

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Statement of Net Position
As of 5/31/2016

	As of <u>5-31-16</u>	As of <u>6-30-15</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 473,769,302	\$ 461,830,284
GLOBAL/INTERNATIONAL EQUITIES	655,263,805	652,582,263
DOMESTIC FIXED INCOME	353,266,518	379,036,997
INTERNATIONAL FIXED INCOME	116,711,478	101,138,757
REAL ASSETS	374,649,073	389,351,436
PRIVATE EQUITY	71,296,493	81,662,078
INVESTED CASH (NOTE 1)	<u>21,328,359</u>	<u>29,631,182</u>
 TOTAL INVESTMENTS	 2,066,285,028	 2,095,232,997
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	8,856,006	8,574,358
CONTRIBUTIONS RECEIVABLE	(4,030,203)	23,591,127
MISCELLANEOUS RECEIVABLE	<u>5,193</u>	<u>20,788</u>
 TOTAL RECEIVABLES	 4,830,996	 32,186,273
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	17,481,373	-
OPERATING CASH (NOTE 3)	<u>18,840,725</u>	<u>18,964,646</u>
TOTAL ASSETS	<u><u>2,107,438,122</u></u>	<u><u>2,146,383,916</u></u>
 DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>15,476</u>	<u>76,002</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	17,481,373	-
ACCOUNTS PAYABLE	-	151,094
ACCRUED EXPENSES	997,806	1,193,136
INVESTMENT EXPENSES PAYABLE	<u>3,101,713</u>	<u>3,101,713</u>
 TOTAL LIABILITIES	 <u>21,580,892</u>	 <u>4,445,943</u>
 DEFERRED INFLOWS OF RESOURCES		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>93,175</u>	<u>93,175</u>
 NET POSITION:		
HELD IN TRUST	<u>2,085,779,531</u>	<u>2,141,920,800</u>
 TOTAL NET POSITION	 <u><u>\$ 2,085,779,531</u></u>	 <u><u>\$ 2,141,920,800</u></u>

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Statement of Changes in Net Position
For the Month Ended 5/31/2016

	Month Ended <u>5-31-16</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 21,824,552	\$ 240,072,972
LOSS ON SALE OF INVESTMENTS	18,016,760	184,352,714
NET GAINS (LOSSES) INVESTMENTS	3,807,792	55,720,258
NET APPREC (DEPREC) MARKET VALUE	(3,130,533)	(92,908,314)
NET CHANGE IN FAIR VALUE OF INVESTMENTS	677,259	(37,188,056)
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	5,983,693	43,840,108
	6,660,952	6,652,052
LESS INVESTMENT EXPENSES	456,878	7,045,467
NET INCOME FROM INVESTING ACTIVITIES	6,204,074	(393,415)
SECURITIES LENDING INCOME	39,799	249,300
SECURITIES LENDING EXPENSES	7,959	49,853
NET SECURITIES LENDING INCOME	31,840	199,447
NET INVESTMENT INCOME	6,235,914	(193,968)
PURCHASE OF UNITS (\$1/UNIT) (NOTE 4)	2,600,000	28,175,000
MEMBER & EMPLOYER CONTRIBUTIONS (NOTE 6)	13,427,410	113,292,910
PURCHASED SERVICE CREDIT (NOTE 7)	181,604	2,566,935
PENALTY & INTEREST (NOTE 8)	12,877	(464)
TOTAL ADDITIONS	22,457,805	143,840,413
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 9)	14,851,577	164,363,501
PARTIAL LUMP SUM BENEFITS PAID	-	630,069
REFUNDS TO MEMBER (NOTE 10)	275,525	5,264,470
TOTAL BENEFITS PAID	15,127,102	170,258,040
ADMINISTRATIVE EXPENSES	140,380	1,548,642
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 5)	2,600,000	28,175,000
TOTAL DEDUCTIONS	17,867,482	199,981,682
CHANGE IN NET POSITION	4,590,323	(56,141,269)
NET POSITION:		
BEGINNING OF PERIOD	2,081,189,208	2,141,920,800
END OF PERIOD	<u>\$ 2,085,779,531</u>	<u>\$ 2,085,779,531</u>

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

6/27/2016

TEACHERS' FUND FOR RETIREMENT
Notes To Financial Statements
May 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.
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