

Some of the Most Egregious Legacy Fund Investments

Previous open records requests of the State Investment Board have exposed highly controversial Legacy Fund investments around the world – in some 89 different countries. The latest open records request, however, now hides over \$800 million in international investments from public view.

Over the past three years, here are some of the most egregious investments the State Investment Board has made with our tax dollars in the Legacy Fund:

Russia

Russian Federation/Government Bonds – The state lost millions of dollars in the legacy fund and other pension funds when they were forced to divest from these bonds following Vladimir Putin's invasion of Ukraine. We were directly supporting Putin's government before he invaded Ukraine. The taxpayers of North Dakota have never received a full accounting of how many millions of dollars were lost in Russian government bonds.

GazCap – this is a subsidiary of Gazprom, the largest natural gas company in the world and the largest company in Russia. Besides holding Europe hostage, the company reportedly supports a mercenary force helping Putin fight his war in Ukraine.

China

Bilibili, Inc. – this online "entertainment" company has featured pornographic and pedophilic content including a 34-year old man molesting a 9-year old girl and video streaming of gynecological surgery on a woman who was unaware of the procedure being filmed and livestreamed on the company's website.

Sinopec – The Trump administration accused this company of refining oil from Iran – helping Iran get around U.S. sanctions. Under pressure, Sinopec "voluntarily" delisted its stock on the NYSE.

Chinese National Offshore Oil Company (CNNOC) Former Commerce Secretary Wilbur Ross said the company supports the Chinese military and "acts as a bully for the People's Liberation Army." The company has since been delisted from the US stock exchange.

Tencent – owns two of the world's largest social media platforms that the CCP has used to spy on its citizens and root out "unauthorized religious activity." In particular, the CCP has used Tencent to surveil its Uyghur ethnic minority and move them to Chinese concentration camps.

Pax Global Technologies – The FBI and the Department of Homeland Security raided the Florida offices of this Chinese company after reports that PAX's terminals may be involved in cyber-attacks on US and EU organizations. Bloomberg has reported that the company was transmitting encrypted data to unknown third parties in China.

APT Satellite Holdings – China recently declared space as a "military domain." Two of the largest shareholders in this company are Chinese controlled aerospace companies that both the Trump and Biden administration have warned investors away from – calling them part of the "military-industrial complex of the People's Republic of China."

China Merchants Bank – the Wall Street Journal called this bank “China’s Most Dangerous Bank” because it has hundreds of billions in “bad loans and dodgy investment products,” much of which “they have recorded off their balance sheets.”

Baidu and Weibo – Two other Chinese technology giants that have been accused of assisting the CCP with its espionage efforts to steal personal information and U.S. military secrets.

12 Chinese Real Estate/Property Development Companies – I have included these at the end of this document. Most of these companies began defaulting on their bond payments while we owned the bonds and some have since gone out of business, The point here is that we invested our legacy fund in developing the housing industry in China but not in North Dakota.

Investing in Foreign Oil and Gas Competitors

These are some of the current Legacy Fund investments in competitors to our own oil and gas industry. They are all state-owned or state-controlled companies except the Canadian one:

Saudi Arabian Oil Company
Ecopetrol (Columbia))
Petrobras Global (Brazil)
Equate (Kuwait)
Petroleos Mexicanos (Mexico)
Korea National Oil Co (South Korea)
Cenovus Energy (Canada)

Past Investments in Competitors:

Pemex (Mexico)
Sinopec (China)
Gazcap (Russia)
Qatar Petroleum (Qatar)

(Note: Because at least \$800 million is now being hidden from public view, we just don’t know what other Legacy Fund investments are being made in competitors to our own industry here in North Dakota)

International Banking Industry/Net Zero Banking Alliance – Investing in Our Own Destruction

Previously supplied list of 23 banks in 12 countries.

In-state Investment Program

All we know is that the State Investment Board has given \$38.5 million to Chicago-based 50 South Capital. They have, in turn, hired five out-of-state managers. We do not know how much money has been distributed to each of the five subcontractors or how much has been invested back into North

Dakota. Getting this information is now the subject of a request for a formal opinion from the Attorney General.

(February 26, 2022)

12 Real Estate/Property Development Companies

SIB is invested in these companies – most defaulting on their bond payments

Companies defaulting on bond payments to investors:

China Aoyuan Group
China Evergrande
Fantasia Holdings Group
Kaisa Group
Shaimo Group Holdings
Sunac China Holdings
Yuzhou Group Holdings
Zhenro Properties Group

Companies being watched for possible defaults:

Agile Group Holdings
Central China Real Estate
Country Garden Holdings
Times China Holdings

While we were invested in the bonds of these companies, not the stocks, it is still important to note that the stock prices of these companies have declined by an average of 77% over the last year. The stock prices point to the viability of these companies going forward.