



North Dakota Public Employees Retirement System

2010 Main System Projections

October 26, 2010

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North Dakota Main System Projected Margins (Market Return After FYE 2011 Always 8.0%)

If Market Return for FYE 2011 is	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
24%	-7.41%	-8.44%	-9.09%	-8.90%	-8.84%
16%	-7.61%	-8.86%	-9.72%	-9.74%	-9.88%
8%	-7.82%	-9.28%	-10.35%	-10.57%	-10.92%
0%	-8.02%	-9.70%	-10.98%	-11.41%	-11.96%
-8%	-8.22%	-10.12%	-11.61%	-12.25%	-13.00%
-16%	-8.42%	-10.54%	-12.25%	-13.09%	-14.04%
-24%	-8.62%	-10.96%	-12.88%	-13.93%	-15.07%

Note: Projection reflects only investment return effects.
Assumes constant normal cost rate of 9.22% for Main.
The 2010 valuation margin is -6.64%.

North Dakota Main System Projected Margins (Market Return After FYE 2011 Always 9.3%)

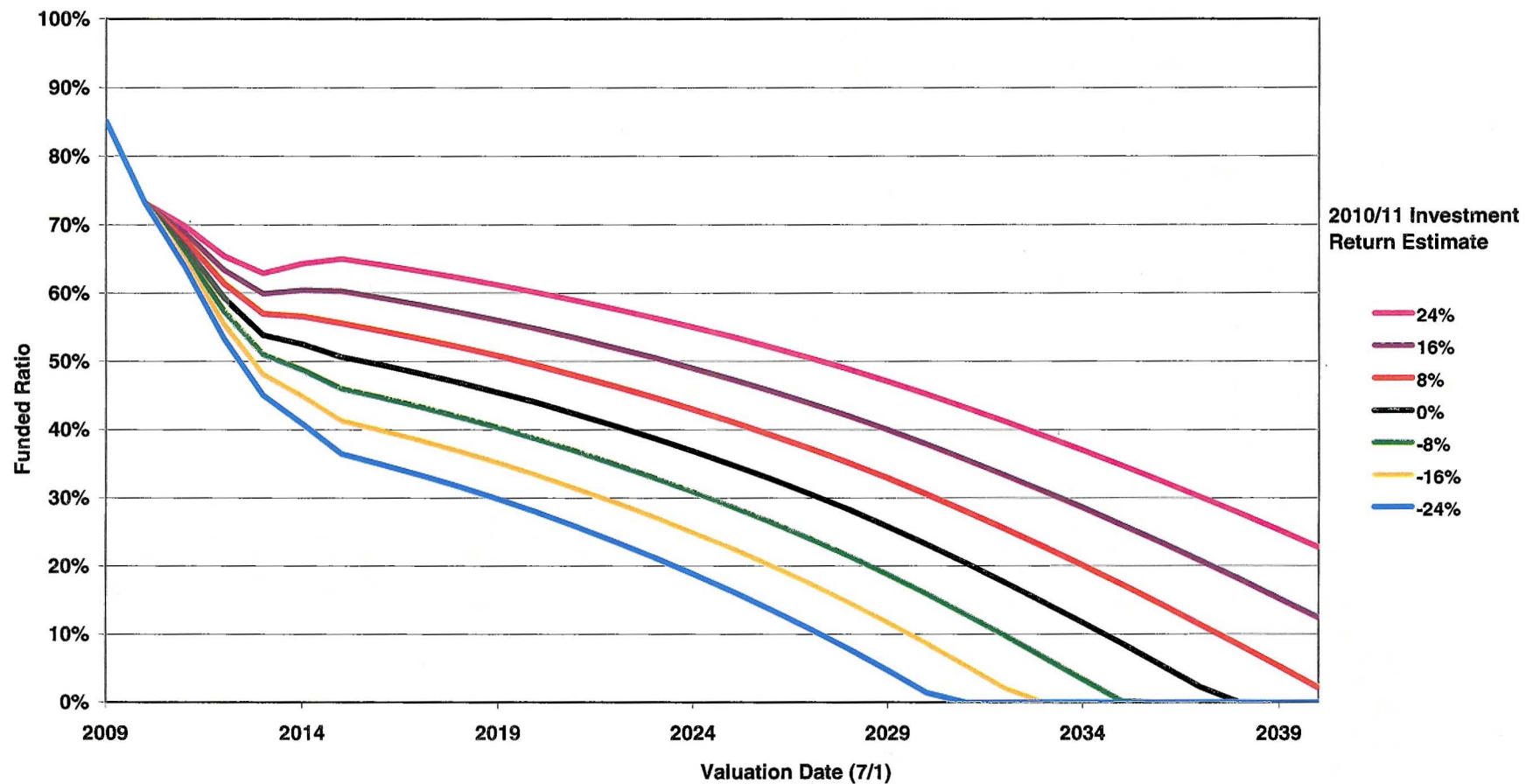
If Market Return for FYE 2011 is	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
24%	-7.41%	-8.41%	-8.97%	-8.66%	-8.44%
16%	-7.61%	-8.83%	-9.61%	-9.51%	-9.51%
8%	-7.82%	-9.25%	-10.25%	-10.37%	-10.57%
0%	-8.02%	-9.67%	-10.89%	-11.22%	-11.64%
-8%	-8.22%	-10.10%	-11.53%	-12.07%	-12.71%
-16%	-8.42%	-10.52%	-12.17%	-12.93%	-13.77%
-24%	-8.62%	-10.94%	-12.81%	-13.78%	-14.84%

Note: Projection reflects only investment return effects.
Assumes constant normal cost rate of 9.22% for Main.
The 2010 valuation margin is -6.64%.

**North Dakota Main System
Projected Funded Ratio
Actuarial Value of Assets to the Actuarial Accrued Liability
(Market Return After FYE 2011 Always 8.0%)**

Valuation July 1,	2010/11 Investment Return Estimate						
	24%	16%	8%	0%	-8%	-16%	-24%
2010	73%	73%	73%	73%	73%	73%	73%
2011	70%	69%	68%	67%	66%	65%	64%
2012	65%	63%	61%	59%	57%	55%	53%
2013	63%	60%	57%	54%	51%	48%	45%
2014	64%	60%	56%	53%	49%	45%	41%
2015	65%	60%	55%	51%	46%	41%	36%
2020	60%	55%	49%	44%	39%	33%	28%
2025	53%	47%	41%	35%	29%	22%	16%
2030	45%	38%	31%	23%	16%	9%	1%
2035	35%	26%	17%	9%	0%	0%	0%
2040	23%	12%	2%	0%	0%	0%	0%

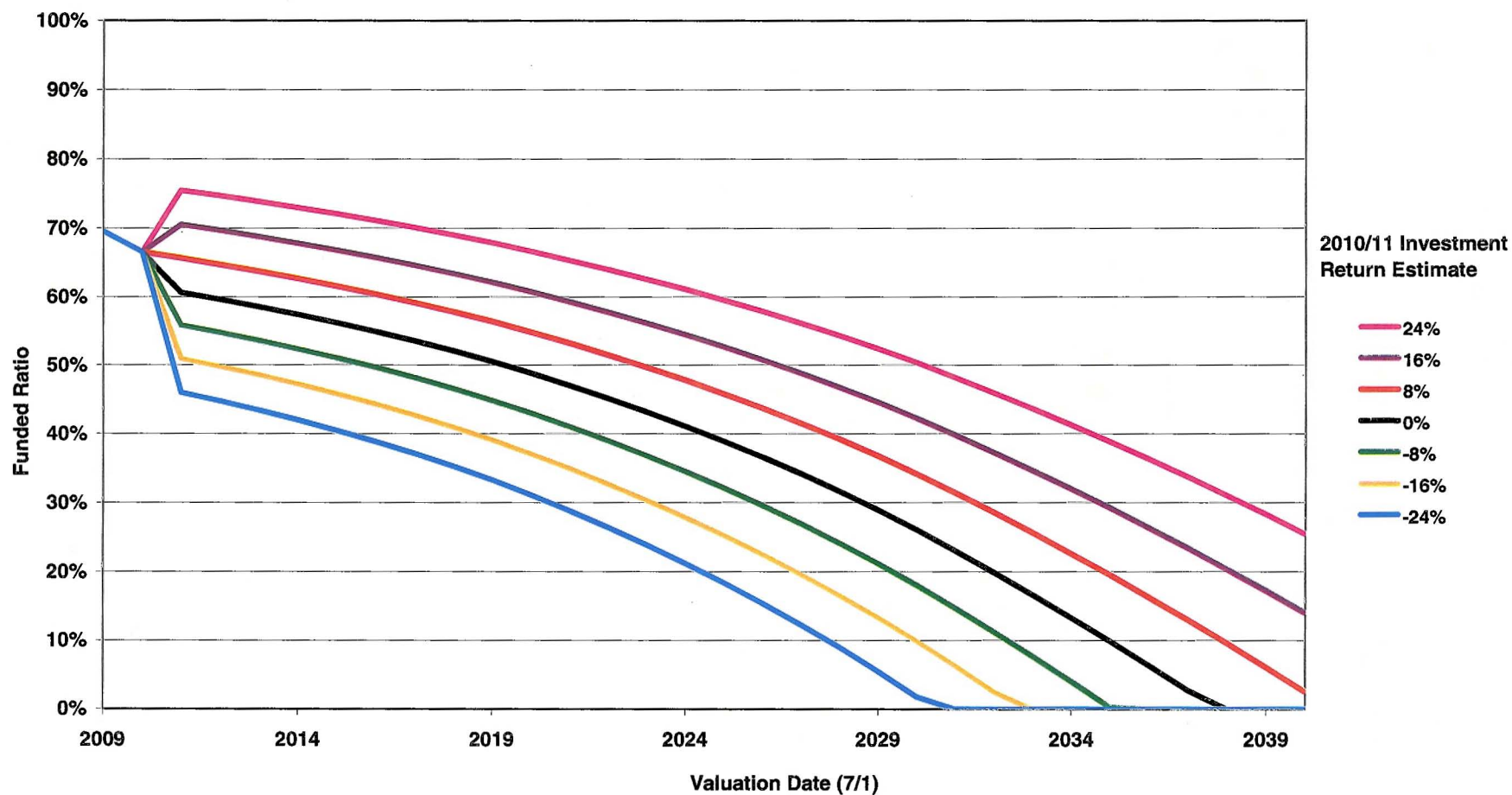
**North Dakota Main System
Projected Funded Ratio
Actuarial Value of Assets to the Actuarial Accrued Liability
(Market Return After FYE 2011 Always 8.0%)**



**North Dakota Main System
Projected Funded Ratio
Market Value of Assets to the Actuarial Accrued Liability
(Market Return After FYE 2011 Always 8.0%)**

Valuation July 1,	2010/11 Investment Return Estimate						
	24%	16%	8%	0%	-8%	-16%	-24%
2010	66%	66%	66%	66%	66%	66%	66%
2011	75%	70%	66%	61%	56%	51%	46%
2012	75%	70%	65%	60%	55%	50%	45%
2013	74%	69%	64%	59%	53%	48%	43%
2014	73%	68%	63%	57%	52%	47%	42%
2015	72%	67%	61%	56%	51%	46%	40%
2020	67%	61%	55%	49%	43%	37%	31%
2025	59%	53%	46%	39%	32%	25%	18%
2030	50%	42%	34%	26%	18%	10%	2%
2035	39%	29%	20%	10%	0%	0%	0%
2040	26%	14%	3%	0%	0%	0%	0%

**North Dakota Main System
Projected Funded Ratio
Market Value of Assets to the Actuarial Accrued Liability
(Market Return After FYE 2011 Always 8.0%)**



**North Dakota Main System
Projected Return Required Each Year after FYE 2011
to Achieve Given AVA Funded Ratio in 20 Years**

Target Funded Ratio	2010/11 Investment Return Estimate						
	24.00%	16.00%	8.00%	0.00%	-8.00%	-16.00%	-24.00%
70%	9.64%	10.21%	10.83%	11.52%	12.27%	13.13%	14.09%
80%	10.19%	10.76%	11.38%	12.06%	12.81%	13.66%	14.62%
90%	10.70%	11.26%	11.88%	12.56%	13.31%	14.15%	15.10%
100%	11.16%	11.73%	12.34%	13.02%	13.77%	14.60%	15.55%

Disclaimer

Projections, by their nature, are not a guarantee of future results. The modeling projections are intended to serve as illustrations of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used. Actual experience may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.

All calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary.