

# ILLINOIS STATE BOARD OF INVESTMENT

## Financial Statements

And

## Supplementary Financial Information

### Six Months Ended December 31, 2017

<b><u>Contents</u></b>	<b><u>Page</u></b>
Commingled Investment Fund:	
Statement of Net Assets	1
Statement of Changes in Net Assets	2
Notes to Financial Statements:	
Income Distributed - Fiscal Year 2018	3
Changes in Net Assets of Participating Retirement Systems – Fiscal Year 2018	3
Net Assets of Participating Retirement Systems 6/30/70-12/31/17	3

**STATEMENTS OF NET ASSETS**  
**Illinois State Board of Investment**  
**Six Months Ended December 31, 2017**

	FY 2018	FY 2017
	\$	\$
<b>ASSETS</b>		
Cash and cash equivalents	<u>13,209,354</u>	<u>7,917,913</u>
Receivables:		
Foreign taxes	7,691,360	3,279,050
Accounts receivable	7,308,775	833,966
Investments sold	276,746,548	30,843,469
Interest & dividends	42,396,192	36,735,526
Total Receivables	<u>334,142,875</u>	<u>71,692,011</u>
Prepaid Expenses	<u>197,202</u>	<u>166,768</u>
Capital Assets	<u>52,742</u>	<u>52,096</u>
Capital Lease	7,072	2,684
Investments at fair value:		
Government and agency obligations	3,579,638,091	2,853,303,573
Foreign obligations	572,796,911	205,124,907
Corporate obligations	898,791,964	799,435,193
Municipal bonds	8,144,679	1,538,688
Common stock & equity funds	5,269,059,855	4,647,599,301
Commingled funds	1,521,111,494	1,179,688,348
Preferred stock	-	-
Foreign Preferred stock	10,276,629	9,277,098
Foreign equity securities	2,652,372,709	2,180,869,421
Hedge Funds	172,574,017	851,058,463
Bank Loans	451,968,520	398,501,651
Real estate funds	1,585,128,081	1,665,809,326
Private Equity	594,583,633	590,316,144
Money market instruments	252,554,632	320,230,235
Real Assets	446,224,209	558,792,939
Opportunistic Debt	162,241,130	-
Forward foreign exchange contracts	-	-
Total Investments	<u>18,177,466,554</u>	<u>16,261,545,287</u>
Securities lending collateral	<u>8,566,565</u>	<u>9,017,413</u>
Total Assets	<u>18,533,642,364</u>	<u>16,350,394,172</u>
<b>LIABILITIES</b>		
Payables:		
Investment purchases	106,328,895	127,144,675
Operating expenses	11,679,832	4,821,961
Securities lending collateral obligation	9,092,481	9,858,548
Total Liabilities	<u>127,101,208</u>	<u>141,825,184</u>
Net Assets	<u>18,406,541,156</u>	<u>16,208,568,988</u>

**STATEMENTS OF CHANGES IN NET ASSETS**  
**Illinois State Board of Investment**  
**Six Months Ended December 31, 2017**

	FY 2018	FY 2017
	\$	\$
<b>ADDITIONS</b>		
<b>Investment income:</b>		
Net increase in fair value of investments	1,046,793,287	446,881,844
Interest	108,570,444	157,294,454
Dividends	75,837,087	76,495,115
Securities lending income	829,527	585,598
Less securities lending rebates	(52,753)	(30,584)
Less securities lending expenses	(116,179)	(55,319)
<b>Total net investment income</b>	<b>1,231,861,413</b>	<b>681,171,109</b>
Members systems' contributions	-	-
<b>Total additions</b>	<b>1,231,861,413</b>	<b>681,171,109</b>
<b>DEDUCTIONS</b>		
<b>Expenses:</b>		
Salaries and benefits:		
Salaries	652,148	625,106
Benefits	498,941	421,768
Operating expenses:		
Rent and utilities	96,440	82,161
Audit	-	-
Other	262,649	250,069
External support:		
Custody	275,000	110,000
Consulting and professional	628,166	1,058,674
Investment advisors/managers	14,001,413	11,337,494
Investment services and research	203,705	135,374
<b>Total expenses</b>	<b>16,618,462</b>	<b>14,020,646</b>
Members systems' withdrawals	115,000,000	60,250,000
<b>Total deductions</b>	<b>131,618,462</b>	<b>74,270,646</b>
Increase(decrease) in net assets	1,100,242,951	606,900,463
Net assets at beginning of period	17,306,298,205	15,601,668,525
<b>Net assets at end of period</b>	<b>18,406,541,156</b>	<b>16,208,568,988</b>

**ILLINOIS STATE BOARD OF INVESTMENT**

<i>Member Systems' Participation</i>	General Assembly	Judges	State Employees'	Power Agency	Combined*
<b>Member Systems' Income and Expenses Six Months Ended December 31, 2017</b>	\$	\$	\$	\$	\$
Interest and dividends	503,896	9,615,040	173,894,306	394,289	184,407,531
Net securities lending income	1,805	34,449	622,927	1,413	660,594
Net realized gain on investments	1,160,216	22,138,490	400,869,776	907,848	425,076,330
Net unrealized gain (loss) on investments	1,696,661	32,374,683	586,318,002	1,327,611	621,716,957
Management expenses	(45,450)	(867,279)	(15,670,166)	(35,566)	(16,618,461)
Net investment income	<u>3,317,128</u>	<u>63,295,383</u>	<u>1,146,034,845</u>	<u>2,595,595</u>	<u>1,215,242,951</u>

**Member Systems' Changes in Net Assets  
Six Months Ended December 31, 2017**

Net assets at beginning of period	47,148,104	899,652,119	16,322,605,336	36,892,646	17,306,298,205
Member systems' net (withdrawals)	-	-	(115,000,000)	-	(115,000,000)
Member systems' (contributions)	-	-	-	-	-
Net investment income	3,317,128	63,295,383	1,146,034,845	2,595,595	1,215,242,951
Net assets at end of period	<u>50,465,232</u>	<u>962,947,502</u>	<u>17,353,640,181</u>	<u>39,488,241</u>	<u>18,406,541,156</u>

The source of net assets of the member systems since inception at December 31, 2017, is as follows:

Member systems' net contributions (withdrawals)	(91,850,878)	(97,685,971)	(2,307,826,848)	23,090,342	(2,474,273,355)
Accumulated net investment income	142,316,110	1,060,633,473	19,661,467,029	16,397,899	20,880,814,511
	<u>50,465,232</u>	<u>962,947,502</u>	<u>17,353,640,181</u>	<u>39,488,241</u>	<u>18,406,541,156</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.