

# ILLINOIS STATE BOARD OF INVESTMENT

## Financial Statements

And

## Supplementary Financial Information

### Six Months Ended December 31, 2018

<u>Contents</u>	<u>Page</u>
Commingled Investment Fund:	
Statement of Net Assets	1
Statement of Changes in Net Assets	2
Notes to Financial Statements:	
Income Distributed - Fiscal Year 2019	3
Changes in Net Assets of Participating Retirement Systems – Fiscal Year 2019	3
Net Assets of Participating Retirement Systems 6/30/70-12/31/18	3

**STATEMENTS OF NET ASSETS**  
**Illinois State Board of Investment**  
**Six Months Ended December 31, 2018**

	FY 2019	FY 2018
	\$	\$
<b>ASSETS</b>		
Cash and cash equivalents	<u>7,921,203</u>	<u>13,209,354</u>
Receivables:		
Foreign taxes	8,737,012	7,691,360
Accounts receivable	-	7,308,775
Investments sold	35,863,528	276,746,548
Interest & dividends	<u>45,314,328</u>	<u>42,396,192</u>
Total Receivables	<u>89,914,868</u>	<u>334,142,875</u>
Prepaid Expenses	<u>175,356</u>	<u>197,202</u>
Capital Assets	<u>55,974</u>	<u>52,742</u>
Capital Lease	4,778	7,072
Investments at fair value:		
Government and agency obligations	3,729,177,534	3,579,638,091
Foreign obligations	308,869,921	572,796,911
Corporate obligations	998,433,542	898,791,964
Municipal bonds	7,957,773	8,144,679
Common stock & equity funds	4,588,533,660	5,269,059,855
Commingled funds	1,725,796,070	1,521,111,494
Preferred stock	-	-
Foreign Preferred stock	7,676,360	10,276,629
Foreign equity securities	2,024,260,005	2,652,372,709
Hedge Funds	175,745,809	172,574,017
Bank Loans	437,946,788	451,968,520
Real estate funds	1,740,880,021	1,585,128,081
Private Equity	679,253,697	594,583,633
Money market instruments	205,115,038	252,554,632
Real Assets	423,319,844	446,224,209
Opportunistic Debt	365,433,322	162,241,130
Forward foreign exchange contracts	-	-
Total Investments	<u>17,418,399,384</u>	<u>18,177,466,554</u>
Securities lending collateral	<u>-</u>	<u>8,566,565</u>
Total Assets	<u>17,516,471,563</u>	<u>18,533,642,364</u>
<b>LIABILITIES</b>		
Payables:		
Investment purchases	93,918,490	106,328,895
Operating expenses	13,280,673	11,679,832
Securities lending collateral obligation	-	9,092,481
Total Liabilities	<u>107,199,163</u>	<u>127,101,208</u>
Net Assets	<u>17,409,272,400</u>	<u>18,406,541,156</u>

**STATEMENTS OF CHANGES IN NET ASSETS**  
**Illinois State Board of Investment**  
**Six Months Ended December 31, 2018**

	FY 2019	FY 2018
	\$	\$
<b>ADDITIONS</b>		
<b>Investment income:</b>		
Net increase in fair value of investments	(906,211,932)	1,046,793,287
Interest	115,836,115	108,570,444
Dividends	78,052,749	75,837,087
Securities lending income	102	829,527
Less securities lending rebates	-	(52,753)
Less securities lending expenses	-	(116,179)
<b>Total net investment income</b>	<b>(712,322,966)</b>	<b>1,231,861,413</b>
Members systems' contributions	-	-
<b>Total additions</b>	<b>(712,322,966)</b>	<b>1,231,861,413</b>
<b>DEDUCTIONS</b>		
<b>Expenses:</b>		
Salaries and benefits:		
Salaries	704,651	652,148
Benefits	507,278	498,941
Operating expenses:		
Rent and utilities	183,502	96,440
Audit	130,000	-
Other	202,810	262,649
External support:		
Custody	275,000	275,000
Consulting and professional	556,473	628,166
Investment advisors/managers	10,155,390	14,001,413
Investment services and research	123,979	203,705
<b>Total expenses</b>	<b>12,839,083</b>	<b>16,618,462</b>
Members systems' withdrawals	202,000,000	115,000,000
<b>Total deductions</b>	<b>214,839,083</b>	<b>131,618,462</b>
Increase(decrease) in net assets	(927,162,049)	1,100,242,951
Net assets at beginning of period	18,336,434,449	17,306,298,205
<b>Net assets at end of period</b>	<b>17,409,272,400</b>	<b>18,406,541,156</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, 2018</b>	\$	\$	\$	\$	\$
Interest and dividends	547,488	10,401,489	182,529,311	410,576	193,888,864
Net securities lending income	-	-	102	-	102
Net realized gain on investments	849,863	16,146,113	283,940,758	637,333	301,574,067
Net unrealized gain (loss) on investments	(3,415,090)	(64,881,789)	(1,136,928,052)	(2,561,068)	(1,207,785,999)
Management expenses	(36,258)	(688,855)	(12,086,775)	(27,195)	(12,839,083)
Net investment income	<u>(2,053,997)</u>	<u>(39,023,042)</u>	<u>(682,544,656)</u>	<u>(1,540,354)</u>	<u>(725,162,049)</u>

**Member Systems' Changes in Net Assets  
Six Months Ended December 31, 2018**

Net assets at beginning of period	51,487,942	978,196,836	17,268,137,474	38,612,197	18,336,434,449
Member systems' net (withdrawals)	-	-	(202,000,000)	-	(202,000,000)
Member systems' (contributions)	-	-	-	-	-
Net investment income	(2,053,997)	(39,023,042)	(682,544,656)	(1,540,354)	(725,162,049)
Net assets at end of period	<u><b>49,433,945</b></u>	<u><b>939,173,794</b></u>	<u><b>16,383,592,818</b></u>	<u><b>37,071,843</b></u>	<u><b>17,409,272,400</b></u>

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

Member systems' net contributions (withdrawals)	(91,150,878)	(88,585,971)	(2,704,826,847)	21,965,114	(2,862,598,582)
Accumulated net investment income	140,584,824	1,027,759,763	19,088,419,667	15,106,728	20,271,870,982
	<u><b>49,433,946</b></u>	<u><b>939,173,792</b></u>	<u><b>16,383,592,820</b></u>	<u><b>37,071,842</b></u>	<u><b>17,409,272,400</b></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.