

**LEGACY FUND**  
**State Investment Board**  
**Statement of Net Position**  
**As of 9/30/2020**

	<u>As of</u> <u>9-30-20</u>	<u>As of</u> <u>6-30-20</u>
<b>ASSETS:</b>		
INVESTMENTS (AT FAIR VALUE)		
GLOBAL EQUITIES	\$ 3,770,522,989	\$ 3,478,368,132
GLOBAL FIXED INCOME	2,494,729,552	2,423,741,193
GLOBAL REAL ASSETS	1,038,967,566	996,517,381
INVESTED CASH (NOTE 1)	<u>72,121,369</u>	<u>74,391,282</u>
 TOTAL INVESTMENTS	 7,376,341,476	 6,973,017,988
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	24,105,425	26,765,280
MISCELLANEOUS RECEIVABLE	<u>6,469</u>	<u>12,879</u>
 TOTAL RECEIVABLES	 24,111,894	 26,778,159
 <b>OTHER ASSETS</b>		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	15,332,188	31,738,986
OPERATING CASH	<u>61,154</u>	<u>178,559</u>
 TOTAL ASSETS	 <u>7,415,846,712</u>	 <u>7,031,713,692</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>170,502</u>	<u>170,502</u>
 <b>LIABILITIES:</b>		
SECURITIES LENDING COLLATERAL (NOTE 2)	15,332,188	31,738,986
ACCOUNTS PAYABLE	25,847	137,761
ACCRUED EXPENSES	359,378	359,142
DUE TO OTHER FUNDS (NOTE 5)	-	-
INVESTMENT EXPENSE PAYABLE	<u>4,133,132</u>	<u>4,133,132</u>
 TOTAL LIABILITIES	 <u>19,850,545</u>	 <u>36,369,021</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>206,103</u>	<u>206,103</u>
 <b>NET POSITION:</b>		
HELD IN TRUST	<u>7,395,960,566</u>	<u>6,995,309,070</u>
 TOTAL NET POSITION	 <u>\$ 7,395,960,566</u>	 <u>\$ 6,995,309,070</u>

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

11/3/2020

# LEGACY FUND

## State Investment Board Statement of Changes in Net Position For the Month Ended 9/30/2020

	Month Ended <u>9-30-20</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
NET GAINS (LOSSES) INVESTMENTS	(9,027,711)	85,942,388
NET APPREC (DEPREC) MARKET VALUE	<u>(125,170,451)</u>	<u>240,049,635</u>
NET CHANGE IN FAIR VALUE OF INVESTMENTS	(134,198,162)	325,992,023
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	<u>7,724,199</u>	<u>22,934,075</u>
	(126,473,963)	348,926,098
LESS INVESTMENT EXPENSES	<u>918,839</u>	<u>4,475,732</u>
NET INCOME FROM INVESTING ACTIVITIES	(127,392,802)	344,450,366
SECURITIES LENDING INCOME	45,980	134,499
SECURITIES LENDING EXPENSES	<u>9,194</u>	<u>26,894</u>
NET SECURITIES LENDING INCOME	36,786	107,605
NET INVESTMENT INCOME	<u>(127,356,016)</u>	<u>344,557,971</u>
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	<u>26,133,665</u>	<u>56,262,175</u>
TOTAL ADDITIONS	(101,222,351)	400,820,146
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	61,317	168,650
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	<u>-</u>	<u>-</u>
TOTAL DEDUCTIONS	<u>61,317</u>	<u>168,650</u>
CHANGE IN NET POSITION	(101,283,668)	400,651,496
NET POSITION:		
BEGINNING OF PERIOD	<u>7,497,244,234</u>	<u>6,995,309,070</u>
END OF PERIOD	<u>\$ 7,395,960,566</u>	<u>\$ 7,395,960,566</u>

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11/3/2020

**LEGACY FUND**  
**Notes To Financial Statements**  
**September 30, 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 August 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

\$ 6,252,755,818
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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

\$ 405,043,592
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