

LEGACY FUND
State Investment Board
Statement of Net Position
As of 1/31/2021

	<u>As of</u> <u>1-31-21</u>	<u>As of</u> <u>6-30-20</u>
ASSETS:		
INVESTMENTS (AT FAIR VALUE)		
GLOBAL EQUITIES	\$ 4,104,914,899	\$ 3,478,368,132
GLOBAL FIXED INCOME	2,858,841,261	2,423,741,193
GLOBAL REAL ASSETS	1,129,941,912	996,517,381
INVESTED CASH (NOTE 1)	<u>51,052,855</u>	<u>74,391,282</u>
 TOTAL INVESTMENTS	 8,144,750,927	 6,973,017,988
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	21,750,281	26,765,280
MISCELLANEOUS RECEIVABLE	<u>17,988</u>	<u>12,879</u>
 TOTAL RECEIVABLES	 21,768,269	 26,778,159
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	9,790,331	31,738,986
OPERATING CASH	<u>326,960</u>	<u>178,559</u>
 TOTAL ASSETS	 <u>8,176,636,487</u>	 <u>7,031,713,692</u>
 DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>170,502</u>	<u>170,502</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	9,790,331	31,738,986
ACCOUNTS PAYABLE	11,008	137,761
ACCRUED EXPENSES	361,027	359,142
DUE TO OTHER FUNDS (NOTE 5)	-	-
INVESTMENT EXPENSE PAYABLE	<u>4,133,132</u>	<u>4,133,132</u>
 TOTAL LIABILITIES	 <u>14,295,498</u>	 <u>36,369,021</u>
 DEFERRED INFLOWS OF RESOURCES		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>206,103</u>	<u>206,103</u>
 NET POSITION:		
HELD IN TRUST	<u>8,162,305,388</u>	<u>6,995,309,070</u>
 TOTAL NET POSITION	 <u>\$ 8,162,305,388</u>	 <u>\$ 6,995,309,070</u>

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

3/2/2021

LEGACY FUND

State Investment Board Statement of Changes in Net Position For the Month Ended 1/31/2021

	Month Ended <u>1-31-21</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
NET GAINS (LOSSES) INVESTMENTS	34,514,364	278,157,091
NET APPREC (DEPREC) MARKET VALUE	<u>(68,863,997)</u>	<u>653,917,875</u>
NET CHANGE IN FAIR VALUE OF INVESTMENTS	(34,349,633)	932,074,966
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	<u>11,856,812</u>	<u>68,176,028</u>
	(22,492,821)	1,000,250,994
LESS INVESTMENT EXPENSES	<u>1,741,028</u>	<u>10,439,777</u>
NET INCOME FROM INVESTING ACTIVITIES	(24,233,849)	989,811,217
SECURITIES LENDING INCOME	60,945	359,819
SECURITIES LENDING EXPENSES	<u>12,187</u>	<u>71,950</u>
NET SECURITIES LENDING INCOME	48,758	287,869
NET INVESTMENT INCOME	<u>(24,185,091)</u>	<u>990,099,086</u>
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	<u>30,974,663</u>	<u>177,386,932</u>
TOTAL ADDITIONS	6,789,572	1,167,486,018
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	96,356	489,700
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	<u>-</u>	<u>-</u>
TOTAL DEDUCTIONS	<u>96,356</u>	<u>489,700</u>
CHANGE IN NET POSITION	6,693,216	1,166,996,318
NET POSITION:		
BEGINNING OF PERIOD	<u>8,155,612,172</u>	<u>6,995,309,070</u>
END OF PERIOD	<u>\$ 8,162,305,388</u>	<u>\$ 8,162,305,388</u>

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3/2/2021

LEGACY FUND
Notes To Financial Statements
January 31, 2021

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 September 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

\$ 6,373,880,575

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

\$ 636,395,417
