

LEGACY FUND
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2018

	September-18					Current FYTD		Prior Year FY18		3 Years Ended 6/30/2018		5 Years Ended 6/30/2018	
	Market Value	Allocation		Quarter		Returns		Returns		Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net
		Actual	Policy	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net				
TOTAL LEGACY FUND	5,886,115,867	100.0%	100.0%	2.20%	2.16%	2.20%	2.16%	7.78%	7.57%	7.04%	6.79%	6.28%	6.06%
<i>POLICY TARGET BENCHMARK</i>				2.19%	2.19%	2.19%	2.19%	6.51%	6.51%	5.75%	5.75%	5.09%	5.09%
ATTRIBUTION ANALYSIS													
Asset Allocation				0.01%	0.01%	0.01%	0.01%	-0.05%	-0.05%	-0.04%	-0.04%	-0.14%	-0.14%
Manager Selection				0.01%	-0.03%	0.01%	-0.03%	1.32%	1.11%	1.33%	1.08%	1.34%	1.11%
TOTAL RELATIVE RETURN				0.01%	-0.02%	0.01%	-0.02%	1.27%	1.06%	1.29%	1.04%	1.19%	0.96%
GLOBAL EQUITY	2,950,918,871	50.1%	50.0%	4.06%	4.01%	4.06%	4.01%						
<i>Benchmark</i>				4.37%	4.37%	4.37%	4.37%						
Domestic - broad	1,789,925,914	30.4%	30.0%	6.08%	6.04%	6.08%	6.04%						
<i>Benchmark</i>				6.39%	6.39%	6.39%	6.39%						
LARGE CAP DOMESTIC EQUITY													
LA Capital Large Cap Growth	416,835,541	7.1%	6.6%	9.39%	9.34%	9.39%	9.34%	19.38%	19.14%	13.09%	12.86%	N/A	N/A
<i>Russell 1000 Growth</i>				9.17%	9.17%	9.17%	9.17%	22.51%	22.51%	14.98%	14.98%		
LSV Large Cap Value	371,059,699	6.3%	6.6%	4.23%	4.15%	4.23%	4.15%	10.55%	10.24%	9.43%	9.11%	N/A	N/A
<i>Russell 1000 Value</i>				5.70%	5.70%	5.70%	5.70%	6.77%	6.77%	8.26%	8.26%		
LA Capital 60% Large Cap/40% Large Cap Active Extension	260,633,079	4.4%	4.4%	7.87%	7.84%	7.87%	7.84%	12.79%	12.65%	11.14%	10.98%	N/A	N/A
<i>Russell 1000</i>				7.42%	7.42%	7.42%	7.42%	14.54%	14.54%	11.64%	11.64%		
Clifton Group Enhanced S&P 500	266,924,394	4.5%	4.4%	7.52%	7.52%	7.52%	7.52%	13.76%	13.83%	11.93%	11.84%	N/A	N/A
<i>S&P 500</i>				7.71%	7.71%	7.71%	7.71%	14.38%	14.38%	11.93%	11.93%		
TOTAL LARGE CAP DOMESTIC EQUITY	1,315,452,713	22.3%	22.0%	7.22%	7.17%	7.22%	7.17%	14.33%	14.14%	11.41%	11.20%	N/A	N/A
<i>Russell 1000</i>				7.42%	7.42%	7.42%	7.42%	14.54%	14.54%	11.64%	11.64%		
SMALL CAP DOMESTIC EQUITY													
PIMCO - Research Affiliates Equity US Small	221,454,671	3.8%	4.0%	2.71%	2.65%	2.71%	2.65%	17.01%	16.73%	11.01%	10.73%	N/A	N/A
Clifton Group Enhanced Russell 2000	253,018,530	4.3%	4.0%	3.35%	3.35%	3.35%	3.35%	17.68%	17.56%	11.67%	11.27%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	474,473,201	8.1%	8.0%	3.05%	3.02%	3.05%	3.02%	17.42%	17.22%	11.39%	11.02%	N/A	N/A
<i>Russell 2000</i>				3.58%	3.58%	3.58%	3.58%	17.57%	17.57%	10.96%	10.96%		
INTERNATIONAL EQUITY													
LSV International Large Cap Value	466,307,036	7.9%	8.0%	1.83%	1.74%	1.83%	1.74%	5.35%	4.95%	5.97%	5.57%	N/A	N/A
<i>MSCI EAFE</i>				1.36%	1.36%	1.36%	1.36%	6.84%	6.84%	4.90%	4.90%		
William Blair International Leaders	471,641,197	8.0%	8.0%	1.50%	1.41%	1.50%	1.41%	15.78%	15.35%	N/A	N/A	N/A	N/A
<i>MSCI ACWI ex-US IMI (Net)</i>				0.39%	0.39%	0.39%	0.39%	7.75%	7.75%				
DFA International Small Cap Value (1)	112,706,397	1.9%	2.0%	-0.97%	-0.97%	-0.97%	-0.97%	5.40%	5.40%	7.19%	7.19%	N/A	N/A
Vanguard International Explorer Fund (1)	110,338,328	1.9%	2.0%	-2.83%	-2.83%	-2.83%	-2.83%	11.47%	11.47%	9.38%	9.38%	N/A	N/A
<i>S&P/Citigroup BMI EPAC < \$2BN</i>				-0.45%	-0.45%	-0.45%	-0.45%	10.47%	10.47%	8.87%	8.87%		
TOTAL INTERNATIONAL EQUITY	1,160,992,958	19.7%	20.0%	0.97%	0.89%	0.97%	0.89%	10.11%	9.79%	7.00%	6.69%	N/A	N/A
<i>MSCI World Ex US (2)</i>				1.31%	1.31%	1.31%	1.31%	7.04%	7.04%	4.74%	4.74%		

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		Actual	Policy	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net				
GLOBAL FIXED INCOME	2,050,114,202	34.8%	35.0%	0.69%	0.66%	0.69%	0.66%						
Benchmark				0.02%	0.02%	0.02%	0.02%						
FIXED INCOME													
Western Asset U.S. Core Fixed Income	549,333,434	9.3%	10.1%	0.32%	0.29%	0.32%	0.29%	0.48%	0.36%	3.19%	3.06%	N/A	N/A
Prudential Core Plus Fixed Income	322,832,976	5.5%	10.1%	0.32%	0.27%	0.32%	0.27%	1.04%	0.78%	3.86%	3.58%	N/A	N/A
PIMCO Distressed Senior Credit Opportunities II (1)	39,668,633	0.7%	0.7%	1.69%	1.69%	1.69%	1.69%	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%	0.00%	0.00%	1.79%	1.79%	7.29%	7.29%	N/A	N/A
Bloomberg Aggregate				0.02%	0.02%	0.02%	0.02%	-0.40%	-0.40%	1.72%	1.72%		
Declaration Total Return Bond Fund (1)	146,020,141	2.5%	2.5%	0.40%	0.40%	0.40%	0.40%	3.34%	3.34%	3.64%	3.64%	N/A	N/A
3m LIBOR				0.60%	0.60%	0.60%	0.60%	1.75%	1.75%	1.07%	1.07%		
State Street U.S. Govt Credit Bond Index	283,758,363	4.8%	4.9%	0.04%	0.04%	0.04%	0.04%	-0.59%	-0.62%	1.84%	1.81%	N/A	N/A
Bloomberg Gov/Credit				0.06%	0.06%	0.06%	0.06%	-0.63%	-0.63%	1.89%	1.89%		
Wells Capital Medium Quality Credit	535,973,504	9.1%	3.9%	1.56%	1.52%	1.56%	1.52%	-0.11%	-0.26%	4.05%	3.88%	N/A	N/A
Bloomberg Credit Baa				1.35%	1.35%	1.35%	1.35%	-0.57%	-0.57%	3.26%	3.26%		
Ares ND Credit Strategies	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	47,403,139	0.8%	0.8%	1.71%	1.71%	1.71%	1.71%	N/A	N/A	N/A	N/A	N/A	N/A
S&P LSTA Leveraged Loan B Index				1.96%	1.96%	1.96%	1.96%						
Bank of ND Match Loan CDs	55,131,218	0.9%	0.9%	0.81%	0.81%	0.81%	0.81%	2.86%	2.86%	N/A	N/A	N/A	N/A
TOTAL FIXED INCOME	2,050,114,202	34.8%	35.0%	0.69%	0.66%	0.69%	0.66%	1.23%	1.12%	3.79%	3.67%	N/A	N/A
Bloomberg Aggregate				0.02%	0.02%	0.02%	0.02%	-0.40%	-0.40%	1.72%	1.72%		

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		Actual	Policy	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net	Gross ⁽¹⁾	Net				
GLOBAL REAL ASSETS	832,586,998	14.1%	15.0%	-0.40%	-0.40%	-0.40%	-0.40%						
<i>Benchmark</i>				0.05%	0.05%	0.05%	0.05%						
DIVERSIFIED REAL ASSETS													
Western Asset Global Inflation Linked Plus, L.L.C.	384,800,014	6.5%	7.2%	-1.48%	-1.51%	-1.48%	-1.51%	2.59%	2.46%	2.08%	1.95%	N/A	N/A
<i>Bloomberg Global Inflation Linked Index</i>				-1.63%	-1.63%	-1.63%	-1.63%	3.31%	3.31%	2.25%	2.25%		
Grosvenor Customized Infrastructure Strategies II (1)	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)	120,342,376	2.0%	2.0%	1.70%	1.73%	1.70%	1.73%	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%	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>				1.43%	1.43%	1.43%	1.43%	3.09%	3.09%	1.74%	1.74%		
TOTAL DIVERSIFIED REAL ASSETS	549,287,748	9.3%	10.0%	-0.61%	-0.62%	-0.61%	-0.62%	4.66%	4.41%	3.50%	3.21%	N/A	N/A
<i>Benchmark</i>				-0.76%	-0.76%	-0.76%	-0.76%	3.31%	3.31%	2.11%	2.11%		
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%	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%	0.00%	0.00%	8.27%	7.91%	9.24%	8.88%	N/A	N/A
TOTAL REAL ESTATE	283,299,250	4.8%	5.0%	0.00%	0.02%	0.00%	0.02%	7.87%	7.31%	9.04%	8.39%	N/A	N/A
<i>NCREIF Total Index</i>				1.67%	1.67%	1.67%	1.67%	7.19%	7.19%	8.25%	8.25%		
CASH EQUIVALENTS													
Northern Trust-MFB NI Gov't Assets Portfolio (1)	37,779,527			0.44%	0.44%	0.44%	0.44%	1.09%	1.09%	0.51%	0.51%	0.31%	0.31%
Bank of ND	14,716,268			0.50%	0.50%	0.50%	0.50%	1.42%	1.42%	N/A	N/A	N/A	N/A
TOTAL CASH EQUIVALENTS	52,495,795	0.9%	0.0%	0.46%	0.46%	0.46%	0.46%	1.21%	1.21%	0.59%	0.59%	0.36%	0.36%
<i>90 Day T-Bill</i>				0.49%	0.49%	0.49%	0.49%	1.36%	1.36%	0.68%	0.68%	0.42%	0.42%

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.