

and to facilitate portfolio diversification. We use credit default swaps as they are a low-cost method of managing exposure to individual credit risks or groups of credit risks. As of June 30, 2018, the total notional amounts of credit contracts purchased and sold were \$4 million and \$82 million, respectively. As of June 30, 2017, the total notional amounts of credit contracts purchased and sold were \$267 million and \$63 million, respectively.

Credit-Risk-Related Contingent Features

Certain of our counterparty agreements for derivative instruments contain provisions that require our issued and outstanding long-term unsecured debt to maintain an investment grade credit rating and require us to maintain minimum liquidity of \$1.0 billion. To the extent we fail to meet these requirements, we will be required to post collateral, similar to the standard convention related to over-the-counter derivatives. As of June 30, 2018, our long-term unsecured debt rating was AAA, and cash investments were in excess of \$1.0 billion. As a result, no collateral was required to be posted.

Fair Values of Derivative Instruments

The following table presents the fair values of derivative instruments designated as hedging instruments ("designated hedge derivatives") and not designated as hedging instruments ("non-designated hedge derivatives"). The fair values exclude the impact of netting derivative assets and liabilities when a legally enforceable master netting agreement exists and fair value adjustments related to our own credit risk and counterparty credit risk:

(In millions)	Assets				Liabilities	
	Short-term Investments	Other Current Assets	Equity and Other Investments	Other Long-term Assets	Other Current Liabilities	Other Long-term Liabilities
June 30, 2018						
Non-designated Hedge Derivatives						
Foreign exchange contracts	\$ 10	\$ 221	\$ 0	\$ 25	\$ (193)	\$ (4)
Equity contracts	2	0	0	0	(7)	0
Interest rate contracts	11	0	0	0	(2)	0
Credit contracts	0	0	0	0	(1)	0
Total	<u>\$ 23</u>	<u>\$ 221</u>	<u>\$ 0</u>	<u>\$ 25</u>	<u>\$ (203)</u>	<u>\$ (4)</u>
Designated Hedge Derivatives						
Foreign exchange contracts	\$ 95	\$ 174	\$ 0	\$ 0	\$ 0	\$ 0
Equity contracts	0	0	0	0	0	0
Total	<u>\$ 95</u>	<u>\$ 174</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total gross amounts of derivatives	<u>\$ 118</u>	<u>\$ 395</u>	<u>\$ 0</u>	<u>\$ 25</u>	<u>\$ (203)</u>	<u>\$ (4)</u>
Gross derivatives either offset or subject to an enforceable master netting agreement	\$ 113	\$ 395	\$ 0	\$ 25	\$ (203)	\$ (4)
Gross amounts of derivatives offset on the balance sheet	(14)	(135)	0	(3)	150	3
Net amounts presented on the balance sheet	99	260	0	22	(53)	(1)
Gross amounts of derivatives not offset on the balance sheet	0	0	0	0	0	0
Cash collateral received	0	0	0	0	(235)	0
Net amount	<u>\$ 99</u>	<u>\$ 260</u>	<u>\$ 0</u>	<u>\$ 22</u>	<u>\$ (288)</u>	<u>\$ (1)</u>