

**LEGACY FUND**  
**State Investment Board**  
**Statement of Net Position**  
**As of 7/31/2018**

	<u>As of</u> <u>7-31-18</u>	<u>As of</u> <u>6-30-18</u>
<b>ASSETS:</b>		
INVESTMENTS (AT FAIR VALUE)		
GLOBAL EQUITIES	\$ 2,866,256,452	\$ 2,766,036,036
GLOBAL FIXED INCOME	1,963,343,238	1,929,981,907
GLOBAL REAL ASSETS	820,945,406	805,149,765
INVESTED CASH (NOTE 1)	<u>49,892,548</u>	<u>54,793,877</u>
 TOTAL INVESTMENTS	 5,700,437,644	 5,555,961,585
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	17,507,136	21,357,528
MISCELLANEOUS RECEIVABLE	<u>16,238</u>	<u>14,495</u>
 TOTAL RECEIVABLES	 17,523,374	 21,372,023
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	24,284,177	24,284,177
OPERATING CASH	<u>109,650</u>	<u>208,349</u>
 TOTAL ASSETS	 <u>5,742,354,845</u>	 <u>5,601,826,134</u>
 DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>244,618</u>	<u>271,634</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	24,284,177	24,284,177
ACCOUNTS PAYABLE	15,324	71,703
ACCRUED EXPENSES	470,308	497,792
INVESTMENT EXPENSE PAYABLE	<u>1,150,895</u>	<u>1,150,895</u>
 TOTAL LIABILITIES	 <u>25,920,704</u>	 <u>26,004,567</u>
 DEFERRED INFLOWS OF RESOURCES		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>9,183</u>	<u>9,183</u>
 NET POSITION:		
HELD IN TRUST	<u>5,716,669,576</u>	<u>5,576,084,018</u>
 TOTAL NET POSITION	 <u>\$ 5,716,669,576</u>	 <u>\$ 5,576,084,018</u>

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

9/19/2018

# LEGACY FUND

## State Investment Board Statement of Changes in Net Position For the Month Ended 7/31/2018

	Month Ended <u>7-31-18</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 50,627,553	\$ 50,627,553
LOSS ON SALE OF INVESTMENTS	38,218,806	38,218,806
NET GAINS (LOSSES) INVESTMENTS	12,408,747	12,408,747
NET APPREC (DEPREC) MARKET VALUE	60,307,424	60,307,424
NET CHANGE IN FAIR VALUE OF INVESTMENTS	72,716,171	72,716,171
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	6,234,338	6,234,338
	78,950,509	78,950,509
LESS INVESTMENT EXPENSES	935,167	935,167
NET INCOME FROM INVESTING ACTIVITIES	78,015,342	78,015,342
SECURITIES LENDING INCOME	92,350	92,350
SECURITIES LENDING EXPENSES	18,459	18,459
NET SECURITIES LENDING INCOME	73,891	73,891
NET INVESTMENT INCOME	78,089,233	78,089,233
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	62,538,186	62,538,186
TOTAL ADDITIONS	140,627,419	140,627,419
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	41,861	41,861
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	-	-
TOTAL DEDUCTIONS	41,861	41,861
CHANGE IN NET POSITION	140,585,558	140,585,558
NET POSITION:		
BEGINNING OF PERIOD	5,576,084,018	5,576,084,018
END OF PERIOD	\$ 5,716,669,576	\$ 5,716,669,576

# LEGACY FUND

## Notes To Financial Statements

July 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 \$ 4,969,873,845

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 \$ 260,599,788