

LEGACY FUND
State Investment Board
Statement of Net Position
As of 5/31/2021

	<u>As of</u> <u>5-31-21</u>	<u>As of</u> <u>6-30-20</u>
ASSETS:		
INVESTMENTS (AT FAIR VALUE)		
GLOBAL EQUITIES	\$ 4,633,350,606	\$ 3,478,368,132
GLOBAL FIXED INCOME	2,879,848,957	2,423,741,193
GLOBAL REAL ASSETS	1,155,375,029	996,517,381
INVESTED CASH (NOTE 1)	<u>149,266,776</u>	<u>74,391,282</u>
TOTAL INVESTMENTS	8,817,841,368	6,973,017,988
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	26,038,128	26,765,280
MISCELLANEOUS RECEIVABLE	<u>5,541</u>	<u>12,879</u>
TOTAL RECEIVABLES	26,043,669	26,778,159
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	26,245,826	31,738,986
OPERATING CASH	<u>336,806</u>	<u>178,559</u>
TOTAL ASSETS	<u>8,870,467,669</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)	26,245,826	31,738,986
ACCOUNTS PAYABLE	-	137,761
ACCRUED EXPENSES	362,276	359,142
DUE TO OTHER FUNDS (NOTE 5)	-	-
INVESTMENT EXPENSE PAYABLE	<u>4,133,132</u>	<u>4,133,132</u>
TOTAL LIABILITIES	<u>30,741,234</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>8,839,690,834</u>	<u>6,995,309,070</u>
TOTAL NET POSITION	<u>\$ 8,839,690,834</u>	<u>\$ 6,995,309,070</u>

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

6/24/2021

LEGACY FUND

State Investment Board Statement of Changes in Net Position For the Month Ended 5/31/2021

	Month Ended <u>5-31-21</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
NET GAINS (LOSSES) INVESTMENTS	30,765,534	464,597,195
NET APPREC (DEPREC) MARKET VALUE	<u>48,708,021</u>	<u>938,408,357</u>
NET CHANGE IN FAIR VALUE OF INVESTMENTS	79,473,555	1,403,005,552
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	<u>14,272,596</u>	<u>124,944,468</u>
	93,746,151	1,527,950,020
LESS INVESTMENT EXPENSES	<u>1,695,597</u>	<u>18,213,499</u>
NET INCOME FROM INVESTING ACTIVITIES	92,050,554	1,509,736,521
SECURITIES LENDING INCOME	37,897	528,360
SECURITIES LENDING EXPENSES	<u>7,577</u>	<u>105,647</u>
NET SECURITIES LENDING INCOME	30,320	422,713
NET INVESTMENT INCOME	<u>92,080,874</u>	<u>1,510,159,234</u>
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	<u>46,062,117</u>	<u>334,989,929</u>
TOTAL ADDITIONS	138,142,991	1,845,149,163
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	103,061	767,399
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	<u>-</u>	<u>-</u>
TOTAL DEDUCTIONS	<u>103,061</u>	<u>767,399</u>
CHANGE IN NET POSITION	138,039,930	1,844,381,764
NET POSITION:		
BEGINNING OF PERIOD	<u>8,701,650,904</u>	<u>6,995,309,070</u>
END OF PERIOD	<u>\$ 8,839,690,834</u>	<u>\$ 8,839,690,834</u>

LEGACY FUND

Notes To Financial Statements

May 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

\$ 6,531,483,572

Note: HB1380 will change the definition of principal effective 8/1/2021. Until then, the balance shown is principal under the standard definition.

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 \$ 871,687,384