

**LEGACY FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2017**

	September-17					Current FYTD		Prior Year FY17		3 Years Ended 6/30/2017		5 Years Ended 6/30/2017	
	Market Value	Allocation		Quarter		Returns		Returns		Gross <sup>(1)</sup>		Gross <sup>(1)</sup>	
		Actual	Policy	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net
<b>TOTAL LEGACY FUND</b>	<b>4,960,721,538</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.68%</b>	<b>3.64%</b>	<b>3.68%</b>	<b>3.64%</b>	<b>12.30%</b>	<b>12.03%</b>	<b>5.61%</b>	<b>5.36%</b>	<b>4.96%</b>	<b>4.76%</b>
<i>POLICY TARGET BENCHMARK</i>				3.14%	3.14%	3.14%	3.14%	9.91%	9.91%	4.42%	4.42%	3.84%	3.84%
ATTRIBUTION ANALYSIS													
<b>Asset Allocation</b>				<b>-0.02%</b>	<b>-0.02%</b>	<b>-0.02%</b>	<b>-0.02%</b>	<b>-0.05%</b>	<b>-0.05%</b>	<b>-0.14%</b>	<b>-0.14%</b>	<b>-0.13%</b>	<b>-0.13%</b>
<b>Manager Selection</b>				<b>0.56%</b>	<b>0.52%</b>	<b>0.56%</b>	<b>0.52%</b>	<b>2.43%</b>	<b>2.16%</b>	<b>1.32%</b>	<b>1.08%</b>	<b>1.26%</b>	<b>1.06%</b>
<b>TOTAL RELATIVE RETURN</b>				<b>0.55%</b>	<b>0.51%</b>	<b>0.55%</b>	<b>0.51%</b>	<b>2.38%</b>	<b>2.12%</b>	<b>1.18%</b>	<b>0.94%</b>	<b>1.13%</b>	<b>0.93%</b>
<b>LARGE CAP DOMESTIC EQUITY</b>													
LA Capital Large Cap Growth	327,861,079	6.6%	6.6%	4.76%	4.70%	4.76%	4.70%	15.44%	15.21%	5.61%	5.61%	N/A	N/A
<i>Russell 1000 Growth</i>				<b>5.90%</b>	<b>5.90%</b>	<b>5.90%</b>	<b>5.90%</b>	<b>20.42%</b>	<b>20.42%</b>	<b>5.61%</b>	<b>5.61%</b>		
LSV Large Cap Value	328,850,348	6.6%	6.6%	5.54%	5.47%	5.54%	5.47%	22.06%	21.69%	8.32%	8.01%	N/A	N/A
<i>Russell 1000 Value</i>				<b>3.11%</b>	<b>3.11%</b>	<b>3.11%</b>	<b>3.11%</b>	<b>15.53%</b>	<b>15.53%</b>	<b>7.36%</b>	<b>7.36%</b>		
LA Capital 60% Large Cap/40% Large Cap Active Extension	208,792,006	4.2%	4.4%	3.99%	3.96%	3.99%	3.96%	15.00%	14.84%	9.67%	9.52%	N/A	N/A
<i>Russell 1000</i>				<b>4.48%</b>	<b>4.48%</b>	<b>4.48%</b>	<b>4.48%</b>	<b>18.03%</b>	<b>18.03%</b>	<b>9.26%</b>	<b>9.26%</b>		
Clifton Group Enhanced S&P 500	212,987,094	4.3%	4.4%	4.46%	4.52%	4.46%	4.52%	17.67%	17.39%	10.01%	9.87%	N/A	N/A
<i>S&amp;P 500</i>				<b>4.48%</b>	<b>4.48%</b>	<b>4.48%</b>	<b>4.48%</b>	<b>17.90%</b>	<b>17.90%</b>	<b>9.61%</b>	<b>9.61%</b>		
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>1,078,490,527</b>	<b>21.7%</b>	<b>22.0%</b>	<b>4.79%</b>	<b>4.75%</b>	<b>4.79%</b>	<b>4.75%</b>	<b>17.77%</b>	<b>17.51%</b>	<b>9.70%</b>	<b>9.48%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 1000</i>				<b>4.48%</b>	<b>4.48%</b>	<b>4.48%</b>	<b>4.48%</b>	<b>18.03%</b>	<b>18.03%</b>	<b>9.26%</b>	<b>9.26%</b>		
<b>SMALL CAP DOMESTIC EQUITY</b>													
PIMCO - Research Affiliates Equity US Small	180,653,825	3.6%	4.0%	5.63%	5.56%	5.63%	5.56%	21.42%	21.12%	7.15%	6.86%	N/A	N/A
Clifton Group Enhanced Russell 2000	220,653,824	4.4%	4.0%	6.07%	5.96%	6.07%	5.96%	24.96%	24.35%	8.59%	8.16%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>401,307,648</b>	<b>8.1%</b>	<b>8.0%</b>	<b>5.87%</b>	<b>5.78%</b>	<b>5.87%</b>	<b>5.78%</b>	<b>23.34%</b>	<b>22.87%</b>	<b>8.08%</b>	<b>7.71%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 2000</i>				<b>5.67%</b>	<b>5.67%</b>	<b>5.67%</b>	<b>5.67%</b>	<b>24.60%</b>	<b>24.60%</b>	<b>7.36%</b>	<b>7.36%</b>		
<b>INTERNATIONAL EQUITY</b>													
LSV International Large Cap Value	398,315,660	8.0%	8.0%	6.93%	6.83%	6.93%	6.83%	26.86%	26.38%	3.00%	2.60%	N/A	N/A
<i>MSCI EAFE</i>				<b>5.40%</b>	<b>5.40%</b>	<b>5.40%</b>	<b>5.40%</b>	<b>20.27%</b>	<b>20.27%</b>	<b>1.15%</b>	<b>1.15%</b>		
William Blair International Leaders	404,291,545	8.1%	8.0%	7.74%	7.64%	7.74%	7.64%	19.95%	19.56%	N/A	N/A	N/A	N/A
<i>MSCI ACWI ex-US IMI (Net)</i>				<b>6.27%</b>	<b>6.27%</b>	<b>6.27%</b>	<b>6.27%</b>	<b>20.43%</b>	<b>20.43%</b>				
DFA International Small Cap Value (1)	100,765,744	2.0%	2.0%	7.60%	7.60%	7.60%	7.60%	28.80%	28.80%	4.16%	4.16%	N/A	N/A
Vanguard International Explorer Fund (1)	101,205,397	2.0%	2.0%	7.99%	7.99%	7.99%	7.99%	26.60%	26.60%	5.69%	5.69%	N/A	N/A
<i>S&amp;P/Citigroup BMI EPAC &lt; \$2BN</i>				<b>5.48%</b>	<b>5.48%</b>	<b>5.48%</b>	<b>5.48%</b>	<b>20.89%</b>	<b>20.89%</b>	<b>5.71%</b>	<b>5.71%</b>		
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>1,004,578,346</b>	<b>20.3%</b>	<b>20.0%</b>	<b>7.42%</b>	<b>7.34%</b>	<b>7.42%</b>	<b>7.34%</b>	<b>24.26%</b>	<b>23.91%</b>	<b>2.86%</b>	<b>2.56%</b>	<b>N/A</b>	<b>N/A</b>
<i>MSCI World Ex US (2)</i>				<b>5.62%</b>	<b>5.62%</b>	<b>5.62%</b>	<b>5.62%</b>	<b>19.49%</b>	<b>19.49%</b>	<b>0.93%</b>	<b>0.93%</b>		
<b>FIXED INCOME</b>													
Western Asset U.S. Core Fixed Income	496,021,993	10.0%	10.6%	1.24%	1.20%	1.24%	1.20%	2.48%	2.35%	3.88%	3.73%	N/A	N/A
Prudential Core Plus Fixed Income	181,064,943	3.6%	2.8%	1.68%	1.61%	1.68%	1.61%	3.10%	2.83%	4.23%	3.96%	N/A	N/A
PIMCO Distressed Senior Credit Opportunities II (1)	49,217,599	1.0%	1.0%	4.24%	4.24%	4.24%	4.24%	17.08%	17.08%	8.43%	8.43%	N/A	N/A
PIMCO BRAVO II (1)	26,915,000	0.5%	0.5%	-3.97%	-3.97%	-3.97%	-3.97%	13.38%	13.38%	10.22%	10.22%	N/A	N/A
<i>Bloomberg Aggregate</i>				<b>0.85%</b>	<b>0.85%</b>	<b>0.85%</b>	<b>0.85%</b>	<b>-0.31%</b>	<b>-0.31%</b>	<b>2.48%</b>	<b>2.48%</b>		

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	Market Value	Allocation		Quarter		Returns		Returns		Gross <sup>(1)</sup>		Gross <sup>(1)</sup>	
		Actual	Policy	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net
Declaration Total Return Bond Fund (1) <b>3m LIBOR</b>	128,198,038	2.6%	2.6%	1.47%	1.47%	1.47%	1.47%	4.99%	4.99%	3.71%	3.71%	N/A	N/A
				<b>0.33%</b>	<b>0.33%</b>	<b>0.33%</b>	<b>0.33%</b>	<b>0.98%</b>	<b>0.98%</b>	<b>0.58%</b>	<b>0.58%</b>		
State Street U.S. Govt Credit Bond Index <b>Bloomberg Gov/Credit</b>	233,563,469	4.7%	4.9%	0.81%	0.81%	0.81%	0.81%	-0.43%	-0.46%	2.62%	2.58%	N/A	N/A
				<b>0.81%</b>	<b>0.81%</b>	<b>0.81%</b>	<b>0.81%</b>	<b>-0.23%</b>	<b>-0.23%</b>	<b>2.67%</b>	<b>2.67%</b>		
Wells Capital Medium Quality Credit <b>Bloomberg Credit Baa</b>	501,496,258	10.1%	10.6%	1.85%	1.81%	1.85%	1.81%	5.23%	5.05%	4.44%	4.26%	N/A	N/A
				<b>1.64%</b>	<b>1.64%</b>	<b>1.64%</b>	<b>1.64%</b>	<b>3.55%</b>	<b>3.55%</b>	<b>2.98%</b>	<b>2.98%</b>		
Ares ND Credit Strategies	14,800,000	0.3%	0.3%	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 <b>Benchmark</b>	14,400,000	0.3%	0.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bank of ND Match Loan CDs	64,217,890	1.3%	1.3%	0.71%	0.71%	0.71%	0.71%	N/A	N/A	N/A	N/A	N/A	N/A
<b>TOTAL FIXED INCOME</b> <b>Bloomberg Aggregate</b>	<b>1,709,895,189</b>	<b>34.5%</b>	<b>35.0%</b>	<b>1.47%</b>	<b>1.44%</b>	<b>1.47%</b>	<b>1.44%</b>	<b>3.68%</b>	<b>3.55%</b>	<b>4.10%</b>	<b>3.97%</b>	<b>N/A</b>	<b>N/A</b>
				<b>0.85%</b>	<b>0.85%</b>	<b>0.85%</b>	<b>0.85%</b>	<b>-0.31%</b>	<b>-0.31%</b>	<b>2.48%</b>	<b>2.48%</b>		
<b>DIVERSIFIED REAL ASSETS</b>													
Western Asset Global Inflation Linked Plus, L.L.C. <b>Bloomberg Global Inflation Linked Index</b>	345,503,670	7.0%	7.2%	2.23%	2.20%	2.23%	2.20%	0.95%	0.82%	0.25%	0.11%	N/A	N/A
				<b>2.22%</b>	<b>2.22%</b>	<b>2.22%</b>	<b>2.22%</b>	<b>0.91%</b>	<b>0.91%</b>	<b>-0.30%</b>	<b>-0.30%</b>		
Grosvenor Customized Infrastructure Strategies II (1)	24,082,444	0.5%	0.5%	-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) <b>CPI</b>	113,161,165	2.3%	2.3%	0.00%	0.02%	0.00%	0.02%	6.96%	6.27%	N/A	N/A	N/A	N/A
				<b>0.89%</b>	<b>0.89%</b>	<b>0.89%</b>	<b>0.89%</b>	<b>1.50%</b>	<b>1.50%</b>				
<b>TOTAL DIVERSIFIED REAL ASSETS</b> <b>Benchmark</b>	<b>482,747,279</b>	<b>9.7%</b>	<b>10.0%</b>	<b>1.57%</b>	<b>1.56%</b>	<b>1.57%</b>	<b>1.56%</b>	<b>2.35%</b>	<b>2.10%</b>	<b>1.26%</b>	<b>1.03%</b>	<b>N/A</b>	<b>N/A</b>
				<b>1.85%</b>	<b>1.85%</b>	<b>1.85%</b>	<b>1.85%</b>	<b>1.07%</b>	<b>1.07%</b>	<b>-0.20%</b>	<b>-0.20%</b>		
<b>REAL ESTATE</b>													
J.P. Morgan U.S. Real Estate Income and Growth Domestic, LP	137,219,677	2.8%	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	128,779,436	2.6%	2.5%	1.46%	1.37%	1.46%	1.37%	8.53%	8.16%	11.90%	11.52%	N/A	N/A
<b>TOTAL REAL ESTATE</b> <b>NCREIF Total Index</b>	<b>265,999,113</b>	<b>5.4%</b>	<b>5.0%</b>	<b>0.70%</b>	<b>0.68%</b>	<b>0.70%</b>	<b>0.68%</b>	<b>8.75%</b>	<b>8.09%</b>	<b>11.81%</b>	<b>11.09%</b>	<b>N/A</b>	<b>N/A</b>
				<b>1.70%</b>	<b>1.70%</b>	<b>1.70%</b>	<b>1.70%</b>	<b>6.97%</b>	<b>6.97%</b>	<b>10.17%</b>	<b>10.17%</b>		
<b>CASH EQUIVALENTS</b>													
Northern Trust-MFB NI Gov't Assets Portfolio (1)	9,315,183			0.20%	0.20%	0.20%	0.20%	0.32%	0.32%	0.15%	0.15%	N/A	N/A
Bank of ND	8,388,252			0.29%	0.29%	0.29%	0.29%	N/A	N/A	N/A	N/A	N/A	N/A
<b>TOTAL CASH EQUIVALENTS</b> <b>90 Day T-Bill</b>	<b>17,703,435</b>	<b>0.4%</b>	<b>0.0%</b>	<b>0.24%</b>	<b>0.24%</b>	<b>0.24%</b>	<b>0.24%</b>	<b>0.44%</b>	<b>0.44%</b>	<b>0.19%</b>	<b>0.19%</b>	<b>0.16%</b>	<b>0.16%</b>
				<b>0.26%</b>	<b>0.26%</b>	<b>0.26%</b>	<b>0.26%</b>	<b>0.49%</b>	<b>0.49%</b>	<b>0.23%</b>	<b>0.23%</b>	<b>0.17%</b>	<b>0.17%</b>

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

(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.