

The following table presents the fair value of our derivatives instruments on a gross basis:

(In millions)	Level 1	Level 2	Level 3	Total
June 30, 2019				
Derivative assets	\$ 0	\$ 247	\$ 3	\$ 250
Derivative liabilities	0	(272)	0	(272)
June 30, 2018				
Derivative assets	1	535	2	538
Derivative liabilities	(1)	(206)	0	(207)

Fair Value Hedge Gains (Losses)

We recognized in other income (expense), net the following gains (losses) on contracts designated as fair value hedges and their related hedged items:

(In millions)			
Year Ended June 30,	2019	2018	2017
Foreign Exchange Contracts			
Derivatives	\$ 38	\$ 25	\$ 441
Hedged items	130	78	(386)
Total amount of ineffectiveness	<u>\$ 168</u>	<u>\$ 103</u>	<u>\$ 55</u>
Equity Contracts			
Derivatives	\$ 0	\$ (324)	\$ (74)
Hedged items	0	324	74
Total amount of ineffectiveness	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Amount of equity contracts excluded from effectiveness assessment	\$ 0	\$ 80	\$ (80)

Cash Flow Hedge Gains (Losses)

We recognized the following gains (losses) on foreign exchange contracts designated as cash flow hedges:

(In millions)			
Year Ended June 30,	2019	2018	2017
Effective Portion			
Gains recognized in other comprehensive income (loss), net of tax of \$1, \$11, and \$4	\$ 159	\$ 219	\$ 328
Gains reclassified from accumulated other comprehensive income (loss) into revenue	341	185	555
Amount Excluded from Effectiveness Assessment and Ineffective Portion			
Losses recognized in other income (expense), net	(64)	(255)	(389)

We do not have any net derivative gains included in AOCI as of June 30, 2019 that will be reclassified into earnings within the following 12 months. No significant amounts of gains (losses) were reclassified from AOCI into earnings as a result of forecasted transactions that failed to occur during fiscal year 2019.