

LEGACY FUND
State Investment Board
Statement of Net Position
As of 4/30/2019

	<u>As of</u> <u>4-30-19</u>	<u>As of</u> <u>6-30-18</u>
ASSETS:		
INVESTMENTS (AT FAIR VALUE)		
GLOBAL EQUITIES	\$ 3,220,452,364	\$ 2,766,036,036
GLOBAL FIXED INCOME	2,096,084,625	1,929,981,907
GLOBAL REAL ASSETS	909,571,637	805,149,765
INVESTED CASH (NOTE 1)	<u>140,839,234</u>	<u>54,793,877</u>
 TOTAL INVESTMENTS	 6,366,947,860	 5,555,961,585
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	23,455,618	21,357,528
MISCELLANEOUS RECEIVABLE	<u>11,324</u>	<u>14,495</u>
 TOTAL RECEIVABLES	 23,466,942	 21,372,023
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	20,289,216	24,284,177
OPERATING CASH	<u>75,062</u>	<u>208,349</u>
 TOTAL ASSETS	 <u>6,410,779,080</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)	20,289,216	24,284,177
ACCOUNTS PAYABLE	-	71,703
ACCRUED EXPENSES	472,947	497,792
INVESTMENT EXPENSE PAYABLE	<u>1,150,895</u>	<u>1,150,895</u>
 TOTAL LIABILITIES	 <u>21,913,058</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>6,389,101,457</u>	<u>5,576,084,018</u>
 TOTAL NET POSITION	 <u>\$ 6,389,101,457</u>	 <u>\$ 5,576,084,018</u>

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

5/30/2019

LEGACY FUND

State Investment Board Statement of Changes in Net Position For the Month Ended 4/30/2019

	Month Ended <u>4-30-19</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 58,727,589	\$ 794,780,206
LOSS ON SALE OF INVESTMENTS	35,976,733	678,712,628
NET GAINS (LOSSES) INVESTMENTS	22,750,856	116,067,578
NET APPREC (DEPREC) MARKET VALUE	96,983,294	19,391,027
NET CHANGE IN FAIR VALUE OF INVESTMENTS	119,734,150	135,458,605
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	14,995,340	114,716,409
	134,729,490	250,175,014
LESS INVESTMENT EXPENSES	1,549,408	9,587,209
NET INCOME FROM INVESTING ACTIVITIES	133,180,082	240,587,805
SECURITIES LENDING INCOME	73,382	577,594
SECURITIES LENDING EXPENSES	14,667	115,422
NET SECURITIES LENDING INCOME	58,715	462,172
NET INVESTMENT INCOME	133,238,797	241,049,977
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	47,794,328	572,508,091
TOTAL ADDITIONS	181,033,125	813,558,068
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	53,078	540,629
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	-	-
TOTAL DEDUCTIONS	53,078	540,629
CHANGE IN NET POSITION	180,980,047	813,017,439
NET POSITION:		
BEGINNING OF PERIOD	6,208,121,410	5,576,084,018
END OF PERIOD	\$ 6,389,101,457	\$ 6,389,101,457

LEGACY FUND

Notes To Financial Statements

April 30, 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 \$ 5,479,843,750

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 \$ 463,978,161