

ILLINOIS STATE BOARD OF INVESTMENT

Financial Statements

And

Supplementary Financial Information

Twelve Months Ended June 30, 2018

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STATEMENTS OF NET ASSETS
Illinois State Board of Investment
Twelve Months Ended June 30, 2018

	FY 2018	FY 2017
	\$	\$
ASSETS		
Cash and cash equivalents	14,286,287	8,536,289
Receivables:		
Foreign taxes	9,989,126	7,435,797
Accounts receivable	804,989	2,546,898
Investments sold	39,530,945	97,846,112
Interest & dividends	46,610,768	37,694,772
Total Receivables	96,935,828	145,523,579
Prepaid Expenses	76,713	11,167
Capital Assets	55,974	52,741
Capital Lease	5,225	6,479
Investments at fair value:		
Government and agency obligations	3,772,996,557	3,167,555,410
Foreign obligations	317,071,356	259,928,956
Corporate obligations	978,155,830	782,703,583
Municipal bonds	8,911,164	8,524,179
Common stock & equity funds	5,227,218,322	4,960,020,282
Commingled funds	1,721,839,058	1,334,987,865
Preferred stock	-	-
Foreign Preferred stock	8,763,970	10,377,571
Foreign equity securities	2,301,280,852	2,506,796,371
Hedge Funds	360,744,003	831,753,718
Opportunistic Debt	225,053,335	-
Bank Loans	464,315,920	424,188,017
Real estate funds	1,594,774,574	1,601,026,564
Private Equity	706,768,270	609,298,253
Money market instruments	231,743,812	294,723,455
Real Assets	408,985,767	587,711,767
Forward foreign exchange contracts	(7,847,062)	(11,493,448)
Total Investments	18,320,775,728	17,368,102,543
Securities lending collateral	-	8,649,676
Total Assets	18,432,135,755	17,530,882,474
LIABILITIES		
Payables:		
Investment purchases	87,943,328	204,457,300
Operating expenses	7,757,978	10,951,377
Securities lending collateral obligation	-	9,175,592
Total Liabilities	95,701,306	224,584,269
Net Assets	18,336,434,449	17,306,298,205

**A full description of quarterly investments acquired showing averages and a full description of securities sold or exchanged by the Illinois State Board of Investment on behalf of the State Employees Retirement System, the General Assembly Retirement System and the Judges Retirement System is posted on the Illinois State Board of Investment Website at <http://www.isbinvestment.com> in the investments section of the website.

STATEMENTS OF CHANGES IN NET ASSETS
Illinois State Board of Investment
Twelve Months Ended June 30, 2018

	FY 2018	FY 2017
	\$	\$
ADDITIONS		
Investment income:		
Net increase in fair value of investments	957,133,839	1,527,377,348
Interest	227,060,817	256,201,121
Dividends	172,658,524	164,227,154
Securities lending income	2,041,810	1,128,627
Less securities lending rebates	(86,423)	(69,962)
Less securities lending expenses	(138,025)	(104,523)
Total net investment income	1,358,670,542	1,948,759,765
Members systems' contributions	12,300,000	19,000,000
Total additions	1,370,970,542	1,967,759,765
DEDUCTIONS		
Expenses:		
Salaries and benefits:		
Salaries	1,333,160	1,200,210
Benefits	926,593	826,128
Operating expenses:		
Rent and utilities	250,227	168,193
Audit	243,000	247,000
Other	616,023	612,428
External support:		
Custody	550,000	524,360
Consulting and professional	1,347,412	2,076,104
Investment advisors/managers	21,616,151	24,665,150
Investment services and research	326,509	260,512
Total expenses	27,209,075	30,580,085
Members systems' withdrawals	313,625,223	232,550,000
Total deductions	340,834,298	263,130,085
Increase(decrease) in net assets	1,030,136,244	1,704,629,680
Net assets at beginning of period	17,306,298,205	15,601,668,525
Net assets at end of period	18,336,434,449	17,306,298,205

ILLINOIS STATE BOARD OF INVESTMENT

<i>Member Systems' Participation</i>	General Assembly	Judges	State Employees'	Power Agency	Combined*
Member Systems' Income and Expenses Twelve Months Ended June 30, 2018	\$	\$	\$	\$	\$
Interest and dividends	1,098,601	20,954,935	376,809,271	856,534	399,719,341
Net securities lending income	5,040	95,964	1,712,497	3,861	1,817,362
Net realized gain on investments	2,550,442	48,666,023	877,102,247	1,995,681	930,314,393
Net unrealized gain (loss) on investments	60,217	1,149,030	25,563,080	47,119	26,819,446
Management expenses	(74,462)	(1,421,235)	(25,654,957)	(58,421)	(27,209,075)
Net investment income	<u>3,639,838</u>	<u>69,444,717</u>	<u>1,255,532,138</u>	<u>2,844,774</u>	<u>1,331,461,467</u>

**Member Systems' Changes in Net Assets
Twelve Months Ended June 30, 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)	-	(2,500,000)	(310,000,000)	(1,125,223)	(313,625,223)
Member systems' (contributions)	700,000	11,600,000	-	-	12,300,000
Net investment income	3,639,838	69,444,717	1,255,532,138	2,844,774	1,331,461,467
Net assets at end of period	<u>51,487,942</u>	<u>978,196,836</u>	<u>17,268,137,474</u>	<u>38,612,197</u>	<u>18,336,434,449</u>

The source of net assets of the member systems since inception at June 30, 2018, is as follows:

Member systems' net contributions (withdrawals)	(91,150,877)	(88,585,969)	(2,502,826,845)	21,965,120	(2,660,598,571)
Accumulated net investment income	<u>142,638,819</u>	<u>1,066,782,805</u>	<u>19,770,964,319</u>	<u>16,647,077</u>	<u>20,997,033,020</u>
	<u>51,487,942</u>	<u>978,196,836</u>	<u>17,268,137,474</u>	<u>38,612,197</u>	<u>18,336,434,449</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.