

**LEGACY FUND**  
**State Investment Board**  
**Statement of Net Position**  
**As of 5/31/2018**

	<u>As of</u> <u>5-31-18</u>	<u>As of</u> <u>6-30-17</u>
<b>ASSETS:</b>		
INVESTMENTS (AT FAIR VALUE)		
DOMESTIC EQUITIES	\$ 1,673,948,049	\$ 1,407,188,529
INTERNATIONAL EQUITIES	1,076,721,210	935,447,142
DOMESTIC FIXED INCOME	1,909,072,448	1,605,730,810
REAL ASSETS	802,774,574	712,121,488
INVESTED CASH (NOTE 1)	<u>48,174,357</u>	<u>9,349,540</u>
 TOTAL INVESTMENTS	 5,510,690,638	 4,669,837,509
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	20,689,427	18,126,221
MISCELLANEOUS RECEIVABLE	<u>14,865</u>	<u>10,501</u>
 TOTAL RECEIVABLES	 20,704,292	 18,136,722
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	20,997,552	33,301,257
OPERATING CASH	<u>107,128</u>	<u>95,642</u>
 TOTAL ASSETS	 <u>5,552,499,610</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)	20,997,552	33,301,257
ACCOUNTS PAYABLE	-	99,334
ACCRUED EXPENSES	233,550	253,138
INVESTMENT EXPENSE PAYABLE	<u>2,187,487</u>	<u>2,187,485</u>
 TOTAL LIABILITIES	 <u>23,418,589</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>5,529,166,831</u>	<u>4,685,637,731</u>
 TOTAL NET POSITION	 <u>\$ 5,529,166,831</u>	 <u>\$ 4,685,637,731</u>

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

6/29/2018

# LEGACY FUND

## State Investment Board Statement of Changes in Net Position For the Month Ended 5/31/2018

	Month Ended <u>5-31-18</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 58,781,050	\$ 615,086,366
LOSS ON SALE OF INVESTMENTS	37,522,429	485,687,485
NET GAINS (LOSSES) INVESTMENTS	21,258,621	129,398,881
NET APPREC (DEPREC) MARKET VALUE	8,698,341	149,845,251
NET CHANGE IN FAIR VALUE OF INVESTMENTS	29,956,962	279,244,132
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	13,960,191	103,578,774
	43,917,153	382,822,906
LESS INVESTMENT EXPENSES	924,720	10,310,977
NET INCOME FROM INVESTING ACTIVITIES	42,992,433	372,511,929
SECURITIES LENDING INCOME	74,101	703,862
SECURITIES LENDING EXPENSES	14,810	140,658
NET SECURITIES LENDING INCOME	59,291	563,204
NET INVESTMENT INCOME	43,051,724	373,075,133
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	51,993,032	471,022,591
TOTAL ADDITIONS	95,044,756	844,097,724
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	54,424	568,624
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	-	-
TOTAL DEDUCTIONS	54,424	568,624
CHANGE IN NET POSITION	94,990,332	843,529,100
NET POSITION:		
BEGINNING OF PERIOD	5,434,176,499	4,685,637,731
END OF PERIOD	\$ 5,529,166,831	\$ 5,529,166,831

# LEGACY FUND

## Notes To Financial Statements May 31, 2018

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 21-10-12 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 \$ 4,848,487,495

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 \$ 222,661,258