

LEGACY FUND
State Investment Board
Statement of Net Position
As of 6/30/2023

	<u>As of</u> <u>6-30-23</u>	<u>As of</u> <u>6-30-22</u>
ASSETS:		
INVESTMENTS (AT FAIR VALUE)		
GLOBAL EQUITIES	\$ 4,600,838,519	\$ 3,697,184,218
GLOBAL FIXED INCOME	2,993,674,211	2,832,397,072
GLOBAL REAL ASSETS	1,332,051,598	1,332,674,424
INVESTED CASH (NOTE 1)	<u>47,673,839</u>	<u>57,057,326</u>
 TOTAL INVESTMENTS	 8,974,238,167	 7,919,313,040
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	30,404,994	29,167,627
MISCELLANEOUS RECEIVABLE	<u>21,703</u>	<u>14,788</u>
 TOTAL RECEIVABLES	 30,426,697	 29,182,415
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	46,918,698	75,405,933
OPERATING CASH	<u>432,035</u>	<u>221,403</u>
 TOTAL ASSETS	 <u>9,052,015,597</u>	 <u>8,024,122,791</u>
 DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>791,196</u>	<u>381,411</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	46,918,698	75,405,933
ACCOUNTS PAYABLE	103,366	137,781
ACCRUED EXPENSES	1,180,356	196,191
INVESTMENT EXPENSE PAYABLE	<u>4,450,231</u>	<u>1,899,130</u>
 TOTAL LIABILITIES	 <u>52,652,651</u>	 <u>77,639,035</u>
 DEFERRED INFLOWS OF RESOURCES		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>415,222</u>	<u>785,675</u>
 NET POSITION:		
HELD IN TRUST	<u>8,999,738,920</u>	<u>7,946,079,492</u>
 TOTAL NET POSITION	 <u><u>\$ 8,999,738,920</u></u>	 <u><u>\$ 7,946,079,492</u></u>

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

9/13/2023

LEGACY FUND

State Investment Board Statement of Changes in Net Position For the Month Ended 6/30/2023

	Month Ended <u>6-30-23</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
NET GAINS (LOSSES) INVESTMENTS	73,081,170	(161,964,131)
NET APPREC (DEPREC) MARKET VALUE	<u>189,947,536</u>	<u>701,941,490</u>
NET CHANGE IN FAIR VALUE OF INVESTMENTS	263,028,706	539,977,359
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	<u>19,534,561</u>	<u>160,995,552</u>
	282,563,267	700,972,911
LESS INVESTMENT EXPENSES	<u>4,067,355</u>	<u>18,242,103</u>
NET INCOME FROM INVESTING ACTIVITIES	278,495,912	682,730,808
SECURITIES LENDING INCOME	79,870	631,104
SECURITIES LENDING EXPENSES	<u>15,968</u>	<u>126,155</u>
NET SECURITIES LENDING INCOME	63,902	504,949
NET INVESTMENT INCOME	<u>278,559,814</u>	<u>683,235,757</u>
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	<u>59,078,102</u>	<u>858,723,028</u>
TOTAL ADDITIONS	337,637,916	1,541,958,785
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	458,379	1,730,720
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	<u>486,568,637</u>	<u>486,568,637</u>
TOTAL DEDUCTIONS	<u>487,027,016</u>	<u>488,299,357</u>
CHANGE IN NET POSITION	(149,389,100)	1,053,659,428
NET POSITION:		
BEGINNING OF PERIOD	<u>9,149,128,020</u>	<u>7,946,079,492</u>
END OF PERIOD	<u>\$ 8,999,738,920</u>	<u>\$ 8,999,738,920</u>

LEGACY FUND

Notes To Financial Statements

June 30, 2023

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 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 "an amount equal to seven percent of the five-year average value of the legacy fund assets as reported by the state investment board using the value of the assets at the end of each fiscal year for the five-year period ending with the most recently completed even - numbered fiscal year. "

As of June 30, 2022, the five-year average value of

the Legacy Fund is \$ 6,950,980,526

Based on the five-year average of the Legacy fund, the earnings transferable to the General Fund at the end of the 2021-23 biennium is \$ 486,568,637