

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Statement of Net Position
As of 8/31/2016

	As of <u>8-31-16</u>	As of <u>6-30-16</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 497,061,209	\$ 477,387,621
GLOBAL/INTERNATIONAL EQUITIES	690,319,917	654,529,861
DOMESTIC FIXED INCOME	363,855,405	358,183,152
INTERNATIONAL FIXED INCOME	121,669,218	120,903,608
REAL ASSETS	374,998,176	369,771,496
PRIVATE EQUITY	77,923,768	73,374,321
INVESTED CASH (NOTE 1)	<u>9,510,114</u>	<u>18,515,640</u>
 TOTAL INVESTMENTS	 2,135,337,807	 2,072,665,699
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	6,943,226	9,517,943
CONTRIBUTIONS RECEIVABLE	(676,652)	25,494,939
MISCELLANEOUS RECEIVABLE	<u>3,644</u>	<u>7,963</u>
 TOTAL RECEIVABLES	 6,270,218	 35,020,845
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	19,859,451	19,859,451
OPERATING CASH (NOTE 3)	<u>16,813,499</u>	<u>19,747,422</u>
TOTAL ASSETS	<u>2,178,280,975</u>	<u>2,147,293,417</u>
 DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED OUTFLOWS RELATED TO PENSIONS	<u>104,390</u>	<u>168,324</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	19,859,451	19,859,451
ACCOUNTS PAYABLE	104,506	128,532
ACCRUED EXPENSES	1,146,964	1,354,756
INVESTMENT EXPENSES PAYABLE	<u>1,713,404</u>	<u>1,713,404</u>
 TOTAL LIABILITIES	 <u>22,824,325</u>	 <u>23,056,143</u>
 DEFERRED INFLOWS OF RESOURCES		
DEFERRED INFLOWS RELATED TO PENSIONS	<u>70,310</u>	<u>70,310</u>
 NET POSITION:		
HELD IN TRUST	<u>2,155,490,730</u>	<u>2,124,335,288</u>
 TOTAL NET POSITION	 <u><u>\$ 2,155,490,730</u></u>	 <u><u>\$ 2,124,335,288</u></u>

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Statement of Changes in Net Position
For the Month Ended 8/31/2016

	<u>Month Ended</u> <u>8-31-16</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
GAIN ON SALE OF INVESTMENTS	\$ 17,241,199	\$ 31,828,087
LOSS ON SALE OF INVESTMENTS	12,809,957	19,308,625
NET GAINS (LOSSES) INVESTMENTS	4,431,242	12,519,462
NET APPREC (DEPREC) MARKET VALUE	272,555	45,662,587
NET CHANGE IN FAIR VALUE OF INVESTMENTS	4,703,797	58,182,049
INTEREST, DIVIDEND & OTHER INVESTMENT INCOME	3,012,301	5,571,341
	7,716,098	63,753,390
LESS INVESTMENT EXPENSES	1,742,244	1,744,945
NET INCOME FROM INVESTING ACTIVITIES	5,973,854	62,008,445
SECURITIES LENDING INCOME	21,616	52,716
SECURITIES LENDING EXPENSES	4,322	10,541
NET SECURITIES LENDING INCOME	17,294	42,175
NET INVESTMENT INCOME	5,991,148	62,050,620
PURCHASE OF UNITS (\$1/UNIT) (NOTE 4)	1,900,000	1,900,000
MEMBER & EMPLOYER CONTRIBUTIONS (NOTE 6)	1,422,304	1,422,304
PURCHASED SERVICE CREDIT (NOTE 7)	246,157	408,448
PENALTY & INTEREST (NOTE 8)	7,553	14,098
TOTAL ADDITIONS	9,567,162	65,795,470
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 9)	15,738,007	31,404,834
PARTIAL LUMP SUM BENEFITS PAID	37,978	537,446
REFUNDS TO MEMBER (NOTE 10)	242,813	488,140
TOTAL BENEFITS PAID	16,018,798	32,430,420
ADMINISTRATIVE EXPENSES	183,192	309,608
REDEMPTION OF UNITS (\$1/UNIT) (NOTE 5)	1,900,000	1,900,000
TOTAL DEDUCTIONS	18,101,990	34,640,028
CHANGE IN NET POSITION	(8,534,828)	31,155,442
NET POSITION:		
BEGINNING OF PERIOD	2,164,025,558	2,124,335,288
END OF PERIOD	<u>\$ 2,155,490,730</u>	<u>\$ 2,155,490,730</u>

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

10/6/2016

TEACHERS' FUND FOR RETIREMENT
Notes To Financial Statements
August 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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