

**LEGACY FUND**  
**State Investment Board**  
**Statement of Net Position**  
**As of 6/30/2019**

	<u>As of</u> <u>6-30-19</u>	<u>As of</u> <u>6-30-18</u>
<b>ASSETS:</b>		
INVESTMENTS (AT FAIR VALUE)		
GLOBAL EQUITIES	\$ 3,203,129,265	\$ 2,766,036,036
GLOBAL FIXED INCOME	2,170,475,305	1,929,981,907
GLOBAL REAL ASSETS	923,488,586	805,149,765
INVESTED CASH (NOTE 1)	<u>255,829,361</u>	<u>54,793,877</u>
 TOTAL INVESTMENTS	 6,552,922,517	 5,555,961,585
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	27,837,411	21,357,528
MISCELLANEOUS RECEIVABLE	<u>14,323</u>	<u>14,495</u>
 TOTAL RECEIVABLES	 27,851,734	 21,372,023
 <b>OTHER ASSETS</b>		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	19,392,771	24,284,177
OPERATING CASH	<u>113,720</u>	<u>208,349</u>
 TOTAL ASSETS	 <u>6,600,280,742</u>	 <u>5,601,826,134</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>234,169</u>	<u>271,634</u>
 <b>LIABILITIES:</b>		
SECURITIES LENDING COLLATERAL (NOTE 2)	19,392,771	24,284,177
ACCOUNTS PAYABLE	137,902	71,703
ACCRUED EXPENSES	545,406	497,792
DUE TO OTHER FUNDS (NOTE 5)	455,263,216	-
INVESTMENT EXPENSE PAYABLE	<u>2,917,084</u>	<u>1,150,895</u>
 TOTAL LIABILITIES	 <u>478,256,379</u>	 <u>26,004,567</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>30,661</u>	<u>9,183</u>
 <b>NET POSITION:</b>		
HELD IN TRUST	<u>6,122,227,871</u>	<u>5,576,084,018</u>
 TOTAL NET POSITION	 <u>\$ 6,122,227,871</u>	 <u>\$ 5,576,084,018</u>

9/13/2019

# LEGACY FUND

## State Investment Board Statement of Changes in Net Position For the Month Ended 6/30/2019

	Month Ended <u>6-30-19</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 93,421,296	\$ 977,494,458
LOSS ON SALE OF INVESTMENTS	60,509,551	852,021,255
NET GAINS (LOSSES) INVESTMENTS	32,911,745	125,473,203
NET APPREC (DEPREC) MARKET VALUE	208,671,243	49,454,610
NET CHANGE IN FAIR VALUE OF INVESTMENTS	241,582,988	174,927,813
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	16,678,871	147,634,462
	258,261,859	322,562,275
LESS INVESTMENT EXPENSES	2,379,118	13,412,391
NET INCOME FROM INVESTING ACTIVITIES	255,882,741	309,149,884
SECURITIES LENDING INCOME	139,607	770,904
SECURITIES LENDING EXPENSES	27,912	154,066
NET SECURITIES LENDING INCOME	111,695	616,838
NET INVESTMENT INCOME	255,994,436	309,766,722
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	63,958,262	692,568,943
TOTAL ADDITIONS	319,952,698	1,002,335,665
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	343,053	928,596
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	455,263,216	455,263,216
TOTAL DEDUCTIONS	455,606,269	456,191,812
CHANGE IN NET POSITION	(135,653,571)	546,143,853
NET POSITION:		
BEGINNING OF PERIOD	6,257,881,442	5,576,084,018
END OF PERIOD	\$ 6,122,227,871	\$ 6,122,227,871

# LEGACY FUND

## Notes To Financial Statements

June 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 DUE TO OTHER STATE FUNDS

A transfer to the General Fund in the amount of \$455,263,216 was made on July 23, 2019, representing earnings as defined in Note 6 for the 2017-19 biennium.

### NOTE 6 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, became 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

\$ 5,599,904,602
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As of the date of these financial statements, the amount of earnings transferrable to the General Fund at the end of the 2019-21 biennium is

\$ 46,980,140
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