

LEGACY FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2018

| | August-18 | | | | | July-18 | | | | | Current FYTD | | Prior Year FY18 | | 3 Years Ended 6/30/2018 | | 5 Years Ended 6/30/2018 | | | |
|---|----------------------|---------------|---------------|----------------------|---------------|----------------------|---------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|-------------------------|---------------|-------------------------|---------------|----------------------|-----|
| | Market Value | Allocation | | Month | | Market Value | Allocation | | Month | | Returns | | Returns | | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net |
| | | Actual | Policy | Gross ⁽¹⁾ | Net | | Actual | Policy | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | | | | | | |
| TOTAL LEGACY FUND | 5,834,197,404 | 100.0% | 100.0% | 1.03% | 1.01% | 5,717,944,779 | 100.0% | 100.0% | 1.41% | 1.40% | 2.46% | 2.42% | 7.78% | 7.57% | 7.04% | 6.79% | 6.28% | 6.06% | | |
| POLICY TARGET BENCHMARK | | | | 0.95% | 0.95% | | | | 1.40% | 1.40% | 2.37% | 2.37% | 6.51% | 6.51% | 5.75% | 5.75% | 5.09% | 5.09% | | |
| ATTRIBUTION ANALYSIS | | | | | | | | | | | | | | | | | | | | |
| Asset Allocation | | | | 0.02% | 0.02% | | | | 0.01% | 0.01% | 0.04% | 0.04% | -0.05% | -0.05% | -0.04% | -0.04% | -0.14% | -0.14% | | |
| Manager Selection | | | | 0.06% | 0.04% | | | | 0.00% | -0.02% | 0.06% | 0.02% | 1.32% | 1.11% | 1.33% | 1.08% | 1.34% | 1.11% | | |
| TOTAL RELATIVE RETURN | | | | 0.08% | 0.06% | | | | 0.01% | 0.00% | 0.09% | 0.06% | 1.27% | 1.06% | 1.29% | 1.04% | 1.19% | 0.96% | | |
| | | | | | | | | | | | | | | | | | | | | |
| GLOBAL EQUITY | 2,932,152,653 | 50.3% | 50.0% | 1.86% | 1.83% | 2,869,373,966 | 50.2% | 50.0% | 2.55% | 2.52% | 4.46% | 4.41% | | | | | | | | |
| Benchmark | | | | 1.45% | 1.45% | | | | 2.78% | 2.78% | 4.27% | 4.27% | | | | | | | | |
| Domestic - broad | 1,803,839,479 | 30.9% | 30.0% | 3.93% | 3.91% | 1,735,964,372 | 30.4% | 30.0% | 2.86% | 2.84% | 6.90% | 6.87% | | | | | | | | |
| Benchmark | | | | 3.68% | 3.68% | | | | 3.00% | 3.00% | 6.78% | 6.78% | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | |
| LA Capital Large Cap Growth | 416,532,198 | 7.1% | 6.6% | 6.79% | 6.74% | 390,232,205 | 6.8% | 6.6% | 2.36% | 2.36% | 9.31% | 9.26% | 19.38% | 19.14% | 13.09% | 12.86% | N/A | N/A | | |
| Russell 1000 Growth | | | | 5.47% | 5.47% | | | | 2.94% | 2.94% | 8.56% | 8.56% | 22.51% | 22.51% | 14.98% | 14.98% | | | | |
| LSV Large Cap Value | 374,690,762 | 6.4% | 6.6% | 1.10% | 1.10% | 370,597,827 | 6.5% | 6.6% | 4.10% | 4.02% | 5.24% | 5.17% | 10.55% | 10.24% | 9.43% | 9.11% | N/A | N/A | | |
| Russell 1000 Value | | | | 1.48% | 1.48% | | | | 3.96% | 3.96% | 5.49% | 5.49% | 6.77% | 6.77% | 8.26% | 8.26% | | | | |
| LA Capital 60% Large Cap/40% Large Cap Active Extension | 260,190,618 | 4.5% | 4.4% | 4.55% | 4.52% | 248,938,265 | 4.4% | 4.4% | 3.00% | 3.00% | 7.69% | 7.65% | 12.79% | 12.65% | 11.14% | 10.98% | N/A | N/A | | |
| Russell 1000 | | | | 3.45% | 3.45% | | | | 3.45% | 3.45% | 7.02% | 7.02% | 14.54% | 14.54% | 11.64% | 11.64% | | | | |
| Clifton Group Enhanced S&P 500 | 265,689,051 | 4.6% | 4.4% | 3.26% | 3.26% | 257,313,969 | 4.5% | 4.4% | 3.65% | 3.65% | 7.02% | 7.02% | 13.76% | 13.83% | 11.93% | 11.84% | N/A | N/A | | |
| S&P 500 | | | | 3.26% | 3.26% | | | | 3.72% | 3.72% | 7.10% | 7.10% | 14.38% | 14.38% | 11.93% | 11.93% | | | | |
| TOTAL LARGE CAP DOMESTIC EQUITY | 1,317,102,630 | 22.6% | 22.0% | 3.97% | 3.95% | 1,267,082,266 | 22.2% | 22.0% | 3.25% | 3.23% | 7.35% | 7.31% | 14.33% | 14.14% | 11.41% | 11.20% | N/A | N/A | | |
| Russell 1000 | | | | 3.45% | 3.45% | | | | 3.45% | 3.45% | 7.02% | 7.02% | 14.54% | 14.54% | 11.64% | 11.64% | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | |
| PIMCO - Research Affiliates Equity US Small | 227,182,537 | 3.9% | 4.0% | 3.31% | 3.25% | 220,036,013 | 3.8% | 4.0% | 1.99% | 1.99% | 5.36% | 5.30% | 17.01% | 16.73% | 11.01% | 10.73% | N/A | N/A | | |
| Clifton Group Enhanced Russell 2000 | 259,554,313 | 4.4% | 4.0% | 4.30% | 4.30% | 248,846,093 | 4.4% | 4.0% | 1.65% | 1.65% | 6.02% | 6.02% | 17.68% | 17.56% | 11.67% | 11.27% | N/A | N/A | | |
| TOTAL SMALL CAP DOMESTIC EQUITY | 486,736,850 | 8.3% | 8.0% | 3.84% | 3.81% | 468,882,106 | 8.2% | 8.0% | 1.81% | 1.81% | 5.71% | 5.68% | 17.42% | 17.22% | 11.39% | 11.02% | N/A | N/A | | |
| Russell 2000 | | | | 4.31% | 4.31% | | | | 1.74% | 1.74% | 6.13% | 6.13% | 17.57% | 17.57% | 10.96% | 10.96% | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| INTERNATIONAL EQUITY | | | | | | | | | | | | | | | | | | | | |
| LSV International Large Cap Value | 445,002,045 | 7.6% | 8.0% | -2.53% | -2.53% | 456,548,212 | 8.0% | 8.0% | 2.98% | 2.89% | 0.38% | 0.28% | 5.35% | 4.95% | 5.97% | 5.57% | N/A | N/A | | |
| MSCI EAFE | | | | -1.93% | -1.93% | | | | 2.46% | 2.46% | 0.48% | 0.48% | 6.84% | 6.84% | 4.90% | 4.90% | | | | |
| William Blair International Leaders | 459,479,195 | 7.9% | 8.0% | 0.43% | 0.34% | 457,943,347 | 8.0% | 8.0% | 1.70% | 1.70% | 2.13% | 2.04% | 15.78% | 15.35% | N/A | N/A | N/A | N/A | | |
| MSCI ACWI ex-US IMI (Net) | | | | -1.94% | -1.94% | | | | 2.15% | 2.15% | 0.17% | 0.17% | 7.75% | 7.75% | | | | | | |
| DFA International Small Cap Value (1) | 112,185,246 | 1.9% | 2.0% | -2.95% | -2.95% | 110,420,299 | 1.9% | 2.0% | 1.57% | 1.57% | -1.43% | -1.43% | 5.40% | 5.40% | 7.19% | 7.19% | N/A | N/A | | |
| Vanguard International Explorer Fund (1) | 111,646,687 | 1.9% | 2.0% | -1.78% | -1.78% | 108,497,736 | 1.9% | 2.0% | 0.10% | 0.10% | -1.68% | -1.68% | 11.47% | 11.47% | 9.38% | 9.38% | N/A | N/A | | |
| S&P/Citigroup BMI EPAC < \$2BN | | | | -0.02% | -0.02% | | | | -0.54% | -0.54% | -0.55% | -0.55% | 10.47% | 10.47% | 8.87% | 8.87% | | | | |
| TOTAL INTERNATIONAL EQUITY | 1,128,313,174 | 19.3% | 20.0% | -1.30% | -1.34% | 1,133,409,594 | 19.8% | 20.0% | 2.05% | 2.01% | 0.72% | 0.64% | 10.11% | 9.79% | 7.00% | 6.69% | N/A | N/A | | |
| MSCI World Ex US (2) | | | | -1.89% | -1.89% | | | | 2.46% | 2.46% | 0.52% | 0.52% | 7.04% | 7.04% | 4.74% | 4.74% | | | | |

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| | August-18 | | | | | July-18 | | | | | Current FYTD | | Prior Year FY18 | | 3 Years Ended 6/30/2018 | | 5 Years Ended 6/30/2018 | |
|---|----------------------|--------------|--------------|----------------------|--------------|----------------------|--------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|---------------|-------------------------|--------------|-------------------------|------------|
| | Market Value | Allocation | | Month | | Market Value | Allocation | | Month | | Returns | | Returns | | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net |
| | | Actual | Policy | Gross ⁽¹⁾ | Net | | Actual | Policy | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | | | | |
| GLOBAL FIXED INCOME | 2,022,008,575 | 34.7% | 35.0% | 0.54% | 0.52% | 1,974,099,806 | 34.5% | 35.0% | 0.43% | 0.42% | 0.97% | 0.95% | | | | | | |
| <i>Benchmark</i> | | | | 0.64% | 0.64% | | | | 0.02% | 0.02% | 0.67% | 0.67% | | | | | | |
| FIXED INCOME | | | | | | | | | | | | | | | | | | |
| Western Asset U.S. Core Fixed Income | 542,132,319 | 9.3% | 9.9% | 0.59% | 0.59% | 538,961,636 | 9.4% | 9.9% | 0.25% | 0.22% | 0.84% | 0.81% | 0.48% | 0.36% | 3.19% | 3.06% | N/A | N/A |
| Prudential Core Plus Fixed Income | 299,498,998 | 5.1% | 9.9% | 0.68% | 0.63% | 257,780,641 | 4.5% | 9.9% | 0.18% | 0.18% | 0.87% | 0.82% | 1.04% | 0.78% | 3.86% | 3.58% | N/A | N/A |
| PIMCO Distressed Senior Credit Opportunities II (1) | 52,289,617 | 0.9% | 0.9% | 0.42% | 0.42% | 52,070,774 | 0.9% | 0.9% | 0.24% | 0.24% | 0.66% | 0.66% | 10.02% | 10.02% | 10.37% | 10.37% | N/A | N/A |
| PIMCO BRAVO II (1) | 18,954,541 | 0.3% | 0.3% | 0.00% | 0.00% | 21,191,093 | 0.4% | 0.4% | 0.00% | 0.00% | 0.00% | 0.00% | 1.79% | 1.79% | 7.29% | 7.29% | N/A | N/A |
| <i>Bloomberg Aggregate</i> | | | | 0.64% | 0.64% | | | | 0.02% | 0.02% | 0.67% | 0.67% | -0.40% | -0.40% | 1.72% | 1.72% | | |
| Declaration Total Return Bond Fund (1) | 146,383,529 | 2.5% | 2.5% | 0.66% | 0.66% | 145,498,759 | 2.5% | 2.5% | -0.01% | -0.01% | 0.65% | 0.65% | 3.34% | 3.34% | 3.64% | 3.64% | N/A | N/A |
| <i>3m LIBOR</i> | | | | 0.20% | 0.20% | | | | 0.20% | 0.20% | 0.40% | 0.40% | 1.75% | 1.75% | 1.07% | 1.07% | | |
| State Street U.S. Govt Credit Bond Index | 272,589,941 | 4.7% | 4.9% | 0.65% | 0.65% | 270,822,256 | 4.7% | 4.9% | 0.07% | 0.07% | 0.73% | 0.73% | -0.59% | -0.62% | 1.84% | 1.81% | N/A | N/A |
| <i>Bloomberg Gov/Credit</i> | | | | 0.65% | 0.65% | | | | 0.08% | 0.08% | 0.73% | 0.73% | -0.63% | -0.63% | 1.89% | 1.89% | | |
| Wells Capital Medium Quality Credit | 536,012,382 | 9.2% | 3.9% | 0.39% | 0.35% | 534,156,786 | 9.3% | 3.9% | 1.18% | 1.18% | 1.57% | 1.53% | -0.11% | -0.26% | 4.05% | 3.88% | N/A | N/A |
| <i>Bloomberg Credit Baa</i> | | | | 0.43% | 0.43% | | | | 1.03% | 1.03% | 1.47% | 1.47% | -0.57% | -0.57% | 3.26% | 3.26% | | |
| Ares ND Credit Strategies | 51,038,254 | 0.9% | 0.9% | 0.00% | 0.00% | 51,038,254 | 0.9% | 0.9% | 0.00% | 0.00% | 0.00% | 0.00% | N/A | N/A | N/A | N/A | N/A | N/A |
| Cerberus ND Private Credit Fund | 46,982,170 | 0.8% | 0.8% | 0.81% | 0.81% | 46,604,431 | 0.8% | 0.8% | 0.00% | 0.00% | 0.81% | 0.81% | N/A | N/A | N/A | N/A | N/A | N/A |
| <i>S&P LSTA Leveraged Loan B Index</i> | | | | 0.47% | 0.47% | | | | 0.70% | 0.70% | 1.17% | 1.17% | | | | | | |
| Bank of ND Match Loan CDs | 56,126,823 | 1.0% | 1.0% | 0.27% | 0.27% | 55,975,175 | 1.0% | 1.0% | 0.27% | 0.27% | 0.54% | 0.54% | 2.86% | 2.86% | N/A | N/A | N/A | N/A |
| TOTAL FIXED INCOME | 2,022,008,575 | 34.7% | 35.0% | 0.54% | 0.52% | 1,974,099,806 | 34.5% | 35.0% | 0.43% | 0.42% | 0.97% | 0.95% | 1.23% | 1.12% | 3.79% | 3.67% | N/A | N/A |
| <i>Bloomberg Aggregate</i> | | | | 0.64% | 0.64% | | | | 0.02% | 0.02% | 0.67% | 0.67% | -0.40% | -0.40% | 1.72% | 1.72% | | |

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| | August-18 | | | | | July-18 | | | | | Current FYTD | | Prior Year FY18 | | 3 Years Ended 6/30/2018 | | 5 Years Ended 6/30/2018 | |
|---|--------------------|--------------|--------------|----------------------|---------------|--------------------|--------------|--------------|----------------------|---------------|----------------------|---------------|----------------------|--------------|-------------------------|--------------|-------------------------|--------------|
| | Market Value | Allocation | | Month | | Market Value | Allocation | | Month | | Returns | | Returns | | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net |
| | | Actual | Policy | Gross ⁽¹⁾ | Net | | Actual | Policy | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | Gross ⁽¹⁾ | Net | | | | |
| GLOBAL REAL ASSETS | 834,652,653 | 14.3% | 15.0% | -0.59% | -0.58% | 824,523,786 | 14.4% | 15.0% | -0.03% | -0.04% | -0.62% | -0.62% | | | | | | |
| <i>Benchmark</i> | | | | <i>0.01%</i> | <i>0.01%</i> | | | | <i>0.02%</i> | <i>0.02%</i> | <i>0.03%</i> | <i>0.03%</i> | | | | | | |
| DIVERSIFIED REAL ASSETS | | | | | | | | | | | | | | | | | | |
| Western Asset Global Inflation Linked Plus, L.L.C. | 384,999,535 | 6.6% | 7.1% | -1.37% | -1.37% | 375,149,423 | 6.6% | 7.1% | -0.06% | -0.09% | -1.43% | -1.46% | 2.59% | 2.46% | 2.08% | 1.95% | N/A | N/A |
| <i>Bloomberg Global Inflation Linked Index</i> | | | | <i>-0.54%</i> | <i>-0.54%</i> | | | | <i>-0.31%</i> | <i>-0.31%</i> | <i>-0.85%</i> | <i>-0.85%</i> | <i>3.31%</i> | <i>3.31%</i> | <i>2.25%</i> | <i>2.25%</i> | | |
| Grosvenor Customized Infrastructure Strategies II (1) | 39,866,601 | 0.7% | 0.7% | 0.00% | 0.00% | 39,866,601 | 0.7% | 0.7% | 0.00% | 0.00% | 0.00% | 0.00% | 7.98% | 7.98% | 5.77% | 5.77% | N/A | N/A |
| JP Morgan Infrastructure Investments Fund (IIF) | 122,208,511 | 2.1% | 2.1% | 0.00% | 0.04% | 122,208,511 | 2.1% | 2.1% | 0.00% | 0.00% | 0.00% | 0.04% | 10.60% | 9.89% | 7.55% | 6.68% | N/A | N/A |
| ISQ Global Infrastructure Fund II (1) | 4,278,756 | 0.1% | 0.1% | 6.97% | 6.97% | 4,000,000 | 0.1% | 0.1% | 0.00% | 0.00% | 6.97% | 6.97% | N/A | N/A | N/A | N/A | N/A | N/A |
| <i>50% NCREIF ODCE/50% CPI-U (lagged one quarter) (3)</i> | | | | <i>0.52%</i> | <i>0.52%</i> | | | | <i>0.51%</i> | <i>0.51%</i> | <i>1.04%</i> | <i>1.04%</i> | <i>3.09%</i> | <i>3.09%</i> | <i>1.74%</i> | <i>1.74%</i> | | |
| TOTAL DIVERSIFIED REAL ASSETS | 551,353,403 | 9.5% | 10.0% | -0.90% | -0.89% | 541,224,536 | 9.5% | 10.0% | -0.04% | -0.06% | -0.94% | -0.95% | 4.66% | 4.41% | 3.50% | 3.21% | N/A | N/A |
| <i>Benchmark</i> | | | | <i>-0.24%</i> | <i>-0.24%</i> | | | | <i>-0.07%</i> | <i>-0.07%</i> | <i>-0.30%</i> | <i>-0.30%</i> | <i>3.31%</i> | <i>3.31%</i> | <i>2.11%</i> | <i>2.11%</i> | | |
| REAL ESTATE | | | | | | | | | | | | | | | | | | |
| J.P. Morgan U.S. Real Estate Income and Growth Domestic, LP | 146,218,863 | 2.5% | 2.5% | 0.00% | 0.04% | 146,218,863 | 2.6% | 2.5% | 0.00% | 0.00% | 0.00% | 0.04% | 7.50% | 6.75% | 8.86% | 7.93% | N/A | N/A |
| Invesco Core Real Estate-USA, LP | 137,080,387 | 2.3% | 2.5% | 0.00% | 0.00% | 137,080,387 | 2.4% | 2.5% | 0.00% | 0.00% | 0.00% | 0.00% | 8.27% | 7.91% | 9.24% | 8.88% | N/A | N/A |
| TOTAL REAL ESTATE | 283,299,250 | 4.9% | 5.0% | 0.00% | 0.02% | 283,299,250 | 5.0% | 5.0% | 0.00% | 0.00% | 0.00% | 0.02% | 7.87% | 7.31% | 9.04% | 8.39% | N/A | N/A |
| <i>NCREIF Total Index</i> | | | | <i>0.60%</i> | <i>0.60%</i> | | | | <i>0.60%</i> | <i>0.60%</i> | <i>1.20%</i> | <i>1.20%</i> | <i>7.19%</i> | <i>7.19%</i> | <i>8.25%</i> | <i>8.25%</i> | | |
| CASH EQUIVALENTS | | | | | | | | | | | | | | | | | | |
| Northern Trust-MFB NI Gov't Assets Portfolio (1) | 32,313,957 | | | 0.15% | 0.15% | 35,521,837 | | | 0.15% | 0.15% | 0.29% | 0.29% | 1.09% | 1.09% | 0.51% | 0.51% | 0.31% | 0.31% |
| Bank of ND | 13,069,566 | | | 0.17% | 0.17% | 14,425,384 | | | 0.17% | 0.17% | 0.34% | 0.34% | 1.42% | 1.42% | N/A | N/A | N/A | N/A |
| TOTAL CASH EQUIVALENTS | 45,383,523 | 0.8% | 0.0% | 0.15% | 0.15% | 49,947,221 | 0.9% | 0.0% | 0.15% | 0.15% | 0.30% | 0.30% | 1.21% | 1.21% | 0.59% | 0.59% | 0.36% | 0.36% |
| <i>90 Day T-Bill</i> | | | | <i>0.18%</i> | <i>0.18%</i> | | | | <i>0.16%</i> | <i>0.16%</i> | <i>0.34%</i> | <i>0.34%</i> | <i>1.36%</i> | <i>1.36%</i> | <i>0.68%</i> | <i>0.68%</i> | <i>0.42%</i> | <i>0.42%</i> |

Initial funding September 7, 2011.

NOTE: Monthly returns and market values are preliminary and subject to change.

(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.

(3) Prior to July 1, 2018, the benchmark was CPI-W.