



*State of Montana
457 Deferred Compensation Plan*

*Michael C. Schlachter, CFA
Thomas Toth, CFA*

September 30, 2011

TABLE OF CONTENTS	page
◆ Market Environment	
◆ Asset Allocation	2
◆ Fund Summary	3
◆ Fixed Income	9
◆ Balanced and Asset Allocation Funds	13
◆ Domestic Equity	15
◆ International Equity	32
◆ Glossary	38

Market Commentary

Steven J. Foresti, Managing Director
Russell Walker, Vice President

Third Quarter 2011

Economic Highlights

- GDP:** U.S. economic growth slowed notably during the first half of the year as real GDP increased at only a 1.3% annual rate in the second quarter while GDP growth during the first quarter was revised downward to an anemic 0.4%.
Source: Dept. of Commerce (BEA), WSJ.com
- Interest Rates:** Despite the August 5th downgrade of U.S. government debt by S&P from AAA to AA+, yields on 10-year Treasuries fell precipitously during the quarter. After closing June at 3.18%, yields declined a dramatic 126 basis points to 1.92% by quarter's end. In its continued efforts to stimulate the economy by supporting low yields, on Sept 21st the Fed formally announced its "Operation Twist" strategy – a plan to sell short-term notes and move assets into long-term Treasuries.
Source: US Treasury
- Inflation:** Consumer prices moderated a bit in May and June, with the CPI moving 0.2% and -0.2%, respectively, before resuming their longer-term trend higher in July and August. For the twelve months through Aug 2011, CPI has risen 3.8%.
Source: Dept. of Labor (BLS)
- Employment:** The jobs picture continued to weaken with only 105,000 jobs created in June through August - including no jobs added in the month of August - and the unemployment rate stuck above 9%. Against this depressed backdrop, President Obama announced his American Jobs Act to a joint session of Congress on Sept 8th.
Source: Dept. of Labor (BLS, ETA)
- Housing:** The S&P Case-Schiller 20-city Home Price Index showed some stabilization from May through July, rising 0.1% on a seasonally-adjusted basis over the three months versus a -4.2% decline in the past twelve months through July.
Source: S&P

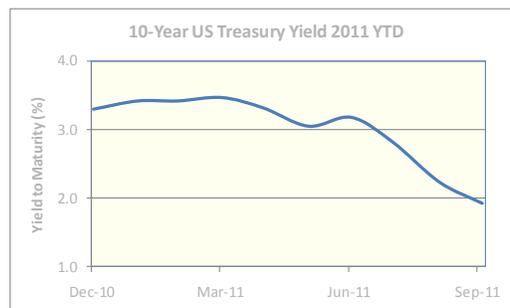
The U.S. Equity Market

The U.S. stock market was battered during the third quarter as investors reacted to signs of economic slowdown and concerns over European debt issues. The Wilshire 5000 Total Market IndexSM returned -15.04%, its worst performance since the fourth quarter of 2008, as it suffered losses in all three months of the quarter, marking a string of five consecutive monthly declines. The steepest losses came in August (-5.96%) and September (-7.65%) following the bitter and partisan U.S. debt ceiling debate. Volatility levels spiked during the quarter with the CBOE Volatility Index (VIX) rising above 40 after entering the quarter below 17.

U.S. Equity	MTD (%)	QTD (%)	YTD (%)	1 Year (%)
Wilshire 5000 SM	-7.65	-15.04	-9.86	0.58
Standard & Poor's 500	-7.03	-13.87	-8.68	1.14
Wilshire 4500 SM	-10.65	-20.60	-15.03	-2.02
U.S. Equity by Size/Style	MTD (%)	QTD (%)	YTD (%)	1 Year (%)
Wilshire U.S. Large Cap SM	-7.26	-14.21	-9.08	0.93
Wilshire U.S. Large Growth SM	-8.36	-14.92	-10.30	0.11
Wilshire U.S. Large Value SM	-6.22	-13.57	-7.93	1.65
Wilshire U.S. Small Cap SM	-11.00	-21.65	-15.94	-2.22
Wilshire U.S. Small Growth SM	-10.54	-21.19	-13.42	1.01
Wilshire U.S. Small Value SM	-11.45	-22.11	-18.46	-5.42
Wilshire U.S. Microcap SM	-10.63	-22.31	-20.16	-6.24

Small capitalization stocks were hit hardest during the market's third quarter sell-off, as the Wilshire U.S. Small Cap IndexSM and Wilshire U.S. Microcap IndexSM posted total returns of -21.65% and -22.31%, respectively, versus -14.21% for the Wilshire U.S. Large Cap IndexSM. Growth and value stocks performed in line with the broader market, with the Wilshire U.S. Large Value IndexSM giving back -13.57% compared to the -14.92% decline for the Wilshire U.S. Large Growth IndexSM. A similar picture emerged within smaller-company stocks, as the Wilshire U.S. Small Growth IndexSM experienced a loss of -21.19% against a -22.11% pullback for the Wilshire U.S. Small Value IndexSM.

All broad market sectors lost ground during the third quarter. Two of the best-performing sectors were Utilities, down a scant -0.01%, and Consumer Staples, which fell a more dramatic -4.44%. As global economies and markets swooned in the face of renewed recession worries, economically-sensitive sectors such as Materials (-24.69%), Industrials (-21.95%) and Financials (-21.77%) were the worst-performing sectors for the quarter.



Source: U.S. Department of the Treasury

Treasury prices, especially in longer-dated issuance, have soared in recent quarters as global economic woes have pushed the yield on the bellwether 10-year Treasury to lows not seen since the 1940s. Inflation signals have actually moderated since the beginning of 2011. With the U.S. economy's growth stalling and unemployment staying stubbornly high, the Federal Reserve has doubled down on its low-interest-rate policies, suggesting that the U.S. recovery from recession will take much longer than originally hoped.

The Non-U.S. Equity Market

The debt problems plaguing smaller markets in the Eurozone spread into the core economies of continental Europe, with many major banks reeling from their exposure to Greece's sovereign issuance. The very real possibility of a Greek debt default and austerity measures aimed at bringing fiscal discipline to the Eurozone have dampened growth forecasts for most of Europe. A global flight to safety depressed returns for developed market stocks worldwide, with Pacific region equities experiencing a smaller pullback. Emerging market stocks also took a dramatic performance hit as investors fled from their riskiest assets. Unsurprisingly, the euro weakened against the U.S. dollar, while the yen actually strengthened during the quarter.

Non-U.S. Equity	USD (%)				Local Currency (%)			
	MTD	QTD	YTD	1 Year	MTD	QTD	YTD	1 Year
MSCI AC World ex U.S.	-11.13	-19.85	-16.80	-10.81	-5.42	-15.30	-15.64	-10.68
MSCI EAFE	-9.53	-19.01	-14.98	-9.36	-4.36	-15.74	-15.59	-10.85
MSCI Europe	-10.98	-22.61	-15.61	-11.81	-4.61	-17.60	-15.64	-11.44
MSCI Pacific	-6.82	-11.70	-13.48	-4.27	-3.72	-11.95	-15.10	-9.24
MSCI Japan	-1.65	-6.44	-10.89	-0.09	-0.86	-10.70	-15.31	-7.81
MSCI EM (Emerging Markets)	-14.58	-22.56	-21.88	-16.15	-7.42	-15.03	-16.76	-11.99

The Fixed Income Market

Global economic woes sent investors cashing out risky assets and snapping up U.S. Treasuries in the third quarter. The Fed added to the trend by initiating "Operation Twist" on September 21, moving out of short-term Treasury holdings into longer-term paper to keep long-term interest rates low. The bellwether 10-year Treasury yield plunged 126 basis points to a stunning 1.92%; the yield on two-year Treasuries moved 20 bps lower to 0.25%, while the 30-year Treasury yield dropped 148 bps to 2.90%. Naturally, the strongest performers in global debt markets were long-term U.S. government paper. Yield spreads on corporate bonds, especially high yield debt, widened considerably during the quarter, depressing their performance relative to U.S. Treasuries.

U.S. Fixed Income	MTD (%)	QTD (%)	YTD (%)	1 Year (%)
Barclays U.S. Aggregate	0.73	3.82	6.65	5.26
Barclays Long Govt./Credit	6.03	15.64	19.42	12.74
Barclays Long Term Treasury	9.83	24.66	27.55	17.14
Barclays U.S. TIPS	-0.24	4.51	10.59	9.87
Barclays U.S. Credit	0.25	3.03	6.54	4.56
Barclays U.S. Corporate High Yield	-3.27	-6.06	-1.39	1.78
Global Fixed Income	MTD (%)	QTD (%)	YTD (%)	1 Year (%)
Barclays Global Aggregate	-2.31	0.97	5.40	4.00
Barclays Global Aggregate (Hedged)	0.60	2.97	4.49	2.79
Barclays EM Local Currency Government Universal	-6.73	-5.73	-0.33	-0.14
Barclays EM Local Currency Govt Univ (Hedged)	-0.07	1.52	2.43	1.40

The Real Estate & Commodity Markets

Global real estate markets dropped dramatically in the third quarter as global economic malaise became the dominant theme in equities worldwide. The slowdown in global economic growth and soft demand for raw materials and fuel pushed commodities prices lower during the third quarter, with crude oil ending the quarter at \$79.20. Gold closed at \$1,620.00 on September 30, an increase of 7.61% for the quarter and 14.00% since December 31, reflecting broad investor uneasiness and rotation into hard assets during times of market turmoil.

Real Estate / Commodity	MTD (%)	QTD (%)	YTD (%)	1 Year (%)
Wilshire U.S. RESI SM	-11.22	-15.08	-5.93	1.76
Wilshire Non-U.S. RESI SM	-11.47	-16.55	-11.61	-4.67
Wilshire Global RESI SM	-11.36	-15.83	-8.89	-1.59
Dow Jones UBS Commodity Index	-14.74	-11.33	-13.62	0.02
S&P GSCI Commodity	-12.17	-11.69	-9.30	2.87

Important Information

This material contains confidential and proprietary information of Wilshire Consulting, and is intended for the exclusive use of the person to whom it is provided. It may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity without prior written permission from Wilshire Consulting.

This material is intended for informational purposes only and should not be construed as legal, accounting, tax, investment, or other professional advice. Past performance does not guarantee future returns. This material may include estimates, projections and other "forward-looking statements." Due to numerous factors, actual events may differ substantially from those presented.

This material represents the current opinion of Wilshire Consulting based on sources believed to be reliable. Wilshire assumes no duty to update any such opinions. Wilshire Consulting gives no representations or warranties as to the accuracy of such information, and accepts no responsibility or liability (including for indirect, consequential or incidental damages) for any error, omission or inaccuracy in such information and for results obtained from its use. Information and opinions are as of the date indicated, and are subject to change without notice.

Wilshire® is a registered service mark of Wilshire Associates Incorporated, Santa Monica, California. All other tradenames, trademarks, and/or servicemarks are the property of their respective holders.

Copyright © 2011 Wilshire Associates Incorporated. All rights reserved. Information in this document is subject to change without notice. No part of this publication may be stored in a retrieval system, transmitted, or reproduced in any way, including but not limited to, photocopy, photograph, magnetic or other record, without the prior written permission of Wilshire Associates Incorporated, Santa Monica, CA. U.S.A.
www.wilshire.com

State of Montana 457 Deferred Compensation Plan
September 30, 2011



FUND OVERVIEW FOR STATE OF MONTANA 457 DEFERRED COMPENSATION PLAN

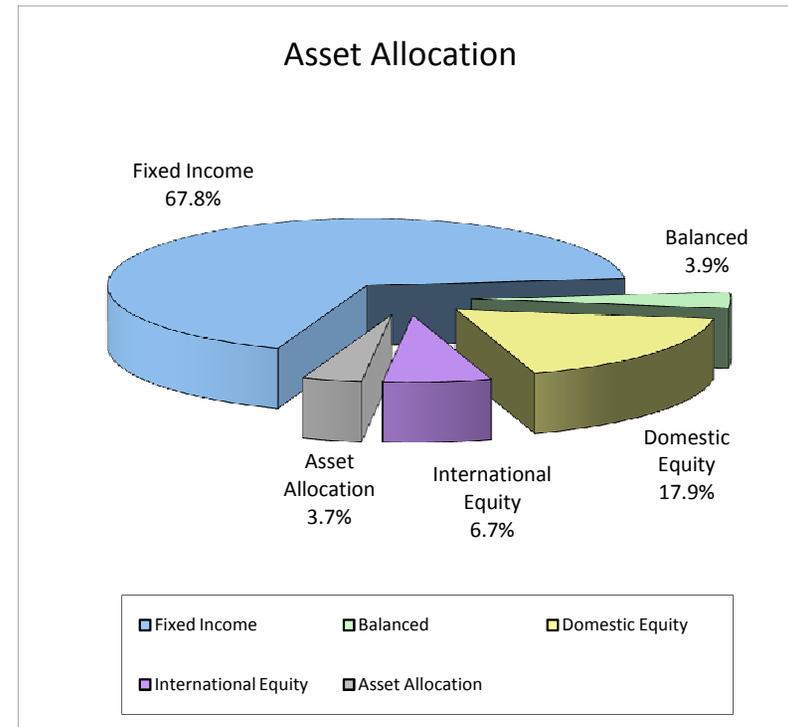
Asset Class	Name	Ticker	Current Status
Fixed Income	State of Montana Stable Value - PIMCO	Sep. Mgmt.	Retention
Fixed Income	PIMCO Total Return	PTRAX	Retention
Fixed Income	Neuberger Berman High Income Bond Fund	NHINX	Retention
Balanced	Dodge & Cox Balanced	DODBX	Probation
Asset Allocation	Conservative Asset Allocation	N/A	Retention
Asset Allocation	Moderate Asset Allocation	N/A	Retention
Asset Allocation	Moderately Aggressive Allocation	N/A	Retention
Large Growth	Fidelity ContraFund	FCNTX	Retention
Large Growth	Calvert Social Investment Equity A	CSIEX	Retention
Large Core	Vanguard (500) Institutional Index	VINIX	Retention
Large Value	Davis New York Venture A	NYVTX	Probation
Mid Growth	Munder Mid Cap Core Growth A	MGOAX	Probation
Mid Value	Columbia Mid Cap Value Z Fund	NAMAX	Retention
Small Growth	Vanguard Small Cap Growth Index	VISGX	Retention
Small Core	Vanguard Small Cap Index Signal	VSISX	Retention
Small Value	Neuberger Berman Genesis Tr	NBGEX	Retention
Global	American Funds New Perspective Fund R4	RNPEX	Retention
Global	Mutual Discovery Z	MDISX	Retention
International	Artisan International Inv	ARTIX	Retention
International	Dodge & Cox International Stock	DODFX	Retention

State of Montana 457 Deferred Compensation Plan
September 30, 2011



Asset Allocation as of September 30, 2011

Asset Class	Market Value	%
Fixed Income	224,581,346	67.8%
Montana Fixed Fund - Stable Value	217,146,429	65.6%
PIMCO Total Return	4,993,001	1.5%
Neuberger High Income	2,441,916	0.7%
Balanced	12,749,576	3.9%
Dodge & Cox Balanced	12,749,576	3.9%
Domestic Equity	59,259,402	17.9%
<i>Large Cap</i>	<u>38,752,095</u>	<u>11.7%</u>
Fidelity ContraFund	17,790,672	5.4%
Calvert Social Investment Equity	1,366,898	0.4%
Vanguard Institutional Index	10,519,704	3.2%
Davis NY Venture	9,074,822	2.7%
<i>Mid Cap</i>	<u>7,285,006</u>	<u>2.2%</u>
Munder Mid Cap Core Growth A	4,584,714	1.4%
Columbia Mid Cap Value Fund Z	2,700,292	0.8%
<i>Small Cap</i>	<u>13,222,301</u>	<u>4.0%</u>
Vanguard Small Cap Growth Index	3,392,452	1.0%
Vanguard Small Cap Index	1,676,130	0.5%
Neuberger Berman Genesis	8,153,718	2.5%
International Equity	22,289,671	6.7%
American Funds New Perspective	7,271,031	2.2%
Mutual Discovery	7,170,791	2.2%
Artisan International	2,145,588	0.6%
Dodge & Cox International Stock	5,702,260	1.7%
Asset Allocation	12,257,491	3.7%
Conservative Asset Allocation	1,916,841	0.6%
Moderate Asset Allocation	4,617,523	1.4%
Moderately Aggressive Allocation	5,723,127	1.7%
TOTAL STATE OF MONTANA 457	\$ 331,137,485	



State of Montana 457 Deferred Compensation Plan
September 30, 2011



Montana Stable Value	Trailing Total Returns (annualized)			
Style: Intermediate Gov/Credit FI	Quarter	1 Year	3 Year	5 Year
Montana Stable Value	2.19	2.93	8.21	6.38
Barclays Int Gov/Credit Bond + 0.35%	2.49	3.76	7.37	6.27

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	n/a	--	--	--
5 yr	n/a	--	--	--

Fund Narrative
The fund underperformed the benchmark by 30 basis points this quarter, but leads for both the 3- and 5-year. The underperformance was due to the exposure to Credit issuances which was amongst the best performing sectors in the quarter. **Current Status: Retention, no change recommended.**

PIMCO Total Return	Trailing Total Returns (annualized)			
Style: Intermediate Fixed Income	Quarter	1 Year	3 Year	5 Year
PIMCO Total Return	(1.12)	0.71	9.56	7.54
Barclays Aggregate	3.82	5.26	7.97	6.53
Intermediate Fixed MF Mean	2.06	3.95	8.81	5.99

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★★★	2.2	1.9	1.9
5 yr	★★★★★	1.3	1.0	1.3
10 yr	★★★★★	--	--	--

Fund Narrative
This manager is ranked as the top 5% of this investment category for the 5- and 10-year periods. PIMCO underperformed this quarter and the 1-year, but still outperforms for other time periods; it has consistent 4- and 5-star rankings by Morningstar, and its Sharpe Ratios are above the category mean, therefore the fund easily exceeds the State minimum. **Current Status: Retention, no change recommended.**

Neuberger High Income Bond	Trailing Total Returns (annualized)			
Style: High Yield Fixed Income	Quarter	1 Year	3 Year	5 Year
Neuberger High Income Bond	(6.85)	0.04	13.55	7.54
Barclays U.S. High Yield Index	(6.06)	1.78	13.83	7.08
High Yield MF Mean	(6.45)	1.03	9.92	4.91

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★★★★	1.0	0.6	0.9
5 yr	★★★★★	0.5	0.3	0.4
10 yr	★★★★	--	--	--

Fund Narrative
This high yield manager had a negative and slightly trailing quarter; it now only leads the benchmark for the 5-year time period. However, the consistent 5-star Morningstar ratings and the Sharpe Ratios above category mean all meet the State's requirements. **Current Status: Retention, no change recommended.**

Dodge & Cox Balanced	Trailing Total Returns (annualized)			
Style: Balanced	Quarter	1 Year	3 Year	5 Year
Dodge & Cox Balanced	(14.14)	(1.72)	2.99	(1.52)
60% S&P 500 / 40% Barclays Aggregate	(7.04)	3.06	4.44	2.26
Balanced MF Mean	(9.50)	0.31	3.90	1.61

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★	0.2	0.2	0.3
5 yr	★	-0.1	0.0	0.1
10 yr	★★★	--	--	--

Fund Narrative
This balanced fund greatly underperformed the benchmark for the quarter, and lags for the 3- and 5-year time periods. The 1- and 2-star Morningstar ratings and the Sharpe Ratios that are below or in line with the category mean do not meet the State's requirement. **Current Status: Probation, a search is recommended if the Board prefers to keep this fund type in addition to the new targetdate funds.**

State of Montana 457 Deferred Compensation Plan
September 30, 2011



Asset Allocation - Conservative	Trailing Total Returns (annualized)			
Style: Balanced	Quarter	1 Year	3 Year	5 Year
Asset Allocation - Conservative	(3.29)	1.75	7.38	--
Montana Conservative Index	(2.01)	3.02	5.15	--
Balanced MF Mean	(9.50)	0.31	3.90	1.61

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	n/a	--	0.2	--
5 yr	n/a	--	0.0	--
10 yr	n/a	--	--	--

Fund Narrative
This fund underperformed relative to the Montana Conservative Index for the quarter, dragging down the 1-year but leads for the 3-year time period. The Montana Conservative Index is comprised of: 40% Barclays Aggregate Index, 35% Barclays Government/Credit Bond Index, and 25% S&P 500 Index. Current Status: Retention, no change recommended.

Asset Allocation - Moderate	Trailing Total Returns (annualized)			
Style: Balanced	Quarter	1 Year	3 Year	5 Year
Asset Allocation - Moderate	(10.09)	(0.03)	5.16	--
Montana Moderate Index	(9.90)	0.04	3.56	--
Balanced MF Mean	(9.50)	0.31	3.90	1.61

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	n/a	--	0.2	--
5 yr	n/a	--	0.0	--
10 yr	n/a	--	--	--

Fund Narrative
This fund underperformed relative to the Montana Moderate Index for the quarter but leads for the 3-year. The Montana Moderate Index is comprised of: 20% Barclays Aggregate, 20% Barclays Government/Credit Bond Index, 25% S&P 500 Index, 10% Russell MidCap Index, 10% Russell 2000 Index, and 15% MSCI EAFE (\$net). Current Status: Retention, no change recommended.

Asset Allocation - Mod Aggressive	Trailing Total Returns (annualized)			
Style: Balanced	Quarter	1 Year	3 Year	5 Year
Asset Allocation - Aggressive	(13.86)	(0.98)	3.71	--
Montana Moderately Aggressive Index	(13.58)	(0.92)	2.84	--
Balanced MF Mean	(9.50)	0.31	3.90	1.61

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	n/a	--	0.2	--
5 yr	n/a	--	0.0	--
10 yr	n/a	--	--	--

Fund Narrative
This fund slightly underperformed the Montana Moderately Aggressive Index for the quarter and 1-year but leads for the 3-year time period. The Montana Moderately Aggressive Index is comprised of: 20% Barclays Aggregate Index, 30% S&P 500 Index, 15% Russell MidCap Index, 15% Russell 2000 Index, and 20% MSCI EAFE (\$net). Current Status: Retention, no change recommended.

Fidelity Contrafund	Trailing Total Returns (annualized)			
Style: Large Cap Growth	Quarter	1 Year	3 Year	5 Year
Fidelity Contrafund	(11.64)	0.95	3.51	2.23
S&P 500 Index	(13.87)	1.14	1.23	(1.18)
Wilshire Large Growth Index	(15.46)	0.82	3.48	1.22
Large Cap Growth MF Mean	(15.13)	(0.25)	2.08	(0.05)

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★★	0.3	0.1	0.2
5 yr	★★★★★	0.1	-0.1	-0.1
10 yr	★★★★★	--	--	--

Fund Narrative
The fund led the benchmark this quarter, boosting the 3- and 5-year to outperform. This manager is a strong performer and has ranked above the median historically. With 3- and 5-star Morningstar ratings and Sharpe Ratios above the category mean, this fund meets the requirements of the State. Current Status: Retention, no change recommended.

State of Montana 457 Deferred Compensation Plan
September 30, 2011



Calvert Social Investor Equity	Trailing Total Returns (annualized)			
Style: Large Cap Growth	Quarter	1 Year	3 Year	5 Year
Calvert Social Investor Equity	(15.11)	1.07	2.83	1.31
S&P 500 Index	(13.87)	1.14	1.23	(1.18)
Wilshire Large Growth Index	(15.46)	0.82	3.48	1.22
Large Cap Growth MF Mean	(15.13)	(0.25)	2.08	(0.05)

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★★	0.2	0.1	0.2
5 yr	★★★	0.1	-0.1	-0.1
10 yr	★★★★	--	--	--

Fund Narrative
This fund had a weak quarter versus the benchmark, but its 3- and 5-year performance numbers still outperform. The fund has 3-star Morningstar ratings and Sharpe Ratios above category mean which meet the State minimum requirements. **Current Status: Retention, no change recommended.** *This manager is fulfilling a need and has significant sector restrictions.*

Vanguard Institutional Index	Trailing Total Returns (annualized)			
Style: Large Cap Core	Quarter	1 Year	3 Year	5 Year
Vanguard Institutional Index	(13.87)	1.12	1.28	(1.15)
S&P 500 Index	(13.87)	1.14	1.23	(1.18)
Large Cap Core MF Mean	(15.50)	(1.33)	0.21	(1.71)

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★★★	0.2	0.0	0.2
5 yr	★★★★	-0.1	-0.2	-0.1
10 yr	★★★	--	--	--

Fund Narrative
As expected of an index fund, this fund performed in line with the returns of its benchmark for all time periods. With consistent 4-star Morningstar ratings and Sharpe Ratios that exceed the category mean, this fund meets the requirements of the State. **Current Status: Retention, no change recommended.**

Davis NY Venture	Trailing Total Returns (annualized)			
Style: Large Cap Value	Quarter	1 Year	3 Year	5 Year
Davis NY Venture	(16.32)	(5.20)	(1.42)	(2.97)
S&P 500 Index	(13.87)	1.14	1.23	(1.18)
Wilshire Large Value Index	(13.57)	1.65	(0.36)	(2.69)
Large Cap Value MF Mean	(17.03)	(3.64)	(1.59)	(3.48)

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★	0.0	-0.1	0.2
5 yr	★★	-0.1	-0.2	-0.1
10 yr	★★★	--	--	--

Fund Narrative
The fund had another negative and underperforming quarter and trails the benchmark for all recorded time periods, not meeting the State's requirements. The 2-star Morningstar ratings do not meet the minimum 3-star requirement, but the fund's Sharpe Ratios are above the category mean. The fund will be monitored closely. **Current Status: Probation, a large cap value replacement search is in progress.**

Munder Mid-Cap Core Growth	Trailing Total Returns (annualized)			
Style: Mid Cap Growth	Quarter	1 Year	3 Year	5 Year
Munder Mid-Cap Core Growth	(18.07)	1.42	3.46	1.41
Russell Mid Cap Index	(19.88)	(1.28)	4.05	2.20
Wilshire Mid Growth Index	(22.07)	0.85	7.34	3.64
Mid Cap Growth MF Mean	(19.84)	(0.67)	3.88	1.24

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★★	0.3	0.1	0.3
5 yr	★★★	0.1	0.0	0.1
10 yr	★★★★	--	--	--

Fund Narrative
The fund led the benchmark for the quarter but still trails for the 3- and 5-year time periods. The Sharpe Ratios are above category mean and the 3-star Morningstar ratings still meet the minimum requirements. **Current Status: Probation, a mid cap growth fund replacement search is on hold.**

State of Montana 457 Deferred Compensation Plan
September 30, 2011



Columbia Mid Cap Value Z Fund	Trailing Total Returns (annualized)			
Style: Mid Cap Value	Quarter	1 Year	3 Year	5 Year
Columbia Mid Cap Value Z Fund	(21.02)	(3.11)	(0.12)	(1.34)
Russell Mid Cap Value Index	(18.46)	(2.36)	1.98	(0.84)
Russell Mid Cap Index	(19.88)	(1.28)	4.05	2.20
Mid Cap Value MF Mean	(19.42)	(3.60)	2.73	(0.68)

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★	0.1	0.1	0.2
5 yr	★★★	0.0	-0.1	0.0
10 yr	--	--	--	--

Fund Narrative
The fund underperformed the benchmark this quarter lags over the 3- and 5-year time periods. The fund's 2-star Morningstar ratings for the 3-year do not satisfy the State's minimum requirements but the five-year Morningstar ratings and Sharpe Ratios do. This fund will be closely monitored. **Current Status: Retention, probation is recommended.**

Vanguard Small Cap Growth Idx	Trailing Total Returns (annualized)			
Style: Small Cap Growth	Quarter	1 Year	3 Year	5 Year
Vanguard Small Cap Growth Idx	(22.13)	0.41	4.62	2.55
MSCI US Small Cap Growth Index	(22.14)	0.44	4.64	2.57
Small Cap Growth MF Mean	(22.34)	(0.57)	2.96	0.50

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★★	0.3	0.1	0.3
5 yr	★★★★	0.2	-0.1	0.2
10 yr	★★★★	--	--	--

Fund Narrative
This Vanguard index fund replaced the Managers Essex Sm/Micro Growth fund and is designed to track the MSCI US Small Cap Growth fund. The fund's in-line performance for the 3- and 5-year time periods, 3- and 4-star Morningstar ratings, and greater than category mean Sharpe Ratios meet the State's requirements. **Current Status: Retention, no change recommended.**

Vanguard Small Cap Index	Trailing Total Returns (annualized)			
Style: Small Cap Core	Quarter	1 Year	3 Year	5 Year
Vanguard Small Cap Index	(21.38)	(2.21)	2.66	0.73
MSCI US Small Cap 1750 Index	(21.40)	(2.29)	2.53	0.62
Small Cap Core MF Mean	(21.45)	(3.55)	1.60	(0.63)

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★★★	0.2	0.1	0.2
5 yr	★★★★	0.1	0.1	0.1
10 yr	★★★	--	--	--

Fund Narrative
This fund's return tracked the benchmark return within an acceptable range for all time periods, as expected of an index fund. With consistent 4-star Morningstar ratings and above-category mean Sharpe Ratios, this fund meets all of the State's minimum requirements. **Current Status: Retention, no change recommended.**

Neuberger Berman Genesis	Trailing Total Returns (annualized)			
Style: Small Cap Value	Quarter	1 Year	3 Year	5 Year
Neuberger Berman Genesis	(15.07)	5.84	1.45	4.34
Russell 2000 Index	(21.87)	(3.53)	(0.37)	(1.02)
Russell 2000 Value Index	(21.47)	(5.99)	(2.78)	(3.08)
Small Cap Value MF Mean	(20.95)	(4.47)	1.48	0.03

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★★★	0.2	0.0	0.1
5 yr	★★★★★	0.2	-0.1	0.0
10 yr	★★★★★	--	--	--

Fund Narrative
This manager posted a negative but outperforming quarter, and now leads for the 3- and 5-year time periods. With 4- and 5-star Morningstar ratings and strong Sharpe Ratios, this fund now meets the State's minimum requirements. However, the fund will continue to be closely monitored. **Current Status: Retention, no change recommended.**

State of Montana 457 Deferred Compensation Plan
September 30, 2011



American Funds New Perspective	Trailing Total Returns (annualized)			
Style: Global Equity	Quarter	1 Year	3 Year	5 Year
American Funds New Perspective	(16.67)	(5.34)	2.60	0.97
MSCI World Index	(16.61)	(4.35)	(0.07)	(2.23)
World Equity MF Mean	(17.90)	(6.52)	0.71	(1.38)

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★★★	0.2	0.0	0.1
5 yr	★★★★	0.1	-0.1	-0.1
10 yr	★★★★	--	--	--

Fund Narrative
This global equity fund very slightly lagged the MSCI World Index benchmark for the quarter, but significantly outperformed for the 3- and 5-year time periods. The manager's Sharpe Ratios were higher than the category mean and the 4-star Morningstar Ratings exceed the requirements of the State. **Current Status: Retention, no change recommended.**

Mutual Global Discovery	Trailing Total Returns (annualized)			
Style: Global Equity	Quarter	1 Year	3 Year	5 Year
Mutual Global Discovery	(15.52)	(6.39)	1.76	1.35
MSCI World Index	(16.61)	(4.35)	(0.07)	(2.23)
World Equity MF Mean	(17.90)	(6.52)	0.71	(1.38)

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★★★	0.2	0.0	0.1
5 yr	★★★★★	0.0	-0.1	-0.1
10 yr	★★★★★	--	--	--

Fund Narrative
The fund outperformed this quarter and leads the benchmark for the 3- and 5-year time periods. With consistent 4- and 5-star Morningstar ratings and strong Sharpe Ratios, this fund exceeds all State requirements. **Current Status: Retention, no change recommended.**

Artisan International	Trailing Total Returns (annualized)			
Style: International (Non-US) Equity	Quarter	1 Year	3 Year	5 Year
Artisan International	(20.41)	(9.95)	(0.79)	(2.53)
MSCI EAFE Growth Index	(18.98)	(8.79)	(0.63)	(2.16)
MSCI EAFE Index	(19.01)	(9.36)	(1.13)	(3.46)
Non-US Equity MF Mean	(20.73)	(10.97)	(1.16)	(3.20)

	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★★	0.1	-0.1	0.1
5 yr	★★★	0.0	-0.2	-0.1
10 yr	★★★	--	--	--

Fund Narrative
The fund underperformed the MSCI EAFE Growth for the quarter and now slightly lags the benchmark for the 3- and 5-year. With improved 3-star Morningstar ratings and stronger Sharpe Ratios versus the category mean, the fund still meets the State's requirements. The fund will still be monitored closely. **Current Status: Retention, no change recommended.**

Dodge & Cox International Stock	Trailing Total Returns (annualized)			
Style: International (Non-US) Equity	Quarter	1 Year	3 Year	5 Year
Dodge & Cox International Stock	(21.72)	(12.96)	(0.02)	(2.16)
MSCI EAFE Value Index	(19.03)	(9.99)	(1.69)	(4.82)
MSCI EAFE Index	(19.01)	(9.36)	(1.13)	(3.46)
Non-US Equity MF Mean	(20.73)	(10.97)	(1.16)	(3.20)

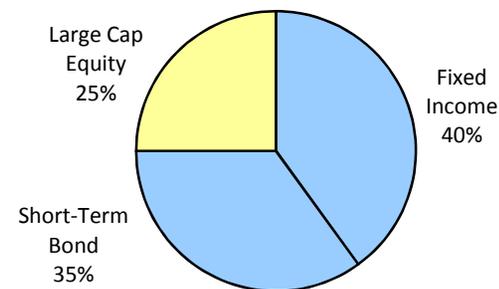
	Sharpe Ratio			
	Rating	Manager	Cat. Mean	Index
3 yr	★★★	0.1	-0.1	0.1
5 yr	★★★	0.0	-0.2	-0.2
10 yr	★★★★	--	--	--

Fund Narrative
This fund posted a negative and lagging return versus its benchmark this quarter but still leads the benchmark for the 3- and 5-year time periods. The fund has 3-star Morningstar ratings and its Sharpe Ratios are above the category mean to meet the State's minimum requirements. **Current Status: Retention, no change recommended.**

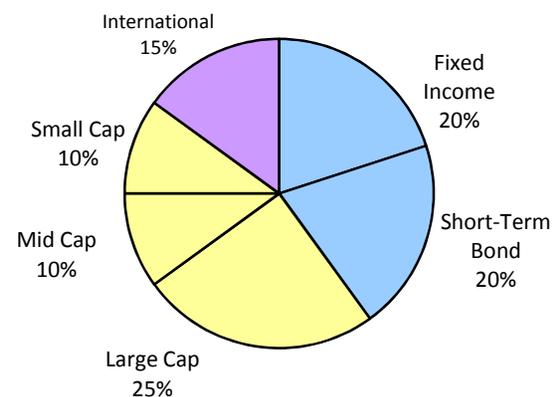
State of Montana 457 Deferred Compensation Plan September 30, 2011



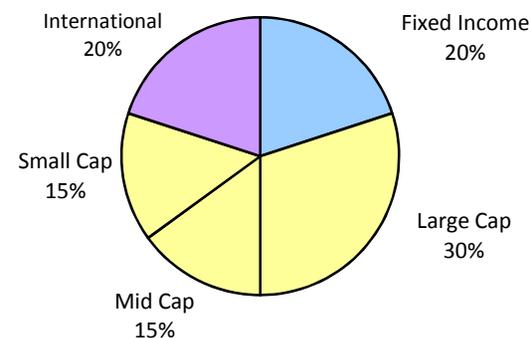
Montana Conservative Asset Allocation		
Target Asset Allocation		Fund Allocation
Fixed Income	40%	PIMCO Total Return Fund
Short-Term Bond	35%	Stable Value Fund
Large Cap Equity	25%	Vanguard 500 Institutional



Montana Moderate Asset Allocation		
Target Asset Allocation		Fund Allocation
Fixed Income	20%	PIMCO Total Return Fund
Short-Term Bond	20%	Stable Value Fund
Large Cap	25%	Vanguard 500 Institutional
Mid Cap	10%	Munder Mid Cap Core Growth A
Small Cap	10%	Neuberger Berman Genesis
International	15%	Dodge & Cox International



Montana Moderately Aggressive Asset Allocation		
Target Asset Allocation		Fund Allocation
Fixed Income	20%	PIMCO Total Return Fund
Large Cap	30%	Vanguard 500 Institutional
Mid Cap	15%	Munder Mid Cap Core Growth A
Small Cap	15%	Neuberger Berman Genesis
International	20%	Dodge & Cox International



State of Montana 457 Deferred Compensation Plan
September 30, 2011



PIMCO Total Return Ticker: PTRAX

Fund Strategy
This is the largest fixed income mutual fund in the world. Manager Bill Gross combines PIMCO's long term macroeconomic outlook with short term cyclical issues when constructing the portfolio. The manager has flexibility to determine sector weightings and occasionally invests in non-index sectors: high yield, developed market international, and emerging market debt.

Manager Information
Lead Manager Team Managed
Avg. Tenure n/a
Prospectus www.allianzinvestors.com

Fund	Characteristics				Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Duration	Avg. Maturity	Avg. Quality	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
PIMCO Total Return	★★★★★	4.37	6.07	-	-1.1%	1.7%	0.7%	9.6%	7.5%	6.3%
Barclays Aggregate					3.8%	6.6%	5.3%	8.0%	6.5%	5.7%
Interm Fixed MF Mean					2.1%	5.0%	4.0%	8.8%	6.0%	5.1%

	Manager Statistics				Index Statistics	
	Standard Deviation	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Sharpe Ratio
3-Year	4.12	3.49	2.21	3.04	4.05	1.88
5-Year	4.35	1.29	1.32	2.74	3.62	1.31

Portfolio Characteristics 6-30-11	
Credit Quality	%
US Gov't/Agency/AAA	64.0%
AA	9.0%
A	13.0%
BBB	8.0%
< BBB	6.0%
Non-Rated	0.0%
Maturity Breakdown	%
0 - 3 yrs.	17.8%
3 - 5 yrs.	21.4%
5 - 7 yrs.	8.7%
7 - 10 yrs.	5.3%
10 - 15 yrs.	8.4%
15 - 20 yrs.	4.2%
20 + yrs.	34.1%

Sector Weights 6-30-11	
	%
US Government	15.3%
Mortgage	30.6%
Credit	25.9%
Foreign	28.2%
Cash	0.0%

Portfolio Information	
Expense Ratio	0.71%
12b-1 Fee Included	0.25%
Category Average	1.04%
Minimum Investment	\$1,000,000

Year-End Assets (\$ Mil.)	
2010	\$33,685
2009	\$30,268
2008	\$23,466
2007	\$22,644
2006	\$19,877
2005	\$18,448
2004	\$17,013
2003	\$15,959

State of Montana 457 Deferred Compensation Plan

September 30, 2011



Intermediate Fixed Income Universe



	Quarter	Year-to-date	One Year	Three Years	Five Years	Ten Years
● PIMCO:Tot Rtn;Admn (PTRAX)	-1.13 (94%)	1.71 (95%)	0.69 (95%)	9.59 (31%)	7.56 (5%)	6.33 (4%)
▲ BC Aggregate	3.82 (9%)	6.65 (9%)	5.26 (17%)	7.97 (72%)	6.53 (37%)	5.67 (21%)
# of Products	161	161	161	147	124	82

State of Montana 457 Deferred Compensation Plan
September 30, 2011



Neuberger Berman High Income Bond Fund

Ticker:

NHINX

Fund Strategy
Formerly called the Lehman Brothers High Income Bond Fund, this fund is focused on total return and has the flexibility to invest in bonds rated CCC (formerly this part of the credit spectrum was off limits). To date, managers have preferred higher quality, intermediate, high yield corporate bonds.

Manager Information
Lead Manager Ann H. Benjamin + Team
Avg. Tenure n/a
Prospectus www.allianzinvestors.com

Fund	Characteristics				Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Duration	Avg. Maturity	Avg. Quality	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Neuberger High Income Bond	★★★★★	4.13	6.80	B	-6.8%	-3.0%	0.0%	13.6%	7.5%	7.4%
Barclays U.S. High Yield Index					-6.1%	-1.4%	1.8%	13.8%	7.1%	8.8%
High Yield MF Mean					-6.5%	-2.3%	1.0%	9.9%	4.9%	6.9%

	Manager Statistics				Index Statistics	
	Standard Deviation	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Sharpe Ratio
3-Year	14.19	8.66	0.96	14.03	16.49	0.86
5-Year	11.96	2.84	0.54	11.76	13.95	0.45

Portfolio Characteristics 8-31-11	
Credit Quality	%
US Gov't/Agency/AAA	3.1%
< AAA	0.0%
BBB	0.0%
BB	5.8%
< BB	91.1%
Non-Rated	0.0%
Maturity Breakdown	%
0 - 3 yrs.	3.1%
3 - 5 yrs.	26.3%
5 - 7 yrs.	32.5%
7 - 10 yrs.	32.3%
10 - 15 yrs.	2.9%
15 - 20 yrs.	2.3%
20 + yrs.	0.7%

Sector Weights 8-31-11	
Sectors	%
US Government	0.0%
Mortgage	0.0%
Credit	92.4%
Foreign	7.6%
Cash	0.0%

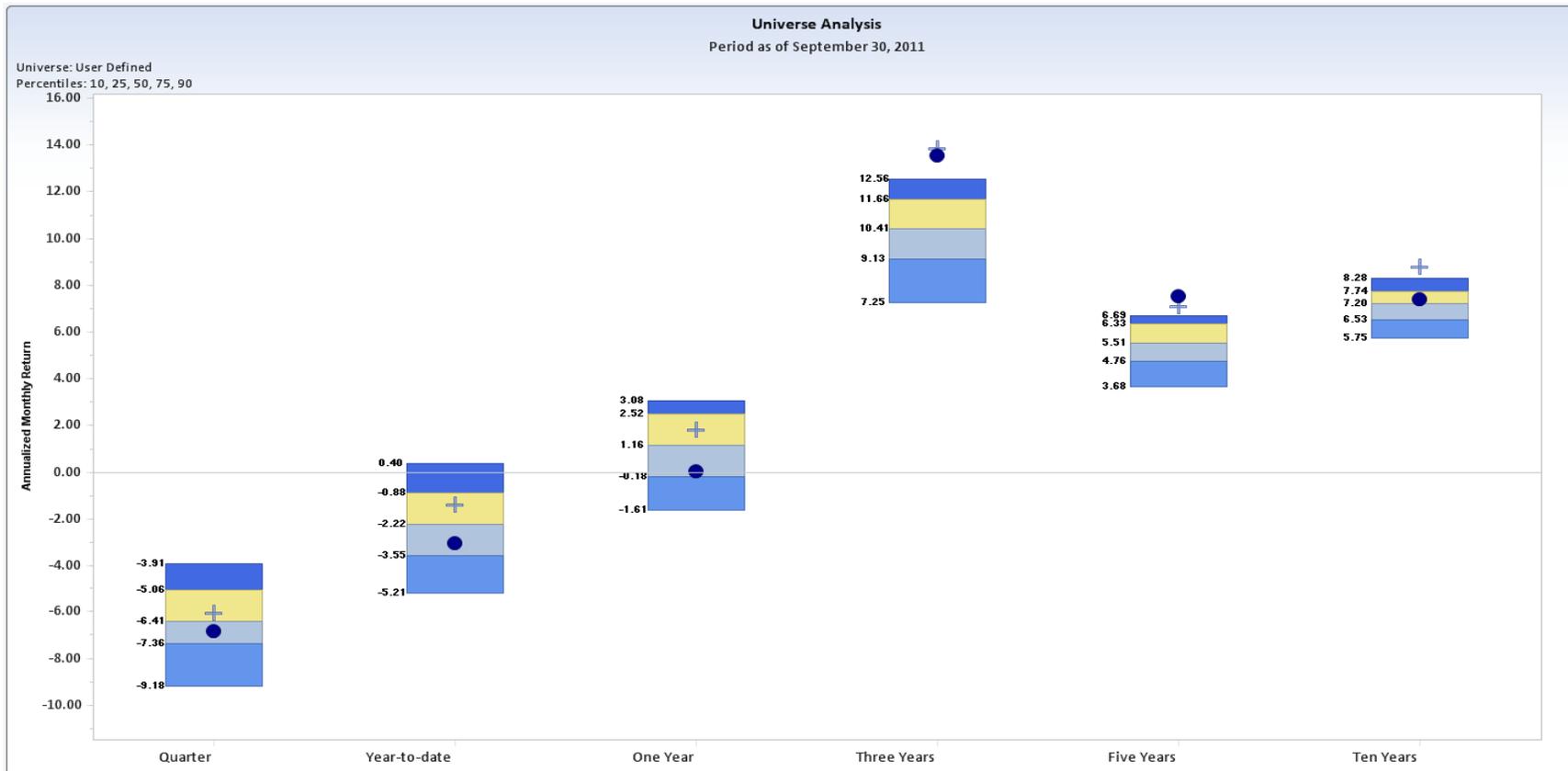
Portfolio Information	
Expense Ratio	0.96%
12b-1 Fee Included	-
Category Average	1.22%
Minimum Investment	\$2,000

Year-End Assets (\$ Mil.)	
2010	\$357
2009	\$444
2008	\$196
2007	\$322
2006	\$592
2005	\$719
2004	\$841
2003	\$579

State of Montana 457 Deferred Compensation Plan September 30, 2011



High Yield Fixed Income Universe



	Quarter	Year-to-date	One Year	Three Years	Five Years	Ten Years
● Neuberger Hi Inc Bd;Inv (NHINX)	-6.84 (61%)	-3.04 (69%)	0.05 (73%)	13.55 (3%)	7.53 (2%)	7.38 (42%)
+ BC High Yield	-6.06 (41%)	-1.39 (35%)	1.79 (37%)	13.83 (2%)	7.08 (7%)	8.79 (4%)
# of Products	125	125	125	114	90	58

State of Montana 457 Deferred Compensation Plan
September 30, 2011



Dodge & Cox Balanced

Ticker: DODBX

Fund Strategy
This fund is invested 60%-65% in stocks and 35%-40% in bonds. The stocks in the portfolio are mid-cap to large cap value stocks. The bonds in the portfolio are governments and mid-quality corporate.

Manager Information	
Lead Manager	John A. Gunn + Team
Inception	6/26/1991
Prospectus	www.dodgeandcox.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Mkt Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Dodge & Cox Balanced	★★	\$44,339	343	-14.1%	-9.3%	-1.7%	3.0%	-1.5%	4.7%
US Balanced Index				-7.0%	-2.6%	3.1%	4.4%	2.3%	4.3%
Balanced MF Mean				-9.5%	-5.4%	0.3%	3.9%	1.6%	4.3%

	Manager Statistics				Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Sharpe Ratio
3-Year	19.19	1.33	-2.78	0.24	6.00	13.08	0.32
5-Year	16.69	1.35	-4.56	-0.10	5.71	11.26	0.05

Top 10 Holdings 6-30-11	
Company	% of Portfolio
Hewlett-Packard Company	3.17%
Capital One Financial Corp	2.78%
Comcast Corporation A	2.67%
Wells Fargo Company	2.61%
Merk & Co Inc	2.29%
Sanofi ADR	2.27%
Schlumberger, Ltd.	2.24%
GlaxoSmithKline PLC	2.22%
General Electric Company	2.16%
Novartis AG ADR	2.03%

Sector Weights 6-30-11	
Basic Materials	2.7%
Communication Services	10.1%
Consumer Cyclical	9.7%
Consumer Defensive	2.7%
Healthcare	21.0%
Industrial	8.2%
Real Estate	0.0%
Technology	19.2%
Energy	9.7%
Financials	16.8%
Utilities	0.0%

Portfolio Information	
Expense Ratio	0.53%
12b-1 Fee Included	-
Morningstar Average	1.17%
Minimum Investment	\$2,500
Avg. Annual Turnover	12%

Fixed Income Characteristics	
Avg. Duration (yrs.)	3.80
Avg. Maturity (yrs.)	7.30
Avg. Quality	BBB

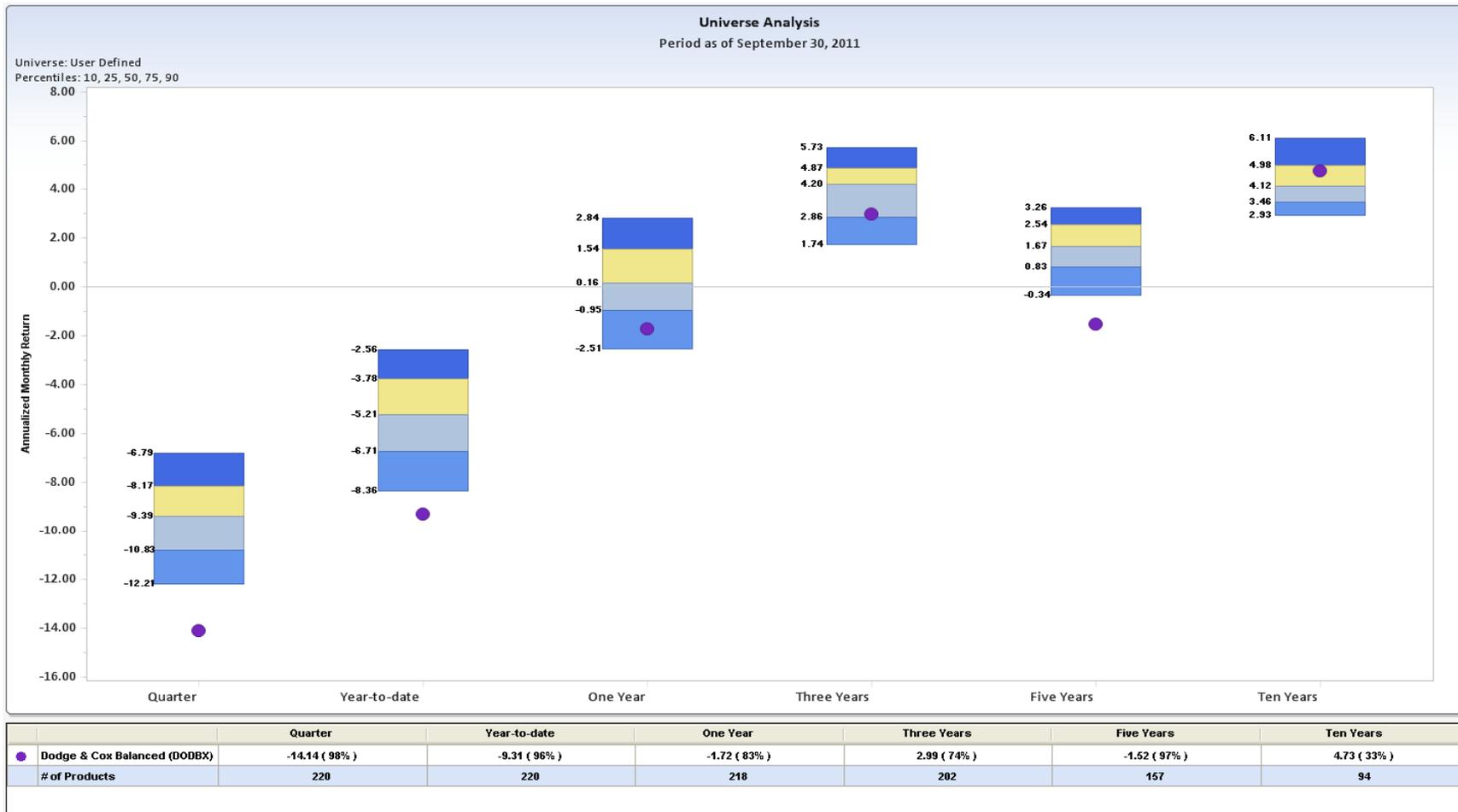
Sector Weights 6-30-11	
Sectors	%
US Government	8.9%
Mortgage	44.0%
Credit	42.6%
Foreign	4.5%
Cash	0.0%

Year-End Assets (\$ Mil.)	
2010	\$14,800
2009	\$15,434
2008	\$14,700
2007	\$27,063
2006	\$24,458
2005	\$23,611
2004	\$20,741
2003	\$13,196

State of Montana 457 Deferred Compensation Plan September 30, 2011



Balanced Universe



State of Montana 457 Deferred Compensation Plan
September 30, 2011



Fidelity ContraFund Ticker: FCNTX

Fund Strategy

This fund likes companies with improving prospects rather than turnaround situations and utilizes the growth at a reasonable price investment philosophy. The manager invests in a broad array of industries and currently has a growth tilt. Due to the size of the fund, holdings are mostly in large cap stocks, though it still has many mid-cap stocks from earlier days when it was smaller in size and more nimble.

Manager Information

Lead Manager William Danoff
 Inception 5/17/1987
 Prospectus www.fidelity.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Mkt Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Fidelity ContraFund	★★★★★	\$32,352	478	-11.6%	-7.8%	0.9%	3.5%	2.2%	6.8%
S & P 500				-13.9%	-8.7%	1.1%	1.2%	-1.2%	2.8%
Wilshire Large Growth				-15.5%	-10.3%	0.8%	3.5%	1.2%	3.3%
Lg Cap Growth MF Mean				-15.1%	-10.6%	-0.3%	2.1%	-0.1%	2.5%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	18.63	0.85	2.19	0.27	5.24	21.25	-	0.16
5-Year	16.96	0.88	3.03	0.12	5.77	18.32	-	-0.06

Top 10 Holdings 8-31-11

Company	% of Portfolio
Apple, Inc.	8.31%
Google, Inc.	4.54%
Berkshire Hathaway A	3.01%
McDonald's Corporation	2.78%
Coca-Cola Company	2.56%
Noble Energy, Inc.	1.90%
Amazon.com Inc	1.84%
The Walt Disney Co	1.76%
Wells Fargo Company	1.63%
TJX Companies	1.37%

Sector Weights 8-31-11

Basic Materials	7.2%
Communication Services	1.3%
Consumer Cyclical	20.2%
Consumer Defensive	8.6%
Healthcare	7.6%
Industrial	7.1%
Real Estate	0.3%
Technology	29.5%
Energy	8.3%
Financials	9.8%
Utilities	0.0%

Portfolio Information

Expense Ratio	0.91%
12b-1 Fee	-
Morningstar Average	1.38%
Minimum Investment	\$2,500
Avg. Annual Turnover	46%

Year-End Assets (\$ Mil.)

2010	\$61,431
2009	\$57,153
2008	\$45,195
2007	\$80,864

State of Montana 457 Deferred Compensation Plan

September 30, 2011



Calvert Social Investment Equity A

Ticker: CSIEX

Fund Strategy

This fund invests in companies with solid balance sheets, dominant business franchises, and good earnings prospects. The portfolio is screened for social investment criteria: no alcohol, tobacco, gambling, or weapons companies; no companies with poor environmental or labor related issues.

Manager Information

Manager Richard England - Atlanta Capital
 Inception 8/24/1987
 Prospectus www.calvert.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Mkt Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Calvert Social Invst. A	★★★	\$27,293	99	-15.1%	-8.0%	1.1%	2.8%	1.3%	4.1%
S & P 500				-13.9%	-8.7%	1.1%	1.2%	-1.2%	2.8%
Wilshire Large Growth				-15.5%	-10.3%	0.8%	3.5%	1.2%	3.3%
Lg Cap Growth MF Mean				-15.1%	-10.6%	-0.3%	2.1%	-0.1%	2.5%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	21.76	1.00	1.67	0.23	4.55	21.25	-	0.16
5-Year	18.44	0.98	2.48	0.08	4.29	18.32	-	-0.06

Top 10 Holdings 9-30-11	
Company	% of Portfolio
Allergan, Inc.	4.85%
Apple, Inc.	4.75%
Qualcomm, Inc.	4.27%
Cameron Int'l Corp	3.20%
T. Rowe Price Group	3.19%
Gilead Sciences, Inc.	2.86%
Cognizant Technology Sol	2.64%
Novartis AG ADR	2.53%
CVS Caremark Corp	2.53%
IBM	2.45%

Sector Weights 9-30-11	
Basic Materials	2.3%
Communication Services	0.0%
Consumer Cyclical	14.7%
Consumer Defensive	9.2%
Healthcare	14.6%
Industrial	10.5%
Real Estate	0.0%
Technology	26.1%
Energy	8.7%
Financials	13.9%
Utilities	0.0%

Portfolio Information	
Expense Ratio	1.22%
12b-1 Fee Included	0.25%
Morningstar Average	1.38%
Minimum Investment	\$2,000
Avg. Annual Turnover	39%

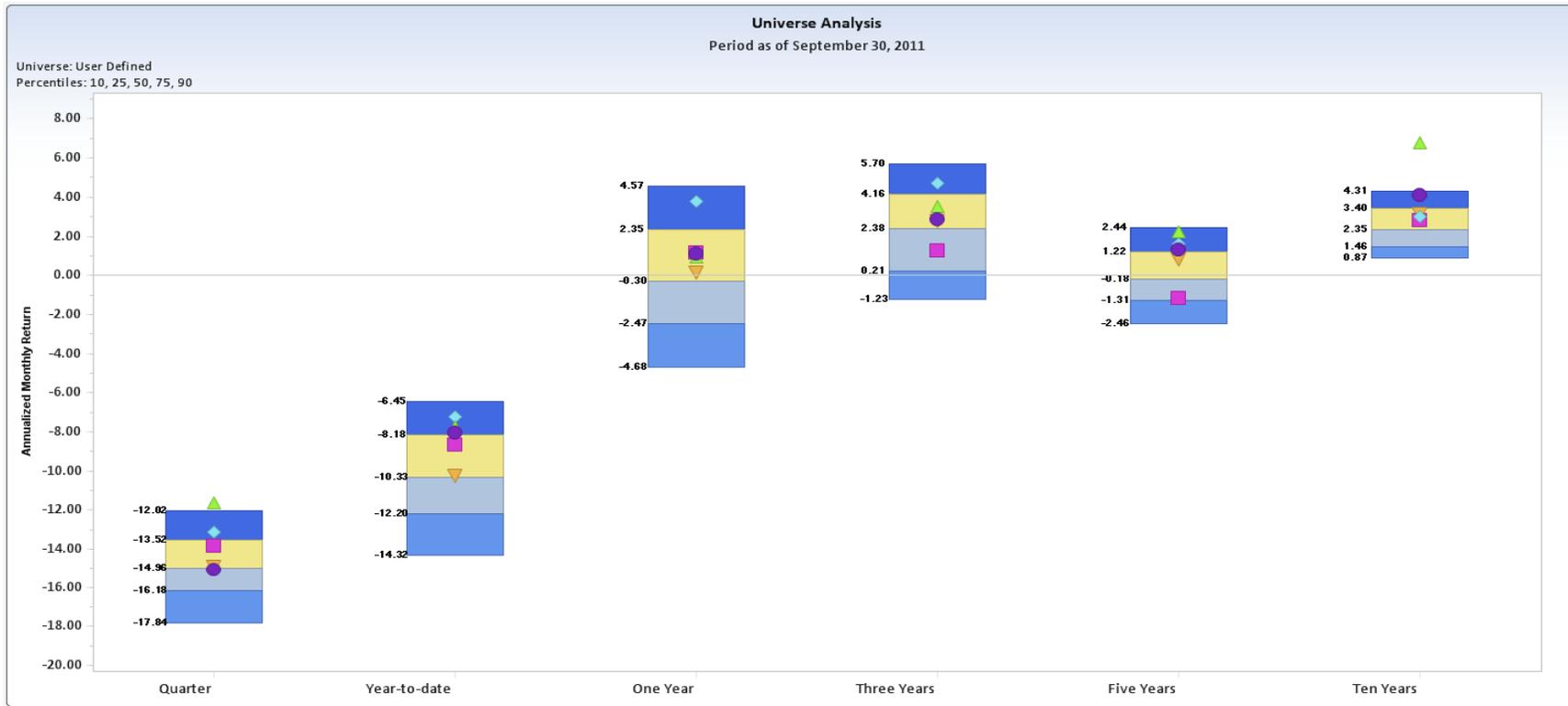
Year-End Assets (\$ Mil.)	
2010	\$1,109
2009	\$884
2008	\$633
2007	\$978

State of Montana 457 Deferred Compensation Plan

September 30, 2011



Large Cap Growth Universe



	Quarter	Year-to-date	One Year	Three Years	Five Years	Ten Years
● Calvert Soc Inv:Eqty;A (CSIEIX)	-15.11 (52%)	-8.04 (22%)	1.08 (40%)	2.84 (42%)	1.31 (24%)	4.11 (13%)
▲ Fidelity Contrafund (FCNTX)	-11.64 (7%)	-7.77 (18%)	0.95 (43%)	3.50 (30%)	2.23 (13%)	6.80 (1%)
◆ RUSSELL 1000 Gro	-13.14 (17%)	-7.21 (13%)	3.78 (14%)	4.69 (18%)	1.62 (21%)	3.01 (34%)
■ S&P 500	-13.86 (30%)	-8.67 (29%)	1.15 (38%)	1.23 (62%)	-1.17 (73%)	2.82 (39%)
▼ WIL Lrg Grwth	-14.92 (49%)	-10.30 (49%)	0.11 (48%)	2.75 (43%)	0.79 (35%)	3.10 (34%)
# of Products	217	217	217	194	170	121

State of Montana 457 Deferred Compensation Plan
September 30, 2011



Vanguard (500) Institutional Index Ticker: VINIX

Fund Strategy
This index fund buys and holds stocks that comprise the S&P 500 Index. The manager adds value by opportunistically buying futures contracts and finding ways to minimize trading costs.

Manager Information	
Lead Manager	Donald M. Butler
Inception	7/31/1990
Prospectus	www.vanguard.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Mkt Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Vanguard (500) Inst. Idx	★★★★	\$49,262	507	-13.9%	-8.7%	1.1%	1.3%	-1.2%	2.8%
S & P 500				-13.9%	-8.7%	1.1%	1.2%	-1.2%	2.8%
Large Core MF Mean				-15.5%	-10.8%	-1.3%	0.2%	-1.7%	2.5%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	21.25	1.00	0.05	0.16	0.04	21.25	-	0.16
5-Year	18.31	1.00	0.03	-0.06	0.04	18.32	-	-0.06

Top 10 Holdings 6-30-11	
Company	% of Portfolio
ExxonMobil Corporation	3.32%
Apple, Inc.	2.57%
Int'l Business Machines	1.72%
Chevron Corporation	1.71%
General Electric Company	1.66%
Microsoft Corp	1.60%
AT&T, Inc.	1.54%
Johnson & Johnson	1.51%
Procter & Gamble Co.	1.47%
Pfizer Inc	1.35%

Sector Weights 6-30-11	
Basic Materials	3.4%
Communication Services	4.3%
Consumer Cyclical	9.4%
Consumer Defensive	11.1%
Healthcare	11.5%
Industrial	12.3%
Real Estate	1.7%
Technology	16.5%
Energy	12.4%
Financials	13.9%
Utilities	3.3%

Portfolio Information	
Expense Ratio	0.05%
12b-1 Fee Included	-
Morningstar Average	1.14%
Minimum Investment	\$5,000,000
Avg. Annual Turnover	4%

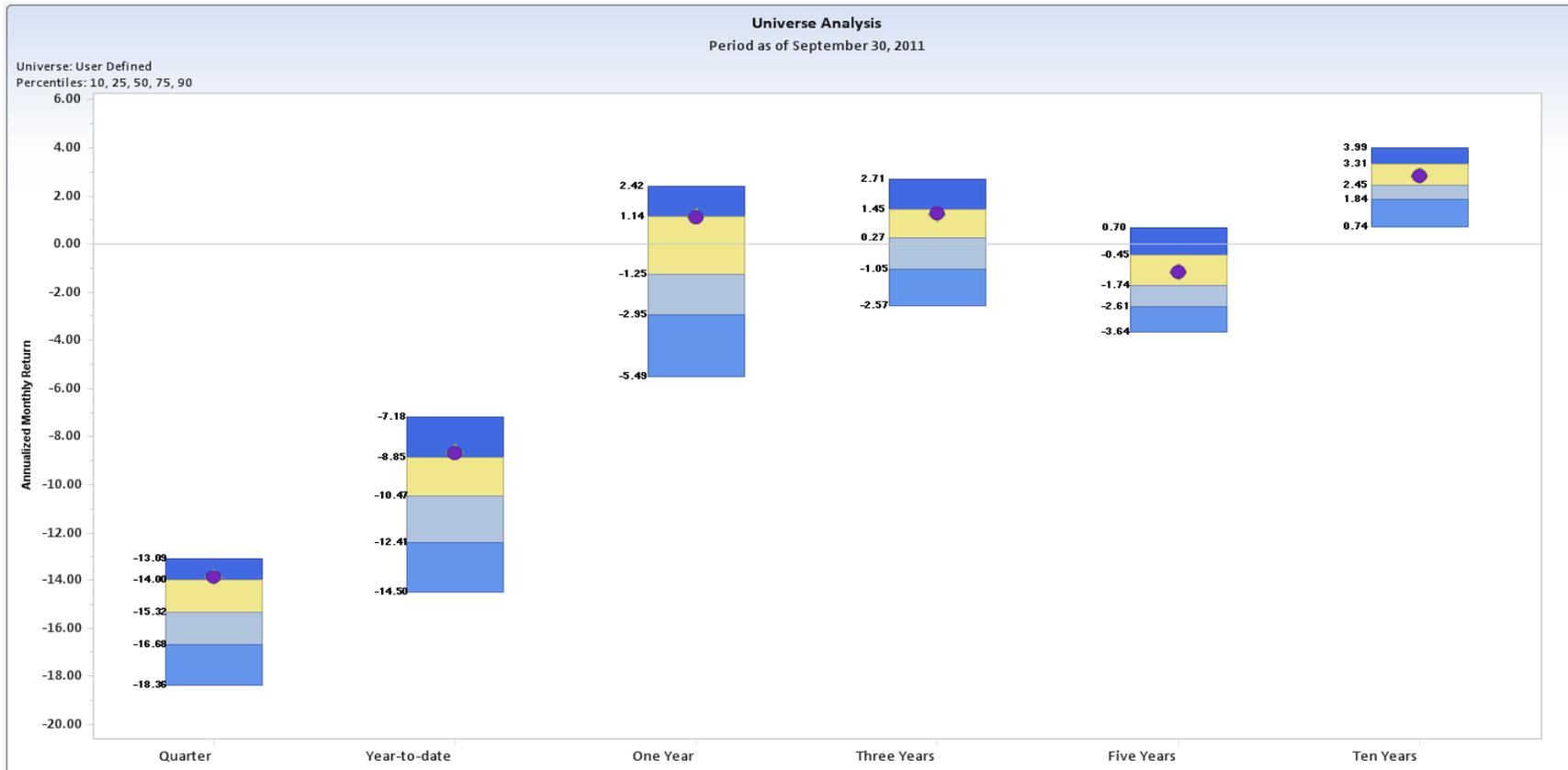
Year-End Assets (\$ Mil.)	
2010	\$54,686
2009	\$44,401
2008	\$31,543
2007	\$45,847

State of Montana 457 Deferred Compensation Plan

September 30, 2011



Large Cap Core Universe



	Quarter	Year-to-date	One Year	Three Years	Five Years	Ten Years
● Vanguard Instl Indx;Inst (VINIX)	-13.88 (23%)	-8.70 (23%)	1.11 (26%)	1.27 (30%)	-1.16 (36%)	2.83 (39%)
+ S&P 500	-13.86 (22%)	-8.67 (22%)	1.15 (25%)	1.23 (31%)	-1.17 (36%)	2.82 (39%)
# of Products	232	232	232	221	189	124

State of Montana 457 Deferred Compensation Plan

September 30, 2011



Davis New York Venture A Ticker: NYVTX

Fund Strategy
Managers seek to buy great companies whose shares are temporarily out of favor and depressed. Management calculates the intrinsic value of the company based on internally generated earnings and cash flow analysis. Positions are held for a long time and turnover is low.

Manager Information	
Lead Manager	Christopher C. Davis
Inception	2/17/1969
Prospectus	www.davisfunds.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Market Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Davis NY Venture A	★★	\$37,390	87	-16.3%	-14.3%	-5.2%	-1.4%	-3.0%	3.4%
S & P 500				-13.9%	-8.7%	1.1%	1.2%	-1.2%	2.8%
Large Value MF Mean				-17.0%	-12.8%	-3.6%	-1.6%	-3.5%	2.5%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	23.13	1.07	-2.48	0.05	4.20	21.25	-	0.16
5-Year	19.77	1.06	-1.48	-0.13	3.68	18.32	-	-0.06

Top 10 Holdings 7-31-11	
Company	% of Portfolio
American Express Co.	4.87%
Bank of New York Mellon	4.62%
Costco Wholesale Corp.	4.42%
Wells Fargo Company	4.32%
CVS Caremark Corporation	4.04%
Occidental Petroleum Corp.	3.69%
EOG Resources	3.63%
Devon Energy Corporation	3.36%
Loews Corporation	3.19%
Canadian Natural Resources	3.05%

Sector Weights 7-31-11	
Basic Materials	6.5%
Communication Services	0.4%
Consumer Cyclical	7.1%
Consumer Defensive	16.2%
Healthcare	12.8%
Industrial	6.1%
Real Estate	1.3%
Technology	7.1%
Energy	15.3%
Financials	27.2%
Utilities	0.0%

Portfolio Information	
Expense Ratio	0.89%
12b-1 Fee Included	0.24%
Morningstar Average	1.14%
Minimum Investment	\$1,000
Avg. Annual Turnover	8%

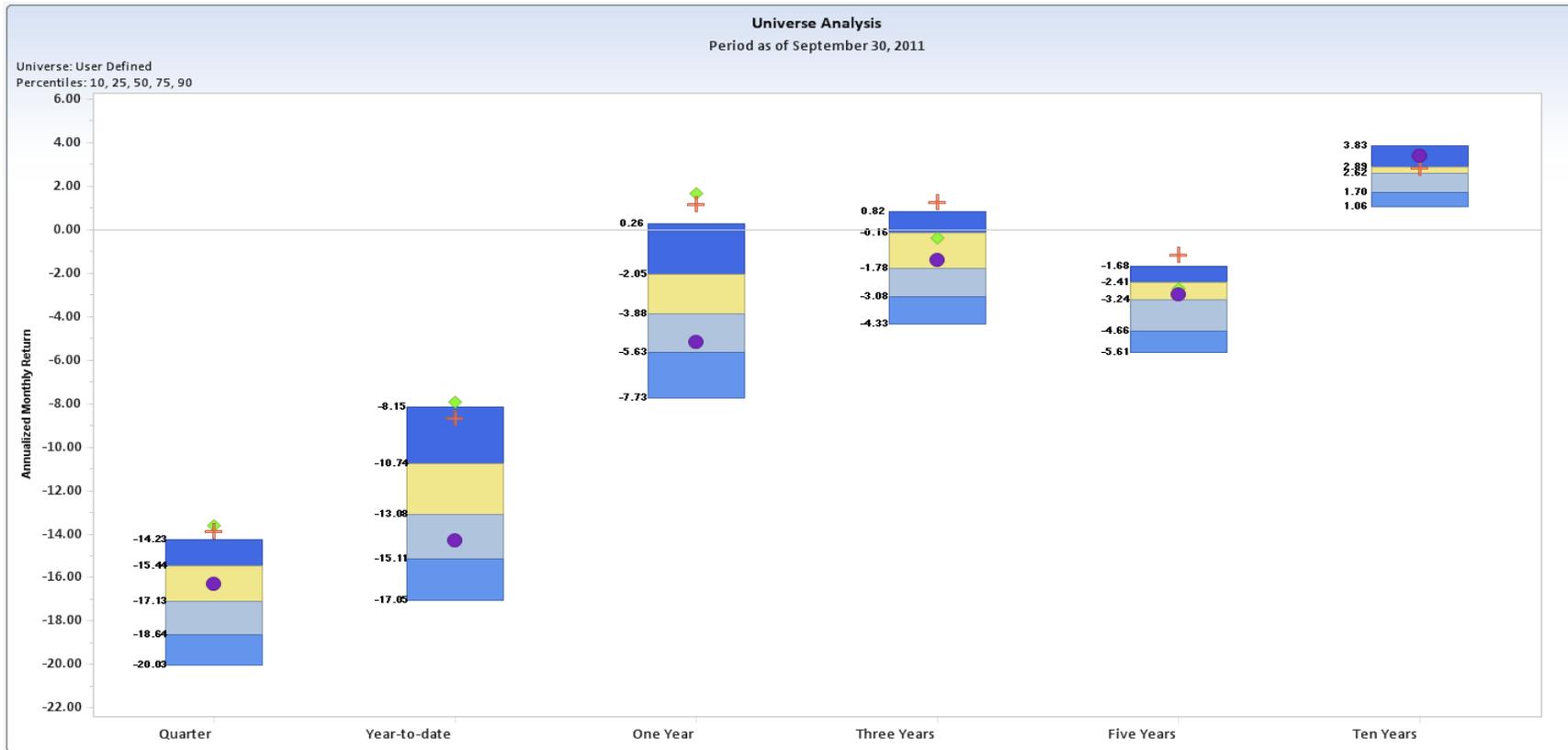
Year-End Assets (\$ Mil.)	
2010	\$20,100
2009	\$19,974
2008	\$17,192
2007	\$30,539

State of Montana 457 Deferred Compensation Plan

September 30, 2011



Large Cap Value Universe



	Quarter	Year-to-date	One Year	Three Years	Five Years	Ten Years
● Davis NY Venture;A (NYVTX)	-16.31 (39%)	-14.27 (66%)	-5.19 (67%)	-1.41 (44%)	-2.97 (44%)	3.40 (16%)
+ S&P 500	-13.86 (9%)	-8.67 (11%)	1.15 (9%)	1.23 (6%)	-1.17 (7%)	2.82 (34%)
◆ WIL Lrg Val	-13.57 (8%)	-7.93 (8%)	1.65 (7%)	-0.36 (27%)	-2.69 (33%)	3.45 (15%)
# of Products	97	97	94	89	86	58

State of Montana 457 Deferred Compensation Plan

September 30, 2011



Munder Mid Cap Core Growth A

Ticker: MGOAX

Fund Strategy

This fund operates in the mid-capitalization space and managers seek to invest in companies that are temporarily out of favor and trade cheap relative to growth potential. The fund keeps sector weightings within 3% of the benchmark. The fund holds 80-95 stocks and individual positions are capped at 3%.

Manager Information

Lead Manager Tony Y. Dong + Team
 Inception 6/30/2000
 Prospectus www.munder.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Mkt Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Munder Mid Cap Core Grw A	★★★★	\$5,677	84	-18.1%	-10.6%	1.4%	3.5%	1.4%	7.6%
S&P MidCap 400 Index				-19.9%	-13.0%	-1.3%	4.1%	2.2%	7.5%
Mid Cap Growth MF Mean				-19.8%	-13.0%	-0.7%	3.9%	1.2%	5.4%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	22.87	1.03	2.51	0.26	6.42	25.63	-	0.28
5-Year	20.59	1.06	3.14	0.10	6.71	21.92	-	0.14

Top 10 Holdings 8-31-11	
Company	% of Portfolio
Macerich Company	2.04%
Herbalife, Ltd	1.93%
BorgWarner, Inc.	1.89%
Tupperware Brands Corp	1.64%
Solera Holdings, Inc	1.63%
NiSource Inc	1.60%
Tiffany & Co	1.58%
Cognizant Technology Sol Cor	1.57%
Gentex Corporation	1.57%
Liberty Capital Corp A	1.56%

Sector Weights 8-31-11	
Basic Materials	4.3%
Communication Services	2.0%
Consumer Cyclical	16.4%
Consumer Defensive	7.5%
Healthcare	10.8%
Industrial	16.7%
Real Estate	6.3%
Technology	13.6%
Energy	8.5%
Financials	8.5%
Utilities	5.3%

Portfolio Information	
Expense Ratio	1.33%
12b-1 Fee Included	0.25%
Morningstar Average	1.52%
Minimum Investment	\$2,500
Avg. Annual Turnover	65%

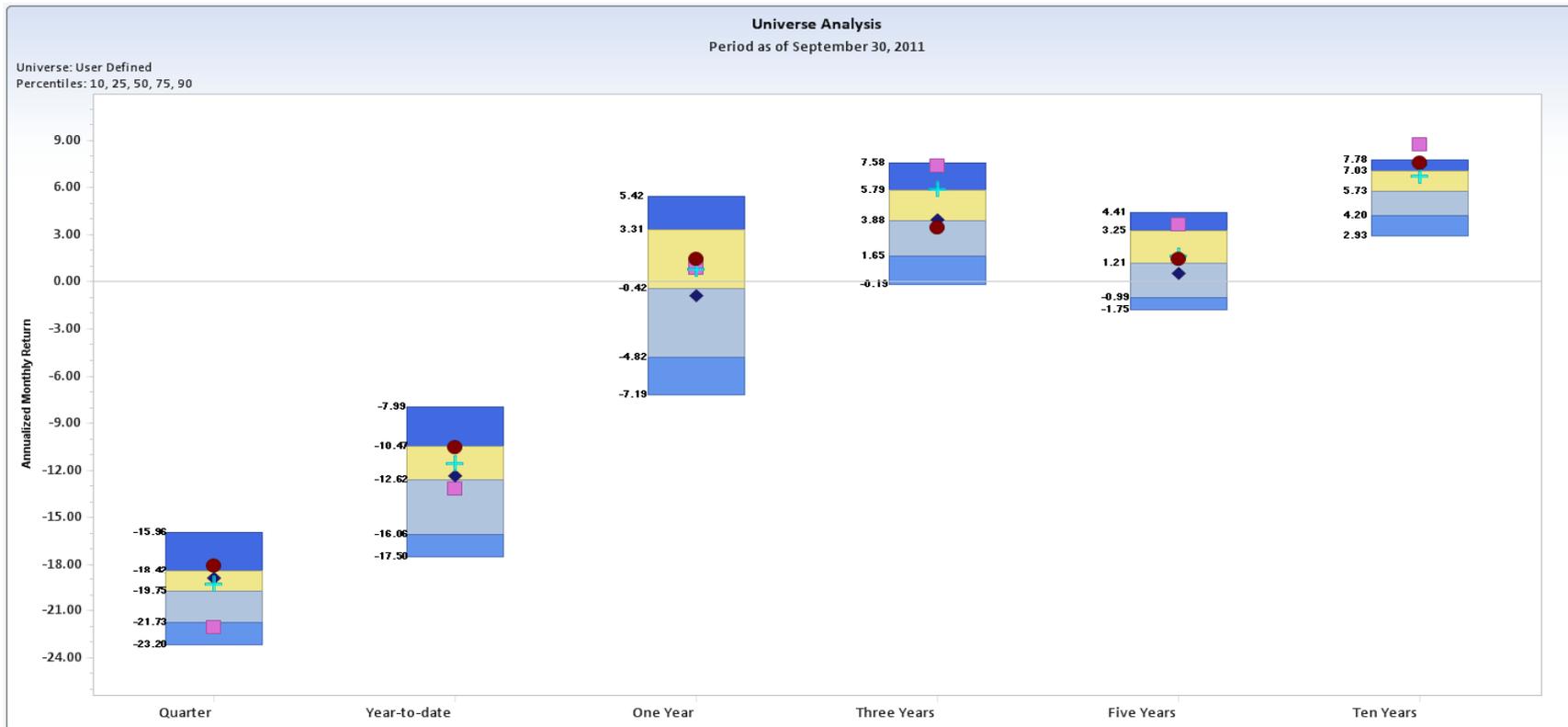
Year-End Assets (\$ Mil.)	
2010	\$1,507
2009	\$1,497
2008	\$1,319
2007	\$2,263

State of Montana 457 Deferred Compensation Plan

September 30, 2011



Mid Cap Growth Universe



	Quarter	Year-to-date	One Year	Three Years	Five Years	Ten Years
● Munder:MC Core Gr:A (MGOAX)	-18.07 (21%)	-10.57 (25%)	1.43 (34%)	3.47 (54%)	1.42 (46%)	7.58 (15%)
+ RUSSELL MID GRO	-19.33 (39%)	-11.59 (37%)	0.80 (40%)	5.89 (23%)	1.64 (45%)	6.70 (29%)
◆ RUSSELL MIDCAP	-18.90 (33%)	-12.35 (44%)	-0.89 (54%)	3.96 (48%)	0.56 (59%)	7.45 (16%)
■ WIL Mid Grw	-22.07 (82%)	-13.18 (57%)	0.85 (39%)	7.34 (11%)	3.64 (22%)	8.69 (2%)
# of Products	68	68	68	64	62	49

State of Montana 457 Deferred Compensation Plan

September 30, 2011



Columbia Mid Cap Value Z Fund

Ticker: NAMAX

Fund Strategy
 Managers screen for the cheapest mid-cap stocks and from those, identify companies with improving operating metrics, preferably driven by strong top-line growth. There is not a strict limitation on sector weightings but do monitor risk closely. This fund tends to stay fully vested, therefore having the potential to fall farther than funds holding cash.

Manager Information
 Lead Manager Diane Sobin, David Hoffman
 Inception 11/20/2001
 Prospectus www.columbiafunds.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Mkt Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Columbia Mid Cap Value Z	★★★	\$6,160	116	-21.0%	-15.4%	-3.1%	-0.1%	-1.3%	--
Russell Mid Cap Value Index				-18.5%	-13.0%	-2.4%	2.0%	-0.8%	7.5%
Mid Cap Value MF Mean				-19.4%	-14.2%	-3.6%	2.7%	-0.7%	6.8%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	25.88	1.19	-0.86	0.12	6.95	27.01	-	0.20
5-Year	21.91	1.16	0.75	-0.02	5.96	22.65	-	0.01

Top 10 Holdings 8-31-11

Company	% of Portfolio
Sempra Energy	2.03%
Spectra Energy Corp	1.95%
Wisconsin Energy Corp.	1.85%
Xcel Energy Inc	1.70%
Reinsurance Group of America	1.61%
UDR Inc	1.58%
CMS Energy Corp	1.51%
The Hershey Company	1.49%
Rayonier, Inc	1.48%
Macy's Inc	1.43%

Sector Weights 8-31-11

Basic Materials	5.9%
Communication Services	1.0%
Consumer Cyclical	12.4%
Consumer Defensive	6.7%
Healthcare	7.1%
Industrial	13.4%
Real Estate	7.8%
Technology	6.7%
Energy	8.8%
Financials	17.7%
Utilities	12.4%

Portfolio Information

Expense Ratio	0.88%
12b-1 Fee Included	-
Morningstar Average	1.37%
Minimum Investment	\$2,000
Avg. Annual Turnover	50%

Year-End Assets (\$ Mil.)

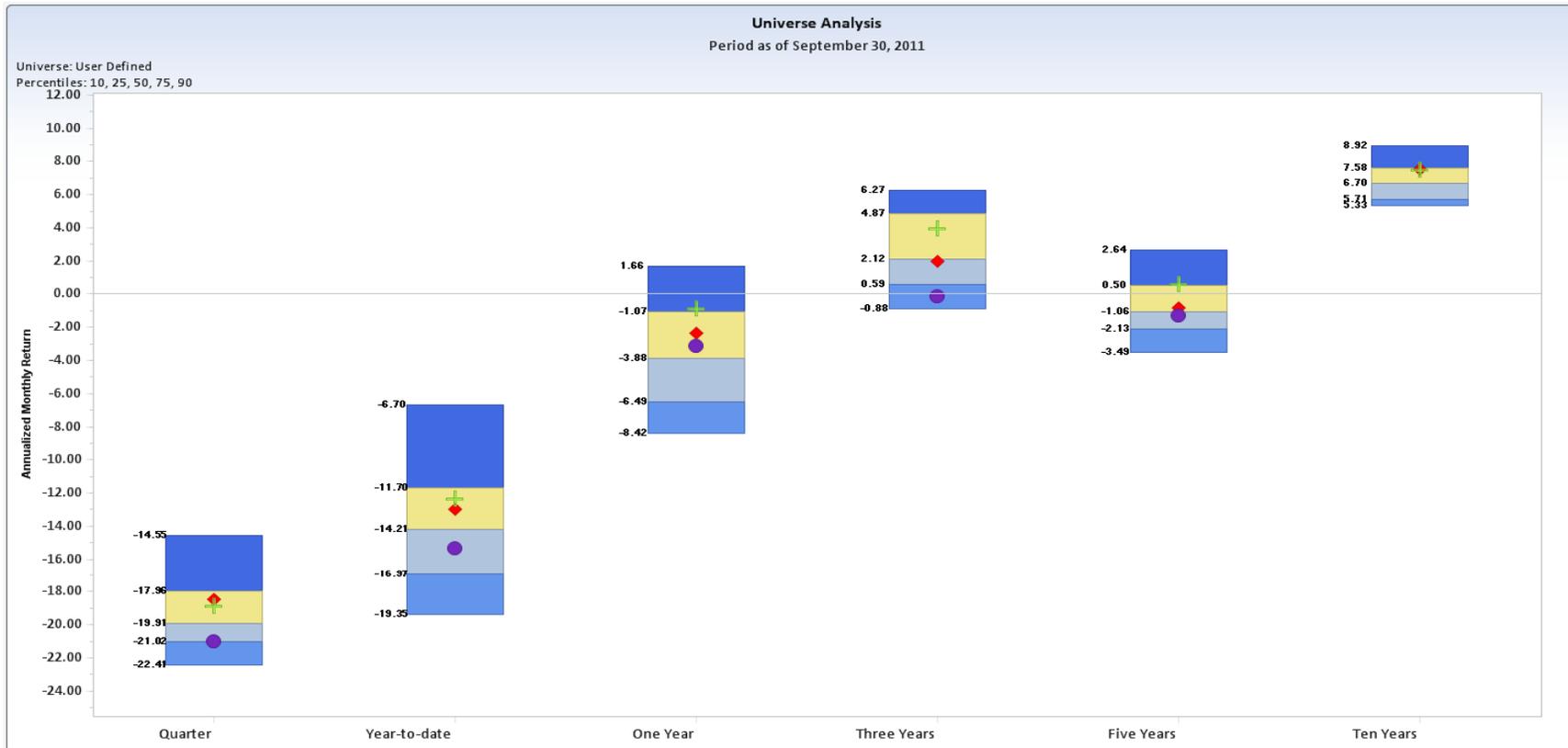
2010	\$2,707
2009	\$2,390
2008	\$1,705
2007	\$2,210

State of Montana 457 Deferred Compensation Plan

September 30, 2011



Mid Cap Value Universe



	Quarter	Year-to-date	One Year	Three Years	Five Years	Ten Years
● Columbia:MdCp Val;Z (NAMAX)	-21.02 (75%)	-15.37 (58%)	-3.12 (43%)	-0.13 (84%)	-1.34 (60%)	
+ RUSSELL MIDCAP	-18.90 (29%)	-12.35 (31%)	-0.89 (23%)	3.96 (36%)	0.56 (25%)	7.45 (26%)
◆ RUSSELL MID VAL	-18.47 (26%)	-13.00 (36%)	-2.36 (34%)	1.98 (59%)	-0.84 (43%)	7.54 (25%)
# of Products	61	61	61	58	49	31

State of Montana 457 Deferred Compensation Plan

September 30, 2011



Vanguard Small Cap Growth Index

Ticker: VISGX

Fund Strategy

This index fund tracks the MSCI US Small Cap Growth Index fund. The MSCI US Small Cap Growth index represents the growth companies of the MSCI US Small Cap 1750 Index.

Manager Information

Lead Manager Gerard O'Reilly + Team
 Inception 5/21/1998
 Prospectus www.vanguard.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Mkt Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Vanguard Small Growth Index	★★★★	\$1,616	965	-22.1%	-14.3%	0.4%	4.6%	2.6%	7.9%
MSCI US Small Growth Index				-22.1%	-14.3%	0.4%	4.6%	2.6%	7.3%
Small Cap Growth MF Mean				-22.3%	-14.7%	-0.6%	3.0%	0.5%	4.8%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	28.58	1.27	4.24	0.30	10.97	28.56	-	0.30
5-Year	24.47	1.26	5.32	0.16	9.46	24.46	-	0.16

Top 10 Holdings 6-30-11	
Company	% of Portfolio
Polycom, Inc.	0.66%
Tempur-Pedic Intl Inc	0.54%
Varian Semiconductor Eqp	0.54%
Gardner Denver, Inc.	0.51%
Gentex Corporation	0.50%
TransDigm Group Inc	0.50%
Solera Holdings, Inc	0.49%
Level 3 Communications Inc	0.48%
Micros Systems, Inc	0.47%
Signet Jewelers Ltd	0.47%

Sector Weights 6-30-11	
Basic Materials	5.0%
Communication Services	2.4%
Consumer Cyclical	16.3%
Consumer Defensive	3.5%
Healthcare	15.5%
Industrial	19.8%
Real Estate	2.9%
Technology	24.6%
Energy	6.7%
Financials	2.6%
Utilities	0.6%

Portfolio Information	
Expense Ratio	0.26%
12b-1 Fee Included	0.00%
Morningstar Average	1.57%
Minimum Investment	\$3,000
Avg. Annual Turnover	34%

Year-End Assets (\$ Mil.)	
2010	\$4,229
2009	\$3,018
2008	\$1,871
2007	\$2,825

State of Montana 457 Deferred Compensation Plan

September 30, 2011



Small Cap Growth Universe



	Quarter	Year-to-date	One Year	Three Years	Five Years	Ten Years
● Vanguard SC Gr Idx;Inv (VISGX)	-22.13 (43%)	-14.27 (48%)	0.40 (39%)	4.63 (25%)	2.56 (17%)	7.93 (1%)
+ MSCI Small Gro	-22.15 (44%)	-14.26 (48%)	0.43 (39%)	4.60 (25%)	2.55 (17%)	7.29 (2%)
# of Products	80	80	80	73	66	41

State of Montana 457 Deferred Compensation Plan
September 30, 2011



Vanguard Small Cap Index Signal

Ticker: VSISX

Fund Strategy
This index fund tracks the MSCI US Small Cap 1750 Index which contains 1750 of the smallest publicly traded US companies.

Manager Information	
Lead Manager	Michael H. Buek
Inception	11/13/2000
Prospectus	www.vanguard.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Mkt Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Vanguard Small Cap Idx	★★★★	\$1,549	1737	-21.4%	-15.4%	-2.2%	2.7%	0.7%	7.3%
MSCI US Small Cap 1750				-21.4%	-15.5%	-2.3%	2.5%	0.6%	7.6%
Small Cap Core MF Mean				-21.5%	-16.7%	-3.6%	1.6%	-0.6%	6.1%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	28.71	1.29	2.30	0.23	10.39	28.71	-	0.23
5-Year	24.11	1.25	3.42	0.09	8.69	24.11	-	0.08

Top 10 Holdings 6-30-11	
Company	% of Portfolio
CMT Market Liquidity Rate	0.36%
Polycom, Inc.	0.33%
American Capital Agency C	0.29%
Tempur-Pedic Intl Inc	0.27%
Varian Semiconductor Eqp	0.27%
Wabco Holdings Inc	0.27%
Camden Property Trust	0.26%
Gardner Denver, Inc	0.25%
Essex Property Trust	0.25%
Gentex Corporation	0.25%

Sector Weights 6-30-11	
Basic Materials	6.6%
Communication Services	1.6%
Consumer Cyclical	14.2%
Consumer Defensive	3.9%
Healthcare	10.7%
Industrial	16.9%
Real Estate	8.0%
Technology	16.8%
Energy	5.5%
Financials	12.4%
Utilities	3.4%

Portfolio Information	
Expense Ratio	0.12%
12b-1 Fee Included	-
Morningstar Average	1.42%
Minimum Investment	\$10,000
Avg. Annual Turnover	12%

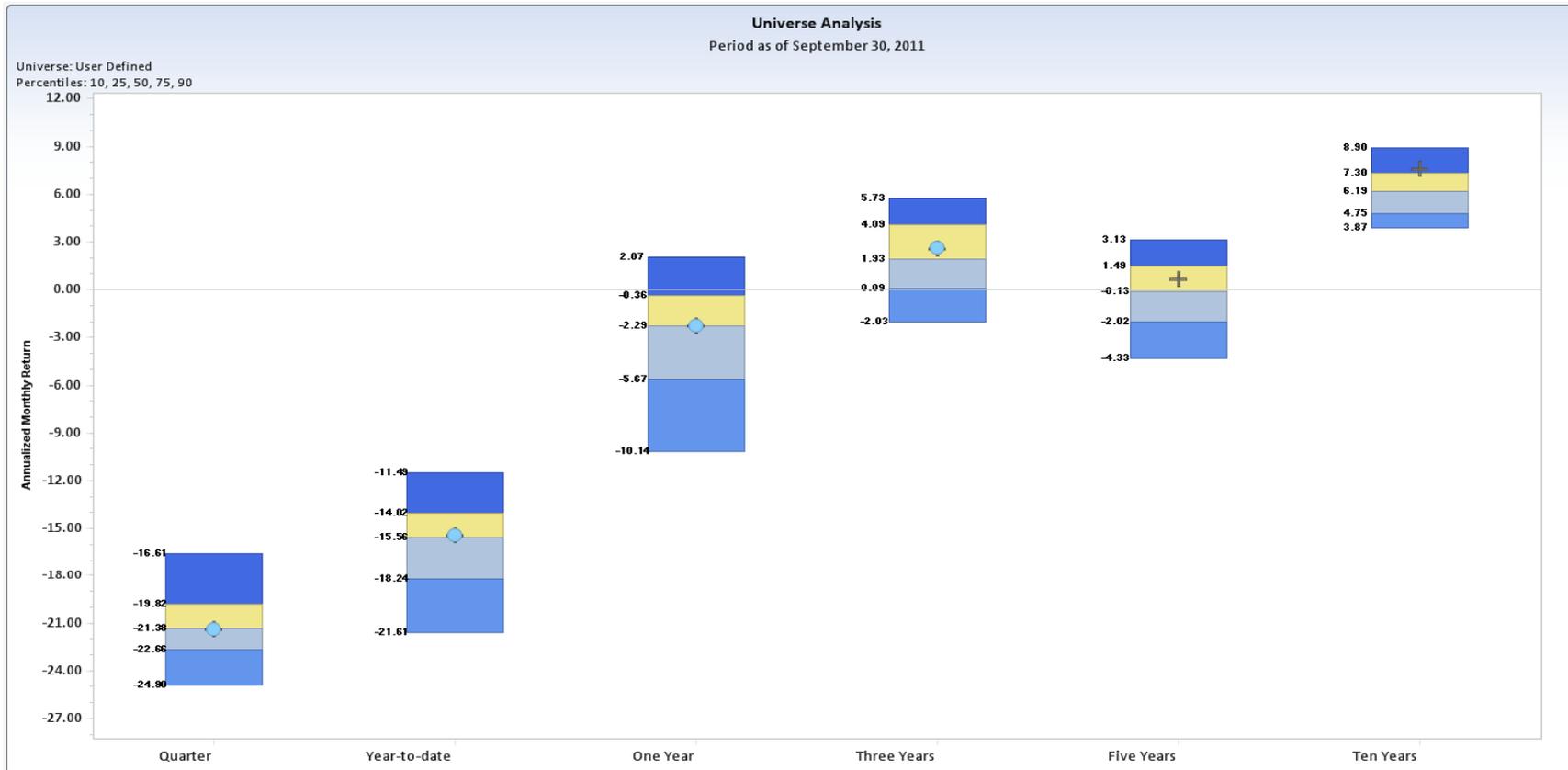
Year-End Assets (\$ Mil.)	
2010	\$2,300
2009	\$1,763
2008	\$1,172
2007	\$1,625

State of Montana 457 Deferred Compensation Plan

September 30, 2011



Small Cap Core Universe



	Quarter	Year-to-date	One Year	Three Years	Five Years	Ten Years
● Vanguard Sm-Cp Idx;Sig (VSISX)	-21.41 (52%)	-15.41 (46%)	-2.25 (48%)	2.65 (36%)		
+ MSCI Small Cap	-21.41 (52%)	-15.46 (49%)	-2.30 (50%)	2.53 (39%)	0.62 (39%)	7.60 (20%)
# of Products	121	121	121	115	97	49

State of Montana 457 Deferred Compensation Plan
September 30, 2011



Neuberger Berman Genesis Tr Ticker: **NBGEX**

Fund Strategy
 Focusing on the small cap space, managers seek to find stocks with good cash flows and a dominant competitive niche, preferably in a business that is not too dependent on the broader economy. The orientation of the fund is conservative with minimal volatility.

Manager Information
 Lead Manager Judith M. Vale + Team
 Inception 8/26/1993
 Prospectus www.nb.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Mkt Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Neuberger Berman Genesis Tr	★★★★★	\$2,542	152	-15.1%	-7.2%	5.8%	1.5%	4.3%	9.8%
Russell 2000				-21.9%	-17.0%	-3.5%	-0.4%	-1.0%	6.1%
Small Cap Value MF Mean				-21.0%	-17.2%	-4.5%	1.5%	0.0%	7.9%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	21.68	0.97	0.44	0.17	6.50	28.24	-	0.12
5-Year	18.83	0.95	5.50	0.24	7.28	23.68	-	0.01

Top 10 Holdings 6-30-11

Company	% of Portfolio
State Str Instl Invt Tr Treas Mmkt	3.08%
AptarGroup, Inc.	2.68%
Compass Minerals International	2.59%
Church & Dwight Company, Inc.	2.49%
Carbo Ceramics, Inc.	2.35%
Solera Holdings, Inc.	2.25%
Concho Resources, Inc.	1.93%
Clarco Inc.	1.90%
Oceaneering International	1.84%
Micros Systems, Inc.	1.81%

Sector Weights 6-30-11

Basic Materials	7.1%
Communication Services	0.0%
Consumer Cyclical	11.0%
Consumer Defensive	8.3%
Healthcare	13.3%
Industrial	20.3%
Real Estate	0.0%
Technology	11.5%
Energy	16.9%
Financials	8.5%
Utilities	3.1%

Portfolio Information

Expense Ratio	1.12%
12b-1 Fee Included	-
Morningstar Average	1.42%
Minimum Investment	\$0
Avg. Annual Turnover	16%

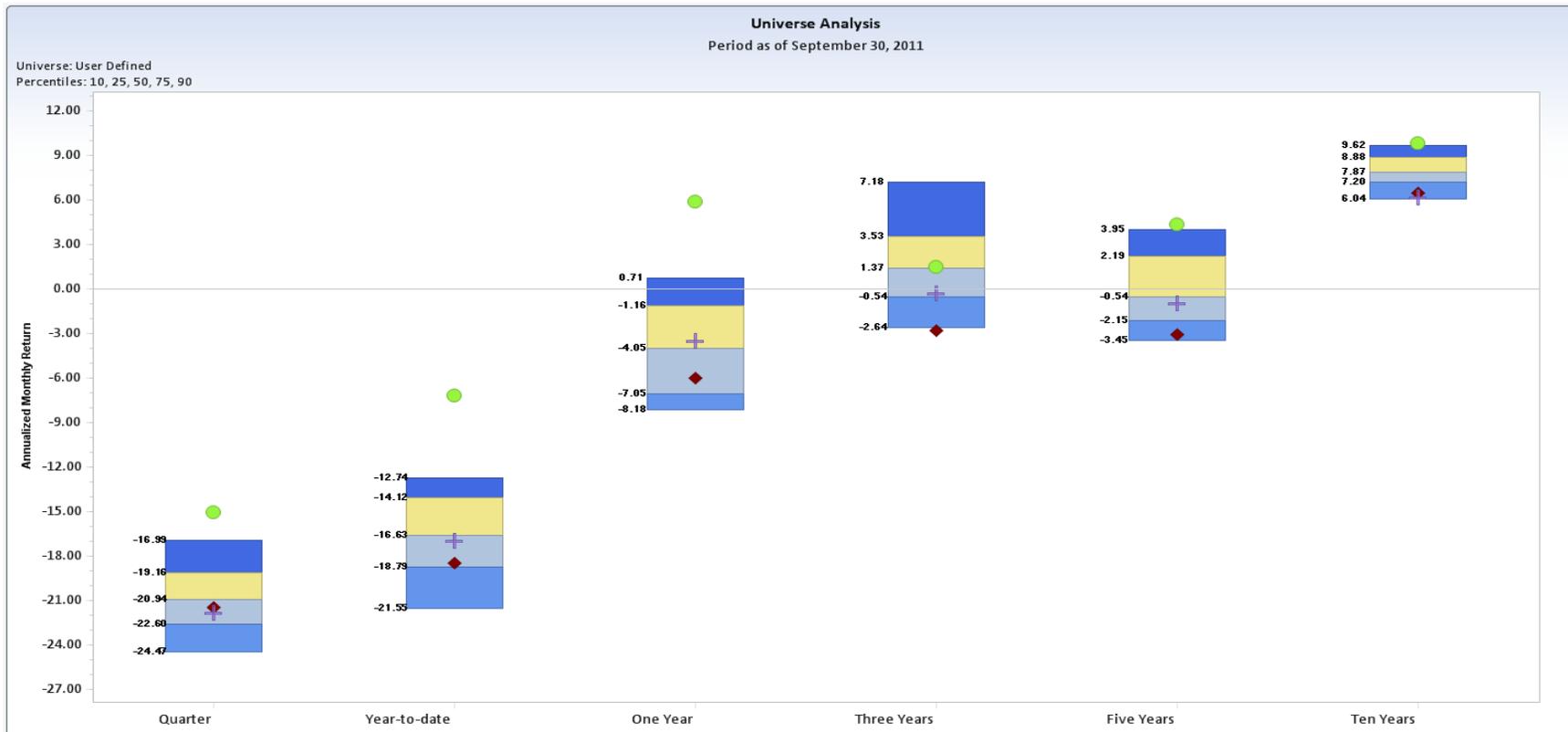
Year-End Assets (\$ Mil.)

2010	\$3,737
2009	\$3,357
2008	\$3,043
2007	\$4,929

State of Montana 457 Deferred Compensation Plan September 30, 2011



Small Cap Value Universe



	Quarter	Year-to-date	One Year	Three Years	Five Years	Ten Years
● Neuberger Genesis;Tr (NBGEX)	-15.06 (6%)	-7.22 (4%)	5.84 (1%)	1.46 (45%)	4.34 (8%)	9.76 (1%)
+ RUSSELL 2000	-21.86 (67%)	-17.02 (52%)	-3.53 (46%)	-0.37 (68%)	-1.01 (56%)	6.12 (90%)
◆ RUSSELL 2000 VAL	-21.47 (59%)	-18.52 (72%)	-6.00 (72%)	-2.79 (90%)	-3.08 (88%)	6.47 (87%)
# of Products	52	52	52	45	39	18

State of Montana 457 Deferred Compensation Plan
September 30, 2011



American Funds New Perspective

Ticker: RNPEX

Fund Strategy
This fund seeks capital appreciation by investing in high quality companies that are temporarily out of favor and holding these positions for the long term. Manager stock picks are based on the firm's internally generated fair value model. The fund invests internationally and traditionally has held a large cash position.

Manager Information
Lead Manager Gregg England + Team
Inception 5/28/2002
Prospectus www.americanfunds.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Mkt Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
American Funds New Perspective	★★★★	\$42,631	264	-16.7%	-13.1%	-5.3%	2.6%	1.0%	6.6%
MSCI World Index				-16.6%	-12.2%	-4.3%	-0.1%	-2.2%	3.7%
World Stock MF Mean				-17.9%	-14.2%	-6.5%	0.7%	-1.4%	4.5%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	22.34	0.86	3.25	0.22	6.13	23.09	-	0.11
5-Year	19.24	0.84	3.41	0.07	5.86	20.02	-	-0.09

Top 10 Holdings 6-30-11	
Company	% of Portfolio
Novo-Nordisk A/S	4.03%
Amazon.com, Inc.	1.81%
EMC Corporation	1.60%
Texas Instruments, Inc	1.39%
British American Tobacco PLC	1.35%
Naspers Ltd	1.26%
Schneider Electric	1.25%
Newmont Mining Corporation	1.25%
Barrick Gold Corporation	1.19%
Apple, Inc.	1.19%

Country Weights 6-30-11	
	%
Europe	40.2%
France	6.0%
Germany	5.7%
United Kingdom	7.9%
Asia	14.6%
Australia	2.2%
Hong Kong	0.3%
Japan	6.6%
Latin America	2.6%
North America	42.6%
Canada	4.7%
United States	37.9%

Portfolio Information	
Expense Ratio	0.81%
12b-1 Fee Included	0.25%
Morningstar Average	1.55%
Minimum Investment	-
Avg. Annual Turnover	24%

Year-End Assets (\$ Mil.)	
2010	\$1,173
2009	\$970
2008	\$582
2007	\$806
2006	\$648
2005	\$556

State of Montana 457 Deferred Compensation Plan
September 30, 2011



Mutual Discovery Z Ticker: MDISX

Fund Strategy
 This fund seeks capital appreciation by purchasing out of favor stocks of all capitalization sizes, particularly in Europe and the US. The fund also buys debt of depressed companies. The fund invests internationally and managers do not consider any benchmark when constructing the portfolio. Traditionally, managers have hedged foreign currency exposure but, in recent past, have allowed the hedges to lapse.

Manager Information
 Lead Manager Anne E. Gudefin
 Inception 12/31/1992
 Prospectus www.franklintempleton.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Mkt Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Mutual Discovery Z	★★★★★	\$35,193	170	-15.5%	-11.1%	-6.4%	1.8%	1.3%	7.7%
MSCI World Index				-16.6%	-12.2%	-4.3%	-0.1%	-2.2%	3.7%
World Stock MF Mean				-17.9%	-14.2%	-6.5%	0.7%	-1.4%	4.5%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	13.24	0.49	1.52	0.19	13.98	23.09	-	0.11
5-Year	12.35	0.51	1.84	0.04	11.95	20.02	-	-0.09

Top 10 Holdings 6-30-11

Company	% of Portfolio
British American Tobacco	2.81%
Imperial Tobacco Group PLC	2.09%
Royal Dutch Shell PLC	1.83%
Vodafone Group PLC	1.75%
CVS Caremark Corporation	1.75%
Pernod Ricard NV	1.71%
Pfizer Inc	1.69%
Kraft Foods, Inc.	1.58%
UnitedHealth Group Inc	1.54%
Merck & Co Inc	1.54%

Country Weights 6-30-11

	%
Europe	48.1%
France	11.4%
Germany	8.3%
United Kingdom	12.2%
Asia	6.9%
Australia	0.4%
Hong Kong	4.8%
Japan	0.9%
Latin America	0.1%
North America	44.9%
Canada	0.9%
United States	44.0%

Portfolio Information

Expense Ratio	1.04%
12b-1 Fee Included	-
Morningstar Average	1.55%
Minimum Investment	\$1,000
Avg. Annual Turnover	38%

Year-End Assets (\$ Mil.)

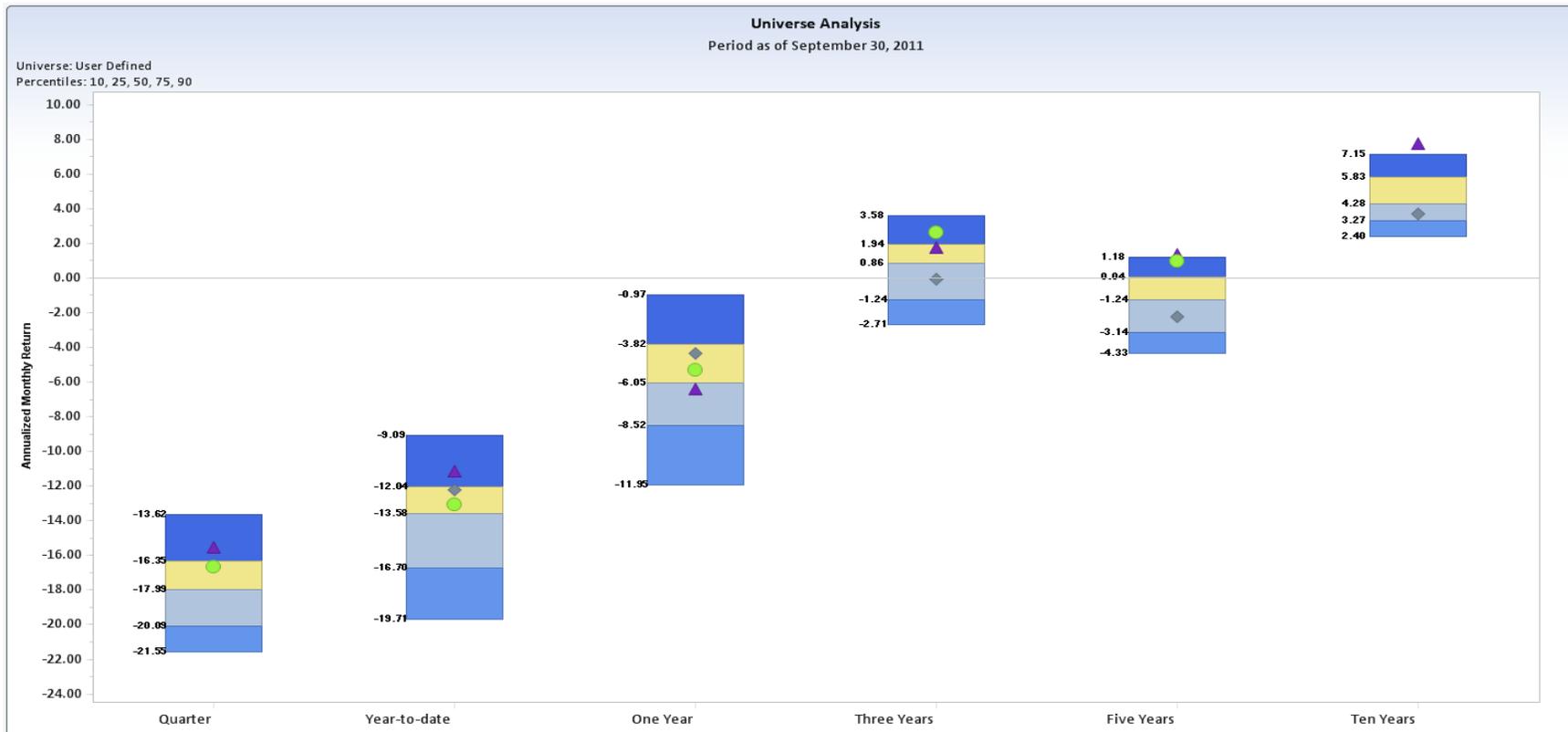
2010	\$7,211
2009	\$5,923
2008	\$3,489
2007	\$4,719
2006	\$4,018
2005	\$3,033

State of Montana 457 Deferred Compensation Plan

September 30, 2011



World Equity Universe



	Quarter	Year-to-date	One Year	Three Years	Five Years	Ten Years
● American Funds NPer;R-4 (RNPEX)	-16.67 (28%)	-13.08 (38%)	-5.32 (38%)	2.61 (18%)	0.97 (14%)	
▲ Mutual GI Discovery;Z (MDISX)	-15.52 (20%)	-11.15 (18%)	-6.40 (53%)	1.75 (31%)	1.34 (8%)	7.73 (1%)
◆ MSCI Wld \$H	-16.61 (27%)	-12.20 (28%)	-4.34 (29%)	-0.07 (61%)	-2.23 (64%)	3.71 (68%)
# of Products	126	126	126	113	86	34

State of Montana 457 Deferred Compensation Plan
September 30, 2011



Artisan International Inv Ticker: ARTIX

Fund Strategy
 This fund has a growth orientation and selects stocks poised to enjoy superior earnings growth. The fund invests in smaller capitalization and emerging market companies. It also invests in themes. Consequently, the fund sector weightings differ measurably from the benchmark index. Traditionally, the fund has not hedged foreign currency exposure.

Manager Information
 Lead Manager Mark L. Yockey
 Inception 12/28/1995
 Prospectus www.artisanfunds.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Mkt Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Artisan International Inv	★★★	\$32,441	81	-20.4%	-15.3%	-10.0%	-0.8%	-2.5%	4.6%
MSCI EAFE Growth Index				-19.0%	-15.4%	-8.8%	-0.6%	-2.2%	4.9%
MSCI EAFE Index				-19.0%	-15.0%	-9.4%	-1.1%	-3.5%	5.0%
Non-US Equity MF Mean				-20.7%	-17.1%	-11.0%	-1.2%	-3.2%	5.5%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	27.71	1.06	0.88	0.11	6.74	24.09	-	0.09
5-Year	24.41	1.06	1.65	-0.04	6.03	21.42	-	-0.07

Top 10 Holdings 6-30-11

Company	% of Portfolio
Sands China Ltd	4.55%
Nestle SA	3.49%
Anheiser-Busch InBev SA	3.40%
Linde AG	3.36%
Bayer AG	2.96%
WPP PLC	2.70%
Canadian Pacific Railway	2.70%
Baidu, Inc ADR	2.52%
Siemens AG	2.47%
Wynn Macau Ltd	2.45%

Country Weights 6-30-11

	%
Europe	53.6%
France	10.8%
Germany	15.0%
United Kingdom	7.9%
Asia	41.2%
Australia	3.3%
Hong Kong	16.4%
Japan	9.9%
Latin America	1.0%
North America	4.2%
Canada	3.4%
United States	0.8%

Portfolio Information

Expense Ratio	1.23%
12b-1 Fee Included	-
Morningstar Average	1.59%
Minimum Investment	\$1,000
Avg. Annual Turnover	71%

Year-End Assets (\$ Mil.)

2010	\$7,489
2009	\$8,078
2008	\$6,003
2007	\$13,039

State of Montana 457 Deferred Compensation Plan
September 30, 2011



Dodge & Cox International Stock

Ticker: DODFX

Fund Strategy

This fund seeks capital appreciation by investing in good international companies that are temporarily out of favor and holding positions for the long term. It favors companies with good management, dominant competitive positions and good growth potential. Stocks are picked based on the internally generated fair value model.

Manager Information

Lead Manager Bryan C. Cameron
 Inception 5/1/2001
 Prospectus www.dodgeandcox.com

Fund	Characteristics			Trailing Total Returns (annualized)					
	Morningstar Rating	Avg. Mkt Cap (\$MM)	# of Holdings	Qtr	YTD	1 Year	3 Years	5 Years	10 Years
Dodge & Cox Int'l Stock	★★★★	\$40,334	103	-21.7%	-19.4%	-13.0%	0.0%	-2.2%	9.0%
MSCI EAFE Value Index				-19.0%	-14.5%	-10.0%	-1.7%	-4.8%	5.1%
MSCI EAFE Index				-19.0%	-15.0%	-9.4%	-1.1%	-3.5%	5.0%
Non-US Equity MF Mean				-20.7%	-17.1%	-11.0%	-1.2%	-3.2%	5.5%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	30.35	1.18	2.15	0.15	6.46	27.38	-	0.07
5-Year	25.65	1.13	2.50	-0.02	5.52	23.64	-	-0.16

Top 10 Holdings 6-3-011	
Company	% of Portfolio
Naspers Ltd	3.47%
Roche Holding Ag	3.45%
Sanofi	3.36%
GlaxoSmithKline PLC ADR	3.16%
Vodafone Group PLC ADR	2.87%
Novartis AG ADR	2.75%
Bayer AG	2.74%
Mitsubishi Electric Corp	2.39%
Schlumberger NV	2.09%
HSBC Hldgs	2.03%

Country Weights 6-30-11	
	%
Europe	68.5%
France	9.6%
Germany	7.6%
United Kingdom	17.7%
Asia	18.0%
Australia	0.0%
Hong Kong	0.9%
Japan	13.3%
Latin America	5.9%
North America	7.6%
Canada	0.0%
United States	7.6%

Portfolio Information	
Expense Ratio	0.65%
12b-1 Fee Included	-
Morningstar Average	1.47%
Minimum Investment	\$2,500
Avg. Annual Turnover	15%

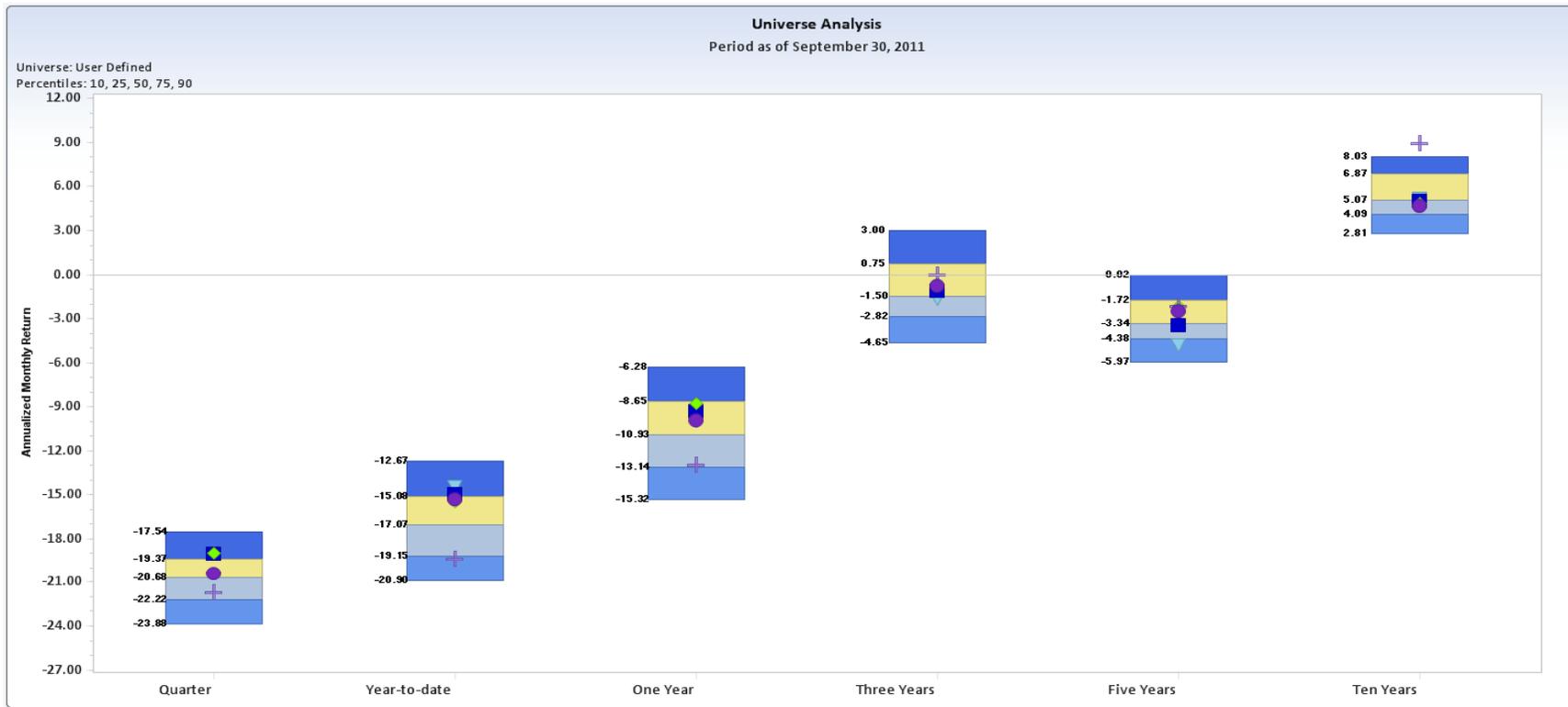
Year-End Assets (\$ Mil.)	
2010	\$43,400
2009	\$36,546
2008	\$25,053
2007	\$53,426

State of Montana 457 Deferred Compensation Plan

September 30, 2011



International (Non-US) Equity Universe



	Quarter	Year-to-date	One Year	Three Years	Five Years	Ten Years
● Artisan:Internat;Inv (ARTIX)	-20.41 (42%)	-15.35 (27%)	-9.96 (36%)	-0.79 (40%)	-2.53 (36%)	4.64 (62%)
+ Dodge & Cox Intl Stock (DODFX)	-21.72 (69%)	-19.37 (79%)	-12.96 (73%)	-0.01 (30%)	-2.15 (30%)	8.95 (7%)
◆ EAFE GROWTH \$N	-18.98 (20%)	-15.43 (29%)	-8.79 (26%)	-0.63 (38%)	-2.16 (30%)	4.86 (56%)
■ MSCI EAFE \$N	-19.01 (20%)	-14.98 (24%)	-9.36 (31%)	-1.13 (45%)	-3.46 (52%)	5.03 (51%)
▼ EAFE VALUE \$NET	-19.03 (20%)	-14.52 (20%)	-9.99 (36%)	-1.69 (53%)	-4.82 (79%)	5.13 (49%)
# of Products	369	369	369	340	268	182

ADR	American Depository Receipt, a negotiable receipt for the shares of a foreign-based corporation held in trust by a U.S. bank that entitles a shareholder to all dividends and capital gains.
Alpha	Alpha is a statistical calculation based on a manager's beta and the rate of return of the index over the period. Alpha measures whether a manager has added value to or detracted from returns on a risk-adjusted basis. Alpha can be used when comparing dissimilar products because alpha is adjusted for risk and therefore the product with the highest alpha added the most historical value relative to its risk level
Annualized Return	Rate of return of the account smoothed as though the return occurred equally over twelve-month periods. When the specified time frame is for less than a year, the rate of return is projected as though the same performance continues to occur for a twelve-month time period.
Assets Managed in Style	The total assets managed in all investment vehicles of the investment style.
Average Market Capitalization (\$ Wtd.)	The average market capitalization of all stocks in a given portfolio, weighted by each company's portion of the portfolio's market value.
Beta	A measure of volatility. A beta over 1.0 indicates above-market volatility; below 1.0, less volatility.
Book Value	The balance sheet value of assets minus the balance sheet value of liabilities. Also known as shareholders' equity
Bottom-Up Investment Approach	The investment manager concentrates on fundamental analysis of a company's financial statements. In addition, an investment manager may examine other aspects of the company such as strength of management, new product lines, valuation, historic record, etc.
Cumulative Annualized Rate of Return	Funds appear in order of their absolute rate of return over a common time period, with the highest rate of return appearing first
Cycle Analysis	The index, by definition, automatically has an Up-Cycle of 100. If a manager has an Up-Cycle number higher than 100, the manager has historically captured more than 100% of the rising market. If a manager has a Down-Cycle number of less than 100, the manager has historically captured less than 100% of the falling market.
Dividend	A payment issued by a company that distributes a portion of its value, usually in the form of cash.

Duration	The weighted maturity of a fixed-income investment's cash flows, used in the estimation of the price sensitivity of fixed-income securities for a given change in interest rates. Time periods are weighted by multiplying by the present value of its cash flow divided by the bond's price. (A bond's cash flows consist of coupon payments and repayment of capital). A bond's duration will almost always be shorter than its maturity, with the exception of zero-coupon bonds, where maturity and duration are equal.
Earnings	Earnings are a company's accounting profits or losses, typically reported four times each year.
Emerging Markets	Countries whose economies are considered emerging or underdeveloped.
Fundamental	A company's underlying financial situation.
Growth Style Investing	Growth investors purchase companies that have above-average earnings growth
Hedging	A strategy designed to reduce risk by offsetting potential losses from existing investments. This practice is often used in international investing, where investment managers often use hedging techniques to reduce exposure to fluctuating currencies
Investment Vehicle	The account type that an investor can gain access to an investment manager. Examples of investment vehicles are pooled or commingled funds, mutual funds, separate accounts, and limited partnerships.
Large Cap	Large Capitalization - refers to those companies with a market capitalization of greater than \$10 billion.
Liquidity	The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.
Market Capitalization	The dollar value of a public company based on the total number of shares of stock available multiplied by the price per share.
Median Market Capitalization (\$ Wtd.)	The market capitalization of the stock that represents the middle of the portfolio's cumulative market value. Half of the portfolio is invested in stocks larger than the median and the other half is invested in stocks smaller than the median
Micro Cap	Micro Capitalization - refers to those companies with a market capitalization of less than \$500 million.
Mid Cap	Mid Capitalization - refers to those companies with a market capitalization between \$2 and \$10 billion.
Net of Fees	After subtraction of management fees.
Portfolio	Refers to the complete list of securities held in an investment vehicle.

State of Montana 457 Deferred Compensation Plan
September 30, 2011



Price-to-earnings (P/E) ratio	Calculated by dividing the current share price by the trailing twelve-months earnings per share
Price-to-book (P/B) ratio	Calculated by dividing the share price by the book value per share.
Relative Rank	"Rank" reflects funds' performance within the full universe of comparable products, which includes similar investment styles and objectives. The rank reflects which percentile the manager's absolute rate of return falls within relative to its peer universe, with 1 = highest and 100 = lowest
R-Squared (Coefficient of Determination)	A statistical measure of the degree to which the movements of two variables are related. An R-Squared closer to 1.0 indicates that the two variables tend to behave similarly or that by knowing one variable you can closely estimate the other variable.
Sharpe Ratio	A risk-adjusted measure calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe Ratio is calculated for the past 36 month period by dividing a fund's annualized excess returns by the standard deviation of a fund's annualized excess returns.
Small Cap	Small Capitalization - refers to those companies with a market capitalization between \$500 million and \$1.99 billion.
Standard Deviation	Measures the range of returns and is based on a Normal Curve. Managers with lower standard deviations than the index have historically had returns that tended to fall closer to their mean return compared to the index. Managers with higher standard deviations than the index have historically had returns that tended to be further dispersed around the mean than the index. This is another measure of volatility, but it does not distinguish downside performance from upside performance.
Top--Down Investment Approach	The investment manager concentrates on analyzing the economy and investment environment to identify attractive economic sectors for investment. In international investing, a top-down investment approach is often used to identify attractive countries or regions for investment.
Treynor Ratio	The Treynor ratio is the return premium earned over the risk free rate by the series for each unit of risk taken, with risk measured as the beta of the series or portfolio relative to the market.
Value Added	Based on alpha, value-added shows how much value a manager added, after adjustment for the amount of volatility (risk) that a manager has experienced. A value-added of 1.0 means a manager has added 1% to annualized returns.
Value Style Investing	Value investors rely on an examination of the underlying or unrealized value of a company as the primary criterion for deciding whether or not to buy a company's stock. Value stocks are often priced lower than growth stocks due to slower growth expectations, recent financial difficulty, or a host of other reasons.