

LEGACY FUND
State Investment Board
Statement of Net Position
As of 1/31/2020

	<u>As of</u> <u>1-31-20</u>	<u>As of</u> <u>6-30-19</u>
ASSETS:		
INVESTMENTS (AT FAIR VALUE)		
GLOBAL EQUITIES	\$ 3,418,294,639	\$ 3,203,129,265
GLOBAL FIXED INCOME	2,436,715,174	2,170,475,305
GLOBAL REAL ASSETS	984,979,320	923,488,586
INVESTED CASH (NOTE 1)	<u>52,391,784</u>	<u>255,829,361</u>
 TOTAL INVESTMENTS	 6,892,380,917	 6,552,922,517
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	23,032,514	27,837,411
MISCELLANEOUS RECEIVABLE	<u>9,914</u>	<u>14,323</u>
 TOTAL RECEIVABLES	 23,042,428	 27,851,734
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	18,844,245	19,392,771
OPERATING CASH	<u>30,547</u>	<u>113,720</u>
 TOTAL ASSETS	 <u>6,934,298,137</u>	 <u>6,600,280,742</u>
 DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>204,624</u>	<u>234,169</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	18,844,245	19,392,771
ACCOUNTS PAYABLE	6,350	137,902
ACCRUED EXPENSES	492,363	545,406
DUE TO OTHER FUNDS (NOTE 5)	-	455,263,216
INVESTMENT EXPENSE PAYABLE	<u>2,917,084</u>	<u>2,917,084</u>
 TOTAL LIABILITIES	 <u>22,260,042</u>	 <u>478,256,379</u>
 DEFERRED INFLOWS OF RESOURCES		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>30,661</u>	<u>30,661</u>
 NET POSITION:		
HELD IN TRUST	<u>6,912,212,058</u>	<u>6,122,227,871</u>
 TOTAL NET POSITION	 <u>\$ 6,912,212,058</u>	 <u>\$ 6,122,227,871</u>

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

3/5/2020

LEGACY FUND

State Investment Board Statement of Changes in Net Position For the Month Ended 1/31/2020

	Month Ended <u>1-31-20</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 78,657,263	\$ 692,129,494
LOSS ON SALE OF INVESTMENTS	71,109,209	554,944,485
NET GAINS (LOSSES) INVESTMENTS	7,548,054	137,185,009
NET APPREC (DEPREC) MARKET VALUE	(27,096,318)	176,344,841
NET CHANGE IN FAIR VALUE OF INVESTMENTS	(19,548,264)	313,529,850
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	15,895,616	85,116,515
	(3,652,648)	398,646,365
LESS INVESTMENT EXPENSES	615,945	6,686,627
NET INCOME FROM INVESTING ACTIVITIES	(4,268,593)	391,959,738
SECURITIES LENDING INCOME	45,835	398,026
SECURITIES LENDING EXPENSES	9,160	79,536
NET SECURITIES LENDING INCOME	36,675	318,490
NET INVESTMENT INCOME	(4,231,918)	392,278,228
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	56,923,482	398,103,976
TOTAL ADDITIONS	52,691,564	790,382,204
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	106,908	398,017
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	-	-
TOTAL DEDUCTIONS	106,908	398,017
CHANGE IN NET POSITION	52,584,656	789,984,187
NET POSITION:		
BEGINNING OF PERIOD	6,859,627,402	6,122,227,871
END OF PERIOD	\$ 6,912,212,058	\$ 6,912,212,058

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3/5/2020

LEGACY FUND
Notes To Financial Statements
January 31, 2020

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

\$ 5,998,008,578

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

\$ 262,515,510
