

Portfolio Holdings and Characteristics

Account No. 1420

September 30, 2010

P I M C O

State of Montana Public Employee Deferred Comp Plan

The information contained within this report is for informational purposes only and is intended to provide an overview of portfolio risk characteristics and an accounting-based view of portfolio holdings. This report is not intended for use in calculation of exposures for compliance purposes. Individual positions contained in this report reflect single sector exposures only, whereas such positions may impact multiple exposure calculations within compliance tests. The differences in calculating risk characteristics and accounting exposures versus compliance requirements are not captured or reflected within this standardized report.

Pacific Investment Management Company

State of Montana Public Employee Deferred Comp Plan

Account No: 1420

Flash Report
as of September 30, 2010

Summary Information	
Net Market Value	228,335,623.47 USD
Estimated Income	6,056,917.26 USD
Effective Duration	3.88 yrs
Duration Variance to Index	-0.09 yrs
Current Yield	2.65 %
Estimated Yield To Maturity	1.80 %
Effective Maturity ²	4.52 yrs
Average Coupon	2.83 %
Average Quality ²	AA+

	Portfolio Before Fees	Portfolio After Fees	Benchmark ¹
YTD	8.38%	8.16%	7.44%
1 Month	0.27	0.27	0.47
3 Months	2.99	2.93	2.76
6 Months	6.41	6.27	5.81
9 Months	8.38	8.16	7.44
12 Months	9.47	9.17	7.77
2 Years*	10.95	10.64	8.88
3 Years*	7.29	6.99	6.93
5 Years*	6.64	6.34	5.95
10 Years*	N/A	N/A	N/A
Since Inception Dec 31, 2001*	5.97%	5.68%	5.46%
Tracking Error (3 Years)	4.75		
Information Ratio (3 Years)	0.10		

* For periods of 12 months or more, the return is annualized

PIMCO generated performance as of 10/07/2010

¹ Barclays Capital Intermediate Government/Credit Index

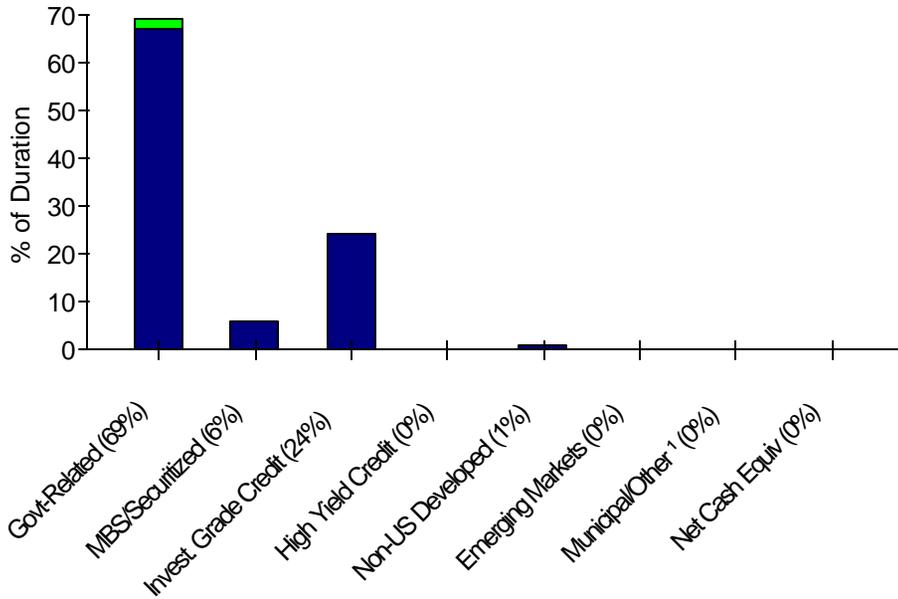
² Portfolio characteristics are calculated using the weighted average characteristics of each individual position. Derivative exposures are integrated into these characteristics at "bond equivalent value", which approximates the delta-adjusted notional exposure. Amortizing assets and those with embedded options (such as mortgage-backed securities and callable bonds) are included in maturity statistics based on the expected life of these instruments. Varying mathematical protocols may be applied across characteristics as needed to best capture the risk profile of each type of exposure. For example, sector allocations will include all positions at bond-equivalent value, whether settled or unsettled, while quality tiers will include only settled positions aggregated at market value. Average quality indicates the portfolio's expected sensitivity to changes in credit spreads; consequently, bond futures and interest rate swaps are included in this calculation at bond equivalent value, rather than market value, to best reflect this sensitivity.

Portfolio Allocation

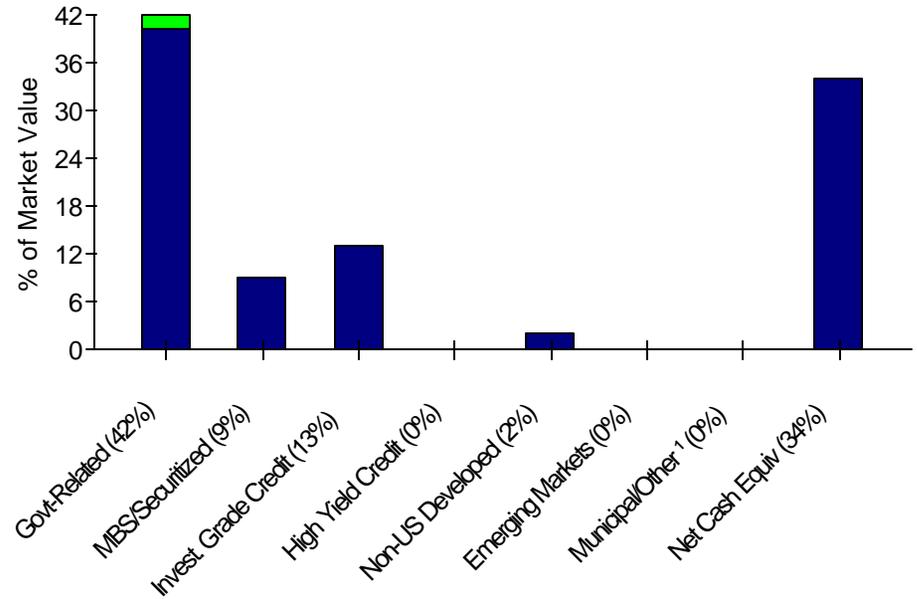
Portfolio Name: State of Montana Public Employee Deferred Comp Plan

As of Date: 09/30/2010

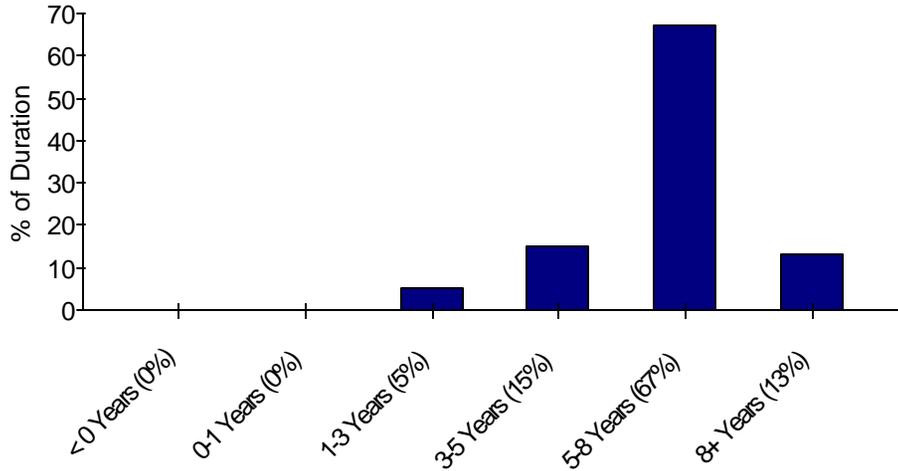
Sector - Duration Weighted



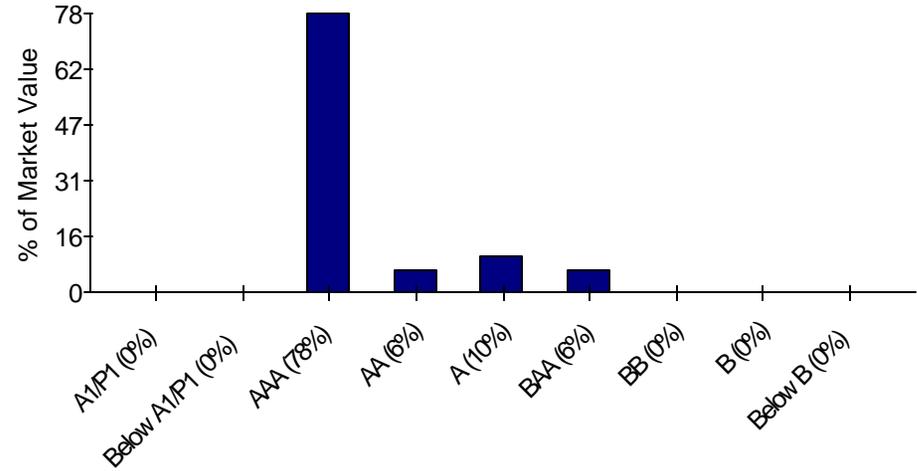
Sector - Market Value Weighted



Maturity - Duration Weighted



Quality² - Market Value Weighted



* Derivatives included at bond-equivalent exposure where appropriate

¹Includes municipals, private placements, preferred stocks, and convertibles

²Credit quality detail statistics are designed to reflect a portfolio's exposure to default risk. Consequently, this calculation includes only settled or funded positions, and incorporates interest rate swaps at market value rather than bond equivalent value.

■ Inflation Protected Securities

	% of Duration	% of Mkt Value	Total Mkt Value ¹
Government Related	68.6 %	42.2 %	96,367,551.01
Treasury	66.6	40.5	92,481,363.10
Inflation Protected Bonds	2.0	1.7	3,886,187.91
Inflation Protected Securities	2.0	1.7	3,886,188
MBS/Securitized	6.0 %	9.2 %	21,050,812.15
FNMA	6.0	9.2	21,010,390.46
GNMA	0.0	0.0	40,421.69
Invest. Grade Credit	23.8 %	12.8 %	29,331,040.66
Energy & Power	5.2	3.1	7,091,265.89
Nominal Bonds	5.2	3.5	7,960,916
Credit Default Swaps	0.0	-0.4	-869,650
Communication	1.5	0.1	261,026.53
Nominal Bonds	1.5	1.0	2,341,164
Credit Default Swaps	0.0	-0.9	-2,080,138
Finance and Real Estate	10.7	8.1	18,538,392.75
Nominal Bonds	10.7	8.2	18,734,641
Credit Default Swaps	0.0	-0.1	-196,249
Commodity related	2.2	1.3	3,049,012.40
Other	4.2	0.2	391,343.09
Nominal Bonds	4.1	2.9	6,658,034
Credit Default Swaps	0.1	-2.7	-6,266,691
Non-U.S. Developed	1.0 %	1.9 %	4,286,166.03
Dollar Block	1.0	1.9	4,286,166.03
Net Cash Equivalents	0.6 %	33.9 %	77,300,053.62
Net Cash Equivalents	0.6	33.9	77,300,053.62
TOTAL	100.0 %	100.0 %	228,335,623.47

¹Swaps and Futures are reported above at bond equivalent exposure and offset in "Net Cash Equivalents". Refer to the Cash Equivalent Summary at the back of the Portfolio Inventory report for details.

PACIFIC INVESTMENT MANAGEMENT COMPANY

Account No: 1420 State of Montana Public Employee Deferred Comp Plan

Portfolio Inventory

As Of Date: 09/30/2010

CUSIP	Description	ISIN	Coupon	Maturity	Rating	Effective Duration	Current Yield	% of Mkt Val	Par/Shares	Cost		Market		Accrued Interest
										Price	USD Total	Price	USD Total	

Currency/American Quote:1.00000

UNITED STATES

Currency/European Quote:1.00000

CASH EQUIVALENTS (Duration <= 1 Year, Quality >= BAA)

CASH EQUIVALENTS

CASH COLLATERAL

CCMYCIUS7	CASH COLLATERAL ISDA MYC USD		0.15%	12/31/2060	A1+	0.00	0.20%	0.12%	280,000	100.000	280,000	100.000	280,000	45
	SUBTOTAL							0.12%			280,000		280,000	45
	TOTAL CASH EQUIVALENTS							0.12%			280,000		280,000	45

SHORT-TERM INVESTMENT FUNDS ¹

SHORT-TERM INVESTMENT FUNDS

9840608A4	STATE STREET REPO		0.01%	12/01/2015	A1+	0.00	0.01%	0.14%	328,284	100.000	328,284	100.000	328,284	7
	SUBTOTAL							0.14%			328,284		328,284	7
	TOTAL SHORT-TERM INVESTMENT FUNDS							0.14%			328,284		328,284	7

TREASURIES/AGENCIES

COMMERCIAL PAPER

313397J51	F H L M C DISC NT	US313397J513	0.23%	10/06/2010	A1+	0.02	0.23%	0.13%	300,000	99.915	299,746	99.915	299,746	244
313397K67	F H L M C DISC NT	US313397K677	0.25%	10/15/2010	A1+	0.03	0.25%	1.05%	2,400,000	99.888	2,397,317	99.888	2,397,317	2,450
313589J46	F N M A DISC NT	US313589J465	0.24%	10/05/2010	A1+	0.01	0.24%	0.04%	100,000	99.916	99,916	99.916	99,916	81
	SUBTOTAL							1.22%			2,796,979		2,796,979	2,775

US TREASURY BILLS

912795UH2	U S TREASURY BILLS	US912795UH28	0.19%	10/21/2010	AAA	0.05	0.19%	6.70%	15,300,000	99.979	15,296,730	99.993	15,298,975	0
912795W23	U S TREASURY BILLS	US912795W235	0.12%	10/07/2010	AAA	0.02	0.12%	4.69%	10,700,000	99.990	10,698,950	99.998	10,699,807	0
912795W31	U S TREASURY BILLS	US912795W318	0.15%	10/14/2010	AAA	0.04	0.15%	13.62%	31,100,000	99.990	31,097,012	99.997	31,098,912	0
	SUBTOTAL							25.01%			57,092,692		57,097,694	0
	TOTAL TREASURIES/AGENCIES							26.23%			59,889,671		59,894,672	2,775

1. Short Term Investment Funds (STIF) represent residual cash for month-end reporting purposes. It does not indicate an actual holding of a security.

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UNITED STATES

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CASH EQUIVALENTS (Duration <= 1 Year, Quality >= BAA)

MORTGAGES

SHORT TERM ADJUSTABLE RATE MORTGAGES

31409URU1	FN ARM 878999 1YRLIB+162.5 10.9	US31409URU15	2.74%	02/01/2036	AAA	0.20	2.61%	0.13%	284,506	99.016	281,706	105.142	299,134	649	
								<u>0.13%</u>			<u>281,706</u>		<u>299,134</u>	<u>649</u>	
SUBTOTAL															
TOTAL MORTGAGES								0.13%				281,706		299,134	649

CORPORATES

FLOATING RATE NOTES

02581FXZ7	AMERICAN EXPRESS CENTURION SR UN\$	US02581FXZ79	0.41%	06/12/2012	A	0.01	0.41%	0.56%	1,300,000	77.750	1,010,750	99.047	1,287,610	265	
02687QBD9	AIG INC	US02687QBD97	0.63%	10/18/2011	A-	0.03	0.64%	0.09%	200,000	73.000	146,000	98.559	197,117	261	
172967FG1	CITIGROUP INC FRN SR NT	US172967FG13	2.38%	08/13/2013	A	0.13	2.37%	0.93%	2,100,000	100.000	2,100,000	100.787	2,116,523	6,815	
761713AS5	REYNOLDS AMERICAN INC GBL FRN	US761713AS52	0.99%	06/15/2011	BAA	0.20	0.99%	0.83%	1,900,000	100.000	1,900,000	100.133	1,902,518	838	
91324PBL5	UNITEDHEALTH GROUP INC FRN	US91324PBL58	1.72%	02/07/2011	A-	0.09	1.71%	0.35%	800,000	99.891	799,128	100.469	803,751	2,100	
SUBTOTAL								<u>2.76%</u>				<u>5,955,878</u>		<u>6,307,518</u>	<u>10,279</u>

SHORT TERM NOTES

111021AD3	BRITISH TELECOM PLC GBL NT	US111021AD39	9.38%	12/15/2010	BAA	0.20	9.23%	0.13%	300,000	107.717	323,151	101.584	304,753	8,281	
233835BA4	DAIMLERCHRYSLER NA HLDG CO GTD	US233835BA47	5.88%	03/15/2011	A-	0.44	5.74%	0.94%	2,100,000	104.074	2,185,554	102.298	2,148,248	5,483	
40429CFQ0	HSBC FINANCE CORP GBL SR NT	US40429CFQ06	5.70%	06/01/2011	A	0.65	5.53%	0.81%	1,800,000	104.670	1,884,060	103.118	1,856,129	34,200	
92343VAB0	VERIZON COMMUNICATIONS GBL NT	US92343VAB09	5.35%	02/15/2011	A	0.37	5.26%	0.53%	1,200,000	99.779	1,197,348	101.776	1,221,313	8,203	
SUBTOTAL								<u>2.42%</u>			<u>5,590,113</u>		<u>5,530,443</u>	<u>56,168</u>	
TOTAL CORPORATES								5.18%				11,545,991		11,837,961	66,447

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UNITED STATES

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CASH EQUIVALENTS (Duration <= 1 Year, Quality >= BAA)

EUROS / YANKEES

FLOATING RATE NOTES

90261XGA4	UBS AG STAMFORD CT GLBL SR UNSEC F	US90261XGA46	1.44%	02/23/2012	AA-	0.14	1.43%	0.22%	500,000	100.000	500,000	100.734	503,669	779
SUBTOTAL											500,000		503,669	779
TOTAL EUROS / YANKEES											500,000		503,669	779
TOTAL CASH EQUIVALENTS (Duration <= 1 Year, Quality >= BAA)											72,825,651		73,143,721	70,703
													32.03%	

BONDS (Duration > 1 Year, and/or Quality < BAA)

TREASURIES/AGENCIES

US TREASURIES

912810ED6	U S TREASURY BOND	US912810ED64	8.13%	08/15/2019	AAA	7.06	5.55%	3.01%	4,700,000	135.533	6,370,065	146.289	6,875,588	48,772
912810EE4	U S TREASURY BOND	US912810EE48	8.50%	02/15/2020	AAA	7.33	5.63%	0.53%	800,000	138.328	1,106,625	150.953	1,207,625	8,685
912810EG9	U S TREASURY BOND	US912810EG95	8.75%	08/15/2020	AAA	7.60	5.66%	0.27%	400,000	141.313	565,250	154.547	618,188	4,470
912810EJ3	U S TREASURY BOND	US912810EJ35	8.13%	05/15/2021	AAA	8.14	5.38%	0.26%	400,000	140.480	561,922	150.984	603,938	12,276
912810EL8	U S TREASURY BOND	US912810EL80	8.00%	11/15/2021	AAA	8.46	5.30%	2.18%	3,300,000	137.835	4,548,547	150.844	4,977,845	99,717
912810EM6	U S TREASURY BOND	US912810EM63	7.25%	08/15/2022	AAA	9.05	5.00%	0.19%	300,000	132.313	396,939	145.000	435,000	2,778
912810EN4	U S TREASURY BOND	US912810EN47	7.63%	11/15/2022	AAA	9.10	5.11%	0.13%	200,000	136.813	273,625	149.313	298,625	5,760
912810EQ7	U S TREASURY BOND	US912810EQ77	6.25%	08/15/2023	AAA	9.87	4.61%	0.18%	300,000	127.250	381,751	135.453	406,359	2,395
912810PW2	U S TREASURY BOND	US912810PW27	4.38%	02/15/2038	AAA	17.40	3.88%	0.05%	100,000	104.215	104,215	112.703	112,703	559
912810QA9	U S TREASURY BOND	US912810QA97	3.50%	02/15/2039	AAA	18.65	3.62%	0.13%	300,000	97.641	292,923	96.766	290,297	1,341
912810QB7	U S TREASURY BOND	US912810QB70	4.25%	05/15/2039	AAA	17.91	3.87%	0.53%	1,100,000	106.140	1,167,536	109.953	1,209,484	17,658
912810QH4	U S TREASURY BOND	US912810QH41	4.38%	05/15/2040	AAA	18.13		0.00%	0	0.000	0	112.329	0	0
912828HZ6	U S TREASURY NOTE	US912828HZ65	3.88%	05/15/2018	AAA	6.85	3.43%	0.10%	200,000	107.405	214,809	112.922	225,844	2,927
912828JR2	U S TREASURY NOTE	US912828JR22	3.75%	11/15/2018	AAA	7.28	3.36%	0.15%	300,000	105.608	316,825	111.734	335,203	4,249
912828KD1	U S TREASURY NOTE	US912828KD17	2.75%	02/15/2019	AAA	7.72	2.65%	4.18%	9,200,000	101.239	9,313,946	103.758	9,545,718	32,313
912828KQ2	U S TREASURY NOTE	US912828KQ20	3.13%	05/15/2019	AAA	7.83	2.94%	0.47%	1,000,000	102.622	1,026,216	106.274	1,062,735	11,804
912828KW9	U S TREASURY NOTE	US912828KW97	3.25%	05/31/2016	AAA	5.29	2.97%	13.09%	27,300,000	107.576	29,368,344	109.484	29,889,241	298,174
912828LJ7	U S TREASURY NOTE	US912828LJ77	3.63%	08/15/2019	AAA	7.90	3.30%	0.48%	1,000,000	99.937	999,368	109.984	1,099,844	4,630
912828LL2	U S TREASURY NOTE	US912828LL24	3.00%	08/31/2016	AAA	5.54	2.78%	0.33%	700,000	99.391	695,734	107.891	755,234	1,798
912828LY4	U S TREASURY NOTE	US912828LY45	3.38%	11/15/2019	AAA	8.17	3.13%	0.99%	2,100,000	107.342	2,254,174	107.742	2,262,586	26,771

PACIFIC INVESTMENT MANAGEMENT COMPANY

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Currency/American Quote:1.00000

UNITED STATES

Currency/European Quote: 1.00000

BONDS (Duration > 1 Year, and/or Quality < BAA)

TREASURIES/AGENCIES

US TREASURIES

912828MD9	U S TREASURY NOTE	US912828MD98	3.25%	12/31/2016	AAA	5.80	2.98%	8.46%	17,700,000	100.429	17,775,924	109.149	19,319,285	146,170
912828ME7	U S TREASURY NOTE	US912828ME71	2.63%	12/31/2014	AAA	4.07	2.46%	0.42%	900,000	105.915	953,233	106.539	958,852	6,003
912828MK3	U S TREASURY NOTE	US912828MK32	3.13%	01/31/2017	AAA	5.89	2.88%	1.09%	2,300,000	100.063	2,301,438	108.375	2,492,625	12,109
912828NF3	U S TREASURY NOTE	US912828NF38	2.13%	05/31/2015	AAA	4.49	2.04%	0.37%	800,000	103.395	827,156	104.274	834,189	5,682
912828NG1	U S TREASURY NOTE	US912828NG11	2.75%	05/31/2017	AAA	6.23	2.60%	0.05%	100,000	101.328	101,328	105.805	105,805	924
912828NK2	U S TREASURY NOTE	US912828NK23	2.50%	06/30/2017	AAA	6.35	2.40%	0.09%	200,000	99.522	199,045	104.203	208,406	1,264
912828NP1	U S TREASURY NOTE	US912828NP10	1.75%	07/31/2015	AAA	4.68	1.71%	2.78%	6,200,000	101.500	6,293,000	102.422	6,350,145	18,280
SUBTOTAL								40.50%			88,409,938		92,481,363	777,509

US TREASURY - REAL RETURN BONDS

912828NM8	U S TREASURY INFLATE PROT BD	US912828NM88	1.25%	07/15/2020	AAA	4.61	2.80%	1.70%	3,698,655	101.354	3,748,730	105.070	3,886,188	9,799
SUBTOTAL								1.70%			3,748,730		3,886,188	9,799

TOTAL TREASURIES/AGENCIES

42.20%

92,158,668

96,367,551

787,308

MORTGAGES

PASS-THRU CERTIFICATES

01F0406A0	FNMA TBA 4% OCT 30YR	US01F0406A02	4.00%	10/13/2040	AAA	3.45		0.00%	0	0.000	0	102.813	0	0
01F0406B8	FNMA TBA 4% NOV 30YR	US01F0406B84	4.00%	11/10/2040	AAA	3.45		2.69%	6,000,000	101.797	6,107,813	102.531	6,151,872	0
01F0426A6	FNMA TBA 4.5% OCT	US01F0426A65	4.50%	10/13/2040	AAA	2.48		1.82%	4,000,000	103.844	4,153,750	104.156	4,166,248	0
31409TT40	FNMA PASS THRU MTG #878171	US31409TT402	4.50%	07/01/2036	AAA	2.48	4.30%	0.04%	88,836	91.055	80,889	104.657	92,973	333
31412QKC2	FNMA PASS THRU DWARF #931891	US31412QKC23	4.00%	09/01/2024	AAA	1.98	3.83%	0.22%	487,573	100.883	491,877	104.567	509,840	1,625
31412QX95	FNMA PASS THRU DWARF #932304	US31412QX958	4.00%	12/01/2024	AAA	1.98	3.83%	0.36%	789,768	100.883	796,740	104.567	825,836	2,633
31413CRC5	FNMA PASS THRU DWARF #941583	US31413CRC54	4.00%	02/01/2025	AAA	1.98	3.82%	0.32%	688,597	100.883	694,676	104.755	721,336	2,295
31413DQX8	FNMA PASS THRU MTG #942470	US31413DQX83	4.00%	07/01/2037	AAA	3.45	3.88%	0.02%	33,405	98.102	32,771	103.001	34,408	111
31416MWR1	FNMA PASS THRU DWARF #AA4255	US31416MWR14	4.00%	04/01/2024	AAA	1.98	3.83%	0.25%	545,741	100.883	550,559	104.567	570,665	1,819
31416N2P6	FNMA PASS THRU DWARF #AA5281	US31416N2P61	4.00%	08/01/2024	AAA	1.98	3.83%	0.27%	582,560	100.883	587,703	104.567	609,165	1,942
31416QEJ0	FNMA PASS THRU DWARF #AA6436	US31416QEJ04	4.00%	05/01/2025	AAA	1.98	3.82%	0.33%	717,500	101.719	729,832	104.755	751,613	2,392
31417MKS1	FNMA PASS THRU DWARF #AC3004	US31417MKS16	4.00%	09/01/2024	AAA	1.98	3.83%	0.29%	626,548	100.883	632,080	104.567	655,163	2,088
31417SAN0	FNMA PASS THRU DWARF #AC5412	US31417SAN09	4.00%	10/01/2024	AAA	1.98	3.83%	0.33%	729,331	100.883	735,770	104.567	762,640	2,431
31417UME2	FNMA PASS THRU DWARF #AC7556	US31417UME28	4.00%	01/01/2025	AAA	1.98	3.82%	0.29%	621,218	100.883	626,702	104.755	650,754	2,071
31417UXT7	FNMA PASS THRU DWARF #AC7889	US31417UXT77	4.00%	03/01/2025	AAA	1.98	3.82%	0.35%	760,055	100.883	766,764	104.755	796,191	2,534

PACIFIC INVESTMENT MANAGEMENT COMPANY

Account No: 1420 State of Montana Public Employee Deferred Comp Plan

Portfolio Inventory

As Of Date: 09/30/2010

CUSIP	Description	ISIN	Coupon	Maturity	Rating	Effective Duration	Current Yield	% of Mkt Val	Par/Shares	Cost		Market		Accrued Interest
										Price	USD Total	Price	USD Total	

Currency/American Quote:1.00000

UNITED STATES

Currency/European Quote: 1.00000

BONDS (Duration > 1 Year, and/or Quality < BAA)

MORTGAGES

PASS-THRU CERTIFICATES

31417V4V2	FNMA PASS THRU DWARF	#AC8935	US31417V4V21	4.00%	01/01/2025	AAA	1.98	3.83%	0.33%	727,122	100.883	733,541	104.567	760,330	2,424	
31417WWZ0	FNMA PASS THRU DWARF	#AC9663	US31417WWZ03	4.00%	01/01/2025	AAA	1.98	3.83%	0.31%	679,719	100.883	685,720	104.567	710,762	2,266	
31417WXF3	FNMA PASS THRU DWARF	#AC9677	US31417WXF30	4.00%	01/01/2025	AAA	1.98	3.83%	0.32%	702,500	100.883	708,701	104.567	734,583	2,342	
31418MT28	FNMA PASS THRU DWARF	#AD0568	US31418MT283	4.00%	01/01/2025	AAA	1.98	3.83%	0.26%	576,698	100.883	581,789	104.567	603,035	1,922	
31418NQR4	FNMA PASS THRU DWARF	#AD1363	US31418NQR43	4.00%	01/01/2025	AAA	1.98	3.82%	0.24%	523,984	100.883	528,610	104.755	548,897	1,747	
31418QYE7	FNMA PASS THRU DWARF	#AD3408	US31418QYE78	4.00%	02/01/2025	AAA	1.98	3.83%	0.03%	68,992	100.883	69,601	104.567	72,143	230	
31418SFQ7	FNMA PASS THRU DWARF	#AD4674	US31418SFQ75	4.00%	05/01/2025	AAA	1.98	3.82%	0.12%	269,142	101.719	273,768	104.755	281,938	897	
36290SHU8	GNMA PASS THRU SGL FAML	#615943X	US36290SHU87	4.50%	09/15/2033	AAA	2.32	4.24%	0.02%	38,045	92.688	35,263	106.247	40,422	143	
SUBTOTAL																
												20,604,919		21,050,812		34,244
TOTAL MORTGAGES												20,604,919		21,050,812		34,244

CORPORATES

DEFAULTED COUNTERPARTY CLAIM

LSIOPNTA5	LBSF OPEN POSITION NET ASSET				12/31/2060		0.00		0.05%	245,943	100.000	245,943	42.000	103,296	0	
SLHOPNTA4	LBI OPEN POSITION NET ASSET				12/31/2060		0.00		0.07%	1,522,878	100.000	1,522,878	11.000	167,517	0	
SUBTOTAL																
												1,768,822		270,813		0

FINANCE

025816AY5	AMERICAN EXPRESS GLBL SR NT		US025816AY50	7.00%	03/19/2018	A-	6.14	5.80%	0.42%	800,000	99.617	796,936	120.619	964,948	1,867
026874BT3	AIG INC		US026874BT38	8.25%	08/15/2018	A-	6.15	7.05%	0.82%	1,600,000	100.000	1,600,000	117.000	1,872,000	16,867
060505DH4	BANK OF AMERICA CORP GLBL SR NT		US060505DH44	6.00%	09/01/2017	A	5.86	5.53%	0.28%	600,000	100.457	602,742	108.426	650,553	3,000
07385TAJ5	BEAR STEARNS CO INC GLBL NT SDF		US07385TAJ51	5.70%	11/15/2014	AA-	3.76	5.05%	0.15%	300,000	92.338	277,014	112.858	338,575	6,460
172967EH0	CITIGROUP INC GLBL NT		US172967EH05	6.00%	08/15/2017	A	5.83	5.54%	0.14%	300,000	100.774	302,322	108.213	324,638	2,300
172967EU1	CITIGROUP INC GLBL SR NT		US172967EU16	6.50%	08/19/2013	A	2.68	5.88%	0.10%	200,000	99.534	199,068	110.560	221,120	1,517
38141GFM1	GOLDMAN SACHS GROUP INC SR NT		US38141GFM15	6.15%	04/01/2018	A+	6.26	5.54%	0.19%	400,000	93.885	375,540	111.089	444,357	12,300
46625HHP8	JPMORGAN CHASE & CO SR UNSECURED		US46625HHP82	3.70%	01/20/2015	AA-	4.03	3.50%	0.97%	2,100,000	100.810	2,117,010	105.738	2,220,494	15,324
59018YN64	MERRILL LYNCH & CO NT MTN		US59018YN641	6.88%	04/25/2018	A	6.17	6.12%	0.89%	1,800,000	99.914	1,798,452	112.337	2,022,070	53,625
6174466Q7	MORGAN STANLEY GLBL SR UNSEC MTN		US6174466Q77	6.63%	04/01/2018	A	6.17	5.97%	0.44%	900,000	95.601	860,409	111.031	999,278	29,813
61744YAD0	MORGAN STANLEY SR UNSEC MTN		US61744YAD04	5.95%	12/28/2017	A	6.09	5.53%	0.80%	1,700,000	99.717	1,695,189	107.576	1,828,794	26,130
78442FEH7	SLM CORP		US78442FEH73	8.45%	06/15/2018	BAA-	5.86	8.35%	0.09%	200,000	74.500	149,000	101.148	202,295	4,976

PACIFIC INVESTMENT MANAGEMENT COMPANY

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As Of Date: 09/30/2010

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										Price	USD Total	Price	USD Total	

Currency/American Quote:1.00000

UNITED STATES

Currency/European Quote: 1.00000

BONDS (Duration > 1 Year, and/or Quality < BAA)

CORPORATES

FINANCE

92976WBA3	WACHOVIA CORP GLBL SR NT MTN	US92976WBA36	5.70%	08/01/2013	AA-	2.66	5.14%	0.10%	200,000	94.500	189,000	110.837	221,674	1,900
								SUBTOTAL			10,962,682		12,310,797	176,078

INDUSTRIALS

13342BAC9	CAMERON INTL CORP GLBL SR NT	US13342BAC90	6.38%	07/15/2018	BAA+	6.43	5.59%	0.45%	900,000	101.869	916,821	113.993	1,025,933	12,113
205944AB7	CON-WAY INC SR UNSEC	US205944AB76	7.25%	01/15/2018	BAA-	5.93	6.51%	1.71%	3,500,000	102.683	3,593,905	111.412	3,899,420	53,569
257867AT8	RR DONNELLEY & SONS NT	US257867AT88	6.13%	01/15/2017	BAA	5.38	5.84%	0.78%	1,700,000	100.228	1,703,876	104.835	1,782,188	21,982
260543BV4	DOW CHEMICAL COMPANY NT	US260543BV48	5.70%	05/15/2018	BAA-	6.41	5.23%	1.34%	2,800,000	99.553	2,787,484	108.893	3,049,012	60,293
50075NAS3	KRAFT FOODS INC SR UNSEC	US50075NAS36	6.50%	08/11/2017	BAA	5.81	5.42%	0.11%	200,000	104.831	209,662	119.976	239,952	1,806
620076AZ2	MOTOROLA INC SR NT	US620076AZ29	6.00%	11/15/2017	BAA-	6.03	5.37%	0.24%	500,000	94.765	473,827	111.795	558,976	11,333
761713AD8	REYNOLDS AMERICAN INC GLBL CO GTD	US761713AD83	7.25%	06/01/2013	BAA	2.48	6.45%	0.44%	900,000	104.478	940,302	112.403	1,011,629	21,750
761713AF3	REYNOLDS AMERICAN INC GLBL CO GTD	US761713AF32	7.75%	06/01/2018	BAA	6.13	6.53%	0.36%	700,000	107.822	754,754	118.755	831,282	18,083
761713AU0	REYNOLDS AMERICAN INC BD	US761713AU09	6.75%	06/15/2017	BAA	5.62	5.99%	0.30%	600,000	99.908	599,448	112.625	675,751	11,925
								SUBTOTAL			11,980,079		13,074,143	212,854
								TOTAL CORPORATES			24,711,583		25,655,753	388,933

EUROS / YANKEES

EUROS / YANKEES

05565QBN7	BP CAPITAL MARKETS PLC CO GTD	US05565QBN79	3.13%	10/01/2015	A	4.68		0.57%	1,300,000	99.716	1,296,308	100.641	1,308,329	0
05565QBP2	BP CAPITAL MARKETS PLC CO GTD	US05565QBP28	4.50%	10/01/2020	A	8.31		0.45%	1,000,000	99.451	994,510	102.467	1,024,666	0
22546QAE7	CREDIT SUISSE NEW YORK NT	US22546QAE70	3.50%	03/23/2015	AA+	4.19	3.32%	0.97%	2,100,000	99.841	2,096,661	105.303	2,211,357	1,633
78010XAC5	RBS PLC GLBL BK GTD	US78010XAC56	4.88%	03/16/2015	AA-	4.07	4.63%	1.84%	4,000,000	99.768	3,990,720	105.312	4,212,488	8,125
85771PAB8	STATOIL ASA CO GTD	US85771PAB85	3.13%	08/17/2017	AA	6.32	3.00%	1.00%	2,200,000	99.782	2,195,204	104.157	2,291,450	8,403
89152UAC6	TOTAL CAPITAL SA CO GTD	US89152UAC62	3.00%	06/24/2015	AA+	4.46	2.86%	1.01%	2,200,000	99.609	2,191,398	105.025	2,310,539	17,783
								SUBTOTAL			12,764,801		13,358,828	35,944
								TOTAL EUROS / YANKEES			12,764,801		13,358,828	35,944

PACIFIC INVESTMENT MANAGEMENT COMPANY

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Portfolio Inventory

As Of Date: 09/30/2010

CUSIP	Description	ISIN	Coupon	Maturity	Rating	Effective Duration	Current Yield	% of Mkt Val	Par/Shares	Cost		Market		Accrued Interest
										Price	USD Total	Price	USD Total	

Currency/American Quote:1.00000

UNITED STATES

Currency/European Quote: 1.00000

BONDS (Duration > 1 Year, and/or Quality < BAA)

CREDIT DEFAULT SWAPS

BUY PROTECTION

SWPC01T87	CAMERON INTL NS BP DUB PAY	-0.82%	09/20/2018	BAA+	-0.12	0.01%	900,000	0.000	0	3.372	30,350	-226
SWPC30F99	REYNOLDS AMERICAN NS BP BRC PAY	-1.20%	06/20/2013	BAA	0.01	-0.00%	900,000	0.000	0	-0.728	-6,550	-330
SWPC331G2	SLM CORP (SALLIE MAE) SNR S* BP GST P	-5.00%	06/20/2018	BAA-	-0.03	0.00%	200,000	-7.084	-14,168	1.876	3,751	-306
SWPC36423	CON-WAY INC NEGB NS BP BOA PAY	-1.83%	03/20/2018	BAA-	-0.19	0.09%	3,500,000	0.000	0	5.557	194,497	-1,961
SWPC39567	KRAFT FOODS NEGB SNR NS BP DUB PAY	-0.59%	09/20/2017	BAA	-0.01	0.00%	200,000	0.000	0	0.484	967	-36
SWPC40292	RR DONNELLEY NEGB NS BP BOA PAY	-0.80%	03/20/2017	BAA	-0.39	0.09%	1,700,000	0.000	0	11.604	197,264	-416
SWPC44278	MOTOROLA NS BP RYL PAY	-3.60%	12/20/2017	BAA-	0.49	-0.01%	200,000	0.000	0	-15.678	-31,355	-220
SWPC501C5	CDX IG12 5Y BP DUB PAY	-1.00%	06/20/2014	BAA+	0.01	-0.00%	1,587,200	3.373	53,529	-0.416	-6,599	-485
SWPC82310	CDX IG9 10Y BP BRC PAY	-0.80%	12/20/2017	BAA+	-0.13	0.01%	774,400	1.308	10,129	3.700	28,651	-189
SWPC95C12	MOTOROLA NS BP MYC PAY	-3.55%	12/20/2017	BAA-	0.48	-0.02%	300,000	0.000	0	-15.349	-46,047	-325
SWPC95R16	CDX IG10 10Y BP DUB PAY	-1.50%	06/20/2018	BAA+	0.05	-0.00%	677,600	-1.743	-11,813	-0.989	-6,704	-311
SWPC95R73	CDX IG10 10Y BP MYC PAY	-1.50%	06/20/2018	BAA+	0.05	-0.00%	1,064,800	-1.075	-11,446	-0.989	-10,535	-488
SWPC96W83	CDX IG9 10Y BP RYL PAY	-0.80%	12/20/2017	BAA+	-0.13	0.01%	677,600	1.457	9,875	3.700	25,070	-166
SUBTOTAL						0.16%			36,106		372,760	-5,458

SELL PROTECTION

SWPC032G4	GOLDMAN SACHS GROUP INC SNR S* SP	1.00%	03/20/2012	A+	0.00	-0.00%	500,000	-0.051	-255	-0.156	-779	153
SWPC034G2	GOLDMAN SACHS GROUP INC SNR S* SP	1.00%	03/20/2011	A+	0.00	0.00%	500,000	0.161	805	0.031	152	153
SWPC213J9	CDX IG15 5Y SP DUB RECEIVE	1.00%	12/20/2015	BAA+	0.00	-0.02%	10,800,000	-0.675	-72,861	-0.325	-35,064	3,300
SWPC422E7	CDX IG13 10Y SP BOA RECEIVE	1.00%	12/20/2019	BAA+	-0.04	-0.00%	400,000	-1.366	-5,464	-1.059	-4,237	122
SWPC686H1	FRANCE GOV'T SW SP MYC RECEIVE	0.25%	06/20/2011	AAA	0.00	-0.00%	5,000,000	-0.188	-9,388	-0.081	-4,027	382
SUBTOTAL						-0.02%			-87,164		-43,955	4,110

TOTAL CREDIT DEFAULT SWAPS

0.14% **-51,058** **328,806** **-1,348**

TOTAL BONDS (Duration > 1 Year, and/or Quality < BAA)

68.65% **150,188,912** **156,761,750** **1,245,081**

TOTAL UNITED STATES

100.69%

223,014,564

229,905,470

1,315,784

PACIFIC INVESTMENT MANAGEMENT COMPANY

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Portfolio Inventory

As Of Date: 09/30/2010

CUSIP	Description	ISIN	Coupon	Maturity	Rating	Duration	Effective Yield	Current % of Mkt Val	Par/Shares	Cost		Market		Accrued Interest	
										Price	USD Total	Price	USD Total		
Currency/American Quote:1.03279										Currency/European Quote:0.96825					
AUSTRALIA															
BONDS (Duration > 1 Year, and/or Quality < BAA)															
										AUD					
											AUD				
SOVEREIGN															
SOVEREIGN NOTES															
EI3151277	AUSTRALIAN GOVERNMENT	AU3TB0000077	4.75%	06/15/2016		4.94	4.79%	0.38%	900,000	101.089	828,829	99.254	864,924	12,214	
							SUBTOTAL	0.38%			828,829		864,924	12,214	
							TOTAL SOVEREIGN	0.38%			828,829		864,924	12,214	
							TOTAL BONDS (Duration > 1 Year, and/or Quality < BAA)	0.38%			828,829		864,924	12,214	
AUSTRALIAN DOLLARS															
										AUD					
											AUD				
CURRENCY²															
CURRENCY															
AUD0302A2	AUSTRALIAN DOLLARS (SELL vs.USD)			10/29/2010		0.00		-0.39%	-919,026	1.126	-816,203	1.037	-886,630	0	
							SUBTOTAL	-0.39%			-816,203		-886,630	0	
							TOTAL CURRENCY	-0.39%			-816,203		-886,630	0	
							TOTAL AUSTRALIAN DOLLARS	-0.39%			-816,203		-886,630	0	
							TOTAL AUSTRALIA	-0.01%			12,626		-21,706	12,214	

2. Currency positions may reflect forward or spot purchases/sells to settle pending trades or to increase/decrease currency exposure. Forward positions display maturity dates equal to the forward settlement date. Spot positions display no maturity date as these trades represent imminent cash conversion.

PACIFIC INVESTMENT MANAGEMENT COMPANY

Account No: 1420 State of Montana Public Employee Deferred Comp Plan

Portfolio Inventory

As Of Date: 09/30/2010

CUSIP	Description	ISIN	Coupon	Maturity	Rating	Effective Duration	Current Yield	% of Mkt Val	Par/Shares	Cost		Market		Accrued Interest
										Price	USD Total	Price	USD Total	

Currency/American Quote:1.02585

CANADA

Currency/European Quote:0.97480

CASH EQUIVALENTS (Duration <= 1 Year, Quality >= BAA)

CAD

CAD

SHORT-TERM INVESTMENT FUNDS¹

SHORT-TERM INVESTMENT FUNDS

920142098	STIF FUND (CAD)			12/31/2015	A1+	0.00		0.00%	251	100.000	244	100.000	245	0
								0.00%			244		245	0
								0.00%			244		245	0
								0.00%			244		245	0

TOTAL CASH EQUIVALENTS (Duration <= 1 Year, Quality >= BAA)

0.00%

244

245

0

BONDS (Duration > 1 Year, and/or Quality < BAA)

CAD

CAD

SOVEREIGN

SOVEREIGN NOTES

135087ZB3	CANADA GOVT NT	CA135087ZB34	1.50%	03/01/2012	AAA	1.39	1.50%	1.50%	3,500,000	100.507	3,288,120	100.277	3,421,242	4,241
								1.50%			3,288,120		3,421,242	4,241
								1.50%			3,288,120		3,421,242	4,241
								1.50%			3,288,120		3,421,242	4,241

TOTAL BONDS (Duration > 1 Year, and/or Quality < BAA)

1.50%

3,288,120

3,421,242

4,241

1. Short Term Investment Funds (STIF) represent residual cash for month-end reporting purposes. It does not indicate an actual holding of a security.

PACIFIC INVESTMENT MANAGEMENT COMPANY

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Portfolio Inventory

As Of Date: 09/30/2010

CUSIP	Description	ISIN	Coupon	Maturity	Rating	Duration	Effective Yield	Current % of Mkt Val	Par/Shares	Cost		Market		Accrued Interest
										Price	USD Total	Price	USD Total	

Currency/American Quote:1.02585

CANADA

Currency/European Quote:0.97480

CANADIAN DOLLARS

CAD

CAD

CURRENCY²

CURRENCY

CAD0322A0	CANADIAN DOLLAR (SELL vs.USD)			11/18/2010		0.00		-1.49%	-3,489,000	1.035	-3,370,355	1.027	-3,397,201	0
	SUBTOTAL							-1.49%			-3,370,355		-3,397,201	0
	TOTAL CURRENCY							-1.49%			-3,370,355		-3,397,201	0
	TOTAL CANADIAN DOLLARS							-1.49%			-3,370,355		-3,397,201	0

TOTAL CANADA

0.01%

-81,991

24,286

4,241

Currency/American Quote:0.73249

EURO M. UNION

Currency/European Quote:1.36520

CASH EQUIVALENTS (Duration <= 1 Year, Quality >= BAA)

EUR

EUR

SHORT-TERM INVESTMENT FUNDS¹

SHORT-TERM INVESTMENT FUNDS

929072692	STATE STREET STIF FUND (EUR)		0.10%	12/01/2015	A1+	0.00	0.10%	0.00%	3,450	100.000	5,381	100.000	4,710	1
	SUBTOTAL							0.00%			5,381		4,710	1
	TOTAL SHORT-TERM INVESTMENT FUNDS							0.00%			5,381		4,710	1
	TOTAL CASH EQUIVALENTS (Duration <= 1 Year, Quality >= BAA)							0.00%			5,381		4,710	1

TOTAL EURO M. UNION

0.00%

5,381

4,710

1

1. Short Term Investment Funds (STIF) represent residual cash for month-end reporting purposes. It does not indicate an actual holding of a security.

2. Currency positions may reflect forward or spot purchases/sells to settle pending trades or to increase/decrease currency exposure. Forward positions display maturity dates equal to the forward settlement date. Spot positions display no maturity date as these trades represent imminent cash conversion.

PACIFIC INVESTMENT MANAGEMENT COMPANY

Account No: 1420 State of Montana Public Employee Deferred Comp Plan

Portfolio Inventory

USD Market Value

As Of Date: 09/30/2010

<u>TOTAL ACCOUNT SUMMARY</u>	
TOTAL POSITIONS HELD <i>(excluding Cash Equivalents)</i>	160,829,969.85
CASH EQUIVALENT ASSETS	
CASH EQUIVALENT SECURITIES	73,366,624.97
CURRENCY FORWARD POSITIONS	(4,283,831.14)
NET MONEY MARKET FUTURES POSITIONS ¹	0.00
INTEREST AND DIVIDENDS ACCRUED / RECEIVABLE	1,332,240.76
RESIDUAL CASH	(18.11)
OTHER ASSETS / LIABILITIES	
NET MONEY MARKET FUTURES (DUE TO) / DUE FROM BROKER ¹	0.00
NET BOND/STOCK EQUIVALENT FUTURES (DUE TO) / DUE FROM BROKER	0.00
NET UNSETTLED TRADES (DUE TO) / DUE FROM BROKER <i>(including Currency)</i>	(2,169,239.74)
BROKER CASH COLLATERAL RECEIVED	(740,123.12)
NET ACCOUNTING VALUE (USD)	<u>228,335,623.47</u>

1. The notional amount of money market futures is divided by the term of the underlying interest rate to properly reflect exposure. Eurodollar futures, based on an annualized 3-month interest rate, are divided by 4; Fed funds futures, based on an annualized 1-month rate, are divided by 12.

PACIFIC INVESTMENT MANAGEMENT COMPANY

Account No: 1420 State of Montana Public Employee Deferred Comp Plan

Portfolio Inventory

USD Market Value

As Of Date: 09/30/2010

<u>CASH EQUIVALENT SUMMARY</u>	
CASH EQUIVALENT SECURITIES HELD	
SHORT TERM INVESTMENT FUNDS	333,238.95
OTHER CASH EQUIVALENT SECURITIES	<u>73,033,386.02</u>
TOTAL CASH EQUIVALENT SECURITIES HELD	73,366,624.97
OTHER CASH EQUIVALENTS	
RESIDUAL CASH	(18.11)
INTEREST AND DIVIDENDS ACCRUED / RECEIVABLE	<u>1,332,240.76</u>
TOTAL OTHER CASH EQUIVALENTS	1,332,222.65
TOTAL CASH AND CASH EQUIVALENT ASSETS	<u>74,698,847.62</u>
OTHER ASSETS AND LIABILITIES	
CURRENCY FORWARD POSITIONS	(4,283,831.14)
NET CURRENCY FORWARDS (DUE TO) / DUE FROM BROKER	4,186,557.69
NET UNSETTLED TRADES (DUE TO) / DUE FROM BROKER	(6,355,797.43)
NET MONEY MARKET FUTURES POSITIONS	0.00
NET MONEY MARKET FUTURES (DUE TO) / DUE FROM BROKER	0.00
NET BOND/STOCK EQUIVALENT FUTURES (DUE TO) / DUE FROM BROKER	0.00
BROKER CASH COLLATERAL RECEIVED	(740,123.12)
EXCHANGE TRADED CREDIT DEFAULT SWAPS (DUE TO) / DUE FROM BROKER	0.00
SWAPS ADJUSTMENT TO BOND EXPOSURE ²	<u>9,794,400.00</u>
TOTAL OTHER ASSETS AND LIABILITIES	2,601,206.00
NET CASH EQUIVALENTS AVAILABLE FOR INVESTMENT (USD)	<u>77,300,053.62</u>

2. Represents the offsetting exposure of the floating-rate leg of interest rate, index, and total return swaps, and the implied liability/asset associated with credit default swaps.

Derivatives Summary

State of Montana Public Employee Deferred Comp Plan

Derivatives As of 09/30/2010	% of Duration	% of Mkt Value	Characteristics of Derivatives	Control Measures
<u>Bond-Equivalent Derivatives</u>				
Government Futures	0.0	0.0	Used to adjust interest rate exposures and replicate government bond positions. May offer opportunity to outperform due to active management of the liquid portfolio backing the exposure.	Bond-equivalent exposure included in portfolio duration. Back net long futures positions with high grade, liquid debt securities.
U.S.	0.0	0.0		
Non - U.S.	0.0	0.0		
Interest Rate Swaps	0.0	0.0	Includes Swaps with duration greater than 1 year. Used to adjust interest rate and yield curve exposures and substitute for physical securities. Long swap positions ("receive fixed") increase exposure to long-term interest rates; short positions ("pay fixed") decrease exposure.	Bond-equivalent exposure included in portfolio duration. Back net long swaps positions with high grade, liquid debt securities.
Receive	0.0	0.0		
Pay	0.0	0.0		
Credit Default Swaps	0.1	2.1	Credit default swaps are used to manage credit exposure without buying or selling securities outright. Written CDS increase credit exposure ("selling protection"), obligating the portfolio to buy bonds from counterparties in the event of a default. Purchased CDS decrease exposure ("buying protection"), providing the right to "put" bonds to the counterparty in the event of a default.	Bond-equivalent exposure included in portfolio credit risk measures. Back net long exposures with high grade, liquid debt securities. Continually monitor underlying credit exposure.
Written	0.0	7.5		
Purchased	0.1	-5.4		
Option Premiums	0.0	0.0	Purchased options are used to manage interest rate and volatility exposures. Written options generate income in expected interest rate scenarios and may generate capital losses if unexpected interest rate environments are realized. Both written and purchased options will become worthless at expiration if the underlying instrument does not reach the strike price of the option.	Bond-equivalent exposure included in portfolio duration (weighted by volatility relative to underlying instrument). In-the-money portion of written options covered by high grade, liquid debt securities.
Written	0.0	0.0		
Purchased	0.0	0.0		
Mortgage Derivatives	0.0	0.0	Used to manage portfolio duration and/or enhance yield. Includes securities determined by PIMCO to have potentially less stable duration characteristics, such as Interest Only strips (IOs), Principal Only strips (POs), Support Class CMOs and Inverse Floaters. Value will fluctuate as prepayment speeds respond to rising and falling interest rates.	Bond exposure included in portfolio duration, convexity, and prepayment risk measures. Use IOs' and POs' in moderation and in an overall portfolio context.
Total Bond-Equiv. Derivatives:	0.1 %	2.1 %		
<u>Money Market Derivatives</u>	0.0	0.0	Used to manage exposures at the front end of the yield curve. Includes Swaps with duration of 1 year or less, and Eurodollar, Euribor and other futures based on short-term interest rates. The notional amount of money market futures is divided by the term of the underlying interest rate to properly reflect the exposure. Eurodollar futures, based on an annualized 3-month interest rate, are divided by 4; Fed funds futures, based on an annualized 1-month rate, are divided by 12.	Bond-equivalent exposure included in portfolio duration. Money market futures are based on short-term interest rates and don't require delivery of an asset at expiration, therefore do not require cash backing.
Futures	0.0	0.0		
Interest Rate Swaps	0.0	0.0		

Investors should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. This and other information are contained in the fund's prospectus and summary prospectus, if available, which may be obtained by contacting your PIMCO representative. Please read them carefully before you invest or send money.

Past performance is not a guarantee or reliable indicator of future results. Derivatives may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous.

Investing in derivatives could lose more than the amount invested. Swaps are a type of derivative; while some swaps trade through a clearinghouse there is generally no central exchange or market for swap transactions and therefore they tend to be less liquid than exchange-traded instruments. Credit default swap (CDS) is an over-the-counter (OTC) agreement between two parties to transfer the credit exposure of fixed income securities; CDS is the most widely used credit derivative instrument. All investments contain risk and may lose value. Investing in foreign denominated and/or domiciled securities may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. Mortgage and asset-backed securities may be sensitive to changes in interest rates, subject to early repayment risk, and their value may fluctuate in response to the market's perception of issuer creditworthiness; while generally supported by some form of government or private guarantee there is no assurance that private guarantors will meet their obligations.

The value of most bond funds and fixed income securities are impacted by changes in interest rates. Bonds and bond funds with longer durations tend to be more sensitive and more volatile than securities with shorter durations; bond prices generally fall as interest rates rise.

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Portfolio Risk Measures

State of Montana Public Employee Deferred Comp Plan

Risk Measures (yrs)	09/30/2010	Definitions of Risk Measures
<u>Interest Rate Exposures:</u>		
<u>Effective Duration</u>		
Portfolio	3.88	A portfolio's price sensitivity to changes in interest rates. An accurate predictor of price changes only for small, parallel shifts of the yield curve. For every 1 basis point fall (rise) in interest rates, a portfolio with duration of 1 year will rise (fall) in price by 1 bp.
Benchmark	3.97	
<u>Bull Market Duration</u>		
Portfolio	3.78	A portfolio's effective duration after a 50 bp decline in rates. The extent to which a portfolio's duration exceeds its bull market duration is a gauge of contraction risk.
Benchmark	3.98	
<u>Bear Market Duration</u>		
Portfolio	3.96	A portfolio's effective duration after a 50 bp rise in rates. The extent to which a Portfolio's bear market duration exceeds its duration is a gauge of extension risk.
Benchmark	3.97	
<u>Total Curve Duration</u>		
	-0.48	A portfolio's price sensitivity relative to the benchmark to changes in the slope of the yield curve, measured between the 2-30 year Treasury yields, holding the 10-year yield constant. For every 1 bp of steepening (flattening), a portfolio with curve duration of 1 year will rise (fall) in price by 1 bp relative to the benchmark.
<u>Sector Exposures:</u>		
<u>Mortgage Spread Duration</u>		
Portfolio	0.34	Spread duration represents a portfolio's sensitivity to changes in option-adjusted spread (OAS), which affects the value of bonds that trade at a yield spread to Treasuries. Corporate, Mortgage, and Emerging Markets spread duration represents the contribution of each sector to the overall portfolio spread duration. For every 1 year of spread duration, portfolio value should rise (fall) by 1 basis point with every 1 basis point of OAS tightening (widening). Negative spread duration indicates the portfolio will benefit from widening spreads relative to Treasuries.
Benchmark	0.00	
<u>Corporate Spread Duration</u>		
Portfolio	0.90	
Benchmark	1.18	
<u>EM Spread Duration</u>		
Portfolio	0.00	
Benchmark	0.09	
<u>Swap Spread Duration</u>		
Portfolio	0.00	The contribution of provincials, agencies, and swaps to spread duration. Includes the impact of non-swap instruments that are sensitive to swap spreads.
Benchmark	0.46	

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ACCOUNTING REPORT GLOSSARY

Pacific Investment Management Company employs a TRADE DATE-BASIS, ACCRUAL-BASIS, double-entry accounting system. Since many custodian statements are based on settlement date-basis, or cash-basis accounting systems, there may be some confusion as to what information is contained under various headings in our accounting reports. Therefore, we have defined many of the terms as we use them in our statements.

Amount -	Value given / received when security was bought / sold.
Broker -	PIMCO internal code.
Broker Cash Collateral Received -	In the form of cash, the amount of collateral that has been pledged & received from authorized Counterparties (Initial Cash Collateral Amount + Accrued Interest).
Cash Equivalents (Duration <=1 year) -	<p>PIMCO defines Cash Equivalent securities as liquid securities of investment grade quality with duration of 1 year or less. Duration of 1 year or less is usually attributed to the following classes of securities:</p> <ul style="list-style-type: none">• Overnight securities and instruments with final maturity dates within one year, including but not limited to Short Term Investment Funds, repurchase agreements, commercial paper, certificates of deposit, Treasury bills, etc.• Adjustable Rate and Floating Rate instruments with interest reset periods of 1 year or less exhibiting price volatility commensurate with the reset frequency.• Fixed rate instruments with coupon rates and/or prepayment features leading to market expectations of substantial repayment within 1 year and exhibiting price volatility commensurate with this expectation.
Cost Amount -	This is the original cost of a position. When a position consists of several "lots" purchased at different prices, it is the total cost of the lots. Any expenses associated with an acquisition (i.e., postage, insurance, commissions) are included in Cost Amount.
Dividend Rate -	In the case of bonds, it is the coupon rate on the bonds. In the case of stocks, it is the current annual dividend amount per share expressed in dollars. Finally, in the case of cash equivalents, it is the annualized yield. The rate reported for commingled short-term investment funds is the annualized yield as of the date of the statement.
Dividends Receivable -	When a stock goes ex-dividend, we show the dividend as receivable. It is automatically posted to cash on the dividend payment date.
Due To/From Broker -	This aggregates items which have been bought/sold, including short sales (forward pass-through buys/sales). They are included/removed from the inventory as of the Trade Date, but posting to cash does not occur until Settlement Date.
Duration -	Measures the sensitivity of a bond or portfolio's price to changes in interest rates. The calculation of duration incorporates yield, coupon, final maturity and call features into one measure.
Exchange rate -	The relative value of one currency to the U.S. dollar.
Factor -	The multiple of original face outstanding at the time of purchase or sale.
Futures Long / Futures Short -	Refers to aggregate market value positions in financial futures contracts either held for future delivery into account (Futures Long) or the future delivery of financial instruments from account (Futures Short).
IND % -	Refers to percent of asset classification (i.e., Cash and Cash equivalents, Bonds, Equities).
Int. B/S -	Interest bought or sold.
Interest Receivable -	Interest income impacts the portfolio as soon as it is earned.
Market Amount -	Market Price times Quantity.
Market Price -	Closing prices on most securities are obtained from vendors such as Interactive Data Corp., Merrill Lynch, and Bear Street Software. PIMCO also has an internal duration model that calculates prices based on a treasury yield spread. Market prices are also obtained from other services such as Bloomberg, Reuters and various market makers.
NAV % -	Refers to percent of Total Account Market Value.
Net Unsettled Trades -	This is the sum of any Due-To-Broker and Due-From-Broker amounts. The actual item purchased shows in the inventory listing as of the Trade Date. The payable is automatically posted against cash on Settlement Date.
Original Face -	Value of asset pool at time of origination.
Pay Code -	"S" indicates transaction has settled.
Paydowns -	Include all pass-through principal payments.
Payups -	Included are regular additions to GNMA Graduated-Payment Mortgage principal balances, as well as some CMOs.

Price -	Value of security at the time of purchase or sale.
Principal -	Original face multiplied by factor price.
Share / Par -	Refers to par value in the case of bonds, and number of shares in the case of stocks.
Short Sales -	We are using this feature of our system to reflect forward pass-through sales prior to the availability of pool factors. They are reflected in the portfolio inventory beneath the long position as negative.
Total Cash Less Unsettled Trades -	This refers to all items in the Cash Accounts section of the inventory, less any Due-To-Broker and Due-From-Broker Amounts.
Total Cost -	This is the total original cost of positions. When positions consists of several "lots" purchased at different prices, it is the total cost of the lots.
Unit Cost -	This is Cost Amount divided by Quantity times 100.
Yield -	The rate of annual income return on an investment expressed as a percentage. Current yield is obtained by dividing the coupon rate of interest by the market price. Estimated yield to maturity is obtained by applying discounts and premiums from par to the income return. Bond yields move inversely to market prices. As market prices rise, yields on existing securities fall, and vice versa.

EXPLANATION OF PIMCO'S ACCOUNTING TREATMENT OF FINANCIAL FUTURES POSITIONS

Accounting conventions for handling futures contract positions require that all open futures positions be disclosed as memo items on balance sheet statements (i.e., there is no cost or market value associated with a position). Although this approach discloses the existence of futures positions, it is not helpful in gauging the volatility characteristics of the portfolio. For example, a \$100,000 portfolio of cash that is also "long" one Treasury Bond futures contract at a price of 100 (equates to owning \$100,000 of Treasury Bonds) would look as follows:

PORTFOLIO INVENTORY AS OF September 30, 2010

Cash	\$100,000
Long One Treasury Bond Future	<u>- -</u>
TOTAL	\$100,000

Viewing the above statement may give the impression that the portfolio is a conservative one, because all of its assets are in cash. However, being long the bond futures contract means that the value of the portfolio will fluctuate similar to a 30-year bond. Therefore, in order to reflect the economic impact of our futures positions, we prefer to value them for portfolio inventory purposes at their market value. Then, to avoid double-counting, the value of the futures positions is offset with a contra-account liability (Futures - Long Positions).

The example above would look as follows according to our methodology :

PORTFOLIO INVENTORY AS OF September 30, 2010

Cash	\$100,000
Long One Treasury Bond Future	\$100,000
Futures - Long Positions	<u>(100,000)</u>
TOTAL	\$100,000

By valuing the portfolio's futures positions in this manner, it is easy to grasp their impact and size. In this case, comparing the \$100,000 futures positions to the total portfolio value of \$100,000 indicates that the portfolio is essentially 100% invested in long bonds.

