

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of 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>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 426,942,445	\$ 461,830,284
GLOBAL/INTERNATIONAL EQUITIES	588,617,630	652,582,263
DOMESTIC FIXED INCOME	358,663,346	379,036,997
INTERNATIONAL FIXED INCOME	97,335,267	101,138,757
REAL ASSETS	391,338,054	389,351,436
PRIVATE EQUITY	76,738,011	81,662,078
INVESTED CASH (NOTE 1)	21,958,349	29,631,182
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TOTAL INVESTMENTS	1,961,593,102	2,095,232,997
<b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	8,710,468	8,574,358
CONTRIBUTIONS RECEIVABLE	(2,728,711)	23,591,127
MISCELLANEOUS RECEIVABLE	5,819	20,788
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TOTAL RECEIVABLES	5,987,576	32,186,273
<b>OTHER ASSETS</b>		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	15,044,713	0
OPERATING CASH (NOTE 3)	16,763,703	18,964,646
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TOTAL ASSETS	1,999,389,094	2,146,383,916
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
DEFERRED OUTFLOWS RELATED TO PENSIONS	15,476	76,002
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<b>LIABILITIES:</b>		
SECURITIES LENDING COLLATERAL (NOTE 2)	15,044,713	0
ACCOUNTS PAYABLE	51,500	151,094
ACCRUED EXPENSES	834,140	1,193,136
INVESTMENT EXPENSES PAYABLE	3,101,713	3,101,713
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TOTAL LIABILITIES	19,032,066	4,445,943
<b>DEFERRED INFLOWS OF RESOURCES</b>		
DEFERRED INFLOWS RELATED TO PENSIONS	93,175	93,175
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<b>NET POSITION:</b>		
HELD IN TRUST	1,980,279,329	2,141,920,800
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TOTAL NET POSITION	<u>\$ 1,980,279,329</u>	<u>\$ 2,141,920,800</u>

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**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	15,116,237	143,117,051
LOSS ON SALE OF INVESTMENTS	25,794,000	124,204,495
NET GAINS (LOSSES) INVESTMENTS	<u>(10,677,763)</u>	<u>18,912,556</u>
NET APPREC (DEPREC) MARKET VALUE	<u>(56,883,725)</u>	<u>(154,087,572)</u>
NET CHANGE IN FAIR VALUE OF INVESTMENTS	(67,561,488)	(135,175,016)
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	<u>3,577,528</u>	<u>26,991,729</u>
	(63,983,960)	(108,183,287)
LESS INVESTMENT EXPENSES	<u>638,479</u>	<u>5,076,063</u>
NET INCOME FROM INVESTING ACTIVITIES	(64,622,439)	(113,259,350)
SECURITIES LENDING INCOME	21,253	124,392
SECURITIES LENDING EXPENSES	4,250	24,874
NET SECURITIES LENDING INCOME	<u>17,003</u>	<u>99,518</u>
NET INVESTMENT INCOME	(64,605,436)	(113,159,832)
PURCHASE OF UNITS (\$1/UNIT) (NOTE 4)	<u>1,350,000</u>	<u>20,175,000</u>
MEMBER & EMPLOYER CONTRIBUTIONS (NOTE 6)	14,175,451	59,560,909
PURCHASED SERVICE CREDIT (NOTE 7)	92,634	1,610,772
PENALTY & INTEREST (NOTE 8)	<u>(1,656)</u>	<u>98,197</u>
TOTAL ADDITIONS	<u>(48,989,007)</u>	<u>(31,714,954)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 9)	14,947,033	104,740,034
PARTIAL LUMP SUM BENEFITS PAID	0	620,486
REFUNDS TO MEMBER (NOTE 10)	<u>373,931</u>	<u>3,380,083</u>
TOTAL BENEFITS PAID	15,320,964	108,740,603
ADMINISTRATIVE EXPENSES	156,278	1,010,914
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 5)	<u>1,350,000</u>	<u>20,175,000</u>
TOTAL DEDUCTIONS	<u>16,827,242</u>	<u>129,926,517</u>
CHANGE IN NET POSITION	(65,816,249)	(161,641,471)
NET POSITION:		
BEGINNING OF PERIOD	<u>2,046,095,578</u>	<u>2,141,920,800</u>
END OF PERIOD	<u>\$ 1,980,279,329</u>	<u>\$ 1,980,279,329</u>

**TEACHERS' FUND FOR RETIREMENT**  
**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**            **OPERATING CASH**

TFFR money market and checking accounts at the Bank of North Dakota.

**NOTE 4**            **PURCHASE OF UNITS**

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

**NOTE 5**            **REDEMPTION OF UNITS**

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

**NOTE 6**            **CONTRIBUTIONS**

Contributions on teachers' salaries of 11.75% of salary plus a 12.75% contribution paid by the employer unit, for a total contribution of 24.5% that must be remitted monthly.

**NOTE 7**            **PURCHASED SERVICE CREDIT**

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

**NOTE 8**            **PENALTY & INTEREST**

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

**NOTE 9**            **BENEFITS PAID TO PARTICIPANTS**

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

**NOTE 10**          **REFUND TO MEMBERS**

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