

LEGACY FUND
State Investment Board
Statement of Net Position
As of 5/31/2020

	<u>As of</u> <u>5-31-20</u>	<u>As of</u> <u>6-30-19</u>
ASSETS:		
INVESTMENTS (AT FAIR VALUE)		
GLOBAL EQUITIES	\$ 3,285,991,339	\$ 3,203,129,265
GLOBAL FIXED INCOME	2,473,440,927	2,170,475,305
GLOBAL REAL ASSETS	1,004,636,513	923,488,586
INVESTED CASH (NOTE 1)	<u>53,238,922</u>	<u>255,829,361</u>
TOTAL INVESTMENTS	6,817,307,701	6,552,922,517
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	21,940,310	27,837,411
MISCELLANEOUS RECEIVABLE	<u>11,700</u>	<u>14,323</u>
TOTAL RECEIVABLES	21,952,010	27,851,734
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	18,841,620	19,392,771
OPERATING CASH	<u>275,870</u>	<u>113,720</u>
TOTAL ASSETS	<u>6,858,377,201</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)	18,841,620	19,392,771
ACCOUNTS PAYABLE	-	137,902
ACCRUED EXPENSES	499,529	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>22,258,233</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>6,836,292,931</u>	<u>6,122,227,871</u>
TOTAL NET POSITION	<u>\$ 6,836,292,931</u>	<u>\$ 6,122,227,871</u>

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

6/29/2020

LEGACY FUND

State Investment Board Statement of Changes in Net Position For the Month Ended 5/31/2020

	Month Ended <u>5-31-20</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 227,608,370	\$ 1,720,954,069
LOSS ON SALE OF INVESTMENTS	184,716,908	1,631,931,922
NET GAINS (LOSSES) INVESTMENTS	42,891,462	89,022,147
NET APPREC (DEPREC) MARKET VALUE	169,823,593	(75,267,789)
NET CHANGE IN FAIR VALUE OF INVESTMENTS	212,715,055	13,754,358
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	8,901,862	125,962,601
	221,616,917	139,716,959
LESS INVESTMENT EXPENSES	52,119	11,837,413
NET INCOME FROM INVESTING ACTIVITIES	221,564,798	127,879,546
SECURITIES LENDING INCOME	37,741	562,349
SECURITIES LENDING EXPENSES	7,542	112,373
NET SECURITIES LENDING INCOME	30,199	449,976
NET INVESTMENT INCOME	221,594,997	128,329,522
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	25,543,335	586,345,287
TOTAL ADDITIONS	247,138,332	714,674,809
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	57,004	609,749
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	-	-
TOTAL DEDUCTIONS	57,004	609,749
CHANGE IN NET POSITION	247,081,328	714,065,060
NET POSITION:		
BEGINNING OF PERIOD	6,589,211,603	6,122,227,871
END OF PERIOD	\$ 6,836,292,931	\$ 6,836,292,931

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LEGACY FUND

Notes To Financial Statements

May 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

\$ 6,186,249,889

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

\$ 249,967,702