

**LEGACY FUND**  
**State Investment Board**  
**Statement of Net Position**  
**As of 7/31/2017**

	<u>As of</u> <u>7-31-17</u>	<u>As of</u> <u>6-30-17</u>
<b>ASSETS:</b>		
INVESTMENTS (AT FAIR VALUE)		
DOMESTIC EQUITIES	\$ 1,432,259,866	\$ 1,407,188,529
INTERNATIONAL EQUITIES	975,941,020	935,447,142
DOMESTIC FIXED INCOME	1,639,630,464	1,605,730,810
REAL ASSETS	717,757,603	712,121,488
INVESTED CASH (NOTE 1)	<u>13,011,061</u>	<u>9,349,540</u>
<b>TOTAL INVESTMENTS</b>	<b>4,778,600,014</b>	<b>4,669,837,509</b>
<b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	15,386,832	18,126,221
MISCELLANEOUS RECEIVABLE	<u>12,294</u>	<u>10,501</u>
<b>TOTAL RECEIVABLES</b>	<b>15,399,126</b>	<b>18,136,722</b>
<b>OTHER ASSETS</b>		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	33,301,257	33,301,257
OPERATING CASH	<u>44,659</u>	<u>95,642</u>
<b>TOTAL ASSETS</b>	<b><u>4,827,345,056</u></b>	<b><u>4,721,371,130</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>97,379</u>	<u>119,384</u>
<b>LIABILITIES:</b>		
SECURITIES LENDING COLLATERAL (NOTE 2)	33,301,257	33,301,257
ACCOUNTS PAYABLE	87,938	99,334
ACCRUED EXPENSES	231,291	253,138
INVESTMENT EXPENSE PAYABLE	<u>2,187,482</u>	<u>2,187,485</u>
<b>TOTAL LIABILITIES</b>	<b><u>35,807,968</u></b>	<b><u>35,841,214</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>11,569</u>	<u>11,569</u>
<b>NET POSITION:</b>		
HELD IN TRUST	<u>4,791,622,898</u>	<u>4,685,637,731</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 4,791,622,898</u></b>	<b><u>\$ 4,685,637,731</u></b>

These financial statements are preliminary, unaudited and subject to change.

9/19/2017

# LEGACY FUND

## State Investment Board Statement of Changes in Net Position For the Month Ended 7/31/2017

	Month Ended <u>7-31-17</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 31,142,782	\$ 31,142,782
LOSS ON SALE OF INVESTMENTS	24,344,167	24,344,167
NET GAINS (LOSSES) INVESTMENTS	6,798,615	6,798,615
NET APPREC (DEPREC) MARKET VALUE	59,569,181	59,569,181
NET CHANGE IN FAIR VALUE OF INVESTMENTS	66,367,796	66,367,796
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	5,096,376	5,096,376
	71,464,172	71,464,172
LESS INVESTMENT EXPENSES	836,986	836,986
NET INCOME FROM INVESTING ACTIVITIES	70,627,186	70,627,186
SECURITIES LENDING INCOME	97,962	97,962
SECURITIES LENDING EXPENSES	19,582	19,582
NET SECURITIES LENDING INCOME	78,380	78,380
NET INVESTMENT INCOME	70,705,566	70,705,566
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	35,319,357	35,319,357
TOTAL ADDITIONS	106,024,923	106,024,923
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	39,756	39,756
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	-	-
TOTAL DEDUCTIONS	39,756	39,756
CHANGE IN NET POSITION	105,985,167	105,985,167
NET POSITION:		
BEGINNING OF PERIOD	4,685,637,731	4,685,637,731
END OF PERIOD	\$ 4,791,622,898	\$ 4,791,622,898

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9/19/2017

# LEGACY FUND

## Notes To Financial Statements July 31, 2017

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

### NOTE 1 INVESTED CASH

Insurance Cash Pool invested in the short-term investment fund (STIF) at The Northern Trust Company and a demand account at Bank of North Dakota.

### NOTE 2 SECURITIES LENDING COLLATERAL

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

### NOTE 3 PURCHASE OF UNITS

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

### NOTE 4 REDEMPTION OF UNITS

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.

### NOTE 5 EARNINGS AVAILABLE

Section 26 of Article X of the Constitution of North Dakota dictates that earnings of the Legacy Fund accruing after June 30, 2017, shall be transferred to the general fund at the end of each biennium. Earnings accrued prior to June 30, 2017, become part of the principal of the fund.

NDCC 21-10-02 defines "earnings" for the purposes of Section 26, Article X as "net income in accordance with generally accepted accounting principles, excluding any unrealized gains or losses."

As of the date of these financial statements, the principal balance of the Legacy Fund is \$ 4,377,464,904

As of the date of these financial statements, earnings of the Legacy Fund eligible for transfer to General Fund at the end of the biennium is \$ 11,096,629