

**LEGACY FUND**  
**State Investment Board**  
**Statement of Net Position**  
**As of 11/30/2017**

	<u>As of</u> <u>11-30-17</u>	<u>As of</u> <u>6-30-17</u>
<b>ASSETS:</b>		
INVESTMENTS (AT FAIR VALUE)		
DOMESTIC EQUITIES	\$ 1,559,252,954	\$ 1,407,188,529
INTERNATIONAL EQUITIES	1,026,285,815	935,447,142
DOMESTIC FIXED INCOME	1,749,173,135	1,605,730,810
REAL ASSETS	753,006,144	712,121,488
INVESTED CASH (NOTE 1)	<u>58,390,627</u>	<u>9,349,540</u>
 TOTAL INVESTMENTS	 5,146,108,675	 4,669,837,509
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	15,007,226	18,126,221
MISCELLANEOUS RECEIVABLE	<u>9,303</u>	<u>10,501</u>
 TOTAL RECEIVABLES	 15,016,529	 18,136,722
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	26,261,008	33,301,257
OPERATING CASH	<u>69,448</u>	<u>95,642</u>
 TOTAL ASSETS	 <u>5,187,455,660</u>	 <u>4,721,371,130</u>
 DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>97,379</u>	<u>119,384</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	26,261,008	33,301,257
ACCOUNTS PAYABLE	6,968	99,334
ACCRUED EXPENSES	230,462	253,138
INVESTMENT EXPENSE PAYABLE	<u>2,187,487</u>	<u>2,187,485</u>
 TOTAL LIABILITIES	 <u>28,685,925</u>	 <u>35,841,214</u>
 DEFERRED INFLOWS OF RESOURCES		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>11,569</u>	<u>11,569</u>
 NET POSITION:		
HELD IN TRUST	<u>5,158,855,545</u>	<u>4,685,637,731</u>
 TOTAL NET POSITION	 <u>\$ 5,158,855,545</u>	 <u>\$ 4,685,637,731</u>

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

1/9/2018

# LEGACY FUND

## State Investment Board Statement of Changes in Net Position For the Month Ended 11/30/2017

	Month Ended <u>11-30-17</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 45,763,807	\$ 206,662,275
LOSS ON SALE OF INVESTMENTS	31,710,995	147,052,129
NET GAINS (LOSSES) INVESTMENTS	14,052,812	59,610,146
NET APPREC (DEPREC) MARKET VALUE	42,088,625	203,538,762
NET CHANGE IN FAIR VALUE OF INVESTMENTS	56,141,437	263,148,908
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	7,661,644	39,425,505
	63,803,081	302,574,413
LESS INVESTMENT EXPENSES	784,619	4,703,794
NET INCOME FROM INVESTING ACTIVITIES	63,018,462	297,870,619
SECURITIES LENDING INCOME	52,556	329,812
SECURITIES LENDING EXPENSES	10,501	65,910
NET SECURITIES LENDING INCOME	42,055	263,902
NET INVESTMENT INCOME	63,060,517	298,134,521
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	37,478,583	175,281,982
TOTAL ADDITIONS	100,539,100	473,416,503
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	43,214	198,689
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	-	-
TOTAL DEDUCTIONS	43,214	198,689
CHANGE IN NET POSITION	100,495,886	473,217,814
NET POSITION:		
BEGINNING OF PERIOD	5,058,359,659	4,685,637,731
END OF PERIOD	\$ 5,158,855,545	\$ 5,158,855,545

# LEGACY FUND

## Notes To Financial Statements November 30, 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 \$ 4,552,746,886

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 \$ 94,397,070