

ILLINOIS STATE BOARD OF INVESTMENT

Financial Statements

And

Supplementary Financial Information

Three Months Ended September 30, 2017

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STATEMENTS OF NET ASSETS
Illinois State Board of Investment
Three Months Ended September 30, 2017

	FY 2018	FY 2017
	\$	\$
ASSETS		
Cash and cash equivalents	18,960,241	12,462,460
Receivables:		
Foreign taxes	7,444,207	5,323,407
Accounts receivable	103,498	299,070
Investments sold	43,461,252	40,100,908
Interest & dividends	43,885,059	37,510,637
Total Receivables	94,894,016	83,234,022
Prepaid Expenses	203,397	268,168
Capital Assets	52,741	52,096
Capital Lease	6,479	4,824
Investments at fair value:		
Government and agency obligations	3,446,140,141	3,071,725,815
Foreign obligations	281,005,363	101,288,170
Corporate obligations	826,052,417	802,825,981
Municipal bonds	8,886,276	1,688,082
Common stock & equity funds	4,943,972,937	4,467,912,331
Commingled funds	1,424,136,904	1,011,719,111
Preferred stock	-	-
Foreign Preferred stock	10,776,411	16,552,399
Foreign equity securities	2,627,719,367	2,332,729,644
Hedge Funds	715,570,060	919,853,950
Bank Loans	427,657,213	482,455,677
Real estate funds	1,612,845,768	1,644,059,127
Private Equity	601,057,905	593,706,218
Money market instruments	236,496,778	197,857,505
Real Assets	538,476,879	568,360,289
Opportunistic Debt	124,982,291	-
Forward foreign exchange contracts	-	529
Total Investments	17,825,776,711	16,212,734,828
Securities lending collateral	8,655,310	9,024,252
Total Assets	17,948,548,896	16,317,780,650
LIABILITIES		
Payables:		
Investment purchases	102,430,820	112,514,793
Operating expenses	10,675,241	4,476,616
Securities lending collateral obligation	9,092,481	9,960,565
Total Liabilities	122,198,543	126,951,974
Net Assets	17,826,350,353	16,190,828,676

STATEMENTS OF CHANGES IN NET ASSETS
Illinois State Board of Investment
Three Months Ended September 30, 2017

	FY 2018	FY 2017
	\$	\$
ADDITIONS		
Investment income:		
Net increase in fair value of investments	472,987,819	498,036,921
Interest	51,634,895	58,239,492
Dividends	42,446,992	40,712,219
Securities lending income	369,361	349,917
Less securities lending rebates	(26,256)	(19,281)
Less securities lending expenses	(34,310)	(33,064)
Total net investment income	567,378,500	597,286,206
Members systems' contributions	-	-
Total additions	567,378,500	597,286,206
DEDUCTIONS		
Expenses:		
Salaries and benefits:		
Salaries	333,893	328,337
Benefits	255,306	221,758
Operating expenses:		
Rent and utilities	9,979	48,751
Audit	-	-
Other	115,919	126,860
External support:		
Custody	137,500	55,000
Consulting and professional	311,555	357,688
Investment advisors/managers	6,077,800	6,663,230
Investment services and research	84,400	74,431
Total expenses	7,326,352	7,876,054
Members systems' withdrawals	40,000,000	250,000
Total deductions	47,326,352	8,126,054
Increase(decrease) in net assets	520,052,148	589,160,151
Net assets at beginning of period	17,306,298,205	15,601,668,525
Net assets at end of period	17,826,350,353	16,190,828,676

ILLINOIS STATE BOARD OF INVESTMENT

<i>Member Systems' Participation</i>	General Assembly	Judges	State Employees'	Power Agency	Combined*
Member Systems' Income and Expenses Three Months Ended September 30, 2017	\$	\$	\$	\$	\$
Interest and dividends	256,896	4,901,940	88,722,034	201,019	94,081,889
Net securities lending income	843	16,089	291,202	660	308,794
Net realized gain on investments	586,314	9,633,372	174,507,987	395,040	185,122,713
Net unrealized gain (loss) on investments	703,824	14,984,275	271,562,535	614,469	287,865,103
Management expenses	(20,005)	(381,725)	(6,908,969)	(15,652)	(7,326,351)
Net investment income	<u>1,527,872</u>	<u>29,153,951</u>	<u>528,174,789</u>	<u>1,195,536</u>	<u>560,052,148</u>

**Member Systems' Changes in Net Assets
Three Months Ended September 30, 2017**

Net assets at beginning of period	47,148,103	899,652,120	16,322,605,336	36,892,646	17,306,298,205
Member systems' net (withdrawals)	-	-	(40,000,000)	-	(40,000,000)
Member systems' (contributions)	-	-	-	-	-
Net investment income	<u>1,527,872</u>	<u>29,153,951</u>	<u>528,174,789</u>	<u>1,195,536</u>	<u>560,052,148</u>
Net assets at end of period	<u>48,675,975</u>	<u>928,806,071</u>	<u>16,810,780,125</u>	<u>38,088,182</u>	<u>17,826,350,353</u>

The source of net assets of the member systems since inception at September 30, 2017, is as follows:

Member systems' net contributions (withdrawals)	(91,850,879)	(97,685,968)	(2,232,826,843)	23,090,341	(2,399,273,349)
Accumulated net investment income	<u>140,526,854</u>	<u>1,026,492,039</u>	<u>19,043,606,968</u>	<u>14,997,841</u>	<u>20,225,623,702</u>
	<u>48,675,975</u>	<u>928,806,071</u>	<u>16,810,780,125</u>	<u>38,088,182</u>	<u>17,826,350,353</u>

* Combined column for the member systems is presented for information purposes only and does not indicate that the assets of one system may be used for another system.