

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Statement of Net Position**  
**As of 6/30/2016**

	As of <u>6-30-16</u>	As of <u>6-30-15</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 477,387,621	\$ 461,830,284
GLOBAL/INTERNATIONAL EQUITIES	654,529,861	652,582,263
DOMESTIC FIXED INCOME	358,183,152	379,036,997
INTERNATIONAL FIXED INCOME	120,903,608	101,138,757
REAL ASSETS	369,771,496	389,351,436
PRIVATE EQUITY	73,374,321	81,662,078
INVESTED CASH (NOTE 1)	<u>18,515,640</u>	<u>29,631,182</u>
 TOTAL INVESTMENTS	 2,072,665,699	 2,095,232,997
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	9,517,943	8,574,358
CONTRIBUTIONS RECEIVABLE	25,494,939	23,591,127
MISCELLANEOUS RECEIVABLE	<u>7,963</u>	<u>20,788</u>
 TOTAL RECEIVABLES	 35,020,845	 32,186,273
 <b>OTHER ASSETS</b>		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	19,859,451	-
OPERATING CASH (NOTE 3)	<u>19,747,422</u>	<u>18,964,646</u>
<b>TOTAL ASSETS</b>	<u><b>2,147,293,417</b></u>	<u><b>2,146,383,916</b></u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>168,324</u>	<u>76,002</u>
 <b>LIABILITIES:</b>		
SECURITIES LENDING COLLATERAL (NOTE 2)	19,859,451	-
ACCOUNTS PAYABLE	128,532	151,094
ACCRUED EXPENSES	1,354,756	1,193,136
INVESTMENT EXPENSES PAYABLE	<u>1,713,404</u>	<u>3,101,713</u>
 TOTAL LIABILITIES	 <u>23,056,143</u>	 <u>4,445,943</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>70,310</u>	<u>93,175</u>
 <b>NET POSITION:</b>		
HELD IN TRUST	<u>2,124,335,288</u>	<u>2,141,920,800</u>
 TOTAL NET POSITION	 <u><b>\$ 2,124,335,288</b></u>	 <u><b>\$ 2,141,920,800</b></u>

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Statement of Changes in Net Position**  
**For the Month Ended 6/30/2016**

	Month Ended <u>6-30-16</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 26,098,265	\$ 266,171,237
LOSS ON SALE OF INVESTMENTS	21,391,786	205,744,500
NET GAINS (LOSSES) INVESTMENTS	4,706,479	60,426,737
NET APPREC (DEPREC) MARKET VALUE	(3,470,739)	(96,379,053)
NET CHANGE IN FAIR VALUE OF INVESTMENTS	1,235,740	(35,952,316)
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	6,142,229	49,982,337
	7,377,969	14,030,021
LESS INVESTMENT EXPENSES	(1,010,778)	6,034,689
NET INCOME FROM INVESTING ACTIVITIES	8,388,747	7,995,332
SECURITIES LENDING INCOME	55,269	304,571
SECURITIES LENDING EXPENSES	11,052	60,907
NET SECURITIES LENDING INCOME	44,217	243,664
NET INVESTMENT INCOME	8,432,964	8,238,996
PURCHASE OF UNITS (\$1/UNIT) (NOTE 4)	-	28,175,000
MEMBER & EMPLOYER CONTRIBUTIONS (NOTE 6)	45,889,707	159,182,617
PURCHASED SERVICE CREDIT (NOTE 7)	201,310	2,768,245
PENALTY & INTEREST (NOTE 8)	45,430	44,966
TOTAL ADDITIONS	54,569,411	198,409,824
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 9)	15,262,050	179,625,551
PARTIAL LUMP SUM BENEFITS PAID	362,164	992,233
REFUNDS TO MEMBER (NOTE 10)	86,426	5,350,896
TOTAL BENEFITS PAID	15,710,640	185,968,680
ADMINISTRATIVE EXPENSES	303,014	1,851,656
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 5)	-	28,175,000
TOTAL DEDUCTIONS	16,013,654	215,995,336
CHANGE IN NET POSITION	38,555,757	(17,585,512)
NET POSITION:		
BEGINNING OF PERIOD	2,085,779,531	2,141,920,800
END OF PERIOD	<u>\$ 2,124,335,288</u>	<u>\$ 2,124,335,288</u>

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

9/7/2016

**TEACHERS' FUND FOR RETIREMENT**  
**Notes To Financial Statements**  
**June 30, 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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