

ILLINOIS STATE BOARD OF INVESTMENT

Financial Statements

And

Supplementary Financial Information

Nine Months Ended March 31, 2018

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STATEMENTS OF NET ASSETS
Illinois State Board of Investment
Nine Months Ended March 31, 2018

	FY 2018	FY 2017
	\$	\$
ASSETS		
Cash and cash equivalents	13,942,731	9,224,108
Receivables:		
Foreign taxes	8,604,283	4,207,608
Accounts receivable	-	-
Investments sold	90,330,066	90,733,467
Interest & dividends	50,647,794	40,889,512
Total Receivables	<u>149,582,143</u>	<u>135,830,587</u>
Prepaid Expenses	<u>147,947</u>	<u>94,844</u>
Capital Assets	<u>52,741</u>	<u>52,741</u>
Capital Lease	7,394	132
Investments at fair value:		
Government and agency obligations	3,780,534,628	3,046,783,777
Foreign obligations	505,859,266	238,215,786
Corporate obligations	955,344,682	792,791,112
Municipal bonds	10,212,268	8,498,303
Common stock & equity funds	5,571,385,678	4,858,267,984
Commingled funds	1,530,671,428	1,267,919,905
Preferred stock	-	-
Foreign Preferred stock	10,646,946	9,939,487
Foreign equity securities	2,690,688,923	2,338,814,919
Hedge Funds	79,337,904	812,545,793
Bank Loans	419,543,847	349,697,918
Real estate funds	1,276,757,388	1,600,831,094
Private Equity	650,890,867	599,823,090
Money market instruments	166,777,287	222,057,254
Real Assets	458,087,780	642,860,347
Opportunistic Debt	200,652,367	-
Forward foreign exchange contracts	-	-
Total Investments	<u>18,307,391,259</u>	<u>16,789,046,769</u>
Securities lending collateral	<u>8,566,565</u>	<u>9,017,413</u>
Total Assets	<u>18,479,690,780</u>	<u>16,943,266,594</u>
LIABILITIES		
Payables:		
Investment purchases	135,657,824	117,523,640
Operating expenses	12,986,519	6,471,435
Securities lending collateral obligation	9,092,481	9,858,548
Total Liabilities	<u>157,736,824</u>	<u>133,853,623</u>
Net Assets	<u><u>18,321,953,956</u></u>	<u><u>16,809,412,971</u></u>

STATEMENTS OF CHANGES IN NET ASSETS
Illinois State Board of Investment
Nine Months Ended March 31, 2018

	FY 2018	FY 2017
	\$	\$
ADDITIONS		
Investment income:		
Net increase in fair value of investments	916,396,586	1,072,464,147
Interest	166,373,135	198,031,227
Dividends	119,127,366	111,559,460
Securities lending income	1,096,735	4,051,151
Less securities lending rebates	(82,937)	(40,875)
Less securities lending expenses	(190,166)	(73,156)
Total net investment income	1,202,720,719	1,385,991,954
Members systems' contributions	-	7,500,000
Total additions	1,202,720,719	1,393,491,954
DEDUCTIONS		
Expenses:		
Salaries and benefits:		
Salaries	966,683	926,182
Benefits	729,530	631,865
Operating expenses:		
Rent and utilities	188,753	139,743
Audit	-	-
Other	420,442	407,556
External support:		
Custody	412,500	247,500
Consulting and professional	958,380	1,582,713
Investment advisors/managers	23,119,131	19,065,917
Investment services and research	269,549	196,032
Total expenses	27,064,968	23,197,508
Members systems' withdrawals	160,000,000	162,550,000
Total deductions	187,064,968	185,747,508
Increase(decrease) in net assets	1,015,655,751	1,207,744,446
Net assets at beginning of period	17,306,298,205	15,601,668,525
Net assets at end of period	18,321,953,956	16,809,412,971

ILLINOIS STATE BOARD OF INVESTMENT

<i>Member Systems' Participation</i>	General Assembly	Judges	State Employees'	Power Agency	Combined*
Member Systems' Income and Expenses Nine Months Ended March 31, 2018	\$	\$	\$	\$	\$
Interest and dividends	781,548.00	14,913,036.00	269,194,365.00	611,552.00	285,500,501
Net securities lending income	2,252	42,996	776,620	1,764	823,632
Net realized gain on investments	1,882,550	35,921,698	649,189,843	1,473,065	688,467,156
Net unrealized gain (loss) on investments	614,805	11,731,351	215,102,199	481,075	227,929,430
Management expenses	(74,145)	(1,414,783)	(25,518,021)	(58,019)	(27,064,968)
Net investment income	<u>3,207,010</u>	<u>61,194,298</u>	<u>1,108,745,006</u>	<u>2,509,437</u>	<u>1,175,655,751</u>

**Member Systems' Changes in Net Assets
Nine Months Ended March 31, 2018**

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)	-	-	(160,000,000)	-	(160,000,000)
Member systems' (contributions)	-	-	-	-	-
Net investment income	3,207,010	61,194,298	1,108,745,006	2,509,437	1,175,655,751
Net assets at end of period	<u>50,355,114</u>	<u>960,846,417</u>	<u>17,271,350,342</u>	<u>39,402,083</u>	<u>18,321,953,956</u>

The source of net assets of the member systems since inception at March 31, 2018, is as follows:

Member systems' net contributions (withdrawals)	(91,850,878)	(97,685,968)	(2,352,826,843)	23,090,343	(2,519,273,346)
Accumulated net investment income	142,205,992	1,058,532,385	19,624,177,185	16,311,740	20,841,227,302
	<u>50,355,114</u>	<u>960,846,417</u>	<u>17,271,350,342</u>	<u>39,402,083</u>	<u>18,321,953,956</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.