

**LEGACY FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2017**

	December-17					September-17					Current FYTD		Prior Year FY17		3 Years Ended 6/30/2017		5 Years Ended 6/30/2017	
	Allocation		Quarter			Allocation		Quarter			Returns		Returns		Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net
	Market Value	Actual	Policy	Gross <sup>(1)</sup>	Net	Market Value	Actual	Policy	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net				
<b>TOTAL LEGACY FUND</b>	<b>5,252,300,943</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.50%</b>	<b>3.45%</b>	<b>4,960,721,538</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.68%</b>	<b>3.64%</b>	<b>7.31%</b>	<b>7.21%</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>				2.97%	2.97%				3.14%	3.14%	6.20%	6.20%	9.91%	9.91%	4.42%	4.42%	3.84%	3.84%
ATTRIBUTION ANALYSIS																		
<b>Asset Allocation</b>				-0.01%	-0.01%				-0.02%	-0.02%	-0.04%	-0.04%	-0.05%	-0.05%	-0.14%	-0.14%	-0.13%	-0.13%
<b>Manager Selection</b>				0.53%	0.48%				0.56%	0.52%	1.15%	1.05%	2.43%	2.16%	1.32%	1.08%	1.26%	1.06%
<b>TOTAL RELATIVE RETURN</b>				0.52%	0.47%				0.55%	0.51%	1.11%	1.01%	2.38%	2.12%	1.18%	0.94%	1.13%	0.93%
<b>LARGE CAP DOMESTIC EQUITY</b>																		
LA Capital Large Cap Growth	350,972,609	6.7%	6.6%	7.10%	7.05%	327,861,079	6.6%	6.6%	4.76%	4.70%	12.19%	12.08%	15.44%	15.21%	5.61%	5.61%	N/A	N/A
<i>Russell 1000 Growth</i>				7.86%	7.86%				5.90%	5.90%	14.23%	14.23%	20.42%	20.42%	5.61%	5.61%		
LSV Large Cap Value	353,474,288	6.7%	6.6%	7.57%	7.49%	328,850,348	6.6%	6.6%	5.54%	5.47%	13.53%	13.36%	22.06%	21.69%	8.32%	8.01%	N/A	N/A
<i>Russell 1000 Value</i>				5.33%	5.33%				3.11%	3.11%	8.61%	8.61%	15.53%	15.53%	7.36%	7.36%		
LA Capital 60% Large Cap/40% Large Cap Active Extension	221,618,115	4.2%	4.4%	6.18%	6.14%	208,792,006	4.2%	4.4%	3.99%	3.96%	10.41%	10.34%	15.00%	14.84%	9.67%	9.52%	N/A	N/A
<i>Russell 1000</i>				6.59%	6.59%				4.48%	4.48%	11.36%	11.36%	18.03%	18.03%	9.26%	9.26%		
Clifton Group Enhanced S&P 500	227,500,511	4.3%	4.4%	6.81%	6.81%	212,987,094	4.3%	4.4%	4.46%	4.52%	11.58%	11.65%	17.67%	17.39%	10.01%	9.87%	N/A	N/A
<i>S&amp;P 500</i>				6.64%	6.64%				4.48%	4.48%	11.42%	11.42%	17.90%	17.90%	9.61%	9.61%		
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>1,153,565,523</b>	<b>22.0%</b>	<b>22.0%</b>	<b>7.01%</b>	<b>6.96%</b>	<b>1,078,490,527</b>	<b>21.7%</b>	<b>22.0%</b>	<b>4.79%</b>	<b>4.75%</b>	<b>12.13%</b>	<b>12.05%</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>				6.59%	6.59%				4.48%	4.48%	11.36%	11.36%	18.03%	18.03%	9.26%	9.26%		
<b>SMALL CAP DOMESTIC EQUITY</b>																		
PIMCO - Research Affiliates Equity US Small	187,786,434	3.6%	4.0%	4.01%	3.95%	180,653,825	3.6%	4.0%	5.63%	5.56%	9.87%	9.73%	21.42%	21.12%	7.15%	6.86%	N/A	N/A
Clifton Group Enhanced Russell 2000	227,408,276	4.3%	4.0%	3.06%	3.06%	220,653,824	4.4%	4.0%	6.07%	5.96%	9.31%	9.20%	24.96%	24.35%	8.59%	8.16%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>415,194,711</b>	<b>7.9%</b>	<b>8.0%</b>	<b>3.49%</b>	<b>3.46%</b>	<b>401,307,648</b>	<b>8.1%</b>	<b>8.0%</b>	<b>5.87%</b>	<b>5.78%</b>	<b>9.56%</b>	<b>9.44%</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>				3.34%	3.34%				5.67%	5.67%	9.20%	9.20%	24.60%	24.60%	7.36%	7.36%		
<b>INTERNATIONAL EQUITY</b>																		
LSV International Large Cap Value	411,728,637	7.8%	8.0%	3.47%	3.37%	398,315,660	8.0%	8.0%	6.93%	6.83%	10.64%	10.43%	26.86%	26.38%	3.00%	2.60%	N/A	N/A
<i>MSCI EAFE</i>				4.23%	4.23%				5.40%	5.40%	9.86%	9.86%	20.27%	20.27%	1.15%	1.15%		
William Blair International Leaders	426,216,872	8.1%	8.0%	5.52%	5.42%	404,291,545	8.1%	8.0%	7.74%	7.64%	13.69%	13.47%	19.95%	19.56%	N/A	N/A	N/A	N/A
<i>MSCI ACWI ex-US IMI (Net)</i>				5.23%	5.23%				6.27%	6.27%	11.82%	11.82%	20.43%	20.43%				
DFA International Small Cap Value (1)	104,629,132	2.0%	2.0%	3.83%	3.83%	100,765,744	2.0%	2.0%	7.60%	7.60%	11.72%	11.72%	28.80%	28.80%	4.16%	4.16%	N/A	N/A
Vanguard International Explorer Fund (1)	106,768,499	2.0%	2.0%	5.50%	5.50%	101,205,397	2.0%	2.0%	7.99%	7.99%	13.93%	13.93%	26.60%	26.60%	5.69%	5.69%	N/A	N/A
<i>S&amp;P/Citigroup BMI EPAC &lt; \$2BN</i>				7.60%	7.60%				5.48%	5.48%	13.50%	13.50%	20.89%	20.89%	5.71%	5.71%		
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>1,049,343,140</b>	<b>20.0%</b>	<b>20.0%</b>	<b>4.54%</b>	<b>4.46%</b>	<b>1,004,578,346</b>	<b>20.3%</b>	<b>20.0%</b>	<b>7.42%</b>	<b>7.34%</b>	<b>12.29%</b>	<b>12.12%</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>				4.23%	4.23%				5.62%	5.62%	10.09%	10.09%	19.49%	19.49%	0.93%	0.93%		
<b>FIXED INCOME</b>																		
Western Asset U.S. Core Fixed Income	499,802,371	9.5%	10.4%	0.79%	0.76%	496,021,993	10.0%	10.6%	1.24%	1.20%	2.04%	1.97%	2.48%	2.35%	3.88%	3.73%	N/A	N/A
Prudential Core Plus Fixed Income	197,898,883	3.8%	2.8%	1.10%	1.03%	181,064,943	3.6%	2.8%	1.68%	1.61%	2.80%	2.66%	3.10%	2.83%	4.23%	3.96%	N/A	N/A
PIMCO Distressed Senior Credit Opportunities II (1)	49,885,888	0.9%	0.9%	1.36%	1.36%	49,217,599	1.0%	1.0%	4.24%	4.24%	5.66%	5.66%	17.08%	17.08%	8.43%	8.43%	N/A	N/A
PIMCO BRAVO II (1)	24,825,848	0.5%	0.5%	1.07%	1.07%	26,915,000	0.5%	0.5%	-3.97%	-3.97%	-2.94%	-2.94%	13.38%	13.38%	10.22%	10.22%	N/A	N/A
<i>Bloomberg Aggregate</i>				0.39%	0.39%				0.85%	0.85%	1.24%	1.24%	-0.31%	-0.31%	2.48%	2.48%		
Declaration Total Return Bond Fund (1)	129,154,494	2.5%	2.5%	0.82%	0.82%	128,198,038	2.6%	2.6%	1.47%	1.47%	2.30%	2.30%	4.99%	4.99%	3.71%	3.71%	N/A	N/A
<i>3m LIBOR</i>				0.36%	0.36%				0.33%	0.33%	0.70%	0.70%	0.98%	0.98%	0.58%	0.58%		
State Street U.S. Govt Credit Bond Index	254,780,214	4.9%	4.9%	0.49%	0.48%	233,563,469	4.7%	4.9%	0.81%	0.81%	1.30%	1.29%	-0.43%	-0.46%	2.62%	2.58%	N/A	N/A
<i>Bloomberg Gov/Credit</i>				0.49%	0.49%				0.81%	0.81%	1.30%	1.30%	-0.23%	-0.23%	2.67%	2.67%		
Wells Capital Medium Quality Credit	507,806,032	9.7%	10.4%	1.30%	1.26%	501,496,258	10.1%	10.6%	1.85%	1.81%	3.17%	3.09%	5.23%	5.05%	4.44%	4.26%	N/A	N/A
<i>Bloomberg Credit Baa</i>				1.22%	1.22%				1.64%	1.64%	2.88%	2.88%	3.55%	3.55%	2.98%	2.98%		

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	Market Value	Allocation		Quarter		Market Value	Allocation		Quarter		Returns		Returns		Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net
		Actual	Policy	Gross <sup>(1)</sup>	Net		Actual	Policy	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net	Gross <sup>(1)</sup>	Net				
Ares ND Credit Strategies	32,430,767	0.6%	0.6%	0.09%	0.09%	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	43,825,710	0.8%	0.8%	4.17%	4.17%	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
<b>S&amp;P LSTA Leveraged Loan B Index</b>				<b>1.09%</b>	<b>1.09%</b>													
Bank of ND Match Loan CDs	63,242,695	1.2%	1.2%	0.66%	0.66%	64,217,890	1.3%	1.3%	0.71%	0.71%	1.37%	1.37%	N/A	N/A	N/A	N/A	N/A	N/A
<b>TOTAL FIXED INCOME</b>	<b>1,803,652,902</b>	<b>34.3%</b>	<b>35.0%</b>	<b>0.97%</b>	<b>0.95%</b>	<b>1,709,895,189</b>	<b>34.5%</b>	<b>35.0%</b>	<b>1.47%</b>	<b>1.44%</b>	<b>2.46%</b>	<b>2.40%</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>Bloomberg Aggregate</b>				<b>0.39%</b>	<b>0.39%</b>				<b>0.85%</b>	<b>0.85%</b>	<b>1.24%</b>	<b>1.24%</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.	355,642,915	6.8%	7.1%	3.06%	3.03%	345,503,670	7.0%	7.2%	2.23%	2.20%	5.37%	5.30%	0.95%	0.82%	0.25%	0.11%	N/A	N/A
<b>Bloomberg Global Inflation Linked Index</b>				<b>2.85%</b>	<b>2.85%</b>				<b>2.22%</b>	<b>2.22%</b>	<b>5.14%</b>	<b>5.14%</b>	<b>0.91%</b>	<b>0.91%</b>	<b>-0.30%</b>	<b>-0.30%</b>		
Grosvenor Customized Infrastructure Strategies II (1)	32,135,695	0.6%	0.6%	2.40%	2.40%	24,082,444	0.5%	0.5%	-0.25%	-0.25%	2.14%	2.14%	3.28%	3.28%	N/A	N/A	N/A	N/A
JP Morgan Infrastructure Investments Fund (IIF)	118,746,989	2.3%	2.3%	5.14%	5.00%	113,161,165	2.3%	2.3%	0.00%	0.02%	5.14%	5.02%	6.96%	6.27%	N/A	N/A	N/A	N/A
<b>CPI</b>				<b>-0.17%</b>	<b>-0.17%</b>				<b>0.89%</b>	<b>0.89%</b>	<b>0.72%</b>	<b>0.72%</b>	<b>1.50%</b>	<b>1.50%</b>				
<b>TOTAL DIVERSIFIED REAL ASSETS</b>	<b>506,525,600</b>	<b>9.6%</b>	<b>10.0%</b>	<b>3.51%</b>	<b>3.45%</b>	<b>482,747,279</b>	<b>9.7%</b>	<b>10.0%</b>	<b>1.57%</b>	<b>1.56%</b>	<b>5.14%</b>	<b>5.06%</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>Benchmark</b>				<b>1.97%</b>	<b>1.97%</b>				<b>1.85%</b>	<b>1.85%</b>	<b>3.86%</b>	<b>3.86%</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	139,836,489	2.7%	2.5%	2.13%	1.98%	137,219,677	2.8%	2.5%	0.00%	0.03%	2.13%	2.02%	8.94%	8.03%	11.88%	10.80%	N/A	N/A
Invesco Core Real Estate-USA, LP	131,584,803	2.5%	2.5%	2.26%	2.18%	128,779,436	2.6%	2.5%	1.46%	1.37%	3.75%	3.58%	8.53%	8.16%	11.90%	11.52%	N/A	N/A
<b>TOTAL REAL ESTATE</b>	<b>271,421,292</b>	<b>5.2%</b>	<b>5.0%</b>	<b>2.20%</b>	<b>2.08%</b>	<b>265,999,113</b>	<b>5.4%</b>	<b>5.0%</b>	<b>0.70%</b>	<b>0.68%</b>	<b>2.91%</b>	<b>2.77%</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>NCREIF Total Index</b>				<b>1.80%</b>	<b>1.80%</b>				<b>1.70%</b>	<b>1.70%</b>	<b>3.52%</b>	<b>3.52%</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)	37,922,020			0.23%	0.23%	9,315,183			0.20%	0.20%	0.42%	0.42%	0.32%	0.32%	0.15%	0.15%	N/A	N/A
Bank of ND	14,675,755			0.30%	0.30%	8,388,252			0.29%	0.29%	0.58%	0.58%	N/A	N/A	N/A	N/A	N/A	N/A
<b>TOTAL CASH EQUIVALENTS</b>	<b>52,597,775</b>	<b>1.0%</b>	<b>0.0%</b>	<b>0.25%</b>	<b>0.25%</b>	<b>17,703,435</b>	<b>0.4%</b>	<b>0.0%</b>	<b>0.24%</b>	<b>0.24%</b>	<b>0.49%</b>	<b>0.49%</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>90 Day T-Bill</b>				<b>0.28%</b>	<b>0.28%</b>				<b>0.26%</b>	<b>0.26%</b>	<b>0.55%</b>	<b>0.55%</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 based and split evenly over the 12 months of the fiscal

(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.