

STATEMENTS OF NET ASSETS
Illinois State Board of Investment
Nine Months Ended March 31, 2017

| | FY 2017 | FY 2016 |
|--|----------------|----------------|
| | \$ | \$ |
| ASSETS | | |
| Cash and cash equivalents | 9,224,109 | 10,558,134 |
| Receivables: | | |
| Foreign taxes | 4,207,608 | 3,562,282 |
| Accounts receivable | (1,614,427) | 928,778 |
| Investments sold | 90,733,467 | 154,465,849 |
| Interest & dividends | 40,889,512 | 38,934,907 |
| Total Receivables | 134,216,160 | 197,891,816 |
| Prepaid Expenses | 94,844 | 48,326 |
| Capital Assets | 52,741 | 41,223 |
| Capital Lease | 132 | - |
| Investments at fair value: | | |
| Government and agency obligations | 3,046,783,777 | 1,638,376,087 |
| Foreign obligations | 238,215,786 | 82,595,960 |
| Corporate obligations | 792,791,112 | 842,769,385 |
| Municipal bonds | 8,498,303 | - |
| Common stock & equity funds | 4,858,267,984 | 4,768,456,426 |
| Commingled funds | 1,267,919,905 | 592,574,801 |
| Preferred stock | - | - |
| Foreign Preferred stock | 9,939,487 | - |
| Foreign equity securities | 2,338,814,919 | 2,518,029,425 |
| Hedge Funds | 812,545,793 | 1,269,318,754 |
| Bank Loans | 349,697,918 | 634,400,267 |
| Real estate funds | 1,600,831,094 | 1,671,934,496 |
| Private Equity | 599,823,090 | 606,842,438 |
| Money market instruments | 222,057,254 | 379,742,884 |
| Real Assets | 642,860,347 | 498,794,015 |
| Forward foreign exchange contracts | - | 766,029 |
| Total Investments | 16,789,046,769 | 15,504,600,967 |
| Securities lending collateral | 9,017,413 | 17,904,069 |
| Total Assets | 16,941,652,167 | 15,731,044,535 |
| LIABILITIES | | |
| Payables: | | |
| Investment purchases | 115,909,213 | 280,599,644 |
| Operating expenses | 6,471,435 | 6,933,313 |
| Securities lending collateral obligation | 9,858,548 | 19,104,305 |
| Total Liabilities | 132,239,196 | 306,637,262 |
| Net Assets | 16,809,412,971 | 15,424,407,273 |

**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://www2.illinois.gov/isbi> in the investments section of the website.

STATEMENTS OF CHANGES IN NET ASSETS
Illinois State Board of Investment
Nine Months Ended March 31, 2017

| | FY 2017 | FY 2016 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| ADDITIONS | | |
| Investment income: | | |
| Net increase in fair value of investments | 1,072,464,148 | (629,864,041) |
| Interest | 198,031,227 | 232,451,818 |
| Dividends | 111,559,460 | 115,666,768 |
| Securities lending income | 4,050,505 | 2,660,817 |
| Less securities lending rebates | (40,875) | (40,986) |
| Less securities lending expenses | (73,156) | (261,983) |
| Total net investment income | 1,385,991,308 | (279,387,607) |
| Members systems' contributions | 7,500,000 | 5,637,155 |
| Total additions | 1,393,491,308 | (273,750,452) |
| DEDUCTIONS | | |
| Expenses: | | |
| Salaries and benefits: | | |
| Salaries | 926,182 | 948,795 |
| Benefits | 631,865 | 689,351 |
| Operating expenses: | | |
| Rent and utilities | 139,743 | 112,690 |
| Audit | - | - |
| Other | 407,556 | 179,545 |
| External support: | | |
| Custody | 247,500 | 165,000 |
| Consulting and professional | 1,582,713 | 1,056,729 |
| Investment advisors/managers | 19,065,917 | 28,200,383 |
| Investment services and research | 196,032 | 183,333 |
| Total expenses | 23,197,508 | 31,535,826 |
| Members systems' withdrawals | 162,550,000 | 116,200,000 |
| Total deductions | 185,747,508 | 147,735,826 |
| Increase(decrease) in net assets | 1,207,743,800 | (421,486,278) |
| Net assets at beginning of period | 15,601,668,525 | 15,845,893,550 |
| Net assets at end of period | 16,809,412,325 | 15,424,407,273 |

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, 2017 | | | | | |
| Interest and dividends | 832,899 | 15,629,116 | 292,475,115 | 653,557 | 309,590,687 |
| Net securities lending income | 10,291 | 199,763 | 3,718,065 | 8,354 | 3,936,473 |
| Net realized gain on investments | 758,853 | 14,669,377 | 273,867,253 | 613,421 | 289,908,904 |
| Net unrealized gain (loss) on investments | 2,105,301 | 39,498,916 | 739,299,323 | 1,651,705 | 782,555,245 |
| Management expenses | (61,979) | (1,172,109) | (21,914,405) | (49,016) | (23,197,509) |
| Net investment income | <u>3,645,365</u> | <u>68,825,063</u> | <u>1,287,445,351</u> | <u>2,878,021</u> | <u>1,362,793,800</u> |

Member Systems' Changes in Net Assets
Nine Months Ended March 31, 2017

| | | | | | |
|-----------------------------------|-------------------|--------------------|-----------------------|-------------------|-----------------------|
| Net assets at beginning of period | 42,604,438 | 785,176,163 | 14,741,054,633 | 32,833,289 | 15,601,668,523 |
| Member systems' net (withdrawals) | (2,549,999) | - | (152,500,000) | - | (155,049,999) |
| Member systems' (contributions) | - | - | - | - | - |
| Net investment income | 3,645,365 | 68,825,063 | 1,287,445,351 | 2,878,021 | 1,362,793,800 |
| Net assets at end of period | <u>43,699,804</u> | <u>854,001,226</u> | <u>15,875,999,984</u> | <u>35,711,310</u> | <u>16,809,412,324</u> |

The source of net assets of the member systems since inception at December 31, 2016, is as follows:

| | | | | | |
|---|-------------------|--------------------|-----------------------|-------------------|-----------------------|
| Member systems' net contributions (withdrawals) | (93,850,879) | (114,685,968) | (2,115,326,842) | 23,090,344 | (2,300,773,345) |
| Accumulated net investment income | 137,550,683 | 968,687,194 | 17,991,326,826 | 12,620,966 | 19,110,185,669 |
| | <u>43,699,804</u> | <u>854,001,226</u> | <u>15,875,999,984</u> | <u>35,711,310</u> | <u>16,809,412,324</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.