

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Statement of Net Position**  
**As of 7/31/2016**

	As of <u>7-31-16</u>	As of <u>6-30-16</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 495,894,414	\$ 477,387,621
GLOBAL/INTERNATIONAL EQUITIES	687,693,932	654,529,861
DOMESTIC FIXED INCOME	361,909,473	358,183,152
INTERNATIONAL FIXED INCOME	122,436,967	120,903,608
REAL ASSETS	369,811,291	369,771,496
PRIVATE EQUITY	73,443,879	73,374,321
INVESTED CASH (NOTE 1)	<u>19,426,279</u>	<u>18,515,640</u>
 TOTAL INVESTMENTS	 2,130,616,235	 2,072,665,699
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	7,625,289	9,517,943
CONTRIBUTIONS RECEIVABLE	(251,922)	25,494,939
MISCELLANEOUS RECEIVABLE	<u>5,547</u>	<u>7,963</u>
 TOTAL RECEIVABLES	 7,378,914	 35,020,845
 <b>OTHER ASSETS</b>		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	19,859,451	19,859,451
OPERATING CASH (NOTE 3)	<u>28,807,821</u>	<u>19,747,422</u>
<b>TOTAL ASSETS</b>	<u><b>2,186,662,421</b></u>	<u><b>2,147,293,417</b></u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>104,390</u>	<u>168,324</u>
 <b>LIABILITIES:</b>		
SECURITIES LENDING COLLATERAL (NOTE 2)	19,859,451	19,859,451
ACCOUNTS PAYABLE	104,506	128,532
ACCRUED EXPENSES	993,582	1,354,756
INVESTMENT EXPENSES PAYABLE	<u>1,713,404</u>	<u>1,713,404</u>
 TOTAL LIABILITIES	 <u>22,670,943</u>	 <u>23,056,143</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>70,310</u>	<u>70,310</u>
 <b>NET POSITION:</b>		
HELD IN TRUST	<u>2,164,025,558</u>	<u>2,124,335,288</u>
 TOTAL NET POSITION	 <u><u><b>\$ 2,164,025,558</b></u></u>	 <u><u><b>\$ 2,124,335,288</b></u></u>

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Statement of Changes in Net Position**  
**For the Month Ended 7/31/2016**

	Month Ended <u>7-31-16</u>	<u>Year-to-Date</u>
<b>ADDITIONS:</b>		
<b>INVESTMENT INCOME</b>		
GAIN ON SALE OF INVESTMENTS	\$ 14,586,888	\$ 14,586,888
LOSS ON SALE OF INVESTMENTS	6,498,668	6,498,668
NET GAINS (LOSSES) INVESTMENTS	8,088,220	8,088,220
NET APPREC (DEPREC) MARKET VALUE	45,390,032	45,390,032
NET CHANGE IN FAIR VALUE OF INVESTMENTS	53,478,252	53,478,252
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	2,559,040	2,559,040
	56,037,292	56,037,292
LESS INVESTMENT EXPENSES	2,701	2,701
NET INCOME FROM INVESTING ACTIVITIES	56,034,591	56,034,591
SECURITIES LENDING INCOME	31,100	31,100
SECURITIES LENDING EXPENSES	6,219	6,219
NET SECURITIES LENDING INCOME	24,881	24,881
NET INVESTMENT INCOME	56,059,472	56,059,472
PURCHASE OF UNITS (\$1/UNIT) (NOTE 4)	-	-
MEMBER & EMPLOYER CONTRIBUTIONS (NOTE 6)	-	-
PURCHASED SERVICE CREDIT (NOTE 7)	162,291	162,291
PENALTY & INTEREST (NOTE 8)	6,545	6,545
<b>TOTAL ADDITIONS</b>	<b>56,228,308</b>	<b>56,228,308</b>
<b>DEDUCTIONS:</b>		
BENEFITS PAID PARTICIPANTS (NOTE 9)	15,666,827	15,666,827
PARTIAL LUMP SUM BENEFITS PAID	499,468	499,468
REFUNDS TO MEMBER (NOTE 10)	245,327	245,327
TOTAL BENEFITS PAID	16,411,622	16,411,622
ADMINISTRATIVE EXPENSES	126,416	126,416
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 5)	-	-
<b>TOTAL DEDUCTIONS</b>	<b>16,538,038</b>	<b>16,538,038</b>
CHANGE IN NET POSITION	39,690,270	39,690,270
<b>NET POSITION:</b>		
BEGINNING OF PERIOD	2,124,335,288	2,124,335,288
END OF PERIOD	<u>\$ 2,164,025,558</u>	<u>\$ 2,164,025,558</u>

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

10/6/2016

**TEACHERS' FUND FOR RETIREMENT**  
**Notes To Financial Statements**  
**July 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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