

**LEGACY FUND**  
**State Investment Board**  
**Statement of Net Position**  
**As of 3/31/2019**

	<u>As of</u> <u>3-31-19</u>	<u>As of</u> <u>6-30-18</u>
<b>ASSETS:</b>		
INVESTMENTS (AT FAIR VALUE)		
GLOBAL EQUITIES	\$ 3,102,375,023	\$ 2,766,036,036
GLOBAL FIXED INCOME	2,088,634,762	1,929,981,907
GLOBAL REAL ASSETS	894,351,617	805,149,765
INVESTED CASH (NOTE 1)	<u>100,461,786</u>	<u>54,793,877</u>
 TOTAL INVESTMENTS	 6,185,823,188	 5,555,961,585
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	23,549,233	21,357,528
MISCELLANEOUS RECEIVABLE	<u>9,265</u>	<u>14,495</u>
 TOTAL RECEIVABLES	 23,558,498	 21,372,023
 <b>OTHER ASSETS</b>		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	20,289,216	24,284,177
OPERATING CASH	<u>127,329</u>	<u>208,349</u>
 TOTAL ASSETS	 <u>6,229,798,231</u>	 <u>5,601,826,134</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>244,618</u>	<u>271,634</u>
 <b>LIABILITIES:</b>		
SECURITIES LENDING COLLATERAL (NOTE 2)	20,289,216	24,284,177
ACCOUNTS PAYABLE	-	71,703
ACCRUED EXPENSES	472,145	497,792
INVESTMENT EXPENSE PAYABLE	<u>1,150,895</u>	<u>1,150,895</u>
 TOTAL LIABILITIES	 <u>21,912,256</u>	 <u>26,004,567</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>9,183</u>	<u>9,183</u>
 <b>NET POSITION:</b>		
HELD IN TRUST	<u>6,208,121,410</u>	<u>5,576,084,018</u>
 TOTAL NET POSITION	 <u>\$ 6,208,121,410</u>	 <u>\$ 5,576,084,018</u>

# LEGACY FUND

## State Investment Board Statement of Changes in Net Position For the Month Ended 3/31/2019

	Month Ended <u>3-31-19</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 92,845,556	\$ 736,052,617
LOSS ON SALE OF INVESTMENTS	93,305,324	642,735,895
NET GAINS (LOSSES) INVESTMENTS	(459,768)	93,316,722
NET APPREC (DEPREC) MARKET VALUE	44,270,191	(77,592,267)
NET CHANGE IN FAIR VALUE OF INVESTMENTS	43,810,423	15,724,455
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	13,085,609	99,721,069
	56,896,032	115,445,524
LESS INVESTMENT EXPENSES	17,907	8,037,801
NET INCOME FROM INVESTING ACTIVITIES	56,878,125	107,407,723
SECURITIES LENDING INCOME	41,832	504,212
SECURITIES LENDING EXPENSES	8,358	100,755
NET SECURITIES LENDING INCOME	33,474	403,457
NET INVESTMENT INCOME	56,911,599	107,811,180
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	48,261,533	524,713,763
TOTAL ADDITIONS	105,173,132	632,524,943
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	43,531	487,551
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	-	-
TOTAL DEDUCTIONS	43,531	487,551
CHANGE IN NET POSITION	105,129,601	632,037,392
NET POSITION:		
BEGINNING OF PERIOD	6,102,991,809	5,576,084,018
END OF PERIOD	\$ 6,208,121,410	\$ 6,208,121,410

# LEGACY FUND

## Notes To Financial Statements March 31, 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 \$ 5,432,049,422

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 \$ 427,775,736