



State of Montana
457 Deferred Compensation Plan

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Managing Director

Second Quarter 2013

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Economic Highlights

- GDP:** U.S. real GDP grew at an annual rate of 1.8% during the first quarter of 2013 (following a downward revision from its previous estimate of 2.4%). The Conference Board's Consumer Confidence Index climbed to 81.4 in June, its highest reading since January 2008.
Source: Dept. of Commerce (BEA)
- Interest Rates:** Treasury yields rose rather dramatically in the quarter, albeit off of historically low levels. After entering the quarter at 1.87%, the bellwether ten-year yield jumped to 2.52% by quarter's end, as markets reacted in large part to comments from Chairman Bernanke which signaled an increasing possibility that the Fed may begin to taper its bond buying program later this year.
Source: US Treasury
- Inflation:** Despite accelerating earlier in the year, U.S. inflation has remained in check. The Consumer Price Index rose 0.3% in the three months through May and edged higher at a modest 1.4% rate year-over-year. Due to a steep increase in the real yields of TIPS (nearby chart) – 117 bps from -0.64% to 0.53% – the 10-year breakeven inflation rate fell from 2.51% to 1.99% during the quarter.
Source: Dept. of Labor (BLS), US Treasury
- Employment:** Jobs growth has slowed in recent months with a monthly average of 170,000 jobs added from Feb through May versus a 237,000 average in the previous four months. The four-week moving average of initial claims has stabilized around the 350,000 level throughout the second quarter.
Source: Dept. of Labor (BLS)
- Housing:** Though the latest data are prior to the recent jump in mortgage rates, national home prices have accelerated higher in the first four months of 2013. The S&P Case-Schiller 10- and 20-city Home Price Indexes have enjoyed year-to-date increases in excess of 6.0% through April and have risen an impressive 11.6% and 12.0%, respectively, from a year earlier.
Source: S&P

Market Commentary

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

Second Quarter 2013

U.S. Equity Markets

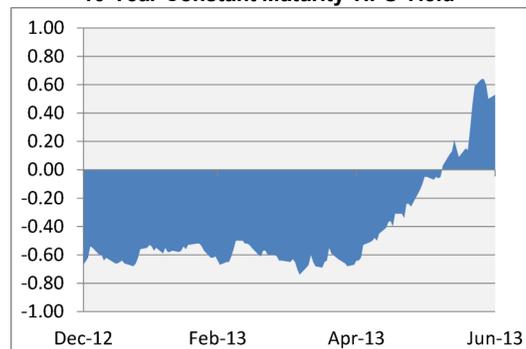
The U.S. stock market, represented by the Wilshire 5000 Total Market IndexSM, posted a total return of 2.77% during the second quarter. The market's quarterly rise was realized despite giving back -1.27% in June, its first monthly loss since October 2012. Solid gains in April and May – up 1.93% & 2.34%, respectively – propelled U.S. stocks to notch an impressive 13.97% advance through the midpoint of calendar 2013. This marked the best first half of a calendar year since 1998, when the U.S. stock market was up 15.47% through the first six months of that year.

U.S. Equity	MTD (%)	QTD (%)	YTD (%)	1 Year (%)
Wilshire 5000 Total Market Index SM	-1.27	2.77	13.97	21.10
Standard & Poor's 500	-1.34	2.91	13.82	20.60
Wilshire 4500 Completion Index SM	-0.98	2.21	15.43	25.22
U.S. Equity by Size/Style	MTD (%)	QTD (%)	YTD (%)	1 Year (%)
Wilshire US Large-Cap Index SM	-1.33	2.74	13.68	20.55
Wilshire US Large-Cap Growth Index SM	-1.94	1.86	11.14	17.28
Wilshire US Large-Cap Value Index SM	-0.84	3.46	15.91	23.44
Wilshire US Small-Cap Index SM	-0.84	2.80	16.28	26.06
Wilshire US Small-Cap Growth Index SM	-0.48	4.58	18.55	26.94
Wilshire US Small-Cap Value Index SM	-1.16	1.26	14.32	25.29
Wilshire US Micro-Cap Index SM	0.94	5.69	21.77	27.96

Small capitalization stocks have outperformed larger stocks in the first half of 2013, in spite of higher market volatility in the last trading days of June. Micro-cap stocks, in fact, have enjoyed an outstanding 2013 so far. Among large-cap stocks, value-oriented issues outperformed growth equities; however, the heightened interest-rate sensitivity of small-cap value stocks led to these issues underperforming small-cap growth equities.

The best-performing economic sectors of the stock market in the second quarter reflected stronger consumer sentiment and increased spending; Consumer Discretionary, Financial and Health Care stocks led other sectors with returns of 7.51%, 5.34% and 4.20% respectively. The weakest-performing sector was Materials, with a -2.89% return for the quarter; the Utilities sector, a rally leader in the first quarter of 2013, gave back some of its gains with a -2.15% return for the second quarter.

10-Year Constant Maturity TIPS Yield



Source: Federal Reserve

U.S. real interest rates spiked during the quarter as investors attempted to parse Fed-speak and quickly re-priced a higher probability of the Fed tapering its quantitative easing programs later this year. Leaving economic impacts aside, the markets' reaction to Chairman Bernanke's comments reveals just how challenging is the Fed's ultimate task of executing a well-timed and smooth exit from the current unprecedented levels of monetary stimulus.

Non-U.S. Equity Markets

The second quarter of 2013 found the European Union still struggling with political uncertainty in Greece as well as lackluster economic expansion and/or recession throughout the region. The announced upcoming wind-down of the U.S. Fed's long-lived programs of accommodative lending sent markets reeling worldwide. Japan's 2013 rally plunged into a volatile bear run after the Nikkei hit a five-year high on May 22; however, Japanese stocks remain among the strongest performers this year. Emerging markets stocks continued to find performance held back by concerns over China's slowing domestic economy; political unrest in Brazil and Turkey late in the quarter also weighed on emerging markets overall.

Non-U.S. Equity	USD (%)				Local Currency (%)			
	MTD	QTD	YTD	1 Year	MTD	QTD	YTD	1 Year
MSCI AC World ex U.S.	-4.34	-3.11	-0.04	13.63	-3.96	-0.46	6.16	18.88
MSCI EAFE	-3.55	-0.98	4.10	18.62	-3.65	1.21	11.01	24.93
MSCI Europe	-4.83	-0.51	2.18	18.86	-5.04	-0.79	6.11	18.77
MSCI Pacific	-1.19	-1.74	7.83	18.45	-1.07	4.94	20.88	38.32
MSCI Japan	1.75	4.40	16.55	22.24	0.10	10.31	33.90	52.19
MSCI EM (Emerging Markets)	-6.37	-8.08	-9.57	2.87	-5.09	-4.42	-4.89	6.09

Fixed Income Markets

Bond yields drifted lower in April, with the bellwether 10-year U.S. Treasury hitting a near-term low of 1.66% on May 1. Subsequently, yields climbed sharply higher, with the 10-year Treasury closing the quarter at 2.52%, fully 65 basis points higher than its March 28 close. With the end of the Fed's "easy money" policy in sight, interest rate-sensitive assets in general suffered losses; corporate spreads widened over the quarter as well. Non-U.S. fixed income performed roughly on par with U.S.-based paper, although the strength of the U.S. dollar eroded performance on unhedged assets.

U.S. Fixed Income	MTD (%)	QTD (%)	YTD (%)	1 Year (%)
Barclays U.S. Aggregate	-1.55	-2.32	-2.44	-0.69
Barclays Long Govt./Credit	-4.52	-6.11	-7.97	-4.69
Barclays Long Term Treasury	-3.17	-5.58	-7.83	-8.36
Barclays U.S. TIPS	-3.58	-7.05	-7.39	-4.78
Barclays U.S. Credit	-2.85	-3.44	-3.60	0.84
Barclays U.S. Corporate High Yield	-2.62	-1.44	1.42	9.49
Global Fixed Income	MTD (%)	QTD (%)	YTD (%)	1 Year (%)
Barclays Global Aggregate	-1.18	-2.79	-4.83	-2.18
Barclays Global Aggregate (Hedged)	-1.39	-1.73	-1.17	1.71
Barclays EM Local Currency Government Universal	-3.01	-3.81	-2.84	4.27
Barclays EM Local Currency Govt Univ (Hedged)	-1.69	-1.22	-0.56	1.74

Real Estate & Commodity Markets

Public-market real estate securities, like other interest rate-sensitive assets, suffered losses in the second quarter of 2013 as bond yields rose, increasing investors' borrowing costs. Commodities also pulled back sharply over the quarter, with gold seeing a dramatic -23.4% drop in price (down to \$1,223.80 per troy ounce); crude oil prices also dropped slightly in the face of slack demand from major industrial consumers and strong supply reserves. Investor interest in Master Limited Partnerships (MLPs), however, propelled this segment to relatively strong performance in comparison to other real asset sectors.

Real Estate / Commodity	MTD (%)	QTD (%)	YTD (%)	1 Year (%)
Wilshire US RESI SM	-1.70	-1.41	5.89	8.38
Wilshire Global ex US RESI SM	-4.08	-5.88	-0.35	18.09
Wilshire Global RESI SM	-2.81	-3.52	2.90	12.84
Dow Jones UBS Commodity Index	-4.71	-9.45	-10.47	-8.01
S&P GSCI Commodity	0.23	-5.93	-5.41	2.04
Alerian MLP Index	3.12	1.94	22.07	28.38

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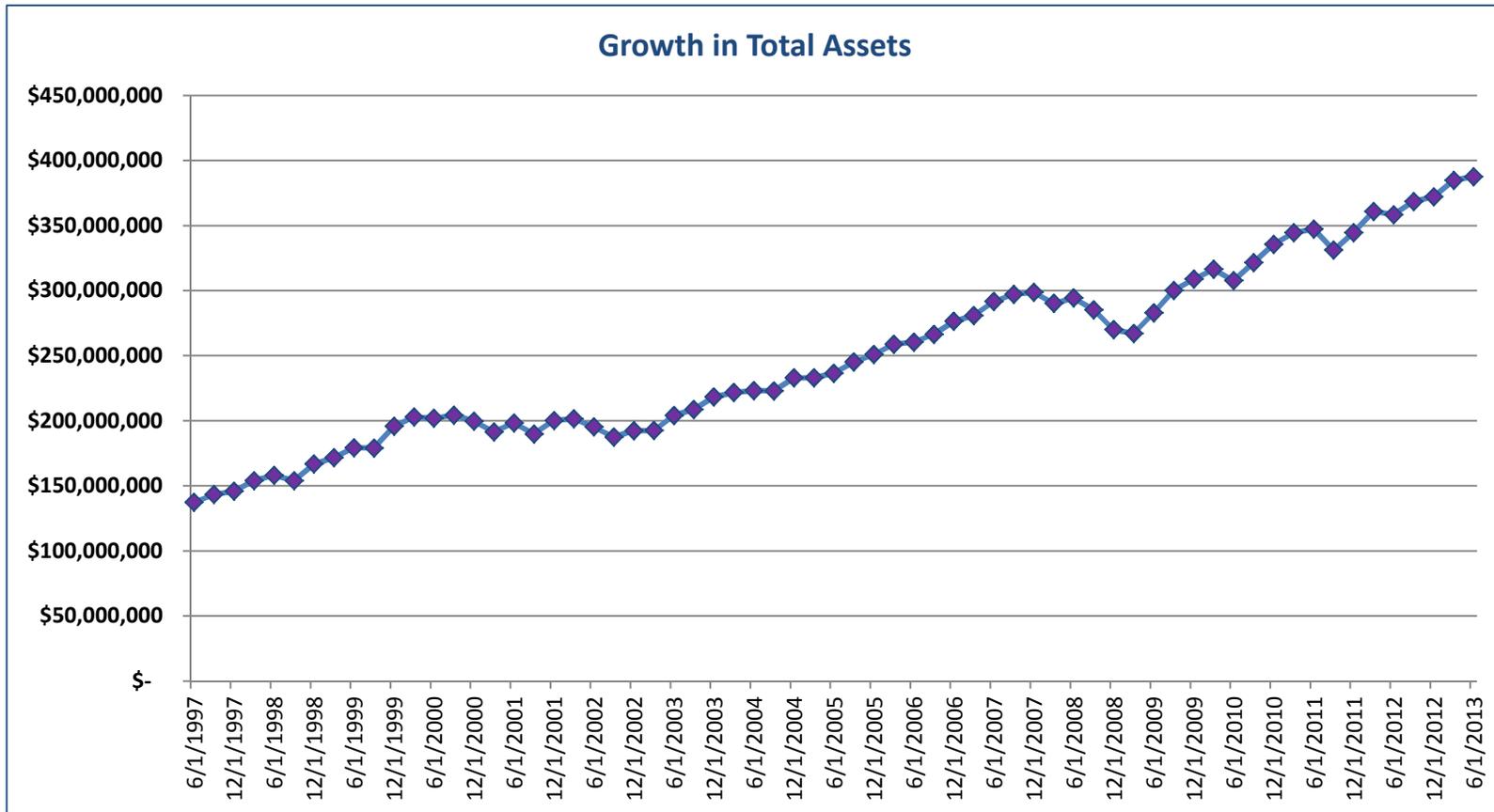
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FUND OVERVIEW FOR STATE OF MONTANA 457 DEFERRED COMPENSATION PLAN

Asset Class	Name	Ticker	Current Status	Date Placed on Probation
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	Vanguard Balanced Index	VBAIX	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	Terminated/Replaced	2011 Q2
Large Value	Vanguard Equity Income	VEIRX	Retention	
Mid Growth	Munder Mid Cap Core Growth A	MGOAX	Retention	
Mid Value	Columbia Mid Cap Value Z Fund	NAMAX	Terminated/Replaced	2011 Q3
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	
International	Oppenheimer Developing Markets Y	ODVYX	Retention	
Target Date	T. Rowe Price Retirement 2005	TRRFX	Retention	
Target Date	T. Rowe Price Retirement 2010	TRRAX	Retention	
Target Date	T. Rowe Price Retirement 2015	TRRGX	Retention	
Target Date	T. Rowe Price Retirement 2020	TRRBX	Retention	
Target Date	T. Rowe Price Retirement 2025	TRRHX	Retention	
Target Date	T. Rowe Price Retirement 2030	TRRCX	Retention	
Target Date	T. Rowe Price Retirement 2035	TRRJX	Retention	
Target Date	T. Rowe Price Retirement 2040	TRRDY	Retention	
Target Date	T. Rowe Price Retirement 2045	TRRKX	Retention	
Target Date	T. Rowe Price Retirement 2050	TRRMX	Retention	
Target Date	T. Rowe Price Retirement 2055	TRRNX	Retention	
Target Date	T. Rowe Price Retirement Income	TRRIX	Retention	

State of Montana 457 Deferred Compensation Plan



Market Value as of June 30, 2013: \$ 387,612,710

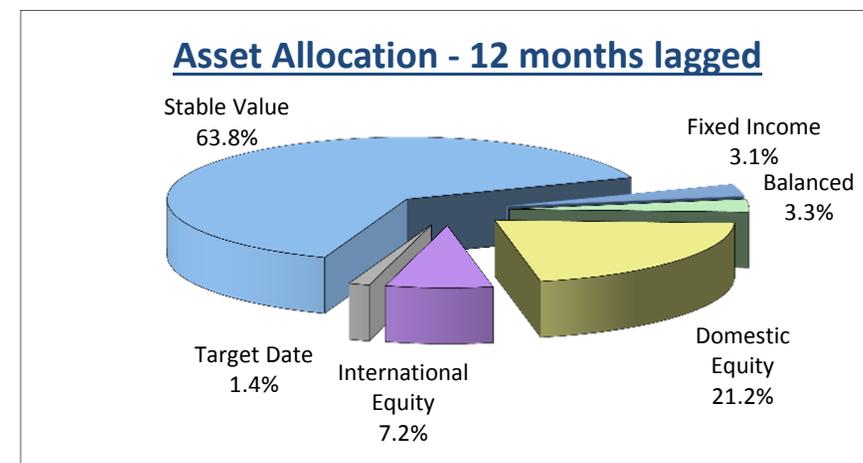
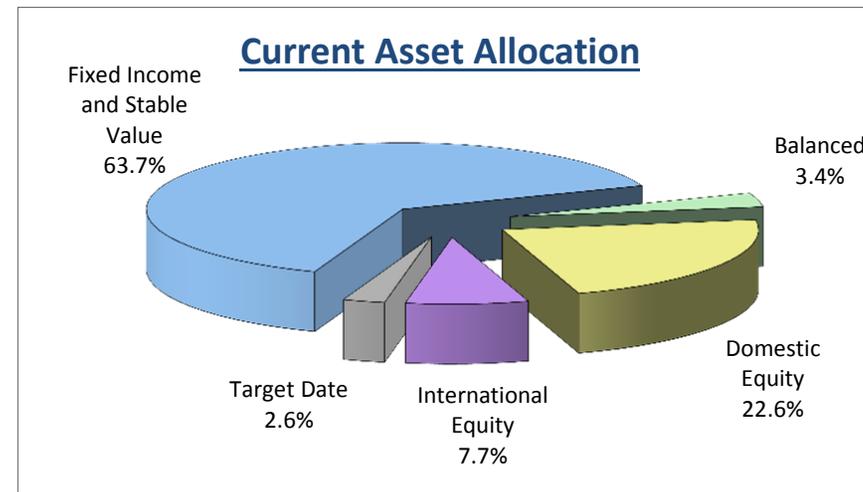
Change from previous quarter: \$ 2,851,532

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Asset Allocation as of June 30, 2013

Asset Class	# of Participants	Market Value	%
Fixed Income and Stable Value		246,824,437	63.7%
Montana Fixed Fund - Stable Value	6,355	236,272,051	61.0%
PIMCO Total Return	1,908	7,705,768	2.0%
Neuberger High Income	540	2,846,619	0.7%
Balanced		13,192,517	3.4%
Vanguard Balanced Index Fund	1,616	13,192,517	3.4%
Domestic Equity		87,447,659	22.6%
<i>Large Cap</i>		54,784,277	14.1%
Fidelity ContraFund	1,822	23,065,828	6.0%
Calvert Social Investment Equity	295	1,614,479	0.4%
Vanguard Institutional Index	2,374	19,287,447	5.0%
Davis New York Venture A	1,102	10,513,897	2.7%
Vanguard Equity-Income	26	302,626	0.1%
<i>Mid Cap</i>		11,821,228	3.0%
Munder Mid Cap Core Growth A	1,931	8,015,375	2.1%
Columbia Mid Cap Value Fund Z	708	3,805,853	1.0%
<i>Small Cap</i>		20,842,154	5.4%
Vanguard Small Cap Growth Index	934	5,819,268	1.5%
Vanguard Small Cap Index	421	3,621,555	0.9%
Neuberger Berman Genesis	2,054	11,401,331	2.9%
International Equity		29,899,314	7.7%
American Funds New Perspective	1,209	9,420,217	2.4%
Mutual Discovery	904	8,717,120	2.2%
Artisan International	575	2,837,170	0.7%
Dodge & Cox International Stock	1,794	8,632,632	2.2%
Oppenheimer Developing Markets	80	292,177	0.1%
Target Date		10,248,782	2.6%
TOTAL STATE OF MONTANA 457		\$ 387,612,710	



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Montana Stable Value	Trailing Total Returns (annualized)				Universe Ranking		
Style: Intermediate Gov/Credit FI	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Montana Stable Value	(2.38)	(0.25)	3.20	4.68	--	--	--
Barclays Int Gov/Credit Bond + 0.35%	(1.61)	0.63	3.49	4.92	--	--	--

Fund Narrative
The fund underperformed the benchmark points this quarter, and lags for the 1-year by 88 basis points. The manager lags for both the 3- and 5-year time periods. Current Status: Retention, no change recommended.

PIMCO Total Return	Trailing Total Returns (annualized)				Universe Ranking		
Style: Intermediate Fixed Income	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
PIMCO Total Return	(3.66)	0.95	4.41	6.99	37th	42nd	12th
Barclays Aggregate	(2.32)	(0.69)	3.51	5.19	80th	80th	70th
Intermediate Fixed MF Median	(2.65)	0.39	4.23	5.69			
Morningstar Rating	n/a	n/a	★★★	★★★★★			

Fund Narrative
This manager is ranked above the median for all time periods. Despite a lagging quarter, PIMCO still leads for the 3- and 5-year time periods; it has 3- and 5-star rankings by Morningstar, and its performance is above the median for both the 3- and 5-year time periods, therefore the fund still exceeds the State minimum. Current Status: Retention, no change recommended.

Neuberger High Income Bond	Trailing Total Returns (annualized)				Universe Ranking		
Style: High Yield Fixed Income	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Neuberger High Income Bond	(1.54)	8.42	9.66	11.02	60th	52nd	9th
Barclays U.S. High Yield Index	(1.44)	9.49	10.74	10.94	41st	38th	20th
High Yield MF Median	(1.50)	8.76	9.69	8.72			
Morningstar Rating	n/a	n/a	★★★	★★★★★			

Fund Narrative
This high yield manager had a negative quarter and trailed the benchmark and lags for all but the 5-year time period. The performance against the median has been borderline for the 3-year but greatly exceeds for the 5-year and the 3- and 5-star Morningstar ratings meet the State's requirements. Current Status: Retention, no change recommended.

Vanguard Balanced Index	Trailing Total Returns (annualized)				Universe Ranking		
Style: Balanced	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Vanguard Balanced Index	0.74	12.24	12.74	7.12	36th	16th	10th
60% MSCI US Broad Mkt/40% Barclays Agg	0.72	12.17	12.72	7.02	38th	17th	12th
Balanced MF Median	(0.09)	11.11	10.60	5.21			
Morningstar Rating	n/a	n/a	★★★★★	★★★★★			

Fund Narrative
This index fund replaced Dodge & Cox and is generally 60% stocks and 40% fixed income. The manager performed within range of the blended index for the quarter and all time horizons. The consistent outperformance against the median for all time periods and the fund's 4- and 5-star Morningstar ratings meet the State requirement. Current Status: Retention, no change recommended.

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Fidelity Contrafund	Trailing Total Returns (annualized)				Universe Ranking		
Style: Large Cap Growth	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Fidelity Contrafund	2.05	16.79	16.69	5.98	45th	46th	38th
S&P 500 Index	2.91	20.60	18.45	7.01	16th	20th	22nd
Wilshire Large Growth Index	2.77	19.01	18.43	7.30	39th	31st	27th
Large Cap Growth MF Median	1.80	16.52	16.45	5.28			
Morningstar Rating	n/a	n/a	★★★★	★★★★			

Fund Narrative
The fund trailed the benchmark this quarter and now lags for the 3- and 5-year. This manager is a strong performer and has ranked above the median historically. With 4-star Morningstar ratings and performance above the median, this fund meets the requirements of the State. Current Status: Retention, no change recommended.

Calvert Social Investor Equity	Trailing Total Returns (annualized)				Universe Ranking		
Style: Large Cap Growth	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Calvert Social Investor Equity	0.84	16.26	15.71	5.89	54th	62nd	39th
S&P 500 Index	2.91	20.60	18.45	7.01	16th	20th	22nd
Wilshire Large Growth Index	2.77	19.01	18.43	7.30	39th	31st	27th
Large Cap Growth MF Median	1.80	16.52	16.45	5.28			
Morningstar Rating	n/a	n/a	★★	★★★			

Fund Narrative
This fund had a positive but lagging quarter versus the benchmark, and trails for all time periods. The fund has 2- and 3-star Morningstar ratings and underperformed the median in all but the 5-year time period, which does not meet the State minimum requirements. Current Status: Retention, no change recommended. <i>This manager is fulfilling a need and has significant sector restrictions.</i>

Vanguard Institutional Index	Trailing Total Returns (annualized)				Universe Ranking		
Style: Large Cap Core	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Vanguard Institutional Index	2.91	20.57	18.43	7.04	57th	23rd	24th
S&P 500 Index	2.91	20.60	18.45	7.01	56th	21st	25th
Large Cap Core MF Median	2.64	21.07	17.06	6.07			
Morningstar Rating	n/a	n/a	★★★★	★★★★			

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 performance better than the median for the 3- and 5-year, this fund meets the requirements of the State. Current Status: Retention, no change recommended.

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Davis New York Venture A	Trailing Total Returns (annualized)				Universe Ranking		
Style: Large Cap Value	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Davis New York Venture A	4.04	21.93	14.56	4.54	75th	93rd	70th
S&P 500 Index	2.91	20.60	18.45	7.01	83rd	13th	23rd
Russell 1000 Value Index	3.20	25.32	18.51	6.67	34th	13th	27th
Large Cap Value MF Median	3.83	23.91	16.83	5.71			
Morningstar Rating	n/a	n/a	★	★★			

Fund Narrative

The fund had a positive and leading quarter but lags the benchmark for the 3- and 5-year time periods. The fund has 1- and 2-star Morningstar ratings, and falls below the median for the 3- and 5- year, not meeting the State's requirements. **Current Status: Terminated, replaced by the Vanguard Equity-Income fund.**

Vanguard Equity-Income	Trailing Total Returns (annualized)				Universe Ranking		
Style: Large Cap Value	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Vanguard Equity-Income	3.59	21.77	20.68	9.25	76th	4th	2nd
FTSE High Dividend Yield Index	2.91	17.16	16.79	5.42	83rd	3rd	3rd
Russell 1000 Value Index	3.20	25.32	18.51	6.67	34th	13th	27th
Large Cap Value MF Median	3.83	23.91	16.83	5.71			
Morningstar Rating	n/a	n/a	★★★★★	★★★★★			

Fund Narrative

This large value fund recently changed benchmarks from the Russell 1000 Value Index to the FTSE High Dividend Yield Index. The manager outperformed for the quarter, and greatly outperformed both benchmarks for the 3- and 5-year. With 5-star Morningstar ratings and outperforming the median over the 3- and 5- year, this fund meets the requirements of the State. **Current Status: Retention, no change recommended.**

Munder Mid-Cap Core Growth	Trailing Total Returns (annualized)				Universe Ranking		
Style: Mid Cap Growth	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Munder Mid-Cap Core Growth	1.67	22.04	18.47	6.40	26th	30th	48th
Russell Mid Cap Index	2.21	25.41	19.53	8.28	7th	16th	25th
Wilshire Mid Growth Index	3.33	27.81	19.88	9.16	19th	16th	25th
Mid Cap Growth MF Median	1.85	19.91	17.51	6.29			
Morningstar Rating	n/a	n/a	★★★	★★★			

Fund Narrative

The fund trailed the benchmark for the quarter and for all other time periods but outpaced the median for the 3- and 5-year time periods. Lastly, the consistent 3-star Morningstar ratings meet the minimum requirements. The fund was on probation from 2009Q3 - 2012Q1. **Current Status: Retention, no change recommended.**

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Columbia Mid Cap Value Z Fund	Trailing Total Returns (annualized)				Universe Ranking		
	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Style: Mid Cap Value							
Columbia Mid Cap Value Z Fund	2.71	27.02	18.45	6.88	52nd	50th	66th
Russell Mid Cap Value Index	1.65	27.65	19.53	8.87	45th	28th	44th
Russell Mid Cap Index	2.21	25.41	19.53	8.28	62nd	28th	52nd
Mid Cap Value MF Median	2.35	27.19	18.44	8.40			
Morningstar Rating	n/a	n/a	★★★	★★★			

Fund Narrative
The fund outperformed the benchmark this quarter but lags over the 3- and 5-year time periods. The fund's 3-star Morningstar ratings and the underperformance against the median do not meet the State's requirements. Current Status: Terminated, to be replaced by the MFS Mid Cap Value.

Vanguard Small Cap Growth Idx	Trailing Total Returns (annualized)				Universe Ranking		
	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Style: Small Cap Growth							
Vanguard Small Cap Growth Idx	2.92	24.15	21.16	9.72	34th	23rd	34th
MSCI US Small Cap Growth Index	4.58	26.23	21.86	10.09	14th	23rd	34th
Small Cap Growth MF Median	3.31	22.62	18.72	7.98			
Morningstar Rating	n/a	n/a	★★★★	★★★			

Fund Narrative
This Vanguard index fund changed its benchmark to the CRSP US Small Cap Growth Index but as this happened mid-quarter, the MSCI benchmark will be used. Although the fund underperformed for the quarter and the 3- and 5-year, it outpaced the median for the 3- and 5-year and its 4- and 3-star Morningstar ratings help meet the State's requirements. Current Status: Retention, no change recommended.

Vanguard Small Cap Index	Trailing Total Returns (annualized)				Universe Ranking		
	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Style: Small Cap Core							
Vanguard Small Cap Index	2.77	25.74	20.04	10.15	34th	22nd	30th
MSCI US Small Cap 1750 Index	3.03	26.02	20.09	10.09	31st	20th	31st
Small Cap Core MF Median	2.73	24.13	18.27	8.82			
Morningstar Rating	n/a	n/a	★★★★	★★★★			

Fund Narrative
This Vanguard index fund also changed its benchmark to the CRSP US Small Cap Index but because it occurred mid-quarter, the MSCI benchmark will still be used. The fund underperformed for the quarter and 3-year, but outperformed over the 5-year. The fund also performed above the median for the 3- and 5-year, and has 4-star Morningstar ratings to satisfy the State's requirements. Current Status: Retention, no change recommended.

State of Montana 457 Deferred Compensation Plan
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Neuberger Berman Genesis	Trailing Total Returns (annualized)				Universe Ranking		
	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Style: Small Cap Value							
Neuberger Berman Genesis	1.44	19.84	17.17	5.13	86th	58th	93rd
Russell 2000 Index	3.08	24.21	18.67	8.77	55th	38th	72nd
Russell 2000 Value Index	2.47	24.76	17.33	8.59	54th	55th	75th
Small Cap Value MF Median	2.53	25.03	17.90	9.66			
Morningstar Rating	n/a	n/a	★★★	★★★			

Fund Narrative

This manager underperformed this quarter and trails for the 3- and 5- year, while also lagging the median over all time periods. Although the manager has 3-star Morningstar ratings, this fund does not meet the State's minimum requirements. Therefore, the fund will continue to be closely monitored. **Current Status: Retention, probation recommended.**

American Funds New Perspective	Trailing Total Returns (annualized)				Universe Ranking		
	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Style: Global Equity							
American Funds New Perspective	1.61	19.54	14.37	4.98	37th	30th	21st
MSCI AC World Index	(0.42)	16.57	12.36	2.30	70th	62nd	60th
World Equity MF Median	0.66	18.72	13.15	2.95			
Morningstar Rating	n/a	n/a	★★★★	★★★★			

Fund Narrative

This global equity fund easily outperformed the MSCI AC World Index benchmark for the quarter, and for all other time periods. The manager outpaced the median in all reported time periods 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)				Universe Ranking		
	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Style: Global Equity							
Mutual Global Discovery	2.03	19.67	12.19	6.10	34th	64th	7th
MSCI World Index	0.65	18.58	13.72	2.70	53rd	38th	55th
World Equity MF Median	0.66	18.72	13.15	2.95			
Morningstar Rating	n/a	n/a	★★★	★★★★★			

Fund Narrative

The fund outperformed the index this quarter, as well as the 1- and 5-year periods. With 3- and 5-star Morningstar ratings and performing above the median for only the 5-year, this fund meets all State requirements. The fund will be remain closely monitored. **Current Status: Retention, no change recommended.**

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Artisan International	Trailing Total Returns (annualized)				Universe Ranking		
Style: International (Non-US) Equity	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Artisan International	(0.04)	20.38	15.17	2.05	15th	3rd	14th
MSCI EAFE Growth Index	(1.20)	18.67	10.85	(0.38)	25th	30th	45th
MSCI EAFE Index	(0.98)	18.62	10.04	(0.63)	26th	47th	52nd
Non-US Equity MF Median	(0.94)	16.85	9.82	(0.61)			
Morningstar Rating	n/a	n/a	★★★★★	★★★★★			

Fund Narrative
The fund outperformed the MSCI EAFE Growth for the quarter and greatly leads the benchmark for both 3- and 5-year time periods. With 5-star Morningstar ratings and performance well above the median for the 3- and 5-year, the fund easily fulfills 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)				Universe Ranking		
Style: International (Non-US) Equity	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Dodge & Cox International Stock	1.70	23.47	10.99	1.61	8th	27th	18th
MSCI EAFE Value Index	(0.74)	18.56	9.17	(0.93)	27th	63rd	60th
MSCI EAFE Index	(0.98)	18.62	10.04	(0.63)	26th	47th	52nd
Non-US Equity MF Median	(0.94)	16.85	9.82	(0.61)			
Morningstar Rating	n/a	n/a	★★★★★	★★★			

Fund Narrative
This fund posted a strong leading return versus its benchmark this quarter and leads the benchmark for all time periods. The fund has 3- and 4-star Morningstar ratings and recorded performance well above the median in all time periods to meet the State's minimum requirements. Current Status: Retention, no change recommended.

Oppenheimer Developing Mkts Y	Trailing Total Returns (annualized)				Universe Ranking		
Style: International (Non-US) Equity	Quarter	1 Year	3 Year	5 Year	1 year	3 year	5 year
Oppenheimer Developing Mkts Y	(3.95)	7.87	8.13	5.48	22nd	8th	4th
MSCI Emerging Markets Index	(8.08)	2.87	3.38	(0.43)	57th	60th	40th
Emerging Markets Equity MF Median	(7.98)	3.49	4.17	(0.85)			
Morningstar Rating	n/a	n/a	★★★★★	★★★★★			

Fund Narrative
This emerging markets fund posted a negative but leading return versus its benchmark this quarter and leads the benchmark for the 3- and 5-year time periods. The fund has consistent 5-star Morningstar ratings and it has returns far greater than the median in all time periods to meet the State's minimum requirements. Current Status: Retention, no change recommended.

State of Montana 457 Deferred Compensation Plan
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Target Date Funds Performance

457 - T. ROWE PRICE TARGET DATE FUNDS									
Fund Name	Ticker	Morningstar Rating	Quarter	YTD	1-Year	3-Year	5-Year	Market Value	# of Participants
T. Rowe Price Retirement 2005	TRRFX	★★★★★	-1.20	2.21	8.10	9.27	5.65	\$193,990.63	32
Dow Jones Target Global Date 2005 Index			-2.08	-1.62	1.18	5.31	4.85		
T. Rowe Price Retirement 2010	TRRAX	★★★★	-0.93	3.11	9.52	10.32	5.65	\$ 663,123.13	89
Dow Jones Target Global Date 2010 Index			-1.93	-0.82	2.42	6.07	4.62		
T. Rowe Price Retirement 2015	TRRGX	★★★★	-0.52	4.28	11.55	11.58	5.84	\$ 1,839,351.27	168
Dow Jones Target Global Date 2015 Index			-1.65	0.44	4.54	7.25	4.66		
T. Rowe Price Retirement 2020	TRRBX	★★★★	-0.21	5.26	13.18	12.64	5.91	\$ 3,528,716.20	256
Dow Jones Target Global Date 2020 Index			-1.33	1.95	7.01	8.66	4.77		
T. Rowe Price Retirement 2025	TRRHX	★★★★	0.14	6.17	14.74	13.45	5.90	\$ 1,406,876.90	237
Dow Jones Target Global Date 2025 Index			-0.98	3.57	9.66	10.24	5.02		
T. Rowe Price Retirement 2030	TRRCX	★★★★	0.45	7.04	16.13	14.26	5.94	\$ 913,775.82	245
Dow Jones Target Global Date 2030 Index			-0.63	5.15	12.27	11.63	5.21		
T. Rowe Price Retirement 2035	TRRJX	★★★★	-0.33	6.52	14.55	12.77	5.39	\$ 650,148.82	192
Dow Jones Target Global Date 2035 Index			-0.33	6.52	14.55	12.77	5.39		
T. Rowe Price Retirement 2040	TRRDY	★★★★	0.83	8.00	17.59	14.92	6.05	\$ 331,580.94	182
Dow Jones Target Global Date 2040 Index			-0.12	7.53	16.22	13.54	5.56		
T. Rowe Price Retirement 2045	TRRKX	★★★★	0.81	7.95	17.57	14.90	6.03	\$ 192,289.58	78
Dow Jones Target Global Date 2045 Index			0.00	8.05	17.07	13.86	5.70		
T. Rowe Price Retirement 2050	TRRMX	★★★★	0.88	7.98	17.65	14.92	6.05	\$ 104,415.20	29
Dow Jones Target Global Date 2050 Index			0.01	8.10	17.16	13.89	5.72		
T. Rowe Price Retirement 2055	TRRNX	★★★★★	0.80	7.88	17.48	14.88	6.01	\$ 71,637.61	18
Dow Jones Target Global Date 2055 Index			0.01	8.10	17.16	13.89	5.72		
T. Rowe Price Retirement Income	TRRIX	★★★★	-1.14	2.17	7.42	8.26	5.41	\$ 352,875.75	36
Dow Jones Target Global Date Today Index			-2.07	-1.68	1.05	5.09	5.01		
TOTAL								\$10,248,781.85	

State of Montana 457 Deferred Compensation Plan
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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	★★★★	4.73	6.73	-	-3.7%	-3.1%	1.0%	4.4%	7.0%	5.7%
Barclays Aggregate					-2.3%	-2.4%	-0.7%	3.5%	5.2%	4.5%
Interm Fixed MF Median					-2.7%	-2.6%	0.4%	4.2%	5.7%	4.4%

	Manager Statistics				Index Statistics	
	Standard Deviation	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Sharpe Ratio
3-Year	3.94	0.96	1.10	2.75	2.85	1.19
5-Year	4.41	2.14	1.51	2.80	3.73	1.32

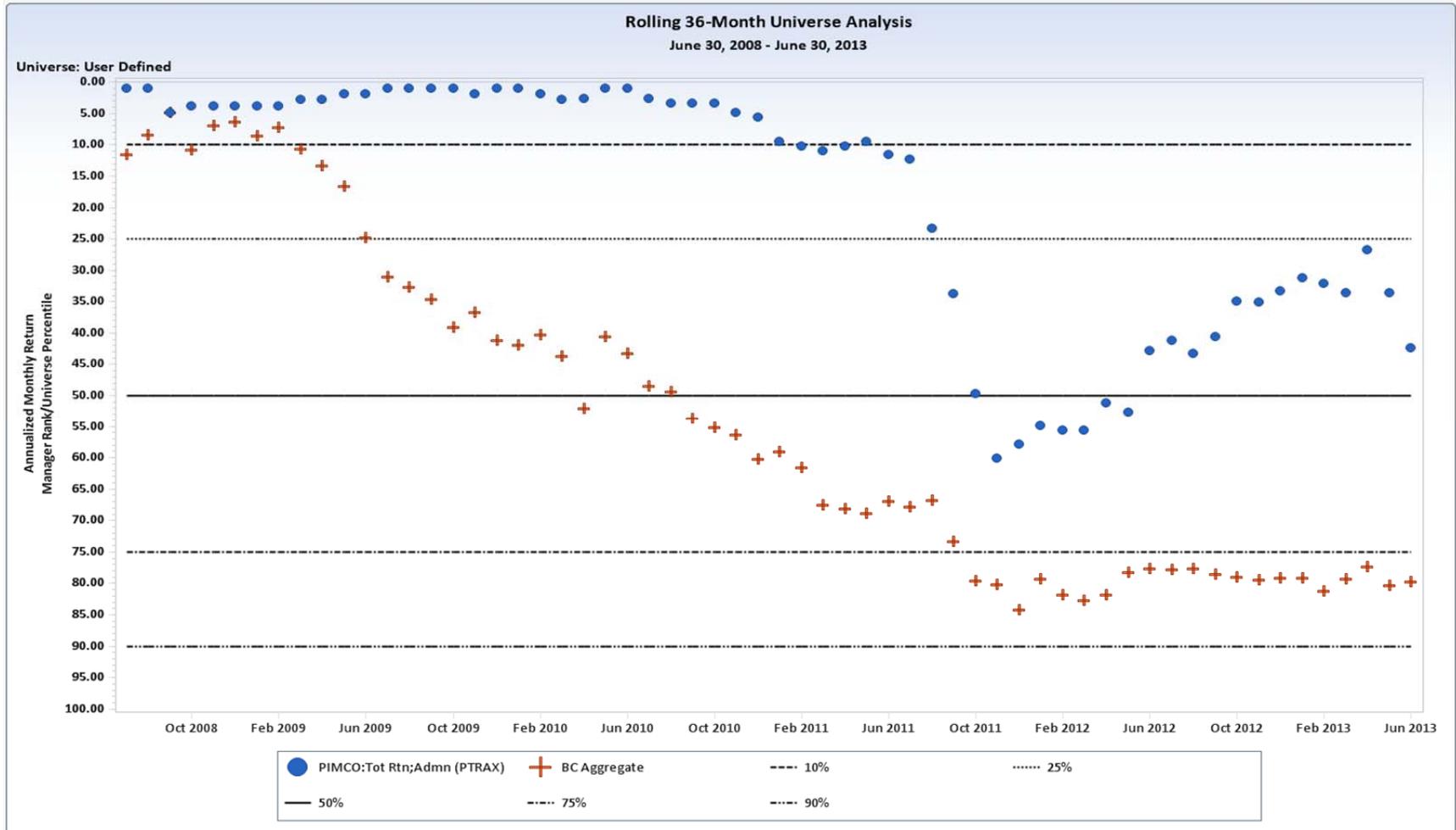
Portfolio Characteristics 3-31-13	
Credit Quality	%
US Gov't/Agency/AAA	64.0%
AA	9.0%
A	13.0%
BBB	8.0%
< BBB	6.0%
Non-Rated	0.0%
Maturity Breakdown	%
0 - 3 yrs.	35.1%
3 - 5 yrs.	13.1%
5 - 7 yrs.	7.3%
7 - 10 yrs.	10.4%
10 - 15 yrs.	4.5%
15 - 20 yrs.	3.5%
20 + yrs.	26.0%

Sector Weights 3-31-13	
	%
US Government	39.6%
Mortgage	34.0%
Credit	9.6%
Foreign	16.9%
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.)	
2013/05	\$32,178
2012	\$33,471
2011	\$31,439
2010	\$33,685
2009	\$30,268
2008	\$23,466
2007	\$22,644
2006	\$19,877

Intermediate Fixed Income Universe



**State of Montana 457 Deferred Compensation Plan
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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	★★★★	3.81	6.80	B	-1.5%	1.0%	8.4%	9.7%	11.0%	7.8%
Barclays U.S. High Yield Index					-1.4%	1.4%	9.5%	10.7%	10.9%	8.9%
High Yield MF Median					-1.5%	1.2%	8.8%	9.7%	8.7%	7.7%

	Manager Statistics				Index Statistics	
	Standard Deviation	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Sharpe Ratio
3-Year	7.58	8.16	1.25	7.71	6.88	1.51
5-Year	12.10	6.67	0.91	11.68	13.91	0.80

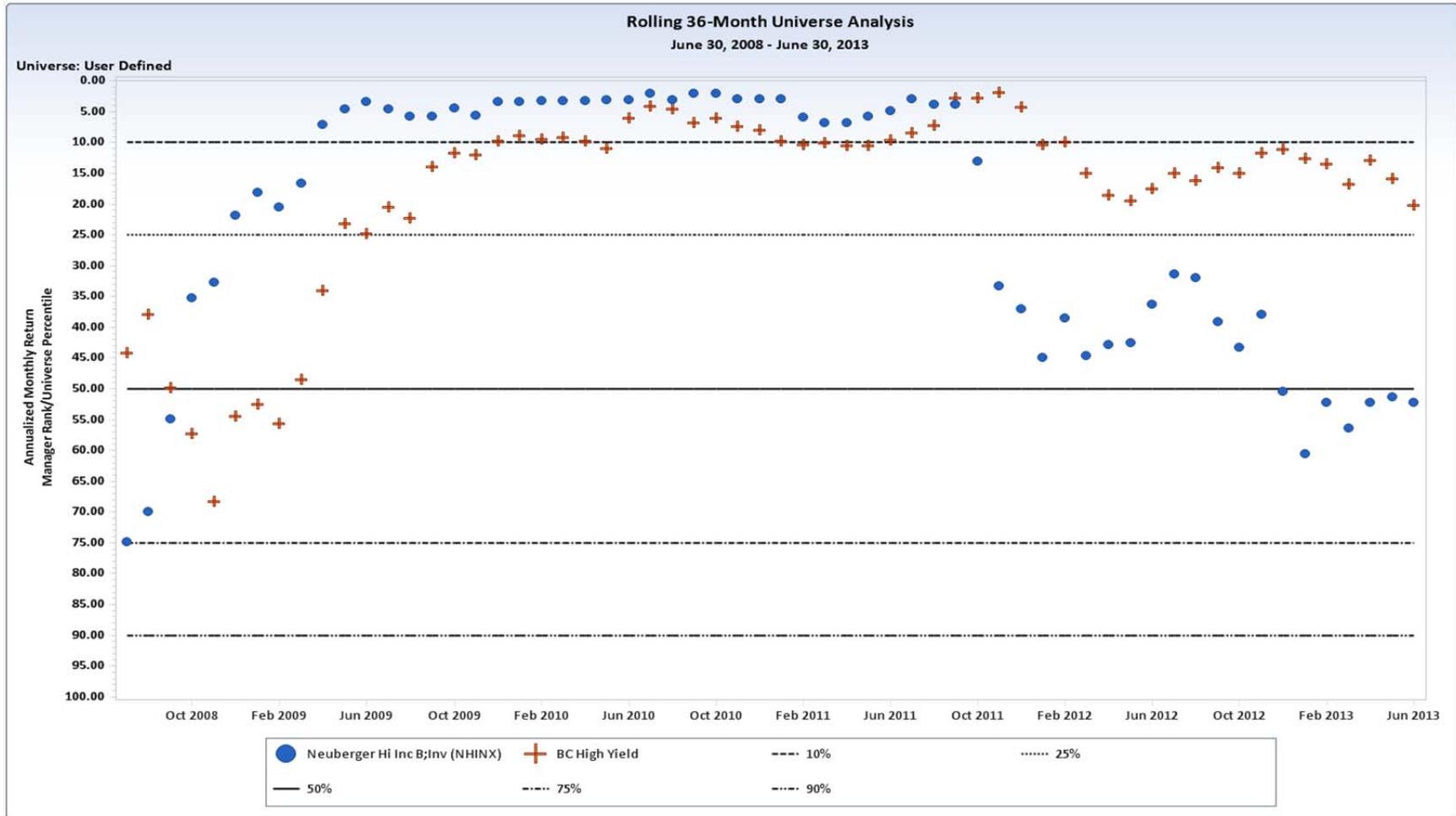
Portfolio Characteristics 4-30-13	
Credit Quality	%
US Gov't/Agency/AAA	1.8%
< AAA	0.0%
BBB	0.0%
BB	5.9%
< BB	92.3%
Non-Rated	0.0%
Maturity Breakdown	%
0 - 3 yrs.	4.1%
3 - 5 yrs.	18.1%
5 - 7 yrs.	30.6%
7 - 10 yrs.	40.7%
10 - 15 yrs.	3.5%
15 - 20 yrs.	2.4%
20 + yrs.	0.6%

Sector Weights 4-30-13	
Sectors	%
US Government	0.0%
Mortgage	0.0%
Credit	94.2%
Foreign	5.8%
Cash	0.0%

Portfolio Information	
Expense Ratio	0.84%
12b-1 Fee Included	-
Category Average	1.22%
Minimum Investment	\$2,000

Year-End Assets (\$ Mil.)	
2013/06	\$307
2012	\$337
2011	\$312
2010	\$357
2009	\$444
2008	\$196
2007	\$322
2006	\$592

High Yield Fixed Income Universe



Vanguard Balanced Index

Ticker: VBAIX

Fund Strategy

The fund is 60% stocks and 40% bonds. It tracks the MSCI Broad Market Index on the stock allocation and the Barclays Aggregate Bond Index on the fixed income allocation.

Manager Information

Lead Manager Michael Perre & G. Davis
Inception 12/1/2000
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 Balanced Index	★★★★	\$32,993	9674	0.7%	7.3%	12.2%	12.7%	7.1%	7.0%
US Balanced Index				0.7%	7.3%	12.2%	12.7%	7.0%	7.0%
Balanced MF Median				-0.1%	5.0%	11.1%	10.6%	5.2%	6.0%

	Manager Statistics					Index Statistics	
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Sharpe Ratio
3-Year	8.20	0.89	2.87	1.50	1.86	8.16	1.52
5-Year	11.69	0.94	1.71	0.63	2.04	11.64	0.56

Top 10 Holdings 3-31-13	
Company	% of Portfolio
Apple, Inc.	1.39%
ExxonMobil Corporation	1.35%
General Electric Co	0.81%
International Business Machines	0.80%
Chevron Corp	0.77%
Johnson & Johnson	0.76%
Microsoft Corporation	0.72%
Google, Inc. Class A	0.71%
Procter & Gamble Co	0.71%
Pfizer Inc	0.70%

Sector Weights 3-31-13	
Basic Materials	3.6%
Communication Services	3.9%
Consumer Cyclical	11.8%
Consumer Defensive	9.4%
Healthcare	12.0%
Industrial	11.4%
Real Estate	3.6%
Technology	16.7%
Energy	10.0%
Financials	14.2%
Utilities	3.4%

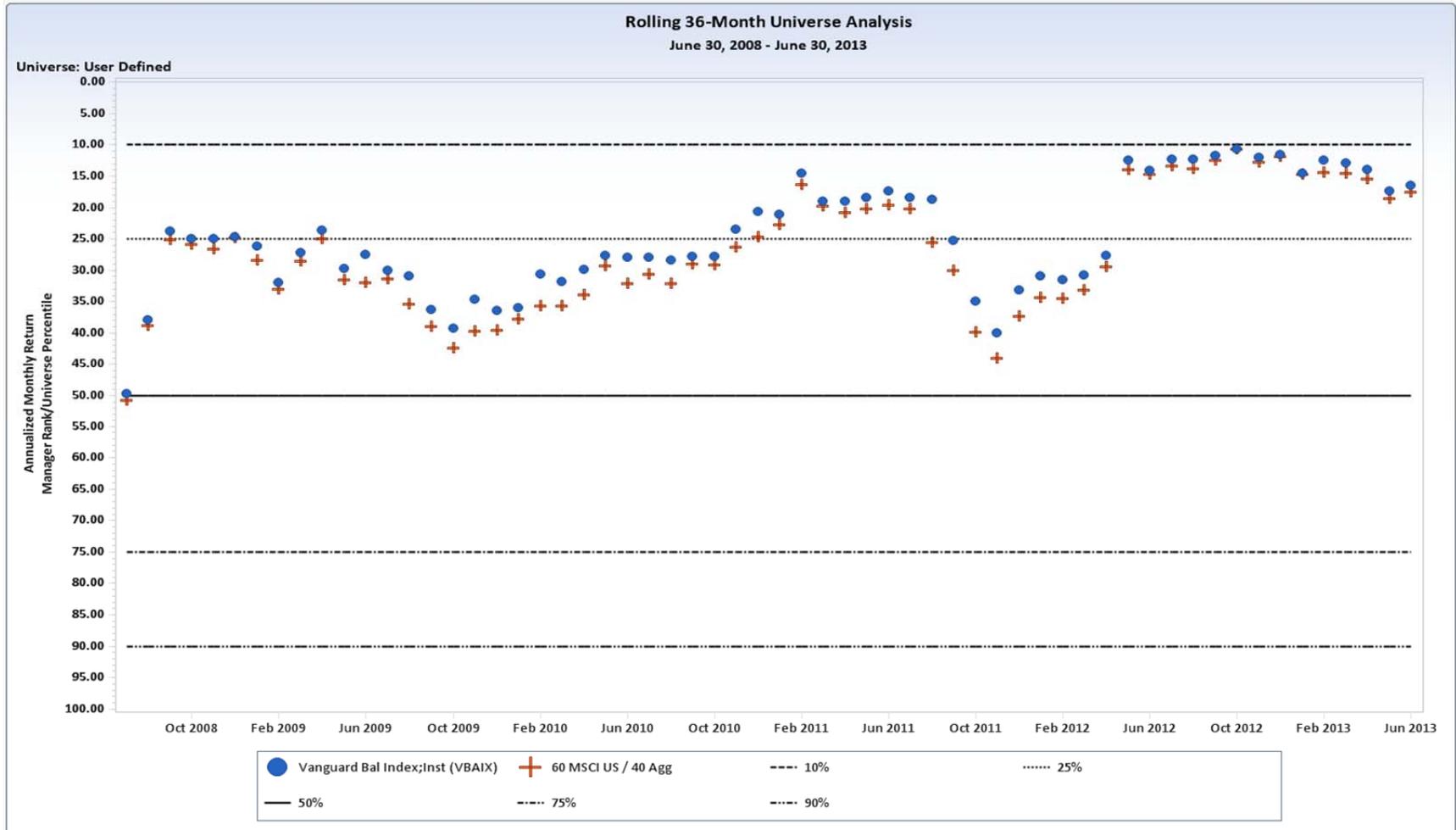
Portfolio Information	
Expense Ratio	0.08%
12b-1 Fee Included	-
Morningstar Average	1.17%
Minimum Investment	\$5,000,000
Avg. Annual Turnover	43%

Fixed Income Characteristics	
Avg. Duration (yrs.)	5.27
Avg. Maturity (yrs.)	7.20
Avg. Quality	AA

Sector Weights 3-31-13	
Sectors	%
US Government	47.4%
Mortgage	26.7%
Credit	19.9%
Foreign	6.0%
Cash	0.0%

Year-End Assets (\$ Mil.)	
2013/06	\$5,979
2012	\$5,554
2011	\$4,224
2010	\$3,446
2009	\$2,869
2008	\$2,299
2007	\$2,901
2006	\$2,666
2005	\$2,014

Balanced Universe



State of Montana 457 Deferred Compensation Plan
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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	★★★★	\$51,917	338	2.0%	11.4%	16.8%	16.7%	6.0%	9.9%
S & P 500				2.9%	13.8%	20.6%	18.5%	7.0%	7.3%
Wilshire Large Growth				2.8%	12.3%	19.0%	18.4%	7.3%	7.8%
Lg Cap Growth MF Median				1.8%	10.7%	16.5%	16.5%	5.3%	6.4%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	13.04	0.92	-0.16	1.25	3.95	13.57	-	1.32
5-Year	16.83	0.88	-0.29	0.42	4.84	18.42	-	0.45

Top 10 Holdings 5-31-13	
Company	% of Portfolio
Google, Inc Class A	5.83%
Apple Inc	4.20%
Berkshire Hathaway A	4.02%
Wells Fargo & Co	2.75%
Walt Disney Co	2.33%
Coca-Cola Co	2.29%
Biogen Idec Inc	2.16%
Noble Energy, Inc.	2.12%
Visa, Inc	1.89%
TJX Companies	1.88%

Sector Weights 5-31-13	
Basic Materials	3.4%
Communication Services	1.5%
Consumer Cyclical	20.8%
Consumer Defensive	8.9%
Healthcare	12.3%
Industrial	7.1%
Real Estate	1.1%
Technology	20.7%
Energy	5.1%
Financials	19.2%
Utilities	0.1%

Portfolio Information	
Expense Ratio	0.74%
12b-1 Fee	-
Morningstar Average	1.38%
Minimum Investment	\$2,500
Avg. Annual Turnover	48%

Year-End Assets (\$ Mil.)	
2013/06	\$63,993
2012	\$58,819
2011	\$54,719
2010	\$61,431

State of Montana 457 Deferred Compensation Plan
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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	★★★	\$51,486	100	0.8%	9.7%	16.3%	15.7%	5.9%	6.5%
S & P 500				2.9%	13.8%	20.6%	18.5%	7.0%	7.3%
Wilshire Large Growth				2.8%	12.3%	19.0%	18.4%	7.3%	7.8%
Lg Cap Growth MF Median				1.8%	10.7%	16.5%	16.5%	5.3%	6.4%

	Manager Statistics				Index Statistics			
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	14.51	1.02	-2.62	1.08	4.31	13.57	-	1.32
5-Year	18.93	1.00	-0.97	0.39	4.33	18.42	-	0.45

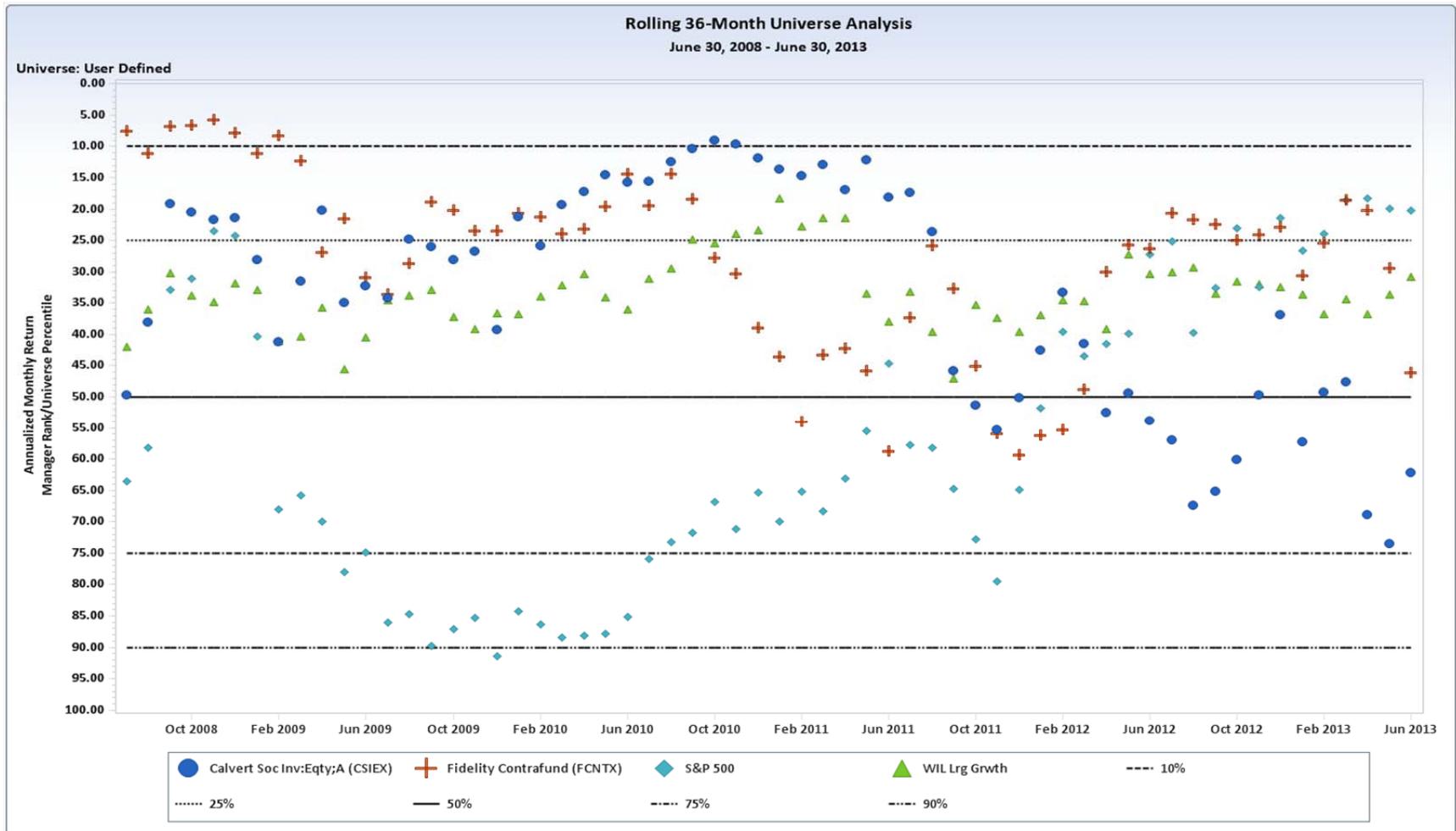
Top 10 Holdings 5-31-13	
Company	% of Portfolio
CVS Caremark Corp	4.34%
Microsoft Corporation	4.11%
Google, Inc. Class A	3.99%
Apple Inc	3.83%
Qualcomm, Inc	3.62%
Cameron International	3.12%
Danaher Corporation	3.07%
Allergan, Inc	2.90%
Ecolab, Inc	2.78%
Costco Wholesale Corp	2.77%

Sector Weights 5-31-13	
Basic Materials	2.9%
Communication Services	0.0%
Consumer Cyclical	20.2%
Consumer Defensive	12.1%
Healthcare	14.5%
Industrial	8.0%
Real Estate	0.0%
Technology	24.2%
Energy	5.6%
Financials	12.5%
Utilities	0.0%

Portfolio Information	
Expense Ratio	1.21%
12b-1 Fee Included	0.25%
Morningstar Average	1.38%
Minimum Investment	\$2,000
Avg. Annual Turnover	36%

Year-End Assets (\$ Mil.)	
2013/06	\$1,561
2012	\$1,461
2011	\$1,366
2010	\$1,109

Large Cap Growth Universe



State of Montana 457 Deferred Compensation Plan
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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	★★★★	\$58,053	506	2.9%	13.8%	20.6%	18.4%	7.0%	7.3%
S & P 500				2.9%	13.8%	20.6%	18.5%	7.0%	7.3%
Large Core MF Median				2.6%	13.5%	21.1%	17.1%	6.1%	6.9%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	13.57	1.00	-0.02	1.32	0.02	13.57	-	1.32
5-Year	18.41	1.00	0.03	0.45	0.04	18.42	-	0.45

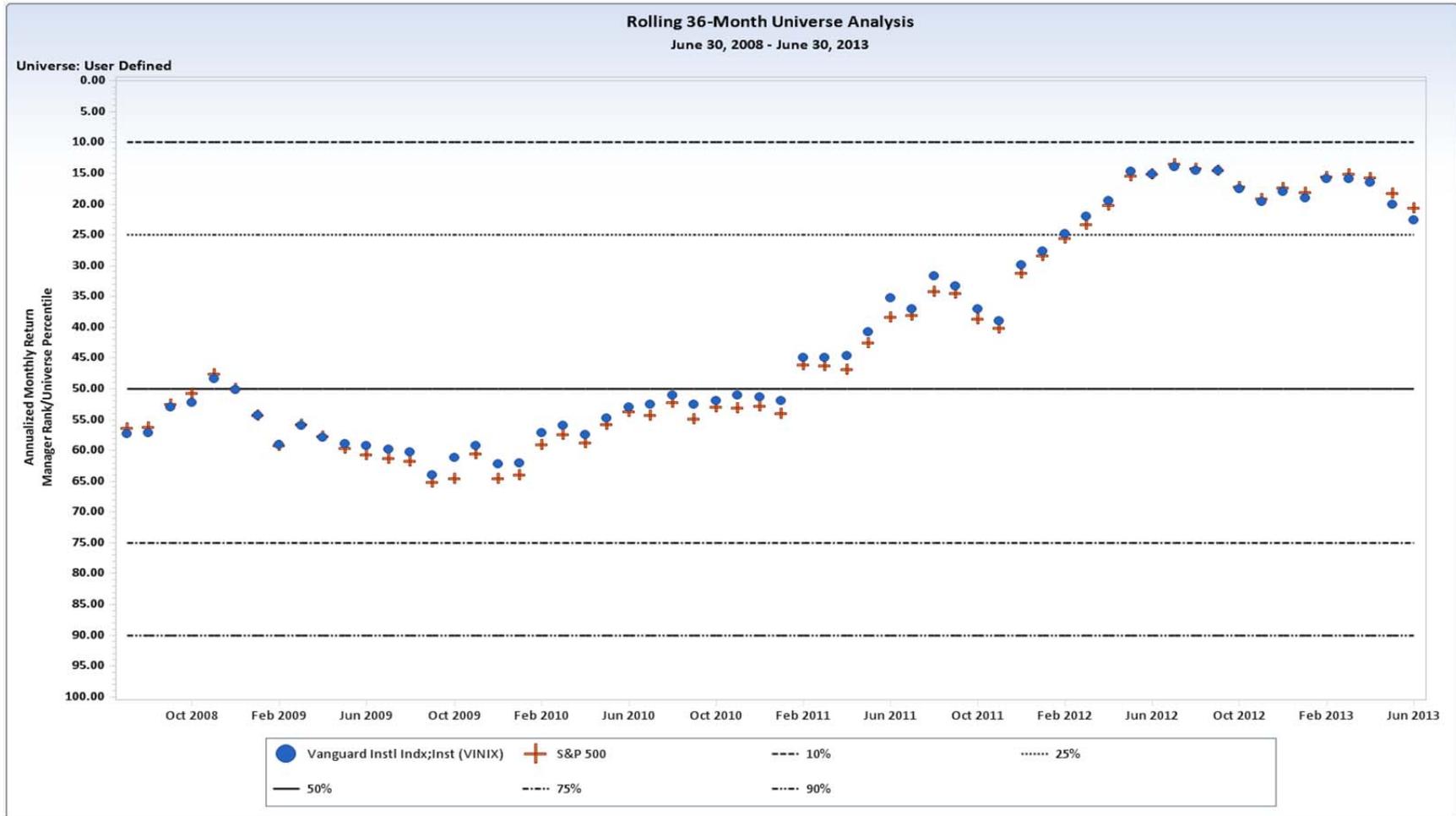
Top 10 Holdings 3-31-13	
Company	% of Portfolio
Apple, Inc.	2.97%
ExxonMobil Corporation	2.88%
General Electric Co	1.72%
Chevron Corp	1.65%
Johnson & Johnson	1.63%
IBM	1.59%
Microsoft Corporation	1.54%
Google, Inc. Class A	1.51%
Procter & Gamble Co	1.50%
Pfizer Inc	1.48%

Sector Weights 3-31-13	
Basic Materials	3.2%
Communication Services	4.2%
Consumer Cyclical	11.3%
Consumer Defensive	10.8%
Healthcare	12.4%
Industrial	10.0%
Real Estate	2.0%
Technology	17.1%
Energy	10.9%
Financials	14.8%
Utilities	3.4%

Portfolio Information	
Expense Ratio	0.04%
12b-1 Fee Included	-
Morningstar Average	1.14%
Minimum Investment	\$5,000,000
Avg. Annual Turnover	5%

Year-End Assets (\$ Mil.)	
2013/06	\$77,610
2012	\$68,055
2011	\$58,399
2010	\$54,686

Large Cap Core Universe



State of Montana 457 Deferred Compensation Plan
Second Quarter 2013



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 New York Venture A	★★	\$46,455	78	4.0%	15.6%	21.9%	14.6%	4.5%	6.9%
S&P 500 Index				2.9%	13.8%	20.6%	18.5%	7.0%	7.3%
Russell 1000 Value Index				3.2%	15.9%	25.3%	18.5%	6.7%	7.8%
Large Value MF Median				3.8%	15.5%	23.9%	16.8%	5.7%	6.9%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	14.11	1.02	-3.63	1.03	2.90	13.57	-	1.32
5-Year	19.87	1.06	-2.58	0.31	3.68	18.42	-	0.45

Top 10 Holdings 4-30-13	
Company	% of Portfolio
Bank of New York Mellon	6.69%
American Express Co	5.91%
Google, Inc A	5.51%
Wells Fargo & Co	5.49%
CVS Caremark Corp	5.35%
Berkshire Hathaway Class A	5.16%
Bed Bath & Beyond, Inc	3.83%
Costco Wholesale Corp	2.83%
Canadian Natural Resources	2.59%
Progressive Corporation	2.54%

Sector Weights 4-30-13	
Basic Materials	8.3%
Communication Services	0.2%
Consumer Cyclical	9.0%
Consumer Defensive	13.1%
Healthcare	5.6%
Industrial	4.7%
Real Estate	2.0%
Technology	12.3%
Energy	6.9%
Financials	37.9%
Utilities	0.0%

Portfolio Information	
Expense Ratio	0.90%
12b-1 Fee Included	0.24%
Morningstar Average	1.14%
Minimum Investment	\$1,000
Avg. Annual Turnover	11%

Year-End Assets (\$ Mil.)	
2013/06	\$11,035
2012	\$10,814
2011	\$14,056
2010	\$20,100

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Vanguard Equity Income Ticker: VEIRX

Fund Strategy

This fund seeks to find stocks in high quality companies that are temporarily undervalued and have a high dividend yield in an effort to deliver a combination of steady returns and above average income. The portfolio is broadly diversified. Wellington subadvises 60% of the portfolio while Vanguard's quantitative group manages the remaining 40%.

Manager Information

Lead Manager James Stetler - Wellington
Inception 8/13/2001
Prospectus www.vanguard.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
Vanguard Equity Income	★★★★★	\$68,269	164	3.6%	15.3%	21.8%	20.7%	9.2%	8.9%
FTSE High Dividend Yield Idx				2.9%	14.3%	17.2%	16.8%	5.4%	-
Russell 1000 Value Index				3.2%	15.9%	25.3%	18.5%	6.7%	7.8%
Large Value MF Median				3.8%	15.5%	23.9%	16.8%	5.7%	6.9%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	11.44	0.81	4.98	1.71	3.95	11.25	-	1.44
5-Year	16.78	0.88	2.76	0.60	4.58	17.87	-	0.38

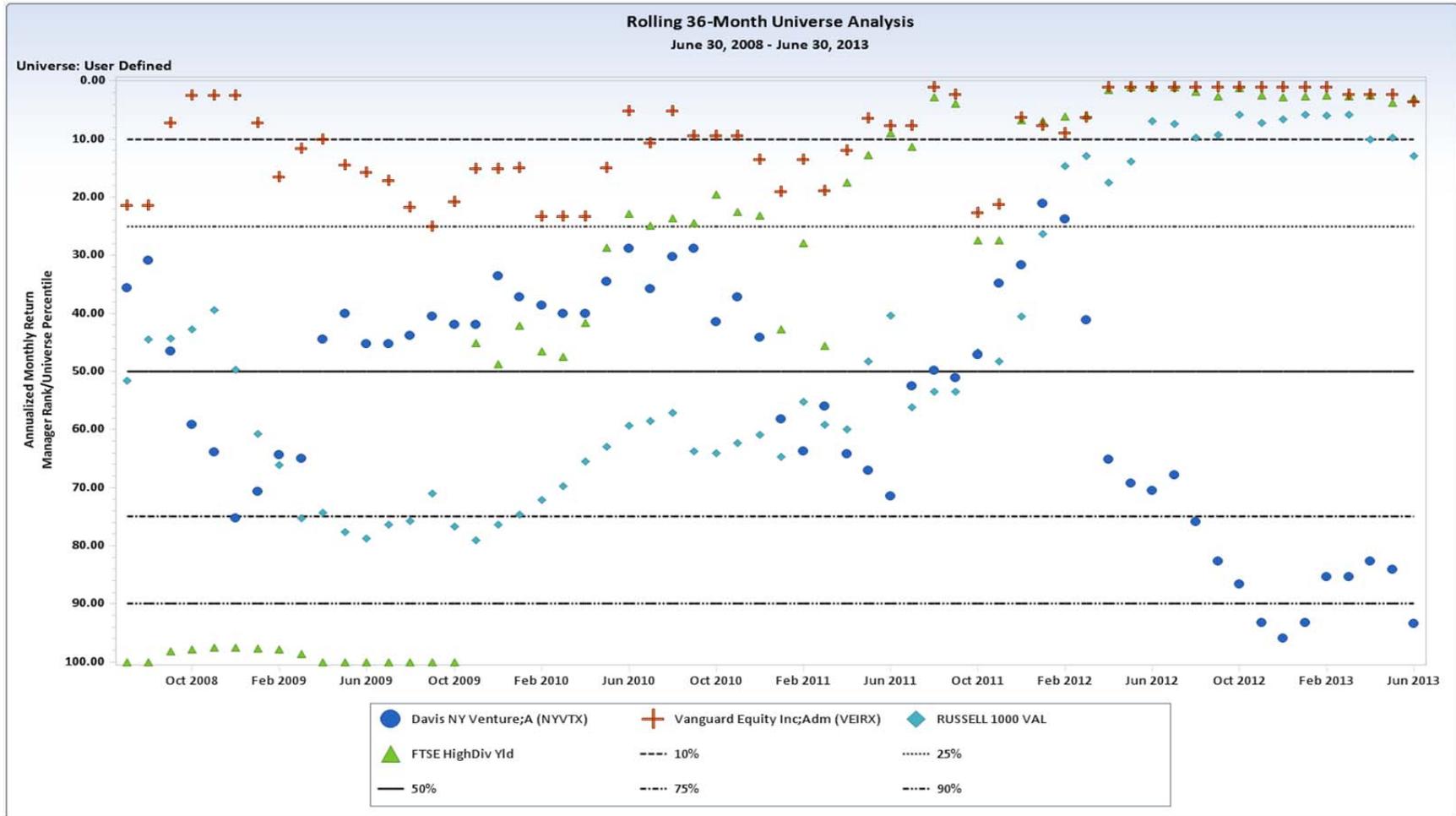
Top 10 Holdings 3-31-13	
Company	% of Portfolio
Exxon Mobil Corporation	4.11%
Johnson & Johnson	3.89%
Chevron Corp	3.86%
Pfizer Inc	2.87%
AT&T Inc	2.80%
JPMorgan Chas & Co	2.80%
Merck & Co Inc	2.76%
General Electric Co	2.73%
Wells Fargo & Co	2.49%
Philip Morris International Inc	2.31%

Sector Weights 3-31-13	
Basic Materials	2.5%
Communication Services	5.1%
Consumer Cyclical	8.3%
Consumer Defensive	13.8%
Healthcare	13.3%
Industrial	12.5%
Real Estate	0.0%
Technology	10.7%
Energy	12.6%
Financials	14.2%
Utilities	6.9%

Portfolio Information	
Expense Ratio	0.21%
12b-1 Fee Included	-
Morningstar Average	1.35%
Minimum Investment	\$50,000
Avg. Annual Turnover	26%

Year-End Assets (\$ Mil.)	
2013/06	\$8,077
2012	\$5,725
2011	\$3,292
2010	\$2,272

Large Cap Value Universe



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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	★★★	\$7,360	85	1.7%	14.6%	22.0%	18.5%	6.4%	10.4%
Russell Mid Cap Index				2.2%	15.5%	25.4%	19.5%	8.3%	10.6%
Mid Cap Growth MF Median				1.9%	12.9%	19.9%	17.5%	6.3%	8.7%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	15.84	1.11	-1.61	1.15	5.15	15.76	-	1.21
5-Year	20.72	1.08	-0.72	0.40	6.25	22.31	-	0.46

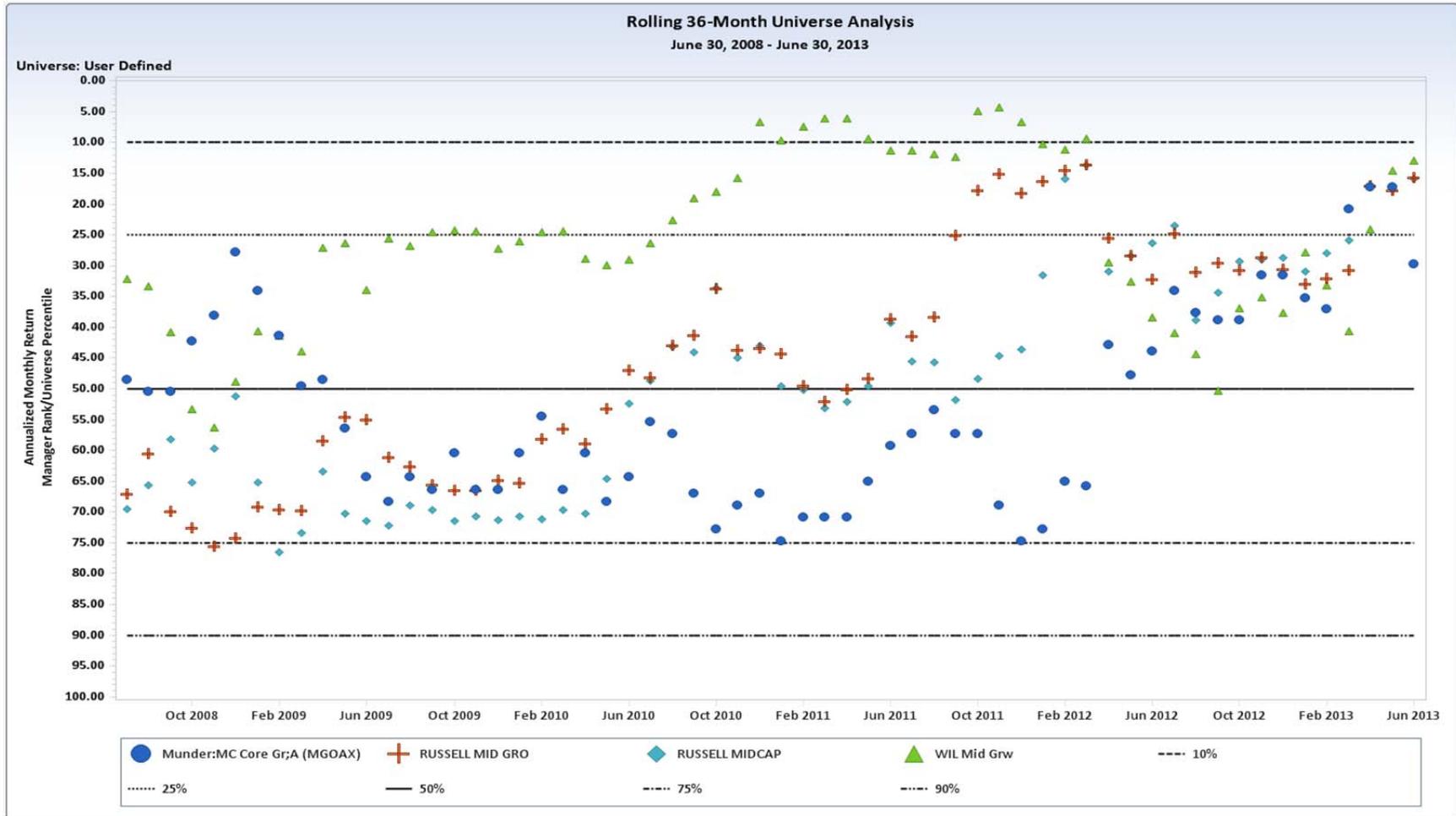
Top 10 Holdings 3-31-13	
Company	% of Portfolio
Affiliated Managers Group	2.36%
NiSource Inc	1.97%
Discovery Communications A	1.93%
Tupperware Brands Corp	1.82%
Invesco Ltd.	1.75%
Lincoln National Corp	1.74%
Airgas Inc	1.73%
Church & Dwight Company, Inc	1.70%
LKQ Corporation	1.68%
Macerich Company	1.67%

Sector Weights 3-31-13	
Basic Materials	4.2%
Communication Services	1.6%
Consumer Cyclical	20.2%
Consumer Defensive	6.5%
Healthcare	10.9%
Industrial	11.6%
Real Estate	4.5%
Technology	13.9%
Energy	7.9%
Financials	13.6%
Utilities	5.0%

Portfolio Information	
Expense Ratio	1.32%
12b-1 Fee Included	0.25%
Morningstar Average	1.52%
Minimum Investment	\$2,500
Avg. Annual Turnover	48%

Year-End Assets (\$ Mil.)	
2013/06	\$1,312
2012	\$1,193
2011	\$1,249
2010	\$1,507

Mid Cap Growth Universe



**State of Montana 457 Deferred Compensation Plan
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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.columbiainvestments.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	★★★★	\$8,779	103	2.7%	15.5%	27.0%	18.5%	6.9%	10.2%
Russell Mid Cap Value Index				1.7%	16.1%	27.7%	19.5%	8.9%	10.9%
Mid Cap Value MF Median				2.4%	16.0%	27.2%	18.4%	8.4%	10.0%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	16.41	1.17	-2.69	1.11	4.61	15.27	-	1.25
5-Year	21.92	1.16	-0.71	0.41	5.88	22.70	-	0.48

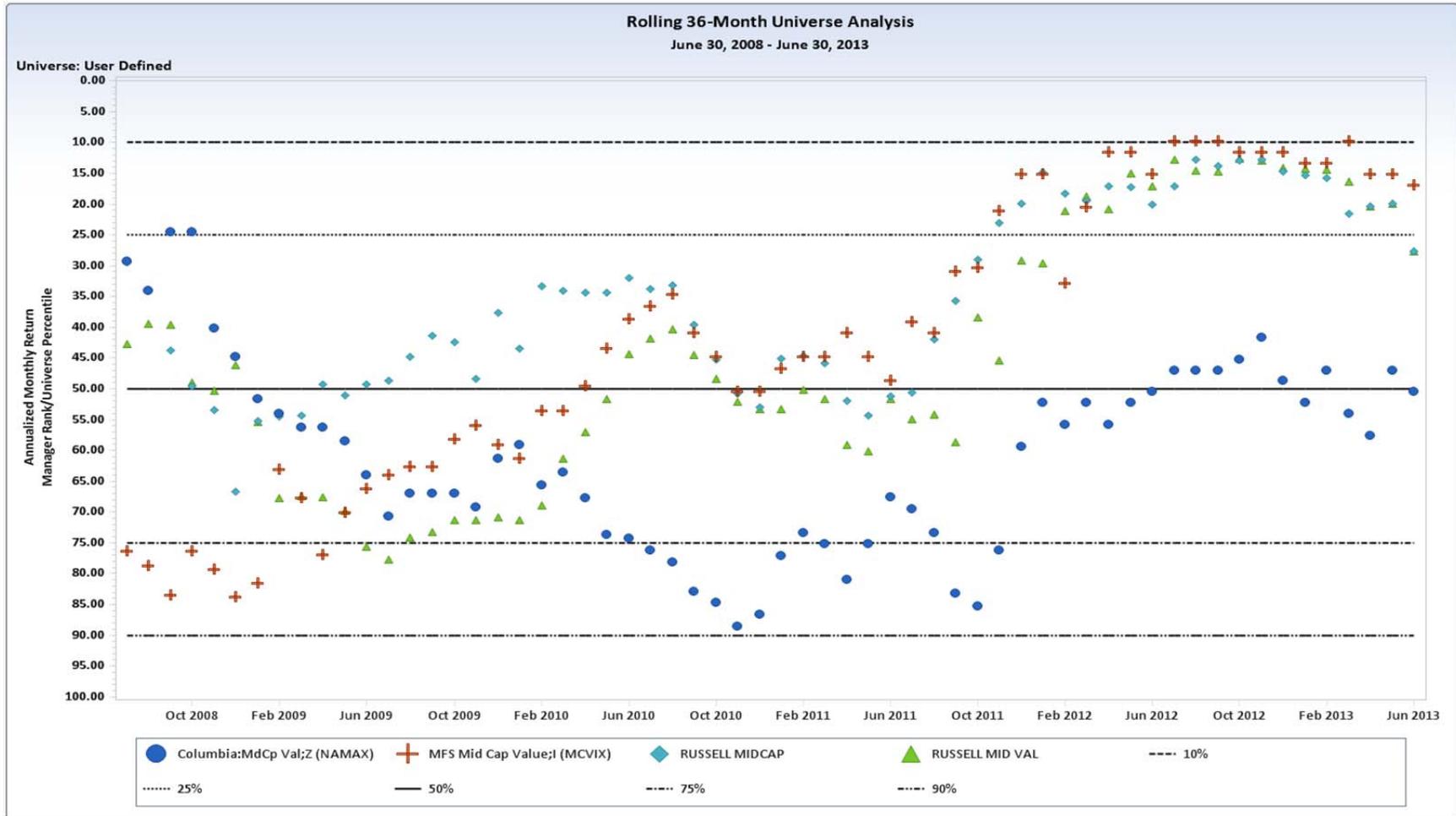
Top 10 Holdings 5-31-13	
Company	% of Portfolio
Eaton Corporation PLC	2.15%
Fifth Third Bancorp	2.13%
Noble Energy Inc	1.78%
Dover Corporation	1.76%
Marathon Petroleum Corp	1.70%
Edison International	1.65%
Macy's Inc	1.65%
Sprint Nextel Corp	1.65%
Principal Financial Group	1.63%
Actavis Inc	1.60%

Sector Weights 5-31-13	
Basic Materials	4.6%
Communication Services	4.3%
Consumer Cyclical	10.7%
Consumer Defensive	2.5%
Healthcare	7.4%
Industrial	10.1%
Real Estate	8.7%
Technology	12.5%
Energy	11.9%
Financials	18.7%
Utilities	8.8%

Portfolio Information	
Expense Ratio	0.94%
12b-1 Fee Included	-
Morningstar Average	1.37%
Minimum Investment	\$2,000
Avg. Annual Turnover	36%

Year-End Assets (\$ Mil.)	
2013/06	\$2,278
2012	\$2,220
2011	\$2,369
2010	\$2,707

Mid Cap Value Universe



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Vanguard Small Cap Growth Index

Ticker: VISGX

Fund Strategy
This index fund tracks the MSCI US Small Cap Growth Index, which represents the growth companies of the MSCI US Small Cap 1750 Index. The fund changed benchmarks during 2013Q2 to the CRSP US Small Cap Growth 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	★★★★	\$1,850	953	2.9%	15.6%	24.1%	21.2%	9.7%	11.1%
MSCI US Small Growth Index				4.6%	17.5%	26.2%	21.9%	10.1%	11.3%
Small Cap Growth MF Median				3.3%	16.3%	22.6%	18.7%	8.0%	9.5%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	19.22	1.36	-3.16	1.09	7.40	19.23	-	1.13
5-Year	24.84	1.28	1.60	0.49	9.40	24.84	-	0.51

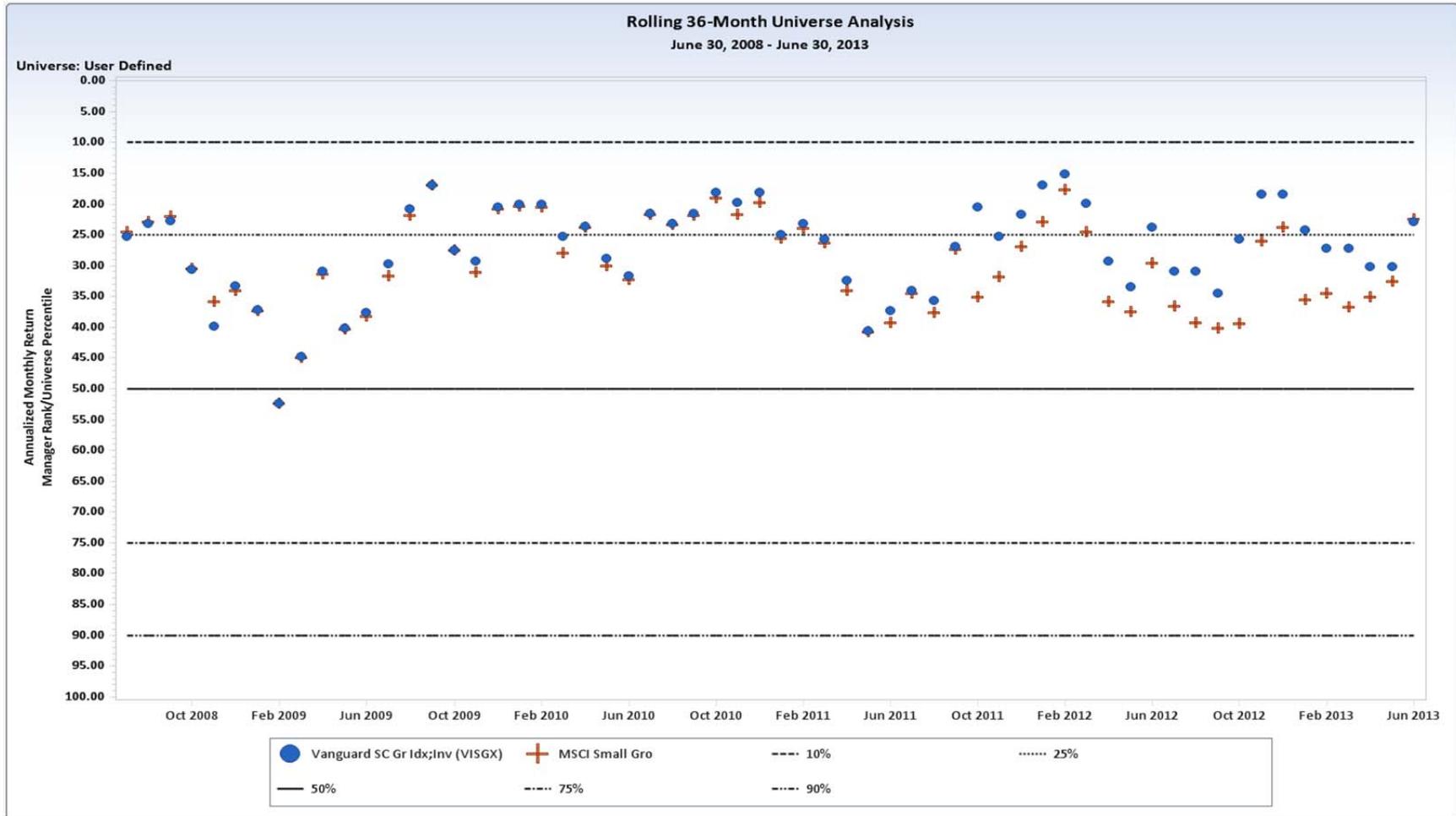
Top 10 Holdings 3-31-13	
Company	% of Portfolio
Cheniere Energy Inc	0.56%
Tenet Healthcare Corp	0.53%
Fleetcor Technologies, Inc	0.48%
Alaska Air Group, Inc	0.47%
Mednax, Inc	0.47%
United Rentals Inc	0.45%
Lincoln Electric Holdings, Inc	0.45%
Genesee & Wyoming, Inc	0.44%
Sirona Dental Systems, Inc	0.42%
Triumph Group, Inc	0.41%

Sector Weights 3-31-13	
Basic Materials	4.4%
Communication Services	1.9%
Consumer Cyclical	17.0%
Consumer Defensive	4.3%
Healthcare	16.0%
Industrial	22.9%
Real Estate	3.7%
Technology	19.7%
Energy	6.0%
Financials	4.0%
Utilities	0.1%

Portfolio Information	
Expense Ratio	0.24%
12b-1 Fee Included	0.00%
Morningstar Average	1.57%
Minimum Investment	\$3,000
Avg. Annual Turnover	37%

Year-End Assets (\$ Mil.)	
2013/06	\$3,014
2012	\$2,649
2011	\$2,614
2010	\$4,229

Small Cap Growth Universe



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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. During 2013Q2, the fund changed benchmarks to the CRSP Small Cap Index.

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	★★★★	\$2,294	1443	2.8%	16.0%	25.7%	20.0%	10.1%	10.9%
MSCI US Small Cap 1750				3.0%	16.3%	26.0%	20.1%	10.1%	10.9%
Small Cap Core MF Median				2.7%	15.1%	24.1%	18.3%	8.8%	9.2%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	18.12	1.29	-3.13	1.10	6.15	18.10	-	1.10
5-Year	24.39	1.27	1.98	0.51	8.65	24.39	-	0.51

Top 10 Holdings 3-31-13

Company	% of Portfolio
Rock-Tenn Company	0.30%
Onyx Pharmaceuticals, Inc	0.29%
B/E Aerospace Inc	0.28%
Fortune Brands Home & Sec	0.28%
Cheniere Energy Inc	0.27%
Polaris Industries, Inc	0.27%
TripAdvisor Inc	0.26%
Fidelity National Financial	0.25%
Duke Realty Corp	0.24%
Toll Brothers Inc	0.23%

Sector Weights 3-31-13

Basic Materials	5.6%
Communication Services	1.3%
Consumer Cyclical	15.1%
Consumer Defensive	3.7%
Healthcare	9.7%
Industrial	18.2%
Real Estate	11.0%
Technology	14.0%
Energy	4.8%
Financials	12.4%
Utilities	4.1%

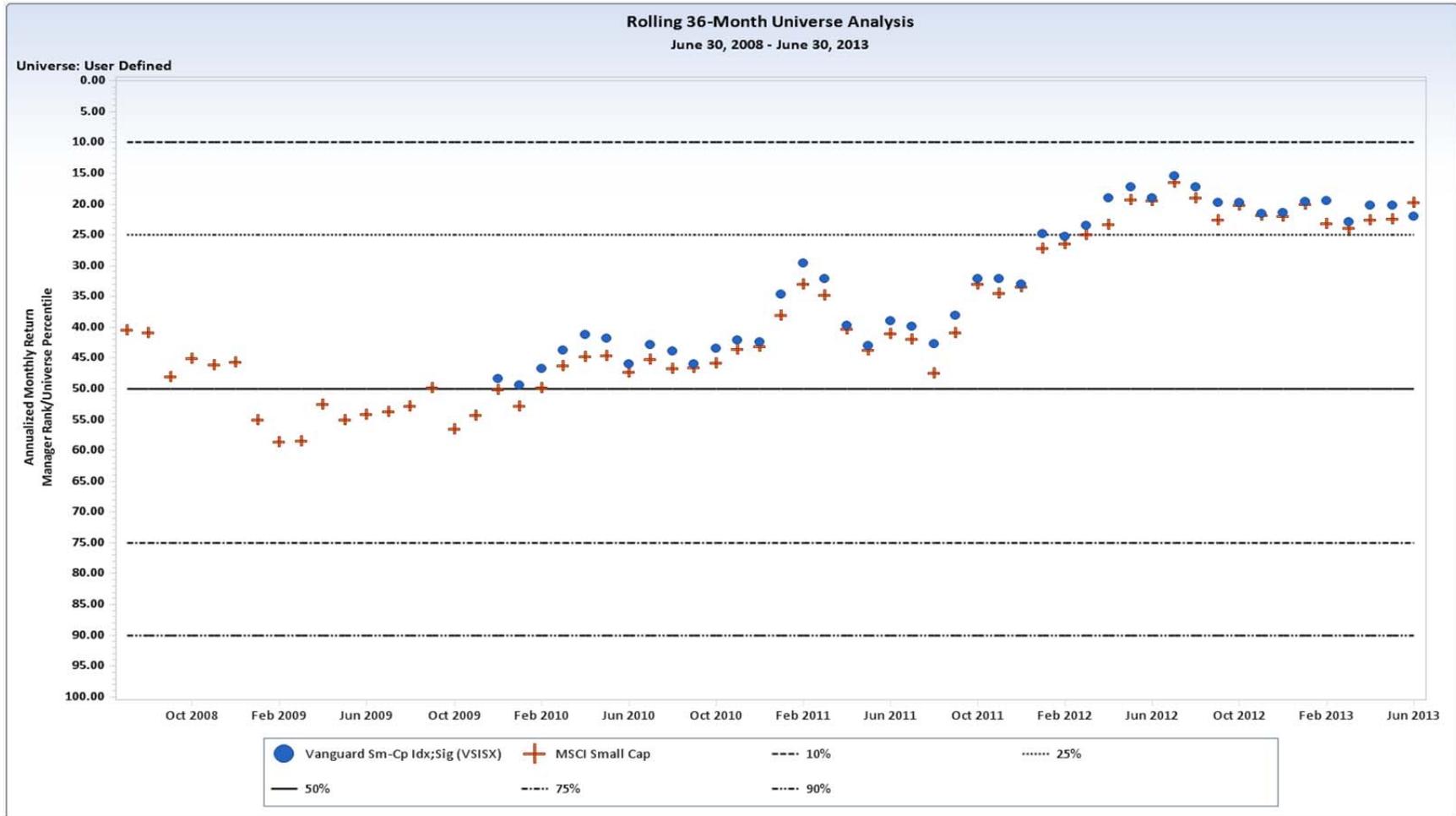
Portfolio Information

Expense Ratio	0.10%
12b-1 Fee Included	-
Morningstar Average	1.42%
Minimum Investment	\$0
Avg. Annual Turnover	14%

Year-End Assets (\$ Mil.)

2013/06	\$5,858
2012	\$4,329
2011	\$3,075
2010	\$2,300

Small Cap Core Universe



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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	★★★★	\$2,713	151	1.4%	12.9%	19.8%	17.2%	5.1%	11.2%
Russell 2000				3.1%	15.9%	24.2%	18.7%	8.8%	9.5%
Small Cap Value MF Median				2.5%	15.7%	25.0%	17.9%	9.7%	10.8%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	14.65	0.98	-0.67	1.15	6.05	18.60	-	1.01
5-Year	19.07	0.98	-1.48	0.35	6.19	24.07	-	0.46

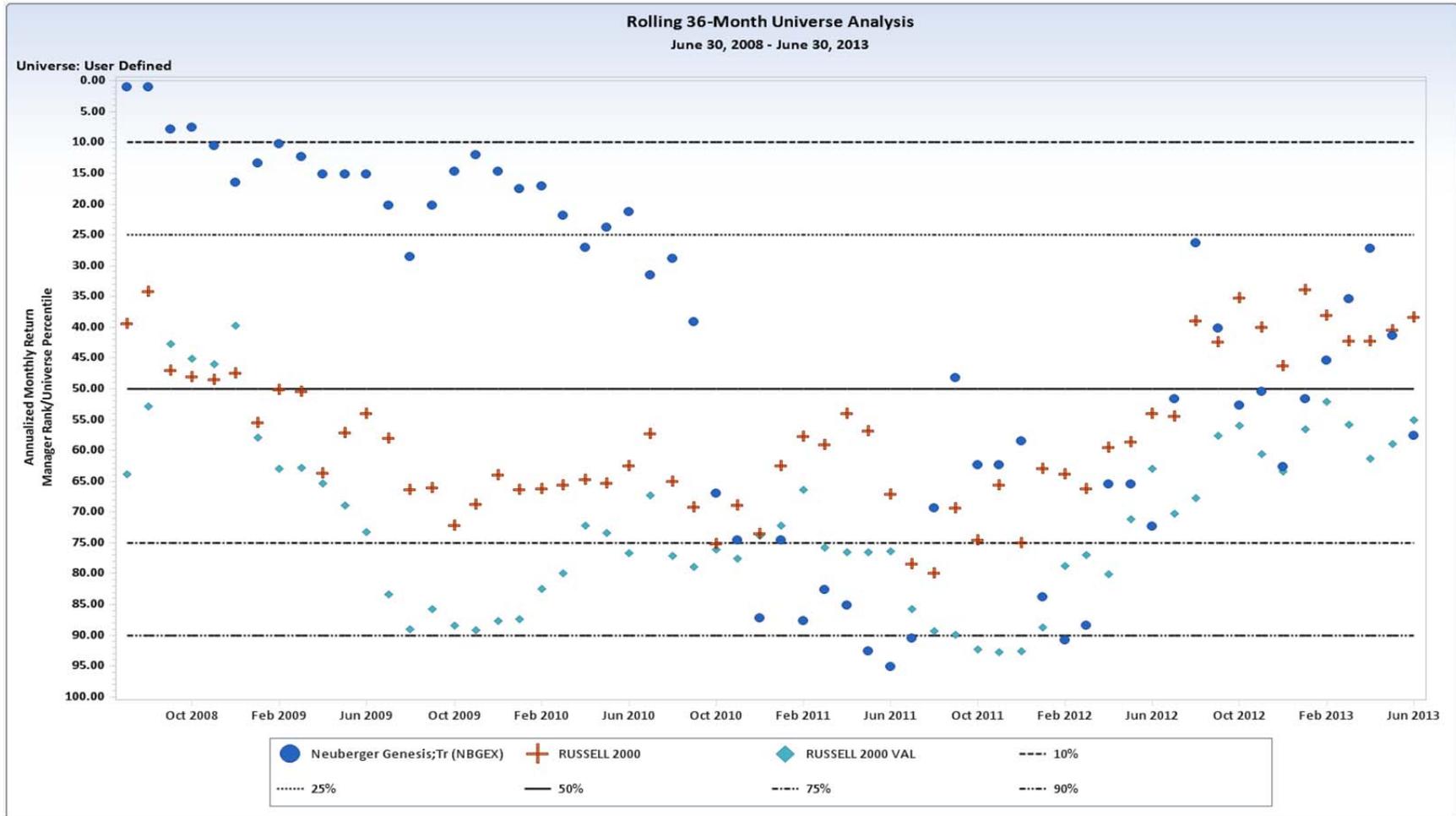
Top 10 Holdings 3-31-13	
Company	% of Portfolio
Church & Dwight Company, Inc.	2.76%
AptarGroup, Inc	2.25%
Westinghouse Air Brake Tech	2.05%
Compass Minerals Intl, Inc	2.04%
Oceaneering International	1.90%
Solera Holdings, Inc	1.84%
Clarcor Inc	1.83%
Henry Schein, Inc	1.60%
Haemonetics Corporation	1.60%
Polaris Industries, Inc	1.54%

Sector Weights 3-31-13	
Basic Materials	9.2%
Communication Services	0.0%
Consumer Cyclical	14.0%
Consumer Defensive	7.7%
Healthcare	12.5%
Industrial	22.3%
Real Estate	1.0%
Technology	11.6%
Energy	8.3%
Financials	10.5%
Utilities	2.9%

Portfolio Information	
Expense Ratio	1.11%
12b-1 Fee Included	-
Morningstar Average	1.42%
Minimum Investment	\$0
Avg. Annual Turnover	15%

Year-End Assets (\$ Mil.)	
2013/06	\$3,103
2012	\$2,981
2011	\$3,373
2010	\$3,737

Small Cap Value Universe



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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	★★★★★	\$46,031	262	1.6%	7.9%	19.5%	14.4%	5.0%	9.8%
MSCI AC World Index				-0.4%	6.1%	16.6%	12.4%	2.3%	7.6%
World Stock MF Median				0.7%	7.9%	18.7%	13.2%	3.0%	8.2%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	14.99	0.78	5.75	0.97	5.79	15.87	-	0.81
5-Year	19.49	0.82	5.07	0.34	6.28	20.94	-	0.21

Top 10 Holdings 3-31-13	
Company	% of Portfolio
Novo-Nordisk A/S	4.23%
Amazon.com Inc	2.35%
Google, Inc. Class A	1.74%
Home Depot, Inc.	1.73%
Nestle SA	1.50%
Naspers Ltd	1.34%
Pernod Ricard NV	1.33%
Taiwant Semiconductor Manufact	1.31%
ACE Ltd	1.31%
British American Tobacco PLC	1.29%

Country Weights 3-31-13	
	%
Europe	40.4%
France	4.9%
Germany	4.5%
United Kingdom	9.3%
Asia	11.7%
Australia	1.8%
Hong Kong	1.0%
Japan	4.2%
Latin America	0.9%
North America	47.0%
Canada	2.5%
United States	44.5%

Portfolio Information	
Expense Ratio	0.81%
12b-1 Fee Included	0.25%
Morningstar Average	1.55%
Minimum Investment	-
Avg. Annual Turnover	16%

Year-End Assets (\$ Mil.)	
2013/05	\$1,548
2012	\$1,380
2011	\$1,102
2010	\$1,173
2009	\$970
2008	\$582

**State of Montana 457 Deferred Compensation Plan
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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	★★★★★	\$37,324	171	2.0%	10.4%	19.7%	12.2%	6.1%	10.5%
MSCI World Index				0.6%	8.4%	18.6%	13.7%	2.7%	7.2%
World Stock MF Median				0.7%	7.9%	18.7%	13.2%	3.0%	8.2%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	12.06	0.61	5.34	1.01	8.35	15.43	-	0.91
5-Year	12.44	0.50	5.59	0.52	12.59	20.32	-	0.22

Top 10 Holdings 3-31-13

Company	% of Portfolio
Merck & Co Inc	2.11%
ACE Ltd	2.06%
Jardine Strategic Holdings	1.97%
CVS Caremark Corp	1.95%
Vodafone Group PLC	1.93%
British American Tobacco	1.91%
Apple Inc	1.69%
Royal Dutch Shell PLC	1.66%
American Intl Gropu Inc	1.66%
Wells Fargo & Co	1.63%

Country Weights 3-31-13

	%
Europe	40.3%
France	8.1%
Germany	3.2%
United Kingdom	15.4%
Asia	5.1%
Australia	0.0%
Hong Kong	4.2%
Japan	0.0%
Latin America	0.0%
North America	54.6%
Canada	0.5%
United States	54.0%

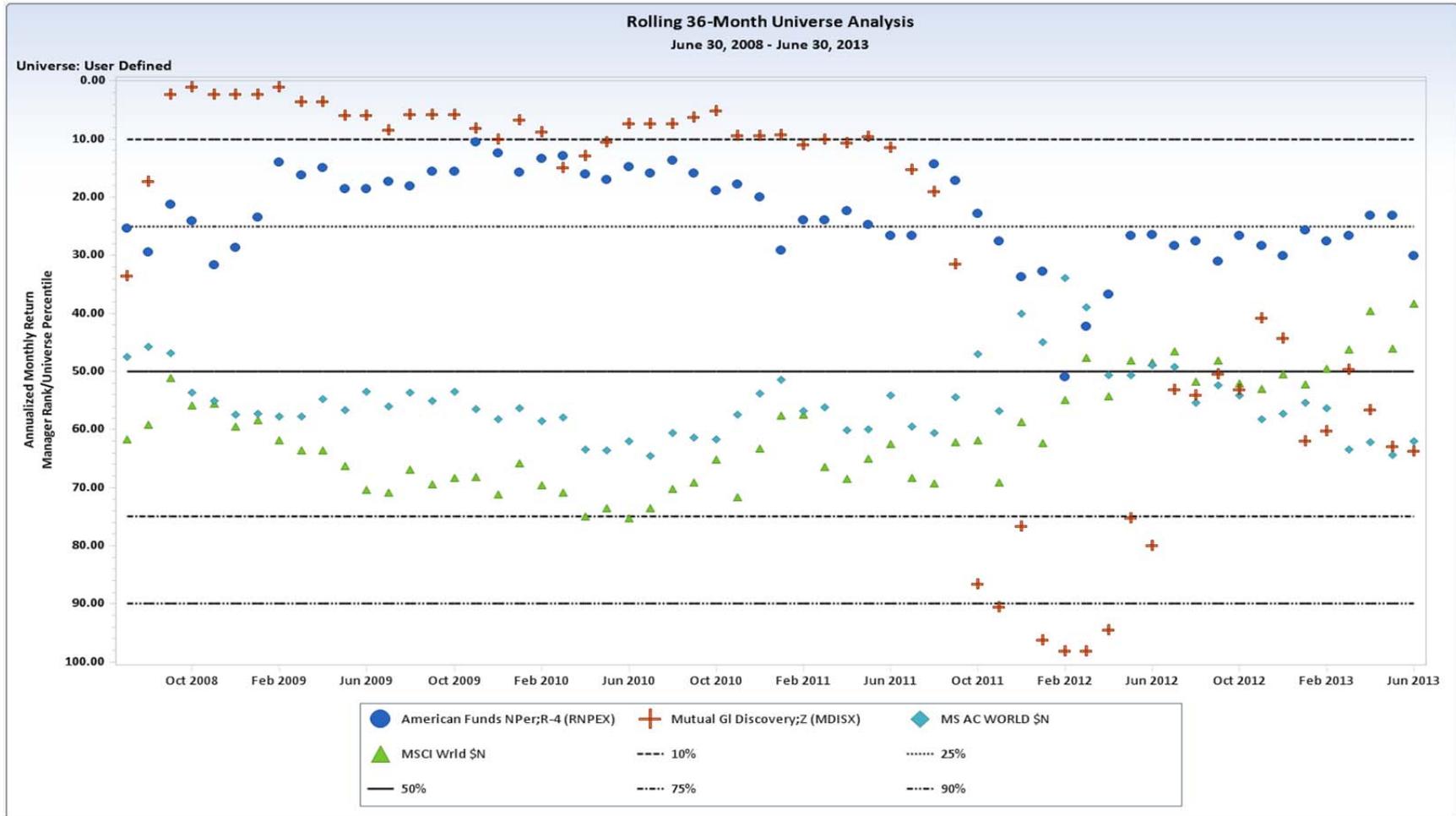
Portfolio Information

Expense Ratio	1.02%
12b-1 Fee Included	-
Morningstar Average	1.55%
Minimum Investment	\$1,000
Avg. Annual Turnover	25%

Year-End Assets (\$ Mil.)

2013/05	\$8,609
2012	\$7,422
2011	\$7,164
2010	\$7,211
2009	\$3,489
2008	\$4,719

World Equity Universe



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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	★★★★	\$37,749	84	0.0%	6.0%	20.4%	15.2%	2.1%	9.3%
MSCI EAFE Growth Index				-1.2%	5.5%	18.7%	10.8%	-0.4%	7.6%
MSCI EAFE Index				-1.0%	4.1%	18.6%	10.0%	-0.6%	7.7%
Non-US Equity MF Median				-0.9%	2.8%	16.9%	9.8%	-0.6%	7.6%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	18.88	0.98	4.95	0.84	5.93	17.71	-	0.67
5-Year	24.46	1.03	2.99	0.20	6.21	22.03	-	0.09

Top 10 Holdings 3-31-13	
Company	% of Portfolio
Linde AG	4.18%
Honda Motor Co Ltd	4.03%
Anheuser-Busch Inbev SA	3.72%
Japan Tobacco Inc	3.72%
Canadian Pacific Railway	3.71%
Nestle SA	3.60%
Unilever NV DR	3.39%
AIA Group Ltd	3.34%
Muenchener Rueckversiche	3.04%
Covidien PLC	2.67%

Country Weights 3-31-13	
	%
Europe	66.9%
France	7.5%
Germany	21.0%
United Kingdom	15.0%
Asia	23.7%
Australia	0.2%
Hong Kong	5.3%
Japan	11.4%
Latin America	0.2%
North America	9.1%
Canada	3.9%
United States	5.3%

Portfolio Information	
Expense Ratio	1.19%
12b-1 Fee Included	-
Morningstar Average	1.59%
Minimum Investment	\$1,000
Avg. Annual Turnover	55%

Year-End Assets (\$ Mil.)	
2012	\$7,498
2011	\$6,151
2010	\$7,489
2009	\$8,078
2008	\$6,003

**State of Montana 457 Deferred Compensation Plan
Second Quarter 2013**



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	★★★★	\$36,394	92	1.7%	5.4%	23.5%	11.0%	1.6%	11.3%
MSCI EAFE Value Index				-0.7%	2.7%	18.6%	9.2%	-0.9%	7.6%
MSCI EAFE Index				-1.0%	4.1%	18.6%	10.0%	-0.6%	7.7%
Non-US Equity MF Median				-0.9%	2.8%	16.9%	9.8%	-0.6%	7.6%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	19.36	1.03	0.67	0.63	3.91	19.42	-	0.54
5-Year	26.29	1.13	2.83	0.19	5.56	24.43	-	0.08

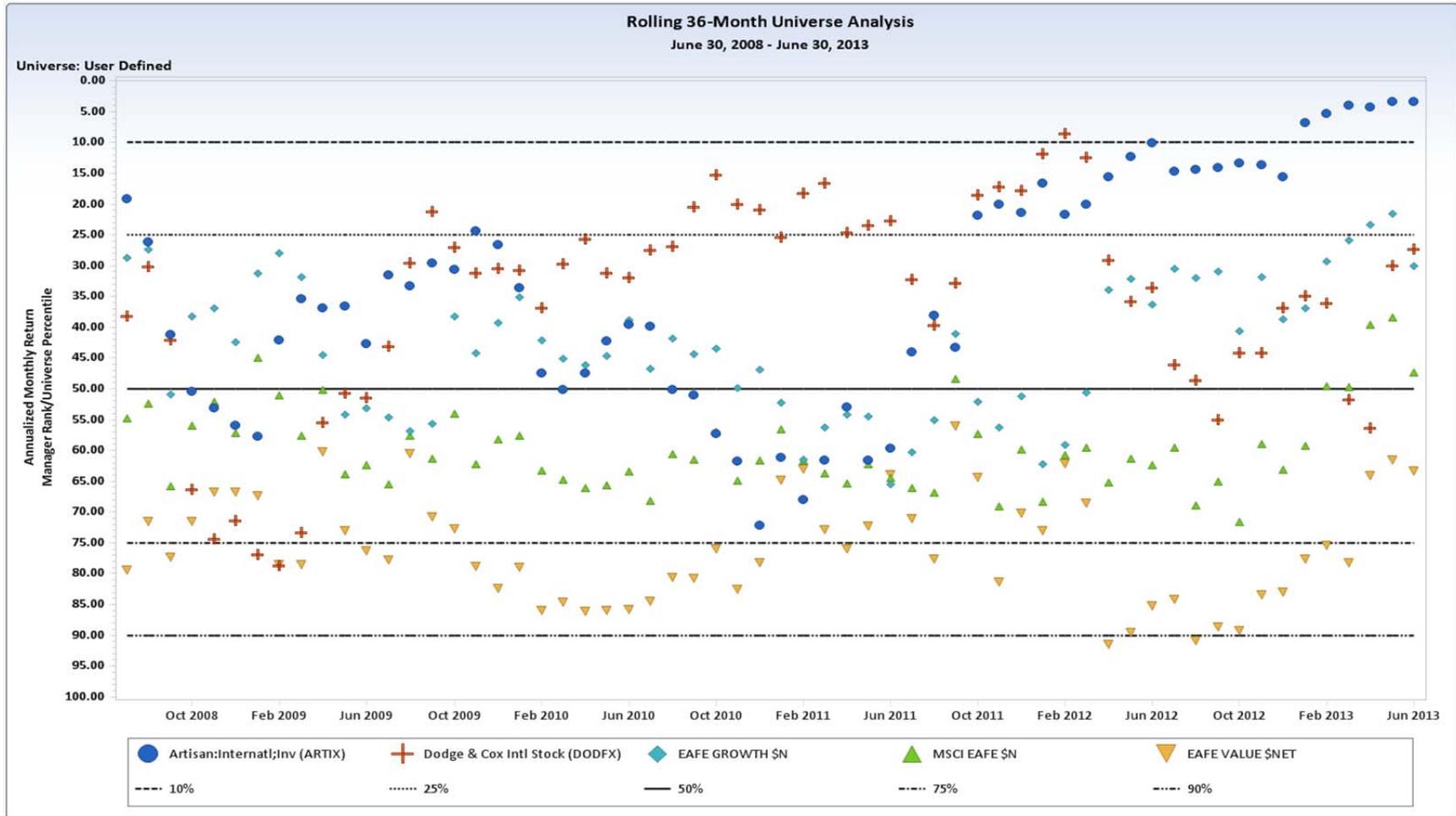
Top 10 Holdings 3-31-13	
Company	% of Portfolio
Roche Holding AG	4.01%
Sanofi	3.83%
Naspers Ltd	3.69%
Lafarge SA	3.31%
Royal Philips NV	3.08%
Credit Suisse Group	2.81%
Novartis AG ADR	2.71%
Vodafone Group Plc	2.66%
HSBC Holdings PLC	2.57%
Bayer AG	2.51%

Country Weights 3-31-13	
	%
Europe	73.3%
France	11.5%
Germany	6.8%
United Kingdom	18.1%
Asia	15.3%
Australia	0.0%
Hong Kong	1.5%
Japan	11.9%
Latin America	4.3%
North America	7.1%
Canada	0.0%
United States	7.1%

Portfolio Information	
Expense Ratio	0.64%
12b-1 Fee Included	-
Morningstar Average	1.47%
Minimum Investment	\$2,500
Avg. Annual Turnover	10%

Year-End Assets (\$ Mil.)	
2013/05	\$44,729
2012	\$40,556
2011	\$35,924
2010	\$43,400
2009	\$36,546

International (Non-US) Equity Universe



State of Montana 457 Deferred Compensation Plan
Second Quarter 2013



Oppenheimer Developing Markets Y

Ticker: ODVYX

Fund Strategy

The Oppenheimer fund seeks exposure to emerging markets equities through a diversified growth oriented investment style and employs a low turnover strategy with a portfolio of roughly of 100-125 securities. The team has improved its portfolio construction process and has demonstrated an impressive level of alpha from security specific selection.

Manager Information

Lead Manager Justin Leverenz
Inception 9/7/2005
Prospectus www.oppenheimerfunds.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
Oppenheimer Dev Mkt Y	★★★★★	\$17,470	116	-3.9%	-3.8%	7.9%	8.1%	5.5%	18.1%
MSCI Emerg Mkts Index				-8.1%	-9.6%	2.9%	3.4%	-0.4%	13.7%
Emg Mkt Equity MF Median				-8.0%	-8.6%	3.5%	4.2%	-0.9%	13.1%

	Manager Statistics					Index Statistics		
	Standard Deviation	Beta	Alpha	Sharpe Ratio	Tracking Error	Standard Deviation	Beta	Sharpe Ratio
3-Year	19.48	0.94	-0.91	0.49	9.09	20.86	-	0.26
5-Year	26.04	1.04	6.62	0.33	10.24	27.77	-	0.12

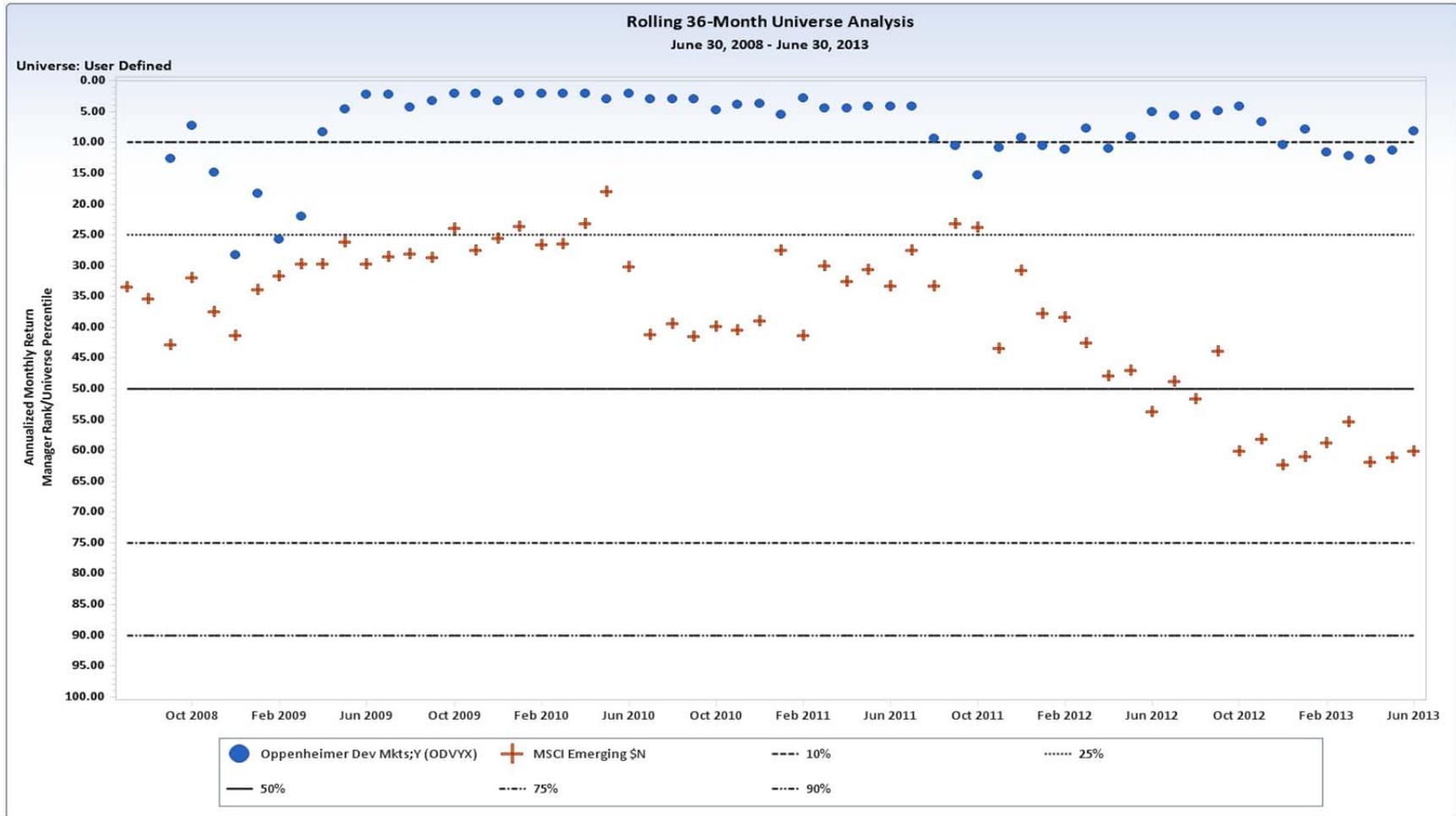
Top 10 Holdings 5-31-13	
Company	% of Portfolio
Baidu, Inc. ADR	3.87%
Tencent Holdings Ltd	2.73%
America Movil, SAB de CV	2.44%
OJSC Magnit	2.29%
NHN Corporation	2.21%
OAO Novatek GDR	2.05%
Housing Development Fin	2.04%
Carlsberg AS	1.77%
Anglo American PLC	1.64%
ICICI Bank Ltd ADR	1.60%

Country Weights 5-31-13	
	%
Europe	31.8%
France	0.0%
Germany	0.0%
United Kingdom	8.6%
Asia	48.1%
Australia	0.0%
Hong Kong	4.7%
Japan	0.0%
Latin America	20.0%
North America	0.0%
Canada	0.0%
United States	0.0%

Portfolio Information	
Expense Ratio	1.03%
12b-1 Fee Included	-
Morningstar Average	1.73%
Minimum Investment	\$0
Avg. Annual Turnover	20%

Year-End Assets (\$ Mil.)	
2013/06	\$15,193
2012	\$13,350
2011	\$8,206
2010	\$7,296
2009	\$2,519

Emerging Markets Equity Universe



State of Montana 457 Deferred Compensation Plan Second Quarter 2013



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 Second Quarter 2013



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.