

**LEGACY FUND**  
**State Investment Board**  
**Statement of Net Position**  
**As of 1/31/2016**

	<u>As of</u> <u>1-31-16</u>	<u>As of</u> <u>6-30-15</u>
<b>ASSETS:</b>		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 987,844,016	\$ 994,667,787
INTERNATIONAL EQUITIES	651,971,554	654,451,365
DOMESTIC FIXED INCOME	1,229,965,999	1,148,520,834
REAL ASSETS	551,391,902	509,958,485
INVESTED CASH (NOTE 1)	<u>22,764,996</u>	<u>9,759,431</u>
 TOTAL INVESTMENTS	 3,443,938,467	 3,317,357,902
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	14,631,067	11,273,401
MISCELLANEOUS RECEIVABLE	<u>6,847</u>	<u>5,240</u>
 TOTAL RECEIVABLES	 14,637,914	 11,278,641
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	49,490,257	0
OPERATING CASH	<u>34,378</u>	<u>3,834</u>
 TOTAL ASSETS	 <u>3,508,101,016</u>	 <u>3,328,640,377</u>
 DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>3,828</u>	<u>18,799</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	49,490,257	0
ACCOUNTS PAYABLE	0	19,740
ACCRUED EXPENSES	89,546	100,943
INVESTMENT EXPENSE PAYABLE	<u>2,679,736</u>	<u>2,679,736</u>
 TOTAL LIABILITIES	 <u>52,259,539</u>	 <u>2,800,419</u>
 DEFERRED INFLOWS OF RESOURCES		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>23,046</u>	<u>23,046</u>
 NET POSITION:		
HELD IN TRUST	<u>3,455,822,259</u>	<u>3,325,835,711</u>
 TOTAL NET POSITION	 <u>\$ 3,455,822,259</u>	 <u>\$ 3,325,835,711</u>

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

3/8/2016

# LEGACY FUND

## State Investment Board Statement of Changes in Net Position For the Month Ended 1/31/2016

	Month Ended <u>1-31-16</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	44,936,870	557,990,033
LOSS ON SALE OF INVESTMENTS	66,107,642	588,076,022
NET GAINS (LOSSES) INVESTMENTS	<u>(21,170,772)</u>	<u>(30,085,989)</u>
NET APPREC (DEPREC) MARKET VALUE	<u>(86,227,934)</u>	<u>(180,339,510)</u>
NET CHANGE IN FAIR VALUE OF INVESTMENTS	(107,398,706)	(210,425,499)
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	6,159,661	42,674,442
	<u>(101,239,045)</u>	<u>(167,751,057)</u>
LESS INVESTMENT EXPENSES	1,260,692	5,843,386
NET INCOME FROM INVESTING ACTIVITIES	<u>(102,499,737)</u>	<u>(173,594,443)</u>
SECURITIES LENDING INCOME	75,026	255,762
SECURITIES LENDING EXPENSES	14,995	51,108
NET SECURITIES LENDING INCOME	<u>60,031</u>	<u>204,654</u>
NET INVESTMENT INCOME	<u>(102,439,706)</u>	<u>(173,389,789)</u>
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	<u>38,535,656</u>	<u>303,609,075</u>
TOTAL ADDITIONS	(63,904,050)	130,219,286
DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	40,013	232,738
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	0	0
TOTAL DEDUCTIONS	<u>40,013</u>	<u>232,738</u>
CHANGE IN NET POSITION	(63,944,063)	129,986,548
NET POSITION:		
BEGINNING OF PERIOD	<u>3,519,766,322</u>	<u>3,325,835,711</u>
END OF PERIOD	<u>\$ 3,455,822,259</u>	<u>\$ 3,455,822,259</u>

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3/8/2016

# LEGACY FUND

## Notes To Financial Statements January 31, 2016

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.

### 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. Although not automatically transferred, earnings accrued prior to June 30, 2017, may be expended after June 30, 2017, with legislative approval.

NDCC 21-10-02 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, total earnings of the Legacy Fund, as defined above, is \$170,492,555