

LEGACY FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2017

| | August-17 | | | | | July-17 | | | | | Current FYTD | | Prior Year FY17 | | 3 Years Ended 6/30/2017 | | 5 Years Ended 6/30/2017 | |
|---|----------------------|---------------|---------------|----------------------|---------------|----------------------|---------------|---------------|----------------------|--------------|----------------------|---------------|----------------------|---------------|-------------------------|--------------|-------------------------|--------------|
| | Market Value | Allocation | | Month | | Market Value | Allocation | | Month | | Returns | | Returns | | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net |
| | | Actual | Policy | Gross ⁽¹⁾ | Net | | Actual | Policy | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | | | | |
| TOTAL LEGACY FUND | 4,845,649,990 | 100.0% | 100.0% | 0.44% | 0.41% | 4,793,986,847 | 100.0% | 100.0% | 1.53% | 1.51% | 1.97% | 1.93% | 12.30% | 12.03% | 5.61% | 5.36% | 4.96% | 4.76% |
| <i>POLICY TARGET BENCHMARK</i> | | | | 0.43% | 0.43% | | | | 1.36% | 1.36% | 1.80% | 1.80% | 9.91% | 9.91% | 4.42% | 4.42% | 3.84% | 3.84% |
| ATTRIBUTION ANALYSIS | | | | | | | | | | | | | | | | | | |
| Asset Allocation | | | | -0.01% | -0.01% | | | | 0.00% | 0.00% | -0.01% | -0.01% | -0.05% | -0.05% | -0.14% | -0.14% | -0.13% | -0.13% |
| Manager Selection | | | | 0.02% | -0.01% | | | | 0.17% | 0.15% | 0.19% | 0.14% | 2.43% | 2.16% | 1.32% | 1.08% | 1.26% | 1.06% |
| TOTAL RELATIVE RETURN | | | | 0.01% | -0.02% | | | | 0.17% | 0.15% | 0.18% | 0.13% | 2.38% | 2.12% | 1.18% | 0.94% | 1.13% | 0.93% |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | |
| LA Capital Large Cap Growth | 324,848,899 | 6.7% | 6.6% | 1.33% | 1.28% | 320,739,735 | 6.7% | 6.6% | 2.43% | 2.43% | 3.79% | 3.74% | 15.44% | 15.21% | 5.61% | 5.61% | N/A | N/A |
| <i>Russell 1000 Growth</i> | | | | 1.83% | 1.83% | | | | 2.66% | 2.66% | 4.54% | 4.54% | 20.42% | 20.42% | 5.61% | 5.61% | | |
| LSV Large Cap Value | 313,564,126 | 6.5% | 6.6% | -1.04% | -1.11% | 317,078,438 | 6.6% | 6.6% | 1.69% | 1.69% | 0.64% | 0.56% | 22.06% | 21.69% | 8.32% | 8.01% | N/A | N/A |
| <i>Russell 1000 Value</i> | | | | -1.17% | -1.17% | | | | 1.33% | 1.33% | 0.15% | 0.15% | 15.53% | 15.53% | 7.36% | 7.36% | | |
| LA Capital 60% Large Cap/40% Large Cap Active Extension | 206,279,776 | 4.3% | 4.4% | 0.58% | 0.55% | 205,153,376 | 4.3% | 4.4% | 2.14% | 2.14% | 2.74% | 2.70% | 15.00% | 14.84% | 9.67% | 9.52% | N/A | N/A |
| <i>Russell 1000</i> | | | | 0.31% | 0.31% | | | | 1.98% | 1.98% | 2.30% | 2.30% | 18.03% | 18.03% | 9.26% | 9.26% | | |
| Clifton Group Enhanced S&P 500 | 208,680,760 | 4.3% | 4.4% | 0.30% | 0.30% | 208,057,325 | 4.3% | 4.4% | 2.11% | 2.11% | 2.41% | 2.41% | 17.67% | 17.39% | 10.01% | 9.87% | N/A | N/A |
| <i>S&P 500</i> | | | | 0.31% | 0.31% | | | | 2.06% | 2.06% | 2.37% | 2.37% | 17.90% | 17.90% | 9.61% | 9.61% | | |
| TOTAL LARGE CAP DOMESTIC EQUITY | 1,053,373,560 | 21.7% | 22.0% | 0.27% | 0.22% | 1,051,028,874 | 21.9% | 22.0% | 2.09% | 2.09% | 2.36% | 2.31% | 17.77% | 17.51% | 9.70% | 9.48% | N/A | N/A |
| <i>Russell 1000</i> | | | | 0.31% | 0.31% | | | | 1.98% | 1.98% | 2.30% | 2.30% | 18.03% | 18.03% | 9.26% | 9.26% | | |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | |
| PIMCO - Research Affiliates Equity US Small | 168,253,416 | 3.5% | 4.0% | -2.37% | -2.37% | 172,329,601 | 3.6% | 4.0% | 0.76% | 0.70% | -1.62% | -1.68% | 21.42% | 21.12% | 7.15% | 6.86% | N/A | N/A |
| Clifton Group Enhanced Russell 2000 | 207,370,405 | 4.3% | 4.0% | -1.17% | -1.28% | 210,047,862 | 4.4% | 4.0% | 0.87% | 0.87% | -0.32% | -0.42% | 24.96% | 24.35% | 8.59% | 8.16% | N/A | N/A |
| TOTAL SMALL CAP DOMESTIC EQUITY | 375,623,821 | 7.8% | 8.0% | -1.71% | -1.77% | 382,377,463 | 8.0% | 8.0% | 0.82% | 0.79% | -0.90% | -0.99% | 23.34% | 22.87% | 8.08% | 7.71% | N/A | N/A |
| <i>Russell 2000</i> | | | | -1.27% | -1.27% | | | | 0.74% | 0.74% | -0.54% | -0.54% | 24.60% | 24.60% | 7.36% | 7.36% | | |
| INTERNATIONAL EQUITY | | | | | | | | | | | | | | | | | | |
| LSV International Large Cap Value | 396,204,521 | 8.2% | 8.0% | 0.40% | 0.31% | 394,985,787 | 8.2% | 8.0% | 3.30% | 3.30% | 3.72% | 3.62% | 26.86% | 26.38% | 3.00% | 2.60% | N/A | N/A |
| <i>MSCI EAFE</i> | | | | -0.04% | -0.04% | | | | 2.89% | 2.89% | 2.85% | 2.85% | 20.27% | 20.27% | 1.15% | 1.15% | | |
| William Blair International Leaders | 392,192,066 | 8.1% | 8.0% | 1.02% | 1.02% | 388,226,361 | 8.1% | 8.0% | 3.46% | 3.36% | 4.51% | 4.42% | 19.95% | 19.56% | N/A | N/A | N/A | N/A |
| <i>MSCI ACWI ex-US IMI (Net)</i> | | | | 0.60% | 0.60% | | | | 3.66% | 3.66% | 4.29% | 4.29% | 20.43% | 20.43% | | | | |
| DFA International Small Cap Value (1) | 97,660,337 | 2.0% | 2.0% | 0.49% | 0.49% | 97,186,258 | 2.0% | 2.0% | 3.77% | 3.77% | 4.28% | 4.28% | 28.80% | 28.80% | 4.16% | 4.16% | N/A | N/A |
| Vanguard International Explorer Fund (1) | 97,341,877 | 2.0% | 2.0% | 0.39% | 0.39% | 96,964,948 | 2.0% | 2.0% | 3.47% | 3.47% | 3.87% | 3.87% | 26.60% | 26.60% | 5.69% | 5.69% | N/A | N/A |
| <i>S&P/Citigroup BMI EPAC < \$2BN</i> | | | | 0.58% | 0.58% | | | | 3.05% | 3.05% | 3.64% | 3.64% | 20.89% | 20.89% | 5.71% | 5.71% | | |
| TOTAL INTERNATIONAL EQUITY | 983,398,801 | 20.3% | 20.0% | 0.66% | 0.62% | 977,363,354 | 20.4% | 20.0% | 3.43% | 3.39% | 4.10% | 4.03% | 24.26% | 23.91% | 2.86% | 2.56% | N/A | N/A |
| <i>MSCI World Ex US (2)</i> | | | | -0.02% | -0.02% | | | | 2.98% | 2.98% | 2.95% | 2.95% | 19.49% | 19.49% | 0.93% | 0.93% | | |
| FIXED INCOME | | | | | | | | | | | | | | | | | | |
| Western Asset U.S. Core Fixed Income | 492,605,655 | 10.2% | 10.9% | 1.02% | 1.02% | 487,618,733 | 10.2% | 11.0% | 0.53% | 0.50% | 1.56% | 1.53% | 2.48% | 2.35% | 3.88% | 3.73% | N/A | N/A |
| Prudential Core Plus Fixed Income | 181,620,893 | 3.7% | 2.8% | 1.23% | 1.16% | 179,535,739 | 3.7% | 2.8% | 0.76% | 0.76% | 1.99% | 1.93% | 3.10% | 2.83% | 4.23% | 3.96% | N/A | N/A |
| PIMCO Distressed Senior Credit Opportunities II (1) | 48,292,433 | 1.0% | 1.0% | 1.37% | 1.37% | 47,639,937 | 1.0% | 1.0% | 0.90% | 0.90% | 2.28% | 2.28% | 17.08% | 17.08% | 8.43% | 8.43% | N/A | N/A |
| PIMCO BRAVO II (1) | 26,915,000 | 0.6% | 0.6% | -3.97% | -3.97% | 28,027,646 | 0.6% | 0.6% | 0.00% | 0.00% | -3.97% | -3.97% | 13.38% | 13.38% | 10.22% | 10.22% | N/A | N/A |
| <i>Bloomberg Aggregate</i> | | | | 0.90% | 0.90% | | | | 0.43% | 0.43% | 1.33% | 1.33% | -0.31% | -0.31% | 2.48% | 2.48% | | |
| Declaration Total Return Bond Fund (1) | 128,085,995 | 2.6% | 2.6% | 0.86% | 0.86% | 127,036,238 | 2.6% | 2.6% | 0.52% | 0.52% | 1.38% | 1.38% | 4.99% | 4.99% | 3.71% | 3.71% | N/A | N/A |
| <i>3m LIBOR</i> | | | | 0.11% | 0.11% | | | | 0.11% | 0.11% | 0.23% | 0.23% | 0.98% | 0.98% | 0.58% | 0.58% | | |
| State Street U.S. Govt Credit Bond Index | 234,902,730 | 4.8% | 4.9% | 0.97% | 0.97% | 232,646,166 | 4.9% | 4.9% | 0.41% | 0.41% | 1.39% | 1.39% | -0.43% | -0.46% | 2.62% | 2.58% | N/A | N/A |
| <i>Bloomberg Gov/Credit</i> | | | | 0.96% | 0.96% | | | | 0.42% | 0.42% | 1.38% | 1.38% | -0.23% | -0.23% | 2.67% | 2.67% | | |
| Wells Capital Medium Quality Credit | 495,675,676 | 10.2% | 10.9% | 0.75% | 0.71% | 492,166,002 | 10.3% | 11.0% | 0.92% | 0.92% | 1.68% | 1.64% | 5.23% | 5.05% | 4.44% | 4.26% | N/A | N/A |
| <i>Bloomberg Credit Baa</i> | | | | 0.76% | 0.76% | | | | 0.91% | 0.91% | 1.67% | 1.67% | 3.55% | 3.55% | 2.98% | 2.98% | | |

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INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2017

| | August-17 | | | | | July-17 | | | | | Current FYTD | | Prior Year FY17 | | 3 Years Ended 6/30/2017 | | 5 Years Ended 6/30/2017 | |
|---|----------------------|--------------|--------------|----------------------|--------------|----------------------|--------------|--------------|----------------------|---------------|----------------------|--------------|----------------------|---------------|-------------------------|---------------|-------------------------|--------------|
| | Market Value | Allocation | | Month | | Market Value | Allocation | | Month | | Returns | | Returns | | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net |
| | | Actual | Policy | Gross ⁽¹⁾ | Net | | Actual | Policy | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | | | | |
| Ares ND Credit Strategies | - | 0.0% | 0.0% | N/A | N/A | - | 0.0% | 0.0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Cerberus ND Private Credit Fund | 6,400,000 | 0.1% | 0.1% | N/A | N/A | - | 0.0% | 0.0% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Benchmark | | | | | | | | | | | | | | | | | | |
| Bank of ND Match Loan CDs | 54,596,802 | 1.1% | 1.1% | 0.24% | 0.24% | 54,464,838 | 1.1% | 1.1% | 0.23% | 0.23% | 0.47% | 0.47% | N/A | N/A | N/A | N/A | N/A | N/A |
| TOTAL FIXED INCOME | 1,669,095,183 | 34.4% | 35.0% | 0.91% | 0.89% | 1,649,135,299 | 34.4% | 35.0% | 0.65% | 0.64% | 1.56% | 1.53% | 3.68% | 3.55% | 4.10% | 3.97% | N/A | N/A |
| Bloomberg Aggregate | | | | 0.90% | 0.90% | | | | 0.43% | 0.43% | 1.33% | 1.33% | -0.31% | -0.31% | 2.48% | 2.48% | | |
| DIVERSIFIED REAL ASSETS | | | | | | | | | | | | | | | | | | |
| Western Asset Global Inflation Linked Plus, L.L.C. | 346,189,940 | 7.1% | 7.2% | 1.09% | 1.09% | 324,527,442 | 6.8% | 7.2% | 1.33% | 1.30% | 2.44% | 2.41% | 0.95% | 0.82% | 0.25% | 0.11% | N/A | N/A |
| Bloomberg Global Inflation Linked Index | | | | 1.62% | 1.62% | | | | 1.26% | 1.26% | 2.89% | 2.89% | 0.91% | 0.91% | -0.30% | -0.30% | | |
| Grosvenor Customized Infrastructure Strategies II (1) | 21,853,914 | 0.5% | 0.5% | 0.00% | 0.00% | 19,117,416 | 0.4% | 0.4% | -0.25% | -0.25% | -0.25% | -0.25% | 3.28% | 3.28% | N/A | N/A | N/A | N/A |
| JP Morgan Infrastructure Investments Fund (IIF) | 113,161,165 | 2.3% | 2.3% | 0.00% | 0.00% | 113,162,021 | 2.4% | 2.4% | 0.00% | 0.02% | 0.00% | 0.02% | 6.96% | 6.27% | N/A | N/A | N/A | N/A |
| CPI | | | | 0.35% | 0.35% | | | | -0.08% | -0.08% | 0.27% | 0.27% | 1.50% | 1.50% | | | | |
| TOTAL DIVERSIFIED REAL ASSETS | 481,205,020 | 9.9% | 10.0% | 0.78% | 0.78% | 456,806,879 | 9.5% | 10.0% | 0.93% | 0.92% | 1.72% | 1.70% | 2.35% | 2.10% | 1.26% | 1.03% | N/A | N/A |
| Benchmark | | | | 1.27% | 1.27% | | | | 0.88% | 0.88% | 2.16% | 2.16% | 1.07% | 1.07% | -0.20% | -0.20% | | |
| REAL ESTATE | | | | | | | | | | | | | | | | | | |
| J.P. Morgan U.S. Real Estate Income and Growth Domestic, LP | 137,219,677 | 2.8% | 2.5% | 0.00% | 0.00% | 137,219,678 | 2.9% | 2.5% | 0.00% | 0.03% | 0.00% | 0.03% | 8.94% | 8.03% | 11.88% | 10.80% | N/A | N/A |
| Invesco Core Real Estate-USA, LP | 127,038,112 | 2.6% | 2.5% | 0.00% | 0.00% | 127,038,112 | 2.6% | 2.5% | 0.00% | 0.00% | 0.00% | 0.00% | 8.53% | 8.16% | 11.90% | 11.52% | N/A | N/A |
| TOTAL REAL ESTATE | 264,257,789 | 5.5% | 5.0% | 0.00% | 0.00% | 264,257,790 | 5.5% | 5.0% | 0.00% | 0.02% | 0.00% | 0.02% | 8.75% | 8.09% | 11.81% | 11.09% | N/A | N/A |
| NCREIF Total Index | | | | 0.58% | 0.58% | | | | 0.58% | 0.58% | 1.16% | 1.16% | 6.97% | 6.97% | 10.17% | 10.17% | | |
| CASH EQUIVALENTS | | | | | | | | | | | | | | | | | | |
| Northern Trust-MFB NI Gov't Assets Portfolio (1) | 9,267,413 | | | 0.07% | 0.07% | 4,722,962 | | | 0.06% | 0.06% | 0.13% | 0.13% | 0.32% | 0.32% | 0.15% | 0.15% | N/A | N/A |
| Bank of ND | 9,428,404 | | | 0.10% | 0.10% | 8,294,225 | | | 0.10% | 0.10% | 0.19% | 0.19% | N/A | N/A | N/A | N/A | N/A | N/A |
| TOTAL CASH EQUIVALENTS | 18,695,816 | 0.4% | 0.0% | 0.08% | 0.08% | 13,017,187 | 0.3% | 0.0% | 0.08% | 0.08% | 0.16% | 0.16% | 0.44% | 0.44% | 0.19% | 0.19% | 0.16% | 0.16% |
| 90 Day T-Bill | | | | 0.09% | 0.09% | | | | 0.09% | 0.09% | 0.18% | 0.18% | 0.49% | 0.49% | 0.23% | 0.23% | 0.17% | 0.17% |

Initial funding September 7, 2011.

NOTE: Monthly returns and market values are preliminary and subject to change.

Effective July 1, 2013, net of fee returns are calculated on a cash basis in the month paid. Prior years were accrual based and split evenly over the 12 months of the fiscal year.

(1) All limited partnership-type (and mutual funds as of 7/1/14) investment returns will only be reported net of fees, which is standard practice by the investment consultant.

(2) This benchmark was changed to the MSCI World ex-US as of July 1, 2016 and the MSCI EAFE (unhedged) as of April 1, 2011.