

LEGACY FUND
State Investment Board
Statement of Net Position
As of 2/28/2019

	<u>As of</u> <u>2-28-19</u>	<u>As of</u> <u>6-30-18</u>
ASSETS:		
INVESTMENTS (AT FAIR VALUE)		
GLOBAL EQUITIES	\$ 3,098,791,596	\$ 2,766,036,036
GLOBAL FIXED INCOME	2,046,156,495	1,929,981,907
GLOBAL REAL ASSETS	883,298,673	805,149,765
INVESTED CASH (NOTE 1)	<u>54,529,228</u>	<u>54,793,877</u>
 TOTAL INVESTMENTS	 6,082,775,992	 5,555,961,585
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	21,425,473	21,357,528
MISCELLANEOUS RECEIVABLE	<u>13,523</u>	<u>14,495</u>
 TOTAL RECEIVABLES	 21,438,996	 21,372,023
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	19,610,979	24,284,177
OPERATING CASH	<u>164,633</u>	<u>208,349</u>
 TOTAL ASSETS	 <u>6,123,990,600</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)	19,610,979	24,284,177
ACCOUNTS PAYABLE	-	71,703
ACCRUED EXPENSES	472,352	497,792
INVESTMENT EXPENSE PAYABLE	<u>1,150,895</u>	<u>1,150,895</u>
 TOTAL LIABILITIES	 <u>21,234,226</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>6,102,991,809</u>	<u>5,576,084,018</u>
 TOTAL NET POSITION	 <u>\$ 6,102,991,809</u>	 <u>\$ 5,576,084,018</u>

LEGACY FUND

State Investment Board Statement of Changes in Net Position For the Month Ended 2/28/2019

	Month Ended <u>2-28-19</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 64,287,492	\$ 643,207,061
LOSS ON SALE OF INVESTMENTS	41,161,450	549,430,571
NET GAINS (LOSSES) INVESTMENTS	23,126,042	93,776,490
NET APPREC (DEPREC) MARKET VALUE	68,501,970	(121,862,458)
NET CHANGE IN FAIR VALUE OF INVESTMENTS	91,628,012	(28,085,968)
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	12,412,686	86,635,460
	104,040,698	58,549,492
LESS INVESTMENT EXPENSES	1,592,545	8,019,894
NET INCOME FROM INVESTING ACTIVITIES	102,448,153	50,529,598
SECURITIES LENDING INCOME	40,799	462,380
SECURITIES LENDING EXPENSES	8,150	92,397
NET SECURITIES LENDING INCOME	32,649	369,983
NET INVESTMENT INCOME	102,480,802	50,899,581
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	37,809,020	476,452,230
TOTAL ADDITIONS	140,289,822	527,351,811
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	47,251	444,020
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	-	-
TOTAL DEDUCTIONS	47,251	444,020
CHANGE IN NET POSITION	140,242,571	526,907,791
NET POSITION:		
BEGINNING OF PERIOD	5,962,749,238	5,576,084,018
END OF PERIOD	\$ 6,102,991,809	\$ 6,102,991,809

LEGACY FUND

Notes To Financial Statements February 28, 2019

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 \$ 5,383,787,889

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 \$ 415,177,859