

ND RETIREMENT AND INVESTMENT OFFICE

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>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 2,302,196,572	\$ 2,427,467,228
GLOBAL/INTERNATIONAL EQUITIES	2,158,831,169	2,294,562,889
DOMESTIC FIXED INCOME	3,751,672,279	3,641,189,417
INTERNATIONAL FIXED INCOME	222,704,157	228,693,034
REAL ASSETS	1,797,658,933	1,742,489,481
PRIVATE EQUITY	166,644,545	177,337,659
INVESTED CASH (NOTE 1)	<u>117,314,536</u>	<u>156,811,317</u>
 TOTAL INVESTMENTS	 10,517,022,191	 10,668,551,025
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	42,283,183	37,499,537
CONTRIBUTIONS RECEIVABLE	(2,728,711)	23,591,127
MISCELLANEOUS RECEIVABLE	<u>22,125</u>	<u>33,929</u>
 TOTAL RECEIVABLES	 39,576,597	 61,124,593
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	103,446,051	0
OPERATING CASH	<u>16,873,438</u>	<u>19,055,338</u>
 TOTAL ASSETS	 <u>10,676,918,277</u>	 <u>10,748,730,956</u>
 DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>25,075</u>	<u>123,148</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	103,446,051	0
ACCOUNTS PAYABLE	51,500	203,105
ACCRUED EXPENSES	1,143,909	1,536,134
INVESTMENT EXPENSES PAYABLE	<u>11,448,475</u>	<u>11,444,610</u>
 TOTAL LIABILITIES	 <u>116,089,935</u>	 <u>13,183,849</u>
 DEFERRED INFLOWS OF RESOURCES		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>150,971</u>	<u>150,971</u>
 NET POSITION:		
HELD IN TRUST	<u>10,560,702,446</u>	<u>10,735,519,284</u>
 TOTAL NET POSITION	 <u>\$ 10,560,702,446</u>	 <u>\$ 10,735,519,284</u>

ND RETIREMENT AND INVESTMENT OFFICE
Statement of Changes in Net Position
For the Month Ended 1/31/2016

	<u>Month Ended</u> <u>1-31-16</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	100,059,025	1,125,400,004
LOSS ON SALE OF INVESTMENTS	154,135,865	1,122,011,357
NET GAINS (LOSSES) INVESTMENTS	<u>(54,076,840)</u>	<u>3,388,647</u>
NET APPREC (DEPREC) MARKET VALUE	<u>(232,288,743)</u>	<u>(592,865,305)</u>
NET CHANGE IN FAIR VALUE OF INVESTMENTS	(286,365,583)	(589,476,658)
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	<u>19,496,682</u>	<u>142,012,466</u>
	(266,868,901)	(447,464,192)
LESS INVESTMENT EXPENSES	<u>3,442,200</u>	<u>21,058,135</u>
NET INCOME FROM INVESTING ACTIVITIES	(270,311,101)	(468,522,327)
SECURITIES LENDING INCOME	146,247	623,597
SECURITIES LENDING EXPENSES	<u>29,234</u>	<u>124,647</u>
NET SECURITIES LENDING INCOME	117,013	498,950
NET INVESTMENT INCOME	(270,194,088)	(468,023,377)
PURCHASE OF UNITS (\$1/UNIT) (NOTE 3)	<u>62,944,170</u>	<u>512,330,154</u>
CONTRIBUTIONS & ASSESSMENTS (NOTE 5)	14,175,451	59,560,909
PURCHASED SERVICE CREDIT (NOTE 6)	92,634	1,610,772
PENALTY & INTEREST (NOTE 7)	<u>(1,656)</u>	<u>98,197</u>
TOTAL ADDITIONS	<u>(192,983,489)</u>	<u>105,576,655</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 8)	14,947,033	104,740,034
PARTIAL LUMP SUM BENEFITS PAID	0	620,486
REFUNDS TO MEMBER (NOTE 9)	<u>373,931</u>	<u>3,380,083</u>
TOTAL BENEFITS PAID	15,320,964	108,740,603
ADMINISTRATIVE EXPENSES	250,684	1,590,606
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 4)	<u>23,588,930</u>	<u>170,062,284</u>
TOTAL DEDUCTIONS	<u>39,160,578</u>	<u>280,393,493</u>
CHANGE IN NET POSITION	(232,144,067)	(174,816,838)
NET POSITION:		
BEGINNING OF PERIOD	<u>10,792,846,513</u>	<u>10,735,519,284</u>
END OF PERIOD	<u>\$ 10,560,702,446</u>	<u>\$ 10,560,702,446</u>

ND RETIREMENT AND INVESTMENT OFFICE
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**

Pension 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 Company during the current fiscal year.

NOTE 4 **REDEMPTION OF UNITS**

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 5 **CONTRIBUTIONS**

Contributions on teachers' salaries of 9.75% of salary plus a 10.75% contribution paid by the employer unit, for a total contribution of 20.5% that must be remitted monthly.

NOTE 6 **PURCHASED SERVICE CREDIT**

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 7 **PENALTY & INTEREST**

Amounts charged to school districts for late payment or reporting of contributions.

NOTE 8 **BENEFITS PAID TO PARTICIPANTS**

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 9 **REFUND TO MEMBERS**

Refunds of teachers' accounts who have ceased teaching in North Dakota.