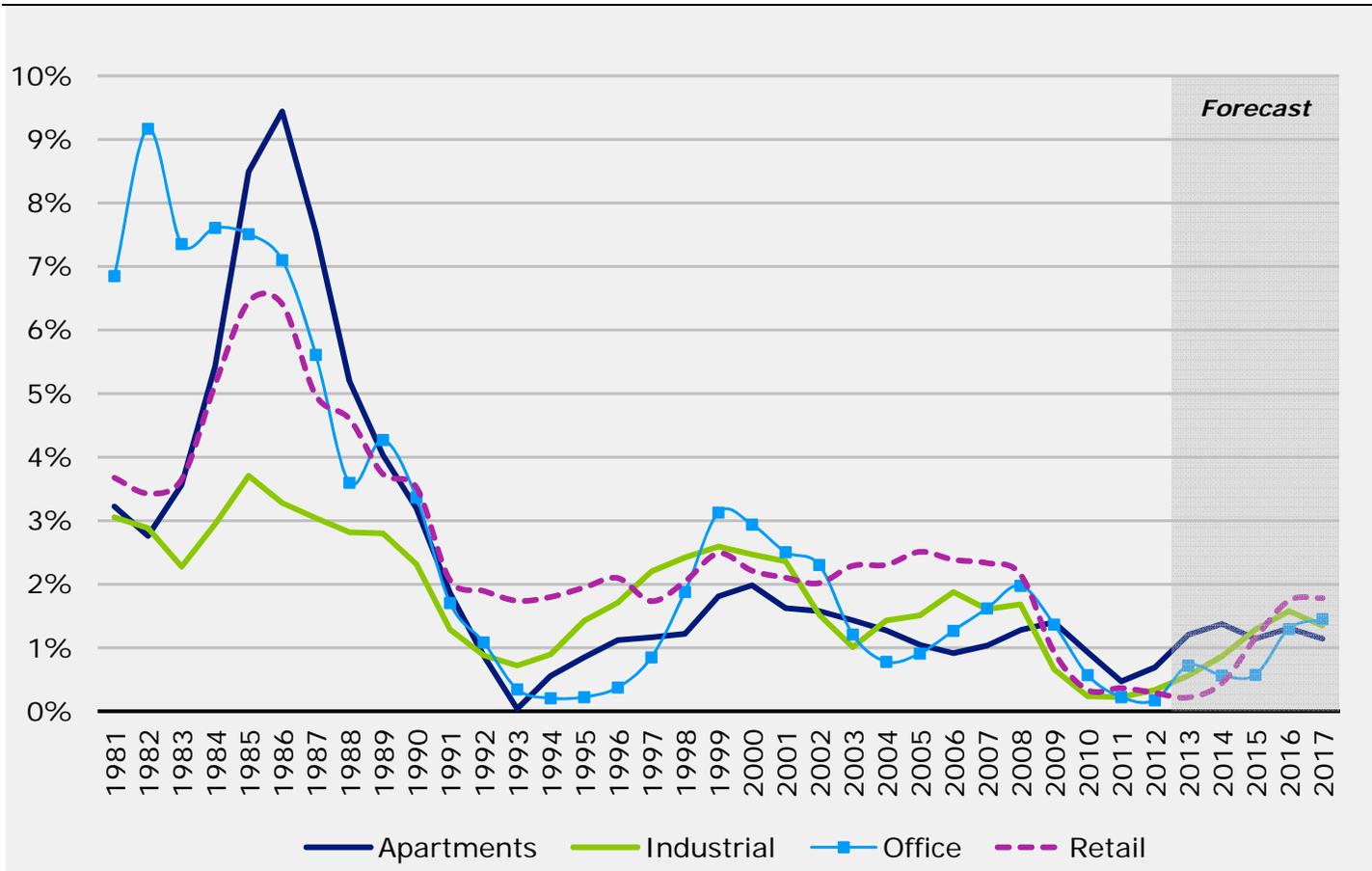
This long-term stability positions us to serve our clients today and with a long term focus

Section 2

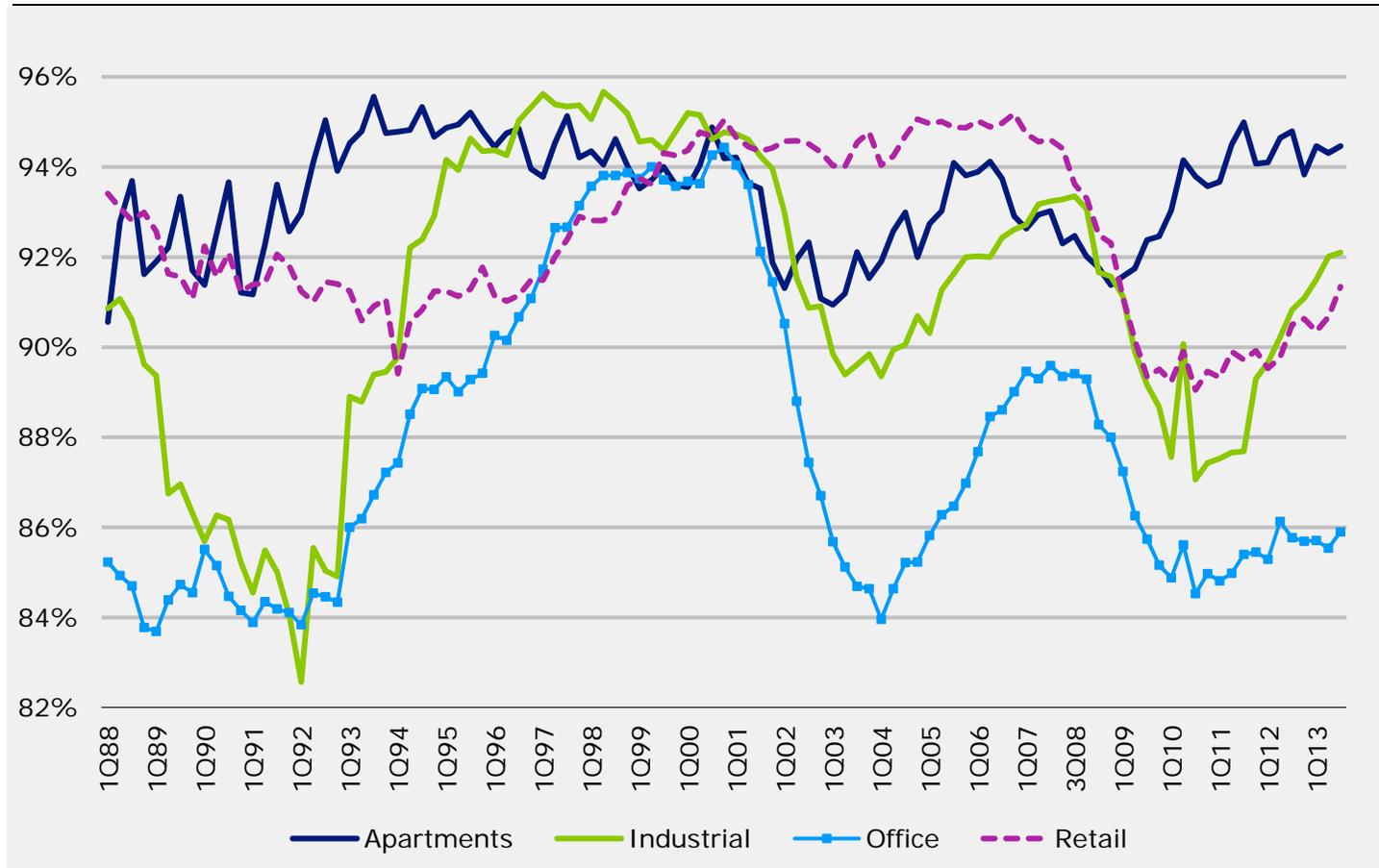
Market Update



Inventory Growth

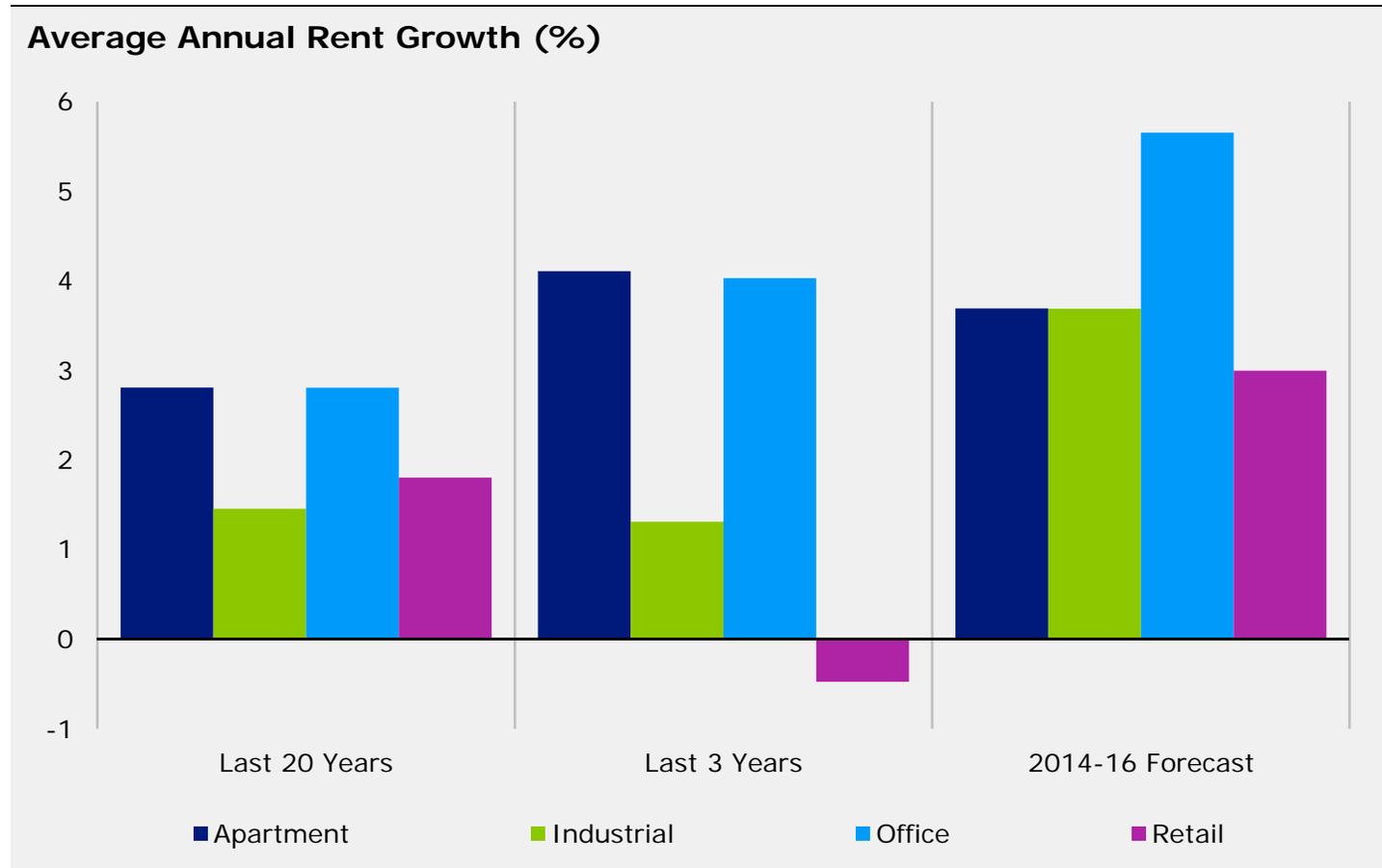


Occupancy Rates



Modest Construction Supports Rent Growth

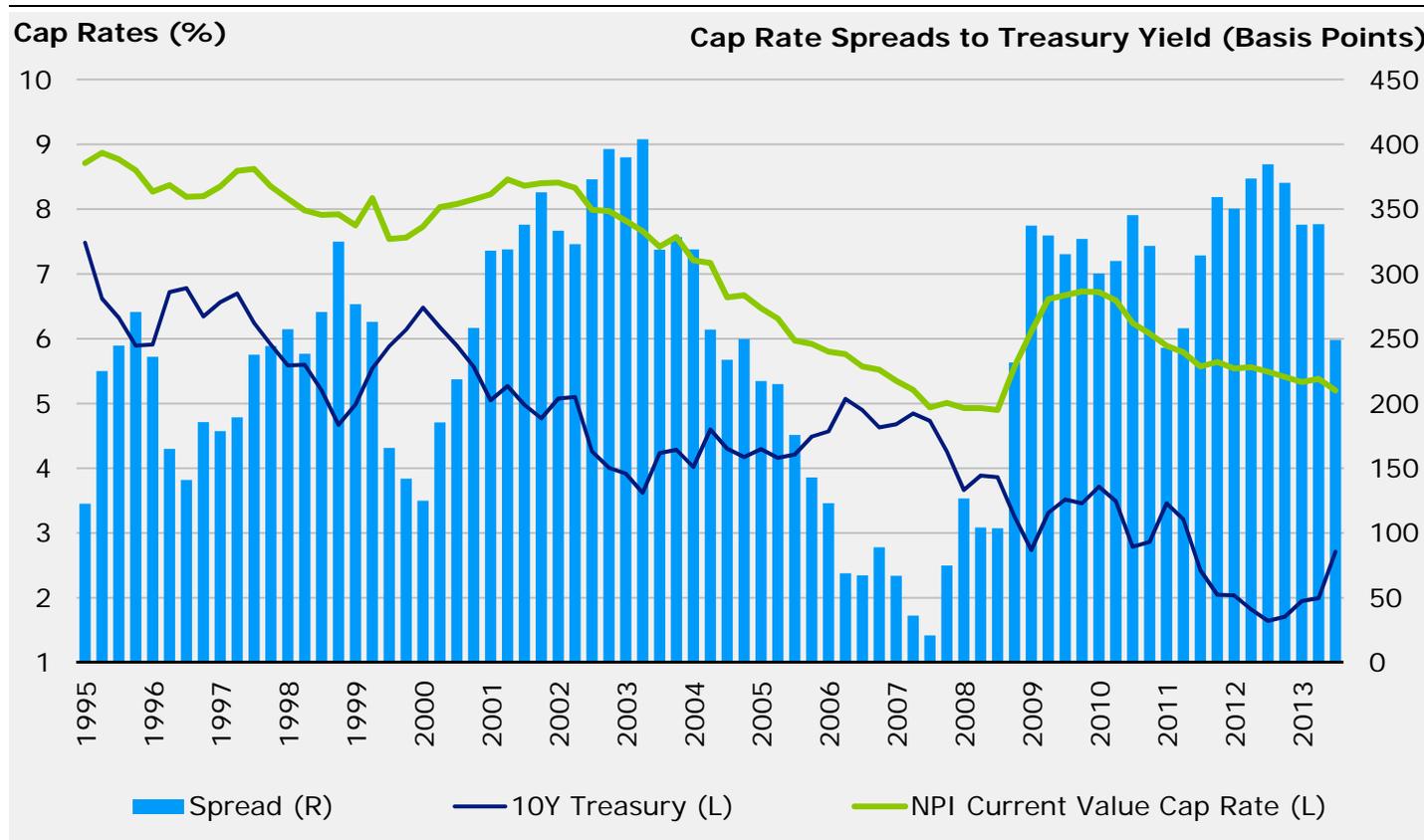
Income growth should offset the impact of rising interest rates on yields



Source: Invesco Real Estate using underlying data provided by CBRE-Econometric Advisors. Projections of 2013 performance are included in the historical averages. Forecast by Invesco Real Estate as of September 2013.

Cap Rate Spreads Have Been Wide and Attractive Since 2009

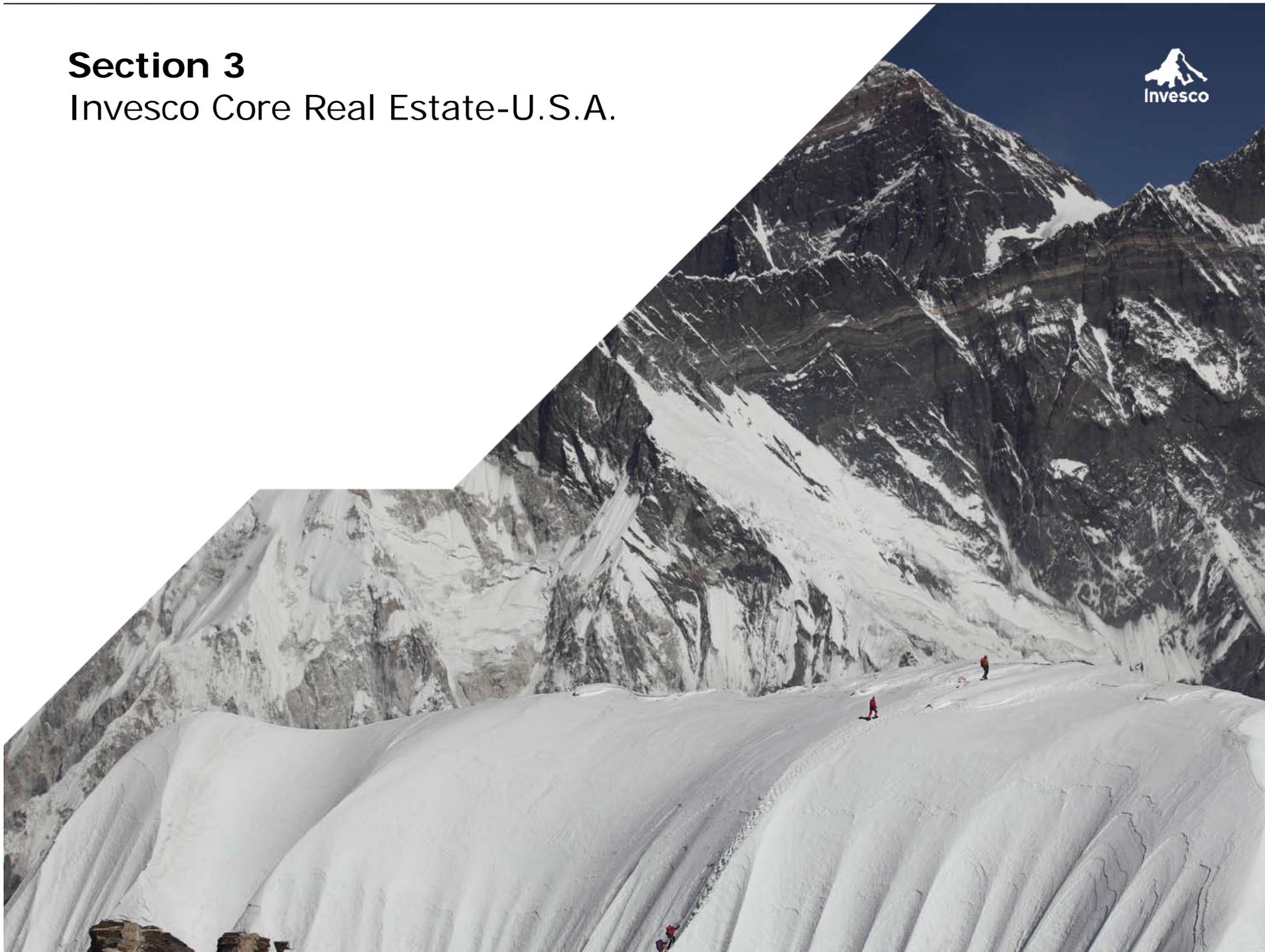
Yet, rising Treasury rates have narrowed the spread since mid-May



Source: Invesco Real Estate using underlying data from NCREIF and Economagic.com through 3Q 2013.

Section 3

Invesco Core Real Estate-U.S.A.



Invesco Core Real Estate Maintains a Portfolio of High Quality Assets



Williams Tower
Office • Houston, TX



1800 Larimer
Office • Denver, CO



Lake Pointe Shopping Center
Retail • Houston, TX



Safeway Pleasanton Gateway
Retail • Bay Area California



130 Prince
Office/Retail • New York, NY



IE Logistics
Industrial • Southern California



Instrata Gramercy
Apartment • New York, NY



The GoodWynn at Town Brookhaven
Apartment • Atlanta, GA



Legacy Fountain Plaza
Apartment • San Jose, CA

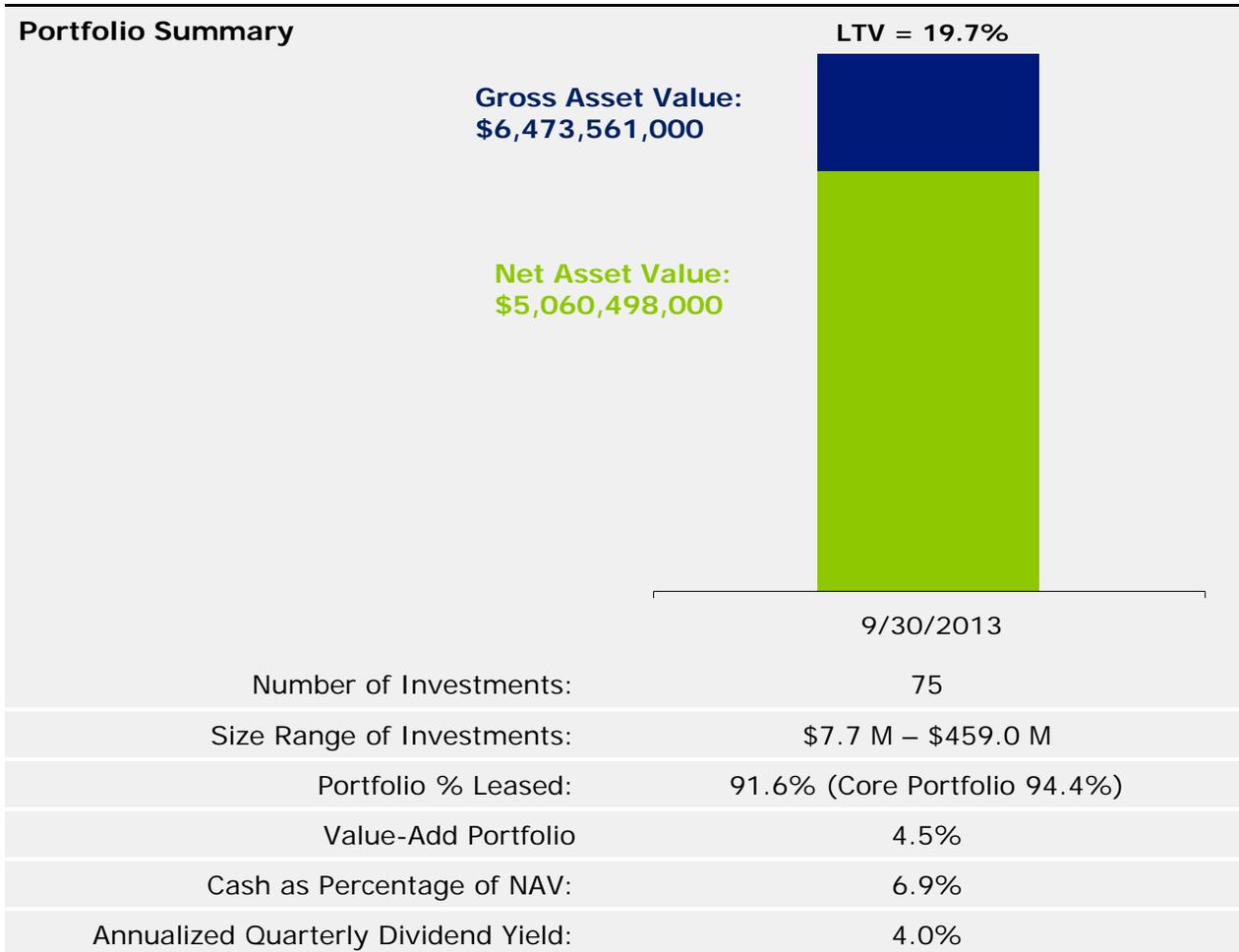


Trade Center III & IV
Industrial • Dallas, TX

18 The photographs shown on pages 3-5 depict current holdings of the Invesco Core Real Estate-USA, L.P. as of September 2013, but are not the complete holdings of the fund. All properties were acquired within the last three years and reflect current acquisitions in each of the four US real estate sectors in which we invest. Performance was not a criteria for selection, and the photographs are provided for illustrative purposes only and do not constitute investment advice or a recommendation.

Invesco Core Real Estate-U.S.A.

As of September 30, 2013



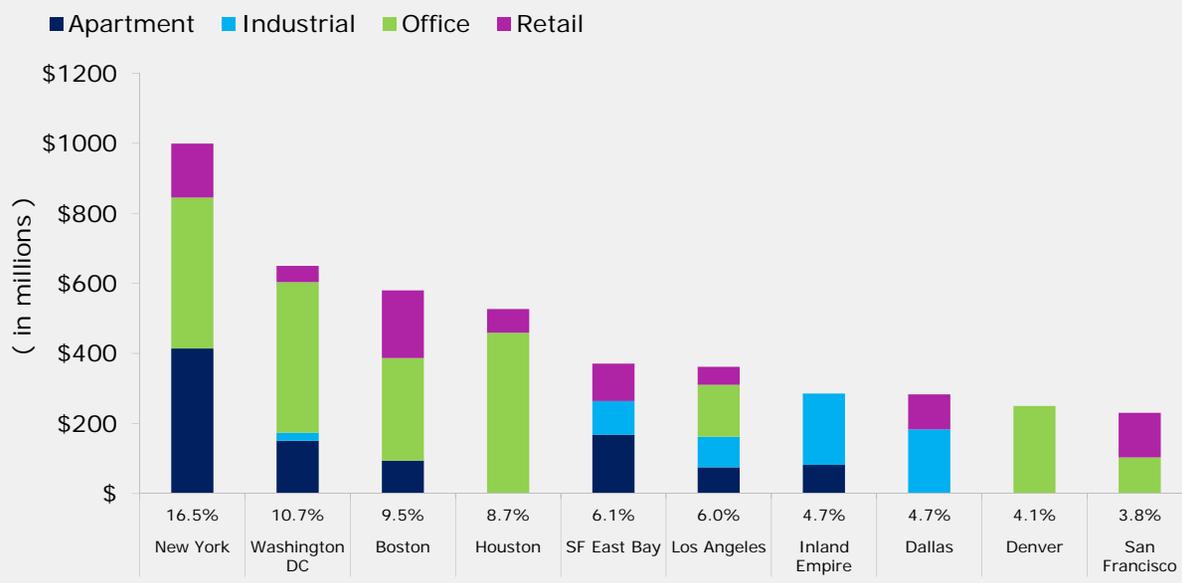
ICRE Top 10 Markets

As of September 30, 2013



Invesco Core Real Estate Top 10 Markets have outperformed the NPI by 115 bps over the past 15 years¹

Top 10 Market Exposure²



NCREIF Top 20 MSA Weights

NCREIF Top 20 MSA Weights			
MSA	NPI *	ICRE USA	Difference
1 Washington DC	11.4%	10.7%	-0.7%
2 New York City	11.1%	16.5%	5.4%
3 Los Angeles	8.1%	6.0%	-2.1%
4 Chicago	7.0%	2.1%	-4.9%
5 Boston	5.0%	9.5%	4.5%
6 Seattle	4.8%	3.6%	-1.2%
7 Houston	4.7%	8.7%	4.0%
8 San Francisco	4.3%	3.8%	-0.5%
9 Dallas	4.0%	4.7%	0.7%
10 Atlanta	3.3%	1.7%	-1.6%
11 Denver	3.1%	4.1%	1.0%
12 Inland Empire	2.8%	4.7%	1.9%
13 San Diego	2.6%	0.4%	-2.2%
14 Orange County	2.5%	2.0%	-0.5%
15 Phoenix	2.2%	1.7%	-0.5%
16 SF East Bay	2.2%	6.1%	3.9%
17 Miami	2.0%	0.3%	-1.7%
18 San Jose	2.0%	2.9%	0.9%
19 Austin	1.7%	0.7%	-1.0%
20 Baltimore	1.6%	0.0%	-1.6%

The combined San Francisco Bay Area markets represent 12.8% of the ICRE portfolio.

* NPI data is as of 6/30/13.

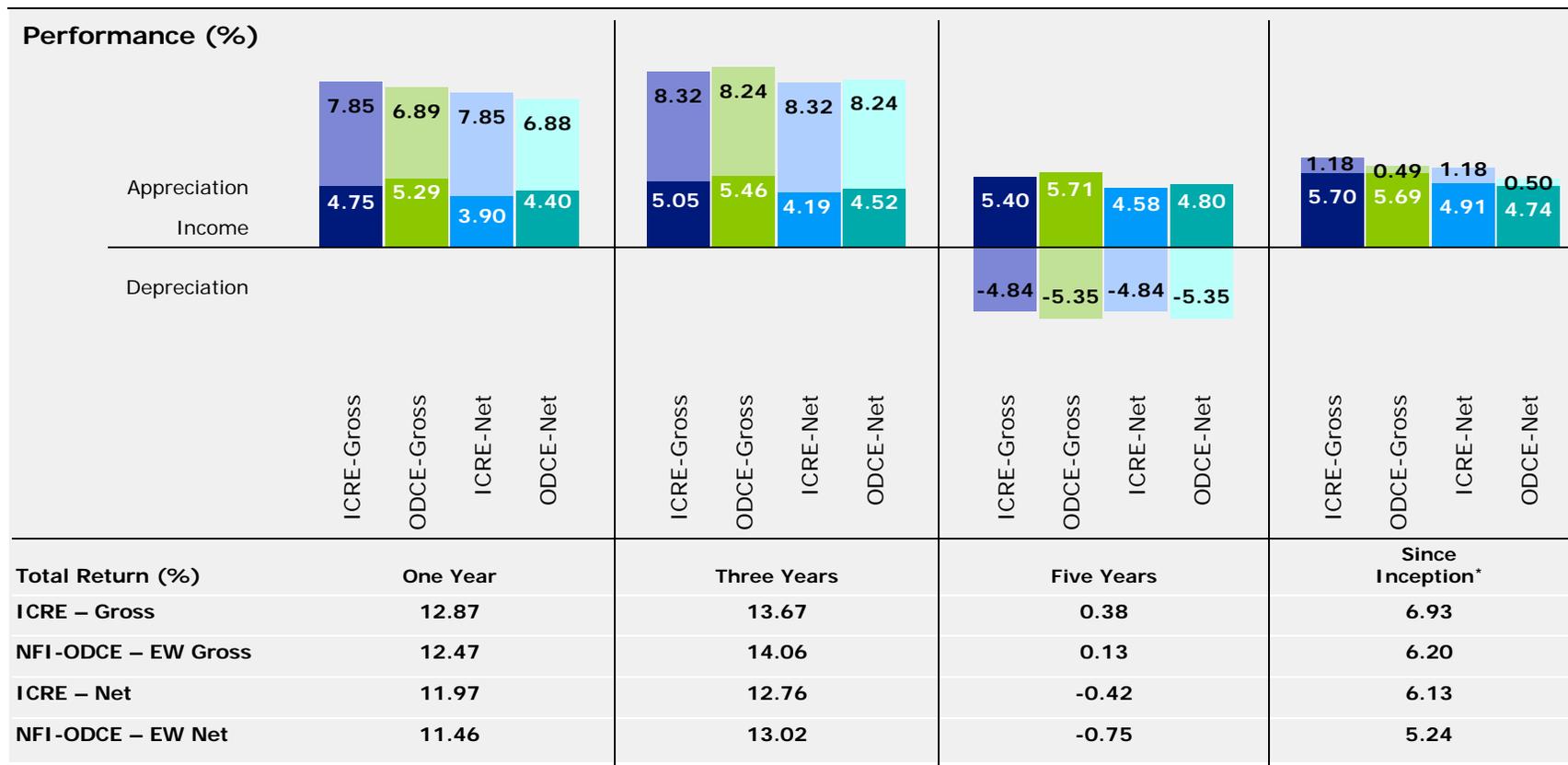
Source: Invesco Core Real Estate-U.S.A. internal reporting as of 9/30/13. The markets shown are all Invesco Target markets as outlined in our House View. Past performance is not indicative of future results.

¹ Note: Aggregate NPI total returns for the markets/property types represented in the ICRE's "Top 10" metropolitan areas outperformed the overall NPI by 115 basis points over the past 15 years and by 97 basis points over the past 10 years. These calculations are based on the weighted average subindex performance for the 10 markets comprising the greatest exposure to the ICRE portfolio in 3Q 2013 according to their respective property type weights. Returns for these 10 metro areas were aggregated based on the 26 distinct market/property type combinations represented in the ICRE portfolio. The 10-year and 15-year aggregate returns exclude certain market/property type combinations at certain periods due to the absence of NPI subindex data.

² Based on gross real estate value of ICRE.

Invesco Core Real Estate-U.S.A.

As of September 30, 2013

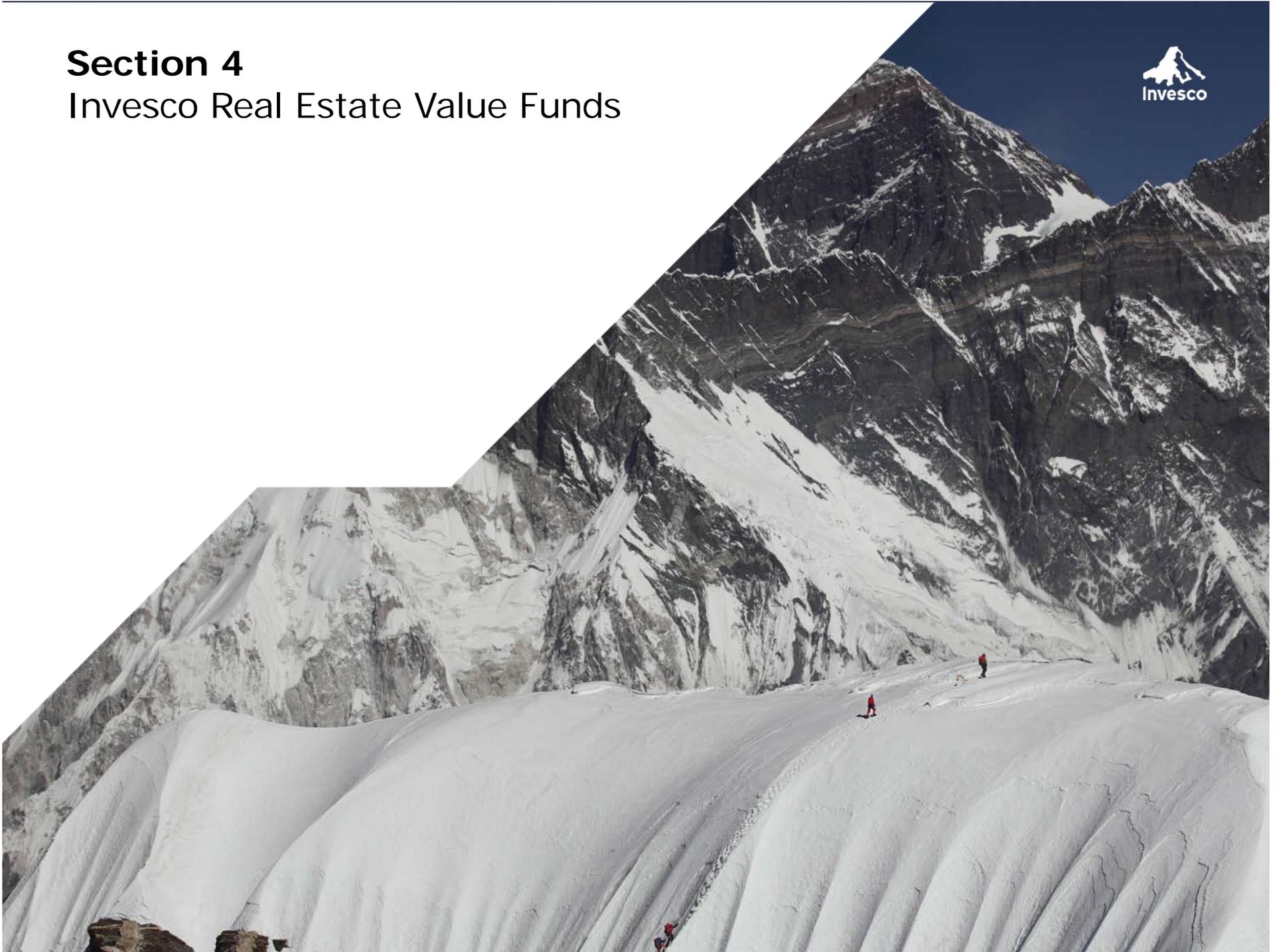


*This chart reflects the actual fund performance of the Invesco Core Real Estate-U.S.A., LP as of 9/30/13. The fund inception date is 09/30/04.

This performance information is supplemental to the Global Investment Performance (GIPS®) compliant presentation of the Invesco North American Direct Real Estate Composite which includes more complete information about the Composite's construction and performance. A complete list of composites and performance results is available upon request.

Section 4

Invesco Real Estate Value Funds



Invesco Real Estate Fund II Executive Summary

*Coppins Well
Seattle, WA*



*100-104 5th Ave.
New York, NY*



*Abaco Key
Orlando, FL*



Vintage Year

2007

Fund Size (millions)

\$457

Projected IRR (gross)

8.0%

Projected Equity Multiple (gross)

1.35x

Leverage

53%

Net Invested Capital

27%

Investments (Total/Unrealized)

16/7

Fund Maturity

December 2015

Invesco Real Estate Fund III Executive Summary

*Pearl at Dadeland
Miami, FL*



*731 Market Street
San Francisco, CA*



Vintage Year

2012

Fund Size (millions)

\$344

Projected IRR (gross)

17.7%

Projected Equity Multiple (gross)

1.75x

Leverage

43%

Committed Capital to Date (1)

68%

Investments (Total/Unrealized)(1)

8/8

Fund Maturity

December 2019

¹Includes post-quarter end acquisition of Watchtower Portfolio (October 2013)



Domestic Value Add Exposure

Invesco Real Estate Funds II, III and IV



Year End	Pre-2013	2013	2014	2015	2016	2017	2018	2019	2020
VF II (\$50MM) ⁽¹⁾									
Contribution	<\$46.0>	\$0.0	\$0.0						
Distribution	\$5.5	\$27.0	\$13.5	\$16.0					
VF II Annual Net Invested	<\$40.5>	<\$13.5>	\$0.0	\$0.0					
VF III (\$50MM) ⁽²⁾									
Contribution	<\$10.8>	<\$9.5>	<\$27.2>						
Distribution			\$2.5	\$15.0	\$12.5	\$22.5	\$25.0		
VF III Annual Net Invested	<\$10.8>	<\$20.3>	<\$45.0>	<\$30.0>	<\$17.5>	\$0.0	\$0.0		
VF IV (\$70MM) ⁽³⁾									
Contribution	\$0.0	\$0.0	<\$22.4>	<\$22.4>	<\$21.7>				
Distribution				\$0.0	\$0.0	\$21.0	\$21.0	\$21.0	\$21.0
VF IV Annual Net Invested	\$0.0	\$0.0	<\$22.4>	<\$44.8>	<\$66.5>	<\$45.5>	<\$24.5>	<\$3.5>	\$0.0
Cumulative Annual Net Invested	<\$51.3>	<\$33.8>	<\$67.4>	<\$74.8>	<\$84.0>	<\$45.5>	<\$24.5>	<\$3.5>	\$0.0

¹ Performance projection is a 1.3x net equity multiple (it is anticipated that the maximum gross capital called will be 92%)

² Performance projection is a 1.6x net equity multiple (it is anticipated that the maximum gross capital called will be 95%)

³ Performance projection is a 1.5x net equity multiple (it is anticipated that the maximum gross capital called will be 95%)

\$ in millions

Invesco US Value Added Fund IV

Proposed Fund Terms

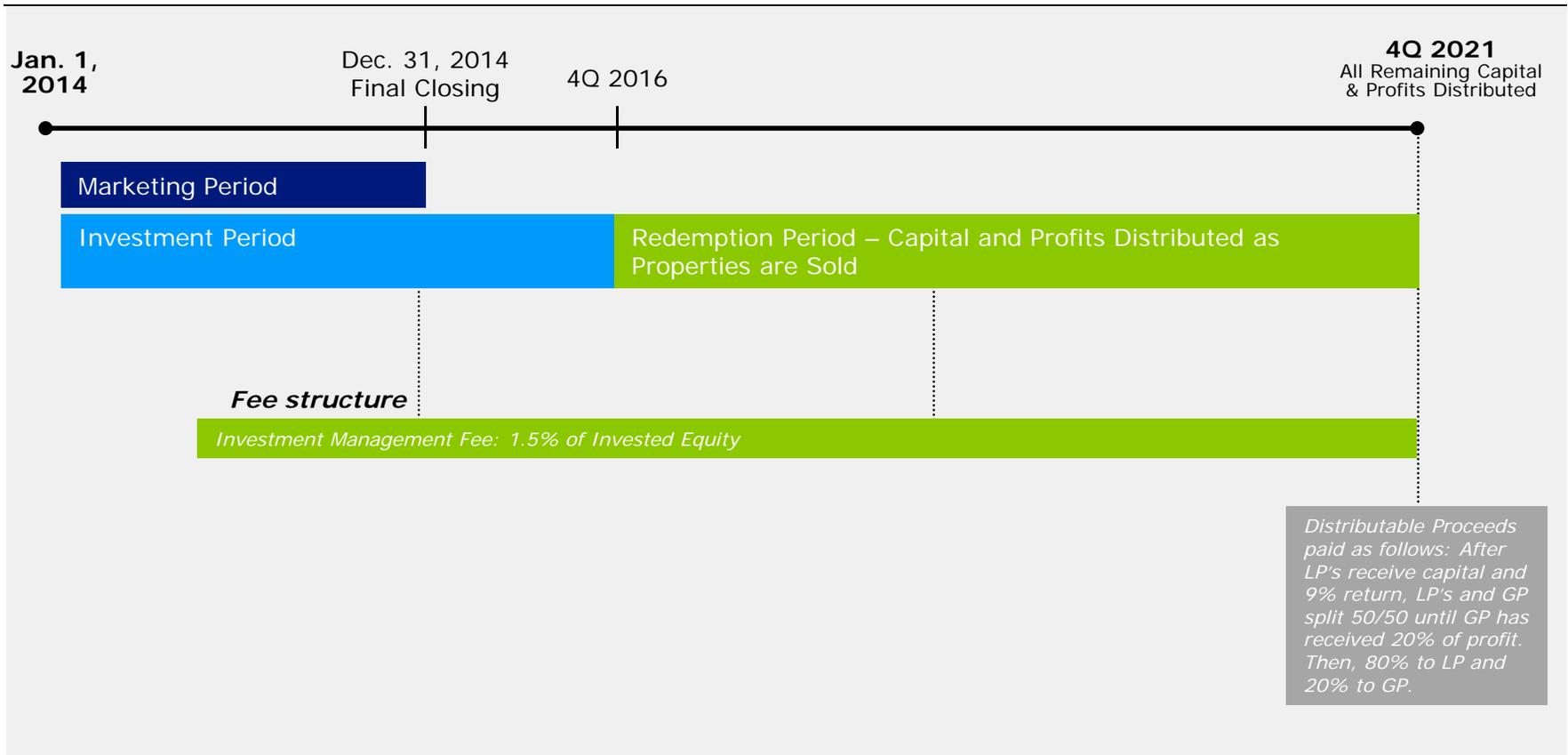


Investment Strategy:	Value Added Real Estate Target Overweight Exposures to Primary Markets (US Only) and Non-Commodity Assets Primary Property Types Only (Multi-Family, Office, Retail, Industrial)
Target Gross Return:*	12%-15% Internal Rate of Return (Leveraged)
Targeted Fund Size:	\$500,000,000 Equity (maximum investment of \$750,000,000)
Leverage:	Maximum of 60% of aggregate market value of investments
Investment Period:	2 years from Final Closing
Term:	7 years from Final Closing (2, one-year extensions with LP approval)
Structure:	Limited Partnership – an Affiliate of Invesco Real Estate will act as General Partner. Assets that qualify will be held in a private REIT.
Invesco's Capital Commitment:	\$10.0 million includes contribution from Invesco and certain executive officers of Invesco and its Affiliates
Key Man Provision:	To include certain senior members of the organization
GP Removal:	With cause with majority vote by LPs or without cause with 2/3 vote by LPs
Liquidation:	Anytime with majority vote by LPs

* This is a projected return based on current economic condition and other factors. There is no guarantee that the return objective can be achieved. Investors should not rely solely on the information above to make any investment decision.

Invesco US Value Added Fund IV

Proposed Fund Timeline & Fee Structure

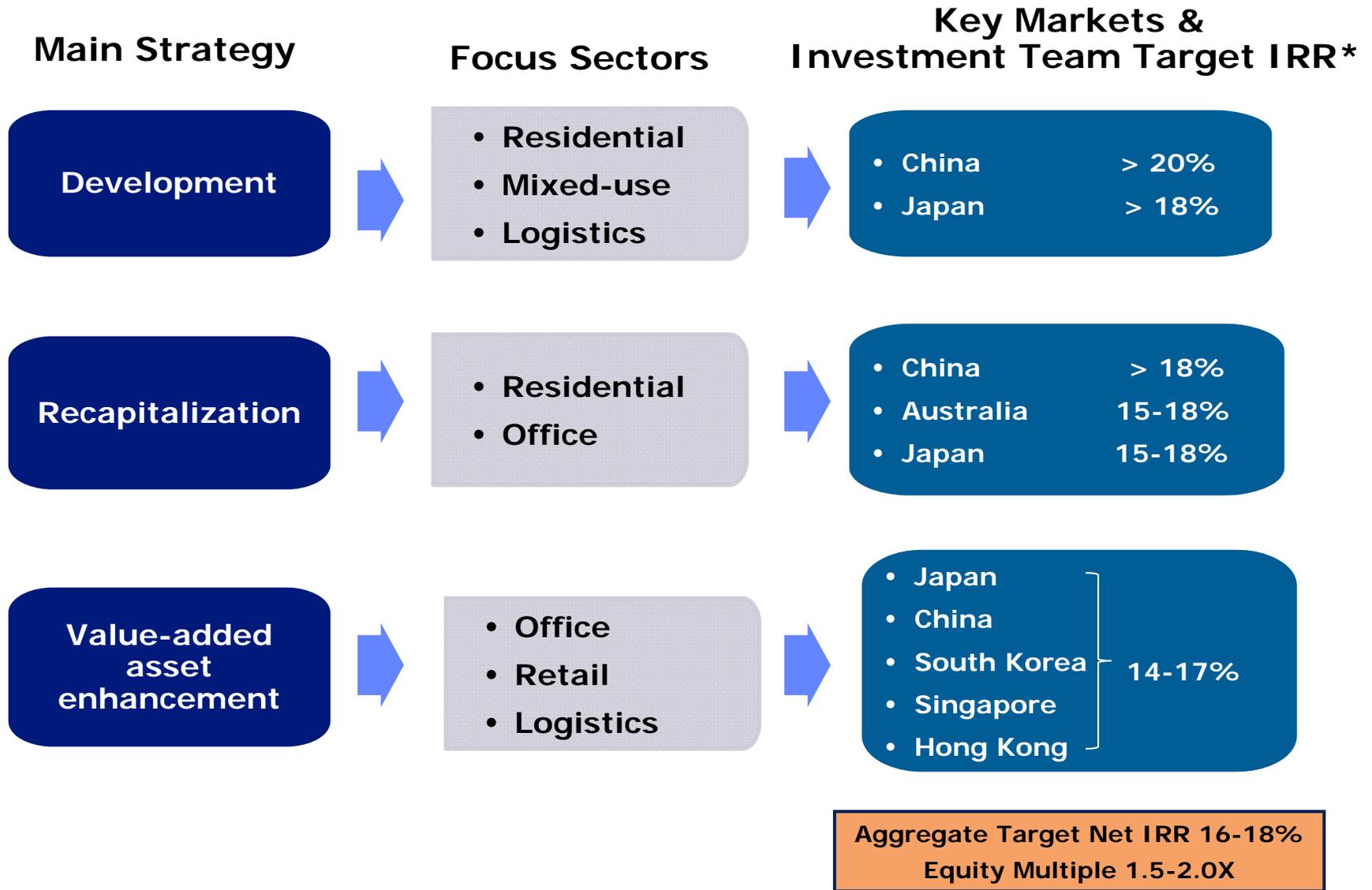


Section 5

Invesco Real Estate Asia Funds



Investment Focus

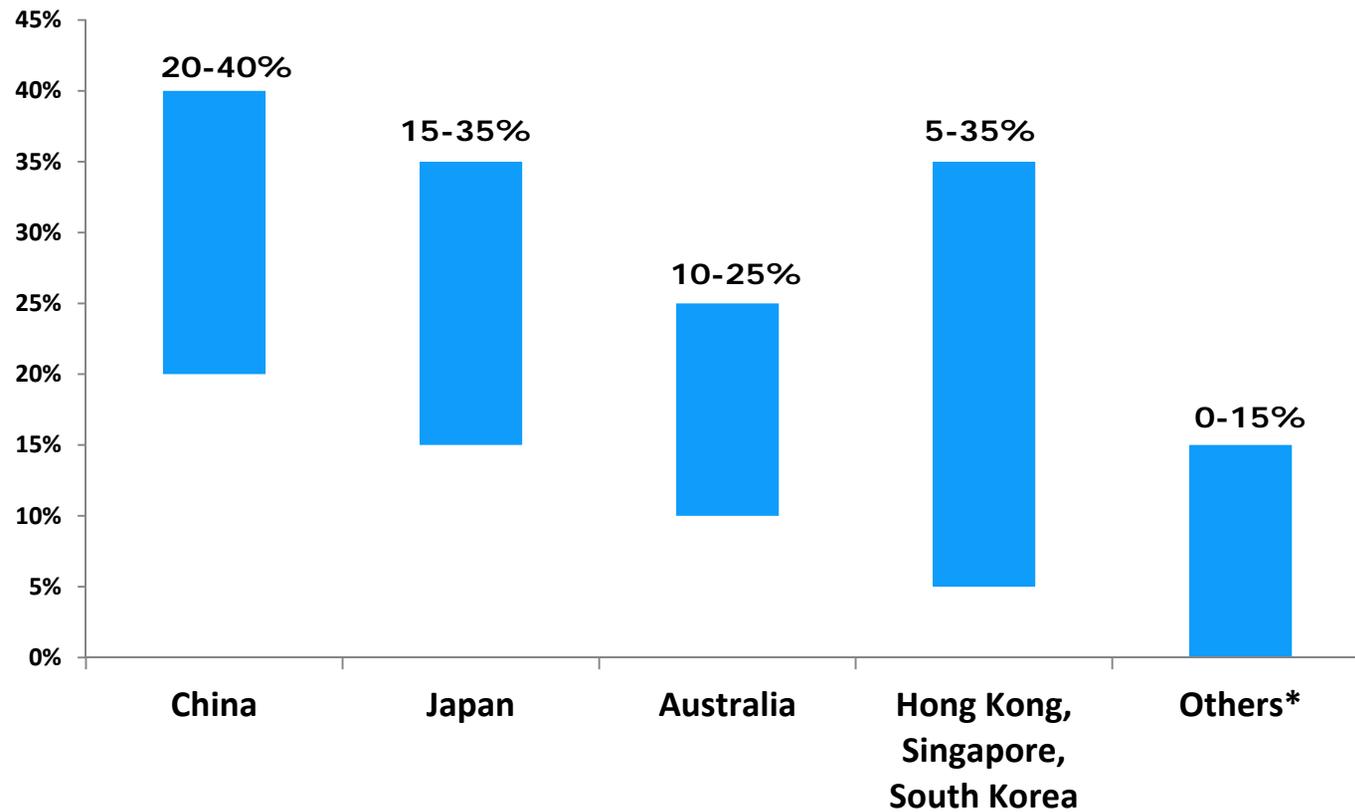


29 *Team target returns, they are net of fees and after asset level taxes. Estimates are as of August 2013 and are subject to change. There is no guarantee that the targets shown will be achieved. See PPM for summary of terms and additional information.

Market Allocation Ranges



Portfolio composition will reflect growth and opportunities of select markets



* South East Asia markets include Malaysia and Thailand.

Note: The market allocations during the initial stage of the Fund may exceed the ranges indicated above but no more than 55% of the aggregate Capital Commitments will be invested in any single country.

Invesco Asia Real Estate Fund I Executive Summary

*Swanton Square,
Melbourne, Australia*



*Dignity Mansion,
Changzhou, China*



*M Plaza
Seoul, South Korea*



*UCJ Ueno Building
Tokyo, Japan*



Vintage Year
2010 (final close)

Fund Size (millions)
\$113

Projected IRR (gross)
14%

Projected Equity Multiple (gross)
1.4x

Leverage
52%

Net Invested Capital
80%

Investments (Total/Unrealized)
6/6

Fund Maturity
December 2017

Invesco Asia Real Estate Fund III, L.P.



Structure:	Cayman Islands Limited Partnership (with parallel funds and/or feeder vehicles)
General Partner:	Invesco Asia Real Estate Fund III GP, Ltd., a Cayman Islands company ("GP")
Investment Strategy:	Opportunistic real estate in Asia Pacific targeting office, residential, retail and logistics properties
Team Target Net Return:	16-18% Net IRR ⁽¹⁾
Geographic Focus:	Pan Asia - China, Japan, South Korea, Australia, Singapore, Hong Kong and other SE Asia Markets (Malaysia, Thailand)
Currency:	US Dollars
Target Size:	US\$800 million of equity
Leverage:	Maximum of 70% of aggregate market value of investments
Investment Period:	2 years from the final closing
Term:	8 year fund life subject to 2 one year extensions at GP's discretion
Management Fee:	1.5% based on invested capital Except that during the fund's marketing period fees will be based on Capital Commitments
Preferential return:	10% p.a. compounded quarterly
Carried Interest:	20% subject to a 50/50 catch up; payment is made at the end of the Fund life and only after investors' have received their capital and preferred return

1. The target return is net of fees and after asset level taxes. There is no guarantee that the target returns will be achieved.

Invesco Asia Real Estate Fund III, L.P. (Cont'd)



<i>GP Co-Investment:</i>	\$25 million at first close
<i>Investment Restrictions:</i>	Up to 25% of the aggregate capital commitments in any single investment Up to 55% of the aggregate capital commitments in any single country
<i>Advisory Committee:</i>	To be comprised of at least 3 members who are representatives of LPs (or third party consultants) as selected by GP; provided each LP whose Capital Commitment equals or exceeds \$50 million shall be offered to have representation on the Committee
<i>Co-investment:</i>	The GP may in its discretion give certain persons, including clients, affiliates, Limited Partners, Successor Funds or third parties, an opportunity to co-invest alongside the Fund where the GP has made a good faith determination that it is not possible or not in the best interests of the Fund to invest the entire amount required.
<i>Key Person:</i>	Until the Fund is dissolved, the GP will cause at least 3 of Cheng-Soon Lau, Graeme Torre, Takuya Yamada, David Farmer, Scott Dennis and Thomas Au to remain actively involved in the business of the Fund.
<i>Select Terms:</i>	Co-Investment Rights to be included in offering
<i>Legal Counsel:</i>	Clifford Chance & Maples and Calder (with respect to Cayman Islands law)
<i>Independent Auditor:</i>	PWC
<i>Tax Advisor:</i>	KPMG

See page 33 of PPM for more detailed information in summary of terms section.



Asia Real Estate Opportunistic Exposure

Invesco Asia Real Estate Fund I and Proposed Invesco Asia Real Estate Fund III



Year End	2013	2014	2015	2016	2017	2018	2019
Asia Fund I (\$30MM Commitment)							
Contribution	<\$7.4>	<\$2.6>	<\$0.1>	<\$0.03>			
Distribution	\$0.8	\$18.8	\$15.6	\$0.6			
Since Inception Cumulative Net Cashflow at Year End	<\$26.0>	<\$9.8>	\$0.0	\$0.0			
Asia Fund III (\$35MM Commitment)							
Contribution		<\$11.0>	<\$11.0>	<\$11.0>			
Distribution					\$16.0	\$16.0	\$16.0
Since Inception Cumulative Net Cashflow at Year End		<\$11.0>	<\$22.0>	<\$33.0>	<\$17.0>	<\$1.0>	\$0.0
Cumulative Annual Net Invested (Both funds; since inception of Asia Fund I)	<\$26.0>	<\$20.8>	<\$22.0>	<\$33.0>	<\$17.0>	<\$1.0>	\$0.0

Section 6

Invesco Real Estate's Recommendation to North Dakota



Invesco Real Estate's Recommendation to North Dakota



- **Maintain, or slightly reduce (\$9 million), exposure to US Core**

- **Continue to invest in US Value Added Fund Series (Fund IV) to offset distributions from US Value Added Funds II & III**

- \$70 million to achieve 30% target

- **Continue to invest in Asia Value Added Fund Series (Fund III) to offset distributions from Asia Fund I**

- \$35 million to achieve 10% target

Victoria Police Building • Office
Melbourne, Australia



Sunset Vine Tower • Apartment/Retail
Hollywood, CA



Watchtower Portfolio
Office • New York, NY

Photographs shown above represent recently acquired Core, Value Add and Asia Fund assets.

Pension Trust – Invesco Real Estate Recommendation

Executive Summary

Recommendation:

With the anticipated wind down of closed end non-core U.S. and non-U.S. real estate funds within the pension trust real estate asset class as well as the rapid deployment of recent commitments, the State Investment Board will need to make new commitments to maintain its target exposure to private real estate – non-core U.S. and non-U.S. private real estate, in particular. Based on the pension trust's current availability to commit, the market opportunities, the relative attractiveness of different strategies, and the pace of capital deployment from our existing managers, Staff recommends making commitments to non-core U.S. and non-U.S. private real estate. Specifically, Staff recommends the Board make the following capital commitments with Invesco: \$70 million to Invesco Value Added Fund IV and \$35 million to Invesco Asia Real Estate Fund III. Both funds are follow-on funds, using the same teams and processes as when we committed to the prior funds.

Rationale:

Based on the September 30, 2013 market value of \$4.27 billion, the pension trust has a 9.7% target allocation, or \$412 million, to private real estate. Compared to this target, the actual investment in private real estate on 9/30/13 was \$384 million. The State Investment Board last made real estate commitments to private funds in 2011. This previous round of commitments was established to better diversify our core real estate exposure based on a targeted allocation of 60% core and 40% non-core real estate. At this time, our availability to commit to private real estate has grown due to the increase in total market value and meaningful distributions from existing private real estate managers. With the anticipated wind down of non-core U.S. and non-U.S. closed-end funds as well as the rapid deployment of committed capital, the State Investment Board will need to make new commitments to maintain its target exposure to private real estate.

Given the nature of investing in closed-end real estate, at the beginning of a fund's life there is a lag period from when a commitment is made until when the actual dollars are invested. Later, when the fund approaches its termination and portfolio holdings mature, properties are sold, the portfolio eventually winds down, and capital is returned to investors. To recognize that investment in funds is often below the commitment level, the State Investment Board needs to make commitments relative to the desired target allocation to closed-end real estate in order to achieve the real estate target allocation of 9.7%.

Current Combined Real Estate Portfolio

Closed-end real estate funds available to institutional real estate investors range from core (lower targeted return/lower risk) strategies to opportunistic (higher targeted return/higher risk) strategies. Core funds typically target returns in the mid-to-high single digit range, predominantly from stable income streams such as apartments. Value-added funds target IRRs from high single digit to mid-teens, while opportunity funds target returns in the high teens and above. Value-added and opportunistic funds will use higher leverage as well depending on the type of investments and the availability of debt in the market. The risk displayed includes both financial and operating risk. For example, re-tenant or development projects involve more operating risk than collecting rents and maintenance of core buildings.

Strategic Position of Pension Trust Private Real Estate Managers

Strategy	SIB Manager	Investment Theme Example	Operating Risk	Financial Leverage	Target Return
Core	Invesco, JP Morgan	Office, Retail, Apartment with low vacancy in prime markets, stable cash flow	Low	Low	Low
Value-Added	Invesco, JP Morgan	Tenant/property improvement, stabilize rent roll, transform to core	Medium	Medium	Medium
Opportunistic	Invesco, JP Morgan	Development, recapitalization, value-added enhancement	High	High	High

The target allocation for the pension trust is 60% core and 40% non-core private real estate. Currently, the strategy allocation is 65% core and 35% non-core private real estate as illustrated below:

Pension Trust Global Real Estate

	<u>9/30/13 MV</u>	<u>%</u>
INVESCO - Core	\$ 145,695,872	38%
J.P. Morgan Strategic	\$ 103,146,930	27%
J.P. Morgan Special Situations	\$ 30,164,567	8%
INVESCO - Asia Real Estate Fund	\$ 23,517,524	6%
INVESCO - Fund II	\$ 22,434,749	6%
INVESCO - Fund III	\$ 21,900,803	6%
J.P. Morgan Greater China Property Fund	\$ 21,069,790	5%
J.P. Morgan Greater Europe Fund	\$ 10,480,723	3%
J.P. Morgan Alternative Property Fund	\$ 5,766,136	2%
Total Global Real Estate	\$ 384,177,094	100%

Current Real Estate Market Trends

Since its peak in 2008, private real estate fund-raising has plummeted to pre-crisis levels. Much of the capital raised post-2008 has gone into core assets (well financed, nearly fully leased class A properties in major markets), as investors become risk-averse and foreign capital floods primary core markets. On the public side, the capital formation of REITs has increased since 2008; REITs are essentially core vehicles. As most of the equity raised, public and private, chase after the core assets, it leaves more opportunities than capital in non-core assets. Several non-core locations outside major metropolitan area are now experiencing equal or stronger growth rates than core locations in New York and London—and are more attractively valued. While non-core properties do carry their share of risks, Staff believes their current valuations and potential returns can more than compensate investors—especially compared to many prime properties.

Separately, in the Asia-Pacific region, rising consumption and urbanization trends are creating attractive investment opportunities. As GDP per capita improves, the usage of property types such as office, hotels, and apartments is expected to increase. Private real estate investing in established pan-Asian real estate markets, now larger than North America, allow investors to capitalize on the region's solid long-term fundamentals and the diversification benefits of higher growth rates with lower correlation to western markets. Additionally, asset enhancement in primary pan-Asian markets carries higher total return prospects, particularly given greater exits available from a growing core real estate market in the region.

Among our non-core managers, Invesco is the nearing the exit stage for current value-added and pan-Asian funds. Without new commitments, the pension trust will have very little exposure to non-core and non-U.S. private real estate within the next several years. Invesco has managed through the severe real estate downturn reasonably well with the anticipation of no loss of capital and the possibility of meaningful upside. Despite a disadvantageous 2007 vintage year, Invesco Real Estate Fund II is projected to return a gross IRR of 8% and an investment multiple of 1.4x. Fund III is projected to return a gross IRR of 18% and an investment multiple of 1.8x. Invesco Asia Real Estate Fund I is projected to deliver a gross IRR of 14% and equity multiple of 1.4x.

September 30, 2013



North Dakota State Investment Board Pension Funds

Investment Measurement Service
Quarterly Review

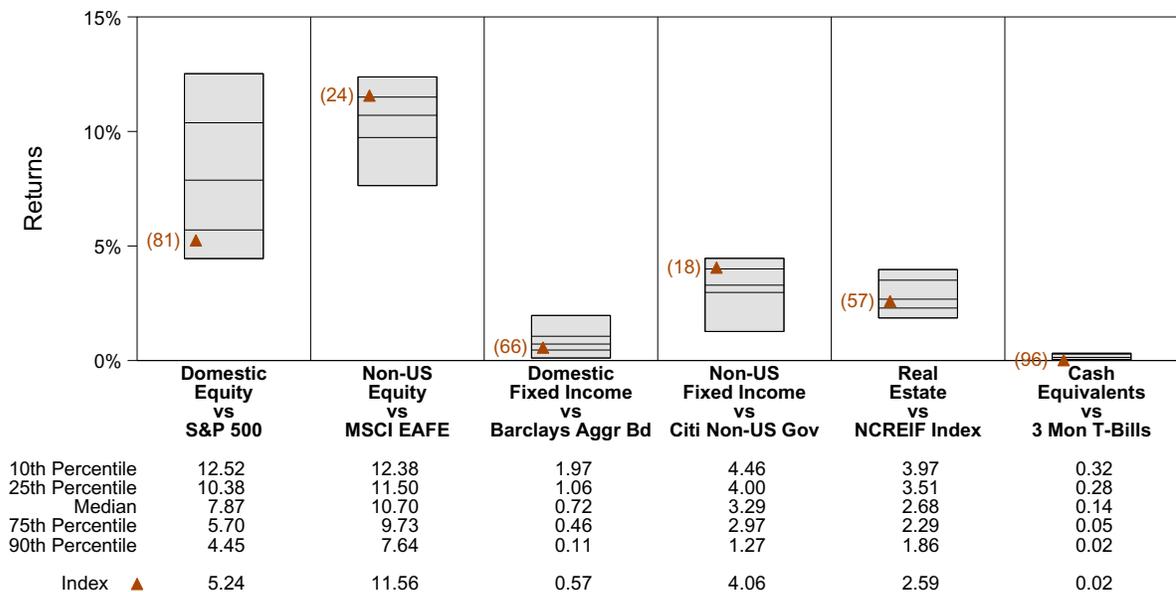
Market Overview

Active Management vs Index Returns

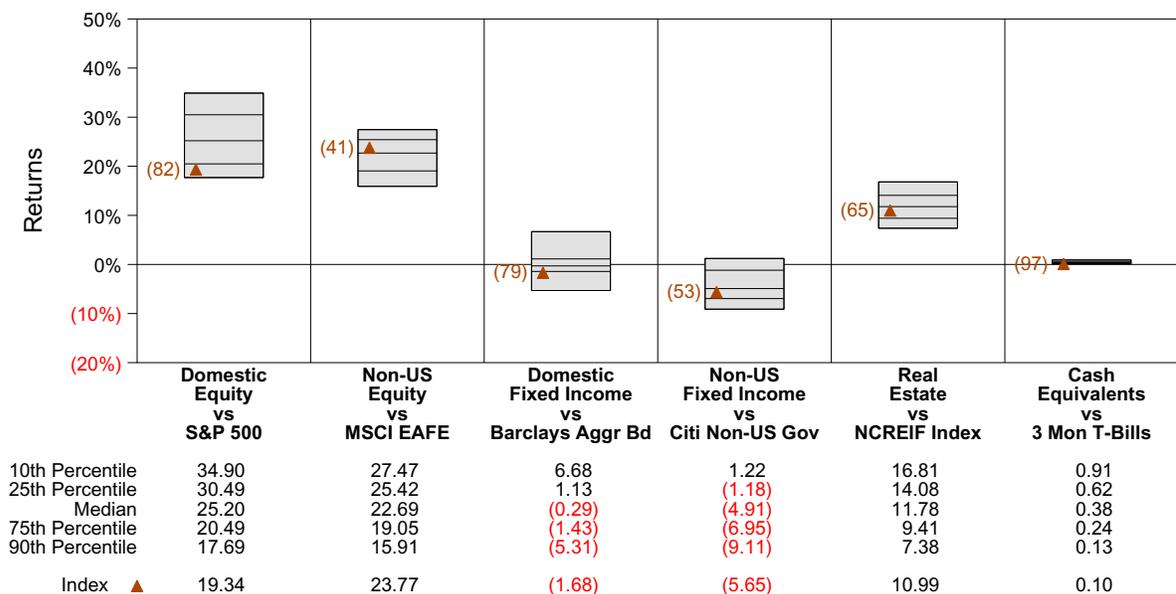
Market Overview

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 September 30, 2013



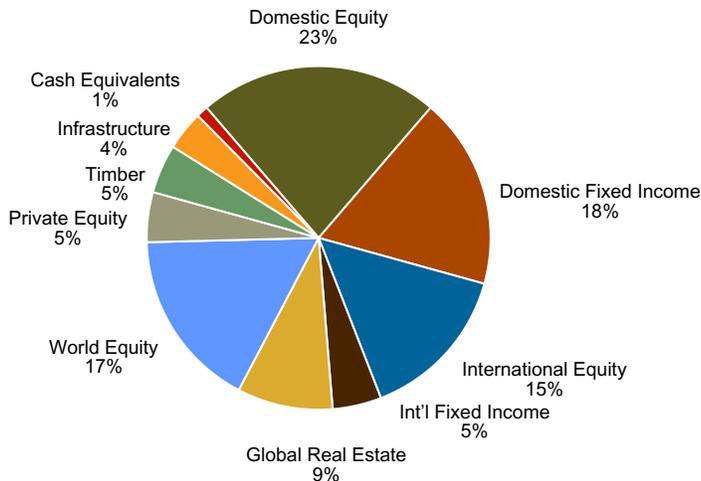
Range of Separate Account Manager Returns by Asset Class One Year Ended September 30, 2013



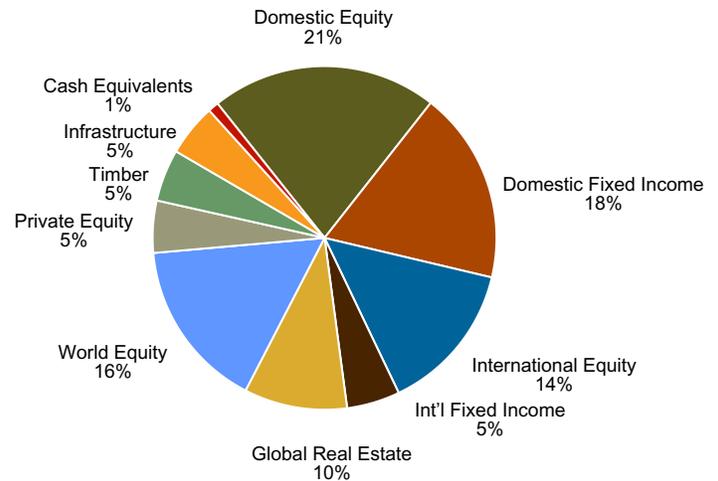
Actual vs Target Asset Allocation As of September 30, 2013

The top left chart shows the Fund's asset allocation as of September 30, 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 Public Fund Sponsor Database.

Actual Asset Allocation

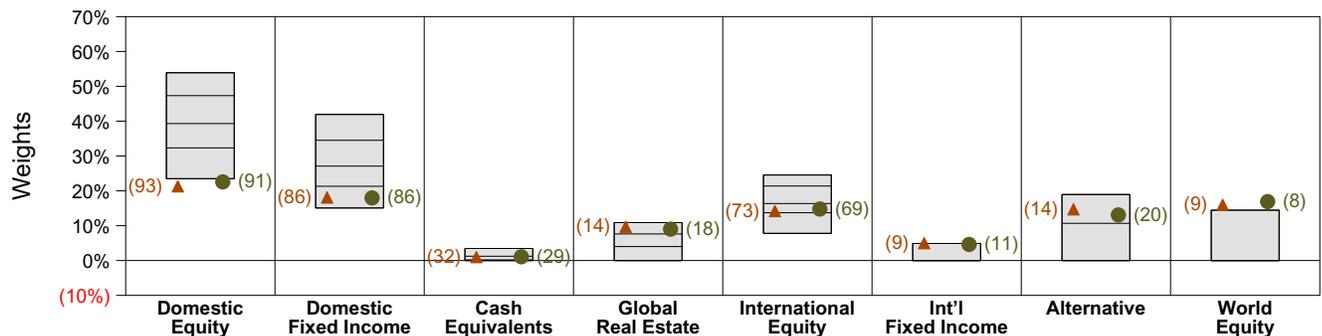


Target Asset Allocation



Asset Class	\$000s Actual	Percent Actual	Percent Target	Percent Difference	\$000s Difference
Domestic Equity	962,596	22.6%	21.3%	1.3%	54,012
Domestic Fixed Income	766,610	18.0%	18.1%	(0.1%)	(5,473)
International Equity	630,392	14.8%	14.2%	0.6%	24,669
Int'l Fixed Income	196,457	4.6%	5.0%	(0.4%)	(16,826)
Global Real Estate	384,070	9.0%	9.7%	(0.7%)	(29,698)
World Equity	721,129	16.9%	16.0%	0.9%	38,624
Private Equity	201,775	4.7%	4.9%	(0.2%)	(7,242)
Timber	196,485	4.6%	4.9%	(0.3%)	(12,532)
Infrastructure	159,908	3.7%	4.9%	(1.2%)	(49,109)
Cash Equivalents	46,231	1.1%	1.0%	0.1%	3,574
Total	4,265,653	100.0%	100.0%		

Asset Class Weights vs Public Fund Sponsor Database



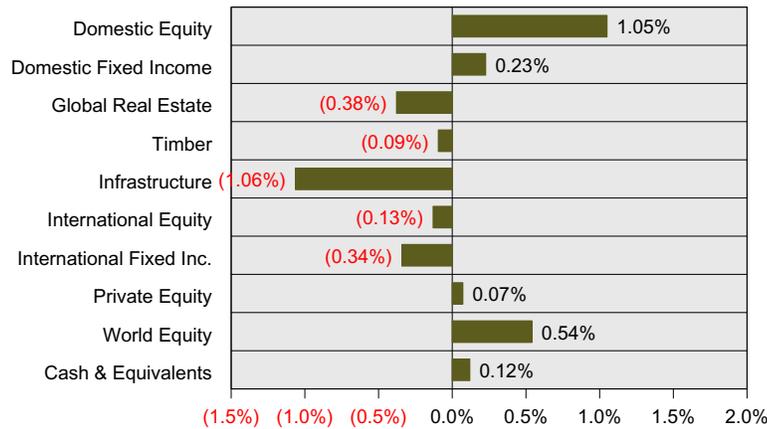
	Domestic Equity	Domestic Fixed Income	Cash Equivalents	Global Real Estate	International Equity	Int'l Fixed Income	Alternative	World Equity
10th Percentile	53.90	41.93	3.46	10.89	24.55	4.89	18.95	14.45
25th Percentile	47.33	34.50	1.23	7.63	21.38	0.00	10.68	0.00
Median	39.31	27.09	0.18	4.00	16.36	0.00	0.00	0.00
75th Percentile	32.33	21.31	0.00	0.00	13.71	0.00	0.00	0.00
90th Percentile	23.48	15.08	0.00	0.00	7.79	0.00	0.00	0.00
Fund	22.57	17.97	1.08	9.00	14.78	4.61	13.09	16.91
Target	21.30	18.10	1.00	9.70	14.20	5.00	14.70	16.00
% Group Invested	97.22%	98.89%	62.22%	55.56%	86.11%	18.33%	42.22%	24.44%

* 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.

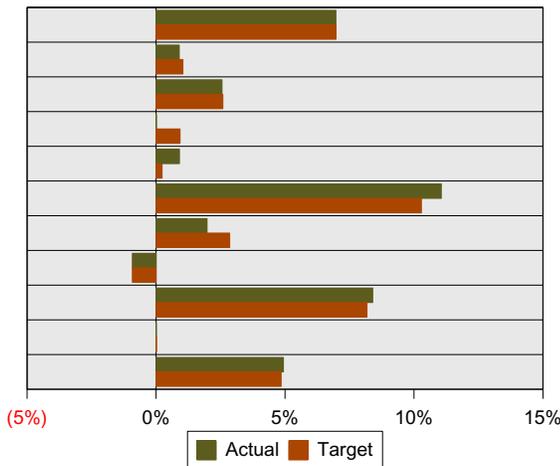
Quarterly Total Fund Relative Attribution - September 30, 2013

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.

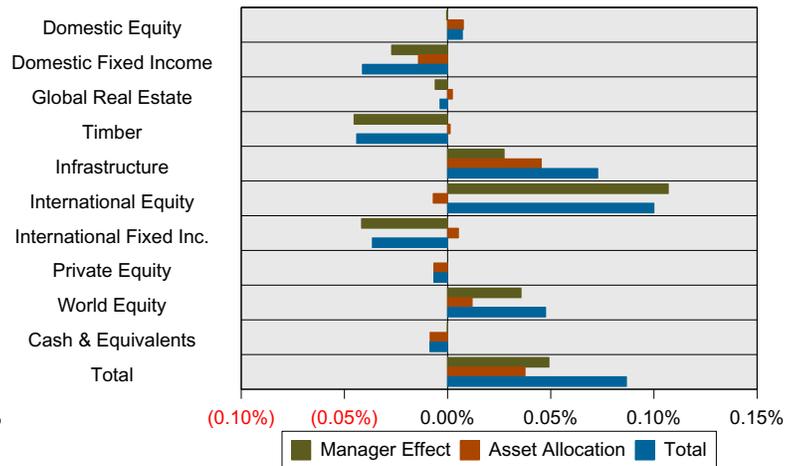
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended September 30, 2013

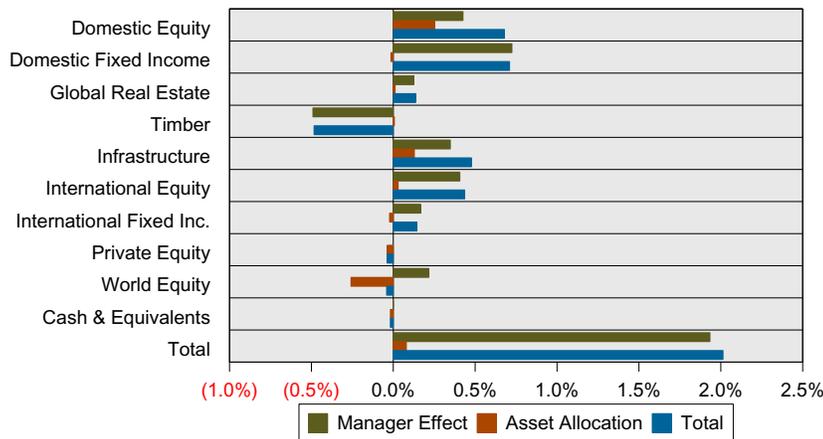
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	22%	21%	6.97%	6.98%	(0.00%)	0.01%	0.01%
Domestic Fixed Income	18%	18%	0.90%	1.04%	(0.03%)	(0.01%)	(0.04%)
Global Real Estate	9%	10%	2.56%	2.59%	(0.01%)	0.00%	(0.00%)
Timber	5%	5%	0.01%	0.93%	(0.05%)	0.00%	(0.04%)
Infrastructure	4%	5%	0.91%	0.23%	0.03%	0.05%	0.07%
International Equity	14%	14%	11.06%	10.29%	0.11%	(0.01%)	0.10%
International Fixed Inc.	5%	5%	1.98%	2.85%	(0.04%)	0.01%	(0.04%)
Private Equity	5%	5%	(0.92%)	(0.92%)	0.00%	(0.01%)	(0.01%)
World Equity	17%	16%	8.40%	8.18%	0.04%	0.01%	0.05%
Cash & Equivalents	1%	1%	0.01%	0.02%	(0.00%)	(0.01%)	(0.01%)
Total			4.94%	4.85%	+ 0.05%	+ 0.04%	0.09%

* 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.

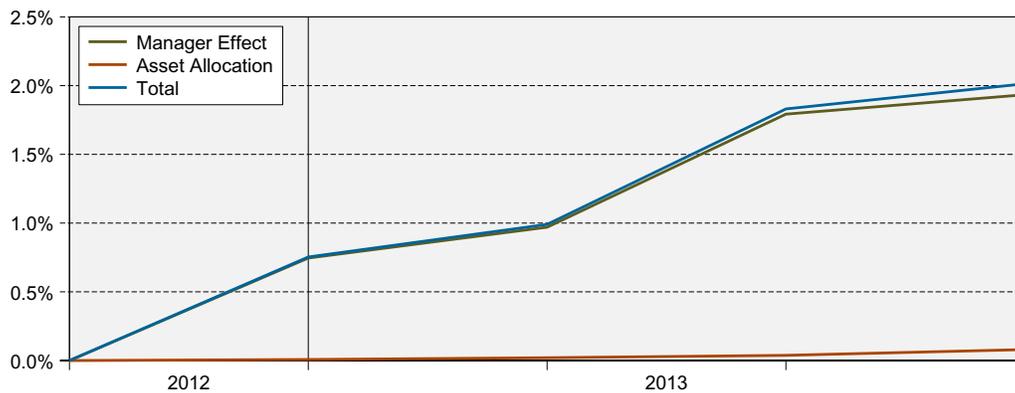
Cumulative Total Fund Relative Attribution - September 30, 2013

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.

One Year Relative Attribution Effects



Cumulative Relative Attribution Effects



One Year Relative Attribution Effects

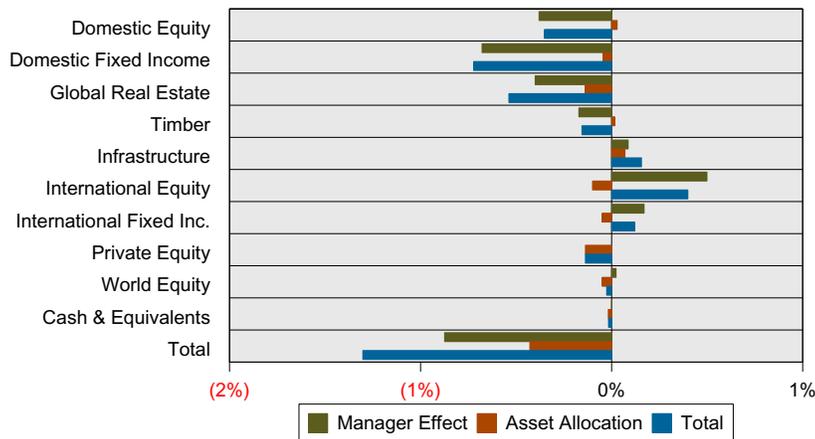
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	24%	23%	24.98%	22.98%	0.43%	0.25%	0.68%
Domestic Fixed Income	18%	18%	4.36%	0.70%	0.72%	(0.01%)	0.71%
Global Real Estate	10%	10%	12.29%	10.99%	0.13%	0.01%	0.14%
Timber	5%	5%	0.58%	9.55%	(0.49%)	0.01%	(0.48%)
Infrastructure	4%	5%	9.96%	1.03%	0.35%	0.13%	0.48%
International Equity	15%	15%	21.53%	18.47%	0.41%	0.03%	0.44%
International Fixed Inc.	5%	5%	(2.18%)	(4.80%)	0.17%	(0.02%)	0.14%
Private Equity	5%	5%	4.78%	4.78%	0.00%	(0.04%)	(0.04%)
World Equity	13%	13%	20.63%	20.21%	0.22%	(0.26%)	(0.04%)
Cash & Equivalents	1%	1%	0.08%	0.10%	(0.00%)	(0.02%)	(0.02%)
Total			14.28%	12.27%	+ 1.93%	+ 0.08%	2.01%

* 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.

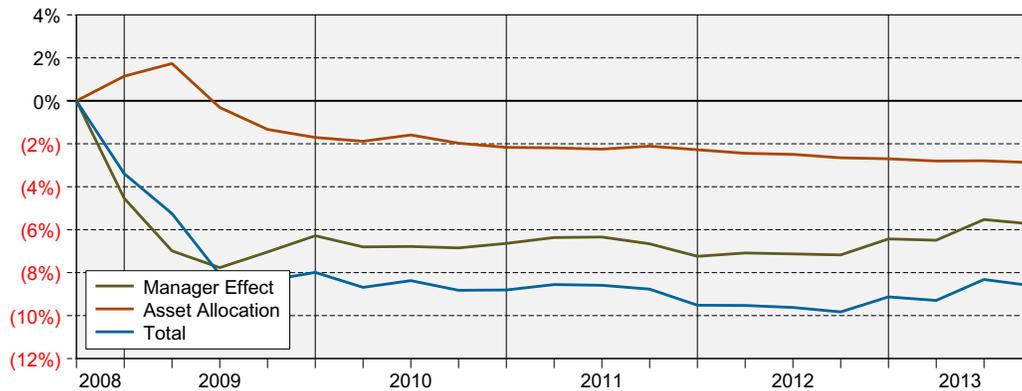
Cumulative Total Fund Relative Attribution - September 30, 2013

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

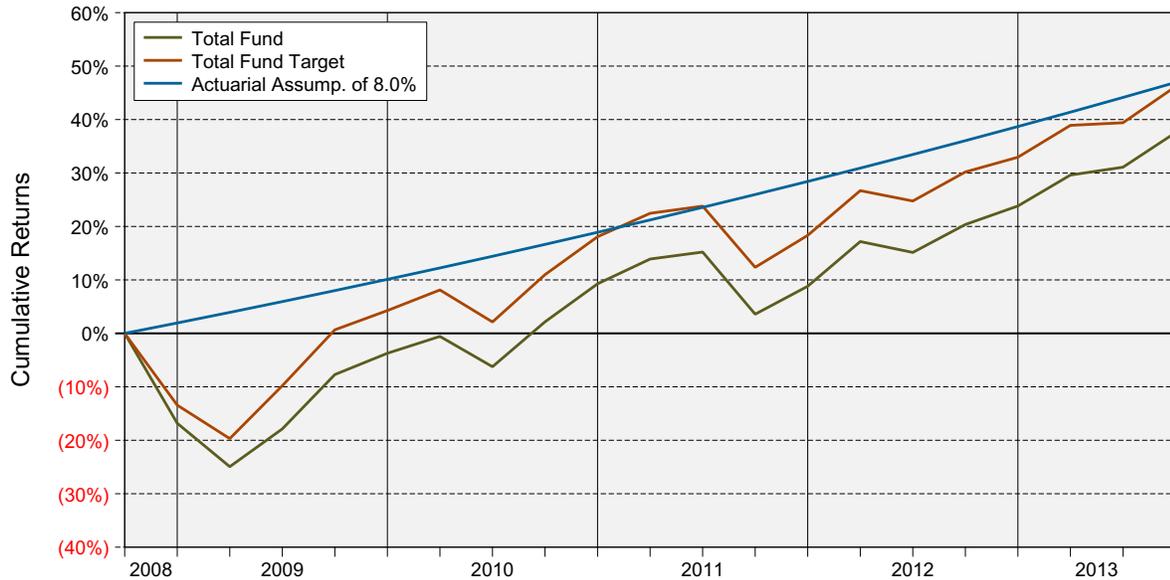
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	32%	34%	9.18%	10.51%	(0.38%)	0.03%	(0.35%)
Domestic Fixed Income	24%	22%	6.01%	7.69%	(0.68%)	(0.04%)	(0.72%)
Global Real Estate	9%	8%	(0.89%)	3.35%	(0.40%)	(0.14%)	(0.54%)
Timber	2%	2%	-	-	(0.17%)	0.02%	(0.16%)
Infrastructure	1%	2%	-	-	0.09%	0.07%	0.16%
International Equity	17%	18%	9.49%	6.69%	0.50%	(0.10%)	0.40%
International Fixed Inc.	5%	5%	7.49%	4.49%	0.17%	(0.05%)	0.12%
Private Equity	5%	5%	1.35%	1.35%	0.00%	(0.14%)	(0.14%)
World Equity	3%	4%	-	-	0.02%	(0.05%)	(0.03%)
Cash & Equivalents	1%	1%	0.25%	0.17%	0.00%	(0.02%)	(0.02%)
Total			6.58%	7.89%	(0.87%)	(0.43%)	(1.30%)

* 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.

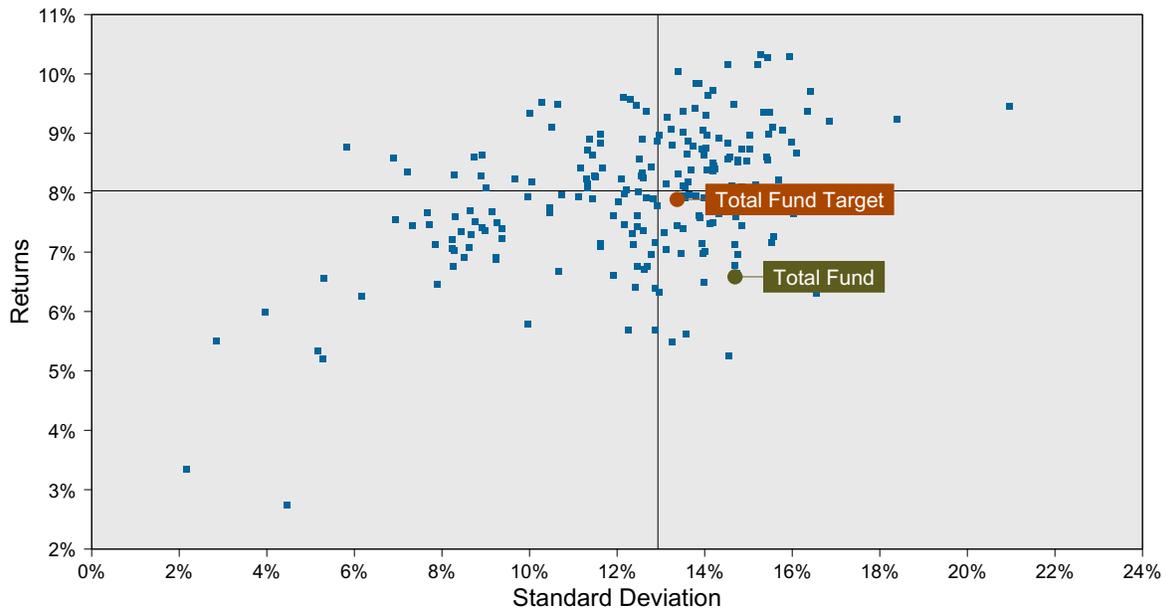
Cumulative Performance Relative to Target

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 Public Fund Sponsor Database.

Cumulative Returns Actual vs Target



Five Year Annualized Risk vs Return



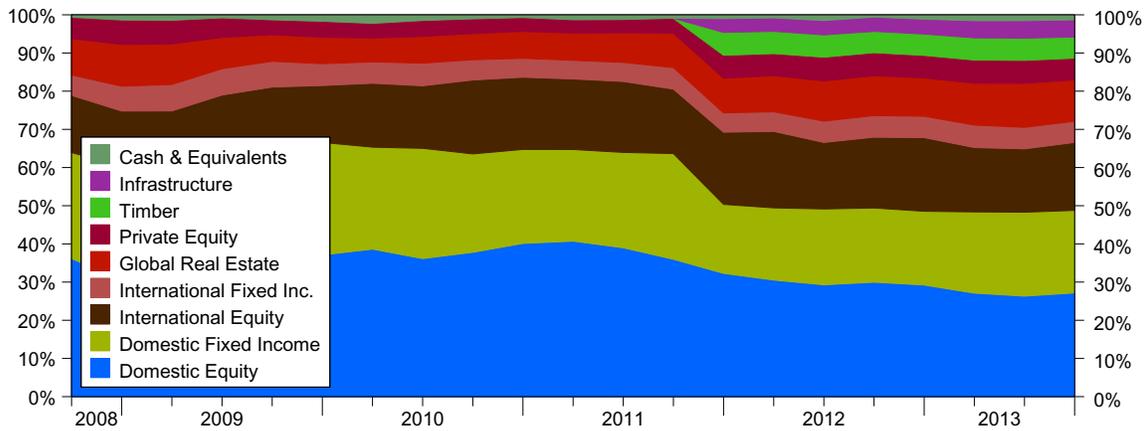
Squares represent membership of the Public Fund Sponsor Database

* 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.

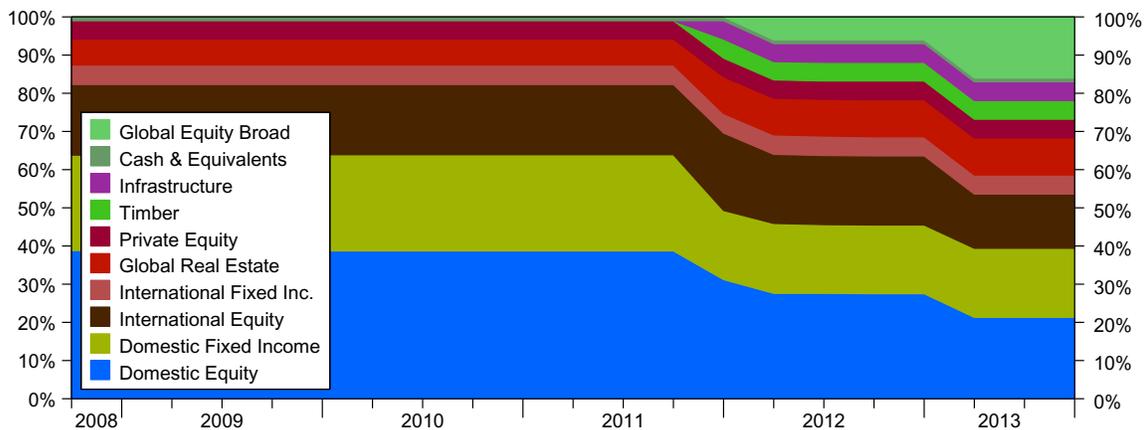
Actual vs Target Historical Asset Allocation

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 Public Fund Sponsor Database.

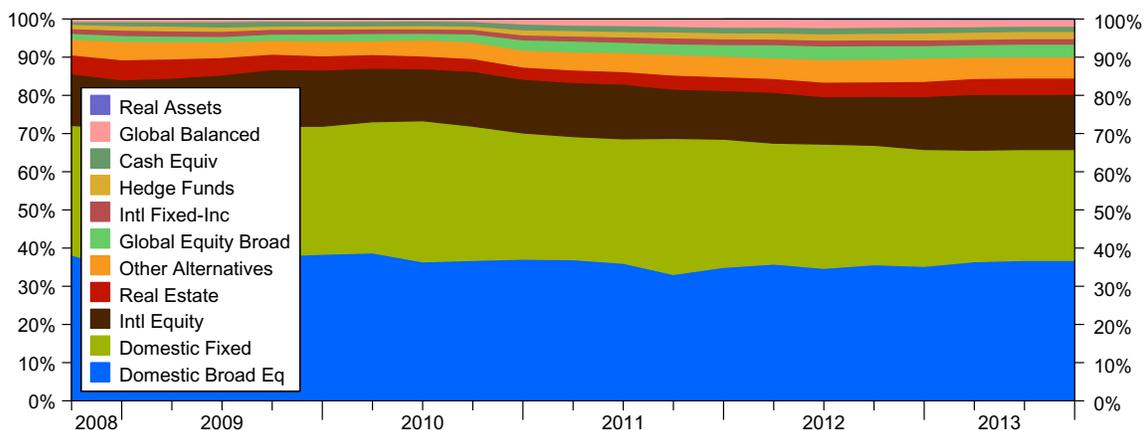
Actual Historical Asset Allocation



Target Historical Asset Allocation



Average Public Fund Sponsor Database Historical Asset Allocation

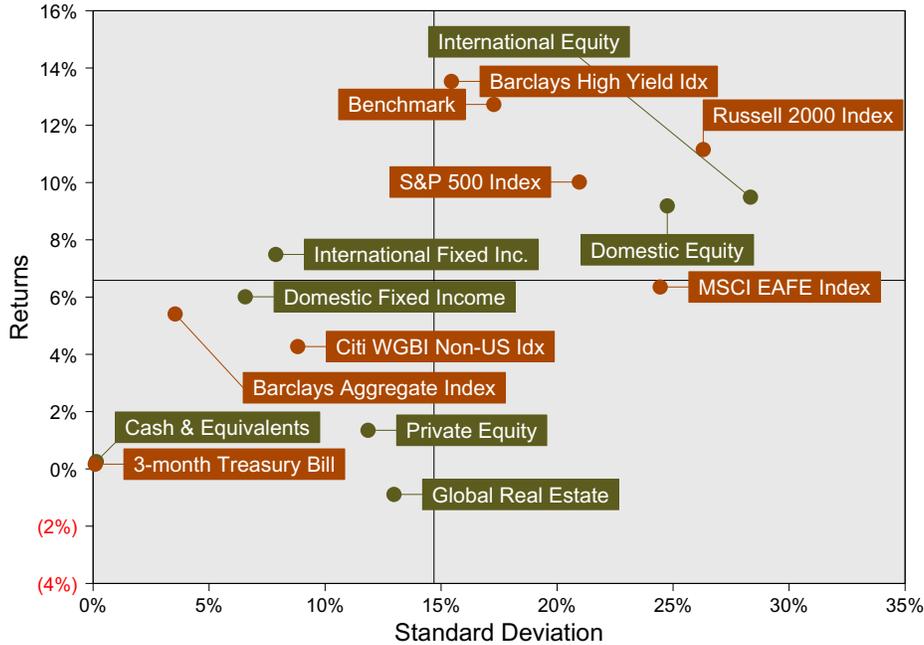


* Current Quarter Target = 16.4% Russell 1000 Index, 16.0% MSCI World Index, 13.1% Barclays Aggregate Index, 11.1% MSCI EAFE Index, 9.7% NCREIF Total Index, 5.0% Barclays HY Corp 2% Issue, 5.0% Barclays Global Agg ex US, 4.9% CPI-W, 4.9% Russell 2000 Index, 4.9% NDSIB PEN - Private Equity, 4.9% NCREIF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

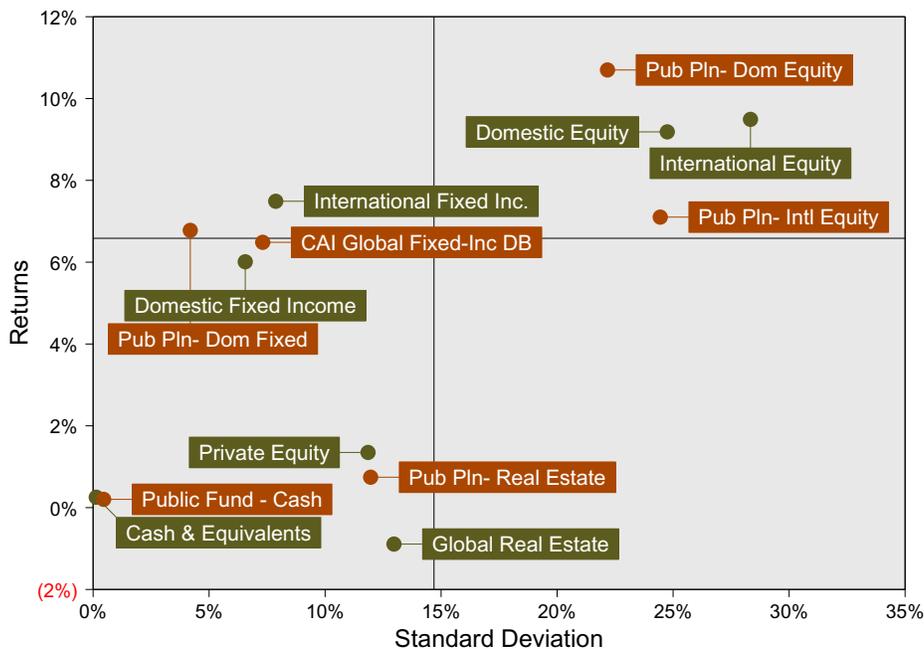
Asset Class Risk and Return

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



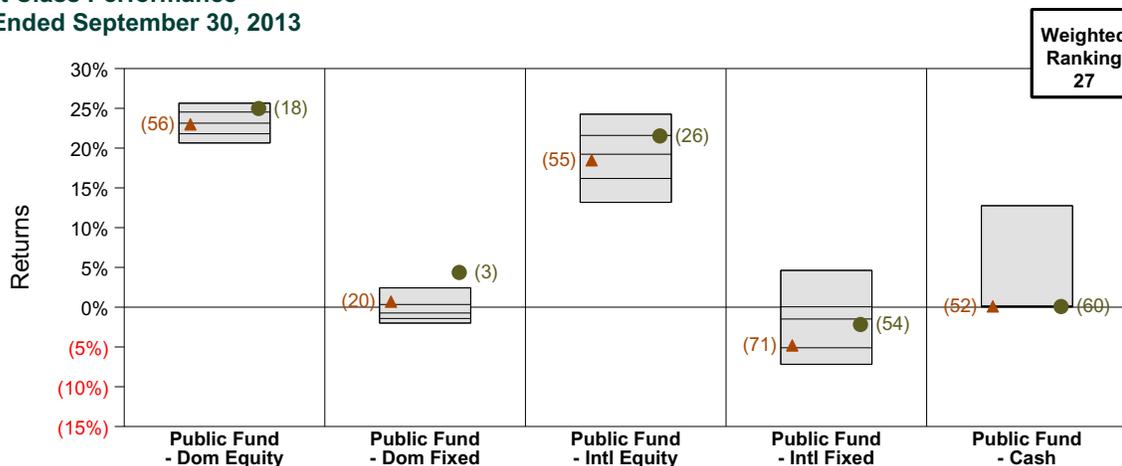
Five Year Annualized Risk vs Return Asset Classes vs Asset Class Median



Asset Class Rankings

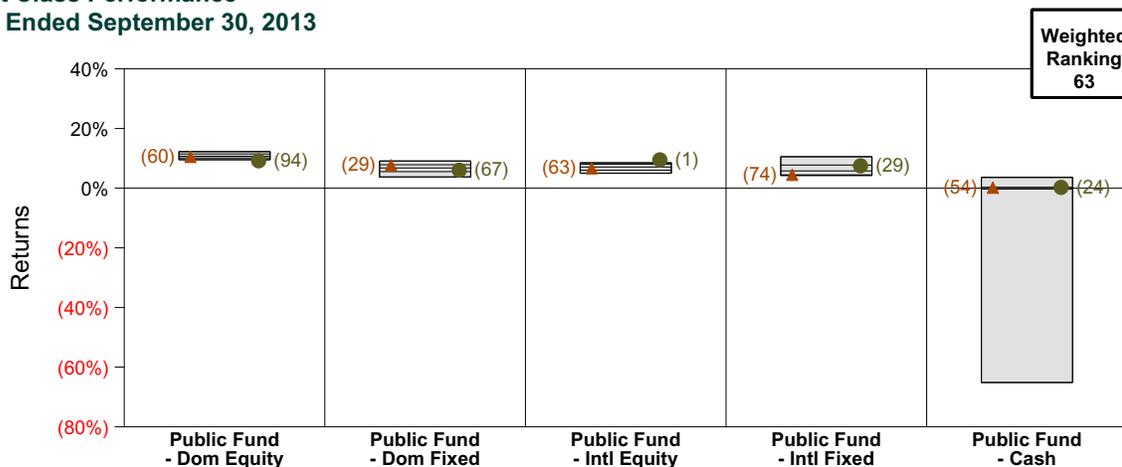
The charts below show the rankings of each asset class component of the Total Fund relative to appropriate comparative databases. In the upper right corner of each graph is the weighted average of the rankings across the different asset classes. The weights of the fund's actual asset allocation are used 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 September 30, 2013



	Public Fund - Dom Equity	Public Fund - Dom Fixed	Public Fund - Intl Equity	Public Fund - Intl Fixed	Public Fund - Cash
10th Percentile	25.64	2.43	24.26	4.63	12.76
25th Percentile	24.53	0.34	21.59	0.04	0.15
Median	23.13	(0.73)	19.23	(1.49)	0.10
75th Percentile	21.80	(1.42)	16.18	(5.10)	0.06
90th Percentile	20.64	(2.00)	13.18	(7.18)	0.03
Asset Class Composite ●	24.98	4.36	21.53	(2.18)	0.08
Composite Benchmark ▲	22.98	0.70	18.47	(4.80)	0.10

Total Asset Class Performance Five Years Ended September 30, 2013



	Public Fund - Dom Equity	Public Fund - Dom Fixed	Public Fund - Intl Equity	Public Fund - Intl Fixed	Public Fund - Cash
10th Percentile	12.26	9.11	8.51	10.55	3.62
25th Percentile	11.46	7.86	8.05	7.75	0.25
Median	10.69	6.78	7.10	5.79	0.20
75th Percentile	10.14	5.54	6.00	4.47	(0.29)
90th Percentile	9.54	3.76	5.01	4.27	(65.14)
Asset Class Composite ●	9.18	6.01	9.49	7.49	0.25
Composite Benchmark ▲	10.51	7.69	6.69	4.49	0.17

* 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 September 30, 2013, with the distribution as of June 30, 2013. 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

	September 30, 2013		Net New Inv.	Inv. Return	June 30, 2013	
	Market Value	Percent			Market Value	Percent
GLOBAL EQUITY	\$2,515,891,875	58.98%	\$(5,073,467)	\$179,673,290	\$2,341,292,052	57.24%
Domestic Equity	\$962,596,108	22.57%	\$(1,121,214)	\$62,804,803	\$900,912,519	22.03%
Large Cap Domestic Equity	\$726,320,757	17.03%	\$(231,041)	\$39,573,997	\$686,977,800	16.80%
L.A. Capital	290,098,337	6.80%	(146,605)	18,125,177	272,119,765	6.65%
LACM Enhanced Index	198,001,488	4.64%	(59,895)	10,162,481	187,898,903	4.59%
NTGI Enhanced S&P 500	98,678,394	2.31%	(164,207)	4,675,831	94,166,770	2.30%
Clifton Enhanced S&P 500	139,542,537	3.27%	139,667	6,610,508	132,792,362	3.25%
Small Cap Domestic Equity	\$236,275,351	5.54%	\$(890,173)	\$23,230,806	\$213,934,718	5.23%
Callan	131,635,238	3.09%	(224,769)	13,400,565	118,459,443	2.90%
Clifton Enhanced Small Cap	104,425,936	2.45%	(665,402)	9,841,546	95,249,792	2.33%
SEI Investments	214,177	0.01%	(2)	(11,305)	225,484	0.01%
International Equity	\$630,392,071	14.78%	\$(559,818)	\$62,806,580	\$568,145,309	13.89%
Developed Int'l Equity	\$500,425,157	11.73%	\$(386,581)	\$58,262,736	\$442,549,002	10.82%
Capital Guardian Trust Co.	74,290,031	1.74%	(81,174)	7,836,118	66,535,087	1.63%
Clifton EAFE Index	220,239,951	5.16%	(44,117)	23,578,018	196,706,051	4.81%
DFA Int'l Small Cap	70,289,564	1.65%	(108,394)	10,020,099	60,377,859	1.48%
SSgA Daily Intl Alpha NL Fund	54,271,979	1.27%	0	5,883,360	48,388,619	1.18%
Wellington Management Co.	81,333,631	1.91%	(152,896)	10,945,141	70,541,386	1.72%
Emerging Markets Equity	\$129,966,914	3.05%	\$(173,236)	\$4,543,844	\$125,596,307	3.07%
DFA	33,074,043	0.78%	(52,841)	1,105,127	32,021,758	0.78%
JP Morgan	23,933,127	0.56%	(113,214)	546,875	23,499,467	0.57%
PanAgora	16,462,206	0.39%	0	418,623	16,043,583	0.39%
UBS Global	22,444,369	0.53%	0	607,480	21,836,889	0.53%
NTGI Emerging Markets	34,053,168	0.80%	(7,181)	1,865,739	32,194,610	0.79%
World Equity	\$721,128,612	16.91%	\$(1,510,062)	\$55,955,031	\$666,683,643	16.30%
EPOCH Investment Partners	217,670,078	5.10%	(376,613)	16,752,647	201,294,044	4.92%
Calamos Investments	57,273,231	1.34%	0	3,387,071	53,886,160	1.32%
LSV Asset Management	446,185,303	10.46%	(1,133,449)	35,815,313	411,503,439	10.06%

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of September 30, 2013, with the distribution as of June 30, 2013. 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

	September 30, 2013		Net New Inv.	Inv. Return	June 30, 2013	
	Market Value	Percent			Market Value	Percent
Private Equity	\$201,775,085	4.73%	\$(1,882,374)	\$(1,893,123)	\$205,550,581	5.03%
Adams Street Direct Co-Invest Fd	16,390,530	0.38%	0	0	16,390,530	0.40%
Adams Street Direct Fund 2010	1,009,049	0.02%	112,500	0	896,549	0.02%
Adams Street 1998 Partnership	118,044	0.00%	(10,875)	(1,307)	130,226	0.00%
Adams Street 1999 Partnership	1,163,188	0.03%	0	4,792	1,158,396	0.03%
Adams Street 2000 Partnership	3,031,945	0.07%	(559,086)	(68,283)	3,659,314	0.09%
Adams Street 2001 Partnership	3,305,106	0.08%	(399,446)	(53,360)	3,757,912	0.09%
Adams Street 2002 Partnership	1,830,464	0.04%	(424,738)	1,916	2,253,286	0.06%
Adams Street 2003 Partnership	827,600	0.02%	(85,540)	59,068	854,072	0.02%
Adams Street 2010 Partnership	2,885,013	0.07%	0	(3,992)	2,889,005	0.07%
Adams Street 2008 Fund	4,914,452	0.12%	219,522	(11,179)	4,706,109	0.12%
Adams Street 1999 Non-US	529,209	0.01%	0	1,053	528,156	0.01%
Adams Street 2000 Non-US	1,120,685	0.03%	0	870	1,119,815	0.03%
Adams Street 2001 Non-US	676,988	0.02%	(103,166)	(1,833)	781,987	0.02%
Adams Street 2002 Non-US	1,903,120	0.04%	(289,811)	(57,155)	2,250,086	0.06%
Adams Street 2003 Non-US	1,889,923	0.04%	(156,898)	79,137	1,967,684	0.05%
Adams Street 2004 Non-US	1,245,694	0.03%	0	(23,174)	1,268,868	0.03%
Adams Street 2010 Non-US	1,472,957	0.03%	0	(10,354)	1,483,311	0.04%
Adams Street 2010 Non-US Emg	363,841	0.01%	37,500	(4,101)	330,442	0.01%
Adams Street BVCF IV Fund	5,222,348	0.12%	0	0	5,222,348	0.13%
Coral Partner VI	2,962,572	0.07%	0	0	2,962,572	0.07%
Hearthstone Advisors MSII	1	0.00%	0	0	1	0.00%
Hearthstone Advisors MSIII	1	0.00%	0	0	1	0.00%
CorsAir III	11,451,525	0.27%	34,227	(171,675)	11,588,973	0.28%
ND Investors	11,610,720	0.27%	(25,000)	25,000	11,610,720	0.28%
CorsAir IV	10,564,229	0.25%	447,714	(195,509)	10,312,024	0.25%
Capital International V	19,064,729	0.45%	17,595	(41,314)	19,088,448	0.47%
Capital International VI	10,138,432	0.24%	4,303,747	(139,990)	5,974,675	0.15%
TCW Energy Fund XIV	23,307,453	0.55%	(4,724,624)	(948,992)	28,981,069	0.71%
Lewis & Clark, LP	6,121,587	0.14%	(259,130)	()	6,380,717	0.16%
Lewis & Clark II	10,156,725	0.24%	613,349	()	9,543,376	0.23%
Quantum Energy Partners	9,330,224	0.22%	(81,892)	3,381	9,408,735	0.23%
Quantum Resources	9,107,067	0.21%	(85,398)	(335,592)	9,528,057	0.23%
Matlin Patterson I	11,987	0.00%	0	0	11,987	0.00%
Matlin Patterson II	1,479,413	0.03%	0	(447)	1,479,860	0.04%
Matlin Patterson III	26,568,264	0.62%	(462,923)	(83)	27,031,270	0.66%

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of September 30, 2013, with the distribution as of June 30, 2013. 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

	September 30, 2013		Net New Inv.	Inv. Return	June 30, 2013	
	Market Value	Percent			Market Value	Percent
GLOBAL FIXED INCOME	\$963,067,541	22.58%	\$7,089,157	\$10,637,687	\$945,340,696	23.11%
Domestic Fixed Income	\$766,610,396	17.97%	\$7,264,243	\$6,828,543	\$752,517,610	18.40%
Inv. Grade Fixed Income	\$559,102,137	13.11%	\$(113,785)	\$3,546,604	\$555,669,319	13.58%
Bank of North Dakota	-	-	(11)	0	11	0.00%
Declaration Total Return	64,871,837	1.52%	0	622,124	64,249,713	1.57%
PIMCO DiSCO II	106,508,833	2.50%	0	2,099,657	104,409,176	2.55%
PIMCO MBS	162,621,752	3.81%	(66,992)	1,165,570	161,523,175	3.95%
PIMCO Unconstrained	64,412,555	1.51%	0	(177,973)	64,590,528	1.58%
SSgA Long US Treas Index	50,877,255	1.19%	0	(1,163,714)	52,040,969	1.27%
Western Asset Management Co.	109,809,905	2.57%	(46,782)	1,000,940	108,855,747	2.66%
Below Inv. Grade Fixed Income	\$207,508,259	4.86%	\$7,378,028	\$3,281,940	\$196,848,291	4.81%
Goldman Sachs 2006 Offshore	3,876,817	0.09%	(777,132)	(16,051)	4,670,000	0.11%
Goldman Sachs Offshore V	10,695,522	0.25%	(318,492)	(85,986)	11,100,000	0.27%
Loomis Sayles	192,935,920	4.52%	8,473,652	3,383,977	181,078,291	4.43%
Internationall Fixed Income	\$196,457,145	4.61%	\$(175,085)	\$3,809,144	\$192,823,086	4.71%
Brandywine	101,935,947	2.39%	(105,170)	371,078	101,670,039	2.49%
UBS Global Asset Mgmt.	94,521,197	2.22%	(69,916)	3,438,066	91,153,047	2.23%
GLOBAL REAL ASSETS	\$740,463,051	17.36%	\$(21,843,128)	\$11,200,835	\$751,105,344	18.36%
Global Real Estate	\$384,070,195	9.00%	\$(20,702,245)	\$9,742,615	\$395,029,825	9.66%
Invesco Core Real Estate	145,588,955	3.41%	(137,482)	3,204,218	142,522,219	3.48%
Invesco Real Estate Fund II	22,434,749	0.53%	(1,000,000)	0	23,434,749	0.57%
Invesco Real Estate Fund III	21,900,803	0.51%	(18,406,594)	12	40,307,385	0.99%
Invesco Asia RE Feeder	23,517,524	0.55%	813,000	(255,478)	22,960,002	0.56%
JP Morgan	133,311,515	3.13%	(295,728)	5,742,092	127,865,151	3.13%
JP Morgan Alternative Fd	5,766,136	0.14%	(626,977)	616,968	5,776,145	0.14%
JP Morgan China Property Fd	21,069,790	0.49%	(1,022,419)	(7,791)	22,100,000	0.54%
JP Morgan Greater European Opp Fd	10,480,723	0.25%	(26,045)	442,594	10,064,173	0.25%
Timber	\$196,485,097	4.61%	\$(3,026,032)	\$26,035	\$199,485,094	4.88%
TIR - Teredo	75,633,108	1.77%	(3,000,000)	3	78,633,105	1.92%
TIR - Springbank	120,851,989	2.83%	(26,032)	26,032	120,851,989	2.95%
Infrastructure	\$159,907,760	3.75%	\$1,885,150	\$1,432,185	\$156,590,425	3.83%
JP Morgan Asian Infrastructure	30,417,000	0.71%	883,115	33,885	29,500,000	0.72%
JP Morgan IIF	98,304,374	2.30%	(265,616)	1,811,752	96,758,237	2.37%
Credit Suisse Cust. Infrastructure	31,186,386	0.73%	1,267,651	(413,453)	30,332,188	0.74%
CASH & CASH EQUIVALENTS	\$46,230,857	1.08%	\$(6,399,903)	\$3,922	\$52,626,837	1.29%
Cash Account	46,230,857	1.08%	(6,399,903)	3,922	52,626,837	1.29%
Total Fund	\$4,265,653,324	100.0%	\$(26,227,341)	\$201,515,735	\$4,090,364,930	100.0%

Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods ended September 30, 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 September 30, 2013

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
GLOBAL EQUITY	7.68%	21.36%	-	-	-
Wtd Avg Global Equity Bench	7.50%	19.64%	-	-	-
Domestic Equity	6.97%	24.98%	17.14%	9.18%	7.39%
Wtd Avg Domestic Equity Bench	6.98%	22.98%	17.10%	10.51%	8.21%
Large Cap Domestic Equity	5.76%	22.39%	16.13%	7.80%	6.36%
L.A. Capital	6.66%	19.90%	16.76%	11.79%	8.93%
LACM Enhanced Index	5.41%	21.63%	16.49%	10.96%	8.71%
NTGI Enhanced S&P 500	4.97%	21.27%	17.73%	10.75%	7.77%
Clifton Enhanced S&P 500	4.98%	18.64%	-	-	-
Large Cap Benchmark (1)	6.02%	20.91%	16.72%	10.27%	7.69%
Small Cap Domestic Equity	10.88%	33.17%	20.29%	12.91%	25.55%
Callan	11.32%	35.21%	20.34%	13.75%	-
Clifton Enhanced Small Cap	10.37%	30.32%	19.57%	-	-
Russell 2000 Index	10.21%	30.06%	18.29%	11.15%	9.64%
International Equity	11.06%	21.53%	8.24%	9.49%	10.29%
Wtd Avg Int'l Equity Bench	10.29%	18.47%	6.08%	6.69%	9.30%
Developed Int'l Equity	13.17%	27.62%	9.79%	9.40%	8.67%
Capital Guardian Trust Co.	11.78%	26.21%	10.39%	7.23%	7.82%
Clifton EAFE Index	11.99%	23.76%	7.86%	-	-
DFA Int'l Small Cap Value	16.61%	34.36%	12.37%	11.15%	-
SSgA Daily Intl Alpha NL Fund	12.16%	28.65%	8.76%	6.30%	7.15%
Wellington Management Co.	15.54%	35.52%	16.13%	15.55%	11.13%
MSCI EAFE Index (2)	11.56%	23.77%	7.95%	6.03%	7.72%
Emerging Markets Equity	3.62%	1.17%	2.75%	8.13%	13.70%
DFA	3.45%	5.16%	0.56%	13.32%	-
JP Morgan	2.34%	1.01%	(0.59%)	7.21%	-
PanAgora	2.61%	0.87%	(0.47%)	6.29%	-
UBS Global	2.78%	(5.12%)	(1.40%)	6.40%	-
NTGI Emerging Markets	5.80%	1.02%	-	-	-
MSCI Emerging Mkts Idx Net (3)	5.77%	0.98%	(0.27%)	7.39%	13.07%
World Equity	8.40%	20.63%	-	-	-
EPOCH Investment Partners (4)	8.33%	24.79%	-	-	-
Calamos Investments	6.29%	8.51%	-	-	-
MSCI World Index	8.18%	20.21%	11.82%	7.84%	7.58%
LSV Asset Management (5)	8.71%	-	-	-	-
MSCI ACWI Idx	8.02%	18.37%	10.81%	8.30%	8.41%

(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.

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

Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods ended September 30, 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 September 30, 2013

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Private Equity*	(0.92%)	4.78%	7.76%	1.35%	5.64%
Adams Street Direct Co-Invest Fd	0.00%	11.74%	13.67%	3.49%	-
Adams Street Direct Fund 2010	0.00%	2.36%	5.27%	-	-
Adams Street 1998 Partnership	(1.10%)	13.36%	2.88%	(5.09%)	4.06%
Adams Street 1999 Partnership	0.41%	6.27%	9.78%	0.63%	6.98%
Adams Street 2000 Partnership	(2.20%)	1.24%	9.69%	4.22%	9.55%
Adams Street 2001 Partnership	(1.46%)	11.04%	10.45%	4.47%	6.80%
Adams Street 2002 Partnership	0.10%	6.93%	14.55%	5.72%	6.31%
Adams Street 2003 Partnership	7.69%	14.93%	8.27%	2.97%	6.59%
Adams Street 2010 Partnership	(0.14%)	8.63%	10.53%	-	-
Adams Street 2008 Fund	(0.23%)	6.34%	7.61%	(1.44%)	-
Adams Street 1999 Non-US	0.20%	17.29%	26.75%	10.50%	21.29%
Adams Street 2000 Non-US	0.08%	(1.08%)	7.02%	(1.77%)	11.81%
Adams Street 2001 Non-US	(0.27%)	13.17%	2.66%	(6.31%)	1.70%
Adams Street 2002 Non-US	(2.67%)	2.83%	9.47%	(2.11%)	12.70%
Adams Street 2003 Non-US	4.37%	26.91%	22.18%	6.22%	14.82%
Adams Street 2004 Non-US	(1.83%)	4.93%	6.94%	(2.08%)	-
Adams Street 2010 Non-US	(0.70%)	7.07%	1.30%	-	-
Adams Street 2010 Non-US Emg	(1.13%)	(5.53%)	-	-	-
Adams Street BVCF IV Fund	0.00%	32.89%	83.51%	51.27%	29.46%
Coral Partner VI	0.00%	20.43%	(4.54%)	(15.15%)	(10.51%)
CorsAir III	(1.48%)	(11.72%)	(2.16%)	(5.73%)	-
ND Investors	0.22%	8.42%	4.34%	2.17%	-
CorsAir IV	(1.85%)	8.04%	(5.09%)	-	-
Capital International V	(0.22%)	(9.80%)	7.34%	1.38%	-
Capital International VI	(1.88%)	(21.52%)	-	-	-
TCW Energy Fund XIV	(3.94%)	(3.99%)	4.77%	8.79%	-
Lewis & Clark, LP	0.00%	17.77%	10.58%	6.72%	4.16%
Lewis & Clark II	0.00%	(4.18%)	(5.04%)	-	-
Quantum Energy Partners	0.04%	21.71%	24.52%	7.98%	-
Quantum Resources	(3.52%)	8.85%	36.69%	0.71%	-
Matlin Patterson I	0.00%	(4.72%)	2687.13%	768.62%	199.79%
Matlin Patterson II	(0.03%)	(12.17%)	(53.08%)	(44.58%)	-
Matlin Patterson III	(0.00%)	25.08%	42.08%	15.03%	-

* Corsair III and North Dakota Investors were taken out from the Private Equity Composite on July 1, 2009. They were then added back into the Private Equity Composite on October 1, 2011. At this time Corsair IV, Capital Intl and TCW were also added to this composite.

Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods ended September 30, 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 September 30, 2013

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
GLOBAL FIXED INCOME	1.12%	2.87%	-	-	-
Wtd Avg Global FI Bench	1.43%	(0.49%)	-	-	-
Domestic Fixed Income	0.90%	4.36%	6.82%	6.01%	7.32%
Wtd Avg Domestic FI Bench	1.04%	0.70%	4.62%	7.69%	5.84%
Inv. Grade Fixed Income	0.64%	2.70%	5.46%	4.49%	7.16%
Declaration Total Return	0.97%	5.20%	-	-	-
PIMCO DISCO II	2.01%	23.81%	-	-	-
PIMCO MBS	0.72%	(1.74%)	-	-	-
PIMCO Unconstrained	(0.28%)	(0.71%)	-	-	-
Western Asset Management Co.	0.92%	(1.71%)	3.26%	6.72%	4.27%
Barclays Aggregate Index	0.57%	(1.68%)	2.86%	5.41%	4.59%
Barclays Mortgage Index	1.03%	(1.20%)	2.65%	4.66%	4.75%
SSgA Long US Treas Index	(2.24%)	-	-	-	-
Barclays Long Treas	(2.23%)	(10.58%)	3.65%	6.50%	6.15%
Below Inv. Grade Fixed Income	1.61%	9.04%	10.41%	10.16%	7.39%
Goldman Sachs 2006 Offshore	(0.31%)	17.68%	6.06%	3.14%	-
Goldman Sachs Offshore V	(0.75%)	17.40%	15.71%	12.66%	-
Loomis Sayles	1.79%	7.88%	9.24%	13.69%	-
Barclays HY Corp 2% Issuer Cap	2.28%	7.14%	9.17%	13.51%	8.85%
International Fixed Income	1.98%	(2.18%)	4.06%	7.49%	6.88%
Wtd Avg Int'l FI Bench	2.85%	(4.80%)	1.02%	4.49%	5.02%
Brandywine	0.37%	(0.06%)	6.57%	9.86%	8.60%
UBS Global Asset Mgmt.	3.77%	(4.36%)	1.35%	4.61%	4.90%
Barclays Global Agg ex US(1)	2.85%	(4.80%)	1.02%	4.49%	5.02%
GLOBAL REAL ASSETS	1.52%	8.43%	-	-	-
Wtd Avg Global Real Assets Bench	1.58%	8.12%	-	-	-
Global Real Estate	2.56%	12.29%	14.63%	(0.89%)	6.65%
Invesco Core Real Estate	2.25%	12.75%	13.63%	0.34%	7.82%
Invesco Real Estate Fund II	0.00%	23.44%	35.58%	(16.41%)	-
Invesco Real Estate Fund III	(0.00%)	16.79%	-	-	-
Invesco Asia RE Feeder	(1.09%)	(3.37%)	(4.67%)	-	-
JP Morgan	4.50%	15.55%	16.11%	1.44%	7.80%
JP Morgan Alternative Fd	11.43%	24.54%	19.50%	(4.48%)	-
JP Morgan China Property Fd	(0.04%)	(0.26%)	1.56%	(1.24%)	-
JP Morgan Greater European Opp Fd	4.40%	(35.83%)	*****%	-	-
NCREIF Total Index	2.59%	10.99%	12.67%	3.35%	8.66%
Timber	0.01%	0.58%	-	-	-
TIR - Teredo	0.00%	5.64%	3.09%	5.23%	9.97%
TIR - Springbank	0.02%	(2.45%)	(3.02%)	(4.90%)	-
NCREIF Timberland Index	0.93%	9.55%	3.95%	2.04%	8.13%
Infrastructure	0.91%	9.96%	-	-	-
JP Morgan Asian Infrastructure	0.11%	24.13%	5.34%	0.82%	-
JP Morgan IIF	1.87%	7.75%	8.67%	(0.48%)	-
Credit Suisse Cust. Infrastructure	(1.32%)	8.32%	-	-	-
CPI-W	0.23%	1.03%	2.46%	1.41%	2.45%
CASH & CASH EQUIVALENTS	0.01%	0.08%	0.11%	0.25%	1.53%
Northern Trust	0.01%	0.08%	0.11%	0.22%	1.52%
3-month Treasury Bill	0.02%	0.10%	0.10%	0.17%	1.70%
Total Fund	4.94%	14.28%	10.42%	6.58%	7.63%
Target*	4.85%	12.27%	9.61%	7.89%	7.74%

* 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.

September 30, 2013



**North Dakota State Investment
Board Insurance Trust**

**Investment Measurement Service
Quarterly Review**

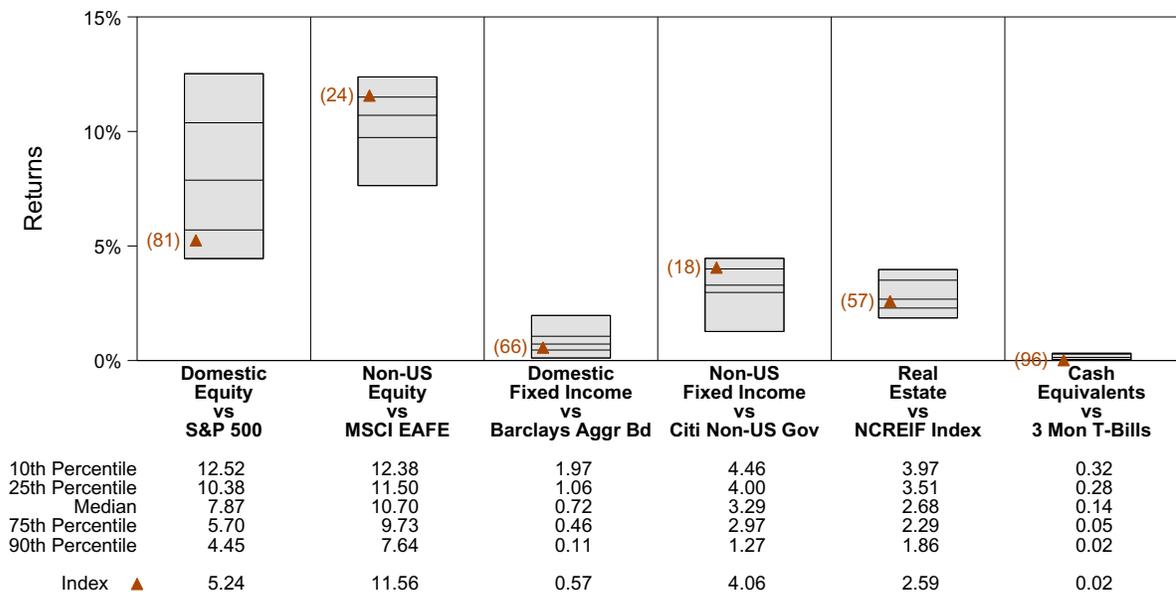
Market Overview

Active Management vs Index Returns

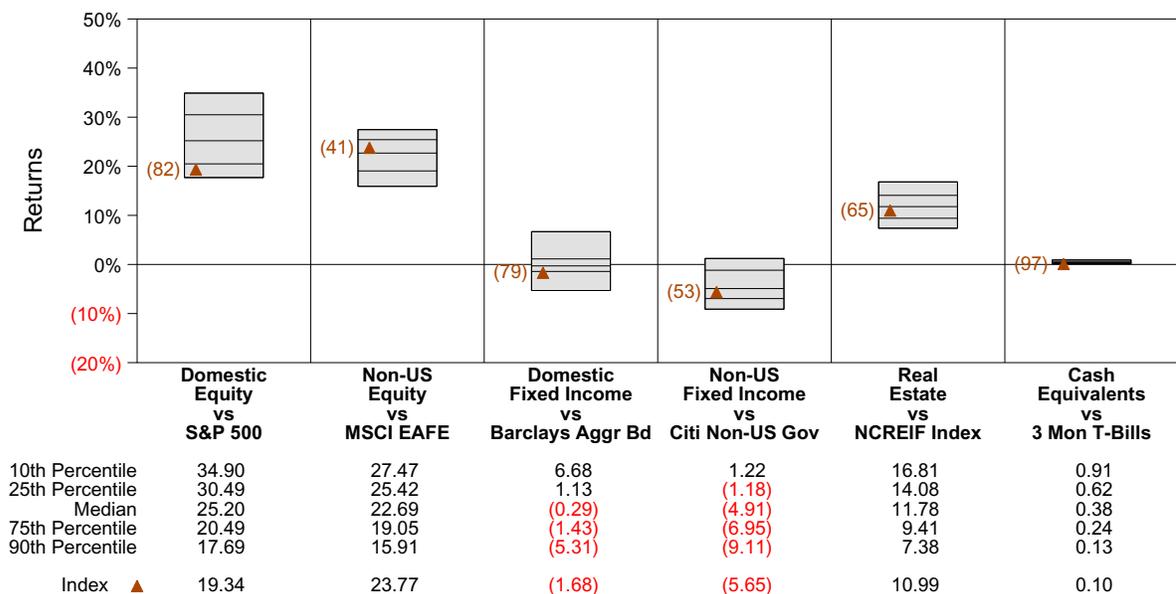
Market Overview

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 September 30, 2013



Range of Separate Account Manager Returns by Asset Class One Year Ended September 30, 2013



ASSET ALLOCATION AND PERFORMANCE

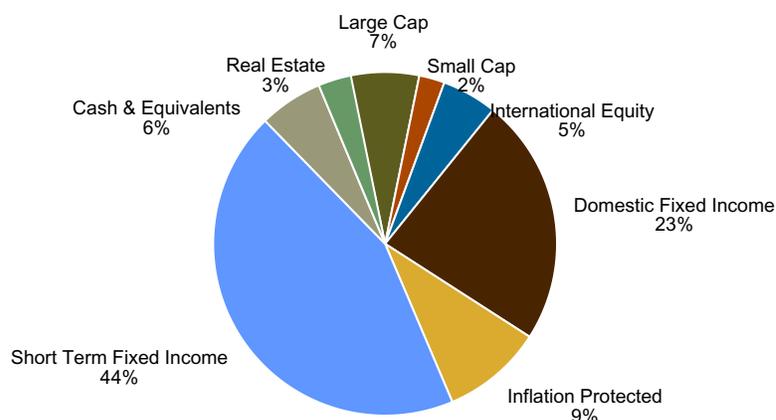
Asset Allocation and Performance

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.

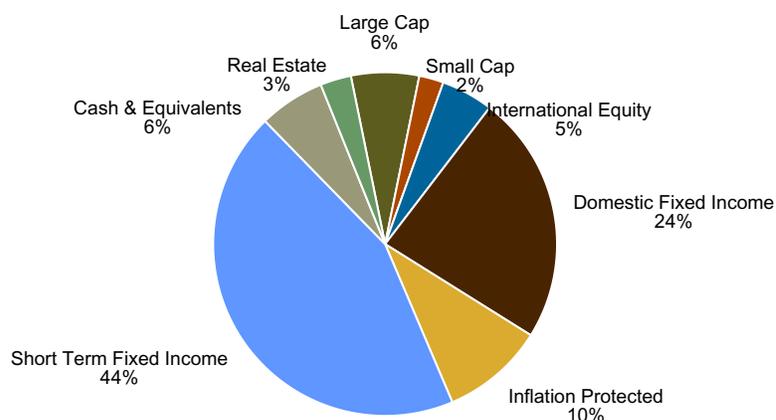
Actual vs Target Asset Allocation As of September 30, 2013

The first chart below shows the Fund's asset allocation as of September 30, 2013. The second chart shows the Fund's target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



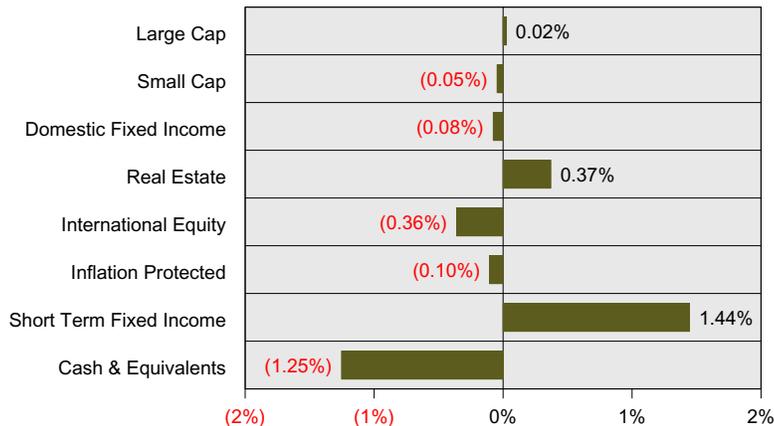
Asset Class	\$000s Actual	Percent Actual	Percent Target	Percent Difference	\$000s Difference
Large Cap	237,804	6.5%	6.4%	0.1%	5,231
Small Cap	85,967	2.4%	2.3%	0.1%	2,386
International Equity	188,301	5.2%	4.9%	0.3%	10,236
Domestic Fixed Income	845,493	23.3%	23.5%	(0.2%)	(8,489)
Inflation Protected	343,920	9.5%	9.7%	(0.2%)	(8,575)
Short Term Fixed Income	1,601,919	44.1%	44.1%	0.0%	(660)
Cash & Equivalents	219,403	6.0%	6.2%	(0.2%)	(5,903)
Real Estate	111,160	3.1%	2.9%	0.2%	5,775
Total	3,633,966	100.0%	100.0%		

* Current Quarter Target = 44.1% Barclays Gov 1-3 Yr, 23.5% Barclays Aggregate Index, 9.7% Barclays Gbl Inftn-Linkd, 6.4% Russell 1000 Index, 6.2% 3-month Treasury Bill, 4.9% MSCI EAFE Index, 2.9% NCREIF Total Index and 2.3% Russell 2000 Index.

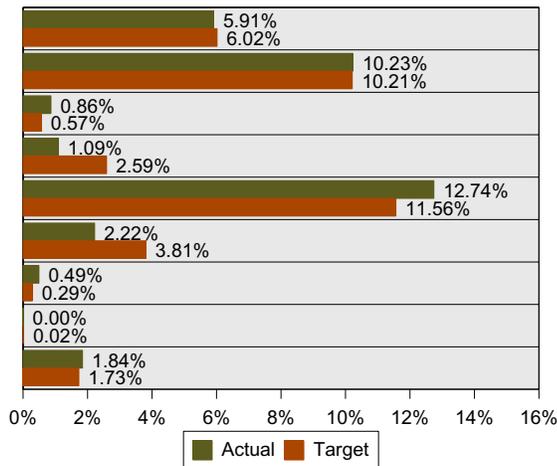
Quarterly Total Fund Relative Attribution - September 30, 2013

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.

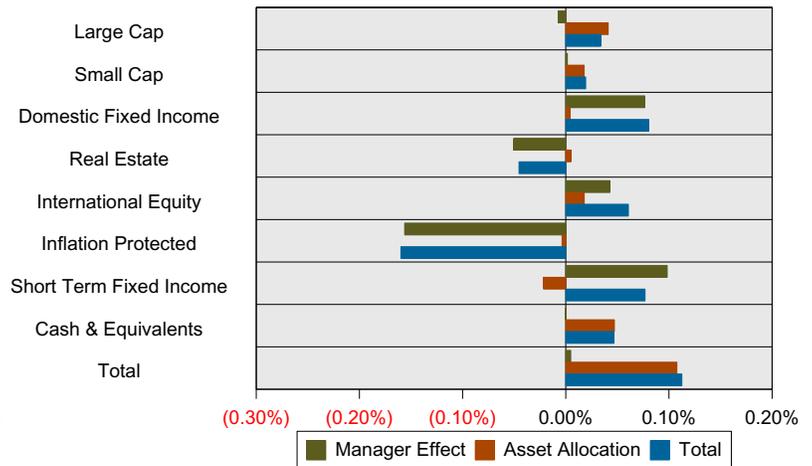
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended September 30, 2013

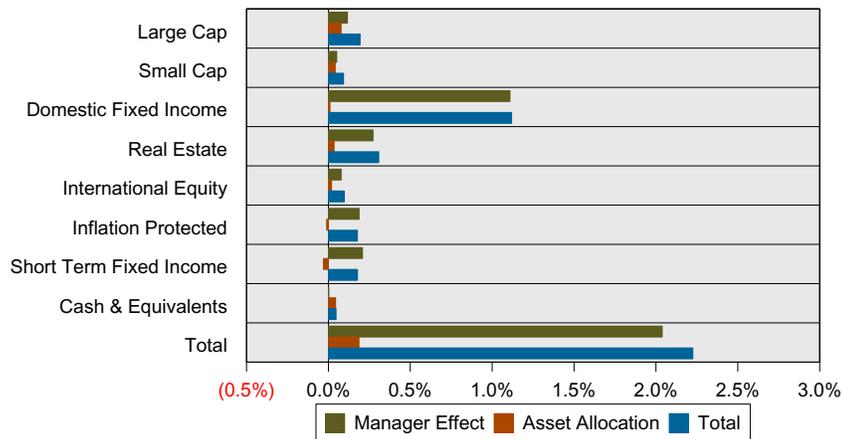
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap	6%	6%	5.91%	6.02%	(0.01%)	0.04%	0.03%
Small Cap	2%	2%	10.23%	10.21%	0.00%	0.02%	0.02%
Domestic Fixed Income	24%	24%	0.86%	0.57%	0.08%	0.00%	0.08%
Real Estate	3%	3%	1.09%	2.59%	(0.05%)	0.01%	(0.05%)
International Equity	4%	4%	12.74%	11.56%	0.04%	0.02%	0.06%
Inflation Protected	10%	10%	2.22%	3.81%	(0.16%)	(0.00%)	(0.16%)
Short Term Fixed Income	48%	46%	0.49%	0.29%	0.10%	(0.02%)	0.08%
Cash & Equivalents	2%	4%	0.00%	0.02%	(0.00%)	0.05%	0.05%
Total			1.84%	1.73%	0.00%	0.11%	0.11%

* Current Quarter Target = 44.1% Barclays Gov 1-3 Yr, 23.5% Barclays Aggregate Index, 9.7% Barclays Gbl Inftn-Lnked, 6.4% Russell 1000 Index, 6.2% 3-month Treasury Bill, 4.9% MSCI EAFE Index, 2.9% NCREIF Total Index and 2.3% Russell 2000 Index.

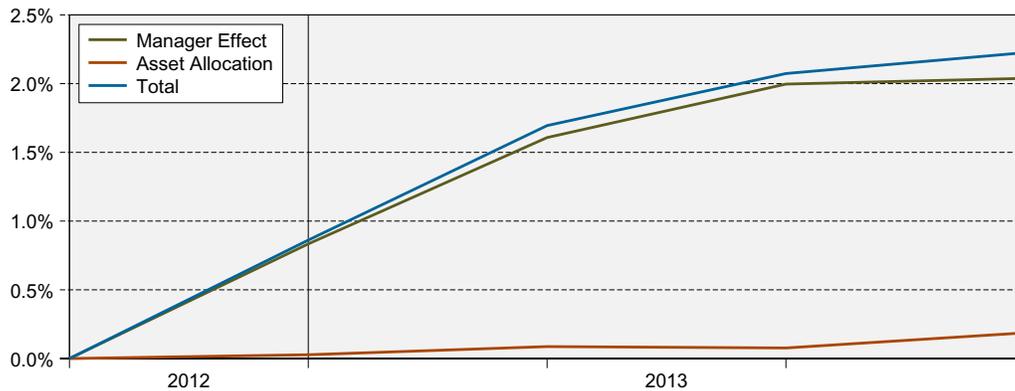
Cumulative Total Fund Relative Attribution - September 30, 2013

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.

One Year Relative Attribution Effects



Cumulative Relative Attribution Effects



One Year Relative Attribution Effects

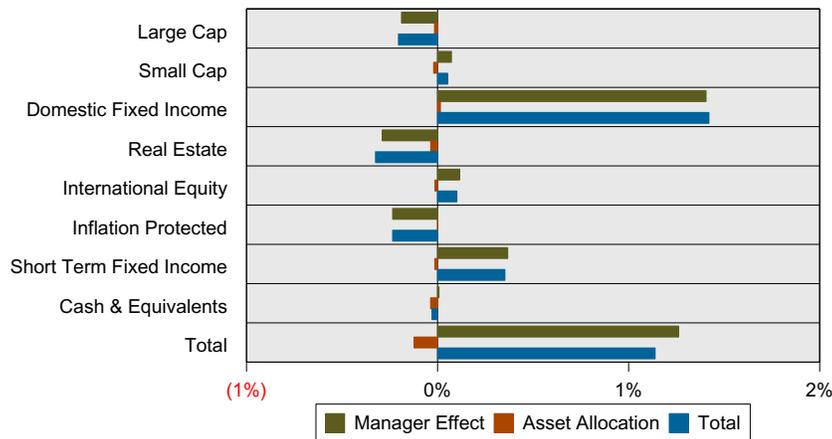
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap	6%	6%	23.19%	20.91%	0.12%	0.08%	0.19%
Small Cap	2%	2%	33.00%	30.06%	0.05%	0.04%	0.09%
Domestic Fixed Income	28%	28%	1.76%	(1.68%)	1.11%	0.01%	1.12%
Real Estate	4%	3%	19.03%	10.99%	0.27%	0.03%	0.31%
International Equity	4%	4%	26.15%	23.77%	0.08%	0.02%	0.10%
Inflation Protected	11%	12%	1.15%	(0.47%)	0.19%	(0.01%)	0.18%
Short Term Fixed Income	42%	42%	0.90%	0.37%	0.21%	(0.03%)	0.18%
Cash & Equivalents	3%	3%	0.20%	0.10%	0.00%	0.04%	0.05%
Total			4.89%	= 2.66%	+ 2.04%	+ 0.19%	2.23%

* Current Quarter Target = 44.1% Barclays Gov 1-3 Yr, 23.5% Barclays Aggregate Index, 9.7% Barclays Gbl Inftn-Lnked, 6.4% Russell 1000 Index, 6.2% 3-month Treasury Bill, 4.9% MSCI EAFE Index, 2.9% NCREIF Total Index and 2.3% Russell 2000 Index.

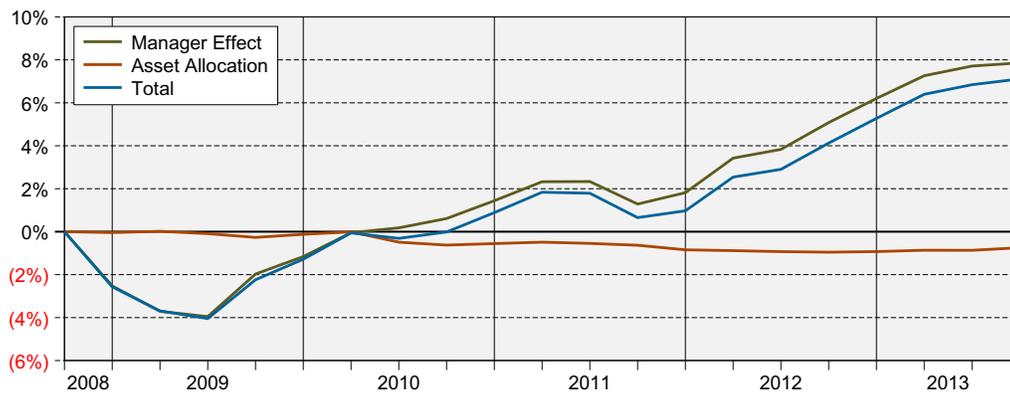
Cumulative Total Fund Relative Attribution - September 30, 2013

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

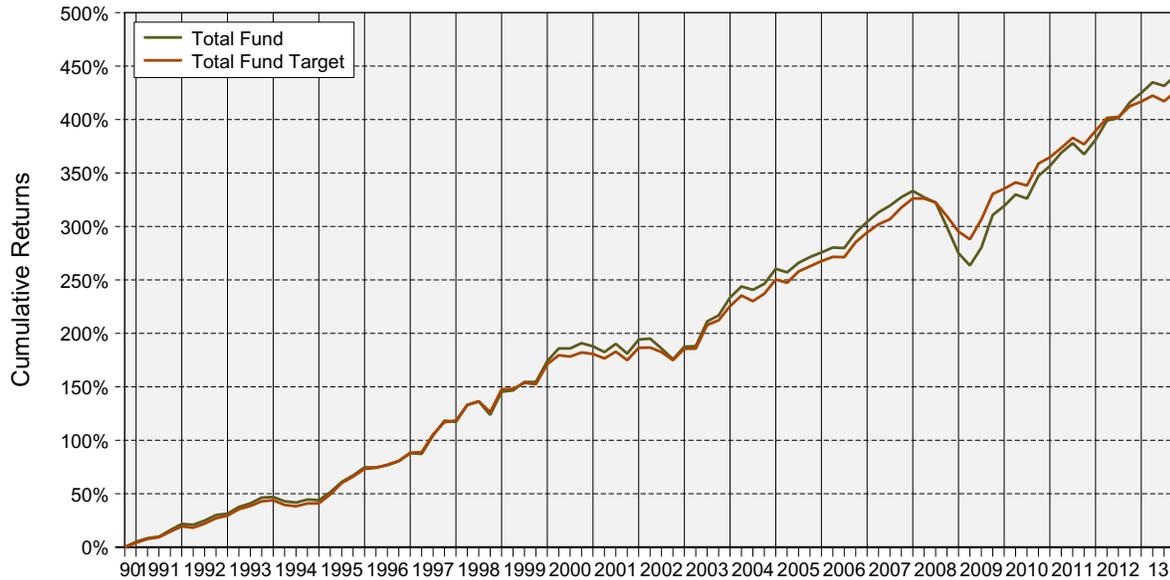
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap	8%	8%	8.61%	10.27%	(0.19%)	(0.02%)	(0.20%)
Small Cap	3%	3%	13.41%	11.15%	0.07%	(0.02%)	0.05%
Domestic Fixed Income	40%	40%	9.25%	5.41%	1.41%	0.02%	1.42%
Real Estate	4%	5%	(3.59%)	3.35%	(0.29%)	(0.04%)	(0.32%)
International Equity	6%	6%	7.82%	6.03%	0.12%	(0.01%)	0.10%
Inflation Protected	16%	17%	3.95%	5.03%	(0.24%)	0.00%	(0.24%)
Short Term Fixed Income	19%	19%	-	-	0.37%	(0.01%)	0.35%
Cash & Equivalents	4%	3%	0.36%	0.17%	0.01%	(0.04%)	(0.03%)
Total			6.28%	5.14%	+ 1.26%	+ (0.12%)	1.14%

* Current Quarter Target = 44.1% Barclays Gov 1-3 Yr, 23.5% Barclays Aggregate Index, 9.7% Barclays Gbl Inftn-Lnked, 6.4% Russell 1000 Index, 6.2% 3-month Treasury Bill, 4.9% MSCI EAFE Index, 2.9% NCREIF Total Index and 2.3% Russell 2000 Index.

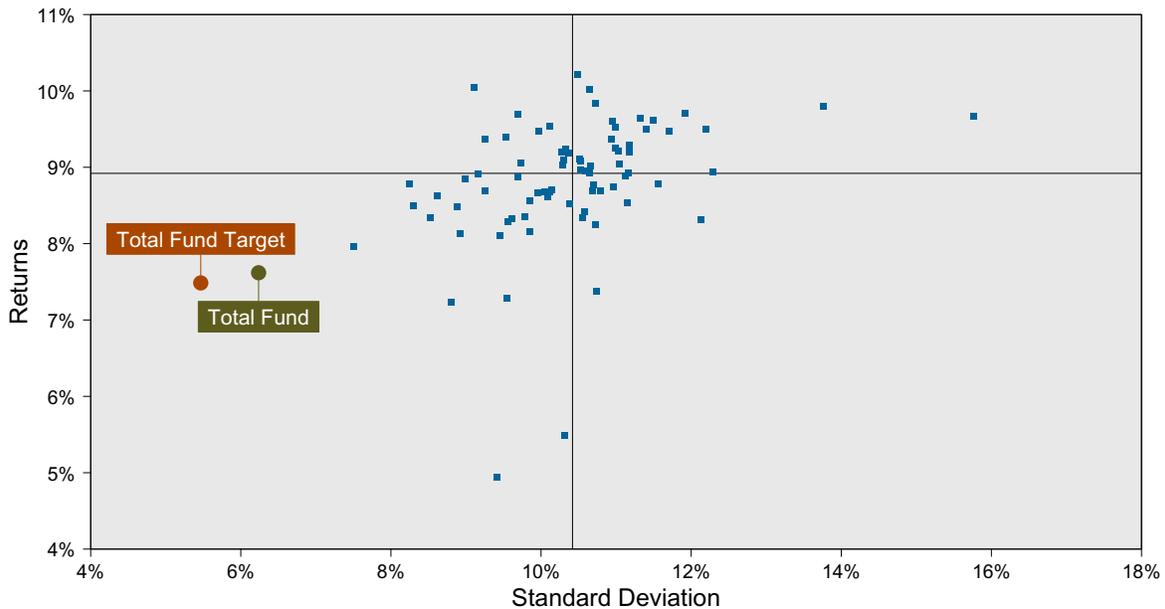
Cumulative Performance Relative to Target

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 Public Fund Sponsor Database.

Cumulative Returns Actual vs Target



Twenty-Three Year Annualized Risk vs Return



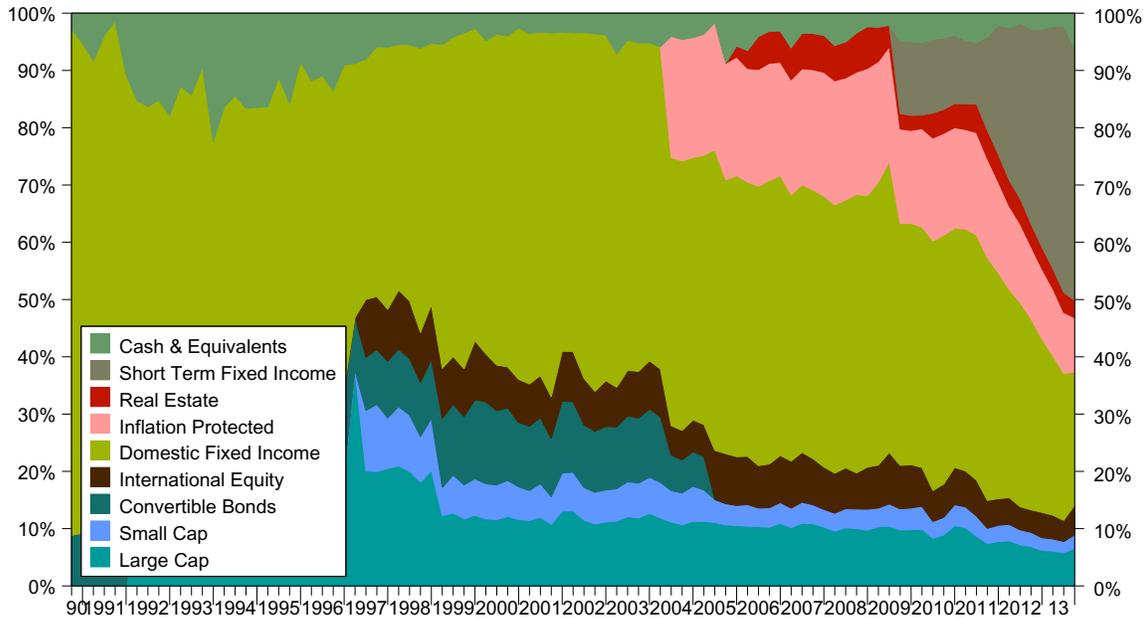
Squares represent membership of the Public Fund Sponsor Database

* Current Quarter Target = 44.1% Barclays Gov 1-3 Yr, 23.5% Barclays Aggregate Index, 9.7% Barclays Gbl Inftn-Lnked, 6.4% Russell 1000 Index, 6.2% 3-month Treasury Bill, 4.9% MSCI EAFE Index, 2.9% NCREIF Total Index and 2.3% Russell 2000 Index.

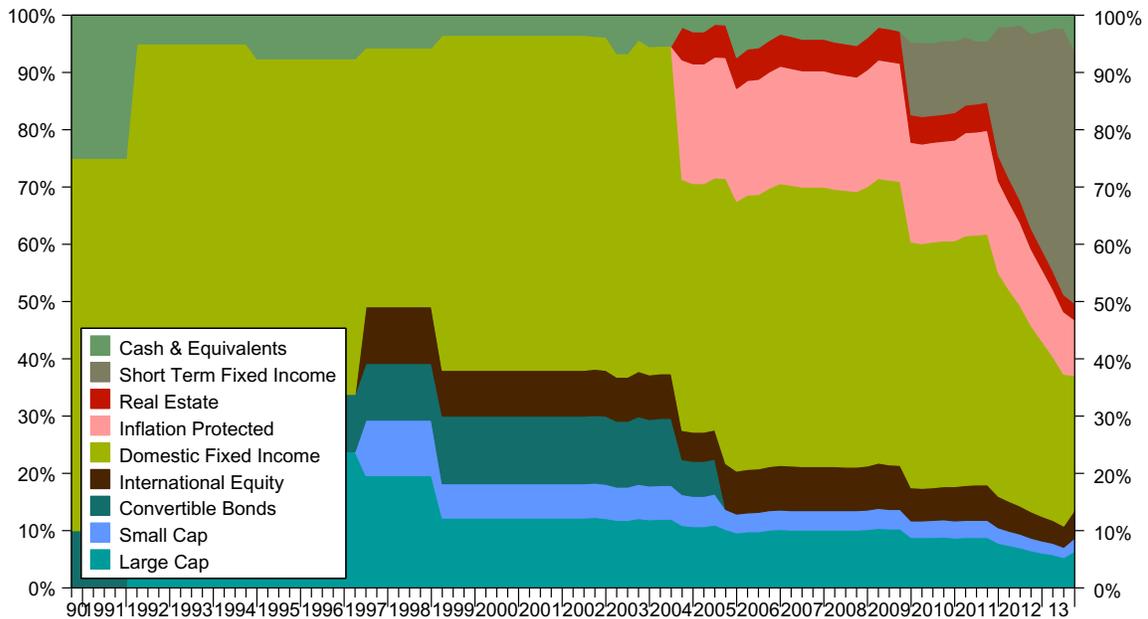
Actual vs Target Historical Asset Allocation

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

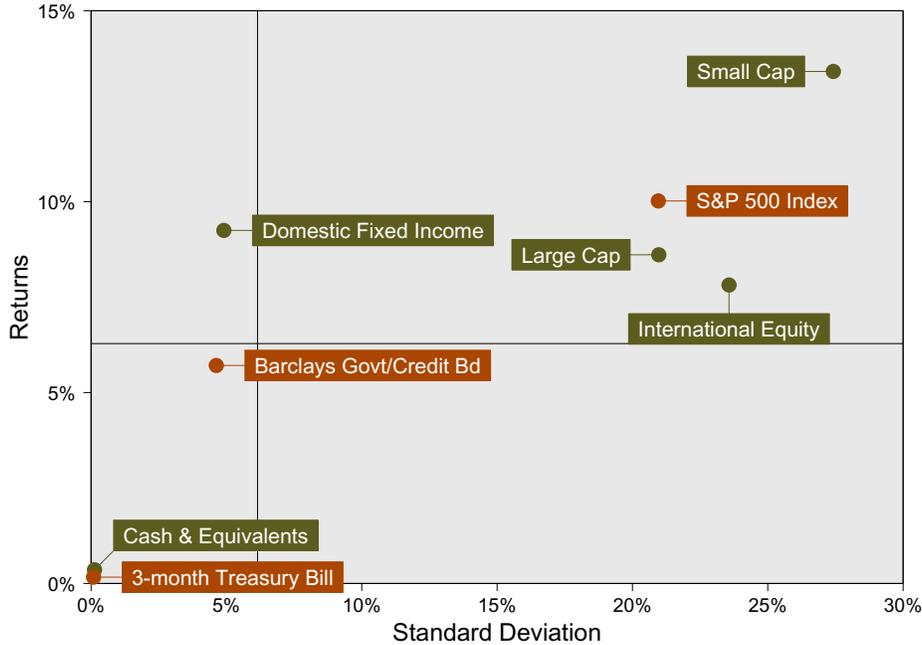


* Current Quarter Target = 44.1% Barclays Gov 1-3 Yr, 23.5% Barclays Aggregate Index, 9.7% Barclays Gbl Inftn-Lnked, 6.4% Russell 1000 Index, 6.2% 3-month Treasury Bill, 4.9% MSCI EAFE Index, 2.9% NCREIF Total Index and 2.3% Russell 2000 Index.

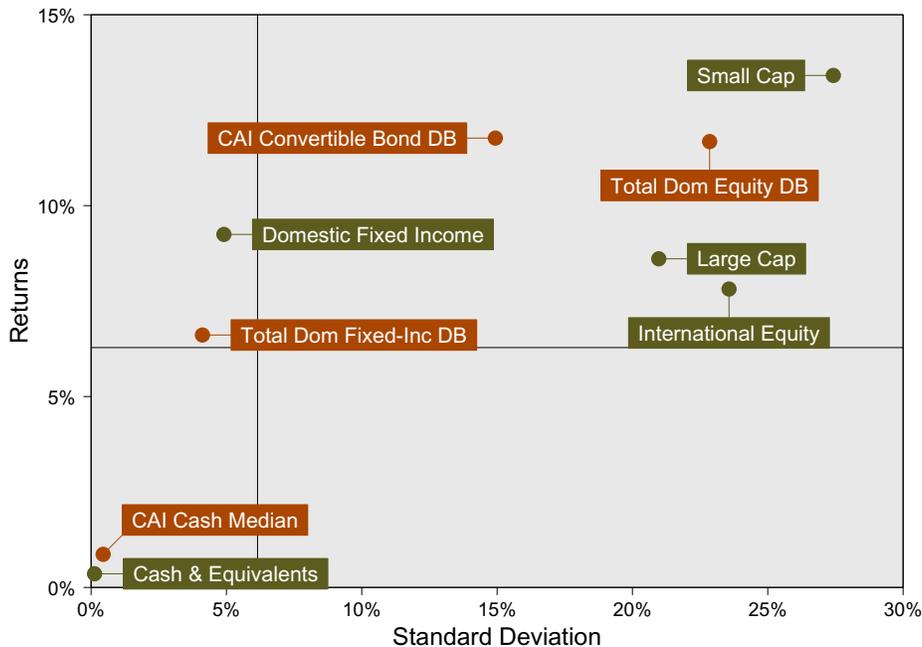
Asset Class Risk and Return

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



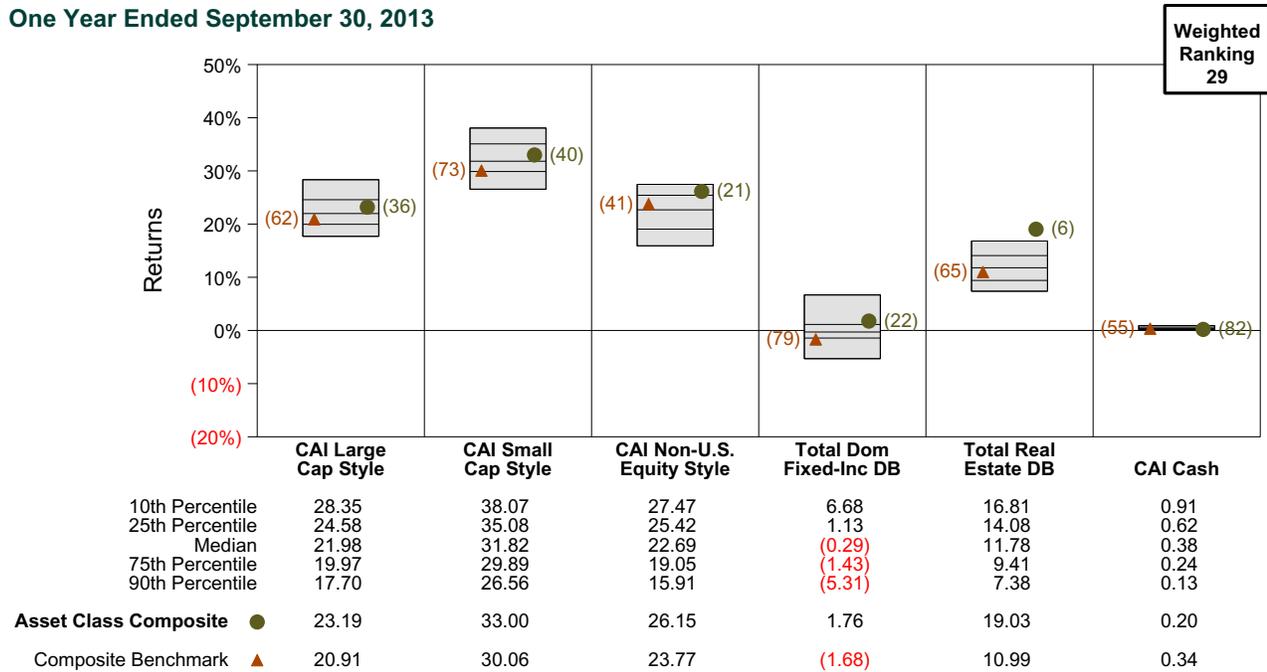
Five Year Annualized Risk vs Return Asset Classes vs Asset Class Median



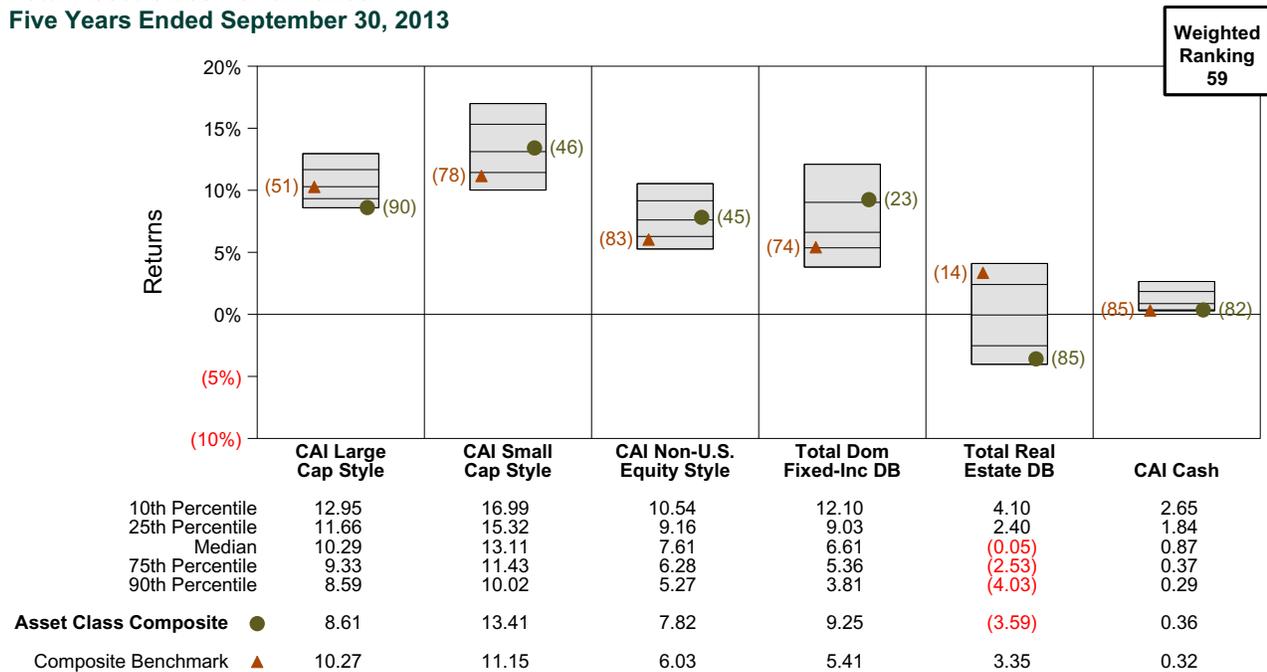
Asset Class Rankings

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 September 30, 2013



Total Asset Class Performance Five Years Ended September 30, 2013



* Current Quarter Target = 44.1% Barclays Gov 1-3 Yr, 23.5% Barclays Aggregate Index, 9.7% Barclays Gbl Inftn-Linked, 6.4% Russell 1000 Index, 6.2% 3-month Treasury Bill, 4.9% MSCI EAFE Index, 2.9% NCREIF Total Index and 2.3% Russell 2000 Index.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of September 30, 2013, with the distribution as of June 30, 2013. 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

	September 30, 2013		Net New Inv.	Inv. Return	June 30, 2013	
	Market Value	Percent			Market Value	Percent
Domestic Equity	\$323,771,268	8.91%	\$58,917,173	\$19,311,698	\$245,542,396	7.75%
Large Cap	\$237,804,442	6.54%	\$42,981,485	\$11,917,018	\$182,905,938	5.77%
Clifton Large Cap	46,975,010	1.29%	8,864,220	2,085,810	36,024,980	1.14%
L.A. Capital	72,074,875	1.98%	13,870,852	4,106,815	54,097,208	1.71%
L.A. Capital Enhanced	47,586,326	1.31%	8,388,126	2,232,021	36,966,179	1.17%
LSV Asset Management	71,168,231	1.96%	11,858,287	3,492,373	55,817,571	1.76%
Small Cap	\$85,966,826	2.37%	\$15,935,688	\$7,394,680	\$62,636,458	1.98%
Clifton Small Cap	42,870,551	1.18%	8,170,688	3,662,087	31,037,776	0.98%
Research Affiliates	43,096,275	1.19%	7,765,000	3,732,593	31,598,682	1.00%
International Equity	\$188,300,722	5.18%	\$52,038,124	\$18,862,879	\$117,399,718	3.70%
Capital Guardian Trust Co.	74,911,153	2.06%	19,634,083	6,965,223	48,311,848	1.52%
DFA Int'l Small Cap Value	18,945,722	0.52%	5,376,633	2,382,882	11,186,207	0.35%
LSV Asset Management	75,963,947	2.09%	21,644,004	7,699,309	46,620,635	1.47%
Vanguard Intl Explorer Fund	18,479,900	0.51%	5,383,405	1,815,466	11,281,029	0.36%
Domestic Fixed Income	\$845,492,588	23.27%	\$24,579,650	\$7,259,153	\$813,653,785	25.67%
Bank of North Dakota	-	-	(58,280)	(992)	59,272	0.00%
Declaration	56,878,782	1.57%	(71,785)	406,114	56,544,452	1.78%
PIMCO DiSCO II	93,781,714	2.58%	0	1,848,761	91,932,953	2.90%
Prudential	68,658,351	1.89%	(50,078)	739,475	67,968,954	2.14%
SSgA US Govt Credit Bd Idx	122,323,785	3.37%	0	434,968	121,888,817	3.85%
Wells Capital	285,260,181	7.85%	12,851,683	2,664,760	269,743,738	8.51%
Western Asset Management	218,589,775	6.02%	11,908,110	1,166,066	205,515,598	6.48%
Inflation Protected	\$343,919,925	9.46%	\$334,554	\$7,463,403	\$336,121,967	10.60%
Western Asset Management	199,211,898	5.48%	(86,268)	6,356,345	192,941,821	6.09%
JP Morgan Infrastructure	67,261,690	1.85%	(213,005)	1,313,785	66,160,909	2.09%
Eastern Timber Opportunities	61,853,153	1.70%	0	0	61,853,153	1.95%
Credit Suisse Cust. Infra.	15,593,184	0.43%	633,826	(206,726)	15,166,084	0.48%
Real Estate	\$111,160,079	3.06%	\$(1,120,158)	\$1,199,328	\$111,080,910	3.50%
Invesco Core Real Estate	44,974,059	1.24%	(85,873)	990,987	44,068,945	1.39%
JP Morgan RE	66,186,020	1.82%	(1,034,285)	208,340	67,011,965	2.11%
Short Term Fixed Income	\$1,601,918,528	44.08%	\$120,904,426	\$7,730,014	\$1,473,284,087	46.48%
JPM Short Term - Budget	230,530,805	6.34%	90,980,323	701,200	138,849,282	4.38%
Babson Short Term - Budget	230,826,860	6.35%	90,260,738	840,526	139,725,596	4.41%
Babson Bank Loan - Budget	-	-	(361)	(604)	966	0.00%
Babson Short Term Legacy	572,418,022	15.75%	(26,767,055)	3,494,829	595,690,249	18.79%
JPM Short Term Legacy	568,142,841	15.63%	(33,569,218)	2,694,064	599,017,995	18.90%
Cash & Equivalents	\$219,402,541	6.04%	\$146,889,662	\$2,133	\$72,510,745	2.29%
Bank of ND - Money Mkt	219,402,541	6.04%	146,889,662	2,133	72,510,745	2.29%
Total Fund	\$3,633,965,650	100.0%	\$402,543,432	\$61,828,609	\$3,169,593,609	100.0%

Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods ended September 30, 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 September 30, 2013

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	7.03%	25.69%	17.71%	9.81%	7.91%
Large Cap	5.91%	23.19%	17.09%	8.61%	7.70%
Clifton Large Cap	5.05%	18.93%	16.75%	-	-
L.A. Capital	6.91%	20.05%	16.99%	12.22%	8.95%
L.A. Capital Enhanced	5.61%	21.89%	16.64%	11.46%	-
LSV Asset Management	5.64%	30.02%	17.96%	10.93%	10.29%
Large Cap Benchmark (1)	6.02%	20.91%	16.72%	10.27%	7.69%
Small Cap	10.23%	33.00%	19.73%	13.41%	10.15%
Clifton Small Cap	10.15%	30.46%	19.55%	-	-
Research Affiliates	10.11%	35.31%	19.81%	13.69%	-
Russell 2000	10.21%	30.06%	18.29%	11.15%	9.64%
International Equity	12.74%	26.15%	9.73%	7.82%	8.20%
Capital Guardian Trust Co.	11.57%	24.86%	9.86%	7.07%	7.81%
DFA International Small Cap Value	16.61%	34.36%	12.37%	11.15%	-
LSV Asset Management	13.05%	25.46%	9.37%	6.88%	-
Vanguard Intl Explorer Fund	12.57%	27.99%	8.62%	10.60%	11.07%
MSCI EAFE Index (2)	11.56%	23.77%	7.95%	6.03%	7.72%
Domestic Fixed Income	0.86%	1.76%	6.28%	9.25%	5.78%
Declaration	0.72%	(0.08%)	6.01%	2.37%	-
PIMCO DiSCO II	2.01%	23.81%	-	-	-
Prudential	1.09%	(0.25%)	5.43%	8.65%	-
Wells Capital	0.95%	(0.28%)	5.89%	10.58%	6.84%
Western Asset Management	0.51%	(0.43%)	5.04%	8.36%	5.51%
Barclays Aggregate	0.57%	(1.68%)	2.86%	5.41%	4.59%
SSgA US Govt Credit Bond Idx	0.36%	-	-	-	-
Barclays Govt/Credit Bd	0.36%	(1.96%)	2.89%	5.71%	4.52%
Insurance Inflation Protected Assets	2.22%	1.15%	3.96%	3.95%	-
Western Asset Management	3.30%	(2.12%)	3.05%	4.70%	-
JP Morgan Infrastructure	1.99%	7.80%	8.68%	-	-
Eastern Timber Opportunities	0.00%	3.36%	1.56%	-	-
Credit Suisse Cust. Infra.	(1.32%)	8.32%	-	-	-
Barclays Global Inflation Linked (3)	3.81%	(0.47%)	4.50%	5.03%	-
Real Estate	1.09%	19.03%	23.11%	(3.59%)	-
Invesco Core Real Estate	2.25%	12.87%	-	-	-
JP Morgan RE	0.31%	22.29%	24.22%	(3.07%)	-
NCREIF Total Index	2.59%	10.99%	12.67%	3.35%	8.66%
Short Term Fixed Income	0.49%	0.90%	1.36%	-	-
JPM Short Term - Budget	0.38%	0.34%	-	-	-
Babson Short Term - Budget	0.49%	1.33%	-	-	-
Babson Short Term Legacy	0.57%	1.35%	-	-	-
JPM Short Term Legacy	0.45%	0.43%	-	-	-
BC Gov 1-3 Yr	0.29%	0.37%	0.75%	1.84%	2.68%
Cash & Equivalents	0.00%	0.20%	0.25%	0.36%	1.88%
Bank of ND - Money Mkt	0.00%	0.20%	0.25%	0.36%	1.88%
90 Day Treasury Bills	0.02%	0.10%	0.10%	0.17%	1.70%
Total Fund	1.84%	4.89%	6.57%	6.28%	5.50%
Policy Target*	1.73%	2.66%	4.67%	5.14%	5.36%

* Current Quarter Target = 44.1% Barclays Gov 1-3 Yr, 23.5% Barclays Aggregate Index, 9.7% Barclays Gbl Inftn-Linked, 6.4% Russell 1000 Index, 6.2% 3-month Treasury Bill, 4.9% MSCI EAFE Index, 2.9% NCREIF Total Index and 2.3% 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.

Legacy and Budget Stabilization Fund Advisory Board

November 5, 2013

Darren Schulz

Interim Chief Investment Officer

ND Retirement & Investment Office (RIO)

State Investment Board (SIB)

Presentation Agenda

- ▶ Recruitment status of Executive Director/CIO position
- ▶ Investment history and returns of the Budget Stabilization Fund and Legacy Fund
- ▶ New policy asset allocation implementation for the Legacy Fund

State Investment Board (SIB) Update

- ▶ National executive search of a permanent Executive Director/Chief Investment Officer completed by State Investment Board
- ▶ Dave Hunter will join RIO on December 2nd
 - ▶ Dave Hunter has nearly 30 years of professional investment banking, management and accounting experience and joins RIO from HSBC where he held the position of Vice President - Pension Investments and Director of Asset Securitization. Dave was responsible for the oversight of the company's defined benefit, defined contribution and non-qualified plan assets approximating \$7 billion and structured debt financings approximating \$2.5 billion. Prior to joining HSBC, Dave was a Senior Vice President in structured finance with SMBC Securities and worked at Citibank and Arthur Andersen in Chicago. Dave received his Bachelor's degree in Accounting from Northern Illinois University, and a Masters of Business Administration in Finance from the University of Chicago.

Budget Stabilization Fund

Funding and Disbursement History

Budget Stabilization Fund Through August 31, 2013

	New Money In	Net Increase	Income Distributions Out	Net Assets End of Period
FY2006 (Initial Funding - Sept. 2005)	99,472,631	3,611,730	(3,207,845)	99,876,516
FY2007	-	4,980,987	(4,981,500)	99,876,003
FY2008	100,527,369	122,430	(1,688,532)	198,837,270
FY2009	-	(8,736,058)	-	190,101,212
FY2010	124,936,548	21,464,258	(11,385,172)	325,116,846
FY2011	-	12,031,101	(11,474,863)	325,673,084
FY2012	61,414,562	7,867,160	-	394,954,806
FY2013	-	7,239,388	(1,036,797)	401,157,397
FY2014	181,060,584	713,300	-	582,931,281
	<u>386,351,110</u>	<u>49,294,296</u>	<u>(32,737,912)</u>	
Net Increase - Inception to Date		49,294,296		
Income Distributions Taken		<u>(32,737,912)</u>		
Income Retained in Fund		16,556,384		
August 31, 2013 MV		<u>583,133,346</u>		

Legacy Fund

Funding and Disbursement History

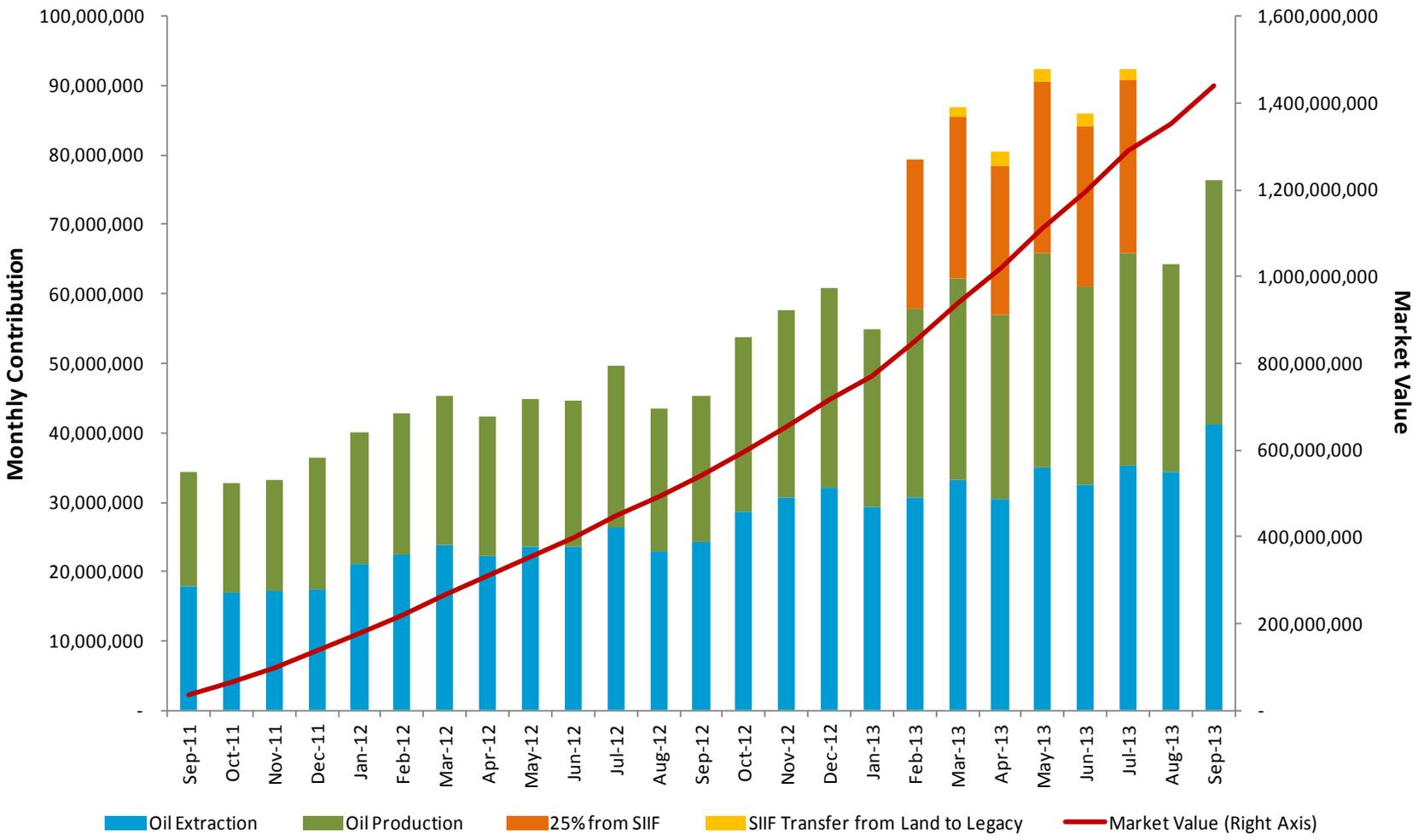
Legacy Fund

Through August 31, 2013

	New Money In	Net Increase	Income Distributions Out	Net Assets End of Period
FY2012 (Initial Funding - Sept. 2011)	396,585,658	2,300,225	-	398,885,883
FY2013	791,126,479	4,216,026	-	1,194,228,388
FY2014	156,761,574	2,235,212	-	1,353,225,174
	1,344,473,711	6,516,251	-	
Net Increase - Inception to Date	6,516,251			
Income Distributions Taken	-			
Income Retained in Fund	6,516,251			
August 31, 2013 MV	1,353,794,675			

Legacy Fund

Monthly Contributions and Total Market Value



Source: Office of North Dakota State Treasurer

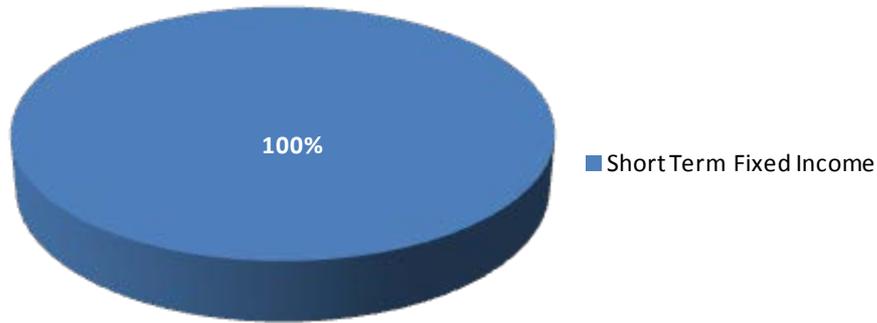
Performance as of 9/30/13

	<u>1 Year</u>	<u>2 Years</u>			
Total Legacy	1.33%	1.60%			
Total Legacy Fund Policy	0.38%	0.41%			
	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>5 Years</u>	<u>8 Years</u>
Total Budget Stabilization Fund	1.46%	2.28%	2.04%	2.58%	2.38%
Total Budget Stabilization Fund Policy	0.30%	0.40%	0.31%	0.29%	1.74%

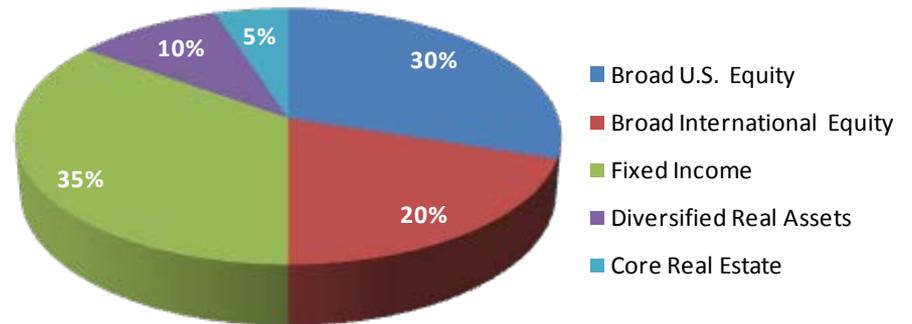
Source: Callan Associates

Legacy Fund Strategic Asset Allocation

Former Policy Allocation



New Policy Allocation



Legacy Fund Policy Timeline

April 2013

- ▶ New strategic asset allocation for the Legacy Fund approved

June 2013

- ▶ SIB approved a transition plan to fully implement the new policy allocation over a period of 18 months

July 2013

- ▶ SIB approved the implementation of the new policy allocation through the use of existing managers within the Insurance Trust

August 2013

- ▶ RIO initiated the 18 month transition plan

Legacy Fund Transition Plan

Legacy Fund Asset Allocation Transition

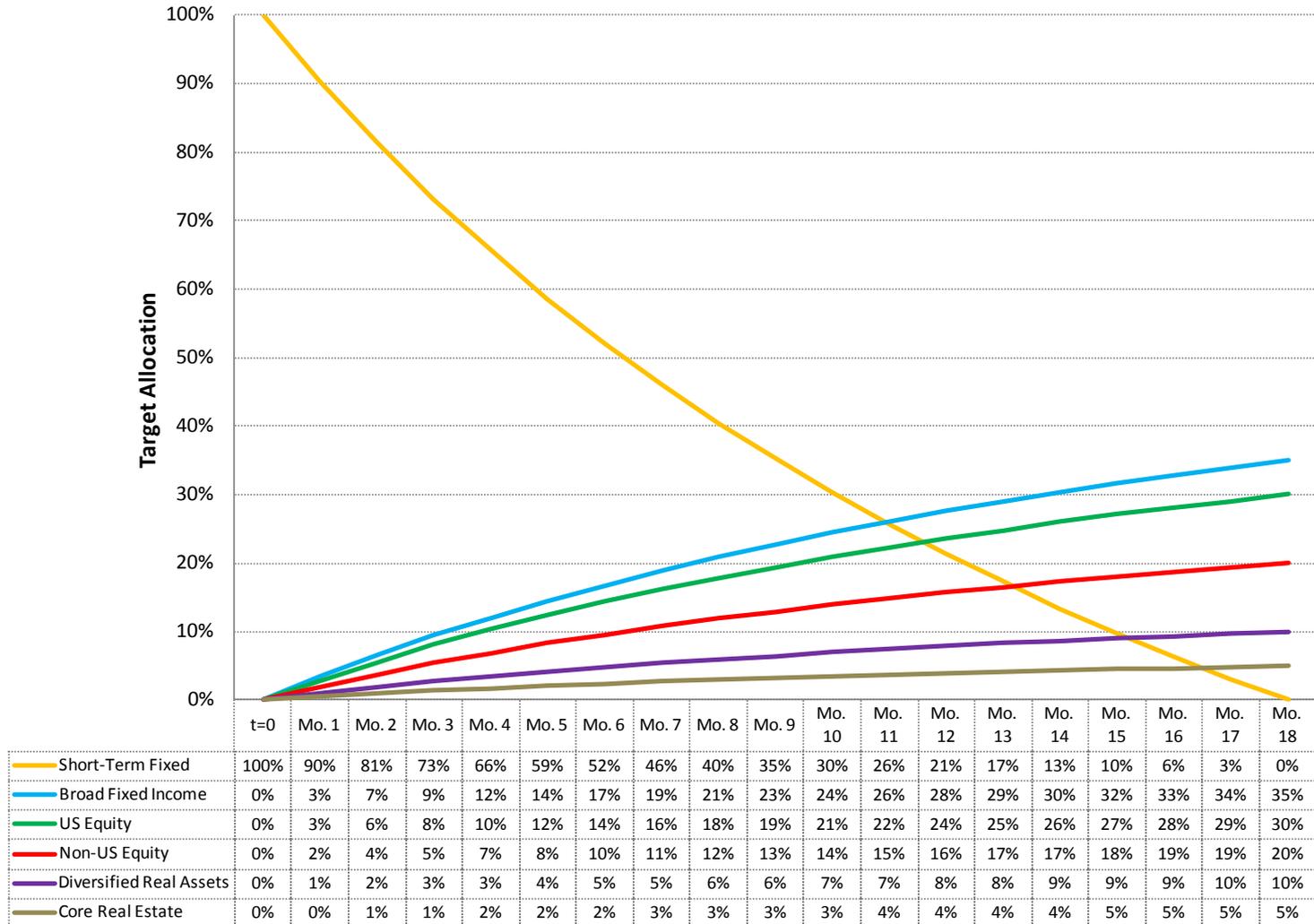
All New \$ pro-rata to All New Asset Classes and Gradual (\$71 M per month) Transition out of ST Fixed

Initial Balance (Est. July 2013) \$1,275,000,000

Monthly Tx out of ST Fixed: \$ 70,833,333

	Asset Allocation							Total
	Target	30%	20%	35%	10%	5%	0%	
	New Contributions	US Equity	Non-US Equity	Broad Fixed Income	Diversified Real Assets	Core Real Estate	Short-Term Fixed	
Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,275,000,000	\$ 1,275,000,000
Month 1	\$ 128,455,083	\$ 38,536,525	\$ 25,691,017	\$ 44,959,279	\$ 12,845,508	\$ 6,422,754	\$ 1,204,166,667	\$ 1,332,621,750
Month 2	\$ 130,453,308	\$ 77,672,518	\$ 51,781,678	\$ 90,617,937	\$ 25,890,839	\$ 12,945,420	\$ 1,133,333,333	\$ 1,392,241,725
Month 3	\$ 131,199,633	\$ 117,032,408	\$ 78,021,605	\$ 136,537,809	\$ 39,010,803	\$ 19,505,401	\$ 1,062,500,000	\$ 1,452,608,025
Month 4	\$ 129,177,333	\$ 155,785,608	\$ 103,857,072	\$ 181,749,875	\$ 51,928,536	\$ 25,964,268	\$ 991,666,667	\$ 1,510,952,025
Month 5	\$ 131,199,633	\$ 195,145,498	\$ 130,096,998	\$ 227,669,747	\$ 65,048,499	\$ 32,524,250	\$ 920,833,333	\$ 1,571,318,325
Month 6	\$ 129,899,583	\$ 234,115,373	\$ 156,076,915	\$ 273,134,601	\$ 78,038,458	\$ 39,019,229	\$ 850,000,000	\$ 1,630,384,575
Month 7	\$ 131,945,958	\$ 273,699,160	\$ 182,466,107	\$ 319,315,687	\$ 91,233,053	\$ 45,616,527	\$ 779,166,667	\$ 1,691,497,200
Month 8	\$ 131,945,958	\$ 313,282,948	\$ 208,855,298	\$ 365,496,772	\$ 104,427,649	\$ 52,213,825	\$ 708,333,333	\$ 1,752,609,825
Month 9	\$ 125,806,833	\$ 351,024,998	\$ 234,016,665	\$ 409,529,164	\$ 117,008,333	\$ 58,504,166	\$ 637,500,000	\$ 1,807,583,325
Month 10	\$ 131,945,958	\$ 390,608,785	\$ 260,405,857	\$ 455,710,249	\$ 130,202,928	\$ 65,101,464	\$ 566,666,667	\$ 1,868,695,950
Month 11	\$ 129,899,583	\$ 429,578,660	\$ 286,385,773	\$ 501,175,103	\$ 143,192,887	\$ 71,596,443	\$ 495,833,333	\$ 1,927,762,200
Month 12	\$ 131,945,958	\$ 469,162,448	\$ 312,774,965	\$ 547,356,189	\$ 156,387,483	\$ 78,193,741	\$ 425,000,000	\$ 1,988,874,825
Month 13	\$ 133,857,333	\$ 509,319,648	\$ 339,546,432	\$ 594,206,255	\$ 169,773,216	\$ 84,886,608	\$ 354,166,667	\$ 2,051,898,825
Month 14	\$ 136,040,133	\$ 550,131,688	\$ 366,754,458	\$ 641,820,302	\$ 183,377,229	\$ 91,688,615	\$ 283,333,333	\$ 2,117,105,625
Month 15	\$ 136,040,133	\$ 590,943,728	\$ 393,962,485	\$ 689,434,349	\$ 196,981,243	\$ 98,490,621	\$ 212,500,000	\$ 2,182,312,425
Month 16	\$ 133,857,333	\$ 631,100,928	\$ 420,733,952	\$ 736,284,415	\$ 210,366,976	\$ 105,183,488	\$ 141,666,667	\$ 2,245,336,425
Month 17	\$ 136,040,133	\$ 671,912,968	\$ 447,941,978	\$ 783,898,462	\$ 223,970,989	\$ 111,985,495	\$ 70,833,333	\$ 2,310,543,225
Month 18	\$ 133,857,333	\$ 712,070,168	\$ 474,713,445	\$ 830,748,529	\$ 237,356,723	\$ 118,678,361	\$ -	\$ 2,373,567,225

Legacy Fund Transition Plan



Legacy Fund Implementation Benefits

The use of existing manager mandates provides numerous benefits:

- ▶ *Ease of implementation* – Manager accounts are already open and gaining asset class exposures can be accomplished promptly.
- ▶ *Investment costs* – Pooling with other insurance clients allows the Legacy Fund to benefit from lower management fees and trading costs.
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Legacy Fund Manager Structure

9/30/13
Market Value

TOTAL LEGACY FUND 1,440,680,819

LARGE CAP DOMESTIC EQUITY

Los Angeles Capital	18,620,336
LSV	18,386,106
Los Angeles Capital	12,293,790
Clifton Group (moved from fixed 11/1/08)	12,135,858
TOTAL LARGE CAP DOMESTIC EQUITY	61,436,091

SMALL CAP DOMESTIC EQUITY

Research Affiliates	11,526,412
Clifton	11,465,995
TOTAL SMALL CAP DOMESTIC EQUITY	22,992,407

INTERNATIONAL EQUITY

Capital Guardian	23,169,380
LSV	23,495,000
DFA	5,859,750
Vanguard	5,715,676
TOTAL INTERNATIONAL EQUITY	58,239,807

FIXED INCOME

Western Asset	
Prudential	
PIMCO (DISCO)	
Declaration	
State Street	
Wells Capital (formerly Strong)	
TOTAL FIXED INCOME	

9/30/13
Market Value

INFLATION PROTECTED ASSETS

Western Global TIPS	
TIR - Eastern Timber Opps Fund	
JP Morgan (Infrastructure)	
Credit Suisse (Infrastructure)	

TOTAL INFLATION PROTECTED ASSETS

REAL ESTATE

JP Morgan	6,003,827
Invesco	4,079,660
TOTAL REAL ESTATE	10,083,487

CASH EQUIVALENTS

Northern Trust	147,368,165
TOTAL CASH EQUIVALENTS	147,368,165

SHORT TERM FIXED INCOME

Babson Capital - Short Term Bonds-Legacy Fund	572,418,022
JP Morgan-Legacy Fund	568,142,841

TOTAL SHORT TERM FIXED INCOME 1,140,560,863

Legacy Fund Investment Update

Government Finance Committee

November 7, 2013

Darren Schulz

Interim Chief Investment Officer

ND Retirement & Investment Office (RIO)

State Investment Board (SIB)

Presentation Agenda

- ▶ Recruitment status of Executive Director/CIO position
- ▶ Investment history and returns of the Legacy Fund
- ▶ New policy asset allocation implementation for the Legacy Fund

State Investment Board (SIB) Update

- ▶ National executive search of a permanent Executive Director/Chief Investment Officer completed by State Investment Board
- ▶ Dave Hunter will join RIO on December 2nd
 - ▶ Dave Hunter has nearly 30 years of professional investment banking, management and accounting experience and joins RIO from HSBC where he held the position of Vice President - Pension Investments and Director of Asset Securitization. Dave was responsible for the oversight of the company's defined benefit, defined contribution and non-qualified plan assets approximating \$7 billion and structured debt financings approximating \$2.5 billion. Prior to joining HSBC, Dave was a Senior Vice President in structured finance with SMBC Securities and worked at Citibank and Arthur Andersen in Chicago. Dave received his Bachelor's degree in Accounting from Northern Illinois University, and a Masters of Business Administration in Finance from the University of Chicago.

Legacy Fund

Funding and Disbursement History

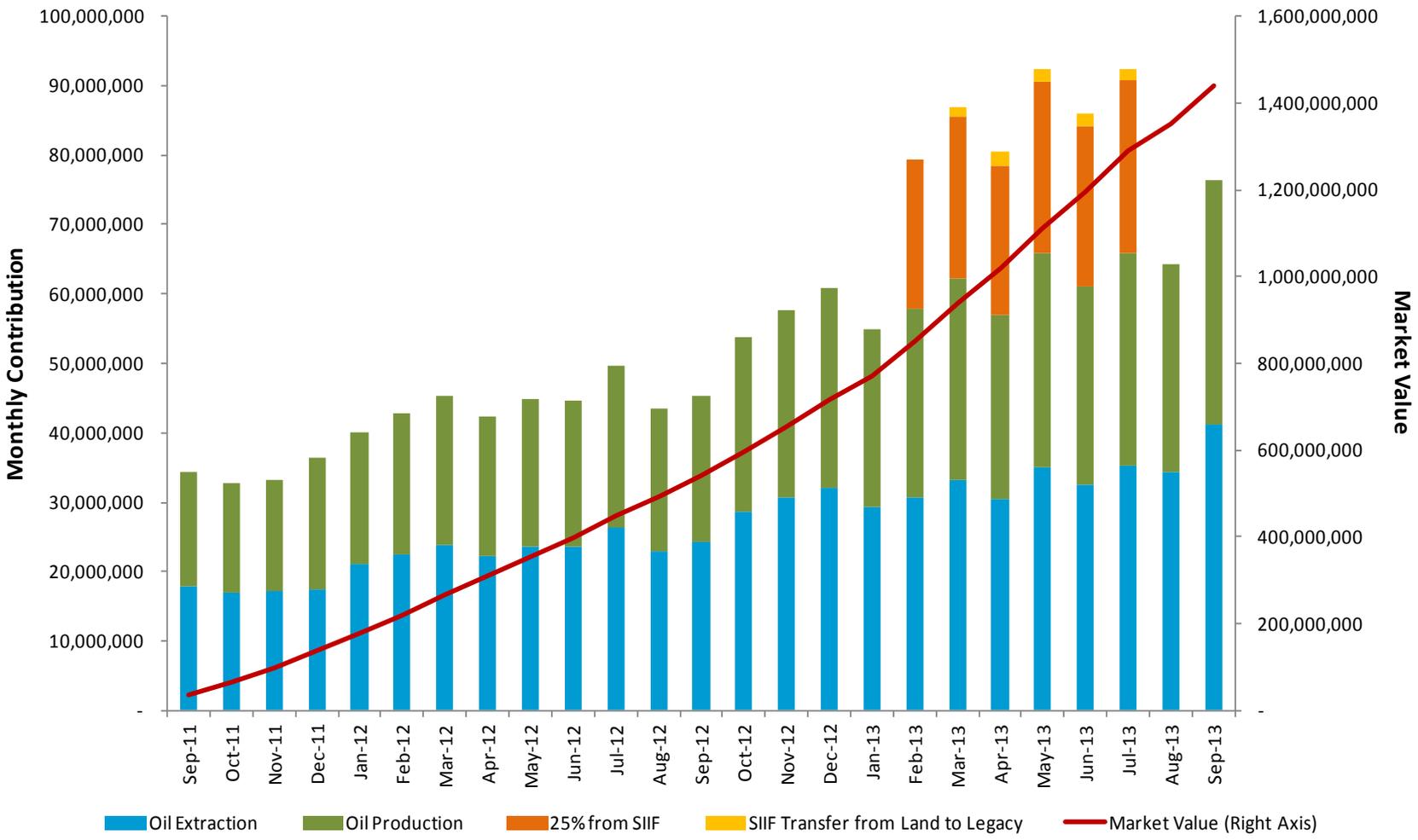
Legacy Fund

Through August 31, 2013

	New Money In	Net Increase	Income Distributions Out	Net Assets End of Period
FY2012 (Initial Funding - Sept. 2011)	396,585,658	2,300,225	-	398,885,883
FY2013	791,126,479	4,216,026	-	1,194,228,388
FY2014	156,761,574	2,235,212	-	1,353,225,174
	1,344,473,711	6,516,251	-	
Net Increase - Inception to Date	6,516,251			
Income Distributions Taken	-			
Income Retained in Fund	6,516,251			
August 31, 2013 MV	1,353,794,675			

Legacy Fund

Monthly Contributions and Total Market Value



Source: Office of North Dakota State Treasurer

Total Returns as of 9/30/13 (Net of Fees)

	<u>1 Qtr</u>	<u>1 Year</u>	<u>2 Years</u>
Total Legacy Fund	1.01%	1.33%	1.60%
Total Legacy Fund Policy ¹	0.29%	0.38%	0.41%

¹ As of 9/1/13, the Legacy Fund policy benchmark is an asset-weighted custom composite comprised of the Russell 1000, Russell 2000, MSCI EAFE, NCREIF Property, and the Barclays Capital 1-3 Year Government indices. From 10/1/11 to 8/31/13, the Legacy Fund policy benchmark was the Barclays Capital 1-3 Year Government Index.

Source: Callan Associates

Legacy Fund Policy Timeline

April 2013

- ▶ Following completion of an asset allocation and spending study by RV Kuhns, a new strategic asset allocation for the Legacy Fund was approved

June 2013

- ▶ SIB approved a transition plan to fully implement the new policy allocation over a period of 18 months

July 2013

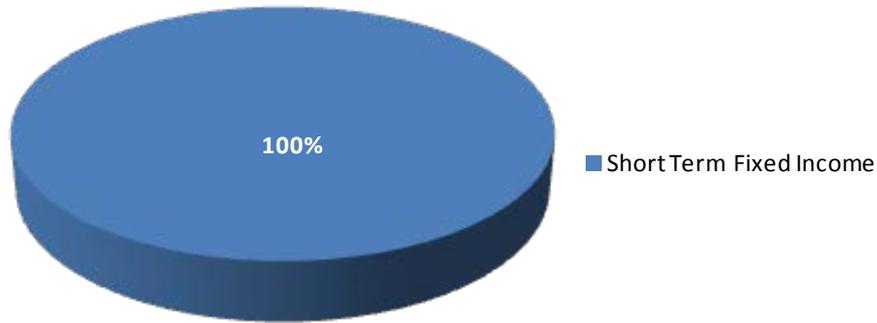
- ▶ SIB approved a plan to implement the new policy allocation through the use of existing managers within the Insurance Trust

August 2013

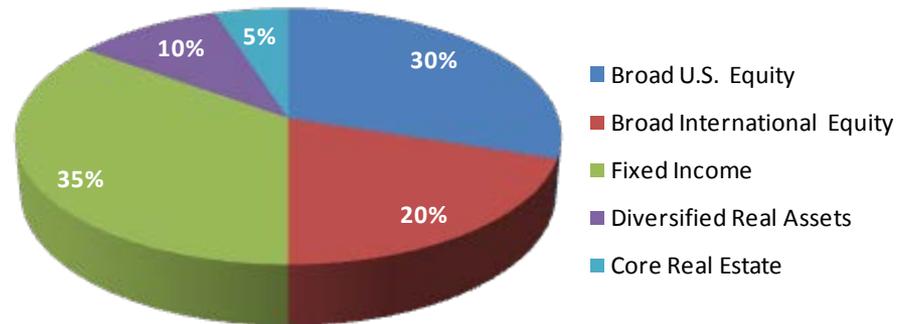
- ▶ RIO initiated the 18 month transition plan

Legacy Fund Strategic Asset Allocation

Former Policy Allocation



New Policy Allocation



Legacy Fund Transition Plan

Legacy Fund Asset Allocation Transition

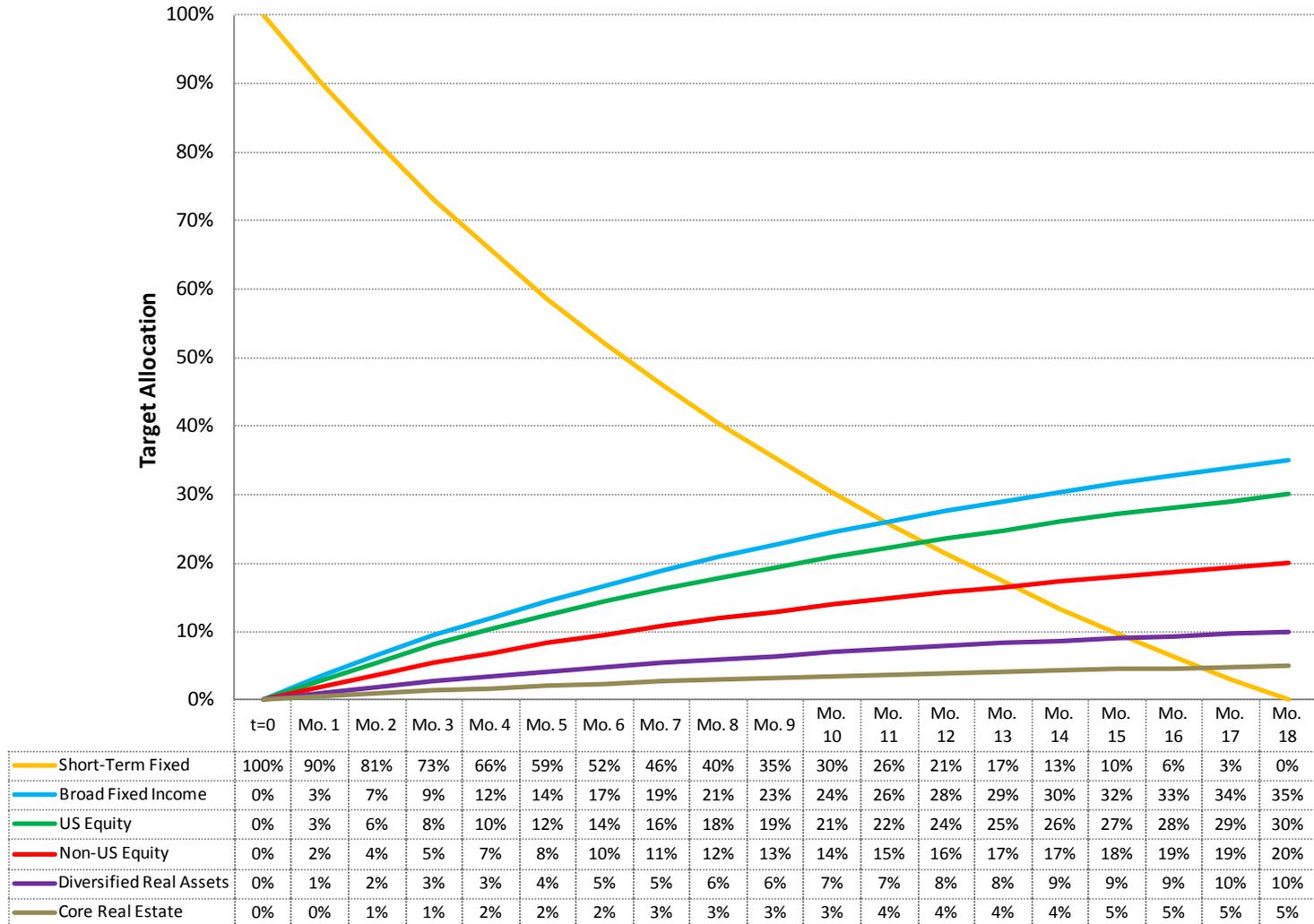
All New \$ pro-rata to All New Asset Classes and Gradual (\$71 M per month) Transition out of ST Fixed

Initial Balance (Est. July 2013) \$1,275,000,000

Monthly Tx out of ST Fixed: \$ 70,833,333

	Asset Allocation							Total
	Target	30%	20%	35%	10%	5%	0%	
	New Contributions	US Equity	Non-US Equity	Broad Fixed Income	Diversified Real Assets	Core Real Estate	Short-Term Fixed	
Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,275,000,000	\$ 1,275,000,000
Month 1	\$ 128,455,083	\$ 38,536,525	\$ 25,691,017	\$ 44,959,279	\$ 12,845,508	\$ 6,422,754	\$ 1,204,166,667	\$ 1,332,621,750
Month 2	\$ 130,453,308	\$ 77,672,518	\$ 51,781,678	\$ 90,617,937	\$ 25,890,839	\$ 12,945,420	\$ 1,133,333,333	\$ 1,392,241,725
Month 3	\$ 131,199,633	\$ 117,032,408	\$ 78,021,605	\$ 136,537,809	\$ 39,010,803	\$ 19,505,401	\$ 1,062,500,000	\$ 1,452,608,025
Month 4	\$ 129,177,333	\$ 155,785,608	\$ 103,857,072	\$ 181,749,875	\$ 51,928,536	\$ 25,964,268	\$ 991,666,667	\$ 1,510,952,025
Month 5	\$ 131,199,633	\$ 195,145,498	\$ 130,096,998	\$ 227,669,747	\$ 65,048,499	\$ 32,524,250	\$ 920,833,333	\$ 1,571,318,325
Month 6	\$ 129,899,583	\$ 234,115,373	\$ 156,076,915	\$ 273,134,601	\$ 78,038,458	\$ 39,019,229	\$ 850,000,000	\$ 1,630,384,575
Month 7	\$ 131,945,958	\$ 273,699,160	\$ 182,466,107	\$ 319,315,687	\$ 91,233,053	\$ 45,616,527	\$ 779,166,667	\$ 1,691,497,200
Month 8	\$ 131,945,958	\$ 313,282,948	\$ 208,855,298	\$ 365,496,772	\$ 104,427,649	\$ 52,213,825	\$ 708,333,333	\$ 1,752,609,825
Month 9	\$ 125,806,833	\$ 351,024,998	\$ 234,016,665	\$ 409,529,164	\$ 117,008,333	\$ 58,504,166	\$ 637,500,000	\$ 1,807,583,325
Month 10	\$ 131,945,958	\$ 390,608,785	\$ 260,405,857	\$ 455,710,249	\$ 130,202,928	\$ 65,101,464	\$ 566,666,667	\$ 1,868,695,950
Month 11	\$ 129,899,583	\$ 429,578,660	\$ 286,385,773	\$ 501,175,103	\$ 143,192,887	\$ 71,596,443	\$ 495,833,333	\$ 1,927,762,200
Month 12	\$ 131,945,958	\$ 469,162,448	\$ 312,774,965	\$ 547,356,189	\$ 156,387,483	\$ 78,193,741	\$ 425,000,000	\$ 1,988,874,825
Month 13	\$ 133,857,333	\$ 509,319,648	\$ 339,546,432	\$ 594,206,255	\$ 169,773,216	\$ 84,886,608	\$ 354,166,667	\$ 2,051,898,825
Month 14	\$ 136,040,133	\$ 550,131,688	\$ 366,754,458	\$ 641,820,302	\$ 183,377,229	\$ 91,688,615	\$ 283,333,333	\$ 2,117,105,625
Month 15	\$ 136,040,133	\$ 590,943,728	\$ 393,962,485	\$ 689,434,349	\$ 196,981,243	\$ 98,490,621	\$ 212,500,000	\$ 2,182,312,425
Month 16	\$ 133,857,333	\$ 631,100,928	\$ 420,733,952	\$ 736,284,415	\$ 210,366,976	\$ 105,183,488	\$ 141,666,667	\$ 2,245,336,425
Month 17	\$ 136,040,133	\$ 671,912,968	\$ 447,941,978	\$ 783,898,462	\$ 223,970,989	\$ 111,985,495	\$ 70,833,333	\$ 2,310,543,225
Month 18	\$ 133,857,333	\$ 712,070,168	\$ 474,713,445	\$ 830,748,529	\$ 237,356,723	\$ 118,678,361	\$ -	\$ 2,373,567,225

Legacy Fund Transition Plan



Legacy Fund Implementation Benefits

The use of existing manager mandates provides numerous benefits:

- ▶ *Ease of implementation* – Manager accounts are already open and gaining asset class exposures can be accomplished promptly.
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