

**LEGACY FUND**  
**State Investment Board**  
**Statement of Net Position**  
**As of 5/31/2019**

	<u>As of</u> <u>5-31-19</u>	<u>As of</u> <u>6-30-18</u>
<b>ASSETS:</b>		
INVESTMENTS (AT FAIR VALUE)		
GLOBAL EQUITIES	\$ 2,989,230,788	\$ 2,766,036,036
GLOBAL FIXED INCOME	2,138,855,120	1,929,981,907
GLOBAL REAL ASSETS	919,308,837	805,149,765
INVESTED CASH (NOTE 1)	<u>187,760,091</u>	<u>54,793,877</u>
 TOTAL INVESTMENTS	 6,235,154,836	 5,555,961,585
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	23,896,612	21,357,528
MISCELLANEOUS RECEIVABLE	<u>3,957</u>	<u>14,495</u>
 TOTAL RECEIVABLES	 23,900,569	 21,372,023
 <b>OTHER ASSETS</b>		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	20,289,216	24,284,177
OPERATING CASH	<u>214,582</u>	<u>208,349</u>
 TOTAL ASSETS	 <u>6,279,559,203</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	473,085	497,792
INVESTMENT EXPENSE PAYABLE	<u>1,150,895</u>	<u>1,150,895</u>
 TOTAL LIABILITIES	 <u>21,913,196</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>6,257,881,442</u>	<u>5,576,084,018</u>
 TOTAL NET POSITION	 <u>\$ 6,257,881,442</u>	 <u>\$ 5,576,084,018</u>

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

7/1/2019

# LEGACY FUND

## State Investment Board Statement of Changes in Net Position For the Month Ended 5/31/2019

	<u>Month Ended</u> <u>5-31-19</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 89,292,956	\$ 884,073,162
LOSS ON SALE OF INVESTMENTS	112,799,076	791,511,704
NET GAINS (LOSSES) INVESTMENTS	<u>(23,506,120)</u>	<u>92,561,458</u>
NET APPREC (DEPREC) MARKET VALUE	<u>(178,607,660)</u>	<u>(159,216,633)</u>
NET CHANGE IN FAIR VALUE OF INVESTMENTS	(202,113,780)	(66,655,175)
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	<u>16,239,182</u>	<u>130,955,591</u>
	(185,874,598)	64,300,416
LESS INVESTMENT EXPENSES	<u>1,446,064</u>	<u>11,033,273</u>
NET INCOME FROM INVESTING ACTIVITIES	(187,320,662)	53,267,143
SECURITIES LENDING INCOME	53,703	631,297
SECURITIES LENDING EXPENSES	10,732	126,154
NET SECURITIES LENDING INCOME	<u>42,971</u>	<u>505,143</u>
NET INVESTMENT INCOME	<u>(187,277,691)</u>	<u>53,772,286</u>
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	<u>56,102,590</u>	<u>628,610,681</u>
TOTAL ADDITIONS	(131,175,101)	682,382,967
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	44,914	585,543
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	<u>-</u>	<u>-</u>
TOTAL DEDUCTIONS	<u>44,914</u>	<u>585,543</u>
CHANGE IN NET POSITION	(131,220,015)	681,797,424
NET POSITION:		
BEGINNING OF PERIOD	<u>6,389,101,457</u>	<u>5,576,084,018</u>
END OF PERIOD	<u>\$ 6,257,881,442</u>	<u>\$ 6,257,881,442</u>

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7/1/2019

# LEGACY FUND

## Notes To Financial Statements

May 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 \$ 5,535,946,340

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 \$ 455,263,216